SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K

(Mark One)

[X] ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended DECEMBER 31, 1999

OR

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

For the transaction period from __________ to __________

Commission file number 0-26128

NORTHWEST INDIANA BANCORP
(Exact name of registrant as specified in its charter)

INDIANA	35-1927981
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
9204 COLUMBIA AVENUE MUNSTER, INDIANA	46321
(Address of principal executive offices)	(Zip Code)

(219) 836-9690
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:
NONE
Securities registered pursuant to Section 12(g) of the Act:
COMMON STOCK, WITHOUT PAR VALUE

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 [X] No [ ]

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of Registrant's knowledge in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [ ]

Based on the average bid and ask prices for the registrant's Common Stock at February 29, 2000, at that date, the aggregate market value of the registrant's Common Stock held by nonaffiliates of the registrant (assuming solely for the purposes of this calculation that all directors and executive officers of the registrant are "affiliates") was $40,887,259.

There were 2,727,403 shares of the registrant's Common Stock, without par value, outstanding at February 29, 2000.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the following documents have been incorporated by reference into this Annual Report on Form 10-K:

1. 1999 Annual Report to Shareholders. (Parts II and IV)

2. Definitive Proxy Statement for the 2000 Annual Meeting of Shareholders. (Part III)

PART I

ITEM 1. BUSINESS

GENERAL

NorthWest Indiana Bancorp, an Indiana corporation (the "Bancorp"), was incorporated on January 31, 1994, and is the holding company for Peoples Bank SB (the "Bank"), the resulting Indiana savings bank in the conversion of Peoples Bank from a federal stock savings bank to an Indiana stock savings bank. Pursuant to the conversion, on July 31, 1994, all of the outstanding stock of Peoples Bank was converted into shares of Common Stock, without par value, of the Bancorp. As a result, Peoples Bank SB is a wholly owned subsidiary of the Bancorp. The Bancorp has no other business activity other than being the holding company for Peoples Bank SB.

The Bank is primarily engaged in the business of attracting deposits from the general public and the origination of loans, mostly upon the security of single family residences and commercial real estate, as well as, construction loans and various types of consumer loans and commercial business loans, within its primary market area of Lake County, in northwest Indiana. In addition, the Bank's trust department provides estate administration, estate planning, guardianships, land trusts, retirement planning, self-directed IRA and Keogh accounts, investment agency accounts, and serves as personal representative of estates and acts as trustee for revocable and irrevocable trusts.

The Bank's deposit accounts are insured up to applicable limits by the Savings Association Insurance Fund ("SAIF") which is administered by the Federal Deposit Insurance Corporation ("FDIC"), an agency of the federal government. As the holding company for the Bank, the Bancorp is subject to comprehensive examination, supervision and regulation by the Board of Governors of the Federal Reserve System ("FRB"), while the Bank is subject to comprehensive examination, supervision and regulation by both the FDIC and the Indiana Department of Financial Institutions ("DFI"). The Bank is also subject to regulation by the FRB governing reserves required to be maintained against certain deposits and other matters. The Bank is also a member of the Federal Home Loan Bank ("FHLB") of Indianapolis, which is one of the twelve regional banks comprising the system of Federal Home Loan Banks ("FHLB System").

The Bancorp maintains its corporate office at 9204 Columbia Avenue, Munster, Indiana, from which it oversees the operation of its seven branch locations. For further information, see "Properties."

FORWARD-LOOKING STATEMENTS

Statements contained in this filing on Form 10-K that are not historical facts are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. The words or phrases "would be," "will allow," "intends to," "will likely result," "are expected to," "will continue," "is anticipated," "estimate," "project," or similar expressions are also intended to identify "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act. The Bancorp cautions readers that forward-looking statements, including without limitation those relating to the Bancorp's future business prospects, interest income and expense, net income, liquidity, and capital needs are subject to certain risks and uncertainties that could cause actual results to differ materially from those indicated in the forward-looking statements, due to, among other things, factors identified in this filing, including the following:

REGULATORY RISK. The banking industry is heavily regulated. These regulations are intended to protect depositors, not shareholders. As discussed above, the Bank and Bancorp are subject to regulation and supervision by the DFI, FDIC, and FRB. The burden imposed by federal and state regulations puts banks at a competitive disadvantage compared to less regulated competitors such as finance companies, mortgage banking companies and leasing companies. The banking industry continues to lose market share to competitors.

LEGISLATION. Because of concerns relating to the competitiveness and the safety and soundness of the industry, Congress continues to consider a number of wide-ranging proposals for altering the structure, regulation, and competitive relationships of the nation's financial institutions. Among such bills are proposals to combine banks and thrifts under a unified charter, to combine regulatory agencies, and to further expand the powers of depository institutions, bank holding companies, and competitors of depository institutions. Management cannot predict whether or in what form any of these proposals will be adopted or the extent to which the business of the Bancorp or the Bank may be affected thereby.

CREDIT RISK. One of the greatest risks facing lenders is credit risk, that is, the risk of losing principal and interest due to a borrower's failure to perform according to the terms of a loan agreement. While management attempts to provide an allowance for loan losses at a level adequate to cover losses based on loan portfolio growth, past loss experience, general economic conditions, information about specific borrower situations, and other factors, future adjustments to reserves may become necessary, and net income could be significantly affected, if circumstances differ substantially from assumptions used with respect to such factors.

EXPOSURE TO LOCAL ECONOMIC CONDITIONS. The Bank's primary market area for deposits and loans encompasses Lake County, in northwest Indiana, where

all of its offices are located. Ninety-five percent of the Bank's business activities are within this area. This concentration exposes the Bank to risks resulting from changes in the local economy. A dramatic drop in local real estate values would, for example, adversely affect the quality of the Bank's loan portfolio.

INTEREST RATE RISK. The Bancorp's earnings depend to a great extent upon the level of net interest income, which is the difference between interest income earned on loans and investments and the interest expense paid on deposits and other borrowings. Interest rate risk (IRR) is the risk that the earnings and capital will be adversely affected by changes in interest rates. While the Bancorp attempts to adjust its asset/liability mix in order to limit the magnitude of interest rate risk, IRR management is not an exact science. Rather, it involves estimates as to how changes in the general level of interest rates will impact the yields earned on assets and the rates paid on liabilities. Moreover, rate changes can vary depending upon the level of rates and competitive factors. From time to time, maturities of assets and liabilities are not balanced, and a rapid increase or decrease in interest rates could have an adverse effect on net interest margins and results of operations of the Bancorp. To moderate unfavorable operating results in periods of rising or high interest rates, the Bancorp restructures its asset-liability mix on an ongoing basis. Increasing the amount of interest-earning assets that are rate sensitive, extending the maturities of customer deposits, increasing the balances of checking/NOW accounts and utilizing cost effective borrowings are all part of management's commitment toward reducing the Bancorp's overall vulnerability to interest rate risk. While these steps may reduce the overall vulnerability to interest rate risk, the Bancorp will still be adversely affected by a rising or high interest rate environment, and is beneficially affected by a falling or low interest rate environment because rate sensitive liabilities exceed rate sensitive assets within a one year time period. Further discussion of interest rate risk can be found under the caption "Asset/Liability Management and Market Risk" in the Management's Discussion and Analysis of Financial Condition and Results of Operations section of the Bancorp's 1999 Annual Report to Shareholders.

COMPETITION. The activities of the Bancorp and the Bank in the geographic market served involve competition with other banks as well as with other financial institutions and enterprises, many of which have substantially greater resources than those available to the Bancorp. In addition, non-bank competitors are generally not subject to the extensive regulation applicable to the Bancorp and the Bank.

LENDING ACTIVITIES

GENERAL. The Bancorp's product offerings include residential mortgage loans, construction loans, commercial real estate loans, consumer loans and commercial business loans. Over the years, the Bancorp has directed its lending efforts toward the origination of loans with adjustable rates and/or shorter terms to maturity. Product offerings include adjustable rate residential and commercial mortgages, commercial business loans tied to the prime interest rate, variable rate home equity lines of credit and consumer loans. It is management's goal that all programs are marketed aggressively and priced competitively.

The Bancorp is primarily a portfolio lender. Mortgage banking activities are limited to the sale of fixed rate mortgage loans with contractual maturities of twenty-five years or longer. These loans are sold, on a case-by-case basis, in the secondary market as part of the Bancorp's efforts to manage interest rate risk. All loan sales are made to the Federal Home Loan

Mortgage Corporation ("FHLMC"). Loans are sold in the secondary market with servicing retained by the Bancorp. All loans held for sale are recorded at the lower of cost or market value.

Under Indiana Law, an Indiana stock savings bank generally may not make any loan to a borrower or its related entities if the total of all such loans by the savings bank exceeds 15% of its unimpaired capital and unimpaired surplus (plus up to an additional 10% of unimpaired capital and unimpaired surplus, in the case of loans fully collateralized by readily marketable collateral); provided, however, that certain specified types of loans are exempted from these limitations or subject to different limitations. The maximum amount which the Bank could have loaned to one borrower and the borrower's related entities at December 31, 1999, under the 15% of capital and surplus limitation was approximately $5,367,000. At December 31, 1999, the Bank had no loans that exceeded the regulatory limitations.

At December 31, 1999, there were no concentrations of loans in any type of industry that exceeded 10% of total loans that were not otherwise disclosed as a loan category.

LOAN PORTFOLIO. The following table sets forth selected data relating to the composition of the Bancorp's loan portfolio by type of loan and type of collateral at the end of each of the last five years. The amounts are stated in thousands (000's).

<TABLE>
<CAPTION>

	1999	1998	1997	1996	1995
<S>	<C>	<C>	<C>	<C>	<C>
Type of loan:					
Conventional real estate loans:					
Construction and development loans	$ 14,847	$ 19,211	$ 21,440	$ 13,248	$ 8,913
Loans on existing properties (1)	240,862	220,755	221,482	208,601	194,779
Consumer loans	10,449	10,187	5,661	4,890	3,527
Commercial business, other(2)	29,655	23,280	23,630	17,957	15,074
Loans receivable(3)	$ 295,813	$ 273,433	$ 272,213	$ 244,696	$ 222,293
Type of collateral:					
Real estate:					
1-to-4 family	$ 175,963	$ 172,949	$ 178,091	$ 164,590	$ 152,485
Other dwelling units, land and commercial real estate	79,746	67,018	64,831	57,259	51,207
Consumer loans	10,177	9,887	5,410	4,619	3,335
Commercial business, other(2)	27,374	21,433	21,712	16,306	13,893
Loans receivable (4)	$ 293,260	$ 271,287	$ 270,044	$ 242,774	$ 220,920
Average loans outstanding during the period (3)	$ 286,580	$ 271,406	$ 254,219	$ 232,465	$ 221,352

<FN>

(1) Includes construction loans converted to permanent loans and commercial real estate loans.
(2) Includes government loans and overdrafts to deposit accounts.
(3) Net of unearned income and deferred loan fees.
(4) Net of unearned income and deferred loan fees. Does not include unsecured loans.

</TABLE>

LOAN ORIGINATIONS, PURCHASES AND SALES. Set forth below is a table showing loan origination, purchase and sale activity for each of the last three years. The amounts are stated in thousands (000's).
<TABLE>
<CAPTION>

	1999	1998	1997
<S>	<C>	<C>	<C>
Loans originated:			
Conventional real estate loans:			
Construction and development loans	$ 13,128	$ 9,683	$ 13,168
Loans on existing property	43,335	29,448	23,461
Loans refinanced	7,981	10,961	14,824
Total conventional real estate loans originated	64,444	50,092	51,453
Commercial business loans	84,854	59,646	60,944
Consumer loans	5,829	6,519	4,591
Total loans originated	$155,127	$116,257	$116,988
Loan participations purchased	$ 300	$ 5,238	$ 3,240
Whole loans and participations sold	$ 3,214	$ 3,785	$ 1,820

</TABLE>

LOAN MATURITY SCHEDULE. The following table sets forth certain information at December 31, 1999 regarding the dollar amount of loans in the Bancorp's portfolio based on their contractual terms to maturity. Demand loans, loans having no schedule of repayments and no stated maturity, and overdrafts are reported as due in one year or less. Contractual principal repayments of loans do not necessarily reflect the actual term of the loan portfolio. The average life of mortgage loans is substantially less than their contractual terms because of loan prepayments and because of enforcement of due-on-sale clauses, which give the Bancorp the right to declare a loan immediately due and payable in the event, among other things, that the borrower sells the property subject to the mortgage. The amounts are stated in thousand's (000's).
<TABLE>
<CAPTION>

	Maturing			
	Within one year	After one but within five years	After five years	Total
<S>	<C>	<C>	<C>	<C>
Real estate loans	$ 40,124	$ 67,608	$147,977	$255,709
Consumer loans	6,537	3,642	270	10,449
Commercial business loans	18,582	8,006	3,067	29,655
Total loans receivable	$ 65,243	$ 79,256	$151,314	$295,813

</TABLE>

The table below sets forth the dollar amount of all loans due after one year from December 31, 1999 which have predetermined interest rates or have floating or adjustable interest rates. The amounts are stated in thousands (000's).

	Predetermined rates	Floating or adjustable rates	Total
Real estate loans	$103,234	$112,351	$215,585

Consumer loans	3,910	2	3,912
Commercial business loans	4,963	6,110	11,073
Total	$112,107	$118,463	$230,570

LENDING AREA. The primary lending area of the Bancorp encompasses all of Lake County in northwest Indiana, where a majority of loan activity is concentrated. The Bancorp is also an active lender in Porter, LaPorte, Newton and Jasper counties in Indiana. During the past 15 years, the communities of Munster, Highland, Crown Point, Dyer, St. John, Merrillville and Schererville have experienced rapid growth and, therefore, have provided the greatest lending opportunities. At December 31, 1999 the housing vacancy rate in the Bancorp's primary lending area was below 5%.

LOAN ORIGINATION FEES. All loan origination and commitment fees, as well as incremental direct loan origination costs, are deferred and amortized into income as yield adjustments over the contractual lives of the related loans.

LOAN ORIGINATION PROCEDURE. The primary sources for loan originations are referrals from commercial customers, real estate brokers and builders, solicitations by the Bancorp's lending staff, and advertising of loan programs and rates. The Bancorp employs no staff appraisers. All appraisals are performed by fee appraisers that have been approved by the Board of Directors and who meet all federal guidelines and state licensing and certification requirements.

Designated officers have authorities, established by the Board of Directors, to approve loans. Loans from $600,000 to $1,000,000 are approved by the loan officers loan committee. Loans from $1,000,000 to $2,000,000 are approved by the senior officers loan committee. All loans in excess of $2,000,000, up to the legal lending limit of the Bank, must be approved by the Bank's Board of Directors or its Executive Committee. (All members of the Bank's Board of Directors and Executive Committee are also members of the Bancorp's Board of Directors and Executive Committee, respectively.) Peoples Bank will not extend credit to any of its executive officers, directors, or principal shareholders or to any related interest of that person in an amount that, when aggregated with all other extensions of credit to that person, exceeds $500,000 unless: (1) the extension of credit has been approved in advance by a majority of the entire Board of Directors of the Bank, and (2) the interested party has abstained from participating directly or indirectly in the voting.

All loans secured by personal property must be covered by insurance in an amount sufficient to cover the full amount of the loan. All loans secured by real estate must be covered by insurance in an amount sufficient to cover the full amount of the loan or restore the property to its original state. First mortgage loans must be covered by a lenders title insurance policy in the amount of the loan.

THE CURRENT LENDING PROGRAMS

RESIDENTIAL MORTGAGE LOANS. The primary lending activity of the Bancorp has been the granting of conventional mortgage loans to enable borrowers to purchase existing homes, refinance existing homes, or construct new homes. The residential loan portfolio also includes loans on two-to-four family dwellings. Conventional loans are made up to a maximum of 97% of the purchase price or appraised value, whichever is less. For loans made in excess of 80% of value, private mortgage insurance is required in an amount sufficient to reduce the Bancorp's exposure to 80% or less of the appraised value of the property. Loans insured by private mortgage insurance companies can be made for up to 97% of value. During 1999 over 90% of mortgage loans closed were conventional loans with borrowers having 20% or more equity in the property. This type of loan does not require private mortgage insurance because of the borrower's level of equity investment.

Fixed-rate loans currently being originated, generally conform to FHLMC guidelines for loans purchased under the one-to-four family program. Loan interest rates are determined based on secondary market yield requirements and local market conditions. Fixed rate mortgage loans with contractual maturities of twenty-five years or longer have been sold and/or classified as held for sale to control exposure to interest rate risk.

The 15 year mortgage loan program has gained wide acceptance in the Bancorp's primary market area. As a result of the shortened maturity of the 15 year loan, the product has been priced below the comparable 30 year loan offering. Mortgage applicants for the 15 year loan tend to have a larger than normal down payment; this, coupled with the larger principal and interest payment amount, has caused the 15 year mortgage loan portfolio to consist, to a significant extent, of second time home buyers whose underwriting qualifications tend to be above average.

The Bancorp has offered Adjustable Rate Mortgage Loans ("ARMs") since 1984. The "Mini-Fixed ARM" has been very popular with Bancorp customers. The "Mini-Fixed" mortgage reprices annually after a three, five or seven year period. ARM originations totaled $24.9 million for 1999, $16.9 million for 1998, and $23.6 million for 1997. During 1999, ARMs represented 48% of total mortgage loan originations. The ability of the Bancorp to successfully market ARM's depends upon loan demand, prevailing interest rates, volatility of

interest rates, public acceptance of such loans, and terms offered by competitors.

CONSTRUCTION LOANS. Construction loans on residential properties are made primarily to individuals and contractors who are under contract with individual purchasers. These loans are personally guaranteed by the borrower. The maximum loan to value ratio is 80% of either the current appraised value or the cost of construction, whichever is less. Residential construction loans are typically made for periods of six months to one year.

Loans are also made for the construction of commercial properties. All such loans are made in accordance with well defined underwriting standards, subject to prior lease of the mortgaged property and a confirmed end-loan takeout. In most cases, these loans are personally guaranteed by the borrower. In general, loans made do not exceed 75% of the appraised value of the property. Commercial construction loans are typically made for periods not to exceed two years or date of occupancy, whichever is less.

COMMERCIAL REAL ESTATE LOANS. Commercial real estate loans are typically made to a maximum of 75% of the appraised value. Such loans are generally made on an adjustable rate basis. These loans are typically made for terms of 15 to 20 years. Loans with an amortizing term exceeding 20 years normally have a balloon feature calling for a full repayment within seven to ten years from the date of the loan. The balloon feature affords the Bancorp the opportunity to restructure the loan if economic conditions so warrant. Commercial real estate loans include loans secured by commercial rental units, apartments, condominium developments, small shopping centers, commercial/industrial properties, and other retail and commercial developments.

While commercial real estate lending is generally considered to involve a higher degree of risk than single-family residential lending due to the concentration of principal in a limited number of loans and the effects of general economic conditions on real estate developers and managers, the Bancorp has endeavored to reduce this risk in several ways. In originating commercial real estate loans, the Bancorp considers the feasibility of the project, the financial strength of the borrowers and lessees, the managerial ability of the borrowers, the location of the project and the economic environment. Management evaluates the debt coverage ratio and analyzes the reliability of cash flows, as well as the quality of earnings. All such loans are made in accordance with well defined underwriting standards and are generally supported by personal guarantees which represent a secondary source of repayment.

Loans for the construction of commercial properties are generally located within an area permitting physical inspection and regular review of business records. Projects financed outside of the Bancorp's primary lending

area generally involve borrowers and guarantors who are or were previous customers of the Bancorp.

CONSUMER LOANS. The Bancorp offers consumer loans to individuals for most personal, household or family purposes. Consumer loans are either secured by adequate collateral, or unsecured. Unsecured loans are based on the strength of the applicant's financial condition. All borrowers must meet current underwriting standards. The consumer loan program includes both fixed and variable rate products. The Bancorp purchases indirect dealer paper from various well established businesses in its immediate banking area.

HOME EQUITY LINE OF CREDIT. The Bancorp offers "Prime Line", a revolving line of credit secured by the equity in the borrower's home. The offering, which is tied to the prime rate of interest, requires borrowers to repay 1.5% of their outstanding balance each month. In most cases, Prime Line loans will require a second mortgage appraisal and a second mortgage lenders title insurance policy. Loans are made up to a maximum of 80% of the appraised value of the property less any outstanding liens.

HOME IMPROVEMENT LOANS AND EQUITY LOANS--FIXED TERM. Home improvement and equity loans are made up to a maximum of 80% of the appraised value of the improved property, less any outstanding liens. These loans are offered on both a fixed and variable rate basis with a maximum term of 120 months. All home equity loans are made on a direct basis to borrowers.

COMMERCIAL BUSINESS LOANS. Although the Bancorp's priority in extending various types of commercial business loans changes from time to time, the basic considerations in determining the makeup of the commercial business loan portfolio are economic factors, regulatory requirements and money market conditions. The Bancorp seeks commercial loan relationships from the local business community and from its present customers. Conservative lending policies based upon sound credit analysis governs the extension of commercial credit. The following loans, although not inclusive, are considered preferable for the Bancorp's commercial loan portfolio: loans collateralized by liquid assets; loans secured by general use machinery and equipment; secured short-term working capital loans to established businesses; short-term loans with established sources of repayment and secured by sufficient equity and real estate; and unsecured loans to customers whose character and capacity to repay are firmly established.

NON-PERFORMING ASSETS, ASSET CLASSIFICATION AND PROVISION FOR LOAN LOSSES

Loans are reviewed on a regular basis and are generally placed on a non-accrual status when, in the opinion of management, serious doubt exists as to the collectibility of a loan. Loans are generally placed on non-accrual status when either principal or interest is 90 days or more past due. Consumer loans are generally charged off when the loan becomes over 120 days delinquent. Interest accrued and unpaid at the time a loan is placed on non-accrual status is charged against interest income. Subsequent payments are either applied to the outstanding principal balance, tax and insurance reserve, or recorded as interest income, depending on the assessment of the ultimate collectibility of the loan.

The Bancorp's mortgage loan collection procedures provide that, when a mortgage loan is 15 days or more delinquent, the borrower will be contacted by mail and payment requested. If the delinquency continues, subsequent efforts will be made to contact the delinquent borrower. In certain instances, the Bancorp will recast the loan or grant a limited moratorium on loan payments to enable the borrower to reorganize their financial affairs. If the loan continues in a delinquent status for 60 days, the Bancorp will generally initiate foreclosure proceedings. Any property acquired as the result of foreclosure or by voluntary transfer of property made to avoid foreclosure is classified as foreclosed real estate until such time as it is sold or otherwise disposed of by the Bancorp. Foreclosed real estate is recorded at fair value at the date of foreclosure. At foreclosure, any write-down of the property is charged to the allowance for loan losses. Costs relating to improvement of property are capitalized, whereas holding costs are expensed. Valuations are periodically performed by management, and an allowance for losses is established by a charge to operations if the carrying value of a property exceeds its estimated fair value less selling costs. Subsequent gains or losses on disposition, including expenses incurred in connection with the disposition, are charged to operations. Collection procedures for consumer loans provide that when a consumer loan becomes ten days delinquent, the borrower will be contacted by mail and payment requested. If the delinquency continues, subsequent efforts will be made to contact the delinquent borrower. In certain instances, the Bancorp may grant a payment deferral. If a loan continues delinquent after 90 days and all collection efforts have been exhausted, the Bancorp will initiate legal proceedings. Collection procedures for commercial business loans provide that when a commercial loan becomes ten days delinquent, the borrower will be contacted by mail and payment requested. If the delinquency continues, subsequent efforts will be made to contact the delinquent borrower pursuant to the commercial loan collection policy. In certain instances, the Bancorp may grant a payment deferral or restructure the loan. Once it has been determined that collection efforts are unsuccessful, the Bancorp will initiate legal proceedings.

The table that follows sets forth information with respect to the

Bancorp's non-performing assets at December 31, for the periods indicated. During the periods shown, the Bancorp had no troubled debt restructurings which involve forgiving a portion of interest or principal on any loans or making loans at a rate materially less than market rates. The amounts are stated in thousands (000's).

<TABLE>
<CAPTION>

	1999	1998	1997	1996	1995
Loans accounted for on a non-accrual basis:					
<S>	<C>	<C>	<C>	<C>	<C>
Real estate:					
Residential	$ 565	$ 636	$ 715	$ 583	$ 361
Commercial	--	131	44	45	--
Commercial business	--	69	56	111	--
Consumer	--	18	151	49	11
Total	$ 565	$ 854	$ 966	$ 788	$ 372
Accruing loans which are contractually past due 90 days or more:					
Real estate:					
Residential	$ 235	$ 429	$ 220	$ 373	$ 637
Commercial	3	--	--	--	--
Commercial business	--	188	--	5	--
Consumer	--	--	6	1	46
Total	$ 238	$ 617	$ 226	$ 379	$ 683
Total of non-accrual and 90 days past due	$ 803	$1,471	$1,192	$1,167	$1,055
Ratio of non-performing loans to total assets	0.22%	0.43%	0.37%	0.39%	0.38%
Ratio of non-performing loans to total loans	0.27%	0.54%	0.44%	0.48%	0.47%
Foreclosed real estate	$ --	$ 32	$ 259	$ 189	$ 86
Ratio of foreclosed real estate to total assets	0.00%	0.01%	0.08%	0.06%	0.03%

</TABLE>

During 1999, gross interest income of $69,687 would have been recorded on loans accounted for on a non-accrual basis if the loans had been current throughout the period. Interest on such loans included in income during the period amounted to $27,981.

Federal regulations require savings banks to classify their own loans and to establish appropriate general and specific allowances, subject to regulatory review. These regulations are designed to encourage management to evaluate loans on a case-by-case basis and to discourage automatic classifications. Loans classified as substandard or doubtful must be evaluated by management to determine loan loss reserves. Loans classified as

loss must either be written off or reserved for by a specific allowance. Amounts reported in the general loan loss reserve are included in the calculation of the Bancorp's total risk-based capital requirement (to the extent that the amount does not exceed 1.25% of total risk-based assets), but are not included in tier-one leverage ratio calculations, tier-one risk-based capital requirements, or in capital under Generally Accepted Accounting Principles ("GAAP"). Amounts reserved for by a specific allowance are not counted toward capital for purposes of any of the regulatory capital requirements. At December 31, 1999, $689 thousand of the Bancorp's loans were classified as substandard. The total represents 18 loans. No loans were classified as doubtful or loss.

Because some loans may not be repaid in accordance with contractual agreements, an allowance for loan losses ("ALL") is maintained. Because estimating the risk of loss and the amount of loss on any loan is necessarily subjective, the ALL is maintained by management at a level considered adequate to cover losses based on loan portfolio growth, past loss experience, general economic conditions, information about specific borrower situations including their financial position and collateral values, and other factors and estimates which are subject to change over time. Although management believes that it uses the best information available to make such estimations, future adjustments to the ALL may be necessary, and net income could be significantly affected, if circumstances differ substantially from the assumptions used in making the initial estimations. While management may periodically allocate portions of the allowance for specific problem loans, the whole allowance is available for any loan charge-offs that occur. A loan is charged-off against the allowance by management as a loss when deemed uncollectible, although collection efforts continue and future recoveries may occur. The allocation of the ALL reflects consideration of the facts and circumstances that affect the repayment of individual loans, as well as, loans which have been pooled as of the evaluation date, with particular attention given to loans which have been classified as substandard, doubtful or loss.

At December 31, 1999, management of the Bancorp is of the opinion that there are no loans, except those discussed above, where known information about possible credit problems of borrowers causes management to have serious doubts as to the ability of such borrowers to comply with the present loan repayment terms and which may result in disclosure of such loans as nonaccrual, past due or restructured loans.

Also, at December 31, 1999, there are no other interest bearing assets that would be required to be disclosed as nonaccrual, past due, restructured or potential problem if such assets were loans.

The table that follows sets forth the allowance for loan losses and related ratios for the periods indicated. There were no charge-offs or recoveries of real estate construction loans or commercial real estate loans during the periods presented. The amounts are stated in thousands (000's).

<TABLE>
<CAPTION>

	1999	1998	1997	1996	1995
<S>	<C>	<C>	<C>	<C>	<C>
Balance at beginning of period	$ 3,132	$ 3,074	$ 2,887	$ 2,830	$ 2,751
Loans charged-off:					
Real estate - residential	(16)	(38)	(9)	(28)	--
Commercial business	--	(20)	(19)	--	--
Consumer	(17)	(10)	(6)	--	(2)
Total charge-offs	(33)	(68)	(34)	(28)	(2)
Recoveries:					
Commercial business	10	9	--	--	--
Consumer	--	7	--	--	1
Total recoveries	10	16	--	--	1
Net (charge-offs)/recoveries	(23)	(52)	(34)	(28)	(1)
Provision for loan losses	200	110	221	85	80
Balance at end of period	$ 3,309	$ 3,132	$ 3,074	$ 2,887	$ 2,830
ALL to loans outstanding	1.12%	1.14%	1.13%	1.18%	1.27%
ALL to nonperforming loans	412.1%	212.9%	257.8%	247.4%	268.3%
Net charge-offs/recoveries					

to average loans outstanding during the period	0.01%	0.02%	0.01%	0.01%	0.00%

</TABLE>

The table below shows the allocation of the allowance for loan losses at December 31, for the dates indicated. The dollar amounts are stated in thousands (000's). The percent columns represent the percentage of loans in each category to total loans.

<TABLE>
<CAPTION>

	1999		1998		1997		1996		1995	
	$	%	$	%	$	%	$	%	$	%
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Real estate loans:										
Residential	302	54.5	302	56.7	322	57.5	372	61.8	372	64.6
Commercial and other dwelling	1,106	27.0	953	24.0	932	23.8	880	23.4	860	23.0
Construction and development	275	5.0	268	7.1	268	7.9	153	5.4	130	4.0
Consumer loans	200	3.5	196	3.7	153	2.1	110	2.0	110	1.6
Commercial business and other	932	10.0	630	8.5	630	8.7	650	7.4	650	6.8
Unallocated	494		783		769		722		708	
Total	3,309	100.0	3,132	100.0	3,074	100.0	2,887	100.0	2,830	100.0

</TABLE>

INVESTMENT ACTIVITIES

The primary objective of the investment portfolio is to provide for the liquidity needs of the Bancorp and to contribute to profitability by providing a stable flow of dependable earnings. Securities are classified as either held-to-maturity (HTM) or available-for-sale (AFS) at the time of purchase.

No securities are classified as trading investments. At December 31, 1999, AFS securities totaled $24.2 million or 60.2% of total securities. The AFS portfolio permits the active management of the Bancorp's liquidity position. On October 1, 1998, the Bancorp adopted Statement of Financial Accounting Standard (SFAS) No. 133, Accounting for Derivative Instruments and Hedging Activities. During 1999, the Bancorp did not have derivative instruments and was not involved in hedging activities as defined by SFAS No. 133. It has been the policy of the Bancorp to invest its excess cash in U.S. government securities and federal agency obligations. In addition, short-term funds are generally invested as interest-bearing balances in financial institutions and federal funds. At December 31, 1999, the Bancorp's investment portfolio totaled $40.2 million. In addition, the Bancorp had $1.8 million in FHLB stock.

The table below shows the carrying values of the components of the investment securities portfolio at December 31, on the dates indicated. The amounts are stated in thousands (000's).
<TABLE>
<CAPTION>

	1999	1998	1997
<S>	<C>	<C>	<C>
U.S. government securities:			
Available-for-sale	$ 4,993	$ 7,669	$ --
Held-to-maturity	--	--	6,537
U.S. government agencies:			
Available-for-sale	19,178	12,853	--

Held-to-maturity	15,228	13,074	19,648
Mortgage-backed securities(1)	755	1,059	1,531
Totals	$40,154	$34,655	$27,716

(1) Mortgage-backed securities are classified as held-to-maturity.
</TABLE>

The contractual maturities and weighted average yields for the U.S. government securities, agency securities and mortgaged-backed securities at December 31, 1999, are summarized as follows. The carrying values are stated in thousands (000's).
<TABLE>
<CAPTION>

	Within 1 Year		1-5 Years		5-10 Years		After 10 Years	
	Amount	Yield	Amount	Yield	Amount	Yield	Amount	Yield
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
U.S. government Securities:								
AFS	$ 2,504	6.11%	$ 2,489	5.35%	$ --	-- %	$ --	-- %
U.S. government Agencies:								
AFS	2,509	6.17	16,669	5.75	--	--	--	--
HTM	499	5.74	14,729	6.09	--	--	--	--
Mortgaged-backed securities	--	--	19	8.10	735	8.39	1	15.50
Totals	$ 5,512	5.94%	$33,906	5.90%	$ 735	8.39%	$ 1	15.50%

</TABLE>

SOURCES OF FUNDS

GENERAL. Deposits are the major source of the Bancorp's funds for lending and other investment purposes. In addition to deposits, the Bancorp derives funds from maturing investment securities and certificates of deposit, dividend receipts from the investment portfolio, loan principal repayments, repurchase agreements, advances from the Federal Home Loan Bank of Indianapolis (FHLB) and other borrowings. Loan repayments are a relatively stable source of funds, while deposit inflows and outflows are significantly influenced by general interest rates and money market conditions. Borrowings may be used on a short-term basis to compensate for reductions in the availability of other sources of funds. They may also be used on a longer-term basis for general business purposes. The Bancorp uses repurchase agreements and advances from the FHLB for borrowings. At December 31, 1999, the Bancorp had $3.1 million in repurchase agreements. Other borrowings totaled $18.6 million, of which $14.0 million represents FHLB advances.

DEPOSITS. Retail and commercial deposits are attracted principally from within the Bancorp's primary market area through the offering of a broad selection of deposit instruments including checking accounts, NOW accounts, savings accounts, money market deposit accounts, certificate accounts currently ranging in maturity from ten days to 42 months, and retirement savings plans. Deposit accounts vary as to terms, with the principal differences being the minimum balance required, the time period the funds must remain on deposit and the interest rate. The deregulation of federal controls on insured deposits has allowed the Bancorp to be more competitive in obtaining funds and to be flexible in meeting the threat of net deposit outflows. The Bancorp does not obtain funds through brokers.

The following table presents the average daily amount of deposits and average rates paid on such for the years indicated. The amounts are stated in thousands (000's).

<TABLE>
<CAPTION>

	1999		1998		1997	
	Amount	Rate %	Amount	Rate %	Amount	Rate %
Demand deposits	$ 23,577	--	$ 18,957	--	$ 14,836	--
NOW accounts	29,649	1.18	26,290	1.96	23,451	2.13
MMDA accounts	39,511	3.39	26,898	3.49	23,115	3.30
Savings accounts	48,704	2.10	46,179	2.86	43,673	3.01
Certificates of deposit	158,937	4.81	160,805	5.37	158,041	5.52
Total deposits	$300,378	3.45	$279,129	4.09	$263,116	4.30

</TABLE>

Maturities of time certificates of deposit and other time deposits of $100,000 or more at December 31, 1999 are summarized as follows. The amounts are stated in thousands (000's).

3 months or less	$24,769
Over 3 months through 6 months	8,491
Over 6 months through 12 months	5,856
Over 12 months	3,961
Total	$43,077

BORROWINGS. Borrowed money is used on a short-term basis to compensate for reductions in the availability of other sources of funds and is generally accomplished through repurchase agreements, as well as, through a line of credit and advances from the FHLB. Repurchase agreements generally mature within one year and are generally secured by U.S. government securities or U.S. agency securities, under the Bancorp's control. FHLB advances with maturities ranging from one year to ten years are used to fund securities and loans of comparable duration, as well as, to reduce the impact that movements in short-term interest rates have on the Bancorp's overall cost of funds. Fixed rate advances are payable at maturity, with a prepayment penalty. Putable advances are fixed for a period of one to three years and then may adjust quarterly to the three-month London Interbank Offered Rate (LIBOR) until maturity. Once the putable advance interest rate adjusts, the Bancorp has the option to prepay the advance on specified quarterly interest rate reset dates without prepayment penalty.

The following table sets forth the balances in borrowed funds at December 31, on the dates indicated. The amounts are stated in thousands (000's).
<TABLE>
<CAPTION>

	1999	1998	1997
Repurchase agreements	$ 3,051	$ 3,937	$ 4,541
Variable rate advances from the FHLB	1,000	--	--
Fixed rate advances from the FHLB	--	4,000	4,000
Putable advances from the FHLB	13,000	8,000	4,000
Limited partnership obligation	500	500	--
Other borrowings	1,056	883	2,087
Total borrowings	$18,607	$17,320	$14,628

======= ======= =======
</TABLE>

The limited partnership obligation represents an investment interest in a partnership formed for the construction, ownership and management of affordable housing projects. The amount of the note is $500,000. Funding is expected to begin during 2000 and will continue over a seven year period. Payments are required within ten days of written demand. The obligation to make payment is absolute and unconditional. The note requires no payment of interest.

The following table sets forth certain information regarding repurchase agreements by the Bancorp at the end of and during the periods indicated. The amounts are stated in thousands (000's).
<TABLE>
<CAPTION>

	At December 31,		
	1999	1998	1997
<S>	<C>	<C>	<C>
Balance	$3,051	$3,937	$4,541
Securities underlying the agreements:			
Ending book value	4,998	6,460	7,988
Ending market value	4,895	6,483	8,014
Weighted average rate paid (1)	5.30%	5.13%	5.54%

<CAPTION>

	For year ended December 31,		
	1999	1998	1997
<S>	<C>	<C>	<C>
Highest month-end balance	$3,927	$6,154	$4,975
Approximate average outstanding balance	3,369	4,693	4,308
Approximate weighted average rate paid on securities sold under agreements to repurchase (2)	5.01%	5.62%	5.43%

<FN>

(1) The weighted average rate for each period is calculated by weighting the principal balances outstanding for the various interest rates.
(2) The weighted average rate is calculated by dividing the interest expense for the period by the average daily balances of securities sold under agreements to repurchase for the period.
</TABLE>

TRUST POWERS

The activities of the Trust Department include the management of self-directed investments, IRA and Keogh plans, investment agency accounts, land trusts, serving as court-appointed executor of estates and as guardian or conservator of estates, and trustee with discretionary investment authority for revocable and irrevocable trusts. At December 31, 1999, the market value of the trust department's assets totaled $120.0 million.

ANALYSIS OF PROFITABILITY AND KEY OPERATING RATIOS

DISTRIBUTION OF ASSETS, LIABILITIES AND SHAREHOLDERS' EQUITY; INTEREST RATES AND INTEREST DIFFERENTIAL.

The net earnings of the Bancorp depend primarily upon the "spread" (difference) between (a) the income it receives from its loan portfolio and other investments and (b) its cost of money, consisting principally of the interest paid on savings accounts and on other borrowings.

The following table presents the weighted average yields on loans and investment securities, the weighted average cost of interest-bearing deposits and other borrowings, and the interest rate spread at December 31, 1999.

Weighted average yield:	
Securities	6.00%
Loans receivable	7.86
Loans held for sale	7.32
Federal Home Loan Bank stock	8.00
Total interest-earning assets	7.64
Weighted average cost:	
Interest bearing deposits	3.56
Borrowed funds	5.45
Total interest-bearing liabilities	3.67
Interest rate spread:	
Weighted average yield on interest-earning assets minus the weighted average cost of interest-bearing funds	3.97

FINANCIAL RATIOS AND THE ANALYSIS OF CHANGES IN NET INTEREST INCOME

The tables below set forth certain financial ratios of the Bancorp for the periods indicated:

<TABLE>
<CAPTION>

	Year ended December 31,		
	1999	1998	1997
<S>	<C>	<C>	<C>
Return on average assets	1.20%	1.14%	1.13%
Return on average equity	13.17	12.35	11.87
Average equity-to-average assets ratio	9.08	9.23	9.49
Dividend payout ratio	54.75	54.33	51.76

<CAPTION>

	At December 31,		
	1999	1998	1997
<S>	<C>	<C>	<C>
Total stockholders' equity to total assets	8.98%	9.07%	9.22%

</TABLE>

The average balance sheet amounts, the related interest income or expense, and average rates earned or paid are presented in the following table. The amounts are stated in thousands (000's).

<TABLE>
<CAPTION>

	Year ended December 31, 1999			Year ended December 31, 1998		
	Average Balance	Interest Income/ Expense	Average Rate	Average Balance	Interest Income/ Expense	Average Rate
Assets:						
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Interest bearing balances in financial institutions	$ 7,950	$ 477	6.00 %	$ 7,867	$ 505	6.42 %
Federal funds sold	2,504	121	4.83	3,844	206	5.36
Securities	39,495	2,358	5.97	32,199	1,981	6.15
Total investments	49,949	2,956	5.92	43,910	2,692	

6.13

Loans:*						
Real estate mortgage loans	250,734	19,541	7.79	240,670	19,747	8.21
Commercial business loans	25,422	2,248	8.84	22,350	2,071	9.27
Consumer loans	10,424	862	8.27	8,386	725	8.65
Total loans	286,580	22,651	7.90	271,406	22,543	8.31
Total interest-earning assets	336,529	25,607	7.61	315,316	25,235	8.00
Allowance for loan losses	(3,225)			(3,101)		
Cash and due from banks	10,342			7,616		
Premises and equipment	6,625			6,722		
Other assets	3,889			3,603		
Total assets	$ 354,160			$ 330,156		
Liabilities:						
Demand deposit	$ 23,577	--	0.00 %	$ 18,957	--	0.00 %
NOW accounts	29,649	350	1.18	26,290	515	1.96
Money market demand accounts	39,511	1,338	3.39	26,898	940	3.49
Savings accounts	48,704	1,024	2.10	46,179	1,321	2.86
Certificates of deposit	158,937	7,646	4.81	160,805	8,629	5.37
Total interest-bearing deposits	300,378	10,358	3.45	279,129	11,405	4.09
Borrowed funds	18,049	923	5.11	16,736	905	5.41
Total interest-bearing liabilities	318,427	11,281	3.54	295,865	12,310	4.16
Other liabilities	3,569			3,807		
Total liabilities	321,996			299,672		
Stockholders' equity	32,164			30,484		
Total liabilities and stockholders' equity	$ 354,160			$ 330,156		
Net interest income		$ 14,326			$ 12,925	
Net interest spread			4.07 %			3.84 %
Net interest margin**			4.04 %			3.91 %

<CAPTION>

	Year ended December 31, 1997		
	Average Balance	Interest Income/ Expense	Average Rate
Assets:			
<S>	<C>	<C>	<C>
Interest bearing balances in financial institutions	$ 2,282	$ 139	6.09 %
Federal funds sold	102	5	5.32
Securities	33,454	2,155	6.44
Total investments	35,838	2,299	6.42
Loans:*			
Real estate mortgage loans	230,420	19,128	8.30
Commercial business loans	18,380	1,780	9.68
Consumer loans	5,419	462	8.52

Total loans	254,219	21,370	8.41
Total interest-earning assets	290,057	23,669	8.16
Allowance for loan losses	(2,959)		
Cash and due from banks	6,005		
Premises and equipment	6,992		
Other assets	3,220		
Total assets	$ 303,315		
Liabilities:			
Demand deposit	$ 14,836	--	0.00 %
NOW accounts	23,451	500	2.13
Money market demand accounts	23,115	762	3.30
Savings accounts	43,673	1,315	3.01
Certificates of deposit	158,041	8,730	5.52
Total interest-bearing deposits	263,116	11,307	4.30
Borrowed funds	8,082	414	5.13
Total interest-bearing liabilities	271,198	11,721	4.32
Other liabilities	3,343		
Total liabilities	274,541		
Stockholders' equity	28,774		
Total liabilities and stockholders' equity	$ 303,315		
Net interest income		$ 11,948	
Net interest spread			3.84 %
Net interest margin**			3.94 %

<FN>

---

* Non-accruing loans have been included in the average balances.
** Net interest income divided by average total assets.
</TABLE>

RATE/VOLUME ANALYSIS

The table below sets forth certain information regarding changes in interest income and interest expense of the Bancorp for the periods indicated. For each category of interest-earning asset and interest-bearing liability, information is provided on changes attributable to: (1) changes in volume (change in volume multiplied by old rate) and (2) changes in rate (change in rate multiplied by old volume). Changes attributable to both rate and volume which cannot be segregated have been allocated proportionately to the change due to volume and the change due to rate. The amounts are stated in thousands (000's).
<TABLE>
<CAPTION>

	Year Ended December 31,	Year Ended December 31,	Year Ended December 31,
	1999 vs. 1998	1998 vs. 1997	1997 vs. 1996
	Increase/(Decrease) Due To	Increase/(Decrease) Due To	Increase/(Decrease) Due To

----

	Volume	Rate	Total	Volume	Rate	Total	Volume	Rate	Total
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Interest income:									
Loans receivable	$ 1,228	$(1,120)	$ 108	$ 1,430	$ (257)	$ 1,173	$ 1,840	$ 122	$ 1,962
Securities	437	(60)	377	(79)	(95)	(174)	(578)	128	(450)
Other interest-earning assets	(74)	(39)	(113)	566	1	567	(146)	(34)	(180)
Total interest-earning assets	1,591	(1,219)	372	1,917	(351)	1,566	1,116	216	1,332
Interest Expense:									
Deposits	824	(1,871)	(1,047)	669	(571)	98	289	(48)	241
Federal Home Loan Bank Advances and other borrowings	69	(51)	18	467	24	491	167	26	193
Total interest-bearing liabilities	893	(1,922)	(1,029)	1,136	(547)	589	456	(22)	434
Net change in net interest income/(expense)	$ 698	$ 703	$ 1,401	$ 781	$ 196	$ 977	$ 660	$ 238	$ 898

</TABLE>

BANK SUBSIDIARY ACTIVITIES

The Bank's wholly owned subsidiary Peoples Service Corporation, which is incorporated under the laws of the State of Indiana, is inactive. At December 31, 1999, the Bank had an investment balance of $10,000 in Peoples Service Corporation. During 1997, the Bank dissolved its wholly owned subsidiary PSA Insurance Corporation, which had been inactive.

The Consolidated Financial Statements of the Bancorp include the assets, liabilities, net worth and results of operations of the Bank and its subsidiaries. Significant intercompany transactions have been eliminated in the consolidation.

COMPETITION

The Bancorp's primary market area for deposits and mortgage and other loans encompasses Lake County, in northwest Indiana, where all of its offices are located. Ninety-five percent of the Bancorp's business activities are within this area.

The Bancorp faces strong competition in its primary market area for the attraction and retention of deposits and in the origination of loans. The Bancorp's most direct competition for deposits has historically come from commercial banks and from savings associations located in its primary market area. Particularly in times of high interest rates, the Bancorp has had significant competition from mutual funds and other firms offering financial services. The Bancorp's competition for loans comes principally from savings associations, commercial banks, mortgage banking companies, credit unions, insurance companies and other institutional lenders.

The Bancorp competes for loans principally through the interest rates and loan fees it charges and the efficiency and quality of the services it provides borrowers, real estate brokers and homebuilders. It competes for deposits by offering depositors a wide variety of savings accounts, checking accounts, competitive interest rates, convenient branch locations, drive-up facilities, automatic teller machines, tax-deferred retirement programs, electronic banking and other miscellaneous services.

The activities of the Bancorp and the Bank in the geographic market served involve competition with other banks as well as with other financial institutions and enterprises, many of which have substantially greater resources than those available to the Bancorp. In addition, non-bank competitors are generally not subject to the extensive regulation applicable to the Bancorp and the Bank.

The Bancorp believes that it has a minority share of the deposits and residential mortgage loan market within its primary market area.

PERSONNEL

As of December 31, 1999, the Bank had 105 full-time and 26 part-time employees. The employees are not represented by a collective bargaining agreement. Management believes its employee relations are good. The Bancorp has four officers (listed below under "Executive Officers of the Bancorp"), but has no other employees. The Bancorp's officers also are full-time employees of the Bank, and are compensated by the Bank.

REGULATION AND SUPERVISION

BANK HOLDING COMPANY REGULATION. As a registered bank holding company for the Bank, the Bancorp is subject to the regulation and supervision of the FRB under the Bank Holding Company Act of 1956, as amended (the "BHCA"). Bank holding companies are required to file periodic reports with and are subject to periodic examination by the FRB.

Under the BHCA, without the prior approval of the FRB, the Bancorp may not acquire direct or indirect control of more than 5% of the voting stock or substantially all of the assets of any company, including a bank, and may not merge or consolidate with another bank holding company. In addition, the Bancorp is generally prohibited by the BHCA from engaging in any nonbanking business unless such business is determined by the FRB to be so closely related to banking as to be a proper incident thereto. Under the BHCA, the FRB has the authority to require a bank holding company to terminate any activity or relinquish control of a nonbank subsidiary (other than a nonbank subsidiary of a bank) upon the FRB's determination that such activity or control constitutes a serious risk to the financial soundness and stability of any bank subsidiary of the bank holding company.

Under FRB policy, a bank holding company is expected to serve as a source of financial and managerial strength to its subsidiary banks. It is the policy of the FRB that, pursuant to this requirement, a bank holding company should stand ready to use its resources to provide adequate capital funds to its subsidiary banks during periods of financial stress or adversity. This support may be required by the FRB at times when the Bancorp may not have the resources to provide it or, for other reasons, would not be inclined to provide it. Additionally, under the Federal Deposit Insurance Corporation Improvements Act of 1991 ("FDICIA"), a bank holding company is required to provide limited guarantee of the compliance by any insured depository institution subsidiary that may become "undercapitalized" (as defined in the statute) with the terms of any capital restoration plan filed by such subsidiary with its appropriate federal banking agency.

SAVINGS BANK REGULATION. As an Indiana stock savings bank, the Bank is subject to federal regulation and supervision by the FDIC and to state regulation and supervision by the Indiana Department of Financial Institutions (the "DFI"). The Bank's deposit accounts are insured by the SAIF, which is

administered by the FDIC. The Bank is not a member of the Federal Reserve System.

Both federal and Indiana law extensively regulate various aspects of the banking business such as reserve requirements, truth-in-lending and truth-in-savings disclosures, equal credit opportunity, fair credit reporting, trading in securities and other aspects of banking operations. Current federal law also requires savings banks, among other things, to make deposited funds available within specified time periods.

Under FDICIA, insured state chartered banks are prohibited from engaging as principal in activities that are not permitted for national banks, unless: (i) the FDIC determines that the activity would pose no significant risk to the appropriate deposit insurance fund, and (ii) the bank is, and continues to be, in compliance with all applicable capital standards. The Board of Directors does not believe that these restrictions will have a material adverse effect on the Bank.

DEPOSIT INSURANCE AND THE BANKING INDUSTRY. The Bank's deposits are insured up to $100,000 per insured account by the SAIF. The Deposit Insurance Funds Act of 1996 (the "Funds Act") required the FDIC to take steps to recapitalize the SAIF and to change the basis on which funds are raised to make the scheduled payments on the FICO bonds issued in 1987 to replenish the Federal Savings and Loan Insurance Corporation. As part of the SAIF recapitalization, during 1996 the Bank paid a special assessment of $1.6 million. The Funds Act generally limited future SAIF assessments to the level required to maintain its capitalization. Accordingly, periodic SAIF insurance assessments have fallen toward the level paid by BIF members, thereby reducing a competitive advantage for BIF members. While SAIF members continue to face higher FICO bond assessments than BIF members, the disparity is small relative to the former disparity in insurance assessments.

BRANCHES AND AFFILIATES. The establishment of branches by the Bancorp is subject to approval of the DFI and FDIC and geographic limits established by state laws. The Riegle-Neal Interstate Banking and Branching Efficiency Act of 1994 (the "Riegle-Neal Act") facilitates the interstate expansion and consolidation of banking organizations by permitting, among other things,(i) bank holding companies that are adequately capitalized and managed to acquire banks located in states outside their home state regardless of whether such acquisitions are authorized under the law of the host state, (ii) the interstate merger of banks, subject to the right of individual states to "opt out" of this authority, and (iii) banks to establish new branches on an interstate basis provided that such action is specifically authorized by the law of the host state. The effect of this law may be to increase competition in the Bancorp's market area, although the extent and timing of this increase cannot be predicted.

TRANSACTIONS WITH AFFILIATES. Under Indiana law, the Bank is subject to Sections 22(h), 23A and 23B of the Federal Reserve Act which restrict financial transactions between banks and affiliated companies, such as the Bancorp. The statute limits credit transactions between a bank and its executive officers and its affiliates, prescribes terms and conditions for bank affiliate transactions deemed to be consistent with safe and sound banking practices, and restricts the types of collateral security permitted in connection with a bank's extension of credit to an affiliate.

CAPITAL REQUIREMENTS. The FRB and the FDIC have issued substantially similar risk-based and leverage capital guidelines that are applicable to the Bancorp and the Bank. These guidelines require a minimum ratio of total capital to risk-weighted assets (including certain off-balance sheet activities such as standby letters of credit) of 8%. At least half of the total required capital must be "Tier I capital," consisting principally of common stockholders' equity, noncumulative perpetual preferred stock, a limited amount of cumulative perpetual preferred stock and minority interests in the equity accounts of consolidated subsidiaries, less certain goodwill items. The remainder ("Tier II capital") may consist of a limited amount of subordinated debt and intermediate-term preferred stock, certain hybrid capital instruments and other debt securities, cumulative perpetual preferred stock, and a limited amount of the allowance for loan losses.

In addition to the risk-based capital guidelines, the Bancorp and the Bank are subject to a Tier I (leverage) capital ratio which requires a minimum level of Tier I capital to adjusted average assets of 3% in the case of financial institutions that have the highest regulatory examination ratings and are not contemplating significant growth or expansion. All other institutions are expected to maintain a ratio of at least 1% to 2% above the stated minimum.

FDICIA requires, among other things, federal bank regulatory authorities to take "prompt corrective action" with respect to banks that do not meet minimum capital requirements. The FDIC has adopted regulations to implement the prompt corrective action provisions of FDICIA, which, among other things, define the relevant capital measures for five capital categories. An institution is deemed to be "well capitalized" if it has a total risk-based capital ratio of 10% or greater, a Tier I risk-based capital ratio of 6% or greater, and a leverage ratio of 5% or greater, and is not subject to a regulatory order, agreement or directive to meet and maintain a specific capital level for any capital measure.

The following table shows that, at December 31, 1999, the Bancorp's capital exceeded all regulatory capital requirements. At December 31, 1999, the Bancorp's and the Bank's regulatory capital ratios were substantially the same. At December 31, 1999, the Bancorp and the Bank were categorized as well capitalized. The dollar amounts are stated in millions.

	Actual		Required for adequate capital		To be well capitalized	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
Total capital to risk-weighted assets	$ 35.7	14.8%	$ 19.3	8.0%	$ 24.2	10.0%
Tier I capital to risk-weighted assets	$ 32.7	13.5%	$ 9.7	4.0%	$ 14.5	6.0%
Tier I capital to adjusted average assets	$ 32.7	9.0%	$ 10.9	3.0%	$ 18.2	5.0%

Banking regulators continue to indicate their desire to raise capital requirements applicable to banking organizations beyond their current levels. The Bancorp is unable to predict whether and when higher capital requirements would be imposed and, if so, to what levels and on what schedule.

DIVIDEND LIMITATIONS. The Bancorp is a legal entity separate and distinct from the Bank. The primary source of the Bancorp's cash flow, including cash flow to pay dividends on the Bancorp's Common Stock, is the payment of dividends to the Bancorp by the Bank. Under Indiana law, the Bank may pay dividends of so much of its undivided profits (generally, earnings less losses, bad debts, taxes and other operating expenses) as is considered expedient by the Bank's Board of Directors. However, the Bank must obtain the approval of the Indiana Department of Financial Institutions for the payment of a dividend if the total of all dividends declared by the Bank during the current year, including the proposed dividend, would exceed the sum of retained net income for the year to date plus its retained net income for the previous two years (approximately $4,778,000 at December 31, 1999). For this purpose, "retained net income" means net income as calculated for call report purposes, less all dividends declared for the applicable period. Also, the FDIC has the authority to prohibit the Bank from paying dividends if, in its opinion, the payment of dividends would constitute an unsafe or unsound practice in light of the financial condition of the Bank. In addition, under FRB supervisory policy, a bank holding company generally should not maintain its existing rate of cash dividends on common shares unless (i) the organization's net income available to common shareholders over the past year has been sufficient to fully fund the dividends and (ii) the prospective rate of earnings retention appears consistent with the organization's capital needs, assets, quality, and overall financial condition.

COMMUNITY REINVESTMENT ACT. Under the Community Reinvestment Act ("CRA"), the Bank has a continuing and affirmative obligation consistent with its safe and sound operation to help meet the credit needs of its entire community, including low and moderate income neighborhoods. The CRA does not establish specific lending requirements or programs for financial institutions nor does it limit an institution's discretion to develop the types of products and services that it believes are best suited to its particular community, consistent with the CRA. The CRA requires the FDIC in connection with its examination of the Bank, to assess its record of meeting the credit needs of

its community and to take that record into account in its evaluation of certain applications by the Bank. For example, the regulations specify that a bank's CRA performance will be considered in its expansion (e.g., branching) proposals and may be the basis for approving, denying or conditioning the approval of an application. As of the date of its most recent regulatory examination, the Bank was rated "satisfactory" with respect to its CRA compliance.

RECENT LEGISLATION. The Gramm-Leach-Bliley Act ("Gramm-Leach") was signed into law on November 12, 1999 and enables combinations among banks, securities firms and insurance companies beginning March 12, 2000. Under Gramm-Leach, bank holding companies are permitted to offer their customers virtually any type of financial service, including banking, securities underwriting, insurance (both agency and underwriting) and merchant banking.

In order to engage in these new financial activities, a bank holding company must qualify and register with the FRB as a "financial holding company" by demonstrating that each of its bank subsidiaries is well capitalized, well managed, and has at least a satisfactory rating under the CRA.

Gramm-Leach establishes a system of functional regulation, under which the federal banking agencies will regulate the banking activities of financial holding companies, the U.S. Securities and Exchange Commission will regulate their securities activities and state insurance regulators will regulate their insurance activities. Gramm-Leach also provides new protections against the transfer and use by financial institutions of consumers' nonpublic, personal information.

Gramm-Leach does not significantly alter the regulatory regime under which the Bancorp and the Bank currently operate, as described above. While certain business combinations not currently permissible will be possible after March 11, 2000, the Bancorp cannot predict at this time resulting changes in the competitive environment. The Bancorp has no current intention to elect to become a financial holding company under Gramm-Leach.

Various legislation, including proposals to substantially change the financial institution regulatory system and to expand or contract the powers of banking institutions and bank holding companies, is from time to time introduced. This legislation may change banking statutes and the operating environment of the Bancorp and the Bank in substantial and unpredictable ways. If enacted, such legislation could increase or decrease the cost of doing business, limit or expand permissible activities or affect the competitive balance among banks, savings associations, credit unions and other financial institutions. The Bancorp cannot accurately predict whether any of this potential legislation will ultimately be enacted, and, if enacted, the ultimate effect that it, or implementing regulations, would have upon the financial condition or results of operations of the Bancorp or the Bank.

FEDERAL TAXATION

Historically, savings institutions, such as the Bank, had been permitted to compute bad debt deductions using either the bank experience method or the percentage of taxable income method. However, In August, 1996, legislation was enacted that repealed the reserve method of accounting for federal income tax purposes. As a result, the Bank must recapture that portion of the reserve that exceeds the amount that could have been taken under the experience method for post-1987 tax years. The recapture is occurring over a six-year period, the commencement of which began with the Bank's taxable year ending December 31, 1998, since the Bank met certain residential lending requirements. In addition, the pre-1988 reserve, for which no deferred taxes have been recorded, will not have to be recaptured into income unless (i)the Bank no longer qualifies as a bank under the Code, or (ii) excess dividends or distributions are paid out by the Bank. The total amount of bad debt to be recaptured is approximately $2,500,000.

Depending on the composition of its items of income and expense, a savings bank may be subject to the alternative minimum tax. A savings bank must pay an alternative minimum tax equal to the amount (if any) by which 20% of alternative minimum taxable income ("AMTI"), as reduced by an exemption varying with AMTI, exceeds the regular tax due. AMTI equals regular taxable income increased or decreased by certain tax preferences and adjustments, including depreciation deductions in excess of that allowable for alternative minimum tax purposes, tax-exempt interest on most private activity bonds issued after August 7, 1986 (reduced by any related interest expense disallowed for regular tax purposes), the amount of the bad debt reserve deduction claimed in excess of the deduction based on the experience method and 75% of the excess of adjusted current earnings over AMTI (before any alternative tax net operating loss). AMTI may be reduced only up to 90% by net operating loss carryovers, but alternative minimum tax paid can be credited against regular tax due in later years.

For federal income tax purposes, the Bank reports its income and expenses on the accrual method of accounting. The Bancorp and the Bank file a consolidated federal income tax return for each fiscal year ending December 31. The federal income tax returns filed by the Bank have not been audited in the last five years.

STATE TAXATION

The Bank is subject to Indiana's Financial Institutions Tax ("FIT"), which is imposed at a flat rate of 8.5% on "adjusted gross income." "Adjusted gross income," for purposes of FIT, begins with taxable income as defined by Section 63 of the Code and, thus, incorporates federal tax law to the extent that it affects the computation of taxable income. Federal taxable income is then adjusted by several Indiana modifications. Other applicable state taxes

include generally applicable sales and use taxes plus real and personal property taxes.

The Bank's state income tax returns have not been audited in the last five years.

ACCOUNTING FOR INCOME TAXES

At December 31, 1999, the Bancorp's consolidated total deferred tax assets were $1,673 thousand and the consolidated total deferred tax liabilities were $306 thousand, resulting in a consolidated net deferred tax asset of $1,367 thousand. Management believes it is probable that the benefit of the deferred tax asset will be realized after considering the historical and anticipated future levels of pretax earnings.

ITEM 2. PROPERTIES

The Bancorp maintains its corporate office at 9204 Columbia Avenue, Munster, Indiana, from which it oversees the operation of the Bank's seven banking locations. The Bancorp owns all of its office properties.

The table below sets forth additional information with respect to the Bank's offices as of December 31, 1999. Net book value and total investment figures are for land, buildings, furniture and fixtures.

Office location	Year facility opened	Net book value	Approximate square footage	Total investment
9204 Columbia Avenue Munster, In 46307	1985	$1,332,368	11,640	$2,583,542
141 W. Lincoln Highway Schererville, In 46375	1990	1,196,620	9,444	2,117,554
7120 Indianapolis Blvd. Hammond, In 46324	1978	269,413	2,600	706,066
1300 Sheffield Dyer, In 46311	1976	244,692	2,100	604,425
7915 Taft Merrillville, In 46410	1968	124,009	2,750	481,673
8600 Broadway Merrillville, In 46410	1996	1,894,781	4,400	2,399,392
4901 Indianapolis Blvd. East Chicago, In 46312	1995	1,009,956	4,300	1,543,849

At December 31, 1999, the Bank had investments totaling $450 thousand in land which has been acquired for a state-of-the-art branch facility in Hobart, Indiana. The Hobart facility will open during 2000 and will cost approximately $1.8 million. The new facility provides opportunities to expand

market share for products and services in Hobart and the surrounding areas. The Bank's primary recordkeeping is accomplished through the use of microcomputer networks linked via data lines to M&I Data Services, Inc., located in Brown Deer, Wisconsin. M&I provides real time services for mortgage and installment loans, savings, certificates, NOW accounts and general ledger transactions. In addition to the M&I System, the Bank utilizes a microcomputer network for the trust department operations.

The net book value of the Bank's investment in property, premises and equipment totaled $6.5 million at December 31, 1999.

ITEM 3. LEGAL PROCEEDINGS

The Bancorp is not engaged in any legal proceedings of a material nature at the present time. From time to time, the Bank is a party to legal proceedings incident to its business, including foreclosures.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

No matters were submitted to a vote of security holders during the fourth quarter of 1999.

EXECUTIVE OFFICERS OF THE BANCORP

Pursuant to General Instruction G(3) of Form 10-K, the following information is included as an unnumbered item in this Part I in lieu of being included in the Bancorp's Proxy Statement for the 2000 Annual Meeting of Shareholders:

The executive officers of the Bancorp are as follows:

<TABLE>
<CAPTION>

<S>	AGE AT DECEMBER 31, 1999 <C>	POSITION <C>
David A. Bochnowski	54	Chairman and Chief Executive Officer
Joel Gorelick	52	Vice President and Chief Lending Officer
Edward J. Furticella	52	Vice President, Chief Financial Officer and Treasurer
Frank J. Bochnowski	61	Executive Vice President and Secretary

</TABLE>

The following is a description of the principal occupation and employment of the executive officers of the Bancorp during at least the past five years:

David A. Bochnowski is Chairman and Chief Executive Officer of the Bancorp and the Bank. He has been the Chief Executive Officer since 1981 and became the Chairman in 1995. He has been a director since 1977 and was the Bank's legal counsel from 1977 to 1981. Mr. Bochnowski is the Vice-Chairman of America's Community Bankers (ACB) and Chairman of ACB's Strategic Planning Committee. He is a director of the Northwest Indiana Local Initiative Support Corporation (LISC), a trustee of the Munster Community Hospital, and a Commissioner of the Chicago-Gary Airport Authority. He is a former chairman of the Indiana League of Savings Institutions, a former director of the Federal Home Loan Bank of Indianapolis and a former member of the Federal Reserve Thrift Institutions Advisory Committee. Before joining the Bank, Mr. Bochnowski was an attorney, self-employed in private practice. He holds a Juris Doctor degree from Georgetown University and a Masters Degree from Howard University.

Joel Gorelick is Vice President of the Bancorp and Vice President and Chief Lending Officer for the Bank. He is responsible for overseeing new business development and all loan functions of the Bank. Mr. Gorelick joined the Bank in November, 1983 as vice president of commercial lending. Mr. Gorelick is involved in many community service organizations and has recently served as president of the Northwest Indiana Boys & Girls Club and chairman of the board of the Northwest Indiana Regional Development Corporation. Mr. Gorelick received recognition as the Small Business advocate for 1999 at the Northwest Indiana Entrepreneurial Excellence awards program. Mr. Gorelick has been appointed as a board member for the United States Selected Service System. Mr. Gorelick is also a volunteer for numerous youth related sports activities. He holds a Masters of Business Administration Degree from Indiana University and is a graduate of the Graduate School of Banking at the University of Wisconsin at Madison.

Edward J. Furticella is Vice President, Chief Financial Officer and Treasurer of the Bancorp and the Bank. He is responsible for managing the Bank's investment portfolio and daily liquidity, as well as, overseeing the activities of accounting, systems processing and branch operations. Mr. Furticella has been with the Bank since 1981. Mr. Furticella holds a Masters of Education, Masters of Business Administration and a Masters of Science in Accountancy from DePaul University. Mr. Furticella is a Certified Public Accountant (CPA) and a Certified Cash Manager (CCM). He is also a part-time finance instructor and member of the School of Management's Advisory Group at Purdue University Calumet and a member of the Customer Advisory Group for the Federal Reserve Bank of Chicago.

Frank J. Bochnowski is Executive Vice President and Secretary for the Bancorp and Executive Vice President, General Counsel, Trust Officer and Corporate Secretary for the Bank. Mr. Bochnowski assumed his current responsibilities with the Bank as of November 1984. He has been the Bank's attorney since 1981. He was elected as a director in 1999. Mr. Bochnowski is a member and past president of the Munster, Indiana Rotary Club and a former

director and officer of the Lake County, Indiana Chapter of the American Red Cross. He holds a Juris Doctor degree from St. John's University and a Masters of Business Administration from Fairleigh Dickinson University. He is a graduate of the United States Military Academy and served for twenty-one years as an army officer, retiring in 1981 with the rank of lieutenant colonel. He is the first cousin of the Bancorp's Chairman and Chief Executive Officer.

PART II

ITEM 5. MARKET FOR THE REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

The information contained under the captions "Business" and "Market Information" in the 1999 Annual Report to Shareholders is incorporated herein by reference.

ITEM 6. SELECTED FINANCIAL DATA

The information contained in the table captioned "Selected Consolidated Financial Data" in the 1999 Annual Report to Shareholders is incorporated herein by reference.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The information contained in the section captioned "Management's Discussion and Analysis of Financial Condition and Results of Operations" in the 1999 Annual Report to Shareholders is incorporated herein by reference.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The information contained in the section captioned "Asset/Liability Management and Market Risk" in the Management's Discussion and Analysis of Financial Condition and Results of Operations section of the 1999 Annual Report to Shareholders is incorporated herein by reference.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The financial statements contained in the 1999 Annual Report to Shareholders, which are listed under Item 14 herein, are incorporated herein by reference.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

There are no items reportable under this caption.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

The information contained under the section captioned "Election of Directors" and under the section captioned "Security Ownership by Certain Beneficial Owners and Management -- Section 16(a) Beneficial Ownership Reporting Compliance" in the Bancorp's definitive Proxy Statement for the 2000 Annual Meeting of Shareholders is incorporated herein by reference. Information regarding the Bancorp's executive officers is included under the unnumbered item captioned "Executive Officers of the Bancorp" at the end of Part I hereof and is incorporated herein by reference, in accordance with General Instruction G(3) to Form 10-K and Instruction 3 to Item 401(b) of a Regulation S-K.

ITEM 11. EXECUTIVE COMPENSATION

The information contained under the section captioned "Compensation of and Transactions with Officers and Directors" in the Bancorp's definitive Proxy Statement for its 2000 Annual Meeting of Shareholders is incorporated herein by reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The information under the section captioned "Security Ownership by Certain Beneficial Owners and Management" in the Bancorp's definitive Proxy Statement for the 2000 Annual Meeting of Shareholders is incorporated herein by reference.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

The information contained under the section captioned "Compensation of and Transactions with Officers and Directors" in the Bancorp's definitive Proxy Statement for its 2000 Annual Meeting of Shareholders, and in the footnote captioned "Related Party Transactions" in the 1999 Annual Report to Shareholders, is incorporated herein by reference.

PART IV

ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES, AND REPORTS ON FORM 8-K

(a)(1) FINANCIAL STATEMENTS:

The following financial statements of the Bancorp are incorporated herein by reference to the 1999 Annual Report to Shareholders, filed as Exhibit 13 to this report:

(a) Report of Independent Auditors

(b) Consolidated Balance Sheets, December 31, 1999 and 1998

(c) Consolidated Statements of Income for the years ended December 31, 1999, 1998 and 1997

(d) Consolidated Statements of Changes in Stockholders' Equity for the years ended December 31, 1999, 1998 and 1997

(e) Consolidated Statements of Cash Flows for the years ended December 31, 1999, 1998 and 1997

(f) Notes to Consolidated Financial Statements

All other financial statements, schedules and historical financial information have been omitted as the subject matter is not required, not present or not present in amounts sufficient to require submission.

(3) EXHIBITS:

EXHIBIT NUMBER	DESCRIPTION
2.	Plan of Conversion of Peoples Bank, A Federal Savings Bank, dated December 18, 1993 (incorporated herein by reference to Exhibit A to the Bancorp's Definitive Proxy Statement/Prospectus dated March 23, 1994, as filed pursuant to Rule 424(b) under the 1933 Act on March 28, 1994).
3.i.	Articles of Incorporation (incorporated herein by reference to Exhibit 3(i) to the Bancorp's Registration Statement on Form S-4 filed March 3, 1994 (File No. 33-76038)).
3.ii.	By-Laws (incorporated herein by reference to Exhibit 3(i) to the Bancorp's Registration Statement on Form S-4 filed March 3, 1994 (File No. 33-76038)).
3.iii.	Amendment of By-Laws adopted July 27, 1994 (incorporated herein by reference to Exhibit 3.iii to the Bancorp's Annual Report on Form 10-K for the year ended December 31, 1994).

3.iv.	Amendment of By-Laws adopted January 21, 1999 (incorporated herein by reference to Exhibit 3.iv. to the Bancorp's Annual Report on Form 10-K for the year ended December 31, 1998).
10.1.	1994 Stock Option and Incentive Plan (incorporated herein by reference to Exhibit A to the Bancorp's Definitive Proxy Statement/Prospectus dated March 23, 1994, as filed pursuant to Rule 424(b) under the 1933 Act on March 28, 1994).

10.2.	Employment Agreement, dated March 1, 1988, between Peoples Bank and David A. Bochnowski (incorporated herein by reference to Exhibit 10.2 to the Bancorp's Annual Report on Form 10-K for the year ended December 31, 1994).
10.3.	Amendment, dated January 18, 1993, to the Employment Agreement referred to in Exhibit 10.2 above (incorporated herein by reference to Exhibit 10.3 to the Bancorp's Annual Report on Form 10-K for the year ended December 31, 1994).
10.4.	Employee Stock Ownership Plan of Peoples Bank (incorporated herein by reference to Exhibit 10.4 to the Bancorp's Annual Report on Form 10-K for the year ended December 31, 1994).
10.5.	Unqualified Deferred Compensation Plan of Peoples Bank (incorporated herein by reference to Exhibit 10.5 to the Bancorp's Annual Report on Form 10-K for the year ended December 31, 1996).
10.6	Supplemental Executive Retirement Plan of Peoples Bank.
13.	1999 Annual Report to Shareholders.
21.	Subsidiaries of the Bancorp.
27.	Financial Data Schedule.

(4) REPORTS ON FORM 8-K:

No reports on Form 8-K were filed during the fourth quarter of 1999.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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.

NORTHWEST INDIANA BANCORP

By /s/David A. Bochnowski

David A. Bochnowski
Chairman of the Board and
Chief Executive Officer

Date: March 15, 2000

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 and on March 15, 2000:

SIGNATURE	TITLE

Principal Executive Officer:

/s/David A. Bochnowski David A. Bochnowski	Chairman of the Board and Chief Executive Officer

Principal Financial Officer and
Principal Accounting Officer:

/s/Edward J. Furticella Edward J. Furticella	Vice President, Chief Financial Officer and Treasurer

The Board of Directors:

/s/Frank J. Bochnowski Frank J. Bochnowski	Director
/s/Leroy F. Cataldi Leroy F. Cataldi	Director

/s/Lourdes M. Dennison Lourdes M. Dennison	Director
/s/Gloria C. Gray Gloria C. Gray	Director
/s/Stanley E. Mize Stanley E. Mize	Director
/s/Jerome F. Vrabel Jerome F. Vrabel	Director
/s/James L. Wieser James L. Wieser	Director

EXHIBIT INDEX

Exhibit	Description	Page
10.6.	Supplemental Executive Retirement Plan of Peoples Bank	
13.	1999 Annual Report to Shareholders	
21.	Subsidiaries of the Bancorp	

27. Financial Data Schedule

Exhibit 10.6

PEOPLES BANK SB
SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN

ARTICLE I

NATURE AND PURPOSE OF PLAN

SECTION 1.1. TYPE OF PLAN. The Peoples Bank SB (the "Bank"), Supplemental Executive Retirement Plan ("Plan") is established by the Bank as an unfunded, non-qualified deferred- compensation plan for a select group of the Bank's management and highly-compensated employees.

SECTION 1.2. PURPOSE OF PLAN. The purpose of the Plan is to provide a means for the payment of supplemental retirement benefits to a select group of key senior management employees of the Bank, in recognition of their substantial contributions to the operation of the Bank, and to provide those individuals with additional financial security.

ARTICLE II

DEFINITIONS AND RULES OF CONSTRUCTION

SECTION 2.1. DEFINITIONS. As used in the Plan, the following words and phrases, when capitalized, have the following meanings except when used in a context that plainly requires a different meaning:

(a) "Account" means, with respect to a Participant, the bookkeeping account that serves as a record of the amounts credited to the Participant under the terms of this Plan.

(b) "Bank" means Peoples Bank SB.

(c) "Beneficiary" means, with respect to a Participant, the person or persons designated pursuant to Section 6.2 to receive benefits under the Plan in the event of the Participant's death.

(d) "Board of Directors" means the Board of Directors of the Bank.

(e) "Code" means the Internal Revenue Code of 1986, as amended from time to time, and interpretive rules and regulations.

(f) "Committee" means the Committee appointed by the Bank to administer the Plan.

(g) "Effective Date" means December 1, 1999.

(h) "Eligible Employee" means a key management Employee who has the opportunity to impact significantly the annual operating success of the Bank.

(i) "Employee" means any person employed by the Bank on a full- time salaried basis, including officers of the Bank.

(j) "Participant" means an Eligible Employee who becomes a participant in the Plan pursuant to Section 3.1.

(k) "Plan" means the Peoples Bank SB Supplemental Executive Retirement Plan, as amended from time to time.

(l) "Plan Year" means, initially, a short plan year beginning December 1, 1999, and ending December 31, 1999 and, thereafter, the calendar year.

(m) "Termination of Employment" means, with respect to a Participant, the cessation of the relationship of employer and employee between the Participant and the Bank for any reason, including the Participant's death.

SECTION 2.2. RULES OF CONSTRUCTION. The following rules of construction shall govern in interpreting the Plan:

(a) The provisions of this Plan shall be construed and governed in all respects under and by the internal laws of the State of Indiana, to the extent not preempted by federal law.

(b) Words used in the masculine gender shall be construed to include the feminine gender, where appropriate, and vice versa.

(c) Words used in the singular shall be construed to include the plural, where appropriate, and vice versa.

(d) The headings and subheadings in the Plan are inserted for convenience of reference only and are not to be considered in the construction of any provision of the Plan.

(e) If any provision of the Plan shall be held to be illegal or invalid for any reason, that provision shall be deemed to be null and void, but the invalidation of that provision shall not otherwise impair or affect the Plan.

ARTICLE III

ELIGIBILITY AND PARTICIPATION

SECTION 3.1. ELIGIBILITY. Only Eligible Employees selected by the Board of Directors to participate in the Plan shall become Participants. Those Eligible Employees whom the Board of Directors selects to participate in the Plan shall be identified on the attached Appendix.

SECTION 3.2. DATE OF PARTICIPATION. An Eligible Employee shall become a Participant on the date specified by the Board of Directors.

SECTION 3.3. CESSATION OF PARTICIPATION. Any Participant who ceases to be an Eligible Employee, but continues to be an Employee, shall cease to be eligible to be credited with contributions determined under Article V but shall continue to have an Account and to be credited with interest on his Account as provided in Section 5.2 until that Account is fully distributed.

ARTICLE IV

PARTICIPANTS' ACCOUNTS

SECTION 4.1. ESTABLISHMENT OF ACCOUNTS. The Committee shall create and maintain adequate records to disclose the interest in the Plan of each Participant and Beneficiary. Records shall be in the form of individual bookkeeping accounts, which shall be credited with the contributions and interest determined pursuant to Article V. Each Participant shall have a separate Account. The Participant's interest in his Account shall be fully vested at all times.

SECTION 4.2. ACCOUNTS UNFUNDED. Accounts shall be accounting accruals, in the names of Participants, on the Bank's books. Accounts shall be unfunded, so that the Bank's obligation to pay benefits under the Plan is merely a contractual duty to make payments when due under the Plan. The Bank's promise to pay benefits under the Plan shall not be secured in any way, and the Bank shall not set aside or segregate assets for the purpose of paying contributions and interest credited to Participants' Accounts.

SECTION 4.3. VALUATION OF ACCOUNTS. The value of a Participant's Account as of any date shall equal the contributions credited to the Account pursuant to Section 5.1, increased by interest earnings deemed to be credited to the Account in accordance with Section 5.2.

SECTION 4.4. ANNUAL REPORT. Within 120 days following the end of each Plan Year, the Committee shall provide to each Participant a written statement of the amount standing to his credit in his Account as of the end of that Plan Year.

ARTICLE V

CONTRIBUTIONS AND INTEREST

SECTION 5.1. BASIC CONTRIBUTIONS. For each Plan Year, the Bank shall credit to the Account of each Participant the amount, if any, determined by the Board of Directors in its sole discretion. Any such amount shall be specified in a written notice to the Participant.

SECTION 5.2. INTEREST ON ACCOUNTS. Amounts credited to a Participant's Account shall be deemed to earn interest at the same rate as the interest rate paid on the Bank's certificates of deposit offered as investments under the Bank's Profit Sharing Plan and Trust from the date the Account is established to the date the entire Account is distributed pursuant to Article VI. Interest shall be credited at the end of each Plan Year.

ARTICLE VI

BENEFITS

SECTION 6.1. TERMINATION OF EMPLOYMENT. If the Participant incurs a Termination of Employment, the Participant's Account shall be distributed to the Participant (or, in the event of his death, to his Beneficiary) in a lump sum cash payment as soon as administratively feasible after the Participant's Termination of Employment.

SECTION 6.2. DESIGNATION OF BENEFICIARY. A Participant's Beneficiary shall be the person or persons, including a trustee, designated by the Participant in writing pursuant to the practices of, or rules prescribed by, the Committee, as the recipient of any benefits payable under the Plan following the Participant's death. To be effective, a Beneficiary designation must be filed with the Committee during the Participant's life on a form prescribed by the Committee. If no person has been designated as the Participant's Beneficiary or if no person designated as Beneficiary survives the Participant, the Participant's estate shall be his Beneficiary.

ARTICLE VII

ADMINISTRATION

SECTION 7.1. ADMINISTRATOR. The Committee shall be the Administrator of the Plan. All decisions of the Committee shall be by a vote of a majority of its members and shall be final and binding.

SECTION 7.2. POWERS AND DUTIES OF THE COMMITTEE. Subject to the specific limitations stated in this Plan, the Committee shall have the following powers, duties, and responsibilities:

(a) To carry out the general administration of the Plan;

(b) To cause to be prepared all forms necessary or appropriate for the administration of the Plan;

(c) To keep appropriate books and records;

(d) To determine amounts to be distributed to Participants and Beneficiaries under the provisions of the Plan;

(e) To determine, consistent with the provisions of this instrument, all questions of eligibility, rights, and status of Participants and Beneficiaries under the Plan;

(f) To issue, amend, and rescind rules relating to the administration of the Plan, to the extent those rules are consistent with the provisions of this instrument;

(g) To exercise all other powers and duties specifically conferred upon the Committee elsewhere in this instrument; and

(h) To interpret, with discretionary authority, the provisions of this Plan and to resolve, with discretionary authority, all disputed questions of Plan interpretation and benefit eligibility.

ARTICLE VIII

AMENDMENT AND TERMINATION

SECTION 8.1. AMENDMENT. The Bank reserves the right to amend the Plan at any time by action of the Board of Directors, with written notice given to each Participant in the Plan. The Bank, however, may not make any amendment that reduces a Participant's benefits accrued as of the date of the amendment unless the Participant consents in writing to the amendment.

SECTION 8.2. TERMINATION. The Bank reserves the right to terminate the Plan, by action of the Board of Directors, at any time it deems appropriate. Upon termination of the Plan, no further contribution shall be made to the Plan. Following termination of the Plan, distribution shall be made at the time and under the terms and conditions as the Bank, in its sole discretion, shall determine, which shall commence no later than the Participant's Termination of Employment.

ARTICLE IX

MISCELLANEOUS

SECTION 9.1. RELATIONSHIP. Notwithstanding any other provision of this Plan, this Plan and action taken pursuant to it shall not be deemed or construed to establish a trust or fiduciary relationship of any kind between or among the Bank, Participants, Beneficiaries or any other persons. The Plan is intended to be unfunded for purposes of the Code and the Employee Retirement Income Security Act of 1974, as amended. The rights of Participants and Beneficiaries to receive payment of benefits under the Plan is strictly a contractual right of payment, and this Plan does not grant, nor shall it be deemed to grant Participants, Beneficiaries, or any other person any interest or right to any of the funds, property, or assets of the Bank other than as an unsecured general creditor of the Bank.

SECTION 9.2. OTHER BENEFITS AND PLANS. Nothing in this Plan shall be deemed to prevent Participants from receiving, in addition to the benefits provided for under this Plan, any funds that may be distributable to them at any time under any other present or future retirement or incentive plan maintained by the Bank.

SECTION 9.3. ANTICIPATION OF BENEFITS. Neither Participants nor Beneficiaries shall have the power to transfer, assign, anticipate, pledge, alienate, or otherwise encumber in advance any of the payments that may become due under this Plan, and any attempt to do so shall be void. Any payments that may become due under this Plan shall not be subject to attachment, garnishment, execution, or be transferrable by operation of law in the event of bankruptcy, insolvency, or otherwise.

SECTION 9.4. NO GUARANTEE OF CONTINUED EMPLOYMENT. Nothing contained in this Plan or any action taken under the Plan shall be construed as a contract of employment or as giving any participant any right to be retained in employment with the Bank. The Bank specifically reserves the right to terminate any Participant's employment at any time with or without cause, and with or without notice or assigning a reason, subject to the terms of any written employment agreement between the Participant and the Bank.

SECTION 9.5. WAIVER OF BREACH. The Bank's or the Committee's waiver of any Plan provision shall not operate or be construed as a waiver of any subsequent breach by the Participant.

SECTION 9.6. BENEFIT. This Plan shall be binding upon and inure to the benefit of the Bank and its successors and assigns.

SECTION 9.7. RESPONSIBILITY FOR LEGAL EFFECT. Neither the Committee nor the Bank makes any recommendations or warranties, express or implied, or assumes any responsibility concerning the legal context, or other implications or effects of this Plan.

SECTION 9.8. TAX WITHHOLDING. The Bank shall withhold from any payment made under the Plan such amount or amounts as may be required by applicable federal, state, or local laws.

Peoples Bank, SB has caused this Plan to be executed by its duly authorized officers, as of the 15th day of December, 1999.

PEOPLES BANK SB

By: /s/ David A. Bochnowski

David A. Bochnowski
Chief Executive Officer

ATTEST:

By: /s/ Linda L. Kollada

Linda L. Kollada
Assistant Secretary

APPENDIX

PLAN PARTICIPANT	DATE PARTICIPATION BEGINS
Frank J. Bochnowski	December 15, 1999

Exhibit 13

1999

ANNUAL REPORT

TODAY'S COMMUNITY BANKING...

STRIP OF FOUR PHOTOS BLENDING TOGETHER SHOWING LENDING OFFICER WITH SMALL BUSINESS CUSTOMER, TRUST OFFICER WITH TRUST CUSTOMER, CHECKING CUSTOMER WITH BRANCH MANAGER AND CHIEF FINANCIAL OFFICER WITH COMPUTER.

BLENDING QUALITY SERVICE, PRODUCTS AND TECHNOLOGY

NORTHWEST INDIANA

BANCORP

1999

ANNUAL REPORT

TODAY'S COMMUNITY BANKING...

BLENDING QUALITY SERVICE, PRODUCTS AND TECHNOLOGY

"PEOPLES BANK IS COMMITTED TO INVESTING IN TECHNOLOGIES THAT MEET OUR CUSTOMERS NEEDS, THAT ARE USER FRIENDLY AND ENABLE US TO DELIVER PRODUCTS AND SERVICES EFFICIENTLY."

EDWARD J. FURTICELLA
PEOPLES BANK
CHIEF FINANCIAL OFFICER

DEAR SHAREHOLDERS:

It is my pleasure to report that 1999 was not only a successful year for your Bancorp, but an exciting one as well. Exciting in particular because we began to see the emerging results of our efforts to blend quality service with products and technology. These results included a growth of our core accounts, recognition for supporting small businesses, increased loan volume, and improved noninterest income.

As a community bank, we face new challenges caused by competition, technology, and the evolving preferences of consumers. The comfortable way things used to be has been transformed profoundly by the new economy where technology and international markets have replaced the old order.

Today, what is happening on Wall Street is of more than a passing interest to those of us in Northwest Indiana. While we can do little more than watch the dramatic fluctuations in the stock market, we do have a great deal of control over the quality of your Bancorp investment. We believe that the market ultimately rewards strong management and consistent results.

Photo of chief financial officer Edward Furticella, with computer in front of presentation screen.

Peoples Bank branch manager with young mother and children opening a checking account.

The quality of our performance drives the quality of your investment.

At the same time, what really counts are the Main Streets of our communities. What happens locally determines the Bancorp's policies as we respond to the changing financial services landscape. Forging and holding customer relationships requires us to respond to their changing needs by providing a value-added relationship.

For 1999 the Bancorp's Board of Directors and management implemented community banking strategies which resulted in record earnings. Income for the year was $4.2 million up 12.6% over 1998 with earnings per share at $1.53. Our return on assets was 1.20% and our return on equity was 13.17%.

As a community bank we have listened to our customers, recognized their needs, and delivered products with a high standard of quality service. Quality service means more than convenience. It means being there to meet our customer needs and answer their questions. It means being flexible and able to make timely decisions. And it means responding to opportunities to enhance the delivery of our service.

"PEOPLES BANK HAD JUST THE RIGHT CHECKING PROGRAM FOR MY HUSBAND JAY AND I. AS A YOUNG FAMILY FREE CHECKING IS PERFECT FOR US AND I LOVE GOING INTO THE SCHERERVILLE BRANCH! ALL THE TELLERS AND CUSTOMER SERVICE PEOPLE ARE WONDERFUL."

KATHY WENZEL (RIGHT)
(WITH CAMERON AND CORINNE)
CHECKING CUSTOMER

MEREDITH L. BIELAK (LEFT)
PEOPLES BANK
SCHERERVILLE BRANCH MANAGER

During 2000 the Bancorp will open a state-of-the-art branch facility in Hobart, Indiana. Our 8th location will provide new opportunities to extend the Bancorp's products and services in a growing market. During 2000 we will also roll-out an Internet banking product that provides both our retail customers and our business customers with another avenue for meeting their banking needs.

Quality service and competitively priced products combined this year to add value to our presence as a financial resource in the community. Our average daily balances for core accounts -- driven by a free checking product featuring free checks, a free ATM and debit card, and telephone access to account information -- grew $23.1 million.

More than market share, core account growth increased our market value by fueling $22.4 million of loan growth. Our balance sheet was strengthened by the Bancorp's ability to meet the competition of large regional money-center banks.

Commercial business loan balances were up 28%, commercial real estate loans were up 24% and consumer related loans were up 10%. Asset quality remained high with loan delinquencies at .27% of total loans and our allowance for loan losses at 1.12% of total loans or 412% of non-performing loans.

"OUR PHILOSOPHY OF QUALITY CUSTOMER SERVICE IS REINFORCED THROUGH OUR INTENSIVE EMPLOYEE TRAINING AND IMPROVEMENT PROGRAMS."

LINDA L. KOLLADA
PEOPLES BANK
VICE PRESIDENT
HUMAN RESOURCES

- ------------------------------------

Photo showing Linda Kollada, Vice President of human resources instructing training class.

- ------------------------------------

- -----------------------------------

Photo of chief lending officer Joel Gorelick with small business customer.

- -----------------------------------

"AS A SMALL BUSINESS OWNER IT'S IMPORTANT FOR ME TO HAVE A BANK THAT WILL TAKE THE TIME TO LEARN ABOUT OUR OFFICE FURNITURE AND REFURBISHING OPERATION. WE FOUND THAT AT PEOPLES BANK YOU'RE NOT JUST A NUMBER. AFTER MEETING WITH US PEOPLES LIKED WHAT THEY SAW AND ENABLED US TO EXPAND AND BECOME THE BUSINESS WE KNEW WAS POSSIBLE."

DOREEN GABOYAN
OFFICE FURNITURE SPECIALISTS
1999 FINALIST MINORITY SMALL BUSINESS PERSON OF THE YEAR, NORTHWEST INDIANA ENTREPRENEURIAL EXCELLENCE AWARDS PROGRAM

JOEL GORELICK
PEOPLES BANK
CHIEF LENDING OFFICER
1999 SMALL BUSINESS ADVOCATE OF THE YEAR, NORTHWEST INDIANA ENTREPRENEURIAL EXCELLENCE AWARDS PROGRAM

A key element of the Bancorp's community banking strategy has been to react to the needs of small business for competitive, responsive services. Our effort has been acknowledged by the Northwest Indiana Entrepreneurial Excellence Awards Program who named Joel Gorelick, Chief Lending Officer, the 1999 Small Business Advocate of the Year. Another recognition came from the Northwest Indiana Regional Development Corporation (RDC) which designated Peoples Bank as the Small Business Lender of the Year based upon the volume of our RDC loans.

The increasing demand for financial services has been met by our trust department's ability to fashion individual investment and asset management plans for our customers. We continue to expand our trust and investment services. During the year, Jon DeGuilio, former U.S. Attorney and a well-respected lawyer, joined our ranks as Senior Vice President and Trust Officer.

The book value of trust assets under management stood at $87 million at year end. The trust activities along with income from banking operations resulted in a 23.2% increase in the Bancorp's noninterest income.

Technology had a major impact on the Bancorp this year. Thanks to the strong direction provided by Ed Furticella, our Chief Financial Officer, and the day to day efforts of Tanya Buerger, Vice President for Information Systems, the Bancorp made a seamless transition through the century change date, or Y2K. Our readiness efforts had the ancillary effect of upgrading systems which measurably impact operating efficiencies.

The Bancorp will continue to emphasize quality personal service which has been the hallmark of our operation since 1910. We cannot ignore, however, the opportunity technology presents to add value to our market presence. Investing in technology provides the tools to help us better understand our own customers, determine the shape of new products, and measure the value of our relationships with our customers. At the same time, we recognize that people will always be the driving force in creating growth and market value.

In April of 1999 Jim Crandall, a director of the Bancorp with over forty years of combined service to the cause of community banking, retired from our board. Jim's knowledge of the community, leadership, and steadfast advice helped build our solid record of achievement. He is both a consummate professional and good friend. We thank him for his continued service as a Director Emeritus and wish him well in his retirement.

DAVID A. BOCHNOWSKI CONGRATULATES JIM CRANDALL ON HIS YEARS OF DEDICATION AND OUTSTANDING SERVICE TO THE BOARD OF DIRECTORS OF NORTHWEST INDIANA BANCORP

AND PEOPLES BANK.

JAMES J. CRANDALL (LEFT)
DIRECTOR EMERITUS

DAVID A. BOCHNOWSKI (RIGHT)
PEOPLES BANK
CHAIRMAN AND
CHIEF EXECUTIVE OFFICER

- ---------------------------------

Photo showing bank President
David Bochnowski presenting
James Crandall with award of
distinction.

- ---------------------------------

- ----------------------

Photo of trust officer
Frank Bochnowski
with trust customer.

- ----------------------

"AS A LONG-TIME CUSTOMER,
I HAVE HAD THE OPPORTUNITY TO
ENJOY A FINANCIALLY BENEFICIAL
AND POSITIVE RELATIONSHIP
WITH THE EXPERIENCED TRUST
OFFICERS AT PEOPLES BANK."

LUPE MORALES
TRUST CUSTOMER

FRANK J. BOCHNOWSKI
PEOPLES BANK
EXECUTIVE VICE PRESIDENT
TRUST OFFICER

Shareholders elected Frank J. Bochnowski, Executive Vice President, to the Board of Directors upon Jim Crandall's retirement. We welcome Frank and thank him for his dedication and insight into our strategic direction. His experience and wise counsel are a worthy addition to our working Board of Directors.

Competition, technology, and the convergence of the financial services industry will continue to challenge community banking. In January of 2000, we celebrated our ninety year tradition of community banking. We are confident that by blending quality service, products and technology the Bancorp will add value to our community, our customers, and our shareholders.

Sincerely,

/s/David A. Bochnowski

DAVID A. BOCHNOWSKI
Chairman & CEO

1999
ANNUAL REPORT

FINANCIAL INFORMATION

Strip of four photos blending together showing lending officer with small business customer, trust officer with trust customer, checking customer with branch manager and chief financial officer with computer.

TODAY'S COMMUNITY BANKING...
BLENDING QUALITY SERVICE, PRODUCTS AND TECHNOLOGY

SELECTED CONSOLIDATED FINANCIAL DATA

(In Thousands of Dollars, except Per Share Data)
<TABLE>
<CAPTION>

Fiscal Year Ended	December 31, 1999	December 31, 1998	December 31, 1997	December 31, 1996	December 31, 1995	December 31, 1994
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Statement of Income:						
Total interest income	$ 25,607	$ 25,235	$ 23,669	$ 22,337	$ 21,123	$ 19,122
Total interest expense	11,281	12,310	11,721	11,287	10,484	8,079
Net interest income	14,326	12,925	11,948	11,050	10,639	11,043
Provision for loan losses ..	200	110	221	85	80	145
Net interest income after provision for loan losses .	14,126	12,815	11,727	10,965	10,559	10,898
Noninterest income	1,659	1,347	1,066	682	685	493
Noninterest expense	8,774	7,938	7,154	8,039	6,117	6,031
Net noninterest expense	7,115	6,591	6,088	7,357	5,432	5,538
Income tax expenses	2,775	2,461	2,223	1,419	2,026	2,132
Cumulative effect of changes in accounting	-	-	-	-	-	-
Net income	$ 4,236	$ 3,763	$ 3,416	$ 2,189	$ 3,101	$ 3,228
Basic earnings per common share	$1.53	$1.36	$1.24	$0.80	$1.13	$1.18
Diluted earnings per common share	$1.52	$1.35	$1.23	$0.79	$1.12	$1.17
Cash dividends declared per common share	$0.84	$0.74	$0.64	$0.58	$0.55	$0.55

</TABLE>

<TABLE>
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	December 31, 1999	December 31, 1998	December 31, 1997	December 31, 1996	December 31, 1995	December 31, 1994
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Balance Sheet:						
Total assets	$ 361,719	$ 345,417	$ 319,609	$ 299,419	$ 280,911	$ 266,343
Loans receivable	295,813	273,433	272,213	244,696	222,293	221,930
Investment securities	41,931	36,350	29,362	40,024	38,001	33,678
Deposits	306,647	293,222	272,090	256,420	247,945	234,639
Borrowed funds	18,607	17,320	14,628	12,261	3,139	3,151

Total stockholders' equity	32,471	31,316	29,482	27,815	27,204	25,606

</TABLE>

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<CAPTION>

Fiscal Year Ended	December 31, 1999	December 31, 1998	December 31, 1997	December 31, 1996	December 31, 1995	December 31, 1994
Interest Rate Spread During Period:						
Average effective yield on loans and investment securities	7.61%	8.00%	8.16%	7.98%	8.06%	7.66%
Average effective cost of deposits and borrowings	3.54%	4.16%	4.32%	4.32%	4.33%	3.48%
Interest rate spread	4.07%	3.84%	3.84%	3.66%	3.73%	4.18%
Net interest margin	4.04%	3.91%	3.94%	3.79%	3.91%	4.25%
Return on average assets	1.20%	1.14%	1.13%	0.75%	1.14%	1.24%
Return on average equity	13.17%	12.35%	11.87%	7.90%	11.74%	13.04%

</TABLE>

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<CAPTION>

	December 31, 1999	December 31, 1998	December 31, 1997	December 31, 1996	December 31, 1995	December 31, 1994
Tier I capital to risk-weighted assets	13.5%	14.1%	13.8%	14.7%	15.8%	15.9%
Total capital to risk-weighted assets	14.8%	15.3%	15.0%	16.0%	17.1%	17.2%
Tier I capital leverage ratio ...	9.0%	9.2%	9.2%	9.3%	9.7%	9.6%
Allowance for loan losses to total loans	1.12%	1.14%	1.13%	1.18%	1.27%	1.24%
Allowance for loan losses to non-performing loans	412.08%	213.06%	257.84%	247.40%	268.25%	176.46%
Non-performing loans to total loans	0.27%	0.54%	0.44%	0.48%	0.47%	0.70%
Total loan accounts	4,676	4,625	4,764	4,404	4,606	4,671
Total deposit accounts	27,712	26,172	25.443	24,666	23,730	22,738
Total branches (all full service)	7	7	7	7	6	6

</TABLE>

(1) Six month period due to change in fiscal year end.
(2) Data for six months ended December 31, 1993 has been annualized.

December 31, 1993 (1)	June 30, 1993	June 30, 1992	June 30, 1991
$ 9,360	$19,035	$19,744	$20,709
4,015	8,485	10,698	12,896
5,345	10,550	9,046	7,813
319	711	665	238
5,026	9,839	8,381	7,575
253	749	726	757
3,011	5,378	4,795	4,625
2,758	4,629	4,069	3,868
902	2,158	1,849	1,505
450	-	-	-
$ 1,816	$ 3,052	$ 2,463	$ 2,202
$ 0.67	$ 1.13	$ 0.93	$ 0.83
$ 0.66	$ 1.10	$ 0.88	$ 0.79
$ 0.25	$ 0.40	$ 0.34	$ 0.11

December 31, 1993	June 30, 1993	June 30, 1992	June 30, 1991
$251,481	$246,180	$227,183	$220,053
204,205	202,083	183,366	177,421
33,639	28,910	28,910	25,160
222,945	219,133	202,823	196,880
2,087	993	609	799
23,874	22,691	20,667	18,972

December 31, 1993 (1) (2)	June 30, 1993	June 30, 1992	June 30, 1991
7.75%	8.24%	9.20%	10.08%
3.63%	4.04%	5.39%	6.75%
4.12%	4.20%	3.81%	3.33%
4.27%	4.44%	4.04%	3.80%
1.45%	1.28%	1.10%	1.03%
15.51%	14.00%	12.38%	12.31%

December 31, 1993	June 30, 1993	June 30, 1992	June 30, 1991
15.5%	14.9%	14.7%	14.1%
16.8%	16.1%	15.9%	14.8%
9.5%	9.2%	9.1%	8.6%
1.26%	1.15%	0.88%	0.53%
454.75%	382.34%	231.51%	117.96%
0.27%	0.30%	0.38%	0.45%
4,654	4,661	4,755	4,793
21,204	21,330	20,834	21,200
6	6	6	6

Business

NorthWest Indiana Bancorp (the Bancorp) is a bank holding company registered with the Board of Governors of the Federal Reserve System. Peoples Bank SB (the Bank), an Indiana savings bank, is a wholly owned subsidiary of the Bancorp. The Bancorp has no other business activity other than being the holding company for Peoples Bank SB.

The Bancorp conducts business from its main office in Munster and its other six full-service offices located in East Chicago, Hammond, Merrillville, Dyer and Schererville, Indiana. The Bancorp is primarily engaged in the business of attracting deposits from the general public and the origination of loans secured by single family residences and commercial real estate, as well as, construction loans and various types of consumer loans and commercial business loans. In addition, the Bancorp's trust department provides estate administration, estate planning, guardianships, land trusts, retirement planning, selfdirected IRA and Keogh accounts, investment agency accounts, and serves as personal representative of estates and acts as trustee for revocable and irrevocable trusts.

The Bancorp's common stock is traded in the over-the-counter market and quoted in the National Quotation Bureau's "Pink Sheets". On February 29, 2000, the Bancorp had 2,727,403 shares of common stock outstanding and 506 stockholders of record. This does not reflect the number of persons or entities who may hold their stock in nominee or "street" name through brokerage firms.

TOTAL ASSETS

(DOLLARS IN MILLIONS)

[BAR GRAPH]

1995	1996	1997	1998	1999
$280.9	$299.4	$319.6	$345.4	$361.7

TOTAL ASSETS HAVE INCREASED FROM $280.9 MILLION AT DECEMBER 31, 1995 TO $361.7 MILLION AT DECEMBER 31, 1999. GROWTH DURING 1999 TOTALED $16.3 MILLION OR 4.7%.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS

General

The Bancorp's earnings are dependent upon the earnings of the Bank. The Bank's earnings are primarily dependent upon net interest margin. The net interest margin is the difference between interest income earned on loans and investments and interest expense paid on deposits and borrowings stated as a percentage of average total assets. The net interest margin is perhaps the clearest indicator of a financial institution's ability to generate core earnings. The Bancorp's profitability is also affected by fees and service charges, trust department income, gains and losses from the sale of loans, provisions for loan losses, income taxes and operating expenses.

At December 31, 1999, the Bancorp had total assets of $361.7 million and total deposits of $306.6 million. The Bancorp's deposit accounts are insured up to applicable limits by the Savings Association Insurance Fund (SAIF) which is administered by the Federal Deposit Insurance Corporation (FDIC), an agency of the federal government. At December 31, 1999, stockholders' equity totaled $32.5 million, with book value per share at $11.82. Net income for 1999 was $4.2 million, or $1.53 per common share and $1.52, assuming dilution. The return on average assets (ROA) was 1.20%, while the return on average stockholders' equity (ROE) was 13.17%.

TOTAL ASSET COMPOSITION
(DOLLARS IN MILLIONS)

[PIE GRAPH]

COMMERCIAL BUSINESS AND OTHER	$29.8(8.2%)
COMMERCIAL REAL ESTATE AND MULTIFAMILY	$79.7(22.0%)
RESIDENTIAL REAL ESTATE, INCLUDING HOME EQUITY	$161.1(44.6%)
CONSUMER	$10.4(2.9%)
OTHER ASSETS	$23.4(6.4%)
INVESTMENTS AND OTHER	$42.5(11.8%)
CONSTRUCTION AND LAND DEVELOPMENT	$14.8(4.1%)

AT DECEMBER 31, 1999, THE BANCORP HAD TOTAL AS SETS OF $361.7 MILLION. INTEREST-EARNING ASSETS TOTALED $338.3 MILLION AND REPRESENTED 93.5% OF TOTAL ASSETS.

Asset/Liability Management and Market Risk

Asset/liability management involves the funding and investment strategies necessary to maintain an appropriate balance between interest sensitive assets and liabilities as well as to assure adequate liquidity. These strategies determine the characteristics and mix of the balance sheet. They affect the interest margins, maturity patterns, interest rate sensitivity and risk, as well as resource allocation. For the Bancorp, the key components of asset/liability management are loans, investments, deposits and borrowed funds. Over the years, the Bancorp has directed its lending efforts toward construction loans, adjustable rate residential loans, equity lines of credit, adjustable rate commercial real estate loans and commercial business loans tied to the prime rate of interest. Consumer loans are generally made for terms of five years or less. Fixed rate residential real estate loans are generally made 10 for contractual terms of fifteen years or less. The actual cash flows from these loans generally results in a duration which is less than the contractual maturity, providing protection against the possibility of rising interest rates.

The Bancorp is primarily a portfolio lender. Mortgage banking activities are limited to the sale of fixed rate mortgage loans with contractual maturities of twenty-five years or longer. These loans are sold, on a case-by-case basis, in the secondary market as part of the Bancorp's efforts to manage interest rate risk. The Bancorp retains the servicing on all loans sold in the secondary market.

The primary objective of the Bancorp's investment portfolio is to provide for the liquidity needs of the Bancorp and to contribute to profitability by providing a stable flow of dependable earnings. Funds are generally invested in federal funds, interest-bearing balances in financial institutions, U.S. government securities and federal agency obligations. Interest-bearing balances in financial institutions include overnight deposits at the Federal Home Loan Bank of Indianapolis (FHLB). Investments are generally for terms ranging from one day to five years.

The Bancorp's cost of funds reacts rapidly to changes in market interest rates due to the relatively short-term nature of its deposit liabilities. Consequently, the levels of short- term interest rates have influenced the Bancorp's results of operations. In order to reduce exposure to interest rate risk, core deposits (checking, NOW accounts, savings and money market accounts) have been aggressively marketed and certificate accounts have been competitively priced. Account activity and maturities are monitored in order to guard against the outflow of funds. Borrowed money is used to compensate for reductions in the availability of other sources of funds and is generally accomplished through repurchase agreements, as well as, through a line of credit and advances from the FHLB. FHLB advances with maturities ranging from one to ten years are used to fund securities and loans of comparable duration, as well as, to reduce the impact that movements in short-term interest rates have on the Bancorp's overall cost of funds. The Bancorp does not obtain funds through brokers.

The Bancorp's primary market risk exposure is interest rate risk. Interest rate risk is the risk that the Bancorp's earnings and capital will be adversely affected by changes in interest rates. The primary approach to interest rate risk management is one which focuses on adjustments to the Bancorp's asset/liability mix in order to limit the magnitude of interest rate risk. The Board of Directors has delegated the responsibility for measuring, monitoring and controlling interest rate risk to the Bancorp's asset/liability management committee (ALCO). The ALCO is responsible for developing and implementing interest rate risk management strategies, establishing and maintaining a system of limits and controls, and establishing and utilizing an interest rate risk measurement system. The ALCO, which is made up of members of senior management, generally meets monthly with board presentations occurring quarterly.

Because the Bancorp is liability sensitive (i.e., it has more rate sensitive liabilities than rate sensitive assets maturing or repricing within a one year time period) asset/liability management strategies designed to control interest rate risk focus on investments and loans of short duration, adjustable rate loans, core deposit growth, and a cost-effective mix of deposits and borrowed funds. Increasing the amount of interest earning assets that are rate sensitive, extending the maturities of customer deposits, increasing the balances of core deposit accounts and utilizing cost effective borrowings are all part of management's commitment toward reducing the Bancorp's overall vulnerability to interest rate risk. While these steps may reduce the overall vulnerability to interest rate risk, the Bancorp will still be adversely affected by a rising or high interest rate environment, and is beneficially affected by a falling or low interest rate environment because rate sensitive liabilities exceed rate sensitive assets maturing or repricing within a one year time period.

Performance from an interest rate risk perspective can be measured in many ways. Methodologies used by the Bancorp focus on net interest income and the net economic value of equity. Net interest income is defined as interest income less interest expense. Variability in net interest income arises because its components - interest income and interest expense - do not change equally as rates vary. This mismatch occurs because individual assets and liabilities reprice differently as rates change. Factors which affect net interest income include changes in the level of interest rates, changes in the relationship between Bancorp yield rates and interest costs, changes in the volume of assets and liabilities outstanding, and changes in the composition or mix of assets and liabilities. Management uses rate shock (i.e., instantaneous and sustained parallel shifts in the yield curve in 1% increments up and down 2%) for stress testing the net interest income under several rate change levels. In order to simulate activity, maturing balances are replaced with new balances at the new rate level and repricing balances are adjusted to the new rate shock level. The results are compared to limits set by the Board of Directors and are monitored to identify unfavorable trends. Net economic value of equity is the net present value of the Bancorp's portfolio of assets and liabilities. By marking-to-market the components of the balance sheet, management can compute the net economic value of equity. As rates change over time, the market values of Bancorp assets and liabilities will change, with longer-term products fluctuating more than short-term products. In most cases, rate-sensitive assets and liabilities will not have the same maturity characteristics. Therefore, as rates vary, the market value of the rate-sensitive assets will not change equally with the market value of rate-sensitive liabilities. This will cause the net economic value of equity to vary. The focus of the net economic value of equity is to determine the percentage decline in the net economic value of equity caused by a 2% increase or decrease in interest rates, whichever produces the larger decline. A large value indicates a large percentage decline in the net economic value of equity due to changes in interest rates and, thus, high interest rate sensitivity. A low value indicates a small percentage decline in the net economic value of equity due to changes in interest rates and, thus, low interest rate sensitivity. As with net interest income, the results are compared to limits set by the Board of Directors and are monitored to identify unfavorable trends.

Presented in the following tables is forward-looking information about the Bancorp's sensitivity to changes in interest rates as of December 31,1999 and 1998. The tables incorporate the Bancorp's internal system generated data as related to the maturity, repricing and repayment/withdrawal of interest earning assets and interest bearing liabilities. Prepayment assumptions are based on published data. Present value calculations use current published market interest rates. For core deposits that have no contractual maturity, the table presents principal cash flows and, as applicable, related weighted-average interest rates based on the Bancorp's historical experience, management's judgment, and statistical analysis, as applicable, concerning their most likely withdrawal behaviors.

INTEREST RATE RISK AT DECEMBER 31, 1999

	Net Interest Income			Net Economic Value of Equity		
Change in rates	Amount	% Chg.	Policy Limit %	Amount	% Chg.	Policy Limit %
2%	$ 12,238	- 8.9	- 20	$ 40,596	- 18.0	- 30
1%	$ 12,879	- 4.1	- 10	$ 44,971	- 9.2	- 15
0%	$ 13,430	0.0		$ 49,510	0.0	
-1%	$ 13,800	2.8	- 10	$ 53,412	7.9	- 15
-2%	$ 13,885	3.4	- 20	$ 56,525	14.2	- 30

INTEREST RATE RISK AT DECEMBER 31, 1998

	Net Interest Income			Net Economic Value of Equity		
Change in rates	Amount	% Chg.	Policy Limit %	Amount	% Chg.	Policy Limit %
2%	$ 12,400	- 2.9	- 20	$ 44,223	- 12.2	- 30
1%	$ 12,613	- 1.3	- 10	$ 47,348	- 6.0	- 15
0%	$ 12,773	0.0		$ 50,376	0.0	
-1%	$ 12,701	- 0.6	- 10	$ 52,470	4.2	- 15
-2%	$ 12,528	- 1.9	- 20	$ 54,555	8.3	- 30

The tables show that the Bancorp has managed interest rate risk within the policy limits set by the Board of Directors. At December 31, 1999, an increase in interest rates of 2% would have resulted in an 8.9% decrease in net interest income and an 18.0% decrease in the net economic value of equity compared to decreases of 2.9% and 12.2%, at December 31, 1998. The increase in interest rate risk during 1999 was due to the large increase in loan volume during 1999 funded in part by reducing lower yielding interest bearing balances in financial institutions and federal funds.

Financial Condition

During the year ended December 31, 1999, total assets increased by $16.3 million (4.7%), with interest-earning assets increasing by $13.3 million (4.1%). At December 31, 1999, interest earning assets totaled $338.3 million and represented 93.5% of total assets. Loans totaled $295.8 million and represented 87.4% of interest-earning assets, 81.8% of total assets and 96.5% of total deposits. The loan portfolio includes $14.8 million (5.0%) in construction and land development loans, $161.1 (54.5%) in residential real estate loans, $79.7

million (26.9%) in commercial and multifamily real estate loans, $10.4 million (3.5%) in consumer loans and $29.8 million (10.1%) in commercial business and other loans. During 1999, loans increased by $22.4 million (8.2%). Adjustable rate loans comprised 53% of total loans at year-end. Growth during 1999 was a result of a strong local economy, favorable interest rates and aggressive marketing and call programs. Assuming the continuation of the current strength of the local economy and an aggressive marketing and call program effort, management believes that loan growth should remain strong during 2000 despite a rising interest rate environment and increased price competition within the Bancorp's market area. Management expects to fund loan growth with a mix of deposits and borrowed funds.

[BAR GRAPH]
TOTAL LOANS
(DOLLARS IN MILLIONS)

1995	1996	1997	1998	1999
$222.3	$224.7	$272.2	$273.4	$295.8

TOTAL LOANS HAVE INCREASED FROM $222.3 MILLION AT DECEMBER 31, 1995 TO $295.8 MILLION AT DECEMBER 31, 1999. DURING 1999, LOANS INCREASED BY $22.4 MILLION.

During 1999, the Bancorp sold $2.5 million in fixed rate mortgages compared to $3.7 million in 1998 and $1.8 million in 1997. All loans sold had contractual maturities of thirty years. Net gains realized from the sales totaled $30 thousand, $111 thousand and $26 thousand for 1999, 1998 and 1997. Net mortgage loan servicing income totaled $16 thousand for 1999 and 1998, and $21 thousand for 1997. At December 31, 1999, the Bancorp had $597 thousand classified as loans held for sale. During 2000, the Bancorp expects to sell fixed rate mortgage loans, with contractual maturities of twenty-five years or longer, on a case-by-case basis as part of its efforts to manage interest rate risk.

[PIE GRAPH]

LOAN COMPOSITION
(DOLLARS IN MILLIONS)

COMMERCIAL REAL ESTATE AND MULTIFAMILY	$79.7(26.9%)
RESIDENTIAL REAL ESTATE INCLUDING HOME EQUITY	$161.1(54.5%)
COMMERCIAL BUSINESS AND OTHER	$29.8(10.1%)
CONSUMER	$10.4(3.5%)
CONSTRUCTION AND LAND DEVELOPMENT	$14.8(5.0%)

AT DECEMBER 31, 1999, LOANS RECEIVABLE TOTALED $295.8 MILLION AND REPRESENTED 87.4% OF INTEREST-EARNING ASSETS.

At December 31, 1999, the Bancorp's investment portfolio totaled $40.2 million and was invested as follows: 85.7% in U.S. government agency debt securities, 12.4% in U.S. government debt securities, and 1.9% in U.S. government agency mortgage-backed securities. At December 31, 1999, securities available-for-sale totaled $24.2 million or 60.2% of total securities. The available- for-sale portfolio permits the active management of the Bancorp's liquidity position. During 1999, the Bancorp did not have derivative instruments and was not involved in hedging activities as defined by SFAS 133. The Bancorp does not have a trading portfolio. In addition, at December 31, 1999, the Bancorp had $1.8 million in FHLB stock. During 1999, investment securities increased by $5.6 million (15.4%).

Management believes that the credit risk profile of the earning asset portfolio is relatively low. At December 31, 1999, the Bancorp had $803 thousand in non-performing loans. The December 31, 1999 balance includes $565 thousand in loans accounted for on a nonaccrual basis and $238 thousand in accruing loans which were contractually past due 90 days or more. The total of these nonperforming loans represents 0.27% of the total loan portfolio and 0.22% of total assets. At December 31, 1999, $689 thousand of the Bancorp's loans were internally classified as substandard. There were no loans classified as doubtful or loss. Management does not anticipate that any of the non-performing loans or classified loans will materially impact future operations, liquidity or capital resources. At December 31, 1999, except as described above, there were no material credits that would cause management to have serious doubts as to the ability of such borrowers to comply with loan repayment terms.

At December 31, 1999, the Bancorp had no foreclosed real estate.

[BAR GRAPH]

NON-PERFORMING LOANS TO TOTAL LOANS

1995	1996	1997	1998	1999
0.47%	0.48%	0.44%	0.54%	0.27%

MANAGEMENT BELIEVES THAT THE CREDIT RISK PROFILE OF THE LOAN PORTFOLIO IS RELATIVELY LOW. AT DECEMBER 31, 1999, THE BANCORP'S RATIO OF NON-PERFORMING LOANS TO TOTAL LOANS WAS 0.27% (TWENTY-SEVEN HUNDREDTHS OF ONE PERCENT) WHICH WAS BELOW THE INDUSTRY NORM.

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Because some loans may not be repaid in accordance with contractual agreements, an allowance for loan losses (ALL) has been maintained. While management may periodically allocate portions of the allowance for specific problem loans, the entire allowance is available to absorb all credit losses that arise from the loan portfolio and is not segregated for, or allocated to, any particular loan or group of loans. During 1999, additions to the ALL account totaled $200 thousand compared to $110 thousand for 1998 and $221 thousand for 1997. The amount provided during 1999 was based on loan activity, changes within the loan portfolio mix, and resulting changes in management's assessment of portfolio risk. Charge-offs, net of recoveries, totaled $23 thousand during 1999.

[BAR GRAPH]

ALLOWANCE FOR LOAN LOSSES TO TOTAL LOSSES

1995	1996	1997	1998	1999
1.27%	1.18%	1.13%	1.14%	1.12%

AT DECEMBER 31, 1999, THE BANCORP HAD $3.3 MILLION IN THE ALLOWANCE FOR LOAN LOSSES ACCOUNT. THE AMOUNT REPRESENTS 1.12% OF LOANS OUTSTANDING AND 412.08% OF NON-PERFORMING LOANS.

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At December 31, 1999, the balance in the ALL account totaled $3.3 million which is considered adequate by management after evaluation of the loan portfolio, past experience and current economic and market conditions. The allocation of the ALL reflects performance and growth trends within the various loan categories, as well as, consideration of the facts and circumstances that affect the repayment of individual loans, as well as, loans which have been evaluated on a pooled basis. During 1999, additions to the ALL were allocated to the commercial real estate loans and commercial business loans due to the growth in these portfolios and the additional risk related to these products. At December 31, 1999, no portion of the ALL was allocated to impaired loan balances as the Bancorp had no individual loans considered to be impaired loans as of, or for the year ended December 31, 1999.

Deposits are the major source of funds for lending and other investment purposes. At December 31, 1999, deposits totaled $306.6 million. During 1999, deposit growth totaled $13.4 million (4.6%). Money market deposit accounts (MMDA's) increased $9.0 million (27.1%), NOW accounts increased $1.2 million (4.4%), checking accounts increased $363 thousand (1.6%) and certificates of deposit increased by $5.2 million (3.2%). Savings accounts decreased $2.4 million (4.9%). The growth in core deposits was a result of competitive product offerings and an aggressive marketing program. At December 31, 1999, the deposit base was comprised of 15.2% savings accounts, 13.8% MMDAs, 9.6% NOW accounts, 7.4% checking accounts and 54.0% certificates of deposit. Deposit growth has not kept pace with asset growth principally due to a low rate of personal savings by households and competition for depositor funds from higher-yielding investment alternatives. At December 31, 1999, repurchase agreements totaled $3.1 million. Other short-term borrowings totaled $1.5 million. The Bancorp had $14 million in FHLB advances with a weighted-average maturity of 4.0 years.

[BAR GRAPH]

TOTAL DEPOSITS
(DOLLARS IN MILLIONS)

1995	1996	1997	1998	1999
$247.9	$256.4	$272.1	$293.2	$306.6

DEPOSITS ARE THE MAJOR SOURCE OF FUNDS FOR LENDING AND OTHER INVESTMENT PURPOSES. DURING 1999, DEPOSITS INCREASED BY $13.4 MILLION OR 4.6%.

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Liquidity and Capital Resources

For the Bancorp, liquidity management refers to the ability to generate sufficient cash to fund current loan demand, meet savings deposit withdrawals, and pay dividends and operating expenses. The Bancorp's primary goal for liquidity management is to ensure that at all times it can meet the cash demands of its depositors and its loan customers. A secondary purpose of liquidity management is profit management. Because profit and liquidity are often conflicting objectives, management attempts to maximize the Bancorp's net interest margin by making adequate, but not excessive, liquidity provisions. Finally, because the Bancorp is subject to legal reserve requirements under Federal Reserve Regulation D, liquidity is managed to ensure that the Bancorp maintains an adequate level of legal reserves.

Changes in the liquidity position result from operating, investing and financing activities. Cash flows from operating activities are generally the cash effects of transactions and other events that enter into the determination of net income. The primary investing activities include loan originations, loan repayments, investments in interest bearing balances in financial institutions, and the purchase and maturity of investment securities. Financing activities focus almost entirely on the generation of customer deposits. In addition, the Bancorp utilizes borrowings (i.e., repurchase agreements and advances from the FHLB) as a source of funds.

[BAR GRAPH]

CAPITAL TO AVERAGE ASSETS

1995	1996	1997	1998	1999
9.7%	9.3%	9.2%	9.2%	9.0%

MANAGEMENT FIRMLY BELIEVES THAT THE SAFETY AND SOUNDNESS OF THE BANCORP IS ENHANCED BY MAINTAINING A HIGH LEVEL OF CAPITAL. AT DECEMBER 31, 1999, THE BANCORP'S CAPITAL EXCEEDED ALL REGULATORY REQUIREMENTS. THE BANCORP IS CATEGORIZED AS "WELL CAPITALIZED". THE RATIO OF TIER I CAPITAL TO ADJUSTED AVERAGE ASSETS REFLECTS THE CHANGE IN CAPITAL OVER THE PERIODS PRESENTED AS A RESULT OF PROFITABILITY AND SUCCESS IN MANAGING GROWTH. IN ADDITION, TIER I CAPITAL TO RISK-WEIGHTED ASSETS WAS 13.5% AND TOTAL CAPITAL TO RISK-WEIGHTED ASSETS WAS 14.8%.

During 1999, cash and cash equivalents decreased by $12.7 million compared to increases of $16.7 million for 1998 and $4.1 million for 1997. The decrease reflects the reduction of interest bearing balances in financial institutions and federal funds sold, as these funds were used for the Year 2000 cash build-up, security investments and loan originations. During 1999, cash provided by operating activities totaled $5.1 million, compared to $4.0 million for 1998 and $5.2 million for 1997. The increase during 1999 was due to an increase in net income and a reduction in cash flows from loan sales. Cash flows from investing activities reflect an increase in loan production during 1999. The net change in loans receivable and loan participations purchased totaled $22.6 million during 1999, compared to $1.8 million for 1998 and $28.1 million for 1997. Cash flows from financing activities totaled $12.0 million during 1999, compared to $21.3 million for 1998 and $16.3 million for 1997. The Bancorp paid dividends on common stock of $2.3 million during 1999, compared to $2.0 million for 1998 and $1.8 million for 1997. Deposit growth during 1999 totaled $13.4 million, compared to $21.1 million for 1998 and $15.7 million for 1997. The increase in FHLB advances and other borrowed funds totaled $1.3 million during 1999, compared to $2.2 million for 1998 and $2.4 million for 1997.

On August 18, 1999, the Board of Directors authorized a stock repurchase program for 50,000 shares of the Bancorp's Common Stock, representing approximately 1.8% of the total common shares outstanding. As of December 31, 1999, the Bancorp purchased 21,100 shares of treasury stock at $21.00-$21.50 per share for $447 thousand.

During 2000, the Bancorp will open a state-of-the-art branch facility in Hobart, Indiana. The cost of the new facility will be approximately $2.1 million. The facility will not have a material impact on noninterest expense during 2000. The new facility provides opportunities to expand market share for the Bancorp's products and services in Hobart and the surrounding areas.

At December 31, 1999, outstanding commitments to fund loans totaled $61.3 million. Approximately 82% of the commitments were at variable rates. Management believes that the Bancorp has sufficient cash flow and borrowing capacity to fund all outstanding commitments and to maintain proper levels of liquidity.

Management strongly believes that safety and soundness is enhanced by maintaining a high level of capital. During 1999, stockholders' equity increased by $1.2 million (3.7%). The increase resulted primarily from earnings of $4.2 million for 1999. In addition, $21 thousand represents proceeds from the exercise of 4,347 stock options. The Bancorp paid $2.3 million in cash dividends and $447 thousand for the purchase of treasury stock during 1999. The net unrealized loss on available-for-sale securities was $336 thousand. At December 31, 1999, book value per share was $11.82 compared to $11.34 at December 31, 1998.

The Bancorp is subject to risk-based capital guidelines adopted by the Board of Governors of the Federal Reserve System (the FRB), and the Bank is subject to risk-based capital guidelines adopted by the FDIC. As applied to the Bancorp and the Bank, the FRB and FDIC capital requirements are substantially identical. These regulations divide capital into two tiers. The first tier (Tier I) includes common equity, certain non-cumulative perpetual preferred stock and minority interests in equity accounts of consolidated subsidiaries, less goodwill and certain other intangible assets. Supplementary (Tier II) capital includes, among other things, cumulative perpetual and long-term limited-life preferred stock, mandatory convertible securities, certain hybrid capital instruments, term subordinated debt and the allowance for loan losses, subject to certain limitations, less required deductions. The Bancorp and the Bank are required to maintain a total risk-based capital ratio of 8%, of which 4% must be Tier I capital. In addition, the FRB and FDIC regulations provide for a minimum Tier I leverage ratio (Tier I capital to adjusted average assets) of 3% for financial institutions that meet certain specified criteria, including that they have the highest regulatory rating and are not experiencing or anticipating significant growth. All other financial institutions are required to maintain a Tier I leverage ratio of 3% plus an additional cushion of at least one to two percent.

The following table shows that, at December 31, 1999, the Bancorp's capital exceeded all regulatory capital requirements. At December 31, 1999, the Bancorp's and the Bank's regulatory capital ratios were substantially the same. The dollar amounts are in millions.

	Actual		Required for adequate capital		To be well capitalized	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
Total capital to risk-weighted assets	$35.7	14.8%	$19.3	8.0%	$24.2	10.0%
Tier I capital to risk-weighted assets	$32.7	13.5%	$ 9.7	4.0%	$14.5	6.0%
Tier I capital to adjusted average assets	$32.7	9.0%	$10.9	3.0%	$18.2	5.0%

Results of Operations - Comparison of 1999 to 1998

Net income for 1999 was $4.2 million, compared to $3.8 million for 1998, an increase of $473 thousand (12.6%). The earnings represent a return on average assets of 1.20% for 1999 compared to 1.14% for 1998. The return on average equity was 13.17% for 1999 compared to 12.35% for 1998.

Net interest income for 1999 was $14.3 million, up $1.4 million (10.8%) from $12.9 million for 1998. The increase in net interest income was primarily due to a lower cost of funds. The weighted-average yield on interest-earning assets was 7.61% for 1999 compared to 8.00% for 1998. The weighted-average cost of funds was 3.54% for 1999 compared to 4.16% for 1998. The impact of the 7.61% return on interest earning assets and the 3.54% cost of funds resulted in a net interest spread of 4.07% for 1999 compared to 3.84% for 1998. During 1999, total interest income increased by $372 thousand (1.5%) while total interest expense decreased by $1.0 million (8.4%). The net interest margin was 4.04% for 1999 compared to 3.91% for 1998.

[BAR GRAPH]

NET INTEREST MARGIN

1995	1996	1997	1998	1999
3.91%	3.79%	3.94%	3.91%	4.04%

THE NET INTEREST MARGIN IS TOTAL INTEREST INCOME MINUS TOTAL INTEREST EXPENSE STATED AS A PERCENTAGE OF AVERAGE TOTAL ASSETS. DURING 1999, THE INCREASE WAS PRIMARILY DUE TO BOTH GROWTH IN THE BANCORP'S LOAN PORTFOLIO AND CORE DEPOSITS.

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During 1999, interest income from loans increased by $108 thousand (0.5%) compared to 1998. The increase was due to an increase in average daily balances for the loan portfolio. The weighted-average yield on loans outstanding was 7.90% for 1999 compared to 8.31% for 1998. Higher average loan balances have contributed to the increase in interest income as loans averaged $286.6 million for 1999, up $15.2 million (5.6%) from $271.4 million for 1998. During 1999, interest income on investments and other deposits increased by $264 thousand (9.8%) compared to 1998. The increase was due to higher average daily balances. The weighted- average yield on investments and other deposits was 5.92% for 1999 compared to 6.13% for 1998. Securities and other deposits averaged $49.9 million for 1999, up $6.0 million (13.7%) from $43.9 million for 1998.

Interest expense for deposits decreased by $1.0 million (9.2%) during 1999 compared to 1998. The decrease was due to a lower cost of funds. The weighted-average rate paid on deposits for 1999 was 3.45% compared to 4.09% for 1998. The lower cost of funds was due to growth in core deposits. Core deposits averaged $141.4 million during 1999, up $23.1 million (19.5%) from $118.3 million for 1998. Total deposit balances averaged $300.4 million for 1999, up $21.3 million (7.6%) from $279.1 million for 1998. Interest expense on borrowed funds increased by $18 thousand (2.0%) during 1999 due to higher average daily balances. The weighted-average cost of borrowed funds was 5.11% for 1999 compared to 5.41% for 1998. Borrowed funds averaged $18.1 million during 1999, up $1.4 million (8.4%) from $16.7 million for 1998. Borrowed funds have provided a cost-effective supplement to certificates of deposit, as deposit pricing within the Bancorp's local market area has been very competitive.

Noninterest income was $1.7 million for 1999, up $312 thousand (23.2%) from $1.4 million during 1998. During 1999, management continued to implement initiatives focused on improving noninterest income from Bancorp operations. As a result, fees and service charges increased $389 thousand (44.7%) and income from Trust operations increased $42 thousand (14.2%).

Noninterest expense for 1999 was $8.8 million, up $836 thousand (10.5%) from $7.9 million for 1998. The increase in compensation and benefits was due to additional staffing, annual salary increases and the increased cost of employee benefits. The increases in occupancy and equipment, and data processing reflect investments in technology and new products and services. Other expense changes were due to costs related to the century date change and standard increases in operations. The Bancorp's efficiency ratio for 1999 was 54.9% compared to 55.6% for 1998. The ratio is determined by dividing total noninterest expense by the sum of net interest income and total noninterest income for the period.

Income tax expenses for 1999 totaled $2.8 million compared to $2.5 million for 1998, an increase of $314 thousand (12.8%). The increase was due to an increase in pretax earnings during 1999. The combined effective federal and state tax rates for the Bancorp were 39.6% for 1999 and 39.5% for 1998.

Results of Operations - Comparison of 1998 to 1997

Net income for 1998 was $3.8 million, compared to $3.4 million for 1997, an increase of $347 thousand (10.2%). The earnings represent a return on average assets of 1.14% for 1998 compared to 1.13% for 1997. The return on average equity was 12.35% for 1998 compared to 11.87% for 1997.

Net interest income for 1998 was $12.9 million, up $977 thousand (8.2%) from $11.9 million for 1997. The increase in net interest income was due to the growth in average interest-earning assets and a decrease in the cost of funds. Interest-earning assets averaged $315.3 million for 1998, up $25.3 million (8.7%) from $290.1 million for 1997. The weighted-average yield on interest-earning assets was 8.00% for 1998 compared to 8.16% for 1997. The weighted-average cost of funds was 4.16% for 1998 compared to 4.32% for 1997. The impact of the 8.00% return on interest earning assets and the 4.16% cost of funds resulted in an interest rate spread of 3.84% for both 1998 and 1997. During 1998, total interest income increased by $1.6 million (6.6%) while total interest expense increased by $589 thousand (5.0%). The net interest margin was 3.91% for 1998 compared to 3.94% for 1997.

During 1998, interest income from loans increased by $1.2 million (5.5%) compared to 1997. The increase was due to an increase in average daily balances for the loan portfolio. The weighted-average yield on loans outstanding was 8.31% for 1998 compared to 8.41% for 1997. Higher average loan balances contributed to the increase in interest income as loans averaged $271.4 million for 1998, up $17.2 million (6.8%) from $254.2 million for 1997. During 1998, interest income on investments and other deposits increased by $393 thousand (17.1%) compared to 1997. The increase was due to higher average daily balances. The weighted- average yield on investments and other deposits was 6.13% for 1998 compared to 6.42% for 1997. Securities and other deposits averaged $43.9 million for 1998, up $8.1 million (22.6%) from $35.8 million for 1997.

Interest expense for deposits increased by $98 thousand (0.9%) during 1998 compared to 1997. The increase was due to an increase in average daily balances. The weighted-average rate paid on deposits for 1998 was 4.09% compared to 4.30% for 1997. Deposit balances averaged $279.1 million for 1998, up $16.0 million (6.1%) from $263.1 million for 1997. Interest expense on borrowed funds increased by $491 thousand (118.6%) during 1998 due to the increased cost of borrowed funds and higher average daily balances. The weighted-average cost of borrowed funds was 5.41% for 1998 compared to 5.13% for 1997. The increase was due to lengthening the maturities of borrowed funds. Borrowed funds averaged $16.7 million during 1998, up $8.6 million (107.1%) from $8.1 million for 1997.

Noninterest income was $1.3 million for 1998, up $281 thousand (26.4%) from $1.1 million during 1997. During 1998, management focused on initiatives designed to review and enhance noninterest income. During 1998, income from fees and service charges increased $176 thousand (25.3%) and income from Trust operations increased by $40 thousand (15.6%) due to increased fees from services provided and growth. In addition, increased gains from the sale of fixed rate loans ($85 thousand) and foreclosed real estate ($37 thousand) contributed to the increase in noninterest income.

Noninterest expense for 1998 was $7.9 million, up $784 thousand (11.0%) from $7.2 million for 1997. The increase in compensation and benefits was due to additional staffing, annual salary increases and the increased cost of employee benefits. Other expense changes were due to standard increases in operations. The Bancorp's efficiency ratio for 1998 was 55.6% compared to 55.0% for 1997.

Income tax expenses for 1998 totaled $2.5 million compared to $2.2 million for 1997, an increase of $238 thousand (10.7%). The increase was due to an increase in pretax earnings during 1998. The combined effective federal and state tax rates for the Bancorp were 39.5% for 1998 and 39.4% for 1997.

Impact of Inflation and Changing Prices

The financial statements and related data presented herein have been prepared in accordance with Generally Accepted Accounting Principles which require the measurement of financial position and operating results in terms of historical dollars, without considering changes in the relative purchasing power of money over time due to inflation. The primary assets and liabilities of the Bancorp are monetary in nature. As a result, interest rates have a more significant impact on the Bancorp's performance than the effects of general levels of inflation. Interest rates do not necessarily move in the same direction or magnitude as the prices of goods and services.

Year 2000

The transition into the year 2000 was a success for the Bancorp, its service providers and customers. Management will continue to monitor its systems and equipment throughout 2000 to avoid the risk of disruptions to customer service or Bancorp operations caused by specific future dates. Informal discussions on year 2000 issues and dates will continue with vendors and major customers. Costs related to year 2000 readiness totaled approximately $140 thousand during 1999. The total cost for the year 2000 initiative was approximately $300 thousand of which approximately $200 thousand was invested in new computers and software providing enhanced functionality over the systems that were replaced.

Forward-Looking Statements

When used in this report and in other filings by the Bancorp with the Securities and Exchange Commission, in the Bancorp's press releases or other public or shareholder communications, or in oral statements made with the approval of an authorized executive officer, the words or phrases "would be," "will allow," "intends to," "will likely result," "are expected to," "will continue," "is anticipated," "estimate," "project," or similar expressions are intended to identify "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements are subject to risks and uncertainties, including but not limited to changes in economic conditions in the Bancorp's market area, changes in policies by regulatory agencies, fluctuations in interest rates, demand for loans in the Bancorp's market area and competition, all or some of which could cause actual results to differ materially from historical earnings and those presently anticipated or projected.

The Bancorp wishes to caution readers not to place undue reliance on any such forward-looking statements, which speak only as of the date made, and advise readers that various factors, including regional and national economic conditions, substantial changes in levels of market interest rates, credit and other risks of lending and investment activities and competitive and regulatory factors, could affect the Bancorp's financial performance and could cause the Bancorp's actual results for future periods to differ materially from those anticipated or projected.

The Bancorp does not undertake, and specifically disclaims any obligation, to update any forward-looking statements to reflect occurrences or unanticipated events or circumstances after the date of such statements.

[BAR GRAPH]

RETURN ON ASSETS

1995	1996	1997	1998	1999
1.14%	0.75%	1.13%	1.14%	1.20%

RETURN ON ASSETS (ROA) INDICATES THE OVERALL OPERATING EFFICIENCY OF A COMPANY. THE RATIO IS DETERMINED BY STATING NET INCOME AS A PERCENTAGE OF AVERAGE TOTAL ASSETS. THE INCREASE IN THE ROA FOR 1999 WAS DUE TO INCREASES IN NET INTEREST INCOME, NONINTEREST INCOME AND HIGH ASSET QUALITY. THE 1996 RESULTS INCLUDE THE ONE-TIME SPECIAL ASSESSMENT ON SAIF-ASSESSABLE DEPOSITS TO RECAPITALIZE SAIF.

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[BAR GRAPH]

RETURN ON EQUITY

1995	1996	1997	1998	1999
11.74%	7.90%	11.87%	12.35%	13.17%

RETURN ON EQUITY (ROE) IS DETERMINED BY STATING NET INCOME AS A PERCENTAGE OF AVERAGE STOCKHOLDERS' EQUITY. THE RATIO IS IMPORTANT TO THE BANCORP'S STOCKHOLDERS BECAUSE IT MEASURES THE RETURN ON THEIR INVESTED CAPITAL. THE INCREASE IN ROE FOR 1999 REFLECTS RECORD EARNINGS. THE 1996 RESULTS INCLUDE THE ONE-TIME SPECIAL ASSESSMENT ON SAIF-ASSESSABLE DEPOSITS TO RECAPITALIZE

SAIF.

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[CROWE CHIZEK LOGO]

REPORT OF INDEPENDENT AUDITORS

Board of Directors and Stockholders
NorthWest Indiana Bancorp
Munster, Indiana

We have audited the accompanying consolidated balance sheets of NorthWest Indiana Bancorp (the Bancorp) as of December 31, 1999 and 1998 and the related consolidated statements of income, changes in stockholders' equity and cash flows for each of the three years in the period ended December 31, 1999. These financial statements are the responsibility of the Bancorp's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of NorthWest Indiana Bancorp as of December 31, 1999 and 1998 and the results of its operations and its cash flows for each of the three years in the period ended December 31, 1999 in conformity with generally accepted accounting principles.

/s/Crowe, Chizek and Company LLP
Crowe, Chizek and Company LLP

South Bend, Indiana
January 7, 2000

CONSOLIDATED BALANCE SHEETS

<TABLE>
<CAPTION>

(Dollars in thousands)	DECEMBER 31,	
	1999	1998
ASSETS		
<S>	<C>	<C>
Cash and non-interest bearing balances in financial institutions	$ 14,633	$ 12,729
Interest bearing balances in financial institutions	--	10,111
Federal funds sold	--	4,500
Total cash and cash equivalents	14,633	27,340
Securities available-for-sale	24,171	20,522
Securities held-to-maturity (fair value: 1999 - $15,718, 1998 - $14,236)	15,983	

		14,133
Loans held for sale	597	598
Loans receivable	295,813	273,433
Less: allowance for loan losses	(3,309)	(3,132)
	---------	---------
Net loans receivable	292,504	270,301
Federal Home Loan Bank stock	1,777	1,695
Accrued interest receivable	2,408	2,298
Premises and equipment	6,522	6,715
Foreclosed real estate	--	32
Investment in real estate limited partnerships	1,117	499
Deferred income taxes	1,367	877
Other assets	640	407
	---------	---------
Total assets	$ 361,719	$ 345,417
	=========	=========

LIABILITIES AND STOCKHOLDERS' EQUITY

Deposits:		
Non-interest bearing	$ 22,709	$ 22,346
Interest bearing	283,938	270,876
	---------	---------
Total	306,647	293,222
Borrowed funds	18,607	17,320
Accrued expenses and other liabilities	3,994	3,559
	---------	---------
Total liabilities	329,248	314,101
Commitments and contingencies	--	--
Stockholders' Equity:		
Preferred stock, no par or stated value; 10,000,000 shares authorized, none outstanding	--	--
Common stock, no par or stated value; 10,000,000 shares authorized; shares issued: December 31, 1999 - 2,767,503, December 31, 1998 - 1,381,578, shares outstanding: December 31, 1999 - 2,746,403, December 31, 1998 - 2,763,156	346	345
Additional paid in capital	2,970	2,950
Accumulated other comprehensive income	(222)	114
Retained earnings - substantially restricted	29,824	27,907
Treasury stock: December 31, 1999 - 21,100 common shares at cost	(447)	--
	---------	---------
Total stockholders' equity	32,471	31,316
	---------	---------
Total liabilities and stockholders' equity	$ 361,719	$

345,417

=========

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</TABLE>

See accompanying notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF INCOME

<TABLE>
<CAPTION>

(Dollars in thousands, except per share data)	YEAR ENDED DECEMBER 31,		
	1999	1998	1997
Interest income:			
Loans receivable			
Real estate loans	$19,541	$19,747	$19,128
Commercial loans	2,248	2,071	1,780
Consumer loans	862	725	462
Total loan interest	22,651	22,543	21,370
Securities	2,358	1,981	2,155
Other interest earning assets	598	711	144
Total interest income	25,607	25,235	23,669
Interest expense:			
Deposits	10,358	11,405	11,307
Borrowed funds	923	905	414
Total interest expense	11,281	12,310	11,721
Net interest income	14,326	12,925	11,948
Provision for loan losses	200	110	221
Net interest income after provision for loan losses	14,126	12,815	11,727
Noninterest income:			
Fees and service charges	1,260	871	695
Trust operations	338	296	256
Gain on sale of loans, net	30	111	26
Gain on securities, net	12	--	--
Gain on sale of foreclosed real estate	15	65	28

Other	4	4	61
	-------	-------	-------
Total noninterest income	1,659	1,347	1,066
	-------	-------	-------
Noninterest expense:			
Compensation and benefits	4,656	4,130	3,645
Occupancy and equipment	1,524	1,454	1,350
Data processing	511	428	368
Federal insurance premium	169	164	163
Advertising	150	128	145
Other	1,764	1,634	1,483
	-------	-------	-------
Total noninterest expense	8,774	7,938	7,154
	-------	-------	-------
Income before income tax expenses	7,011	6,224	5,639
Income tax expenses	2,775	2,461	2,223
	-------	-------	-------
Net income	$ 4,236	$ 3,763	$ 3,416
	=======	=======	=======
Earnings per common share:			
Basic	$ 1.53	$ 1.36	$ 1.24
Diluted	$ 1.52	$ 1.35	$ 1.23
Dividends declared per common share	$ 0.84	$ 0.74	$ 0.64

See accompanying notes to consolidated financial statements.
</TABLE>

<TABLE>

CONSOLIDATED STATEMENTS OF
CHANGES IN STOCKHOLDERS' EQUITY

<CAPTION>

(Dollars in thousands, except per share data)	Common Stock	Additional Paid-in Capital	Accumulated Other Comprehensive Income	Retained Earnings	Treasury Stock	Total Equity
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Balance at January 1, 1997	$345	$2,930	$--	$ 24,540	$--	$ 27,815
Net income and comprehensive income	--	--	--	3,416	--	3,416
Issuance of 3,754 shares of common stock at $4.29 - $10.63 per share, under stock option plan	--	18	--	--	--	18
Cash dividends, $0.64 per share	--	--	--	(1,767)	--	(1,767)

Balance at December 31, 1997	345	2,948	--	26,189	--	29,482
Comprehensive income:						
Net income	--	--	--	3,763	--	3,763
Net unrealized gain/(loss) on securities available-for-sale, net of tax effects	--	--	(3)	--	--	(3)
Comprehensive income before cumulative effect of change in accounting policy	--	--	--	--	--	3,760
Cumulative effect of change in adopting SFAS No. 133	--	--	117	--	--	117
Comprehensive income	--	--	--	--	--	3,877
Issuance of 214 shares of common stock at $5.75 - $10.63 per share, under stock option plan	--	2	--	--	--	2
Cash dividends, $0.74 per share	--	--	--	(2,045)	--	(2,045)
Balance at December 31, 1998	345	2,950	114	27,907	--	31,316
Comprehensive income:						
Net income	--	--	--	4,236	--	4,236
Net unrealized gain/(loss) on securities available-for-sale, net of reclassification tax effects	--	--	(336)	--	--	(336)
Comprehensive income	--	--	--	--	--	3,900
Issuance of 4,347 shares of common stock at $4.66 - $10.63 per share, under stock option plan	1	20	--	--	--	21
Cash dividends, $0.84 per share	--	--	--	(2,319)	--	(2,319)
Purchase of 21,100 shares of treasury stock at $21,00 - $21.50 per share	--	--	--	--	(447)	(447)
Balance at December 31, 1999	$346	$2,970	$(222)	$ 29,824	$(447)	$ 32,471

</TABLE>

See accompanying notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

<TABLE>
<CAPTION>

(Dollars in thousands)	YEAR ENDED DECEMBER 31,		
	1999	1998	1997
CASH FLOWS FROM OPERATING ACTIVITIES:			
<S>	<C>	<C>	

<C>

Net income	$ 4,236	$ 3,763	$ 3,416
Adjustments to reconcile net income to net cash provided by operating activities:			
Origination of loans for sale	(2,512)	(4,259)	(1,732)
Sale of loans originated for sale	2,495	3,691	1,758
Depreciation and amortization, net of accretion	921	901	710
Amortization of mortgage servicing rights	11	6	--
Amortization of investment in real estate limited partnerships	12	1	--
Net gains on securities	(12)	--	--
Net gains on sale of loans	(30)	(111)	(26)
Net gains on sale of fixed assets	--	--	(41)
Net gains on sale of foreclosed real estate	(15)	(65)	(28)
Provision for loan losses	200	110	221
Net change in:			
Deferred taxes	(266)	(159)	(88)
Interest receivable	(110)	(103)	(42)
Other assets	(197)	555	556
Accrued expenses and other liabilities	435	150	486
Total adjustments	932	717	1,774
Net cash from operating activities	5,168	4,480	5,190
CASH FLOWS FROM INVESTING ACTIVITIES:			
Proceeds from maturities of securities available-for-sale	7,660	--	--
Purchase of securities available-for-sale	(11,960)	(8,175)	--
Proceeds from maturities of securities held-to-maturity	5,595	11,000	10,748
Purchase of securities held-to-maturity	(7,729)	(10,110)	(500)
Principal collected on mortgage-backed securities	304	472	414
Purchase of investment in real estate limited partnerships	(632)	(500)	--
Purchase of Federal Home Loan Bank Stock	(82)	(49)	(49)
Loan participations purchased	(300)	(5,238)	(3,240)
Net change in loans receivable	(22,253)	3,506	(24,842)
Purchase of premises and equipment, net	(645)	(732)	(354)
Proceeds from sale of foreclosed real estate	200	752	489
Net cash from investing activities	(29,842)	(9,074)	(17,334)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Change in deposits	13,425	21,132	15,670
Proceeds from FHLB advances	8,000	4,000	23,000
Repayment of FHLB advances	(6,000)	--	(22,000)
Change in other borrowed funds	(713)	(1,808)	1,367

Proceeds from issuance of common stock	21	2	18
Dividends paid	(2,319)	(2,045)	(1,767)
Treasury stock purchased	(447)	--	--
Net cash from financing activities	11,967	21,281	16,288
Net change in cash and cash equivalents	(12,707)	16,687	4,144
Cash and cash equivalents at beginning of period	27,340	10,653	6,509
Cash and cash equivalents at end of period	$ 14,633	$ 27,340	$ 10,653
SUPPLEMENTAL CASH FLOW INFORMATION:			
Cash paid during the period for:			
Interest	$ 11,331	$ 12,371	$ 11,668
Income taxes	$ 3,203	$ 2,526	$ 1,790
SUPPLEMENTAL NONCASH INFORMATION:			
Transfers from securities held-to-maturity to available-for-sale	$ --	$ 12,241	$ --
Transfers from loans to foreclosed real estate	$ 153	$ 460	$ 531

</TABLE>

See accompanying notes to consolidated financial statements

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
Years ended December 31, 1999, 1998 and 1997

NOTE 1 - Summary of Significant Accounting Policies

Principles of Consolidation - The consolidated financial statements include NorthWest Indiana Bancorp (the Bancorp), its wholly-owned subsidiary, Peoples Bank SB (the Bank), and the Bank's wholly-owned subsidiaries, Peoples Service Corporation and PSA Insurance Corporation. The Bancorp has no other business activity other than being a holding company for the Bank. The Bancorp's earnings are dependent upon the earnings of the Bank. Peoples Service Corporation is inactive. During 1997, PSA Insurance Corporation was dissolved. All significant inter-company accounts and transactions have been eliminated in consolidation.

Use of Estimates - Preparing financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period, as well as the disclosures provided. Actual results could differ from those estimates. Estimates associated with the allowance for loan losses, fair values of financial instruments and status of contingencies are particularly susceptible to material change in the near term.

Concentrations of Credit Risk - The Bancorp grants residential, commercial real estate, commercial business and installment loans to customers primarily of Lake County, in northwest Indiana. Substantially all loans are secured by specific items of collateral including residences, business assets and consumer assets.

Cash Flow Reporting - For purposes of the statement of cash flows, the Bancorp considers cash on hand, noninterest bearing balances in financial institutions, all interest-bearing balances in financial institutions with original maturities of ninety days or less and federal funds sold to be cash and cash equivalents. The Bancorp reports net cash flows for customer loan and deposit transactions and short-term borrowings with maturities of 90 days or less.

Securities - The Bancorp classifies securities into held-to-maturity, available-for-sale, or trading categories. Held-to-maturity securities are those which the Bancorp has the positive intent and ability to hold to maturity, and are reported at amortized cost. Available-for-sale securities are those the Bancorp may decide to sell if needed for liquidity, asset-liability management or other reasons. Available-for-sale securities are reported at fair value, with unrealized gains and losses reported in other comprehensive income. The Bancorp does not have a trading portfolio. Realized gains and losses resulting from the sale of securities are computed by the specific identification method. Interest and dividend income, adjusted by amortization of premium or discount, is included in earnings. Securities are written down to fair value when a decline in fair value is not temporary.

During June 1998, the Financial Accounting Standards Board issued Statement of Financial Accounting Standard (SFAS) No. 133, Accounting for Derivative Instruments and Hedging Activities. On October 1, 1998, the Bancorp adopted SFAS No. 133 and as permitted transferred securities from the held-to-maturity portfolio to the available-for-sale portfolio. At the date of transfer, these securities had an amortized cost of $12,241,000, and the transfer increased the unrealized appreciation on securities available-for-sale by $194,000 and increased stockholders equity by $117,000, net of tax of $77,000.

During 1999 and 1998, the Bancorp did not have derivative instruments and was not involved in hedging activities as defined by SFAS No. 133.

Loans Held for Sale - Mortgage loans originated and intended for sale in the secondary market are carried at the lower of cost or estimated market value in the aggregate. Net unrealized losses are recognized in a valuation allowance by charges to income.

Loans and Loan Income - Loans are stated net of loans in process, deferred loan fees and costs, and unearned income. Discounts on consumer loans are recognized over the lives of the loans using the interest method. Interest income on other loans is accrued over the term of the loans based upon the principal outstanding except where serious doubt exists as to the collectibility of a loan, in which case the accrual of interest is discontinued. Income is subsequently recognized only to the extent that cash payments are received until, in management's judgment, the borrower has the ability to make contractual interest and principal payments, in which case the loan is returned to accrual status. Net deferred loan fees and costs are amortized on the interest method over the loan term.

Allowance for Loan Losses - Because some loans may not be repaid in full, an allowance for loan losses is maintained. Increases to the allowance are recorded by a provision for loan losses charged to expense. Estimating the risk of loss and the amount of loss on any loan is necessarily subjective. Accordingly, the allowance is maintained by management at a level considered adequate based on past loss experience, general economic conditions, information about specific borrower situations including their financial position and collateral values, and other factors and estimates which are subject to change over time. While management may periodically allocate portions of the allowance for specific problem loans, the whole allowance is available for any loan charge-offs that occur. A loan is charged-off against the allowance by management as a loss when deemed uncollectible, although collection efforts continue and future recoveries may occur.

Loans considered to be impaired are reduced to the present value of expected future cash flows or to the fair value of collateral, by allocating a portion of the allowance for loan losses to such loans. If these allocations cause the allowance for loan losses to require increase, such increase is reported in the provision for loan losses. Smaller-balance homogeneous loans are evaluated for impairment in total.

Such loans include residential first mortgage loans secured by one-to-four family residences, residential construction loans, automobile, home equity and second mortgage loans. Commercial loans and mortgage loans secured by other properties are evaluated individually for impairment. When analysis of borrower operating results and financial condition indicates that underlying cash flows of the borrower's business are not adequate to meet its debt service requirements, the loan is evaluated for impairment. Impaired loans, or portions thereof, are charged off when deemed uncollectible.

Federal Home Loan Bank Stock - The Bank is a member of the Federal Home Loan Bank system and is required to invest in capital stock of the Federal Home Loan Bank (FHLB). The amount of the required investment is based upon the balance of the Bank's outstanding home mortgage loans and advances from the FHLB and is carried at cost.

Premises and Equipment - Premises and equipment are stated at cost less accumulated depreciation. Premises and related components are depreciated using the straight-line method with useful lives ranging from 26 to 40 years. Furniture and equipment are depreciated using the straight-line method with useful lives ranging from 3 to 10 years. Maintenance and repairs are charged to expense and improvements are capitalized. The cost and accumulated depreciation applicable to assets retired or otherwise disposed of are eliminated from the accounts and the gain or loss on disposition is credited or charged to operations.

Foreclosed Real Estate - Real estate properties acquired through, or in lieu of, loan foreclosure are recorded at fair value at the date of foreclosure. Costs relating to improvement of property are capitalized, whereas holding costs are expensed. Valuations are periodically performed by management, and an allowance for losses is established by a charge to operations if the carrying value of a property exceeds its estimated fair value less selling costs.

Mortgage Servicing Rights - Mortgage servicing rights are recognized as assets for the allocated value of retained servicing rights on loans sold. Mortgage servicing rights are expensed in proportion to, and over the period of, estimated net servicing revenues. Impairment is evaluated based on the fair value of the rights, using groupings of the underlying loans as to interest rates and then, secondly as to prepayment characteristics. Any impairment of a grouping is reported as a valuation allowance.

Long-term Assets - These assets are reviewed for impairment when events indicate their carrying amount may not be recoverable from future undiscounted cash flows. If impaired, the assets are recorded at discounted amounts.

Repurchase Agreements - Substantially all repurchase agreement liabilities represent amounts advanced by various customers that are not covered by federal deposit insurance and are secured by securities owned by the Bancorp.

Postretirement Benefits Other Than Pensions - The Bancorp sponsors a defined benefit postretirement plan that provides comprehensive major medical benefits to all eligible retirees. Postretirement benefits are accrued based on the expected cost of providing postretirement benefits to employees during the years the employees have rendered service to the Bancorp.

Income Taxes - The Bancorp records income tax expense based on the amount of taxes due on its tax return, plus deferred taxes computed based on the expected future tax consequences of temporary differences between the carrying amounts and tax bases of assets and liabilities, using enacted tax rates. A valuation allowance, if needed, reduces deferred tax assets to the amount expected to be realized.

Loss Contingencies - Loss contingencies, including claims and legal actions arising in the ordinary course of business, are recorded as liabilities when the likelihood of loss is probable and an amount or range of loss can be reasonably estimated. Management does not believe there now are such matters that will have a material effect on the financial statements.

Earnings Per Share - Basic earnings per common share is net income divided by the weighted-average number of common shares outstanding during the period. Diluted earnings per common share, includes the dilutive effect of additional potential common shares issuable under stock options.

On February 28, 1999, the Bancorp effected a two-for-one common stock split as a share dividend. Earnings and dividends per share and other share related information is restated for all stock splits and dividends through the date of issue of the financial statements.

Comprehensive Income - Comprehensive income consists of net income and other comprehensive income. Other comprehensive income for the Bancorp includes unrealized gains and losses on securities available-for-sale, which is also recognized as a separate component of equity.

Fair Value of Financial Instruments - Fair values of financial instruments are estimated using relevant market information and other assumptions, as more fully disclosed in a separate note. Fair value estimates involve uncertainties and matters of significant judgment regarding interest rates, credit risk, prepayments and other factors, especially in the absence of broad markets for particular items. Changes in assumptions or in market conditions could significantly affect the estimates.

Industry Segments - Internal financial information is primarily reported and aggregated in the line of business of banking.

Reclassification - Certain amounts appearing in the consolidated financial statements and notes thereto for the years ended December 31, 1998 and 1997, have been reclassified to conform to the December 31, 1999 presentation.

NOTE 2 - Securities

Year end securities available-for-sale were as follows:

	(Dollars in thousands) Fair Value	Gains	Losses
1999			
U.S. government and federal agencies	$ 24,171	$ 15	$ (385)
1998			
U.S. government and federal agencies	$ 20,522	$ 202	$ (12)

Year end securities held-to-maturity were as follows:

	(Dollars in thousands) Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
1999				
U.S. government and federal agencies............	$15,228	$--	$(278)	$14,950
Mortgage-backed securities..................	755	13	--	768
Total debt securities........	$15,983	$ 13	$(278)	$15,718
1998				
U.S. government and federal agencies............	$13,074	$ 68	$ (5)	$13,137
Mortgage-backed securities..................	1,059	40	--	1,099
Total debt securities........	$14,133	$108	$ (5)	$14,236

The amortized cost and fair value of debt securities by contractual maturity at December 31, 1999, are shown below. Expected maturities will differ from contractual maturities because borrowers may have the right to call or prepay obligations with or without call or prepayment penalties. Securities not due at a single maturity date are shown separately.

	(Dollars in thousands) Available-for-sale Fair Value	Held-to-maturity Amortized Cost	Fair Value
Due in one year or less......	$ 5,013	$ 499	$ 496
Due from one to five years...............	19,158	14,729	14,454
Mortgage-backed securities..................	--	755	768
Total.......................	$24,171	$15,983	$15,718

There were no sales of securities during the years ended December 31, 1999, 1998 and 1997. In 1999, certain securities held-to-maturity were called and resulted in $12,000 of securities gains. Securities with carrying values of $40,154,000 and $34,716,000 were pledged as of December 31, 1999 and 1998 as collateral for borrowings from the FHLB, repurchase agreements and public funds and for other purposes as permitted or required by law.

NOTE 3 - Loans Receivable

Loans are summarized below:

	(Dollars in thousands) 1999	1998
Loans secured by real estate:		
Construction and land development	$ 14,847	$ 19,211
Residential, including home equity	161,467	154,076
Commercial real estate and other dwelling	79,746	67,018
Total loans secured by real estate	256,060	240,305
Consumer loans	10,449	10,187
Commercial business and other	29,779	23,374
Subtotal	296,288	273,866

Less:		
Net deferred loan origination fees	(369)	(374)
Undisbursed loan funds	(106)	(59)
Loans receivable	$ 295,813	$ 273,433

Activity in the allowance for loan losses is summarized below for the years indicated:

	(Dollars in thousands) 1999	1998	1997
Balance at beginning of period	$ 3,132	$ 3,074	$ 2,887
Provision charged to income	200	110	221
Loans charged off	(33)	(68)	(34)
Recoveries	10	16	--
Balance at end of period	$ 3,309	$ 3,132	$ 3,074

At December 31, 1999 and 1998, no portion of the allowance for loan losses was allocated to impaired loan balances as the Bancorp had no loans individually it considered to be impaired as of or for the years ended December 31, 1999 and 1998.

Nonperforming loans consist of smaller balance homogeneous loans, such as residential mortgage and consumer loans, that are collectively evaluated for impairment.

Nonperforming loans at year end were as follows.

	(Dollars in thousands) 1999	1998
Loans past due over 90 days still on accrual	$238	$617
Nonaccrual loans	565	854

NOTE 4 - Secondary Market Mortgage Activities

Mortgage loans serviced for the Federal Home Loan Mortgage Corporation (FHLMC) are not included in the accompanying consolidated balance sheets. The unpaid principal balances of these loans at year end are summarized below:

	(Dollars in thousands) 1999	1998
Mortgage loan portfolios serviced for FHLMC	$10,258	$8,889

Custodial escrow balances maintained in connection with the foregoing loan servicing were approximately $106,000 and $169,000 at December 31, 1999 and 1998.

Activity for capitalized mortgage servicing rights was as follows:

	(Dollars in thousands) 1999	1998
Servicing rights:		
Beginning of year	$ 75	$--
Additions	45	81
Amortized to expense	(11)	(6)
End of year	$ 109	$ 75

At year end 1999 and 1998, there was no valuation allowance required.

NOTE 5 - Premises and Equipment, Net

At year end, premises and equipment are summarized below:

	(Dollars in thousands) 1999	1998

Cost:		
Land	$ 1,663	$ 1,663
Buildings and improvements	5,480	5,482
Furniture and equipment	3,743	3,497
Total cost	10,886	10,642
Less accumulated depreciation and amortization	(4,364)	(3,927)
Premises and equipment, net	$ 6,522	$ 6,715

NOTE 6 - Income Taxes

Components of the income tax expenses consist of the following:

	(Dollars in thousands) 1999	1998	1997
Federal:			
Current	$ 2,423	$ 2,092	$ 1,824
Deferred	(243)	(153)	(71)
State:			
Current	618	528	487
Deferred	(23)	(6)	(17)
Income tax expenses	$ 2,775	$ 2,461	$ 2,223

The differences between the income tax expenses shown on the statement of income and amounts computed by applying the statutory federal income tax rate to income before tax expenses consists of the following:

	(Dollars in thousands) 1999	1998	1997
Federal statutory rate	34%	34%	34%
Tax expense at statutory rate	$ 2,384	$2,116	$ 1,917
State tax, net of federal effect	393	344	310
Other	(2)	1	(4)
Total income tax expenses	$ 2,775	$2,461	$ 2,223

The components of the net deferred tax asset recorded in the consolidated balance sheet are as follows:

	(Dollars in thousands) 1999	1998
Deferred tax assets:		
Bad debt	$ 740	$ 528
Deferred loan fees	146	143
Deferred compensation	534	506
Unrealized depreciation on securities available-for-sale	148	--
Other	105	63
Total deferred tax assets	1,673	1,240
Deferred tax liabilities:		
Unrealized appreciation on securities available-for-sale	--	(76)
Depreciation	(250)	(241)
Other	(56)	(46)
Total deferred tax liabilities	(306)	(363)
Valuation allowance	--	--
Net deferred tax assets	$ 1,367	$ 877

The Bancorp had qualified under provisions of the Internal Revenue Code to deduct from taxable income a provision for bad debts in excess of the provision for such losses charged to income in the financial statements, if any. Accordingly, retained earnings at December 31, 1999 and 1998 includes approximately $6,000,000 for which no provision for federal income taxes has been made. If, in the future, this portion of retained earnings is used for any purpose other than to absorb bad debt losses, federal income taxes would be imposed at the then applicable rates. The unrecorded deferred income tax liability on the above amounts was approximately $2,000,000 at December 31, 1999. Tax legislation passed in August 1996 now requires the Bancorp to deduct a provision for bad debts for tax purposes based on actual loss experience and to recapture the excess bad debt reserve accumulated in tax years after 1986. The related amount of deferred tax which must be recaptured is $855,000 and is payable over a six year period beginning in 1998.

NOTE 7 - Deposits

The aggregate amount of certificates of deposit with a balance of $100,000 or more was $43,077,000 at December 31, 1999 and $36,314,000 at December 31, 1998.

At December 31, 1999, scheduled maturities of certificates of deposit were as follows:

	(Dollars in thousands)
2000	$133,743
2001	28,833
2002	2,119
2003	843
Total	$165,538

NOTE 8 - Borrowed Funds

At year end, borrowed funds are summarized below:

	1999	1998
	(Dollars in thousands)	
Repurchase agreements	$ 3,051	$ 3,937
Variable rate advances from the FHLB	1,000	--
Fixed rate advances from the FHLB	--	4,000
Putable advances from the FHLB	13,000	8,000
Limited partnership obligation	500	500
Other	1,056	883
Total	$18,607	$17,320

Repurchase agreements generally mature within one year and are secured by U.S. government and U.S agency securities, under the Bancorp's control. At year end, information concerning these retail repurchase agreements is summarized below:

	1999	1998
	(Dollars in thousands)	
Ending balance	$3,051	$3,937
Average balance during the year	3,369	4,693
Maximum month-end balance during the year	3,927	6,154
Securities underlying the agreements at year end:		
Carrying value	4,998	6,460
Fair value	4,895	6,483
Average interest rate during the year	5.01%	5.62%

At year end, advances from the Federal Home Loan Bank were as follows:

	1999	1998
	(Dollars in thousands)	
Variable advances, maturing February 2000, at a rate of 6.07%	$ 1,000	$ --
Fixed advances, maturing October 1999, at rates of 5.98% and 5.99%	$ --	$4,000
Putable advances, maturing December 2002, through July 2008, at rates from 5.28% to 5.85%, average rate: 1999 - 5.56%; 1998 - 5.42%	$13,000	$8,000

Variable and fixed rate advances are payable at maturity, with a prepayment penalty. Putable advances are fixed for a period of one to three years and then may adjust quarterly to the three-month London Interbank Offered Rate until maturity. Once the putable advance interest rate adjusts, the Bancorp has the option to prepay the advance on specified quarterly interest rate reset dates. The advances were collateralized by $174,813,000 and $159,915,000 of securities and mortgage loans under a blanket lien arrangement at December 31, 1999 and 1998.

The limited partnership obligation represents an investment interest in a partnership formed for the construction, ownership and management of affordable housing projects. The amount of the note is $500,000 with funding to begin during 2000 and to continue over a nine year period. Payments are required within ten days of written demand. The obligation to make payment is absolute and unconditional. The note requires no payment of interest.

At December 31, 1999, scheduled maturities of borrowed funds were as follows:

	(Dollars in thousands)
2000	$ 5,170
2001	73
2002	2,059
2003	2,059
2004	7,059
Thereafter	2,187
Total	$18,607

NOTE 9 - Employees' Benefit Plans

The Bancorp maintains a Profit Sharing Plan and Trust for all employees who meet the plan qualifications. Employees are eligible to participate in the Employees' Profit Sharing Plan and Trust if they are 21 years of age or older and have completed one year of employment with more than 1,000 hours of service to the Bancorp. The plan is noncontributory on the part of the employee. Contributions to the Employees' Profit Sharing Plan and Trust are made at the discretion of the Bancorp's Board of Directors. Contributions during the year ended December 31, 1999 were based on 12% of the participants' total compensation excluding incentives. Contributions during the years ended December 31, 1998 and 1997 were based on 10% and 9% of the participants' total compensation excluding incentives. Participants in the plan become 100% vested upon completion of five years of service. The benefit plan expense amounted to $354,000, $274,000 and $204,000 for the years ended December 31, 1999, 1998 and 1997.

The Bancorp maintains an Unqualified Deferred Compensation Plan (the Plan). The purpose of the Plan is to provide deferred compensation to key senior management employees of the bancorp in order to recognize their substantial contributions to the Bank and provide them with additional financial security as inducement to remain with the Bank. The Compensation Committee selects which persons shall be participants in the Plan. Participants' accounts are credited each year with an amount based on a formula involving the participant's employer funded contributions under all qualified plans and the limitations imposed by Internal Revenue Code subsection 401(a)(17) and Code section 415.

On December 1, 1999, the Bancorp established a supplemental executive Retirement Plan (the Plan). The Plan is established as an unfunded, non-qualified deferred compensation plan. The Plan provides a means for the payment of supplemental retirement benefits to a select group of key senior management employees, in recognition of their substantial contribution to the operation of the Bancorp, and to provide those individuals with additional financial security. The Board of Directors determines plan participants and contributions. The Plan expense amounted to $55,000 for the year ended December 31, 1999.

During 1999, the Bancorp terminated its Employee Stock Ownership Plan (ESOP) as directed by the Board of Directors and approved by the Internal Revenue Service. All shares of the Bancorp's common stock held by the ESOP were distributed to its participants. No contributions were made to the ESOP during the years ended December 31, 1999 and 1998. Contributions during the year ended

December 31, 1997 were based on 1% of the participants total compensation excluding incentives. The ESOP expense amounted to $0, $0 and $23,000 for the years ended December 31, 1999, 1998 and 1997.

NOTE 10 - Defined Benefit Postretirement Plan

The Bancorp sponsors a defined benefit postretirement plan that provides comprehensive major medical benefits to all eligible retirees. Eligible retirees are those who have attained age 65, have completed at least 18 years of service and are eligible for coverage under the employee group medical plan as of the date of their retirement. Spouses of eligible retirees are covered if they were covered as of the employee's date of retirement. Surviving spouses are covered if they were covered at the time of the retiree's death. Dependent children of eligible retirees are generally covered to the later of age 19 or until the child ceases being a full-time student. Surviving dependent children are subject to the same eligibility restrictions if they were covered at the time of the retiree's death. The Bancorp pays 50% of any future premium increases for retiree medical coverage. Retirees pay 100% of the premiums for all dependent medical coverage.

The following tables sets forth a reconciliation of the Bancorp's postretirement benefit plan funding status and expense for the periods indicated:

	(Dollars in thousands) 1999	1998
Change in postretirement benefit obligation:		
Beginning postretirement benefit obligation	$ 126	$ 119
Unrecognized net actuarial gain	(15)	--
Service cost	5	5
Interest cost	10	9
Plan participants' contributions	7	--
Benefits paid	(15)	(7)
Ending postretirement benefit obligation	118	126
Change in plan assets	--	--
Funded status	(118)	(126)
Unrecognized net actuarial gain	(69)	(58)
Accrued benefit cost	$(187)	$(184)

	(Dollars in thousands) 1999	1998	1997
Assumptions used:			
Discount rate	8.0%	8.0%	8.0%
Annual increase in health care cost trend rate:			
Year one	7.0%	11.5%	11.5%
Year two	7.0%	11.5%	11.5%
Year three	5.0%	11.5%	11.5%
Thereafter	5.0%	5.5%	5.5%
Components of net periodic postretirement benefit cost:			
Service cost	$ 5	$ 5	$ 4
Interest cost	10	9	9
Unrecognized net actuarial gain	(4)	(6)	(6)
Net periodic postretirement benefit cost	$ 11	$ 8	$ 7

A 1% increase or decrease in the health care cost trend rate assumptions would not have a material impact on the postretirement benefit obligation or expense.

NOTE 11 - Regulatory Capital

The Bancorp and Bank are subject to regulatory capital requirements administered by federal banking agencies. Capital adequacy guidelines and 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 weightings, and other factors, and the regulators can lower classifications in certain cases. Failure to meet various capital requirements can initiate regulatory action that could have a direct material effect on the financial statements. The prompt corrective action regulations provide five classifications, including well capitalized, adequately capitalized, undercapitalized, significantly undercapitalized, and critically undercapitalized, although these terms are not used to represent overall financial condition.

At year end, capital levels (in millions) for the Bancorp and the Bank were substantially the same. Actual capital levels, minimum required levels and levels needed to be classified as well capitalized for the Bancorp are summarized below:

<TABLE>
<CAPTION>

	Actual		Minimum Required for Capital Adequacy Purposes		Minimum Required To Be Well Capitalized Under Prompt Corrective Action Regulations	
	Amount	Ratio	Amount	Ratio	Amount	Ratio

1999						
Total capital (to risk-weighted assets) ..	$35.7	14.8%	$19.3	8.0%	$24.2	10.0%
Tier I capital (to risk-weighted assets) ..	$32.7	13.5%	$ 9.7	4.0%	$14.5	6.0%
Tier I capital (to adjusted average assets)	$32.7	9.0%	$10.9	3.0%	$18.2	5.0%
1998						
Total capital (to risk-weighted assets) ..	$34.1	15.3%	$17.8	8.0%	$22.3	10.0%
Tier I capital (to risk-weighted assets) ..	$31.3	14.1%	$ 8.9	4.0%	$13.4	6.0%
Tier I capital (to adjusted average assets)	$31.3	9.2%	$10.2	3.0%	$17.0	5.0%

</TABLE>

The Bancorp and the Bank were categorized as well capitalized at December 31, 1999 and 1998. There are no conditions or events since December 31, 1999 that management believes have changed the Bancorp's or Bank's category.

The Bancorp's ability to pay dividends is entirely dependent upon the Bank's ability to pay dividends to the Bancorp. Under Indiana law, the Bank may pay dividends of so much of its undivided profits (generally, earnings less losses, bad debts, taxes and other operating expenses) as is considered expedient by the Bank's Board of Directors. However, the Bank must obtain the approval of the Indiana Department of Financial Institutions for the payment of a dividend if the total of all dividends declared by the Bank during the current year, including the proposed dividend, would exceed the sum of retained net income for the year to date plus its retained net income for the previous two years

(approximately $4,778,000 at December 31, 1999). For this purpose, "retained net income" means net income as calculated for call report purposes, less all dividends declared for the applicable period. Moreover, the FDIC and the Federal Reserve Board may prohibit the payment of dividends if it determines that the payment of dividends would constitute an unsafe or unsound practice in the light of the financial condition of the Bank.

NOTE 12 - Stock Option Plan

Pursuant to a stock option plan (the Plan), an aggregate of 240,000 shares of the Bancorp's common stock were reserved for issuance in respect of incentive awards granted to officers and other employees of the Bancorp and the Bank. Awards granted under the Plan may be in the form of incentive stock options within the meaning of Section 422 of the Internal Revenue Code, or non-incentive stock options or restricted stock. The purposes of the Plan are to attract and retain the best available personnel, to provide additional incentives for all employees and to encourage their continued employment by facilitating employees' purchases of an equity interest in the Bancorp.

Financial Accounting Standard No. 123 requires pro forma disclosures for companies that do not adopt its fair value accounting method for stock-based employee compensation. Accordingly, the following pro forma information presents net income and earnings per share had the fair value method been used to measure compensation cost for stock option plans. No compensation cost was recognized for stock options during 1999, 1998 and 1997.

<TABLE>
<CAPTION>

(Dollars in thousands, except per share data)

	1999	1998	1997
Net income as reported	$ 4,236	$ 3,763	$ 3,416
Pro forma net income	$ 4,210	$ 3,747	$ 3,405
Earnings per common share as reported	$ 1.53	$ 1.36	$ 1.24
Pro forma earnings per common share	$ 1.52	$ 1.36	$ 1.23

Earnings per common share, assuming dilution as reported	$ 1.52	$ 1.35	$ 1.23
Pro forma earnings per common share, assuming dilution	$ 1.51	$ 1.34	$ 1.22

</TABLE>

The fair value of options granted during 1999, 1998 and 1997 is estimated using the following weighted-average information:

	1999	1998	1997
Risk free interest rate	6.78%	5.73%	6.50%
Stock price volatility	6.49%	5.57%	5.62%
Expected dividend rate	4.02%	3.61%	4.00%

The expected life for the options for 1999, 1998 and 1997 is 7 to 8 years.

In future years, the pro forma effect of not applying this standard is expected to increase as additional options are granted.

Options granted prior to 1995 were immediately exercisable. Options granted since 1995 generally are exercisable upon completion of five years of service after the date of grant. Information about option grants is provided in the following schedule:

<TABLE>
<CAPTION>

	Number of options	Weighted-average exercise price	Weighted-average fair value of grants
<S>	<C>	<C>	<C>
Outstanding, January 1, 1997	51,228	9.35	
Granted	16,100	16.00	$ 2.12
Exercised	3,754	4.93	
Forfeited	100	16.00	
Expired	--	--	

Outstanding, December 31, 1997	63,474	11.29	
Granted	17,300	20.50	2.42
Exercised	214	7.57	
Forfeited	400	18.25	
Expired	--		
	-------	--	
Outstanding, December 31, 1998	80,160	13.25	
Granted	23,100	20.58	2.96
Exercised	4,347	4.83	
Forfeited	200	20.50	
Expired	--	--	

Outstanding, December 31, 1999	98,713	15.32	
	=======		

</TABLE>

Options exerciseable at year-end are as follows:

	Number of options	Weighted-average exercise price
1997	11,914	$5.29
1998	11,780	$5.29
1999	7,513	$5.60

At December 31, 1999, options outstanding were as follows:

<TABLE>
<CAPTION>

	Outstanding		Exercisable	
Range of Exercise Prices	Number	Weighted Average Remaining Contractual Life (Years)	Number	Weighted Average Exercise Price
<S>	<C>	<C>	<C>	<C>
$4.66 - $9.99	7,513	2.5	7,513	$5.60
$10.00 - $15.99	35,400	5.2	--	--
$16.00 - $21.00	55,800	8.2	--	--
	------	-----	-----	-----
Outstanding at year end	98,713	6.7	7,513	$5.60
	======	=====	=====	=====

</TABLE>

NOTE 13 - Earnings Per Share

A reconciliation of the numerators and denominators of the earnings per common share and earnings per common share assuming dilution computations for the years ended December 31, 1999, 1998 and 1997 is presented below.

	1999	1998	1997
Basic earnings per common share:			
Net income available to common stockholders	$4,236,000	$3,763,000	$3,416,000
Weighted-average common shares outstanding	2,762,594	2,763,066	2,762,302
Basic earnings per common share	$ 1.56	$ 1.36	$ 1.24
Diluted earnings per common share:			
Net income available to common stockholders	$4,236,000	$3,763,000	$3,416,000
Weighted-average common shares outstanding	2,762,594	2,763,066	2,762,302
Add: dilutive effect of assumed stock option exercises	29,703	29,092	29,266
Weighted-average common and dilutive potential shares outstanding	2,792,297	2,792,158	2,791,568
Diluted earnings per common share	$ 1.52	$ 1.35	$ 1.23

Stock options for 3,500 shares of common stock were not considered in computing diluted earnings per common share for 1999 because they were antidilutive.

NOTE 14 - Related Party Transactions

The Bancorp had aggregate loans outstanding to directors and executive officers (with individual balances exceeding $60,000) of $5,223,000 at December 31, 1999 and $4,169,000 at December 31, 1998. For the year ended December 31, 1999, the following activity occurred on these loans:

	(Dollars in thousands)
Aggregate balance - January 1, 1999	$ 4,169
New loans	657
Repayments	(332)
Other changes	729
Aggregate balance - December 31, 1999	$ 5,223

NOTE 15 - Commitments and Contingencies

The Bancorp is a party to financial instruments in the normal course of business to meet financing needs of its customers. These financial instruments which include commitments to make loans and standby letters of credit are not reflected in the accompanying consolidated financial statements.

The Bancorp's exposure to credit loss in the event of non-performance by the other party to the financial instrument for commitments to originate loans and standby letters of credit is represented by the contractual amount of those instruments. Commitments generally have fixed expiration dates or other termination clauses and may require the payment of a fee. The Bancorp uses the same credit policy to make such commitments as it uses for on-balance-sheet items. Since commitments to make loans may expire without being used, the amount does not necessarily represent future cash commitments.

The Bancorp had outstanding commitments to originate loans as follows:

(Dollars in thousands)

	Fixed Rate	Variable Rate	Total
December 31, 1999:			
Real estate	$10,791	$19,411	$30,202
Consumer loans	--	526	526
Commercial business	--	30,620	30,620
Total	$10,791	$50,557	$61,348
December 31, 1998:			
Real estate	$ 5,193	$15,361	$20,554
Consumer loans	--	468	468
Commercial business	--	18,946	18,946
Total	$ 5,193	$34,775	$39,968

The $10,791,000 in fixed rate commitments outstanding at December 31, 1999 had interest rates ranging from 6.75% to 9.00%, for a period not to exceed forty-five days.

Standby letters of credit are conditional commitments issued by the Bancorp to guarantee the performance of a customer to a third party. At December 31, 1999 and 1998, the Bancorp had standby letters of credit totaling $1,120,000 and $1,945,000. The Bancorp evaluates each customer's creditworthiness on a case by case basis. The amount of collateral obtained, if deemed necessary by the Bancorp upon extension of credit, is based on management's credit evaluation of the borrower. Collateral obtained may include accounts receivable, inventory, property, land or other assets.

NOTE 16 - Fair Values of Financial Instruments

The following table shows fair values and the related carrying values of financial instruments as of the dates indicated. Items which are not financial instruments are not included.

	(Dollars in thousands) DECEMBER 31, 1999	
	Carrying Value	Estimated Fair Value
FINANCIAL ASSETS		
Cash and cash equivalents	$ 14,633	$ 14,633
Securities available-for-sale	24,171	24,171
Securities held-to-maturity	15,983	15,718
Federal Home Loan Bank stock	1,777	1,777
Loans held for sale	597	597
Loans receivable	292,504	292,617
Investment in real estate limited partnerships	1,117	1,117
Accrued interest receivable	2,408	2,408
FINANCIAL LIABILITIES		
Demand and savings deposits	(141,109)	(141,109)
Certificates of deposit	(165,538)	(165,387)
Borrowed funds	(18,607)	(18,512)
Accrued interest payable	(188)	(188)

	(Dollars in thousands) DECEMBER 31, 1998	
	Carrying Value	Estimated Fair Value
FINANCIAL ASSETS		
Cash and cash equivalents	$ 27,340	$ 27,340
Securities available-for-sale	20,522	20,522
Securities held-to-maturity	14,133	14,236
Federal Home Loan Bank stock	1,695	1,695
Loans held for sale	598	600
Loans receivable	270,301	273,157
Investment in real estate limited partnerships	499	499
Accrued interest receivable	2,298	2,298
FINANCIAL LIABILITIES		

Demand and savings deposits	(132,895)	(132,895)
Certificates of deposit	(160,328)	(160,688)
Borrowed funds	(17,320)	(17,373)
Accrued interest payable	(1,098)	(1,098)

For purposes of the above disclosures of estimated fair value, the following assumptions were used as of December 31, 1999 and 1998. The estimated fair value for cash and cash equivalents, Federal Home Loan Bank stock and investments in real estate limited partnerships are considered to approximate cost. The estimated fair value for securities is based on quoted market values for the individual securities or equivalent securities. The estimated fair value for loans is based on estimates of the rate the Bancorp would charge for similar such loans at December 31, 1999 and 1998, applied for the time period until estimated repayment. The estimated fair value for demand and savings deposits is based on their carrying value. The estimated fair value for certificates of deposits is based on estimates of the rate the Bancorp would pay on such deposits at December 31, 1999 and 1998, applied for the time period until maturity. The estimated fair value for borrowed funds is based on current rates for similar financing. The estimated fair value of other financial instruments, including mortgage servicing rights, and off-balance sheet loan commitments approximate cost and are not considered significant to this presentation.

While these estimates of fair value are based on management's judgment of the most appropriate factors, there is no assurance that were the Bancorp to have disposed of such items at December 31, 1999 and 1998, the estimated fair values would necessarily have been achieved at that date, since market values may differ depending on various circumstances. The estimated fair values at December 31, 1999 and 1998 should not necessarily be considered to apply at subsequent dates.

NOTE 17 - Other Comprehensive Income (Loss)

Other comprehensive income (loss) components and related taxes were as follows:

	1999	1998
Net change in net unrealized gains and losses on securities available for sale		
Unrealized gains (losses) arising during the year	$(548)	$190
Reclassification adjustment for gains included in net income	(12)	--
Net change in net unrealized gains and losses on securities available for sale	(560)	190
Tax effects	(224)	76
Total other comprehensive income (loss)	$(336)	$114

NOTE 18 - Selected Quarterly Financial Data (Unaudited)

Selected quarterly financial data are summarized as follows:

YEAR ENDED DECEMBER 31, 1999:
<TABLE>
<CAPTION>

(Dollars in thousands, except per share data)

<S>	March 31, 1999 <C>	June 30, 1999 <C>	September 30, 1999 <C>	December 31, 1999 <C>
Total interest income	$6,168	$6,403	$6,470	$6,566
Total interest expense	2,790	2,786	2,774	2,931
Net interest income	3,378	3,617	3,696	3,635
Provision for loan losses	49	51	75	25
Net interest income after provision for loan losses	3,329	3,566	3,621	3,610
Total noninterest income	338	416	446	459
Total noninterest expense	2,077	2,208	2,238	2,251
Income before income taxes	1,590	1,744	1,829	1,818
Income tax expenses	633	706	726	710
Net income	$ 957	$1,068	$1,103	$1,108
Basic earnings per share	$ 0.35	$ 0.38	$ 0.40	$ 0.40

Diluted earnings per share	$ 0.34	$ 0.38	$ 0.40	$ 0.40

<CAPTION>

YEAR ENDED DECEMBER 31, 1998:

(Dollars in thousands, except per share data)	March 31, 1998	June 30, 1998	September 30, 1998	December 31, 1998
Total interest income	$6,264	$6,322	$6,340	$6,309
Total interest expense	3,105	3,118	3,098	2,989
Net interest income	3,159	3,204	3,242	3,320
Provision for loan losses	25	15	25	45
Net interest income after provision for loan losses	3,134	3,189	3,217	3,275
Total noninterest income	320	356	300	371
Total noninterest expense	1,967	2,002	1,946	2,023
Income before income taxes	1,487	1,543	1,571	1,623
Income tax expenses	593	612	626	630
Net income	$ 894	$ 931	$ 945	$ 993
Basic earnings per share	$ 0.33	$ 0.34	$ 0.34	$ 0.35
Diluted earnings per share	$ 0.32	$ 0.34	$ 0.34	$ 0.35

</TABLE>

NOTE 19 - Parent Company Only Statements

<TABLE>
<CAPTION>

(Dollars in thousands)
NORTHWEST INDIANA BANCORP
CONDENSED BALANCE SHEETS

	DECEMBER 31, 1999	DECEMBER 31, 1998
Assets		
Cash on deposit with Peoples Bank	$ 403	$ 43
Investment in Peoples Bank	32,448	31,275
Dividends receivable from Peoples Bank	600	535
Other assets	--	2
Total assets	$ 33,451	$31,855
Liabilities and stockholders' equity		
Dividends payable	$ 577	$ 511
Other liabilities	403	28
Total liabilities	980	539
Common stock	346	345
Additional paid in capital	2,970	2,950
Accumulated other comprehensive income	(222)	114
Retained earnings	29,824	27,907
Treasury stock	(447)	--
Total stockholders' equity	32,471	31,316
Total liabilities and stockholders' equity	$ 33,451	$31,855

<CAPTION>

(Dollars in thousands)
NORTHWEST INDIANA BANCORP
CONDENSED STATEMENTS OF INCOME

	Dec. 31, 1999	Dec. 31, 1998	Dec. 31, 1997
<S>	<C>	<C>	<C>
Dividends from Peoples Bank	$ 2,791	$ 2,129	$ 1,770
Operating expenses	106	86	76
Income before income taxes and equity in undistributed income of Peoples Bank	2,685	2,043	1,694
Provision for income taxes	(42)	(34)	(30)
Income before equity in undistributed income of Peoples Bank	2,727	2,077	1,724
Equity in undistributed income of Peoples Bank	1,509	1,686	1,692
Net Income	$ 4,236	$ 3,763	$ 3,416

<CAPTION>

(Dollars in thousands)
NORTHWEST INDIANA BANCORP
CONDENSED STATEMENTS OF CASH FLOWS

	DEC. 31, 1999	DEC. 31, 1998	DEC. 31, 1997
<S>	<C>	<C>	<C>
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net income	$ 4,236	$ 3,763	$ 3,416
Adjustments to reconcile net income to net cash from operating activities			
Equity in undistributed net income of Peoples Bank	(1,509)	(1,686)	(1,692)
Change in other assets	(63)	(77)	(11)
Change in other liabilities	441	73	(4)
Total adjustments	(1,131)	(1,690)	(1,707)
Net cash from operating activities	3,105	2,073	1,709
CASH FLOWS FROM INVESTING ACTIVITIES	--	--	--
CASH FLOWS FROM FINANCING ACTIVITIES:			
Dividends paid	(2,319)	(2,045)	(1,767)
Treasury stock purchased	(447)	--	--
Proceeds from issuance of capital stock	21	2	18
Net cash from financing activities	(2,745)	(2,043)	(1,749)
Net change in cash	360	30	(40)
Cash at beginning of year	43	13	53
CASH AT END OF YEAR	$ 403	$ 43	$ 13

</TABLE>

MARKET INFORMATION

The Bancorp's Common Stock is traded in the over-the-counter market and is quoted in the National Quotation Bureau's "Pink Sheets". The Bancorp's stock is not actively traded. As of February 29, 2000, the Bancorp had 2,727,403 shares of common stock outstanding and 506 stockholders of record. This does not reflect the number of persons or entities who may hold their stock in nominee or "street" name through brokerage firms. Set forth below are the high and low bid prices during each quarter for the years ended December 31, 1999 and December 31, 1998. The bid prices reflect inter-dealer prices without retail mark-up, mark-down or commission and may not necessarily represent actual transactions. Also set forth is information concerning the dividends declared by the Bancorp during the periods reported. Note 11 to the Financial Statements describes regulatory limits on the Bancorp's ability to pay dividends. All references to the number of shares and per share data have been restated to reflect all stock splits (see Note 1).

		PER SHARE PRICES HIGH	PER SHARE PRICES LOW	DIVIDENDS DECLARED PER COMMON SHARE
Year Ended December 31, 1999	1st Quarter	$21.25	$20.00	$.210
	2nd Quarter	23.00	20.00	.210
	3rd Quarter	21.50	20.00	.210
	4th Quarter	21.50	20.75	.210
Year Ended December 31, 1998	1st Quarter	$21.07	$19.50	$.185
	2nd Quarter	21.25	20.50	.185
	3rd Quarter	21.25	20.63	.185
	4th Quarter	21.00	20.00	.185

[GRAPH INSERTED HERE]

MARKET PRICE PER SHARE

1995	1996	1997	1998	1999
$13.50	$15.57	$21.07	$21.00	$21.50

THE MARKET PRICE PER SHARE REPRESENTS THE LAST SALES PRICE PRIOR TO THE CLOSE OF THE PERIODS INDICATED. THE BANCORP'S STOCK IS NOT ACTIVELY TRADED. AT THE PRESENT TIME THE BANCORP'S STOCK IS TRADED IN THE OVER-THE-COUNTER MARKET AND IS QUOTED IN THE NATIONAL QUOTATION BUREAU'S "PINK SHEETS".

[GRAPH INSERTED HERE]

BOOK VALUE PER SHARE

1995	1996	1997	1998	1999
$9.86	$10.08	$10.67	$11.34	$11.82

THE BANK'S EARNINGS HAVE INCREASED THE BOOK VALUE OF THE BANCORP'S STOCK FROM $9.86 AT DECEMBER 31, 1995 TO $11.82 PER SHARE AT DECEMBER 31, 1999.

[GRAPH INSERTED HERE]

BASIC EARNINGS PER COMMON SHARE

1995	1996	1997	1998	1999
$1.13	$0.80	$1.24	$1.36	$1.53

EARNINGS FOR 1999 TOTALED $4.2 MILLION RESULTING IN BASIC EARNINGS PER COMMON SHARE OF $1.53.

[GRAPH INSERTED HERE]

5 YEAR TOTAL RETURN

S&P 500 Index	SNL Bank Asset-Size Index	Bancorp
$351	$253	$245

MANAGEMENT OF THE BANCORP IS COMMITTED TO MAXIMIZING STOCKHOLDER VALUE. THE BANCORP'S STOCK PERFORMANCE ON A TOTAL RETURN BASIS IS COMPARED WITH THE TOTAL RETURNS OF THE S&P 500 INDEX AND FOR BANK STOCKS WITH ASSETS RANGING FROM $250 MILLION TO $500 MILLION (SNL BANK ASSET-SIZE INDEX). THE TOTAL RETURN IS MEASURED USING BOTH STOCK PRICE APPRECIATION AND THE EFFECT OF THE CONTINUOUS REINVESTMENT OF DIVIDEND PAYMENTS. THE GRAPH SHOWS THAT AN INITIAL $100 INVESTMENT IN THE BANCORP STOCK ON DECEMBER 31, 1994, WOULD BE WORTH $245 ON DECEMBER 31, 1999.

Photo of 1999 Board of Directors

1999

ANNUAL REPORT

1999 BOARD OF DIRECTORS

FRONT ROW:
GLORIA GRAY
Retired Vice President and Treasurer of
Career Development Consultants,
Munster, Indiana

SECOND ROW:
LOURDES M. DENNISON
Administrative Director,
Dennison Surgical Corp.
Merrillville, Indiana

FRANK BOCHNOWSKI
Executive Vice President,
General Counsel, Trust Officer and
Corporate Secretary of the Bancorp
Munster, Indiana

THIRD ROW:
LEROY CATALDI
Pharmacist, Dyer, Indiana

DAVID A. BOCHNOWSKI
Chairman and Chief Executive Officer

STANLEY E. MIZE
President of Towne & Countree Auto
Sales and Co-owner of Lake Shore Ford

JAMES J. CRANDALL
Director Emeritus

JEROME F. VRABEL
Vice President,
ED&F Man International Inc.
Chicago, Illinois

BACK ROW:
JAMES L. WIESER
Attorney, Wieser and Sterba
Attorneys at Law
Schererville, Indiana

photo of
Benjamin
Bochnowski

BENJAMIN A. BOCHNOWSKI
Chairman Emeritus, Advisory Director

photo of
James

Crandall

JAMES J. CRANDALL
Director Emeritus

photo of
Harold
Reuth

HAROLD G. REUTH
Director Emeritus

1999

ANNUAL REPORT

CORPORATE INFORMATION

CORPORATE HEADQUARTERS
9204 COLUMBIA AVENUE
MUNSTER, INDIANA 46321

TELEPHONE
219/836-9690

STOCK TRANSFER AGENT
THE BANK ACTS AS THE TRANSFER AGENT
FOR THE BANCORP'S COMMON STOCK.

INDEPENDENT AUDITORS
CROWE, CHIZEK AND COMPANY LLP
330 EAST JEFFERSON BOULEVARD
P. O. BOX 7
SOUTH BEND, INDIANA 46624

SPECIAL LEGAL COUNSEL
BAKER & DANIELS
300 NORTH MERIDIAN STREET
SUITE 2700
INDIANAPOLIS, INDIANA 46204

ANNUAL SHAREHOLDERS MEETING

THE ANNUAL MEETING OF STOCKHOLDERS OF NORTHWEST INDIANA BANCORP WILL BE HELD AT THE CENTER FOR VISUAL & PERFORMING ARTS AT 1040 RIDGE ROAD, MUNSTER, INDIANA, ON TUESDAY, APRIL 18, 2000 AT 8:30 A.M.

A COPY OF THE BANCORP'S FORM 10-K, INCLUDING FINANCIAL STATEMENT SCHEDULES AS FILED WITH THE SECURITIES AND EXCHANGE COMMISSION, WILL BE FURNISHED WITHOUT CHARGE TO STOCKHOLDERS AS OF THE RECORD DATE UPON WRITTEN REQUEST TO THE CORPORATE SECRETARY, NORTHWEST INDIANA BANCORP, 9204 COLUMBIA AVENUE, MUNSTER, INDIANA 46321.

DIRECTORS OF NORTHWEST INDIANA BANCORP
AND PEOPLES BANK SB

David A. Bochnowski
Chairman and Chief Executive
Officer of the Bancorp, Munster, Indiana

Leroy F. Cataldi
Pharmacist, Dyer, Indiana

Gloria C. Gray
Retired Vice President and Treasurer of Career
Development Consultants, Munster, Indiana

Lourdes M. Dennison
Administrative Director, Kumpol Dennison
Surgical Corporation, Merrillville, Indiana

Jerome F. Vrabel
Vice President, ED&F Man International Inc.
Chicago, Illinois, a commodities brokerage
firm on the Chicago Board of Trade

Stanley E. Mize
President of Towne & Countree Auto Sales
and Co-owner of Lake Shore Ford
Schererville, Indiana

James L. Wieser
Attorney with Wieser & Sterba
Schererville, Indiana

Frank J. Bochnowski
Executive Vice President, General Counsel,
Trust Officer and Corporate Secretary
of the Bancorp, Munster, Indiana

Chairman Emeritus, Advisory Director
Benjamin A. Bochnowski

Directors Emeriti
James J. Crandall
Harold G. Rueth
Albert J. Lesniak

OFFICERS OF NORTHWEST INDIANA BANCORP
AND PEOPLES BANK SB

David A. Bochnowski
Chairman and Chief Executive Officer
Joel Gorelick
Vice President, Chief Lending Officer
Edward J. Furticella
Vice President, Chief Financial Officer
Frank J. Bochnowski
Executive Vice President, General Counsel,
Trust Officer and Corporate Secretary

OFFICERS OF PEOPLES BANK SB
Jon DeGuilio
Senior Vice President, Trust Officer
Daniel W. Moser
Senior Vice President for Housing Finance
Rodney L. Grove
Senior Vice President, Retail Banking
Robert T. Lowry
Senior Vice President, Controller

MANAGEMENT PERSONNEL OF PEOPLES BANK SB
Branches
Catherine L. Gonzalez,
Assistant Vice President, East Chicago
David W. Homrich,
Assistant Vice President, Munster
Jill M. Knight, Assistant Vice President,
Merrillville (Broadway)
Michael J. McIntyre, Assistant Vice President,
Merrillville (Taft)
Marilyn K. Repp, Assistant Vice President,
Woodmar
Meredith L. Bielak, Schererville
Michael J. Shimala, Dyer
Karen M. Laude, Woodmar

Commercial Lending
Terry R. Gadberry, Vice President
Todd M. Scheub, Vice President
Jason J. Stengel

Consumer Lending
James P. Lehr, Assistant Vice President
Christopher A. Grencik,
Assistant Vice President
Clovese R. Robinson
Sharon V. Vacendak

Credit Administration
Christine M. Friel, Assistant Vice President

Housing Finance
Leslie J. Bernacki
Sylvia Magallanez, Assistant Vice President
Marvin O. Tucker, Assistant Vice President

Human Resource
Linda L. Kollada, Vice President

Information Services
Tanya A. Buerger, Vice President

Internal Auditor
Stacy A. Januszewski, Assistant Vice President

Loan Administration
Mary D. Mulroe, Vice President

Management Development
Ronald P. Knestrict

Marketing Project Manager
Shannon E. Franko, Assistant Vice President

Operations
Arlene M. Wohadlo,
Vice President

Trust
Stephan A. Ziemba, Vice President

cover page
[NorthWest Indiana Logo]

BANCORP

CORPORATE HEADQUARTERS,
9204 Columbia Avenue
Munster, Indiana 46321

219/836-9690

[PEOPLES BANK LOGO]
SB
SINCE 1910

SUBSIDIARY OF NORTHWEST INDIANA BANCORP

EAST CHICAGO, 4901 Indianapolis Blvd., 397-5010
HAMMOND, 7120 Indianapolis Blvd., 844-7210
DYER, 1300 Sheffield Avenue, 322-2530
MUNSTER, 9204 Columbia Avenue, 836-9690
SCHERERVILLE, 141 W. Lincoln Highway, 865-4300
MERRILLVILLE, 7915 Taft Street, 769-8452
8600 Broadway, 685-8600

FDIC Insured

EXHIBIT 21

Subsidiary of the Bancorp

	State of Incorporation
Peoples Bank SB*	Indiana

* Peoples Bank SB is wholly-owned by the Bancorp and the operations of the Bank are included in the Consolidated Financial Statements.

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