

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

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report: July 22, 2010

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

Indiana
(State or other jurisdiction of incorporation)

000-26128
(Commission File Number)

35-1927981
(IRS Employer Identification No.)

9204 Columbia Avenue
Munster, Indiana 46321
(Address of principal executive offices) (Zip Code)

(219) 836-4400
(Registrant's telephone number, including area code)

N/A
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 2.02. Results of Operations and Financial Condition

On July 22, 2010, NorthWest Indiana Bancorp issued a press release reporting its unaudited financial results for the quarter and six months ending June 30, 2010. A copy of the press release is filed as Exhibit 99.1 to this report and is incorporated herein by reference.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

- 99.1 Quarterly Earnings Release and Unaudited Consolidated Condensed Balance Sheets, Consolidated Condensed Statements of Income and Selected Financial Data for the Quarter and Six Months Ended June 30, 2010.
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SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: July 22, 2010

NORTHWEST INDIANA BANCORP

By: /s/ David A. Bochnowski

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

INDEX TO EXHIBITS

| Exhibit | <u>Number</u> | <u>Description</u> |
|---------|---------------|--|
| | 99.1 | Quarterly Earnings Release and Unaudited Consolidated Condensed Balance Sheets, Consolidated Condensed Statements of Income and Selected Financial Data for the Quarter and Six Months Ended June 30, 2010 |

FOR IMMEDIATE RELEASE
July 22, 2010
FOR FURTHER INFORMATION
CONTACT DAVID A. BOCHNOWSKI
(219) 853-7575

NORTHWEST INDIANA BANCORP

REPORTS RESULTS FOR QUARTER AND SIX MONTHS ENDED JUNE 30, 2010

Munster, Indiana - NorthWest Indiana Bancorp, the holding company for Peoples Bank, reported a 53.5% increase in earnings for the second quarter ended June 30, 2010. Net income totaled \$1.6 million for the second quarter ended June 30, 2010, compared to the same period during 2009. Earnings for the six months ended June 30, 2010 increased 9.0% as net income totaled \$3.0 million compared to the same period during 2009.

According to David A. Bochnowski, Chairman and Chief Executive Officer, "Peoples Bank continues to report strong operating results despite the uncertainties of the current economic environment. Management has remained focused on sound banking practices and we are pleased that our income for the current three and six months has outpaced our results for last year."

The second quarter 2010 net income of \$1.6 million, or \$0.57 earnings per basic and diluted share, compares to net income of \$1.1 million, or \$0.37 earnings per basic and diluted share for the second quarter of 2009. For the quarter ended June 30, 2010, return on average assets (ROA) was 0.95% and return on average equity (ROE) was 11.44%. The six month 2010 net income of \$3.0 million, or \$1.06 earnings per basic and diluted share, compares to net income of \$2.8 million, or \$0.98 earnings per basic and diluted share for the first six months of 2009. For the six months ended June 30, 2010, ROA was 0.88% and ROE was 10.76%.

"Increased core earnings, core deposit growth, stable operating expenses, increased income from banking operations, higher capital ratios, and a decrease in non-performing loans had a strong impact on our performance. Peoples Bank continues to exceed all regulatory capital requirements and is considered well capitalized under all regulatory standards," Bochnowski reported.

"Peoples Bank's long-standing core funding strategy has driven our net interest margin to near record levels. As a result, Peoples has been able to manage elevated credit risk through prudent action to charge off credit losses as well as increase our reserves for estimated loan losses based upon the history of loan portfolio performance during the current business cycle," he said.

"With interest rates at historical lows, our balance sheet strategy has focused on actions that anticipate an upward bias for interest rates as the economy recovers. As a result, the Bank continues to sell fixed rate loans to the secondary mortgage market which has contributed to the decline of our loan balances," he noted.

“The strategic growth strategy of Peoples Bank remains on track as assets increased 4.3% to \$690 million over the last six months. Our St. John office will open in the fall and plans are underway for further banking center expansion next year,” Bochnowski noted.

Net Interest Income

Net interest income, the difference between interest income from loans and investments and interest expense paid to fund providers, totaled \$6.5 million for the quarter ended June 30, 2010, compared to \$5.7 million for the quarter ended June 30, 2009, an increase of \$730 thousand or 12.7%. For the six months ended June 30, 2010, net interest income totaled \$12.7 million, compared to \$11.5 million for the six months ended June 30, 2009, an increase of \$1.2 million or 10.1%. The Bancorp’s net interest margin on a tax adjusted basis was 4.29% for the quarter ended June 30, 2010, compared to 3.86% for the quarter ended June 30, 2009. For the six months ended June 30, 2010, the tax adjusted net interest margin was 4.24%, compared to 3.89% for the six months ended June 30, 2009. The Bancorp’s net interest income was positively impacted by core deposit growth and a continued decrease in the cost of funds as a result of the Federal Reserve’s action in maintaining a low interest rate environment.

Noninterest Income

Noninterest income from banking activities for the quarter ended June 30, 2010 totaled \$1.7 million, compared to \$1.5 million for the quarter ended June 30, 2009, an increase of \$159 thousand or 10.6%. The change during the current quarter was positively impacted by an increase in gains from the sale of securities and an increase in income from Wealth Management operations. For the six months ended June 30, 2010, noninterest income totaled \$3.0 million, compared to \$3.1 million for the six months ended June 30, 2009, a decrease of \$152 thousand or 4.9%. The decrease in noninterest income for the six months ended June 30, 2010 is a result of a reduction in gains from the sale of loans, as mortgage loan refinance activity declined during 2010 compared to 2009.

Noninterest Expense

Noninterest expense related to operating activities totaled \$4.9 million for the quarter ended June 30, 2010, compared to \$5.0 million for the quarter ended June 30, 2009, a decrease of \$71 thousand or 1.4%. For the six months ended June 30, 2010, noninterest expense totaled \$9.6 million, compared to \$9.5 million for the six months ended June 30, 2009, an increase of \$57 thousand or 0.6%. Noninterest expense for both the three and six month periods ended June 30, 2010 was impacted by increased compensation and occupancy costs related to the opening of the Valparaiso Banking Center in June 2009. Also, for both periods, Federal deposit insurance premiums decreased as a result of an industry wide FDIC special assessment at June 30, 2009 that was not repeated in 2010.

Funding

At June 30, 2010, deposits totaled \$570.2 million, an increase of \$29.6 million, compared to December 31, 2009. The increase in deposits was attributable to strong growth in checking, savings and money market account balances. At June 30, 2010, core deposits totaled \$347.9 million, an increase of \$34.3 million compared to December 31, 2009. Core deposits include checking, savings, and money market accounts and represented 61.0% of the Bancorp’s total deposits at June 30, 2010. At June 30, 2010, borrowings and repurchase agreements totaled \$53.3 million, a decrease of \$9.8 million for the current six months, as deposit growth was used to repay borrowings.

Lending

The Bancorp's lending portfolio totaled \$442.5 million at June 30, 2010, a decrease of \$15.8 million, compared to December 31, 2009. During the current six months, commercial business and commercial real estate loans increased by \$9.2 million. Mortgage loans decreased by \$10.3 million as a result of sales into the secondary market. In addition, construction and land development, government and consumer loans decreased by \$14.6 million.

Asset Quality

Non-performing loans totaled \$16.2 million at June 30, 2010 compared to \$18.6 million at December 31, 2009, a decrease of \$2.4 million or 12.9%. The current level of non-performing loans continues to be concentrated with four commercial real estate participation loans in the aggregate of \$9.6 million. The Bancorp's ratio of non-performing loans to total assets was 2.34% at June 30, 2010, compared to 2.80% at December 31, 2009.

For the three months ended June 30, 2010, loan loss provisions totaled \$1.3 million, while \$1.1 million in provisions were recorded for the three months ended June 30, 2009. For the six months ended June 30, 2010, loan loss provisions totaled \$2.5 million, while \$1.8 million in provisions were recorded for the three months ended June 30, 2009. The current year loan loss provisions were related to the elevated credit risk in the commercial real estate, commercial business and mortgage loan portfolios. Loan charge-offs, net of recoveries, totaled \$1.6 million for the six months ended June 30, 2010, compared to \$953 thousand for the six months ended June 30, 2009. At June 30, 2010, the allowance for loan losses totaled \$7.0 million and is considered adequate by management. The allowance for loan losses as a percentage of totals loans was 1.59% at June 30, 2010, compared to 1.33% at December 31, 2009. To the extent that actual cash flows, collateral values, and strength of personal guarantees differ from current estimates used to establish the allowance for loan losses, additional provisions to the allowance for loan losses may be required.

Capital Adequacy

At June 30, 2010, shareholders' equity stood at \$56.3 million or 8.2% of total assets. The Bancorp's regulatory capital ratios at June 30, 2010 were 12.3% for total capital to risk-weighted assets, 11.0% for tier 1 capital to risk-weighted assets and 7.9% for tier 1 capital to adjusted average assets. Under all regulatory capital requirements, the Bancorp is considered well capitalized. The book value of the Bancorp's stock stood at \$19.95 at the end of the second quarter.

The NorthWest Indiana Bancorp's common stock is traded on the OTC Bulletin Board under NWIN. The Bancorp's subsidiary, Peoples Bank, has offices in Crown Point, Dyer, East Chicago, Gary, Hammond, Hobart, Merrillville, Munster, Schererville, and Valparaiso, Indiana. The Bank's website, www.ibankpeoples.com, provides information on the Bank's products, services and investor relations.

“Forward-looking statements” as defined in the Private Securities Litigation Reform Act of 1995 may be included in this release. A variety of factors could cause the Bancorp’s actual results to differ from those expected at the time of this release. These include, but are not limited to, changes in economic conditions in the Bancorp’s market area, changes in policies by regulatory agencies, fluctuation in interest rates, demand for loans in the Bancorp’s market area, economic conditions resulting from the current turmoil in the financial services industry, including depressed demand in the housing market, competition and other risks set forth in the Bancorp’s reports filed with the Securities and Exchange Commission, including its Annual Report on Form 10-K for the year ended December 31, 2009. Readers are urged to carefully review and consider the various disclosures made by the Bancorp in its periodic reports filed with the Securities and Exchange Commission. Forward-looking statements speak only as of the date they are made, and the Bancorp undertakes no obligation to update them in light of new information or future events.

NorthWest Indiana Bancorp
Quarterly Financial Report

| Key Ratios | Three Months Ended | | Six Months Ended | |
|---|-------------------------|---------|-------------------------|---------|
| | June 30, (Unaudited) | | June 30, (Unaudited) | |
| | 2010 | 2009 | 2010 | 2009 |
| Return on equity | 11.44% | 7.71% | 10.76% | 10.16% |
| Return on assets | 0.95% | 0.63% | 0.88% | 0.82% |
| Basic earnings per share | \$ 0.57 | \$ 0.37 | \$ 1.06 | \$ 0.98 |
| Diluted earnings per share | \$ 0.57 | \$ 0.37 | \$ 1.06 | \$ 0.98 |
| Yield on loans | 5.40% | 5.54% | 5.41% | 5.59% |
| Yield on security investments | 3.96% | 3.90% | 4.03% | 4.20% |
| Total yield on earning assets | 4.91% | 5.13% | 4.92% | 5.27% |
| Cost of deposits | 0.74% | 1.39% | 0.80% | 1.51% |
| Cost of borrowings | 2.13% | 2.68% | 2.22% | 2.63% |
| Total cost of funds | 0.86% | 1.53% | 0.93% | 1.64% |
| Net interest margin - tax equivalent | 4.29% | 3.86% | 4.24% | 3.89% |
| Noninterest income / average assets | 0.97% | 0.89% | 0.87% | 0.93% |
| Noninterest expense / average assets | 2.86% | 2.95% | 2.81% | 2.83% |
| Net noninterest margin / average assets | -1.89% | -2.06% | -1.94% | -1.90% |
| Efficiency ratio | 60.17% | 68.55% | 61.10% | 64.95% |
| Effective tax rate | 17.64% | 8.99% | 16.04% | 16.70% |
| Dividend declared per common share | \$ 0.21 | \$ 0.32 | \$ 0.42 | \$ 0.68 |

| | June 30, 2010 (Unaudited) | December 31, 2009 |
|---|---------------------------------|----------------------|
| Net worth / total assets | 8.16% | 8.03% |
| Book value per share | \$ 19.95 | \$ 18.83 |
| Non-performing loans to total assets | 2.34% | 2.80% |
| Non-performing loans to total loans | 3.67% | 4.05% |
| Allowance for loan loss to non-performing loans | 43.26% | 32.93% |
| Allowance for loan loss to loans outstanding | 1.59% | 1.33% |
| Foreclosed real estate to total assets | 0.91% | 0.57% |

Consolidated Statements of Income

(Dollars in thousands)

| | Three Months Ended | | Six Months Ended | |
|---|-------------------------|-----------------|-------------------------|-----------------|
| | June 30, (Unaudited) | | June 30, (Unaudited) | |
| | 2010 | 2009 | 2010 | 2009 |
| Interest income: | | | | |
| Loans | \$ 6,224 | \$ 6,557 | \$ 12,436 | \$ 13,410 |
| Securities & short-term investments | 1,571 | 1,517 | 3,107 | 3,105 |
| Total interest income | <u>7,795</u> | <u>8,074</u> | <u>15,543</u> | <u>16,515</u> |
| Interest expense: | | | | |
| Deposits | 1,055 | 1,885 | 2,255 | 4,051 |
| Borrowings | 282 | 461 | 604 | 947 |
| Total interest expense | <u>1,337</u> | <u>2,346</u> | <u>2,859</u> | <u>4,998</u> |
| Net interest income | 6,458 | 5,728 | 12,684 | 11,517 |
| Provision for loan losses | 1,270 | 1,115 | 2,505 | 1,815 |
| Net interest income after provision for loan losses | <u>5,188</u> | <u>4,613</u> | <u>10,179</u> | <u>9,702</u> |
| Noninterest income: | | | | |
| Fees & service charges | 635 | 671 | 1,244 | 1,310 |
| Gain on sale of securities, net | 452 | 204 | 742 | 865 |
| Wealth management operations | 253 | 205 | 534 | 402 |
| Gain on sale of loans, net | 163 | 299 | 272 | 344 |
| Cash value increase from bank owned life insurance | 104 | 104 | 205 | 208 |
| Gain/(loss) on foreclosed real estate | 44 | 6 | 65 | (31) |
| Other-than-temporary impairment of securities | - | - | (113) | - |
| Other income | 4 | 7 | 8 | 11 |
| Total noninterest income | <u>1,655</u> | <u>1,496</u> | <u>2,957</u> | <u>3,109</u> |
| Noninterest expense: | | | | |
| Compensation & benefits | 2,458 | 2,245 | 4,867 | 4,610 |
| Occupancy & equipment | 808 | 750 | 1,593 | 1,533 |
| Federal deposit insurance premiums | 265 | 553 | 496 | 740 |
| Data processing | 231 | 215 | 463 | 430 |
| Marketing | 114 | 147 | 239 | 214 |
| Other | 1,005 | 1,042 | 1,899 | 1,973 |
| Total noninterest expense | <u>4,881</u> | <u>4,952</u> | <u>9,557</u> | <u>9,500</u> |
| Income before income taxes | 1,962 | 1,157 | 3,579 | 3,311 |
| Income tax expenses | 346 | 104 | 574 | 553 |
| Net income | <u>\$ 1,616</u> | <u>\$ 1,053</u> | <u>\$ 3,005</u> | <u>\$ 2,758</u> |

NorthWest Indiana Bancorp
Quarterly Financial Report

Balance Sheet Data
(Dollars in thousands)

| | June 30, 2010 (Unaudited) | December 31, 2009 | Change % | Mix % |
|-----------------------------------|---------------------------------|----------------------|-------------|----------|
| Total assets | \$ 690,011 | \$ 661,806 | 4.3% | |
| Cash & cash equivalents | 52,212 | 13,222 | 294.9% | |
| Securities - available for sale | 131,651 | 124,776 | 5.5% | |
| Securities - held to maturity | 18,610 | 19,557 | -4.8% | |
| Loans receivable: | | | | |
| Construction and land development | 48,397 | 53,288 | -9.2% | 10.6% |
| 1-4 first liens | 145,591 | 155,937 | -6.6% | 40.9% |
| Multifamily | 8,472 | 9,165 | -7.6% | 2.7% |
| Commercial real estate | 136,370 | 132,278 | 3.1% | 26.0% |
| Commercial business | 68,177 | 63,099 | 8.0% | 10.4% |
| 1-4 Junior Liens | 2,966 | 3,227 | -8.1% | 1.1% |
| HELOC | 20,753 | 22,264 | -6.8% | 4.2% |
| Lot loans | 3,101 | 3,010 | 3.0% | 0.7% |
| Consumer | 900 | 1,504 | -40.2% | 0.4% |
| Government and other | 7,751 | 14,473 | -46.4% | 3.0% |
| Total loans | 442,478 | 458,245 | -3.4% | 100.0% |
| Deposits: | | | | |
| Core deposits: | | | | |
| Noninterest bearing checking | 51,061 | 42,390 | 20.5% | 9.3% |
| Interest bearing checking | 112,935 | 102,287 | 10.4% | 16.2% |
| Savings | 59,942 | 56,920 | 5.3% | 10.3% |
| MMDA | 124,004 | 112,071 | 10.6% | 23.0% |
| Total core deposits | 347,942 | 313,668 | 10.9% | 58.8% |
| Certificates of deposit | 222,216 | 226,859 | -2.0% | 41.2% |
| Total deposits | 570,158 | 540,527 | 5.5% | 100.0% |
| Borrowings | 53,265 | 63,022 | -15.5% | |
| Stockholder's equity | 56,308 | 53,078 | 6.1% | |

Asset Quality
(Dollars in thousands)

| | June 30, 2010 (Unaudited) | December 31, 2009 | Change % |
|---|---------------------------------|----------------------|-------------|
| Nonaccruing loans | \$ 14,259 | \$ 17,074 | -16.5% |
| Accruing loans delinquent more than 90 days | 1,932 | 1,491 | 29.6% |
| Securities in non-accrual | 700 | 704 | -0.6% |
| Foreclosed real estate | 6,245 | 3,747 | 66.7% |
| Total nonperforming assets | 23,136 | 23,016 | 0.5% |
| Allowance for loan losses (ALL): | | | |
| ALL specific allowances for impaired loans | 658 | 1,179 | -44.2% |
| ALL general allowances for loan portfolio | 6,362 | 4,935 | 28.9% |
| Total ALL | 7,020 | 6,114 | 14.8% |

Capital Adequacy

| | Actual Ratio | Required to be well capitalized |
|---|-----------------|------------------------------------|
| Total capital to risk-weighted assets | 12.3% | 10.0% |
| Tier 1 capital to risk-weighted assets | 11.0% | 6.0% |
| Tier 1 capital to adjusted average assets | 7.9% | 5.0% |