

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: April 26, 2017

**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))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§ 230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§ 240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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**Item 2.02. Results of Operations and Financial Condition**

On April 26, 2017, NorthWest Indiana Bancorp issued a press release reporting its unaudited financial results for the quarter ending March 31, 2017. 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 First Quarter Earnings Release and Unaudited Consolidated Condensed Balance Sheets, Consolidated Condensed Statements of Income and Selected Financial Data for the Three Months Ended March 31, 2017.

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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: April 26, 2017

NORTHWEST INDIANA BANCORP

By: /s/ Benjamin Bochnowski \_\_\_\_\_  
Name: Benjamin Bochnowski  
Title: President and Chief Executive Officer

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INDEX TO EXHIBITS

| <u>Exhibit<br/>Number</u> | <u>Description</u>  |
|---------------------------|---|
| 99.1                      | First Quarter Earnings Release and Unaudited Consolidated Condensed Balance Sheets, Consolidated Condensed Statements of Income and Selected Financial Data for the Three Months Ended March 31, 2017 |

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FOR IMMEDIATE RELEASE  
April 26, 2017

FOR FURTHER INFORMATION  
CONTACT BENJAMIN BOCHNOWSKI  
(219) 853-7575

**NORTHWEST INDIANA BANCORP**  
**ANNOUNCES INCREASED EARNINGS FOR THE THREE MONTHS ENDED**  
**MARCH 31, 2017**

Munster, Indiana - NorthWest Indiana Bancorp (the "Bancorp"), the holding company for Peoples Bank (the "Bank"), reported an earnings increase of 2.4% for the quarter ended March 31, 2017, compared to the same period for 2016. Net income totaled \$2.3 million for the three months ended March 31, 2017, compared to \$2.2 million for the three months ended March 31, 2016.

The earnings of \$2.3 million for the three months ended March 31, 2017, represent \$0.80 earnings per basic and diluted share. For the first three months of 2017, the return on average assets (ROA) was 1.02% and the return on average equity (ROE) was 10.73%. At March 31, 2017, the Bancorp's assets totaled \$899.2 million.

"Peoples Bank had strong loan growth in the first quarter that exceeded our internal goals, giving us good momentum as we start the year. This is particularly true for our business lending segments. Furthermore, our relationship-focused approach to our customers drove in additional core deposits, which in turn allowed us to maintain leadership in our cost of funds," said Benjamin Bochnowski, president & chief executive officer. "The Bank continues to execute its strategic plan and grow for the future."

"During the first quarter of 2017, the Bancorp's earnings increased as a result of organic growth, additional noninterest income and recognizing greater tax efficiencies. In addition, the Bancorp's credit risk continues to remain low as our nonperforming loans represent less than 1.00% of the loan portfolio. The Bancorp continues to generate strong core earnings, which has been accretive to our capital position", said Robert Lowry, chief financial officer.

**Net Interest Income**

Net interest income, the difference between interest income from loans and investments and interest expense paid to funds providers, totaled \$7.52 million for the three months ended March 31, 2017, compared to \$7.54 million for the three months ended March 31, 2016, a decrease of \$20 thousand or 0.3%. The decrease is related to receiving a one-time \$202 thousand payment of past due interest for the note sale of a non-accrual loan in the first quarter of 2016. Excluding this one-time interest payment, net interest income for the three months ended March 31, 2017 increased by \$182 thousand or 2.5%. The Bancorp's net interest margin on a tax-adjusted basis was 3.82% for the three months ended March 31, 2017, compared to 3.93% for the three months ended March 31, 2016. Excluding the one-time interest payment, the Bancorp's tax-adjusted net interest margin was 3.83% for the three months ended March 31, 2016. The Bancorp's net interest income was impacted by organic growth over the prior twelve months, as interest earning assets increased by \$26.2 million or 3.2% since March 31, 2016.

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### **Noninterest Income**

Noninterest income from banking activities totaled \$1.79 million for the three months ended March 31, 2017, compared to \$1.74 million for the three months ended March 31, 2016, an increase of \$47 thousand or 2.7%. During 2017, the Bancorp has seen increases in its noninterest income from banking services and securities sales. Decreases in noninterest income for 2017 have been seen in lower gains from mortgage loan sales, due to greater market demand in the first quarter of 2016, as compared to the first quarter of 2017. In addition, income from wealth management operations decreased due to market value changes of assets under management and the timing of one-time fees.

### **Noninterest Expense**

Noninterest expense totaled \$6.3 million for the three months ended March 31, 2017, compared to \$6.1 million for the three months ended March 31, 2016, an increase of \$195 thousand or 3.2%. During 2017, the Bancorp has seen increases in its noninterest expense from costs related to improving asset quality, increased community support, marketing of brand and services, and employee compensation. Decreases in noninterest expense for 2017 were realized for occupancy costs and deposit insurance premiums.

### **Lending**

The Bancorp's loan portfolio totaled \$596.1 million at March 31, 2017, compared to \$583.7 million at December 31, 2016, an increase of \$12.5 million or 2.1%. During the first three months of 2017, the Bancorp originated \$82.8 million in new loans, an increase of \$3.9 million or 4.9%, compared to the first three months of 2016. During the three months ended March 31, 2017, the Bancorp saw its commercial real estate, commercial business, 1-4 first liens and government loan balances increase. During the three months ended March 31, 2017, \$7.9 million in newly originated fixed rate mortgage loans were sold into the secondary market resulting in gains of \$200 thousand. The loan portfolio represents 70.7% of earning assets and is comprised of 64.8% commercial related credits.

### **Investing**

The Bancorp's securities portfolio totaled \$237.3 million at March 31, 2017, compared to \$233.6 million at December 31, 2016, an increase of \$3.7 million or 1.6%. The securities portfolio represents 28.1% of earning assets and provides a consistent source of liquidity and earnings to the Bancorp. Cash & cash equivalents totaled \$15.8 million at March 31, 2017, compared to \$45.1 million at December 31, 2016, a decrease of \$29.3 million. The decrease in cash and cash equivalents is mostly a result of short-term deposits from local municipalities received in December 2016 and withdrawn as planned during the first quarter of 2017.

### **Funding**

At March 31, 2017, core deposits totaled \$588.0 million, compared to \$594.1 million at December 31, 2016, a decrease of \$6.1 million or 1.0%. The decrease is related to the previously mentioned short-term deposits from local municipalities received in December 2016, which were scheduled for withdrawal the first quarter of 2017. The short-term municipal withdrawals totaled \$18.4 million. Excluding the municipal core deposit activity, the Bancorp's core deposits increased by \$12.3 million or 2.1%. During the first three months of 2017, consumer and business core deposits increased. Core deposits include checking, savings, and money market accounts and represented 76.3% of the Bancorp's total deposits at March 31, 2017. At March 31, 2017, balances for certificates of deposit totaled \$182.6 million, compared to \$185.7 million at December 31, 2016, a decrease of \$3.1 million or 1.6%. In addition, at March 31, 2017, borrowed funds totaled \$33.6 million, compared to \$39.8 million at December 31, 2016, a decrease of \$6.2 million or 15.7%. As a result of core deposit growth, certificates of deposit and borrowings were reduced to manage excess liquidity.

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### **Asset Quality**

At March 31, 2017, non-performing loans totaled \$5.5 million, compared to \$6.1 million at December 31, 2016, a decrease of \$564 thousand or 9.2%. The Bancorp's ratio of non-performing loans to total loans was 0.93% at March 31, 2017, compared to 1.05% at December 31, 2016. The decrease in the ratio of non-performing loans for 2017 is related to a partial charge-off totaling \$829 thousand for a pool of investor owned residential real estate loans. In addition, the Bancorp's ratio of non-performing assets to total assets was 1.14% at March 31, 2017, compared to 1.10% at December 31, 2016. The increase in the ratio of non-performing assets for 2017 is related to a decrease in assets for the period.

For the three months ended March 31, 2017, loan loss provisions totaled \$234 thousand, while \$296 thousand in provisions were recorded for the three months ended March 31, 2016. The 2017 loan loss provisions were primarily related to loan portfolio growth. Loan charge-offs, net of recoveries, totaled \$1.1 million for the three months ended March 31, 2017, compared to charge-offs, net of recoveries of \$41 thousand for the three months ended March 31, 2016. At March 31, 2017, the allowance for loan losses totaled \$6.8 million and is considered adequate by management. The allowance for loan losses as a percentage of total loans was 1.15% at March 31, 2017, compared to 1.32% at December 31, 2016. The allowance for loan losses as a percentage of non-performing loans, or coverage ratio, was 123.3% at March 31, 2017, compared to 126.1% at December 31, 2016.

### **Capital Adequacy**

At March 31, 2017, shareholders' equity stood at \$86.4 million, tangible capital represented 9.6% of total assets. The Bancorp's regulatory capital ratios at March 31, 2017 were 13.9% for total capital to risk-weighted assets, 12.8% for both common equity tier 1 capital to risk-weighted assets and tier 1 capital to risk-weighted assets, and 9.2% for tier 1 leverage 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 \$30.17 per share at March 31, 2017.

### **About NorthWest Indiana Bancorp**

NorthWest Indiana Bancorp is a locally managed and independent financial holding company headquartered in Munster, Indiana, whose activities are primarily limited to holding the stock of Peoples Bank. Peoples Bank provides a wide range of personal, business, electronic and wealth management financial services from its 16 locations in Lake and Porter Counties in Northwest Indiana. NorthWest Indiana Bancorp's common stock is traded on the OTC Bulletin Board under the symbol NWIN. The website [ibankpeoples.com](http://ibankpeoples.com) provides information on Peoples Bank's products and services, and NorthWest Indiana Bancorp's investor relations.

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**Forward Looking Statements**

“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 in the financial services industry, the Bancorp’s ability to successfully integrate the operations of recently acquired institutions, 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, 2016. 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.

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**NorthWest Indiana Bancorp  
Quarterly Financial Report**

**Key Ratios**

|   | Three Months Ended<br>March 31,<br>(Unaudited) |         |
|---|--|---------|
|   | 2017   | 2016    |
| Return on equity                        | 10.73%   | 10.76%  |
| Return on assets                        | 1.02%  | 1.03%   |
| Basic earnings per share                | \$ 0.80  | \$ 0.79 |
| Diluted earnings per share              | \$ 0.80  | \$ 0.79 |
| Yield on loans                          | 4.35%  | 4.58%   |
| Yield on security investments           | 2.63%  | 2.55%   |
| Total yield on earning assets           | 3.84%  | 3.98%   |
| Cost of deposits                        | 0.24%  | 0.24%   |
| Cost of borrowings                      | 1.13%  | 0.98%   |
| Total cost of funds                     | 0.28%  | 0.30%   |
| Net interest margin - tax equivalent    | 3.82%  | 3.93%   |
| Noninterest income / average assets     | 0.79%  | 0.80%   |
| Noninterest expense / average assets    | 2.80%  | 2.81%   |
| Net noninterest margin / average assets | -2.01%   | -2.01%  |
| Efficiency ratio                        | 67.76%   | 65.83%  |
| Effective tax rate                      | 16.92%   | 21.87%  |
| Dividend declared per common share      | \$ 0.28  | \$ 0.27 |

  

|   | March 31,<br>2017<br>(Unaudited) | December 31,<br>2016 |
|---|----------------------------------|----------------------|
|   | Net worth / total assets         | 9.61%                |
| Book value per share                              | \$ 30.17                         | \$ 29.41             |
| Non-performing assets to total assets             | 1.14%                            | 1.10%                |
| Non-performing loans to total loans               | 0.93%                            | 1.05%                |
| Allowance for loan losses to non-performing loans | 123.34%                          | 126.10%              |
| Allowance for loan losses to loans outstanding    | 1.15%                            | 1.32%                |
| Foreclosed real estate to total assets            | 0.29%                            | 0.29%                |

**Consolidated Statements of Income**

(Dollars in thousands)

|   | Three Months Ended<br>March 31,<br>(Unaudited) |          |
|---|--|----------|
|   | 2017   | 2016     |
| Interest income:                                    |  |          |
| Loans   | \$ 6,439                                       | \$ 6,564 |
| Securities & short-term investments                 | 1,639  | 1,551    |
| Total interest income                               | 8,078  | 8,115    |
| Interest expense:                                   |  |          |
| Deposits  | 459  | 429      |
| Borrowings  | 104  | 151      |
| Total interest expense                              | 563  | 580      |
| Net interest income                                 | 7,515  | 7,535    |
| Provision for loan losses                           | 234  | 296      |
| Net interest income after provision for loan losses | 7,281  | 7,239    |
| Noninterest income:                                 |  |          |
| Fees and service charges                            | 740  | 663      |
| Wealth management operations                        | 410  | 423      |
| Gain on sale of securities, net                     | 293  | 253      |
| Gain on sale of loans held-for-sale, net            | 200  | 250      |
| Increase in cash value of bank owned life insurance | 115  | 116      |
| Gain on sale of foreclosed real estate, net         | -  | 32       |
| Other   | 27   | 1        |
| Total noninterest income                            | 1,785  | 1,738    |
| Noninterest expense:                                |  |          |
| Compensation and benefits                           | 3,613  | 3,562    |
| Occupancy and equipment                             | 882  | 904      |
| Data processing                                     | 368  | 325      |
| Marketing   | 135  | 114      |
| Federal deposit insurance premiums                  | 77   | 137      |
| Other   | 1,225  | 1,063    |
| Total noninterest expense                           | 6,300  | 6,105    |
| Income before income taxes                          | 2,766  | 2,872    |
| Income tax expenses                                 | 468  | 628      |
| Net income  | \$ 2,298                                       | \$ 2,244 |

**NorthWest Indiana Bancorp**  
Quarterly Financial Report

**Balance Sheet Data**  
(Dollars in thousands)

|                                      | March 31,<br>2017<br>(Unaudited) | December 31,<br>2016 | Change<br>% | Mix<br>% |
|--------------------------------------|----------------------------------|----------------------|-------------|----------|
| Total assets                         | \$ 899,183                       | \$ 913,626           | -1.6%       | n/a      |
| Cash & cash equivalents              | 15,784                           | 45,109               | -65.0%      | n/a      |
| Securities - available for sale      | 237,279                          | 233,625              | 1.6%        | n/a      |
| <b>Loans receivable:</b>             |                                  |                      |             |          |
| Construction and land development    | \$ 38,586                        | \$ 38,937            | -0.9%       | 6.5%     |
| 1-4 first liens                      | 173,113                          | 170,018              | 1.8%        | 29.0%    |
| Multifamily                          | 36,459                           | 36,086               | 1.0%        | 6.1%     |
| Commercial real estate               | 199,905                          | 195,438              | 2.3%        | 33.5%    |
| Commercial business                  | 79,537                           | 77,299               | 2.9%        | 13.3%    |
| 1-4 Junior Liens                     | 759                              | 838                  | -9.4%       | 0.1%     |
| HELOC                                | 32,287                           | 31,737               | 1.7%        | 5.4%     |
| Lot loans                            | 3,202                            | 3,244                | -1.3%       | 0.5%     |
| Consumer                             | 481                              | 524                  | -8.2%       | 0.1%     |
| Government and other                 | 31,771                           | 29,529               | 7.6%        | 5.3%     |
| Total loans                          | \$ 596,100                       | \$ 583,650           | 2.1%        | 100.0%   |
| <b>Deposits:</b>                     |                                  |                      |             |          |
| <b>Core deposits:</b>                |                                  |                      |             |          |
| Noninterest bearing checking         | \$ 118,137                       | \$ 111,800           | 5.7%        | 15.3%    |
| Interest bearing checking            | 168,172                          | 176,349              | -4.6%       | 21.8%    |
| Savings                              | 133,943                          | 127,626              | 4.9%        | 17.4%    |
| Money market                         | 167,752                          | 178,332              | -5.9%       | 21.8%    |
| Total core deposits                  | 588,004                          | 594,107              | -1.0%       | 76.3%    |
| Certificates of deposit              | 182,625                          | 185,664              | -1.6%       | 23.7%    |
| Total deposits                       | \$ 770,629                       | \$ 779,771           | -1.2%       | 100.0%   |
| Borrowings and repurchase agreements | \$ 33,589                        | \$ 39,826            | -15.7%      |          |
| Stockholder's equity                 | 86,427                           | 84,108               | 2.8%        |          |

**Asset Quality**  
(Dollars in thousands)

|   | March 31,<br>2017<br>(Unaudited) | December 31,<br>2016 | Change<br>% |
|---|----------------------------------|----------------------|-------------|
| Nonaccruing loans   | \$ 5,056                         | \$ 5,605             | -9.8%       |
| Accruing loans delinquent more than 90 days                     | 485                              | 500                  | -3.0%       |
| Securities in non-accrual                                       | 2,075                            | 1,689                | 22.9%       |
| Foreclosed real estate  | 2,621                            | 2,665                | -1.7%       |
| Total nonperforming assets                                      | \$ 10,237                        | \$ 10,459            | -2.1%       |
| <b>Allowance for loan losses (ALL):</b>                         |                                  |                      |             |
| ALL specific allowances for impaired loans                      | \$ 196                           | \$ 1,236             | -84.1%      |
| ALL general allowances for loan portfolio                       | 6,638                            | 6,462                | 2.7%        |
| Total ALL   | \$ 6,834                         | \$ 7,698             | -11.2%      |
| <b>Troubled Debt Restructurings:</b>                            |                                  |                      |             |
| Nonaccruing troubled debt restructurings, non-compliant (1) (2) | \$ -                             | \$ -                 | 0.0%        |
| Nonaccruing troubled debt restructurings, compliant (2)         | 243                              | 246                  | -1.2%       |
| Accruing troubled debt restructurings                           | 57                               | 60                   | -5.0%       |
| Total troubled debt restructurings                              | \$ 300                           | \$ 306               | -2.0%       |

(1) "non-compliant" refers to not being within the guidelines of the restructuring agreement

(2) included in nonaccruing loan balances presented above

**Capital Adequacy (Bancorp and Bank)**

|  | At March 31,<br>2017<br>Actual Ratio<br>(Unaudited) | Required<br>To Be Well Capitalized |
|--|---|------------------------------------|
| Common equity tier 1 capital to risk-weighted assets | 12.8%   | 6.5%                               |
| Tier 1 capital to risk-weighted assets               | 12.8%   | 8.0%                               |
| Total capital to risk-weighted assets                | 13.9%   | 10.0%                              |
| Tier 1 capital to adjusted average assets            | 9.2%  | 5.0%                               |