SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

Quarterly Report Under Section 13 or 15(d)
of the Securities Exchange Act of 1934

(Mark One)

[X] Quarterly report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.

For the quarterly period ended SEPTEMBER 30, 1996, or

[ ] Transition report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.

For the transition 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 Number)
9204 Columbia Avenue Munster, Indiana	46321
(Address of principal executive office)	(ZIP code)

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

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 [ ]

There were 689,787 shares of the registrant's Common Stock, without par value, outstanding at September 30, 1996.

NORTHWEST INDIANA BANCORP

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NORTHWEST INDIANA BANCORP
CONSOLIDATED BALANCE SHEETS
(UNAUDITED)

<TABLE>
<CAPTION>

	September 30, 1996	December 31, 1995
ASSETS		
<S>	<C>	<C>
Cash and non-interest bearing balances in financial institutions ..	$ 6,018,667	$ 6,952,377
Interest bearing balances in financial institutions	279,965	6,151,327
Federal funds sold	530,000	1,840,000
Total cash and cash equivalents	6,828,632	14,943,704
Securities held-to-maturity (market value: September 30, 1996 - $41,980,000; December 31, 1995 - $36,682,000)	42,036,524	36,404,381
Federal Home Loan Bank common stock (cost approximates market value)	1,596,700	1,596,700
Loans held for sale	308,108	--
Loans receivable	239,256,020	222,292,700
Less: allowance for loan loss	(2,868,395)	(2,829,681)
Net loans receivable	236,387,625	219,463,019
Accrued interest receivable	2,262,055	2,091,874
Premises and equipment	6,937,703	5,256,785
Foreclosed real estate	188,684	86,366
Other assets	1,648,246	1,068,110
Total assets	$ 298,194,277	$ 280,910,939
LIABILITIES AND STOCKHOLDERS' EQUITY		
Deposits:		
Non-interest bearing deposits	$ 15,324,947	$ 11,497,478
Interest bearing deposits	243,685,095	236,447,211
Total deposits	259,010,042	247,944,689
Borrowed funds	7,775,502	3,138,829
Accrued expenses and other liabilities	4,020,431	2,623,293
Total liabilities	270,805,975	253,706,811
Commitments and contingencies (Note 5)		
Stockholders' Equity		
Preferred stock, no par or stated value; 10,000,000 shares authorized, none outstanding	--	--
Common stock, no par or stated value; 20,000,000 shares authorized; issued and outstanding; September 30, 1996 - 689,787 shares; December 31, 1995 - 689,718 shares	344,894	344,859
Additional paid-in capital	2,929,406	2,927,595
Retained earnings - substantially restricted	24,114,002	23,931,674
Total stockholders' equity	27,388,302	27,204,128
Total liabilities and stockholders' equity	$ 298,194,277	$ 280,910,939

</TABLE>

See accompanying notes to consolidated financial statements.

NORTHWEST INDIANA BANCORP
CONSOLIDATED INCOME STATEMENT
(UNAUDITED)

<TABLE>
<CAPTION>

<S>	Three Months Ended September 30, 1996 <C>	Three Months Ended September 30, 1995 <C>	Nine Months Ended September 30, 1996 <C>	Nine Months Ended September 30, 1995 <C>
Interest income:				
Real estate loans	$ 4,442,755	$ 4,256,305	$ 13,005,539	$12,749,708
Commercial loans	359,593	340,145	1,109,817	1,050,094
Consumer loans	95,827	81,746	261,840	218,493
Total loan interest	4,898,175	4,678,196	14,377,196	14,018,295
Securities held-to-maturity	680,672	555,113	1,955,402	1,484,746
Other interest earning assets	54,379	87,697	279,220	242,244
Total interest income	5,633,226	5,321,006	16,611,818	15,745,285
Interest expense:				
Deposits	2,758,762	2,703,684	8,265,591	7,620,248
Borrowed funds	59,073	25,618	138,477	84,793
Total interest expense	2,817,835	2,729,302	8,404,068	7,705,041
Net interest income	2,815,391	2,591,704	8,207,750	8,040,244
Provision for loan losses	22,500	15,000	55,000	60,000
Net interest income after provision for loan losses	2,792,891	2,576,704	8,152,750	7,980,244
Noninterest income:				
Gain/(loss) on sale of interest earning assets	1,130	2,934	(3,765)	8,860
Gain on sale of foreclosed real estate	3,668	196	3,668	196
Fees and service charges	116,872	109,631	355,840	324,539
Trust operations	44,855	38,746	152,974	125,033
Other	--	4,999	--	8,520
Total noninterest income	166,525	156,506	508,717	467,148
Noninterest expense:				
Compensation and benefits	756,684	728,596	2,302,150	2,179,596
Occupancy and equipment	272,843	223,765	778,465	652,049
Federal insurance premium	1,702,723	136,431	1,981,153	400,450
Advertising	26,166	25,220	111,057	104,678
Data processing	75,924	70,210	215,733	201,630
Other	364,514	352,859	1,070,910	1,086,281
Total noninterest expense	3,198,854	1,537,081	6,459,468	4,624,684
Income before income taxes	(239,438)	1,196,129	2,201,999	3,822,708
Income tax expense/(benefit)............................	(91,650)	476,600	881,550	1,523,600
Net income/(loss).......................................	$ (147,788)	$ 719,529	$ 1,320,449	$ 2,299,108
Earnings per common and common equivalent share (Note 6):				
Net Income/(loss).......................................	$ (0.22)	$ 1.05	$ 1.91	$ 3.34
Dividends declared per common share	$ 0.55	$ 0.55	$ 1.65	$

1.65
</TABLE>

See accompanying notes to consolidated financial statements

NORTHWEST INDIANA BANCORP
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
(UNAUDITED)

	Three Months Ended September 30, 1996	Three Months Ended September 30, 1995	Nine Months Ended September 30, 1996	Nine Months Ended September 30, 1995
Balance beginning of period	$ 27,915,286	$ 26,437,457	$ 27,204,128	$ 25,606,009
Stock option plan, 69 shares of common stock issued at $18.63 - $42.50 per share in 1996 and 666 shares of common stock issued at $18.63 - $23.00 per share in 1995	186	3,543	1,846	13,743
Cash dividends declared, $1.65 per share in 1996 and 1995	(379,382)	(379,338)	(1,138,121)	(1,137,669)
Net income/(loss).....................................	(147,788)	719,529	1,320,449	2,299,108
Balance end of period	$ 27,388,302	$ 26,781,191	$ 27,388,302	$ 26,781,191

See accompanying notes to consolidated financial statements.

NORTHWEST INDIANA BANCORP
CONSOLIDATED STATEMENTS OF CASH FLOW
(UNAUDITED)

	Nine Months Ended September 30, 1996	Nine Months Ended September 30, 1995
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$ 1,320,449	$ 2,299,108
Adjustments to reconcile net income to net cash provided by operating activities:		
Origination of loans for sale	(699,900)	(826,800)
Sale of loans originated for sale	388,028	819,260
Depreciation and amortization, net of accretion	395,377	287,072
Net gains on sale of loans	(3,628)	(8,860)
Net gains on sale of foreclosed real estate	(3,668)	(196)
Provision for loan losses	55,000	60,000

Unrealized losses on mortgage loans held for sale	7,392	-
Net change in unearned interest on loans	3,776	(11,874)
Change in deferred loan fees	1,362	(62,658)
Change in interest receivable	(170,181)	(136,265)
Change in other assets	(580,136)	(112,133)
Change in accrued expenses and other liabilities	1,397,138	(219,521)
Total adjustments	790,560	(211,975)
Net cash from operating activities	2,111,009	2,087,133
CASH FLOWS FROM INVESTING ACTIVITIES:		
Change in interest bearing time deposits in other financial institutions	--	493,472
Proceeds from maturities of securities held-to-maturity	9,171,429	5,000,000
Purchase of securities held-to-maturity	(15,164,019)	(12,271,852)
Principal collected on mortgage-backed securities	363,070	356,567
Loan participations purchased	--	(33,440)
Loans made net of payments received	(17,115,942)	2,251,373
Purchase of property plant and equipment	(2,078,918)	(1,174,446)
Proceeds from sale of foreclosed real estate	32,548	87,246
Net cash from investing activities	(24,791,832)	(5,291,080)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Change in deposits	11,065,353	9,505,659
Change in borrowed funds	4,636,673	26,605
Proceeds from issuance of capital stock	1,846	13,743
Cash dividends paid	(1,138,121)	(1,137,669)
Net cash from financing activities	14,565,751	8,408,338
Net change in cash and cash equivalents	(8,115,072)	5,204,391
Cash and cash equivalents at beginning of period	14,943,704	5,743,060
Cash and cash equivalents at end of period	$ 6,828,632	$ 10,947,451
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:		
Cash paid during the period for:		
Interest	$ 8,427,215	$ 7,647,014
Income taxes	$ 1,445,000	$ 1,539,000

</TABLE>

See accompanying notes to consolidated financial statements.

NORTHWEST INDIANA BANCORP
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 - BASIS OF PRESENTATION

The consolidated financial statements include the accounts of NorthWest Indiana Bancorp (the Company), its wholly-owned subsidiary, Peoples Bank SB (the Bank), and the Bank's wholly-owned subsidiaries. The Company has no other business activity other than being a holding company for the Bank. The accompanying unaudited consolidated financial statements were prepared in accordance with instructions for Form 10-Q and, therefore, do not include all disclosures required by generally accepted accounting principles for complete presentation of financial statements. In the opinion of management, the consolidated financial statements contain all adjustments (consisting only of normal recurring accruals) necessary to present fairly the balance sheets of the Company as of September 30, 1996 and December 31, 1995, and the statements of income and changes in stockholders' equity for the three months and nine months ended September 30, 1996 and 1995, and cash flows for the nine months ended September 30, 1996 and 1995. The income reported for the three month and nine month periods ended September 30, 1996 is not necessarily indicative of the results to be expected for the full year.

NOTE 2 - CONCENTRATIONS OF CREDIT RISK

The Bank grants residential, commercial real estate, commercial business and installment loans to customers in its primary market area of Lake County, in northwest Indiana. Substantially all loans are secured by specific items of collateral including residences, business assets and consumer assets.

NOTE 3 - RECLASSIFICATIONS

Certain amounts reported in the December 31, 1995 consolidated financial statements have been reclassified to conform to the September 30, 1996 presentation. All reclassifications are of a normal recurring nature.

NOTE 4 - CONSOLIDATED BALANCE SHEETS

The Balance Sheet of December 31, 1995 has been taken from the audited financial statements at that date.

NOTE 5 - COMMITMENTS AND CONTINGENCIES

The Bank is a party to financial instruments in the normal course of business to meet financing needs of its customers and to reduce its own exposure to fluctuating interest rates. These financial instruments include commitments to make loans and standby letters of credit.

Exposure to credit loss in the event of nonperformance by the other party to the financial instrument for commitments to make loans and standby letters of credit is represented by the contractual amount of those instruments. The Bank uses the same credit policy to make such commitments as it uses for on-balance-sheet items.

At September 30, 1996 and December 31, 1995, commitments to make loans totaled $26.8 million and $27.2 million, respectively and standby letters of credit totaled $530 thousand and $489 thousand, respectively. At September 30, 1996, $20.7 million (77%) of the commitments were at variable rates.

Since commitments to make loans may expire without being used, the amount does not necessarily represent future cash commitments. Collateral obtained upon exercise of the commitment is

determined using management's credit evaluation of the borrower, and may include accounts receivable, inventory, property, land and other items.

NOTE 6 - EARNINGS PER COMMON SHARE

The weighted average number of shares used in the calculation of earnings per share during the three month periods ended September 30, 1996 and 1995 were 689,777 and 689,621, respectively. The weighted average number of shares used in the calculation of earnings per share during the nine month periods ended September 30, 1996 and 1995 were 689,749 and 689,301, respectively. The effect of common stock equivalents is not material in these periods.

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

SUMMARY

NorthWest Indiana Bancorp, an Indiana corporation (NWIB or the Company), is the holding company for Peoples Bank SB (the Bank), an Indiana stock savings bank. Peoples Bank SB is a wholly owned subsidiary of NWIB. The Company has no other business activity other than being the holding company for Peoples Bank SB. The Bank's deposit accounts are insured by the Savings Association Insurance Fund (SAIF) which is administered by the Federal Deposit Insurance Corporation (FDIC). On September 30, 1996, the President signed the Deposit Insurance Funds Act of 1996 which required a one-time special assessment on SAIF-assessable deposits to capitalize SAIF. The special assessment resulted in a pre-tax expense of $1.6 million for the current reporting period. As a result the Company reported a net loss for the three months ended September 30, 1996, of $148 thousand, or $0.22 per share. The annualized return on average assets (ROA) was -0.20%, while the annualized return on average stockholders' equity (ROE) was -2.12%, for the three month period. Net income for the nine months ended September 30, 1996, was $1.3 million, or $1.91 per share. The ROA was 0.61%, while the ROE was 6.35%, for the nine month period.

Excluding the SAIF assessment, net income for the three months ended September 30, 1996, was $795 thousand, or $1.15 per share compared to $720 thousand, or $1.05 per share for the three months ended September 30, 1995. The ROA was 1.08%, while the ROE was 11.27% for the current three month period compared to a ROA of 1.05% and a ROE of 10.79% for the three months ended September 30, 1995. Excluding the SAIF assessment, net income for the nine months ended September 30, 1996 and 1995 was $2.3 million. Earnings per share were $3.28 for the current nine months compared to $3.34 for the nine months ended September 30, 1995. The ROA was 1.04%, while the ROE was 10.84%, for the nine months ended September 30, 1996 compared to a ROA of 1.13% and a ROE of 11.66% for the nine months ended September 30, 1995.

At September 30, 1996, the Company had total assets of $298.2 million and total deposits of $259.0 million. Stockholders' equity totaled $27.4 million or 9.2% of total assets, with book value per share at $39.71.

FINANCIAL CONDITION

During the nine months ended September 30, 1996, total assets increased by $17.3 million (6.2%), with interest-earning assets increasing by $15.7 million (5.9%). Total deposits and borrowed funds increased by $15.7 million (6.3%). At September 30, 1996, interest-earning assets totaled $284.0 million and represented 95.2% of total assets. Loans receivable and loans held for sale totaled $239.6 million and represented 84.4% of interest-earning assets, 80.30% of total assets and 92.5% of total deposits. The loan portfolio includes $13.4 million (5.6%) in construction and development loans, $151.0 million (62.9%) in residential mortgage loans, $55.4 million (23.1%) in commercial and multifamily real estate loans, $15.1 million (6.4%) in commercial business loans and $4.7 million (2.0%) in consumer loans. During the nine months ended September 30, 1996, loans increased by $17.3 million (7.8%), as increased loan demand within the Bank's market area resulted in growth in the real estate, commercial business and consumer loan portfolios. Adjustable rate loans comprised 62% of the total investment in loans at September 30, 1996.

The Bank is primarily a portfolio lender. Mortgage banking activities are limited to the sale of fixed rate mortgage loans with contractual maturities of thirty years. These loans are sold in the secondary market because of the additional exposure to interest rate risk associated with this product. The Bank retains the servicing on all loans sold in

the secondary market. During the nine months ending September 30, 1996, the Bank sold $384 thousand in fixed rate mortgage loans. The amount includes seven loans. At September 30, 1996, the Bank had three loans, totaling $308 thousand, classified as held for sale.

The primary objective of the investment portfolio is to provide for the liquidity needs of the Bank and to contribute to profitability by providing a stable flow of dependable earnings. Funds are generally invested in federal funds, interest-bearing deposits in other financial institutions, U.S. government securities and federal agency obligations. Investments are generally for terms ranging from one day to five years. At September 30, 1996, the investment portfolio totaled $43.6 million which included $42.0 million in securities held-to-maturity and $1.6 million in Federal Home Loan Bank (FHLB) of Indianapolis common stock. The investment portfolio consists of 64.0% in U.S. government agency debt securities, 27.6% in U.S. government debt securities, 4.7% in U.S. government agency mortgage-backed securities, and 3.7% in FHLB common stock. In addition, the Bank had $280 thousand in interest-bearing deposits at the FHLB and $530 thousand in federal funds. During the nine months ended September 30, 1996, the size of the investment portfolio increased by $5.6 million (14.8%), while interest-bearing deposits and federal funds decreased by $7.2 million (89.9%). The increase in the investment portfolio was due to deposit growth and the investment of overnight funds into securities.

Management believes that the credit risk profile of the earning asset portfolio is relatively low. At September 30, 1996, the Bank had $1.3 million in non-performing loans. The September 30, 1996, balance includes $318 thousand in loans accounted for on a non-accrual basis and $1.0 million in accruing loans which were contractually past due 90 days or more. The total of these non-performing loans represents 0.56% of the total loan portfolio and 0.45% of total assets. At September 30, 1996, the Bank had $188 thousand in foreclosed real estate. The total represents 0.06% of total assets.

The table which follows sets forth information with respect to the number (#) and balances (Amount) of non-performing assets and related ratios for the periods indicated. The amounts are stated in thousands (000's).

<TABLE>
<CAPTION>

	September 30, 1996		December 31, 1995	
	#	Amount	#	Amount
Loans accounted for on a non-accrual basis:				
Real estate loans:				
Residential	7	$ 146	11	$ 361
Commercial	--	--	--	--
Commercial business loans	2	111	--	--
Consumer loans	2	61	1	11
Total	11	$ 318	12	$ 372
Accruing loans which are contractually past due 90 days or more:				
Real estate loans:				
Residential	14	$ 519	19	$ 637
Commercial	--	--	--	--
Commercial business loans	1	500	--	--
Consumer loans	--	--	1	46
Total	15	$1,019	20	$ 683
Total of non-accrual and 90 days or more past due loans	26	$1,337	32	$1,055
Foreclosed real estate	3	$ 188	2	$ 86

Ratio of non-performing loans to total assets	0.45%	0.38%
Ratio of non-performing loans to total loans	0.56%	0.47%
Ratio of foreclosed real estate to total assets	0.06%	0.03%
Ratio of non-performing assets to total assets	0.51%	0.41%

</TABLE>

At September 30, 1996, $540 thousand of the Bank's loans were classified as substandard. The total represents 20 loans. 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 September 30, 1996, there were no material credits which would cause management to have serious doubts as to the ability of such borrowers to comply with loan repayment terms.

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 the nine months ended September 30, 1996, additions to the ALL account totaled $55 thousand compared to $60 thousand for the nine months ended September 30, 1995. Charge-offs net of recoveries totaled $17 thousand during the current period. The amount

provided during the current nine months was based on loan activity, current economic conditions and management's assessment of portfolio risk. At September 30, 1996, the balance in the ALL account totaled $2.9 million, which is considered adequate by management after evaluation of the loan portfolio, past experience and current economic and market conditions.

The table below sets forth the allocation of the ALL and related ratios on the dates indicated. The amounts are stated in thousands (000's).

<TABLE>
<CAPTION>

	September 30, 1996		December 31, 1995	
<S>	<C>	<C>	<C>	<C>
Real estate loans:				
Residential	$ 372	13%	$ 372	13%
Commercial	865	30	860	30
Construction & Development	154	5	130	5
Commercial business loans	650	23	650	23
Consumer loans	110	4	110	4
Unallocated	717	25	708	25
Total	$2,868	100%	$2,830	100%
Ratio of ALL to loans outstanding		1.20%		1.27%
Ratio of ALL to non-performing loans		214.5%		268.3%

</TABLE>

At September 30, 1996, no portion of the ALL was allocated to impaired loan balances as the Bank had no loans considered to be impaired loans as of, or for the nine months ended September 30, 1996. 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.

Deposits are the major source of funds for lending and other investment purposes. At September 30, 1996, deposits totaled $259.0 million. During the nine months ending September 30, 1996, deposit growth totaled $11.1 million (4.5%). Savings accounts increased $2.7 million (6.4%), NOW accounts increased $2.6 million (12.3%), checking accounts increased $3.8 million (33.3%), money market deposit accounts (MMDA's) increased $1.5 million (7.1%) and certificates of deposit increased by $446 thousand (0.3%). At September 30, 1996, the deposit base was comprised of 17.2% savings accounts, 8.8% MMDA's, 9.2% NOW accounts, 5.9% checking accounts and 58.9% certificates of deposit. At September 30, 1996, repurchase agreements totaled $5.4 million. Other short-term borrowings totaled $2.4 million. The Company had no long-term borrowings.

LIQUIDITY AND CAPITAL RESOURCES

Liquidity refers to the ability to generate sufficient cash to fund current loan demand, meet savings deposit withdrawals and pay operating expenses. 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, investment in interest-bearing deposits in other financial institutions, and the purchase and maturity of investment securities. Financing activities focus almost entirely on the generation of customer deposits. In addition,

the Bank offers repurchase agreements which generally mature within one year and has established a line of credit with the FHLB.

During the nine months ended September 30, 1996, there was a net decrease in cash and cash equivalents of $8.1 million. The reduction was primarily due to the $7.2 million decrease in interest-bearing deposits in other financial institutions and federal funds, as funds were used for loan originations and the purchase of securities. The primary sources of cash were deposit growth which totaled $11.1 million and cash provided by operating activities of $2.1 million. The nine months ended September 30, 1996, reflects a significant increase in loan originations compared to the nine months ended September 30, 1995. Cash was also used for the payment of common stock dividends of $1.1 million and the construction of a new, full-service, branch facility located in Merrillville, Indiana. The new facility represents the Company's commitment to quality service and community development, and provides opportunities to expand market share by attracting additional deposits and loans from the surrounding areas. The new facility opened on September 27, 1996. The new facility is not expected to have a material impact on noninterest expense.

At September 30, 1996, outstanding commitments to fund loans totaled $26.8 million. Approximately 77% of the commitments were at variable rates. The Bank has sufficient cash flow and borrowing capacity to fund 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 the nine months ended September 30, 1996, stockholders' equity increased by $184 thousand (0.7%). The increase resulted primarily from earnings of $1.3 million during the period. In addition, $2 thousand represents proceeds from the exercised rights of 69 stock options. The reduction of $1.1 million represents cash dividends for the nine month period.

The Company 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 Company and the Bank, the FRB and FDIC capital requirements are substantially identical. The Company 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 total 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 September 30, 1996, the Company's capital exceeded all regulatory capital requirements. At September 30, 1996, the Company's and the Bank's regulatory capital ratios were identical.

<TABLE>
<CAPTION>

	Actual	Required
<S>	<C>	<C>
Tier I capital to risk-weighted assets	14.8%	4.0%
Total risk-based capital to risk-weighted assets	16.1%	8.0%
Tier I capital leverage ratio	9.2%	3.0%

</TABLE>

RESULTS OF OPERATIONS - COMPARISON OF THE QUARTER ENDED SEPTEMBER 30, 1996 TO THE QUARTER ENDED SEPTEMBER 30, 1995

The Company reported a net loss of $148 thousand for the quarter ended September 30, 1996, compared to a net income of $720 thousand for the quarter ended September 30, 1995, a decrease of $867 thousand (120.5%). The net loss was the result of the one-time special assessment required by the Deposit Insurance Funds Act of 1996 on SAIF-assessable deposits to capitalize SAIF. The SAIF assessment resulted in a pre-tax expense of $1.6 million during the current quarter. The loss represents a ROA of -0.20% for the three months ended September 30, 1996 compared to 1.05% for the quarter ended September 30, 1995. The ROE was -2.12% for the current quarter compared to 10.79% for the quarter ended September 30, 1995. Excluding the SAIF assessment, net income for the three months ended September 30, 1996, was $795 thousand, representing a ROA of 1.08% and a ROE of 11.27%.

Net interest income for the quarter ended September 30, 1996, increased by $224 thousand (8.6%) compared to the three months ended September 30, 1995. The improvement in net interest income was due to total interest income increasing by $312 thousand (5.9%) during the current period, while total interest expense increased by $89 thousand (3.2%). The net interest margin for the current quarter was 3.82%, compared to 3.79% for the three months ended September 30, 1995.

During the three months ended September 30, 1996, interest income from loans increased by $220 thousand (4.7%) compared to the three months ended September 30, 1995. The weighted average yield on loans outstanding was 8.32% for the current quarter compared to 8.48% for the quarter ended September 30, 1995. Loan growth has contributed to the increase in interest income. During the three months ended September 30, 1996, interest income on investments and other deposits increased by $92 thousand (14.3%) compared to the quarter ended September 30, 1995. The increase was due to higher yields and portfolio growth during the current quarter. The weighted average yield on the investment portfolio for the quarter ended September 30, 1996, was 6.22% compared to 5.95% for the quarter ended September 30, 1995. The combined weighted average yield on total interest-earning assets was 7.97% for the quarter ended September 30, 1996, compared to 8.07% for the quarter ended September 30, 1995.

Interest expense for deposits increased by $55 thousand (2.0%), during the current quarter compared to the three months ended September 30, 1995. The increase was due to deposit growth. The weighted average rate paid on deposits for the three months ended September 30, 1996, was 4.28% compared to 4.44% for the quarter ended September 30, 1995. Interest expense on short-term borrowings increased by $33 thousand during the current quarter due to higher average balances for repurchase agreements during the period. The combined weighted average rate paid on deposits and borrowings for the quarter ended September 30, 1996, was 4.28% compared to 4.44% for the quarter ended September 30, 1995. The impact of the 7.97% return on interest-earning assets and the 4.28% cost of funds resulted in an interest rate spread of 3.69% for the current quarter, compared to 3.63% for the quarter ended September 30, 1995.

Noninterest income for the quarter ended September 30, 1996, was $10 thousand (6.4%) greater than that reported during the three months ended September 30, 1995. The improvement was due to increased Trust operations income of $6 thousand (15.8%) and increased income from fees and service charges of $7 thousand (6.6%). Noninterest expenses for the quarter ended September 30, 1996, increased by $1.7 million (108.1%) compared to the three months ended September 30, 1995. The increase was due primarily to the special SAIF assessment of $1.6 million. Excluding the SAIF assessment, results in an increase of noninterest expense of $103 thousand (6.7%) for the current quarter compared to the quarter ended September 30, 1995. The increase in occupancy and equipment expense was due to the operation of the new East Chicago, Indiana, branch facility which opened during September 1995 and

depreciation related to investments in technology. Other expense changes were due to standard increases in bank operations. Despite the increase in operating expenses, the Company's efficiency ratio, excluding the SAIF assessment, for the quarter ended September 30, 1996, was 54.7% compared to 55.5% for the three months ended September 30, 1995. The ratio is determined by dividing total noninterest expense minus the SAIF assessment by the sum of net interest income and total noninterest income for the period.

The Company reported an income tax benefit of $92 thousand for the three months ended September 30, 1996, compared to an income tax expense of $477 thousand for the three months ended September 30, 1995, a decrease of $568 thousand (120.5%). The decrease was due to a decrease in pretax earnings during the current quarter.

RESULTS OF OPERATIONS - COMPARISON OF THE NINE MONTHS ENDED SEPTEMBER 30, 1996 TO THE NINE MONTHS ENDED SEPTEMBER 30, 1995

Net income for the nine months ended September 30, 1996, was $1.3 million compared to $2.3 million for the nine months ended September 30, 1995, a decrease of $979 thousand (42.6%). The earnings represent a ROA of 0.61% for the current nine months compared to 1.13% for the nine months ended September 30,

1995. The ROE was 6.35% for the current period compared to 11.66% for the nine months ended September 30, 1995. The decrease in earnings was due to the one-time special assessment required by the Deposit Insurance Funds Act of 1996 on SAIF-assessable deposits to capitalize SAIF. The SAIF assessment resulted in a pre-tax expense of $1.6 million during the current period. Excluding the SAIF assessment, net income for the nine months ended September 30, 1996, was $2.3 million, representing a ROA of 1.04% and a ROE of 10.84%.

Net interest income for the nine months ended September 30, 1996, increased by $168 thousand (2.1%) compared to the nine months ended September 30, 1995. The improvement in net interest income was due to total interest income increasing by $867 thousand (5.5%) during the current period, while total interest expense increased by $699 thousand (9.1%). The net interest margin for the current period was 3.79%, compared to 3.97% for the nine months ended September 30, 1995.

During the nine months ended September 30, 1996, interest income from loans increased by $359 thousand (2.6%) compared to the nine months ended September 30, 1995. The weighted average yield on loans outstanding was 8.36% for the current period compared to 8.44% for the nine months ended September 30, 1995. Larger portfolio balances have contributed to the increase in interest income. During the nine months ended September 30, 1996, interest income on investments and other deposits increased by $508 thousand (29.4%) compared to the nine months ended September 30, 1995. The increase was due to higher yields and portfolio growth during the current period. The weighted average yield on the investment portfolio for the nine months ended September 30, 1996, was 6.11% compared to 5.86% for the nine months ended September 30, 1995. The combined weighted average yield on total interest-earning assets was 7.97% for the nine months ended September 30, 1996, compared to 8.05% for the nine months ended September 30, 1995.

Interest expense for deposits increased by $645 thousand (8.5%), during the current nine months compared to the nine months ended September 30, 1995. The increase was due to the repricing of existing deposits at higher interest rates and deposit growth. The weighted average rate paid on deposits for the nine months ended September 30, 1996, was 4.34% compared to 4.27% for the nine months ended September 30, 1995. Interest expense on short-term borrowings increased by $54 thousand during the current nine months due to higher average balances for repurchase agreements during the period. The combined weighted average rate paid on deposits and borrowings for the nine

months ended September 30, 1996, was 4.34% compared to 4.28% for the nine months ended September 30, 1995. The impact of the 7.97% return on interest-earning assets and the 4.34% cost of funds resulted in an interest rate spread of 3.63% for the current nine months, compared to 3.77% for the nine months ended September 30, 1995.

Noninterest income for the nine months ended September 30, 1996, was $42 thousand (8.9%) greater than that reported during the nine months ended September 30, 1995. The improvement was due to increased Trust operations income of $28 thousand (22.4%) and increased income from fees and service charges of $31 thousand (9.6%). Noninterest expenses for the nine months ended September 30, 1996, increased by $1.8 million (39.7%) compared to the nine months ended September 30, 1995. The increase was due primarily to the SAIF assessment of $1.6 million. Excluding the SAIF assessment, results in an increase of noninterest expense of $276 thousand (6.0%) for the current period compared to the nine months ended September 30, 1995. The increase in compensation and benefits was due to additional staffing and annual salary increases. The increase in occupancy and equipment expense was due to the operation of the new East Chicago, Indiana, branch facility which opened during September 1995 and depreciation related to investments in technology. Other expense changes were due to standard increases in bank operations. The Company's efficiency ratio, excluding the SAIF assessment, for the nine months ended September 30, 1996, was 55.8% compared to 53.7% for the nine months ended September 30, 1995. The ratio is determined by dividing total noninterest expense minus the SAIF assessment by the sum of net interest income and total noninterest income for the period.

Income tax expenses for the nine months ended September 30, 1996, totaled $882 thousand compared to $1.5 million for the nine months ended September 30, 1995, a decrease of $642 thousand (42.1%). The decrease was due to a decrease in pretax earnings during the current period.

PART II - Other Information

Item 1. Legal Proceedings

The registrant is not party to any legal proceedings. No significant changes in legal proceedings of the Bank occurred during the quarter.

Item 2. Changes in Securities

Not Applicable.

Item 3. Defaults Upon Senior Securities

Not Applicable.

Item 4. Submission of Matters to a Vote of Security Holders

Not Applicable.

Item 5. Other Information

Not Applicable.

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits.

(27) Financial Data Schedule

(b) Reports on Form 8-K. None.

SIGNATURES

Pursuant to the requirement of 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

Date: November 8, 1996

/s/ David A. Bochnowski

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

Date: November 8, 1996

/s/ Edward J. Furticella

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

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