

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), 6057(b), and 6058(a) of the Internal Revenue Code (the Code). <p style="text-align: center;">▶ Complete all entries in accordance with the instructions to the Form 5500.</p>	OMB Nos. 1210-0110 1210-0089 2013 This Form is Open to Public Inspection
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Part I	Annual Report Identification Information
For calendar plan year 2013 or fiscal plan year beginning <u>01/01/2013</u> and ending <u>12/31/2013</u>	
A This return/report is for:	☐ a multiemployer plan; ☐ a multiple-employer plan; or ☒ a single-employer plan; ☐ a DFE (specify) ____
B This return/report is:	☐ the first return/report; ☐ the final return/report; ☐ an amended return/report; ☐ a short plan year return/report (less than 12 months).
C If the plan is a collectively-bargained plan, check here.	☐
D Check box if filing under:	☐ Form 5558; ☐ automatic extension; ☐ the DFVC program; ☐ special extension (enter description)

Part II	Basic Plan Information —enter all requested information				
1a Name of plan <u>NORTHWEST SAVINGS BANK PENSION PLAN</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">1b Three-digit plan number (PN) ▶</td> <td style="width: 20%; text-align: center;"><u>001</u></td> </tr> <tr> <td colspan="2">1c Effective date of plan <u>02/01/1958</u></td> </tr> </table>	1b Three-digit plan number (PN) ▶	<u>001</u>	1c Effective date of plan <u>02/01/1958</u>	
1b Three-digit plan number (PN) ▶	<u>001</u>				
1c Effective date of plan <u>02/01/1958</u>					
2a Plan sponsor's name and address; include room or suite number (employer, if for a single-employer plan) <u>NORTHWEST SAVINGS BANK</u> <u>100 LIBERTY STREET, P.O. BOX 128</u> <u>WARREN, PA 16365-0128</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td>2b Employer Identification Number (EIN) <u>25-0368460</u></td> </tr> <tr> <td>2c Sponsor's telephone number <u>814-726-2140</u></td> </tr> <tr> <td>2d Business code (see instructions) <u>522120</u></td> </tr> </table>	2b Employer Identification Number (EIN) <u>25-0368460</u>	2c Sponsor's telephone number <u>814-726-2140</u>	2d Business code (see instructions) <u>522120</u>	
2b Employer Identification Number (EIN) <u>25-0368460</u>					
2c Sponsor's telephone number <u>814-726-2140</u>					
2d Business code (see instructions) <u>522120</u>					

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	Filed with authorized/valid electronic signature.	07/25/2014	JULIA MCTAVISH
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE
Preparer's name (including firm name, if applicable) and address; include room or suite number. (optional)			Preparer's telephone number (optional)

3a Plan administrator's name and address ☒ Same as Plan Sponsor Name ☐ Same as Plan Sponsor Address		3b Administrator's EIN	
4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report: a Sponsor's name		3c Administrator's telephone number 4b EIN 4c PN	
5 Total number of participants at the beginning of the plan year		5	2813
6 Number of participants as of the end of the plan year (welfare plans complete only lines 6a , 6b , 6c , and 6d).			
a Active participants		6a	1885
b Retired or separated participants receiving benefits		6b	436
c Other retired or separated participants entitled to future benefits		6c	593
d Subtotal. Add lines 6a , 6b , and 6c		6d	2914
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits		6e	30
f Total. Add lines 6d and 6e		6f	2944
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)		6g	
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested		6h	74
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)		7	
8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions: 1A			
b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:			
9a Plan funding arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor		9b Plan benefit arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	
10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)			
a Pension Schedules (1) ☒ R (Retirement Plan Information) (2) ☐ MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary (3) ☒ SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary		b General Schedules (1) ☒ H (Financial Information) (2) ☐ I (Financial Information – Small Plan) (3) ☐ A (Insurance Information) (4) ☐ C (Service Provider Information) (5) ☐ D (DFE/Participating Plan Information) (6) ☐ G (Financial Transaction Schedules)	

SCHEDULE SB (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Single-Employer Defined Benefit Plan Actuarial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500 or 5500-SF.	OMB No. 1210-0110 2013 This Form is Open to Public Inspection
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For calendar plan year 2013 or fiscal plan year beginning 01/01/2013 and ending 12/31/2013

▶ **Round off amounts to nearest dollar.**

▶ **Caution:** A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan <u>NORTHWEST SAVINGS BANK PENSION PLAN</u>	B Three-digit plan number (PN) ▶ <u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF <u>NORTHWEST SAVINGS BANK</u>	D Employer Identification Number (EIN) <u>25-0368460</u>
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B	F Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500

Part I	Basic Information
1 Enter the valuation date: Month <u>01</u> Day <u>01</u> Year <u>2013</u>	
2 Assets:	
a Market value	2a <u>115489018</u>
b Actuarial value	2b <u>115909855</u>
3 Funding target/participant count breakdown:	
a For retired participants and beneficiaries receiving payment.....	3a <u>408</u> <u>28330967</u>
b For terminated vested participants.....	3b <u>556</u> <u>8709464</u>
c For active participants:	
(1) Non-vested benefits	3c(1) <u>1263130</u>
(2) Vested benefits	3c(2) <u>48887090</u>
(3) Total active.....	3c(3) <u>1849</u> <u>50150220</u>
d Total.....	3d <u>2813</u> <u>87190651</u>
4 If the plan is in at-risk status, check the box and complete lines (a) and (b)..... ☐	
a Funding target disregarding prescribed at-risk assumptions	4a
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor.....	4b
5 Effective interest rate	5 <u>6.44 %</u>
6 Target normal cost.....	6 <u>2565448</u>

Statement by Enrolled Actuary

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

SIGN HERE		<u>07/21/2014</u>
	Signature of actuary	Date
<u>DON J. BOETGER</u>	Type or print name of actuary	<u>14-03998</u>
		Most recent enrollment number
<u>NORTHWEST RETIREMENT SERVICES</u>	Firm name	<u>814-455-4550</u>
		Telephone number (including area code)
<u>1030 STATE STREET</u> <u>SUITE 2</u> <u>ERIE, PA 16501</u>	Address of the firm	

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions ☐

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500 or 5500-SF.

Schedule SB (Form 5500) 2013
v. 130118

Part II Beginning of Year Carryover and Prefunding Balances		
	(a) Carryover balance	(b) Prefunding balance
7 Balance at beginning of prior year after applicable adjustments (line 13 from prior year)	0	13966123
8 Portion elected for use to offset prior year's funding requirement (line 35 from prior year)		
9 Amount remaining (line 7 minus line 8)	0	13966123
10 Interest on line 9 using prior year's actual return of <u>7.90</u> %		1103324
11 Prior year's excess contributions to be added to prefunding balance:		
a Present value of excess contributions (line 38a from prior year)		4266944
b Interest on (a) using prior year's effective interest rate of <u>5.62</u> % except as otherwise provided (see instructions)		239802
c Total available at beginning of current plan year to add to prefunding balance		4506746
d Portion of (c) to be added to prefunding balance		
12 Other reductions in balances due to elections or deemed elections		
13 Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	0	15069447

Part III Funding Percentages		
14 Funding target attainment percentage	14	115.65 %
15 Adjusted funding target attainment percentage	15	132.93 %
16 Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	122.03 %
17 If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage	17	%

Part IV Contributions and Liquidity Shortfalls					
18 Contributions made to the plan for the plan year by employer(s) and employees:					
(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
			Totals ►	18(b)	0
				18(c)	0

19 Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:	
a Contributions allocated toward unpaid minimum required contributions from prior years.	19a
b Contributions made to avoid restrictions adjusted to valuation date	19b
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c 0
20 Quarterly contributions and liquidity shortfalls:	
a Did the plan have a "funding shortfall" for the prior year?	☐ Yes ☒ No
b If line 20a is "Yes," were required quarterly installments for the current year made in a timely manner?	☐ Yes ☐ No
c If line 20a is "Yes," see instructions and complete the following table as applicable:	
Liquidity shortfall as of end of quarter of this plan year	
(1) 1st	(2) 2nd
(3) 3rd	(4) 4th

Part V Assumptions Used to Determine Funding Target and Target Normal Cost

21 Discount rate:				
a Segment rates:	1st segment: 4.94%	2nd segment: 6.15%	3rd segment: 6.76 %	☐ N/A, full yield curve used
b Applicable month (enter code).....				21b 0
22 Weighted average retirement age				22 65
23 Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute				

Part VI Miscellaneous Items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment.	☐ Yes ☒ No
25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment.	☐ Yes ☒ No
26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment.	☒ Yes ☐ No
27 If the plan is subject to alternative funding rules, enter applicable code and see instructions regarding attachment.....	27

Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years

28 Unpaid minimum required contributions for all prior years	28	0
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a).....	29	
30 Remaining amount of unpaid minimum required contributions (line 28 minus line 29)	30	0

Part VIII Minimum Required Contribution For Current Year

31 Target normal cost and excess assets (see instructions):			
a Target normal cost (line 6).....	31a	2565448	
b Excess assets, if applicable, but not greater than line 31a	31b	2565448	
32 Amortization installments:			
a Net shortfall amortization installment.....	Outstanding Balance	Installment	
b Waiver amortization installment	0	0	
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33		
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)...	34	0	
	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement.....	0	0	0
36 Additional cash requirement (line 34 minus line 35).....	36	0	
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c).....	37	0	
38 Present value of excess contributions for current year (see instructions)			
a Total (excess, if any, of line 37 over line 36)	38a	0	
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	38b	0	
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)	39	0	
40 Unpaid minimum required contributions for all years	40	0	

Part IX Pension Funding Relief Under Pension Relief Act of 2010 (See Instructions)

41 If an election was made to use PRA 2010 funding relief for this plan:			
a Schedule elected	☐ 2 plus 7 years ☐ 15 years		
b Eligible plan year(s) for which the election in line 41a was made	☐ 2008 ☐ 2009 ☐ 2010 ☐ 2011		
42 Amount of acceleration adjustment	42		
43 Excess installment acceleration amount to be carried over to future plan years	43		

SCHEDULE H (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	<small>OMB No. 1210-0110</small> 2013 This Form is Open to Public Inspection
For calendar plan year 2013 or fiscal plan year beginning <u>01/01/2013</u> and ending <u>12/31/2013</u>		
A Name of plan <u>NORTHWEST SAVINGS BANK PENSION PLAN</u>		B Three-digit plan number (PN) <u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>NORTHWEST SAVINGS BANK</u>		D Employer Identification Number (EIN) <u>25-0368460</u>

Part I Asset and Liability Statement			
1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.			
Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions.....	1b(1)		
(2) Participant contributions.....	1b(2)		
(3) Other.....	1b(3)	30444	70079
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit).....	1c(1)	21055366	18413302
(2) U.S. Government securities	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common.....	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property).....	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans.....	1c(8)		
(9) Value of interest in common/collective trusts	1c(9)		
(10) Value of interest in pooled separate accounts	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)		
(12) Value of interest in 103-12 investment entities.....	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds).....	1c(13)	94403208	112007785
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)		
(15) Other.....	1c(15)		

1d Employer-related investments:

		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)		
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	115489018	130491166

Liabilities

g Benefit claims payable	1g		
h Operating payables	1h		
i Acquisition indebtedness	1i		
j Other liabilities	1j		
k Total liabilities (add all amounts in lines 1g through 1j)	1k	0	0

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	115489018	130491166
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Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

Income**a Contributions:**

		(a) Amount	(b) Total
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)		
(B) Participants	2a(1)(B)		
(C) Others (including rollovers)	2a(1)(C)		
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		0

b Earnings on investments:**(1) Interest:**

(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)		
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)		
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		0

(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	1720928	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		1720928

(3) Rents	2b(3)		
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(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		0

(5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)		
(B) Other	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		0

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		16298950
c Other income	2c		
d Total income. Add all income amounts in column (b) and enter total	2d		18019878

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	3017730	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		3017730
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions)	2g		
h Interest expense	2h		
i Administrative expenses: (1) Professional fees	2i(1)		
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)		
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		0
j Total expenses. Add all expense amounts in column (b) and enter total	2j		3017730

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		15002148
l Transfers of assets:			
(1) To this plan	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) ☐ Unqualified (2) ☐ Qualified (3) ☒ Disclaimer (4) ☐ Adverse

b Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)?

☒ Yes ☐ No

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: PARENTE BEARD LLC

(2) EIN: 25-1876423

d The opinion of an independent qualified public accountant is **not attached** because:

(1) ☐ This form is filed for a CCT, PSA, or MTIA. (2) ☐ It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

4 CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete lines 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete lines 4j and 4l. MTIAs also do not complete line 4l.

During the plan year:

a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.)

b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)

	Yes	No	Amount
4a		X	
4b		X	

	Yes	No	Amount
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)		X	
4c		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)		X	
4d		X	
e Was this plan covered by a fidelity bond?	X		3000000
4e	X		3000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
4f		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
4g		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
4h		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	X		
4i	X		
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.)	X		
4j	X		
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?		X	
4k		X	
l Has the plan failed to provide any benefit when due under the plan?		X	
4l		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)		X	
4m		X	
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.			
4n			

5a Has a resolution to terminate the plan been adopted during the plan year or any prior plan year?
 If "Yes," enter the amount of any plan assets that reverted to the employer this year. ☐ Yes ☒ No Amount:

5b If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)	5b(2) EIN(s)	5b(3) PN(s)

5c If the plan is a defined benefit plan, is it covered under the PBGC insurance program (see ERISA section 4021)? ☒ Yes ☐ No ☐ Not determined

Part V Trust Information (optional)

6a Name of trust	6b Trust's EIN

SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Retirement Plan Information This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110 2013 This Form is Open to Public Inspection.
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For calendar plan year 2013 or fiscal plan year beginning 01/01/2013 and ending 12/31/2013

A Name of plan <u>NORTHWEST SAVINGS BANK PENSION PLAN</u>	B Three-digit plan number (PN) ▶ <u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>NORTHWEST SAVINGS BANK</u>	D Employer Identification Number (EIN) <u>25-0368460</u>

Part I	Distributions
---------------	----------------------

All references to distributions relate only to payments of benefits during the plan year.

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....	1	<u>0</u>
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): <u>25-6402875</u>		
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.		
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....	3	<u>14</u>

Part II	Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part)
----------------	--

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?.....	☐ Yes	☒ No	☐ N/A
If the plan is a defined benefit plan, go to line 8.			
5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____ If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.			
6 a Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived).....	6a		
b Enter the amount contributed by the employer to the plan for this plan year.....	6b		
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount)	6c		
If you completed line 6c, skip lines 8 and 9.			
7 Will the minimum funding amount reported on line 6c be met by the funding deadline?.....	☐ Yes	☐ No	☐ N/A
8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change?.....	☐ Yes	☐ No	☒ N/A

Part III	Amendments
-----------------	-------------------

9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box.....	☐ Increase	☐ Decrease	☐ Both	☒ No
--	-----------------------------------	-----------------------------------	-------------------------------	--

Part IV	ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.
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10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?	☐ Yes	☐ No
11 a Does the ESOP hold any preferred stock?	☐ Yes	☐ No
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.).....	☐ Yes	☐ No
12 Does the ESOP hold any stock that is not readily tradable on an established securities market?	☐ Yes	☐ No

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

- 14** Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:

a The current year	14a	
b The plan year immediately preceding the current plan year	14b	
c The second preceding plan year	14c	

- 15** Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

a The corresponding number for the plan year immediately preceding the current plan year	15a	
b The corresponding number for the second preceding plan year	15b	

- 16** Information with respect to any employers who withdrew from the plan during the preceding plan year:

a Enter the number of employers who withdrew during the preceding plan year	16a	
b If line 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers	16b	

- 17** If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

- 18** If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

- 19** If the total number of participants is 1,000 or more, complete lines (a) through (c)

a Enter the percentage of plan assets held as:
 Stock: 57% Investment-Grade Debt: 18% High-Yield Debt: 2% Real Estate: 3% Other: 20%

b Provide the average duration of the combined investment-grade and high-yield debt:
☐ 0-3 years ☒ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

c What duration measure was used to calculate line 19(b)?
☒ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify):

Independent Auditors' Report

Participants and Plan Administrator
Northwest Savings Bank Pension Plan

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of Northwest Savings Bank Pension Plan (the "Plan"), which comprise the statements of net assets available for benefits and of accumulated plan benefits as of December 31, 2013 and 2012, and the related statements of changes in net assets available for benefits and of changes in accumulated plan benefits for the year ended December 31, 2013, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on conducting the audit in accordance with auditing standards generally accepted in the United States of America. Because of the matter described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

As permitted by 29 CFR 2520.103-8 of the Department of Labor's ("DOL") Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 ("ERISA"), the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 12, which was certified by Northwest Savings Bank Investment Management and Trust, the custodian of the Plan, except for comparing such information with the related information included in the financial statements. We have been informed by the plan administrator that the custodian holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained a certification from the custodian as of December 31, 2013 and 2012, and for the year ended December 31, 2013, that the information provided to the plan administrator by the custodian is complete and accurate.

Disclaimer of Opinion

Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on these financial statements.

Other Matter

The supplemental schedules of (1) Schedule H, Line 4(i) - Schedule of Assets (Held at End of Year) and (2) Schedule H, Line 4(j) - Schedule of Reportable Transactions as of or for the year ended December 31, 2013 are required by the DOL's Rules and Regulations for Reporting and Disclosure under ERISA and are presented for the purpose of additional analysis and are not a required part of the financial statements. Because of the significance of the matter described in the *Basis* for Disclaimer of Opinion paragraph, we do not express an opinion on these supplemental schedules.

Report on Form and Content in Compliance With DOL Rules and Regulations

The form and content of the information included in the financial statements and supplemental schedules, other than that derived from the information certified by the custodian, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the DOL's Rules and Regulations for Reporting and Disclosure under ERISA.

A handwritten signature in black ink that reads "ParenteBeard LLC". The script is cursive and fluid, with the letters connected together.

Pittsburgh, Pennsylvania
July 25, 2014

NORTHWEST SAVINGS BANK PENSION PLAN

Financial Statements

as of December 31, 2013 and 2012
and for the year ended December 31, 2013

&

Independent Auditors' Report

&

Supplemental Information

NORTHWEST SAVINGS BANK PENSION PLAN

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NORTHWEST SAVINGS BANK PENSION PLAN

Statements of Net Assets Available for Benefits

December 31, 2013 and 2012

	2013	2012
Assets:		
Cash	\$ -	216,326
Investments, at fair value:		
Money market fund	18,275,020	20,839,040
Equity mutual funds	86,299,837	65,346,363
Fixed income mutual funds	25,707,948	29,056,845
Total investments	130,282,805	115,242,248
Receivables:		
Due from brokers	138,282	-
Accrued interest and dividends receivable	70,079	30,444
Total assets	130,491,166	115,489,018
Liabilities	-	-
Net assets available for benefits	\$ 130,491,166	115,489,018

See accompanying notes to financial statements.

NORTHWEST SAVINGS BANK PENSION PLAN

Statement of Changes in Net Assets Available for Benefits

For the Year Ended December 31, 2013

Additions to net assets attributed to:

Investment income:

Net appreciation in fair value of investments	\$ 16,298,950
Dividends and interest	<u>1,720,928</u>
Total investment income	18,019,878

Employer contributions

-

Total additions

18,019,878

Deductions from net assets attributed to:

Benefit payments to participants	<u>3,017,730</u>
Net increase	15,002,148

Net assets available for benefits:

Beginning of year	<u>115,489,018</u>
End of year	<u><u>\$ 130,491,166</u></u>

See accompanying notes to financial statements.

NORTHWEST SAVINGS BANK PENSION PLAN

Statements of Accumulated Plan Benefits

December 31, 2013 and 2012

	2013	2012
Actuarial present value of accumulated plan benefits:		
Vested benefits:		
Retired members	\$ 28,449,168	25,599,293
Terminated members	8,389,800	7,318,564
Active members	42,802,118	41,431,271
Total vested benefits	79,641,086	74,349,128
Non-vested benefits	1,178,796	1,050,792
Total actuarial present value of accumulated plan benefits	\$ 80,819,882	75,399,920

See accompanying notes to financial statements.

NORTHWEST SAVINGS BANK PENSION PLAN

Statement of Changes in Accumulated Plan Benefits

For the Year Ended December 31, 2013

Actuarial present value of accumulated plan benefits at the beginning of the year	<u>\$ 75,399,920</u>
Increase/ (decrease) during the year attributable to:	
Net benefits accumulated and actuarial experience	2,905,293
Interest due to the decrease in discount period	5,532,399
Benefits paid	<u>(3,017,730)</u>
Net increase	<u>5,419,962</u>
Actuarial present value of accumulated plan benefits at the end of the year	<u>\$ 80,819,882</u>

See accompanying notes to financial statements.

NORTHWEST SAVINGS BANK PENSION PLAN

Notes to Financial Statements

December 31, 2013 and 2012

(1) General Description of Pension Plan

The following brief description of the Plan is provided for general information purposes only. Participants should refer to the plan agreement for complete information.

The Northwest Savings Bank Pension Plan (the "Plan") is a defined benefit pension plan covering substantially all employees of Northwest Savings Bank, the plan sponsor. Northwest Savings Bank (the "Company" or "Employer") is a subsidiary of Northwest Bancshares, Inc. Northwest Bancshares, Inc. is a Maryland corporation that was incorporated in September 2009 to be the successor to Northwest Bancorp, Inc. upon completion of the mutual-to-stock conversion of Northwest Bancorp, MHC, its mutual holding company parent. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA").

Employees age twenty-one or older are eligible to participate after one year of service providing they have worked at least 1,000 hours during such Plan year.

The Plan evaluated subsequent events for recognition and disclosure through July 25, 2014, the date the Plan's financial statements were available to be issued.

(2) Pension Benefits

Participants are eligible to receive benefits under the normal retirement provisions of the Plan on the first of the next month following their 65th birthday provided they have 5 years of credited service.

Through March 31, 2013, for employees hired prior to January 1, 2008, normal retirement benefits are equal to 1.6% of average monthly compensation plus 0.6% of the average monthly compensation in excess of covered compensation, all multiplied by the participant's number of years of credited service, up to 25 years. For years of service in excess of 25 but less than 35, 0.6% of average monthly compensation shall be provided. Average monthly compensation is the average for the highest five years of the last ten years of service. Covered compensation equals the thirty-five year average, ending in the year the participant attains social security retirement age, of the social security maximum taxable wage bases.

Through March 31, 2013, for employees hired or acquired on or after January 1, 2008, normal retirement benefits are equal to 1.0% of average monthly compensation multiplied by the participant's number of years of credited service, up to 35 years. Average monthly compensation is the average for the highest five years of the last ten years of service.

Effective January 1, 2013, the Plan was amended to lock-in all benefits earned through March 31, 2013 based on the plan formulas as described in the preceding paragraphs. The amendments also provide that, for service commencing January 1, 2013, additional benefits will be earned equal to 1.0% of career average pay for each year that a participant completes at least 1,000 hours of service. Also, effective April 1, 2013, participants who are eligible to receive required minimum distributions due to attaining age 70 ½ will be required to begin receiving payment of those benefits even though they may remain employed by the Company.

Benefits earned are fully vested after five years of credited service.

NORTHWEST SAVINGS BANK PENSION PLAN

Notes to Financial Statements

December 31, 2013 and 2012

The Plan permits early retirement providing the participant has reached age 55 and has completed 5 years of credited service, or if the participant has completed 25 years of credited service if earlier.

(3) Death and Disability Benefits

Participants may receive benefits in the form of life annuities; five, ten or fifteen-year certain life annuities; or joint and survivor annuities.

Upon the death of a married participant who qualifies for early retirement, the participant's spouse shall receive a monthly benefit for life based on the benefit payable under a joint and 50% survivor annuity which the participant's spouse would receive assuming the participant retired the day before their death.

The spouse of any married vested participant who was not eligible for early retirement is also eligible for a benefit if the participant should die prior to their normal retirement date. The monthly pension payable at the participant's earliest retirement date will be an amount equal to the survivor annuity that would have been paid had the participant separated service on the date of death, survived to the earliest retirement age, selected a 50% qualified joint and survivor annuity, and died on the day after the day of attaining the earliest retirement age.

Death benefits for retired participants are subject to the form of retirement benefit elected.

The Plan does not provide for disability benefits.

(4) Summary of Significant Accounting Policies

(a) Basis of Accounting

The accompanying financial statements are prepared on the accrual basis of accounting.

(b) Valuation of Investments and Income Recognition

The Plan's investments are reported at fair value. Fair value is the price that would be received to sell an asset or transfer a liability in an orderly transaction between market participants at the measurement date. See note 8 for a discussion of fair value measurements.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation includes the Plan's gains and losses on investments bought and sold as well as held during the year.

(c) Actuarial Present Value of Accumulated Plan Benefits

Accumulated plan benefits are those future periodic payments, including lump-sum distributions that are attributable under the Plan's provisions to the service employees have rendered. Accumulated plan benefits include benefits expected to be paid to (a) retired or terminated employees or their beneficiaries, (b) beneficiaries of employees who have died, and (c) present employees or their beneficiaries. Benefits under the Plan are based on employees' compensation during the highest five consecutive years ending on the date as of which the benefit information is presented. Benefits payable under all circumstances – retirement, death, and termination of employment – are included, to the extent they are deemed attributable to employee

NORTHWEST SAVINGS BANK PENSION PLAN

Notes to Financial Statements

December 31, 2013 and 2012

service rendered to the valuation date. Benefits to be provided via annuity contracts excluded from plan assets are excluded from accumulated plan benefits.

The actuarial present value of accumulated plan benefits is determined by the Plan's actuary, Northwest Retirement Services, and is that amount which results from applying actuarial assumptions to adjust the accumulated plan benefits to reflect the time value of money (through discounts for interest) and the probability of payment (by means decrements such as death, withdrawals or retirement) between the valuation date and the expected date of payment. The significant actuarial assumptions used in the valuations as of December 31, 2013 and 2012, were (a) life expectancy of the participants (2013 and 2012 Static Mortality Tables, respectively), (b) retirement age assumptions (retirement will occur at the later of age 65 or 5 years of service), (c) discount rate (7.5% for 2013 and 2012), (d) salary projection assumed to equal 3.0% per year for 2013 and 2012, (e) withdrawal prior to retirement is assumed to occur in accordance with Crocker Sarason Straight Table T-5, (f) all plan participants have been included in the funding, (g) as required by Section 415 of the Internal Revenue Code ("IRC"), the determination of a participant's projected retirement benefit has been limited so that the amount does not exceed \$210,000 and \$205,000, for the years ended December 31, 2013 and 2012, respectively, per year adjusted if necessary to recognize the participants assumed retirement age, cost of living adjustments on the valuation date, and optional forms of payment. The foregoing actuarial assumptions are based on the presumption that the Plan will continue. Were the Plan to terminate, different assumptions and other factors might be applicable in determining the actuarial present value of accumulated plan benefits.

(d) Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP") requires the use of management's estimates and assumptions that affect certain reported amounts of assets, liabilities and changes therein, disclosure of contingent assets and liabilities, and the actuarial present value of accumulated plan benefits at the date of the financial statements. Actual results may differ from those estimates.

(e) Payment of Benefits

Benefit payments to participants are recorded upon distribution.

(5) Method of Contribution

Contributions required to fund the Plan's benefits are determined according to the provisions of the Pension Protection Act. The Target Normal Cost is the present value of benefits earned during the plan year. The Funding Target is the present value of benefits earned as of the beginning of the plan year. The excess of the Funding Target over the actuarial value of assets represents the Funding Shortfall.

(6) Funding Policy

The Plan is non-contributory. The employer contributions are made on an annual basis and are determined from time to time by evaluating the maximum deductible and minimum required contribution for the plan year and the fiscal year of the employer and the Funding Shortfall described in note 5. ERISA minimum funding requirements have been met for 2013 and 2012.

NORTHWEST SAVINGS BANK PENSION PLAN

Notes to Financial Statements

December 31, 2013 and 2012

(7) Plan Termination

As provided by the plan document, the employer shall have the right to terminate the Plan by delivering to the trustee and administrator written notice of such termination. However, any termination (other than a partial termination or an involuntary termination pursuant to ERISA Section 4042) must satisfy the requirements and follow the procedures outlined in the Plan and in ERISA Section 4041 for a standard termination or a distress termination. Upon termination (full or partial), all amounts shall be allocated as described below; and the accrued benefit, to the extent funded as of such date, of each affected participant shall become fully vested and shall not thereafter be subject to forfeiture.

- Annuity benefits that former employees or their beneficiaries have been receiving for the at least three years, or that employees eligible to retire for that three year period would have been receiving if they had retired with benefits in the normal form of annuity under the Plan. The priority amount is limited to the lowest benefit that was payable (or would have been payable) during those three years. The amount is further limited to the lowest benefit that would be payable under Plan provisions in effect as any time during the five years preceding Plan termination.
- Other vested benefits insured by the Pension Benefit Guaranty Corporation ("PBGC") (a U.S. government agency) up to the applicable limitations (discussed below).
- All other vested benefits (that is, vested benefits not insured by the PBGC).
- All non-vested benefits.

Certain benefits under the Plan are insured by the PBGC if the Plan terminates. Generally, the PBGC guarantees most vested normal age retirement benefits, early retirement benefits, and certain disability and survivor's pensions. However, the PBGC does not guarantee all benefits under Plan, and the amounts of guaranteed benefits are subject to plan limitations and statutory ceilings on individual monthly benefits.

NORTHWEST SAVINGS BANK PENSION PLAN

Notes to Financial Statements

December 31, 2013 and 2012

(8) Investments

The following schedule presents the fair values of investments:

	December 31, 2013		December 31, 2012
Assets at fair value determined by quoted market price:			
Investments:			
Money market fund:			
Federated Prime Cash Obligation Fund #851	\$ 18,275,020 *		20,839,040 *
Equity mutual funds:			
T Rowe Price Mid-Cap Growth #64	5,605,322		4,349,169
DFA Emerging Markets Core Equity Portfolio	5,219,054		5,471,156
DFA International Core Equity Portfolio	4,365,013		3,632,399
Schwab Fundamental U.S. Large Company IndexFund	26,053,700 *		19,537,060 *
T Rowe Price Blue Chip Growth Fund	9,374,628 *		6,621,738 *
Primecap Odyssey Growth Fund	10,130,456 *		7,440,157 *
Artisan Mid Cap Value Fund	2,411,523		1,856,873
Royce Pennsylvania Mutual Fund Investment Class	3,944,475		3,079,529
Clearbridge Aggressive Growth I Fund	6,534,660 *		4,537,198
Cohen Steers Realty Shares Income Fund	3,763,731		3,868,579
Credit Suisse Commodity Return Strategy Fund	3,338,931		4,952,505
The Arbitrage Fund	3,551,224		-
iShares U.S. Real Estate Fund	21,195		-
iShares MSCI Global Agriculture Fund	529,045		-
iShares S&P 500 Growth Fund	59,744		-
Powershares S&P 500 Downside Hedged Portfolio	1,024,428		-
iShares MSCI Frontier 100 Fund	265,669		-
iShares MSCI Emerging Markets Minimum Volatility Fund	62,687		-
iShares MSCI EAFE Minimum Volatility Fund	44,352		-
Total equity mutual funds	86,299,837		65,346,363
Fixed income mutual funds:			
Federated Total Return Bond Fund #328	9,547,475 *		10,020,904 *
Vanguard Short-Term Invst Grade Adm #539	7,402,081 *		7,492,013 *
Vanguard Intermediate-Term Corp Fd #71	793,549		1,645,106
Pimco High Yield Bond Fund #108	2,600,457		3,881,886
Pimco Foreign Bond Fund Unhedged #1853	1,012,280		1,097,980
Vanguard Short-Term Bond IndexFund	1,629,139		1,650,882
Vanguard Inflation Protected Securities Fund #119	1,434,925		3,268,074
iShares Emerging Markets Local Currency Bond Fund	31,977		-
iShares iBoxxUSD High Yield Corporate Bond Fund	16,533		-
iShares US Preferred Stock Fund	16,095		-
iShares Floating Rate Bond Fund	1,091,292		-
iShares Core Short-Term Bond Fund	132,145		-
Total fixed income mutual funds	25,707,948		29,056,845
Total investments	\$ 130,282,805		115,242,248

* Denotes investments which represent five percent or more of net assets available for benefits.

During 2013, the Plan's mutual fund investments appreciated in value by \$16,298,950 (including gains and losses on investments bought and sold, as well as held during the year).

NORTHWEST SAVINGS BANK PENSION PLAN

Notes to Financial Statements

December 31, 2013 and 2012

(9) Fair Value Measurements

Financial assets and liabilities recognized or disclosed at fair value on a recurring basis and certain financial assets and liabilities recognized or disclosed at fair value on a non-recurring basis are measured using a three-level hierarchy of valuation technique based on whether the inputs to those valuation techniques are observable or unobservable. This hierarchy gives the highest priority to quoted prices with readily available independent data in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable market inputs (Level 3). When various inputs for measurement fall within different levels of the fair value hierarchy, the lowest level input that has a significant impact on fair value measurement is used.

Financial assets and liabilities are categorized based upon the following characteristics or inputs to the valuation techniques:

- Level 1 – Financial assets and liabilities for which inputs are observable and are obtained from reliable quoted prices for identical assets or liabilities in actively traded markets. This is the most reliable fair value measurement and includes, for example, active exchange-traded equity securities.
- Level 2 – Financial assets and liabilities for which values are based on quoted prices in markets that are not active or for which values are based on similar assets or liabilities that are actively traded. Level 2 also includes pricing models in which the inputs are corroborated by market data, for example, matrix pricing.
- Level 3 – Financial assets and liabilities for which values are based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement. Level 3 inputs include the following:
 - Quotes from brokers or other external sources that are not considered binding;
 - Quotes from brokers or other external sources where it can not be determined that market participants would in fact transact for the asset or liability at the quoted price;
 - Quotes and other information from brokers or other external sources where the inputs are not deemed observable.

The Plan is responsible for the valuation process and as part of this process may use data from outside sources in establishing fair value. The Plan performs due diligence to understand the inputs used or how the data was calculated or derived. The Plan corroborates the reasonableness of external inputs in the valuation process.

The Plan's investments as presented within Note 8 and are measured at fair value on a recurring basis and are classified within Level 1 of the fair value hierarchy. The fair value of these investments is valued based on quoted market prices in active markets. The Plan had no investments that were classified as Level 2 or Level 3 assets during 2013 or 2012. There have been no changes in the valuation methods used at December 31, 2013 and 2012.

NORTHWEST SAVINGS BANK PENSION PLAN

Notes to Financial Statements

December 31, 2013 and 2012

Mutual funds and money market fund: Shares of mutual funds and the money market fund are valued at the quoted net asset value of shares held by the Plan at year end.

The method described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Plan believes its valuation method is appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of the Plan's financial instruments could result in a different fair value measurement at the reporting date.

(10) Tax Status of Plan

The Plan obtained its latest determination letter on January 31, 2011 in which the Internal Revenue Service ("IRS") stated that the Plan, as then designed, was in compliance with the applicable requirements of the IRC. The Plan has been amended since receiving the determination letter. However, the Plan's administrator believes that the Plan is currently designed and being operated in compliance with the applicable requirements of the IRC. Therefore, no provision for income taxes has been included in the Plan's financial statements.

Accounting principles generally accepted in the United States of America require plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the organization has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. The plan administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2013, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The plan administrator believes it is no longer subject to income tax examinations for years prior to 2010.

(11) Risk and Uncertainties

The Plan invests in various investments securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and, that such changes could materially affect the amounts reported in the statements of net assets available for benefits.

Plan contributions are made and the actuarial present value of accumulated plan benefits are reported based on certain assumptions pertaining to interest rates, inflation rates and employee demographics, all of which are subject to the change. Due to uncertainties inherent in the estimations and assumptions process, it is at least reasonably possible that changes in these estimates and assumptions in the near term would be material to the financial statements.

(12) Other Costs of Plan Administration

The plan sponsor absorbs significant costs of the Plan's operation including, but not limited to, actuarial, plan document maintenance, legal, administration, and auditing costs.

NORTHWEST SAVINGS BANK PENSION PLAN

Notes to Financial Statements

December 31, 2013 and 2012

(13) Information Certified by Custodian

The plan administrator has elected the method of compliance by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA for 2013 and 2012. Accordingly, Northwest Savings Bank Investment Management and Trust, the custodian of the Plan, has certified to the completeness and accuracy of all investments reported in the accompanying statements of net assets available for benefits as of December 31, 2013 and 2012 and the supplemental schedule of assets (held at end of year) as of December 31, 2013 and the related investment activity reported in the statement of change in net assets available for benefits and the supplemental schedule of reportable transactions for the year ended December 31, 2013.

(14) Related Party and Party in Interest Transactions

The Plan's custodian is Northwest Savings Bank Investment Management and Trust. Northwest Savings Bank performs investment management functions and serves as the plan sponsor and trustee for the Plan. Boetger & Associates, Inc., a subsidiary of Northwest Savings Bank, provides actuarial valuation services to the Plan. All fees paid to the Plan's trustee, custodian and actuary are paid by the plan sponsor and are therefore not included in the accompanying financial statements. Certain administrative functions of the Plan are performed by the Company for which no fees are charged.

SUPPLEMENTAL INFORMATION

NORTHWEST SAVINGS BANK PENSION PLAN

EIN: 25-0368460

Plan Number: 001

Schedule H, Line 4(i) – Schedule of Assets (Held at End of Year)
December 31, 2013

(a)	(b) Identity of issue, borrower, lessor, or similar party	(c) Description of investments including maturity date, rate, par or maturity value	(d) Cost	(e) Current value
		\$		
	Federated Investors, Inc.	Federated Prime Cash Obligation Fund #851	18,275,020	18,275,020
	T Rowe Price	T Rowe Price Mid-Cap Growth #64	3,588,037	5,605,322
	The Vanguard Group	Vanguard Short-Term Bond Index Fund	1,654,618	1,629,139
	The Vanguard Group	Vanguard Intermediate-Term Corp Fund #71	789,452	793,549
	Pimco Advisors	Pimco Foreign Bond Fund Unhedged #1853	1,037,461	1,012,280
	Federated Investors, Inc.	Federated Total Return Bond Fund #328	9,434,500	9,547,475
	The Vanguard Group	Vanguard Short-Term Invnt Grade Adm #539	7,381,251	7,402,081
	Dimensional Fund Advisors	DFA Emerging Markets Core Equity Portfolio	5,083,208	5,219,054
	Dimensional Fund Advisors	DFA International Core Equity Portfolio	3,945,857	4,365,013
	Artisan Funds	Artisan Mid Cap Value Fund	1,400,699	2,411,523
	Legg Mason Partners	Clearbridge Aggressive Growth I Fund	4,225,201	6,534,660
	Schwab Funds	Schwab Fundamental U.S. Large Company Index Fund	17,868,220	26,053,700
	Pimco Advisors	Pimco High Yield Bond Fund #108	2,435,826	2,600,457
	The Vanguard Group	Vanguard Inflation Protection Securities Fund #119	1,399,110	1,434,925
	T Rowe Price	T Rowe Price Blue Chip Growth Fund	5,867,901	9,374,628
	PRIMECAP Odyssey Funds	Primecap Odyssey Growth Fund	5,892,152	10,130,456
	Royce Funds	Royce Pennsylvania Mutual Fund Investment Class	2,679,672	3,944,475
	Cohen & Steers	Cohen Steers Realty Shares Income Fund	4,000,000	3,763,731
	Credit Suisse Group	Credit Suisse Commodity Return Strategy Fund	3,738,339	3,338,931
	Water Island Capital	The Arbitrage Fund	3,543,920	3,551,224
	Invesco Ltd.	Powershares S&P 500 Downside Hedged Portfolio	1,010,184	1,024,428
	Blackrock, Inc.	iShares U.S. Real Estate Fund	21,443	21,195
	Blackrock, Inc.	iShares MSCI Global Agriculture Fund	519,918	529,045
	Blackrock, Inc.	iShares S&P 500 Growth Fund	57,819	59,744
	Blackrock, Inc.	iShares MSCI Frontier 100 Fund	259,311	265,669
	Blackrock, Inc.	iShares MSCI Emerging Markets Minimum Volatility Fund	63,042	62,687
	Blackrock, Inc.	iShares MSCI EAFE Minimum Volatility Fund	44,489	44,352
	Blackrock, Inc.	iShares Emerging Markets Local Currency Bond Fund	32,213	31,977
	Blackrock, Inc.	iShares iBoxx USD High Yield Corporate Bond Fund	16,565	16,533
	Blackrock, Inc.	iShares US Preferred Stock Fund	16,597	16,095
	Blackrock, Inc.	iShares Floating Rate Bond Fund	1,090,877	1,091,292
	Blackrock, Inc.	iShares Core Short-Term Bond Fund	132,821	132,145
		Total	\$ 107,505,723	\$ 130,282,805

NORTHWEST SAVINGS BANK PENSION PLAN

EIN: 25-0368460

Plan Number: 001

Schedule H, Line 4(j) – Schedule of Reportable Transactions
For the Year ended December 31, 2013

(a) Identity of party involved	(b) Description of asset	(c) Purchase price	(d) Selling price	(e) Lease rental	(f) Expense incurred with transaction	(g) Cost of asset	(h) Current value of asset on transaction date	(i) Net gain or (loss)
	<u>Category (I). Series of transactions in excess of 5% of plan assets</u>							
Federated Investors, Inc.	Sale Federated Prime Cash Obligation Fund #851	N/A	*** \$ 7,053,935	N/A	N/A	\$ 7,053,935	\$ 7,053,935	\$ -

*** - consists of 35 sales

**SCHEDULE SB
(Form 5500)**Department of the Treasury
Internal Revenue ServiceDepartment of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

**Single-Employer Defined Benefit Plan
Actuarial Information**

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code).

► **File as an attachment to Form 5500 or 5500-SF.**

OMB No. 1210-0110

2013**This Form is Open to Public
Inspection**

For calendar plan year 2013 or fiscal plan year beginning 01/01/2013 and ending 12/31/2013

► **Round off amounts to nearest dollar.**► **Caution:** A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.**A** Name of plan

Northwest Savings Bank Pension Plan

B Three-digit
plan number (PN) ►

001

C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF

Northwest Savings Bank

D Employer Identification Number (EIN)

25-0368460

E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B**F** Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500**Basic Information****1** Enter the valuation date: Month 1 Day 1 Year 2013**2** Assets:

	2a	2b
a Market value	115,489,018	
b Actuarial value		115,909,855

3 Funding target/participant count breakdown:

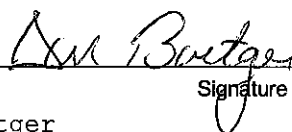
	3a	3b	(1) Number of participants	(2) Funding Target
a For retired participants and beneficiaries receiving payment	408		28,330,967	
b For terminated vested participants	556		8,709,464	
c For active participants:				
(1) Non-vested benefits	3c(1)		1,263,130	
(2) Vested benefits	3c(2)		48,887,090	
(3) Total active	3c(3)	1,849	50,150,220	
d Total	3d	2,813	87,190,651	

4 If the plan is in at-risk status, check the box and complete lines (a) and (b) ☐

	4a	4b
a Funding target disregarding prescribed at-risk assumptions		
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor		

5 Effective interest rate **5** 6.44 %**6** Target normal cost **6** 2,565,448**Statement by Enrolled Actuary**

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

**SIGN
HERE**

Signature of actuary

7/21/14

Date

Don J. Boetger

14-03998

Type or print name of actuary

Most recent enrollment number

Northwest Retirement Services

(814) 455-4550

Firm name

Telephone number (including area code)

1030 State Street
Suite 2
Erie

PA 16501

Address of the firm

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions ☐

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500 or 5500-SF.

Schedule SB (Form 5500) 2013
v. 130118

Part I Beginning of Year Carryover and Prefunding Balances

	(a) Carryover balance	(b) Prefunding balance
7 Balance at beginning of prior year after applicable adjustments (line 13 from prior year)	0	13,966,123
8 Portion elected for use to offset prior year's funding requirement (line 35 from prior year)		
9 Amount remaining (line 7 minus line 8)	0	13,966,123
10 Interest on line 9 using prior year's actual return of <u>7.90</u> %		1,103,324
11 Prior year's excess contributions to be added to prefunding balance:		
a Present value of excess contributions (line 38a from prior year)		4,266,944
b Interest on (a) using prior year's effective interest rate of <u>5.62</u> % except as otherwise provided (see instructions)		239,802
c Total available at beginning of current plan year to add to prefunding balance		4,506,746
d Portion of (c) to be added to prefunding balance		
12 Other reductions in balances due to elections or deemed elections		
13 Balance at beginning of current year (line 9 + line 10 + line 11d - line 12)	0	15,069,447

Part II Funding Percentages

14 Funding target attainment percentage	14	115.65 %
15 Adjusted funding target attainment percentage	15	132.93 %
16 Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	122.03 %
17 If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage	17	%

Part III Contributions and Liquidity Shortfalls**18** Contributions made to the plan for the plan year by employer(s) and employees:

(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
Totals ▶			18(b)	0	18(c) 0

19 Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:

a Contributions allocated toward unpaid minimum required contributions from prior years	19a	
b Contributions made to avoid restrictions adjusted to valuation date	19b	
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c	0

20 Quarterly contributions and liquidity shortfalls:

- a** Did the plan have a "funding shortfall" for the prior year? ☐ Yes ☒ No
- b** If line 20a is "Yes," were required quarterly installments for the current year made in a timely manner? ☐ Yes ☐ No
- c** If line 20a is "Yes," see instructions and complete the following table as applicable:

Liquidity shortfall as of end of quarter of this plan year

(1) 1st	(2) 2nd	(3) 3rd	(4) 4th

Part V Assumptions Used to Determine Funding Target and Target Normal Cost**21** Discount rate:**a** Segment rates:1st segment:
4.94 %2nd segment:
6.15 %3rd segment:
6.76 %☐ N/A, full yield curve used**b** Applicable month (enter code).....**21b**

0

22 Weighted average retirement age**22**

65

23 Mortality table(s) (see instructions) ☐ Prescribed - combined☒ Prescribed - separate☐ Substitute**Part VI Miscellaneous Items****24** Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment. ☐ Yes ☒ No**25** Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment. ☐ Yes ☒ No**26** Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment. ☒ Yes ☐ No**27** If the plan is subject to alternative funding rules, enter applicable code and see instructions regarding attachment.....**27****Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years****28** Unpaid minimum required contributions for all prior years**28**

0

29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a).....**29****30** Remaining amount of unpaid minimum required contributions (line 28 minus line 29)**30**

0

Part VIII Minimum Required Contribution For Current Year**31** Target normal cost and excess assets (see instructions):**a** Target normal cost (line 6).....**31a**

2,565,448

b Excess assets, if applicable, but not greater than line 31a**31b**

2,565,448

32 Amortization installments:**a** Net shortfall amortization installment.....

Outstanding Balance

Installment

0

0

b Waiver amortization installment**33** If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount**33****34** Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)...**34**

0

35 Balances elected for use to offset funding requirement.....

Carryover balance

Prefunding balance

Total balance

0

0

0

36 Additional cash requirement (line 34 minus line 35).....**36**

0

37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c).....**37**

0

38 Present value of excess contributions for current year (see instructions)**a** Total (excess, if any, of line 37 over line 36)**38a**

0

b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances**38b**

0

39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)**39**

0

40 Unpaid minimum required contributions for all years**40**

0

Part IX Pension Funding Relief Under Pension Relief Act of 2010 (See Instructions)**41** If an election was made to use PRA 2010 funding relief for this plan:**a** Schedule elected ☐ 2 plus 7 years ☐ 15 years**b** Eligible plan year(s) for which the election in line 41a was made ☐ 2008 ☐ 2009 ☐ 2010 ☐ 2011**42** Amount of acceleration adjustment**42****43** Excess installment acceleration amount to be carried over to future plan years**43**

NORTHWEST SAVINGS BANK PENSION PLAN
EIN: 25-0368460
PN: 001

SCHEDULE SB, Line 22 – Description of Weighted Average Retirement Age

Each participant is assumed to retire at age 65, the Normal Retirement Age of the Plan.

NORTHWEST SAVINGS BANK PENSION PLAN
EIN: 25-0368460
PN: 001

SCHEDULE SB, PART V
STATEMENT OF ACTUARIAL ASSUMPTIONS/METHODS

Method of Contribution

Contributions required to fund the plan benefits are determined according to the provisions of MAP-21. The Target Normal Cost is the present value of benefits earned during the plan year. The Funding Target is the present value of benefits earned as of the beginning of the plan year. The excess of the Funding Target over the actuarial value of assets represents the Funding Shortfall.

Method for Accrued Benefits

The actuarial present value of accumulated plan benefits is a measure of plan benefits which have been earned to date. This is not only a valuation of retirement benefits, but also of deferred vested, death, and disability benefits. Earnings and service for benefit purposes expected to be earned after the valuation date are excluded from this value.

The actuarial assumptions used to determine these values are identical to those used for the funding purposes with the exception of an interest rate of 7.5%.

Method of Asset Valuation

The asset valuation method is the “smoothed market value” method, using a smoothing period as described in Section 430(g)(3)(B) of the Internal Revenue Code. Under this method, the actuarial value of assets is equal to the average of the fair market value of assets on the valuation date and the adjusted fair market value of assets determined from the two immediately preceding valuation dates. The adjusted fair market value of assets is the fair market value of assets at the applicable valuation date adjusted with contributions, distributions and expected earnings to the current valuation date as specified by the Secretary of Treasury. Expected earnings will be determined using the expected long term rate of return assumption limited by the applicable third segment rate.

In general, the actuarial value of assets must fall between 90% and 110% of the market value of assets.

Data

The valuation results are based upon participant census and financial data provided by the plan sponsor. The data was tested for reasonableness and consistency with the prior valuation.

Actuarial Assumptions

The following actuarial assumptions were employed in the determination of the liabilities and annual contributions of the plan as developed in accordance with the funding methods described in this report.

1. The rates of mortality will be in accordance with the Static Mortality Table for males and females.
2. The MAP-21 adjusted interest rates used for determining the minimum funding requirements and the plan's AFTAP are developed as follows:

Segment	25-year average As of 9/30/12	85% - 115% Corridor	January 2013 Unadjusted Rate	MAP-21 Adjusted Rate
1	5.81%	4.94%	1.62%	4.94%
2	7.23%	6.15%	4.40%	6.15%
3	7.95%	6.76%	5.45%	6.76%

The Effective Interest Rate is 6.44%.

3. The interest rates used for determining the maximum tax deductible contribution are the 24-month average corporate bond segment rates for January 2013 as published by the IRS. The interest rate for this purpose is 4.94%.
4. Salary projection assumed to equal 3.0% per year.
5. Withdrawal prior to retirement is assumed to occur in accordance with Crocker Sarason Straight Table T-5.
6. Retirement will occur at the later of age 65 or 5 years of service.
7. All plan participants have been included in the funding.
8. As required by Section 415 of the Internal Revenue Code, the determination of a participant's projected retirement benefit has been limited so that the amount does not exceed \$205,000 per year adjusted if necessary to recognize the participant's assumed retirement age, cost of living adjustments on the valuation date and optional forms of payment.

NORTHWEST SAVINGS BANK PENSION PLAN
EIN: 25-0368460
PN: 001

SCHEDULE SB, PART V
SUMMARY OF PLAN PROVISIONS

Effective Date

February 1, 1958; restated as of January 1, 2012 and amended effective April 1, 2013.

Eligibility

All employees are eligible to participate on the first day of January or July after completing one (1) year of service and attaining age 21.

Normal Retirement Date and Benefits

A participant may retire under the Normal Retirement Provisions of the Plan on the first of the month coinciding with or next following their 65th birthday.

Effective April 1, 2013, the benefit accrual will be based on 1% of base earnings for each future year of Credited Service from 2013 and forward. This will be added to the benefit accrued and frozen as of March 31, 2013 which was calculated as follows:

For employees hired before January 1, 2008, the monthly amount of the Normal Retirement Benefit shall equal 1.60% of the Participants Average Monthly Compensation plus .60% of the Participants Average Monthly Compensation in excess of covered compensation multiplied by the Participant's first 25 Years of Credited Service earned as of March 31, 2013. For Years of Credited Service in excess of 25 but less than 35 an additional .60% of Average Monthly Compensation shall be provided.

For employees hired on or after January 1, 2008, the monthly amount of the Normal Retirement Benefit shall equal 1% of the Participant's Average Monthly Compensation multiplied by the Participant's Years of Credited Service earned as of March 31, 2013 up to a maximum of 35 years.

Average Monthly Compensation equals the highest five consecutive years of basic earnings out of the last ten completed years divided by sixty.

Covered Compensation equals the thirty-five (35) year average, ending in the year the participant attains Social Security Retirement Age, of the Social Security Maximum Taxable Wage Bases.

Credited Service equals the number of Plan Years during which a Participant completes at least 1,000 Hours of Service.

Early Retirement Benefits

A participant may retire under the Early Retirement Provisions of the Plan the first of any month providing they have attained age 55 and have completed 5 years of Service or have completed 25 years of Service if earlier.

The monthly amount of the Early Retirement Benefit shall equal the Normal Retirement Benefit reduced by 1/180th for each of the first 60 months Early Retirement Benefit Commencement Date precedes Normal Retirement Date and by 1/360th for each of the next 60 months.

Late Retirement Benefits

A Participant may continue employment beyond Normal Retirement. The amount of monthly pension benefit as of the Participant's Late Retirement Date shall be the Accrued Benefit calculated at Late Retirement using Average Monthly Compensation and Credited Service on such date.

Disability Benefits

In the event a participant became totally and permanently disabled prior to January 1, 2008 such disabled participant shall continue to earn credited service under the Plan until retirement.

Effective for individuals who become totally and permanently disabled on or after January 1, 2008, service shall be earned to date of disability.

Vested Termination

A member is fully vested after five (5) years of Service.

Pre-Retirement Death Benefits

If death occurs prior to retirement a death benefit will be payable.

Upon the death of a married Member who qualifies for early retirement, the Member's spouse shall receive a monthly benefit for life based on the benefit payable under a Joint and 50% Survivor Annuity which the Member's spouse would receive assuming the Member retired on the day before his death.

The spouse of any married vested participant who was not eligible for early retirement is also eligible for a benefit if the participant should die prior to his normal retirement date. The monthly pension payable at the participant's earliest retirement date will be an amount equal to the survivor annuity that would have been paid had the Participant separated service on the date of death, survived to his earliest retirement age, selected a 50% Qualified Joint and Survivor Annuity, and died on the day after the day of attaining the earliest retirement age.

Employee Contributions

None required.

Payment Forms

Normal: Life Annuity, automatically payable as a 50% Joint and Survivor Annuity to married participants.

Optional: Optional forms of payment available to plan participants which are the actuarial equivalent of the Normal Form are as follows:

Life Annuity.

Life Annuity with 60 months guaranteed.

Life Annuity with 120 months guaranteed.

Life Annuity with 180 months guaranteed.

Joint and 50% to Survivor.

Joint and 66-2/3% to Survivor.

Joint and 75% to Survivor.

Joint and 100% to Survivor.

Northwest Savings Bank Pension Plan

EIN: 25-0368460

PN: 001

Schedule SB, line 26 - Schedule of Active Participant Data as of January 1, 2013

Years of credited service:

	Under 1		1 to 4		5 to 9		10 to 14		15 to 19	
Attained Age	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.
Under 25	0		91	21,043	2		0		0	
25 to 29	0		128	26,790	79	29,778	5		0	
30 to 34	0		72	25,112	80	32,129	45	36,766	3	
35 to 39	0		41	22,692	51	33,788	53	36,021	16	
40 to 44	0		52	34,760	62	38,464	50	42,364	22	44,443
45 to 49	0		37	31,443	53	35,165	61	40,385	31	52,998
50 to 54	0		46	33,718	85	34,689	70	36,250	43	37,483
55 to 59	0		37	33,619	80	39,555	76	40,932	34	38,533
60 to 64	0		31	36,400	47	34,549	54	40,923	21	41,726
65 to 69	0		3		10		13		4	
70 & up	0		1		4		3		1	

Years of credited service:

	20 to 24		25 to 29		30 to 34		35 to 39		40 & up	
Attained Age	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.
Under 25	0		0		0		0		0	
25 to 29	0		0		0		0		0	
30 to 34	0		0		0		0		0	
35 to 39	0		0		0		0		0	
40 to 44	12		2		0		0		0	
45 to 49	20	56,739	13		1		0		0	
50 to 54	17		13		4		4		0	
55 to 59	12		12		3		3		0	
60 to 64	14		9		4		1		1	
65 to 69	5		2		0		0		0	
70 & up	0		0		0		0		0	

NORTHWEST SAVINGS BANK PENSION PLAN
EIN: 25-0368460
PN: 001

Schedule H, line 4i – Schedule of Assets (Held at End of Year)
& Schedule of Assets (Acquired and Disposed of Within Year)

Please reference the financial statements included in the Accountant's Opinion attachment for the Schedule of Assets (Held at End of Year) and the Schedule of Assets (Acquired and Disposed of Within Year).

NORTHWEST SAVINGS BANK PENSION PLAN
EIN: 25-0368460
PN: 001

Schedule H, line 4j – Schedule of Reportable Transactions

Please reference the financial statements included in the Accountant's Opinion attachment for the Schedule of Reportable Transactions.