

2008
SUMMARY ANNUAL REPORT



N NORTHWEST
BANCORP, INC.





**NORTHWEST
BANCORP, INC.**

SAFELY WEATHERING THE FINANCIAL STORM

DEAR SHAREHOLDERS,

“Our core earnings in 2008 reached a record high.”

“We maintained our strategic focus despite the challenging economic events of the past year and capitalized on every opportunity to enhance shareholder value.”

“We were also pleased to report a 12% increase in fee income in 2008, with deposit fees, loan fees, asset management fees, and miscellaneous income aggregating \$51.3 million.”

The year ended December 31, 2008 was a turbulent period for financial institutions and one of the most challenging periods I have witnessed in my thirty-year career in banking. While I remain deeply troubled by the current financial crisis and the health of our nation's economy, I am pleased to report that Northwest Bancorp, Inc. safely weathered the financial storm of 2008 while making significant improvements to the value of our Company. Our core earnings in 2008 reached a record high, and asset quality and capital levels remained strong. In addition, we maintained our strategic focus despite the challenging economic events of the past year and capitalized on every opportunity to enhance shareholder value. While our industry struggles to navigate the current stormy seas, the outlook for Northwest Bancorp, Inc. remains bright.

Core Earnings Improvement

We were quite pleased with our operating performance in 2008 as core earnings reached record levels. When computing core earnings, we exclude gains and losses on the sale of assets, noncash losses in the market value of assets, and the amount by which the provision for loan losses exceeds actual loan charge-offs. After removing these noncore items, earnings in 2008 were \$62.9 million or \$1.29 per share compared to \$52.7 million or \$1.07 per share in the previous calendar year. Contributing most significantly to this improvement was a sizable increase in net interest margin which averaged 3.57% in 2008 versus 3.10% in 2007. This improvement resulted from our continued efforts to improve loan mix and decrease the cost of funds.

We improved our loan mix primarily by increasing our commercial loans by \$251 million while limiting the growth in our mortgage loans to only \$61 million. It is important to note, however, that Northwest continues to be a premier originator of mortgage, home equity, and consumer loans in our markets, with originations of over \$1 billion in 2008. Because retail loan originations exceeded the company's needs, we sold \$213 million of mortgage loans in the secondary market during the calendar year.

Our cost of funds dropped dramatically during the past year from 3.71% to 2.93%. This decrease was most significantly impacted by the repricing of \$2.5 billion of certificates of deposit which matured in 2008. In an effort to lower our cost of funds and lessen the Company's exposure to changes in interest rates, Northwest strategically allowed almost \$580 million of certificates of deposit, which were held primarily by single-service customers, to leave the bank. These deposits were replaced with long-term, fixed-rate borrowings from the Federal Home Loan Bank at an average cost of 3.90% and an average maturity of 5.5 years. This strategy not only lowered our cost of funds, but also provided some needed protection from the impact of changes in interest rates on our net interest margin.

We were also pleased to report a 12% increase in fee income in 2008, with deposit fees, loan fees, asset management fees, and miscellaneous income aggregating \$51.3 million in 2008 versus \$45.8 million in 2007.

Much has been published over the past year regarding the negative impact that "market value" accounting has had on the financial industry. Generally Accepted Accounting Principles require that investment securities be written down to market value if they are deemed to be "other than temporarily impaired." Because of this requirement, Northwest recorded noncash write-downs of \$16 million, \$9.8 million after-tax, relating to several of its investment securities. Similarly, we also witnessed a noncash loss in the value of our mortgage-servicing assets in the amount of \$1.3 million after tax. It should be emphasized that the assets that became impaired during the year have not been sold. As a result, since we have both the intent and the ability to hold them to maturity, the losses in their current market values may eventually be recovered.

Operating expenses in 2008 increased \$17.4 million or 11.4% from the year before. This increase resulted primarily from increases in compensation expense, processing expense, and FDIC insurance expense. The increase in compensation was primarily due to the addition of new business development and administrative personnel, as we continue to pursue the most advantageous mix of loans and deposits. The increase in data processing expense related primarily to the upgrade to a new teller platform and customer service system. The increase in FDIC deposit insurance expense in 2008 resulted from our ability to use accumulated credits from earlier years to offset our 2007 assessment. Unfortunately, it appears we will see little relief in deposit insurance assessments in future periods as the FDIC recently announced that insurance premiums will double in 2009, increasing Northwest's annual assessment by \$4 million. We also learned on March 4, 2009, that the FDIC has proposed that they be permitted to charge all insured banks

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“Northwest had \$543 million of tangible capital on December 31, 2008 and a ratio of tangible capital to assets of 8.05%, an extremely healthy ratio.”

“Our ratio of net losses to average loans was only .19% in 2008, a very low ratio compared to industry and peer group averages.”

a special emergency assessment of .1% of their insured deposits as of June 30, 2009, payable September 30, 2009. This charge for Northwest will be approximately \$5 million.

Looking ahead to earnings trends in 2009, we believe our net interest margin will experience some pressure if the current interest rate environment remains in place and causes the yield on our loan portfolio to decrease more rapidly than our cost of funds. We hope to continue to realize increases in fee income but recognize that our industry is facing increasing pressure from competitive forces and consumer preferences. Given these challenges, we recognize that cost consciousness and operating efficiency must become key factors in improving future operating performance.

Capital Strength

Regulators and investors often look at a financial institution's capital position as its primary source of strength. Capital typically consists of common stock, preferred stock, retained earnings, and certain types of subordinated debt. In assessing capital adequacy, regulators and investors subtract intangible assets from total capital to determine a bank's level of "tangible capital." Given this definition, Northwest had \$543 million of tangible capital on December 31, 2008 and a ratio of tangible capital to assets of 8.05%, an extremely healthy ratio.

Although our capital levels are strong, we continue to assess our capital needs in light of current economic conditions and future goals. We recognize that capital levels must be sufficient to enable Northwest to survive what could become a deep and prolonged economic recession. We must also consider that the current financial crisis may produce opportunities to strengthen our franchise through accretive acquisitions. With this in mind, Northwest continues to study various capital-raising alternatives including a trust preferred offering, an incremental offering of common shares, and participation in the U.S. Treasury's Capital Purchase Program.

Asset Quality

Asset quality continued to challenge the financial industry in 2008 with nonperforming asset figures reaching historic highs. While Northwest's asset quality remains strong, we did not completely escape this trend as our ratio of nonperforming assets to total assets nearly doubled to 1.67% at December 31, 2008 from .87% a year earlier. This increase was most significantly impacted by delinquencies in the commercial real estate portfolio where several large loans became delinquent. We are pleased to report however, that because of our stringent underwriting guidelines and diligent lending oversight, Northwest continues to experience favorable loss ratios. Although our loan losses in 2008 were \$11.6 million compared to \$8.2 million in 2007, our ratio of net losses to average loans was only .19% in 2008, a very low ratio compared to industry and peer group averages.

Northwest maintains a reserve for loan losses which serves to absorb anticipated charge-offs in our loan portfolio. In assessing the adequacy of this reserve, Northwest gives consideration to industry trends, economic conditions, and loan delinquency ratios. Given current market conditions, management determined this past year that a significant increase in the reserve was appropriate. Accordingly, in 2008 we recorded a provision for loan losses of \$22.9 million compared to a provision of \$8.7 million in 2007. The loan loss reserve now stands at \$54.9 million, or 1.06% of total loans, the highest level in the history of our Company.

Turning to 2009, we believe asset quality will remain a tremendous challenge. As consumer spending weakens and unemployment grows, many of our business and consumer borrowers may struggle to meet their debt obligations. We have addressed this concern by elevating loan oversight, by refining lending practices, and by enhancing communication with our loan customers.

Significant Achievements

Northwest's team of employees worked diligently in 2008 to address strategic goals and improve the performance of the Company. We believe we made great strides in promoting customer loyalty by improving the entire customer experience at Northwest. Our Banking Services Division contributed greatly to these efforts by launching a new platform and customer service system we call CARE—Customer and Relationship Experience. This division also introduced mobile banking capabilities and a rewards program to build customer loyalty and deepen customer relationships. Finally, one new office was opened in the Squirrel Hill section of Pittsburgh and replacement facilities

“Over time, we believe the market will once again focus on each bank’s individual performance, and the price of Northwest’s stock will once again reflect our strength.”

“We have a seasoned and dedicated team focused on building customer loyalty and enhancing shareholder value.”

were opened in Warren, Westmont, and Hanover to provide increased convenience to our customers in those markets.

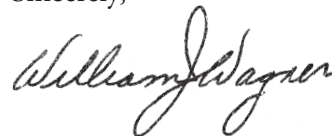
Stock Performance

The price of our common stock began the year at \$26.57 and closed the year at \$21.38, a decline of 19.5%. During the same time period, all NASDAQ-traded stocks decreased in value by 40.9% and all bank stocks traded on NASDAQ decreased in value by 23.9%. During the year, Northwest’s shares traded as high as \$34.34 on September 19, 2008, in what appeared to be a frenzy of investors covering short positions, and as low as \$18.80 on December 1, 2008. So much has been written and televised regarding the current market environment and loss of investor confidence, there is little more we can say to explain the price performance of our stock. However, it is apparent that our stock continues to trade based upon a lack of confidence in the entire banking sector and not based upon Northwest’s core earnings improvement, capital strength, or asset quality. Over time, we believe the market will once again focus on each bank’s individual performance, and the price of Northwest’s stock will once again reflect our strength in these critical areas.

Conclusion

The Board of Directors and employees of Northwest are proud of our Company’s performance in 2008 and we remain confident of our current strength and future direction. We have a seasoned and dedicated team focused on building customer loyalty and enhancing shareholder value. All Northwest employees understand the goals of our Company and share the vision of making Northwest the most highly-respected provider of financial services in our markets. On behalf of the Board of Directors, Senior Management, and our Employee Team, I thank you for your continued confidence in Northwest Bancorp, Inc.

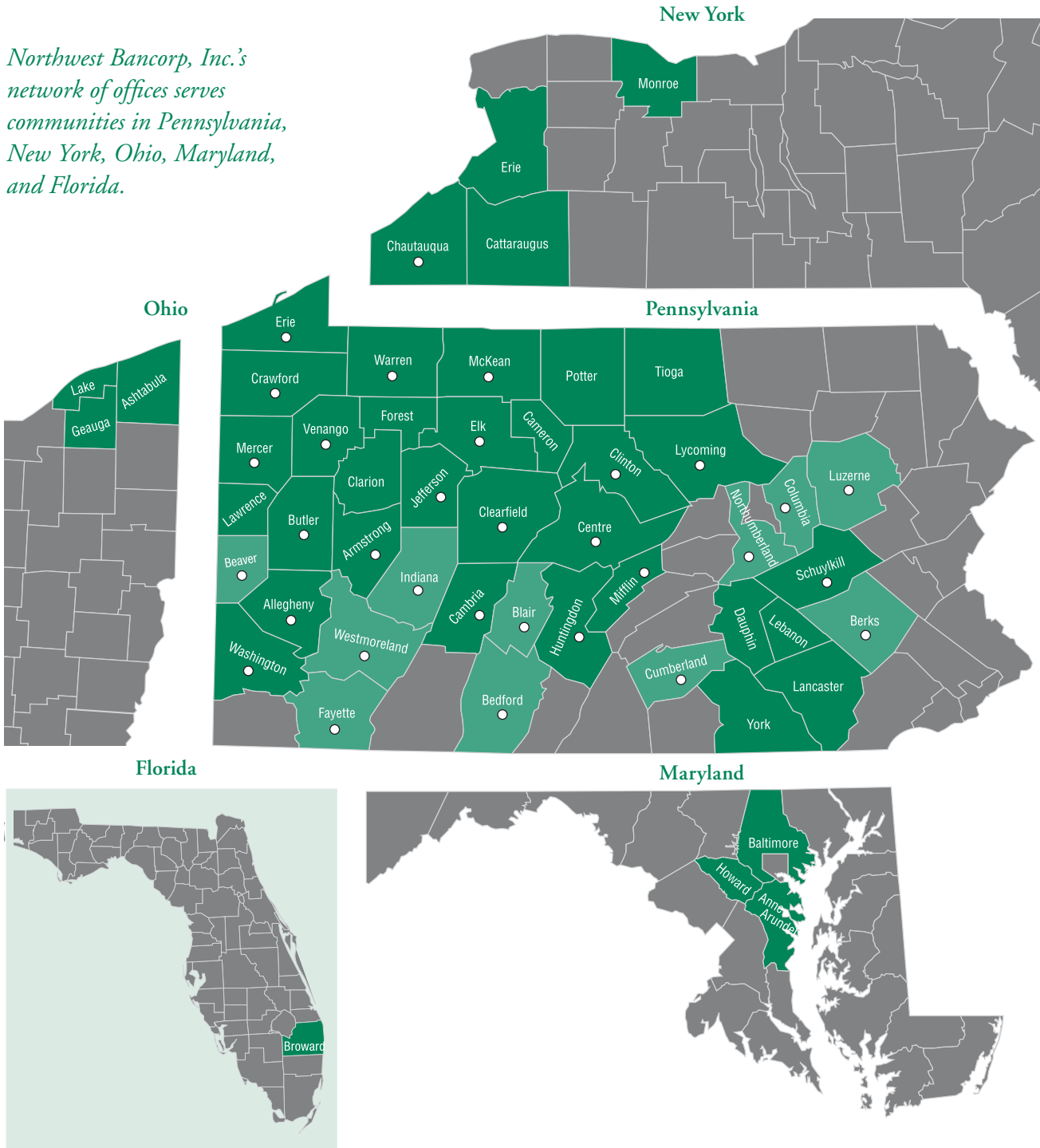
Sincerely,



William J. Wagner
Chairman, President, and CEO

COUNTIES SERVED

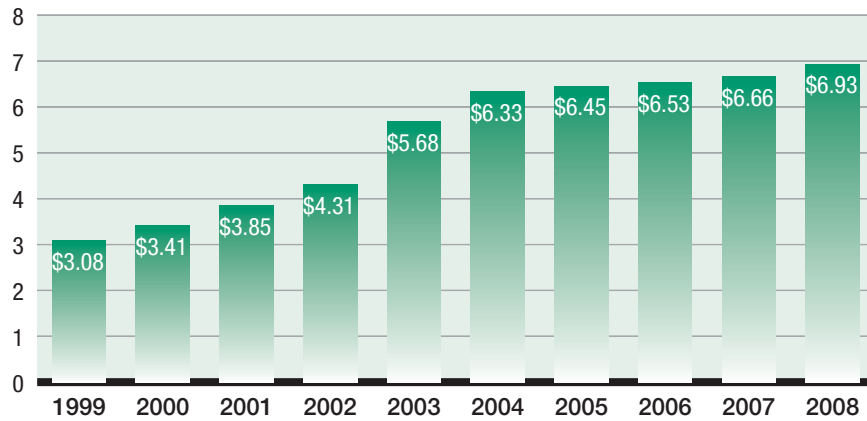
Northwest Bancorp, Inc.'s network of offices serves communities in Pennsylvania, New York, Ohio, Maryland, and Florida.



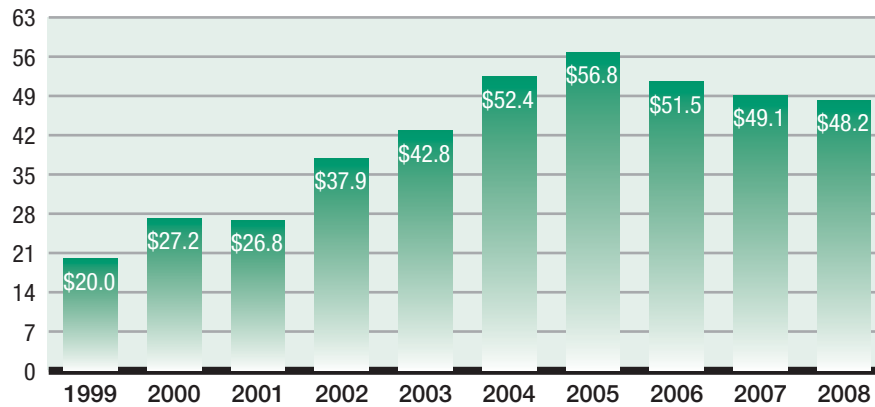
- Northwest Savings Bank
- Northwest Consumer Discount Company

TEN YEAR HISTORY

ASSETS
In Billions of Dollars



ANNUAL NET INCOME
In Millions of Dollars



COMMUNITY BANKING LOCATIONS



FINANCIAL HIGHLIGHTS

NORTHWEST BANCORP, INC. AND SUBSIDIARIES

(\$000s, except per share and other data)

At year end December 31,	2008	2007	2006
Total Assets	\$6,930,241	\$6,663,516	\$6,527,815
Loans Receivable, Net	\$5,141,892	\$4,795,622	\$4,412,441
Deposits	\$5,038,211	\$5,542,334	\$5,366,750
Shareholders' Equity	\$613,784	\$612,878	\$604,561
Book Value Per Share	\$12.65	\$12.62	\$12.08
Last Trade Price	\$21.38	\$26.57	\$27.46
For the year ended December 31,			
Net Interest Income	\$219,366	\$185,016	\$177,464
Net Income	\$48,171	\$49,097	\$51,536
Diluted Earnings Per Share	\$0.99	\$0.99	\$1.03
Dividends Per Share	\$0.88	\$0.84	\$0.74
Key Financial Ratios for the year ended December 31,			
Return on Average Shareholders' Equity	7.75%	8.18%	8.60%
Return on Average Assets	0.70%	0.73%	0.79%
Tangible Common Equity	6.44%	6.63%	6.90%
Average Interest Rate Spread	3.25%	2.74%	2.77%
Nonperforming Assets to Total Assets at End of Period	1.67%	0.87%	0.72%
Net Charge-offs as a Percentage of Average Loans Outstanding	0.19%	0.14%	0.14%
Allowance for Loan Losses to			
Nonperforming Loans at End of Period	55.37%	84.22%	92.92%
Allowance for Loan Losses as a Percentage of			
Net Loans Receivable	1.07%	0.87%	0.85%
Other Data at December 31,			
<i>Number of:</i>			
Community Banking Locations	167	166	160
Consumer Finance Offices	51	51	51
Full Time Equivalent Employees	1,860	1,805	1,777
Registered Shareholders ⁽¹⁾	6,886	7,080	7,361

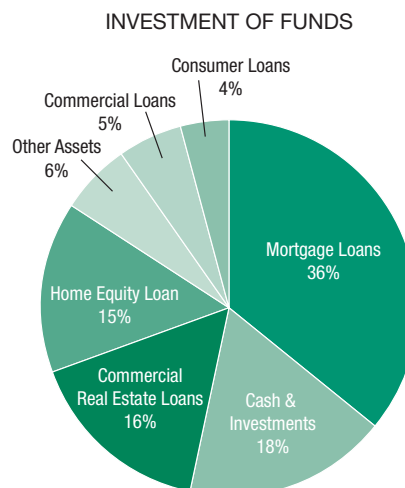
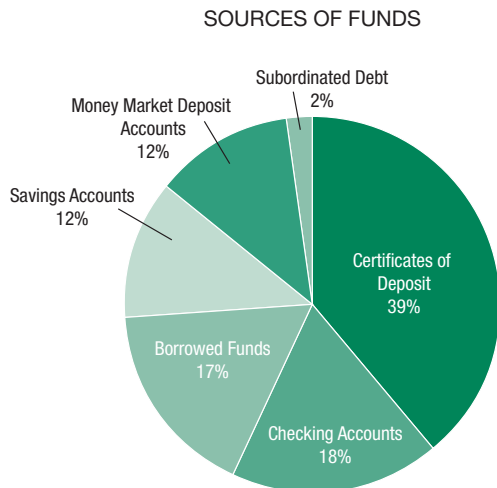
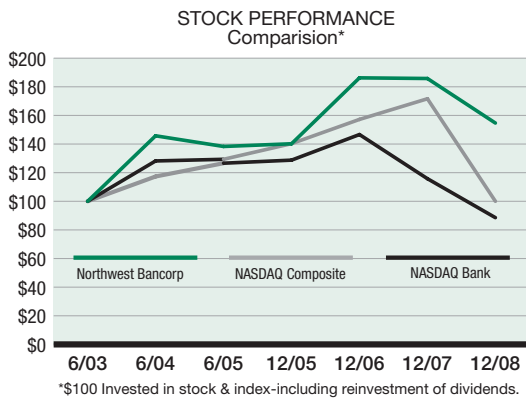
⁽¹⁾ Excludes shareholders who own their stock in "street name."

CORPORATE PROFILE

Northwest Bancorp, Inc. is a federally-chartered savings and loan holding company, which owns and operates Northwest Savings Bank, a Pennsylvania-chartered savings bank headquartered in Warren, Pennsylvania. As of December 31, 2008, the Company had assets of \$6.9 billion and operated 167 retail banking locations and 276 Automated Teller Machines (ATMs) in Pennsylvania, northeastern Ohio, western New York, northern Maryland, and southern Florida. As demonstrated by the charts on this page, our primary business lines involve gathering funds from deposits or borrowings and investing these funds in loans and investment securities.

Aside from its full-service retail banking institution, Northwest Bancorp, Inc. also operates a consumer finance company, Northwest Consumer Discount Company, with offices in 49 locations in Pennsylvania and two locations in New York. Northwest Consumer Discount Company specializes in assisting individuals with their consumer credit needs. As of December 31, 2008, Northwest Consumer Discount Company had loans outstanding of \$129 million.

Northwest has served its communities for over 110 years with a competitive array of banking and investment products. Northwest offers mortgage and consumer loans, as well as a full menu of retail deposit products. As a full-service institution, Northwest also provides commercial loans and business banking products, as well as trust, investment management, and brokerage services. Northwest is proud to deliver the same level of products and services offered by large regional banks at a competitive price with exceptional customer service.

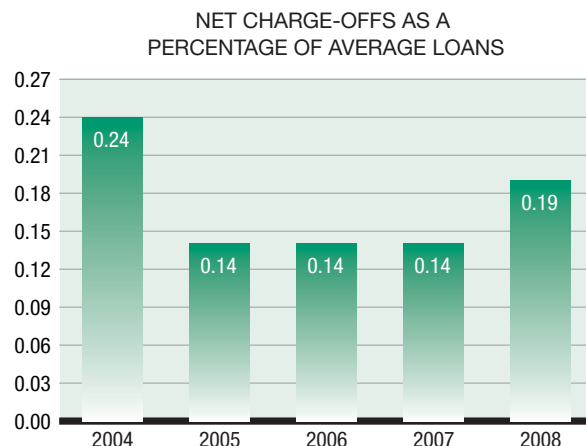
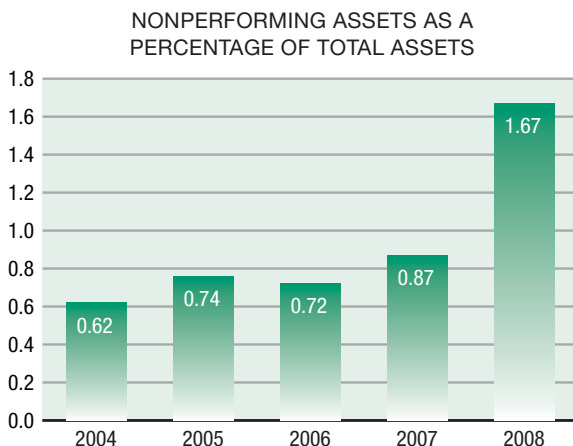
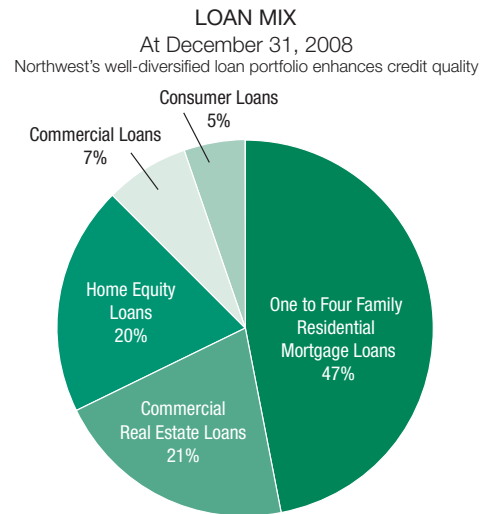


CREDIT QUALITY

Northwest maintains the highest standards of credit quality by:

- Knowing our loan customers
- Remaining vigilant with collections and delinquency follow-up
- Maintaining diversification in our loan portfolio
- Limiting the amount of loans to one borrower
- Obtaining collateral, especially real estate collateral, whenever possible

At Northwest, we have maintained a strong credit culture by adhering to strict discipline in our lending activities. Our net loans charged-off are consistently lower than industry averages. With an emphasis on obtaining real estate as collateral, almost 88% of our loans are secured by real estate.



COMMUNITY BANKING

Northwest's Community Banking Division operates 167 community banking locations in Pennsylvania, New York, Ohio, Maryland, and Florida.

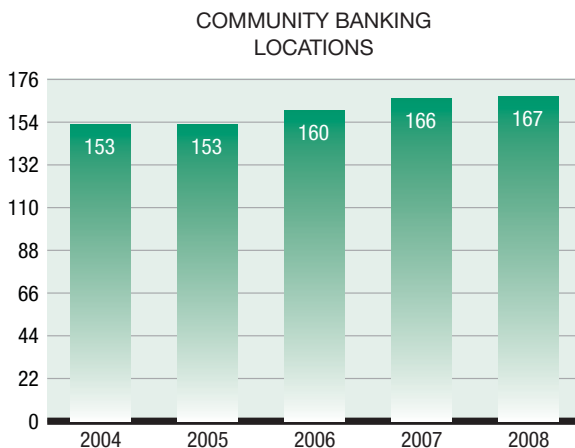
Northwest has made the following strategic investments to enhance our service and sales capabilities:

- Refreshed our branch office technology infrastructure
- Installed a new, fully-integrated service and sales system
- Implemented a new, relationship banking process to foster relationship building and long-term customer loyalty
- Opened our first non-traditional retail office

Our new, fully-integrated service and sales system will enhance customer loyalty and improve operating performance.

Community Banking has implemented a new sales process that emphasizes the building and fostering of relationships. This new, bank-wide sales effort will be led by the Presidents of our geographic regions. These leaders will coordinate sales efforts with their regional teams to deliver financial solutions that satisfy our customers' needs.

In August 2008, the first boutique-style office was opened in the Squirrel Hill area of Pittsburgh. This unique office style is designed for targeted markets and will provide customers with a more intimate atmosphere and a more satisfying customer experience.



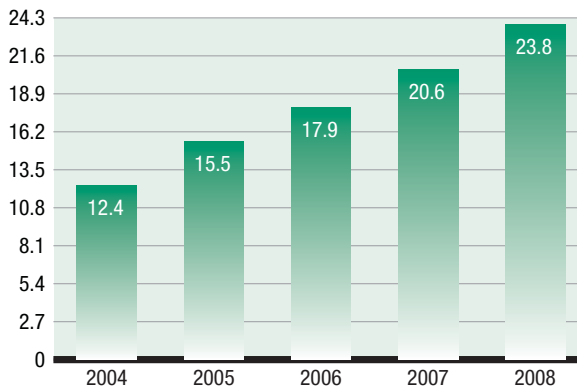
NORTHWEST DIRECT

Northwest continues to promote the use of electronic delivery channels to:

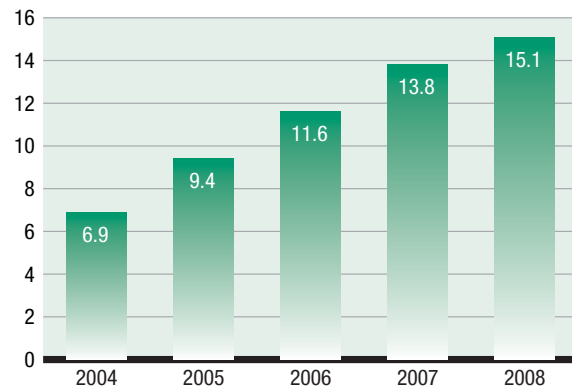
- Improve operating performance
- Attract new customers
- Increase customer satisfaction
- Provide convenience
- Enhance service quality

Northwest’s direct banking services create value by improving operating efficiency and by leveraging our electronic delivery channels to attract and retain a profitable customer base. The acceptance of these self-service strategies is reflected in the increased usage by our customers. We are committed to providing a variety of banking choices and creating a customer experience that differentiates Northwest. Northwest will continue to develop strategic initiatives that promote and reward customer activation and utilization of our electronic delivery channels. Our goal is to change customer behavior in a way that will generate non-interest income and lower transaction processing costs.

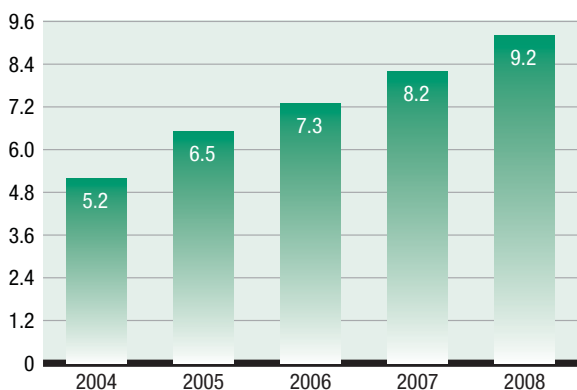
CARD PURCHASES
In Millions



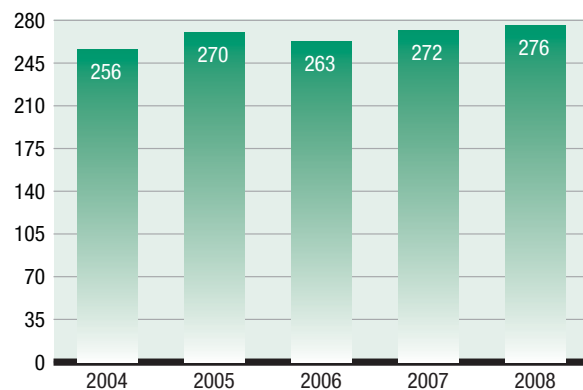
ACH TRANSACTIONS
In Millions



BANKLINE CALLS AND INTERNET LOGINS
In Millions



NUMBER OF ATMS



RETAIL LENDING

Despite weakening economic conditions, Northwest remains fully-committed to meeting the credit needs of customers in the communities that we serve.

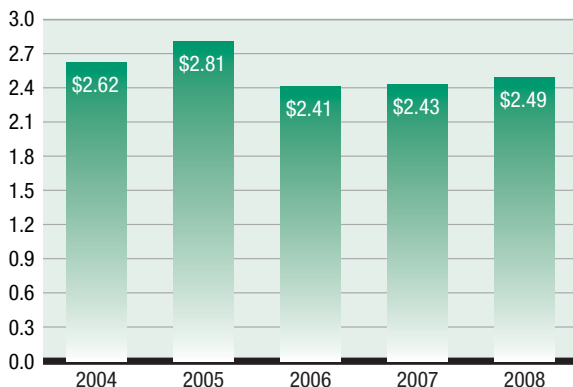
Northwest’s on-going success in retail lending is a direct result of the following core competencies:

- Promoting a strong credit culture that stresses asset quality over growth and profitability
- Empowering our experienced local lenders, who are involved in the community and know their customers, to make credit decisions
- Creating long-term customer loyalty by providing superior service throughout the lending process
- Providing simple and easy-to-understand loan products at competitive interest rates
- Remaining diligent in the collection process to maintain acceptable levels of delinquency and minimize loan losses

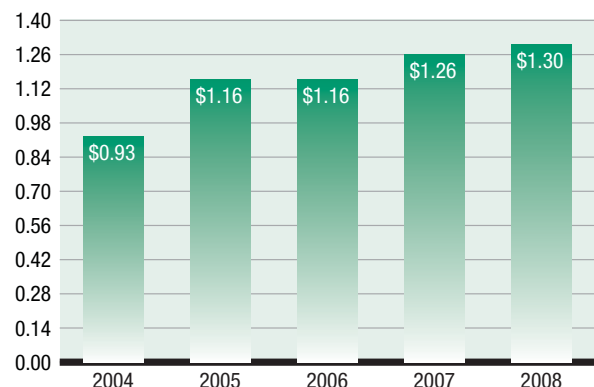
The Retail Lending Division is responsible for originating mortgage, equity, and consumer loans primarily through the Company’s community banking office network. We also offer our customers a choice of originating their loans through our telephone banking center or online.

Looking into the future, we will continue to utilize technology to further simplify the lending process. The objective will be to improve efficiency while continuing to provide service that exceeds customers’ expectations. Our goal is to become the premier retail lender in all the markets that we serve.

MORTGAGE LOANS
In Billions of Dollars



CONSUMER AND HOME EQUITY LOANS
In Billions of Dollars



DEPOSIT PRODUCTS & SERVICES

Northwest continues to provide superior deposit products to customers across the bank's footprint with the following goals in mind:

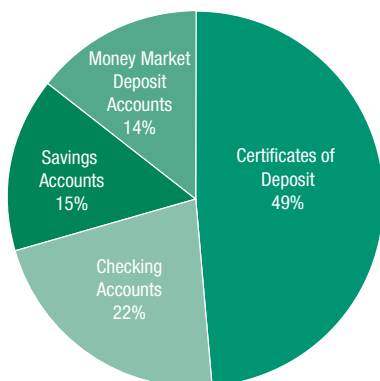
- Developing long-term customer relationships
- Offering deposit products that are straightforward, affordable, and convenient
- Offering competitive interest rates and fees
- Operating as a family financial center with products for every generation
- Providing excellent customer service through a knowledgeable banking staff

Northwest offers a full range of traditional deposit products such as checking accounts, savings accounts, money market accounts, retirement accounts, and certificates of deposit. These products can carry additional features such as direct deposit, ATM and check card services, overdraft protection, telephone banking, and Internet banking, giving Northwest's customers multiple channels to access their accounts.

This year, the Company experienced a significant reduction in its cost of savings as a result of its strategy to replace short-term, high-cost certificates of deposit with longer-term fixed-rate Federal Home Loan Bank advances. Besides decreasing our interest expense, this strategy provided some needed protection against rising interest rates.

Going forward, we will continue to emphasize our superior customer service in the delivery of competitive deposit products and services that meet all of our customers' financial needs.

DEPOSIT MIX
At December 31, 2008



DEPOSIT BALANCES
In Billions of Dollars



COMMERCIAL LENDING

Northwest's Commercial Lending Division is committed to growth and profit enhancement by:

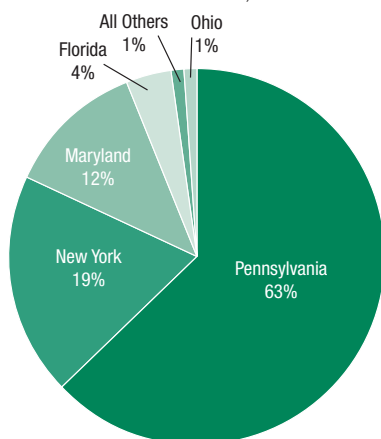
- Offering a consistent approach to lending with an emphasis on building customer relationships
- Providing a comprehensive array of financial solutions for businesses
- Providing exceptional service with local decision making and personal attention
- Diversifying our commercial loan portfolio while maintaining quality credit relationships

The Commercial Lending Division features experienced commercial lenders who are focused on developing long-term working relationships with our business customers. These lenders not only serve the needs of business customers in their respective markets, but also volunteer their time to support a variety of local business, community, social, and non-profit organizations.

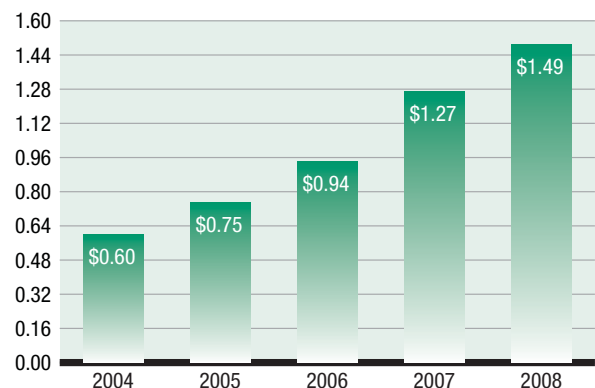
Our customers benefit from relationship banking with custom-tailored products and services, local decision making, and ready access to senior officers. We are confident that Northwest's niche will continue to be the personal attention provided by our highly-qualified commercial lenders and our steadfast commitment to our communities.

Despite the current economic climate, Northwest is still lending money and focusing on relationship banking. We have increased our portfolio management efforts and are fully prepared to responsibly meet the challenges we will face during 2009.

COMMERCIAL LOAN EXPOSURE BY STATE
At December 31, 2008



COMMERCIAL LOANS
In Billions of Dollars



BUSINESS SERVICES

Northwest’s Business Services Division is committed to profitable business deposit growth with the following strategic initiatives:

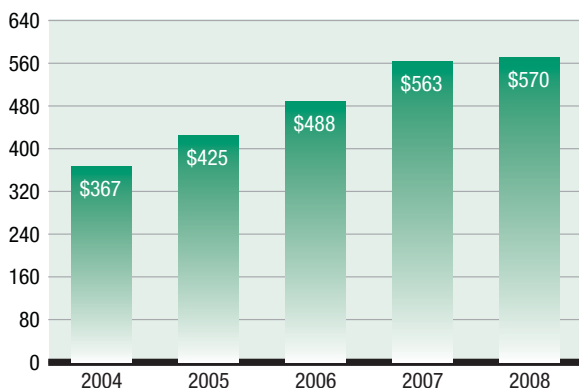
- Attracting relationship-oriented customers
- Exceeding customer expectations
- Offering competitive, comprehensive cash management tools
- Building long-term, expansive relationships

Business deposits are an excellent source of low-cost funding that also offer opportunities to increase fee income and obtain high-quality referrals for our Commercial Lending and Investment Management and Trust Services Divisions.

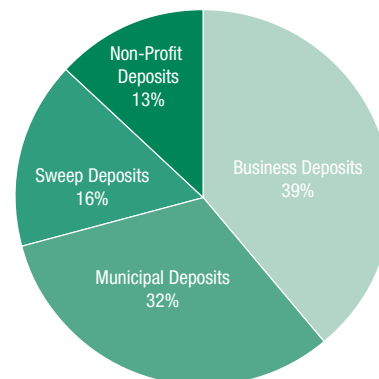
The Business Services Division is a team of experienced bankers who are focused on building stronger, more enduring business deposit relationships, along with reaching across Northwest’s lines of business to meet all of our customers’ financial needs.

Customers benefit from a wide variety of business deposit products and services designed to efficiently manage their cash, reduce their operating costs, enhance control, and optimize returns. Dedicated and skilled people, who are passionate about customer service, deliver these products and services with a high level of personalized service.

BUSINESS AND MUNICIPAL DEPOSIT BALANCES
In Millions of Dollars



BUSINESS DEPOSIT MIX
At December 31, 2008



INVESTMENT, EMPLOYEE BENEFIT & TRUST SERVICES

Northwest’s strength in offering financial management solutions results from:

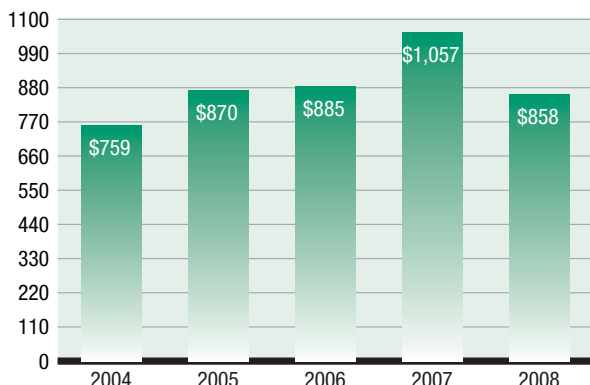
- Providing an expanded range of products and services that encompasses full-service and discount brokerage, estate services, pension and 401(K) services, and investment management and trust services
- A dedicated staff of investment, brokerage, employee benefit, and trust professionals providing services that meet our customers’ personal and business needs
- Exceptional service with local decision-making and personal attention
- Preserving client assets in turbulent markets
- Providing retirement solutions for nearly 400 area businesses

2008 marked Northwest’s ninth year of providing investment, brokerage, trust, and employee benefit services. Our commitment remains to provide the best service and advice available to our clients and to offer a full complement of financial services. Our goal is to improve our customers’ financial well-being so that they may enjoy a financially secure future.

Northwest regional trust offices are located in Erie, Warren, and State College, Pennsylvania with trust representatives located throughout Pennsylvania and in Maryland. Expansion is planned throughout the Company’s market area. The Investment Management and Trust Services Division now employs 32 full-time trust and investment professionals.

In 2007, Northwest was ranked in the top 100 nationally among trust institutions that manage defined benefit pension plans and was ranked in the top 25 trust institutions in Pennsylvania for the management and administration of fiduciary, employee benefit, retirement, and investment management assets. This success is attributable to the convenience, expertise, and product availability typically found at larger investment management companies, while providing the service and personal attention of a local financial advisor.

TRUST AND BROKERAGE ASSETS UNDER MANAGEMENT
In Millions of Dollars



Northwest Financial Services employs 14 licensed securities representatives in Buffalo, New York and in Erie, Franklin, Hershey, Meadville, State College, Pittsburgh, York, and Warren, Pennsylvania and has plans to expand brokerage services throughout the Company's market area.

Northwest's Employee Benefit service firm, Boetger & Associates, has allowed Northwest to offer a complete solution for employee benefit plans which includes consulting, actuarial services, plan design, implementation, administration, and record keeping services. Boetger's staff of professionals includes two ERISA-certified actuaries, nine pension consultants and analysts, and a complete support staff. Boetger and Associates operates in Erie, Pennsylvania and serves the bank's entire market area.

Going forward, the Company's focus will be to continue to expand the financial services area along both geographic and product lines. This will be accomplished by maintaining its focus as a comprehensive financial and wealth management group providing high-quality products and services to its clients.



- Stocks & Bonds
- Mutual Funds
- Tax Deferred Annuities
- Tax Free Bonds
- Comprehensive Financial Analysis
- Deductible IRAs
- Roth IRAs
- Rollover IRAs
- 529 Plans



- Pension Plan
- Actuarial Valuations
- Accounting for Pensions
- Value of Pensions
- 401(K) Design, Administration, and Recordkeeping
- Section 125 Cafeteria Plans
- Pension Income Estimates
- Retirement Account Summaries
- Benefit Summary Letters
- Benefit Statements



- Charitable Trusts
- Custodial Accounts
- Employee Benefit Plans
- Estate Settlement
- Financial Planning
- Investment Management
- IRAs & IRA Rollovers
- Personal Trusts
- Retirement Plans

CONSUMER FINANCE

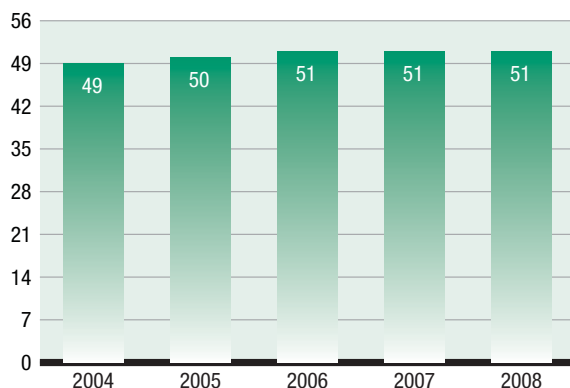
Our consumer finance business derives its success from:

- Market recognition as a premier lender in the field of consumer finance
- Superior customer service
- Strategic locations in communities where we know our customers and their needs
- Offices staffed by local individuals who are active in and concerned about their communities
- An emphasis on growth without sacrificing credit quality

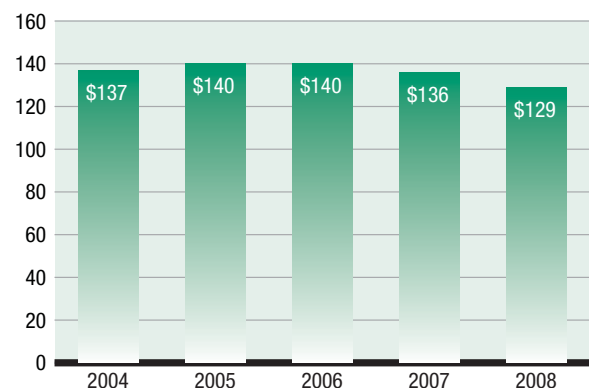
Northwest Bancorp, Inc. operates 49 consumer finance office locations in Pennsylvania and two offices in the state of New York through the Company’s subsidiary, Northwest Consumer Discount Company. These offices specialize in assisting customers with their credit needs.

Looking ahead, we plan to grow our franchise of consumer finance offices as opportunities arise. We will keep an attentive eye on credit quality to maintain an acceptable level of credit losses.

NUMBER OF CONSUMER FINANCE OFFICES



CONSUMER FINANCE LOANS
In Millions of Dollars

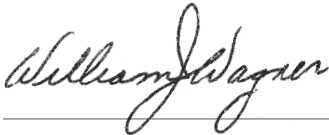


MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

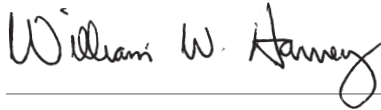
Management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Rule 13a-15(f) under the Securities Exchange Act of 1934.

Management, including the principal executive officer and principal financial officer, has assessed the effectiveness of the Company's internal control over financial reporting as of December 31, 2008. In making this assessment, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission in *Internal Control – Integrated Framework*. Based on such assessment, management concluded that, as of December 31, 2008, the Company's internal control over financial reporting is effective based upon those criteria.

KPMG LLP, an independent registered public accounting firm, has audited the consolidated financial statements included in our Annual Report on Form 10-K and has issued a report with respect to the effectiveness of the Company's internal control over financial reporting.



William J. Wagner
Chief Executive Officer



William W. Harvey
Chief Financial Officer

FINANCIAL DATA

CONDENSED CONSOLIDATED BALANCE SHEET

(In thousands, except for share data)

	As of December 31,	
	2008	2007
ASSETS		
Cash and cash equivalents	\$ 79,922	\$ 230,616
Marketable securities available-for-sale	1,139,170	1,133,367
Loans receivable, net	5,141,892	4,795,622
Bank-owned life insurance	123,479	118,682
Premises and equipment	115,842	110,894
Goodwill and other intangible assets	178,758	183,396
Other assets	151,178	90,939
Total assets	\$ 6,930,241	\$ 6,663,516
LIABILITIES AND SHAREHOLDERS' EQUITY		
Deposits	\$ 5,038,211	\$ 5,542,334
Borrowed funds	1,067,945	339,115
Advances by borrowers for taxes and insurance	26,190	24,159
Accrued interest payable	5,194	4,356
Other liabilities	70,663	32,354
Trust preferred securities	108,254	108,320
Total liabilities	6,316,457	6,050,638
Preferred stock, \$0.10 par value, 50,000,000 shares authorized; no shares issued	—	—
Common stock, \$0.10 par value, 500,000,000 shares authorized; 51,244,974 and 51,191,109 shares issued, respectively	5,124	5,119
Paid-in capital	218,332	214,606
Retained earnings	490,326	458,425
Accumulated other comprehensive income (loss), net	(30,575)	816
Treasury stock of 2,742,800 and 2,610,800 shares, respectively, at cost	(69,423)	(66,088)
Total shareholders' equity	613,784	612,878
Total liabilities and shareholders' equity	\$ 6,930,241	\$ 6,663,516

CONDENSED CONSOLIDATED STATEMENTS OF INCOME

(In thousands, except for share data)

	Years ended December 31,		
	2008	2007	2006
INTEREST INCOME:			
Loans	\$ 327,128	\$ 315,570	\$ 286,316
Investments and interest-earning cash	61,531	80,461	82,257
Total interest income	388,659	396,031	368,573
INTEREST EXPENSE:			
Deposits	137,061	186,540	156,985
Borrowed funds	32,232	24,475	34,124
Total interest expense	169,293	211,015	191,109
Net interest income	219,366	185,016	177,464
Provision for loan losses	22,851	8,743	8,480
Net interest income after provision for loan losses	196,515	176,273	168,984
NONINTEREST INCOME:			
Service charges and fees	32,432	27,754	24,459
Trust and other financial services income	6,718	6,223	5,321
Gain/(loss) on securities	(9,967)	(3,454)	368
Gain on sale of loans	—	728	4,832
Income from bank-owned life insurance	4,797	4,460	4,344
Other	4,772	7,311	6,702
Total noninterest income	38,752	43,022	46,026
NONINTEREST EXPENSE:			
Compensation and employee benefits	91,129	84,217	78,611
Premises and occupancy costs	21,924	21,375	20,368
Office operations	13,237	12,788	12,411
Processing expenses	18,652	15,019	12,051
Amortization of intangibles	4,387	4,499	3,876
Advertising	5,500	3,742	2,818
Federal deposit insurance premiums	3,884	663	685
Loss on early extinguishment of debt	705	—	3,124
Other	10,710	10,439	9,738
Total noninterest expense	170,128	152,742	143,682
Income before income taxes	65,139	66,553	71,328
Income tax expense	16,968	17,456	19,792
Net income	\$ 48,171	\$ 49,097	\$ 51,536
Basic earnings per share	\$ 1.00	\$ 1.00	\$ 1.03
Diluted earnings per share	\$ 0.99	\$ 0.99	\$ 1.03

Please refer to the Northwest Bancorp, Inc. 2008 Annual Report on Form 10-K for a complete set of consolidated financial statements.

INVESTOR INFORMATION

Corporate Headquarters:

100 Liberty Street
P.O. Box 128
Warren, Pennsylvania 16365
Telephone : (814) 726-2140
Fax : (814) 728-7716

www.northwestsavingsbank.com

Annual Meeting:

April 22, 2009, 11:00 a.m.

The Struthers Library Theatre
302 West Third Avenue
Warren, Pennsylvania 16365

Stock Listing:

Northwest Bancorp, Inc. common stock is traded on The NASDAQ Global Select Market under the symbol "NWSB." The common stock has traded since November 7, 1994.

Stock Transfer, Registrar, and Dividend Disbursing Agent:

Shareholder communications regarding change of address, change in registration of certificates, reporting of lost certificates and dividend checks should be directed to:

American Stock Transfer and Trust Company
59 Maiden Lane, New York, NY 10038

Toll Free : (800) 937-5449
Toll Free : (877) 777-0800
Fax : (718) 236-2641

Email : info@amstock.com
Web Site : www.amstock.com

Online Shareholder Access:

Registered shareholders may access their accounts online through American Stock Transfer and Trust Company via "Shareholders Account Access" at www.amstock.com to retrieve account balances, check certificate and dividend details, retrieve a duplicate 1099 Form, change their mailing address, enroll in direct deposit of dividends, replace lost, stolen, or stale-dated dividend checks, replace lost stock certificates, update their shareholder profile, and perform various online transactions. Also available are stock transfer instructions and answers to frequently asked questions.

Financial Information:

The Annual Report on Form 10-K is filed with the Securities and Exchange Commission (SEC). Copies of this document and other filings, including exhibits thereto, may be obtained electronically at the SEC's home page at www.sec.gov or through the Company's website www.northwestsavingsbank.com. Copies may also be obtained without charge upon request by writing to the Company's corporate headquarters.

Independent Auditors:

KPMG LLP, Pittsburgh, Pennsylvania

Securities Counsel:

Luse Gorman Pomerenk & Schick, P.C.,
Washington, D.C.

Common Stock Information:

Year Ended December 31, 2008	High	Low	Cash Dividends Declared
First quarter	\$30.16	\$23.50	\$0.22
Second quarter	28.10	21.78	0.22
Third quarter	34.34	20.05	0.22
Fourth quarter	29.86	18.80	0.22
Year Ended December 31, 2007	High	Low	Cash Dividends Declared
First quarter	\$28.31	\$25.26	\$0.20
Second quarter	28.99	26.08	0.20
Third quarter	29.75	25.51	0.22
Fourth quarter	30.03	25.76	0.22

Dividend Reinvestment & Cash Investment Plan:

Northwest Bancorp, Inc. offers a Dividend Reinvestment and Cash Investment Plan whereby eligible registered shareholders may purchase shares of Northwest Bancorp, Inc. common stock at the prevailing market price with reinvested dividends and voluntary cash payments. A brochure and enrollment form may be obtained by visiting our website at www.northwestsavingsbank.com, by calling Shareholder Relations at (800) 859-1000 or American Stock Transfer & Trust Company at (800) 937-5449, or by writing to the Company's corporate headquarters.

Direct Deposit of Dividends:

Shareholders who do not participate in the Dividend Reinvestment Plan may elect to have cash dividends directly deposited into their savings or checking account, thereby providing immediate access to funds and eliminating mail delays and lost or stolen checks. You may enroll online by visiting www.amstock.com or, to obtain an enrollment card, call the Company's Transfer Agent at (800) 937-5449.

Shareholder Relations:

Ian R. Scott,
Assistant Vice President, Shareholder Relations
and Assistant Secretary
(800) 859-1000

Investor Relations:

William J. Wagner,
President and Chief Executive Officer

William W. Harvey, Jr.,
Executive Vice President and
Chief Financial Officer

Gregory C. LaRocca,
Executive Vice President and Secretary

BOARD OF DIRECTORS & CORPORATE OFFICERS

Board of Directors

**Northwest Bancorp, Inc. and
Northwest Savings Bank**

William J. Wagner

Chairman, President, and Chief Executive Officer

John M. Bauer

Co-Chairman, Contact Technologies, Inc.

Richard L. Carr

Retired Superintendent,
Titusville Area School District

Thomas K. Creal, III

Architectural Consultant

Robert G. Ferrier

President, Ferrier's True Value Hardware

Dr. A. Paul King

President, Oral Surgery of Erie

Joseph F. Long

President, Passavant Hospital Foundation

Dr. Richard E. McDowell

President Emeritus,
The University of Pittsburgh at Bradford

Philip M. Tredway

President and Chief Executive Officer,
Erie Molded Plastics, Inc.

Corporate Officers

**Northwest Bancorp, Inc. and
Northwest Savings Bank**

William J. Wagner

President and Chief Executive Officer

Steven G. Fisher

Executive Vice President, Banking Services

William W. Harvey, Jr.

Executive Vice President, Finance and
Chief Financial Officer

Gregory C. LaRocca

Executive Vice President, Investment and Trust
Services and Corporate Secretary

Robert A. Ordiway

Executive Vice President, Marketing and Facilities

Robert Bablak, Jr.

Senior Vice President, Community Banking

John M. Beard

Senior Vice President, Retail Investment Services

Timothy A. Huber

Senior Vice President, Commercial Lending

Dean C. Huya

Senior Vice President, Special Assets and Workout

Julia W. McTavish

Senior Vice President, Human Resources

Gerald J. Ritzert

Senior Vice President, Controller

Richard F. Seibel

Senior Vice President, Risk Management

Michael G. Smelko

Senior Vice President, Retail Lending

James E. Vecellio

Senior Vice President, Information Systems

David E. Westerburg
Senior Vice President, Marketing and Operations,
Chief Marketing Officer

Andrew C. Young
Senior Vice President,
Chief Information Officer

Ronald B. Andzelik
Vice President, Compliance and
Community Reinvestment Officer

Michael A. Doherty
Vice President, Credit Administration

W. Norman Ewing
Vice President, Systems and Programming

John E. Hall
Vice President, Consumer Finance

James G. Holding
Vice President, Communications

Dottie E. Lobdell
Vice President, Retail Lending

Dennis W. Lowery
Vice President, Facilities

Kevin G. Mizak
Vice President, Chief Auditor

Lawrence D. Neizmik
Vice President, Community Banking

Donald E. Reed
Vice President, Treasurer

Vicki L. Stec
Vice President, Deposit Administration

David C. Stevenson
Vice President, Computer Operations

Eric D. Stoever
Vice President, Chief Technology Officer

William C. Tarpenning
Vice President, Mortgage Banking

Deborah A. Vecellio
Vice President, Mortgage Servicing

Shawn O. Walker
Vice President, Marketing

Douglas P. Wilson
Vice President, Appraisal Services

Charles R. Wolgemuth
Vice President, Retail Lending

Region Presidents
Northwest Savings Bank

Robert Bablak, Jr. South Florida

Lynn S. Baker Eastern Pennsylvania

Julie A. Marasco Northwest Pennsylvania

Christopher A. Martin Southwest Pennsylvania

James E. Martin Erie, Pennsylvania

Jonathan E. Rockey Central Pennsylvania

Jonathan P. Scalise New York

William W. West Maryland



Thank you for your continued support and
interest in our Company.

In addition to historical information, this report may contain certain forward-looking statements that are based on assumptions and information currently available to management, including assumptions as to changes in market interest rates. These forward-looking statements are subject to various risks and uncertainties including, but not limited to, economic, regulatory, competitive, legislative and other factors affecting the Company and its operations. Readers are cautioned not to place undue reliance on these forward-looking statements as actual results may differ materially from those expressed or implied. Management has no obligation to revise or update these forward-looking statements to reflect events or circumstances that arise after the release of this report.



100 Liberty Street, P.O. Box 128
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 **NORTHWEST**
BANCORP, INC.