

OFFICE OF THRIFT SUPERVISION

Approval of Holding Company Application, Conversion to Federal Mutual Holding Companies, Election Under Section 10(l) of the Home Owners' Loan Act and Nonobjection to Dividend Waiver Notice

Order No.: 2001-40

Date: May 24, 2001

Docket No.: H-3730 and H-3731

Northwest Savings Bank, Warren, Pennsylvania (Northwest) and Jamestown Savings Bank, Lakewood, New York (Jamestown) have submitted elections to be treated as "savings associations" for purposes of 12 U.S.C. § 1467a, pursuant to 12 U.S.C. § 1467a(l). Northwest Bancorp, MHC (MHC) and Northwest Bancorp, Inc. (Holding Company) have applied to the Office of Thrift Supervision (OTS) for approval to convert to federally chartered mutual holding companies as described in the application, pursuant to § 10(o) of the Home Owners' Loan Act (HOLA), and to acquire Northwest and Jamestown, pursuant to § 10(e) of the HOLA, 12 U.S.C. § 1467a(e) and 12 C.F.R. § 574.3. (Collectively, the foregoing are referred to herein as the applications.) In addition, the MHC has filed a notice of dividend waivers for the period beginning with its conversion to a federal charter through the end of February 2002.

OTS has considered the applications under the standards set forth in 12 U.S.C. §§ 1467a(e), 1467a(l), and 1467a(o), and 12 C.F.R. § 574.7 and Part 575. In addition, OTS has considered the holding company application under the Community Reinvestment Act, 12 U.S.C. §§ 2901, et seq., and OTS regulations thereunder, 12 C.F.R. Part 563e. OTS has also considered the notice under the standards set forth in 12 C.F.R. § 575.11(d). OTS has considered the digest by the OTS Northeast Regional Office, a legal opinion by the Business Transactions Division, and an analysis by the Office of Examination Policy (collectively, the Staff Memoranda). For the reasons set forth in the Staff Memoranda, OTS has determined that the applications and the notice satisfy all applicable statutory and regulatory criteria if the following conditions are imposed. Accordingly, the applications are hereby approved and OTS does not object to the notice, provided that the following conditions are complied with in a manner satisfactory to the Northeast Regional Director, or his designee (Regional Director):

1. The MHC and the Holding Company must receive all required regulatory approvals prior to consummation of the transaction with copies of all such approvals provided to the Regional Director;

2. The transaction must be consummated within one hundred and twenty (120) calendar days from the date of this approval Order;
3. On the business day prior to consummation of the transaction, the chief financial officers of the MHC, the Holding Company, Northwest and Jamestown must certify in writing to the Regional Director that no material adverse events or material adverse changes have occurred with respect to the financial condition or operations of the MHC, the Holding Company, Northwest or Jamestown, as disclosed in the applications. If additional information having a material adverse bearing on any feature of the applications is brought to the attention of the MHC, the Holding Company, Northwest, Jamestown, or OTS since the date of the financial statements submitted with the applications, the transaction must not be consummated unless the information is presented to the Regional Director, and the Regional Director provides written non-objection to consummation of the transaction;
4. The successors to the MHC and the Holding Company as well as Northwest and Jamestown must advise the Regional Director in writing within five calendar days after the effective date of the transaction: (a) of the effective date of the transaction; and (b) that the transaction was consummated in accordance with all applicable laws and regulations, the applications, and this approval Order; and
5. Beginning thirty days after the transaction is consummated, Jamestown must provide, prior to accepting any deposit or similar account, the prospective depositor with full, fair, and prominent disclosures (in a form acceptable to the Regional Director, or his or her designee) that account holders of Jamestown have no right to priority subscription rights in connection with any conversion of the MHC or the Holding Company, or any successor entities, from mutual to the stock form of organization, and that account holders of Jamestown have no right to any distribution in connection with any voluntary dissolution of the MHC or the Holding Company or any successor entities.
6. Written approval of the OTS must be obtained before any issuance of stock by Jamestown, and before any disposition of stock of Jamestown by the MHC or the Holding Company or their successors;
7. All dividend payments by Jamestown, Northwest and the MHC or its successor and all distributions in connection with a voluntary dissolution by Jamestown, Northwest or the MHC or its successor must receive prior written OTS approval;

8. Within sixty days after the transaction is consummated the MHC, the Holding Company, Northwest and Jamestown must submit to the Regional Director a Tax Allocation Agreement in a form satisfactory to the Regional Director; and
9. After the conversion of the MHC is completed and prior to waiving dividends to be paid from the date of conversion through February 2002, the board of directors of the converted entity must ratify the determination of the MHC board of directors that the dividend waiver is consistent with the directors' fiduciary duties to the members of the federally chartered mutual holding company.

By order of the Director of the Office of Thrift Supervision, or her designee,
effective May 24, 2001.



Scott M. Albinson
Managing Director
Office of Supervision