

Third quarter ended September 30, 2016

Selected financial data

(\$000's, except per share amounts)

| | 9/30/16 | 12/31/15 | % Change |
|----------------------|-------------|-------------|----------|
| Total Assets | \$9,714,607 | \$8,951,899 | 8.5% |
| Total Loans (net) | 7,735,320 | 7,159,449 | 8.0% |
| Total Deposits | 8,202,803 | 6,612,581 | 24.0% |
| Shareholders' Equity | 1,162,803 | 1,163,163 | — |
| Book Value Per Share | 11.48 | 11.42 | 0.5% |
| Stock Closing Price | 15.71 | 13.39 | 17.3% |

| Quarter ended | 9/30/16 | 9/30/15 | % Change |
|--------------------------------------|----------|----------|----------|
| Net Interest Income | \$78,646 | \$66,941 | 17.5% |
| Provision for Loan Losses | 5,538 | 3,167 | 74.9% |
| Noninterest Income | 20,818 | 18,140 | 14.8% |
| Noninterest Expense | 75,032 | 63,804 | 17.6% |
| Income Before Taxes | 18,894 | 18,110 | 4.3% |
| Income Tax Expense | 4,697 | 5,238 | (10.3)% |
| Net Income | 14,197 | 12,872 | 10.3% |
| Diluted Earnings Per Share | 0.14 | 0.13 | 7.7% |
| Return on Average Equity | 4.89% | 4.54% | — |
| Return on Average Assets | 0.63% | 0.59% | — |
| *Non-GAAP Net Income | 22,504 | 17,856 | 26.0% |
| *Non-GAAP Diluted Earnings per share | 0.22 | 0.19 | 15.8% |
| *Non-GAAP Return on Average Equity | 7.74% | 6.30% | — |
| *Non-GAAP Return on Average Assets | 0.99% | 0.82% | — |

| Nine months ended | 9/30/16 | 9/30/15 | % Change |
|--------------------------------------|-----------|-----------|----------|
| Net Interest Income | \$226,884 | \$192,100 | 18.1% |
| Provision for Loan Losses | 11,397 | 5,117 | 122.7% |
| Noninterest Income | 60,541 | 49,290 | 22.8% |
| Noninterest Expense | 241,568 | 172,650 | 39.9% |
| Income Before Taxes | 34,460 | 63,623 | (45.8)% |
| Income Tax Expense | 9,287 | 19,276 | (51.8)% |
| Net Income | 25,173 | 44,347 | (43.2)% |
| Diluted Earnings Per Share | 0.25 | 0.48 | (47.9)% |
| Return on Average Equity | 2.90% | 5.47% | — |
| Return on Average Assets | 0.38% | 0.73% | — |
| *Non-GAAP Net Income | 59,181 | 49,899 | 18.4% |
| *Non-GAAP Diluted Earnings Per Share | 0.59 | 0.54 | 9.3% |
| *Non-GAAP Return on Average Equity | 6.82% | 6.15% | — |
| *Non-GAAP Return on Average Assets | 0.88% | 0.82% | — |

*Excludes restructuring/acquisition expenses, FHLB prepayment penalty, and ESOP costs.

"Highest Customer Satisfaction with Retail Banking in the Mid-Atlantic Region."



Corporate profile

Northwest Bancshares, Inc. (the "Company") is a savings and loan holding company regulated by the Board of Governors of the Federal Reserve System. The Company operates Northwest Bank (the "Bank"), a full-service financial institution headquartered in Warren, Pennsylvania. Through this subsidiary, the Company operates 167 full-service community-banking offices, nine free-standing drive-through facilities and 291 automated teller machines (ATMs) in Pennsylvania, Ohio, New York and Maryland. The Bank also operates Northwest Consumer Discount Company, with 51 consumer loan offices in Pennsylvania; Northwest Retirement Services, an actuarial and employee benefits consulting operation; Northwest Insurance Services, which offers employee benefit and property and casualty insurance; Northwest Investment Services, a full and discount brokerage service; and Northwest Advisors, Inc., a registered investment advisor.

The Company has operated as a community-oriented financial institution since 1896, and has demonstrated a pattern of sustained expansion resulting from strong internal growth combined with a series of mergers, acquisitions and new office openings.

The Company's business emphasis is to:

- Solicit personal and business deposits as a primary source of funding.
- Provide high-quality personal and business banking loans in its markets.
- Offer trust, investment management, insurance, employee benefit plans and financial planning services with a personal touch to individuals, businesses and charitable institutions.

Earnings released and dividend declared

The Company reported net income for the quarter ended September 30, 2016 of \$14.2 million, or \$0.14 per diluted share. This represents an increase of \$1.3 million compared to the same quarter last year when net income was \$12.9 million, or \$0.13 per diluted share.

The Company also announced that its Board of Directors declared a quarterly cash dividend of \$0.15 per share payable on November 17, 2016, to shareholders of record as of November 3, 2016. This represents the 88 consecutive quarter in which the Company has paid a cash dividend.

Earnings for the current quarter include acquisition costs of \$7.2 million related to the September 9, 2016 purchase of 18 branches from First Niagara Bank, and \$5.1 million of stock-based compensation costs associated with the termination of the Northwest Savings Bank Employee Stock Ownership Plan ("ESOP"). Excluding the after-tax impact of these expenses totaling \$8.3 million, non-GAAP net operating income for the quarter ended September 30, 2016 was \$22.5 million, or \$0.22 per diluted share, compared to non-GAAP net operating income of \$17.9 million, or \$0.19 per diluted share in the same quarter last year. The aforementioned termination of the ESOP includes the cancellation of approximately 1,367,000 shares of common stock as of September 30, 2016.

In making this announcement, William J. Wagner, President and CEO, noted, "The \$4.6 million, or 26%, increase in non-GAAP quarterly earnings over the previous year

Continued on back

Net income (in millions of dollars)



Assets (in billions of dollars)



Key stock statistics

| | 9/30/16 | 12/31/15 |
|-------------------------------------|-------------|-------------|
| Shares Outstanding (net) | 101,268,648 | 101,871,737 |
| Tangible Book Value Per Share | \$8.11 | \$8.76 |
| Market Capitalization (in billions) | \$1.59 | \$1.36 |

Stock listing

Northwest Bancshares, Inc. common stock trades on the NASDAQ Global Select Market under the symbol "NWBI." The CUSIP number is 667340103.

Dividend reinvestment and direct stock purchase and sale plan

The plan provides direct shareholders and interested new investors with a convenient method to purchase shares of NWBI. You can access the plan materials and enroll online at amstock.com. You may also request a copy of the plan prospectus and enrollment application by calling the plan administrator, American Stock Transfer & Trust Company, toll free at (877) 715-0499 or Northwest at (800) 859-1000 or (814) 728-7263.

Direct deposit of dividends (ACH)

Enroll by accessing your shareholder account online at amstock.com or to obtain an enrollment card by mail, contact American Stock Transfer & Trust Co. at (877) 777-0800 or Northwest at (800) 859-1000.

Online shareholder account access

Direct shareholders can access their account online via "Shareholder Account Access" at amstock.com to retrieve account details, update their shareholder profile, print a duplicate Form 1099 DIV, issue, sell or purchase shares online and more.

Registrar, transfer and dividend disbursing agent

American Stock Transfer & Trust Company LLC
6201 15th Avenue, Brooklyn, NY 11219
Phone: (877) 777-0800 • amstock.com

Corporate Headquarters

100 Liberty Street, P.O. Box 128, Warren, PA 16365
Phone: (814) 726-2140 Fax: (814) 728-7716 • northwest.com

Chairman, President and CEO: William J. Wagner
Senior Executive Vice President and CFO: William W. Harvey Jr.
AVP, Shareholder Relations: Ian R. Scott

Continued from front

primarily reflects the impact of the merger of Lorain National Bank, which occurred in August 2015, and the refinancing of \$700.0 million of fixed-rate FHLB advances, which occurred in May 2016. Since the purchase of the Western New York branches occurred late in the current quarter, there was limited impact on earnings. However, we anticipate the full impact from this transaction to be realized in the fourth quarter of 2016."

Net interest income increased by \$11.7 million, or 17.5%, to \$78.6 million for the quarter ended September 30, 2016, from \$66.9 million for the quarter ended September 30, 2015. This increase is due primarily to a \$6.3 million, or 8.3%, increase in interest income on loans as a result of a \$647.0 million increase in the Company's loan portfolio from a year ago. Also contributing to the increase in net interest income was a \$6.2 million decrease in interest expense on borrowed funds due primarily to the payoff of Federal Home Loan Bank ("FHLB") advances with the funds received by assuming the deposits from the First Niagara branch purchase. Additionally, interest paid on deposits decreased by \$510,000 for the quarter due primarily to the change in deposit mix. Partially offsetting these improvements was a \$1.1 million decrease in interest income on investment securities as the portfolio decreased due to the cash flow from these securities being used to fund loan growth. As a result of these changes, the Company's net interest margin increased to 3.88% for the quarter ended September 30, 2016 from 3.50% for the same quarter last year.

The provision for loan losses increased by \$2.3 million, or 74.9%, to \$5.5 million for the quarter ended September 30, 2016, from \$3.2 million for the quarter ended September 30, 2015. This increase is due primarily to the downgrade of four commercial banking relationships requiring an additional \$1.9 million of combined reserves. However, overall credit quality remained steady as classified loans to total loans decreased to 2.73% at September 30, 2016 from 2.81% at September 30, 2015 and total loan delinquency to total loans decreased to 1.11% at September 30, 2016 from 1.20% at September 30, 2015.

Noninterest income increased by \$2.7 million, or 14.8%, to \$20.8 million for the quarter ended September 30, 2016, from \$18.1 million for the quarter ended September 30, 2015. Contributing to this increase was an increase in mortgage banking income of \$1.6 million, or 606.4%, which is the result of resuming the sale of mortgage loans originated by our Wholesale Lending Division. Additionally, service charges and fees increased by \$1.1 million, or 10.7%, which is attributable to the growth in checking accounts from both the LNB Bancorp, Inc. ("LNB") acquisition and internal growth initiatives. As was previously announced, the Company's insurance subsidiary signed an agreement of its intentions to acquire an insurance agency in Warren, Pennsylvania on November 1, 2016, which is anticipated to provide approximately \$500,000 of additional annual insurance commission revenue.

Noninterest expense increased by \$11.2 million, or 17.6%, to \$75.0 million for the quarter ended September 30, 2016, from \$63.8 million for the quarter ended September 30, 2015. This increase resulted primarily from an \$8.4 million, or 27.3%, increase in compensation and employee benefits due to the costs associated with the termination of the ESOP and the employees added from recent acquisitions. The other increases for the current quarter compared to the prior year are primarily attributable to incremental expenses from the LNB acquisition.

Net income for the nine-month period ended September 30, 2016 was \$25.2 million, or \$0.25 per diluted share. This represents a decrease of \$19.1 million, or 43.2%, compared to the nine-month period ended September 30, 2015, when net income was \$44.3 million, or \$0.48 per diluted share. The annualized returns on average shareholders' equity and average assets for the nine-month period ended September 30, 2016 were 2.90% and 0.38% compared to 5.47% and 0.73% for the same period last year. This decrease is due primarily to a \$37.0 million penalty incurred from the prepayment of FHLB borrowings, acquisition and restructuring expenses of \$11.2 million, and ESOP expense of \$5.1 million. Offsetting these items which negatively impacted net income was a \$34.8 million, or 18.1%, increase in net interest income.

Non-GAAP net operating income for the nine-month period ended September 30, 2016, which excludes the after-tax impact of the aforementioned FHLB prepayment penalty, restructuring and acquisition expenses, and ESOP costs totaling \$34.0 million, was \$59.2 million, or \$0.59 per diluted share. This represents an increase of \$9.3 million, or 18.6%, compared to the nine-month period ended September 30, 2015 with non-GAAP net operating income of \$49.9 million, or \$0.54 per diluted share.