

Fourth quarter ended December 31, 2016

Selected financial data

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

	12/31/16	12/31/15	% Change
Total Assets	\$9,623,640	\$8,951,899	7.5%
Total Loans (net)	7,496,408	7,159,449	4.7%
Total Deposits	7,882,321	6,612,581	19.2%
Shareholders' Equity	1,170,663	1,163,163	0.6%
Book Value Per Share	11.51	11.42	0.8%
Common Stock Closing Price	18.03	13.39	34.7%

Quarter ended	12/31/16	12/31/15	% Change
Net Interest Income	\$82,942	\$71,153	16.6%
Provision for Loan Losses	2,145	4,595	(53.3)%
Noninterest Income	24,819	19,546	27.0%
Noninterest Expense	68,761	61,227	12.3%
Income Before Taxes	36,855	24,877	48.1%
Income Tax Expense	12,361	8,684	42.3%
Net Income	24,494	16,193	51.3%
Diluted Earnings Per Share	0.24	0.16	50.0%
Return on Average Equity	8.37%	5.55%	–
Return on Average Assets	1.01%	0.73%	–
*Non-GAAP Net Income	25,140	17,113	46.9%
*Non-GAAP Diluted Earnings per share	0.25	0.17	47.1%
*Non-GAAP Return on Average Equity	8.59%	5.86%	–
*Non-GAAP Return on Average Assets	1.04%	0.76%	–

Year ended	12/31/16	12/31/15	% Change
Net Interest Income	\$307,335	\$263,253	16.7%
Provision for Loan Losses	13,542	9,712	39.4%
Noninterest Income	85,360	68,836	24.0%
Noninterest Expense	307,838	233,877	31.6%
Income Before Taxes	71,315	88,500	(19.4)%
Income Tax Expense	21,648	27,960	(22.6)%
Net Income	49,667	60,540	(18.0)%
Diluted Earnings Per Share	0.49	0.64	(23.4)%
Return on Average Equity	4.28%	5.49%	–
Return on Average Assets	0.55%	0.73%	–
*Non-GAAP Net Income	84,321	67,012	25.8%
*Non-GAAP Diluted Earnings Per Share	0.84	0.71	18.3%
*Non-GAAP Return on Average Equity	7.27%	6.08%	–
*Non-GAAP Return on Average Assets	0.93%	0.80%	–

*Excludes after-tax impact of FHLB prepayment penalty, restructuring and acquisition expenses, and ESOP termination expense.

"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 288 automated teller machines (ATMs) in Pennsylvania, Ohio, New York and Maryland. The Bank also operates Northwest Consumer Discount Company, with 49 consumer loan offices in Pennsylvania; Northwest Retirement Services, an actuarial and employee benefits consulting operation; Northwest Insurance Services, which offers employee benefits 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. It 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.

Record earnings released and increased dividend declared

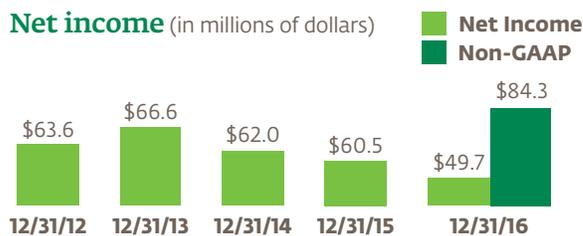
The Company reported net income for the quarter ended December 31, 2016 of \$24.5 million, or \$0.24 per diluted share. This represents an increase of \$8.3 million, or 51.3%, compared to the same quarter last year when net income was \$16.2 million, or \$0.16 per diluted share.

The Company also announced that its Board of Directors declared a quarterly cash dividend of \$0.16 per share payable on February 16, 2017, to shareholders of record as of February 2, 2017. This represents a 6.67% increase over the prior quarter and is the 89th consecutive quarter in which the Company has paid a cash dividend.

In making the announcement, William J. Wagner, President and CEO, noted, "The results of the fourth quarter, when compared to the previous year, reflect the earnings accretion we expected from both the LNB merger and the First Niagara branch acquisition." As a result of these acquisitions, our checking accounts have increased by 37% over the last two years and time deposits have decreased to less than 20% of total deposits. This change in deposit mix has increased our net interest margin from 3.53% to 3.75%. These acquisitions, along with the recently announced plan to divest our three offices in Maryland, better define our footprint for the future and establishes a framework for increased revenue growth and greater efficiency.

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Net income (in millions of dollars)



Assets (in billions of dollars)



Key stock statistics

	12/31/16	12/31/15
Shares Outstanding	101,699,406	101,871,737
Tangible Book Value Per Share	\$8.17	\$8.76
Market Capitalization (in billions)	\$1.83	\$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. 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

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Net interest income increased by \$11.7 million, or 16.6%, to \$82.9 million for the quarter ended December 31, 2016, from \$71.2 million for the quarter ended December 31, 2015. This increase is due primarily to a \$4.8 million, or 5.9%, increase in interest income on loans and a \$6.8 million, or 84.7%, decrease in interest expense on borrowed funds. The increase in loan interest income is a result of a \$580.1 million increase in the average balance of the Company's loan portfolio from the same quarter last year, while the decrease in interest expense on borrowed funds is due primarily to the payoff of Federal Home Loan Bank ("FHLB") advances with the funds received from the purchase of deposits in Western New York.

The provision for loan losses decreased by \$2.5 million, or 53.3%, to \$2.1 million for the quarter ended December 31, 2016, from \$4.6 million for the quarter ended December 31, 2015. This decrease is due primarily to a decrease in the percentage of total loan delinquency to total loans to 1.61% at December 31, 2016, from 1.87% at December 31, 2015.

Noninterest income increased by \$5.3 million, or 27.0%, to \$24.8 million for the quarter ended December 31, 2016, from \$19.5 million for the quarter ended December 31, 2015. Contributing to this increase was an increase in mortgage banking income of \$2.1 million, which is the result of resuming the sale of mortgage loans originated by our Wholesale Lending Division. Also contributing to this increase was an increase in service charges and fees of \$1.9 million, or 17.8%, which is primarily attributable to the growth in checking accounts from both acquisitions and internal growth initiatives. Additionally, trust and other financial services income increased by \$721,000, or 21.1%, due primarily to the approximately \$450.0 million of wealth management assets acquired with the Western New York branch purchase.

Noninterest expense increased by \$7.6 million, or 12.3%, to \$68.8 million for the quarter ended December 31, 2016, from \$61.2 million for the quarter ended December 31, 2015. This increase resulted primarily from a \$4.6 million, or 14.3%, increase in compensation and employee benefits due primarily to the cost associated with the employees added from the 18 Western New York branches. The other increases for the current quarter compared to the prior year are also primarily attributable to incremental expenses from the additional branches. Partially offsetting these increases in non-interest expense, were decreases in federal deposit insurance premiums and collection expense of \$824,000 and \$815,000, respectively.

Net income for the year ended December 31, 2016, was \$49.7 million, or \$0.49 per diluted share, which represents a decrease of \$10.8 million, or 18.0%, compared to the year ended December 31, 2015, when net income was \$60.5 million, or \$0.64 per diluted share. This decrease is due primarily to a \$37.0 million penalty incurred from the prepayment of FHLB borrowings, acquisition and restructuring expenses of \$12.2 million and ESOP termination expense of \$5.1 million.

Non-GAAP net operating income for the year ended December 31, 2016, which excludes the after-tax impact of the aforementioned FHLB prepayment penalty, restructuring and acquisition expenses, and ESOP termination expenses totaling \$34.7 million, was \$84.3 million, or \$0.84 per diluted share. This represents an increase of \$17.3 million, or 25.8%, compared to the year ended December 31, 2015, with non-GAAP net operating income of \$67.0 million, or \$0.71 per diluted share.

The Company previously announced that it has entered into a purchase and assumption agreement to sell three bank branches located in the greater Baltimore, Maryland area to Shore Bancshares, Inc.'s banking subsidiary, Shore United Bank. This divestiture includes approximately \$216.0 million of deposits, \$147.0 million of performing loans and \$40.0 million of cash. The transaction includes a deposit premium of 8.0% and, based on the amounts at the time the agreement was signed, Northwest anticipates recording a gain of approximately \$17.0 million. The sale is expected to close during the second quarter of 2017.