

Fourth quarter ended December 31, 2018

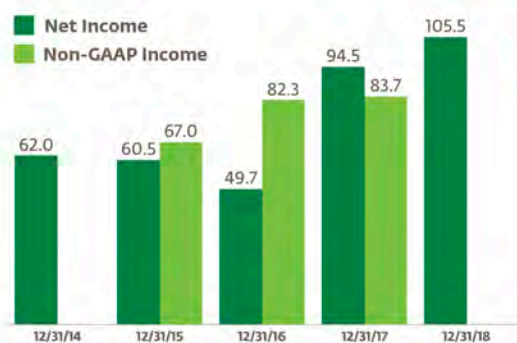
Selected Financial Data

(\$000's, except per share amounts)	12/31/18	12/31/17	% Change
Total Assets	\$9,607,773	\$9,363,934	2.6%
Total Loans (net)	7,996,225	7,736,614	3.4%
Total Deposits	7,894,179	7,826,989	0.9%
Shareholders' Equity	1,257,638	1,207,724	4.1%
Book Value Per Share	12.17	11.79	3.2%
Common Stock Closing Price	16.94	16.73	1.3%

Quarter ended	12/31/18	12/31/17	% Change
Net Interest Income	\$86,831	\$84,240	3.1%
Provision for Loan Losses	3,792	6,525	(41.9)%
Noninterest Income	23,248	22,905	1.5%
Noninterest Expense	72,273	71,896	0.5%
Income Before Taxes	34,014	28,724	18.4%
Income Tax Expense	7,547	6,576	14.8%
Net Income	26,467	22,148	19.5%
Diluted Earnings Per Share	0.26	0.22	18.2%
Return on Average Equity	8.44%	7.31%	-
Return on Average Assets	1.09%	0.94%	-

Year ended	12/31/18	12/31/17	% Change
Net Interest Income	\$338,641	\$330,785	2.4%
Provision for Loan Losses	20,332	19,751	2.9%
Noninterest Income	91,702	110,480	(17.0)%
Noninterest Expense	276,098	285,603	(3.3)%
Income Before Taxes	133,913	135,911	(1.5)%
Income Tax Expense	28,422	41,444	(31.4)%
Net Income	105,491	94,467	11.7%
Diluted Earnings Per Share	1.02	0.92	10.9%
Return on Average Equity	8.61%	7.95%	-
Return on Average Assets	1.11%	0.99%	-

Net Income (in millions of dollars)



Corporate Profile

Northwest Bancshares, Inc. (the "Company") is a 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 162 full-service community-banking locations, 10 free standing drive-through facilities and 277 automated teller machines (ATMs) in Pennsylvania, northeastern Ohio and western New York. The Bank also operates Northwest Insurance Services, which offers employee benefits and property and casualty insurance.



"Highest Customer Satisfaction with Retail Banking in the Mid-Atlantic Region, 6 out of 9 Years."

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 Reported and Quarterly Dividend Increased

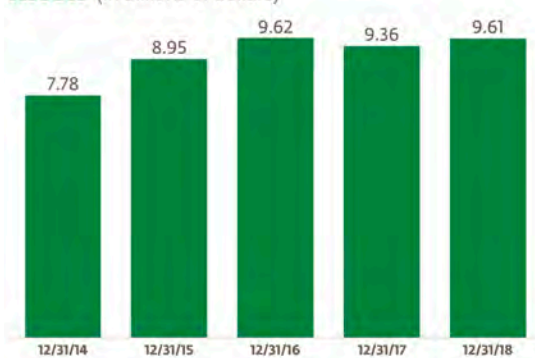
The Company reported net income for the quarter ended December 31, 2018 of \$26.5 million, or \$0.26 per diluted share. This represents an increase of \$4.3 million, or 19.5%, compared to the same quarter last year when net income was \$22.1 million, or \$0.22 per diluted share. The annualized returns on average shareholders' equity and average assets for the quarter ended December 31, 2018 were 8.44% and 1.09% compared to 7.31% and 0.94% for the same quarter last year.

The Company also announced that its Board of Directors declared a quarterly cash dividend of \$0.18 per share payable on February 14, 2019 to shareholders of record as of February 1, 2019. This is a 5.9% increase over the prior quarter and represents the 97th consecutive quarter in which the Company has paid a cash dividend. Based on the market value of the Company's stock as of December 31, 2018, this dividend represents an annualized yield of approximately 4.25%.

In making the announcement, Ronald J. Seiffert, President and CEO, noted, "We are very pleased with both the fourth quarter and annual results from 2018 and are equally excited about our momentum going into 2019. Despite the challenges that we and most of the industry have been facing regarding commercial loan growth and elevated payoff levels, we are pleased that many of these payoffs allowed us to reduce our substandard loans by over \$54 million, or 22.7%. We were still able to grow loans by \$258 million, or 3.3%, during the year because of our diversity and ability to augment our commercial loan growth with both direct and indirect retail lending. Our net interest margin remained flat for the year at a healthy 3.94%, despite four market rate increases and a flattening yield curve. Finally, having now received all regulatory approvals, we look forward to closing the acquisition and conversion of Union Community Bank on the weekend of March 8, 2019 and to welcoming their employees and customers to the Northwest family."

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Assets (in billions of dollars)



Key stock statistics

	12/31/18	12/31/17
Shares Outstanding	103,354,030	102,394,828
Tangible Book Value Per Share	\$9.00	\$8.54
Market Capitalization (in billions)	\$1.75	\$1.71

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 astfinancial.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 astfinancial.com or to obtain an enrollment card by mail, contact American Stock Transfer & Trust Co. at (877) 715-0499 or Northwest at (800) 859-1000.

Online Shareholder Account Access

Direct shareholders can access their account online at astfinancial.com by clicking "Individuals", "Shareholder Central" and following the instructions to retrieve account details, update your shareholder profile, print a duplicate Form 1099 DIV, issue, sell or purchase shares online and much more.

Registrar, Transfer and Dividend Disbursing Agent

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Brooklyn, NY 11219
(800) 937-5449
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northwest.com

President and CEO: Ronald J. Seiffert
Sr. Executive Vice President & CFO: William W. Harvey Jr.
AVP, Shareholder Relations: Ian R. Scott

Earnings Reported and Quarterly Dividend Increased (continued)

Net interest income increased by \$2.6 million, or 3.1%, to \$86.8 million for the quarter ended December 31, 2018, from \$84.2 million for the quarter ended December 31, 2017. This increase is due primarily to a \$5.4 million, or 6.1%, increase in interest income on loans receivable and a \$926,000, or 30.7%, increase in interest income on mortgage-backed securities. These increases were primarily due to increases of \$234.8 million, or 3.0%, and \$38.0 million, or 6.5%, in the average balances of loans and mortgage-backed securities, respectively. Additionally, the average yield on loans and mortgage-backed securities increased by 12 and 47 basis points, respectively, over the prior year.

The provision for loan losses decreased by \$2.7 million, or 41.9%, to \$3.8 million for the quarter ended December 31, 2018, from \$6.5 million for the quarter ended December 31, 2017. This decrease is due primarily to a reduction in loans risk rated as substandard of \$53.7 million, or 22.7%, from \$237.8 million at December 31, 2017 to \$184.1 million at December 31, 2018.

Noninterest income increased by \$343,000, or 1.5%, to \$23.2 million for the quarter ended December 31, 2018, from \$22.9 million for the quarter ended December 31, 2017. Contributing to this increase was a \$658,000 increase in other operating income as a result of fees earned from debit/credit card volume-based incentives and a \$300,000 increase in income from service charges and fees as a result of increased transaction volume. Additionally, the Company realized a gain of \$4,000 on the sale of investments during the quarter ended December 31, 2018 as compared to a loss of \$369,000 a year ago. Partially offsetting these increases was a decrease in income from bank-owned life insurance of \$1.3 million as a result of death benefits received during the prior year.

Noninterest expense increased by \$377,000, or 0.5%, to \$72.3 million for the quarter ended December 31, 2018, from \$71.9 million for the quarter ended December 31, 2017. This increase resulted primarily from a \$1.4 million, or 56.7%, increase in other expense due primarily to an increase in the reserve for unfunded loan commitments. Partially offsetting this increase was a decline in premises and occupancy costs of \$726,000, or 10.0%, and a decline in office operations expense of \$556,000, or 13.9%, primarily as a result of initiatives made during 2017 such as the sale of the Maryland branches, closure of the consumer finance company and divestiture of the retirement services subsidiary, the full benefits of which were recognized in 2018.

Income tax expense increased by \$971,000, or 14.8%, to \$7.5 million for the quarter ended December 31, 2018, from \$6.6 million for the quarter ended December 31, 2017. This increase resulted primarily from an increase in income before taxes of \$5.3 million, or 18.4%, to \$34.0 million for the quarter ended December 31, 2018 from \$28.7 million for the quarter ended December 31, 2017.

Net income for the year ended December 31, 2018 was \$105.5 million, or \$1.02 per diluted share, which represents an increase of \$11.0 million, or 11.7%, compared to the year ended December 31, 2017, when net income was \$94.5 million, or \$0.92 per diluted share. The returns on average shareholders' equity and average assets for the year ended December 31, 2018 were 8.61% and 1.11%, respectively, compared to 7.95% and 0.99% for the same period last year. This increase in net income was the result of an increase in net interest income after provision for loan losses of \$7.3 million, or 2.3%, a decrease in noninterest expense of \$9.5 million, or 3.3%, and a lower effective tax rate as prescribed by the Tax Cuts and Jobs Act.

Corporate Developments

The Company has received all regulatory approvals and non-objections required pursuant to the previously announced Agreement and Plan of Merger (the "Merger Agreement") by and among Donegal Mutual Insurance Company, Donegal Group, Inc., DFSC and the Company, dated June 11, 2018. Pursuant to the Merger Agreement, DFSC will merge with and into the Company, with the Company as the surviving entity. Immediately thereafter, Union Community Bank, the wholly-owned subsidiary of DFSC, will merge with and into Northwest Bank, the wholly-owned subsidiary of the Company, with Northwest Bank as the surviving entity. The merger is anticipated to close on or about March 8, 2019, in conjunction with a data processing conversion of the systems utilized by Union Community Bank to the systems utilized by Northwest Bank.