

# Third quarter ended September 30, 2019

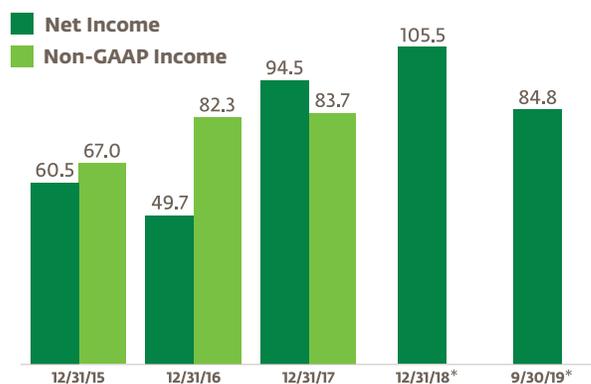
## Selected Financial Data

(\$000's, except per share amounts)	9/30/19	12/31/18	% Change
Total Assets	\$10,580,474	\$9,607,773	10.1%
Total Loans (net)	8,799,158	7,996,225	10.0%
Total Deposits	8,681,500	7,894,179	10.0%
Shareholders' Equity	1,351,770	1,257,638	7.5%
Book Value Per Share	12.67	12.17	4.1%
Common Stock Closing Price	16.39	16.94	(3.2)%

Quarter ended	9/30/19	9/30/18	% Change
Net Interest Income	\$90,936	\$85,817	6.0%
Provision for Loan Losses	3,302	6,982	(52.7)%
Noninterest Income	26,169	22,557	16.0%
Noninterest Expense	70,596	66,617	6.0%
Income Before Taxes	43,207	34,775	24.2%
Income Tax Expense	9,793	7,035	39.2%
Net Income	33,414	27,740	20.5%
Diluted Earnings Per Share	0.31	0.27	14.8%
Return on Average Equity	9.90%	8.93%	97bp
Return on Average Assets	1.25%	1.15%	10bp

Nine months ended	9/30/19	9/30/18	% Change
Net Interest Income	\$271,521	\$251,810	7.8%
Provision for Loan Losses	14,436	16,540	(12.7)%
Noninterest Income	71,194	68,454	4.0%
Noninterest Expense	219,532	203,825	7.7%
Income Before Taxes	108,747	99,899	8.9%
Income Tax Expense	23,906	20,875	14.5%
Net Income	84,841	79,024	7.4%
Diluted Earnings Per Share	0.80	0.76	5.3%
Return on Average Equity	8.65%	8.67%	2bp
Return on Average Assets	1.10%	1.11%	1bp

## Net Income (in millions of dollars)



\*GAAP Net Income and Non-GAAP Net Income are the same

## 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 172 full-service community banking locations, ten free standing drive-through facilities and 217 automated teller machines (ATMs) in Pennsylvania, Ohio and western New York. The Bank also operates Northwest Insurance Services, which offers employee benefits and property and casualty insurance.

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, treasury management, insurance and financial planning services with a personal touch to individuals, businesses and charitable institutions.

## Earnings Reported and Dividend Declared

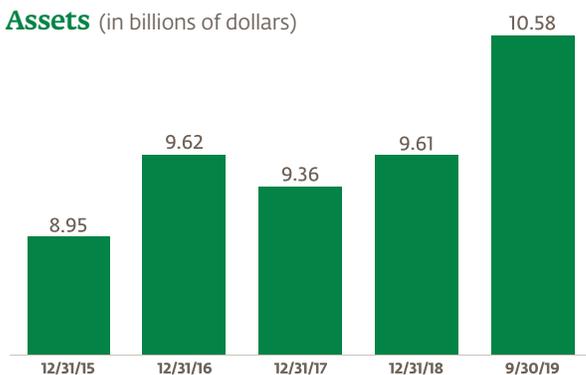
The Company reported net income for the quarter ended September 30, 2019 of \$33.4 million, or \$0.31 per diluted share. This represents an increase of \$5.7 million, or 20.5%, compared to the same quarter last year when net income was \$27.7 million or \$0.27 per diluted share. The annualized returns on average shareholders' equity and average assets for the quarter ended September 30, 2019 were 9.90% and 1.25% compared to 8.93% and 1.15% 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 November 15, 2019 to shareholders of record as of November 1, 2019. This is the 100th consecutive quarter in which the Company has paid a cash dividend. Based on the market value of the Company's stock as of September 30, 2019, this represents an annualized dividend yield of approximately 4.39%.

In making this announcement, Ronald J. Seiffert, Chairman, President and CEO, noted, "We were very pleased with the record earnings that we achieved this quarter despite the continued challenges that we, and the rest of the industry, are experiencing with net interest margin compression as a result of the inverted yield curve. Our annualized loan growth is steady at mid-single digits and diversified among all loan categories. In addition, we are encouraged with the expansion of our mortgage banking capabilities which will continue to enhance core fee income." Mr. Seiffert continued, "As always, we continue to focus on efficiency. We were very pleased with the progress that we made this quarter as almost all expense categories showed improvement over the linked second quarter. As a result, our efficiency ratio for the quarter decreased to 58.8%."

Continued on back

## Assets (in billions of dollars)



### Key stock statistics

	9/30/19	12/31/18
Shares Outstanding (net)	106,658,067	103,354,030
Tangible Book Value Per Share	\$9.23	\$9.00
Market Capitalization (in billions)	\$1.75	\$1.75

## 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](http://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](http://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](http://astfinancial.com) by clicking "Shareholders", "Manage My Account" and "Manage My Shareholder Account" to retrieve account details, update their shareholder profile, print a duplicate Form 1099 DIV, issue, sell or purchase shares online and much more.

## Registrar, Transfer and Dividend Disbursing Agent

American Stock Transfer & Trust Company, LLC  
Operations Center  
6201 15th Avenue, Brooklyn, NY 11219  
(877) 715-0499  
[astfinancial.com](http://astfinancial.com)

## Corporate Headquarters

100 Liberty Street  
P.O. Box 128, Warren, PA 16365  
Phone: (814) 726-2140  
[northwest.com](http://northwest.com)

Chairman, President and CEO: Ronald J. Seiffert  
Senior EVP and CFO: William W. Harvey, Jr.  
AVP, Shareholder Relations: Jacqueline N. Snell

## Earnings Reported and Dividend Declared (continued)

Net interest income increased by \$5.1 million, or 6.0%, to \$90.9 million for the quarter ended September 30, 2019, from \$85.8 million for the quarter ended September 30, 2018, primarily due to a \$10.4 million, or 11.4%, increase in interest income on loans receivable. This increase was primarily due to an increase of \$819.2 million, or 10.3%, in the average balance of loans. Partially offsetting this improvement was an increase in interest expense on deposits of \$5.5 million, or 66.3%, due to recent increases in market interest rates, resulting in an increase in the cost of our interest-bearing liabilities to 0.89% from 0.60%. The net impact of these changes caused the Company's net interest margin to decrease to 3.79% for the quarter ended September 30, 2019 from 3.92% for the same quarter last year.

The provision for loan losses decreased by \$3.7 million, or 52.7%, to \$3.3 million for the quarter ended September 30, 2019, from \$7.0 million for the quarter ended September 30, 2018. The provision was elevated in the prior year due primarily to a \$4.6 million write-down of a land development loan in the third quarter of 2018.

Noninterest income increased by \$3.6 million, or 16.0%, to \$26.2 million for the quarter ended September 30, 2019, from \$22.6 million for the quarter ended September 30, 2018. This increase was due to a \$1.8 million increase in mortgage banking income as a result of expanding our secondary market sales capabilities. In addition, there was a \$696,000, or 38.6%, increase in other operating income from increases in swap income and Visa dividend income, a \$400,000, or 3.0%, increase in service charges and fees as a result of increased customer activity from the Union Community Bank ("UCB") acquisition, and a \$355,000, or 8.3%, increase in trust and other financial services income due to new brokerage production. In addition, we recognized a gain of \$826,000 in the current quarter on the sale of approximately \$50 million of one- to four- family mortgage loans from our portfolio. We chose to sell these loans as they were identified as most likely to refinance due to declining market interest rates and we redeployed the proceeds into shorter duration consumer and commercial loans at an equivalent yield.

Noninterest expense increased by \$4.0 million, or 6.0%, to \$70.6 million for the quarter ended September 30, 2019, from \$66.6 million for the quarter ended September 30, 2018. This increase resulted primarily from a \$3.3 million, or 8.7%, increase in compensation and employee benefits due to both internal growth in compensation and staff as well as the addition of UCB employees. In addition, processing expenses increased by \$1.5 million, or 15.6%, as we continue to invest in technology and infrastructure and refresh our loan origination platforms. Partially offsetting this increase was a decrease in federal deposit insurance premiums of \$1.4 million due to an assessment credit received during the quarter as a result of the deposit insurance fund becoming fully funded.

Net income for the nine-month period ended September 30, 2019 was \$84.8 million, or \$0.80 per diluted share. This represents an increase of \$5.8 million, or 7.4%, compared to the nine-month period ended September 30, 2018, when net income was \$79.0 million, or \$0.76 per diluted share. The annualized returns on average shareholders' equity and average assets for the nine-month period ended September 30, 2019 were 8.65% and 1.10% compared to 8.67% and 1.11% for the same period last year. This increase in net income was the result of an increase in net interest income after provision of \$21.8 million, or 9.3%, which was partially offset by an increase in noninterest expense of \$15.7 million, or 7.7%. Contributing to the additional expense is the added cost of UCB operations, including new marketing costs, additional processing costs associated with our new commercial and residential mortgage platforms as well as increased online banking usage fees, and the acquisition costs associated with the UCB conversion in March 2019.