

Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based **See attachment.**

Blank lines for listing Internal Revenue Code sections and subsections.

18 Can any resulting loss be recognized? **See attachment.**

Blank lines for providing information regarding resulting loss recognition.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year **See attachment.**

Blank lines for providing other information necessary to implement the adjustment.

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here

Signature *William W. Harvey* Date **May 19, 2020**

Print your name **William W. Harvey** Title **SEVP, Chief Financial Officer**

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature <i>Corey Pfeifer</i>	Date	Check <input type="radio"/> if self-employed	PTIN
	Corey Pfeifer		2020.05.19 16:00:20 -04'00'		P01319923
	Firm's name Crowe LLP			Firm's EIN 35-0921680	
	Firm's address 488 Madison Avenue - Floor 3, New York, NY 10022			Phone no. (212) 572-5500	

Northwest Bancshares, Inc.
27-0950358
Attachment to Form 8937

REPORT OF ORGANIZATIONAL ACTIONS AFFECTING BASIS OF SECURITIES

CONSULT YOUR TAX ADVISOR

The information contained herein is being provided pursuant to the requirements of Section 6045B of the Internal Revenue Code of 1986, as amended (the "Code"), and includes a general summary regarding the application of certain U.S. federal income tax laws and regulations relating to the effects on the tax basis of Northwest Bancshares, Inc. ("Northwest") stock received in exchange for MutualFirst Financial, Inc. ("MutualFirst") stock as a result of the merger of MutualFirst with and into Northwest on April 24, 2020 (the "Merger"). The information herein does not constitute tax advice and does not purport to be complete or to describe the consequences that may apply to particular categories of shareholders. Northwest does not provide tax advice to its shareholders. The tax treatment described below may not apply to all shareholders of MutualFirst. You are urged to consult your own tax advisor regarding the particular consequences of the merger to you, including the applicability and effect of all U.S. federal, state and local and foreign tax laws.

Form 8937 Part I, Box 9:

The securities subject to reporting include all shares of Northwest common stock issued in exchange for the outstanding common stock of MutualFirst as a result of the Merger.

Form 8937 Part II, Box 14:

The reportable organizational action, effective April 24, 2020, is the merger of MutualFirst with and into Northwest, with Northwest as the surviving corporation. Pursuant to an agreement and plan of merger by and between Northwest and MutualFirst, dated October 29, 2019, MutualFirst merged with and into Northwest and MutualFirst's wholly owned subsidiary, MutualBank, merged with and into Northwest's wholly owned subsidiary, Northwest Bank.

Under the terms of the merger agreement, each share of common stock of MutualFirst has been converted into 2.4 shares of Northwest's common stock. Cash was paid in lieu of fractional shares at a rate of \$10.71 per whole share.

Form 8937 Part II, Box 15:

The merger of MutualFirst with and into Northwest qualifies as a tax-free reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended (the "code"). As a result, except as discussed below for cash received in lieu of fractional shares, each MutualFirst shareholder will not recognize a taxable gain or loss in connection with the exchange.

Each MutualFirst shareholder is required to determine the tax basis of the shares of Northwest common stock received in the exchange by performing the following calculations separately for each identifiable block of MutualFirst common shares surrendered in the exchange having a common tax basis:

- 1) Begin with the aggregate tax basis of the MutualFirst common shares surrendered in the exchange
- 2) Subtract the tax basis in any fractional shares of Northwest common stock that were deemed to have been received in the exchange and immediately sold (see the treatment of fractional shares described below)

The resulting figure represents the aggregate tax basis of the shares of Northwest common stock received in the exchange for that identifiable block of MutualFirst common shares transferred. The tax basis of each individual share of Northwest common stock within this identifiable block is determined by dividing this aggregate tax basis by the number of Northwest common shares that comprise this identifiable block.

MutualFirst shareholders who receive cash in lieu of a fractional share of Northwest common stock are, for purposes of determining the taxability of that cash, deemed to have received the fractional share in the exchange and then as having sold the fractional share for cash. These MutualFirst shareholders will generally recognize a taxable gain or loss equal to the difference between the tax basis of the MutualFirst common shares deemed to have been exchanged for the fractional share and the amount of cash received.

Form 8937 Part II, Box 16:

Refer to the description of the basis calculation in Part II, Box 15 above. The April 24, 2020 closing price of a single share of Northwest common stock on the NASDAQ Stock Exchange was \$10.33 which was used as the fair market value.

Form 8937 Part II, Box 17:

The merger of MutualFirst with and into Northwest qualifies as a tax-free reorganization within the meaning of Section 368(a) of the Code. Other relevant Internal Revenue Code sections include 354, 356, 358, and 1001.

Form 8937 Part II, Box 18:

No loss can be recognized upon the exchange of MutualFirst common stock for Northwest common stock. If a taxable loss is calculated on the deemed sale of a fractional share of Northwest common stock deemed to have been received in the exchange, this loss can be recognized.

Form 8937 Part II, Box 19:

The Merger was completed on April 24, 2020, therefore the reporting year is the year that includes the April 24, 2020 date. For calendar year taxpayers, this would be a 2020 tax year event.