

First quarter ended March 31, 2020

Selected Financial Data

(\$000's, except per share amounts)	3/31/20	12/31/19	% Change
Total Assets	\$ 10,681,196	\$ 10,493,908	1.8%
Total Loans (net)	8,743,977	8,750,733	(0.1)%
Total Deposits	8,792,735	8,592,007	2.3%
Shareholders' Equity	1,341,972	1,353,285	(0.8)%
Book Value Per Share	12.55	12.66	(0.9)%
Common Stock Closing Price	11.57	16.63	(30.4)%
Quarter ended	3/31/20	3/31/19	% Change
Net Interest Income	\$ 87,228	\$ 87,982	(0.9)%
Provision for Loan Losses	27,637	6,467	327.4%
Noninterest Income	27,976	21,662	29.1%
Noninterest Expense	78,611	71,424	10.1%
Income Before Taxes	8,956	31,753	(71.8)%
Income Tax Expense	1,017	6,709	(84.8)%
Net Income	7,939	25,044	(68.3)%
Diluted Earnings Per Share	0.07	0.24	(70.8)%
Return on Average Equity	2.37%	7.96%	-559 bp
Return on Average Assets	0.30%	1.03%	-73 bp

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 170 full-service community banking locations, eight free standing drive-through facilities, and 215 automated teller machines (ATMs) in Pennsylvania, Ohio, and western New York. The Bank also operates Northwest Insurance Services, which offers employee benefit 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 March 31, 2020 of \$7.9 million, or \$0.07 per diluted share. This represents a decrease of \$17.1 million, or 68.3%, compared to

the same quarter last year when net income was \$25.0 million or \$0.24 per diluted share. The annualized returns on average shareholders' equity and average assets for the quarter ended March 31, 2020 were 2.37% and 0.30% compared to 7.96% and 1.03% for the same quarter last year.

The Company also announced that its Board of Directors declared a quarterly cash dividend of \$0.19 per share payable on May 15, 2020 to shareholders of record as of May 7, 2020. This is the 102nd consecutive quarter in which the Company has paid a cash dividend. Based on the market value of the Company's stock as of March 31, 2020, this represents an annualized dividend yield of approximately 6.57%.

In making this announcement, Ronald J. Seiffert, Chairman, President and CEO, noted, "It goes without saying that we are operating in unprecedented times that were impossible to predict just two months ago. Similar to all individuals and businesses, we are trying to react to the daily challenges driven by the pandemic, the government mandates and the recommendations of healthcare professionals while balancing the needs and expectations of our families, employees, customers, communities and shareholders. To that end, we have taken every measure and precaution to protect our employees while continuing to service our customers. At the same time, we are being very mindful of the fiduciary responsibility that we have to our shareholders."

Employees and Families — First, we have made a commitment to our employees, our most important and valuable asset, that we will continue to provide full pay and benefits throughout this crisis. With the many stressors and distractions that they face on a daily basis, we want our employees to focus on servicing our customers without worrying about their own financial situation.

We have limited our branch service model to drive-through only in order to reduce direct contact between our employees and customers. Our customers may also schedule a meeting within the office through our online/website portal or take advantage of the significant investment that we have made in technology through use of our alternative delivery channels. We have also closed a number of our offices that do not have drive-through capabilities and have reduced the number of employees servicing each office so that their hours can be reduced to accommodate their obligations at home.

In addition to the above, we have provided gloves, masks and protective goggles to our front-line employees and we are currently installing teller shields in all of our offices for added precaution when branches re-open and lobby traffic resumes.

Finally, we have established remote capabilities for our trust, brokerage, insurance, and lending representatives to work from home. Approximately 75% of our back-office and regional headquarter personnel are working virtually as well.

Customers — In order to provide relief to our customers in these unprecedented times, we have provided a number of fee concessions and changes to our lending programs. For example, we have waived minimum deposit balance fees, ATM fees and time deposit early withdrawal fees to ease customer access to their funds. In addition, we have approved almost 4,800 requests for loan payment deferrals representing approximately \$1.0 billion in loan obligations.

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Earnings Reported and Dividend Declared (continued)

Communities and businesses — Through the tireless efforts of our dedicated employees, we quickly established a system and process to accept over 3,600 Payroll Protection Program (PPP) loan applications for \$431 million, of which over 95% were accepted by the SBA. We also stand ready to implement the Main Street loan program once the rules are finalized.

Shareholders — While earnings were greatly impacted in the first quarter due to CECL and the potential impact of COVID-19, we are well positioned to weather this storm. We are addressing this crisis from a position of strength. Our capital position is robust with our common equity tier 1 capital at \$1.113 billion or 13.3%, total delinquencies are low at \$139.9 million, or 1.6% of total loans, and real estate owned balances continue to be at historically low levels at approximately \$1.0 million. Our liquidity position is ample with 10% of our on-balance sheet assets in cash and investments of which 95% of our investments are backed by GSEs. In addition, we have over \$3.0 billion of borrowing capacity with the FHLB of Pittsburgh.

Mr. Seiffert continued, "Despite the adversity caused by COVID-19, our team was able to successfully close and convert the merger with MutualBank. We are so happy to welcome 348 new employees into the Northwest family and look forward to servicing 70,333 more households from our 36 full-service offices in Indiana.

Mr. Seiffert concluded, "I am so very proud of our employees, management team and our Board of Directors who have all risen to the occasion during these extremely challenging times and have stood tall in the face of adversity to service our customers and communities."

Net interest income decreased by \$754,000, or 0.9%, to \$87.2 million for the quarter ended March 31, 2020, from \$88.0 million for the quarter ended March 31, 2019, primarily due to a \$1.3 million, or 12.4%, increase in interest expense on deposits. This increase was primarily due to an increase of \$746.9 million in the average balance of interest-bearing deposits. Partially offsetting this decrease was a \$415,000, or 19.2%, decrease in interest expense on borrowed funds due to a decline in market interest rates when compared to the prior year. The net impact of these changes caused the Company's net interest margin to decrease to 3.66% for the quarter ended March 31, 2020 from 3.97% for the same quarter last year.

The provision for loan losses increased by \$21.2 million, or 327.4%, to \$27.6 million for the quarter ended March 31, 2020, from \$6.5 million for the quarter ended March 31, 2019. During the current quarter, the Company adopted ASU 2016-13, referred to as Current Expected Credit Losses ("CECL"), which requires that all financial assets measured at amortized cost be presented at the net amount expected to be collected inclusive of the entity's current estimate of all lifetime expected credit losses. Due to the adoption of CECL, our allowance for loan losses, reserve for unfunded commitments and equity were negatively impacted by \$10.8 million, \$2.3 million and \$9.6 million, respectively. In addition, the estimated economic impact of COVID-19 caused us to increase our provision expense for the quarter by approximately \$23 million.

Noninterest income increased by \$6.3 million, or 29.1%, to \$28.0 million for the quarter ended March 31, 2020, from \$21.7 million for the quarter ended March 31, 2019. This increase was primarily due to a \$3.1 million, or 25.5%, increase in service charges and fees due to a change in fee structure initiated in the fourth quarter of 2019. We also recognized a gain of \$1.3 million in the current quarter on the sale of approximately \$49.5 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. Also contributing to the increase was an increase in our mortgage banking income of almost \$1.0 million due to continued efforts to expand our secondary market sales

capabilities. In addition, there was an increase in trust and other financial services income of \$806,000, or 19.2%, primarily due to new brokerage production.

Noninterest expense increased by \$7.2 million, or 10.1%, to \$78.6 million for the quarter ended March 31, 2020, from \$71.4 million for the quarter ended March 31, 2019. This increase resulted primarily from a \$4.6 million, or 11.9%, increase in compensation and employee benefits due to both internal growth in compensation and staff as well as the addition of Union Community Bank employees at the beginning of March last year. In addition, acquisition expense increased by \$532,000, or 27.6%, due to expenses incurred to date as a result of the acquisition of MutualFirst Financial, Inc. and processing expenses increased by \$708,000, or 6.8%, as we continue to invest in technology and infrastructure. Partially offsetting this increase was a decrease in federal deposit insurance premiums of \$706,000 due to the usage of the remaining assessment credit received during the quarter as a result of the deposit insurance fund becoming fully funded.

The provision for income taxes decreased by \$5.7 million, or 84.8%, to \$1.0 million for the quarter ended March 31, 2020, from \$6.7 million for the quarter ended March 31, 2019. This decrease was due primarily to the decrease in net income before taxes by \$22.8 million, or 71.8%. In addition, due to the expansion of net operating loss carryback capabilities, a \$764,000 benefit was recognized in order to increase the deferred tax asset associated with carrying back losses acquired through prior mergers to years with higher statutory income tax rates.

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 or (814) 728-7263.

Online Shareholder Account Access

Direct shareholders can access their account online at 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.

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