

**PRESS RELEASE OF NORTHWEST BANCSHARES, INC.**  
**EARNINGS RELEASE**

**FOR IMMEDIATE RELEASE**

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**Northwest Bancshares, Inc. Announces First Quarter 2017 Earnings and Quarterly Dividend**

Warren, Pennsylvania — April 24, 2017

Northwest Bancshares, Inc. (NasdaqGS: NWBI) announced net income for the quarter ended March 31, 2017 of \$17.7 million, or \$0.17 per diluted share. This represents a decrease of \$238,000 compared to the same quarter last year when net income was \$18.0 million or \$0.18 per diluted share. The annualized returns on average shareholders' equity and average assets for the quarter ended March 31, 2017 were 6.15% and 0.75% compared to 6.21% and 0.81% for the same quarter last year.

The Company also announced that its Board of Directors declared a quarterly cash dividend of \$0.16 per share payable on May 18, 2017, to shareholders of record as of May 4, 2017. This is the 90<sup>th</sup> 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, 2017, this represents an annualized dividend yield of approximately 3.8%.

In making this announcement, William J. Wagner, President and CEO, noted, "We were disappointed with the first quarter earnings compared to both the same quarter last year and the fourth quarter of 2016 given the significant improvement we made to shareholder metrics during 2016. While our net interest margin remains near historic highs at 3.75%, and most components of noninterest income continue to grow, the quarter was negatively impacted by a higher provision for loan losses and a decrease in mortgage banking income. Additionally, net interest income was negatively impacted by the fewer number of days in the quarter while operating expenses were elevated due to seasonal issues. Given our current metrics, we recognize the area most in need of improvement is efficiency, which can best be addressed by reducing the ratio of expenses to assets. This challenge will receive considerable focus throughout 2017, as we strive to improve earnings each quarter and achieve our annual target for shareholder return."

Net interest income increased by \$9.0 million, or 12.6%, to \$80.6 million for the quarter ended March 31, 2017, from \$71.6 million for the quarter ended March 31, 2016. This increase is due primarily to a \$6.4 million, or 84.0%, decrease in interest expense on borrowed funds as a result of the payoff of all Federal Home Loan Bank advances during the third quarter of 2016. Also contributing to the increase in net interest income was a \$2.0 million, or 2.4%, increase in interest income on loans receivable due to a \$438.7 million, or 6.1%, increase in average loans receivable from the prior year. The impact of these changes caused the Company's net interest margin to increase to 3.75% for the quarter ended March 31, 2017 from 3.57% for the same quarter last year.

The provision for loan losses increased by \$2.9 million, or 179.3%, to \$4.6 million for the quarter ended March 31, 2017, from \$1.7 million for the quarter ended March 31, 2016. This increase is due primarily to the downgrade of two commercial banking relationships requiring an additional \$1.2 million of combined reserves. Additionally, reserves were increased due to the substantial growth in the indirect auto and commercial business loan portfolios as well as for the planned closure of the Company's consumer finance subsidiary. Overall credit quality remained steady with nonaccrual loans decreasing to \$73.3 million at March 31, 2017 from \$74.2 million at March 31, 2016 and total loan delinquency decreased to \$101.9 million, or 1.35% of total loans outstanding at March 31, 2017 from \$114.0 million, or 1.56% of total loans outstanding at March 31, 2016.

Noninterest income increased by \$2.1 million, or 10.6%, to \$21.5 million for the quarter ended March 31, 2017, from \$19.4 million for the quarter ended March 31, 2016. Contributing to this increase was an increase in service charges and fees of \$1.6 million, or 16.4%, which is attributable to the growth in checking accounts resulting from both recent acquisitions and internal growth initiatives. Additionally, trust and other financial services income increased by \$1.0 million, or 32.0%, due to internal and acquisition related growth. Partially offsetting these improvements was a decrease in income from bank owned life insurance of \$527,000, or 33.0%, due to death benefits received during the first quarter of 2016.



















**Northwest Bancshares, Inc. and Subsidiaries**  
**Average balance sheet (Unaudited)**  
(Dollars in thousands)

The following table sets forth certain information relating to the Company's average balance sheet and reflects the average yield on assets and average cost of liabilities for the periods indicated. Such yields and costs are derived by dividing income or expense by the average balance of assets or liabilities, respectively, for the periods presented. Average balances are calculated using daily averages.

	Quarter ended														
	March 31, 2017			December 31, 2016			September 30, 2016			June 30, 2016			March 31, 2016		
	Average Balance	Interest	Avg. Yield/Cost (h)	Average Balance	Interest	Avg. Yield/Cost (h)	Average Balance	Interest	Avg. Yield/Cost (h)	Average Balance	Interest	Avg. Yield/Cost (h)	Average Balance	Interest	Avg. Yield/Cost (h)
<b>Assets:</b>															
<b>Interest-earning assets:</b>															
Residential mortgage loans	\$ 2,718,904	27,309	4.02%	\$ 2,766,693	28,165	4.07%	\$ 2,739,099	27,952	4.08%	\$ 2,751,601	29,089	4.23%	\$ 2,739,787	29,786	4.35%
Home equity loans	1,332,647	14,201	4.32%	1,346,856	14,442	4.27%	1,192,929	12,884	4.30%	1,163,900	12,701	4.39%	1,177,406	12,642	4.32%
Consumer loans	627,288	9,701	6.27%	620,294	10,083	6.47%	554,954	8,931	6.40%	522,745	8,697	6.69%	510,091	8,219	6.48%
Commercial real estate loans	2,456,070	26,562	4.33%	2,467,569	27,863	4.42%	2,394,001	26,683	4.36%	2,356,994	26,691	4.48%	2,349,748	25,993	4.38%
Commercial loans	522,847	5,515	4.22%	527,330	5,682	4.27%	476,715	5,193	4.26%	461,808	4,902	4.20%	441,977	4,723	4.23%
Total loans receivable (a) (b) (d)	7,657,756	83,288	4.41%	7,728,742	86,235	4.44%	7,357,698	81,643	4.41%	7,257,048	82,080	4.55%	7,219,009	81,363	4.53%
Mortgage-backed securities (c)	471,674	2,222	1.88%	482,707	2,166	1.79%	440,966	2,030	1.84%	458,398	2,115	1.85%	488,294	2,229	1.83%
Investment securities (c) (d)	377,819	1,881	1.99%	401,602	1,950	1.94%	275,718	1,667	2.42%	313,647	1,844	2.35%	387,460	2,151	2.22%
FHLB stock	7,305	59	3.28%	7,575	285	4.54%	27,761	218	3.12%	33,302	401	4.84%	37,098	467	5.06%
Other interest-earning deposits	294,391	660	0.90%	325,889	300	0.36%	91,243	114	0.49%	63,950	70	0.43%	43,578	59	0.54%
Total interest-earning assets	8,808,945	88,110	4.06%	8,946,515	90,936	4.04%	8,193,386	85,672	4.16%	8,126,345	86,510	4.28%	8,175,439	86,269	4.24%
Noninterest earning assets (e)	799,569			677,888			835,500			755,713			735,562		
Total assets	\$ 9,608,514			\$ 9,624,403			\$ 9,028,886			\$ 8,882,058			\$ 8,911,001		
<b>Liabilities and shareholders' equity:</b>															
<b>Interest-bearing liabilities:</b>															
Savings deposits	\$ 1,702,528	755	0.18%	\$ 1,668,492	771	0.18%	\$ 1,485,763	744	0.20%	\$ 1,440,886	837	0.23%	\$ 1,405,800	865	0.25%
Interest-bearing demand deposits	1,422,284	116	0.03%	1,431,671	85	0.02%	1,179,557	78	0.03%	1,130,122	144	0.05%	1,093,839	156	0.06%
Money market deposit accounts	1,879,292	1,074	0.23%	1,890,220	1,101	0.23%	1,418,779	826	0.23%	1,294,381	829	0.26%	1,288,535	865	0.27%
Time deposits	1,573,574	3,520	0.91%	1,643,785	3,902	0.94%	1,597,542	4,005	1.00%	1,616,260	4,055	1.01%	1,664,322	4,202	1.02%
Borrowed funds (f)	136,872	58	0.17%	143,540	61	0.17%	560,407	657	0.47%	772,225	3,017	1.57%	899,439	6,539	2.92%
Junior subordinated debentures	111,213	1,167	4.20%	111,213	1,171	4.12%	111,213	1,144	4.03%	111,213	1,126	4.01%	111,213	1,119	3.98%
Total interest-bearing liabilities	6,825,763	6,690	0.40%	6,888,921	7,091	0.41%	6,353,261	7,454	0.47%	6,365,087	10,008	0.63%	6,463,148	13,746	0.86%
Noninterest-bearing demand deposits (g)	1,506,268			1,493,528			1,243,474			1,184,786			1,161,151		
Noninterest bearing liabilities	106,578			77,827			276,014			177,300			122,667		
Total liabilities	8,438,609			8,460,276			7,872,749			7,727,173			7,746,966		
Shareholders' equity	1,169,905			1,164,127			1,156,137			1,154,885			1,164,035		
Total liabilities and shareholders' equity	\$ 9,608,514			\$ 9,624,403			\$ 9,028,886			\$ 8,882,058			\$ 8,911,001		
Net interest income/ Interest rate spread		81,420	3.66%		83,845	3.63%		78,218	3.69%		76,502	3.65%		72,523	3.38%
Net interest-earning assets/ Net interest margin	\$ 1,983,182		3.75%	\$ 2,057,594		3.75%	\$ 1,840,125		3.82%	\$ 1,761,258		3.77%	\$ 1,712,291		3.57%
Ratio of interest-earning assets to interest-bearing liabilities	1.29X			1.30X			1.29X			1.28X			1.26X		

(a) Average gross loans receivable includes loans held as available-for-sale and loans placed on nonaccrual status.

(b) Interest income includes accretion/ amortization of deferred loan fees/ expenses, which was not material.

(c) Average balances do not include the effect of unrealized gains or losses on securities held as available-for-sale.

(d) Interest income on tax-free investment securities and tax-free loans are presented on a fully taxable equivalent basis.

(e) Average balances include the effect of unrealized gains or losses on securities held as available-for-sale.

(f) Average balances include FHLB borrowings and collateralized borrowings.

(g) Average cost of deposits were 0.27%, 0.29%, 0.32%, 0.35% and 0.37%, respectively.

(h) Shown on a FTE basis. GAAP basis yields for the periods indicated were: Loans - 4.38%, 4.41%, 4.38%, 4.52% and 4.50%, respectively, Investment securities - 1.67%, 1.61%, 1.89%, 1.87% and 1.82%, respectively, Interest-earning assets - 4.02%, 4.00%, 4.11%, 4.23% and 4.20%, respectively. GAAP basis net interest rate spreads were 3.62%, 3.59%, 3.65%, 3.60% and 3.34%, respectively, and GAAP basis net interest margins were 3.71%, 3.71%, 3.77%, 3.72% and 3.55%, respectively.