



2014 Summary Annual Report





“Highest Customer Satisfaction  
with Retail Banking in  
the Mid-Atlantic Region.”



Bank Honor Roll  
KEEFE, BRUYETTE & WOODS  
2013 • 2014



Northwest Savings Bank received the highest numerical score among retail banks in the Mid-Atlantic region in the proprietary J.D. Power 2014 Retail Banking Satisfaction Study<sup>SM</sup>. Study based on 80,445 total responses measuring 31 providers in the Mid-Atlantic region (DE, MD, NJ, NY, PA, VA & Wash., D.C.) and measures opinions of consumers with their primary banking provider. Proprietary study results are based on experiences and perceptions of consumers surveyed January 2014. Your experiences may vary. Visit [jdpower.com](http://jdpower.com). ©2014, Forbes Media LLC. Used with permission.

---

# Building loyalty, trust and value among our employees, customers, communities and shareholders

## Message to Shareholders

The Board of Directors, officers and employees of Northwest Bancshares, Inc. are pleased to report on our company's operations for the year ended December 31, 2014. We believe we continued to make great progress in our evolution as a full-service financial institution this past year, while achieving consistent core earnings and providing significant value to our shareholders and customers. Most notably, we continued to effectively deploy excess capital, greatly enhanced our delivery channels, announced a significant bank acquisition as well as the acquisition of two fee-based businesses and restructured our management team to be better aligned to address the strategic initiatives of our company.



# Message to Shareholders

## Annual Earnings and Operating Results

Earnings for the year ended December 31, 2014 decreased by \$4.6 million, or 6.9%, to \$62.0 million from \$66.6 million the previous year. This decrease resulted primarily from a \$4.5 million, or 1.8%, decrease in net interest income; a \$1.8 million, or 9.7%, increase in the provision for loan losses and an \$8.4 million, or 4.0%, increase in noninterest expense. The decrease in net interest income resulted from the continuation of the low interest rate environment, which caused the yield on our loan portfolio to drop more than the cost of our deposits and borrowings. The increase in the provision for loan losses resulted primarily from the weather-related deterioration of a large commercial credit. The increase in noninterest expense resulted primarily from normal increases in compensation expense, the payment of termination benefits relating to our corporate reorganization, additional marketing expense relating primarily to checking account and retail loan campaigns and higher processing expense and professional services relating to the strengthening of our compliance management systems.

Partially offsetting these decreases to income was an increase in noninterest income of \$5.7 million,

or 8.6%, relating primarily to a \$3.0 million, or 32.5%, increase in trust and other financial services income. This increase in trust and other financial services income was primarily due to the January 1, 2014 acquisition of Evans Capital Management, a wealth management and insurance brokerage company. Our progress in further developing and growing our fee producing products and services elevated noninterest income to 0.93% of assets in 2014, within reach of our long-standing goal of 1%.

The annualized returns on average shareholders' equity and average assets were 5.69% and 0.79% respectively for 2014, compared to 5.87% and 0.84% the previous year. These returns do not meet our internal expectations and we recognize that our company must work diligently to improve net interest margin, maintain strong asset quality, increase noninterest income and control operating expense. The last five years have been a period of great change for our company as we struggled with the turmoil of the economic crisis, the aggressive expansion of our risk management and compliance functions and the upgrade of our delivery and administrative platforms with a focus on positioning Northwest for the future. With a significant portion of those costs now absorbed, we feel we are well-positioned to improve earnings

and meet the expectations of a \$10 billion financial services company.

## Shareholder Value and Capital Deployment

The market value of our common stock decreased from \$14.78 to \$12.53, or 15.2%, during 2014 following a 21.7% increase in the previous year. Most of this decrease relates to the payment of two special dividends of \$.10 and \$1.00, respectively. These payments represented an approximate dividend yield of 8.5%, and were made to return excess capital to our shareholders at a time when it could not be used more effectively to support organic growth or the acquisition of other banks. Also impacting the price of our shares was the lackluster performance of the banking sector in general, as bank stocks fell out of favor and the NASDAQ Bank Index increased only 2.84% during 2014.

In addition to the aforementioned special dividends, we paid four regular quarterly dividends of \$.13 for total payments of \$.52 in 2014, thereby providing Northwest's shareholders with an annual regular dividend yield of approximately 4%. Combined with the special dividends, the total dividend yield for our shareholders in 2014 was approximately 12.5%.

The total dividend yield for our shareholders in 2014 was approximately 12.5%.

In the fourth quarter of 2014, when our shares decreased in market value along with the rest of the banking industry, we resumed our stock buyback activity and repurchased 424,000 shares at an average price of \$12.45. We continue to view stock buybacks as a viable alternative for returning capital to our shareholders and enhancing shareholder value.

### Enhancing Delivery Channels, Customer Convenience and Customer Security

We were pleased to make significant enhancements to our customer offering in 2014, which we believe added convenience while providing opportunities to increase efficiency and reduce operating expenses. Most significantly, we launched our mobile deposit platform in July, thereby offering our customers the ability to deposit checks to their Northwest accounts utilizing their smart phones. This technology has been widely accepted by customers and is projected to be a transformational offering for the banking industry. We also began offering a “live chat” feature at our call center which gives live access to a customer service representative through our website. In addition, we upgraded our self-service voice response telephone system to provide a state of the art customer

experience. Although not new in 2014, our second year of offering full-service ATMs demonstrated increased customer preference for this channel, as 13% of all deposits are now made using our automatic machines.

Northwest has a tradition of being an active originator of residential mortgage and home equity loans in all of the markets we serve. We recognize that home ownership plays a significant role in fulfilling the American dream. Home mortgages also represent a significant portion of our loan portfolio and provide substantial interest and fee income. Given the importance of this product, we launched a major initiative during 2014 to evaluate our process for soliciting and originating these loans, with a focus on realizing greater efficiency and enhancing customer satisfaction. In addition, we strive to be a highly-respected partner with the builders, realtors, appraisers and attorneys who are involved with the mortgage process. With these goals in mind, we developed a new model for mortgage lending that offers both a centralized, virtual approach or a local, high-touch approach to allow our customers to be served as they choose. This model has been implemented over the past few months with great enthusiasm, and we are optimistic regarding future success in this area.

### Corporate Restructuring

During our most recent strategic planning sessions, the Board of Directors and management team concluded that the two issues most critical to our long-term success are the execution of an advanced business development process and the achievement of a higher level of efficiency in all facets of our operations. With these two critical issues in mind, our management team formed a task force to analyze our management structure and develop an organizational approach that would best capitalize on these initiatives.

Following months of thoughtful research and deliberation, the task force recommended to the Board that our company be organized into three distinct divisions: Production and Revenue; Technology, Operations, Finance and Support; and Risk Management. It was our belief that this structure would greatly eliminate silos within the company, streamline decision making and better position Northwest to address the challenges of a rapidly-changing financial industry. It was further determined that the first two of these divisions should be led by two seasoned and proven Northwest veterans. With that, Steven Fisher was promoted to Senior Executive Vice President and

# Message to Shareholders

Chief Revenue Officer and William Harvey was promoted to Senior Executive Vice President and Chief Financial Officer. It was further decided that the third division, Risk Management, should continue to be led by the company's Chief Executive Officer, William Wagner.

Although in its infancy, this new structure has already provided great value in terms of recognizing areas of weakness, addressing operating inefficiencies and promoting change in how we do business. We are optimistic that this new model will assist in our efforts to improve profitability and enhance shareholder value.

## Meeting Regulatory Expectations

We continued to make great progress in 2014 with our efforts to strengthen our compliance management system as well as our capabilities in addressing the requirements of the Bank Secrecy Act. In this regard, we added additional compliance personnel during 2014 and now feel that we have sufficient staffing to fulfill our mission. In the area of Bank Secrecy, we completed the full implementation of new investigative software and increased our staffing to a level that is sufficient to perform the necessary follow-up procedures on system-generated alerts. The

additional capacity we have added to these areas has come at great expense, but we now believe Northwest possesses an enhanced compliance management and BSA system that meets the requirements of a \$10 billion bank.

## Protecting Our Customers

Customer concern is a Northwest tradition, and we worked diligently this past year to protect our customers from the rash of fraudulent transactions and stolen identity issues that are plaguing the world's financial systems. Specifically, we offered our online banking customers, free of charge, a software solution for their computers that will help protect them from fraudulent attacks. We also added enhanced security technologies to our operating systems and introduced enhanced customer cyber security awareness education and training.

You most likely read several media reports during the past year regarding significant data breaches by non-bank retailers. Because Northwest's customers had conducted transactions with these retailers, they became at risk for identity theft and fraudulent transactions. Northwest acted quickly and aggressively in such situations to protect our customers from harm. Unfortunately, the costs incurred for mitigation as well as the reimbursement

of customer losses were absorbed by Northwest, even though we shared no responsibility for the breach.

Looking ahead to 2015, we are developing a plan to replace our existing debit and credit cards with a new type of card that utilizes EMV-chip technology. This type of card has been used successfully in Europe and has greatly reduced the incidence of identity theft and data breaches. Although this will be an expensive replacement, we anticipate the cost will be recovered through future reductions in losses from fraud.

## Proposed Acquisition of LNB Bancorp, Inc. and Lorain National Bank

On December 15, 2014, Northwest returned to the bank mergers and acquisitions market, after a six year absence, with the announcement of the proposed acquisition of LNB Bancorp, Inc. and its subsidiary, Lorain National Bank. Lorain National Bank is a \$1.2 billion community bank based in Lorain, Ohio with 20 banking offices in the greater Cleveland market. We had looked at a number of potential bank acquisitions over the past few years, but were unable to find an opportunity that was attractive from the standpoint of both shareholder and franchise value. We believe LNB presents such an opportunity.

Lorain National Bank's market, with a concentration of offices west of Cleveland in Lorain County, has demographics similar to the geographic areas where Northwest has excelled. Additionally, having a significant presence in the Cleveland market greatly enhances our existing metropolitan franchises in Pittsburgh, Erie, Buffalo, Rochester and Baltimore, and widens Northwest's reach in the pursuit of organic growth and in-market acquisitions.

LNB's office network is stronger than we typically see, with average deposits per branch exceeding \$52 million and a solid base of core deposits and checking accounts. Their loan portfolio is well-diversified, with a significant portion of consumer loans, that complements Northwest's concentration of residential mortgages. We were also impressed by the quality of LNB's personnel, who we believe will embrace the Northwest culture.

For these reasons, we actively pursued this merger in what proved to be a highly-competitive process. The pricing of the transaction was comparable to recent deals of similar size, and at a level that we believe is attractive for Northwest's shareholders.

Most importantly, we are acquiring a bank and a base of customers that will greatly enhance Northwest's earnings and franchise value in the years ahead. Completion of the merger is subject to approval by the FDIC, the Federal Reserve Bank of Cleveland, the Pennsylvania Department of Banking and the Securities and Exchange Commission, as well as the shareholders of LNB Bancorp, Inc. If approved, we anticipate closing the merger in the third quarter of 2015.

### Recognition

For the fourth time in five years, Northwest was recognized by J.D. Power as the bank with the "Highest Customer Satisfaction with Retail Banking in the Mid-Atlantic Region." We also were recognized for the third time by Forbes for trustworthiness as a public company in being named to their list of "America's 50 Most Trustworthy Financial Institutions." Given the vision and values propositions of our company, we are proud to receive recognition for providing a quality customer experience and an exceptional level of transparency and honesty in our financial reporting.

### Conclusion

Although we are disappointed to report core earnings that were lower than the previous year's historical record, we are pleased with the significant progress our company made in 2014. Given this progress, we believe Northwest is well-positioned for sustained growth and increased profitability in the years ahead. The keys to our success in that endeavor will be to achieve acceptable levels of loan growth; to continue to increase the income earned from fee-producing products and services; to acquire other banks, wealth management companies and insurance agencies that offer both franchise and shareholder value; and to aggressively control operating expense.

Our staff is eager to address the challenges of the future and we embrace the opportunity to improve our company and enhance shareholder value. On behalf of the Board of Directors and the entire staff of Northwest Bancshares, Inc., I extend our gratitude for your continued support and confidence in our company.

Sincerely,

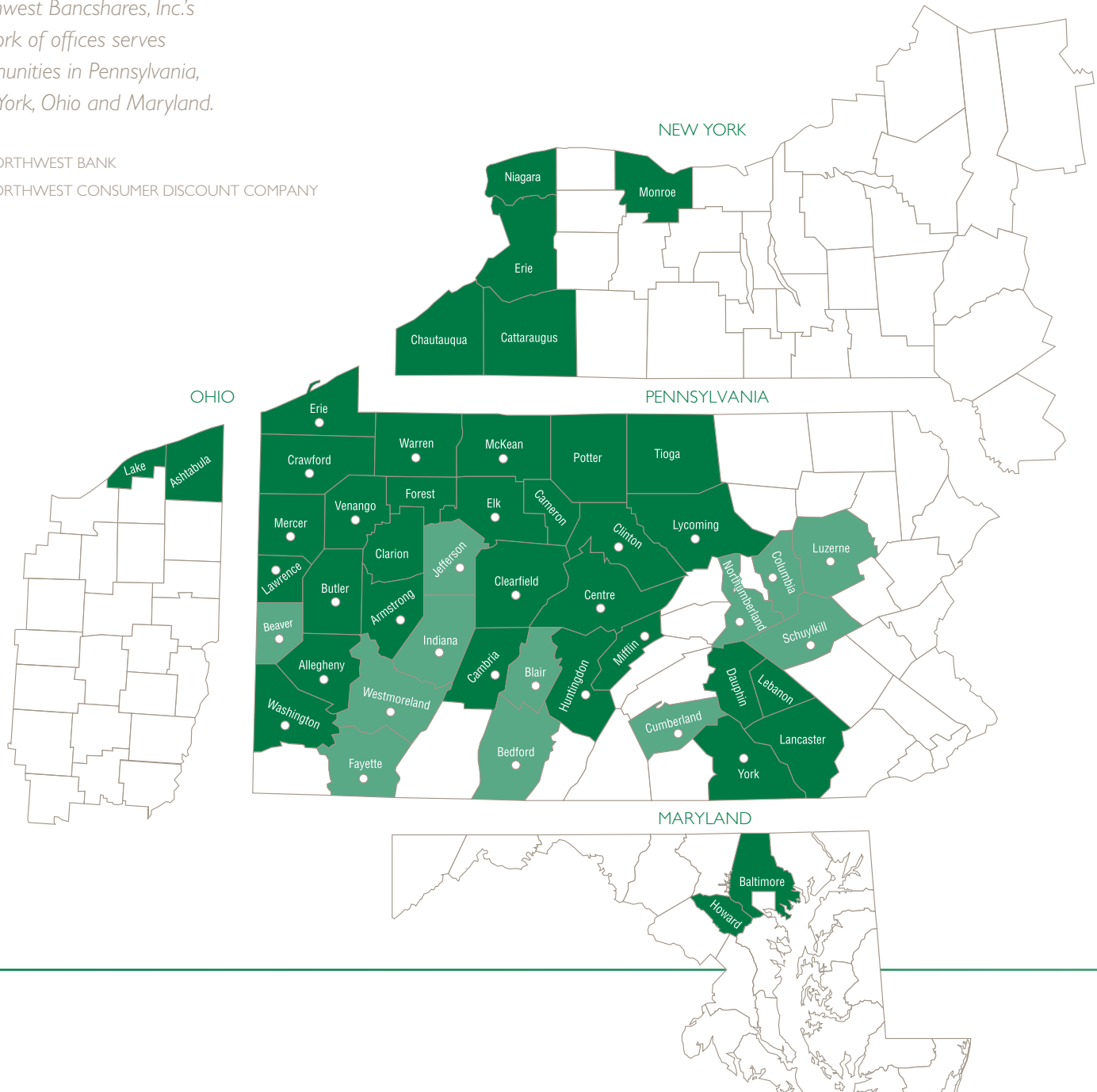


William J. Wagner  
Chairman, President and CEO

# Market Coverage

Northwest Bancshares, Inc.'s network of offices serves communities in Pennsylvania, New York, Ohio and Maryland.

- NORTHWEST BANK
- NORTHWEST CONSUMER DISCOUNT COMPANY





# Financial Highlights

## NORTHWEST BANCSHARES, INC. AND SUBSIDIARIES

*in thousands, except per share and other data*

<b>AT YEAR END DECEMBER 31,</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>
Total assets	\$7,775,033	\$7,879,859	\$7,942,600
Loans receivable, net	\$5,922,373	\$5,734,943	\$5,629,261
Deposits	\$5,632,542	\$5,668,879	\$5,764,600
Shareholders' equity	\$1,062,647	\$1,155,185	\$1,128,469
Book value per share	\$11.22	\$12.26	\$12.05
Closing market price per share	\$12.53	\$14.78	\$12.14
<b>FOR THE YEAR ENDED DECEMBER 31,</b>			
Net interest income	\$247,031	\$251,564	\$262,543
Net income	\$61,962	\$66,559	\$63,389
Diluted earnings per share	\$0.67	\$0.73	\$0.67
Dividends per share	\$1.62	\$0.50	\$0.60
<b>KEY FINANCIAL RATIOS FOR THE YEAR ENDED DECEMBER 31,</b>			
Return on average shareholders' equity	5.69%	5.87%	5.48%
Return on average assets	0.79%	0.84%	0.79%
Tangible common equity	11.64%	12.70%	12.24%
Average interest rate spread	3.27%	3.31%	3.40%
Nonperforming assets to total assets at end of period	1.25%	1.60%	1.86%
Net charge-offs as a percentage of average loans outstanding	0.35%	0.36%	0.43%
Allowance for loan losses to nonperforming loans at end of period	84.35%	66.12%	60.06%
Allowance for loan losses as a percentage of loans receivable	1.13%	1.23%	1.28%
<b>OTHER DATA AT DECEMBER 31,</b>			
<i>Number of:</i>			
Community banking locations	162	165	165
Consumer finance offices	51	50	52
Full time equivalent employees	2,042	2,043	2,042
Registered shareholders <sup>(1)</sup>	13,756	13,994	14,486

<sup>(1)</sup> Excludes shareholders who own their stock in "street name."

# Growth & Performance

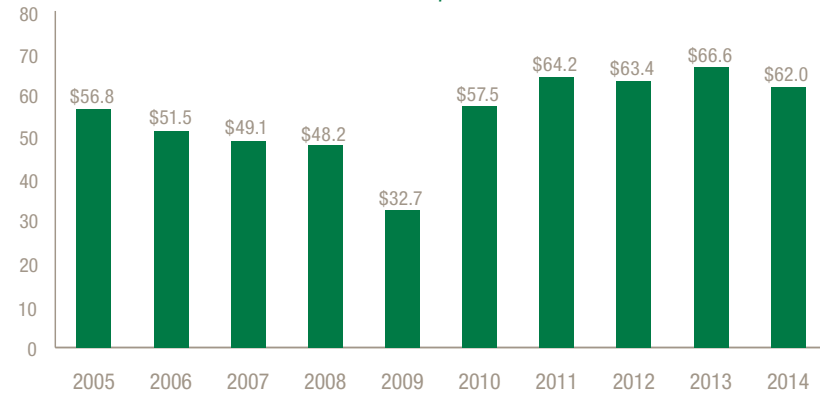
Northwest has maintained a steady balance sheet...

**ASSETS**  
in billions of dollars



while increasing income during a period of economic challenge...

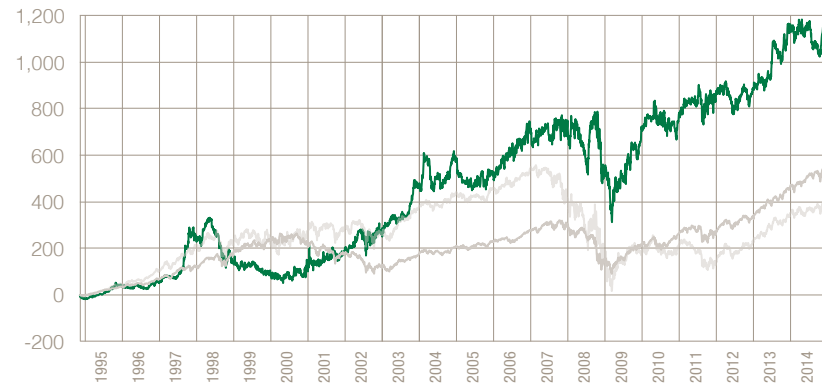
**ANNUAL NET INCOME**  
in millions of dollars



while providing our shareholders with a substantiated return on their investment

- **NWBI (+1,092.65%)**
- S&P 500 (+552.26%)
- SNL U.S. Bank (+407.05%)

**STOCK PRICE PERFORMANCE SINCE IPO**  
in total return %



# Corporate Profile

## NORTHWEST BANCSHARES, INC.

is a savings and loan holding company that owns and operates Northwest Bank, a Pennsylvania-chartered savings bank headquartered in Warren, Pennsylvania.

As of December 31, 2014, we held assets of \$7.78 billion and operated 162 community banking locations and 267 Automated Teller Machines (ATMs) throughout our markets in central, eastern and western Pennsylvania, western New York, eastern Ohio and Maryland.

Our primary business involves gathering funds from deposits and borrowings and investing those funds in loans and investment securities.

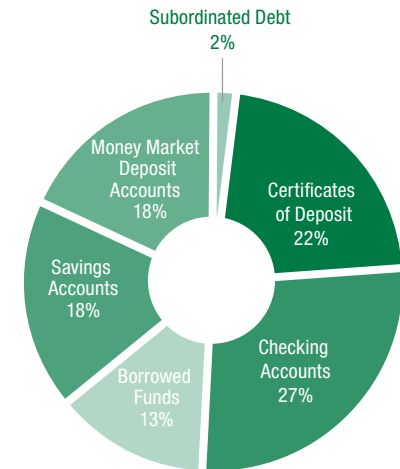
For 118 years, we have served our communities with an ever-expanding array of banking and investment products that meet the needs of both business and personal customers.

Our Business Solutions offering includes commercial loans, business deposit accounts, cash management services, employee benefits and property and casualty insurance featuring personal attention and local decision making.

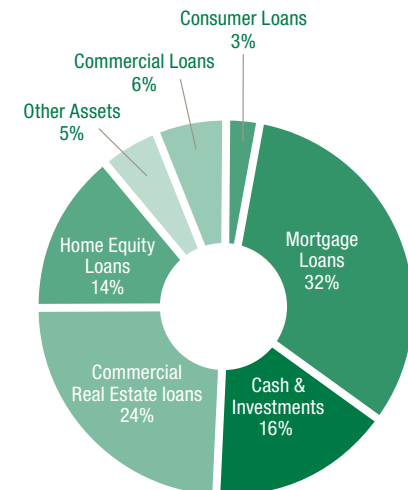
Our Personal Banking offering includes mortgage, home equity and consumer loans, and checking and other deposit products with a personal touch and a complete menu of delivery channels. We also provide comprehensive brokerage, trust and investment management services and personal insurance products to meet all of our customers' financial needs.

We also operate Northwest Consumer Discount Company, a consumer finance company that specializes in helping customers meet their consumer credit needs. As of December 31, 2014, Northwest Consumer had loans outstanding of \$104.2 million at 51 offices across Pennsylvania.

SOURCES OF FUNDS



INVESTMENT OF FUNDS





POSITIONED TO BE A PREMIER PROVIDER OF A FULL LINE OF FINANCIAL PRODUCTS AND SERVICES IN ALL OF OUR MARKETS, WE HAVE DEMONSTRATED SIGNIFICANT SUCCESS IN DELIVERING:

- **BUSINESS SOLUTIONS** including business loans and deposit services, retirement services, employee benefits and property and casualty insurance.
- **PERSONAL BANKING** products and services including checking and savings accounts, loans, investment management and insurance.

**NORTHWEST'S GOAL IS TO PROVIDE A FULL LINE OF FINANCIAL SOLUTIONS TO BUSINESSES THROUGH PRODUCTS AND SERVICES THAT ARE COMPETITIVELY PRICED AND OF THE HIGHEST QUALITY.**

We develop lasting relationships by providing personal attention and tailoring our products and services to suit the needs of our clients.

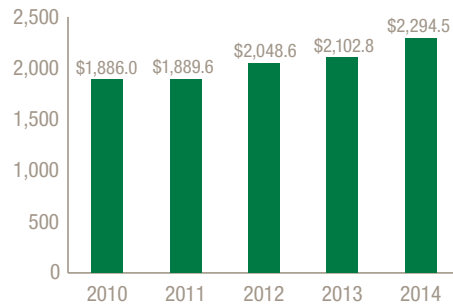
- Business Checking
- Business Online Banking and Bill Pay
- IBM® Security Trusteer Rapport™
- Business Mobile Banking
- Merchant Services
- Express Deposit (Remote Capture)
- Business Credit Cards
- Commercial Lending
- Small Business Loans
- Investment Management Services
- Retirement Plans
- Employee Benefits
- Insurance



LOANS

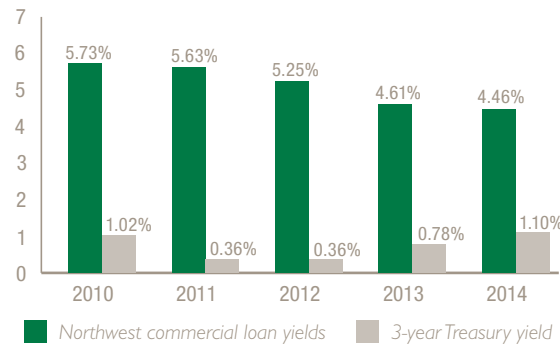
Northwest's commercial loans have grown substantially over the past five years...

**COMMERCIAL LOANS**  
in millions of dollars



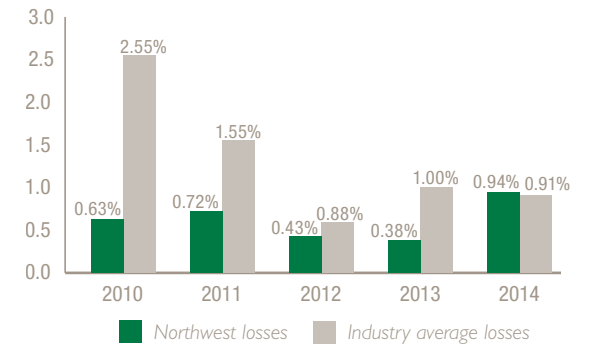
while yields have remained at attractive levels despite the low interest rate environment...

**COMMERCIAL LOAN YIELDS VS. 3-YEAR TREASURY YIELD AT DECEMBER 31**



and loan losses have historically been lower than the industry average.

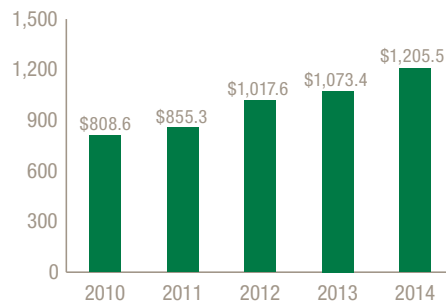
**LOAN LOSSES VS. INDUSTRY AVERAGE LOSSES**  
as a % of loans



DEPOSITS

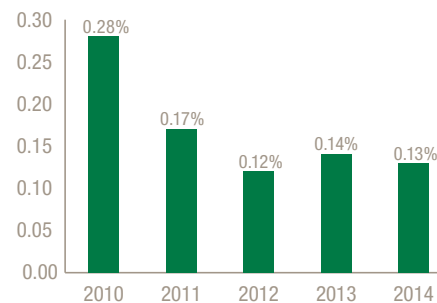
Balances of business deposits have also increased substantially over the past five years...

**BUSINESS DEPOSIT BALANCES**  
in millions of dollars

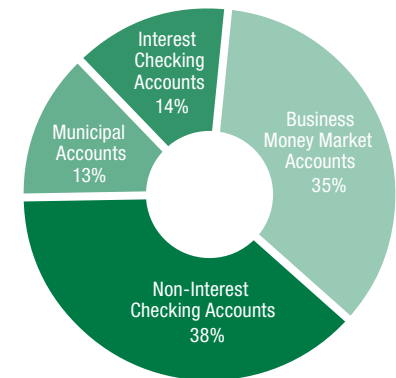


while the average cost of such deposits has decreased and remains very low.

**COST OF BUSINESS DEPOSITS**



Northwest's mix of business deposits is diversified due to our focus on meeting the needs of all types of businesses.



# Business Solutions

## RETIREMENT, INSURANCE AND INVESTMENT SERVICES

Northwest has increased assets under administration and management in recent years...

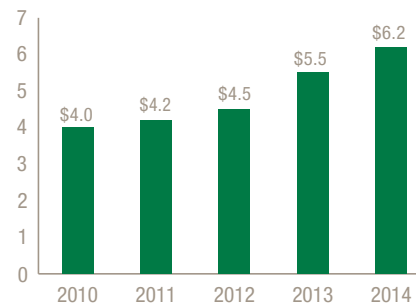
which has driven an increase in fee income from these business lines.

Northwest's new insurance lines have also provided a significant boost to fee income.

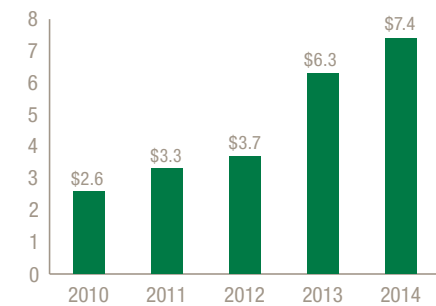
**ASSETS UNDER MANAGEMENT**  
in millions of dollars



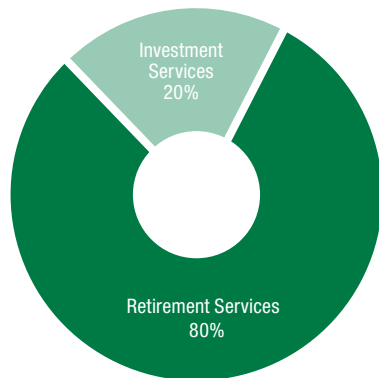
**RETIREMENT AND INVESTMENT SERVICES REVENUE**  
in millions of dollars



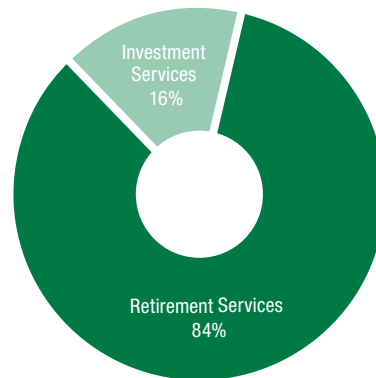
**INSURANCE REVENUE**  
in millions of dollars



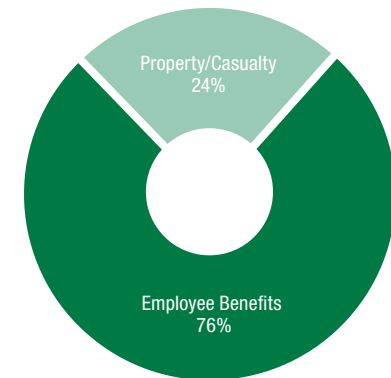
**ASSET MIX**  
as a % of total assets



**RETIREMENT AND INVESTMENT SERVICES REVENUE**  
as a % of total revenue



**INSURANCE REVENUE**  
as a % of total insurance revenue





**OUR GOAL IS TO DELIVER THE HIGHEST QUALITY PERSONAL BANKING PRODUCTS AND SERVICES WITH MAXIMUM CONVENIENCE AND COMPETITIVE PRICING.**

Northwest offers a comprehensive array of financial tools to suit the way our customers live, work and play.

- Checking, Savings and CDs
- Online Banking and Bill Pay
- IBM® Security Trusteer Rapport™
- eStatements<sup>PLUS</sup>
- Mobile Banking with Mobile Deposit
- Northwest Visa® Check Card with GO! Rewards
- AuToMatic Deposit ATMs
- 55,000 free ATMs through the Freedom ATM Alliance® and Allpoint® networks
- Credit Cards
- Mortgage and Home Equity Loans and Lines of Credit
- Consumer Loans and Lines of Credit



# Personal Banking

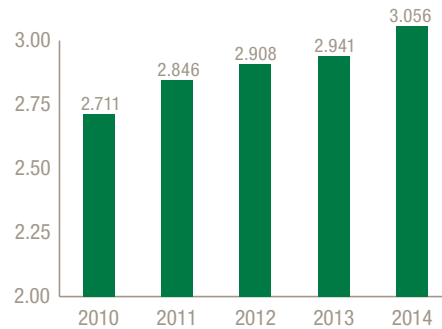
## DEEPENING RELATIONSHIPS

*Our strategy of increasing the number of services per household...*

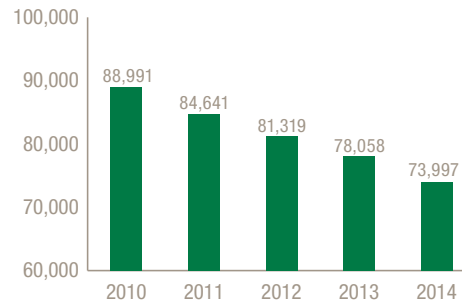
*and decreasing the number of single service households...*

*creates meaningful customer relationships, reduces attrition and improves operating performance.*

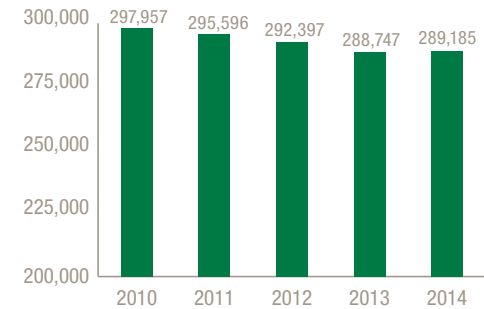
**SERVICES PER HOUSEHOLD**



**# OF SINGLE SERVICE HOUSEHOLDS**



**# OF HOUSEHOLDS**



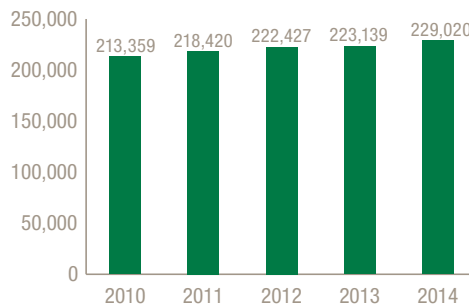
## INCREASING CHECKING BALANCES

*Northwest has had great success in recent years in procuring new checking accounts...*

*while checking account balances have also increased significantly...*

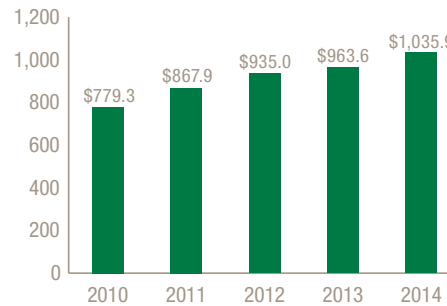
*and provided significant levels of checking-related fee income.*

**# OF CHECKING ACCOUNTS**



**CHECKING ACCOUNT BALANCES**

*in millions of dollars*



**CHECKING ACCOUNT FEES**

*in millions of dollars*

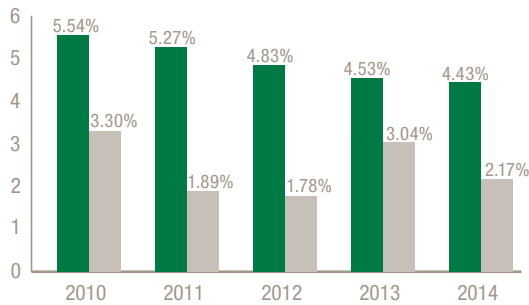


**REMAINING A PREFERRED PROVIDER OF CONSUMER CREDIT**

The mortgage and home equity portfolios have provided an attractive and stable yield during a period of low interest rates while losses remain relatively low due to our conservative lending practices and low average balances.

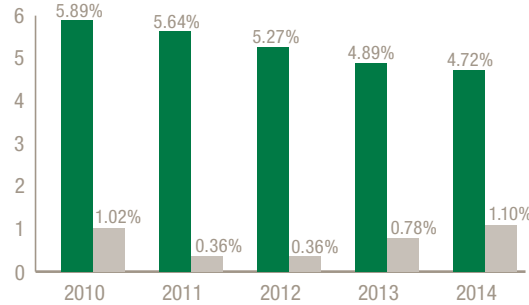
**MORTGAGE PORTFOLIO YIELD VS. 10-YEAR TREASURY YIELD AT DECEMBER 31**

■ Mortgage yield ■ 10-year Treasury yield

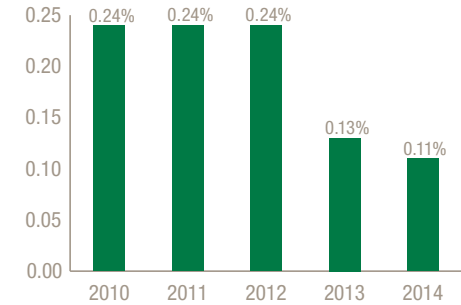


**HOME EQUITY PORTFOLIO YIELD VS. 3-YEAR TREASURY YIELD AT DECEMBER 31**

■ Yield on home equity loans ■ 3-year Treasury yield



**MORTGAGE & HOME EQUITY LOANS LOSSES as a % of total mortgages and home equities**



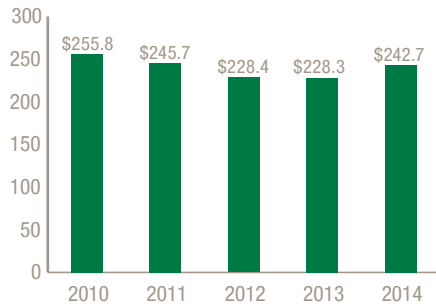
**CONSUMER LOANS**

We were able to retain much of our consumer loan portfolio during the recent cycle of low demand...

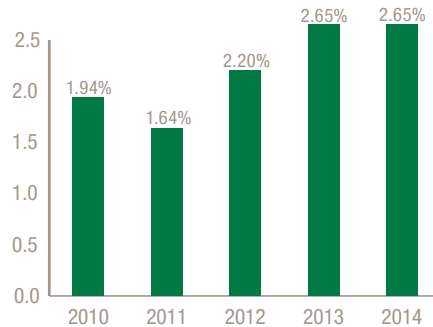
while losses remained at manageable levels...

and yields remained attractive during a period of low interest rates.

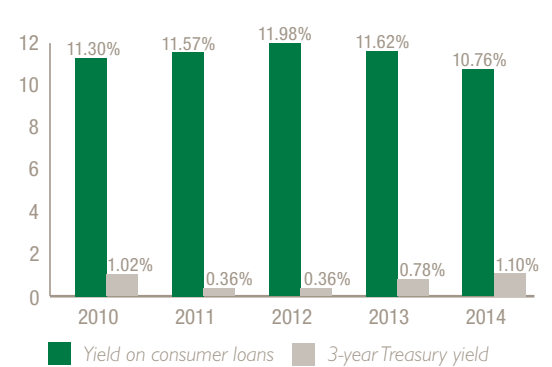
**CONSUMER LOANS in millions of dollars**



**CONSUMER LOAN LOSSES as a % of consumer loans**



**YIELD ON CONSUMER LOANS VS. 3-YEAR TREASURY YIELD AT DECEMBER 31**



# Investment Management and Insurance

DEDICATED TO TURNING FINANCIAL SUCCESS INTO FINANCIAL SECURITY, NORTHWEST HAS DEVELOPED A BROAD RANGE OF FINANCIAL SERVICES DESIGNED TO MEET THE INVESTMENT, TRUST AND INSURANCE NEEDS OF OUR CLIENTS.

In doing this, we have achieved significant growth in personal assets under management and created new opportunities to leverage our relationships with bank customers.

- Investment Advisory
- Financial Planning and Management
- Trust and Estate Services
- Brokerage
- Retirement Accounts
- Oil, Gas and Mineral Services
- Education Savings
- Property and Casualty Insurance
- Life, Disability and Long-Term Care Insurance



# Investment Management and Insurance

Assets under management have grown significantly in recent years...

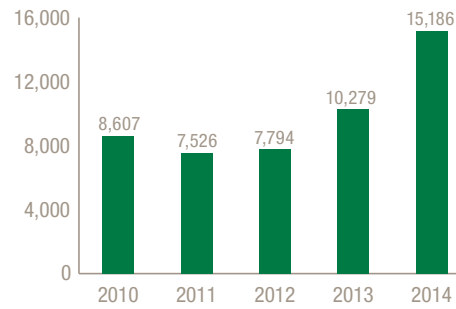
as we have had success with customer acquisition...

leading to a growing source of fee income.

**PERSONAL ASSETS UNDER MANAGEMENT**  
in millions of dollars



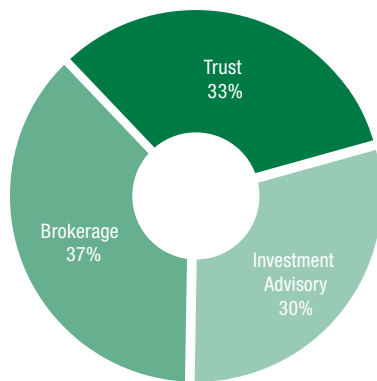
**# OF CLIENTS**



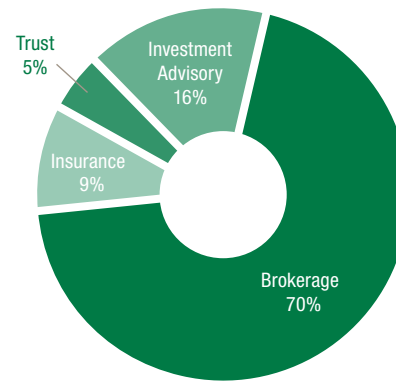
**INVESTMENT MANAGEMENT AND INSURANCE REVENUE**  
in millions of dollars



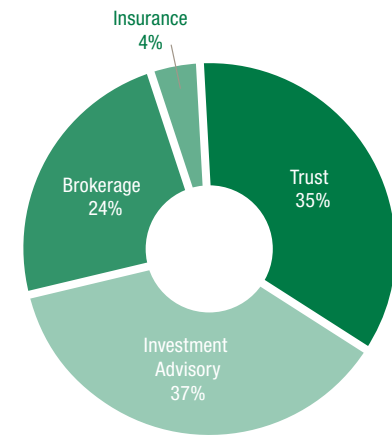
**PERSONAL ASSET MIX**  
as a % of total assets under management



**PERSONAL CLIENT MIX**  
as a % of total clients



**PERSONAL REVENUE MIX**  
as a % of total Investment Management revenue





# Financial Data

## CONDENSED CONSOLIDATED BALANCE SHEET

(in thousands, except share data)

AS OF DECEMBER 31,

2014

2013

### ASSETS

Cash and cash equivalents	\$ 240,706	\$ 391,905
Marketable securities available-for-sale	912,371	1,016,767
Marketable securities held-to-maturity	103,695	121,366
Loans receivable, net of allowance for loan losses of \$67,518 and \$71,348	5,922,373	5,734,943
Accrued interest receivable	18,623	19,152
Real estate owned, net	16,759	18,203
Bank-owned life insurance	144,362	140,172
Premises and equipment	143,909	146,139
Goodwill and other intangible assets	178,356	176,963
Federal Home Loan Bank stock, at cost	33,293	43,715
Other assets	60,586	70,534
<b>TOTAL ASSETS</b>	<b>\$ 7,775,033</b>	<b>\$ 7,879,859</b>

### LIABILITIES AND SHAREHOLDERS' EQUITY

Deposits	\$ 5,632,542	\$ 5,668,879
Borrowed funds	888,109	881,645
Advances by borrowers for taxes and insurance	30,507	26,669
Accrued interest payable	936	888
Other liabilities	57,198	43,499
Trust preferred securities	103,094	103,094
<b>TOTAL LIABILITIES</b>	<b>6,712,386</b>	<b>6,724,674</b>
Preferred stock, \$0.01 par value, 50,000,000 shares authorized; no shares issued	—	—
Common stock, \$0.01 par value, 500,000,000 shares authorized; 94,721,453 and 94,243,713 shares issued and outstanding, respectively	947	943
Paid-in capital	626,134	619,678
Retained earnings	481,577	569,547
Unallocated common stock of Employee Stock Ownership Plan	(21,641)	(23,083)
Accumulated other comprehensive loss, net	(24,370)	(11,901)
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>1,062,647</b>	<b>1,155,185</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>\$ 7,775,033</b>	<b>\$ 7,879,859</b>

CONDENSED CONSOLIDATED STATEMENTS OF INCOME

(in thousands, except share data)

YEARS ENDED DECEMBER 31,

	2014	2013	2012
<b>INTEREST INCOME:</b>			
Loans	\$ 282,050	\$ 286,977	\$ 307,958
Investments and interest-earning cash	21,568	25,749	29,784
<b>TOTAL INTEREST INCOME</b>	<b>303,618</b>	<b>312,726</b>	<b>337,742</b>
<b>INTEREST EXPENSE:</b>			
Deposits	25,322	29,279	43,377
Borrowed funds	31,265	31,883	31,822
<b>TOTAL INTEREST EXPENSE</b>	<b>56,587</b>	<b>61,162</b>	<b>75,199</b>
Net interest income	247,031	251,564	262,543
Provision for loan losses	20,314	18,519	26,338
Net interest income after provision for loan losses	226,717	233,045	236,205
<b>NONINTEREST INCOME:</b>			
Service charges and fees	36,383	35,884	35,623
Trust and other financial services income	12,369	9,330	8,544
Gain/(loss) on securities	4,930	5,405	323
Insurance commission income	8,760	8,635	6,264
Income from bank-owned life insurance	4,191	5,197	4,961
Other	5,942	2,396	3,189
<b>TOTAL NONINTEREST INCOME</b>	<b>72,575</b>	<b>66,847</b>	<b>58,904</b>
<b>NONINTEREST EXPENSE:</b>			
Compensation and employee benefits	115,967	112,190	111,727
Premises and occupancy costs	23,455	23,182	22,409
Office operations	14,721	14,454	13,224
Processing expenses	26,671	25,548	25,000
Amortization of intangibles	1,323	1,210	1,012
Marketing expenses	8,213	6,284	7,829
Federal deposit insurance premiums	5,193	5,600	5,554
Other	19,992	18,666	18,722
<b>TOTAL NONINTEREST EXPENSE</b>	<b>215,535</b>	<b>207,134</b>	<b>205,477</b>
Income before income taxes	83,757	93,070	89,632
Income tax expense	21,795	26,199	26,243
<b>NET INCOME</b>	<b>\$ 61,962</b>	<b>\$ 66,559</b>	<b>\$ 63,389</b>
Basic earnings per share	\$ 0.68	\$ 0.73	\$ 0.68
Diluted earnings per share	\$ 0.67	\$ 0.73	\$ 0.67

# Directors and Officers

## Board of Directors Northwest Bancshares, Inc. and Northwest Bank

William J. Wagner  
Chairman, President and Chief Executive Officer,  
Northwest Bancshares, Inc.

Deborah J. Chadsey  
Attorney and Partner,  
Kavinoky Cook LLP

Timothy B. Fannin  
Retired Partner,  
Catalano, Case, Catalano & Fannin

Timothy M. Hunter\*  
President and Chief Executive Officer,  
McInnes Rolled Rings

Dr. A. Paul King  
Retired President,  
Oral Surgery of Erie

Dr. Richard E. McDowell  
President Emeritus,  
The University of Pittsburgh at Bradford

William F. McKnight  
Controller,  
Interstate Chemical Company

John P. Meegan  
Executive Vice President and Chief Operating Officer,  
Hefren-Tillotson, Inc.

Sonia M. Probst  
Retired Chief Executive Officer,  
Rouse Estate

Philip M. Tredway  
President and Chief Executive Officer,  
Erie Molded Plastics, Inc.

\*Mr. Hunter is a Director of Northwest Bank only.

## Corporate Officers Northwest Bancshares, Inc. and Northwest Bank

William J. Wagner  
President and  
Chief Executive Officer

Steven G. Fisher  
Senior Executive Vice President,  
Chief Revenue Officer

William W. Harvey, Jr.  
Senior Executive Vice President,  
Chief Financial Officer

Richard K. Laws  
Executive Vice President,  
Chief Legal Counsel,  
Corporate Secretary and  
CMS Enterprise  
Oversight Officer

Julia W. McTavish  
Executive Vice President,  
Chief Human Resources Officer

Gerald J. Ritzert  
Executive Vice President,  
Finance and Controller

Michael G. Smelko  
Executive Vice President,  
Chief Credit Officer

Thomas J. Townsend  
Executive Vice President,  
Chief Risk Officer

David E. Westerburg  
Executive Vice President,  
Chief Operations Officer

Andrew C. Young  
Executive Vice President,  
Chief Information Officer

Ronald B. Andzelik  
Senior Vice President,  
Chief Compliance Officer

John K. Beard  
Senior Vice President,  
Retail Investment Services

Douglas H. Bert  
Senior Vice President,  
Senior Executive,  
Insurance Services

Don J. Boetger  
Senior Vice President,  
Senior Executive,  
Retirement Services

William M. Guthrie  
Senior Vice President,  
Senior Executive,  
Wealth Management

John E. Hall  
Senior Vice President,  
Consumer Lending

Neil R. Hoffman  
Senior Vice President,  
Commercial Lending

Kevin G. Mizak  
Senior Vice President,  
Chief Auditor

Vicki L. Stec  
Senior Vice President,  
Bank Secrecy Officer

William C. Tarpenning  
Senior Vice President,  
Mortgage Banking

Shawn O. Walker  
Senior Vice President,  
Chief Marketing Officer

Stephen M. Bell  
Vice President,  
Facilities

Thomas K. Creal  
Vice President,  
Credit Administration

Michael R. DelPrince  
Vice President,  
Finance

Barbara L. DeMontier  
Vice President,  
Human Resources

Michael A. Doherty  
Vice President,  
Commercial Loan  
Administration

W. Norman Ewing  
Vice President,  
Systems and Programming

Dean C. Huya  
Vice President,  
Loss Mitigation

Dorothy E. Lobdell  
Vice President,  
Mortgage Lending

Edward A. Martone  
Vice President,  
Human Resources

Donald E. Reed  
Vice President,  
Finance and Treasurer

Melody Schott  
Vice President,  
Delivery Channels

Eric D. Stoeber  
Vice President,  
Chief Technology Officer

James M. Swanson  
Vice President,  
Deposit Operations

Deborah A. Vecellio  
Vice President,  
Mortgage Servicing

## Region Presidents Northwest Bank

Nancy J. May  
Eastern Pennsylvania/Maryland

Julie A. Marasco  
Northwest Pennsylvania, Ohio

Christopher A. Martin  
Southwest Pennsylvania

James E. Martin  
Erie, Pennsylvania

Jonathan E. Rockey  
Central Pennsylvania

Jonathan P. Scalise  
New York



# Investor Information

## Corporate Headquarters:

100 Liberty Street  
P.O. Box 128  
Warren, Pennsylvania 16365  
Telephone : (814) 726-2140  
Fax : (814) 728-7716  
www.northwest.com

## Annual Meeting:

April 15, 2015, 11:00 a.m.  
The Struthers Library Theatre  
302 West Third Avenue  
Warren, Pennsylvania 16365

## Stock Listing:

Northwest Bancshares, Inc. common stock is traded on the NASDAQ Global Select Market under the symbol "NWBI."

## Stock Transfer, Registrar and Dividend Disbursing Agent:

Shareholder communications regarding change of address, change in registration of certificates, reporting of lost certificates and dividend checks should be directed to:

American Stock Transfer and Trust Company, LLC  
6201 15th Avenue  
Brooklyn, New York 11219  
Toll Free : (800) 937-5449  
Toll Free : (877) 777-0800  
Fax : (718) 236-2641  
Email : info@amstock.com  
Web Site : www.amstock.com

## Online Shareholder Access:

Registered shareholders can access their account(s) online through American Stock Transfer & Trust Company, LLC at www.amstock.com. Here you can easily initiate a number of transactions and inquiries, as well as obtain important details about your holdings and general stock transfer information.

- Update your mailing address
- Access account information
- Print a duplicate 1099 tax form
- Combine/consolidate accounts
- Request a replacement dividend check
- Download stock transfer instructions and forms
- Enroll in direct deposit of dividends

## Financial Information:

The Annual Report on Form 10-K is filed with the Securities and Exchange Commission (SEC). Copies of this document and other filings, including exhibits thereto, may be obtained electronically at the SEC home page at www.sec.gov or through the Company's website www.northwest.com. Copies may also be obtained, without charge, upon request by writing to the Company's corporate headquarters.

## Independent Auditors:

KPMG LLP  
Pittsburgh, Pennsylvania

## Securities Counsel:

Luse Gorman, P.C.  
Washington, D.C.

## Common Stock Information:

Year Ended December 31, 2014	High	Low	Cash Dividends Declared
First quarter	\$15.07	\$13.66	\$0.23
Second quarter	15.11	12.77	1.13
Third quarter	13.86	11.99	0.13
Fourth quarter	13.30	11.86	0.13

Year Ended December 31, 2013	High	Low	Cash Dividends Declared
First quarter	\$12.95	\$12.04	\$0.00
Second quarter	13.58	11.98	0.24
Third quarter	14.57	12.88	0.13
Fourth quarter	15.05	13.15	0.13

## Dividend Reinvestment & Direct Stock Purchase and Sale Plan:

Northwest Bancshares, Inc. is pleased to offer a Dividend Reinvestment and Direct Stock Purchase and Sale Plan through American Stock Transfer & Trust Company, LLC (the "Plan Administrator").

The plan provides both existing registered shareholders and interested new investors with a convenient method to purchase shares of Northwest Bancshares, Inc. common stock.

If you are already a registered shareholder or are interested in becoming one, you may access the plan material and enroll online at www.amstock.com by clicking on "Invest Online" under "Shareholder Services" or from our investor relations website at www.northwest.com.

Alternatively, you may request a plan prospectus and enrollment application by calling American Stock Transfer & Trust Company, toll-free, at (877) 715-0499 or Northwest, toll-free, at (800) 859-1000 or (814) 728-7263.

## Direct Deposit of Dividends:

Shareholders who do not reinvest their dividends may elect to have cash dividends directly deposited into their savings or checking account, thereby providing immediate access to funds and eliminating mail delays and lost or stolen checks. You may enroll online by accessing your shareholder account(s) at www.amstock.com or, to obtain an enrollment card, by calling the Company's transfer agent, toll-free, at (800) 937-5449 or Northwest, toll-free, at (800) 859-1000.

## Investor Relations:

William J. Wagner  
President and Chief Executive Officer

William W. Harvey, Jr.  
Senior Executive Vice President and Chief Financial Officer

## Shareholder Relations:

Ian R. Scott  
Assistant Vice President,  
Shareholder Relations and  
Assistant Corporate Secretary  
(800) 859-1000

In addition to historical information, this report may contain certain forward-looking statements that are based on assumptions and information currently available to management, including assumptions as to changes in market interest rates. These forward-looking statements are subject to various risks and uncertainties including, but not limited to, economic, regulatory, competitive, legislative and other factors affecting the company and its operations. Readers are cautioned not to place undue reliance on these forward-looking statements, as actual results may differ materially from those expressed or implied. Management has no obligation to revise or update these forward-looking statements to reflect events or circumstances that arise after the release of this report. ©2015 Northwest Bancshares, Inc.





100 Liberty Street  
PO Box 128  
Warren, Pennsylvania 16365  
(814) 726-2140  
[www.northwest.com](http://www.northwest.com)

