

Northwest Bancshares, Inc.  
Form 10-Q  
November 09, 2015  
[Table of Contents](#)

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

WASHINGTON, D.C. 20549

**FORM 10-Q**

**x Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

**For the quarterly period ended September 30, 2015**

**or**

**o Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

**For the transition period from                      to**

**Commission File Number 001-34582**

**NORTHWEST BANCSHARES, INC.**

(Exact name of registrant as specified in its charter)

Edgar Filing: Northwest Bancshares, Inc. - Form 10-Q

**Maryland**

(State or other jurisdiction of incorporation or organization)

**27-0950358**

(I.R.S. Employer Identification No.)

**100 Liberty Street, Warren, Pennsylvania**

(Address of principal executive offices)

**16365**

(Zip Code)

**(814) 726-2140**

(Registrant's telephone number, including area code)

(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definition of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act. (Check one):

Large Accelerated Filer  Accelerated Filer  Non-Accelerated Filer  Smaller reporting company

Indicate by check mark whether the registrant is a Shell Company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date:

Common Stock (\$0.01 par value) 101,768,906 shares outstanding as of October 30, 2015



Table of Contents

**NORTHWEST BANCSHARES, INC.**

**INDEX**

	<b>PAGE</b>
<b>PART I</b>	
<b>FINANCIAL INFORMATION</b>	
<u>Item 1.</u>	
<u>Financial Statements</u>	
<u>Consolidated Statements of Financial Condition as of September 30, 2015 and December 31, 2014 (Unaudited)</u>	1
<u>Consolidated Statements of Income for the quarter and nine months ended September 30, 2015 and 2014 (Unaudited)</u>	2
<u>Consolidated Statements of Comprehensive Income for the quarter and nine months ended September 30, 2015 and 2014 (Unaudited)</u>	3
<u>Consolidated Statements of Changes in Shareholders' Equity for the quarter ended September 30, 2015 and 2014 (Unaudited)</u>	4
<u>Consolidated Statements of Changes in Shareholders' Equity for the nine months ended September 30, 2015 and 2014 (Unaudited)</u>	5
<u>Consolidated Statements of Cash Flows for the nine months ended September 30, 2015 and 2014 (Unaudited)</u>	6
<u>Notes to Consolidated Financial Statements (Unaudited)</u>	8
<u>Item 2.</u>	
<u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	52
<u>Item 3.</u>	
<u>Quantitative and Qualitative Disclosures about Market Risk</u>	72
<u>Item 4.</u>	
<u>Controls and Procedures</u>	74
<b>PART II</b>	
<b>OTHER INFORMATION</b>	
<u>Item 1.</u>	
<u>Legal Proceedings</u>	74
<u>Item 1A.</u>	
<u>Risk Factors</u>	74
<u>Item 2.</u>	
<u>Unregistered Sales of Equity Securities and Use of Proceeds</u>	74
<u>Item 3.</u>	
<u>Defaults Upon Senior Securities</u>	75
<u>Item 4.</u>	
<u>Mine Safety Disclosures</u>	75
<u>Item 5.</u>	
<u>Other information</u>	75
<u>Item 6.</u>	
<u>Exhibits</u>	75
<u>Signature</u>	77
Certifications	



Table of Contents**ITEM 1. FINANCIAL STATEMENTS****NORTHWEST BANCSHARES, INC.****CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION (Unaudited)****(in thousands, except share data)**

	September 30, 2015	December 31, 2014
<b>Assets</b>		
Cash and due from banks	\$ 91,406	87,401
Interest-earning deposits in other financial institutions	3,206	152,671
Federal funds sold and other short-term investments	1,013	634
Marketable securities available-for-sale (amortized cost of \$965,965 and \$906,702)	976,677	912,371
Marketable securities held-to-maturity (fair value of \$48,511 and \$106,292)	47,299	103,695
Total cash and investments	1,119,601	1,256,772
<b>Personal Banking loans:</b>		
Residential mortgage loans	2,712,537	2,521,456
Home equity loans	1,203,190	1,066,131
Other consumer loans	494,714	242,744
Total Personal Banking loans	4,410,441	3,830,331
<b>Business Banking loans:</b>		
Commercial real estate loans	2,330,864	1,801,184
Commercial loans	410,308	358,376
Total Business Banking loans	2,741,172	2,159,560
Total loans	7,151,613	5,989,891
Allowance for loan losses	(60,547)	(67,518)
Total loans, net	7,091,066	5,922,373
Federal Home Loan Bank stock, at cost	40,115	33,293
Accrued interest receivable	22,098	18,623
Real estate owned, net	10,391	16,759
Premises and equipment, net	153,841	143,909
Bank owned life insurance	167,258	144,362
Goodwill	261,319	175,323
Other intangible assets	9,712	3,033
Other assets	59,507	60,586
Total assets	\$ 8,934,908	7,775,033
<b>Liabilities and Shareholders equity</b>		
<b>Liabilities:</b>		
Noninterest-bearing checking deposits	\$ 1,127,864	891,248
Interest-bearing checking deposits	1,097,969	874,623
Money market deposit accounts	1,277,878	1,179,070
Savings deposits	1,378,958	1,209,287
Time deposits	1,762,073	1,478,314
Total deposits	6,644,742	5,632,542
Borrowed funds	927,219	888,109

## Edgar Filing: Northwest Bancshares, Inc. - Form 10-Q

Junior subordinated deferrable interest debentures held by trusts that issued guaranteed capital debt securities	119,332	103,094
Advances by borrowers for taxes and insurance	18,216	30,507
Accrued interest payable	1,816	936
Other liabilities	62,246	57,198
<b>Total liabilities</b>	<b>7,773,571</b>	<b>6,712,386</b>
<b>Shareholders' equity:</b>		
Preferred stock, \$0.01 par value: 50,000,000 authorized, no shares issued		
Common stock, \$0.01 par value: 500,000,000 shares authorized, 101,725,112 and 94,721,453 shares issued, respectively	1,017	947
Paid-in capital	714,730	626,134
Retained earnings	487,048	481,577
Unallocated common stock of employee stock ownership plan	(21,398)	(21,641)
Accumulated other comprehensive loss	(20,060)	(24,370)
<b>Total shareholders' equity</b>	<b>1,161,337</b>	<b>1,062,647</b>
<b>Total liabilities and shareholders' equity</b>	<b>\$ 8,934,908</b>	<b>7,775,033</b>

See accompanying notes to unaudited consolidated financial statements

Table of Contents**NORTHWEST BANCSHARES, INC.****CONSOLIDATED STATEMENTS OF INCOME (Unaudited)****(in thousands, except per share data)**

	Quarter ended September 30,		Nine months ended September 30,	
	2015	2014	2015	2014
<b>Interest income:</b>				
Loans receivable	\$ 76,087	70,820	217,783	210,868
Mortgage-backed securities	2,230	2,504	6,522	7,963
Taxable investment securities	1,689	1,456	5,741	4,523
Tax-free investment securities	986	1,561	3,477	4,814
Interest-earning deposits	99	187	418	673
<b>Total interest income</b>	<b>81,091</b>	<b>76,528</b>	<b>233,941</b>	<b>228,841</b>
<b>Interest expense:</b>				
Deposits	6,163	6,305	17,620	19,216
Borrowed funds	7,987	7,882	24,221	23,389
<b>Total interest expense</b>	<b>14,150</b>	<b>14,187</b>	<b>41,841</b>	<b>42,605</b>
<b>Net interest income</b>	<b>66,941</b>	<b>62,341</b>	<b>192,100</b>	<b>186,236</b>
Provision for loan losses	3,167	3,466	5,117	19,236
<b>Net interest income after provision for loan losses</b>	<b>63,774</b>	<b>58,875</b>	<b>186,983</b>	<b>167,000</b>
<b>Noninterest income:</b>				
Gain on sale of investments	260	852	921	4,549
Service charges and fees	9,945	9,665	27,832	27,115
Trust and other financial services income	3,062	2,976	8,932	9,078
Insurance commission income	2,398	1,778	7,036	6,579
Loss on real estate owned, net	(246)	(240)	(1,833)	(937)
Income from bank owned life insurance	1,166	1,083	3,087	3,134
Mortgage banking income	267	239	725	753
Other operating income	1,288	1,384	2,590	3,274
<b>Total noninterest income</b>	<b>18,140</b>	<b>17,737</b>	<b>49,290</b>	<b>53,545</b>
<b>Noninterest expense:</b>				
Compensation and employee benefits	31,000	28,047	87,815	84,562
Premises and occupancy costs	6,072	5,642	18,238	17,939
Office operations	3,892	3,419	11,080	11,044
Processing expenses	8,126	6,723	22,723	19,951
Marketing expenses	1,691	2,211	6,857	6,779
Federal deposit insurance premiums	1,177	1,242	3,810	3,877
Professional services	1,529	1,854	4,973	5,691
Amortization of other intangible assets	422	330	959	992
Real estate owned expense	471	636	1,677	1,734
Acquisition expense	7,590		8,404	
Other expenses	1,834	3,250	6,114	7,754
<b>Total noninterest expense</b>	<b>63,804</b>	<b>53,354</b>	<b>172,650</b>	<b>160,323</b>
<b>Income before income taxes</b>	<b>18,110</b>	<b>23,258</b>	<b>63,623</b>	<b>60,222</b>
Federal and state income taxes	5,238	5,926	19,276	15,605



Edgar Filing: Northwest Bancshares, Inc. - Form 10-Q

Net income	\$	12,872	17,332	44,347	44,617
Basic earnings per share	\$	0.14	0.19	0.48	0.49
Diluted earnings per share	\$	0.13	0.19	0.48	0.48

See accompanying notes to unaudited consolidated financial statements

Table of Contents**NORTHWEST BANCSHARES, INC.****CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (Unaudited)**

(in thousands)

	Quarter ended September 30,		Nine months ended September 30,	
	2015	2014	2015	2014
Net Income	\$ 12,872	17,332	44,347	44,617
Other comprehensive income net of tax:				
Net unrealized holding gains/ (losses) on marketable securities:				
Unrealized holding gains/ (losses) net of tax of \$(1,520), \$1,002, \$(2,266) and \$(4,574), respectively	2,379	(1,570)	3,543	7,149
Reclassification adjustment for gains included in net income, net of tax of \$77, \$268, \$299 and \$1,616 respectively	(120)	(419)	(467)	(2,527)
Net unrealized holding gains on marketable securities	2,259	(1,989)	3,076	4,622
Change in fair value of interest rate swaps, net of tax of \$(24), \$(367), \$(311) and \$(555), respectively	45	680	577	1,029
Defined benefit plan:				
Reclassification adjustment for prior period service costs included in net income, net of tax of \$(140), \$74, \$(420) and \$223, respectively	219	(138)	657	(414)
Other comprehensive income/ (loss)	2,523	(1,447)	4,310	5,237
Total comprehensive income	\$ 15,395	15,885	48,657	49,854

See accompanying notes to unaudited consolidated financial statements

Table of Contents**NORTHWEST BANCSHARES, INC.****CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS EQUITY (Unaudited)**

(dollars in thousands, except share data)

**Quarter ended September 30, 2014**

	Common Stock		Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income/ (loss)	Unallocated common stock of ESOP	Total Shareholders Equity
	Shares	Amount					
Beginning balance at June 30, 2014	94,949,695	\$ 949	626,213	471,038	(5,216)	(22,200)	1,070,784
Comprehensive income:							
Net income				17,332			17,332
Other comprehensive loss, net of tax of \$977					(1,447)		(1,447)
Total comprehensive income/ (loss)				17,332	(1,447)		15,885
Exercise of stock options	45,124	1	476				477
Stock compensation expense			1,059			402	1,461
Dividends paid (\$0.13 per share)				(12,067)			(12,067)
Ending balance at September 30, 2014	94,994,819	\$ 950	627,748	476,303	(6,663)	(21,798)	1,076,540

**Quarter ended September 30, 2015**

	Common Stock		Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income/ (loss)	Unallocated common stock of ESOP	Total Shareholders Equity
	Shares	Amount					
Beginning balance at June 30, 2015	94,740,749	\$ 947	624,321	487,150	(22,583)	(21,485)	1,068,350
Comprehensive income:							
Net income				12,872			12,872
Other comprehensive income, net of tax of \$(1,607)					2,523		2,523
Total comprehensive income				12,872	2,523		15,395
Acquisition of LNB Bancorp, Inc.	7,056,704	70	90,538				90,608
Exercise of stock options	75,159	1	773				774
			941			87	1,028

## Edgar Filing: Northwest Bancshares, Inc. - Form 10-Q

Stock-based compensation expense,  
including tax benefit of \$25

Share repurchases	(147,500)		(1)	(1,843)				(1,844)
Dividends paid (\$0.14 per share)					(12,974)			(12,974)
Ending balance at September 30, 2015	101,725,112	\$	1,017	714,730	487,048	(20,060)	(21,398)	1,161,337

See accompanying notes to unaudited consolidated financial statements

Table of Contents**NORTHWEST BANCSHARES, INC.****CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS EQUITY (Unaudited)****(dollars in thousands, except share data)****Nine months ended September 30, 2014**

	Shares	Common Stock Amount	Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income/ (loss)	Unallocated common stock of ESOP	Total Shareholders Equity
Beginning balance at December 31, 2013	94,243,713	\$ 943	619,678	569,547	(11,900)	(23,083)	1,155,185
Comprehensive income:							
Net income				44,617			44,617
Other comprehensive income, net of tax of \$(3,290)					5,237		5,237
Total comprehensive income				44,617	5,237		49,854
Exercise of stock options	478,476	5	4,935				4,940
Stock-based compensation expense, including tax benefit of \$159	272,630	2	3,135			1,285	4,422
Dividends paid (\$1.49 per share)				(137,861)			(137,861)
Ending balance at September 30, 2014	94,994,819	\$ 950	627,748	476,303	(6,663)	(21,798)	1,076,540

**Nine months ended September 30, 2015**

	Shares	Common Stock Amount	Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income/ (loss)	Unallocated common stock of ESOP	Total Shareholders Equity
Beginning balance at December 31, 2014	94,721,453	\$ 947	626,134	481,577	(24,370)	(21,641)	1,062,647
Comprehensive income:							
Net income				44,347			44,347
Other comprehensive income, net of tax of \$(2,698)					4,310		4,310
Total comprehensive income				44,347	4,310		48,657
Acquisition of LNB Bancorp, Inc.	7,056,704	70	90,538				90,608

Edgar Filing: Northwest Bancshares, Inc. - Form 10-Q

Exercise of stock options	285,905		3	2,838				2,841
Stock-based compensation expense, including tax benefit of \$31	306,350		3	3,061		243		3,307
Share repurchases	(645,300)		(6)	(7,841)				(7,847)
Dividends paid (\$0.42 per share)					(38,876)			(38,876)
Ending balance at September 30, 2015	101,725,112	\$	1,017	714,730	487,048	(20,060)	(21,398)	1,161,337

See accompanying notes to unaudited consolidated financial statements

Table of Contents**NORTHWEST BANCSHARES, INC.****CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)****(in thousands)**

	2015	Nine months ended September 30, 2014
<b>OPERATING ACTIVITIES:</b>		
Net Income	\$ 44,347	44,617
Adjustments to reconcile net income to net cash provided by operating activities:		
Provision for loan losses	5,117	19,236
Net gain on sale of assets	(559)	(4,681)
Net depreciation, amortization and accretion	4,791	6,975
Decrease in other assets	37,533	6,621
Decrease in other liabilities	(8,993)	(3,839)
Net amortization on marketable securities	536	288
Noncash write-down of real estate owned	2,340	1,844
Origination of loans held for sale	(371)	(758)
Proceeds from sale of loans held for sale	375	1,023
Noncash compensation expense related to stock benefit plans	3,276	4,263
Net cash provided by operating activities	88,392	75,589
<b>INVESTING ACTIVITIES:</b>		
Purchase of marketable securities available-for-sale	(59,980)	(34,996)
Proceeds from maturities and principal reductions of marketable securities held-to-maturity	56,616	11,152
Proceeds from maturities and principal reductions of marketable securities available-for-sale	183,822	124,856
Proceeds from sale of marketable securities available-for-sale	1,227	7,834
Loan originations	(1,677,913)	(1,469,902)
Proceeds from loan maturities and principal reductions	1,432,075	1,296,321
Purchase of Federal Home Loan Bank stock	(2,982)	(270)
Proceeds from sale of real estate owned	10,531	8,602
Sale of real estate owned for investment, net	456	456
Purchase of premises and equipment	(7,657)	(7,290)
Acquisitions, net of cash received	(61,108)	(2,792)
Net cash used in investing activities	(124,913)	(66,029)

Table of Contents**NORTHWEST BANCSHARES, INC.****CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited) (continued)****(in thousands)**

	<b>Nine months ended September 30,</b>	
	<b>2015</b>	<b>2014</b>
<b>FINANCING ACTIVITIES:</b>		
Increase/ (decrease) in deposits, net	\$ (28,075)	38,844
Proceeds from long-term borrowings	85,000	
Repayments of long-term borrowings	(172,539)	(40)
Net increase/ (decrease) in short-term borrowings	63,480	(3,157)
Decrease in advances by borrowers for taxes and insurance	(12,544)	(10,402)
Cash dividends paid	(38,876)	(137,861)
Purchase of common stock for retirement	(7,847)	
Proceeds from stock options exercised	2,841	4,940
Net cash used in financing activities	(108,560)	(107,676)
Net decrease in cash and cash equivalents	\$ (145,081)	(98,116)
Cash and cash equivalents at beginning of period	\$ 240,706	391,905
Net decrease in cash and cash equivalents	(145,081)	(98,116)
Cash and cash equivalents at end of period	\$ 95,625	293,789
Cash and cash equivalents:		
Cash and due from banks	\$ 91,406	83,994
Interest-earning deposits in other financial institutions	3,206	209,161
Federal funds sold and other short-term investments	1,013	634
Total cash and cash equivalents	\$ 95,625	293,789
Cash paid during the period for:		
Interest on deposits and borrowings (including interest credited to deposit accounts of \$16,092 and \$17,276, respectively)	\$ 40,961	42,613
Income taxes	\$ 10,731	19,343
Business acquisitions:		
Fair value of assets acquired	\$ 1,160,190	2,798
Cash paid, net	(61,108)	(2,792)
Liabilities assumed	\$ 1,099,082	6
Non-cash activities:		
Loans foreclosures and repossessions	\$ 6,742	7,158
Sale of real estate owned financed by the Company	\$ 768	370

See accompanying notes to unaudited consolidated financial statements





Table of Contents

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Unaudited**

(1) **Basis of Presentation and Informational Disclosures**

Northwest Bancshares, Inc. (the Company) or ( NWBI ), a Maryland corporation headquartered in Warren, Pennsylvania, is a savings and loan holding company regulated by the Board of Governors of the Federal Reserve System. The primary activity of the Company is the ownership of all of the issued and outstanding common stock of Northwest Bank, a Pennsylvania-chartered savings bank ( Northwest ). Northwest is regulated by the FDIC and the Pennsylvania Department of Banking. At September 30, 2015, Northwest operated 182 community-banking offices throughout Pennsylvania, western New York, eastern Ohio and Maryland.

The accompanying unaudited consolidated financial statements include the accounts of the Company and its subsidiary, Northwest, and Northwest's subsidiaries Northwest Settlement Agency, LLC, Northwest Consumer Discount Company, Northwest Financial Services, Inc., Northwest Advisors, Inc., Northwest Capital Group, Inc., Allegheny Services, Inc., Great Northwest Corporation, Boetger & Associates, Inc. and The Bert Company. The unaudited consolidated financial statements have been prepared in accordance with United States generally accepted accounting principles for interim financial information and with the instructions for Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information or footnotes required for complete annual financial statements. In the opinion of management, all adjustments necessary for the fair presentation of the Company's financial position and results of operations have been included. The consolidated statements have been prepared using the accounting policies described in the financial statements included in the Company's Annual Report on Form 10-K for the year ended December 31, 2014 updated, as required, for any new pronouncements or changes.

Certain items previously reported have been reclassified to conform to the current year's reporting format.

The results of operations for the quarter and nine months ended September 30, 2015 are not necessarily indicative of the results that may be expected for the year ending December 31, 2015, or any other period.

**Stock-Based Compensation**

On May 20, 2015, we awarded employees 600,570 stock options and directors 64,800 stock options with an exercise price of \$12.37 and grant date fair value of \$1.14 per stock option. On May 20, 2015, we also awarded employees 282,050 restricted common shares and directors 24,300 restricted common shares with a grant date fair value of \$12.31. Awarded stock options and common shares vest over a ten-year period with the first vesting occurring on the grant date. Stock-based compensation expense of \$1.0 million and \$1.3 million for the quarters ended September 30, 2015 and 2014, respectively, and \$3.3 million and \$4.3 million for the nine months ended September 30, 2015 and 2014, respectively, was recognized in compensation expense relating to our stock benefit plans. At September 30, 2015 there was compensation expense of \$4.6 million to be recognized for awarded but unvested stock options and \$15.7 million for unvested common shares.

**Income Taxes- Uncertain Tax Positions**

## Edgar Filing: Northwest Bancshares, Inc. - Form 10-Q

Accounting standards prescribe a comprehensive model for how a company should recognize, measure, present and disclose in its financial statements uncertain tax positions that the company has taken or expects to take on a tax return. A tax benefit from an uncertain position may be recognized only if it is more likely than not that the position is sustainable, based on its technical merits. The tax benefit of a qualifying position is the largest amount of tax benefit that is greater than 50% likely of being realized

Table of Contents

upon ultimate settlement with a taxing authority having full knowledge of all relevant information. At September 30, 2015 we had no liability for unrecognized tax benefits.

We recognize interest accrued related to: (1) unrecognized tax benefits in federal and state income taxes and (2) refund claims in other operating income. We recognize penalties (if any) in federal and state income taxes. There is no amount accrued for the payment of interest or penalties at September 30, 2015. We are subject to audit by the Internal Revenue Service and any state in which we conduct business for the tax periods ended December 31, 2014, 2013 and 2012. We are currently under audit by the state of New York for the tax periods ended December 31, 2014, 2013 and 2012.

**Impact of New Accounting Standards**

In May 2014 the Financial Accounting Standards Board ( FASB ) issued Accounting Standards Update ( ASU ) 2014-09, *Revenue from Contracts with Customers* . This guidance supersedes the revenue recognition requirements in Topic 605, Revenue Recognition, and most industry-specific guidance. The core principle of this guidance requires an entity to recognize revenue upon the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services and provides five steps to be analyzed to accomplish the core principle. This guidance is effective retrospectively for annual reporting periods beginning after December 15, 2017, including interim periods within those years and early adoption is not permitted. We are currently evaluating the impact this standard will have on our results of operations and financial position.

In June 2014 the FASB issued ASU 2014-12, *Compensation Stock Compensation* . This guidance requires that a performance target that affects vesting and that could be achieved after the requisite service period be treated as a performance condition. Specifically, if the performance target becomes probable of being achieved before the end of the requisite service period, the remaining unrecognized compensation cost should be recognized prospectively over the remaining requisite service period. Further, the total amount of compensation cost recognized during and after the requisite service period should reflect the number of awards that are expected to vest and should be adjusted to reflect those awards that ultimately vest. This guidance is effective for annual periods beginning after December 15, 2015, including interim periods within those years and early adoption is permitted. We do not expect that this standard will have a material impact on our results of operations or financial position.

In February 2015 the FASB issued ASU 2015-02, *Consolidation* . This guidance amends existing standards regarding the evaluation of certain legal entities and their consolidation in the financial statements. The amendments modify the evaluation of whether limited partnerships and similar legal entities are variable interest entities or voting interest entities and eliminate the presumption that a general partner should consolidate a limited partnership. The amendments also affect the consolidation analysis of reporting entities that are involved with variable interest entities and provide a scope exception from consolidation guidance for reporting entities with interests in legal entities that are required to comply with or operate in accordance with requirements that are similar to those in Rule 2a-7 of the Investment Company Act of 1940 for registered money market funds. This guidance is effective for annual periods beginning after December 15, 2015, including interim periods within those years and early adoption is permitted. We do not expect that this standard will have a material impact on our results of operations or financial position.

In September 2015 the FASB issued ASU 2015-16, *Simplifying the Accounting for Measurement-Period Adjustments* . This guidance eliminates the requirement to retrospectively adjust the financial statements for measurement-periods adjustments that occur in periods after a business combination is consummated. This guidance is effective for annual periods beginning after December 15, 2015, including



Table of Contents

interim periods within those years and early adoption is permitted. We do not expect that this standard will have a material impact on our results of operations or financial position.

**(2) Acquisition**

On August 14, 2015, the Company acquired all of the outstanding common shares of LNB Bancorp, Inc. ( LNB ), the parent company of The Lorain National Bank, for total consideration of \$181.0 million, and thereby acquired LNB's 21 branch locations in the counties of Lorain, Cuyahoga and Summit in Ohio. The merger with LNB enables the Company to expand its northeastern Ohio presence, improve its core deposit base, and add additional scale in its banking operations. The result of LNB's operations are included in the Consolidated Statements of Income from the date of acquisition.

Under the terms of the merger agreement, each outstanding share of LNB stock was converted into the right to receive either 1.461 shares of common stock of the Company, or \$18.70 in cash. As a result, LNB stockholders received 7,056,074 shares of Company common stock, valued at \$90.6 million, based on the \$12.84 closing price of the Company's stock on August 14, 2015, and cash consideration of \$90.4 million.

The following table shows the consideration paid, the assets acquired, and the liabilities assumed that were recorded at fair value on the date of acquisition (in thousands):

Consideration paid:	
Northwest Bancshares, Inc. common stock issued	\$ 90,608
Cash paid to LNB Bancorp, Inc. stockholders	90,350
Total consideration paid	180,958
Recognized amounts of identifiable assets acquired and (liabilities assumed), at fair value (1)	
Cash and cash equivalents	29,680
Investment securities available for sale	184,169
Loans	928,101
Federal Home Loan Bank stock	3,840
Premises and equipment	12,374
Core deposit intangible	7,375
Other assets	28,680
Deposits	(1,016,557)
Borrowings	(63,169)
Other liabilities	(19,356)
Total identifiable net assets	95,137
Goodwill	\$ 85,821

(1) - Amounts are estimates and subject to adjustment. Actual amounts are not expected to differ materially from the amounts shown.

We estimated the fair value of loans acquired from LNB by utilizing a methodology wherein similar loans were aggregated into pools. Cash flows for each pool were determined by estimating future credit losses and the rate of prepayments. Projected monthly cash flows were then discounted to present value based on a market rate for similar loans. There was no carryover of LNB's allowance for loan losses associated with the loans we acquired as the loans were initially recorded at fair value.

Table of Contents

The following table shows information related to the purchased credit impaired LNB loan portfolio as of August 14, 2015 (in thousands):

Contractually required principal and interest at acquisition	\$	41,175
Contractual cash flows not expected to be collected (nonaccretable discount)		(19,900)
Expected cash flows at acquisition		21,275
Interest component of expected cash flows (accretable discount)		(1,672)
Fair value of purchased credit impaired loans	\$	19,603

The core deposit intangible asset recognized as part of the LNB merger is being amortized over its estimated useful life of approximately seven years utilizing an accelerated method. The goodwill, which is not amortized for book purposes, was assigned to our Community Banking segment and is not deductible for tax purposes. The fair values of savings and transaction deposit accounts acquired from LNB were assumed to approximate the carrying value as these accounts have no stated maturity and are payable on demand. Certificates of deposit were valued by projecting out the expected cash flows based on the contractual terms of the certificates of deposit. These cash flows were discounted based on a market rate for a certificate of deposit with a corresponding maturity.

Direct costs related to the LNB acquisition were expensed as incurred and amounted to \$8.4 million for the nine months ended September 30, 2015 and \$8.7 million to date. Technology and communications termination costs comprised more than half of these acquisition expenses, which also included professional services, marketing and advertising, severance costs, and other noninterest expenses.

(3) **Business Segments**

We operate in two reportable business segments: Community Banking and Consumer Finance. The Community Banking segment provides services traditionally offered by full-service community banks, including business and personal deposit accounts and business and personal loans, as well as insurance, brokerage and investment management and trust services. The Consumer Finance segment, which is comprised of Northwest Consumer Discount Company, a subsidiary of Northwest, operates 51 offices in Pennsylvania and offers personal installment loans for a variety of consumer and real estate products. This activity is funded primarily through an intercompany borrowing relationship with Allegheny Services, Inc., a subsidiary of Northwest. Net income is the primary measure used by management to measure segment performance. The following tables provide financial information for these reportable segments. The All Other column represents the parent company and elimination entries necessary to reconcile to the consolidated amounts presented in the financial statements.



Edgar Filing: Northwest Bancshares, Inc. - Form 10-Q

Table of Contents

At or for the quarter ended:

September 30, 2015 (\$ in 000 s)	Community Banking	Consumer Finance	All other (1)	Consolidated
External interest income	\$ 76,357	4,517	217	81,091
Intersegment interest income	618		(618)	
Interest expense	12,991	618	541	14,150
Provision for loan losses	2,666	501		3,167
Noninterest income	17,756	362	22	18,140
Noninterest expense	59,793	3,151	860	63,804
Income tax expense (benefit)	5,617	250	(629)	5,238
Net income	\$ 13,664	359	(1,151)	12,872
Total assets	\$ 8,805,421	111,109	18,378	8,934,908

September 30, 2014 (\$ in 000 s)	Community Banking	Consumer Finance	All other (1)	Consolidated
External interest income	\$ 71,608	4,682	238	76,528
Intersegment interest income	610		(610)	
Interest expense	13,094	610	483	14,187
Provision for loan losses	2,750	716		3,466
Noninterest income	17,016	264	457	17,737
Noninterest expense	50,048	3,057	249	53,354
Income tax expense (benefit)	5,923	234	(231)	5,926
Net income	\$ 17,419	329	(416)	17,332
Total assets	\$ 7,699,696	106,517	20,713	7,826,926

(1) Eliminations consist of intercompany loans, interest income and interest expense.

At or for the nine months ended:

September 30, 2015 (\$ in 000 s)	Community Banking	Consumer Finance	All other (1)	Consolidated
External interest income	\$ 219,961	13,339	641	233,941
Intersegment interest income	1,775		(1,775)	
Interest expense	38,660	1,775	1,406	41,841
Provision for loan losses	3,766	1,351		5,117
Noninterest income	48,162	1,043	85	49,290
Noninterest expense	161,915	9,185	1,550	172,650
Income tax expense (benefit)	19,835	859	(1,418)	19,276
Net income	\$ 45,722	1,212	(2,587)	44,347
Total assets	\$ 8,805,421	111,109	18,378	8,934,908

September 30, 2014 (\$ in 000 s)	Community Banking	Consumer Finance	All other (1)	Consolidated
External interest income	\$ 214,013	14,047	781	228,841
Intersegment interest income	1,807		(1,807)	

Edgar Filing: Northwest Bancshares, Inc. - Form 10-Q

Interest expense	39,411	1,807	1,387	42,605
Provision for loan losses	17,100	2,136		19,236
Noninterest income	49,705	1,034	2,806	53,545
Noninterest expense	150,450	8,926	947	160,323
Income tax expense (benefit)	14,925	918	(238)	15,605
Net income	\$ 43,639	1,294	(316)	44,617
Total assets	\$ 7,699,696	106,517	20,713	7,826,926

---

(1) Eliminations consist of intercompany loans, interest income and interest expense.

Table of Contents(4) **Investment securities and impairment of investment securities**

The following table shows the portfolio of investment securities available-for-sale at September 30, 2015 (in thousands):

	Amortized cost	Gross unrealized holding gains	Gross unrealized holding losses	Fair value
Debt issued by the U.S. government and agencies:				
Due in one year or less	\$ 13			13
Debt issued by government sponsored enterprises:				
Due in one year or less	500	6		506
Due after one year through five years	315,488	865	(319)	316,034
Due after five years through ten years	27,780	64	(15)	27,829
Due after ten years	9,811	58		9,869
Equity securities	1,410	461	(6)	1,865
Municipal securities:				
Due in one year or less	1,919	11		1,930
Due after one year through five years	13,993	152		14,145
Due after five years through ten years	12,586	250		12,836
Due after ten years	61,798	1,727	(13)	63,512
Corporate debt issues:				
Due after ten years	14,496	2,500	(295)	16,701
Residential mortgage-backed securities:				
Fixed rate pass-through	125,378	3,343	(148)	128,573
Variable rate pass-through	56,870	2,867	(8)	59,729
Fixed rate non-agency CMOs	2,648	294		2,942
Fixed rate agency CMOs	229,338	873	(2,439)	227,772
Variable rate agency CMOs	91,937	529	(45)	92,421
Total residential mortgage-backed securities	506,171	7,906	(2,640)	511,437
Total marketable securities available-for-sale	\$ 965,965	14,000	(3,288)	976,677

Edgar Filing: Northwest Bancshares, Inc. - Form 10-Q

Table of Contents

The following table shows the portfolio of investment securities available-for-sale at December 31, 2014 (in thousands):

	Amortized cost	Gross unrealized holding gains	Gross unrealized holding losses	Fair value
Debt issued by the U.S. government and agencies:				
Due in one year or less	\$ 25			25
Debt issued by government sponsored enterprises:				
Due after one year through five years	310,172	287	(2,672)	307,787
Due after five years through ten years	25,746		(28)	25,718
Equity securities	2,591	682	(116)	3,157
Municipal securities:				
Due in one year or less	810	15		825
Due after one year through five years	7,878	132		8,010
Due after five years through ten years	6,965	115		7,080
Due after ten years	51,839	2,391		54,230
Corporate debt issues:				
Due after ten years	18,267	2,579	(419)	20,427
Residential mortgage-backed securities:				
Fixed rate pass-through	72,852	3,149	(124)	75,877
Variable rate pass-through	66,140	3,466	(8)	69,598
Fixed rate non-agency CMOs	3,162	246		3,408
Fixed rate agency CMOs	226,413	685	(5,331)	221,767
Variable rate agency CMOs	113,842	657	(37)	114,462
Total residential mortgage-backed securities	482,409	8,203	(5,500)	485,112
Total marketable securities available-for-sale	\$ 906,702	14,404	(8,735)	912,371

The following table shows the portfolio of investment securities held-to-maturity at September 30, 2015 (in thousands):

	Amortized cost	Gross unrealized holding gains	Gross unrealized holding losses	Fair value
Municipal securities:				
Due after five years through ten years	\$ 3,601	14		3,615
Due after ten years	15,811	336		16,147
Residential mortgage-backed securities:				
Fixed rate pass-through	6,891	433		7,324
Variable rate pass-through	3,782	76		3,858
Fixed rate agency CMOs	16,242	342		16,584
Variable rate agency CMOs	972	11		983
Total residential mortgage-backed securities	27,887	862		28,749
Total marketable securities held-to-maturity	\$ 47,299	1,212		48,511



Edgar Filing: Northwest Bancshares, Inc. - Form 10-Q

Table of Contents

The following table shows the portfolio of investment securities held-to-maturity at December 31, 2014 (in thousands):

	Amortized cost	Gross unrealized holding gains	Gross unrealized holding losses	Fair value
<b>Municipal securities:</b>				
Due after five years through ten years	\$ 10,207	141		10,348
Due after ten years	56,545	1,314		57,859
<b>Residential mortgage-backed securities:</b>				
Fixed rate pass-through	8,236	477		8,713
Variable rate pass-through	4,273	122		4,395
Fixed rate agency CMOs	23,382	531		23,913
Variable rate agency CMOs	1,052	12		1,064
Total residential mortgage-backed securities	36,943	1,142		38,085
Total marketable securities held-to-maturity	\$ 103,695	2,597		106,292

The following table shows the fair value of and gross unrealized losses on investment securities, aggregated by investment category and length of time that the individual securities have been in a continuous unrealized loss position at September 30, 2015 (in thousands):

	Less than 12 months		12 months or more		Total	
	Fair value	Unrealized loss	Fair value	Unrealized loss	Fair value	Unrealized loss
U.S. government and agencies	\$ 64,730	(171)	118,584	(163)	183,314	(334)
Municipal securities	4,175	(13)			4,175	(13)
Corporate issues			2,130	(295)	2,130	(295)
Equity securities	545	(6)			545	(6)
Residential mortgage-backed securities - agency	22,397	(57)	234,662	(2,583)	257,059	(2,640)
Total temporarily impaired securities	\$ 91,847	(247)	355,376	(3,041)	447,223	(3,288)

## Edgar Filing: Northwest Bancshares, Inc. - Form 10-Q

### Table of Contents

The following table shows the fair value of and gross unrealized losses on investment securities, aggregated by investment category and length of time that the individual securities have been in a continuous unrealized loss position at December 31, 2014 (in thousands):

	Less than 12 months		12 months or more		Total	
	Fair value	Unrealized loss	Fair value	Unrealized loss	Fair value	Unrealized loss
U.S. government and agencies	\$ 28,878	(67)	244,828	(2,633)	273,706	(2,700)
Corporate debt issues			2,003	(419)	2,003	(419)
Equity securities	506	(116)			506	(116)
Residential mortgage-backed securities - agency	20,832	(79)	195,505	(5,421)	216,337	(5,500)
Total temporarily impaired securities	\$ 50,216	(262)	442,336	(8,473)	492,552	(8,735)

We review our investment portfolio for indications of impairment. This review includes analyzing the length of time and the extent to which amortized costs have exceeded fair values, the financial condition and near-term prospects of the issuer, including any specific events which may influence the operations of the issuer, and the intent to hold the investments for a period of time sufficient to allow for a recovery in value. Certain investments are evaluated using our best estimate of future cash flows. If the estimate of cash flows indicates that an adverse change has occurred, other-than-temporary impairment is recognized for the amount of the unrealized loss that was deemed credit related.

Credit related impairment on all debt securities is recognized in earnings while noncredit related impairment on available-for-sale debt securities, not expected to be sold, is recognized in other comprehensive income.

The table below shows a cumulative roll forward of credit losses recognized in earnings for debt securities held and not intended to be sold for the quarter ended (in thousands):

	2015	2014
Beginning balance at July 1, (1)	\$ 8,489	10,164
Credit losses on debt securities for which other-than-temporary impairment was not previously recognized		
Reduction for losses realized during the quarter	(30)	(8)
Reduction for securities called realized during the quarter		
Additional credit losses on debt securities for which other-than-temporary impairment was previously recognized		
Ending balance at September 30,	\$ 8,459	10,156

(1) The beginning balance represents credit losses included in other-than-temporary impairment charges recognized on debt securities in prior periods.





Edgar Filing: Northwest Bancshares, Inc. - Form 10-Q

Table of Contents

The table below shows a cumulative roll forward of credit losses recognized in earnings for debt securities held and not intended to be sold for the nine months ended (in thousands):

	2015	2014
Beginning balance at January 1, (1)	\$ 8,894	10,342
Credit losses on debt securities for which other-than-temporary impairment was not previously recognized		
Reduction for losses realized during the nine months	(75)	(186)
Reduction for securities called realized during the nine months	(360)	
Additional credit losses on debt securities for which other-than-temporary impairment was previously recognized		
Ending balance at September 30,	\$ 8,459	10,156

(1) The beginning balance represents credit losses included in other-than-temporary impairment charges recognized on debt securities in prior periods.

(5) **Loans receivable**

The following table shows a summary of our loans receivable at September 30, 2015 and December 31, 2014 (in thousands):

	Originated	September 30, 2015 Acquired	Total	December 31, 2014
<b>Personal Banking:</b>				
Residential mortgage loans	\$ 2,657,243	47,604	2,704,847	2,526,240
Home equity loans	1,056,186	147,004	1,203,190	1,066,131
Other consumer loans	277,779	216,935	494,714	242,744
Total Personal Banking	3,991,208	411,543	4,402,751	3,835,115
<b>Business Banking:</b>				
Commercial real estate loans	2,034,131	457,978	2,492,109	1,874,944
Commercial loans	353,778	69,947	423,725	419,525
Total Business Banking	2,387,909	527,925	2,915,834	2,294,469
Total loans receivable, gross	6,379,117	939,468	7,318,585	6,129,584
Deferred loan costs	18,547		18,547	6,095
Allowance for loan losses	(60,547)		(60,547)	(67,518)
<b>Undisbursed loan proceeds:</b>				
Residential mortgage loans	(10,720)	(137)	(10,857)	(10,879)
Commercial real estate loans	(138,533)	(22,712)	(161,245)	(73,760)
Commercial loans	(7,743)	(5,674)	(13,417)	(61,149)
Total loans receivable, net	\$ 6,180,121	910,945	7,091,066	5,922,373



Edgar Filing: Northwest Bancshares, Inc. - Form 10-Q

Table of Contents

Acquired loans were initially measured at fair value and subsequently accounted for under either Accounting Standards Codification ( ASC ) Topic 310-30 or ASC Topic 310-20. The following table provides information related to the outstanding principal balance and related carrying value of acquired loans for the dates indicated (in thousands):

	<b>September 30, 2015</b>
<b>Acquired loans evaluated individually for future credit losses:</b>	
Outstanding principal balance	\$ 23,516
Carrying value	17,912
<b>Acquired loans evaluated collectively for future credit losses:</b>	
Outstanding principal balance	901,911
Carrying value	893,033
<b>Total acquired loans:</b>	
Outstanding principal balance	925,427
Carrying value	910,945

The following table provides information related to the changes in the accretable discount, which includes income recognized from contractual cash flows for the dates indicated (in thousands):

	<b>Total</b>
Balance at December 31, 2014	\$
LNB Bancorp, Inc. acquisition	1,672
Accretion	(161)
Net reclassification from nonaccretable yield	
Balance at September 30, 2015	\$ 1,511

The following table provides information related to acquired impaired loans by portfolio segment and by class of financing receivable at and for the nine months ended September 30, 2015 (in thousands):

	<b>Carrying value</b>	<b>Outstanding principal balance</b>	<b>Related impairment reserve</b>	<b>Average recorded investment in impaired loans</b>	<b>Interest income recognized</b>
<b>Personal Banking:</b>					
Residential mortgage loans	\$ 2,086	2,739		2,185	1
Home equity loans	2,254	2,959		2,360	4
Other consumer loans	328	431		343	
<b>Total Personal Banking</b>	<b>4,668</b>	<b>6,129</b>		<b>4,888</b>	<b>5</b>
<b>Business Banking:</b>					
Commercial real estate loans	12,840	16,857		13,446	47
Commercial loans	404	530		423	2
<b>Total Business Banking</b>	<b>13,244</b>	<b>17,387</b>		<b>13,869</b>	<b>49</b>

Edgar Filing: Northwest Bancshares, Inc. - Form 10-Q

---

Total	\$	17,912	23,516	18,757	54
-------	----	--------	--------	--------	----

Edgar Filing: Northwest Bancshares, Inc. - Form 10-Q

Table of Contents

At September 30, 2015, we expect to fully collect the carrying value of our acquired loans and have determined that we can reasonably estimate their future cash flows, therefore, no acquired loans were used to calculate the allowance for loan losses.

The following table provides information related to the allowance for loan losses by portfolio segment and by class of financing receivable for the quarter ended September 30, 2015 (in thousands):

	Balance September 30, 2015	Current period provision	Charge-offs	Recoveries	Balance June 30, 2015
<b>Personal Banking:</b>					
Residential mortgage loans	\$ 4,587	(14)	(342)	51	4,892
Home equity loans	3,371	274	(443)	95	3,445
Other consumer loans	7,618	3,000	(2,014)	388	6,244
<b>Total Personal Banking</b>	<b>15,576</b>	<b>3,260</b>	<b>(2,799)</b>	<b>534</b>	<b>14,581</b>
<b>Business Banking:</b>					
Commercial real estate loans	30,829	111	(558)	1,113	30,163
Commercial loans	14,142	(204)	(595)	628	14,313
<b>Total Business Banking</b>	<b>44,971</b>	<b>(93)</b>	<b>(1,153)</b>	<b>1,741</b>	<b>44,476</b>
<b>Unallocated (1)</b>					
<b>Total</b>	<b>\$ 60,547</b>	<b>3,167</b>	<b>(3,952)</b>	<b>2,275</b>	<b>59,057</b>

(1) - Due to enhancements in our allowance for loan losses process we allocated the previously unallocated allowance using both qualitative and quantitative factors.

The following table provides information related to the allowance for loan losses by portfolio segment and by class of financing receivable for the quarter ended September 30, 2014 (in thousands):

	Balance September 30, 2014	Current period provision	Charge-offs	Recoveries	Balance June 30, 2014
<b>Personal Banking:</b>					
Residential mortgage loans	\$ 7,566	(11)	(352)	162	7,767
Home equity loans	6,054	(159)	(325)	22	6,516
Other consumer loans	5,985	1,483	(1,444)	320	5,626
<b>Total Personal Banking</b>	<b>19,605</b>	<b>1,313</b>	<b>(2,121)</b>	<b>504</b>	<b>19,909</b>
<b>Business Banking:</b>					
Commercial real estate loans	35,105	1,317	(1,981)	688	35,081
Commercial loans	12,543	785	(580)	232	12,106
<b>Total Business Banking</b>	<b>47,648</b>	<b>2,102</b>	<b>(2,561)</b>	<b>920</b>	<b>47,187</b>
<b>Unallocated</b>	<b>4,397</b>	<b>51</b>			<b>4,346</b>

Edgar Filing: Northwest Bancshares, Inc. - Form 10-Q

Total	\$	71,650	3,466	(4,682)	1,424	71,442
-------	----	--------	-------	---------	-------	--------

Edgar Filing: Northwest Bancshares, Inc. - Form 10-Q

Table of Contents

The following table provides information related to the allowance for loan losses by portfolio segment and by class of financing receivable for the nine months ended September 30, 2015 (in thousands):

	Balance September 30, 2015	Current period provision	Charge-offs	Recoveries	Balance December 31, 2014
<b>Personal Banking:</b>					
Residential mortgage loans	\$ 4,587	(220)	(955)	181	5,581
Home equity loans	3,371	(126)	(1,327)	274	4,550
Other consumer loans	7,618	6,135	(5,713)	1,078	6,118
<b>Total Personal Banking</b>	<b>15,576</b>	<b>5,789</b>	<b>(7,995)</b>	<b>1,533</b>	<b>16,249</b>
<b>Business Banking:</b>					
Commercial real estate loans	30,829	(1,205)	(5,110)	3,755	33,389
Commercial loans	14,142	4,898	(7,675)	3,404	13,515
<b>Total Business Banking</b>	<b>44,971</b>	<b>3,693</b>	<b>(12,785)</b>	<b>7,159</b>	<b>46,904</b>
Unallocated (1)		(4,365)			4,365
<b>Total</b>	<b>\$ 60,547</b>	<b>5,117</b>	<b>(20,780)</b>	<b>8,692</b>	<b>67,518</b>

(1) - Due to enhancements in our allowance for loan losses process we allocated the previously unallocated allowance using both qualitative and quantitative factors.

The following table provides information related to the allowance for loan losses by portfolio segment and by class of financing receivable for the nine months ended September 30, 2014 (in thousands):

	Balance September 30, 2014	Current period provision	Charge-offs	Recoveries	Balance December 31, 2013
<b>Personal Banking:</b>					
Residential mortgage loans	\$ 7,566	1,166	(1,694)	219	7,875
Home equity loans	6,054	(50)	(1,290)	149	7,245
Other consumer loans	5,985	4,162	(4,610)	946	5,487
<b>Total Personal Banking</b>	<b>19,605</b>	<b>5,278</b>	<b>(7,594)</b>	<b>1,314</b>	<b>20,607</b>
<b>Business Banking:</b>					
Commercial real estate loans	35,105	3,002	(5,491)	2,395	35,199
Commercial loans	12,543	11,221	(10,866)	1,308	10,880
<b>Total Business Banking</b>	<b>47,648</b>	<b>14,223</b>	<b>(16,357)</b>	<b>3,703</b>	<b>46,079</b>
Unallocated	4,397	(265)			4,662
<b>Total</b>	<b>\$ 71,650</b>	<b>19,236</b>	<b>(23,951)</b>	<b>5,017</b>	<b>71,348</b>

Edgar Filing: Northwest Bancshares, Inc. - Form 10-Q

Table of Contents

At September 30, 2015, we expect to fully collect the carrying value of our acquired loans and have determined that we can reasonably estimate their future cash flows including those loans that are 90 days or more delinquent. As a result, we do not consider our acquired loans that are 90 days or more delinquent to be nonaccrual or impaired and continue to recognize interest income on these loans, including the loans' accretable discount.

The following table provides information related to the loan portfolio by portfolio segment and by class of financing receivable at September 30, 2015 (in thousands):

	Total loans receivable	Allowance for loan losses	Nonaccrual loans (1)	Loans past due 90 days or more and still accruing (2)	TDRs	Allowance related to TDRs	Additional commitments to customers with loans classified as TDRs
<b>Personal Banking:</b>							
Residential mortgage loans	\$ 2,712,537	4,587	19,507	5	6,319	1,023	
Home equity loans	1,203,190	3,371	6,669		2,421	263	
Other consumer loans	494,714	7,618	3,694	550			
<b>Total Personal Banking</b>	<b>4,410,441</b>	<b>15,576</b>	<b>29,870</b>	<b>555</b>	<b>8,740</b>	<b>1,286</b>	
<b>Business Banking:</b>							
Commercial real estate loans	2,330,864	30,829	30,942	124	30,360	2,329	294
Commercial loans	410,308	14,142	7,093	1	10,238	1,146	623
<b>Total Business Banking</b>	<b>2,741,172</b>	<b>44,971</b>	<b>38,035</b>	<b>125</b>	<b>40,598</b>	<b>3,475</b>	<b>917</b>
<b>Total</b>	<b>\$ 7,151,613</b>	<b>60,547</b>	<b>67,905</b>	<b>680</b>	<b>49,338</b>	<b>4,761</b>	<b>917</b>

(1) - Includes \$23.2 million of nonaccrual TDRs.

(2) Represents loans 90 days past maturity and still accruing.

The following table provides information related to the loan portfolio by portfolio segment and by class of financing receivable at December 31, 2014 (in thousands):

	Total loans receivable	Allowance for loan losses	Nonaccrual loans (1)	Loans past due 90 days or more and still accruing (2)	TDRs	Allowance related to TDRs	Additional commitments to customers with loans classified as TDRs
<b>Personal Banking:</b>							
Residential mortgage loans	\$ 2,521,456	5,581	21,194	8	6,574	1,133	
Home equity loans	1,066,131	4,550	9,569		2,412	229	
Other consumer loans	242,744	6,118	2,820	206			
<b>Total Personal Banking</b>	<b>3,830,331</b>	<b>16,249</b>	<b>33,583</b>	<b>214</b>	<b>8,986</b>	<b>1,362</b>	



Edgar Filing: Northwest Bancshares, Inc. - Form 10-Q

Business Banking:								
Commercial real estate								
loans		1,801,184	33,389	38,647		41,917	4,938	449
Commercial loans		358,376	13,515	7,578	21	10,885	1,095	814
Total Business								
Banking		2,159,560	46,904	46,225	21	52,802	6,033	1,263
Total	\$	5,989,891	63,153	79,808	235	61,788	7,395	1,263

(1) - Includes \$24.5 million of nonaccrual TDRS.

(2) Represents loans 90 days past maturity and still accruing.

Edgar Filing: Northwest Bancshares, Inc. - Form 10-Q

Table of Contents

The following table provides geographical and delinquency information related to the loan portfolio by portfolio segment and class of financing receivable at September 30, 2015 (in thousands):

	Pennsylvania	New York	Ohio	Maryland	Other	Total
Loans receivable:						
Personal Banking:						
Residential mortgage loans	\$ 2,286,869	168,029	67,134	130,775	59,730	2,712,537
Home equity loans	895,605	122,207	156,117	24,157	5,104	1,203,190
Other consumer loans	256,351	12,073	85,765	1,801	138,724	494,714
Total Personal Banking	3,438,825	302,309	309,016	156,733	203,558	4,410,441
Business Banking:						
Commercial real estate loans	969,787	737,132	447,537	114,522	61,886	2,330,864
Commercial loans	267,908	55,751	70,138	5,927	10,584	410,308
Total Business Banking	1,237,695	792,883	517,675	120,449	72,470	2,741,172
Total	\$ 4,676,520	1,095,192	826,691	277,182	276,028	7,151,613
Percentage of total loans receivable	65.3%	15.3%	11.6%	3.9%	3.9%	100.0%

	Pennsylvania	New York	Ohio	Maryland	Other	Total
Loans 90 or more days delinquent: (1)						
Personal Banking:						
Residential mortgage loans	\$ 11,249	1,741	1,255	1,570	1,394	17,209
Home equity loans	2,762	621	1,183	988		5,554
Other consumer loans	2,958	80	16		102	3,156
Total Personal Banking	16,969	2,442	2,454	2,558	1,496	25,919
Business Banking:						
Commercial real estate loans	7,026	1,103	5,787	474	508	14,898
Commercial loans	1,873		446			2,319
Total Business Banking	8,899	1,103	6,233	474	508	17,217
Total	\$ 25,868	3,545	8,687	3,032	2,004	43,136
Percentage of total loans 90 or more days delinquent	60.1%	8.2%	20.1%	7.0%	4.6%	100.0%

(1) Includes \$6.3 million of acquired loans considered to accruing.

Edgar Filing: Northwest Bancshares, Inc. - Form 10-Q

Table of Contents

The following table provides geographical and delinquency information related to the loan portfolio by portfolio segment and class of financing receivable at December 31, 2014 (in thousands):

	Pennsylvania	New York	Ohio	Maryland	Other	Total
Loans receivable:						
Personal Banking:						
Residential mortgage loans	\$ 2,151,361	161,445	18,486	134,228	55,936	2,521,456
Home equity loans	909,139	115,459	9,087	27,203	5,243	1,066,131
Other consumer loans	225,088	9,961	3,132	1,328	3,235	242,744
Total Personal Banking	3,285,588	286,865	30,705	162,759	64,414	3,830,331
Business Banking:						
Commercial real estate loans	1,013,632	590,934	24,901	114,850	56,867	1,801,184
Commercial loans	243,159	83,252	15,826	7,817	8,322	358,376
Total Business Banking	1,256,791	674,186	40,727	122,667	65,189	2,159,560
Total	\$ 4,542,379	961,051	71,432	285,426	129,603	5,989,891
Percentage of total loans receivable	75.8%	16.0%	1.2%	4.8%	2.2%	100.0%

	Pennsylvania	New York	Ohio	Maryland	Other	Total
Loans 90 or more days delinquent:						
Personal Banking:						
Residential mortgage loans	\$ 12,282	1,237	710	1,678	1,789	17,696
Home equity loans	4,474	936	35	1,058	103	6,606
Other consumer loans	2,388	55	7			2,450
Total Personal Banking	19,144	2,228	752	2,736	1,892	26,752
Business Banking:						
Commercial real estate loans	8,827	1,072		270	930	11,099
Commercial loans	2,659	284		207	325	3,475
Total Business Banking	11,486	1,356		477	1,255	14,574
Total	\$ 30,630	3,584	752	3,213	3,147	41,326
Percentage of total loans 90 or more days delinquent	74.1%	8.7%	1.8%	7.8%	7.6%	100.0%

Edgar Filing: Northwest Bancshares, Inc. - Form 10-Q

Table of Contents

The following table provides information related to the composition of originated impaired loans by portfolio segment and by class of financing receivable at and for the nine months ended September 30, 2015 (in thousands):

	Nonaccrual loans 90 or more days delinquent	Nonaccrual loans less than 90 days delinquent	Loans less than 90 days delinquent reviewed for impairment	TDRs less than 90 days delinquent not included elsewhere	Total impaired loans	Average recorded investment in impaired loans	Interest income recognized on impaired loans
<b>Personal Banking:</b>							
Residential mortgage loans	\$ 16,510	2,997		5,029	24,536	24,506	667
Home equity loans	4,546	2,123		1,767	8,436	9,580	357
Other consumer loans	3,132	562			3,694	2,806	71
<b>Total Personal Banking</b>	<b>24,188</b>	<b>5,682</b>		<b>6,796</b>	<b>36,666</b>	<b>36,892</b>	<b>1,095</b>
<b>Business Banking:</b>							
Commercial real estate loans	10,565	20,377	16,292	13,078	60,312	78,432	2,445
Commercial loans	2,074	5,019	1,708	4,736	13,537	16,876	520
<b>Total Business Banking</b>	<b>12,639</b>	<b>25,396</b>	<b>18,000</b>	<b>17,814</b>	<b>73,849</b>	<b>95,308</b>	<b>2,965</b>
<b>Total</b>	<b>\$ 36,827</b>	<b>31,078</b>	<b>18,000</b>	<b>24,610</b>	<b>110,515</b>	<b>132,200</b>	<b>4,060</b>

The following table provides information related to the composition of originated impaired loans by portfolio segment and by class of financing receivable at and for the year ended December 31, 2014 (in thousands):

	Nonaccrual loans 90 or more days delinquent	Nonaccrual loans less than 90 days delinquent	Loans less than 90 days delinquent reviewed for impairment	TDRs less than 90 days delinquent not included elsewhere	Total impaired loans	Average recorded investment in impaired loans	Interest income recognized on impaired loans
<b>Personal Banking:</b>							
Residential mortgage loans	\$ 17,696	3,498		5,845	27,039	28,227	817
Home equity loans	6,606	2,963		1,706	11,275	11,753	485
Other consumer loans	2,450	370			2,820	2,383	66
<b>Total Personal Banking</b>	<b>26,752</b>	<b>6,831</b>		<b>7,551</b>	<b>41,134</b>	<b>42,363</b>	<b>1,368</b>
<b>Business Banking:</b>							
Commercial real estate loans	11,099	27,548	26,400	12,128	77,175	90,187	3,589
Commercial loans	3,475	4,103	5,266	6,026	18,870	27,088	914
<b>Total Business Banking</b>	<b>14,574</b>	<b>31,651</b>	<b>31,666</b>	<b>18,154</b>	<b>96,045</b>	<b>117,275</b>	<b>4,503</b>
<b>Total</b>	<b>\$ 41,326</b>	<b>38,482</b>	<b>31,666</b>	<b>25,705</b>	<b>137,179</b>	<b>159,638</b>	<b>5,871</b>



Edgar Filing: Northwest Bancshares, Inc. - Form 10-Q

Table of Contents

The following table provides information related to the evaluation of impaired loans by portfolio segment and by class of financing receivable at September 30, 2015 (in thousands):

	Loans collectively evaluated for impairment	Loans individually evaluated for impairment	Loans individually evaluated for impairment for which there is a related impairment reserve	Related impairment reserve	Loans individually evaluated for impairment for which there is no related reserve
<b>Personal Banking:</b>					
Residential mortgage loans	\$ 2,705,427	7,110	7,110	1,023	
Home equity loans	1,200,769	2,421	2,421	263	
Other consumer loans	494,590	124	124	28	
<b>Total Personal Banking</b>	<b>4,400,786</b>	<b>9,655</b>	<b>9,655</b>	<b>1,314</b>	
<b>Business Banking:</b>					
Commercial real estate loans	2,278,363	52,501	30,053	2,813	22,448
Commercial loans	399,470	10,838	10,075	983	763
<b>Total Business Banking</b>	<b>2,677,833</b>	<b>63,339</b>	<b>40,128</b>	<b>3,796</b>	<b>23,211</b>
<b>Total</b>	<b>\$ 7,078,619</b>	<b>72,994</b>	<b>49,783</b>	<b>5,110</b>	<b>23,211</b>

No acquired loans were individually evaluated for impairment at September 30, 2015.

The following table provides information related to the evaluation of impaired loans by portfolio segment and by class of financing receivable at December 31, 2014 (in thousands):

	Loans collectively evaluated for impairment	Loans individually evaluated for impairment	Loans individually evaluated for impairment for which there is a related impairment reserve	Related impairment reserve	Loans individually evaluated for impairment for which there is no related reserve
<b>Personal Banking:</b>					
Residential mortgage loans	\$ 2,514,060	7,396	7,396	1,116	
Home equity loans	1,063,741	2,390	2,390	246	
Other consumer loans	242,678	66	66	1	
<b>Total Personal Banking</b>	<b>3,820,479</b>	<b>9,852</b>	<b>9,852</b>	<b>1,363</b>	
<b>Business Banking:</b>					
Commercial real estate loans	1,734,864	66,320	42,869	6,189	23,451
Commercial loans	343,416	14,960	10,938	1,378	4,022

Edgar Filing: Northwest Bancshares, Inc. - Form 10-Q

Total Business Banking	2,078,280	81,280	53,807	7,567	27,473
Total	\$ 5,898,759	91,132	63,659	8,930	27,473

Table of Contents

Our loan portfolios include loans that have been modified in a troubled debt restructuring (TDR), where concessions have been granted to borrowers who have experienced financial difficulties. These concessions typically result from our loss mitigation activities and could include: extending the note's maturity date, permitting interest only payments, reducing the interest rate to a rate lower than current market rates for new debt with similar risk, reducing the principal payment, principal forbearance or other actions. These concessions are applicable to all loan segments and classes. Certain TDRs are classified as nonperforming at the time of restructuring and may be returned to performing status after considering the borrower's sustained repayment performance for a reasonable period of at least six months.

When we modify loans in a TDR, we evaluate any possible impairment similar to other impaired loans based on the present value of expected future cash flows, discounted at the contractual interest rate of the original loan agreement, the loan's observable market price or the current fair value of the collateral, less selling costs, for collateral dependent loans. If we determine that the value of the modified loan is less than the recorded investment in the loan (net of previous charge-offs, deferred loan fees or costs and unamortized premium or discount), impairment is recognized through an allowance estimate or a charge-off to the allowance. In periods subsequent to modification, we evaluate all TDRs, including those that have payment defaults, for possible impairment, using ASC 310-10. As a result, loans modified in a TDR may have the financial effect of increasing the specific allowance associated with the loan.

Loans modified in a TDR are closely monitored for delinquency as an early indicator of possible future default. If loans modified in a TDR subsequently default, we evaluate the loan for possible further impairment. The allowance may be increased, adjustments may be made in the allocation of the allowance, partial charge-offs may be taken to further write-down the carrying value of the loan, or the loan may be charged-off completely.



Edgar Filing: Northwest Bancshares, Inc. - Form 10-Q

Table of Contents

The following table provides a roll forward of troubled debt restructurings for the periods indicated (in thousands):

	For the quarters ended September 30,			
	2015		2014	
	Number of contracts		Number of contracts	
Beginning TDR balance:	231	\$ 56,184	248	\$ 63,793
New TDRs	5	2,273	10	3,124
Re-modified TDRs	1	6,316	4	2,178
Net paydowns		(7,096)		(5,411)
Charge-offs:				
Residential mortgage loans				
Home equity loans	1	(60)		
Commercial real estate loans	1	(5)	4	(346)
Commercial loans			1	(38)
Paid-off loans:				
Residential mortgage loans				
Home equity loans	2	(75)	2	(35)
Commercial real estate loans	6	(8,122)	4	(633)
Commercial loans	2	(77)	8	(766)
Ending TDR balance:	224	\$ 49,338	239	\$ 61,866
Accruing TDRs		\$ 26,154		\$ 39,995
Non-accrual TDRs		23,184		21,871

The following table provides a roll forward of troubled debt restructurings for the periods indicated (in thousands):

	For the nine months ended September 30,			
	2015		2014	
	Number of contracts		Number of contracts	
Beginning TDR balance:	248	\$ 61,788	262	\$ 79,166
New TDRs	11	2,772	22	5,779
Re-modified TDRs	3	6,446	8	2,334
Net paydowns		(11,537)		(12,431)
Charge-offs:				
Residential mortgage loans				
Home equity loans	4	(159)	1	(130)
Commercial real estate loans	3	(28)	6	(377)
Commercial loans	2	(387)	9	(8,289)
Paid-off loans:				
Residential mortgage loans	1	(53)		
Home equity loans	3	(81)	3	(74)
Commercial real estate loans	14	(9,127)	10	(1,471)
Commercial loans	8	(296)	16	(2,641)
Ending TDR balance:	224	\$ 49,338	239	\$ 61,866
Accruing TDRs		\$ 26,154		\$ 39,995
Non-accrual TDRs		23,184		21,871



Edgar Filing: Northwest Bancshares, Inc. - Form 10-Q

Table of Contents

The following table provides information related to troubled debt restructurings (including re-modified TDRs) by portfolio segment and by class of financing receivable during the periods indicated (dollars in thousands):

	For the quarter ended September 30, 2015				For the nine months ended September 30, 2015			
	Number of contracts	Recorded investment at the time of modification	Current recorded investment	Current allowance	Number of contracts	Recorded investment at the time of modification	Current recorded investment	Current allowance
Troubled debt restructurings:								
Personal Banking:								
Residential mortgage loans		\$			4	\$ 232	228	
Home equity loans					2	87	85	17
Other consumer loans								
Total Personal Banking					6	319	313	17
Business Banking:								
Commercial real estate loans	5	8,563	8,511	980	6	8,575	8,522	981
Commercial loans	1	26	25	3	2	324	313	31
Total Business Banking	6	8,589	8,536	983	8	8,899	8,835	1,012
Total	6	\$ 8,589	8,536	983	14	\$ 9,218	9,148	1,029
Troubled debt restructurings modified within the previous twelve months that have subsequently defaulted:								
Personal Banking:								
Residential mortgage loans		\$			1	\$ 251	249	
Home equity loans					1	23	20	
Other consumer loans								
Total Personal Banking					2	274	269	
Business Banking:								
Commercial real estate loans								
Commercial loans								
Total Business Banking								
Total		\$			2	\$ 274	269	

Table of Contents

The following table provides information related to troubled debt restructurings (including re-modified TDRs) by portfolio segment and by class of financing receivable during the periods indicated (dollars in thousands):

	Number of contracts	For the quarter ended September 30, 2014			For the nine months ended September 30, 2014			
		Recorded investment at the time of modification	Current recorded investment	Current allowance	Number of contracts	Recorded investment at the time of modification	Current recorded investment	Current allowance
Troubled debt restructurings:								
Personal Banking:								
Residential mortgage loans	1	\$ 145	108	37	10	\$ 2,067	1,964	221
Home equity loans	1	136	106	30	3	512	451	32
Other consumer loans								
Total Personal Banking	2	281	214	67	13	2,579	2,415	253
Business Banking:								
Commercial real estate loans	5	454	453	30	8	543	533	61
Commercial loans	7	4,567	3,777	1,198	9	4,991	4,209	1,233
Total Business Banking	12	5,021	4,230	1,228	17	5,534	4,742	1,294
Total	14	\$ 5,302	4,444	1,295	30	\$ 8,113	7,157	1,547
Troubled debt restructurings modified within the previous twelve months that have subsequently defaulted:								
Personal Banking:								
Residential mortgage loans		\$				\$		
Home equity loans								
Other consumer loans								
Total Personal Banking								
Business Banking:								
Commercial real estate loans	2	128	126	35	2	128	126	35
Commercial loans	1	7,444	378		1	7,444	378	
Total Business Banking	3	7,572	504	35	3	7,572	504	35
Total	3	\$ 7,572	504	35	3	\$ 7,572	504	35

Edgar Filing: Northwest Bancshares, Inc. - Form 10-Q

Table of Contents

The following table provides information as of September 30, 2015 for troubled debt restructurings (including re-modified TDRs) by type of modification, by portfolio segment and class of financing receivable for modifications during the quarter ended September 30, 2015 (dollars in thousands):

	Number of contracts	Rate	Type of modification			Total
			Payment	Maturity date	Other	
<b>Personal Banking:</b>						
Residential mortgage loans		\$				
Home equity loans						
Other consumer loans						
<b>Total Personal Banking</b>						
<b>Business Banking:</b>						
Commercial real estate loans	5	180		8,331		8,511
Commercial loans	1			25		25
<b>Total Business Banking</b>	<b>6</b>	<b>180</b>		<b>8,356</b>		<b>8,536</b>
<b>Total</b>	<b>6</b>	<b>\$ 180</b>		<b>8,356</b>		<b>8,536</b>

The following table provides information as of September 30, 2014 for troubled debt restructurings (including re-modified TDRs) by type of modification, by portfolio segment and class of financing receivable for modifications during the quarter ended September 30, 2014 (dollars in thousands):

	Number of contracts	Rate	Type of modification			Total
			Payment	Maturity date	Other	
<b>Personal Banking:</b>						
Residential mortgage loans	1	\$	108			108
Home equity loans	1		106			106
Other consumer loans						
<b>Total Personal Banking</b>	<b>2</b>		<b>214</b>			<b>214</b>
<b>Business Banking:</b>						
Commercial real estate loans	5			203	250	453
Commercial loans	7		1,453	2,319	5	3,777
<b>Total Business Banking</b>	<b>12</b>		<b>1,453</b>	<b>2,522</b>	<b>255</b>	<b>4,230</b>
<b>Total</b>	<b>14</b>	<b>\$</b>	<b>1,667</b>	<b>2,522</b>	<b>255</b>	<b>4,444</b>

Edgar Filing: Northwest Bancshares, Inc. - Form 10-Q

Table of Contents

The following table provides information as of September 30, 2015 for troubled debt restructurings (including re-modified TDRs) by type of modification, by portfolio segment and class of financing receivable for modifications during the nine months ended September 30, 2015 (dollars in thousands):

	Number of contracts	Rate	Type of modification			Total
			Payment	Maturity date	Other	
<b>Personal Banking:</b>						
Residential mortgage loans	4	\$ 73		110	45	228
Home equity loans	2	83		2		85
Other consumer loans						
<b>Total Personal Banking</b>	<b>6</b>	<b>156</b>		<b>112</b>	<b>45</b>	<b>313</b>
<b>Business Banking:</b>						
Commercial real estate loans	6	180		8,342		8,522
Commercial loans	2			313		313
<b>Total Business Banking</b>	<b>8</b>	<b>180</b>		<b>8,655</b>		<b>8,835</b>
<b>Total</b>	<b>14</b>	<b>\$ 336</b>		<b>8,767</b>	<b>45</b>	<b>9,148</b>

The following table provides information as of September 30, 2014 for troubled debt restructurings (including re-modified TDRs) by type of modification, by portfolio segment and class of financing receivable for modifications during the nine months ended September 30, 2014 (dollars in thousands):

	Number of contracts	Rate	Type of modification			Total
			Payment	Maturity date	Other	
<b>Personal Banking:</b>						
Residential mortgage loans	10	\$	108	1,856		1,964
Home equity loans	3		106	345		451
Other consumer loans						
<b>Total Personal Banking</b>	<b>13</b>		<b>214</b>	<b>2,201</b>		<b>2,415</b>
<b>Business Banking:</b>						
Commercial real estate loans	8			260	273	533
Commercial loans	9		1,563	2,319	327	4,209
<b>Total Business Banking</b>	<b>17</b>		<b>1,563</b>	<b>2,579</b>	<b>600</b>	<b>4,742</b>
<b>Total</b>	<b>30</b>	<b>\$</b>	<b>1,777</b>	<b>4,780</b>	<b>600</b>	<b>7,157</b>

Table of Contents

The following table provides information related to re-modified troubled debt restructurings by portfolio segment and by class of financing receivable for the quarter ended September 30, 2015 (dollars in thousands):

	Number of re-modified TDRs	Rate	Type of re-modification Payment	Maturity date	Other	Total
<b>Personal Banking:</b>						
Residential mortgage loans		\$				
Home equity loans						
Other consumer loans						
<b>Total Personal Banking</b>						
<b>Business Banking:</b>						
Commercial real estate loans	1			6,270		6,270
Commercial loans						
<b>Total Business Banking</b>	1			6,270		6,270
<b>Total</b>	1	\$		6,270		6,270

The following table provides information related to re-modified troubled debt restructurings by portfolio segment and by class of financing receivable for the quarter ended September 30, 2015 (dollars in thousands):

	Number of re-modified TDRs	Rate	Type of re-modification Payment	Maturity date	Other	Total
<b>Personal Banking:</b>						
Residential mortgage loans		\$				
Home equity loans						
Other consumer loans						
<b>Total Personal Banking</b>						
<b>Business Banking:</b>						
Commercial real estate loans	2			114		114
Commercial loans	2			2,064		2,064
<b>Total Business Banking</b>	4			2,178		2,178
<b>Total</b>	4	\$		2,178		2,178

Table of Contents

The following table provides information related to re-modified troubled debt restructurings by portfolio segment and by class of financing receivable for the nine months ended September 30, 2015 (dollars in thousands):

	Number of re-modified TDRs	Rate	Type of re-modification Payment	Maturity date	Other	Total
<b>Personal Banking:</b>						
Residential mortgage loans	1	\$			45	45
Home equity loans	1	83				83
Other consumer loans						
<b>Total Personal Banking</b>	<b>2</b>	<b>83</b>			<b>45</b>	<b>128</b>
<b>Business Banking:</b>						
Commercial real estate loans	1			6,270		6,270
Commercial loans						
<b>Total Business Banking</b>	<b>1</b>			<b>6,270</b>		<b>6,270</b>
<b>Total</b>	<b>3</b>	<b>\$ 83</b>		<b>6,270</b>	<b>45</b>	<b>6,398</b>

The following table provides information related to re-modified troubled debt restructurings by portfolio segment and by class of financing receivable for the nine months ended September 30, 2014 (dollars in thousands):

	Number of re-modified TDRs	Rate	Type of re-modification Payment	Maturity date	Other	Total
<b>Personal Banking:</b>						
Residential mortgage loans	1	\$		76		76
Home equity loans						
Other consumer loans						
<b>Total Personal Banking</b>	<b>1</b>			<b>76</b>		<b>76</b>
<b>Business Banking:</b>						
Commercial real estate loans	4			171	18	189
Commercial loans	3			2,064	5	2,069
<b>Total Business Banking</b>	<b>7</b>			<b>2,235</b>	<b>23</b>	<b>2,258</b>
<b>Total</b>	<b>8</b>	<b>\$</b>		<b>2,311</b>	<b>23</b>	<b>2,334</b>



Edgar Filing: Northwest Bancshares, Inc. - Form 10-Q

Table of Contents

The following table provides information related to loan payment delinquencies at September 30, 2015 (in thousands):

	30-59 Days delinquent	60-89 Days delinquent	90 Days or greater delinquent	Total delinquency	Current	Total loans receivable	90 Days or greater delinquent and accruing (1)
<b>Originated loans</b>							
Personal Banking:							
Residential mortgage loans	\$ 3,548	5,095	16,383	25,026	2,640,044	2,665,070	
Home equity loans	4,120	1,373	4,372	9,865	1,046,321	1,056,186	
Other consumer loans	5,612	2,317	3,080	11,009	266,770	277,779	
Total Personal Banking	13,280	8,785	23,835	45,900	3,953,135	3,999,035	
Business Banking:							
Commercial real estate loans	4,618	6,035	9,468	20,121	1,875,477	1,895,598	
Commercial loans	819	391	2,074	3,284	342,751	346,035	
Total Business Banking	5,437	6,426	11,542	23,405	2,218,228	2,241,633	
Total originated loans	18,717	15,211	35,377	69,305	6,171,363	6,240,668	
<b>Acquired loans</b>							
Personal Banking:							
Residential mortgage loans	96	98	826	1,020	46,447	47,467	699
Home equity loans	1,650	343	1,182	3,175	143,829	147,004	1,009
Other consumer loans	712	276	76	1,064	215,871	216,935	24
Total Personal Banking	2,458	717	2,084	5,259	406,147	411,406	1,732
Business Banking:							
Commercial real estate loans	2,845	2,333	5,430	10,608	424,658	435,266	4,333
Commercial loans	560	10	245	815	63,458	64,273	245
Total Business Banking	3,405	2,343	5,675	11,423	488,116	499,539	4,578
Total acquired loans	5,863	3,060	7,759	16,682	894,263	910,945	6,310
Total loans	\$ 24,580	18,271	43,136	85,987	7,065,626	7,151,613	6,310

(1) Represents acquired loans that were originally recorded at fair value upon acquisition. These loans are considered to be accruing because we can reasonably estimate future cash flows on and expect to fully collect the carrying value of these loans. Therefore, we are accreting the difference between the carrying value and their expected cash flows into interest income.

Table of Contents

The following table provides information related to loan payment delinquencies at December 31, 2014 (in thousands):

	<b>30-59 Days delinquent</b>	<b>60-89 Days delinquent</b>	<b>90 Days or greater delinquent</b>	<b>Total delinquency</b>	<b>Current</b>	<b>Total loans receivable</b>
Personal Banking:						