

Northwest Bancshares, Inc.  
Form 10-Q  
November 09, 2010

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

FORM 10-Q

Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934  
For the quarterly period ended September 30, 2010

or

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)

Maryland 27-0950358  
(State or other jurisdiction of incorporation or organization) (I.R.S. Employer Identification No.)

100 Liberty Street, Warren, Pennsylvania 16365  
(Address of principal executive offices) (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

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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) 110,807,745 shares outstanding as of October 20, 2010

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## ITEM 1. FINANCIAL STATEMENTS

NORTHWEST BANCSHARES, INC.  
CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION  
(in thousands, except share data)

	(Unaudited) September 30, 2010	December 31, 2009
<b>Assets</b>		
Cash and due from banks	\$ 113,477	69,265
Interest-earning deposits in other financial institutions	561,634	1,037,893
Federal funds sold and other short-term investments	632	632
Marketable securities available-for-sale (amortized cost of \$862,747 and \$1,059,177)	884,158	1,067,089
Marketable securities held-to-maturity (fair value of \$409,784 and \$0)	399,324	-
Total cash and investments	1,959,225	2,174,879
<b>Loans held for sale</b>		
Mortgage loans - one- to four- family	2,451,848	2,334,538
Home equity loans	1,102,252	1,067,584
Consumer loans	263,717	286,292
Commercial real estate loans	1,356,051	1,238,217
Commercial business loans	400,574	371,670
Total loans	5,592,462	5,299,465
Allowance for loan losses	(77,245)	(70,403)
Total loans, net	5,515,217	5,229,062
Federal Home Loan Bank stock, at cost	63,242	63,242
Accrued interest receivable	27,590	25,780
Real estate owned, net	22,998	20,257
Premises and equipment, net	126,999	124,316
Bank owned life insurance	131,009	128,270
Goodwill	171,682	171,363
Other intangible assets	4,419	4,678
Other assets	120,404	83,451
Total assets	\$ 8,142,785	8,025,298
<b>Liabilities and Shareholders' equity</b>		
<b>Liabilities:</b>		
Noninterest-bearing demand deposits	\$ 555,491	487,036
Interest-bearing demand deposits	783,749	768,110
Savings deposits	1,977,249	1,744,537
Time deposits	2,452,451	2,624,741
Total deposits	5,768,940	5,624,424
Borrowed funds	876,068	897,326
Junior subordinated deferrable interest debentures held by trusts that issued guaranteed capital debt securities	103,094	103,094
Advances by borrowers for taxes and insurance	12,698	22,034

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Accrued interest payable	1,725	4,493
Other liabilities	65,038	57,412
Total liabilities	6,827,563	6,708,783
Shareholders' equity:		
Preferred stock, \$0.01 par value: 50,000,000 authorized, no shares issued	-	-
Common stock, \$0.01 par value: 500,000,000 shares authorized, 110,806,418 and 110,641,858 shares issued, respectively	1,108	1,106
Paid-in capital	829,929	828,195
Retained earnings	520,419	508,842
Unallocated common stock of employee stock ownership plan	(28,851)	(11,651)
Accumulated other comprehensive loss	(7,383)	(9,977)
	1,315,222	1,316,515
Total liabilities and shareholders' equity	\$ 8,142,785	8,025,298

See accompanying notes to consolidated financial statements - unaudited

NORTHWEST BANCSHARES, INC.  
CONSOLIDATED STATEMENTS OF INCOME (Unaudited)  
(in thousands, except per share amounts)

	Three months ended September 30,		Nine months ended September 30,	
	2010	2009	2010	2009
<b>Interest income:</b>				
Loans receivable	\$ 83,372	79,637	245,852	240,400
Mortgage-backed securities	6,534	6,580	19,385	20,858
Taxable investment securities	489	1,242	2,086	4,138
Tax-free investment securities	3,090	2,716	8,627	8,376
Interest-earning deposits	524	253	1,601	415
<b>Total interest income</b>	<b>94,009</b>	<b>90,428</b>	<b>277,551</b>	<b>274,187</b>
<b>Interest expense:</b>				
Deposits	17,772	23,472	58,149	72,555
Borrowed funds	9,587	10,114	28,991	30,418
<b>Total interest expense</b>	<b>27,359</b>	<b>33,586</b>	<b>87,140</b>	<b>102,973</b>
<b>Net interest income</b>	<b>66,650</b>	<b>56,842</b>	<b>190,411</b>	<b>171,214</b>
<b>Provision for loan losses</b>	<b>9,871</b>	<b>9,830</b>	<b>26,568</b>	<b>27,347</b>
<b>Net interest income after provision for loan losses</b>	<b>56,779</b>	<b>47,012</b>	<b>163,843</b>	<b>143,867</b>
<b>Noninterest income:</b>				
Impairment losses on securities	(1,830)	(3,727)	(1,994)	(12,417)
Noncredit related losses on securities not expected to be sold (recognized in other comprehensive income)	1,438	2,836	1,287	7,236
<b>Net impairment losses</b>	<b>(392)</b>	<b>(891)</b>	<b>(707)</b>	<b>(5,181)</b>
Gain on sale of investments, net	17	97	2,194	377
Service charges and fees	9,821	8,883	28,625	24,867
Trust and other financial services income	1,600	1,496	5,345	4,349
Insurance commission income	1,393	731	3,828	2,039
Loss on real estate owned, net	(2,014)	(62)	(2,293)	(3,934)
Income from bank owned life insurance	1,212	1,208	3,852	3,596