





















**Northwest Bancshares, Inc. and Subsidiaries**

**Average balance sheet (Unaudited)**

**(Dollars in thousands)**

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

	Quarter ended														
	June 30, 2019			March 31, 2019			December 31, 2018			September 30, 2018			June 30, 2018		
	Average balance	Interest	Avg. yield/cost (h)	Average balance	Interest	Avg. yield/cost (h)	Average balance	Interest	Avg. yield/cost (h)	Average balance	Interest	Avg. yield/cost (h)	Average balance	Interest	Avg. yield/cost (h)
<b>Assets:</b>															
Interest-earning assets:															
Residential mortgage loans	\$ 2,857,425	29,300	4.10%	\$ 2,842,556	29,282	4.12%	\$ 2,837,220	28,794	4.06%	\$ 2,804,027	28,974	4.13%	\$ 2,761,528	27,893	4.04%
Home equity loans	1,319,056	17,717	5.39%	1,265,974	16,048	5.14%	1,264,169	15,788	4.95%	1,272,847	15,248	4.75%	1,281,001	15,384	4.82%
Consumer loans	943,254	10,649	4.53%	869,536	10,052	4.69%	791,685	9,365	4.69%	704,203	8,337	4.70%	655,541	7,949	4.86%
Consumer finance loans	1,826	87	19.06%	2,999	139	18.54%	4,751	220	18.52%	7,176	343	19.12%	10,428	516	19.79%
Commercial real estate loans	2,801,953	35,537	5.02%	2,560,408	30,767	4.81%	2,492,331	29,991	4.71%	2,540,270	29,974	4.62%	2,518,170	29,034	4.56%
Commercial loans	670,613	7,966	4.70%	615,090	8,967	5.83%	590,195	8,666	5.75%	598,842	8,203	5.36%	624,087	7,703	4.88%
Total loans receivable (a) (b) (d)	8,594,127	101,256	4.73%	8,156,563	95,255	4.74%	7,980,351	92,824	4.61%	7,927,365	91,079	4.56%	7,850,755	88,479	4.52%
Mortgage-backed securities (c)	644,887	4,280	2.65%	604,463	3,965	2.62%	619,105	3,942	2.55%	598,596	3,572	2.39%	569,893	3,255	2.28%
Investment securities (c) (d)	226,325	1,198	2.12%	227,312	1,167	2.05%	227,813	1,140	2.00%	244,346	1,074	1.76%	235,784	1,044	1.77%
FHLB stock, at cost	16,117	316	7.86%	16,098	171	4.31%	14,372	151	4.17%	9,819	119	4.81%	7,819	85	4.36%
Other interest-earning deposits	20,983	159	3.00%	14,136	100	2.83%	10,454	68	2.55%	26,057	162	2.43%	103,739	469	1.79%
Total interest-earning assets	9,502,439	107,209	4.53%	9,018,572	100,658	4.53%	8,852,095	98,125	4.40%	8,806,183	96,006	4.33%	8,767,990	93,332	4.27%
Noninterest earning assets (e)	910,225			868,843			743,262			746,077			732,065		
Total assets	\$ 10,412,664			\$ 9,887,415			\$ 9,595,357			\$ 9,552,260			\$ 9,500,055		
<b>Liabilities and shareholders' equity:</b>															
Interest-bearing liabilities:															
Savings deposits	\$ 1,696,715	777	0.18%	\$ 1,650,947	758	0.19%	\$ 1,637,400	758	0.18%	\$ 1,672,990	785	0.19%	\$ 1,699,168	773	0.18%
Interest-bearing demand deposits	1,674,779	1,569	0.38%	1,452,963	1,162	0.32%	1,442,587	1,066	0.29%	1,460,556	1,064	0.29%	1,468,228	875	0.24%
Money market deposit accounts	1,776,558	3,433	0.78%	1,693,626	2,579	0.62%	1,678,664	1,910	0.45%	1,685,368	1,565	0.37%	1,691,652	1,211	0.29%
Time deposits	1,561,034	6,705	1.72%	1,432,679	5,646	1.60%	1,401,352	5,251	1.49%	1,403,967	4,819	1.36%	1,440,457	4,450	1.24%
Borrowed funds (f)	147,119	413	1.13%	257,550	1,006	1.58%	216,975	782	1.43%	129,523	239	0.73%	104,415	50	0.19%
Junior subordinated debentures	121,757	1,307	4.25%	114,727	1,156	4.03%	111,213	1,170	4.12%	111,213	1,316	4.63%	111,213	1,290	4.59%
Total interest-bearing liabilities	6,977,962	14,204	0.82%	6,602,492	12,307	0.76%	6,488,191	10,937	0.67%	6,463,617	9,788	0.60%	6,515,133	8,649	0.53%
Noninterest-bearing demand deposits (g)	1,888,697			1,785,158			1,750,253			1,724,427			1,676,344		
Noninterest bearing liabilities	225,623			223,480			112,349			132,062			92,252		
Total liabilities	9,092,282			8,611,130			8,350,793			8,320,106			8,283,729		
Shareholders' equity	1,320,382			1,276,285			1,244,564			1,232,154			1,216,326		
Total liabilities and shareholders' equity	\$ 10,412,664			\$ 9,887,415			\$ 9,595,357			\$ 9,552,260			\$ 9,500,055		
Net interest income/Interest rate spread		93,005	3.71%		88,351	3.77%		87,188	3.73%		86,218	3.73%		84,683	3.74%
Net interest-earning assets/Net interest margin	\$ 2,524,477		3.91%	\$ 2,416,080		3.97%	\$ 2,363,904		3.94%	\$ 2,342,566		3.92%	\$ 2,252,857		3.86%
Ratio of interest-earning assets to interest-bearing liabilities	1.36X			1.37X			1.36X			1.36X			1.35X		

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

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

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

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

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

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

(g) Average cost of deposits were 0.58%, 0.51%, 0.45%, 0.41% and 0.37%, respectively.

(h) Shown on a FTE basis. GAAP basis yields for the periods indicated were: Loans - 4.71%, 4.72%, 4.60%, 4.54% and 4.50%, respectively, Investment securities - 2.01%, 1.97%, 1.92%, 1.67% and 1.63%, respectively, Interest-earning assets - 4.51%, 4.51%, 4.38%, 4.31% and 4.25%, respectively. GAAP basis net interest rate spreads were 3.69%, 3.75%, 3.71%, 3.71% and 3.72%, respectively, and GAAP basis net interest margins were 3.90%, 3.96%, 3.92%, 3.90% and 3.84%, respectively.

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**(Dollars in thousands)**

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

	Six months ended June 30,					
	2019			2018		
	Average balance	Interest	Avg. yield/ cost (h)	Average balance	Interest	Avg. yield/ cost (h)
<u>Assets:</u>						
Interest-earning assets:						
Residential mortgage loans	\$ 2,850,031	58,582	4.11%	\$ 2,758,849	55,612	4.03%
Home equity loans	1,292,662	33,765	5.27%	1,289,842	30,369	4.75%
Consumer loans	906,598	20,701	4.60%	646,666	15,451	4.82%
Consumer finance loans	2,409	226	18.76%	12,828	1,284	20.02%
Commercial real estate loans	2,681,848	66,303	4.92%	2,494,925	56,214	4.48%
Commercial loans	<u>643,005</u>	<u>16,933</u>	5.24%	<u>609,752</u>	<u>15,070</u>	4.92%
Loans receivable (a) (b) (d)	8,376,553	196,510	4.73%	7,812,862	174,000	4.49%
Mortgage-backed securities (c)	624,786	8,245	2.64%	564,007	6,268	2.22%
Investment securities (c) (d)	226,815	2,364	2.08%	245,979	2,216	1.80%
FHLB stock	16,096	487	6.10%	8,582	182	4.28%
Other interest-earning deposits	<u>16,381</u>	<u>259</u>	3.14%	<u>68,970</u>	<u>604</u>	1.74%
Total interest-earning assets	9,260,631	207,865	4.53%	8,700,400	183,270	4.25%
Noninterest earning assets (e)	<u>889,409</u>			<u>755,764</u>		
Total assets	<u>\$ 10,150,040</u>			<u>\$ 9,456,164</u>		
<u>Liabilities and shareholders' equity:</u>						
Interest-bearing liabilities:						
Savings deposits	\$ 1,673,957	1,535	0.18%	\$ 1,684,909	1,522	0.18%
Interest-bearing demand deposits	1,588,989	2,732	0.35%	1,443,981	1,477	0.21%
Money market deposit accounts	1,735,185	6,011	0.70%	1,699,222	2,264	0.27%
Time deposits	1,497,208	12,351	1.66%	1,427,921	8,504	1.20%
Borrowed funds (f)	202,029	1,419	1.42%	118,743	173	0.29%
Junior subordinated debentures	<u>118,242</u>	<u>2,463</u>	4.14%	<u>111,213</u>	<u>2,475</u>	4.43%
Total interest-bearing liabilities	6,815,610	26,511	0.78%	6,485,989	16,415	0.51%
Noninterest-bearing demand deposits (g)	1,699,496			1,641,493		
Noninterest bearing liabilities	<u>336,600</u>			<u>117,530</u>		
Total liabilities	8,851,706			8,245,012		
Shareholders' equity	<u>1,298,334</u>			<u>1,211,152</u>		
Total liabilities and shareholders' equity	<u>\$ 10,150,040</u>			<u>\$ 9,456,164</u>		
Net interest income/Interest rate spread		181,354	3.75%		166,855	3.74%
Net interest-earning assets/Net interest margin	\$ 2,445,021		3.92%	\$ 2,214,411		3.84%
Ratio of interest-earning assets to interest-bearing liabilities	1.36X			1.34X		

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

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

(g) Average cost of deposits were 0.56% and 0.35%, respectively.

(h) Shown on a FTE basis. GAAP basis yields for the periods indicated were: Loans - 4.71% and 4.47%, respectively, Investment securities - 1.99% and 1.65%, respectively, Interest-earning assets - 4.51% and 4.23%, respectively. GAAP basis net interest rate spreads were 3.73% and 3.72%, respectively, and GAAP basis net interest margins were 3.90% and 3.82%, respectively.