

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														
	December 31, 2018			September 30, 2018			June 30, 2018			March 31, 2018			December 31, 2017		
	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)
Assets:															
Interest-earning assets:															
Residential mortgage loans	\$ 2,837,220	28,794	4.06%	\$ 2,804,027	28,974	4.13%	\$ 2,761,528	27,893	4.04%	\$ 2,756,142	27,973	4.12%	\$ 2,746,992	28,373	4.13%
Home equity loans	1,264,169	15,788	4.95%	1,272,847	15,248	4.75%	1,281,001	15,384	4.82%	1,298,780	14,786	4.62%	1,312,146	15,187	4.59%
Consumer loans	791,685	9,365	4.69%	704,203	8,337	4.70%	655,541	7,949	4.86%	637,691	7,450	4.74%	633,023	8,004	5.02%
Consumer finance loans	4,751	220	18.52%	7,176	343	19.12%	10,428	516	19.79%	15,254	768	20.14%	22,469	1,151	20.32%
Commercial real estate loans	2,492,331	29,991	4.71%	2,540,270	29,974	4.62%	2,518,170	29,034	4.56%	2,471,422	27,384	4.43%	2,442,528	28,251	4.53%
Commercial loans	590,195	8,666	5.75%	598,842	8,203	5.36%	624,087	7,703	4.88%	595,276	7,160	4.81%	588,420	6,739	4.48%
Total loans receivable (a) (b) (d)	7,980,351	92,824	4.61%	7,927,365	91,079	4.56%	7,850,755	88,479	4.52%	7,774,565	85,521	4.46%	7,745,578	87,705	4.49%
Mortgage-backed securities (c)	619,105	3,942	2.55%	598,596	3,572	2.39%	569,893	3,255	2.28%	558,055	3,013	2.16%	581,055	3,016	2.08%
Investment securities (c) (d)	227,813	1,140	2.00%	244,346	1,074	1.76%	235,784	1,044	1.77%	256,287	1,172	1.83%	301,268	1,495	1.98%
FHLB stock	14,372	151	4.17%	9,819	119	4.81%	7,819	85	4.36%	9,354	97	4.21%	10,066	78	3.07%
Other interest-earning deposits	10,454	68	2.55%	26,057	162	2.43%	103,739	469	1.79%	34,200	135	1.58%	13,515	59	1.71%
Total interest-earning assets	8,852,095	98,125	4.40%	8,806,183	96,006	4.33%	8,767,990	93,332	4.27%	8,632,461	89,938	4.23%	8,651,482	92,353	4.24%
Noninterest earning assets (e)	743,262			746,077			732,065			779,812			709,753		
Total assets	<u>\$ 9,595,357</u>			<u>\$ 9,552,260</u>			<u>\$ 9,500,055</u>			<u>\$ 9,412,273</u>			<u>\$ 9,361,235</u>		
Liabilities and shareholders' equity:															
Interest-bearing liabilities:															
Savings deposits	\$ 1,637,400	758	0.18%	\$ 1,672,990	785	0.19%	\$ 1,699,168	773	0.18%	\$ 1,670,491	749	0.18%	\$ 1,655,798	763	0.18%
Interest-bearing demand deposits	1,442,587	1,066	0.29%	1,460,556	1,064	0.29%	1,468,228	875	0.24%	1,419,459	603	0.17%	1,419,352	331	0.09%
Money market deposit accounts	1,678,664	1,910	0.45%	1,685,368	1,565	0.37%	1,691,652	1,211	0.29%	1,706,800	1,053	0.25%	1,734,444	1,017	0.23%
Time deposits	1,401,352	5,251	1.49%	1,403,967	4,819	1.36%	1,440,457	4,450	1.24%	1,415,247	4,053	1.16%	1,421,569	3,860	1.08%
Borrowed funds (f)	216,975	782	1.43%	129,523	239	0.73%	104,415	50	0.19%	133,231	124	0.38%	159,599	187	0.46%
Junior subordinated debentures	111,213	1,170	4.12%	111,213	1,316	4.63%	111,213	1,290	4.59%	111,213	1,184	4.26%	111,213	1,163	4.09%
Total interest-bearing liabilities	6,488,191	10,937	0.67%	6,463,617	9,788	0.60%	6,515,133	8,649	0.53%	6,456,441	7,766	0.49%	6,501,975	7,321	0.45%
Noninterest-bearing demand deposits (g)	1,750,253			1,724,427			1,676,344			1,606,247			1,599,834		
Noninterest bearing liabilities	112,349			132,062			92,252			143,608			57,956		
Total liabilities	8,350,793			8,320,106			8,283,729			8,206,296			8,159,765		
Shareholders' equity	1,244,564			1,232,154			1,216,326			1,205,977			1,201,470		
Total liabilities and shareholders' equity	<u>\$ 9,595,357</u>			<u>\$ 9,552,260</u>			<u>\$ 9,500,055</u>			<u>\$ 9,412,273</u>			<u>\$ 9,361,235</u>		
Net interest income/ Interest rate spread		87,188	3.73%		86,218	3.73%		84,683	3.74%		82,172	3.74%		85,032	3.79%
Net interest-earning assets/ Net interest margin	\$ 2,363,904		3.94%	\$ 2,342,566		3.92%	\$ 2,252,857		3.86%	\$ 2,176,020		3.86%	\$ 2,149,507		3.93%
Ratio of interest-earning assets to interest-bearing liabilities		1.36X		1.36X		1.35X		1.34X		1.33X		1.33X			

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

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

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

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

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

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

(g) Average cost of deposits were 0.45%, 0.41%, 0.37%, 0.33% and 0.30%, respectively.

(h) Shown on a FTE basis. GAAP basis yields for the periods indicated were: Loans - 4.60%, 4.54%, 4.50%, 4.45% and 4.46%, respectively, Investment securities - 1.92%, 1.67%, 1.63%, 1.67% and 1.66%, respectively, Interest-earning assets - 4.38%, 4.31%, 4.25%, 4.21% and 4.20%, respectively. GAAP basis net interest rate spreads were 3.71%, 3.71%, 3.72%, 3.72% and 3.75%, respectively, and GAAP basis net interest margins were 3.92%, 3.90%, 3.84%, 3.84% and 3.89%, respectively.

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.

	Year ended December 31,					
	2018			2017		
	Average Balance	Interest	Avg. Yield/ Cost (h)	Average Balance	Interest	Avg. Yield/ Cost (h)
Assets:						
Interest-earning assets:						
Residential mortgage loans	\$ 2,789,990	113,379	4.06%	\$ 2,730,055	112,206	4.11%
Home equity loans	1,279,087	61,405	4.80%	1,313,789	58,426	4.45%
Consumer loans	697,722	33,153	4.75%	590,439	30,253	5.12%
Consumer finance loans	9,367	1,847	19.72%	35,761	7,177	20.07%
Commercial real estate loans	2,505,701	116,180	4.57%	2,429,644	109,118	4.43%
Commercial loans	602,077	31,939	5.23%	564,600	25,000	4.37%
Loans receivable (a) (b) (d)	7,883,944	357,903	4.54%	7,664,288	342,180	4.46%
Mortgage-backed securities (c)	586,613	13,781	2.35%	563,696	11,343	2.01%
Investment securities (c) (d)	240,989	4,429	1.84%	350,870	6,862	1.96%
FHLB stock	10,354	452	4.37%	8,186	250	3.05%
Other interest-earning deposits	41,079	835	2.00%	158,229	1,499	0.93%
Total interest-earning assets	8,762,979	377,400	4.30%	8,745,269	362,134	4.14%
Noninterest earning assets (e)	752,007			757,249		
Total assets	<u>\$ 9,514,986</u>			<u>\$ 9,502,518</u>		
Liabilities and shareholders' equity:						
Interest-bearing liabilities:						
Savings deposits	\$ 1,669,930	3,064	0.18%	\$ 1,688,451	3,062	0.18%
Interest-bearing demand deposits	1,447,809	3,607	0.25%	1,432,134	1,027	0.07%
Money market deposit accounts	1,690,481	5,740	0.34%	1,810,083	4,203	0.23%
Time deposits	1,415,187	18,574	1.31%	1,490,378	14,765	0.99%
Borrowed funds (f)	146,220	1,194	0.82%	132,350	348	0.26%
Junior subordinated debentures	111,213	4,961	4.40%	111,213	4,666	4.14%
Total interest-bearing liabilities	6,480,840	37,140	0.57%	6,664,609	28,071	0.42%
Noninterest-bearing demand deposits (g)	1,710,841			1,556,511		
Noninterest bearing liabilities	98,550			92,611		
Total liabilities	8,290,231			8,313,731		
Shareholders' equity	1,224,755			1,188,787		
Total liabilities and shareholders' equity	<u>\$ 9,514,986</u>			<u>\$ 9,502,518</u>		
Net interest income/ Interest rate spread		340,260	3.73%		334,063	3.72%
Net interest-earning assets/ Net interest margin	\$ 2,282,139		3.88%	\$ 2,080,660		3.82%
Ratio of interest-earning assets to interest-bearing liabilities		1.35X			1.31X	

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

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

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

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

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

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

(g) Average cost of deposits were 0.39%, and 0.29%, respectively.

(h) Shown on a FTE basis. GAAP basis yields for the periods indicated were: Loans - 4.52% and 4.44%, respectively, Investment securities - 1.72% and 1.65%, respectively, Interest-earning assets - 4.29% and 4.10%, respectively. GAAP basis net interest rate spreads were 3.72% and 3.68%, respectively, and GAAP basis net interest margins were 3.86% and 3.78%, respectively.