

Third quarter ended September 30, 2023



Selected Financial Data

(\$'000's, except per share amounts)	9/30/23	12/31/22	% Change
Total Assets	\$ 14,362,201	\$ 14,113,324	1.8%
Total Loans (Net)	11,185,432	10,802,416	3.5%
Total Deposits	11,789,882	11,464,548	2.8%
Shareholders' Equity	1,498,431	1,491,486	0.5%
Book Value Per Share	11.79	11.74	0.4%
Common Stock Closing Price	10.23	13.98	(26.8%)

Quarter ended	9/30/23	9/30/22	% Change
Net Interest Income	\$ 108,368	\$ 112,749	(3.9%)
Provision for Credit Losses – Loans	3,983	7,689	(48.2%)
Provision for Credit Losses – Unfunded Commitments	(2,981)	3,585	(183.2%)
Noninterest Income	30,888	26,803	15.2%
Noninterest Expense	87,570	78,988	10.9%
Income Before Taxes	50,684	49,290	2.8%
Income Tax Expense	11,464	11,986	(4.4%)
Net Income	39,220	37,304	5.1%
Diluted Earnings Per Share	0.31	0.29	6.9%
Return on Average Equity	10.27%	9.84%	43 bp
Return on Average Assets	1.08%	1.05%	3 bp

Nine months ended	9/30/23	9/30/22	% Change
Net Interest Income	\$ 329,381	\$ 303,637	8.5%
Provision for Credit Losses – Loans	14,863	8,837	68.2%
Provision for Credit Losses – Unfunded Commitments	65	8,577	(99.2%)
Noninterest Income	84,654	82,991	2.0%
Noninterest Expense	260,878	240,747	8.4%
Income Before Taxes	138,229	128,467	7.6%
Income Tax Expense	32,286	29,450	9.6%
Net Income	105,943	99,017	7.0%
Diluted Earnings Per Share	0.83	0.78	6.4%
Return on Average Equity	9.37%	8.61%	76 bp
Return on Average Assets	0.99%	0.93%	6 bp

Corporate Profile

Northwest Bancshares, Inc. (the “Company”) is a bank holding company headquartered in Columbus, Ohio. The Company operates Northwest Bank (the “Bank”), a full-service financial institution headquartered in Warren, Pennsylvania. Through this subsidiary, the Company operates 134 full-service community banking locations, eight free standing drive-through facilities, and 193 automated teller machines (ATMs) in Pennsylvania, New York, Ohio and Indiana.

The Company has operated as a community-oriented financial institution since 1896 and has demonstrated a pattern of sustained expansion resulting from strong internal growth combined with a series of mergers, acquisitions, and new office openings.

The Company's business emphasis is to:

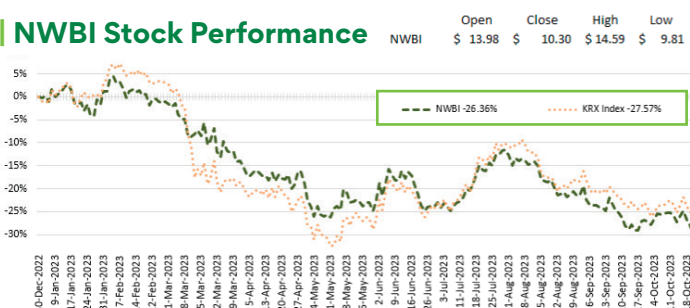
- Solicit personal and business deposits as a primary source of funding.
- Provide high-quality personal and business banking loans in its markets.
- Offer trust, investment management, treasury management and financial planning services with a personal touch to individuals, businesses and charitable institutions.

Company Highlights:

- Latest debt rating from KBRA reflects the strength and stability of Northwest Bank – KBRA confirms BBB or higher

Please visit the [Media Center](#) at Northwest.com to view this announcement.

NWBI Stock Performance



Earnings Reported and Dividend Declared

The Company reported net income for the quarter ended September 30, 2023 of \$39.2 million, or \$0.31 per diluted share. This represents an increase of \$1.9 million, or 5.1%, compared to the same quarter last year, when net income was \$37.3 million, or \$0.29 per diluted share. The annualized returns on average shareholders' equity and average assets for the quarter ended September 30, 2023 were 10.27% and 1.08% compared to 9.84% and 1.05% for the same quarter last year.

The Company also announced that its Board of Directors declared a quarterly cash dividend of \$0.20 per share payable on November 14, 2023 to shareholders of record as of November 2, 2023. This is the 116th consecutive quarter in which the Company has paid a cash dividend. Based on the market value of the Company's common stock as of September 30, 2023, this represents an annualized dividend yield of approximately 7.8%.

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Earnings Reported and Dividend Declared (continued)

Louis J. Torchio, President and CEO, added, “Despite the economic, liquidity and interest rate headwinds, we are very pleased with current quarter results including strong net income of \$39.2 million, or \$0.31 per share. While net interest margins are still a challenge for the industry, we are encouraged by our decline of just five basis points during the quarter. Expenses were higher as we continue to hire the talent and build out the infrastructure necessary to propel the organization to a higher level of performance. Finally, asset quality remains positively resilient and overall stable.”

Mr. Torchio continued, “We continue to execute upon our strategic direction of transforming our organization into a more innovative and proactive commercial institution. Our year-to-date commercial loan growth of \$480.0 million, or 12.1%, has pushed our overall commercial loan mix from 36% of total loans at the beginning of the year to over 39% at September 30. In addition, noninterest income represented over 22% of total revenue in the current quarter compared to just 19% during the same quarter last year. From a funding perspective, our deposit base remains strong and stable, and we have the advantage of being able to redirect cashflows from investment securities, mortgage loans and consumer loans to continue to grow more profitable commercial relationships.”

Net interest income decreased by \$4.4 million, or 3.9%, to \$108.4 million for the quarter ended September 30, 2023, from \$112.7 million for the quarter ended September 30, 2022. This decrease in net interest income resulted primarily from a \$37.4 million increase in interest expense as result of increases in both the average balance and average cost of interest-bearing liabilities. The average balance of interest-bearing liabilities increased \$603.5 million, or 6.5%, to \$9.850 billion for the quarter ended September 30, 2023 from \$9.246 billion for the quarter ended September 30, 2022, driven by an increase in time deposits and borrowed funds. In addition, the cost of interest-bearing liabilities increased to 1.74% for the quarter ended September 30, 2023 from 0.25% for the quarter ended September 30, 2022 due to higher market interest rates. Partially offsetting this increase in interest expense was a \$33.0 million increase in interest income. Cash and marketable securities were redeployed into higher yielding loans, which, along with higher market interest rates, caused the yield on interest-earning assets to increase to 4.51% for the quarter ended September 30, 2023 from 3.60% for the quarter ended September 30, 2022. Interest income on loans receivable increased \$33.7 million, or 31.5%, due to an increase of \$710.4 million, or 6.8%, in the average balance of loans in addition to an increase in the yield on loans to 5.01% for the quarter ended September 30, 2023 from 4.07% for the quarter ended September 30, 2022. The net effect of these changes in interest rates and average balances was a decrease in the Company’s net interest margin to 3.23% for the quarter ended September 30, 2023 from 3.42% for the same quarter last year.

The provision for credit losses decreased by \$10.3 million, or 91.1%, to \$1.0 million for the current quarter ended September 30, 2023 from \$11.3 million for the quarter ended September 30, 2022. Economic forecasts continued to improve and the Company continued to experience decreases in classified loans by \$29.1 million, or 12.2%, to \$208.6 million, or 1.84% of total loans, at September 30, 2023 from \$237.7 million, or 2.21% of total loans, at September 30, 2022.

Noninterest income increased by \$4.1 million, or 15.2%, to \$30.9 million for the quarter ended September 30, 2023, from \$26.8 million for the quarter ended September 30, 2022. This increase was primarily due to an increase in bank owned life insurance income of \$3.1 million, or 209.2%, to \$4.6 million for the quarter ended September 30, 2023 from \$1.5 million for the quarter ended September 30, 2022 as a result of death benefits received in the current period.

Noninterest expense increased by \$8.6 million, or 10.9%, to \$87.6 million for the quarter ended September 30, 2023 from \$79.0 million for the quarter ended September 30, 2022. This increase primarily resulted from a \$4.5 million, or 9.7%, increase in compensation and employee benefits to \$51.2 million for the quarter ended September 30, 2023, from \$46.7 million for the quarter ended September 30, 2022 driven by increases in salaries and benefits over the past twelve months. Other expenses increased \$1.7 million to \$2.0 million for the quarter ended September 30, 2023, from \$321,000 for the quarter ended September 30, 2022 due to an increase in employee relocation and other expenses. Processing expenses increased \$1.3 million, or 9.4%, to \$14.7 million for the quarter ended September 30, 2023, from \$13.4 million for the quarter ended September 30, 2022 due to the implementation of additional third-party software programs. Lastly, FDIC insurance premiums increased \$1.1 million, or 95.1%, to \$2.3 million for the quarter ended September 30, 2023 from \$1.2 million for the quarter ended September 30, 2022 due to an increase in the deposit insurance assessment rate beginning in the first quarter of 2023.

The provision for income taxes decreased by \$522,000, or 4.4%, to \$11.5 million for the quarter ended September 30, 2023 from \$12.0 million for the quarter ended September 30, 2022 due primarily to a decrease in our effective tax rate in the current year related to BOLI tax benefits.

Stock Listing

Northwest Bancshares, Inc. common stock trades on the NASDAQ Global Select Market under the symbol “NWBI.” The CUSIP number is 667340103.

Dividend Reinvestment and Direct Stock Purchase and Sale Plan

The plan provides direct shareholders and interested new investors with a convenient method to purchase shares of NWBI. You can access the plan materials and enroll online at equiniti.com. Navigate to “Login”, “AST Access to AST Portals”, click “Login” under Individuals, navigate down to Investor Services and click on “Buy Shares”. You may also request a copy of the plan prospectus and enrollment application by calling the plan administrator, Equiniti Trust Company, LLC toll free at (877) 715-0499, (800) 937-5449 or Northwest at (800) 859-1000.

Direct Deposit of Dividends (ACH)

Enroll by accessing your shareholder account online at equiniti.com or to obtain an enrollment card by mail, contact Equiniti Trust Company, LLC at (877) 715-0499, (800) 937-5449 or Northwest at (800) 859-1000.

Online Shareholder Account Access

Direct shareholders can access their account online at equiniti.com by navigating to “Login”, “AST Access to AST Portals”, clicking “Login” under Individuals and then under Shareholder Central click “Login” again to retrieve account details, update their shareholder profile, print a duplicate Form 1099 DIV, issue, sell or purchase shares online and much more.

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