

# First quarter ended March 31, 2023



## | Selected Financial Data

(\$000's, except per share amounts)	3/31/23	12/31/22	% Change
Total Assets	\$ 14,193,816	\$ 14,113,324	0.6%
Total Loans (Net)	10,971,014	10,802,416	1.6%
Total Deposits	11,537,179	11,464,548	0.6%
Shareholders' Equity	1,513,275	1,491,486	1.5%
Book Value Per Share	11.91	11.74	1.4%
Common Stock Closing Price	12.03	13.98	(13.9%)

Quarter ended	3/31/23	3/31/22	% Change
Net Interest Income	\$ 112,464	\$ 90,623	24.1%
Provision for Credit Losses	4,996	115	4244.3%
Noninterest Income (Loss)	23,969	25,740	(6.9%)
Noninterest Expense	87,450	80,348	8.8%
Income Before Taxes	43,987	35,900	22.5%
Income Tax Expense	10,308	7,613	35.4%
Net Income	33,679	28,287	19.1%
Diluted Earnings Per Share	0.26	0.22	18.2%
Return on Average Equity	9.11%	7.17%	194 bp
Return on Average Assets	0.97%	0.80%	17 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 142 full-service community banking locations, eight free standing drive-through facilities, and 200 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:

- Northwest was recognized by Forbes as one of the "World's Best Banks" and on the list as one of "America's Best Midsize Employers" for 2023.
- For the second year in a row, Northwest was recognized on The Banker's List of Top 500 Global Banking Brands.

## | Earnings Reported and Dividend Declared

The Company reported net income for the quarter ended March 31, 2023 of \$33.7 million, or \$0.26 per diluted share. This represents an increase of \$5.4 million, or 19.1%, compared to the same quarter last year, when net income was \$28.3 million, or \$0.22 per diluted share. The annualized returns on average shareholders' equity and average assets for the quarter ended March 31, 2023 were 9.11% and 0.97% compared to 7.17% and 0.80% 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 May 15, 2023 to shareholders of record as of May 4, 2023. This is the 114th consecutive quarter in which the Company has paid a cash dividend. Based on the market value of the Company's common stock as of March 31, 2023, this represents an annualized dividend yield of approximately 6.7%.

Louis J. Torchio, President and CEO, added, "The loan growth momentum during the prior year carried into the current quarter with loan growth of \$171.8 million, or 1.6%, primarily in our commercial loan portfolios generated through our Corporate Finance group, and our newly launched Equipment Finance and Small Business teams. We are pleased to see this loan growth was funded primarily through the growth in our deposit base, which increased \$72.6 million from the prior quarter. Although our yield on interest earning assets has continued to increase to 4.15%, our net interest margin began to tighten, declining by 10 basis points to 3.47%, due to the current interest rate environment and our funding needs. Asset quality metrics remain strong with nonperforming and classified assets dropping to \$79.8 million and \$208.6 million, respectively."

Mr. Torchio continued, "I am also pleased to report that we have been able to maintain our current deposit base and have not seen outsized deposit outflows due to the recent events in the banking industry. Our uninsured deposits, excluding intercompany accounts and collateralized public funds, continue to remain low at \$1.6 billion, or 13.6% of our total deposit base. This low level of uninsured deposits also emphasizes the granularity and diversity of our deposit base with an overall average balance of approximately \$16,000. Additionally, our funding availability at March 31, 2023 was approximately \$3.6 billion while borrowed funds outstanding were \$688.6 million. We are pleased with our

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## Earnings Reported and Dividend Declared (continued)

current liquidity levels and deposit mix and believe they leave us well positioned for the year.”

Net interest income increased by \$21.8 million, or 24.1%, to \$112.5 million for the quarter ended March 31, 2023, from \$90.6 million for the quarter ended March 31, 2022. This increase in net interest income is a result of both the increase in market interest rates and the change in our interest-earning asset mix throughout 2022 and continuing in the first quarter of 2023. Cash in interest-earning deposits was redeployed into higher yielding loans, which, along with higher market interest rates, caused the yield on interest-earning asset to increase to 4.15% for the quarter ended March 31, 2023 from 2.93% for the quarter ended March 31, 2022. Interest income on loans receivable increased \$35.6 million, or 40.3%, due to an increase of \$988.3 million, or 10.0%, in the average balance of loans in addition to an increase in the yield on loans to 4.63% for the quarter ended March 31, 2023 from 3.63% for the quarter ended March 31, 2022. Partially offsetting this increase in interest income was an increase in the cost of interest-bearing liabilities to 0.96% for the quarter ended March 31, 2023 from 0.25% for the quarter ended March 31, 2022. This increase was largely due to higher market interest rates causing an increase in both deposit and borrowing costs. The net effect of these changes in interest rates and average balances was an increase in the Company’s net interest margin to 3.47% for the quarter ended March 31, 2023 from 2.75% for the same quarter last year.

The provision for credit losses increased by \$4.9 million, to \$5.0 million for the current quarter ended March 31, 2023 from \$115,000 for the quarter ended March 31, 2022. This increase was primarily due to growth within our loan portfolio year over year, as well as forecasted economic deterioration reflected in our allowance for credit loss models. The Company continued to experience improvement in asset quality as classified loans decreased by \$111.3 million, or 34.8%, to \$208.6 million, or 1.88% of total loans, at March 31, 2023 from \$319.9 million, or 3.15% of total loans, at March 31, 2022. Total delinquent loans also decreased to \$73.4 million, or just 0.66% of loans receivable, at March 31, 2023 from \$75.4 million, or 0.74% of gross loans, at March 31, 2022.

Noninterest income decreased by \$1.8 million, or 6.9%, to \$24.0 million for the quarter ended March 31, 2023, from \$25.7 million for the quarter ended March 31, 2022. This decrease was primarily due to a decrease in mortgage banking income of \$941,000, or 64.2%, to \$524,000 for the quarter ended March 31, 2023 from \$1.5 million for the quarter ended March 31, 2022. This decrease reflects the impact of less favorable pricing in the secondary market, due primarily to the volatile interest rate environment, as well as a decrease in mortgage volumes primarily due to higher market interest rates.

Noninterest expense increased by \$7.1 million, or 8.8%, to \$87.5 million for the quarter ended March 31, 2023 from \$80.3 million for the quarter ended March 31, 2022. This increase primarily resulted from a \$2.2 million, or 84.9%, increase in professional services to \$4.8 million for the quarter ended March 31, 2023 from \$2.6 million for the quarter ended March 31, 2022 due to the use of third-party consulting and staffing support. Also contributing to this variance was a \$1.8 million increase in processing expenses to \$14.4 million for the quarter ended March 31, 2023, from \$12.5 million for the

quarter ended March 31, 2022 due to the implementation of additional third party software programs. Merger, asset disposition and restructuring expense increased \$1.4 million for the quarter ended March 31, 2023 due to the severance and fixed asset charges related to the branch optimization and personnel reduction announced during the fourth quarter of 2022. Lastly, FDIC insurance premiums increased \$1.1 million to \$2.2 million for the quarter ended March 31, 2023 from \$1.1 million for the quarter ended March 31, 2022 due to an increase in the deposit insurance assessment rate beginning in the first quarter of 2023.

The provision for income taxes increased by \$2.7 million, or 35.4%, to \$10.3 million for the quarter ended March 31, 2023 from \$7.6 million for the quarter ended March 31, 2022 due primarily to an increase in income before taxes in the current year.

### 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 [astfinancial.com](http://astfinancial.com). You may also request a copy of the plan prospectus and enrollment application by calling the plan administrator, American Stock Transfer & Trust Company, LLC toll free at (877) 715-0499 or Northwest at (800) 859-1000.

### Direct Deposit of Dividends (ACH)

Enroll by accessing your shareholder account online at [astfinancial.com](http://astfinancial.com) or to obtain an enrollment card by mail, contact American Stock Transfer & Trust Company, LLC at (877) 715-0499 or Northwest at (800) 859-1000.

### Online Shareholder Account Access

Direct shareholders can access their account online at [astfinancial.com](http://astfinancial.com) by clicking “Login” at the top right corner of the screen 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.

### Registrar, Transfer and Dividend Disbursing Agent

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