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 June 30, 2025
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.)

3 Easton Oval	**Suite 500**	**Columbus**	**Ohio**	**43219**
(Address of Principal Executive Offices)				(Zip Code)

(814) 726-2140
(Registrant's telephone number, including area code)

Not applicable
(Former name, former address and former fiscal year, if changed since last report)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	**Trading symbol(s)**	**Name of each exchange on which registered**
Common Stock, $0.01 Par Value	NWBI	The Nasdaq Stock Market, LLC

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 every Interactive Data File required to be submitted 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 such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

☒ Large accelerated filer ☐ Accelerated filer
☐ Non-accelerated filer ☐ Smaller reporting company
☐ Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).Yes ☐ No ☒

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), 146,211,701 shares outstanding as of July 31, 2025.

NORTHWEST BANCSHARES, INC.
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Item 1. FINANCIAL STATEMENTS

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

	June 30, 2025	December 31, 2024
Assets		
Cash and cash equivalents	$ 267,075	288,378
Marketable securities available-for-sale (amortized cost of $1,341,651 and $1,278,665, respectively)	1,194,883	1,108,944
Marketable securities held-to-maturity (fair value of $628,936 and $637,948, respectively)	719,561	750,586
Total cash and cash equivalents and marketable securities	2,181,519	2,147,908
Loans held-for-sale	13,104	76,331
Loans held for investment	11,341,824	11,180,014
Allowance for credit losses	(129,159)	(116,819)
Loans receivable, net	11,212,665	11,063,195
FHLB stock, at cost	17,809	21,006
Accrued interest receivable	46,987	46,356
Real estate owned, net	48	35
Premises and equipment, net	123,402	124,246
Bank-owned life insurance	255,708	253,137
Goodwill	380,997	380,997
Other intangible assets, net	1,897	2,837
Other assets	250,971	292,176
Total assets	$ 14,485,107	14,408,224
Liabilities and shareholders' equity		
Liabilities:		
Noninterest-bearing demand deposits	$ 2,643,099	2,621,415
Interest-bearing demand deposits	2,622,695	2,666,504
Money market deposit accounts	2,153,078	2,007,739
Savings deposits	2,211,509	2,171,251
Time deposits	2,570,648	2,677,645
Total deposits	12,201,029	12,144,554
Borrowed funds	198,008	200,331
Subordinated debt	114,713	114,538
Junior subordinated debentures	129,964	129,834
Advances by borrowers for taxes and insurance	47,865	42,042
Accrued interest payable	7,729	6,935
Other liabilities	143,731	173,134
Total liabilities	12,843,039	12,811,368
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, 127,842,403 and 127,508,003 shares issued and outstanding, respectively	1,278	1,275
Additional paid-in capital	1,037,615	1,033,385
Retained earnings	699,049	673,110
Accumulated other comprehensive loss	(95,874)	(110,914)
Total shareholders' equity	1,642,068	1,596,856
Total liabilities and shareholders' equity	$ 14,485,107	14,408,224

See accompanying notes to unaudited Consolidated Financial Statements.

NORTHWEST BANCSHARES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME (Unaudited)
(in thousands, except share data)

	Quarter ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Interest income:				
Loans receivable	$ 154,914	153,954	319,552	303,525
Mortgage-backed securities	12,154	9,426	23,884	17,370
Taxable investment securities	999	728	1,932	1,522
Tax-free investment securities	512	457	1,024	948
FHLB stock dividends	318	498	684	1,105
Interest-earning deposits	2,673	1,791	5,089	2,623
Total interest income	171,570	166,854	352,165	327,093
Interest expense:				
Deposits	46,826	52,754	94,151	100,440
Borrowed funds	5,300	7,259	10,752	16,574
Total interest expense	52,126	60,013	104,903	117,014
Net interest income	119,444	106,841	247,262	210,079
Provision for credit losses - loans	11,456	2,169	19,712	6,403
Provision/(benefit) for credit losses - unfunded commitments	(2,712)	(2,539)	(3,057)	(3,338)
Net interest income after provision for credit losses	110,700	107,211	230,607	207,014
Noninterest income:				
Loss on sale of investments	—	(39,413)	—	(39,413)
Gain on sale of SBA loans	819	1,457	2,057	2,330
Service charges and fees	15,797	15,527	30,784	31,050
Trust and other financial services income	7,948	7,566	15,858	14,693
Gain on real estate owned, net	258	487	342	544
Income from bank-owned life insurance	1,421	1,371	2,752	2,873
Mortgage banking income	1,075	901	1,771	1,353
Other operating income	3,620	3,255	5,729	5,684
Total noninterest income	30,938	(8,849)	59,293	19,114
Noninterest expense:				
Compensation and employee benefits	55,213	53,531	109,753	105,071
Premises and occupancy costs	7,122	7,464	15,522	15,091
Office operations	2,910	3,819	5,887	6,586
Collections expense	838	406	1,166	742
Processing expenses	12,973	14,695	26,963	29,420
Marketing expenses	3,018	2,410	4,898	4,559
Federal deposit insurance premiums	2,296	2,865	4,624	5,888
Professional services	3,990	3,728	6,746	7,793
Amortization of intangible assets	436	635	940	1,336
Merger, asset disposition and restructuring expense	6,244	1,915	7,367	2,870
Other expenses	2,500	952	5,411	3,088
Total noninterest expense	97,540	92,420	189,277	182,444
Income before income taxes	44,098	5,942	100,623	43,684
Federal and state income taxes expense	10,423	1,195	23,490	9,774
Net income	$ 33,675	4,747	77,133	33,910
Basic earnings per share	$ 0.26	0.04	0.60	0.27
Diluted earnings per share	$ 0.26	0.04	0.60	0.27

See accompanying notes to unaudited Consolidated Financial Statements.

NORTHWEST BANCSHARES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (Unaudited)
(in thousands)

	Quarter ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Net income	$ 33,675	4,747	77,133	33,910
Other comprehensive income net of tax:				
Net unrealized holding gains/(losses) on marketable securities:				
Unrealized holding gains/(losses), net of tax of ($1,180), $168, ($5,663), and $1,926, respectively	3,425	(3,391)	17,288	(9,089)
Reclassification adjustment for losses included in net income, net of tax of $0, ($7,706), $0, and ($7,706) respectively	1	26,789	1	26,789
Net unrealized holding gains/(losses) on marketable securities	3,426	23,398	17,289	17,700
Change in fair value of interest rate swaps, net of tax of $246, ($96), $624, and ($726), respectively	(650)	330	(1,911)	2,484
Defined benefit plan:				
Actuarial reclassification adjustments for prior period service costs and actuarial gains included in net income, net of tax of $64, $147, $128, and $294, respectively	(169)	(388)	(338)	(776)
Other comprehensive income	2,607	23,340	15,040	19,408
Total comprehensive income	$ 36,282	28,087	92,173	53,318

See accompanying notes to unaudited Consolidated Financial Statements.

NORTHWEST BANCSHARES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (Unaudited)
(in thousands, expect share data)

	Common stock		Additional paid-in capital	Retained earnings	Accumulated other comprehensive income/(loss)	Total shareholders' equity
Quarter ended June 30, 2025	**Shares**	**Amount**				
Beginning balance at March 31, 2025	127,736,303	$ 1,277	1,035,093	691,066	(98,481)	1,628,955
Comprehensive income:						
Net income	—	—	—	33,675	—	33,675
Other comprehensive income, net of tax of ($870)	—	—	—	—	2,607	2,607
Total comprehensive income	—	—	—	33,675	2,607	36,282
Exercise of stock options	62,157	—	555	—	—	555
Stock-based compensation expense	65,654	1	1,967	—	—	1,968
Common shares returned (1)	(21,711)	—	—	—	—	—
Dividends paid ($0.20 per share)	—	—	—	(25,692)	—	(25,692)
Ending balance at June 30, 2025	127,842,403	$ 1,278	1,037,615	699,049	(95,874)	1,642,068

(1) includes shares withheld for taxes and forfeitures

	Common stock		Additional paid-in capital	Retained earnings	Accumulated other comprehensive loss	Total shareholders' equity
Quarter ended June 30, 2024	**Shares**	**Amount**				
Beginning balance at March 31, 2024	127,253,189	$ 1,273	1,026,173	678,427	(153,424)	1,552,449
Comprehensive income:						
Net income	—	—	—	4,747	—	4,747
Other comprehensive loss, net of tax of ($7,487)	—	—	—	—	23,340	23,340
Total comprehensive income	—	—	—	4,747	23,340	28,087
Exercise of stock options	6,382	—	61	—	—	61
Stock-based compensation expense	57,892	—	1,469	—	—	1,469
Stock-based compensation forfeited	(9,466)	—	—	—	—	—
Dividends paid ($0.20 per share)	—	—	—	(25,468)	—	(25,468)
Ending balance at June 30, 2024	127,307,997	$ 1,273	1,027,703	657,706	(130,084)	1,556,598

See accompanying notes to unaudited Consolidated Financial Statements.

NORTHWEST BANCSHARES, INC.
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (Unaudited)
(in thousands, expect share data)

Six months ended June 30, 2025	Common stock Shares	Common stock Amount	Additional paid-in capital	Retained earnings	Accumulated other comprehensive income/(loss)	Total shareholders' equity
Beginning balance at December 31, 2024	127,508,003	$ 1,275	1,033,385	673,110	(110,914)	1,596,856
Comprehensive income:						
Net income	—	—	—	77,133	—	77,133
Other comprehensive income, net of tax of ($4,911)	—	—	—	—	15,040	15,040
Total comprehensive income	—	—	—	77,133	15,040	92,173
Exercise of stock options	65,134	—	586	—	—	586
Stock-based compensation expense	291,738	3	3,644	—	—	3,647
Common shares returned (1)	(22,472)	—	—	—	—	—
Dividends paid ($0.40 per share)	—	—	—	(51,194)	—	(51,194)
Ending balance at June 30, 2025	127,842,403	$ 1,278	1,037,615	699,049	(95,874)	1,642,068

(1) includes shares withheld for taxes and forfeitures

Six months ended June 30, 2024	Common stock Shares	Common stock Amount	Additional paid-in capital	Retained earnings	Accumulated other comprehensive income/(loss)	Total shareholders' equity
Beginning balance at December 31, 2023	127,110,453	$ 1,271	1,024,852	674,686	(149,492)	1,551,317
Comprehensive income:						
Net income	—	—	—	33,910	—	33,910
Other comprehensive income, net of tax of ($6,212)	—	—	—	—	19,408	19,408
Total comprehensive income	—	—	—	33,910	19,408	53,318
Exercise of stock options	6,392	—	81	—	—	81
Stock-based compensation expense	203,978	2	2,770	—	—	2,772
Stock-based compensation forfeited	(12,826)	—	—	—	—	—
Dividends paid ($0.40 per share)	—	—	—	(50,890)	—	(50,890)
Ending balance at June 30, 2024	127,307,997	$ 1,273	1,027,703	657,706	(130,084)	1,556,598

See accompanying notes to unaudited Consolidated Financial Statements.

NORTHWEST BANCSHARES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)
(in thousands)

	Six months ended June 30,	
	2025	**2024**
Operating activities:		
Net income	$ 77,133	33,910
Adjustments to reconcile net income to net cash provided by operating activities:		
Provision for credit losses	16,655	3,065
Loss on sale of investments	—	39,413
Net gain/loss on sale of assets	206	(5,468)
Mortgage banking activity	(1,771)	(1,625)
Gain on sale of SBA loans	(2,057)	(2,265)
Net depreciation, amortization and accretion	1,658	10,975
Decrease in other assets	34,462	9,938
Decrease/(increase) in other liabilities	(28,552)	8,375
Net amortization on marketable securities	(66)	852
Noncash compensation expense related to stock benefit plans	3,647	2,772
Noncash write-down of other assets	315	5,795
Deferred income tax expense	(860)	2,907
Origination of loans held-for-sale	(81,769)	(99,421)
Proceeds from sale of loans held-for-sale	86,284	102,134
Net cash provided by operating activities	105,285	111,357
Investing activities:		
Purchase of marketable securities available-for-sale	(112,198)	(318,280)
Proceeds from maturities and principal reductions of marketable securities held-to-maturity	30,658	30,254
Proceeds from maturities and principal reductions of marketable securities available-for-sale	49,644	40,455
Proceeds from sale of marketable securities available-for-sale	—	275,585
Proceeds from bank-owned life insurance	111	874
Loan originations	(1,969,106)	(1,969,342)
Proceeds from loan maturities and principal reductions	1,866,780	2,020,162
Net proceeds of FHLB stock	3,197	9,304
Proceeds from sale of real estate owned	410	638
Purchases of premises and equipment, net	(5,451)	(1,988)
Net cash used in investing activities	(135,955)	87,662
Financing activities:		
Net increase in deposits	56,475	107,477
Net decrease in short-term borrowings	(2,323)	(156,532)
Increase in advances by borrowers for taxes and insurance	5,823	7,018
Cash dividends paid on common stock	(51,194)	(50,890)
Proceeds from stock options exercised	586	81
Net cash provided by financing activities	9,367	(92,846)
Net (decrease)/increase in cash and cash equivalents	$ (21,303)	106,173
Cash and cash equivalents at beginning of period	$ 288,378	122,260
Net (decrease)/increase in cash and cash equivalents	(21,303)	106,173
Cash and cash equivalents at end of period	$ 267,075	228,433
Cash paid during the period for:		
Interest on deposits and borrowings (including interest credited to deposit accounts of $80,748 and $81,238, respectively)	$ 105,881	109,260
Income taxes	27,841	13,972
Non-cash activities:		
Loan foreclosures and repossessions	$ 1,977	2,294

See accompanying notes to unaudited Consolidated Financial Statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

(1) Basis of Presentation and Informational Disclosures

Northwest Bancshares, Inc. (the "Company" or "Northwest"), a Maryland corporation headquartered in Columbus, Ohio, is a bank holding company regulated by the Board of Governors of the Federal Reserve Board ("Federal Reserve Board"). The primary activity of the Company is the ownership of all of the issued and outstanding common stock of Northwest Bank, a Pennsylvania-chartered savings bank ("Northwest Bank"). Northwest Bank is regulated by the Federal Deposit Insurance Corporation ("FDIC") and the Pennsylvania Department of Banking and Securities. Northwest Bank operates 141 community-banking offices throughout Pennsylvania, Western New York, Eastern Ohio, and Indiana.

The accompanying unaudited Consolidated Financial Statements include the accounts of the Company and its subsidiary, Northwest Bank, and Northwest's subsidiaries Northwest Capital Group, Inc., Great Northwest Corporation, and Mutual Federal Interest Company, Inc. The unaudited Consolidated Financial Statements have been prepared in accordance with United States generally accepted accounting principles for interim financial information and with the instructions for Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information or footnotes required for complete annual financial statements. In the opinion of management, all adjustments necessary for the fair presentation of the Company's financial position and results of operations have been included. The Consolidated Financial Statements have been prepared using the accounting policies described in the financial statements included in the Company's Annual Report on Form 10-K for the year ended December 31, 2024 updated, as required, for any new pronouncements or changes.

Certain items previously reported have been reclassified to conform to the current year's reporting format.

The results of operations for the quarter ended June 30, 2025 are not necessarily indicative of the results that may be expected for the year ending December 31, 2025, or any other period.

(2) Marketable Securities

The following table shows the portfolio of marketable securities available-for-sale at June 30, 2025 (in thousands):

	Amortized cost	Gross unrealized holding gains	Gross unrealized holding losses	Fair value
Debt issued by the U.S government and agencies:				
Due after ten years	$ 43,461	—	(8,531)	34,930
Debt issued by government-sponsored enterprises:				
Due after one year through five years	84	—	(4)	80
Municipal securities:				
Due after one year through five years	853	12	—	865
Due after five years through ten years	17,774	109	(1,772)	16,111
Due after ten years	50,029	25	(9,189)	40,865
Corporate debt issues:				
Due in one year or less	7,929	56	(67)	7,918
Due after five years through ten years	22,049	873	—	22,922
Mortgage-backed securities:				
Fixed rate pass-through	265,566	1,452	(13,350)	253,668
Variable rate pass-through	3,309	55	(2)	3,362
Fixed rate agency CMOs	887,740	1,996	(118,226)	771,510
Variable rate agency CMOs	42,857	30	(235)	42,652
Total mortgage-backed securities	1,199,472	3,533	(131,813)	1,071,192
Total marketable securities available-for-sale	$ 1,341,651	4,608	(151,376)	1,194,883

The following table shows the portfolio of marketable securities available-for-sale at December 31, 2024 (in thousands):

	Amortized cost	Gross unrealized holding gains	Gross unrealized holding losses	Fair value
Debt issued by the U.S. government and agencies:				
Due after ten years	$ 45,289	—	(9,898)	35,391
Debt issued by government-sponsored enterprises:				
Due after one year through five years	122	—	(4)	118
Municipal securities:				
Due after one year through five years	888	10	(2)	896
Due after five years through ten years	16,662	4	(1,756)	14,910
Due after ten years	51,257	4	(8,440)	42,821
Corporate debt issues:				
Due in one year or less	5,485	—	(78)	5,407
Due after five years through ten years	19,944	815	(65)	20,694
Mortgage-backed securities:				
Fixed rate pass-through	237,892	106	(17,581)	220,417
Variable rate pass-through	3,738	54	(3)	3,789
Fixed rate agency CMOs	852,648	174	(132,989)	719,833
Variable rate agency CMOs	44,740	30	(102)	44,668
Total mortgage-backed securities	1,139,018	364	(150,675)	988,707
Total marketable securities available-for-sale	$ 1,278,665	1,197	(170,918)	1,108,944

The following table shows the portfolio of marketable securities held-to-maturity at June 30, 2025 (in thousands):

	Amortized cost	Gross unrealized holding gains	Gross unrealized holding losses	Fair value
Debt issued by government-sponsored enterprises:				
Due in one year or less	$ 16,477	—	(381)	16,096
Due after one year through five years	107,986	—	(10,215)	97,771
Mortgage-backed securities:				
Fixed rate pass-through	125,996	—	(15,293)	110,703
Variable rate pass-through	346	3	—	349
Fixed rate agency CMOs	468,228	—	(64,736)	403,492
Variable rate agency CMOs	528	—	(3)	525
Total mortgage-backed securities	595,098	3	(80,032)	515,069
Total marketable securities held-to-maturity	$ 719,561	3	(90,628)	628,936

The following table shows the portfolio of marketable securities held-to-maturity at December 31, 2024 (in thousands):

	Amortized cost	Gross unrealized holding gains	Gross unrealized holding losses	Fair value
Debt issued by government-sponsored enterprises:				
Due after one year through five years	$ 124,462	—	(14,464)	109,998
Mortgage-backed securities:				
Fixed rate pass-through	132,816	—	(20,181)	112,635
Variable rate pass-through	364	1	—	365
Fixed rate agency CMOs	492,415	—	(77,989)	414,426
Variable rate agency CMOs	529	—	(5)	524
Total mortgage-backed securities	626,124	1	(98,175)	527,950
Total marketable securities held-to-maturity	$ 750,586	1	(112,639)	637,948

The following table shows the contractual maturity of our mortgage-backed securities available-for-sale at June 30, 2025 (in thousands):

	Amortized cost	Fair value
Mortgage-backed securities:		
Due within one year	$ 102	102
Due after one year through five years	9,461	9,456
Due after five years through ten years	8,038	7,333
Due after ten years	1,181,871	1,054,301
Total mortgage-backed securities	$ 1,199,472	1,071,192

The following table shows the contractual maturity of our mortgage-backed securities held-to-maturity at June 30, 2025 (in thousands):

	Amortized cost	Fair value
Mortgage-backed securities:		
Due after one year through five years	19,902	18,519
Due after five years through ten years	20,168	17,241
Due after ten years	555,028	479,309
Total mortgage-backed securities	$ 595,098	515,069

The following table shows the fair value of and gross unrealized losses on available-for-sale investment securities and held to maturity investment securities, for which an allowance for credit losses has not been recorded, aggregated by investment category and length of time that the individual securities have been in a continuous unrealized loss position at June 30, 2025 (in thousands):

	Less than 12 months		12 months or more		Total	
	Fair value	Unrealized loss	Fair value	Unrealized loss	Fair value	Unrealized loss
U.S. government-sponsored enterprises	$ —	—	148,877	(19,131)	148,877	(19,131)
Municipal securities	10,419	(105)	38,307	(10,856)	48,726	(10,961)
Corporate issues	1,974	(26)	3,445	(41)	5,419	(67)
Mortgage-backed securities - agency	115,242	(1,305)	1,114,721	(210,540)	1,229,963	(211,845)
Total	$ 127,635	(1,436)	1,305,350	(240,568)	1,432,985	(242,004)

The following table shows the fair value of and gross unrealized losses on available-for-sale investment securities and held to maturity investment securities, for which an allowance for credit losses has not been recorded, aggregated by investment category and length of time that the individual securities have been in a continuous unrealized loss position at December 31, 2024 (in thousands):

	Less than 12 months		12 months or more		Total	
	Fair value	Unrealized loss	Fair value	Unrealized loss	Fair value	Unrealized loss
U.S. government-sponsored enterprises	$ —	—	145,507	(24,366)	145,507	(24,366)
Corporate debt issues	—	—	8,335	(143)	8,335	(143)
Municipal securities	15,407	(186)	39,296	(10,012)	54,703	(10,198)
Mortgage-backed securities - agency	297,828	(3,578)	1,117,280	(245,272)	1,415,108	(248,850)
Total	$ 313,235	(3,764)	1,310,418	(279,793)	1,623,653	(283,557)

The Company does not believe that the available-for-sale debt securities that were in an unrealized loss position as of June 30, 2025, which were comprised of 319 individual securities, represent a credit loss impairment. All of these securities were issued by U.S. government agencies, U.S. government-sponsored enterprises, local municipalities, or represent corporate debt. The securities issued by the U.S. government agencies or U.S. government-sponsored enterprises are either explicitly or implicitly guaranteed by the U.S. government, are highly rated by major rating agencies and have a long history of no credit losses. The securities issued by local municipalities and the corporate debt issues were all highly rated by major rating agencies and have no history of credit losses. The unrealized losses were primarily attributable to changes in the interest rate environment and not due to the credit quality of these investment securities. As of June 30, 2025, the Company does not have the intent to sell these investment securities and it is more likely than not that we will not be required to sell these securities before their anticipated recovery, which may be at maturity.

All of the Company's held-to-maturity debt securities are issued by U.S. government agencies or U.S. government-sponsored enterprises. These securities are either explicitly or implicitly guaranteed by the U.S. government, are highly rated by major rating agencies and have a long history of no credit losses. The decline in fair value of the held-to-maturity debt securities were primarily attributable to changes in the interest rate environment and not due to the credit quality of these investment securities, therefore, the Company did not record an allowance for credit losses for these securities as of June 30, 2025.

The following table presents the credit quality of our held-to-maturity securities, based on the latest information available as of June 30, 2025 (in thousands). The credit ratings are sourced from nationally recognized rating agencies, which include Moody's and S&P, and they are presented based on asset type. All of our held-to-maturity securities were current in their payment of principal and interest as of June 30, 2025.

	AA+	Total
Held-to-maturity securities (at amortized cost):		
Debt issued by the U.S. government-sponsored enterprises	$ 124,463	124,463
Mortgage-backed securities	595,098	595,098
Total marketable securities held-to-maturity	$ 719,561	719,561

(3) Loans Receivable

The following tables excludes loans held for sale. The following table shows a summary of our loans receivable at amortized cost basis at June 30, 2025 and December 31, 2024 (in thousands):

	June 30, 2025	December 31, 2024
Personal Banking:		
Residential mortgage loans	3,052,126	3,178,269
Home equity loans	1,157,520	1,149,396
Vehicle loans	2,084,500	1,870,843
Consumer loans	126,775	124,242
Total Personal Banking	6,420,921	6,322,750
Commercial Banking:		
Commercial real estate loans	2,418,992	2,495,726
Commercial real estate loans - owner occupied	363,412	354,136
Commercial loans	2,138,499	2,007,402
Total Commercial Banking	4,920,903	4,857,264
Total loans receivable, gross	11,341,824	11,180,014
Allowance for credit losses	(129,159)	(116,819)
Total loans receivable, net (1)	11,212,665	11,063,195

(1) Includes $68 million and $60 million of net unearned income, unamortized premiums and discounts and deferred fees and costs at June 30, 2025 and December 31, 2024, respectively.

The following table provides information related to the allowance for credit losses by portfolio segment and by class of financing receivable for the quarter ended June 30, 2025 (in thousands):

	Balance as of June 30, 2025	Current period provision	Charge-offs	Recoveries	Balance as of March 31, 2025
Allowance for Credit Losses					
Personal Banking:					
Residential mortgage loans	$ 12,089	(1,079)	(273)	166	13,275
Home equity loans	4,216	(228)	(413)	233	4,624
Vehicle loans	21,234	448	(2,150)	481	22,455
Consumer loans	2,266	1,028	(1,181)	422	1,997
Total Personal Banking	39,805	169	(4,017)	1,302	42,351
Commercial Banking:					
Commercial real estate loans	53,624	7,432	(293)	902	45,583
Commercial real estate loans - owner occupied	4,130	(130)	—	73	4,187
Commercial loans	31,600	3,985	(3,597)	524	30,688
Total Commercial Banking	89,354	11,287	(3,890)	1,499	80,458
Total	$ 129,159	11,456	(7,907)	2,801	122,809
Allowance for Credit Losses - off-balance sheet exposure					
Personal Banking:					
Home equity loans	$ 65	4	—	—	61
Total Personal Banking	65	4	—	—	61
Commercial Banking:					
Commercial real estate loans	1,897	(1,059)	—	—	2,956
Commercial real estate loans - owner occupied	260	124	—	—	136
Commercial loans	8,670	(1,781)	—	—	10,451
Total Commercial Banking	10,827	(2,716)	—	—	13,543
Total off-balance sheet exposure	$ 10,892	(2,712)	—	—	13,604

The following table provides information related to the allowance for credit losses by portfolio segment and by class of financing receivable for the quarter ended June 30, 2024 (in thousands):

	Balance as of June 30, 2024	Current period provision	Charge-offs	Recoveries	Balance as of March 31, 2024
Allowance for Credit Losses					
Personal Banking:					
Residential mortgage loans	$ 14,999	(2,375)	(252)	805	16,821
Home equity loans	5,210	(279)	(237)	392	5,334
Vehicle loans	21,364	1,767	(1,926)	462	21,061
Consumer loans	1,668	434	(635)	417	1,452
Total Personal Banking	43,241	(453)	(3,050)	2,076	44,668
Commercial Banking:					
Commercial real estate loans	50,559	(3,785)	(500)	370	54,474
Commercial real estate loans - owner occupied	3,615	(453)	—	13	4,055
Commercial loans	27,655	6,860	(1,319)	414	21,700
Total Commercial Banking	81,829	2,622	(1,819)	797	80,229
Total	$ 125,070	2,169	(4,869)	2,873	124,897
Allowance for Credit Losses - off-balance sheet exposure					
Personal Banking:					
Residential mortgage loans	$ 1	—	—	—	1
Home equity loans	63	(1)	—	—	64
Total Personal Banking	64	(1)	—	—	65
Commercial Banking:					
Commercial real estate loans	4,450	(1,768)	—	—	6,218
Commercial real estate loans - owner occupied	151	(3)	—	—	154
Commercial loans	9,120	(767)	—	—	9,887
Total Commercial Banking	13,721	(2,538)	—	—	16,259
Total off-balance sheet exposure	$ 13,785	(2,539)	—	—	16,324

The following table provides information related to the allowance for credit losses by portfolio segment and by class of financing receivable for the six months ended June 30, 2025 (in thousands):

	Balance as of June 30, 2025	Current period provision	Charge-offs	Recoveries	Balance as of December 31, 2024
Allowance for Credit Losses					
Personal Banking:					
Residential mortgage loans	$ 12,089	(1,672)	(861)	275	14,347
Home equity loans	4,216	(378)	(686)	435	4,845
Vehicle loans	21,234	2,263	(4,451)	1,033	22,389
Consumer loans	2,266	2,289	(2,685)	779	1,883
Total Personal Banking	39,805	2,502	(8,683)	2,522	43,464
Commercial Banking:					
Commercial real estate loans	53,624	7,281	(409)	2,424	44,328
Commercial real estate loans - owner occupied	4,130	168	—	80	3,882
Commercial loans	31,600	9,761	(4,168)	862	25,145
Total Commercial Banking	89,354	17,210	(4,577)	3,366	73,355
Total	$ 129,159	19,712	(13,260)	5,888	116,819
Allowance for Credit Losses - off-balance sheet exposure					
Personal Banking:					
Home equity loans	65	3	—	—	62
Total Personal Banking	65	3	—	—	62
Commercial Banking:					
Commercial real estate loans	1,897	(2,257)	—	—	4,154
Commercial real estate loans - owner occupied	260	100	—	—	160
Commercial loans	8,670	(903)	—	—	9,573
Total Commercial Banking	10,827	(3,060)	—	—	13,887
Total off-balance sheet exposure	$ 10,892	(3,057)	—	—	13,949

The following table provides information related to the allowance for credit losses by portfolio segment and by class of financing receivable for the six months ended June 30, 2024 (in thousands):

	Balance as of June 30, 2024	Current period provision	Charge-offs	Recoveries	Balance as of December 31, 2023
Allowance for Credit Losses					
Personal Banking:					
Residential mortgage loans	$ 14,999	(3,774)	(414)	994	18,193
Home equity loans	5,210	(134)	(649)	590	5,403
Vehicle loans	21,364	(1,927)	(4,514)	894	26,911
Consumer loans	1,668	2,283	(2,620)	806	1,199
Total Personal Banking	43,241	(3,552)	(8,197)	3,284	51,706
Commercial Banking:					
Commercial real estate loans	50,559	(712)	(849)	853	51,267
Commercial real estate loans - owner occupied	3,615	(181)	—	21	3,775
Commercial loans	27,655	10,848	(2,482)	794	18,495
Total Commercial Banking	81,829	9,955	(3,331)	1,668	73,537
Total	$ 125,070	6,403	(11,528)	4,952	125,243
Allowance for Credit Losses - off-balance sheet exposure					
Personal Banking:					
Residential mortgage loans	$ 1	(1)	—	—	2
Home equity loans	63	(2)	—	—	65
Total Personal Banking	64	(3)	—	—	67
Commercial Banking:					
Commercial real estate loans	4,450	(1,697)	—	—	6,147
Commercial real estate loans - owner occupied	151	(22)	—	—	173
Commercial loans	9,120	(1,616)	—	—	10,736
Total Commercial Banking	13,721	(3,335)	—	—	17,056
Total off-balance sheet exposure	$ 13,785	(3,338)	—	—	17,123

The following table provides information related to the loan portfolio by portfolio segment and by class of financing receivable at June 30, 2025 (in thousands):

	Total loans receivable	Allowance for credit losses	Nonaccrual loans	Loans 90 days past due and accruing
Personal Banking:				
Residential mortgage loans	$ 3,052,126	12,089	8,482	—
Home equity loans	1,157,520	4,216	3,507	—
Vehicle loans	2,084,500	21,234	4,191	—
Consumer loans	126,775	2,266	227	493
Total Personal Banking	6,420,921	39,805	16,407	493
Commercial Banking:				
Commercial real estate loans	2,418,992	53,624	61,327	—
Commercial real estate loans - owner occupied	363,412	4,130	764	—
Commercial loans	2,138,499	31,600	23,896	—
Total Commercial Banking	4,920,903	89,354	85,987	—
Total	$ 11,341,824	129,159	102,394	493

The following table provides information related to the loan portfolio by portfolio segment and by class of financing receivable at December 31, 2024 (in thousands):

	Total loans receivable	Allowance for credit losses	Nonaccrual loans	Loans 90 days past due and accruing
Personal Banking:				
Residential mortgage loans	$ 3,178,269	14,347	6,951	—
Home equity loans	1,149,396	4,845	3,332	—
Vehicle loans	1,870,843	22,389	4,829	—
Consumer loans	124,242	1,883	199	578
Total Personal Banking	6,322,750	43,464	15,311	578
Commercial Banking:				
Commercial real estate loans	2,495,726	44,328	36,183	—
Commercial real estate loans - owner occupied	354,136	3,882	784	—
Commercial loans	2,007,402	25,145	9,123	78
Total Commercial Banking	4,857,264	73,355	46,090	78
Total	$ 11,180,014	116,819	61,401	656

We present the amortized cost of our loans on nonaccrual status including such loans with no allowance. The following table presents the amortized cost of our loans on nonaccrual status as of the beginning and end of the period ended June 30, 2025 (in thousands):

		June 30, 2025		
	Nonaccrual loans at December 31, 2024	Nonaccrual loans with an allowance	Nonaccrual loans with no allowance	Total nonaccrual loans at the end of the period
Personal Banking:				
Residential mortgage loans	$ 6,951	6,529	1,953	8,482
Home equity loans	3,332	2,738	769	3,507
Vehicle loans	4,829	2,271	1,920	4,191
Consumer loans	199	227	—	227
Total Personal Banking	15,311	11,765	4,642	16,407
Commercial Banking:				
Commercial real estate loans	36,183	56,139	5,188	61,327
Commercial real estate loans - owner occupied	784	764	—	764
Commercial loans	9,123	21,080	2,816	23,896
Total Commercial Banking	46,090	77,983	8,004	85,987
Total	$ 61,401	89,748	12,646	102,394

During the three and six months ended June 30, 2025, we did not recognize any interest income on nonaccrual loans.

The following table presents the amortized cost of our loans on nonaccrual status as of the beginning and end of the year ended December 31, 2024 (in thousands):

		December 31, 2024		
	Nonaccrual loans at December 31, 2023	Nonaccrual loans with an allowance	Nonaccrual loans with no allowance	Total nonaccrual loans at the end of the period
Personal Banking:				
Residential mortgage loans	$ 8,727	6,590	361	6,951
Home equity loans	4,492	3,200	132	3,332
Vehicle loans	4,816	3,958	871	4,829
Consumer loans	229	198	1	199
Total Personal Banking	18,264	13,946	1,365	15,311
Commercial Banking:				
Commercial real estate loans	71,297	22,813	13,370	36,183
Commercial real estate loans - owner occupied	676	784	—	784
Commercial loans	4,147	7,471	1,652	9,123
Total Commercial Banking	76,120	31,068	15,022	46,090
Total	$ 94,384	45,014	16,387	61,401

During the year ended December 31, 2024, we did not recognize any interest income on nonaccrual loans.

A loan is considered to be collateral dependent when the borrower is experiencing financial difficulty and repayment is expected to be provided substantially through the sale or operation of the collateral. The following table presents the amortized cost basis of collateral-dependent loans by class of loans and collateral type as of as of June 30, 2025 (in thousands):

	Real estate	Equipment	Other	Total
Commercial Banking:				
Commercial real estate loans	$ 48,875	—	—	48,875
Commercial loans	4,015	2,649	2,048	8,712
Total Commercial Banking	52,890	2,649	2,048	57,587
Total	$ 52,890	2,649	2,048	57,587

The following table presents the amortized cost basis of collateral-dependent loans by class of loans as of December 31, 2024 (in thousands):

	Real estate	Equipment	Other	Total
Commercial Banking:				
Commercial real estate loans	$ 27,907	—	339	28,246
Commercial loans	—	1,651	2,204	3,855
Total Commercial Banking	27,907	1,651	2,543	32,101
Total	$ 27,907	1,651	2,543	32,101

Occasionally, the Company modifies loans to borrowers in financial distress by providing principal forgiveness, term extensions, an other-than-insignificant payment delay, or interest rate reduction. When principal forgiveness is provided, the amount of forgiveness is charged off against the allowance for credit losses.

In some cases, the Company provides multiple types of concessions to one loan. Typically, one type of concession, such as a term extension, is granted initially. If the borrower continues to experience financial difficulty, another concession, such as principal forgiveness, may be granted. For loans included in the "combination" columns below, multiple types of modifications have been made on the same loan within the current reporting period. The combination is at least two of the following: a term extension, principal forgiveness, an other-than-insignificant payment delay, and/or an interest rate reduction.

The following table presents the amortized cost basis of loans for the periods indicated that were both experiencing financial difficulty and modified during the respective period, by class and by type of modification. The percentage of the amortized cost basis of loans that were modified to borrowers in financial distress as compared to the amortized cost basis of each class of financial receivable is also presented below (dollars in thousands).

	For the quarter ended June 30,						
	2025				2024		
	Payment delay	Term extension	Combination term extension and interest rate reduction	Total class of financing receivable	Term extension	Interest rate reduction	Total class of financing receivable
Personal Banking:							
Residential mortgage loans	$ —	$ 276	—	0.01 %	15	—	—%
Home equity loans	—	—	—	0.00 %	42	—	—%
Total Personal Banking	—	276	—	0.00 %	57	—	0.00 %
Commercial Banking:							
Commercial real estate loans	43	3,183	91	0.14 %	—	—	—%
Commercial real estate loans - owner occupied	—	3,542	—	0.97 %	—	697	0.19 %
Total Commercial Banking	43	6,725	91	0.14 %	—	697	0.01 %
Total	$ 43	$ 7,001	91	0.06 %	57	697	0.01 %

	For the six months ended June 30,							
	2025				2024			
	Payment delay	Term extension	Combination term extension and interest rate reduction	Total class of financing receivable	Payment delay	Term extension	Interest rate reduction	Combination term extension and interest rate reduction	Total class of financing receivable
Personal Banking:									
Residential mortgage loans	$ —	305	—	0.01 %	—	497	—	—	0.01 %
Home equity loans	—	78	—	0.01 %	—	551	—	84	0.05 %
Consumer loans	—	—	—	—%	—	—	—	2	—%
Total Personal Banking	—	383	—	0.01 %	—	1,048	—	86	0.02 %
Commercial Banking:									
Commercial real estate loans	70	5,831	91	0.25 %	29,764	210	—	—	1.12 %
Commercial real estate loans - owner occupied	—	3,542	—	0.97 %	—	—	697	—	0.19 %
Commercial loans	1,785	8	9	0.08 %	—	31	—	9	—%
Total Commercial Banking	1,855	9,381	100	0.23 %	29,764	241	697	9	0.64 %
Total	$ 1,855	9,764	100	0.10 %	29,764	1,289	697	95	0.28 %

The following table presents the effect of the loan modifications presented above to borrowers experiencing financial difficulty for the periods indicated:

	For the quarter ended June 30,				
	2025			2024	
	Weighted-average interest rate reduction	Weighted-average term extension in months	Weighted-average payment deferral in years	Weighted-average interest rate reduction	Weighted-average term extension in months
Personal Banking:					
Residential mortgage loans	—%	117	0	—%	220
Home equity loans	—%	0	0	—%	73
Total Personal Banking	—%	117	0	—%	112
Commercial Banking:					
Commercial real estate loans	1 %	11	0.5	—%	0
Commercial real estate loans - owner occupied	—%	6	0.0	2 %	0
Total Commercial Banking	1 %	9	0.5	2 %	0
Total loans	1 %	13	0.5	2 %	112

	For the six months ended June 30,					
	2025			2024		
	Weighted-average interest rate reduction	Weighted-average term extension in months	Weighted-average payment deferral in years	Weighted-average interest rate reduction	Weighted-average term extension in months	Weighted-average payment deferral in years
Personal Banking:						
Residential mortgage loans	—	118	0	—	145	0
Home equity loans	—%	131	0	2 %	97	0
Consumer loans	—%	0	0	12 %	356	0
Total Personal Banking	—%	121	0	2 %	119	0
Commercial Banking:						
Commercial real estate loans	1 %	8	0.5	—%	117	1
Commercial real estate loans - owner occupied	—%	6	0	2 %	0	0
Commercial loans	1 %	85	0.75	4 %	118	0
Total Commercial Banking	1 %	7	0.75	2 %	117	1
Total loans	1 %	12	0.75	2 %	118	1

The Company closely monitors the performance of loans that are modified to borrowers experiencing financial difficulty to understand the effectiveness of its modification efforts. The following table presents the performance of loans that such loans have been modified within the previous twelve months of June 30, 2025 (in thousands):

	Current	30-59 days delinquent	60-89 days delinquent	90 days or greater delinquent
Personal Banking:				
Residential mortgage loans	$ 755	—	32	183
Home equity loans	168	—	—	10
Consumer loans	9	—	—	—
Total Personal Banking	932	—	32	193
Commercial Banking:				
Commercial real estate loans	5,993	—	—	—
Commercial real estate loans - owner occupied	3,503	39	—	—
Commercial loans	35	67	—	1,718
Total Commercial Banking	9,531	106	—	1,718
Total loans	$ 10,463	106	32	1,911

The following table presents the performance of loans modified within the previous twelve months of June 30, 2024 (in thousands):

	Current	30-59 days delinquent	60-89 days delinquent	90 days or greater delinquent
Personal Banking:				
Residential mortgage loans	$ 492	—	—	5
Home equity loans	533	90	12	—
Consumer loans	2	—	—	—
Total Personal Banking	1,027	90	12	5
Commercial Banking:				
Commercial real estate loans	29,974	—	—	—
Commercial real estate loans - owner occupied	697	—	—	—
Commercial loans	10	5	—	25
Total Commercial Banking	30,681	5	—	25
Total loans	$ 31,708	95	12	30

A modification is considered to be in default when the loan is 90 days or more past due. The following table provides the amortized cost basis of financing receivables that had a payment default during the periods indicated and were modified within the previous twelve months to borrowers experiencing financial difficulty (in thousands):

	For the quarter ended June 30,		
	2025		2024
	Term extension	Payment delay	Term extension
Personal Banking:			
Residential mortgage loans	$ —	$ 183	5
Home equity loans	10	—	0
Total Personal Banking	10	183	5
Commercial Banking:			
Commercial loans	—	1,718	25
Total Commercial Banking	—	1,718	25
Total	$ 10	1,901	30

The modifications to borrowers experiencing financial distress are included in their respective portfolio segment and the current loan balance and updated loan terms are run through their respective ACL models to arrive at the quantitative portion of the ACL. Subsequent performance of the loans will be measured by delinquency status and will be captured through our ACL models or our qualitative factor assessment, as deemed appropriate. If we no longer believe the loan demonstrates similar risks to their respective portfolio segment an individual assessment will be performed. Upon the Company's determination that a modified loan (or portion of a loan) has subsequently been deemed uncollectible, the loan (or a portion of the loan) is written off. Therefore, the amortized cost basis of the loan is reduced by the uncollectible amount and the allowance for credit losses is adjusted by the same amount.

The following table provides information related to the amortized cost basis of loan payment delinquencies at June 30, 2025 (in thousands):

	30-59 days delinquent	60-89 days delinquent	90 days or greater delinquent	Total delinquency	Current	Total loans receivable
Personal Banking:						
Residential mortgage loans	$ 561	8,958	6,905	16,424	3,035,702	3,052,126
Home equity loans	4,664	985	1,879	7,528	1,149,992	1,157,520
Vehicle loans	8,441	2,809	2,779	14,029	2,070,471	2,084,500
Consumer loans	733	424	707	1,864	124,911	126,775
Total Personal Banking	14,399	13,176	12,270	39,845	6,381,076	6,420,921
Commercial Banking:						
Commercial real estate loans	4,492	13,025	41,830	59,347	2,359,645	2,418,992
Commercial real estate loans - owner occupied	93	215	45	353	363,059	363,412
Commercial loans	5,569	2,031	10,433	18,033	2,120,466	2,138,499
Total Commercial Banking	10,154	15,271	52,308	77,733	4,843,170	4,920,903
Total loans	$ 24,553	28,447	64,578	117,578	11,224,246	11,341,824

The following table provides information related to the amortized cost basis of loan payment delinquencies at December 31, 2024 (in thousands):

	30-59 days delinquent	60-89 days delinquent	90 days or greater delinquent	Total delinquency	Current	Total loans receivable
Personal Banking:						
Residential mortgage loans	$ 28,690	10,112	4,931	43,733	3,134,536	3,178,269
Home equity loans	5,365	1,434	2,250	9,049	1,140,347	1,149,396
Vehicle loans	10,242	3,257	3,191	16,690	1,854,153	1,870,843
Consumer loans	860	383	776	2,019	122,223	124,242
Total Personal Banking	45,157	15,186	11,148	71,491	6,251,259	6,322,750
Commercial Banking:						
Commercial real estate loans	5,100	857	7,702	13,659	2,482,067	2,495,726
Commercial real estate loans - owner occupied	115	58	—	173	353,963	354,136
Commercial loans	5,632	1,726	7,335	14,693	1,992,709	2,007,402
Total Commercial Banking	10,847	2,641	15,037	28,525	4,828,739	4,857,264
Total originated loans	$ 56,004	17,827	26,185	100,016	11,079,998	11,180,014

Credit Quality Indicators: For Commercial Banking we categorize loans into risk categories based on relevant information about the ability of borrowers to service their debt such as: current financial information, historical payment experience, credit documentation, public information, and current economic trends, among other factors. We analyze loans individually by classifying the loans by credit risk. Credit relationships greater than or equal to $1.0 million classified as special mention or substandard are reviewed quarterly for deterioration or improvement to determine if the loan is appropriately classified. We use the following definitions for risk ratings other than pass:

Special Mention — Loans designated as special mention have specific, well-defined risk issues, which create a high level of uncertainty regarding the long-term viability of the business. Loans in this class are considered to have high-risk characteristics. A special mention loan exhibits material negative financial trends due to company-specific or systemic conditions. If these potential weaknesses are not mitigated, they threaten the borrower's capacity to meet its debt obligations. Special mention loans still demonstrate sufficient financial flexibility to react to and positively address the root cause of the adverse financial trends without significant deviations from their current business strategy. Their potential weaknesses deserve our close attention and warrant enhanced monitoring.

Substandard — Loans classified as substandard are inadequately protected by the current net worth and payment capacity of the obligor or of the collateral pledged, if any. Loans so classified have a well-defined weakness or weaknesses that jeopardize the

liquidation of the debt. They are characterized by the distinct possibility that we will sustain some loss if the deficiencies are not corrected.

Doubtful — Loans classified as doubtful have all the weaknesses inherent in those classified as substandard. In addition, those weaknesses make collection or liquidation in full highly questionable and improbable. A loan classified as doubtful exhibits discernible loss potential, but a complete loss seems very unlikely. The possibility of a loss on a doubtful loan is high, but because of certain important and reasonably specific pending factors that may strengthen the loan, its classification as an estimated loss is deferred until a more exact status can be determined.

Loss — Loans classified as loss are considered uncollectible and of such value that the continuance as a loan is not warranted. A loss classification does not mean that the loan has no recovery or salvage value; instead, it means that it is not practical or desirable to defer writing off all or a portion of a basically worthless loan even though partial recovery may be possible in the future.

For Personal Banking loans a pass risk rating is maintained until they are 90 days or greater past due, and risk rating reclassification is based primarily on past due status of the loan. The risk rating categories can generally be described by the following groupings:

Pass — Loans classified as pass are homogeneous loans that are less than 90 days past due from the required payment date at month-end.

Substandard — Loans classified as substandard are homogeneous loans that are greater than 90 days past due from the required payment date at month-end, or homogenous retail loans that are greater than 180 days past due from the required payment date at month-end that has been written down to the value of underlying collateral, less costs to sell.

Doubtful — Loans classified as doubtful are homogeneous loans that are greater than 180 days past due from the required payment date at month-end and not written down to the value of underlying collateral. These loans are generally charged-off in the month in which the 180 day period elapses.

The following table presents the amortized cost basis of our loan portfolio by year of origination and credit quality indicator and the current period charge-offs by year of origination for each portfolio segment as of June 30, 2025 (in thousands):

	YTD June 30, 2025	2024	2023	2022	2021	Prior	Revolving loans	Revolving loans converted to term loans	Total loans receivable
Personal Banking:									
Residential mortgage loans									
Pass	$ 16,353	30,349	185,934	604,360	722,469	1,480,344	—	—	3,039,809
Substandard	—	—	126	1,596	1,581	9,014	—	—	12,317
Total residential mortgage loans	16,353	30,349	186,060	605,956	724,050	1,489,358	—	—	3,052,126
Residential mortgage current period charge-offs	—	—	(51)	(447)	—	(363)	—	—	(861)
Home equity loans									
Pass	48,188	30,266	52,354	78,503	79,627	324,616	497,570	42,684	1,153,808
Substandard	—	—	66	154	—	1,387	769	1,336	3,712
Total home equity loans	48,188	30,266	52,420	78,657	79,627	326,003	498,339	44,020	1,157,520
Home equity current period charge-offs	—	(8)	—	(26)	(91)	(278)	(195)	(88)	(686)
Vehicle loans									
Pass	624,514	512,718	359,750	340,063	161,001	82,263	—	—	2,080,309
Substandard	—	589	903	1,272	862	565	—	—	4,191
Total vehicle loans	624,514	513,307	360,653	341,335	161,863	82,828	—	—	2,084,500
Vehicle current period charge-offs	(19)	(803)	(1,170)	(1,112)	(745)	(602)	—	—	(4,451)
Consumer loans									
Pass	15,491	21,252	10,938	4,411	1,680	9,174	62,593	515	126,054
Substandard	8	46	54	25	2	—	495	91	721
Total consumer loans	15,499	21,298	10,992	4,436	1,682	9,174	63,088	606	126,775
Consumer loan current period charge-offs	(1,021)	(350)	(338)	(192)	(63)	(556)	(144)	(21)	(2,685)
Total Personal Banking	704,554	595,220	610,125	1,030,384	967,222	1,907,363	561,427	44,626	6,420,921
Commercial Banking:									
Commercial real estate loans									
Pass	50,987	194,180	231,047	347,109	179,589	910,009	27,919	18,607	1,959,447
Special mention	—	—	31,937	32,465	12,758	21,569	220	—	98,949
Substandard	—	21,845	16,758	67,955	92,239	158,168	1,461	2,170	360,596
Total commercial real estate loans	50,987	216,025	279,742	447,529	284,586	1,089,746	29,600	20,777	2,418,992
Commercial real estate current period charge-offs	—	—	—	—	—	(393)	(16)	—	(409)
Commercial real estate loans - owner occupied									
Pass	37,406	53,158	13,820	21,283	42,708	137,758	477	—	306,610
Special mention	—	1,312	1,351	2,132	2,298	5,427	400	983	13,903
Substandard	—	989	10,714	6,962	1,169	21,355	1,130	580	42,899
Total commercial real estate loans - owner occupied	37,406	55,459	25,885	30,377	46,175	164,540	2,007	1,563	363,412
Commercial real estate - owner occupied current period charge-offs	—	—	—	—	—	—	—	—	—
Commercial loans									
Pass	244,551	630,083	295,180	235,214	23,199	31,170	492,501	4,853	1,956,751
Special mention	—	32,561	2,711	2,635	633	3,969	45,016	426	87,951
Substandard	—	17,920	22,147	4,564	2,576	14,701	29,976	1,913	93,797
Total commercial loans	244,551	680,564	320,038	242,413	26,408	49,840	567,493	7,192	2,138,499
Commercial loans current period charge-offs	—	—	(174)	(1,558)	(105)	(1,057)	(47)	(1,227)	(4,168)
Total Commercial Banking	332,944	952,048	625,665	720,319	357,169	1,304,126	599,100	29,532	4,920,903
Total loans	$ 1,037,498	1,547,268	1,235,790	1,750,703	1,324,391	3,211,489	1,160,527	74,158	11,341,824

For the six months ended June 30, 2025, $6 million of revolving loans were converted to term loans.

The following table presents the amortized cost basis of our loan portfolio by year of origination and credit quality indicator for each portfolio segment as of December 31, 2024 (in thousands):

	2024	2023	2022	2021	2020	Prior	Revolving loans	Revolving loans converted to term loans	Total loans receivable
Personal Banking:									
Residential mortgage loans									
Pass	$ 28,841	194,267	628,285	745,949	466,888	1,103,217	—	—	3,167,447
Substandard	—	51	1,107	464	321	8,879	—	—	10,822
Total residential mortgage loans	28,841	194,318	629,392	746,413	467,209	1,112,096	—	—	3,178,269
Residential mortgage current period charge-offs	—	—	(387)	—	(114)	(344)	—	—	(845)
Home equity loans									
Pass	33,534	58,234	85,308	88,226	124,046	234,918	476,013	45,577	1,145,856
Substandard	—	—	174	91	52	1,352	1,080	791	3,540
Total home equity loans	33,534	58,234	85,482	88,317	124,098	236,270	477,093	46,368	1,149,396
Home equity current period charge-offs	—	—	(40)	(2)	(197)	(558)	(608)	(331)	(1,736)
Vehicle loans									
Pass	616,515	452,912	443,997	228,309	64,332	59,950	—	—	1,866,015
Substandard	272	1,472	1,342	1,129	223	390	—	—	4,828
Total vehicle loans	616,787	454,384	445,339	229,438	64,555	60,340	—	—	1,870,843
Vehicle current period charge-offs	(454)	(2,197)	(2,626)	(2,087)	(414)	(1,031)	—	—	(8,809)
Consumer loans									
Pass	27,363	14,779	6,330	2,707	735	5,914	65,055	581	123,464
Substandard	36	59	24	—	7	1	578	73	778
Total consumer loans	27,399	14,838	6,354	2,707	742	5,915	65,633	654	124,242
Consumer loan current period charge-offs	(1,106)	(2,015)	(678)	(285)	(116)	(1,044)	(651)	(34)	(5,929)
Total Personal Banking	706,561	721,774	1,166,567	1,066,875	656,604	1,414,621	542,726	47,022	6,322,750
Commercial Banking:									
Commercial real estate loans									
Pass	189,670	252,202	430,653	258,681	286,457	803,111	26,690	23,578	2,271,042
Special Mention	—	4,877	19,030	18,533	14,383	5,654	237	—	62,714
Substandard	—	2,273	11,137	48,539	19,356	80,417	175	73	161,970
Total commercial real estate loans	189,670	259,352	460,820	325,753	320,196	889,182	27,102	23,651	2,495,726
Commercial real estate current period charge-offs	(102)	(686)	(2,522)	(360)	(619)	(11,032)	—	—	(15,321)
Commercial real estate loans - owner occupied									
Pass	53,831	14,252	32,095	46,911	11,933	141,211	640	—	300,873
Special Mention	—	1,166	2,231	93	—	5,165	1,232	—	9,887
Substandard	—	12,572	5,733	—	2,956	18,695	751	2,669	43,376
Total commercial real estate loans - owner occupied	53,831	27,990	40,059	47,004	14,889	165,071	2,623	2,669	354,136
Commercial real estate - owner occupied current period charge-offs	—	—	—	—	—	—	—	—	—
Commercial loans									
Pass	729,863	353,568	262,498	29,806	12,633	56,300	475,333	3,381	1,923,382
Special Mention	—	3,914	3,898	627	479	7	28,127	11	37,063
Substandard	7,133	21,606	4,669	1,063	89	1,761	8,847	1,789	46,957
Total commercial loans	736,996	379,088	271,065	31,496	13,201	58,068	512,307	5,181	2,007,402
Commercial loans current period charge-offs	(1,456)	(6,752)	(4,301)	(235)	(522)	(916)	(212)	(68)	(14,462)
Total Commercial Banking	980,497	666,430	771,944	404,253	348,286	1,112,321	542,032	31,501	4,857,264
Total loans	$ 1,687,058	1,388,204	1,938,511	1,471,128	1,004,890	2,526,942	1,084,758	78,523	11,180,014

For the year ended December 31, 2024, $16 million of revolving loans were converted to term loans.

(4) Goodwill and Other Intangible Assets

The following table provides information for intangible assets subject to amortization at the dates indicated (in thousands):

	June 30, 2025	December 31, 2024
Amortizable intangible assets:		
Core deposit intangibles - gross	$ 74,899	74,899
Less: accumulated amortization	(73,002)	(72,062)
Core deposit intangibles - net	$ 1,897	2,837
Total intangible assets - net	$ 1,897	2,837

The following table shows the actual aggregate amortization expense for the quarters ended June 30, 2025 and 2024, as well as the estimated aggregate amortization expense, based upon current levels of intangible assets, for the current fiscal year and each of the succeeding fiscal years until the intangible assets are fully amortized (in thousands):

For the quarter ended June 30, 2025	$ 436
For the quarter ended June 30, 2024	635
For the six months ended June 30, 2025	940
For the six months ended June 30, 2024	1,336
For the year ending December 31, 2025	1,662
For the year ending December 31, 2026	871
For the year ending December 31, 2027	304

The following table provides information for the changes in the carrying amount of goodwill (in thousands):

	Total
Balance at December 31, 2024	$ 380,997
Balance at June 30, 2025	$ 380,997

We performed our annual goodwill impairment test as of June 30, 2025 in accordance with Accounting Standards Codification ("ASC") 350, *Intangibles - Goodwill and Other,* and concluded that goodwill was not impaired.

(5) Borrowed Funds

(a) Borrowings

Borrowed funds at June 30, 2025 and December 31, 2024 are presented in the following table (dollars in thousands):

	June 30, 2025		December 31, 2024	
	Amount	Average rate	Amount	Average rate
Term notes payable to the FHLB of Pittsburgh, due within one year	$ 175,000	4.60 %	$ 175,000	4.64 %
Collateralized borrowings, due within one year	22,544	1.82 %	22,323	1.73 %
Collateral received, due within one year	464	4.67 %	3,008	4.65 %
Total borrowed funds	$ 198,008		$ 200,331	

Borrowings from the Federal Home Loan Bank ("FHLB") of Pittsburgh, if any, are secured by our residential first mortgage and other qualifying loans. At June 30, 2025, the carrying value of these loans was $5.6 billion. Certain of these borrowings are subject to restrictions or penalties in the event of prepayment.

The revolving line of credit with the FHLB of Pittsburgh carries a commitment of $250 million. The rate is adjusted daily by the FHLB of Pittsburgh, and any borrowings on this line may be repaid at any time without penalty. There was no balance on the revolving line of credit at June 30, 2025 and December 31, 2024.

At June 30, 2025 and December 31, 2024, collateralized borrowings due within one year were $23 million and $22 million, respectively. These borrowings are collateralized by cash or various securities held in safekeeping by the FHLB. At June 30, 2025, the carrying value of the cash and securities used as collateral was $35 million.

At June 30, 2025 and December 31, 2024, collateral received was $464 thousand and $3 million, respectively. This represents collateral posted to us from our derivative counterparties.

At June 30, 2025 and December 31, 2024, term notes payable to the FHLB of Pittsburgh due within one year were $175 million. The The June 30, 2025 total is made up of seven advances each for $25 million.

On September 9, 2020, the Company issued $125 million of 4.00% fixed-to-floating rate subordinated notes with a maturity date of September 15, 2030. The subordinated notes, which qualify as Tier 2 capital, bear interest at an annual rate of 4.00%, payable semi-annually in arrears commencing on March 15, 2021, and a floating rate of interest equivalent to the 3-month Secured Overnight Financing Rate ("SOFR") plus 3.89% payable quarterly in arrears commencing on December 15, 2025. During 2022 the Company repurchased $10 million of subordinated notes leaving $115 million of subordinated notes outstanding. The subordinated debt issuance costs of approximately $2 million are being amortized over five years on a straight-line basis into interest expense. At June 30, 2025 and December 31, 2024, subordinated debentures, net of issuance costs, were $115 million. For the six months ended June 30, 2025 and June 30, 2024 total interest expense paid on the subordinate notes was $2 million.

(b) Trust Preferred Securities

The Company has seven statutory business trusts: Northwest Bancorp Capital Trust III, a Delaware statutory business trust, Northwest Bancorp Statutory Trust IV, a Connecticut statutory business trust, LNB Trust II, a Delaware statutory business trust, Union National Capital Trust I ("UNCT I"), a Delaware statutory business trust, Union National Capital Trust II ("UNCT II"), a Delaware statutory business trust, MFBC Statutory Trust I, a Delaware statutory trust, and Universal Preferred Trust, a Delaware statutory trust (the "Trusts"). The Trusts exist solely to issue preferred securities to third parties for cash, issue common securities to the Company in exchange for capitalization of the Trusts, invest the proceeds from the sale of trust securities in an equivalent amount of debentures of the Company, and engage in other activities that are incidental to those previously listed.

The Trusts have invested the proceeds of the offerings in junior subordinated deferrable interest debentures issued by the Company. The structure of these debentures mirrors the structure of the trust-preferred securities. These subordinated debentures are the sole assets of the Trusts. As the shareholders of the trust preferred securities are the primary beneficiaries of the Trusts, the Trusts are not consolidated in our financial statements.

The following table sets forth a summary of the cumulative trust preferred securities and the junior subordinated debt held by the Trust as of the date listed (dollars in thousands).

	Maturity date	Interest rate	Capital debt securities	June 30, 2025	December 31, 2024
Northwest Bancorp Capital Trust III	December 30, 2035	3-month SOFR plus 1.38%	$ 50,000	51,547	51,547
Northwest Bancorp Statutory Trust IV	December 15, 2035	3-month SOFR plus 1.38%	50,000	51,547	51,547
LNB Trust II	June 15, 2037	3-month SOFR plus 1.48%	7,875	8,119	8,119
Union National Capital Trust I (1)	January 23, 2034	3-month SOFR plus 2.85%	8,000	8,036	8,024
Union National Capital Trust II (1)	November 23, 2034	3-month SOFR plus 2.00%	3,000	2,837	2,823
MFBC Statutory Trust I (1)	September 15, 2035	3-month SOFR plus 1.70%	5,000	3,943	3,891
Universal Preferred Trust (1)	October 7, 2035	3-month SOFR plus 1.69%	5,000	3,935	3,883
			$ 128,875	129,964	129,834

(1) Net of discounts due to the fair value adjustment made at the time of acquisition.

Cash distributions on the trust securities are made on a quarterly basis to the extent interest on the debentures is received by the Trusts. We have the right to defer payment of interest on the subordinated debentures at any time, or from time-to-time, for periods not exceeding five years. If interest payments on the subordinated debentures are deferred, the distributions on the trust securities also are deferred. To date there have been no interest deferrals. Interest on the subordinated debentures and distributions on the trust securities is cumulative. Our obligation constitutes a full, irrevocable, and unconditional guarantee on a subordinated basis of the obligations of the trust under the preferred securities. For the six months ended June 30, 2025 and June 30, 2024 total interest expense paid on trust preferred securities was $4 million and $5 million, respectively.

The Trusts must redeem the preferred securities when the debentures are paid at maturity or upon an earlier redemption of the debentures to the extent the debentures are redeemed. All or part of the debentures may be redeemed at any time. Also, the debentures may be redeemed at any time if existing laws or regulations, or the interpretation or application of these laws or regulations, change causing:

- the interest on the debentures to no longer be deductible by the Company for federal income tax purposes;
- the trusts to become subject to federal income tax or to certain other taxes or governmental charges;
- the trusts to register as an investment company; or
- the preferred securities to no longer qualify as Tier 1 capital.

We may, at any time, dissolve any of the Trusts and distribute the debentures to the trust security holders, subject to receipt of any required regulatory approvals.

(6) Guarantees

We issue standby letters of credit in the normal course of business. Standby letters of credit are conditional commitments issued by the Company to guarantee the performance of a customer to a third party. Standby letters of credit generally are contingent upon the failure of the customer to perform according to the terms of the underlying contract with the third party. We are required to perform under a standby letter of credit when drawn upon by the guaranteed third party in the case of nonperformance by our customer. The credit risk associated with standby letters of credit is essentially the same as that involved in extending loans to customers and is subject to normal loan underwriting procedures. Collateral may be obtained based on management's credit assessment of the customer. At June 30, 2025, the maximum potential amount of future payments we could be required to make under these non-recourse standby letters of credit was $57 million, of which $55 million is fully collateralized. At June 30, 2025, we had a liability which represents deferred income of $1 million related to the standby letters of credit.

In addition, we maintain a $21 million unsecured line of credit with a correspondent bank for private label credit card facilities for certain existing commercial clients of the Bank, of which $12 million in notional value of credit cards have been issued. These issued credit cards had an outstanding balance of $3 million at June 30, 2025. The clients of the Bank are responsible for repaying any balances due on these credit cards directly to the correspondent bank; however, if the customer fails to repay their balance, the Bank could be required to satisfy the obligation to correspondent bank and initiate collection from our customer as part of the existing credit facility of that customer.

(7) Earnings Per Share

Basic earnings per common share ("EPS") is computed by dividing net income available to common shareholders by the weighted average number of common shares outstanding for the period, without considering any dilutive items. Diluted EPS is calculated using both the two-class and the treasury stock methods with the more dilutive method used to determine diluted EPS. The two-class method was used to determine basic EPS for the three and six months ended June 30, 2025 and 2024 and the treasury stock method was used to determine diluted earnings per share for the three and six months ended June 30, 2025 and 2024.

The following table sets forth the computation of basic and diluted EPS (in thousands, except share data and per share amounts):

	Quarter ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Numerator for earnings per share - Basic and Diluted:				
Net income - treasury stock method - Basic and Diluted	$ 33,675	4,747	77,133	33,910
Less: Dividends and undistributed earnings allocated to participating securities	19	7	44	47
Net income available to common shareholders - two class method - Basic and Diluted	$ 33,656	4,740	77,089	33,863
Denominator for earnings per share - treasury stock method - Basic and Diluted				
Weighted average common shares outstanding - Basic	127,641,857	127,023,522	127,515,768	126,918,878
Add: Potentially dilutive shares	472,652	137,853	831,373	426,501
Denominator for treasury stock method - Diluted	128,114,509	127,161,375	128,347,141	127,345,379
Denominator for earnings per share - two class method - Basic and Diluted:				
Weighted average common shares outstanding - Basic	127,641,857	127,023,522	127,515,768	126,918,878
Add: Average participating shares outstanding	72,790	175,517	72,790	175,517
Denominator for two class method - Diluted	127,714,647	127,199,039	127,588,558	127,094,395
Basic earnings per share	$ 0.26	0.04	0.60	0.27
Diluted earnings per share	$ 0.26	0.04	0.60	0.27
Anti-dilutive awards (1)	2,051	2,451	2,051	2,451

(1) Reflects the total number of shares related to outstanding options that have been excluded from the computation of diluted earnings per share because the impact would have been anti-dilutive.

(8) Pension and Other Post-Retirement Benefits

The following table sets forth the net periodic costs for the defined benefit pension plans and post-retirement healthcare plans for the periods indicated (in thousands):

	Quarter ended June 30,			
	Pension benefits		Other post-retirement benefits	
	2025	2024	2025	2024
Service cost	$ 1,120	1,425	—	—
Interest cost	2,173	2,205	15	15
Expected return on plan assets	(2,989)	(3,776)	—	—
Amortization of prior service cost	(203)	(563)	—	—
Amortization of the net loss	(37)	18	7	10
Net periodic cost	$ 64	(691)	22	25

	Six months ended June 30,			
	Pension benefits		Other post-retirement benefits	
	2025	2024	2025	2024
Service cost	$ 2,240	2,850	—	—
Interest cost	4,346	4,410	30	30
Expected return on plan assets	(5,978)	(7,552)	—	—
Amortization of prior service cost	(406)	(1,126)	—	—
Amortization of the net loss	(74)	36	14	20
Net periodic cost	$ 128	(1,382)	44	50

Because of the current funding status, we do not anticipate a funding requirement during the year ending December 31, 2025.

(9) Disclosures About Fair Value of Financial Instruments

We are required to disclose fair value information about financial instruments whether or not recognized in the Consolidated Statement of Financial Condition. Fair value information of certain financial instruments and all nonfinancial instruments is not required to be disclosed. Accordingly, the aggregate fair value amounts presented do not represent the underlying value of the Company.

Financial assets and liabilities recognized or disclosed at fair value on a recurring basis and certain financial assets and liabilities on a non-recurring basis are accounted for using a three-level hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. This hierarchy gives the highest priority to quoted prices with readily available independent data in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable market inputs (Level 3). When various inputs for measurement fall within different levels of the fair value hierarchy, the lowest level input that has a significant impact on fair value measurement is used.

Financial assets and liabilities are categorized based upon the following characteristics or inputs to the valuation techniques:

- Level 1 — Financial assets and liabilities for which inputs are observable and are obtained from reliable quoted prices for identical assets or liabilities in actively traded markets. This is the most reliable fair value measurement and includes, for example, active exchange-traded equity securities.

- Level 2 — Financial assets and liabilities for which values are based on quoted prices in markets that are not active or for which values are based on similar assets or liabilities that are actively traded. Level 2 also includes pricing models in which the inputs are corroborated by market data, for example, matrix pricing.

- Level 3 — Financial assets and liabilities for which values are based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement. Level 3 inputs include the following:
  - Quotes from brokers or other external sources that are not considered binding;
  - Quotes from brokers or other external sources where it cannot be determined that market participants would in fact transact for the asset or liability at the quoted price; and
  - Quotes and other information from brokers or other external sources where the inputs are not deemed observable.

We are responsible for the valuation process and as part of this process may use data from outside sources in establishing fair value. We perform due diligence to understand the inputs used or how the data was calculated or derived. We also corroborate the reasonableness of external inputs in the valuation process.

The carrying amounts reported in the Consolidated Statement of Financial Condition approximate fair value for the following financial instruments: cash and cash equivalents, marketable securities available-for-sale, loans held-for-sale, accrued interest receivable, interest rate lock commitments, forward commitments, interest rate swaps, savings and checking deposits, foreign exchange swaps, risk participation agreements, and accrued interest payable.

Marketable Securities

Where available, market values are based on quoted market prices, dealer quotes, and prices obtained from independent pricing services.

Debt Securities — available-for-sale - Generally, debt securities are valued using pricing for similar securities, recently executed transactions and other pricing models utilizing observable inputs. The valuation for most debt securities is classified as Level 2. Securities within Level 2 include corporate bonds, municipal bonds, mortgage-backed securities and U.S. government obligations.

Debt Securities — held-to-maturity - The fair value of debt securities held-to-maturity is determined in the same manner as debt securities available-for-sale.

Loans Receivable

Loans with comparable characteristics including collateral and re-pricing structures are segregated for valuation purposes. Each loan pool is separately valued utilizing a discounted cash flow analysis. Projected monthly cash flows are discounted to present value using a market rate for comparable loans, which is not considered an exit price. Characteristics of comparable loans include remaining term, coupon interest, and estimated prepayment speeds. Delinquent loans are separately evaluated given the impact delinquency has on the projected future cash flow of the loan including the approximate discount or market rate, which is not considered an exit price.

Loans Held-for-Sale

The estimated fair value of loans held-for-sale is based on market bids obtained from potential buyers.

FHLB Stock

Due to the restrictions placed on transferability of FHLB stock, it is not practical to determine the fair value. FHLB stock is recorded at cost.

Deposit Liabilities

The estimated fair value of deposits with no stated maturity, which includes demand deposits, money market, and other savings accounts, is the amount payable on demand. Although market premiums paid for depository institutions reflect an additional value for these low-cost deposits, adjusting fair value for any value expected to be derived from retaining those deposits for a future period of time or from the benefit that results from the ability to fund interest-earning assets with these deposit liabilities is prohibited. The fair value estimates of deposit liabilities do not include the benefit that results from the low-cost funding provided by these deposits compared to the cost of borrowing funds in the market. Fair values for time deposits are estimated using a discounted cash flow calculation that applies contractual cost currently being offered in the existing portfolio to current market rates being offered locally for deposits of similar remaining maturities. The valuation adjustment for the portfolio consists of the present value of the difference of these two cash flows, discounted at the assumed market rate of the corresponding maturity.

Borrowed Funds

Fixed rate advances are valued by comparing their contractual cost to the prevailing market cost. The carrying amount of repurchase agreements approximates their fair value.

Subordinated Debentures

The fair value of our subordinated debentures is calculated using the discounted cash flows at rates observable for other similarly traded liabilities.

Junior Subordinated Debentures

The fair value of junior subordinated debentures is calculated using the discounted cash flows at the prevailing rate of interest.

Interest Rate Lock Commitments and Forward Commitments

The fair value of interest rate lock commitments is based on the value of underlying loans held-for-sale which is based on quoted prices for similar loans in the secondary market. This value is then adjusted based on the probability of the loan closing (i.e., the "pull-through" amount, a significant unobservable input). The fair value of forward sale commitments is based on quoted prices from the secondary market based on the settlement date of the contracts.

Interest Rate and Foreign Exchange Swap Agreements and Risk Participation Agreements

The fair value of interest rate swaps is based upon the present value of the expected future cash flows using the SOFR discount curve, the basis for the underlying interest rate. To price interest rate swaps, cash flows are first projected for each payment date using the fixed rate for the fixed side of the swap and the forward rates for the floating side of the swap. These swap cash flows are then discounted to time zero using SOFR zero-coupon interest rates. The sum of the present value of both legs is the fair market value of the interest rate swap. These valuations have been derived from our third party vendor's proprietary models rather than actual market quotations. The proprietary models are based upon financial principles and assumptions that we believe to be reasonable. The fair value of the foreign exchange swap is derived from proprietary models rather than actual market quotations. The proprietary models are based upon financial principles and assumptions that we believe to be reasonable. Risk participation agreements are entered into when Northwest Bank purchases a portion of a commercial loan that has an interest rate swap. Northwest Bank assumes credit risk on its portion of the interest rate swap should the borrower fail to pay as agreed. The value of risk participation agreements is determined based on the value of the swap after considering the credit quality, probability of default, and loss given default of the borrower.

Off-Balance Sheet Financial Instruments

These financial instruments generally are not sold or traded, and estimated fair values are not readily available. However, the fair value of commitments to extend credit and standby letters of credit is estimated using the fees currently charged to enter into similar agreements. Commitments to extend credit are generally short-term in nature and, if drawn upon, are issued under current market terms. At June 30, 2025 and December 31, 2024, there was no significant unrealized appreciation or depreciation on these financial instruments.

The following table sets forth the carrying amount and estimated fair value of our financial instruments included in the Consolidated Statement of Financial Condition at June 30, 2025 (in thousands):

	Carrying amount	Estimated fair value	Level 1	Level 2	Level 3	Netting Adjustments (1)
Financial assets:						
Cash and cash equivalents	$ 267,075	267,075	267,075	—	—	—
Securities available-for-sale	1,194,883	1,194,883	—	1,194,883	—	—
Securities held-to-maturity	719,561	628,936	—	628,936	—	—
Loans receivable, net	11,212,665	10,611,503	—	—	10,611,503	—
Loans held-for-sale	13,104	13,104	—	378	12,726	—
Accrued interest receivable	46,987	46,987	46,987	—	—	—
Interest rate lock commitments	933	933	—	—	933	—
Forward commitments	210	210	—	210	—	—
Interest rate swaps designated as hedging instruments	—	—	—	210	—	(210)
Interest rate swaps not designated as hedging instruments	12,589	12,589	—	31,257	—	(18,668)
FHLB stock	17,809	17,809	—	—	—	—
Total financial assets	$ 13,485,816	12,794,029	314,062	1,855,874	10,625,162	(18,878)
Financial liabilities:						

Savings and checking deposits	$ 9,630,381	9,630,381	9,630,381	—	—	—
Time deposits	2,570,648	2,571,122	—	—	2,571,122	—
Borrowed funds	198,008	195,452	202,088	—	—	(6,636)
Subordinated debt	114,713	119,577	—	119,577	—	—
Junior subordinated debentures	129,964	124,947	—	—	124,947	—
Foreign exchange swaps	262	262	—	262	—	—
Interest rate swaps designated as hedging instruments	—	—	—	1,248	—	(1,248)
Interest rate swaps not designated as hedging instruments	20,265	20,265	—	31,259	—	(10,994)
Risk participation agreements	38	38	—	38	—	—
Accrued interest payable	7,729	7,729	7,729	—	—	—
Total financial liabilities	$ 12,672,008	12,669,773	9,840,198	152,384	2,696,069	(18,878)

(1) Amounts represent the impact of legally enforceable master netting agreements that allow the Company to settle positive and negative positions and cash collateral held or placed with the same counterparties.

The following table sets forth the carrying amount and estimated fair value of our financial instruments included in the Consolidated Statement of Financial Condition at December 31, 2024 (in thousands):

	Carrying amount	Estimated fair value	Level 1	Level 2	Level 3	Netting Adjustments (1)
Financial assets:						
Cash and cash equivalents	$ 288,378	288,378	288,378	—	—	—
Securities available-for-sale	1,108,944	1,108,944	—	1,108,944	—	—
Securities held-to-maturity	750,586	637,948	—	637,948	—	—
Loans receivable, net	11,063,195	10,431,355	—	—	10,431,355	—
Loans held-for-sale	76,331	76,331	—	68,620	7,711	—
Accrued interest receivable	46,356	46,356	46,356	—	—	—
Interest rate lock commitments	342	342	—	—	342	—
Forward commitments	34	34	—	34	—	—
Forward exchange swaps	199	199	—	199	—	—
Interest rate swaps designated as hedging instruments	1,497	1,497	—	1,529	—	(32)
Interest rate swaps not designated as hedging instruments	3,493	3,493	—	37,697	—	(34,204)
FHLB stock	21,006	21,006	—	—	—	—
Total financial assets	$ 13,360,361	12,615,883	334,734	1,854,971	10,439,408	(34,236)
Financial liabilities:						
Savings and checking accounts	$ 9,466,909	9,466,909	9,466,909	—	—	—
Time deposits	2,677,645	2,677,070	—	—	2,677,070	—
Borrowed funds	200,331	196,277	228,119	—	—	(31,842)
Subordinated debt	114,538	115,982	—	115,982	—	—
Junior subordinated debentures	129,834	128,122	—	—	128,122	—
Foreign exchange swaps	4	4	—	4	—	—
Interest rate swaps designated as hedging instruments	—	—	—	32	—	(32)
Interest rate swaps not designated as hedging instruments	35,405	35,405	—	37,767	—	(2,362)
Risk participation agreements	16	16	—	16	—	—
Accrued interest payable	6,935	6,935	6,935	—	—	—
Total financial liabilities	$ 12,631,617	12,626,720	9,701,963	153,801	2,805,192	(34,236)

(1) Amounts represent the impact of legally enforceable master netting agreements that allow the Company to settle positive and negative positions and cash collateral held or placed with the same counterparties.

Fair value estimates are made at a point-in-time, based on relevant market data and information about the instrument. The methods and assumptions detailed above were used in estimating the fair value of financial instruments at both June 30, 2025 and December 31, 2024.

The following table represents assets and liabilities measured at fair value on a recurring basis at June 30, 2025 (in thousands):

	Level 1	Level 2	Level 3	Netting Adjustments (1)	Total assets at fair value
Debt securities:					
U.S. government and agencies	$ —	34,930	—	—	34,930
Government-sponsored enterprises	—	80	—	—	80
States and political subdivisions	—	57,841	—	—	57,841
Corporate	—	30,840	—	—	30,840
Total debt securities	—	123,691	—	—	123,691
Mortgage-backed securities:					
GNMA	—	50,295	—	—	50,295
FNMA	—	97,282	—	—	97,282
FHLMC	—	109,449	—	—	109,449
Non-agency	—	4	—	—	4
Collateralized mortgage obligations:					
GNMA	—	576,595	—	—	576,595
FNMA	—	81,042	—	—	81,042
FHLMC	—	156,525	—	—	156,525
Total mortgage-backed securities	—	1,071,192	—	—	1,071,192
Interest rate lock commitments	—	—	933	—	933
Forward commitments	—	210	—	—	210
Interest rate swaps designated as hedging instruments	—	210	—	(210)	—
Interest rate swaps not designated as hedging instruments	—	31,257	—	(18,668)	12,589
Total assets	$ —	1,226,560	933	(18,878)	1,208,615
Foreign exchange swaps	$ —	262	—	—	262
Interest rate swaps designated as hedging instruments	—	1,248	—	(1,248)	—
Interest rate swaps not designated as hedging instruments	—	31,259	—	(10,994)	20,265
Risk participation agreements	—	38	—	—	38
Total liabilities	$ —	32,807	—	(12,242)	20,565

(1) Amounts represent the impact of legally enforceable master netting agreements that allow the Company to settle positive and negative positions and cash collateral held or placed with the same counterparties.

The following table represents assets and liabilities measured at fair value on a recurring basis at December 31, 2024 (in thousands):

	Level 1	Level 2	Level 3	Netting Adjustment (1)	Total assets at fair value
Debt securities:					
U.S. government and agencies	$ —	35,391	—	—	35,391
Government-sponsored enterprises	—	118	—	—	118
States and political subdivisions	—	58,627	—	—	58,627
Corporate	—	26,101	—	—	26,101
Total debt securities	—	120,237	—	—	120,237
Mortgage-backed securities:					
GNMA	—	50,149	—	—	50,149
FNMA	—	84,212	—	—	84,212
FHLMC	—	89,840	—	—	89,840
Non-agency	—	5	—	—	5
Collateralized mortgage obligations:					
GNMA	—	562,948	—	—	562,948
FNMA	—	74,395	—	—	74,395
FHLMC	—	127,158	—	—	127,158
Total mortgage-backed securities	—	988,707	—	—	988,707
Interest rate lock commitments	—	—	342	—	342
Forward commitments	—	34	—	—	34
Foreign exchange swaps	—	199	—	—	199
Interest rate swaps designated as hedging instruments	—	1,529	—	(32)	1,497
Interest rate swaps not designated as hedging instruments	—	37,697	—	(34,204)	3,493
Total assets	$ —	1,148,403	342	(34,236)	1,114,509
Foreign exchange swaps	$ —	4	—	—	4
Interest rate swaps designated as hedging instruments	—	32	—	(32)	—
Interest rate swaps not designated as hedging instruments	—	37,767	—	(2,362)	35,405
Risk participation agreements	—	16	—	—	16
Total liabilities	$ —	37,819	—	(2,394)	35,425

(1) Amounts represent the impact of legally enforceable master netting agreements that allow the Company to settle positive and negative positions and cash collateral held or placed with the same counterparties.

The following table presents the changes in Level 3 assets and liabilities measured at fair value on a recurring basis (in thousands):

	For the quarter ended June 30,		For the six months ended June 30,	
	2025	2024	2025	2024
Beginning balance,	$ 433	479	342	641
Interest rate lock commitments:				
Net activity	500	312	591	150
Transfers from Level 3	—	—	—	—
Transfers into Level 3	—	—	—	—
Ending balance	$ 933	791	933	791

Certain assets and liabilities are measured at fair value on a nonrecurring basis after initial recognition such as loans individually assessed, real estate owned, and MSRs.

The following table represents the fair market measurement for only those nonrecurring assets that had a fair market value below the carrying amount as of June 30, 2025 (in thousands):

	Level 1	Level 2	Level 3	Total assets at fair value
Loans individually assessed	$ —	—	57,233	57,233
Mortgage servicing rights	—	—	1	1
Real estate owned, net	—	—	48	48
Total assets	$ —	—	57,282	57,282

The following table represents the fair market measurement for only those nonrecurring assets that had a fair market value below the carrying amount as of December 31, 2024 (in thousands):

	Level 1	Level 2	Level 3	Total assets at fair value
Loans individually assessed	$ —	—	9,801	9,801
Mortgage servicing rights	—	—	20	20
Real estate owned, net	—	—	35	35
Total assets	$ —	—	9,856	9,856

Individually Assessed Loans — A loan is considered to be individually assessed as described in Note 1(f) of the Notes to the Consolidated Financial Statements in Item 8 of Part II of our 2024 Annual Report on Form 10-K. We classify loans individually assessed as nonrecurring Level 3.

Mortgage Servicing Rights — Mortgage servicing rights represent the value of servicing residential mortgage loans, when the mortgage loans have been sold into the secondary market and the associated servicing has been retained. The value is determined through a discounted cash flow analysis, which uses interest rates, prepayment speeds and delinquency rate assumptions as inputs. All of these assumptions require a significant degree of management judgment. Servicing rights and the related mortgage loans are segregated into categories or homogeneous pools based upon common characteristics. Adjustments are only made when the estimated discounted future cash flows are less than the carrying value, as determined by individual pool. As such, mortgage servicing rights are classified as nonrecurring Level 3.

Real Estate Owned — Real estate owned is comprised of property acquired through foreclosure or voluntarily conveyed by borrowers. These assets are recorded on the date acquired at the lower of the related loan balance or fair value, less estimated disposition costs, with the fair value being determined by appraisal. Subsequently, foreclosed assets are valued at the lower of the amount recorded at acquisition date or fair value, less estimated disposition costs. We classify real estate owned as nonrecurring Level 3.

The following table presents additional quantitative information about assets measured at fair value on a recurring and nonrecurring basis and for which we have utilized Level 3 inputs to determine fair value at June 30, 2025 (in thousands):

	Fair value	Valuation techniques	Significant unobservable inputs	Range (weighted average)
Loans individually assessed	$ 57,233	Appraisal value (1)	Estimated cost to sell	10%
Mortgage servicing rights	1	Discounted cash flow	Annual service cost	$89
			Prepayment rate	6.0% to 17.4% (10.2%)
			Expected life (months)	50.4 to 105.4 (74.1)
			Option adjusted spread	724 basis points
			Forward yield curve	4.43% to 4.30%
Real estate owned, net	48	Appraisal value (1)	Estimated cost to sell	10%
Loans held for sale	12,726	Quoted prices for similar loans in active markets adjusted by an expected pull-through rate	Estimated pull-through rate	100%

(1) Fair value is generally determined through independent appraisals of the underlying collateral, which may include Level 3 inputs that are not identifiable, or by using the discounted cash flow method if the loan is not collateral dependent.

(10) Derivative Financial Instruments

We are a party to derivative financial instruments in the normal course of business to manage our own exposure to fluctuations in interest rates and to meet the needs of our customers. The primary derivatives that we use are interest rate swaps and caps and foreign exchange contracts, which are entered into with counterparties that meet established credit standards. We believe that the credit risk inherent in all of our derivative contracts is minimal based on our credit standards and the netting and collateral provisions of the interest rate swap agreements.

Derivatives Designated as Hedging Instruments

As of June 30, 2025, the Company had entered into seven separate pay-fixed interest rate swaps in order to synthetically convert short-term three month FHLB advances to fixed-rate term funding with an aggregate value of $175 million with maturities ranging from three to five years. Our risk management objective and strategy for these interest rate swaps at such time was to reduce our exposure to variability in interest-related cash outflows attributable to changes in the USD-SOFR swap rate, the designated benchmark interest rate being hedged. Based upon our contemporaneous quantitative analysis at the inception of the interest rate swaps, we have determined these interest rate swaps qualify for hedge accounting in accordance with ASC 815, *Derivatives and Hedging*. Our cash flow hedges are recorded within other assets on the Consolidated Statement of Financial Condition at their estimated fair value.

As long as the hedge remains highly effective, the changes in the fair value of derivatives designated, and that qualify, as cash flow hedges are recorded in accumulated other comprehensive income and are subsequently reclassified into earnings in the period that the hedged forecasted transaction affects earnings. A hedging relationship that is determined to not be highly effective no longer qualifies for hedge accounting and any gain or loss is recognized immediately into earnings. Amounts reclassified into earnings are included in interest expense in the Consolidated Statement of Income.

Derivatives Not Designated as Hedging Instruments

We act as an interest rate or foreign exchange swap counterparty for certain commercial borrowers in the normal course of servicing our customers, which are accounted for at fair value. We manage our exposure to such interest rate or foreign exchange swaps by entering into corresponding and offsetting interest rate swaps with third parties that mirror the terms of the swaps we have with the commercial borrowers. These positions (referred to as “customer swaps”) directly offset each other and our exposure is the fair value of the derivatives due to changes in credit risk of our commercial borrowers and third parties. Customer swaps are recorded within other assets or other liabilities on the Consolidated Statement of Financial Condition at their estimated fair value. Changes to the fair value of assets and liabilities arising from these derivatives are included, net, in other operating income in the Consolidated Statement of Income.

We enter into interest rate lock commitments for residential mortgage loans which commit us to lend funds to a potential borrower at a specific interest rate within a specified period of time. Interest rate lock commitments that relate to the origination of mortgage loans that will be held-for-sale are considered derivative financial instruments under applicable accounting guidance. Interest rate lock commitments on loans held-for-sale are carried at fair value in other assets on the Consolidated Statement of Financial Condition. Northwest Bank sells loans to the secondary market on a mandatory or best efforts basis. The loans sold on a mandatory basis commit us to deliver a specific principal amount of mortgage loans to an investor at a specified price, by a specified date, or the commitment must be paired off. These forward commitments entered into on a mandatory delivery basis meet the definition of a derivative financial instrument. All closed loans to be sold on a mandatory delivery basis are classified as held-for-sale on the Consolidated Statement of Financial Condition. Changes to the fair value of the interest rate lock commitments and the forward commitments are recorded in mortgage banking income in the Consolidated Statements of Income.

We enter into risk participation agreements with financial institution counterparties for interest rate swaps related to loans in which we are a participant. The risk participation agreements provide credit protection to the financial institution should the borrower fail to perform on its interest rate derivative contract with the financial institution. These risk participation agreements are recorded within other liabilities on the Consolidated Statement of Financial Condition at their estimated fair value. Changes to the fair value of the risk participation agreements are included in other operating income in the Consolidated Statement of Income.

The following table presents information regarding our derivative financial instruments at the dates indicated (in thousands):

	Asset derivatives		Liability derivatives	
	Notional amount	Fair value	Notional amount	Fair value
At June 30, 2025				
Derivatives designated as hedging instruments:				
Interest rate swap agreements	$ 50,000	210	125,000	1,248
Derivatives not designated as hedging instruments:				
Interest rate swap agreements	942,982	31,257	942,982	31,259
Foreign exchange swap agreements	—	—	2,738	262
Interest rate lock commitments	39,840	933	—	—
Forward commitments	5,302	210	—	—
Risk participation agreements	—	—	138,388	38
Total Derivatives	$ 1,038,124	32,610	1,209,108	32,807
At December 31, 2024				
Derivatives designated as hedging instruments:				
Interest rate swap agreements	$ 125,000	1,529	50,000	32
Derivatives not designated as hedging instruments:				
Interest rate swap agreements	780,177	37,697	780,177	37,767
Foreign exchange swap agreements	5,724	199	2,690	4
Interest rate lock commitments	17,426	342	—	—
Forward commitments	1,509	34	—	—
Risk participation agreements	—	—	129,439	16
Total derivatives	$ 929,836	39,801	962,306	37,819

The following table presents income or expense recognized on derivatives for the periods indicated (in thousands):

	For the quarter ended June 30,		For the six months ended June 30,	
	2025	2024	2025	2024
Hedging derivatives:				
Decrease in interest expense	$ 293	734	587	1,467
Non-hedging swap derivatives:				
(Decrease)/increase in other income	(231)	(112)	(612)	175
Increase in mortgage banking income	627	323	789	208

The following table presents information regarding our derivative financial instruments designated as hedging for the quarter ended June 30, 2025 (dollars in thousands):

	Notional amount	Effective rate	Estimated decrease to interest expense in the next twelve months	Maturity date	Remaining term (in months)
Interest rate products:					
Issued May 11, 2023	$ 25,000	3.39 %	$ (311)	5/11/2027	22
Issued May 12, 2023	25,000	3.43 %	(299)	5/12/2028	34
Issued May 19, 2023	25,000	3.72 %	(224)	11/19/2027	29
Issued May 31, 2023	25,000	3.94 %	(169)	11/30/2026	17
Issued July 26, 2023	25,000	4.20 %	(123)	7/26/2028	37
Issued July 31, 2023	25,000	4.23 %	(100)	1/31/2028	31
Issued August 9, 2023	25,000	4.19 %	(105)	8/9/2027	25
Total	$ 175,000		$ (1,331)		

Our derivatives are presented on a net basis taking into consideration the effects of legally enforceable master netting agreements. Additionally, collateral exchanged with counterparties is also netted against the applicable derivative fair values. We enter into derivative transactions with two primary groups, banks and our customers. Different methods are utilized for managing counterparty credit exposure and credit risk for each of these groups.

The following tables present the gross amounts of these assets and liabilities with any offsets to arrive at the net amounts recognized in the Consolidated Statements of Financial Condition as of June 30, 2025 (dollars in thousands).

Derivative assets	Gross amounts of recognized assets	Gross amounts offset in the consolidated statement of financial condition	Net amounts of assets presented in the consolidated of condition
Interest rate swaps - hedging	$ 210	(210)	—
Interest rate swaps - not hedging	31,257	(18,668)	12,589

Derivative liabilities	Gross amounts of recognized liabilities	Gross amounts offset in the consolidated statement of financial condition	Net amounts of liabilities presented in the consolidated of condition
Interest rate swaps - hedging	1,248	(1,248)	—
Interest rate swaps - not hedging	31,259	(10,994)	20,265

The following tables present the gross amounts of these assets and liabilities with any offsets to arrive at the net amounts recognized in the Consolidated Statements of Financial Condition as of December 31, 2024 (dollars in thousands).

Derivative assets	Gross amounts of recognized assets	Gross amounts offset in the consolidated statement of financial condition	Net amounts of assets presented in the consolidated of condition
Interest rate swaps - hedging	$ 1,529	(32)	1,497
Interest rate swaps - not hedging	37,697	(34,204)	3,493

Derivative liabilities	Gross amounts of recognized liabilities	Gross amounts offset in the consolidated statement of financial condition	Net amounts of liabilities presented in the consolidated of condition
Interest rate swaps - hedging	$ 32	(32)	—
Interest rate swaps - not hedging	37,767	(2,362)	35,405

(11) Legal Proceedings

We establish accruals for legal proceedings when information related to the loss contingencies represented by those matters indicates both that a loss is probable and that the amount of loss can be reasonably estimated. As of June 30, 2025, we do not anticipate that the aggregate ultimate liability arising out of any pending or threatened legal proceedings will be material to our Consolidated Financial Statements. Any such accruals are adjusted thereafter as appropriate to reflect changes in circumstances. Due to the inherent subjectivity of assessments and unpredictability of outcomes of legal proceedings, any amounts accrued may not represent the ultimate loss to us from legal proceedings.

(12) Changes in Accumulated Other Comprehensive Income

The following tables show the changes in accumulated other comprehensive income by component for the periods indicated (in thousands):

	For the quarter ended June 30, 2025			
	Unrealized losses on securities available-for-sale	Change in fair value of interest rate swaps	Change in defined benefit pension plans	Total
Balance as of March 31, 2025	$ (116,385)	(102)	18,006	(98,481)
Other comprehensive/(loss) income before reclassification adjustments (1) (3)	3,425	(650)	—	2,775
Amounts reclassified from accumulated other comprehensive income (2) (4)	1	—	(169)	(168)
Net other comprehensive income/(loss)	3,426	(650)	(169)	2,607
Balance as of June 30, 2025	$ (112,959)	(752)	17,837	(95,874)

	For the quarter ended June 30, 2024			
	Unrealized losses on securities available-for-sale	Change in fair value of interest rate swaps	Change in defined benefit pension plans	Total
Balance as of March 31, 2024	$ (156,357)	1,780	1,153	(153,424)
Other comprehensive (loss)/income before reclassification adjustments (5) (7)	(3,391)	330	—	(3,061)
Amounts reclassified from accumulated other comprehensive income (6) (8)	26,789	—	(388)	26,401
Net other comprehensive income/(loss)	23,398	330	(388)	23,340
Balance as of June 30, 2024	$ (132,959)	2,110	765	(130,084)

(1) Consists of unrealized holding gains, net of tax of ($1,180).
(2) Consists of realized losses, net of tax of $0.
(3) Change in fair value of interest rate swaps, net of tax $246.
(4) Consists of realized gains, net of tax of $64.
(5) Consists of unrealized holding losses, net of tax of $168.
(6) Consists of realized losses, net of tax of ($7,706)
(7) Change in fair value of interest rate swaps, net of tax ($96).
(8) Consists of realized gains, net of tax of $147.

	For the six months ended June 30, 2025			
	Unrealized losses on securities available-for-sale	Change in fair value of interest rate swaps	Change in defined benefit pension plans	Total
Balance as of December 31, 2024	$ (130,248)	1,159	18,175	(110,914)
Other comprehensive income/(loss) before reclassification adjustments (1) (3)	17,288	(1,911)	—	15,377
Amounts reclassified from accumulated other comprehensive income (2) (4)	1	—	(338)	(337)
Net other comprehensive income/(loss)	17,289	(1,911)	(338)	15,040
Balance as of June 30, 2025	$ (112,959)	(752)	17,837	(95,874)

	For the six months ended June 30, 2024			
	Unrealized losses on securities available-for-sale	Change in fair value of interest rate swaps	Change in defined benefit pension plans	Total
Balance as of December 31, 2023	$ (150,659)	(374)	1,541	(149,492)
Other comprehensive loss before reclassification adjustments (5) (7)	(9,089)	2,484	—	(6,605)
Amounts reclassified from accumulated other comprehensive income (6) (8)	26,789	—	(776)	26,013
Net other comprehensive loss	17,700	2,484	(776)	19,408
Balance as of June 30, 2024	$ (132,959)	2,110	765	(130,084)

(1) Consists of unrealized holding gains, net of tax of ($5,663).
(2) Consists of realized losses, net of tax of $0.
(3) Change in fair value of interest rate swaps, net of tax $624.
(4) Consists of realized gains, net of tax of $128.
(5) Consists of unrealized holding losses, net of tax $1,926.
(6) Consists of realized losses, net of tax ($7,706).
(7) Change in fair value of interest rate swaps, net of tax ($726).
(8) Consists of realized gains, net of tax of $294.

(13) Segment Information

The Company's reportable segment is determined by the Chief Executive Officer, who is the designated chief operating decision maker, based upon information provided about the Company's products and services offered, primarily banking operations. Our one operating segment, Banking, is also distinguished by the level of information provided to the chief operating decision maker, who uses such information to review performance of the various components of the business such as branches and lending, which are then aggregated because operating performance, products/services and customers are similar. The chief operating decision maker will evaluate the financial performance of the Company's business components by evaluating revenue streams, significant expenses and budget to actual results in assessing the Company's segment and in the determination of allocating resources. The information reviewed is on a consolidated basis and discrete financial information is not available. The chief operating decision maker uses revenue streams to evaluate product pricing and significant expenses to assess performance and evaluate return on assets. The chief operating decision maker uses consolidated net income through return on average assets and return on average equity and the efficiency ratio, as well as loan growth to benchmark the Company against its competitors. The benchmarking analysis coupled with monitoring of budget to actual results are used in assessment performance and in establishing compensation. Loans, investments, and deposits provide the revenues in the banking operation. Interest expense, provisions for credits losses and payroll provide the significant expenses in the banking operating. All operations are domestic.

Accounting policies for segment are the same as those described in Note 1 of the Notes to the Consolidated Financial Statements in Item 8 of Part II of our 2024 Annual Report on Form 10-K. Segment performance is evaluated using consolidated net income. Information reported internally for performance assessment by the chief operating decision maker follows, inclusive of reconciliations of significant segment totals to the financial statements:

	Banking Segment			
	Quarter ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Interest income	$ 171,570	166,854	352,165	327,093
Reconciliation of revenue				
Service charges and fees	15,797	15,527	30,784	31,050
Trust and other financial services income	7,948	7,566	15,858	14,693
Loss on sale of investments	—	(39,413)	—	(39,413)
Other revenue (1)	7,193	7,471	12,651	12,784
Consolidated revenues	$ 202,508	158,005	411,458	346,207
Less:				
Interest expense	52,126	60,013	104,903	117,014
Segment net interest income and noninterest income	$ 150,382	97,992	306,555	229,193
Less:				
Provision for credit losses	8,744	(370)	16,655	3,065
Compensation and employee benefits	55,213	53,531	109,753	105,071
Processing expenses	12,973	14,695	26,963	29,420
Premises and occupancy costs	7,122	7,464	15,522	15,091
Professional services	3,990	3,728	6,746	7,793
Office operations	2,910	3,819	5,887	6,586
Federal deposit insurance premiums	2,296	2,865	4,624	5,888
Other segment items (2)	13,036	6,318	19,782	12,595
Income tax expense	10,423	1,195	23,490	9,774
Segment net income/consolidated net income	$ 33,675	4,747	77,133	33,910

(1) Other revenues include loan sales, gain on real estate owned, income from bank owned life insurance and other operating income.
(2) Other segment items include expenses for collections, marketing, amortization of intangibles, merger, asset disposition and restructuring and other operating expense.

	Banking Segment			
	Quarter ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
ıer segment disclosures				
ıterest income	$ 171,570	166,854	352,165	327,093
ıterest expense	52,126	60,013	104,903	117,014
)epreciation	2,745	2,821	5,520	5,716
ımortization	436	635	940	1,336
)ther significant noncash items:				
Provision for credit losses	8,744	(370)	16,655	3,065
ıment assets	14,485,107	14,385,553	14,485,107	14,385,553
ɔenditures for segment assets	3,629	1,988	5,451	1,988

(14) Subsequent Events

On July 25, 2025, the Company completed the previously announced merger with Penns Woods Bancorp, Inc. (“Penns Woods”), the holding company for Jersey Shore State Bank and Luzerne Bank, along with the mergers of Jersey Shore State Bank and Luzerne Bank with and into Northwest Bank, for a total estimated consideration of $234 million. The Company is currently in the process of finalizing the purchase accounting of this transaction.

Under the terms of the Agreement and Plan of Merger entered into by the Company and Penns Woods on December 16, 2024 (the "Merger Agreement"), each share of common stock of Penns Woods converted into the right to receive 2.385 shares of the Company’s common stock or a total of 18,226,469 shares of common stock of the Company valued at $230 million, based on the $12.63 per share closing price of the Company's stock on July 25, 2025. Additionally, any unexercised stock options of Penns Woods outstanding were cancelled in exchange for a cash payment at the spread value over the exercise price valued at $4 million.

The transaction has resulted the Company having approximately $17 billion in total assets, providing banking services through 151 financial centers and 10 free standing drive-up facilities in four states. The transaction expanded the Company's franchise by 21 full-service offices located in Pennsylvania.

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Forward-Looking Statements

In addition to historical information, this document may contain certain forward-looking statements, as defined in the Private Securities Litigation Reform Act of 1995. These forward-looking statements contained herein are subject to certain risks and uncertainties that could cause actual results to differ materially from those expressed or implied in the forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, as they reflect management's analysis only as of the date of this report. We have no obligation to revise or update these forward-looking statements to reflect events or circumstances that arise after the date of this report.

Important factors that might cause such a difference include, but are not limited to:

- the possibility that any of the anticipated benefits of the Merger (as defined below) will not be realized or will not be realized within the expected time period; the risk that integration of the operations of Penns Woods operations with those of the Company will be materially delayed or will be more costly or difficult than expected; the diversion of management's attention from ongoing business operations and opportunities due to the integration of Penns Woods' operations with those of the Company; the challenges of integrating and retaining key employees; the effect of the Merger on the combined company's customer and employee relationships and operating results; and other factors that may affect the results of operations and financial condition of the combined company;
- inflation and changes in the interest rate environment that reduce our margins, our loan origination, or the fair value of financial instruments;
- changes in asset quality, including increases in default rates on loans and higher levels of nonperforming loans and loan charge-offs generally;
- changes in laws, government regulations or supervision, examination and enforcement priorities affecting financial institutions, including as part of the regulatory reform agenda of the Trump administration, as well as changes in regulatory fees and capital requirements;
- changes in federal, state, or local tax laws and tax rates;
- general economic conditions, either nationally or in our market areas, that are different than expected, including inflationary or recessionary pressures or those related to changes in monetary, fiscal, regulatory and tariff policies of the U.S. government, including policies of the U.S. Department of Treasury and the Federal Reserve Board;
- adverse changes in the securities and credit markets;
- instability or breakdown in the financial services sector, including failures or rumors of failures of other depository institutions, along with actions taken by governmental agencies to address such turmoil;
- cyber-security concerns, including an interruption or breach in the security of our website or other information systems;
- technological changes that may be more difficult or expensive than expected;
- changes in liquidity, including the size and composition of our deposit portfolio, and the percentage of uninsured deposits in the portfolio;
- the ability of third-party providers to perform their obligations to us;
- competition among depository and other financial institutions, including with respect to deposit gathering, service charges and fees;
- our ability to enter new markets successfully and capitalize on growth opportunities;
- our ability to manage our growth internally and our ability to successfully integrate acquired entities, businesses or branch offices;
- changes in consumer spending, borrowing and savings habits;
- our ability to continue to increase and manage our commercial, including commercial real estate, and personal loans;
- possible impairments of securities held by us, including those issued by government entities and government sponsored enterprises;
- changes in the value of our goodwill or other intangible assets;
- the impact of the economy on our loan portfolio (including cash flow and collateral values), investment portfolio, customers and capital market activities;
- our ability to receive regulatory approvals for proposed transactions or new lines of business;
- the effects of any federal government shutdown or the inability of the federal government to manage debt limits;
- changes in the financial performance and/or condition of our borrowers;
- the effect of changes in accounting policies and practices, as may be adopted by the regulatory agencies, as well as the Securities and Exchange Commission, the Public Company Accounting Oversight Board, the Financial Accounting Standards Board ("FASB") and other accounting standard setters;
- changes in the level and direction of loan delinquencies and write-offs and changes in estimates of the adequacy of the allowance for credit losses;

- our ability to access cost-effective funding;
- the effect of global or national war, conflict, or terrorism;
- our ability to manage market risk, credit risk and operational risk;
- the disruption to local, regional, national and global economic activity caused by infectious disease outbreaks, and the significant impact that any such outbreaks may have on our growth, operations and earnings;
- the effects of natural disasters and extreme weather events;
- changes in our ability to continue to pay dividends, either at current rates or at all;
- our ability to retain key employees; and
- our compensation expense associated with equity allocated or awarded to our employees.

Overview of Critical Accounting Policies Involving Estimates

Please refer to Note 1 of the Notes to Consolidated Financial Statements in Item 8 of Part II of our 2024 Annual Report on Form 10-K.

Recently Issued Accounting Standards

The following Accounting Standard Updates (“ASU”) issued by the Financial Accounting Standards Board ("FASB") have not yet been adopted.

In October 2023, the FASB issued ASU No. 2023-06, "Disclosure Improvements." This ASU includes amendments on several subtopics in the FASB Accounting Standards Codification ("Codification") to incorporate certain disclosures and presentation requirements currently residing in SEC Regulations S-X and S-K. The adoption of this ASU may lead to certain disclosures being relocated into the financial statements. The effective date for each amendment will be the date on which the SEC’s removal of that related disclosure from Regulation S-X or Regulation S-K becomes effective, with early adoption prohibited. These amendments are to be applied prospectively. If the SEC has not removed the applicable requirements from Regulation S-X or Regulation S-K by June 30, 2027, the pending content of the related amendment will be removed from the Codification and will not become effective for any entity. We do not believe this guidance will have a material impact on the Company's financial statements.

In December 2023, the FASB issued ASU No. 2023-09, "Improvements to Income Tax Disclosures." This ASU requires additional disaggregated disclosures on entity's effective tax rate reconciliation and additional details on income taxes paid. This guidance is effective for annual periods beginning after December 15, 2025, with early adoption permitted. This ASU is applied prospectively with the option to apply the ASU retrospectively. We do not believe this guidance will have a material impact on the Company's financial statements.

In November 2024, the FASB issued ASU 2024-03, “Income Statement-Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses”. The guidance requires disaggregated disclosure of specified expense categories. The guidance also requires disclosure of total selling expenses and how the Company defines selling expenses. The guidance is effective for fiscal years beginning after December 15, 2026, and interim periods within annual periods beginning after December 15, 2027. Prospective application is required, with retrospective application permitted. The Company is currently evaluating the effect the updated guidance will have on the Company’s financial statement disclosures. In January 2025, the FASB issued ASU 2025-01, “Income Statement — Reporting Comprehensive Income – Expense Disaggregation Disclosures (Subtopic 220-40).” The guidance amends the effective date of ASU 2024-03 to clarify that all public business entities are required to adopt the guidance in annual reporting periods beginning after December 15, 2026, and interim periods within annual reporting periods beginning after December 15, 2027. Early adoption is permitted.

On July 4, 2025, President Trump signed into law the legislation formally titled “An Act to Provide for Reconciliation Pursuant to Title II of H. Con. Res. 14” and commonly referred to as the One Big Beautiful Bill Act(“the Act”). The Company is currently evaluating income tax implications of the Act. The Company does not expect the Act to have a material impact on the Company’s financial statements.

Acquisition of Penns Woods

On July 25, 2025, the Company completed its acquisition of Penns Woods, pursuant to the Merger Agreement, which was entered into by the Company and Penns Woods on December 16, 2024. In accordance with the Merger Agreement, the Company and Penns Woods completed a business combination whereby Penns Woods merged with and into the Company (the “Merger”), with the Company as the surviving corporation in the Merger. Immediately after the effective time of the Merger (the “Effective Time”), Penns Woods’ wholly-owned subsidiary banks, Luzerne Bank, a Pennsylvania-chartered state bank, and Jersey Shore State Bank, a Pennsylvania-chartered state bank, merged with and into Northwest Bank, with Northwest Bank as the surviving bank in the subsidiary bank mergers. Under the terms and subject to the conditions of the Merger Agreement, at the Effective Time, each share of

Penns Woods' common stock, $5.55 par value, issued and outstanding immediately prior to the Effective Time (except for Treasury Shares (as provided for in the Merger Agreement), converted, in accordance with the procedures set forth in the Merger Agreement, into a right to receive 2.385 shares of common stock, $0.01 par value, of the Company.

Comparison of Financial Condition

Total assets at June 30, 2025 were $14.5 billion, an increase of $77 million from December 31, 2024. This increase in assets was primarily driven by increases in marketable securities and loans receivable. A discussion of significant changes follows.

Cash and cash equivalents decreased by $21 million, or 7%, to $267 million at June 30, 2025, from $288 million at December 31, 2024 due to these funds being invested into higher yielding loans and marketable securities.

Total marketable securities remained flat at $1.9 billion at June 30, 2025, increasing by $55 million, or 3%, from December 31, 2024. Available-for-sale securities increased by $86 million, driven by a increase in net portfolio purchases during the quarter, while held-to-maturity securities decreased $31 million, driven by maturities and regular monthly cash flows.

Gross loans receivable was $11.3 billion at June 30, 2025, increasing $162 million from December 31, 2024. Our personal banking loan portfolio increased by $98 million, to $6.4 billion at June 30, 2025 while our commercial banking loans increased by $64 million, to $4.9 billion at June 30, 2025. This increase represents organic loan growth resulting from our vehicle loan portfolio and the new commercial lending verticals that we implemented during the prior year. Specifically, our vehicle loans increased by $214 million, or 11%, while our commercial and industrial (C&I) loan portfolio increased by $131 million, or 7% compared to December 31, 2024.

The following table provides the various loan sectors in our commercial real estate portfolio at June 30, 2025:

Property type	Percent of portfolio
5 or more unit dwelling	13.8 %
Retail Building	13.2
Nursing Home	11.3
Commercial office building - non-owner occupied	9.9
Manufacturing & industrial building	6.6
Warehouse/storage building	4.3
Commercial office building - owner occupied	4.1
Multi-use building - commercial, retail and residential	3.6
Multi-use building - office and warehouse	3.6
Other medical facility	3.5
Residential acquisition & development - 1-4 family, townhouses and apartments	3.3
Hotel/motel	2.3
Single family dwelling	2.2
Student housing	2.1
Agricultural real estate	2.1
Commercial acquisition and development	2.0
All other	12.1
Total	100.0 %

The following table describes the collateral of our commercial real estate portfolio by state at June 30, 2025:

State	Percent of portfolio
New York	33.7 %
Pennsylvania	28.0
Ohio	19.8
Indiana	7.3
All other	11.2
Total	100.0 %

Total deposits increased by $56 million, to $12.2 billion at June 30, 2025 from $12.1 billion at December 31, 2024. This increase was driven by a $145 million, or 7%, increase in money market accounts and $40 million, or 2%, increase in savings deposits. Partially offsetting these increases was a decrease in time deposits of $107 million, or 4%, driven primarily by a decrease in brokered CDs, and

a $44 million, or 2%, decrease in interest demand deposit accounts. The increase in both money market and saving account balances was partly due to customers shifting funds to these competitively priced products as their time deposits matured.

As of June 30, 2025, we had $106 million of brokered deposits, which made up 4% of our time deposits and 1% of our total deposit balance at quarter end. The balance carried an average all-in cost of 4.18% and an average original term of 12 months. These deposits were purchased through a registered broker, as part of an Asset/Liability Committee ("ALCO") strategy to increase and diversify funding sources.

In addition, at quarter end we had $731 million of deposits through our participation in the IntraFi Network Deposits and FIS Insured Deposit programs. These deposits are part of a reciprocal program that allows our depositors to receive expanded FDIC coverage by placing multiple interest-bearing demand accounts at other member banks and Northwest Bank receives an equal amount of deposits from other member banks. The balance carried an average cost of 3.37%.

At June 30, 2025 and December 31, 2024, we had total deposits in excess of $250,000 (the limit for FDIC insurance) of $2.0 billion. At those dates, we had no deposits that were uninsured for any other reason. The following table presents details regarding the Company's uninsured deposits portfolio:

	As of June 30, 2025		
	Balance	Percent of total deposits	Number of relationships
Uninsured deposits per the Call Report (1)	$ 3,274,416	26.8 %	5,418
Less intercompany deposit accounts	1,322,820	10.8 %	12
Less collateralized deposit accounts	404,411	3.3 %	253
Uninsured deposits excluding intercompany and collateralized accounts	$ 1,547,185	12.7 %	5,153

(1) Uninsured deposits presented may be different from actual amounts due to titling of accounts.

Our largest uninsured depositor, excluding intercompany and collateralized deposit accounts, had an aggregate uninsured deposit balance of $40 million, or 0.24% of total deposits, as of June 30, 2025. Our top ten largest uninsured depositors, excluding intercompany and collateralized deposit accounts, had an aggregate uninsured deposit balance of $194 million, or 1.59%, of total deposits, as of June 30, 2025. The average uninsured deposit account balance, excluding intercompany and collateralized accounts, was $300,249 as of June 30, 2025.

Total shareholders' equity remained stable at $1.6 billion, or $12.84 per share, at June 30, 2025 compared to $12.52 per share at December 31, 2024, increasing by $45 million in the current year. This increase was the result of year-to-date earnings of $77 million as well as an improvement in accumulated other comprehensive loss of $15 million, or 14%, primarily due to a decrease in unrealized losses in the available-for-sale investment portfolio, partially offset by $51 million of cash dividend payments for the six months ended June 30, 2025.

Regulatory Capital

Financial institutions and their holding companies are subject to various regulatory capital requirements. Failure to meet minimum capital requirements can initiate certain mandatory and possibly additional discretionary actions by the regulators that, if undertaken, could have a direct, material effect on a company's financial statements. Under capital adequacy guidelines and the regulatory framework for prompt corrective action, financial institutions must meet specific capital guidelines that involve quantitative measures of its assets, liabilities and certain off-balance sheet items as calculated under regulatory accounting guidelines. Capital amounts and classifications are also subject to qualitative judgments made by the regulators about components, risk-weighting and other factors.

Applicable rules limit an organization's capital distributions and certain discretionary bonus payments if the organization does not hold a "capital conservation buffer" consisting of 2.5% of Total, Tier 1 and Common Equity Tier 1 ("CET1") capital to risk-weighted assets in addition to the amount necessary to meet its minimum risk-based capital requirements.

Quantitative measures, established by regulation to ensure capital adequacy, require financial institutions to maintain minimum amounts and ratios (set forth in the table below) of Total, CET1 and Tier 1 capital (as defined in the regulations) to risk-weighted assets (as defined), and of Tier 1 capital to average assets (as defined). Capital requirements are presented in the tables below (dollars in thousands).

	At June 30, 2025					
	Actual		Minimum capital requirements (1)		Well capitalized requirements (2)	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
Total capital (to risk weighted assets)						
Northwest Bancshares, Inc.	$ 1,756,799	16.32 %	$ 1,130,037	10.50 %	$ 1,076,226	10.00 %
Northwest Bank	1,521,646	14.15 %	1,129,018	10.50 %	1,075,255	10.00 %
Tier 1 capital (to risk weighted assets)						
Northwest Bancshares, Inc.	1,507,385	14.01 %	914,792	8.50 %	645,735	6.00 %
Northwest Bank	1,387,064	12.90 %	913,967	8.50 %	860,204	8.00 %
CET1 capital (to risk weighted assets)						
Northwest Bancshares, Inc.	1,381,410	12.84 %	753,358	7.00 %	N/A	N/A
Northwest Bank	1,387,064	12.90 %	752,679	7.00 %	698,916	6.50 %
Tier 1 capital (leverage) (to average assets)						
Northwest Bancshares, Inc.	1,507,385	10.55 %	571,623	4.00 %	N/A	N/A
Northwest Bank	1,387,064	9.71 %	571,230	4.00 %	714,037	5.00 %

(1) Amounts and ratios include the capital conservation buffer of 2.5%, which does not apply to Tier 1 capital to average assets (leverage ratio).
(2) Reflects the well-capitalized standard applicable to Northwest Bank and the well-capitalized standard applicable to the Company under the Federal Reserve Board's Regulation Y.

	At December 31, 2024 (1)					
	Actual		Minimum capital requirements (2)		Well capitalized requirements (3)	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
Total capital (to risk weighted assets)						
Northwest Bancshares, Inc.	$ 1,708,786	16.08 %	$ 1,115,932	10.50 %	$ 1,062,793	10.00 %
Northwest Bank	1,466,832	13.81 %	1,114,929	10.50 %	1,061,837	10.00 %
Tier 1 capital (to risk weighted assets)						
Northwest Bancshares, Inc.	1,468,646	13.82 %	903,374	8.50 %	637,676	6.00 %
Northwest Bank	1,341,230	12.63 %	902,561	8.50 %	849,469	8.00 %
CET1 capital (to risk weighted assets)						
Northwest Bancshares, Inc.	1,342,801	12.63 %	743,955	7.00 %	N/A	N/A
Northwest Bank	1,341,230	12.63 %	743,286	7.00 %	690,194	6.50 %
Tier 1 capital (leverage) (to average assets)						
Northwest Bancshares, Inc.	1,468,646	10.39 %	565,426	4.00 %	N/A	N/A
Northwest Bank	1,341,230	9.50 %	564,937	4.00 %	706,171	5.00 %

(1) We elected to temporarily delay the estimated impact of current expected credit losses ("CECL") on regulatory capital in accordance with a rule of the Federal Reserve Board and other U.S. banking agencies for a two-year deferral period, followed by a three-year transition period which began January 1, 2022. As of December 31, 2024, 75% of the impact of the CECL deferral was phased, while the impact of the CECL deferral was fully phased in as of June 30, 2025.
(2) Amounts and ratios include the capital conservation buffer of 2.5%, which does not apply to Tier 1 capital to average assets (leverage ratio).
(3) Reflects the well-capitalized standard applicable to Northwest Bank and the well-capitalized standard applicable to the Company under the Federal Reserve Board's Regulation Y.

Regulatory Considerations

It is uncertain how the rapid changes initiated by the Trump administration will impact our business going forward. These include the impact of tariffs, immigration reform, and changes at the agencies that regulate us, including the modification, rescission, withdrawal or changes to the approach and enforcement of rules and guidance relating to us.

In May 2025, President Trump signed a Congressional Review Act resolution that overturned the Consumer Financial Protection Bureau's December 2024 final rule that would have taken effect October 1, 2025 and imposed certain requirements on overdraft fees, similar to those that apply to credit cards, unless the financial institution limited the overdraft fee to an amount that covered the institution's costs and losses to provide the service or $5.

In July 2025, the FDIC, the Federal Reserve Board and the Office of the Comptroller of the Currency issued a notice of proposed rulemaking which, if finalized, would rescind the Community Reinvestment Act ("CRA") final rule issued in October 2023 and reinstate the CRA framework that existed prior to the issuance of that rule. Implementation of the October 2023 final rule, which was subject to an injunction and has not taken effect, would have changed how the agencies evaluate CRA performance.

Liquidity

Northwest Bank is required to maintain a sufficient level of liquid assets, as determined by management and reviewed for adequacy by the FDIC and the Pennsylvania Department of Banking and Securities during their regular examinations. Northwest frequently monitors its liquidity position primarily using the ratio of unencumbered available-for-sale liquid assets as a percentage of deposits and borrowings (“liquidity ratio”). Northwest Bank’s liquidity ratio at June 30, 2025 was 12.51%. Northwest Bank adjusts liquidity levels in order to meet funding needs for deposit outflows, payment of real estate taxes and insurance on mortgage loan escrow accounts, repayment of borrowings and loan commitments. At June 30, 2025, Northwest had $3.8 billion of additional borrowing capacity available with the FHLB, including $250 million on an overnight line of credit, which had no balance as of June 30, 2025, as well as $590 million of borrowing capacity available with the Federal Reserve Bank and $105 million with two correspondent banks.

Dividends

We paid $26 million in cash dividends during the quarter ended June 30, 2025 compared to $25 million for the quarter ended June 30, 2024. The common stock dividend payout ratio (dividends declared per share divided by net income per diluted share) for June 30, 2025 and 2024 was 76.9% and 500.0% on dividends of $0.20 per share. On July 17, 2025, the Board of Directors declared a cash dividend of $0.20 per share payable on August 19, 2025 to shareholders of record as of August 8, 2025. This represents the 123th consecutive quarter we have paid a cash dividend.

Nonperforming Assets

The following table sets forth information with respect to nonperforming assets. Nonaccrual loans are those loans on which the accrual of interest has ceased. Generally, when a loan is 90 days past due, we fully reverse all accrued interest thereon and cease to accrue interest thereafter. Exceptions are made for loans that have contractually matured, are in the process of being modified to extend the maturity date and are otherwise current as to principal and interest, and well-secured loans that are in the process of collection. Loans may also be placed on nonaccrual before they reach 90 days past due if conditions exist that call into question our ability to collect all contractual interest. Other nonperforming assets represent property acquired through foreclosure or repossession. Foreclosed property is carried at the lower of its fair value less estimated costs to sell or the principal balance of the related loan.

	June 30, 2025	December 31, 2024
	(in thousands)	
Loans 90 days or more past due:		
Residential mortgage loans	$ 6,905	4,931
Home equity loans	1,879	2,250
Vehicle loans	2,779	3,191
Other consumer loans	707	776
Commercial real estate loans	41,830	7,702
Commercial real estate - owner occupied	45	—
Commercial loans	10,433	7,335
Total loans 90 days or more past due	$ 64,578	26,185
Total real estate owned (REO)	$ 48	35
Total loans 90 days or more past due and REO	64,626	26,220
Total loans 90 days or more past due to net loans receivable	0.58 %	0.23 %
Total loans 90 days or more past due and REO to total assets	0.45 %	0.18 %
Nonperforming assets:		
Nonaccrual loans - loans 90 days or more past due	64,085	25,529
Nonaccrual loans - loans less than 90 days past due	38,309	35,872
Loans 90 days or more past due still accruing	493	656
Total nonperforming loans	102,887	62,057
Other nonperforming assets (1)	—	16,102
Total nonperforming assets	$ 102,935	78,194
Total nonaccrual loans to total loans	0.90 %	0.55 %

(1) Other nonperforming assets includes nonaccrual loans held for sale.

Allowance for Credit Losses

On an ongoing basis, the Credit Administration department, as well as loan officers and department heads, review and monitor the loan portfolio for problem loans. This portfolio monitoring includes a review of the monthly delinquency reports as well as historical comparisons and trend analysis. Personal and small business commercial loans are classified primarily by delinquency status. In addition, a meeting is held every quarter with each vertical to monitor the performance and status of commercial loans on an internal watch list. On an on-going basis, the loan officer, in conjunction with a portfolio manager, grades or classifies problem commercial loans or potential problem commercial loans based upon their knowledge of the lending relationship and other information previously accumulated. This rating is also reviewed independently by our Loan Review department on a periodic basis. Our loan grading system for problem commercial loans is consistent with industry regulatory guidelines which classifies loans as “substandard”, “doubtful” or “loss”. Loans that do not expose us to risk sufficient to warrant classification in one of the previous categories, but which possess some weaknesses, are designated as “special mention”. A “substandard” loan is any loan that is 90 days or more contractually delinquent or is inadequately protected by the current net worth and paying capacity of the obligor or of the collateral pledged, if any. Loans classified as “doubtful” have all the weaknesses inherent in those classified as “substandard” with the added characteristic that the weaknesses present make collection or liquidation in full, on the basis of currently existing facts, conditions or values, highly questionable and improbable. Loans classified as “loss” have all the weakness inherent in those classified as “doubtful” and are considered uncollectible.

Credit relationships that have been classified as substandard or doubtful and are greater than or equal to $1.0 million are reviewed by the Credit Administration department to determine if they no longer continue to demonstrate similar risk characteristics to their loan pool. If a loan no longer demonstrates similar risk characteristics to their loan pool they are removed from the pool and an individual assessment will be performed.

If it is determined that a loan needs to be individually assessed, the Credit Administration department determines the proper measure of fair value for each loan based on one of three methods: (1) the present value of expected future cash flows discounted at the loan’s effective interest rate; (2) the loan’s observable market price; or (3) the fair value of the collateral if the loan is collateral dependent, less costs of sale or disposal. If the measurement of the fair value of the loan is more or less than the amortized cost basis of the loan, the Credit Administration department adjusts the specific allowance associated with that individual loan accordingly.

If a substandard or doubtful loan is not individually assessed, it is grouped with other loans that possess common characteristics for credit losses and analysis. For the purpose of calculating reserves, we have grouped our loans into seven segments: residential mortgage loans, home equity loans, vehicle loans, consumer loans, commercial real estate loans, commercial real estate loans - owner occupied and commercial loans. The allowance for credit losses is measured using a combination of statistical models and qualitative

assessments. We use a twenty four month forecasting period and revert to historical average loss rates thereafter. Reversion to average loss rates takes place over twelve months. Historical average loss rates are calculated using historical data beginning in October 2009 through the current period.

The credit losses for individually assessed loans along with the estimated loss for each homogeneous pool are consolidated into one summary document. This summary schedule along with the support documentation used to establish this schedule is presented to management's Allowance for Credit Losses Committee ("ACL Committee") monthly. The ACL Committee reviews and approves the processes and ACL documentation presented. Based on this review and discussion, the appropriate amount of ACL is estimated and any adjustments to reconcile the actual ACL with this estimate are determined. The ACL Committee also considers if any changes to the methodology are needed. In addition to the ACL Committee's review and approval, a review is performed by the Risk Management Committee of the Board of Directors on a quarterly basis and annually by internal audit.

In addition to the reviews by management's ACL Committee and the Board of Directors' Risk Management Committee, regulators from either the FDIC and/or the Pennsylvania Department of Banking and Securities perform an extensive review on at least an annual basis for the adequacy of the ACL and its conformity with regulatory guidelines and pronouncements. Any recommendations or enhancements from these independent parties are considered by management and the ACL Committee and implemented accordingly.

We acknowledge that this is a dynamic process and consists of factors, many of which are external and out of our control that can change frequently, rapidly and substantially. The adequacy of the ACL is based upon estimates using all the information previously discussed as well as current and known circumstances and events. There is no assurance that actual portfolio losses will not be substantially different than those that were estimated.

We utilize a structured methodology each period when analyzing the adequacy of the allowance for credit losses and the related provision for credit losses, which the ACL Committee assesses regularly for appropriateness. As part of the analysis as of June 30, 2025, we considered the most recent economic conditions and forecasts available which incorporated the impact of material recent economic events. In addition, we considered the overall trends in asset quality, reserves on individually assessed loans, historical loss rates and collateral valuations. The ACL increased by $12 million to $129 million, or 1.14% of total loans at June 30, 2025, up from 1.04% at December 31, 2024. This increase was driven by downgrades and individual assessments within our commercial real estate portfolio offset by changes in the economic forecasts.

Total classified loans increased by $246 million to $518 million at June 30, 2025 compared to $272 million at December 31, 2024. This increase was driven by changes in our commercial real estate portfolio which increased $198 million. The increase in classified loans was primarily driven by the remaining long-term healthcare portfolio being returned to held for investment, construction projects with lease up rates lower than projected and a few larger C&I borrowers whose performance deteriorateded during the year.

We also consider how the levels of nonaccrual loans and historical charge-offs have influenced the required amount of allowance for credit losses. Nonaccrual loans of $102 million at June 30, 2025 increased by $41 million, or 67%, from $61 million at December 31, 2024, or 0.90% of total loans receivable as of June 30, 2025 and 0.55% of total loans receivable as of December 31, 2024. As a percentage of average loans, annualized net charge-offs remained low at 0.18% for the three months ended June 30, 2025 compared to 0.32% for the year ended December 31, 2024 which included a $15 million write-down on certain loans to fair value before they were transferred to held for sale.

Comparison of Operating Results for the Quarters Ended June 30, 2025 and 2024

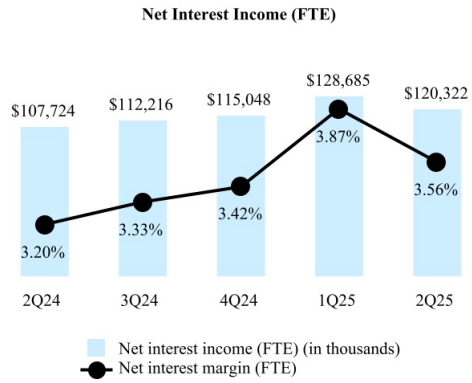
The following chart provides a reconciliation of net income from the quarter ended June 30, 2024 to the the quarter ended June 30, 2025 (dollars in thousands):



Net income for the quarter ended June 30, 2025 was $34 million, or $0.26 per diluted share, an increase of $29 million, or 609%, from net income of $5 million, or $0.04 per diluted share, for the quarter ended June 30, 2024. This increase in net income resulted primarily from a increase in net interest income of $13 million, or 12% and noninterest income of $40 million or partially offset by a $9 million increase in the provision for credit losses, an increase in noninterest expense of $5 million, or 6% and a $9 million, increase in income tax expense. Net income for the quarter ended June 30, 2025 represents annualized returns on average equity and average assets of 8.26% and 0.93%, respectively, compared to 1.24% and 0.13% for the same quarter last year.

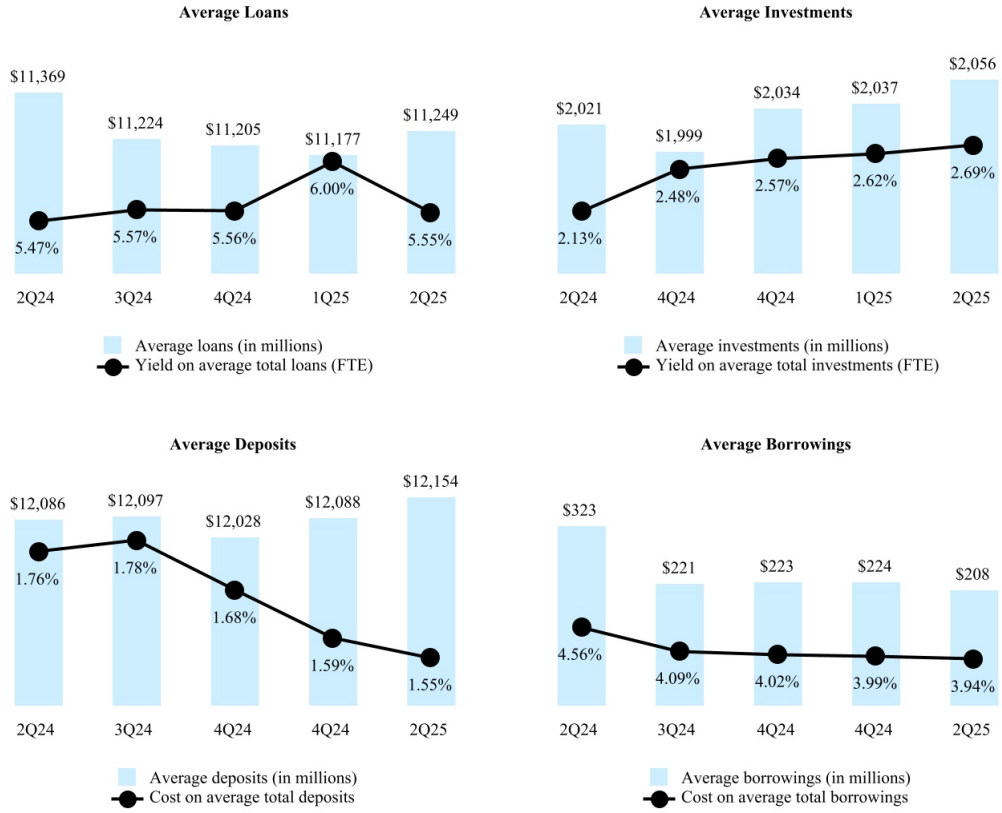
To make it easier to compare both the results across several periods and the yields on various types of earning assets (some taxable, some not), we present net interest income in the discussion below on a fully taxable equivalent “FTE basis” (i.e., as if all income were taxable and at the same rate). For example, $100 of tax-exempt income would be presented as $126, an amount that, if taxed at the statutory federal income tax rate of 21%, would yield $100. See the "GAAP to Non-GAAP Reconciliations" for information regarding tax-equivalent adjustments and GAAP results.

Net Interest Income



Net interest income for the second quarter of 2025 was $119 million which increased $13 million, or 12%, from the second quarter of 2024. Net interest income (FTE) was $120 million for the quarter ended June 30, 2025 and net interest margin (FTE) was 3.56%. Compared to the same quarter of the prior year, net interest income (FTE) increased $13 million and net interest margin (FTE) increased by thirty-six basis points. The increase in net interest income (FTE) and net interest margin (FTE) was driven by an increase in interest income resulting from higher earning asset yields, inclusive of an non-accrual interest recovery, coupled with a decrease in interest expense due to decline in the average balance of borrowings and higher cost brokered CD. Partly offsetting this increase was a decrease in the average balance of earning assets.

For the six months ended June 30, 2025, net interest income (FTE) was $249 million, an increase of $37 million, or 18% from the same period last year. Net interest margin increased by fifty-seven basis points. Similar to the quarterly fluctuations noted above, the increase in net interest income (FTE) included increases in interest income driven by higher interest-earning asset yields, including the non-accrual interest recovery, and balances, partially offset by lower interest-bearing liability costs and balances.



Average loans receivable decreased $120 million, or 1%, from the quarter ended June 30, 2024. This decrease was driven by personal banking loans and commercial real estate loans, which decreased by $265 million and $187 million, respectively. These decreases were partially offset by an increase in commercial loans of $332 million from the quarter ended June 30, 2024 as we have continued to build-out our commercial lending verticals. Interest income on loans receivable increased by $1 million, or 1%, from the same quarter in the prior year, and by $16 million, or 5%, from the same six-month period in the prior year, driven by a loan mix shift towards higher yielding commercial loans and an interest recovery of $13.1 million on a non-accrual commercial real estate loan payoff during the first quarter of 2025.

Average investments increased 2% from the second quarter of 2024 driven by the reinvestment of cash flows from regular principal payments and maturities. Interest income on investment securities increased by $3 million, or 29%, from the quarter ended June 30, 2024 and increased $7 million, or 35%, for the six months ended June 30, 2024. The increase is due to the increase in the average

yield on investments (FTE) to 2.69% for the quarter ended June 30, 2025 and 2.65% for the six months ended June 30, 2025 coupled with growth in the average balance of investments.

Average deposits grew 1% from the quarter ended June 30, 2024 driven by an increase in our average money market and saving deposit accounts which grew by $163 million and $68 million, respectively, from the quarter ended June 30, 2024 partly due to customers shifting funds to these competitively priced products as their time deposits matured. These increases were partially offset by a decrease in time deposits of $233 million. Interest expense on deposits decreased by $6 million, or 11% from the quarter ended June 30, 2024, and by $6 million, or 6% from the six months ended June 30, 2024, primarily attributable to decrease in average yield and an increase in average balance of deposit accounts as we continued competitively positioning our deposit products.

Compared to the quarter ended June 30, 2024, average borrowings saw a 36% reduction. This decrease was attributable to the strategic pay-down of wholesale borrowings with the proceeds from our investment portfolio restructuring in the second quarter of 2024. The decrease in the average balance of borrowings resulted in a decrease in interest expense on borrowings by $2 million from the quarter ended June 30, 2024 and $6 million from the six months ended June 30, 2024.

Average Balance Sheet
(in thousands)

The following table sets forth certain information relating to the Company's average balance sheet and reflects the average yield on interest-earning assets and average cost of interest-bearing 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,					
	2025			2024		
	Average balance	Interest	Avg. yield/ cost (h)	Average balance	Interest	Avg. yield/ cost (h)
Assets						
Interest-earning assets:						
Residential mortgage loans	$ 3,091,324	29,978	3.88 %	$ 3,342,749	32,182	3.85 %
Home equity loans	1,145,655	16,265	5.69 %	1,183,497	17,303	5.88 %
Consumer loans	2,073,103	28,648	5.54 %	2,048,396	26,334	5.17 %
Commercial real estate loans	2,836,757	43,457	6.06 %	3,023,762	45,658	5.97 %
Commercial loans	2,102,115	37,287	7.02 %	1,770,345	33,229	7.43 %
Loans receivable (a) (b) (d) (includes FTE adjustments of $721 and $752, respectively)	11,248,954	155,635	5.55 %	11,368,749	154,706	5.47 %
Mortgage-backed securities (c)	1,790,423	12,154	2.72 %	1,734,085	9,426	2.17 %
Investment securities (c) (d) (includes FTE adjustments of $157 and $131, respectively)	266,053	1,668	2.51 %	287,262	1,316	1.83 %
FHLB stock, at cost	17,838	318	7.15 %	25,544	498	7.84 %
Other interest-earning deposits	220,416	2,673	4.85 %	135,520	1,791	5.23 %
Total interest-earning assets (includes FTE adjustments of $878 and $883, respectively)	13,543,684	172,448	5.11 %	13,551,160	167,737	4.98 %
Noninterest-earning assets (e)	924,513			907,432		
Total assets	$ 14,468,197			$ 14,458,592		
Liabilities and shareholders' equity						
Interest-bearing liabilities:						
Savings deposits	$ 2,212,175	6,521	1.18 %	$ 2,144,278	5,957	1.12 %
Interest-bearing demand deposits	2,609,887	7,192	1.11 %	2,555,863	6,646	1.05 %
Money market deposit accounts	2,121,088	9,658	1.83 %	1,957,990	8,601	1.77 %
Time deposits	2,599,254	23,455	3.62 %	2,832,720	31,550	4.48 %
Total interest-bearing deposits (g)	9,542,404	46,826	1.97 %	9,490,851	52,754	2.24 %
Borrowed funds (f)	208,342	2,046	3.94 %	323,191	3,662	4.56 %
Subordinated debentures	114,661	1,148	4.00 %	114,308	1,148	4.02 %
Junior subordinated debentures	129,921	2,106	6.41 %	129,663	2,449	7.47 %
Total interest-bearing liabilities	9,995,328	52,126	2.09 %	10,058,013	60,013	2.40 %
Noninterest-bearing demand deposits (g)	2,611,597			2,595,511		
Noninterest-bearing liabilities	225,306			263,634		
Total liabilities	12,832,231			12,917,158		
Shareholders' equity	1,635,966			1,541,434		
Total liabilities and shareholders' equity	$ 14,468,197			$ 14,458,592		
Net interest income (FTE)/Interest rate spread (FTE) (d)		120,322	3.02 %		107,724	2.58 %
Net interest-earning assets/Net interest margin (FTE)	$ 3,548,356		3.56 %	$ 3,493,147		3.20 %
Tax equivalent adjustment (d)		878			883	
Net interest income, GAAP basis		119,444			106,841	
Ratio of interest-earning assets to interest- bearing liabilities	1.36X			1.35X		

(a) Average gross loans 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 were 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 FTE basis. We believe this measure to be the preferred industry measurement of net interest income and provides relevant comparison between taxable and non-taxable amounts.
(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 1.55% and 1.76%, respectively.
(h) Annualized.

Rate/Volume Analysis
(in thousands)

The following table represents the extent to which changes in interest rates and changes in the volume of interest-earning assets and interest-bearing liabilities have affected interest income (FTE) and interest expense during the periods indicated. Information is provided in each category with respect to (i) changes attributable to changes in volume (changes in volume multiplied by prior rate), (ii) changes attributable to changes in rate (changes in rate multiplied by prior volume), and (iii) net change. Changes that cannot be attributed to either rate or volume have been allocated to both rate and volume.

	For the quarter ended June 30, 2025 vs. 2024		
	Increase/(decrease) due to		Total increase/(decrease)
	Rate	Volume	
Interest-earning assets:			
Loans receivable	$ 2,586	(1,657)	929
Mortgage-backed securities	2,346	382	2,728
Investment securities	485	(133)	352
FHLB stock, at cost	(42)	(138)	(180)
Other interest-earning deposits	(147)	1,029	882
Total interest-earning assets	5,228	(517)	4,711
Interest-bearing liabilities:			
Savings deposits	364	200	564
Interest-bearing demand deposits	397	149	546
Money market deposit accounts	315	742	1,057
Time deposits	(5,989)	(2,106)	(8,095)
Borrowed funds	(488)	(1,128)	(1,616)
Subordinated debt	(4)	4	—
Junior subordinated debentures	(347)	4	(343)
Total interest-bearing liabilities	(5,752)	(2,135)	(7,887)
Net change in net interest income (FTE)	$ 10,980	1,618	12,598

Average Balance Sheet
(in thousands)

The following table sets forth certain information relating to the Company's average balance sheet and reflects the average yield on interest-earning assets and average cost of interest-bearing 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,					
	2025			2024		
	Average balance	Interest	Avg. yield/ cost (h)	Average balance	Interest	Avg. yield/ cost (h)
Assets						
Interest-earning assets:						
Residential mortgage loans	$ 3,123,353	60,372	3.87 %	$ 3,367,636	64,855	3.85 %
Home equity loans	1,142,708	32,429	5.72 %	1,194,385	34,596	5.83 %
Consumer loans	2,011,012	54,921	5.51 %	2,041,008	51,367	5.06 %
Commercial real estate loans	2,858,064	99,973	6.96 %	3,011,493	89,066	5.85 %
Commercial loans	2,077,799	73,299	7.02 %	1,742,506	65,083	7.39 %
Loans receivable (a) (b) (d) (includes FTE adjustments of $1,442 and $1,442, respectively)	11,212,936	320,994	5.77 %	11,357,028	304,967	5.40 %
Mortgage-backed securities (c)	1,781,959	23,884	2.68 %	1,725,696	17,370	2.01 %
Investment securities (c) (d) (includes FTE adjustments of $313 and $272, respectively)	264,945	3,269	2.47 %	310,507	2,742	1.77 %
FHLB stock, at cost	19,342	684	7.13 %	28,897	1,105	7.69 %
Other interest-earning deposits	231,914	5,089	4.36 %	99,252	2,623	5.23 %
Total interest-earning assets (includes FTE adjustments of $1,755 and $1,714, respectively)	13,511,096	353,920	5.28 %	13,521,380	328,807	4.89 %
Noninterest-earning assets (e)	924,426			912,222		
Total assets	$ 14,435,522			$ 14,433,602		
Liabilities and shareholders' equity						
Interest-bearing liabilities:						
Savings deposits	$ 2,203,289	12,973	1.19 %	$ 2,133,157	10,993	1.04 %
Interest-bearing demand deposits	2,601,604	14,255	1.10 %	2,547,343	12,048	0.95 %
Money market deposit accounts	2,102,124	18,964	1.82 %	1,959,661	16,514	1.69 %
Time deposits	2,614,238	47,959	3.70 %	2,765,351	60,885	4.43 %
Total interesting-bearing deposits (g)	9,521,255	94,151	1.99 %	9,405,512	100,440	2.15 %
Borrowed funds (f)	216,189	4,252	3.97 %	396,444	9,370	4.75 %
Subordinated debentures	114,618	2,296	4.01 %	114,267	2,296	4.02 %
Junior subordinated debentures	129,889	4,204	6.44 %	129,630	4,908	7.49 %
Total interest-bearing liabilities	9,981,951	104,903	2.12 %	10,045,853	117,014	2.34 %
Noninterest-bearing demand deposits (g)	2,600,113			2,581,646		
Noninterest-bearing liabilities	227,116			260,452		
Total liabilities	12,809,180			12,887,951		
Shareholders' equity	1,626,342			1,545,651		
Total liabilities and shareholders' equity	$ 14,435,522			$ 14,433,602		
Net interest income (FTE)/Interest rate spread (FTE) (d)		249,017	3.16 %		211,793	2.55 %
Net interest-earning assets/Net interest margin (FTE)	$ 3,529,145		3.72 %	$ 3,475,527		3.15 %
Tax equivalent adjustment (d)		1,755			1,714	
Net interest income, GAAP basis		247,262			210,079	
Ratio of interest-earning assets to interest-bearing liabilities	1.35X			1.35X		

(a) Average gross loans 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 were 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. We believe this measure to be the preferred industry measurement of net interest income and provides relevant comparison between taxable and non-taxable amounts.
(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 1.57% and 1.69%, respectively.
(h) Annualized.

Rate/Volume Analysis
(in thousands)

The following table represents the extent to which changes in interest rates and changes in the volume of interest-earning assets and interest-bearing liabilities have affected interest income (FTE) and interest expense during the periods indicated. Information is provided in each category with respect to (i) changes attributable to changes in volume (changes in volume multiplied by prior rate), (ii) changes attributable to changes in rate (changes in rate multiplied by prior volume), and (iii) net change. Changes that cannot be attributed to either rate or volume have been allocated to both rate and volume.

	For the six months ended June 30, 2025 vs. 2024		
	Increase/(decrease) due to		Total increase/(decrease)
	Rate	Volume	
Interest-earning assets:			
Loans receivable	$ 20,152	(4,125)	16,027
Mortgage-backed securities	5,760	754	6,514
Investment securities	1,090	(563)	527
FHLB stock, at cost	(81)	(340)	(421)
Other interest-earning deposits	(391)	2,857	2,466
Total interest-earning assets	26,530	(1,417)	25,113
Interest-bearing liabilities:			
Savings deposits	1,567	413	1,980
Interest-bearing demand deposits	1,910	297	2,207
Money market deposit accounts	1,165	1,285	2,450
Time deposits	(10,154)	(2,772)	(12,926)
Borrowed funds	(1,573)	(3,545)	(5,118)
Subordinated debt	(7)	7	—
Junior subordinated debentures	(713)	9	(704)
Total interest-bearing liabilities	(7,805)	(4,306)	(12,111)
Net change in net interest income (FTE)	$ 34,335	2,889	37,224

Provision for Credit Losses

	2Q24	3Q24	4Q24	1Q25	2Q25
Provision for credit losses - loans (in thousands)	$ 2,169	5,727	15,549	8,256	11,456
Provision/(benefit) for credit losses - unfunded commitments (in thousands)	(2,539)	(852)	1,016	(345)	(2,712)
Annualized net charge-offs to average loans	0.07 %	0.18 %	0.87 %	0.08 %	0.18 %

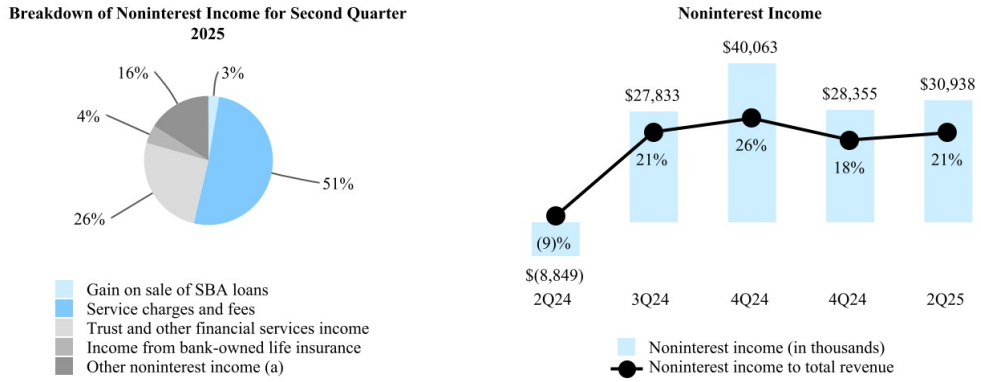
The provision for credit losses increased by $9 million from the quarter ended June 30, 2024. This increase included a $9 million increase in the provision for credit losses - loans, as well as a $0.2 million decrease in the provision for credit losses - unfunded commitments.

The changes in the provision noted above is primarily driven by downgrades within our commercial real estate portfolio offset by changes in the economic forecasts coupled with a decline in our reserves for unfunded commitments in the current period. This decline is based on the timing of origination and funding of commercial construction loans and lines of credit.

Additionally, the Company saw an increase in classified loans to $518 million, or 4.57% of total loans, at June 30, 2025 from $257 million, or 2.26% of total loans, at June 30, 2024 and $279 million, or 2.49% of total loans, at March 31, 2025. This increase was driven by changes in our commercial real estate portfolio which increased $195 million.

In determining the amount of the current period provision, we considered current and forecasted economic conditions, including but not limited to improvements in unemployment levels, expected economic growth, bankruptcy filings, and changes in real estate values and the impact of these factors on the quality of our loan portfolio and historical loss experience. We analyze the allowance for credit losses as described in the section entitled "Allowance for Credit Losses." The provision that is recorded is appropriate, in our judgment, to bring this reserve to a level that reflects the current expected lifetime losses in our loan portfolio relative to loan mix, a reasonable and supportable economic forecast period and historical loss experience at June 30, 2025.

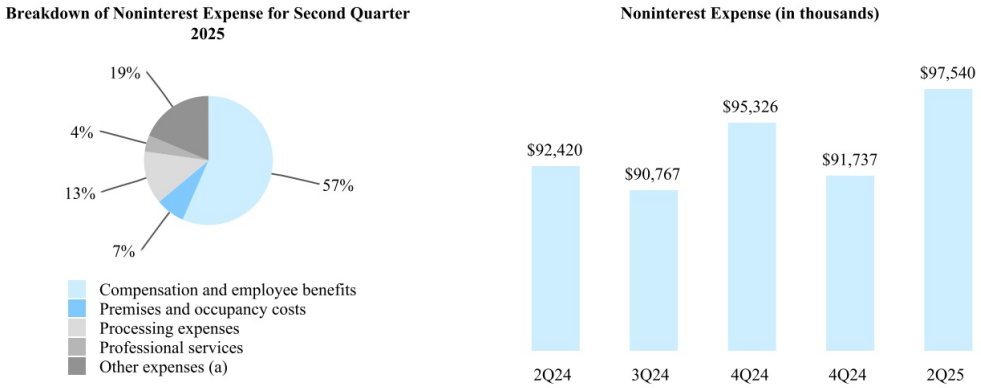
Noninterest Income



(a) Other noninterest income includes the net gain on real estate owned, mortgage banking income, and other operating income. See the "Consolidated Statements of Income" in Item 1. Financial Statements of this report.

Noninterest income for the quarter ended June 30, 2025 was $31 million, an increase of $40 million from the quarter ended June 30, 2024, and an increase of $40 million from the six months ended June 30, 2024 which was driven by the loss on sale in investments that occurred in the second quarter of 2024. Excluding the loss on sale of securities, noninterest income was flat from the quarter ended June 30, 2025 and increased $1 million, or 1%, from the six months ended June 30, 2024, driven by growth within our trust and other financial services operations.

Noninterest Expense



(a) Other noninterest expense includes collections expense, marketing expense, FDIC insurance expense, amortization of intangible assets, asset disposition and restructuring expense, and other expenses. See the "Consolidated Statements of Income" in Item 1. Financial Statements of this report.

Noninterest expense increased by $5 million, or 6%, from the quarter ended June 30, 2024 and $7 million, or 4% from the six months ended June 30, 2024. The increase from the prior year quarter was primarily attributable to the increase in acquisition expense of $4 million, or 226.1%, to $6 million for the quarter ended June 30, 2025, which is driven by the Penns Woods acquisition and an increase in compensation and employee benefits expense of $2 million, or 3%, to $55 million for the quarter ended June 30, 2025

driven primarily by an increase in core and incentive compensation. Partially offsetting this was a decrease in processing expense of $2 millions, or 12% based on lower software spend.

The increase from the six months ended June 30, 2024 was driven by an increase in acquisition expense of $4 million, or 157%, driven by the Penns Woods acquisition and an increase in compensation and employee benefits expense of $5 million or 4% driven primarily by an increase in core and incentive compensation and benefit costs. These increases were offset by a decrease in processing expense of $2 million, or 8%, for the same reasons discussed above.

Income Taxes

The provision for income taxes increased by $9 million from the quarter ended June 30, 2024 and by $14 million from the six months ended June 30, 2024 primarily due to higher income before income taxes.

The provision for income taxes is primarily driven by changes in our current period income before taxes. We anticipate our effective tax rate to be between 22.0% and 24.0% for the year ending December 31, 2025.

GAAP to Non-GAAP Reconciliations

The following non-GAAP financial measures used by the Company provide information useful to investors in understanding our operating performance and trends, and facilitate comparisons with the performance of our peers. The following table summarizes the non-GAAP financial measures derived from amounts reported in the Company's Consolidated Statements of Income.

	Quarter ended				
	June 30, 2025	March 31, 2025	December 31, 2024	September 30, 2024	June 30, 2024
Net interest income fully tax equivalent (FTE)					
Net interest income (GAAP)	$ 119,444	127,818	114,197	111,302	106,841
Plus: Taxable-equivalent adjustment	878	867	851	914	883
Net interest income FTE	120,322	128,685	115,048	112,216	107,724

Item 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

As the holding company for a savings bank, one of our primary market risks is interest rate risk. Interest rate risk is the sensitivity of net interest income to variations in interest rates over a specified time period. The sensitivity results from differences in the time periods in which interest rate sensitive assets and liabilities mature or re-price. We attempt to control interest rate risk by matching, within acceptable limits, the re-pricing periods of assets and liabilities. We have attempted to limit our exposure to interest sensitivity by increasing core deposits, borrowing funds with fixed-rates and longer maturities and by shortening the maturities of our assets by emphasizing the origination of more short-term fixed rate loans and adjustable rate loans. We also have the ability to sell a portion of the long-term, fixed-rate mortgage loans that we originate. In addition, we purchase shorter term or adjustable-rate investment securities and mortgage-backed securities.

We have an ALCO Committee consisting of members of management which meets monthly to review market interest rates, economic conditions, the pricing of interest-earning assets and interest-bearing liabilities, cash flow projections, and the balance sheet structure. On a quarterly basis, this Committee also reviews the interest rate risk position, liquidity stress scenarios, and capital stress scenarios.

The Board of Directors has a Risk Management Committee which meets quarterly and reviews interest rate risk and trends, our interest sensitivity position, the liquidity position and the market risk inherent in the investment portfolio.

In an effort to assess interest rate risk and market risk, we utilize a simulation model to determine the effect of immediate incremental increases and decreases in interest rates on net income and the market value of equity. Certain assumptions are made regarding loan prepayments and decay rates of savings and interest-bearing demand accounts. Because it is difficult to accurately project the market reaction of depositors and borrowers, the effect of actual changes in interest rates on these assumptions may differ from simulated results. We have established the following guidelines for assessing interest rate risk:

Net interest income simulation. Given a parallel shift of 100 basis points ("bps"), 200 bps and 300 bps in interest rates, the estimated net income may not decrease by more than 5%, 10% and 15%, respectively, within a one-year period.

Net income simulation. Given a parallel shift of 100 bps, 200 bps and 300 bps in interest rates, the estimated net income may not decrease by more than 10%, 20% and 30%, respectively, within a one-year period.

Market value of equity simulation. The market value of equity is the present value of assets and liabilities. Given a parallel shift of 100 bps, 200 bps and 300 bps in interest rates, the market value of equity may not decrease by more than 10%, 20% and 25%, respectively, from the computed economic value at current interest rate levels.

The following table illustrates the simulated impact of a 100 bps, 200 bps or 300 bps upward or a 100 bps, 200 bps or 300 bps downward movement in interest rates on net income, return on average equity, earnings per share and market value of equity. This analysis was prepared assuming that interest-earning asset and interest-bearing liability levels at June 30, 2025 remain constant. The impact of the rate movements was computed by simulating the effect of an immediate and sustained shift in interest rates over a twelve-month period from June 30, 2025 levels.

	Increase			Decrease		
Parallel shift in interest rates over the next 12 months	**100 bps**	**200 bps**	**300 bps**	**100 bps**	**200 bps**	**300 bps**
Projected percentage increase/(decrease) in net interest income	(1.1) %	(2.6) %	(4.1) %	(0.5%)	(4.9%)	(6.9%)
Projected percentage increase/(decrease) in net income	(2.5) %	(5.7) %	(9.1) %	(1.3%)	(11.1%)	(15.7%)
Projected increase/(decrease) in return on average equity	(2.3) %	(5.4) %	(8.7) %	(1.2%)	(10.5%)	(15.0%)
Projected increase/(decrease) in earnings per share	$ (0.04)	$ (0.08)	$ (0.12)	$ (0.02)	$ (0.15)	$ (0.21)
Projected percentage increase/(decrease) in market value of equity	(4.4%)	(9.2%)	(13.9%)	2.4%	1.2%	1.1%

The figures included in the table above represent projections that were computed based upon certain assumptions including prepayment rates and decay rates. These assumptions are inherently uncertain and, as a result, cannot precisely predict the impact of changes in interest rates. Actual results may differ significantly due to timing, magnitude and frequency of interest rate changes and changes in market conditions, and actions that may be taken by management in response to interest rate changes.

Item 4. CONTROLS AND PROCEDURES

Under the supervision of and with the participation of management, including the Principal Executive Officer and Principal Financial Officer, we evaluated the effectiveness of the design and operation of the Company's disclosure controls and procedures (as defined in Rule 13a-15(e) under the Exchange Act) as of the end of the period covered by this quarterly report (the "Evaluation Date"). Based upon that evaluation, the Principal Executive Officer and Principal Financial Officer concluded that, as of the Evaluation Date, these disclosure controls and procedures were effective.

There were no changes in the internal controls over financial reporting during the period covered by this report or in other factors that have materially affected, or are reasonably likely to materially affect the internal controls over financial reporting.

PART II. OTHER INFORMATION

Item 1. LEGAL PROCEEDINGS

We are subject to a number of asserted and unasserted claims encountered in the normal course of business. We believe that any additional liability, other than that which has already been accrued, that may result from such potential litigation will not have a material adverse effect on the financial statements. However, we cannot presently determine whether or not any claims against us will have a material adverse effect on our results of operations in any future reporting period. Refer to Note 11.

Item 1A. RISK FACTORS

Except as previously disclosed, there have been no material updates or additions to the risk factors previously disclosed in our Annual Report on Form 10-K for the year ended December 31, 2024 as filed with the Securities and Exchange Commission. Additional risks not presently known to us, or that we currently deem immaterial, may also adversely affect our business, financial condition or results of operations.

Item 2. UNREGISTERED SALES OF EQUITY SECURITIES, USE OF PROCEEDS, AND ISSUER PURCHASES OF EQUITY SECURITIES

a) Not applicable.

b) Not applicable.

c) On December 13, 2012, the Board of Directors approved a program that authorizes the repurchase of approximately 5,000,000 shares of common stock. This program does not have an expiration date. During the quarter ended June 30, 2025, there were no shares of common stock repurchased and there are a maximum of 2,261,130 remaining shares that can be purchased under the current repurchase program.

Item 3. DEFAULTS UPON SENIOR SECURITIES

Not applicable.

Item 4. MINE SAFETY DISCLOSURES

Not applicable.

Item 5. OTHER INFORMATION

During the three months ended June 30, 2025, no directors or officers of the Company, as defined in Section 16 of the Exchange Act, adopted or terminated any "Rule 10b5-1 trading arrangements" or "non-Rule 10b5-1 trading arrangement," as each term is defined in Item 408(a) of Regulation S-K of the Exchange Act.

Item 6. EXHIBITS

31.1	Certification of the Chief Executive Officer pursuant to Rule 13a-15 or 15d-15 of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of the Chief Financial Officer pursuant to Rule 13a-15 or 15d-15 of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1*	Certification of the Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS	The instance document does not appear in the interactive data file because its XBRL tags are embedded within the inline XBRL document.
101.SCH	XBRL Taxonomy Extension Schema Document.
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB	XBRL Taxonomy Extension Label Linkbase.
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document.
104	The cover page of this Quarterly Report on Form 10-Q, formatted in inline XBRL.

* Furnished herwith

Signature

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed by the undersigned thereunto duly authorized.

NORTHWEST BANCSHARES, INC.
(Registrant)

Date: August 5, 2025

By: /s/ Louis J. Torchio
Louis J. Torchio
President and Chief Executive Officer
(Duly Authorized Officer)

Date: August 5, 2025

By: /s/ Joseph D. Canfield Jr.
Joseph D. Canfield Jr.
Executive Vice President, Chief Accounting Officer
(Principal Accounting Officer)