WesBanco, Inc. 2022 Annual Report

FINANCIAL HIGHLIGHTS

(in thousands, except shares and per share amounts)

	December 31, 2022	December 31, 2021	% Change
FOR THE YEAR			
Earnings per common share—diluted	**$ 3.02**	$ 3.53	(14.4)
Earnings per common share—diluted, excluding certain items (1)(2)	**$ 3.04**	$ 3.62	(16.0)
Dividends declared per common share	**$ 1.37**	$ 1.32	3.8
Net income available to common shareholders	**$ 181,988**	$ 232,135	(21.6)
Net income available to common shareholders, excluding certain items (1)(2)	**$ 183,349**	$ 237,441	(22.8)
Average common shares outstanding—diluted	**60,215,374**	65,669,970	(8.3)
Period end common shares outstanding	**59,198,963**	62,307,245	(5.0)
Period end preferred shares outstanding	**150,000**	150,000	—
AT YEAR END			
Securities	**$ 3,789,055**	$ 4,031,483	(6.0)
Net portfolio loans	**10,584,938**	9,611,856	10.1
Total assets	**16,931,905**	16,927,125	0.0
Deposits	**13,131,090**	13,565,863	(3.2)
Total FHLB and other borrowings	**840,069**	325,813	157.8
Subordinated and junior subordinated debt	**281,404**	132,860	111.8
Shareholders' equity	**2,426,662**	2,693,166	(9.9)
TRUST ASSETS AT MARKET VALUE (3)	**$ 4,878,479**	$ 5,644,975	(13.6)
KEY RATIOS			
Return on average assets	**1.08%**	1.37%	(21.2)
Return on average assets, excluding certain items (1)(2)	**1.09**	1.40	(22.1)
Return on average tangible assets (1)	**1.21**	1.53	(20.9)
Return on average tangible assets, excluding certain items (1)(2)	**1.22**	1.56	(21.8)
Return on average equity	**7.23**	8.40	(13.9)
Return on average equity, excluding certain items (1)(2)	**7.29**	8.59	(15.1)
Return on average tangible equity (1)	**13.78**	14.89	(7.5)
Return on average tangible equity, excluding certain items (1)(2)	**13.88**	15.22	(8.8)
Return on average tangible common equity (1)	**15.39**	16.35	(5.9)
Return on average tangible common equity, excluding certain items (1)(2)	**15.50**	16.71	(7.2)
Average loans to average deposits	**74.21**	78.11	(5.0)
Allowance for credit losses to total loans	**1.10**	1.25	(12.0)
Allowance for credit losses to total non-performing loans	**284.41**	308.00	(7.7)
Non-performing assets to total assets	**0.25**	0.23	8.7
Net loan charge-offs to average loans	**0.02**	0.02	—
Dividend payout ratio	**45.36**	37.39	21.3
Dividend payout ratio, excluding certain items (1)(2)	**45.07**	36.46	23.6
Non-interest income as a percentage of total revenues	**19.84**	22.48	(11.7)
Efficiency ratio (1)(4)	**59.53**	58.22	2.3
Net interest margin (4)	**3.20**	3.11	2.9
CAPITAL RATIOS AT YEAR END			
Shareholders' equity to total assets	**14.33%**	15.91%	(9.9)
Tangible equity to tangible assets (1)	**8.19**	9.84	(16.8)
Tangible common equity to tangible assets (1)	**7.28**	8.92	(18.4)
Tier 1 leverage ratio	**9.90**	10.02	(1.2)
Tier 1 capital to risk-weighted assets	**12.33**	14.05	(12.2)
Total capital to risk-weighted assets	**15.11**	15.91	(5.0)
Common equity tier 1 capital ratio	**11.20**	12.77	(12.3)
PER COMMON SHARE			
Closing common stock price	**$ 36.98**	$ 34.99	5.7
Book value at year end	**38.55**	40.91	(5.8)
Tangible book value at year-end (1)	**19.43**	22.61	(14.1)

(1) See non-GAAP financial measures for additional information relating to the calculation of this ratio.

(2) Certain items excluded from the calculation consist of after-tax restructuring and merger-related expenses.

(3) These assets are held by WesBanco in fiduciary or agency capacities for its customers and therefore are not included as assets on WesBanco's Consolidated Balance Sheets.

(4) Taxable-equivalent basis.

TO OUR SHAREHOLDERS:

WesBanco had another successful year during 2022 as we remained focused on ensuring a strong organization for our shareholders, and continued to appropriately return capital to them through both long-term, sustainable earnings growth and effective capital management. Through successful operational execution, we generated solid annual net income while remaining a well-capitalized financial institution with sound liquidity, balance sheet, and credit quality metrics, built upon our well-defined strategies and core advantages, which will ensure success even in a challenging economic environment. Most importantly, we reported solid loan growth without sacrificing our credit standards, exhibited discretionary cost control despite inflationary pressures, and continued to receive numerous national accolades.

For the twelve months ended December 31, 2022, net income available to common shareholders was $182 million, or $3.02 per diluted share, as compared to $232 million, or $3.53 per diluted share, for the prior year period, which included the benefit of a release of provision for credit losses of $52 million, net of tax, or $0.79 per diluted share, as compared to a benefit of $0.02 per share during 2022. Further, when excluding after-tax restructuring and merger-related expenses, net income for 2022 was $183 million, or $3.04 per diluted share.[1] On the same basis, the strength of our financial performance this past year is further demonstrated by our return on average assets of 1.09% and return on average tangible common equity of 15.50%.[1]

Our key credit quality metrics continued to remain at low levels and comparable to peer banks with total assets between $10 and $25 billion, as we adhered to our strong legacy of credit quality, risk management, and compliance – the foundation upon which our institution was built 153 years ago. While our capital position continues to provide financial and operational flexibility, we also maintained consolidated and bank-level regulatory capital ratios well above the applicable "well-capitalized" standards promulgated by bank regulators and the BASEL III capital standards. At December 31, 2022, our Tier I Leverage Capital was 9.90%, Tier I Risk-Based Capital 12.33%, Total Risk-Based Capital 15.11%, and the Common Equity Tier 1 Capital Ratio ("CET 1") 11.20%, while our tangible common equity ratio was 7.28%.

We maintained our critical, long-term focus on enhancing shareholder value through earnings growth and effective capital management, which includes dividends, share repurchases, and acquisitions. During 2022, we repurchased approximately 3.4 million shares of our outstanding common stock on the open market, representing approximately 5.5% of total shares outstanding at December 31, 2021. Furthermore, reflecting our strong capital position and net income, we declared two one-cent increases to our quarterly common stock cash dividend – on February 24 and November 16, 2022 – raising the dividend to $0.35 per common share. These increases represented a 6.1% increase in the quarterly dividend compared to the fourth quarter of 2021, an annualized cash dividend of $1.40, and a cumulative increase of 150% since 2010. WesBanco offers a current dividend yield of approximately 3.8% based upon the market price of WesBanco common stock on February 23, 2023.

Jeffrey H. Jackson
Senior Executive Vice President and Chief Operating Officer
of WesBanco, Inc.

On August 15, 2022, Jeffrey H. Jackson joined the company as Senior Executive Vice President and Chief Operating Officer of WesBanco, Inc., as well as President and Chief Operating Officer of WesBanco Bank, Inc. Mr. Jackson comes to WesBanco after a successful career at First Horizon Bank. He most recently served as Executive Vice President and Chief Operating Officer of Regional Banking based out of Memphis, TN, Regional President for Florida, and Market President for Southeast Tennessee and Atlanta. Prior to his career in banking, he spent 15 years with IBM in a variety of positions. We wish to welcome Mr. Jackson and extend our gratitude to President and CEO Todd F. Clossin, for ten years of dedicated service to WesBanco. It is expected that Mr. Jackson will succeed Mr. Clossin as President and CEO of WesBanco, Inc. upon Mr. Clossin's anticipated retirement, effective January 1, 2024.

Under Mr. Clossin's leadership, WesBanco has evolved into an emerging regional financial services institution that has nearly tripled in total assets, loans, and deposits through both organic growth and five major acquisitions. In addition, he oversaw the expansion into six states from three, implementation of a new core banking software system and top-tier digital services for our customers, successful navigation of our company and communities through the COVID-19 pandemic, development of our Women's Symposium and Diversity, Equity, and Inclusion Symposium, and execution of our growth strategies, including loan production offices. Mr. Clossin's tenure is highlighted by numerous national accolades recognizing WesBanco for financial performance, credit quality, employer of choice, community involvement, and customer satisfaction. He was elected to the WesBanco Board of Directors during 2014 and will remain a member of WesBanco's board and Executive Committee upon his retirement.

Following are our accomplishments and milestones achieved during 2022 that resulted from our strong performance, operational strengths, and focus on our communities, customers and employees. These accolades which recognize WesBanco's commitment to sustainability and excellence, are also a testament to the hard work and dedication of our employees.

- For 153 years, we have maintained our strong community roots as a leader in and advocate for our communities and employees in order to help both of them succeed. We have focused on strong governance principles and being a sound institution while developing our diverse workforce and supporting our communities, as reflected in the issuance of our first sustainability report. Here are a few key facts that demonstrate our commitment:
    - Seven consecutive "Outstanding" composite ratings from the Federal Deposit Insurance Corporation for Community Reinvestment Act performance.
    - Continued our strong support of our communities during 2022 through more than $416 million of community development loans, over $1.2 million of community development philanthropic donations, and approximately 11,700 hours of community development service by our employees.
    - More than 1,700 jobs created by the New Markets Loan Program during the last five years.
    - More than 70% of employees, including approximately 54% of bank officers, and more than 30% of key senior executive leadership positions identify as female.
    - 29% of our Board of Directors identify as diverse, either by gender or ethnicity, and approximately 10% of our workforce identify as ethnically diverse.
    - 50% of our workforce, including 75% of support areas, are in either a 100% remote or hybrid work schedule.
    - More than 20% reduction in our financial center footprint, while continuing to effectively serve our customers and communities.
- We expanded our loan production office strategy into new, high-growth metro markets that are adjacent to our existing footprint. We opened offices in Nashville, Indianapolis, and Cleveland, which complement our existing offices in Akron-Canton and Northern Virginia. These offices have been well-received by their communities and quickly made positive contributions to our organic growth.

- WesBanco Bank continued to receive top rankings during 2022, which are a testament to our strong performance and foundation, as well as the efforts of our employees every day to maintain our community banking roots and customer-focused philosophy.
    - Bauer Financial, Inc., a financial analysis and reporting company, has again awarded WesBanco their highest rating as a "five-star" bank.
    - WesBanco Bank was recognized with the America Saves Designation of Savings Excellence for the seventh consecutive year, one of only six banks nationwide honored with this distinction. This award is in recognition of our extraordinary efforts during America Saves Week to encourage customers to save money.
    - Based on customer satisfaction and consumer feedback, WesBanco Bank was named by Forbes as the #1 bank in Ohio and the #2 bank in Kentucky, including high scores for 'trust', 'branch services', 'terms and conditions', 'customer service', 'digital services', and 'financial advice'.
    - For the fourth year in a row, WesBanco Bank was named one of the World's Best Banks by Forbes, which was also based on customer satisfaction and consumer feedback, with high scores for 'satisfaction', 'customer services', 'digital services', and 'financial advice'.
    - WesBanco was the only midsize bank making the top ten for both financial performance and employer of choice.
        - WesBanco Bank was named the #10 Best Bank in America by Forbes based on growth, credit quality, and profitability, the third year in a row in the top twelve and the twelfth time overall since 2010.
        - We were named to the Forbes list of America's Best Mid-Size Employers, earning a spot within the top 10% of all companies recognized, as well as securing the #2 spot out of the 30 companies in the Banking and Financial Services category.
    - WesBanco was recognized by Newsweek as one of "America's Most Trustworthy Companies" and was one of only 20 banks to earn this nationwide honor, for the three touchpoints of trust – customer trust, investor trust, and employee trust.

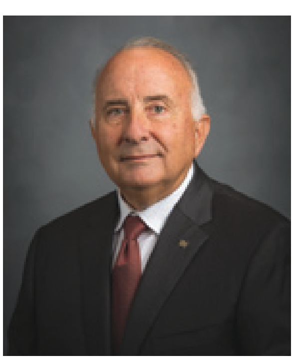
We reported solid financial performance during 2022 as demonstrated by loan growth, net interest margin expansion, and discretionary cost control. Total assets as of December 31, 2022 were $16.9 billion, highlighted by total portfolio loans of $10.7 billion, which increased 10.0% year-over-year, or 11.7% when excluding Small Business Administration Payroll Protection Loans of $160 million in the prior year period. This broad-based loan growth reflected the successful execution of our operational strategies and strength of our markets and lending teams. Further, robust deposit levels remained a key story as they totaled $13.1 billion, as of December 31, 2022, with total demand deposits representing approximately 60% of the total. Reflecting the rising interest rate environment, as well as solid loan growth, for the fourth quarter of 2022, we reported a net interest margin of 3.49%, up 52 basis points from the prior year period, and an efficiency ratio of 56.91%, which improved as compared to the 61.99% in the prior year period.

A key investment in support of our evolution has been, and will continue to be, the investment in our employees, as they are critical to our long-term growth and success. During the last two years, we focused on improving retention and boosting morale, as well as increasing the depth and strength of our teams across our business lines and markets. We successfully executed upon these plans by hiring approximately 100 revenue-producers during the last two years, and, as demonstrated by our 2022 results, have begun to see the growth and positive operating leverage from these investments. While we will remain diligent on discretionary costs, we intend to continue to make the appropriate growth-oriented investments in support of long-term, sustainable revenue growth and shareholder return.

During 2022, bank stocks, as measured by various indices, including the KBW Nasdaq Regional Bank Index, KBW Nasdaq Bank Index, and ABA Nasdaq Community Bank Index, posted year-over-year declines ranging from negative 9% to negative 24%, as compared to the 19% decline in the S&P 500. In contrast, reflecting our core strengths and organic growth, our stock price increased approximately 6% year-over-year, to end the year at $36.98. Furthermore, our total shareholder return has also outperformed these bank indices on, at least, the three-, five-, and ten year bases.

Through the last few years, we have transformed our company into an evolving regional financial services institution with a community bank at its core. We have done this through the successful expansion into higher growth markets spanning six states, with the majority of our company now located in these markets, while adhering to our foundation of strong discretionary cost control, risk management, and credit standards. We will continue to enhance our evolution into a solid and sound growth story supported by distinct growth strategies and unique competitive advantages, including our robust legacy deposit base and century-old trust and wealth management business. We have the right markets, teams, leadership, and strategies to provide long-term success for our shareholders, customers, and employees. We remain well-positioned for continued success and are excited about our future growth opportunities.

We would like to invite you to participate in our Annual Meeting of the Shareholders, which will be held virtually on Wednesday, April 19, 2023 at 12:00 noon. Like many other companies, we intend to utilize a virtual format again this year in order to protect the health and well-being of our employees, shareholders, and communities.



Christopher V. Criss
Chairman of the Board

Todd F. Clossin
President and Chief Executive Officer

WesBanco, Inc.
February 27, 2023

[1] WesBanco believes that these non-GAAP financial measures are useful to investors as they enhance investors' understanding of the Company's business and performance. Please review the financial statements and non-GAAP financial measures included in this Annual Report and filed with the Securities and Exchange Commission on Form 10-K for complete details of WesBanco's financial performance during 2022.

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-K

(Mark One)

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2022

☐ **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 001-39442

WESBANCO, INC.

(Exact name of Registrant as specified in its charter)

WEST VIRGINIA	**55-0571723**
(State or other jurisdiction of incorporation or organization)	**(IRS Employer Identification No.)**
1 Bank Plaza, Wheeling, WV	**26003**
(Address of principal executive offices)	**(Zip Code)**

Registrant's telephone number, including area code: 304-234-9000

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

Title of each class	Trading Symbol	Name of each Exchange on which registered
Common Stock $2.0833 Par Value	**WSBC**	**Nasdaq Global Select Market**
Depositary Shares (each representing 1/40th interest in a share of 6.75% Fixed-Rate Reset Non-Cumulative Perpetual Preferred Stock, Series A)	**WSBCP**	**Nasdaq Global Select Market**

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☑ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15 (d) of the Act. Yes ☐ No ☑

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 (section 232.405 of this chapter) 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 or a smaller reporting company. See 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 has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☑

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

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

The aggregate market value of the registrant's outstanding voting and non-voting common stock held by non-affiliates on June 30, 2022, determined using a per share closing price on that date of $31.71, was $1,793,493,083.

As of February 15, 2023, there were 59,202,654 shares of Wesbanco, Inc. common stock $2.0833 par value per share, outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Certain specifically designated portions of Wesbanco, Inc.'s definitive proxy statement which will be filed by April 30, 2023 for its Annual Meeting of Shareholders (the "Proxy Statement") to be held in 2023 are incorporated by reference into Part III of this Form 10-K.

WESBANCO, INC.
ANNUAL REPORT ON FORM 10-K
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PART I

ITEM 1. BUSINESS

GENERAL

Wesbanco, Inc. (“Wesbanco” or the “Company”), a bank holding company incorporated in 1968 and headquartered in Wheeling, West Virginia, offers a full range of financial services including retail banking, corporate banking, personal and corporate trust services, brokerage services, mortgage banking and insurance. Wesbanco offers these services through two reportable segments, community banking and trust and investment services. For additional information regarding Wesbanco’s business segments, please refer to Note 23, “Business Segments” in the Consolidated Financial Statements.

As of December 31, 2022, Wesbanco operated one commercial bank: Wesbanco Bank, Inc. (“Wesbanco Bank” or the “Bank”). The Bank has 194 branches and 188 ATM machines located in West Virginia, Ohio, western Pennsylvania, Kentucky, southern Indiana and Maryland. Total assets of Wesbanco as of December 31, 2022 approximated $16.9 billion. Wesbanco Bank also offers trust and investment services and various alternative investment products including mutual funds and annuities. The market value of assets under management of the trust and investment services segment is approximately $4.9 billion as of December 31, 2022. These assets are held by Wesbanco Bank in fiduciary or agency capacities for its customers and therefore are not included as assets on Wesbanco’s Consolidated Balance Sheets.

Wesbanco also offers additional services through its non-banking subsidiaries:

Wesbanco Insurance Services, Inc. (“Wesbanco Insurance”), a wholly-owned subsidiary of Wesbanco Bank, is a multi-line insurance agency specializing in property, casualty, life and title insurance, with benefit plan sales and administration for personal and commercial clients.

Wesbanco Securities, Inc. (“Wesbanco Securities”) is a full service broker-dealer, which also offers discount brokerage services.

Wesbanco Asset Management, Inc., a wholly-owned subsidiary of Wesbanco Bank, holds certain investment securities and loans in a Delaware-based subsidiary.

Wesbanco Properties, Inc. holds certain commercial real estate properties. The commercial property is leased to Wesbanco Bank and to certain non-related third parties.

Kentuckiana Real Estate Holdings, LLC, and Southern Indiana Real Estate Holdings, LLC, are Indiana and Kentucky-based limited liability corporations that hold certain real estate properties in those markets. In addition, FAH, LLC, WSB Realty, LLC and Flagship Acquisitions Trust, which were acquired in the Old Line Bancshares, Inc. ("OLBK") acquisition and are Maryland limited liability corporations, hold certain real estate properties located in the Maryland area. Each of these entities is a wholly owned subsidiary of Wesbanco Bank.

CBIN Insurance Inc. is a captive insurance company, which issues policies to Wesbanco’s banking subsidiaries for certain risks that are not covered by the Company’s commercial insurances policies purchased from third-party carriers. It is in the process of winding up its business activities and is expected to be dissolved over the next 12 to 18 months.

Wesbanco has eleven capital trusts, which are all wholly-owned trust subsidiaries formed for the purpose of issuing trust preferred securities (“Trust Preferred Securities”) and lending the proceeds to Wesbanco. For more information regarding Wesbanco’s issuance of Trust Preferred Securities, please refer to Note 10, “Subordinated Debt and Junior Subordinated Debt” in the Consolidated Financial Statements.

AMSCO, Inc. (“AMSCO”) is a wholly-owned subsidiary of Wesbanco Bank, which formerly engaged in the management of certain real estate development and construction of 1-4 family residential units. It is in the process of winding up its business activities and will be dissolved.

Wesbanco Bank’s Investment Department also serves as investment adviser to a family of mutual funds, namely the “WesMark Funds.” The fund family is comprised of the WesMark Large Company Fund, the WesMark Balanced Fund, the WesMark Small Company Fund, the WesMark Government Bond Fund, the WesMark West Virginia Municipal Bond Fund, and the WesMark Tactical Opportunity Fund.

As of December 31, 2022, none of Wesbanco’s subsidiaries were engaged in any operations in foreign countries, and only one had any transactions with customers in foreign countries. The Bank also provides letters of credit internationally for certain domestic customers and provides international wire services through a third-party correspondent bank.

WEBSITE ACCESS TO WESBANCO’S FILINGS WITH THE SECURITIES AND EXCHANGE COMMISSION

All of Wesbanco’s electronic filings for 2022 filed with the Securities and Exchange Commission (the “SEC”), including this Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, and amendments to these reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, are made available at no cost on Wesbanco's website, www.wesbanco.com, through the "Investors" link as soon as reasonably practicable after Wesbanco files such material with, or furnishes it to, the SEC. Wesbanco's SEC filings are also available through the SEC's website at www.sec.gov. Wesbanco routinely posts important information on the Company's website in the "Investors" section. Wesbanco may also use its website as a means of disclosing material, non-public information and for complying with our disclosure obligations under Regulation FD. Accordingly, investors should monitor the Investors section of the website in addition to following Wesbanco's press releases. SEC filings, public conference calls, presentations and webcasts. The information contained on, or that may be accessed through, Wesbanco's website is not incorporated by reference into, and is not a part of, this Annual Report on Form 10-K.

Upon written request of any shareholder of record on December 31, 2022, Wesbanco will provide, without charge, a printed copy of this 2022 Annual Report on Form 10-K, including financial statements and schedules, as required to be filed with the SEC. To obtain a copy of this report, contact: John Iannone, Wesbanco, Inc., 1 Bank Plaza, Wheeling, West Virginia 26003 (304) 905-7021.

HUMAN CAPITAL RESOURCES

At December 31, 2022, we employed 2,426 full-time equivalent employees. At that date, the average tenure of all of our full-time employees was approximately 10 years while the average tenure of our executive officers was over 16 years. None of our employees are represented by collective bargaining agreements. We believe our relations with our employees are very good. The safety and care of our employees and their families as well as their communities is paramount for us.

Of our total employees, 9.6% or 232 were minorities with 82, or 35.3% of those officers. Of our 1,117 total officers, 598 or 53.6% were women. Our turnover rate for 2022 was 18.98%. Our turnover rate for officers was just 9.13% for 2022.

Our corporate culture has been established by senior management and overseen by our board of directors. Built upon our 'Better Banking Pledge' and our 'Service & Support Pledge', our culture, which is both customer and employee-centric, is focused on growing long-term relationships by pledging to serve all personal and business customer needs efficiently and effectively while treating our employees with dignity and respect. In 2022, Wesbanco completed its first annual employee engagement survey with preliminary positive results.

Wesbanco has been a leader in its communities for over 150 years, and we want to continue to take a leadership role by noting our stance for equality. We are a group of diverse backgrounds and ethnicities, and share the same values of dignity and respect for our co-workers, customers, and fellow community members. We have been able to enhance our diversification through the retention of many of the employees we have acquired through our acquisition strategy who bring a strong skill set and a diverse background. Wesbanco ensures diversity in our workforce representation by reflecting the makeup of the community it serves.

Wesbanco believes in open, honest discussion. In addition to our Women's Symposium, which has been held for over 4 years, we have added a Diversity and Inclusion Forum as an added resource and a positive catalyst for how we conduct business. These inclusive programs focus on facilitating educational opportunities, sharing experiences, networking with management, and partnering with mentors. The goal is to ignite and support a passion for our employees to find both personal and professional success. Both initiatives include board, management and staff participants.

In addition, we have engaged in leadership training for senior and middle management supervisors. We annually assess talent through a specific Talent Development Program to identify, promote and build development plans among multiple levels of management. These efforts have resulted in Wesbanco being designated as one of the best workplaces in several markets, including Columbus and Western Pennsylvania.

Our hope is that this not only helps us evolve and grow as a company but that it also spreads to all of our other community efforts. In fact, during the past year alone, Wesbanco has made over $1.2 million of philanthropic donations in support of our communities across our footprint. Further, our employees are equally generous, providing technical assistance services and financial education to non-profit organizations and area schools that resulted in nearly 11,700 volunteer hours in 2022.

COMPETITION

Competition in the form of price and service from other banks, including local, regional and national banks and financial companies such as savings and loan companies, internet banks, payday lenders, money services businesses, credit unions, finance companies, brokerage firms and other non-banking companies providing various regulated and non-regulated financial services and products, is intense in most of the markets served by Wesbanco and its subsidiaries. Wesbanco's trust and investment services segment receives competition from commercial banks, trust companies, mutual fund companies, investment advisory firms, law firms, brokerage firms, and other financial services companies. As a result of consolidation within the financial services industry, mergers between, and the expansion of, financial institutions both within and outside of Wesbanco's major markets have provided significant competitive pressure in those markets. Many of Wesbanco's competitors have greater resources and, as such, may have higher lending limits and may offer other products and services that are not provided by Wesbanco. Wesbanco generally competes on the basis of superior customer service and responsiveness to customer needs, available loan and deposit products, rates of interest charged on loans, rates of interest paid for deposits, and the availability and pricing of trust, brokerage and insurance services. As a result of Wesbanco's expansion into certain larger metropolitan markets, it has faced entrenched larger bank competitors with an already existing customer base that may far exceed Wesbanco's initial entry position into those markets. As a result, Wesbanco may be forced to compete more aggressively for loans, deposits, trust and insurance products to grow its market share, potentially reducing its current and future profit potential from such markets.

SUPERVISION AND REGULATION

As a bank holding company and a financial holding company under federal law, Wesbanco is subject to supervision and examination by the Board of Governors of the Federal Reserve System ("Federal Reserve Board") under the Bank Holding Company Act of 1956, as amended (the "BHCA"), and is required to file with the Federal Reserve Board reports and other information regarding its business operations and the business operations of its subsidiaries. Since Wesbanco is both a bank holding company and a financial holding company, Wesbanco can offer customers virtually any type of service that is financial in nature or incidental thereto, including banking and activities closely related to banking, securities underwriting, insurance (both underwriting and agency) and merchant banking. Wesbanco is now subject to additional supervision from the Federal Reserve Board and its primary banking regulators due to its exceeding the $10 billion asset threshold and seeks to ensure that sufficient resources are allocated to safety and soundness compliance with applicable laws, such as the Bank Secrecy Act, anti-money laundering regulations, and the Community Reinvestment Act ("CRA"), among others, and risk management and internal audit, among other functions, so that the enhanced requirements of the Federal Reserve Board and its primary banking regulators are met.

As indicated above, Wesbanco presently operates one bank subsidiary, Wesbanco Bank, which is a West Virginia-chartered banking corporation which is not a member bank of the Federal Reserve System. It is subject to examination and supervision by the Federal Deposit Insurance Corporation (the "FDIC"), the West Virginia Division of Financial Institutions ("WVDIF"), and the Consumer Financial Protection Bureau ("CFPB") because its assets exceed $10 billion. The deposits of Wesbanco Bank are insured by the Deposit Insurance Fund of the FDIC. Wesbanco's non-bank subsidiaries are subject to examination and supervision by the Federal Reserve Board and specifically, the Federal Reserve Bank of Cleveland, Ohio ("Federal Reserve") and examination by other federal and state agencies, including, in the case of certain securities activities, regulation by the SEC, the Financial Institution Regulatory Authority, Inc. ("FINRA"), the Municipal Securities Rulemaking Board and the Securities Investors Protection Corporation ("SIPC"). Wesbanco Bank maintains one designated financial subsidiary, Wesbanco Insurance, which, as indicated above, is a multi-line insurance agency specializing in property, casualty, life and title insurance, with benefit plan sales and administration for personal and commercial clients. As a result of exceeding the $10 billion asset threshold, Wesbanco Bank is now subject to enhanced prudential supervision from both the FDIC and WVDIF as part of their large bank supervision program.

Wesbanco is also under the jurisdiction of the SEC and certain state securities commissions for matters relating to the offering and sale of its securities. Wesbanco is subject to the disclosure and regulatory requirements of the Securities Act of 1933, as amended, and the Securities Exchange Act of 1934, as amended, as administered by the SEC. Wesbanco is listed on the Nasdaq Global Select Market (the "Nasdaq") under the trading symbol "WSBC" and is subject to the rules of the Nasdaq for listed companies.

Under the Riegle-Neal Interstate Banking and Branching Efficiency Act of 1994, as amended (the "Riegle-Neal Act"), a bank holding company may acquire banks in states other than its home state, subject to certain limitations. The Riegle-Neal Act also authorizes banks to merge across state lines, thereby creating interstate banking. Under the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act"), banks are also permitted to establish de novo branches across state lines to the same extent that a state-chartered bank in each host state would be permitted to open branches.

Under the BHCA, prior Federal Reserve Board approval is required for Wesbanco to acquire more than 5% of the voting stock of any bank. In determining whether to approve a proposed bank acquisition, federal banking regulators will consider, among other factors, the effect of the acquisition on competition, the public benefits expected to be received from the acquisition, the projected capital ratios and levels on a post-acquisition basis, and the acquiring institution's record of addressing the credit needs of the communities it serves, including the needs of low- and moderate-income neighborhoods, consistent with safe and sound operation of the bank under the CRA.

HOLDING COMPANY REGULATIONS

As indicated in "Item 1. Business-General", Wesbanco has one state-chartered bank subsidiary, Wesbanco Bank, as well as four non-bank subsidiaries (excluding capital trusts). The subsidiary bank is subject to affiliate transaction restrictions under federal law, which limit "covered transactions" by the subsidiary bank with the parent and any non-bank subsidiaries of the parent, which are referred to in the aggregate in this paragraph as "affiliates" of the subsidiary bank. "Covered transactions" include loans or extensions of credit to an affiliate (including repurchase agreements), purchases of or investments in securities issued by an affiliate, purchases of assets from an affiliate, the acceptance of securities issued by an affiliate as collateral for a loan or extension of credit, the issuance of a guarantee, acceptance or letter of credit on behalf of an affiliate, certain transactions that involve borrowing or lending securities, and certain derivative transactions with an affiliate. Such covered transactions between the subsidiary bank and any single affiliate are limited in amount to 10% of the subsidiary bank's capital and surplus, and, with respect to covered transactions with all affiliates in the aggregate, are limited in amount to 20% of the subsidiary bank's capital and surplus. Furthermore, such loans or extensions of credit, guarantees, acceptances and letters of credit, and any credit exposure resulting from securities borrowing or lending transactions or derivatives transactions, are required to be secured by collateral at all times in amounts specified by law. In addition, all covered transactions must be conducted on terms and conditions that are consistent with safe and sound banking practices.

The Dodd-Frank Act requires a bank holding company to act as a source of financial strength to its subsidiary bank. Under this source of strength requirement, the Federal Reserve Board may require a bank holding company to make capital infusions into a troubled subsidiary bank, and may charge the bank holding company with engaging in unsafe and unsound practices for failure to commit resources to such a subsidiary bank. A capital infusion conceivably could be required at a time when Wesbanco may not have the resources to provide it.

PAYMENT OF DIVIDENDS

Dividends from the subsidiary bank are a significant source of funds for payment of dividends to Wesbanco's shareholders. For the year ended December 31, 2022, Wesbanco declared cash dividends to its preferred and common shareholders of approximately \$10.1 million and \$81.3 million, respectively.

As of December 31, 2022, Wesbanco Bank was "well capitalized" under the definition in Section 324.403 of the FDIC Regulations. Therefore, as long as the Bank remains "well capitalized" or even becomes "adequately capitalized," there would be no basis under Section 324.403 to limit the ability of the Bank to pay dividends because it had not become undercapitalized, significantly undercapitalized or critically undercapitalized. Effective January 1, 2016, Wesbanco Bank and Wesbanco became subject to "capital conservation buffer" rules, phased in over a four year period which ended in 2019, which requires Wesbanco and Wesbanco Bank to have capital levels above the regulatory minimums to pay dividends (discussed below in connection with the Basel III initiative under "Item 1. Business—Capital Requirements").

All financial institutions are subject to the prompt corrective action provisions set forth in Section 38 of the Federal Deposit Insurance Act (the "FDI Act") and the provisions set forth in Section 308.201 of the FDIC Regulations. Immediately upon a state non-member bank receiving notice, or being deemed to have notice, that the bank is undercapitalized, significantly undercapitalized, or critically undercapitalized, as defined in Section 324.403 of the FDIC Regulations, the bank is precluded from being able to pay dividends to its shareholders based upon the requirements in Section 38(d) of the FDI Act, 12 U.S.C. § 1831o(d).

In addition, with respect to possible dividends by the Bank, under Section 31A-4-25 of the West Virginia Code, the prior approval of the West Virginia Commissioner of Financial Institutions would be required if the total of all dividends declared by the Bank in any calendar year would exceed the total of the Bank's net profits for that year combined with its retained net profits of the preceding two years. Further, Section 31A-4-25 limits the ability of a West Virginia banking institution to pay dividends until the surplus fund of the banking institution equals the common stock of the banking institution and if certain specified amounts of recent profits of the banking institution have not been carried to the surplus fund.

If, in the opinion of the applicable regulatory authority, a bank under its jurisdiction is engaged in or is about to engage in an unsafe or unsound practice which, depending on the financial condition of the bank, could include the payment of dividends, such authority may require, after notice and hearing, that such bank cease and desist from such practice. The Federal Reserve Board has issued policy statements, which provide that insured banks and bank holding companies should generally only pay dividends out of current operating earnings. Under applicable law, bank regulatory agency approval is required if the total of all dividends declared by a bank in any calendar year exceeds the available retained earnings or exceeds the aggregate of the bank's net profits (as defined by regulatory agencies) for that year and its retained net profits for the preceding two years. As of December 31, 2022, under West Virginia and FDIC regulations, Wesbanco could receive, without prior regulatory approval, a dividend of up to \$116.8 million from Wesbanco Bank. Additional information regarding dividend restrictions is set forth in Note 21, "Regulatory Matters," in the Consolidated Financial Statements.

On February 24, 2009, the Federal Reserve Division of Banking Supervision and Regulation issued Supervisory Letter SR 09-4, "Applying Supervisory Guidance and Regulations on the Payment of Dividends, Stock Redemptions, and Stock Repurchases at Bank Holding Companies," providing direction to bank holding companies on the payment of dividends, capital repurchases and capital redemptions. Although the letter largely reiterates longstanding Federal Reserve supervisory policies, it emphasizes the need for a bank holding company to review various factors when considering the declaration of a dividend or taking action that would reduce regulatory capital provided by outstanding financial instruments. These factors include the potential need to increase loan loss reserves, write down assets and reflect declines in asset values in equity. In addition, the bank holding company should consider its past and anticipated future earnings, the dividend payout ratio in relation to earnings, and adequacy of regulatory capital before any action is taken. The consideration of capital adequacy should include a review of all known factors that may affect capital in the future. On July 24, 2020, Attachment C was added to SR 09-4 to provide greater clarity regarding the situations in which holding companies may expect an expedited consultation under the process described in SR 09-4. Generally, a holding company considering paying a dividend in excess of earnings for the period (1) must have net income available over the past year sufficient to fully fund dividends, (2) is not considering stock repurchases or redemptions in the current quarter, (3) does not have any concentrations in commercial real estate lending that exceed supervisory thresholds, and (4) is in good supervisory condition, to receive this expedited consultation.

In certain circumstances, defined by regulation relating to levels of earnings and capital, advance notification to, and in some circumstances, approval by the regulator could be required to declare a dividend or repurchase or redeem capital instruments.

FDIC INSURANCE

FDIC insurance premiums are assessed by the FDIC using a risk-based approach that places insured institutions into categories based on capital and risk profiles. Beginning in 2019, Wesbanco Bank is considered to be a large bank for the purposes of the premium calculation because its total assets exceed \$10 billion, and it is therefore subject to more continuous oversight by the FDIC. Large banks are subject to a more complex insurance premium calculation with additional loan-related and other risk factors involved which leads to an overall higher rate as compared to that of smaller banks. In 2022, Wesbanco Bank paid deposit insurance premiums of $7.2 million, compared to $4.5 million and $6.7 million in 2021 and 2020, respectively. The increase in 2022's premiums was due to higher quarterly assessment rates due to current financial ratios. In addition, the prior year included a $1.0 million refund, which was received in the second quarter of 2021 resulting from prior period call report adjustments. The FDIC adopted a final rule in October 2022, applicable to all insured depository institutions, to increase initial base deposit insurance assessment rate schedules uniformly by 2 basis points, beginning in the first quarterly assessment period of 2023. The increase in assessment rate schedules is intended to increase the likelihood that the reserve ratio of the Deposit Insurance Fund reaches the statutory minimum of 1.35% by the statutory deadline of September 30, 2028.

CAPITAL REQUIREMENTS

The Federal Reserve Board had historically issued risk-based capital ratio and leverage ratio guidelines for bank holding companies. The risk-based capital ratio guidelines establish a systematic analytical framework that makes regulatory capital requirements more sensitive to differences in risk profiles among banking organizations, takes off-balance sheet exposures into explicit account in assessing capital adequacy, and minimizes disincentives to holding liquid, low-risk assets. Under the guidelines and related policies, bank holding companies must maintain capital sufficient to meet both a risk-based asset ratio test and a leverage ratio test on a consolidated basis. The risk-based ratio is determined by allocating assets and specified off-balance sheet commitments into several weighted categories, with higher weightings being assigned to categories perceived as representing greater risk. A bank holding company's capital is then divided by total risk-weighted assets to yield the risk-based ratio. The leverage ratio is determined by relating core capital to total assets adjusted as specified in the guidelines. The Bank is subject to substantially similar capital requirements.

The federal regulatory authorities' risk-based capital guidelines are currently based upon agreements reached by the Basel Committee on Banking Supervision (the "Basel Committee"). The Basel Committee is a committee of central banks and bank supervisors and regulators from the major industrialized countries that develops broad policy guidelines for use by each country's supervisors in determining the supervisory policies they apply. In December 2010, the Basel Committee issued a strengthened set of international capital and liquidity standards for banks and bank holding companies, known as "Basel III." In July 2013, the U.S. federal banking agencies issued a joint final rule that implements the Basel III capital standards and establishes the minimum capital levels required under the Dodd-Frank Act. The rule was effective January 1, 2015, subject to a transition period providing for full implementation on January 1, 2019. The Economic Growth, Regulatory Relief, and Consumer Protection Act (the "EGRRCPA"), enacted into law in May 2018, exempts banks with total consolidated assets of less than $10 billion that exceed the community bank leverage ratio from the capital requirements under Basel III. Wesbanco Bank's assets are in excess of $10 billion, however, so the exemption is not applicable.

Generally, under the applicable guidelines, a financial institution's capital is divided into common equity Tier 1 ("CET1"), total Tier 1 and Tier 2. CET1 includes common shares and retained earnings less goodwill, intangible assets subject to limitation and certain deferred tax assets subject to limitation. In addition, under the final capital rule, an institution may make a one-time, permanent election to continue to exclude accumulated other comprehensive income from capital. If an institution does not make this election, unrealized gains and losses will be included in the calculation of its CET1. Total Tier 1 is comprised of CET1 and certain restricted capital instruments, including qualifying cumulative perpetual preferred stock and qualifying trust preferred securities, in their Tier 1 capital, up to a limit of 25% of Tier 1 capital. (See below within this section for more information regarding the capital treatment of trust preferred securities.)

Tier 2, or supplementary capital, includes, among other things, portions of trust preferred securities and cumulative perpetual preferred stock not otherwise counted in Tier 1 capital, as well as perpetual preferred stock, intermediate-term preferred stock, hybrid capital instruments, perpetual debt, mandatory convertible debt securities, term subordinated debt, unrealized holding gains on equity securities, and the allowance for loan and lease losses, all subject to certain limitations. "Total capital" is the sum of Tier 1 and Tier 2 capital.

The Federal Reserve Board has established the following minimum capital levels banks and bank holding companies are required to maintain as a percentage of risk-weighted assets (including various off-balance sheet items): (i) CET1 of at least 4.5%, (ii) Tier 1 capital ratio of at least 6%, (iii) total capital ratio (Tier 1 and Tier 2 capital) of at least 8%; and (iv) a non-risk-based leverage ratio (Tier 1 capital to average consolidated assets) of 4%. The risk-based capital standards are designed to make regulatory capital requirements more sensitive to differences in credit and market risk profiles among banks and financial holding companies, to account for off-balance sheet exposure, and to minimize disincentives for holding liquid assets. Balance sheet and off-balance sheet exposures are assigned to one of several risk-weights primarily based on relative credit risk. The capital amounts and classifications are also subject to qualitative judgements by the regulators about components, risk-weightings, and other factors. Additionally, with the final capital rule fully implemented as of January 1, 2019, an institution is required to maintain a 2.5% common equity Tier 1 capital conservation buffer over the minimum risk-based capital requirements to avoid restrictions on the ability to pay dividends, discretionary bonuses to executive officers, and engage in share repurchases.

Failure to meet applicable capital guidelines could subject a financial institution to a variety of enforcement remedies available to the federal regulatory authorities, including limitations on the ability to pay dividends, the issuance by the regulatory authority of a capital directive to increase capital, and the termination of deposit insurance by the FDIC, as well as to the measures described below under "Prompt Corrective Action" as applicable to undercapitalized institutions.

As of December 31, 2022, Wesbanco's CET1, Tier 1 and total capital to risk-adjusted assets ratios were 11.20%, 12.33% and 15.11%, respectively. Wesbanco made a timely permanent election to exclude accumulated other comprehensive income from regulatory capital. As of December 31, 2022, Wesbanco Bank's CET1, Tier 1 and total capital to risk-adjusted assets ratios were 12.22%, 12.22% and 12.81%, respectively, all in excess of the minimum requirements. Neither Wesbanco nor the Bank had been advised by the appropriate federal banking regulator of any specific leverage ratio applicable to it. As of December 31, 2022, Wesbanco's leverage ratio was 9.90% and the Bank's leverage ratio was 9.80%.

As of December 31, 2022, Wesbanco had $133.5 million in junior subordinated debt on its Consolidated Balance Sheets. For regulatory purposes, Trust Preferred Securities totaling $130.0 million underlying such junior subordinated debt were included in Tier 2 capital as of December 31, 2022, in accordance with regulatory reporting requirements. In 2013, the federal banking agencies amended capital requirements to generally exclude trust preferred securities from Tier 1 capital. A grandfather provision, however, permits bank holding companies with consolidated assets of less than $15 billion, which Wesbanco was through September 30, 2019, to continue counting existing trust preferred securities as Tier 1 capital until they mature. The final Basel III capital rule permanently grandfathers trust preferred securities issued before May 19, 2010 for institutions of less than $15 billion in size, subject to a 25% limit of Tier 1 capital. The amount of trust preferred securities and certain other elements in excess of the 25% limit may be included in Tier 2 capital, subject to restrictions. As of December 31, 2022, Wesbanco's total assets were above $15 billion; therefore, all such securities are no longer counted as Tier 1 capital but instead are counted as Tier 2 capital subject to limits. For more information regarding trust preferred securities, please refer to Note 10, "Subordinated and Junior Subordinated Debt" in the Consolidated Financial Statements.

The risk-based capital standards of the Federal Reserve and the FDIC specify that evaluations by the banking agencies of a bank's capital adequacy will include an assessment of the exposure to declines in the economic value of the bank's capital due to changes in interest rates. These banking agencies have issued a joint policy statement on interest rate risk describing prudent methods for monitoring such risk that rely principally on internal measures of exposure and active oversight of risk management activities by senior management.

PROMPT CORRECTIVE ACTION

The Federal Deposit Insurance Corporation Improvement Act of 1991 ("FDICIA") requires federal banking regulatory authorities to take "prompt corrective action" with respect to depository institutions that do not meet minimum capital requirements. For these purposes, FDICIA establishes five capital tiers: well-capitalized, adequately capitalized, undercapitalized, significantly undercapitalized, and critically undercapitalized.

An institution is deemed to be "well-capitalized" if it has a total risk-based capital ratio of 10% or greater, a Tier 1 risk-based capital ratio of 8% or greater, a Tier 1 leverage ratio of 5% or greater, and a common equity Tier 1 ratio of 6.5% or greater, and is not subject to a regulatory order, agreement, or directive to meet and maintain a specific capital level for any capital measure. An institution is deemed to be "adequately capitalized" if it has a total risk-based capital ratio of 8% or greater, a Tier 1 risk-based capital ratio of 6% or greater, generally a Tier 1 leverage ratio of 4% or greater, and a common equity Tier 1 ratio of 4.5% or greater, and the institution does not meet the definition of a "well-capitalized" institution. An institution that does not meet one or more of the "adequately capitalized" tests is deemed to be "undercapitalized." If the institution has a total risk-based capital ratio that is less than 6%, a Tier 1 risk-based capital ratio that is less than 4%, or a Tier 1 leverage ratio or common equity Tier 1 ratio that is less than 3%, it is deemed to be "significantly undercapitalized." Finally, an institution is deemed to be "critically undercapitalized" if it has a ratio of tangible equity (as defined in the regulations) to total assets that is equal to or less than 2%. As of December 31, 2022, as noted above in "Capital Requirements," Wesbanco Bank had capital levels that met the "well-capitalized" standards under FDICIA and its implementing regulations.

FDICIA generally prohibits a depository institution from making any capital distribution, including payment of a cash dividend, or paying any management fee to its holding company, if the depository institution would thereafter be undercapitalized. Undercapitalized institutions are subject to growth limitations and are required to submit a capital restoration plan. If any depository institution subsidiary of a holding company is required to submit a capital restoration plan, the holding company would be required to provide a limited guarantee regarding compliance with the plan as a condition of approval of such plan by the appropriate federal banking agency. If an undercapitalized institution fails to submit an acceptable plan, it is treated as if it is significantly undercapitalized. Significantly undercapitalized institutions may be subject to a number of requirements and restrictions, including orders to sell sufficient voting stock to become adequately capitalized, requirements to reduce total assets, and cessation of receipt of deposits from correspondent banks. Critically undercapitalized institutions may not, beginning 60 days after becoming critically undercapitalized, make any payment of principal or interest on their subordinated debt and/or trust preferred securities. In addition, critically undercapitalized institutions are subject to appointment of a receiver or conservator within 90 days of becoming critically undercapitalized.

GRAMM-LEACH-BLILEY ACT

Under the Gramm-Leach-Bliley Act (the "GLB Act"), banks are no longer prohibited from associating with, or having management interlocks with, a business organization engaged principally in securities activities. By qualifying as a "financial holding company," as authorized under the GLB Act, a bank holding company acquires new powers not otherwise available to it. Wesbanco has elected to become a financial holding company under the GLB Act. It also has qualified a subsidiary of the Bank as a financial subsidiary under the GLB Act.

Financial holding company powers relate to "financial activities" that are determined by the Federal Reserve Board, in coordination with the Secretary of the Treasury, to be financial in nature, incidental to an activity that is financial in nature, or complementary to a financial activity, provided that the complementary activity does not pose a safety and soundness risk. The GLB Act itself defines certain activities as financial in nature, including but not limited to: underwriting insurance or annuities; providing financial or investment advice; underwriting, dealing in, or making markets in securities; merchant banking, subject to significant limitations; insurance company portfolio investing, subject to significant limitations; and any activities previously found by the Federal Reserve Board to be closely related to banking.

National and state banks are permitted under the GLB Act, subject to capital, management, size, debt rating, and CRA qualification factors, to have "financial subsidiaries" that are permitted to engage in financial activities not otherwise permissible. However, unlike financial holding companies, financial subsidiaries may not engage in insurance or annuity underwriting; developing or investing in real estate; merchant banking (for at least five years); or insurance company portfolio investing.

DODD-FRANK ACT

The Dodd-Frank Act, enacted on July 21, 2010, and the rules implementing its provisions have resulted in numerous and wide-ranging reforms to the structure of the U.S. financial system. This includes, among other things, rules to promote financial stability and prevent or mitigate the risks that may arise from the material distress or failure of a large bank holding company; enhance consumer protections; prohibit proprietary trading; and implement enhanced prudential requirements for large bank holding companies regarding risk-based capital and leverage, risk and liquidity management, stress testing, and recovery and resolution planning. The Dodd-Frank Act, including current and future rules implementing its provisions and the interpretation of those rules, have affected, and management expects will continue to affect, most of Wesbanco's businesses in some way, either directly through regulation of specific activities or indirectly through regulation of concentration risks, capital or liquidity.

Certain bank holding companies are subjected to increased capital requirements (discussed above under "Item 1. Business—Capital Requirements").

The Volcker Rule and the final rules jointly issued by federal banking agencies implementing the rule's provisions limit Wesbanco's ability to engage in proprietary trading, as well as its ability to sponsor or invest in hedge funds or private equity funds. The Volcker Rule also includes certain compliance program requirements that apply to banking entities that engage in permissible proprietary trading or permitted covered fund activities. The federal banking agencies recently revised the Volcker Rule compliance requirements, effective January 1, 2020. Under the new rule, banking entities that, together with their affiliates and subsidiaries, have an average gross sum of trading assets and liabilities (excluding obligations of or guaranteed by the United States or an agency of the United States) of less than $1 billion for four (4) consecutive quarters are presumed to be in compliance with the Volcker Rule's restrictions on proprietary trading and acquisition or retention of ownership interests in covered funds. Consequently such banking entities do not have an affirmative obligation to demonstrate compliance with such restrictions ("limited trading compliance presumption"). Wesbanco meets the limited trading compliance presumption because its gross consolidated trading assets and liabilities have been below $1 billion for four consecutive quarters.

An interim final rule was issued in January 2014 that exempts investments in certain collateralized debt obligations backed primarily by trust preferred securities from the provisions of the Volcker Rule. This interim final rule was effective April 1, 2014 and did not have a material impact on Wesbanco for the year ended December 31, 2022.

The Federal Reserve Board revised the Volcker Rule, issuing a final rule in November 2019. Under the new rule, banking entities with gross consolidated trading assets and liabilities between $1 billion and $20 billion will be subject to a simplified compliance program because they will be considered to have "moderate" trading assets. The new rule was effective January 1, 2020; however, Wesbanco is not subject to the moderate trading compliance program because Wesbanco has gross consolidated trading assets and liabilities below $1 billion.

Passed in 2011, the Durbin Amendment requires the Federal Reserve to limit fee charges to retailers for debit card processing. The Federal Reserve Board promulgated Regulation II (Debit Card Interchange Fees and Routing) that limits the interchange fees paid by merchants to issuers when their debit cards are used as payment. An issuer is defined as "any person that authorizes the use of the debit card to perform an electronic debit transaction." The application of the Durbin Amendment is determined by whether the issuer, together with its affiliates, has $10 billion in assets as of the end of the calendar year preceding the date of the electronic debit transaction. An affiliate is defined as "any company that controls, or is controlled by, or is under common control with another company." Therefore, if an insured institution issues a debit card and it, together with its affiliates, has assets exceeding $10 billion, it is subject to this rule. The rule caps debit card interchange fees (also known as swipe fees) at $0.21 plus an additional 0.05% of the value of the transaction. Previously, the average interchange fee was approximately $0.44 per transaction for an insured institution. Financial institutions with more than $10 billion in assets by the year-end assessment deadline are subject to the cap on interchange income in July of the following year. Wesbanco and the Bank were subject to the requirements imposed by the Durbin Amendment because, for purposes of determining whether an issuer has $10 billion in assets, the assets of the institution and its affiliates are combined, effective for transactions beginning in July of 2019.

Additionally, section 165(i)(2) of the Dodd-Frank Act, as amended by the EGRRCPA, requires annual company-run stress tests for bank holding companies with total consolidated assets greater than $100 billion.

The Federal Reserve Board regulates bank holding companies, and therefore, if a bank holding company has total consolidated assets of $100 billion or more, it will be required to conduct the Federal Reserve Board stress-tests. Wesbanco Bank, a subsidiary state nonmember bank, is governed by the FDIC. Under the FDIC rule, a covered bank includes “any state nonmember bank . . . with average total consolidated assets . . . that are greater than $10 billion but less than $50 billion.” However, the FDIC proposed a rule in December 2018 to conform this definition to Section 165 of the Dodd-Frank Act, as amended by the EGRRCPA, to state that a “covered bank” is a nonmember bank or state savings association with average total consolidated assets that are greater than $250 billion. Wesbanco Bank has less than $100 billion in average total consolidated assets, and therefore, is not subject to the Federal Reserve Board’s or the FDIC’s stress-test rules.

If the Dodd-Frank Act stress test rules were to apply at some point in the future, Wesbanco would have to assess the potential impact of a minimum of three macroeconomic scenarios—baseline, adverse, and severely adverse—on its consolidated losses, revenues, balance sheets (including risk-weighted assets) and capital. Each scenario includes economic variables, including macroeconomic activity, unemployment, exchange rates, prices, incomes and interest rates. The adverse and severely adverse scenarios are not forecasts, but rather hypothetical scenarios designed to assess the strength and resilience of financial institutions. Additionally, Wesbanco would have to publicly disclose these test results on an annual basis. The required summary of results could be published on Wesbanco’s web site or in any other forum that is reasonably accessible to the public.

As required by Section 165 of the Dodd-Frank Act, the Federal Reserve issued a rule that strengthens the supervision and regulation of large U.S. bank holding companies and foreign banking organizations by establishing a number of enhanced prudential standards. These standards include liquidity, risk management, and capital. Under the rule, a publicly traded bank holding company with $10 billion or more in consolidated assets is required to establish an enterprise-wide risk committee. However, the EGRRCPA raised the threshold to $50 billion. To conform the rule to the EGRRCPA, the Federal Reserve Board proposed a rule in November 2018 to increase the threshold to $50 billion. Wesbanco is therefore, currently not subject to the Federal Reserve Enhanced Prudential Standards.

The Dodd-Frank Act made several changes affecting the securitization markets, which may affect a bank’s ability or desire to use those markets to meet funding or liquidity needs. One of these changes calls for federal regulators to adopt regulations requiring the sponsor of a securitization to retain at least 5% of the credit risk, with exceptions for “qualified residential mortgages.”

Publicly traded companies are required by the Dodd-Frank Act to give shareholders an advisory vote on executive compensation, and, in some cases, golden parachute arrangements. Further, SEC and Nasdaq rulemaking under the Dodd-Frank Act requires Nasdaq-listed companies to have a compensation committee composed entirely of independent directors. Wesbanco’s Compensation Committee members currently satisfy the independence criteria. The Dodd-Frank Act also called for regulators to issue new rules relating to incentive-based compensation arrangements deemed excessive, and proxy access by shareholders. The SEC has issued proposed rules relating to excessive compensation arrangements that have not been finalized.

All banks and other insured depository institutions now have increased authority to open new branches across state lines (discussed above under “Item 1. Business—Supervision and Regulation”). A provision authorizing insured depository institutions to pay interest on certain business checking accounts may increase Wesbanco’s interest expense. The Consumer Financial Protection Bureau, a federal agency created by the Dodd-Frank Act, has the authority to write rules implementing numerous consumer protection laws applicable to all banks (discussed below under “Item 1. Business—Consumer Protection Laws”).

CORONAVIRUS RELIEF

In response to the COVID-19 pandemic, the Coronavirus Aid, Relief and Economic Security ("CARES") Act was signed into law on March 27, 2020 to provide national emergency economic relief measures. Many of the CARES Act's programs are dependent upon the direct involvement of U.S. financial institutions, such as the Company and the Bank, and have been implemented through rules and guidance adopted by federal departments and agencies, including the U.S. Department of Treasury, the Federal Reserve and other federal banking agencies, including those with direct supervisory jurisdiction over the Company and the Bank. Furthermore, as the COVID-19 pandemic evolves, federal regulatory authorities continue to issue additional guidance with respect to the implementation, lifecycle, and eligibility requirements for the various CARES Act programs as well as industry-specific recovery procedures for COVID-19. Building upon the provisions of the CARES Act, the Economic Aid to Hard-Hit Small Businesses, Nonprofits and Venues Act ("Economic Aid Act") was signed into law on December 27, 2020. The Economic Aid Act was drafted in response to the continuing effects of the pandemic on the economy and provided for extensions and amendments to many features of the CARES Act. A third measure of coronavirus relief was passed by Congress on March 11, 2021, in the form of the American Rescue Plan Act ("ARP Act"). The ARP Act provided for additional stimulus funds, extended unemployment benefits and various other financial benefits to individuals and businesses. In the future, it is possible that Congress will enact additional COVID-19 response legislation, including further amendments to the CARES Act, Economic Aid Act or ARP Act or other new bills comparable in scope to these Acts. The Company continues to assess the impact of these Acts and other statutes, regulations and supervisory guidance related to the COVID-19 pandemic.

The CARES Act amended the loan program of the U.S. Small Business Administration (the "SBA"), in which the Bank participates, to create a guaranteed, unsecured loan program, the Paycheck Protection Program ("PPP"), to fund operational costs of eligible businesses, organizations and self-employed persons during COVID-19. In June 2020, the Paycheck Protection Program Flexibility Act was enacted, which among other things, gave borrowers additional time and flexibility to use PPP loan proceeds. Shortly thereafter, and due to the evolving impact of the COVID-19 pandemic, additional legislation was enacted authorizing the SBA to resume accepting PPP applications on July 6, 2020 and extending the PPP application deadline to August 8, 2020. The passage of the Economic Aid Act further reauthorized lending, providing for a new pool of available funds under the PPP loan program through March 31, 2021, and among other things, modified the provisions related to making PPP loans and the forgiveness of such loans. The Second Draw PPP loan program provides additional assistance to borrowers who previously received a SBA PPP loan under the CARES Act provisions, subject to certain conditions. The passage of the ARP Act in March 2021 further added to the pool of available funds and extended the application deadline to May 31, 2021. As a participating lender in the PPP loan program, the Bank continues to monitor legislative, regulatory, and supervisory developments related thereto.

The CARES Act permitted banks to suspend requirements under GAAP for loan modifications to borrowers affected by COVID-19 that would otherwise be characterized as troubled debt restructuring ("TDRs") and suspend any determination related thereto if (i) the loan modification is made between March 1, 2020 and the earlier of December 31, 2020 or 60 days after the end of the COVID-19 emergency declaration and (ii) the applicable loan was not more than 30 days past due as of December 31, 2019. The Economic Aid act further extended the relief granted by the CARES Act for TDRs by one year to December 31, 2021. The federal banking agencies also issued guidance to encourage banks to make loan modifications for borrowers affected by COVID-19 and to assure banks that they will not be criticized by examiners for doing so. The Company is applying this guidance to qualifying loan modifications. See Note 1 and Note 4 to the "Notes to Consolidated Financial Statements," which is included in Item 8 "Financial Statements and Supplementary Data" of this Annual Report on Form 10-K for further information about the COVID-19-related loan modifications completed by the company.

The CARES Act encouraged the Federal Reserve, in coordination with the Secretary of the Treasury, to establish or implement various programs to help midsize businesses, nonprofits, and municipalities. On April 9, 2020, the Federal Reserve proposed the creation of the Main Street Lending Program ("MSLP") to implement certain of these recommendations. On June 15, 2020, the Federal Reserve Bank of Boston opened the MSLP for lender registration. The MSLP supports lending to small and medium-sized businesses that were in sound financial condition before the onset of the COVID-19 pandemic. The passage of the Economic Aid Act in December terminated the MSLP as of January 8, 2021 and no new loan applications could be submitted after December 31, 2020.

Concurrent with the enactment of the CARES Act, regulators issued interim financial rule ("IFR") "Regulatory Capital Rule: Revised Transition of the Current Expected Losses Methodology for Allowances" in response to the disrupted economic activity from the spread of COVID-19. The IFR provided financial institutions that adopted the Current Expected Credit Losses Accounting Standard ("CECL") during 2020 with the option to delay for two years the estimated impact of CECL on regulatory capital, followed by a three-year transition period to phase out the aggregate amount of the capital benefit provided by the initial two-year delay ("five year transition"). Wesbanco adopted CECL effective January 1, 2020 and elected to implement the five-year transition. Please see Note 21, "Regulatory Matters" for more information.

CONSUMER PROTECTION LAWS

In connection with its lending and leasing activities, all banks are subject to a number of federal and state laws designed to protect consumers and promote lending and other financial services to various sectors of the economy and population. These laws include the Equal Credit Opportunity Act, the Fair Credit Reporting Act, the Truth in Lending Act ("TILA"), the Truth in Savings Act, the Home Mortgage

Disclosure Act, the Real Estate Settlement Procedures Act (“RESPA”), the Electronic Fund Transfer Act, and, in some cases, their respective state law counterparts. The CFPB has consolidated the authority to write regulations implementing these and other laws. Wesbanco’s other subsidiaries that provide services relating to consumer financial products and services are subject to the CFPB’s regulations. As an institution formerly with assets of less than $10 billion, Wesbanco Bank historically had been examined by the FDIC for compliance with these rules. Through its acquisitions, the Bank’s assets exceeded $10 billion for four consecutive quarters, and in 2019 it came under CFPB supervision and examination. Relating to mortgage lending, the Dodd-Frank Act authorized the CFPB to issue new regulations governing the ability to repay, qualified mortgages, mortgage servicing, appraisals and compensation of mortgage lenders, all of which have been issued and have taken effect. They limit the mortgage products offered by the Bank and have an impact on timely enforcement of delinquent mortgage loans.

The Dodd-Frank Act also directed the CFPB to integrate the mortgage loan disclosures under TILA and RESPA. The CFPB issued new integrated disclosures rules (“TRID”), which became effective October 3, 2015 and have combined the prior good faith estimate and truth in lending disclosure form into a new form, the loan estimate. They have also combined the HUD-1 and final truth in lending disclosure forms into a new form, the closing disclosure. The rule is extremely complex, contains significant uncertainties as to penalties, some of which can be quite material, contains prohibitions against correcting even technical mistakes, creates uncertainty regarding last minute changes in the transaction and has triggered significant ambiguity in compliance. Thus for covered transactions and most closed-end consumer credit transactions secured by real property, the TRID rules have presented significant and ongoing challenges to real estate lenders. The CFPB issued an interpretive rule in August 2021 providing greater flexibility under the TRID rules, which helped ease some of the challenges that real estate lenders like the Bank face. The rule, however, relates only to the on-going COVID pandemic.

Federal law currently contains extensive customer privacy protection provisions. Under these provisions, a financial institution must provide to its customers, at the inception of the customer relationship and annually thereafter, the institution’s policies and procedures regarding the handling of customers’ nonpublic personal financial information. These provisions also provide that, except for certain limited exceptions, an institution may not provide such personal information to unaffiliated third parties unless the institution discloses to the customer that such information may be so provided and the customer is given the opportunity to opt out of such disclosure. Federal law makes it a criminal offense, except in limited circumstances, to obtain or attempt to obtain customer information of a financial nature by fraudulent or deceptive means.

Community development and compliance with the CRA are vital and integrated components of the banking business at Wesbanco Bank. Wesbanco is committed to helping our communities thrive and prosper by being a leader in community development. The foundation of our values is grounded in our belief that the success of our communities is fundamental to the success of our company. Wesbanco has proven to be a leader in the community by providing loans, deposits and other banking services that are responsive to the financial needs of the community. The CRA requires Wesbanco Bank’s primary federal bank regulatory agency, the FDIC, to assess Wesbanco Bank’s record in meeting the credit needs of the communities served by the bank, including low and moderate-income neighborhoods and persons. Institutions are assigned one of four ratings: “Outstanding,” “Satisfactory,” “Needs to Improve” or “Substantial Noncompliance.” This assessment is reviewed when a bank applies to merge or consolidate with or acquire the assets or assume the liabilities of an insured depository institution, or to open or relocate a branch office. On December 19, 2019, the FDIC assigned a rating of “Outstanding” for the Bank’s community development performance for the period of October 2016 through July 2019. This is the highest rating awarded by federal regulators and the 2019 exam represented the Bank’s seventh consecutive “Outstanding” CRA rating. In 2022, the FDIC commenced an examination of Wesbanco's CRA performance for the period of August 2019 through September 2022, and the results are expected in the first quarter of 2023.

Wesbanco Bank received the “America Saves Designation of Savings Excellence for Banks,” a designation from America Saves that recognizes banks that went above and beyond to encourage people to save money during America Saves Week 2022. Wesbanco has been an active participant in America Saves Week since its inception in 2007 and this was Wesbanco’s seventh consecutive designation for savings excellence. The Wesbanco Bank Community Development Corporation (“Wesbanco CDC”), an affiliate of Wesbanco Inc., was nationally recognized by the American Bankers Association Foundation ("ABA Foundation") with a Community Commitment Award. In recognition of its strong performance and outreach, the ABA Foundation recognized Wesbanco CDC's New Markets Loan Program as the winner of the Community and Economic Development category. The Wesbanco CDC has received four allocations of New Markets Tax Credits, leveraging those funds to make over 219 loans totaling over $167 million for the benefit of businesses located in low-income, distressed communities, and creating over 6,200 jobs.

To achieve this level of success, in addition to providing a wide variety of conventional loan and deposit products, the Bank partners with a number of governmental and non-profit agencies to provide special programs to assist customers, especially low- and moderate-income customers, achieve their financial goals. For example, Wesbanco Bank leverages its membership in the Federal Home Loan Bank to sponsor Affordable Housing Program grant applications for non-profit organizations and developers of affordable housing, assistance through the First Front Door down payment program, Banking on Business loans for small businesses that may not be approved for conventional bank financing, and loans through the Community Lending Program. Additionally, Wesbanco has developed its own loan and deposit products to provide financing and savings options with innovative and flexible terms to meet identified needs. Wesbanco has also been a leader in providing community development lending within its CRA assessment areas. In the past five years, the Bank originated over $1.9 billion in community development loans, returning credit and capital to communities throughout our footprint. At the heart of Wesbanco Bank's successful community development program is its commitment of time and resources to the communities it serves. Employees provide thousands of hours of technical assistance or financial education to organizations and agencies that promote community development and Wesbanco has deployed hundreds of thousands of dollars in philanthropic donations to worthy organizations serving local communities throughout its footprint.

The three primary banking regulators continue to prioritize CRA modernization in their respective regulatory agendas and have committed to working together to issue a joint interagency proposal, which is likely to be released in 2023.

SECURITIES REGULATION

Wesbanco's full service broker-dealer subsidiary, Wesbanco Securities, is registered as a broker-dealer with the SEC and in the states in which it does business. Wesbanco Securities also is a member of FINRA. Wesbanco Securities is subject to regulation by the SEC, FINRA and the securities administrators of the states in which it is registered. Wesbanco Securities is a member of the SIPC, which in the event of the liquidation of a broker-dealer, provides protection for customers' securities accounts held by Wesbanco Securities of up to $500,000 for each eligible customer, subject to a limitation of $250,000 for claims for cash balances.

In addition, Wesbanco Bank's Investment Department serves as an investment adviser to a family of mutual funds and is registered as an investment adviser with the SEC and in some states.

On September 10, 2019, the SEC adopted a new rule, Regulation Best Interest, which establishes a standard of conduct for broker-dealers when they make a recommendation to a retail customer of any securities transaction or investment strategy involving securities. Regulation Best Interest enhances the broker-dealer standard of conduct beyond existing suitability obligations, and aligns the standard of conduct with retail customers' reasonable expectations by requiring broker-dealers, among other things, to: act in the best interest of the retail customer at the time the recommendation is made, without placing the financial or other interest of the broker-dealer ahead of the interests of the retail customer; and address conflicts of interest by establishing, maintaining, and enforcing policies and procedures reasonably designed to identify and fully and fairly disclose material facts about conflicts of interest, and in instances where we have determined that disclosure is insufficient to reasonably address the conflict, to mitigate or, in certain instances, eliminate the conflict. The effective date for implementation of the new rule was June 30, 2020.

On December 22, 2020, the SEC adopted a new rule to govern investment adviser advertisements and payments to solicitors. The rule replaces the current advertising rule's broadly drawn limitations with principles-based provisions designed to accommodate the continual evolution and interplay of technology and advice, and includes tailored requirements for certain types of advertisements. For example, the rule requires advisers to standardize certain parts of a performance presentation in order to help investors evaluate and compare investment opportunities, and includes tailored requirements for certain types of performance presentations. Advertisements that include third-party ratings are required to include specific disclosures to prevent them from being misleading. The rule also permits the use of testimonials and endorsements, which include traditional referral and solicitation activity, subject to certain conditions.

THE USA PATRIOT AND BANK SECRECY ACT

The USA PATRIOT Act of 2001 (the "USA Patriot Act") imposes significant compliance and due diligence obligations, material penalties, and provides for extra-territorial jurisdiction of the United States. The U.S. Treasury Department has issued various implementing regulations, which apply certain requirements of the USA Patriot Act to financial institutions, such as Wesbanco Bank and Wesbanco's broker-dealer subsidiary. These regulations impose obligations on financial institutions to maintain appropriate policies, procedures and controls to detect, prevent and report money laundering and terrorist financing, to verify the identity of their customers, including beneficial owners, and to report suspicious activities and currency transactions of a certain size. Failure of Wesbanco and its subsidiaries to maintain and implement adequate programs to combat money laundering and terrorist financing, or to comply with all of the relevant laws or regulations, could have serious legal and reputational consequences for Wesbanco and its subsidiaries.

ITEM 1A. RISK FACTORS

The risks described below are not the only ones we face in our business. Additional risks and uncertainties not presently known to us or that we currently believe to be immaterial may also impair our business operations. If any of the following risks occur, our business, financial condition or operating results could be materially harmed.

RISKS RELATED TO THE ECONOMY AND OTHER EXTERNAL FACTORS, INCLUDING REGULATION

CLIMATE CHANGE MANIFESTING AS PHYSICAL OR TRANSITION RISKS COULD ADVERSELY AFFECT OUR OPERATIONS, BUSINESSES AND CUSTOMERS.

There is an increasing concern over the risks of climate change and related environmental sustainability matters. The physical risks of climate change include discrete events, such as flooding and wildfires, and longer-term shifts in climate patterns, such as extreme heat, sea level rise, and more frequent and prolonged drought. Such events could disrupt our operations or those of our customers or third parties on which we rely, including through direct damage to assets and indirect impacts from supply chain disruption and market volatility. Additionally, transitioning to a low-carbon economy may entail extensive policy, legal, technology and market initiatives. Transition risks, including changes in consumer preferences and additional regulatory requirements or taxes, could increase our expenses and undermine our strategies. In addition, our reputation and client relationships may be damaged as a result of our practices related to climate change, including our involvement, or our clients' involvement, in certain industries or projects associated with causing or exacerbating climate change, as well as any decisions we make to continue to conduct or change our activities in response to considerations relating to climate change. As climate risk is interconnected with many key risk types, we have developed and continue to enhance processes to embed climate risk considerations into our risk management strategies established for risks such as market, credit and operational risks; however, because the timing and severity of climate change may not be predictable, our risk management strategies may not be effective in mitigating climate risk exposure.

GLOBAL PANDEMICS COULD ADVERSELY AFFECT THE OPERATIONS OF US AND OUR CUSTOMERS.

The spread of global pandemics could create a global public-health crisis, as previously seen with that of the COVID-19 pandemic, that can result in widespread volatility and deteriorations in household, business, economic, and market conditions. Pandemics can cause many state governments to enact social distancing requirements, which could adversely impact the economy due to the vast restrictions and forced closures of non-essential businesses during the quarantine periods. As a result, many of our customers would be adversely affected by business closures, staffing issues and/or other business restrictions. Accordingly, global pandemics may result in a significant decrease in our customers' business and/or cause our customers to be unable to meet existing payment or other obligations to us. These adverse impacts on the businesses of our customers could cause a material adverse effect to our business, financial condition, and results of operations.

ECONOMIC CONDITIONS IN WESBANCO'S MARKET AREAS COULD NEGATIVELY IMPACT EARNINGS.

Wesbanco Bank serves both individuals and business customers primarily throughout West Virginia, Ohio, western Pennsylvania, Kentucky, Indiana, Maryland, northern Virginia and central Tennessee. The substantial majority of Wesbanco's loan portfolio is to individuals and businesses in these markets. As a result, the financial condition, results of operations and cash flows of Wesbanco are affected by local and regional economic conditions, as well as national economic conditions. A downturn in these economies could have a negative impact on Wesbanco and the ability of the Bank's customers to repay their loans. The value of the collateral securing loans to borrowers may also decline as the economy declines. As a result, deteriorating economic conditions in these markets could cause a decline in the overall quality of Wesbanco's loan portfolio requiring Wesbanco to charge-off a higher percentage of loans and/or increase its allowance for credit losses. A decline in economic conditions in these markets may also force customers to utilize deposits held by Wesbanco Bank in order to pay current expenses causing the Bank's deposit base to shrink. As a result, the Bank may have to borrow funds at higher rates in order to meet liquidity needs. Volatility in oil and gas prices may impact shale gas activity in West Virginia, Ohio and Pennsylvania, which may somewhat negatively impact local and regional economic conditions, affecting both commercial and retail customers, resulting in potentially lower oil and gas related royalty deposits and potential credit deterioration in the loan portfolio.

WESBANCO COULD BE ADVERSELY AFFECTED BY CHANGES TO THE FISCAL, POLITICAL AND OTHER FEDERAL POLICIES.

Changes in general economic or political policies in the United States or other regions could adversely impact Wesbanco's business as well as the Bank's customers. The current United States administration has indicated that it may propose significant changes with respect to a variety of issues, including international trade agreements, import and export regulations, tariffs and customs duties, foreign relations, tax laws, corporate governance laws and corporate fuel economy standards, that could have a positive or negative impact on Wesbanco's business and the Bank's customers including those in the wholesale and distribution, manufacturing and retail industries.

WESBANCO IS SUBJECT TO EXTENSIVE GOVERNMENT REGULATION AND SUPERVISION.

Wesbanco is subject to extensive federal and state regulation, supervision and examination. Banking regulations are primarily intended to protect depositors' funds, federal deposit insurance funds and the banking system as a whole, rather than corporate shareholders. These regulations affect Wesbanco's lending practices, capital structure, investment practices, dividend policy, operations and growth, among other things. These regulations also impose obligations to maintain appropriate policies, procedure and controls. Congress and federal regulatory agencies continually review banking laws, regulations and policies for possible changes. Changes to statutes, regulations or regulatory policies, including changes in interpretation or implementation of statutes, regulations or policies, could affect Wesbanco in substantial and unpredictable ways. Such changes could subject Wesbanco to additional costs, limit the types of financial services and products that could be offered, and/or increase the ability of non-banks to offer competing financial services and products, among other things. Failure to comply with laws, regulations or policies could result in sanctions by regulatory agencies, civil penalties and/or reputation damage, which could have a material adverse effect on Wesbanco's business, financial condition and result of operations.

As of December 31, 2022, Wesbanco had $133.5 million in junior subordinated debt presented as a separate category of long-term debt on its Consolidated Balance Sheets. For regulatory purposes, Trust Preferred Securities totaling $130.0 million underlying such junior subordinated debt were previously included in Tier 1 capital in accordance with regulatory reporting requirements prior to December 31, 2019. Rules issued in 2013 generally exclude trust preferred securities from Tier 1 capital beginning in 2015. A grandfather provision permitted bank holding companies with consolidated assets of less than $15 billion to continue counting existing trust preferred securities as Tier 1 capital until maturity. As of December 31, 2019, Wesbanco's assets were greater than $15 billion; therefore, all such securities are no longer counted as Tier 1 capital but instead are counted as Tier 2 capital subject to limits.

In addition, international capital standards known as Basel III, which were implemented by a U.S. federal banking agencies' joint final rule issued in July 2013, and effective January 1, 2015, further increase the minimum capital requirements applicable to Wesbanco and the Bank, which may negatively impact both entities. Additional information about these changes in capital requirements are described above in "Item 1. Business—Capital Requirements."

Regulation of Wesbanco and its subsidiaries is expected to continue to expand in scope and complexity in the future. These laws are expected to have the effect of increasing Wesbanco's costs of operating and reducing its revenues, and may limit its ability to pursue business opportunities or otherwise adversely affect its business and financial condition. The Dodd-Frank Act and other laws, as well as rules implementing or related to them, may adversely affect Wesbanco. Specifically, any governmental or regulatory action having the effect of requiring Wesbanco to obtain additional capital or increase short-term liquidity could reduce earnings and have a material dilutive effect on current shareholders, including the Dodd-Frank Act source of strength requirement that bank holding companies make capital infusions into a troubled subsidiary bank. Legislation and regulation of debit card fees, credit cards and other bank services, as well as changes in Wesbanco's practices relating to those and other bank services, may affect Wesbanco's revenue and other financial results. Additional information about increased regulation is provided in "Item 1. Business" under the headings "Supervision and Regulation," "Holding Company Regulations," "Capital Requirements," "Dodd-Frank Act," and "Consumer Protection Laws."

SEVERE WEATHER, NATURAL DISASTERS, DISEASE PANDEMICS, ACTS OF WAR OR TERRORISM, INTERNATIONAL HOSTILITIES, DOMESTIC CIVIL UNREST AND OTHER EXTERNAL EVENTS COULD SIGNIFICANTLY ADVERSELY IMPACT WESBANCO'S BUSINESS.

The unpredictable nature of events such as severe weather, natural disasters, disease pandemics, acts of war or terrorism, international hostilities, domestic civil unrest and other adverse external events could have a significant impact on Wesbanco's ability to conduct business. If any of our financial, accounting, network or other information processing systems fail or have other significant shortcomings due to external events, Wesbanco could be materially adversely affected. Third parties with which Wesbanco does business could also be sources of operational risk to Wesbanco, including the risk that the third parties' own network and information processing systems could fail. Any of these occurrences could materially diminish Wesbanco's ability to operate or result in potential liability to customers, reputational damage, and regulatory intervention, any of which could materially adversely affect Wesbanco. Such events could affect the stability of Wesbanco's deposit base, impair the ability of borrowers to repay outstanding loans, impair the value of collateral securing loans, impair Wesbanco's liquidity, result in loss of revenue, and/or cause Wesbanco to incur additional expenses.

THE SOUNDNESS OF OTHER FINANCIAL INSTITUTIONS COULD ADVERSELY IMPACT WESBANCO.

Financial service institutions are interrelated as a result of trading, clearing, counterparty, or other relationships. Wesbanco has exposure to various industries and counterparties, and Wesbanco routinely executes transactions with counterparties in the financial industry, including brokers and dealers, commercial banks, investment banks, mutual and hedge funds and other institutions. As a result, a default by, or potential default by, a financial institution could result in market-wide liquidity problems, losses or other financial institution defaults. Many of these transactions could expose Wesbanco to credit risk in the event of default of our counterparty or client. These losses or defaults could adversely affect our business, financial condition, and results of operations.

CURRENT MARKET INTEREST RATES AND COST OF FUNDS MAY NEGATIVELY IMPACT WESBANCO'S BANKING BUSINESS.

Fluctuations in interest rates may negatively impact the business of the Bank. The Bank's main source of income from operations is net interest income, which is equal to the difference between the interest income received on interest-bearing assets (usually loans and investment securities) and the interest expense incurred in connection with interest-bearing liabilities (usually deposits and borrowings). These rates are highly sensitive to many factors beyond Wesbanco's control, including general economic conditions, both domestic and foreign, and the monetary and fiscal policies of various governmental and regulatory authorities. Wesbanco Bank's net interest income can be affected significantly by changes in market interest rates and the shape of the yield curve. Changes in relative interest rates may reduce the Bank's net interest income as the difference between interest income and interest expense decreases. As a result, the Bank has adopted asset and liability management policies to minimize the potential adverse effects of changes in interest rates on net interest income, primarily by altering the mix and maturity of loans, investments and funding sources. However, even with these policies in place and with an asset-sensitive balance sheet at year-end that should benefit net interest income as interest rates increase, Wesbanco cannot be certain that changes in interest rates or the shape of the interest rate yield curve will not negatively impact its results of operations or financial position. The increase in interest rates in 2022 caused a decrease in the fair value of securities within our investment portfolio of which the unrealized losses were recorded in other comprehensive income.

In a period of rising rates with a relatively flat or inverted yield curve environment, Wesbanco's cost of funds for banking operations may increase at a faster pace than loan and investment yields. The cost of funds may also increase as a result of future general economic conditions, interest rates and competitive pressures. The Bank has traditionally obtained funds principally through deposits and borrowings from the Federal Home Loan Bank (FHLB), correspondent banks, and other wholesale borrowing sources. As a general matter, deposits are a cheaper source of funds than borrowings because interest rates paid for deposits are typically less than interest rates charged for borrowings. If, as a result of general economic conditions, market interest rates, competitive pressures or higher deposit betas in relation to increases in federal funds rate increases, the value of deposits at the Bank decreases relative to its overall banking operations, the Bank may have to rely more heavily on borrowings as a source of funds in the future.

INTEREST RATES ON WESBANCO'S OUTSTANDING FINANCIAL INSTRUMENTS MIGHT BE SUBJECT TO CHANGE BASED ON THE REPLACEMENT OF LIBOR.

London Interbank Offered Rate ("LIBOR") and certain other "benchmarks" are the subject of recent national, international, and other regulatory guidance and proposals for reform. These reforms may cause such benchmarks to become unavailable, to perform differently than in the past or have other consequences, which cannot be predicted. On July 27, 2017, the United Kingdom's Financial Conduct Authority ("FCA"), which regulates LIBOR, publicly announced that it intended to stop persuading or compelling banks to submit LIBOR rates after 2021. The Federal Reserve Board has identified the Secured Overnight Financing Rate ("SOFR") as the preferred reference rate alternative to LIBOR for loan pricing and hedge accounting purposes. Once LIBOR is discontinued, if the proposed replacement rate for LIBOR differs materially from LIBOR, interest rates on our floating rate obligations, loans, deposits, derivatives, and other financial instruments tied to LIBOR rates, as well as the revenue and expenses associated with those financial instruments, may be adversely affected. Further, any uncertainty regarding the continued use and reliability of LIBOR as a benchmark interest rate could adversely affect the value of our floating rate obligations, loans, deposits, derivatives, and other financial instruments tied to LIBOR rates. On March 5, 2021, the U.K. FCA and Intercontinental Exchange ("ICE") Benchmark Administration announced that the publication of the overnight, as well as, the one, three, six, and twelve month LIBOR rates will continue to be published through June 30, 2023. On October 20, 2021, the Federal Reserve Board, the Office of the Comptroller of the Currency ("OCC"), and the Federal Deposit Insurance Corporation along with the Consumer Financial Protection Bureau, National Credit Union Administration, and State Bank and Credit Union Regulators, issued an additional Joint Statement on Managing the LIBOR Transition to once again emphasize the expectation that supervised institutions with LIBOR exposure continue to progress toward an orderly transition away from LIBOR. The statement confirmed that entering into new contracts, including derivatives that use LIBOR as a reference rate after December 31, 2021, would create safety and soundness risks, including litigation, operational, and consumer protection risks. On March 15, 2022, President Biden signed the Adjustable Interest Rate (LIBOR) Act into law (the "LIBOR Act"). The LIBOR Act provides a clear and uniform federal solution for transitioning legacy contracts that either lack or contain insufficient contractual provisions addressing the permanent cessation of LIBOR by providing for the transition from LIBOR to a replacement rate and avoiding related litigation.

Transitioning from LIBOR to alternative rates also may result in operational errors during the transition such that the replacement rate is not applied in a timely manner or is incorrectly applied. This is particularly true given the volume of contracts that will require transition and the diversity of potential approaches to transition and given the possibility that the period during which the transition will need to take place may have a short duration. Similarly, our failure to successfully implement transition from LIBOR to alternative rates could result in regulatory scrutiny and actions by our regulators including fines and other supervisory sanctions. It is also possible that LIBOR quotes will become unavailable prior to the currently anticipated cessation dates. In that case, the risks associated with the transition to an alternative reference rate will be accelerated and magnified. These risks may also be increased due to the shorter time for preparing for the transition.

SIGNIFICANT DECLINES IN U.S. AND GLOBAL MARKETS COULD HAVE A NEGATIVE IMPACT ON WESBANCO'S EARNINGS.

The capital and credit markets could experience extreme disruption. These conditions result in less liquidity, greater volatility, widening of credit spreads and a lack of price transparency in certain asset types. In many cases, markets could exert downward pressure on stock prices, security prices and credit capacity for certain issuers without regard to those issuers' underlying financial strength. Sustained weakness in business and economic conditions in any or all of the domestic or foreign financial markets could result in credit deterioration in investment securities held by us, rating agency downgrades for such securities or other market factors that (such as lack of liquidity for re-sales, absence of reliable pricing information or unanticipated changes in the competitive market) could result in us having to recognize other-than-temporary impairment in the value of such investment securities, with a corresponding charge against earnings. Furthermore, our pension assets are primarily invested in equity and debt securities, and weakness in capital and credit markets could result in deterioration of these assets, and changes in certain key pension assumptions based on current interest rates, long-term rates of return and other economic or actuarial assumptions may increase minimum funding contributions and future pension expense. If these markets were to deteriorate further, these conditions may be material to Wesbanco's ability to access capital and may adversely impact results of operations.

Further, Wesbanco's trust and investment services income could be impacted by fluctuations in the securities market. A portion of this revenue is based on the value of the underlying investment portfolios. If the values of those investment portfolios decline, the Bank's revenue could be negatively impacted.

Inflation can also have a significant effect upon interest rates and ultimately upon financial performance. Wesbanco's ability to cope with inflation and to respond to changing market interest rates, as well as its ability to manage the various elements of non-interest income and expense during periods of increasing or decreasing inflation could have a significant impact on profitability. Wesbanco monitors the level and mix of interest-rate sensitive assets and liabilities through its Asset/Liability Committee ("ALCO") in order to reduce the impact of inflation on net interest income. Management may not be able to control the effects of inflation as needed and the results may adversely impact results of operations.

A HIGH PERCENTAGE OF WESBANCO'S LOAN PORTFOLIO IS IN WEST VIRGINIA, OHIO, PENNSYLVANIA, KENTUCKY, INDIANA, MARYLAND, VIRGINIA AND TENNESSEE AND IN COMMERCIAL AND RESIDENTIAL REAL ESTATE. DETERIORATIONS IN ECONOMIC CONDITIONS IN THIS AREA OR IN THE REAL ESTATE MARKET GENERALLY COULD BE MORE HARMFUL TO THE COMPANY COMPARED TO MORE DIVERSIFIED INSTITUTIONS.

As of December 31, 2022, approximately 20% of Wesbanco's loan portfolio was comprised of residential real estate loans, and 57% was comprised of commercial real estate loans.

Inherent risks of commercial real estate ("CRE") lending include the cyclical nature of the real estate market, construction risk and interest rate risk. The cyclical nature of real estate markets can cause CRE loans to suffer considerable distress. During these times of distress, a property's performance can be negatively affected by tenants' deteriorating credit strength and lease expirations in times of softening demand caused by economic deterioration or over-supply conditions. Even if borrowers are able to meet their payment obligations, they may find it difficult to refinance their full loan amounts at maturity due to declines in property value. Other risks associated with CRE lending include regulatory changes and environmental liability. Regulatory changes in tax legislation, zoning or similar external conditions including environmental liability may affect property values and the economic feasibility of existing and proposed real estate projects.

The Company's CRE loan portfolio is concentrated predominantly in West Virginia, Ohio, Pennsylvania, Kentucky, Indiana, Maryland, northern Virginia and Tennessee. There is a wide variety of economic conditions within the local markets of the six states in which most of the company's CRE loan portfolio is situated. Rates of employment, consumer loan demand, household formation, and the level of economic activity can vary widely from state to state and among metropolitan areas, cities and towns. Metropolitan markets comprise various submarkets where property values and demand can be affected by many factors, such as demographic makeup, geographic features, transportation, recreation, local government, school systems, utility infrastructure, tax burden, building-stock age, zoning and building codes, and available land for development. As a result of the high concentration of the company's loan portfolio, it may be more sensitive, as compared to more diversified institutions, to future disruptions in and deterioration of this market, which could lead to losses, which could have a material adverse effect on the business, financial condition and results of operations of the company.

RISKS INHERENT IN MUNICIPAL BONDS COULD HAVE A NEGATIVE IMPACT ON WESBANCO'S EARNINGS.

As of December 31, 2022, approximately 34% of Wesbanco's total securities portfolio was invested in municipal bonds. Although Wesbanco's municipal portfolio is broadly spread across the U.S., any downturn in the economy of a state or municipality in which Wesbanco holds municipal obligations could increase the default risk of the respective debt. In addition, a portion of Wesbanco's municipal portfolio is comprised of Build America bonds. Due to the government sequester reducing the interest subsidy that the government provides to the issuing municipalities, extraordinary redemption provisions ("ERP") may be executed by the municipality if it is in their favor to do so. There is a risk that when an ERP is executed, Wesbanco may not recover its amortized cost in the bond if it was purchased at a premium. Credit risks are also prevalent when downgrades of credit ratings are issued by major credit rating agencies, which are caused by creditworthiness issues of both bond insurers and the municipality itself. Credit rating downgrades to a non-investment grade level may force Wesbanco to sell a municipal bond at a price where amortized cost may not be recovered. Rising interest rates could also cause the current market values of our municipal bond portfolio to decline as they all have a fixed interest component. Any of the above default risks, early redemption risks and credit risks could cause Wesbanco to take impairment charges, which could be significant, that would negatively impact earnings.

RISKS RELATED TO THE BUSINESS OF BANKING

CUSTOMERS MAY DEFAULT ON THE REPAYMENT OF LOANS, WHICH COULD SIGNIFICANTLY IMPACT RESULTS OF OPERATIONS THROUGH INCREASES IN THE PROVISION AND ALLOWANCE FOR CREDIT LOSSES.

The Bank's customers may default on the repayment of loans, which may negatively impact Wesbanco's earnings due to loss of principal and interest income. Increased operating expenses may result from the allocation of management time and resources to the collection and work-out of the loan. Collection efforts may or may not be successful causing Wesbanco to write off the loan or repossess the collateral securing the loan, which may or may not exceed the balance of the loan.

HIGHER FDIC DEPOSIT INSURANCE PREMIUMS AND ASSESSMENTS COULD ADVERSELY AFFECT WESBANCO'S FINANCIAL CONDITION.

Since crossing over $10 billion in total assets in 2018, Wesbanco Bank's FDIC insurance premiums have increased due to a higher assessment rate based on a more complex calculation that includes Wesbanco Bank's CAMELS ratings, its ability to withstand asset-related and funding-related stress and potential loss severity of its assets. If premium assessment rates were to further increase, it would negatively impact Wesbanco's earnings.

RISKS RELATED TO ESTIMATES AND ASSUMPTIONS

CECL COULD RESULT IN SIGNIFICANT VOLATILITY OF THE ESTIMATION OF CREDIT LOSSES AND MAY HAVE A MATERIAL IMPACT ON OUR FINANCIAL CONDITION OR RESULTS OF OPERATIONS.

In September 2016, the Financial Accounting Standards Board ("FASB") issued an accounting standard update, ASU 2016-13 (Topic 326), "Measurement of Credit Losses on Financial Instruments," which was adopted by Wesbanco as of January 1, 2020 and replaced the former "incurred loss" model for recognizing credit losses with an "expected loss" model referred to as the CECL model. Under the CECL model, we are required to present certain financial assets carried at amortized cost, such as loans held for investment and held-to-maturity debt securities, at the net amount expected to be collected. The allowance for credit losses under CECL is calculated utilizing the PD / LGD, which is then discounted to net present value. PD is the probability the asset will default within a given time frame and LGD is the percentage of the asset not expected to be collected due to default. The primary macroeconomic drivers of the quantitative model include forecasts of national unemployment and interest rates, as well as modeling adjustments for changes in prepayment speeds, loan risk grades, portfolio mix, concentrations and loan growth. Any changes in the model inputs may create more volatility in the level of our allowance for credit losses. Any material increase in our level of allowance for credit losses or expenses incurred to determine the appropriate level of the allowance for credit losses could adversely affect our business, financial condition and results of operations.

Wesbanco's regulatory agencies (FDIC and WVDIF for Wesbanco Bank, Inc. and the Federal Reserve for Wesbanco, Inc.) periodically review the allowance for credit losses. The regulatory agencies' interpretations may differ from Wesbanco's interpretations. These differences could negatively impact Wesbanco's results of operations or financial position.

WESBANCO MAY BE REQUIRED TO WRITE DOWN GOODWILL AND OTHER INTANGIBLE ASSETS, CAUSING ITS FINANCIAL CONDITION AND RESULTS TO BE NEGATIVELY AFFECTED.

When Wesbanco acquires a business, a portion of the purchase price of the acquisition is allocated to goodwill and other identifiable intangible assets. The amount of the purchase price which is allocated to goodwill and other intangible assets is determined by the excess of the purchase price over the net identifiable assets acquired. Wesbanco's goodwill was approximately $1.1 billion or 45% and $1.1 billion or 41% of stockholders' equity as of December 31, 2022 and 2021, respectively. Under current accounting standards, if Wesbanco determines that goodwill or intangible assets are impaired, it is required to write down the carrying value of these assets. Wesbanco conducts an annual review to determine whether goodwill and other identifiable intangible assets are impaired. Wesbanco completed such an impairment analysis in late 2022 and concluded that no impairment charge was necessary for the year ended December 31, 2022. Wesbanco cannot provide assurance that it will not be required to take an impairment charge in the future. Any impairment charge would have a negative effect on its shareholders' equity and financial results and may cause a decline in our stock price.

OPERATIONAL RISKS

DUE TO INCREASED COMPETITION, WESBANCO MAY NOT BE ABLE TO ATTRACT AND RETAIN BANKING CUSTOMERS AT CURRENT LEVELS.

Wesbanco operates in a highly competitive banking and financial industry that could become even more competitive as a result of legislative, regulatory and technological changes. Wesbanco faces banking competition in all the markets it serves from the following:

- local, regional and national banks;
- savings and loans;
- internet banks;
- credit unions;
- payday lenders and money services businesses;
- finance companies;
- online trading and robo-advisors;
- financial technology companies and other non-bank lenders; and
- brokerage firms serving Wesbanco's market areas.

In particular, Wesbanco's competitors include several major national financial companies whose greater resources may afford them a marketplace advantage by enabling them to maintain numerous banking locations and mount extensive promotional and advertising campaigns. Additionally, banks and other financial institutions may have products and services not offered by Wesbanco such as new payment system technologies and cryptocurrency, which may cause current and potential customers to choose those institutions. Areas of competition include interest rates for loans and deposits, efforts to obtain deposits and range and quality of services provided. Competitively priced deposits from other banks may cause a loss of deposits to be replaced by more expensive wholesale funding. Wesbanco also faces competition from financial technology ("FinTech") companies, who may more efficiently underwrite and close small business and consumer loans as well as more quickly and efficiently open deposit accounts. In addition to providing products and services traditionally offered by banks, some FinTech companies allow customers to complete financial transactions without the need for bank intermediaries. This could result in the loss of revenue from transaction fees and fewer customer accounts. If Wesbanco is unable to attract new and retain current customers, loan and deposit growth could decrease, causing Wesbanco's results of operations and financial condition to be negatively impacted.

WESBANCO MAY NOT BE ABLE TO EXPAND ITS TRUST AND INVESTMENT SERVICES SEGMENT AND RETAIN ITS CURRENT CUSTOMERS.

Wesbanco may not be able to attract new and retain current investment management clients due to competition from the following:

- commercial banks and trust companies;
- mutual fund companies;
- investment advisory firms;
- law firms;
- brokerage firms; and
- other financial services companies.

Its ability to successfully attract and retain investment management clients is dependent upon its ability to compete with competitors' investment products, level of investment performance, client services and marketing and distribution capabilities. Due to changes in economic conditions, the performance of the trust and investment services segment may be negatively impacted by the financial markets in which investment clients' assets are invested, causing clients to seek other alternative investment options. If Wesbanco is not successful, its results from operations and financial position may be negatively impacted.

FUTURE EXPANSION BY WESBANCO MAY ADVERSELY AFFECT OUR FINANCIAL CONDITION AND RESULTS OF OPERATIONS AS WELL AS DILUTE THE INTERESTS OF OUR SHAREHOLDERS AND NEGATIVELY AFFECT THE PRICE OF OUR COMMON STOCK.

Wesbanco may acquire other financial institutions, or branches or assets of other financial institutions, in the future. Wesbanco may also open new branches and enter into new lines of business or offer new products or services. Any such expansion of our business will involve a number of expenses and risks, which may include:

- the time and expense associated with identifying and evaluating potential expansions;
- the potential inaccuracy of estimates and judgments used to evaluate credit, operations, management and market risk with respect to target institutions;
- the time and costs of evaluating new markets, hiring local management and opening new offices, and the delay between commencing these activities and the generation of profits from the expansion;
- the risk we could discover undisclosed liabilities resulting from any acquisitions for which we may become responsible;
- our financing of the expansion;
- the diversion of management's attention to the negotiation of a transaction and the integration of the operations and personnel of the combining businesses;
- entry into unfamiliar markets;
- the introduction of new products and services into our existing business;
- the incurrence and possible impairment of goodwill associated with an acquisition and possible adverse short-term effects on our results of operations;
- the risk that benefits such as enhanced earnings that we anticipate from any new acquisitions may not develop and future results of the combined companies may be materially lower from those estimated; and
- the risk of loss of key employees and customers.

We can give no assurance that integration efforts for any future acquisitions will be successful. Our inability to successfully integrate future acquisitions could have a material adverse effect on our business, financial condition or results of operations. In addition, we may issue equity securities in connection with acquisitions, which could dilute the economic and voting interests of our existing shareholders.

No assurance can be given that Wesbanco will be successful overcoming the risks as disclosed above. The risks associated with entering into a new market and any inability to overcome these risks could have a material adverse effect on our business, financial condition or results of operations.

SUITABLE ACQUISITION OPPORTUNITIES MAY NOT BE AVAILABLE TO WESBANCO IN THE FUTURE.

Wesbanco continually evaluates opportunities to acquire other businesses. However, Wesbanco may not have the opportunity to make suitable acquisitions on favorable terms in the future, which could negatively impact the growth of its business. Wesbanco expects that other banking and financial companies, many of which have significantly greater resources, will compete to acquire compatible businesses. This competition could increase prices for acquisitions that Wesbanco would likely pursue, and its competitors may have greater resources than it does. Also, acquisitions of regulated businesses such as banks are subject to various regulatory approvals. If Wesbanco fails to receive the appropriate regulatory approvals, it will not be able to consummate an acquisition that it believes is in its best interests.

WESBANCO IS EXPOSED TO OPERATIONAL RISK THAT COULD ADVERSELY IMPACT THE COMPANY.

Wesbanco is exposed to multiple types of operational risk, including reputational risk, legal and compliance risk, the risk of fraud or theft by employees or outsiders, clerical or record-keeping errors and computer or telecommunications systems malfunctions. Wesbanco's business is dependent on the ability to process a large number of increasingly complex transactions. Wesbanco could be materially and adversely affected if employees, clients, counterparties or other third parties caused an operational breakdown or failure, as a result of either human error, fraudulent manipulation or purposeful damage to any of our operations or systems.

LOSS OF KEY EMPLOYEES COULD IMPACT GROWTH AND EARNINGS AND MAY HAVE AN ADVERSE IMPACT ON BUSINESS.

Our operating results and ability to adequately manage our growth are highly dependent on the services, managerial abilities and performance of our key employees, including executive officers and senior management. Our success depends upon our ability to attract and retain highly skilled and qualified management, loan origination, finance, administrative, marketing and technical personnel and upon the continued contributions of management personnel. The loss of services, or the inability to successfully complete planned or unplanned transitions of key personnel approaching normal retirement age, could have an adverse impact on Wesbanco's business, operating results and financial condition because of their skills, knowledge of the local markets, years of industry experience and the difficulty of promptly finding qualified replacement personnel. In addition, the transition to increased work-from-home (remote or hybrid work environments) may exacerbate the challenges of attracting and retaining talented and diverse employees as job markets may be less constrained by physical geography. Filling open positions is also challenging in this environment and may adversely impact our business segments.

LIMITED AVAILABILITY OF BORROWINGS AND LIQUIDITY FROM THE FEDERAL HOME LOAN BANK SYSTEM AND OTHER SOURCES COULD NEGATIVELY IMPACT EARNINGS.

Wesbanco Bank is currently a member bank of the Federal Home Loan Bank ("FHLB") of Pittsburgh. Membership in this system of quasi-governmental, regional home-loan oriented agency banks allows us to participate in various programs offered by the FHLB. We borrow funds from the FHLB, which are secured by a blanket lien on certain residential and commercial mortgage loans, and if applicable, investment securities with collateral values in excess of the outstanding balances. Future earnings shortfalls and minimum capital requirements of the FHLB may impact the collateral necessary to secure borrowings and limit the borrowings extended to their member banks, as well as require additional capital contributions by member banks. The FHLB's rating assigned to Wesbanco Bank may also negatively impact the amount of term collateral and other conditions imposed by the FHLB upon Wesbanco Bank. Should these situations occur, Wesbanco's short-term liquidity needs could be negatively impacted. If Wesbanco was restricted from using FHLB advances due to weakness in the system or with the FHLB of Pittsburgh, Wesbanco may be forced to find alternative funding sources. If Wesbanco is required to rely more heavily on higher cost funding sources, revenues may not increase proportionately to cover these costs, which would adversely affect Wesbanco's results of operations and financial position.

WESBANCO'S FINANCIAL CONDITION AND RESULTS OF OPERATIONS DEPEND ON THE SUCCESSFUL GROWTH OF ITS SUBSIDIARIES.

Wesbanco's primary business activity for the foreseeable future will be to act as the holding company of its banking and other subsidiaries. Therefore, Wesbanco's future profitability will depend on the success and growth of these subsidiaries. In the future, part of Wesbanco's growth may come from buying other banks and buying or establishing other companies. Such entities may not be profitable after they are purchased or established, and they may lose money or be dilutive to earnings per share, particularly for the first few years. A new bank or company may bring with it unexpected liabilities, bad loans, or poor employee relations, or the new bank or company may lose customers and the associated revenue. Dilution of book and tangible book value may occur as a result of an acquisition that may not be earned back for several years, if at all.

WESBANCO MAY NEED TO RAISE CAPITAL IN THE FUTURE, BUT CAPITAL MAY NOT BE AVAILABLE WHEN NEEDED OR AT ACCEPTABLE TERMS.

Federal and state banking regulators require Wesbanco and its banking subsidiary, Wesbanco Bank, to maintain adequate levels of capital to support its operations. In addition, in the future Wesbanco may need to raise additional capital to support its business or to finance acquisitions, if any, or Wesbanco may otherwise elect to raise additional capital in anticipation of future growth opportunities. Since Wesbanco's total assets increased above $15 billion due to recent acquisitions, certain trust preferred securities are no longer included in the Tier 1 capital of the risk-based capital guidelines; however, they are counted as Tier 2 capital.

Although Wesbanco successfully raised $150 million of Series A preferred stock in 2020 and also issued $150 million of fixed-to-floating subordinated debentures in 2022, Wesbanco's ability to raise additional Tier 1 or Tier 2 capital for parent company or banking subsidiary needs will depend on conditions and interest rates at that time in the capital markets, overall economic conditions, Wesbanco's financial performance and condition, and other factors, many of which are outside our control. There is no assurance that, if needed, Wesbanco will be able to raise additional equity or secured /unsecured debt that may count as Tier 1 or Tier 2 capital on favorable terms or at all. An inability to raise additional capital may have a material adverse effect on our ability to expand operations, and on our financial condition, results of operations and future prospects.

WESBANCO'S ABILITY TO MITIGATE RISK DEPENDS ON OUR ENTERPRISE RISK MANAGEMENT FRAMEWORK.

Wesbanco has implemented a risk appetite statement and an enterprise risk management framework to identify and manage our risk exposures while maintaining a safe and sound banking organization. This framework is comprised of various processes, systems and strategies, and is designed to manage the types of risk to which we are subject, including, among others, credit, legal and compliance, liquidity, market, operational, reputational and strategic risks. Included in this framework are three independent lines of defense, which allows Wesbanco to effectively govern and manage risk. If our risk management framework is not effective, Wesbanco could be exposed to unexpected losses and become subject to regulatory consequences, as a result of which our business, financial condition, results of operations or prospects could be materially adversely affected.

RISKS RELATED TO THE USE OF TECHNOLOGY

INTERRUPTION TO OUR INFORMATION SYSTEMS OR BREACHES IN SECURITY COULD ADVERSELY AFFECT WESBANCO'S OPERATIONS.

Wesbanco relies on information systems and communications for operating and monitoring all major aspects of business, as well as internal management functions. Any failure, interruption, intrusion or breach in security of these systems could result in failures or disruptions in the Wesbanco customer relationship, management, general ledger, deposit, loan and other systems. While Wesbanco has policies, procedures and technical safeguards designed to prevent or limit the effect of any failure, interruption, intrusion or security breach of its information systems, and also performs testing of business continuity and disaster recovery plans, there can be no absolute assurance that the above-noted issues will not occur or, if they do occur, that they will be adequately addressed.

There have been efforts on the part of third parties to breach data security at various financial institutions. The ability of our customers to bank remotely, including online and through mobile devices, requires secure transmission of confidential information and increases the risk of data security breaches. Because the techniques used to attack financial services company communications and information systems change frequently (and generally increase in sophistication), often attacks are not recognized until launched against a target, may be supported by foreign governments or other well-financed entities, and may originate from less regulated and remote areas around the world, we may be unable to address these techniques in advance of attacks, including by implementing adequate preventative measures. Certain financial institutions in the United States have also experienced attacks from technically sophisticated and well-resourced third parties that were intended to disrupt normal business activities by making internet banking systems inaccessible to customers for extended periods. These "denial-of-service" attacks, if attempted, would require substantial resources to defend, and may affect customer satisfaction and behavior. Moreover, the development and maintenance of preventative and detective measures is costly and requires ongoing monitoring and updating as technologies change and efforts to overcome security measures become more sophisticated. Despite our efforts, the possibility of these events occurring cannot be eliminated.

Cyber-attacks on third party retailers or other business establishments that widely accept debit card or check payments could compromise sensitive bank customer information, such as debit card and account numbers. Such an attack could result in significant costs to the bank, such as costs to reimburse customers, reissue debit cards and open new customer accounts.

The occurrence of any such failure, disruption or security breach of Wesbanco's information systems, particularly if widespread or resulting in financial losses to our customers, could damage Wesbanco's reputation, result in a loss of customer business, subject Wesbanco to additional regulatory scrutiny, and expose Wesbanco to civil litigation and possible financial liability. In addition, the prevalence of cyber-attacks and other efforts to breach or disrupt our systems has led, and will continue to lead, to costs to Wesbanco with respect to prevention and mitigation of these risks, as well as costs reimbursing customers for losses suffered as a result of these actions. Successful attacks or systems failures at other large financial institutions, whether or not Wesbanco is included, could lead to a general loss of customer confidence in financial institutions with a potential negative impact on Wesbanco's business, additional demands on the part of our regulators, and increased costs to deal with risks identified as a result of the problems affecting others. The risks described above could have a material effect on Wesbanco's business, results of operations and financial condition.

WESBANCO DEPENDS ON THIRD PARTIES FOR PROCESSING AND HANDLING OF COMPANY RECORDS AND DATA.

Wesbanco relies on software developed by third party vendors to process various transactions. These transactions include, but are not limited to, general ledger, payroll, employee benefits, trust record keeping, loan and deposit processing, merchant processing, and securities portfolio management. While Wesbanco performs a review of controls instituted by the vendors over these programs in accordance with industry standards and performs its own testing of user controls, Wesbanco must rely on the continued maintenance and improvement of these controls by the third party, including safeguards over the security of customer data. In addition, Wesbanco maintains backups of key processing output daily in the event of a failure on the part of any of these systems. Nonetheless, Wesbanco may incur a temporary disruption in its ability to conduct its business or process its transactions or incur damage to its reputation if the third party vendor, or the third party vendor's subcontractor, fails to adequately maintain internal controls or institute necessary changes to systems. Such disruption or breach of security may have a material adverse effect on Wesbanco's business, financial condition, and results of operations.

FAILURE TO KEEP PACE WITH TECHNOLOGICAL CHANGE COULD ADVERSELY AFFECT WESBANCO'S RESULTS OF OPERATIONS AND FINANCIAL CONDITION.

The financial services industry is continually undergoing rapid technological change with frequent introductions of new technology-driven products and services. The effective use of technology increases efficiency and enables financial institutions to better serve customers and to reduce costs. Wesbanco's future success depends, in part, upon its ability to address customer needs by using technology to provide products and services that will satisfy customer demands, as well as to create additional efficiencies in Wesbanco's operations, which was done in 2021 as Wesbanco completed its core banking software conversion. The adoption of new technologies by competitors, including internet banking services, mobile applications, advanced ATM functionality and cryptocurrencies could require Wesbanco to make additional substantial investments to modify or adapt the existing products and services or even radically alter the way Wesbanco conducts business. These and other capital investments in the Company's business may not produce expected growth in earnings anticipated at the time of the expenditure. Wesbanco also may not be able to effectively implement new technology-driven products and services or be successful in marketing these products and services to its customers. Failure to successfully keep pace with technological change affecting the financial services industry could negatively affect Wesbanco's growth, revenue, and profit.

LIQUIDITY AND CAPITAL RISKS

WESBANCO HAS OUTSTANDING SECURITIES SENIOR TO OUR COMMON STOCK WHICH COULD LIMIT OUR ABILITY TO PAY DIVIDENDS ON THE COMMON STOCK.

Wesbanco has outstanding Series A Preferred Stock that is senior to our common stock and could adversely affect our ability to declare or pay dividends or distributions on our common stock. The terms of the preferred stock offering prohibits us from declaring or paying dividends or making distributions on our common stock unless the full dividends for the most recently completed dividend period have been declared and paid, or set aside for payment, on all outstanding shares of Series A Preferred Stock. Whenever dividends on any shares of Series A Preferred Stock have not been declared and paid for the equivalent of six or more dividend payments, whether or not for consecutive dividend periods (a "Nonpayment Event"), the holders of Series A Preferred Stock, voting together as a class with holders of any and all other series of voting preferred stock then outstanding would be entitled to vote for the election of a total of two additional members of our board of directors (the "Preferred Stock Directors"), provided that our board of directors shall at no time include more than two Preferred Stock Directors and that the election of any Preferred Stock Directors shall not cause us to violate the corporate governance requirements of the Nasdaq Stock Market (or any other exchange on which our securities may be listed) including the requirements that listed companies must have a majority of independent directors. In the event that the holders of the Series A Preferred Stock and other holders of voting preferred stock are entitled to vote for the election of the Preferred Stock Directors following a Nonpayment Event, the number of directors on our board of directors shall automatically increase by two, and the new directors shall be elected at a special meeting called at the request of the holders of record of at least 20% of the Series A Preferred Stock or of any other series of voting preferred stock (unless such request is received less than 90 days before the date fixed for the next annual or special meeting of the shareholders, in which event such election shall be held only at such next annual or special meeting of shareholders), and at each subsequent annual meeting. These voting rights will continue until dividends on the shares of Series A Preferred Stock and any such series of voting preferred stock for at least four consecutive dividend periods following the Nonpayment Event shall have been fully paid (or declared and a sum sufficient for the payment of such dividends shall have been set aside for payment).

WESBANCO'S ABILITY TO PAY DIVIDENDS IS LIMITED, AND COMMON STOCK DIVIDENDS MAY HAVE TO BE REDUCED OR ELIMINATED.

Subject to restrictions described in the previous risk factor, holders of shares of Wesbanco's common stock are entitled to dividends if, when, and as declared by Wesbanco's Board of Directors out of funds legally available for that purpose. Although the Board of Directors has declared and increased shareholder dividends in the past, the current ability to pay such dividends is largely dependent upon the receipt of dividends from the Bank. Federal and state laws impose restrictions on the ability of the Bank to pay dividends, which restrictions are more fully described in "Item 1. Business—Payment of Dividends." In general, future dividend policy is subject to the discretion of the Board of Directors and will depend upon a number of factors, including Wesbanco's and the Bank's future earnings, liquidity and capital requirements, regulatory constraints and financial condition.

VOLATILITY IN THE PRICE AND VOLUME OF OUR STOCK MAY BE UNFAVORABLE.

The market price of our common stock can be volatile and could be subject to wide fluctuations in price in response to various factors, some of which are beyond our control. Some of these factors include, without limitation:

- prevailing market conditions;
- our financial and operating results;
- estimates of our business potential and earnings prospects;
- an overall assessment of our management;
- changes in interest rates;
- business interruptions, such as may result from natural disasters, health concerns such as the coronavirus or other events;
- our performance relative to our peers;
- market demand for our shares;
- perceptions of the banking industry in general;
- political influences on investor sentiment; and
- consumer confidence.

At times, the stock markets, including the Nasdaq Stock Market, on which our common stock is listed, may experience significant price and volume fluctuations. As a result, the market price of our common stock is likely to be similarly volatile and investors in our common stock may experience a decrease in the value of their shares, including decreases unrelated to our operating performance or prospects.

In addition, following periods of volatility in the overall market and the market price of a company’s securities, securities class action litigation has often been instituted against companies. This litigation, if instituted against us, could result in substantial costs and a diversion of our management’s attention and resources.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 2. PROPERTIES

Wesbanco's subsidiaries generally own their respective offices, related facilities and any unimproved real property held for future expansion. At December 31, 2022, Wesbanco operated 194 banking offices in West Virginia, Ohio, western Pennsylvania, Kentucky, southern Indiana and Maryland, of which 141 were owned and 53 were leased. Wesbanco also operated ten loan production offices leased in West Virginia, Ohio, western Pennsylvania, Maryland, Indiana, Tennessee and northern Virginia. These leases expire at various dates through January 2062 and generally include options to renew. The Bank also owns several regional headquarters buildings in various markets, most of which also house a banking office and/or certain back office functions.

The main office of Wesbanco is located at 1 Bank Plaza, Wheeling, West Virginia, in a building owned by the Bank. The building contains approximately 100,000 square feet and serves as the main office for both Wesbanco's community banking segment and its trust and investment services segment, as well as its executive offices. The Bank's major back office operations currently occupy approximately 90% of the space available in an office building connected via sky-bridge to the main office. This adjacent back office building is owned by Wesbanco Properties, Inc., a subsidiary of Wesbanco, with the remainder of the building leased to unrelated businesses.

At various building locations, Wesbanco rents or makes available commercial office space to unrelated businesses. Rental income totaled \$1.7 million, \$1.8 million and \$1.8 million in 2022, 2021 and 2020, respectively. For additional disclosures related to Wesbanco's properties, other fixed assets and leases, please refer to Note 5, "Premises and Equipment" in the Consolidated Financial Statements.

ITEM 3. LEGAL PROCEEDINGS

Wesbanco is also involved in lawsuits, claims, investigations and proceedings, which arise in the ordinary course of business. While any litigation contains an element of uncertainty, Wesbanco does not believe that a material loss related to such proceedings or claims pending or known to be threatened is reasonably possible.

ITEM 4. MINE SAFETY DISCLOSURES

Not Applicable.

PART II

ITEM 5. MARKET FOR THE REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Wesbanco's common stock is quoted on the Nasdaq Global Select Stock Market under the symbol WSBC. The approximate number of record holders of Wesbanco's $2.0833 par value common stock as of February 15, 2023 was 7,181. The number of holders does not include Wesbanco employees who have purchased stock or had stock allocated to them through Wesbanco's Employee Stock Ownership and 401(k) plan (the "KSOP"). All Wesbanco employees who meet the eligibility requirements of the KSOP are included in this retirement plan.

As of December 31, 2022, Wesbanco had one active stock repurchase plan which was approved by the Board of Directors on February 24, 2022 for 3.2 million shares. This plan provides for shares to be repurchased for general corporate purposes, which may include a subsequent resource for potential acquisitions, shareholder dividend reinvestment and/or employee benefit plans. The timing, price and quantity of purchases are at the discretion of Wesbanco, and the plan may be discontinued or suspended at any time. The plan has 1,184,601 shares remaining for repurchase.

Repurchases in the fourth quarter included open market purchases and those for the KSOP and dividend reinvestment plans.

Certain information relating to securities authorized for issuance under equity compensation plans is set forth under the heading "Equity Compensation Plan Information" in Part III, "Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters."

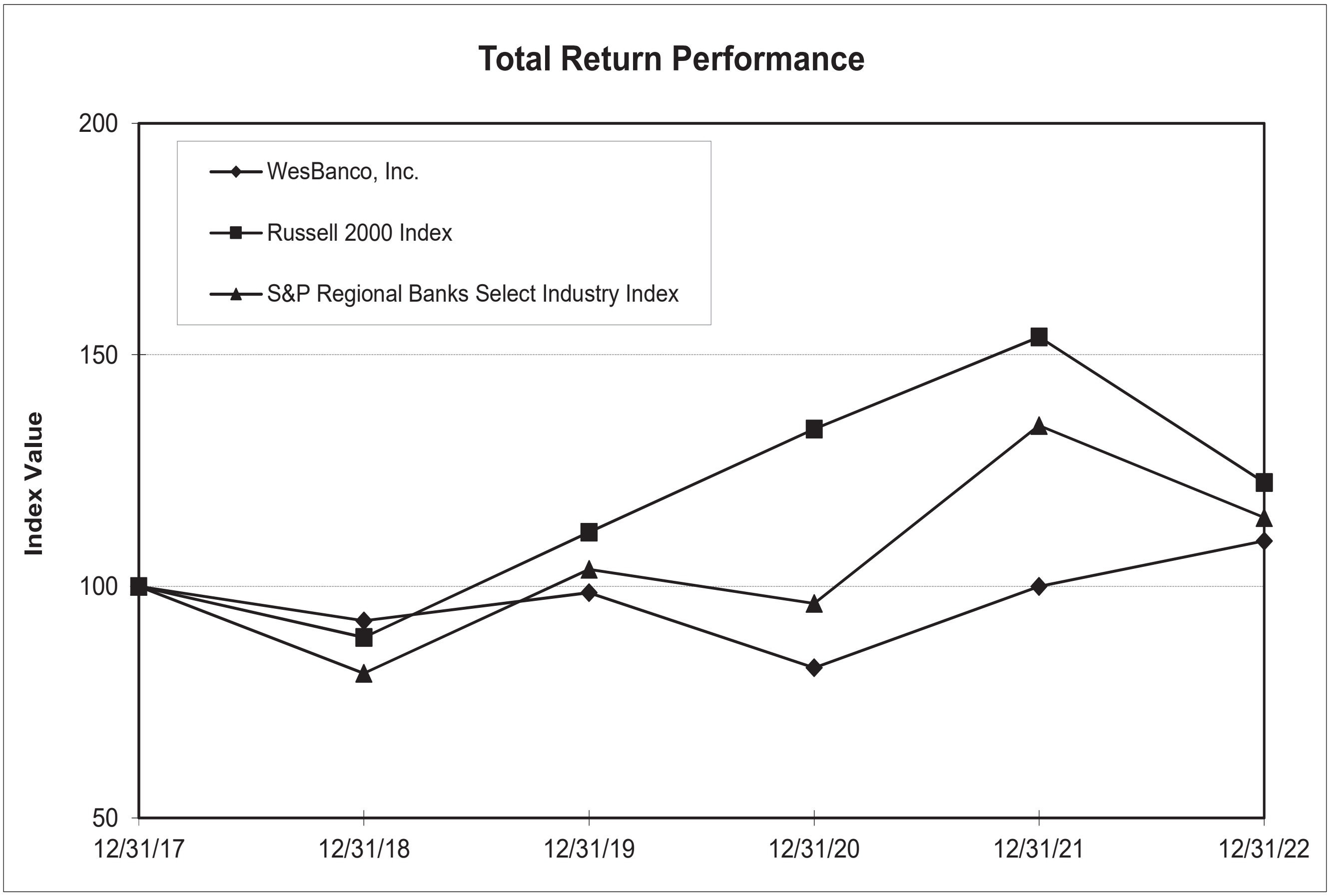
The following table shows the activity in Wesbanco's stock repurchase plan and other purchases for the quarter ended December 31, 2022:

Period	Total Number of Shares Purchased (1)	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans (2)	Maximum Number of Shares that May Yet Be Purchased Under the Plans
Balance at September 30, 2022				1,341,234
October 1, 2022 to October 31, 2022	184,177	$ 35.08	156,633	1,184,601
November 1, 2022 to November 30, 2022	1,148	40.26	—	1,184,601
December 1, 2022 to December 31, 2022	1,035	37.68	—	1,184,601
Total	186,360	$ 35.13	156,633	1,184,601

(1) Total shares purchased consist of open market purchases in the KSOP and dividend reinvestment plans and open market purchases for general corporate purposes.

(2) Represents only open market repurchases for general corporate purposes.

The following graph shows a comparison of cumulative total shareholder returns for Wesbanco, the Russell 2000 Index and the S&P Regional Banks Select Industry Index. The total shareholder return assumes a $100 investment in the common stock of Wesbanco and each index since December 31, 2017 with reinvestment of dividends.



	Period Ending					
Index	December 31, 2017	December 31, 2018	December 31, 2019	December 31, 2020	December 31, 2021	December 31, 2022
Wesbanco, Inc.	100.00	92.61	98.67	82.44	99.98	109.86
Russell 2000	100.00	88.99	111.70	134.00	153.85	122.41
S&P Regional Banks Select Industry Index	100.00	81.23	103.68	96.33	134.76	114.88

ITEM 6. [RESERVED]

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Management's Discussion and Analysis ("MD&A) represents an overview of the results of operations and financial condition of Wesbanco. This discussion and analysis should be read in conjunction with the Consolidated Financial Statements and Notes thereto. This section generally discusses 2022 and 2021 items and year-to-year comparisons between 2022 and 2021. Discussions of 2020 items and year-to-year comparisons between 2021 and 2020 that are not included in this Form 10-K can be found in "Management's Discussion and Analysis of Financial Condition and Results of Operations" in Part II, Item 7 of Wesbanco's Annual Report on Form 10-K for the fiscal year ended December 31, 2021, as filed with the SEC on February 28, 2022.

FORWARD-LOOKING STATEMENTS

Forward-looking statements in this report relating to Wesbanco's plans, strategies, objectives, expectations, intentions and adequacy of resources, are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. The information contained in this report should be read in conjunction with Wesbanco's Form 10-Qs for the prior quarters ended March 31, June 30 and September 30, 2022, respectively, and documents subsequently filed by Wesbanco which are available at the SEC's website, www.sec.gov or at Wesbanco's website, www.wesbanco.com. Investors are cautioned that forward-looking statements, which are not historical fact, involve risks and uncertainties, including those detailed under "Risk Factors" in Part I, Item 1A of this Annual Report on Form 10-K. Such statements are subject to important factors that could cause actual results to differ materially from those contemplated by such statements, including, without limitation, the effects of changing regional and national economic conditions, changes in interest rates, spreads on earning assets and interest-bearing liabilities, and associated interest rate sensitivity; sources of liquidity available to Wesbanco and its related subsidiary operations; potential future credit losses and the credit risk of commercial, real estate, and consumer loan customers and their borrowing activities; actions of the Federal Reserve, the FDIC, the SEC, FINRA, the Municipal Securities Rulemaking Board, the SIPC, and other regulatory bodies; potential legislative and federal and state regulatory actions and reform, including, without limitation, the impact of the implementation of the Dodd-Frank Act; adverse decisions of federal and state courts; fraud, scams and schemes of third parties; cyber security breaches; competitive conditions in the financial services industry; rapidly changing technology affecting financial services; marketability of debt instruments and corresponding impact on fair value adjustments; and/or other external developments materially impacting Wesbanco's operational and financial performance. Wesbanco does not assume any duty to update forward-looking statements.

APPLICATION OF CRITICAL ACCOUNTING POLICIES AND ESTIMATES

Wesbanco's Consolidated Financial Statements are prepared in accordance with U.S. GAAP and follow general practices within the industries in which it operates. Application of these principles requires management to make estimates, assumptions and judgments that affect the amounts reported in the financial statements and accompanying notes. These estimates, assumptions and judgments are based on information available as of the date of the financial statements; accordingly, as this information changes, the financial statements could reflect different estimates, assumptions and judgments. Certain policies inherently have a greater reliance on the use of estimates, assumptions and judgments and as such have a greater possibility of producing results that could be materially different than originally reported.

The most significant accounting policies followed by Wesbanco are included in Note 1, "Summary of Significant Accounting Policies," of the Consolidated Financial Statements. These policies, along with other Notes to the Consolidated Financial Statements and this MD&A, provide information on how significant assets and liabilities are valued in the financial statements and how those values are determined. Management has identified the allowance for credit losses, the evaluation of goodwill and other intangible assets for impairment and business combinations to be the accounting estimates that require the most subjective or complex judgments, and as such could be most subject to revision as new information becomes available.

Allowance for Credit Losses— Under CECL, acquired loans or pools of loans that have experienced more-than-insignificant credit deterioration are deemed to be purchased credit-deteriorated ("PCD") loans, and are grossed-up on day 1 by the initial credit estimate through the allowance as opposed to a reduction in the loan's amortized cost. The credit mark on acquired loans deemed not to be PCD loans are reflected as a reduction in the loan's amortized cost, with an allowance and corresponding provision for credit losses recorded in the first reporting period after acquisition through current period earnings, while the loan mark will accrete through interest income over the life of such loans. At acquisition, Wesbanco will consider several factors as indicators that an acquired loan or pool of loans has experienced more-than-insignificant credit deterioration. These factors may include, but are not limited to, loans 30 days or more past due, loans with an internal risk grade of below average or lower, loans classified as non-accrual by the acquired institution, materiality of the credit and loans that have been previously modified in a TDR. Upon adoption of this standard, acquired loans from prior acquisitions that met the guidelines under ASC 310-30 (formerly known as "purchased credit-impaired") were reclassified as PCD loans. The accretable portion of the loan mark as of adoption date continues to accrete into interest income. However, the non-accretable portion of the loan mark was added to the allowance upon adoption, and any reversals of such mark will flow through the allowance in future periods. The loan mark on ASC 310-20 loans ("non-purchased credit-impaired") from prior acquisitions continues to accrete through interest income over the life of such loans.

After the forecast period, Wesbanco reverts back to historical loss rates for a period of up to three years, adjusting for prepayments and curtailments, to estimate losses over the remaining life of loans. The most sensitive assumptions include the length of the forecast and reversion periods, forecast of unemployment and interest rate spreads and prepayment speeds. See Note 4, "Loans and Allowance for Credit Losses" for further detail.

The allowance for credit losses specific to loans reduces the loan portfolio to the net amount expected to be collected, representing the lifetime expected credit losses at the initial origination date. Similarly, an allowance for unfunded loan commitments, which is recorded in other liabilities, represents expected losses on unfunded commitments. Fluctuations in the allowance for credit losses specific to loans, the allowance for unfunded loan commitments, and the allowance for held-to-maturity debt securities are recognized in the provision for credit losses on the consolidated statement of operations. The allowance incorporates forward-looking information and applies a reversion methodology beyond the reasonable and supportable forecast. The allowance is increased by a provision charged to operating expense and reduced by charge-offs, net of recoveries. Management evaluates the appropriateness of the allowance at least quarterly. This evaluation is inherently subjective as it requires material estimates that may be susceptible to significant change from period to period.

The allowance for credit loss calculation specific to loans is based on the loan's amortized cost basis, which is comprised of the unpaid principal balance of the loan, deferred loan fees (costs) and acquired premium (discount) minus any write-downs. Wesbanco made an accounting policy election to exclude accrued interest from the measurement of the allowance for credit losses, because the Company has a robust policy in place to reverse or write-off accrued interest when the loan is placed on non-accrual, and also made an accounting policy election to reverse accrued interest deemed uncollectible as a reversal of interest income. However, Wesbanco is reserving, as part of the allowance for credit losses, for accrued interest on loan modifications under the CARES Act due to the nature and timing of these deferrals.

The allowance for credit losses specific to loans reflects the risk of loss in the loan portfolio. To appropriately measure expected credit losses, management disaggregates the loan portfolio into pools of similar risk characteristics. The Company utilizes the PD / LGD approach to calculate the expected loss for each segment, which is then discounted to net present value. PD is the probability the asset will default within a given timeframe and LGD is the percentage of the assets not expected to be collected due to default. The primary macroeconomic drivers of the quantitative model include forecasts of national unemployment and interest rate spreads. Management relies on macroeconomic forecasts obtained from various reputable sources, which may include the Federal Open Market Committee forecast and other third party forecasts from well recognized, leading economists. These forecasts can range from one to two years, depending upon the facts and circumstances of the current state of the economy, portfolio segment and management's judgement of what can be reasonably supported. The model reversion period ranges from immediate to up to three years.

The allowance for credit losses specific to loans is calculated over the loan's contractual life. For term loans, the contractual life is calculated based on the maturity date. For commercial and industrial ("C&I") revolving loans with no stated maturity date, the contractual life is calculated based on the internal review date. For all other revolving loans, the contractual life is based on either the estimated maturity date or a default date. The contractual term does not include any expected extensions, renewals or modifications unless management has a reasonable expectation as of the reporting period that Wesbanco will execute a TDR with the borrower. Management assumes a loan will become a TDR if a loan has matured, has a principal balance, and has previously been partially charged-off. This assumption extends the maturity of these loans to six months beyond their respective maturity dates.

Contractual terms are adjusted for estimated prepayments to arrive at expected cash flows. Wesbanco models term loans with an annualized "prepayment" rate. When Wesbanco has a specific expectation of differing payment behavior for a given loan, the loan may be evaluated individually. For revolving loans that do not have a principal payment schedule, a curtailment rate is factored into the cash flow.

The evaluation also considers qualitative factors such as economic trends and conditions, which includes levels of regional unemployment, real estate values and the impact on specific industries and geographical markets, changes in lending policies and underwriting standards, delinquency and other credit quality trends, concentrations of credit risk, if any, volume of activity, changes in lending staff, type of collateral and the results of internal loan reviews and examinations by bank regulatory agencies. Management relies on observable data from internal and external sources to the extent it is available to evaluate each of these factors and adjusts the actual historical loss rates to reflect the impact these factors may have on probable losses in the portfolio.

Commercial loans, including commercial real estate ("CRE") and C&I, are individually-evaluated if they have unique characteristics. Specific reserves are established when appropriate for such loans based on the net present value of expected future cash flows of the loan or the estimated realizable value of the collateral, if any.

Goodwill and Other Intangible Assets— Wesbanco accounts for business combinations using the acquisition method of accounting. Accordingly, the identifiable assets acquired, the liabilities assumed, and any non-controlling interest of an acquired business are recorded at their estimated fair values as of the date of acquisition with any excess of the cost of the acquisition over the fair value recorded as goodwill. Other intangible assets represent purchased assets that lack physical substance but can be distinguished from goodwill because of contractual or other legal rights or because the asset is capable of being sold or exchanged either on its own or in combination with a related contract, asset, or liability.

Goodwill is not amortized but is evaluated for impairment annually, or more often if events or circumstances indicate it may be impaired. Finite-lived intangible assets, which consist primarily of core deposit and customer list intangibles (long-term customer-relationship intangible assets) are amortized using straight-line and accelerated methods over their weighted-average estimated useful lives, ranging from ten to sixteen years in total, and are tested for impairment whenever events or circumstances indicate that their carrying amount may not be recoverable. Non-compete agreements are recognized in other assets on the balance sheet and are amortized on a straight-line basis over the life of the respective agreements, ranging from one to four years.

Wesbanco evaluates goodwill for impairment by determining if the fair value is greater than the carrying value of its reporting units. Wesbanco uses market capitalization, multiples of tangible book value, a discounted cash flow model, and various other market-based methods to estimate the current fair value of its reporting units. In particular, the discounted cash flow model includes various assumptions regarding an investor's required rate of return on Wesbanco common stock, future loan loss provisions, future market spreads and net interest margins, along with various growth and economic recovery and stabilization assumptions of the economy as a whole. The resulting fair values of each method are then weighted based on the relevance and reliability of each respective method in light of the current economic environment to arrive at a weighted average fair value. The evaluation also considered macroeconomic conditions such as the general economic outlook, regional and national unemployment rates, and recent trends in equity and credit markets. Additionally, industry and market considerations, such as market-dependent multiples and metrics relative to peers, were evaluated. Wesbanco also considered recent trends in credit quality, overall financial performance, stock price appreciation, internal forecasts and various other market-based methods to estimate the current fair value of its reporting units. Since adopting ASU 2017-04, "Intangibles-Goodwill and Other (Topic 350)", the impairment charge is based on the excess of a reporting unit's carrying amount over its fair value.

Intangible assets with finite useful lives are evaluated for impairment whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. An impairment loss is recognized when the carrying amount of an intangible asset with a finite useful life is not recoverable from its undiscounted cash flows and is measured as the difference between the carrying amount and the fair value of the asset. Wesbanco does not have any indefinite-lived intangible assets. As of December 31, 2022, there were no indicators of impairment related to goodwill or to intangible assets with finite useful lives.

Business Combinations— Business combinations are accounted for by applying the acquisition method. As of acquisition date, the identifiable assets acquired and liabilities assumed are measured at fair value and recognized separately from goodwill. Results of operations of the acquired entities are included in the consolidated statement of income from the date of acquisition. The calculation of intangible assets including core deposits and the fair value of loans are based on significant judgements. Core deposits intangibles are calculated using a discounted cash flow model based on various factors including discount rate, attrition rate, interest rate, cost of alternative funds and net maintenance costs.

Loans acquired in connection with acquisitions are recorded at their acquisition-date fair value with no carryover of related allowance for credit losses. Acquired loans are classified into two categories; PCD loans and non-PCD loans. PCD loans are defined as a loan or group of loans that have experienced more than insignificant credit deterioration since origination. Non-PCD loans will have an allowance established on acquisition date, which is recognized in the current period provision for credit losses. For PCD loans, an allowance is recognized on day 1 by adding it to the fair value of the loan, which is the "Day 1 amortized cost". There is no credit loss expense recognized on PCD loans because the initial allowance is established by grossing-up the amortized cost of the PCD loan. Determining the fair value of the acquired loans involves estimating the principal and interest cash flows expected to be collected on the loans and discounting those cash flows at a market rate of interest. Management considers a number of factors in evaluating the acquisition-date fair value including the remaining life of the acquired loans, delinquency status, estimated prepayments, payment options and other loan features, internal risk grade, estimated value of the underlying collateral and interest rate environment.

EXECUTIVE OVERVIEW

Net income available to common shareholders decreased $50.1 million or 22.6% to $182.0 million in 2022 compared to 2021. Net income available to common shareholders excluding after-tax restructuring and merger-related expenses (non-GAAP measure) decreased $54.1 million or 22.8% to $183.3 million. These decreases were due in large part to the net benefit in the provision for credit losses in 2022 of $1.4 million (net of tax) compared to the net benefit in the 2021 provision of $51.6 million (net of tax). Net interest income increased $16.4 million or 3.6% from 2021, primarily due to loan growth and a rising rate environment. Non-interest income decreased $15.4 million or 11.6% in 2022 compared to 2021, driven by a $14.4 million decrease in mortgage banking income due to lower volume and the retention of more residential mortgage originations. Offsetting the overall decrease somewhat, both service charges on deposits and bank-owned life insurance increased year-over-year by $3.9 million and $1.8 million, respectively. Excluding restructuring and merger-related expenses, non-interest expense increased $8.8 million or 2.5%, driven by increases in salaries and wages, FDIC insurance and equipment and software expense.

Total assets as of December 31, 2022 remained relatively flat at $16.9 billion compared to December 31, 2021. As of December 31, 2022, total portfolio loans were $10.7 billion compared to $9.7 billion at December 31, 2021, reflecting a 10.0% increase year-over year. The loan growth funding is reflected within the decrease in cash of $842.9 million or 67.4% at December 31, 2022 compared to December 31, 2021. Criticized and classified loan balances decreased to 2.34% of total portfolio loans, as compared to 3.75% at December 31, 2021. As a result of improved macroeconomic factors, the provision for credit losses decreased to ($1.7) million for the year 2022 compared to ($64.3) million in 2021. Annualized net loan charge-offs to average loans for the full year period remained flat compared to 2021 at two basis points for 2022. In March of 2022, Wesbanco completed the issuance of $150.0 million in aggregate principal amount of subordinated debentures. The subordinated debentures have a fixed rate of 3.75% for the first five years and a floating rate for the next five years at Three Month SOFR plus a spread of 1.787%. The subordinated debentures are callable after five years, mature on April 1, 2032 and count towards Tier 2 Capital.

Wesbanco continues to maintain what we believe are strong regulatory capital ratios, as both consolidated and bank-level regulatory capital ratios are well above the applicable “well-capitalized” standards promulgated by bank regulators and the BASEL III capital standards. At December 31, 2022, Tier I leverage was 9.90%, Tier I risk-based capital was 12.33%, total risk-based capital was 15.11%, and the common equity Tier 1 capital ratio was 11.20%. Tangible equity to tangible assets decreased to 8.19% at period-end from 9.84% as of December 31, 2021, due to reduced shareholders' equity balances resulting from stock repurchases occurring throughout 2022, as well as declines in accumulated other comprehensive income.

Strong earnings enabled Wesbanco to increase the quarterly dividend to $0.34 and $0.35 per share in the first quarter and fourth quarters of 2022, respectively, the fifteenth and sixteenth increase over the last twelve years, cumulatively representing a 150% increase over that period.

Selected financial ratios for the years ended December 31, 2022, 2021 and 2020 are presented in the table below:

(dollars in thousands, except shares and per share amounts)	For the years ended December 31, 2022	2021	2020
PER COMMON SHARE INFORMATION			
Earnings per common share—basic	**$ 3.03**	$ 3.54	$ 1.78
Earnings per common share—diluted	**3.02**	3.53	1.77
Earnings per common share—diluted, excluding certain items (1)(2)	**3.04**	3.62	1.88
Dividends declared per common share	**1.37**	1.32	1.28
Book value at year end	**38.55**	40.91	39.17
Tangible book value at year end (1)	**19.43**	22.61	21.75
Average common shares outstanding—basic	**60,047,177**	65,520,527	67,260,796
Average common shares outstanding—diluted	**60,215,374**	65,669,970	67,310,584
Period end common shares outstanding	**59,198,963**	62,307,245	67,254,706
Period end preferred shares outstanding	**150,000**	150,000	150,000
SELECTED RATIOS			
Return on average assets	**1.08%**	1.37%	0.73%
Return on average assets, excluding certain items (1)(2)	**1.09**	1.40	0.77
Return on average tangible assets (1)	**1.21**	1.53	0.85
Return on average tangible assets, excluding certain items (1)(2)	**1.22**	1.56	0.90
Return on average equity	**7.23**	8.40	4.50
Return on average equity, excluding certain items (1)(2)	**7.29**	8.59	4.79
Return on average tangible equity (1)	**13.78**	14.89	8.61
Return on average tangible equity, excluding certain items (1)(2)	**13.88**	15.22	9.12
Return on average tangible common equity (1)	**15.39**	16.35	8.94
Return on average tangible common equity, excluding certain items (1)(2)	**15.50**	16.71	9.47
Net interest margin (3)	**3.20**	3.11	3.37
Efficiency ratio (1)	**59.53**	58.22	56.38
Average loans to average deposits	**74.21**	78.11	91.66
Allowance for credit losses - loans to total loans	**1.10**	1.25	1.72
Allowance for credit losses - loans to total non-performing loans	**284.41**	308.00	455.38
Non-performing assets to total assets	**0.25**	0.23	0.25
Net loan charge-offs to average loans	**0.02**	0.02	0.06
Average shareholders' equity to average assets	**14.90**	16.33	16.13
Tangible equity to tangible assets (1)	**8.19**	9.84	10.52
Tangible common equity to tangible assets (1)	**7.28**	8.92	9.58
Tier 1 leverage ratio	**9.90**	10.02	10.51
Tier 1 capital to risk-weighted assets	**12.33**	14.05	14.72
Total capital to risk-weighted assets	**15.11**	15.91	17.58
Common equity tier 1 capital ratio (CET 1)	**11.20**	12.77	13.40
Dividend payout ratio	**45.36**	37.39	72.32
Trust assets at market value (4)	**$ 4,878,479**	$ 5,644,975	$ 5,025,565

(1) See "Non-GAAP Measures" for additional information relating to the calculation of this item.
(2) Certain items excluded from the calculation consist of after-tax restructuring and merger-related expenses.
(3) Presented on a fully taxable-equivalent (FTE) and annualized basis. The FTE basis adjusts for the tax benefit of income on certain tax-exempt loans and investments using the federal statutory tax rate of 21% for all periods presented. Wesbanco believes this measure to be the preferred industry measurement of net interest income and provides relevant comparison between taxable and non-taxable amounts.
(4) Trust assets are held by the Bank, in fiduciary or agency capacities for its customers and therefore are not included as assets on Wesbanco's Consolidated Balance Sheets.

Non-GAAP Measures

The following non-GAAP financial measures used by Wesbanco provide information that Wesbanco believes is useful to investors in understanding Wesbanco's operating performance and trends, and facilitates comparisons with the performance of Wesbanco's peers. The following tables summarize the non-GAAP financial measures derived from amounts reported in Wesbanco's financial statements.

(dollars in thousands, except per share amounts)	For the years ended December 31, 2022	2021	2020
Tangible common equity to tangible assets:			
Total shareholders' equity	**$ 2,426,662**	$ 2,693,166	$ 2,756,737
Less: goodwill and other intangible assets, net of deferred tax liability	**(1,131,990)**	(1,140,111)	(1,149,161)
Tangible equity	**1,294,672**	1,553,055	1,607,576
Less: preferred shareholders' equity	**(144,484)**	(144,484)	(144,484)
Tangible common equity	**1,150,188**	1,408,571	1,463,092
Total assets	**16,931,905**	16,927,125	16,425,610
Less: goodwill and other intangible assets, net of deferred tax liability	**(1,131,990)**	(1,140,111)	(1,149,161)
Tangible assets	**$ 15,799,915**	$ 15,787,014	$ 15,276,449
Tangible equity to tangible assets	**8.19%**	9.84%	10.52%
Tangible common equity to tangible assets	**7.28%**	8.92%	9.58%
Tangible book value per share:			
Total shareholders' equity	**$ 2,426,662**	$ 2,693,166	$ 2,756,737
Less: goodwill and other intangible assets, net of deferred tax liability	**(1,131,990)**	(1,140,111)	(1,149,161)
Less: preferred shareholders' equity	**(144,484)**	(144,484)	(144,484)
Tangible common equity	**1,150,188**	1,408,571	1,463,092
Common shares outstanding	**59,198,963**	62,307,245	67,254,706
Tangible book value per share at year end	**$ 19.43**	$ 22.61	$ 21.75
Return on average tangible equity:			
Net income available to common shareholders	**$ 181,988**	$ 232,135	$ 119,400
Add: amortization of intangibles, net of tax	**8,120**	9,051	10,595
Net income available to common shareholders before amortization of intangibles	**190,108**	241,186	129,995
Average total shareholders' equity	**2,515,509**	2,764,337	2,651,402
Less: average goodwill and other intangibles, net of deferred tax liability	**(1,136,062)**	(1,144,698)	(1,141,528)
Average tangible equity	**$ 1,379,447**	$ 1,619,639	$ 1,509,874
Return on average tangible equity	**13.78%**	14.89%	8.61%
Average tangible common equity	**$ 1,234,963**	$ 1,475,155	$ 1,453,363
Return on average tangible common equity	**15.39%**	16.35%	8.94%
Return on average tangible assets:			
Net income available to common shareholders	**$ 181,988**	$ 232,135	$ 119,400
Add: amortization of intangibles, net of tax	**8,120**	9,051	10,595
Net income before amortization of intangibles	**190,108**	241,186	129,995
Average total assets	**16,879,541**	16,928,377	16,442,704
Less: average goodwill and other intangibles, net of deferred tax liability	**(1,136,062)**	(1,144,698)	(1,141,528)
Average tangible assets	**$ 15,743,479**	$ 15,783,679	$ 15,301,176
Return on average tangible assets	**1.21%**	1.53%	0.85%
Efficiency ratio:			
Non-interest expense	**$ 356,966**	$ 353,143	$ 354,845
Less: restructuring and merger-related expense	**(1,723)**	(6,717)	(9,725)
Non-interest expense excluding restructuring and merger-related expense	**355,243**	346,426	345,120
Net interest income on a fully-taxable equivalent basis	**479,315**	462,229	483,999
Non-interest income	**117,391**	132,785	128,185
Net interest income on a fully-taxable equivalent basis plus non-interest income	**$ 596,706**	$ 595,014	$ 612,184
Efficiency ratio	**59.53%**	58.22%	56.38%
Net income per common shareholders, excluding after-tax restructuring and merger-related expenses:			
Net income available to common shareholders	**$ 181,988**	$ 232,135	$ 119,400
Add: after-tax restructuring and merger-related expenses (1)	**1,361**	5,306	7,683
Net income per common shareholders, excluding after-tax restructuring and merger-related expenses	**$ 183,349**	$ 237,441	$ 127,083

(dollars in thousands, except per share amounts)	For the years ended December 31, 2022	2021	2020
Net income per common share - diluted, excluding after-tax restructuring and merger-related expenses:			
Net income per common share - diluted	**$ 3.02**	$ 3.53	$ 1.77
Add: after-tax restructuring and merger-related expenses per common share - diluted (1)	**0.02**	0.09	0.11
Net income per common share - diluted, excluding after-tax restructuring and merger-related expenses	**$ 3.04**	$ 3.62	$ 1.88
Return on average equity, excluding after-tax restructuring and merger-related expenses:			
Net income available to common shareholders	**$ 181,988**	$ 232,135	$ 119,400
Add: after-tax restructuring and merger-related expenses (1)	**1,361**	5,306	7,683
Net income available to common shareholders, excluding after-tax restructuring and merger-related expenses	**183,349**	237,441	127,083
Average total shareholders' equity	**$ 2,515,509**	$ 2,764,337	$ 2,651,402
Return on average equity, excluding after-tax restructuring and merger-related expenses	**7.29%**	8.59%	4.79%
Return on average tangible equity, excluding after-tax restructuring and merger-related expenses:			
Net income available to common shareholders	**$ 181,988**	$ 232,135	$ 119,400
Add: after-tax restructuring and merger-related expenses (1)	**1,361**	5,306	7,683
Add: amortization of intangibles, net of tax	**8,120**	9,051	10,595
Net income available to common shareholders before amortization of intangibles and excluding after-tax restructuring and merger-related expenses	**191,469**	246,492	137,678
Average total shareholders' equity	**2,515,509**	2,764,337	2,651,402
Less: average goodwill and other intangibles, net of deferred tax liability	**(1,136,062)**	(1,144,698)	(1,141,528)
Average tangible equity	**$ 1,379,447**	$ 1,619,639	$ 1,509,874
Return on average tangible equity, excluding after-tax restructuring and merger-related expenses	**13.88%**	15.22%	9.12%
Average tangible common equity	**$ 1,234,963**	$ 1,475,155	$ 1,453,363
Return on average tangible common equity, excluding after-tax restructuring and merger-related expenses	**15.50%**	16.71%	9.47%
Return on average assets, excluding after-tax restructuring and merger-related expenses:			
Net income available to common shareholders	**$ 181,988**	$ 232,135	$ 119,400
Add: after-tax restructuring and merger-related expenses (1)	**1,361**	5,306	7,683
Net income available to common shareholders, excluding after-tax restructuring and merger-related expenses	**183,349**	237,441	127,083
Average total assets	**$ 16,879,541**	$ 16,928,377	$ 16,442,704
Return on average tangible assets, excluding after-tax restructuring and merger-related expenses	**1.09%**	1.40%	0.77%
Return on average tangible assets, excluding after-tax restructuring and merger-related expenses:			
Net income available to common shareholders	**$ 181,988**	$ 232,135	$ 119,400
Add: amortization of intangibles, net of tax	**8,120**	9,051	10,595
Add: after-tax restructuring and merger-related expenses (1)	**1,361**	5,306	7,683
Net income available to common shareholders, before amortization of intangibles and excluding after-tax restructuring and merger-related expenses	**191,469**	246,492	137,678
Average total assets	**16,879,541**	16,928,377	16,442,704
Less: average goodwill and other intangibles, net of deferred tax liability	**(1,136,062)**	(1,144,698)	(1,141,528)
Average tangible assets	**$ 15,743,479**	$ 15,783,679	$ 15,301,176
Return on average tangible assets, excluding after-tax restructuring and merger-related expenses	**1.22%**	1.56%	0.90%
Dividend payout ratio, excluding after-tax restructuring and merger related expenses:			
Dividends declared per common share	**$ 1.37**	$ 1.32	$ 1.28
Net income per common share - diluted	**3.02**	3.53	1.77
Add: after-tax restructuring and merger-related expenses per diluted share (1)	**0.02**	0.09	0.11
Net income per common share - diluted, excluding after-tax restructuring and merger-related expenses	**$ 3.04**	$ 3.62	$ 1.88
Dividend payout ratio, excluding after-tax restructuring and merger related expenses	**45.07**	36.46	68.09

(1) Tax effected at 21% for all periods presented.

RESULTS OF OPERATIONS

EARNINGS SUMMARY

For the twelve months ending December 31, 2022, net income available to common shareholders was $182.0 million, or $3.02 per diluted share, compared to $232.1 million, or $3.53 per diluted share, for 2021, which included a release of provision for credit losses of $64.3 million, or $51.6 million net of tax. Net income available to common shareholders for the twelve months ended December 31, 2022 decreased 21.6% compared to 2021, while per share earnings decreased 14.4%.

For the twelve months ending December 31, 2022, net interest income increased $16.4 million, or 3.6%, reflecting a higher net interest margin resulting from the 425 basis point increase in the federal funds rate in 2022, as well as the successful deployment of excess cash into higher-yielding loans, particularly in the second half of 2022. The net interest margin increased 9 basis points to 3.20% due to the overall higher rate environment. Average loan balances decreased 2.9% in 2022, mostly due to PPP loan forgiveness and elevated levels of commercial real estate loans being refinanced in an aggressive secondary market in the earlier portions of the year, while average investment securities increased 18.1% over the same period. Total average deposits increased in 2022 by $298.7 million or 2.2% compared to 2021, due to increased personal savings. Average certificates of deposit, which have the highest overall interest cost among deposits, decreased by $359.1 million or 24.6% over the same time period.

For 2022, non-interest income decreased $15.4 million or 11.6% compared to 2021. Mortgage banking income decreased $14.4 million or 73.7% in 2022 as compared to 2021 due to the higher interest rate environment and Wesbanco retaining a higher percentage of residential real estate loans in the loan portfolio. Trust fees decreased $2.0 million from 2021 to 2022 due to a decrease in the market values of trust assets under management reducing fee income. Net securities (losses)/gains decreased $2.9 million from the prior year due mostly to the decline in the fair market value of the equity investments held in the deferred compensation plan. Somewhat mitigating these decreases, service charges on deposits increased $3.9 million from the prior year and net securities brokerage revenue increased $2.6 million due to organic growth.

The following comments on non-interest expense exclude restructuring and merger-related expenses in both years. Non-interest expense in 2022 increased $8.8 million or 2.5% compared to 2021, while the efficiency ratio increased in 2022 to 59.5% from 58.2% in 2021. The primary driver of this increase was a $12.8 million increase in salaries and wages due to higher staffing levels and merit increases. Also increasing for the year 2022 was FDIC insurance expense, which reflects the benefit to 2021's calculation from the large negative credit loss provision recognized in 2021, as well as equipment and software and marketing expenses. These increases were slightly offset by lower employee benefits expense, lower net occupancy expense and lower amortization expense on intangible assets as well as other decreases resulting from the efficiencies derived from the core systems conversion which occurred in the second half of 2021.

The provision for federal and state income taxes decreased to $44.3 million in 2022 compared to $59.6 million in 2021, due to lower pre-tax income in 2022. The effective tax rate was 18.7% and 19.7% for the years ended December 31, 2022 and 2021, respectively. Wesbanco recognized $3.5 million and $2.6 million in New Markets Tax Credits for the years ended December 31, 2022 and 2021, respectively.

TABLE 1. NET INTEREST INCOME

(dollars in thousands)	For the years ended December 31, 2022	2021	2020
Net interest income	**$ 474,313**	$ 457,933	$ 479,480
Taxable-equivalent adjustments to net interest income	**5,002**	4,296	4,519
Net interest income, fully taxable-equivalent	**$ 479,315**	$ 462,229	$ 483,999
Net interest spread, non-taxable-equivalent	**3.02%**	2.98%	3.14%
Benefit of net non-interest bearing liabilities	**0.15%**	0.10%	0.20%
Net interest margin	**3.17%**	3.08%	3.34%
Taxable-equivalent adjustment	**0.03%**	0.03%	0.03%
Net interest margin, fully taxable-equivalent	**3.20%**	3.11%	3.37%

Net interest income, which is Wesbanco's largest source of revenue, is the difference between interest income on earning assets, primarily loans and securities, and interest expense on liabilities, primarily deposits and short and long-term borrowings. Net interest income is affected by the general level of, and changes in interest rates, the steepness and shape of the yield curve, changes in the amount and composition of interest earning assets and interest bearing liabilities, as well as the frequency of repricing of existing assets and liabilities. Net interest income increased $16.4 million or 3.6% in 2022 compared to 2021, due to a 9 basis point increase in the net interest margin to 3.20%, as the yield on earning assets increased at a faster rate than the rate on interest bearing liabilities. The net interest margin was positively impacted from the 425 basis point increase in the federal funds rate during 2022. In addition, PPP loans contributed a total of $6.6 million in interest and fee accretion income, which equated to 3 basis points of net interest margin in 2022 as compared to $30.8 million, or 10 basis points, in 2021, which partially mitigated the margin increase. Excluding PPP loans, portfolio loans increased by 11.7% from December 31, 2021, due to higher new loan demand and lower levels of commercial real estate loan payoffs. Purchase accounting accretion decreased in 2022, as approximately 6 basis points of accretion from prior acquisitions was included in the 2022 net interest margin as compared to 11 basis points in the 2021 net interest margin. Total average deposits, excluding CDs, increased in 2022 by $657.8 million or 5.6% compared to 2021, due to higher personal savings balances. The cost of interest bearing deposits increased by 11 basis points and the cost of total liabilities increased by 14 basis points from 2021 to 2022. The increase in the cost is primarily due to the effect of the previously mentioned federal funds rate increases on the rates paid on interest bearing demand deposits, customer repurchase agreements, term Federal Home Loan Bank borrowings and junior subordinated debentures.

Interest income increased $28.7 million or 5.9% in 2022 compared to 2021 due to higher yields in most of the major earning asset categories. Earning asset yields were influenced positively in 2022 compared to 2021 due primarily to the previously mentioned increases in the Federal Reserve's federal funds rate by 425 basis points in 2022. Average loan balances decreased $296.7 million or 2.9% in 2022 compared to 2021, due mostly to forgiveness of PPP loans and new loan demand not occurring until the second half of 2022. Loan yields increased by 18 basis points during 2022 to 4.19% due to the previously mentioned higher rate environment and its effect on the repricing of portfolio loans, as well as higher offered rates on new loans. Loans provide the greatest impact on interest income and the yield on earning assets as they have the largest balance and the highest yield within major earning asset categories. In 2022, average loans represented 67.4% of average earning assets, a decrease from 69.8% in 2021. Liquidity from stimulus deposits was invested during 2021 and the first half of 2022 into average taxable securities balances which increased $494.7 million or 16.7% from 2021, and represented 23.1% of total average earning assets in 2022. Taxable securities yields increased by 21 basis points in 2022 due to the effect of the higher rate environment on the variable rate portion of the investment portfolio, which are typically tied to either LIBOR or SOFR. Decreased prepayments on mortgage-backed securities in the higher rate environment also further benefitted the taxable securities yields due to reduced amortization on securities purchased at a premium. Tax-exempt securities yields decreased by 22 basis points in 2022 from 2021 due to calls of legacy higher rate tax-exempt securities and purchases of newly issued lower rate securities in the first half of 2022. The average balance of tax-exempt securities, which have the highest yields within securities, have increased from 17.6% of total average securities in 2021 to 18.6% of total average securities in 2022.

Commercial loans with floors currently average 3.91% on approximately $3.3 billion or 43% of total commercial loans at December 31, 2022, as compared to $2.6 billion averaging 3.83% or 36% of commercial loans at December 31, 2021. Approximately 27% or $0.9 billion of these loans are currently priced at their floor, as compared to 63% or $1.6 billion at December 31, 2021. These loans typically do not adjust as rapidly from their current floor level as compared to loans without floors, due to the amount of the rate change as compared to the floor rate or next repricing date. In addition, in a declining rate environment, customers may request rates below existing contractual floors, which we may grant for competitive or other reasons.

Interest expense increased $12.3 million or 45.5% in 2022 as compared to 2021, due to increases in the cost of all interest bearing liability categories in the higher rate environment. The cost of interest bearing liabilities increased by 14 basis points from 2021 to 0.42% in 2022. Average interest bearing deposits remained relatively flat from 2021 to 2022 as interest bearing demand and savings deposit increases were mostly offset by a $359.1 million decrease in average certificates of deposit. The rate on interest bearing deposits increased 11 basis points to 0.27% from 2021 to 2022, primarily from increases in rates on interest bearing demand deposits, money market accounts and savings deposits in response to competitive pressures from higher market rates. Average non-interest bearing demand deposit balances increased from 2021 to 2022 by $256.2 million or 5.8%, and were 34.7% of total average deposits at December 31, 2022, compared to 33.5% at December 31, 2021, reflecting ongoing checking account marketing strategies. The average balance of FHLB borrowings decreased by $168.1 million from 2021 to 2022 due to the maturity of legacy lower-rate FHLB borrowings throughout the past twelve months being funded with excess liquidity. New higher-rate borrowings taken out in the last quarter of 2022 increased the average rate by 47 basis points to 2.27% from 1.80% in 2021. Average repurchase agreements combined with average subordinated debt and junior subordinated debt balances increased $65.1 million or 19.8% from 2021 to 2022, and their average rates paid increased by 24 and 77 basis points, respectively, over this same time period, due primarily to increases in LIBOR and SOFR, the indices upon which this variable-rate type of borrowing is priced. In addition, Wesbanco issued $150.0 million of subordinated debt in March of 2022 for capital and liquidity purposes.

TABLE 2. AVERAGE BALANCE SHEETS AND NET INTEREST MARGIN ANALYSIS

	For the years ended December 31,								
	2022			2021			2020		
(dollars in thousands)	Average Balance	Interest	Average Rate	Average Balance	Interest	Average Rate	Average Balance	Interest	Average Rate
ASSETS									
Due from banks-interest bearing	**$ 611,482**	**$ 5,755**	**0.94%**	$ 860,249	$ 1,156	0.13%	$ 548,078	$ 1,175	0.21%
Loans, net of unearned income (1)	**10,083,925**	**422,401**	**4.19%**	10,380,605	415,965	4.01%	10,874,763	465,677	4.28%
Securities: (2)									
Taxable	**3,461,414**	**66,123**	**1.91%**	2,966,745	50,401	1.70%	2,281,905	53,594	2.35%
Tax-exempt (3)	**789,564**	**23,820**	**3.02%**	632,187	20,457	3.24%	616,808	21,518	3.49%
Total securities	**4,250,978**	**89,943**	**2.12%**	3,598,932	70,858	1.97%	2,898,713	75,112	2.59%
Other earning assets	**15,265**	**559**	**3.66%**	25,481	1,284	5.04%	60,054	3,832	6.38%
Total earning assets (3)	**14,961,650**	**518,658**	**3.47%**	14,865,267	489,263	3.29%	14,381,608	545,796	3.80%
Other assets	**1,917,891**			2,063,110			2,061,096		
Total Assets	**$ 16,879,541**			$ 16,928,377			$ 16,442,704		
LIABILITIES AND SHAREHOLDERS' EQUITY									
Interest bearing demand deposits	**$ 3,314,384**	**$ 12,181**	**0.37%**	$ 3,193,425	$ 3,669	0.11%	$ 2,572,248	$ 7,069	0.27%
Money market accounts	**1,774,152**	**3,562**	**0.20%**	1,760,540	1,803	0.10%	1,611,135	4,616	0.29%
Savings deposits	**2,692,568**	**4,115**	**0.15%**	2,425,527	1,031	0.04%	2,084,576	1,802	0.09%
Certificates of deposit	**1,098,614**	**4,089**	**0.37%**	1,457,730	7,623	0.52%	1,814,693	13,562	0.75%
Total interest bearing deposits	**8,879,718**	**23,947**	**0.27%**	8,837,222	14,126	0.16%	8,082,652	27,049	0.33%
Federal Home Loan Bank borrowings	**175,104**	**3,968**	**2.27%**	343,185	6,167	1.80%	1,135,934	24,701	2.17%
Repurchase agreements	**146,590**	**568**	**0.39%**	149,001	227	0.15%	357,100	1,729	0.48%
Subordinated debt and junior subordinated debt	**248,192**	**10,860**	**4.38%**	180,649	6,514	3.61%	193,693	8,318	4.29%
Total interest bearing liabilities (4)	**9,449,604**	**39,343**	**0.42%**	9,510,057	27,034	0.28%	9,769,379	61,797	0.63%
Non-interest bearing demand deposits	**4,708,758**			4,452,590			3,781,583		
Other liabilities	**205,670**			201,393			240,340		
Shareholders' equity	**2,515,509**			2,764,337			2,651,402		
Total Liabilities and Shareholders' Equity	**$ 16,879,541**			$ 16,928,377			$ 16,442,704		
Taxable equivalent net interest spread			**3.05%**			3.01%			3.17%
Taxable equivalent net interest margin (3)		**$ 479,315**	**3.20%**		$ 462,229	3.11%		$ 483,999	3.37%

(1) Gross of allowance for credit losses and net of unearned income. Includes non-accrual and loans held for sale. Loan fees included in interest income on loans were $8.8 million, $26.3 million and $16.2 million for the years ended December 31, 2022, 2021 and 2020, respectively. As part of loan fees, PPP loan fees were $5.9 million, $25.3 million and $13.4 million for the years ended December 31, 2022, 2021 and 2020, respectively. Additionally, loan accretion included in interest income on loans acquired from prior acquisitions was $8.0 million, $13.3 million and $17.0 million for the years ended December 31, 2022, 2021 and 2020, respectively.

(2) Average yields on securities available-for-sale have been calculated based on amortized cost.

(3) Taxable equivalent basis is calculated on tax-exempt securities using a rate of 21% for all periods presented.

(4) Accretion on interest bearing liabilities acquired from prior acquisitions was $1.1 million, $3.1 million and $9.5 million for the years ended December 31, 2022, 2021 and 2020, respectively.

TABLE 3. RATE/VOLUME ANALYSIS OF CHANGES IN INTEREST INCOME AND INTEREST EXPENSE (1)

(in thousands)	2022 Compared to 2021 Volume	2022 Compared to 2021 Rate	2022 Compared to 2021 Net Increase (Decrease)	2021 Compared to 2020 Volume	2021 Compared to 2020 Rate	2021 Compared to 2020 Net Increase (Decrease)
Increase (decrease) in interest income:						
Due from banks—interest bearing	**$ (427)**	**$ 5,026**	**$ 4,599**	$ 518	$ (537)	$ (19)
Loans, net of unearned income	**(12,097)**	**18,533**	**6,436**	(20,598)	(29,114)	(49,712)
Taxable securities	**9,003**	**6,719**	**15,722**	13,769	(16,962)	(3,193)
Tax-exempt securities (2)	**4,821**	**(1,458)**	**3,363**	527	(1,588)	(1,061)
Other earning assets	**(431)**	**(294)**	**(725)**	(1,866)	(682)	(2,548)
Total interest income change (2)	**869**	**28,526**	**29,395**	(7,650)	(48,883)	(56,533)
Increase (decrease) in interest expense:						
Interest bearing demand deposits	**144**	**8,368**	**8,512**	1,416	(4,816)	(3,400)
Money market	**14**	**1,745**	**1,759**	393	(3,206)	(2,813)
Savings deposits	**125**	**2,959**	**3,084**	258	(1,029)	(771)
Certificates of deposit	**(1,628)**	**(1,906)**	**(3,534)**	(2,351)	(3,588)	(5,939)
Federal Home Loan Bank borrowings	**(3,535)**	**1,336**	**(2,199)**	(14,842)	(3,692)	(18,534)
Repurchase agreements	**(4)**	**345**	**341**	(690)	(812)	(1,502)
Subordinated debt and junior subordinated debt	**2,766**	**1,580**	**4,346**	(534)	(1,270)	(1,804)
Total interest expense change	**(2,118)**	**14,427**	**12,309**	(16,350)	(18,413)	(34,763)
Net interest income increase (decrease) (2)	**$ 2,987**	**$ 14,099**	**$ 17,086**	$ 8,700	$ (30,470)	$ (21,770)

(1) Changes to rate/volume are allocated to both rate and volume on a proportionate dollar basis.

(2) The yield on earning assets and the net interest margin are presented on a fully taxable-equivalent (FTE) and annualized basis. The FTE basis adjusts for the tax benefit of income on certain tax-exempt loans and investments using the federal statutory tax rate of 21% for all periods presented. Wesbanco believes this measure to be the preferred industry measurement of net interest income and provides relevant comparison between taxable and non-taxable amounts.

PROVISION FOR CREDIT LOSSES - LOANS

The provision for credit losses – loans is the amount to be added to the allowance for credit losses – loans after net charge-offs have been deducted to bring the allowance to a level considered appropriate to absorb lifetime expected losses for all portfolio loans. The provision for credit losses – loan commitments is the amount to be added to the allowance for credit losses for loan commitments to bring that allowance to a level considered appropriate to absorb lifetime expected losses on unfunded loan commitments. The provision for credit losses - loans and loan commitments was ($1.7) million in 2022 compared to ($64.3) million in 2021 as a result of worsening macroeconomic factors over the reasonable and supportable forecast period of one year, primarily increasing the allowance for loan losses and allowance for loan commitments. Furthermore, the increase to the provision was driven by qualitative factors, which addressed the risk of rising interest rates and office portfolio concentration. Non-performing loans were 0.39% of total loans as of December 31, 2022, and decreased from 0.41% of total loans at the end of 2021. Non-performing assets were 0.40% of total loans and other real estate and repossessed assets as of December 31, 2022, decreasing from 0.41% at the end of 2021. Criticized and classified loans were 2.34% of total loans, decreasing from 3.75% as of December 31, 2021, primarily due to improvements in loans categorized as criticized or classified earlier in the pandemic. Past due loans at December 31, 2022 were 0.19% of total loans, compared to 0.36% at December 31, 2021. (Please see the Credit Quality and Allowance for Credit Losses – Loans and Loan Commitments section of this MD&A for additional discussion).

TABLE 4. NON-INTEREST INCOME

(dollars in thousands)	For the years ended December 31, 2022	2021	$ Change	% Change
Trust fees	**$ 27,551**	$ 29,511	$ (1,960)	(6.6)
Service charges on deposits	**26,281**	22,412	3,869	17.3
Electronic banking fees	**20,002**	19,318	684	3.5
Net securities brokerage revenue	**9,525**	6,896	2,629	38.1
Bank-owned life insurance	**10,728**	8,936	1,792	20.1
Mortgage banking income	**5,129**	19,528	(14,399)	(73.7)
Net securities (losses) gains	**(1,777)**	1,113	(2,890)	(259.7)
Net gain on other real estate owned and other assets	**482**	4,816	(4,334)	(90.0)
Net insurance services revenue	**3,749**	4,095	(346)	(8.4)
Debit card sponsorship income	**—**	646	(646)	(100.0)
Payment processing fees	**3,352**	3,100	252	8.1
Swap fee and valuation income	**7,067**	6,481	586	9.0
Other	**5,302**	5,933	(631)	(10.6)
Total non-interest income	**$ 117,391**	$ 132,785	$ (15,394)	(11.6)

Non-interest income is a significant source of revenue and an important part of Wesbanco's results of operations, as it represented 19.8% and 22.5% of total revenue for 2022 and 2021, respectively. Wesbanco offers its customers a wide range of retail, commercial, investment and electronic banking services, which are viewed as a vital component of Wesbanco's ability to attract and maintain customers, as well as providing additional fee income beyond normal spread-related income to Wesbanco. Non-interest income decreased $15.4 million or 11.6% in 2022 compared to 2021, primarily due to decreases in trust fees, mortgage banking income, net securities gains (losses), and net gains on other real estate owned and other assets. The decreases were slightly offset by increases in service charges on deposits, net securities brokerage revenue and bank-owned life insurance income.

Trust fees decreased $2.0 million or 6.6% in 2022 compared to 2021, due to a decline in the market value of trust assets, which were $4.9 billion at December 31, 2022, as compared to a record $5.6 billion at December 31, 2021. As of December 31, 2022, trust assets include managed assets of $3.9 billion and non-managed (custodial) assets of $1.0 billion. Assets managed for the WesMark Funds, a proprietary group of mutual funds that is advised by Wesbanco Trust and Investment Services, were $0.8 billion and $1.0 billion as of December 31, 2022 and December 31, 2021, respectively, and are included in managed assets.

Service charges on deposits increased $3.9 million or 17.3% from 2021 to 2022, and electronic banking fees, which include debit card interchange fees, increased $0.7 million or 3.5% over the same time period, reflecting increased transaction volume and general consumer spending.

Net securities brokerage revenue increased to a record $9.5 million in 2022, reflecting a $2.6 million or 38.1% increase from 2021 due to organic growth and customers' preferences for certain investment products, including fixed rate annuities, during the higher interest rate environment in 2022.

Bank-owned life insurance income increased $1.8 million or 20.1% in 2022 compared to 2021 due to an increase in mortality-related benefits received in the current period as well as an increase in the cash surrender value due to the purchase of an additional $40 million of bank-owned life insurance in the third quarter of 2021.

Mortgage banking income decreased $14.4 million or 73.7% in 2022 compared to 2021, due to a decrease in mortgage loan originations resulting from the higher interest rate environment in 2022, combined with a lower percentage of loans sold into the secondary market as more residential mortgages were retained in the loan portfolio. For 2022, total mortgage production was $1.0 billion, which was a decrease of 28.9% from total production in 2021. In 2022, $245.4 million in mortgages were sold into the secondary market at a net margin of 2.1% as compared to $750.9 million at a net margin of 2.6% in 2021. Included in mortgage banking income and the calculation of net margin noted above are gains of $3.2 million and $0.4 million from the fair value adjustments on mortgage loan commitments and related derivatives for 2022 and 2021, respectively.

Net securities (losses) gains include both gains and losses on investment security transactions, including sales and calls, as well as market value adjustments on the deferred compensation plan and other equity securities. In 2022, net securities (losses) gains decreased $2.9 million compared to 2021. There were no available-for-sale or held-to-maturity debt investment security sales in either year. Contributing to most of the overall decrease, the market value adjustments on the deferred compensation plan decreased by $2.6 million from 2021 to 2022. These market adjustments had an offsetting effect in employee benefits expense.

Net gain on other real estate owned and other assets decreased $4.3 million in 2022 as compared to 2021, due mostly to the market value adjustments that were recognized on an investment made by Wesbanco's Community Development Corporation in a start-up firm more than ten years ago that was acquired in 2021 by a public company. This investment was sold during 2022. The market value adjustments preceding the sale of the investment totaled losses of $1.0 million in 2022 as compared to gains of $3.8 million in 2021.

Swap fee and valuation income, which includes fair value adjustments, increased $0.6 million or 9.0% in 2022 as compared to 2021, due to an increase in new swaps originated and greater positive fair value adjustments on the swap portfolio in 2022 as compared to 2021. In 2022, new swaps executed totaled $254.3 million in notional principal resulting in $4.4 million in fee income, compared to new swaps executed totaling $158.7 million in notional principal resulting in $4.5 million in fee income in 2021. Fair market value adjustments on swaps in 2022 totaled $2.7 million as compared to $2.0 million in 2021.

TABLE 5. NON-INTEREST EXPENSE

	For the years ended December 31,			
(dollars in thousands)	**2022**	**2021**	**$ Change**	**% Change**
Salaries and wages	**$ 167,028**	$ 154,242	$ 12,786	8.3
Employee benefits	**37,771**	41,033	(3,262)	(7.9)
Net occupancy	**26,105**	26,843	(738)	(2.7)
Equipment and software	**32,508**	30,006	2,502	8.3
Marketing	**9,335**	8,634	701	8.1
FDIC insurance	**7,901**	4,150	3,751	90.4
Amortization of intangible assets	**10,278**	11,457	(1,179)	(10.3)
Restructuring and merger-related expenses	**1,723**	6,717	(4,994)	(74.3)
Franchise and other miscellaneous taxes	**12,012**	10,459	1,553	14.8
Consulting, regulatory and advisory fees	**13,168**	12,642	526	4.2
ATM and electronic banking interchange expenses	**5,903**	8,238	(2,335)	(28.3)
Postage and courier expenses	**4,602**	5,151	(549)	(10.7)
Supplies	**3,865**	3,819	46	1.2
Legal fees	**3,165**	3,440	(275)	(8.0)
Communications	**4,688**	4,157	531	12.8
Other real estate owned and foreclosure expenses	**789**	219	570	260.3
Other	**16,125**	21,936	(5,811)	(26.5)
Total non-interest expense	**$ 356,966**	$ 353,143	$ 3,823	1.1

Non-interest expense in 2022, excluding restructuring and merger-related expenses, increased $8.8 million or 2.5% compared to 2021. The primary drivers of this increase were higher salaries and wages, equipment and software costs, FDIC insurance expense and franchise and other miscellaneous taxes. These increases were slightly offset by decreases in employee benefits expense, ATM and electronic banking interchange expenses, amortization of intangible assets and other operating expenses. Restructuring and merger related expenses of $1.7 million in 2022 were associated with the branch restructuring while the restructuring and merger-related expenses in 2021 totaling $6.7 million were related to the core systems conversion and branch restructuring.

Salaries and wages increased $12.8 million or 8.3% in 2022 compared to 2021 due primarily to increases in salaries and incentive compensation expense combined with a decrease in deferred loan contra origination costs. Salary expense increased by $9.5 million in 2022 as compared to 2021 due to normal merit increases and higher staffing levels. Short term incentive expense increased $0.7 million due to overall higher performance in 2022 as compared to 2021, with the exception of the mortgage incentive compensation plan. Deferred loan contra origination costs decreased in 2022 due to lower loan origination volume, primarily in the residential real estate category.

Employee benefits expense decreased $3.3 million or 7.9% in 2022 compared to 2021 due to a $2.6 million reduction in the market adjustment on the underlying investments of the deferred compensation plan, which has an offsetting effect in net securities gains (losses) and also from a reduction in health insurance expense due to reduced claims in 2022.

Equipment and software costs increased $2.5 million or 8.3% in 2022 compared to 2021, due to the core conversion, continuous improvements in technology and communication infrastructure, and increased usage of digital banking services. Also, since the core conversion in the third quarter of 2021, approximately $1.0 million per quarter in online banking costs have been recorded in equipment and software, while in prior periods these costs were recorded in other operating expenses. Such costs are now part of the monthly core software invoice and cannot be separated as they were with a third party vendor previously.

FDIC insurance increased $3.8 million or 90.4% in 2022 compared to 2021, due to higher quarterly assessment rates. The increase is due to less favorable financial ratios used in the rate calculation, particularly those related to high risk assets, core earnings and balance sheet liquidity. In addition, a $1.0 million refund was received in the second quarter of 2021 from prior period call report adjustments, also contributing to the increase year-over-year.

Restructuring and merger-related expenses in 2022 totaled $1.7 million, a decrease from $6.7 million incurred in 2021. The $1.7 million of expenses in 2022 were comprised of branch closure and lease termination expenses associated with the closure of 13 branches throughout 2022. The restructuring and merger-related expenses in 2021 totaling $6.7 million were comprised of $4.8 million in expenses related to the core banking software conversion, including termination fees of existing contracts, and $1.9 million in branch closure and lease termination expenses associated with the closure of 27 branches throughout 2021.

Franchise and other miscellaneous taxes increased $1.6 million or 14.8% in 2022 compared to 2021, primarily due to increases in franchise and personal property taxes across Wesbanco's footprint.

ATM and electronic banking interchange expenses decreased $2.3 million or 28.3% in 2022 as compared to 2021, due to a reduction in ACH and ATM processing charges related to a change in providers that occurred in conjunction with our core banking software system conversion in the third quarter of 2021.

Other operating expenses decreased $5.8 million or 26.5% in 2022 as compared to 2021, due to $4.5 million in legal settlement costs incurred in 2021 and due to the reclassification of online banking costs mentioned previously into equipment and software costs.

INCOME TAXES

The provision for income taxes was $44.3 million for 2022, which is a $15.3 million decrease as compared to $59.6 million in 2021. The decrease in the provision for income taxes is due in part to a decrease in the effective tax rate to 18.7% in 2022 compared to 19.7% in 2021, which is due to an increase in net tax-exempt interest income on securities and loans of state and political subdivisions and general business credits. In addition, the decrease resulted from lower pre-tax income in 2022 as compared to 2021. The decrease in pre-tax income is primarily driven by the $64.3 million negative provision for credit losses recorded in 2021, as compared to a $1.7 million negative provision for credit losses in 2022.

FINANCIAL CONDITION

Total deposits and shareholders' equity decreased 3.2% and 9.9%, respectively, while total assets remained relatively unchanged compared to December 31, 2021. Total securities decreased $242.4 million or 6.0% from December 31, 2021 to December 31, 2022, primarily driven by an increase in the net unrealized losses of available-for-sale securities of $339.4 million. The securities decrease was partially offset by the investment of excess liquidity in the first half of 2022 from increased cash balances resulting from customers' higher savings. Total portfolio loans increased $969.3 million or 10.0% in 2022 as a result of strong growth across Wesbanco's markets. Deposits decreased $434.8 million or 3.2% from year end 2021 primarily reflecting the impact of inflationary pressures and rising costs over the economy. Savings deposits and non-interest bearing demand deposits increased 7.0% and 2.4%, respectively.

Deposit balances were also somewhat impacted by bonus and royalty payments from Marcellus and Utica shale energy companies in Wesbanco’s southwestern Pennsylvania, eastern Ohio and northern West Virginia markets totaling $96.7 million and $68.9 million for the years ended December 31, 2022 and December 31, 2021, respectively. The decrease in certificates of deposit of $406.8 million is primarily due to an overall corporate strategy designed to increase and remix retail deposit relationships and reduce single-service customers with a focus on overall products that can be offered at a lower cost to Wesbanco. The decrease was also impacted by lower offered rates on certain maturing certificates of deposit and customer preferences for other non-maturity deposit types. Total borrowings increased 144.5% or $662.8 million during 2022, as loan growth increased and required additional funding generated through FHLB borrowings in the second half of 2022. Also, in March of 2022, Wesbanco completed the issuance of $150.0 million in aggregate principal amount of subordinated debentures. The subordinated debentures have a fixed rate of 3.75% for the first five years and a floating rate for the next five years at Three Month SOFR plus a spread of 1.787%.

Total shareholders’ equity decreased $266.5 million or 9.9%, compared to December 31, 2021, primarily due to the repurchase of common shares, net of restricted stock vesting activity totaling $119.1 million, the declaration of common and preferred shareholder dividends totaling $81.3 million and $10.1 million, respectively, and a $257.3 million other comprehensive loss. Shareholders' equity was positively impacted by net income of $192.1 million for the year ended December 31, 2022.

SECURITIES

TABLE 6. COMPOSITION OF SECURITIES

(dollars in thousands)	December 31, 2022	December 31, 2021	$ Change	% Change
Equity securities (at fair value)	**$ 11,506**	$ 13,466	$ (1,960)	(14.6)
Available-for-sale debt securities (at fair value)				
U.S. Government sponsored entities and agencies	**225,970**	236,978	(11,008)	(4.6)
Residential mortgage-backed securities and collateralized mortgage obligations of government sponsored entities and agencies	**1,846,053**	2,285,213	(439,160)	(19.2)
Commercial mortgage-backed securities and collateralized mortgage obligations of government sponsored entities and agencies	**349,731**	367,493	(17,762)	(4.8)
Obligations of states and political subdivisions	**92,228**	106,340	(14,112)	(13.3)
Corporate debt securities	**15,158**	17,438	(2,280)	(13.1)
Total available-for-sale debt securities	**$ 2,529,140**	$ 3,013,462	$ (484,322)	(16.1)
Held-to-maturity debt securities (at amortized cost)				
U.S. Government sponsored entities and agencies	**$ 4,357**	$ 5,944	$ (1,587)	(26.7)
Residential mortgage-backed securities and collateralized mortgage obligations of government sponsored entities and agencies	**45,909**	58,147	(12,238)	(21.0)
Obligations of states and political subdivisions	**1,177,986**	907,649	270,337	29.8
Corporate debt securities	**20,377**	33,083	(12,706)	(38.4)
Total held-to-maturity debt securities (1)	**$ 1,248,629**	$ 1,004,823	$ 243,806	24.3
Total securities	**$ 3,789,275**	$ 4,031,751	$ (242,476)	(6.0)
Available-for-sale and equity securities:				
Weighted average yield at the respective year-end (2)	**2.23%**	1.55%		
As a % of total securities	**67.0%**	75.1%		
Weighted average life (in years)	**6.7**	5.0		
Held-to-maturity securities:				
Weighted average yield at the respective year-end (2)	**2.96%**	2.92%		
As a % of total securities	**33.0%**	24.9%		
Weighted average life (in years)	**9.5**	5.6		
Total securities:				
Weighted average yield at the respective year-end (2)	**2.45%**	1.89%		
As a % of total securities	**100.0%**	100.0%		
Weighted average life (in years)	**7.6**	5.2		

(1) Total held-to-maturity debt securities are presented on the balance sheet net of their allowance for credit losses totaling $0.2 million and $0.3 million at December 31, 2022 and December 31, 2021, respectively.

(2) Weighted average yields have been calculated on a taxable-equivalent basis using the federal statutory tax rate of 21%.

Total investment securities, which are a source of liquidity for Wesbanco as well as a contributor to interest income, decreased by $242.5 million or 6.0% from December 31, 2021 to December 31, 2022. Over the same period, the available-for-sale portfolio decreased by $484.3 million or 16.1% primarily driven by an increase in unrealized losses and increased calls of agency and municipal securities. The held-to-maturity portfolio increased by $243.8 million or 24.3% due to $337.5 million in purchases of municipal bonds. The weighted average yield of the total portfolio increased 56 basis points from 1.89% at December 31, 2021 to 2.45% at December 31, 2022, primarily due to increased higher rate security purchases and variable rate security yields increasing throughout the year.

Total gross unrealized securities losses increased $470.4 million, from $40.3 million as of December 31, 2021 to $510.7 million at December 31, 2022. The increase in unrealized losses from December 31, 2021, was due to an increase in market rates during 2022 causing market prices to decrease on the lowest yielding securities, particularly those purchased since the start of the pandemic. Wesbanco believes that none of the unrealized losses on available-for-sale debt securities at December 31, 2022 require an allowance for credit losses. Please refer to Note 3, "Securities," of the Consolidated Financial Statements for additional information. Wesbanco does not have any investments in private mortgage-backed securities or those that are collateralized by sub-prime mortgages, nor does Wesbanco have any exposure to collateralized debt obligations or government-sponsored enterprise preferred stocks.

Net unrealized losses on available-for-sale securities included in accumulated other comprehensive income, net of tax, as of December 31, 2022 and December 31, 2021 were $261.8 million and $4.7 million, respectively. These net unrealized pre-tax losses represent temporary fluctuations resulting from changes in market rates in relation to fixed yields in the available-for-sale portfolio, and on an after-tax basis are accounted for as an adjustment to other comprehensive income in shareholders' equity. Net unrealized pre-tax (losses) gains in the held-to-maturity portfolio, which are not accounted for in other comprehensive income, were ($164.2) million at December 31, 2022, compared to $23.6 million as of December 31, 2021. With approximately 33% of the investment portfolio in the held-to-maturity category, compared to 25% one year ago, the recent volatility in interest rates does not have as much impact on other comprehensive income as if the entire portfolio were included in the available-for-sale category.

Equity securities, of which a portion consists of investments in various mutual funds held in grantor trusts formed in connection with a key officer and director deferred compensation plan, are recorded at fair value. Gains and losses due to fair value fluctuations on equity securities are included in net securities gains or losses. For those equity securities relating to the key officer and director deferred compensation plan, the corresponding change in the obligation to the employee is recognized in employee benefits expense.

On January 1, 2020, Wesbanco adopted CECL for the held-to-maturity investments. Upon adoption, the Company recognized $0.2 million to opening retained earnings, which represented the CECL allowance for the investment portfolio as of January 1, 2020. The corporate and municipal bonds in Wesbanco's held-to-maturity debt portfolio are analyzed quarterly to determine if an allowance for current expected credit losses is warranted. Wesbanco uses a database of historical financials of all corporate and municipal issuers and actual historic default and recovery rates on rated and non-rated transactions to estimate expected credit losses on an individual security basis. The expected credit losses are adjusted quarterly and are recorded in an allowance for expected credit losses on the balance sheet, which is deducted from the amortized cost basis of the held-to-maturity portfolio as a contra asset. The losses are recorded on the income statement in the provision for credit losses. Accrued interest receivable on held-to-maturity securities, which was $9.5 million and $7.0 million as of December 31, 2022 and 2021, respectively, is excluded from the estimate of credit losses. Held-to-maturity investments in U.S. Government sponsored entities and agencies as well as mortgage-backed securities and collateralized mortgage obligations, which are all either issued by a direct governmental entity or a government-sponsored entity, have no historical evidence supporting expected credit losses; therefore, Wesbanco has estimated these losses at zero, and will monitor this assumption in the future for any economic or governmental policies that could affect this assumption. Wesbanco recorded an allowance on held-to-maturity debt securities of $0.2 million and $0.3 million as of December 31, 2022 and 2021, respectively.

TABLE 7. MATURITY DISTRIBUTION AND YIELD ANALYSIS OF SECURITIES

The following table presents the tax-equivalent yields of held-to-maturity debt securities by contractual maturity at December 31, 2022. In some instances, the issuers may have the right to call or prepay obligations without penalty prior to the contractual maturity date.

	One Year or Less	One to Five Years	Five to Ten Years	Over Ten Years	Mortgage-backed securities	Total
Weighted-average yield (1):						
U.S. Government sponsored entities and agencies...	—	—	—	—	**2.16%**	**2.16%**
Residential mortgage-backed securities and collateralized mortgage obligations of government sponsored entities and agencies (2)...	—	—	—	—	**2.53%**	**2.53%**
Obligations of states and political subdivisions (3)..	**2.94%**	**3.17%**	**2.62%**	**3.18%**	—	**2.95%**
Corporate debt securities	—	**3.54%**	—	—	—	**3.54%**
Total weighted average yield.......................................	**2.94%**	**3.23%**	**2.62%**	**3.18%**	**2.50%**	**2.96%**

(1) Yields are determined based on the lower of the yield-to-call or yield-to-maturity.
(2) Certain U.S. Government sponsored agency, mortgage-backed and collateralized mortgage securities, which have prepayment provisions, are not assigned to maturity categories due to fluctuations in their prepayment speeds.
(3) Average yields on obligations of states and political subdivisions have been calculated on a taxable-equivalent basis using the federal statutory tax rate of 21%.

Cost-method investments consist primarily of FHLB of Pittsburgh stock totaling $36.2 million and $15.9 million at December 31, 2022 and 2021, respectively, and are included in other assets in the Consolidated Balance Sheets.

Wesbanco's municipal portfolio comprises 33.5% of the overall securities portfolio as of December 31, 2022 compared to 25.2% as of December 31, 2021, which carries different risks that are not as prevalent in other security types contained in the portfolio. The following table presents the allocation of the individual bonds in the municipal bond portfolio based on the combined ratings of two major bond credit rating agencies (at fair value):

TABLE 8. MUNICIPAL BOND RATINGS

(dollars in thousands)	December 31, 2022 Amount	December 31, 2022 % of Total	December 31, 2021 Amount	December 31, 2021 % of Total
Municipal bonds (at fair value) (1):				
Investment Grade - Prime	**$ 122,914**	**11.1**	$ 99,717	9.6
Investment Grade - High	**850,746**	**76.6**	774,858	74.9
Investment Grade - Upper Medium	**131,457**	**11.8**	152,897	14.8
Investment Grade - Lower Medium	**1,064**	**0.0**	2,269	0.2
Not rated	**4,636**	**0.5**	4,602	0.5
Total municipal bond portfolio	**$ 1,110,816**	**100.0**	$ 1,034,343	100.0

(1) The lowest available rating was used when placing the bond into a category in the table.

Wesbanco's municipal bond portfolio at December 31, 2022, consists of $384.7 million of taxable and $726.1 million of tax-exempt general obligation and revenue bonds. The following table presents additional information regarding the municipal bond type and issuer (at fair value):

TABLE 9. COMPOSITION OF MUNICIPAL SECURITIES

(dollars in thousands)	December 31, 2022 Amount	December 31, 2022 % of Total	December 31, 2021 Amount	December 31, 2021 % of Total
Municipal bond type:				
General Obligation	**$ 805,621**	**72.5**	$ 740,858	71.6
Revenue	**305,195**	**27.5**	293,485	28.4
Total municipal bond portfolio	**$ 1,110,816**	**100.0**	$ 1,034,343	100.0
Municipal bond issuer:				
State Issued	**$ 72,855**	**6.6**	$ 42,717	4.1
Local Issued	**1,037,961**	**93.4**	991,626	95.9
Total municipal bond portfolio	**$ 1,110,816**	**100.0**	$ 1,034,343	100.0

Wesbanco's municipal bond portfolio is broadly spread across the United States. The following table presents the top five states of municipal bond concentration based on total fair value at December 31, 2022:

TABLE 10. CONCENTRATION OF MUNICIPAL SECURITIES

(dollars in thousands)	December 31, 2022 Fair Value	December 31, 2022 % of Total
Pennsylvania	**$ 196,815**	**17.7**
California	**193,717**	**17.4**
Ohio	**94,415**	**8.5**
Texas	**87,085**	**7.8**
Illinois	**44,181**	**4.0**
All other states (1)	**494,603**	**44.6**
Total municipal bond portfolio	**$ 1,110,816**	**100.0**

(1) Wesbanco's municipal bond portfolio contains obligations in the state of West Virginia totaling $31.2 million or 2.8% of the total municipal portfolio.

Wesbanco uses prices from independent pricing services and, to a lesser extent, indicative (non-binding) quotes from independent brokers, to measure the fair value of its securities. Wesbanco validates prices received from pricing services or brokers using a variety of methods, including, but not limited to, comparison to secondary pricing services, corroboration of pricing by reference to other independent market data such as secondary broker quotes and relevant benchmark indices, review of pricing by personnel familiar with market liquidity and other market-related conditions, review of pricing service methodologies, review of independent auditor reports received from the pricing service regarding its internal controls, and through review of inputs and assumptions used in pricing certain securities thinly-traded or with limited observable data points. The procedures in place provide management with a sufficient understanding of the valuation models, assumptions, inputs and pricing to reasonably measure the fair value of Wesbanco's securities. For additional disclosure relating to fair value measurement, refer to Note 16, "Fair Value Measurement" in the Consolidated Financial Statements.

LOANS AND LOAN COMMITMENTS

Loans represent Wesbanco's largest balance sheet asset classification and the largest source of interest income. Commercial loans include CRE, which is further differentiated between land and construction, and improved property loans; as well as other C&I loans that are not secured by real estate. Retail loans include residential real estate mortgage loans, home equity lines of credit ("HELOC"), and loans for other consumer purposes.

Loan commitments, which are not reported on the balance sheet, represent available balances on commercial and consumer lines of credit, commercial letters of credit, deposit account overdraft protection limits, certain loan guarantee contracts, and approved commitments to extend credit. Approved commitments, which have been accepted by the customer, are included net of any Wesbanco loan balances that are to be refinanced by the new commitment. However, typically not all approved commitments will ultimately be funded.

Loans and loan commitments are summarized in Table 11.

TABLE 11. LOANS AND COMMITMENTS

	December 31,					
	2022			2021		
(dollars in thousands)	Balance	Commitments	Exposure	Balance	Commitments	Exposure
LOANS						
Commercial real estate:						
Land and construction	**$ 943,887**	**$ 1,093,848**	**$ 2,037,735**	$ 833,880	$ 610,557	$ 1,444,437
Improved property	**5,117,457**	**211,275**	**5,328,732**	4,705,088	302,219	5,007,307
Total commercial real estate	**6,061,344**	**1,305,123**	**7,366,467**	5,538,968	912,776	6,451,744
Commercial and industrial (1)	**1,579,395**	**1,359,275**	**2,938,670**	1,590,320	1,285,726	2,876,046
Total commercial loans	**7,640,739**	**2,664,398**	**10,305,137**	7,129,288	2,198,502	9,327,790
Residential real estate	**2,140,584**	**359,467**	**2,500,051**	1,721,378	348,978	2,070,356
Home equity lines of credit	**695,065**	**1,190,386**	**1,885,451**	605,682	878,710	1,484,392
Consumer	**226,340**	**39,127**	**265,467**	277,130	63,004	340,134
Total retail loans	**3,061,989**	**1,588,980**	**4,650,969**	2,604,190	1,290,692	3,894,882
Total portfolio loans	**10,702,728**	**4,253,378**	**14,956,106**	9,733,478	3,489,194	13,222,672
Loans held for sale	**8,249**	**12,367**	**20,616**	25,277	35,015	60,292
Deposit overdraft limits	**—**	**380,143**	**380,143**	—	370,439	370,439
Total loans	**$ 10,710,977**	**$ 4,645,888**	**$ 15,356,865**	$ 9,758,755	$ 3,894,648	$ 13,653,403
Letters of credit included above		**$ 30,362**			$ 29,017	

(1) Includes $8.1 million and $162.7 million of SBA PPP loans at December 31, 2022 and December 31, 2021, respectively.

Total portfolio loans increased $969.3 million or 1.0% from December 31, 2021 to December 31, 2022, due to strong growth throughout the year in both the commercial real estate and residential real estate portfolios. Excluding PPP loans, total loans increased $1.1 billion or 11.7% over the last twelve months as the large majority of the remaining PPP loans were forgiven or repaid over the course of the year. Commercial real estate loans increased $522.4 million or 9.4%, as improved property increased by 8.8% and land and construction loans increased 13.2%. Commercial and industrial loans decreased $10.9 million or 0.7% due to a $154.6 million decrease in PPP loan balances; excluding PPP loans, commercial and industrial loans increased $143.6 million or 10.1%. Residential real estate loans increased $419.2 million or 24.4% and home equity loans increased $89.4 million or 14.8%, while consumer loans decreased $50.8 million or 18.3%. Portfolio loans are presented in the Consolidated Balance Sheets net of deferred loan fees and costs and discounts on purchased loans. The net deferred loan costs were $9.6 million and $3.3 million as of December 31, 2022 and 2021, respectively. Wesbanco conducts a deferred loan cost study to determine the allowable costs to be deferred over the life of the loan. Wesbanco's deferred costs have continued to increase at a faster rate than the related customer deferred fee income causing the balance of the deferred loan costs to outweigh the deferred loan fees, primarily from home equity lines of credit, which have little fee income. Purchased loan discounts from acquisitions included in the portfolio loan balances were $18.0 million and $25.9 million as of December 31, 2022 and 2021, respectively. Loan accretion included in interest income on loans acquired from prior acquisitions was $8.0 million and $13.3 million for the years ended December 31, 2022 and 2021, respectively. As part of loan fee income for the year ended December 31, 2022, recognized PPP loan fees were $5.9 million compared to $25.3 million for the year ended December 31, 2021. At December 31, 2022, $0.2 million of unaccreted net deferred fee income remains to be recognized on the PPP loans, as compared to $6.1 million at December 31, 2021.

CRE loans at December 31, 2022 represent a significant component of the loan portfolio at 56.6% and increased 9.4% as compared to CRE balances at December 31, 2021. CRE—land and construction loan balances increased $110.0 million or 13.2% from December 31, 2021 to December 31, 2022, while CRE—improved property loans increased $412.4 million or 8.8% during the same period.

C&I loans decreased $10.9 million or 0.7% from December 31, 2021 to December 31, 2022, due to the $154.6 million decline in outstanding PPP loans. The available lines of credit within C&I loans decreased slightly from 65.5% at December 31, 2021 to 64.9% of total C&I revolving lines of credit exposure as of December 31, 2022.

Residential real estate mortgage loans increased $419.2 million from December 31, 2021 to December 31, 2022. Wesbanco retained approximately 78% of mortgages by dollar volume originated in 2022 for the portfolio compared to 57% in 2021. As mortgage rates increase, the demand for various mortgage products and related terms changes, and thus impacts what Wesbanco is able to sell into the secondary market.

HELOC loans increased $89.4 million or 14.8% from December 31, 2021 to December 31, 2022 as $37.8 million in consumer HELOC loans that were previously classified as consumer were transferred to the HELOC segment. In addition, higher originations of HELOC products resulted from fewer customers refinancing into first mortgage loans in the higher interest rate environment.

Consumer loans decreased $50.8 million or 18.3% from December 31, 2021 to December 31, 2022 due primarily to the aforementioned loan transfer.

Total loan commitments increased $751.2 million or 19.3% from December 31, 2021 to December 31, 2022. Commitments in the total CRE portfolio increased approximately $392.3 million or 43.0%, C&I commitments increased $73.5 million or 5.7% and HELOC commitments increased $311.7 million or 35.5%.

Geographic Distribution —Wesbanco extends credit primarily within the market areas where it has branch offices, markets adjacent thereto, or markets that have a loan production office. Loans outside of these markets are generally only made to established customers that have other business relationships with Wesbanco in its markets. Loans outside of Wesbanco's markets represented approximately 4% and 2% of total loans at December 31, 2022 and December 31, 2021, respectively. These loans consist primarily of C&I, CRE-improved property loans, residential real estate loans for second residences or vacation homes, consumer purpose lines of credit to wealth management customers, and automobile loans to family members of local customers.

The geographic distribution of the loan portfolio, excluding deposit overdraft limits and loans held for sale, is summarized in Table 12.

TABLE 12. GEOGRAPHIC DISTRIBUTION OF LOANS

	December 31, 2022 (1)						
	Commercial Real Estate						
(percentage of outstandings, rounded to nearest whole percent)	Land and Construction	Improved Property	Commercial and Industrial	Residential Real Estate	Home Equity Lines	Consumer	Total
Pittsburgh, PA MSA	7%	10%	12%	13%	15%	7%	11%
Washington-Arlington-Alexandria DC-VA-MD-WV MSA	12	14	8	13	3	2	11
Columbus, OH MSA	13	9	8	12	7	4	10
Baltimore-Columbia-Towson MD MSA	3	8	2	11	4	2	7
Western Ohio MSAs	14	5	6	11	8	4	7
Louisville, KY—Jefferson County MSA	14	8	11	4	4	3	8
Upper Ohio Valley MSAs	2	4	13	5	10	22	6
Other Ohio Locations	6	6	14	5	9	11	7
Other West Virginia Locations	2	5	5	4	9	15	5
Huntington, WV-Ashland, KY MSA	3	3	3	2	3	5	3
Lexington, KY—Fayette County MSA	10	4	1	4	2	1	4
Other Kentucky Locations	3	5	3	4	9	5	5
Morgantown, WV MSA	1	4	3	3	3	5	3
Parkersburg, WV-Marietta, OH MSA	2	2	2	1	4	7	2
California-Lexington Park MD MSA	—	2	3	1	1	—	2
Adjacent States & Outside-of-Market	4	4	4	4	1	5	4
Other Pennsylvania Locations	1	1	—	1	6	2	1
Other Indiana Locations	2	2	2	1	1	—	2
Other Maryland Locations	—	4	—	1	1	—	2
Frederick-Gaithersburg-Rockville MD MSA	1	—	—	—	—	—	—
Total	100%	100%	100%	100%	100%	100%	100%

(1) Real estate secured loans are categorized based on the address of the collateral. All other loans are categorized based on the borrower's address.

The Upper Ohio Valley Metropolitan Statistical Areas ("MSAs") include the Wheeling, West Virginia and Weirton, West Virginia-Steubenville, Ohio MSAs. Other West Virginia locations include the Fairmont-Clarksburg and Charleston MSAs as well as communities that are not located within an MSA primarily in the northern, central and eastern parts of the state. The western Ohio MSAs include the Dayton-Springfield and the Cincinnati-Middletown MSAs. Other Ohio locations include communities in Ohio that are not located within an MSA, the majority of which are located in southeastern Ohio. Other Indiana locations include communities in Indiana that are not located within an MSA, the majority of which are located in southern Indiana. Other Kentucky locations include the Elizabethtown KY MSA along with other Kentucky locations that are not located within an MSA. Through the acquisition of OLBK, Wesbanco added the Baltimore-Columbia-Towson, MD MSA, Frederick-Gaithersburg-Rockville, MD MSA and Washington DC-Arlington-Alexandria, VA MSA as well as other Maryland locations. Adjacent states include parts of Delaware and Virginia that are within close proximity to Wesbanco's markets. Outside-of-market loans consist of loans in all other locations not included in any of the other defined areas and have remained relatively unchanged over the past few years.

CREDIT RISK

The risk that borrowers will be unable or unwilling to repay their obligations is inherent in all lending activities. Repayment risk can be impacted by external events such as adverse economic conditions, social and political influences that impact entire industries or major employers, individual loss of employment or other personal calamities and changes in interest rates. This inherent risk may be further exacerbated by the terms and structure of each loan as well as potential concentrations of risk. The primary goal of managing credit risk is to minimize the impact of all of these factors on the quality of the loan portfolio.

Credit risk is managed through the initial underwriting process as well as through ongoing monitoring and administration of the portfolio. Credit policies establish standard underwriting guidelines for each type of loan and require an appropriate evaluation of the credit characteristics of each borrower. This evaluation focuses on the sufficiency and sustainability of the primary source of repayment, the adequacy of collateral, if any, as a secondary source of repayment, potential for guarantor support, as a tertiary source of repayment and other factors unique to each type of loan that may increase or mitigate their risk. The manner and degree of monitoring and administration of the portfolio varies by type and size of loan.

Credit risk is also managed by closely monitoring delinquency levels and trends and initiating collection efforts at the earliest stage of delinquency. Wesbanco also monitors general economic conditions, including unemployment, housing activity and real estate values in its markets. Underwriting standards are modified when appropriate based on market conditions, the performance of one or more loan categories, and other external factors. An independent loan review function also performs periodic reviews of the portfolio to assess the adequacy and effectiveness of underwriting, loan documentation and portfolio administration.

Each category of loans contains distinct elements of risk that impact the manner in which those loans are underwritten, structured, documented, administered and monitored. Customary terms and underwriting practices, together with specific risks associated with each category of loans and Wesbanco's processes for managing those risks are discussed in the remainder of this section.

Commercial Loans —The commercial portfolio consists of loans to a wide range of business enterprises of varying size. Many commercial loans often involve multiple loans to one borrower or a group of related borrowers, therefore the potential for loss on any single transaction can be significantly greater for commercial loans than for retail loans. Commercial loan risk is mitigated by limiting total credit exposure to individual borrowers or groups of borrowers, industries and geographic markets and by requiring appropriate collateral or guarantors.

Commercial loans are monitored for potential concentrations of loans to any one borrower or group of related borrowers. At December 31, 2022 Wesbanco's legal lending limit to any single borrower or their related interests approximated $246 million. The ten largest commercial relationships combined ranged from $662 million to $843 million during 2022. There were 20 relationships that exceeded $50 million at December 31, 2022. These large relationships generally consist of more than one loan to a borrower or their related entities. The single largest relationship exposure approximated $117 million at December 31, 2022 and consists of multiple loans to a business relationship for gasoline stations with convenience stores, which is in the retail sector.

Commercial loans, including renewals and extensions of maturity, are approved within a framework of individual lending authorities based on the total credit exposure of the borrower. Loans with credit exposure up to $1 million are approved by underwriters that are not responsible for loan origination. Loans with credit exposure greater than $1 million minimally require the approval of a commercial banking executive, and credit exposures greater than $1.5 million require approval of a credit officer that is not responsible for loan origination. In the Mid-Atlantic market, credit exposures greater than $5 million up to $15 million require approval of a credit committee comprised of senior management in the market and credit officers not responsible for loan origination. Credit exposures greater than $25 million require approval of a centralized credit committee comprised of senior and executive management, credit officers, directors, and certain other non-voting qualified persons that are not responsible for loan origination. Underwriters and credit officers do not receive incentive compensation based on loan origination volume. Commercial banking executives receive incentive compensation based on multiple factors that include loan origination, net growth in outstanding loan balances, fees, credit quality and portfolio administration requirements.

CRE – land and construction consists of loans to finance land for development, investment, use in a commercial business enterprise, agricultural or minerals extraction, construction of residential dwellings for resale, multi-family apartments and other commercial buildings that may be owner-occupied or income-generating investments for the owner. Construction loans generally are made only when Wesbanco also commits to the permanent financing of the project, has a takeout commitment from another lender for the permanent loan or the loan is expected to be repaid from the sale of subdivided property. However, even if Wesbanco has a takeout commitment, construction loans are underwritten as if Wesbanco will retain the loan upon completion of construction. In recent years, many construction loans that did not have a takeout commitment when the loan originated have been sold or refinanced in the secondary market immediately upon completion of construction, at times, resulting in significant unscheduled loan payoffs.

CRE – land and construction loans require payment of interest-only during the construction period, with initial terms ranging from six months up to three years for larger, multiple-phase projects, such as residential housing developments and large scale commercial projects. Interest rates are often fully-floating based on an appropriate index, but may be structured in the same manner as the interest rate that will apply to the permanent loan upon completion of construction. Interest during the construction period is typically included in the project costs and therefore is often funded by loan advances. Advances are monitored to ensure that the project is at the appropriate stage of completion with each advance and that interest reserves are not exhausted prior to completion of the project. In the event a project is not completed within the initial term, the loan is re-underwritten at maturity, but interest beyond the initial term must be paid by the borrower and in some instances an additional interest reserve is required as a condition of extending the maturity. Upon completion of construction, the loan is converted to permanent financing and reclassified to CRE—improved property.

CRE – improved property loans consist of loans to purchase or refinance owner-occupied and investment properties. Owner-occupied CRE consists of loans to borrowers in a diverse range of industries and property types. Investment properties include multi-family apartment buildings, 1-to-4 family rental units, lodging and various types of commercial buildings that are rented or leased to unrelated parties of the owner.

CRE – improved property loans generally require monthly principal and interest payments based on amortization periods ranging from ten to thirty years depending on the type, age and condition of the property. Loans with amortization periods exceeding twenty years typically also have a maturity date or call option of ten years or less. Interest rates are generally adjustable after a fixed period ranging from one to five years based on an appropriate index of comparable duration. Interest rates may also be fixed for longer than five years and certain loans from acquisitions may have longer initial fixed rate terms. For certain larger loans, the borrower may be required to enter into an interest rate derivative contract that converts Wesbanco’s rate to an adjustable rate.

C&I loans consist of revolving lines of credit to finance accounts receivable, inventory and other general business purposes; term loans to finance fixed assets other than real estate, and letters of credit to support trade, insurance or governmental requirements for a variety of businesses. Most C&I borrowers are privately-held companies with annual sales up to $100 million.

C&I term loans secured by equipment and other types of collateral generally require monthly principal and interest payments based on amortization periods up to ten years depending on the estimated useful life of the collateral, with interest rates that may be fixed for the term of the loan (potentially via an interest rate derivative contract) or adjustable after a fixed period ranging from one to seven years based on an appropriate index.

Commercial lines and letters of credit are generally categorized as C&I but may also be categorized as CRE—improved property loans or CRE—land and construction if they are secured primarily by real estate. Lines of credit typically require payment of interest-only with principal due on demand or at maturity. Interest rates on lines of credit are generally fully-adjustable based on an appropriate short-term index. Letters of credit typically require a periodic fee with principal and interest due on demand in the event the beneficiary of the letter requests an advance on the commitment. Lines of credit may also include a fee based on the amount of the line that is not advanced. Lines and letters of credit are generally renewable or may be cancelled annually by Wesbanco, but may also be committed for up to three years for certain small business lines and certain letters of credit. Letters of credit may also require Wesbanco to notify the beneficiary within a specified time in the event Wesbanco does not intend to renew or extend the commitment.

Table 13 summarizes the distribution of maturities by rate type for all commercial loans.

TABLE 13. MATURITIES OF COMMERCIAL LOANS

	December 31, 2022									
	Fixed Rate Loans					Variable Rate Loans				
(in thousands)	In One Year or Less	After One Year Through Five Years	After Five Years Through Fifteen Years	After Fifteen Years	Total	In One Year or Less	After One Year Through Five Years	After Five Years Through Fifteen Years	After Fifteen Years	Total
Commercial real estate:										
Land and construction ...	$ 68,628	$ 170,012	$ 184,484	$ 42,643	$ 465,767	$110,297	$216,922	$ 133,952	$ 16,949	$ 478,120
Improved property.........	158,587	1,160,341	1,209,187	106,864	2,634,979	106,221	539,014	1,594,023	243,220	2,482,478
Commercial and industrial .	140,709	485,219	337,118	45,207	1,008,253	71,025	207,671	203,867	88,579	571,142
Total commercial loans......	$367,924	$1,815,572	$1,730,789	$194,714	$4,108,999	$287,543	$963,607	$1,931,842	$348,748	$3,531,740

The primary factors considered in underwriting CRE—land and construction loans are the overall viability of each project, the experience and financial capacity of the developer or builder to successfully complete the project, market absorption rates and property values. These loans also have the unique risk that the developer or builder may not complete the project, or not complete it on time or within budget. Risk is generally mitigated by extending credit to developers and builders with established reputations who operate in Wesbanco's markets and have the liquidity or other resources to absorb unanticipated increases in the cost of a project or longer than anticipated absorption, periodically inspecting construction in progress, and disbursing the loan at specified stages of completion. Certification of completed construction by a licensed architect or engineer and performance and payment bonds may also be required for certain types of projects. Since speculative projects are inherently riskier, Wesbanco may require a specified percentage of pre-sales for land and residential development or pre-lease commitments for investment property before construction can begin.

The primary factors that are considered in underwriting investment real estate are the debt service coverage calculation, the net rental income generated by the property, the composition of the tenants occupying the property, and the terms of leases, all of which may vary depending on the specific type of property. Other factors that are considered include the overall financial capacity of the investors and their experience owning and managing investment property.

Repayment of owner-occupied loans must come from the cash flow generated by the occupant's commercial business. Therefore, the primary factors that are considered in underwriting owner-occupied CRE and C&I loans are the debt service coverage calculation, the historical and projected earnings, cash flow, capital resources, liquidity and leverage of the business. Other factors that are considered for their potential impact on repayment capacity include the borrower's industry, competitive advantages and disadvantages, demand for the business' products and services, business model viability, quality, experience and depth of management, and external influences that may impact the business such as general economic conditions and social or political changes.

The type, age, condition and location of real estate as well as any environmental risks associated with the property are considered for both owner-occupied and investment CRE. Environmental risk is mitigated by requiring assessments performed by qualified inspectors whenever the current or previous uses of the property or any adjacent properties are likely to have resulted in contamination of the property financed. Risk is further mitigated by requiring borrowers to have adequate down payments or cash equity, thereby limiting the loan amount in relation to the lower of the cost or the market value of the property, unless there are sufficient mitigating factors that would reduce the risk of a higher loan-to-value. Market values are determined by obtaining current appraisals or evaluations, whichever is appropriate or required by banking regulations based on the amount financed prior to the loan being made. New appraisals or evaluations may be obtained throughout the life of each loan to more accurately assess current market value when the initial term of a loan is being extended, market conditions indicate that the property value may have declined, and/or the primary source of repayment is no longer adequate to repay the loan under its original terms.

CRE loan-to-value ("LTV") ratios are generally limited to the maximum percentages prescribed by Wesbanco credit policy or banking regulations, which range from 65% for unimproved land to 85% for improved commercial property. Regulatory guidelines also limit the aggregate of CRE loans that exceed prescribed LTV ratios to 30% of the Bank's total risk-based capital. The aggregate of all CRE loans and loan commitments that exceeded the regulatory guidelines approximated $126 million or 8% of the Bank's total risk-based capital at December 31, 2022, compared to $117 million or 7% at December 31, 2021. Regardless of credit policy or regulatory guidelines, lower LTV ratios may be required for certain types of properties or when other factors exist that increase the risk of volatility in market values such as single or special-use properties that cannot be easily converted to other uses or may have limited marketability. Conversely, higher LTV ratios may be acceptable when there are other factors to adequately mitigate the risk.

The type and amount of collateral for C&I loans varies depending on the overall financial strength of the borrower, the amount and terms of the loan, and available collateral or guarantors. The level of pledged collateral can vary from unsecured to fully secured with various types of collateral. Unsecured credit is only extended to those borrowers and/or guarantors that exhibit consistently strong repayment capacity and the financial condition to withstand a temporary decline in their operating cash flows. Unsecured loans totaled $226 million and $393 million at December 31, 2022 and December 31, 2021, respectively. Of the unsecured loans at December 31, 2022, $8 million are SBA-guaranteed PPP loans versus $163 million at December 31, 2021. Loans can be secured by bank deposit accounts, marketable securities, working capital assets (accounts receivable and inventory), equipment or owner occupied real estate. Bank deposits and marketable securities represent the lowest risk. Marketable securities are subject to changes in market value and are monitored regularly by the bank to ensure they remain appropriately margined. Collateral other than equipment or real estate that fluctuates with business activity, such as accounts receivable and inventory, may also be subject to regular reporting and certification by the borrower and, in some instances, independent inspection and verification by Wesbanco. Loans secured by equipment or real estate may be subject to receipt of third party appraisals. Although loans can be collateral type-specific, they can also be secured by multiple property types and/or a blanket lien may be placed on all of a borrower's assets.

Most commercial loans are originated directly by Wesbanco. Participation in loans originated by other financial institutions represents $789 million or 7.7% of total commercial loan exposure at December 31, 2022, compared to $547 million or 5.9% at December 31, 2021. Included in this total are Shared National Credits of $10 million at December 31, 2022 and $11 million at December 31, 2021. Shared National Credits are defined as loans in excess of $100 million that are financed by three or more lending institutions. Wesbanco performs its own customary credit evaluation and underwriting before purchasing loan participations. The credit risk associated with these loans is similar to that of loans originated by Wesbanco, but additional risk may arise from the limited ability to control the actions of the lead, agent or servicing institution.

The commercial portfolio is monitored for potential concentrations of credit risk including by market, CRE property type, C&I industry, loan type and loans affected by similar external factors.

Beginning in 2001 and revised in 2013, banks of a certain size are required to track C&I loan transactions designated as Highly Leveraged Transactions ("HLTs"). Loans that meet the criteria must be of a certain size, for the purpose of a buyout, acquisition or capital distributions and meet certain leverage ratios. As of December 31, 2022, Wesbanco had $39.8 million or 0.4% of total commercial loan exposure designated as HLTs, as compared to $39.5 million or 0.4% as of December 31, 2021.

The bank is monitoring the office building portfolio, as the continuing trend towards remote work has led to diminished need for dedicated office space. As of December 31, 2022, total exposure to land development and new development related to office buildings, improvements and renovation of existing structures, purchase of existing buildings and other related activities approximated $519 million or 5.0% of the total commercial loan exposure, as compared to $470 million or 5.0% of the total commercial loan exposure at December 31, 2021. There is a potential risk for office loan losses to materialize as lease agreements begin to expire and companies reduce their footprint.

TABLE 14. COMMERCIAL EXPOSURE BY INDUSTRY

	December 31, 2022									
	Land and Construction		Improved Property		Commercial and Industrial		PPP			
(in thousands)	Balance	Commitment	Balance	Commitment	Balance	Commitment	Loan Balance	Total Loan Balance	Total Exposure	% of Capital (1)
Agriculture and farming	$ 1,735	$ 2,694	$ 13,382	$ 808	$ 25,701	$ 6,590	$ 6	$ 40,824	$ 50,916	3.1
Energy	4,656	—	30,262	939	83,682	48,561	89	118,689	168,189	10.3
Construction	92,343	74,503	106,252	19,521	157,526	207,918	540	356,661	658,603	40.3
Manufacturing	7,915	29,151	148,041	31,945	154,563	132,245	3,069	313,588	506,929	31.0
Wholesale and distribution	1,413	2,700	58,978	2,893	130,553	95,453	—	190,944	291,990	17.9
Retail	31,157	34,559	287,171	22,155	121,967	81,590	119	440,414	578,718	35.4
Transportation and warehousing	14,679	2,116	62,200	2,985	53,017	20,946	641	130,537	156,584	9.6
Information and communications	3,884	31,793	9,638	—	5,395	2,353	22	18,939	53,085	3.2
Finance and insurance	1,157	7	17,183	485	44,352	122,380	80	62,772	185,644	11.4
Equipment leasing	573	663	18,485	461	52,882	37,010	—	71,940	110,074	6.7
Real estate - 1-4 family	3,844	2,389	236,117	13,062	3,652	3,384	—	243,613	262,448	16.1
Real estate - multi-family	268,166	468,087	569,289	11,038	—	—	—	837,455	1,316,580	80.5
Real estate - other retail	2,248	192	172,854	1,835	4,393	—	—	179,495	181,522	11.1
Real estate - shopping center	20,760	14,647	480,629	5,611	—	—	—	501,389	521,647	31.9
Real estate - office building	36,795	8,205	442,349	18,862	12,014	580	—	491,158	518,805	31.7
Real estate - commercial/manufacturing	30,506	7,507	326,776	6,421	8,337	527	—	365,619	380,074	23.3
Real estate - residential buildings	58,057	185,002	107,583	5,912	21,189	16,038	21	186,850	393,802	24.1
Real estate - other	89,731	23,865	484,479	26,896	25,424	30,347	23	599,657	680,765	41.6
Services	14,614	9,289	262,462	18,148	191,347	138,615	721	469,144	635,196	38.9
Schools and education services	23,963	—	29,171	701	93,414	11,980	—	146,548	159,229	9.7
Healthcare	121,471	80,053	360,093	6,558	110,160	60,255	343	592,067	738,933	45.2
Entertainment and recreation	11,182	6,333	42,526	1,170	4,913	6,478	129	58,750	72,731	4.4
Hotels	20,158	29,819	622,803	1,363	836	6,495	1,430	645,227	682,904	41.8
Other accommodations	21,589	13,165	47,846	1,266	90	539	—	69,525	84,495	5.2
Restaurants	16,691	10,781	90,933	5,562	45,226	25,954	699	153,549	195,846	12.0
Religious organizations	7,721	5,239	69,204	2,398	27,570	21,692	—	104,495	133,824	8.2
Government	36,879	5,384	18,973	220	179,199	19,834	183	235,234	260,672	15.9
Unclassified	—	45,705	1,778	2,060	13,878	261,511	—	15,656	324,932	19.9
Total commercial loans	$ 943,887	$ 1,093,848	$ 5,117,457	$ 211,275	$ 1,571,280	$ 1,359,275	$ 8,115	$ 7,640,739	$ 10,305,137	630.5

(1) Represents Bank's total risk-based capital.

Multi-family apartments represent the single largest category of commercial loans. Multi-family apartment exposure increased 67.9% from $784 million at December 31, 2021 to $1,317 million at December 31, 2022. This exposure represents 80.5% of total risk-based capital at December 31, 2022, up from 48.8% at December 31, 2021.

Healthcare represents the second largest category of commercial exposure with total exposure of $739 million. Healthcare exposure decreased 2.5% from December 31, 2021 to December 31, 2022. This category represents 45.2% of risk-based capital, compared to 47.1% at December 31, 2021.

Lodging represents the third largest category of commercial exposure with total exposure of $683 million. While the bank is still closely monitoring this portfolio, the negative effects of the pandemic experienced in 2020 and 2021 have largely been alleviated. Lodging exposure declined 5.6% from December 31, 2021 to December 31, 2022. This category represents 41.8% of risk-based capital, compared to 45.0% at December 31, 2021.

Real estate—other represents the fourth largest category of commercial exposure with total exposure of $681 million. Real estate—other exposure increased 7.2% from December 31, 2021 to December 31, 2022. This category represents 41.6% of risk-based capital, compared to 39.5% at December 31, 2021. Real estate – other consists of property types such as box stores, eating facilities and mixed use.

Construction represents the fifth largest category of commercial loan exposure with total exposure of $659 million. Construction exposure declined 3.4% from December 31, 2021 to December 31, 2022. This represents 40.3% of total risk-based capital at December 31, 2022, compared to 42.4% at December 31, 2021. Construction-coded loans are broken down between 1-4 family homes built for sale, lot development and general trade.

Services represents the sixth largest category of commercial exposure with total exposure of $635 million. Services increased 6.8% from December 31, 2021 to December 31, 2022. This category represents 38.9% of risk-based capital, compared to 37.0% at December 31, 2021.

In addition to the methods in which Wesbanco monitors the CRE portfolio for possible concentrations of risk, the regulatory agencies use a two-tiered assessment to determine whether a bank has an overall concentration of CRE lending as a percentage of bank total risk-based capital. Loan balances used to determine compliance are based upon Call Report instructions and therefore do not necessarily match the balances displayed in Table 14. The first tier measures loans for land, land development, residential and commercial construction. This tier totals $1,301 million or 79.6% of total risk-based capital at December 31, 2022, compared to $914 million or 56.8% at December 31, 2021. The regulatory guidance for the first tier is 100% of total risk-based capital. The second tier measures loans included in the first tier plus multi-family apartments and other commercial investment property. This tier totals $4,739 million or 289.9% of total risk-based capital at December 31, 2022, compared to $4,105 million or 255.2% at December 31, 2021. The regulatory guidance for the second tier is 300% of total risk-based capital. The regulatory agencies also consider whether a bank's CRE portfolio has increased by 50% or more within the prior thirty-six months of the assessment date. Total CRE exposure increased $719 million or 17.9% for the thirty-six month period ended December 31, 2022.

Basel III requires banks to identify High Volatility Commercial Real Estate ("HVCRE") loans in their portfolios. These loans are subject to 150% weighting in the risk-based capital calculation, effective January 1, 2015. These regulations require, among other things, that investment CRE loans for acquisition, development or construction that are not in permanent amortizing loan status, meet the statutory LTV guidelines, have a minimum contributed equity of 15% in cash, marketable securities or contributed land at appraised value, and the loan documentation must contain a requirement that the initial capital injection remain in the project until the loan has converted to permanent financing or is paid in full. Changes to the law in May 2018 eliminated certain CRE loan categories from being subject to the regulation, such as owner-occupied, changed contributed land value from cost to appraised value for the equity component and required only the initial capital to meet the 15% threshold remain in the project. The bank has approximately $119 million in HVCRE exposure representing 1.6% of total CRE exposure and 7.3% of total risk-based capital at December 31, 2022. This compares to $79 million in HVCRE exposure representing 1.2% of total CRE exposure and 4.9% of total risk-based capital at December 31, 2021.

Under the CARES Act, Wesbanco modified approximately 3,600 loans totaling $2.2 billion in 2020, of which no commercial loans remain in deferral as of December 31, 2022. This compares to $51.5 million of commercial loans, representing 0.5% of total portfolio loans as of December 31, 2021. However, $65.0 million of commercial loans as of December 31, 2022 had various payment terms modified in exchange for enhancements beneficial to the Bank which were permanent improvements to the credit facility. Changes include an increase in floor rates, increase in guarantors and duration of guarantees and a change in covenants. None of the aforementioned loans were considered delinquent or on non-accrual status as of December 31, 2022.

Retail Loans —Retail loans are a homogenous group, generally consisting of standardized products that are smaller in amount and distributed over a larger number of individual borrowers. This group is comprised of residential real estate loans, home equity lines of credit and consumer loans.

Residential real estate consists of loans to purchase, construct or refinance the borrower's primary dwelling, second residence or vacation home. Residential real estate also includes approximately $10 million of 1-to-4 family rental properties at December 31, 2022, a decrease from approximately $11 million at December 31, 2021. Wesbanco originates residential real estate loans for its portfolio as well as for sale in the secondary market. Portfolio loans also include loans to finance vacant land upon which the owner intends to construct a dwelling at a future date. Except for construction loans that require interest-only payments during the construction period, portfolio loans require monthly principal and interest payments to amortize the loan with terms up to thirty years. Construction periods range from six to twelve months, but may be longer for larger residences. Loans for vacant land generally begin amortizing immediately and are refinanced when the owner begins construction of a dwelling. Interest rates on portfolio loans may be fixed for up to thirty years. Adjustable rate loans are based primarily on the Treasury Constant Maturity index and can adjust annually or in increments up to 15 years. Currently most 30 year and a portion of 15 year fixed-rate originations are sold into the secondary market.

HELOC loans are secured by first or second liens on a borrower's primary residence or second home. HELOCs are generally limited to an amount which when combined with the first mortgage on the property, if any, does not exceed 90% of the market value. Maximum LTV ratios are also tiered based on the amount of the line and the borrower's credit history. Most HELOCs originated prior to 2005 are available for draws by the borrower for up to fifteen years, at which time the outstanding balance is converted to a term loan requiring monthly principal and interest payments sufficient to repay the loan in not more than seven years. Most HELOCs originated from 2005 through 2013 are available to the borrower for an indefinite period as long as the borrower's credit characteristics do not materially change, but may be cancelled by Wesbanco under certain circumstances. Generally, lines originated since 2013 have a 15 year draw period, a ten-year repayment period and also give borrowers the option to convert portions of the balance of their line into an installment loan requiring monthly principal and interest payments, with availability to draw on the line restored as the installment portions are repaid.

Consumer loans consist of installment loans originated directly by Wesbanco and indirectly through dealers to finance purchases of automobiles, trucks, motorcycles, boats, and other recreational vehicles; home equity installment loans, unsecured home improvement loans, and revolving lines of credit that can be secured or unsecured. The maximum term for installment loans is generally eighty-four months for automobiles, trucks, motorcycles and boats; one hundred eighty months for travel trailers; one hundred twenty months for home equity/improvement loans; and sixty months if the loan is unsecured. Maximum terms may be less depending on age of collateral. In January 2018, the bank decided to no longer underwrite indirect loans for motorcycles, recreational vehicles, trailers, boats or off-road vehicles to reduce the overall risk profile of the portfolio. Revolving lines of credit are generally available for an indefinite period of time as long as the borrower's credit characteristics do not materially change, but may be cancelled by Wesbanco under certain circumstances. Interest rates on installment obligations are generally fixed for the term of the loan, while lines of credit are adjustable daily based on the Prime Rate.

TABLE 15. MATURITIES OF RETAIL LOANS

	December 31, 2022									
	Fixed Rate Loans					Variable Rate Loans				
(in thousands)	In One Year or Less	After One Year Through Five Years	After Five Years Through Fifteen Years	After Fifteen Years	Total	In One Year or Less	After One Year Through Five Years	After Five Years Through Fifteen Years	After Fifteen Years	Total
Residential real estate	$ 8,288	$ 47,683	$ 158,835	$ 1,066,284	$ 1,281,090	$ 171	$ 3,122	$ 43,566	$ 812,635	$ 859,494
Home equity lines of credit	498	13,976	66,378	175,651	256,503	22,565	32,016	39,923	344,058	438,562
Consumer	10,032	117,297	76,084	873	204,286	2,384	6,197	13,473	—	22,054
Total retail loans	$ 18,818	$ 178,956	$ 301,297	$ 1,242,808	$ 1,741,879	$ 25,120	$ 41,335	$ 96,962	$ 1,156,693	$ 1,320,110

The primary factors that are considered in underwriting retail loans are the borrower's credit history and their current and reasonably anticipated ability to repay their obligations as measured by their total debt-to-income ratio. Portfolio residential real estate loans are generally underwritten to secondary market lending standards using automated underwriting systems developed for the secondary market that rely on empirical data to evaluate each loan application and assess credit risk. The amount of the borrower's down payment is an important consideration for residential real estate, as is the borrower's equity in the property for HELOCs. It is common practice to finance the total amount of the purchase price of motor vehicles and other consumer products plus certain allowable additions for tax, title, service contracts and credit insurance.

Risk is further mitigated by requiring residential real estate borrowers to have adequate down payments or cash equity, thereby limiting the loan amount in relation to the lower of the cost or the market value of the property, unless there are sufficient mitigating factors that would reduce the risk of a higher loan-to-value. Market values are determined by obtaining current appraisals or evaluations, whichever is appropriate or required by banking regulations, based on the amount financed prior to the loan being made. New appraisals or evaluations are not obtained unless the borrower requests a modification or refinance of the loan, or there is increased dependence on the value of the collateral because the borrower is in default.

Wesbanco does not maintain current information about the industry in which retail borrowers are employed. While such information is obtained when each loan is underwritten, it often becomes inaccurate with the passage of time as borrowers change employment. Instead, Wesbanco estimates potential exposure based on consumer demographics, market share, and other available information when there is a significant risk of loss of employment within an industry or a significant employer in Wesbanco's markets. To management's knowledge, there are no concentrations of employment that would have a material adverse impact on the retail portfolio.

Most retail loans are originated directly by Wesbanco except for indirect consumer loans originated by automobile dealers and other sellers of consumer goods. Wesbanco performs its own customary credit evaluation and underwriting before purchasing indirect loans. The credit risk associated with these loans is similar to that of loans originated by Wesbanco, but additional risk may arise from Wesbanco's limited ability to control a dealer's compliance with applicable consumer lending laws. Indirect consumer loans represented $121 million or 54% of consumer loans at December 31, 2022 compared to $129 million or 47% at December 31, 2021.

Loans Held For Sale —Loans held for sale consist of residential real estate loans originated for sale in the secondary market. Credit risk associated with such loans is mitigated by entering into sales commitments with third party investors to purchase the loans when they are originated. This practice has the effect of minimizing the amount of such loans that are unsold and the interest rate risk at any point in time. Wesbanco generally does not service these loans after they are sold. While most loans are sold without recourse, Wesbanco may be required to repurchase loans under certain circumstances for contractual periods of generally up to one year or less. The number and principal balance of loans that Wesbanco has been required to repurchase has not been material and therefore reserves established for this exposure are not material.

Banks that have been acquired by Wesbanco serviced some of the residential real estate loans that were sold to the secondary market prior to being acquired. Although these loans are not carried as an asset on the balance sheet, Wesbanco continues to service these loans. As of December 31, 2022 and 2021, Wesbanco serviced loans for others aggregating approximately $29 million and $19 million, respectively. The unamortized balance of mortgage servicing rights related to these loans is less than $100 thousand at both December 31, 2022 and 2021.

CREDIT QUALITY

The quality of the loan portfolio is measured by various factors, including the amount of loans that are past due, required to be reported as non-performing, or are adversely graded in accordance with internal risk classifications that are consistent with regulatory adverse risk classifications. Non-performing loans consist of non-accrual loans and TDRs. Non-performing assets also include real estate owned ("REO") and repossessed assets. Net charge-offs are also an important measure of credit quality. Wesbanco seeks to develop individual strategies for all assets that have adverse risk characteristics in order to minimize potential loss. However, there is no assurance such strategies will be successful and loans may ultimately proceed to foreclosure or other course of liquidation that does not fully repay the amount of the loan.

Past Due Loans —Loans that are past due but not reported as non-performing generally consist of loans that are between 30 and 89 days contractually past due. Certain loans that are 90 days or more past due also continue to accrue interest because they are deemed to be well-secured and in the process of collection. Earlier stage delinquency requires routine collection efforts to prevent them from becoming more seriously delinquent. Early stage delinquency represents potential future non-performing loans if routine collection efforts are unsuccessful. Table 16 summarizes loans that are contractually past due 30 days or more, excluding non-accrual and TDR loans.

TABLE 16. PAST DUE AND ACCRUING LOANS EXCLUDING NON-ACCRUAL AND TDR LOANS

	December 31,			
	2022		2021	
(dollars in thousands)	Amount	% of Loan Balance	Amount	% of Loan Balance
90 days or more:				
Commercial real estate - land and construction	**$ 629**	**0.07**	$ 51	0.01
Commercial real estate - improved property	**84**	**0.00**	3,042	0.06
Commercial and industrial	**1,586**	**0.10**	559	0.04
Residential real estate	**1,551**	**0.07**	2,840	0.16
Home equity lines of credit	**1,063**	**0.15**	685	0.11
Consumer	**530**	**0.23**	627	0.23
Total 90 days or more	**5,443**	**0.05**	7,804	0.08
30 to 89 days:				
Commercial real estate - land and construction	**910**	**0.10**	—	0.00
Commercial real estate - improved property	**2,459**	**0.05**	14,001	0.30
Commercial and industrial	**984**	**0.06**	3,442	0.22
Residential real estate	**3,582**	**0.17**	4,513	0.26
Home equity lines of credit	**3,920**	**0.56**	2,528	0.42
Consumer	**3,584**	**1.58**	2,668	0.96
Total 30 to 89 days	**15,439**	**0.14**	27,152	0.28
Total 30 days or more	**$ 20,882**	**0.19**	$ 34,956	0.36

Loans past due 30 days or more and accruing interest and not reported as TDRs decreased $14.1 million, representing 0.19% of total loans at December 31, 2022, as compared to 0.36% at December 31, 2021. The overall low level of delinquency is the result of management's continued focus on sound initial underwriting and timely collection of loans at their earliest stage of delinquency.

Non-Performing Assets —Non-performing assets consist of non-accrual loans, TDRs, REO and repossessed assets.

Loans are categorized as TDRs when Wesbanco, for economic or legal reasons related to a borrower's financial difficulties, grants a concession to the borrower that it would not otherwise consider unless the modification results in only an insignificant delay in the payments to be received. Concessions may include a reduction of either the interest rate, the amount of accrued interest, or the principal balance of the loan. Other possible concessions are an interest rate that is less than the market rate for loans with comparable risk characteristics, an extension of the maturity date or an extension of the amortization schedule. Loans reported in this category continue to accrue interest so long as the borrower is able to continue repayment in accordance with the restructured terms. TDRs that are placed on non-accrual are reported in the non-accrual category and not included with accruing TDRs.

Loans are generally placed on non-accrual when they become past due 90 days or more unless they are both well-secured and in the process of collection. Non-accrual loans include certain loans that are also TDRs as set forth in Note 4, "Loans and the Allowance for Credit Losses," of the Consolidated Financial Statements. Non-accrual loans also include consumer loans that were recently discharged in Chapter 7 bankruptcy but for which the borrower has continued to make payments for less than six consecutive months after the discharge.

REO consists primarily of property acquired through or in lieu of foreclosure but may also include bank premises held for sale. Repossessed assets primarily consist of automobiles and other types of collateral acquired to satisfy defaulted consumer loans.

Table 17 summarizes non-performing assets.

TABLE 17. NON-PERFORMING ASSETS

(dollars in thousands)	December 31, 2022	December 31, 2021
TDRs accruing interest:		
Commercial real estate—land and construction	**$ —**	$ —
Commercial real estate—improved property	**347**	374
Commercial and industrial	**166**	192
Residential real estate	**2,362**	2,875
Home equity lines of credit	**330**	277
Consumer	**25**	28
Total TDRs accruing interest	**3,230**	3,746
Non-accrual loans:		
Commercial real estate—land and construction	**112**	73
Commercial real estate—improved property	**16,254**	7,715
Commercial and industrial	**2,946**	5,064
Residential real estate	**13,695**	17,190
Home equity lines of credit	**5,044**	5,163
Consumer	**134**	537
Total non-accrual loans	**38,185**	35,742
Total non-performing loans	**41,415**	39,488
Real estate owned and repossessed assets	**1,486**	—
Total non-performing assets	**$ 42,901**	$ 39,488
Total portfolio loans	**$ 10,702,728**	$ 9,733,478
Non-performing loans as a percentage of total portfolio loans	**0.39 %**	0.41 %
Non-accrual loans as a percentage of total portfolio loans	**0.36**	0.37
Non-performing assets as a percentage of total assets	**0.25**	0.23
Non-performing assets as a percentage of total portfolio loans, real estate owned and repossessed assets	**0.40**	0.41

Accruing TDRs decreased $0.5 million or 13.8% from December 31, 2021 to December 31, 2022. There were no TDRs greater than $1 million or more at December 31, 2022 or 2021. Accruing TDRs are not concentrated in any industry, property or type of loan; however, retail loans, which consist of residential real estate, home equity lines of credit and consumer loans, represented 84.1% at December 31, 2022, as compared to 84.9% at December 31, 2021. This includes loans that were discharged in Chapter 7 bankruptcy in the current or prior year; however, the borrower has not yet made payments for at least six consecutive months after the discharge.

Non-accrual loans increased $2.4 million or 6.8% from December 31, 2021 to December 31, 2022. Approximately $1.7 million or 4.5% of total non-accrual loans at December 31, 2022 also have restructured terms that would require them to be reported as a TDR if they were accruing interest, compared to $1.5 million or 4.3% of the total at December 31, 2021.

Section 4013 of the CARES Act allows financial institutions the option to temporarily suspend certain requirements under U.S. GAAP related to TDRs for a limited period of time during the COVID-19 pandemic. These customers must meet certain criteria, such as they were in good standing and not more than 30 days past due as of December 31, 2019, as well as other requirements. Based on this guidance, Wesbanco does not classify the COVID-19 loan modifications as TDRs, nor are the customers considered past due with regard to their delayed payments. Upon exiting the loan modification deferral program, the measurement of loan delinquency will resume where it left off upon entry into the program. Wesbanco offered three to twelve months of deferred payments to commercial and retail customers impacted by the COVID-19 pandemic, depending on the type of loan and the industry-type for commercial loans. None of these loans are considered delinquent as of December 31, 2022. Total deferred interest as of December 31, 2022 was $17.0 million, which is located within accrued interest receivable on the balance sheet.

REO and repossessed assets increased $1.5 million from December 31, 2021 to December 31, 2022. Wesbanco seeks to minimize the period for which it holds REO and repossessed assets while also attempting to obtain a fair value from their disposition. Therefore, the sales price of these assets is dependent on current market conditions that affect the value of real estate, used automobiles, and other collateral. Repossessed assets are generally sold at auction within 60 days after repossession. Expenses associated with owning REO and repossessed assets charged to other expenses were $0.8 million for 2022 compared to $0.2 million for 2021. Net gains on the disposition of REO and repossessed assets are credited or charged to non-interest income and approximated $0.0 million in 2022 and $0.5 million in 2021.

Criticized and Classified Loans —Please refer to Note 4, “Loans and the Allowance for Credit Losses,” of the Consolidated Financial Statements for a description of internally-assigned risk grades for commercial loans and a summary of loans by grade. Wesbanco’s criticized loans are currently protected, but have weaknesses, which if not corrected, may be inadequately protected at some future date. Classified loan grades are equivalent to the classifications used by banking regulators to identify those loans that have significant adverse characteristics. A classified loan grade is assigned to all non-accrual commercial loans and most commercial TDRs; however, TDRs may be upgraded after the borrower has repaid the loan in accordance with the restructured terms for a period of time, but such loans would generally continue to be reported as TDRs regardless of their grade. Criticized and classified loans totaled $250.5 million or 3.3% of total commercial loans at December 31, 2022, compared to $364.5 million or 5.1% at December 31, 2021. The decrease is primarily due to net upgrades of $95.0 million of hospitality loans as a result of increased occupancy and debt service coverage as conditions continue to improve versus the pandemic-driven environment.

Charge-offs and Recoveries — Total charge-offs decreased $2.2 million or 22.1% to $7.9 million, while total recoveries decreased $2.1 million to $6.7 million, resulting in an increase of $0.1 million in net charge-offs for 2022 compared to 2021. The total net loan charge-off rate of 0.02% of average loans at both December 31, 2022 and 2021 is consistent with continued overall low levels of non-performing loans, which were limited due to CARES Act assistance from the SBA’s PPP program and the ability to treat certain loan modifications as non-TDRs during 2021 and 2022. Table 18 summarizes charge-offs and recoveries as well as net charge-offs as a percentage of average loans for each category of the loan portfolio.

TABLE 18. CHARGE-OFFS AND RECOVERIES

(dollars in thousands)	December 31, 2022	2021	2020
Commercial real estate - land and construction			
Net charge-offs / (recoveries)	**$ (52)**	$ (167)	$ (41)
Average balance outstanding	**903,411**	721,673	711,697
Net charge-offs (recoveries) as a percentage of average loans	**(0.01) %**	(0.02) %	(0.01) %
Commercial real estate - improved property			
Net charge-offs / (recoveries)	**$ (243)**	$ 466	$ 951
Average balance outstanding	**4,825,288**	4,943,980	4,929,934
Net charge-offs (recoveries) as a percentage of average loans	**(0.01) %**	0.01 %	0.02 %
Commercial and industrial			
Net charge-offs / (recoveries)	**$ 71**	$ 226	$ 2,270
Average balance outstanding	**1,539,694**	2,066,116	2,314,248
Net charge-offs (recoveries) as a percentage of average loans	**0.00 %**	0.01 %	0.10 %
Residential real estate			
Net charge-offs / (recoveries)	**$ (90)**	$ (258)	$ 775
Average balance outstanding	**1,903,157**	1,661,138	1,845,561
Net charge-offs (recoveries) as a percentage of average loans	**(0.00) %**	(0.02) %	0.04 %
Home equity			
Net charge-offs / (recoveries)	**$ 16**	$ (136)	$ 468
Average balance outstanding	**605,892**	623,796	647,395
Net charge-offs (recoveries) as a percentage of average loans	**0.00 %**	(0.02) %	0.07 %
Consumer			
Net charge-offs / (recoveries)	**$ 654**	$ 484	$ 2,041
Average balance outstanding	**291,379**	286,717	341,829
Net charge-offs (recoveries) as a percentage of average loans	**0.22 %**	0.17 %	0.60 %
Loans held for sale			
Net charge-offs / (recoveries)	**$ —**	$ —	$ —
Average balance outstanding	**15,104**	77,186	84,099
Net charge-offs (recoveries) as a percentage of average loans	**— %**	— %	— %
Deposit Account Overdrafts			
Net charge-offs / (recoveries)	**$ 1,268**	$ 1,113	$ 585
Total loans			
Net charge-offs / (recoveries)	**$ 1,624**	$ 1,728	$ 7,049
Average balance outstanding	**10,083,925**	10,380,605	10,874,763
Net charge-offs (recoveries) as a percentage of average loans	**0.02 %**	0.02 %	0.06 %

ALLOWANCE FOR CREDIT LOSSES

On January 1, 2020, Wesbanco adopted CECL, which resulted in a $41.4 million increase to the allowance for credit losses. Of the $41.4 million, $38.4 million related to the loan portfolio and $3.0 million related to loan commitments. The effect on retained earnings (tax-effected) was $26.6 million.

As of December 31, 2022, the total allowance for credit losses – loans and commitments was $126.2 million, of which $117.8 million relates to loans and $8.4 million relates to loan commitments. The allowance for credit losses – loans was 1.10% of total portfolio loans as of December 31, 2022, compared to 1.25% as of December 31, 2021. Excluding PPP loans of $8.1 million and $162.7 million, the allowance for credit losses – loans was 1.10% and 1.27% of total portfolio loans at December 31, 2022 and December 31, 2021, respectively. There is no allowance on PPP loans due to their government guarantee by the SBA.

The allowance for credit losses - loans individually-evaluated decreased $6.2 million from December 31, 2021 to December 31, 2022 due to an individually-evaluated loan analysis completed on certain classified hotel loans. The allowance for credit losses-loans collectively-evaluated increased from December 31, 2021 to December 31, 2022 by $2.3 million.

The allowance for credit losses - loan commitments was $8.4 million at December 31, 2022 as compared to $7.8 million as of December 31, 2021, and is included in other liabilities on the Consolidated Balance Sheets.

The allowance for credit losses by loan category, presented in Note 4, "Loans and the Allowance for Credit Losses" of the Consolidated Financial Statements, summarizes the impact of changes in various factors that affect the allowance for credit losses in each segment of the portfolio. The allowance for credit losses under CECL is calculated utilizing the PD/LGD, which is then discounted to net present value. PD is the probability the asset will default within a given time frame and LGD is the percentage of the asset not expected to be collected due to default. The primary macroeconomic drivers of the quantitative model include forecasts of national unemployment and interest rates, as well as modeling adjustments for changes in prepayment speeds, loan risk grades, portfolio mix, concentrations and loan growth. For the calculation as of December 31, 2022, the forecast was based upon a blend of three nationally-recognized published economic forecasts through December 31, 2022, and is primarily driven by national unemployment and interest rate spread forecasts. Wesbanco's blended forecast of national unemployment, at year end, was projected to be 4.3%, and subsequently increase to an average of 4.8% over the 2023 forecast period. The calculation utilized an immediate reversion period back to the Company's historical loss rate by loan classification. Included in the qualitative factors were deferred interest on modified loans, office space concentration and rising interest rates. The included qualitative factors address credit risk not covered by the traditional allowance process.

If forecasted projections of national unemployment remain consistent with the forecast utilized by Wesbanco as of December 31, 2022 throughout next year, this may result in less significant future quarterly fluctuations in the allowance for credit losses, assuming other model variables remain relatively constant.

Environmental risks have the potential to negatively impact an organization's assets, earnings, and reputation. Specifically, climate risks have the potential to significantly impact the bank and its customers. Climate-related risks are divided into two major categories: (1) risks related to the transition to a low-carbon economy, which may entail extensive policy, legal, technology and market changes, and (2) risks related to the physical impacts of climate change, driven by extreme weather events, such as hurricanes and floods, as well as chronic longer-term shifts, such as temperature increases and sea level rises. These changes and events can have broad impacts on operations, supply chains, distribution networks, customers, and markets. The financial impacts can lead to amplified credit risk, and diminish borrowers' repayment capacity or collateral values.

We are in the process of enhancing our climate and environmental, social and corporate governance ("ESG") risk considerations into our risk framework and risk management programs established for strategic, credit, market, compliance, operational and reputational risks. The potential of climate risk is monitored through our risk identification process. Once identified, climate risks are assessed for potential impacts on us and our customers. Furthermore, the identified climate risk will then be considered as part of our macroeconomic scenarios and loss forecasts within our CECL allowance models. These future enhancements to our risk framework are in development and will continue to be refined as new climate trends and risks arise.

Table 19 summarizes the allowance together with selected relationships of the allowance and provision for credit losses to total loans and certain categories of loans.

TABLE 19. ALLOWANCE FOR CREDIT LOSSES

(dollars in thousands)	December 31, 2022	2021	2020
Balance at beginning of year:			
Allowance for credit losses - loans	**$ 121,622**	$ 185,827	$ 52,429
Allowance for credit losses - loan commitments	**7,775**	9,514	874
Total beginning allowance for credit losses - loans and loan commitments	**129,397**	195,341	53,303
Impact of adopting ASC 326	**—**	—	41,442
Provision for credit losses:			
Provision for loan losses	**(2,208)**	(62,477)	101,960
Provision for loan commitments	**593**	(1,739)	5,685
Total provision for credit losses - loans and loan commitments	**(1,615)**	(64,216)	107,645
Net charge-offs:			
Total charge-offs	**(7,892)**	(10,136)	(12,535)
Total recoveries	**6,268**	8,408	5,486
Net charge-offs	**(1,624)**	(1,728)	(7,049)
Balance at end of year:			
Allowance for credit losses - loans	**117,790**	121,622	185,827
Allowance for credit losses - loan commitments	**8,368**	7,775	9,514
Total ending allowance for credit losses - loans and loan commitments	**$ 126,158**	$ 129,397	$ 195,341
Allowance for credit losses - loans as a percentage of total portfolio loans	**1.10%**	1.25%	1.72%
Allowance for credit losses - loans to non-accrual loans	**3.08x**	3.40x	5.04x
Allowance for credit losses - loans to total non-performing loans	**2.84x**	3.08x	4.55x
Allowance for credit losses - loans to total non-performing loans and loans past due 90 days or more	**2.51x**	2.57x	3.74x

The allowance consists of specific reserves for certain individually-evaluated loans, if any, and a general reserve for all other loans. Commercial loans, including CRE and C&I, that have other unique characteristics are tested individually for potential credit losses. Specific reserves are established when appropriate for such loans based on the net present value of expected future cash flows of the loan or the estimated realizable value of the collateral, if any. The evaluation also considers qualitative factors such as economic trends and conditions, which includes levels of regional unemployment, real estate values and the impact on specific industries and geographical markets, changes in lending policies and underwriting standards, delinquency and other credit quality trends, concentrations of credit risk, if any, the results of internal loan reviews and examinations by bank regulatory agencies pertaining to the allowance for credit losses. The allowance for collectively-evaluated loans is comprised of factors based on both historical loss experience and other qualitative factors. The allowance for collectively-evaluated loans increased $2.3 million or 2.0% from December 31, 2021 to December 31, 2022 due to changes in macroeconomic factors, changes in portfolio mix and changes in both quantitative and qualitative adjustments. The allowance for individually-evaluated loans was $3.1 million at December 31, 2022, a decrease of $6.2 million from December 31, 2021 as the balance of hospitality loans individually-evaluated decreased during 2022 from $29.4 million to $13.9 million. The allowance for loan commitments increased $0.6 million from December 31, 2021 to December 31, 2022.

Table 20 summarizes the allocation of the allowance for credit losses to each category of loans.

TABLE 20. ALLOCATION OF THE ALLOWANCE FOR CREDIT LOSSES

	December 31,			
	2022		2021	
(dollars in thousands)	Allowance Amount	% of Loans or Commitments to Total Portfolio Loans or Commitments	Allowance Amount	% of Loans or Commitments to Total Portfolio Loans or Commitments
Allowance for credit losses - loans:				
Commercial real estate—land and construction	**$ 6,737**	**8.8**	$ 7,310	8.6
Commercial real estate—improved property	**52,659**	**47.8**	65,355	48.4
Commercial and industrial	**31,540**	**14.8**	26,875	16.3
Residential real estate	**18,208**	**20.0**	15,401	17.7
Home equity lines of credit	**4,234**	**6.5**	724	6.2
Consumer	**3,127**	**2.1**	3,737	2.8
Deposit account overdrafts	**1,285**	**—**	2,220	—
Total allowance for credit losses - loans	**117,790**	**100.0**	121,622	100.0
Allowance for credit losses - loan commitments:				
Commercial real estate—land and construction	**6,025**	**25.7**	4,180	17.5
Commercial real estate—improved property	**—**	**5.0**	201	8.7
Commercial and industrial	**—**	**31.9**	1,497	36.8
Residential real estate	**2,215**	**8.5**	1,576	10.0
Home equity lines of credit	**128**	**28.0**	49	25.2
Consumer	**—**	**0.9**	272	1.8
Total allowance for credit losses - loan commitments	**8,368**	**100.0**	7,775	100.0
Total allowance for credit losses	**$ 126,158**		$ 129,397	

Please refer to Note 4, "Loans and the Allowance for Credit Losses," of the Consolidated Financial Statements for a summary of changes in the allowance for credit losses applicable to each category of loans. Changes in the allowance for all categories of loans also reflect the net effect of changes in historical loss rates, loan balances, specific reserves and management's judgment with respect to the impact of qualitative factors on each category of loans. A decrease in the allowance for a particular loan category generally reflects either lower loan balances, historical loss rate changes or reductions in non-performing and/or classified commercial loans. Although the allowance for credit losses is allocated as described in Table 20, the total allowance is available to absorb losses in any category of loans. However, differences between management's estimation of expected future losses and actual incurred losses in subsequent periods may necessitate future adjustments to the provision for credit losses. Management believes the allowance for credit losses is appropriate to absorb expected future losses at December 31, 2022.

DEPOSITS

TABLE 21. DEPOSITS

	December 31,			
(dollars in thousands)	2022	2021	$ Change	% Change
Deposits				
Non-interest bearing demand	**$ 4,700,438**	$ 4,590,895	$ 109,543	2.4
Interest bearing demand	**3,119,807**	3,380,056	(260,249)	(7.7)
Money market	**1,684,023**	1,739,750	(55,727)	(3.2)
Savings deposits	**2,741,004**	2,562,510	178,494	7.0
Certificates of deposit	**885,818**	1,292,652	(406,834)	(31.5)
Total deposits	**$ 13,131,090**	$ 13,565,863	$ (434,773)	(3.2)

Deposits, which represent Wesbanco's primary source of funds, are offered in various account forms at various rates through Wesbanco's 194 financial centers, as of December 31, 2022, in West Virginia, Ohio, western Pennsylvania, Maryland, Kentucky, and southern Indiana. The FDIC insures all deposits up to $250,000 per account.

Total deposits decreased by $434.8 million or 3.2% in 2022 primarily reflecting the impact of inflationary pressures and rising costs across the economy. Savings deposits and non-interest bearing demand deposits increased 7.0% and 2.4%, respectively, while interest bearing demand

and money market deposits decreased 7.7% and 3.2%, respectively. Deposit balances were also somewhat impacted by bonus and royalty payments from Marcellus and Utica shale energy companies in Wesbanco's southwestern Pennsylvania, eastern Ohio and northern West Virginia markets totaling $96.7 million and $68.9 million for the years ended December 31, 2022 and 2021, respectively. Money market deposits were influenced through Wesbanco's increased participation in the Insured Cash Sweep (ICS®) money market deposits program. ICS® reciprocal balances totaled $580.6 million at December 31, 2022 compared to $641.1 million at December 31, 2021.

Certificates of deposit decreased $406.8 million, primarily due to an overall corporate strategy designed to increase and remix retail deposit relationships and reduce single-service customers with a focus on overall products that can be offered at a lower cost to Wesbanco. The decrease was also impacted by lower offered rates on certain maturing certificates of deposit and customer preferences for other non-maturity deposit types. Wesbanco does not generally solicit brokered or other deposits out-of-market or over the internet, but does participate in the Certificate of Deposit Account Registry Services ("CDARS®") program. CDARS® balances totaled $21.0 million in outstanding balances at December 31, 2022, none of which represented one-way buys, compared to $45.9 million in total outstanding balances at December 31, 2021, of which $0.4 million represented one-way buys. Certificates of deposit greater than $250,000 were approximately $133.9 million at December 31, 2022 compared to $313.2 million at December 31, 2021. Certificates of deposit of $100,000 or more were approximately $373.5 million at December 31, 2022 compared to $666.2 million at December 31, 2021. Certificates of deposit totaling approximately $556.4 million at December 31, 2022 with a cost of 0.41% are scheduled to mature within the next year. The average rate on certificates of deposit decreased 15 basis points from 0.52% for the year ended December 31, 2021 to 0.37% in 2022, with a similar decrease experienced for jumbo certificates of deposit. Wesbanco will continue to focus on its core deposit strategies and improving its overall mix of transaction accounts to total deposits, which includes offering special promotions on certain certificates of deposit maturities and savings products based on competition, sales strategies, liquidity needs and wholesale borrowing costs.

TABLE 22. UNINSURED DEPOSITS

(dollars in thousands)	December 31, 2022	December 31, 2021	$ Change	% Change
Portion of certificates of deposit in excess of FDIC insurance limits	**$ 133,875**	$ 198,958	$ (65,083)	(32.7)
Certificates of deposit otherwise uninsured with a maturity of:				
Three months or less	**$ 35,522**	$ 65,024	$ (29,502)	(45.4)
Over three through six months	**27,251**	63,193	(35,942)	(56.9)
Over six through twelve months	**38,437**	20,620	17,817	86.4
Over twelve months	**32,665**	50,121	(17,456)	(34.8)
Total uninsured certificates of deposit	**$ 133,875**	$ 198,958	$ (65,083)	(32.7)
Total uninsured deposits	**$ 4,390,789**	$ 4,439,779	$ (48,990)	(1.1)

BORROWINGS

TABLE 23. BORROWINGS

(dollars in thousands)	December 31, 2022	December 31, 2021	$ Change	% Change
Federal Home Loan Bank Borrowings	**$ 705,000**	$ 183,920	$ 521,080	283.3
Other short-term borrowings	**135,069**	141,893	(6,824)	(4.8)
Subordinated debt and junior subordinated debt	**281,404**	132,860	148,544	111.8
Total	**$ 1,121,473**	$ 458,673	$ 662,800	144.5

Borrowings are a significant source of funding for Wesbanco in addition to deposits. During 2022, FHLB borrowings increased $521.1 million from December 31, 2021, as $1.2 billion in advances were partially offset by $629.0 million in maturities and other principal paydowns from available liquidity. The average cost in 2022 of maturing and paid-off FHLB borrowings was 3.57%, compared to the average cost of 4.35% for new borrowings in 2022.

Wesbanco is a member of the FHLB system. The FHLB system functions as a borrowing source for regulated financial institutions that are engaged in residential and commercial real estate lending along with securities investing. Wesbanco uses term FHLB borrowings as a general funding source and to more appropriately match interest maturities for certain assets. FHLB borrowings are secured by blanket liens on certain residential and other mortgage loans with a market value in excess of the outstanding borrowing balances. The terms of the security agreement with the FHLB include a specific assignment of collateral that requires the maintenance of qualifying mortgage and other types of loans as pledged collateral with unpaid principal amounts in excess of the FHLB advances, when discounted at certain pre-established percentages of the loans' unpaid balances. FHLB stock, which is recorded at cost of $36.2 million at December 31, 2022, is also pledged as collateral for these advances. Wesbanco's remaining maximum borrowing capacity, subject to the collateral requirements noted, with the FHLB at December 31, 2022 and 2021 was estimated to be approximately $3.6 billion and $3.8 billion, respectively.

Other short-term borrowings, which may consist of federal funds purchased, callable repurchase agreements, overnight sweep checking accounts and borrowings on a revolving line of credit, decreased $6.8 million to $135.1 million at December 31, 2022, compared to $141.9 million at December 31, 2021 due to moving certain customer relationships to interest-bearing demand deposits. At December 31, 2022 and 2021, there were no outstanding federal funds purchased.

In August 2022, Wesbanco renewed a revolving line of credit, which is a senior obligation of the parent company, with another financial institution. The revolving line of credit, which accrues interest at an adjusted SOFR rate, provides for aggregate unsecured borrowings of up to $30.0 million. The new revolving line of credit also requires Wesbanco to maintain at all times a consolidated four quarter average return on average assets of > 0.50%, a Texas ratio of less than 25% (broadly defined as the ratio of non-performing assets to tangible common equity and the allowance for loan losses), unencumbered cash and marketable securities of at least $12.0 million, and the maintenance at all times on a consolidated basis and for the Bank a total risk-based capital ratio of > 12.0%, a Tier 1 risk-based capital ratio of > 10.0% and a Tier 1 leverage ratio of > 7.0%. Wesbanco was in compliance with all terms and conditions at December 31, 2022. There was no outstanding balance on the line as of December 31, 2022 or 2021.

In March of 2022, Wesbanco completed the issuance of $150.0 million in aggregate principal amount of subordinated debentures. The subordinated debentures have a fixed rate of 3.75% for the first five years and a floating rate for the next five years at Three Month SOFR plus a spread of 1.787%.

CAPITAL RESOURCES

Shareholders' equity decreased from $2.7 billion at December 31, 2021 to $2.4 billion at December 31, 2022. The decrease was primarily the result of the repurchase of common shares net of restricted stock vesting activity totaling $119.1 million, the declaration of common and preferred shareholder dividends totaling $81.3 million and $10.1 million, respectively, and a $257.3 million other comprehensive income loss. This loss consisted of a $257.2 million unrealized loss in the securities portfolio and a $0.1 million loss in the defined benefits pension plan and other postretirement benefits for the year ended December 31, 2022. Shareholders' equity was positively impacted by net income of $192.1 million for the year ended December 31, 2022.

For 2022, common dividends increased to $1.37 per share, or 3.8% on an annualized basis, compared to $1.32 per share in 2021. The common dividend per share payout ratio increased to 53.6% in 2022 from 37.4% in 2021, which is primarily attributable to a decrease in earnings year-over-year. A board-approved policy generally targets dividends as a percent of net income in a range of 40% to 75%, subject to capital levels, earnings history and prospects, regulatory concerns, and other factors.

Wesbanco purchased 3,407,016 shares of its common stock on the open market at a total cost of $119.1 million or $34.96 per share during the year under current share repurchase authorizations. On February 24, 2022, Wesbanco's Board of Directors authorized the adoption of a new stock repurchase plan for the purchase of up to 3.2 million shares, which was in addition to the prior plans that were utilized during the year. At December 31, 2022, the remaining shares authorized to be purchased under the last approved repurchase plan totaled 1,184,351 shares.

Wesbanco is subject to risk-based capital guidelines that measure capital relative to risk-weighted assets and off-balance sheet instruments. Wesbanco and its banking subsidiary Wesbanco Bank maintain Tier 1 risk-based, Total risk-based and Tier 1 leverage capital ratios significantly above minimum regulatory levels. The Bank paid $172.5 million in dividends to Wesbanco during 2022, or 85% of the Bank's net income. There are various legal limitations under federal and state laws that limit the payment of dividends from the Bank to the parent company. As of December 31, 2022, under FDIC and State of West Virginia regulations, Wesbanco could receive, without prior regulatory approval, dividends of approximately $116.8 million from the Bank. The Bank's policy is generally to declare dividends up to 90% of its earnings to the parent annually, subject to change, with Board approval.

Wesbanco currently has $281.4 million in subordinated debt and junior subordinated debt on its Consolidated Balance Sheet. For regulatory purposes, the junior subordinated debt and trust preferred securities totaling $130.0 million, issued by unconsolidated trust subsidiaries of Wesbanco underlying such junior subordinated debt, are accounted for as Tier 2 capital in accordance with current regulatory reporting requirements. Subordinated debt totaling $60.0 million acquired from YCB and OLBK in 2016 and 2019, respectively, was redeemed late in 2021. The YCB notes were considered Tier 2 regulatory capital for Wesbanco and Wesbanco Bank, as they were initially issued by the Bank, while the OLBK notes were considered Tier 2 regulatory capital for Wesbanco. In March of 2022, Wesbanco completed the issuance of $150.0 million in aggregate principal amount of subordinated debentures.

Please refer to Note 21, "Regulatory Matters," of the Consolidated Financial Statements for more information on capital amounts, ratios and minimum regulatory requirements. Also refer to "Item 1. Business" within this Annual Report on Form 10-K for more information on the Dodd-Frank Wall Street Reform and Consumer Protection Act and Basel III Capital Standards.

LIQUIDITY RISK

Liquidity is defined as a financial institution's capacity to meet its cash and collateral obligations at a reasonable cost. Liquidity risk is the risk that an institution's financial condition or overall safety and soundness is adversely affected by an inability, or perceived inability, to meet its obligations. An institution's obligations, and the funding sources to meet them, depend significantly on its business mix, balance sheet structure, and the cash flows of its on- and off-balance sheet obligations. Institutions confront various internal and external situations that can give rise to increased liquidity risk including funding mismatches, market constraints on funding sources, contingent liquidity events, changes in economic conditions, and exposure to credit, market, operation, legal and reputation risk. Wesbanco actively manages liquidity risk through its ability to provide adequate funds to meet changes in loan demand, unexpected outflows in deposits and other borrowings as well as to take advantage of market opportunities and meet operating cash needs. This is accomplished by maintaining liquid assets in the form of securities, sufficient borrowing capacity and a stable core deposit base. Liquidity is centrally monitored by Wesbanco's ALCO.

Wesbanco determines the degree of required liquidity by the relationship of total holdings of liquid assets to the possible need for funds to meet unexpected deposit losses and/or loan demands. The ability to quickly convert assets to cash at a minimal loss is a primary function of Wesbanco's investment portfolio management. Wesbanco believes its cash flow from the loan portfolio, the investment portfolio, and other sources adequately meet its liquidity requirements. Wesbanco's net loans-to-assets ratio was 62.5% and deposit balances funded 77.6% of total assets at December 31, 2022.

The following table lists the sources of liquidity from assets at December 31, 2022 expected within the next year:

(in thousands)		
Cash and cash equivalents	$	**408,411**
Securities with a maturity date within the next year and callable securities		**245,067**
Projected payments and prepayments on mortgage-backed securities and collateralized mortgage obligations (1)		**300,585**
Loans held for sale		**8,249**
Accruing loans scheduled to mature		**968,414**
Normal loan repayments		**1,175,469**
Total sources of liquidity expected within the next year	**$**	**3,106,195**

(1) Projected prepayments are based on current prepayment speeds.

Deposit flows are another principal factor affecting overall Wesbanco liquidity. Deposits totaled $13.1 billion at December 31, 2022. Deposit flows are impacted by current interest rates, products and rates offered by Wesbanco versus various forms of competition, as well as customer behavior. Certificates of deposit scheduled to mature within one year totaled $556.4 million at December 31, 2022, which includes jumbo regular certificates of deposit totaling $237.2 million with a weighted-average cost of 0.56%, and jumbo CDARS® deposits of $16.0 million with a weighted-average cost of 0.80%.

Wesbanco maintains a line of credit with the FHLB as an additional funding source. Available credit with the FHLB at December 31, 2022 approximated $3.6 billion, compared to $3.8 billion at December 31, 2021. The FHLB requires securities to be specifically pledged to the FHLB and maintained in a FHLB-approved custodial arrangement if the member wishes to include such securities in the maximum borrowing capacity calculation. Wesbanco has elected not to specifically pledge to the FHLB otherwise unpledged securities. At December 31, 2022, the Bank had unpledged available-for-sale securities with an amortized cost of $535.2 million. A portion of these securities could be sold for additional liquidity, or such securities could be pledged to secure additional FHLB borrowings. Available liquidity through the sale of investment securities is somewhat limited due to the pledging agreements that Wesbanco has with their public deposit customers, as approximately 19.0% of the current available-for-sale portfolio balance is unpledged. Public deposit balances have increased significantly through the several acquisitions made since 2015, to a total of $1.5 billion at December 31, 2022. Wesbanco's held-to-maturity portfolio currently contains $1.2 billion of unpledged securities. Most of these securities are tax-exempt municipal securities, which can only be pledged in limited circumstances in certain states. In addition, except for certain limited, special circumstances, these securities cannot be sold without tainting the remainder of the held-to-maturity portfolio. If tainting occurs, all remaining securities with the held-to-maturity designation would be required to be reclassified as available-for-sale, and the held-to-maturity designation would not be available to utilize for some time.

Wesbanco participates in the Federal Reserve Bank's Borrower-in-Custody Program ("BIC"), whereby Wesbanco pledges certain consumer loans as collateral for borrowings. Wesbanco did not have any BIC borrowings outstanding at December 31, 2022. Alternative funding sources may include the utilization of existing overnight lines of credit with third-party banks totaling $235.0 million, none of which was outstanding at December 31, 2022, along with seeking other lines of credit, borrowings under repurchase agreement lines, increasing deposit rates to attract additional funds, accessing brokered deposits, or selling securities available-for-sale or certain types of loans.

Other short-term borrowings of $135.1 million at December 31, 2022 consisted of callable repurchase agreements and overnight sweep checking accounts for commercial customers. The overnight sweep checking accounts require U.S. Government securities to be pledged equal to or greater than the average deposit balance in the related customer accounts.

The principal sources of parent company liquidity are dividends from the Bank, $272.2 million in cash on hand, and a $30.0 million revolving line of credit with another bank, which did not have an outstanding balance at December 31, 2022. Wesbanco is in compliance with all loan covenants. There are various legal limitations under federal and state laws that limit the payment of dividends from the Bank to the parent company. As of December 31, 2021, under FDIC and State of West Virginia regulations, Wesbanco could receive, without prior regulatory approval, dividends of approximately $116.8 million from the Bank. Management believes these are appropriate levels of cash for Wesbanco given the current environment and projected sources and uses of cash. Management continuously monitors the adequacy of parent company cash levels and sources of liquidity through the use of metrics that relate current cash levels to historical and forecasted cash inflows and outflows.

Wesbanco had outstanding commitments to extend credit in the ordinary course of business approximating $4.6 billion and $3.8 billion at December 31, 2022 and 2021, respectively. On a historical basis, only a portion of these commitments will result in an outflow of funds. Please refer to Note 18, "Commitments and Contingent Liabilities," of the Consolidated Financial Statements and the "Loans and Loan Commitments" section of this MD&A for additional information.

Federal financial regulatory agencies previously have issued guidance to provide for sound practices for managing funding and liquidity risk and strengthening liquidity risk management practices. Wesbanco maintains a comprehensive management process for identifying, measuring, monitoring, and controlling liquidity risk, which is fully integrated into its risk management process. Management believes Wesbanco has sufficient current liquidity to meet current obligations to borrowers, depositors and others as of December 31, 2022 and that Wesbanco's current liquidity risk management policies and procedures adequately address this guidance.

LIBOR TRANSITION

LIBOR is a widely used short-term reference interest rate benchmark for variable rate loans and securities, borrowings, and interest rate hedge/swap transactions. In July 2017, the U.K. Financial Conduct Authority ("FCA") announced the discontinuation of LIBOR after certain banks provided purported interest rate figures which did not truly reflect the rate at which they could borrow. In addition to FCA, as early as 2014, financial institution regulators and the Federal Financial Institutions Examination Council ("FFIEC") began to work to develop a uniform approach to the phase-out of LIBOR because the continued reliance on LIBOR could present systematic risk to financial institutions. The Board of Governors of the Federal Reserve System and the Federal Reserve Bank of New York convened the Alternative Reference Rates Committee ("AARC") to identify alternative reference rates to LIBOR. The AARC released consultations on contractual fallback language to prepare for the transition away for LIBOR and on June 22, 2017, identified SOFR as the recommended alternative to LIBOR.

On July 1, 2020, the FFIEC issued a Joint Statement on Managing the LIBOR Transition to further explain that new financial contracts should either utilize a reference rate other than LIBOR or have robust fallback language that defines an alternative reference rate after LIBOR's discontinuation. The FFIEC statement encouraged supervised financial institutions to continue their efforts to prepare for the change and address the risks associated with the LIBOR transition.

On November 6, 2020, the Board of Governors of the Federal Reserve System, the Office of the Comptroller of the Currency, and the Federal Deposit Insurance Corporation (collectively, the "Agencies") issued a statement providing that a financial institution may use any reference rate for its loans that the financial institution determines to be appropriate for its funding model and customer needs.

Thereafter, on November 30, 2020, the Agencies issued an additional joint statement encouraging financial institutions to continue to transition away from LIBOR as soon as practicable, but no later than December 31, 2021. Given the risks associated with the use of LIBOR, the Agencies stated that entering into new contracts that use LIBOR as a reference rate after December 31, 2021, would create safety and soundness risks.

On March 5, 2021, the U.K. FCA and Intercontinental Exchange ("ICE") Benchmark Administration announced that the publication of the overnight, as well as, the one, three, six, and twelve month LIBOR rates will continue through June 30, 2023, which will provide additional time to wind down or renegotiate existing contracts that reference LIBOR.

On October 20, 2021, the Agencies with the Consumer Financial Protection Bureau, National Credit Union Administration, and State Bank and Credit Union Regulators, issued an additional Joint Statement on Managing the LIBOR Transition to once again emphasize the expectation that supervised institutions with LIBOR exposure continue to progress toward an orderly transition away from LIBOR. The statement confirmed that entering into new contracts, including derivatives that use LIBOR as a reference rate after December 31, 2021, would create safety and soundness risks, including litigation, operational, and consumer protection risks.

On March 15, 2022, President Biden signed the Adjustable Interest Rate (LIBOR) Act into law (the "LIBOR Act"). The LIBOR Act provides a clear and uniform federal solution for transitioning legacy contracts that either lack or contain insufficient contractual provisions addressing the permanent cessation of LIBOR by providing for the transition from LIBOR to a replacement rate and avoiding related litigation.

On December 16, 2022, the Federal Reserve Board adopted a final rule that implements the Adjustable Interest Rate (LIBOR) Act by identifying benchmark rates based on SOFR that will replace LIBOR in certain financial contracts after June 30, 2023. The final rule is substantially similar to the proposal with certain clarifying changes made in response to comments.

- For a LIBOR contract that is a derivative transaction, the "Fallback Rate (SOFR)" as defined in the 2020 IBOR Fallbacks Protocol published by the International Swaps and Derivatives Association (ISDA protocol), which incorporates the statutorily prescribed tenor spread adjustment.
- For a LIBOR contract that is an FHFA-regulated-entity contract:
  - For Federal Home Loan Bank advances, the "Fallback Rate (SOFR)" as defined in the ISDA protocol; and
  - For all other FHFA-regulated-entity contracts, SOFR (in place of overnight LIBOR) or 30-day compounded average SOFR published by FRBNY ("30-day Average SOFR," in place of one-, three-, six-, or 12-month LIBOR), plus the applicable statutorily prescribed tenor spread adjustment.
- For a LIBOR contract that is a FFELP ABS, either (i) 30-day Average SOFR (for one-, six-, and 12-month LIBOR) or (ii) 90-day compounded average SOFR published by FRBNY (for three-month LIBOR), plus the applicable statutorily prescribed tenor spread adjustment.
- For all other LIBOR contracts, including consumer loans, SOFR (in place of overnight LIBOR) or term SOFR published by CME Group Benchmark Administration, Ltd. (in place of one-, three-, six-, or 12-month LIBOR), plus the statutorily prescribed tenor spread adjustment.

As early as 2018, in anticipation of the potential discontinuance of LIBOR, Wesbanco established a LIBOR transition committee to effectively manage the Company's transition away from LIBOR in two phases. The first phase included adding additional fallback language to loan documents to allow Wesbanco to replace LIBOR with an equivalent rate index plus the margin to ensure the resulting interest rate is the same as it previously was using LIBOR. Also, as part of the first phase, Wesbanco began quoting to the Treasury Rate published by the Federal Reserve Board instead of the ICE LIBOR Swap Index (which is tied to LIBOR) when repricing certain term loans and originating new loans. The second phase consists of working to continue to transition existing adjustable-rate loans that fluctuate monthly or periodically that are tied to LIBOR or the ICE LIBOR Swap Index. Wesbanco is tracking the dollar amount and number of loans tied to LIBOR or the ICE LIBOR Swap Index, monitoring current industry trends, and working with legal counsel to ensure the smooth transition away from LIBOR. As of December 31, 2022, Wesbanco had a total of $1.3 billion in loans tied to either LIBOR or the ICE LIBOR Swap index, of which $1.2 billion have a maturity date after June 30, 2023. As referenced above, the U.K. FCA and ICE Benchmark Administration has extended the date of publication of certain tenors of LIBOR through June 30, 2023, giving existing LIBOR based contracts time to mature. However, in compliance with and based upon the Agencies Joint Statements referenced above, Wesbanco has not offered LIBOR for new contracts after December 31, 2021. Accordingly, Wesbanco has initially chosen the 1M Term SOFR, which is published by the Chicago Mercantile Exchange, as an alternative replacement rate for LIBOR. Wesbanco may also continue to utilize the Wall Street Journal Prime Rate, the Treasury Rates, and other indexes as part of its lending program. At a date in the future, prior to the cessation of the publication of the one month LIBOR, Wesbanco will transition all remaining LIBOR based loans to the replacement index after notification to the impacted borrowers. This transition will be aided by the passage of the LIBOR Act. With respect to its back-to-back swap program, Wesbanco worked with its swap counterparty customers to institute and accept the International Swaps and Derivatives Association 2020 Interbank Offered Rate Fallbacks Protocol to address LIBOR cessation in swap transactions. Moreover, Wesbanco chose 1M Term SOFR as its replacement index for new loans in the bank's back-to-back swap program, beginning on January 1, 2022.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The disclosures set forth in this item are qualified by the section captioned "Forward-Looking Statements" included in Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations of this report.

MARKET RISK

The primary objective of Wesbanco's ALCO is to maximize net interest income within established policy parameters. This objective is accomplished through the management of balance sheet composition, market risk exposures arising from changing economic conditions and liquidity risk.

Market risk is defined as the risk of loss due to adverse changes in the fair value of financial instruments resulting from fluctuations in interest rates and bond prices. Management considers interest rate risk to be Wesbanco's most significant market risk. Interest rate risk is the exposure to adverse changes in net interest income due to changes in interest rates. The consistency of Wesbanco's net interest income is largely dependent on effective management of interest rate risk. As interest rates change in the market, rates earned on interest rate-sensitive assets and rates paid on interest rate-sensitive liabilities do not necessarily move concurrently. Differing rate sensitivities may arise because fixed rate assets and liabilities may not have the same maturities, or because variable rate assets and liabilities differ in the timing and/or the percentage of rate changes.

Wesbanco's ALCO is an executive management committee with Board representation, responsible for monitoring and managing interest rate risk within approved policy limits, utilizing earnings sensitivity simulation and economic value-at-risk models. These models are highly dependent on various assumptions, which change regularly as the balance sheet and market interest rates change. The key assumptions and strategies employed are analyzed, reviewed and documented at least quarterly by the ALCO.

The earnings sensitivity simulation model projects changes in net interest income resulting from the effects of changes in interest rates. Forecasting changes in net interest income requires management to make certain assumptions regarding loan and security prepayment rates, call dates, changes to deposit product betas and non-maturity deposit decay rates, which may not necessarily reflect the manner in which actual cash flows, yields, and costs respond to changes in market interest rates. Assumptions are based on internally-developed models derived from Bank-specific data, current market rates and economic forecasts, and are internally back-tested and periodically reviewed by a third-party consultant. The net interest income sensitivity results presented in Table 1, "Net Interest Income Sensitivity," assumes that the balance sheet composition of interest sensitive assets and liabilities existing at the end of the period remains constant over the period being measured and also assumes that a particular change in interest rates is reflected uniformly across the yield curve, regardless of the duration of the maturity or re-pricing of specific assets and liabilities. Since the assumptions used in the model relative to changes in interest rates are uncertain, the simulation analysis may not be indicative of actual results. In addition, this analysis does not consider actions that management might employ in response to changes in interest rates, as well as changes in earning asset and costing liability balances.

Interest rate risk policy limits are determined by measuring the anticipated change in net interest income over a twelve-month period, assuming immediate and sustained market interest rate increases and decreases of 100 - 300 basis points across the entire yield curve, as compared to a stable rate environment or base model. Wesbanco's current policy limits this exposure for the noted interest rate changes to a reduction of between 7.5% - 15%, or less, of net interest income from the stable rate base model over a twelve-month period. The table below indicates Wesbanco's interest rate sensitivity at December 31, 2022 and December 31, 2021, assuming the above-noted interest rate changes, as compared to a base model. The 100 – 300 basis points decreasing changes for December 31, 2021 are not shown due to the unrealistic and/or negative yield nature of the results.

TABLE 1. NET INTEREST INCOME SENSITIVITY

Immediate Change in Interest Rates (basis points)	Percentage Change in Net Interest Income from Base over One Year: December 31, 2022	December 31, 2021	ALCO Guidelines
+200	**5.6%**	11.7%	(10.0%)
+100	**2.8%**	6.0%	(7.5%)
-100	**(4.4%)**	N/A	(7.5%)
-200	**(9.8%)**	N/A	(10.0%)
-300	**(15.6%)**	N/A	(15.0%)

Adjustments to relative sensitivities are due to the impact of the current lower rate and yield curve environment on base case net interest income and the related calculation of parallel rate shock changes in rising and falling rate scenarios. Additional differences typically result from changes in the various earning assets and costing liabilities mix and growth rates, as well as adjustments for various modeling assumptions. Generally, deposit betas utilized in modeling are estimated at more conservative percentages for both up and down rate scenarios than has been the Bank's historical experience, as a result of both competitive factors in our markets and as public funds and institutional contract terms are renewed. Deposit betas, decay rates and loan prepayment speeds are adjusted periodically in our models for non-maturity deposits and loans. Indicated model asset sensitivity in rising rate scenarios may be less than anticipated due to slower prepayment speeds, rate floors, below forecast loan yields, spread compression between new asset yields and funding costs, customer requests for negotiated rates, mortgage-related extension risk and other factors. In a decreasing rate environment, asset sensitivity may have greater impact on the margin than currently modeled as prepayment speeds increase, customers refinance or request rate reductions on existing loans, estimated deposit betas do not perform as modeled, or for other reasons.

In addition to the aforementioned parallel rate shock earnings sensitivity simulation model, the ALCO also reviews a "dynamic" forecast scenario to project net interest income over a rolling two-year time period. This forecast is updated at least quarterly, incorporating revisions and updated assumptions into the model for estimated loan and deposit growth, expected balance sheet re-mixing strategies, changes in forecasted rates for various maturities, competitive market spreads for various products and other assumptions. Such modeling is directionally consistent with typical parallel rate shock scenarios, and it assists in predicting changes in forecasted outcomes and potential adjustments to management plans to assist in achieving earnings goals.

Wesbanco also periodically measures the economic value of equity ("EVE"), which is defined as the market value of tangible equity in various rate scenarios. Generally, changes in the economic value of equity relate to changes in various assets and liabilities, changes in the yield curve, as well as changes in loan prepayment speeds and deposit decay rates. The following table presents these results and Wesbanco's policy limits as of December 31, 2022 and December 31, 2021. Changes in EVE sensitivity since year-end 2021 relate to the change in market interest rates and their impact upon the fair values of earning assets and costing liabilities:

Immediate Change in Interest Rates (basis points)	Percentage Change in Economic Value of Equity from Base over One Year		ALCO Guidelines
	December 31, 2022	**December 31, 2021**	
+200	**(4.3%)**	1.6%	(20.0%)
+100	**(1.8%)**	1.8%	(10.0%)
-100	**(0.8%)**	N/A	(10.0%)
-200	**(7.9%)**	N/A	(20.0%)
-300	**(17.5%)**	N/A	(30.0%)

The Bank has significant additional borrowing capacity with the FHLB of Pittsburgh, the Federal Reserve Bank of Cleveland and various correspondent banks, and may utilize these funding sources or interest rate swap strategies as necessary to lengthen liabilities, offset mismatches in various asset maturities and manage liquidity. CDARS® and ICS® deposits also may be utilized for similar purposes for certain customers seeking higher-yielding instruments or maintaining deposit levels below FDIC insurance limits. Significant balance sheet strategies to assist in managing the net interest margin in the current interest rate environment include:

- increasing total loans, particularly commercial and home equity loans that have variable or adjustable features;
- adjusting the percentage of sales of longer-term residential mortgage loan production into the secondary market;
- managing rates on interest bearing deposits and growing demand deposit account types to increase the relative portion of these account types to total deposits;
- employing back-to-back loan swaps for certain commercial loan customers desiring a term fixed rate loan equivalent, with the Bank receiving a variable rate;
- adjusting terms for FHLB short-term maturing borrowings to balance asset/liability mismatches; or paying them off with excess liquidity
- using CDARS® and ICS® deposit programs to manage funding needs and overall liability mix, and
- adjusting the size, mix or duration of the investment portfolio as part of liquidity and balance sheet management strategies.

Management is aware of the significant effect that inflation or deflation has upon interest rates and ultimately upon financial performance. Wesbanco's ability to cope with inflation or deflation is best determined by analyzing its capability to respond to changing market interest rates, as well as its ability to manage the various elements of non-interest income and expense during periods of increasing or decreasing inflation or deflation. Wesbanco monitors the level and mix of interest-rate sensitive assets and liabilities through ALCO in order to reduce the impact of inflation or deflation on net interest income. Management also controls the effects of inflation or deflation by conducting periodic reviews of the prices, costs and terms of its various products and services, as well as competitive factors, by approving new products and services or adjusting the terms and availability of existing products and services.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

The management of Wesbanco is responsible for establishing and maintaining adequate internal control over financial reporting. Wesbanco's internal control over financial reporting is a process designed under the supervision of Wesbanco's chief executive officer and chief financial officer to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Wesbanco's financial statements for external reporting purposes in accordance with U.S. generally accepted accounting principles.

Wesbanco's management assessed the effectiveness of Wesbanco's internal control over financial reporting as of December 31, 2022 based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). Based on the assessment, management determined that, as of December 31, 2022, Wesbanco's internal control over financial reporting is effective, based on the COSO criteria. The effectiveness of Wesbanco's internal control over financial reporting as of December 31, 2022 has been audited by Ernst & Young LLP, Wesbanco's independent registered public accounting firm, as stated in their accompanying report appearing below.

/s/ Todd F. Clossin	/s/ Daniel K. Weiss, Jr.
Todd F. Clossin	Daniel K. Weiss, Jr.
President and Chief Executive Officer	Executive Vice President and Chief Financial Officer

Report of Independent Registered Public Accounting Firm

To the Shareholders and the Board of Directors of Wesbanco, Inc.

Opinion on Internal Control Over Financial Reporting

We have audited Wesbanco, Inc.'s internal control over financial reporting as of December 31, 2022, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). In our opinion, Wesbanco, Inc. (the Company) maintained, in all material respects, effective internal control over financial reporting as of December 31, 2022, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of the Company as of December 31, 2022 and 2021, the related consolidated statements of income, comprehensive income, changes in shareholders' equity, and cash flows for each of the three years in the period ended December 31, 2022, and the related notes and our report dated February 27, 2023 expressed an unqualified opinion thereon.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Ernst & Young LLP

Pittsburgh, Pennsylvania
February 27, 2023

Report of Independent Registered Public Accounting Firm

To the Shareholders and the Board of Directors of Wesbanco, Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Wesbanco, Inc. (the Company) as of December 31, 2022 and 2021, the related consolidated statements of income, comprehensive income, changes in shareholders' equity and cash flows for each of the three years in the period ended December 31, 2022, and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2022 and 2021, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2022, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2022, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) and our report dated February 27, 2023 expressed an unqualified opinion thereon.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective or complex judgments. The communication of the critical audit matter does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the account or disclosure to which it relates.

	Allowance for credit losses - loans
Description of the Matter	The Company's loan portfolio totaled $10.7 billion as of December 31, 2022 and the associated allowance for credit losses - loans (ACL) was $117.8 million. As discussed in Note 1 and 4 to the consolidated financial statements, the ACL reflects the lifetime expected credit losses on the Company's loan portfolio. The ACL is calculated utilizing the probability of default / loss given default approach to calculate the expected loss for each segment, which is then discounted to net present value. The primary macroeconomic drivers of the quantitative model includes the forecast of national unemployment and interest rate spreads. The evaluation also considers qualitative factors such as economic trends and conditions. Auditing management's ACL estimate was complex due to the subjectivity in evaluating the national unemployment (macroeconomic forecast) used by the Company in their quantitative CECL model. Management relies on information obtained from various third parties to inform their view of the macroeconomic forecast. Other internal and external indicators of economic forecasts are also considered by management when establishing the forecast for the ACL. We identified auditing the reasonableness of management's macroeconomic forecast in the ACL for loans as a critical audit matter as it involves especially subjective auditor judgment.

How We Addressed the Matter in Our Audit

We obtained an understanding, evaluated the design, and tested the operating effectiveness of the Company's controls over the ACL process, including controls over the appropriateness of the ACL methodology, the expected loss model, the reliability and accuracy of data used in developing the ACL estimate, and management's review and approval process over their determination of the macroeconomic forecast.

We tested management's expected loss model including evaluating the conceptual soundness of model methodology, assessing model performance and governance, testing key model assumptions, including the reasonable and supportable forecast, and independently recalculating model output with the assistance of EY specialists.

To test management's determination of the macroeconomic forecast, we evaluated the reasonableness of the Company's macroeconomic assumptions and judgments in estimating future credit losses, including the selection of the forecasted macroeconomic assumptions and considerations of alternative forecasted macroeconomic scenarios. This included obtaining corroborative information, including employment statistics, economic reports and alternative economic forecasts, as well as performing an independent search for the existence of new or contrary information relating to independent macroeconomic forecast to validate that management's considerations are appropriate. We also verified the underlying economic forecast data used to estimate the quantitative reserve was complete and accurate. Additionally, we evaluated whether the overall ACL appropriately reflects losses expected in the loan portfolio by comparing it the Company's historical loss data and to peer bank data. We also performed analytical procedures on the ACL, including coverage ratios and comparison to prior periods as well as prior economic cycles.

/s/ Ernst & Young LLP

We have served as the Company's auditor since 1996.

Pittsburgh, Pennsylvania
February 27, 2023

WESBANCO, INC. CONSOLIDATED BALANCE SHEETS

(in thousands, except shares)	December 31, 2022	December 31, 2021
ASSETS		
Cash and due from banks, including interest bearing amounts of **$242,229** and $1,094,312, respectively	**$ 408,411**	$ 1,251,358
Securities:		
Equity securities, at fair value	**11,506**	13,466
Available-for-sale debt securities, at fair value	**2,529,140**	3,013,462
Held-to-maturity debt securities (fair values of **$1,084,390** and $1,028,452, respectively)	**1,248,629**	1,004,823
Allowance for credit losses, held-to-maturity debt securities	**(220)**	(268)
Net held-to-maturity debt securities	**1,248,409**	1,004,555
Total securities	**3,789,055**	4,031,483
Loans held for sale	**8,249**	25,277
Portfolio loans, net of unearned income	**10,702,728**	9,733,478
Allowance for credit losses - loans	**(117,790)**	(121,622)
Net portfolio loans	**10,584,938**	9,611,856
Premises and equipment, net	**220,892**	229,016
Accrued interest receivable	**68,522**	60,844
Goodwill and other intangible assets, net	**1,141,355**	1,151,634
Bank-owned life insurance	**352,361**	350,359
Other assets	**358,122**	215,298
Total Assets	**$ 16,931,905**	$ 16,927,125
LIABILITIES		
Deposits:		
Non-interest bearing demand	**$ 4,700,438**	$ 4,590,895
Interest bearing demand	**3,119,807**	3,380,056
Money market	**1,684,023**	1,739,750
Savings deposits	**2,741,004**	2,562,510
Certificates of deposit	**885,818**	1,292,652
Total deposits	**13,131,090**	13,565,863
Federal Home Loan Bank borrowings	**705,000**	183,920
Other short-term borrowings	**135,069**	141,893
Subordinated debt and junior subordinated debt	**281,404**	132,860
Total borrowings	**1,121,473**	458,673
Accrued interest payable	**4,593**	1,901
Other liabilities	**248,087**	207,522
Total Liabilities	**14,505,243**	14,233,959
SHAREHOLDERS' EQUITY		
Preferred stock, no par value; **1,000,000** shares authorized; **150,000** shares 6.75% non-cumulative perpetual preferred stock, Series A, liquidation preference **$150,000,000**, issued and outstanding at December 31, 2022 and December 31, 2021, respectively	**144,484**	144,484
Common stock, $2.0833 par value; **100,000,000** shares authorized; **68,081,306** shares issued; **59,198,963** and 62,307,245 shares outstanding at December 31, 2022 and December 31, 2021, respectively	**141,834**	141,834
Capital surplus	**1,635,877**	1,635,642
Retained earnings	**1,077,675**	977,765
Treasury stock (**8,882,343** and 5,774,061 shares at cost, respectively)	**(308,964)**	(199,759)
Accumulated other comprehensive loss	**(262,416)**	(5,120)
Deferred benefits for directors	**(1,828)**	(1,680)
Total Shareholders' Equity	**2,426,662**	2,693,166
Total Liabilities and Shareholders' Equity	**$ 16,931,905**	$ 16,927,125

See Notes to Consolidated Financial Statements.

WESBANCO, INC. CONSOLIDATED STATEMENTS OF INCOME

(in thousands, except shares and per share amounts)	For the Years Ended December 31, 2022	2021	2020
INTEREST AND DIVIDEND INCOME			
Loans, including fees	**$ 422,401**	$ 415,965	$ 465,677
Interest and dividends on securities:			
Taxable	**66,123**	50,401	53,594
Tax-exempt	**18,818**	16,161	16,999
Total interest and dividends on securities	**84,941**	66,562	70,593
Other interest income	**6,314**	2,440	5,007
Total interest and dividend income	**513,656**	484,967	541,277
INTEREST EXPENSE			
Interest bearing demand deposits	**12,181**	3,669	7,069
Money market deposits	**3,562**	1,803	4,616
Savings deposits	**4,115**	1,031	1,802
Certificates of deposit	**4,089**	7,623	13,562
Total interest expense on deposits	**23,947**	14,126	27,049
Federal Home Loan Bank borrowings	**3,968**	6,167	24,701
Other short-term borrowings	**568**	227	1,729
Subordinated debt and junior subordinated debt	**10,860**	6,514	8,318
Total interest expense	**39,343**	27,034	61,797
NET INTEREST INCOME	**474,313**	457,933	479,480
Provision for credit losses	**(1,663)**	(64,274)	107,741
Net interest income after provision for credit losses	**475,976**	522,207	371,739
NON-INTEREST INCOME			
Trust fees	**27,551**	29,511	26,335
Service charges on deposits	**26,281**	22,412	21,943
Electronic banking fees	**20,002**	19,318	17,524
Net securities brokerage revenue	**9,525**	6,896	6,189
Bank-owned life insurance	**10,728**	8,936	7,359
Mortgage banking income	**5,129**	19,528	22,736
Net securities (losses) gains	**(1,777)**	1,113	4,268
Net gains on other real estate owned and other assets	**482**	4,816	103
Other income	**19,470**	20,255	21,728
Total non-interest income	**117,391**	132,785	128,185
NON-INTEREST EXPENSE			
Salaries and wages	**167,028**	154,242	153,166
Employee benefits	**37,771**	41,033	41,723
Net occupancy	**26,105**	26,843	27,580
Equipment and software	**32,508**	30,006	24,801
Marketing	**9,335**	8,634	5,957
FDIC insurance	**7,901**	4,150	7,734
Amortization of intangible assets	**10,278**	11,457	13,411
Restructuring and merger-related expense	**1,723**	6,717	9,725
Other operating expenses	**64,317**	70,061	70,748
Total non-interest expense	**356,966**	353,143	354,845
Income before provision for income taxes	**236,401**	301,849	145,079
Provision for income taxes	**44,288**	59,589	23,035
NET INCOME	**$ 192,113**	$ 242,260	$ 122,044
Preferred stock dividends	**10,125**	10,125	2,644
NET INCOME AVAILABLE TO COMMON SHAREHOLDERS	**$ 181,988**	$ 232,135	$ 119,400
EARNINGS PER COMMON SHARE			
Basic	**$ 3.03**	$ 3.54	$ 1.78
Diluted	**3.02**	3.53	1.77
AVERAGE COMMON SHARES OUTSTANDING			
Basic	**60,047,177**	65,520,527	67,260,796
Diluted	**60,215,374**	65,669,970	67,310,584
DIVIDENDS DECLARED PER COMMON SHARE	**$ 1.37**	$ 1.32	$ 1.28

See Notes to Consolidated Financial Statements.

WESBANCO, INC. CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(in thousands)	For the Years Ended December 31, 2022	2021	2020
Net income	**$ 192,113**	$ 242,260	$ 122,044
Debt securities available-for-sale:			
Net change in unrealized (losses) gains on debt securities available-for-sale	**(339,422)**	(67,652)	39,880
Related income tax benefit (expense)	**82,253**	16,112	(9,727)
Net securities losses (gains) reclassified into earnings	**13**	(56)	(2,540)
Related income tax (benefit) expense	**(3)**	13	604
Net effect on other comprehensive income for the period	**(257,159)**	(51,583)	28,217
Debt securities held-to-maturity:			
Amortization of unrealized gain transferred from debt securities available-for-sale	**—**	—	(32)
Related income tax expense	**—**	—	7
Net effect on other comprehensive income for the period	**—**	—	(25)
Defined benefit plans:			
Amortization of net loss and prior service costs	**291**	2,521	3,000
Related income tax benefit	**(70)**	(609)	(714)
Recognition of unrealized (loss) gain	**(473)**	17,386	(420)
Related income tax benefit (expense)	**115**	(4,194)	100
Net effect on other comprehensive income for the period	**(137)**	15,104	1,966
Total other comprehensive (loss) gain	**(257,296)**	(36,479)	30,158
Comprehensive (loss) income	**$ (65,183)**	$ 205,781	$ 152,202

See Notes to Consolidated Financial Statements.

WESBANCO, INC. CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

	For the years ended December 31, 2022, 2021, and 2020								
		Common Stock							
(in thousands, except shares and per share amounts)	Preferred Stock Amount	Shares Outstanding	Amount	Capital Surplus	Retained Earnings	Treasury Stock	Accumulated Other Comprehensive Gain (Loss)	Deferred Benefits for Directors	Total
January 1, 2020	$ —	67,824,428	$ 141,827	$ 1,636,966	$ 824,694	$ (9,463)	$ 1,201	$ (1,304)	$ 2,593,921
Net income	—	—	—	—	122,044	—	—	—	122,044
Other comprehensive income	—	—	—	—	—	—	30,158	—	30,158
Comprehensive income									152,202
Common dividends declared ($1.28 per share)	—	—	—	—	(85,815)	—	—	—	(85,815)
Preferred dividends declared ($17.625 per share)	—	—	—	—	(2,644)	—	—	—	(2,644)
Adoption of ASU 2016-13	—	—	—	—	(26,591)	—	—	—	(26,591)
Issuance of preferred stock, net of issuance costs	144,484	—	—	—	—	—	—	—	144,484
Treasury shares acquired	—	(813,108)	—	118	—	(25,414)	—	—	(25,296)
Stock options exercised	—	61,623	7	(1,206)	—	2,175	—	—	976
Restricted stock granted	—	181,763	—	(6,753)	—	6,753	—	—	—
Stock compensation expense	—	—	—	5,653	—	—	—	—	5,653
Deferred benefits for directors—net	—	—	—	37	—	—	—	(190)	(153)
December 31, 2020	$ 144,484	67,254,706	$ 141,834	$ 1,634,815	$ 831,688	$ (25,949)	$ 31,359	$ (1,494)	$ 2,756,737
Net income	—	—	—	—	242,260	—	—	—	242,260
Other comprehensive loss	—	—	—	—	—	—	(36,479)	—	(36,479)
Comprehensive income									205,781
Common dividends declared ($1.32 per share)	—	—	—	—	(85,667)	—	—	—	(85,667)
Preferred dividends declared ($16.875 per share)	—	—	—	—	(10,125)	—	—	—	(10,125)
Issuance of preferred stock, net of issuance costs	—	11,720	—	—	(391)	391	—	—	—
Treasury shares acquired	—	(5,218,275)	—	194	—	(183,171)	—	—	(182,977)
Stock options exercised	—	130,273	—	(1,388)	—	4,484	—	—	3,096
Restricted stock granted	—	128,821	—	(4,486)	—	4,486	—	—	—
Stock compensation expense	—	—	—	6,475	—	—	—	—	6,475
Deferred benefits for directors—net	—	—	—	32	—	—	—	(186)	(154)
December 31, 2021	$ 144,484	62,307,245	$ 141,834	$ 1,635,642	$ 977,765	$ (199,759)	$ (5,120)	$ (1,680)	$ 2,693,166
Net income	—	—	—	—	**192,113**	—	—	—	**192,113**
Other comprehensive loss	—	—	—	—	—	—	**(257,296)**	—	**(257,296)**
Comprehensive income									**(65,183)**
Common dividends declared ($1.37 per share)	—	—	—	—	**(81,286)**	—	—	—	**(81,286)**
Preferred dividends declared ($16.875 per share)	—	—	—	—	**(10,125)**	—	—	—	**(10,125)**
Stock issued for dividend reinvestment	—	**23,478**	—	—	**(792)**	**792**	—	—	—
Treasury shares acquired	—	**(3,407,016)**	—	—	—	**(119,097)**	—	—	**(119,097)**
Stock options exercised	—	**111,050**	—	**(529)**	—	**3,579**	—	—	**3,050**
Restricted stock granted	—	**164,206**	—	**(5,521)**	—	**5,521**	—	—	—
Stock compensation expense	—	—	—	**6,246**	—	—	—	—	**6,246**
Deferred benefits for directors—net	—	—	—	**39**	—	—	—	**(148)**	**(109)**
December 31, 2022	**$ 144,484**	**59,198,963**	**$ 141,834**	**$ 1,635,877**	**$ 1,077,675**	**$ (308,964)**	**$ (262,416)**	**$ (1,828)**	**$ 2,426,662**

See Notes to Consolidated Financial Statements.

WESBANCO, INC. CONSOLIDATED STATEMENTS OF CASH FLOWS

(in thousands)	For the Years Ended December 31, 2022	2021	2020
OPERATING ACTIVITIES			
Net income	**$ 192,113**	$ 242,260	$ 122,044
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization of premises and equipment	**13,042**	13,387	14,131
Other net amortization (accretion)	**8,890**	(11,001)	(9,890)
Provision for credit losses	**(1,663)**	(64,274)	107,741
Net securities losses (gains)	**1,777**	(1,113)	(4,268)
Mortgage banking income	**(5,129)**	(19,528)	(22,736)
Stock compensation expense	**6,246**	6,475	5,653
Decrease (increase) in deferred income tax assets, net	**4,489**	18,692	(10,518)
Increase in cash surrender value of bank-owned life insurance	**(10,728)**	(8,936)	(7,359)
Loans originated for sale	**(240,270)**	(648,344)	(910,155)
Proceeds from the sale of loans originated for sale	**257,290**	789,823	786,352
Net change in: accrued interest receivable and other assets	**(63,074)**	60,503	(30,280)
Net change in: accrued interest payable and other liabilities	**44,232**	(35,098)	16,189
Other—net	**(3,075)**	(6,549)	2,702
Net cash provided by operating activities	**204,140**	336,297	59,606
INVESTING ACTIVITIES			
Net (increase) decrease in loans held for investment	**(958,192)**	1,108,165	(538,688)
Available-for-sale debt securities:			
Proceeds from sales	**—**	—	226,099
Proceeds from maturities, prepayments and calls	**604,330**	839,584	803,006
Purchases of securities	**(468,399)**	(1,955,670)	(585,930)
Held-to-maturity debt securities:			
Proceeds from maturities, prepayments and calls	**88,407**	108,883	200,100
Purchases of securities	**(335,042)**	(385,538)	(82,695)
Equity securities:			
Proceeds from sales	**—**	—	203
Purchases of bank owned life insurance	**—**	(40,000)	—
Proceeds from bank owned life insurance	**8,726**	4,615	832
Purchases of premises and equipment—net	**(7,990)**	(8,535)	(7,551)
Sale of portfolio loans	**—**	—	42,416
Net cash (used in) provided by investing activities	**(1,068,160)**	(328,496)	57,792
FINANCING ACTIVITIES			
(Decrease) increase in deposits	**(432,775)**	1,140,303	1,435,497
Proceeds from Federal Home Loan Bank borrowings	**650,000**	—	475,000
Repayment of Federal Home Loan Bank borrowings	**(128,980)**	(365,201)	(1,341,814)
Decrease in other short-term borrowings	**(6,824)**	(100,057)	(32,912)
Principal repayments of finance lease obligations	**(553)**	(444)	(422)
Decrease in federal funds purchased	**—**	—	(7,500)
Issuance of subordinated debt, net of issuance costs	**147,702**	—	—
Repayment of subordinated debt and junior subordinated debt	**—**	(60,000)	(6,702)
Dividends paid to common shareholders	**(81,325)**	(86,484)	(85,253)
Dividends paid to preferred shareholders	**(10,125)**	(10,125)	(2,644)
Issuance of common stock	**—**	—	59
Issuance of preferred stock, net of issuance costs	**—**	—	144,484
Treasury shares purchased—net	**(116,047)**	(179,882)	(24,540)
Net cash provided by financing activities	**21,073**	338,110	553,253
Net (decrease) increase in cash, cash equivalents and restricted cash	**(842,947)**	345,911	670,651
Cash, cash equivalents and restricted cash at beginning of the year	**1,251,358**	905,447	234,796
Cash, cash equivalents and restricted cash at end of the year	**$ 408,411**	$ 1,251,358	$ 905,447
SUPPLEMENTAL DISCLOSURES			
Interest paid on deposits and other borrowings	**$ 37,745**	$ 32,572	$ 75,082
Income taxes paid	**24,899**	35,725	36,975
Transfers of loans to other real estate owned	**1,554**	526	263
Transfers of portfolio loans to loans held for sale	**—**	—	42,416

See Notes to Consolidated Financial Statements.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations— Wesbanco, Inc. ("Wesbanco" or the "Company") is a bank holding company offering a full range of financial services, including trust and investment services, mortgage banking, insurance and brokerage services. Wesbanco's defined business segments are community banking and trust and investment services. As of December 31, 2022, Wesbanco's banking subsidiary, Wesbanco Bank, Inc. ("Wesbanco Bank" or the "Bank"), headquartered in Wheeling, West Virginia, operates through 194 branches and 188 ATM machines in West Virginia, Ohio, western Pennsylvania, Kentucky, southern Indiana and Maryland. In addition, Wesbanco operates an insurance brokerage company, Wesbanco Insurance Services, Inc., and a full service broker/dealer, Wesbanco Securities, Inc.

Use of Estimates— The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Principles of Consolidation— The Consolidated Financial Statements include the accounts of Wesbanco and those entities in which Wesbanco has a controlling financial interest. All intercompany balances and transactions have been eliminated in consolidation.

Wesbanco determines whether it has a controlling financial interest in an entity by first evaluating whether the entity is a voting interest entity or a variable interest entity. A voting interest entity is an entity in which the total equity investment at risk is sufficient to enable the entity to finance itself independently and provides the equity holders with the obligation to absorb losses, the right to receive residual returns and the right to make financial and operating decisions. Wesbanco consolidates voting interest entities in which it owns all, or at least a majority (generally, greater than 50%) of the voting interest.

Variable interest entities ("VIE") are entities that in general either do not have equity investors with voting rights or that have equity investors that do not provide sufficient financial resources for the entity to support its activities. Wesbanco uses VIEs in various legal forms to conduct normal business activities. Wesbanco reviews the structure and activities of VIEs for possible consolidation.

A controlling financial interest in a VIE is present when an enterprise has both the power to direct the activities of the VIE that most significantly impact the VIE's economic performance and the obligation to absorb losses of the VIE that could potentially be significant to the VIE or the right to receive benefits of the VIE that could potentially be significant to the VIE. A VIE often holds financial assets, including loans or receivables, real estate or other property. The company with a controlling financial interest, known as the primary beneficiary, is required to consolidate the VIE. Wesbanco has eleven wholly-owned trust subsidiaries (collectively, the "Trusts"), for which it does not have the power to direct the activities of a VIE that most significantly impact the VIE's economic performance nor the obligation to absorb losses or the right to receive a benefits from the VIE that could be potentially significant to the VIE. Accordingly, the Trusts and their net assets are not included in the Consolidated Financial Statements. However, the junior subordinated deferrable interest debentures issued by Wesbanco to the Trusts (refer to Note 10, "Subordinated Debt and Junior Subordinated Debt") and the common stock issued by the Trusts is included in the Consolidated Balance Sheets. Wesbanco also owns non-controlling variable interests in certain limited partnerships for which it does not have the power to direct the activities of a VIE that most significantly impact the VIE's economic performance nor the obligation to absorb losses or the right to receive a benefit from the VIE that could be potentially significant to the VIE. These VIEs are not consolidated into Wesbanco's financial statements because Wesbanco is not considered the primary beneficiary. These investments are accounted for using the equity method of accounting and are included in other assets in the Consolidated Balance Sheets. Refer to Note 7, "Investments in Limited Partnerships" for further detail.

Business Combinations— Business combinations are accounted for by applying the acquisition method. As of acquisition date, the identifiable assets acquired and liabilities assumed are measured at fair value and recognized separately from goodwill. Results of operations of the acquired entities are included in the consolidated statement of income from the date of acquisition.

Revenue Recognition— Interest income, net securities gains (losses) and bank-owned life insurance are not in scope of ASC 606, *Revenue from Contracts with Customers*. For the revenue streams in scope of ASC 606 - trust fees, service charges on deposits, net securities brokerage revenue, debit card sponsorship income, payment processing fees, electronic banking fees, mortgage banking income and net gain or loss on sale of other real estate owned and other assets– there are no significant judgements related to the amount and timing of revenue recognition.

Trust fees: Fees are earned over a period of time between monthly and annually, per the related fee schedule. The fees are earned ratably over the period for investment, safekeeping and other services performed by Wesbanco. The fees are accrued when earned based on the daily asset value on the last day of the quarter. In most cases, the fees are directly debited from the customer account. WesMark fees consist of investment advisory fees and shareholder service fees and are paid to Wesbanco by the WesMark mutual funds on a monthly basis for Wesbanco's involvement with the management of the funds.

Service charges on deposits: There are monthly service charges for both commercial and personal banking customers, which are earned over the month per the related fee schedule based on the customers' deposits. There are also transaction-based fees, which are earned based on specific transactions or customer activity within the customers' deposit accounts. These are earned at the time the transaction or customer activity occurs. The fees are debited from the customer account.

Net securities brokerage revenue: Commission income is earned based on customer transactions and management of investments. The commission income from customers' transactions is recognized when the transaction is complete and approved. Annuity commissions are earned based upon the carrier's commission rate for the annuity product chosen by the investing customer. The commission income from the management of investments over time is earned continuously over a quarterly period.

Debit card sponsorship income: The activity in this revenue stream concluded on March 31, 2021, with the sale of this program to another bank. Debit card sponsorship income was earned from Wesbanco's sponsorship of its customers, which included independent service organizations, processors and other banks into different debit networks. For providing this service, the customers paid the bank a per transaction fee for each transaction processed through the network. In some cases, customers were also charged annual sponsorship fees and non-compliance fees as applicable. The fees were earned at the time the transaction or customer activity occurred. The fees were either directly debited from the customers' deposit accounts or were billed to the customer.

Payment processing fees: Payment processing fees are earned from the bill payment and electronic funds transfer ("EFT") services provided under the name FirstNet. The fees are derived from both the individual consumer banking transactions and from businesses or service providers through monthly billing for total transactions occurring. These fees are earned at the time the transaction or customer activity occurs. The fees are debited from the customers' deposit accounts or charged directly to the business or service provider.

Electronic banking fees: Interchange and ATM fees are earned based on customer and ATM transactions. Revenue is recognized when the transaction is settled.

Mortgage banking income: Income is earned when Wesbanco-originated loans are sold to an investor on the secondary market. The investor bids on the loans. If the price is accepted, Wesbanco delivers the loan documents to the investor. Once received and approved by the investor, revenue is recognized and the loans are derecognized from the Consolidated Balance Sheet. Prior to the loans being sold, they are classified as loans held for sale. Additionally, the changes in the fair value of the loans held for sale, loan commitments and related derivatives are included in mortgage banking income and are somewhat offset by any deferred direct origination costs, such as mortgage loan officer commissions.

Net gain or loss on sale of other real estate owned and other assets: Net gain or loss on other real estate owned is recorded when the property is sold to a third party and the Bank collects substantially all of the consideration to which it is entitled in exchange for the transfer of the property. Net gain or loss on other assets can include, among other things, the sale of fixed assets, the change in fair value of the underlying investments funded by Wesbanco's Community Development Corporation ("Wesbanco CDC") and residual income earned from the sale of Wesbanco's debit card sponsorship program. Gains or losses are recognized upon receipt of consideration and subsequent transfer of the property for fixed asset sales. The change in fair value of Wesbanco CDC investments occurs upon the change in the underlying investments as these are accounted for utilizing the equity method, and as such, are not within the scope of ASC 606. Residual income from the sale of the debit card sponsorship program is recognized over time as per the signed agreement between Wesbanco and the buyer.

Cash and Cash Equivalents— Cash and cash equivalents include cash and due from banks, due from banks – interest bearing and federal funds sold. Generally, federal funds are sold for one-day periods.

Securities— *Equity securities:* Equity securities, which include investments in various mutual funds held in grantor trusts formed in connection with the Company's deferred compensation plan, are reported at fair value with the gains and losses included in non-interest income.

Available-for-sale debt securities: Debt securities not classified as held-to-maturity are classified as available-for-sale. These securities may be sold at any time based upon management's assessment of changes in economic or financial market conditions, interest rate or prepayment risks, liquidity considerations and other factors. These securities are stated at fair value, with the fair value adjustment, net of tax, reported as a separate component of accumulated other comprehensive income.

Held-to-maturity debt securities: Securities that are purchased with the positive intent and ability to be held until their maturity are stated at cost and adjusted for amortization of premiums and accretion of discounts. Transfers of debt securities into the held-to-maturity category from the available-for-sale category are made at fair value at the date of transfer. The unrealized gain or loss at the date of transfer is retained in other comprehensive income and in the carrying value of the held-to-maturity securities. Such amounts are amortized over the remaining life of the security. Certain securities with less than 15% of their original purchase price remaining or that have experienced measurable credit deterioration may be sold.

Cost method investments: Securities that do not have readily determinable fair values and for which Wesbanco does not exercise significant influence are carried at cost. Cost method investments consist primarily of Federal Home Loan Bank ("FHLB") stock and are included in other assets in the Consolidated Balance Sheets. Cost method investments are evaluated for impairment whenever events or circumstances suggest that their carrying value may not be recoverable.

Securities acquired in acquisitions are recorded at fair value with the premium or discount derived from the fair market value adjustment recognized into interest income on a level yield basis over the remaining life of the security.

Gains and losses: Net realized gains and losses on sales of securities are included in non-interest income. The cost of securities sold is based on the specific identification method. The gain or loss is determined as of the trade date. Unrealized gains and losses on available-for-sale securities are recorded through other comprehensive income.

Amortization and accretion: Generally, premiums are amortized to call date and discounts are accreted to maturity, on a level yield basis.

Current expected credit losses ("CECL"): The corporate and municipal bonds in Wesbanco's held-to-maturity debt portfolio are analyzed quarterly for CECL. Wesbanco uses a database of historical financials of all corporate and municipal issuers and actual historic default and recovery rates on rated and non-rated transactions to estimate CECL on an individual security basis. The CECL calculated amount is adjusted quarterly and is recorded in an allowance for expected credit losses on the balance sheet that is deducted from the amortized cost basis of the held-to-maturity portfolio as a contra asset, with the losses recorded on the income statement within the provision for credit losses. Because Wesbanco's held-to-maturity investments in mortgage-backed securities and collateralized mortgage obligations are all either issued by a direct governmental entity or a government-sponsored entity, there is no historical evidence supporting the establishment of a CECL reserve; therefore, Wesbanco has estimated these losses at zero, and will monitor this assumption in the future for any economical or governmental policies that could affect this assumption.

Available-for-sale debt security impairment: An available-for-sale debt security is considered impaired if its fair value is less than its amortized cost basis. If Wesbanco intends to sell or will be required to sell the investment prior to recovery of cost, the entire impairment will be recognized immediately in the Consolidated Statements of Income. If Wesbanco does not intend to sell, nor is it more likely than not that it will be required to sell, impaired securities prior to the recovery of their cost, a review is conducted each quarter to determine if any portion of the impairment is due to credit losses. In estimating credit losses, Wesbanco first considers the financial condition and near-term prospects of the issuer, evaluating any credit downgrades or other indicators of a potential credit problem, the type of security, either fixed or equity, and the receipt of principal and interest according to the contractual terms. If there are no indications that the impairment is credit-related, the impairment is recognized in other comprehensive income in the Consolidated Balance Sheet. If the impairment is considered to be credit-related based on management's review of the various factors that indicate credit impairment, the amount of credit impairment is calculated using the present value of future expected cash flows. If the present value of future expected cash flows is less than the amortized cost basis of the security, a credit loss exists and an allowance for expected credit losses is recorded, limited by the total unrealized loss on the security, and is recognized in the Consolidated Statements of Income. The non-credit portion is calculated as the difference between the total unrealized loss and the credit portion of that loss and is recognized in other comprehensive income.

Loans and Loans Held for Sale — Loans originated by Wesbanco are reported at the principal amount outstanding, net of unearned income including credit valuation adjustments, unamortized deferred loan fee income and loan origination costs. Interest is accrued as earned on loans except where doubt exists as to collectability, in which case accrual of income is discontinued. Loans originated and intended for sale are carried, in aggregate, at fair value. The use of a valuation model using quoted prices of similar instruments are significant observable inputs in arriving at the fair value of loans held for sale.

Loan origination fees and direct costs are deferred and accreted or amortized into interest income, as an adjustment to the yield, over the life of the loan using the level yield method, or an approximation thereof. When a loan is paid off, the remaining unaccreted or unamortized net origination fees or costs are immediately recognized into income.

Loans are generally placed on non-accrual when they are 90 days past due, unless the loan is well-secured and in the process of collection. Loans may be returned to accrual status when a borrower has resumed paying principal and interest for a sustained period of at least six months and Wesbanco is reasonably assured of collecting the remaining contractual principal and interest. Loans are returned to accrual status at an amount equal to the principal balance of the loan at the time of non-accrual status less any payments applied to principal during the non-accrual period. Loans are reported as a troubled debt restructuring when Wesbanco, for economic or legal reasons related to a borrower's financial difficulties, grants a concession to the borrower that it would not otherwise consider. Refer to the "Troubled Debt Restructurings" policy below for additional detail.

A loan is considered non-performing, based on current information and events, if it is probable that Wesbanco will be unable to collect the payments of principal and interest when due according to the original contractual terms of the loan agreement. Non-performing loans include all non-accrual loans and troubled debt restructurings. Wesbanco recognizes interest income on non-accrual loans on the cash basis only if recovery of principal is reasonably assured.

Consumer loans are charged down to the net realizable value at 120 days past due for closed-end loans and 180 days past due for open-end revolving lines of credit. Residential real estate loans are charged down to the net realizable value of the collateral at 180 days past due. Commercial loans are charged down to the net realizable value when it is determined that Wesbanco will be unable to collect the principal amount in full. Loans are reclassified to other assets at the net realizable value when foreclosure or repossession of the collateral occurs. Refer to the "Other Real Estate Owned and Repossessed Assets" policy below for additional detail.

Troubled Debt Restructurings ("TDR")— A restructuring of a loan constitutes a TDR if the creditor, for economic or legal reasons related to the debtor's financial difficulties, grants a concession to the debtor that it would not otherwise consider. The determination of whether a concession has been granted includes an evaluation of the debtor's ability to access funds at a market rate for debt with similar risk characteristics and among other things, the significance of the modification relative to unpaid principal or collateral value of the debt, and/or the significance of a delay in the timing of payments relative to the frequency of payments, original maturity date, or the expected duration of the loan. The most common concessions granted generally include one or more modifications to the terms of the debt such as a reduction in the interest rate below the prevailing market rate for the remaining life of the debt, an extension of the maturity date at an interest rate lower than the prevailing market rate for new debt with similar risk, or reduction of the unpaid principal or interest. Additionally, all consumer bankruptcies are considered TDR; all TDRs are considered nonperforming loans.

When determining whether a debtor is experiencing financial difficulties, consideration is given to any known default on any of its debt or whether it is probable that the debtor would be in payment default in the foreseeable future without the modification. Other indicators of financial difficulty include whether the debtor has declared or is in the process of declaring bankruptcy, the debtor's ability to continue as a going concern, or the debtor's projected cash flow to service its debt (including principal & interest) in accordance with the contractual terms for the foreseeable future, without a modification. If the payment of principal at original maturity is primarily dependent on the value of collateral, the current value of that collateral is considered in determining whether the principal will be paid.

The restructuring of a loan does not increase the allowance or provision for credit losses unless the loan is extended or the loans are commercial loans that are individually evaluated for impairment, in which case a specific reserve is established pursuant to GAAP. Portfolio segment loss history is the primary factor for establishing the allowance for residential real estate, home equity and consumer TDRs.

Non-accrual loans that are restructured remain on non-accrual, but may move to accrual status after they have performed according to the restructured terms for a period of time. TDRs on accrual status generally remain on accrual as long as they continue to perform in accordance with their modified terms. TDRs may also be placed on non-accrual if they do not perform in accordance with the restructured terms. Loans may be removed from TDR status after they have performed according to the renegotiated terms for a period of time if the interest rate under the modified terms is at or above market, is restructured or refinanced at market or if the loan returns to its original terms.

Acquired Loans— Loans acquired in connection with acquisitions are recorded at their acquisition-date fair value with no carryover of related allowance for credit losses. Acquired loans are classified into two categories; purchased financial instruments with more than insignificant credit deterioration ("PCD") loans, and loans with insignificant credit deterioration ("non-PCD"). PCD loans are defined as a loan or group of loans that have experienced more than insignificant credit deterioration since origination. Non-PCD loans will have an allowance established on acquisition date, which is recognized in the current period provision for credit losses. For PCD loans, an allowance is recognized on day 1 by adding it to the fair value of the loan, which is the "Day 1 amortized cost". There is no credit loss expense recognized on PCD loans because the initial allowance is established by grossing-up the amortized cost of the PCD loan. Determining the fair value of the acquired loans involves estimating the principal and interest cash flows expected to be collected on the loans and discounting those cash flows at a market rate of interest. Management considers a number of factors in evaluating the acquisition-date fair value including the remaining life of the acquired loans, delinquency status, estimated prepayments, payment options and other loan features, internal risk grade, estimated value of the underlying collateral and interest rate environment.

PCD loans are accounted for in accordance with Accounting Standards Codification ("ASC") 326-20, *Financial Instruments – Credit Losses – Measure at Amortized Cost*, if, at acquisition, the loan or pool of loans has experienced more-than-insignificant credit deterioration since origination. At acquisition, Wesbanco considers several factors as indicators that an acquired loan or pool of loans has experienced more-than-insignificant credit deterioration. These factors include, but are not limited to, loans 30 days or more past due, loans with an internal risk grade of below average or lower, loans classified as non-accrual by the acquired institution, the materiality of the credit and loans that have been previously modified in a troubled debt restructuring.

Under ASC 326-20, a group of loans with similar risk characteristics can be assessed to determine if the pool of loans is PCD. However, if a loan does not have similar risk characteristics as any other acquired loan, the loan is individually assessed to determine if it is PCD. In addition, the initial allowance related to acquired loans can be estimated for a pool of loans if the loans have similar risk characteristics. Even if the loans were individually assessed to determine if they were PCD, they can be grouped together in the initial allowance calculation if they share similar risk characteristics. Since Wesbanco uses the discounted cash flow (DCF) approach, the initial allowance calculation for PCD loans is calculated as the expected contractual cash shortfalls, discounted at the rate that equals the net present value of estimated future cash flows expected to be collected with the purchase price of the loan(s). If a PCD loan has an unfunded commitment at acquisition, the initial allowance for credit losses calculation reflects only the expected credit losses associated with the funded portion of the PCD loan. Expected credit losses associated with the unfunded commitment are included in the initial measurement of the commitment.

For PCD loans, the non-credit discount or premium is allocated to individual loans as determined by the difference between the loan's amortized cost basis and the unpaid principal balance. The non-credit premium or discount is recognized into interest income on a level yield basis over the remaining expected life of the loan. For non-PCD loans, the interest and credit discount or premium is allocated to individual loans as determined by the difference between the loan's amortized cost basis and the unpaid principal balance. The premium or discount is recognized into interest income on a level yield basis over the remaining expected life of the loan.

Allowance for Credit Losses— The allowance for credit losses specific to loans reduces the loan portfolio to the net amount expected to be collected, representing the lifetime expected losses at the initial origination date. Similarly, an allowance for unfunded loan commitments, which is recorded in other liabilities, represents expected losses on unfunded commitments. Fluctuations in the allowance for credit losses specific to loans, the allowance for unfunded loan commitments, and the allowance for held-to-maturity debt securities are recognized in the provision for credit losses on the consolidated statement of operations. The allowance incorporates forward-looking information and applies a reversion methodology beyond the reasonable and supportable forecast. The allowance is increased by a provision charged to operating expense and reduced by charge-offs, net of recoveries. Management evaluates the appropriateness of the allowance at least quarterly. This evaluation is inherently subjective as it requires material estimates that may be susceptible to significant change from period to period.

The allowance for credit loss calculation specific to loans is based on the loan's amortized cost basis, which is comprised of the unpaid principal balance of the loan, deferred loan fees (costs) and acquired premium (discount) minus any write-downs. Wesbanco made an accounting policy election to exclude accrued interest from the measurement of the allowance for credit losses because the Company has a policy in place to reverse or write-off accrued interest when a loan is placed on non-accrual, and also Wesbanco made an accounting policy election to reverse accrued interest deemed uncollectible as a reversal of interest income. However, Wesbanco is reserving, as part of the allowance for credit losses, for accrued interest on loan modifications under the CARES Act due to the nature and timing of these deferrals.

The allowance for credit losses reflects the risk of loss on the loan portfolio. To appropriately measure expected credit losses, management disaggregates the loan portfolio into pools of similar risk characteristics. The Company utilizes the probability of default ("PD") / loss given default ("LGD") approach to calculate the expected loss for each segment, which is then discounted to net present value. PD is the probability the asset will default within a given timeframe and LGD is the percentage of the assets not expected to be collected due to default. The primary macroeconomic drivers of the quantitative model include forecasts of national unemployment and interest rate spreads. Management relies on macroeconomic forecasts obtained from various reputable sources, which may include the Federal Open Market Committee (FOMC) forecast and other publicly available forecasts from well recognized, leading economists. These forecasts can range from one to two years, depending upon the facts and circumstances of the current state of the economy, portfolio segment and management's judgement of what can be reasonably supported. The model reversion period ranges from one to three years.

The allowance for credit losses is calculated over the loan's contractual life. For term loans, the contractual life is calculated based on the maturity date. For commercial and industrial ("C&I") revolving loans with no stated maturity date, the contractual life is calculated based on the internal review date. For all other revolving loans, the contractual life is based on either the estimated maturity date or a default date. The contractual term does not include expected extensions, renewals or modifications unless management has a reasonable expectation as of the reporting period that Wesbanco will execute a TDR with the borrower. Management assumes a loan will become a TDR if a consumer loan has matured, has a principal balance, and has previously been partially charged-off. This assumption extends the maturity of these loans to six months beyond maturity date.

The loan portfolio is segmented based on the risk profiles of the loans. Commercial loans are segmented between commercial real estate ("CRE"), which are collateralized by real estate, and C&I, which are typically utilized for general business purposes. CRE is further segmented between land and construction ("LCD") and improved property, which are generally loans to purchase or refinance owner occupied or non-owner occupied investment properties. LCD loans have a unique risk that the developer or builder may not complete the project or not complete it on time or within budget. Improved property loans are reviewed for risk based on the underlying real estate property such as rental or owner income, appraisal value and other current lease terms, which affect debt service coverage and loan to value. Retail loans are a homogenous group, generally consisting of standardized products that are smaller in amount and distributed over a large number of individual borrowers. The group is segmented into three categories – residential real estate, HELOC and consumer.

Contractual terms are adjusted for estimated prepayments to arrive at expected cash flows. Wesbanco models term loans with an annualized "prepayment" rate. When Wesbanco has a specific expectation of differing payment behavior for a given loan, the loan may be evaluated individually. For revolving loans that do not have a principal payment schedule, a curtailment rate is factored into the cash flow.

The evaluation also considers qualitative factors such as economic trends and conditions, which includes levels of regional unemployment, real estate values and the impact on specific industries and geographical markets, changes in lending policies and underwriting standards, delinquency and other credit quality trends, concentrations of credit risk, if any, the results of internal loan reviews and examinations by bank regulatory agencies pertaining to the allowance for credit losses. Management relies on observable data from internal and external sources to the extent it is available to evaluate each of these factors and adjusts the model's quantitative results to reflect the impact these factors may have on probable losses in the portfolio.

Commercial loans, including CRE and C&I that have unique characteristics are tested individually for estimated credit losses. Specific reserves are established when appropriate for such loans based on the net present value of expected future cash flows of the loan or the estimated realizable value of the collateral, if any.

Management may also adjust its assumptions to account for differences between expected and actual losses from period to period. The variability of management's assumptions could alter the level of the allowance for credit losses and may have a material impact on future results of operations and financial condition. The loss estimation models and methods used to determine the allowance for credit losses are continually refined and enhanced.

Premises and Equipment— Premises and equipment are stated at cost less accumulated depreciation and amortization. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. Leasehold improvements are amortized over the shorter of the estimated economic useful lives of the leased assets or the remaining terms of the underlying leases. Useful lives range from 3 to 10 years for furniture and equipment, 15 to 39 years for buildings and building improvements, and 15 years for land improvements. Maintenance and repairs are expensed as incurred while major improvements that extend the useful life of an asset are capitalized and depreciated over the estimated remaining useful life of the asset.

Operating leases are recorded as a right of use ("ROU") asset and operating lease liability, included in premises and equipment, net and other liabilities, respectively. Operating lease ROU assets represent the right to use an underlying asset during the lease term and operating lease liabilities represent our obligation to make lease payments arising from the lease. ROU assets and operating lease liabilities are recognized at lease commencement based on the present value of the remaining lease payments using a discount rate that represents our incremental borrowing rate at the lease commencement date. Operating lease expense, which is comprised of amortization of the ROU asset and the implicit interest accreted on the operating lease liability, is recognized on a straight-line basis over the lease term, and is recorded primarily in net occupancy expense in the consolidated statements of comprehensive income.

Other Real Estate Owned and Repossessed Assets— Other real estate owned and repossessed assets, which are considered available-for-sale and are reported in other assets, are carried at the lower of cost or their estimated current fair value, less estimated costs to sell. Other real estate owned consists primarily of properties acquired through, or in lieu of, foreclosure. Repossessed collateral primarily consists of automobiles and other types of collateral acquired to satisfy defaulted consumer loans. Subsequent declines in fair value, if any, income and expense associated with the management of the collateral, and gains or losses on the disposition of these assets are recognized in the Consolidated Statements of Income in non-interest income. Refer to Note 13, "Revenue Recognition" for further detail.

Goodwill and Other Intangible Assets— Wesbanco accounts for business combinations using the acquisition method of accounting. Accordingly, the identifiable assets acquired, the liabilities assumed, and any non-controlling interest of an acquired business are recorded at their estimated fair values as of the date of acquisition with any excess of the cost of the acquisition over the fair value recorded as goodwill. Other intangible assets represent purchased assets that lack physical substance but can be distinguished from goodwill because of contractual or other legal rights or because the asset is capable of being sold or exchanged either on its own or in combination with a related contract, asset, or liability.

Goodwill is not amortized but is evaluated for impairment annually, or more often if events or circumstances indicate it may be impaired. Finite-lived intangible assets, which consist primarily of core deposit and customer list intangibles (long-term customer-relationship intangible assets) are amortized using straight-line and accelerated methods over their weighted-average estimated useful lives, ranging from ten to sixteen years in total, and are tested for impairment whenever events or circumstances indicate that their carrying amount may not be recoverable. Non-compete agreements are recognized in other assets on the balance sheet and are amortized on a straight-line basis over the life of the respective agreements, ranging from one to four years.

Goodwill is evaluated for impairment by either assessing qualitative factors to determine whether it is necessary to perform the goodwill impairment test, or Wesbanco may elect to perform a quantitative goodwill impairment test. Under the qualitative assessment, Wesbanco assesses qualitative factors to determine whether it is more likely than not that the fair value of its reporting units are less than their carrying amounts, including goodwill. If it is more likely than not, the goodwill impairment test is used to identify potential goodwill impairment and measure the amount of a goodwill impairment loss to be recognized, if any. The estimated fair value of each reporting unit is compared to its carrying value, including goodwill. If the estimated fair value of a reporting unit exceeds its carrying amount, the goodwill of that reporting unit is not considered impaired, and no impairment loss is recognized. However, if the carrying amount of the reporting unit exceeds its fair value, an impairment loss is recognized based on the excess of a reporting unit's carrying value over its fair value.

Intangible assets with finite useful lives are evaluated for impairment whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. An impairment loss is recognized when the carrying amount of an intangible asset with a finite useful life is not recoverable from its undiscounted cash flows and is measured as the difference between the carrying amount and the fair value of the asset. Wesbanco does not have any indefinite-lived intangible assets.

Bank-Owned Life Insurance— Wesbanco has purchased life insurance policies on certain executive and other officers. Wesbanco receives the cash surrender value of each policy upon its termination or benefits are payable upon the death of the insured. These policies are recorded in the Consolidated Balance Sheets at their net cash surrender value. Changes in net cash surrender value are recognized in non-interest income in the Consolidated Statements of Income. Adjustments to cash surrender value and death benefits received, if recognized as income, are currently tax-exempt.

Interest Rate Lock Commitments— In order to attract potential home borrowers, Wesbanco offers interest rate lock commitments ("IRLC") to such potential borrowers. IRLC are generally for sixty days and guarantee a specified interest rate for a loan if underwriting standards are met, but the commitment does not obligate the potential borrower to close on the loan. Accordingly, some IRLC expire prior to the funding of the related loan. For IRLC issued in connection with potential loans intended for sale, which consist primarily of originated longer-term fixed rate residential home mortgage loans that qualify for secondary market sale, the Bank enters into positions of forward month mortgage-backed securities to be announced ("TBA") contracts on a mandatory basis or on a one-to-one forward sales contract on a best efforts basis.

A mortgage loan sold on a mandatory basis to the secondary market is considered sold when the mortgage loan is funded. Wesbanco enters into TBA contracts in order to control interest rate risk during the period between the IRLC and the sale of the mortgage loan. The IRLC is executed between the mortgagee and Wesbanco, and the forward TBA contract is executed between Wesbanco and a counterparty. Both the IRLC and the forward TBA contract are considered derivatives. A mortgage loan sold on a best efforts basis is locked into a forward sales contract on the same day as the IRLC to control interest rate risk during the period between the IRLC and the sale of the mortgage loan. The IRLC is executed between the mortgagee and Wesbanco, and the forward sales contract is executed between Wesbanco and a counterparty. Both the IRLC and the forward sales contract are considered derivatives. Both types of derivatives are recorded at fair value and are not designated in a qualified hedged accounting program. The changes in fair value are recorded in current earnings within mortgage banking income in the Consolidated Statements of Income. The fair value of IRLC is the gain or loss that would be realized on the underlying loans assuming exercise of the commitments under current market rates versus the rate incorporated in the commitments, taking into consideration loans cancelled prior to closing. The fair value of forward sales contracts is based on quoted market prices. Since loans typically close before receipt of funding from an investor, they are accounted for at fair value as "Loans Held for Sale" in the Consolidated Balance Sheets.

Derivative Instruments and Hedging Activities— Wesbanco records all derivatives on the balance sheet at fair value. The accounting for changes in the fair value of derivatives depends on the intended use of the derivative, whether Wesbanco has elected to designate a derivative in a hedging relationship and apply hedge accounting and whether the hedging relationship has satisfied the criteria necessary to apply hedge accounting. Wesbanco enters into back-to-back interest rate swaps with commercial banking customers and then with counterparties for the offsetting interest rate swap. Currently, none of Wesbanco's derivatives are designated in qualifying hedging relationships, as the derivatives are not used to manage risks within Wesbanco's assets or liabilities. As such, all changes in fair value of Wesbanco's derivatives are recognized directly in earnings.

Income Taxes— The provision for income taxes included in the Consolidated Statements of Income includes both federal and state income taxes and is based on income in the financial statements, rather than amounts reported on Wesbanco's income tax returns. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases at which rates they are expected to turnaround. A test of the anticipated realizability of deferred tax assets is performed at least annually.

Fair Value— Fair value is an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. Fair value measurements are not adjusted for transaction costs. The ASC also establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurement) and the lowest priority to unobservable inputs (Level 3 measurement). The three levels of the fair value hierarchy are described below:

Level 1—Quoted prices in active markets for the same security that are accessible at the measurement date for identical, unrestricted assets or liabilities;

Level 2—Quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, or model-based valuation techniques where all significant assumptions are observable, either directly or indirectly, in the market;

Level 3—Valuation is generated from model-based techniques where one or more significant assumptions are not observable, either directly or indirectly, in the market. These unobservable assumptions reflect estimates of assumptions that market participants would use in pricing the asset or liability. Valuation techniques may include use of discounted cash flow models and similar techniques.

A financial instrument's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement.

Earnings Per Common Share— Basic earnings per common share ("EPS") is calculated by dividing net income available to common shareholders by the weighted-average number of shares of common stock outstanding during the period. For diluted EPS, the weighted-average number of shares for the period is increased by the number of shares, which would be issued assuming the exercise of in-the-money common stock options and any outstanding warrants. Time-based restricted stock shares are recorded as issued and outstanding upon their grant, rather than upon vesting, and therefore are included in the weighted-average shares outstanding due to voting rights granted at the time restricted stock is granted. Performance and market-based restricted stock shares are recorded as issued and outstanding upon their achieving the required performance or market factors. These restricted shares are included in the number of shares outstanding for diluted EPS if their performance or market factors are expected to be achieved as of the reporting date.

Trust Assets— Assets held by the Bank in fiduciary or agency capacities for its customers are not included as assets in the Consolidated Balance Sheets. Certain money market trust assets are held on deposit at the Bank and are accounted for as such.

Stock-Based Compensation— Stock-based compensation awards granted, comprised of stock options, performance and time-based restricted stock, and total shareholder return ("TSR") awards are valued at fair value and compensation cost is recognized on a straight-line basis over the requisite service or performance period of each award. For service-based awards with graded vesting schedules, compensation expense is divided among the vesting periods with each separately vested portion of the award recognized in compensation expense on a straight-line basis over the requisite service period. For performance-based awards and TSR awards, compensation expense is recognized evenly over the performance period, based on the probability of the achievements of the performance or market conditions set forth in the plans. Upon adoption of Accounting Standards Update ("ASU") 2016-09, "Compensation-Stock Compensation (Topic 718)", Wesbanco recognizes forfeitures as they occur rather than estimating them over the life of the award.

Defined Benefit Pension Plan— Wesbanco recognizes in the statement of financial position an asset for the plan's overfunded status or a liability for the plan's underfunded status. Wesbanco recognizes fluctuations in the funded status in the year in which the changes occur through other comprehensive income. Plan assets are determined based on fair value generally representing observable market prices. The projected benefit obligation is determined based on the present value of projected benefit distributions at an assumed discount rate. The discount rate utilized is based on a fitted yield curve approach whereby the yield curve compares the expected stream of future benefit payments for the plan to high quality corporate bonds available in the marketplace to determine an equivalent discount rate. Periodic pension expense includes service costs, interest costs based on an assumed discount rate, an expected return on plan assets based on an actuarially-derived market-related value, an assumed rate of annual compensation increase, and amortization or accretion of actuarial gains and losses as well as other actuarial assumptions. The service cost component is recognized in salaries and wages and the remaining costs are recognized in employee benefits within the Company's Consolidated Statement of Income. Wesbanco utilizes a full yield curve approach in the estimation of service and interest components by applying the specific spot rates along the yield curve used in the determination of the benefit obligation to the relevant projected cash flows. The plan has been closed to new entrants since August 2007; however, benefits are still earned for those plan participants with continuing employment after August 2007. Refer to Note 12, "Employee Benefit Plans" for further detail.

Post-retirement Medical Benefit Plan— Wesbanco acquired a non-qualified supplemental retirement plan for certain key employees from Farmers Capital Bank Corp. ("FFKT"). The Plan provides lifetime medical and dental benefits upon retirement for certain employees meeting the eligibility requirement, which were amended by Wesbanco upon acquisition. Wesbanco recognizes a liability for the projected benefit obligation in the Consolidated Balance Sheets in other liabilities as this plan is unfunded until period payments are made. Wesbanco recognizes fluctuations in the projected benefit obligation through other comprehensive income. The projected benefit obligation is based on the present value of projected medical and dental obligations at an assumed discount rate. Periodic benefit expense includes service cost, interest cost based on an assumed discount rate, and amortization or accretion of actuarial gains and losses, as well as other actuarial assumptions. Refer to Note 12, "Employee Benefit Plans" for further detail.

Recent accounting pronouncements—The Financial Accounting Standards Board ("FASB") issued Accounting Standards Updates ("ASU") as noted below.

ASU 2022-05 Financial Services – Insurance (Topic 944)

In December 2022, the FASB issued ASU 2022-05, "Financial Services – Insurance (Topic 944)." The Board issued Accounting Standards Update No. 2018-12, Financial Services—Insurance (Topic 944): Targeted Improvements to the Accounting for Long-Duration Contracts (LDTI), in August 2018. The amendments in Update 2018-12 require that an insurance entity apply a retrospective transition method to LDTIs as of the beginning of the earliest period presented or the beginning of the prior fiscal year if early application is elected. For Wesbanco, this update was effective beginning on January 1, 2023. The adoption of this pronouncement did not have a material impact on the Consolidated Financial Statements.

ASU 2022-04 Liabilities – Supplier Finance Programs (Sub-topic 405-50)

In September 2022, the FASB issued ASU 2022-04, "Liabilities—Supplier Finance Programs (Subtopic 405-50)." The amendments in this ASU require that a buyer in a supplier finance program disclose sufficient information about the program to allow a user of financial statements to understand the program's nature, activity during the period, changes from period to period, and potential magnitude. To achieve that objective, the buyer should disclose qualitative and quantitative information about its supplier finance programs. For Wesbanco, this update was effective beginning on January 1, 2023, except for the amendment on rollforward information, which is effective for fiscal years beginning after December 15, 2023. The adoption of this full pronouncement is not expected to have a material impact on the Consolidated Financial Statements.

ASU 2022-03 Fair Value Measurement (Topic 820)

In June 2022, the FASB issued ASU 2022-03, "Fair Value Measurement (Topic 820)." The amendments in this ASU clarify that a contractual restriction on the sale of an equity security is not considered part of the unit of account of the equity security, and therefore, is not considered in measuring fair value. Furthermore, the amendments to this ASU clarify that an entity cannot, as a separate unit of account, recognize and measure a contractual sale restriction. The update to this ASU requires the following disclosures for equity securities: (1) The fair value of equity securities subject to contractual sale restrictions reflected in the balance sheet; (2) The nature and remaining duration of the restriction(s) and; (3) The circumstances that could cause a lapse in the restriction(s). The amendments in this Update are effective for fiscal years beginning after December 15, 2023, and interim periods within those fiscal years. Wesbanco is currently assessing the impact of ASU 2022-03 on its Consolidated Financial Statements.

ASU 2022-02 Financial Instruments - Credit Losses (Topic 326)

In March 2022, the FASB issued ASU 2022-02, "Financial Instruments - Credit Losses (Topic 326)". The amendments in this ASU eliminate the accounting guidance for Troubled Debt Restructurings ("TDRs") by creditors in Subtopic 310-40, "Receivables - Troubled Debt Restructurings by Creditors," while enhancing disclosure requirements for certain loan refinancings and restructurings by creditors when a borrower is experiencing financial difficulty. Specifically, rather than applying the recognition and measurement guidance for TDRs, an entity must apply the loan refinancing and restructuring guidance in paragraphs 310-20-35-9 through 35-11 to determine whether a modification results in a new loan or a continuation of an existing loan. In addition, for public business entities, the amendments in this Update require that an entity disclose current-period gross writeoffs by year of origination for financing receivables and net investments in leases within the scope of Subtopic 326-20, "Financial Instruments - Credit Losses - Measured at Amortized Cost." For Wesbanco, this update was effective beginning on January 1, 2023. The adoption of this pronouncement did not have a material impact on the Consolidated Financial Statements.

ASU 2022-01 Derivatives and Hedging (Topic 815)

In March 2022, the FASB issued ASU 2022-01, "Derivatives and Hedging (Topic 815)". The amendments in this ASU address several topics within ASU 2017-12, which was issued in August 2017 to improve the hedge accounting model. ASU 2022-01 expands the current last-of-layer method to allow multiple hedged layers of a single closed portfolio and renames the last-of-layer method as the portfolio layer method. Among other things, the ASU expands the scope of the portfolio layer method to include nonprepayable financial assets, provides additional guidance on the accounting for and disclosure of hedge basis adjustments that are applicable to the portfolio layer method whether a single hedged layer or multiple hedge layers are designated and specifies how hedge basis adjustments should be considered when determining credit losses for the assets included in the closed portfolio. For Wesbanco, this update was effective beginning on January 1, 2023. The adoption of this pronouncement did not have a material impact on the Consolidated Financial Statements.

ASU 2021-08 Business Combinations (Topic 805)

In October 2021, the FASB issued ASU 2021-08, "Business Combinations (Topic 805)." The amendments in this Update require that an entity (acquirer) recognize and measure contract assets and contract liabilities acquired in a business combination in accordance with Topic 606, "Revenue Recognition." The amendments also apply to contract assets and contract liabilities from other contracts to which the provisions of Topic 606 apply, such as contract liabilities from the sale of nonfinancial assets within the scope of Subtopic 610-20, "Other Income—Gains and Losses from the Derecognition of Nonfinancial Assets." For Wesbanco, this update was effective beginning on January 1, 2023. The adoption of this pronouncement did not have a material impact on the Consolidated Financial Statements.

ASU 2020-04, ASU 2021-01 and ASU 2022-06 Reference Rate Reform (Topic 848)

In March 2020, the FASB issued ASU 2020-04, "Reference Rate Reform (Topic 848)". This ASU provided temporary, optional guidance to ease the potential burden in accounting for, or recognizing the effects of, the transition away from the London Interbank Offered Rate ("LIBOR") or other reference rate expected to be discontinued on financial reporting. The ASU also provides optional expedients for contract modifications that replace a reference rate affected by reference rate reform. The guidance is effective as of March 12, 2020 through December 31, 2022, and can be adopted at any time during this period. In January 2021, the FASB issued ASU 2021-01, "Reference Rate Reform (Topic

848): Scope". This ASU refines the scope of Topic 848 and addresses questions about whether Topic 848 can be applied to derivative instruments that do not reference a rate that is expected to be discontinued, but that use an interest rate for margining, discounting or contract price alignment that is expected to be modified as a result of reference rate reform. ASU 2021-01 is effective upon issuance through December 31, 2024, and can be adopted at any time during this period. Wesbanco has not offered LIBOR for any new contracts after December 31, 2021. Wesbanco has chosen the One Month Term Secured Overnight Financing Rate ("1M Term SOFR") as its alternative replacement rate for LIBOR on both back-to-back swaps and on one-month variable loans. A transition plan was implemented in 2021 to identify and modify Wesbanco's loans and other financial instruments with attributes that are either directly or indirectly influenced by LIBOR, and Wesbanco continues to assess the impact of adopting the new guidance on the consolidated financial statements on an ongoing basis, with no material impacts expected at this time. In December 2022, the FASB issued ASU 2022-06, "Reference Rate Reform (Topic 848): Deferral of the Sunset Date of Topic 848." In the Update, the Board decided to defer the sunset date of Topic 848 to December 31, 2024, to permit entities to apply the guidance in Topic 848 through the expected cessation date of USD LIBOR. In the Board's view, that time frame would have been sufficient to provide flexibility for additional unforeseen changes to the timeline of USD LIBOR cessation and to accommodate global interbank offered rate (IBOR) transition. The update is not expected to have a material impact on Wesbanco's Consolidated Financial Statements.

NOTE 2. EARNINGS PER COMMON SHARE

Earnings per common share are calculated as follows:

	For the Years Ended December 31,		
(in thousands, except shares and per share amounts)	**2022**	**2021**	**2020**
Numerator for both basic and diluted earnings per common share:			
Net income available to common shareholders	**$ 181,988**	$ 232,135	$ 119,400
Denominator:			
Total average basic common shares outstanding	**60,047,177**	65,520,527	67,260,796
Effect of dilutive stock options and other stock compensation	**168,197**	149,443	49,788
Total diluted average common shares outstanding	**60,215,374**	65,669,970	67,310,584
Earnings per common share—basic	**$ 3.03**	$ 3.54	$ 1.78
Earnings per common share—diluted	**3.02**	3.53	1.77

As of December 31, 2022, 2021 and 2020, respectively, 510,211, 412,131 and 497,540 options to purchase shares were excluded in the diluted shares computation because the exercise price was greater than the average market price of the common shares and, therefore, the effect would be antidilutive.

As of December 31, 2022, contingently issuable shares totaling 53,280 were estimated to be awarded under the 2022, 2021 and 2020 total shareholder return plans as stock performance targets were met to date and were included in the diluted calculation. No shares were contingently issuable as of December 31, 2021 and 2020 because the performance criteria was not met at that time and the effect would be antidilutive. In addition, performance-based restricted stock compensation totaling 53,230 and 61,267 were estimated to be awarded as of December 31, 2022 and December 31, 2021 and are included in the calculation. No performance-based restricted stock compensation was estimated to be awarded at December 31, 2020.

NOTE 3. SECURITIES

The following table presents the fair value and amortized cost of available-for-sale and held-to-maturity debt securities:

	December 31, 2022				December 31, 2021			
(in thousands)	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
Available-for-sale debt securities								
U.S. Government sponsored entities and agencies	**$ 259,418**	**$ 2**	**$ (33,450)**	**$ 225,970**	$ 236,096	$ 3,922	$ (3,040)	$ 236,978
Residential mortgage-backed securities and collateralized mortgage obligations of government sponsored entities and agencies	**2,144,015**	**25**	**(297,987)**	**1,846,053**	2,301,170	16,489	(32,446)	2,285,213
Commercial mortgage-backed securities and collateralized mortgage obligations of government sponsored entities and agencies	**359,811**	**—**	**(10,080)**	**349,731**	364,486	4,252	(1,245)	367,493
Obligations of states and political subdivisions	**96,081**	**244**	**(4,097)**	**92,228**	101,003	5,372	(35)	106,340
Corporate debt securities	**15,451**	**—**	**(293)**	**15,158**	16,940	507	(9)	17,438
Total available-for-sale debt securities	**$ 2,874,776**	**$ 271**	**$ (345,907)**	**$ 2,529,140**	$ 3,019,695	$ 30,542	$ (36,775)	$ 3,013,462
Held-to-maturity debt securities								
U.S. Government sponsored entities and agencies	**$ 4,357**	**$ —**	**$ (416)**	**$ 3,941**	$ 5,944	$ 72	$ (8)	$ 6,008
Residential mortgage-backed securities and collateralized mortgage obligations of government sponsored entities and agencies	**45,909**	**—**	**(3,809)**	**42,100**	58,147	1,409	(16)	59,540
Obligations of states and political subdivisions	**1,177,986**	**577**	**(159,975)**	**1,018,588**	907,649	23,854	(3,500)	928,003
Corporate debt securities	**20,377**	**—**	**(616)**	**19,761**	33,083	1,818	—	34,901
Total held-to-maturity debt securities (1)	**$ 1,248,629**	**$ 577**	**$ (164,816)**	**$ 1,084,390**	$ 1,004,823	$ 27,153	$ (3,524)	$ 1,028,452
Total debt securities	**$ 4,123,405**	**$ 848**	**$ (510,723)**	**$ 3,613,530**	$ 4,024,518	$ 57,695	$ (40,299)	$ 4,041,914

(1) Total held-to-maturity debt securities are presented on the balance sheet net of their allowance for credit losses totaling $0.2 million and $0.3 million at December 31, 2022 and 2021, respectively.

At December 31, 2022 and 2021 there were no holdings of any one issuer, other than U.S. government sponsored entities and its agencies, in an amount greater than 10% of Wesbanco's shareholders' equity.

Equity securities, of which $9.0 million consist of investments in various mutual funds held in grantor trusts formed in connection with the Company's deferred compensation plan, are recorded at fair value and totaled $11.5 million and $13.5 million at December 31, 2022 and 2021, respectively.

The following table presents the amortized cost and fair value of available-for-sale and held-to-maturity debt securities by contractual maturity at December 31, 2022. Actual maturities will differ from contractual maturities because borrowers may have the right to call or prepay debt obligations with or without prepayment penalties. Mortgage-backed securities and collateralized mortgage obligations are classified in the table below based on their contractual maturity date; however, regular principal payments and prepayments of principal are received on a monthly basis.

(in thousands)	Amortized Cost	Fair Value
Available-for-sale debt securities		
Less than one year	**$ 36,678**	**$ 36,281**
1-5 years	**126,232**	**122,389**
5-10 years	**450,732**	**428,661**
Over 10 years	**2,261,134**	**1,941,809**
Total available-for-sale debt securities	**$ 2,874,776**	**$ 2,529,140**
Held-to-maturity debt securities		
Less than one year	**$ 25,985**	**$ 25,871**
1-5 years	**102,383**	**101,156**
5-10 years	**379,069**	**352,338**
Over 10 years	**741,192**	**605,025**
Total held-to-maturity debt securities	**$ 1,248,629**	**$ 1,084,390**
Total debt securities	**$ 4,123,405**	**$ 3,613,530**

Securities with an aggregate fair value of $2.1 billion at December 31, 2022 and 2021, respectively, were pledged as security for public and trust funds, and securities sold under agreements to repurchase. There were no sales of available-for-sale securities for the years ended December 31, 2022 and December 31, 2021. Proceeds from the sale of available-for-sale securities were $226.1 million for the year ended December 31, 2020. Net unrealized (losses) gains on available-for-sale securities included in accumulated other comprehensive income, net of tax, as December 31, 2022, 2021, and 2020 were ($261.8) million, ($4.7) million and $46.9 million, respectively.

The following table presents the gross realized gains and losses on sales and calls of available-for-sale and held-to-maturity debt securities, as well as gains and losses on equity securities from both sales and market adjustments for the years ended December 31, 2022, 2021 and 2020, respectively. All gains and losses presented in the table below are included in the net securities gains (losses) line item of the income statement. For those equity securities relating to the key officer and director deferred compensation plan, the corresponding change in the obligation to the participant is recognized in employee benefits expense.

	For the Years Ended December 31,		
(in thousands)	2022	2021	2020
Debt securities:			
Gross realized gains	**$ 168**	$ 252	$ 3,816
Gross realized losses	**(21)**	(57)	(1,083)
Net gains on debt securities	**$ 147**	$ 195	$ 2,733
Equity securities:			
Unrealized (losses) gains recognized on securities still held	**$ (1,924)**	$ 918	$ 1,541
Net realized losses recognized on securities sold	**—**	—	(6)
Net (losses) gains on equity securities	**$ (1,924)**	$ 918	$ 1,535
Net securities (losses) gains	**$ (1,777)**	$ 1,113	$ 4,268

The corporate and municipal bonds in Wesbanco's held-to-maturity debt portfolio are analyzed quarterly to determine if an allowance for current expected credit losses is warranted. Wesbanco uses a database of historical financials of all corporate and municipal issuers and actual historic default and recovery rates on rated and non-rated transactions to estimate expected credit losses on an individual security basis. The expected credit losses are adjusted quarterly and are recorded in an allowance for expected credit losses on the balance sheet, which is deducted from the amortized cost basis of the held-to-maturity portfolio as a contra asset. The losses are recorded on the income statement in the provision for credit losses. Accrued interest receivable on held-to-maturity securities, which was $9.5 million and $7.0 million as of December 31, 2022 and 2021, respectively, is excluded from the estimate of credit losses. Held-to-maturity investments in U.S. Government sponsored entities and agencies as well as mortgage-backed securities and collateralized mortgage obligations, which are all either issued by a direct governmental entity or a government-sponsored entity, have no historical evidence supporting expected credit losses; therefore, Wesbanco has estimated these losses at zero, and will monitor this assumption in the future for any economical or governmental policies that could affect this assumption.

The following table provides a roll-forward of the allowance for credit losses on held-to-maturity securities for the years ended December 31, 2022, 2021 and 2020, respectively:

	Allowance for Credit Losses By Category For the Years Ended December 31, 2022, 2021 and 2020				
(in thousands)	U.S. Government sponsored entities and agencies	Residential mortgage -backed securities and collateralized mortgage obligations of government sponsored entities and agencies	Obligations of state and political subdivisions	Corporate debt Securities	Total
Beginning balance at January 1, 2022	**$ —**	**$ —**	**$ 174**	**$ 94**	**$ 268**
Current period provision	**—**	**—**	**(7)**	**(41)**	**(48)**
Write-offs	**—**	**—**	**—**	**—**	**—**
Recoveries	**—**	**—**	**—**	**—**	**—**
Ending balance at December 31, 2022	**$ —**	**$ —**	**$ 167**	**$ 53**	**$ 220**
Beginning balance at January 1, 2021	$ —	$ —	$ 130	$ 196	$ 326
Current period provision	—	—	44	(102)	(58)
Write-offs	—	—	—	—	—
Recoveries	—	—	—	—	—
Ending balance at December 31, 2021	$ —	$ —	$ 174	$ 94	$ 268
Beginning balance at January 1, 2020	$ —	$ —	$ 96	$ 133	$ 229
Current period provision	—	—	34	63	97
Write-offs	—	—	—	—	—
Recoveries	—	—	—	—	—
Ending balance at December 31, 2020	$ —	$ —	$ 130	$ 196	$ 326

The following tables provide information on unrealized losses on available-for-sale debt securities that have been in an unrealized loss position for less than twelve months and twelve months or more, for which an allowance for credit losses has not been recorded as of December 31, 2022 and 2021, respectively:

	December 31, 2022								
	Less than 12 months			12 months or more			Total		
(dollars in thousands)	Fair Value	Unrealized Losses	# of Securities	Fair Value	Unrealized Losses	# of Securities	Fair Value	Unrealized Losses	# of Securities
U.S. Government sponsored entities and agencies	**$ 107,011**	**$ (8,435)**	**35**	**$ 118,779**	**$ (25,015)**	**13**	**$ 225,790**	**$ (33,450)**	**48**
Residential mortgage-backed securities and collateralized mortgage obligations of government sponsored entities and agencies	**514,789**	**(39,246)**	**294**	**1,328,906**	**(258,741)**	**202**	**1,843,695**	**(297,987)**	**496**
Commercial mortgage-backed securities and collateralized mortgage obligations of government sponsored entities and agencies	**190,189**	**(5,106)**	**38**	**159,543**	**(4,974)**	**36**	**349,732**	**(10,080)**	**74**
Obligations of states and political subdivisions	**67,822**	**(1,815)**	**128**	**7,812**	**(2,282)**	**10**	**75,634**	**(4,097)**	**138**
Corporate debt securities	**7,225**	**(226)**	**3**	**4,433**	**(67)**	**3**	**11,658**	**(293)**	**6**
Total temporarily impaired securities	**$ 887,036**	**$ (54,828)**	**498**	**$ 1,619,473**	**$ (291,079)**	**264**	**$ 2,506,509**	**$ (345,907)**	**762**

	December 31, 2021								
	Less than 12 months			12 months or more			Total		
(dollars in thousands)	Fair Value	Unrealized Losses	# of Securities	Fair Value	Unrealized Losses	# of Securities	Fair Value	Unrealized Losses	# of Securities
U.S. Government sponsored entities and agencies	$ 114,486	$ (1,865)	12	$ 32,688	$ (1,175)	4	$ 147,174	$ (3,040)	16
Residential mortgage-backed securities and collateralized mortgage obligations of government sponsored entities and agencies	1,568,138	(29,060)	143	141,681	(3,386)	23	1,709,819	(32,446)	166
Commercial mortgage-backed securities and collateralized mortgage obligations of government sponsored entities and agencies	131,970	(579)	25	78,356	(666)	8	210,326	(1,245)	33
Obligations of states and political subdivisions	4,307	(35)	2	—	—	—	4,307	(35)	2
Corporate debt securities	6,990	(9)	5	—	—	—	6,990	(9)	5
Total temporarily impaired securities	$ 1,825,891	$ (31,548)	187	$ 252,725	$ (5,227)	35	$ 2,078,616	$ (36,775)	222

Unrealized losses on debt securities in the tables above represent temporary fluctuations resulting from changes in market rates in relation to fixed yields. Unrealized losses in the available-for-sale portfolio are accounted for as an adjustment, net of taxes, to other comprehensive income in shareholders' equity. Wesbanco does not believe the securities presented above are impaired due to reasons of credit quality, as substantially all debt securities are rated above investment grade and all are paying principal and interest according to their contractual terms. Wesbanco does not intend to sell, nor is it more likely than not that it will be required to sell, loss position securities prior to recovery of their cost, and therefore, management believes the unrealized losses detailed above do not require an allowance for credit losses relating to these securities to be recognized.

Securities that do not have readily determinable fair values and for which Wesbanco does not exercise significant influence are carried at cost. Cost method investments consist primarily of FHLB stock totaling $36.2 million and $15.9 million at December 31, 2022 and 2021, respectively, and are included in other assets in the Consolidated Balance Sheets. Cost method investments are evaluated for impairment whenever events or circumstances suggest that their carrying value may not be recoverable.

NOTE 4. LOANS AND THE ALLOWANCE FOR CREDIT LOSSES

The recorded investment in loans is presented in the Consolidated Balance Sheets net of deferred loan fees and costs, and discounts on purchased loans. Net deferred loan costs were $9.6 million and $3.3 million at December 31, 2022 and 2021, respectively, including $0.2 million and $6.1 million, respectively, of net deferred income from SBA Payroll Protection Program ("PPP") loans. The un-accreted discount on purchased loans from acquisitions was $18.0 million at December 31, 2022 and $25.9 million at December 31, 2021.

(in thousands)	December 31, 2022	December 31, 2021
Commercial real estate:		
Land and construction	$ 943,887	$ 833,880
Improved property	5,117,457	4,705,088
Total commercial real estate	6,061,344	5,538,968
Commercial and industrial	1,571,280	1,427,645
Commercial and industrial - PPP	8,115	162,675
Residential real estate	2,140,584	1,721,378
Home equity	695,065	605,682
Consumer	226,340	277,130
Total portfolio loans	10,702,728	9,733,478
Loans held for sale	8,249	25,277
Total loans	$ 10,710,977	$ 9,758,755

As of December 31, 2022, accrued interest receivable for loans was $51.8 million. Wesbanco made an accounting policy election to exclude accrued interest from the measurement of the allowance for credit losses because the Company has a robust policy in place to reverse or write-off accrued interest when loans are placed on non-accrual. However, Wesbanco does have a $0.2 million reserve on the accrued interest related to loan modifications allowed under the CARES Act due to the timing and nature of these modifications. As of December 31, 2022, accrued interest related to COVID-19 loan modifications as permitted under the CARES Act was $17.0 million.

The following tables summarize changes in the allowance for credit losses applicable to each category of the loan portfolio:

	For the Year Ended December 31, 2022							
(in thousands)	Commercial Real Estate-Land and Construction	Commercial Real Estate-Improved Property	Commercial & Industrial	Residential Real Estate	Home Equity	Consumer	Deposit Overdrafts	Total
Balance at beginning of year:								
Allowance for credit losses - loans	$ 7,310	$ 65,355	$ 26,875	$ 15,401	$ 724	$ 3,737	$ 2,220	$ 121,622
Allowance for credit losses - loan commitments	4,180	201	1,497	1,576	49	272	—	7,775
Total beginning allowance for credit losses - loans and loan commitments	11,490	65,556	28,372	16,977	773	4,009	2,220	129,397
Provision for credit losses:								
Provision for loan losses	(625)	(12,939)	4,736	2,717	3,526	44	333	(2,208)
Provision for loan commitments	1,845	(201)	(1,497)	639	79	(272)	—	593
Total provision for credit losses - loans and loan commitments	1,220	(13,140)	3,239	3,356	3,605	(228)	333	(1,615)
Charge-offs	(73)	(795)	(1,068)	(500)	(358)	(3,476)	(1,622)	(7,892)
Recoveries	125	1,038	997	590	342	2,822	354	6,268
Net recoveries (charge-offs)	52	243	(71)	90	(16)	(654)	(1,268)	(1,624)
Balance at end of period:								
Allowance for credit losses - loans	6,737	52,659	31,540	18,208	4,234	3,127	1,285	117,790
Allowance for credit losses - loan commitments	6,025	—	—	2,215	128	—	—	8,368
Total ending allowance for credit losses - loans and loan commitments	$ 12,762	$ 52,659	$ 31,540	$ 20,423	$ 4,362	$ 3,127	$ 1,285	$ 126,158

(in thousands)	Commercial Real Estate- Land and Construction	Commercial Real Estate- Improved Property	Commercial & Industrial	Residential Real Estate	Home Equity	Consumer	Deposit Overdrafts	Total
	For the Year Ended December 31, 2021							
Balance at beginning of year:								
Allowance for credit losses - loans	$ 10,841	$ 110,652	$ 37,850	$ 17,851	$ 1,487	$ 6,507	$ 639	$ 185,827
Allowance for credit losses - loan commitments	6,508	712	1,275	955	45	19	—	9,514
Total beginning allowance for credit losses - loans and loan commitments	17,349	111,364	39,125	18,806	1,532	6,526	639	195,341
Provision for credit losses:								
Provision for loan losses	(3,698)	(44,831)	(10,749)	(2,708)	(899)	(2,286)	2,694	(62,477)
Provision for loan commitments	(2,328)	(511)	222	621	4	253	—	(1,739)
Total provision for credit losses - loans and loan commitments	(6,026)	(45,342)	(10,527)	(2,087)	(895)	(2,033)	2,694	(64,216)
Charge-offs	(22)	(1,825)	(2,521)	(873)	(414)	(2,995)	(1,486)	(10,136)
Recoveries	189	1,359	2,295	1,131	550	2,511	373	8,408
Net recoveries (charge-offs)	167	(466)	(226)	258	136	(484)	(1,113)	(1,728)
Balance at end of period:								
Allowance for credit losses - loans	7,310	65,355	26,875	15,401	724	3,737	2,220	121,622
Allowance for credit losses - loan commitments	4,180	201	1,497	1,576	49	272	—	7,775
Total ending allowance for credit losses - loans and loan commitments	$ 11,490	$ 65,556	$ 28,372	$ 16,977	$ 773	$ 4,009	$ 2,220	$ 129,397

(in thousands)	Commercial Real Estate- Land and Construction	Commercial Real Estate- Improved Property	Commercial & Industrial	Residential Real Estate	Home Equity	Consumer	Deposit Overdrafts	Total
	For the Year Ended December 31, 2020							
Balance at beginning of year:								
Allowance for credit losses - loans	$ 4,949	$ 20,293	$ 14,116	$ 4,311	$ 4,422	$ 2,951	$ 1,387	$ 52,429
Allowance for credit losses - loan commitments	235	22	311	15	250	41	—	874
Total beginning allowance for credit losses - loans and loan commitments	5,184	20,315	14,427	4,326	4,672	2,992	1,387	53,303
Impact of adopting ASC 326	1,524	13,078	22,357	5,630	(3,936)	2,576	213	41,442
Provision for credit losses:								
Provision for loan losses	6,929	78,210	3,918	9,065	1,234	2,980	(376)	101,960
Provision for loan commitments	3,671	712	693	560	30	19	—	5,685
Total provision for credit losses - loans and loan commitments	10,600	78,922	4,611	9,625	1,264	2,999	(376)	107,645
Charge-offs	(51)	(1,747)	(3,727)	(1,415)	(969)	(3,615)	(1,011)	(12,535)
Recoveries	92	796	1,457	640	501	1,574	426	5,486
Net recoveries (charge-offs)	41	(951)	(2,270)	(775)	(468)	(2,041)	(585)	(7,049)
Balance at end of period:								
Allowance for credit losses - loans	10,841	110,652	37,850	17,851	1,487	6,507	639	185,827
Allowance for credit losses - loan commitments	6,508	712	1,275	955	45	19	—	9,514
Total ending allowance for credit losses - loans and loan commitments	$ 17,349	$ 111,364	$ 39,125	$ 18,806	$ 1,532	$ 6,526	$ 639	$ 195,341

The following tables present the allowance for credit losses and recorded investments in loans by category, as of each period-end:

(in thousands)	Commercial Real Estate-Land and Construction	Commercial Real Estate-Improved Property	Commercial and Industrial	Residential Real Estate	Home Equity	Consumer	Deposit Overdrafts	Total
	Allowance for Credit Losses and Recorded Investment in Loans							
December 31, 2022								
Allowance for credit losses:								
Loans individually-evaluated	**$ —**	**$ 2,988**	**$ 130**	**$ —**	**$ —**	**$ —**	**$ —**	**$ 3,118**
Loans collectively-evaluated	**6,737**	**49,671**	**31,410**	**18,208**	**4,234**	**3,127**	**1,285**	**114,672**
Loan commitments (1)	**6,025**	**—**	**—**	**2,215**	**128**	**—**	**—**	**8,368**
Total allowance for credit losses - loans and commitments	**$ 12,762**	**$ 52,659**	**$ 31,540**	**$ 20,423**	**$ 4,362**	**$ 3,127**	**$ 1,285**	**$ 126,158**
Portfolio loans:								
Individually-evaluated for credit losses(1)	**$ 24,629**	**$ 25,369**	**$ 401**	**$ —**	**$ —**	**$ —**	**$ —**	**$ 50,399**
Collectively-evaluated for credit losses	**919,258**	**5,092,088**	**1,578,994**	**2,140,584**	**695,065**	**226,340**	**—**	**10,652,329**
Total portfolio loans	**$ 943,887**	**$ 5,117,457**	**$ 1,579,395**	**$ 2,140,584**	**$ 695,065**	**$ 226,340**	**$ —**	**$ 10,702,728**
December 31, 2021								
Allowance for credit losses:								
Loans individually-evaluated	$ 381	$ 8,560	$ 333	$ —	$ —	$ —	$ —	$ 9,274
Loans collectively-evaluated	6,929	56,795	26,542	15,401	724	3,737	2,220	112,348
Loan commitments (1)	4,180	201	1,497	1,576	49	272	—	7,775
Total allowance for credit losses - loans and commitments	$ 11,490	$ 65,556	$ 28,372	$ 16,977	$ 773	$ 4,009	$ 2,220	$ 129,397
Portfolio loans:								
Individually-evaluated for credit losses(1)	$ 1,248	$ 66,635	$ 576	$ —	$ —	$ —	$ —	$ 68,459
Collectively-evaluated for credit losses	832,632	4,638,453	1,589,744	1,721,378	605,682	277,130	—	9,665,019
Total portfolio loans	$ 833,880	$ 4,705,088	$ 1,590,320	$ 1,721,378	$ 605,682	$ 277,130	$ —	$ 9,733,478

(1) For additional detail relating to loan commitments, see Footnote 18, "Commitments and Contingent Liabilities".

Commercial loan risk grades are determined based on an evaluation of the relevant characteristics of each loan, assigned at inception and adjusted thereafter at any time to reflect changes in the risk profile throughout the life of each loan. The primary factors used to determine the risk grade are the sufficiency, reliability and sustainability of the primary source of repayment and overall financial strength of the borrower. The rating system more heavily weights the debt service coverage, leverage and loan to value factors to derive the risk grade. Other factors that are considered at a lesser weighting include management, industry or property type risks, payment history, collateral or guarantees.

Commercial real estate – land and construction consists of loans to finance investments in vacant land, land development, construction of residential housing, and construction of commercial buildings. Commercial real estate – improved property consists of loans for the purchase or refinance of all types of improved owner-occupied and investment properties. Factors that are considered in assigning the risk grade vary depending on the type of property financed. The risk grade assigned to construction and development loans is based on the overall viability of the project, the experience and financial capacity of the developer or builder to successfully complete the project, project specific and market absorption rates and comparable property values, and the amount of pre-sales for residential housing construction or pre-leases for commercial investment property. The risk grade assigned to commercial investment property loans is based primarily on the adequacy of the net operating income generated by the property to service the debt ("debt service coverage"), the loan to appraised value, the type, quality, industry and mix of tenants, and the terms of leases. The risk grade assigned to owner-occupied commercial real estate is based primarily on global debt service coverage and the leverage of the business, but may also consider the industry in which the business operates, the business' specific competitive advantages or disadvantages, collateral margins and the quality and experience of management.

C&I loans consist of revolving lines of credit to finance accounts receivable, inventory and other general business purposes; term loans to finance fixed assets other than real estate, and letters of credit to support trade, insurance or governmental requirements for a variety of businesses. Most C&I borrowers are privately-held companies with annual sales up to $100 million. Primary factors that are considered in risk rating C&I loans include debt service coverage and leverage. Other factors including operating trends, collateral coverage along with management experience are also considered.

Pass loans are those that exhibit a history of positive financial results that are at least comparable to the average for their industry or type of real estate. The primary source of repayment is acceptable and these loans are expected to perform satisfactorily during most economic cycles. Pass loans typically have no significant external factors that are expected to adversely affect these borrowers more than others in the same industry or property type. Any minor unfavorable characteristics of these loans are outweighed or mitigated by other positive factors including but not limited to adequate secondary or tertiary sources of repayment.

Criticized loans, considered as compromised, have potential weaknesses that deserve management's close attention. If left uncorrected, these potential weaknesses may result in deterioration of the repayment prospects for the asset or in the bank's credit position at some future date. Criticized loans are not adversely classified by the banking regulators and do not expose the bank to sufficient risk to warrant adverse classification.

Classified loans, considered as substandard and doubtful, are equivalent to the classifications used by banking regulators. Substandard loans are inadequately protected by the current sound worth and paying capacity of the obligor or of the collateral pledged, if any. Loans so classified must have a well-defined weakness or weaknesses that jeopardize the liquidation of the debt. They are characterized by the distinct possibility that the bank will sustain some loss if the deficiencies are not corrected. These loans may or may not be reported as non-accrual. Doubtful loans have all the weaknesses inherent in those classified substandard, with the added characteristic that the weaknesses make collection or liquidation in full, on the basis of currently known facts, conditions, and values, highly questionable and improbable. These loans are reported as non-accrual.

The following tables summarize commercial loans by their assigned risk grade:

	Commercial Loans by Internally Assigned Risk Grade			
(in thousands)	**Commercial Real Estate-Land and Construction**	**Commercial Real Estate-Improved Property**	**Commercial & Industrial**	**Total Commercial Loans**
As of December 31, 2022				
Pass	**$ 911,804**	**$ 4,940,135**	**$ 1,538,300**	**$ 7,390,239**
Criticized—compromised	**1,329**	**121,393**	**25,223**	**147,945**
Classified—substandard	**30,754**	**55,929**	**15,872**	**102,555**
Classified—doubtful	**—**	**—**	**—**	**—**
Total	**$ 943,887**	**$ 5,117,457**	**$ 1,579,395**	**$ 7,640,739**
As of December 31, 2021				
Pass	$ 823,316	$ 4,400,872	$ 1,540,569	$ 6,764,757
Criticized—compromised	7,955	222,830	17,733	248,518
Classified—substandard	2,609	81,386	32,018	116,013
Classified—doubtful	—	—	—	—
Total	$ 833,880	$ 4,705,088	$ 1,590,320	$ 7,129,288

Residential real estate, home equity and consumer loans are not assigned internal risk grades other than as required by regulatory guidelines that are based primarily on the age of past due loans. Wesbanco primarily evaluates the credit quality of residential real estate, home equity and consumer loans based on repayment performance and historical loss rates. The aggregate amount of residential real estate, home equity and consumer loans classified as substandard in accordance with regulatory guidelines were $24.8 million at December 31, 2022 and $30.2 million at December 31, 2021, of which $5.9 million and $7.4 million were accruing, for each period, respectively. These loans are not included in the tables above. In addition, $25.0 million and $21.7 million of unfunded criticized and classified commercial loan commitments are not included in the tables above for December 31, 2022 and 2021, respectively.

The following tables summarize the age analysis of all categories of loans.

	Age Analysis of Loans						
(in thousands)	Current	30-59 Days Past Due	60-89 Days Past Due	90 Days or More Past Due	Total Past Due	Total Loans	90 Days or More Past Due and Accruing (1)
As of December 31, 2022							
Commercial real estate:							
Land and construction	**$ 942,236**	**$ —**	**$ 910**	**$ 741**	**$ 1,651**	**$ 943,887**	**$ 629**
Improved property	**5,099,342**	**2,147**	**331**	**15,637**	**18,115**	**5,117,457**	**84**
Total commercial real estate	**6,041,578**	**2,147**	**1,241**	**16,378**	**19,766**	**6,061,344**	**713**
Commercial and industrial	**1,574,311**	**1,427**	**519**	**3,138**	**5,084**	**1,579,395**	**1,586**
Residential real estate	**2,129,095**	**853**	**3,536**	**7,100**	**11,489**	**2,140,584**	**1,551**
Home equity	**686,762**	**3,885**	**621**	**3,797**	**8,303**	**695,065**	**1,063**
Consumer	**222,153**	**2,910**	**704**	**573**	**4,187**	**226,340**	**530**
Total portfolio loans	**10,653,899**	**11,222**	**6,621**	**30,986**	**48,829**	**10,702,728**	**5,443**
Loans held for sale	**8,249**	**—**	**—**	**—**	**—**	**8,249**	**—**
Total loans	**$ 10,662,148**	**$ 11,222**	**$ 6,621**	**$ 30,986**	**$ 48,829**	**$ 10,710,977**	**$ 5,443**
Nonperforming loans included above are as follows:							
Non-accrual loans	**$ 10,337**	**$ 1,495**	**$ 870**	**$ 25,483**	**27,848**	**$ 38,185**	
TDRs accruing interest (1)	**3,131**	**7**	**32**	**60**	**99**	**3,230**	
Total non-performing	**$ 13,468**	**$ 1,502**	**$ 902**	**$ 25,543**	**$ 27,947**	**$ 41,415**	
As of December 31, 2021							
Commercial real estate:							
Land and construction	$ 833,755	$ —	$ —	$ 125	$ 125	$ 833,880	$ 51
Improved property	4,681,028	6,377	7,728	9,955	24,060	4,705,088	3,042
Total commercial real estate	5,514,783	6,377	7,728	10,080	24,185	5,538,968	3,093
Commercial and industrial	1,583,347	2,275	1,213	3,485	6,973	1,590,320	559
Residential real estate	1,702,587	2,331	3,254	13,206	18,791	1,721,378	2,840
Home equity	599,189	2,240	602	3,651	6,493	605,682	685
Consumer	273,577	1,532	1,208	813	3,553	277,130	627
Total portfolio loans	9,673,483	14,755	14,005	31,235	59,995	9,733,478	7,804
Loans held for sale	25,277	—	—	—	—	25,277	—
Total loans	$ 9,698,760	$ 14,755	$ 14,005	$ 31,235	$ 59,995	$ 9,758,755	$ 7,804
Nonperforming loans included above are as follows:							
Non-accrual loans	$ 11,174	$ 914	$ 564	$ 23,090	24,568	$ 35,742	
TDRs accruing interest (1)	3,275	3	127	341	471	3,746	
Total non-performing	$ 14,449	$ 917	$ 691	$ 23,431	$ 25,039	$ 39,488	

(1) Loans 90 days or more past due and accruing interest exclude TDRs 90 days or more past due and accruing interest.

The following tables summarize nonperforming loans:

(in thousands)	Nonperforming Loans December 31, 2022 Unpaid Principal Balance (1)	Nonperforming Loans December 31, 2022 Recorded Investment	Nonperforming Loans December 31, 2022 Related Allowance	December 31, 2021 Unpaid Principal Balance (1)	December 31, 2021 Recorded Investment	December 31, 2021 Related Allowance
With no related specific allowance recorded:						
Commercial real estate:						
Land and construction	**$ 112**	**$ 112**	**$ —**	$ 74	$ 73	$ —
Improved property	**18,367**	**16,601**	**—**	9,846	8,089	—
Commercial and industrial	**4,102**	**3,112**	**—**	6,528	5,256	—
Residential real estate	**21,084**	**16,057**	**—**	25,492	20,065	—
Home equity	**6,970**	**5,374**	**—**	6,985	5,440	—
Consumer	**316**	**159**	**—**	869	565	—
Total nonperforming loans without a specific allowance	**50,951**	**41,415**	**—**	49,794	39,488	—
Total nonperforming loans with a specific allowance	**—**	**—**	**—**	—	—	—
Total nonperforming loans	**$ 50,951**	**$ 41,415**	**$ —**	$ 49,794	$ 39,488	$ —

(1) The difference between the unpaid principal balance and the recorded investment generally reflects amounts that have been previously charged-off and fair market value adjustments on acquired nonperforming loans.

(in thousands)	Nonperforming Loans For the Year Ended December 31, 2022 Average Recorded Investment	For the Year Ended December 31, 2022 Interest Income Recognized	For the Year Ended December 31, 2021 Average Recorded Investment	For the Year Ended December 31, 2021 Interest Income Recognized	For the Year Ended December 31, 2020 Average Recorded Investment	For the Year Ended December 31, 2020 Interest Income Recognized
With no related specific allowance recorded:						
Commercial real estate:						
Land and construction	**$ 79**	**$ 2**	$ 176	$ —	$ 571	$ —
Improved property	**9,324**	**99**	7,207	32	7,193	61
Commercial and industrial	**4,233**	**12**	4,077	11	5,256	7
Residential real estate	**17,873**	**247**	20,971	155	19,651	168
Home equity	**5,298**	**37**	5,561	13	5,806	22
Consumer	**406**	**5**	420	3	377	2
Total nonperforming loans without a specific allowance	**37,213**	**402**	38,413	214	38,854	260
With a specific allowance recorded:						
Commercial real estate:						
Land and construction	**—**	**—**	—	—	—	—
Improved property	**—**	**—**	1,669	—	2,672	—
Commercial and industrial	**—**	**—**	—	—	38	—
Residential real estate	**—**	**—**	—	—	878	—
Home equity	**—**	**—**	—	—	141	—
Consumer	**—**	**—**	—	—	11	—
Total nonperforming loans with a specific allowance	**—**	**—**	1,669	—	3,740	—
Total nonperforming loans	**$ 37,213**	**$ 402**	$ 40,082	$ 214	$ 42,594	$ 260

The following tables present the recorded investment in non-accrual loans and TDRs:

(in thousands)	Non-accrual Loans (1) December 31, 2022	Non-accrual Loans (1) December 31, 2021
Commercial real estate:		
Land and construction	**$ 112**	$ 73
Improved property	**16,254**	7,715
Total commercial real estate	**16,366**	7,788
Commercial and industrial	**2,946**	5,064
Residential real estate	**13,695**	17,190
Home equity	**5,044**	5,163
Consumer	**134**	537
Total	**$ 38,185**	$ 35,742

(1) At December 31, 2022, there were three borrowers with loan balances greater than $1.0 million totaling $11.8 million, as compared to three borrowers with a loan balance greater than $1.0 million totaling $4.1 million at December 31, 2021. Total non-accrual loans include loans that are also TDRs. Such loans are also set forth in the following table as non-accrual TDRs.

	TDRs					
	December 31, 2022			December 31, 2021		
(in thousands)	Accruing	Non-Accrual	Total	Accruing	Non-Accrual	Total
Commercial real estate:						
Land and construction	**$ —**	**$ —**	**$ —**	$ —	$ —	$ —
Improved property	**347**	**29**	**376**	374	133	507
Total commercial real estate	**347**	**29**	**376**	374	133	507
Commercial and industrial	**166**	**—**	**166**	192	—	192
Residential real estate	**2,362**	**1,464**	**3,826**	2,875	1,156	4,031
Home equity	**330**	**218**	**548**	277	258	535
Consumer	**25**	**—**	**25**	28	—	28
Total	**$ 3,230**	**$ 1,711**	**$ 4,941**	$ 3,746	$ 1,547	$ 5,293

As of December 31, 2022 and December 31, 2021, there were no TDRs greater than $1.0 million. The concessions granted in the majority of loans reported as accruing and non-accrual TDRs are extensions of the maturity date or the amortization period, reductions in the interest rate below the prevailing market rate for loans with comparable characteristics, and/or permitting interest-only payments for longer than six months. Wesbanco had unfunded commitments to debtors whose loans were classified as nonperforming of $0.1 million as of both December 31, 2022 and 2021.

The following table presents details related to loans identified as TDRs during the years ended December 31, 2022 and 2021:

	New TDRs (1) For the Year Ended December 31, 2022			New TDRs (1) For the Year Ended December 31, 2021		
(dollars in thousands)	Number of Modifications	Pre-Modification Outstanding Recorded Investment	Post-Modification Outstanding Recorded Investment	Number of Modifications	Pre-Modification Outstanding Recorded Investment	Post-Modification Outstanding Recorded Investment
Commercial real estate:						
Land and construction	**1**	**$ 84**	**$ —**	—	$ —	$ —
Improved property	**2**	**1,286**	**—**	—	—	—
Total commercial real estate	**3**	**1,370**	**—**	—	—	—
Commercial and industrial	**—**	**—**	**—**	1	178	172
Residential real estate	**—**	**—**	**—**	1	103	100
Home equity	**—**	**—**	**—**	1	57	54
Consumer	**—**	**—**	**—**	—	—	—
Total	**3**	**$ 1,370**	**$ —**	3	$ 338	$ 326

(1) Excludes loans that were either paid off or charged-off by period end. The pre-modification balance represents the balance outstanding at the beginning of the period. The post-modification balance represents the outstanding balance at period end.

The following table summarizes TDRs which defaulted (defined as past due 90 days) during the years ended December 31, 2022 and 2021 that were restructured within the last twelve months prior to December 31, 2022 and 2021:

(dollars in thousands)	Defaulted TDRs (1) For the Year Ended December 31, 2022		Defaulted TDRs (1) For the Year Ended December 31, 2021	
	Number of Defaults	Recorded Investment	Number of Defaults	Recorded Investment
Commercial real estate:				
Land and construction	**—**	**$ —**	—	$ —
Improved property	**—**	**—**	—	—
Total commercial real estate	**—**	**—**	—	—
Commercial and industrial	**—**	**—**	—	—
Residential real estate	**—**	**—**	1	234
Home equity	**—**	**—**	—	—
Consumer	**—**	**—**	—	—
Total	**—**	**$ —**	1	$ 234

(1) Excludes loans that were either charged-off or cured by period end. The recorded investment is as of December 31, 2022 and 2021.

TDRs that default are placed on non-accrual status unless they are both well-secured and in the process of collection. The loans in the table above were not accruing interest.

Section 4013 of the CARES Act allows financial institutions the option to temporarily suspend certain requirements under GAAP related to TDRs for a limited period of time during the COVID-19 pandemic. These customers must meet certain criteria, such as they were in good standing and not more than 30 days past due either as of December 31, 2019, or as of the implementation of the modification program under the Interagency Statement, as well as other requirements noted in the regulatory agencies' revised statement. Based on this guidance, Wesbanco does not classify the COVID-19 loan modifications as TDRs, nor are the customers considered past due with regard to their delayed payments. Upon exiting the loan modification deferral program, the measurement of loan delinquency will resume where it left off upon entry into the program. Under the CARES Act, Wesbanco has modified approximately 3,600 loans totaling $2.2 billion, of which $0.8 million remain in their deferral period as of December 31, 2022. Wesbanco originally offered three to six months of deferred payments to commercial and retail customers impacted by the COVID-19 pandemic depending on the type of loan and the industry for commercial loans. In the fourth quarter of 2020, Wesbanco offered up to an additional twelve months of deferred payments to certain commercial loan customers, predominantly in the hospitality industry, based on specific criteria related to the borrower, the underlying property and the potential for guarantors / co-borrowers.

The following table summarizes the recognition of interest income on nonperforming loans:

(in thousands)	For the years ended December 31, 2022	2021	2020
Average nonperforming loans	**$ 37,213**	$ 40,082	$ 42,594
Amount of contractual interest income on nonperforming loans	**2,722**	1,213	2,827
Amount of interest income recognized on nonperforming loans	**402**	214	260

The following table summarizes amortized cost basis loan balances by year of origination and credit quality indicator.

	Loans As of December 31, 2022 Amortized Cost Basis by Origination Year								
(in thousands)	2022	2021	2020	2019	2018	Prior	Revolving Loans Amortized Cost Basis	Revolving Loans Converted to Term	Total
Commercial real estate: land and construction									
Risk rating:									
Pass	$ 159,769	$ 136,131	$ 138,171	$ 155,141	$ 61,823	$ 51,381	$ 117,237	$ 92,151	$ 911,804
Criticized - compromised	559	265	—	—	24	31	—	450	1,329
Classified - substandard	—	—	6,001	—	—	124	—	24,629	30,754
Classified - doubtful	—	—	—	—	—	—	—	—	—
Total	$ 160,328	$ 136,396	$ 144,172	$ 155,141	$ 61,847	$ 51,536	$ 117,237	$ 117,230	$ 943,887
Commercial real estate: improved property									
Risk rating:									
Pass	$ 1,082,984	$ 620,205	$ 613,663	$ 528,004	$ 371,880	$ 1,551,478	$ 72,327	$ 99,594	$ 4,940,135
Criticized - compromised	10,554	354	2,877	7,659	13,551	85,332	1,066	—	121,393
Classified - substandard	—	658	275	15,489	9,761	29,712	34	—	55,929
Classified - doubtful	—	—	—	—	—	—	—	—	—
Total	$ 1,093,538	$ 621,217	$ 616,815	$ 551,152	$ 395,192	$ 1,666,522	$ 73,427	$ 99,594	$ 5,117,457
Commercial and industrial									
Risk rating:									
Pass	$ 280,510	$ 184,805	$ 116,890	$ 72,142	$ 103,660	$ 232,062	$ 526,025	$ 22,206	$ 1,538,300
Criticized - compromised	917	1,192	270	8,278	264	2,524	7,654	4,124	25,223
Classified - substandard	93	3,209	976	2,157	97	2,854	1,066	5,420	15,872
Classified - doubtful	—	—	—	—	—	—	—	—	—
Total	$ 281,520	$ 189,206	$ 118,136	$ 82,577	$ 104,021	$ 237,440	$ 534,745	$ 31,750	$ 1,579,395
Residential real estate									
Loan delinquency:									
Current	$ 541,659	$ 556,928	$ 211,496	$ 97,160	$ 52,135	$ 478,977	$ —	$ 190,740	$ 2,129,095
30-59 days past due	—	—	—	—	—	853	—	—	853
60-89 days past due	—	442	349	65	—	2,680	—	—	3,536
90 days or more past due	—	—	—	285	119	6,654	—	42	7,100
Total	$ 541,659	$ 557,370	$ 211,845	$ 97,510	$ 52,254	$ 489,164	$ —	$ 190,782	$ 2,140,584
Home equity									
Loan delinquency:									
Current	$ 10,718	$ 1,459	$ 1,133	$ 1,774	$ 1,088	$ 25,203	$ 644,430	$ 957	$ 686,762
30-59 days past due	80	61	180	67	34	1,165	2,260	38	3,885
60-89 days past due	—	15	—	50	88	458	—	10	621
90 days or more past due	—	—	572	93	257	2,425	16	434	3,797
Total	$ 10,798	$ 1,535	$ 1,885	$ 1,984	$ 1,467	$ 29,251	$ 646,706	$ 1,439	$ 695,065
Consumer									
Loan delinquency:									
Current	$ 84,817	$ 36,123	$ 25,071	$ 25,535	$ 8,488	$ 16,337	$ 25,755	$ 27	$ 222,153
30-59 days past due	980	937	488	159	98	217	31	—	2,910
60-89 days past due	184	293	94	47	29	57	—	—	704
90 days or more past due	183	208	69	32	2	79	—	—	573
Total	$ 86,164	$ 37,561	$ 25,722	$ 25,773	$ 8,617	$ 16,690	$ 25,786	$ 27	$ 226,340

(in thousands)	Loans As of December 31, 2021 Amortized Cost Basis by Origination Year 2021	2020	2019	2018	2017	Prior	Revolving Loans Amortized Cost Basis	Revolving Loans Converted to Term	Total
Commercial real estate: land and construction									
Risk rating:									
Pass	$ 135,179	$ 217,389	$ 198,974	$ 117,157	$ 27,186	$ 29,696	$ 35,059	$ 62,676	$ 823,316
Criticized - compromised	85	6,236	—	33	—	219	856	526	7,955
Classified - substandard	—	73	—	—	—	1,280	—	1,256	2,609
Classified - doubtful	—	—	—	—	—	—	—	—	—
Total	$ 135,264	$ 223,698	$ 198,974	$ 117,190	$ 27,186	$ 31,195	$ 35,915	$ 64,458	$ 833,880
Commercial real estate: improved property									
Risk rating:									
Pass	$ 713,697	$ 660,856	$ 589,674	$ 405,689	$ 404,241	$ 1,539,275	$ 58,933	$ 28,507	$ 4,400,872
Criticized - compromised	7,755	15,195	52,859	17,697	14,490	99,687	1,414	13,733	222,830
Classified - substandard	9,355	2,686	4,855	3,730	11,010	49,667	34	49	81,386
Classified - doubtful	—	—	—	—	—	—	—	—	—
Total	$ 730,807	$ 678,737	$ 647,388	$ 427,116	$ 429,741	$ 1,688,629	$ 60,381	$ 42,289	$ 4,705,088
Commercial and industrial									
Risk rating:									
Pass	$ 406,495	$ 159,878	$ 99,472	$ 136,146	$ 89,049	$ 223,514	$ 409,789	$ 16,226	$ 1,540,569
Criticized - compromised	590	551	693	2,558	1,645	1,278	5,389	5,029	17,733
Classified - substandard	134	236	18,465	766	2,139	1,419	3,723	5,136	32,018
Classified - doubtful	—	—	—	—	—	—	—	—	—
Total	$ 407,219	$ 160,665	$ 118,630	$ 139,470	$ 92,833	$ 226,211	$ 418,901	$ 26,391	$ 1,590,320
Residential real estate									
Loan delinquency:									
Current	$ 599,244	$ 292,653	$ 116,147	$ 71,253	$ 56,917	$ 536,444	$ —	$ 29,929	$ 1,702,587
30-59 days past due	1,127	—	—	69	105	1,030	—	—	2,331
60-89 days past due	563	91	—	271	43	2,286	—	—	3,254
90 days or more past due	1,933	673	895	88	762	8,802	—	53	13,206
Total	$ 602,867	$ 293,417	$ 117,042	$ 71,681	$ 57,827	$ 548,562	$ —	$ 29,982	$ 1,721,378
Home equity									
Loan delinquency:									
Current	$ 10,076	$ 835	$ 649	$ 379	$ 566	$ 18,064	$ 567,478	$ 1,142	$ 599,189
30-59 days past due	—	84	45	128	50	628	1,247	58	2,240
60-89 days past due	—	—	132	15	188	267	—	—	602
90 days or more past due	187	88	119	112	234	2,550	—	361	3,651
Total	$ 10,263	$ 1,007	$ 945	$ 634	$ 1,038	$ 21,509	$ 568,725	$ 1,561	$ 605,682
Consumer									
Loan delinquency:									
Current	$ 60,907	$ 43,871	$ 50,317	$ 19,289	$ 11,084	$ 32,343	$ 55,739	$ 27	$ 273,577
30-59 days past due	435	370	214	136	85	241	51	—	1,532
60-89 days past due	413	375	82	19	33	286	—	—	1,208
90 days or more past due	115	141	222	65	1	265	4	—	813
Total	$ 61,870	$ 44,757	$ 50,835	$ 19,509	$ 11,203	$ 33,135	$ 55,794	$ 27	$ 277,130

The following table summarizes other real estate owned and repossessed assets included in other assets:

(in thousands)	December 31, 2022	2021
Other real estate owned	**$ 1,397**	$ —
Repossessed assets	**89**	—
Total other real estate owned and repossessed assets	**$ 1,486**	$ —

Residential real estate included in other real estate owned was $0 at both December 31, 2022 and December 31, 2021. At December 31, 2022 and 2021, formal foreclosure proceedings were in process on residential real estate loans totaling $4.9 million and $4.0 million, respectively. Previously, as a result of provisions of the CARES Act, certain residential real estate loans were temporarily suspended from entering foreclosure proceedings, which included $0.8 million of loans as of December 31, 2021. Since this moratorium had substantially ended during the first quarter of 2022, there are currently no loans suspended from entering foreclosure proceedings.

NOTE 5. PREMISES AND EQUIPMENT

Premises and equipment include:

(in thousands)	December 31, 2022	December 31, 2021
Land and improvements	**$ 57,817**	$ 58,534
Buildings and improvements	**216,593**	222,407
Furniture and equipment	**111,259**	109,159
Total cost	**385,669**	390,100
Accumulated depreciation and amortization	**(212,733)**	(208,254)
Right of use assets	**47,956**	47,170
Total premises and equipment, net	**$ 220,892**	$ 229,016

Depreciation and amortization expense of premises and equipment charged to operations for the years ended December 31, 2022, 2021 and 2020 was $13.0 million, $13.4 million and $14.1 million, respectively.

Operating leases are recorded as a right of use ("ROU") asset and operating lease liability, included in premises and equipment, net and other liabilities, respectively, on the consolidated balance sheet. Operating lease ROU assets represent the right to use an underlying asset during the lease term and operating lease liabilities represent our obligation to make lease payments arising from the lease. ROU assets and operating lease liabilities are recognized at lease commencement based on the present value of the remaining lease payments using a discount rate that represents our incremental borrowing rate at the lease commencement date. Operating lease expense, which is comprised of amortization of the ROU asset and the implicit interest accreted on the operating lease liability, is recognized on a straight-line basis over the lease term, and is recorded primarily in net occupancy expense in the consolidated statements of comprehensive income.

Operating leases relate primarily to bank branches, office space and license agreements with remaining lease terms of generally 1 to 30 years, which include options for multiple five and ten year extensions, with a weighted average lease term of 16.0 years. As of December 31, 2022, operating lease ROU assets and liabilities were $38.8 million and $43.0 million, respectively, and as of December 31, 2021, operating lease ROU assets and liabilities were $43.1 million and $47.5 million, respectively. The lease expense for operating leases was $4.6 million, $5.2 million and $5.8 million for the years ended December 31, 2022, 2021 and 2020, respectively. The weighted average discount rate was 2.92% as of December 31, 2022. Wesbanco also has certain software licenses and maintenance agreements that are not subject to ASC 842, "Leases." Of those, the Bank has a contract with its core banking software provider through 2027, in which it is projected the annual obligation during the contract period will be a minimum of $10.7 million per year.

Finance leases relate primarily to bank branches and office space with remaining lease terms of generally 5 to 25 years, which include options for multiple five and ten year extensions, with weighted-average lease terms of 20.0 years. As of December 31, 2022, the finance lease ROU assets and liabilities were $9.2 million and $9.8 million, respectively, and were $4.1 million and $4.8 million, respectively, as of December 31, 2021. The weighted average discount rate was 3.42% and 3.78% as of December 31, 2022 and 2021, respectively. Amortization costs related to finance lease ROU assets was $0.5 million, $0.4 million and $0.4 million for the years ended December 31, 2022, 2021 and 2020, respectively. Interest expense related to finance lease ROU assets was $0.2 million for each of the years ended December 31, 2022, 2021 and 2020, respectively.

Future minimum lease payments under non-cancellable leases with initial or remaining lease terms in excess of one year at December 31, 2022 are as follows (*in thousands*):

Year	Operating Leases	Finance Leases	Total
2023	**$ 4,812**	**$ 951**	**$ 5,763**
2024	**4,477**	**957**	**5,434**
2025	**4,345**	**927**	**5,272**
2026	**4,223**	**875**	**5,098**
2027	**3,720**	**653**	**4,373**
2028 and thereafter	**34,123**	**9,907**	**44,030**
Total lease payments	**$ 55,700**	**$ 14,270**	**$ 69,970**
Less: capitalized interest	**(12,743)**	**(4,515)**	**(17,258)**
Present value of lease liabilities	**$ 42,957**	**$ 9,755**	**$ 52,712**

NOTE 6. GOODWILL AND OTHER INTANGIBLE ASSETS

Wesbanco's Consolidated Balance Sheets include goodwill of $1.1 billion as of December 31, 2022 and 2021, respectively, all of which relates to the Community Banking segment. Wesbanco's other intangible assets of $44.6 million and $54.9 million at December 31, 2022 and 2021, respectively, primarily consist of core deposit and other customer list intangibles, which have finite lives and are amortized using straight line and accelerated methods. Other intangible assets are being amortized over estimated useful lives ranging from ten to sixteen years. Amortization of core deposit and customer list intangible assets totaled $10.3 million, $11.5 million and $13.4 million for the years ended December 31, 2022, 2021 and 2020, respectively. Wesbanco completed its annual goodwill impairment evaluation as of November 30, 2022 and determined that goodwill was not impaired as of such date as well as at December 31, 2022, as there were no significant changes in market conditions, consolidated operating results, or forecasted future results from November 30, 2022. Additionally, there were no events or changes in circumstances indicating impairment of other intangible assets as of December 31, 2022.

The following table shows Wesbanco's capitalized other intangible assets and related accumulated amortization:

	December 31,	
(in thousands)	**2022**	**2021**
Other intangible assets:		
Gross carrying amount	**$ 110,358**	$ 115,032
Accumulated amortization	**(65,764)**	(60,159)
Net carrying amount of other intangible assets	**$ 44,594**	$ 54,873

The following table shows the amortization on Wesbanco's other intangible assets for each of the next five years (*in thousands*):

Year	**Amount**
2023	**$ 9,088**
2024	**8,251**
2025	**7,475**
2026	**6,737**
2027	**6,214**
2028 and thereafter	**6,829**
Total	**$ 44,594**

NOTE 7. INVESTMENTS IN LIMITED PARTNERSHIPS

Wesbanco is a limited partner in several tax-advantaged limited partnerships whose purpose is to invest in approved low-income housing investment tax credit projects. These investments are accounted for using the equity method of accounting and are included in other assets in the Consolidated Balance Sheets. The limited partnerships are considered to be VIEs as they generally do not have equity investors with voting rights or have equity investors that do not provide sufficient financial resources to support their activities. The VIEs have not been consolidated because Wesbanco is not considered the primary beneficiary. All of Wesbanco's investments in limited partnerships are privately held, and their market values are not readily available. As of December 31, 2022 and 2021, Wesbanco had $34.2 million and $27.9 million, respectively, invested in these partnerships. Wesbanco also recognizes the unconditional unfunded equity commitments of $15.1 million and $12.5 million at December 31, 2022 and 2021, respectively, in other liabilities. Wesbanco classifies the amortization of the investment as a component of income tax expense (benefit) and proportionally amortizes the investment over the tax credit period. The amount for the years ended December 31, 2022, 2021 and 2020 was $3.6 million, $3.4 million and $3.3 million, respectively. Tax benefits attributed to these partnerships include low-income housing and historic tax credits which totaled $3.5 million, $3.1 million and $3.2 million for the years ended December 31, 2022, 2021 and 2020, respectively, which are also included in income tax expense.

Wesbanco is also a limited partner in five other limited partnerships as of December 31, 2022. These provide seed money and capital to startup companies, and financing to low-income housing projects. As of December 31, 2022 and 2021, Wesbanco had $3.3 million and $9.9 million, respectively, invested in these partnerships, which are recorded in other assets using the equity method. Wesbanco included in operations under the equity method of accounting its share of the partnerships' net (loss) income of ($0.9) million, $3.6 million and ($0.6) million for the years ended December 31, 2022, 2021 and 2020, respectively. (Losses) gains totaling ($1.0) million and $3.8 million related to the sale and the change in the fair value of the underlying investments funded by Wesbanco's Community Development Corporation, which is included within the partnerships' net income for the years ended December 31, 2022 and December 31, 2021, respectively. This income is located within net gain (loss) on other real estate owned and other assets on the consolidated statements of income and predominantly relates to the sale and fair value changes in the underlying Tech Growth investment, which was sold in 2022.

The following table presents the scheduled equity commitments to be paid to the limited partnerships over the next five years and in the aggregate thereafter as of December 31, 2022:

Year	Amount
2023	$ **3,954**
2024	**6,252**
2025	**2,061**
2026	**922**
2027	**584**
2028 and thereafter	**1,348**
Total	$ **15,121**

NOTE 8. CERTIFICATES OF DEPOSIT

Certificates of deposit in denominations of $250 thousand or more were $133.9 million and $313.2 million as of December 31, 2022 and 2021, respectively. Interest expense on certificates of deposit of $250 thousand or more was $2.0 million, $3.8 million and $8.6 million for the years ended December 31, 2022, 2021 and 2020, respectively.

At December 31, 2022, the scheduled maturities of total certificates of deposit are as follows *(in thousands)*:

Year	Amount
2023	$ **556,450**
2024	**181,367**
2025	**82,976**
2026	**40,309**
2027	**24,159**
2028 and thereafter	**557**
Total	$ **885,818**

NOTE 9. FHLB AND OTHER SHORT-TERM BORROWINGS

Wesbanco is a member of the FHLB system. Wesbanco's FHLB borrowings, which consist of borrowings from the FHLB of Pittsburgh are secured by a blanket lien by the FHLB on certain residential mortgages and other loan types or securities with a market value in excess of the outstanding balances of the borrowings. As of December 31, 2022 and 2021, Wesbanco had FHLB borrowings of $705.0 million and $183.9 million, respectively, with a remaining weighted-average interest rate of 4.22% and 1.28%, respectively. The terms of the security agreement with the FHLB include a specific assignment of collateral that requires the maintenance of qualifying mortgage and other types of loans as pledged collateral with unpaid principal amounts in excess of the FHLB advances, when discounted at certain pre-established percentages of the loans' unpaid principal balances. FHLB stock owned by Wesbanco totaling $36.2 million and $15.9 million at December 31, 2022 and 2021, respectively, is also pledged as collateral on these advances. The remaining maximum borrowing capacity by Wesbanco with the FHLB at December 31, 2022 and 2021 was estimated to be approximately $3.6 billion and $3.8 billion, respectively.

The following table presents the aggregate annual maturities and weighted-average interest rates of FHLB borrowings at December 31, 2022 based on their contractual maturity dates and interest rates *(dollars in thousands)*:

Year	Scheduled Maturity	Weighted Average Rate
2023	$ 705,000	4.22%
2024	—	—
2025	—	—
2026	—	—
2027	—	—
2028 and thereafter	—	—
Total	$ 705,000	4.22%

Other short-term borrowings of $135.1 million and $141.9 million at December 31, 2022 and 2021, respectively, consist in the aggregate of securities sold under agreements to repurchase, federal funds purchased, and outstanding borrowings on a revolving line of credit. At December 31, 2022 and 2021, securities sold under agreements to repurchase were $135.1 million and $141.9 million, respectively, with a weighted average interest rate during the year of 0.39% and 0.15%, respectively. There were no federal funds purchased outstanding at December 31, 2022 or 2021, respectively.

In August 2022, Wesbanco renewed a revolving line of credit, which is a senior obligation of the parent company with another financial institution. This line of credit, which accrues interest at an adjusted SOFR rate, provides for aggregate unsecured borrowings of up to $30.0 million. There were no outstanding balances on the line of credit as of December 31, 2022 or 2021.

NOTE 10. SUBORDINATED DEBT AND JUNIOR SUBORDINATED DEBT

Wesbanco completed the issuance of $150.0 million in aggregate principal amount of subordinated debentures on March 23, 2022. The subordinated debentures have a fixed rate of 3.75% for the first five years and a floating rate for the next five years at Three Month Term Secured Overnight Financing Rate ("SOFR") plus a spread of 1.787%. The subordinated debentures are callable after five years, mature on April 1, 2032 and count towards Tier 2 Capital.

Certain trusts, consisting of Wesbanco Capital Trust II, Wesbanco Capital Statutory Trust III, Wesbanco Capital Trusts IV, V and VI, Oak Hill Capital Trusts 2, 3 and 4, Community Bank Shares Statutory Trusts I and II and First Federal Statutory Trust II are all wholly-owned trust subsidiaries of Wesbanco formed for the purpose of issuing Trust Preferred Securities ("Trust Preferred Securities") into a pool of other financial services entity trust preferred securities, and lending the proceeds to Wesbanco. The Trust Preferred Securities were issued and sold in private placement offerings. The proceeds from the sale of the securities and the issuance of common stock by the Trusts were invested in Junior Subordinated Deferrable Interest Debentures ("Junior Subordinated Debt") issued by Wesbanco and former acquired banks, which are the sole assets of the Trusts. The Trusts pay dividends on the Trust Preferred Securities at the same rate as the distributions paid by Wesbanco on the Junior Subordinated Debt held by the Trusts. The Trusts provide Wesbanco with the option to defer payment of interest on the Junior Subordinated Debt for an aggregate of 20 consecutive quarterly periods. Should any of these options be utilized, Wesbanco may not declare or pay dividends on its common stock during any such period. Undertakings made by Wesbanco with respect to the Trust Preferred Securities for the Trusts constitute a full and unconditional guarantee by Wesbanco of the obligations of these Trust Preferred Securities.

The Junior Subordinated Debt is presented as a separate category of long-term debt on the Consolidated Balance Sheets. For regulatory purposes, at December 31, 2022, all such securities are counted as Tier 2 capital subject to limits. The Trust Preferred Securities provide the issuer with a unique capital instrument that has a tax-deductible interest feature not normally associated with the equity of a corporation.

The following table shows Wesbanco's trust subsidiaries with outstanding Trust Preferred Securities as of December 31, 2022:

(in thousands)	Trust Preferred Securities	Common Securities	Junior Subordinated Debt	Stated Maturity Date	Optional Redemption Date
Wesbanco Capital Trust II (1)	$ 13,000	$ 410	$ 13,410	6/30/2033	6/30/2008
Wesbanco Capital Statutory Trust III (2)	17,000	526	17,526	6/26/2033	6/26/2008
Wesbanco Capital Trust IV (3)	20,000	619	20,619	6/17/2034	6/17/2009
Wesbanco Capital Trust V (3)	20,000	619	20,619	6/17/2034	6/17/2009
Wesbanco Capital Trust VI (4)	15,000	464	15,464	3/17/2035	3/17/2010
Oak Hill Capital Trust 2 (5)	5,000	155	5,155	10/18/2034	10/18/2009
Oak Hill Capital Trust 3 (6)	8,000	248	8,248	10/18/2034	10/18/2009
Oak Hill Capital Trust 4 (7)	5,000	155	5,155	6/30/2035	6/30/2015
Community Bank Shares Statutory Trust I (3)	6,902	217	7,119	6/17/2034	6/17/2014
Community Bank Shares Statutory Trust II (8)	9,801	310	10,111	6/15/2036	6/15/2016
First Federal Statutory Trust II (9)	9,794	310	10,104	3/22/2037	3/15/2017
Total	$ 129,497	$ 4,033	$ 133,530		

(1) Variable rate based on the three-month LIBOR plus 3.15% with a current rate of 7.88% through March 30, 2023, adjustable quarterly.
(2) Variable rate based on the three-month LIBOR plus 3.10% with a current rate of 7.82% through March 26, 2023, adjustable quarterly.
(3) Variable rate based on the three-month LIBOR plus 2.65 % with a current rate of 7.39% through March 17, 2023, adjustable quarterly.
(4) Variable rate based on the three-month LIBOR plus 1.77% with a current rate of 6.51% through March 17, 2023, adjustable quarterly.
(5) Variable rate based on the three-month LIBOR plus 2.40% with a current rate of 6.59% through January 18, 2023, adjustable quarterly.
(6) Variable rate based on the three-month LIBOR plus 2.30% with a current rate of 6.49% through January 18, 2023, adjustable quarterly.
(7) Variable rate based on the three-month LIBOR plus 1.60% with a current rate of 6.33% through March 30, 2023, adjustable quarterly.
(8) Variable rate based on the three-month LIBOR plus 1.70% with a current rate of 6.47% through March 15, 2023, adjustable quarterly.
(9) Variable rate based on the three-month LIBOR plus 1.60% with a current rate of 6.37% through March 15, 2023, adjustable quarterly.

NOTE 11. DERIVATIVES AND HEDGING ACTIVITIES

Risk Management Objective of Using Derivatives

Wesbanco is exposed to certain risks arising from both its business operations and economic conditions. Wesbanco principally manages its exposures to a wide variety of business and operational risks through management of its core business activities. Wesbanco manages economic risks, including interest rate, liquidity and credit risk, primarily by managing the amount, sources and duration of its assets and liabilities. Wesbanco's existing interest rate derivatives result from a service provided to certain qualifying customers and, therefore, are not used to manage interest rate risk in Wesbanco's assets or liabilities. Wesbanco manages a matched book with respect to its derivative instruments in order to minimize its net risk exposure resulting from such transactions. A matched book is when the Bank's assets and liabilities are equally distributed but also have similar maturities.

Loan Swaps

Wesbanco executes interest rate swaps and interest rate caps with commercial banking customers to facilitate their respective risk management strategies. Those interest rate swaps and caps are simultaneously economically hedged by offsetting interest rate swaps and caps that Wesbanco executes with a third party, such that Wesbanco minimizes its net risk exposure resulting from such transactions. As the interest rate swaps and caps associated with this program do not meet the hedge accounting requirements of ASC 815, changes in the fair value of both the customer swaps and caps and the offsetting third-party swaps and caps are recognized directly in earnings. As of December 31, 2022 and 2021, Wesbanco had 159 and 135, respectively, interest rate swaps and caps with an aggregate notional amount of $936.8 million and $730.6 million, respectively, related to this program. Wesbanco recognized $4.4 million, $4.5 million and $8.1 million of income for the related swap and cap fees for the years ended December 31, 2022, 2021 and 2020, respectively.

Risk participation agreements are entered into as financial guarantees of performance on interest rate swap derivatives. The purchased asset or sold liability allows Wesbanco to participate-in (fee received) or participate-out (fee paid) the risk associated with certain derivative positions executed by the borrower of the lead bank in a loan syndication. As of December 31, 2022 and 2021, Wesbanco had 16 and 13, respectively, risk participation-in agreements with an aggregate notional amount of $187.8 million and $128.2 million, respectively. As of December 31, 2022 and 2021, Wesbanco had one risk participation-out agreement with an aggregate notional amount of $9.6 million and $9.8 million, respectively.

Mortgage Loans Held for Sale and Interest Rate Lock Commitments

Certain residential mortgage loans are originated for sale in the secondary mortgage loan market. These loans are classified as held for sale and carried at fair value as Wesbanco has elected the fair value option. Fair value is determined based on rates obtained from the secondary market for loans with similar characteristics. Wesbanco sells loans to the secondary market on either a mandatory or best efforts basis. The loans sold on a mandatory basis are not committed to an investor until the loan is closed with the borrower. Wesbanco enters into forward to be announced ("TBA") contracts to manage the interest rate risk between the lock commitment and the closing of the loan. The total balance of forward TBA contracts entered into was $14.5 million and $48.5 million at December 31, 2022 and December 31, 2021, respectively. The loans sold on a best efforts basis are committed to an investor simultaneous to the interest rate commitment with the borrower, and as a result, the Company does not enter into a separate forward TBA contract to offset the fair value risk, as the investor accepts such risk in exchange for a lower premium on sale.

Fair Values of Derivative Instruments on the Balance Sheet

All derivatives are carried on the consolidated balance sheet at fair value. Derivative assets are classified in the consolidated balance sheet under other assets, and derivative liabilities are classified in the consolidated balance sheet under other liabilities. Changes in fair value are recognized in earnings. None of Wesbanco's derivatives are designated in qualifying hedging relationships under ASC 815.

The table below presents the fair value of Wesbanco's derivative financial instruments as well as their classification on the Balance Sheet as of December 31, 2022 and 2021:

	December 31, 2022			December 31, 2021		
(in thousands)	Notional or Contractual Amount	Asset Derivatives	Liability Derivatives	Notional or Contractual Amount	Asset Derivatives	Liability Derivatives
Derivatives						
Loan Swaps:						
Interest rate swaps and caps	**$ 936,834**	**$ 75,840**	**$ 74,683**	$ 730,552	$ 24,867	$ 26,388
Other contracts:						
Interest rate lock commitments	**10,071**	**—**	**43**	28,994	9	—
Forward TBA contracts	**14,500**	**53**	—	48,500	—	21
Total derivatives		**$ 75,893**	**$ 74,726**		$ 24,876	$ 26,409

Effect of Derivative Instruments on the Income Statement

The table below presents the change in the fair value of the Company's derivative financial instruments reflected within the other non-interest income line item of the consolidated income statement for the years ended December 31, 2022, 2021 and 2020, respectively.

		For the Years Ended December 31,		
(in thousands)	Location of Gain/(Loss)	2022	2021	2020
Interest rate swaps and caps	Other income	**$ 2,679**	$ 1,977	$ (1,966)
Interest rate lock commitments	Mortgage banking income	**(52)**	(693)	658
Forward TBA contracts	Mortgage banking income	**3,211**	2,796	(7,442)
Total		**$ 5,838**	$ 4,080	$ (8,750)

Credit Risk Related Contingent Features

Wesbanco has agreements with its derivative counterparties that contain a provision where if Wesbanco defaults on any of its indebtedness, including default where repayment of the indebtedness has not been accelerated by the lender, then Wesbanco could also be declared in default on its derivative obligations.

Wesbanco also has agreements with certain of its derivative counterparties that contain a provision where if Wesbanco fails to maintain its status as either a "well-" or "adequately-capitalized" institution, then the counterparty could terminate the derivative positions and Wesbanco would be required to settle its obligations under the agreements.

Dependent upon the net present value of the underlying swaps, Wesbanco has minimum collateral posting thresholds with certain of its derivative counterparties. If Wesbanco had breached any of these provisions at December 31, 2022, it could have been required to settle its obligations under the agreements at the termination value and would have been required to pay any additional amounts due in excess of amounts previously posted as collateral with the respective counterparty. In certain market situations, Wesbanco can also request collateral from the derivative counterparties. Due to the current rise in interest rates, as of December 31, 2022, Wesbanco is holding collateral from various derivative counterparties with a market value of $42.7 million.

NOTE 12. EMPLOYEE BENEFIT PLANS

Defined Benefit Pension Plan— The Wesbanco, Inc. Defined Benefit Pension Plan ("the Plan") established on January 1, 1985, is a non-contributory, defined benefit pension plan. The Plan covers all employees of Wesbanco and its subsidiaries who were hired on or before August 1, 2007 who satisfy minimum age and length of service requirements. Benefits of the Plan are generally based on years of service and the employee's compensation during the last five years of employment. Contributions are intended to provide not only for benefits attributed to service to date, but also for those expected to be earned in the future. Wesbanco uses a December 31 measurement date for the Plan.

The benefit obligations and funded status of the Plan are as follows:

	December 31,	
(dollars in thousands)	**2022**	**2021**
Accumulated benefit obligation at end of year	**$ 120,241**	$ 152,232
Change in projected benefit obligation:		
Projected benefit obligation at beginning of year	**$ 163,919**	$ 168,433
Service cost	**2,190**	2,500
Interest cost	**4,114**	3,416
Actuarial (gain) loss	**(36,981)**	(4,688)
Benefits paid	**(6,115)**	(5,742)
Projected benefit obligation at end of year	**$ 127,127**	$ 163,919
Change in fair value of plan assets:		
Fair value of plan assets at beginning of year	**$ 202,783**	$ 185,716
Actual return on plan assets	**(29,762)**	22,809
Employer contribution	**—**	—
Benefits paid	**(6,115)**	(5,742)
Fair value of plan assets at end of year	**$ 166,906**	$ 202,783
Amounts recognized in the statement of financial position:		
Funded status	**$ 39,779**	$ 38,864
Net amounts recognized as receivable pension costs in the consolidated balance sheets	**$ 39,779**	$ 38,864
Amounts recognized in accumulated other comprehensive income consist of:		
Unrecognized prior service credit	**$ (159)**	$ (193)
Unrecognized net loss	**6,548**	2,700
Net amounts recognized in accumulated other comprehensive income (before tax)	**$ 6,389**	$ 2,507
Weighted average assumptions used to determine benefit obligations:		
Discount rate	**5.23%**	3.03%
Rate of compensation increase	**3.84%**	3.62%
Expected long-term return on assets	**6.82%**	5.74%

The components of and weighted-average assumptions used to determine net periodic benefit costs are as follows:

(dollars in thousands)	For the Years Ended December 31, 2022	2021	2020
Components of net periodic benefit cost:			
Service cost—benefits earned during year	**$ 2,190**	$ 2,500	$ 2,283
Interest cost on projected benefit obligation	**4,114**	3,416	4,507
Expected return on plan assets	**(11,572)**	(11,207)	(10,433)
Amortization of prior service credit	**(34)**	(34)	(34)
Amortization of net loss	**506**	2,736	3,192
Net periodic pension income	**$ (4,796)**	$ (2,589)	$ (485)
Other changes in plan assets and benefit obligations recognized in other comprehensive income:			
Net loss (gain) for period	**$ 4,353**	$ (16,290)	$ 432
Prior service credit	**—**	—	(313)
Amortization of prior service credit	**34**	34	34
Amortization of net loss	**(505)**	(2,736)	(3,192)
Total recognized in other comprehensive loss (income)	**$ 3,882**	$ (18,992)	$ (3,039)
Total recognized in net periodic pension cost and other comprehensive income	**$ (914)**	$ (21,581)	$ (3,524)
Weighted-average assumptions used to determine net periodic pension cost:			
Discount rate	**3.03%**	2.74%	3.38%
Rate of compensation increase	**3.62%**	3.30%	3.53%
Expected long-term return on assets	**5.74%**	6.11%	6.30%

As permitted under ASC 715-30-35-13, the amortization of any prior service cost is determined using a straight-line amortization of the cost over the average remaining service period of employees expected to receive benefits under the Plan.

The expected long-term rate of return for the Plan's total assets is based on the expected return of each of the Plan asset categories, weighted based on the median of the target allocation for each class.

Pension Plan Investment Policy and Strategy— The investment policy as established by the Pension and Post-Retirement Plan Committee, to be followed by the Trustee, which is Wesbanco's Trust and Investment Services department, is to invest assets based on the target allocations shown in the table below. Assets are reallocated periodically by the Trustee based on the ranges set forth by the Committee to meet the target allocations. The investment policy is also subject to review periodically to determine if the policy should be changed. Plan assets are to be invested with the principal objective of maximizing long-term total return without exposing Plan assets to undue risk, taking into account the Plan's funding needs and benefit obligations. Assets are to be invested in a balanced portfolio composed primarily of equities, fixed income, alternative asset funds and cash or cash equivalent money market investments.

In 2021, the Committee adopted certain changes to the investment policy for the Defined Benefit Pension Plan that recognizes over time the return requirements and risk tolerance of the plan will change. Based on an assessment of the long-term goals and desired risk levels, the Committee approved the development of a glide path that adjusts the target allocations as the Plan's funded status changes. Given the United States pension regulations and demographics of the Plan, a more risk averse investment approach is deemed appropriate to reduce the funded status volatility. Thus, modifications were made to the return seeking portfolio and the liability hedging portfolio as detailed in the plan. The revised Plan notes that return seeking assets generally consist of investments that focus on price appreciation with returns that, over the long term, are above the interest costs of the Plan. Thus, the policy set target allocations to return seeking assets and rebalanced the ranges for the same. Additionally, the investment policy statement was changed to note that liability hedging assets will be investment grade fixed income investments and are expected to generally behave like the Plan's liabilities. Since these assets focus mainly on current income, their expected long-term returns will generally be lower than return seeking assets. The policy provides that based on the hedge path, the mix of short term, intermediate term, and long term fixed income holdings will vary. As a result, there will not be set target allocations and ranges for each maturity category, but rather to the hedge path target. Changes to the Plan's holdings, as noted in the chart below, reflect the changes implemented pursuant to the change in the investment policy statement. At December 31, 2022 and 2021, the Plan's equity securities included 55,300 shares of Wesbanco common stock with a fair market value of $2.0 million and $1.9 million, respectively.

The following table sets forth the Plan's weighted-average asset allocations by asset category:

	Target Allocation for 2022	December 31, 2022	December 31, 2021
Asset Category:			
Equity securities	**55-75%**	**50%**	55%
Debt securities	**25-55%**	**48%**	43%
Cash and cash equivalents	**0-5%**	**2%**	2%
Total		**100%**	100%

The fair values of Wesbanco's pension plan assets at December 31, 2022 and 2021, by asset category are as follows:

		December 31, 2022 Fair Value Measurements Using:		
(in thousands)	Assets at Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Defined benefit pension plan assets:				
Registered investment companies	**$ 42,622**	**$ 42,622**	**$ —**	**$ —**
Equity securities	**52,914**	**52,914**	**—**	**—**
Corporate debt securities	**58,342**	**—**	**58,342**	**—**
Municipal obligations	**1,764**	**—**	**1,764**	**—**
Residential mortgage-backed securities and collateralized mortgage obligations of government sponsored entities and agencies	**10,102**	**—**	**10,102**	**—**
Total defined benefit pension plan assets (1)	**$ 165,744**	**$ 95,536**	**$ 70,208**	**$ —**

(1) The defined benefit pension plan statement of net assets also includes cash, accrued interest and dividends, and due to/from brokers resulting in net assets available for benefits of $166.9 million.

		December 31, 2021 Fair Value Measurements Using:		
(in thousands)	Assets at Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Defined benefit pension plan assets:				
Registered investment companies	$ 54,737	$ 54,737	$ —	$ —
Equity securities	74,445	74,445	—	—
Corporate debt securities	57,404	—	57,404	—
Municipal obligations	2,124	—	2,124	—
Residential mortgage-backed securities and collateralized mortgage obligations of government sponsored entities and agencies	14,073	—	14,073	—
Total defined benefit pension plan assets (1)	$ 202,783	$ 129,182	$ 73,601	$ —

(1) The defined benefit pension plan statement of net assets also includes cash, accrued interest and dividends, and due to/from brokers resulting in net assets available for benefits of $204.8 million.

Registered investment companies and equity securities: Valued at the closing price reported on the active market on which the individual securities are traded.

Corporate debt securities, municipal obligations, and U.S. government sponsored entities and agency securities: Valued at fair value based on models that consider criteria such as dealer quotes, available trade data, issuer creditworthiness, market movements, sector news, and bond and swap yield curves.

Cash Flows— Wesbanco has no required minimum contribution to the Plan for 2023 and as of December 31, 2022 does not expect to make a voluntary contribution in 2023. Wesbanco did not make a contribution to the Plan in 2020, 2021 or 2022.

The following table presents estimated benefits to be paid in each of the next five years and in aggregate for all years thereafter (*in thousands*):

Year	Amount
2023	**$ 7,244**
2024	**7,190**
2025	**7,556**
2026	**7,856**
2027	**8,153**
2028 and thereafter	**265,360**
Total	**$ 303,359**

FFKT Postretirement Medical Benefit Plan— Wesbanco assumed FFKT's postretirement medical benefit plan upon acquisition, which had a liability totaling $15.0 million at the acquisition date. The plan covers FFKT employees who were hired before January 1, 2016 and meet certain age and length of full-time service requirements. The plan was modified in August 2018, which reduced the number of eligible employees. The modification resulted in a $5.5 million unrealized gain, which was recorded in accumulated other comprehensive income, net of tax, and will be recognized over the life of the plan participants estimated to be approximately 17 years. Benefits provided under this plan are unfunded, and payments to the plan participants are made by Wesbanco.

The benefit obligation and funded status of the plan are as follows:

	December 31,	
(dollars in thousands)	**2022**	**2021**
Change in projected benefit obligation:		
Projected benefit obligation	**$ 11,245**	$ 12,695
Interest cost	**266**	230
Actuarial gain	**(3,881)**	(1,096)
Participant contributions	**320**	342
Benefits paid	**(831)**	(926)
Projected benefit obligation at end of year	**$ 7,119**	$ 11,245
Amounts recognized in the statement of financial position:		
Funded status	**$ 7,119**	$ (11,245)
Net amounts recognized as receivable pension costs in the consolidated balance sheets	**$ 7,119**	$ (11,245)
Amounts recognized in accumulated other comprehensive income consist of:		
Unrecognized net (gain) loss	**$ (3,676)**	$ 249
Prior service cost	**(2,343)**	(2,568)
Net amounts recognized in accumulated other comprehensive income (before tax)	**$ (6,019)**	$ (2,319)
Weighted average assumptions used to determine benefit obligations:		
Discount rate	**5.20%**	2.96%
Rate of compensation increase	**NA**	NA
Expected long-term return on assets	**NA**	NA

The components of and weighted-average assumptions used to determine net periodic benefit costs are as follows:

(dollars in thousands)	For the Years Ended December 31, 2022	2021
Components of net periodic benefit cost:		
Interest cost on projected benefit obligation	**$ 266**	$ 230
Amortization of prior service credit	**(224)**	(224)
Amortization of net loss	**43**	43
Net periodic pension cost	**$ 85**	$ 49
Other changes in plan benefit obligations recognized in other comprehensive income:		
Prior service cost for period	**$ —**	$ —
Net gain for the period	**(3,881)**	(1,097)
Amortization of prior service credit	**224**	224
Amortization of net loss	**(43)**	(43)
Total recognized in other comprehensive income	**$ (3,700)**	$ (916)
Total recognized in net periodic pension cost and other comprehensive income	**$ (3,615)**	$ (867)
Weighted-average assumptions used to determine net periodic pension cost:		
Discount rate	**5.10%**	2.40%
Rate of compensation increase	**NA**	NA
Expected long-term return on assets	**NA**	NA

The following table presents estimated benefits to be paid in each of the next five years and in aggregate for all years thereafter *(in thousands)*:

Year	Amount
2023	**$ 684**
2024	**668**
2025	**603**
2026	**588**
2027	**536**
2028 and thereafter	**10,138**
Total	**$ 13,217**

Employee Stock Ownership and 401(k) Plan ("KSOP") — Wesbanco sponsors a KSOP plan consisting of a non-contributory leveraged ESOP and a contributory 401(k) profit sharing plan covering substantially all of its employees. Under the provisions of the 401(k) plan, Wesbanco matches a portion of eligible employee contributions based on rates established and approved by the Board of Directors. For each of the past three years, Wesbanco matched 100% of the first 3% and 50% of the next 2% of eligible employee contributions. No ESOP contribution has been made for any of the past three years. Total expense for the KSOP was $5.5 million, $5.3 million and $5.3 million in 2022, 2021 and 2020, respectively.

As of December 31, 2022, the KSOP held 443,848 shares of Wesbanco common stock of which all shares were allocated to specific employee accounts. Dividends on shares are either distributed to employee accounts or paid in cash to the participant. Wesbanco had 165,438 and 207,199 shares registered on Form S-8 remaining for future issuance under the KSOP plan at December 31, 2022 and 2021, respectively.

Incentive Bonus, Option and Restricted Stock Plan— The Incentive Bonus, Option and Restricted Stock Plan (the "Incentive Plan"), is a non-qualified plan that includes the following components: an Annual Bonus and a Long-Term Incentive, which included a Total Shareholder Return Plan, a Stock Option component, and a Restricted Stock component for certain key officers of the Company. The components allow for payments of cash, a mixture of cash and stock, granting of stock options, or granting of restricted stock, depending upon the component of the Incentive Plan in which the award is earned, through the attainment of certain performance goals or time-based vesting requirements. Performance goals or service vesting requirements are established by Wesbanco's Compensation Committee. On April 22, 2021, Wesbanco registered an additional 2,000,000 shares of Wesbanco common stock for issuance under the Incentive Plan. Wesbanco had 1,468,140 and 1,788,174 shares registered on Form S-8 remaining for future issuance under equity compensation plans at December 31, 2022 and 2021, respectively.

Annual Bonus

Compensation expense for key officers for the Annual Bonus was $4.4 million, $3.5 million and $1.7 million for 2022, 2021 and 2020, respectively.

Stock Options

On May 18, 2022, Wesbanco granted 146,900 stock options to selected participants, including certain named executive officers at an exercise price of $32.30 per share. The options granted in 2022 are service-based and vest in two equal installments on May 18, 2023 and December 31, 2023, and expire seven years from the date of grant.

Compensation expense for the stock option component of the Incentive Plan was $1.1 million, $0.8 million and $0.6 million for 2022, 2021 and 2020, respectively. At December 31, 2022, the total unrecognized compensation expense related to non-vested stock option grants totaled $0.5 million, with an expense recognition period of one year remaining. The maximum term of options granted under Wesbanco's stock option plan is ten years from the original grant date; however, options granted in 2022 had a term of seven years.

The total intrinsic value of options exercised was $1.0 million for the years ended December 31, 2022 and 2021, respectively. The cash received and related tax benefit realized from stock options exercised was $3.0 million and $0.3 million in 2022 and was $2.4 million and $0.2 million in 2021. Shares issued in connection with options exercised are issued from treasury shares acquired under Wesbanco's share repurchase plans or from issuance of authorized but unissued shares, subject to prior SEC registration.

The fair value of stock options granted is estimated at the date of grant using the Black-Scholes option-pricing model. This model requires the input of highly subjective assumptions, changes to which can materially affect the fair value estimate. Additionally, there may be other factors that might otherwise have a significant effect on the value of stock options granted that are not considered by the model.

The following table sets forth the significant assumptions used in calculating the fair value of the grants:

	For the Years Ended December 31,		
	2022	**2021**	**2020**
Weighted-average life	**5.1 years**	5.2 years	5.7 years
Risk-free interest rate	**2.89%**	0.87%	0.41%
Dividend yield	**4.15%**	3.32%	5.94%
Volatility factor	**32.28%**	31.81%	28.38%
Fair value of the grants	**$ 6.91**	$ 7.75	$ 2.54

The weighted-average life assumption is an estimate of the length of time that an employee might hold an option before option exercise, option expiration or employment termination. The weighted-average life assumption was developed using historical experience. Wesbanco used a weighted historical volatility of its common stock price over the weighted average life prior to each issuance as the volatility factor assumption, adjusted for abnormal volatility during certain periods, and current and future dividend payment expectations for the dividend assumption.

The following table shows the activity for the Stock Option component of the Incentive Plan:

	For the Year Ended December 31, 2022	
	Number of Options	**Weighted Average Exercise Price Per Share**
Outstanding at beginning of the year	**772,651**	**$ 34.70**
Granted during the year	**146,900**	**32.30**
Exercised during the year	**(111,050)**	**27.46**
Forfeited or expired during the year	**(27,031)**	**32.37**
Outstanding at end of the year	**781,470**	**$ 36.12**
Exercisable at year end	**637,670**	**$ 36.98**

The aggregate intrinsic value of the outstanding shares and the shares exercisable at year-end was $2.3 million and $1.6 million, respectively.

The following table shows the average remaining life of the stock options at December 31, 2022:

Year Issued	Exercisable at Year End	Exercise Price Range Per Share	Options Outstanding		Weighted Average Exercise Price	Weighted Avg. Remaining Contractual Life in Years
2013	**2,824**	**15.35**	**2,824**	**$**	**15.35**	**0.16**
2014	**4,705**	**21.37**	**4,705**		**21.37**	**1.16**
2015	**9,725**	**18.33 to 20.18**	**9,725**		**19.82**	**2.62**
2016	**36,405**	**22.63 to 32.37**	**36,405**		**31.11**	**0.75**
2017	**96,325**	**38.88**	**96,325**		**38.88**	**1.35**
2018	**160,186**	**36.97 to 45.65**	**160,186**		**43.21**	**3.23**
2019	**114,000**	**38.93**	**114,000**		**38.93**	**3.37**
2020	**73,800**	**21.55**	**73,800**		**21.55**	**4.40**
2021	**139,700**	**38.78**	**139,700**		**38.78**	**5.39**
2022	**—**	**—**	**143,800**		**32.30**	**6.38**
Total	**637,670**	**$15.35 to $45.65**	**781,470**	**$**	**36.12**	**3.95**

Restricted Stock

During 2022, Wesbanco granted 176,703 shares of service-based restricted stock to certain officers and directors, which cliff vest 36 months from the date of grant. The weighted average fair value of the restricted stock granted was $32.33 per share. The restricted stock grant provides the recipient with voting rights from the date of issuance. Dividends paid on these restricted shares during the restriction period are converted into additional shares of restricted stock on the date the cash dividend would have otherwise been paid, but do not vest until the related grant of the restricted shares complete their vesting. The Compensation Committee has discretion to elect to pay such dividends in cash to participants. Voting rights accrue from date of issuance of these shares.

Wesbanco also granted 24,444 shares of performance-based restricted stock ("PBRS") to select officers. These shares have a three-year performance period, beginning January 1, 2023, based on Wesbanco's return on average assets and return on average tangible common equity measured for each year, compared to a national peer group of financial institutions with total assets between approximately $11.6 billion and $29.0 billion. Earned performance-based restricted shares are subject to additional service-based vesting with 50% vesting on May 18, 2026 after the completion of the three-year performance period and the final 50% vesting on May 18, 2027.

For the 2018, 2019 and 2020 PBRS, the third, second and first year reporting periods, respectively, achieved 100% of the performance goal measured at December 31, 2021. The Compensation Committee approved these goal achievements in May of 2022, and Wesbanco issued 2,694 time-based restricted shares to the select officers of the 2018 grant, of which 1,347 shares vested on May 16, 2022 and the remaining 1,347 shares will vest on May 16, 2023. For the 2019 PBRS awards, Wesbanco issued 5,352 shares to the select officers of which 2,676 will vest on May 15, 2023 and 2,676 on May 15, 2024. For the 2020 PBRS awards, Wesbanco issued 10,100 shares of time based restricted shares to the select officers of which 5,050 will vest on May 27, 2024 and the remaining 5,050 will vest on May 27, 2025. On February 25, 2021, the Incentive Plan was amended to adjust the performance goal to 75% and approve a pro-rata award based on the achievement between 75% through 99%, as the award will be prorated to the percentage achieved.

Dividends accrue on the restricted shares once the performance objective is achieved and then are converted into additional shares of restricted stock on the date the cash dividend would have otherwise been paid, but do not vest until the related grant of the restricted shares complete their vesting. Voting rights accrue upon achievement of the performance objective.

Compensation expense relating to all restricted stock was $5.0 million, $5.6 million and $4.6 million in 2022, 2021 and 2020, respectively. As of December 31, 2022, the total unrecognized compensation expense related to non-vested restricted stock grants totaled $8.4 million, with a weighted average expense recognition period of 1.3 years remaining.

The following table shows the activity for the Restricted Stock component of the Incentive Plan:

For the Year Ended December 31, 2022	Restricted Stock		Weighted Average Grant Date Fair Value Per Share
Non-vested at January 1, 2022	**504,868**	**$**	**29.42**
Granted during the year	**201,147**		**32.33**
Vested during the year	**(127,532)**		**38.12**
Forfeited or expired during the year	**(900)**		**34.04**
Dividend reinvestment	**19,197**		**33.83**
Non-vested at end of the year	**596,780**	**$**	**28.67**

Total Shareholder Return Plan

On November 18, 2015, Wesbanco's Compensation Committee adopted Administrative Rules for a Total Shareholder Return Plan ("TSRP"). The TSRP measures the TSR on Wesbanco common stock over a three-year measurement period relative to the return of an established peer group of publicly traded companies over the same performance period. The award is determined at the end of the three-year period if the TSR of Wesbanco common stock is equal to or greater than the 50th percentile of the TSR of the peer group. The number of shares to be earned by the participant shall be 200% of the grant-date award if the TSR of Wesbanco common stock is equal to or greater than the 75th percentile of the TSR of the peer group. Upon achieving the market-based metric, shares determined to be earned by the participant become service-based and vest in three equal annual installments. Voting rights accrue at such time as well. Wesbanco granted 12,000 TSRP shares in 2022 for the performance period beginning January 1, 2022 and ending December 31, 2024 to certain executive officers. The fair value of the market-based awards is based on a Monte-Carlo Simulation valuation of our common stock and our peers' common stock as of the grant date.

Based on the calculation of shareholder return over the measurement period beginning January 1, 2020 and ending December 31, 2022, Wesbanco stock performance measured at the 55th percentile when compared to peer calculations of shareholder return, which exceeds the target of the 50th percentile. Therefore, in the first quarter of 2023, approximately 14,640 shares relating to the 2020 TSR grant will be issued as service-based shares since the share awards are based on the pro-rata between the 50th percentile and the 75th percentile. These shares will vest in three installments of 4,880 shares in 2023, 2024 and 2025.

Compensation expense relating to the TSR plans was $0.2 million, $0.4 million and $0.4 million in 2022, 2021 and 2020, respectively. The grant date fair value of the 2022 TSR award was $36.51 per share. At December 31, 2022, the total unrecognized compensation expense related to non-vested TSR awards totaled $0.5 million with a weighted average expense recognition period of 2.1 years remaining.

NOTE 13. REVENUE RECOGNITION

Interest income, net securities gains (losses) and bank-owned life insurance are not in scope of ASC 606, *Revenue from Contracts with Customers*. For the revenue streams in scope of ASC 606 - trust fees, service charges on deposits, net securities brokerage revenue, debit card sponsorship income, payment processing fees, electronic banking fees, mortgage banking income and net gain or loss on sale of other real estate owned and other assets– there are no significant judgements related to the amount and timing of revenue recognition.

The following table summarizes the point of revenue recognition and the income recognized for each of the revenue streams:

(in thousands)	Point of Revenue Recognition	For the Years Ended December 31, 2022	2021	2020
Revenue Streams				
Trust fees				
Trust account fees	Over time	**$ 19,134**	$ 19,717	$ 17,753
WesMark fees	Over time	**8,417**	9,794	8,582
Total trust fees		**27,551**	29,511	26,335
Service charges on deposits				
Commercial banking fees	Over time	**2,372**	2,088	2,337
Personal service charges	At a point in time and over time	**23,909**	20,324	19,606
Total service charges on deposits		**26,281**	22,412	21,943
Net securities brokerage revenue				
Annuity commissions	At a point in time	**7,258**	4,331	3,906
Equity and debt security trades	At a point in time	**87**	242	349
Managed money	Over time	**1,215**	1,201	952
Trail commissions	Over time	**965**	1,122	982
Total net securities brokerage revenue		**9,525**	6,896	6,189
Debit card sponsorship income (1)	At a point in time and over time	**—**	646	2,792
Payment processing fees (1)	At a point in time and over time	**3,352**	3,100	3,010
Electronic banking fees	At a point in time	**20,002**	19,318	17,524
Mortgage banking income	At a point in time	**5,129**	19,528	22,736
Net gain on other real estate owned and other assets (2)	At a point in time	**482**	4,816	103

(1) Debit card sponsorship income and payment processing fees are included in other non-interest income.
(2) The portion of this line item relating to the sale and change in the fair value of the underlying investments funded by Wesbanco CDC is not within the scope of ASC 606, and totaled (losses) gains of ($1.0) million, $3.8 million and ($0.1) million for the years ended December 31, 2022, 2021 and 2020, respectively.

NOTE 14. OTHER OPERATING EXPENSES

Other operating expenses consist of miscellaneous taxes, consulting fees, ATM expenses, postage, supplies, legal fees, communications, other real estate owned and foreclosure expenses, and other expenses. Other operating expenses are presented below:

(in thousands)	For the Years Ended December 31, 2022	2021	2020
Franchise and other miscellaneous taxes	**$ 12,012**	$ 10,459	$ 14,112
Consulting, regulatory and advisory fees	**13,168**	12,642	11,717
ATM and electronic banking interchange expenses	**5,903**	8,238	8,365
Postage and courier expenses	**4,602**	5,151	5,028
Supplies	**3,865**	3,819	4,561
Legal fees	**3,165**	3,440	3,307
Communications	**4,688**	4,157	4,292
Other real estate owned and foreclosure expenses	**789**	219	(108)
Other	**16,125**	21,936	19,474
Total other operating expenses	**$ 64,317**	$ 70,061	$ 70,748

NOTE 15. INCOME TAXES

On March 27, 2020, the CARES Act was signed into law. The Act provided for the opportunity to carryback certain federal net operating losses up to five years. Wesbanco's net operating losses had previously been recorded at the current statutory rate of 21%. As a result of the CARES Act, Wesbanco recorded an income tax benefit of $0.2 million in 2020 in recognition of the rate differential between the current statutory rate and the rate in effect for which year the net operating loss will be carried back.

Reconciliation from the federal statutory income tax rate to the effective tax rate is as follows:

	For the Years Ended December 31,		
	2022	**2021**	**2020**
Federal statutory tax rate	**21.0%**	21.0%	21.0%
Net tax-exempt interest income on securities and loans of state and		%	%
political subdivisions	**(2.6%)**	(1.8)	(4.2)
State income taxes, net of federal tax effect	**3.1%**	2.3%	1.9%
Bank-owned life insurance		%	%
	(1.0%)	(0.6)	(1.1)
General business credits		%	%
	(3.0%)	(1.9)	(3.7)
All other—net	**1.2%**	0.7%	2.0%
Effective tax rate	**18.7%**	19.7%	15.9%

The provision for income taxes applicable to income before taxes consists of the following:

(in thousands)	For the Years Ended December 31, 2022	2021	2020
Current:			
Federal	**$ 31,560**	$ 33,042	$ 27,924
State	**8,239**	7,655	5,629
Deferred:			
Federal	**3,560**	17,679	(8,418)
State	**929**	1,213	(2,100)
Total	**$ 44,288**	$ 59,589	$ 23,035

The following income tax amounts were recorded in shareholders' equity as elements of other comprehensive income:

(in thousands)	2022	2021	2020
Securities and defined benefit pension plan unrecognized items	**$ (82,295)**	$ (11,322)	$ 9,730

Deferred tax assets and liabilities consist of the following:

(in thousands)	December 31, 2022	2021	2020
Deferred tax assets:			
Allowance for credit losses	**$ 28,535**	$ 29,208	$ 44,859
Compensation and benefits	**—**	1,154	6,894
Security gains	**1,472**	1,565	2,113
Non-accrual interest income	**848**	766	1,135
Partnership adjustments	**338**	—	—
Net operating loss carryforwards	**5,685**	6,480	5,472
Fair value adjustments on securities available-for-sale	**83,734**	1,484	—
Lease accrual	**10,410**	11,399	13,530
Other	**3,732**	4,617	5,441
Gross deferred tax assets	**134,754**	56,673	79,444
Deferred tax liabilities:			
Depreciation and amortization	**(4,786)**	(3,748)	(3,414)
Accretion on securities	**(383)**	(251)	(274)
Deferred fees and costs	**(3,289)**	(2,368)	(3,018)
Purchase accounting adjustments	**(9,594)**	(9,996)	(8,669)
Compensation and benefits	**(47)**	—	—
Fair value adjustments on securities available-for-sale	**—**	—	(14,865)
Partnership adjustments	**—**	(127)	(555)
Lease - right of use assets	**(9,391)**	(10,342)	(12,438)
Other	**(763)**	(1,144)	(168)
Gross deferred tax liabilities	**(28,253)**	(27,976)	(43,401)
Net deferred tax assets	**$ 106,501**	$ 28,697	$ 36,043

No valuation allowance was established for any deferred tax assets, since management believes that deferred tax assets are likely to be realized through future reversals of existing taxable temporary differences and future taxable income.

As a result of the acquisition of YCB in 2016 and OLBK in 2019, Wesbanco has federal net operating loss ("NOL") carryforwards of $22.4 million, which expire beginning in 2034 and 2037; respectively. Wesbanco has Maryland NOL carryforwards of $4.6 million, which begin expiring in 2029. Wesbanco has Kentucky NOL carryforwards of $23.1 million, which begin expiring in 2028. The use of the federal NOL and other carryforwards are limited by Internal Revenue Code Section 382, but they are currently expected to be utilized before their respective expiration dates.

As a result of the previous acquisitions of YCB, ESB Financial Corporation, Fidelity Bancorp, Inc., Western Ohio Financial Corporation, Winton Financial Corporation and Oak Hill Financial, Inc., retained earnings at both December 31, 2022 and 2021 included $45.9 million of qualifying and non-qualifying tax bad debt reserves existing as of December 31, 1987, upon which no provision for income taxes has been recorded. The related amount of unrecognized deferred tax liability is $10.5 million for 2022 and $10.8 million for 2021. If this portion of retained earnings is used in the future for any purpose other than to absorb bad debts, it would be added to future taxable income.

Federal and state income taxes applicable to securities transactions totaled ($0.4) million, $0.2 million and $1.0 million for the years ended December 31, 2022, 2021 and 2020, respectively.

Wesbanco had $0.2 million of unrecognized tax benefits and interest as of both December 31, 2022 and 2021, respectively. As of December 31, 2022, $0.2 million of these tax benefits would affect the effective tax rate if recognized. At December 31, 2022 and December 31, 2021, accrued interest related to uncertain tax positions was immaterial. Wesbanco provides for interest and penalties related to uncertain tax positions as part of its provision for federal and state income taxes.

Wesbanco is subject to U.S. federal income tax as well as to tax in various state income tax jurisdictions. Wesbanco and its prior acquired companies are no longer subject to any income tax examinations for years prior to 2019.

Unrecognized Tax Benefits

A reconciliation of the beginning and ending amount of unrecognized tax benefits (excluding interest and the federal income tax benefit of unrecognized state tax benefits) is as follows:

	For the Years Ended December 31,		
(in thousands)	**2022**	2021	2020
Balance at beginning of year	**$ 226**	$ 324	$ 434
Additions based on tax positions related to the current year	**—**	3	—
Reductions due to the statute of limitations	**(68)**	(101)	(110)
Balance at end of year	**$ 158**	$ 226	$ 324

NOTE 16. FAIR VALUE MEASUREMENT

Fair value estimates are based on quoted market prices, if available, quoted market prices of similar assets or liabilities, or the present value of expected future cash flows and other valuation techniques. These valuations are significantly affected by discount rates, cash flow assumptions, and risk assumptions used. Therefore, fair value estimates may not be substantiated by comparison to independent markets and are not intended to reflect the proceeds that may be realizable in an immediate settlement of the instruments.

Fair value is determined at one point in time and is not representative of future value. These amounts do not reflect the total value of a going concern organization. Management does not have the intention to dispose of a significant portion of its assets and liabilities, and therefore the unrealized gains or losses should not be interpreted as a forecast of future earnings and cash flows.

The following is a discussion of assets and liabilities measured at fair value on a recurring basis and valuation techniques applied:

Investment securities: The fair value of investment securities which are measured on a recurring basis are determined primarily by obtaining quoted prices on nationally recognized securities exchanges or matrix pricing, which is a mathematical technique used widely in the industry to value debt securities without relying exclusively on quoted prices for the specific securities but rather by relying on the securities' relationship to other similar securities. These securities are classified within level 1 or 2 in the fair value hierarchy. Positions that are not traded in active markets for which valuations are generated using assumptions not observable in the market or management's best estimate are classified within level 3 of the fair value hierarchy. This includes certain specific municipal debt issues for which the credit quality and discount rate must be estimated.

Loans held for sale: Loans held for sale are carried, in aggregate, at fair value as Wesbanco previously elected the fair value option. The use of a valuation model using quoted prices of similar instruments are significant observable inputs in arriving at the fair value and therefore loans held for sale are classified within level 2 of the fair value hierarchy.

Derivatives: Wesbanco enters into interest rate swap agreements with qualifying commercial customers to meet their financing, interest rate and other risk management needs. These agreements provide the customer the ability to convert from variable to fixed interest rates. The credit risk associated with derivatives executed with customers is essentially the same as that involved in extending loans and is subject to normal credit policies and monitoring. Those interest rate swaps are economically hedged by offsetting interest rate swaps that Wesbanco executes with derivative counterparties in order to offset its exposure on the fixed components of the customer interest rate swap agreements. The interest rate swap agreement with the loan customer and with the counterparty is reported at fair value in other assets and other liabilities on the consolidated balance sheets with any resulting gain or loss recorded in current period earnings within other income.

Wesbanco enters into forward TBA contracts to manage the interest rate risk between the loan commitments to the customer and the closing of the loan for loans that will be sold on a mandatory basis to secondary market investors. The forward TBA contract is reported at fair value in other assets and other liabilities on the consolidated balance sheets with any resulting gain or loss recorded in current period earnings as mortgage banking income.

Wesbanco determines the fair value for derivatives using widely accepted valuation techniques including discounted cash flow analysis on the expected cash flows of each derivative. This analysis reflects contractual terms of the derivative, including the period to maturity, and uses observable market-based inputs, including interest rate curves and implied volatilities. Wesbanco incorporates credit valuation adjustments to appropriately reflect both its own non-performance risk and the respective counterparty's non-performance risk in the fair value measurements.

We may be required from time to time to measure certain assets and liabilities at fair value on a nonrecurring basis in accordance with GAAP. These adjustments to fair value usually result from the application of lower of cost or market accounting or write-downs of individual assets and liabilities.

Collateral dependent loans: Collateral dependent loans are carried at the amortized cost basis less the specific allowance calculated in accordance with CECL. Collateral dependent loans are calculated using a cost basis or collateral value approach.

Other real estate owned and repossessed assets: Other real estate owned and repossessed assets are carried at the lower of the investment in the assets or the fair value of the assets less estimated selling costs. The use of independent appraisals and management's best judgment are significant inputs in arriving at the fair value measure of the underlying collateral. Therefore, other real estate owned and repossessed assets are classified within level 3 of the fair value hierarchy.

The fair value amounts presented in the table below are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the statements of financial position. The following tables set forth Wesbanco's financial assets and liabilities that were accounted for at fair value on a recurring and nonrecurring basis by level within the fair value hierarchy as of December 31, 2022 and December 31, 2021:

(in thousands)	December 31, 2022	December 31, 2022 Fair Value Measurements Using: Quoted Prices in Active Markets for Identical Assets (level 1)	Significant Other Observable Inputs (level 2)	Significant Unobservable Inputs (level 3)
Recurring fair value measurements				
Equity securities	$ 11,506	$ 11,506	$ —	$ —
Available-for-sale debt securities:				
U.S. Government sponsored entities and agencies	225,970	—	225,970	—
Residential mortgage-backed securities and collateralized mortgage obligations of government sponsored entities and agencies	1,846,053	—	1,846,053	—
Commercial mortgage-backed securities and collateralized mortgage obligations of government sponsored entities and agencies	349,731	—	349,731	—
Obligations of state and political subdivisions	92,228	—	91,049	1,179
Corporate debt securities	15,158	—	15,158	—
Total available-for-sale debt securities	$ 2,529,140	$ —	$ 2,527,961	$ 1,179
Loans held for sale	8,249	—	8,249	—
Other assets—interest rate derivatives agreements	75,840	—	75,840	—
Total assets recurring fair value measurements	$ 2,624,735	$ 11,506	$ 2,612,050	$ 1,179
Other liabilities—interest rate derivatives agreements	74,683	—	74,683	—
Total liabilities recurring fair value measurements	$ 74,683	$ —	$ 74,683	$ —
Nonrecurring fair value measurements				
Collateral dependent loans	$ 878	$ —	$ —	$ 878
Other real estate owned and repossessed assets	1,486	—	—	1,486
Total nonrecurring fair value measurements	$ 2,364	$ —	$ —	$ 2,364

(in thousands)	December 31, 2021	Quoted Prices in Active Markets for Identical Assets (level 1)	Significant Othe r Observable Inputs (level 2)	Significant Unobservable Inputs (level 3)
	December 31, 2021 Fair Value Measurements Using:			
Recurring fair value measurements				
Equity securities	$ 13,466	$ 13,466	$ —	$ —
Available-for-sale debt securities:				
U.S. Government sponsored entities and agencies	236,978	—	236,978	—
Residential mortgage-backed securities and collateralized mortgage obligations of government sponsored entities and agencies	2,285,213	—	2,285,213	—
Commercial mortgage-backed securities and collateralized mortgage obligations of government sponsored entities and agencies	367,493	—	367,493	—
Obligations of state and political subdivisions	106,340	—	104,847	1,493
Corporate debt securities	17,438	—	17,438	—
Total available-for-sale debt securities	$ 3,013,462	$ —	$ 3,011,969	$ 1,493
Loans held for sale	25,277	—	25,277	—
Other assets—interest rate derivatives agreements	24,867	—	24,867	—
Total assets recurring fair value measurements	$ 3,077,072	$ 13,466	$ 3,062,113	$ 1,493
Other liabilities—interest rate derivatives agreements	26,388	—	26,388	—
Total liabilities recurring fair value measurements	$ 26,388	$ —	$ 26,388	$ —
Nonrecurring fair value measurements				
Collateral dependent loans	$ 13,558	$ —	$ —	$ 13,558
Other real estate owned and repossessed assets	—	—	—	—
Total nonrecurring fair value measurements	$ 13,558	$ —	$ —	$ 13,558

Wesbanco's policy is to recognize transfers between levels as of the actual date of the event or change in circumstances that caused the transfer. There were no significant transfers between levels 1, 2, or 3 for the years ended December 31, 2022 and 2021.

The following table presents additional quantitative information about assets measured at fair value on a nonrecurring basis and for which Wesbanco has utilized level 3 inputs to determine fair value:

(in thousands)	Fair Value Estimate	Valuation Techniques	Unobservable Input	Range / Weighted Average
	Quantitative Information about Level 3 Fair Value Measurements			
December 31, 2022:				
Collateral dependent loans	**$ 878**	Appraisal of collateral (1)	Appraisal adjustments (2) Liquidation expenses (2)	**0.0%/0.0%** **(8.0%)/(8.0%)**
Other real estate owned and repossessed assets	**1,486**	Appraisal of collateral (1) (3)		
December 31, 2021:				
Collateral dependent loans	$ 13,558	Appraisal of collateral (1)	Appraisal adjustments (2) Liquidation expenses (2)	**0.0%/0.0%** **(8.0%)/(8.0%)**
Other real estate owned and repossessed assets	—	Appraisal of collateral (1)(3)		

(1) Fair value is generally determined through independent appraisals of the underlying collateral, which generally include various level 3 inputs, which are not identifiable.
(2) Appraisals may be adjusted by management for qualitative factors such as economic conditions and estimated liquidation expenses. The range and weighted average of appraisal adjustments and liquidation expenses are presented as a percent of the appraisal.
(3) Includes estimated liquidation expenses and numerous dissimilar qualitative adjustments by management which are not identifiable.

The estimated fair values of Wesbanco's financial instruments are summarized below:

			Fair Value Measurements at December 31, 2022		
(in thousands)	Carrying Amount	Fair Value Estimate	Quoted Prices in Active Markets for Identical Assets (level 1)	Significant Other Observable Inputs (level 2)	Significant Unobservable Inputs (level 3)
Financial Assets					
Cash and due from banks	**$ 408,411**	**$ 408,411**	**$ 408,411**	**$ —**	**$ —**
Equity securities	**11,506**	**11,506**	**11,506**	**—**	**—**
Available-for-sale debt securities	**2,529,140**	**2,529,140**	**—**	**2,527,961**	**1,179**
Held-to-maturity debt securities	**1,248,409**	**1,084,390**	**—**	**1,084,071**	**319**
Net loans	**10,584,938**	**9,487,038**	**—**	**—**	**9,487,038**
Loans held for sale	**8,249**	**8,249**	**—**	**8,249**	**—**
Other assets—interest rate derivatives	**75,840**	**75,840**	**—**	**75,840**	**—**
Accrued interest receivable	**68,522**	**68,522**	**68,522**	**—**	**—**
Financial Liabilities					
Deposits	**13,131,090**	**13,142,943**	**12,245,272**	**897,671**	**—**
Federal Home Loan Bank borrowings	**705,000**	**705,094**	**—**	**705,094**	**—**
Other borrowings	**135,069**	**122,926**	**122,926**	**—**	**—**
Subordinated debt and junior subordinated debt	**281,404**	**258,631**	**—**	**258,631**	**—**
Other liabilities—interest rate derivatives	**74,683**	**74,683**	**—**	**74,683**	**—**
Accrued interest payable	**4,593**	**4,593**	**4,593**	**—**	**—**

			Fair Value Measurements at December 31, 2021		
(in thousands)	Carrying Amount	Fair Value Estimate	Quoted Prices in Active Markets for Identical Assets (level 1)	Significant Other Observable Inputs (level 2)	Significant Unobservable Inputs (level 3)
Financial Assets					
Cash and due from banks	$ 1,251,358	$ 1,251,358	$ 1,251,358	$ —	$ —
Equity securities	13,466	13,466	13,466	—	—
Available-for-sale debt securities	3,013,462	3,013,462	—	3,011,969	1,493
Held-to-maturity debt securities	1,004,555	1,028,452	—	1,028,047	405
Net loans	9,611,856	9,385,917	—	—	9,385,917
Loans held for sale	25,277	25,277	—	25,277	—
Other assets—interest rate derivatives	24,867	24,867	—	24,867	—
Accrued interest receivable	60,844	60,844	60,844	—	—
Financial Liabilities					
Deposits	13,565,863	13,575,477	12,273,211	1,302,266	—
Federal Home Loan Bank borrowings	183,920	185,684	—	185,684	—
Other borrowings	141,893	134,288	134,288	—	—
Junior subordinated debt	132,860	109,186	—	109,186	—
Other liabilities—interest rate derivatives	26,388	26,388	—	26,388	—
Accrued interest payable	1,901	1,901	1,901	—	—

The following methods and assumptions were used to measure the fair value of financial instruments recorded at cost on Wesbanco's consolidated balance sheets:

Cash and due from banks: The carrying amount for cash and due from banks is a reasonable estimate of fair value.

Held-to-maturity debt securities: Fair values for debt securities held-to-maturity are determined in the same manner as investment securities, which are described above.

Net loans: Fair values for loans are estimated using a discounted cash flow methodology. The discount rates take into account interest rates currently being offered to customers for loans with similar terms, the credit risk associated with the loan and other market factors, including liquidity. Wesbanco believes the discount rates are consistent with transactions occurring in the marketplace for both performing and distressed loan types. The carrying value is net of the allowance for loan losses and other associated premiums and discounts. Due to the significant judgment involved in evaluating credit quality, loans are classified within level 3 of the fair value hierarchy.

Accrued interest receivable: The carrying amount of accrued interest receivable approximates its fair value.

Deposits: The carrying amount is considered a reasonable estimate of fair value for demand, savings and other variable rate deposit accounts. The fair value of fixed maturity certificates of deposit is estimated by a discounted cash flow method using rates currently offered for deposits of similar remaining maturities.

Federal Home Loan Bank borrowings: The fair value of FHLB borrowings is based on rates currently available to Wesbanco for borrowings with similar terms and remaining maturities.

Other borrowings: The carrying amount of federal funds purchased and overnight sweep accounts generally approximate fair value. Other repurchase agreements are based on quoted market prices if available. If market prices are not available, for certain fixed and adjustable rate repurchase agreements, then quoted market prices of similar instruments are used.

Subordinated debt and junior subordinated debt: The fair value of subordinated debt is estimated using discounted cash flow analyses based on the current borrowing rates for similar types of borrowing arrangements. Due to the pooled nature of junior subordinated debt owed to unconsolidated subsidiary trusts, which are not actively traded, estimated fair value is based on recent similar transactions of single-issuer trust preferred securities.

Accrued interest payable: The carrying amount of accrued interest payable approximates its fair value.

Off-balance sheet financial instruments: Off-balance sheet financial instruments consist of commitments to extend credit, including letters of credit. Fair values for commitments to extend credit are estimated using the fees currently charged to enter into similar agreements, taking into account the remaining terms of the agreements and the present credit standing of the counterparties. The estimated fair value of the commitments to extend credit and letters of credit are insignificant and therefore are not presented in the above tables.

NOTE 17. COMPREHENSIVE INCOME/(LOSS)

The activity in accumulated other comprehensive income for the years ended December 31, 2022, 2021 and 2020 is as follows:

	Accumulated Other Comprehensive Income/(Loss) (1)			
(in thousands)	Defined Benefit Plans	Unrealized Gains (Losses) on Debt Securities Available-for-Sale	Unrealized Gains on Debt Securities Transferred from Available-for-Sale to Held-to-Maturity	Total
Balance at December 31, 2021	$ (398)	$ (4,722)	$ —	$ (5,120)
Other comprehensive income/(loss) before reclassifications	**(358)**	**(257,169)**	**—**	**(257,527)**
Amounts reclassified from accumulated other comprehensive income/(loss)	**221**	**10**	**—**	**231**
Period change	**(137)**	**(257,159)**	**—**	**(257,296)**
Balance at December 31, 2022	**$ (535)**	**$ (261,881)**	**$ —**	**$ (262,416)**
Balance at December 31, 2020	$ (15,502)	$ 46,861	$ —	$ 31,359
Other comprehensive income/(loss) before reclassifications	13,192	(51,540)	—	(38,348)
Amounts reclassified from accumulated other comprehensive income/(loss)	1,912	(43)	—	1,869
Period change	15,104	(51,583)	—	(36,479)
Balance at December 31, 2021	$ (398)	$ (4,722)	$ —	$ (5,120)
Balance at December 31, 2019	$ (17,468)	$ 18,644	$ 25	$ 1,201
Other comprehensive income/(loss) before reclassifications	(320)	30,153	—	29,833
Amounts reclassified from accumulated other comprehensive income/(loss)	2,286	(1,936)	(25)	325
Period change	1,966	28,217	(25)	30,158
Balance at December 31, 2020	$ (15,502)	$ 46,861	$ —	$ 31,359

(1) All amounts are net of tax. Related income tax expense or benefit is calculated using a combined Federal and State income tax rate approximating 24% in all periods presented.

Details about Accumulated Other Comprehensive Income/(Loss) Components	Amounts Reclassified from Accumulated Other Comprehensive Income/ (Loss) For the Years Ended December 31,			Affected Line Item in the Statement of Net Income
(in thousands)	**2022**	**2021**	**2020**	
Securities available-for-sale (1):				
Net securities losses (gains) reclassified into earnings	**$ 13**	$ (56)	$ (2,540)	Net securities gains (Non-interest income)
Related income tax (benefit) expense	**(3)**	13	604	Provision for income taxes
Net effect on accumulated other comprehensive income/(loss) for the period	**10**	(43)	(1,936)	
Securities held-to-maturity (1):				
Amortization of unrealized gain transferred from available-for-sale	**—**	—	(32)	Interest and dividends on securities (Interest and dividend income)
Related income tax expense	**—**	—	7	Provision for income taxes
Net effect on accumulated other comprehensive income/(loss) for the period	**—**	—	(25)	
Defined benefit plans (2):				
Amortization of net loss and prior service costs	**291**	2,521	3,000	Employee benefits (Non-interest expense)
Related income tax benefit	**(70)**	(609)	(714)	Provision for income taxes
Net effect on accumulated other comprehensive income/(loss) for the period	**221**	1,912	2,286	
Total reclassifications for the period	**$ 231**	$ 1,869	$ 325	

(1) For additional detail related to unrealized gains on securities and related amounts reclassified from accumulated other comprehensive income see Note 3, "Securities."

(2) Included in the computation of net periodic pension cost. See Note 12, "Employee Benefit Plans" for additional detail.

NOTE 18. COMMITMENTS AND CONTINGENT LIABILITIES

Commitments— In the normal course of business, Wesbanco offers off-balance sheet credit arrangements to enable its customers to meet their financing objectives. Those instruments involve, to varying degrees, elements of credit and interest rate risk in excess of the amount recognized in the financial statements. Wesbanco's exposure to credit losses in the event of non-performance by the other parties to the financial instruments for commitments to extend credit and standby letters of credit is limited to the contractual amount of those instruments. Wesbanco uses the same credit policies in making commitments and conditional obligations as for all other lending. Commitments generally have fixed expiration dates or other termination clauses and may require payment of a fee. Since many of the commitments are expected to expire without being drawn upon, the total commitment amounts do not necessarily represent future cash requirements. The allowance for credit losses associated with commitments was $8.4 million and $7.8 million as of December 31, 2022 and 2021, respectively, and is included in other liabilities on the Consolidated Balance Sheets.

Letters of credit are conditional commitments issued by banks to guarantee the performance of a customer to a third party. Those guarantees are primarily issued to support public and private borrowing arrangements, including normal business activities, bond financing and similar transactions. Letters of credit are considered guarantees. The liability associated with letters of credit was $0.2 million as of December 31, 2022 and 2021.

Contingent obligations to purchase loans funded by other entities include affordable housing plan guarantees, credit card guarantees, loans sold with recourse as well as obligations to the FHLB. Affordable housing plan guarantees are performance guarantees for various building project loans. The guarantee amortizes as the loan balances decrease. Credit card guarantees are credit card balances not owned by Wesbanco, whereby the Bank guarantees the performance of the cardholder.

The following table presents total commitments to extend credit, guarantees and various letters of credit outstanding:

	December 31,	
(in thousands)	**2022**	**2021**
Lines of credit	**$ 3,806,398**	$ 2,954,147
Loans approved but not closed	**398,204**	472,810
Overdraft limits	**380,143**	370,439
Letters of credit	**30,362**	29,017
Contingent obligations and other guarantees	**30,782**	68,235

Contingent Liabilities— Wesbanco is a party to various legal and administrative proceedings and claims. While any litigation contains an element of uncertainty, management does not believe that a material loss related to such proceedings or claims pending or known to be threatened is reasonably possible.

NOTE 19. WESBANCO BANK COMMUNITY DEVELOPMENT CORPORATION

Wesbanco Bank Community Development Corporation ("WBCDC"), a consolidated subsidiary of Wesbanco Bank, is a Certified Development Entity ("CDE") with $125.0 million of New Markets Tax Credits ("NMTC") all of which had been invested in WBCDC at December 31, 2022. The NMTC program is administered by the Community Development Financial Institutions Fund of the U.S. Treasury and is aimed at stimulating economic and community development and job creation in low-income communities. The program provides federal tax credits to investors who make qualified equity investments ("QEIs") in a CDE. The CDE is required to invest the proceeds of each QEI in low-income communities, which are generally defined as those census tracts with poverty rates greater than 20% and/or median family incomes that are less than or equal to 80% of the area median family income.

The credit provided to the investor totals 39% of each QEI in a CDE and is claimed over a seven-year credit allowance period. In each of the first three years, the investor receives a credit equal to 5% of the total amount the investor paid to the CDE for each QEI. For each of the remaining four years, the investor receives a credit equal to 6% of the total amount the investor paid to the CDE for each QEI. As of December 31, 2022, Wesbanco has received $32.8 million in tax credits over the seven-year credit allowance periods for its $125.0 million NMTC authority invested in WBCDC. Wesbanco is eligible to receive an additional $16.0 million in tax credits with respect to aggregate QEI amounts invested over their remaining credit allowance period.

Wesbanco Bank recognized $3.5 million, $2.6 million and $2.0 million in NMTC in its income tax provision for the years ended December 31, 2022, 2021 and 2020, respectively. These tax credits are subject to certain general business tax credit limitations and are therefore limited in deductibility on Wesbanco's federal income tax return. As of December 31, 2022, no prior NMTC has been carried forward to future tax years.

The NMTC claimed by Wesbanco Bank with respect to each QEI remain subject to recapture over each QEI's credit allowance period upon the occurrence of any of the following:

- if less than substantially all (generally defined as 85%) of the QEI proceeds are not used by WBCDC to make qualified low-income community investments;
- WBCDC ceases to be a CDE; or
- WBCDC redeems its QEI investment prior to the end of the current credit allowance periods.

As of December 31, 2022, 2021 and 2020, none of the above recapture events had occurred, nor in the opinion of management are such events anticipated to occur in the foreseeable future. Approximately half of the tax credits are no longer subject to recapture.

For the years ended December 31, 2022 and 2021, respectively, WBCDC recognized net (losses) gains of ($1.0) million and $3.8 million on an investment that it made in a start-up firm more than ten years ago that was acquired in 2021 by a public company. This gain is reported on the Consolidated Income Statements within net gain (loss) on other real estate owned and other assets.

The following condensed financial statements summarize the financial position of WBCDC as of December 31, 2022, and the results of its operations and cash flows for the year ended December 31, 2022:

BALANCE SHEET

(in thousands)		December 31, 2022
Assets		
Cash and due from banks	$	79,979
Loans, net of allowance for credit losses of **$0.8 million**		61,214
Other assets		3,494
Total Assets	$	144,687
Liabilities	$	1,117
Shareholder Equity		143,570
Total Liabilities and Shareholder Equity	$	144,687

STATEMENT OF INCOME

(in thousands)		For the Year Ended December 31, 2022
Interest income		
Loans	$	1,360
Total interest income		1,360
Provision for credit losses		(43)
Net interest income after provision for credit losses		1,403
Loss on investments		(1,044)
Non-interest expense		298
Income before provision for income taxes		61
Provision for income taxes		(47)
Net income	$	108

STATEMENT OF CASH FLOWS

(in thousands)		For the Year Ended December 31, 2022
Operating Activities		
Net income	$	108
Provision for credit losses		(43)
Loss on investments		1,044
Net change in other assets		(1,687)
Net change in other liabilities		197
Net cash used in operating activities		(381)
Investing Activities		
Increase in loans		(4,654)
Proceeds from sale of investments		4,373
Net cash used in investing activities		(281)
Financing Activities		
Qualified equity investment by parent company		12,500
Net cash provided by financing activities		12,500
Net increase in cash and cash equivalents		11,838
Cash and cash equivalents at beginning of year		68,141
Cash and cash equivalents at end of year	$	79,979

NOTE 20. TRANSACTIONS WITH RELATED PARTIES

Certain directors and officers (including their affiliates, families and entities in which they are principal owners) of Wesbanco and its subsidiaries are customers of, or suppliers to, those subsidiaries and have had, and are expected to have, transactions with the subsidiaries in the ordinary course of business. In addition, certain directors are also directors or officers of corporations that are customers of, or suppliers to, the Bank and have had, and are expected to have, transactions with the Bank in the ordinary course of business. In the opinion of management, such transactions are consistent with prudent banking practices and are within applicable banking regulations. Indebtedness of related parties aggregated approximately $3.1 million, $10.0 million and $12.4 million as of December 31, 2022, 2021 and 2020, respectively. During 2022, $1.7 million in related party loans were funded and $8.6 million were repaid or no longer related. At December 31, 2022, 2021 and 2020, none of the outstanding related party loans were past due 90 days or more, on non-accrual, or considered to be a TDR.

NOTE 21. REGULATORY MATTERS

The Federal Reserve Bank is the primary regulator for the parent company, Wesbanco. Wesbanco Bank is a state non-member bank jointly regulated by the FDIC and the West Virginia Division of Financial Institutions. Wesbanco is a legal entity separate and distinct from its subsidiaries and is dependent upon dividends from its subsidiary bank, Wesbanco Bank, to provide funds for the payment of dividends to shareholders, fund its current stock repurchase plan and to provide for other cash requirements. The payment of dividends by Wesbanco Bank to Wesbanco is subject to state and federal banking regulations. Under applicable law, bank regulatory agency approval is required if the total of all dividends declared by a bank in any calendar year exceeds the available retained earnings or exceeds the aggregate of the bank's net profits (as defined by regulatory agencies) for that year and its retained net profits for the preceding two years. As of December 31, 2022, under FDIC and state of West Virginia regulations, Wesbanco could receive, without prior regulatory approval, a dividend of up to $116.8 million from Wesbanco Bank.

Wesbanco Bank is also required to maintain non-interest bearing reserve balances with the Federal Reserve Bank. The Bank did not have a reserve requirement during 2022 or 2021.

Additionally, Wesbanco and Wesbanco Bank are subject to various regulatory capital requirements (risk-based capital ratios) administered by federal banking agencies. Failure to meet minimum capital requirements can initiate certain mandatory and possibly additional discretionary actions by the regulators that, if undertaken, could have a material adverse effect on Wesbanco's financial results.

All bank holding companies and banking subsidiaries are required to have common equity Tier 1 ("CET1") of at least 4.5%, core capital ("Tier 1") of at least 6% of risk-weighted assets, total capital of at least 8% of risk-weighted assets, and a minimum Tier 1 leverage ratio of 4%. Tier 1 capital consists principally of shareholders' equity; excluding items recorded in accumulated other comprehensive income, less goodwill and other intangibles. Total capital consists of Tier 1 capital plus the allowance for loan losses, subject to limitation, and trust preferred securities. The regulations also define "well-capitalized" levels of CET1, Tier 1 risk-based capital, total risk-based capital, and Tier 1 leverage capital as 6.5%, 8%, 10%, and 5%, respectively. Wesbanco and Wesbanco Bank were categorized as "well-capitalized" under the Federal Deposit Insurance Corporation Improvement Act at December 31, 2022 and 2021. There are no conditions or events since December 31, 2022 that management believes have changed Wesbanco's "well-capitalized" category.

The Basel III capital standards, effective January 1, 2015 with a phase-in period ending January 1, 2019, establishes the minimum capital levels required under the Dodd-Frank Act, permanently grandfathers trust preferred securities as Tier 1 capital issued before May 19, 2010 for bank holding companies under $15 billion, and increases the capital required for certain categories of assets. A capital conservation buffer is also added to minimum capital standards that is required to be met to avoid restrictions on dividends, share repurchases, certain incentives and other restrictions. Including this capital conservation buffer, minimum levels of CET1, Tier 1 risk-based capital and total risk-based capital are defined as 7.0%, 8.5% and 10.5%, respectively.

Wesbanco currently has $133.5 million in junior subordinated debt in its Consolidated Balance Sheets presented as a separate category of long-term debt. For regulatory purposes, trust preferred securities totaling $130.0 million, issued by unconsolidated trust subsidiaries of Wesbanco underlying such junior subordinated debt, are considered Tier 2 capital in accordance with current regulatory reporting requirements, as Wesbanco had total consolidated assets above $15 billion as of December 31, 2022 and 2021. Also, in March of 2022, Wesbanco completed the issuance of $150.0 million in aggregate principal amount of subordinated debentures. The subordinated debentures have a fixed rate of 3.75% for the first five years and a floating rate for the next five years at Three Month SOFR plus a spread of 1.787%.

On March 26, 2020, regulators issued interim financial rule ("IFR") "Regulatory Capital Rule: Revised Transition of the Current Expected Losses Methodology for Allowances" in response to the disrupted economic activity from the spread of COVID-19. The IFR provides financial institutions that adopt CECL during 2020 with the option to delay for two years the estimated impact of CECL on regulatory capital, followed by a three-year transition period to phase out the aggregate amount of the capital benefit provided by the initial two-year delay ("five year transition"). Wesbanco adopted CECL effective January 1, 2020 and elected to implement the five year transition. Regulatory capital levels without the capital benefit at December 31, 2022 for both the Bank and Wesbanco would have continued to be greater than the amounts needed to be considered "well capitalized", as the capital benefit approximated 17 to 24 basis points for three of the four regulatory ratios, while total risk-based capital would have been slightly higher without the transition.

The following table summarizes risk-based capital amounts and ratios for Wesbanco and the Bank:

			December 31, 2022			December 31, 2021		
(dollars in thousands)	Minimum Value (1)	Well Capitalized (2)	Amount	Ratio	Minimum Amount (1)	Amount	Ratio	Minimum Amount (1)
Wesbanco, Inc.								
Tier 1 leverage	4.00%	5.00%	**$ 1,576,764**	**9.90%**	**$ 636,966**	$ 1,586,165	10.02%	$ 633,089
Tier 1 capital to risk-weighted assets	6.00%	8.00%	**1,576,764**	**12.33%**	**767,334**	1,586,165	14.05%	677,190
Total capital to risk-weighted assets	8.00%	10.00%	**1,933,007**	**15.11%**	**1,023,112**	1,795,661	15.91%	902,920
Common equity Tier 1	4.50%	6.50%	**1,432,280**	**11.20%**	**575,500**	1,441,681	12.77%	507,893
Wesbanco Bank, Inc.								
Tier 1 leverage	4.00%	5.00%	**$ 1,558,305**	**9.80%**	**$ 636,033**	$ 1,529,227	9.68%	$ 631,920
Tier 1 capital to risk-weighted assets	6.00%	8.00%	**1,558,305**	**12.22%**	**765,439**	1,529,227	13.60%	674,622
Total capital to risk-weighted assets	8.00%	10.00%	**1,634,548**	**12.81%**	**1,020,585**	1,608,723	14.31%	899,496
Common equity Tier 1	4.50%	6.50%	**1,558,305**	**12.22%**	**574,079**	1,529,227	13.60%	505,967

(1) Minimum requirements to remain adequately capitalized.
(2) Well-capitalized under prompt corrective action regulations.

NOTE 22. CONDENSED PARENT COMPANY FINANCIAL STATEMENTS

Presented below are the Condensed Balance Sheets, Statements of Income and Statements of Cash Flows for the parent company:

BALANCE SHEETS

	December 31,	
(in thousands)	2022	2021
ASSETS		
Cash and due from banks	**$ 272,179**	$ 163,356
Investment in subsidiaries—Bank	**2,408,260**	2,636,220
Investment in subsidiaries—Nonbank	**11,810**	10,121
Securities available-for-sale, at fair value	**—**	—
Other assets	**39,131**	39,678
Total Assets	**$ 2,731,380**	$ 2,849,375
LIABILITIES		
Subordinated debt and junior subordinated debt	**$ 281,404**	$ 132,860
Dividends payable and other liabilities	**23,314**	23,349
Total Liabilities	**304,718**	156,209
SHAREHOLDERS' EQUITY	**2,426,662**	2,693,166
Total Liabilities and Shareholders' Equity	**$ 2,731,380**	$ 2,849,375

STATEMENTS OF INCOME

(in thousands)	For the years ended December 31, 2022	2021	2020
Dividends from subsidiaries—Bank	**$ 172,500**	$ 250,500	$ 64,000
Dividends from subsidiaries—Nonbank	**1,750**	1,800	1,200
Income from securities	**—**	—	(22)
Other income	**4**	—	485
Total income	**174,254**	252,300	65,663
Interest expense	**10,860**	5,673	6,964
Other expense	**5,851**	5,698	5,415
Total expense	**16,711**	11,371	12,379
Income before income tax benefit and undistributed net income of subsidiaries	**157,543**	240,929	53,284
Income tax benefit	**(3,652)**	(4,163)	(2,471)
Income before undistributed net income of subsidiaries	**161,195**	245,092	55,755
Equity in undistributed net income (excess dividends) of subsidiaries	**30,918**	(2,832)	66,289
Net income	**192,113**	242,260	122,044
Preferred stock dividends	**10,125**	10,125	2,644
NET INCOME AVAILABLE TO COMMON SHAREHOLDERS	**$ 181,988**	$ 232,135	$ 119,400

The details of other comprehensive income and accumulated other comprehensive income are included in the consolidated financial statements.

STATEMENTS OF CASH FLOWS

(in thousands)	For the years ended December 31, 2022	2021	2020
OPERATING ACTIVITIES			
Net income	**$ 192,113**	$ 242,260	$ 122,044
Adjustments to reconcile net income to net cash provided by operating activities:			
(Equity in undistributed net income) excess dividends of subsidiaries	**(30,918)**	2,832	(66,289)
Decrease (increase) in other assets	**582**	(1,453)	121
Net securities losses	**—**	—	22
Other—net	**6,941**	7,984	5,865
Net cash provided by operating activities	**168,718**	251,623	61,763
INVESTING ACTIVITIES			
Proceeds from sales—securities available-for-sale	**—**	—	203
Acquisitions and additional capitalization of subsidiaries, net of cash acquired	**(100)**	—	(35,000)
Net cash used in investing activities	**(100)**	—	(34,797)
FINANCING ACTIVITIES			
Repayment of subordinated and junior subordinated debt	**—**	(35,000)	(6,702)
Issuance of subordinated debt	**147,702**	—	—
Issuance of common stock	**—**	—	59
Issuance of preferred stock	**—**	—	144,484
Treasury shares purchased—net	**(116,047)**	(179,882)	(24,540)
Dividends paid to common and preferred shareholders	**(91,450)**	(96,609)	(87,897)
Net cash (used in) provided by financing activities	**(59,795)**	(311,491)	25,404
Net increase (decrease) in cash and cash equivalents	**108,823**	(59,868)	52,370
Cash and cash equivalents at beginning of year	**163,356**	223,224	170,854
Cash and cash equivalents at end of year	**$ 272,179**	$ 163,356	$ 223,224

NOTE 23. BUSINESS SEGMENTS

Wesbanco operates two reportable segments: (i) Community Banking and (ii) Trust and Investment Services. Wesbanco's community banking segment offers services traditionally offered by full-service commercial banks, including commercial demand, individual demand and time deposit accounts, as well as commercial, mortgage and individual installment loans, and certain non-traditional offerings, such as insurance and securities brokerage services. The trust and investment services segment offers trust services as well as various alternative investment products including mutual funds. The market value of assets of the trust and investment services segment was approximately $4.9 billion, $5.6 billion and $5.0 billion as of December 31, 2022, 2021 and 2020, respectively. These assets are held by Wesbanco, in fiduciary or agency capacities for their customers and therefore are not included as assets on Wesbanco's Consolidated Balance Sheets.

Condensed financial information by business segment is presented below:

(in thousands)	Community Banking	Trust and Investment Services	Consolidated
For the Year Ended December 31, 2022			
Interest and dividend income	**$ 513,656**	$ —	**$ 513,656**
Interest expense	**39,343**	—	**39,343**
Net interest income	**474,313**	—	**474,313**
Provision for credit losses	**(1,663)**	—	**(1,663)**
Net interest income after provision for credit losses	**475,976**	—	**475,976**
Non-interest income	**89,840**	**27,551**	**117,391**
Non-interest expense	**340,573**	**16,393**	**356,966**
Income before provision for income taxes	**225,243**	**11,158**	**236,401**
Provision for income taxes	**41,945**	**2,343**	**44,288**
Net income	**183,298**	**8,815**	**192,113**
Preferred stock dividends	**10,125**	—	**10,125**
Net income available to common shareholders	**$ 173,173**	**$ 8,815**	**$ 181,988**
For the Year Ended December 31, 2021			
Interest and dividend income	$ 484,967	$ —	$ 484,967
Interest expense	27,034	—	27,034
Net interest income	457,933	—	457,933
Provision for credit losses	(64,274)	—	(64,274)
Net interest income after provision for credit losses	522,207	—	522,207
Non-interest income	103,274	29,511	132,785
Non-interest expense	336,766	16,377	353,143
Income before provision for income taxes	288,715	13,134	301,849
Provision for income taxes	56,831	2,758	59,589
Net income	231,884	10,376	242,260
Preferred stock dividends	10,125	—	10,125
Net income available to common shareholders	$ 221,759	$ 10,376	$ 232,135
For the Year Ended December 31, 2020			
Interest and dividend income	$ 541,277	$ —	$ 541,277
Interest expense	61,797	—	61,797
Net interest income	479,480	—	479,480
Provision for credit losses	107,741	—	107,741
Net interest income after provision for credit losses	371,739	—	371,739
Non-interest income	101,850	26,335	128,185
Non-interest expense	338,526	16,319	354,845
Income before provision for income taxes	135,063	10,016	145,079
Provision for income taxes	20,932	2,103	23,035
Net income	114,131	7,913	122,044
Preferred stock dividends	2,644	—	2,644
Net income available to common shareholders	$ 111,487	$ 7,913	$ 119,400

Total non-fiduciary assets of the trust and investment services segment were $3.3 million (including $1.1 million of trust customer intangibles), $3.7 million and $4.1 million at December 31, 2022, 2021 and 2020, respectively. All other assets, including goodwill and the remainder of other intangible assets, were allocated to the Community Banking segment.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

Wesbanco's management carried out an evaluation, under the supervision and with the participation of the chief executive officer and the chief financial officer, of the effectiveness of the design and operation of Wesbanco's disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of December 31, 2022, pursuant to Exchange Act Rule 13a-15. Based upon that evaluation, the chief executive officer along with the chief financial officer concluded that Wesbanco's disclosure controls and procedures as of December 31, 2022, are effective in timely alerting them to material information relating to Wesbanco (including its consolidated subsidiaries) required to be included in Wesbanco's periodic filings under the Exchange Act.

No changes in Wesbanco's internal control over financial reporting have occurred during the period covered by this report that have materially affected, or are reasonably likely to materially affect, the Wesbanco's internal control over financial reporting.

Management's Report on Internal Control Over Financial Reporting

Management's Report on internal control over financial reporting and the audit report of Ernst & Young LLP, the Company's independent registered public accounting firm, on internal control over financial reporting is included within this report at the beginning of *"Item 8. Financial Statements and Supplementary Data"* and is incorporated in this Item 9A by reference.

ITEM 9B. OTHER INFORMATION

None.

ITEM 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

Not Applicable.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

The information required by this Item 10 is incorporated by reference to the applicable information in our Proxy Statement set forth under the headings Election of Directors, Nominees, Continuing Directors, Executive Officers of the Corporation, Corporate Governance, Delinquent Section 16(a) Reports and Audit Committee and certain other sections.

CODE OF ETHICS

Wesbanco has adopted a Code of Business Conduct and Ethics that applies to our directors, officers and employees, including Wesbanco's Chief Executive Officer, Chief Financial Officer, Controller and other executive officers. Wesbanco's "Code of Business Conduct and Ethics" can be found posted on our website at http://www.wesbanco.com in the "About Us" section under "Investor Relations" under "Governance Documents". Wesbanco intends to disclose any changes or amendments to or waivers from Wesbanco's "Code of Business Conduct and Ethics" on its website.

Wesbanco will provide a printed copy, free of charge, of Wesbanco's Code of Business Conduct and Ethics to any shareholder requesting such information. To obtain a copy of Wesbanco's Code of Ethics, contact: **John Iannone, Wesbanco, Inc., 1 Bank Plaza, Wheeling, WV 26003. (304) 905-7021**

ITEM 11. EXECUTIVE COMPENSATION

The information required by this Item 11 is incorporated by reference to the applicable information in our Proxy Statement set forth under the headings Summary Compensation Table, Meetings of Board of Directors and Committees and Compensation of Members, Compensation Committee Interlocks and Insider Participation, Compensation Committee Report, Compensation Discussion and Analysis and certain other sections.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The information required by this Item 12 (other than the information provided below under the heading Equity Compensation Plan Information) is incorporated by reference to the applicable information in our Proxy Statement set forth under the headings Ownership of Securities by Directors, Nominees and Officers and Beneficial Owners of More Than 5% of the Common Stock of the Corporation.

The following table sets forth certain information with respect to securities authorized for issuance under our equity compensation plans as of December 31, 2022.

Equity Compensation Plan Information

Plan Category	Number of securities to be issued upon exercise of outstanding options	Weighted average exercise price of outstanding options	Number of securities remaining for future issuance under equity compensation plans
Equity compensation plans approved by security holders	812,090	$ 31.83	1,468,140
Equity compensation plans not approved by security holders	None	None	None

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

The information required by this Item 13 is incorporated by reference to the applicable information in our Proxy Statement set forth under the headings Transactions with Directors and Officers and Election of Directors. Additional information concerning related party transactions is set forth in the Annual Report under Note 20, "Transactions with Related Parties" in the Consolidated Financial Statements.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

The information required by this Item 14 is incorporated by reference to the applicable information in our Proxy Statement set forth under the heading Independent Registered Public Accounting Firm.

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(A) CERTAIN DOCUMENTS FILED AS PART OF THE FORM 10-K

(1) CONSOLIDATED FINANCIAL STATEMENTS: Reference is made to Part II Item 8, of this Annual Report on Form 10-K.

(**2) FINANCIAL STATEMENT SCHEDULES:** No financial statement schedules are being filed since the required information is inapplicable or the information is presented in the Consolidated Financial Statements or related Notes.

(3) EXHIBIT LISTING Exhibits listed in the Exhibit Index of this Annual Report on Form 10-K are filed herein or are incorporated by reference.

ITEM 16. FORM 10-K SUMMARY

None.

EXHIBIT INDEX

Exhibit Number	Document	Location
3.1	Bylaws of Wesbanco, Inc. (As Amended and Restated May 4, 2021).	Incorporated by reference to Form 10-Q filed by the Registrant with the Securities and Exchange Commission on May 6, 2021.
3.2	Articles of Amendment to the Articles of Incorporation of Wesbanco, Inc., dated August 27, 2015, increasing authorized common shares from 50,000,000 to 100,000,000 and restated Articles of Incorporation.	Incorporated by reference to Exhibit 3.2 of Form 10-K filed by the Registrant with the Securities and Exchange Commission on February 28, 2020.
3.3	Articles of Amendment to the Restated Articles of Incorporation of Wesbanco, Inc.	Incorporated by reference to Exhibit 3.1 of Form 8-K filed by the Registrant with the Securities and Exchange Commission on August 11, 2020.
4.1	Specimen Certificate of Wesbanco, Inc. Common Stock. (P)	Incorporated by reference to a prior Registration Statement on Form S-4 under Registration No. 33-42157 filed by the Registrant with the Securities and Exchange Commission on August 9, 1991.
4.2	Junior Subordinated Indenture dated June 19, 2003 entered into between Wesbanco, Inc., as issuer and The Bank of New York, as Trustee and Amended and Restated Declaration of Trust of Wesbanco, Inc. Capital Trust II.	Incorporated by reference to Form 10-Q filed by the Registrant with the Securities and Exchange Commission on August 13, 2003.
4.3	Indenture dated June 26, 2003 entered into between Wesbanco, Inc., as issuer and U.S. Bank National Association, as Trustee and Amended and Restated Declaration of Trust of Wesbanco, Inc. Capital Statutory Trust III.	Incorporated by reference to Form 10-Q filed by the Registrant with the Securities and Exchange Commission on August 13, 2003.
4.4	Indenture dated June 17, 2004 entered into between Wesbanco, Inc., as issuer and Wilmington Trust Company, as Trustee and Amended and Restated Declaration of Trust of Wesbanco Capital Trust IV dated June 17, 2004.	Incorporated by reference to Form 10-Q filed by the Registrant with the Securities and Exchange Commission on August 9, 2004.
4.5	Indenture dated June 17, 2004 entered into between Wesbanco, Inc., as issuer and Wilmington Trust Company, as Trustee and Amended and Restated Declaration of Trust of Wesbanco Capital Trust V dated June 17, 2004.	Incorporated by reference to Form 10-Q filed by the Registrant with the Securities and Exchange Commission on August 9, 2004.
4.6	Indenture dated March 17, 2005 entered into between Wesbanco, Inc. and Wilmington Trust Company, as Trustee and Amended and Restated Declaration of Trust of Wesbanco Capital Trust VI dated March 17, 2005.	Incorporated by reference to Form 8-K filed by the Registrant with the Securities and Exchange Commission on March 18, 2005.
4.7	Description of Securities.	Incorporated by reference to Exhibit 4.7 of Form 10-K filed by the Registrant with the Securities and Exchange Commission on February 26, 2021.
4.8	Deposit Agreement, dated August 11, 2020, by and among Wesbanco, Inc., Computershare Inc. and Computershare Trust Company, N.A. acting jointly as the depositary, and the holders from time to time of the depositary receipts described therein.	Incorporated by reference to Exhibit 4.1 of Form 8-K filed by the Registrant with the Securities and Exchange Commission on August 11, 2020.
4.9	Specimen of Certificate representing the Series A Preferred Stock.	Incorporated by reference to Exhibit 4.2 of Form 8-K filed by the Registrant with the Securities and Exchange Commission on August 11, 2020.
4.10	Form of Depositary Receipt.	Incorporated by reference to Exhibit 4.1 of Form 8-K filed by the Registrant with the Securities and Exchange Commission on August 11, 2020.

4.11	Indenture, dated March 23, 2022, by and between Wesbanco, Inc. and Wilmington Trust, National Association, as trustee.	Incorporated by reference to Exhibit 4.1 of Form 8-K filed by the Registrant with the Securities and Exchange Commission on March 23, 2022.
4.12	First Supplemental Indenture, dated March 23, 2022, by and between Wesbanco, Inc. and Wilmington Trust, National Association, as trustee.	Incorporated by reference to Exhibit 4.2 of Form 8-K filed by the Registrant with the Securities and Exchange Commission on March 23, 2022.
4.13	Form of 3.75% Fixed-to-Floating Rate Subordinated Note due 2032.	Incorporated by reference to Exhibit 4.2 of Form 8-K filed by the Registrant with the Securities and Exchange Commission on March 23, 2022.
10.1	Wesbanco, Inc. Incentive Bonus, Option and Restricted Stock Plan as adopted February 13, 1998 and as amended and restated February 25, 2010, February 23, 2017 and February 25, 2021. **	Incorporated by reference to Exhibit 10.1 of Form 8-K filed by the Registrant with the Securities and Exchange Commission on April 21, 2021.
10.2	Letter Agreement and Committed Line of Credit Note, dated September 5, 2014, between Wesbanco, Inc. and PNC Bank, National Association.	Incorporated by reference to Form 8-K filed by the Registrant with the Securities and Exchange Commission on September 8, 2014.
10.3	Wesbanco, Inc. Deferred Compensation Plan – For Directors and Eligible Employees (as amended). **	Incorporated by reference to Form 10-K filed by the Registrant with the Securities and Exchange Commission on March 10, 2006.
10.4	Form of Amended and Restated Change in Control Agreement by and between Wesbanco, Inc., Wesbanco Bank, Inc., Michael L. Perkins and Jayson M. Zatta. **	Incorporated by reference to Form 8-K filed by the Registrant with the Securities and Exchange Commission on April 28, 2006.
10.5	Form of Wesbanco, Inc. Incentive Bonus, Option & Restricted Stock Plan – Stock Option Agreement. **	Incorporated by reference to Form 10-Q filed by the Registrant with the Securities and Exchange Commission on July 30, 2010.
10.6	Form of Wesbanco, Inc. Incentive Bonus, Option & Restricted Stock Plan – Restricted Stock Agreement. **	Incorporated by reference to Form 10-Q filed by the Registrant with the Securities and Exchange Commission on July 30, 2010.
10.7	Form of Change in Control Agreement by and between Wesbanco, Inc., Wesbanco Bank, Inc., and Anthony F. Pietranton. **	Incorporated by reference to Form 8-K filed by the Registrant with the Securities and Exchange Commission on June 5, 2013.
10.8	Amended and Restated Employment Agreement, dated April 24, 2014, by and between Wesbanco Bank, Inc., Todd F. Clossin and Wesbanco, Inc.	Incorporated by reference to Form 8-K filed by the Registrant with the Securities and Exchange Commission on April 24, 2014.
10.9	Restricted Stock Agreement by and between Wesbanco, Inc. and Todd F. Clossin. **	Incorporated by reference to Form 8-K filed by the Registrant with the Securities and Exchange Commission on October 24, 2013.
10.10	Wesbanco, Inc. KSOP, Amended and Restated, effective January 1, 2014. **	Incorporated by reference to Form 10-K filed by the Registrant with the Securities and Exchange Commission on February 27, 2015.
10.11	First Amendment to the Wesbanco, Inc. KSOP, effective January 1, 2014. **	Incorporated by reference to Form 10-K filed by the Registrant with the Securities and Exchange Commission on February 27, 2015.
10.12	Second Amendment to the Wesbanco, Inc. KSOP, effective January 1, 2014. **	Incorporated by reference to Form 10-K filed by the Registrant with the Securities and Exchange Commission on February 27, 2015.
10.13	Form of Employment Agreement by and between Wesbanco Bank, Inc., Wesbanco Inc., and executive officers (effective date): Jayson M. Zatta (effective March 1, 2015) and Anthony F. Pietranton (effective January 9, 2015) **	Incorporated by reference to Form 10-Q filed by the Registrant with the Securities and Exchange Commission on July 30, 2015.

10.14	Wesbanco, Inc. Administrative Rules for the Total Shareholder Return Plan. **	Incorporated by reference to Form 8-K filed by the Registrant with the Securities and Exchange Commission on November 24, 2015.
10.15	Form of Wesbanco, Inc. Incentive Bonus, Option & Restricted Stock Plan—Total Shareholder Return Agreement. **	Incorporated by reference to Form 10-K filed by the Registrant with the Securities and Exchange Commission on February 26, 2016.
10.16	Third Amendment to the Wesbanco, Inc. KSOP, effective September 9, 2016. **	Incorporated by reference to Form 10-K filed by the Registrant with the Securities and Exchange Commission on February 27, 2018.
10.17	Form of Wesbanco, Inc. Incentive Bonus, Option & Restricted Stock Plan—Performance Restricted Stock Agreement.**	Incorporated by reference to Exhibit 10.2 to Form 10-Q filed by the Registrant with the Securities and Exchange Commission on July 31, 2017.
10.18	Fourth Amendment to the Wesbanco, Inc. KSOP effective April 1, 2018. **	Incorporated by reference to Form 10-K filed by the Registrant with the Securities and Exchange Commission on March 1, 2019.
10.19	Fifth Amendment to the Wesbanco, Inc. KSOP effective August 20, 2018. **	Incorporated by reference to Form 10-K filed by the Registrant with the Securities and Exchange Commission on March 1, 2019.
10.20	Sixth Amendment to the Wesbanco, Inc. KSOP effective January 1, 2020.**	Incorporated by reference to Form 10-K filed by the Registrant with the Securities and Exchange Commission on February 28, 2020.
10.21	Seventh Amendment to the Wesbanco, Inc. KSOP effective November 22, 2019. **	Incorporated by reference to Form 10-K filed by the Registrant with the Securities and Exchange Commission on February 28, 2020.
10.22	Employment Agreement, dated December 16, 2021, by and between Wesbanco Bank, Inc., Daniel K. Weiss, Jr. and Wesbanco, Inc. **	Incorporated by reference to Exhibit 10.1 of Form 8-K filed by the Registrant with the Securities and Exchange Commission on December 17, 2021.
10.23	Change in Control Agreement, dated December 16, 2021, by and between Wesbanco Bank, Inc., Daniel K. Weiss, Jr. and Wesbanco, Inc. **	Incorporated by reference to Exhibit 10.2 of Form 8-K filed by the Registrant with the Securities and Exchange Commission on December 17, 2021.
10.24	Employment Agreement, dated February 16, 2022, by and between Wesbanco Bank, Inc., Michael L. Perkins and Wesbanco, Inc. **	Incorporated by reference to Exhibit 10.1 of Form 8-K filed by the Registrant with the Securities and Exchange Commission on February 22, 2022.
10.25	Employment Agreement, dated July 5, 2022, by and between Wesbanco Bank, Inc., Jeffrey H. Jackson and Wesbanco, Inc. **	Incorporated by reference to Exhibit 10.1 of Form 8-K filed by the Registrant with the Securities and Exchange Commission on July 5, 2022.
10.26	Change in Control Agreement, dated July 5, 2022, by and between Wesbanco Bank, Inc., Jeffrey H. Jackson and Wesbanco, Inc. **	Incorporated by reference to Exhibit 10.2 of Form 8-K filed by the Registrant with the Securities and Exchange Commission on July 5, 2022.
10.27	Amendment to Loan Documents between Wesbanco, Inc. and PNC Bank, National Association.	Incorporated by reference to Exhibit 10.1 of Form 8-K filed by the Registrant with the Securities and Exchange Commission on August 29, 2022.
10.28	Amended and Restated Revolving Line of Credit Note between Wesbanco, Inc. and PNC Bank, National Association.	Incorporated by reference to Exhibit 10.2 of Form 8-K filed by the Registrant with the Securities and Exchange Commission on August 29, 2022.

11	Computation of Earnings Per Common Share.	Computation of earnings per common share is set forth under Note 2, “Earnings Per Common Share” of this Annual Report on Form 10-K.
21	Significant Subsidiaries of the Registrant.	*
23	Consent of Independent Registered Public Accounting Firm, Ernst & Young LLP.	*
24	Power of Attorney.	*
31.1	Certification of Chief Executive Officer of Periodic Report Pursuant to Rule 13a-15(e) or Rule 15d-15(e).	*
31.2	Certification of Chief Financial Officer of Periodic Report Pursuant to Rule 13a-15(e) or Rule 15d-15(e).	*
32.1	Certification Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.	*
101.INS	Inline XBRL Instance Document (the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document).	***
101.SCH	Inline XBRL Taxonomy Extension Schema Document	***
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document	***
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document	***
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document	***
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document	***
104	Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101).	***

* Filed herewith
** Indicates management compensatory plan, contract, or arrangement
*** Filed electronically
(P) Paper Filed

SIGNATURES

Pursuant to the Requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, on February 27, 2023.

WESBANCO, INC.

By: /s/ Todd F. Clossin
Todd F. Clossin
President and Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities indicated, on February 27, 2023.

By: /s/ Todd F. Clossin
Todd F. Clossin
President, Chief Executive Officer, and Director
(Principal Executive Officer)

By: /s/ Daniel K. Weiss, Jr.
Daniel K. Weiss, Jr.
Executive Vice President and Chief Financial Officer
(Principal Financial and Accounting Officer)

By: /s/ Christopher V. Criss
Christopher V. Criss
Chairman of the Board

The Directors of Wesbanco (listed below) executed a power of attorney appointing Todd F. Clossin their attorney-in-fact, empowering him to sign this report on their behalf.

By: /s/ Todd F. Clossin
Todd F. Clossin
Attorney-in-fact

Rosie Allen-Herring
James W. Cornelsen
Michael J. Crawford
Abigail M. Feinknopf
Robert J. Fitzsimmons
Denise Knouse-Snyder
D. Bruce Knox
Lisa A. Knutson
Gary L. Libs
Jay T. McCamic
F. Eric Nelson, Jr.
Gregory S. Proctor, Jr.
Joseph R. Robinson
Kerry M. Stemler
Reed J. Tanner

WESBANCO, INC. OFFICERS & DIRECTORS

OFFICERS

Christopher V. Criss
Chairman of the Board

Todd F. Clossin
President & Chief Executive Officer

Daniel K. Weiss, Jr.
Executive Vice President &
Chief Financial Officer

Jeffrey H. Jackson
Senior Executive Vice President &
Chief Operating Officer

Michael L. Perkins
Senior Executive Vice President &
Chief Risk & Administrative Officer
Group Head – Risk and Administration

Anthony F. Pietranton
Senior Executive Vice President
Group Head – Human Resources &
Facilities

Jayson M. Zatta
Senior Executive Vice President &
Chief Banking Officer
Group Head – Banking & Trust

Jonathan D. Dargusch***
Executive Vice President-
Wealth Management

Robert H. Friend
Executive Vice President &
Chief Credit Officer

Stephen J. Lawrence
Executive Vice President &
Chief Internal Auditor

Brent E. Richmond
Executive Vice President-
Treasury & Strategic Planning

Rachel E. White
Senior Vice President &
Controller

Linda M. Woodfin
Secretary

DIRECTORS **

Rosie Allen-Herring
President & CEO
United Way of the National Capital Area
Washington, DC

Todd F. Clossin*
President & Chief Executive Officer
Wesbanco, Inc. & Wesbanco Bank, Inc.
Wheeling, WV

James W. Cornelsen
Mid-Atlantic Market Chairman, Retired
Wesbanco Bank, Inc.
Washington, DC

Michael J. Crawford
Senior Vice President
Assured Partners of Kentucky
Bellevue, KY

Christopher V. Criss*
President & Chief Executive Officer
Atlas Towing Company
Parkersburg, WV

Abigail M. Feinknopf
Marketing Representative
Feinknopf Photography
Columbus, OH

Robert J. Fitzsimmons
Attorney-at-Law
Fitzsimmons Law Firm, PLLC
Wheeling, WV

Denise Knouse-Snyder*
Attorney-at-Law
Phillips, Gardill, Kaiser & Altmeyer PLLC
Wheeling, WV

D. Bruce Knox
Investor
McArthur, OH

Lisa A. Knutson
Chief Operating Officer
E. W. Scripps Company
Cincinnati, OH

Gary L. Libs*
Chairman of the Board
Libs Paving Co., Inc.
Floyds Knobs, IN

Jay T. McCamic
Attorney-at-Law
McCamic Law Firm
Wheeling, WV

F. Eric Nelson, Jr.
President
Nelson Enterprises, Inc.
Charleston, WV

Gregory S. Proctor Jr.*
President & Chief Executive Officer
G.S. Proctor & Associates, Inc.
Upper Marlboro, MD

Joseph R. Robinson
Chief Executive Officer
High Peaks Solutions, LLC
Mason, OH

Kerry M. Stemler
President & Chief Executive Officer
KM Stemler Co
New Albany, IN

Reed J. Tanner, CPA (retired)*
Former Member
Suttle & Stalnaker PLLC
Morgantown, WV

DIRECTORS EMERITI
Ernest S. Fragale
James C. Gardill
Richard G. Spencer

* *Executive Committee*
** *Directors of Wesbanco, Inc. also serve as Directors of Wesbanco Bank, Inc*
*** *Retired effective 12/31/2022*

SHAREHOLDER INFORMATION

	2022		
	High	**Low**	**Dividend Declared**
Fourth quarter	**$41.37**	**$33.45**	**$0.350**
Third quarter	**36.91**	**29.50**	**0.340**
Second quarter	**35.40**	**30.42**	**0.340**
First quarter	**38.37**	**33.85**	**0.340**

	2021		
	High	**Low**	**Dividend Declared**
Fourth quarter	$37.93	$32.00	$0.330
Third quarter	36.58	30.21	0.330
Second quarter	39.87	34.72	0.330
First quarter	38.72	28.65	0.330

STOCK REGISTRAR & TRANSFER AGENT

First Class/Registered/Certified Mail
Computershare Investor Services, LLC
P.O. Box 43006
Providence, RI 02940-3006

Overnight Delivery
Computershare Investor Services, LLC
150 Royall St., Suite 101

Canton, MA 02021
(888) 294-8217 or
(781) 575-3120 (non-U.S.)
www.computershare.com/investor

STOCK TRADING

Nasdaq Global Select Market
Symbol: WSBC

CORPORATE HEADQUARTERS

1 Bank Plaza, Wheeling, WV 26003
Phone: (304) 234-9000
www.wesbanco.com

INVESTOR RELATIONS

Contact: John Iannone
Phone: 304-905-7021

MARKET MAKERS IN WESBANCO STOCK

This list represents the top ten registered market makers by volume in 2022 excluding electronic trading networks: BofA Securities, Inc.; Morgan Stanley & Co., LLC; UBS Securities, LLC; Goldman, Sachs & Co., LLC; J.P. Morgan Securities, LLC; Citadel Securities LLC; Virtu Americas, LLC; Latour Trading, LLC; RBC Capital Markets, LLC and Wells Fargo Securities, LLC.

AUTOMATIC DIVIDEND REINVESTMENT PLAN

Shareholders may elect to reinvest their dividends in additional shares of Wesbanco common stock through the Computershare Dividend Reinvestment Plan. To arrange automatic purchase of shares with quarterly dividend proceeds, please contact Computershare Investor Services, LLC at the address, phone or email noted previously.

ANNUAL MEETING

The Annual Meeting of Shareholders will be held Wednesday, April 19, 2023 at 12:00 noon E.D.T. in a virtual format from the corporate headquarters.

DIRECT DEPOSIT

If you have a deposit relationship with Wesbanco, cash dividends can be deposited directly to your bank account. Dividends will be deposited on the date the dividend is payable, and you will receive a confirmation of payment when the dividend is deposited to your account.

ANNUAL DISCLOSURE STATEMENT AND NOTICE OF FORM 10-K

This Annual Report on Form 10-K serves as the annual disclosure statement as required by the FDIC. Upon written request of any shareholder, the Corporation will provide, without charge, a copy of its 2022 Annual Report on Form 10-K, including financial statements and schedules, as required to be filed with the Securities and Exchange Commission. To obtain a copy of Form 10-K, contact:

John Iannone
SVP, Investor & Public Relations
Wesbanco, Inc.
1 Bank Plaza
Wheeling, WV 26003
(304) 905-7021

The Form 10-K is also available electronically on Wesbanco's website at www.wesbanco.com or at the SEC's website at www.sec.gov.

CODE OF ETHICS

Wesbanco has adopted a Code of Business Conduct and Ethics that applies to our directors, officers and employees, including the Company's Chief Executive Officer, Chief Financial Officer, Chief Accounting Officer and other executive officers. Wesbanco's "Code of Business Conduct and Ethics" can be found posted on our website at www.wesbanco.com in the "Investors" section under "Governance Documents". Wesbanco intends to disclose any changes or amendments to this code of ethics on its website.

WESBANCO EMAIL ALERTS

Readers may subscribe to Wesbanco email alerts for company events, document filings, press releases, and Wesbanco's nightly closing stock price in the "Investors" section of the Wesbanco website at www.wesbanco.com.

EQUAL OPPORTUNITY EMPLOYER

Wesbanco, Inc. is an Equal Opportunity Employer.

WesBanco, Inc.
1 Bank Plaza
Wheeling, WV 26003
www.wesbanco.com