UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)

☑ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended: September 30, 2024

☐ 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: 001-31343

Associated Banc-Corp

(Exact name of registrant as specified in its charter)

Wisconsin	**39-1098068**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
433 Main Street	
Green Bay, Wisconsin	**54301**
(Address of principal executive offices)	(Zip Code)

(920) 491-7500

(Registrant's telephone number, including area code)

(not applicable)

(Former name, former address and former fiscal year, if changed since last report)

Securities Registered Pursuant to Section 12(b) of the Act:

Title of each class	Trading symbol(s)	Name of each exchange on which registered
Common stock, par value $0.01 per share	ASB	New York Stock Exchange
Depositary Shrs, each representing 1/40th intrst in a shr of 5.875% Non-Cum. Perp Pref Stock, Srs E	ASB PrE	New York Stock Exchange
Depositary Shrs, each representing 1/40th intrst in a shr of 5.625% Non-Cum. Perp Pref Stock, Srs F	ASB PrF	New York Stock Exchange
6.625% Fixed-Rate Reset Subordinated Notes due 2033	ASBA	New York Stock Exchange

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 (§ 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, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

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

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

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes ☐ No ☑

APPLICABLE ONLY TO CORPORATE ISSUERS:

The number of shares outstanding of registrant's common stock, par value $0.01 per share, at October 25, 2024 was 151,255,013.

ASSOCIATED BANC-CORP
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ASSOCIATED BANC-CORP
Commonly Used Terms

The following listing provides a reference of common acronyms, abbreviations, and other defined terms used throughout the document:

ACLL	Allowance for Credit Losses on Loans
AFS	Available for Sale
ALCO	Asset / Liability Committee
ASU	Accounting Standards Update
the Bank	Associated Bank, National Association
Basel III	International framework established by the Basel Committee on Banking Supervision for the regulation of capital and liquidity
bp	basis point(s)
BTFP	Bank Term Funding Program
CDs	Certificates of Deposit
CDIs	Core Deposit Intangibles
CECL	Current Expected Credit Losses
CET1	Common Equity Tier 1
CFPB	Consumer Financial Protection Bureau
Corporation / our	Associated Banc-Corp collectively with all of its subsidiaries and affiliates
CRA	Community Reinvestment Act
CRE	Commercial Real Estate
EAR	Earnings at Risk
Exchange Act	Securities Exchange Act of 1934, as amended
FDIC	Federal Deposit Insurance Corporation
Federal Reserve	Board of Governors of the Federal Reserve System
FFELP	Federal Family Education Loan Program
FHLB	Federal Home Loan Bank
FHLMC	Federal Home Loan Mortgage Corporation
FICO	Fair Isaac Corporation, provider of a broad-based risk score to aid in credit decisions
FNMA	Federal National Mortgage Association
FTEs	Full-time equivalent employees
FTP	Funds Transfer Pricing
GAAP	Generally Accepted Accounting Principles
GNMA	Government National Mortgage Association
GSE	Government-Sponsored Enterprise
HTM	Held to Maturity
LTV	Loan-to-Value
Moody's	Moody’s Investors Service
MSRs	Mortgage Servicing Rights
MVE	Market Value of Equity
NAV	Net Asset Value measured at fair value per share (or its equivalent) as a practical expedient
Net Free Funds	Noninterest-bearing sources of funds
NPAs	Nonperforming Assets
OCI	Other Comprehensive Income
OREO	Other Real Estate Owned
Parent Company	Associated Banc-Corp individually
RAP	Retirement Account Plan - the Corporation's noncontributory defined benefit retirement plan
Repurchase Agreements	Securities sold under agreements to repurchase
Restricted Stock Awards	Restricted common stock and restricted common stock units to certain key employees

Retirement Eligible Colleagues	Colleagues whose retirement meets the early retirement or normal retirement definitions under the applicable equity compensation plan
ROCET1	Return on Common Equity Tier 1
SBA	Small Business Administration
SEC	U.S. Securities and Exchange Commission
Series E Preferred Stock	The Corporation's 5.875% Non-Cumulative Perpetual Preferred Stock, Series E, liquidation preference $1,000 per share
Series F Preferred Stock	The Corporation's 5.625% Non-Cumulative Perpetual Preferred Stock, Series F, liquidation preference $1,000 per share
SOFR	Secured Overnight Finance Rate
YTD	Year-to-Date

PART I - FINANCIAL INFORMATION

ITEM 1. Financial Statements:

ASSOCIATED BANC-CORP
Consolidated Balance Sheets

(In thousands, except share and per share data)	Sep 30, 2024 (Unaudited)	Dec 31, 2023 (Audited)
Assets		
Cash and due from banks	$ 554,631	$ 484,384
Interest-bearing deposits in other financial institutions	408,101	425,089
Federal funds sold and securities purchased under agreements to resell	4,310	14,350
AFS investment securities, at fair value	4,152,527	3,600,892
HTM investment securities, net, at amortized cost	3,769,150	3,860,160
Equity securities	23,158	41,651
FHLB and Federal Reserve Bank stocks, at cost	178,168	229,171
Residential loans held for sale	67,219	33,011
Commercial loans held for sale	11,833	90,303
Loans	29,990,897	29,216,218
Allowance for loan losses	(361,765)	(351,094)
Loans, net	29,629,131	28,865,124
Tax credit and other investments	265,385	258,067
Premises and equipment, net	373,816	372,978
Bank and corporate owned life insurance	686,704	682,649
Goodwill	1,104,992	1,104,992
Other intangible assets, net	33,863	40,471
Mortgage servicing rights, net	81,977	84,390
Interest receivable	167,777	169,569
Other assets	698,073	658,604
Total assets	$ 42,210,815	$ 41,015,855
Liabilities and stockholders' equity		
Noninterest-bearing demand deposits	$ 5,857,421	$ 6,119,956
Interest-bearing deposits	27,696,877	27,326,093
Total deposits	33,554,298	33,446,049
Short-term funding	917,028	326,780
FHLB advances	1,913,294	1,940,194
Other long-term funding	844,342	541,269
Allowance for unfunded commitments	35,776	34,776
Accrued expenses and other liabilities	532,842	552,814
Total liabilities	$ 37,797,579	$ 36,841,882
Stockholders' equity		
Preferred equity	$ 194,112	$ 194,112
Common equity		
Common stock	$ 1,752	$ 1,752
Surplus	1,714,055	1,714,822
Retained earnings	3,122,307	2,946,805
Accumulated other comprehensive (loss)	(111,748)	(171,096)
Treasury stock, at cost	(507,241)	(512,421)
Total common equity	4,219,125	3,979,861
Total stockholders' equity	4,413,236	4,173,973
Total liabilities and stockholders' equity	$ 42,210,815	$ 41,015,855
Preferred shares authorized (par value $1.00 per share)	750,000	750,000
Preferred shares issued and outstanding	200,000	200,000
Common shares authorized (par value $0.01 per share)	250,000,000	250,000,000
Common shares issued	175,216,409	175,216,409
Common shares outstanding	151,212,711	151,036,674

Numbers may not sum due to rounding.

See accompanying notes to consolidated financial statements.

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Item 1. Financial Statements Continued:

ASSOCIATED BANC-CORP
Consolidated Statements of Income (Unaudited)

(In thousands, except per share data)	Three Months Ended Sep 30, 2024	Three Months Ended Sep 30, 2023	Nine Months Ended Sep 30, 2024	Nine Months Ended Sep 30, 2023
Interest income				
Interest and fees on loans	$ 465,728	$ 447,912	$ 1,376,988	$ 1,262,538
Interest and dividends on investment securities				
Taxable	51,229	38,210	148,055	104,197
Tax-exempt	14,660	15,941	44,103	47,960
Other interest	8,701	6,575	24,834	17,990
Total interest income	540,318	508,637	1,593,980	1,432,685
Interest expense				
Interest on deposits	231,623	193,131	678,916	464,749
Interest on federal funds purchased and securities sold under agreements to repurchase	3,385	3,100	8,551	8,504
Interest on other short-term funding	6,144	—	16,929	1
Interest on FHLB advances	24,799	48,143	80,612	147,365
Interest on long-term funding	11,858	10,019	32,012	25,895
Total interest expense	277,809	254,394	817,021	646,514
Net interest income	262,509	254,244	776,960	786,171
Provision for credit losses	20,991	21,943	68,000	62,014
Net interest income after provision for credit losses	241,518	232,301	708,960	724,157
Noninterest income				
Wealth management fees	24,144	20,828	68,466	61,499
Service charges and deposit account fees	13,708	12,864	38,410	38,230
Card-based fees	11,731	11,510	34,973	33,492
Other fee-based revenue	5,057	4,509	14,316	13,249
Capital markets, net	4,317	5,368	13,052	15,544
Mortgage banking, net	2,132	6,501	7,299	17,814
Bank and corporate owned life insurance	4,001	2,047	11,156	6,882
Asset (losses) gains, net	(474)	625	(1,407)	590
Investment securities gains (losses), net	100	(11)	4,047	55
Other	2,504	2,339	7,054	6,841
Total noninterest income	67,221	66,579	197,365	194,195
Noninterest expense				
Personnel	121,036	117,159	362,012	347,669
Technology	27,217	26,172	80,579	73,990
Occupancy	13,536	14,125	40,297	42,775
Business development and advertising	6,683	7,100	20,735	20,054
Equipment	4,653	5,016	13,702	14,921
Legal and professional	5,639	4,461	14,740	13,149
Loan and foreclosure costs	2,748	2,049	6,519	4,822
FDIC assessment	8,223	9,150	29,300	25,575
Other intangible amortization	2,203	2,203	6,608	6,608
Other	8,659	8,771	19,622	24,726
Total noninterest expense	200,597	196,205	594,115	574,291
Income before income taxes	108,142	102,674	312,211	344,061
Income tax expense	20,124	19,426	27,451	70,299
Net income	88,018	83,248	284,760	273,762
Preferred stock dividends	2,875	2,875	8,625	8,625
Net income available to common equity	$ 85,143	$ 80,373	$ 276,135	$ 265,137
Earnings per common share				
Basic	$ 0.56	$ 0.53	$ 1.83	$ 1.76
Diluted	$ 0.56	$ 0.53	$ 1.82	$ 1.75
Average common shares outstanding				
Basic	150,247	150,035	149,993	149,929
Diluted	151,492	151,014	151,244	150,971

Numbers may not sum due to rounding.

See accompanying notes to consolidated financial statements.

Item 1. Financial Statements Continued:

ASSOCIATED BANC-CORP
Consolidated Statements of Comprehensive Income (Unaudited)

	Three Months Ended Sep 30,		Nine Months Ended Sep 30,	
($ in thousands)	**2024**	**2023**	**2024**	**2023**
Net income	$ 88,018	$ 83,248	$ 284,760	$ 273,762
Other comprehensive income (loss), net of tax				
AFS investment securities				
Net unrealized gains (losses)	90,858	(56,924)	49,844	(69,512)
Amortization of net unrealized losses on AFS securities transferred to HTM securities	2,147	2,327	6,329	6,883
Reclassification adjustment for net losses realized in net income	—	—	197	—
Income tax (expense) benefit	(23,198)	13,928	(14,060)	15,879
Other comprehensive income (loss) on AFS securities	69,807	(40,669)	42,309	(46,751)
Cash flow hedge derivatives				
Net unrealized gains (losses)	25,609	(13,592)	(639)	(33,976)
Reclassification adjustment for net losses realized in net income	4,705	4,516	14,297	9,097
Income tax benefit	7,405	2,315	5,213	5,488
Other comprehensive income (loss) on cash flow hedge derivatives	37,718	(6,762)	18,871	(19,391)
Defined benefit pension and postretirement obligations				
Amortization of prior service cost	(73)	(81)	(217)	(244)
Amortization of actuarial (gain) loss	(7)	(7)	(21)	15
Income tax benefit (expense)	20	23	(1,594)	31
Other comprehensive (loss) on pension and postretirement obligations	(60)	(66)	(1,832)	(198)
Total other comprehensive income (loss)	107,466	(47,497)	59,348	(66,340)
Comprehensive income	$ 195,483	$ 35,751	$ 344,108	$ 207,422

Numbers may not sum due to rounding.

See accompanying notes to consolidated financial statements.

Item 1. Financial Statements Continued:

ASSOCIATED BANC-CORP
Consolidated Statements of Changes in Stockholders' Equity (Unaudited)

(In thousands, except per share data)	Preferred Equity	Common Stock	Surplus	Retained Earnings	Accumulated Other Comprehensive (Loss)	Treasury Stock	Total
Balance, December 31, 2023	$ 194,112	$ 1,752	$ 1,714,822	$ 2,946,805	$ (171,096)	$ (512,421)	$ 4,173,973
Comprehensive income:							
Net income	—	—	—	81,169	—	—	81,169
Other comprehensive (loss)	—	—	—	—	(38,785)	—	(38,785)
Comprehensive income							42,384
Common stock issued:							
Stock-based compensation plans, net	—	—	(13,839)	—	—	17,749	3,910
Purchase of treasury stock, open market purchases	—	—	—	—	—	(18,289)	(18,289)
Purchase of treasury stock, stock-based compensation plans	—	—	—	—	—	(4,572)	(4,572)
Cash dividends:							
Common stock, $0.22 per share	—	—	—	(33,527)	—	—	(33,527)
Preferred stock[(a)]	—	—	—	(2,875)	—	—	(2,875)
Stock-based compensation expense, net	—	—	7,669	—	—	—	7,669
Balance, March 31, 2024	$ 194,112	$ 1,752	$ 1,708,652	$ 2,991,571	$ (209,881)	$ (517,533)	$ 4,168,673
Comprehensive income:							
Net income	—	—	—	115,573	—	—	115,573
Other comprehensive (loss)	—	—	—	—	(9,333)	—	(9,333)
Comprehensive income							106,241
Common stock issued:							
Stock-based compensation plans, net	—	—	(1,704)	—	—	2,230	526
Purchase of treasury stock, stock-based compensation plans	—	—	—	—	—	(1,088)	(1,088)
Cash dividends:							
Common stock, $0.22 per share	—	—	—	(33,507)	—	—	(33,507)
Preferred stock[(a)]	—	—	—	(2,875)	—	—	(2,875)
Stock-based compensation expense, net	—	—	4,368	—	—	—	4,368
Balance, June 30, 2024	$ 194,112	$ 1,752	$ 1,711,316	$ 3,070,762	$ (219,214)	$ (516,391)	$ 4,242,337
Comprehensive income:							
Net income	—	—	—	88,018	—	—	88,018
Other comprehensive income	—	—	—	—	107,466	—	107,466
Comprehensive income							195,483
Common stock issued:							
Stock-based compensation plans, net	—	—	(652)	—	—	9,498	8,845
Purchase of treasury stock, stock-based compensation plans	—	—	—	—	—	(347)	(347)
Cash dividends:							
Common stock, $0.22 per share	—	—	—	(33,599)	—	—	(33,599)
Preferred stock[(a)]	—	—	—	(2,875)	—	—	(2,875)
Stock-based compensation expense, net	—	—	3,392	—	—	—	3,392
Balance, September 30, 2024	$ 194,112	$ 1,752	$ 1,714,055	$ 3,122,307	$ (111,748)	$ (507,241)	$ 4,413,236

Numbers may not sum due to rounding.
(a) Series E, $0.3671875 per share and Series F, $0.3515625 per share.

ASSOCIATED BANC-CORP
Consolidated Statements of Changes in Stockholders' Equity (Unaudited)

(In thousands, except per share data)	Preferred Equity	Common Stock	Surplus	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Treasury Stock	Total
Balance, December 31, 2022	$ 194,112	$ 1,752	$ 1,712,733	$ 2,904,882	$ (272,799)	$ (525,190)	$ 4,015,490
Comprehensive income:							
Net income	—	—	—	103,360	—	—	103,360
Other comprehensive income	—	—	—	—	39,211	—	39,211
Comprehensive income							142,571
Common stock issued:							
Stock-based compensation plans, net	—	—	(12,612)	—	—	14,379	1,766
Purchase of treasury stock, stock-based compensation plans	—	—	—	—	—	(5,362)	(5,362)
Cash dividends:							
Common stock, $0.21 per share	—	—	—	(32,013)	—	—	(32,013)
Preferred stock[(a)]	—	—	—	(2,875)	—	—	(2,875)
Stock-based compensation expense, net	—	—	6,086	—	—	—	6,086
Balance, March 31, 2023	$ 194,112	$ 1,752	$ 1,706,206	$ 2,973,354	$ (233,588)	$ (516,173)	$ 4,125,663
Comprehensive income:							
Net income	—	—	—	87,154	—	—	87,154
Other comprehensive (loss)	—	—	—	—	(58,054)	—	(58,054)
Comprehensive income							29,100
Common stock issued:							
Stock-based compensation plans, net	—	—	(1,677)	—	—	1,770	93
Purchase of treasury stock, stock-based compensation plans	—	—	—	—	—	(884)	(884)
Cash dividends:							
Common stock, $0.21 per share	—	—	—	(31,996)	—	—	(31,996)
Preferred stock[(a)]	—	—	—	(2,875)	—	—	(2,875)
Stock-based compensation expense, net	—	—	3,773	—	—	—	3,773
Balance, June 30, 2023	$ 194,112	$ 1,752	$ 1,708,303	$ 3,025,637	$ (291,642)	$ (515,287)	$ 4,122,874
Comprehensive income:							
Net income	—	—	—	83,248	—	—	83,248
Other comprehensive (loss)	—	—	—	—	(47,497)	—	(47,497)
Comprehensive income							35,751
Common stock issued:							
Stock-based compensation plans, net	—	—	(497)	—	—	999	503
Purchase of treasury stock, stock-based compensation plans	—	—	—	—	—	(261)	(261)
Cash dividends:							
Common stock, $0.21 per share	—	—	—	(31,996)	—	—	(31,996)
Preferred stock[(a)]	—	—	—	(2,875)	—	—	(2,875)
Stock-based compensation expense, net	—	—	3,648	—	—	—	3,648
Balance, September 30, 2023	$ 194,112	$ 1,752	$ 1,711,454	$ 3,074,014	$ (339,140)	$ (514,549)	$ 4,127,643

Numbers may not sum due to rounding.
(a) Series E, $0.3671875 per share and Series F, $0.3515625 per share.

See accompanying notes to consolidated financial statements.

Item 1. Financial Statements Continued:

ASSOCIATED BANC-CORP
Consolidated Statements of Cash Flows (Unaudited)

	Nine Months Ended Sep 30,	
($ in thousands)	2024	2023
Cash flows from operating activities		
Net income	$ 284,760	$ 273,762
Adjustments to reconcile net income to net cash provided by operating activities:		
Provision for credit losses	68,000	62,014
Depreciation and amortization	36,414	34,703
Change in MSRs valuation	959	(14,658)
Amortization of other intangible assets	6,608	6,608
Amortization and accretion on earning assets, funding, and other, net	30,998	27,394
Net amortization of tax credit investments	26,307	25,830
(Gains) on sales of investment securities, net	(3,857)	—
Asset losses (gains), net	1,407	(590)
Loss on mortgage banking activities, net	2,284	2,154
Mortgage loans originated and acquired for sale	(450,532)	(283,469)
Proceeds from sales of mortgage loans held for sale	415,840	254,619
Changes in certain assets and liabilities:		
Decrease (increase) in interest receivable	1,792	(26,670)
Increase in interest payable	19,507	69,461
Increase (decrease) in expense payable	332	(22,632)
(Decrease) increase in net derivative position	(61,615)	3,721
Net change in other assets and other liabilities	(6,084)	(34,137)
Net cash provided by operating activities	373,120	378,110
Cash flows from investing activities		
Net (increase) in loans	(795,057)	(1,436,901)
Purchases of:		
AFS securities	(1,177,627)	(1,109,501)
HTM securities	—	(41,524)
FHLB and Federal Reserve Bank stocks and equity securities	(122,205)	(114,985)
Proceeds from:		
Sales of AFS securities	9,472	—
Sale of FHLB and Federal Reserve Bank stocks and equity securities	196,049	131,272
Prepayments, calls, and maturities of AFS securities	660,732	288,313
Prepayments, calls, and maturities of HTM securities	92,402	101,847
Sales, prepayments, calls, and maturities of other assets	12,759	20,224
Premises, equipment, and software	(31,702)	(43,541)
Net change in tax credit and alternative investments	(17,856)	(19,615)
Net cash (used in) investing activities	(1,173,035)	(2,224,411)
Cash flows from financing activities		
Net increase in deposits	108,249	2,487,225
Net increase (decrease) in short-term funding	590,248	(154,292)
Net (decrease) in short-term FHLB advances	(35,000)	(580,000)
Repayment of long-term FHLB advances	(727)	(568)
Proceeds from long-term FHLB advances	2,656	1,369
Proceeds from issuance of long-term funding	298,800	292,740
Payment of debt issuance costs	(751)	—
(Repayment) of finance lease principal	(66)	(64)
Proceeds from issuance of common stock for stock-based compensation plans	13,281	2,362
Purchase of treasury stock, open market purchases	(18,289)	—
Purchase of treasury stock, stock-based compensation plans	(6,007)	(6,507)
Cash dividends on common stock	(100,633)	(96,005)
Cash dividends on preferred stock	(8,625)	(8,625)
Net cash provided by financing activities	843,134	1,937,635
Net increase in cash and cash equivalents	43,219	91,334
Cash and cash equivalents at beginning of period	923,823	621,455
Cash and cash equivalents at end of period[(a)]	$ 967,042	$ 712,789

Numbers may not sum due to rounding.

(a) No restricted cash due to the Federal Reserve reducing the required reserve ratio to zero.

ASSOCIATED BANC-CORP
Consolidated Statements of Cash Flows (Unaudited)

	Nine Months Ended Sep 30,	
($ in thousands)	2024	2023
Supplemental disclosures of cash flow information		
Cash paid for interest	$ 796,621	$ 576,221
Cash paid for income and franchise taxes	6,963	68,382
Loans and bank premises transferred to OREO	12,586	5,917
Capitalized mortgage servicing rights	4,458	2,477
Loans transferred (from) into held for sale (into) from portfolio, net	(74,737)	6,833
Fair value adjustments on hedged long-term FHLB advances and subordinated debt	(10,369)	18,652
Fair value adjustments on foreign currency exchange forwards	1,899	3,308
Fair value adjustments on cash flow hedges	18,871	(19,391)

Item 1. Financial Statements Continued:

ASSOCIATED BANC-CORP
Notes to Consolidated Financial Statements

These interim consolidated financial statements have been prepared according to the rules and regulations of the SEC and, therefore, certain information and footnote disclosures normally presented in accordance with GAAP have been omitted or abbreviated. The information contained on the consolidated financial statements and footnotes in Associated Banc-Corp's 2023 Annual Report on Form 10-K should be referred to in connection with the reading of these unaudited interim consolidated financial statements.

Note 1 Basis of Presentation

In the opinion of management, the accompanying unaudited consolidated financial statements contain all adjustments necessary to present fairly the financial position, results of operations and comprehensive income, changes in stockholders' equity, and cash flows of the Corporation for the periods presented, and all such adjustments are of a normal recurring nature. The consolidated financial statements include the accounts of all subsidiaries. All significant intercompany transactions and balances have been eliminated in consolidation. The results of operations for the interim periods are not necessarily indicative of the results to be expected for the full year.

In preparing the consolidated financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities as of the date of the balance sheet and revenues and expenses for the period. Actual results could differ significantly from those estimates. The determination of the ACLL is particularly susceptible to significant change. Management has evaluated subsequent events for potential recognition or disclosure.

Within the tables presented, certain columns and rows may not sum due to the use of rounded numbers for disclosure purposes.

Note 2 Summary of Significant Accounting Policies

The accounting and reporting policies of the Corporation conform to U.S. GAAP and to general practice within the financial services industry. A discussion of these policies can be found in Note 1 Summary of Significant Accounting Policies included in the Corporation's 2023 Annual Report on Form 10-K.

New Accounting Pronouncements Adopted

Standard	Description	Date of Adoption	Effect on Financial Statements
ASU 2023-02 Investments-Equity Method and Joint Ventures (Topic 323): Accounting for Investments in Tax Credit Structures Using the Proportional Amortization Method	The amendments in this update permit reporting entities to elect to account for their tax equity investments, regardless of the tax credit program from which the income tax credits are received, using the proportional amortization method if certain conditions are met. A reporting entity may make an accounting policy election to apply the proportional amortization method on a tax-credit-program-by-tax-credit-program basis rather than electing to apply the proportional amortization method at the reporting entity level or to individual investments. The amendments in this update also remove certain guidance for Qualified Affordable Housing Project investments and require the application of the delayed equity contribution guidance to all tax equity investments. The amendments in this update are effective for fiscal years beginning after December 15, 2023, and must be applied on either a modified retrospective or a retrospective basis. Early adoption is permitted in any interim period, however if adopted in an interim period the entity shall adopt the amendments in this update as of the beginning of the fiscal year that includes the interim period.	1st quarter 2024	The Corporation has determined the impact on its results of operation, financial position, liquidity, and disclosures is immaterial.

Future Accounting Pronouncements

The expected impact of applicable material accounting pronouncements recently issued or proposed but not yet required to be adopted are discussed in the table below. To the extent that the adoption of new accounting standards materially affects the Corporation's financial condition, results of operations, liquidity or disclosures, the impacts are discussed in the applicable sections of this financial review.

Standard	Description	Date of Anticipated Adoption	Effect on Financial Statements
ASU 2023-07 Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures	The amendments in this update improve financial reporting by requiring disclosure of incremental segment information on an annual and interim basis for all public entities to enable investors to develop more decision-useful financial analyses. The amendments in this update also do not change how a public entity identifies its operating segments, aggregates those operating segments, or applies the quantitative thresholds to determine its reportable segments. The amendments in this update are effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024. Early adoption is permitted.	Fiscal year 2024 and interim periods beginning in 1st quarter 2025	The Corporation does not expect the update to have a significant impact on the consolidated financial statements, other than enhanced disclosures.
ASU 2023-09 Income Taxes (Topic 740): Improvements to Income Tax Disclosures	The amendments in this update address investor requests for more transparency about income tax information through improvements to income tax disclosures primarily related to the rate reconciliation and income taxes paid information. This update also includes certain other amendments to improve the effectiveness of income tax disclosures. The amendments in this update are effective for fiscal years beginning after December 15, 2024 and are to be applied on a prospective basis. Early adoption is permitted.	Fiscal year 2025	The Corporation is currently evaluating the impact on its disclosures.

Note 3 Earnings Per Common Share

Earnings per common share are calculated utilizing the two-class method. Basic earnings per common share are calculated by dividing the sum of distributed earnings to common shareholders and undistributed earnings allocated to common shareholders by the weighted average number of common shares outstanding. Diluted earnings per common share are calculated by dividing the sum of distributed earnings to common shareholders and undistributed earnings allocated to common shareholders by the weighted average number of common shares outstanding adjusted for the dilutive effect of common stock awards (outstanding stock options and unvested restricted stock awards). Presented below are the calculations for basic and diluted earnings per common share:

	Three Months Ended Sep 30,		Nine Months Ended Sep 30,	
($ in thousands, except per share data)	2024	2023	2024	2023
Net income	$ 88,018	$ 83,248	$ 284,760	$ 273,762
Preferred stock dividends	(2,875)	(2,875)	(8,625)	(8,625)
Net income available to common equity	85,143	80,373	276,135	265,137
Common shareholder dividends	(33,413)	(31,806)	(100,131)	(95,417)
Unvested share-based payment awards	(185)	(190)	(502)	(588)
Undistributed earnings	$ 51,544	$ 48,377	$ 175,502	$ 169,132
Undistributed earnings allocated to common shareholders	$ 51,255	$ 48,090	$ 174,511	$ 168,136
Undistributed earnings allocated to unvested share-based payment awards	289	287	991	996
Undistributed earnings	$ 51,544	$ 48,377	$ 175,502	$ 169,132
Basic				
Distributed earnings to common shareholders	$ 33,413	$ 31,806	$ 100,131	$ 95,417
Undistributed earnings allocated to common shareholders	51,255	48,090	174,511	168,136
Total common shareholders earnings, basic	$ 84,669	$ 79,896	$ 274,642	$ 263,553
Diluted				
Distributed earnings to common shareholders	$ 33,413	$ 31,806	$ 100,131	$ 95,417
Undistributed earnings allocated to common shareholders	51,255	48,090	174,511	168,136
Total common shareholders earnings, diluted	$ 84,669	$ 79,896	$ 274,642	$ 263,553
Weighted average common shares outstanding	150,247	150,035	149,993	149,929
Effect of dilutive common stock awards	1,244	980	1,251	1,042
Diluted weighted average common shares outstanding	151,492	151,014	151,244	150,971
Basic earnings per common share	$ 0.56	$ 0.53	$ 1.83	$ 1.76
Diluted earnings per common share	$ 0.56	$ 0.53	$ 1.82	$ 1.75

Excluded from the earnings per common share calculations were 2 million and 4 million anti-dilutive common stock options for the three months ended September 30, 2024 and 2023, respectively, and 2 million and 3 million anti-dilutive common stock options were excluded from the earnings per common share calculations for the nine months ended September 30, 2024 and 2023, respectively.

Note 4 Stock-Based Compensation

The fair values of stock options and restricted stock awards are amortized as compensation expense on a straight-line basis over the vesting period of the grants. For colleagues who meet the definition of retirement eligible under the 2017 Incentive Compensation Plan and the 2020 Incentive Compensation Plan, expenses related to stock options and restricted stock awards are fully recognized on the date the colleague meets the definition of normal or early retirement. Compensation expense recognized is included in personnel expense on the consolidated statements of income.

A summary of the Corporation's stock option activity for the nine months ended September 30, 2024 is presented below:

Stock Options	Shares[(a)]	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term	Aggregate Intrinsic Value[(a)]
Outstanding at December 31, 2023	3,792	$ 21.25	4.26 years	$ 5,834
Exercised	679	18.76		
Forfeited or expired	49	24.81		
Outstanding at September 30, 2024	3,064	$ 21.75	3.46 years	$ 4,197
Options Exercisable at September 30, 2024	3,064	$ 21.75	3.46 years	$ 4,197

(a) In thousands

Intrinsic value represents the amount by which the fair market value of the underlying stock exceeds the exercise price of the stock option. For the nine months ended September 30, 2024, the intrinsic value of stock options exercised was $3 million, compared to approximately $272,000 for the nine months ended September 30, 2023. For the nine months ended September 30, 2024, the total fair value of stock options vested was approximately $489,000 compared to approximately $955,000 for the nine months ended September 30, 2023.

The Corporation also has issued time-based and performance-based restricted stock awards under the 2017 Incentive Compensation Plan and 2020 Incentive Compensation Plan. Performance awards are based on performance goals determined by the Compensation and Benefits Committee of the Corporation's Board of Directors, with vesting ranging from a minimum of 0% to a maximum of 150% of the target award. Performance awards are valued utilizing a Monte Carlo simulation model to estimate fair value of the awards at the grant date.

The following table summarizes information about the Corporation's restricted stock awards activity for the nine months ended September 30, 2024:

Restricted Stock	Shares[(a)]	Weighted Average Grant Date Fair Value
Outstanding at December 31, 2023	2,349	$ 21.20
Granted	823	20.78
Vested	774	23.72
Forfeited	60	21.94
Outstanding at September 30, 2024	2,338	$ 21.26

(a) In thousands

The Corporation amortizes the expense related to restricted stock awards as compensation expense over the vesting period specified in the grant's award agreement. Performance-based restricted stock awards granted during 2023 and 2024 will cliff-vest after the three year performance period has ended. Service-based restricted stock awards granted during 2023 and 2024 will generally vest ratably over a period of four years. Expense for restricted stock awards of $16 million was recorded for the nine months ended September 30, 2024, compared to $14 million for the nine months ended September 30, 2023. Included in compensation expense for the first nine months of 2024 was $4 million of expense for the accelerated vesting of restricted stock awards granted to retirement eligible colleagues. The Corporation had $21 million of unrecognized compensation costs related to restricted stock awards at September 30, 2024 that are expected to be recognized over the remaining requisite service periods that extend predominately through the first quarter of 2028.

The Corporation has the ability to issue shares from treasury or new shares upon the exercise of stock options or the granting of restricted stock awards. The Board of Directors has authorized management to repurchase shares of the Corporation's common stock, to be made available for issuance in connection with the Corporation's employee incentive plans and for other corporate purposes. The repurchase of shares, if any, will be based on market and investment opportunities, capital levels, growth prospects, and regulatory constraints. Such repurchases may occur from time to time in open market purchases, block transactions, private transactions, accelerated share repurchase programs, or similar facilities.

Note 5 Investment Securities

Investment securities are designated as AFS, HTM, or equity on the consolidated balance sheets. The amortized cost and fair values of AFS and HTM securities at September 30, 2024 were as follows:

($ in thousands)	Amortized Cost	Gross Unrealized Gains	Gross Unrealized (Losses)	Fair Value
AFS investment securities				
U.S. Treasury securities	$ 39,987	$ —	$ (3,039)	$ 36,948
Obligations of state and political subdivisions (municipal securities)	82,845	11	(1,766)	81,089
Residential mortgage-related securities:				
FNMA/FHLMC	1,201,968	990	(117,544)	1,085,414
GNMA	2,634,634	30,367	(1,441)	2,663,560
Commercial mortgage-related securities:				
FNMA/FHLMC	18,423	—	(388)	18,035
GNMA	156,873	—	(5,256)	151,617
Asset backed securities:				
FFELP	113,139	132	(922)	112,350
SBA	540	—	(24)	516
Other debt securities	3,000	—	(3)	2,997
Total AFS investment securities	$ 4,251,409	$ 31,500	$ (130,382)	$ 4,152,527
HTM investment securities				
U.S. Treasury securities	$ 1,000	$ —	$ (10)	$ 990
Obligations of state and political subdivisions (municipal securities)	1,664,740	4,596	(128,987)	1,540,348
Residential mortgage-related securities:				
FNMA/FHLMC	900,743	24,025	(145,885)	778,883
GNMA	45,180	143	(2,344)	42,979
Private-label	329,349	8,519	(55,765)	282,103
Commercial mortgage-related securities:				
FNMA/FHLMC	775,209	11,142	(126,498)	659,852
GNMA	53,005	258	(5,643)	47,620
Total HTM investment securities	$ 3,769,224	$ 48,682	$ (465,131)	$ 3,352,775

The amortized cost and fair values of AFS and HTM securities at December 31, 2023 were as follows:

($ in thousands)	Amortized Cost	Gross Unrealized Gains	Gross Unrealized (Losses)	Fair Value
AFS investment securities				
U.S. Treasury securities	$ 39,984	$ —	$ (4,083)	$ 35,902
Obligations of state and political subdivisions (municipal securities)	94,008	23	(2,214)	91,817
Residential mortgage-related securities:				
FNMA/FHLMC	1,274,052	294	(153,552)	1,120,794
GNMA	2,021,242	24,254	(2,822)	2,042,675
Commercial mortgage-related securities:				
FNMA/FHLMC	18,691	—	(1,755)	16,937
GNMA	161,928	—	(7,135)	154,793
Asset backed securities:				
FFELP	135,832	5	(1,862)	133,975
SBA	1,077	2	(28)	1,051
Other debt securities	3,000	—	(50)	2,950
Total AFS investment securities	$ 3,749,814	$ 24,579	$ (173,501)	$ 3,600,892
HTM investment securities				
U.S. Treasury securities	$ 999	$ —	$ (36)	$ 963
Obligations of state and political subdivisions (municipal securities)	1,682,473	5,638	(134,053)	1,554,059
Residential mortgage-related securities:				
FNMA/FHLMC	941,973	27,007	(164,587)	804,393
GNMA	48,979	92	(2,901)	46,170
Private-label	345,083	9,796	(65,372)	289,507
Commercial mortgage-related securities:				
FNMA/FHLMC	780,995	12,699	(160,781)	632,914
GNMA	59,733	386	(7,500)	52,619
Total HTM investment securities	$ 3,860,235	$ 55,619	$ (535,230)	$ 3,380,624

Expected maturities may differ from contractual maturities because borrowers may have the right to call or prepay obligations with or without call or prepayment penalties. The expected maturities of AFS and HTM securities at September 30, 2024, are shown below:

	AFS		HTM	
($ in thousands)	Amortized Cost	Fair Value	Amortized Cost	Fair Value
Due in one year or less	$ 1,000	$ 997	$ 11,435	$ 11,360
Due after one year through five years	54,051	50,642	58,464	58,594
Due after five years through ten years	44,549	43,392	179,171	175,603
Due after ten years	26,231	26,004	1,416,669	1,295,781
Total debt securities	125,832	121,034	1,665,740	1,541,338
Residential mortgage-related securities:				
FNMA/FHLMC	1,201,968	1,085,414	900,743	778,883
GNMA	2,634,634	2,663,560	45,180	42,979
Private-label	—	—	329,349	282,103
Commercial mortgage-related securities:				
FNMA/FHLMC	18,423	18,035	775,209	659,852
GNMA	156,873	151,617	53,005	47,620
Asset backed securities:				
FFELP	113,139	112,350	—	—
SBA	540	516	—	—
Total investment securities	$ 4,251,409	$ 4,152,527	$ 3,769,224	$ 3,352,775
Ratio of fair value to amortized cost		97.7 %		89.0 %

On a quarterly basis, the Corporation refreshes the credit quality of each HTM security. The following table summarizes the credit quality indicators of HTM securities at amortized cost at September 30, 2024:

($ in thousands)	AAA	AA	A	Not Rated	Total
U.S. Treasury securities	$ 1,000	$ —	$ —	$ —	$ 1,000
Obligations of state and political subdivisions (municipal securities)	772,689	884,498	5,492	2,060	1,664,740
Residential mortgage-related securities:					
FNMA/FHLMC	900,743	—	—	—	900,743
GNMA	45,180	—	—	—	45,180
Private-label	329,349	—	—	—	329,349
Commercial mortgage-related securities:					
FNMA/FHLMC	775,209	—	—	—	775,209
GNMA	53,005	—	—	—	53,005
Total HTM securities	$ 2,877,174	$ 884,498	$ 5,492	$ 2,060	$ 3,769,224

The following table summarizes the credit quality indicators of HTM securities at amortized cost at December 31, 2023:

($ in thousands)	AAA	AA	A	Not Rated	Total
U.S. Treasury securities	$ 999	$ —	$ —	$ —	$ 999
Obligations of state and political subdivisions (municipal securities)	760,329	915,303	5,687	1,155	1,682,473
Residential mortgage-related securities:					
FNMA/FHLMC	941,973	—	—	—	941,973
GNMA	48,979	—	—	—	48,979
Private-label	345,083	—	—	—	345,083
Commercial mortgage-related securities:					
FNMA/FHLMC	780,995	—	—	—	780,995
GNMA	59,733	—	—	—	59,733
Total HTM securities	$ 2,938,090	$ 915,303	$ 5,687	$ 1,155	$ 3,860,235

The following table summarizes gross realized gains and losses on AFS securities, the gain on sale and net write-up of equity securities, and proceeds from the sale of AFS investment securities for the three and nine months ended September 30, 2024 and 2023:

	Three Months Ended Sep 30,		Nine Months Ended Sep 30,	
($ in thousands)	2024	2023	2024	2023
Gross realized (losses) on AFS securities	$ —	$ —	$ (197)	$ —
Gain on sale and net write-up (down) of equity securities	100	(11)	4,243	55
Investment securities gains, net	$ 100	$ (11)	$ 4,047	$ 55
Proceeds from sales of AFS investment securities	$ —	$ —	$ 9,472	$ —

During the first quarter of 2024, the Corporation sold its remaining Visa Class B restricted shares at a gain of $4 million.

Investment securities with a carrying value of $1.4 billion and $1.6 billion at September 30, 2024 and December 31, 2023, respectively, were pledged as required to secure certain deposits or for other purposes.

Accrued interest receivable on HTM securities totaled $16 million and $18 million at September 30, 2024 and December 31, 2023, respectively. Accrued interest receivable on AFS securities totaled $17 million and $15 million at September 30, 2024 and December 31, 2023, respectively. Accrued interest receivable on both HTM and AFS securities is included in interest receivable on the consolidated balance sheets.

The allowance for credit losses on HTM securities was approximately $75,000 at both September 30, 2024 and December 31, 2023, attributable entirely to the Corporation's municipal securities, included in HTM investment securities, net, at amortized cost on the consolidated balance sheets. The Corporation also holds U.S. Treasury, municipal, and mortgage-related securities issued by the U.S. government or a GSE which are backed by the full faith and credit of the U.S. government and private-label residential mortgage-related securities that have credit enhancement which covers the first 15% of losses and, as a result, no allowance for credit losses has been recorded related to these securities.

The following represents gross unrealized losses and the related fair value of AFS and HTM securities, aggregated by investment category and length of time individual securities have been in a continuous unrealized loss position, at September 30, 2024:

	Less than 12 months			12 months or more			Total	
($ in thousands)	Number of Securities	Unrealized (Losses)	Fair Value	Number of Securities	Unrealized (Losses)	Fair Value	Unrealized (Losses)	Fair Value
AFS investment securities								
U.S. Treasury securities	—	$ —	$ —	1	$ (3,039)	$ 36,948	$ (3,039)	$ 36,948
Obligations of state and political subdivisions (municipal securities)	18	(35)	8,205	112	(1,731)	66,172	(1,766)	74,377
Residential mortgage-related securities:								
FNMA/FHLMC	4	(22)	6,211	82	(117,522)	1,026,799	(117,544)	1,033,011
GNMA	2	(36)	20,744	10	(1,405)	41,066	(1,441)	61,811
Commercial mortgage-related securities:								
FNMA/FHLMC	—	—	—	1	(388)	18,035	(388)	18,035
GNMA	—	—	—	31	(5,256)	151,617	(5,256)	151,617
Asset backed securities:								
FFELP	—	—	—	12	(922)	65,319	(922)	65,319
SBA	—	—	—	4	(24)	498	(24)	498
Other debt securities	—	—	—	1	(3)	997	(3)	997
Total	24	$ (93)	$ 35,160	254	$ (130,289)	$1,407,452	$ (130,382)	$1,442,613
HTM investment securities								
U.S. Treasury securities	—	$ —	$ —	1	$ (10)	$ 990	$ (10)	$ 990
Obligations of state and political subdivisions (municipal securities)	83	(517)	111,498	642	(128,470)	887,316	(128,987)	998,814
Residential mortgage-related securities:								
FNMA/FHLMC	1	(1)	100	108	(145,884)	769,122	(145,885)	769,223
GNMA	—	—	—	79	(2,344)	33,584	(2,344)	33,584
Private-label	—	—	—	18	(55,765)	282,103	(55,765)	282,103
Commercial mortgage-related securities:								
FNMA/FHLMC	—	—	—	43	(126,498)	632,665	(126,498)	632,665
GNMA	—	—	—	13	(5,643)	47,620	(5,643)	47,620
Total	84	$ (518)	$ 111,598	904	$ (464,613)	$2,653,401	$ (465,131)	$2,765,000

For comparative purposes, the following represents gross unrealized losses and the related fair value of AFS and HTM securities, aggregated by investment category and length of time that individual securities have been in a continuous unrealized loss position, at December 31, 2023:

($ in thousands)	Less than 12 months			12 months or more			Total	
	Number of Securities	Unrealized (Losses)	Fair Value	Number of Securities	Unrealized (Losses)	Fair Value	Unrealized (Losses)	Fair Value
AFS investment securities								
U.S. Treasury securities	—	$ —	$ —	1	$ (4,083)	$ 35,902	$ (4,083)	$ 35,902
Obligations of state and political subdivisions (municipal securities)	41	(347)	23,762	92	(1,867)	53,022	(2,214)	76,784
Residential mortgage-related securities:								
FNMA/FHLMC	18	(333)	22,870	71	(153,219)	1,080,337	(153,552)	1,103,207
GNMA	13	(924)	156,847	5	(1,898)	26,643	(2,822)	183,490
Commercial mortgage-related securities:								
FNMA/FHLMC	—	—	—	1	(1,755)	16,937	(1,755)	16,937
GNMA	9	(3,160)	103,055	22	(3,975)	51,738	(7,135)	154,793
Asset backed securities:								
FFELP	—	—	—	14	(1,862)	125,339	(1,862)	125,339
SBA	—	—	—	5	(28)	761	(28)	761
Other debt securities	1	(9)	991	2	(42)	1,958	(50)	2,950
Total	82	$ (4,773)	$ 307,527	213	$ (168,728)	$1,392,635	$ (173,501)	$1,700,162
HTM investment securities								
U.S. Treasury securities	—	$ —	$ —	1	$ (36)	$ 963	$ (36)	$ 963
Obligations of state and political subdivisions (municipal securities)	182	(1,535)	180,270	537	(132,518)	792,940	(134,053)	973,210
Residential mortgage-related securities:								
FNMA/FHLMC	20	(511)	30,323	94	(164,076)	771,042	(164,587)	801,365
GNMA	2	(17)	2,128	78	(2,884)	34,626	(2,901)	36,754
Private-label	—	—	—	18	(65,372)	289,507	(65,372)	289,507
Commercial mortgage-related securities:								
FNMA/FHLMC	1	(121)	8,144	44	(160,660)	624,770	(160,781)	632,914
GNMA	—	—	—	13	(7,500)	52,619	(7,500)	52,619
Total	205	$ (2,184)	$ 220,865	785	$ (533,046)	$2,566,468	$ (535,230)	$2,787,333

The Corporation reviews the AFS investment securities portfolio on a quarterly basis to monitor its credit exposure. A determination as to whether a security's decline in fair value is the result of credit risk takes into consideration numerous factors and the relative significance of any single factor can vary by security. Some factors the Corporation may consider in this impairment analysis include the extent to which the security has been in an unrealized loss position, the change in security rating, financial condition and near-term prospects of the issuer, as well as the security and industry specific economic conditions.

Based on the Corporation's evaluation, management does not believe any unrealized losses at September 30, 2024 represent credit deterioration as these unrealized losses are primarily attributable to changes in interest rates and the current market conditions. As of September 30, 2024, the Corporation does not intend to sell, nor does it believe that it will be required to sell, the securities in an unrealized loss position before recovery of their amortized cost basis.

FHLB and Federal Reserve Bank stocks: The Corporation is required to maintain Federal Reserve Bank stock and FHLB stock as a member bank of both the Federal Reserve System and the FHLB, and in amounts as required by these institutions. These equity securities are "restricted" in that they can only be sold back to the respective institutions or another member institution at par. Therefore, they are less liquid than other marketable equity securities and their fair value is equal to amortized cost. The Corporation had FHLB stock of $90 million and $143 million at September 30, 2024 and December 31, 2023, respectively. The Corporation had Federal Reserve Bank stock of $88 million and $87 million at September 30, 2024 and December 31, 2023, respectively. Accrued interest receivable on FHLB stock totaled $2 million and $4 million at September 30, 2024 and December 31, 2023, respectively. Accrued interest receivable on Federal Reserve Bank Stock totaled approximately $855,000 at September 30, 2024 and there was none at December 31, 2023. Accrued interest receivable on both FHLB stock and Federal Reserve Bank stock is included in interest receivable on the consolidated balance sheets.

Equity Securities

Equity securities with readily determinable fair values: The Corporation's portfolio of equity securities with readily determinable fair values is primarily comprised of mutual funds. The Corporation had equity securities with readily determinable fair values of $11 million and $7 million at September 30, 2024 and December 31, 2023, respectively.

Equity securities without readily determinable fair values: The Corporation's portfolio of equity securities without readily determinable fair values primarily consists of an investment in a private loan fund. The Corporation had equity securities without readily determinable fair values carried at $13 million and $35 million at September 30, 2024 and December 31, 2023, respectively. During the first quarter of 2024, the Corporation sold all of its remaining Visa Class B restricted shares.

Note 6 Loans

The period end loan composition was as follows:

($ in thousands)	Sep 30, 2024	Dec 31, 2023
Commercial and industrial	$ 10,258,899	$ 9,731,555
Commercial real estate — owner occupied	1,120,849	1,061,700
Commercial and business lending	11,379,748	10,793,255
Commercial real estate — investor	5,070,635	5,124,245
Real estate construction	2,114,300	2,271,398
Commercial real estate lending	7,184,934	7,395,644
Total commercial	18,564,683	18,188,898
Residential mortgage	7,803,083	7,864,891
Auto finance	2,708,946	2,256,162
Home equity	651,379	628,526
Other consumer	262,806	277,740
Total consumer	11,426,214	11,027,319
Total loans	$ 29,990,897	$ 29,216,218

Accrued interest receivable on loans totaled $132 million at both September 30, 2024 and December 31, 2023, and is included in interest receivable on the consolidated balance sheets. Interest accrued but not received is reversed against interest income when a loan is placed on nonaccrual. The amount of accrued interest reversed was approximately $180,000 for the three months ended September 30, 2024 and $2 million for the nine months ended September 30, 2024, compared to approximately $347,000 and $1 million for the three and nine months ended September 30, 2023, respectively.

The following table presents loans by credit quality indicator by origination year at September 30, 2024:

			Term Loans Amortized Cost Basis by Origination Year[a]						
($ in thousands)	Rev Loans Converted to Term[a]	Rev Loans Amortized Cost Basis	YTD 2024	2023	2022	2021	2020	Prior	Total
Commercial and industrial:									
Risk rating:									
Pass	$ 574	$ 1,899,076	$1,655,577	$1,577,257	$2,578,620	$1,225,619	$ 307,575	$ 623,877	$ 9,867,600
Special mention	—	47,171	2,605	13,700	7,814	24,638	636	131	96,696
Substandard	926	57,680	66,904	15,304	30,444	106,210	3,529	163	280,234
Nonaccrual	3,608	112	2,569	1,853	8,835	1,000	—	—	14,369
Commercial and industrial	$ 5,107	$ 2,004,038	$1,727,655	$1,608,114	$2,625,714	$1,357,467	$ 311,740	$ 624,172	$10,258,899
Commercial real estate - owner occupied:									
Risk rating:									
Pass	$ —	$ 15,435	$ 154,476	$ 190,452	$ 176,083	$ 227,232	$ 114,950	$ 199,980	$ 1,078,609
Special mention	—	—	—	—	—	1,439	—	—	1,439
Substandard	—	1,051	3,013	13,451	1,625	4,762	4,813	2,801	31,516
Nonaccrual	—	—	7,784	1,501	—	—	—	—	9,285
Commercial real estate - owner occupied	$ —	$ 16,486	$ 165,272	$ 205,405	$ 177,708	$ 233,433	$ 119,763	$ 202,781	$ 1,120,849
Commercial and business lending:									
Risk rating:									
Pass	$ 574	$ 1,914,511	$1,810,053	$1,767,709	$2,754,703	$1,452,850	$ 422,525	$ 823,857	$10,946,209
Special mention	—	47,171	2,605	13,700	7,814	26,078	636	131	98,135
Substandard	926	58,730	69,916	28,756	32,069	110,972	8,342	2,964	311,750
Nonaccrual	3,608	112	10,353	3,354	8,835	1,000	—	—	23,654
Commercial and business lending	$ 5,107	$ 2,020,524	$1,892,928	$1,813,519	$2,803,422	$1,590,900	$ 431,503	$ 826,952	$11,379,748
Commercial real estate - investor:									
Risk rating:									
Pass	$ —	$ 126,415	$ 892,694	$ 878,160	$1,245,948	$ 832,555	$ 346,208	$ 430,094	$ 4,752,074
Special mention	—	—	43,089	6,865	1,453	12,347	4,485	8,664	76,903
Substandard	—	—	63,652	40,111	87,955	18,395	—	12,632	222,745
Nonaccrual	—	—	18,913	—	—	—	—	—	18,913
Commercial real estate - investor	$ —	$ 126,415	$1,018,348	$ 925,136	$1,335,356	$ 863,297	$ 350,693	$ 451,390	$ 5,070,635
Real estate construction:									
Risk rating:									
Pass	$ —	$ 28,533	$ 153,630	$ 437,777	$1,018,975	$ 249,924	$ 25,245	$ 7,831	$ 1,921,914
Special mention	—	—	19,002	—	32,080	—	—	16	51,098
Substandard	—	—	11,158	—	58,690	71,424	—	—	141,273
Nonaccrual	—	—	—	—	—	—	—	15	15
Real estate construction	$ —	$ 28,533	$ 183,790	$ 437,777	$1,109,745	$ 321,348	$ 25,245	$ 7,862	$ 2,114,300
Commercial real estate lending:									
Risk rating:									
Pass	$ —	$ 154,948	$1,046,323	$1,315,936	$2,264,923	$1,082,478	$ 371,453	$ 437,925	$ 6,673,987
Special mention	—	—	62,091	6,865	33,533	12,347	4,485	8,679	128,001
Substandard	—	—	74,810	40,111	146,645	89,820	—	12,632	364,018
Nonaccrual	—	—	18,913	—	—	—	—	15	18,928
Commercial real estate lending	$ —	$ 154,948	$1,202,138	$1,362,912	$2,445,101	$1,184,645	$ 375,938	$ 459,252	$ 7,184,934
Total commercial:									
Risk rating:									
Pass	$ 574	$ 2,069,460	$2,856,377	$3,083,645	$5,019,626	$2,535,329	$ 793,978	$1,261,782	$17,620,197
Special mention	—	47,171	64,696	20,565	41,348	38,425	5,121	8,810	226,136
Substandard	926	58,730	144,727	68,867	178,714	200,791	8,342	15,597	675,768
Nonaccrual	3,608	112	29,265	3,354	8,835	1,000	—	15	42,582
Total commercial	$ 5,107	$ 2,175,473	$3,095,065	$3,176,431	$5,248,523	$2,775,545	$ 807,441	$1,286,204	$18,564,683

($ in thousands)	Rev Loans Converted to Term(a)	Rev Loans Amortized Cost Basis	Term Loans Amortized Cost Basis by Origination Year(a) YTD 2024	2023	2022	2021	2020	Prior	Total
Residential mortgage:									
Risk rating:									
Pass	$ —	$ —	$ 105,940	$ 476,946	$1,662,813	$2,022,819	$1,334,633	$2,118,612	$ 7,721,764
Special mention	—	—	—	—	38	—	—	115	153
Substandard	—	—	598	10,147	91	—	—	193	11,029
Nonaccrual	—	—	1,841	2,166	11,179	9,672	8,332	36,948	70,138
Residential mortgage	$ —	$ —	$ 108,379	$ 489,260	$1,674,120	$2,032,491	$1,342,965	$2,155,869	$ 7,803,083
Auto finance:									
Risk rating:									
Pass	$ —	$ —	$ 975,499	$ 946,876	$ 722,152	$ 55,145	$ 82	$ 138	$ 2,699,892
Special mention	—	—	183	519	812	85	—	—	1,598
Nonaccrual	—	—	360	1,915	4,677	503	—	—	7,456
Auto finance	$ —	$ —	$ 976,042	$ 949,310	$ 727,641	$ 55,733	$ 82	$ 138	$ 2,708,946
Home equity:									
Risk rating:									
Pass	$ 7,142	$ 553,676	$ 724	$ 1,730	$ 26,429	$ 5,250	$ 1,944	$ 52,717	$ 642,471
Special mention	234	53	—	—	—	21	83	483	639
Substandard	—	—	—	7	—	—	—	32	38
Nonaccrual	1,105	209	19	114	827	271	194	6,598	8,231
Home equity	$ 8,481	$ 553,938	$ 743	$ 1,851	$ 27,256	$ 5,542	$ 2,221	$ 59,829	$ 651,379
Other consumer:									
Risk rating:									
Pass	$ 71	$ 192,905	$ 8,779	$ 3,964	$ 2,081	$ 999	$ 537	$ 51,039	$ 260,303
Special mention	—	812	—	17	5	5	—	1	840
Substandard	—	1,593	—	—	—	—	—	—	1,593
Nonaccrual	—	44	—	8	12	4	1	2	70
Other consumer	$ 71	$ 195,353	$ 8,779	$ 3,989	$ 2,097	$ 1,007	$ 538	$ 51,042	$ 262,806
Total consumer:									
Risk rating:									
Pass	$ 7,213	$ 746,580	$1,090,942	$1,429,516	$2,413,475	$2,084,213	$1,337,197	$2,222,505	$11,324,429
Special mention	234	865	183	536	854	111	83	599	3,231
Substandard	—	1,593	598	10,154	91	—	—	225	12,660
Nonaccrual	1,105	253	2,220	4,203	16,694	10,450	8,526	43,548	85,894
Total consumer	$ 8,552	$ 749,291	$1,093,943	$1,444,409	$2,431,114	$2,094,773	$1,345,806	$2,266,877	$11,426,214
Total loans:									
Risk rating:									
Pass	$ 7,786	$ 2,816,040	$3,947,319	$4,513,161	$7,433,101	$4,619,542	$2,131,175	$3,484,288	$28,944,626
Special mention	234	48,036	64,879	21,101	42,202	38,536	5,204	9,409	229,367
Substandard	926	60,323	145,325	79,020	178,805	200,791	8,342	15,821	688,428
Nonaccrual	4,713	365	31,486	7,557	25,529	11,450	8,526	43,563	128,476
Total loans	$ 13,659	$ 2,924,763	$4,189,009	$4,620,840	$7,679,638	$4,870,319	$2,153,247	$3,553,082	$29,990,897

(a) Revolving loans converted to term loans are those converted during the reporting period and are also reported in their year of origination.

The following table presents loans by credit quality indicator by origination year at December 31, 2023:

($ in thousands)	Rev Loans Converted to Term[(a)]	Rev Loans Amortized Cost Basis	Term Loans Amortized Cost Basis by Origination Year[(a)] 2023	2022	2021	2020	2019	Prior	Total
Commercial and industrial:									
Risk rating:									
Pass	$ 1,380	$ 1,693,249	$1,736,617	$2,877,173	$1,824,362	$ 398,046	$ 383,695	$ 449,006	$ 9,362,149
Special mention	—	21,779	4,017	46,610	8,525	3,529	—	25,341	109,801
Substandard	804	81,924	10,515	39,748	47,279	17,732	94	291	197,582
Nonaccrual	6,414	—	13,317	14,188	33,891	627	—	—	62,022
Commercial and industrial	$ 8,598	$ 1,796,951	$1,764,466	$2,977,719	$1,914,057	$ 419,934	$ 383,789	$ 474,638	$ 9,731,555
Commercial real estate - owner occupied:									
Risk rating:									
Pass	$ —	$ 15,393	$ 204,039	$ 188,003	$ 239,218	$ 136,535	$ 135,730	$ 92,339	$ 1,011,259
Special mention	—	271	—	—	6,150	2,635	—	1,293	10,349
Substandard	—	292	14,735	2,791	6,416	8,537	3,086	2,841	38,699
Nonaccrual	—	—	1,394	—	—	—	—	—	1,394
Commercial real estate - owner occupied	$ —	$ 15,957	$ 220,168	$ 190,794	$ 251,783	$ 147,708	$ 138,816	$ 96,473	$ 1,061,700
Commercial and business lending:									
Risk rating:									
Pass	$ 1,380	$ 1,708,642	$1,940,657	$3,065,177	$2,063,580	$ 534,581	$ 519,426	$ 541,345	$10,373,408
Special mention	—	22,050	4,017	46,610	14,675	6,164	—	26,634	120,150
Substandard	804	82,216	25,250	42,539	53,695	26,269	3,180	3,132	236,281
Nonaccrual	6,414	—	14,710	14,188	33,891	627	—	—	63,416
Commercial and business lending	$ 8,598	$ 1,812,909	$1,984,635	$3,168,514	$2,165,840	$ 567,642	$ 522,606	$ 571,111	$10,793,255
Commercial real estate - investor:									
Risk rating:									
Pass	$ —	$ 155,109	$1,263,866	$1,247,434	$1,080,425	$ 471,371	$ 358,996	$ 239,230	$ 4,816,433
Special mention	—	502	4,248	25,474	26,208	—	29,772	6,014	92,218
Substandard	—	—	106,002	69,584	15,000	983	—	24,025	215,595
Commercial real estate - investor	$ —	$ 155,611	$1,374,116	$1,342,492	$1,121,633	$ 472,355	$ 388,768	$ 269,269	$ 5,124,245
Real estate construction:									
Risk rating:									
Pass	$ —	$ 23,307	$ 422,277	$1,176,608	$ 547,825	$ 87,680	$ 5,740	$ 7,954	$ 2,271,392
Nonaccrual	—	—	—	—	—	—	—	6	6
Real estate construction	$ —	$ 23,307	$ 422,277	$1,176,608	$ 547,825	$ 87,680	$ 5,740	$ 7,960	$ 2,271,398
Commercial real estate lending:									
Risk rating:									
Pass	$ —	$ 178,416	$1,686,143	$2,424,042	$1,628,250	$ 559,052	$ 364,737	$ 247,184	$ 7,087,824
Special mention	—	502	4,248	25,474	26,208	—	29,772	6,014	92,218
Substandard	—	—	106,002	69,584	15,000	983	—	24,025	215,595
Nonaccrual	—	—	—	—	—	—	—	6	6
Commercial real estate lending	$ —	$ 178,918	$1,796,393	$2,519,100	$1,669,458	$ 560,035	$ 394,508	$ 277,230	$ 7,395,644

($ in thousands)	Rev Loans Converted to Term[(a)]	Rev Loans Amortized Cost Basis	Term Loans Amortized Cost Basis by Origination Year[(a)] 2023	2022	2021	2020	2019	Prior	Total
Total commercial:									
Risk rating:									
Pass	$ 1,380	$ 1,887,058	$3,626,800	$5,489,219	$3,691,830	$1,093,633	$ 884,162	$ 788,529	$17,461,232
Special mention	—	22,552	8,265	72,084	40,882	6,164	29,772	32,648	212,368
Substandard	804	82,216	131,253	112,123	68,695	27,253	3,180	27,157	451,876
Nonaccrual	6,414	—	14,710	14,188	33,891	627	—	6	63,422
Total commercial	$ 8,598	$ 1,991,827	$3,781,028	$5,687,614	$3,835,298	$1,127,677	$ 917,114	$ 848,341	$18,188,898
Residential mortgage:									
Risk rating:									
Pass	$ —	$ —	$ 352,321	$1,617,409	$2,110,577	$1,414,186	$ 647,778	$1,650,542	$ 7,792,813
Special mention	—	—	—	—	—	—	95	57	152
Substandard	—	—	490	93	—	—	174	26	784
Nonaccrual	—	—	1,425	9,567	9,259	10,397	6,628	33,865	71,142
Residential mortgage	$ —	$ —	$ 354,236	$1,627,070	$2,119,836	$1,424,583	$ 654,675	$1,684,490	$ 7,864,891
Auto finance:									
Risk rating:									
Pass	$ —	$ —	$1,218,820	$ 952,839	$ 75,209	$ 163	$ 456	$ 132	$ 2,247,618
Special mention	—	—	619	1,850	205	—	—	—	2,674
Substandard	—	—	—	73	—	—	—	—	73
Nonaccrual	—	—	1,032	4,332	430	—	3	—	5,797
Auto finance	$ —	$ —	$1,220,471	$ 959,094	$ 75,844	$ 163	$ 458	$ 132	$ 2,256,162
Home equity:									
Risk rating:									
Pass	$ 8,703	$ 521,000	$ 1,678	$ 29,863	$ 6,084	$ 2,327	$ 4,891	$ 53,350	$ 619,192
Special mention	179	200	—	87	—	29	15	378	708
Substandard	10	75	10	—	—	—	33	—	118
Nonaccrual	1,302	160	29	495	132	144	368	7,180	8,508
Home equity	$ 10,195	$ 521,434	$ 1,717	$ 30,445	$ 6,217	$ 2,500	$ 5,308	$ 60,907	$ 628,526
Other consumer:									
Risk rating:									
Pass	$ 121	$ 196,632	$ 6,419	$ 3,732	$ 2,658	$ 1,127	$ 460	$ 64,121	$ 275,149
Special mention	26	843	9	—	3	20	—	6	881
Substandard	—	1,582	—	—	—	—	—	—	1,582
Nonaccrual	27	71	10	1	6	2	8	29	128
Other consumer	$ 174	$ 199,129	$ 6,438	$ 3,733	$ 2,668	$ 1,149	$ 468	$ 64,156	$ 277,740
Total consumer:									
Risk rating:									
Pass	$ 8,824	$ 717,632	$1,579,238	$2,603,843	$2,194,529	$1,417,802	$ 653,584	$1,768,145	$10,934,773
Special mention	205	1,043	628	1,936	208	49	110	441	4,416
Substandard	10	1,656	500	166	—	—	207	26	2,556
Nonaccrual	1,330	231	2,496	14,396	9,827	10,544	7,007	41,073	85,574
Total consumer	$ 10,369	$ 720,563	$1,582,862	$2,620,341	$2,204,564	$1,428,395	$ 660,909	$1,809,685	$11,027,319
Total loans:									
Risk rating:									
Pass	$ 10,204	$ 2,604,690	$5,206,038	$8,093,062	$5,886,359	$2,511,435	$1,537,747	$2,556,674	$28,396,005
Special mention	205	23,595	8,893	74,020	41,091	6,213	29,882	33,089	216,784
Substandard	814	83,872	131,753	112,289	68,695	27,253	3,387	27,183	454,432
Nonaccrual	7,744	231	17,206	28,584	43,718	11,170	7,007	41,080	148,997
Total loans	$ 18,966	$ 2,712,389	$5,363,890	$8,307,956	$6,039,862	$2,556,071	$1,578,023	$2,658,026	$29,216,218

(a) Revolving loans converted to term loans are those converted during the reporting period and are also reported in their year of origination.

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The following table presents gross charge offs by origination year for the nine months ended September 30, 2024:

		Gross Charge Offs by Origination Year						
($ in thousands)	Rev Loans Amortized Cost Basis	2024	2023	2022	2021	2020	Prior	Total
Commercial and industrial	$ 3,079	$ 128	$ 10,595	$ 8,162	$ 22,929	$ 3	$ —	$ 44,896
Commercial real estate-owner occupied	—	—	—	—	—	—	3	3
Commercial and business lending	3,079	128	10,595	8,162	22,929	3	3	44,899
Commercial real estate-investor	—	—	1	—	4,569	—	—	4,570
Real estate construction	—	—	—	—	—	—	—	—
Commercial real estate lending	—	—	1	—	4,569	—	—	4,570
Total commercial	3,079	128	10,596	8,162	27,498	3	3	49,469
Residential mortgage	—	—	171	94	42	112	283	703
Auto finance	—	129	2,235	4,393	433	—	—	7,189
Home equity	93	—	—	9	19	10	37	168
Other consumer	4,829	20	50	63	68	41	46	5,116
Total consumer	4,922	149	2,456	4,558	562	163	366	13,176
Total gross charge offs	$ 8,001	$ 277	$ 13,052	$ 12,720	$ 28,060	$ 166	$ 369	$ 62,645

The following table presents gross charge offs by origination year for the year ended December 31, 2023:

		Gross Charge Offs by Origination Year						
($ in thousands)	Rev Loans Amortized Cost Basis	2023	2022	2021	2020	2019	Prior	Total
Commercial and industrial	$ 4,130	$ 717	$ 9,594	$ 25,270	$ 5,958	$ —	$ 18	$ 45,687
Commercial real estate-owner occupied	—	—	—	—	—	25	—	25
Commercial and business lending	4,130	717	9,594	25,270	5,958	25	18	45,713
Commercial real estate-investor	—	—	—	—	—	—	252	252
Real estate construction	—	—	—	—	—	—	25	25
Commercial real estate lending	—	—	—	—	—	—	277	277
Total commercial	4,130	717	9,594	25,270	5,958	25	295	45,989
Residential mortgage	—	2	32	42	148	5	723	952
Auto finance	—	795	4,524	626	—	5	—	5,950
Home equity	53	21	3	31	—	22	294	424
Other consumer	4,884	—	72	124	131	72	170	5,453
Total consumer	4,937	818	4,630	823	279	105	1,187	12,779
Total gross charge offs	$ 9,068	$ 1,535	$ 14,224	$ 26,093	$ 6,237	$ 130	$ 1,482	$ 58,768

Factors that are important to managing overall credit quality are sound loan underwriting and administration, systematic monitoring of existing loans and commitments, effective loan review on an ongoing basis, early identification of potential problems, and appropriate policies for ACLL, nonaccrual loans, and charge offs.

For commercial loans, management has determined the pass credit quality indicator to include credits exhibiting acceptable financial statements, cash flow, and leverage. If any risk exists, it is mitigated by the loan structure, collateral, monitoring, or control. For consumer loans, performing loans include credits performing in accordance with the original contractual terms.

Loans are considered past due if the required principal and interest payments have not been received as of the date such payments were due. Special mention credits have potential weaknesses that warrant specific attention from management. If left uncorrected, these potential weaknesses may result in deterioration of the repayment prospects for the credit. Accruing loan modifications could be pass or special mention, depending on the risk rating on the loan. Substandard loans are considered inadequately protected by the current net worth and paying capacity of the obligor or the collateral pledged. These loans generally have a well-defined weakness, or weaknesses, which may jeopardize liquidation of the debt, and are characterized by the distinct possibility the Corporation will sustain some loss if the deficiencies are not corrected. Management has determined commercial loan relationships in nonaccrual status, and commercial and consumer loan relationships with their terms restructured in a loan modification, meet the criteria to be individually evaluated. Commercial loans classified as special mention, substandard, and nonaccrual are reviewed at a minimum on a quarterly basis, while pass credits, which are performing rated credits, are generally reviewed on an annual basis or more frequently if the loan renewal is less than one year or if otherwise warranted.

The recorded investment of consumer loans secured by residential real estate properties for which foreclosure proceedings are in process totaled $24 million at September 30, 2024 and $16 million at December 31, 2023.

The following table presents loans by past due status at September 30, 2024:

	Accruing					
($ in thousands)	Current	30-59 Days Past Due	60-89 Days Past Due	90+ Days Past Due	Nonaccrual[(a)(b)]	Total
Commercial and industrial	$ 10,242,844	$ 950	$ 262	$ 474	$ 14,369	$ 10,258,899
Commercial real estate - owner occupied	1,109,355	2,209	—	—	9,285	1,120,849
Commercial and business lending	11,352,200	3,159	262	474	23,654	11,379,748
Commercial real estate - investor	5,036,091	10,746	—	4,885	18,913	5,070,635
Real estate construction	2,114,197	72	16	—	15	2,114,300
Commercial real estate lending	7,150,288	10,818	16	4,885	18,928	7,184,934
Total commercial	18,502,488	13,977	278	5,359	42,582	18,564,683
Residential mortgage	7,719,316	13,477	153	—	70,138	7,803,083
Auto finance	2,686,032	13,860	1,598	—	7,456	2,708,946
Home equity	640,002	2,507	639	—	8,231	651,379
Other consumer	258,824	1,265	898	1,748	70	262,806
Total consumer	11,304,174	31,109	3,288	1,748	85,894	11,426,214
Total loans	$ 29,806,662	$ 45,086	$ 3,566	$ 7,107	$ 128,476	$ 29,990,897

(a) Of the total nonaccrual loans, $64 million, or 50%, were current with respect to payment at September 30, 2024.
(b) No interest income was recognized on nonaccrual loans for the three and nine months ended September 30, 2024. In addition, there were $16 million of nonaccrual loans for which there was no related ACLL at September 30, 2024.

The following table presents loans by past due status at December 31, 2023:

	Accruing					
($ in thousands)	Current	30-59 Days Past Due	60-89 Days Past Due	90+ Days Past Due	Nonaccrual[(a)(b)]	Total
Commercial and industrial	$ 9,663,587	$ 5,374	$ 191	$ 380	$ 62,022	$ 9,731,555
Commercial real estate - owner occupied	1,059,948	—	358	—	1,394	1,061,700
Commercial and business lending	10,723,536	5,374	549	380	63,416	10,793,255
Commercial real estate - investor	5,086,117	—	18,697	19,432	—	5,124,245
Real estate construction	2,271,392	—	—	—	6	2,271,398
Commercial real estate lending	7,357,509	—	18,697	19,432	6	7,395,644
Total commercial	18,081,044	5,374	19,246	19,812	63,422	18,188,898
Residential mortgage	7,780,304	13,294	152	—	71,142	7,864,891
Auto finance	2,232,906	14,712	2,674	73	5,797	2,256,162
Home equity	615,810	3,500	708	—	8,508	628,526
Other consumer	273,644	1,233	932	1,803	128	277,740
Total consumer	10,902,664	32,739	4,467	1,876	85,574	11,027,319
Total loans	$ 28,983,708	$ 38,113	$ 23,712	$ 21,689	$ 148,997	$ 29,216,218

(a) Of the total nonaccrual loans, $80 million, or 53%, were current with respect to payment at December 31, 2023.
(b) No interest income was recognized on nonaccrual loans for the year ended December 31, 2023. In addition, there were $23 million of nonaccrual loans for which there was no related ACLL at December 31, 2023.

Loan Modifications

The following tables show the composition of loan modifications made to borrowers experiencing financial difficulty by the loan portfolio and type of concessions granted during the three and nine months ended September 30, 2024 and September 30, 2023. Each of the types of concessions granted comprised less than 1% of their respective classes of loan portfolios at September 30, 2024.

	Interest Rate Concession			
	Amortized Cost			
	Three Months Ended Sep 30,		Nine Months Ended Sep 30,	
($ in thousands)	2024	2023	2024	2023
Commercial and industrial	$ 179	$ 97	$ 364	$ 234
Auto	29	113	40	169
Home equity	—	—	—	77
Other consumer	622	568	1,425	1,243
Total loans modified	$ 830	$ 779	$ 1,828	$ 1,724

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($ in thousands)	Term Extension Amortized Cost Three Months Ended Sep 30, 2024	2023	Nine Months Ended Sep 30, 2024	2023
Residential mortgage	$ —	$ —	$ —	$ 208
Home equity	—	—	—	26
Total loans modified	$ —	$ —	$ —	$ 234

($ in thousands)	Combination - Interest Rate Concession and Term Extension Amortized Cost Three Months Ended Sep 30, 2024	2023	Nine Months Ended Sep 30, 2024	2023
Residential mortgage	$ 1,215	$ 315	$ 1,994	$ 830
Home equity	163	97	192	262
Total loans modified	$ 1,379	$ 412	$ 2,186	$ 1,092

The following tables summarize, by loan portfolio, the financial effect of the Corporation's loan modifications on the modified loans as of September 30, 2024 and September 30, 2023:

Loan Type	Interest Rate Concession Financial Effect, Weighted Average Contractual Interest Rate (Decrease) Increase[(a)] Three Months Ended Sep 30, 2024	2023	Nine Months Ended Sep 30, 2024	2023
Commercial and industrial	(19)%	(20)%	(18)%	(18)%
Residential mortgage	2 %	1 %	2 %	1 %
Auto	(8)%	(5)%	(8)%	(4)%
Home equity	(3)%	— %	(3)%	— %
Other consumer	(21)%	(21)%	(21)%	(21)%
Weighted average of total loans modified	(7)%	(12)%	(8)%	(10)%

(a) Due to market conditions, some interest rate concessions on floating rate loans may involve an increase in rate that was lower in comparison to the rate of increase for floating rate loans not modified.

Loan Type	Term Extension Financial Effect, Weighted Average Term Increase[(a)] Three Months Ended Sep 30, 2024	2023	Nine Months Ended Sep 30, 2024	2023
Residential mortgage	105 months	102 months	116 months	66 months
Home equity	64 months	55 months	64 months	93 months
Weighted average of total loans modified	100 months	92 months	111 months	72 months

(a) During the three months ended September 30, 2024 and September 30, 2023, term extensions changed the weighted average term on modified loans from 273 to 373 months and 123 to 215 months, respectively. During the nine months ended September 30, 2024 and September 30, 2023, term extensions changed the weighted average term on modified loans from 272 to 383 months and 192 to 264 months, respectively.

The Corporation closely monitors the performance of loans that are modified to borrowers experiencing financial difficulty to understand the effectiveness of its modification efforts. The following table depicts the performance of loans that have been modified in the twelve months ended September 30, 2024:

($ in thousands)	Payment Status (Amortized Cost Basis) Current	30-89 Days Past Due
Commercial and industrial	$ 424	$ —
Residential mortgage	1,462	568
Auto	22	21
Home equity	235	33
Other consumer	1,642	—
Total loans modified	$ 3,783	$ 622

The following table depicts the performance of loans that have been modified in the nine months ended September 30, 2023:

	Payment Status (Amortized Cost Basis)		
($ in thousands)	Current	30-89 Days Past Due	90+ Days Past Due
Commercial and industrial	$ 234	$ —	$ —
Residential mortgage	704	126	208
Auto	169	—	—
Home equity	280	—	85
Other consumer	1,243	—	—
Total loans modified	$ 2,631	$ 126	$ 293

The following table provides the amortized cost of loan modifications by loan portfolio and type of concession that were modified in the previous twelve months and subsequently had a payment default during the nine months ended September 30, 2024:

	Amortized Cost of Loan Modifications that Subsequently Defaulted		
($ in thousands)	Interest Rate Concession	Term Extension	Combination Interest Rate Reduction and Term Extension
Auto	$ 8	$ —	$ —
Home equity	—	—	132
Total loans modified	$ 8	$ —	$ 132

The following table provides the amortized cost of loan modifications by loan portfolio and type of concession that were modified in the previous nine months and subsequently had a payment default during the nine months ended September 30, 2023:

	Amortized Cost of Loan Modifications that Subsequently Defaulted		
($ in thousands)	Interest Rate Concession	Term Extension	Combination Interest Rate Reduction and Term Extension
Residential mortgage	$ —	$ 208	$ 206
Home equity	—	—	18
Total loans modified	$ —	$ 208	$ 224

The nature and extent of the impairment of modified loans, including those which have experienced a subsequent payment default, are considered in the determination of an appropriate level of the ACLL.

Allowance for Credit Losses on Loans

The ACLL is comprised of the allowance for loan losses and the allowance for unfunded commitments. The level of the ACLL represents management's estimate of an amount appropriate to provide for expected lifetime credit losses in the loan portfolio at the balance sheet date. The expected lifetime credit losses are the product of multiplying the Corporation's estimates of probability of default, loss given default, and the individual loan level exposure at default on an undiscounted basis. A main factor in the determination of the ACLL is the economic forecast. The forecast the Corporation used for September 30, 2024 was the Moody's baseline scenario from August 2024, which was reviewed against the September 2024 baseline scenario with no material updates made, over a two year reasonable and supportable period with straight-line reversion to the historical losses over the second year of the period. The allowance for unfunded commitments is maintained at a level believed by management to be sufficient to absorb expected lifetime losses related to unfunded credit facilities (including unfunded loan commitments and letters of credit). See Note 11 for additional information on the change in the allowance for unfunded commitments.

The following table presents a summary of the changes in the ACLL by portfolio segment for the nine months ended September 30, 2024:

($ in thousands)	Dec 31, 2023	Charge offs	Recoveries	Net Charge offs	Provision for credit losses	Sep 30, 2024	ACLL / Loans
Allowance for loan losses							
Commercial and industrial	$ 128,263	$ (44,896)	$ 1,933	$ (42,963)	$ 33,104	$ 118,404	
Commercial real estate — owner occupied	10,610	(3)	6	4	1,099	11,713	
Commercial and business lending	138,873	(44,899)	1,939	(42,959)	34,202	130,116	
Commercial real estate — investor	67,858	(4,570)	—	(4,570)	14,776	78,064	
Real estate construction	53,554	—	60	60	8,287	61,901	
Commercial real estate lending	121,412	(4,570)	60	(4,509)	23,063	139,965	
Total commercial	260,285	(49,469)	2,000	(47,469)	57,265	270,081	
Residential mortgage	37,808	(703)	192	(510)	(2,366)	34,931	
Auto finance	24,961	(7,189)	2,335	(4,855)	7,914	28,020	
Home equity	15,403	(168)	1,041	873	(197)	16,079	
Other consumer	12,638	(5,116)	748	(4,368)	4,384	12,653	
Total consumer	90,809	(13,176)	4,316	(8,860)	9,735	91,684	
Total loans	$ 351,094	$ (62,645)	$ 6,316	$ (56,329)	$ 67,000	$ 361,765	
Allowance for unfunded commitments							
Commercial and industrial	$ 13,319	$ —	$ —	$ —	$ 452	$ 13,771	
Commercial real estate — owner occupied	149	—	—	—	(62)	87	
Commercial and business lending	13,468	—	—	—	390	13,858	
Commercial real estate — investor	480	—	—	—	199	679	
Real estate construction	17,024	—	—	—	211	17,235	
Commercial real estate lending	17,504	—	—	—	410	17,914	
Total commercial	30,972	—	—	—	800	31,772	
Home equity	2,629	—	—	—	(81)	2,548	
Other consumer	1,174	—	—	—	282	1,456	
Total consumer	3,803	—	—	—	200	4,004	
Total loans	$ 34,776	$ —	$ —	$ —	$ 1,000	$ 35,776	
Allowance for credit losses on loans							
Commercial and industrial	$ 141,582	$ (44,896)	$ 1,933	$ (42,963)	$ 33,556	$ 132,175	1.29 %
Commercial real estate — owner occupied	10,759	(3)	6	4	1,036	11,799	1.05 %
Commercial and business lending	152,341	(44,899)	1,939	(42,959)	34,592	143,974	1.27 %
Commercial real estate — investor	68,338	(4,570)	—	(4,570)	14,975	78,743	1.55 %
Real estate construction	70,578	—	60	60	8,497	79,136	3.74 %
Commercial real estate lending	138,916	(4,570)	60	(4,509)	23,472	157,879	2.20 %
Total commercial	291,257	(49,469)	2,000	(47,469)	58,065	301,853	1.63 %
Residential mortgage	37,808	(703)	192	(510)	(2,366)	34,931	0.45 %
Auto finance	24,961	(7,189)	2,335	(4,855)	7,914	28,020	1.03 %
Home equity	18,032	(168)	1,041	873	(278)	18,627	2.86 %
Other consumer	13,812	(5,116)	748	(4,368)	4,665	14,109	5.37 %
Total consumer	94,613	(13,176)	4,316	(8,860)	9,935	95,688	0.84 %
Total loans	$ 385,870	$ (62,645)	$ 6,316	$ (56,329)	$ 68,000	$ 397,541	1.33 %

The following table presents a summary of the changes in the ACLL by portfolio segment for the year ended December 31, 2023:

($ in thousands)	Dec 31, 2022	Charge offs	Recoveries	Net Charge offs	Provision for credit losses	Dec 31, 2023	ACLL / Loans
Allowance for loan losses							
Commercial and industrial	$ 119,076	$ (45,687)	$ 3,015	$ (42,672)	$ 51,859	$ 128,263	
Commercial real estate — owner occupied	9,475	(25)	11	(15)	1,150	10,610	
Commercial and business lending	128,551	(45,713)	3,026	(42,687)	53,009	138,873	
Commercial real estate — investor	54,398	(252)	3,016	2,763	10,697	67,858	
Real estate construction	45,589	(25)	80	55	7,910	53,554	
Commercial real estate lending	99,986	(277)	3,095	2,819	18,607	121,412	
Total commercial	228,538	(45,989)	6,121	(39,868)	71,616	260,285	
Residential mortgage	38,298	(952)	541	(411)	(79)	37,808	
Auto finance	19,619	(5,950)	1,241	(4,709)	10,051	24,961	
Home equity	14,875	(424)	1,262	837	(310)	15,403	
Other consumer	11,390	(5,453)	978	(4,475)	5,723	12,638	
Total consumer	84,182	(12,779)	4,021	(8,758)	15,384	90,809	
Total loans	$ 312,720	$ (58,768)	$ 10,142	$ (48,626)	$ 87,000	$ 351,094	
Allowance for unfunded commitments							
Commercial and industrial	$ 12,997	$ —	$ —	$ —	$ 321	$ 13,319	
Commercial real estate — owner occupied	103	—	—	—	46	149	
Commercial and business lending	13,101	—	—	—	367	13,468	
Commercial real estate — investor	710	—	—	—	(230)	480	
Real estate construction	20,583	—	—	—	(3,558)	17,024	
Commercial real estate lending	21,292	—	—	—	(3,788)	17,504	
Total commercial	34,393	—	—	—	(3,421)	30,972	
Home equity	2,699	—	—	—	(70)	2,629	
Other consumer	1,683	—	—	—	(509)	1,174	
Total consumer	4,382	—	—	—	(579)	3,803	
Total loans	$ 38,776	$ —	$ —	$ —	$ (4,000)	$ 34,776	
Allowance for credit losses on loans							
Commercial and industrial	$ 132,073	$ (45,687)	$ 3,015	$ (42,672)	$ 52,181	$ 141,582	1.45 %
Commercial real estate — owner occupied	9,579	(25)	11	(15)	1,195	10,759	1.01 %
Commercial and business lending	141,652	(45,713)	3,026	(42,687)	53,376	152,341	1.41 %
Commercial real estate — investor	55,108	(252)	3,016	2,763	10,467	68,338	1.33 %
Real estate construction	66,171	(25)	80	55	4,351	70,578	3.11 %
Commercial real estate lending	121,279	(277)	3,095	2,819	14,819	138,916	1.88 %
Total commercial	262,931	(45,989)	6,121	(39,868)	68,195	291,257	1.60 %
Residential mortgage	38,298	(952)	541	(411)	(79)	37,808	0.48 %
Auto finance	19,619	(5,950)	1,241	(4,709)	10,051	24,961	1.11 %
Home equity	17,574	(424)	1,262	837	(380)	18,032	2.87 %
Other consumer	13,073	(5,453)	978	(4,475)	5,214	13,812	4.97 %
Total consumer	88,565	(12,779)	4,021	(8,758)	14,805	94,613	0.86 %
Total loans	$ 351,496	$ (58,768)	$ 10,142	$ (48,626)	$ 83,000	$ 385,870	1.32 %

Note 7 Goodwill and Other Intangible Assets

Goodwill

Goodwill is not amortized but is instead subject to impairment tests on at least an annual basis, and more frequently if an event occurs or circumstances change that would more likely than not reduce the fair value of a reporting unit below its carrying amount.

The Corporation conducted its most recent annual impairment testing in May 2024, utilizing a qualitative assessment. Based on this assessment, management concluded that it is more likely than not that the estimated fair value exceeded the carrying value (including goodwill) for each reporting unit. Therefore, a step one quantitative analysis was not required. There have been no events since the May 2024 impairment test that have changed the Corporation's impairment assessment conclusion. There were no impairment charges recorded in 2023 or the first nine months of 2024.

The Corporation had goodwill of $1.1 billion at both September 30, 2024 and December 31, 2023.

Core Deposit Intangibles

The Corporation has CDIs which are amortized. Changes in the gross carrying amount, accumulated amortization, and net book value for CDIs were as follows:

($ in thousands)	Nine Months Ended Sep 30, 2024	Year Ended Dec 31, 2023
Core deposit intangibles		
Gross carrying amount at the beginning of period	$ 88,109	$ 88,109
Accumulated amortization	(54,246)	(47,638)
Net book value	$ 33,863	$ 40,471
Amortization during the period	$ 6,608	$ 8,811

Mortgage Servicing Rights

The Corporation sells residential mortgage loans in the secondary market and typically retains the right to service the loans sold. MSRs are not traded in active markets. As a result, a cash flow model is used to determine fair value. Key assumptions and estimates, including projected prepayment speeds, assumed servicing costs, ancillary income, costs to service delinquent loans, costs of foreclosure, and discount rates with option-adjusted spreads, are used in measuring the fair value of the MSRs asset. These assumptions are considered significant unobservable inputs. See Note 11 for a discussion of the recourse provisions on sold residential mortgage loans. See Note 12 which further discusses fair value measurement relative to the MSRs asset.

A summary of changes in the balance of the MSRs asset under the fair value measurement method for the nine months ended September 30, 2024 and the year ended December 31, 2023 is as follows:

($ in thousands)	Nine Months Ended Sep 30, 2024	Year Ended Dec 31, 2023
Mortgage servicing rights		
Mortgage servicing rights at beginning of period	$ 84,390	$ 77,351
Additions	4,458	3,564
Decay	(5,913)	(7,185)
Valuation:		
Change in fair value model assumptions	—	8,881
Changes in fair value of asset	(959)	1,778
Mortgage servicing rights at end of period	$ 81,977	$ 84,390
Portfolio of residential mortgage loans serviced for others ("servicing portfolio")[(a)]	$ 6,302,408	$ 7,364,492
Mortgage servicing rights to servicing portfolio[(a)]	1.30 %	1.15 %

(a) During the fourth quarter of 2023, the Corporation transferred $969 million of residential mortgages into held for sale and subsequently sold them for $844 million. After sale, the servicing was retained for a short period until full servicing was transferred to the purchaser in January 2024.

The projections of amortization expense for CDIs and decay for MSRs are based on existing asset balances, the current interest rate environment, and prepayment speeds as of September 30, 2024. The actual expense the Corporation recognizes in any given period may be significantly different depending upon acquisition or sale activities, changes in interest rates, prepayment speeds, market conditions, regulatory requirements, and events or circumstances that indicate the carrying amount of an asset may not be recoverable. The following table shows the estimated future amortization expense for CDIs and decay for MSRs:

($ in thousands)	Core Deposit Intangibles	Mortgage Servicing Rights
Three months ended December 31, 2024	$ 2,203	$ 2,458
2025	8,811	11,983
2026	8,811	11,479
2027	8,811	10,478
2028	3,485	9,379
2029	1,681	8,224
Beyond 2029	61	27,975
Total estimated amortization expense and MSRs decay	$ 33,863	$ 81,977

Note 8 Short and Long-Term Funding

The following table presents the components of short-term funding (funding with original contractual maturities of one year or less), and long-term funding (funding with original contractual maturities greater than one year):

($ in thousands)	Sep 30, 2024	Dec 31, 2023
Short-term funding		
Federal funds purchased	$ 306,040	$ 220,160
Securities sold under agreements to repurchase	110,988	106,620
Federal funds purchased and securities sold under agreements to repurchase	417,028	326,780
BTFP funding	500,000	—
Total short-term funding	$ 917,028	$ 326,780
Long-term funding		
Corporation senior notes, at par	$ 300,000	$ —
Corporation subordinated notes, at par	550,000	550,000
Discount and capitalized costs	(8,807)	(7,748)
Subordinated debt fair value hedge[(a)]	2,832	(1,366)
Finance leases	317	383
Total long-term funding	$ 844,342	$ 541,269
Total short and long-term funding, excluding FHLB advances	$ 1,761,370	$ 868,049
FHLB advances		
Short-term FHLB advances	$ 705,000	$ 740,000
Long-term FHLB advances	1,211,835	1,209,907
FHLB advances fair value hedge[(a)]	(3,541)	(9,713)
Total FHLB advances	$ 1,913,294	$ 1,940,194
Total short and long-term funding	$ 3,674,663	$ 2,808,243

(a) For additional information on the fair value hedges, see Note 9.

Securities Sold Under Agreements to Repurchase

The Corporation enters into agreements under which it sells securities subject to an obligation to repurchase the same or similar securities. Under these arrangements, the Corporation may transfer legal control over the assets but still retain effective control through an agreement that both entitles and obligates the Corporation to repurchase the assets. The obligation to repurchase the securities is reflected as a liability on the Corporation’s consolidated balance sheets, while the securities underlying the repurchase agreements remain in the respective investment securities asset accounts (i.e., there is no offsetting or netting of the investment securities assets with the repurchase agreement liabilities).

The Corporation utilizes repurchase agreements to facilitate the needs of its customers. The fair value of securities pledged to secure repurchase agreements may decline. At September 30, 2024, the Corporation had pledged securities valued at 174% of the gross outstanding balance of repurchase agreements to manage this risk.

The remaining contractual maturity of the securities sold under agreements to repurchase on the consolidated balance sheets as of September 30, 2024 and December 31, 2023 are presented in the following table:

	Overnight and Continuous	
($ in thousands)	Sep 30, 2024	Dec 31, 2023
Repurchase agreements		
Agency mortgage-related securities	$ 110,988	$ 106,620

Long-Term Funding

Senior Notes

In August 2024, the Corporation issued $300 million in aggregate principal amount of 6.455% Fixed Rate / Floating Rate Senior Notes Due August 29, 2030. During the period from, and including, August 29, 2024, to, but excluding, August 29, 2029, the senior notes will have a fixed coupon interest rate of 6.455% per annum, payable semi-annually in arrears. During the period from, and including, August 29, 2029, to, but excluding, the maturity date, the senior notes will have a floating rate per annum equal to Compounded SOFR (as defined in the Global Note issued in connection with the senior notes) plus 3.030%, payable quarterly in arrears. Prior to August 29, 2029, the Corporation may, at its option, redeem the senior notes, in whole or in part, at any time and from time to time, by paying the aggregate principal amount of the notes to be redeemed plus a "make whole" premium plus accrued and unpaid interest thereon, if any, to, but excluding, the redemption date. On August 29, 2029, the Corporation may redeem the senior notes, in whole, but not in part, by paying the aggregate principal amount of the notes to be redeemed plus accrued and unpaid interest thereon, if any, to, but excluding, the redemption date. At any time and from time to time on or after July 30, 2030 (30 days prior to the maturity date), the Corporation may redeem the senior notes in whole or in part by paying the aggregate principal amount of the senior notes to be redeemed plus accrued and unpaid interest thereon, if any, to, but excluding, the redemption date. There is no sinking fund for the senior notes. The senior notes were issued at a discount.

Subordinated Notes

In February 2023, the Corporation issued $300 million of 10-year subordinated notes, due March 1, 2033 and redeemable (i) on the reset date of March 1, 2028 and any interest payment date thereafter, (ii) at any time on or after the three month period prior to the maturity date, and (iii) upon the occurrence of a Regulatory Capital Treatment Event (as defined in the Global Note). The subordinated notes have a fixed coupon interest rate of 6.625% until the reset date, after which the rate will be equal to the Five-Year U.S. Treasury Rate as of the reset date plus 2.812% per annum. The notes were issued at a discount.

In November 2014, the Corporation issued $250 million of 10-year subordinated notes, due January 2025, and callable October 2024. The subordinated notes have a fixed coupon interest rate of 4.25% and were issued at a discount.

Finance Leases

Finance leases are used in conjunction with branch operations. See Note 16 for additional disclosure regarding the Corporation’s leases.

Note 9 Derivative and Hedging Activities

The Corporation enters into derivative financial instruments to manage exposures that arise from business activities that result in the payment of future known and uncertain cash amounts, the value of which are determined by interest and currency rates as well as other economic conditions.

At inception, the Corporation designates the derivative contract as either a fair value hedge (i.e., a hedge of the fair value of a recognized asset or liability), a cash flow hedge (i.e., a hedge of the variability of cash flows to be received or paid related to a recognized asset or liability), or a non-designated hedge. The hedge accounting methodologies applied for fair value, cash flow, and non-designated hedges are described in the Derivative and Hedging Activities note in the Corporation's 2023 Annual Report on Form 10-K.

The contract or notional amount of a derivative is used to determine, along with the other terms of the derivative, the amounts to be exchanged between the counterparties. The Corporation is exposed to credit risk in the event of nonperformance by counterparties to financial instruments. To mitigate the counterparty risk, contracts generally contain language outlining collateral pledging requirements for each counterparty. For non-centrally cleared derivatives, collateral must be posted when the market value exceeds certain mutually agreed upon threshold limits. Securities and cash are often pledged as collateral. The Corporation pledged $87 million and $93 million of investment securities as collateral at September 30, 2024, and December 31, 2023, respectively. Cash is often pledged as collateral for derivatives that are not centrally cleared. The Corporation's required cash collateral was $13 million at September 30, 2024, compared to $5 million at December 31, 2023. For fair value information and disclosures and for the Corporation's accounting policy for derivative and hedging activities, see the Fair Value Measurements and Summary of Significant Accounting Policies notes in the Corporation's 2023 Annual Report on Form 10-K.

The following table presents the total notional amounts and gross fair values of the Corporation's derivatives, as well as the balance sheet netting adjustments as of September 30, 2024 and December 31, 2023:

	Sep 30, 2024				Dec 31, 2023			
	Asset		Liability		Asset		Liability	
($ in thousands)	Notional Amount	Fair Value	Notional Amount	Fair Value	Notional Amount	Fair Value	Notional Amount	Fair Value
Designated as hedging instruments:								
Interest rate-related instruments[(a)]	$ 3,100,000	$ 20,010	$ 200,000	$ 91	$ 2,300,000	$ 8,075	$ 550,000	$ 930
Foreign currency exchange forwards	277,977	275	104,064	689	231,566	632	189,212	2,946
Total designated as hedging instruments		20,285		780		8,707		3,876
Not designated as hedging instruments:								
Interest rate-related and other instruments	3,862,763	95,396	6,526,977	142,560	3,603,513	111,623	6,528,471	195,662
Foreign currency exchange forwards	108,995	4,865	112,825	4,579	87,526	2,954	135,654	2,746
Mortgage banking[(b)]	59,674	822	121,000	485	29,490	439	51,500	673
Total not designated as hedging instruments		101,082		147,624		115,016		199,082
Gross derivatives before netting		121,367		148,404		123,723		202,958
Less: Legally enforceable master netting agreements		19,037		19,037		18,234		18,234
Less: Cash collateral pledged/received		8,572		8,631		35,855		—
Total derivative instruments, after netting		$ 93,758		$ 120,736		$ 69,634		$ 184,724

(a) The notional amounts of the interest rate-related instruments designated as hedging instruments include forward starting interest rate swaps with an effective date ranging from December 1, 2024 to March 1, 2025, where the asset notional amount and fair value on such swaps were $450 million and $7 million, respectively.
(b) The notional amount of the mortgage derivative asset includes interest rate lock commitments, while the notional amount of the mortgage derivative liability includes forward commitments.

The following table presents amounts that were recorded on the consolidated balance sheets related to cumulative basis adjustments for fair value hedges:

	Line Item in the Consolidated Balance Sheets in Which the Hedged Item is Included			
	Carrying Amount of the Hedged Assets/(Liabilities)[(a)]	Cumulative Amount of Fair Value Hedging Adjustment Included in the Carrying Amount of the Hedged Assets/(Liabilities)	Carrying Amount of the Hedged Assets/(Liabilities)[(a)]	Cumulative Amount of Fair Value Hedging Adjustment Included in the Carrying Amount of the Hedged Assets/(Liabilities)
($ in thousands)	Sep 30, 2024		Dec 31, 2023	
Other long-term funding	$ (552,832)	$ (2,832)	$ (548,634)	$ 1,366
FHLB advances	(596,459)	3,541	(590,287)	9,713
Total	$ (1,149,290)	$ 710	$ (1,138,921)	$ 11,079

(a) Excludes hedged items where only foreign currency risk is the designated hedged risk. At September 30, 2024 and December 31, 2023, the carrying amount excluded for foreign currency denominated loans was $382 million and $421 million, respectively.

The Corporation terminated its $500 million fair value hedge during the fourth quarter of 2019. At September 30, 2024, the amortized cost basis of the closed portfolios which had previously been used in the terminated hedging relationship was $245 million and is included in loans on the consolidated balance sheets. This amount includes $1 million of hedging adjustments on the discontinued hedging relationships, which are not presented in the table above.

The tables below identify the effect of fair value and cash flow hedge accounting on the Corporation's consolidated statements of income for the three and nine months ended September 30, 2024 and 2023:

	Location and Amount Recognized on the Consolidated Statements of Income in Fair Value and Cash Flow Hedging Relationships							
	Three Months Ended Sep 30,				Nine Months Ended Sep 30,			
	2024		2023		2024		2023	
($ in thousands)	Interest Income	Interest Expense	Interest Income	Interest Expense	Interest Income	Interest Expense	Interest Income	Interest Expense
Total amounts of income/expense presented on the consolidated statements of income in which the effects of the fair value or cash flow hedges are recorded[(a)]	$ (4,736)	$ 5,318	$ (4,589)	$ 5,195	$ (14,404)	$ 16,007	$ (9,286)	$ 12,039
The effects of fair value and cash flow hedging: Impact on fair value hedging relationships in Subtopic 815-20								
Interest contracts:								
Hedged items	(31)	20,148	(74)	(9,001)	(107)	10,369	(189)	(18,652)
Derivatives designated as hedging instruments[(a)]	(4,705)	(14,830)	(4,516)	14,196	(14,297)	5,638	(9,097)	30,691

(a) Includes net settlements on the derivatives.

($ in thousands)	Location and Amount Recognized on the Consolidated Statements of Income in Fair Value Hedging Relationships			
	Three Months Ended Sep 30,		Nine Months Ended Sep 30,	
	2024	2023	2024	2023
	Capital Markets, Net	Capital Markets, Net	Capital Markets, Net	Capital Markets, Net
Total amounts of income/expense presented on the consolidated statements of income in which the effects of the fair value hedges are recorded	$ —	$ —	$ —	$ —
The effects of fair value hedging: Impact on fair value hedging relationships in Subtopic 815-20				
Foreign currency contracts:				
Hedged items	5,370	(11,575)	(7,969)	(2,186)
Derivatives designated as hedging instruments	(5,370)	11,575	7,969	2,186

The following table presents the effect of cash flow hedge accounting on accumulated other comprehensive income (loss) for the three and nine months ended September 30, 2024 and 2023:

($ in thousands)	Three Months Ended Sep 30, 2024	Three Months Ended Sep 30, 2023	Nine Months Ended Sep 30, 2024	Nine Months Ended Sep 30, 2023
Interest rate-related instruments designated as cash flow hedging instruments				
Amount of income (loss) recognized in OCI on cash flow hedge derivative[(a)]	$ 25,609	$ (13,592)	$ (639)	$ (33,976)
Amount of loss reclassified from accumulated other comprehensive income (loss) into interest income[(a)]	4,705	4,516	14,297	9,097

(a) The entirety of gains (losses) recognized in OCI as well as the losses reclassified from accumulated other comprehensive income (loss) into interest income were included components in the assessment of hedge effectiveness.

Amounts reported in accumulated other comprehensive income (loss) related to cash flow hedge derivatives are reclassified to interest income as interest payments are made on the hedged variable interest rate assets. The Corporation estimates that $6 million will be reclassified as an increase to interest income over the next 12 months. This amount could differ from amounts actually recognized due to changes in interest rates, hedge de-designations, or the addition of other hedges subsequent to September 30, 2024. The maximum length of time over which the Corporation is hedging its exposure to the variability in future cash flows is 32 months as of September 30, 2024.

The table below identifies the effect of derivatives not designated as hedging instruments on the Corporation's consolidated statements of income for the three and nine months ended September 30, 2024 and 2023:

($ in thousands)	Consolidated Statements of Income Category of Gain / (Loss) Recognized in Income	Three Months Ended Sep 30, 2024	Three Months Ended Sep 30, 2023	Nine Months Ended Sep 30, 2024	Nine Months Ended Sep 30, 2023
Derivative instruments					
Interest rate-related and other instruments — customer and mirror, net	Capital markets, net	$ (215)	$ 222	$ (273)	$ 359
Interest rate-related instruments — MSRs hedge	Mortgage banking, net	3,363	(5,877)	(948)	(5,551)
Foreign currency exchange forwards	Capital markets, net	1,130	365	1,736	1,751
Interest rate lock commitments (mortgage)	Mortgage banking, net	55	(24)	383	321
Forward commitments (mortgage)	Mortgage banking, net	(390)	470	188	853

Note 10 Balance Sheet Offsetting

Interest Rate-Related Instruments and Foreign Exchange Forwards ("Interest and Foreign Exchange Agreements")

The Corporation is permitted to present derivative receivables and derivative payables with the same counterparty and the related cash collateral receivables and payables on a net basis on the consolidated balance sheets when a legally enforceable master netting agreement exists. The Corporation has elected to net such balances where it has determined that the specified conditions are met.

The Corporation uses master netting agreements to mitigate counterparty credit risk in these transactions, including derivative contracts. A master netting agreement is a single agreement with a counterparty that permits multiple transactions governed by that agreement to be terminated or accelerated and settled through a single payment in a single currency in the event of a default (e.g., bankruptcy, failure to make a required payment or securities transfer or deliver collateral or margin when due).

Typical master netting agreements for these types of transactions also contain a collateral/margin agreement that provides for a security interest in, or title transfer of, securities or cash collateral/margin to the party that has the right to demand margin (the "demanding party"). The collateral/margin agreement typically requires a party to transfer collateral/margin to the demanding party with a value equal to the amount of the margin deficit on a net basis across all transactions governed by the master netting agreement, less any threshold. The collateral/margin agreement grants to the demanding party, upon default by the counterparty, the right to set-off any amounts payable by the counterparty against any posted collateral or the cash equivalent of any posted collateral/margin. It also grants to the demanding party the right to liquidate collateral/margin and to apply the proceeds to an amount payable by the counterparty.

For additional information on the Corporation's derivative and hedging activities, see the Derivative and Hedging Activities note in the Corporation's 2023 Annual Report on Form 10-K.

The following table presents the interest rate and foreign exchange assets and liabilities subject to an enforceable master netting arrangement as of September 30, 2024 and December 31, 2023. The interest rate and foreign exchange agreements the Corporation has with its commercial customers are not subject to an enforceable master netting arrangement and are therefore excluded from this table:

		Gross Amounts Subject to Master Netting Arrangements Offset on the Consolidated Balance Sheets			Gross Amounts Not Offset on the Consolidated Balance Sheets	
($ in thousands)	Gross Amounts Recognized	Derivative Liabilities Offset	Cash Collateral Received	Net Amounts Presented on the Consolidated Balance Sheets	Security Collateral Received	Net Amount
Derivative assets						
September 30, 2024	**$ 63,863**	**$ (19,037)**	**$ (8,572)**	**$ 36,254**	**$ (36,254)**	**$ —**
December 31, 2023	87,075	(18,234)	(35,855)	32,985	(32,985)	—

		Gross Amounts Subject to Master Netting Arrangements Offset on the Consolidated Balance Sheets			Gross Amounts Not Offset on the Consolidated Balance Sheets	
($ in thousands)	Gross Amounts Recognized	Derivative Assets Offset	Cash Collateral Pledged	Net Amounts Presented on the Consolidated Balance Sheets	Security Collateral Pledged	Net Amount
Derivative liabilities						
September 30, 2024	**$ 32,396**	**$ (19,037)**	**$ (8,631)**	**$ 4,727**	**$ —**	**$ 4,727**
December 31, 2023	18,767	(18,234)	—	533	—	533

Note 11 Commitments, Off-Balance Sheet Arrangements, Legal Proceedings, and Regulatory Matters

The Corporation utilizes a variety of financial instruments in the normal course of business to meet the financial needs of its customers and to manage its own exposure to fluctuations in interest rates. These financial instruments include lending-related and other commitments (see below) as well as derivative instruments (see Note 9). The following is a summary of lending-related commitments:

($ in thousands)	Sep 30, 2024	Dec 31, 2023
Commitments to extend credit, excluding commitments to originate residential mortgage loans held for sale[a][b]	$ 10,462,066	$ 11,170,147
Commercial letters of credit[a]	1,069	3,697
Standby letters of credit[c]	234,850	212,029

(a) These off-balance sheet financial instruments are exercisable at the market rate prevailing at the date the underlying transaction will be completed and, thus, are deemed to have no current fair value, or the fair value is based on fees currently charged to enter into similar agreements and was not material at September 30, 2024 or December 31, 2023.
(b) Interest rate lock commitments to originate residential mortgage loans held for sale are considered derivative instruments and are disclosed in Note 9.
(c) Standby letters of credit are presented excluding participations. The Corporation has established a liability of $2 million at both September 30, 2024 and December 31, 2023, as an estimate of the fair value of these financial instruments.

Lending-related Commitments

As a financial services provider, the Corporation routinely enters into commitments to extend credit. Such commitments are subject to the same credit policies and approval process accorded to loans made by the Corporation, with each customer's creditworthiness evaluated on a case-by-case basis. The commitments generally have fixed expiration dates or other termination clauses and may require the payment of a fee. The Corporation's exposure to credit loss in the event of nonperformance by the other party to these financial instruments is represented by the contractual amount of those instruments. The amount of collateral obtained, if deemed necessary by the Corporation upon extension of credit, is based on management's credit evaluation of the customer. Since a significant portion of commitments to extend credit are subject to specific restrictive loan covenants or may expire without being drawn upon, the total commitment amounts do not necessarily represent future cash flow requirements. An allowance for unfunded commitments is maintained at a level believed by management to be sufficient to absorb expected lifetime losses related to unfunded commitments (including unfunded loan commitments and letters of credit).

The following table presents a summary of the changes in the allowance for unfunded commitments:

($ in thousands)	Nine Months Ended Sep 30, 2024	Year Ended Dec 31, 2023
Allowance for unfunded commitments		
Balance at beginning of period	$ 34,776	$ 38,776
Provision for unfunded commitments	1,000	(4,000)
Balance at end of period	$ 35,776	$ 34,776

Lending-related commitments include commitments to extend credit, commitments to originate residential mortgage loans held for sale, commercial letters of credit, and standby letters of credit. Commitments to extend credit are legally binding agreements to lend to customers at predetermined interest rates, as long as there is no violation of any condition established in the contracts. Interest rate lock commitments to originate residential mortgage loans held for sale and forward commitments to sell residential mortgage loans are considered derivative instruments, and the fair value of these commitments is recorded in other assets and accrued expenses and other liabilities on the consolidated balance sheets. The Corporation's derivative and hedging activity is further described in Note 9. Commercial and standby letters of credit are conditional commitments issued to guarantee the performance of a customer to a third party. Commercial letters of credit are issued specifically to facilitate commerce and typically result in the commitment being drawn on when the underlying transaction is consummated between the customer and the third party, while standby letters of credit generally are contingent upon the failure of the customer to perform according to the terms of the underlying contract with the third party.

Other Commitments

The Corporation invests in qualified affordable housing projects, historic projects, new market projects, and opportunity zone funds for the purpose of community reinvestment and obtaining tax credits and other tax benefits. Return on the Corporation's investment in these projects and funds comes in the form of the tax credits and tax losses that pass through to the Corporation, and deferral or elimination of capital gain recognition for tax purposes. The aggregate carrying value of these investments at September 30, 2024 was $213 million, compared to $219 million at December 31, 2023, included in tax credit and other investments on the consolidated balance sheets.

Under the proportional amortization method, the Corporation amortizes the initial cost of the investment in proportion to the tax credits and other tax benefits. The Corporation recognized additional income tax expense attributable to the amortization of investments in qualified affordable housing projects of $26 million for both the nine months ended September 30, 2024 and September 30, 2023, and $9 million for both the three months ended September 30, 2024 and September 30, 2023. The Corporation's remaining investment in qualified affordable housing projects accounted for under the proportional amortization method totaled $211 million at September 30, 2024 and $215 million at December 31, 2023.

The Corporation's unfunded equity contributions relating to investments in qualified affordable housing and historic projects are recorded in accrued expenses and other liabilities on the consolidated balance sheets. The Corporation's remaining unfunded equity contributions totaled $44 million at September 30, 2024 and $27 million at December 31, 2023. Additionally, at September 30, 2024, the Corporation also invests in a private SBA loan fund, recorded in equity securities on the consolidated balance sheets, which has a remaining unfunded equity contribution of $3 million.

For the nine months ended September 30, 2024 and the year ended December 31, 2023, the Corporation did not record any impairment related to qualified affordable housing investments.

The Corporation has principal investment commitments to provide capital-based financing to private companies through either direct investment in specific companies or through investment funds and partnerships. The timing of future cash requirements to fund such principal investment commitments is generally dependent on the investment cycle, whereby privately held companies are funded by private equity investors and ultimately sold, merged, or taken public through an initial offering, which can vary based on overall market conditions, as well as the nature and type of industry in which the companies operate. The Corporation also invests in loan pools that support CRA loans. The timing of future cash requirements to fund these pools is dependent upon loan demand, which can vary over time. The aggregate carrying value of these investments was $52 million at September 30, 2024 and $40 million at December 31, 2023, included in tax credit and other investments on the consolidated balance sheets.

Legal Proceedings

The Corporation is party to various pending and threatened claims and legal proceedings arising in the normal course of business activities, some of which involve claims for substantial amounts. Although there can be no assurance as to the ultimate outcomes, the Corporation believes it has meritorious defenses to the claims asserted against it in its currently outstanding matters and intends to continue to defend itself vigorously with respect to such legal proceedings. The Corporation will consider settlement of cases when, in management's judgment, it is in the best interests of the Corporation and its shareholders.

On at least a quarterly basis, the Corporation assesses its liabilities and contingencies in connection with all pending or threatened claims and litigation, utilizing the most recent information available. On a matter by matter basis, an accrual for loss is established for those matters which the Corporation believes it is probable that a loss may be incurred and that the amount of such loss can be reasonably estimated. Once established, each accrual is adjusted as appropriate to reflect any subsequent developments. Accordingly, management's estimate will change from time to time, and actual losses may be more or less than the current estimate. For matters where a loss is not probable, or the amount of the loss cannot be estimated, no accrual is established.

Resolution of legal claims is inherently unpredictable, and in many legal proceedings various factors exacerbate this inherent unpredictability, including where the damages sought are unsubstantiated or indeterminate, it is unclear whether a case brought as a class action will be allowed to proceed on that basis, discovery is not complete, the proceeding is not yet in its final stages, the matters present legal uncertainties, there are significant facts in dispute, there are a large number of parties (including where it is uncertain how liability, if any, will be shared among multiple defendants), or there is a wide range of potential results.

Management believes that the legal proceedings currently pending against it should not have a material adverse effect on the Corporation's consolidated financial condition. However, in light of the uncertainties involved in such proceedings, there is no assurance that the ultimate resolution of these matters will not significantly exceed the reserves the Corporation has currently accrued or that a matter will not have material reputational or other qualitative consequences. As a result, the outcome of a particular matter may be material to the Corporation's operating results for a particular period, depending on, among other factors, the size of the loss or liability imposed and the level of the Corporation's income for that period.

Regulatory Matters

A variety of consumer products, including mortgage and deposit products, and certain fees and charges related to such products, have come under increased regulatory scrutiny. It is possible that regulatory authorities could bring enforcement actions, including civil money penalties, or take other actions against the Corporation in regard to these consumer products. The Bank could also determine of its own accord, or be required by regulators, to refund or otherwise make remediation payments to customers in connection with these products, fees and charges. It is not possible at this time for management to assess the probability of a material adverse outcome or reasonably estimate the amount of any potential loss related to such matters.

In recent consent orders with financial institutions, the CFPB has asserted that certain overdraft charges constitute "unfair and abusive acts and practices." In certain instances, these financial institutions have agreed to make restitution to customers and to pay civil money penalties. Included in the practices that the CFPB has asserted are "unfair and abusive" are 1) overdraft fees on transactions that had a sufficient balance at the time authorized but then later settled with an insufficient balance ("APSN Fees"), and 2) repeat insufficient funds fees on transactions resubmitted for payment after they were initially declined ("Representment Fees"). In light of these orders, the Corporation has undertaken a review of its current and past practices regarding APSN Fees and Representment Fees. Such review could result in changes to our overdraft fee policies, which would reduce our fee income in future periods and which could also result in a decision to make remediation payments to current and past customers who incurred such fees. The Corporation's financial results may be materially impacted in any period in which the Corporation determines to make any such remediation payments.

Mortgage Repurchase Reserve

The Corporation sells residential mortgage loans to investors in the normal course of business. Residential mortgage loans sold to others are predominantly conventional residential first lien mortgages originated under the Corporation's usual underwriting procedures, and are most often sold on a nonrecourse basis, primarily to the GSEs. The Corporation's agreements to sell residential mortgage loans in the normal course of business usually require certain representations and warranties on the underlying loans sold, related to credit information, loan documentation, collateral, and insurability. Subsequent to being sold, if a material underwriting deficiency or documentation defect is discovered, the Corporation may be obligated to repurchase the loan or reimburse the GSEs for losses incurred (collectively, "make whole requests"). The make whole requests and any related risk of loss under the representations and warranties are largely driven by borrower performance. The Corporation also sells qualifying residential mortgage loans guaranteed by U.S. government agencies into GNMA pools.

As a result of make whole requests, the Corporation has repurchased loans with aggregate principal balances of $3 million and $5 million for the nine months ended September 30, 2024 and the year ended December 31, 2023, respectively. There were no loss reimbursement and settlement claims paid in the nine months ended September 30, 2024 or for the year ended December 31, 2023. Make whole requests since January 1, 2023 generally arose from loans originated since January 1, 2021 with such balances totaling $4.2 billion at the time of sale, consisting primarily of loans sold to GSEs. As of September 30, 2024, $3.5 billion of those loans originated since January 1, 2021 remain outstanding.

The balance in the mortgage repurchase reserve at the balance sheet date reflects the estimated amount of potential loss the Corporation could incur from repurchasing a loan, as well as loss reimbursements, indemnifications, and other settlement resolutions. The mortgage repurchase reserve, included in accrued expenses and other liabilities on the consolidated balance sheets, was approximately $775,000 at September 30, 2024 and approximately $835,000 at December 31, 2023.

The Corporation may also sell residential mortgage loans with limited recourse (limited in that the recourse period ends prior to the loan's maturity, usually after certain time and/or loan paydown criteria have been met), whereby repurchase could be required if the loan had defined delinquency issues during the limited recourse periods. At September 30, 2024 and December 31, 2023, there were $14 million and $15 million, respectively, of residential mortgage loans sold with such recourse risk. There have been limited instances and immaterial historical losses on repurchases for recourse under the limited recourse criteria.

The Corporation has a subordinate position to the FHLB in the credit risk on residential mortgage loans it sold to the FHLB Mortgage Partnership Finance Traditional program in exchange for a monthly credit enhancement fee. At September 30, 2024 and December 31, 2023, there were $99 million and $16 million, respectively, of such residential mortgage loans with credit risk recourse, upon which there have been immaterial historical losses to the Corporation.

Note 12 Fair Value Measurements

Fair value represents the estimated price at which an orderly transaction to sell an asset or to transfer a liability would take place between market participants at the measurement date under current market conditions (i.e., an exit price concept).

The valuation methodologies for assets and liabilities measured at fair value on a recurring and non-recurring basis are described in the Fair Value Measurements note in the Corporation's 2023 Annual Report on Form 10-K.

The tables below present the Corporation's financial instruments measured at fair value on a recurring basis and carrying amounts and estimated fair values of certain financial instruments as of September 30, 2024 and December 31, 2023, aggregated by the level in the fair value hierarchy within which those measurements fall:

($ in thousands)	Sep 30, 2024 Carrying Amount	Fair Value	Level 1	Level 2	Level 3
Assets					
Cash and due from banks	$ 554,631	$ 554,631	$ 554,631	$ —	$ —
Interest-bearing deposits in other financial institutions	408,101	408,101	408,101	—	—
Federal funds sold and securities purchased under agreements to resell	4,310	4,310	4,310	—	—
AFS investment securities:					
U.S. Treasury securities	36,948	36,948	36,948	—	—
Obligations of state and political subdivisions (municipal securities)	81,089	81,089	—	81,089	—
Residential mortgage-related securities:					
FNMA / FHLMC	1,085,414	1,085,414	—	1,085,414	—
GNMA	2,663,560	2,663,560	—	2,663,560	—
Commercial mortgage-related securities:					
FNMA / FHLMC	18,035	18,035	—	18,035	—
GNMA	151,617	151,617	—	151,617	—
Asset backed securities:					
FFELP	112,350	112,350	—	112,350	—
SBA	516	516	—	516	—
Other debt securities	2,997	2,997	—	2,997	—
Total AFS investment securities	4,152,527	4,152,527	36,948	4,115,578	—
HTM investment securities:					
U.S. Treasury securities	1,000	990	990	—	—
Obligations of state and political subdivisions (municipal securities), net	1,664,665	1,540,273	—	1,540,273	—
Residential mortgage-related securities:					
FNMA / FHLMC	900,743	778,883	—	778,883	—
GNMA	45,180	42,979	—	42,979	—
Private-label	329,349	282,103	—	282,103	—
Commercial mortgage-related securities:					
FNMA / FHLMC	775,209	659,852	—	659,852	—
GNMA	53,005	47,620	—	47,620	—
Total HTM investment securities, net	3,769,150	3,352,700	990	3,351,710	—
Equity securities:					
Equity securities	10,658	10,658	10,587	—	71
Equity securities at NAV	12,500	12,500			
Total equity securities	23,158	23,158			
FHLB and Federal Reserve Bank stocks	178,168	178,168	—	178,168	—
Residential loans held for sale	67,219	67,219	—	67,219	—
Commercial loans held for sale	11,833	11,833	—	11,833	—
Loans, net	29,594,691	28,606,404	—	—	28,606,404
Bank and corporate owned life insurance	686,704	686,704	—	686,704	—
Mortgage servicing rights, net	81,977	81,977	—	—	81,977
Interest rate-related instruments designated as hedging instruments(a)	20,010	20,010	—	20,010	—
Foreign currency exchange forwards designated as hedging instruments(a)	275	275	—	275	—
Interest rate-related and other instruments not designated as hedging instruments(a)	95,396	95,396	—	95,396	—
Foreign currency exchange forwards not designated as hedging instruments(a)	4,865	4,865	—	4,865	—
Interest rate lock commitments to originate residential mortgage loans held for sale	822	822	—	—	822
Total selected assets at fair value	$ 39,653,836	$ 38,249,099	$ 1,015,567	$ 8,531,759	$ 28,689,273

(a) Figures are presented gross before netting. See Note 9 and Note 10 for information relating to the impact of offsetting derivative assets and liabilities and cash collateral with the same counterparty where there is a legally enforceable master netting agreement in place.

($ in thousands)	Sep 30, 2024 Carrying Amount	Fair Value	Level 1	Level 2	Level 3
Liabilities					
Deposits:					
Noninterest-bearing demand	$ 5,857,421	$ 5,857,421	$ —	$ —	$ 5,857,421
Savings	5,072,508	5,072,508	—	—	5,072,508
Interest-bearing demand	8,605,578	8,605,578	—	—	8,605,578
Money market	6,095,206	6,095,206	—	—	6,095,206
Brokered CDs[(a)]	4,242,670	4,242,670	—	4,242,670	—
Other time deposits[(a)]	3,680,914	3,680,914	—	3,680,914	—
Total deposits	33,554,298	33,554,298	—	7,923,584	25,630,714
Short-term funding:					
Federal funds purchased and securities sold under agreements to repurchase	417,028	417,001	—	417,001	—
BTFP funding	500,000	499,960	—	499,960	—
Total short-term funding	917,028	916,961	—	916,961	—
FHLB advances	1,913,294	1,916,520	—	1,916,520	—
Other long-term funding	844,342	843,366	—	843,366	—
Standby letters of credit[(b)]	2,386	2,386	—	2,386	—
Interest rate-related instruments designated as hedging instruments[(c)]	91	91	—	91	—
Foreign currency exchange forwards designated as hedging instruments[(c)]	689	689	—	689	—
Interest rate-related and other instruments not designated as hedging instruments[(c)]	142,560	142,560	—	142,560	—
Foreign currency exchange forwards not designated as hedging instruments[(c)]	4,579	4,579	—	4,579	—
Forward commitments to sell residential mortgage loans	485	485	—	—	485
Total selected liabilities at fair value	$ 37,379,751	$ 37,381,935	$ —	$ 11,750,736	$ 25,631,199

(a) When the estimated fair value is less than the carrying value, the carrying value is reported as the fair value.

(b) The commitment on standby letters of credit was $235 million at September 30, 2024. See Note 11 for additional information on the standby letters of credit and for information on the fair value of lending-related commitments.

(c) Figures are presented gross before netting. See Note 9 and Note 10 for information relating to the impact of offsetting derivative assets and liabilities and cash collateral with the same counterparty where there is a legally enforceable master netting agreement in place.

($ in thousands)	Dec 31, 2023 Carrying Amount	Fair Value	Level 1	Level 2	Level 3
Assets					
Cash and due from banks	$ 484,384	$ 484,384	$ 484,384	$ —	$ —
Interest-bearing deposits in other financial institutions	425,089	425,089	425,089	—	—
Federal funds sold and securities purchased under agreements to resell	14,350	14,350	14,350	—	—
AFS investment securities:					
U.S. Treasury securities	35,902	35,902	35,902	—	—
Obligations of state and political subdivisions (municipal securities)	91,817	91,817	—	91,817	—
Residential mortgage-related securities:					
FNMA / FHLMC	1,120,794	1,120,794	—	1,120,794	—
GNMA	2,042,675	2,042,675	—	2,042,675	—
Commercial mortgage-related securities:					
FNMA / FHLMC	16,937	16,937	—	16,937	—
GNMA	154,793	154,793	—	154,793	—
Asset backed securities:					
FFELP	133,975	133,975	—	133,975	—
SBA	1,051	1,051	—	1,051	—
Other debt securities	2,950	2,950	—	2,950	—
Total AFS investment securities	3,600,892	3,600,892	35,902	3,564,990	—
HTM investment securities:					
U.S. Treasury securities	999	963	963	—	—
Obligations of state and political subdivisions (municipal securities), net	1,682,398	1,553,984	—	1,553,984	—
Residential mortgage-related securities:					
FNMA / FHLMC	941,973	804,393	—	804,393	—
GNMA	48,979	46,170	—	46,170	—
Private-label	345,083	289,507	—	289,507	—
Commercial mortgage-related securities:					
FNMA / FHLMC	780,995	632,914	—	632,914	—
GNMA	59,733	52,619	—	52,619	—
Total HTM investment securities, net	3,860,160	3,380,550	963	3,379,586	—
Equity securities:					
Equity securities	31,651	31,651	6,883	—	24,769
Equity securities at NAV	10,000	10,000			
Total equity securities	41,651	41,651			
FHLB and Federal Reserve Bank stocks	229,171	229,171	—	229,171	—
Residential loans held for sale	33,011	33,011	—	33,011	—
Commercial loans held for sale	90,303	90,303	—	90,303	—
Loans, net	28,865,124	27,371,086	—	—	27,371,086
Bank and corporate owned life insurance	682,649	682,649	—	682,649	—
Mortgage servicing rights, net	84,390	84,390	—	—	84,390
Interest rate-related instruments designated as hedging instruments[(a)]	8,075	8,075	—	8,075	—
Foreign currency exchange forwards designated as hedging instruments[(a)]	632	632	—	632	—
Interest rate-related and other instruments not designated as hedging instruments[(a)]	111,623	111,623	—	111,623	—
Foreign currency exchange forwards not designated as hedging instruments[(a)]	2,954	2,954	—	2,954	—
Interest rate lock commitments to originate residential mortgage loans held for sale	439	439	—	—	439
Total selected assets at fair value	$ 38,534,897	$ 36,561,249	$ 967,570	$ 8,102,995	$ 27,480,684

(a) Figures are presented gross before netting. See Note 9 and Note 10 for information relating to the impact of offsetting derivative assets and liabilities and cash collateral with the same counterparty where there is a legally enforceable master netting agreement in place.

($ in thousands)	Carrying Amount	Fair Value	Level 1	Level 2	Level 3
	Dec 31, 2023				
Liabilities					
Deposits:					
Noninterest-bearing demand	$ 6,119,956	$ 6,119,956	$ —	$ —	$ 6,119,956
Savings	4,835,701	4,835,701	—	—	4,835,701
Interest-bearing demand	8,843,967	8,843,967	—	—	8,843,967
Money market	6,330,453	6,330,453	—	—	6,330,453
Brokered CDs[(a)]	4,447,479	4,447,479	—	4,447,479	—
Other time deposits[(a)]	2,868,494	2,868,494	—	2,868,494	—
Total deposits	33,446,049	33,446,049	—	7,315,973	26,130,076
Federal funds purchased and securities sold under agreements to repurchase	326,780	326,757	—	326,757	—
FHLB advances	1,940,194	1,944,600	—	1,944,600	—
Other long-term funding	541,269	534,983	—	534,983	—
Standby letters of credit[(b)]	2,157	2,157	—	2,157	—
Interest rate-related instruments designated as hedging instruments[(c)]	930	930	—	930	—
Foreign currency exchange forwards designated as hedging instruments[(c)]	2,946	2,946	—	2,946	—
Interest rate-related and other instruments not designated as hedging instruments[(c)]	195,662	195,662	—	195,662	—
Foreign currency exchange forwards not designated as hedging instruments[(c)]	2,746	2,746	—	2,746	—
Forward commitments to sell residential mortgage loans	673	673	—	—	673
Total selected liabilities at fair value	$ 36,459,407	$ 36,457,504	$ —	$ 10,326,755	$ 26,130,749

(a) When the estimated fair value is less than the carrying value, the carrying value is reported as the fair value.

(b) The commitment on standby letters of credit was $212 million at December 31, 2023. See Note 11 for additional information on the standby letters of credit and for information on the fair value of lending-related commitments.

(c) Figures are presented gross before netting. See Note 9 and Note 10 for information relating to the impact of offsetting derivative assets and liabilities and cash collateral with the same counterparty where there is a legally enforceable master netting agreement in place.

The table below presents a rollforward of the consolidated balance sheets amounts for the nine months ended September 30, 2024 and the year ended December 31, 2023, for the Corporation's mortgage derivatives measured on a recurring basis and classified within Level 3 of the fair value hierarchy:

($ in thousands)	Interest rate lock commitments to originate residential mortgage loans held for sale	Forward commitments to sell residential mortgage loans	Total
Balance December 31, 2022	$ 86	$ 46	$ 40
New production	6,557	(1,816)	8,373
Closed loans / settlements	(4,171)	2,494	(6,665)
Other	(2,033)	(51)	(1,982)
Change in mortgage derivative	352	627	(274)
Balance December 31, 2023	$ 439	$ 673	$ (234)
New production	$ 9,522	$ (2,824)	$ 12,346
Closed loans / settlements	(7,494)	292	(7,785)
Other	(1,646)	2,344	(3,990)
Change in mortgage derivative	383	(188)	571
Balance September 30, 2024	$ 822	$ 485	$ 337

The following table presents a rollforward of the fair value of Level 3 equity securities, for the nine months ended September 30, 2024 and the year ended December 31, 2023, that are measured under the measurement alternative and the related adjustments recorded during the periods presented for those securities with observable price changes:

($ in thousands)	
Fair value as of December 31, 2022	$ 19,225
Gains recognized in investment securities gains, net	5,861
Purchases	11
Sales	(329)
Fair value as of December 31, 2023	$ 24,769
Gains recognized in investment securities gains, net	$ 4,054
Purchases	21
Sales	(28,772)
Fair value as of September 30, 2024	$ 71

The table below presents the Corporation’s assets measured at fair value on a nonrecurring basis, aggregated by the level in the fair value hierarchy within which those measurements fall:

($ in thousands)	Fair Value Hierarchy	Fair Value	Consolidated Statements of Income Category of Adjustment Recognized in Income	Adjustment Recognized on the Consolidated Statements of Income[a]
Sep 30, 2024				
Assets				
Individually evaluated loans	Level 3	$ 34,440	Provision for credit losses	$ 11,686
OREO[b]	Level 2	188	Other noninterest expense / provision for credit losses[c]	267
Dec 31, 2023				
Assets				
Individually evaluated loans	Level 3	$ 47,221	Provision for credit losses	$ 45,709
OREO[b]	Level 2	3,139	Other noninterest expense / provision for credit losses[c]	2,532
Equity securities without readily determinable fair values	Level 3	24,671	Investment securities gains (losses), net	5,785

(a) Includes the YTD impact on the consolidated statements of income.
(b) If the fair value of the collateral exceeds the carrying amount of the asset, no charge off or adjustment is necessary, the asset is not considered to be carried at fair value and is therefore not included in the table.
(c) When a property's value is written down at the time it is transferred to OREO, the charge off is booked to the provision for credit losses. When a property is already in OREO and subsequently written down, the charge off is booked to other noninterest expense.

The table below presents the unobservable inputs that are readily quantifiable pertaining to Level 3 measurements:

Sep 30, 2024	Valuation Technique	Significant Unobservable Input	Range of Inputs	Weighted Average Input Applied
Mortgage servicing rights	Discounted cash flow	Option adjusted spread	5% - 8%	5%
Mortgage servicing rights	Discounted cash flow	Constant prepayment rate	1% - 100%	6%
Individually evaluated loans	Appraisals / discounted cash flow	Collateral / discount factor	6% - 73%	57%
Interest rate lock commitments to originate residential mortgage loans held for sale	Discounted cash flow	Closing ratio	46% - 100%	90%

Note 13 Retirement Plans

The Corporation has a noncontributory defined benefit RAP, covering substantially all employees who meet the eligibility requirements. The benefits are based primarily on years of service and the employee’s eligible compensation paid. Employees of acquired entities generally participate in the RAP after consummation of the business combinations. Retirement plans of acquired entities are typically merged into the RAP depending on the terms of the merger agreement, and, as applicable, credit is usually applied to employees for years of service at the acquired institution for vesting and eligibility purposes.

The Corporation also provides healthcare access to a limited group of retired employees from a previous acquisition in the Postretirement Plan. There are no other active retiree healthcare plans.

The components of net periodic pension cost and net periodic benefit cost for the RAP and Postretirement Plan for the three and nine months ended September 30, 2024 and 2023 were as follows:

	Three Months Ended Sep 30,		Nine Months Ended Sep 30,	
($ in thousands)	2024	2023	2024	2023
RAP				
Service cost	$ 508	$ 800	$ 2,263	$ 2,392
Interest cost	2,943	2,794	8,380	8,165
Expected return on plan assets	(8,649)	(8,243)	(25,949)	(24,647)
Amortization of prior service cost	(54)	(63)	(161)	(188)
Amortization of actuarial loss	—	—	—	37
Total net periodic pension cost	$ (5,252)	$ (4,713)	$ (15,467)	$ (14,241)
Postretirement Plan				
Interest cost	$ 18	$ 20	$ 54	$ 59
Amortization of prior service cost	(19)	(19)	(56)	(56)
Amortization of actuarial (gain)	(7)	(7)	(21)	(22)
Total net periodic benefit cost	$ (8)	$ (6)	$ (23)	$ (19)

The components of net periodic pension cost and net periodic benefit cost, other than the service cost component, are included in the line item other of noninterest expense on the consolidated statements of income. The service cost components are included in personnel on the consolidated statements of income.

The Corporation’s funding policy is to pay at least the minimum amount required by federal law and regulations, with consideration given to the maximum funding amounts allowed. The Corporation regularly reviews the funding of its RAP. There were no contributions during 2023 or the nine months ended September 30, 2024.

Note 14 Segment Reporting

The Corporation utilizes a risk-based internal profitability measurement system to provide strategic business unit reporting. The profitability measurement system is based on internal management methodologies designed to produce consistent results and reflect the underlying economics of the units. Certain strategic business units have been combined for segment information reporting purposes where the nature of the products and services, the type of customer, and the distribution of those products and services are similar. The three reportable segments are Corporate and Commercial Specialty; Community, Consumer, and Business; and Risk Management and Shared Services. The financial information of the Corporation’s segments has been compiled utilizing the accounting policies described in the Corporation’s 2023 Annual Report on Form 10-K, with certain exceptions. The more significant of these exceptions are described herein.

The reportable segment results are presented based on the Corporation's internal management accounting process. The management accounting policies and processes utilized in compiling segment financial information are highly subjective and, unlike financial accounting, are not based on authoritative guidance similar to U.S. GAAP. As a result, reported segments and the financial information of the reported segments are not necessarily comparable with similar information reported by other financial institutions. Furthermore, changes in management structure or allocation methodologies and procedures may result in changes in previously reported segment financial data. Additionally, the information presented is not indicative of how the segments would perform if they operated as independent entities.

To determine financial performance of each segment, the Corporation allocates FTP assignments, the provision for credit losses, certain noninterest expenses, income taxes, and equity to each segment. Allocation methodologies are subject to periodic adjustment as the internal management accounting system is revised, the interest rate environment evolves, and business or product lines within the segments change. Also, because the development and application of these methodologies is a dynamic process, the financial results presented may be periodically reviewed.

The Corporation allocates net interest income using an internal FTP methodology that charges users of funds (assets, primarily loans) and credits providers of funds (liabilities, primarily deposits) based on the maturity, prepayment and/or re-pricing characteristics of the assets and liabilities. The net effect of this allocation is offset in the Risk Management and Shared Services segment to ensure consolidated totals reflect the Corporation's net interest income. The net FTP allocation is reflected as net intersegment interest income (expense) in the accompanying tables.

The provision for credit losses is allocated to segments based on the expected long-term annual net charge off rates attributable to the credit risk of loans managed by the segment during the period. In contrast, the level of the consolidated provision for credit losses is determined based on an ACLL model using the methodologies described in the Corporation’s 2023 Annual Report on Form 10-K. The net effect of the credit provision is recorded in Risk Management and Shared Services. Indirect expenses incurred by certain centralized support areas are allocated to segments based on actual usage (for example, volume measurements) and other criteria. Certain types of administrative expense and bank-wide expense accruals (including, when applicable, amortization of CDIs and other intangible assets associated with acquisitions, acquisition-related costs, and asset gains on disposed business units) are generally not allocated to segments. Income taxes are allocated to segments based on the Corporation’s estimated effective tax rate, with certain segments adjusted for any tax-exempt income or non-deductible expenses. Equity is allocated to the segments based on regulatory capital requirements and in proportion to an assessment of the inherent risks associated with the business of the segment (including interest, credit and operating risk).

A brief description of each business segment is presented below. A more in-depth discussion of these segments can be found in the Segment Reporting note in the Corporation’s 2023 Annual Report on Form 10-K.

The Corporate and Commercial Specialty segment serves a wide range of customers including larger businesses, developers, not-for-profits, municipalities, and financial institutions by providing lending and deposit solutions as well as the support to deliver, fund, and manage such banking solutions. In addition, this segment provides a variety of investment, fiduciary, and retirement planning products and services to individuals and small to mid-sized businesses. The Community, Consumer, and Business segment serves individuals, as well as small and mid-sized businesses, by providing lending and deposit solutions. The Risk Management and Shared Services segment includes key shared operational functions and also includes residual revenue and expenses, representing the difference between actual amounts incurred and the amounts allocated to operating segments, including interest rate risk residuals (FTP mismatches) and credit risk and provision residuals (long-term credit charge mismatches).

Information about the Corporation's segments is presented below:

	Corporate and Commercial Specialty			
	Three Months Ended Sep 30,		Nine Months Ended Sep 30,	
($ in thousands)	2024	2023	2024	2023
Net interest income	$ 254,935	$ 250,365	$ 749,062	$ 710,031
Net intersegment interest (expense)	(98,898)	(106,675)	(291,872)	(288,366)
Segment net interest income	156,037	143,690	457,190	421,665
Noninterest income	37,017	34,086	106,570	99,254
Total revenue	193,054	177,776	563,761	520,919
Provision for credit losses	17,009	14,066	48,930	41,523
Noninterest expense	65,415	63,265	197,159	186,521
Income before income taxes	110,630	100,445	317,672	292,876
Income tax expense	20,999	19,293	59,845	54,104
Net income	$ 89,630	$ 81,152	$ 257,827	$ 238,772
Allocated goodwill			$ 525,836	$ 525,836

	Community, Consumer, and Business			
	Three Months Ended Sep 30,		Nine Months Ended Sep 30,	
($ in thousands)	2024	2023	2024	2023
Net interest income	$ 56,574	$ 67,139	$ 172,575	$ 219,883
Net intersegment interest income	135,862	123,900	401,353	317,820
Segment net interest income	192,436	191,039	573,928	537,703
Noninterest income	26,009	29,670	75,921	85,870
Total revenue	218,445	220,709	649,848	623,573
Provision for credit losses	5,195	7,381	17,611	21,467
Noninterest expense	115,656	108,127	333,711	328,790
Income before income taxes	97,594	105,202	298,526	273,316
Income tax expense	20,495	22,092	62,691	57,396
Net income	$ 77,099	$ 83,109	$ 235,835	$ 215,920
Allocated goodwill			$ 579,156	$ 579,156

	Risk Management and Shared Services			
	Three Months Ended Sep 30,		Nine Months Ended Sep 30,	
($ in thousands)	2024	2023	2024	2023
Net interest (loss)	$ (49,001)	$ (63,260)	$ (144,677)	$ (143,743)
Net intersegment interest (expense)	(36,964)	(17,225)	(109,481)	(29,454)
Segment net interest (loss)	(85,964)	(80,485)	(254,158)	(173,197)
Noninterest income	4,196	2,823	14,874	9,071
Total revenue	(81,768)	(77,663)	(239,284)	(164,126)
Provision for credit losses	(1,213)	496	1,459	(975)
Noninterest expense	19,526	24,814	63,245	58,980
(Loss) before income taxes	(100,081)	(102,972)	(303,988)	(222,131)
Income tax (benefit)	(21,370)	(21,959)	(95,085)	(41,202)
Net (loss)	$ (78,711)	$ (81,013)	$ (208,902)	$ (180,929)
Allocated goodwill			$ —	$ —

($ in thousands)	Consolidated Total			
	Three Months Ended Sep 30,		Nine Months Ended Sep 30,	
	2024	2023	2024	2023
Net interest income	$ 262,509	$ 254,244	$ 776,960	$ 786,171
Net intersegment interest income	—	—	—	—
Segment net interest income	262,509	254,244	776,960	786,171
Noninterest income	67,221	66,579	197,365	194,195
Total revenue	329,730	320,823	974,325	980,366
Provision for credit losses	20,991	21,943	68,000	62,014
Noninterest expense	200,597	196,205	594,115	574,291
Income before income taxes	108,142	102,674	312,211	344,061
Income tax expense	20,124	19,426	27,451	70,299
Net income	$ 88,018	$ 83,248	$ 284,760	$ 273,762
Allocated goodwill			$ 1,104,992	$ 1,104,992

Note 15 Accumulated Other Comprehensive Income (Loss)

The following tables summarize the components of accumulated other comprehensive income (loss) at September 30, 2024 and 2023, including changes during the preceding three and nine month periods as well as any reclassifications out of accumulated other comprehensive income (loss):

($ in thousands)	AFS Investment Securities	Cash Flow Hedge Derivatives	Defined Benefit Pension and Postretirement Obligations	Accumulated Other Comprehensive Income (Loss)
Balance December 31, 2023	$ (148,641)	$ 3,080	$ (25,535)	$ (171,096)
Other comprehensive income before reclassifications	49,844	—	—	49,844
Amounts reclassified from accumulated other comprehensive income (loss):				
Investment securities losses, net	197	—	—	197
HTM investment securities, net, at amortized cost[(a)]	6,329	—	—	6,329
Other assets / accrued expenses and other liabilities	—	(639)	—	(639)
Interest income	—	14,297	—	14,297
Personnel expense	—	—	(217)	(217)
Other expense	—	—	(21)	(21)
Income tax (expense) benefit	(14,060)	5,213	(1,594)	(10,440)
Net other comprehensive income (loss) during period	42,309	18,871	(1,832)	59,348
Balance September 30, 2024	$ (106,332)	$ 21,951	$ (27,367)	$ (111,748)
Balance December 31, 2022	$ (233,192)	$ 3,360	$ (42,968)	$ (272,799)
Other comprehensive (loss) before reclassifications	(69,512)	—	—	(69,512)
Amounts reclassified from accumulated other comprehensive income (loss):				
HTM investment securities, net, at amortized cost[(a)]	6,883	—	—	6,883
Other assets / accrued expenses and other liabilities	—	(33,976)	—	(33,976)
Interest income	—	9,097	—	9,097
Personnel expense	—	—	(244)	(244)
Other expense	—	—	15	15
Income tax benefit	15,879	5,488	31	21,398
Net other comprehensive (loss) during period	(46,751)	(19,391)	(198)	(66,340)
Balance September 30, 2023	$ (279,943)	$ (16,032)	$ (43,166)	$ (339,140)

(a) Amortization of net unrealized losses on AFS securities transferred to HTM securities.

($ in thousands)	AFS Investment Securities	Cash Flow Hedge Derivatives	Defined Benefit Pension and Postretirement Obligations	Accumulated Other Comprehensive Income (Loss)
Balance June 30, 2024	$ (176,139)	$ (15,768)	$ (27,307)	$ (219,214)
Other comprehensive income before reclassifications	90,858	—	—	90,858
Amounts reclassified from accumulated other comprehensive income (loss):				
HTM investment securities, net, at amortized cost[(a)]	2,147	—	—	2,147
Other assets / accrued expenses and other liabilities	—	25,609	—	25,609
Interest income	—	4,705	—	4,705
Personnel expense	—	—	(73)	(73)
Other expense	—	—	(7)	(7)
Income tax (expense) benefit	(23,198)	7,405	20	(15,773)
Net other comprehensive income (loss) during period	69,807	37,718	(60)	107,466
Balance September 30, 2024	$ (106,332)	$ 21,951	$ (27,367)	$ (111,748)
Balance June 30, 2023	$ (239,273)	$ (9,270)	$ (43,099)	$ (291,642)
Other comprehensive (loss) before reclassifications	(56,924)	—	—	(56,924)
Amounts reclassified from accumulated other comprehensive income (loss):				
HTM investment securities, net, at amortized cost[(a)]	2,327	—	—	2,327
Other assets / accrued expenses and other liabilities	—	(13,592)	—	(13,592)
Interest income	—	4,516	—	4,516
Personnel expense	—	—	(81)	(81)
Other expense	—	—	(7)	(7)
Income tax benefit	13,928	2,315	23	16,266
Net other comprehensive (loss) during period	(40,669)	(6,762)	(66)	(47,497)
Balance September 30, 2023	$ (279,943)	$ (16,032)	$ (43,166)	$ (339,140)

(a) Amortization of net unrealized losses on AFS securities transferred to HTM securities.

Note 16 Leases

The Corporation has operating leases for retail and corporate offices, land, and equipment. The Corporation also has a finance lease for retail and corporate offices.

These leases have original terms of 1 year or longer with remaining maturities up to 38 years, some of which include options to extend the lease term. An analysis of the lease options has been completed and any purchase options or optional periods that the Corporation is reasonably likely to extend have been included in the capitalization.

The discount rate used to capitalize the operating leases is the FHLB borrowing rate on the date of lease commencement. When determining the rate to discount specific lease obligations, the repayment period and term are considered.

Operating and finance lease costs and cash flows resulting from these leases are presented below:

	Three Months Ended Sep 30,		Nine Months Ended Sep 30,	
($ in thousands)	2024	2023	2024	2023
Operating lease costs	$ 1,631	$ 1,594	$ 4,727	$ 4,536
Finance lease costs	23	23	68	69
Operating lease cash flows	1,795	1,917	5,027	5,442
Finance lease cash flows	23	23	69	69

The right-of-use asset and lease liability by lease classifications on the consolidated balance sheets were as follows:

($ in thousands)	Consolidated Balance Sheets Category	Sep 30, 2024	Dec 31, 2023
Operating lease right-of-use asset	Premises and equipment	$ 28,425	$ 24,712
Finance lease right-of-use asset	Other assets	303	368
Operating lease liability	Accrued expenses and other liabilities	30,723	27,311
Finance lease liability	Other long-term funding	317	383

The lease payment obligations, weighted-average remaining lease term, and weighted-average original discount rate were as follows:

($ in thousands)	Sep 30, 2024 Lease Payments	Sep 30, 2024 Weighted-average Lease Term (in years)	Sep 30, 2024 Weighted-average Discount Rate	Dec 31, 2023 Lease Payments	Dec 31, 2023 Weighted-average Lease Term (in years)	Dec 31, 2023 Weighted-average Discount Rate
Operating leases						
Retail and corporate offices	$ 31,317	6.51	3.65 %	$ 25,729	5.76	3.12 %
Land	3,435	6.69	3.51 %	4,050	6.98	3.48 %
Equipment	204	1.75	4.62 %	408	2.50	4.62 %
Total operating leases	$ 34,955	6.50	3.64 %	$ 30,187	5.88	3.19 %
Finance leases						
Retail and corporate offices	$ 324	3.50	1.32 %	$ 394	4.25	1.32 %
Total finance leases	$ 324	3.50	1.32 %	$ 394	4.25	1.32 %

Contractual lease payment obligations for each of the next five years and thereafter, in addition to a reconciliation to the Corporation’s lease liability, were as follows:

($ in thousands)	Operating Leases	Finance Leases	Total Leases
Three months ended December 31, 2024	$ 1,590	$ 23	$ 1,613
2025	6,550	93	6,643
2026	6,062	93	6,155
2027	5,401	93	5,493
2028	4,727	23	4,750
Beyond 2028	10,625	—	10,625
Total lease payments	$ 34,955	$ 324	$ 35,279
Less: interest	4,232	7	4,239
Present value of lease payments	$ 30,723	$ 317	$ 31,040

As of September 30, 2024 and December 31, 2023, additional operating leases, primarily retail and corporate offices, that had not yet commenced totaled $6 million and $3 million, respectively. The leases that had not yet commenced as of September 30, 2024 will commence between October 2024 and April 2025 with lease terms of 1 year to 7 years. Rental income generated by the Corporation's leases is included within occupancy expense on the consolidated statements of income.

ITEM 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Special Note Regarding Forward-Looking Statements

This report contains statements that may constitute forward-looking statements within the meaning of the safe-harbor provisions for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995, such as statements other than historical facts contained or incorporated by reference into this report. These forward-looking statements include statements with respect to the Corporation's financial condition, results of operations, plans, objectives, future performance and business, including statements preceded by, followed by or that include the words "believes," "expects," or "anticipates," references to estimates or similar expressions. Future filings by the Corporation with the SEC, and future statements other than historical facts contained in written material, press releases and oral statements issued by, or on behalf of the Corporation may also constitute forward-looking statements.

All forward-looking statements contained in this report or which may be contained in future statements made for or on behalf of the Corporation are based upon information available at the time the statement is made and the Corporation assumes no obligation to update any forward-looking statements, except as required by federal securities law. Forward-looking statements are subject to significant risks and uncertainties, and the Corporation's actual results may differ materially from the expected results discussed in such forward-looking statements. Factors that might cause actual results to differ from the results discussed in forward-looking statements include, but are not limited to, the risk factors in Item 1A, Risk Factors, in the Corporation's Annual Report on Form 10-K for the year ended December 31, 2023, and as may be described from time to time in the Corporation's subsequent SEC filings.

Overview

The following discussion and analysis is presented to assist in the understanding and evaluation of the Corporation's financial condition and results of operations. It is intended to complement the unaudited consolidated financial statements, footnotes, and supplemental financial data appearing elsewhere in this Quarterly Report on Form 10-Q and should be read in conjunction therewith. Management continually evaluates strategic acquisition opportunities and various other strategic alternatives that could involve the sale or acquisition of branches or other assets, or the consolidation or creation of subsidiaries. Within the tables presented, certain columns and rows may not sum due to the use of rounded numbers for disclosure purposes.

Performance Summary

- Average loans of $29.5 billion increased $135 million from the first nine months of 2023, driven primarily by increases in auto finance and commercial lending, partially offset by a decrease in residential mortgage lending resulting from the Corporation's balance sheet repositioning.

- Average deposits of $33.1 billion increased $2.0 billion, or 6%, from the first nine months of 2023, driven primarily by increases in time deposits, interest-bearing demand deposits, savings deposits, and network transaction deposits, partially offset by decreases in noninterest-bearing demand deposits and money market deposits.

- Net interest income of $777 million decreased $9 million, or 1%, from the first nine months of 2023, and net interest margin was 2.77%, compared to 2.86% for the first nine months of 2023. The decreases in net interest income and net interest margin were driven by the growth of interest bearing liabilities outpacing the growth of earning assets, paired with a smaller rate spread.

- Provision for credit losses was $68 million, compared to a provision of $62 million for the first nine months of 2023, driven by nominal credit movement coupled with general macroeconomic trends.

- Noninterest income of $197 million increased $3 million, or 2%, from the first nine months of 2023, driven by higher wealth management fees, an increase in bank and corporate owned life insurance, and an increase in investment securities gains (losses), net, the latter resulting from the sale of the Corporation's remaining Visa B shares in the first quarter of 2024. These increases were partially offset by a decrease in mortgage banking, net, as a result of net valuation adjustments of the MSRs asset.

- Noninterest expense of $594 million increased $20 million, or 3%, from the first nine months of 2023, primarily driven by increases in personnel, technology, and FDIC assessment expense, the latter due to the special assessment, partially offset by decreases in other expense and occupancy expense.

Table 1 Summary Results of Operations: Trends

($ in thousands, except per share data)	Nine months ended Sep 30, 2024	Nine months ended Sep 30, 2023	Three months ended Sep 30, 2024	Three months ended Jun 30, 2024	Three months ended Mar 31, 2024	Three months ended Dec 31, 2023	Three months ended Sep 30, 2023
Net income (loss)	$ 284,760	$ 273,762	$ 88,018	$ 115,573	$ 81,169	$ (90,806)	$ 83,248
Net income (loss) available to common equity	276,135	265,137	85,143	112,698	78,294	(93,681)	80,373
Earnings (loss) per common share - basic	1.83	1.76	0.56	0.75	0.52	(0.63)	0.53
Earnings (loss) per common share - diluted	1.82	1.75	0.56	0.74	0.52	(0.62)	0.53
Effective tax rate	8.79 %	20.43 %	18.61 %	(12.33)%	19.78 %	N/M	18.92 %

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Income Statement Analysis

Net Interest Income

Table 2 Net Interest Income Analysis

	Nine Months Ended Sep 30,					
	2024			2023		
($ in thousands)	Average Balance	Interest Income / Expense	Average Yield / Rate	Average Balance	Interest Income / Expense	Average Yield / Rate
Assets						
Earning assets						
Loans[(a)(b)(c)]						
Commercial and business lending	$ 10,933,098	$ 592,609	7.24%	$ 10,835,003	$ 546,210	6.74%
Commercial real estate lending	7,291,541	409,752	7.51%	7,286,627	381,425	7.00%
Total commercial	18,224,639	1,002,361	7.35%	18,121,629	927,634	6.84%
Residential mortgage	7,939,493	208,291	3.50%	8,698,542	217,410	3.33%
Auto finance	2,511,694	105,528	5.61%	1,677,838	60,233	4.80%
Other retail	852,121	62,345	9.76%	895,371	59,163	8.82%
Total loans	29,527,946	1,378,524	6.23%	29,393,380	1,264,441	5.75%
Investment securities						
Taxable	5,671,823	148,672	3.50%	5,209,845	104,197	2.67%
Tax-exempt[(a)]	2,120,107	53,806	3.38%	2,314,838	60,429	3.48%
Other short-term investments	609,143	26,574	5.83%	495,883	17,990	4.85%
Investments and other	8,401,073	229,051	3.64%	8,020,566	182,616	3.03%
Total earning assets	37,929,019	$ 1,607,575	5.66%	37,413,946	$ 1,447,057	5.17%
Other assets, net	3,157,137			3,005,220		
Total assets	$ 41,086,156			$ 40,419,166		
Liabilities and stockholders' equity						
Interest-bearing liabilities						
Interest-bearing deposits						
Savings	$ 5,062,518	$ 65,330	1.72%	$ 4,743,526	$ 43,611	1.23%
Interest-bearing demand	7,383,471	147,838	2.67%	6,819,714	106,860	2.09%
Money market	6,017,642	139,987	3.11%	6,853,545	130,201	2.54%
Network transaction deposits	1,630,568	65,697	5.38%	1,420,042	53,259	5.01%
Time deposits	7,230,691	260,063	4.80%	4,447,813	130,818	3.93%
Total interest-bearing deposits	27,324,889	678,916	3.32%	24,284,640	464,749	2.56%
Federal funds purchased and securities sold under agreements to repurchase	259,209	8,551	4.41%	344,950	8,504	3.30%
Other short-term funding	508,913	19,285	5.06%	11,475	1	0.01%
FHLB advances	1,907,104	80,612	5.65%	3,834,247	147,365	5.14%
Long-term funding	573,676	32,012	7.44%	495,434	25,895	6.97%
Total short and long-term funding	3,248,902	140,461	5.77%	4,686,106	181,765	5.18%
Total interest-bearing liabilities	30,573,791	$ 819,377	3.58%	28,970,746	$ 646,514	2.98%
Noninterest-bearing demand deposits	5,748,446			6,772,521		
Other liabilities	537,432			567,938		
Stockholders’ equity	4,226,487			4,107,961		
Total liabilities and stockholders’ equity	$ 41,086,156			$ 40,419,166		
Interest rate spread			2.08%			2.19%
Net free funds			0.69%			0.67%
Fully tax-equivalent net interest income and net interest margin		$ 788,199	2.77%		$ 800,543	2.86%
Fully tax-equivalent adjustment		11,239			14,372	
Net interest income		$ 776,960			$ 786,171	

(a) The yield on tax-exempt loans and securities is computed on a fully tax-equivalent basis using a tax rate of 21% and is net of the effects of certain disallowed interest deductions.
(b) Nonaccrual loans and loans held for sale have been included in the average balances.
(c) Interest income includes amortization of net deferred loan origination costs and net accreted purchase loan discount.

Table 2 Net Interest Income Analysis

($ in thousands)	Three Months Ended, Sep 30, 2024 Average Balance	Sep 30, 2024 Interest Income / Expense	Sep 30, 2024 Average Yield / Rate	Jun 30, 2024 Average Balance	Jun 30, 2024 Interest Income / Expense	Jun 30, 2024 Average Yield / Rate	Sep 30, 2023 Average Balance	Sep 30, 2023 Interest Income / Expense	Sep 30, 2023 Average Yield / Rate
Assets									
Earning assets									
Loans[(a)(b)(c)]									
Commercial and business lending	$ 10,971,390	$200,327	7.27%	$ 11,011,228	$198,191	7.24%	$ 10,985,584	$194,956	7.04%
Commercial real estate lending	7,235,505	136,699	7.52%	7,249,773	134,203	7.45%	7,312,645	134,370	7.29%
Total commercial	18,206,896	337,027	7.36%	18,261,000	332,394	7.32%	18,298,229	329,326	7.14%
Residential mortgage	7,888,290	70,171	3.56%	7,905,236	69,389	3.51%	8,807,157	74,643	3.39%
Auto finance	2,635,890	37,904	5.72%	2,524,107	35,021	5.58%	1,884,540	24,074	5.07%
Other retail	903,011	21,124	9.34%	889,220	20,504	9.24%	894,685	20,534	9.15%
Total loans	29,634,087	466,226	6.27%	29,579,564	457,307	6.21%	29,884,611	448,577	5.96%
Investment securities									
Taxable	5,816,102	51,466	3.54%	5,680,757	50,479	3.55%	5,407,299	38,210	2.83%
Tax-exempt[(a)]	2,110,896	17,885	3.39%	2,116,174	17,896	3.38%	2,300,488	20,085	3.49%
Other short-term investments	629,431	8,959	5.66%	620,943	9,304	6.03%	483,211	6,575	5.40%
Investments and other	8,556,429	78,310	3.66%	8,417,874	77,680	3.69%	8,190,998	64,870	3.16%
Total earning assets	38,190,516	$544,535	5.68%	37,997,438	$534,987	5.65%	38,075,608	$513,447	5.36%
Other assets, net	3,199,195			3,103,168			3,000,371		
Total assets	$ 41,389,711			$ 41,100,606			$ 41,075,980		
Liabilities and stockholders' equity									
Interest-bearing liabilities									
Interest-bearing deposits									
Savings	$ 5,125,147	$ 21,611	1.68%	$ 5,133,688	$ 21,972	1.72%	$ 4,814,499	$ 18,592	1.53%
Interest-bearing demand	7,394,550	49,740	2.68%	7,265,621	48,109	2.66%	6,979,071	41,980	2.39%
Money market	5,942,147	46,290	3.10%	5,995,005	46,391	3.11%	6,294,083	45,034	2.84%
Network transaction deposits	1,644,305	22,077	5.34%	1,595,312	21,416	5.40%	1,639,619	22,008	5.33%
Time deposits	7,562,448	91,907	4.83%	6,927,663	83,173	4.83%	5,955,741	65,517	4.36%
Total interest-bearing deposits	27,668,597	231,623	3.33%	26,917,289	221,062	3.30%	25,683,013	193,131	2.98%
Federal funds purchased and securities sold under agreements to repurchase	299,286	3,385	4.50%	213,921	2,303	4.33%	320,518	3,100	3.84%
Other short-term funding	519,421	6,638	5.08%	561,596	7,044	5.04%	5,041	—	0.01%
FHLB advances	1,750,590	24,799	5.64%	2,432,195	34,143	5.65%	3,460,827	48,143	5.52%
Long-term funding	647,440	11,858	7.33%	533,670	10,096	7.57%	533,744	10,019	7.51%
Total short and long-term funding	3,216,737	46,680	5.78%	3,741,381	53,586	5.75%	4,320,130	61,263	5.63%
Total interest-bearing liabilities	30,885,334	$278,304	3.59%	30,658,670	$274,648	3.60%	30,003,143	$254,394	3.36%
Noninterest-bearing demand deposits	5,652,228			5,712,115			6,318,781		
Other liabilities	521,423			563,616			622,004		
Stockholders' equity	4,330,727			4,166,204			4,132,052		
Total liabilities and stockholders' equity	$ 41,389,711			$ 41,100,606			$ 41,075,980		
Interest rate spread			2.10%			2.05%			2.00%
Net free funds			0.69%			0.70%			0.71%
Fully tax-equivalent net interest income and net interest margin		$266,232	2.78%		$260,340	2.75%		$259,053	2.71%
Fully tax-equivalent adjustment		3,723			3,747			4,810	
Net interest income		$262,509			$256,593			$254,244	

(a) The yield on tax-exempt loans and securities is computed on a fully tax-equivalent basis using a tax rate of 21% and is net of the effects of certain disallowed interest deductions.
(b) Nonaccrual loans and loans held for sale have been included in the average balances.
(c) Interest income includes amortization of net deferred loan origination costs and net accreted purchase loan discount.

Notable Contributions to the Change in Net Interest Income

- Fully tax-equivalent net interest income and net interest income were $12 million, or 2%, and $9 million, or 1%, lower than the first nine months of 2023, respectively. The elevated interest rate environment has resulted in the yield on earning assets increasing by 49 bp and the cost of interest-bearing liabilities increasing 60 bp from the first nine months of 2023. See sections Interest Rate Risk and Quantitative and Qualitative Disclosures about Market Risk for a discussion of interest rate risk and market risk.

- Average loans increased $135 million from the first nine months of 2023, and average investments and other short-term investments increased $381 million, or 5%, from the first nine months of 2023.

- Average interest-bearing liabilities increased $1.6 billion, or 6%, compared to the first nine months of 2023. Average interest-bearing deposits increased $3.0 billion, or 13%, from the first nine months of 2023, primarily driven by increases in time deposits, interest-bearing demand deposits, savings deposits, and network transaction deposits, partially offset by a decrease in money market deposits. Average total short and long-term funding decreased $1.4 billion, or 31%, from the first nine months of 2023, primarily driven by a decrease in FHLB advances of $1.9 billion, or 50%, partially offset by an increase in other short-term funding related to the utilization of the BTFP. Average noninterest-bearing demand deposits decreased $1.0 billion, or 15%, versus the first nine months of 2023.

Provision for Credit Losses

The provision for credit losses is predominantly a function of the Corporation's reserving methodology and judgments as to other qualitative and quantitative factors used to determine the appropriate level of the ACLL, which focuses on changes in the size and character of the loan portfolio, changes in levels of individually evaluated and other nonaccrual loans, historical losses and delinquencies in each portfolio category, the risk inherent in specific loans, concentrations of loans to specific borrowers or industries, existing economic conditions and economic forecasts, the fair value of underlying collateral, and other factors which could affect potential credit losses. The forecast the Corporation used for September 30, 2024 was the Moody's baseline scenario from August 2024, which was reviewed against the September 2024 baseline scenario with no material updates made, over a two year reasonable and supportable period with straight-line reversion to historical losses over the second year of the period. See additional discussion under the sections titled Loans, Credit Risk, Nonperforming Assets, and Allowance for Credit Losses on Loans.

Noninterest Income

Table 3 Noninterest Income

	Nine months ended			Three months ended					Changes vs	
($ in thousands, except as noted)	Sep 30, 2024	Sep 30, 2023	YTD % Change	Sep 30, 2024	Jun 30, 2024	Mar 31, 2024	Dec 31, 2023	Sep 30, 2023	Jun 30, 2024	Sep 30, 2023
Wealth management fees	$ 68,466	$ 61,499	11 %	$ 24,144	$ 22,628	$ 21,694	$ 21,003	$ 20,828	7 %	16 %
Service charges and deposit account fees	38,410	38,230	— %	13,708	12,263	12,439	10,815	12,864	12 %	7 %
Card-based fees	34,973	33,492	4 %	11,731	11,975	11,267	11,528	11,510	(2)%	2 %
Other fee-based revenue	14,316	13,249	8 %	5,057	4,857	4,402	4,019	4,509	4 %	12 %
Total fee-based revenue	156,165	146,470	7 %	54,640	51,723	49,802	47,365	49,710	6 %	10 %
Capital markets, net	13,052	15,544	(16)%	4,317	4,685	4,050	9,106	5,368	(8)%	(20)%
Mortgage banking, net	7,299	17,814	(59)%	2,132	2,505	2,662	1,615	6,501	(15)%	(67)%
Loss on mortgage portfolio sale	—	—	N/M	—	—	—	(136,239)	—	N/M	N/M
Bank and corporate owned life insurance	11,156	6,882	62 %	4,001	4,584	2,570	3,383	2,047	(13)%	95 %
Other	7,054	6,841	3 %	2,504	2,222	2,327	2,850	2,339	13 %	7 %
Subtotal	194,726	193,551	1 %	67,595	65,719	61,411	(71,919)	65,965	3 %	2 %
Asset (losses) gains, net	(1,407)	590	N/M	(474)	(627)	(306)	(136)	625	(24)%	N/M
Investment securities gains (losses), net	4,047	55	N/M	100	67	3,879	(58,958)	(11)	48 %	N/M
Total noninterest income (loss)	$197,365	$ 194,195	2 %	$ 67,221	$ 65,159	$ 64,985	$(131,013)	$ 66,579	3 %	1 %
Mortgage loans originated for sale during period	$450,532	$ 283,469	59 %	$ 176,174	$ 168,964	$ 105,394	$ 112,365	$ 115,075	4 %	53 %
Mortgage loan settlements during period	415,840	254,619	63 %	187,108	137,706	91,026	957,450	103,452	36 %	81 %
Assets under management, at market value[(a)]				15,033	14,304	14,171	13,545	12,543	5 %	20 %

N/M = Not Meaningful
(a) $ in millions. Excludes assets held in brokerage accounts.

Notable Contributions to the Change in Noninterest Income

- Wealth management fees increased $7 million from the first nine months of 2023, mainly driven by increased assets under management.
- Mortgage banking, net, decreased $11 million from the first nine months of 2023, mainly driven by net valuation adjustments of the MSRs asset.
- Bank and corporate owned life insurance increased $4 million from the first nine months of 2023, driven by net favorable valuation changes on policies and an increased number of claims.
- Investment securities gains (losses), net, increased $4 million from the first nine months of 2023, as a result of the sale of the Corporation's remaining Visa B shares.

Noninterest Expense

Table 4 Noninterest Expense

	Nine months ended			Three months ended					Change vs	
($ in thousands)	Sep 30, 2024	Sep 30, 2023	YTD % Change	Sep 30, 2024	Jun 30, 2024	Mar 31, 2024	Dec 31, 2023	Sep 30, 2023	Jun 30, 2024	Sep 30, 2023
Personnel	$ 362,012	$ 347,669	4 %	$ 121,036	$ 121,581	$ 119,395	$ 120,686	$ 117,159	— %	3 %
Technology	80,579	73,990	9 %	27,217	27,161	26,200	28,027	26,172	— %	4 %
Occupancy	40,297	42,775	(6)%	13,536	13,128	13,633	14,429	14,125	3 %	(4)%
Business development and advertising	20,735	20,054	3 %	6,683	7,535	6,517	8,350	7,100	(11)%	(6)%
Equipment	13,702	14,921	(8)%	4,653	4,450	4,599	4,742	5,016	5 %	(7)%
Legal and professional	14,740	13,149	12 %	5,639	4,429	4,672	6,762	4,461	27 %	26 %
Loan and foreclosure costs	6,519	4,822	35 %	2,748	1,793	1,979	585	2,049	53 %	34 %
FDIC assessment	29,300	25,575	15 %	8,223	7,131	13,946	41,497	9,150	15 %	(10)%
Other intangible amortization	6,608	6,608	— %	2,203	2,203	2,203	2,203	2,203	— %	— %
Other	19,622	24,726	(21)%	8,659	6,450	4,513	12,110	8,771	34 %	(1)%
Total noninterest expense	$ 594,115	$ 574,291	3 %	$ 200,597	$ 195,861	$ 197,657	$ 239,391	$ 196,205	2 %	2 %
Average FTEs[(a)]	4,045	4,222	(4)%	4,041	4,025	4,070	4,130	4,220	— %	(4)%

(a) Average FTEs without overtime

Notable Contributions to the Change in Noninterest Expense

- Personnel expense increased $14 million from the first nine months of 2023, primarily driven by merit increases year-over-year.
- FDIC expense increased $4 million from the first nine months of 2023, primarily driven by adjustments to the FDIC's special assessment applied to the Bank.

Income Taxes

The Corporation records income tax expense during interim periods based on the best estimate of the full year's effective tax rate as adjusted for discrete items, if any, taken into account in the relevant interim period. Each quarter, the Corporation updates its estimate of the annual effective tax rate and the effect of any change in the estimated rate is recorded on a cumulative basis. The Corporation recognized income tax expense of $27 million for the nine months ended September 30, 2024, compared to income tax expense of $70 million for the nine months ended September 30, 2023. The Corporation's effective tax rate from continuing operations was 8.79% and 20.43% for the nine months ended September 30, 2024, and 2023, respectively. The decreases in income tax expense and lower effective tax rate during the first nine months of 2024 were primarily due to a strategic reallocation of the investment portfolio and adoption of a legal entity rationalization plan that resulted in the recognition of deferred tax benefits of approximately $33 million.

Income tax expense recorded on the consolidated statements of income involves the interpretation and application of certain accounting pronouncements and federal and state tax laws and regulations. The Corporation is subject to examination by various taxing authorities. Examination by taxing authorities may impact the amount of tax expense and/or the reserve for uncertainty in income taxes if their interpretations differ from those of management, based on their judgments about information available to them at the time of their examinations.

Balance Sheet Analysis

- At September 30, 2024, total assets were $42.2 billion, up $1.2 billion, or 3%, from December 31, 2023, and up $573 million, or 1%, from September 30, 2023.
- Interest bearing deposits in other financial institutions were $408 million at September 30, 2024, down $17 million, or 4%, from December 31, 2023, and up $85 million, or 26%, from September 30, 2023.
- AFS investment securities, at fair value were $4.2 billion at September 30, 2024, up $552 million, or 15%, from December 31, 2023, and up $661 million, or 19%, from September 30, 2023. HTM investment securities, net, at amortized cost were $3.8 billion at September 30, 2024, down $91 million, or 2%, from December 31, 2023, and down $131 million, or 3%, from September 30, 2023. See Note 5 Investment Securities of the notes to consolidated financial statements for additional details.
- Loans of $30.0 billion at September 30, 2024 were up $775 million, or 3%, from December 31, 2023, and down $202 million, or 1%, from September 30, 2023. See Note 6 Loans of the notes to consolidated financial statements for additional details.
- At September 30, 2024, total deposits of $33.6 billion were up $108 million from December 31, 2023, and were up $1.4 billion, or 4%, from September 30, 2023. See section Deposits and Customer Funding for additional information on deposits.
- FHLB advances were $1.9 billion at September 30, 2024, down $27 million, or 1%, from December 31, 2023, and down $1.8 billion, or 49%, from September 30, 2023. See Note 8 Short and Long-Term Funding of the notes to consolidated financial statements for additional details.
- Other long-term funding was $844 million at September 30, 2024, up $303 million, or 56%, from December 31, 2023, and up $315 million, or 59%, from September 30, 2023, primarily driven by the Corporation's issuance of senior notes in August 2024. See Note 8 Short and Long-Term Funding of the notes to consolidated financial statements for additional details.

Loans

Table 5 Period End Loan Composition

	Sep 30, 2024		Jun 30, 2024		Mar 31, 2024		Dec 31, 2023		Sep 30, 2023	
($ in thousands)	Amount	% of Total	Amount	% of Total	Amount	% of Total	Amount	% of Total	Amount	% of Total
Commercial and industrial	$ 10,258,899	34 %	$ 9,970,412	34 %	$ 9,858,329	33 %	$ 9,731,555	33 %	$ 10,099,068	33 %
Commercial real estate — owner occupied	1,120,849	4 %	1,102,146	4 %	1,095,894	4 %	1,061,700	4 %	1,054,969	3 %
Commercial and business lending	11,379,748	38 %	11,072,558	37 %	10,954,223	37 %	10,793,255	37 %	11,154,037	37 %
Commercial real estate — investor	5,070,635	17 %	5,001,392	17 %	5,035,195	17 %	5,124,245	18 %	5,218,980	17 %
Real estate construction	2,114,300	7 %	2,255,637	8 %	2,287,041	8 %	2,271,398	8 %	2,130,719	7 %
Commercial real estate lending	7,184,934	24 %	7,257,029	25 %	7,322,237	25 %	7,395,644	25 %	7,349,699	24 %
Total commercial	18,564,683	62 %	18,329,587	62 %	18,276,460	62 %	18,188,898	62 %	18,503,736	61 %
Residential mortgage	7,803,083	26 %	7,840,073	26 %	7,868,180	27 %	7,864,891	27 %	8,782,645	29 %
Auto finance	2,708,946	9 %	2,556,009	9 %	2,471,257	8 %	2,256,162	8 %	2,007,164	7 %
Home equity	651,379	2 %	634,142	2 %	619,764	2 %	628,526	2 %	623,650	2 %
Other consumer	262,806	1 %	258,460	1 %	258,603	1 %	277,740	1 %	275,993	1 %
Total consumer	11,426,214	38 %	11,288,684	38 %	11,217,802	38 %	11,027,319	38 %	11,689,451	39 %
Total loans	$ 29,990,897	100 %	$ 29,618,271	100 %	$ 29,494,263	100 %	$ 29,216,218	100 %	$ 30,193,187	100 %

The Corporation has long-term guidelines relative to the proportion of Commercial and Business, CRE, and Consumer loan commitments within the overall loan portfolio, with each targeted to represent 30% to 40% of the overall loan portfolio. The targeted long-term guidelines were unchanged during 2023 and the first nine months of 2024. Furthermore, certain sub-asset classes within the respective portfolios are further defined and dollar limitations are placed on these sub-portfolios. These guidelines and limits are reviewed quarterly and approved annually by the Enterprise Risk Committee of the Corporation’s Board of Directors. These guidelines and limits are designed to create balance and diversification within the loan portfolios.

The Corporation’s loan distribution and interest rate sensitivity as of September 30, 2024 are summarized in the following table:

Table 6 Loan Distribution and Interest Rate Sensitivity

($ in thousands)	Within 1 Year[(a)]	1-5 Years	5-15 Years	Over 15 Years	Total	% of Total
Commercial and industrial	$ 9,019,092	$ 874,137	$ 365,168	$ 502	$ 10,258,899	34 %
Commercial real estate — owner occupied	713,569	297,960	109,320	—	1,120,849	4 %
Commercial real estate — investor	4,727,573	295,830	47,231	—	5,070,635	17 %
Real estate construction	2,081,511	29,766	2,328	694	2,114,300	7 %
Commercial - adjustable	11,595,151	40,203	3,477	—	11,638,832	39 %
Commercial - fixed	4,946,595	1,457,490	520,570	1,196	6,925,851	23 %
Residential mortgage - adjustable	198,787	723,703	1,459,794	290	2,382,574	8 %
Residential mortgage - fixed	3,972	63,604	461,943	4,890,991	5,420,510	18 %
Auto finance	1,228	1,355,273	1,352,445	—	2,708,946	9 %
Home equity	604,548	8,484	29,658	8,688	651,379	2 %
Other consumer	205,370	30,204	17,600	9,631	262,806	1 %
Total loans	$ 17,555,652	$ 3,678,961	$ 3,845,489	$ 4,910,795	$ 29,990,897	100 %
Fixed-rate	$ 4,960,289	$ 2,914,348	$ 2,382,218	$ 4,910,505	$ 15,167,359	51 %
Floating or adjustable rate	12,595,363	764,613	1,463,271	290	14,823,537	49 %
Total	$ 17,555,652	$ 3,678,961	$ 3,845,489	$ 4,910,795	$ 29,990,897	100 %

(a) Demand loans, past due loans, overdrafts, and credit cards are reported in the “Within 1 Year” category.

At September 30, 2024, $19.8 billion, or 66%, of the loans outstanding and $16.6 billion, or 89%, of the commercial loans outstanding were floating rate, adjustable rate, re-pricing within one year, or maturing within one year.

Credit Risk

An active credit risk management process is used for commercial loans to ensure that sound and consistent credit decisions are made. Credit risk is controlled by detailed underwriting procedures, comprehensive loan administration, and periodic review of borrowers’ outstanding loans and commitments. Borrower relationships are formally reviewed and graded on an ongoing basis for early identification of potential problems. Further analysis by customer, industry, and geographic location are performed to monitor trends, financial performance, and concentrations. See Note 6 Loans of the notes to consolidated financial statements for additional information on managing overall credit quality.

The loan portfolio is widely diversified by types of borrowers, industry groups, and market areas primarily within the Corporation's lending footprint. Significant loan concentrations are considered to exist when there are amounts loaned to numerous borrowers engaged in similar activities that would cause them to be similarly impacted by economic or other conditions. At September 30, 2024, no significant concentrations existed in the Corporation’s portfolio in excess of 10% of total loan exposure.

Commercial and business lending: The commercial and business lending classification primarily includes commercial loans to large corporations, middle market companies, small businesses, and asset-based and equipment financing.

Table 7 Largest Commercial and Industrial Industry Group Exposures, by NAICS Subsector

Sep 30, 2024 ($ in thousands)	NAICS Subsector	Outstanding Balance	Total Exposure	% of Total Loan Exposure
Real Estate[(a)]	531	$ 1,840,961	$ 3,340,589	8 %
Utilities[(b)]	221	2,492,889	3,124,225	8 %
Credit Intermediation and Related Activities[(c)]	522	934,413	1,692,607	4 %
Merchant Wholesalers, Durable Goods	423	541,991	951,881	2 %

(a) Includes REIT lines.
(b) 55% of the total utilities exposure comes from renewable energy sources (wind, solar, hydroelectric, and geothermal).
(c) Includes mortgage warehouse lines.

The remaining commercial and industrial portfolio is spread over a diverse range of industries, none of which exceed 2% of total loan exposure.

The CRE-owner occupied portfolio is spread over a diverse range of industries, none of which exceed 2% of total loan exposure.

The credit risk related to commercial and business lending is largely influenced by general economic conditions and the resulting impact on a borrower's operations or on the value of underlying collateral, if any.

Commercial real estate - investor: CRE-investor is comprised of loans secured by various non-owner occupied or investor income producing property types.

Table 8 Largest Commercial Real Estate Investor Property Type Exposures

Sep 30, 2024	% of Total Loan Exposure	% of Total Commercial Real Estate - Investor Loan Exposure
Multi-Family	5 %	35 %
Industrial	3 %	26 %
Office	3 %	19 %

The remaining CRE-investor portfolio is spread over various other property types, none of which exceed 2% of total loan exposure.

Credit risk is managed in a similar manner to commercial and business lending by employing sound underwriting guidelines, lending primarily to borrowers in local markets and businesses, periodically evaluating the underlying collateral, and formally reviewing the borrower's financial soundness and relationship on an ongoing basis.

Real estate construction: Real estate construction loans are primarily short-term or interim loans that provide financing for the acquisition or development of commercial income properties, multi-family projects, or residential development, both single family and condominium. Real estate construction loans are made to developers and project managers who are generally well known to the Corporation and have prior successful project experience. The credit risk associated with real estate construction loans is generally confined to specific geographic areas but is also influenced by general economic conditions. The Corporation controls the credit risk on these types of loans by making loans in familiar markets to developers, reviewing the merits of individual projects, controlling loan structure, and monitoring project progress and construction advances.

Table 9 Largest Real Estate Construction Property Type Exposures

Sep 30, 2024	% of Total Loan Exposure	% of Total Real Estate Construction Loan Exposure
Multi-Family	5 %	54 %

The remaining real estate construction portfolio is spread over various other property types, none of which exceed 2% of total loan exposure.

The Corporation's current lending standards for CRE and real estate construction lending are determined by property type and specifically address many criteria, including: maximum loan amounts, maximum LTV, requirements for pre-leasing and/or presales, minimum borrower equity, and maximum loan-to-cost. Currently, the maximum standard for LTV is 80%, with lower limits established for certain higher risk types, such as raw land that has a 50% LTV maximum. The Corporation's LTV guidelines are in compliance with regulatory supervisory limits. In most cases, for real estate construction loans, the loan amounts include interest reserves, which are built into the loans and sized to fund loan payments through construction and lease up and/or sell out.

Residential mortgages: Residential mortgage loans are primarily first lien home mortgages with a maximum loan-to-collateral value without credit enhancement (e.g. private mortgage insurance) of 80%. The residential mortgage portfolio is focused primarily in the Corporation's three-state branch footprint, with approximately 88% of the outstanding loan balances in the Corporation's branch footprint at September 30, 2024. The rates on adjustable rate mortgages adjust based upon the movement in the underlying index which is then added to a margin and rounded to the nearest 0.125%. That result is then subjected to any periodic caps to produce the borrower's interest rate for the coming term. Most of the adjustable rate mortgages have an initial fixed rate term of 3, 5, 7 or 10 years.

The Corporation generally retains certain fixed-rate residential real estate mortgages in its loan portfolio, including retail and private banking jumbo mortgages and CRA-related mortgages. As part of management's historical practice of originating and servicing residential mortgage loans, generally the Corporation's 30 year, agency conforming, fixed-rate residential real estate mortgage loans have been sold in the secondary market with servicing rights retained. Subject to management's analysis of the current interest rate environment, among other market factors, the Corporation may choose to retain mortgage loan production on its balance sheet.

The Corporation’s underwriting and risk-based pricing guidelines for residential mortgage loans include minimum borrower FICO score and maximum LTV of the property securing the loan. Residential mortgage products generally are underwritten using FHLMC and FNMA secondary marketing guidelines.

Home equity: Home equity consists of both home equity lines of credit and closed-end home equity loans. The Corporation’s credit risk monitoring guidelines for home equity are based on an ongoing review of loan delinquency status, as well as a quarterly review of FICO score deterioration and property devaluation. The Corporation does not routinely obtain appraisals on performing loans to update LTV ratios after origination; however, the Corporation monitors the local housing markets by reviewing the various home price indices and incorporates the impact of the changing market conditions in its ongoing credit monitoring process. For junior lien home equity loans, the Corporation is unable to track the performance of the first lien loan if it does not own or service the first lien loan. However, the Corporation obtains a refreshed FICO score on a quarterly basis and monitors this as part of its assessment of the home equity portfolio.

The Corporation’s underwriting and risk-based pricing guidelines for home equity lines of credit and loans consist of a combination of both borrower FICO score and the original cumulative LTV against the property securing the loan. Currently, the Corporation's policy sets the maximum acceptable LTV at 90%. The Corporation's current home equity line of credit offering is priced based on floating rate indices and generally allows 10 years of interest-only payments followed by a 20-year amortization of the outstanding balance. The loans in the Corporation's portfolio generally have an original term of 20 years with principal and interest payments required.

Indirect Auto: The Corporation currently purchases retail auto sales contracts via a network of approved auto dealerships across 16 states throughout the Northeast, Mid-Atlantic, and Midwestern United States. The auto dealerships finance the sale of automobiles as the initial lender and then assign the contracts to the Corporation pursuant to dealer agreements. The Corporation’s underwriting and pricing guidelines are based on a dual risk grade derived from a combination of FICO auto score and proprietary internal custom score. Minimum grade and FICO score standards ensure the credit risk is appropriately managed to the Corporation’s risk appetite. Further, the grade influences loan-specific parameters such as vehicle age, term, LTV, loan amount, mileage, payment and debt service thresholds, and pricing. Maximum loan terms offered are 84 months on select grades with vehicle age, mileage, and other limitations in place to qualify. The program is designed to capture primarily prime and super prime contracts, with approximately 60% of originations typically secured by used vehicles.

Other consumer: Other consumer consists of student loans, short-term personal installment loans, and credit cards. Credit risk for student loans, short-term personal installment loans, and credit cards is influenced by general economic conditions, the characteristics of individual borrowers, and the nature of the loan collateral. Risks of loss are generally on smaller average balances per loan spread over many borrowers. Once charged off, there is usually less opportunity for recovery of these smaller consumer loans. Credit risk is primarily controlled by reviewing the creditworthiness of the borrowers, monitoring payment histories, and taking appropriate collateral and guarantee positions.

Nonperforming Assets

Management is committed to a proactive nonaccrual and problem loan identification philosophy. This philosophy is implemented through the ongoing monitoring and review of all pools of risk in the loan portfolio to ensure that problem loans are identified quickly and the risk of loss is minimized. Table 10 provides detailed information regarding NPAs, which include nonaccrual loans, OREO, and repossessed assets, and also includes information on accruing loans past due and restructured loans:

Table 10 Nonperforming Assets

($ in thousands)	Sep 30, 2024	Jun 30, 2024	Mar 31, 2024	Dec 31, 2023	Sep 30, 2023
Nonperforming assets					
Commercial and industrial	$ 14,369	$ 21,190	$ 72,243	$ 62,022	$ 74,812
Commercial real estate — owner occupied	9,285	1,851	2,090	1,394	3,936
Commercial and business lending	23,654	23,041	74,333	63,416	78,748
Commercial real estate — investor	18,913	48,249	18,697	—	10,882
Real estate construction	15	16	18	6	103
Commercial real estate lending	18,928	48,265	18,715	6	10,985
Total commercial	42,582	71,306	93,047	63,422	89,732
Residential mortgage	70,138	68,058	69,954	71,142	66,153
Auto finance	7,456	6,986	7,158	5,797	4,533
Home equity	8,231	7,996	8,100	8,508	7,917
Other consumer	70	77	87	128	222
Total consumer	85,894	83,117	85,299	85,574	78,826
Total nonaccrual loans	128,476	154,423	178,346	148,997	168,558
Commercial real estate owned	11,914	914	914	914	1,062
Residential real estate owned	1,012	1,467	920	1,290	989
Bank properties real estate owned[(a)]	5,903	5,944	6,603	8,301	6,400
OREO	18,830	8,325	8,437	10,506	8,452
Repossessed assets	793	671	1,241	919	658
Total nonperforming assets	$ 148,098	$ 163,418	$ 188,025	$ 160,421	$ 177,668
Accruing loans past due 90 days or more					
Commercial	$ 5,359	$ 384	$ 426	$ 19,812	$ 441
Consumer	1,748	1,970	1,992	1,876	1,715
Total accruing loans past due 90 days or more	$ 7,107	$ 2,354	$ 2,417	$ 21,689	$ 2,156
Restructured loans (accruing)					
Commercial	$ 424	$ 410	$ 377	$ 306	$ 234
Consumer	2,141	2,166	2,080	2,414	1,855
Total restructured loans (accruing)	$ 2,565	$ 2,576	$ 2,457	$ 2,719	$ 2,089
Nonaccrual restructured loans (included in nonaccrual loans)	$ 1,840	$ 717	$ 1,141	$ 805	$ 961
Ratios					
Nonaccrual loans to total loans	0.43 %	0.52 %	0.60 %	0.51 %	0.56 %
NPAs to total loans plus OREO and repossessed assets	0.49 %	0.55 %	0.64 %	0.55 %	0.59 %
NPAs to total assets	0.35 %	0.39 %	0.46 %	0.39 %	0.43 %
Allowance for credit losses on loans to nonaccrual loans	309.43 %	252.31 %	217.43 %	258.98 %	225.78 %

Table 10 Nonperforming Assets (continued)

($ in thousands)	Sep 30, 2024	Jun 30, 2024	Mar 31, 2024	Dec 31, 2023	Sep 30, 2023
Accruing loans 30-89 days past due					
Commercial and industrial	$ 1,212	$ 2,052	$ 521	$ 5,565	$ 1,507
Commercial real estate — owner occupied	2,209	—	—	358	1,877
Commercial and business lending	3,421	2,052	521	5,923	3,384
Commercial real estate — investor	10,746	1,023	19,164	18,697	10,121
Real estate construction	88	—	1,260	—	10
Commercial real estate lending	10,834	1,023	20,424	18,697	10,131
Total commercial	14,255	3,075	20,945	24,619	13,515
Residential mortgage	13,630	10,374	9,903	13,446	11,652
Auto finance	15,458	15,814	12,521	17,386	16,688
Home equity	3,146	3,694	2,819	4,208	3,687
Other consumer	2,163	1,995	2,260	2,166	1,880
Total consumer	34,397	31,877	27,503	37,205	33,908
Total accruing loans 30-89 days past due	$ 48,651	$ 34,952	$ 48,448	$ 61,825	$ 47,422

(a) Primarily closed branches and other bank operated real estate facilities, pending disposition.

Nonaccrual loans: Nonaccrual loans are considered to be one indicator of potential future loan losses. See Note 6 Loans of the notes to consolidated financial statements for additional nonaccrual loan disclosures. See also sections Credit Risk and Allowance for Credit Losses on Loans.

Accruing loans past due 90 days or more: Loans past due 90 days or more but still accruing interest are classified as such where the underlying loans are both well secured (the collateral value is sufficient to cover principal and accrued interest) and are in the process of collection.

Restructured loans: Loans are considered restructured loans if concessions have been granted to borrowers that are experiencing financial difficulty. See also Note 6 Loans of the notes to consolidated financial statements for additional restructured loans disclosures.

OREO: Management actively seeks to ensure OREO properties held are monitored to minimize the Corporation’s risk of loss.

Allowance for Credit Losses on Loans

Credit risks within the loan portfolio are inherently different for each loan type. Credit risk is controlled and monitored through the use of lending standards, a thorough review of potential borrowers, and ongoing review of loan payment performance. Active asset quality administration, including early problem loan identification and timely resolution of problems, aids in the management of credit risk and the minimization of loan losses. Credit risk management for each loan type is discussed in the section entitled Credit Risk. See Note 6 Loans of the notes to consolidated financial statements for additional disclosures on the ACLL.

To assess the appropriateness of the ACLL, the Corporation focuses on the evaluation of many factors, including but not limited to: evaluation of facts and issues related to specific loans, management’s ongoing review and grading of the loan portfolio, credit report refreshes, consideration of historical loan loss and delinquency experience on each portfolio category, trends in past due and nonaccrual loans, the risk characteristics of the various classifications of loan segments, changes in the size and character of the loan portfolio, concentrations of loans to specific borrowers or industries, existing economic conditions and economic forecasts, the fair value of underlying collateral, funding assumptions on lines, and other qualitative and quantitative factors which could affect potential credit losses. The forecast the Corporation used for September 30, 2024 was the Moody's baseline scenario from August 2024, which was reviewed against the September 2024 baseline scenario with no material updates made, over a two year reasonable and supportable period with straight-line reversion to historical losses over the second year of the period. Assessing these factors involves significant judgment. Because each of the criteria used is subject to change, the ACLL is not necessarily indicative of the trend of future credit losses on loans in any particular segment. Therefore, management considers the ACLL a critical accounting estimate, see section Critical Accounting Estimates for additional information on the ACLL. See section Nonperforming Assets for a detailed discussion on asset quality. See also Note 6 Loans of the notes to consolidated financial statements for additional ACLL disclosures. Table 5 provides information on loan growth and period end loan composition, Table 10 provides additional information regarding NPAs, and Table 11 and Table 12 provide additional information regarding activity in the ACLL.

The loan segmentation used in calculating the ACLL at September 30, 2024 and December 31, 2023 was generally comparable. The methodology to calculate the ACLL consists of the following components: a valuation allowance estimate is established for commercial and consumer loans determined by the Corporation to be individually evaluated, using discounted cash flows, estimated fair value of underlying collateral, and/or other data available. Loans are segmented for criticized loan pools by loan type as well as for non-criticized loan pools by loan type, primarily based on risk rating rates after considering loan type, historical loss and delinquency experience, credit quality, and industry classifications. Loans that have been criticized are considered to have a higher risk of default than non-criticized loans, as circumstances were present to support the lower loan grade, warranting higher loss factors. Additionally, management allocates ACLL to absorb losses that may not be provided for by the other components due to qualitative factors evaluated by management, such as limitations within the credit risk grading process, known current economic or business conditions that may not yet show in trends, industry or other concentrations with current issues that impose higher inherent risks than are reflected in the loss factors, and other relevant considerations. The total allowance is available to absorb losses from any segment of the loan portfolio.

Table 11 Allowance for Credit Losses on Loans

	YTD		Quarter Ended				
($ in thousands)	Sep 30, 2024	Sep 30, 2023	Sep 30, 2024	Jun 30, 2024	Mar 31, 2024	Dec 31, 2023	Sep 30, 2023
Allowance for loan losses							
Balance at beginning of period	$ 351,094	$ 312,720	$ 355,844	$ 356,006	$ 351,094	$ 345,795	$ 338,750
Provision for loan losses	67,000	66,000	19,000	21,000	27,000	21,000	25,500
Charge offs	(62,645)	(40,891)	(15,337)	(23,290)	(24,018)	(17,878)	(20,535)
Recoveries	6,316	7,965	2,258	2,127	1,930	2,177	2,079
Net (charge offs) recoveries	(56,329)	(32,925)	(13,078)	(21,163)	(22,088)	(15,701)	(18,455)
Balance at end of period	$ 361,765	$ 345,795	$ 361,765	$ 355,844	$ 356,006	$ 351,094	$ 345,795
Allowance for unfunded commitments							
Balance at beginning of period	$ 34,776	$ 38,776	$ 33,776	$ 31,776	$ 34,776	$ 34,776	$ 38,276
Provision for unfunded commitments	1,000	(4,000)	2,000	2,000	(3,000)	—	(3,500)
Balance at end of period	$ 35,776	$ 34,776	$ 35,776	$ 33,776	$ 31,776	$ 34,776	$ 34,776
Allowance for credit losses on loans	$ 397,541	$ 380,571	$ 397,541	$ 389,620	$ 387,782	$ 385,870	$ 380,571
Provision for credit losses on loans	68,000	62,000	21,000	23,000	24,000	21,000	22,000
Net loan (charge offs) recoveries							
Commercial and industrial	$ (42,963)	$ (29,494)	$ (10,649)	$ (13,676)	$ (18,638)	$ (13,178)	$ (16,558)
Commercial real estate — owner occupied	4	8	—	1	2	(22)	2
Commercial and business lending	(42,959)	(29,487)	(10,649)	(13,674)	(18,636)	(13,200)	(16,556)
Commercial real estate — investor	(4,570)	2,547	(1)	(4,569)	—	216	272
Real estate construction	60	18	2	28	30	38	18
Commercial real estate lending	(4,509)	2,565	2	(4,541)	30	253	290
Total commercial	(47,469)	(26,921)	(10,647)	(18,216)	(18,606)	(12,947)	(16,266)
Residential mortgage	(510)	(358)	(160)	(289)	(62)	(53)	(22)
Auto finance	(4,855)	(3,273)	(1,281)	(1,480)	(2,094)	(1,436)	(1,269)
Home equity	873	652	424	238	211	185	128
Other consumer	(4,368)	(3,025)	(1,414)	(1,417)	(1,537)	(1,450)	(1,027)
Total consumer	(8,860)	(6,004)	(2,431)	(2,947)	(3,482)	(2,754)	(2,189)
Total net (charge offs) recoveries	$ (56,329)	$ (32,925)	$ (13,078)	$ (21,163)	$ (22,088)	$ (15,701)	$ (18,455)
Ratios							
Allowance for credit losses on loans to total loans			1.33 %	1.32 %	1.31 %	1.32 %	1.26 %
Allowance for credit losses on loans to net charge offs (annualized)	5.3x	8.6x	7.6x	4.6x	4.4x	6.2x	5.2x
Loan evaluation method for ACLL							
Individually evaluated for impairment			$ 7,498	$ 16,882	$ 25,335	$ 15,492	$ 11,033
Collectively evaluated for impairment			390,043	372,738	362,447	370,378	369,538
Total ACLL			$ 397,541	$ 389,620	$ 387,782	$ 385,870	$ 380,571
Loan balance							
Individually evaluated for impairment			$ 41,938	$ 70,763	$ 92,960	$ 62,712	$ 86,195
Collectively evaluated for impairment			29,948,958	29,547,508	29,401,303	29,153,505	30,106,993
Total loan balance			$ 29,990,897	$ 29,618,271	$ 29,494,263	$ 29,216,218	$ 30,193,187

N/M = Not Meaningful

Table 12 Annualized Net (Charge Offs) Recoveries[(a)]

(In basis points)	YTD Sep 30, 2024	YTD Sep 30, 2023	Quarter Ended Sep 30, 2024	Quarter Ended Jun 30, 2024	Quarter Ended Mar 31, 2024	Quarter Ended Dec 31, 2023	Quarter Ended Sep 30, 2023
Net loan (charge offs) recoveries							
Commercial and industrial	(58)	(40)	(43)	(55)	(77)	(54)	(66)
Commercial real estate — owner occupied	—	—	—	—	—	(1)	—
Commercial and business lending	(52)	(36)	(39)	(50)	(69)	(48)	(60)
Commercial real estate — investor	(12)	7	—	(37)	—	2	2
Real estate construction	—	—	—	—	1	1	—
Commercial real estate lending	(8)	5	—	(25)	—	1	2
Total commercial	(35)	(20)	(23)	(40)	(41)	(28)	(35)
Residential mortgage	(1)	(1)	(1)	(1)	—	—	—
Auto finance	(26)	(26)	(19)	(24)	(35)	(27)	(27)
Home equity	20	14	26	15	14	12	8
Other consumer	(223)	(145)	(216)	(221)	(232)	(208)	(148)
Total consumer	(10)	(7)	(8)	(10)	(13)	(9)	(7)
Total net (charge offs) recoveries	(25)	(15)	(18)	(29)	(30)	(21)	(25)

(a) Annualized ratio of net charge offs to average loans by loan type.

Notable Contributions to the Change in the Allowance for Credit Losses on Loans

- Total loans increased $775 million, or 3%, from December 31, 2023, and decreased $202 million, or 1%, from September 30, 2023. The increase from December 31, 2023 was primarily due to growth in commercial and industrial lending and auto finance, partially offset by a decrease in real estate construction lending. The decrease from September 30, 2023 was driven by decreases in residential mortgage lending resulting from the Corporation's balance sheet repositioning and CRE - investor lending, partially offset by growth in auto finance and commercial and industrial lending. See also Note 6 Loans of the notes to consolidated financial statements for additional information on loans.

- Total nonaccrual loans decreased $21 million, or 14%, from December 31, 2023, and decreased $40 million, or 24%, from September 30, 2023. The decreases from both December 31, 2023 and September 30, 2023 were driven by decreases in nonaccrual loans within commercial and industrial lending, partially offset by increases within CRE - investor lending and CRE - owner occupied lending. See Note 6 Loans of the notes to consolidated financial statements and Table 10 for additional disclosures on the changes in asset quality.

- YTD net charge offs increased $23 million from September 30, 2023, primarily driven by increases within commercial and industrial lending and CRE - investor lending. See Table 11 and Table 12 for additional information on the activity in the ACLL.

Management believes the level of ACLL to be appropriate at September 30, 2024.

Deposits and Customer Funding

The following table summarizes the composition of our deposits and customer funding:

Table 13 Period End Deposit and Customer Funding Composition

	Sep 30, 2024		Jun 30, 2024		Mar 31, 2024		Dec 31, 2023		Sep 30, 2023	
($ in thousands)	Amount	% of Total	Amount	% of Total	Amount	% of Total	Amount	% of Total	Amount	% of Total
Noninterest-bearing demand	$ 5,857,421	17 %	$ 5,815,045	18 %	$ 6,254,135	19 %	$ 6,119,956	18 %	$ 6,422,994	20 %
Savings	5,072,508	15 %	5,157,103	16 %	5,124,639	15 %	4,835,701	14 %	4,836,735	15 %
Interest-bearing demand	8,605,578	26 %	8,284,017	25 %	8,747,127	26 %	8,843,967	26 %	7,528,154	23 %
Money market	6,095,206	18 %	6,294,895	19 %	6,721,674	20 %	6,330,453	19 %	7,268,506	23 %
Brokered CDs	4,242,670	13 %	4,061,578	12 %	3,931,230	12 %	4,447,479	13 %	3,351,399	10 %
Other time deposits	3,680,914	11 %	3,078,401	9 %	2,934,352	9 %	2,868,494	9 %	2,715,538	8 %
Total deposits	$ 33,554,298	100 %	$ 32,691,039	100 %	$ 33,713,158	100 %	$ 33,446,049	100 %	$ 32,123,326	100 %
Other customer funding[a]	110,988		89,524		90,536		106,620		151,644	
Total deposits and other customer funding	$ 33,665,286		$ 32,780,564		$ 33,803,694		$ 33,552,669		$ 32,274,971	
Network transaction deposits[b]	$ 1,566,908		$ 1,502,919		$ 1,792,820		$ 1,566,139		$ 1,649,389	
Net deposits and other customer funding[c]	27,855,707		27,216,066		28,079,644		27,539,051		27,274,183	
Time deposits of more than $250,000	742,734		546,586		543,469		522,626		533,853	

(a) Includes repurchase agreements.
(b) Included above in interest-bearing demand and money market.
(c) Total deposits and other customer funding, excluding brokered CDs and network transaction deposits.

- Total deposits, which are the Corporation's largest source of funds, increased $108 million from December 31, 2023, and increased $1.4 billion, or 4%, from September 30, 2023. The increase from September 30, 2023 was largely driven by increases in interest-bearing demand, other time deposits and brokered CDs, partially offset by decreases in money market and noninterest-bearing demand deposits.

- Estimated uninsured and uncollateralized deposits, excluding intercompany deposits, were 22.3% of total deposits at September 30, 2024, compared to 22.7% at December 31, 2023 and 22.6% at September 30, 2023.

Liquidity

The objective of liquidity risk management is to ensure that the Corporation has the ability to generate sufficient cash or cash equivalents in a timely and cost effective manner to satisfy the cash flow requirements of depositors and borrowers and to meet its other commitments as they become due. The Corporation’s liquidity risk management process is designed to identify, measure, and manage the Corporation’s funding and liquidity risk to meet its daily funding needs in the ordinary course of business, as well as to address expected and unexpected changes in its funding requirements. The Corporation engages in various activities to manage its liquidity risk, including diversifying its funding sources, stress testing, and holding readily-marketable assets which can be used as a source of liquidity, if needed.

The Corporation performs dynamic scenario analysis in accordance with industry best practices. Measures have been established to ensure the Corporation has sufficient high quality short-term liquidity to meet cash flow requirements under stressed scenarios. In addition, the Corporation also reviews static measures such as deposit funding as a percentage of total assets and liquid asset levels. Strong capital ratios, credit quality, and core earnings are also essential to maintaining cost effective access to wholesale funding markets. At September 30, 2024, the Corporation was in compliance with its internal liquidity objectives and had sufficient asset-based liquidity to meet its obligations even under a stressed scenario.

The Corporation maintains diverse and readily available liquidity sources, including:

- Lines of credit with the Federal Reserve Bank and FHLB, which require eligible loan and investment collateral to be pledged. Based on the amount of collateral pledged, the FHLB established a collateral value from which the Bank may draw advances, and issue letters of credit in favor of public fund depositors, against the collateral. As of September 30, 2024, the Bank had $6.2 billion available for future funding. The Federal Reserve Bank also establishes a collateral value of assets to support borrowings from the discount window. As of September 30, 2024, the Bank had $3.0 billion available for discount window borrowings.

- A $200 million Parent Company commercial paper program, of which there was none outstanding as of September 30, 2024.

- Dividends and service fees from subsidiaries, as well as the proceeds from issuance of capital, which are also funding sources for the Parent Company.
- Acquisition related equity issuances by the Parent Company; the Corporation has filed a shelf registration statement with the SEC under which the Parent Company may, from time to time, offer shares of the Corporation's common stock in connection with acquisitions of businesses, assets, or securities of other companies.
- Other issuances by the Parent Company; the Corporation maintains on file with the SEC a universal shelf registration statement, under which the Parent Company may offer the following securities, either separately or in units: debt securities, preferred stock, depositary shares, common stock, and warrants.
- Bank issuances; the Bank may also issue institutional CDs, network transaction deposits, and brokered CDs.
- Global Bank Note Program issuances; the Bank has implemented a program pursuant to which it may from time to time offer up to $2.0 billion aggregate principal amount of its unsecured senior and subordinated notes.

The following table presents secured and total available liquidity sources, estimated uninsured and uncollateralized deposits (excluding intercompany deposits), and coverage of estimated uninsured and uncollateralized deposits:

Table 14 Liquidity Sources and Uninsured Deposit Coverage Ratio

($ in thousands)	Sep 30, 2024	Jun 30, 2024	Mar 31, 2024	Dec 31, 2023	Sep 30, 2023
Federal Reserve Bank balance	$ 405,776	$ 482,362	$ 419,554	$ 421,848	$ 314,287
Available FHLB Chicago capacity	6,164,539	5,184,341	7,035,768	5,985,385	5,377,628
Available Federal Reserve Bank discount window capacity	2,981,211	2,336,073	1,438,992	1,433,655	1,335,938
Available BTFP capacity	—	—	—	522,465	618,829
Funding available within one business day[(a)]	9,551,527	8,002,776	8,894,314	8,363,353	7,646,682
Available federal funds lines	1,401,000	1,406,000	1,495,000	1,550,000	2,518,000
Available brokered deposits capacity[(b)]	520,809	679,089	446,513	138,512	1,240,488
Unsecured debt capacity[(c)]	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Total available liquidity	$12,473,336	$ 11,087,865	$ 11,835,827	$ 11,051,865	$ 12,405,170
Uninsured and uncollateralized deposits	$ 7,492,684	$ 7,174,369	$ 7,710,911	$ 7,586,047	$ 7,269,248
Coverage ratio of uninsured and uncollateralized deposits with secured funding available within one business day	127 %	112 %	115 %	110 %	105 %
Coverage ratio of uninsured and uncollateralized deposits with total funding	166 %	155 %	153 %	146 %	171 %

(a) Estimated based on normal course of operations with indicated institution.
(b) Availability based on internal policy limitations. The Corporation includes outstanding deposits that have received a primary purpose exemption in the brokered deposit classification as they have similar funding characteristics and risk as brokered deposits.
(c) Availability based on internal policy limitations.

Based on contractual obligations and ongoing operations, the Corporation's sources of liquidity are sufficient to meet present and future liquidity needs. See Table 17 for information about the Corporation's contractual obligations and other commitments. See section Deposits and Customer Funding for information about uninsured deposits and concentrations.

Credit ratings impact the Corporation's ability to issue debt securities and the cost to borrow money. Adverse changes in credit ratings impact not only the ability to raise funds in the capital markets but also the cost of these funds. For additional information regarding risks related to adverse changes in our credit ratings, see Part II, Item 1A, Risk Factors.

For the nine months ended September 30, 2024, net cash provided by operating and financing activities was $373 million and $843 million, respectively, while net cash used in investing activities was $1.2 billion, for a net increase in cash and cash equivalents of $43 million since year-end 2023. At September 30, 2024, assets of $42.2 billion increased $1.2 billion, or 3%, from year-end 2023, primarily due to loan growth and increases in AFS securities. On the funding side, deposits of $33.6 billion increased $108 million from year-end 2023, short-term funding increased $590 million, or 181%, and other long-term funding increased $303 million, or 56%, the latter primarily driven by the Corporation's issuance of senior notes in August 2024.

For the nine months ended September 30, 2023, net cash provided by operating and financing activities was $378 million and $1.9 billion, respectively, while net cash used in investing activities was $2.2 billion, for a net increase in cash and cash equivalents of $91 million since year-end 2022. At September 30, 2023, assets of $41.6 billion increased $2.2 billion, or 6%, from year-end 2022, primarily due to loan growth and increases in AFS securities. On the funding side, deposits of $32.1 billion increased $2.5 billion, or 8%, from year-end 2022, FHLB advances decreased $587 million, or 14%, while other long-term funding increased $281 million, or 113%, the latter due to the issuance of subordinated debt.

Quantitative and Qualitative Disclosures about Market Risk

Market risk and interest rate risk are managed centrally. Market risk is the potential for loss arising from adverse changes in the fair value of fixed-income securities, equity securities, other earning assets, and derivative financial instruments as a result of changes in interest rates or other factors. Interest rate risk is the potential for reduced net interest income resulting from adverse changes in the level of interest rates. As a financial institution that engages in transactions involving an array of financial products, the Corporation is exposed to both market risk and interest rate risk. In addition to market risk, interest rate risk is measured and managed through a number of methods. The Corporation uses financial modeling simulation techniques that measure the sensitivity of future earnings due to changing rate environments to measure interest rate risk.

Policies established by the Corporation's ALCO and approved by the Board of Directors are intended to limit these risks. The Board has delegated day-to-day responsibility for managing market and interest rate risk to ALCO. The primary objectives of market risk management are to minimize any adverse effect that changes in market risk factors may have on net interest income and to offset the risk of price changes for certain assets recorded at fair value.

Interest Rate Risk

The primary goal of interest rate risk management is to control exposure to interest rate risk within policy limits approved by the Board of Directors. These limits and guidelines reflect the Corporation's risk appetite for interest rate risk over both short-term and long-term horizons.

The major sources of the Corporation's non-trading interest rate risk are timing differences in the maturity and re-pricing characteristics of assets and liabilities, changes in the shape of the yield curve, and the potential exercise of explicit or embedded options. We measure these risks and their impact by identifying and quantifying exposures through the use of sophisticated simulation and valuation models which are employed by management to understand interest rate sensitive EAR and MVE at risk. The Corporation's interest rate risk profile is such that, generally, a higher yield curve adds to income while a lower yield curve has a negative impact on earnings. The Corporation's EAR profile is asset sensitive at September 30, 2024.

For further discussion of the Corporation's interest rate risk and corresponding key assumptions, see the Interest Rate Risk section of Management's Discussion and Analysis of Financial Condition and Results of Operations included in the Corporation's 2023 Annual Report on Form 10-K.

The sensitivity analysis included below is measured as a percentage change in EAR due to gradual moves in benchmark interest rates from a baseline scenario over 12 months. We evaluate the sensitivity using: 1) a dynamic forecast incorporating expected growth in the balance sheet, and 2) a static forecast where the current balance sheet is held constant.

While a gradual shift in interest rates was used in this analysis to provide an estimate of exposure under a probable scenario, an instantaneous shift in interest rates would have a more significant impact. No EAR breaches occurred during the first nine months of 2024.

Table 15 Estimated % Change in Rate Sensitive Earnings at Risk Over 12 Months

	Sep 30, 2024		Dec 31, 2023	
	Dynamic Forecast	Static Forecast	Dynamic Forecast	Static Forecast
Gradual Rate Change				
100 bp increase in interest rates	1.6 %	1.5 %	1.9 %	2.2 %
200 bp increase in interest rates	2.9 %	2.7 %	3.8 %	4.3 %
100 bp decrease in interest rates	(1.0)%	(0.7)%	(1.3)%	(1.5)%
200 bp decrease in interest rates	(2.0)%	(1.4)%	(2.6)%	(3.1)%

At September 30, 2024, the MVE profile indicates a decrease in net balance sheet value due to instantaneous upward changes in rates and an increase in net balance sheet value due to instantaneous downward changes in rates.

Table 16 Market Value of Equity Sensitivity

	Sep 30, 2024	Dec 31, 2023
Instantaneous Rate Change		
100 bp increase in interest rates	(9.8)%	(10.1)%
200 bp increase in interest rates	(20.1)%	(20.1)%
100 bp decrease in interest rates	8.7 %	9.7 %
200 bp decrease in interest rates	16.4 %	18.5 %

Since MVE measures the discounted present value of cash flows over the estimated lives of instruments, the change in MVE does not directly correlate to the degree that earnings would be impacted over a shorter time horizon (i.e., the current year). Further, MVE does not take into account factors such as future balance sheet growth, changes in product mix, changes in yield curve relationships, and changes in product spreads that could mitigate the adverse impact of changes in interest rates. The MVE measure in the 200 bp increase in interest rates scenario is outside of the policy limit, which has been reported to the Corporation's Board.

The above EAR and MVE measures do not include all actions that management may undertake to manage this risk in response to anticipated changes in interest rates.

Contractual Obligations, Commitments, Off-Balance Sheet Arrangements, and Contingent Liabilities

The following table summarizes significant contractual obligations and other commitments at September 30, 2024, at those amounts contractually due to the recipient, including any unamortized premiums or discounts, hedge basis adjustments, or other similar carrying value adjustments.

Table 17 Contractual Obligations and Other Commitments

($ in thousands)	Note Reference	One Year or Less	One to Three Years	Three to Five Years	Over Five Years	Total
Time deposits		$ 7,781,871	$ 127,168	$ 14,540	$ 5	$ 7,923,584
Short-term funding	8	917,028	—	—	—	917,028
FHLB advances	8	1,103,149	604,912	204,707	525	1,913,294
Other long-term funding	8	258,187	182	46	585,927	844,342
Operating leases	16	5,650	10,233	7,680	7,160	30,723
Total		$ 10,065,886	$ 742,495	$ 226,972	$ 593,617	$ 11,628,970

The Corporation also has obligations under its derivatives, lending-related commitments, and retirement plans as described in Note 9 Derivative and Hedging Activities, Note 11 Commitments, Off-Balance Sheet Arrangements, Legal Proceedings, and Regulatory Matters, and Note 13 Retirement Plans of the notes to consolidated financial statements, respectively. Further discussion of the nature of each obligation is included in the referenced note to the consolidated financial statements.

Capital

Management actively reviews capital strategies for the Corporation and each of its subsidiaries in light of perceived business risks, future growth opportunities, industry standards, and compliance with regulatory requirements. The assessment of overall capital adequacy depends on a variety of factors, including asset quality, liquidity, stability of earnings, changing competitive forces, economic conditions in markets served, and strength of management. At September 30, 2024, the capital ratios of the Corporation and its banking subsidiaries were in excess of regulatory minimum requirements. The Corporation's capital ratios are summarized in the following table.

Compliance with regulatory minimum capital requirements is a tool used in assessing the Corporation's capital adequacy, but not determinative of how the Corporation would fare under extreme stress. Factors that may affect the adequacy of the Corporation's capital include the inherent limitations of fair value estimates and the assumptions thereof, the inherent limitations of the regulatory risk-weights assigned to various asset types, the inherent limitations of accounting classifications of certain investments and the effect on their measurement, external macroeconomic conditions and their effects on capital and the Corporation's ability to raise capital or refinance capital commitments, and the extent of steps taken by state or federal government authorities in periods of extreme stress.

For additional information regarding the potential for additional regulation and supervision, see Part I, Item 1A, Risk Factors in the Corporation's Annual Report on Form 10-K for the year ended December 31, 2023.

Table 18 Capital Ratios

($ in thousands)	YTD Sep 30, 2024	YTD Sep 30, 2023	Quarter Ended Sep 30, 2024	Quarter Ended Jun 30, 2024	Quarter Ended Mar 31, 2024	Quarter Ended Dec 31, 2023	Quarter Ended Sep 30, 2023
Risk-based capital[a]							
CET1			$ 3,238,155	$ 3,172,298	$ 3,088,613	$ 3,074,938	$ 3,197,445
Tier 1 capital			3,432,267	3,366,410	3,282,725	3,269,050	3,391,557
Total capital			4,117,632	4,042,812	3,957,879	3,997,205	4,103,998
Total risk-weighted assets			33,326,479	32,767,830	32,753,344	32,732,710	33,497,484
Modified CECL transitional amount			22,425	22,425	22,425	44,851	44,851
CET1 capital ratio			9.72 %	9.68 %	9.43 %	9.39 %	9.55 %
Tier 1 capital ratio			10.30 %	10.27 %	10.02 %	9.99 %	10.12 %
Total capital ratio			12.36 %	12.34 %	12.08 %	12.21 %	12.25 %
Tier 1 leverage ratio			8.49 %	8.37 %	8.24 %	8.06 %	8.42 %
Selected equity and performance ratios							
Total stockholders' equity / total assets			10.46 %	10.19 %	10.13 %	10.18 %	9.91 %
Dividend payout ratio[b]	36.07 %	35.80 %	39.29 %	29.33 %	42.31 %	N/M	39.62 %
Return on average assets	0.93 %	0.91 %	0.85 %	1.13 %	0.80 %	(0.87)%	0.80 %
Annualized noninterest expense / average assets	1.93 %	1.90 %	1.93 %	1.92 %	1.95 %	2.30 %	1.90 %

N/M = Not Meaningful

(a) The Federal Reserve establishes regulatory capital requirements, including well-capitalized standards for the Corporation. The Corporation follows Basel III, subject to certain transition provisions. These regulatory capital measurements are used by management, regulators, investors, and analysts to assess, monitor, and compare the quality and composition of the Corporation's capital with the capital of other financial services companies.

(b) Ratio is based upon basic earnings per common share.

See Part II, Item 2, Unregistered Sales of Equity Securities and Use of Proceeds, for information on the shares repurchased during the third quarter of 2024.

Non-GAAP Measures

Table 19 Non-GAAP Measures

($ in thousands)	YTD Sep 30, 2024	YTD Sep 30, 2023	Quarter Ended Sep 30, 2024	Quarter Ended Jun 30, 2024	Quarter Ended Mar 31, 2024	Quarter Ended Dec 31, 2023	Quarter Ended Sep 30, 2023
Selected equity and performance ratios[(a)(b)(c)]							
Tangible common equity / tangible assets			7.50 %	7.18 %	7.08 %	7.11 %	6.88 %
Return on average equity	9.00 %	8.91 %	8.09 %	11.16 %	7.81 %	(8.74)%	7.99 %
Return on average tangible common equity	12.99 %	13.07 %	11.52 %	16.25 %	11.31 %	(13.13)%	11.67 %
Return on average CET1	11.77 %	11.41 %	10.53 %	14.54 %	10.27 %	(11.85)%	10.08 %
Return on average tangible assets	0.97 %	0.95 %	0.89 %	1.18 %	0.84 %	(0.88)%	0.84 %
Average stockholders' equity / average assets	10.29 %	10.16 %	10.46 %	10.14 %	10.26 %	9.97 %	10.06 %
Tangible common equity reconciliation[(a)]							
Common equity			$4,219,125	$4,048,225	$3,974,561	$3,979,861	$3,933,531
Goodwill and other intangible assets, net			(1,138,855)	(1,141,058)	(1,143,261)	(1,145,464)	(1,147,666)
Tangible common equity			$3,080,269	$2,907,167	$2,831,300	$2,834,398	$2,785,865
Tangible assets reconciliation[(a)]							
Total assets			$42,210,815	$41,623,908	$41,137,084	$41,015,855	$41,637,381
Goodwill and other intangible assets, net			(1,138,855)	(1,141,058)	(1,143,261)	(1,145,464)	(1,147,666)
Tangible assets			$41,071,960	$40,482,850	$39,993,824	$39,870,392	$40,489,715
Average tangible common equity and average CET1 reconciliation[(a)]							
Common equity	$4,032,375	$3,913,850	$4,136,615	$3,972,092	$3,987,269	$3,926,452	$3,937,940
Goodwill and other intangible assets, net	(1,142,331)	(1,151,039)	(1,140,060)	(1,142,368)	(1,144,588)	(1,146,677)	(1,148,951)
Tangible common equity	2,890,045	2,762,811	2,996,555	2,829,725	2,842,681	2,779,775	2,788,989
Modified CECL transitional amount	22,425	44,851	22,425	22,425	22,425	44,851	44,851
Accumulated other comprehensive loss	200,701	270,989	172,711	241,634	188,067	286,402	302,043
Deferred tax assets, net	20,136	27,853	23,564	24,506	12,303	26,580	27,694
Average CET1	$3,133,307	$3,106,504	$3,215,255	$3,118,290	$3,065,475	$3,137,608	$3,163,577
Average tangible assets reconciliation[(a)]							
Total assets	$41,086,156	$40,419,166	$41,389,711	$41,100,606	$40,769,206	$41,330,703	$41,075,980
Goodwill and other intangible assets, net	(1,142,331)	(1,151,039)	(1,140,060)	(1,142,368)	(1,144,588)	(1,146,677)	(1,148,951)
Tangible assets	$39,943,825	$39,268,127	$40,249,651	$39,958,238	$39,624,617	$40,184,026	$39,927,029
Adjusted net income reconciliation[(b)]							
Net income	$ 284,760	$ 273,762	$ 88,018	$ 115,573	$ 81,169	$ (90,806)	$ 83,248
Other intangible amortization, net of tax	4,956	4,956	1,652	1,652	1,652	1,652	1,652
Adjusted net income	$ 289,716	$ 278,718	$ 89,670	$ 117,225	$ 82,821	$ (89,154)	$ 84,900
Adjusted net income available to common equity reconciliation[(b)]							
Net income available to common equity	$ 276,135	$ 265,137	$ 85,143	$ 112,698	$ 78,294	$ (93,681)	$ 80,373
Other intangible amortization, net of tax	4,956	4,956	1,652	1,652	1,652	1,652	1,652
Adjusted net income available to common equity	$ 281,091	$ 270,093	$ 86,795	$ 114,350	$ 79,946	$ (92,029)	$ 82,025
Efficiency ratio reconciliation[(d)]							
Federal Reserve efficiency ratio	61.33 %	58.17 %	61.46 %	61.51 %	61.03 %	132.01 %	60.06 %
Fully tax-equivalent adjustment	(0.70)%	(0.84)%	(0.69)%	(0.71)%	(0.71)%	(3.29)%	(0.89)%
Other intangible amortization	(0.68)%	(0.67)%	(0.67)%	(0.68)%	(0.69)%	(1.21)%	(0.69)%
Fully tax-equivalent efficiency ratio	59.96 %	56.67 %	60.11 %	60.12 %	59.63 %	127.54 %	58.50 %

(a) Tangible common equity and tangible assets exclude goodwill and other intangible assets, net.
(b) Adjusted net income and adjusted net income available to common equity, which are used in the calculation of return on average tangible assets and return on average tangible common equity, respectively, add back other intangible amortization, net of tax.
(c) These capital measurements are used by management, regulators, investors, and analysts to assess, monitor, and compare the quality and composition of our capital with the capital of other financial services companies.
(d) The efficiency ratio as defined by the Federal Reserve guidance is noninterest expense (which includes the provision for unfunded commitments) divided by the sum of net interest income plus noninterest income, excluding investment securities gains (losses), net. The fully tax-equivalent efficiency ratio is noninterest expense (which includes the provision for unfunded commitments), excluding other intangible amortization, divided by the sum of fully tax-equivalent net interest income plus noninterest income, excluding investment securities gains (losses), net.

Sequential Quarter Results

The Corporation reported net income of $88 million for the third quarter of 2024, compared to net income of $116 million for the second quarter of 2024, the decrease primarily due to an income tax benefit recorded during the second quarter of 2024. Net income available to common equity was $85 million for the third quarter of 2024, or $0.56 for both basic and diluted earnings per common share. Comparatively, net income available to common equity for the second quarter of 2024 was $113 million, or $0.75 for basic earnings per common share and $0.74 for diluted earnings per common share (see Table 1).

Fully tax-equivalent net interest income for the third quarter of 2024 was $266 million, $6 million, or 2%, higher than the second quarter of 2024. The net interest margin in the third quarter of 2024 was up 3 bp to 2.78%. Average earning assets increased $193 million, or 1%, to $38.2 billion in the third quarter of 2024. Average loans increased $55 million, primarily driven by growth within the auto finance portfolio, partially offset by a decrease in commercial lending. On the funding side, average total interest-bearing deposits increased $751 million, or 3%, driven primarily by increases in time deposits and interest-bearing demand deposits, partially offset by a decrease in money market deposits. Average FHLB advances decreased $682 million, or 28%, largely due to the increase in average deposits (see Table 2).

The provision for credit losses was $21 million for the third quarter of 2024 and $23 million for the second quarter of 2024 (see Table 11). See discussion under sections: Provision for Credit Losses, Nonperforming Assets, and Allowance for Credit Losses on Loans.

Noninterest income for the third quarter of 2024 was $67 million, up $2 million, or 3% from the second quarter of 2024, largely driven by an increase in fee based revenue (see Table 3).

Noninterest expense for the third quarter of 2024 was $201 million, up $5 million, or 2%, from the second quarter of 2024, driven primarily by an increase in other expense (see Table 4).

For the third quarter of 2024, the Corporation recognized income tax expense of $20 million, compared to an income tax benefit of $13 million for the second quarter of 2024. See section Income Taxes for a more detailed discussion.

Comparable Quarter Results

The Corporation reported net income of $88 million for the third quarter of 2024, compared to net income of $83 million for the third quarter of 2023. Net income available to common equity was $85 million for the third quarter of 2024, or $0.56 for both basic and diluted earnings per common share. Comparatively, net income available to common equity for the third quarter of 2023 was $80 million, or $0.53 for both basic and diluted earnings per share (see Table 1).

Fully tax-equivalent net interest income for the third quarter of 2024 was $266 million, $7 million, or 3%, higher than the third quarter of 2023. The net interest margin between the comparable quarters was up 7 bp, to 2.78% in the third quarter of 2024. The increases in net interest income and net interest margin were due to a mix shift in earning assets resulting in earning asset income growing by more than the growth of interest-bearing liability costs. Average earning assets increased $115 million to $38.2 billion in the third quarter of 2024. Average loans decreased $251 million, or 1%, primarily driven by a decrease in residential mortgage lending, partially offset by an increase in auto finance lending. On the funding side, average interest-bearing deposits increased $2.0 billion, or 8%, from the third quarter of 2023, due to increases in nearly all deposit categories, partially offset by a decrease in money market deposits. Average short and long-term funding decreased $1.1 billion, or 26%, primarily driven by lower FHLB advances (see Table 2).

The provision for credit losses was $21 million for the third quarter of 2024, compared to a provision of $22 million for the third quarter of 2023 (see Table 11). See discussion under sections: Provision for Credit Losses, Nonperforming Assets, and Allowance for Credit Losses on Loans.

Noninterest income for the third quarter of 2024 was $67 million, up approximately $642,000, or 1%, compared to the third quarter of 2023 (see Table 3).

Noninterest expense for the third quarter of 2024 was $201 million, up $4 million, or 2%, from the third quarter of 2023, driven primarily by an increase in personnel expense (see Table 4).

The Corporation recognized income tax expense of $20 million for the third quarter of 2024, compared to income tax expense of $19 million for the third quarter of 2023. See section Income Taxes for a more detailed discussion.

Segment Review

As discussed in Note 14 Segment Reporting of the notes to consolidated financial statements, the Corporation's reportable segments have been determined based upon its internal profitability reporting system, which is organized by strategic business unit. Certain strategic business units have been combined for segment information reporting purposes where the nature of the products and services, the type of customer, and the distribution of those products and services are similar. The reportable segments are Corporate and Commercial Specialty; Community, Consumer and Business; and Risk Management and Shared Services.

Table 20 Selected Segment Financial Data

	Three Months Ended Sep 30,			Nine Months Ended Sep 30,		
($ in thousands)	2024	2023	% Change	2024	2023	% Change
Corporate and Commercial Specialty						
Total revenue	$ 193,054	$ 177,776	9%	$ 563,761	$ 520,919	8%
Provision for credit losses	17,009	14,066	21%	48,930	41,523	18%
Noninterest expense	65,415	63,265	3%	197,159	186,521	6%
Income tax expense	20,999	19,293	9%	59,845	54,104	11%
Net income	89,630	81,152	10%	257,827	238,772	8%
Average earning assets	17,793,940	17,623,399	1%	17,742,342	17,394,620	2%
Average loans	17,778,104	17,615,560	1%	17,732,396	17,379,628	2%
Average deposits	8,677,231	8,828,634	(2)%	8,867,209	9,101,585	(3)%
Average allocated capital (Average CET1)[(a)]	1,735,937	1,719,303	1%	1,724,583	1,712,292	1%
Return on average allocated capital[(a)]	20.54 %	18.73 %	181 bp	19.97 %	18.64 %	133 bp
Community, Consumer, and Business						
Total revenue	$ 218,445	$ 220,709	(1)%	$ 649,848	$ 623,573	4%
Provision for credit losses	5,195	7,381	(30)%	17,611	21,467	(18)%
Noninterest expense	115,656	108,127	7%	333,711	328,790	1%
Income tax expense	20,495	22,092	(7)%	62,691	57,396	9%
Net income	77,099	83,109	(7)%	235,835	215,920	9%
Average earning assets	11,325,394	11,737,319	(4)%	11,247,468	11,496,144	(2)%
Average loans	11,325,394	11,737,319	(4)%	11,247,468	11,496,144	(2)%
Average deposits	18,593,935	18,224,072	2%	18,336,007	18,137,460	1%
Average allocated capital (Average CET1)[(a)]	750,251	750,454	—%	743,677	731,484	2%
Return on average allocated capital[(a)]	40.88 %	43.94 %	N/M	42.36 %	39.47 %	N/M
Risk Management and Shared Services						
Total revenue	$ (81,768)	$ (77,663)	5%	$ (239,284)	$ (164,126)	46%
Provision for credit losses	(1,213)	496	N/M	1,459	(975)	N/M
Noninterest expense	19,526	24,814	(21)%	63,245	58,980	7%
Income tax (benefit)	(21,370)	(21,959)	(3)%	(95,085)	(41,202)	131%
Net (loss)	(78,711)	(81,013)	(3)%	(208,902)	(180,929)	15%
Average earning assets	9,071,183	8,714,890	4%	8,939,209	8,523,182	5%
Average loans	530,589	531,731	—%	548,082	517,609	6%
Average deposits	6,049,659	4,949,087	22%	5,870,119	3,818,115	54%
Average allocated capital (Average CET1)[(a)]	729,067	693,819	5%	665,047	662,728	—%
Return on average allocated capital[(a)]	(44.52)%	(47.97)%	N/M	(43.69) %	(38.24)%	N/M
Consolidated Total						
Total revenue	$ 329,730	$ 320,823	3%	$ 974,325	$ 980,366	(1)%
Return on average allocated capital[(a)]	10.53 %	10.08 %	45 bp	11.77 %	11.41 %	36 bp

N//M = Not meaningful

(a) The Federal Reserve establishes capital adequacy requirements for the Corporation, including CET1. For segment reporting purposes, the ROCET1 reflects return on average allocated CET1. The ROCET1 for the Risk Management and Shared Services segment and the Consolidated Total is inclusive of the annualized effect of the preferred stock dividends.

Notable Changes in Segment Financial Data

The Corporate and Commercial Specialty segment consists of lending and deposit solutions to larger businesses, developers, not-for-profits, municipalities, and financial institutions, and the support to deliver, fund, and manage such banking solutions. In addition, this segment provides a variety of investment, fiduciary, and retirement planning products and services to individuals and small to mid-sized businesses.

- Total revenue increased $15 million from the three months ended September 30, 2023, and increased $43 million from the nine months ended September 30, 2023, primarily attributable to higher loan volumes and interest rates driving net interest income higher.
- Noninterest expense increased $11 million from the nine months ended September 30, 2023, primarily due to higher personnel costs.
- Average loans increased $163 million from the three months ended September 30, 2023, and increased $353 million from the nine months ended September 30, 2023, primarily driven by growth in commercial and business lending and residential mortgage lending.
- Average deposits decreased $151 million from the three months ended September 30, 2023, and decreased $234 million from the nine months ended September 30, 2023, driven by decreases in noninterest-bearing demand deposits and money market deposits, partially offset by an increase in interest-bearing demand deposits.

The Community, Consumer, and Business segment consists of lending and deposit solutions to individuals and small to mid-sized businesses.

- Total revenue increased $26 million from the nine months ended September 30, 2023, primarily attributable to receiving net FTP credit for providing funding for the Corporation and higher interest rates.
- Average loans decreased $412 million from the three months ended September 30, 2023, and decreased $249 million from the nine months ended September 30, 2023, driven by a decrease in residential mortgage lending resulting from the Corporation's balance sheet repositioning, partially offset by an increase in auto finance lending.
- Average deposits increased $370 million from the three months ended September 30, 2023, and increased $199 million from the nine months ended September 30, 2023, driven by increases in time deposits and savings deposits, partially offset by decreases in noninterest-bearing demand deposits and money market deposits.

The Risk Management and Shared Services segment includes key shared Corporate functions, Parent Company activity, intersegment eliminations, and residual revenues and expenses.

- Total revenue decreased $75 million from the nine months ended September 30, 2023, primarily driven by increased interest expense.
- Average earning assets increased $356 million from the three months ended September 30, 2023, and increased $416 million from the nine months ended September 30, 2023, primarily driven by higher balances of AFS investment securities in the portfolio.
- Average deposits increased $1.1 billion from the three months ended September 30, 2023, and increased $2.1 billion from the nine months ended September 30, 2023, primarily driven by increases in brokered CDs and network deposits, partially offset by a decrease in money market deposits.

Critical Accounting Estimates

In preparing the consolidated financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities as of the date of the balance sheet and revenues and expenses for the period. Actual results could differ significantly from those estimates. The determination of the ACLL is particularly susceptible to significant change. A discussion of these estimates can be found in the Critical Accounting Estimates section in Management's Discussion and Analysis of Financial Condition and Results of Operations included in the Corporation’s 2023 Annual Report on Form 10-K. There have been no changes in the Corporation's application of critical accounting estimates since December 31, 2023.

Recent Developments

On October 29, 2024, the Corporation's Board of Directors declared a regular quarterly cash dividend of $0.23 per common share, payable on December 16, 2024, to shareholders of record at the close of business on December 2, 2024. This is an increase of $0.01 from the previous quarterly dividend of $0.22 per common share.

The Board of Directors also declared a regular quarterly cash dividend of $0.3671875 per depositary share on Associated's 5.875% Series E Perpetual Preferred Stock, payable on December 16, 2024, to shareholders of record at the close of business on December 2, 2024.

The Board of Directors also declared a regular quarterly cash dividend of $0.3515625 per depositary share on Associated's 5.625% Series F Perpetual Preferred Stock, payable on December 16, 2024, to shareholders of record at the close of business on December 2, 2024.

ITEM 3. Quantitative and Qualitative Disclosures About Market Risk

Information required by this item is set forth in Item 2 under the captions Quantitative and Qualitative Disclosures about Market Risk and Interest Rate Risk.

ITEM 4. Controls and Procedures

The Corporation maintains disclosure controls and procedures as required under Rule 13a-15 promulgated under the Securities Exchange Act of 1934, as amended, that are designed to ensure that information required to be disclosed in the Corporation's Exchange Act reports is recorded, processed, summarized and reported within the time periods specified in the SEC’s rules and forms, and that such information is accumulated and communicated to the Corporation’s management, including its Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

As of September 30, 2024, the Corporation’s management carried out an evaluation, under the supervision and with the participation of the Corporation’s Chief Executive Officer and Chief Financial Officer, of the effectiveness of its disclosure controls and procedures. Based on the foregoing, its Chief Executive Officer and Chief Financial Officer concluded that the Corporation’s disclosure controls and procedures were effective as of September 30, 2024.

No changes were made to the Corporation’s internal control over financial reporting (as defined in Rule 13a-15(f) of the Exchange Act of 1934) during the last fiscal quarter that have materially affected, or are reasonably likely to materially affect, the Corporation’s internal control over financial reporting.

PART II - OTHER INFORMATION

ITEM 1. Legal Proceedings

The information required by this item is set forth in Part I, Item 1 under Note 11 Commitments, Off-Balance Sheet Arrangements, Legal Proceedings, and Regulatory Matters of the notes to consolidated financial statements.

ITEM 1A. Risk Factors

There have been no material changes in the Risk Factors described in the Corporation’s 2023 Annual Report on Form 10-K.

ITEM 2. Unregistered Sales of Equity Securities and Use of Proceeds

During the third quarter of 2024, the Corporation repurchased approximately $347,000 of common stock, all of which were repurchases related to tax withholding on equity compensation with no open market repurchases during the quarter. The repurchase details are presented in the table below:

Common Stock Purchases

	Total Number of Shares Purchased[(a)]	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number of Shares that May Yet Be Purchased Under the Plans or Programs[(b)]
Period				
July 1, 2024 - July 31, 2024	6,764	$ 22.91	—	
August 1, 2024 - August 31, 2024	8,396	21.94	—	
September 1, 2024 - September 30, 2024	377	21.27	—	
Total	**15,537**	**$ 22.35**	**—**	**2,848,494**

(a) During the third quarter of 2024, all common shares repurchased were for minimum tax withholding settlements on equity compensation. These purchases do not count against the maximum value of shares remaining available for purchase under the Board of Directors' 2021 authorization.

(b) At September 30, 2024, there remained $61 million authorized to be repurchased under the Board of Directors' 2021 $100 million authorization. The maximum number of shares that may yet be purchased under this authorization is based on the closing share price on September 30, 2024.

Repurchases under Board authorized repurchase programs are subject to any necessary regulatory approvals and other limitations and may occur from time to time in open market purchases, block transactions, private transactions, accelerated share repurchases, or similar facilities.

ITEM 5. Other Information

During the three months ended September 30, 2024, no director or "officer" of the Corporation adopted or terminated a “Rule 10b5-1 trading arrangement” or “non-Rule 10b5-1 trading arrangement,” as each term is defined in Item 408(a) of Regulation S-K.

ITEM 6. Exhibits

(a) Exhibits:

Exhibit (4), Form of Global Note dated as of August 29, 2024 representing $300,000,000 6.455% Fixed Rate / Floating Rate Senior Notes Due 2030, incorporated by reference to Exhibit 4.1 of the Corporation's Current Report on Form 8-K dated August 26, 2024.

Exhibit (10), Retirement Agreement between Associated Banc-Corp and Tammy C. Stadler, dated July 26, 2024.

Exhibit (31.1), Certification Under Section 302 of Sarbanes-Oxley by Andrew J. Harmening, Chief Executive Officer.

Exhibit (31.2), Certification Under Section 302 of Sarbanes-Oxley by Derek S. Meyer, Chief Financial Officer.

Exhibit (32), Certification by the Chief Executive Officer and Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of Sarbanes-Oxley.

Exhibit (101), Interactive data files pursuant to Rule 405 of Regulation S-T: (i) Unaudited Consolidated Balance Sheets, (ii) Unaudited Consolidated Statements of Income, (iii) Unaudited Consolidated Statements of Comprehensive Income, (iv) Unaudited Consolidated Statements of Changes in Stockholders' Equity, (v) Unaudited Consolidated Statements of Cash Flows, and (vi) Notes to Consolidated Financial Statements.

Exhibit (104), The cover page from the Corporation's Quarterly Report on Form 10-Q for the quarter ended September 30, 2024 has been formatted in Inline XBRL (Inline Extensible Business Reporting Language) and contained in Exhibits in 101.

Signatures

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

	ASSOCIATED BANC-CORP
	(Registrant)
Date: October 29, 2024	/s/ Andrew J. Harmening
	Andrew J. Harmening President and Chief Executive Officer
Date: October 29, 2024	/s/ Derek S. Meyer
	Derek S. Meyer Chief Financial Officer
Date: October 29, 2024	/s/ Ryan J. Beld
	Ryan J. Beld Chief Accounting Officer

Exhibit 4.1

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), TO THE COMPANY OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

THIS SECURITY IS A GLOBAL SECURITY WITHIN THE MEANING OF THE INDENTURE HEREINAFTER REFERRED TO AND IS REGISTERED IN THE NAME OF DTC OR A NOMINEE THEREOF. TRANSFERS OF THIS GLOBAL SECURITY SHALL BE LIMITED TO TRANSFERS IN WHOLE, BUT NOT IN PART, TO NOMINEES OF DTC OR TO A SUCCESSOR THEREOF OR SUCH SUCCESSOR'S NOMINEE AND TRANSFERS OF PORTIONS OF THIS GLOBAL SECURITY SHALL BE LIMITED TO TRANSFERS MADE IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH IN THE INDENTURE.

THESE SECURITIES ARE NOT SAVINGS OR DEPOSIT ACCOUNTS OR OTHER OBLIGATIONS OF ANY BANK OR NONBANK SUBSIDIARY OF ASSOCIATED BANC-CORP AND ARE NOT INSURED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION, THE BANK INSURANCE FUND OR ANY OTHER GOVERNMENTAL AGENCY.

ASSOCIATED BANC-CORP

$300,000,000 6.455% Fixed Rate / Floating Rate Senior Note Due 2030

No. 001 CUSIP No. 045487AD7

ASSOCIATED BANC-CORP, a Wisconsin corporation (herein called the "Company", which term includes any successor corporation under the Indenture hereinafter referred to), for value received, hereby promises to pay to

CEDE & CO.

or registered assigns, the principal sum of THREE HUNDRED MILLION DOLLARS ($300,000,000) on August 29, 2030 (the "Stated Maturity").

Interest on this Security will accrue from, and including, August 29, 2024 (the "Issue Date") to, but excluding, the first Interest Payment Date and then from, and including, the immediately preceding Interest Payment Date to which interest has been paid or duly provided for to, but excluding, the next Interest Payment Date (or if this Security is redeemed during the period, the Redemption Date) (individually referred to as an "Interest Payment Date" and collectively as the "Interest Payment Dates") (or the Stated Maturity, as the case may be). Each of these periods is referred to as an "Interest Period."

During the period from, and including, August 29, 2024, to, but excluding, August 29, 2029 (the “Fixed Rate Period”), this Security will bear interest at the rate of 6.455% per annum. Such interest will be payable semi-annually in arrears on February 28 and August 29 of each year, beginning on February 28, 2025 and ending on August 29, 2029 (each such date, a “Fixed Interest Payment Date”). During the period from, and including, August 29, 2029, to, but excluding, the Stated Maturity (the “Floating Rate Period”), this Security will bear interest at a floating rate per annum equal to Compounded SOFR plus 3.030%, as determined by the Calculation Agent in the manner described below. Such interest will be payable quarterly in arrears on November 29, 2029, February 28, 2030, May 29, 2030 and at the Stated Maturity (each such date, a “Floating Interest Payment Date”). Compounded SOFR for each Interest Period in the Floating Rate Period will be calculated by the Calculation Agent in accordance with the formula set forth below with respect to the Observation Period relating to such Interest Period.

Interest will be paid to the person in whose name such Security is registered at the close of business on the 15th calendar day (whether or not a Business Day) preceding the related Interest Payment Date; provided that if this Security is a global Security held by DTC, the record date for this Security will be the close of business on the Business Day preceding the applicable Interest Payment Date, and provided further that interest payable on the maturity of the principal of this Security or (subject to the exceptions described below on the reverse of this Security) any Redemption Date will be paid to the person to whom principal is paid. A “Business Day” means any day that is not a Saturday or Sunday, and that is not a day on which banking institutions in the State of New York are authorized or obligated by law or executive order to close.

For the Fixed Rate Period, interest will be computed on the basis of a 360-day year consisting of twelve 30 day months. If any Fixed Interest Payment Date, any Redemption Date for this Security or the Stated Maturity falls on a day which is not a Business Day, the related payment of principal or interest will be made on the next day that is a Business Day with the same force and effect as if made on the date such payment was due, and no interest will accrue on the amount payable for the period from and after such Interest Payment Date, Redemption Date or Stated Maturity, as the case may be.

For the Floating Rate Period, interest will be computed on the basis of the actual number of days in each Interest Period (or any other relevant period) and a 360-day year. The amount of accrued interest payable on this Security for each Interest Period during the Floating Rate Period will be computed by multiplying (i) the outstanding principal amount of this Security by (ii) the product of (a) the interest rate for the relevant Interest Period multiplied by (b) the quotient of the actual number of days in the applicable Interest Period divided by 360. The interest rate on this Security will in no event be higher than the maximum rate permitted by New York law as the same may be modified by United States law of general application and will in no event be lower than zero. For the Floating Rate Period, if any Floating Interest Payment Date of this Security (other than the Stated Maturity or any Redemption Date) falls on a day which is not a Business Day, that Floating Interest Payment Date will be postponed and the related payment of interest on this Security will be made on the next day which is a Business Day, except that if the next succeeding Business Day falls in the next calendar month, then such Floating Interest Payment Date will be advanced to the immediately preceding day that is a Business Day, and in each case, the related Interest Periods will also be adjusted for such non-Business Days.

The Calculation Agent will determine Compounded SOFR, the interest rate and accrued interest for each Interest Period in the Floating Rate Period in arrears as soon as reasonably practicable on or after the Interest Payment Determination Date (as defined below) for such Interest Period and prior to the relevant Floating Interest Payment Date and will notify the Company (if the Company is not the Calculation Agent) of Compounded SOFR, such interest rate and accrued interest for each Interest Period in the Floating Rate Period as soon as reasonably practicable after such determination, but in any event by the Business Day immediately prior to the relevant Floating Interest Payment Date. At the request of a Holder of this Security, the Company will provide Compounded SOFR, the interest rate and the amount of interest accrued with respect to any Interest Period in the Floating Rate Period, after Compounded SOFR, such interest rate and accrued interest have been determined. The Calculation Agent's determination of any interest rate, and its calculation of interest payments for any Interest Period in the Floating Rate Period, will be final and binding absent manifest error, will be maintained on file at the Calculation Agent's designated office and will be provided in writing to the Trustee.

Compounded SOFR

With respect to any Interest Period during the Floating Rate Period, "Compounded SOFR" will be determined by the Calculation Agent in accordance with the following formula (and the resulting percentage will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point):

$$\left(\frac{SOFR\ Index\ End}{SOFR\ Index\ Start} - 1\right) \times \frac{360}{d}$$

where:

"*SOFR IndexStart*" = For periods other than the initial Interest Period during the Floating Rate Period, the SOFR Index value on the preceding Interest Payment Determination Date, and, for the initial Interest Period during the Floating Rate Period, the SOFR Index value on the date that is two U.S. Government Securities Business Days before the first day of such initial Interest Period (such first day expected to be August 29, 2029);

"*SOFR IndexEnd*" = The SOFR Index value on the Interest Payment Determination Date relating to the applicable Floating Interest Payment Date (or in the final Interest Period, relating to the Stated Maturity, or, in the case of the redemption of this Security, relating to the applicable Redemption Date); and

"*d*" is the number of days in the relevant Observation Period.

For purposes of determining Compounded SOFR, "*Interest Payment Determination Date*" means the date two U.S. Government Securities Business Days before each Floating Interest Payment Date (or, in the case of the redemption of this Security, preceding the applicable Redemption Date).

"*Observation Period*" means, in respect of each Interest Period during the Floating Rate Period, the period from, and including, the date two U.S. Government Securities Business Days preceding the first date in such Interest Period to, but excluding, the date two U.S. Government Securities Business Days preceding the Floating Interest Payment Date for such Interest Period (or in the final Interest Period during the Floating Rate Period, preceding the Stated Maturity or, in the case of the redemption of this Security, preceding the applicable Redemption Date).

"*SOFR Index*" means, with respect to any U.S. Government Securities Business Day:

(i) the SOFR Index value as published by the SOFR Administrator as such index appears on the SOFR Administrator's Website at 3:00 p.m. (New York time) on such U.S. Government Securities Business Day (the "SOFR Index Determination Time"); or

(ii) if a SOFR Index value does not so appear as specified in (1) above at the SOFR Index Determination Time, then: (i) if a Benchmark Transition Event and its related Benchmark Replacement Date have not occurred with respect to SOFR, Compounded SOFR shall be the rate determined pursuant to the "SOFR Index unavailable provisions" described below; or (ii) if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to SOFR, Compounded SOFR shall be the rate determined pursuant to the "— Effect of Benchmark Transition Event" provisions described below.

"*SOFR*" means the daily secured overnight financing rate as provided by the SOFR Administrator on the SOFR Administrator's Website.

"*SOFR Administrator*" means the FRBNY (or a successor administrator of SOFR).

"*SOFR Administrator's Website*" means the website of the FRBNY, currently at https://apps.newyorkfed.org/markets/autorates/sofr-avg-ind, or any successor source. The information contained on such website is not part of this prospectus supplement and is not incorporated in this prospectus supplement by reference.

"*U.S. Government Securities Business Day*" means any day except for a Saturday, a Sunday or a day on which the Securities Industry and Financial Markets Association or any successor organization recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in U.S. government securities.

Notwithstanding anything to the contrary in the Indenture or this Security, if the Company or its designee determines on or prior to the relevant Reference Time (as defined below) that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to determining SOFR, then the benchmark replacement provisions set forth below under "— Effect of Benchmark Transition Event" will thereafter apply to all determinations of the rate of interest payable on the Securities.

For the avoidance of doubt, in accordance with the benchmark replacement provisions, after a Benchmark Transition Event and its related Benchmark Replacement Date have occurred, the interest rate for each Interest Period during the Floating Rate Period will be an annual rate equal to the sum of the Benchmark Replacement plus 3.030%.

SOFR Index Unavailable Provisions

If a SOFR IndexStart or SOFR IndexEnd is not published on the associated Interest Payment Determination Date and a Benchmark Transition Event and its related Benchmark Replacement Date have not occurred with respect to SOFR, "Compounded SOFR" means, for the applicable Interest Period in the Floating Rate Period for which such index is not available, the rate of return on a daily compounded interest investment calculated in accordance with the formula for SOFR Averages, and definitions required for such formula, published on the SOFR Administrator's Website at https://www.newyorkfed.org/markets/reference-rates/additional-information-about-reference-rates, or any successor source. For the purposes of this provision, references in the SOFR Averages compounding formula and related definitions to "calculation period" shall be replaced with "Observation Period" and the words "that is, 30-, 90-, or 180-calendar days" shall be removed. If SOFR does not so appear for any day "i" in the Observation Period ("SOFRi"), SOFRi for such day "i" shall be SOFR published in respect of the first preceding U.S. Government Securities Business Day for which SOFR was published on the SOFR Administrator's Website.

Effect of Benchmark Transition Event

(1) Benchmark Replacement. If the Company or its designee determines that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred on or prior to the Reference Time in respect of any determination of the Benchmark (as defined below) on any date, the Benchmark Replacement will replace the then-current Benchmark for all purposes relating to the Securities in respect of such determination on such date and all determinations on all subsequent dates.

(2) Benchmark Replacement Conforming Changes. In connection with the implementation of a Benchmark Replacement, the Company or its designee will have the right to make Benchmark Replacement Conforming Changes from time to time.

(3) Decisions and Determinations. Any determination, decision or election that may be made by the Company or its designee pursuant to the benchmark replacement provisions described herein, including any determination with respect to tenor, rate or adjustment, or the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection:

- will be conclusive and binding on the beneficial owners and Holders of the Securities and the Trustee absent manifest error;
- if made by the Company, will be made in the Company's sole discretion;

- if made by the Company's designee (which may be the Company's affiliate), will be made after consultation with the Company, and such designee (which may be the Company's affiliate) will not make any such determination, decision or election to which the Company reasonably objects; and

- notwithstanding anything to the contrary in the Indenture or this Security, shall become effective without consent from the Holders of the Securities, the Trustee or any other party.

Any determination, decision or election pursuant to the benchmark replacement provisions shall be made by the Company or its designee (which may be the Company's affiliate) on the basis as described above, and in no event shall the Calculation Agent be responsible for making any such determination, decision or election.

None of the Trustee, Paying Agent, or the Calculation Agent shall be under any obligation (i) to monitor, determine or verify the unavailability or cessation of SOFR or the SOFR Index, or whether or when there has occurred, or to give notice to any other transaction party of the occurrence of, any Benchmark Transition Event or related Benchmark Replacement Date, (ii) to select, determine or designate any Benchmark Replacement, or other successor or replacement benchmark index, or whether any conditions to the designation of such a rate or index have been satisfied, (iii) to select, determine or designate any Benchmark Replacement Adjustment, or other modifier to any replacement or successor index, or (iv) to determine whether or what Benchmark Replacement Conforming Changes are necessary or advisable, if any, in connection with any of the foregoing, including, but not limited to, adjustments as to any alternative spread thereon, the business day convention, interest determination dates or any other relevant methodology applicable to such substitute or successor benchmark. In connection with the foregoing, each of the Trustee, Paying Agent, and Calculation Agent shall be entitled to conclusively rely on any determinations made by the Company or its designee without independent investigation, and none of the Trustee, Paying Agent, and Calculation Agent will have any liability for actions taken at the Company's direction in connection therewith.

None of the Trustee, Paying Agent, or the Calculation Agent shall be liable for any inability, failure or delay on its part to perform any of its duties set forth in this prospectus supplement as a result of the unavailability of SOFR, or other applicable Benchmark Replacement, including as a result of any failure, inability, delay, error or inaccuracy on the part of any other transaction party in providing any direction, instruction, notice or information required or contemplated by the terms of this prospectus supplement and reasonably required for the performance of such duties. None of the Trustee, Paying Agent, or Calculation Agent shall be responsible or liable for the Company's actions or omissions or for those of any of the Company's designees, or for any failure or delay in the performance by Company or any of its designees, nor shall any of the Trustee, Paying Agent, or Calculation Agent be under any obligation to oversee or monitor the Company's performance or the performance of any of the Company's designees. The Trustee may conclusively rely, without investigation, on the Calculation Agent's determination of the interest rate during the Floating Rate Periods.

Certain Defined Terms

As used herein:

"*Benchmark*" means, initially, Compounded SOFR, as such term is defined above; provided that if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to Compounded SOFR (or the published SOFR Index used in the calculation thereof) or the then-current Benchmark, then "Benchmark" means the applicable Benchmark Replacement.

"*Benchmark Replacement*" means the first alternative set forth in the order below that can be determined by the Company or its designee as of the Benchmark Replacement Date; provided that if the Benchmark Replacement cannot be determined in accordance with clause (1) below as of the Benchmark Replacement Date and the Company or its designee shall have determined that the ISDA Fallback Rate determined in accordance with clause (2) below is not an industry-accepted rate of interest as a replacement for the then-current Benchmark for U.S. dollar-denominated floating rate notes at such time, then clause (2) below shall be disregarded, and the Benchmark Replacement shall be determined in accordance with clause (3) below:

(1) the sum of: (a) an alternate rate of interest that has been selected or recommended by the Relevant Governmental Body as the replacement for the then-current Benchmark and (b) the Benchmark Replacement Adjustment;

(2) the sum of: (a) the ISDA Fallback Rate and (b) the Benchmark Replacement Adjustment; or

(3) the sum of: (a) the alternate rate of interest that has been selected by the Company or its designee as the replacement for the then-current Benchmark giving due consideration to any industry-accepted rate of interest as a replacement for the then-current Benchmark for U.S. dollar-denominated floating rate notes at such time and (b) the Benchmark Replacement Adjustment.

"*Benchmark Replacement Adjustment*" means the first alternative set forth in the order below that can be determined by the Company or its designee as of the Benchmark Replacement Date:

(1) the spread adjustment (which may be a positive or negative value or zero), or method for calculating or determining such spread adjustment, that has been selected or recommended by the Relevant Governmental Body for the applicable Unadjusted Benchmark Replacement;

(2) if the applicable Unadjusted Benchmark Replacement is equivalent to the ISDA Fallback Rate, the ISDA Fallback Adjustment; or

(3) the spread adjustment (which may be a positive or negative value or zero) that has been selected by the Company or its designee giving due consideration to any industry-accepted spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of the then-current Benchmark with the applicable Unadjusted Benchmark Replacement for U.S. dollar denominated floating rate notes at such time.

"*Benchmark Replacement Conforming Changes*" means, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definitions or interpretations of Interest Period, the timing and frequency of determining rates and making payments of interest, the rounding of amounts or tenors, and other administrative matters) that the Company or its designee decides may be appropriate to reflect the adoption of such Benchmark Replacement in a manner substantially consistent with market practice (or, if the Company or its designee decides that adoption of any portion of such market practice is not administratively feasible or if the Company or its designee determines that no market practice for use of the Benchmark Replacement exists, in such other manner as the Company or its designee determines is reasonably practicable).

"*Benchmark Replacement Date*" means the earliest to occur of the following events with respect to the then-current Benchmark (including any daily published component used in the calculation thereof):

(1) in the case of clause (1) or (2) of the definition of "Benchmark Transition Event," the later of (a) the date of the public statement or publication of information referenced therein and (b) the date on which the administrator of the Benchmark permanently or indefinitely ceases to provide the Benchmark (or such component); or

(2) in the case of clause (3) of the definition of "Benchmark Transition Event," the date of the public statement or publication of information referenced therein.

For the avoidance of doubt, if the event giving rise to the Benchmark Replacement Date occurs on the same day as, but earlier than, the Reference Time in respect of any determination, the Benchmark Replacement Date will be deemed to have occurred prior to the Reference Time for such determination.

"*Benchmark Transition Event*" means the occurrence of one or more of the following events with respect to the then-current Benchmark (including the daily published component used in the calculation thereof):

(1) a public statement or publication of information by or on behalf of the administrator of the Benchmark (or such component) announcing that such administrator has ceased or will cease to provide the Benchmark (or such component), permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark (or such component);

(2) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark (or such component), the central bank for the currency of the Benchmark (or such component), an insolvency official with jurisdiction over the administrator for the Benchmark (or such component), a resolution authority with jurisdiction over the administrator for the Benchmark (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for the Benchmark (or such component), which states that the administrator of the Benchmark (or such component) has ceased or will cease to provide the Benchmark (or such component) permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark (or such component); or

(3) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark announcing that the Benchmark is no longer representative. "*Calculation Agent*" means the firm appointed by the Company prior to the commencement of the Floating Rate Period. The Company or an affiliate of the Company may assume the duties of the Calculation Agent.

"*ISDA Definitions*" means the 2021 ISDA Definitions published by ISDA, or any successor thereto, as amended or supplemented from time to time, or any successor definitional booklet for interest rate derivatives published from time to time.

"*ISDA Fallback Adjustment*" means the spread adjustment (which may be a positive or negative value or zero) that would apply for derivatives transactions referencing the ISDA Definitions to be determined upon the occurrence of an index cessation event with respect to the Benchmark for the applicable tenor.

"*ISDA Fallback Rate*" means the rate that would apply for derivatives transactions referencing the ISDA Definitions to be effective upon the occurrence of an index cessation date with respect to the Benchmark for the applicable tenor excluding the applicable ISDA Fallback Adjustment.

"*Reference Time*" with respect to any determination of the Benchmark means (1) if the Benchmark is Compounded SOFR, the SOFR Index Determination Time, as such time is defined above, and (2) if the Benchmark is not Compounded SOFR, the time determined by the Company or its designee in accordance with the Benchmark.

"*Relevant Governmental Body*" means the FRB and/or the FRBNY, or a committee officially endorsed or convened by the FRB and/or the FRBNY or any successor thereto.

"*Unadjusted Benchmark Replacement*" means the Benchmark Replacement excluding the Benchmark Replacement Adjustment.

Reference is hereby made to the further provisions of this Security set forth on the reverse hereof, which further provisions shall for all purposes have the same effect as if set forth at this place.

Unless the certificate of authentication hereon has been executed by the Trustee referred to on the reverse hereof by manual signature, this Security shall not be entitled to any benefit under the Indenture or be valid or obligatory for any purpose.

IN WITNESS WHEREOF, the Company has caused this Security to be duly executed.

ASSOCIATED BANC-CORP

By: ______________________________
Name: Derek S. Meyer
Title: Executive Vice President and Chief Financial Officer

ATTEST:

By: ______________________________
Name: Randall J. Erickson
Title: Executive Vice President, General Counsel and Corporate Secretary

CERTIFICATE OF AUTHENTICATION

This is one of the Securities of the series designated therein referred to in the within-mentioned Indenture.

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.
As Trustee

By: ______________________________
Authorized Officer

Date: August 29, 2024

[REVERSE OF SECURITY]

This Security is one of a duly authorized issue of notes of the series designated above of the Company (herein called the "Securities"), issued and to be issued in one or more series under an indenture dated as of March 14, 2011 for senior debt securities, between ASSOCIATED BANC-CORP and THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., as trustee (the "Trustee"), as supplemented by the Pricing Committee Resolutions adopted on August 26, 2024 and the Certificate of Authorized Officers dated August 26, 2024, signed by Derek S. Meyer, Executive Vice President and Chief Financial Officer, and Andrew Arnold, Executive Vice President and Corporate Treasurer, of the Company (as so supplemented, the "Indenture"), and reference is hereby made to the Indenture for a statement of the respective rights, limitations of rights, duties and immunities thereunder of the Company, the Trustee and the Holders of the Securities and of the terms upon which the Securities are, and are to be, authenticated and delivered.

This Security is one of the series designated on the face hereof, limited in aggregate principal amount equal to $300,000,000 as of the date of this Security. In addition, the Company may from time to time without notice to or consent of the existing Holders of Securities, issue additional securities under the Indenture having the same terms and as the Securities in all respects, except for the issue price, the Issue Date, and, in some cases, the initial interest accrual date and the initial interest payment date. Any such additional securities, together with this Security, will constitute a single series under the Indenture; provided, however, that no additional securities may be issued unless they will be fungible with this Security for United States federal income tax and securities law purposes and have the same CUSIP number as this Security. References herein to the Securities include (unless the contest requires otherwise) any other securities issued as described in this paragraph and forming a single series with the Securities.

Where the Indenture or this Security provides for notice to the Holder of this Security of any event, such notice shall be sufficiently given if in writing and mailed, first class, postage prepaid, to the Holder of this Security at his, her or its address as it appears in the Security Register, not later than the latest date, and not earlier than the earliest date, prescribed for the giving of such notice; provided, however, that if this Security is a Global Security for which the Depositary is The Depository Trust Company, any notice may be provided pursuant to the applicable policies and procedures of such Depositary. In case by reason of the suspension of regular mail service or by reason of any other cause it shall be impracticable to give such notice to the Holder of this Security by mail, then such notification as shall be made with the approval of the Trustee shall constitute a sufficient notification for every purpose hereunder. In any case where notice to the Holder of this Security is given by mail, neither the failure to mail such notice, nor any defect in any notice so mailed, to the Holder of this Security shall affect the sufficiency of such notice with respect to other Holders of the Securities.

Prior to August 29, 2029 (one year prior to the Stated Maturity, the “Par Call Date”), the Company may redeem the Securities at the Company’s option, in whole or in part, at any time and from time to time, at a redemption price (expressed as a percentage of principal amount and rounded to three decimal places), equal to the greater of:

- the sum of the present values of the remaining scheduled payments of principal and interest on the Securities to be redeemed, discounted to the Redemption Date (assuming the Securities matured on the Par Call Date) on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the applicable Treasury Rate (as defined below) plus 45 basis points less (b) interest accrued to the date of redemption, and

- 100% of the principal amount of the Securities to be redeemed,

plus, in either case, accrued and unpaid interest thereon, if any, to, but excluding, the Redemption Date.

Additionally, the Company may redeem the Securities at the Company’s option, in whole, but not in part, on the Par Call Date at a redemption price equal to 100% of the aggregate principal amount of the Securities, plus accrued and unpaid interest thereon, if any, to but excluding, the Redemption Date. The Company may also redeem the Securities at the Company’s option, in whole or in part, at any time and from time to time on or after July 30, 2030 (30 days prior to the Stated Maturity) at a redemption price equal to 100% of the aggregate principal amount of the Securities being redeemed, plus accrued and unpaid interest thereon, if any, to, but excluding, the Redemption Date.

“*Treasury Rate*” means, with respect to any Redemption Date, the yield determined by the Company in accordance with the following two paragraphs.

The Treasury Rate shall be determined by the Company after 4:15 p.m., New York City time (or after such time as yields on U.S. government securities are posted daily by the Board of Governors of the Federal Reserve System), on the third Business Day preceding the Redemption Date based upon the yield or yields for the most recent day that appear after such time on such day in the most recent statistical release published by the Board of Governors of the Federal Reserve System designated as “Selected Interest Rates (Daily) — H.15” (or any successor designation or publication) (“H.15”) under the caption “U.S. government securities — Treasury constant maturities — Nominal” (or any successor caption or heading) (“H.15 TCM”). In determining the Treasury Rate, the Company shall select, as applicable:

(1) the yield for the Treasury constant maturity on H.15 exactly equal to the period from the Redemption Date to the Par Call Date (the “Remaining Life”); or

(2) if there is no such Treasury constant maturity on H.15 exactly equal to the Remaining Life, the two yields — one yield corresponding to the Treasury constant maturity on H.15 immediately shorter than and one yield corresponding to the Treasury constant maturity on H.15 immediately longer than the Remaining Life — and shall interpolate to the Par Call Date on a straight-line basis (using the actual number of days) using such yields and rounding the result to three decimal places; or

(3) if there is no such Treasury constant maturity on H.15 shorter than or longer than the Remaining Life, the yield for the single Treasury constant maturity on H.15 closest to the Remaining Life.

For purposes of this paragraph, the applicable Treasury constant maturity or maturities on H.15 shall be deemed to have a Stated Maturity equal to the relevant number of months or years, as applicable, of such Treasury constant maturity from the Redemption Date.

If on the third Business Day preceding the Redemption Date H.15 TCM is no longer published, the Company shall calculate the Treasury Rate based on the rate per annum equal to the semi-annual equivalent yield to maturity at 11:00 a.m., New York City time, on the second Business Day preceding such Redemption Date of the United States Treasury security maturing on, or with a maturity that is closest to the Par Call Date, as applicable. If there is no United States Treasury security maturing on the Par Call Date, but there are two or more United States Treasury securities with a Stated Maturity equally distant from the Par Call Date, one with a Stated Maturity preceding the Par Call Date and one with a Stated Maturity following the Par Call Date, the Company shall select the United States Treasury security with a maturity date preceding the Par Call Date. If there are two or more United States Treasury securities maturing on the Par Call Date or two or more United States Treasury securities meeting the criteria of the preceding sentence, the Company shall select from among these two or more United States Treasury securities the United States Treasury security that is trading closest to par based upon the average of the bid and asked prices for such United States Treasury securities at 11:00 a.m., New York City time. In determining the Treasury Rate in accordance with the terms of this paragraph, the semi-annual yield to maturity of the applicable United States Treasury security shall be based upon the average of the bid and asked prices (expressed as a percentage of principal amount) at 11:00 a.m., New York City time, of such United States Treasury security, and rounded to three decimal places.

The Company’s actions and determinations in determining the redemption price shall be conclusive and binding for all purposes, absent manifest error.

If the Company redeems the Securities at the Company’s option, notwithstanding the foregoing, installments of interest on the Securities that are due and payable on any interest payment date falling on or prior to a Redemption Date for the Securities will be payable on that interest payment date to the registered Holders thereof as of the close of business on the relevant record date according to the terms of the Securities and the Indenture.

Notice of any redemption will be mailed or electronically delivered (or otherwise transmitted in accordance with the depositary’s procedures) at least 10 days but not more than 60 days before the Redemption Date to each Holder of Securities to be redeemed.

In the case of a partial redemption, selection of the Securities for redemption will be made by the Trustee by lot. No Securities of a principal amount of $2,000 or less will be redeemed in part. If any Security is to be redeemed in part only, the notice of redemption that relates to the Security will state the portion of the principal amount of the Security to be redeemed. A new Security in a principal amount equal to the unredeemed portion of the Security will be issued in the name of the Holder of the Security upon surrender for cancellation of the original Security. For so long as the Securities are held by DTC (or another depositary), the redemption of the Securities shall be done in accordance with the policies and procedures of the depositary.

Unless the Company defaults in payment of the redemption price, on and after the Redemption Date interest will cease to accrue on the Securities or portions thereof called for redemption. This Security is not mandatorily redeemable, in whole or in part, prior to the Stated Maturity. This Security is not subject to any sinking fund.

This Security shall have the benefit of the covenants and agreements set forth in the Indenture.

If an Event of Default with respect to the Securities shall occur and be continuing, the principal of all the Securities may be declared due and payable in the manner and with the effect provided in the Indenture.

The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modifications of the rights and obligations of the Company and the rights of the Company and the rights of the Holders of the Securities of each series under the Indenture to be affected at any time by the Company with the consent of the Holders of a majority in principal amount of the Outstanding Securities, and with respect to certain limited matters, the Company and the Trustee may enter into one or more indentures supplemental to the Indenture without the consent of any Holder. The Indenture also contains provisions permitting the Holders of a majority in principal amount of the Outstanding Securities of each series, on behalf of the Holders of all Securities of such series, to waive certain past defaults under the Indenture and their consequences. Any such consent or waiver by the Holder of this Security shall be conclusive and binding upon such Holder and upon all future Holders of this Security and of any Security issued upon the registration of transfer hereof or in exchange for this Security or in lieu hereof, whether or not notation of such consent or waiver is made upon this Security.

As provided in and subject to the provisions of the Indenture, the Holder of this Security shall not have the right to institute any proceeding, judicial or otherwise, with respect to the Indenture, or for the appointment of a receiver or trustee, or for any other remedy thereunder, unless such Holder has previously given written notice to the Trustee of a continuing Event of Default with respect to the Securities, the Holders of not less than 25% in principal amount of the Outstanding Securities shall have made written request to the Trustee to institute proceedings in respect of such Event of Default in its own name as Trustee hereunder, such Holder or Holders have offered to the Trustee indemnity reasonably satisfactory to it against the costs, expenses and liabilities to be incurred in compliance with such request, the Trustee for 60 days after its receipt of such notice, request and offer of indemnity has failed to institute such proceeding, and no direction inconsistent with such written request has been given to the Trustee during such 60-day period by the Holders of a majority in principal amount of the Outstanding Securities. The foregoing shall not apply to any suit instituted by the Holder of this Security for the enforcement of any payment of principal of, premium, if any, and interest on this Security on or after the respective due dates expressed herein.

No reference herein to the Indenture and no provision of this Security or of the Indenture shall alter or impair the obligation of the Company which is absolute and unconditional to pay the principal of, premium, if any, and interest on this Security at the times, places and rate, and in the coin or currency herein and in the Indenture prescribed.

As provided in the Indenture and subject to certain limitations therein set forth, the transfer of this Security is registrable in the Security Register of the Company, upon surrender of this Security for registration of transfer at the office or agency of the Company in any Place of Payment, duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Company and the Security Registrar duly executed by the Holder hereof or his attorney duly authorized in writing, and thereupon one or more new Securities of authorized denominations and for the same aggregate principal amount will be issued to the designated transferee or transferees.

The Securities are issuable only in fully registered form without coupons, in denominations of $2,000 and integral multiples of $1,000 in excess thereof. As provided in the Indenture and subject to certain limitations therein set forth, the Securities are exchangeable for a like aggregate principal amount of Securities of a different authorized denomination, as requested by the Holder surrendering the same.

The Securities are issuable in the form of one or more Global Securities and shall be exchangeable for definitive Securities only in the circumstances specified in the Indenture. The Depositary for the Securities shall be The Depository Trust Company.

No service charge shall be made for any such registration of transfer or exchange, but the Company may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

Prior to due presentment of this Security for registration of transfer, the Company, the Trustee and any agent of the Company or the Trustee may treat the Person in whose name this Security is registered as the owner hereof for all purposes, whether or not this Security be overdue, and none of the Company, the Trustee or any such agent shall be affected by notice to the contrary.

This Security shall be construed in accordance with and governed by the laws of the State of New York.

The Trustee shall have the right to accept and act upon instructions, including funds transfer instructions ("Instructions") given pursuant to the Indenture and delivered using Electronic Means (as defined below); provided, however, that the Company shall provide to the Trustee an incumbency certificate listing officers with the authority to provide such Instructions ("Authorized Officers for Instructions") and containing specimen signatures of such Authorized Officers for Instructions, which incumbency certificate shall be amended by the Company whenever a person is to be added or deleted from the listing. If the Company elects to give the Trustee Instructions using Electronic Means (as defined below) and the Trustee in its discretion elects to act upon such Instructions, the Trustee's understanding of such Instructions shall be deemed controlling. The Company understands and agrees that the Trustee cannot determine the identity of the actual sender of such Instructions and that the Trustee shall conclusively presume that directions that purport to have been sent by an Authorized Officer for Instructions listed on the incumbency certificate provided to the Trustee have been sent by such Authorized Officer for Instructions. The Company shall be responsible for ensuring that only Authorized Officers for Instructions transmit such Instructions to the Trustee and that the Company and all Authorized Officers for Instructions are solely responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and/or authentication keys upon receipt by the Company. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such Instructions notwithstanding such directions conflict or are inconsistent with a subsequent written instruction. The Company agrees: (i) to assume all risks arising out of the use of Electronic Means (as defined below) to submit Instructions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized Instructions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting Instructions to the Trustee and that there may be more secure methods of transmitting Instructions than the method(s) selected by the Company; (iii) that the security procedures (if any) to be followed in connection with its transmission of Instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances; and (iv) to notify the Trustee immediately upon learning of any compromise or unauthorized use of the security procedures.

"Electronic Means" shall mean the following communications methods: e-mail, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Trustee, or another method or system specified by the Trustee as available for use in connection with its services hereunder.

All terms not defined herein shall have the respective meanings ascribed to them in the Indenture.

[FORM OF ASSIGNMENT]

For value received ______________________________ hereby sell(s), assign(s) and transfer(s) unto ______________________________ (please insert address and social security or other identifying number of assignee) the within Security, and hereby irrevocably constitutes and appoints ______________________________ attorney to transfer the said Security on the books of the Company, with full power of substitution in the premises.

Dated: ________________________

____

____
Signature(s)

Signature(s) must be guaranteed by an eligible Guarantor Institution (banks, stockbrokers, savings and loan associations and credit unions) with membership in an approved signature guarantee medallion program pursuant to Securities and Exchange Commission Rule 17Ad-15.

____
Signature Guarantee

SCHEDULE OF INCREASES OR DECREASES

The aggregate principal amount of this Global Security is U.S. $300,000,000. The following increases or decreases in this Global Security have been made:

Date of Exchange	Amount of increase in Principal Amount of this Global Security	Amount of decrease in Principal Amount of this Global Security	Principal Amount of this Global Security following such increase or decrease	Signature of authorized signatory of Trustee

June 25, 2024

VIA EMAIL

Tammy C. Stadler
[*home address redacted*]

RE: Retirement Agreement

Dear Tammy:

This will confirm our offer concerning your retirement from your employment with Associated Banc-Corp or its direct or indirect subsidiaries (collectively "Associated Bank" or the "Company"). As we discussed, provided you remain employed with the Company through the Retirement Date (as defined below) and comply in all material respects with the terms of this Agreement, the Company will provide the retirement benefits described in Paragraph 2, below (the "Retirement Benefits"). This Agreement shall be effective on the date you sign it, provided you do not exercise your revocation right as described in Paragraph 4(D), below. As used herein, the "Retirement Date" will be September 1, 2024; provided, however, that if your successor is appointed prior to September 1, 2024, your work for the Company will be in a consultative capacity until such date.

(1) Payments and Benefits.

(A) The Company will pay you your current regular base salary through your last day of employment with the Company;

(B) The Company will waive any requirement to provide advance notice of retirement that may be applicable to any of the benefits described in this Agreement;

(C) You will retain all your vested rights in the Company's 401(k) plan, Supplemental Executive Retirement plan, and Retirement Account Plan and will receive all payments due you under the terms of those plans;

(D) You will participate in the current management incentive plan (the "MIP") awards on a two-thirds (2/3) prorated basis, based on the Company's performance for 2024, and payable in February 2025, consistent with other participating executives;

(E) You will earn and vest in your LTIPP PSU grants in accordance with Plan Documents under the terms of those awards;

(F) You will receive other ordinary course employee benefits and perquisites, including, but not limited to, health care coverage, through your last day of employment with the Company; and

(G) If you were a participant in the Company's group health insurance plan on the last day of your employment with the Company, the Company will provide you with the right to participate, at your own expense, in such plan in accordance with the mandates of the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("COBRA").

The payments described in Paragraphs 1(A) through 1(F), above, will be subject to normal deductions for income and employment taxes and will be paid to you as required by applicable law.

(2) Retirement Benefits.

(A) If you accept this Agreement and do not exercise your revocation rights as described in Paragraph 4(D), below, in consideration of your undertakings, the Company will provide you with the Retirement Benefits set forth below subject to and conditioned upon: (i) you not giving rise to Cause for termination through the Retirement Date, (ii) you continuing to perform all of your duties and responsibilities in a manner acceptable to the Company through the Retirement Date, (iii) you assisting in the successful transition of your duties to your successor, and (iv) after the Retirement Date, but not later than seven (7) days following the Retirement Date, you sign the Post-Retirement Acceptance of the Agreement set forth below, and the Revocation Period (as defined below) expires.

(B) You will receive Colleague Banking Benefits for the remainder of your lifetime.

(C) You will receive Executive Transition Assistance through My Next Season in an amount not to exceed Fifteen Thousand Dollars ($15,000.00).

(D) All outstanding vested equity awards shall continue to be governed by the terms of any equity incentive plan under which they were granted, and any vested stock options shall expire according to the terms of any stock option award agreements and such equity incentive plans. All equity awards shall be subject to applicable tax withholding.

(E) If prior to the Retirement Date, your employment is terminated for any reason other than as a result of your breach of this Agreement or a termination by the Company for Cause, then you will be entitled to receive the Retirement Benefits referenced above.

(F) For purposes of this Agreement "Cause" means: (a) your indictment for or being charged with commission of a felony, (b) your willful engagement in illegal conduct or gross misconduct that is materially and demonstrably injurious to the Company, (c) your failure or refusal to perform the lawfully assigned duties and responsibilities of your position after being provided written notice of any such failure or refusal, or (d) your material violation of any of the Covenants contained in Paragraph 3 "Your Undertakings". For purposes of the definition of "Cause" no act, or failure to act, on your part shall be considered "willful" unless it is done, or omitted to be done, by you in bad faith and without reasonable belief that the action or omission was in the best interests of the Company.

(3) <u>Your Undertakings</u>. In exchange for the Retirement Payment provided to you under Paragraph 2, above, which you acknowledge is greater in its totality than any payments or benefits which you would receive absent this Agreement, you agree as follows:

(A) You agree, on behalf of yourself, your heirs, successors and assigns, to release the Company, its parents, subsidiaries, affiliates, and related entities, and any of their respective past or present officers, directors, stockholders, managers, members, partners, agents, employees, predecessors in interest, successors, and assigns, each in their capacities as such ("Released Parties"), jointly and severally, from, and agree not to bring any action, proceeding or suit against any of the Released Parties regarding, any claims, causes of action, liabilities, damages, fees or remunerations of any sort. This release includes, but is not limited to, giving up any claims related in any way to your employment by the Company, the decision to retire from your employment, culmination of our employment relationship, and wages and other remuneration, including, but not limited to, any current or former bonus or other incentive plans or programs offered by the Company, including any award under the 2013 Plan and the 2017 Plan. This release of claims includes any claims, whether they are presently known or unknown, or anticipated or unanticipated by you, and includes, but is not limited to, all matters in law, in equity, in contract, or in tort, or pursuant to statute, including damages, attorneys' fees, costs, and expenses, and, without limiting the generality of the foregoing, all claims arising under Title VII of the Civil Rights Act, the Americans with Disabilities Act, the Age Discrimination in Employment Act ("ADEA"), the State and Federal Family and Medical Leave Acts, the Worker Adjustment and Retraining Notification Act, the Equal Pay Act, the Employee Retirement Income Security Act, the Civil Rights Act of 1991, the Wisconsin Fair Employment Act, all as amended, or any other federal, state or local law, statute or ordinance affecting your employment with or termination from the Company.

This release of claims does not apply to or affect claims for benefits under applicable worker's compensation laws, or any claim that controlling law clearly states may not be released, including by settlement. This general release does not apply to any vested rights that you may have in the Company's 401(k) plan or to your continued participation in the Company's group health insurance plan pursuant to COBRA following the Retirement Date. This general release does not apply to any right to indemnification under the Company's Articles of Incorporation, By-Laws or any applicable Directors and Officers insurance policy of the Company Released Party, as may be applicable, your rights as a stockholder of the Company or with respect to equity awards as provided in the applicable equity plan or award agreement, or your rights to enforce this Agreement. This release shall not limit or restrict your right under the ADEA to challenge the validity of this Agreement in a court of law and such challenge shall not be considered a breach of this Agreement. Likewise, this release shall not prevent, restrict or in any way limit your right to file a charge or complaint with a government agency (including, without limitation, the Equal Employment Opportunity Commission ("EEOC")) or participate in an investigation or proceeding initiated or conducted by a government agency; provided, however this release of claims does prevent you from making any personal recovery against the Company or the Released Parties, including the recovery of money damages, as a result of filing a charge or complaint with a government agency against the Company and/or any of the Released Parties.

Notwithstanding this Paragraph 3, nothing contained in this Agreement shall impede your ability to report possible federal securities violations to the Securities Exchange Commission ("SEC") and other governmental agencies (i) without the Company's approval and (ii) without having to forfeit or forego any resulting whistleblower awards.

(B) You acknowledge and agree that, as of the date on which you sign this Agreement, there are no pending complaints, charges or lawsuits filed by you against the Company or any of the Released Parties. You further acknowledge and agree that you are the sole and lawful owner of all rights, title and interest in and to all matters released under Paragraph 3(A), above, and that you have not assigned or transferred, or purported to assign or transfer, any of such released matters to any other person or entity.

(C) You acknowledge and agree that except to the extent explicitly provided for in this Agreement, the Released Parties owe you no wages for work performed, whether salary, overtime, bonuses, or commissions, or for accrued but unused paid time off.

(D) By executing this Agreement, you acknowledge the following: (i) you have accurately reported all use of paid time off in accordance with the Company's paid time off policy; (ii) you have not suffered an unreported workplace injury at the Company; and (iii) your retirement from employment shall be deemed a voluntary retirement.

(E) You agree that you will return to the Company on or before the Retirement Date all of its property which you possess or over which you have direct or indirect control, including, but not limited to, all records, files, credit cards, keys, laptops, customer lists and information, and purge any electronically encoded information., all passwords and/or access codes to such Company property and all copies of such Company property. Notwithstanding the foregoing, the Company acknowledges and agrees that you may retain copies of your individual personnel documents, such as payroll and tax records, and similar personal records, your rolodex and your address book to the extent containing only contact information.

(F) You agree not to engage at any time in any conduct or make any statements or representations, or direct any other person or entity to engage in any conduct or make any statements or representations, that disparage, criticize or otherwise impair the reputation of the Company or any of the Released Parties. If the Company's Human Resources Department receives a request for a reference for you from a prospective employer, the Company will provide verification of employment and such other information as it typically provides in response to such reference requests. Nothing contained in this Agreement shall preclude you from providing truthful information pursuant to subpoena or other legal process or from rebutting any disparaging statements made by others. If you receive a subpoena or are subject to any legal obligation, then to the extent permitted you agree to provide written notice to the Company within ten (10) days and enclose a copy of the subpoena and any other document identifying the legal obligation.

(G) With respect to the Company's Trade Secrets and Confidential Information (each defined below), you acknowledge that the Company has created and maintains at great expense strategic plans, methods, products, procedures, processes, techniques, financial information, customer and supplier lists, pricing policies, pricing and cost information, personnel data and other similar confidential and proprietary information (collectively "Confidential Information"). Confidential Information also includes information received by the Company from others which the Company has an obligation to treat as confidential, including all information obtained in connection with customer engagements. You agree that except as required in the good faith performance of your duties to the Company, until the sooner of (i) two (2) years from the Retirement Date or (ii) the date the Confidential Information becomes generally available to the public through no fault of yours or any other person under a duty of confidentiality to the Company, you shall not, directly or indirectly, in any capacity, use or disclose, or cause to be used or disclosed, in any geographic territory in which such use or disclosure could harm the Company's existing or potential business interests, any Confidential Information.

With respect to any Confidential Information that constitutes a Trade Secret under applicable law, you agree not to directly or indirectly use or disclose any such Trade Secret, except in connection with your employment with the Company, for as long as such Confidential Information remains a Trade Secret. The term "Trade Secret" has that meaning set forth under applicable law. Nothing in this Agreement shall limit or supersede any common law, statutory or other protections of trade secrets where such protections provide the Company with greater rights or protections for a longer duration than provided in this Agreement. With respect to the disclosure of a Trade Secret and in accordance with 18 U.S.C. § 1833, you shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a Trade Secret that (i) is made in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney, provided that, the information is disclosed solely for the purpose of reporting or investigating a suspected violation of law; or (ii) is made in a complaint or other document filed in a lawsuit or other proceeding filed under seal so that it is not disclosed to the public. You are further notified that if you file a lawsuit for retaliation by the Company for reporting a suspected violation of law, you may disclose the Company's Trade Secret to your attorney and use the Trade Secret information in the court proceeding, provided that, you file any document containing the Trade Secret under seal so that it is not disclosed to the public, and does not disclose the Trade Secret, except pursuant to court order.

This provision shall not prohibit you from providing Confidential Information to any state or federal agency in connection with a whistleblower claim.

(H) For twelve (12) months immediately after the Retirement Date, you shall not directly or indirectly, whether on behalf of yourself or any third party:

(i) Solicit business from any person or entity who is an Active Customer (as defined herein), with whom you have had material business contact during the twelve (12) month period prior to the Retirement Date (the "**Reference Period**") for the purpose of providing competitive products or services similar to those provided by you during the Reference Period.

(ii) Request or advise any Active Customer, with whom you have had material business contact during the Reference Period, to withdraw, curtail or cancel any business relationship with the Company. "**Active Customer**" shall mean any customer of the Company that received any products or services supplied by or on behalf of the Company, and with which or whom you had material business contact during the Reference Period.

(iii) Induce any employee of the Company who: (x) currently holds the title of Vice President, Senior Vice President or Executive Vice President; and (y) currently or at any time during the Reference Period was subject to your supervision or control, to leave the employ of the Company for the purpose of having such person provide services to a financial institution that competes with the business of the Company within the Restricted Territory, and where such services are substantially similar to the services such person provided to the Company during the Reference Period.

(I) You acknowledge and affirm that by executing this Agreement, you shall be deemed to have resigned from all positions as an officer and/or director with the Company and its direct and indirect subsidiaries and affiliates as of the earlier of the date your successor is appointed and the Retirement Date without any further action required by you to effect such resignations; provided, however, upon the Company's request, you shall take all action deemed necessary by the Company to ensure and/or document the effect of same.

(J) You acknowledge and agree that should the Company incur any liability by way of litigation, arbitration, settlement of claims, or similar dispute resolution, in whole or in part due to any action or inaction by you in your capacity as an employee of the Company, the Company shall have the right to seek to recover any and all consideration paid pursuant to this Agreement to the extent of such liability (including attorneys' fees) incurred by the Company.

(K) The Company, on behalf of the Released Parties and their successors and assigns, represents that, as of the date of this Agreement, there are no known claims, demands, causes of actions, fees and liabilities of any kind whatsoever, which it or they had or now have against you as of the date of this Agreement, by reason of any actual or alleged act, omission, transaction, practice, conduct, statement, occurrence, or any other matter related to your employment with the Company or otherwise.

(4) Acceptance and Revocation Procedures. The Company wishes to ensure that you voluntarily agree to the terms contained in this Agreement and do so only after you fully understand them. Accordingly, the following procedures shall apply:

(A) You agree and acknowledge that you have read this Agreement, understand its contents and may agree to the terms of this Agreement by signing and dating it and returning the signed and dated Agreement, via mail, e-mail, hand delivery or overnight delivery, so that it is received by Angie M. DeWitt, Associated Bank, 433 Main Street, Green Bay, WI 54301, Angie.DeWitt@AssociatedBank.com, on or before 5:00 p.m. Central Time on the 22nd calendar day following your receipt of this Agreement;

(B) You are hereby advised in writing by the Company that you have twenty-one (21) days to consider this Agreement, and you are further advised to consult with an attorney before signing this Agreement and you acknowledge that you have done so or had the opportunity to do so;

(C) You understand that this Agreement, at Paragraph 3(A) above, includes a full and final general release, including a release of all claims under the ADEA;

(D) You understand that you have seven (7) calendar days after signing this Agreement, and also after signing of the Post-Retirement Acceptance of the Agreement, within which to revoke your acceptance of it ("Revocation Period"). Either such revocation will not be effective unless written notice of the revocation is sent, via mail, e-mail, hand delivery or overnight delivery, so that it is received Angie M. DeWitt, Associated Bank, 433 Main Street, Green Bay, WI 54301, Angie.Dewitt@AssociatedBank.com on or before 5:00 p.m. Central Time on the first workday following the end of the Revocation Period;

(E) This Agreement will not be binding or enforceable unless you have signed and delivered it as provided in Paragraph 4(A) above, and have chosen not to exercise your revocation right, as described in Paragraph 4(D), above. If you give timely notice of your intention to revoke your acceptance of the terms set forth in this Agreement, it shall become null and void, and all rights and claims of the parties which would have existed, but for the acceptance of this Agreement's terms, shall be restored; and

(F) You represent and warrant to the Company that, in the event you choose to accept the terms of this Agreement by signing it, the date appearing above your name on the last page of this Agreement shall be the actual date on which you have signed the Agreement. Notwithstanding your failure to execute this Agreement or your revocation of it in accordance with Paragraph 4(D), above, the terms of Paragraph 1, above, will continue to apply.

(5) <u>At Will Employment</u>. Nothing in this Agreement creates a contract of employment between the Company and you for any specific term of employment. Your employment with the Company is and shall remain "at will," which means that you may resign from your employment, or the Company may terminate your employment, at any time, for any reason or no reason, and with or without notice, subject to the terms hereof.

(6) <u>Succession.</u> As of the date the Company appoints your successor, or the last date of your employment with the Company, whichever is earlier, you shall no longer hold the position of Executive Vice President, Controller, and Chief Accounting Officer of the Company, and no longer be a member of the Company's Executive Leadership Team.

(7) Miscellaneous. Should you accept the terms of this Agreement, its terms will be governed by the following:

(A) This Agreement constitutes the complete understanding between you and the Company concerning all matters affecting your employment with the Company and the culmination thereof. If you accept this Agreement, it supersedes all prior agreements, understandings and practices concerning such matters, including, but not limited to, any Company personnel documents, handbooks, policies, incentive or bonus plans or programs, and any prior customs or practices of the Company;

(B) You agree and acknowledge that this Agreement provides you with benefits from the Company which, in their totality, are greater than those to which you otherwise would be entitled;

(C) This Agreement can only be modiFFfied in writing by a document that is signed by both parties;

(D) Nothing in the release contained in this Agreement should be construed as an admission of wrongdoing or liability on the part of you or the Company. Each of the parties to this Agreement denies any liability to the other party, and each party understands that the other party denies any liability to such party.

(E) If any court of competent jurisdiction determines that any of the provisions of Paragraph 3 above, are invalid or unenforceable, then such invalidity or unenforceability shall have no effect on the other provisions of Paragraph 3, which shall remain valid, binding and enforceable and in full force and effect.

(F) This Agreement and its interpretation shall be governed and construed in accordance with the laws of the State of Wisconsin and shall be binding upon the parties hereto and their respective successors and assigns.

(G) In the event that you breach any provision of this Agreement (provided such breach, if curable, is not cured within 10 business days' advance written notice to you and an opportunity to cure), you agree that the Company may suspend its further performance under this Agreement, seek recovery of any damages as determined by a court of competent jurisdiction suffered as a result of such breach, and seek recovery from you any reasonable attorneys' fees and costs it incurs as a result of your breach. In addition, you agree that the Company may seek injunctive or other equitable relief as a result of a breach by you of any provision of this Agreement. In no case, however, shall the release provided in Paragraph 3(A), above, be revoked or terminated if you accept this Agreement as provided in Paragraph 4(A), above, and do not exercise your revocation rights before the Revocation Period described in Paragraph 4(D), above, expires.

(H) The parties irrevocably agree that all actions to enforce an arbitrator's decision or to seek injunctive or other equitable relief as provided herein may be instituted and litigated in federal, state or local courts sitting in Brown County, Wisconsin and each of such parties hereby consents to the jurisdiction and venue of such court, waives any objection based on forum non conveniens and any right to a jury trial. Except as described above, all disputes or controversies arising under or in connection with this Agreement, are to be settled exclusively by arbitration, conducted before a single neutral arbitrator in Milwaukee, Wisconsin in accordance with the National Rules for the Resolution of Employment Disputes of the American Arbitration Association ("AAA") then in effect. The Company and you shall each pay one-half of all administrative fees charged by AAA and the fees and expenses of the arbitrator. In the event arbitration is brought pursuant to this Agreement, the arbitrator shall have authority to award fees and costs to the prevailing party, in accordance with applicable law.

(I) This Agreement may be executed by an electronic signature, which shall be deemed to be the same as an original signature.

This Agreement is intended to resolve all outstanding issues between you and the Company in a comprehensive manner. Although this Agreement contains language releasing the Company from claims, the Company maintains, and you understand and acknowledge that the Company maintains, that you have no such claims against the Company or any of the parties covered by the release contained in Paragraph 3(A), above.

Should you have any questions, please feel free to contact me.

Very truly yours,

ASSOCIATED BANC-CORP

By: Angie M. DeWitt
Angie M. DeWitt, EVP, Chief Human Resources Officer

I agree ~~with~~ and accept the terms contained in this Agreement and agree to be bound by them.

Tammy Stadler
Tammy C. Stadler

Dated this 24 day of ~~June~~ July, 2024.

*Post-Retirement Acceptance of the Agreement:

I certify that I have been advised of my rights to consult with an attorney prior to executing this Post-Retirement Acceptance of the Agreement; I have been given at least 21 days from date of receipt within which to consider this Post-Retirement Acceptance of the Agreement; and I have been advised that I have seven (7) days following my execution of this Post-Retirement Acceptance of the Agreement to revoke my acceptance. I knowingly and voluntarily have entered into this Post-Retirement Acceptance of the Agreement understanding its significance and my obligations. I agree with and accept the terms contained in the Agreement and agree to be bound by them.

Tammy C. Stadler

Tammy C. Stadler

Dated this 4 day of Sept, 2024.

*This Post-Retirement Acceptance of the Agreement must not be signed and dated until after the Retirement Date.

Exhibit 31.1

CERTIFICATION UNDER SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

CERTIFICATIONS

I, Andrew J. Harmening, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Associated Banc-Corp;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant’s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, 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;

(c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant’s other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: October 29, 2024

/s/ Andrew J. Harmening

Andrew J. Harmening
President and Chief Executive Officer

Exhibit 31.2

CERTIFICATION UNDER SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

CERTIFICATIONS

I, Derek S. Meyer, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Associated Banc-Corp;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant’s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, 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;

(c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant’s other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: October 29, 2024

/s/ Derek S. Meyer

Derek S. Meyer

Chief Financial Officer

Exhibit 32

Certification by the Chief Executive Officer and Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, each of the undersigned officers of Associated Banc-Corp, a Wisconsin corporation (the “Company”), does hereby certify that:

1. The accompanying Quarterly Report of the Company on Form 10-Q for the quarter ended September 30, 2024 (the “Report”), fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. Information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Andrew J. Harmening
Andrew J. Harmening
Chief Executive Officer
October 29, 2024

/s/ Derek S. Meyer
Derek S. Meyer
Chief Financial Officer
October 29, 2024