

# Second Quarter 2024 Earnings Presentation

JULY 25, 2024



# Forward-Looking Statements



## **Important note regarding forward-looking statements:**

Statements made in this presentation which are not purely historical are forward-looking statements, as defined in the Private Securities Litigation Reform Act of 1995. This includes any statements regarding management's plans, objectives, or goals for future operations, products or services, and forecasts of its revenues, earnings, or other measures of performance. Such forward-looking statements may be identified by the use of words such as "believe," "expect," "anticipate," "plan," "estimate," "should," "intend," "target," "outlook," "project," "guidance," "forecast," or similar expressions. Forward-looking statements are based on current management expectations and, by their nature, are subject to risks and uncertainties. Actual results may differ materially from those contained in the forward-looking statements. Factors which may cause actual results to differ materially from those contained in such forward-looking statements include those identified in the Company's most recent Form 10-K and subsequent Form 10-Qs and other SEC filings, and such factors are incorporated herein by reference.

## **Trademarks:**

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## **Presentation:**

Within the charts and tables presented, certain segments, columns and rows may not sum to totals shown due to rounding.

## **Non-GAAP Measures:**

This presentation includes certain non-GAAP financial measures. These non-GAAP measures are provided in addition to, and not as substitutes for, measures of our financial performance determined in accordance with GAAP. Our calculation of these non-GAAP measures may not be comparable to similarly titled measures of other companies due to potential differences between companies in the method of calculation. As a result, the use of these non-GAAP measures has limitations and should not be considered superior to, in isolation from, or as a substitute for, related GAAP measures. Reconciliations of these non-GAAP financial measures to the most directly comparable GAAP financial measures can be found at the end of this presentation.

# Second Quarter 2024 Results<sup>1</sup>



## 2Q 2024 Operating Results

- GAAP diluted EPS of \$0.74
- Adjusted diluted EPS<sup>2</sup> of \$0.52
- Total quarterly avg. loan growth of \$211 million
- Total quarterly avg. core customer deposit<sup>2</sup> decrease of \$240 million
- Total quarterly avg. deposit decrease of \$638 million
- Loans / deposits of 90.6%
- Net interest income of \$257 million
- Net interest margin of 2.75%
- Noninterest income of \$65 million
- Noninterest expense of \$196 million
- Noninterest expense / avg. assets of 1.92%
- Provision for credit losses of \$23 million
- ACLL / total loans of 1.32%
- NCOs / avg. loans (annualized) of 0.29%

<b>\$0.74</b> GAAP Diluted EPS	<b>\$0.52</b> Adjusted Diluted EPS <sup>2</sup>
<b>0.7%</b> Avg. Loan Growth	<b>(4) bps</b> Net Interest Margin Decrease
<b>(0.9%)</b> Avg. Core Customer Deposit <sup>2</sup> Decrease	<b>(1.9%)</b> Avg. Deposit Decrease
<b>0.13%</b> Total Delinquencies <sup>3</sup> / Total Loans	<b>9.68%</b> CET1 Ratio
<b>7.18%</b> TCE Ratio <sup>2</sup>	<b>\$19.28</b> Tangible Book Value / Share

<sup>1</sup> All figures shown on an end of period basis unless otherwise noted. Growth / decrease reflects 2Q 2024 results compared to 1Q 2024.

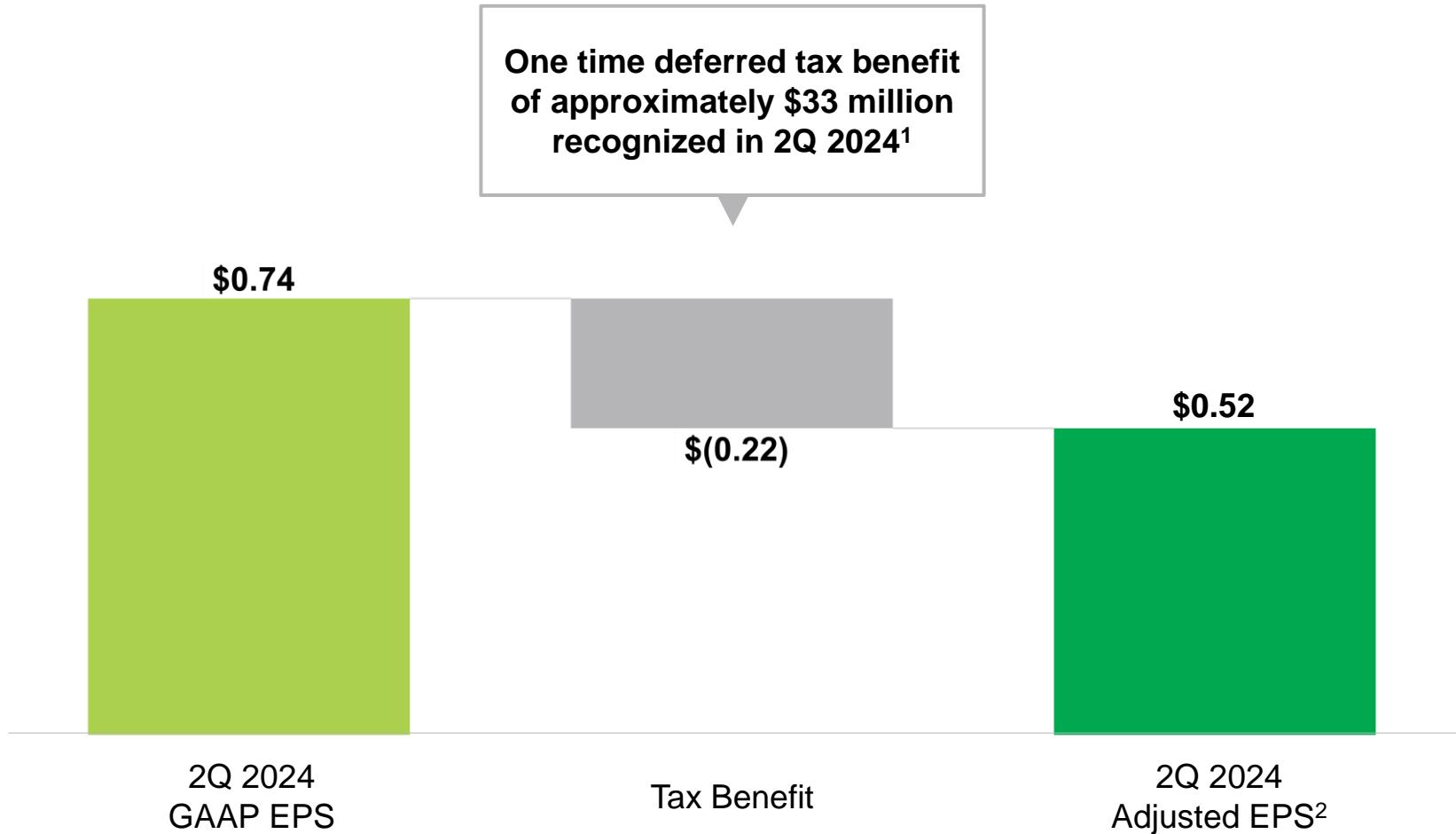
<sup>2</sup> This is a non-GAAP financial measure. See appendix for a reconciliation of non-GAAP financial measures to GAAP financial measures.

<sup>3</sup> Accruing loans 30-89 days past due + accruing loans 90+ days past due.

# 2Q 2024 EPS Adjustment



Our 2Q 2024 GAAP EPS was impacted by a one time tax benefit recognized during the quarter



<sup>1</sup> Tax benefit resulted from a strategic reallocation of our investment securities portfolio.

<sup>2</sup> This is a non-GAAP financial measure. See appendix for a reconciliation of non-GAAP financial measures to GAAP financial measures.

# Phase 1 Strategic Plan: Foundational to Growth



Launched in 2021, Phase 1 of our strategic plan established ASB's ability to execute



**Enhanced Lending Capabilities**



**Upgraded Product & Service Offerings**



**Launched Mass Affluent Strategy**



**Modernized Digital Banking Experience**



**Introduced "Champion of You" Brand Strategy**

## Foundational Outcomes<sup>1</sup> from Phase 1

- **Nearly \$800 million** in Asset-Based Lending & Equipment Finance loans
- **Over \$2.5 billion** in prime/super prime Auto loans
- **Expanded commercial & business RMs by 29% vs. 12/31/21**
- **Over \$1 billion** in net new Mass Affluent deposits since launch in December 2022
- **4.5-year high** in digital satisfaction, led by mobile<sup>2</sup>
- **Highest net promoter scores<sup>3</sup> since internal tracking began in 2017**
- **Highest quarterly net consumer checking household growth in over a decade**
- **26% increase** in YTD deposit balances per new consumer checking household vs. 2023

<sup>1</sup> All updates as of or for the period ended June 30, 2024 unless otherwise noted.

<sup>2</sup> Based on year-over-year customer satisfaction scores from internal transactional surveys. 2024 data through June 30, 2024.

<sup>3</sup> Net promoter score metric based on likelihood of customers to recommend Associated Bank to family and friends as indicated in our internal Consumer Relationship Survey.

# Advancing our Growth Strategy in Phase 2



Phase 2 is designed to accelerate our momentum through an infusion of talent in key areas & targeted initiatives

## Recent Key Leadership Hires

Jul 2022	<b>Bryan Carson</b> EVP, Chief Product & Marketing Officer
Aug 2022	<b>Derek Meyer</b> EVP, Chief Financial Officer
Jan 2023	<b>Terry Williams</b> EVP, Chief Information Officer
Oct 2023	<b>Jayne Hladio</b> EVP, President of Private Wealth
Oct 2023	<b>Neil Riegelman</b> SVP, Com'l Banking Segment Leader (WI)
Dec 2023	<b>Phillip Trier</b> EVP, Com'l Banking Group Leader
Jan 2024	<b>Steven Zandpour</b> EVP, Dir. of Consumer & Business Banking
May 2024	<b>Michael Lebens</b> SVP, Com'l Banking Segment Leader (MN)

### Phase 2 Progress<sup>1</sup>

- **Progressing on our plan to hire 26+ additional commercial & business RMs (+28% vs. 9/30/23)**
- Consumer & Small Business initiatives expected to drive cumulative incremental deposit growth of ~\$2 billion by year-end 2025. **On track:**
  - 28 additional bankers trained for Mass Affluent since November 2023 (bringing total to 58)
  - Automated direct deposit switching (4Q23)
  - Early Pay (1Q24)
  - Social media campaign & acquisition-focused marketing tactics (1Q24)
  - **NEW:** Credit Monitor (launched Jul. 23<sup>rd</sup>)

### Expected Outcomes by Year-End 2025<sup>2</sup>

**\$750M**

Cumulative Incremental Commercial Loan Growth<sup>2</sup>

**\$2.5B**

Cumulative Incremental Deposit Balances (Total Bank)<sup>2</sup>

**3%**

Annual Household Growth Rate

<sup>1</sup> All updates as of or for the period ended June 30, 2024 unless otherwise noted.

<sup>2</sup> Incremental balance growth expected above our standard run rate, which is impacted by market conditions.



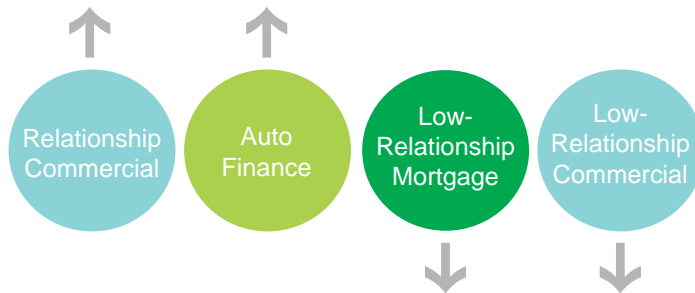
# Improving our Return Profile Over Time<sup>1</sup>

Our efforts to remix the balance sheet & drive toward improved profitability are on track

## Assets

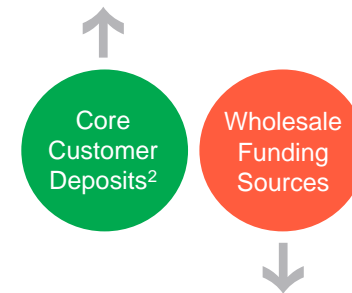
Growing diversified asset classes to decrease reliance on legacy low-yielding, low-relationship asset classes

### Strategy



## Liabilities

Attracting and deepening customer relationships to decrease reliance on wholesale and network funding sources



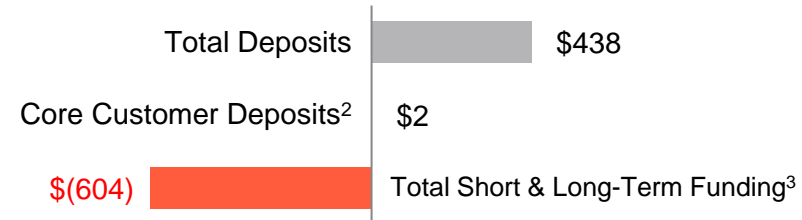
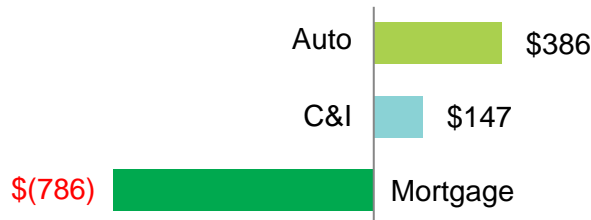
### Progress Since 2021

- Expanded Commercial RM base across footprint
- \$2.5B in prime/super prime Auto balances
- Exited TPO mortgage business in 1Q23
- Sold \$969M in mortgage loans & pivoted to “originate to sell” model in 4Q23

- Shifted to balanced RM scorecard to deepen Commercial relationships
- Modernized digital banking experience
- Quarterly upgrades to products & services
- \$1B in net new Mass Affluent deposits
- Repaid \$849M of FHLB Advances in 4Q23

### 1H24 Results

(Quarterly avg. growth 2Q24 vs. 4Q23; \$ in millions)



<sup>1</sup> All updates as of or for the period ended June 30, 2024 unless otherwise noted.

<sup>2</sup> This is a non-GAAP financial measure. See appendix for a reconciliation of non-GAAP financial measures to GAAP financial measures.

<sup>3</sup> Excludes brokered CDs and network transaction deposits, which are included in total deposits.

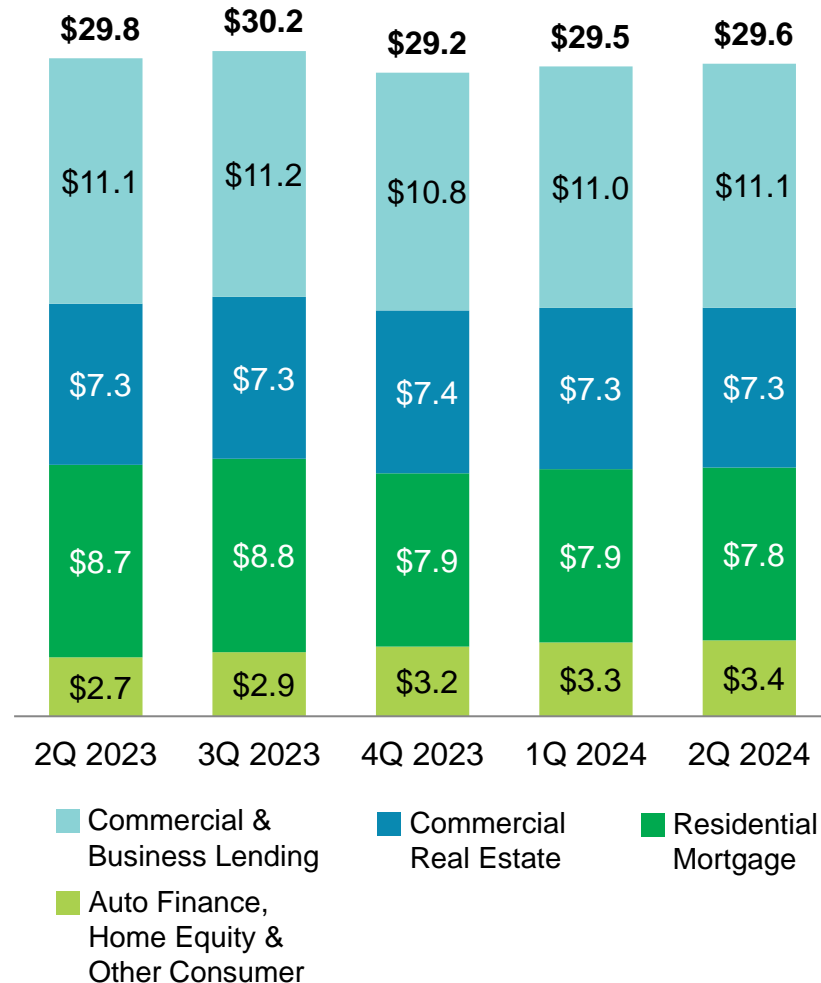


# Quarterly Loan Trends

Average loans grew by \$211 million vs. the prior quarter, led by growth in C&I & Auto

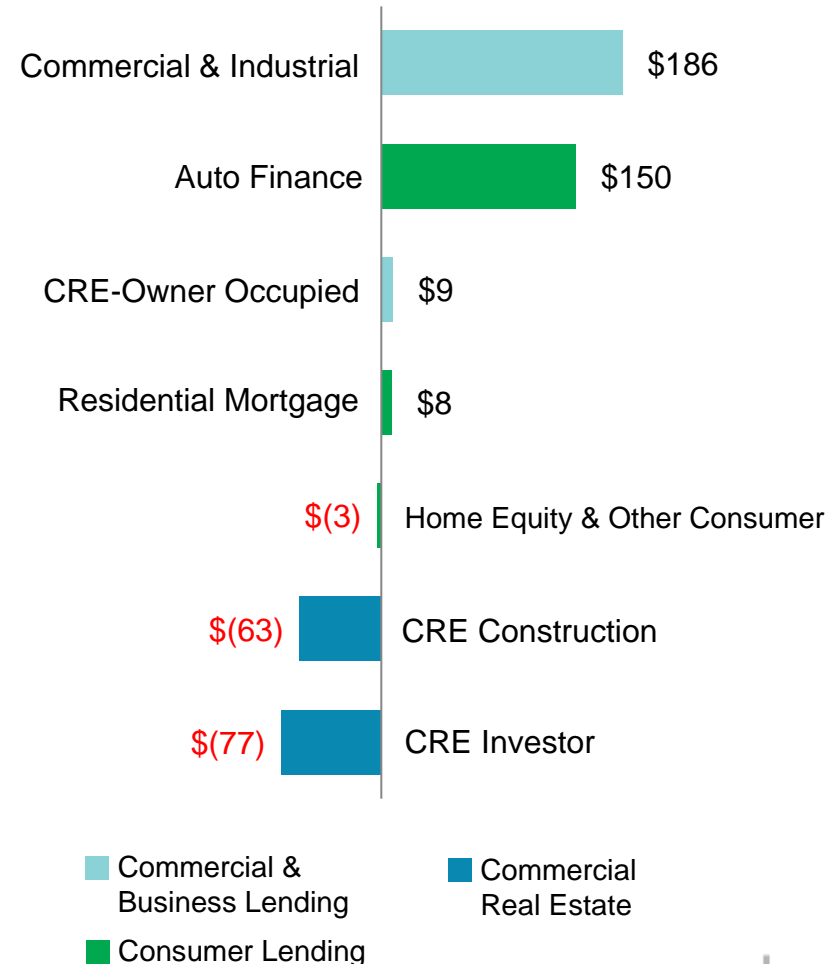
## Period End Quarterly Loan Trends

(\$ in billions)



## Average Loan Change (1Q 2024 to 2Q 2024)

(\$ in millions)





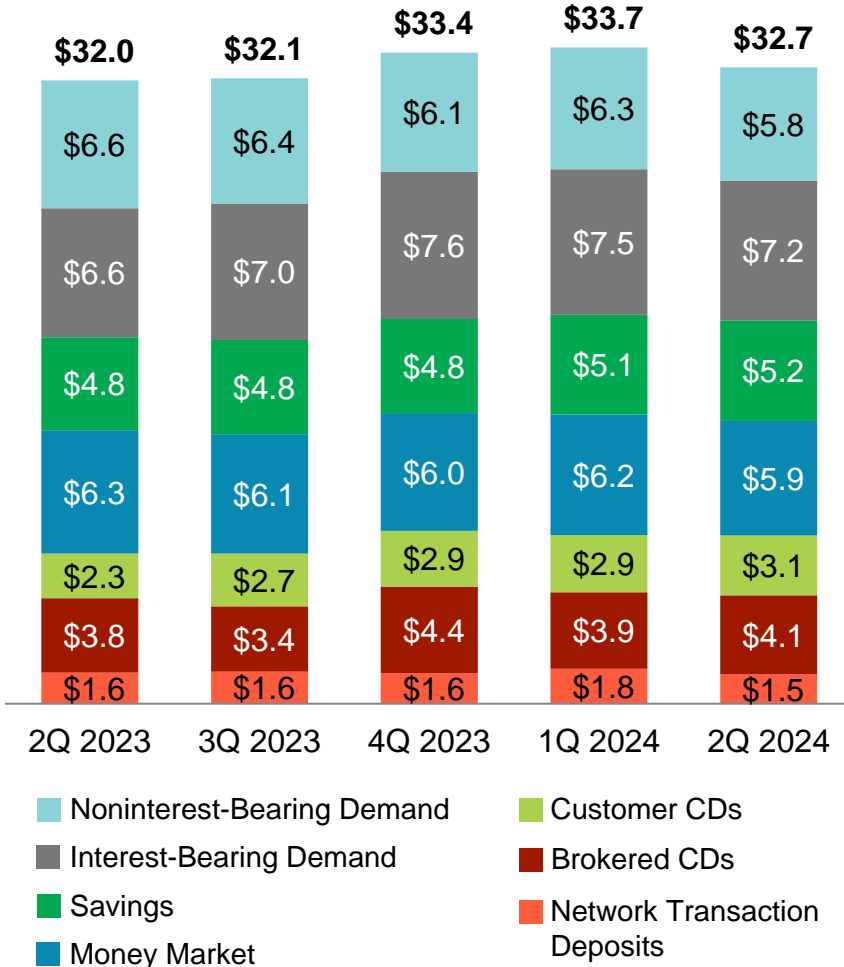


# Quarterly Deposit & Funding Trends

Our quarterly deposit trends were impacted by the timing of seasonal balance flows in 1Q & 2Q

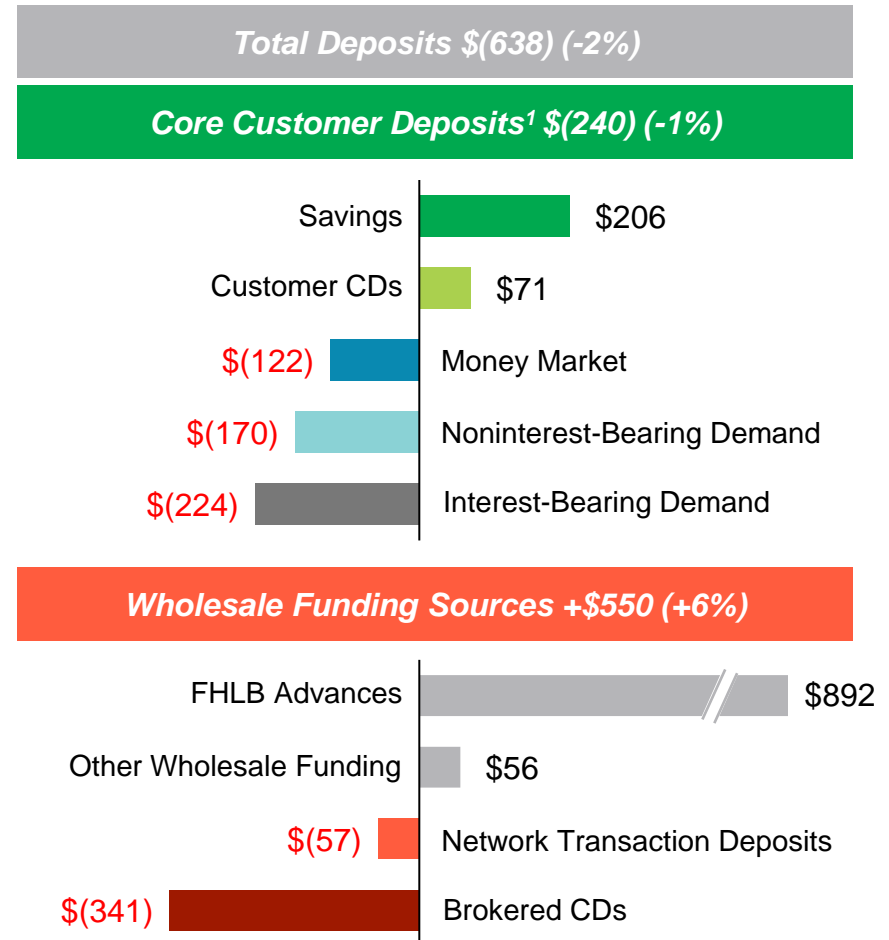
## Period End Quarterly Deposits

(\$ in billions)



## Average Funding Change (1Q 2024 to 2Q 2024)

(\$ in millions)



<sup>1</sup> This is a non-GAAP financial measure. See appendix for a reconciliation of period end core customer deposits to total deposits.

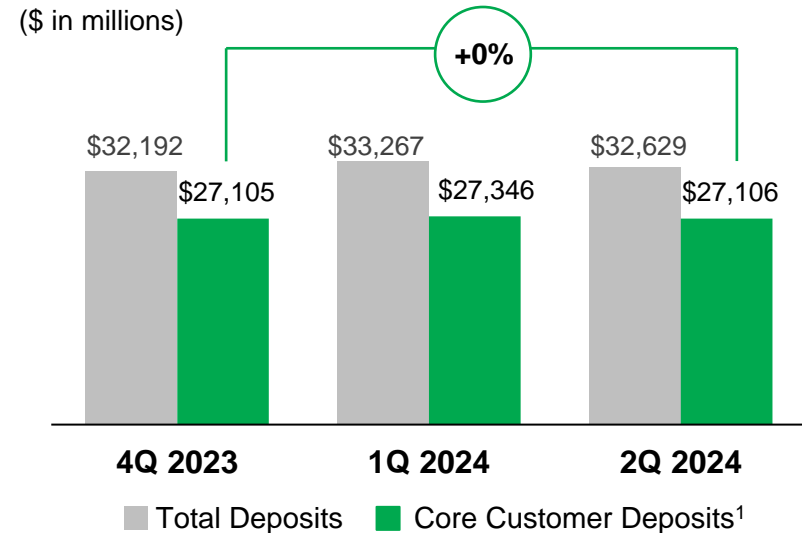


# YTD Deposit Performance & Outlook

We remain well-positioned to deliver core customer deposit<sup>1</sup> growth in 2H 2024

- 1Q deposit growth was stronger than anticipated due to seasonal customer inflows retained on the balance sheet longer than expected
- 2Q outflows were largely as expected, driven by delayed disbursement of 1Q inflows and ongoing competition in the marketplace
- Taken together, quarterly average core customer deposits<sup>1</sup> were essentially flat from 4Q23 to 2Q24

## Quarterly Average Deposit Trends



## Well-Positioned for Core Customer Deposit Growth in 2H 2024<sup>2</sup>

Highest quarterly net consumer checking household growth in over a decade

26% increase in YTD deposit balances per new consumer checking household vs. 2023

Highest net promoter scores<sup>3</sup> since internal tracking began in 2017

<sup>1</sup> This is a non-GAAP financial measure. See appendix for a reconciliation of period end core customer deposits to total deposits.

<sup>2</sup> All updates as of or for the period ended June 30, 2024 unless otherwise noted.

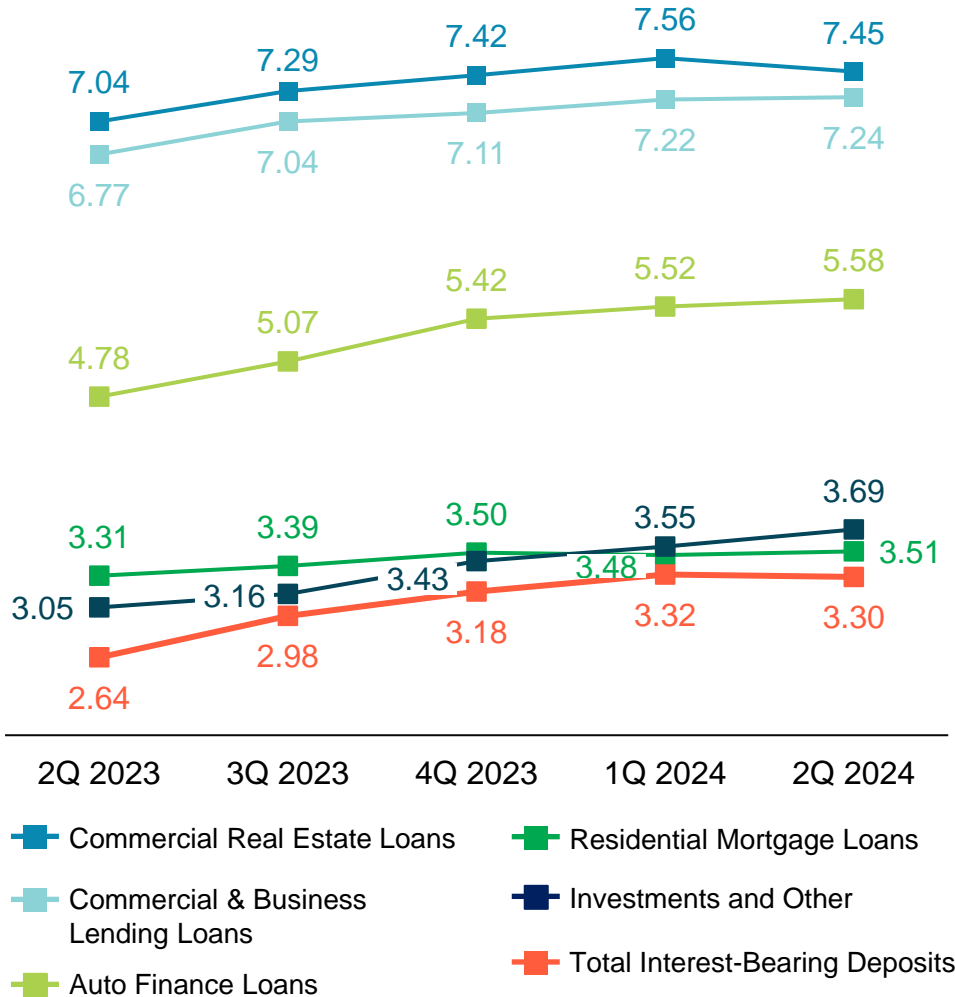
<sup>3</sup> Net promoter score metric based on likelihood of customers to recommend Associated Bank to family and friends as indicated in our internal Consumer Relationship Survey.



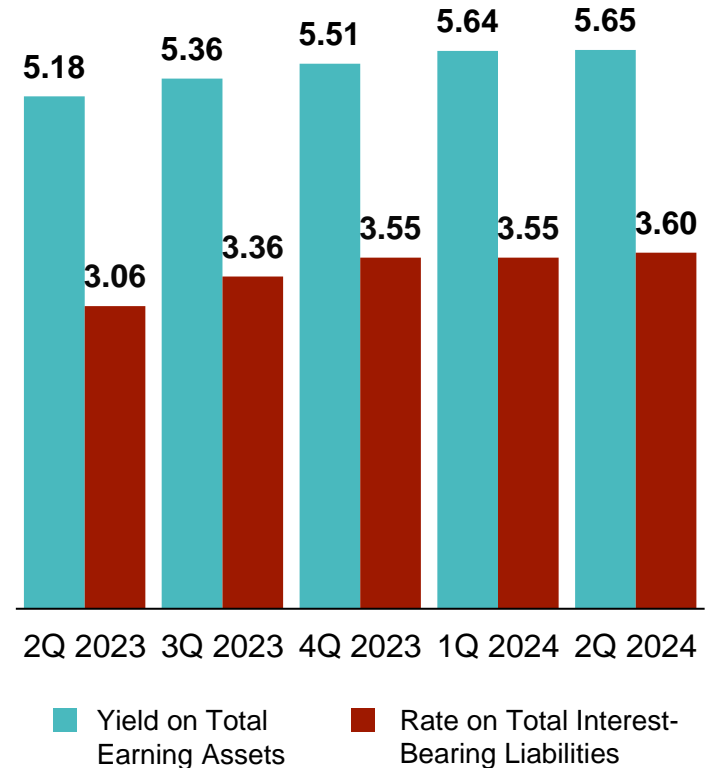
# Average Yield Trends

Earning asset yields were up 1 bp during 2Q, while the rate on total interest-bearing liabilities was up 5 bps

## Quarterly Average Yields (%)



## Asset & Liability Yield / Rate Trends (%)

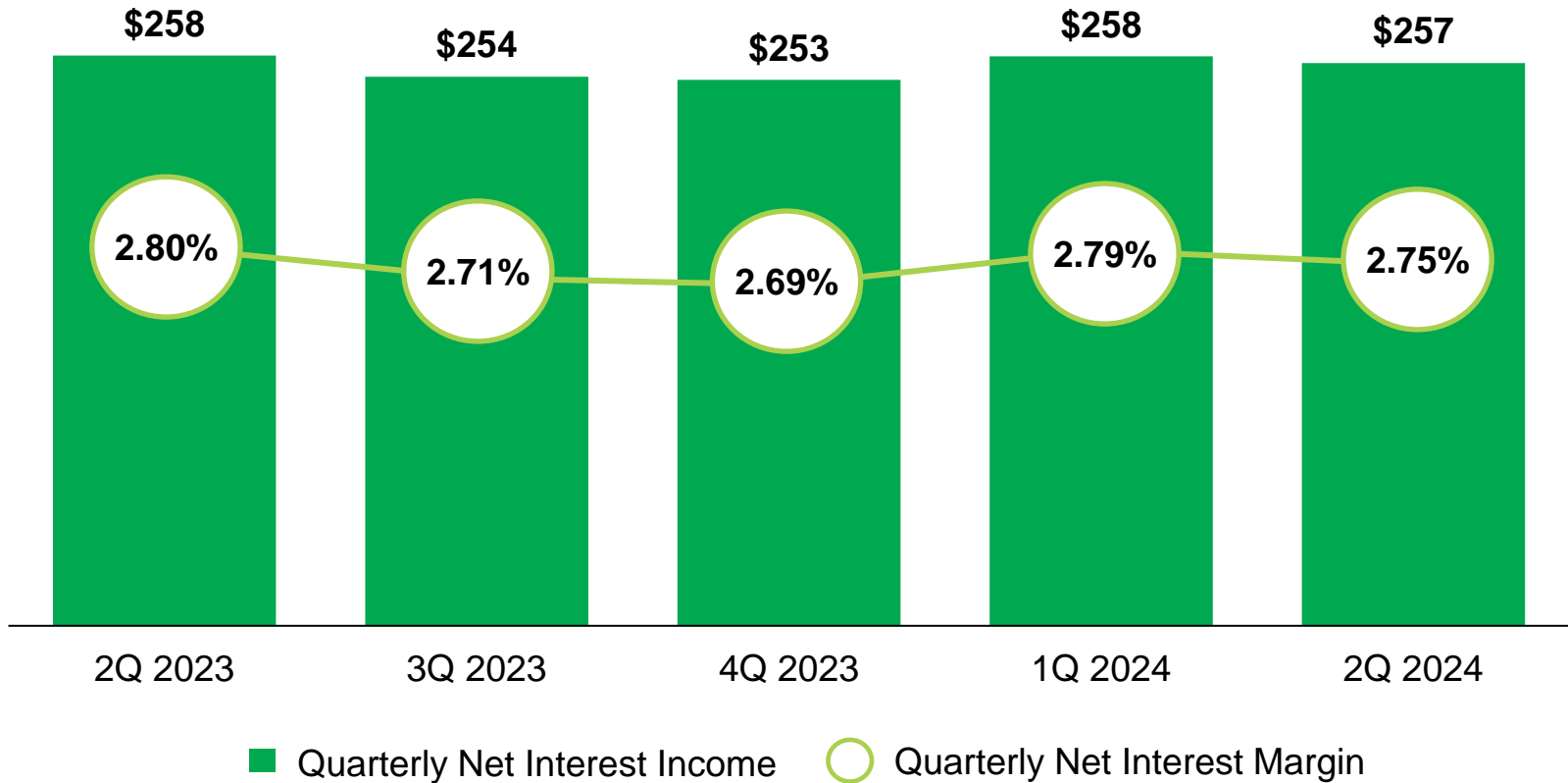


# Net Interest Income & Net Interest Margin Trends



Net interest income decreased by only \$1 million despite funding cost pressure in 2Q

(\$ in millions)



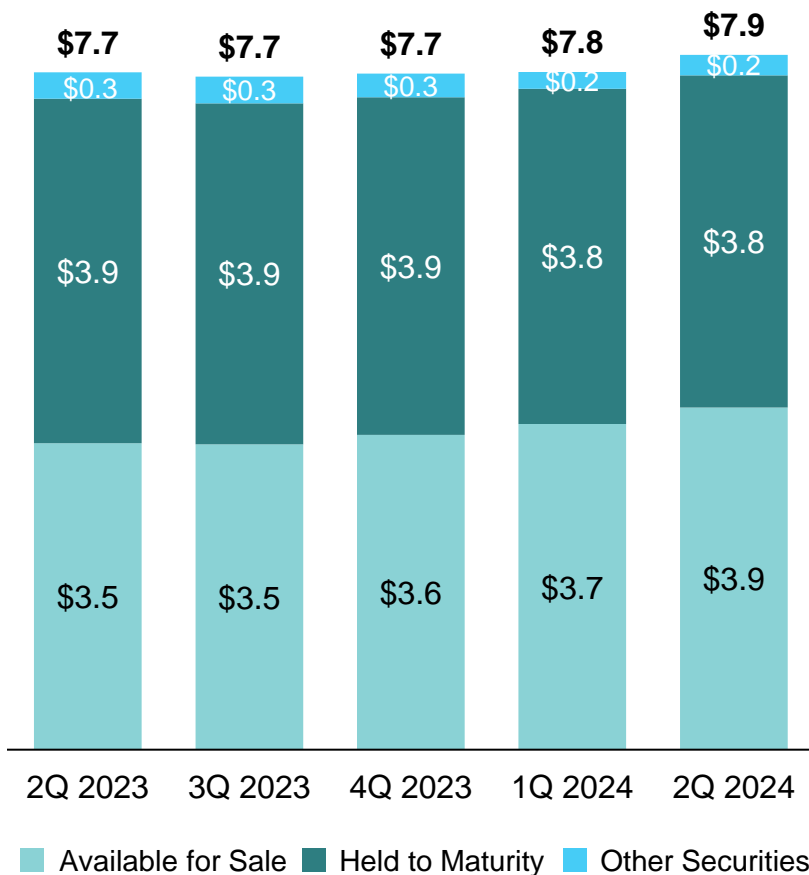
# Cash & Investment Securities Portfolio



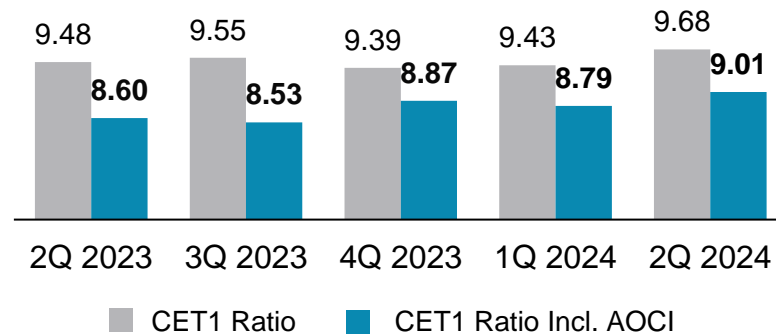
We continue to target investments to total assets of 18% to 20% in 2024

## Period End Securities Book Composition

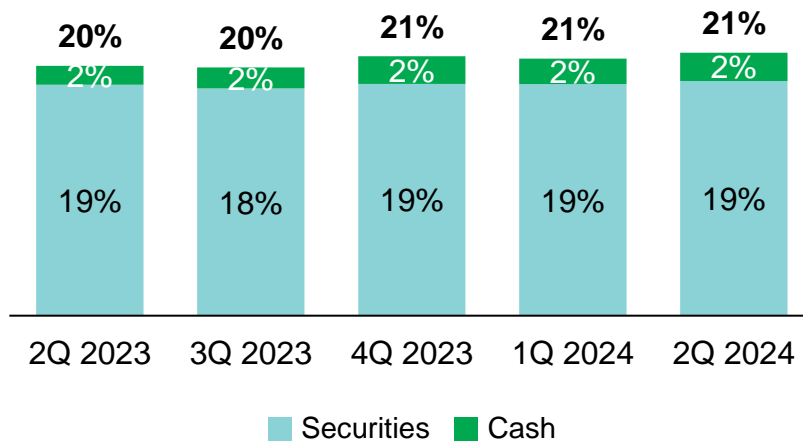
(\$ in billions)



## CET1 Including AOCI<sup>1</sup> (%)



## Period End Securities + Cash / Total Assets



<sup>1</sup> This is a non-GAAP financial measure. See appendix for a reconciliation of non-GAAP financial measures to GAAP financial measures.

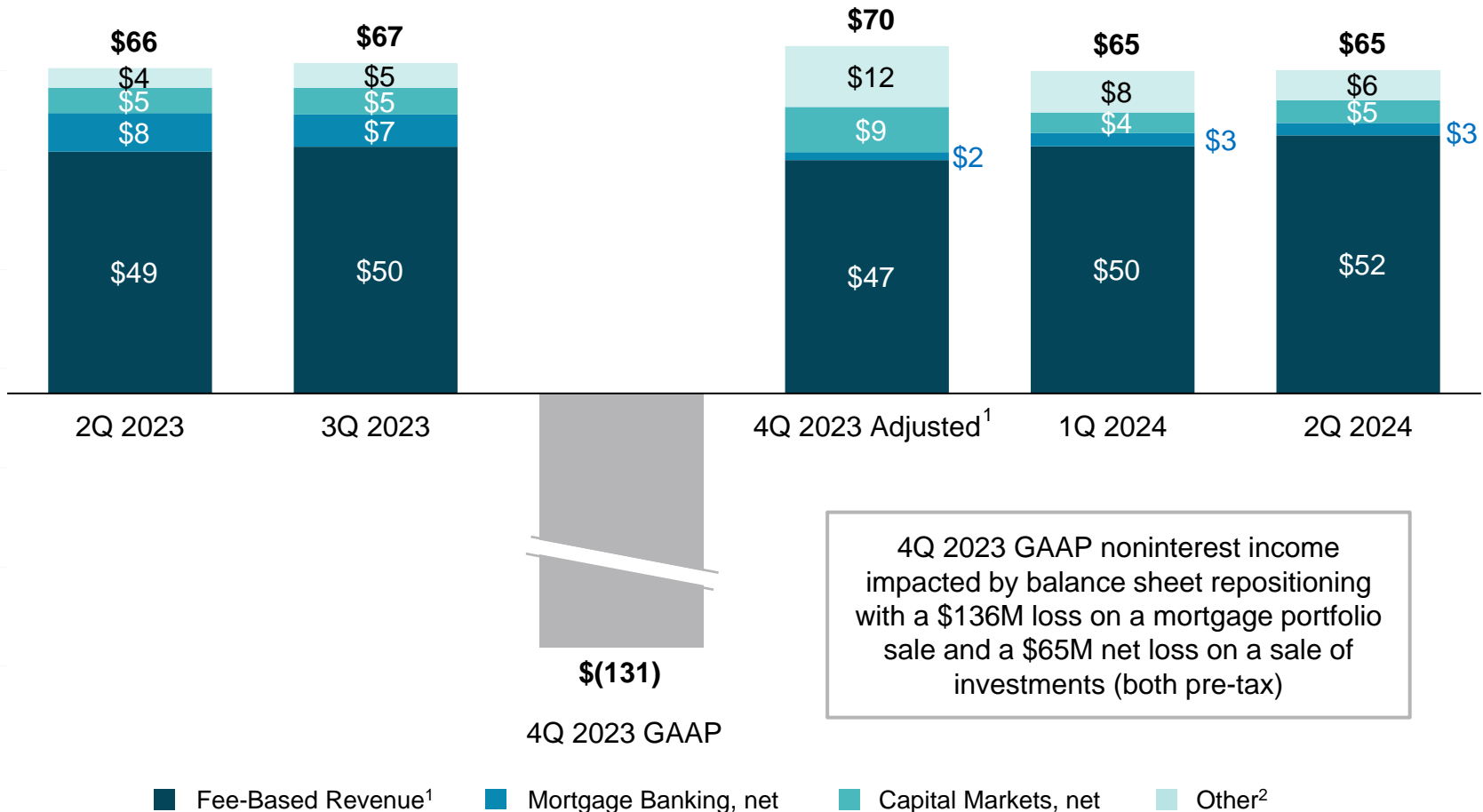


# Noninterest Income Trends

Our 2Q 2024 noninterest income increased modestly vs. the prior quarter

## Quarterly Noninterest Income Trends

(\$ in millions)



<sup>1</sup> This is a non-GAAP financial measure. See appendix for a reconciliation of non-GAAP financial measures to GAAP financial measures.

<sup>2</sup> Other noninterest income is primarily comprised of bank and corporate owned life insurance, asset gains (losses), net and investment securities gains (losses), net.

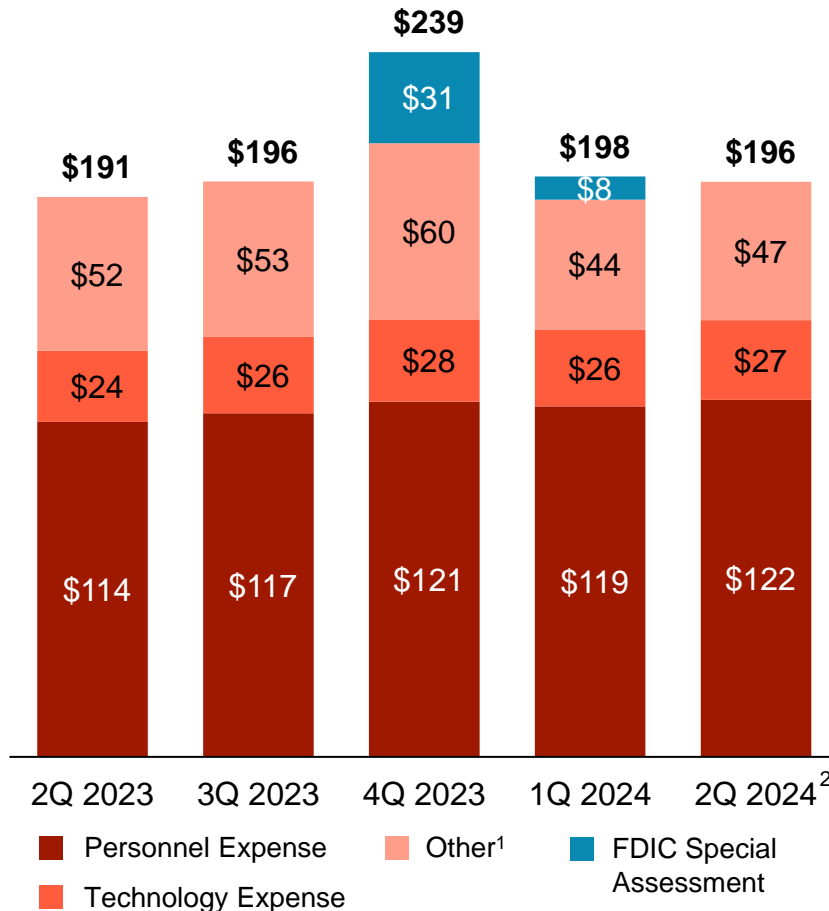


# Noninterest Expense Trends

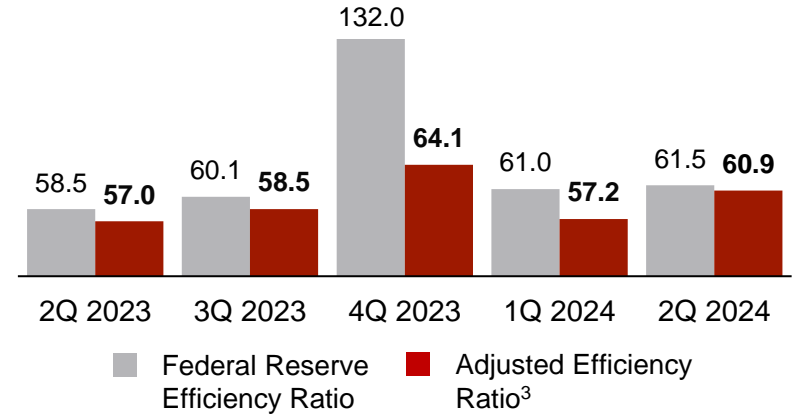
Total noninterest expense decreased 1%, or \$2 million, vs. prior quarter

## Noninterest Expense Trends

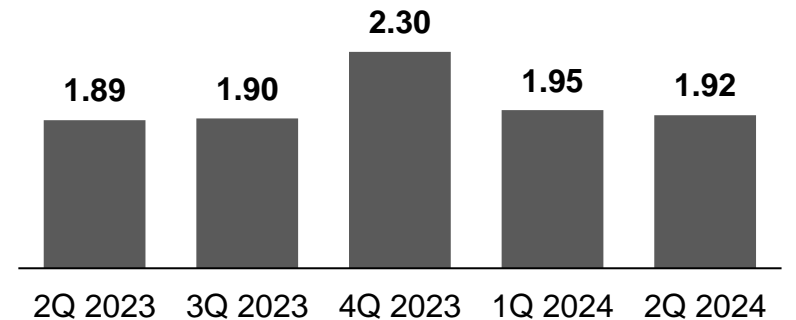
(\$ in millions)



## Efficiency Ratio (%)



## Noninterest Expense / Average Assets (%)



<sup>1</sup> Other expenses are primarily comprised of occupancy, business development & advertising, equipment, legal & professional, and FDIC assessment costs.

<sup>2</sup> 2Q 2024 noninterest expense includes a \$2 million adjustment of FDIC special assessment expense based on an updated special assessment estimate received from the FDIC in the second quarter of 2024.

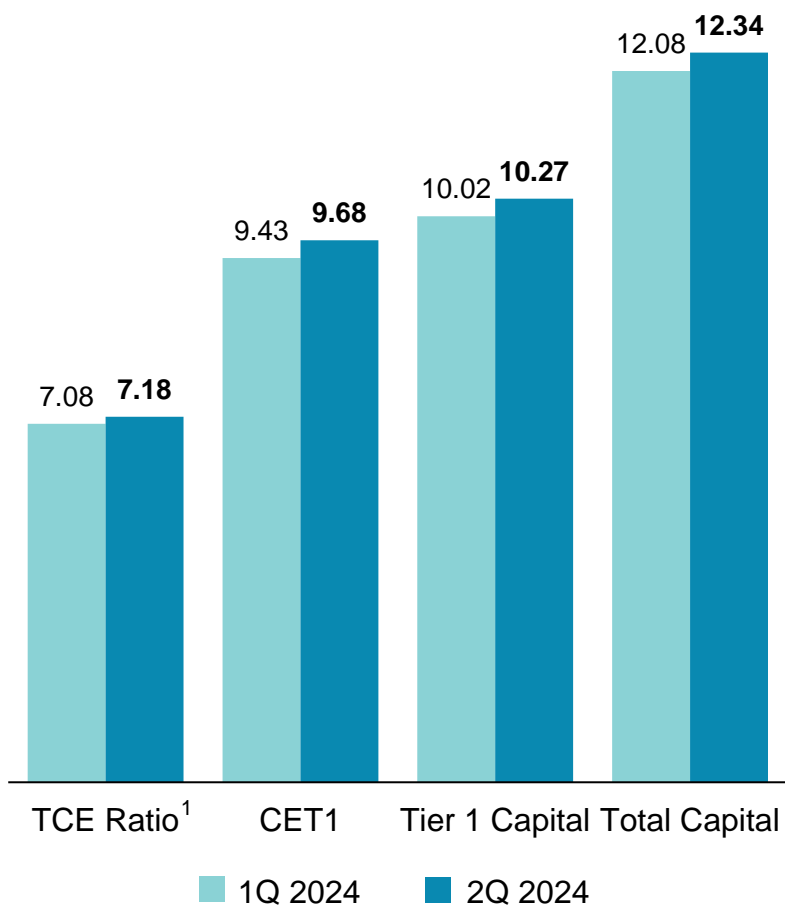
<sup>3</sup> This is a non-GAAP financial measure. See appendix for a reconciliation of non-GAAP financial measures to GAAP financial measures.

# Capital Profile

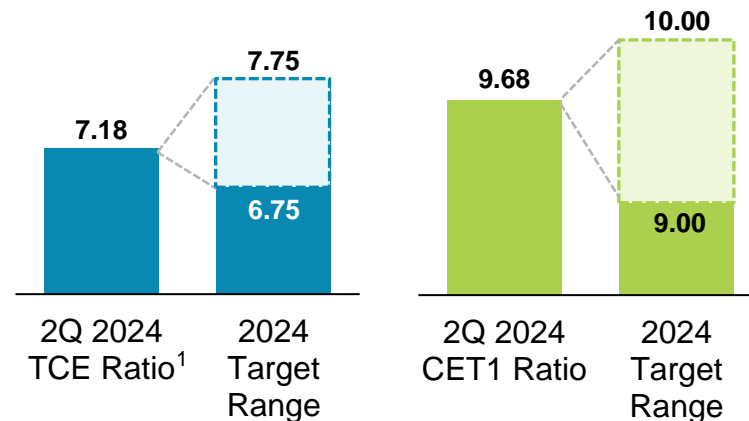


Our capital ratios increased across the board in the second quarter

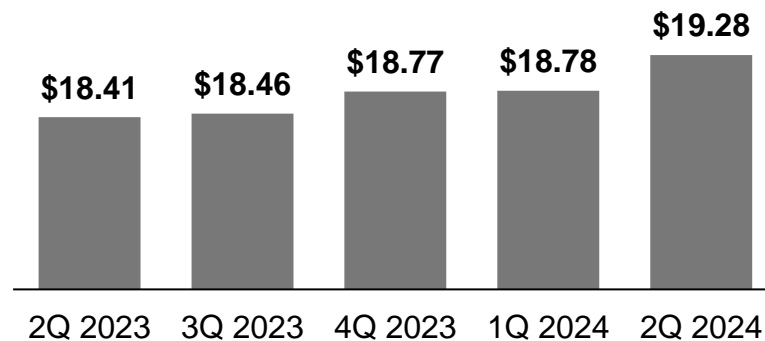
## Capital Ratios (%)



## 2024 Capital Target Ranges (%)



## Tangible Book Value / Share



<sup>1</sup> Tangible common equity / tangible assets. This is a non-GAAP financial measure. See appendix for a reconciliation of non-GAAP financial measures to GAAP financial measures.



# Allowance for Credit Losses on Loans (ACLL) Update

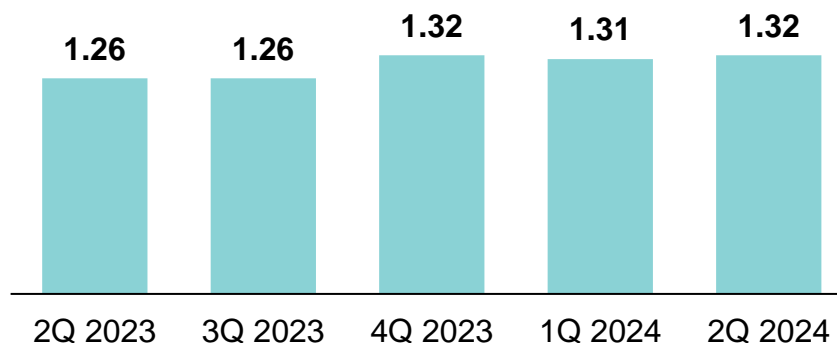


Our ACLL percentage increased by 1 basis point vs. the prior quarter to 1.32%

## ACLL<sup>1</sup> Update

- ACLL increased \$2 million from the prior quarter to \$390 million, driven primarily by nominal credit movement coupled with general macroeconomic trends
- CECL forward-looking assumptions based on Moody's May 2024 Baseline forecast

## ACLL / Total Loans (%)



(\$ in thousands)

Loan Category	6/30/2023		3/31/2024		6/30/2024	
	ACLL	ACLL / Loans	ACLL	ACLL / Loans	ACLL	ACLL / Loans
C&BL	\$ 146,335	1.32%	\$ 157,933	1.44%	\$ 150,274	1.36%
CRE - Investor	67,434	1.27%	72,512	1.44%	72,156	1.44%
CRE - Construction	69,970	3.48%	64,225	2.81%	71,680	3.18%
Residential Mortgage	41,189	0.47%	35,915	0.46%	34,542	0.44%
Other Consumer	52,098	1.95%	57,198	1.71%	60,968	1.77%
<b>Total</b>	<b>\$ 377,027</b>	<b>1.26%</b>	<b>\$ 387,782</b>	<b>1.31%</b>	<b>\$ 389,620</b>	<b>1.32%</b>

<sup>1</sup> Includes funded and unfunded reserve for loans, excludes reserve for HTM securities.

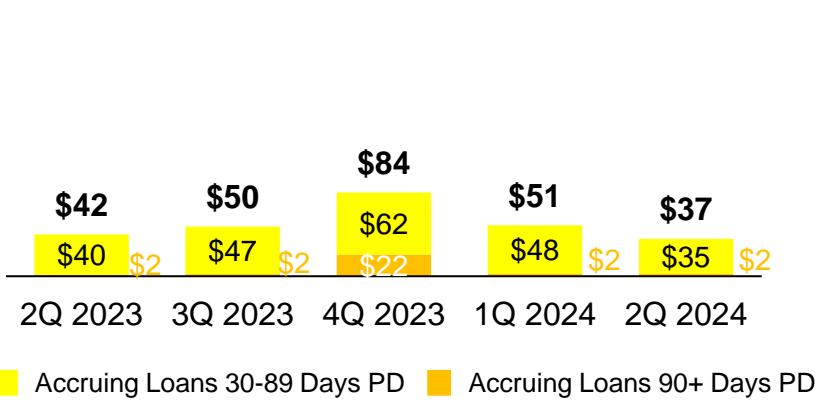


# Credit Quality Trends

2Q 2024 credit quality remained solid with delinquencies, criticized loans, & NCOs down vs. prior quarter

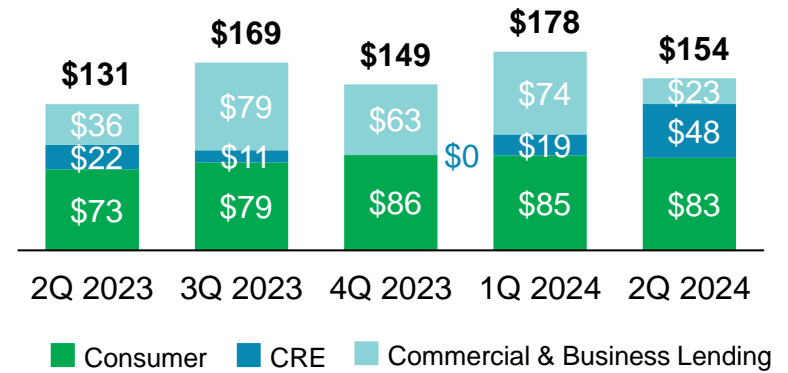
## Total Delinquent Loans

(\$ in millions)



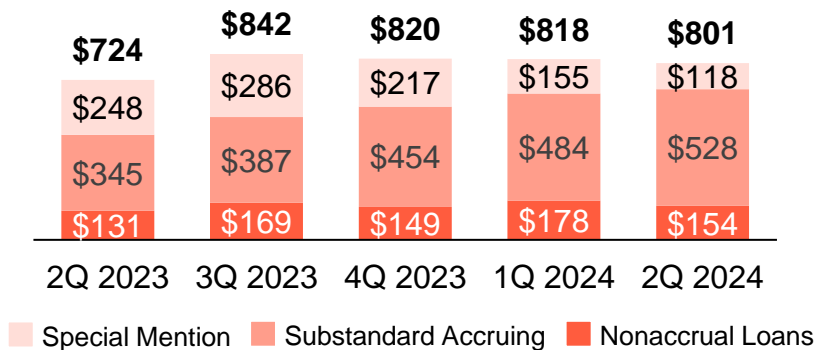
## Nonaccrual Loans

(\$ in millions)



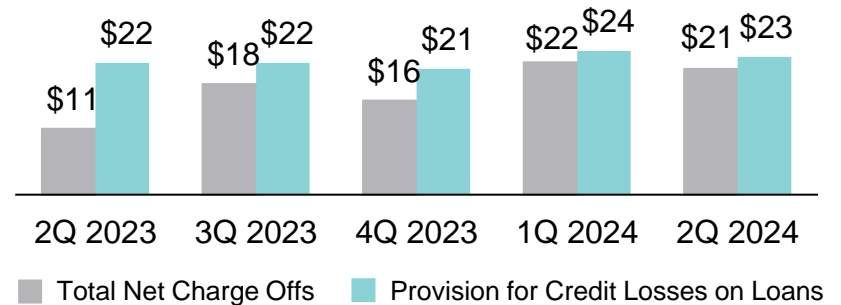
## Total Criticized Loans

(\$ in millions)



## Net Charge Offs and Provision

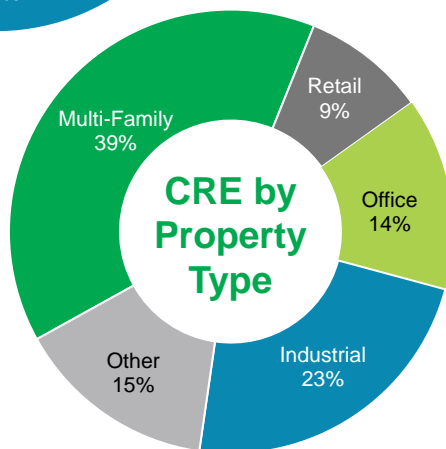
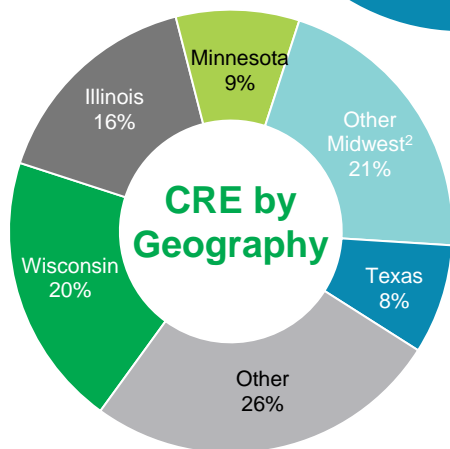
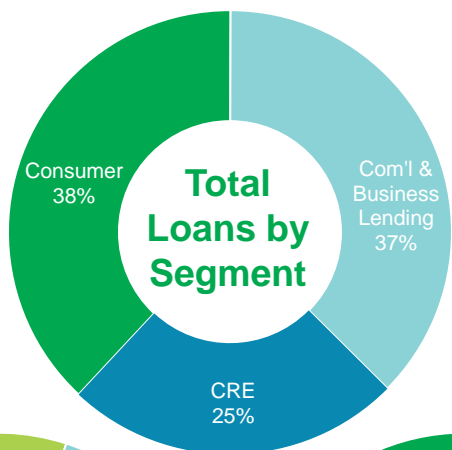
(\$ in millions)



# High-Quality Commercial Real Estate Portfolio<sup>1</sup>



ASB has built a diversified CRE portfolio by partnering with well-known developers in stable Midwest markets



## CRE Credit Quality

	2Q 23	3Q 23	4Q 23	1Q 24	2Q 24
Portfolio LTV	60%	59%	58%	59%	59%
Delinquencies/Loans <sup>3</sup>	0.00%	0.14%	0.52%	0.28%	0.01%
NALs/Loans	0.30%	0.15%	0.00%	0.26%	0.67%
ACLL/Loans	1.88%	1.90%	1.88%	1.87%	1.98%
NCOs/Avg. Loans <sup>4</sup>	(0.12%)	(0.02%)	(0.01%)	0.00%	0.25%

## CRE Loan Portfolio Granularity

	% of Total Loans
Largest Single CRE Borrower	0.16%
Top 10 Largest CRE Borrowers	1.33%
Largest CRE Property Type (Multi-Fam)	9.65%
<b>CRE Office Loans</b>	<b>3.39%</b>

## CRE Office Highlights

WAvg. Debt Service Coverage Ratio <sup>5</sup>	1.18x
2024 Remaining Maturities	\$233 million
Central Business District vs. Suburban	~79% Suburban
Property Class Mix	~58% Class A <sup>6</sup>

<sup>1</sup> All updates as of or for the period ended June 30, 2024 unless otherwise noted.

<sup>2</sup> Other Midwest includes Missouri, Indiana, Ohio, Michigan and Iowa.

<sup>3</sup> Accruing loans 30-89 days past due + accruing loans 90+ days past due.

<sup>4</sup> Calculated on an annualized basis. Negative values indicate a net recovery.

<sup>5</sup> Calculated based on the 10-year Treasury rate plus 300 basis points/25-year amortization.

<sup>6</sup> Class A determined by third-party vendor partner mapping of portfolio.

# FY 2024 Outlook



	GAAP FY 2023 Result	Adjusted FY 2023 Result <sup>1</sup>	Previous FY 2024 Guidance <sup>2</sup>	Updated FY 2024 Guidance <sup>2</sup>
<b>EoP Total Loans</b>	\$29.2B (+1.4% vs. 2022)	\$29.2B (+1.4% vs. 2022)	<b>4% to 6% Growth</b>	<b>Lower end of range</b>
<b>EoP Total Deposits</b>	\$33.4B (+12.9% vs. 2022)	Core Customer Deposits <sup>3</sup> \$27.4B (-2.4% vs. 2022)	<b>3% to 5% Growth (Core Customer Deposits)</b>	<b>Lower end of range</b>
<b>Net Interest Income</b>	\$1.040B (+8.6% vs. 2022)	\$1.040B (+8.6% vs. 2022)	<b>2% to 4% Growth</b>	<b>1% to 3% Growth</b>
<b>Noninterest Income</b>	\$63M (-77.6% vs. 2022)	\$264M (-6.4% vs. 2022)	<b>0% to 2% Decrease</b>	<b>1% Decrease to 1% Growth</b>
<b>Noninterest Expense</b>	\$814M (+8.9% vs. 2022)	\$783M (+4.8% vs. 2022)	<b>2% to 3% Growth<sup>4</sup></b>	<b>No change</b>
<b>Effective Tax Rate</b>	11.2%	N/A	<b>19% to 21%<sup>5</sup></b>	<b>No change</b>

<sup>1</sup> Adjusted 2023 figures have been provided for noninterest income and noninterest expense to exclude the impact of one time items incurred as a result of a balance sheet repositioning that the Corporation announced in the fourth quarter of 2023 and the FDIC special assessment booked during the fourth quarter of 2023. These figures are non-GAAP financial measures. See appendix for a reconciliation of non-GAAP financial measures to GAAP financial measures.

<sup>2</sup> Projections are on an end of period basis as of and for the year ended 12/31/2024 as compared to adjusted 2023 results as of 12/31/2023 unless otherwise noted.

<sup>3</sup> This is a non-GAAP financial measure. See appendix for a reconciliation of non-GAAP financial measures to GAAP financial measures.

<sup>4</sup> 2024 noninterest expense guidance excludes the impact of the \$31 million FDIC special assessment booked during the fourth quarter of 2023, the \$8 million FDIC special assessment recognized during the first quarter of 2024, and the \$2 million adjustment of FDIC special assessment expense booked during the second quarter of 2024.

<sup>5</sup> Excludes the impact of the \$33 million deferred tax benefit booked in the second quarter of 2024.

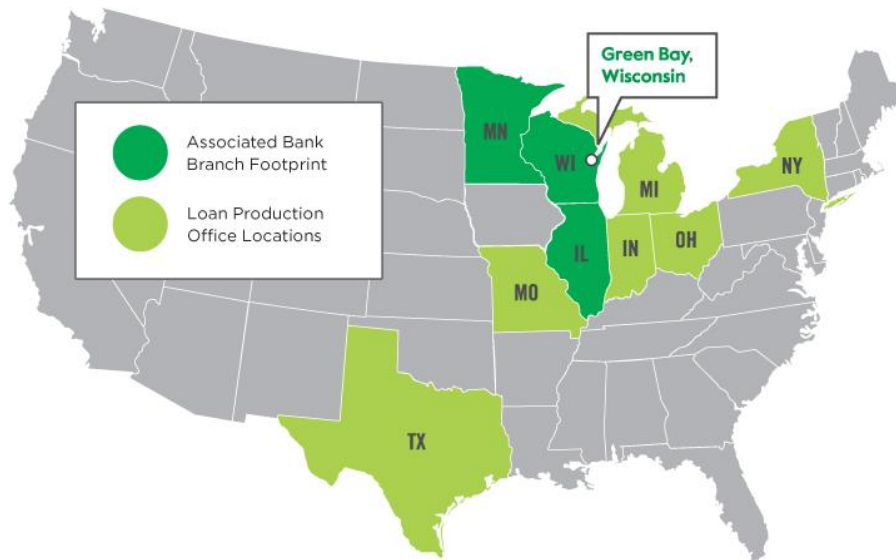


# Appendix

# Associated Banc-Corp (NYSE: ASB)<sup>1</sup>



With origins dating back to 1861, ASB is the largest bank holding company based in Wisconsin<sup>2</sup>



**\$42B**  
Assets

**\$30B**  
Loans

**\$4B**  
Equity

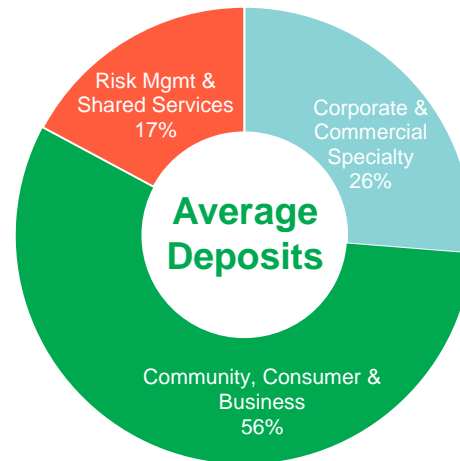
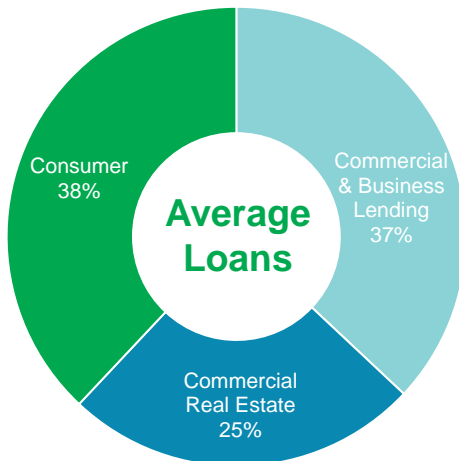
**\$33B**  
Deposits

**188**  
Branches

**~4,000**  
Employees

**7.18%**  
TCE Ratio<sup>3</sup>

**9.68%**  
CET1 Ratio



<sup>1</sup> All figures as of or for the quarter ended June 30, 2024 unless otherwise noted.

<sup>2</sup> Based on assets as of March 31, 2024.

<sup>3</sup> This is a non-GAAP financial measure. See appendix for a reconciliation of non-GAAP financial measures to GAAP financial measures.

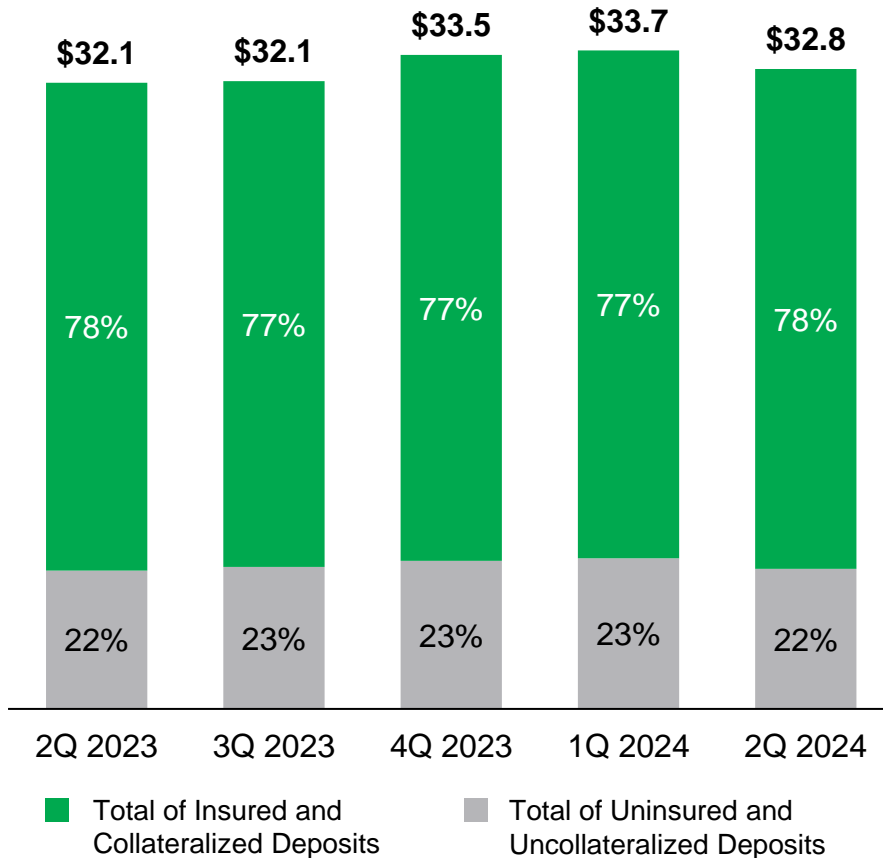


# Stable, Granular Deposit Portfolio

Uninsured, uncollateralized deposits were only 22% of total deposits as of 6/30/2024

## Period End Total Deposit Trends (Associated Bank, N.A.)

(\$ in billions)



# 22%

Percentage of total deposits that were uninsured and uncollateralized as of 6/30/2024

# 112%

Readily available liquidity coverage<sup>1</sup> for uninsured and uncollateralized deposits as of 6/30/2024

# 158%

Total liquidity coverage for uninsured and uncollateralized deposits as of 6/30/2024

<sup>1</sup> Liquidity coverage based on current levels of readily available (within one business day) funding. See slide 23 for additional details.

# Liquidity Sources



As of 6/30/2024, ASB's total liquidity sources covered 158% of uninsured, uncollateralized deposits

(\$ in millions)

Liquidity Sources	3/31/2024	6/30/2024
Federal Reserve Balance	\$419.6	\$482.4
Available FHLB Chicago Capacity	\$7,035.8	\$5,184.3
Available Fed Discount Window Capacity	\$1,439.0	\$2,336.1
Available Bank Term Funding Program Capacity	\$0	\$0
<b>Funding Available Within One Business Day<sup>1</sup></b>	<b>\$8,894.3</b>	<b>\$8,002.8</b>
Available Fed Funds Lines	\$1,670.0	\$1,676.0
Available Brokered Deposit Capacity <sup>2</sup>	\$446.5	\$679.1
Unsecured Debt Capacity <sup>3</sup>	\$1,000.0	\$1,000.0
<b>Total Liquidity</b>	<b>\$12,010.8</b>	<b>\$11,357.9</b>

**112%**  
of uninsured,  
uncollateralized  
deposits

**158%**  
of uninsured,  
uncollateralized  
deposits

<sup>1</sup> Estimated based on normal course of operations with the indicated institution.

<sup>2</sup> 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.

<sup>3</sup> Availability based on internal policy limitations.

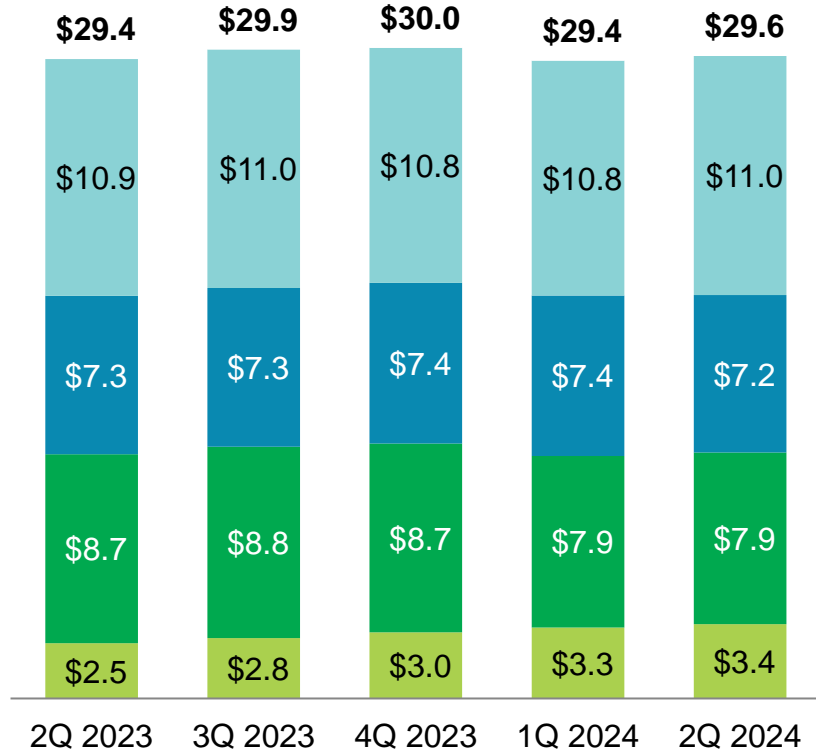




# Additional Loan Trends

## Average Quarterly Loans

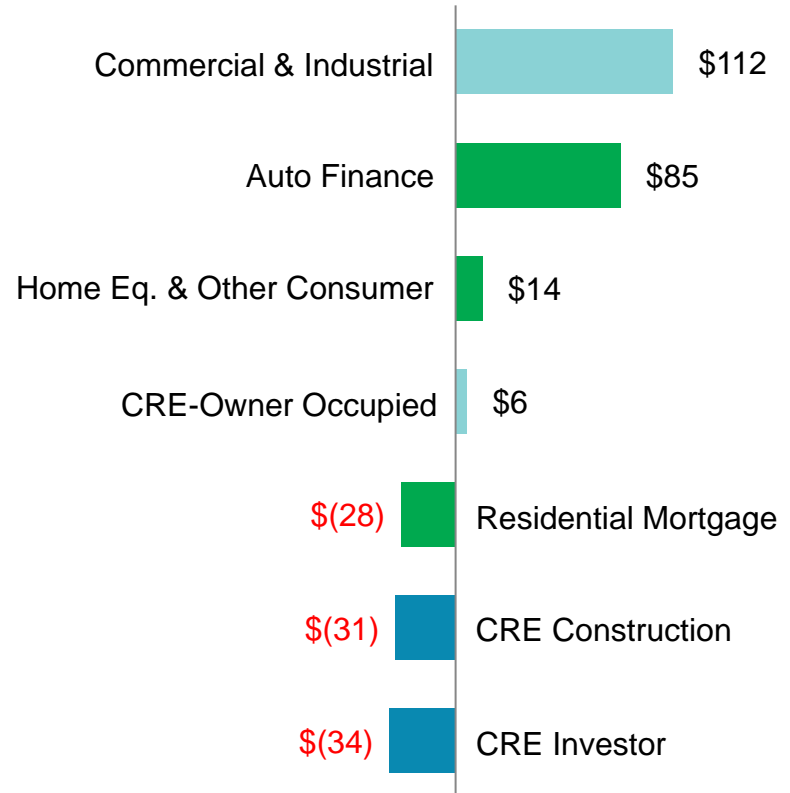
(\$ in billions)



- Commercial & Business Lending
- Commercial Real Estate
- Residential Mortgage
- Auto Finance, Home Equity & Other Consumer

## Period End Loan Change (3/31/2024 to 6/30/2024)

(\$ in millions)



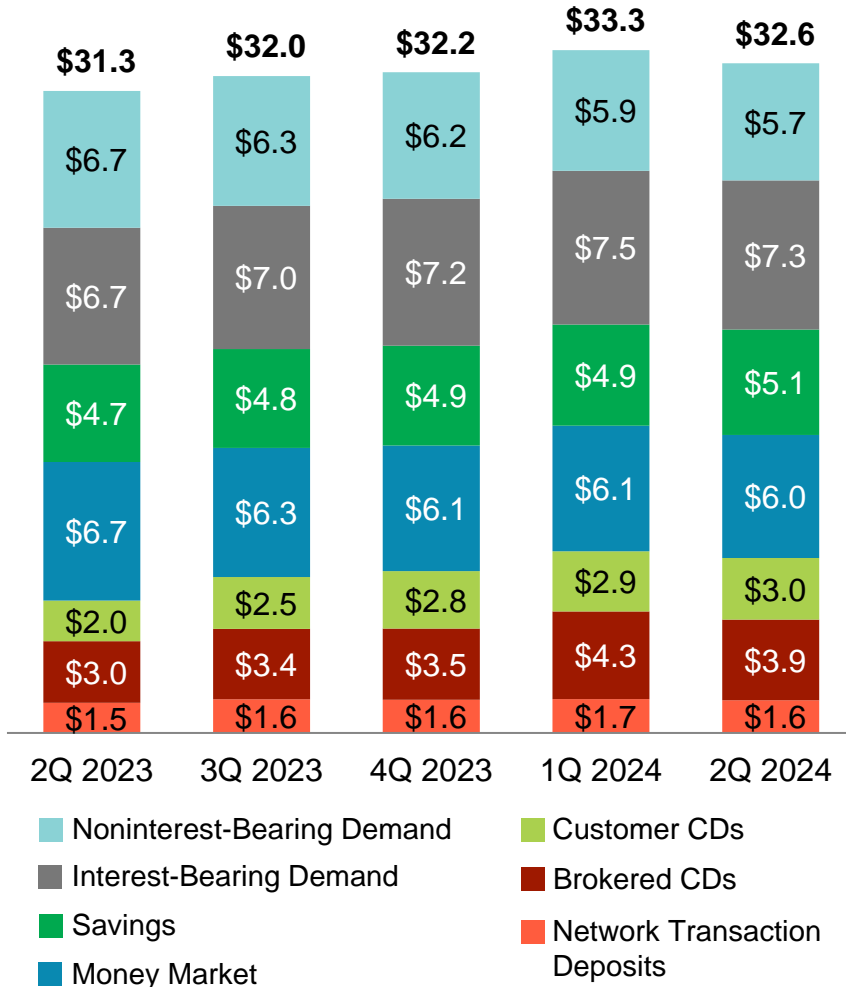
- Commercial & Business Lending
- Commercial Real Estate
- Consumer Lending

# Additional Deposit & Funding Trends



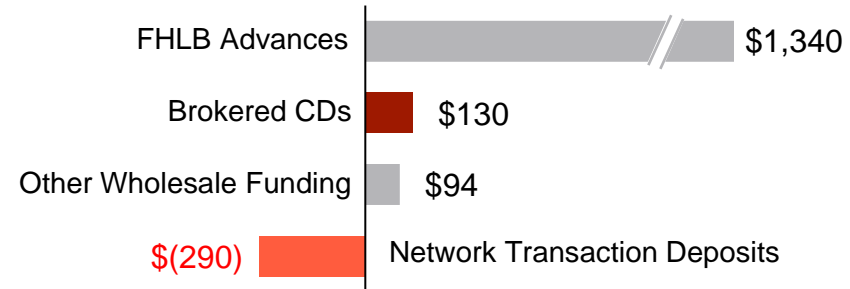
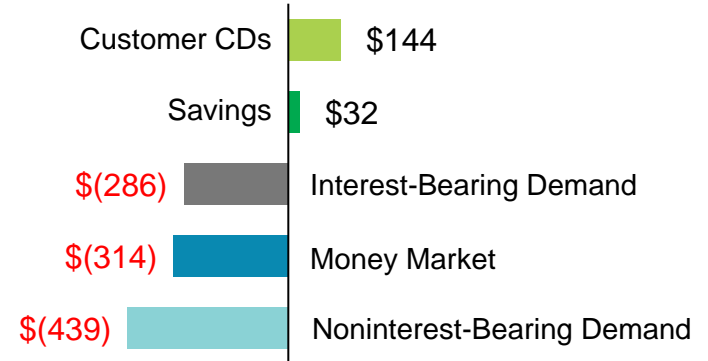
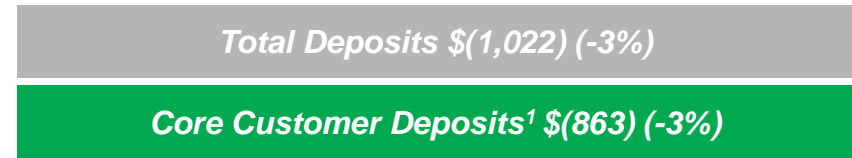
## Average Quarterly Deposits

(\$ in billions)



## Period End Funding Change (3/31/2024 to 6/30/2024)

(\$ in millions)



<sup>1</sup> This is a non-GAAP financial measure. See appendix for a reconciliation of period end core customer deposits to total deposits.

# Total Loans Outstanding Balances as of June 30, 2024



(\$ in millions)

	6/30/2024 <sup>1</sup>	% of Total Loans
<b>C&amp;BL (by NAICS<sup>2</sup>)</b>		
Utilities	\$ 2,472	8.3%
Manufacturing & Wholesale Trade	2,315	7.8%
Real Estate (includes REITs)	1,753	5.9%
Mortgage Warehouse	770	2.6%
Finance & Insurance	621	2.1%
Retail Trade	478	1.6%
Rental and Leasing Services	428	1.4%
Health Care and Social Assistance	384	1.3%
Transportation and Warehousing	372	1.3%
Construction	371	1.3%
Professional, Scientific, and Tech. Serv.	292	1.0%
Waste Management	232	0.8%
Accommodation and Food Services	105	0.4%
Information	96	0.3%
Management of Companies & Enterprises	63	0.2%
Arts, Entertainment, and Recreation	62	0.2%
Educational Services	31	0.1%
Public Administration	16	0.1%
Mining	7	0.0%
Agriculture, Forestry, Fishing and Hunting	0	0.0%
Other	204	0.7%
<b>Total C&amp;BL</b>	<b>\$ 11,073</b>	<b>37.4%</b>

	6/30/2024 <sup>1</sup>	% of Total Loans
<b>CRE (by property type)</b>		
Multi-Family	\$ 2,859	9.7%
Industrial	1,682	5.7%
Office	1,004	3.4%
Retail	656	2.2%
Single Family Construction	209	0.7%
Hotel/Motel	207	0.7%
Warehouse	199	0.7%
Medical	164	0.6%
Land	111	0.4%
Self Storage	29	0.1%
Other	137	0.5%
<b>Total CRE</b>	<b>\$ 7,257</b>	<b>24.5%</b>

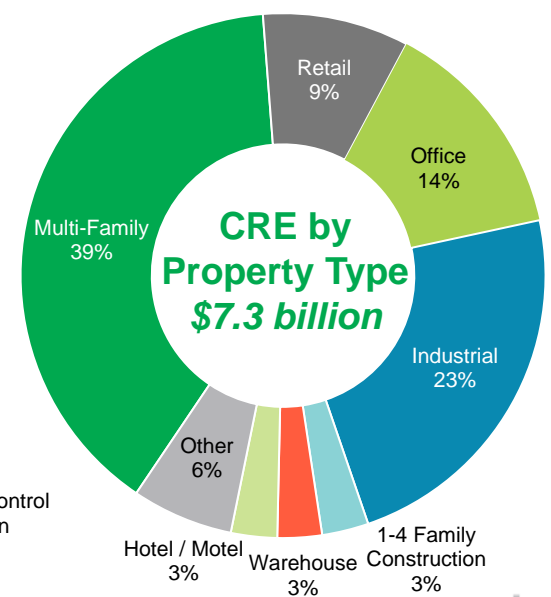
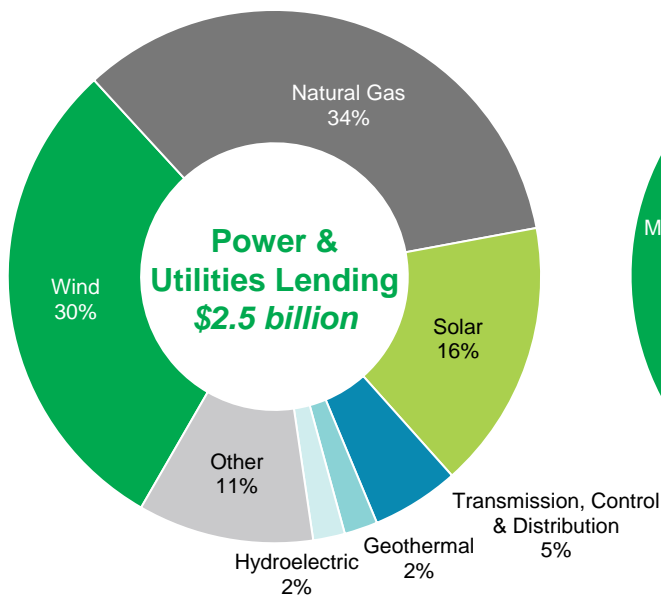
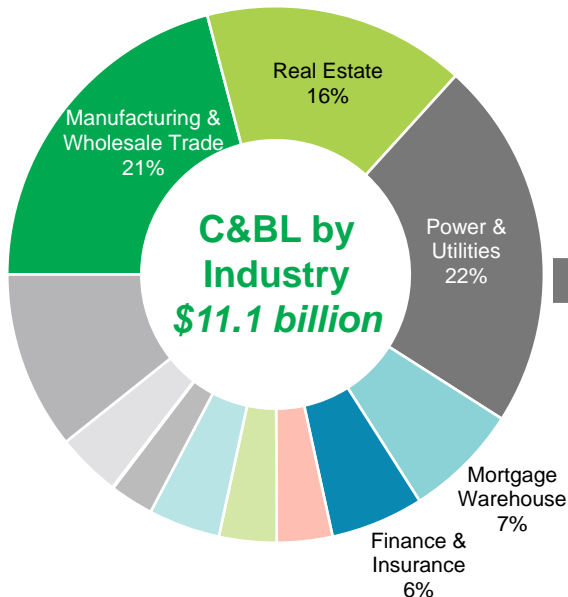
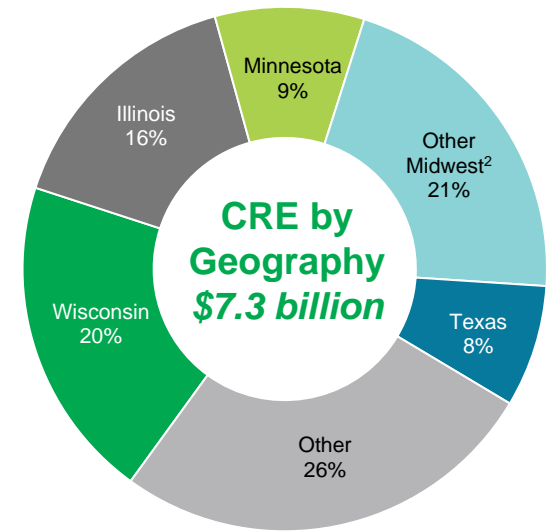
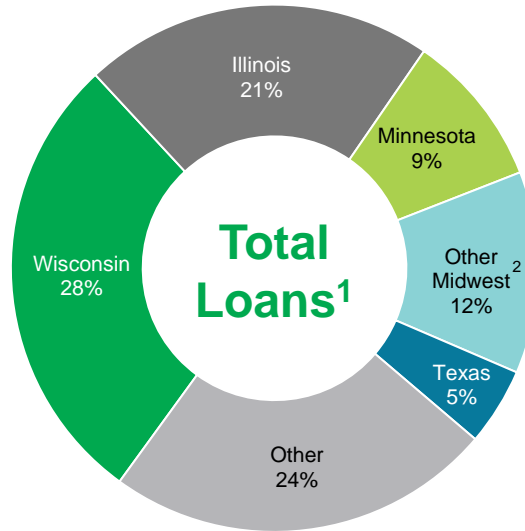
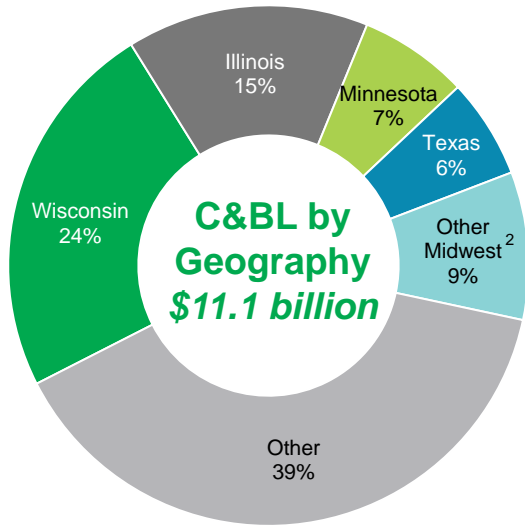
<b>Consumer</b>		
Residential Mortgage	\$ 7,840	26.5%
Auto Finance	2,556	8.6%
Home Equity	634	2.1%
Credit Cards	137	0.5%
Student Loans	52	0.2%
Other Consumer	69	0.2%
<b>Total Consumer</b>	<b>\$ 11,289</b>	<b>38.1%</b>

<b>Total Loans</b>	<b>\$ 29,618</b>	<b>100.0%</b>
--------------------	------------------	---------------

<sup>1</sup> All values as of period end.

<sup>2</sup> North American Industry Classification System.

# Loan Stratification Outstanding Balances as of June 30, 2024



<sup>1</sup> Excludes Other Consumer portfolio.

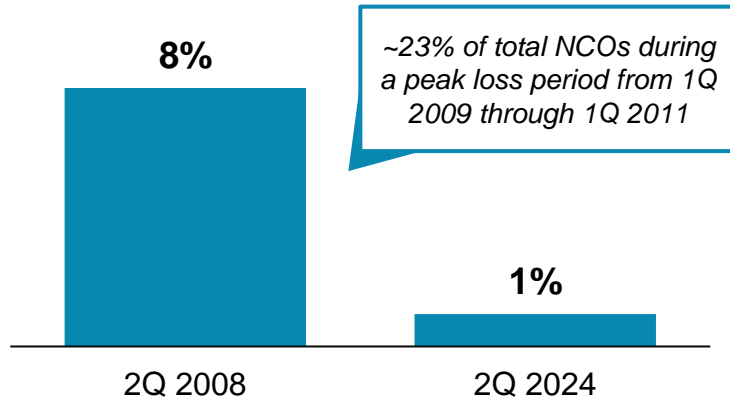
<sup>2</sup> Other Midwest includes Missouri, Indiana, Ohio, Michigan and Iowa.



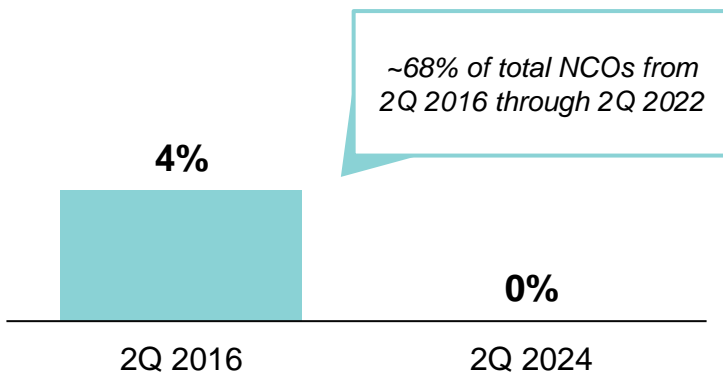
# Strengthened Balance Sheet<sup>1</sup>

We have exited or greatly reduced certain historically volatile portfolios while growing historically stable assets

## Land & For-Sale Housing Loans / Total Loans



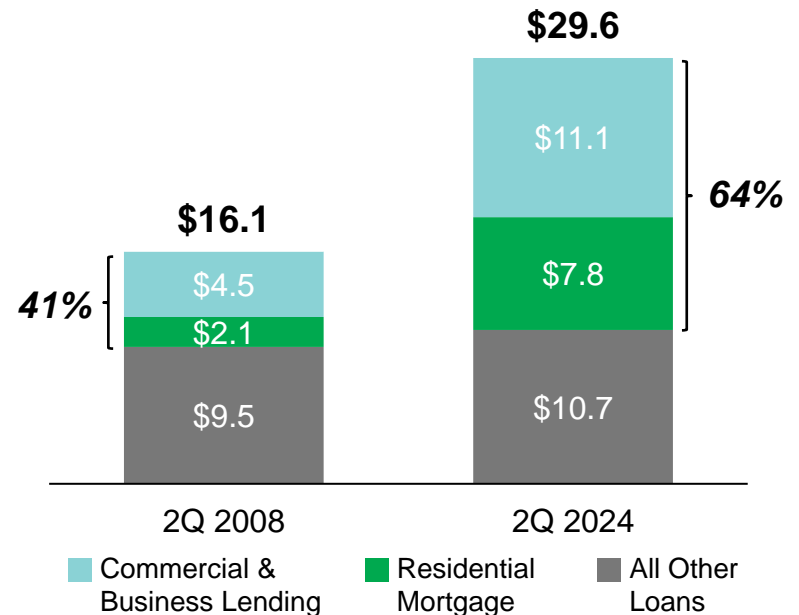
## Oil & Gas Loans / Total Loans



## Total Loan Portfolio Evolution

(\$ in billions)

WAvg. NCO Rates		
2Q 2008 – 2Q 2024		
C&BL (ex. Oil & Gas)	0.46%	Blended 0.29%
Residential Mortgage	0.10%	
2Q 2014 – 2Q 2024		
C&BL (ex. Oil & Gas)	0.15%	Blended 0.09%
Residential Mortgage	0.02%	



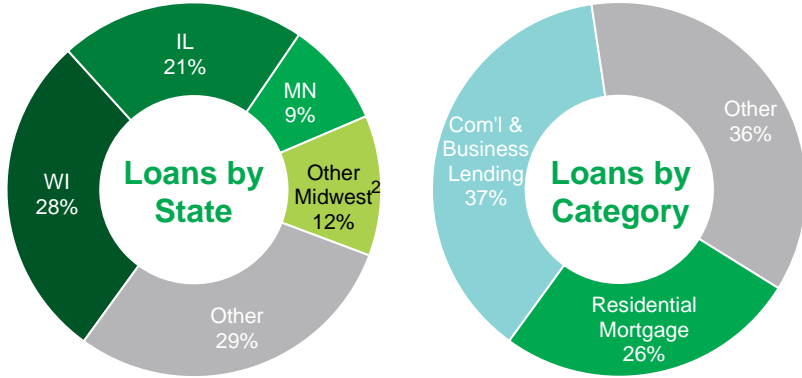
<sup>1</sup> All figures shown on an end of period basis unless otherwise noted.



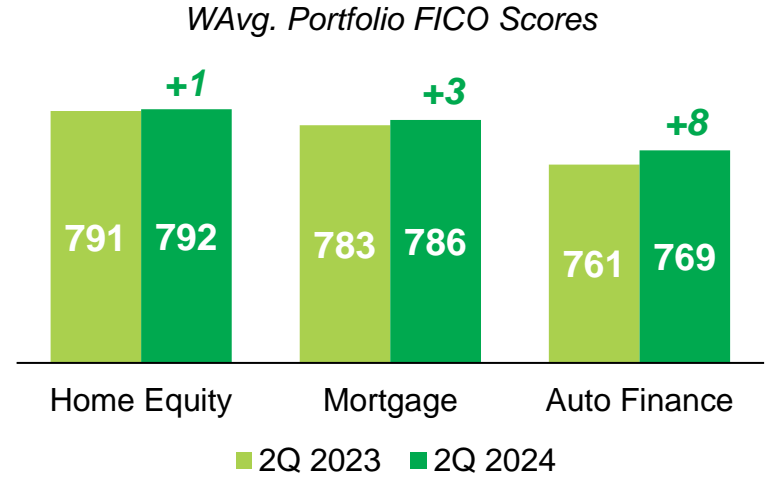
# Diversified Credit Risk Profile<sup>1</sup>

A company-wide focus on discipline & diversification has enhanced our credit profile

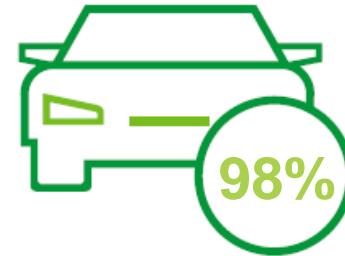
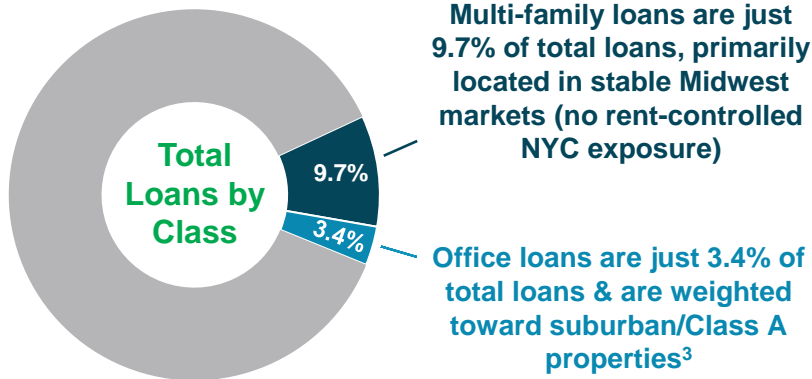
## Stable Total Loan Portfolio



## Prime/Super Prime Consumer Portfolio



## Diversified Commercial Real Estate Portfolio



98% of auto loans booked have had prime/super prime FICO scores<sup>4</sup>

<sup>1</sup> All data as of and for the period ended June 30, 2024 unless otherwise noted.

<sup>2</sup> Other Midwest includes Missouri, Indiana, Ohio, Michigan and Iowa.

<sup>3</sup> Property class mix determined by third-party vendor partner mapping of portfolio.

<sup>4</sup> From inception on September 30, 2021 through the period ended June 30, 2024.

# Reconciliation & Definitions of Non-GAAP Items



Period End Core Customer Deposits Reconciliation (\$ in millions)	2Q 2023	3Q 2023	4Q 2023	1Q 2024	2Q 2024
Total deposits	\$32,014	\$32,123	\$33,446	\$33,713	\$32,691
Brokered CDs	(3,818)	(3,351)	(4,447)	(3,931)	(4,062)
Network transaction deposits	(1,601)	(1,649)	(1,566)	(1,793)	(1,503)
Core customer deposits	\$26,595	\$27,123	\$27,432	\$27,989	\$27,127

Quarterly Average Core Customer Deposits Reconciliation (\$ in millions)	2Q 2023	3Q 2023	4Q 2023	1Q 2024	2Q 2024
Total deposits	\$31,281	\$32,002	\$32,192	\$33,267	\$32,629
Brokered CDs	(3,002)	(3,429)	(3,471)	(4,269)	(3,928)
Network transaction deposits	(1,468)	(1,640)	(1,617)	(1,652)	(1,595)
Core customer deposits	\$26,811	\$26,933	\$27,105	\$27,346	\$27,106

One Time Item Reconciliation (\$ in millions, except per share data)	YTD Jun 2024	YTD Jun 2024 per share data (diluted)	2Q 2024	2Q 2024 per share data (diluted)
GAAP net income	\$197	\$1.26	\$116	\$0.74
Tax benefit <sup>1</sup>	(33)	(0.22)	(33)	(0.22)
Net income, excluding one time item	164	\$1.04	83	\$0.52
Less preferred stock dividends	(6)		(3)	
Net income available to common equity, excluding one time item	\$158		\$80	

Tangible Common Equity and Tangible Assets Reconciliation <sup>2</sup> (\$ in millions)	2Q 2023	3Q 2023	4Q 2023	1Q 2024	2Q 2024
Common equity	\$3,929	\$3,934	\$3,980	\$3,975	\$4,048
Goodwill and other intangible assets, net	(1,150)	(1,148)	(1,145)	(1,143)	(1,141)
Tangible common equity	\$2,779	\$2,786	\$2,834	\$2,831	\$2,907
Total assets	\$41,219	\$41,637	\$41,016	\$41,137	\$41,624
Goodwill and other intangible assets, net	(1,150)	(1,148)	(1,145)	(1,143)	(1,141)
Tangible assets	\$40,070	\$40,490	\$39,870	\$39,994	\$40,483

<sup>1</sup> The tax benefit classified as a one time item is the result of a strategic reallocation of the Corporation's investment securities portfolio which occurred in the second quarter of 2024.

<sup>2</sup> The ratio tangible common equity to tangible assets excludes goodwill and other intangible assets, net. This financial measure has been included as it is considered to be a critical metric with which to analyze and evaluate financial condition and capital strength.

# Reconciliation & Definitions of Non-GAAP Items



Common Equity Tier 1 Capital Ratio Reconciliation	2Q 2023	3Q 2023	4Q 2023	1Q 2024	2Q 2024
Common equity Tier 1 capital ratio	9.48%	9.55%	9.39%	9.43%	9.68%
Accumulated other comprehensive loss adjustment	(0.88)%	(1.01)%	(0.52)%	(0.64)%	(0.67)%
Common equity Tier 1 capital ratio including accumulated other comprehensive loss	8.60%	8.53%	8.87%	8.79%	9.01%

Selected Trend Information <sup>1</sup> (\$ in millions)	2Q 2023	3Q 2023	4Q 2023	1Q 2024	2Q 2024
Wealth management fees	\$20	\$21	\$21	\$22	\$23
Service charges and deposit account fees	12	13	11	12	12
Card-based fees	11	12	12	11	12
Other fee-based revenue	4	5	4	4	5
Fee-based revenue	49	50	47	50	52
Other <sup>2</sup>	17	17	(178)	15	13
Total noninterest income	\$66	\$67	\$(131)	\$65	\$65

Efficiency Ratio Reconciliation <sup>3</sup>	2Q 2023	3Q 2023	4Q 2023	1Q 2024	2Q 2024
Federal Reserve efficiency ratio	58.49%	60.06%	132.01%	61.03%	61.51%
Fully tax-equivalent adjustment	(0.85)%	(0.89)%	(3.29)%	(0.71)%	(0.71)%
Other intangible amortization	(0.68)%	(0.69)%	(1.21)%	(0.69)%	(0.68)%
Fully tax-equivalent efficiency ratio	56.96%	58.50%	127.54%	59.63%	60.12%
FDIC special assessment	-	-	(9.50)%	(2.38)%	0.73%
Announced initiatives	-	-	(53.92)%	-	-
Adjusted efficiency ratio	56.96%	58.50%	64.12%	57.25%	60.85%

<sup>1</sup> These financial measures have been included as they provide meaningful supplemental information to assess trends in the Corporation's results of operations.

<sup>2</sup> Other noninterest income is primarily comprised of capital markets, net, mortgage banking, net, bank and corporate owned life insurance, asset gains (losses), net and investment securities gains (losses), net. 4Q 2023 other noninterest income includes the loss on mortgage portfolio sale and net loss on sale of investments that are classified as one time items and are the result of a balance sheet repositioning that the Corporation announced in the fourth quarter of 2023.

<sup>3</sup> 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. The adjusted efficiency ratio is noninterest expense (which includes the provision for unfunded commitments), excluding other intangible amortization, FDIC special assessment costs, and announced initiatives, divided by the sum of fully tax-equivalent net interest income plus noninterest income, excluding investment securities gains (losses), net and announced initiatives. Management believes the adjusted efficiency ratio is a meaningful measure as it enhances the comparability of net interest income arising from taxable and tax-exempt sources and provides a better measure as to how the Corporation is managing its expenses by adjusting for one time costs like the FDIC special assessment and announced initiatives.



# Reconciliation & Definitions of Non-GAAP Items



One Time Item Noninterest Income Reconciliation (\$ in millions)		YTD Dec 2023	4Q 2023
GAAP noninterest income		\$63	\$(131)
Loss on mortgage portfolio sale <sup>1</sup>		136	136
Net loss on sale of investments <sup>1</sup>		65	65
Noninterest income, excluding one time items		<u>\$264</u>	<u>\$70</u>

One Time Item Noninterest Expense Reconciliation (\$ in millions)		YTD Dec 2023	4Q 2023	1Q 2024	2Q 2024
GAAP noninterest expense		\$814	\$239	\$198	\$196
FDIC special assessment		(31)	(31)	(8)	2
Noninterest expense, excluding one time items		<u>\$783</u>	<u>\$209</u>	<u>\$190</u>	<u>\$198</u>

<sup>1</sup> The mortgage portfolio sale and investments sold that are classified as one time items are the result of a balance sheet repositioning that the Corporation announced in the fourth quarter of 2023.