First Quarter 2024 Earnings Presentation

APRIL 25, 2024

ASB LISTED NYSE

Associated Bank
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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," "will," "intend," "target," "outlook," "project," "guidance," 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.

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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.

First Quarter 2024 Results[1]

1Q 2024 Operating Results

- Total deposit growth of $267 million
- Core customer deposit growth of $557 million[2]
- Total loan growth of $278 million
- Loans / deposits of 87.5%
- Net interest income of $258 million
- Net interest margin of 2.79%
- Noninterest income of $65 million
- Noninterest expense of $198 million
- Provision for credit losses of $24 million
- NCOs/avg. loans (annualized) of 0.30%
- Tangible book value/share of $18.78

$0.52 Diluted EPS	
0.8% Total Deposit Growth	**2.0%** Core Customer Deposit Growth[2]
1.0% Total Loan Growth	**+10 bps** Net Interest Margin Change
1.31% ACLL/Total Loans	**0.17%** Total Delinquencies[3]/ EoP Total Loans
7.08% TCE Ratio[2]	**9.43%** CET1 Ratio

[1] All figures shown on an end of period basis. Growth reflects 1Q 2024 results compared to 4Q 2023 unless otherwise noted.
[2] This is a non-GAAP financial measure. See appendix for a reconciliation of non-GAAP financial measures to GAAP financial measures.
[3] Accruing loans 30-89 days past due + accruing loans 90+ days past due.

Momentum is Building Across our Company[1]

We are combining foundational strengths with targeted investments to drive transformational results

Satisfied Customers

- **Named #1 for Retail Banking Customer Satisfaction in the Upper Midwest Region by J.D. Power[2]**



Household Growth

- **Net consumer checking HH growth in 1Q24**
- **Net business checking HH growth in 1Q24**
- **Consumer checking HH acquisition +26% vs. 1Q23**
- **Consumer checking HH attrition -9% vs. 1Q23**

Satisfied Colleagues

- **Winner of the 2024 Top Workplaces USA Award and five Energage Culture Excellence Awards in Spring 2024[3]**



Balance Sheet Growth

- **Total loan growth of $278 million**
- **Total deposit growth of $267 million**
- **Core customer deposit[4] growth of $557 million**

[1] All updates as of or for the period ended March 31, 2024 unless otherwise noted. Growth reflects period end results for the quarter ended March 31, 2024 compared to period end results for the quarter ended December 31, 2023 unless otherwise noted.
[2] For J.D. Power 2024 award information, visit jdpower.com/awards.
[3] All awards based on July 2023 Workplace Survey results. Energage Culture Excellence Awards received in the categories of Purpose & Values, Innovation, Leadership, Work-Life Balance and Comp & Benefits.
[4] This is a non-GAAP financial measure. See appendix for a reconciliation of non-GAAP financial measures to GAAP financial measures.

Advancing our Growth Strategy

We are building on our momentum through organic investments designed to further enhance our return profile

Phase 1 Initiatives

- Expanded commercial capabilities & added RMs
- Modernized digital banking experience
- Upgraded product & service offerings
- Launched Mass Affluent strategy
- Introduced “Champion of You” brand strategy
- Added prime/super prime Auto Finance vertical

Phase 2 Updates

People

- Bolstered leadership across key lines of business:
  - Jayne Hladio (Private Wealth)
  - Phillip Trier (Commercial)
  - Steven Zandpour (Retail)
  - Neil Riegelman (Commercial)
- Michael Lebens expected to join as SVP, Commercial Banking Segment Leader in MN on 5/13
- Trained 13 designated Mass Affluent bankers in April, bringing total to 46
- Progressing on our plan to hire 26+ add’l Commercial RMs

Products, Process & Technology

- Launched automated direct deposit switching in 4Q
- Launched Early Pay in 1Q
- Launched new branch deposit account opening platform in 1Q
- Unveiled new social media campaign in 1Q
- Launched new marketing tactics in 1Q to drive consumer & small business acquisition

FY 2024 Outlook Highlights[1]

4% to 6%	3% to 5%	2% to 4%
Loan Growth	Core Customer Deposit[2] Growth	Net Interest Income Growth

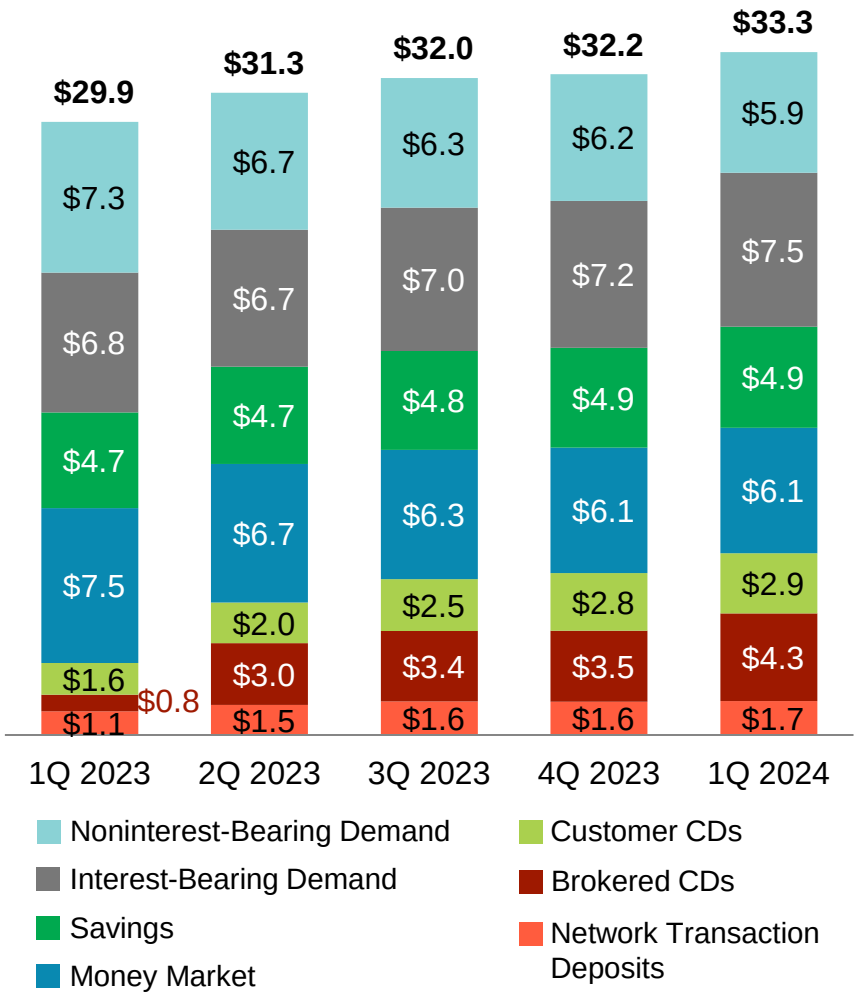
[1] Projections are on an end of period basis as of and for the year ended 12/31/2024 as compared to 2023 results as of 12/31/2023 unless otherwise noted.
[2] This is a non-GAAP financial measure. See appendix for a reconciliation of non-GAAP financial measures to GAAP financial measures.

Quarterly Deposit & Funding Trends

We grew core customer deposits[1] once again in 1Q 2024 while decreasing our reliance on wholesale funding

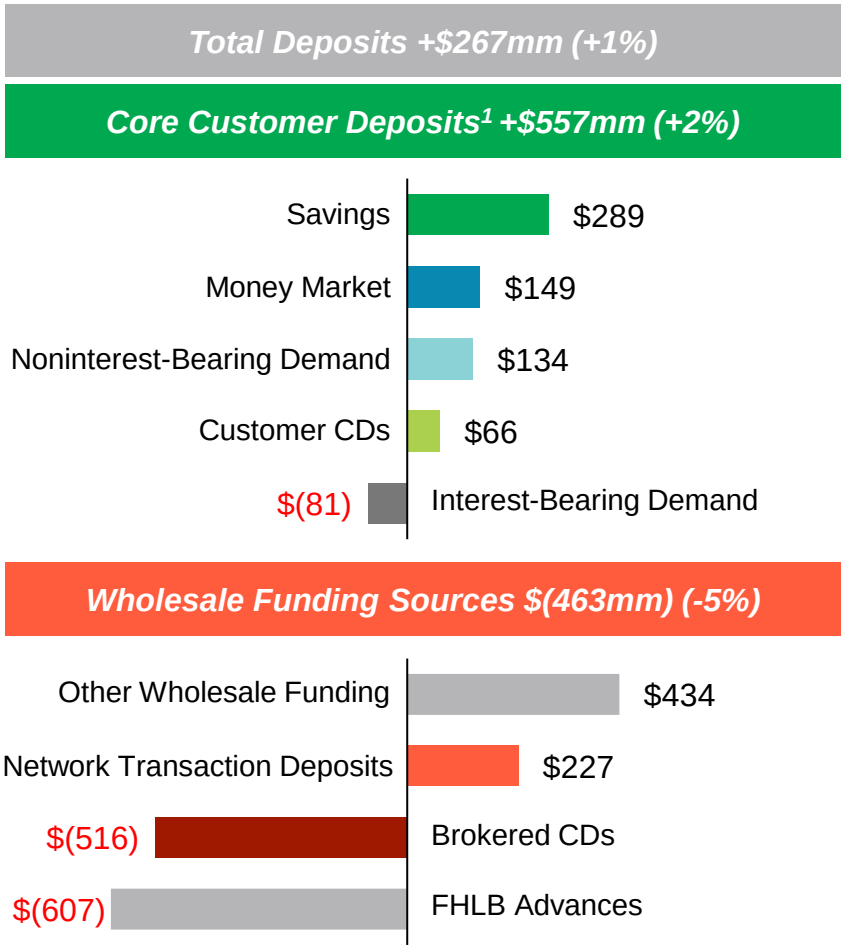
Average Quarterly Deposits

($ in billions)



EoP Funding Change (12/31/2023 to 3/31/2024)

($ in millions)



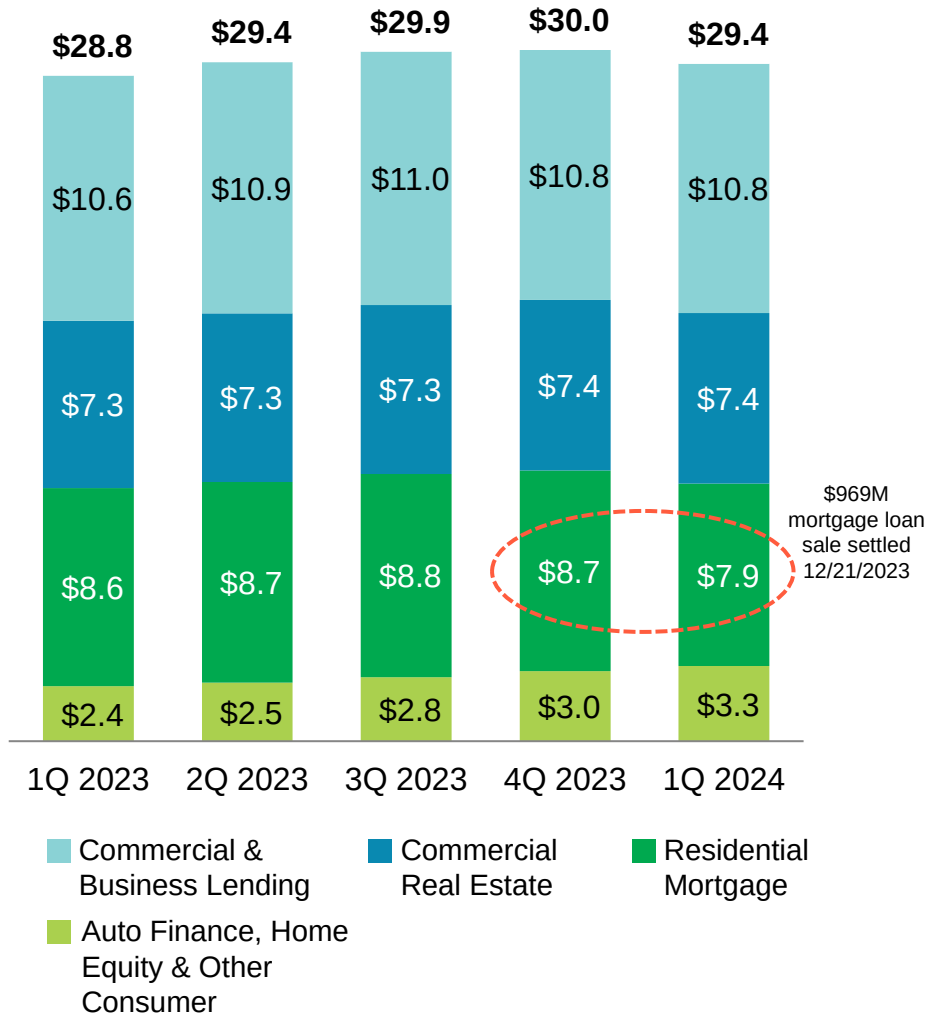
[1] This is a non-GAAP financial measure. See appendix for a reconciliation of end of period core customer deposits to total deposits.

Quarterly Loan Trends

Period end loans grew by $278 million vs. the prior quarter, led by growth in Auto and C&I

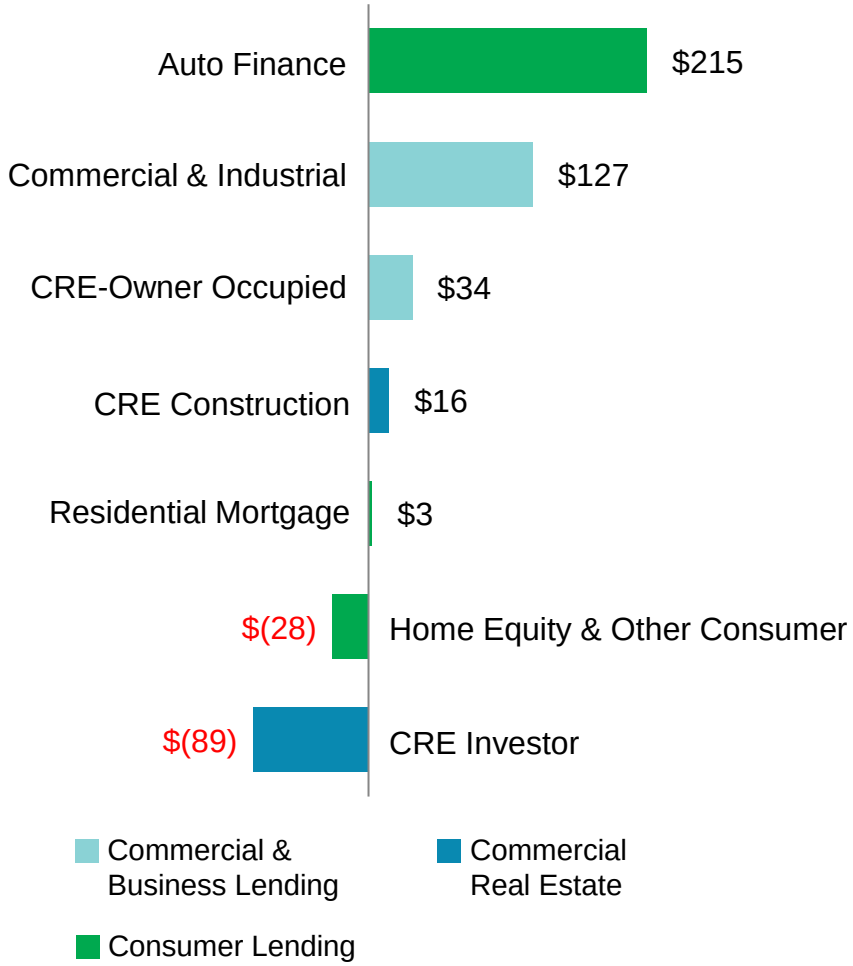
Average Quarterly Loans

($ in billions)



EoP Loan Change (12/31/2023 to 3/31/2024)

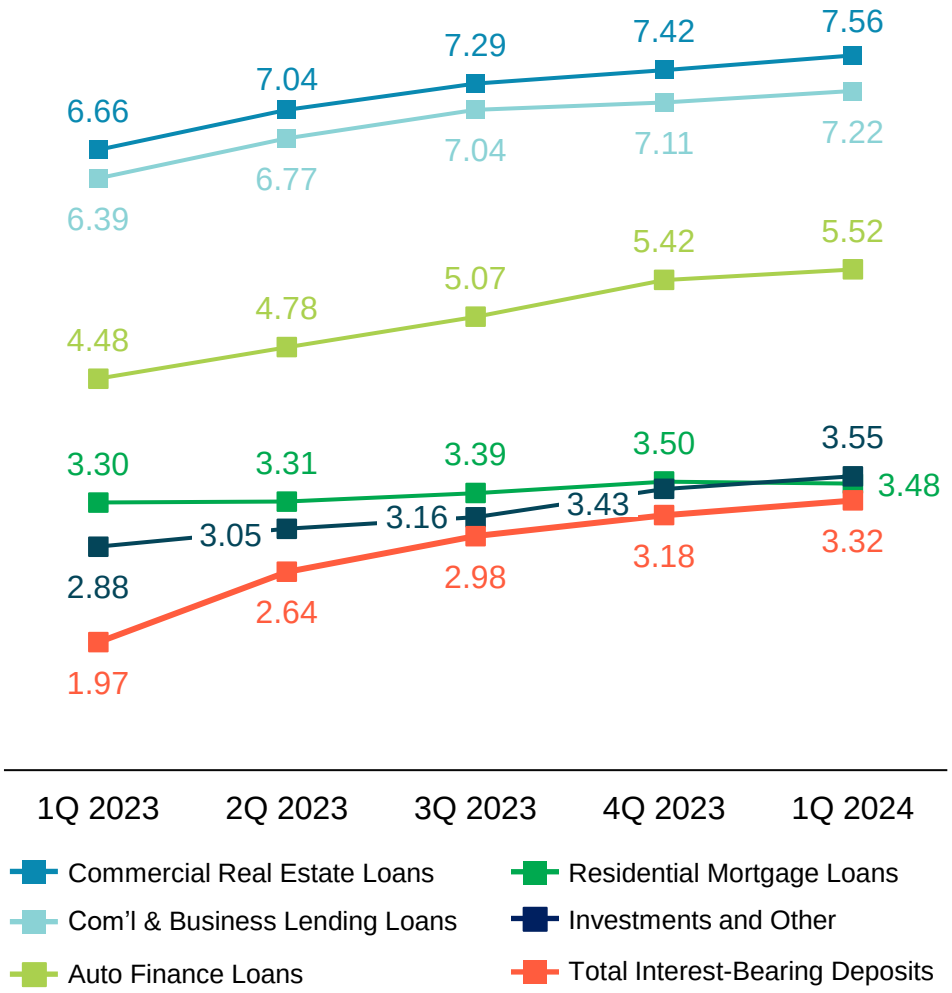
($ in millions)



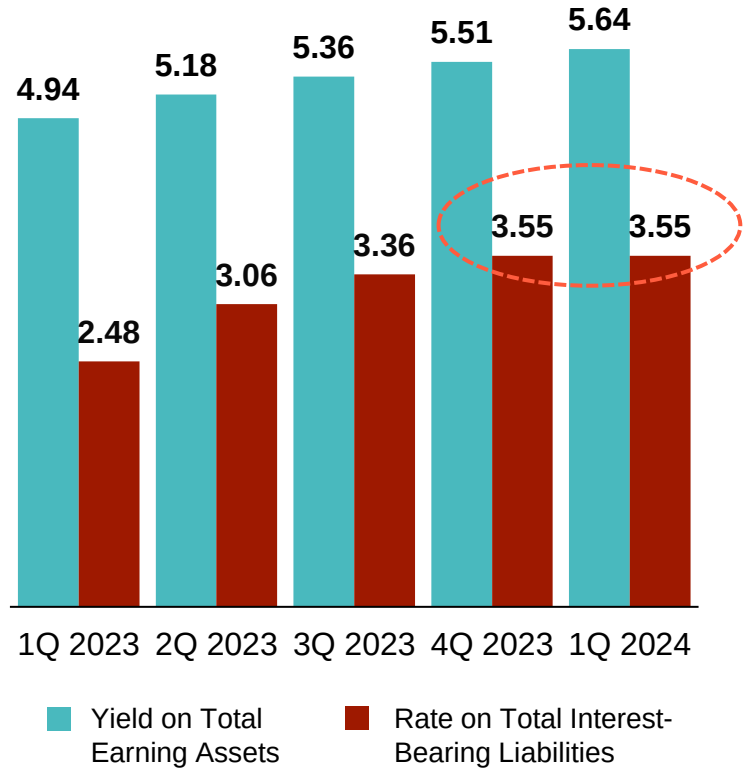
Average Yield Trends

We continue to benefit from rising asset yields, while total interest-bearing liability costs were flat vs. 4Q

Average Yields (%)



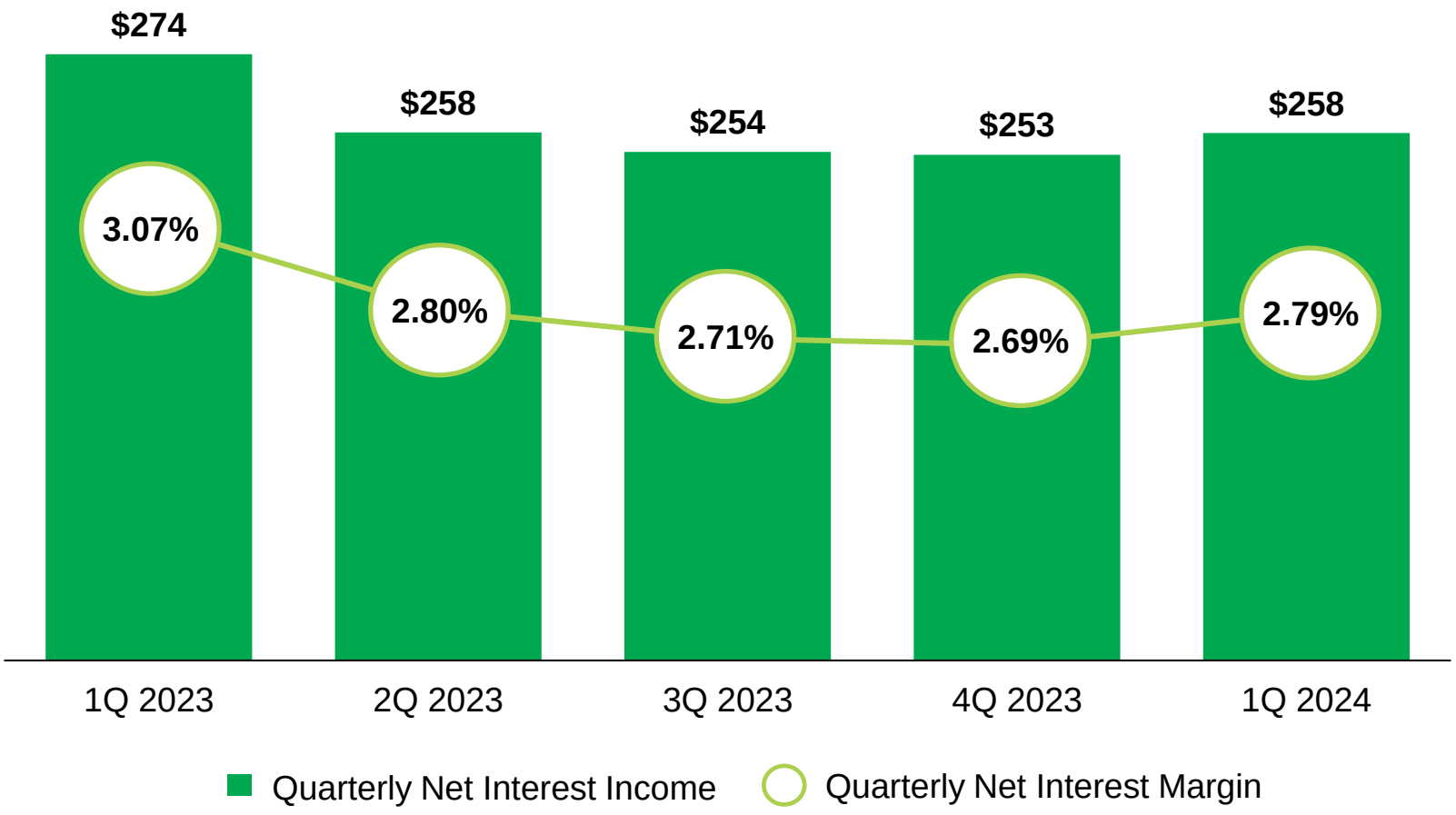
Asset & Liability Yield / Rate Trends (%)



Net Interest Income & Net Interest Margin Trends

Net interest income grew by $4 million while net interest margin grew by 10 bps vs. the prior quarter

($ in millions)



Improving our Return Profile Over Time[1]

Our efforts to remix the balance sheet & drive toward our 3.00%+ medium-term NIM target are on track

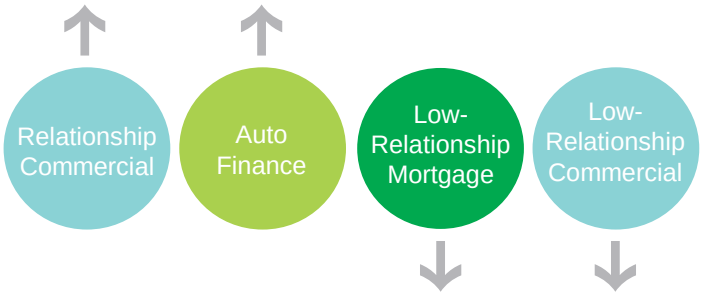
Assets

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

Liabilities

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

Strategy



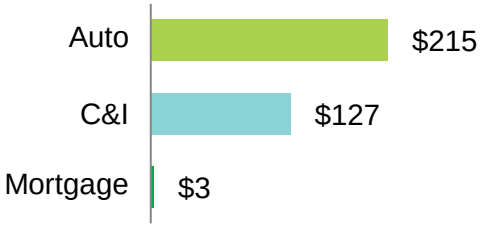
Progress Since 2021

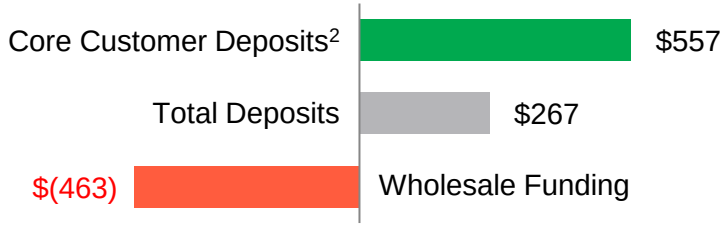
- Expanded Commercial RM base across footprint
- $2.5B in prime/super prime Auto balances
- Exited TPO mortgage business in 1Q23
- Sold $969M in mortgage loans & pivoted to "originate to sell" model in 4Q23

- Shifted to balanced RM scorecard to deepen Commercial relationships
- Modernized digital banking experience
- Upgraded product & service offerings
- Mass Affluent strategy launched 4Q22
- Repaid $849M of FHLB Advances in 4Q23

1Q24 Results

(end of period growth vs. 4Q23, $ in millions)





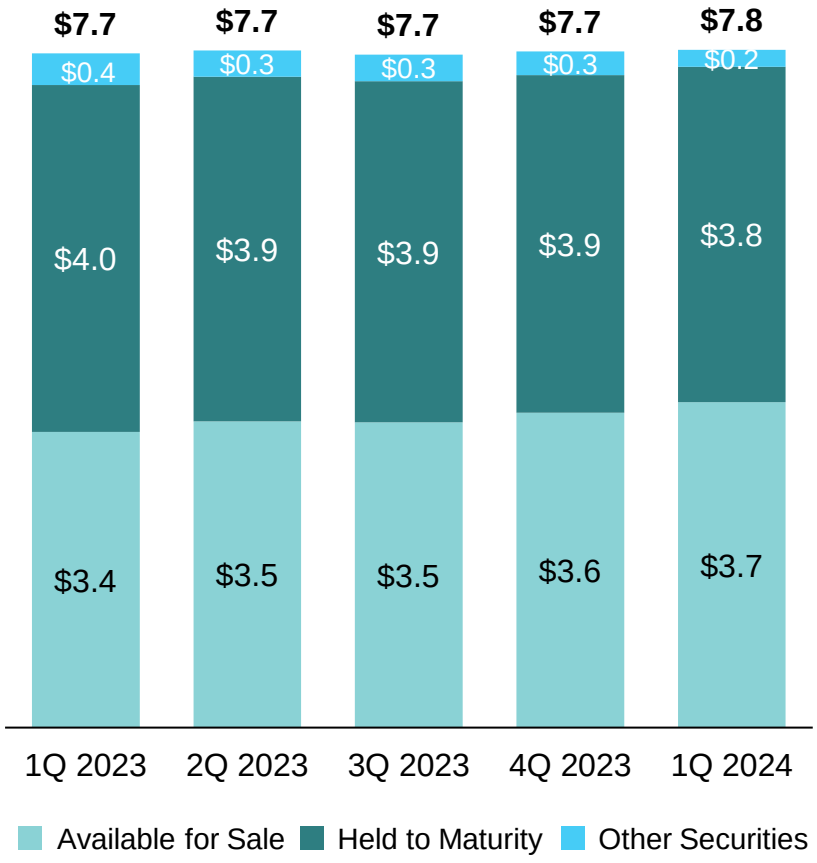
[1] All updates as of or for the period ended March 31, 2024 unless otherwise noted.
[2] This is a non-GAAP financial measure. See appendix for a reconciliation of non-GAAP financial measures to GAAP financial measures.

Cash & Investment Securities Portfolio

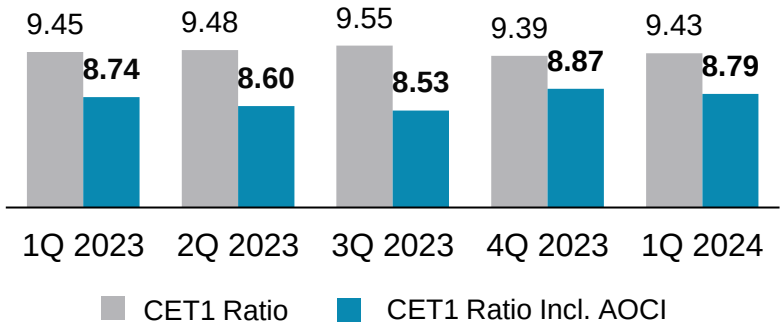
We continue to target investments to total assets of 18% to 20% in 2024

EoP Securities Book Composition

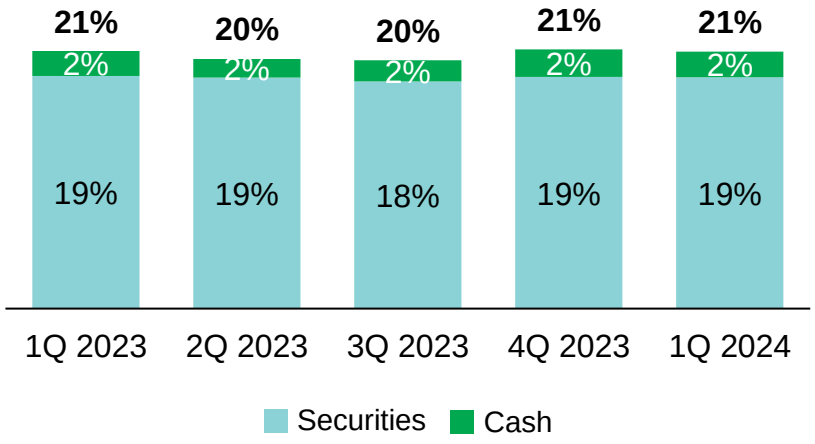
($ in billions)



CET1 Including AOCI[1] (%)



EoP Securities + Cash / Total Assets



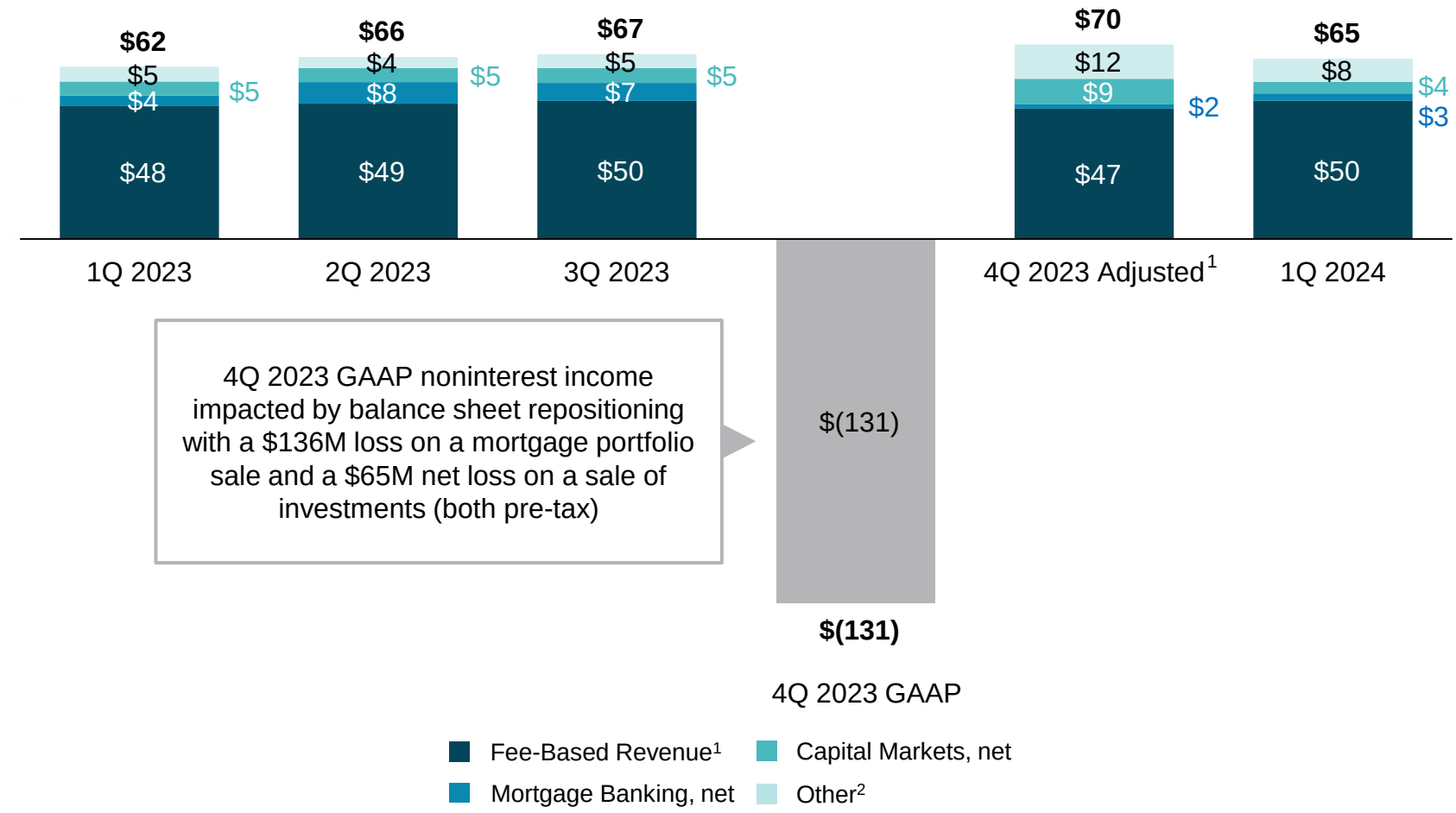
[1] This is a non-GAAP financial measure. See appendix for a reconciliation of non-GAAP financial measures to GAAP financial measures.

Noninterest Income Trends

Our 1Q 2024 noninterest income was up 5% vs. the same period a year ago

Quarterly Noninterest Income Trends

($ in millions)



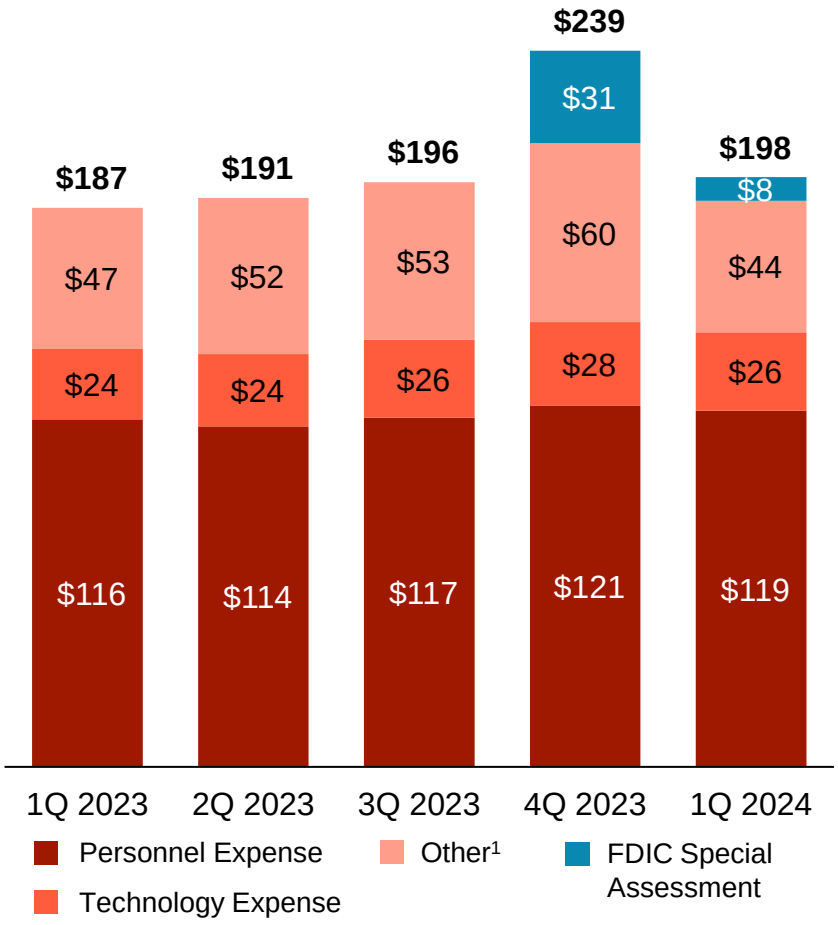
[1] This is a non-GAAP financial measure. See appendix for a reconciliation of non-GAAP financial measures to GAAP financial measures.
[2] Other noninterest income is primarily comprised of bank and corporate owned life insurance, asset gains (losses), net and investment securities gains (losses), net.

Noninterest Expense Trends

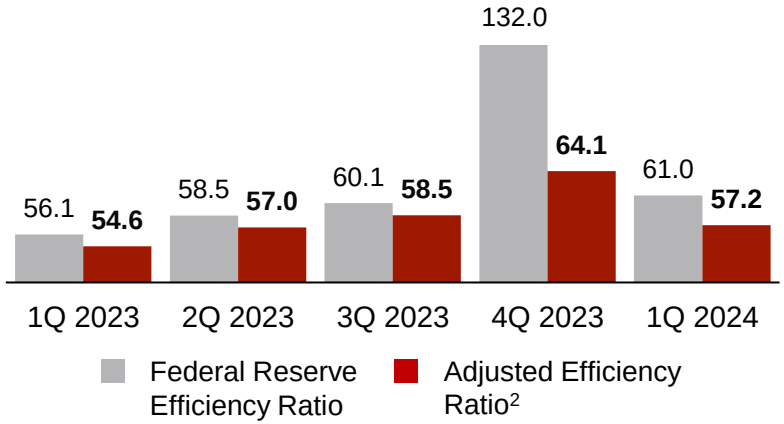
Our 1Q 2024 noninterest expense included $8 million in FDIC special assessment expense

Noninterest Expense Trends

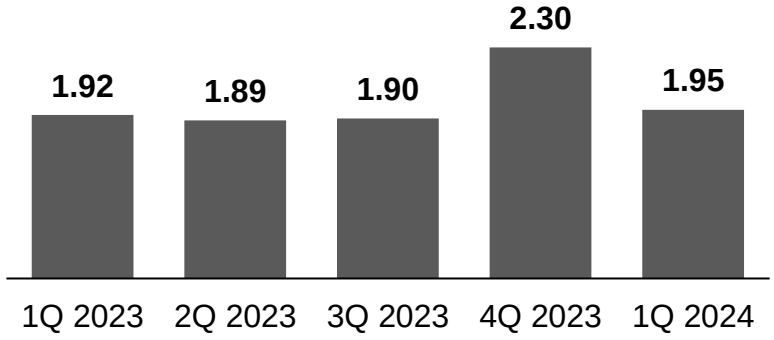
($ in millions)



Efficiency Ratio (%)



Noninterest Expense / Average Assets (%)

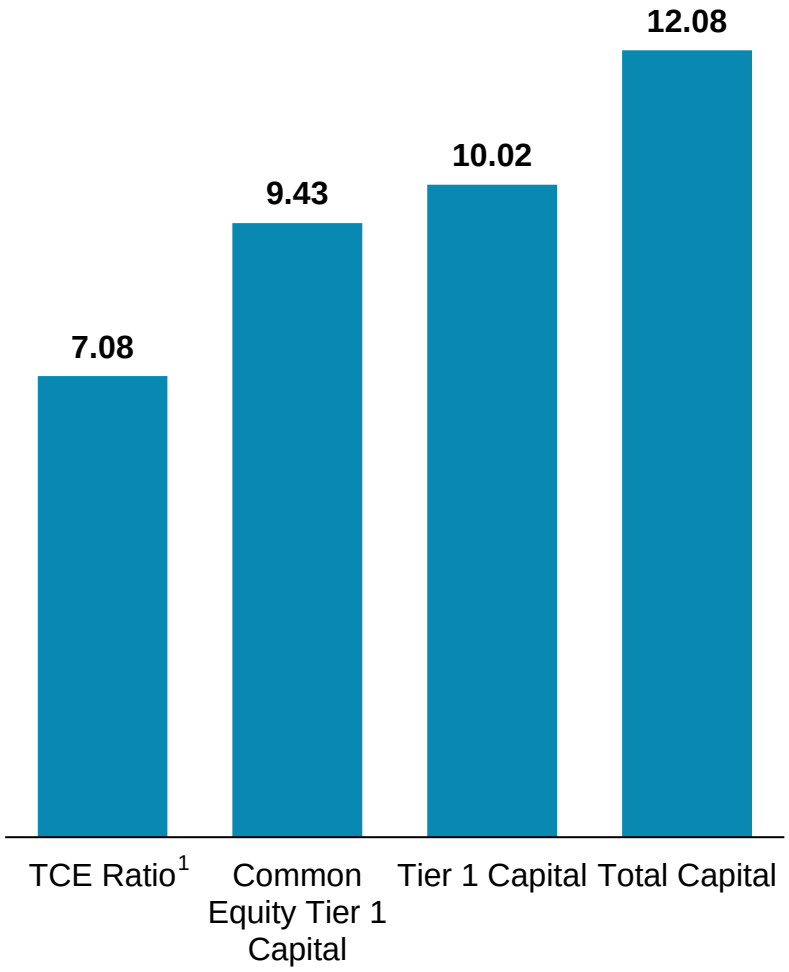


[1] Other expenses are primarily comprised of occupancy, business development & advertising, equipment, legal & professional, and FDIC assessment costs.
[2] This is a non-GAAP financial measure. See appendix for a reconciliation of non-GAAP financial measures to GAAP financial measures.

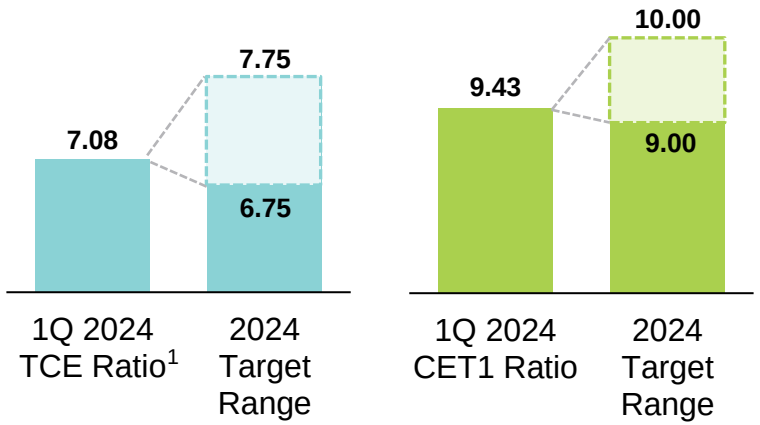
Capital Profile

Our capital ratios remained well within our target ranges during 1Q 2024

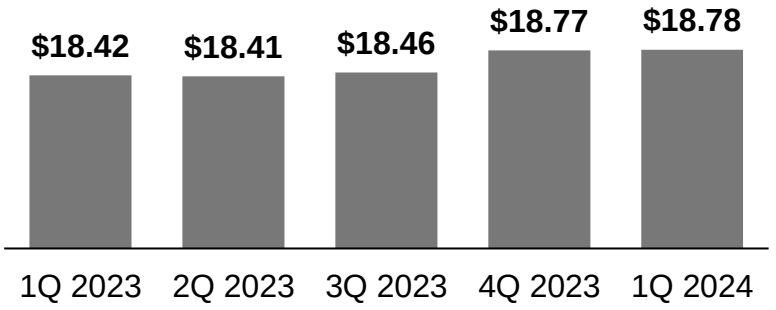
1Q 2024 Capital Ratios (%)



2024 Capital Target Ranges (%)



Tangible Book Value / Share



[1] 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.

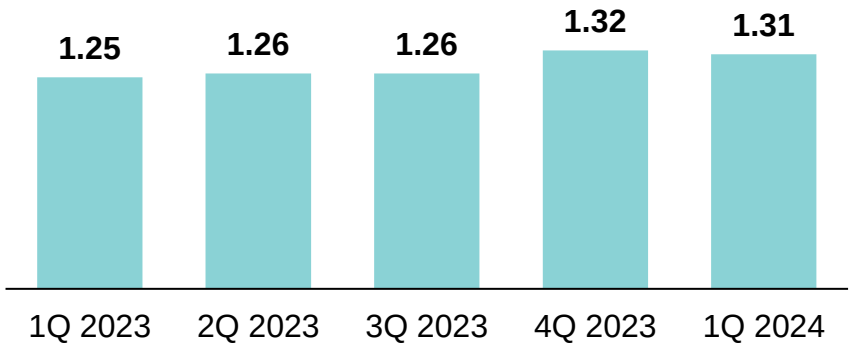
Allowance for Credit Losses on Loans (ACLL) Update

Our ACLL percentage decreased by 1 basis point vs. the prior quarter to 1.31%

ACLL[1] Update

- ACLL increased $2 million from the prior quarter to $388 million, driven primarily by nominal credit movement coupled with general macroeconomic trends
- CECL forward-looking assumptions based on Moody's February 2024 Baseline forecast

ACLL / Total Loans (%)



($ in thousands)

Loan Category	3/31/2023 ACLL	3/31/2023 ACLL / Loans	12/31/2023 ACLL	12/31/2023 ACLL / Loans	3/31/2024 ACLL	3/31/2024 ACLL / Loans
C&BL	$ 147,533	1.35%	$ 152,341	1.41%	$ 157,933	1.44%
CRE - Investor	55,678	1.09%	68,338	1.33%	72,512	1.44%
CRE - Construction	71,098	3.31%	70,578	3.11%	64,225	2.81%
Residential Mortgage	39,096	0.45%	37,808	0.48%	35,915	0.46%
Other Consumer	52,803	2.16%	56,805	1.80%	57,198	1.71%
Total	**$ 366,208**	**1.25%**	**$ 385,870**	**1.32%**	**$ 387,782**	**1.31%**

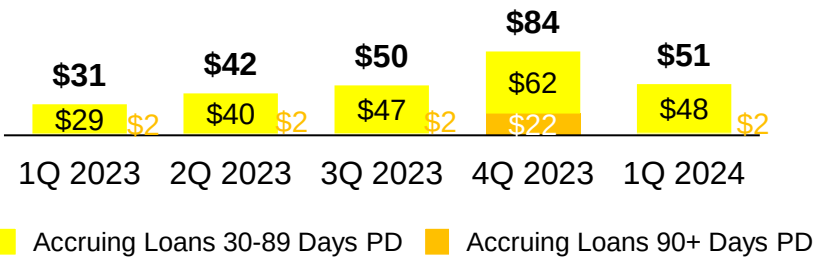
[1] Includes funded and unfunded reserve for loans, excludes reserve for HTM securities.

Credit Quality Trends

1Q 2024 credit quality remained solid with a modest uptick in NCOs balanced by decreasing delinquencies

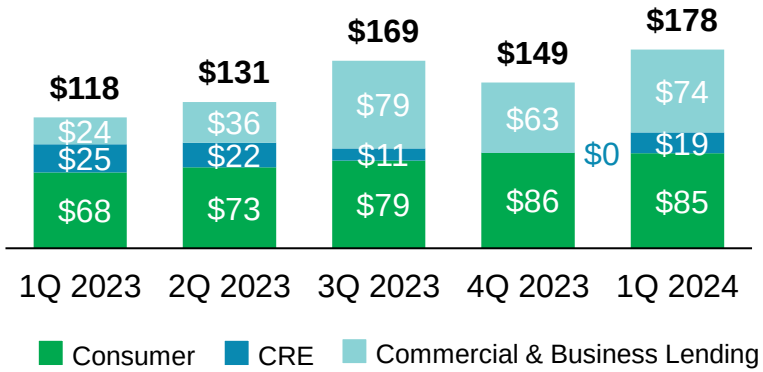
Total Delinquent Loans

($ in millions)



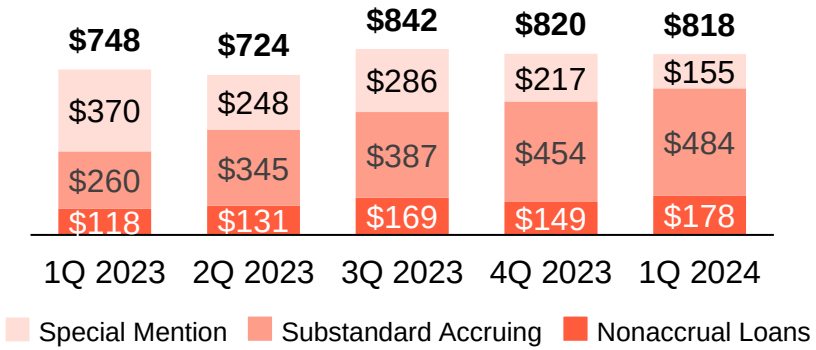
Nonaccrual Loans

($ in millions)



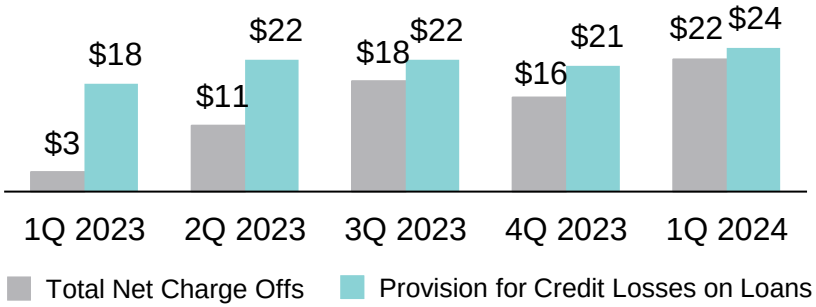
Total Criticized Loans

($ in millions)



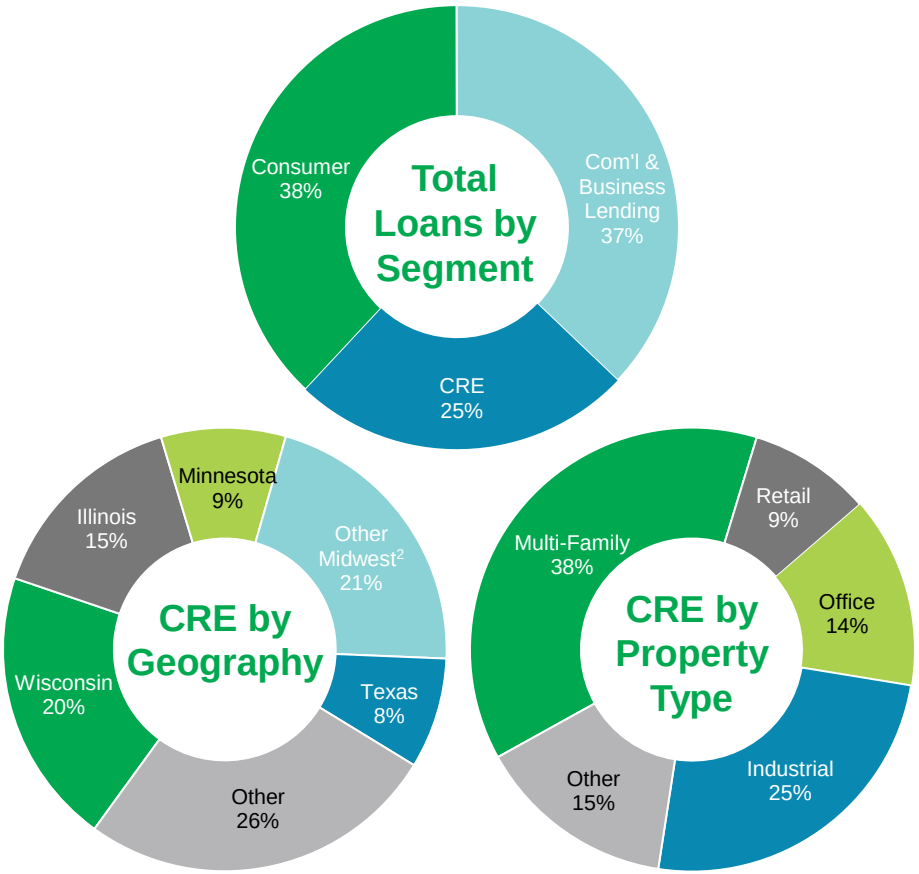
Net Charge Offs and Provision

($ in millions)



High-Quality Commercial Real Estate Portfolio[1]

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



CRE Credit Quality

	1Q 23	2Q 23	3Q 23	4Q 23	1Q 24
Portfolio LTV	60%	60%	59%	58%	59%
Delinquencies/Loans	0.00%	0.00%	0.14%	0.25%	0.28%
NALs/Loans	0.35%	0.30%	0.15%	0.00%	0.26%
ACLL/Loans	1.75%	1.88%	1.90%	1.88%	1.87%
NCOs/Avg. Loans[3]	0.00%	(0.12%)	(0.02%)	(0.01%)	0.00%

CRE Loan Portfolio Granularity

	% of Total Loans
Largest Single CRE Borrower	0.16%
Top 10 Largest CRE Borrowers	1.38%
Largest CRE Property Type (Multi-Fam)	9.43%
CRE Office Loans	**3.45%**

CRE Office Highlights

WAvg. Debt Service Coverage Ratio[4]	1.19x
2024 Remaining Maturities	$306 million
Central Business District vs. Suburban	~79% Suburban
Property Class Mix	~57% Class A[5]

[1] All updates as of or for the period ended March 31, 2024 unless otherwise noted.
[2] Other Midwest includes Missouri, Indiana, Ohio, Michigan and Iowa.
[3] Calculated on an annualized basis. Negative values indicate a net recovery.
[4] Calculated based on the 10-year Treasury rate plus 300 basis points/25-year amortization.
[5] Class A determined by third-party vendor partner mapping of portfolio.

FY 2024 Outlook

	GAAP FY 2023 Result	Adjusted FY 2023 Result[1]	FY 2024 Guidance[2]
EoP Total Loans	$29.2B (+1.4% vs. 2022)	$29.2B (+1.4% vs. 2022)	**4% to 6% Growth**
EoP Total Deposits	$33.4B (+12.9% vs. 2022)	Core Customer Deposits[3] $27.4B (-2.4% vs. 2022)	**3% to 5% Growth (Core Customer Deposits)**
Net Interest Income	$1.040B (+8.6% vs. 2022)	$1.040B (+8.6% vs. 2022)	**2% to 4% Growth**
Noninterest Income	$63M (-77.6% vs. 2022)	$264M (-6.4% vs. 2022)	**0% to 2% Decrease**
Noninterest Expense	$814M (+8.9% vs. 2022)	$783M (+4.8% vs. 2022)	**2% to 3% Growth[4]**
Effective Tax Rate	11.2%	N/A	**19% to 21%**

[1] 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 finalized 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.

[2] 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.

[3] This is a non-GAAP financial measure. See appendix for a reconciliation of non-GAAP financial measures to GAAP financial measures.

[4] 2024 noninterest expense guidance excludes the impact of the $31 million FDIC special assessment finalized during the fourth quarter of 2023 and the $8 million FDIC special assessment finalized during the first quarter of 2024.

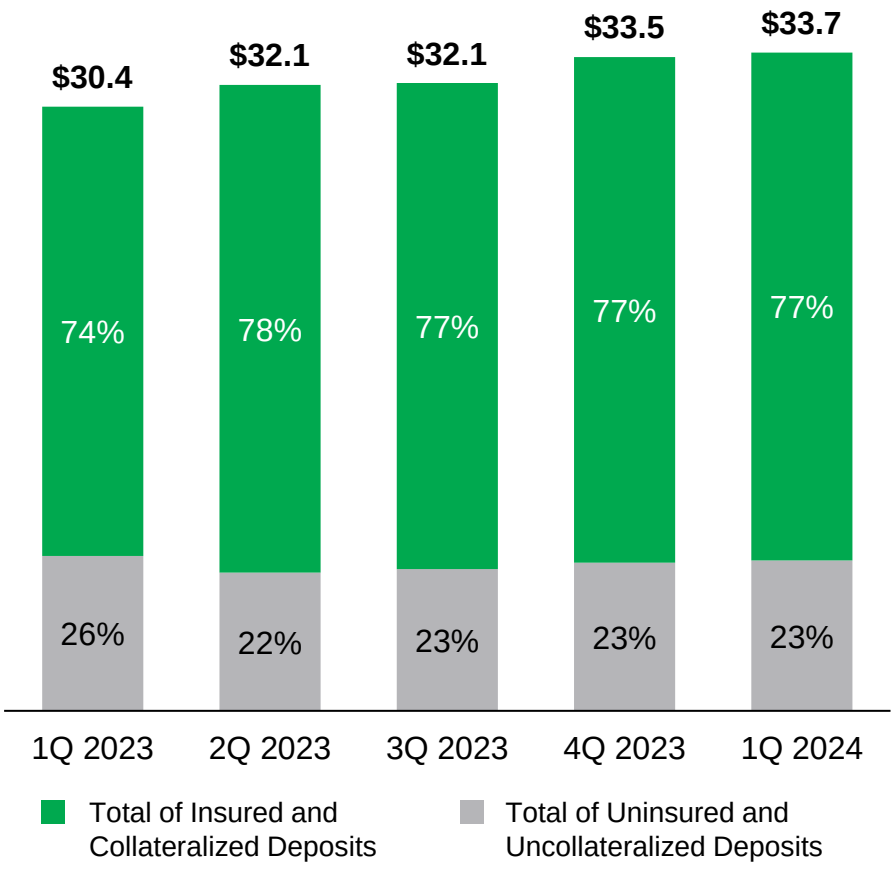
Appendix

Stable, Granular Deposit Portfolio

Uninsured, uncollateralized deposits were only 23% of total deposits as of 3/31/2024

EoP Total Deposit Trends (Associated Bank, N.A.)

($ in billions)



23%

Percentage of total deposits that were uninsured and uncollateralized as of 3/31/2024

115%

Readily available liquidity coverage[1] for uninsured and uncollateralized deposits as of 3/31/2024

156%

Total liquidity coverage for uninsured and uncollateralized deposits as of 3/31/2024

[1] Liquidity coverage based on current levels of readily available (within one business day) funding. See slide 20 for additional details.

Liquidity Sources

As of 3/31/2024, ASB's total liquidity sources covered 156% of uninsured, uncollateralized deposits

($ in millions)

Liquidity Sources	12/31/2023	3/31/2024
Federal Reserve Balance	$421.8	$419.6
Available FHLB Chicago Capacity	$5,985.4	$7,035.8
Available Fed Discount Window Capacity	$1,433.7	$1,439.0
Available Bank Term Funding Program Capacity	$522.5	$0
Funding Available Within One Business Day[1]	**$8,363.4**	**$8,894.3**
Available Fed Funds Lines	$1,550.0	$1,670.0
Available Brokered Deposit Capacity[2]	$138.5	$446.5
Unsecured Debt Capacity[3]	$1,000.0	$1,000.0
Total Liquidity	**$11,051.9**	**$12,010.8**

115% of uninsured, uncollateralized deposits

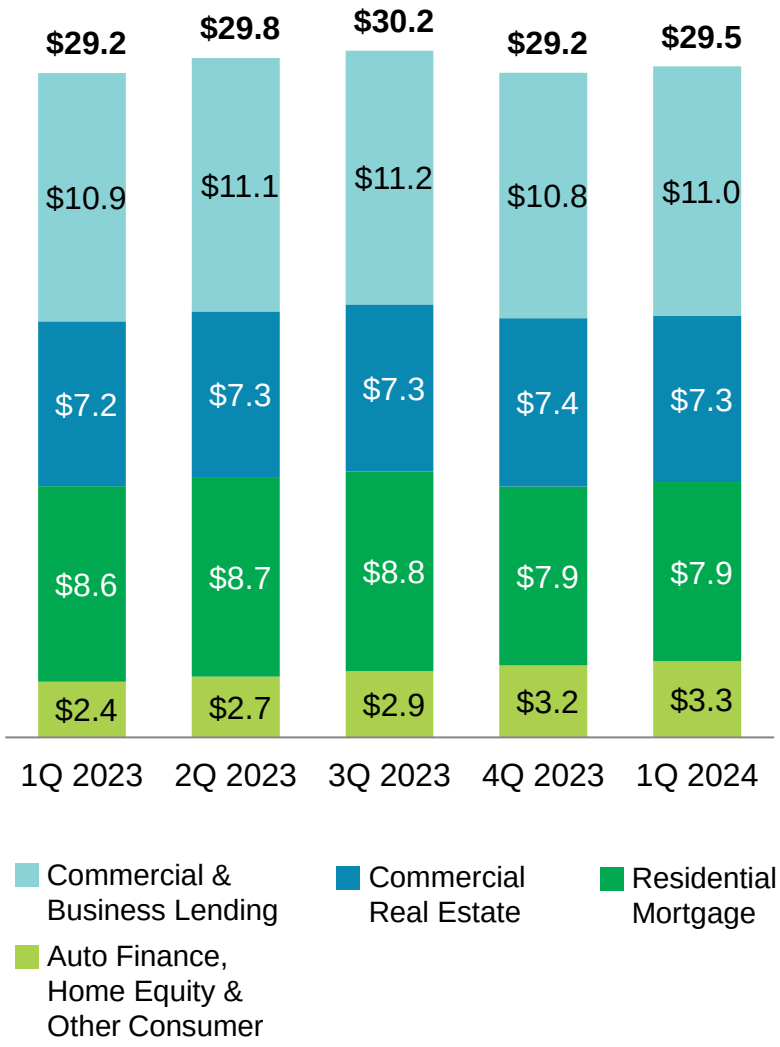
156% of uninsured, uncollateralized deposits

[1] Estimated based on normal course of operations with the indicated institution.
[2] 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.
[3] Availability based on internal policy limitations.

Additional Loan Trends

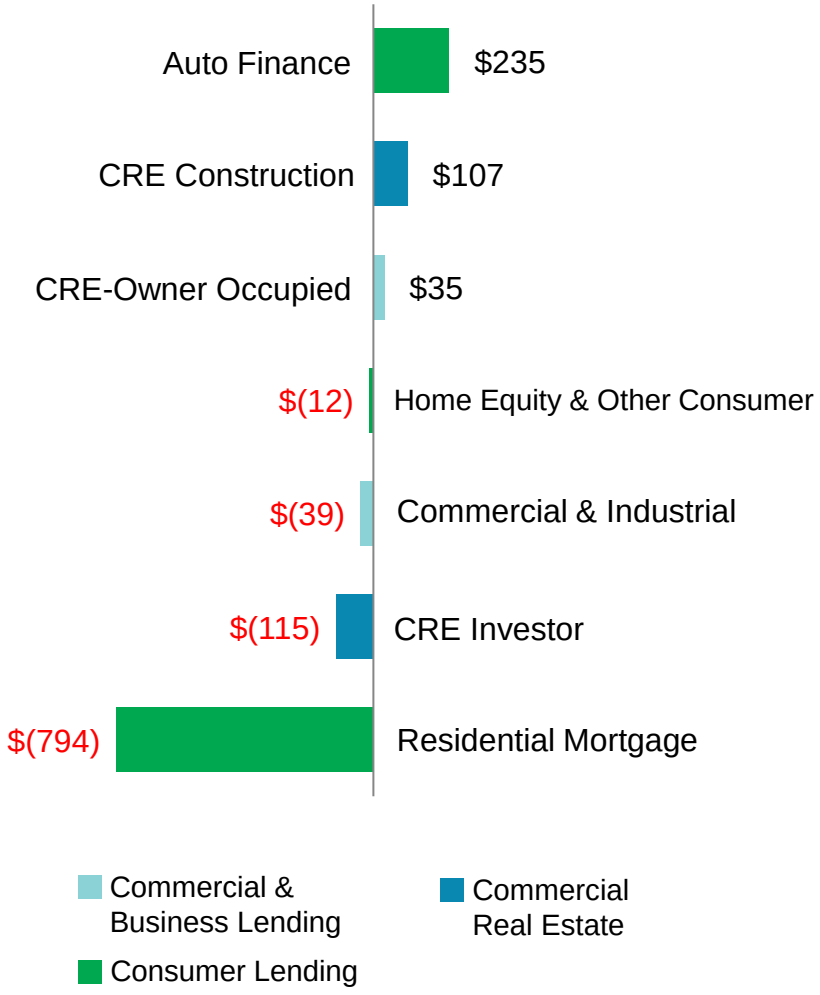
EoP Quarterly Loan Trends

($ in billions)



Average Loan Change (4Q 2023 to 1Q 2024)

($ in millions)



Total Loans Outstanding Balances as of March 31, 2024

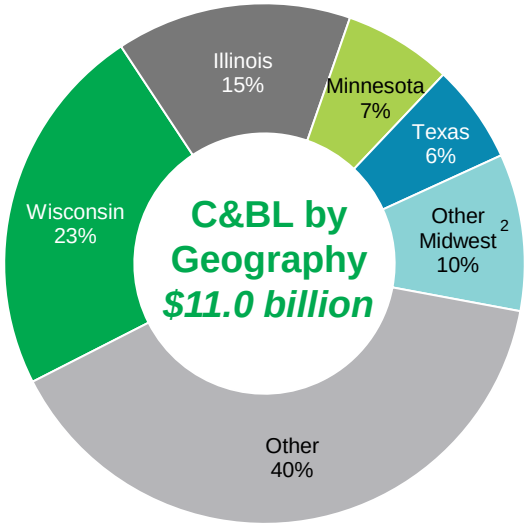
($ in millions)

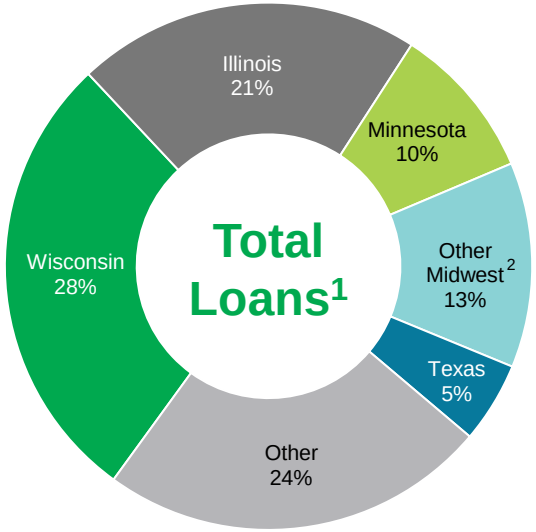
	3/31/2024[1]	% of Total Loans
C&BL (by NAICS[2])		
Utilities	$ 2,584	8.8%
Manufacturing & Wholesale Trade	2,270	7.7%
Real Estate (includes REITs)	1,768	6.0%
Finance & Insurance	639	2.2%
Mortgage Warehouse	635	2.2%
Retail Trade	458	1.6%
Health Care and Social Assistance	400	1.4%
Rental and Leasing Services	392	1.3%
Transportation and Warehousing	365	1.2%
Construction	353	1.2%
Professional, Scientific, and Tech. Serv.	320	1.1%
Waste Management	228	0.8%
Accommodation and Food Services	94	0.3%
Information	79	0.3%
Arts, Entertainment, and Recreation	66	0.2%
Management of Companies & Enterprises	64	0.2%
Public Administration	16	0.1%
Educational Services	15	0.1%
Mining	7	0.0%
Agriculture, Forestry, Fishing and Hunting	0	0.0%
Other	201	0.7%
Total C&BL	$ 10,954	37.1%

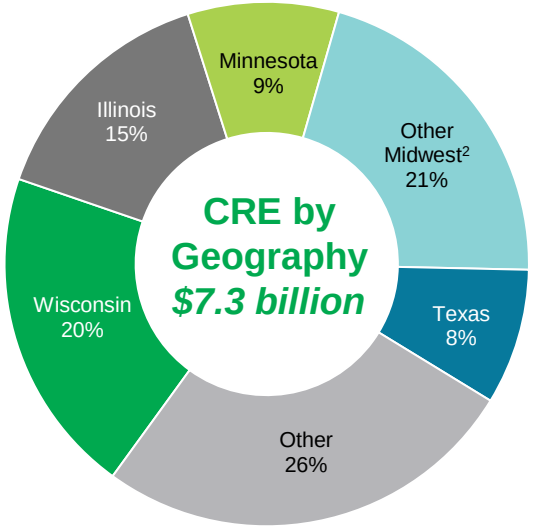
	3/31/2024[1]	% of Total Loans
CRE (by property type)		
Multi-Family	$ 2,780	9.4%
Industrial	1,807	6.1%
Office	1,018	3.5%
Retail	630	2.1%
Single Family Construction	253	0.9%
Warehouse	203	0.7%
Hotel/Motel	194	0.7%
Medical	164	0.6%
Land	115	0.4%
Self Storage	29	0.1%
Other	129	0.4%
Total CRE	$ 7,322	24.8%
Consumer		
Residential Mortgage	$ 7,868	26.7%
Auto Finance	2,471	8.4%
Home Equity	620	2.1%
Credit Cards	134	0.5%
Student Loans	56	0.2%
Other Consumer	68	0.2%
Total Consumer	$ 11,218	38.0%
Total Loans	$ 29,494	100.0%

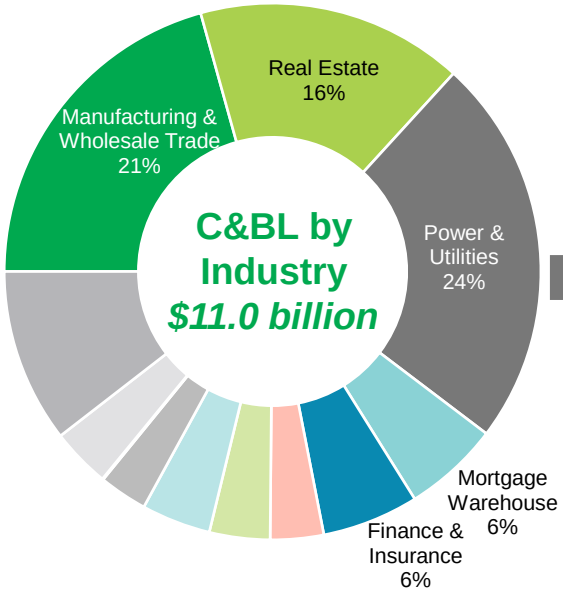
[1] All values as of period end.
[2] North American Industry Classification System.

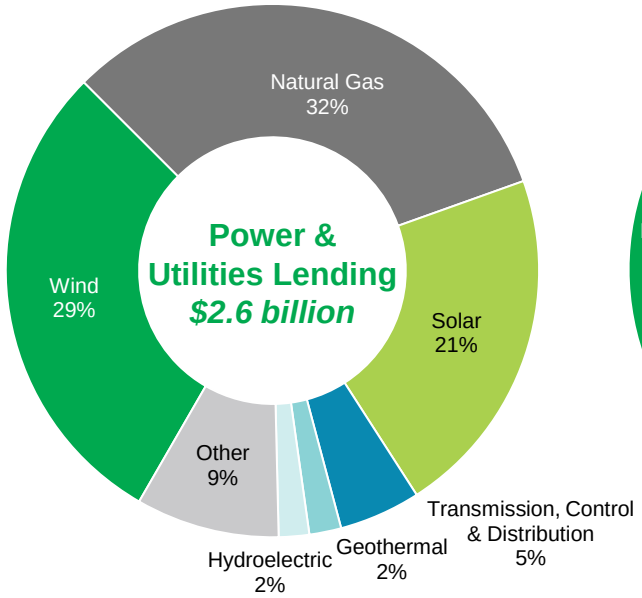
Loan Stratification Outstanding Balances as of March 31, 2024

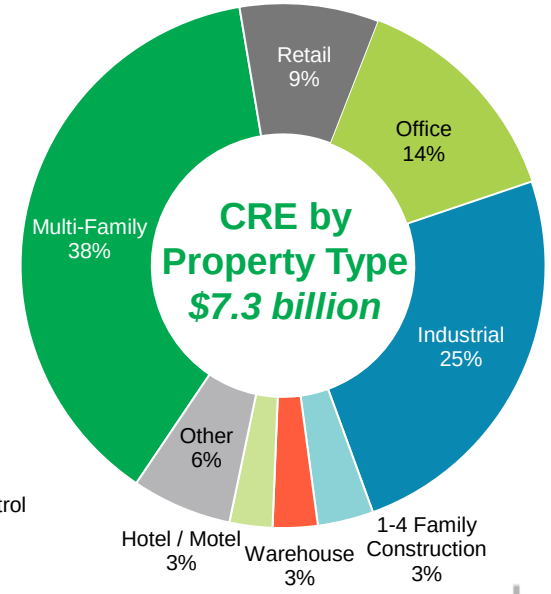












[1] Excludes Other Consumer portfolio.
[2] Other Midwest includes Missouri, Indiana, Ohio, Michigan and Iowa.

Reconciliation & Definitions of Non-GAAP Items

End of Period Core Customer Deposits Reconciliation ($ in millions)	1Q 2023	2Q 2023	3Q 2023	4Q 2023	1Q 2024
Total deposits	$30,332	$32,014	$32,123	$33,446	$33,713
Brokered CDs	(1,186)	(3,818)	(3,351)	(4,447)	(3,931)
Network transaction deposits	(1,273)	(1,601)	(1,649)	(1,566)	(1,793)
Core customer deposits	$27,873	$26,595	$27,123	$27,432	$27,989

Tangible Common Equity and Tangible Assets Reconciliation[1] ($ in millions)	1Q 2023	2Q 2023	3Q 2023	4Q 2023	1Q 2024
Common equity	$3,932	$3,929	$3,934	$3,980	$3,975
Goodwill and other intangible assets, net	(1,152)	(1,150)	(1,148)	(1,145)	(1,143)
Tangible common equity	$2,779	$2,779	$2,786	$2,834	$2,831
Total assets	$40,703	$41,219	$41,637	$41,016	$41,137
Goodwill and other intangible assets, net	(1,152)	(1,150)	(1,148)	(1,145)	(1,143)
Tangible assets	$39,550	$40,070	$40,490	$39,870	$39,994

Common Equity Tier 1 Capital Ratio Reconciliation	1Q 2023	2Q 2023	3Q 2023	4Q 2023	1Q 2024
Common equity Tier 1 capital ratio	9.45%	9.48%	9.55%	9.39%	9.43%
Accumulated other comprehensive loss adjustment	(0.72)%	(0.88)%	(1.01)%	(0.52)%	(0.64)%
Common equity Tier 1 capital ratio including accumulated other comprehensive loss	8.74%	8.60%	8.53%	8.87%	8.79%

Selected Trend Information[2] ($ in millions)	1Q 2023	2Q 2023	3Q 2023	4Q 2023	1Q 2024
Wealth management fees	$20	$20	$21	$21	$22
Service charges and deposit account fees	13	12	13	11	12
Card-based fees	11	11	12	12	11
Other fee-based revenue	4	4	5	4	4
Fee-based revenue	48	49	50	47	50
Other[3]	14	17	17	(178)	15
Total noninterest income	$62	$66	$67	$(131)	$65

[1] 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.

[2] These financial measures have been included as they provide meaningful supplemental information to assess trends in the Corporation's results of operations.

[3] 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.

Reconciliation & Definitions of Non-GAAP Items

Efficiency Ratio Reconciliation[1]	1Q 2023	2Q 2023	3Q 2023	4Q 2023	1Q 2024
Federal Reserve efficiency ratio	56.07%	58.49%	60.06%	132.01%	61.03%
Fully tax-equivalent adjustment	(0.79)%	(0.85)%	(0.89)%	(3.29)%	(0.71)%
Other intangible amortization	(0.66)%	(0.68)%	(0.69)%	(1.21)%	(0.69)%
Fully tax-equivalent efficiency ratio	54.64%	56.96%	58.50%	127.54%	59.63%
FDIC special assessment				(9.50)%	(2.38)%
Announced initiatives				(53.92)%	
Adjusted efficiency ratio	54.64%	56.96%	58.50%	64.12%	57.25%

One Time Item Noninterest Income Reconciliation ($ in millions)	YTD Dec 2023	4Q 2023
GAAP noninterest income	$63	$(131)
Loss on mortgage portfolio sale[2]	136	136
Net loss on sale of investments[2]	65	65
Noninterest income, excluding one time items	$264	$70

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

[1] 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.

[2] 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.