

First Quarter 2023 Earnings Presentation

APRIL 20, 2023



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 2023 Results



ASB reports 1Q 2023 net income available to common equity of \$100 million, or \$0.66 per common share

1Q 2023 Highlights¹

- Total period end loan growth of \$408 million (+1%)
- Total period end deposit growth of \$696 million (+2%)
- Net interest income of \$274 million (-5%)
- Net interest margin of 3.07% (-24 bps)
- Pre-tax income of \$131 million; pre-tax pre-provision income² of \$149 million
- Return on average equity of 10.32%; return on average tangible common equity² of 15.26%
- CET1 ratio of 9.45%
- NCOs / average loans (annualized) of 0.05% in 1Q
- Provision for credit losses on loans of \$18 million
- ACLL / loans increased 3 bps to 1.25%
- Tangible book value / share of \$18.42 (+4%)

¹ All figures shown on an end of period basis with comparisons to the fourth quarter of 2022 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.

\$100 million
Net Income Available to Common Equity
(+41% vs. 3/31/2022)

\$149 million
Pre-Tax Pre-Provision Income²
(+67% vs. 3/31/2022)

\$131 million
Income Before Income Taxes
(+41% vs. 3/31/2022)

20%
YoY Operating Leverage
(3/31/2022 to 3/31/2023)

\$29.2 billion
Total Period End Loans
(+19% vs. 3/31/2022)

\$30.3 billion
Total Period End Deposits
(+7% vs. 3/31/2022)

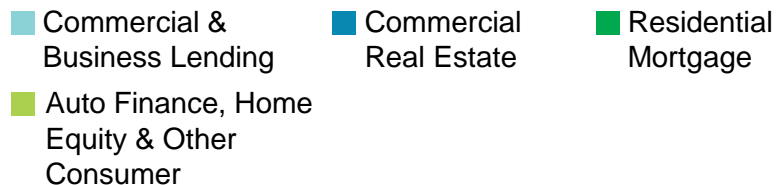
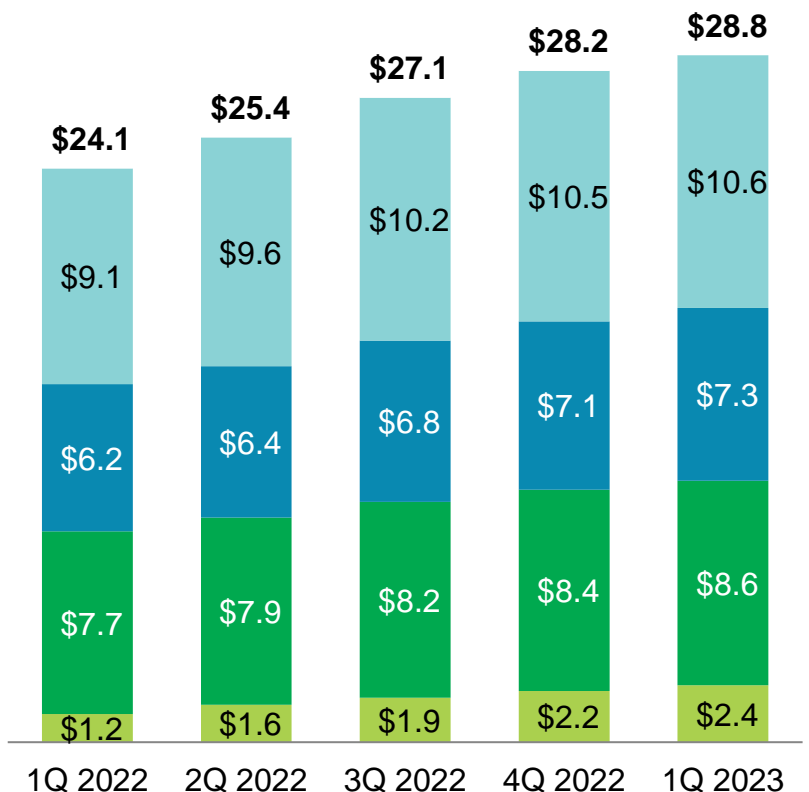
Quarterly Loan Trends



Total loans continued to grow in 1Q, but growth decelerated vs. 2H 2022 as expected

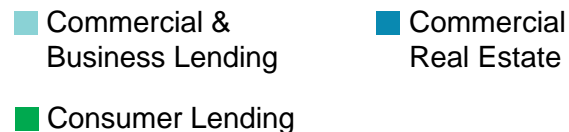
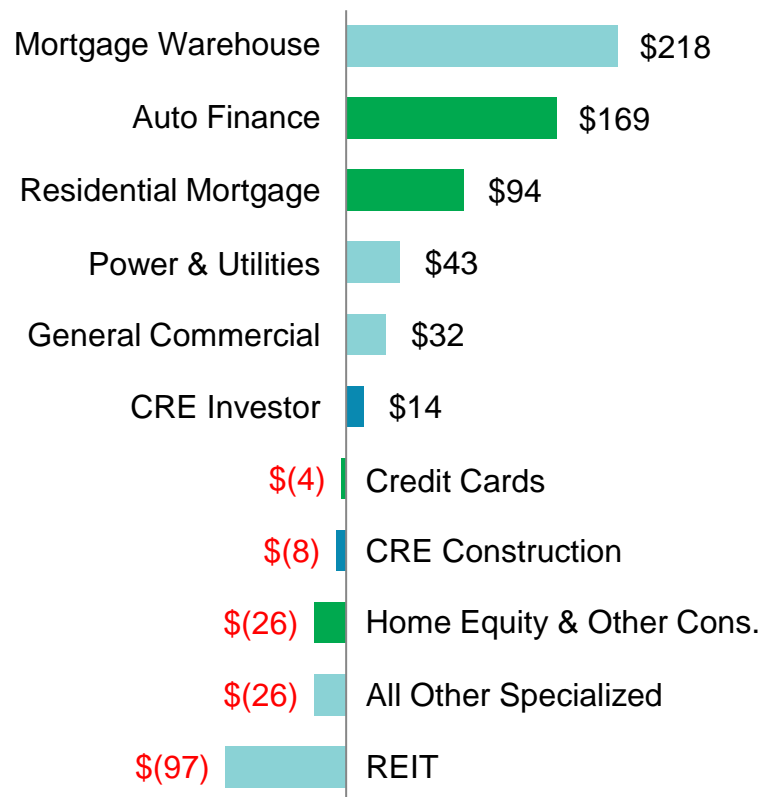
Average Quarterly Loans

(\$ in billions)



EoP Loan Change (12/31/2022 to 3/31/2023)

(\$ in millions)



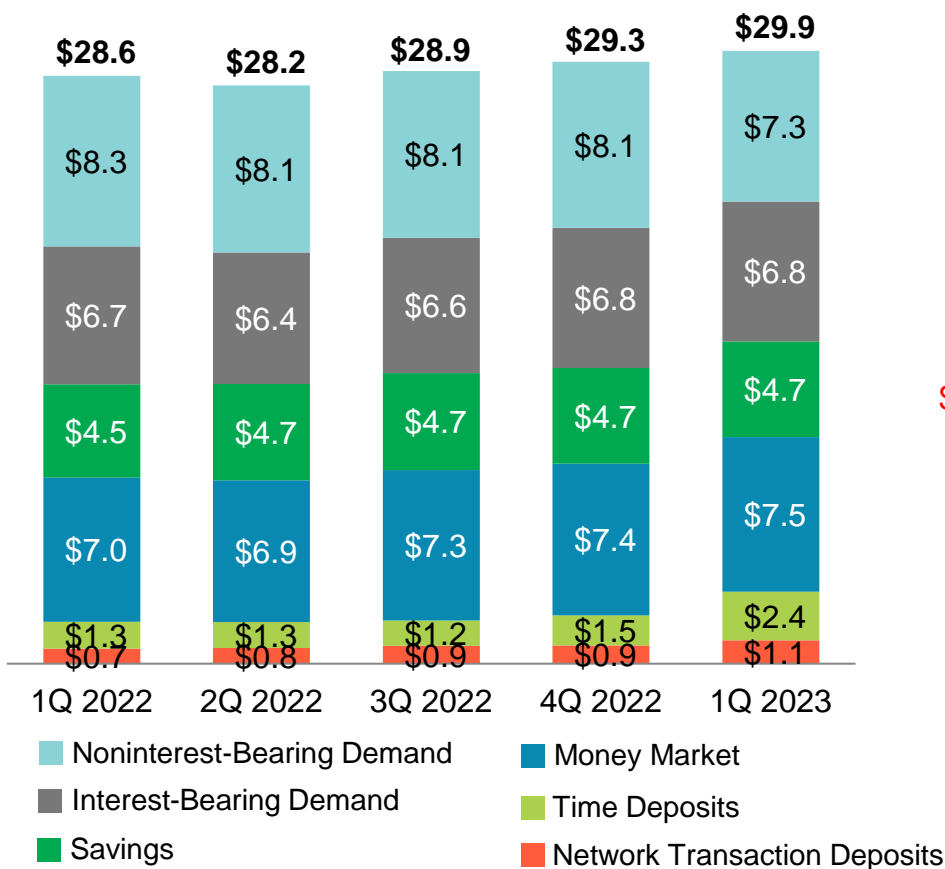
Quarterly Deposit Trends



EOP core customer deposits¹ decreased by less than 1% vs. 12/31/2022, despite industry volatility

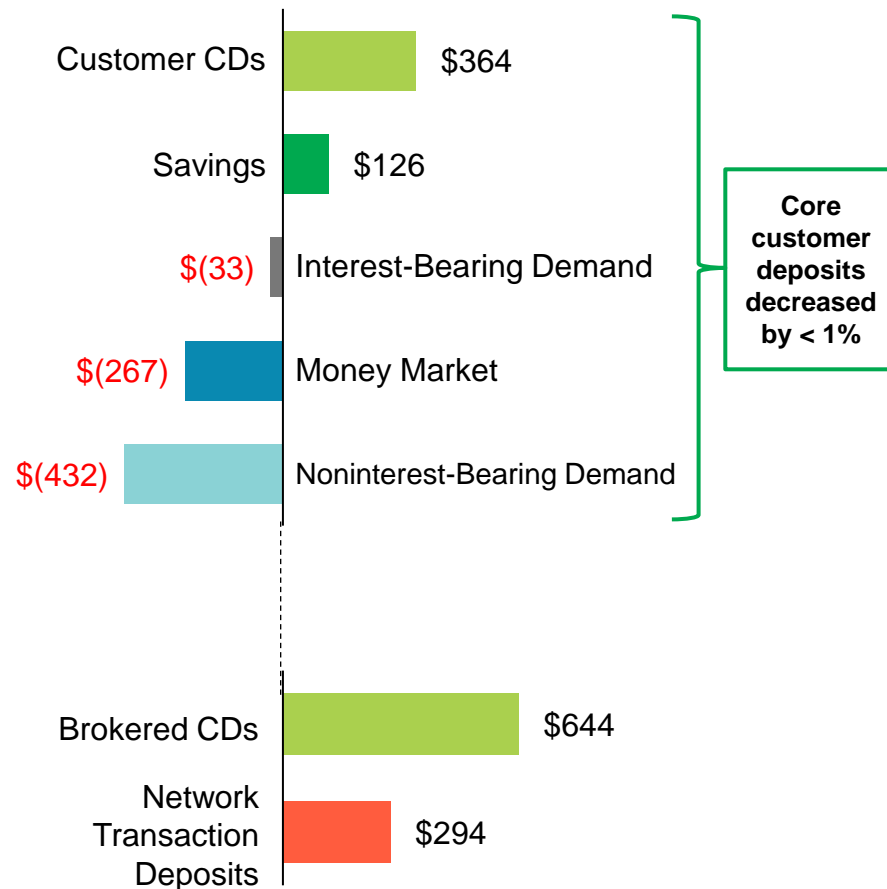
Average Quarterly Deposits

(\$ in billions)



EOP Deposit Change (12/31/2022 to 3/31/2023)

(\$ in millions)



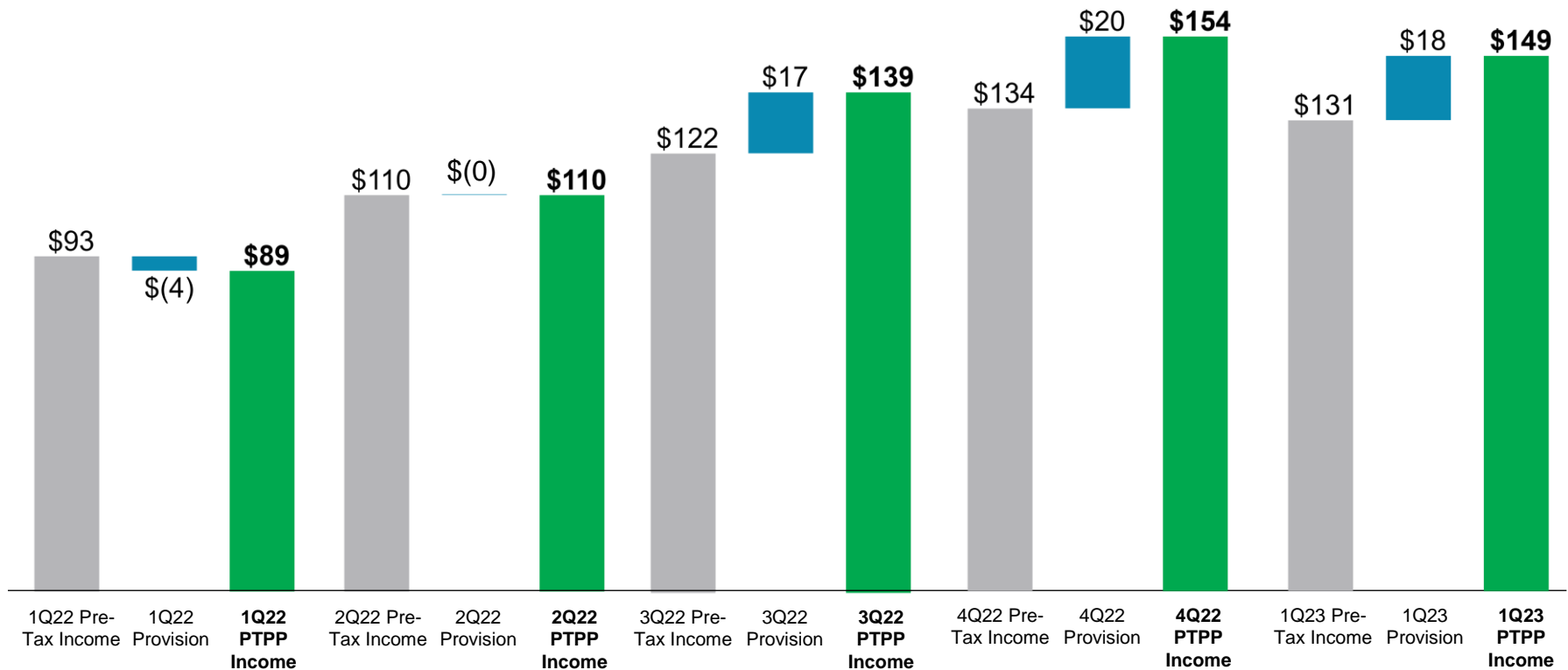
¹ This is a non-GAAP financial measure. Please refer to the appendix for a reconciliation of core customer deposits to total deposits.



Pre-Tax Pre-Provision Income¹ Trends

PTPP income was up 67% vs. 1Q 2022, driven by strong revenue growth and disciplined expense management

(\$ in millions)



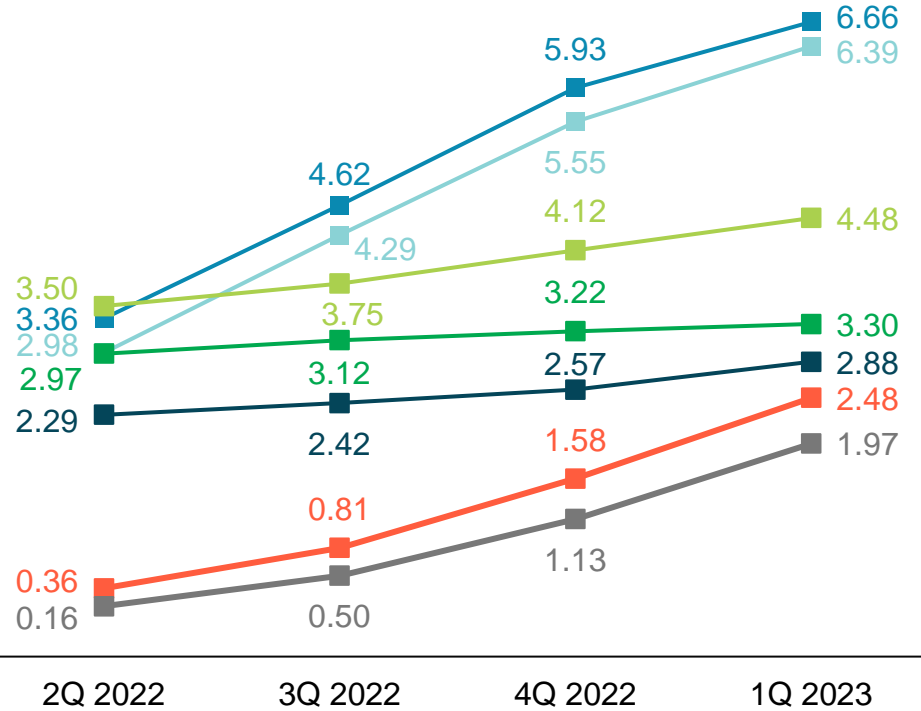
¹ This is a non-GAAP financial measure. Please refer to the appendix for a reconciliation of pre-tax pre-provision income to income before income taxes.



Average Yield Trends

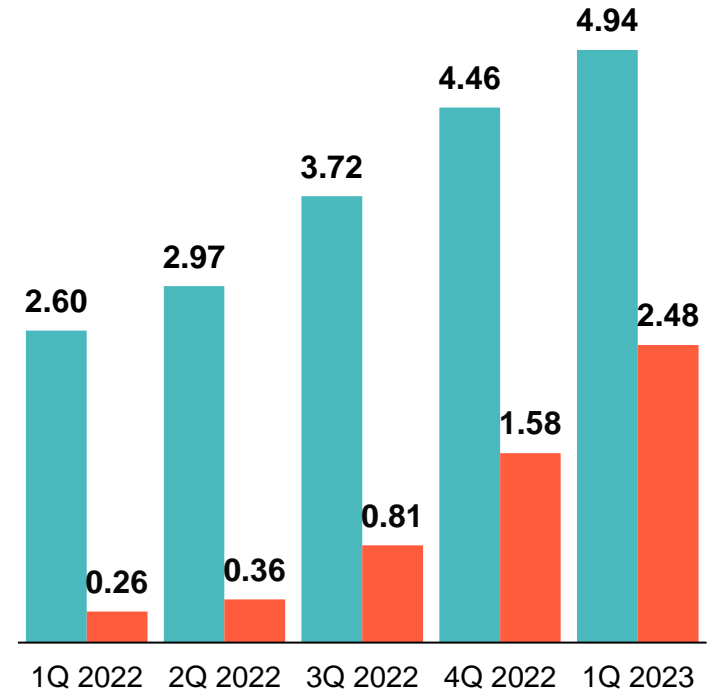
ASB continues to benefit from rising asset yields, while funding costs have begun to ramp up as expected

Average Yields (%)



- Commercial Real Estate Loans
- Commercial & Business Lending Loans
- Auto Finance Loans
- Total Residential Mortgage Loans
- Investments and Other
- Total Interest-Bearing Liabilities
- Total Interest-Bearing Deposits

Asset & Liability Yield / Rate Trends (%)



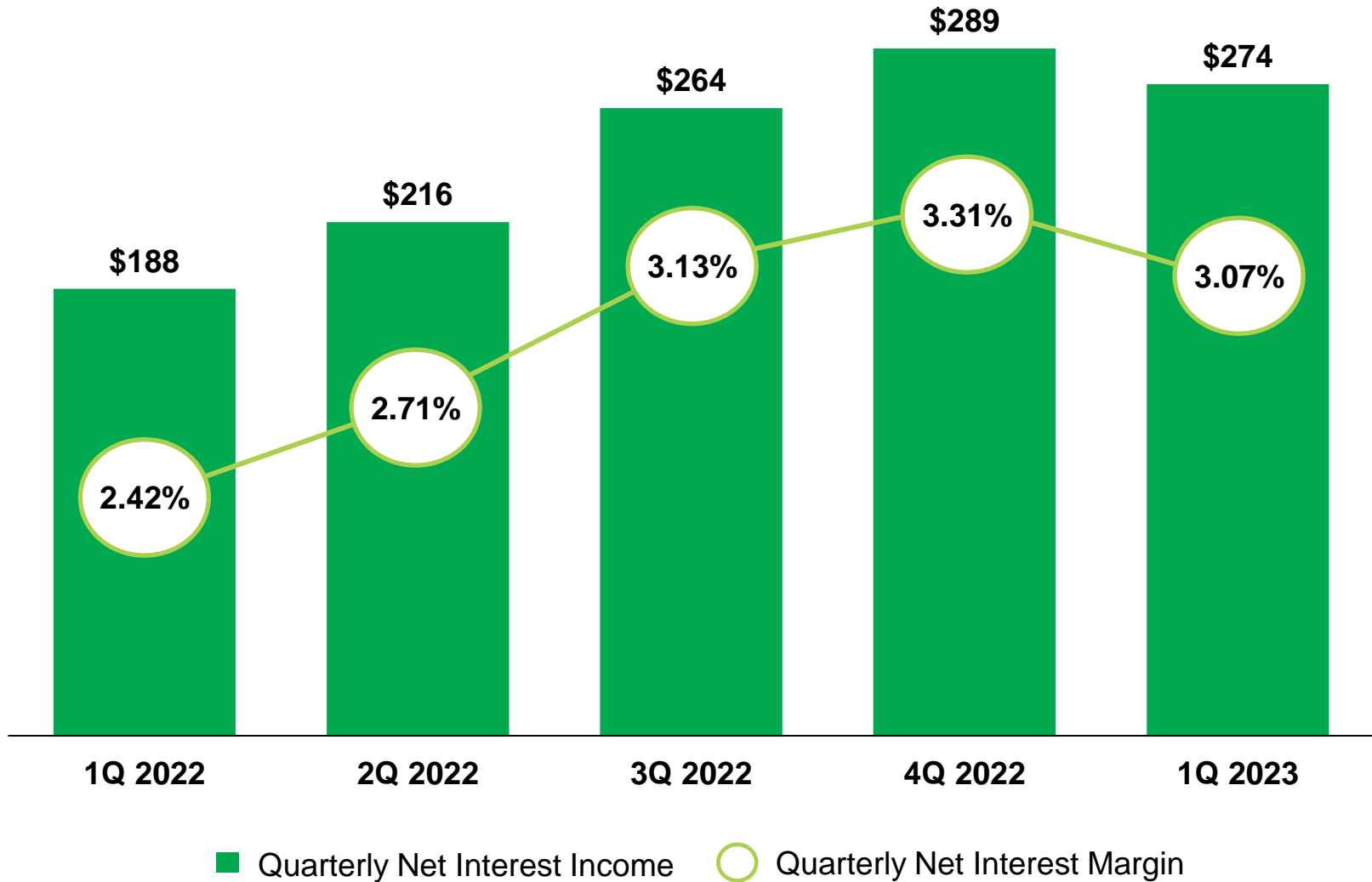
- Yield on Total Earning Assets
- Rate on Total Interest-Bearing Liabilities

Net Interest Income & Net Interest Margin Trends



NII decreased slightly in 1Q, driven by an increase in liability costs relative to loan yields

(\$ in millions)



Interest Rate Risk Management



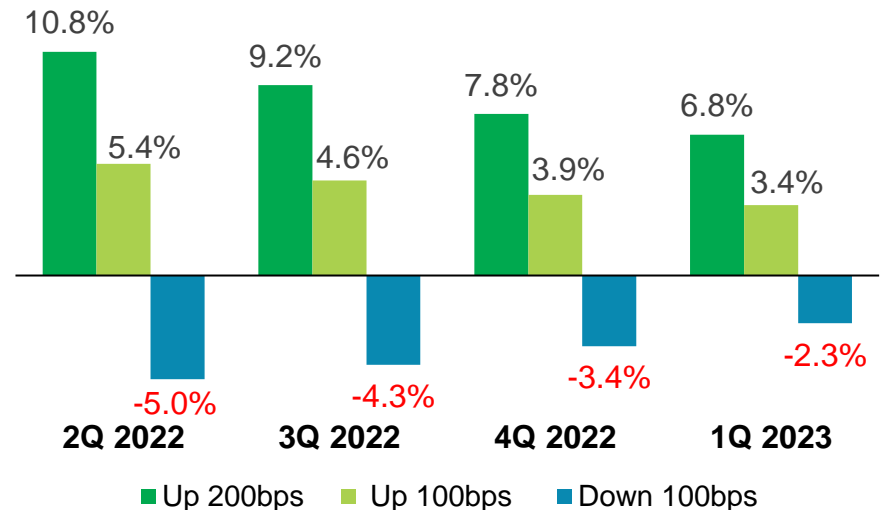
We have taken gradual steps to reduce asset sensitivity and interest rate risk over time

- Over the past three quarters, we've executed \$2.85 billion of received fixed swaps
- We've also added high-quality liquid asset securities to our balance sheet while managing our deposit betas (cumulative interest-bearing deposit beta of ~43% through 1Q 2023¹)
- Taken together, these actions have enabled us to gradually decrease our asset sensitivity over time while continuing to benefit from rising rates

Increased received fixed swaps from \$2 billion in 4Q 2022 to **\$2.85 billion** in 1Q 2023

Estimated NII Sensitivity Profile

(12-Month Ramp)



¹ Beta calculated as change in quarterly average yield from 4Q 2021 to 1Q 2023 vs. change in average Fed Effective Rate. Fed data derived from St. Louis FRED database.

Cash and Investment Securities Portfolio

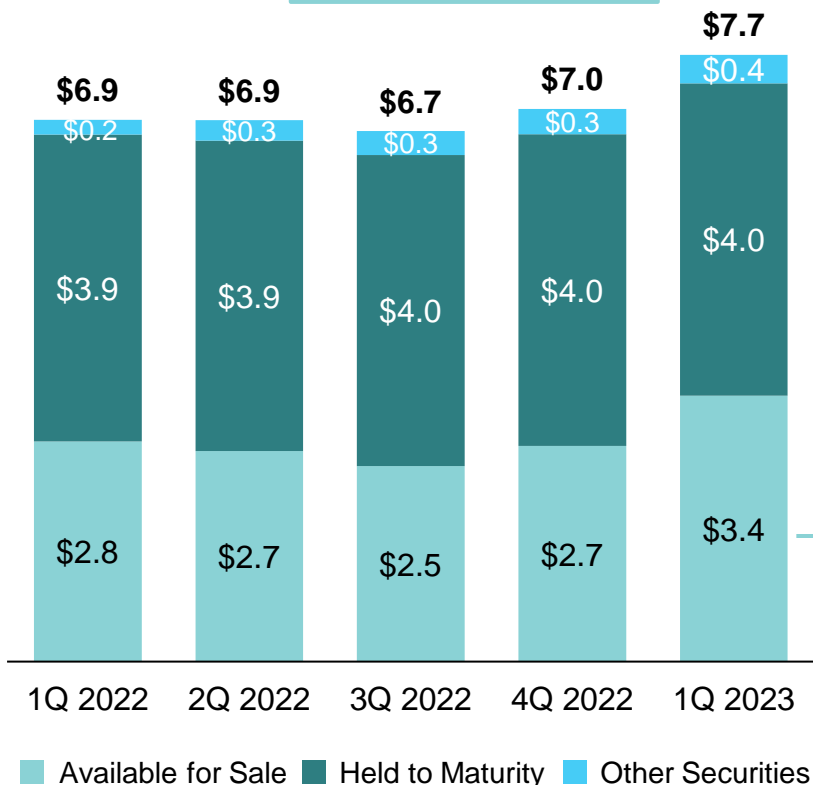


We continue to target investments to total assets of 18% to 20% in 2023

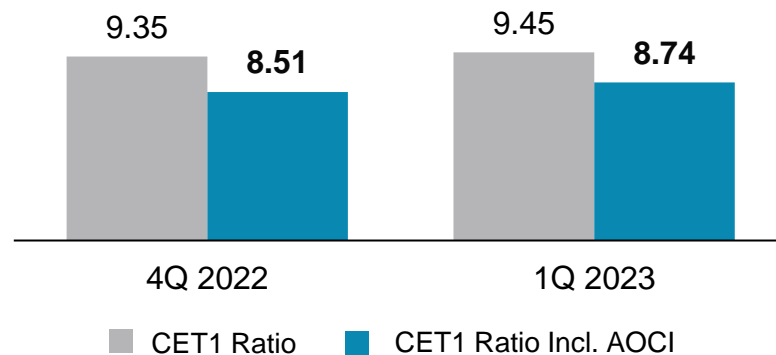
EoP Securities Book Composition

(\$ in billions)

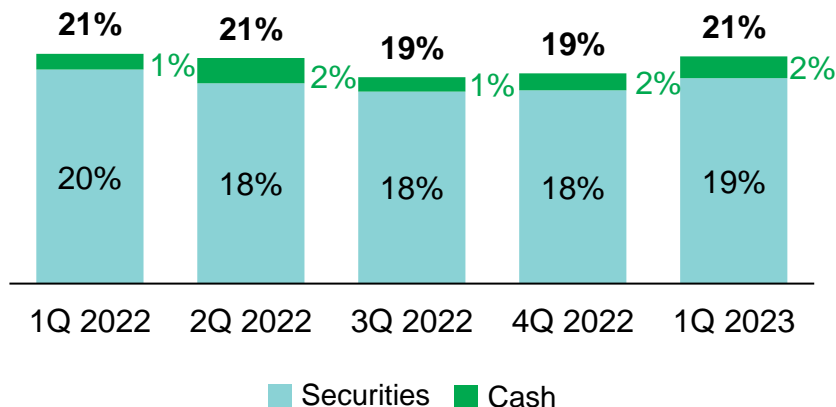
The estimated portfolio duration on our AFS portfolio was 3.98 years as of 3/31/2023



CET1 Including AOCI¹ (%)



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.

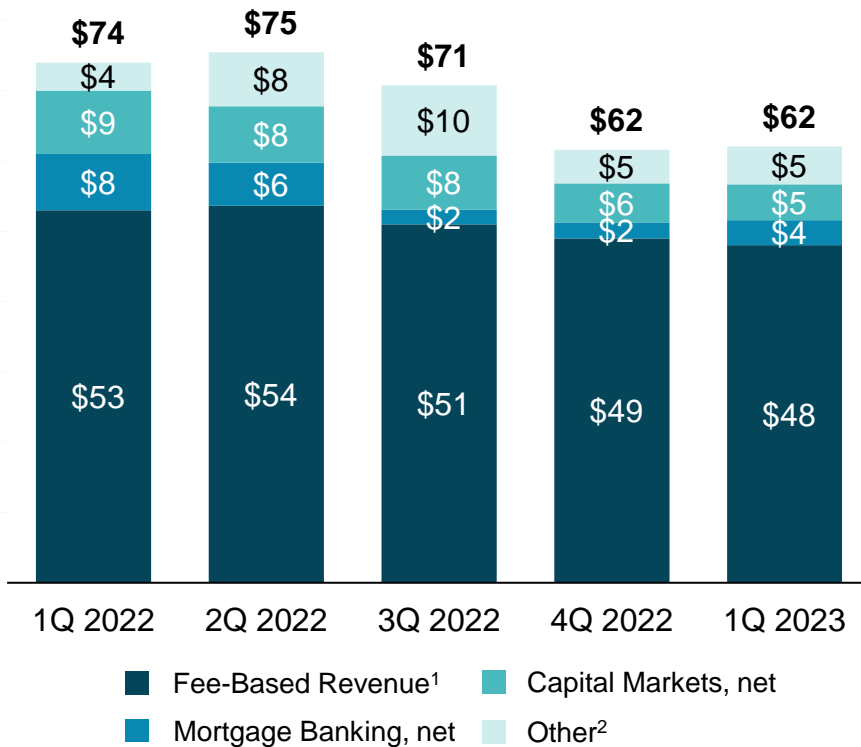


Noninterest Income Trends

Noninterest income increased slightly from 4Q 2022, with modest growth in mortgage banking income

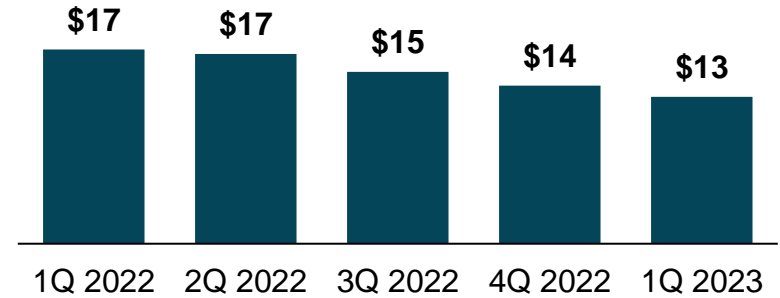
Noninterest Income Trends

(\$ in millions)



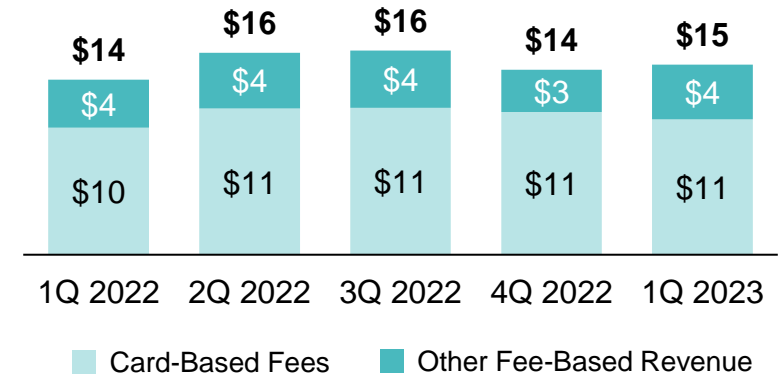
Service Charges & Deposit Account Fees

(\$ in millions)



Card-Based Fees & Other Fee-Based Revenue

(\$ in millions)



¹ This is a non-GAAP financial measure. Please refer to the appendix for a reconciliation of fee-based revenue to noninterest income.

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

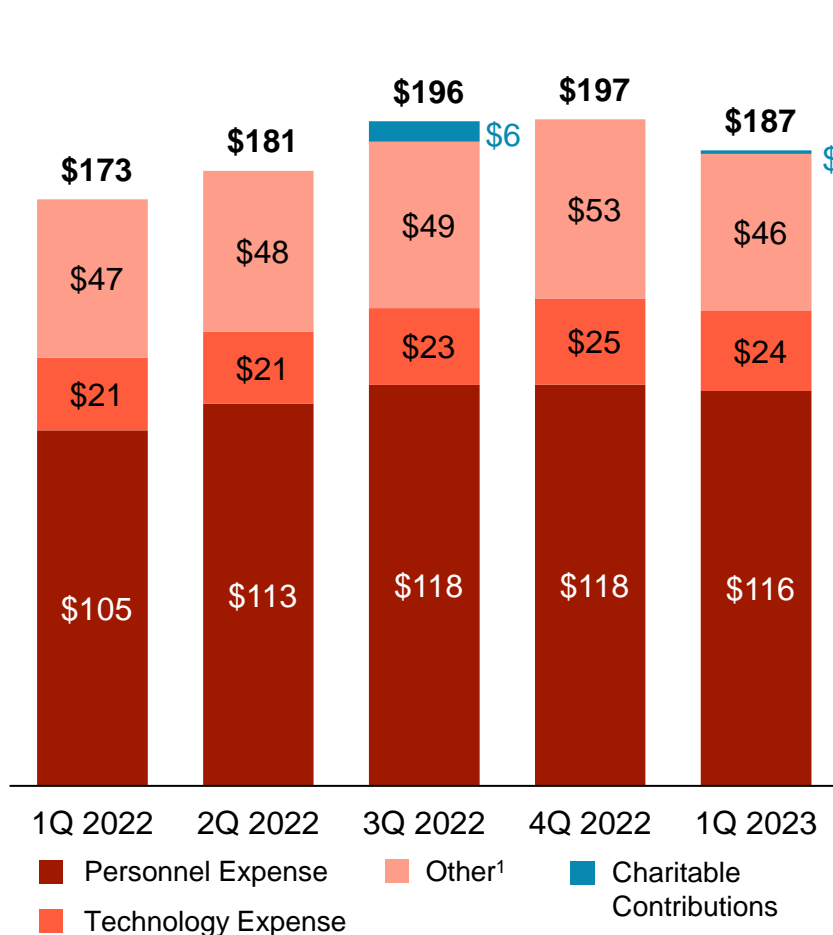


Noninterest Expense Trends

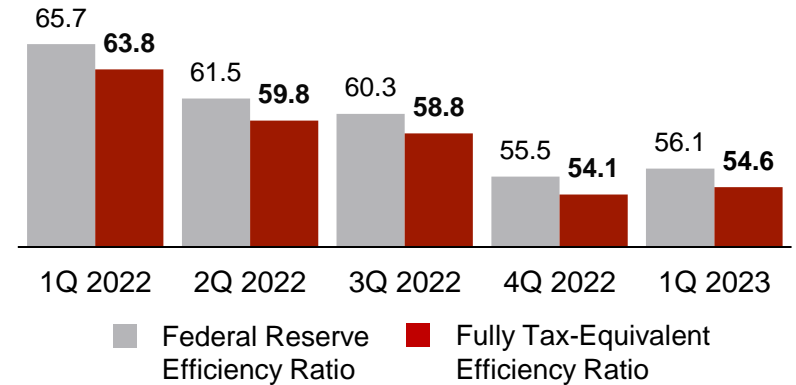
Noninterest expense decreased 5% vs. the prior quarter despite ongoing investments in people and tech

Noninterest Expense Trends

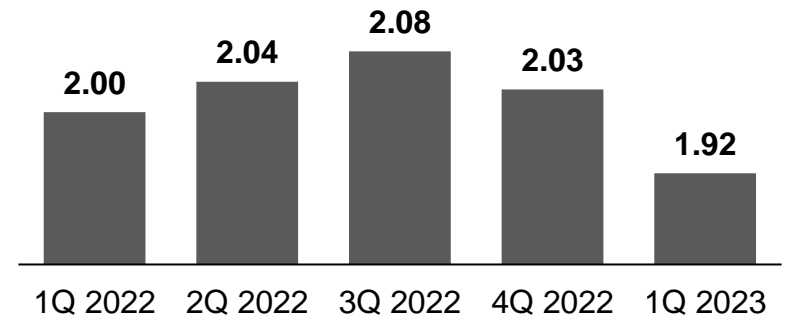
(\$ in millions)



Fully Tax-Equivalent Efficiency Ratio² (%)



Noninterest Expense / Average Assets (%)



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

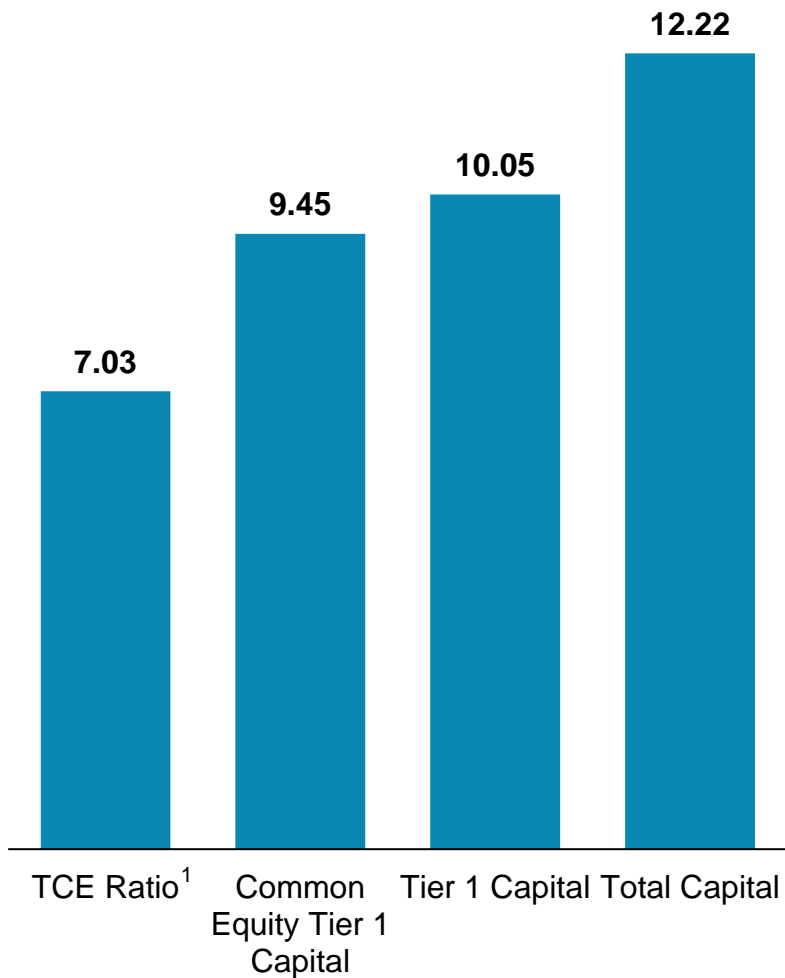
² This is a non-GAAP financial measure. Please refer to the appendix for a reconciliation of the fully tax-equivalent efficiency ratio to the Federal Reserve efficiency ratio.

Capital Profile

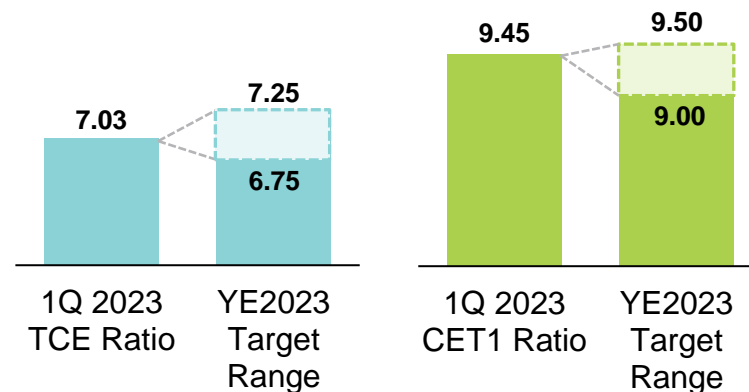


We are continuing to manage capital toward target ranges, while improving tangible book value per share

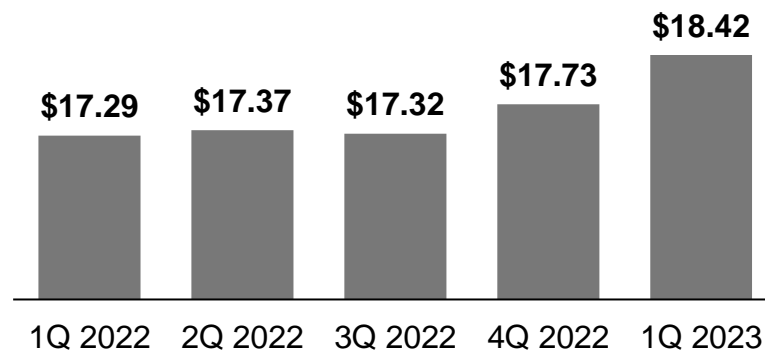
1Q 2023 Capital Ratios (%)



Year-End 2023 Capital Targets (%)



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.



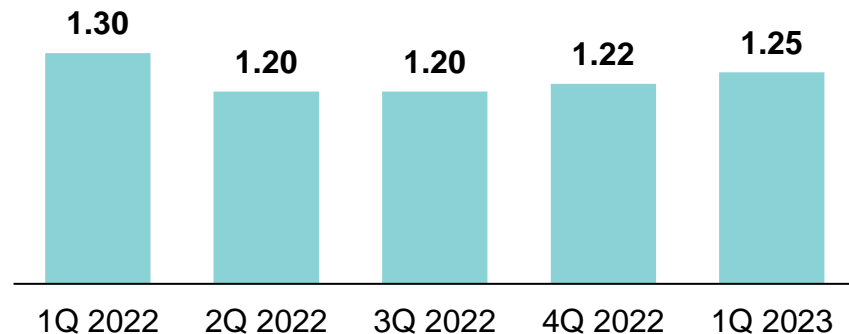
Allowance for Credit Losses on Loans (ACLL) Update

Our ACLL percentage increased slightly from 1.22% at year-end to 1.25% as of March 31, 2023

1Q 2023 ACLL¹ Update

- ACLL (\$) increased \$15 million from the prior quarter to \$366 million, largely driven by a mix of portfolio loan growth and nominal credit movement coupled with general macroeconomic trends
- CECL forward-looking assumptions based on Moody's February 2023 Baseline forecast

ACLL / Total Loans (%)



(\$ in thousands)

Loan Category	3/31/2022		12/31/2022		3/31/2023	
	ACLL	ACLL / Loans	ACLL	ACLL / Loans	ACLL	ACLL / Loans
C&BL	\$ 114,061	1.22%	\$ 141,652	1.32%	\$ 147,533	1.35%
CRE - Investor	73,995	1.66%	55,108	1.08%	55,678	1.09%
CRE - Construction	57,758	3.28%	66,171	3.07%	71,098	3.31%
Residential Mortgage	37,101	0.49%	38,298	0.45%	39,096	0.45%
Other Consumer	34,919	2.55%	50,267	2.18%	52,803	2.16%
Total	\$ 317,835	1.30%	\$ 351,496	1.22%	\$ 366,208	1.25%

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

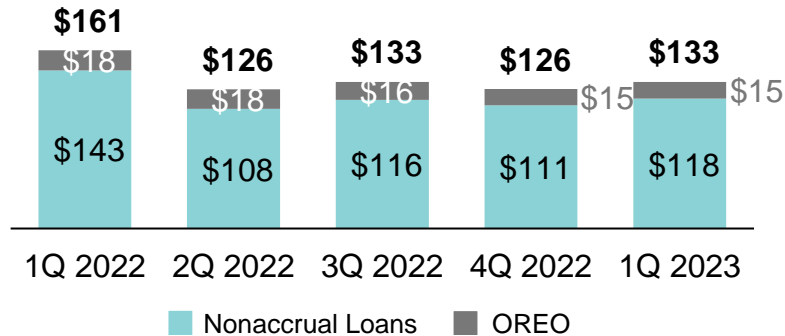


Credit Quality Trends

Credit remains benign with delinquencies down vs. the prior quarter

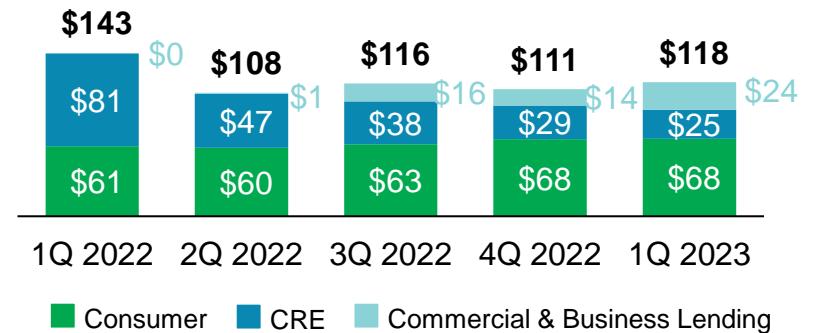
Total Nonperforming Assets

(\$ in millions)

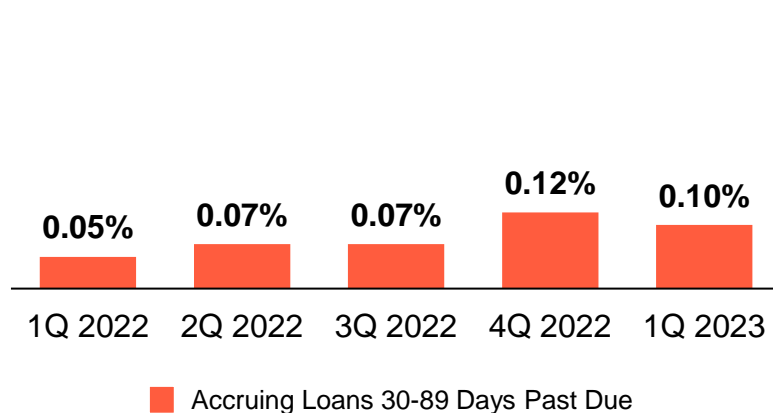


Nonaccrual Loans

(\$ in millions)

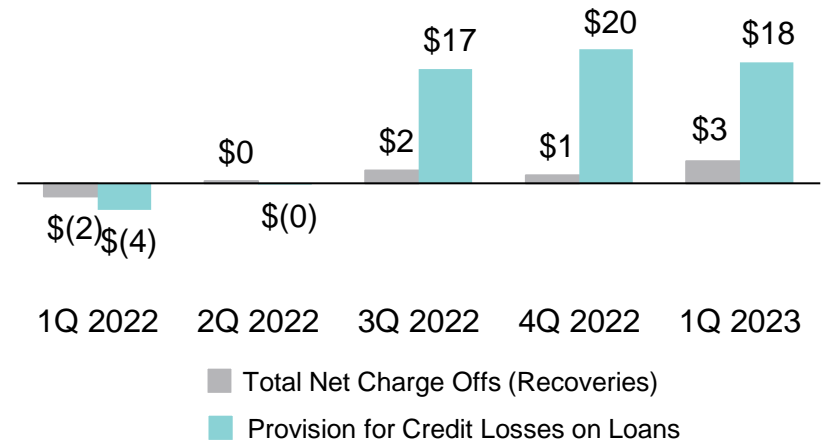


Delinquent Loans / EoP Total Loans



Net Charge Offs (Recoveries) and Provision

(\$ in millions)





Supplemental Information

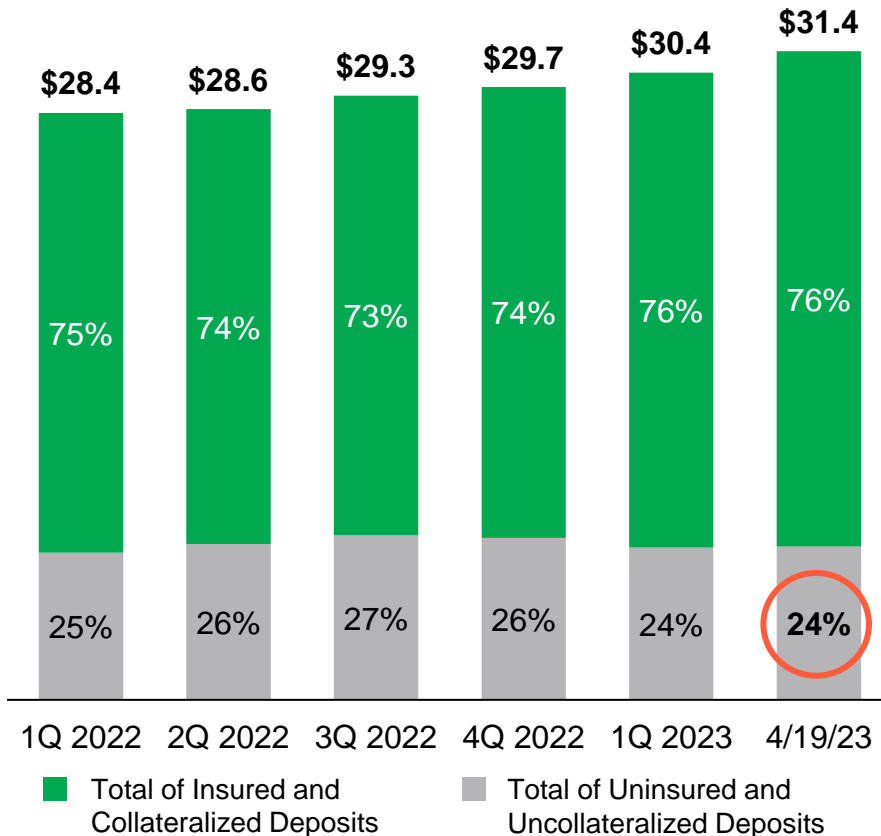


Stable, Granular Deposit Portfolio¹

Uninsured, uncollateralized deposits are only 24% of total deposits; ASB has 103% liquidity coverage²

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

(\$ in billions)



- After removing deposits collateralized by investments and FHLB letters of credit, **uninsured and uncollateralized deposits represented only 24% of our total deposits as of 4/19/2023**
- **As of 4/19/2023, we have 103% liquidity coverage² for uninsured and uncollateralized deposits. We can access this liquidity coverage without recognizing losses on our investment securities portfolio.**
- Each commercial NAICS sector represents less than 10% of our total deposits³ as of 3/31/2023, with the largest sector being public administration at 9.3% (mostly collateralized)
- Associated has no material exposure to Silicon Valley Bank, Signature Bank or Silvergate Bank

¹ All updates as of or for the period ended March 31, 2023 unless otherwise noted.

² Liquidity coverage based on current levels of readily available (within one business day) funding. See slide 17 for additional details.

³ Excludes brokered CDs.

Liquidity Sources



As of 4/19/2023, ASB's total liquidity sources cover 177% of uninsured, uncollateralized deposits

(\$ in millions)

Liquidity Sources	3/31/2023	4/19/2023
Federal Reserve Balance	\$504.2	\$503.3
Available FHLB Chicago Capacity	\$3,453.8	\$4,740.6
Available Fed Discount Window Capacity	\$1,799.5	\$1,806.2
Available Bank Term Funding Program Capacity	\$644.9	\$644.3
Funding Available Within One Business Day¹	\$6,402.4	\$7,694.4
Available Fed Funds Lines	\$2,773.0	\$2,606.0
Available Brokered Deposit Capacity ²	\$3,646.0	\$1,833.0
Unsecured Debt Capacity ²	\$1,000.0	\$1,000.0
Total Liquidity	\$13,821.4	\$13,133.4



103%
of uninsured,
uncollateralized
deposits



177%
of uninsured,
uncollateralized
deposits

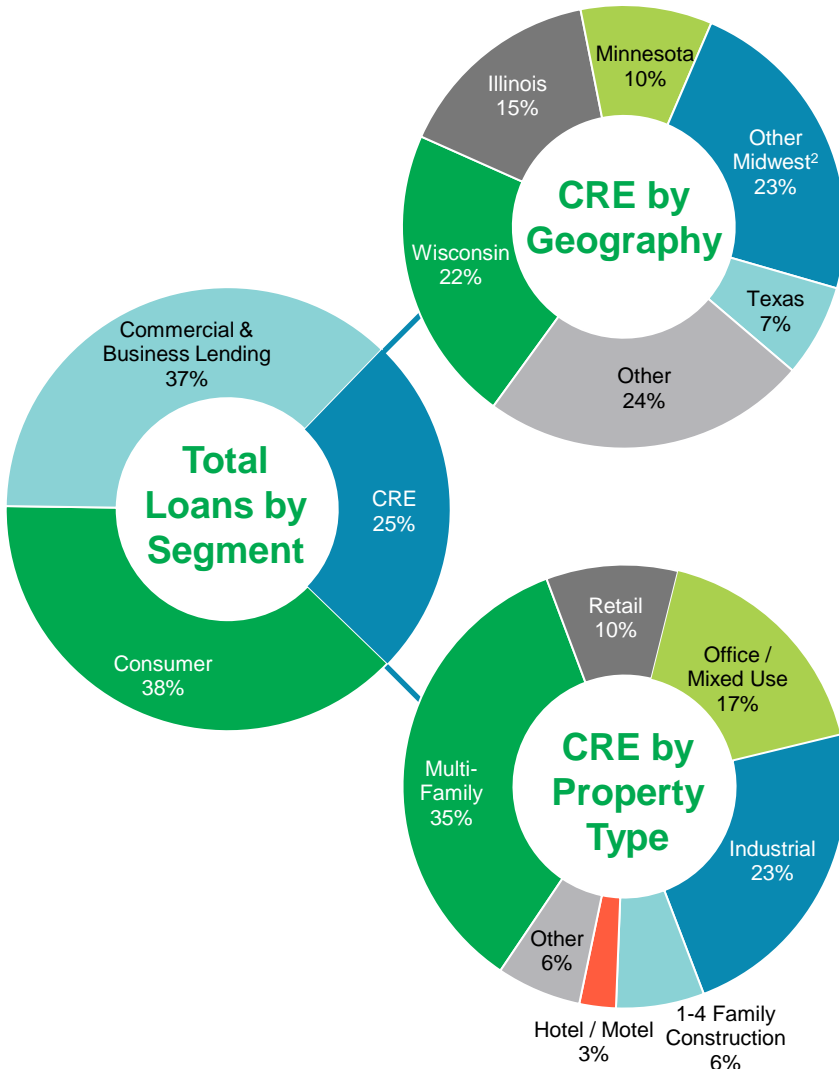
¹ Estimated based on normal course of operations with the indicated source.

² Availability based on internal policy limits.

High-Quality Commercial Real Estate Portfolio¹



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



CRE Credit Quality

	1Q 22	2Q 22	3Q 22	4Q 22	1Q 23
Period End Bal (\$B)	\$6.2	\$6.6	\$6.9	\$7.2	\$7.2
Portfolio LTV	58%	60%	60%	60%	60%
Delinquencies/Loans	0.00%	0.08%	0.00%	0.02%	0.00%
NALs/Loans	1.31%	0.72%	0.55%	0.41%	0.35%
ACLL/Loans	2.12%	1.79%	1.65%	1.68%	1.75%
NCOs/Avg. Loans ³	0.00%	0.00%	0.00%	0.00%	0.00%

CRE Loan Portfolio Granularity

	% of Total Bank Loans
Largest Single CRE Borrower	< 0.2%
Top 10 Largest CRE Borrowers	< 1.4%
Largest CRE Property Category (Multi-Family)	< 8.7%
CRE Office / Mixed Use Loans	< 4.4%

¹ All updates as of or for the period ended March 31, 2023 unless otherwise noted.

² Other Midwest includes Missouri, Indiana, Ohio, Michigan and Iowa.

³ Annualized.

2023 Full-Year Outlook Updates¹



Previous Guidance (2/13/2023)

Updated Guidance²

Balance Sheet Management

- Total loan growth of 7% to 9%
- Average core customer deposit³ growth of 3% to 5%
- Target investments/total assets ratio of 18% to 20%

- Total loan growth of 6% to 8%
- Average core customer deposit³ growth of 1% to 3%
- No change to target investments/total assets ratio guidance

Net Interest Income & Noninterest Income

- Total net interest income & noninterest income growth of 10% to 12%
 - Net interest income (GAAP) growth of 15% to 17%
 - Noninterest income compression of 6% to 8%

- Total net interest income & noninterest income growth of 8% to 10%
 - Net interest income (GAAP) growth of 13% to 15%
 - Noninterest income compression of 8% to 10%

Expense Management

- Noninterest expense growth of 4% to 6%
- Effective tax rate of 20% to 21%

- Noninterest expense growth of approximately 4%
- No change to effective tax rate guidance

Capital Targets

- Target TCE ratio range of 6.75% to 7.25%
- Target CET1 ratio range of 9.00% to 9.50%

- No change to capital ratio guidance

¹ Projections are on an end of period basis as of and for the year ended 12/31/2023 as compared to 12/31/2022 unless otherwise noted.

² Updated guidance assumes a 25bp Fed Funds increase in May and two 25bp reductions by year-end 2023.

³ This is a non-GAAP financial measure. Please refer to the appendix for a reconciliation of core customer deposits to total deposits.



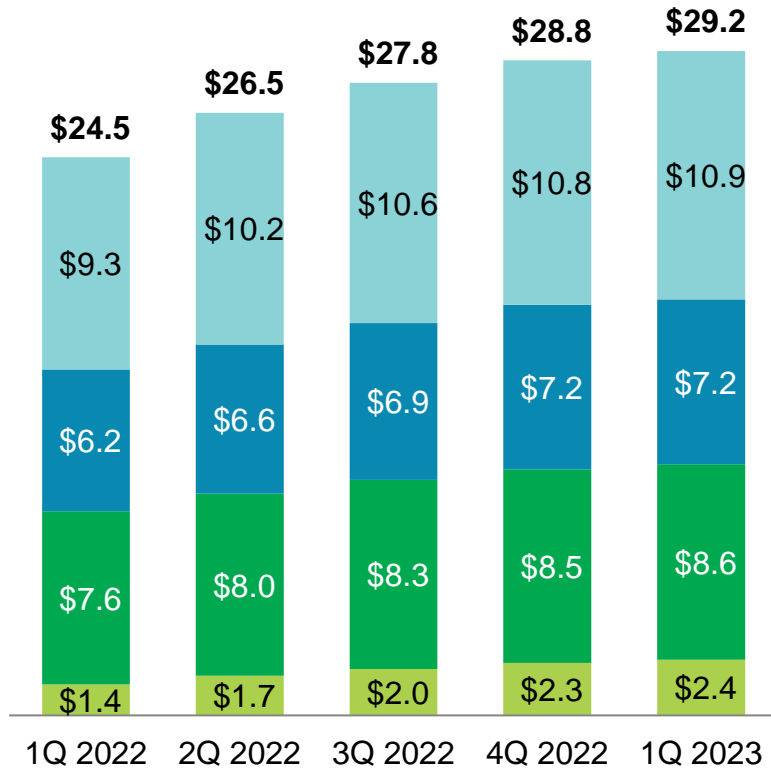
Appendix



Additional Loan Trends

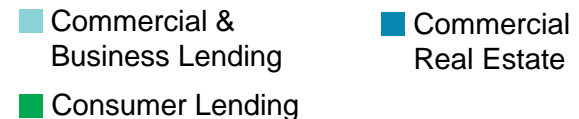
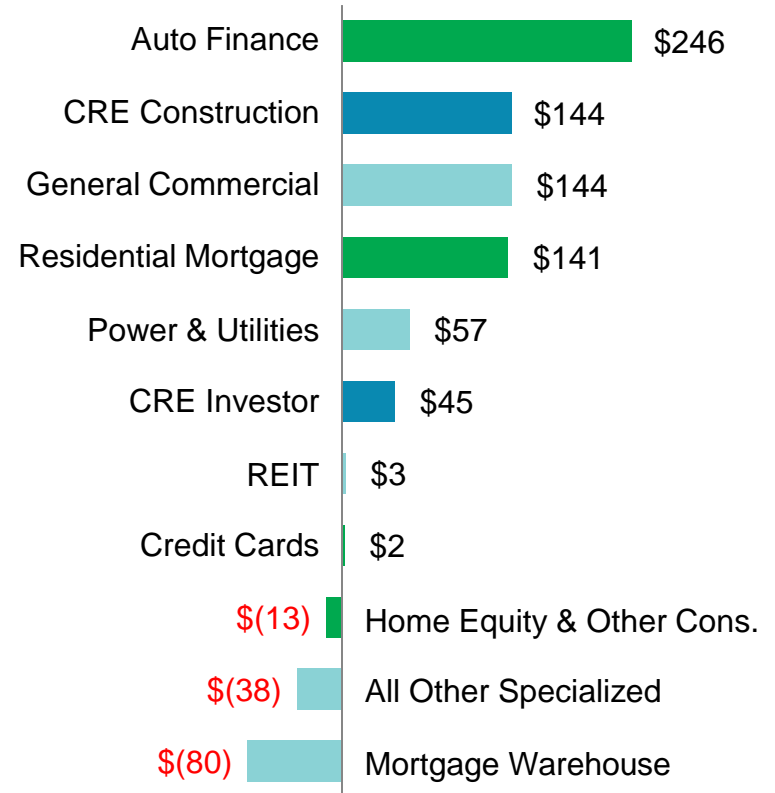
EoP Quarterly Loan Trends

(\$ in billions)



Average Loan Change (4Q 2022 to 1Q 2023)

(\$ in millions)



Total Loans Outstanding Balances as of March 31, 2023



Well-diversified \$29.2 billion loan portfolio

(\$ in millions)

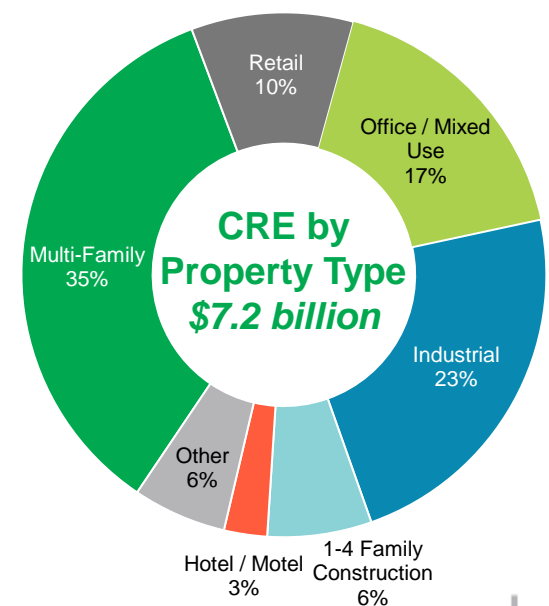
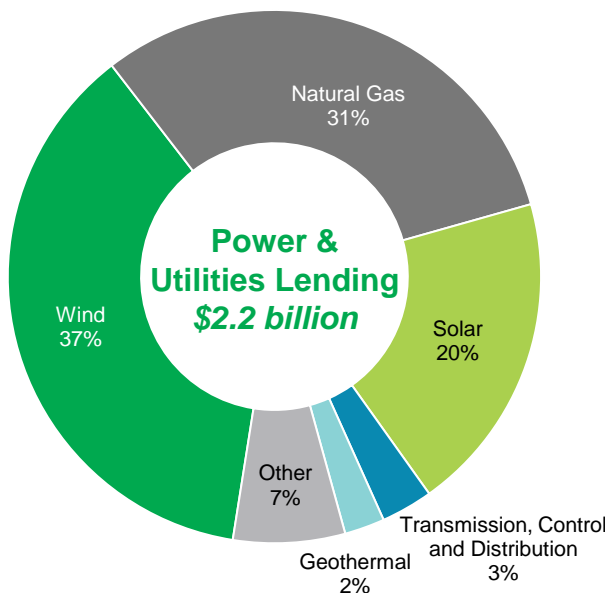
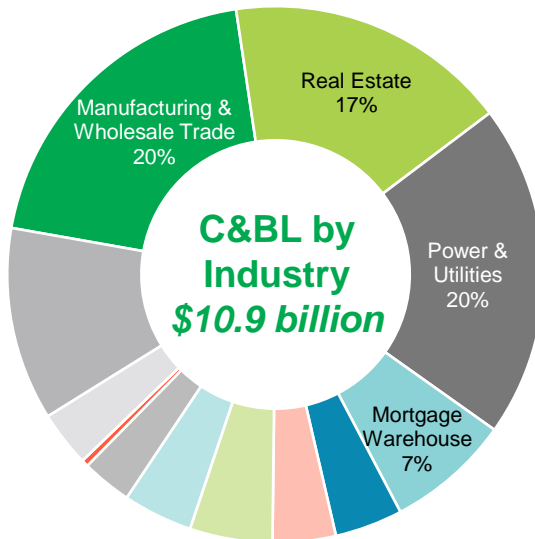
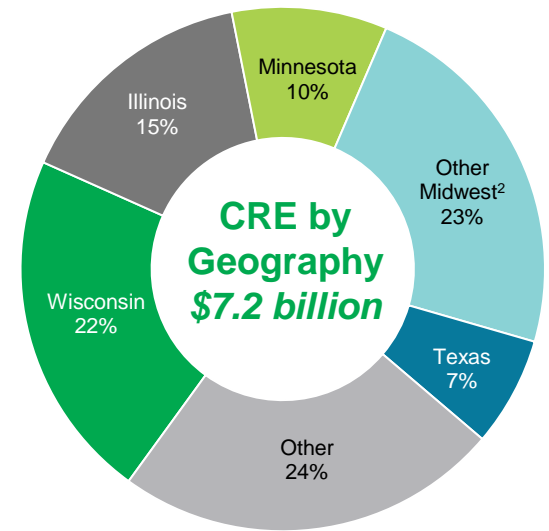
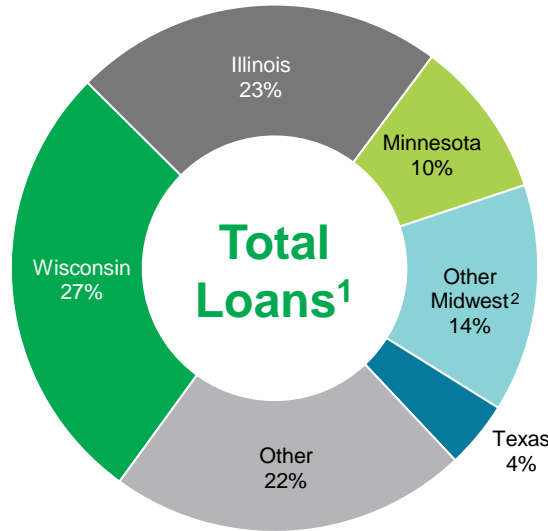
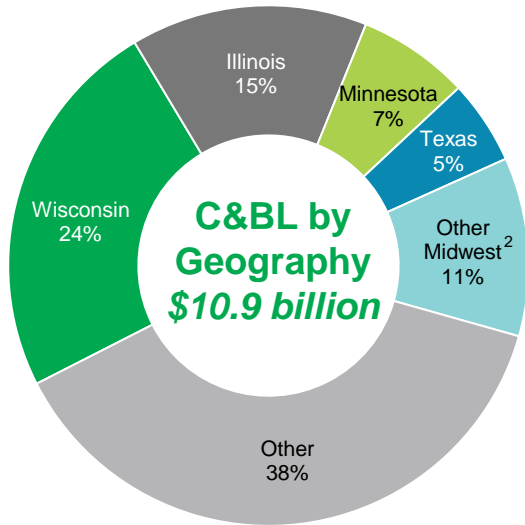
	3/31/2023 ¹	% of Total Loans
C&BL (by NAICS²)		
Utilities	\$ 2,201	7.5%
Manufacturing & Wholesale Trade	2,175	7.4%
Real Estate (includes REITs)	1,869	6.4%
Mortgage Warehouse	818	2.8%
Finance & Insurance	546	1.9%
Retail Trade	459	1.6%
Construction	448	1.5%
Health Care and Social Assistance	416	1.4%
Rental and Leasing Services	367	1.3%
Professional, Scientific, and Tech. Serv.	330	1.1%
Transportation and Warehousing	287	1.0%
Waste Management	222	0.8%
Arts, Entertainment, and Recreation	98	0.3%
Information	94	0.3%
Accommodation and Food Services	86	0.3%
Financial Investments & Related Activities	84	0.3%
Management of Companies & Enterprises	81	0.3%
Mining	45	0.2%
Public Administration	26	0.1%
Educational Services	18	0.1%
Agriculture, Forestry, Fishing and Hunting	0	0.0%
Other	251	0.9%
Total C&BL	\$ 10,920	37.4%

	3/31/2023 ¹	% of Total Loans
CRE (by property type)		
Multi-Family	\$ 2,529	8.7%
Industrial	1,667	5.7%
Office/Mixed	1,259	4.3%
Retail	688	2.4%
Single Family Construction	467	1.6%
Hotel/Motel	193	0.7%
Land	80	0.3%
Mobile Home Parks	65	0.2%
Parking Lots and Garages	9	0.0%
Other	284	1.0%
Total CRE	\$ 7,241	24.8%
Consumer		
Residential Mortgage	\$ 8,605	29.5%
Auto Finance	1,552	5.3%
Home Equity	610	2.1%
Credit Cards	127	0.4%
Student Loans	73	0.2%
Other Consumer	79	0.3%
Total Consumer	\$ 11,046	37.8%
Total Loans	\$ 29,207	100.0%

¹ All values as of period end.

² North American Industry Classification System.

Loan Stratification Outstanding Balances as of March 31, 2023



¹ Excludes Other Consumer portfolio.

² Other Midwest includes Missouri, Indiana, Ohio, Michigan and Iowa.

Reconciliation and Definitions of Non-GAAP Items

(\$ in millions)



Pre-Tax Pre-Provision Income Reconciliation ¹	1 Q 2022	2 Q 2022	3 Q 2022	4 Q 2022	1 Q 2023
Income before income taxes	\$93	\$110	\$122	\$134	\$131
Provision for credit losses	(4)	-	\$17	20	18
Pre-tax pre-provision income	\$89	\$110	\$139	\$154	\$149

Average Tangible Common Equity Reconciliation ²	1 Q 2023
Common equity	\$3,868
Goodwill and other intangible assets, net	(1,153)
Tangible common equity	\$2,715

Core Customer Deposits Reconciliation	4 Q 2022	1 Q 2023
Total deposits	\$29,636	\$30,332
Brokered CDs	(542)	(1,186)
Network transaction deposits	(979)	(1,273)
Core customer deposits	\$28,115	\$27,873

Common Equity Tier 1 Capital Ratio Reconciliation	4 Q 2022	1 Q 2023
Common equity Tier 1 capital ratio	9.35%	9.45%
Accumulated other comprehensive loss adjustment	(0.84)%	(0.72)%
Common equity Tier 1 capital ratio including accumulated other comprehensive loss	8.51%	8.74%

¹ Management believes this measure is meaningful because it reflects adjustments commonly made by management, investors, regulators, and analysts to evaluate the adequacy of earnings per common share, provides greater understanding of ongoing operations, and enhances comparability of results with prior periods.

² 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 and Definitions of Non-GAAP Items

(\$ in millions)



Selected Trend Information ¹	1Q 2022	2Q 2022	3Q 2022	4Q 2022	1Q 2023
Wealth management fees	\$22	\$21	\$20	\$20	\$20
Service charges and deposit account fees	17	17	15	14	13
Card-based fees	10	11	11	11	11
Other fee-based revenue	4	4	4	3	4
Fee-based revenue	53	54	51	49	48
Other	22	22	20	13	14
Total noninterest income	\$74	\$75	\$71	\$62	\$62

Efficiency Ratio Reconciliation	1Q 2022	2Q 2022	3Q 2022	4Q 2022	1Q 2023
Federal Reserve efficiency ratio	65.71%	61.53%	60.32%	55.47%	56.07%
Fully tax-equivalent adjustment	(1.13)%	(0.98)%	(0.87)%	(0.77)%	(0.79)%
Other intangible amortization	(0.84)%	(0.76)%	(0.67)%	(0.62)%	(0.66)%
Fully tax-equivalent efficiency ratio ²	63.76%	59.80%	58.79%	54.08%	54.64%

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.

Tangible Common Equity and Tangible Assets Reconciliation ³	1Q 2022	2Q 2022	3Q 2022	4Q 2022	1Q 2023
Common equity	\$3,755	\$3,766	\$3,760	\$3,821	\$3,932
Goodwill and other intangible assets, net	(1,161)	(1,159)	(1,156)	(1,154)	(1,152)
Tangible common equity	\$2,594	\$2,608	\$2,603	\$2,667	\$2,779
Total assets	\$34,956	\$37,236	\$38,050	\$39,406	\$40,703
Goodwill and other intangible assets, net	(1,161)	(1,159)	(1,156)	(1,154)	(1,152)
Tangible assets	\$33,795	\$36,077	\$36,893	\$38,251	\$39,550

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

² Management believes this measure is meaningful because it reflects adjustments commonly made by management, investors, regulators, and analysts to evaluate the adequacy of earnings per common share, provides greater understanding of ongoing operations, and enhances comparability of results with prior periods.

³ 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.