



Brookfield Office (Milwaukee MSA) – Opened October 2017

Associated Banc-Corp

# Investor Presentation

# 2019

FIRST QUARTER



# 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" 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 SEC filings. Such factors are incorporated herein by reference.

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## Presentation:

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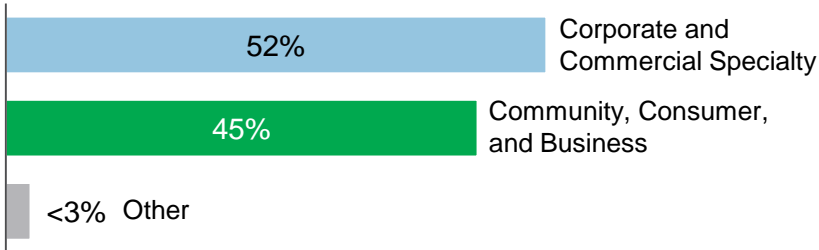


# OUR FRANCHISE

## Fourth Quarter 2018

**\$34 billion** of assets<sup>1</sup>      **\$23 billion** of loans<sup>1</sup>  
 Nearly **\$4 billion** of equity<sup>2</sup>      **\$25 billion** of deposits<sup>1</sup>

### 2018 Average Loans by Business Segment



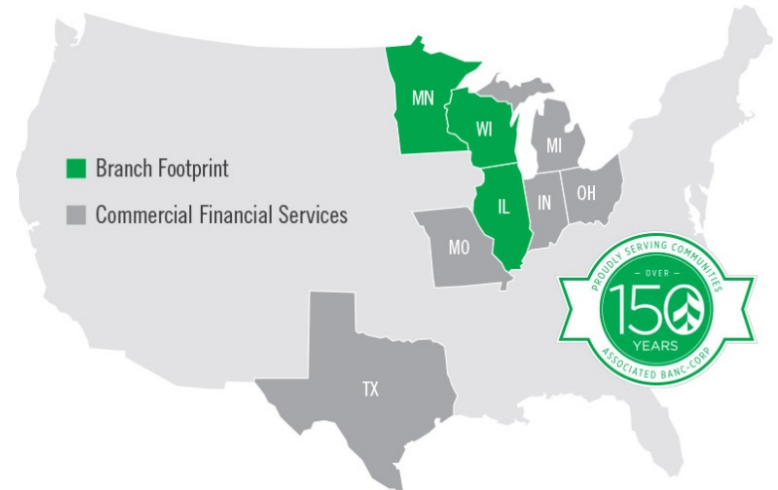
## Affinity Programs



**41%**  
 of active personal checking accounts are affinity related<sup>6</sup>

## Highlights and Accomplishments

- Largest bank headquartered in **Wisconsin**<sup>3</sup>
- Approximately **4,700** employees, servicing over **1 million** customer accounts in **8** states and over **110** communities<sup>1</sup>
- **#1** Mortgage Lender in Wisconsin<sup>4</sup>
- **Top 50** U.S. insurance brokerage firms<sup>5</sup>



<sup>1</sup>As of December 31, 2018.

<sup>2</sup>Common equity as of December 31, 2018.

<sup>3</sup>Based on assets, as of December 31, 2018.

<sup>4</sup>The Wisconsin's #1 Mortgage Lender designation is based on information gathered from the Home Mortgage Disclosure Act data compiled annually by the Bureau of Consumer Financial Protection. The results of the data were obtained through the Bureau of Consumer Financial Protection Mortgage Database (HMDA), June 2018.

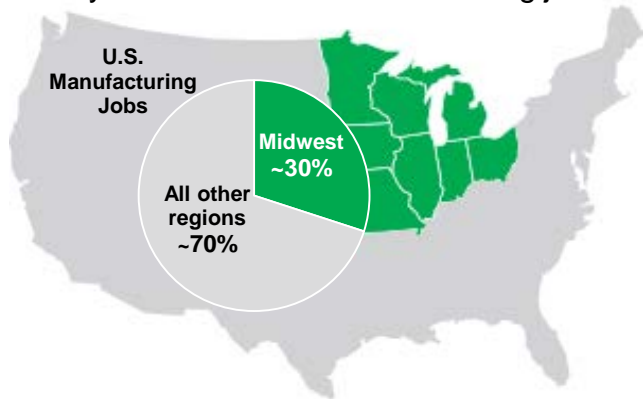
<sup>5</sup>Business Insurance magazine, July 2018. Rankings based on 2017 brokerage revenue gathered by U.S. based clients.

<sup>6</sup>Affinity debit cards as a percentage of active personal checking accounts, as of December 31, 2018.

# ATTRACTIVE MIDWEST MARKETS

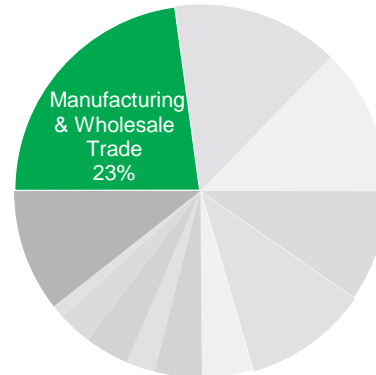
## Large Population Base With a Manufacturing and Wholesale Trade-Centric Economy

Midwest holds ~20% of the U.S. population<sup>1</sup> and nearly 30% of all U.S. manufacturing jobs<sup>2</sup>

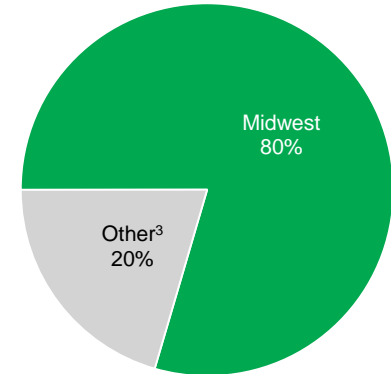


## Manufacturing Focus Well-Suited for Our Midwest Location

ASB C&BL Loans by Industry

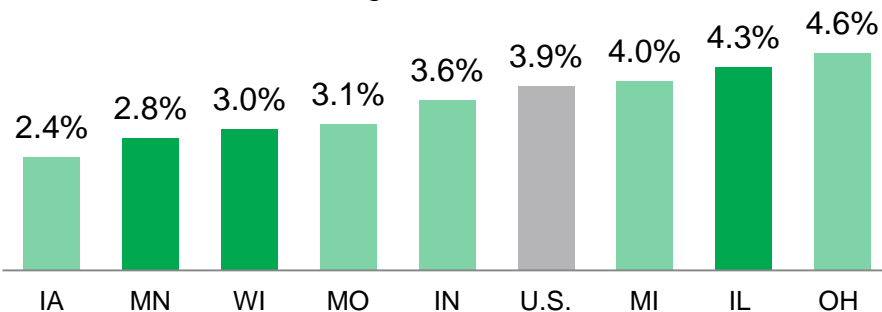


Total ASB Loans by Geography



## Supporting Strong Employment Base and Healthy Consumer Credit

Several Midwestern states have unemployment rate<sup>4</sup> well below the national average:



Dark green bars denote ASB branch states

### Select ASB Metro Market Unemployment Rates<sup>5</sup>

Madison, WI.....	2.2%
Wausau, WI.....	2.6%
Minneapolis – St. Paul, MN.....	2.7%
Rochester, MN.....	2.7%
Green Bay, WI.....	2.8%

<sup>1</sup>U.S. Census Bureau, Annual Estimates of the Resident Population for the United States, Regions, States, and Puerto Rico: April 1, 2010 to July 1, 2018.

<sup>2</sup>U.S. Bureau of Labor Statistics, Manufacturing Industry Employees, seasonally adjusted, December 2018 (preliminary).

<sup>3</sup>Other category includes 5% in TX; the majority of these loans were booked by our Loan Production Office located in Houston.

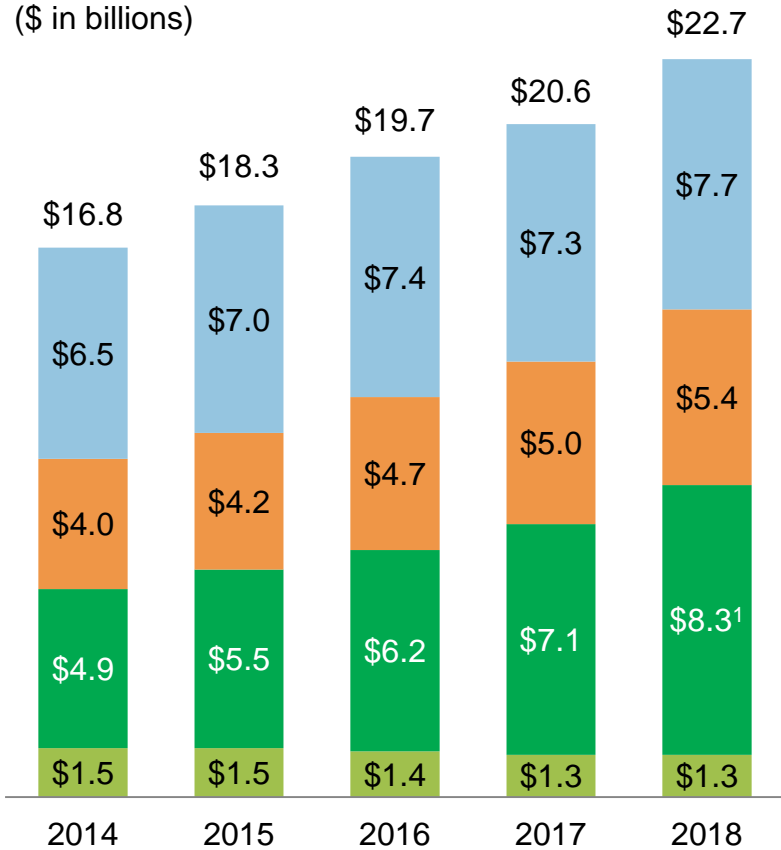
<sup>4</sup>U.S. Bureau of Labor Statistics, State Employment and Unemployment, seasonally adjusted, December 2018 (preliminary).

<sup>5</sup>U.S. Bureau of Labor Statistics, Civilian labor force and unemployment by metropolitan area, seasonally adjusted, December 2018.

# LOAN GROWTH TRENDS

## Average Annual Loans

(\$ in billions)



■ Commercial & Business      ■ Commercial Real Estate  
■ Residential Mortgage      ■ Home Equity & Other consumer

2014  
– 2018  
CAGR

4%

8%

14%

## Growth Across the Portfolio

### Commercial & Business

- Core manufacturing-centric portfolio is complemented with specialty national businesses

### Commercial Real Estate

- Well diversified by geography, property type, and borrower

### Consumer

- Recognized as Wisconsin's #1 mortgage lender<sup>2</sup>

### Upper Midwest Focused Portfolio<sup>3</sup>

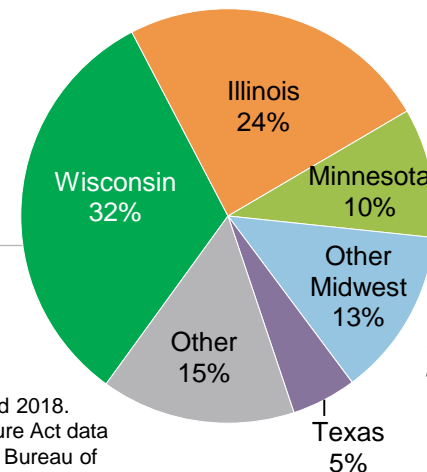


Chart excludes \$0.4 billion Other consumer portfolio

<sup>1</sup>Approximately \$5.3 billion of the total residential mortgage portfolio was comprised of adjustable-rate loans at year-end 2018.

<sup>2</sup>The Wisconsin's #1 Mortgage Lender designation is based on information gathered from the Home Mortgage Disclosure Act data compiled annually by the Bureau of Consumer Financial Protection. The results of the data were obtained through the Bureau of Consumer Financial Protection Mortgage Database (HMDA), June 2018.

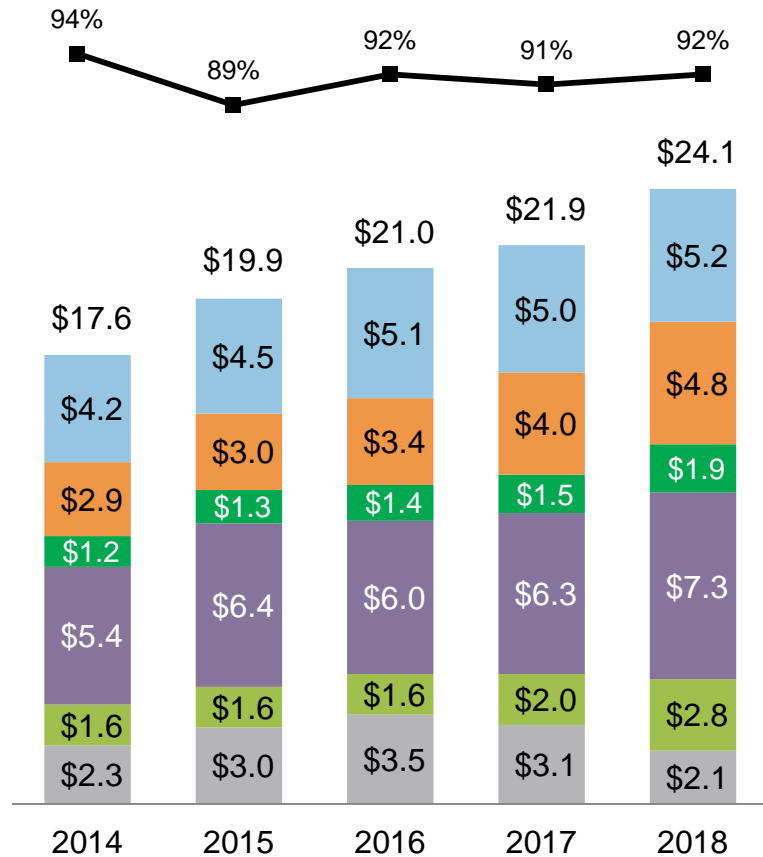
<sup>3</sup>Based on outstandings as of December 31, 2018.

# DEPOSIT GROWTH AND MIX TRENDS

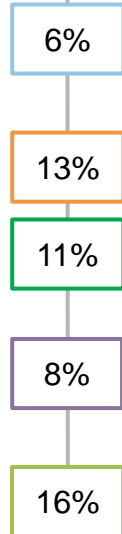
## Average Annual Deposits

(\$ in billions)

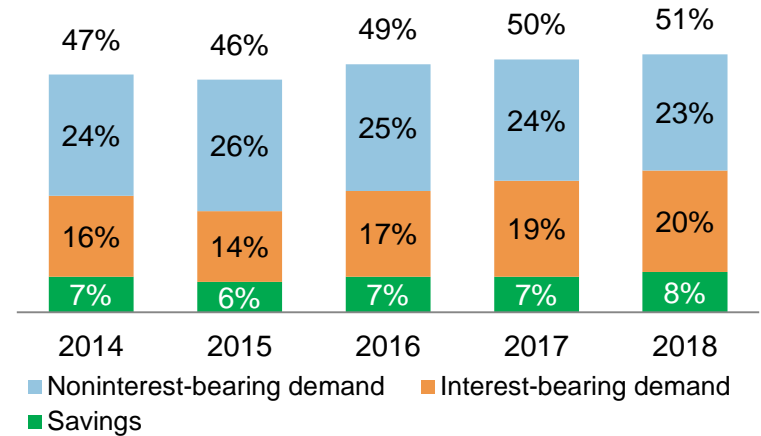
Loan to Deposit Ratio



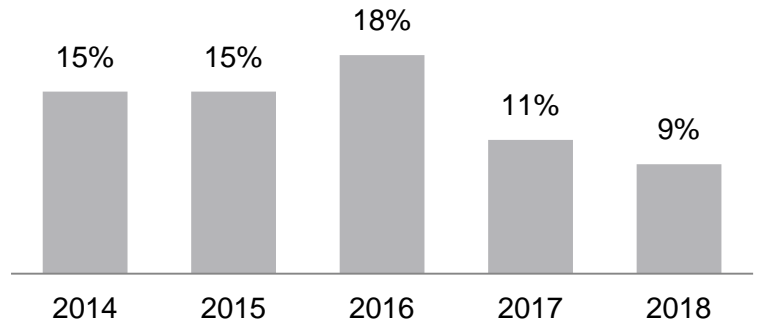
## 2014 - 2018 CAGR



## Period End Low-cost Deposit Mix



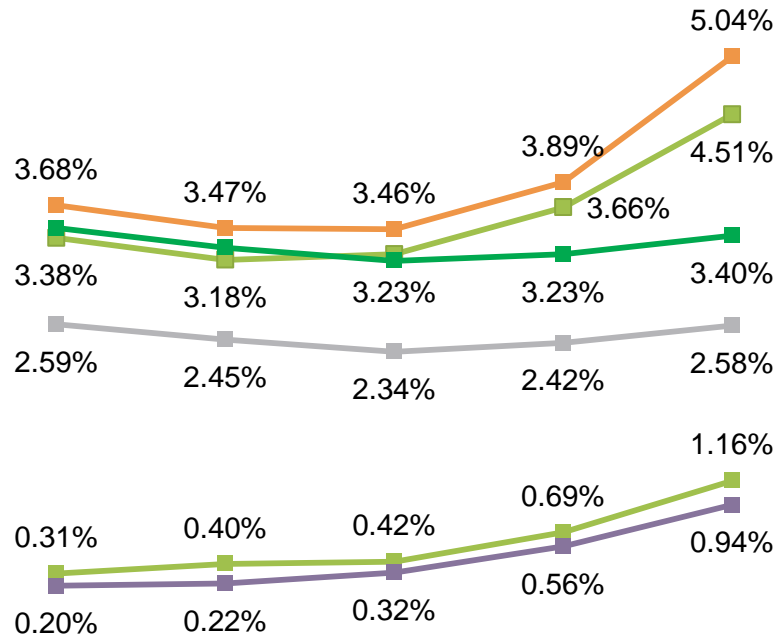
## Period End Network Transaction Deposit Mix



- Noninterest-bearing demand
- Interest-bearing demand
- Savings
- Money market
- Time deposits
- Network transaction deposits

# YIELDS, NET INTEREST INCOME AND MARGIN— ANNUAL TRENDS

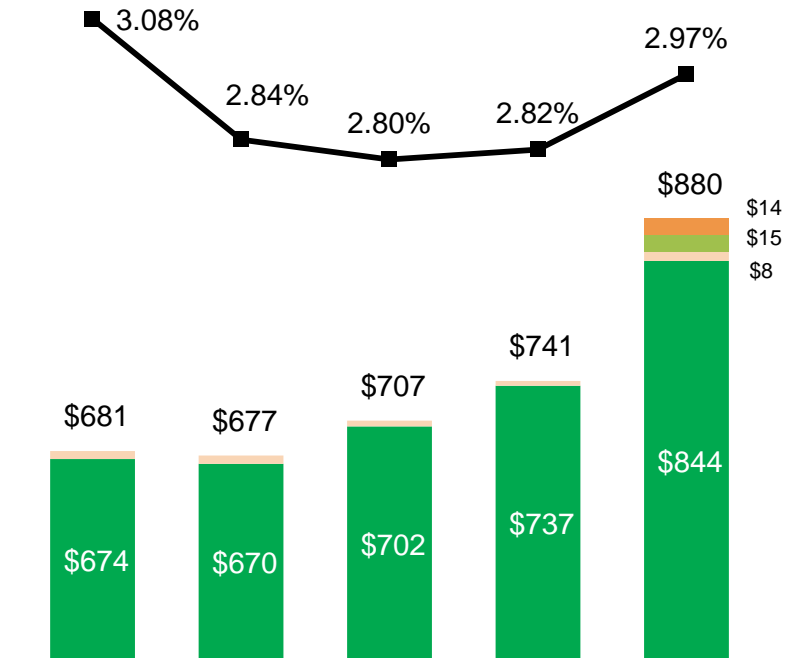
## Average Yields



- Commercial real estate loans
- Commercial and business lending loans
- Total residential mortgage loans
- Investments and other
- Total interest-bearing liabilities
- Total interest-bearing deposits

## Net Interest Income & Net Interest Margin

(\$ in millions)

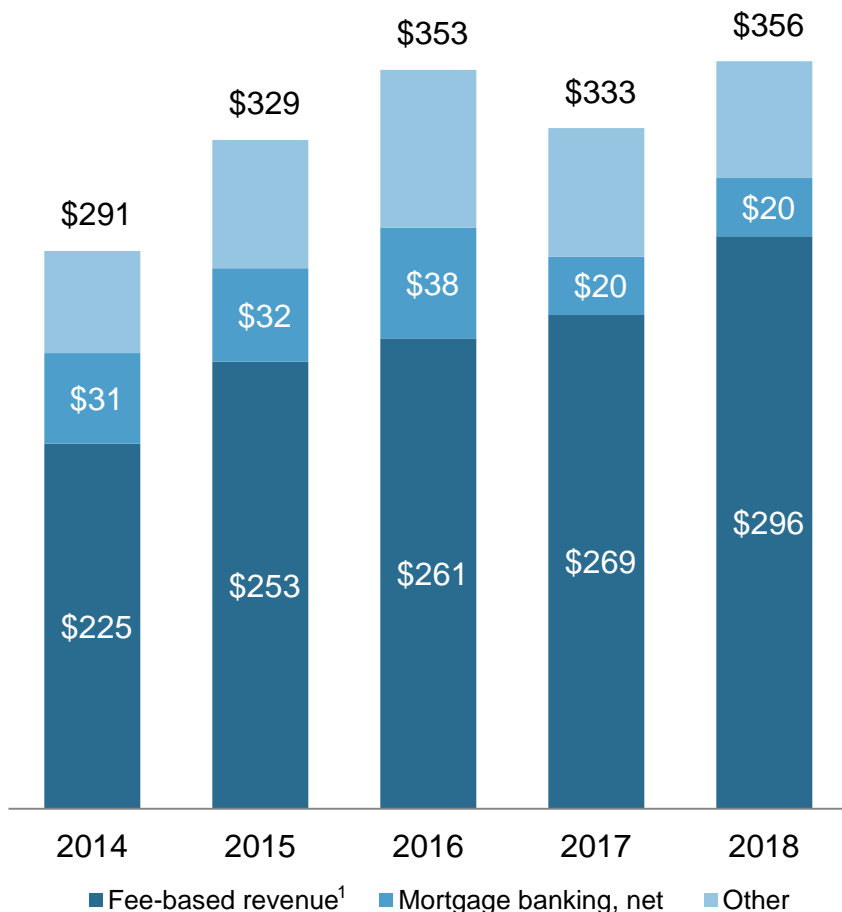


- Bank Mutual prepayments and other adjustments
- Bank Mutual acquisition related purchased loan accretion, net
- Other prepayments and interest recoveries
- Net interest income net of purchased loan accretion, prepayments and interest recoveries
- Net interest margin

# NONINTEREST INCOME - ANNUAL TRENDS

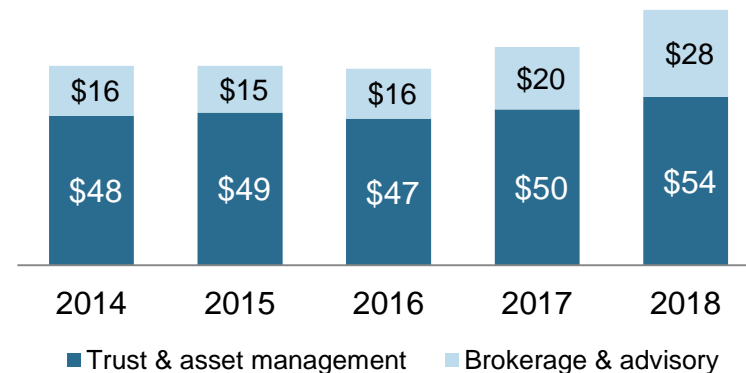
## Noninterest Income

(\$ in millions)



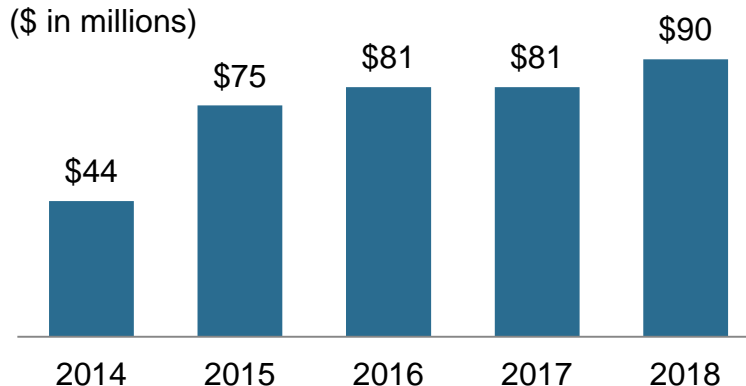
## Wealth Management

(\$ in millions)



## Strong Insurance Commissions Growth Driven by Acquisitions

(\$ in millions)



<sup>1</sup>A non-GAAP financial measure, fee-based revenue is the sum of insurance commissions and fees, service charges and deposit account fees, card-based and loan fees, trust and asset management fees, and brokerage and advisory fees. Please refer to the appendix for a reconciliation of fee-based revenue to total noninterest income.

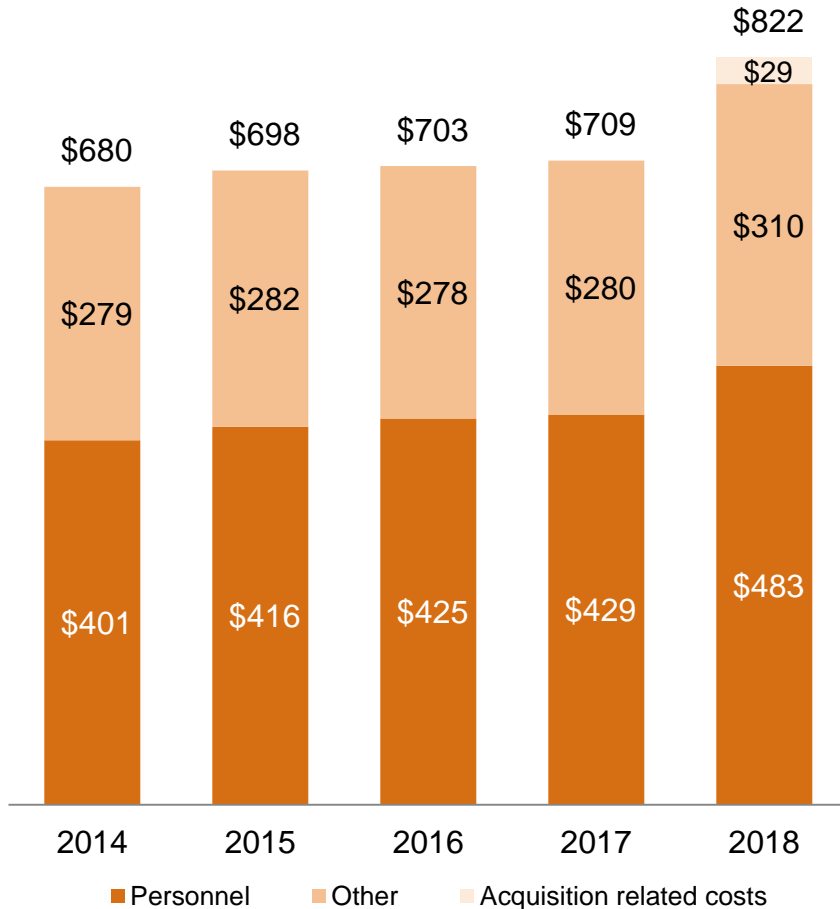




# NONINTEREST EXPENSE TRENDS

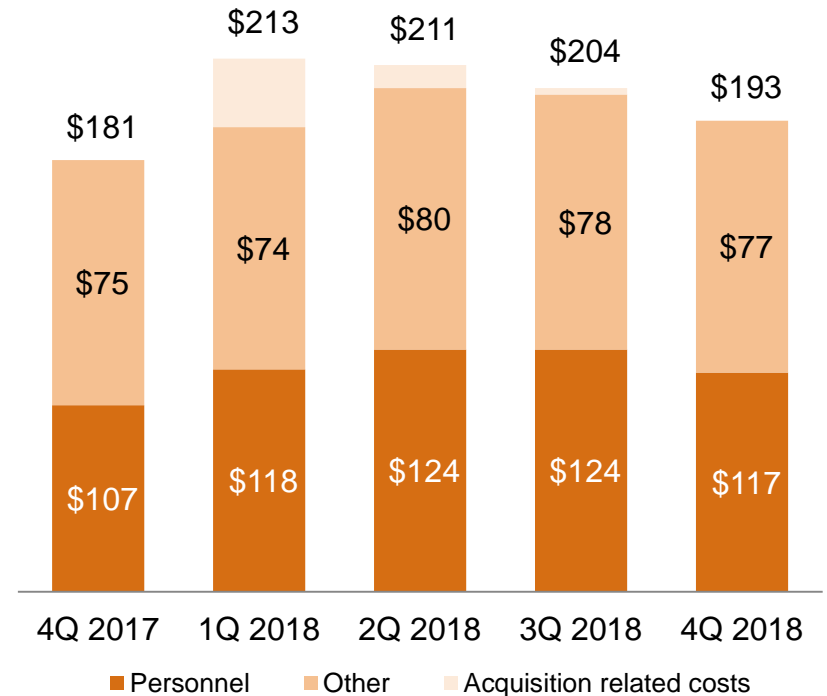
## Annual Noninterest Expense Trend

(\$ in millions)



## Quarterly Noninterest Expense Trend

(\$ in millions)



# OVERALL EXPENSE EFFICIENCY

## Efficiency Drivers

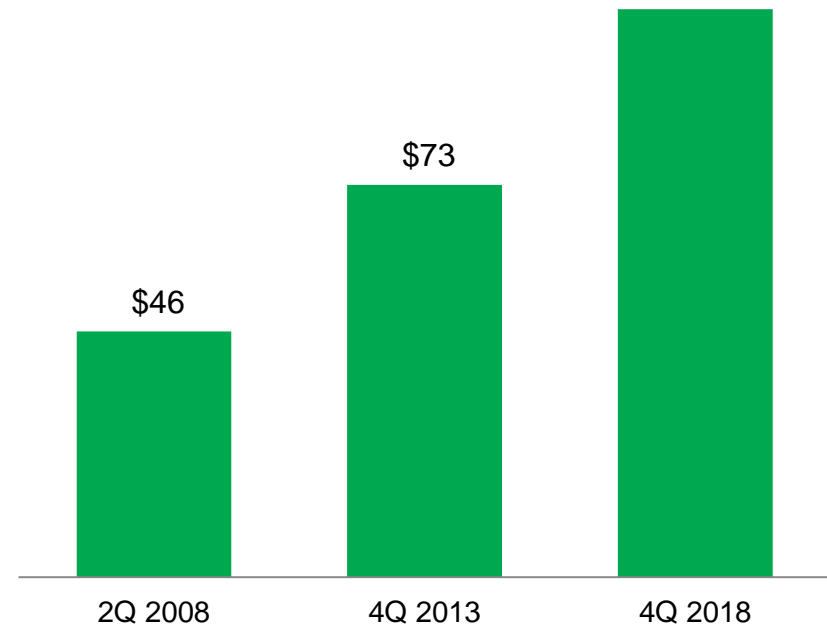
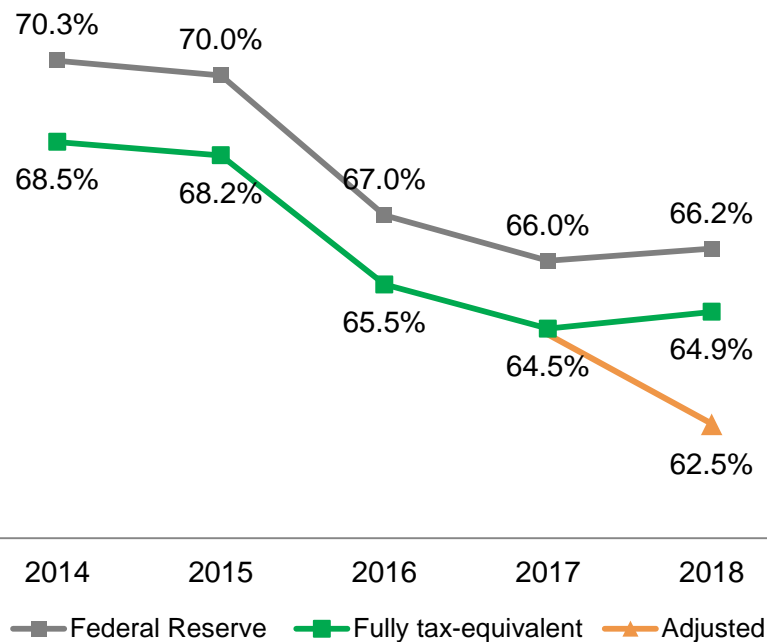
Enhanced Automation

Branch Consolidations

Operational Efficiencies

## Efficiency Ratio<sup>1</sup>

## Total Period End Deposits Per Branch (\$ in millions)



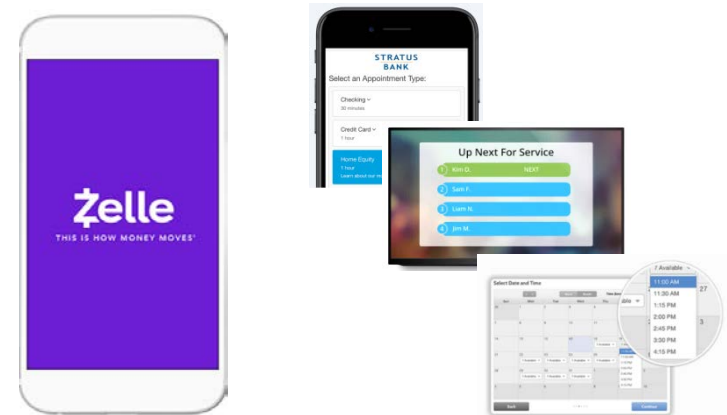
<sup>1</sup>The efficiency ratio as defined by the Federal Reserve guidance is noninterest expense (which includes the provision for unfunded commitments) divided by the sum of net interest income plus noninterest income, excluding investment securities gains / losses, net. The fully tax-equivalent efficiency ratio, which is a non-GAAP financial measure, 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 excludes acquisition related costs from the numerator and the denominator of the fully-tax equivalent calculation. Refer to the appendix for a reconciliation of the Federal Reserve efficiency ratio to the fully tax-equivalent efficiency ratio and to the adjusted efficiency ratio.



# INVESTING IN CUSTOMER TECHNOLOGY

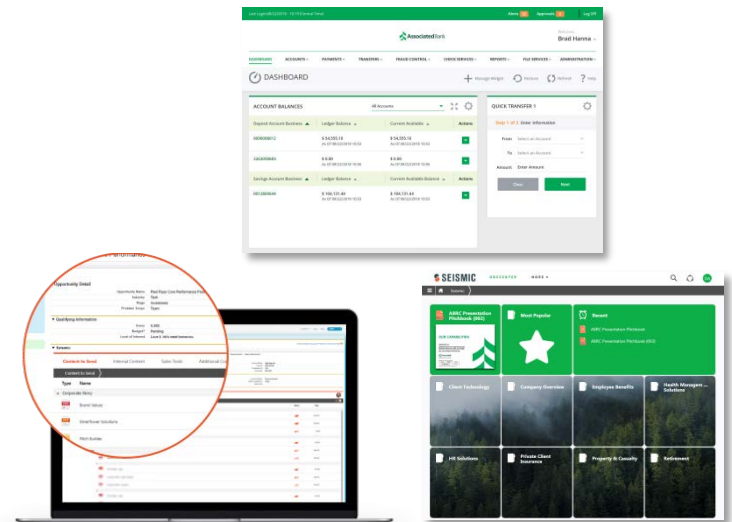
## Retail Customer Focused Enhancements

- New mobile app received 4.7-star rating with >5,000 reviews<sup>1</sup>
- Zelle P2P implementation expected in early 2019
  - Will provide intuitive, real-time payments capability via ASB's mobile app and online banking platforms with strong network effect
- Digital appointment scheduling implementation expected in mid-2019



## Commercial Client Focused Enhancements

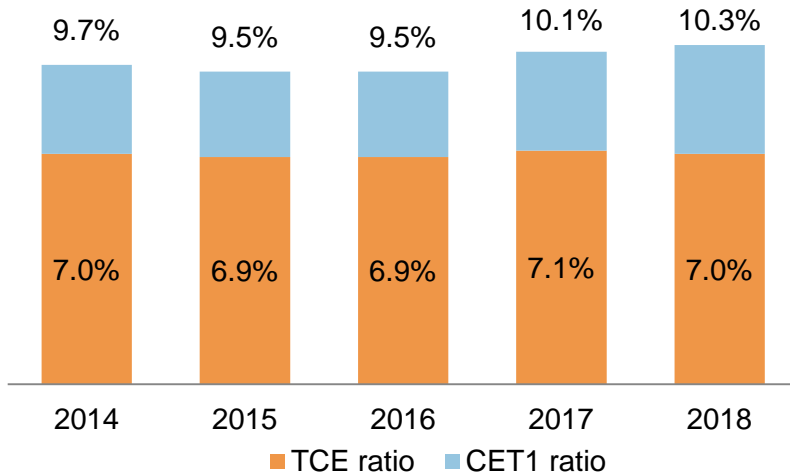
- Cash management (ACI) upgrade to be rolled out in Q1 2019
  - Desktop, mobile and tablet device support with enhanced authentication (tokenization)
- Sales Enablement tools (2019)
  - Salesforce CRM with approved ASB and ABRC content to go from the table to the desktop to the customer with seamless workflow



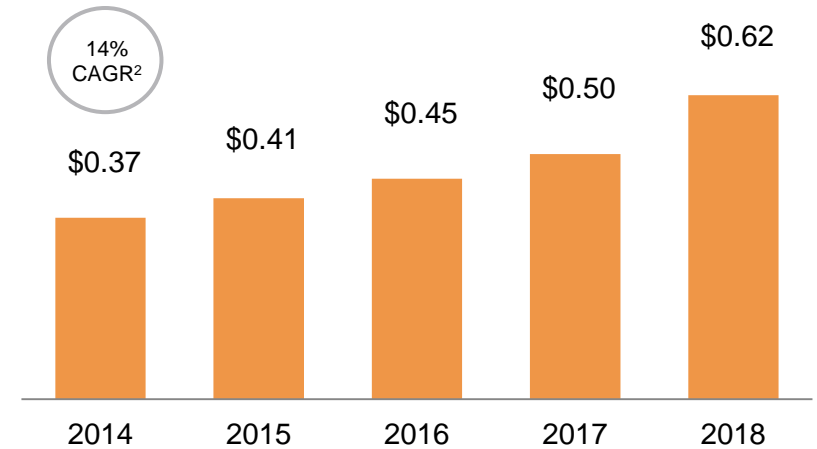
<sup>1</sup>Mobile application reviews on a leading platform as of February 8, 2019.

# STRONG CAPITAL POSITION AND DEPLOYMENT

## CET1 and TCE Ratios<sup>1</sup>



## Full Year Dividends



## Non-Organic Growth

**Huntington Wisconsin Branch Acquisition**

Expected 2Q 2019

**Anderson Insurance & Investment Agency, Inc.**

Completed June 2018

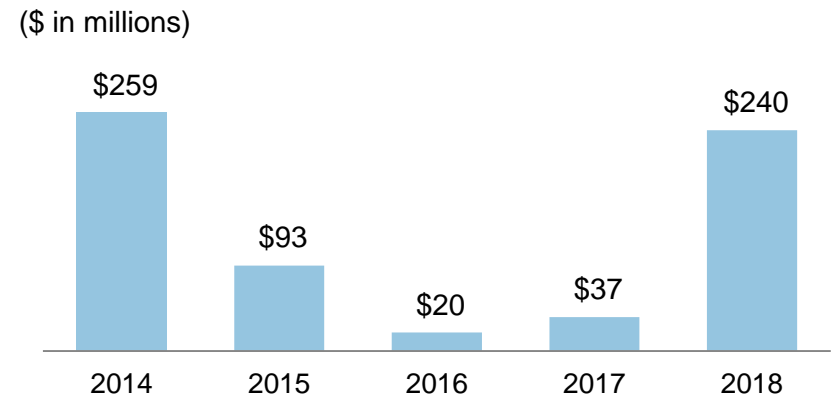
**Diversified Insurance Solutions**

Completed March 2018

**BankMutual**

Completed Feb. 2018

## Common Stock Repurchases



<sup>1</sup>The TCE ratio is a non-GAAP measure equal to tangible common equity divided by tangible assets. See Appendix for a reconciliation of non-GAAP financial measures to GAAP financial measures.

<sup>2</sup>Growth from 2014 to 2018.

# ACQUISITIONS

## Delivering on our Strategy

### *Bank Mutual completed...*

- Was an in-market, cost takeout acquisition
- Filled in network gaps and boosted our network in key locations
- Further improved branch density and scale across the state

### *...and Huntington up next*

- Is an in-market, cost takeout driven acquisition
- Fills in network gaps and boosts our network in key locations
- Further improves branch density and scale across the state

## Enhancing ASB Franchise Value

- Expanded into 11 new communities
- Added over 89,000 deposit accounts and ~49,000 households
- Acquired \$1.9 billion of granular branch deposits with <1% cost of funds

- Expanding into 13 new communities
- Expected to add over 60,000 deposit accounts and 33,000 households
- ~\$850 million of granular branch deposits with <1% cost of funds

## Financially Attractive

- Adjusted efficiency ratio<sup>1</sup> improved by over 200 bps year over year
- Delivered on 45% cost savings
- Minimal TBV dilution and earnback on track for less than 3 years

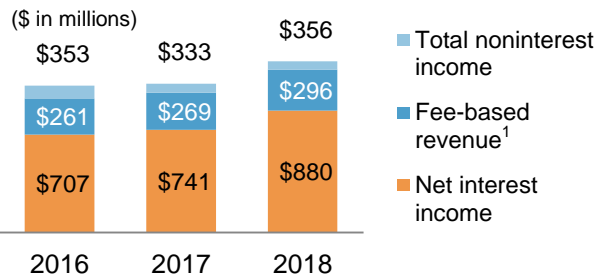
- Accretive to efficiency metrics and EPS outlook
- Approximately 45% cost savings expected on conversion
- Minimal expected TBV dilution (~1.5%); \$34 million net premium

<sup>1</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 adjusted efficiency ratio, which is a non-GAAP financial measure, is noninterest expense (which includes the provision for unfunded commitments), excluding other intangible amortization and acquisition related costs, divided by the sum of fully tax-equivalent net interest income plus noninterest income, excluding investment securities gains / losses, net, and acquisition related costs. Please refer to the appendix for a reconciliation of the Federal Reserve efficiency ratio to the adjusted efficiency ratio.



# 2018: MOMENTUM CONTINUES

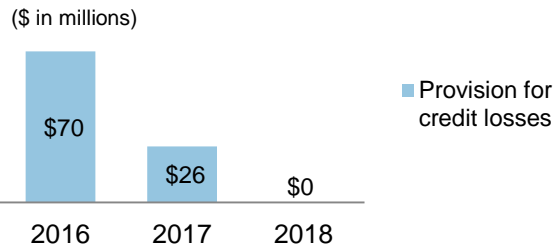
## Accelerating Revenue Growth



### Positive revenue growth trends...

- Net interest income up 19% year over year
- Fee-based revenue<sup>1</sup> up 10% year over year

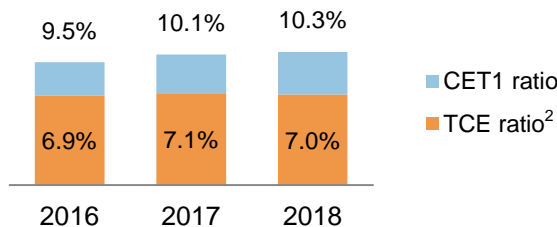
## Improving Credit Dynamics



### ...coupled with improving credit quality metrics...

- Allowance for loan losses to nonaccrual loans was 186%
- 2018 net charge-offs to average loans of 13 bps
- Maintaining disciplined underwriting standards

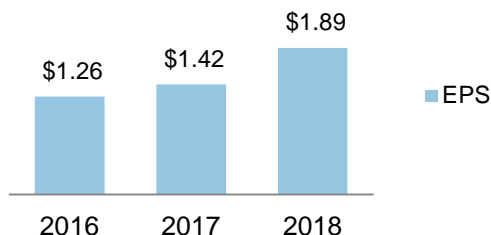
## Capital Discipline



### ...and disciplined capital deployment while maintaining a strong capital position...

- 2018 dividend payout ratio of 32%
- Repurchased \$240 million of shares in 2018

## Earnings Momentum



### ...are driving earnings per share growth

- EPS up 33% year over year
- Return on average common equity Tier 1 up ~270 bps year over year

<sup>1</sup>A non-GAAP financial measure, fee-based revenue is the sum of insurance commissions and fees, service charges and deposit account fees, card-based and loan fees, trust and asset management fees, and brokerage and advisory fees. Please refer to the appendix for a reconciliation of fee-based revenue to total noninterest income.

<sup>2</sup>Tangible common equity / tangible assets. This is a non-GAAP measure. Please refer to the appendix for a reconciliation of non-GAAP financial measures to GAAP financial measures.



# 2019 OUTLOOK

This outlook reflects a stable to improving economy and includes our expectation of two interest rate increases in 2019. We may adjust our outlook if, and when, we have more clarity on any one, or more, of these factors.

## Balance Sheet Management

- 3% - 6% annual average loan growth for 2019
- Maintain loan to deposit ratio under 100%
- Stable to improving full-year 2019 NIM, based on continued upward Fed rate action

## Fee Businesses

- Approximately \$360 million - \$375 million full-year noninterest income
- Improving year over year fee-based revenues

## Expense Management

- Approximately \$800 million noninterest expense
- Adjusted efficiency ratio<sup>1</sup> expected to improve by ~100 bps
- Effective tax rate: 21% - 23% for full-year 2019

## Capital & Credit Management

- Provision expected to adjust with changes to risk grade, other indications of credit quality, and loan volume
- Continue to follow stated corporate priorities for capital deployment

<sup>1</sup>The 2019 outlook includes the adjusted efficiency ratio which is a non-GAAP financial measure. This non-GAAP measure excludes acquisition related costs which by their nature are unpredictable and have low visibility. Estimates of these unpredictable and low visibility costs for 2019 which would be included in the GAAP efficiency measurement of the Federal Reserve Board are, therefore, unavailable.



# LINE OF BUSINESS PROFILES





# BALANCED BUSINESS SEGMENTS<sup>1</sup>

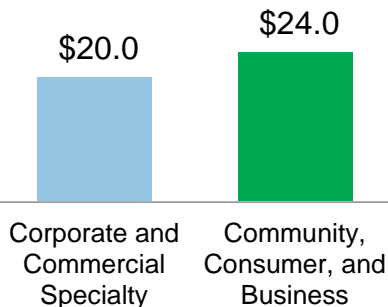
## Corporate and Commercial Specialty

- Corporate Banking
- Commercial Real Estate

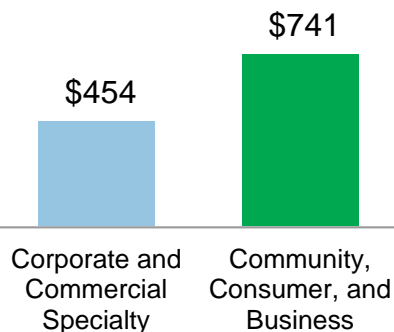
## Community, Consumer, and Business

- Consumer and Business Banking
- Community Markets
- Private Client and Institutional Services

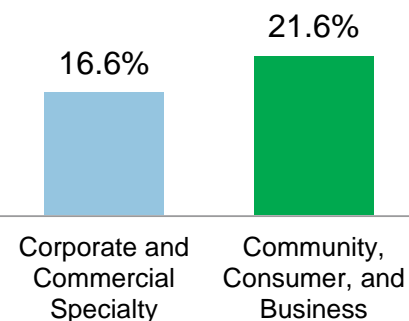
### Average Loans and Deposits (\$ in billions)



### Net Interest Income and Noninterest Income (\$ in millions)



### Return on Average Allocated Capital



<sup>1</sup>For the year ended December 31, 2018



# CORPORATE BANKING

## CORPORATE AND COMMERCIAL SPECIALTY SEGMENT

### Business Units

Corporate Lending

Specialized Lending Verticals

Commercial Deposits and Treasury Management

Capital Markets

### 2018 Overview

- \$13.3 billion in average loans and deposits
- 10 offices across 6 states
- ~260 colleagues

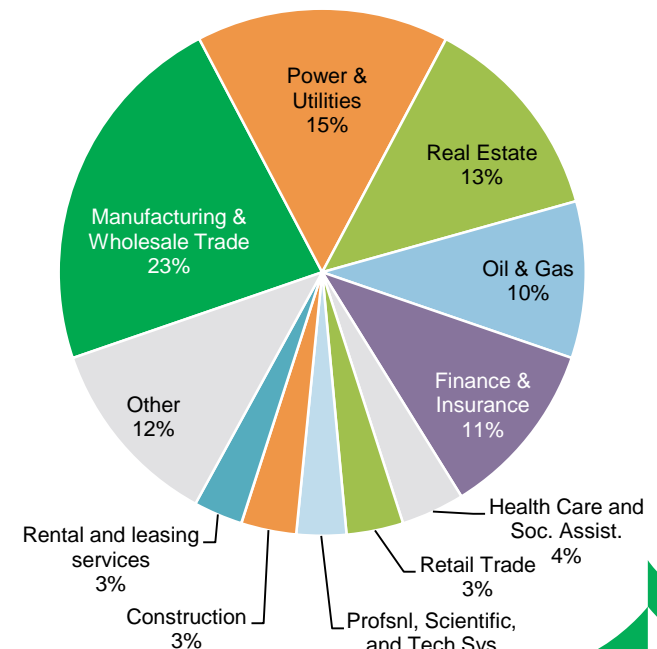
### Creative, relationship-oriented teams build loyal, long-lasting client relationships

- **Corporate Lending** serves large and complex customers, including **Specialized Industries**
- **Commercial Deposits and Treasury Management** and **Capital Markets** provide solutions focused on customer needs and supported by high-touch, in-market service

### 2018 Highlights

- Commercial and business lending period-end balances grew by \$1.1 billion from 2017 driven by over \$650 million from new borrowers
- Commercial and business lending average deposits grew by over \$950 million from 2017, driven primarily by corporate banking depository gathering activities
- Continued to augment the Treasury Management product offering and focus on developing and enhancing profitable relationships across the group

### Commercial and Business Lending<sup>1</sup> Loan Composition by Industry



<sup>1</sup>Total commercial and business lending loans outstanding as of December 31, 2018.

# COMMERCIAL REAL ESTATE

## CORPORATE AND COMMERCIAL SPECIALTY SEGMENT

### Business Units



### 2018 Overview

- \$6.6 billion in average loans and deposits
- 12 offices across 8 states
- ~100 colleagues

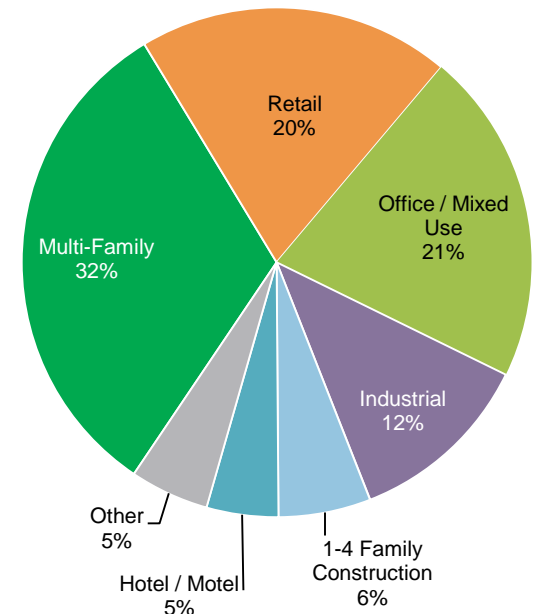
### Local experienced teams create custom real estate financing solutions

- Term, acquisition, construction and interim-bridge financing
- Deposit and cash management solutions
- Specialized financial services including loan syndications and interest rate risk management

### 2018 Highlights

- Closed >\$2 billion of new loan commitments, an increase of 27% from 2017
- Record 2018 average deposits of >\$1 billion
- Noninterest income growth driven by strong swap and syndication performance

### Commercial Real Estate<sup>1</sup> Loan Composition by Property Type



<sup>1</sup>Total commercial real estate lending loans outstanding as of December 31, 2018.

# CONSUMER AND BUSINESS BANKING

## COMMUNITY, CONSUMER, AND BUSINESS SEGMENT

### Business Units Serving Metro Markets

Retail  
Banking

Residential  
Lending

Business  
Banking

### 2018 Overview

- \$17.1 billion in average loans and deposits
- 168 branches
- ~2,000 colleagues

### Full range services for individuals and small businesses

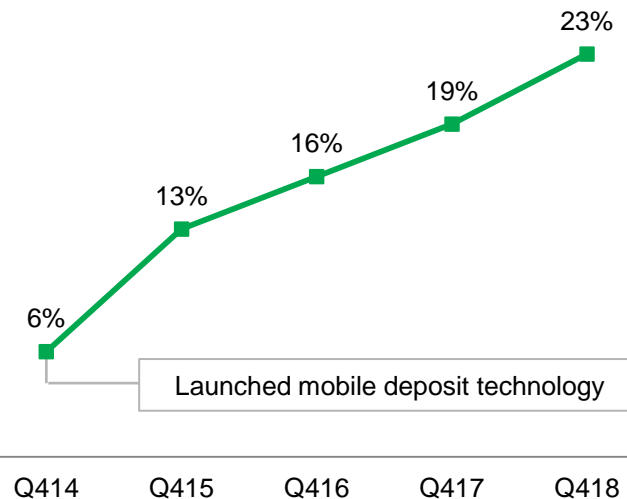
- **Retail Banking** provides best-in-class customer experience across branches and digital channels
- **Residential Lending** offers residential mortgages and home equity lines through direct and third party channels
- **Business Banking** provides solutions to businesses with \$10 million or less in annual revenue

### 2018 Highlights

- Major upgrade of mobile banking platform generates highest-ever top-box customer satisfaction; mobile app rated 4.7 stars<sup>2</sup>
- Originated \$2.7 billion in mortgages; top originator in Wisconsin<sup>3</sup>
- #17 HSA provider nationally<sup>4</sup>

### Mobile Deposits

% of total consumer deposits<sup>1</sup>



<sup>1</sup>Based on period end deposits.

<sup>2</sup>Mobile application reviews on a leading platform as of February 8, 2019.

<sup>3</sup>The Wisconsin's #1 Mortgage Lender designation is based on information gathered from the Home Mortgage Disclosure Act data compiled annually by the Bureau of Consumer Financial Protection. The results of the data were obtained through the Bureau of Consumer Financial Protection Mortgage Database (HMDA), June 2018.

<sup>4</sup>2018 Midyear Devenir HSA Market Research Report, as of June 30, 2018.

# COMMUNITY MARKETS

## COMMUNITY, CONSUMER, AND BUSINESS SEGMENT

### Business Units Serving Midsize Markets

Branch  
Banking

Commercial &  
Business  
Banking

Residential  
Lending

Private  
Banking

### 2018 Overview

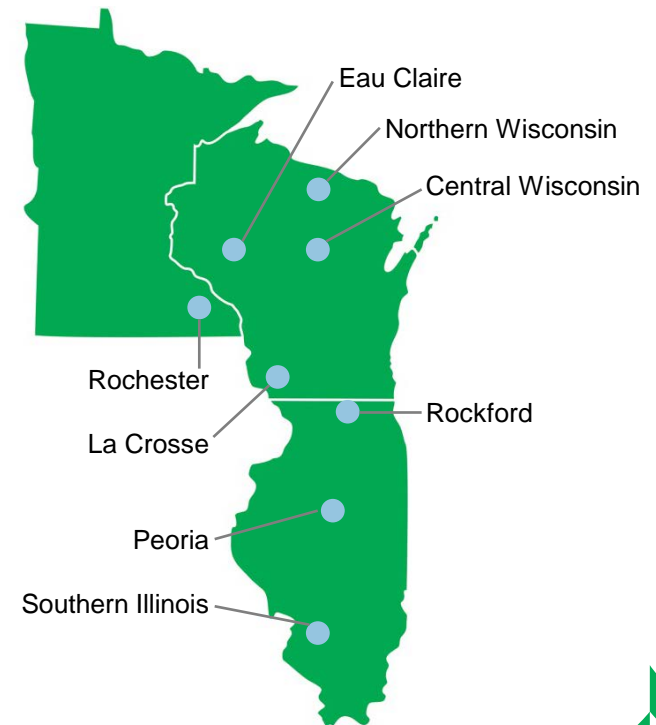
- \$3.8 billion in average loans and deposits
- 68 branches
- ~440 colleagues

### Localized approach ensures the customer experience is at the forefront of decisions and actions

- Virtual community banks with our full suite of financial and risk management solutions in midsize markets
- Community market presidents are positioned as active community partners and financial leaders
- Strategy is intended to build on our strong deposit market share in select midsize markets
- Increased residential loan officers for optimized geographical coverage

### 2018 Highlights

- Growing Private Banking prominence
- Continuing deposit growth



# PRIVATE CLIENT AND INSTITUTIONAL SERVICES

## COMMUNITY, CONSUMER, AND BUSINESS SEGMENT

### Business Units

Private Banking	Personal Trust	Asset Management
Retirement Plan Services	Associated Benefits and Risk Consulting	Associated Investment Services

### 2018 Overview

- \$2.5 billion in average loans and deposits
- \$10.3 billion AUM
- ~770 colleagues

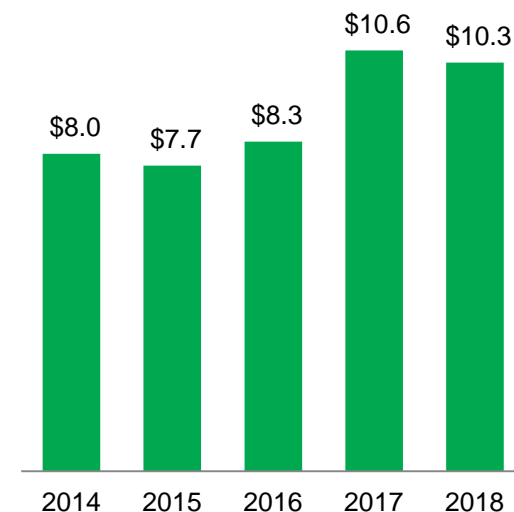
### Market-based teams are comprised of specialists

- **Private Client Services** offers a suite of services tailored to the unique needs of high-net-worth and ultra-high-net-worth clients
- **Institutional Services** works with businesses and other entities to provide strategic, customized employee benefits, retirement plan services, business insurance and HR solutions

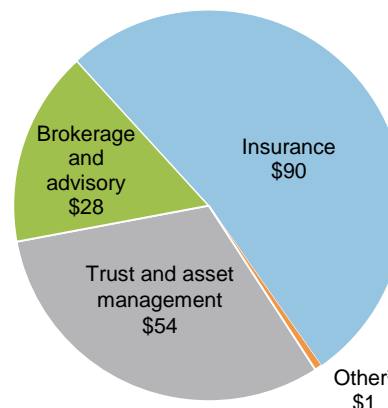
### 2018 Highlights

- Completed acquisitions of Diversified Insurance and Anderson Insurance, enhancing capabilities and scale
- Brokerage and advisory fees up 41% from 2017

### Assets Under Management "AUM"<sup>1</sup>



### Fee Revenues<sup>2</sup>

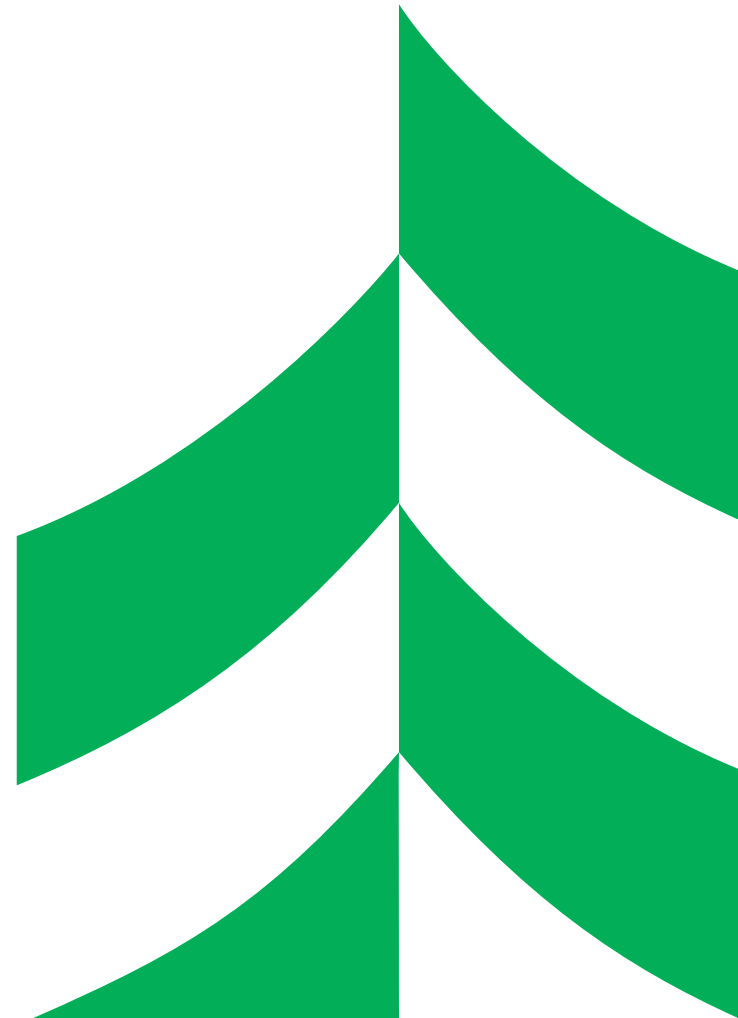


<sup>1</sup>Balances in billions, for the years ended December 31.

<sup>2</sup>Balances in millions, for the year ended December 31, 2018.

<sup>3</sup>Primarily other nondeposit fee income.

# APPENDIX



# HUNTINGTON BRANCH TRANSACTION SUMMARY

**Seller:** The Huntington National Bank

**Assets Purchased:**

- 32 branches and ~\$134 million of WI related loans

**Deposits Assumed:** ~\$850 million

**Consideration:** 100% Cash

**Transaction Value:**

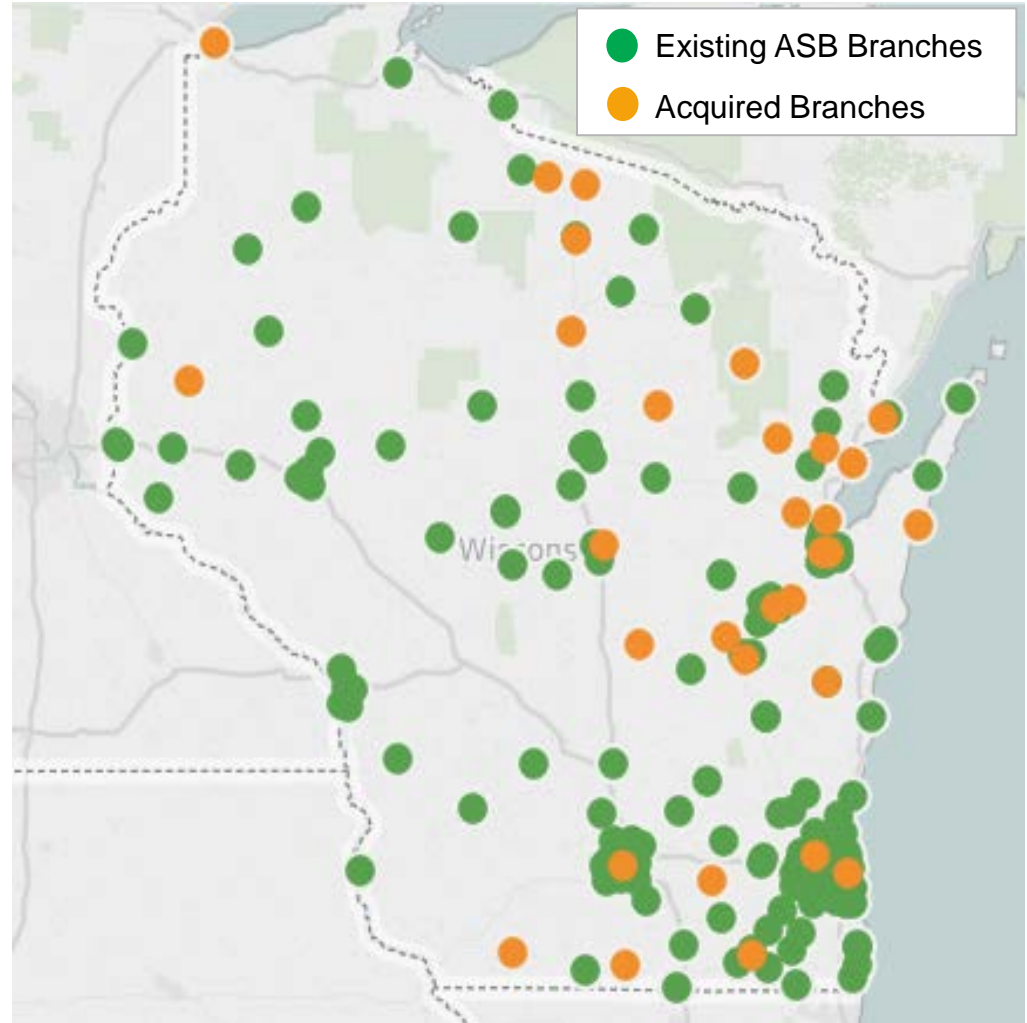
- ~4% net blended premium on deposits acquired<sup>1</sup>

**Required Approvals:**

- Application submitted January 8
- Approval anticipated Q1 2019

**Closing and Conversion:**

- Simultaneous closing and conversion anticipated in Q2 2019
- Expanding into 13 new communities



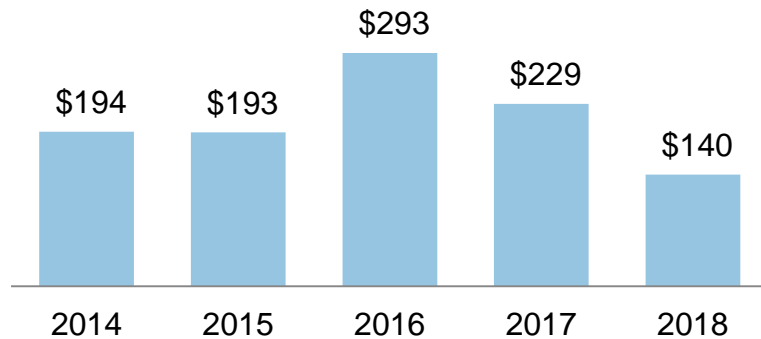
<sup>1</sup>Estimated net premium, based on estimated deposit mix and ~\$850 million of deposits to be assumed at close.



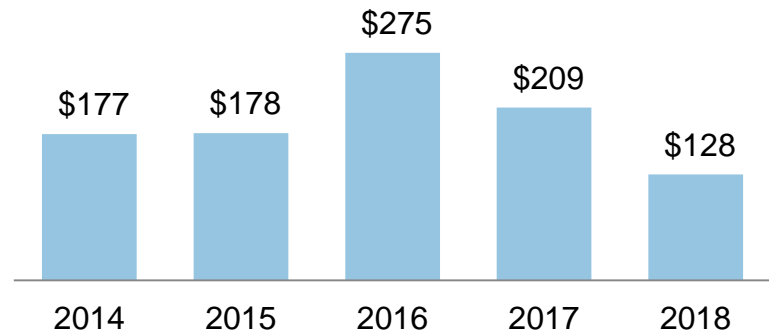
# CREDIT QUALITY – ANNUAL TRENDS

(\$ IN MILLIONS; AT OR FOR THE YEAR ENDED)

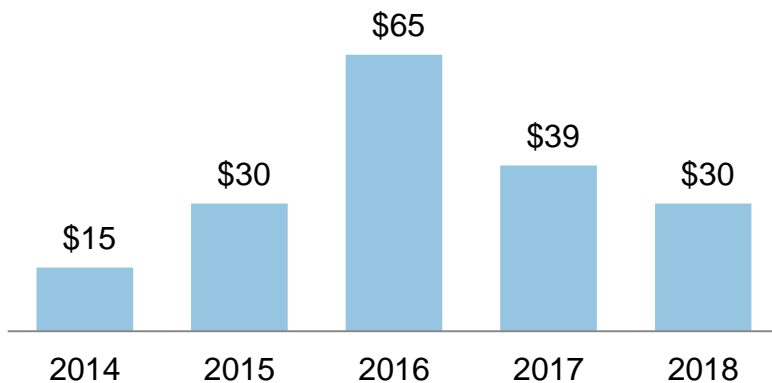
## Nonperforming Assets



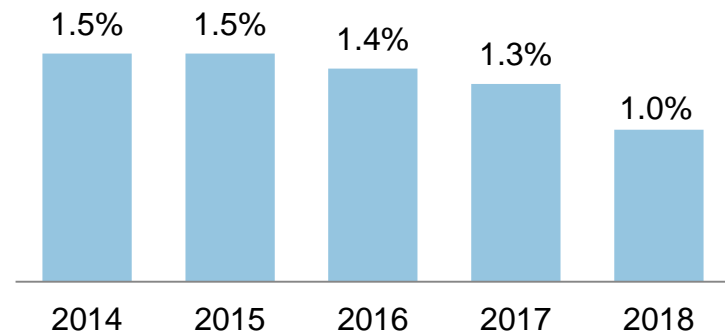
## Nonaccrual Loans



## Net Charge Offs



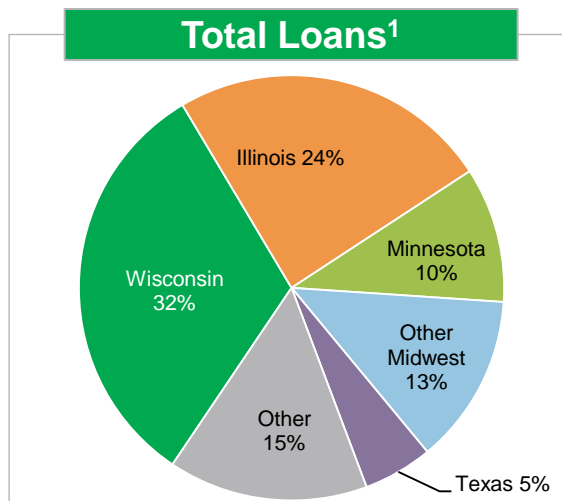
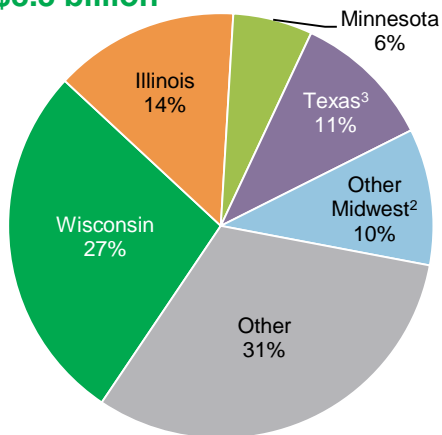
## Allowance for Loan Losses to Loans



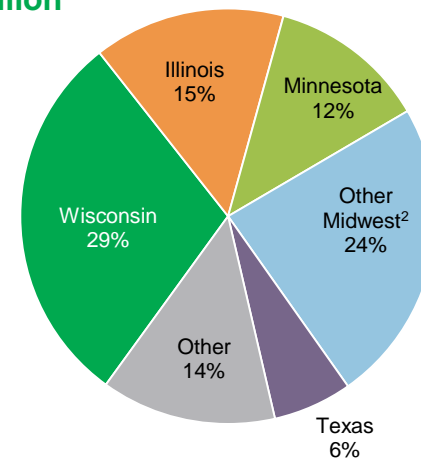
# LOANS STRATIFICATION

## OUTSTANDINGS AS OF DECEMBER 31, 2018

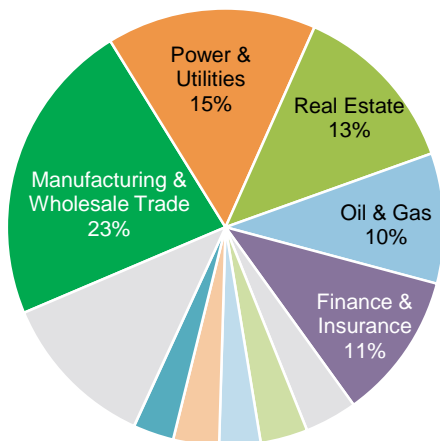
**C&BL by Geography**  
\$8.3 billion



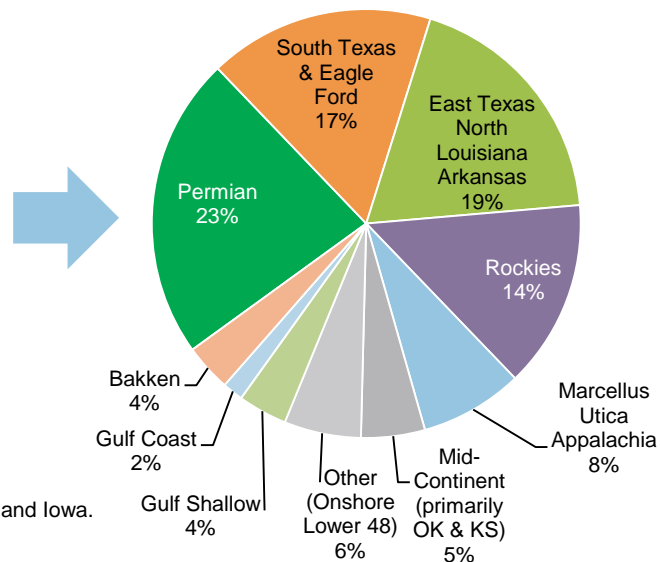
**CRE by Geography**  
\$5.1 billion



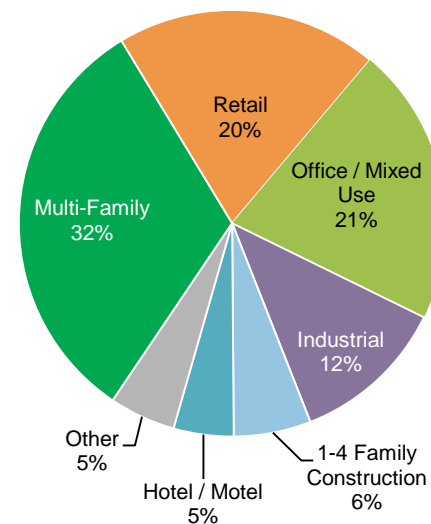
**C&BL by Industry**  
\$8.3 billion



**Oil and Gas Lending<sup>4</sup>**  
\$747 million



**CRE by Property Type**  
\$5.1 billion



<sup>1</sup>Excludes \$0.4 billion Other consumer portfolio.

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

<sup>3</sup>Principally reflects the oil and gas portfolio.

<sup>4</sup>Chart based on commitments of ~\$1.1 billion.

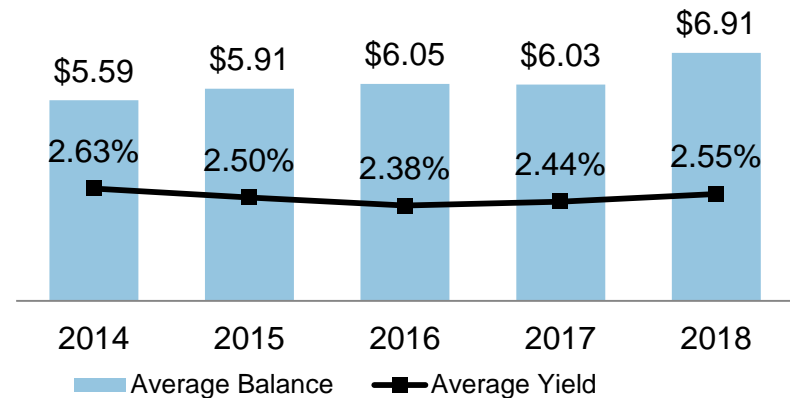
# HIGH QUALITY SECURITIES

(\$ IN BILLIONS)

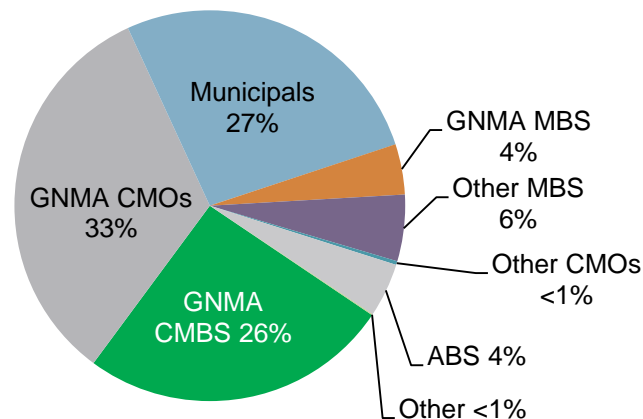
## Portfolio Detail as of December 31, 2018

Investment Type	Amortized Cost	Fair Value	Duration (Yrs)
GNMA CMBS	\$1.78	\$1.71	2.77
GNMA MBS & CMOs	2.52	2.47	3.93
Agency & Other MBS & CMOs	0.39	0.39	2.80
Municipals	1.79	1.78	6.85
FFELP ABS	0.30	0.30	0.16
Other <sup>1</sup>	0.01	0.01	1.66
<b>Strategic Portfolio</b>	<b>\$6.78</b>	<b>\$6.66</b>	<b>4.18</b>
Membership Stock	0.25	0.25	
<b>Total Portfolio</b>	<b>\$7.03</b>	<b>\$6.91</b>	

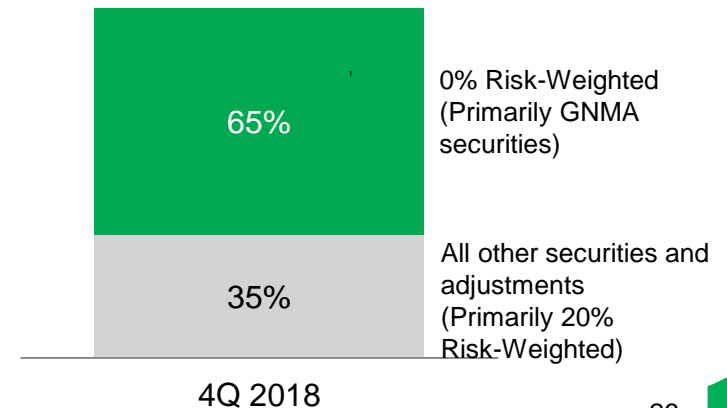
## Strategic Portfolio Average Balance and Yield Trends



## Strategic Portfolio Fair Value Composition



## Portfolio Risk Weighting Profile



<sup>1</sup>Includes Corporate, Treasury, and all other.

# RECONCILIATION AND DEFINITIONS OF NON-GAAP ITEMS

Efficiency Ratio	2014	2015	2016	2017	2018
Federal Reserve efficiency ratio	70.28%	69.96%	66.95%	65.97%	66.23%
Fully tax-equivalent adjustment	(1.36)%	(1.41)%	(1.29)%	(1.28)%	(0.71)%
Other intangible amortization	(0.39)%	(0.31)%	(0.20)%	(0.18)%	(0.66)%
Fully tax-equivalent efficiency ratio <sup>1</sup>	68.53%	68.24%	65.46%	64.51%	64.87%
Acquisition related costs adjustment	—%	—%	—%	—%	(2.42)%
Fully tax-equivalent efficiency ratio, excluding acquisition related costs (adjusted efficiency ratio) <sup>1</sup>	68.53%	68.24%	65.46%	64.51%	62.45%

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, which is a non-GAAP financial measure, 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 excludes acquisition related costs from the fully tax-equivalent ratio.

Fee-based Revenue (\$ millions) <sup>1</sup>	2014	2015	2016	2017	2018
Insurance commissions and fees	44	75	81	81	90
Service charges and deposit account fees	69	65	67	64	66
Card-based and loan fees	47	48	50	53	57
Trust and asset management fees	48	49	47	50	54
Brokerage and advisory fees	16	15	16	20	28
Fee-based revenue	\$225	\$253	\$261	\$269	\$296
Other	66	76	92	64	60
Total noninterest income	\$291	\$329	\$353	\$333	\$356

<sup>1</sup>This is a non-GAAP financial measure. Management believes these measures are meaningful because they reflect adjustments commonly made by management, investors, regulators, and analysts to evaluate the adequacy of earnings per common share, provide greater understanding of ongoing operations and enhance comparability of results with prior periods.



# RECONCILIATION AND DEFINITIONS OF NON-GAAP ITEMS

Tangible common equity reconciliation <sup>1</sup> (\$ in millions)	2014	2015	2016	2017	2018
Common equity	\$2,740	\$2,816	\$2,931	\$3,078	\$3,524
Goodwill and other intangible assets, net	(937)	(985)	(987)	(992)	(1,245)
Tangible common equity	\$1,803	\$1,831	\$1,944	\$2,086	\$2,279
Tangible assets reconciliation <sup>1</sup>					
Total assets	\$26,817	\$27,712	\$29,139	\$30,484	\$33,648
Goodwill and other intangible assets, net	(937)	(985)	(987)	(992)	(1,245)
Tangible assets	\$25,881	\$26,727	\$28,152	\$29,492	\$32,403

Acquisition Related Costs (\$ in millions, except per share data)	YTD 2018	YTD 2018 per share data <sup>2</sup>	4Q 2018	4Q 2018 per share data <sup>2</sup>	3Q 2018	3Q 2018 per share data <sup>2</sup>	2Q 2018	2Q 2018 per share data <sup>2</sup>	1Q 2018	1Q 2018 per share data <sup>2</sup>
GAAP earnings	\$323	\$1.89	\$85	\$0.51	\$84	\$0.48	\$87	\$0.50	\$67	\$0.40
Change of control and severance	7		—		1		(1)		7	
Merger advisors and consultants	5		—		1		—		4	
Facilities and other	8		—		1		2		5	
Contract terminations and conversion costs	10		(1)		—		6		5	
Asset losses (gains), net	\$2		\$—		\$1		\$1		\$—	
Total acquisition related costs	\$31		\$(1)		\$3		\$8		\$21	
Less: Additional tax expense	\$8		\$—		\$1		\$2		\$5	
Earnings, excluding acquisition related costs <sup>3</sup>	\$346	\$2.03	\$84	\$0.50	\$87	\$0.49	\$93	\$0.53	\$83	\$0.50

<sup>1</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.

<sup>2</sup>Earnings and per share data presented after tax.

<sup>3</sup>This is a non-GAAP financial measure. Management believes these measures are meaningful because they reflect adjustments commonly made by management, investors, regulators, and analysts to evaluate the adequacy of earnings per common share, provide greater understanding of ongoing operations and enhance comparability of results with prior periods.

