

REFINITIV

DELTA REPORT

10-Q

ASB PR E - ASSOCIATED BANC-CORP

10-Q - MARCH 31, 2024 COMPARED TO 10-Q - SEPTEMBER 30, 2023

The following comparison report has been automatically generated

TOTAL DELTAS	1221
CHANGES	478
DELETIONS	385
ADDITIONS	358

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-Q

(Mark One)

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

For the quarterly period ended: September 30, 2023 March 31, 2024

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

For the transition period from to

Commission file number: 001-31343

Associated Banc-Corp

(Exact name of registrant as specified in its charter)

Wisconsin

(State or other jurisdiction of
incorporation or organization)

433 Main Street

Green Bay, Wisconsin

(Address of principal executive offices)

39-1098068

(I.R.S. Employer
Identification No.)

54301

(Zip Code)

(920) 491-7500

(Registrant's telephone number, including area code)

(not applicable)

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

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

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

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☒

Non-accelerated filer ☐

Emerging growth company ☐

Accelerated filer ☐

Smaller reporting company ☐

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

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

Yes ☐ No ☒

APPLICABLE ONLY TO CORPORATE ISSUERS:

The number of shares outstanding of registrant's common stock, par value \$0.01 per share, at October 23, 2023 April 26, 2024 was 150,939,712 150,766,697.

ASSOCIATED BANC-CORP

Table of Contents

Page

PART I. Financial Information

Item 1. Financial Statements (Unaudited):	5
Consolidated Balance Sheets	5
Consolidated Statements of Income	6
Consolidated Statements of Comprehensive Income	7
Consolidated Statements of Changes in Stockholders' Equity	8
Consolidated Statements of Cash Flows	10 9
Notes to Consolidated Financial Statements	12 11
Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations	49 50
Item 3. Quantitative and Qualitative Disclosures About Market Risk	73 71
Item 4. Controls and Procedures	74 72

PART II. Other Information

Item 1. Legal Proceedings	75 73
Item 1A. Risk Factors	75 73
Item 2. Unregistered Sales of Equity Securities and Use of Proceeds	75 73
Item 5. Other Information	75 73
Item 6. Exhibits	76 74
Signatures	77 75

ASSOCIATED BANC-CORP

Commonly Used Terms

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

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

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

PART I - FINANCIAL INFORMATION

ITEM 1. Financial Statements:

ASSOCIATED BANC-CORP Consolidated Balance Sheets

(In thousands, except share and per share data)	(In thousands, except share and per share data)	Sep 30, 2023 Dec 31, 2022		(In thousands, except share and per share data)	Mar 31, 2024 Dec 31, 2023	
		(Unaudited)	(Audited)		(Unaudited)	(Audited)
Assets	Assets					
Cash and due from banks	Cash and due from banks					
Cash and due from banks	Cash and due from banks					
Cash and due from banks	Cash and due from banks	\$ 388,694	\$ 436,952			
Interest-bearing deposits in other financial institutions	Interest-bearing deposits in other financial institutions	323,130	156,693			
Federal funds sold and securities purchased under agreements to resell	Federal funds sold and securities purchased under agreements to resell	965	27,810			
AFS investment securities, at fair value	AFS investment securities, at fair value	3,491,679	2,742,025			
HTM investment securities, net, at amortized cost	HTM investment securities, net, at amortized cost	3,900,415	3,960,398			
Equity securities	Equity securities	35,937	25,216			
FHLB and Federal Reserve Bank stocks, at cost	FHLB and Federal Reserve Bank stocks, at cost	268,698	295,496			
Residential loans held for sale	Residential loans held for sale	54,790	20,383			
Commercial loans held for sale	Commercial loans held for sale					
Loans	Loans	30,193,187	28,799,569			
Allowance for loan losses	Allowance for loan losses	(345,795)	(312,720)			
Loans, net	Loans, net	29,847,392	28,486,849			

Tax credit and other investments	Tax credit and other investments	256,905	276,773
Premises and equipment, net			
Premises and equipment, net			
Premises and equipment, net	Premises and equipment, net	373,017	376,906
Bank and corporate owned life insurance	Bank and corporate owned life insurance	679,775	676,530
Goodwill	Goodwill	1,104,992	1,104,992
Other intangible assets, net	Other intangible assets, net	42,674	49,282
Mortgage servicing rights, net	Mortgage servicing rights, net	89,131	77,351
Interest receivable	Interest receivable	171,119	144,449
Interest receivable			
Interest receivable			
Other assets	Other assets	608,068	547,621
Total assets	Total assets	\$41,637,381	\$39,405,727
Liabilities and stockholders' equity	Liabilities and stockholders' equity		
Noninterest-bearing demand deposits	Noninterest-bearing demand deposits	\$ 6,422,994	\$ 7,760,811
Noninterest-bearing demand deposits			
Noninterest-bearing demand deposits			
Interest-bearing deposits	Interest-bearing deposits	25,700,332	21,875,343
Total deposits	Total deposits	32,123,326	29,636,154
Federal funds purchased and securities sold under agreements to repurchase		451,644	585,139
Commercial paper		—	20,798
Short-term funding			
Short-term funding			
Short-term funding			
FHLB advances	FHLB advances	3,733,041	4,319,861
Other long-term funding	Other long-term funding	529,459	248,071
Allowance for unfunded commitments			
Allowance for unfunded commitments			
Allowance for unfunded commitments	Allowance for unfunded commitments	34,776	38,776
Accrued expenses and other liabilities	Accrued expenses and other liabilities	637,491	541,438
Total liabilities	Total liabilities	\$37,509,738	\$35,390,237
Stockholders' equity	Stockholders' equity		
Preferred equity	Preferred equity	\$ 194,112	\$ 194,112
Preferred equity			
Preferred equity			
Common equity	Common equity		
Common stock			
Common stock			

Common stock	Common stock	\$ 1,752	\$ 1,752
Surplus	Surplus	1,711,454	1,712,733
Retained earnings	Retained earnings	3,074,014	2,904,882
Accumulated other comprehensive (loss)	Accumulated other comprehensive (loss)	(339,140)	(272,799)
Treasury stock, at cost	Treasury stock, at cost	(514,549)	(525,190)
Total common equity	Total common equity	3,933,531	3,821,378
Total stockholders' equity	Total stockholders' equity	4,127,643	4,015,490
Total liabilities and stockholders' equity	Total liabilities and stockholders' equity	\$41,637,381	\$39,405,727
Preferred shares authorized (par value \$1.00 per share)	Preferred shares authorized (par value \$1.00 per share)	750,000	750,000
Preferred shares issued and outstanding	Preferred shares issued and outstanding	200,000	200,000
Common shares authorized (par value \$0.01 per share)	Common shares authorized (par value \$0.01 per share)	250,000,000	250,000,000
Common shares issued	Common shares issued	175,216,409	175,216,409
Common shares outstanding	Common shares outstanding	150,951,209	150,444,019

Numbers may not sum due to rounding.

See accompanying notes to consolidated financial statements.

Item 1. Financial Statements Continued:

ASSOCIATED BANC-CORP
Consolidated Statements of Income (Unaudited)

(In thousands, except per share data)	(In thousands, except per share data)	Three Months Ended Sep 30,		Nine Months Ended Sep 30,	
		2023	2022	2023	2022
(In thousands, except per share data)					
(In thousands, except per share data)					
Interest income					
Interest income					
Interest income	Interest income				
Interest and fees on loans	Interest and fees on loans	\$ 447,912	\$ 275,666	\$ 1,262,538	\$ 643,239
Interest and fees on loans					
Interest and fees on loans					
Interest and dividends on investment securities					
Interest and dividends on investment securities					

Interest and dividends on investment securities	Interest and dividends on investment securities				
Taxable	Taxable	38,210	19,221	104,197	54,009
Taxable					
Taxable					
Tax-exempt					
Tax-exempt					
Tax-exempt	Tax-exempt	15,941	16,538	47,960	49,025
Other interest	Other interest	6,575	3,284	17,990	7,696
Other interest					
Other interest					
Total interest income					
Total interest income					
Total interest income	Total interest income	508,637	314,708	1,432,685	753,969
Interest expense	Interest expense				
Interest expense					
Interest expense					
Interest on deposits					
Interest on deposits					
Interest on deposits	Interest on deposits	193,131	26,000	464,749	37,590
Interest on federal funds purchased and securities sold under agreements to repurchase	Interest on federal funds purchased and securities sold under agreements to repurchase				
	repurchase	3,100	756	8,504	1,200
Interest on federal funds purchased and securities sold under agreements to repurchase					
Interest on federal funds purchased and securities sold under agreements to repurchase					
Interest on other short-term funding					
Interest on other short-term funding					
Interest on other short-term funding	Interest on other short-term funding	—	1	1	2
Interest on FHLB advances	Interest on FHLB advances	48,143	20,792	147,365	38,663
Interest on FHLB advances					
Interest on FHLB advances					
Interest on long-term funding					
Interest on long-term funding					
Interest on long-term funding	Interest on long-term funding	10,019	2,722	25,895	8,182
Total interest expense	Total interest expense	254,394	50,270	646,514	85,637
Total interest expense					
Total interest expense					
Net interest income					
Net interest income					
Net interest income	Net interest income	254,244	264,439	786,171	668,332
Provision for credit losses	Provision for credit losses	21,943	16,998	62,014	13,006
Provision for credit losses					
Provision for credit losses					
Net interest income after provision for credit losses					
Net interest income after provision for credit losses					
Net interest income after provision for credit losses	Net interest income after provision for credit losses	232,301	247,440	724,157	655,326
Noninterest income	Noninterest income				

Noninterest income					
Noninterest income					
Wealth management fees					
Wealth management fees					
Wealth management fees	Wealth management fees	20,828	19,984	61,499	63,719
Service charges and deposit account fees	Service charges and deposit account fees	12,864	15,029	38,230	48,392
Service charges and deposit account fees					
Service charges and deposit account fees					
Card-based fees					
Card-based fees					
Card-based fees	Card-based fees	11,510	11,479	33,492	32,847
Other fee-based revenue	Other fee-based revenue	4,509	4,487	13,249	12,613
Other fee-based revenue					
Other fee-based revenue					
Capital markets, net					
Capital markets, net					
Capital markets, net	Capital markets, net	5,368	7,675	15,544	24,331
Mortgage banking, net	Mortgage banking, net	6,501	2,098	17,814	16,635
Mortgage banking, net					
Mortgage banking, net					
Bank and corporate owned life insurance					
Bank and corporate owned life insurance					
Bank and corporate owned life insurance	Bank and corporate owned life insurance	2,047	1,827	6,882	8,004
Asset gains, net		625	18	590	1,883
Investment securities gains (losses), net		(11)	5,664	55	5,676
Asset (losses) gains, net					
Asset (losses) gains, net					
Asset (losses) gains, net					
Investment securities gains, net					
Investment securities gains, net					
Investment securities gains, net					
Other					
Other					
Other	Other	2,339	2,527	6,841	6,613
Total noninterest income	Total noninterest income	66,579	70,788	194,195	220,713
Total noninterest income					
Total noninterest income					
Noninterest expense					
Noninterest expense					
Noninterest expense	Noninterest expense				
Personnel	Personnel	117,159	118,243	347,669	335,720
Personnel					
Personnel					
Technology					
Technology					
Technology	Technology	26,172	22,694	73,990	65,401
Occupancy	Occupancy	14,125	13,717	42,775	43,948
Occupancy					
Occupancy					

Business development and advertising							
Business development and advertising							
Business development and advertising	Business development and advertising	7,100	6,778	20,054	17,388		
Equipment	Equipment	5,016	4,921	14,921	14,841		
Equipment							
Equipment							
Legal and professional							
Legal and professional							
Legal and professional	Legal and professional	4,461	4,159	13,149	14,118		
Loan and foreclosure costs	Loan and foreclosure costs	2,049	1,631	4,822	5,121		
Loan and foreclosure costs							
Loan and foreclosure costs							
FDIC assessment	FDIC assessment	9,150	5,800	25,575	16,300		
FDIC assessment							
FDIC assessment							
Other intangible amortization							
Other intangible amortization							
Other intangible amortization	Other intangible amortization	2,203	2,203	6,608	6,608		
Other	Other	8,771	15,645	24,726	31,057		
Other							
Other							
Total noninterest expense							
Total noninterest expense							
Total noninterest expense	Total noninterest expense	196,205	195,791	574,291	550,503		
Income before income taxes	Income before income taxes	102,674	122,438	344,061	325,536		
Income before income taxes							
Income before income taxes							
Income tax expense							
Income tax expense							
Income tax expense	Income tax expense	19,426	26,163	70,299	68,176		
Net income	Net income	83,248	96,275	273,762	257,360		
Net income							
Net income							
Preferred stock dividends							
Preferred stock dividends							
Preferred stock dividends	Preferred stock dividends	2,875	2,875	8,625	8,625		
Net income available to common equity	Net income available to common equity	\$ 80,373	\$ 93,400	\$ 265,137	\$ 248,735		
Net income available to common equity							
Net income available to common equity							
Earnings per common share							
Earnings per common share							
Earnings per common share	Earnings per common share						
Basic	Basic	\$ 0.53	\$ 0.62	\$ 1.76	\$ 1.66		
Basic							

Basic									
Diluted									
Diluted									
Diluted	Diluted	\$	0.53	\$	0.62	\$	1.75	\$	1.65
Average common shares outstanding	Average common shares outstanding								
Average common shares outstanding									
Average common shares outstanding									
Basic									
Basic									
Basic	Basic		150,035		149,321		149,929		149,063
Diluted	Diluted		151,014		150,262		150,971		150,205
Diluted									
Diluted									
Numbers may not sum due to rounding.									
See accompanying notes to consolidated financial statements.									

Item 1. Financial Statements Continued:

ASSOCIATED BANC-CORP									
Consolidated Statements of Comprehensive Income (Unaudited)									
Three Months Ended Sep 30,					Nine Months Ended Sep 30,				
Three Months Ended Mar 31,					Three Months Ended Mar 31,				
Three Months Ended Mar 31,					Three Months Ended Mar 31,				
(\$ in thousands)									
(\$ in thousands)									
(\$ in thousands)	(\$ in thousands)	2023	2022	2023	2022	2023	2022	2023	2022
Net income	Net income	\$ 83,248	\$ 96,275	\$ 273,762	\$ 257,360				
Other comprehensive (loss), net of tax									
Net income									
Net income									
Other comprehensive income (loss), net of tax									
Other comprehensive income (loss), net of tax									
Other comprehensive income (loss), net of tax									
AFS investment securities	AFS investment securities								
Net unrealized (losses)		(56,924)	(100,092)	(69,512)	(268,413)				
Unrealized (losses) on AFS securities transferred to HTM securities		—	—	—	(67,604)				
AFS investment securities									
AFS investment securities									
Net unrealized (losses) gains									
Net unrealized (losses) gains									
Net unrealized (losses) gains									
Amortization of net unrealized losses on AFS securities transferred to HTM securities	Amortization of net unrealized losses on AFS securities transferred to HTM securities	2,327	2,888	6,883	7,269				
Reclassification adjustment for net (gains) realized in net income		—	—	—	(12)				

Amortization of net unrealized losses on AFS securities transferred to HTM securities				
Amortization of net unrealized losses on AFS securities transferred to HTM securities				
Reclassification adjustment for net losses realized in net income				
Reclassification adjustment for net losses realized in net income				
Reclassification adjustment for net losses realized in net income				
Income tax benefit	13,928	24,810	15,879	83,906
Other comprehensive (loss) on AFS securities	(40,669)	(72,394)	(46,751)	(244,854)
Income tax benefit (expense)				
Income tax benefit (expense)				
Income tax benefit (expense)				
Other comprehensive (loss) income on AFS securities				
Other comprehensive (loss) income on AFS securities				
Other comprehensive (loss) income on AFS securities				
Cash flow hedge derivatives	Cash flow hedge derivatives			
Net unrealized (losses)	(13,592)	—	(33,976)	—
Cash flow hedge derivatives				
Cash flow hedge derivatives				
Net unrealized (losses) gains				
Net unrealized (losses) gains				
Net unrealized (losses) gains				
Reclassification adjustment for net losses realized in net income	4,516	—	9,097	—
Income tax benefit	2,315	—	5,488	—
Other comprehensive (loss) on cash flow hedge derivatives	(6,762)	—	(19,391)	—
Reclassification adjustment for net losses realized in net income				
Reclassification adjustment for net losses realized in net income				
Income tax (expense)				
Income tax (expense)				
Income tax (expense)				
Other comprehensive (loss) income on cash flow hedge derivatives				
Other comprehensive (loss) income on cash flow hedge derivatives				
Other comprehensive (loss) income on cash flow hedge derivatives				
Defined benefit pension and postretirement obligations				
Defined benefit pension and postretirement obligations				
Defined benefit pension and postretirement obligations	Defined benefit pension and postretirement obligations			
Amortization of prior service cost	(81)	(82)	(244)	(244)

Amortization of prior service cost					
Amortization of prior service cost					
Amortization of actuarial (gain) loss					
Amortization of actuarial (gain) loss					
Amortization of actuarial (gain) loss	Amortization of actuarial (gain) loss	(7)	347	15	494
Income tax benefit (expense)		23	(474)	31	(470)
Other comprehensive (loss) on pension and postretirement obligations		(66)	(209)	(198)	(221)
Total other comprehensive (loss)		(47,497)	(72,603)	(66,340)	(245,074)
Income tax (expense) benefit					
Income tax (expense) benefit					
Income tax (expense) benefit					
Other comprehensive (loss) income on pension and postretirement obligations					
Other comprehensive (loss) income on pension and postretirement obligations					
Other comprehensive (loss) income on pension and postretirement obligations					
Total other comprehensive (loss) income					
Total other comprehensive (loss) income					
Total other comprehensive (loss) income					
Comprehensive income	Comprehensive income	\$ 35,751	\$ 23,672	\$ 207,422	\$ 12,286
Comprehensive income					
Comprehensive income					
Numbers may not sum due to rounding.					
See accompanying notes to consolidated financial statements.					

Item 1. Financial Statements Continued:

ASSOCIATED BANC-CORP

Consolidated Statements of Changes in Stockholders' Equity (Unaudited)

(In thousands, except per share data)	(In thousands, except per share data)	Accumulated Other							(In thousands, except per share data)	Accumulated Other						
		Preferred Equity	Common Stock	Surplus	Retained Earnings	Comprehensive (Loss)	Treasury Stock	Total		Preferred Equity	Common Stock	Surplus	Retained Earnings	Comprehensive (Loss)	Treasury Stock	Total
Balance, December 31, 2022		\$194,112	\$ 1,752	\$1,712,733	\$2,904,882	\$ (272,799)	\$(525,190)	\$4,015,490								
Balance, December 31, 2023																
Comprehensive income:	Comprehensive income:															
Comprehensive income:																
Comprehensive income:																
Net income	Net income	—	—	—	103,360	—	—	103,360								
Other comprehensive income		—	—	—	—	39,211	—	39,211								
Net income																
Net income																
Other comprehensive (loss)																
Comprehensive income	Comprehensive income							142,571								

Common stock issued:	Common stock issued:								
Stock-based compensation plans, net	Stock-based compensation plans, net	—	—	(12,612)	—	—	14,379	1,766	
Stock-based compensation plans, net									
Stock-based compensation plans, net									
Purchase of treasury stock, open market purchases									
Purchase of treasury stock, open market purchases									
Purchase of treasury stock, open market purchases									
Purchase of treasury stock, stock-based compensation plans	Purchase of treasury stock, stock-based compensation plans	—	—	—	—	—	(5,362)	(5,362)	
Cash dividends:	Cash dividends:								
Common stock, \$0.21 per share	Common stock, \$0.21 per share	—	—	—	(32,013)	—	—	(32,013)	
Common stock, \$0.22 per share									
Common stock, \$0.22 per share									
Common stock, \$0.22 per share									
Preferred stock ^(a)	Preferred stock ^(a)	—	—	—	(2,875)	—	—	(2,875)	
Stock-based compensation expense, net	Stock-based compensation expense, net	—	—	6,086	—	—	—	6,086	
Stock-based compensation expense, net									
Balance, March 31, 2023		\$194,112	\$ 1,752	\$1,706,206	\$2,973,354	\$ (233,588)	\$(516,173)	\$4,125,663	
Comprehensive income:									
Net income		—	—	—	87,154	—	—	87,154	
Other comprehensive (loss)		—	—	—	—	(58,054)	—	(58,054)	
Comprehensive income								29,100	
Common stock issued:									
Stock-based compensation plans, net		—	—	(1,677)	—	—	1,770	93	
Purchase of treasury stock, stock-based compensation plans		—	—	—	—	—	(884)	(884)	
Cash dividends:									
Common stock, \$0.21 per share		—	—	—	(31,996)	—	—	(31,996)	
Preferred stock ^(a)		—	—	—	(2,875)	—	—	(2,875)	
Stock-based compensation expense, net		—	—	3,773	—	—	—	3,773	
Balance, June 30, 2023		\$194,112	\$ 1,752	\$1,708,303	\$3,025,637	\$ (291,642)	\$(515,287)	\$4,122,874	
Comprehensive income:									
Net income		—	—	—	83,248	—	—	83,248	
Other comprehensive (loss)		—	—	—	—	(47,497)	—	(47,497)	
Comprehensive income								35,751	
Common stock issued:									
Stock-based compensation plans, net		—	—	(497)	—	—	999	503	
Purchase of treasury stock, stock-based compensation plans		—	—	—	—	—	(261)	(261)	
Cash dividends:									
Common stock, \$0.21 per share		—	—	—	(31,996)	—	—	(31,996)	
Preferred stock ^(a)		—	—	—	(2,875)	—	—	(2,875)	

Stock-based compensation expense, net	Stock-based compensation expense, net	—	—	3,648	—	—	—	3,648
Balance, September 30, 2023		\$194,112	\$ 1,752	\$1,711,454	\$3,074,014	\$ (339,140)	\$(514,549)	\$4,127,643

Balance, March 31, 2024
Balance, March 31, 2024
Balance, March 31, 2024

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

(In thousands, except per share data)	(In thousands, except per share data)	Accumulated							Accumulated							
		Other							Other							
		Preferred Equity	Common Stock	Surplus	Retained Earnings	Comprehensive Income (Loss)	Treasury Stock	Total	(In thousands, except per share data)	Preferred Equity	Common Stock	Surplus	Retained Earnings	Comprehensive Income (Loss)	Treasury Stock	Total
Balance, December 31, 2021		\$193,195	\$ 1,752	\$1,713,851	\$2,672,601	\$ (10,317)	\$(546,229)	\$4,024,853								
Change in accounting principle ^(a)		—	—	—	1,713	—	—	1,713								
Total stockholders' equity at beginning of period, as adjusted		193,195	1,752	1,713,851	2,674,314	(10,317)	(546,229)	4,026,566								
Comprehensive (loss):																
Balance, December 31, 2022																
Comprehensive income:																
Comprehensive income:																
Comprehensive income:																
Net income	Net income	—	—	—	74,262	—	—	74,262								
Other comprehensive (loss)		—	—	—	—	(126,708)	—	(126,708)								
Net income																
Net income																
Other comprehensive income																
Comprehensive (loss)								(52,445)								
Comprehensive income																
Comprehensive income																
Comprehensive income																
Common stock issued:	Common stock issued:															
Stock-based compensation plans, net																
Stock-based compensation plans, net																
Stock-based compensation plans, net	Stock-based compensation plans, net	—	—	(11,911)	—	—	18,565	6,654								
Purchase of treasury stock, stock-based compensation plans	Purchase of treasury stock, stock-based compensation plans	—	—	—	—	—	(5,193)	(5,193)								
Purchase of treasury stock, stock- based compensation plans																

Purchase of treasury stock, stock-based compensation plans								
Cash dividends: Cash dividends:								
Common stock, \$0.20 per share	—	—	—	(30,583)	—	—	(30,583)	
Preferred stock ^(a)	—	—	—	(2,875)	—	—	(2,875)	
Common stock, \$0.21 per share								
Common stock, \$0.21 per share								
Common stock, \$0.21 per share								
Preferred stock ^(a)								
Stock-based compensation expense, net								
Stock-based compensation expense, net								
Stock-based compensation expense, net	Stock-based compensation expense, net	—	—	6,164	—	—	—	6,164
Balance, March 31, 2022		\$193,195	\$ 1,752	\$1,708,104	\$2,715,118	\$ (137,024)	\$(532,858)	\$3,948,287
Comprehensive income:								
Net income		—	—	—	86,824	—	—	86,824
Other comprehensive (loss)		—	—	—	—	(45,764)	—	(45,764)
Comprehensive income								41,060
Common stock issued:								
Stock-based compensation plans, net		—	—	(1,771)	—	—	1,910	139
Balance, March 31, 2023								
Balance, March 31, 2023								
Purchase of treasury stock, stock-based compensation plans								
		—	—	—	—	—	(884)	(884)
Cash dividends:								
Common stock, \$0.20 per share		—	—	—	(30,331)	—	—	(30,331)
Preferred stock ^(a)		—	—	—	(2,875)	—	—	(2,875)
Balance, March 31, 2023								
Stock-based compensation expense, net								
		—	—	3,986	—	—	—	3,986
Balance, June 30, 2022		\$193,195	\$ 1,752	\$1,710,319	\$2,768,736	\$ (182,788)	\$(531,832)	\$3,959,382
Comprehensive income:								
Net income		—	—	—	96,275	—	—	96,275
Other comprehensive (loss)		—	—	—	—	(72,603)	—	(72,603)
Comprehensive income								23,672
Common stock issued:								
Stock-based compensation plans, net		—	—	(3,274)	—	—	4,540	1,266
Purchase of treasury stock, stock-based compensation plans								
		—	—	—	—	—	(181)	(181)
Cash dividends:								
Common stock, \$0.20 per share		—	—	—	(30,342)	—	—	(30,342)
Preferred stock ^(a)		—	—	—	(2,875)	—	—	(2,875)
Stock-based compensation expense, net								
		—	—	3,030	—	—	—	3,030
Other		916	—	—	(916)	—	—	—
Balance, September 30, 2022		\$194,112	\$ 1,752	\$1,710,075	\$2,830,877	\$ (255,391)	\$(527,473)	\$3,953,952

Numbers may not sum due to rounding.

(a) MSRs at December 31, 2021 were carried at LOCOM. On January 1, 2022, the Corporation made the irrevocable election to account for MSRs at fair value.
(b) Series E, \$0.3671875 per share; and Series F, \$0.3515625 per share.

See accompanying notes to consolidated financial statements.

Item 1. Financial Statements Continued:

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

		Nine Months Ended Sep 30,					
				Three Months Ended Mar 31,		Three Months Ended Mar 31,	
(\$ in thousands)	(\$ in thousands)	2023	2022	(\$ in thousands)	2024	2023	
Cash flows	Cash flows						
from operating	from operating						
activities	activities						
Net income	Net income	\$ 273,762	\$ 257,360				
Net income							
Net income							
Adjustments to reconcile net income to net cash provided by operating activities:	Adjustments to reconcile net income to net cash provided by operating activities:						
Provision for credit losses							
Provision for credit losses							
Provision for credit losses	Provision for credit losses	62,014	13,006				
Depreciation and amortization	Depreciation and amortization	34,703	33,743				
Change in MSRs valuation	Change in MSRs valuation	(14,658)	(22,348)				
Amortization of other intangible assets	Amortization of other intangible assets	6,608	6,608				
Amortization of other intangible assets							
Amortization of other intangible assets							
Amortization and accretion on earning assets, funding, and other, net	Amortization and accretion on earning assets, funding, and other, net	27,394	13,280				
Net amortization of tax credit investments	Net amortization of tax credit investments	25,830	25,916				

(Gains) on sales of investment securities, net	(Gains) on sales of investment securities, net	—	(260)
Asset (gains), net		(590)	(1,883)
Asset losses (gains), net			
Loss on mortgage banking activities, net		2,154	5,712
(Gains) loss on mortgage banking activities, net			
(Gains) loss on mortgage banking activities, net			
(Gains) loss on mortgage banking activities, net			
Mortgage loans originated and acquired for sale	Mortgage loans originated and acquired for sale	(283,469)	(535,694)
Proceeds from sales of mortgage loans held for sale	Proceeds from sales of mortgage loans held for sale	254,619	620,352
Changes in certain assets and liabilities:	Changes in certain assets and liabilities:		
(Increase) in interest receivable		(26,670)	(35,254)
Changes in certain assets and liabilities:			
Changes in certain assets and liabilities:			
Decrease (increase) in interest receivable			
Decrease (increase) in interest receivable			
Decrease (increase) in interest receivable			
Increase in interest payable	Increase in interest payable	69,461	1,795
(Decrease) in expense payable	(Decrease) in expense payable	(22,632)	(17,994)
Increase in net derivative position		3,721	320,972
Increase (decrease) in net derivative position			
Net change in other assets and other liabilities			
Net change in other assets and other liabilities			

Net change in other assets and other liabilities	Net change in other assets and other liabilities	(34,137)	37,018
Net cash provided by operating activities	Net cash provided by operating activities	378,110	722,330
Cash flows from investing activities	Cash flows from investing activities		
Net (increase) in loans	Net (increase) in loans	(1,436,901)	(3,595,331)
Net (increase) in loans			
Net (increase) in loans			
Purchases of:	Purchases of:		
AFS securities			
AFS securities			
AFS securities	AFS securities	(1,109,501)	(510,301)
HTM securities	HTM securities	(41,524)	(245,826)
FHLB and Federal Reserve Bank stocks and equity securities	FHLB and Federal Reserve Bank stocks and equity securities	(114,985)	(112,157)
Proceeds from:	Proceeds from:		
Proceeds from:			
Proceeds from:			
Sales of AFS securities			
Sales of AFS securities			
Sales of AFS securities	Sales of AFS securities	—	1,061
Sale of FHLB and Federal Reserve Bank stocks and equity securities			
Sale of FHLB and Federal Reserve Bank stocks and equity securities			
Sale of FHLB and Federal Reserve Bank stocks and equity securities	Sale of FHLB and Federal Reserve Bank stocks and equity securities	131,272	259
Prepayments, calls, and maturities of AFS securities	Prepayments, calls, and maturities of AFS securities	288,313	392,275
Prepayments, calls, and maturities of HTM securities	Prepayments, calls, and maturities of HTM securities	101,847	153,163

Sales, prepayments, calls, and maturities of other assets	Sales, prepayments, calls, and maturities of other assets	20,224	31,732
Premises, equipment, and software, net of disposals		(43,541)	(45,441)
Premises, equipment, and software			
Net change in tax credit and alternative investments			
Net change in tax credit and alternative investments			
Net change in tax credit and alternative investments	Net change in tax credit and alternative investments	(19,615)	(50,386)
Net cash (used in) investing activities	Net cash (used in) investing activities	(2,224,411)	(3,980,951)
Net cash (used in) investing activities			
Net cash (used in) investing activities			
Cash flows from financing activities	Cash flows from financing activities		
Net increase in deposits	Net increase in deposits	2,487,225	732,347
Net increase in deposits			
Net (decrease) in short-term funding		(154,292)	(69,902)
Net increase (decrease) in short-term FHLB advances		(580,000)	2,583,000
Net increase (decrease) in short-term funding			
Net increase (decrease) in short-term funding			
Net increase (decrease) in short-term funding			
Net (decrease) increase in short-term FHLB advances			
Repayment of long-term FHLB advances	Repayment of long-term FHLB advances	(568)	(413,523)
Proceeds from long-term FHLB advances	Proceeds from long-term FHLB advances	1,369	1,356
Proceeds from issuance of long-term funding	Proceeds from issuance of long-term funding	292,740	—

Proceeds from issuance of long-term funding			
Proceeds from issuance of long-term funding			
(Repayment) proceeds of finance lease principal	(64)	327	
(Repayment) of finance lease principal			
(Repayment) of finance lease principal			
(Repayment) of finance lease principal			
Proceeds from issuance of common stock for stock-based compensation plans			
Proceeds from issuance of common stock for stock-based compensation plans			
Proceeds from issuance of common stock for stock-based compensation plans	Proceeds from issuance of common stock for stock-based compensation plans	2,362	8,059
Purchase of treasury stock, open market purchases			
Purchase of treasury stock, open market purchases			
Purchase of treasury stock, open market purchases			
Purchase of treasury stock, stock-based compensation plans	Purchase of treasury stock, stock-based compensation plans	(6,507)	(6,259)
Cash dividends on common stock	Cash dividends on common stock	(96,005)	(91,256)
Cash dividends on preferred stock	Cash dividends on preferred stock	(8,625)	(8,625)
Net cash provided by financing activities	Net cash provided by financing activities	1,937,635	2,735,525
Net increase (decrease) in cash and cash equivalents		91,334	(523,096)
Net cash provided by financing activities			
Net cash provided by financing activities			
Net (decrease) increase in cash and cash equivalents			

Cash and cash equivalents at beginning of period	Cash and cash equivalents at beginning of period	621,455	1,025,515
Cash and cash equivalents at end of period ^(a)	Cash and cash equivalents at end of period ^(a)	\$ 712,789	\$ 502,419

Numbers may not sum due to rounding.
(a) No restricted cash due to the Federal Reserve reducing the required reserve ratio to zero.

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

		Nine Months Ended Sep 30,		Three Months Ended Mar 31,		Three Months Ended Mar 31,	
(\$ in thousands)	(\$ in thousands)	2023	2022	(\$ in thousands)	2024	2023	
Supplemental disclosures of cash flow information	Supplemental disclosures of cash flow information						
Cash paid for interest							
Cash paid for interest							
Cash paid for interest	Cash paid for interest	\$576,221	\$ 83,337				
Cash paid for income and franchise taxes	Cash paid for income and franchise taxes	68,382	6,087				
Loans and bank premises transferred to OREO	Loans and bank premises transferred to OREO	5,917	5,052				
Capitalized mortgage servicing rights	Capitalized mortgage servicing rights	2,477	6,316				
Loans transferred into held for sale from portfolio, net		6,833	1,789				
Transfer of AFS securities to HTM securities		—	1,621,990				
Unsettled trades to purchase securities		—	4,130				
Write-up of equity securities without readily determinable fair values		—	5,690				
Loans transferred (from) into held for sale from (into) portfolio, net							

Fair value adjustments on hedged			
long-term FHLB advances and			
subordinated debt			
Fair value adjustments on hedged			
long-term FHLB advances and			
subordinated debt			
Fair value	Fair value		
adjustments	adjustments		
on hedged	on hedged		
long-term	long-term		
FHLB	FHLB	18,652	14,703
advances	advances		
and	and		
subordinated	subordinated		
debt	debt		
Fair value	Fair value		
adjustments	adjustments		
on foreign	on foreign		
currency	currency	3,308	10,610
exchange	exchange		
forwards	forwards		
Fair value	Fair value		
adjustment	adjustment	(19,391)	—
on cash flow	on cash flow		
hedges	hedges		

Item 1. Financial Statements Continued:

ASSOCIATED BANC-CORP
Notes to Consolidated Financial Statements

These interim consolidated financial statements have been prepared according to the rules and regulations of the SEC and, therefore, certain information and footnote disclosures normally presented in accordance with GAAP have been omitted or abbreviated. The information contained on the consolidated financial statements and footnotes in Associated Banc-Corp's 2022 2023 Annual Report on Form 10-K should be referred to in connection with the reading of these unaudited interim consolidated financial statements.

Note 1 Basis of Presentation

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

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

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

Note 2 Summary of Significant Accounting Policies

The accounting and reporting policies of the Corporation conform to U.S. GAAP and to general practice within the financial services industry. A discussion of these policies can be found in Note 1 Summary of Significant Accounting Policies included in the Corporation's 2022 2023 Annual Report on Form 10-K.

New Accounting Pronouncements Adopted

Standard	Description	Date of adoption	Effect on financial statements
ASU 2022-02 Financial Instruments-Credit Losses (Topic 326): Troubled Debt Restructurings and Vintage Disclosures	The FASB issued these amendments to eliminate accounting guidance for TDRs by creditors in Subtopic 310-40, Receivables-Troubled Debt Restructurings by Creditors, while enhancing disclosure requirements for certain loan refinancings and restructurings by creditors when a borrower is experiencing financial difficulty, and to require that an entity disclose current-period gross writeoffs by year of origination for financing receivables and net investments in leases within the scope of Subtopic 326-20, Financial Instruments-Credit Losses-Measured at Amortized Cost. The amendments in this Update are effective for fiscal years beginning after December 15, 2022, including interim periods within those fiscal years, and should be applied prospectively, except as provided in the next sentence. For the transition method related to the recognition and measurement of TDRs, an entity has the option to apply a modified retrospective transition method, resulting in a cumulative-effect adjustment to retained earnings in the period of adoption. Early adoption is permitted if an entity has adopted the amendments in Update 2016-03, including adoption in an interim period.	1st Quarter 2023	Adoption of this amendment did not have a material impact on the Corporation's results of operation, financial position or liquidity, but resulted in additional disclosure requirements related to gross charge offs by vintage year and the removal of TDR disclosures, replaced by additional disclosures on the types of modifications of loans to borrowers experiencing financial difficulties. The Corporation has adopted this update prospectively.

Future Accounting Pronouncements

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

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

Future Accounting Pronouncements

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

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

Note 3 Earnings Per Common Share

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

		Three Months Ended Sep 30,		Nine Months Ended Sep 30,	
(\$ in thousands, except per share data)	(\$ in thousands, except per share data)	2023	2022	2023	2022
(\$ in thousands, except per share data)					
(\$ in thousands, except per share data)					
<hr/>					
Net income					
<hr/>					
Net income					
<hr/>					
Net income	Net income	\$ 83,248	\$ 96,275	\$ 273,762	\$ 257,360
Preferred stock dividends	Preferred stock dividends	(2,875)	(2,875)	(8,625)	(8,625)
Preferred stock dividends					
Preferred stock dividends					
Net income available to common equity					
Net income available to common equity					
Net income available to common equity	Net income available to common equity	\$ 80,373	\$ 93,400	\$ 265,137	\$ 248,735
Common shareholder dividends	Common shareholder dividends	(31,806)	(30,149)	(95,417)	(90,647)
Common shareholder dividends					
Common shareholder dividends					
Unvested share-based payment awards					
Unvested share-based payment awards					
Unvested share-based payment awards	Unvested share-based payment awards	(190)	(194)	(588)	(609)
Undistributed earnings	Undistributed earnings	\$ 48,377	\$ 63,057	\$ 169,132	\$ 157,479
Undistributed earnings					
Undistributed earnings					
Undistributed earnings allocated to common shareholders					
Undistributed earnings allocated to common shareholders					

Undistributed earnings allocated to common shareholders	Undistributed earnings allocated to common shareholders	\$	48,090	\$	62,648	\$	168,136	\$	156,454
Undistributed earnings allocated to unvested share-based payment awards	Undistributed earnings allocated to unvested share-based payment awards		287		409		996		1,025
Undistributed earnings allocated to unvested share-based payment awards									
Undistributed earnings allocated to unvested share-based payment awards									
Undistributed earnings									
Undistributed earnings									
Undistributed earnings	Undistributed earnings	\$	48,377	\$	63,057	\$	169,132	\$	157,479
Basic	Basic								
Basic									
Basic									
Distributed earnings to common shareholders									
Distributed earnings to common shareholders									
Distributed earnings to common shareholders	Distributed earnings to common shareholders	\$	31,806	\$	30,149	\$	95,417	\$	90,647
Undistributed earnings allocated to common shareholders	Undistributed earnings allocated to common shareholders		48,090		62,648		168,136		156,454
Undistributed earnings allocated to common shareholders									
Undistributed earnings allocated to common shareholders									
Total common shareholders earnings, basic									
Total common shareholders earnings, basic									
Total common shareholders earnings, basic	Total common shareholders earnings, basic	\$	79,896	\$	92,796	\$	263,553	\$	247,102
Diluted	Diluted								
Diluted									
Diluted									
Distributed earnings to common shareholders									
Distributed earnings to common shareholders									
Distributed earnings to common shareholders	Distributed earnings to common shareholders	\$	31,806	\$	30,149	\$	95,417	\$	90,647
Undistributed earnings allocated to common shareholders	Undistributed earnings allocated to common shareholders		48,090		62,648		168,136		156,454
Undistributed earnings allocated to common shareholders									
Undistributed earnings allocated to common shareholders									
Total common shareholders earnings, diluted									
Total common shareholders earnings, diluted									
Total common shareholders earnings, diluted	Total common shareholders earnings, diluted	\$	79,896	\$	92,796	\$	263,553	\$	247,102
Weighted average common shares outstanding	Weighted average common shares outstanding		150,035		149,321		149,929		149,063

Weighted average common shares outstanding					
Weighted average common shares outstanding					
Effect of dilutive common stock awards					
Effect of dilutive common stock awards					
Effect of dilutive common stock awards	Effect of dilutive common stock awards	980	942	1,042	1,141
Diluted weighted average common shares outstanding	Diluted weighted average common shares outstanding	151,014	150,262	150,971	150,205
Diluted weighted average common shares outstanding					
Diluted weighted average common shares outstanding					
Basic earnings per common share					
Basic earnings per common share					
Basic earnings per common share	Basic earnings per common share	\$ 0.53	\$ 0.62	\$ 1.76	\$ 1.66
Diluted earnings per common share	Diluted earnings per common share	\$ 0.53	\$ 0.62	\$ 1.75	\$ 1.65
Diluted earnings per common share					
Diluted earnings per common share					

Approximately 4.2 million and 3 million anti-dilutive common stock shares options were excluded from the earnings per common share calculation calculations for both the three months ended September 30, 2023 March 31, 2024 and 2022, respectively, and approximately 3 million anti-dilutive

common stock shares were excluded from the earnings per common share calculation for both the nine months ended September 30, 2023 and 2022, 2023.

Note 4 Stock-Based Compensation

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

A summary of the Corporation's stock option activity for the nine three months ended September 30, 2023 March 31, 2024 is presented below:

Stock Options	Shares ^(a)	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term	Aggregate Intrinsic Value ^(a)
Outstanding at December 31, 2022	3,994	\$ 21.06	5.11 years	\$ 10,525
Exercised	61	17.04		
Forfeited or expired	10	23.45		
Outstanding at September 30, 2023	3,923	21.12	4.41 years	107
Options Exercisable at September 30, 2023	3,709	21.30	4.29 years	81

Stock Options	Shares ^(a)	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term	Aggregate Intrinsic Value ^(a)
Outstanding at December 31, 2023	3,792	\$ 21.25	4.26 years	\$ 5,834
Exercised	179	17.27		
Outstanding at March 31, 2024	3,613	21.45	4.08 years	5,299
Options Exercisable at March 31, 2024	3,613	21.45	4.08 years	5,299

(a) In thousands

Intrinsic value represents the amount by which the fair market value of the underlying stock exceeds the exercise price of the stock option. For the **nine three** months ended **September 30, 2023** **March 31, 2024**, the intrinsic value of stock options exercised was approximately **\$272,000**, **\$722,000**, compared to **\$3 million** approximately **\$219,000** for the **nine three** months ended **September 30, 2022** **March 31, 2023**. For the **nine three** months ended **September 30, 2023** **March 31, 2024**, the total fair value of stock options vested was approximately **\$955,000** compared to **\$2 million** for the nine months ended **September 30, 2022**.

The Corporation recognized compensation expense for the vesting of stock options of approximately **\$265,000** for the nine months ended **September 30, 2023**, **\$489,000** compared to approximately **\$587,000** **\$955,000** for the **nine three** months ended **September 30, 2022** **March 31, 2023**. At **September 30, 2023**, the Corporation had approximately **\$113,000** of unrecognized compensation expense related to stock options that is expected to be recognized over the remaining requisite service periods that extend predominately through the first quarter of **2024**.

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

The following table summarizes information about the Corporation's restricted stock awards activity for the **nine three** months ended **September 30, 2023** **March 31, 2024**:

Restricted Stock	Restricted Stock	Shares(a)	Weighted Average Grant Date Fair Value	Restricted Stock	Shares(a)	Weighted Average Grant Date Fair Value
Outstanding at December 31, 2022		2,303	\$ 20.81			
Outstanding at December 31, 2023						
Granted	Granted	830	22.47			
Vested	Vested	771	21.01			
Forfeited	Forfeited	35	22.10			
Outstanding at September 30, 2023		2,327	\$ 21.32			
Outstanding at March 31, 2024						

(a) In thousands

The Corporation amortizes the expense related to restricted stock awards as compensation expense over the vesting period specified in the grant's award agreement. Performance-based restricted stock awards granted during **2022** **2023** and **2023** **2024** will cliff-vest after the three year performance period has ended. Service-based restricted stock awards granted during **2022** **2023** and **2023** **2024** will generally vest ratably over a period of four years. Expense for restricted stock awards of **\$14 million** **\$8 million** was recorded for the **nine three** months ended **September 30, 2023** **March 31, 2024**, compared to **\$13 million** **\$6 million** for the **nine three** months ended **September 30, 2022** **March 31, 2023**. Included in compensation expense for the first **nine three** months of **2023** **2024** was **\$3 million** of expense for the accelerated vesting of restricted stock awards granted to retirement eligible colleagues. The Corporation had **\$23 million** **\$30 million** of unrecognized compensation costs related to restricted stock awards at **September 30, 2023** **March 31, 2024** that are expected to be recognized over the remaining requisite service periods that extend predominately through the first quarter of **2027**, **2028**.

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

Note 5 Investment Securities

Investment securities are designated as AFS, HTM, or equity on the consolidated balance sheets at the time of purchase, sheets. The amortized cost and fair values of AFS and HTM securities at **September 30, 2023** **March 31, 2024** were as follows:

(\$ in thousands)	(\$ in thousands)	Gross				(\$ in thousands)	Gross	Gross	Fair Value
		Amortized Cost	Unrealized Gains	Unrealized (Losses)	Fair Value		Amortized Cost	Unrealized Gains	

FFELP						
FFELP						
SBA	SBA	3,299	9	(46)	3,261	
Other debt securities						
Other debt securities						
Other debt securities	Other debt securities	3,000	—	(85)	2,915	
Total AFS investment securities	Total AFS investment securities					
		\$3,816,198	\$ 207	\$(324,727)	\$3,491,679	
HTM investment securities	HTM investment securities					
U.S. Treasury securities	U.S. Treasury securities	\$ 999	\$ —	\$ (51)	\$ 948	
U.S. Treasury securities						
U.S. Treasury securities						
Obligations of state and political subdivisions (municipal securities)	Obligations of state and political subdivisions (municipal securities)	1,700,162	12	(279,659)	1,420,516	
Residential mortgage-related securities:	Residential mortgage-related securities:					
FNMA/FHLMC						
FNMA/FHLMC						
FNMA/FHLMC	FNMA/FHLMC	956,107	28,038	(220,577)	763,567	
GNMA	GNMA	50,489	15	(5,192)	45,312	
Private-label	Private-label	349,410	10,228	(85,120)	274,518	
Commercial mortgage-related securities:	Commercial mortgage-related securities:					
FNMA/FHLMC	FNMA/FHLMC	782,291	13,329	(206,522)	589,097	
FNMA/FHLMC						
FNMA/FHLMC						
GNMA	GNMA	61,025	421	(9,506)	51,940	
Total HTM investment securities	Total HTM investment securities	\$3,900,483	\$ 52,043	\$(806,627)	\$3,145,898	

The amortized cost and fair values of AFS and HTM securities at **December 31, 2022** **December 31, 2023** were as follows:

	Gross				Gross		Gross		Gross	
	Amortized	Unrealized	Unrealized	Unrealized	Fair Value		Amortized	Unrealized	Unrealized	Fair Value
(\$ in thousands)	(\$ in thousands)	Cost	Gains	(Losses)	Fair Value	(\$ in thousands)	Cost	Gains	(Losses)	Fair Value
AFS investment securities										
AFS investment securities										
AFS investment securities										
AFS investment securities										
AFS investment securities										
AFS investment securities										
AFS investment securities										

AFS investment securities						
AFS investment securities						
AFS investment securities						
AFS investment securities						
AFS investment securities						
AFS investment securities						
AFS investment securities						
AFS investment securities						
AFS investment securities	AFS investment securities					
U.S. Treasury securities	U.S. Treasury securities	\$ 124,441	\$ —	\$ (15,063)	\$ 109,378	
Agency securities		15,000	—	(1,468)	13,532	
U.S. Treasury securities						
U.S. Treasury securities						
Obligations of state and political subdivisions (municipal securities)						
Obligations of state and political subdivisions (municipal securities)						
Obligations of state and political subdivisions (municipal securities)	Obligations of state and political subdivisions (municipal securities)	235,693	96	(5,074)	230,714	
Residential mortgage-related securities:	Residential mortgage-related securities:					
FNMA/FHLMC						
FNMA/FHLMC						
FNMA/FHLMC	FNMA/FHLMC	1,820,642	404	(216,436)	1,604,610	
GNMA	GNMA	502,537	314	(5,255)	497,596	
Commercial mortgage-related securities:	Commercial mortgage-related securities:					
Commercial mortgage-related securities:						
Commercial mortgage-related securities:						
FNMA/FHLMC						
FNMA/FHLMC						
FNMA/FHLMC	FNMA/FHLMC	19,038	—	(1,896)	17,142	
GNMA	GNMA	115,031	—	(4,569)	110,462	
Asset backed securities:	Asset backed securities:					
FFELP						
FFELP						
FFELP	FFELP	157,138	—	(5,947)	151,191	
SBA	SBA	4,512	15	(51)	4,477	
Other debt securities	Other debt securities	3,000	—	(78)	2,922	
Total AFS investment securities	Total AFS investment securities	\$ 2,997,032	\$ 830	\$(255,837)	\$ 2,742,025	

HTM investment securities	HTM investment securities				
U.S. Treasury securities	U.S. Treasury securities	\$	999	\$ —	\$ (62) \$ 936
U.S. Treasury securities					
U.S. Treasury securities					
Obligations of state and political subdivisions (municipal securities)	Obligations of state and political subdivisions (municipal securities)		1,732,351	1,994	(182,697) 1,551,647
Residential mortgage-related securities:	Residential mortgage-related securities:				
FNMA/FHLMC					
FNMA/FHLMC					
FNMA/FHLMC	FNMA/FHLMC	961,231	31,301	(175,760)	816,771
GNMA	GNMA	52,979	85	(3,436)	49,628
Private-label	Private-label	364,728	11,697	(72,920)	303,505
Commercial mortgage-related securities:	Commercial mortgage-related securities:				
FNMA/FHLMC	FNMA/FHLMC	778,796	15,324	(178,281)	615,839
FNMA/FHLMC					
FNMA/FHLMC					
GNMA	GNMA	69,369	577	(7,254)	62,691
Total HTM investment securities	Total HTM investment securities	\$3,960,451	\$ 60,978	\$(620,411)	\$3,401,018

Expected maturities may differ from contractual maturities because borrowers may have the right to call or prepay obligations with or without call or prepayment penalties. The expected maturities of AFS and HTM securities at **September 30, 2023** **March 31, 2024**, are shown below:

		AFS		HTM			AFS		HTM	
		Amortized	Fair	Amortized	Fair		Amortized	Fair	Amortized	Fair
(\$ in thousands)	(\$ in thousands)	Cost	Value	Cost	Value	(\$ in thousands)	Cost	Value	Cost	Value
Due in one year or less	Due in one year or less	\$ 7,436	\$ 7,368	\$ 16,715	\$ 16,673					
Due after one year through five years	Due after one year through five years	190,843	170,918	47,774	46,115					
Due after five years through ten years	Due after five years through ten years	136,473	125,923	155,329	144,145					
Due after ten years	Due after ten years	34,611	31,636	1,481,344	1,214,531					
Total debt securities	Total debt securities	369,363	335,846	1,701,161	1,421,464					
Residential mortgage-related securities:	Residential mortgage-related securities:									
FNMA/FHLMC	FNMA/FHLMC	1,678,641	1,436,759	956,107	763,567					
FNMA/FHLMC										
FNMA/FHLMC										
GNMA	GNMA	1,416,569	1,384,670	50,489	45,312					
Private-label	Private-label	—	—	349,410	274,518					

Commercial mortgage-related securities:	Commercial mortgage-related securities:				
FNMA/FHLMC	FNMA/FHLMC	18,779	16,154	782,291	589,097
FNMA/FHLMC					
FNMA/FHLMC					
GNMA	GNMA	188,667	176,474	61,025	51,940
Asset backed securities:	Asset backed securities:				
FFELP					
FFELP					
FFELP	FFELP	140,881	138,514	—	—
SBA	SBA	3,299	3,261	—	—
Total investment securities	Total investment securities	\$3,816,198	\$3,491,679	\$3,900,483	\$3,145,898
Total investment securities					
Total investment securities					
Ratio of fair value to amortized cost	Ratio of fair value to amortized cost	91.5 %	80.7 %	Ratio of fair value to amortized cost	95.4 %
					86.1 %

On a quarterly basis, the Corporation refreshes the credit quality of each HTM security. The following table summarizes the credit quality indicators of HTM securities at amortized cost at **September 30, 2023** **March 31, 2024**:

(\$ in thousands)											
(\$ in thousands)											
(\$ in thousands)	(\$ in thousands)	AAA	AA	A	Not Rated	Total	AAA	AA	A	Not Rated	Total
U.S. Treasury securities	U.S. Treasury securities	\$ 999	\$ —	\$ —	\$ —	\$ 999					
Obligations of state and political subdivisions (municipal securities)	Obligations of state and political subdivisions (municipal securities)	769,052	923,707	6,248	1,156	1,700,162					
Residential mortgage-related securities:	Residential mortgage-related securities:										
FNMA/FHLMC	FNMA/FHLMC	956,107	—	—	—	956,107					
FNMA/FHLMC											
FNMA/FHLMC											
GNMA	GNMA	50,489	—	—	—	50,489					
Private-label	Private-label	349,410	—	—	—	349,410					
Commercial mortgage-related securities:	Commercial mortgage-related securities:										
FNMA/FHLMC	FNMA/FHLMC	782,291	—	—	—	782,291					
FNMA/FHLMC											
FNMA/FHLMC											
GNMA	GNMA	61,025	—	—	—	61,025					

Gain on sale and net write-up (down) of equity securities					
Investment securities gains (losses), net					
Investment securities gains (losses), net					
Investment securities gains (losses), net	Investment securities gains (losses), net	\$	(11)	\$	5,664
				\$	55
				\$	5,676
Proceeds from sales of AFS investment securities	Proceeds from sales of AFS investment securities	\$	—	\$	—
				\$	1,061
Proceeds from sales of AFS investment securities					
Proceeds from sales of AFS investment securities					

During the **third** first quarter of **2022**, 2024, the Corporation sold its remaining Visa Class B restricted shares obtained in the acquisition of First Staunton, which were carried at a zero-cost basis. The remaining shares, which are carried at fair value, were subsequently written up to reflect the new observable price resulting from that sale. gain of \$4 million.

Investment securities with a carrying value of **\$1.5 billion** and **\$1.6 billion** at **March 31, 2024** and **\$2.3 billion** at **September 30, 2023** and **December 31, 2022** **December 31, 2023**, respectively, were pledged as required to secure certain deposits or for other purposes.

Accrued interest receivable on HTM securities totaled \$16 million and **\$19 million** **\$18 million** at **September 30, 2023** **March 31, 2024** and **December 31, 2022** **December 31, 2023**, respectively. Accrued interest receivable on AFS securities totaled **\$14 million** **\$16 million** and **\$9 million** **\$15 million** at **September 30, 2023** **March 31, 2024** and **December 31, 2022** **December 31, 2023**, respectively. Accrued interest receivable on both HTM and AFS securities is included in interest receivable on the consolidated balance sheets. **There was no interest income reversed for investments going into nonaccrual at both September 30, 2023 and December 31, 2022.**

A security is considered past due once it is 30 days past due under the terms of the agreement. At both September 30, 2023 and December 31, 2022, the Corporation had no past due HTM securities.

The allowance for credit losses on HTM securities was approximately **\$67,000** **\$76,000** at **September 30, 2023** **March 31, 2024** and approximately **\$54,000** **\$75,000** at **December 31, 2022** **December 31, 2023**, attributable entirely to the Corporation's municipal securities, included in HTM investment securities, net, at amortized cost on the consolidated balance sheets. The Corporation also holds U.S. Treasury, municipal, and mortgage-related securities issued by the U.S. government or a GSE which are backed by the full faith and credit of the U.S. government and private-label residential mortgage-related securities that have credit enhancement which covers the first 15% of losses and, as a result, no allowance for credit losses has been recorded related to these securities.

The following represents gross unrealized losses and the related fair value of AFS and HTM securities, aggregated by investment category and length of time individual securities have been in a continuous unrealized loss position, at **September 30, 2023** **March 31, 2024**:

		Less than 12 months			12 months or more			Total			Less than 12 months			12 months or more			Total		
		Number			Number			Unrealized			(\$ in thousands)	Number			Number			Unrealized	
		of	Unrealized	Fair	of	Unrealized	Fair	Unrealized	Fair			of	Unrealized	Fair	of	Unrealized	Fair	Unrealized	Fair
(\$ in thousands)	(\$ in thousands)	Securities	(Losses)	Value	Securities	(Losses)	Value	(Losses)	Value	thousands)	Securities	(Losses)	Value	Securities	(Losses)	Value	(Losses)	Value	
AFS investment securities	AFS investment securities																		
U.S. Treasury securities	U.S. Treasury securities	—	\$	—	\$	—	7	\$ (15,531)	\$ 109,024	\$ (15,531)	\$ 109,024								
Agency securities		—	—	—	1	(1,410)	13,590	(1,410)	13,590										
U.S. Treasury securities																			
U.S. Treasury securities																			
Obligations of state and political subdivisions (municipal securities)																			
Obligations of state and political subdivisions (municipal securities)																			
Obligations of state and political subdivisions (municipal securities)	Obligations of state and political subdivisions (municipal securities)	229	(6,575)	108,953	182	(9,916)	100,413	(16,492)	209,367										
Residential mortgage-related securities:	Residential mortgage-related securities:																		
FNMA/FHLMC																			

FNMA/FHLMC									
FNMA/FHLMC	FNMA/FHLMC	20	(1,390)	24,258	107	(240,606)	1,394,562	(241,997)	1,418,820
GNMA	GNMA	75	(27,131)	1,271,478	17	(4,767)	61,087	(31,898)	1,332,565
Commercial mortgage-related securities:	Commercial mortgage-related securities:								
Commercial mortgage-related securities:									
Commercial mortgage-related securities:									
FNMA/FHLMC									
FNMA/FHLMC									
FNMA/FHLMC	FNMA/FHLMC	—	—	—	1	(2,625)	16,154	(2,625)	16,154
GNMA	GNMA	9	(5,848)	100,659	33	(6,345)	75,815	(12,193)	176,474
Asset backed securities:	Asset backed securities:								
FFELP									
FFELP									
FFELP	FFELP	—	—	—	14	(2,450)	129,503	(2,450)	129,503
SBA	SBA	2	(1)	620	7	(46)	1,525	(46)	2,144
Other debt securities	Other debt securities	1	(21)	979	2	(63)	1,937	(85)	2,915
Total	Total	336	\$ (40,967)	\$ 1,506,947	371	\$(283,760)	\$ 1,903,609	\$(324,727)	\$ 3,410,556
Total									
Total									
HTM investment securities									
U.S. Treasury securities									
U.S. Treasury securities									
U.S. Treasury securities	U.S. Treasury securities	—	\$	—	\$	—	1	\$(51)	\$ 948
Obligations of state and political subdivisions (municipal securities)	Obligations of state and political subdivisions (municipal securities)	586	(48,660)	663,360	567	(230,998)	743,274	(279,659)	1,406,634
Residential mortgage-related securities:	Residential mortgage-related securities:								
FNMA/FHLMC									
FNMA/FHLMC									
FNMA/FHLMC	FNMA/FHLMC	31	(2,239)	37,996	92	(218,338)	725,539	(220,577)	763,535
GNMA	GNMA	8	(466)	11,058	78	(4,726)	34,253	(5,192)	45,312
Private-label	Private-label	—	—	—	18	(85,120)	274,518	(85,120)	274,518
Commercial mortgage-related securities:	Commercial mortgage-related securities:								
FNMA/FHLMC	FNMA/FHLMC	2	(2,746)	24,130	43	(203,776)	564,968	(206,522)	589,097
FNMA/FHLMC									
FNMA/FHLMC									
GNMA	GNMA	—	—	—	13	(9,506)	51,940	(9,506)	51,940
Total	Total	627	\$ (54,112)	\$ 736,544	812	\$(752,515)	\$ 2,395,440	\$(806,627)	\$ 3,131,984

For comparative purposes, the following represents gross unrealized losses and the related fair value of AFS and HTM securities, aggregated by investment category and length of time that individual securities have been in a continuous unrealized loss position, at **December 31, 2022** December 31, 2023:

(\$ in thousands)	(\$ in thousands)	Less than 12 months			12 months or more			Total		(\$ in thousands)	Less than 12 months			12 months or more			Total	
		Number		Unrealized	Fair	Number		Unrealized	Fair		Number		Unrealized	Fair	Unrealized	Fair		
		of	Securities			of	Securities				of	Securities						
AFS investment securities	AFS investment securities	—	\$	—	\$	—	7	\$ (15,063)	\$ 109,378	\$ (15,063)	\$ 109,378							
Agency securities		—		—		—	1	(1,468)	13,532	(1,468)	13,532							
U.S. Treasury securities																		
U.S. Treasury securities																		
Obligations of state and political subdivisions (municipal securities)																		
Obligations of state and political subdivisions (municipal securities)																		
Obligations of state and political subdivisions (municipal securities)	Obligations of state and political subdivisions (municipal securities)	358	(5,066)	201,260		4	(8)	1,916	(5,074)	203,176								
Residential mortgage-related securities:	Residential mortgage-related securities:																	
FNMA/FHLMC																		
FNMA/FHLMC																		
FNMA/FHLMC	FNMA/FHLMC	24	(31,266)	260,986		84	(185,170)	1,321,420	(216,436)	1,582,406								
GNMA	GNMA	23	(4,415)	220,276		2	(840)	11,096	(5,255)	231,372								
Commercial mortgage-related securities:	Commercial mortgage-related securities:																	
Commercial mortgage-related securities:																		
Commercial mortgage-related securities:																		
FNMA/FHLMC																		
FNMA/FHLMC																		
FNMA/FHLMC	FNMA/FHLMC	1	(1,896)	17,142		—	—	—	(1,896)	17,142								
GNMA	GNMA	33	(3,920)	101,036		4	(649)	9,426	(4,569)	110,462								
Asset backed securities:	Asset backed securities:																	
FFELP																		
FFELP																		
FFELP	FFELP	3	(1,668)	44,304		12	(4,278)	106,887	(5,947)	151,191								
SBA	SBA	2	(1)	417		6	(50)	2,057	(51)	2,474								
Other debt securities	Other debt securities	2	(30)	1,970		1	(49)	951	(78)	2,922								
Total	Total	446	\$ (48,263)	\$ 847,391		121	\$ (207,575)	\$ 1,576,665	\$ (255,837)	\$ 2,424,055								
Total																		
Total																		
HTM investment securities	HTM investment securities																	

U.S. Treasury securities									
U.S. Treasury securities									
U.S. Treasury securities	U.S. Treasury securities	1	\$ (62)	\$ 936	—	\$ —	\$ —	\$ (62)	\$ 936
Obligations of state and political subdivisions (municipal securities)									
Obligations of state and political subdivisions (municipal securities)	Obligations of state and political subdivisions (municipal securities)	771	(96,282)	1,079,216	156	(86,415)	231,022	(182,697)	1,310,238
Residential mortgage-related securities:									
Residential mortgage-related securities:									
FNMA/FHLMC									
FNMA/FHLMC									
FNMA/FHLMC	FNMA/FHLMC	79	(18,925)	143,201	22	(156,836)	671,570	(175,760)	814,770
GNMA	GNMA	81	(3,436)	44,476	—	—	—	(3,436)	44,476
Private-label	Private-label	3	(9,509)	58,733	15	(63,411)	244,772	(72,920)	303,505
Commercial mortgage-related securities:									
Commercial mortgage-related securities:	Commercial mortgage-related securities:	4	(3,814)	20,338	39	(174,467)	576,911	(178,281)	597,249
FNMA/FHLMC									
FNMA/FHLMC									
GNMA	GNMA	8	(2,528)	34,612	6	(4,726)	28,080	(7,254)	62,691
Total	Total	947	\$ (134,556)	\$ 1,381,511	238	\$ (485,855)	\$ 1,752,354	\$ (620,411)	\$ 3,133,865

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

Based on the Corporation's evaluation, management does not believe any unrealized losses at **September 30, 2023** **March 31, 2024** represent credit deterioration as these unrealized losses are primarily attributable to changes in interest rates and the current market conditions. **The As of March 31, 2024, the** Corporation does not intend to sell, nor does it believe that it will be required to sell, the securities in an unrealized loss position before recovery of their amortized cost basis.

FHLB and Federal Reserve Bank stocks: The Corporation is required to maintain Federal Reserve Bank stock and FHLB stock as a member bank of both the Federal Reserve System and the FHLB, and in amounts as required by these institutions. These equity securities are "restricted" in that they can only be sold back to the respective institutions or another member institution at par. Therefore, they are less liquid than other marketable equity securities and their fair value is equal to amortized cost. The Corporation had FHLB stock of **\$182 million** **\$86 million** and **\$209 million** **\$143 million** at **September 30, 2023** **March 31, 2024** and **December 31, 2022** **December 31, 2023**, respectively. The Corporation had Federal Reserve Bank stock of **\$88 million** and **\$87 million** at **both September 30, 2023** **March 31, 2024** and **December 31, 2022** **December 31, 2023**, respectively. Accrued interest receivable on FHLB stock totaled **\$3 million** **\$2 million** and **\$4 million** at **both September 30, 2023** **March 31, 2024** and **December 31, 2022** **December 31, 2023**, respectively. There was approximately **\$958,000** **\$921,000** of accrued interest receivable on Federal Reserve Bank Stock at **September 30, 2023** **March 31, 2024** and none at **December 31, 2022** **December 31, 2023**. Accrued interest receivable on both FHLB stock and Federal Reserve Bank stock is included in interest receivable on the consolidated balance sheets.

Equity Securities

Equity securities with readily determinable fair values: The Corporation's portfolio of equity securities with readily determinable fair values is primarily comprised of CRA Qualified Investment mutual funds and other mutual funds. The Corporation had equity securities with readily determinable fair values of \$7 million at **September 30, 2023** **both March 31, 2024** and **\$6 million** at **December 31, 2022** **December 31, 2023**.

Equity securities without readily determinable fair values: The Corporation's portfolio of equity securities without readily determinable fair values **which** primarily consists of **Visa Class B restricted shares** and an investment in a private **SBA loan fund, was fund**. The Corporation had equity securities without readily determinable fair values carried at **\$29 million** **\$13 million** and **\$19 million** **\$35 million** at **September 30, 2023** **March 31, 2024** and **December 31, 2022** **December 31, 2023**, respectively. During the first quarter of 2024, the Corporation sold all of its remaining Visa Class B restricted shares.

Note 6 Loans

The period end loan composition was as follows:

(\$ in thousands)	(\$ in thousands)	Sep 30, 2023	Dec 31, 2022	(\$ in thousands)	Mar 31, 2024	Dec 31, 2023
Commercial and industrial						
Commercial and industrial						
Commercial and industrial	Commercial and industrial	\$10,099,068	\$ 9,759,454			
Commercial real estate — owner occupied	Commercial real estate — owner occupied	1,054,969	991,722			
Commercial and business lending	Commercial and business lending	11,154,037	10,751,176			
Commercial real estate — investor	Commercial real estate — investor	5,218,980	5,080,344			
Real estate construction	Real estate construction	2,130,719	2,155,222			
Commercial real estate lending	Commercial real estate lending	7,349,699	7,235,565			
Total commercial	Total commercial	18,503,736	17,986,742			
Residential mortgage	Residential mortgage	8,782,645	8,511,550			
Auto finance	Auto finance	2,007,164	1,382,073			
Home equity	Home equity	623,650	624,353			
Other consumer	Other consumer	275,993	294,851			
Total consumer	Total consumer	11,689,451	10,812,828			
Total loans	Total loans	\$30,193,187	\$28,799,569			

Accrued interest receivable on loans totaled **\$136 million** **\$133 million** at **September 30, 2023** **March 31, 2024**, and **\$113 million** **\$132 million** at **December 31, 2022** **December 31, 2023**, and is included in interest receivable on the consolidated balance sheets. Interest accrued but not received is reversed against interest income when a loan is placed on nonaccrual. The amount of accrued interest reversed was approximately \$347,000 and \$1 million for the three and nine months ended September 30, 2023, respectively, and approximately \$189,000 and \$328,000 for the three and nine months ended September 30, 2022, respectively.

The following table presents loans by credit quality indicator by origination year at **September 30, 2023** **March 31, 2024**:

Term Loans Amortized Cost Basis by Origination Year ^(a)													
Term Loans Amortized Cost Basis by Origination Year ^(a)													
(\$ in thousands)	(\$ in thousands)												
		Rev Loans	Rev Loans										
		Converted	Amortized										
(\$ in thousands)	(\$ in thousands)	to Term ^(a)	Cost Basis	YTD 2023	2022	2021	2020	2019	Prior	Total	Rev Loans	Rev Loans	YTD
		Term ^(a)	Cost Basis	2024	2023	2022	2021	2020	Prior	Total	Converted to	Amortized	YTD
Commercial and industrial:	Commercial and industrial:												
Commercial and industrial:	Commercial and industrial:												
Risk rating:	Risk rating:												
Risk rating:	Risk rating:												
Risk rating:	Risk rating:												
Pass	Pass	\$ 477	\$2,065,717	\$1,775,767	\$2,516,155	\$1,427,787	\$ 549,748	\$ 481,866	\$ 895,313	\$ 9,712,353			
Pass	Pass												
Pass	Pass												
Special mention	Special mention	39	26,400	39	39,694	8,731	3,667	—	26,136	104,666			

Potential problem		829	72,533	311	51,502	57,611	20,222	4,434	623	207,237
Substandard										
Nonaccrual	Nonaccrual	14,756	—	13,945	20,299	18,898	21,617	—	53	74,812
Commercial and industrial	Commercial and industrial	\$ 16,101	\$2,164,649	\$1,790,062	\$2,627,650	\$1,513,027	\$ 595,254	\$ 486,300	\$ 922,126	\$10,099,068
Commercial real estate - owner occupied:	Commercial real estate - owner occupied:									
Risk rating:	Risk rating:									
Risk rating:										
Risk rating:										
Pass										
Pass										
Pass	Pass	\$ —	\$ 17,557	\$ 133,133	\$ 182,517	\$ 196,057	\$ 104,786	\$ 142,602	\$ 229,321	\$ 1,005,973
Special mention	Special mention	—	421	—	2,000	7,666	2,446	4,737	—	17,269
Potential problem		—	—	748	1,177	3,334	1,205	1,807	19,520	27,792
Substandard										
Nonaccrual	Nonaccrual	—	—	—	1,568	2,260	—	—	108	3,936
Commercial real estate - owner occupied	Commercial real estate - owner occupied	\$ —	\$ 17,978	\$ 133,882	\$ 187,262	\$ 209,317	\$ 108,436	\$ 149,146	\$ 248,950	\$ 1,054,969
Commercial and business lending:	Commercial and business lending:									
Risk rating:	Risk rating:									
Risk rating:										
Risk rating:										
Pass										
Pass										
Pass	Pass	\$ 477	\$2,083,273	\$1,908,900	\$2,698,672	\$1,623,845	\$ 654,533	\$ 624,468	\$1,124,635	\$10,718,325
Special mention	Special mention	39	26,821	39	41,694	16,396	6,112	4,737	26,136	121,935
Potential problem		829	72,533	1,060	52,679	60,945	21,427	6,242	20,143	235,029
Substandard										
Nonaccrual	Nonaccrual	14,756	—	13,945	21,868	21,158	21,617	—	161	78,748
Commercial and business lending	Commercial and business lending	\$ 16,101	\$2,182,627	\$1,923,943	\$2,814,912	\$1,722,344	\$ 703,689	\$ 635,446	\$1,171,075	\$11,154,037
Commercial real estate - investor:	Commercial real estate - investor:									
Risk rating:	Risk rating:									
Risk rating:										
Risk rating:										
Pass										
Pass										
Pass	Pass	\$ —	\$ 157,976	\$ 500,154	\$1,278,072	\$1,181,060	\$ 687,373	\$ 459,677	\$ 634,704	\$ 4,899,015
Special mention	Special mention	—	—	9,400	54,103	26,330	—	64,801	5,608	160,243
Potential problem		—	—	6,425	5,842	4,771	69,079	10,903	51,820	148,840
Substandard										
Nonaccrual	Nonaccrual	—	—	—	—	—	—	—	10,882	10,882

Commercial real estate - investor	Commercial real estate - investor	\$	—	\$ 157,976	\$ 515,979	\$ 1,338,016	\$ 1,212,162	\$ 756,452	\$ 535,381	\$ 703,014	\$ 5,218,980
Real estate construction:	Real estate construction:										
Risk rating:	Risk rating:										
Risk rating:											
Risk rating:											
Pass											
Pass											
Pass	Pass	\$	—	\$ 27,872	\$ 251,100	\$ 1,008,428	\$ 716,123	\$ 91,982	\$ 11,970	\$ 23,141	\$ 2,130,617
Nonaccrual											
Nonaccrual											
Nonaccrual	Nonaccrual		—	—	—	—	—	—	—	103	103
Real estate construction	Real estate construction	\$	—	\$ 27,872	\$ 251,100	\$ 1,008,428	\$ 716,123	\$ 91,982	\$ 11,970	\$ 23,244	\$ 2,130,719
Commercial real estate lending:	Commercial real estate lending:										
Risk rating:	Risk rating:										
Risk rating:											
Risk rating:											
Pass											
Pass											
Pass	Pass	\$	—	\$ 185,848	\$ 751,254	\$ 2,286,500	\$ 1,897,183	\$ 779,355	\$ 471,646	\$ 657,845	\$ 7,029,632
Special mention	Special mention		—	—	9,400	54,103	26,330	—	64,801	5,608	160,243
Potential problem			—	—	6,425	5,842	4,771	69,079	10,903	51,820	148,840
Substandard											
Nonaccrual	Nonaccrual		—	—	—	—	—	—	—	10,985	10,985
Commercial real estate lending	Commercial real estate lending	\$	—	\$ 185,848	\$ 767,080	\$ 2,346,445	\$ 1,928,284	\$ 848,434	\$ 547,351	\$ 726,258	\$ 7,349,699
Total commercial:	Total commercial:										
Risk rating:	Risk rating:										
Risk rating:											
Risk rating:											
Pass											
Pass											
Pass	Pass	\$	477	\$ 2,269,121	\$ 2,660,154	\$ 4,985,172	\$ 3,521,028	\$ 1,433,889	\$ 1,096,114	\$ 1,782,480	\$ 17,747,957
Special mention	Special mention		39	26,821	9,439	95,797	42,727	6,112	69,538	31,744	282,178
Potential problem			829	72,533	7,485	58,521	65,716	90,506	17,144	71,963	383,869
Substandard											
Nonaccrual	Nonaccrual		14,756	—	13,945	21,868	21,158	21,617	—	11,146	89,732
Total commercial	Total commercial	\$	16,101	\$ 2,368,474	\$ 2,691,023	\$ 5,161,357	\$ 3,650,628	\$ 1,552,123	\$ 1,182,797	\$ 1,897,334	\$ 18,503,736

Term Loans Amortized Cost Basis by Origination Year^(a)

Term Loans Amortized Cost Basis by Origination Year^(a)

(\$ in thousands)

(\$ in thousands)																			
(\$ in thousands)	(\$ in thousands)	Rev										Rev Loans Converted to Term ^(a)	Rev Loans Amortized Cost Basis	YTD					
		Loans		Rev Loans															
		Converted to Term ^(a)	Cost Basis	YTD 2023	2022	2021	2020	2019	Prior	Total									
Residential mortgage:	Residential mortgage:																		
Risk rating:	Risk rating:																		
Risk rating:																			
Risk rating:																			
Pass	Pass	\$	—	\$	—	\$ 294,499	\$1,725,855	\$2,176,722	\$1,585,071	\$ 757,087	\$2,176,012	\$ 8,715,245							
Potential problem			—	—	—	80	—	77	347	744	1,247								
Pass																			
Pass																			
Special mention																			
Substandard																			
Nonaccrual	Nonaccrual	—	—	142	3,098	7,003	7,506	6,742	41,662	66,153									
Residential mortgage	Residential mortgage	\$	—	\$	—	\$ 294,640	\$1,729,032	\$2,183,725	\$1,592,654	\$ 764,176	\$2,218,418	\$ 8,782,645							
Auto finance:	Auto finance:																		
Risk rating:	Risk rating:																		
Risk rating:																			
Risk rating:																			
Pass																			
Pass																			
Pass	Pass	\$	—	\$	—	\$ 885,528	\$1,031,283	\$ 82,447	\$ 204	\$ 614	\$ 202	\$ 2,000,278							
Special mention	Special mention	—	—	601	1,436	316	—	—	—	—	2,353								
Substandard																			
Nonaccrual	Nonaccrual	—	—	452	3,551	527	—	4	—	4,533									
Auto finance	Auto finance	\$	—	\$	—	\$ 886,581	\$1,036,271	\$ 83,289	\$ 204	\$ 617	\$ 202	\$ 2,007,164							
Home equity:	Home equity:																		
Risk rating:	Risk rating:																		
Risk rating:																			
Risk rating:																			
Pass																			
Pass																			
Pass	Pass	\$	7,318	\$ 514,431	\$ 4,986	\$ 35,751	\$ 1,671	\$ 1,450	\$ 4,703	\$ 51,693	\$ 614,685								
Special mention	Special mention	343	102	—	40	73	—	55	542	811									
Potential problem			11	—	—	—	—	—	45	192	236								
Substandard																			
Nonaccrual	Nonaccrual	832	67	—	68	105	99	373	7,205	7,917									
Home equity	Home equity	\$	8,504	\$ 514,599	\$ 4,986	\$ 35,859	\$ 1,849	\$ 1,549	\$ 5,175	\$ 59,631	\$ 623,650								
Other consumer:	Other consumer:																		
Risk rating:	Risk rating:																		
Risk rating:																			
Risk rating:																			
Pass																			

Pass																			
Pass	Pass	\$	99	\$	193,494	\$	5,521	\$	3,933	\$	2,772	\$	1,234	\$	514	\$	67,749	\$	275,217
Special mention	Special mention		17		520		—		—		16		14		2		2		553
Substandard																			
Nonaccrual	Nonaccrual		81		66		11		1		8		73		11		52		222
Other consumer	Other consumer	\$	197	\$	194,079	\$	5,532	\$	3,934	\$	2,797	\$	1,321	\$	527	\$	67,803	\$	275,993
Total consumer:	Total consumer:																		
Risk rating:	Risk rating:																		
Risk rating:																			
Risk rating:																			
Pass																			
Pass																			
Pass	Pass	\$	7,417	\$	707,925	\$	1,190,534	\$	2,796,822	\$	2,263,612	\$	1,587,959	\$	762,917	\$	2,295,656	\$	11,605,425
Special mention	Special mention		360		621		601		1,476		405		14		57		543		3,717
Potential problem			11		—		—		80		—		77		392		935		1,483
Substandard																			
Nonaccrual	Nonaccrual		913		133		604		6,718		7,644		7,679		7,129		48,919		78,826
Total consumer	Total consumer	\$	8,701	\$	708,679	\$	1,191,739	\$	2,805,096	\$	2,271,661	\$	1,595,728	\$	770,495	\$	2,346,054	\$	11,689,451
Total loans:	Total loans:																		
Risk rating:	Risk rating:																		
Risk rating:																			
Risk rating:																			
Pass																			
Pass																			
Pass	Pass	\$	7,894	\$	2,977,046	\$	3,850,688	\$	7,781,993	\$	5,784,640	\$	3,021,848	\$	1,859,031	\$	4,078,136	\$	29,353,382
Special mention	Special mention		398		27,442		10,039		97,273		43,132		6,126		69,595		32,288		285,895
Potential problem			841		72,533		7,485		58,600		65,716		90,583		17,536		72,899		385,352
Substandard																			
Nonaccrual	Nonaccrual		15,669		133		14,549		28,585		28,801		29,295		7,129		60,065		168,558
Total loans	Total loans	\$	24,802	\$	3,077,153	\$	3,882,762	\$	7,966,452	\$	5,922,289	\$	3,147,851	\$	1,953,292	\$	4,243,388	\$	30,193,187

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

The following table presents loans by credit quality indicator by origination year at **December 31, 2022** **December 31, 2023**:

Term Loans Amortized Cost Basis by Origination Year ^(a)																				
Term Loans Amortized Cost Basis by Origination Year ^(a)																				
(\$ in thousands)																				
(\$ in thousands)																				
(\$ in thousands)	Rev Loans										Rev Loans									
	Converted										Amortized									
	to Term ^(a)										Cost Basis									
	Term ^(a)										Basis									
	2022										2023									

Risk rating:										
Risk rating:										
Risk rating:	Risk rating:									
Pass	Pass	\$	1,423	\$1,938,777	\$3,245,546	\$2,367,008	\$567,833	\$573,120	\$330,642	\$432,906 \$ 9,455,833
Pass										
Pass										
Special mention	Special mention		—	93,209	3,411	23,607	—	—	19	32,497 152,744
Potential problem			447	24,549	41,400	4,193	21,887	38,169	218	6,133 136,549
Substandard										
Nonaccrual	Nonaccrual		3,926	—	5,210	—	9,119	—	—	— 14,329
Commercial and industrial	Commercial and industrial	\$	5,796	\$2,056,535	\$3,295,567	\$2,394,809	\$598,839	\$611,289	\$330,879	\$471,535 \$ 9,759,454
Commercial real estate - owner occupied:										
Commercial real estate - owner occupied:										
Risk rating:										
Risk rating:										
Pass										
Pass										
Pass	Pass	\$	—	\$ 12,447	\$ 211,645	\$ 225,627	\$163,965	\$160,370	\$ 73,487	\$ 97,420 \$ 944,961
Special mention	Special mention		—	—	—	—	1,136	1,491	9,713	— 12,339
Potential problem			—	1,325	1,238	11,141	5,523	10,769	370	4,055 34,422
Substandard										
Nonaccrual										
Commercial real estate - owner occupied	Commercial real estate - owner occupied	\$	—	\$ 13,772	\$ 212,883	\$ 236,769	\$170,624	\$172,630	\$ 83,570	\$101,475 \$ 991,722
Commercial and business lending:										
Commercial and business lending:										
Risk rating:										
Risk rating:										
Pass										
Pass										
Pass	Pass	\$	1,423	\$1,951,224	\$3,457,191	\$2,592,636	\$731,798	\$733,490	\$404,129	\$530,326 \$10,400,794
Special mention	Special mention		—	93,209	3,411	23,607	1,136	1,491	9,732	32,497 165,083
Potential problem			447	25,874	42,638	15,335	27,410	48,938	589	10,188 170,971
Substandard										
Nonaccrual	Nonaccrual		3,926	—	5,210	—	9,119	—	—	— 14,329
Commercial and business lending	Commercial and business lending	\$	5,796	\$2,070,307	\$3,508,450	\$2,631,578	\$769,463	\$783,919	\$414,449	\$573,010 \$10,751,176
Commercial real estate - investor:										
Commercial real estate - investor:										
Risk rating:										
Risk rating:										
Risk rating:										
Risk rating:										

Pass										
Pass										
Pass	Pass	\$ 38,412	\$ 106,280	\$ 1,633,094	\$ 1,419,000	\$ 683,121	\$ 530,444	\$ 262,858	\$ 210,299	\$ 4,845,096
Special mention	Special mention	—	—	61,968	24,149	7,361	9,400	—	10,455	113,333
Potential problem		—	—	16,147	21,303	27,635	1,333	19,017	7,099	92,535
Nonaccrual		—	—	2,177	25,668	—	—	—	1,535	29,380
Substandard										
Commercial real estate - investor										
Commercial real estate - investor										
Commercial real estate - investor	Commercial real estate - investor	\$ 38,412	\$ 106,280	\$ 1,713,387	\$ 1,490,120	\$ 718,117	\$ 541,177	\$ 281,875	\$ 229,387	\$ 5,080,344
Real estate construction:										
Risk rating:										
Risk rating:										
Risk rating:										
Pass	Pass	\$ —	\$ 29,892	\$ 900,593	\$ 913,107	\$ 241,230	\$ 12,062	\$ 2,226	\$ 9,775	\$ 2,108,885
Special mention		—	—	—	—	12,174	33,087	—	—	45,261
Potential problem		—	—	—	—	970	—	—	—	970
Pass										
Pass										
Nonaccrual										
Nonaccrual										
Nonaccrual	Nonaccrual	—	—	—	—	—	—	—	105	105
Real estate construction										
Real estate construction	Real estate construction	\$ —	\$ 29,892	\$ 900,593	\$ 913,107	\$ 254,374	\$ 45,149	\$ 2,226	\$ 9,880	\$ 2,155,222
Commercial real estate lending:										
Risk rating:										
Risk rating:										
Risk rating:										
Pass										
Pass										
Pass	Pass	\$ 38,412	\$ 136,173	\$ 2,533,687	\$ 2,332,107	\$ 924,351	\$ 542,505	\$ 265,083	\$ 220,073	\$ 6,953,981
Special mention	Special mention	—	—	61,968	24,149	19,535	42,487	—	10,455	158,595
Potential problem		—	—	16,147	21,303	28,605	1,333	19,017	7,099	93,505
Substandard										
Nonaccrual	Nonaccrual	—	—	2,177	25,668	—	—	—	1,640	29,485
Commercial real estate lending										
Commercial real estate lending	Commercial real estate lending	\$ 38,412	\$ 136,173	\$ 2,613,980	\$ 2,403,227	\$ 972,492	\$ 586,326	\$ 284,101	\$ 239,267	\$ 7,235,565

Term Loans Amortized Cost Basis by Origination Year^(a)

Term Loans Amortized Cost Basis by Origination Year^(a)

(\$ in thousands)

(\$ in thousands)

(\$ in thousands)	(\$ in thousands)	Rev Loans									Rev Loans							
		Converted to Term _(a)	Rev Loans Amortized Cost Basis	2022	2021	2020	2019	2018	Prior	Total	Converted to Term _(a)	Rev Loans Amortized Cost Basis	2023	2022	2021	2020	2019	Prior Total
Total commercial:	Total commercial:																	
Risk rating:	Risk rating:																	
Risk rating:																		
Risk rating:																		
Pass																		
Pass																		
Pass	Pass	\$ 39,835	\$ 2,087,396	\$ 5,990,879	\$ 4,924,743	\$ 1,656,149	\$ 1,275,996	\$ 669,213	\$ 750,399	\$ 17,354,774								
Special mention	Special mention	—	93,209	65,379	47,756	20,671	43,978	9,732	42,952	323,677								
Potential problem		447	25,874	58,785	36,638	56,016	50,271	19,606	17,287	264,476								
Substandard																		
Nonaccrual	Nonaccrual	3,926	—	7,387	25,668	9,119	—	—	1,640	43,814								
Total commercial	Total commercial	\$ 44,208	\$ 2,206,480	\$ 6,122,430	\$ 5,034,805	\$ 1,741,955	\$ 1,370,245	\$ 698,550	\$ 812,278	\$ 17,986,742								
Residential mortgage:	Residential mortgage:																	
Risk rating:	Risk rating:																	
Risk rating:																		
Risk rating:																		
Pass																		
Pass																		
Pass	Pass	\$ —	\$ —	\$ 1,410,566	\$ 2,184,125	\$ 1,716,663	\$ 817,164	\$ 370,724	\$ 1,951,406	\$ 8,450,648								
Special mention	Special mention	—	—	—	284	96	—	—	63	444								
Potential problem		—	—	455	71	—	738	29	685	1,978								
Substandard																		
Nonaccrual	Nonaccrual	—	—	8,506	3,851	6,219	3,744	5,014	31,145	58,480								
Residential mortgage	Residential mortgage	\$ —	\$ —	\$ 1,419,527	\$ 2,188,332	\$ 1,722,979	\$ 821,645	\$ 375,768	\$ 1,983,299	\$ 8,511,550								
Auto finance:	Auto finance:																	
Risk rating:	Risk rating:																	
Risk rating:																		
Risk rating:																		
Pass																		
Pass																		
Pass	Pass	\$ —	\$ —	\$ 1,271,205	\$ 106,102	\$ 333	\$ 1,267	\$ 446	\$ 61	\$ 1,379,414								
Special mention	Special mention	—	—	1,052	118	—	—	—	—	1,170								
Substandard																		
Nonaccrual	Nonaccrual	—	—	1,149	331	—	9	—	—	1,490								
Auto finance	Auto finance	\$ —	\$ —	\$ 1,273,406	\$ 106,551	\$ 333	\$ 1,276	\$ 446	\$ 61	\$ 1,382,073								
Home equity:	Home equity:																	
Risk rating:	Risk rating:																	
Risk rating:																		
Risk rating:																		
Pass																		
Pass																		

Pass	Pass	\$ 7,254	\$ 508,212	\$ 31,389	\$ 6,508	\$ 2,112	\$ 6,197	\$ 6,966	\$ 54,827	\$ 616,211
Special mention	Special mention	47	102	—	—	—	—	47	310	458
Potential problem		—	15	—	—	—	34	2	146	197
Substandard										
Nonaccrual	Nonaccrual	1,590	—	306	102	131	307	319	6,322	7,487
Home equity	Home equity	\$ 8,891	\$ 508,329	\$ 31,695	\$ 6,610	\$ 2,243	\$ 6,538	\$ 7,333	\$ 61,605	\$ 624,353
	Other									
Other consumer:	consumer:									
Risk rating:	Risk rating:									
Risk rating:										
Risk rating:										
Pass										
Pass										
Pass	Pass	\$ 64	\$ 199,942	\$ 7,429	\$ 5,256	\$ 2,468	\$ 1,238	\$ 174	\$ 77,611	\$ 294,117
Special mention	Special mention	6	490	11	—	5	5	—	25	537
Substandard										
Nonaccrual	Nonaccrual	78	56	11	21	10	56	10	34	197
Other consumer	Other consumer	\$ 147	\$ 200,488	\$ 7,452	\$ 5,276	\$ 2,482	\$ 1,300	\$ 184	\$ 77,670	\$ 294,851
Total consumer:	Total consumer:									
Risk rating:	Risk rating:									
Risk rating:										
Risk rating:										
Pass										
Pass										
Pass	Pass	\$ 7,318	\$ 708,154	\$ 2,720,589	\$ 2,301,991	\$ 1,721,576	\$ 825,866	\$ 378,310	\$ 2,083,904	\$ 10,740,390
Special mention	Special mention	52	592	1,063	403	101	5	47	398	2,609
Potential problem		—	15	455	71	—	772	31	831	2,175
Substandard										
Nonaccrual	Nonaccrual	1,668	56	9,973	4,304	6,360	4,116	5,343	37,501	67,654
Total consumer	Total consumer	\$ 9,038	\$ 708,817	\$ 2,732,080	\$ 2,306,769	\$ 1,728,037	\$ 830,759	\$ 383,731	\$ 2,122,635	\$ 10,812,828
Total loans:	Total loans:									
Risk rating:	Risk rating:									
Risk rating:										
Risk rating:										
Pass										
Pass										
Pass	Pass	\$ 47,152	\$ 2,795,551	\$ 8,711,468	\$ 7,226,734	\$ 3,377,725	\$ 2,101,861	\$ 1,047,522	\$ 2,834,303	\$ 28,095,164
Special mention	Special mention	52	93,801	66,443	48,159	20,772	43,983	9,778	43,350	326,286
Potential problem		447	25,889	59,240	36,709	56,016	51,043	19,637	18,118	266,651
Substandard										
Nonaccrual	Nonaccrual	5,595	56	17,360	29,972	15,479	4,116	5,343	39,141	111,467
Total loans	Total loans	\$ 53,246	\$ 2,915,297	\$ 8,854,510	\$ 7,341,574	\$ 3,469,992	\$ 2,201,004	\$ 1,082,280	\$ 2,934,912	\$ 28,799,569

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

The following table presents gross charge offs by origination year at September 30, 2023 for the three months ended March 31, 2024:

Gross Charge Offs by Origination Year									
Gross Charge Offs by Origination Year									
Gross Charge Offs by Origination Year									
(\$ in thousands)									
(\$ in thousands)									
(\$ in thousands)									
Rev Loans Amortized Cost Basis									
YTD 2024									
2023									
2022									
2021									
2020									
Prior									
Total									
Commercial and industrial									
Commercial real estate-owner occupied									
Commercial and business lending									
Gross Charge Offs by Origination Year									
Rev Loans Amortized Cost Basis									
YTD									
(\$ in thousands)									
Commercial and industrial									
Commercial and business lending									
Commercial real estate-investor									
Real estate construction									
Commercial real estate lending									
Total commercial									
Total commercial									
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Real estate construction	—	—	—	—	—	—	25	25
Commercial real estate lending	—	—	—	—	—	—	277	277
Total commercial	4,130	717	9,594	25,270	5,958	25	295	45,989
Residential mortgage	—	2	32	42	148	5	723	952
Auto finance	—	795	4,524	626	—	5	—	5,950
Home equity	53	21	3	31	—	22	294	424
Other consumer	4,884	—	72	124	131	72	170	5,453
Total consumer	4,937	818	4,630	823	279	105	1,187	12,779
Total gross charge offs	\$ 9,068	\$ 1,535	\$ 14,224	\$ 26,093	\$ 6,237	\$ 130	\$ 1,482	\$ 58,768

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

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

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

The following table presents loans by past due status at September 30, 2023:

(\$ in thousands)	Accruing						Nonaccrual ^{(a)(b)}	Total
	Current	30-59 Days	60-89 Days	90+ Days	Nonaccrual ^{(a)(b)}			
		Past Due	Past Due	Past Due				
Commercial and industrial	\$ 10,022,308	\$ 671	\$ 835	\$ 441	\$ 74,812	\$ 10,099,068		
Commercial real estate - owner occupied	1,049,156	1,877	—	—	3,936	1,054,969		
Commercial and business lending	11,071,464	2,548	835	441	78,748	11,154,037		
Commercial real estate - investor	5,197,977	10,120	1	—	10,882	5,218,980		
Real estate construction	2,130,606	10	—	—	103	2,130,719		
Commercial real estate lending	7,328,583	10,130	1	—	10,985	7,349,699		
Total commercial	18,400,047	12,678	836	441	89,732	18,503,736		
Residential mortgage	8,704,840	11,652	—	—	66,153	8,782,645		
Auto finance	1,985,943	14,335	2,353	—	4,533	2,007,164		
Home equity	612,045	2,876	811	—	7,917	623,650		
Other consumer	272,175	1,255	625	1,715	222	275,993		
Total consumer	11,575,003	30,118	3,789	1,715	78,826	11,689,451		
Total loans	\$ 29,975,051	\$ 42,797	\$ 4,626	\$ 2,156	\$ 168,558	\$ 30,193,187		

(a) Of the total nonaccrual loans, \$114 million, or 68%, were current with respect to payment at September 30, 2023.

(b) No interest income was recognized on nonaccrual loans for the three and nine months ended September 30, 2023. In addition, there were \$65 million of nonaccrual loans for which there was no related ACLL at September 30, 2023.

The following table presents loans by past due status at December 31, 2022 March 31, 2024:

Accruing						
(\$ in thousands)						
(\$ in thousands)						
(\$ in thousands)		30-59 Days	60-89 Days	90+ Days	Nonaccrual ^{(a)(b)}	Total
(\$ in thousands)	Current	Past Due	Past Due	Past Due		
	Accruing					

		30-59 Days		60-89 Days		90+ Days		Nonaccrual ^(a)	
		Past Due	Past Due	Past Due	Past Due	Past Due	Past Due	Past Due	Past Due
(\$ in thousands)		Current	Due	Due	Past Due	(b)	Total		
Commercial and industrial									
Commercial and industrial									
Commercial and industrial	Commercial and industrial	\$ 9,738,561	\$ 716	\$ 5,566	\$ 282	\$ 14,329	\$ 9,759,454		
Commercial real estate - owner occupied	Commercial real estate - owner occupied	991,493	218	12	—	—	991,722		
Commercial and business lending	Commercial and business lending	10,730,053	934	5,578	282	14,329	10,751,176		
Commercial real estate - investor	Commercial real estate - investor	5,049,897	1,067	—	—	29,380	5,080,344		
Real estate construction	Real estate construction	2,155,077	39	—	—	105	2,155,222		
Commercial real estate lending	Commercial real estate lending	7,204,975	1,105	—	—	29,485	7,235,565		
Total commercial	Total commercial	17,935,028	2,040	5,578	282	43,814	17,986,742		
Residential mortgage	Residential mortgage	8,443,072	9,811	63	124	58,480	8,511,550		
Auto finance	Auto finance	1,371,176	8,238	1,170	—	1,490	1,382,073		
Home equity	Home equity	611,259	5,149	458	—	7,487	624,353		
Other consumer	Other consumer	291,722	1,018	592	1,322	197	294,851		
Total consumer	Total consumer	10,717,229	24,216	2,283	1,446	67,654	10,812,828		
Total loans	Total loans	\$28,652,257	\$26,256	\$ 7,861	\$ 1,728	\$ 111,467	\$28,799,569		

(a) Of the total nonaccrual loans, \$98 million, or 55%, were current with respect to payment at March 31, 2024.

(b) No interest income was recognized on nonaccrual loans for the three months ended March 31, 2024. In addition, there were \$20 million of nonaccrual loans for which there was no related ACLL at March 31, 2024.

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

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

(a) Of the total nonaccrual loans, \$84.80 million, or 58% 53%, were current with respect to payment at December 31, 2022 December 31, 2023.

(b) No interest income was recognized on nonaccrual loans for the year ended December 31, 2022 December 31, 2023. In addition, there were \$11 million \$23 million of nonaccrual loans for which there was no related ACLL at December 31, 2022 December 31, 2023.

Loan Modifications and Troubled Debt Restructurings

Under ASU 2022-02, effective January 1, 2023, loan modifications are reported if concessions have been granted to borrowers that are experiencing financial difficulty. Information on these loan modifications originated after the effective date is presented according to the new accounting guidance. Reporting periods prior to the adoption of ASU 2022-02 present information on TDRs under the previous disclosure requirements.

The following tables show the composition of loan modifications made to borrowers experiencing financial difficulty by the loan portfolio and type of concessions granted during the nine three months ended September 30, 2023 March 31, 2024 and March 31, 2023. Each of the types of concessions granted comprised less than 1% of their respective classes of loan portfolios at September 30, 2023 March 31, 2024.

(\$ in thousands)	Interest Rate Concession	
	Amortized Cost	
	March 31, 2024	March 31, 2023
Commercial and industrial	\$ 159	\$ 47
Auto	46	61
Home equity	—	31
Other consumer	534	498
Total loans modified	\$ 739	\$ 637

(\$ in thousands)	Term Extension	
	Amortized Cost	
	March 31, 2024	March 31, 2023
Commercial and industrial Residential mortgage	\$ 234	—
Auto	\$ 169	209
Total loans modified	\$ 1,724	—

(\$ in thousands)	Term Extension	
	Amortized Cost	
	March 31, 2024	March 31, 2023
Residential mortgage	\$ 208	209
Home equity	26	—
Total loans modified	\$ 234	—

(\$ in thousands)	Combination - Interest Rate Concession and Term Extension	
	Amortized Cost	
	March 31, 2024	March 31, 2023
Residential mortgage	\$ 830	—
Home equity	262	—
Total loans modified	\$ 1,092	—

(\$ in thousands)	Combination - Interest Rate Concession and Term Extension	
	Amortized Cost	
	March 31, 2024	March 31, 2023
Residential mortgage	\$ 643	\$ 165
Home equity	31	93
Total loans modified	\$ 674	\$ 258

The following tables summarize, by loan portfolio, the financial effect of the Corporation's loan modifications on the modified loans as of September 30, 2023 March 31, 2024 and March 31, 2023:

	Interest Rate Concession	
	Financial Effect, Weighted Average Contractual Interest Rate (Decrease) Increase _(a)	
	March 31, 2024	March 31, 2023

Loan Type	March 31, 2024	March 31, 2023
Commercial and industrial	(16)%	(16)%
Residential mortgage	3 %	— %
Auto	(9)%	(2)%
Home equity	(3)%	1 %
Other consumer	(21)%	(20)%
Weighted average of total loans modified	(9)%	(17)%

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

Interest Rate Concession	
Financial Effect, Weighted Average Contractual Interest Rate (Decrease)	
Loan Type	Increase
Commercial and industrial	(18)%
Auto	(4)%
Home equity	— %
Other consumer	(21)%
Weighted average of total loans modified	(10)%

Term Extension	
Financial Effect, Weighted Average Term Increase ^(a)	
Loan Type	March 31, 2024
Loan Type	March 31, 2023
Residential mortgage	158 months 26 months
Home equity	78 64 months 0 months
Weighted average of total loans modified	32 153 months 26 months

(a) During the nine three months ended September 30, 2023 March 31, 2024 and March 31, 2023, term extensions changed the weighted average term on modified loans from 297 254 to 328 months, 407 months and 334 to 360 months, respectively.

The Corporation closely monitors the performance of loans that are modified to borrowers experiencing financial difficulty to understand the effectiveness of its modification efforts. The following table depicts the performance of loans that have been modified in the nine twelve months ended September 30, 2023 March 31, 2024:

Payment Status (Amortized Cost Basis)						
Payment Status (Amortized Cost Basis)		Payment Status (Amortized Cost Basis)				
(\$ in thousands)	(\$ in thousands)	Current	30-89 Days Past Due	90+ Days Past Due	Nonaccrual	(\$ in thousands)
Commercial and industrial	Commercial and industrial	\$ 234	\$ —	\$ —	\$ —	
Residential mortgage	Residential mortgage	81	126	—	832	
Auto	Auto	169	—	—	—	
Home equity	Home equity	236	—	—	130	
Other consumer	Other consumer	1,243	—	—	—	
Total loans modified	Total loans modified	\$ 1,963	\$ 126	\$ —	\$ 961	

The following table depicts the performance of loans that have been modified in the three months ended March 31, 2023:

Payment Status (Amortized Cost Basis)	
---------------------------------------	--

(\$ in thousands)	Current	30-89 Days Past Due	90+ Days Past Due	Nonaccrual
Commercial and industrial	\$ 47	\$ —	\$ —	—
Residential mortgage	126	—	—	248
Auto	61	—	—	—
Home equity	31	—	—	93
Other consumer	498	—	—	—
Total loans modified	\$ 763	\$ —	\$ —	341

The following table provides the amortized cost of loan modifications by loan portfolio and type of concession that were modified in the previous **nine** months and subsequently had a payment default **as of September 30, 2023** during the **three months ended March 31, 2024**:

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

The following table presents nonaccrual and performing restructured loans by loan portfolio at December 31, 2022:

(\$ in thousands)	Performing Restructured Loans	Nonaccrual Restructured Loans ^(a)
Commercial and industrial	\$ 12,453	\$ —
Commercial real estate — owner occupied	316	—
Commercial real estate — investor	128	2,074
Real estate construction	195	9
Residential mortgage	16,829	17,117
Home equity	2,148	927
Other consumer	798	—
Total restructured loans	\$ 32,868	\$ 20,127

(a) Nonaccrual restructured loans have been included within nonaccrual loans.

(\$ in thousands)	Amortized Cost of Loan Modifications that Subsequently Defaulted			
	Interest Rate Concession	Term Extension	Combination Interest Rate Reduction and Term Extension	
Auto	\$ 11	\$ —	\$ —	—
Total loans modified	\$ 11	\$ —	\$ —	—

The following table provides the **number** amortized cost of loans modified in a TDR loan modifications by loan portfolio and type of concession that were modified in the **recorded investment**, **previous three months** and unpaid principal balance for **subsequently had a payment default during the** **nine** months ended **September 30, 2022** **March 31, 2023**:

(\$ in thousands)	Number of Loans	Recorded Investment ^(a)	Unpaid Principal Balance ^(b)
Commercial and industrial	2	\$ 265	\$ 265
Commercial real estate — investor	1	547	573
Residential mortgage	44	9,641	9,833
Home equity	12	390	412
Total loans modified	59	\$ 10,844	\$ 11,083

(a) Represents post-modification outstanding recorded investment.

(b) Represents pre-modification outstanding recorded investment.

During the nine months ended September 30, 2022, restructured loan modifications of commercial loans primarily included maturity date extensions and payment schedule modifications. Restructured loan modifications of consumer loans for the nine months ended September 30, 2022 primarily included maturity date extensions, interest rate concessions, non-reaffirmed Chapter 7 bankruptcies, or a combination of these concessions.

The following table provides the number of loans modified during the previous twelve months which subsequently defaulted during the nine months ended September 30, 2022, and the recorded investment in these restructured loans at the time of default as of September 30, 2022:

(\$ in thousands)	Nine Months Ended September 30, 2022	
	Number of Loans	Recorded Investment
Residential mortgage	4	\$ 1,178

Amortized Cost of Loan Modifications that Subsequently Defaulted			
(\$ in thousands)	Interest Rate Concession		Combination Interest Rate Reduction and
		Term Extension	Term Extension
Home equity	\$ —	\$ —	\$ 60
Total loans modified	\$ —	\$ —	\$ 60

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

Allowance for Credit Losses on Loans

The ACLL is comprised of the allowance for loan losses and the allowance for unfunded commitments. The level of the ACLL represents management's estimate of an amount appropriate to provide for expected lifetime credit losses in the loan portfolio at the balance sheet date. The expected lifetime credit losses are the product of multiplying the Corporation's estimates of probability of default, loss given default, and the individual loan level exposure at default on an undiscounted basis. A main factor in the determination of the ACLL is the economic forecast. The forecast the Corporation used for September 30, 2023 March 31, 2024 was the Moody's baseline scenario from August 2023, February 2024, which was reviewed against the September 2023 March 2024 baseline scenario with no material updates made, over a 2 two year reasonable and supportable period with straight-line reversion to the historical losses over the second year of the period. The allowance for unfunded commitments is maintained at a level believed by management to be sufficient to absorb expected lifetime losses related to unfunded credit facilities (including unfunded loan commitments and letters of credit). See Note 11 for additional information on the change in the allowance for unfunded commitments.

The following table presents a summary of the changes in the ACLL by portfolio segment for the nine three months ended September 30, 2023 March 31, 2024:

(\$ in thousands)	(\$ in thousands)	Dec 31, 2022	Charge offs	Recoveries	Net Charge offs	Provision for credit losses	Sep 30, 2023	ACLL / Loans
(\$ in thousands)								
(\$ in thousands)								
Allowance for loan losses	Allowance for loan losses							
Commercial and industrial								
Commercial and industrial								
Commercial and industrial								
Commercial real estate — owner occupied								
Commercial real estate — owner occupied								
Commercial real estate — owner occupied								
Commercial and business lending								
Commercial and business lending								
Commercial and business lending								
Commercial real estate — investor								
Commercial real estate — investor								

Commercial real estate — investor
Real estate construction
Real estate construction
Real estate construction
Commercial real estate lending
Commercial real estate lending
Commercial real estate lending
Total commercial
Total commercial
Total commercial
Residential mortgage
Residential mortgage
Residential mortgage
Auto finance
Auto finance
Auto finance
Home equity
Home equity
Home equity
Other consumer
Other consumer
Other consumer
Total consumer
Total consumer
Total consumer
Total loans
Total loans
Total loans
Allowance for unfunded commitments
Allowance for unfunded commitments
Allowance for unfunded commitments
Commercial and industrial
Commercial and industrial
Commercial and industrial
Commercial real estate — owner occupied
Commercial real estate — owner occupied
Commercial real estate — owner occupied
Commercial and business lending
Commercial and business lending
Commercial and business lending
Commercial real estate — investor

Commercial real estate — investor															
Commercial real estate — investor															
Real estate construction															
Real estate construction															
Real estate construction															
Commercial real estate lending															
Commercial real estate lending															
Commercial real estate lending															
Total commercial															
Total commercial															
Total commercial															
Home equity															
Home equity															
Home equity															
Other consumer															
Other consumer															
Other consumer															
Total consumer															
Total consumer															
Total consumer															
Total loans															
Total loans															
Total loans															
Allowance for credit losses on loans															
Allowance for credit losses on loans															
Allowance for credit losses on loans															
Commercial and industrial															
Commercial and industrial															
Commercial and industrial	Commercial and industrial	\$ 119,076	\$ (31,816)	\$ 2,322	\$ (29,494)	\$ 34,710	\$ 124,292	\$ 141,582	\$ (19,429)	\$ 791	\$ (18,638)	\$ 22,445	\$ 145,000		
Commercial real estate — owner occupied	Commercial real estate — owner occupied	9,475	—	8	8	1,976	11,459	10,759	(3)	(3)	5	5	2	2	1,783
Commercial and business lending	Commercial and business lending	128,551	(31,816)	2,329	(29,487)	36,686	135,751	152,341	(19,432)	(19,432)	796	796	(18,636)	(18,636)	24,227
Commercial real estate — investor	Commercial real estate — investor	54,398	(242)	2,789	2,547	10,520	67,466	68,338	—	—	—	—	—	—	4,174
Real estate construction	Real estate construction	45,589	(25)	42	18	6,128	51,734	70,578	—	—	30	30	30	30	(6,383)
Commercial real estate lending	Commercial real estate lending	99,986	(266)	2,831	2,565	16,648	119,200	138,916	—	—	30	30	30	30	(2,209)
Total commercial	Total commercial	228,538	(32,082)	5,161	(26,921)	53,334	254,951	291,257	(19,432)	(19,432)	826	826	(18,606)	(18,606)	22,018
Residential mortgage	Residential mortgage	38,298	(714)	357	(358)	2,496	40,437	37,808	(89)	(89)	27	27	(62)	(62)	(1,831)

Auto finance	Auto finance	19,619	(4,056)	783	(3,273)	6,654	23,000		Auto finance	24,961	(2,600)	(2,600)	506	506	(2,094)	(2,094)	3,248	3,248
Home equity	Home equity	14,875	(269)	921	652	(413)	15,114		Home equity	18,032	(108)	(108)	319	319	211	211	(1,190)	(1,190)
Other consumer	Other consumer	11,390	(3,769)	744	(3,025)	3,928	12,293		Other consumer	13,812	(1,790)	(1,790)	252	252	(1,537)	(1,537)	1,755	1,755
Total consumer	Total consumer	84,182	(8,809)	2,805	(6,004)	12,666	90,844		Total consumer	94,613	(4,586)	(4,586)	1,104	1,104	(3,482)	(3,482)	1,982	1,982
Total loans	Total loans	\$312,720	\$(40,891)	\$ 7,965	\$(32,925)	\$ 66,000	\$345,795		Total loans	\$385,870	\$	(24,018)	\$	1,930	\$	(22,088)	\$	\$24,000
Allowance for unfunded commitments																		
Commercial and industrial		\$ 12,997	\$ —	\$ —	\$ —	\$ (2,365)	\$ 10,632											
Commercial real estate — owner occupied		103	—	—	—	15	119											
Commercial and business lending		13,101	—	—	—	(2,350)	10,751											
Commercial real estate — investor		710	—	—	—	39	749											
Real estate construction		20,583	—	—	—	(1,000)	19,583											
Commercial real estate lending		21,292	—	—	—	(961)	20,331											
Total commercial		34,393	—	—	—	(3,311)	31,082											
Home equity		2,699	—	—	—	(17)	2,682											
Other consumer		1,683	—	—	—	(672)	1,011											
Total consumer		4,382	—	—	—	(689)	3,693											
Total loans		\$ 38,776	\$ —	\$ —	\$ —	\$ (4,000)	\$ 34,776											
Allowance for credit losses on loans																		
Commercial and industrial		\$132,073	\$(31,816)	\$ 2,322	\$(29,494)	\$ 32,345	\$134,924	1.34 %										
Commercial real estate — owner occupied		9,579	—	8	8	1,991	11,578	1.10 %										
Commercial and business lending		141,652	(31,816)	2,329	(29,487)	34,336	146,502	1.31 %										
Commercial real estate — investor		55,108	(242)	2,789	2,547	10,560	68,214	1.31 %										
Real estate construction		66,171	(25)	42	18	5,128	71,317	3.35 %										
Commercial real estate lending		121,279	(266)	2,831	2,565	15,687	139,531	1.90 %										
Total commercial		262,931	(32,082)	5,161	(26,921)	50,023	286,033	1.55 %										
Residential mortgage		38,298	(714)	357	(358)	2,496	40,437	0.46 %										
Auto finance		19,619	(4,056)	783	(3,273)	6,654	23,000	1.15 %										
Home equity		17,574	(269)	921	652	(430)	17,797	2.85 %										
Other consumer		13,073	(3,769)	744	(3,025)	3,256	13,304	4.82 %										
Total consumer		88,565	(8,809)	2,805	(6,004)	11,977	94,538	0.81 %										
Total loans		\$351,496	\$(40,891)	\$ 7,965	\$(32,925)	\$ 62,000	\$380,571	1.26 %										

The following table presents a summary of the changes in the ACLL by portfolio segment for the year ended **December 31, 2022** December 31, 2023:

(\$ in thousands)	(\$ in thousands)	Dec 31, 2021	Charge offs	Recoveries	Net Charge offs	Provision for credit losses	Dec 31, 2022	ACLL / Loans
(\$ in thousands)								
(\$ in thousands)								
(\$ in thousands)							Dec 31, 2022	Charge offs

Allowance for loan losses	Allowance for loan losses		
Commercial and industrial			
Commercial and industrial			
Commercial and industrial			
Commercial real estate — owner occupied			
Commercial real estate — owner occupied			
Commercial real estate — owner occupied			
Commercial and business lending			
Commercial and business lending			
Commercial and business lending			
Commercial real estate — investor			
Commercial real estate — investor			
Commercial real estate — investor			
Real estate construction			
Real estate construction			
Real estate construction			
Commercial real estate lending			
Commercial real estate lending			
Commercial real estate lending			
Total commercial			
Total commercial			
Total commercial			
Residential mortgage			
Residential mortgage			
Residential mortgage			
Auto finance			
Auto finance			
Auto finance			
Home equity			
Home equity			
Home equity			
Other consumer			
Other consumer			
Other consumer			
Total consumer			
Total consumer			
Total consumer			
Total loans			
Total loans			
Total loans			

Allowance for unfunded commitments	
Allowance for unfunded commitments	
Allowance for unfunded commitments	
Commercial and industrial	
Commercial and industrial	
Commercial and industrial	
Commercial real estate — owner occupied	
Commercial real estate — owner occupied	
Commercial real estate — owner occupied	
Commercial and business lending	
Commercial and business lending	
Commercial and business lending	
Commercial real estate — investor	
Commercial real estate — investor	
Commercial real estate — investor	
Real estate construction	
Real estate construction	
Real estate construction	
Commercial real estate lending	
Commercial real estate lending	
Commercial real estate lending	
Total commercial	
Total commercial	
Total commercial	
Home equity	
Home equity	
Home equity	
Other consumer	
Other consumer	
Other consumer	
Total consumer	
Total consumer	
Total consumer	
Total loans	
Total loans	
Total loans	
Allowance for credit losses on loans	
Allowance for credit losses on loans	
Allowance for credit losses on loans	
Commercial and industrial	
Commercial and industrial	

Commercial and industrial	Commercial and industrial	\$ 89,857	\$ (4,491)	\$ 5,282	\$ 791	\$ 28,428	\$119,076	\$ 132,073	\$ (45,687)	\$ 3,015	\$ (42,672)	\$ 52,181	\$ 141,582	:			
Commercial real estate — owner occupied	Commercial real estate — owner occupied	11,473	—	13	13	(2,011)	9,475	Commercial real estate — owner occupied	9,579	(25)	(25)	11	11	(15)	(15)	1,195	1,195
Commercial and business lending	Commercial and business lending	101,330	(4,491)	5,295	804	26,418	128,551	Commercial and business lending	141,652	(45,713)	(45,713)	3,026	3,026	(42,687)	(42,687)	53,376	53,376
Commercial real estate — investor	Commercial real estate — investor	72,803	(50)	50	—	(18,405)	54,398	Commercial real estate — investor	55,108	(252)	(252)	3,016	3,016	2,763	2,763	10,467	10,467
Real estate construction	Real estate construction	37,643	(48)	106	58	7,887	45,589	Real estate construction	66,171	(25)	(25)	80	80	55	55	4,351	4,351
Commercial real estate lending	Commercial real estate lending	110,446	(98)	156	58	(10,518)	99,986	Commercial real estate lending	121,279	(277)	(277)	3,095	3,095	2,819	2,819	14,819	14,819
Total commercial	Total commercial	211,776	(4,588)	5,451	862	15,900	228,538	Total commercial	262,931	(45,989)	(45,989)	6,121	6,121	(39,868)	(39,868)	68,195	68,195
Residential mortgage	Residential mortgage	40,787	(567)	908	341	(2,830)	38,298	Residential mortgage	38,298	(952)	(952)	541	541	(411)	(411)	(79)	(79)
Auto finance	Auto finance	1,999	(1,041)	98	(943)	18,563	19,619	Auto finance	19,619	(5,950)	(5,950)	1,241	1,241	(4,709)	(4,709)	10,051	10,051
Home equity	Home equity	14,011	(587)	1,385	798	66	14,875	Home equity	17,574	(424)	(424)	1,262	1,262	837	837	(380)	(380)
Other consumer	Other consumer	11,441	(3,363)	1,010	(2,353)	2,301	11,390	Other consumer	13,073	(5,453)	(5,453)	978	978	(4,475)	(4,475)	5,214	5,214
Total consumer	Total consumer	68,239	(5,558)	3,401	(2,157)	18,100	84,182	Total consumer	88,565	(12,779)	(12,779)	4,021	4,021	(8,758)	(8,758)	14,805	14,805
Total loans	Total loans	\$280,015	\$(10,146)	\$ 8,852	\$(1,294)	\$ 34,000	\$312,720	Total loans	\$351,496	\$ (58,768)	\$10,142	\$ (48,626)	\$ 83,000			\$385,000	
Allowance for unfunded commitments																	
Commercial and industrial		\$ 18,459	\$ —	\$ —	\$ —	\$ (5,462)	\$ 12,997										
Commercial real estate — owner occupied		208	—	—	—	(105)	103										
Commercial and business lending		18,667	—	—	—	(5,566)	13,101										
Commercial real estate — investor		936	—	—	—	(226)	710										
Real estate construction		15,586	—	—	—	4,997	20,583										
Commercial real estate lending		16,522	—	—	—	4,770	21,292										
Total commercial		35,189	—	—	—	(796)	34,393										
Home equity		2,592	—	—	—	107	2,699										
Other consumer		1,995	—	—	—	(311)	1,683										
Total consumer		4,587	—	—	—	(204)	4,382										
Total loans		\$ 39,776	\$ —	\$ —	\$ —	\$ (1,000)	\$ 38,776										
Allowance for credit losses on loans																	
Commercial and industrial		\$108,316	\$ (4,491)	\$ 5,282	\$ 791	\$ 22,967	\$132,073	1.35 %									
Commercial real estate — owner occupied		11,681	—	13	13	(2,115)	9,579	0.97 %									
Commercial and business lending		119,997	(4,491)	5,295	804	20,852	141,652	1.32 %									
Commercial real estate — investor		73,739	(50)	50	—	(18,631)	55,108	1.08 %									
Real estate construction		53,229	(48)	106	58	12,884	66,171	3.07 %									

Commercial real estate lending	126,968	(98)	156	58	(5,748)	121,279	1.68 %
Total commercial	246,965	(4,588)	5,451	862	15,104	262,931	1.46 %
Residential mortgage	40,787	(567)	908	341	(2,830)	38,298	0.45 %
Auto finance	1,999	(1,041)	98	(943)	18,563	19,619	1.42 %
Home equity	16,603	(587)	1,385	798	173	17,574	2.81 %
Other consumer	13,436	(3,363)	1,010	(2,353)	1,990	13,073	4.43 %
Total consumer	72,825	(5,558)	3,401	(2,157)	17,896	88,565	0.82 %
Total loans	\$319,791	\$(10,146)	\$8,852	\$(1,294)	\$33,000	\$351,496	1.22 %

Note 7 Goodwill and Other Intangible Assets

Goodwill

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

The Corporation conducted its most recent annual impairment testing in May 2023, utilizing a qualitative assessment. Factors that management considered in this assessment included macroeconomic conditions, industry and market considerations, overall financial performance of the Corporation and each reporting unit (both current and projected), changes in management strategy, and changes in the composition or carrying amount of net assets. In addition, management considered the changes in both the Corporation's common stock price and in the KBW Nasdaq Regional Banking Index (KRX), as well as the Corporation's earnings per common share trend over the past year. Based on these assessments, management concluded that it is

more likely than not that the estimated fair value exceeded the carrying value (including goodwill) for each reporting unit. Therefore, a step one quantitative analysis was not required. There have been no events since the May 2023 impairment test that have changed the Corporation's impairment assessment conclusion. There were no impairment charges recorded in 2022 2023 or the first nine three months of 2023, 2024.

The Corporation had goodwill of \$1.1 billion at both September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023.

Core Deposit Intangibles

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

		Nine Months Ended	Year Ended			
(\$ in thousands)	(\$ in thousands)	September 30, 2023	December 31, 2022	(\$ in thousands)	Three Months Ended March 31, 2024	Year Ended December 31, 2023
Core deposit intangibles	Core deposit intangibles					
Gross carrying amount at the beginning of period	Gross carrying amount at the beginning of period	\$ 88,109	\$88,109			
Gross carrying amount at the beginning of period	Gross carrying amount at the beginning of period					
Gross carrying amount at the beginning of period	Gross carrying amount at the beginning of period					
Accumulated amortization	Accumulated amortization					
Accumulated amortization	Accumulated amortization	(45,435)	(38,827)			
Net book value	Net book value	\$ 42,674	\$49,282			

Amortization	Amortization			
during the	during the	\$	6,608	\$ 8,811
period	period			

Mortgage Servicing Rights

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

A summary of changes in the balance of the MSRs asset under the fair value measurement method for the nine three months ended September 30, 2023 March 31, 2024 and the year ended December 31, 2022 December 31, 2023 is as follows:

(\$ in thousands)		(\$ in thousands)		Nine Months Ended September 30, 2023		Year Ended Dec 31, 2022	
(\$ in thousands)							
(\$ in thousands)							
Mortgage servicing rights							
Mortgage servicing rights							
Mortgage servicing rights		Mortgage servicing rights					
Mortgage servicing rights at beginning of period	Mortgage servicing rights at beginning of period	\$	77,351	\$		54,862	
Cumulative effect of accounting methodology change				N/A		2,296	
Balance at beginning of period, adjusted		\$	77,351	\$		57,158	
Mortgage servicing rights at beginning of period							
Mortgage servicing rights at beginning of period							
Additions							
Additions							
Additions	Additions		2,477			7,279	
Paydowns	Paydowns		(5,354)			(9,350)	
Paydowns							
Paydowns							
Valuation:							
Valuation:							
Valuation:	Valuation:						
Change in fair value model assumptions	Change in fair value model assumptions		8,338			5,715	
Change in fair value model assumptions							
Change in fair value model assumptions							
Changes in fair value of asset	Changes in fair value of asset		6,320			16,549	
Changes in fair value of asset							
Changes in fair value of asset							
Mortgage servicing rights at end of period							
Mortgage servicing rights at end of period							
Mortgage servicing rights at end of period	Mortgage servicing rights at end of period	\$	89,131	\$		77,351	
Portfolio of residential mortgage loans serviced for others ("servicing portfolio")		\$	6,451,969	\$		6,711,820	
Mortgage servicing rights to servicing portfolio			1.38	%		1.15	%
Portfolio of residential mortgage loans serviced for others ("servicing portfolio") ^(a)							
Portfolio of residential mortgage loans serviced for others ("servicing portfolio") ^(a)							
Portfolio of residential mortgage loans serviced for others ("servicing portfolio") ^(a)							

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

The projections of amortization expense for CDIs and decay for MSRs are based on existing asset balances, the current interest rate environment, and prepayment speeds as of **September 30, 2023** **March 31, 2024**. The actual expense the Corporation recognizes in any given period may be significantly different depending upon acquisition or sale activities, changes in interest rates, prepayment speeds, market conditions, regulatory requirements, and events or circumstances that indicate the carrying amount of an asset may not be recoverable. The following table shows the estimated future amortization expense for CDIs and decay for MSRs:

	Core Deposit Intangibles		
(\$ in thousands)	(\$ in thousands)	Intangibles	Mortgage Servicing Rights
Three months ended			
December 31, 2023	\$	2,203	\$ 3,630
2024		8,811	13,789
(\$ in thousands)			
(\$ in thousands)		Core Deposit Intangibles	
		Mortgage Servicing Rights	
Nine months ended			
December 31, 2024			
2025	2025	8,811	12,373
2026	2026	8,811	11,111
2027	2027	8,811	9,768
2028	2028	3,485	8,641
Beyond 2028		1,742	29,819
2029			
Beyond 2029			
Total estimated amortization expense and MSRs decay	Total estimated amortization expense and MSRs decay	\$ 42,674	\$ 89,131

Note 8 Short and Long-Term Funding

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

(\$ in thousands)	(\$ in thousands)	Sep 30, 2023	Dec 31, 2022	(\$ in thousands)	Mar 31, 2024	Dec 31, 2023
Short-term funding	Short-term funding					
Federal funds purchased	Federal funds purchased	\$ 300,000	\$ 344,170			
Federal funds purchased						
Federal funds purchased						
Securities sold under agreements to repurchase	Securities sold under agreements to repurchase	151,644	240,969			

Federal funds purchased and securities sold under agreements to repurchase	Federal funds purchased and securities sold under agreements to repurchase	451,644	585,139
Commercial paper		—	20,798
BTFP funding			
BTFP funding			
BTFP funding			
Total short-term funding	Total short-term funding	\$ 451,644	\$ 605,937
Long-term funding	Long-term funding		
Corporation subordinated notes, at par	Corporation subordinated notes, at par	\$ 550,000	\$ 250,000
Corporation subordinated notes, at par			
Corporation subordinated notes, at par			
Discount and capitalized costs			
Discount and capitalized costs			
Discount and capitalized costs	Discount and capitalized costs	(8,027)	(544)
Subordinated debt fair value hedge ^(a)	Subordinated debt fair value hedge ^(a)	(12,919)	(1,855)
Finance leases	Finance leases	405	469
Total long-term funding	Total long-term funding	\$ 529,459	\$ 248,071
Total short and long-term funding, excluding FHLB advances	Total short and long-term funding, excluding FHLB advances		
FHLB advances	FHLB advances	\$ 981,103	\$ 854,007
Total short and long-term funding, excluding FHLB advances			
Total short and long-term funding, excluding FHLB advances			
Total short and long-term funding, excluding FHLB advances			
FHLB advances	FHLB advances		
Short-term FHLB advances			

Short-term FHLB advances			
Short-term FHLB advances	Short-term FHLB advances	\$2,545,000	\$3,125,000
Long-term FHLB advances	Long-term FHLB advances	1,209,938	1,209,170
FHLB advances fair value	FHLB advances fair value		
hedge ^(a)	hedge ^(a)	(21,897)	(14,308)
Total FHLB advances	Total FHLB advances	\$3,733,041	\$4,319,861
Total short and long-term funding	Total short and long-term funding	\$4,714,145	\$5,173,869
Total short and long-term funding			
Total short and long-term funding			

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

Securities Sold Under Agreements to Repurchase

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

The Corporation utilizes repurchase agreements to facilitate the needs of its customers. The fair value of securities pledged to secure repurchase agreements may decline. At **September 30, 2023** **March 31, 2024**, the Corporation had pledged securities valued at **164%** **215%** of the gross outstanding balance of repurchase agreements to manage this risk.

The remaining contractual maturity of the securities sold under agreements to repurchase on the consolidated balance sheets as of **September 30, 2023** **March 31, 2024** and **December 31, 2022** **December 31, 2023** are presented in the following table:

		Overnight and Continuous	
		Overnight and Continuous	
		Overnight and Continuous	
		Overnight and Continuous	
(\$ in thousands)			
(\$ in thousands)			
(\$ in thousands)	(\$ in thousands)	Sep 30, 2023	Dec 31, 2022
Repurchase agreements	Repurchase agreements		
Repurchase agreements			
Repurchase agreements			
Agency mortgage-related securities			
Agency mortgage-related securities			
Agency mortgage-related securities	Agency mortgage-related securities	\$ 151,644	\$ 240,969

Long-Term Funding

Subordinated Notes

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

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

Finance Leases

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

Note 9 Derivative and Hedging Activities

The Corporation is exposed to certain risk arising from both its business operations and economic conditions. The Corporation principally manages its exposures to a wide variety of business and operational risks through management of its core business activities. The Corporation manages economic risks, including interest rate, liquidity, foreign currency, and credit risk, primarily by managing the amount, sources, and duration of its assets and liabilities and the use of derivative financial instruments. Specifically, the Corporation enters into derivative financial instruments to manage exposures that arise from business activities that result in the receipt or payment of future known and uncertain cash amounts, the values of which are determined by interest rates and/or foreign currency exchange rates. The Corporation's derivative financial instruments are used to manage differences in the amount, timing, and duration of the Corporation's known or expected cash receipts and its known or expected cash payments principally related to the Corporation's assets.

The contract or notional amount of a derivative is used to determine, along with the other terms of the derivative, the amounts to be exchanged between the counterparties. The Corporation is exposed to credit risk in the event of nonperformance by counterparties to financial instruments. To mitigate the counterparty risk, contracts generally contain language outlining collateral pledging requirements for each counterparty. For non-centrally cleared derivatives, collateral must be posted when the market value exceeds certain mutually agreed upon threshold limits. Securities and cash are often pledged as collateral. The Corporation pledged \$95 million \$89 million and \$92 million \$93 million of investment securities as collateral at September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, respectively. Cash is often pledged as collateral for derivatives that are not centrally cleared. The Corporation had no required cash collateral at September 30, 2023 March 31, 2024, compared to \$3 million \$5 million at December 31, 2022 December 31, 2023.

To qualify for hedge accounting, a hedging relationship must be highly effective at mitigating the risk associated with the exposure being hedged. The Corporation performs effectiveness assessments of its derivative financial instruments prospectively at inception and both prospectively and retrospectively quarterly thereafter. The initial prospective assessment is performed on a quantitative basis unless the hedging relationship meets certain conditions, and subsequent assessments are performed on a quantitative basis unless certain conditions are met where a qualitative basis may be used. If it is determined that a derivative financial instrument is not highly effective at hedging the designated exposure, hedge accounting is discontinued.

Federal regulations require the Corporation to clear all compound SOFR interest rate swaps through a clearing house, if possible. For derivatives cleared through central clearing houses, the variation margin payments are legally characterized as daily settlements of the derivative rather than collateral. The Corporation's clearing agent for interest rate derivative contracts that are centrally cleared through the Chicago Mercantile Exchange and the London Clearing House settles the variation margin daily. As a result, the variation margin payment and the related derivative instruments are considered a single unit of account for accounting and financial reporting purposes. Depending on the net position, the fair value is reported in other assets or accrued expenses and other liabilities on the consolidated balance sheets. The daily settlement of the derivative exposure does not change or reset the contractual terms of the instrument.

Fair Value Hedges of Interest Rate Risk

The Corporation is exposed to changes in the fair value of its fixed-rate debt due to changes in benchmark interest rates. The Corporation uses interest rate swaps to manage its exposure to changes in fair value on these instruments attributable to changes in the designated benchmark interest rates. Interest rate swaps designated as fair value hedges involve receiving payment of fixed-rate amounts from a counterparty in exchange for the Corporation paying variable-rate payments over the life of the agreements without the exchange of the underlying notional amount.

For derivatives designated and that qualify as fair value hedges, as allowed under U.S. GAAP, the Corporation applied the "shortcut" method of accounting, which permits the assumption of perfect effectiveness. The gain or loss on the derivative as well as the offsetting loss or gain on the hedged item attributable to the hedged risk are recognized in interest expense. These items, along with the net interest from the derivative, are reported in the same income statement line as the fixed-rate debt expense.

Fair Value Hedges of Foreign Currency Exchange Rate Risk

The Corporation is exposed to changes in the fair value of its foreign currency denominated loans due to changes in foreign currency exchange rates. The Corporation uses foreign currency exchange forward contracts to manage its exposure to changes in fair value on these foreign currency denominated loans.

To assess effectiveness of the foreign currency exchange forward contracts, the Corporation has elected to utilize the critical terms match method. Under the critical terms match method, if the hedging relationship meets certain criteria, it allows the Corporation to assume that the hedging relationship is perfectly effective, eliminating the quantitative aspect of assessing effectiveness. The gain or loss on the derivative as well as the offsetting loss or gain on the hedged item attributable to the hedged risk are recognized in capital markets, net.

Cash Flow Hedges of Interest Rate Risk

The Corporation is exposed to variability in cash flows on its floating rate assets due to changes in benchmark interest rates. The Corporation uses interest rate swaps to hedge certain forecasted transactions for the variability in cash flows attributable to the contractually specified interest rate in order to add stability to net interest income and to manage its exposure to interest rate movements. Interest rate swaps designated as cash flow hedges involve receiving fixed-rate amounts from a counterparty in exchange for the Corporation making variable-rate payments over the life of the agreements without the exchange of the underlying notional amount. These items, along with the net interest from the derivative, are reported in the same income statement line as the interest income from the floating-rate assets.

Derivatives to Accommodate Customer Needs

Interest rate-related and other instruments: The Corporation provides interest rate risk management services to commercial customers, primarily interest rate swaps and caps. The Corporation's market risk from unfavorable movements in interest rates related to these derivative contracts is generally economically hedged by concurrently entering into offsetting derivative contracts. The offsetting derivative contracts have identical notional values, terms, and indices, except in rare circumstances where the indices are not identical which creates a negligible basis mismatch. The Corporation also enters into credit risk participation agreements with financial institution counterparties for interest rate swaps related to loans as either a participant or a lead bank. The risk participation agreements entered into by the Corporation as a participant bank provide credit protection to the financial institution counterparty should the borrower fail to perform on its interest rate derivative contract with that financial institution.

Mortgage Derivatives

Interest rate-related instruments for MSRs hedge: The fair value of the Corporation's MSRs asset changes in response to changes in primary mortgage loan rates and other assumptions. To mitigate the earnings volatility caused by changes in the fair value of MSRs, the Corporation designates certain financial instruments as an economic hedge. Changes in the fair value of these instruments are generally expected to partially offset changes in the fair value of MSRs and are recorded in other assets and accrued expenses and other liabilities on the consolidated balance sheets with the changes in fair value recorded as a component of mortgage banking, net on the consolidated statements of income.

<div> <div> <div></div> <div></div> </div> <div> <div></div> <div></div> </div> </div>																							
		<div> <div>Sep 30, 2023</div> <div>Dec 31, 2022</div> </div>																					
		Asset				Liability				Asset				Liability									
												Mar 31, 2024				Dec 31, 2023							
Asset																Asset		Liability		Asset		Liability	
	(\$ in thousands)	Notional Amount	Fair Value	Notional Amount	Fair Value	Notional Amount	Fair Value	Notional Amount	Fair Value	(\$ in thousands)	Notional Amount	Fair Value	Notional Amount	Fair Value	Notional Amount	Fair Value	Notional Amount	Fair Value					
Designated as hedging instruments:	Designated as hedging instruments:																						
Interest rate-related instruments	Interest rate-related instruments																						
Interest rate-related instruments	Interest rate-related instruments	\$ 1,150,000	\$ 2,109	\$ 1,700,000	\$ 21,520	\$ 900,000	\$ 4,349	\$ 1,150,000	\$ 1,260														
Foreign currency exchange forwards	Foreign currency exchange forwards	353,217	2,886	70,019	134	261,595	416	167,088	972														

Total designated as hedging instruments	Total designated as hedging instruments								
		4,995		21,654		4,765		2,233	
Not designated as hedging instruments:	Not designated as hedging instruments:								
Interest rate-related and other instruments	Interest rate-related and other instruments								
		3,022,150	140,414	6,320,192	294,062	4,246,823	62,401	4,599,391	251,398
Interest rate-related and other instruments									
Interest rate-related and other instruments									
Foreign currency exchange forwards	Foreign currency exchange forwards								
		74,245	1,751	63,309	1,393	68,570	437	34,240	402
Mortgage banking ^{(a)(b)}		43,436	1,213	84,000	—	21,265	86	33,000	46
Mortgage banking ^(a)									
Mortgage banking ^(a)									
Mortgage banking ^(a)									
Total not designated as hedging instruments	Total not designated as hedging instruments								
		143,379		295,455		62,925		251,847	
Gross derivatives before netting	Gross derivatives before netting								
		148,373		317,109		67,690		254,079	
Less: Legally enforceable master netting agreements	Less: Legally enforceable master netting agreements								
		1,252		1,252		2,788		2,788	
Less: Cash collateral pledged/received	Less: Cash collateral pledged/received								
		88,207		—		26,898		217	
Total derivative instruments, after netting	Total derivative instruments, after netting								
		\$58,915		\$315,857		\$38,003		\$251,073	

(a) The notional amount of the mortgage derivative asset includes interest rate lock commitments, while the notional amount of the mortgage derivative liability includes forward commitments.

(b) At September 30, 2023, the mortgage derivative asset included approximately \$806,000 of forward commitments fair value.

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

Line Item in the Consolidated Balance Sheets in Which the Hedged Item is Included			
	Cumulative Amount of Fair Value Hedging Adjustment Included in the		Cumulative Amount of Fair Value Hedging Adjustment Included in the
Carrying Amount of the Hedged Assets/(Liabilities) ^(a)	Carrying Amount of the Hedged Assets/(Liabilities)	Carrying Amount of the Hedged Assets/(Liabilities) ^(a)	Carrying Amount of the Hedged Assets/(Liabilities)

Line Item in the Consolidated Balance Sheets in Which the Hedged Item is Included							Line Item in the Consolidated Balance Sheets in Which the Hedged Item is Included			
Carrying Amount of the Hedged Assets/(Liabilities) ^(a)							Cumulative Amount of Fair Value Hedging Adjustment Included in the Carrying Amount of the Hedged Assets/(Liabilities) ^(a)			
(\$ in thousands)	(\$ in thousands)	September 30, 2023	December 31, 2022	(\$ in thousands)	March 31, 2024	December 31, 2023	(\$ in thousands)	March 31, 2024	December 31, 2023	
Other long-term funding	Other long-term funding	\$ (537,081)	\$ 12,919	\$ (248,145)	\$ 1,855					
FHLB advances	FHLB advances	(578,103)	21,897	(585,692)	14,308					
Total	Total	\$ (1,115,185)	\$ 34,815	\$ (833,837)	\$ 16,163					

Total amounts of income/expense presented on the consolidated statements of income in which the effects of the fair value or cash flow hedges are recorded ^(a)	Total amounts of income/expense presented on the consolidated statements of income in which the effects of the fair value or cash flow hedges are recorded ^(a)	\$	(4,589)	\$	5,195	\$	(120)	\$	(380)	\$	(9,286)	\$	12,039	\$	(428)	\$	(380)
Total amounts of income/expense presented on the consolidated statements of income in which the effects of the fair value or cash flow hedges are recorded ^(a)																	
Total amounts of income/expense presented on the consolidated statements of income in which the effects of the fair value or cash flow hedges are recorded ^(a)																	
The effects of fair value and cash flow hedging: Impact on fair value hedging relationships in Subtopic 815-20																	
The effects of fair value and cash flow hedging: Impact on fair value hedging relationships in Subtopic 815-20																	
The effects of fair value and cash flow hedging: Impact on fair value hedging relationships in Subtopic 815-20	The effects of fair value and cash flow hedging: Impact on fair value hedging relationships in Subtopic 815-20																
Interest contracts:	Interest contracts:																
Interest contracts:																	
Hedged items																	
Hedged items																	
Hedged items	Hedged items	(74)	(9,001)	(120)	(14,703)	(189)	(18,652)	(428)	(14,703)								
Derivatives designated as hedging instruments ^(a)	Derivatives designated as hedging instruments ^(a)	(4,516)	14,196	—	14,323	(9,097)	30,691	—	14,323								
Derivatives designated as hedging instruments ^(a)																	
Derivatives designated as hedging instruments ^(a)																	

(a) Includes net settlements on the derivatives.

	Location and Amount Recognized on the Consolidated Statements of Income in			
	Fair Value Hedging Relationships			
	Three months ended Sep 30,		Nine Months Ended Sep 30,	
	2023	2022	2023	2022
	Location and Amount Recognized on the Consolidated Statements of Income			
	in			
	Fair Value Hedging Relationships			
	Location and Amount Recognized on the Consolidated Statements of Income			
	in			
	Fair Value Hedging Relationships			

Location and Amount Recognized on the Consolidated Statements of Income		in			
		Fair Value Hedging Relationships			
		Three months ended Mar 31,			
		2024			
		2024			
		2024			
(\$ in thousands)					
(\$ in thousands)					
(\$ in thousands)	(\$ in thousands)	Capital Markets, Net			
Total amounts of income/expense presented on the consolidated statements of income in which the effects of the fair value hedges are recorded	Total amounts of income/expense presented on the consolidated statements of income in which the effects of the fair value hedges are recorded	\$	—	\$	—
Total amounts of income/expense presented on the consolidated statements of income in which the effects of the fair value hedges are recorded	Total amounts of income/expense presented on the consolidated statements of income in which the effects of the fair value hedges are recorded				
Total amounts of income/expense presented on the consolidated statements of income in which the effects of the fair value hedges are recorded	Total amounts of income/expense presented on the consolidated statements of income in which the effects of the fair value hedges are recorded				
The effects of fair value hedging: Impact on fair value hedging relationships in Subtopic 815-20					
The effects of fair value hedging: Impact on fair value hedging relationships in Subtopic 815-20					
The effects of fair value hedging: Impact on fair value hedging relationships in Subtopic 815-20					
Foreign currency contracts:					
Foreign currency contracts:					
Hedged items					
Hedged items					
Hedged items	Hedged items	(11,575)	(29,846)	(2,186)	(40,346)
Derivatives designated as hedging instruments	Derivatives designated as hedging instruments	11,575	29,846	2,186	40,346
Derivatives designated as hedging instruments					
Derivatives designated as hedging instruments					

The following table presents the effect of cash flow hedge accounting on accumulated other comprehensive income (loss) for the three and nine months ended September 30, 2023 March 31, 2024 and 2022: 2023:

		Three Months Ended Sep 30,		Nine Months Ended Sep 30,	
		Three Months Ended Mar 31,		Three Months Ended Mar 31,	
		Three Months Ended Mar 31,		Three Months Ended Mar 31,	
		Three Months Ended Mar 31,		Three Months Ended Mar 31,	
(\$ in thousands)					
(\$ in thousands)					
(\$ in thousands)	(\$ in thousands)	2023	2022	2023	2022
Interest rate-related instruments designated as cash flow hedging instruments	Interest rate-related instruments designated as cash flow hedging instruments				

Amount of (loss) recognized in OCI on cash flow hedge derivative ^(a)		\$	(13,592)	\$	—	\$	(33,976)	\$	—
Interest rate-related instruments designated as cash flow hedging instruments									
Interest rate-related instruments designated as cash flow hedging instruments									
Amount of (loss) income recognized in OCI on cash flow hedge derivative ^(a)									
Amount of (loss) income recognized in OCI on cash flow hedge derivative ^(a)									
Amount of (loss) income recognized in OCI on cash flow hedge derivative ^(a)									
Amount of loss reclassified from accumulated other comprehensive income (loss) into interest income ^(a)		Amount of loss reclassified from accumulated other comprehensive income (loss) into interest income ^(a)		Amount of loss reclassified from accumulated other comprehensive income (loss) into interest income ^(a)		Amount of loss reclassified from accumulated other comprehensive income (loss) into interest income ^(a)		Amount of loss reclassified from accumulated other comprehensive income (loss) into interest income ^(a)	
		4,516		—		9,097		—	
Amount of loss reclassified from accumulated other comprehensive income (loss) into interest income ^(a)									
Amount of loss reclassified from accumulated other comprehensive income (loss) into interest income ^(a)									

— customer and mirror, net	— customer and mirror, net					
Interest rate-related instruments — MSR hedges	Interest rate-related instruments — MSR hedges	Mortgage banking, net	(5,877)	(3,547)	(5,551)	(12,559)
Interest rate-related instruments — MSR hedges						
Interest rate-related instruments — MSR hedges						
Foreign currency exchange forwards						
Foreign currency exchange forwards	Foreign currency exchange forwards	Capital markets, net	365	709	1,751	1,442
Interest rate lock commitments (mortgage)	Interest rate lock commitments (mortgage)	Mortgage banking, net	(24)	(1,389)	321	(3,020)
Interest rate lock commitments (mortgage)						
Interest rate lock commitments (mortgage)						
Forward commitments (mortgage)	Forward commitments (mortgage)	Mortgage banking, net	470	3,543	853	3,415
Forward commitments (mortgage)						
Forward commitments (mortgage)						

Note 10 Balance Sheet Offsetting

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

The Corporation enters into interest rate-related instruments to facilitate the interest rate risk management strategies of commercial customers and foreign exchange forwards to manage customers' exposure to fluctuating foreign exchange rates. The Corporation typically mitigates these risks by entering into equal and offsetting agreements with highly rated third-party financial institutions, though in rare circumstances the agreements are not perfectly equal and offsetting, which creates a negligible basis mismatch. The Corporation is party to master netting arrangements with some of its financial institution counterparties that create single net settlements of all legal claims or obligations to pay or receive the net amount of settlement of the individual interest and foreign exchange agreements. Collateral, usually in the form of investment securities and cash, is posted by the counterparty with net liability positions in accordance with contract thresholds. Derivatives subject to a legally enforceable master netting agreement are reported with assets and liabilities offset resulting in a net position which is further offset by any cash collateral, and is reported in other assets and accrued expenses and other liabilities on the face of the consolidated balance sheets. For disclosure purposes, the net position on the consolidated balance sheets can be further netted down by investment securities collateral received or pledged. See Note 9 for additional information on the Corporation's derivative and hedging activities.

The following table presents the interest rate and foreign exchange assets and liabilities subject to an enforceable master netting arrangement as of **September 30, 2023**, **March 31, 2024** and **December 31, 2022**, **December 31, 2023**. The interest rate and foreign exchange agreements the Corporation has with its commercial customers are not subject to an enforceable master netting arrangement and are therefore excluded from this table:

	Gross Amounts Subject to Master Netting Arrangements Offset on the Consolidated Balance Sheets							Gross Amounts Subject to Master Netting Arrangements Offset on the Consolidated Balance Sheets						
	Gross Amounts			Net Amounts Presented on the Consolidated Balance Sheets				Gross Amounts			Net Amounts Presented on the Consolidated Balance Sheets			
	Subject to Master Netting Arrangements			Offset on the Consolidated Balance Sheets				Subject to Master Netting Arrangements			Offset on the Consolidated Balance Sheets			
	Gross	Derivative	Cash	Consolidated	Security	Net		Gross	Derivative	Cash	Consolidated	Security	Net	
(\$ in thousands)	(\$ in thousands)	Recognized	Liabilities Offset	Collateral Received	Balance Sheets	Collateral Received	Amount	(\$ in thousands)	Recognized	Liabilities Offset	Collateral Received	Balance Sheets	Security Collateral Received	Net Amount
Derivative assets	Derivative assets													
September 30, 2023	\$	140,884	\$ (1,252)	\$ (88,207)	\$	51,425	\$ (32,257)	\$19,168						
December 31, 2022		63,029	(2,788)	(26,898)		33,342	(30,753)	2,589						
March 31, 2024														
March 31, 2024														
March 31, 2024														

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

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

(\$ in thousands)	(\$ in thousands)	Nine Months Ended		(\$ in thousands)	Three Months Ended March 31, 2024	Year Ended December 31, 2023
		September 30, 2023	December 31, 2022			
Allowance for unfunded commitments	Allowance for unfunded commitments					
Balance at beginning of period	Balance at beginning of period					
Balance at beginning of period	Balance at beginning of period					
Balance at beginning of period	Balance at beginning of period	\$ 38,776	\$ 39,776			
Provision for unfunded commitments	Provision for unfunded commitments	(4,000)	(1,000)			
Provision for unfunded commitments	Provision for unfunded commitments					
Provision for unfunded commitments	Provision for unfunded commitments					
Balance at end of period	Balance at end of period	\$ 34,776	\$ 38,776			
Balance at end of period	Balance at end of period					

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

Other Commitments

The Corporation invests in qualified affordable housing projects, historic projects, new market projects, and opportunity zone funds for the purpose of community reinvestment and obtaining tax credits and other tax benefits. Return on the Corporation's investment in these projects and funds comes in the form of the tax credits and tax losses that pass through to the Corporation, and deferral or elimination of capital gain recognition for tax purposes. The aggregate carrying value of these investments at September 30, 2023 March 31, 2024 was \$222 million \$215 million, compared to \$250 million \$219 million at December 31, 2022 December 31, 2023, included in tax credit and other investments on the consolidated balance sheets. The Corporation utilizes the proportional amortization method to account for investments in qualified affordable housing projects.

Under the proportional amortization method, the Corporation amortizes the initial cost of the investment in proportion to the tax credits and other tax benefits. The Corporation recognized additional income tax expense attributable to the amortization of investments in qualified affordable housing projects of \$26 million and \$25 million for the nine months ended September 30,

2023 and September 30, 2022, respectively, and \$9 million for both the three months ended September 30, 2023 March 31, 2024 and September 30, 2022.

March 31, 2023. The Corporation's remaining investment in qualified affordable housing projects accounted for under the proportional amortization method totaled \$219 million \$212 million at September 30, 2023 March 31, 2024 and \$246 million \$215 million at December 31, 2022 December 31, 2023.

The Corporation's unfunded equity contributions relating to investments in qualified affordable housing and historic projects are recorded in accrued expenses and other liabilities on the consolidated balance sheets. The Corporation's remaining unfunded equity contributions totaled \$31 million at March 31, 2024 and \$27 million at September 30, 2023 and \$40 million December 31, 2023. Additionally, at December 31, 2022 March 31, 2024, the Corporation also invests in a private SBA loan fund, recorded in equity securities on the consolidated balance sheets, the purpose of which is to identify CRA qualifying loans within a target region, which has a remaining unfunded equity contribution of \$3 million.

For the nine three months ended September 30, 2023 March 31, 2024 and the year ended December 31, 2022 December 31, 2023, the Corporation did not record any impairment related to qualified affordable housing investments.

The Corporation has principal investment commitments to provide capital-based financing to private companies through either direct investment in specific companies or through investment funds and partnerships. The timing of future cash requirements to fund such principal investment commitments is generally dependent on the investment cycle, whereby privately held companies are funded by private equity investors and ultimately sold, merged, or taken public through an initial offering, which can vary based on overall market conditions, as well as the nature and type of industry in which the companies operate. The Corporation also invests in loan pools that support CRA loans. The timing of future cash requirements to fund these pools is dependent upon loan demand, which can vary over time. The aggregate carrying value of these investments was \$34 million \$40 million at September 30, 2023 both March 31, 2024 and \$27 million at December 31, 2022 December 31, 2023, included in tax credit and other investments on the consolidated balance sheets.

Legal Proceedings

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

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

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

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

Regulatory Matters

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

In recent consent orders with financial institutions, the CFPB has asserted that certain overdraft charges constitute "unfair and abusive acts and practices." In certain instances, these financial institutions have agreed to make restitution to customers and to

pay civil money penalties. Included in the practices that the CFPB has asserted are "unfair and abusive" are 1) overdraft fees on transactions that had a sufficient balance at the time authorized but then later settled with an insufficient balance ("APSN Fees"), and 2) repeat insufficient funds fees on transactions resubmitted for payment after they were initially declined ("Representment Fees"). In light of these orders, the Corporation has undertaken a review of its current and past practices regarding APSN Fees and Representment Fees. Such review could result in changes to our overdraft fee policies, which would reduce our fee income in future periods and which could also result in a decision to make remediation payments to current and past customers who incurred such fees. The Corporation's financial results may be materially impacted in any period in which the Corporation determines to make any such remediation payments. In addition to the review described above, the Corporation received an arbitration request in July 2023 which,

among other things, **seeks sought** to recover APSN Fees and Representment Fees on behalf of approximately 1,400 current and former deposit customers of the Corporation (the "arbitration request"). **The After mediation of the arbitration request, is being considered a settlement of up to \$2.1 million including attorneys' fees was concluded in the review of APSN Fees and Representment Fees described above. It is not possible for management to assess the probability of a material adverse outcome or reasonably estimate the amount of any potential loss at this time with respect to the arbitration request. February 2024.**

Mortgage Repurchase Reserve

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

As a result of make whole requests, the Corporation has repurchased loans with aggregate principal balances of **\$5 million \$1 million** and **\$6 million \$5 million** for the **nine three** months ended **September 30, 2023 March 31, 2024** and the year ended **December 31, 2022 December 31, 2023**, respectively. There were no loss reimbursement and settlement claims paid in the **nine three** months ended **September 30, 2023 March 31, 2024** or for the year ended **December 31, 2022 December 31, 2023**. Make whole requests since **January 1, 2022 January 1, 2023** generally arose from loans originated since **January 1, 2020 January 1, 2021** with such balances totaling **\$4.6 billion \$3.9 billion** at the time of sale, consisting primarily of loans sold to GSEs. As of **September 30, 2023 March 31, 2024**, \$3.3 billion of those loans originated since **January 1, 2020 January 1, 2021** remain outstanding.

The balance in the mortgage repurchase reserve at the balance sheet date reflects the estimated amount of potential loss the Corporation could incur from repurchasing a loan, as well as loss reimbursements, indemnifications, and other settlement resolutions. The mortgage repurchase reserve, included in accrued expenses and other liabilities on the consolidated balance sheets, was approximately **\$680,000 \$704,000** at **September 30, 2023 March 31, 2024** and **\$1 million \$835,000** at **December 31, 2022 December 31, 2023**.

The Corporation may also sell residential mortgage loans with limited recourse (limited in that the recourse period ends prior to the loan's maturity, usually after certain time and/or loan payoff criteria have been met), whereby repurchase could be required if the loan had defined delinquency issues during the limited recourse periods. At **September 30, 2023 both March 31, 2024** and **December 31, 2022 December 31, 2023**, there were \$15 million **and \$7 million, respectively**, of residential mortgage loans sold with such recourse risk. There have been limited instances and immaterial historical losses on repurchases for recourse under the limited recourse criteria.

The Corporation has a subordinate position to the FHLB in the credit risk on residential mortgage loans it sold to the FHLB **Mortgage Partnership Finance Traditional program** in exchange for a monthly credit enhancement fee. The Corporation **has not sold resumed selling** loans to the FHLB with such credit risk retention **in February 2024, but prior to that**, had not sold any loans with this credit risk retention since February 2005. At **September 30, 2023 March 31, 2024** and **December 31, 2022 December 31, 2023**, there were **\$17 million \$37 million** and **\$19 million \$16 million**, respectively, of such residential mortgage loans with credit risk recourse, upon which there have been immaterial historical losses to the Corporation.

Note 12 Fair Value Measurements

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

The valuation methodologies for assets and liabilities measured at fair value on a recurring and non-recurring basis are described in the Fair Value Measurements note in the Corporation's **2022 2023** Annual Report on Form 10-K.

The **table tables** below **presents present** the Corporation's financial instruments measured at fair value on a recurring basis **and carrying amounts and estimated fair values of certain financial instruments** as of **September 30, 2023 March 31, 2024** and **December 31, 2022 December 31, 2023**, aggregated by the level in the fair value hierarchy within which those measurements fall:

(\$ in thousands)	Mar 31, 2024				
	Carrying Amount	Fair Value	Level 1	Level 2	Level 3
Assets					
Cash and due from banks	\$ 429,859	\$ 429,859	\$ 429,859	—	—
Interest-bearing deposits in other financial institutions	420,114	420,114	420,114	—	—
Federal funds sold and securities purchased under agreements to resell	1,610	1,610	1,610	—	—
AFS investment securities:					
U.S. Treasury securities	35,558	35,558	35,558	—	—
Obligations of state and political subdivisions (municipal securities)	80,830	80,830	—	80,830	—
Residential mortgage-related securities:					
FNMA / FHLMC	1,090,998	1,090,998	—	1,090,998	—
GNMA	2,214,513	2,214,513	—	2,214,513	—
Commercial mortgage-related securities:					
FNMA / FHLMC	17,008	17,008	—	17,008	—

GNMA	152,232	152,232	—	152,232	—
Asset backed securities:					
FFELP	129,154	129,154	—	129,154	—
SBA	890	890	—	890	—
Other debt securities	2,965	2,965	—	2,965	—
Total AFS investment securities	3,724,148	3,724,148	35,558	3,688,590	—
HTM investment securities:					
U.S. Treasury securities	999	969	969	—	—
Obligations of state and political subdivisions (municipal securities), net	1,676,199	1,523,658	—	1,523,658	—
Residential mortgage-related securities:					
FNMA / FHLMC	930,148	771,944	—	771,944	—
GNMA	48,043	44,457	—	44,457	—
Private-label	341,153	281,069	—	281,069	—
Commercial mortgage-related securities:					
FNMA / FHLMC	779,310	628,928	—	628,928	—
GNMA	57,114	50,183	—	50,183	—
Total HTM investment securities, net	3,832,967	3,301,209	969	3,300,239	—
Equity securities:					
Equity securities	7,071	7,071	6,966	—	105
Equity securities at NAV	12,500	12,500			
Total equity securities	19,571	19,571			
FHLB and Federal Reserve Bank stocks	173,968	173,968	—	173,968	—
Residential loans held for sale	52,414	52,414	—	52,414	—
Loans, net	29,138,257	27,739,448	—	—	27,739,448
Bank and corporate owned life insurance	685,089	685,089	—	685,089	—
Mortgage servicing rights, net	85,226	85,226	—	—	85,226
Interest rate-related instruments designated as hedging instruments ^(a)	2,164	2,164	—	2,164	—
Foreign currency exchange forwards designated as hedging instruments ^(a)	624	624	—	624	—
Interest rate-related and other instruments not designated as hedging instruments ^(a)	113,337	113,337	—	113,337	—
Foreign currency exchange forwards not designated as hedging instruments ^(a)	5,276	5,276	—	5,276	—
Interest rate lock commitments to originate residential mortgage loans held for sale	666	666	—	—	666
Total selected assets at fair value	\$ 38,685,290	\$ 36,754,723	\$ 895,077	\$ 8,021,701	\$ 27,825,445

(\$ in thousands)	Fair Value Hierarchy	Sep 30, 2023	Dec 31, 2022
Assets			
AFS investment securities:			
U.S. Treasury securities	Level 1 \$	109,024 \$	109,378
Agency securities	Level 2	13,590	13,532
Obligations of state and political subdivisions (municipal securities)	Level 2	210,317	230,714
Residential mortgage-related securities:			
FNMA / FHLMC	Level 2	1,436,759	1,604,610
GNMA	Level 2	1,384,670	497,596
Commercial mortgage-related securities:			
FNMA / FHLMC	Level 2	16,154	17,142
GNMA	Level 2	176,474	110,462
Asset backed securities:			
FFELP	Level 2	138,514	151,191
SBA	Level 2	3,261	4,477
Other debt securities	Level 2	2,915	2,922
Total AFS investment securities	Level 1 \$	109,024 \$	109,378

Total AFS investment securities	Level 2	3,382,655	2,632,647
Equity securities with readily determinable fair values	Level 1	6,701	5,991
Residential loans held for sale	Level 2	54,790	20,383
Mortgage servicing rights, net	Level 3	89,131	77,351
Interest rate-related instruments designated as hedging instruments ^(a)	Level 2	2,109	4,349
Foreign currency exchange forwards designated as hedging instruments ^(a)	Level 2	2,886	416
Interest rate-related and other instruments not designated as hedging instruments ^(a)	Level 2	140,414	62,401
Foreign currency exchange forwards not designated as hedging instruments ^(a)	Level 2	1,751	437
Interest rate lock commitments to originate residential mortgage loans held for sale	Level 3	407	86
Forward commitments to sell residential mortgage loans	Level 3	806	—
Liabilities			
Interest rate-related instruments designated as hedging instruments ^(a)	Level 2 \$	21,520 \$	1,260
Foreign currency exchange forwards designated as hedging instruments ^(a)	Level 2	134	972
Interest rate-related and other instruments not designated as hedging instruments ^(a)	Level 2	294,062	251,398
Foreign currency exchange forwards not designated as hedging instruments ^(a)	Level 2	1,393	402
Forward commitments to sell residential mortgage loans	Level 3	—	46

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

(\$ in thousands)	Mar 31, 2024				
	Carrying Amount	Fair Value	Level 1	Level 2	Level 3
Liabilities					
Deposits:					
Noninterest-bearing demand	\$ 6,254,135	\$ 6,254,135	\$ —	\$ —	\$ 6,254,135
Savings	5,124,639	5,124,639	—	—	5,124,639
Interest-bearing demand	8,747,127	8,747,127	—	—	8,747,127
Money market	6,721,674	6,721,674	—	—	6,721,674
Brokered CDs ^(a)	3,931,230	3,931,230	—	3,931,230	—
Other time deposits ^(a)	2,934,352	2,934,352	—	2,934,352	—
Total deposits	33,713,158	33,713,158	—	6,865,582	26,847,575
Short-term funding:					
Federal funds purchased and securities sold under agreements to repurchase	265,671	265,661	—	265,661	—
BTFP funding	500,000	497,959	—	497,959	—
Total short-term funding	765,671	763,620	—	763,620	—
FHLB advances	1,333,411	1,320,280	—	1,320,280	—
Other long-term funding	536,055	517,009	—	517,009	—
Standby letters of credit ^(b)	2,347	2,347	—	2,347	—
Interest rate-related instruments designated as hedging instruments ^(c)	10,685	10,685	—	10,685	—
Foreign currency exchange forwards designated as hedging instruments ^(c)	230	230	—	230	—
Interest rate-related and other instruments not designated as hedging instruments ^(c)	222,303	222,303	—	222,303	—
Foreign currency exchange forwards not designated as hedging instruments ^(c)	4,956	4,956	—	4,956	—
Forward commitments to sell residential mortgage loans	222	222	—	—	222
Total selected liabilities at fair value	\$ 36,589,039	\$ 36,554,811	\$ —	\$ 9,707,013	\$ 26,847,797

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

(b) The commitment on standby letters of credit was \$230 million at March 31, 2024. See Note 11 for additional information on the standby letters of credit and for information on the fair value of lending-related commitments.

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

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

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

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

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

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

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

The table below presents a rollforward of the consolidated balance sheets amounts for the **nine** months ended **September 30, 2023** **March 31, 2024** and the year ended **December 31, 2022** **December 31, 2023**, for the Corporation's mortgage derivatives measured on a recurring basis and classified within Level 3 of the fair value hierarchy:

(\$ in thousands)	Interest rate lock commitments to originate	Forward commitments to sell residential	Total
	residential mortgage loans held for sale	mortgage loans	
Balance December 31, 2021	\$ 2,617	\$ (30)	2,647
New production	10,442	(2,028)	12,470
Closed loans / settlements	(913)	24,766	(25,679)
Other	(12,060)	(22,662)	10,603
Change in mortgage derivative	(2,531)	76	(2,607)
Balance December 31, 2022	\$ 86	\$ 46	40
New production	4,681	(1,274)	5,955
Closed loans / settlements	(2,417)	1,969	(4,386)
Other	(1,943)	(1,547)	(396)
Change in mortgage derivative	321	(853)	1,173
Balance September 30, 2023	\$ 407	\$ (806)	1,213

(\$ in thousands)	Interest rate lock commitments to originate	Forward commitments to sell residential	Total
	residential mortgage loans held for sale	mortgage loans	

Balance December 31, 2022	\$	86	\$	46	\$	40
New production		6,557		(1,816)		8,373
Closed loans / settlements		(4,171)		2,494		(6,665)
Other		(2,033)		(51)		(1,982)
Change in mortgage derivative		352		627		(274)
Balance December 31, 2023	\$	439	\$	673	\$	(234)
New production	\$	1,820	\$	(590)	\$	2,409
Closed loans / settlements		(1,546)		188		(1,734)
Other		(46)		(49)		3
Change in mortgage derivative		227		(451)		678
Balance March 31, 2024	\$	666	\$	222	\$	444

The following table presents a rollforward of the carrying fair value of Level 3 equity securities, without readily determinable fair values still held as of September 30, 2023 for the three months ended March 31, 2024 and the year ended December 31, 2023, that are measured under the measurement alternative and the related adjustments recorded during the periods presented for those securities with observable price changes. These securities are included in the nonrecurring fair value tables when applicable price changes are observable. Also shown are the cumulative upward and downward adjustments for the Corporation's equity securities without readily determinable fair values as of September 30, 2023; changes:

(\$ in thousands)		
Equity securities without readily determinable fair values		
Carrying Fair value as of December 31, 2022	\$	19,225
Gains recognized in investment securities gains, net		5,861
Purchases		10,011
Sales		(329)
Carrying Fair value as of September 30, 2023	\$	29,236
Cumulative upward carrying value changes between January 1, 2018 and September 30, 2023		24,769
Gains recognized in investment securities gains, net	\$	19,134
Cumulative downward carrying		4,054
Purchases		8
Sales		(28,725)
Fair value changes/impairment between January 1, 2018 and September 30, 2023 as of March 31, 2024	\$	105

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

(\$ in thousands)					Consolidated Statements of Income Category of Adjustment Recognized on the Consolidated Statements of Income ^(a)					
	(\$ in thousands)	Fair Value Hierarchy	Fair Value	Recognized in Income	Statements of Income ^(a)	(\$ in thousands)	Fair Value Hierarchy	Fair Value	Consolidated Statements of Income Category of Adjustment Recognized in Income	Adjustment Recognized on the Consolidated Statements of Income ^(a)
September 30, 2023										
March 31, 2024										
Assets	Assets									
Assets										
Assets										
Individually evaluated loans										
Individually evaluated loans										

Individually evaluated loans					
Individually evaluated loans					
Individually evaluated loans					
Individually evaluated loans	Individually evaluated loans	Level 3	\$56,506	Provision for credit losses	\$ 28,926
OREO ^(b)	OREO ^(b)			Other noninterest expense / provision for	
		Level 2	1,315	credit losses ^(c)	1,124
December 31, 2022					
December 31, 2023					
December 31, 2023					
December 31, 2023					
Assets					
Assets					
Assets					
Individually evaluated loans					
Individually evaluated loans					
Individually evaluated loans	Individually evaluated loans	Level 3	\$23,584	Provision for credit losses	\$ 4,405
OREO ^(b)	OREO ^(b)			Other noninterest expense / provision for	
		Level 2	2,196	credit losses ^(c)	971
Equity securities without readily determinable fair values	Equity securities without readily determinable fair values			Investment securities gains (losses), net	
		Level 3	19,134		5,690
Equity securities without readily determinable fair values					
Equity securities without readily determinable fair values					

(a) Includes the full year YTD impact on the consolidated statements of income.

(b) If the fair value of the collateral exceeds the carrying amount of the asset, no charge off or adjustment is necessary, the asset is not considered to be carried at fair value and is therefore not included in the table.

(c) When a property's value is written down at the time it is transferred to OREO, the charge off is booked to the provision for credit losses. When a property is already in OREO and subsequently written down, the charge off is booked to other noninterest expense.

Certain nonfinancial assets and nonfinancial liabilities measured at fair value on a nonrecurring basis include the fair value analysis in the goodwill impairment test as well as intangible assets and other nonfinancial long-lived assets measured at fair value for the purpose of impairment assessment.

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

September 30, 2023	Valuation Technique	Significant Unobservable Input	Range of Inputs	Weighted Average Input Applied
Mortgage servicing rights	Discounted cash flow	Option adjusted spread	6% - 8%	6%
Mortgage servicing rights	Discounted cash flow	Constant prepayment rate	—% - 100%	6%
Individually evaluated loans	Appraisals / Discounted cash flow	Collateral / Discount factor	22% - 36%	34%

Interest rate lock commitments to originate residential mortgage loans held for sale	Discounted cash flow	Closing Ratio	48%	-	100%	84%
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Fair Value of Financial Instruments

The Corporation is required to disclose estimated fair values for its financial instruments.

Fair value estimates are set forth below for the Corporation's financial instruments:

(\$ in thousands)	Fair Value Hierarchy Level	Sep 30, 2023		Dec 31, 2022	
		Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets					
Cash and due from banks	Level 1	\$ 388,694	\$ 388,694	\$ 436,952	436,952
Interest-bearing deposits in other financial institutions	Level 1	323,130	323,130	156,693	156,693
Federal funds sold and securities purchased under agreements to resell	Level 1	965	965	27,810	27,810
AFS investment securities	Level 1	109,024	109,024	109,378	109,378
AFS investment securities	Level 2	3,382,655	3,382,655	2,632,647	2,632,647
HTM investment securities, net	Level 1	999	948	999	936
HTM investment securities, net	Level 2	3,899,416	3,144,883	3,959,399	3,400,028
Equity securities with readily determinable fair values	Level 1	6,701	6,701	5,991	5,991
Equity securities without readily determinable fair values	NAV	10,000	10,000	—	—
Equity securities without readily determinable fair values	Level 3	19,236	19,236	19,225	19,225
FHLB and Federal Reserve Bank stocks	Level 2	268,698	268,698	295,496	295,496
Residential loans held for sale	Level 2	54,790	54,790	20,383	20,383
Loans, net	Level 3	29,847,392	28,705,298	28,486,849	27,481,426
Bank and corporate owned life insurance	Level 2	679,775	679,775	676,530	676,530
Mortgage servicing rights, net	Level 3	89,131	89,131	77,351	77,351
Derivatives (other assets)(a)	Level 2	147,160	147,160	67,603	67,603
Interest rate lock commitments to originate residential mortgage loans held for sale (other assets)	Level 3	407	407	86	86
Forward commitments to sell residential mortgage loans (other assets)	Level 3	806	806	—	—
Financial liabilities					
Noninterest-bearing demand, savings, interest-bearing demand, and money market accounts	Level 3	\$ 26,056,389	\$ 26,056,389	\$ 27,705,996	27,705,996
Brokered CDs and other time deposits(b)	Level 2	6,066,937	6,066,937	1,930,158	1,930,158
Short-term funding	Level 2	451,644	451,624	605,937	605,205
FHLB advances	Level 2	3,733,041	3,734,775	4,319,861	4,322,264
Other long-term funding	Level 2	529,459	519,337	248,071	242,151
Standby letters of credit(c)	Level 2	2,691	2,691	2,881	2,881
Derivatives (accrued expenses and other liabilities)(a)	Level 2	317,109	317,109	254,033	254,033
Forward commitments to sell residential mortgage loans (accrued expenses and other liabilities)	Level 3	—	—	46	46

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

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

(c) The commitment on standby letters of credit was \$247 million at September 30, 2023 and \$271 million at December 31, 2022. See Note 11 for additional information on the standby letters of credit and for information on the fair value of lending-related commitments.

March 31, 2024	Valuation Technique	Significant Unobservable Input	Range of Inputs	Weighted Average Input Applied
Mortgage servicing rights	Discounted cash flow	Option adjusted spread	5% - 8%	5%
Mortgage servicing rights	Discounted cash flow	Constant prepayment rate	—% - 100%	6%

Individually evaluated loans	Appraisals / Discounted cash flow	Collateral / Discount factor	11%	-	56%	52%
Interest rate lock commitments to originate residential mortgage						
loans held for sale	Discounted cash flow	Closing Ratio	25%	-	100%	86%

Note 13 Retirement Plans

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

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

The components of net periodic pension cost and net periodic benefit cost for the RAP and Postretirement Plan for the three and nine months ended September 30, 2023 March 31, 2024 and 2022 2023 were as follows:

		Three Months Ended Sep 30,		Nine Months Ended Sep 30,	
		Three Months Ended Mar 31,		Three Months Ended Mar 31,	
		Three Months Ended Mar 31,		Three Months Ended Mar 31,	
(\$ in thousands)					
(\$ in thousands)					
(\$ in thousands)	(\$ in thousands)	2023	2022	2023	2022
RAP	RAP				
RAP					
RAP					
Service cost					
Service cost					
Service cost	Service cost	\$ 800	\$ 906	\$ 2,392	\$ 2,752
Interest cost	Interest cost	2,794	1,820	8,165	5,364
Interest cost					
Interest cost					
Expected return on plan assets					
Expected return on plan assets					
Expected return on plan assets	Expected return on plan assets	(8,243)	(6,706)	(24,647)	(20,177)
Amortization of prior service cost	Amortization of prior service cost	(63)	(63)	(188)	(188)
Amortization of prior service cost					
Amortization of prior service cost					
Amortization of actuarial loss	Amortization of actuarial loss	—	347	37	494
Amortization of actuarial loss					
Amortization of actuarial loss					
Total net periodic pension cost					
Total net periodic pension cost					
Total net periodic pension cost	Total net periodic pension cost	\$ (4,713)	\$ (3,696)	\$ (14,241)	\$ (11,754)
Postretirement Plan	Postretirement Plan				
Postretirement Plan					
Postretirement Plan					
Interest cost					

Interest cost									
Interest cost	Interest cost	\$	20	\$	13	\$	59	\$	40
Amortization of prior service cost	Amortization of prior service cost		(19)		(19)		(56)		(56)
Amortization of prior service cost									
Amortization of prior service cost									
Amortization of actuarial (gain)									
Amortization of actuarial (gain)									
Amortization of actuarial (gain)	Amortization of actuarial (gain)		(7)		—		(22)		—
Total net periodic benefit cost	Total net periodic benefit cost	\$	(6)	\$	(6)	\$	(19)	\$	(17)
Total net periodic benefit cost									
Total net periodic benefit cost									

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

The Corporation's funding policy is to pay at least the minimum amount required by federal law and regulations, with consideration given to the maximum funding amounts allowed. The Corporation regularly reviews the funding of its RAP. There were no contributions during 2022 2023 or the nine three months ended September 30, 2023 March 31, 2024.

Note 14 Segment Reporting

The Corporation utilizes a risk-based internal profitability measurement system to provide strategic business unit reporting. The profitability measurement system is based on internal management methodologies designed to produce consistent results and reflect the underlying economics of the units. Certain strategic business units have been combined for segment information reporting purposes where the nature of the products and services, the type of customer, and the distribution of those products and services are similar. The three reportable segments are Corporate and Commercial Specialty; Community, Consumer, and Business; and Risk Management and Shared Services. The financial information of the Corporation's segments has been compiled utilizing the accounting policies described in the Corporation's 2022 2023 Annual Report on Form 10-K, with certain exceptions. The more significant of these exceptions are described herein.

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

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

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

The provision for credit losses is allocated to segments based on the expected long-term annual net charge off rates attributable to the credit risk of loans managed by the segment during the period. In contrast, the level of the consolidated provision for credit losses is determined based on an ACLL model using the methodologies described in the Corporation's 2022 2023 Annual Report on Form 10-K. The net effect of the credit provision is recorded in Risk Management and Shared Services. Indirect

expenses incurred by certain centralized support areas are allocated to segments based on actual usage (for example, volume measurements) and other criteria. Certain types of administrative expense and bank-wide expense accruals (including, when applicable, amortization of CDIs and other intangible assets associated with acquisitions, acquisition-related costs, and asset gains on disposed business units) are generally not allocated to segments. Income taxes are allocated to segments based on the Corporation's estimated effective tax rate, with certain segments adjusted for any tax-exempt income or non-deductible expenses. Equity is allocated to the segments based on regulatory capital requirements and in proportion to an assessment of the inherent risks associated with the business of the segment (including interest, credit and operating risk).

A brief description of each business segment is presented below. A more in-depth discussion of these segments can be found in the Segment Reporting note in the Corporation's 2022 2023 Annual Report on Form 10-K.

The Corporate and Commercial Specialty segment serves a wide range of customers including larger businesses, developers, not-for-profits, municipalities, and financial institutions by providing lending and deposit solutions as well as the support to deliver, fund, and manage such banking solutions. In addition, this segment provides a variety of investment, fiduciary, and retirement planning products and services to individuals and small to mid-sized businesses. The Community, Consumer, and Business segment serves individuals, as well as small and mid-sized businesses, by providing lending and deposit solutions. The Risk Management and Shared Services segment includes key shared operational functions

and also includes residual revenue and expenses, representing the difference between actual amounts incurred and the amounts allocated to operating segments, including interest rate risk residuals (FTP mismatches) and credit risk and provision residuals (long-term credit charge mismatches).

Information about the Corporation's segments is presented below:

		Corporate and Commercial Specialty			
		Three Months Ended Sep 30,		Nine Months Ended Sep 30,	
		Corporate and Commercial Specialty			
		Corporate and Commercial Specialty			
		Corporate and Commercial Specialty			
		Three Months Ended Mar 31,			
(\$ in thousands)					
(\$ in thousands)					
(\$ in thousands)	(\$ in thousands)	2023	2022	2023	2022
Net interest income	Net interest income	\$ 250,365	\$ 161,143	\$ 710,031	\$ 363,135
Net interest income					
Net interest income					
Net intersegment interest (expense)					
Net intersegment interest (expense)					
Net intersegment interest (expense)	Net intersegment interest (expense)	(106,675)	(40,117)	(288,366)	(36,893)
Segment net interest income	Segment net interest income	143,690	121,026	421,665	326,242
Segment net interest income					
Segment net interest income					
Noninterest income					
Noninterest income					
Noninterest income	Noninterest income	34,081	35,663	99,243	112,620
Total revenue	Total revenue	177,771	156,688	520,908	438,862
Total revenue					
Total revenue					
Provision for credit losses					
Provision for credit losses					
Provision for credit losses	Provision for credit losses	14,066	11,904	41,523	36,803
Noninterest expense	Noninterest expense	63,207	58,934	186,351	172,141
Noninterest expense					
Noninterest expense					
Income before income taxes					
Income before income taxes					
Income before income taxes	Income before income taxes	100,498	85,851	293,034	229,918
Income tax expense	Income tax expense	19,304	15,967	54,138	42,248
Income tax expense					
Income tax expense					
Net income					
Net income					
Net income	Net income	\$ 81,194	\$ 69,884	\$ 238,897	\$ 187,670
Allocated goodwill	Allocated goodwill			\$ 525,836	\$ 525,836
Allocated goodwill					
Allocated goodwill					
Community, Consumer, and Business					

		Three Months Ended Sep 30,		Nine Months Ended Sep 30,	
		Community, Consumer, and Business			
		Community, Consumer, and Business			
		Community, Consumer, and Business			
		Three Months Ended Mar 31,			
(\$ in thousands)					
(\$ in thousands)					
(\$ in thousands)	(\$ in thousands)	2023	2022	2023	2022
Net interest income	Net interest income	\$ 67,139	\$ 87,156	\$ 219,883	\$ 233,699
Net interest income					
Net interest income					
Net intersegment interest income					
Net intersegment interest income					
Net intersegment interest income	Net intersegment interest income	123,900	49,437	317,820	98,907
Segment net interest income	Segment net interest income	191,039	136,593	537,703	332,606
Segment net interest income					
Segment net interest income					
Noninterest income					
Noninterest income					
Noninterest income	Noninterest income	29,675	26,745	85,881	92,072
Total revenue	Total revenue	220,714	163,338	623,584	424,679
Total revenue					
Total revenue					
Provision for credit losses					
Provision for credit losses					
Provision for credit losses	Provision for credit losses	7,381	5,378	21,467	14,958
Noninterest expense	Noninterest expense	108,185	107,860	328,960	311,423
Noninterest expense					
Noninterest expense					
Income before income taxes					
Income before income taxes					
Income before income taxes	Income before income taxes	105,148	50,100	273,158	98,298
Income tax expense	Income tax expense	22,187	10,521	57,469	20,642
Income tax expense					
Income tax expense					
Net income					
Net income					
Net income	Net income	\$ 82,961	\$ 39,579	\$ 215,688	\$ 77,655
Allocated goodwill	Allocated goodwill			\$ 579,156	\$ 579,156
Allocated goodwill					
Allocated goodwill					

	Risk Management and Shared Services	
	Three Months Ended Sep 30,	Nine Months Ended Sep 30,

Three Months Ended

Mar 31,

(\$ in thousands)	(\$ in thousands)	2023	2022	2023	2022
Net interest income (loss)		\$ (63,260)	\$ 16,140	\$ (143,743)	\$ 71,498
(\$ in thousands)					
(\$ in thousands)					
Net interest (loss)					
Net interest (loss)					
Net interest (loss)					
Net interest (loss)					
Net intersegment (expense)	Net intersegment (expense)	(17,225)	(9,320)	(29,454)	(62,014)
Segment net interest income (loss)		(80,485)	6,820	(173,197)	9,484
Net intersegment (expense)					
Net intersegment (expense)					
Segment net interest (loss)					
Segment net interest (loss)					
Segment net interest (loss)					
Noninterest income					
Noninterest income					
Noninterest income	Noninterest income	2,823	8,381	9,071	16,021
Total revenue	Total revenue	(77,663)	15,201	(164,126)	25,505
Total revenue					
Total revenue					
Provision for credit losses					
Provision for credit losses					
Provision for credit losses	Provision for credit losses	496	(283)	(975)	(38,756)
Noninterest expense	Noninterest expense	24,814	28,997	58,980	66,940
Noninterest expense					
Noninterest expense					
(Loss) before income taxes	(Loss) before income taxes	(102,972)	(13,513)	(222,131)	(2,679)
Income tax expense (benefit)		(22,065)	(325)	(41,308)	5,286
(Loss) before income taxes					
(Loss) before income taxes					
Income tax (benefit)					
Income tax (benefit)					
Income tax (benefit)					
Net (loss)					
Net (loss)					

Net (loss)	Net (loss)	\$ (80,907) \$ (13,189) \$ (180,823) \$ (7,965)
Allocated goodwill	Allocated goodwill	\$ — \$ —
Allocated goodwill		
Allocated goodwill		

(\$ in thousands)	Consolidated Total			
	Three Months Ended Sep 30,		Nine Months Ended Sep 30,	
	2023	2022	2023	2022
Net interest income	\$ 254,244	\$ 264,439	\$ 786,171	\$ 668,332
Net intersegment interest income	—	—	—	—
Segment net interest income	254,244	264,439	786,171	668,332
Noninterest income	66,579	70,788	194,195	220,713
Total revenue	320,823	335,227	980,366	889,045
Provision for credit losses	21,943	16,998	62,014	13,006
Noninterest expense	196,205	195,791	574,291	550,503
Income before income taxes	102,674	122,438	344,061	325,536
Income tax expense	19,426	26,163	70,299	68,176
Net income	\$ 83,248	\$ 96,275	\$ 273,762	\$ 257,360
Allocated goodwill	\$ 1,104,992		\$ 1,104,992	

(\$ in thousands)	Consolidated Total			
	Three Months Ended Mar 31,			
	2024	2023		
Net interest income	\$ 257,858	\$ 274,010		
Net intersegment interest income	—	—		
Segment net interest income	257,858	274,010		
Noninterest income	64,985	62,073		
Total revenue	322,842	336,083		
Provision for credit losses	24,001	17,971		
Noninterest expense	197,657	187,412		
Income before income taxes	101,185	130,700		
Income tax expense	20,016	27,340		
Net income	\$ 81,169	\$ 103,360		
Allocated goodwill	\$ 1,104,992	\$ 1,104,992		

Note 15 Accumulated Other Comprehensive Income (Loss)

The following tables summarize the components of accumulated other comprehensive income (loss) at **September 30, 2023**, **March 31, 2024** and **2022**, **2023**, including changes during the preceding three **and nine** month periods as well as any reclassifications out of accumulated other comprehensive income (loss):

During the preceding three-year period, the following table sets forth the change in the fair value of accumulated other comprehensive income (loss):											
	Defined Benefit						Defined Benefit				
	AFS	Cash Flow	Pension and	Accumulated		Defined Benefit	Accumulated				
(\$ in thousands)	Investment	Hedge	Postretirement	Comprehensive		Pension and	Other				
	Securities	Derivatives	Obligations	Income (Loss)	(\$ in thousands)	AFS Investment	Cash Flow Hedge Derivatives				
						Securities					
						</					

Other comprehensive (loss) before reclassifications	Other comprehensive (loss) before reclassifications	(69,512)	—	—	(69,512)
Amounts reclassified from accumulated other comprehensive income (loss):	Amounts reclassified from accumulated other comprehensive income (loss):				
HTM investment securities, net, at amortized cost	HTM investment securities, net, at amortized cost	6,883	—	—	6,883
Amounts reclassified from accumulated other comprehensive income (loss):	Amounts reclassified from accumulated other comprehensive income (loss):				
Investment securities losses, net	Investment securities losses, net				
Investment securities losses, net	Investment securities losses, net				
Investment securities losses, net	Investment securities losses, net				
HTM investment securities, net, at amortized cost ^(a)	HTM investment securities, net, at amortized cost ^(a)				
Other assets / accrued expenses and other liabilities	Other assets / accrued expenses and other liabilities	—	(33,976)	—	(33,976)
Interest income	Interest income	—	9,097	—	9,097
Personnel expense	Personnel expense	—	—	(244)	(244)
Other expense	Other expense	—	—	15	15
Income tax benefit	Income tax benefit	15,879	5,488	31	21,398
Net other comprehensive loss during period	Net other comprehensive loss during period	(46,751)	(19,391)	(198)	(66,340)
Balance September 30, 2023	Balance September 30, 2023	\$ (279,943)	\$ (16,032)	\$ (43,166)	\$ (339,140)
Income tax benefit (expense)	Income tax benefit (expense)				
Net other comprehensive (loss) during period	Net other comprehensive (loss) during period				
Balance March 31, 2024	Balance March 31, 2024				
Balance December 31, 2021	Balance December 31, 2021	\$ (5,266)	\$ —	\$ (5,051)	\$ (10,317)

Other comprehensive (loss)				
before reclassifications	(268,413)	—	—	(268,413)
Unrealized (losses) on AFS securities transferred to HTM securities	(67,604)	—	—	(67,604)
Balance December 31, 2022				
Balance December 31, 2022				
Balance December 31, 2022				
Other comprehensive income before reclassifications				
Amounts reclassified from accumulated other comprehensive income (loss):				
Investment securities (gains), net	(12)	—	—	(12)
HTM investment securities, net, at amortized cost	7,269	—	—	7,269
Amounts reclassified from accumulated other comprehensive income (loss):				
Amounts reclassified from accumulated other comprehensive income (loss):				
HTM investment securities, net, at amortized cost ^(a)				
HTM investment securities, net, at amortized cost ^(a)				
HTM investment securities, net, at amortized cost ^(a)				
Other assets / accrued expenses and other liabilities				
Interest income				
Personnel expense	—	—	(244)	(244)
Other expense	—	—	494	494
Income tax (expense) benefit	83,906	—	(470)	83,436
Net other comprehensive (loss) during period	(244,854)	—	(221)	(245,074)
Balance September 30, 2022	\$ (250,120)	\$ —	\$ (5,272)	\$ (255,391)
Net other comprehensive income during period				

Balance March
31, 2023

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

	AFS Investment Securities	Cash Flow Hedge Derivatives	Defined Benefit Pension and Postretirement Obligations	Accumulated Other Comprehensive Income (Loss)
(\$ in thousands)				
Balance June 30, 2023	\$ (239,273)	\$ (9,270)	\$ (43,099)	\$ (291,642)
Other comprehensive (loss) before reclassifications	(56,924)	—	—	(56,924)
Amounts reclassified from accumulated other comprehensive income (loss):				
HTM investment securities, net, at amortized cost	2,327	—	—	2,327
Other assets / accrued expenses and other liabilities	—	(13,592)	—	(13,592)
Interest income	—	4,516	—	4,516
Personnel expense	—	—	(81)	(81)
Other expense	—	—	(7)	(7)
Income tax benefit	13,928	2,315	23	16,266
Net other comprehensive (loss) during period	(40,669)	(6,762)	(66)	(47,497)
Balance September 30, 2023	\$ (279,943)	\$ (16,032)	\$ (43,166)	\$ (339,140)
Balance June 30, 2022	\$ (177,726)	\$ —	\$ (5,062)	\$ (182,788)
Other comprehensive (loss) before reclassifications	(100,092)	—	—	(100,092)
Amounts reclassified from accumulated other comprehensive income (loss):				
HTM investment securities, net, at amortized cost	2,888	—	—	2,888
Personnel expense	—	—	(82)	(82)
Other expense	—	—	347	347
Income tax (expense) benefit	24,810	—	(474)	24,336
Net other comprehensive (loss) during period	(72,394)	—	(209)	(72,603)
Balance September 30, 2022	\$ (250,120)	\$ —	\$ (5,272)	\$ (255,391)

Note 16 Leases

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

These leases have original terms of 1 year or longer with remaining maturities up to 39 years, some of which include options to extend the lease term. An analysis of the lease options has been completed and any purchase options or optional periods that the Corporation is reasonably likely to extend have been included in the capitalization.

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

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

	Three Months Ended Sep 30,			Nine Months Ended Sep 30,			
	Three Months Ended Mar 31,			Three Months Ended Mar 31,			
	Three Months Ended Mar 31,			Three Months Ended Mar 31,			
	Three Months Ended Mar 31,						
(\$ in thousands)							
(\$ in thousands)							
(\$ in thousands)	(\$ in thousands)	2023	2022	2023	2022		
Operating lease costs	Operating lease costs	\$ 1,594	\$ 1,637	\$ 4,536	\$ 5,361		
Operating lease costs							
Operating lease costs							
Finance lease costs							

Finance lease costs					
Finance lease costs	Finance lease costs	23	23	69	96
Operating lease cash flows	Operating lease cash flows	1,917	1,880	5,442	6,614
Operating lease cash flows					
Operating lease cash flows					
Finance lease cash flows	Finance lease cash flows	23	22	69	103
Finance lease cash flows					
Finance lease cash flows					

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

(\$ in thousands)	Consolidated Balance Sheets				(\$ in thousands)	Consolidated Balance Sheets Category	Mar 31, 2024	Dec 31, 2023
	(\$ in thousands)	Category	Sep 30, 2023	Dec 31, 2022				
Operating lease right-of-use asset	Operating lease right-of-use asset	Premises and equipment	\$23,677	\$25,617				
Finance lease right-of-use asset	Finance lease right-of-use asset	Other assets	390	455				
Operating lease liability	Operating lease liability	Accrued expenses and other liabilities	26,059	28,357				
Finance lease liability	Finance lease liability	Other long-term funding	405	469				

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

		Sep 30, 2023			Dec 31, 2022													Dec 31, 2023
		Mar 31, 2024						Mar 31, 2024										
(\$ in thousands)	(\$ in thousands)	Lease payments	Weighted-average term (in years)	Weighted-average discount rate	Lease payments	Weighted-average term (in years)	Weighted-average discount rate	(\$ in thousands)	Lease payments	Weighted-average lease term (in years)	Weighted-average discount rate	Lease payments	Weighted-average lease term (in years)	Weighted-average discount rate	Lease payments	Weighted-average lease term (in years)	Weighted-average discount rate	
Operating leases	Operating leases																	
Retail and corporate offices	Retail and corporate offices																	
Retail and corporate offices	Retail and corporate offices	\$ 23,662	5.44	2.81 %	\$ 26,140	5.92	2.62 %	\$ 24,223	5.61	5.61	3.14 %	25,729	5.76	5.76	3.12 %			
Land	Land	4,255	7.11	3.47 %	4,766	7.59	3.14 %	Land	3,846	6.87	6.87	3.49 %	4,050	6.98	6.98	3.48 %		
Equipment	Equipment	408	2.75	4.62 %	—	0.00	— %	Equipment	408	2.25	2.25	4.62 %	408	2.50	2.50	4.62 %		
Total operating leases	Total operating leases	\$ 28,325	5.64	2.93 %	\$ 30,906	6.17	2.70 %	Total operating leases	\$ 28,476	5.73	5.73	3.21 %	\$ 30,187	5.88	5.88	3.19 %		

Finance leases	Finance leases										
Retail and corporate offices	Retail and corporate offices	\$	417	4.50	1.32	%	\$	485	5.25	1.32	%
Retail and corporate offices											
Retail and corporate offices											
		\$	370	4.00	1.32	%	\$	394	4.25	1.32	%
Total finance leases	Total finance leases										
Total finance leases	Total finance leases	\$	417	4.50	1.32	%	\$	485	5.25	1.32	%
Total finance leases											
Total finance leases		\$	370	4.00	1.32	%	\$	394	4.25	1.32	%

(\$ in thousands)	(\$ in thousands)	Operating Leases	Finance Leases	Total Leases	(\$ in thousands)	Operating Leases	Finance Leases	Total Leases
Three months ended								
December 31, 2023	\$	1,509	\$	23	\$	1,532		
2024		6,124		93		6,217		
Nine months ended								
December 31, 2024								
2025	2025	5,223		93		5,315		
2026	2026	4,672		93		4,765		
2027	2027	4,014		93		4,107		
Beyond 2027		6,782		23		6,805		
2028								
Beyond 2028								
Total lease payments	Total lease payments	\$ 28,325	\$	417	\$	28,742		
Less: interest	Less: interest	2,266		12		2,278		
Present value of lease payments	Present value of lease payments	\$ 26,059	\$	405	\$	26,464		

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

Special Note Regarding Forward-Looking Statements

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

All forward-looking statements contained in this report or which may be contained in future statements made for or on behalf of the Corporation are based upon information available at the time the statement is made and the Corporation assumes no obligation to update any forward-looking statements, except as required by federal securities law. Forward-looking statements are subject to significant risks and uncertainties, and the Corporation's actual results may differ materially from the expected results discussed in such forward-looking statements. Factors that might cause actual results to differ from the results discussed in forward-looking statements include, but are not limited to, the risk factors in Item 1A, Risk Factors, in the Corporation's Annual Report on Form 10-K for the year ended **December 31, 2022** **December 31, 2023**, and as may be described from time to time in the Corporation's subsequent SEC filings.

Overview

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

Performance Summary

- Average loans of \$29.4 billion increased **\$3.9 billion** **\$523 million**, or **15%** **2%**, from the first **nine** **three** months of **2022**, **with growth** **2023**, driven primarily by increases in **all major loan categories**. For 2023, the Corporation expects period end loan growth of 5% to 6%. **auto finance and real estate construction loans**, partially offset by a decrease in residential mortgage loans.
- Average deposits of **\$31.1 billion** **\$33.3 billion** increased **\$2.5 billion** **\$3.4 billion**, or **9%** **11%**, from the first **nine** **three** months of **2022**, **2023**, driven primarily by increases in **time deposits brokered CDs and network transaction other time deposits**, partially offset by **a decrease** **decreases in noninterest-bearing noninterest bearing demand and money market deposits**. For 2023, the Corporation expects end of period core customer deposit compression of 3% with growth of 2% for the second half of the year.
- Net interest income of \$786 million increased \$118 million **\$258 million decreased \$16 million**, or **18%** **6%**, from the first **nine** **three** months of **2022**, **2023**, and net interest margin was **2.86%** **2.79%** compared to **2.77%** **3.07%** for the first **nine** **three** months of **2022**, **2023**. The **increase** **decreases in net interest income was and net interest margin were** driven by **increases in interest bearing liabilities outpacing the increase in earning assets and higher costs associated with those interest income as a result of growth in balances across all loan categories**, which also benefited from the Federal Reserve increasing the federal funds target interest rate 225 bp since September 30, 2022, partially offset by higher interest expense on deposits and borrowings. For 2023, the Corporation expects net interest income growth of 8% to 10%. **bearing liabilities**.
- Provision for credit losses was **\$62 million** **\$24 million**, compared to a provision of **\$13 million** **\$18 million** for the first **nine** **three** months of **2022**, **2023**, driven by a mix of portfolio loan growth, nominal credit movement, and general macroeconomic trends. For 2023, the Corporation expects to adjust provision to reflect changes to risk grades, economic conditions, loan volumes, and other indications of credit quality.
- Noninterest income of \$194 million decreased \$27 million **\$65 million increased \$3 million**, or **12%** **5%**, from the first **nine** **three** months of **2022**, **partially** **2023**, driven by **a decrease an increase in service charges and deposit account fees eliminated in 2022 and a decrease in capital markets, investment securities gains (losses), net primarily as a result of lower interest rate swap revenue and syndication the sale of the Corporation's remaining Visa B shares in the first quarter of 2024, as well as higher wealth management fees**. For 2023, the Corporation expects total noninterest income to compress by 8% to 10%.
- Noninterest expense of **\$574 million** **\$198 million** increased **\$24 million** **\$10 million**, or **4%** **5%**, from the first **nine** **three** months of **2022**, **2023**, primarily driven by **higher personnel an increase in FDIC expense largely as a result of increased FTEs due to hiring related to previously announced initiatives and continued investment in our employees, increased FDIC assessment expense driven by the FDIC assessment rate increase effective January 2023, and increased technology expense**. For 2023, the Corporation expects total noninterest expense to grow by 3% to 4%. **special assessment**.

Table 1 Summary Results of Operations: Trends

(\$ in thousands, except per share data)	Nine months ended			Three months ended			
	Sep 30, 2023	Sep 30, 2022	Sep 30, 2023	Jun 30, 2023	Mar 31, 2023	Dec 31, 2022	Sep 30, 2022
Net income	\$ 273,762	\$ 257,360	\$ 83,248	\$ 87,154	\$ 103,360	\$ 108,762	\$ 96,275
Net income available to common equity	265,137	248,735	80,373	84,279	100,485	105,887	93,400
Earnings per common share - basic	1.76	1.66	0.53	0.56	0.67	0.70	0.62
Earnings per common share - diluted	1.75	1.65	0.53	0.56	0.66	0.70	0.62
Effective tax rate	20.43 %	20.94 %	18.92 %	21.26 %	20.92 %	18.89 %	21.37 %

[Back to table of contents](#)

Income Statement Analysis

Net Interest Income

Table 2 Net Interest Income Analysis

(\$ in thousands)	Nine Months Ended Sep 30,					
	2023			2022		
	Average Balance	Interest Income / Expense	Average Yield / Rate	Average Balance	Interest Income / Expense	Average Yield / Rate
Assets						
Earning assets						
Loans ^{(a)(b)(c)}						
Commercial and business lending	\$ 10,835,003	\$ 546,210	6.74%	\$ 9,623,927	\$ 236,971	3.29%
Commercial real estate lending	7,286,627	381,425	7.00%	6,438,335	176,006	3.65%
Total commercial	18,121,629	927,634	6.84%	16,062,262	412,977	3.44%
Residential mortgage	8,698,542	217,410	3.33%	7,920,382	177,906	2.99%
Auto finance	1,677,838	60,233	4.80%	657,150	17,837	3.63%
Other retail	895,371	59,163	8.82%	888,241	35,900	5.40%
Total loans	29,393,380	1,264,441	5.75%	25,528,036	644,621	3.37%
Investment securities						
Taxable	5,209,845	104,197	2.67%	4,371,244	54,009	1.65%
Tax-exempt ^(a)	2,314,838	60,429	3.48%	2,416,064	61,771	3.41%
Other short-term investments	495,883	17,990	4.85%	625,748	7,696	1.64%
Investments and other	8,020,566	182,616	3.03%	7,413,056	123,477	2.22%
Total earning assets	37,413,946	\$ 1,447,057	5.17%	32,941,092	\$ 768,098	3.11%
Other assets, net	3,005,220			3,134,678		
Total assets	\$ 40,419,166			\$ 36,075,770		
Liabilities and Stockholders' Equity						
Interest-bearing liabilities						
Interest-bearing deposits						
Savings	\$ 4,743,526	\$ 43,611	1.23%	\$ 4,650,105	\$ 1,427	0.04%
Interest-bearing demand	6,819,714	106,860	2.09%	6,573,680	14,307	0.29%
Money market	6,853,545	130,201	2.54%	7,090,960	12,642	0.24%
Network transaction deposits	1,420,042	53,259	5.01%	795,059	6,460	1.09%
Time deposits	4,447,813	130,818	3.93%	1,266,116	2,754	0.29%
Total interest-bearing deposits	24,284,640	464,749	2.56%	20,375,920	37,590	0.25%
Federal funds purchased and securities sold under agreements to repurchase	344,950	8,504	3.30%	376,687	1,200	0.43%
Commercial paper	11,475	1	0.01%	23,106	2	0.01%
FHLB advances	3,834,247	147,365	5.14%	2,445,486	38,663	2.11%
Long-term funding	495,434	25,895	6.97%	249,759	8,182	4.37%
Total short and long-term funding	4,686,106	181,765	5.18%	3,095,039	48,047	2.07%
Total interest-bearing liabilities	28,970,746	\$ 646,514	2.98%	23,470,959	\$ 85,637	0.49%
Noninterest-bearing demand deposits	6,772,521			8,189,067		
Other liabilities	567,938			446,249		
Stockholders' equity	4,107,961			3,969,495		
Total liabilities and stockholders' equity	\$ 40,419,166			\$ 36,075,770		
Interest rate spread			2.19%			2.62%
Net free funds			0.67%			0.15%
Fully tax-equivalent net interest income and net interest margin		\$ 800,543	2.86%		\$ 682,461	2.77%
Fully tax-equivalent adjustment		14,372			14,129	

Net interest income	\$ 786,171			\$ 668,332		
(a) The yield on tax-exempt loans and securities is computed on a fully tax-equivalent basis using a tax rate of 21% and is net of the effects of certain disallowed interest deductions.						
(b) Nonaccrual loans and loans held for sale have been included in the average balances.						
(c) Interest income includes amortization of net deferred loan origination costs and net accreted purchase loan discount.						
	Three months ended					
(\$ in thousands, except per share data)	Mar 31, 2024	Dec 31, 2023	Sep 30, 2023	Jun 30, 2023	Mar 31, 2023	
Net income (loss)	\$ 81,169	\$ (90,806)	\$ 83,248	\$ 87,154	\$ 103,360	
Net income (loss) available to common equity	78,294	(93,681)	80,373	84,279	100,485	
Earnings (loss) per common share - basic	0.52	(0.63)	0.53	0.56	0.67	
Earnings (loss) per common share - diluted	0.52	(0.62)	0.53	0.56	0.66	
Effective tax rate	19.78 %	N/M	18.92 %	21.26 %	20.92 %	

Table 2 Net Interest Income Analysis

(\$ in thousands)	(\$ in thousands)	Three Months Ended,									(\$ in thousands)						
		Sep 30, 2023			Jun 30, 2023			Sep 30, 2022				Mar 31, 2024					
			Interest	Average		Interest	Average		Interest	Average							
		Average	Income /	Yield /	Average	Income /	Yield /	Average	Income /	Yield /		Average	Income /	Yield /			
		Balance	Expense	Rate	Balance	Expense	Rate	Balance	Expense	Rate		Balance	Expense	Rate			
Assets	Assets																
Earning assets	Earning assets																
Earning assets																	
Earning assets																	
Loans(a)(b)(c)	Loans(a)(b)(c)																
Loans(a)(b)(c)																	
Loans(a)(b)(c)																	
Commercial and business lending																	
Commercial and business lending																	
Commercial and business lending	Commercial and business lending	\$ 10,985,584	\$ 194,956	7.04%	\$ 10,899,337	\$ 184,080	6.77%	\$ 10,192,463	\$ 110,215	4.29%	\$ 10,816,255	\$ 194,090	7.22%	7.22%	\$ 10,820,214		
Commercial real estate lending	Commercial real estate lending										Commercial real estate lending						
		7,312,645	134,370	7.29%	7,295,367	127,967	7.04%	6,768,054	78,887	4.62%		7,389,962	138,850	138,850	7.56%	7.56%	
Total commercial	Total commercial	18,298,229	329,326	7.14%	18,194,703	312,047	6.88%	16,960,517	189,101	4.42%	Total commercial	18,206,217	332,940	332,940	7.35%	7.35%	
Residential mortgage	Residential mortgage	8,807,157	74,643	3.39%	8,701,496	72,056	3.31%	8,223,531	64,069	3.12%	Residential mortgage	7,896,956	68,787	68,787	3.48%	3.48%	
Auto finance	Auto finance	1,884,540	24,074	5.07%	1,654,523	19,701	4.78%	969,918	9,170	3.75%	Auto finance	2,373,720	32,603	32,603	5.52%	5.52%	
Other retail	Other retail	894,685	20,534	9.15%	887,574	20,135	9.08%	901,738	13,868	6.13%	Other retail	892,128	20,661	20,661	9.28%	9.28%	
Total loans	Total loans	29,884,611	448,577	5.96%	29,438,297	423,939	5.77%	27,055,703	276,209	4.06%	Total loans	29,369,022	454,991	454,991	6.22%	6.22%	
Investment securities	Investment securities																
Taxable	Taxable	5,407,299	38,210	2.83%	5,304,381	35,845	2.70%	4,328,586	19,221	1.78%							
Taxable																	
Taxable															5,517,023	46,727	3.39%
Tax-exempt(a)	Tax-exempt(a)	2,300,488	20,085	3.49%	2,314,825	20,152	3.48%	2,435,957	20,838	3.42%	Tax-exempt(a)	2,133,352	18,024	18,024	3.38%	3.38%	
Other short-term investments	Other short-term investments										Other short-term investments						
		483,211	6,575	5.40%	511,487	6,086	4.77%	378,528	3,284	3.45%		576,782	8,311	8,311	5.80%	5.80%	
Investments and other	Investments and other	8,190,998	64,870	3.16%	8,130,693	62,083	3.05%	7,143,071	43,342	2.42%	Investments and other	8,227,158	73,062	73,062	3.55%	3.55%	

Total earning assets	Total earning assets	38,075,608	\$513,447	5.36%	37,568,991	\$486,022	5.18%	34,198,774	\$319,551	3.72%	Total earning assets	37,596,179	\$	528,053	5.64%	5.64%	3
Other assets, net	Other assets, net	3,000,371			2,989,321			3,073,005									
Total assets	Total assets	\$41,075,980			\$40,558,311			\$37,271,779									
Total assets	Total assets																
Liabilities and stockholders' equity	Liabilities and stockholders' equity																
Liabilities and stockholders' equity	Liabilities and stockholders' equity																
Interest-bearing liabilities	Interest-bearing liabilities																
Interest-bearing liabilities	Interest-bearing liabilities																
Interest-bearing deposits	Interest-bearing deposits																
Interest-bearing deposits	Interest-bearing deposits																
Savings	Savings																
Savings	Savings	\$ 4,814,499	\$ 18,592	1.53%	\$ 4,749,808	\$ 15,160	1.28%	\$ 4,735,285	\$ 516	0.04%	\$ 4,928,031	\$ 21,747	1.77%	1.77%	\$ 4,861,913		
Interest-bearing demand	Interest-bearing demand	6,979,071	41,980	2.39%	6,663,775	34,961	2.10%	6,587,404	10,306	0.62%	Interest-bearing demand	7,490,119	49,990	49,990	2.68%	2.68%	
Money market	Money market	6,294,083	45,034	2.84%	6,743,810	43,529	2.59%	7,328,165	9,474	0.51%	Money market	6,116,604	47,306	47,306	3.11%	3.11%	
Network transaction deposits	Network transaction deposits	1,639,619	22,008	5.33%	1,468,006	18,426	5.03%	873,168	4,716	2.14%	Network transaction deposits	1,651,937	22,205	22,205	5.41%	5.41%	
Time deposits	Time deposits	5,955,741	65,517	4.36%	4,985,949	50,119	4.03%	1,230,859	989	0.32%	Time deposits	7,198,315	84,983	84,983	4.75%	4.75%	
Total interest-bearing deposits	Total interest-bearing deposits	25,683,013	193,131	2.98%	24,611,348	162,196	2.64%	20,754,882	26,000	0.50%	Total interest-bearing deposits	27,385,005	226,231	226,231	3.32%	3.32%	2
Federal funds purchased and securities sold under agreements to repurchase	Federal funds purchased and securities sold under agreements to repurchase	320,518	3,100	3.84%	285,754	2,261	3.17%	380,674	756	0.79%	Federal funds purchased and securities sold under agreements to repurchase	263,979	2,863	2,863	4.36%	4.36%	
Commercial paper	Commercial paper	5,041	—	0.01%	12,179	—	0.01%	18,308	1	0.01%							
Other short-term funding	Other short-term funding																
Other short-term funding	Other short-term funding																
Other short-term funding	Other short-term funding										449,999		5,603		5.01%		
FHLB advances	FHLB advances	3,460,827	48,143	5.52%	3,796,106	49,261	5.20%	3,283,328	20,792	2.51%	FHLB advances	1,540,247	21,671	21,671	5.66%	5.66%	
Long-term funding	Long-term funding	533,744	10,019	7.51%	543,003	9,596	7.07%	249,838	2,722	4.36%	Long-term funding	539,106	10,058	10,058	7.46%	7.46%	
Total short and long-term funding	Total short and long-term funding	4,320,130	61,263	5.63%	4,637,042	61,118	5.28%	3,932,149	24,270	2.45%	Total short and long-term funding	2,793,331	40,194	40,194	5.78%	5.78%	

Total interest-bearing liabilities	Total interest-bearing liabilities	30,003,143	\$254,394	3.36%	29,248,389	\$223,314	3.06%	24,687,031	\$	50,270	0.81%	Total interest-bearing liabilities	30,178,337	\$	266,425	3.55%	3.55%	3
Noninterest-bearing demand deposits	Noninterest-bearing demand deposits	6,318,781			6,669,787			8,119,475										
Other liabilities	Other liabilities	622,004			511,074			480,672										
Other liabilities	Other liabilities																	
Stockholders' equity	Stockholders' equity																	
Stockholders' equity	Stockholders' equity	4,132,052			4,129,061			3,984,602										
Total liabilities and stockholders' equity	Total liabilities and stockholders' equity	\$41,075,980			\$40,558,311			\$37,271,779										
Total liabilities and stockholders' equity	Total liabilities and stockholders' equity																	
Interest rate spread	Interest rate spread																	
Interest rate spread	Interest rate spread																	
Interest rate spread	Interest rate spread																	
Interest rate spread	Interest rate spread																	
Net free funds	Net free funds		0.71%			0.68%		0.22%				Net free funds						
Fully tax-equivalent net interest income and net interest margin	Fully tax-equivalent net interest income and net interest margin	\$259,053	2.71%		\$262,708	2.80%		\$269,281	3.13%			Fully tax-equivalent net interest income and net interest margin						
Fully tax-equivalent adjustment	Fully tax-equivalent adjustment	4,810			4,791			4,843										
Net interest income	Net interest income	\$254,244			\$257,917			\$264,439										
Net interest income	Net interest income																	
Net interest income	Net interest income																	

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

Notable Contributions to the Change in Net Interest Income

- Fully tax-equivalent net interest income and net interest income were **\$118 million** \$17 million, or **17%** 6%, and **\$118** \$16 million, or **18%** 6%, **higher** **lower** than the first **nine** **three** months of **2022**, **2023**, respectively. Average loans increased \$3.9 billion, or 15%, from the first nine months of 2022, and average investments and other short-term investments increased \$608 million, or 8%, from the first nine months of 2022. The increase in net interest income was driven by a higher federal funds target rate combined with growth in all major loan categories. Since **September 30, 2022** **March 31, 2023**, the Federal Reserve increased the federal funds target interest rate **225** **50** bp, which contributed to the yield on earning assets increasing by **206** **bp**, **70** **bp** and the cost of interest-bearing liabilities increasing **107** **bp** from the first three months of 2023. See sections Interest Rate Risk and Quantitative and Qualitative Disclosures about Market Risk for a discussion of interest rate risk and market risk.
- Average loans increased \$523 million, or 2%, from the first three months of 2023, and average investments and other short-term investments increased \$492 million, or 6%, from the first three months of 2023.

- Average interest-bearing liabilities increased **\$5.5 billion** \$2.5 billion, or **23%** 9%, compared to the first **nine** three months of **2022**, 2023. Average interest-bearing deposits increased **\$3.9 billion** \$4.9 billion, or **19%** 22%, from the first **nine** three months of **2022**, 2023, primarily driven by increases in time deposits, and interest-bearing demand deposits, network transaction deposits, and savings deposits, partially offset by a decrease in money market deposits. Average noninterest-bearing demand deposits decreased **\$1.4 billion** \$1.5 billion, or **17%** 20%, versus the first **nine** three months of **2022**, 2023. Average FHLB advances increased \$1.4 billion decreased \$2.7 billion, or **57%** 64%, from the first **nine** three months of **2022**, 2023, partially offset by an increase in other short-term funding related to fund balance sheet growth. The cost of interest-bearing liabilities increased 249 bp from utilizing the first nine months of 2022. BTFP.

Provision for Credit Losses

The provision for credit losses is predominantly a function of the Corporation's reserving methodology and judgments as to other qualitative and quantitative factors used to determine the appropriate level of the ACLL, which focuses on changes in the size and character of the loan portfolio, changes in levels of individually evaluated and other nonaccrual loans, historical losses and delinquencies in each portfolio category, the risk inherent in specific loans, concentrations of loans to specific borrowers or industries, existing economic conditions and economic forecasts, the fair value of underlying collateral, and other factors which could affect potential credit losses. The forecast the Corporation used for **September 30, 2023** **March 31, 2024** was the Moody's baseline scenario from **August 2023**, **February 2024**, which was reviewed against the **September 2023** **March 2024** baseline scenario with no material updates made, over a **2** two year reasonable and supportable period with straight-line reversion to historical losses over the second year of the period. See additional discussion under the sections titled Loans, Credit Risk, Nonperforming Assets, and Allowance for Credit Losses on Loans.

Noninterest Income

Table 3 Noninterest Income

Nine months ended					Three months ended				Changes vs									
Three months ended																		
Three months ended																		
Three months ended																		
(\$ in thousands, except as noted)	(\$ in thousands, except as noted)											(\$ in thousands, except as noted)						
		Sep 30, 2023	Sep 30, 2022	YTD Change	Sep 30, 2023	Jun 30, 2023	Mar 31, 2023	Dec 31, 2022	Sep 30, 2022	Jun 30, 2022	Sep 30, 2022			Mar 31, 2024	Dec 31, 2023	Sep 30, 2023	Jun 30, 2023	
Wealth management fees	Wealth management fees	\$ 61,499	\$ 63,719	(3) %	\$ 20,828	\$20,483	\$20,189	\$20,403	\$ 19,984	2 %	4 %	Wealth management fees	\$ 21,694	\$ 21,003	\$ 20,828	\$ 20,483		
Service charges and deposit account fees	Service charges and deposit account fees	38,230	48,392	(21) %	12,864	12,372	12,994	13,918	15,029	4 %	(14)%	Service charges and deposit account fees	12,439	10,815	10,815	12,864		
Card-based fees	Card-based fees	33,492	32,847	2 %	11,510	11,396	10,586	11,167	11,479	1 %	— %	Card-based fees	11,267	11,528	11,528	11,510		
Other fee-based revenue	Other fee-based revenue	13,249	12,613	5 %	4,509	4,465	4,276	3,290	4,487	1 %	— %	Other fee-based revenue	4,402	4,019	4,019	4,509		
Total fee-based revenue	Total fee-based revenue	146,470	157,571	(7) %	49,710	48,715	48,045	48,779	50,979	2 %	(2)%	Total fee-based revenue	49,802	47,365	47,365	49,710		
Capital markets, net	Capital markets, net	15,544	24,331	(36) %	5,368	5,093	5,083	5,586	7,675	5 %	(30)%	Capital markets, net	4,050	9,106	9,106	5,368		
Mortgage banking, net	Mortgage banking, net	17,814	16,635	7 %	6,501	7,768	3,545	2,238	2,098	(16)%	N/M							
Mortgage banking, net													2,662	1,615	6,501	7,768		
Loss on mortgage portfolio sale													—	(136,239)	—	—		
Bank and corporate owned life insurance	Bank and corporate owned life insurance	6,882	8,004	(14) %	2,047	2,172	2,664	3,427	1,827	(6)%	12 %	Bank and corporate owned life insurance	2,570	3,383	3,383	2,047		
Other	Other	6,841	6,613	3 %	2,339	2,080	2,422	4,102	2,527	12 %	(7)%	Other	2,850	2,339	2,080	2,422		
Subtotal	Subtotal	193,551	213,154	(9) %	65,965	65,827	61,758	64,132	65,106	— %	1 %	Subtotal	61,411	(71,919)	65,965	65,827		

Asset gains (losses), net	Asset gains (losses), net	590	1,883	(69) %	625	(299)	263	(545)	18	N/M	Asset gains (losses), net	(306)	(136)	(136)	625	625	(299)	(299)
Investment securities gains (losses), net	Investment securities gains (losses), net	55	5,676	(99) %	(11)	14	51	(1,930)	5,664	N/M	Investment securities gains (losses), net	3,879	(58,958)	(58,958)	(11)	(11)	14	14
Total noninterest income		\$194,195	\$220,713	(12) %	\$ 66,579	\$65,543	\$62,073	\$61,657	\$ 70,788	2 % (6)%								
Total noninterest income (loss)																		
Total noninterest income (loss)																		
Total noninterest income (loss)																		
												\$ 64,985	\$ (131,013)	\$ 66,579	\$ 65,543			
Mortgage loans originated for sale during period	Mortgage loans originated for sale during period	\$283,469	\$535,694	(47) %	\$115,075	\$99,141	\$69,254	\$64,419	\$131,743	16 % (13)%	Mortgage loans originated for sale during period	\$105,394	\$ 112,365	\$ 115,075	\$ 99,141			
Mortgage loan settlements during period	Mortgage loan settlements during period	254,619	620,352	(59) %	103,452	96,514	54,652	94,682	119,942	7 % (14)%	Mortgage loan settlements during period	91,026	957,450	957,450	103,452	103,452	96,514	96,514
Assets under management, at market value ^(a)	Assets under management, at market value ^(a)				12,543	12,995	12,412	11,843	11,142	(3)% 13 %								
Assets under management, at market value ^(a)																		
Assets under management, at market value ^(a)												14,171	13,545	12,543	12,995			
N/M = Not Meaningful																		
(a) \$ in millions. Excludes assets held in brokerage accounts.																		

Notable Contributions to the Change in Noninterest Income

- Service charges and deposit account Wealth management fees decreased \$10 million increased \$2 million from the first nine three months of 2022, primarily due to the reduction and elimination of many deposit account fees in the third quarter of 2022, 2023, mainly driven by increased assets under management.
- Capital markets, Investment securities gains (losses), net decreased \$9 million increased \$4 million from the first nine three months of 2022, 2023, as a result of lower interest rate swap revenue and syndication fees.
- Wealth management fees decreased \$2 million from the first nine months sale of 2022, mainly driven by market conditions. the Corporation's remaining Visa B shares.

Noninterest Expense

Table 4 Noninterest Expense

Nine months ended					Three months ended					Change vs											
												Three months ended									
												Three months ended									
												Three months ended					Change vs				
(\$ in thousands)	(\$ in thousands)	Sep 30, 2023	Sep 30, 2022	YTD % Change	Sep 30, 2023	Jun 30, 2023	Mar 31, 2023	Dec 31, 2022	Sep 30, 2022	Jun 30, 2022	Sep 30, 2022	(\$ in thousands)	Mar 31, 2024	Dec 31, 2023	Sep 30, 2023	Jun 30, 2023	Mar 31, 2023	Dec 31, 2022			

Personnel	Personnel	\$347,669	\$335,720	4 %	\$117,159	\$114,089	\$116,420	\$118,381	\$118,243	3 %	(1)%	Personnel	\$119,395	\$	120,686	\$	117,159	\$	114,089	\$	116,420	(1) (
Technology	Technology	73,990	65,401	13 %	26,172	24,220	23,598	25,299	22,694	8 %	15 %	Technology	26,200	28,027	28,027	26,172	26,172	24,220	24,220	23,598	23,598	(7) (
Occupancy	Occupancy	42,775	43,948	(3) %	14,125	13,587	15,063	15,846	13,717	4 %	3 %	Occupancy	13,633	14,429	14,429	14,125	14,125	13,587	13,587	15,063	15,063	(6) (
Business development and advertising	Business development and advertising	20,054	17,388	15 %	7,100	7,106	5,849	8,136	6,778	— %	5 %	Business development and advertising	6,517	8,350	8,350	7,100	7,100	7,106	7,106	5,849	5,849	(22) (2
Equipment	Equipment	14,921	14,841	1 %	5,016	4,975	4,930	4,791	4,921	1 %	2 %	Equipment	4,599	4,742	4,742	5,016	5,016	4,975	4,975	4,930	4,930	(3) (
Legal and professional	Legal and professional	13,149	14,118	(7) %	4,461	4,831	3,857	4,132	4,159	(8)%	7 %	Legal and professional	4,672	6,762	6,762	4,461	4,461	4,831	4,831	3,857	3,857	(31) (3
Loan and foreclosure costs	Loan and foreclosure costs	4,822	5,121	(6) %	2,049	1,635	1,138	804	1,631	25 %	26 %	Loan and foreclosure costs	1,979	585	585	2,049	2,049	1,635	1,635	1,138	1,138	N/M
FDIC assessment	FDIC assessment	25,575	16,300	57 %	9,150	9,550	6,875	6,350	5,800	(4)%	58 %	FDIC assessment	13,946	41,497	41,497	9,150	9,150	9,550	9,550	6,875	6,875	(66) (6
Other intangible amortization	Other intangible amortization	6,608	6,608	— %	2,203	2,203	2,203	2,203	2,203	— %	— %	Other intangible amortization	2,203	2,203	2,203	2,203	2,203	2,203	2,203	2,203	2,203	—
Other	Other	24,726	31,057	(20) %	8,771	8,476	7,479	10,618	15,645	3 %	(44)%	Other										
Other	Other											Other	4,513	12,110	8,771	8,476	7,479					(6
Total noninterest expense	Total noninterest expense	\$574,291	\$550,503	4 %	\$196,205	\$190,673	\$187,412	\$196,560	\$195,791	3 %	— %	Total noninterest expense	\$197,657	\$	239,391	\$	196,205	\$	190,673	\$	187,412	(17) (1
Average FTEs(a)	Average FTEs(a)	4,222	4,101	3 %	4,220	4,227	4,219	4,169	4,182	— %	1 %	Average FTEs(a)	4,070	4,130	4,130	4,220	4,220	4,227	4,227	4,219	4,219	(1) (

(a) Average FTEs without overtime

Notable Contributions to the Change in Noninterest Expense

- Personnel expense increased **\$12 million** **\$3 million** from the first **nine** **three** months of **2022, 2023**, largely as a result of increased **FTEs** due to hiring related to previously announced initiatives and continued investment in our employees.
- FDIC expense increased **\$9 million** from the first nine months of 2022, primarily driven by the FDIC's assessment rate change on January 1, 2023. The Corporation is expecting additional FDIC assessment expense associated with the special assessment that was proposed by the FDIC in May 2023. The proposal would assess a 12.5 bp annual special assessment on the Bank's uninsured deposits reported in the Call Report for December 31, 2022, excluding the first \$5 billion of uninsured deposits, and would be in place for two years. The Bank's Call Report uninsured deposits at December 31, 2022 were \$15.7 billion. Once an assessment is approved, the full expense for the two year period will be recognized. fringe benefit expense.
- Technology expense increased **\$9 million** **\$3 million** from the first **nine** **three** months of **2022, 2023**, driven by digital investments tied to our strategic initiatives.
- FDIC expense increased **\$7 million** from the first three months of 2023, primarily driven by the special assessment applied to the Corporation and other banks relating to the FDIC's increased estimated loss attributable to the protection of depositors at Silicon Valley Bank and Signature Bank.

Income Taxes

The Corporation records income tax expense during interim periods based on the best estimate of the full year's effective tax rate as adjusted for discrete items, if any, taken into account in the relevant interim period. Each quarter, the Corporation updates its estimate of the annual effective tax rate and the effect of any change in the estimated rate is recorded on a cumulative basis. The Corporation recognized income tax expense of **\$70 million** **\$20 million** for the **nine** **three** months ended **September 30, 2023** **March 31, 2024**, compared to income tax expense of **\$68 million** **\$27 million** for the **nine** **three** months ended **September 30, 2022** **March 31, 2023**. The Corporation's effective tax rate from continuing operations was **20.43%** **19.78%** and **20.92%** for the **first nine** **three** months **of ended** **March 31, 2024**, and **2023**, compared to an effective tax rate of **20.94%** for the first nine months of 2022, respectively. The **increase** **decreases** in income tax expense and effective tax rate during the first **nine** **three** months of **2023** was primarily driven by an increase in income before tax. The decrease in the effective tax rate was **2024** were primarily driven by a decrease in **state tax expense**. pretax income partially offset by an increase in nondeductible expenses. The Corporation expects a full year effective tax rate of **20** **19** to 21%, assuming no change in the statutory corporate tax rate.

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

Balance Sheet Analysis

- At September 30, 2023 March 31, 2024, total assets were \$41.6 billion \$41.1 billion, up \$2.2 billion, or 6%, \$121 million from December 31, 2022 December 31, 2023, and up \$3.6 billion \$435 million, or 9% 1%, from September 30, 2022 March 31, 2023.
- Interest bearing deposits in other financial institutions were \$323 million \$420 million at September 30, 2023 March 31, 2024, up \$166 million down \$5 million, or 106% 1%, from December 31, 2022 December 31, 2023, and up \$211 million down \$91 million, or 188% 18%, from September 30, 2022 March 31, 2023.
- AFS investment securities, at fair value were \$3.5 billion \$3.7 billion at September 30, 2023 March 31, 2024, up \$750 million \$123 million, or 27% 3%, from December 31, 2022 December 31, 2023, and up \$1.0 billion \$343 million, or 40% 10%, from September 30, 2022 March 31, 2023. HTM investment securities, net, at amortized cost were \$3.9 billion \$3.8 billion at September 30, 2023 March 31, 2024, down \$60 million, or 2%, from December 31, 2022, and down \$51 million \$27 million, or 1%, from September 30, 2022 December 31, 2023, and down \$134 million, or 3%, from March 31, 2023. Additionally, FHLB and Federal Reserve Bank stocks, at cost were \$174 million, down \$55 million, or 24%, from December 31, 2023 and down \$157 million, or 48%, from March 31, 2023, as a result of the paydown of FHLB advances. See Note 5 Investment Securities of the notes to consolidated financial statements for additional details.
- Loans of \$30.2 billion \$29.5 billion at September 30, 2023 March 31, 2024 were up \$1.4 billion 278 million, or 5% 1%, from December 31, 2022 December 31, 2023, and up \$2.4 billion, 287 million, or 9% 1%, from September 30, 2022 March 31, 2023. See Note 6 Loans of the notes to consolidated financial statements for additional details.
- At September 30, 2023 March 31, 2024, total deposits of \$32.1 billion \$33.7 billion were up \$2.5 billion \$267 million, or 8% 1%, from December 31, 2022 December 31, 2023, and were up \$2.9 billion \$3.4 billion, or 10% 11%, from September 30, 2022 March 31, 2023. See section Deposits and Customer Funding for additional information on deposits.
- Federal funds purchased and securities sold under agreements to repurchase were \$452 million \$266 million at September 30, 2023, March 31, 2024, down \$133 million \$61 million, or 23% 19%, from December 31, 2022, 2023, and up \$175 million \$57 million, or 63% 27%, from September 30, 2022 March 31, 2023. See Note 8 Short and Long-Term Funding of the notes to consolidated financial statements for additional details.
- FHLB advances were \$3.7 billion \$1.3 billion at September 30, 2023, March 31, 2024, down \$587 million \$607 million, or 14% 31%, from December 31, 2022, 2023, and down \$44 million, 3.7 billion, or 1% 73%, from September 30, 2022 March 31, 2023. See Note 8 Short and Long-Term Funding of the notes to consolidated financial statements for additional details.
- Other long-term BTFP funding was \$529 million \$500 million at September 30, 2023, up \$281 million, or 113%, from December March 31, 2022, 2024, which was used to pay down FHLB advances during the quarter, and up \$280 million, or 112%, from September 30, 2022, primarily driven by the Corporation's issuance of subordinated notes in February 2023. See Note 8 Short and Long-Term Funding of the notes to consolidated financial statements for additional details.

Loans

Table 5 Period End Loan Composition

(\$ in thousands)	(\$ in thousands)	Sep 30, 2023		Jun 30, 2023		Mar 31, 2023		Dec 31, 2022		Sep 30, 2022		(\$ in thousands)	Mar 31, 2024				Dec 31, 2023			
		Amount	% of Total	Amount	% of Total	Amount	% of Total	Amount	% of Total	Amount	% of Total		Amount	% of Total	Amount	% of Total	Amount	% of Total		
Commercial and industrial																				
Commercial and industrial																				
Commercial and industrial	Commercial and industrial	\$10,099,068	33 %	\$10,055,487	34 %	\$ 9,869,781	34 %	\$ 9,759,454	34 %	\$ 9,571,925	34 %	\$ 9,858,329	33 %	33 %	\$ 9,731,555	33 %	33 %	\$ 10,099,068	33 %	33 %
Commercial real estate — owner occupied	Commercial real estate — owner occupied	1,054,969	3 %	1,058,237	4 %	1,050,236	4 %	991,722	3 %	999,786	4 %	999,786	4 %	1,095,894	4 %	4 %	1,061,700	4 %	4 %	
Commercial and business lending	Commercial and business lending	11,154,037	37 %	11,113,724	37 %	10,920,017	37 %	10,751,176	37 %	10,571,711	38 %	10,571,711	37 %	37 %	10,954,223	37 %	37 %	10,793,255	37 %	37 %
Commercial real estate — investor	Commercial real estate — investor	5,218,980	17 %	5,312,928	18 %	5,094,249	17 %	5,080,344	18 %	5,064,289	18 %	5,064,289	18 %	17 %	5,035,195	17 %	17 %	5,124,245	18 %	18 %
Real estate construction	Real estate construction	2,130,719	7 %	2,009,060	7 %	2,147,070	7 %	2,155,222	7 %	1,835,159	7 %	1,835,159	7 %	8 %	2,287,041	8 %	8 %	2,271,398	8 %	8 %
Commercial real estate lending	Commercial real estate lending	7,349,699	24 %	7,321,988	25 %	7,241,318	25 %	7,235,565	25 %	6,899,449	25 %	6,899,449	25 %	25 %	7,322,237	25 %	25 %	7,395,644	25 %	25 %
Total commercial	Total commercial	18,503,736	61 %	18,435,711	62 %	18,161,335	62 %	17,986,742	62 %	17,471,159	63 %	17,471,159	62 %	62 %	18,276,460	62 %	62 %	18,188,898	62 %	62 %
Residential mortgage	Residential mortgage	8,782,645	29 %	8,746,345	29 %	8,605,164	29 %	8,511,550	30 %	8,314,902	30 %	8,314,902	30 %	27 %	7,868,180	27 %	27 %	7,864,891	27 %	27 %

Auto finance	Auto finance	2,007,164	7 %	1,777,974	6 %	1,551,538	5 %	1,382,073	5 %	1,117,136	4 %	Auto finance	2,471,257	8	8	%	2,256,162	8	8
Home equity	Home equity	623,650	2 %	615,506	2 %	609,787	2 %	624,353	2 %	612,608	2 %								
Home equity																			
Home equity													619,764	2		%	628,526	2	
Other consumer	Other consumer	275,993	1 %	273,367	1 %	279,248	1 %	294,851	1 %	301,475	1 %	Other consumer	258,603	1	1	%	277,740	1	1
Total consumer	Total consumer	11,689,451	39 %	11,413,193	38 %	11,045,737	38 %	10,812,828	38 %	10,346,121	37 %	Total consumer	11,217,802	38	38	%	11,027,319	38	38
Total loans	Total loans	\$30,193,187	100 %	\$29,848,904	100 %	\$29,207,072	100 %	\$28,799,569	100 %	\$27,817,280	100 %	Total loans	\$29,494,263	100	100	%	\$29,216,218	100	100

The Corporation has long-term guidelines relative to the proportion of Commercial and Business, CRE, and Consumer loan commitments within the overall loan portfolio, with each targeted to represent 30 to 40% of the overall loan portfolio. The targeted long-term guidelines were unchanged during 2022 2023 and the first nine three months of 2023, 2024. Furthermore, certain sub-asset classes within the respective portfolios are further defined and dollar limitations are placed on these sub-portfolios. These guidelines and limits are reviewed quarterly and approved annually by the Enterprise Risk Committee of the Corporation's Board of Directors. These guidelines and limits are designed to create balance and diversification within the loan portfolios.

The Corporation's loan distribution and interest rate sensitivity as of September 30, 2023 March 31, 2024 are summarized in the following table:

Table 6 Loan Distribution and Interest Rate Sensitivity

(\$ in thousands)	(\$ in thousands)	Within 1 Year ^(a)	1-5 Years	5-15 Years	Over 15 Years	Total	% of Total	(\$ in thousands)	Within 1 Year ^(a)	1-5 Years	5-15 Years	Over 15 Years
Commercial and industrial												
Commercial and industrial												
Commercial and industrial	Commercial and industrial	\$ 9,181,210	\$ 652,572	\$ 256,501	\$ 8,784	\$10,099,068	33 %	\$ 8,836,304	\$ 686,351	\$ 326,893	\$ 8,780	\$ 9,858
Commercial real estate — owner occupied	Commercial real estate — owner occupied	652,639	279,043	122,993	295	1,054,969	3 %	679,920	293,112	293,112	122,863	122,863
Commercial real estate — investor	Commercial real estate — investor	4,846,003	226,962	146,015	—	5,218,980	17 %	4,677,835	292,300	292,300	65,061	65,061
Real estate construction	Real estate construction	2,048,329	43,915	29,697	8,779	2,130,719	7 %	2,244,789	32,646	32,646	1,766	1,766
Commercial - adjustable	Commercial - adjustable	11,413,802	29,485	8,026	—	11,451,314	38 %	11,232,462	36,821	36,821	3,538	3,538
Commercial - fixed	Commercial - fixed	5,314,379	1,173,006	547,180	17,857	7,052,422	23 %	5,206,386	1,267,588	1,267,588	513,045	513,045
Residential mortgage - adjustable	Residential mortgage - adjustable	316,708	1,020,151	1,883,429	301	3,220,588	11 %	203,699	602,574	602,574	1,549,413	1,549,413
Residential mortgage - fixed	Residential mortgage - fixed	5,576	86,514	538,718	4,931,249	5,562,057	18 %	4,712	72,493	72,493	499,394	499,394
Auto finance	Auto finance	369	733,245	1,273,550	—	2,007,164	7 %	651	1,075,501	1,075,501	1,395,104	1,395,104
Home equity	Home equity	564,104	11,253	39,252	9,041	623,650	2 %	565,196	10,358	10,358	34,966	34,966
Other consumer	Other consumer	201,452	36,438	25,150	12,953	275,993	1 %	194,771	32,113	32,113	20,666	20,666

Table 8 Largest Commercial Real Estate Investor Property Type Exposures

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

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

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

Table 9 Largest Real Estate Construction Property Type Exposures

		% of Total			
		% of	Real Estate		
		Total	Construction		
September 30,	Loan	Loan			
2023	Exposure	Exposure			
March					
31, 2024		March 31, 2024		% of Total Real Estate Construction Loan Exposure	
		% of Total Loan Exposure			
Multi-Family	Multi-Family	5	%	43	%
		5	%	49	%
Industrial	Industrial	3	%	25	%
		2	%	23	%

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

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

Residential mortgages: Residential mortgage loans are primarily first lien home mortgages with a maximum loan-to-collateral value without credit enhancement (e.g. private mortgage insurance) of 80%. The residential mortgage portfolio is focused primarily in the Corporation's three-state branch footprint, with approximately 87% 88% of the outstanding loan balances in the Corporation's branch footprint at September 30, 2023 March 31, 2024. The rates on adjustable rate mortgages adjust based upon the movement in the underlying index which is then added to a margin and rounded to the nearest 0.125%. That result is then subjected to any periodic caps to produce the borrower's interest rate for the coming term. Most of the adjustable rate mortgages have an initial fixed rate term of 3, 5, 7 or 10 years.

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

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

Home equity: Home equity consists of both home equity lines of credit and closed-end home equity loans. The Corporation's credit risk monitoring guidelines for home equity are based on an ongoing review of loan delinquency status, as well as a quarterly review of FICO score deterioration and property devaluation. The Corporation does not routinely

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

Other consumer: Other consumer consists of student loans, short-term personal installment loans, and credit cards. The Corporation had \$67 million and \$76 million of student loans at September 30, 2023 and December 31, 2022, respectively, the majority of which are government guaranteed. Federally guaranteed student loan payments resumed in October 2023 after over three years of payment moratoriums that began as a result of the COVID-19 pandemic. The Corporation is not originating new student loans and the student loan portfolio is in run-off. Credit risk for non-government guaranteed student loans, short-term personal installment loans, and credit cards is influenced by general economic conditions, the characteristics of individual borrowers, and the nature of the loan collateral. Risks of loss are generally on smaller average balances per loan spread over many borrowers. Once charged off, there is usually less opportunity for recovery of these smaller consumer loans. Credit risk is primarily controlled by reviewing the creditworthiness of the borrowers, monitoring payment histories, and taking appropriate collateral and guarantee positions.

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

	Sep 30,	Jun 30,	Mar 31,	Dec 31,	Sep 30,		Mar 31,	Dec 31,	Sep 30,	Jun 30,	Mar 31,
(\$ in thousands)	2023	2023	2023	2022	2022	(\$ in thousands)	2024	2023	2023	2023	2023
Nonperforming assets	Nonperforming assets										
Commercial and industrial											
Commercial and industrial											
Commercial and industrial											
Commercial and industrial											
Commercial and industrial											
Commercial and industrial											
Commercial and industrial											
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Commercial and industrial											
Commercial and industrial											
Commercial and industrial	\$ 74,812	\$ 34,907	\$ 22,735	\$ 14,329	\$ 15,576						

Commercial real estate — owner occupied	Commercial real estate — owner occupied	3,936	1,444	1,478	—	—
Commercial and business lending	Commercial and business lending	78,748	36,352	24,213	14,329	15,576
Commercial real estate — investor	Commercial real estate — investor	10,882	22,068	25,122	29,380	37,479
Real estate construction	Real estate construction	103	125	178	105	141
Commercial real estate lending	Commercial real estate lending	10,985	22,193	25,300	29,485	37,620
Total commercial	Total commercial	89,732	58,544	49,513	43,814	53,196
Residential mortgage	Residential mortgage	66,153	61,718	58,274	58,480	55,485
Auto finance	Auto finance	4,533	3,065	2,436	1,490	302
Home equity	Home equity	7,917	7,788	7,246	7,487	7,325
Other consumer	Other consumer	222	163	100	197	98
Total consumer	Total consumer	78,826	72,733	68,056	67,654	63,210
Total nonaccrual loans	Total nonaccrual loans	168,558	131,278	117,569	111,467	116,406
Commercial real estate owned	Commercial real estate owned	1,062	1,062	3,071	325	325
Residential real estate owned	Residential real estate owned	989	870	2,987	2,878	2,560
Bank properties real estate owned ^(a)	Bank properties real estate owned ^(a)	6,400	5,643	9,125	11,580	13,487
OREO	OREO	8,452	7,575	15,184	14,784	16,373
Reposessed assets	Reposessed assets	658	348	92	215	299
Reposessed assets						
Reposessed assets						
Total nonperforming assets	Total nonperforming assets	\$177,668	\$139,201	\$132,845	\$126,466	\$133,078
Accruing loans past due 90 days or more	Accruing loans past due 90 days or more					
Accruing loans past due 90 days or more						
Accruing loans past due 90 days or more						
Commercial						
Commercial						
Commercial	Commercial	\$ 441	\$ 366	\$ 323	\$ 282	\$ 121
Consumer	Consumer	1,715	1,360	1,380	1,446	1,297
Total accruing loans past due 90 days or more	Total accruing loans past due 90 days or more	\$ 2,156	\$ 1,726	\$ 1,703	\$ 1,728	\$ 1,417
Restructured loans (accruing) ^(b)						
Restructured loans (accruing)						

Commercial						
Commercial						
Commercial	Commercial	\$ 234	\$ 168	\$ 47	\$ 13,093	\$ 16,097
Consumer	Consumer	1,855	1,271	716	19,775	19,036
Total restructured loans (accruing)	Total restructured loans (accruing)	\$ 2,089	\$ 1,439	\$ 763	\$ 32,868	\$ 35,132
Nonaccrual restructured loans (included in nonaccrual loans)(e)						
		\$ 961	\$ 796	\$ 341	\$ 20,127	\$ 21,650
Nonaccrual restructured loans (included in nonaccrual loans)						
Ratios						
Nonaccrual loans to total loans						
Nonaccrual loans to total loans						
Nonaccrual loans to total loans	Nonaccrual loans to total loans	0.56 %	0.44 %	0.40 %	0.39 %	0.42 %
NPAs to total loans plus OREO and repossessed assets						
NPAs to total loans plus OREO and repossessed assets	NPAs to total loans plus OREO and repossessed assets	0.59 %	0.47 %	0.45 %	0.44 %	0.48 %
NPAs to total assets						
NPAs to total assets	NPAs to total assets	0.43 %	0.34 %	0.33 %	0.32 %	0.35 %
Allowance for credit losses on loans to nonaccrual loans						
Allowance for credit losses on loans to nonaccrual loans	Allowance for credit losses on loans to nonaccrual loans	225.78 %	287.20 %	311.48 %	315.34 %	285.79 %
Allowance for credit losses on loans to nonaccrual loans						
Allowance for credit losses on loans to nonaccrual loans						
		217.43	% 258.98	% 225.78	% 287.20	% 311.48 %

Table 10 Nonperforming Assets (continued)

(\$ in thousands)	(\$ in thousands)	Sep 30, 2023	Jun 30, 2023	Mar 31, 2023	Dec 31, 2022	Sep 30, 2022	(\$ in thousands)	Mar 31, 2024	Dec 31, 2023	Sep 30, 2023	Jun 30, 2023	Mar 31, 2023
Accruing loans 30-89 days past due	Accruing loans 30-89 days past due											
Commercial and industrial												
Commercial and industrial												
Commercial and industrial	Commercial and industrial	\$ 1,507	\$ 12,005	\$ 4,239	\$ 6,283	\$ 1,861						
Commercial real estate — owner occupied	Commercial real estate — owner occupied	1,877	1,484	2,955	230	—						
Commercial and business lending	Commercial and business lending	3,384	13,489	7,195	6,512	1,861						
Commercial real estate — investor	Commercial real estate — investor	10,121	—	—	1,067	—						

Real estate construction	Real estate construction	10	76	—	39	43
Commercial real estate lending	Commercial real estate lending	10,131	76	—	1,105	43
Total commercial	Total commercial	13,515	13,565	7,195	7,618	1,904
Residential mortgage	Residential mortgage	11,652	8,961	7,626	9,874	6,517
Auto finance	Auto finance	16,688	11,429	8,640	9,408	6,206
Home equity	Home equity	3,687	4,030	4,113	5,607	4,234
Home equity						
Home equity						
Other consumer	Other consumer	1,880	2,025	1,723	1,610	1,592
Total consumer	Total consumer	33,908	26,444	22,102	26,499	18,549
Total accruing loans 30-89 days past due	Total accruing loans 30-89 days past due	\$ 47,422	\$ 40,008	\$ 29,297	\$ 34,117	\$ 20,452
Potential problem loans						
Commercial and industrial		\$207,237	\$205,228	\$135,047	\$136,549	\$108,556
Commercial real estate — owner occupied		27,792	29,396	32,077	34,422	28,287
Commercial and business lending		235,029	234,624	167,124	170,971	136,843
Commercial real estate — investor		148,840	106,662	89,653	92,535	117,982
Real estate construction		—	—	—	970	—
Commercial real estate lending		148,840	106,662	89,653	93,505	117,982
Total commercial		383,869	341,286	256,776	264,476	254,825
Residential mortgage		1,247	1,646	1,684	1,978	2,845
Home equity		236	240	244	197	185
Total consumer		1,483	1,886	1,928	2,175	3,030
Total potential problem loans		\$385,352	\$343,173	\$258,704	\$266,651	\$257,855

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

(b) On January 1, 2023, the Corporation adopted ASU 2022-02. Under this update, TDRs were eliminated and replaced with a modified loan classification. As a result, amounts reported for March 31, 2023 and forward will not be comparable to prior period reported amounts.

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

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

Restructured loans: Loans are considered restructured loans if concessions have been granted to borrowers that are experiencing financial difficulty. On January 1, 2023, the Corporation adopted ASU 2022-02 prospectively. As a result, loans that were restructured prior to adoption are no longer considered TDRs, and loans restructured since January 1, 2023 are considered restructured. As a result, periods prior to 2023 are no longer comparable. See also Note 6 Loans of the notes to consolidated financial statements for additional restructured loans disclosures.

Potential problem loans: The level of potential problem loans is another predominant factor in determining the relative level of risk in the loan portfolio and in determining the appropriate level of the ACLL. Potential problem loans are generally defined by management to include loans rated as substandard by management that are collectively evaluated; however, there are circumstances present to create doubt as to the ability of the borrower to comply with present repayment terms. The decision of management to include performing loans in potential problem loans does not necessarily mean that the Corporation expects losses to occur, but that management recognizes a higher degree of risk associated with these loans.

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

Allowance for Credit Losses on Loans

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

To assess the appropriateness of the ACLL, the Corporation focuses on the evaluation of many factors, including but not limited to: evaluation of facts and issues related to specific loans, management's ongoing review and grading of the loan portfolio, credit report refreshes, consideration of historical loan loss and delinquency experience on each portfolio category, trends in past due and nonaccrual loans, the level of potential problem loans, the risk characteristics of the various classifications of loan segments, changes in the size and character of the loan portfolio, concentrations of loans to specific borrowers or industries, existing economic conditions and economic forecasts, the fair value of underlying collateral, funding assumptions on lines, and other qualitative and quantitative factors which could affect potential credit losses. The forecast the Corporation used for September 30, 2023 March 31, 2024 was the Moody's baseline scenario from August 2023, February 2024, which was reviewed against the September 2023 March 2024 baseline scenario with no material updates made, over a 2 two year reasonable and supportable period with straight-line reversion to historical losses over the second year of the period. Assessing these factors involves significant judgment. Because each of the criteria used is subject to change, the ACLL is not necessarily indicative of the trend of future credit losses on loans in any particular segment. Therefore, management considers the ACLL a critical accounting estimate, see section Critical Accounting Estimates for additional information on the ACLL. See section Nonperforming Assets for a detailed discussion on asset quality. See also Note 6 Loans of the notes to consolidated financial statements for additional ACLL disclosures. Table 5 provides information on loan growth and period end loan composition, Table 10 provides additional information regarding NPAs, and Table 11 and Table 12 provide additional information regarding activity in the ACLL.

The loan segmentation used in calculating the ACLL at September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023 was generally comparable. The methodology to calculate the ACLL consists of the following components: a valuation allowance estimate is established for commercial and consumer loans determined by the Corporation to be individually evaluated, using discounted cash flows, estimated fair value of underlying collateral, and/or other data available. Loans are segmented for criticized loan pools by loan type as well as for non-criticized loan pools by loan type, primarily based on risk rating rates after considering loan type, historical loss and delinquency experience, credit quality, and industry classifications. Loans that have been criticized are considered to have a higher risk of default than non-criticized loans, as circumstances were present to support the lower loan grade, warranting higher loss factors. Additionally, management allocates ACLL to absorb losses that may not be provided for by the other components due to qualitative factors evaluated by management, such as limitations within the credit risk grading process, known current economic or business conditions that may not yet show in trends, industry or other concentrations with current issues that impose higher inherent risks than are reflected in the loss factors, and other relevant considerations. The total allowance is available to absorb losses from any segment of the loan portfolio.

Table 11 Allowance for Credit Losses on Loans

YTD		Quarter Ended												
		Quarter Ended												
		Quarter Ended												
		Quarter Ended												
		Quarter Ended												
(\$ in thousands)	(\$ in thousands)	Sep 30, 2023	Sep 30, 2022	Sep 30, 2023	Jun 30, 2023	Mar 31, 2023	Dec 31, 2022	Sep 30, 2022	(\$ in thousands)	Mar 31, 2024	Dec 31, 2023	Sep 30, 2023	Jun 30, 2023	Mar 31, 2023
Allowance for loan losses	Allowance for loan losses													
Balance at beginning of period														
Balance at beginning of period														
Balance at beginning of period	Balance at beginning of period	\$312,720	\$280,015	\$338,750	\$326,432	\$312,720	\$292,904	\$280,771						
Provision for loan losses	Provision for loan losses	66,000	13,000	25,500	23,500	17,000	21,000	14,000						
Provision for loan losses														
Provision for loan losses														
Charge offs														
Charge offs														
Charge offs	Charge offs	(40,891)	(7,165)	(20,535)	(14,855)	(5,501)	(2,982)	(3,346)						
Recoveries	Recoveries	7,965	7,054	2,079	3,674	2,212	1,798	1,478						
Net (charge offs) recoveries	Net (charge offs) recoveries	(32,925)	(111)	(18,455)	(11,181)	(3,289)	(1,183)	(1,867)						

Balance at end of period	Balance at end of period	\$345,795	\$292,904	\$345,795	\$338,750	\$326,432	\$312,720	\$292,904
Allowance for unfunded commitments	Allowance for unfunded commitments							
Balance at beginning of period	Balance at beginning of period	\$38,776	\$39,776	\$38,276	\$39,776	\$38,776	\$39,776	\$36,776
Balance at beginning of period	Balance at beginning of period							
Provision for unfunded commitments	Provision for unfunded commitments	(4,000)	—	(3,500)	(1,500)	1,000	(1,000)	3,000
Provision for unfunded commitments	Provision for unfunded commitments							
Balance at end of period	Balance at end of period							
Balance at end of period	Balance at end of period							
Balance at end of period	Balance at end of period	\$34,776	\$39,776	\$34,776	\$38,276	\$39,776	\$38,776	\$39,776
Allowance for credit losses on loans	Allowance for credit losses on loans	\$380,571	\$332,680	\$380,571	\$377,027	\$366,208	\$351,496	\$332,680
Provision for credit losses on loans	Provision for credit losses on loans	62,000	13,000	22,000	22,000	18,000	20,000	17,000
Net loan (charge offs) recoveries	Net loan (charge offs) recoveries							
Commercial and industrial	Commercial and industrial							
Commercial and industrial	Commercial and industrial	(29,494)	512	(16,558)	(11,177)	(1,759)	278	(897)
Commercial real estate — owner occupied	Commercial real estate — owner occupied	8	10	2	3	3	3	3
Commercial and business lending	Commercial and business lending	(29,487)	523	(16,556)	(11,174)	(1,756)	281	(894)
Commercial real estate — investor	Commercial real estate — investor	2,547	—	272	2,276	—	—	—
Real estate construction	Real estate construction	18	43	18	(18)	18	16	9
Commercial real estate lending	Commercial real estate lending	2,565	43	290	2,257	18	16	9
Total commercial	Total commercial	(26,921)	565	(16,266)	(8,917)	(1,738)	297	(885)
Residential mortgage	Residential mortgage	(358)	465	(22)	(283)	(53)	(125)	(42)
Auto finance	Auto finance	(3,273)	(175)	(1,269)	(1,048)	(957)	(768)	(165)
Home equity	Home equity							
Home equity	Home equity							

Home equity	Home equity	652	675	128	183	340	123	(101)
Other consumer	Other consumer	(3,025)	(1,642)	(1,027)	(1,117)	(881)	(711)	(675)
Total consumer	Total consumer	(6,004)	(676)	(2,189)	(2,264)	(1,550)	(1,480)	(983)
Total net (charge offs) recoveries	Total net (charge offs) recoveries	\$ (32,925)	\$ (111)	\$ (18,455)	\$ (11,181)	\$ (3,289)	\$ (1,183)	\$ (1,867)

Ratios

Ratios									
Ratios									
Ratios									
Allowance for credit losses on loans to total loans									
Allowance for credit losses on loans to total loans									
Allowance for credit losses on loans to total loans	Allowance for credit losses on loans to total loans			1.26 %	1.26 %	1.25 %	1.22 %	1.20 %	
Allowance for credit losses on loans to net charge offs (annualized)	Allowance for credit losses on loans to net charge offs (annualized)	8.6x	N/M	5.2x	8.4x	27.5x	74.9x	44.9x	
Allowance for credit losses on loans to net charge offs (annualized)									
Allowance for credit losses on loans to net charge offs (annualized)									
Loan evaluation method for ACLL									
Loan evaluation method for ACLL									
Individually evaluated for impairment									
Individually evaluated for impairment									
Individually evaluated for impairment	Individually evaluated for impairment		\$ 11,033	\$ 12,268	\$ 11,585	\$ 10,324	\$ 15,739		
Collectively evaluated for impairment	Collectively evaluated for impairment		369,538	364,759	354,623	341,172	316,942		
Total ACLL	Total ACLL		\$ 380,571	\$ 377,027	\$ 366,208	\$ 351,496	\$ 332,680		
Loan balance									
Individually evaluated for impairment	Individually evaluated for impairment		\$ 86,195	\$ 58,109	\$ 48,934	\$ 76,577	\$ 87,712		
Individually evaluated for impairment									
Individually evaluated for impairment									

Collectively evaluated for impairment	Collectively evaluated for impairment	30,106,993	29,790,795	29,158,138	28,722,992	27,729,568
Total loan balance	Total loan balance	\$30,193,187	\$29,848,904	\$29,207,072	\$28,799,569	\$27,817,280

N/M = Not Meaningful

Table 12 Annualized Net (Charge Offs) Recoveries^(a)

		Quarter Ended														
		Quarter Ended														
		Quarter Ended														
(In basis points)		(In basis points)										Mar 31, 2024	Dec 31, 2023	Sep 30, 2023	Jun 30, 2023	Mar 31, 2023
Net loan (charge offs) recoveries																
		YTD			Quarter Ended											
		Sep 30, 2023	Sep 30, 2022	Sep 30, 2023	Jun 30, 2023	Mar 31, 2023	Dec 31, 2022	Sep 30, 2022								
		30, 2023	30, 2022	30, 2023	30, 2023	31, 2023	31, 2022	30, 2022								
(In basis points)		2023	2022	2023	2023	2023	2022	2022								
Net loan (charge offs) recoveries																
Commercial and industrial																
Commercial and industrial																
Commercial and industrial	Commercial and industrial	(40)	1	(66)	(46)	(7)	1	(4)								
Commercial real estate — owner occupied	Commercial real estate — owner occupied	—	—	—	—	—	—	—								
Commercial and business lending	Commercial and business lending	(36)	1	(60)	(41)	(7)	1	(3)								
Commercial real estate — investor	Commercial real estate — investor	7	—	2	18	—	—	—								
Real estate construction	Real estate construction	—	—	—	—	—	—	—								
Commercial real estate lending	Commercial real estate lending	5	—	2	12	—	—	—								
Total commercial	Total commercial	(20)	—	(35)	(20)	(4)	1	(2)								
Residential mortgage	Residential mortgage	(1)	1	—	(1)	—	(1)	—								
Auto finance	Auto finance	(26)	(4)	(27)	(25)	(26)	(24)	(7)								
Home equity	Home equity	14	15	8	12	22	8	(7)								
Other consumer	Other consumer	(145)	(74)	(148)	(163)	(125)	(95)	(89)								
Total consumer	Total consumer	(7)	(1)	(7)	(8)	(6)	(6)	(4)								

Total net (charge offs) recoveries	Total net (charge offs) recoveries	(15)	—	(25)	(15)	(5)	(2)	(3)
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(a) Annualized ratio of net charge offs to average loans by loan type.

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

- Total loans increased **\$1.4 billion** \$278 million, or **5%** 1%, from **December 31, 2022** December 31, 2023, and increased **\$2.4 billion** \$287 million, or **9%** 1%, from **September 30, 2022** March 31, 2023. The increase from **September 30, 2022** December 31, 2023 was primarily due to growth in auto finance and commercial and business lending, partially offset by a decrease in CRE - investor lending. The increase from March 31, 2023 was driven by growth across nearly all major loan portfolios in auto finance and real estate construction lending, partially offset by a decrease in residential mortgage lending resulting from the Corporation's strategic initiatives. See also Note 6 Loans of the notes to consolidated financial statements for additional information on loans.
- Potential problem** Total nonaccrual loans increased **\$119 million** \$29 million, or **45%** 20%, from **December 31, 2022** December 31, 2023, and increased **\$127 million** \$61 million, or **49%** 52%, from **September 30, 2022** March 31, 2023. The increases increase from both December 31, 2022 and September 30, 2022 were primarily December 31, 2023 was driven by increases in **potential problem** nonaccrual loans within CRE-investor lending and commercial and industrial and CRE-investor lending. See Table 10 for additional information regarding potential problem loans.
- Total nonaccrual loans increased \$57 million, or 51%, The increase from December 31, 2022, and increased \$52 million, or 45%, from September 30, 2022. The increases from both December 31, 2022 and September 30, 2022 were March 31, 2023 was primarily due to increases in nonaccrual loans within commercial and industrial lending and residential mortgage lending, partially offset by decreases within a decrease in CRE-investor lending. See Note 6 Loans of the notes to consolidated financial statements and Table 10 for additional disclosures on the changes in asset quality.
- YTD net charge offs increased **\$33 million** \$19 million from **September 30, 2022** March 31, 2023, primarily driven by an increase in net charge offs within commercial and industrial lending. See Table 11 and Table 12 for additional information on the activity in the ACLL.

Management believes the level of ACLL to be appropriate at **September 30, 2023** March 31, 2024.

Deposits and Customer Funding

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

Table 13 Period End Deposit and Customer Funding Composition

		Sep 30, 2023	Jun 30, 2023		Mar 31, 2023		Dec 31, 2022		Sep 30, 2022													
Mar 31, 2024												Mar 31, 2024										Dec 31,
(\$ in thousands)	(\$ in thousands)	Amount	% of Total	Amount	% of Total	Amount	% of Total	Amount	% of Total	Amount	% of Total	(\$ in thousands)	Amount	% of Total	Amount	% of Total	Amount	% of Total				
Noninterest-bearing demand	Noninterest-bearing demand	\$ 6,422,994	20 %	\$ 6,565,666	21 %	\$ 7,328,689	24 %	\$ 7,760,811	26 %	\$ 8,224,579	28 %	Noninterest-bearing demand	\$ 6,254,135	19 %	\$ 6,119,956	18 %	\$ 6,422,994	20 %				
Savings	Savings	4,836,735	15 %	4,777,415	15 %	4,730,472	16 %	4,604,848	16 %	4,708,720	16 %	Savings	5,124,639	15 %	4,835,701	14 %	4,836,735	15 %				
Interest-bearing demand	Interest-bearing demand	7,528,154	23 %	7,037,959	22 %	6,977,121	23 %	7,100,727	24 %	7,122,218	24 %	Interest-bearing demand	8,747,127	26 %	8,843,967	26 %	7,528,154	23 %				
Money market	Money market	7,268,506	23 %	7,521,930	23 %	8,357,625	28 %	8,239,610	28 %	7,909,232	27 %	Money market	6,721,674	20 %	6,330,453	19 %	7,268,506	23 %				
Brokered CDs	Brokered CDs	3,351,399	10 %	3,818,325	12 %	1,185,565	4 %	541,916	2 %	—	— %	Brokered CDs	3,931,230	12 %	4,447,479	13 %	3,351,399	10 %				
Other time deposits	Other time deposits	2,715,538	8 %	2,293,114	7 %	1,752,351	6 %	1,388,242	5 %	1,233,833	4 %	Other time deposits	2,934,352	9 %	2,868,494	9 %	2,715,538	8 %				
Total deposits	Total deposits	\$32,123,326	100 %	\$32,014,409	100 %	\$30,331,824	100 %	\$29,636,154	100 %	\$29,198,581	100 %	Total deposits	\$33,713,158	100 %	\$33,446,049	100 %	\$32,123,326	100 %				
Other customer funding ^(a)	Other customer funding ^(a)	151,644		170,873		226,258		261,767		283,856												

Total deposits and other customer funding	Total deposits and other customer funding	\$32,274,971	\$32,185,282	\$30,558,081	\$29,897,921	\$29,482,437
Total deposits and other customer funding						
Total deposits and other customer funding						
Network transaction deposits ^(b)						
Network transaction deposits ^(b)						
Network transaction deposits ^(b)	Network transaction deposits ^(b)	\$ 1,649,389	\$ 1,600,619	\$ 1,273,420	\$ 979,003	\$ 864,086
Net deposits and other customer funding ^(c)	Net deposits and other customer funding ^(c)	27,274,183	26,766,338	28,099,096	28,377,001	28,618,351
Net deposits and other customer funding ^(c)						
Net deposits and other customer funding ^(c)						
Time deposits of more than \$250,000	Time deposits of more than \$250,000	533,853	465,446	345,169	282,206	222,318
Time deposits of more than \$250,000						
Time deposits of more than \$250,000						

(a) Includes repurchase agreements and commercial paper.

(b) Included above in interest-bearing demand and money market.

(c) Total deposits and other customer funding, excluding brokered CDs and network transaction deposits.

- Total deposits, which are the Corporation's largest source of funds, increased \$2.5 billion \$267 million, or 8% 1%, from December 31, 2022 December 31, 2023, and increased \$2.9 billion \$3.4 billion, or 10% 11%, from September 30, 2022 March 31, 2023, the latter primarily due to increases in brokered CDs, interest-bearing demand, other time deposits, and network transaction deposits and savings, partially offset by a decrease decreases in money market and noninterest-bearing demand deposit accounts, demand.
- Estimated uninsured and uncollateralized deposits, excluding intercompany deposits, were 22.4% 22.9% of total deposits at September 30, 2023 March 31, 2024, compared to 26.4% 22.7% at December 31, 2022 December 31, 2023 and 29.1% 26.2% at September 30, 2022 March 31, 2023.

Liquidity

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

The Corporation performs dynamic scenario analysis in accordance with industry best practices. Measures have been established to ensure the Corporation has sufficient high quality short-term liquidity to meet cash flow requirements under stressed scenarios. In addition, the Corporation also reviews static measures such as deposit funding as a percentage of total assets and liquid asset levels. Strong capital ratios, credit quality, and core earnings are also essential to maintaining cost effective access to wholesale funding markets. At September 30, 2023 March 31, 2024, the Corporation was in compliance with its internal liquidity objectives and had sufficient asset-based liquidity to meet its obligations even under a stressed scenario.

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

- Lines of credit with the Federal Reserve Bank and FHLB, which require eligible loan and investment collateral to be pledged. Based on the amount of collateral pledged, the FHLB established a collateral value from which the Bank may draw advances, and issue letters of credit in favor of public fund depositors, against the collateral. As of

September 30, 2023 March 31, 2024, the Bank had \$5.4 billion \$7.0 billion available for future funding. The Federal Reserve Bank also establishes a collateral value of assets to support borrowings from the discount window. As of September 30, 2023 March 31, 2024, the Bank had \$1.3 billion \$1.4 billion available for discount window borrowings.

• The BTFP, against which the Corporation can borrow with qualifying investment securities as collateral, valued at par as permitted by the terms of the program. As of September 30, 2023, the Bank had up to \$619 million available for borrowing under the BTFP.

• A \$200 million Parent Company commercial paper program, of which there was none outstanding as of September 30, 2023 March 31, 2024.

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

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

Table 14 Liquidity Sources and Uninsured Deposit Coverage Ratio

(\$ in thousands)											
(\$ in thousands)											
(\$ in thousands)	(\$ in thousands)	September 30, 2023	June 30, 2023	March 31, 2023		Mar 31, 2024	Dec 31, 2023	Sep 30, 2023	Jun 30, 2023	Mar 31, 2023	
Federal Reserve Bank balance	Federal Reserve Bank balance	\$ 314,287	\$ 178,983	\$ 504,169							
Available FHLB Chicago capacity	Available FHLB Chicago capacity	5,377,628	5,148,360	3,453,813							
Available Federal Reserve Bank discount window capacity	Available Federal Reserve Bank discount window capacity	1,335,938	1,635,140	1,799,453							
Available BTFP capacity	Available BTFP capacity	618,829	633,817	644,915							
Funding available within one business day ^(a)	Funding available within one business day ^(a)	7,646,682	7,596,300	6,402,351							
Available federal funds lines	Available federal funds lines	2,518,000	2,623,000	2,773,000							
Available brokered deposits capacity ^(b)	Available brokered deposits capacity ^(b)	1,240,488	761,301	3,646,393							
Unsecured debt capacity ^(c)	Unsecured debt capacity ^(c)	1,000,000	1,000,000	1,000,000							

Total available liquidity	Total available liquidity	\$12,405,170	\$11,980,601	\$13,821,744
Uninsured and uncollateralized deposits	Uninsured and uncollateralized deposits	\$ 7,200,701	\$ 6,674,744	\$ 7,337,286
Coverage ratio of uninsured and uncollateralized deposits with secured funding		106 %	114 %	87 %
Coverage ratio of uninsured and uncollateralized deposits with secured funding available within one business day	Coverage ratio of uninsured and uncollateralized deposits with secured funding available within one business day	115 %	110 %	105 %
Coverage ratio of uninsured and uncollateralized deposits with total funding	Coverage ratio of uninsured and uncollateralized deposits with total funding	172 %	179 %	188 %
Coverage ratio of uninsured and uncollateralized deposits with total funding	Coverage ratio of uninsured and uncollateralized deposits with total funding	146 %	171 %	169 %

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

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

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

For the **nine three** months ended **September 30, 2023** **March 31, 2024**, net cash provided by operating and financing activities was **\$378 million** **\$155 million** and **\$1.9 billion** **\$49 million**, respectively, while net cash used in investing activities was **\$2.2 billion** **\$275 million**, for a net decrease in cash and cash equivalents of \$72 million since year-end 2023. At **March 31, 2024**, assets of \$41.1 billion increased \$121 million from year-end 2023. On the funding side, deposits of \$33.7 billion increased \$267 million, or 1%, from year-end 2023, short-term funding increased \$439 million, or 134%, and FHLB advances decreased \$607 million, or 31%.

For the three months ended **March 31, 2023**, net cash provided by operating and financing activities was \$47 million and \$1.2 billion, respectively, while net cash used in investing activities was \$1.1 billion, for a net increase in cash and cash equivalents of **\$91 million** **\$201 million** since year-end 2022. At **September 30, 2023** **March 31, 2023**, assets of **\$41.6 billion** **\$40.7 billion** increased **\$2.2 billion** **\$1.3 billion**, or **6%** **3%**, from year-end 2022, primarily due to increases in AFS Securities, loan growth and increases in AFS securities. cash balances. On the funding side, deposits of **\$32.1 billion** **\$30.3 billion** increased **\$2.5 billion** **\$696 million**, or **8%** **2%**, from year-end 2022, FHLB advances decreased **\$587 million** increased **\$666 million**, or **14%** **15%**, while and other long-term funding increased **\$281 million** **\$296 million**, or **113%** **119%**, the latter due to the issuance of subordinated debt.

For the nine months ended **September 30, 2022**, net cash provided by operating and financing activities was \$722 million and \$2.7 billion, respectively, while net cash used in investing activities was \$4.0 billion, for a net decrease in cash and cash equivalents of \$523 million since year-end 2021. At **September 30, 2022**, assets of \$38.0 billion increased **\$2.9 billion**, or **8%**, from year-end 2021, primarily due to loan growth. On the funding side, deposits of \$29.2 billion increased \$732 million, or 3%, from year-end 2021 and FHLB advances increased \$2.2 billion, or 133%, to fund loan growth.

Quantitative and Qualitative Disclosures about Market Risk

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

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

Interest Rate Risk

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

The major sources of the Corporation's non-trading interest rate risk are timing differences in the maturity and re-pricing characteristics of assets and liabilities, changes in the shape of the yield curve, and the potential exercise of explicit or embedded options. We measure these risks and their impact by identifying and quantifying exposures through the use of sophisticated simulation and valuation models which are employed by management to understand interest rate sensitive EAR and MVE at risk. The Corporation's interest rate risk profile is such that, generally, a higher yield curve adds to income while a lower yield curve has a negative impact on earnings. The Corporation's EAR profile is asset sensitive at **September 30, 2023** **March 31, 2024**.

For further discussion of the Corporation's interest rate risk and corresponding key assumptions, see the Interest Rate Risk section of Management's Discussion and Analysis of Financial Condition and Results of Operations included in the Corporation's **2022** **2023** Annual Report on Form 10-K.

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

While a gradual shift in interest rates was used in this analysis to provide an estimate of exposure under a probable scenario, an instantaneous shift in interest rates would have a more significant impact. No EAR breaches occurred during the first **nine** **three** months of **2023**, **2024**.

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

		Sep 30, 2023				Dec 31, 2022											
		Mar 31, 2024								Mar 31, 2024				Dec 31, 2023			
		Dynamic		Static		Dynamic		Static		Dynamic		Static		Dynamic		Static	
		Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
Gradual	Gradual																
Rate	Rate																
Change	Change																
	100 bp increase in interest rates																
	100 bp increase in interest rates																
100 bp increase in interest rates	100 bp increase in interest rates	2.0 %	2.2 %			3.9 %		3.4 %		1.7 %		1.6 %		1.9 %		2.2 %	
200 bp increase in interest rates	200 bp increase in interest rates	4.0 %	4.4 %			7.8 %		6.8 %		3.2 %		3.1 %		3.8 %		4.3 %	
100 bp decrease in interest rates	100 bp decrease in interest rates	(0.6) %	(0.9) %			(3.4) %		(2.9) %		(1.0) %		(1.0) %		(1.3) %		(1.5) %	
200 bp decrease in interest rates	200 bp decrease in interest rates	(0.8) %	(1.3) %			(6.7) %		(5.7) %		(1.9) %		(1.8) %		(2.6) %		(3.1) %	

At **September 30, 2023** **March 31, 2024**, the MVE profile indicates a decrease in net balance sheet value due to instantaneous upward changes in rates and an increase in net balance sheet value due to instantaneous downward changes in rates.

Table 16 Market Value of Equity Sensitivity

	Dec
	Sep 30, 31,
	2023 2022

Mar 31, 2024				Mar 31, 2024				Dec 31, 2023			
Instantaneous Rate Change	Instantaneous Rate Change										
100 bp increase in interest rates											
100 bp increase in interest rates											
100 bp increase in interest rates	100 bp increase in interest rates	(9.1)%	(4.2)%		(9.5)	%	(10.1)	%			
200 bp increase in interest rates											
200 bp increase in interest rates	200 bp increase in interest rates	(18.0)%	(8.2)%	200 bp increase in interest rates		(19.0)	%	(20.1)	%		
100 bp decrease in interest rates											
100 bp decrease in interest rates	100 bp decrease in interest rates	9.2 %	4.3 %	100 bp decrease in interest rates		9.1	%	9.7	%		
200 bp decrease in interest rates											
200 bp decrease in interest rates	200 bp decrease in interest rates	17.8 %	8.0 %	200 bp decrease in interest rates		17.4	%	18.5	%		

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

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

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

The following table summarizes significant contractual obligations and other commitments at **September 30, 2023** **March 31, 2024**, at those amounts contractually due to the recipient, including any unamortized premiums or discounts, hedge basis adjustments, or other similar carrying value adjustments.

Table 17 Contractual Obligations and Other Commitments

(\$ in thousands)	(\$ in thousands)	Note Reference	One Year or Less	One to Three Years	Three to Five Years	Over Five Years	Total	(\$ in thousands)	Note Reference	One Year or Less	One to Three Years	Three to Five Years	Over Five Years	Total
Time deposits	Time deposits		\$5,816,730	\$ 228,851	\$ 21,350	\$ 5	\$ 6,066,937							
Short-term funding	Short-term funding	8	451,644	—	—	—	451,644							
FHLB advances	FHLB advances	8	2,545,633	990,845	195,009	1,554	3,733,041							
Other long-term funding	Other long-term funding	8	88	246,660	138	282,574	529,459							
Other long-term funding														
Other long-term funding														
Operating leases														
Operating leases														
Operating leases	Operating leases	16	5,614	9,230	7,117	4,099	26,059							
Total	Total		\$8,819,709	\$1,475,586	\$223,613	\$288,232	\$10,807,141							
Total														
Total														

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

Capital

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

Total stockholders' equity / total assets	Total stockholders' equity / total assets		9.91 %	10.00 %	10.14 %	10.19 %	10.39 %	10.13 %	10.18 %	9.91 %	10.00 %	10.14 %	
Dividend payout ratio ^(b)	Dividend payout ratio ^(b)	35.80 %	36.14 %	39.62 %	37.50 %	31.34 %	30.00 %	32.26 %	42.31 %	N/M	39.62 %	37.50 %	31.34 %
Return on average assets	Return on average assets	0.91 %	0.95 %	0.80 %	0.86 %	1.06 %	1.12 %	1.02 %	0.80 %	(0.87) %	0.80 %	0.86 %	1.06 %
Annualized noninterest expense / average assets	Annualized noninterest expense / average assets	1.90 %	2.04 %	1.90 %	1.89 %	1.92 %	2.03 %	2.08 %	1.95 %	2.30 %	1.90 %	1.89 %	1.92 %

N/M = Not Meaningful

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

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

See Part II, Item 2, Unregistered Sales of Equity Securities and Use of Proceeds, for information on the shares repurchased during the **third** first quarter of **2023** 2024.

Non-GAAP Measures

Table 19 Non-GAAP Measures

YTD									Quarter Ended													
									Quarter Ended													
									Quarter Ended													
									Quarter Ended													
(\$ in thousands)	(\$ in thousands)	Sep 30, 2023	Sep 30, 2022	Sep 30, 2023	Jun 30, 2023	Mar 31, 2023	Dec 31, 2022	Sep 30, 2022	(\$ in thousands)	Mar 31, 2024	Dec 31, 2023	Sep 30, 2023	Jun 30, 2023	Mar 31, 2023								
Selected equity and performance ratios ^{(a)(b)(c)}	Selected equity and performance ratios ^{(a)(b)(c)}																					
Tangible common equity / tangible assets																						
Tangible common equity / tangible assets																						
Tangible common equity / tangible assets	Tangible common equity / tangible assets			6.88 %	6.94 %	7.03 %	6.97 %	7.06 %	7.08 %	%	7.11 %	%	6.88 %	%	6.94 %	%	7.03 %	%				
Return on average equity	Return on average equity	8.91 %	8.67 %	7.99 %	8.47 %	10.32 %	10.81 %	9.59 %	Return on average equity	7.81 %	%	(8.74) %	%	7.99 %	%	8.47 %	%	10.32 %				
Return on average tangible common equity	Return on average tangible common equity	13.07 %	12.96 %	11.67 %	12.38 %	15.26 %	16.15 %	14.32 %	Return on average tangible common equity	11.31 %	%	(13.13) %	%	11.67 %	%	12.38 %	%	15.26 %				
Return on average CET1	Return on average CET1	11.41 %	11.60 %	10.08 %	10.88 %	13.38 %	14.04 %	12.69 %	Return on average CET1	10.27 %	%	(11.85) %	%	10.08 %	%	10.88 %	%	13.38 %				
Return on average tangible assets	Return on average tangible assets	0.95 %	1.00 %	0.84 %	0.90 %	1.11 %	1.18 %	1.08 %														
Return on average tangible assets																						
Return on average tangible assets									0.84 %						%	(0.88) %	%	0.84 %	%	0.90 %	%	1.11 %

Average stockholders' equity / average assets	Average stockholders' equity / average assets	10.16 %	11.00 %	10.06 %	10.18 %	10.26 %	10.40 %	10.69 %	Average stockholders' equity / average assets	10.26	%	9.97	%	10.06	%	10.18	%	10.26
Tangible common equity reconciliation(a)	Tangible common equity reconciliation(a)																	
Common equity																		
Common equity																		
Common equity	Common equity			\$ 3,933,531	\$ 3,928,762	\$ 3,931,551	\$ 3,821,378	\$ 3,759,840										
Goodwill and other intangible assets, net	Goodwill and other intangible assets, net			(1,147,666)	(1,149,869)	(1,152,072)	(1,154,274)	(1,156,477)										
Tangible common equity	Tangible common equity			\$ 2,785,865	\$ 2,778,893	\$ 2,779,480	\$ 2,667,104	\$ 2,603,363										
Tangible assets reconciliation(a)	Tangible assets reconciliation(a)																	
Total assets	Total assets			\$41,637,381	\$41,219,473	\$40,702,519	\$39,405,727	\$38,049,607										
Total assets																		
Total assets																		
Goodwill and other intangible assets, net	Goodwill and other intangible assets, net			(1,147,666)	(1,149,869)	(1,152,072)	(1,154,274)	(1,156,477)										
Tangible assets	Tangible assets			\$40,489,715	\$40,069,604	\$39,550,448	\$38,251,453	\$36,893,130										
Average tangible common equity and average CET1 reconciliation(a)	Average tangible common equity and average CET1 reconciliation(a)																	
Common equity																		
Common equity																		
Common equity	Common equity	\$ 3,913,850	\$ 3,776,296	\$ 3,937,940	\$ 3,934,949	\$ 3,867,890	\$ 3,797,568	\$ 3,791,396										
Goodwill and other intangible assets, net	Goodwill and other intangible assets, net	(1,151,039)	(1,159,982)	(1,148,951)	(1,151,039)	(1,153,173)	(1,155,408)	(1,157,754)										
Tangible common equity	Tangible common equity	2,762,811	2,616,314	2,788,989	2,783,910	2,714,716	2,642,160	2,633,642										
Modified CECL transitional amount	Modified CECL transitional amount	44,851	67,276	44,851	44,851	44,851	67,276	67,276										
Accumulated other comprehensive loss	Accumulated other comprehensive loss	270,989	147,258	302,043	251,624	258,827	254,178	189,935										
Deferred tax assets, net	Deferred tax assets, net	27,853	36,085	27,694	27,714	28,157	29,248	29,875										
Average CET1	Average CET1	\$ 3,106,504	\$ 2,866,934	\$ 3,163,577	\$ 3,108,099	\$ 3,046,551	\$ 2,992,862	\$ 2,920,729										
Average tangible assets reconciliation(a)	Average tangible assets reconciliation(a)																	
Total assets	Total assets	\$40,419,166	\$36,075,770	\$41,075,980	\$40,558,311	\$39,607,065	\$38,385,436	\$37,271,779										
Total assets																		
Total assets																		

Goodwill and other intangible assets, net	Goodwill and other intangible assets, net	(1,151,039)	(1,159,982)	(1,148,951)	(1,151,039)	(1,153,173)	(1,155,408)	(1,157,754)
Tangible assets	Tangible assets	\$39,268,127	\$34,915,788	\$39,927,029	\$39,407,273	\$38,453,892	\$37,230,028	\$36,114,025
Adjusted net income reconciliation ^(b)	Adjusted net income reconciliation ^(b)							
Adjusted net income reconciliation ^(b)								
Adjusted net income reconciliation ^(b)								
Net income								
Net income								
Net income	Net income	\$ 273,762	\$ 257,360	\$ 83,248	\$ 87,154	\$ 103,360	\$ 108,762	\$ 96,275
Other intangible amortization, net of tax	Other intangible amortization, net of tax	4,956	4,956	1,652	1,652	1,652	1,652	1,652
Adjusted net income	Adjusted net income	\$ 278,718	\$ 262,316	\$ 84,900	\$ 88,806	\$ 105,012	\$ 110,414	\$ 97,927
Adjusted net income available to common equity reconciliation ^(b)	Adjusted net income available to common equity reconciliation ^(b)							
Net income available to common equity	Net income available to common equity	\$ 265,137	\$ 248,735	\$ 80,373	\$ 84,279	\$ 100,485	\$ 105,887	\$ 93,400
Net income available to common equity								
Net income available to common equity								
Other intangible amortization, net of tax	Other intangible amortization, net of tax	4,956	4,956	1,652	1,652	1,652	1,652	1,652
Adjusted net income available to common equity	Adjusted net income available to common equity	\$ 270,093	\$ 253,691	\$ 82,025	\$ 85,931	\$ 102,137	\$ 107,539	\$ 95,052
Core customer deposit reconciliation								
End of period core customer deposits reconciliation								
Total deposits								
Total deposits								
Total deposits	Total deposits			\$32,123,326	\$32,014,409	\$30,331,824	\$29,636,154	\$29,198,581
Network transaction deposits	Network transaction deposits			(1,649,389)	(1,600,619)	(1,273,420)	(979,003)	(864,086)
Brokered CDs	Brokered CDs			(3,351,399)	(3,818,325)	(1,185,565)	(541,916)	—
Core customer deposits	Core customer deposits			\$27,122,539	\$26,595,465	\$27,872,839	\$28,115,235	\$28,334,495
Efficiency ratio reconciliation ^(d)	Efficiency ratio reconciliation ^(d)							

Federal Reserve efficiency ratio																		
Federal Reserve efficiency ratio																		
Federal Reserve efficiency ratio	Federal Reserve efficiency ratio	58.17 %	62.32 %	60.06 %	58.49 %	56.07 %	55.47 %	60.32 %	61.03	%	132.01	%	60.06	%	58.49	%	56.07	%
Fully tax-equivalent adjustment	Fully tax-equivalent adjustment	(0.84)%	(0.98)%	(0.89)%	(0.85)%	(0.79)%	(0.77)%	(0.87)%	Fully tax-equivalent adjustment	(0.71)	%	(3.29)	%	(0.89)	%	(0.85)	%	(0.79)%
Other intangible amortization	Other intangible amortization	(0.67)%	(0.75)%	(0.69)%	(0.68)%	(0.66)%	(0.62)%	(0.67)%	Other intangible amortization	(0.69)	%	(1.21)	%	(0.69)	%	(0.68)	%	(0.66)%
Fully tax-equivalent efficiency ratio	Fully tax-equivalent efficiency ratio	56.67 %	60.60 %	58.50 %	56.96 %	54.64 %	54.08 %	58.79 %	Fully tax-equivalent efficiency ratio	59.63	%	127.54	%	58.50	%	56.96	%	54.64 %

(a) Tangible common equity and tangible assets exclude goodwill and other intangible assets, net.

(b) Adjusted net income and adjusted net income available to common equity, which are used in the calculation of return on average tangible assets and return on average tangible common equity, respectively, add back other intangible amortization, net of tax.

(c) These capital measurements are used by management, regulators, investors, and analysts to assess, monitor, and compare the quality and composition of our capital with the capital of other financial services companies.

(d) The efficiency ratio as defined by the Federal Reserve guidance is noninterest expense (which includes the provision for unfunded commitments) divided by the sum of net interest income plus noninterest income, excluding investment securities gains (losses), net. The fully tax-equivalent efficiency ratio is noninterest expense (which includes the provision for unfunded commitments), excluding other intangible amortization, divided by the sum of fully tax-equivalent net interest income plus noninterest income, excluding investment securities gains (losses), net.

Sequential Quarter Results

The Corporation reported net income of **\$83 million** **\$81 million** for the **third first** quarter of 2024, compared to net loss of \$91 million for the fourth quarter of 2023, compared due to net income of **\$87 million** for the **second** balance sheet repositioning executed in the fourth quarter of 2023. Net income available to common equity was **\$80 million** **\$78 million** for the **third first** quarter of 2023, 2024, or **\$0.53** **\$0.52** for both basic and diluted earnings per common share. Comparatively, net **income loss** available to common equity for the **second fourth** quarter of 2023 was **\$84 million** **\$94 million**, or **\$0.56** a loss of **\$0.63** for both basic and **\$0.62** for diluted earnings per common share (see Table 1).

Fully tax-equivalent net interest income for the **third first** quarter of **2023 2024** was **\$259 million** **\$262 million**, \$4 million, or 1%, **lower higher** than the **second fourth** quarter of 2023. The net interest margin in the **third first** quarter of **2023 2024** was **down 9 up 10 bp** to **2.71%** **2.79%**. The **decreases increases** in net interest income and net interest margin were due to **increased interest-bearing liability costs**. Average earning assets increased \$507 million, or 1%, to \$38.1 billion in a full quarter of benefit from the **third balance sheet repositioning** announced during the fourth quarter of 2023. Average earning assets decreased \$678 million, or 2%, to \$37.6 billion in the first quarter of 2024. Average loans increased **\$446 million** decreased **\$583 million**, or 2%, driven **primarily by a decrease in residential mortgages and partially offset by growth across all loan categories, in auto finance**. On the funding side, average total interest-bearing deposits increased **\$1.1 billion** **\$1.4 billion**, or **4%** **5%**, due to increases in time deposits, interest-bearing demand, **savings, and network transaction deposits, and savings**, partially offset by a decrease in money market. Average FHLB advances decreased **\$335 million** **\$1.9 billion**, or **9%** **56%**, due to deposit growth, **during paydowns with the proceeds of the mortgage portfolio sale in the fourth quarter of 2023, and the utilization of the BTFP** (see Table 2).

The provision for credit losses was **\$22 million** **\$24 million** for both the **third first** quarter of 2024 and **second** **\$21 million** for the fourth quarter of 2023 (see Table 11). See discussion under sections: Provision for Credit Losses, Nonperforming Assets, and Allowance for Credit Losses on Loans.

Noninterest income for the **third first** quarter of 2024 was \$65 million, up \$196 million from the fourth quarter of 2023, was **\$67 million**, up \$1 million, or 2%, from **primarily due to one-time items related to the second balance sheet repositioning announced in the fourth quarter of 2023** (see Table 3).

Noninterest expense for the **third first** quarter of **2023 2024** was **\$196 million** **\$198 million**, up **\$6 million** down **\$42 million**, or **3%** **17%**, from the **second fourth** quarter of 2023, driven primarily by **increases in personnel and technology expenses the FDIC special assessment** (see Table 4).

For the **third first** quarter of **2023, 2024**, the Corporation recognized income tax expense of **\$19 million** **\$20 million**, compared to income tax **expense benefit** of **\$24 million** **\$47 million** for the **second fourth** quarter of 2023. See Income Taxes section for a detailed discussion on income taxes.

Comparable Quarter Results

The Corporation reported net income of \$83 million for the third quarter of 2023 compared to net income of \$96 million for the third quarter of 2022. Net income available to common equity was \$80 million for the third quarter of 2023, or \$0.53 for both basic and diluted earnings per common share. Comparatively, net income available to common equity for the third quarter of 2022 was \$93 million, or \$0.62 for both basic and diluted earnings per share (see Table 1).

Fully tax-equivalent net interest income for the third quarter of 2023 was \$259 million, \$10 million, or 4%, lower than the third quarter of 2022. The net interest margin between the comparable quarters was down 42 bp, to 2.71% in the third quarter of 2023. The decreases in net interest income and net interest margin were due to interest-bearing liability costs rising at a faster rate of growth than earning asset revenues as a result of deposit funding pressures. Average earning assets increased \$3.9 billion, or 11%, to \$38.1 billion in the third quarter of 2023, as average loans increased \$2.8 billion, or 10%, driven by growth across nearly all loan categories, and investments and other increased \$1.0 billion, or 15%. On the funding side, average interest-bearing deposits increased \$4.9 billion, or 24%, from the third quarter of 2022, due to increases in time deposits, network transaction deposits, interest-bearing demand, and savings, partially offset by a decrease in money market. Average short and long-term funding increased \$388 million, or 10% (see Table 2), primarily driven by the issuance of subordinated debt in the first quarter of 2023.

The provision for credit losses was \$22 million for the third quarter of 2023, compared to a provision of \$17 million for the third quarter of 2022 (see Table 11). See discussion under sections: Provision for Credit Losses, Nonperforming Assets, and Allowance for Credit Losses on Loans.

Noninterest income for the third quarter of 2023 was \$67 million, down \$4 million, or 6%, compared to the third quarter of 2022, primarily due to lower investment securities gains (losses), net; capital markets, net; and service charges and deposit account fees; partially offset by higher mortgage banking, net income. (see Table 3).

Noninterest expense was effectively flat at \$196 million for both the third quarters of 2023 and 2022(see Table 4).

The Corporation recognized income tax expense of \$19 million for the third quarter of 2023, compared to an income tax expense of \$26 million for the third quarter of 2022. See section Income Taxes for a detailed discussion on income taxes.

Segment Review

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

Table 20 Selected Segment Financial Data

		Three Months Ended Sep 30,			Nine Months Ended Sep 30,		
		Three Months Ended Mar 31,			Three Months Ended Mar 31,		
		Three Months Ended Mar 31,			Three Months Ended Mar 31,		
		Three Months Ended Mar 31,			Three Months Ended Mar 31,		
(\$ in thousands)							
(\$ in thousands)							
(\$ in thousands)	(\$ in thousands)	2023	2022	% Change	2023	2022	% Change
Corporate and Commercial Specialty	Corporate and Commercial Specialty						
Corporate and Commercial Specialty	Corporate and Commercial Specialty						
Corporate and Commercial Specialty	Corporate and Commercial Specialty						
Corporate and Commercial Specialty	Corporate and Commercial Specialty						
Total revenue	Total revenue						
Total revenue	Total revenue						
Total revenue	Total revenue	\$ 177,771	\$ 156,688	13%	\$ 520,908	\$ 438,862	19%
Provision for credit losses	Provision for credit losses	14,066	11,904	18%	41,523	36,803	13%
Provision for credit losses	Provision for credit losses						
Provision for credit losses	Provision for credit losses						
Noninterest expense	Noninterest expense						
Noninterest expense	Noninterest expense						
Noninterest expense	Noninterest expense	63,207	58,934	7%	186,351	172,141	8%
Income tax expense	Income tax expense	19,304	15,967	21%	54,138	42,248	28%
Income tax expense	Income tax expense						
Income tax expense	Income tax expense						
Net income	Net income						
Net income	Net income						
Net income	Net income	81,194	69,884	16%	238,897	187,670	27%
Average earning assets	Average earning assets	17,623,106	16,123,187	9%	17,393,044	15,213,821	14%
Average earning assets	Average earning assets						
Average earning assets	Average earning assets						
Average loans	Average loans						
Average loans	Average loans						
Average loans	Average loans	17,615,560	16,118,417	9%	17,379,628	15,210,316	14%
Average deposits	Average deposits	8,828,634	9,256,598	(5)%	9,101,585	9,139,639	—%
Average deposits	Average deposits						
Average deposits	Average deposits						

Average allocated capital (Average CET1) _(a)													
Average allocated capital (Average CET1) _(a)													
Average allocated capital (Average CET1) _(a)	Average allocated capital (Average CET1) _(a)	1,719,300		1,606,052		7%		1,712,290		1,514,786		13%	
Return on average allocated capital _(a)	Return on average allocated capital _(a)	18.74		17.26		148 bp		18.65 %		16.56		N/M	
Return on average allocated capital _(a)													
Return on average allocated capital _(a)													
Community, Consumer, and Business													
Community, Consumer, and Business													
Community, Consumer, and Business	Community, Consumer, and Business												
Total revenue	Total revenue	\$	220,714	\$	163,338	35%	\$	623,584	\$	424,679	47%		
Total revenue													
Total revenue													
Provision for credit losses													
Provision for credit losses													
Provision for credit losses	Provision for credit losses	7,381		5,378		37%		21,467		14,958		44%	
Noninterest expense	Noninterest expense	108,185		107,860		—%		328,960		311,423		6%	
Noninterest expense													
Noninterest expense													
Income tax expense													
Income tax expense													
Income tax expense	Income tax expense	22,187		10,521		111%		57,469		20,642		178%	
Net income	Net income	82,961		39,579		110%		215,688		77,655		178%	
Net income													
Net income													
Average earning assets													
Average earning assets													
Average earning assets	Average earning assets	11,737,319		10,416,253		13%		11,496,144		9,796,760		17%	
Average loans	Average loans	11,737,319		10,416,253		13%		11,496,144		9,796,760		17%	
Average loans													
Average loans													
Average deposits													
Average deposits													
Average deposits	Average deposits	18,224,072		18,636,223		(2)%		18,137,460		18,532,576		(2)%	
Average allocated capital (Average CET1) _(a)	Average allocated capital (Average CET1) _(a)	750,457		640,571		17%		731,486		583,265		25%	
Average allocated capital (Average CET1) _(a)													
Average allocated capital (Average CET1) _(a)													
Return on average allocated capital _(a)													
Return on average allocated capital _(a)													
Return on average allocated capital _(a)	Return on average allocated capital _(a)	43.86		24.51		N/M		39.42		17.80		N/M	
Risk Management and Shared Services	Risk Management and Shared Services												
Risk Management and Shared Services													

Risk Management and Shared Services									
Total revenue									
Total revenue									
Total revenue	Total revenue	\$	(77,663)	\$	15,201	N/M	\$	(164,126)	\$ 25,505 N/M
Provision for credit losses	Provision for credit losses		496		(283)	N/M		(975)	(38,756) (97)%
Provision for credit losses									
Provision for credit losses									
Noninterest expense	Noninterest expense		24,814		28,997	(14)%		58,980	66,940 (12)%
Income tax expense (benefit)			(22,065)		(325)	N/M		(41,308)	5,286 N/M
Noninterest expense									
Noninterest expense									
Income tax (benefit)									
Income tax (benefit)									
Income tax (benefit)									
Net (loss)									
Net (loss)									
Net (loss)	Net (loss)		(80,907)		(13,189)	N/M		(180,823)	(7,965) N/M
Average earning assets	Average earning assets		8,715,183		7,659,334	14%		8,524,759	7,930,511 7%
Average earning assets									
Average earning assets									
Average loans									
Average loans									
Average loans	Average loans		531,731		521,033	2%		517,609	520,961 (1)%
Average deposits	Average deposits		4,949,087		981,535	N/M		3,818,115	892,773 N/M
Average deposits									
Average deposits									
Average allocated capital (Average CET1) ^(a)									
Average allocated capital (Average CET1) ^(a)									
Average allocated capital (Average CET1) ^(a)	Average allocated capital (Average CET1) ^(a)		693,819		674,106	3%		662,728	768,883 (14)%
Return on average allocated capital ^(a)	Return on average allocated capital ^(a)		(47.91) %		(9.45) %	N/M		(38.22) %	(2.88) % N/M
Return on average allocated capital ^(a)									
Return on average allocated capital ^(a)									
Consolidated Total									
Consolidated Total									
Consolidated Total	Consolidated Total								
Total revenue	Total revenue	\$	320,823	\$	335,227	(4)%	\$	980,366	\$ 889,045 10%
Total revenue									
Total revenue									
Return on average allocated capital ^(a)	Return on average allocated capital ^(a)		10.08 %		12.69 %	N/M		11.41 %	11.60 % -19 bp
Return on average allocated capital ^(a)									
Return on average allocated capital ^(a)									

N/M = Not meaningful

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

Notable Changes in Segment Financial Data

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

- Total revenue increased \$82 million from the nine months ended September 30, 2022 and increased \$21 million \$13 million from the three months ended September 30, 2022 March 31, 2023, primarily attributable to higher loan volumes and interest rates driving net interest income higher.
- Noninterest expense increased \$14 million from the nine months ended September 30, 2022 and increased \$4 million from the three months ended September 30, 2022 March 31, 2023, primarily due to higher personnel costs and allocated corporate overhead.
- Average loans increased \$2.2 billion from the nine months ended September 30, 2022 and increased \$1.5 billion \$548 million from the three months ended September 30, 2022 March 31, 2023, primarily driven by growth in commercial and business lending and CRE lending.
- Average deposits decreased \$428 million \$379 million from the three months ended September 30, 2022 March 31, 2023, driven by decreases in noninterest-bearing demand deposits and money market deposits, partially offset by an increase in interest-bearing demand deposits.

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

- Total revenue increased \$199 million from the nine months ended September 30, 2022 and increased \$57 million \$19 million from the three months ended September 30, 2022 March 31, 2023, primarily attributable to receiving net FTP credit for providing funding for the Corporation and higher interest rates.
- Noninterest expense increased \$18 million from the nine months ended September 30, 2022, driven by higher allocated corporate overhead and increased technology expense, as the Corporation continues to invest in digital investments tied to its strategic initiatives.
- Average loans increased \$1.7 billion from the nine months ended September 30, 2022 and increased \$1.3 billion from the three months ended September 30, 2022, primarily driven by growth in auto finance lending and residential mortgage lending.
- Average deposits decreased \$395 million from the nine months ended September 30, 2022 and decreased \$412 million from the three months ended September 30, 2022, driven by decreases in noninterest bearing demand deposits and money market deposits, partially offset by an increase in time deposits.

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

- Total revenue decreased \$190 million from the nine months ended September 30, 2022 and decreased \$93 million \$45 million from the three months ended September 30, 2022 March 31, 2023, primarily driven by increased interest expense as a result of holding more brokered CDs and other short term funding.
- Provision for credit losses increased \$38 million \$4 million from the nine three months ended September 30, 2022 March 31, 2023, driven by loan growth, nominal credit movement, and general macroeconomic trends.
- Average earning assets Noninterest expense increased \$594 million from the nine months ended September 30, 2022 and increased \$1.1 billion \$7 million from the three months ended September 30, 2022 March 31, 2023, driven by the FDIC special assessment.
- Average earning assets increased \$562 million from the three months ended March 31, 2023, primarily driven by higher balances of AFS investment securities in the portfolio.
- Average deposits increased \$2.9 billion from the nine months ended September 30, 2022 and increased \$4.0 billion \$3.8 billion from the three months ended September 30, 2022 March 31, 2023, primarily driven by increases in brokered CDs and network deposits.

Critical Accounting Estimates

In preparing the consolidated financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities as of the date of the balance sheet and revenues and expenses for the period. Actual results could differ significantly from those estimates. The determination of the ACLL is particularly susceptible to significant change. A discussion of these estimates can be found in the Critical Accounting Estimates section in Management's Discussion and Analysis of Financial Condition and Results of Operations included in the Corporation's 2022 2023 Annual Report on Form 10-K. There have been no changes in the Corporation's application of critical accounting estimates since December 31, 2022 December 31, 2023.

Recent Developments

On October 24, 2023 April 30, 2024, the Corporation's Board of Directors declared a regular quarterly cash dividend of \$0.22 per common share, payable on December 15, 2023 June 17, 2024 to shareholders of record at the close of business on December 1, 2023 June 3, 2024. This is an increase of \$0.01 from the previous quarterly dividend of \$0.21 per common share. The Board of Directors also declared a regular quarterly cash dividend of \$0.3671875 per depositary share on Associated's 5.875% Series E Perpetual Preferred Stock, payable on December 15, 2023 June 17, 2024 to shareholders of record at the close of business on December 1, 2023 June 3, 2024. The Board of Directors also declared a regular quarterly cash dividend of \$0.3515625 per depositary share on Associated's 5.625% Series F Perpetual Preferred Stock, payable on December 15, 2023 June 17, 2024 to shareholders of record at the close of business on December 1, 2023 June 3, 2024.

ITEM 3. Quantitative and Qualitative Disclosures About Market Risk

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

ITEM 4. Controls and Procedures

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

As of September 30, 2023 March 31, 2024, the Corporation's management carried out an evaluation, under the supervision and with the participation of the Corporation's Chief Executive Officer and Chief Financial Officer, of the effectiveness of its disclosure controls and procedures. Based on the foregoing, its Chief Executive Officer and Chief Financial Officer concluded that the Corporation's disclosure controls and procedures were effective as of September 30, 2023 March 31, 2024.

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

PART II - OTHER INFORMATION

ITEM 1. Legal Proceedings

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

ITEM 1A. Risk Factors

There have been no material changes in the Risk Factors described in the Corporation's 2022 2023 Annual Report on Form 10-K other than as set out in the Corporation's Quarterly Report on Form 10-Q for the quarter ended March 31, 2023, in Item 1A of Part II, 10-K.

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

During the third first quarter of 2023 2024, the Corporation repurchased approximately \$261,000 \$23 million of common stock, all including \$18 million of which were open market purchases and \$5 million of repurchases related to tax withholding on equity compensation with no open market purchases during the quarter. compensation. The repurchase details are presented in the table below:

Common Stock Purchases

	Total Number of Shares Purchased ^(a)	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number of Shares that May Yet	
				Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	
				Maximum Number of Shares that May Yet Be Purchased Under the Plans or Programs ^(b)	
Period	Total Number of Shares Purchased ^(a)	Average Price Paid per Share	Announced Plans or Programs		
July January 1, 2023 2024 - July 31, 2023					
January 31, 2024	6,763	\$ 18.17		\$	—
August 1, 2023 - August 31, 2023	7,163	18.47		—	

February 1, 2024 -				
February 29, 2024	1,043,080	20.27	900,000	
March 1, 2024 - March 31, 2024	83,219	20.68	—	
September 1, 2023 -				
September 30, 2023	356	17.66	—	—
Total	14,282	1,126,299 \$	18.31	20.30 — 900,000 4,654,934 2,852,467

(a) During the third first quarter of 2023, all common 2024, the Corporation repurchased 226,299 shares repurchased were for minimum tax withholding settlements on equity compensation. These purchases do not count against the maximum value of shares remaining available for purchase under the Board of Directors' authorization.

(b) At September 30, 2023 March 31, 2024, there remained \$80 million \$61 million authorized to be repurchased under the Board of Directors' 2021 \$100 million authorization. The maximum number of shares that may yet be purchased under this authorization is based on the closing share price on September 30, 2023 March 31, 2024.

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

ITEM 5. Other Information

During the three months ended September 30, 2023 March 31, 2024, no director or "officer" of the Corporation adopted or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," as each term is defined in Item 408(a) of Regulation S-K.

ITEM 6. Exhibits

(a) Exhibits:

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

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

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

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

Exhibit (104), The cover page from the Corporation's Quarterly Report on Form 10-Q for the quarter ended September 30, 2023 March 31, 2024 has been formatted in Inline XBRL (Inline Extensible Business Reporting Language) and contained in Exhibits in 101.

Signatures

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

undersigned hereunto duly authorized.

ASSOCIATED BANC-CORP

(Registrant)

Date: ~~October 26, 2023~~ April 30, 2024

/s/ Andrew J. Harmening

Andrew J. Harmening

President and Chief Executive Officer

Date: ~~October 26, 2023~~ April 30, 2024

/s/ Derek S. Meyer

Derek S. Meyer

Chief Financial Officer

Date: ~~October 26, 2023~~ April 30, 2024

/s/ Tammy C. Stadler

Tammy C. Stadler

Chief Accounting Officer

77 75

Exhibit 31.1

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

CERTIFICATIONS

I, Andrew J. Harmening, certify that:

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

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

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

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

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

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

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

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

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

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

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

Date: **October 26, 2023** **April 30, 2024**

/s/ Andrew J. Harmening

Andrew J. Harmening

President and Chief Executive Officer

Exhibit 31.2

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

CERTIFICATIONS

I, Derek S. Meyer, certify that:

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

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

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

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

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its

consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

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

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

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

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

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

Date: **October 26, 2023** **April 30, 2024**

/s/ Derek S. Meyer

Derek S. Meyer

Chief Financial Officer

Exhibit 32

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

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

1. The accompanying Quarterly Report of the Company on Form 10-Q for the quarter ended **September 30, 2023** **March 31, 2024** (the "Report"), fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

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

/s/ Andrew J. Harmening

Andrew J. Harmening
Chief Executive Officer

October 26, 2023 April 30, 2024

/s/ Derek S. Meyer

Derek S. Meyer
Chief Financial Officer

October 26, 2023 April 30, 2024

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