

# ASSOCIATED BANC-CORP INVESTOR PRESENTATION

2013 CFA MINNESOTA  
INVESTMENT CONFERENCE

AUGUST 1, 2013



# FORWARD-LOOKING STATEMENTS

## Important note regarding forward-looking statements:

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

# LEADING MIDWEST BANKING FRANCHISE



## About Associated

- Top 50, publicly traded, U.S. bank holding company
- \$24 billion in assets; largest bank headquartered in Wisconsin
- 239 branches serving approximately one million customers
- 150-year history in Wisconsin

## Operating in Attractive Midwest Markets

- 5 of the top 10 cities in the U.S with highest credit score in footprint<sup>2</sup>
- WI & MN continue to show above average employment levels<sup>3</sup>
- Midwest Manufacturing output is up 11.0% YoY (vs. 5.6% nationally)<sup>4</sup>



	WI	MN	IL	U.S.
Unemployment Rate <sup>3</sup>	6.8%	5.2%	9.2%	7.6%
ASBC Deposits <sup>5</sup> (\$ in billions)	\$11.6	\$1.5	\$4.0	\$17.1

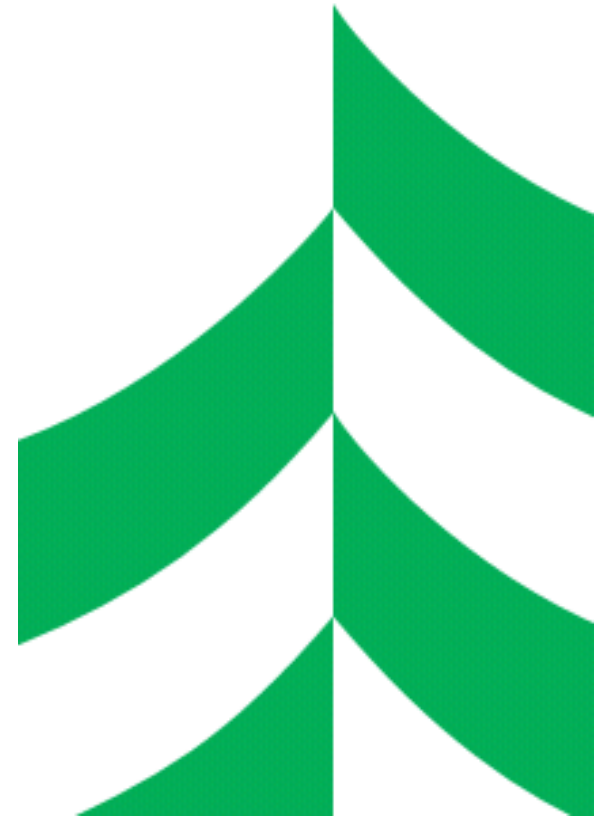
● >\$1bn deposits<sup>1</sup>  
● >\$500m deposits<sup>1</sup>  
● >\$200m deposits<sup>1</sup>  
● Commercial offices  
\* Top 10 credit score<sup>2</sup>



<sup>1</sup> FDIC market share data 6/30/12; <sup>2</sup> Experian State of Credit Survey 2012; <sup>3</sup> Source: U.S. BLS, State: June 2013, US: Apr. 2013; <sup>4</sup> Source: FRB Chicago Midwest Manufacturing Index, Jun. 2013; <sup>5</sup> As of June 30, 2013

# OUR VISION

**Associated Banc-Corp will be the most admired Midwestern financial services company, distinguished by sound, value-added financial solutions with personal service for our customers, built upon a strong commitment to our colleagues and the communities we serve, resulting in exceptional value for our shareholders.**



# 2013 SECOND QUARTER HIGHLIGHTS AND OUTLOOK

## Second Quarter 2013 Highlights:

- Net income of \$47 mm
- ROT1CE of 9.9%, compared to 9.3% for Q2 2012
- Average loans of \$15.7 bn, up 2% QoQ
- Net interest income of \$160 mm, up 2% QoQ
- Repurchased \$30 mm of stock
- Tier One Capital ratio of 11.48%

## Outlook – Growing the Franchise & Creating Long-Term Shareholder Value

- Continued focus on organic growth opportunities
- Defending NIM compression in low-rate environment
- Strong focus on efficiency & expense management
- Disciplined focus on deploying capital to drive long-term shareholder value

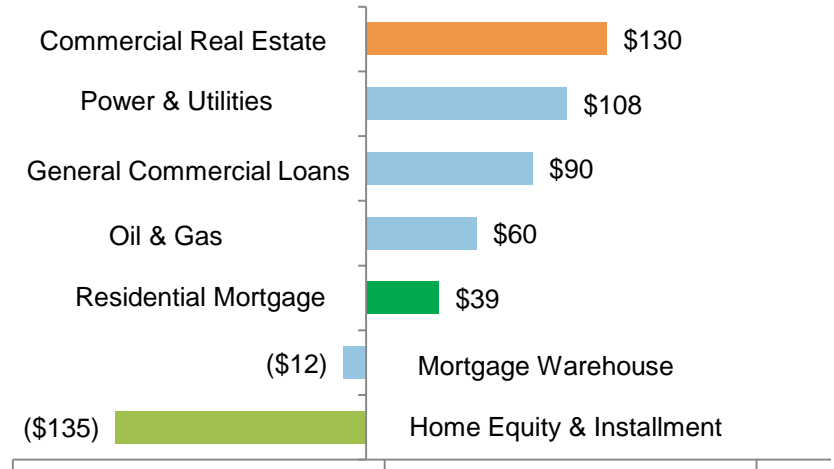
# LOAN PORTFOLIO GROWTH AND COMPOSITION

Average Loans of \$15.7 billion for Second Quarter 2013

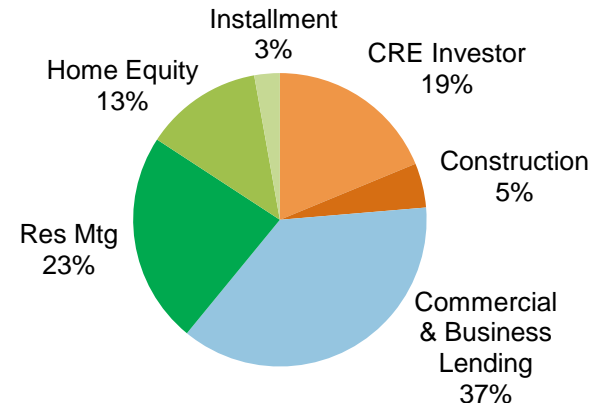
## Average Quarterly Loans (\$ in billions)



## 2Q 2013 Average Net Loan Growth of \$280 million (\$ balances in millions)



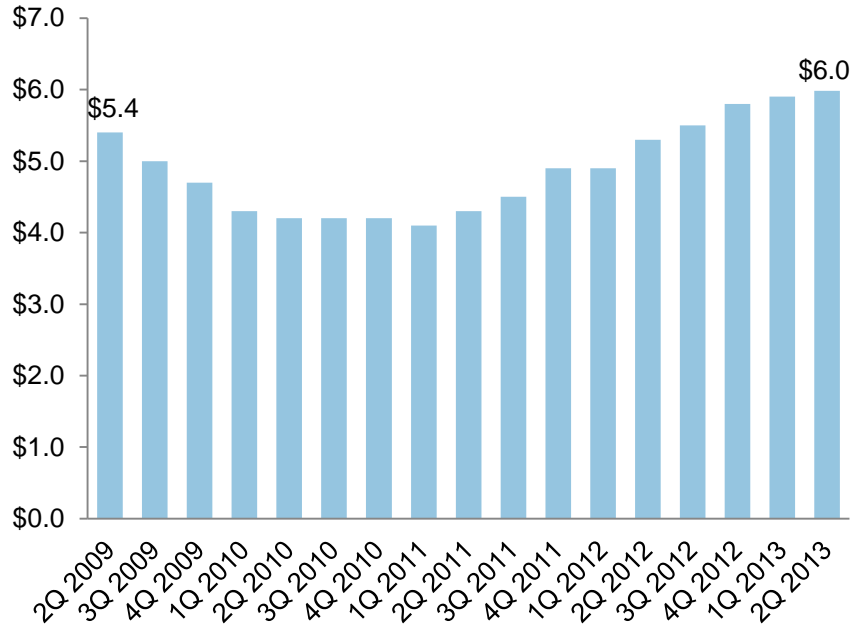
## Loan Mix – 2Q 2013 (Average)



# REBUILDING COMMERCIAL & BUSINESS LENDING

## Commercial & Business Lending Loans

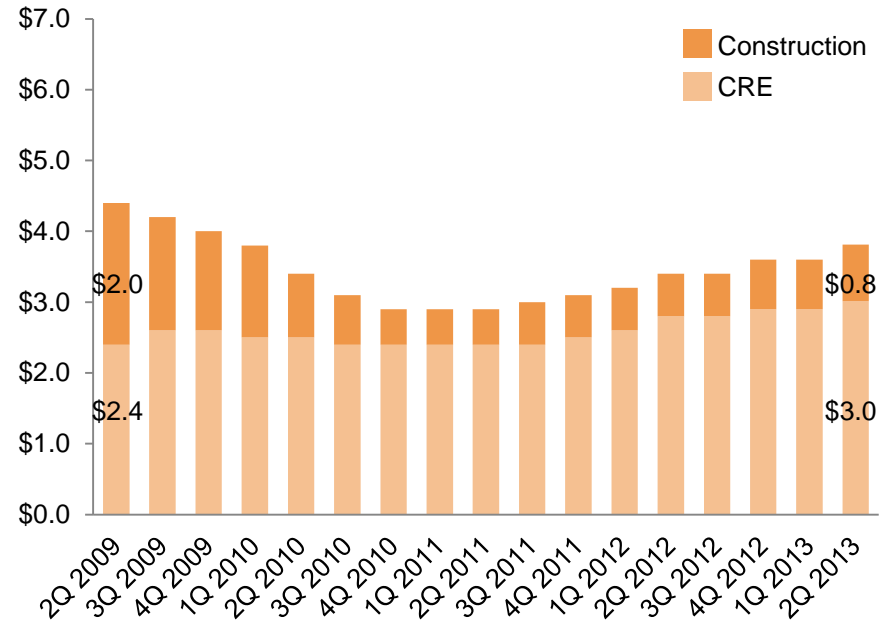
(\$ in billions)



- Restored C&I lending efforts over the past two years
- Currently above previous C&B loan peak of \$5.8b in Q1 2008.

## Commercial Real Estate Lending Loans

(\$ in billions)



- Refocused CRE efforts to emphasize in-footprint & lower risk asset classes
- Added CRE teams in Michigan, Indiana, and Ohio in 2012 to provide better regional diversification to the portfolio

# BRANCH STRATEGY

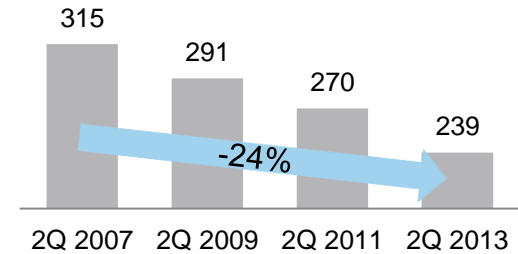
## Refine Footprint

- Footprint Project – 60% complete. Began in 2011.



## Rationalize Footprint

- Consolidated 24% of branches since 2007.

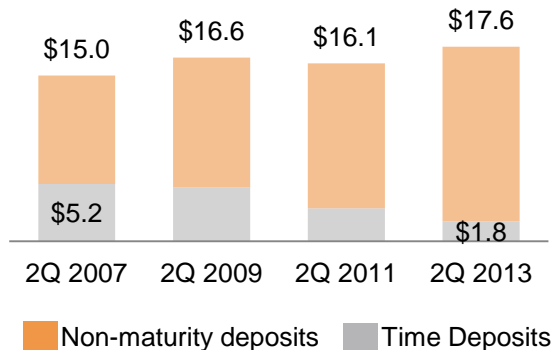


## Retain Relationships

- Grow deposits

### Deposits & Customer Funding

(\$ in billions)



## Reinvigorate Model

- Leverage technology solutions for service.

### Lower Cost Branch Concepts





# PURSUING EFFICIENCY GAINS

## Real Estate Initiatives:

- *Actions to optimize our real estate holdings and capacity*
- 2013 – Consolidated Corporate offices in Green Bay (6 buildings) and Chicago (3 buildings)



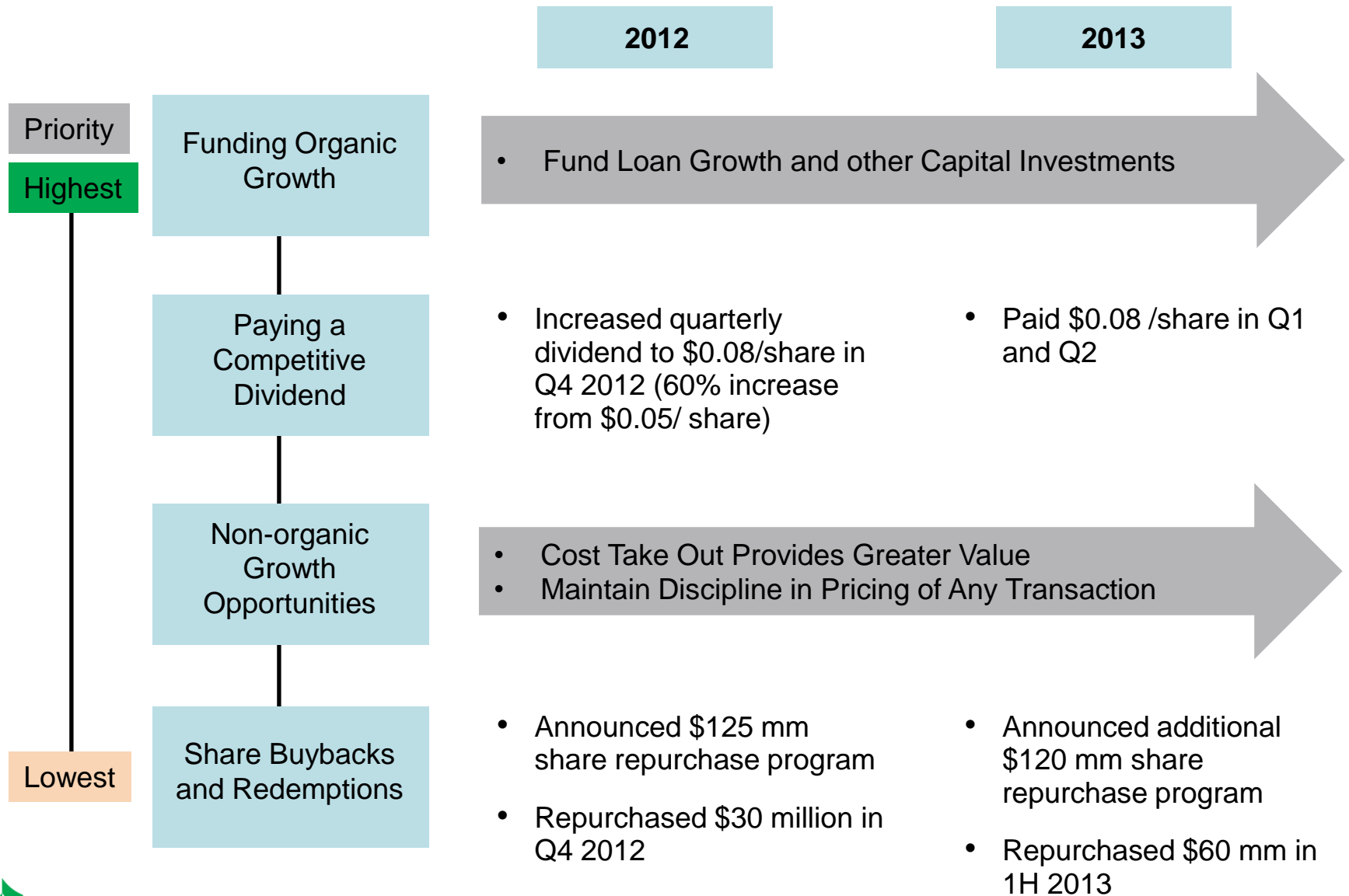
## Back Office Initiatives:

- *Implementing technology solutions in labor intensive processes*
- 2013 - Commercial loan system with end to end processing

## Project Pathway Benefits:

Time to Market	Workflow Management	Audit Trail
Data Quality	Customer Relationship	Automation
Colleague Engagement	Reporting & Analytics	Compliance Enforcement

# CAPITAL MANAGEMENT PRIORITIES



# 2013 SECOND HALF OUTLOOK

## Growing the Franchise & Creating Long-Term Shareholder Value

### Loan Trends

- Quarterly loan growth of 1 – 2%.
- Continued disciplined loan pricing

### Expenses

- Flat year-over-year
- Reduced regulatory costs offset by continued franchise investments

### Deposit Trends

- Continued disciplined deposit pricing
- Sustained focus on treasury management solutions to drive growth in commercial deposits

### Footprint

- Continuing to invest in our branches while optimizing our network
- Complete Green Bay and Chicago corporate office consolidations

### NIM

- Continued compression over the second half of the year

### Credit

- Modest improvement in credit trends
- Provision expense to increase based on quarterly loan growth

### Fee Income

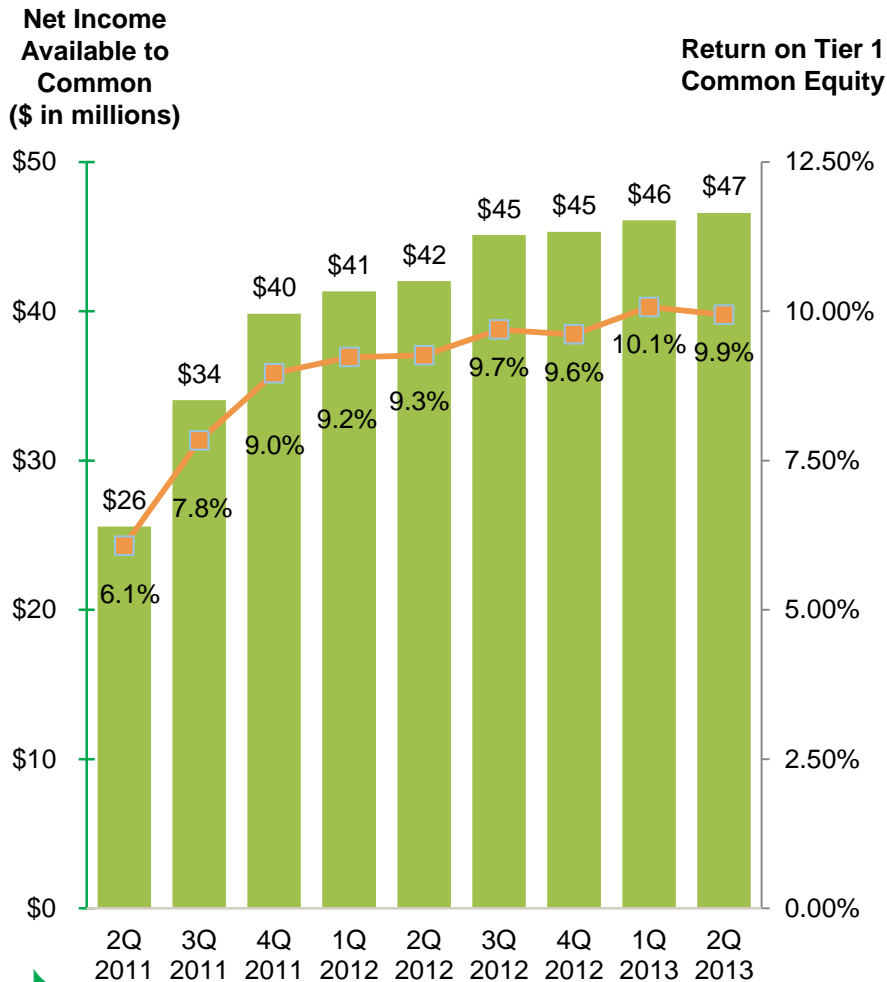
- Modest improvement in core fee-based revenues with lower net mortgage banking revenues

### Capital

- Disciplined focus on deploying capital to drive long-term shareholder value
- \$26 million of 9.25% sub-debt redeemable in October

# WHY ASSOCIATED

## Net Income Available to Common & ROT1CE



## Reasons to Invest

- Leading Midwest Bank Operating in Attractive Markets
- Core Organic Growth Opportunity
- Disciplined Loan and Deposit Pricing & Stable Margin
- Committed to Efficiency Ratio Improvement
- Improving Credit Quality
- Strong Capital Profile & Opportunities for Capital Deployment
- Improving Earnings Profile

**Management Team Focused on Creating Long-Term Shareholder Value**

**QUESTIONS?**