Associated Banc-Corp Investor Presentation

2017

SECOND QUARTER

Associated Bank

ASB LISTED NYSE

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.

Trademarks:

OUR FRANCHISE

First Quarter 2017[1]

$29 billion in assets **$1 billion** revenue[2]

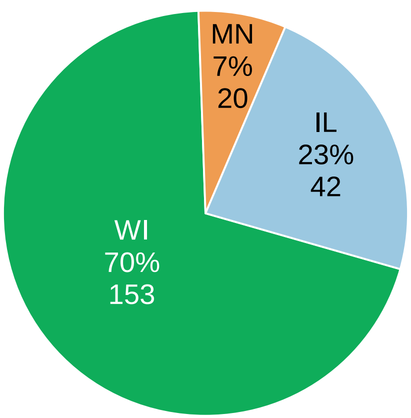
$20 billion of loans **$22 billion** of deposits

Headquartered in Green Bay, Wisconsin

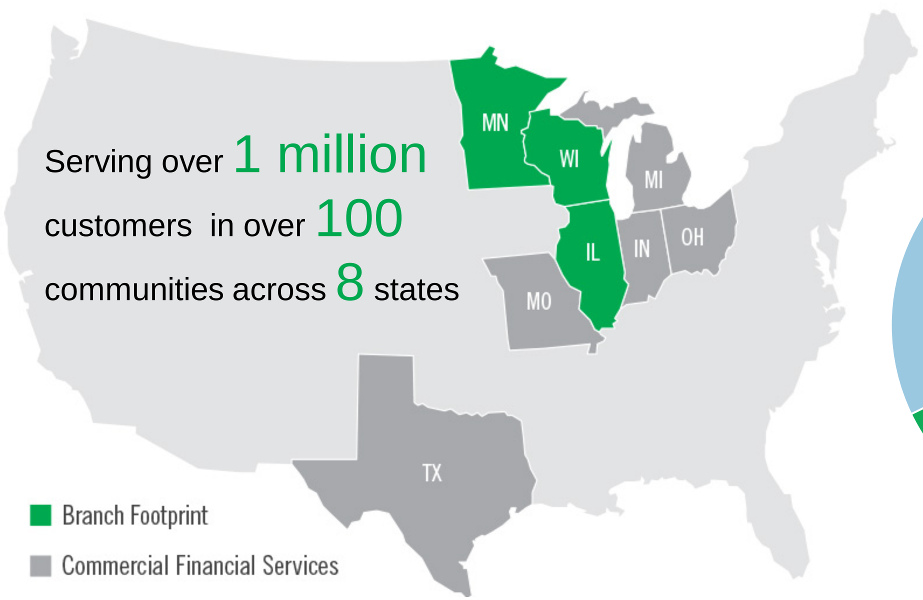
Largest bank headquartered in Wisconsin

Affinity Programs

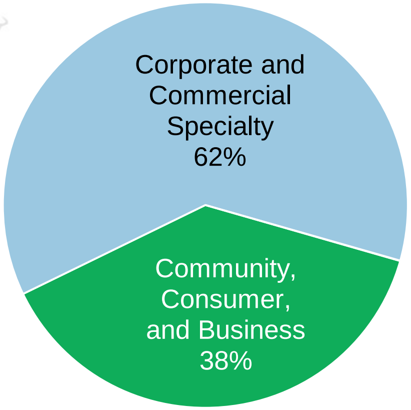
Deposits (%) And Branches



Serving over 1 million customers in over 100 communities across 8 states



1Q17 Net Income by Business Segment

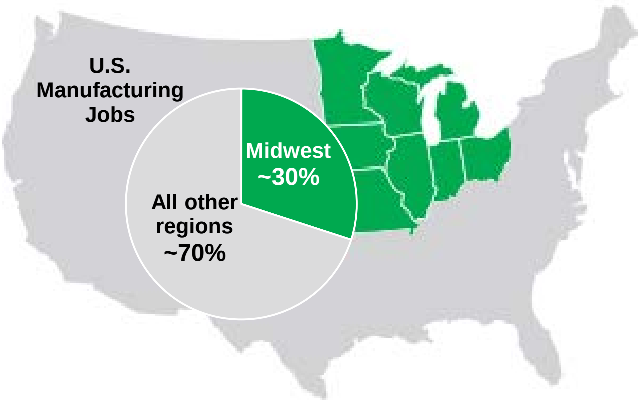


[1] – As of March 31, 2017, unless otherwise noted
[2] – Twelve months ended March 31, 2017

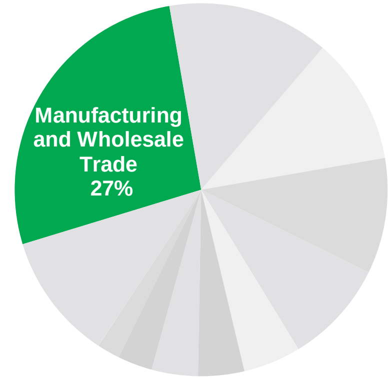
ATTRACTIVE MIDWEST MARKETS

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

Midwest holds ~20% of the U.S. population[1] and ~30% of all U.S. manufacturing jobs[2]

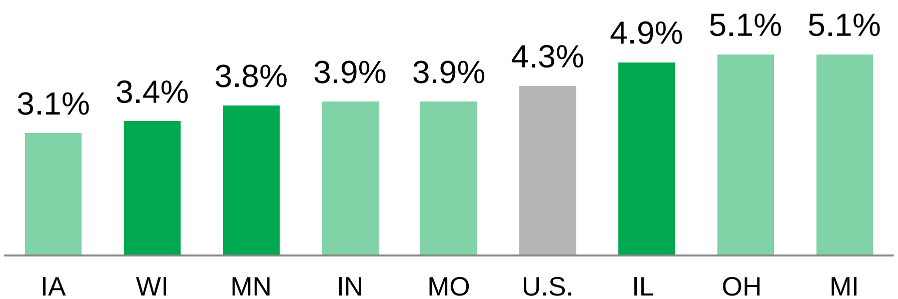


Commercial and Business Lending
Loan Composition by Industry



Supporting Strong Employment Base and Healthy Consumer Credit

Several Midwestern states have unemployment rates[3] below the national average



Dark green bars denote ASB branch states

Top U.S. Cities by Credit Score[4]

Rochester, MN………..	**708**
Mankato, MN………….	**708**
Minneapolis, MN……..	**707**
Green Bay, WI………..	**704**
Wausau, WI…………...	**704**

Green font denotes ASB branch markets

[1] – U.S. Census Bureau, Annual Estimates of the Resident Population, 2016
[2] – U.S. Bureau of Labor Statistics, Manufacturing Industry Employees, seasonally adjusted, March 2017 (preliminary)
[3] – U.S. Bureau of Labor Statistics, Unemployment Rates by State, seasonally adjusted, March 2017 (preliminary)
[4] – Experian, 2016 Annual State of Credit report, VantageScore is a registered trademark

FIRST QUARTER UPDATE

2017 Strategic Priorities

Strengthening Customer Relationships	Delivering on our Strategy	Expanding our Community Presence	Providing Long-Term Value to Shareholders

Balance Sheet Management

	YoY Progress
Mid-to-high single digit annual average loan growth	✓
Maintain Loan to Deposit ratio under 100%	✓
Improving NIM trend	✓

Expense Management

	YoY Progress
Approximately 1% higher than the prior year	✓
Continued improvement to our efficiency ratio	✓

Fee Businesses

	YoY Progress
Improving fee-based revenues	✓
Declining mortgage banking revenue	
Increasing tax credit investment activity	✓

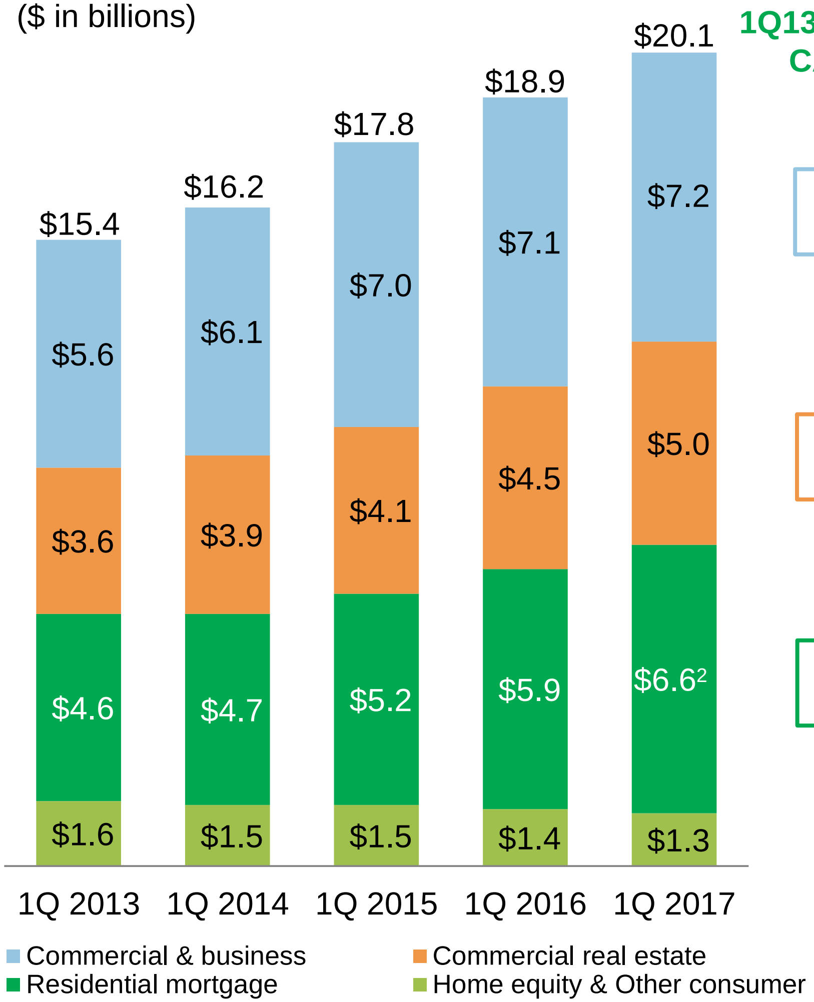
Capital & Credit Management

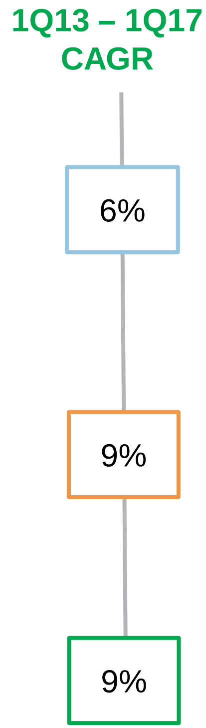
	YoY Progress
Continue to follow stated corporate priorities for capital deployment	✓
Provision expected to adjust with changes to risk grade, other indications of credit quality, and loan volume	✓

POSITIONED FOR LOAN GROWTH

Average Quarterly Loans

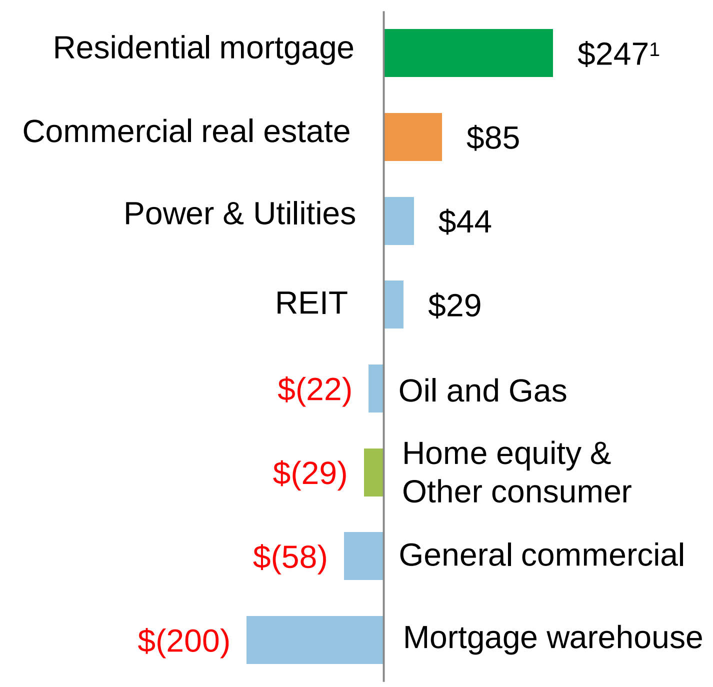
($ in billions)





QoQ Average Loan Growth, $ in millions

Net QoQ Growth: +$96 million

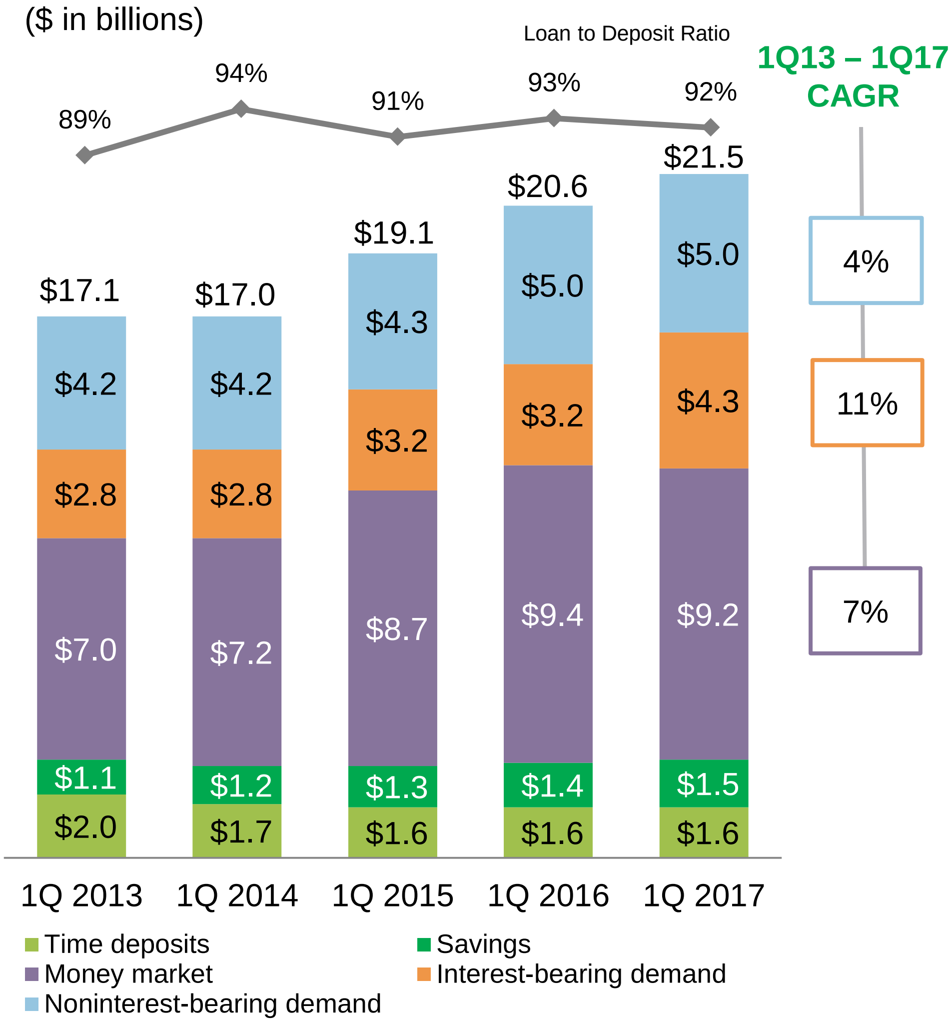


2Q 2017: Expected to exceed 1Q growth

[1] – 60% of 1Q residential mortgage loan growth was in longer-dated production. Percentage based on change in period end composition
[2] – $2.0 billion of the total residential mortgage portfolio was comprised of fixed-rate loans. Amount based on change in period end composition

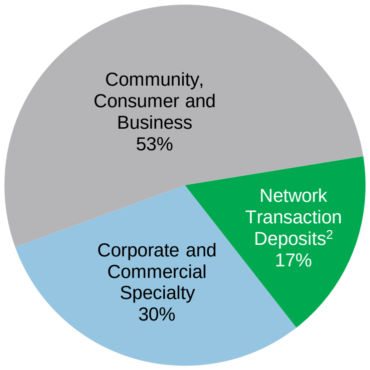
POSITIONED FOR DEPOSIT GROWTH

Average Quarterly Deposits

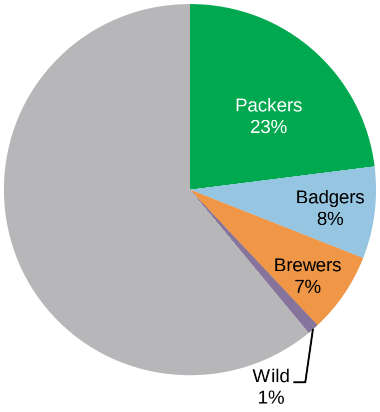


Focused on Granular Low Cost Deposits

Deposits by Segment[1]



Affinity Debit Cards[3]

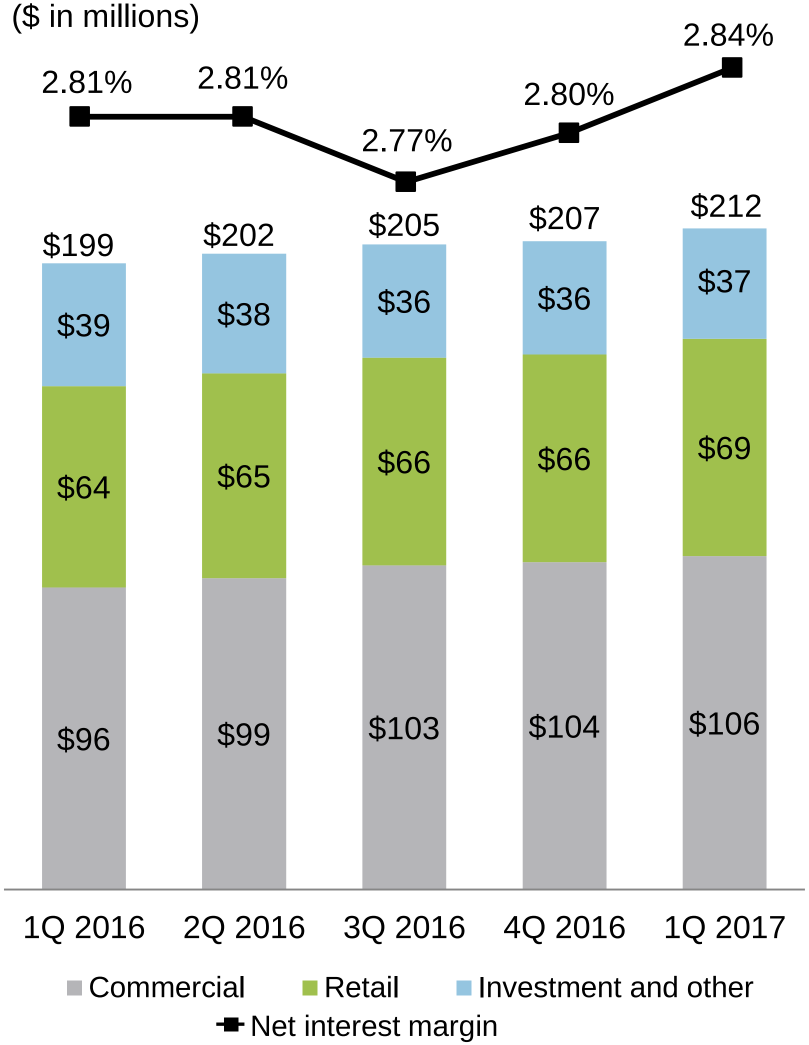


[1] – Percentages based on first quarter 2017 average balances
[2] – Network transaction deposits comprise substantially all of the Risk Management and Shared Services segment balances
[3] – Affinity debit cards as a percentage of active personal checking accounts, as of March 31, 2017

POSITIONED FOR HIGHER INTEREST RATES

IMPROVING MARGIN AND ASSET SENSITIVE PROFILE

Interest Income & Net Interest Margin

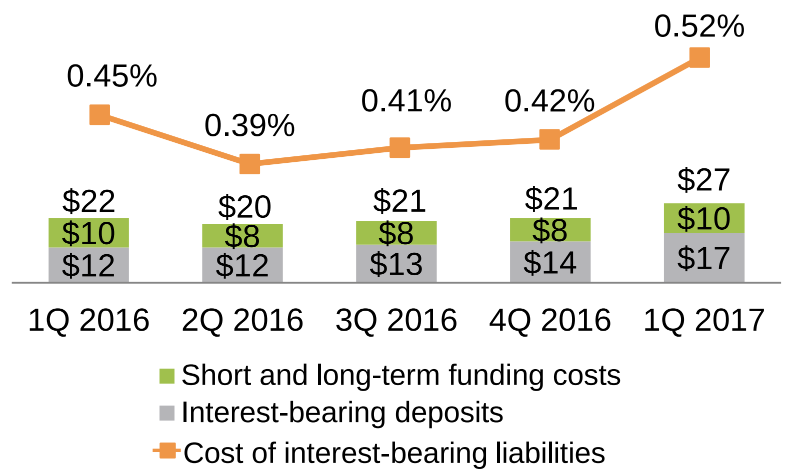


YoY Interest Expense Change -$5 million

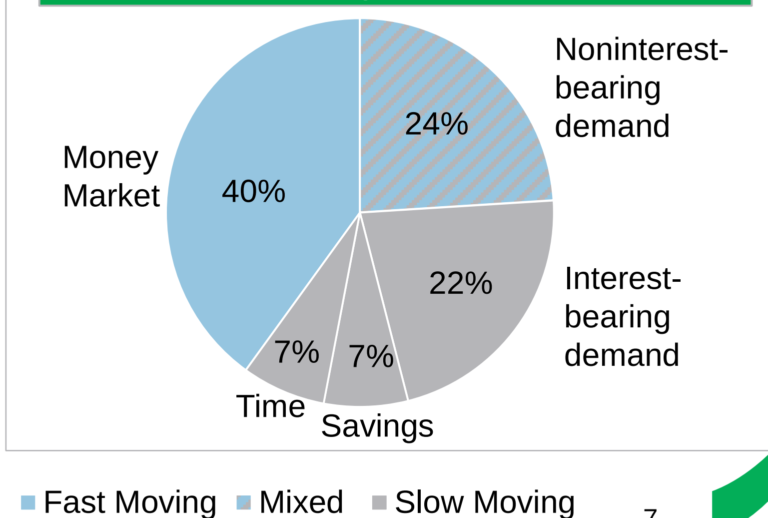
NII YoY Change +$8 million

YoY Interest Income Change +$13 million

Interest Expense



Deposit Repricing Mix[1]

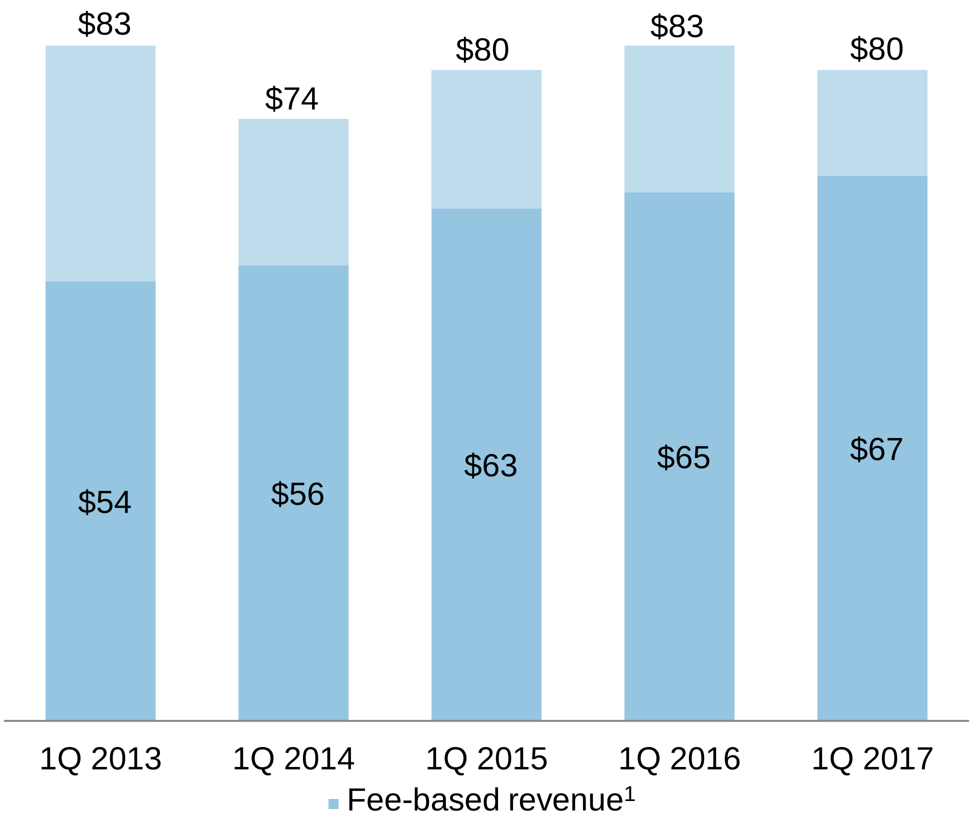


[1] – Deposit mix as of March 31, 2017

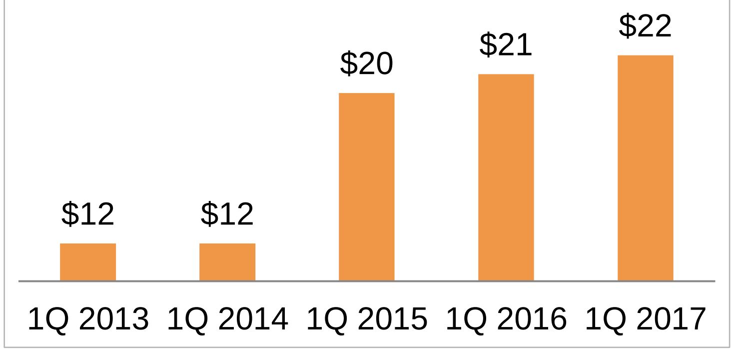
GROWING AND DIVERSIFIED BUSINESS MODEL

Noninterest Income

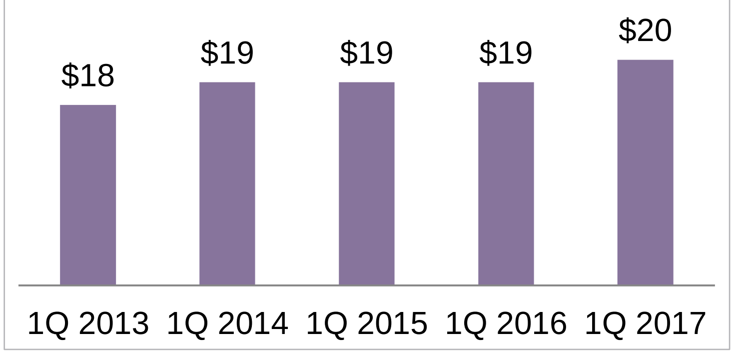
($ in millions)



Strong Insurance Commissions Growth Driven by 2015 Acquisition



Robust Capital Markets, Trust and Investments Solutions

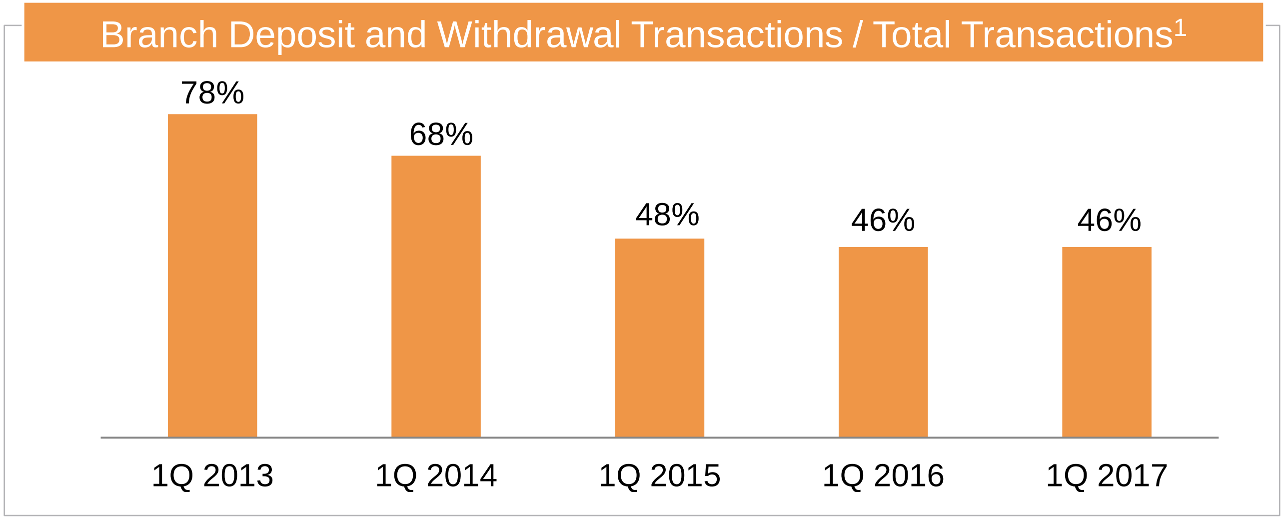


[1] – A non-GAAP financial measure, fee-based revenue is the sum of trust service fees, service charges on deposit accounts, card-based and other nondeposit fees, insurance commissions, and brokerage and annuity commissions. Please refer to the appendix for a reconciliation of fee-based revenue to total noninterest income.

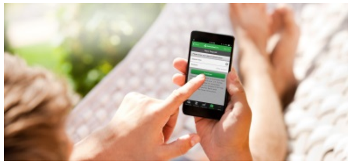
INCREASING DISTRIBUTION EFFICIENCY

LESS BRANCH CENTRIC; MORE MOBILE AND ENHANCED 24/7 ACCESS

Over 90% of our Corporate Banking customers' deposit activity[1] is executed via lockbox or remote deposit



Only 46% of all deposit and withdrawal activity[1] is occurring inside our branches



Almost 60% of customers are active in online banking[2]

Over 30% of consumer deposit customers use mobile banking

27% increase in SnapDeposit activity from 1Q16[2]

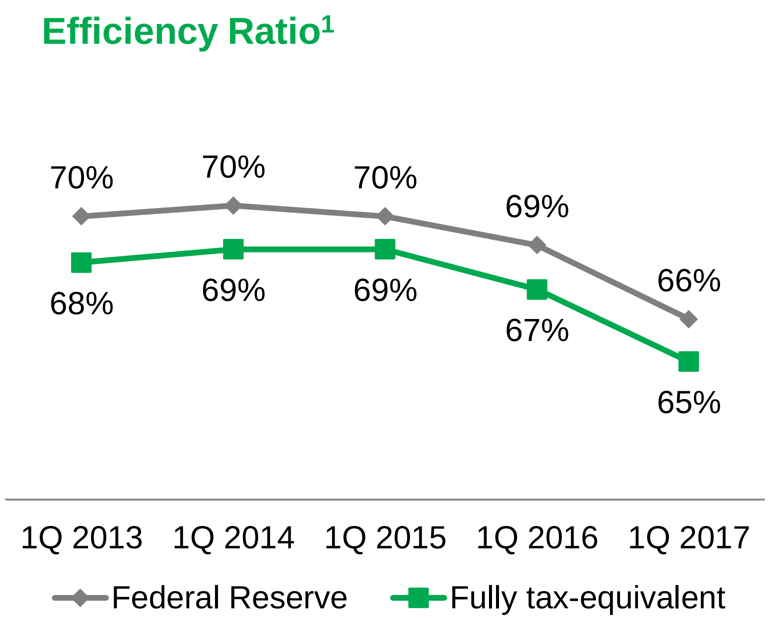
[1] – Excludes ACH and wire transfer activity, for the quarter ended March 31, 2017
[2] – Based on consumer deposit customers , for the quarter ended March 31, 2017

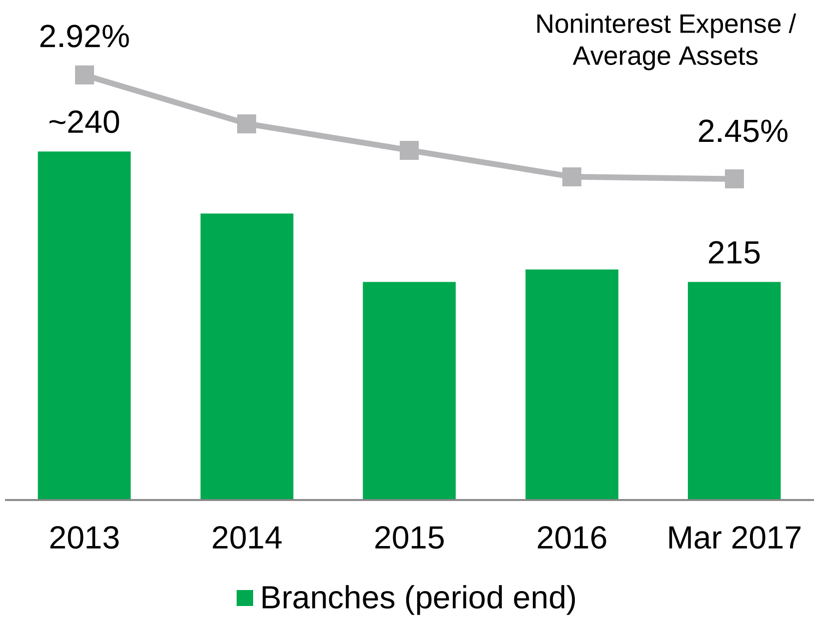
OVERALL EXPENSE EFFICIENCY

AUTOMATION AND INVESTMENTS ARE DRIVING BETTER EFFICIENCY OVER TIME

Efficiency Drivers

Enhanced Automation	Operational Efficiencies	Branch Consolidations	Branch Staffing Initiatives





[1] – The efficiency ratio as defined by the Federal Reserve guidance is noninterest expense (which includes the provision for unfunded commitments) divided by the sum of net interest income plus noninterest income, excluding investment securities gains / losses, net. The fully tax-equivalent efficiency ratio, which is a non-GAAP financial measure, is noninterest expense (which includes the provision for unfunded commitments), excluding other intangible amortization, divided by the sum of fully tax-equivalent net interest income plus noninterest income, excluding investment securities gains / losses, net. Refer to the appendix for a reconciliation of the Federal Reserve efficiency ratio to the fully tax-equivalent efficiency ratio.

IMPROVING CAPITAL EFFICIENCY

Capital Priorities

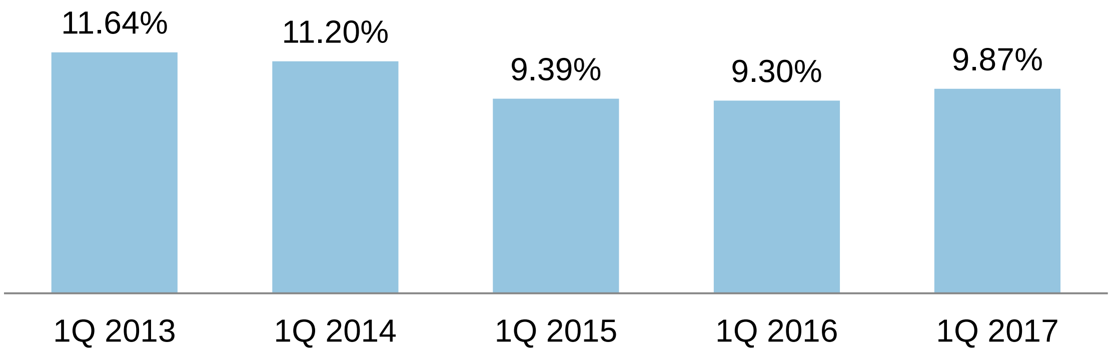
Funding Organic Growth

Paying a Competitive Dividend

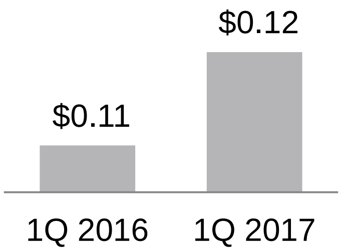
Non-Organic Growth Opportunities

Share Buybacks and Redemptions

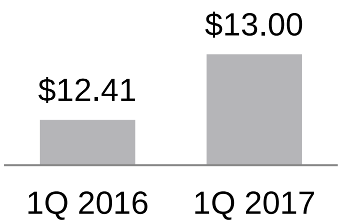
Common Equity Tier 1[1] Ratio



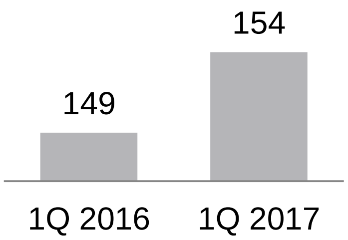
Dividends per Common Share



Tangible Book Value per Common Share



Average Common Shares Outstanding Diluted
(in millions)

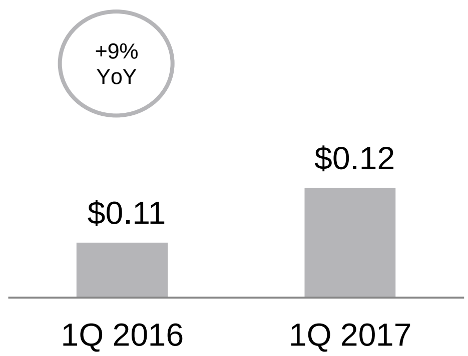


[1] – Beginning January 1, 2015, the regulatory capital requirements effective for the Corporation follow Basel III, subject to certain transition provisions, and introduced a new regulatory measure of CET1. Prior to 2015, the regulatory capital requirements effective for the Corporation followed the Capital Accord of the Basel Committee on Banking Supervision ("Basel I"). CET1 prior to the Basel III requirements was calculated as Tier 1 capital excluding qualifying perpetual preferred stock and qualifying trust preferred securities. Refer to the appendix for a reconciliation of common equity Tier 1.

EXPANDING BOTTOM LINE

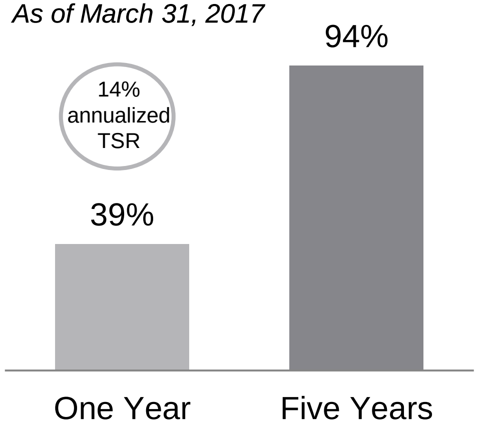
Earnings Per Share

Dividends

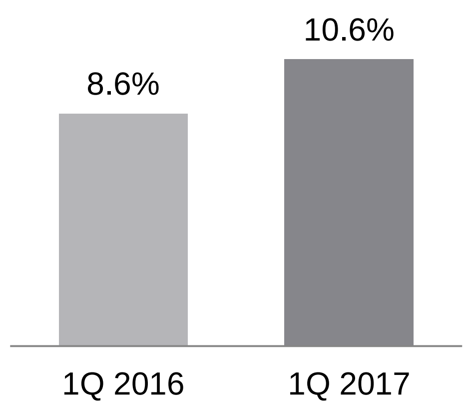


Shareholder Gain

As of March 31, 2017



Return on Average Common Equity Tier 1[1]



Exceptional Value

"We've shaped our success around a shared vision to become the Midwest's premier financial services company, distinguished by consistent, quality customer experiences, built upon a strong commitment to our colleagues and the communities we serve, resulting in **exceptional value** to our shareholders through economic cycles."

[1] – Refer to the appendix for a reconciliation of average common equity Tier 1

2017 OUTLOOK

This outlook reflects a stable to improving economy and includes our expectation of one mid-year interest rate increase in 2017. It does not reflect any changes to the regulatory environment or to corporate tax rates. We may adjust our outlook if, and when, we have more clarity on any one, or more, of these factors.

Balance Sheet Management

- Mid-to-high single digit annual average loan growth
- Maintain Loan to Deposit ratio under 100%
- Improving NIM trend

Expense Management

- Approximately 1% higher than the prior year
- Continued improvement to our efficiency ratio

Fee Businesses

- Improving fee-based revenues
- Declining mortgage banking revenue
- Increasing tax credit investment activity

Capital & Credit Management

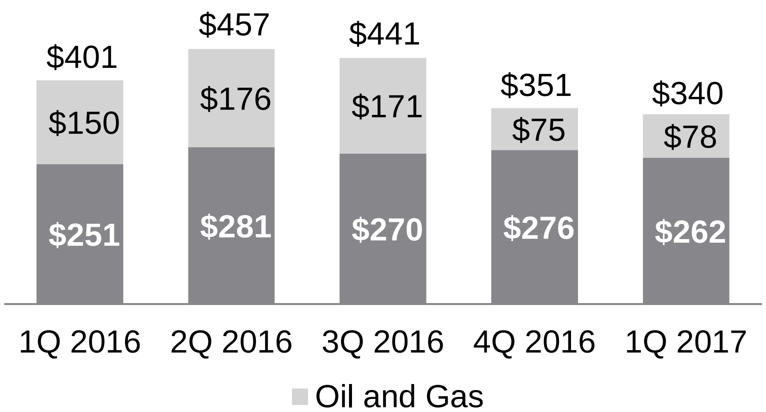
- Continue to follow stated corporate priorities for capital deployment
- Provision expected to adjust with changes to risk grade, other indications of credit quality, and loan volume

APPENDIX

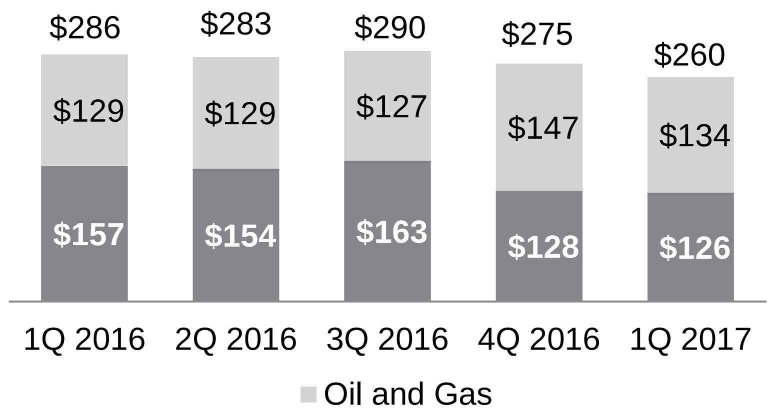
CREDIT QUALITY – QUARTERLY TRENDS

($ IN MILLIONS)

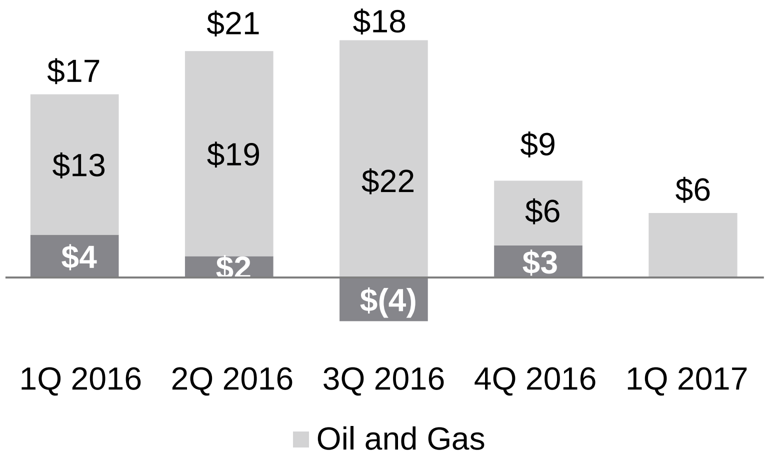
Potential Problem Loans



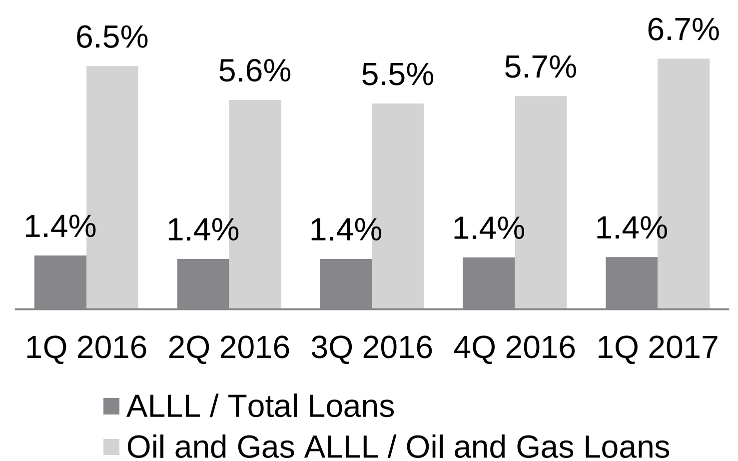
Nonaccrual Loans



Net Charge Offs (Recoveries)

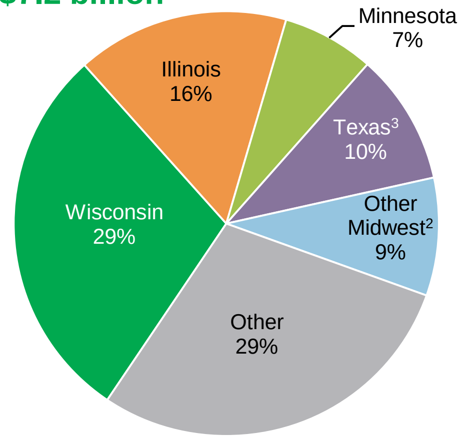


Allowance to Total Loans / Oil and Gas Loans

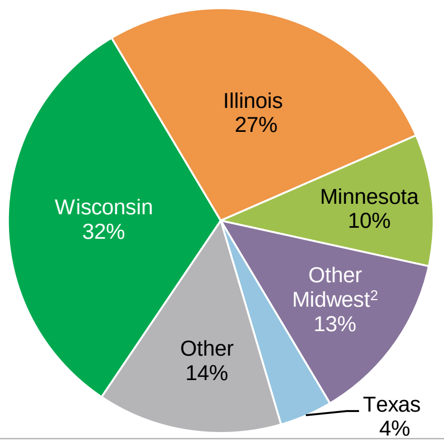


LOANS STRATIFICATION OUTSTANDINGS AS OF MARCH 31, 2017

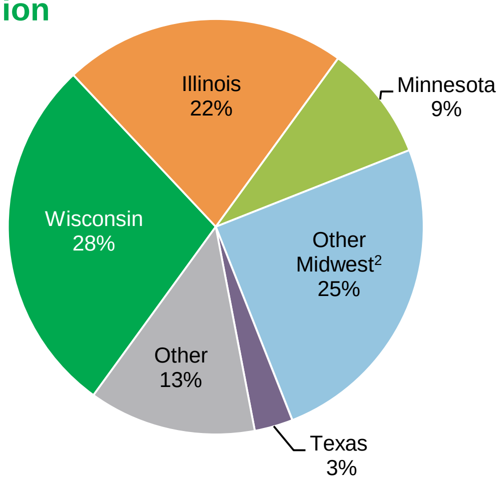
C&BL by Geography
$7.2 billion



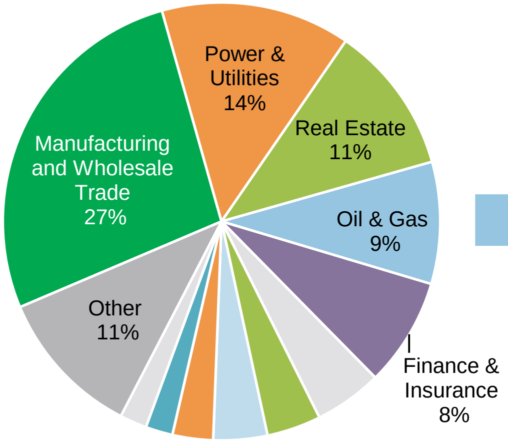
Total Loans[1]



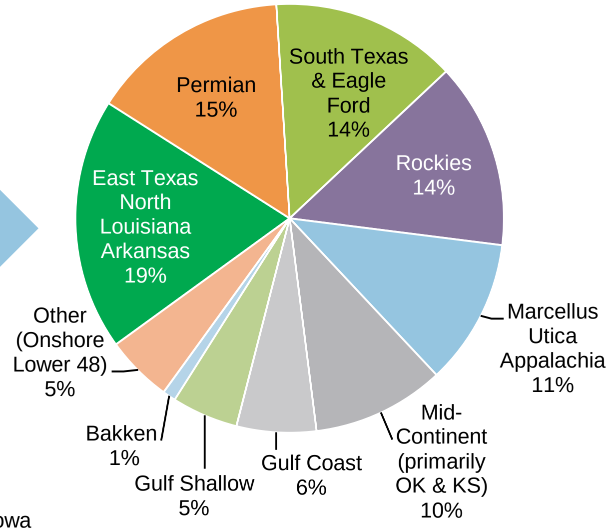
CRE by Geography
$5.0 billion



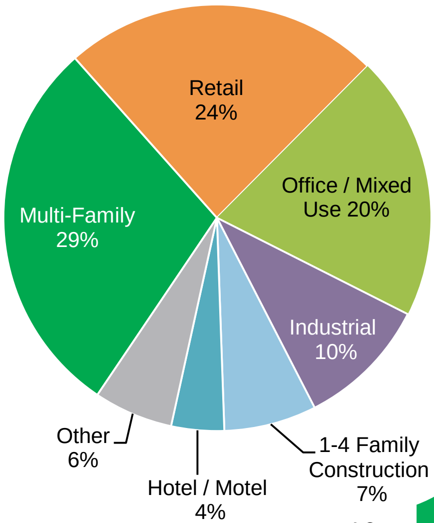
C&BL by Industry
$7.2 billion



Oil and Gas Lending[4]
~$1.0 billion



CRE by Property Type
$5.0 billion

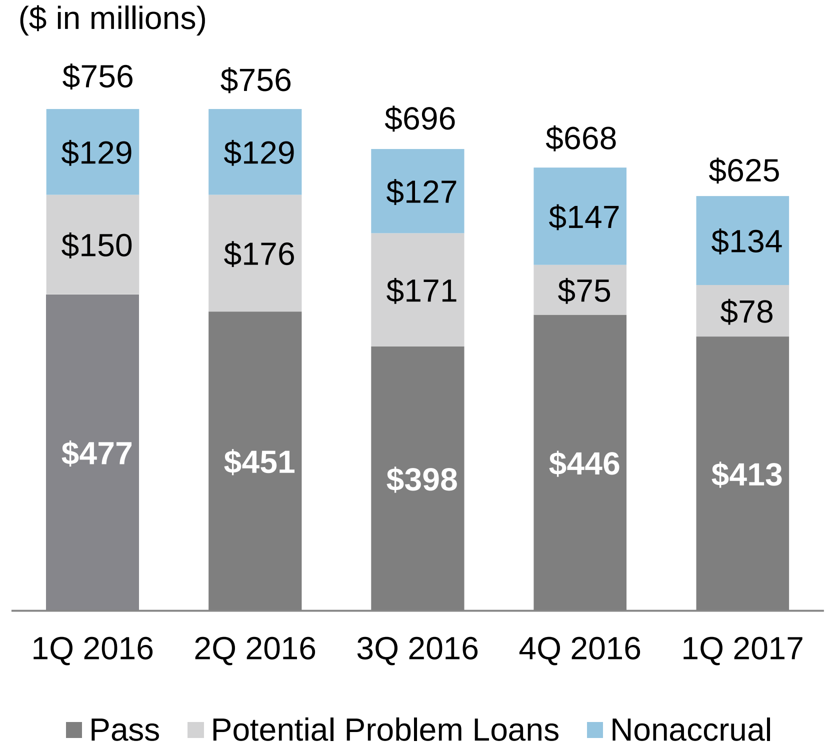


1 – Excludes $0.4 billion Other consumer portfolio
2 – Other Midwest includes Missouri, Indiana, Ohio, Michigan and Iowa
3 – Principally reflects the oil and gas portfolio
4 – Based on outstanding commitments

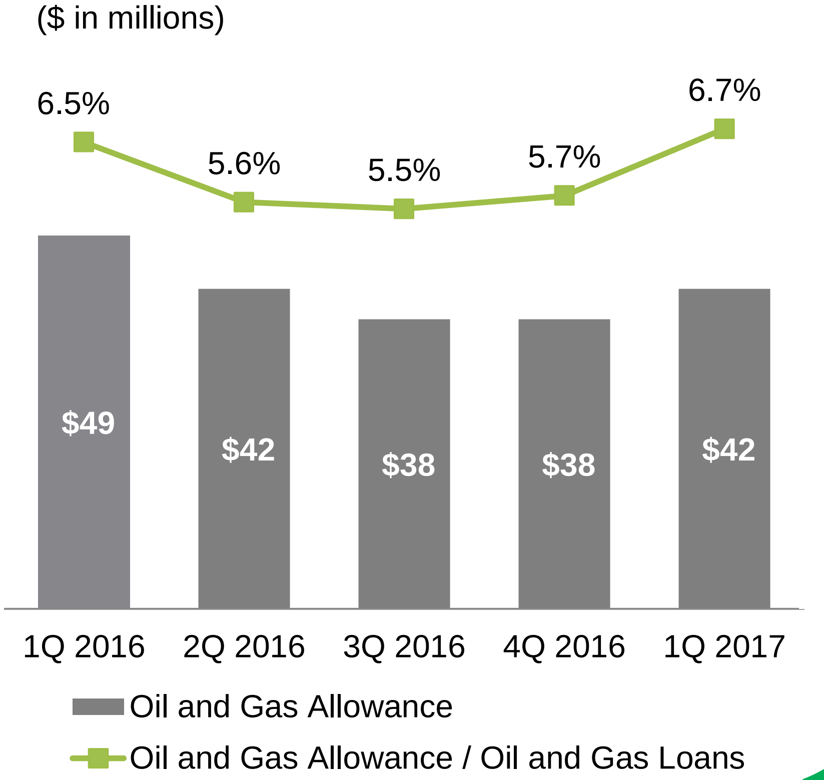
OIL AND GAS UPDATE

Total O&G Portfolio Quarter end March 31, 2017	59 credits	~$1 billion commitments	$625 million outstandings	3% of total loans
New business since January 1, 2016	*15 credits*	*$335 million commitments*	*$207 million outstandings*	*1% of total loans*

Period End Loans by Credit Quality



Oil and Gas Allowance



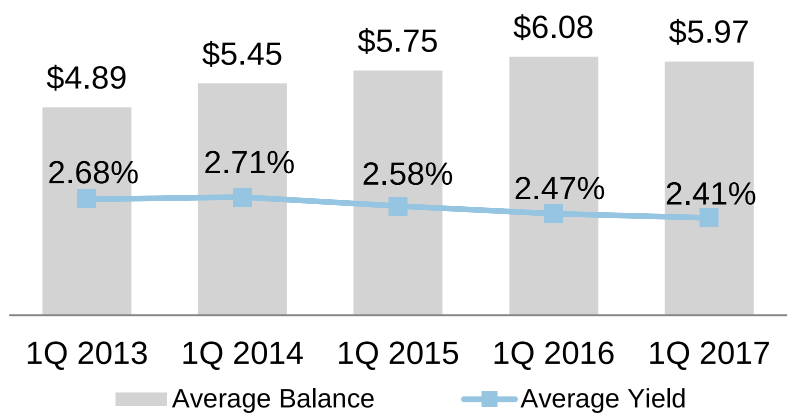
HIGH QUALITY SECURITIES

($ IN BILLIONS)

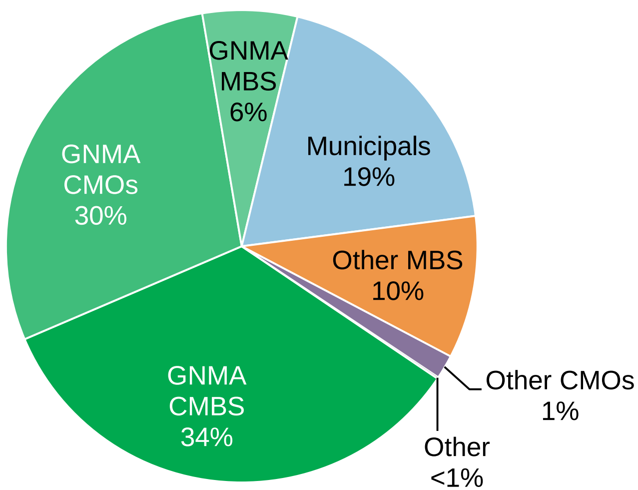
Portfolio Detail *as of March 31, 2017*

Investment Type	Amortized Cost	Fair Value	Duration (Yrs)
GNMA CMBS	$1.99	$1.96	3.36
GNMA MBS & CMOs	2.15	2.12	4.81
Agency & Other MBS & CMOs	0.62	0.63	2.64
Municipals	1.13	1.13	5.69
Other[1]	0.01	0.01	
Strategic Portfolio	$5.90	$5.85	4.25
Membership Stock	0.14	0.14	
Total Portfolio	$6.04	$5.99	

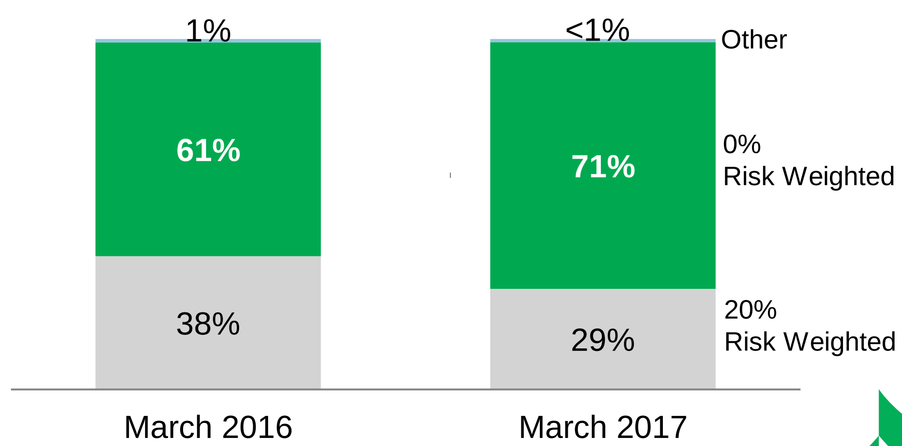
Portfolio and Yield Trends



Fair Value Composition



Risk Weighting Profile



[1] – Includes Corporate, Treasury, and all other

RECONCILIATION AND DEFINITIONS OF NON-GAAP ITEMS

Average Tangible Common Equity and Average Common Equity Tier 1 ($ in millions)	1Q 2013	1Q 2014	1Q 2015	1Q 2016	1Q 2017
Average common equity	$2,850	$2,827	$2,785	$2,849	$2,963
Average goodwill and other intangible assets, net	(944)	(940)	(971)	(989)	(987)
Average tangible common equity	1,906	1,887	1,814	1,860	1,976
Less: Accumulated other comprehensive income / loss	(45)	13	(18)	3	54
Less: Deferred tax assets / deferred tax liabilities, net	(5)	—	8	33	32
Average common equity Tier 1	$1,856	$1,900	$1,804	$1,896	$2,062

Tangible Common Equity and Common Equity Tier 1 ($ in millions)	1Q 2013	1Q 2014	1Q 2015	1Q 2016	1Q 2017
Common equity	$2,873	$2,840	$2,823	$2,862	$2,985
Goodwill and other intangible assets, net	(944)	(939)	(987)	(989)	(987)
Tangible common equity	1,929	1,901	1,836	1,873	1,998
Less: Accumulated other comprehensive income / loss	(43)	11	(25)	(2)	56
Less: Deferred tax assets / deferred tax liabilities, net	(5)	—	27	32	31
Common equity Tier 1	$1,881	$1,912	$1,838	$1,903	$2,085

RECONCILIATION AND DEFINITIONS OF NON-GAAP ITEMS

Efficiency Ratio	1Q 2013	1Q 2014	1Q 2015	1Q 2016	1Q 2017
Federal Reserve efficiency ratio	69.90%	70.46%	70.27%	69.01%	66.39%
Fully tax-equivalent adjustment	(1.46)	(1.35)	(1.42)	(1.37)	(1.30)
Other intangible amortization	(0.42)	(0.42)	(0.32)	(0.20)	(0.20)
Fully tax-equivalent efficiency ratio	68.02%	68.69%	68.53%	67.44%	64.89%

The efficiency ratio as defined by the Federal Reserve guidance is noninterest expense (which includes the provision for unfunded commitments) divided by the sum of net interest income plus noninterest income, excluding investment securities gains / losses, net. The fully tax-equivalent efficiency ratio, which is a non-GAAP financial measure, is noninterest expense (which includes the provision for unfunded commitments), excluding other intangible amortization, divided by the sum of fully tax-equivalent net interest income plus noninterest income, excluding investment securities gains / losses, net. Management believes the fully tax-equivalent efficiency ratio, which adjusts net interest income for the tax-favored status of certain loans and investment securities, to be the preferred industry measurement as it enhances the comparability of net interest income arising from taxable and tax-exempt sources.

Fee-based Revenue ($ millions)	1Q 2013	1Q 2014	1Q 2015	1Q 2016	1Q 2017
Trust service fees	$11	$12	$12	$12	$12
Service charges on deposit accounts	17	16	16	16	16
Card-based and other nondeposit fees	11	12	11	12	13
Insurance commissions	12	12	20	21	22
Brokerage and annuity commissions	3	4	4	4	4
Fee-based revenue	$54	$56	$63	$65	$67
Other	29	18	17	18	13
Total noninterest income	$83	$74	$80	$83	$80