



**Associated
Bank**

Associated Banc-Corp
Investor Presentation

2018

THIRD QUARTER



**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:

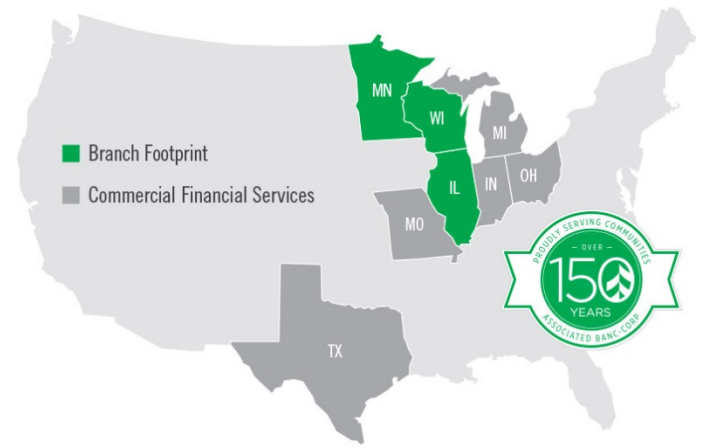
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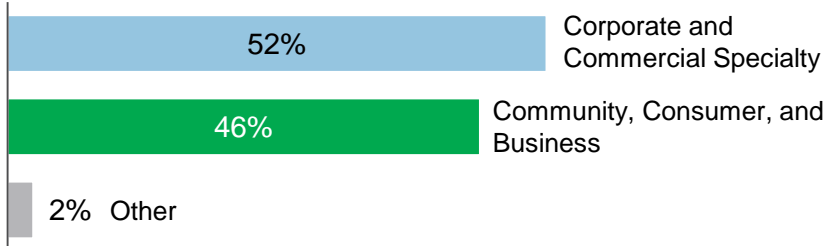
OUR FRANCHISE

Second Quarter 2018

\$34 billion of assets¹ **\$23 billion** of loans¹
Over \$3 billion of equity² **\$24 billion** of deposits¹



YTD 2Q 2018 Average Loans by Business Segment



- Largest bank headquartered in **Wisconsin**³
- Approximately **4,800** employees, servicing over **1 million** customer accounts in **8** states and over **110** communities¹

Affinity Programs



~40%
of active personal checking accounts are affinity related⁴

Contact Center Recognition⁵



FOR THE THIRD YEAR IN A ROW, ASSOCIATED BANK'S CONTACT CENTERS HAVE BEEN RECOGNIZED BY J.D. POWER FOR PROVIDING "AN OUTSTANDING CUSTOMER SERVICE EXPERIENCE" FOR THE LIVE PHONE CHANNEL.

¹As of June 30, 2018

²Common equity as of June 30, 2018

³Based on assets

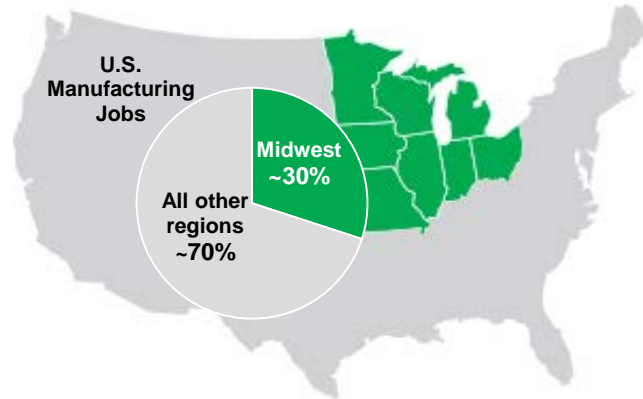
⁴Affinity debit cards as a percentage of active personal checking accounts, as of June 30, 2018

⁵J.D. Power 2017 Certified Contact Center ProgramSM recognition is based on successful completion of an audit and exceeding a customer satisfaction benchmark through a survey of recent servicing interactions. For more information, visit www.jdpower.com/cc

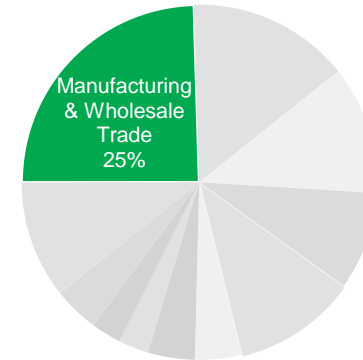
ATTRACTIVE MIDWEST MARKETS

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

Midwest holds ~20% of the U.S. population¹ and nearly 30% of all U.S. manufacturing jobs²

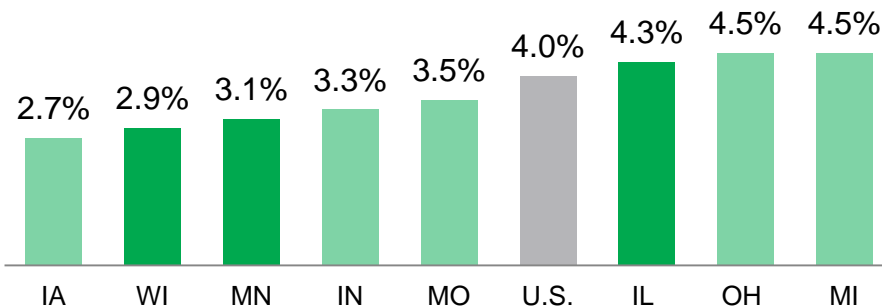


Commercial and Business Lending ASB Loan Composition by Industry



Supporting Strong Employment Base and Healthy Consumer Credit

Several Midwestern states have unemployment rates³ well below the national average:



Dark green bars denote ASB branch states

Select ASB Metro Market Unemployment Rates⁴

Madison, WI.....	2.1%
Wausau, WI.....	2.5%
Rochester, MN.....	2.5%
Green Bay, WI.....	2.6%
Minneapolis – St. Paul, MN.....	2.7%

¹U.S. Census Bureau, Annual Estimates of the Resident Population for the United States, States, and Puerto Rico: April 1, 2010 to July 1, 2017

²U.S. Bureau of Labor Statistics, Manufacturing Industry Employees, seasonally adjusted, June 2018 (preliminary)

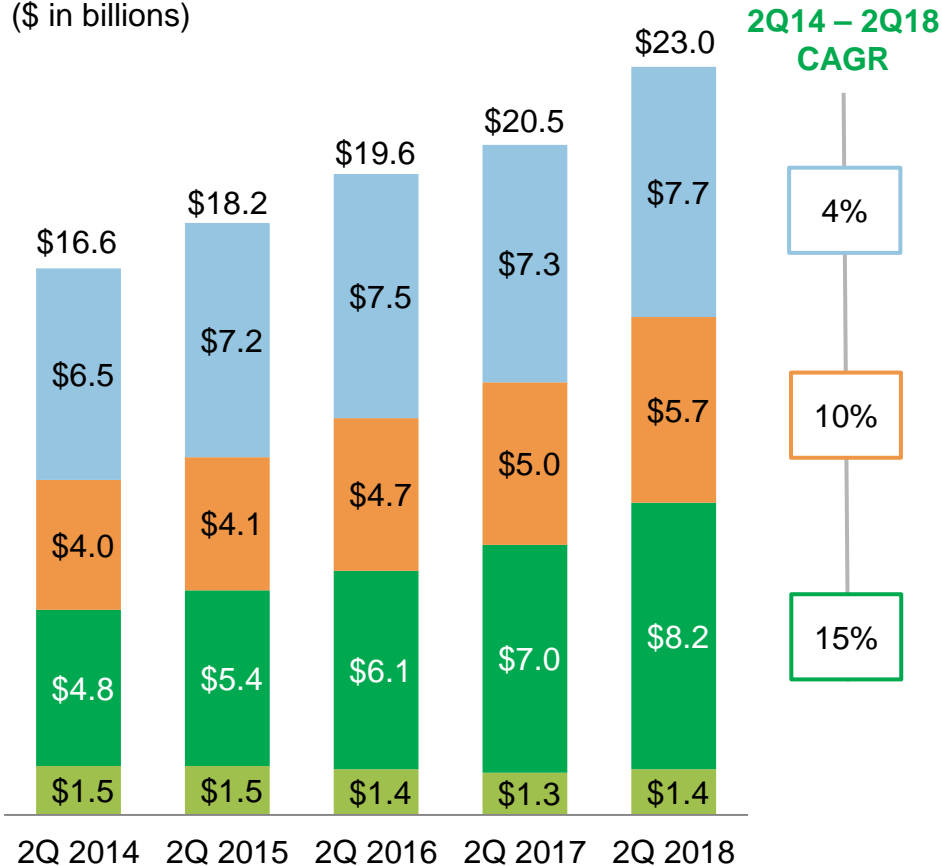
³U.S. Bureau of Labor Statistics, State Employment and Unemployment, seasonally adjusted, June 2018 (preliminary)

⁴U.S. Bureau of Labor Statistics, Civilian labor force and unemployment by metropolitan area, seasonally adjusted, May 2018

LOAN GROWTH TRENDS

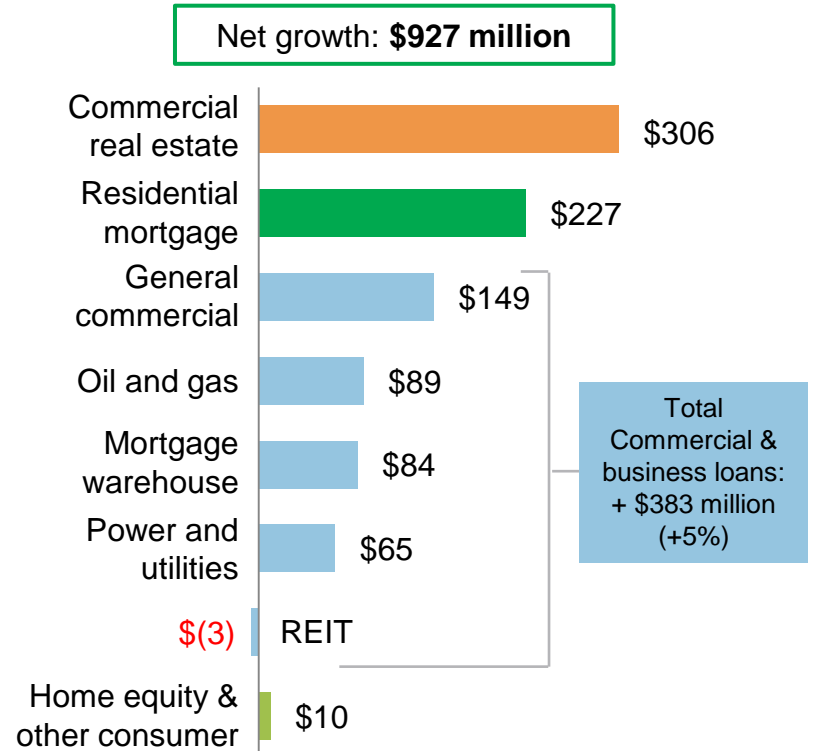
Average Quarterly Loans

(\$ in billions)



Average Loan Growth¹

(\$ in millions)



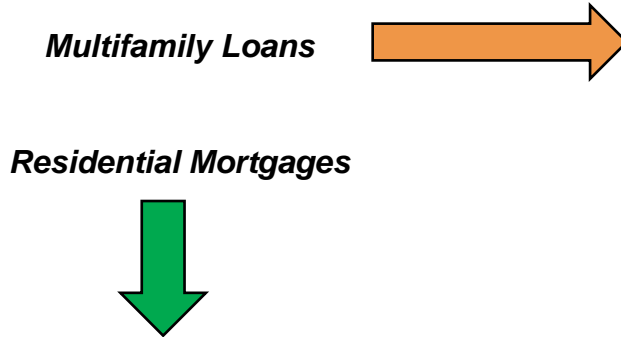
Commercial & business Commercial real estate Residential mortgage Home equity & other consumer

¹Growth from 1Q 2018 to 2Q 2018

MANAGING OUR LOAN PORTFOLIO EXPOSURE

Bank Mutual Additions

The addition of Bank Mutual increased our exposure to:



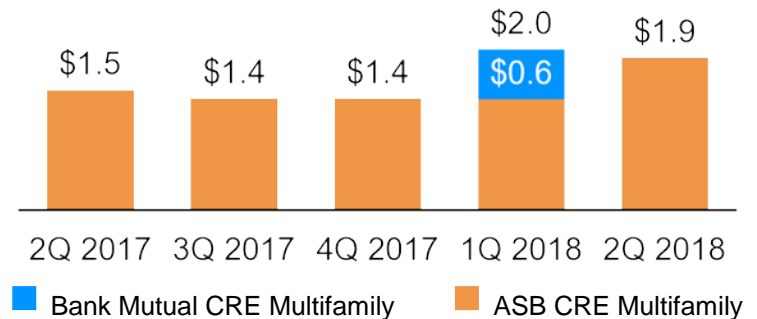
Multifamily Loans

Residential Mortgages

Period End CRE Multifamily Loans

(\$ in billions)

We are moderating our Multifamily exposure...

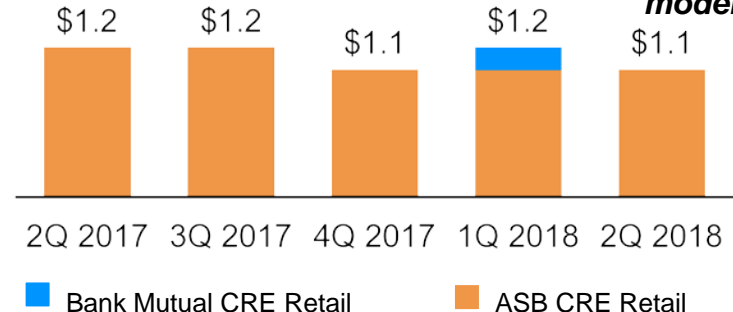


Period End CRE Retail Loans

(\$ in billions)

Bank Mutual had only a modest impact on our CRE Retail exposure...

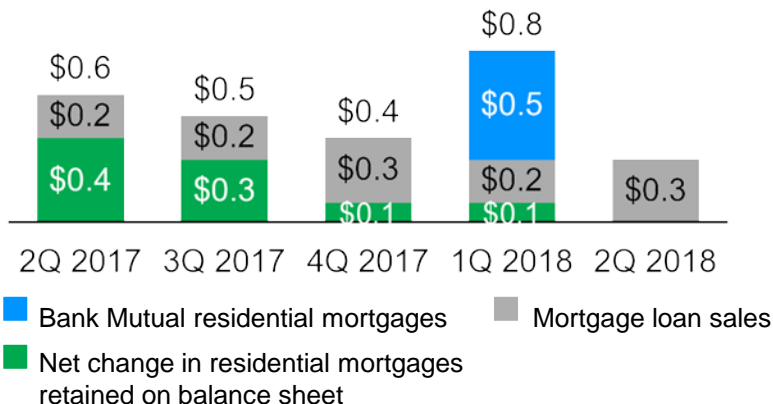
...which we have also been moderating



Net Residential Mortgage Growth and Sales

(\$ in billions)

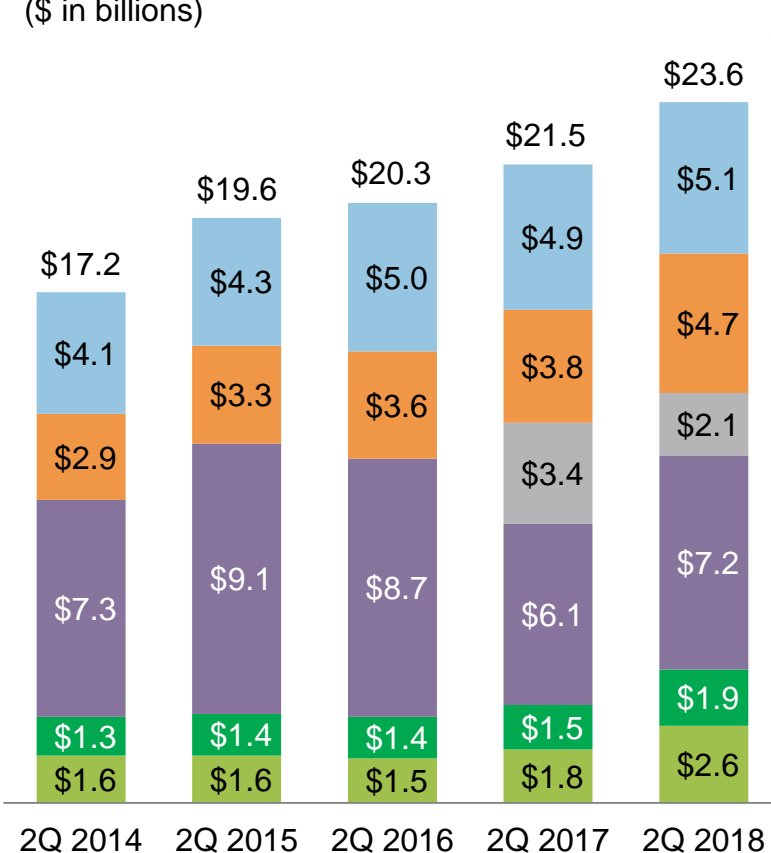
...and managing down growth in Mortgages



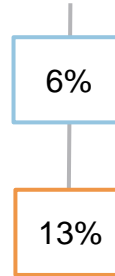
DEPOSIT GROWTH TRENDS

Average Quarterly Deposits

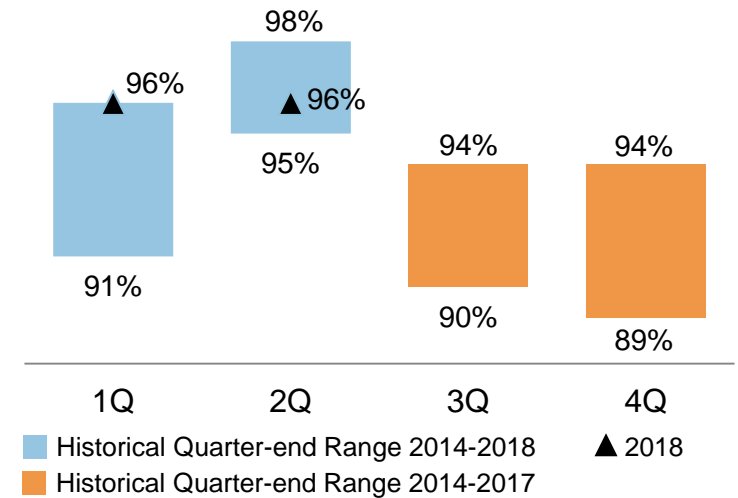
(\$ in billions)



2Q14 – 2Q18
CAGR

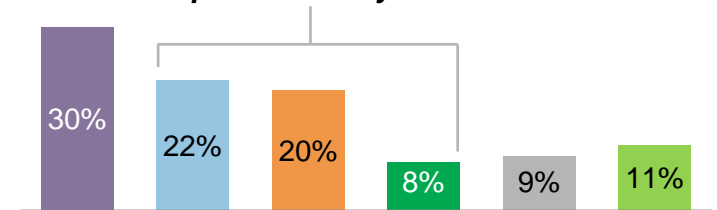


Quarter-end Loan to Deposit Ratio



Low Cost Deposit Mix²

Checking and Savings represent nearly 50%



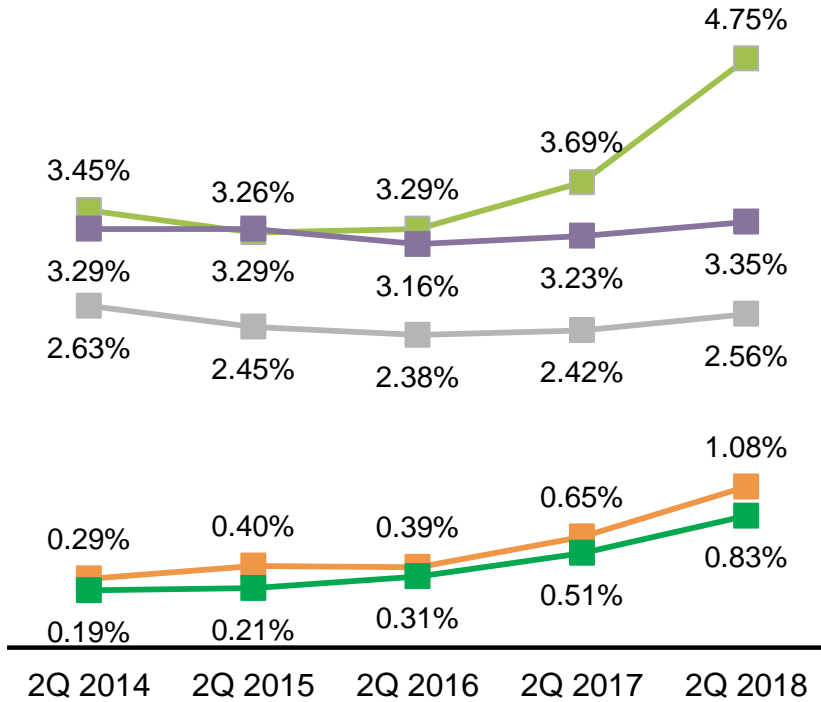
- Time deposits
- Savings
- Money market
- Network transaction dep¹
- Interest-bearing demand
- Noninterest-bearing demand

¹In periods prior to 2Q 2017, network transaction deposits are primarily in money market and interest-bearing demand categories.

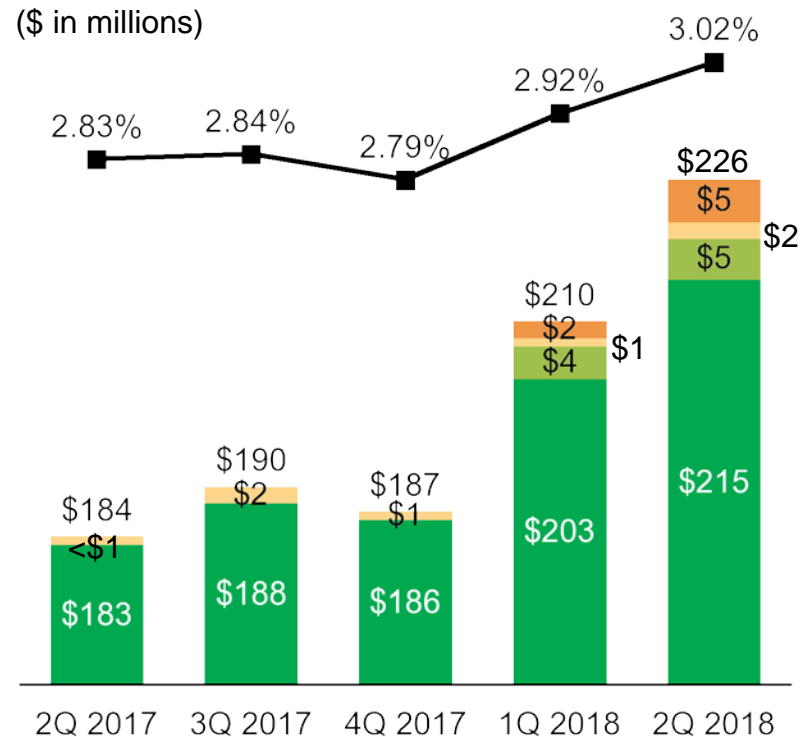
²Percentages based on second quarter 2018 average balances.



NET INTEREST INCOME AND MARGIN - QUARTERLY TRENDS



- Total commercial loans
- Total residential mortgage loans
- Investments and other
- Total interest-bearing liabilities
- Total interest-bearing deposits



- Net interest margin
- Bank Mutual prepayments and other adjustments
- Other prepayments and interest recoveries¹
- Bank Mutual acquisition related purchase loan accretion, net
- Net interest income net of purchased loan accretion, prepayments and interest recoveries

¹Includes recognition of fees and costs upon repayment or refinancing other than Bank Mutual related.



NET INTEREST MARGIN WALKFORWARD AND OUTLOOK

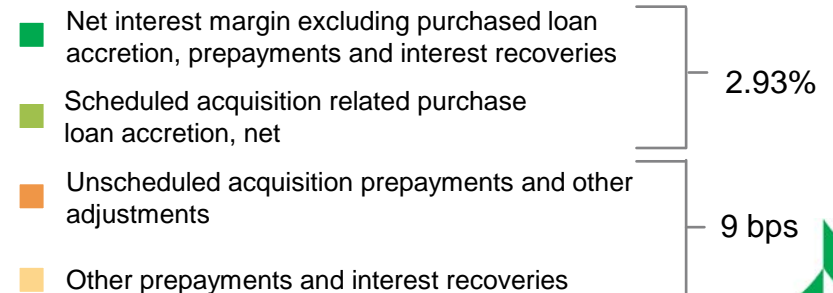
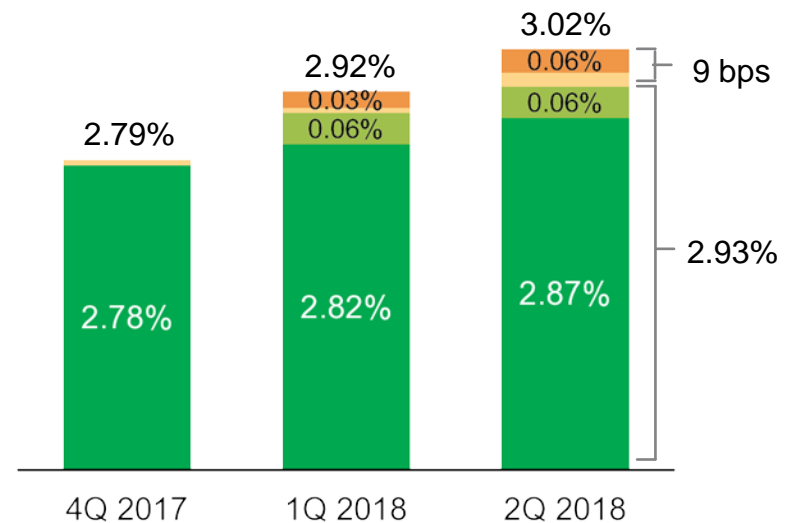
Q1 to Q2 Net Interest Margin Walkforward

1Q 2018 Reported Net Interest Margin	2.92%
+ Net loan growth and funding composition (including Bank Mutual)	~0.06%
+ Bank Mutual purchase loan related items	
Purchased loan accretion	<0.01%
Prepayments and other adjustments	>0.01%
+ Other net changes, including securities portfolio	~0.02%
2Q 2018 Net Interest Margin	3.02%

NIM Outlook

- Poised to benefit from future Fed rate increases
- Accretion expected to moderate over time
- Bank Mutual prepayments generally expected to moderate in the longer term, but may be unpredictable near term

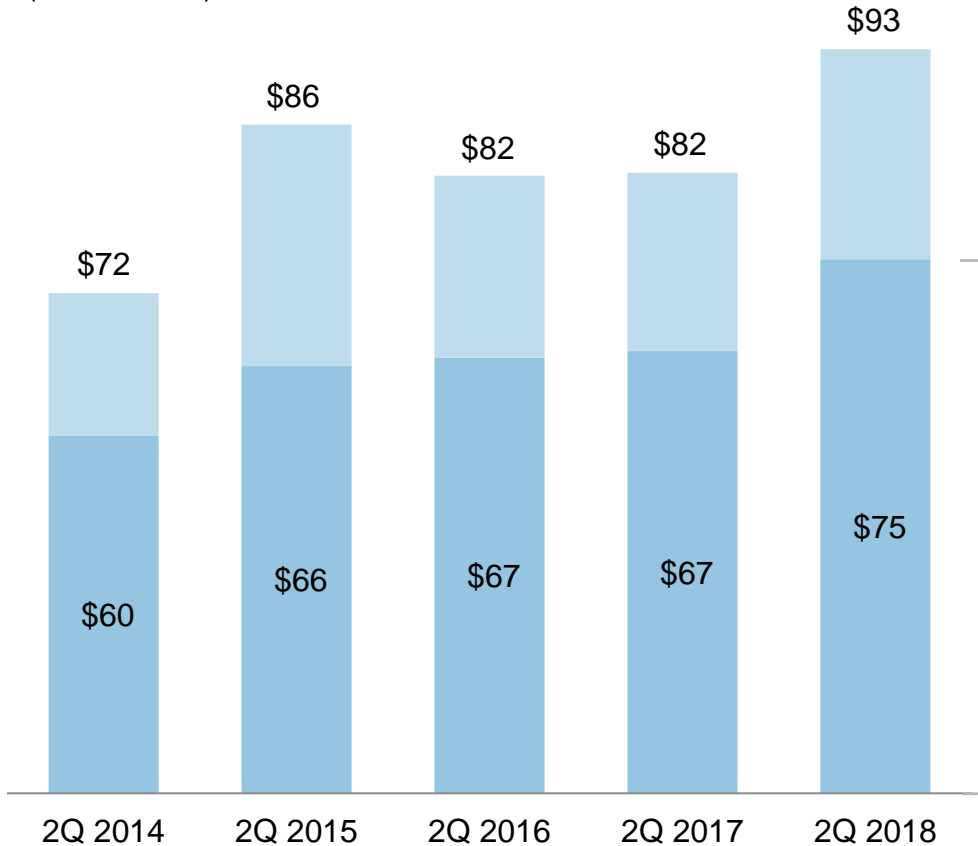
Net Interest Margin Detail



GROWING AND DIVERSIFIED BUSINESS MODEL

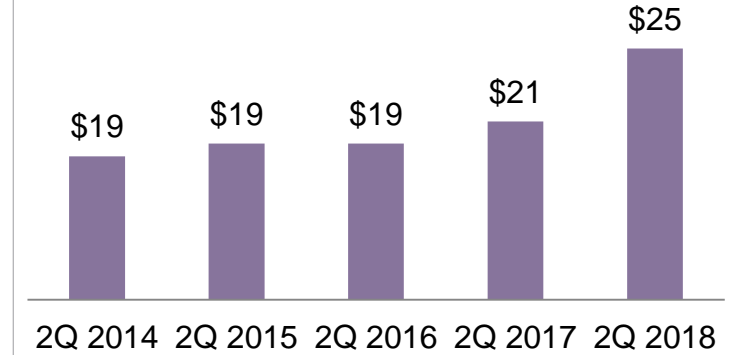
Noninterest Income

(\$ in millions)

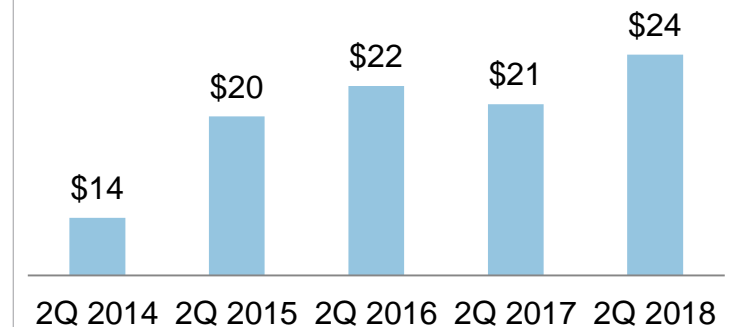


■ Fee-based revenue¹

Robust Capital Markets, Trust and Investments Solutions²



Strong Insurance Commissions Growth Driven by Acquisitions



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

²Capital markets, trust and asset management fees, and brokerage commissions and fees



OVERALL EXPENSE EFFICIENCY

AUTOMATION AND CONSOLIDATIONS ARE DRIVING BETTER EFFICIENCY OVER TIME

Efficiency Drivers

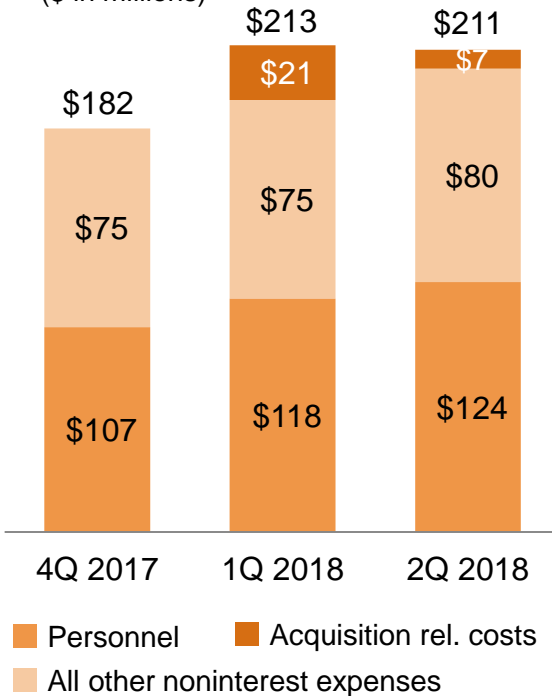
Enhanced Automation

Branch Consolidations

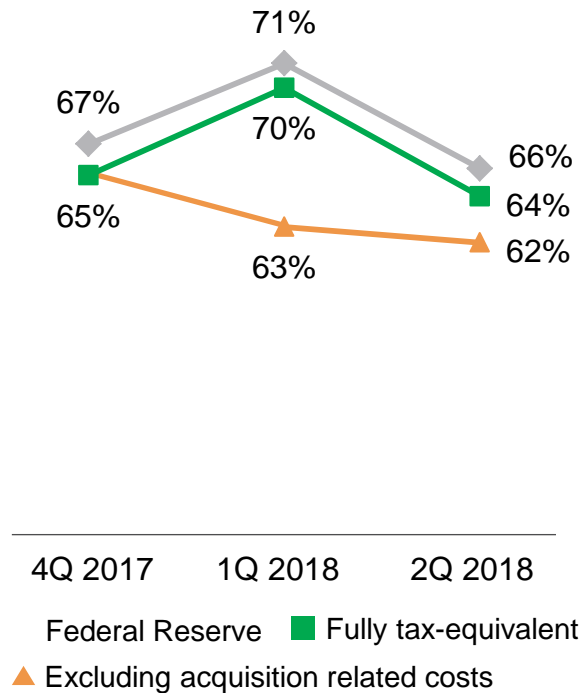
Operational Efficiencies

Noninterest Expense

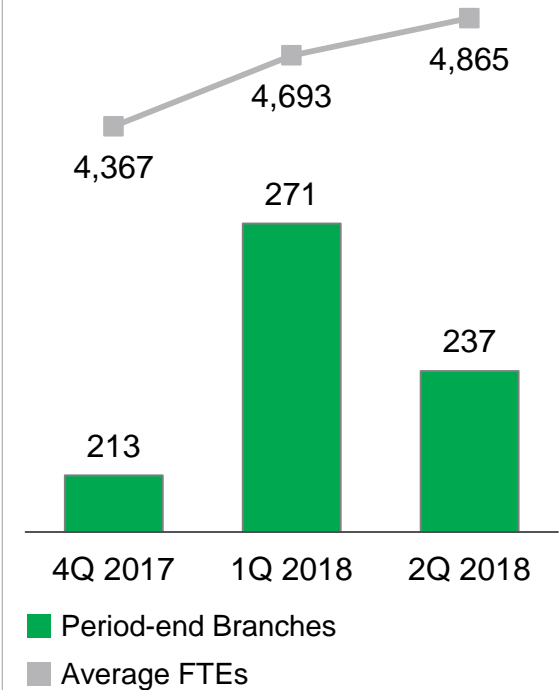
(\$ in millions)



Efficiency Ratio¹



Branches and FTEs



¹The 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 and to the efficiency ratio excluding acquisition related costs.

BANK MUTUAL EXPENSE DETAIL

Conversion Completed

Bank Mutual account and system conversion and branch consolidation completed June 24, 2018.

Expected Total Acquisition Related Costs (\$ in millions)	Announced Costs	Recorded		Expected	
		1Q 2018	2Q 2018	3Q 2018	Total
Change of control and severance	\$10	\$7	\$(1)	\$1 - \$3	\$29 - \$31
Merger advisors and consultants	\$10	\$4	\$0		
Facilities and other	\$10	\$5	\$2		
Contract terminations	\$10	\$5	\$6		
Total	\$40	\$21	\$7		

4Q 2018 Expected Noninterest Expense Run-Rate

2Q 2018 noninterest expense	\$211 million
2Q acquisition related costs	(\$7 million)
Expected Bank Mutual quarterly cost savings ¹	(\$8 million)
Implied noninterest expense run-rate	\$196 million
4Q 2018 expected noninterest expense ²	\$194 million - \$198 million

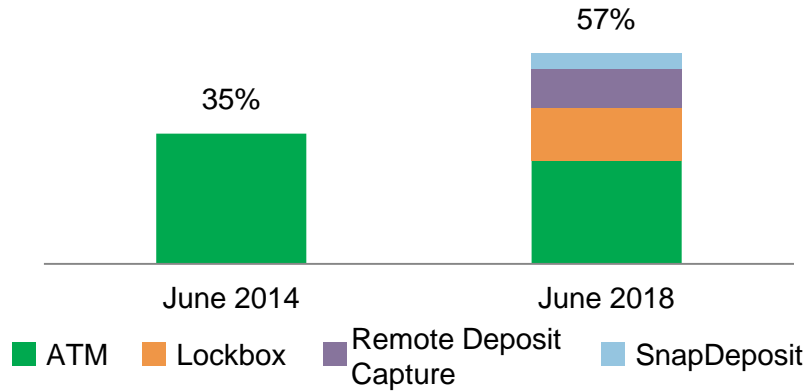
¹Based on 45% cost savings on \$68 million Bank Mutual annual run-rate (4Q17 call report)

²Includes both Diversified Insurance Solutions and Anderson Insurance



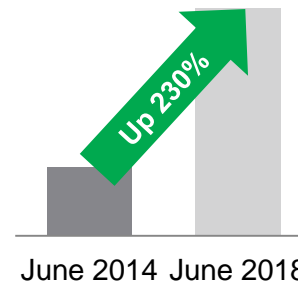
EVOLVING DELIVERY MODEL

Deposits by Digital & Remote Channels Increasing

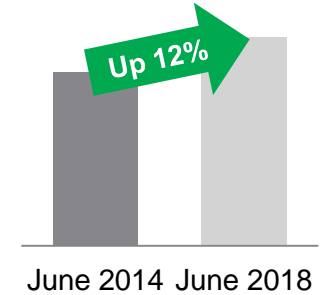


ATM, ACH and Wire Activity Increasing

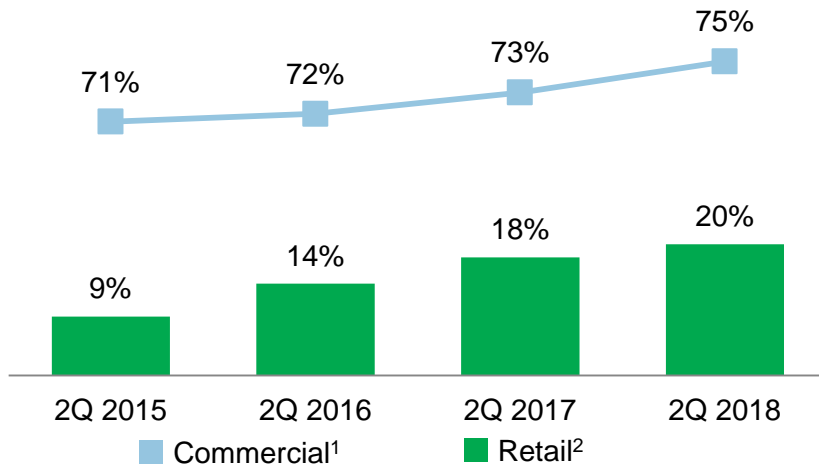
ATM Deposits



ACH and Wire Activity



Non-branch Deposits / Total Deposits Increasing



Recent and Planned Upgrades



Corillian online banking platform

✓ Completed 1Q 2018

Mobile banking platform

✓ Completed 1Q 2018

Commercial deposit platform

☐ Planned 4Q 2018



¹Remote deposit capture and lockbox products introduced in July 2014 ÷ total commercial deposits

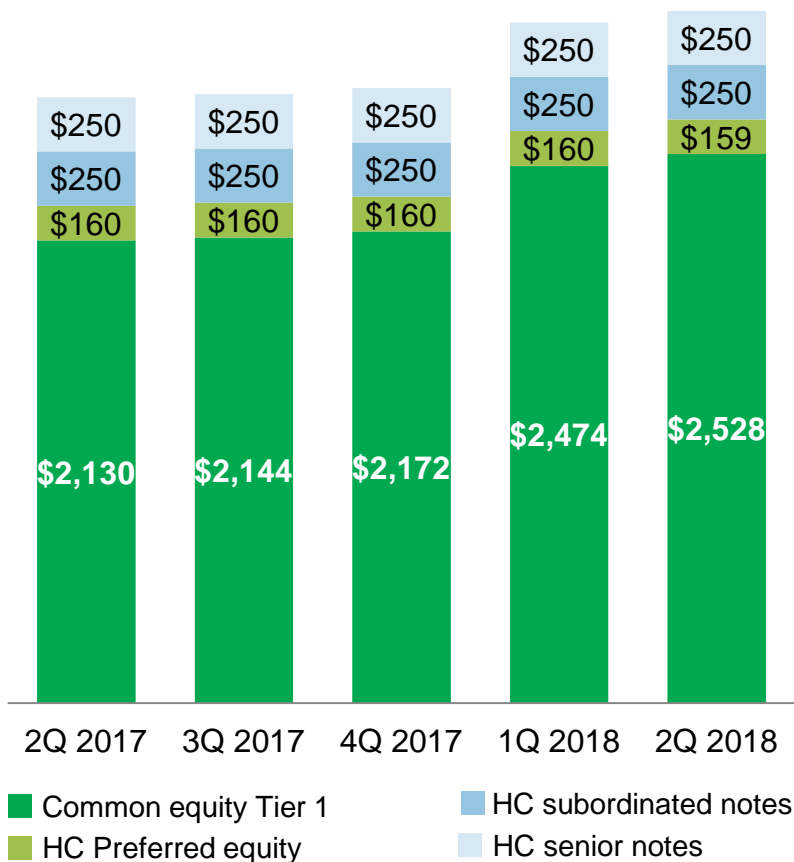
²ATM and mobile deposits ÷ total retail deposits



CAPITAL STRUCTURE AND RATINGS

Holding Company Capital Structure

(\$ in millions)



Ratings and Capital Ratios

Associated Banc-Corp

Moody's long-term.....	Baa1
S&P long-term.....	BBB
Common equity Tier 1 capital ratio.....	10.5%

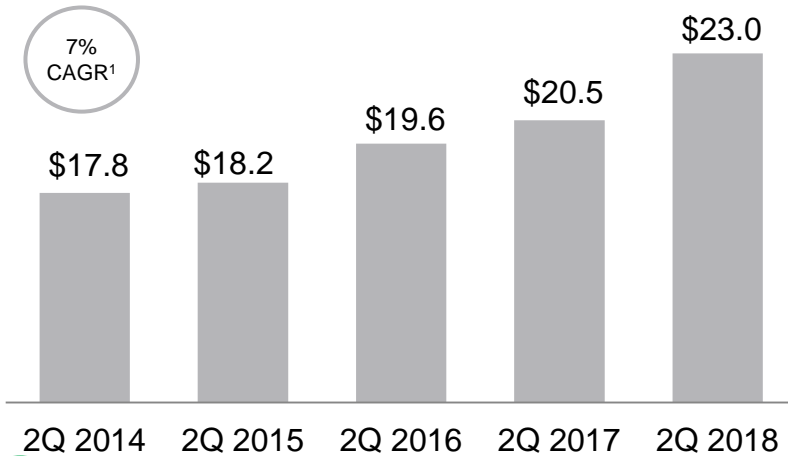
Associated Bank, N.A.

Moody's long-term deposits.....	A1
Expected Moody's senior unsecured bank note.....	Baa1
Expected S&P senior unsecured bank note.....	BBB+
Total capital ratio.....	12.3%
Tier 1 capital ratio.....	11.2%
Common equity Tier 1 capital ratio.....	10.3%

CAPITAL PRIORITIES

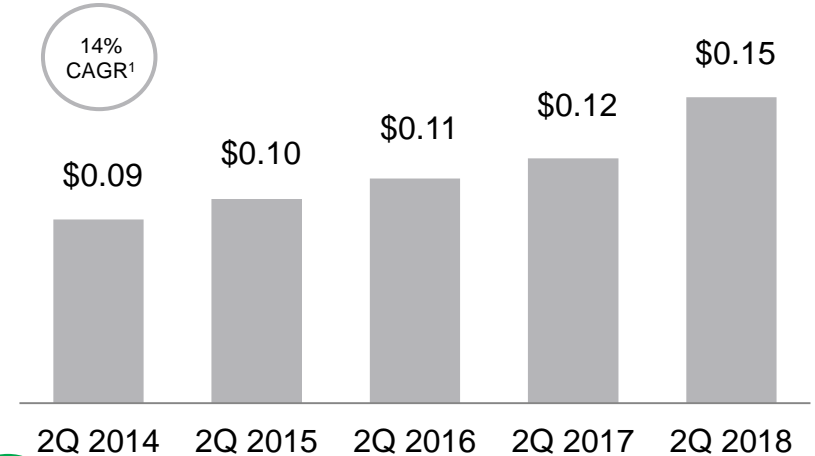
1 Funding Organic Growth

Quarterly Average Loans; (\$ in billions)




2 Paying a Competitive Dividend

Quarterly Dividends

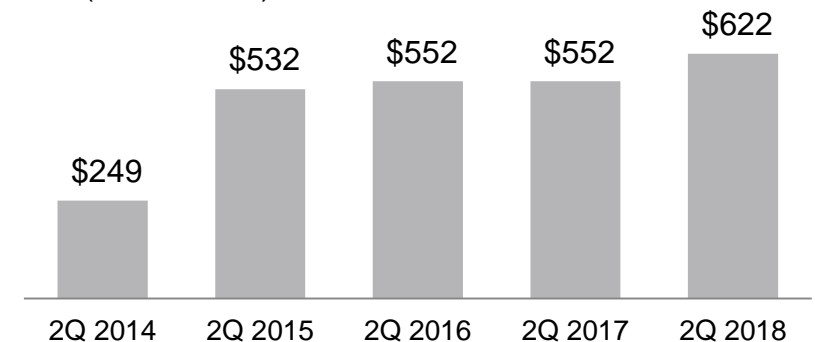


3 Non-Organic Growth Opportunities

 <p>Completed June 2018</p>	 <p>Completed Feb. 2018</p>
 <p>Completed March 2018</p>	 <p>Completed Oct. 2017</p>

4 Share Repurchases

Cumulative Common Share Repurchases²
(\$ in millions)

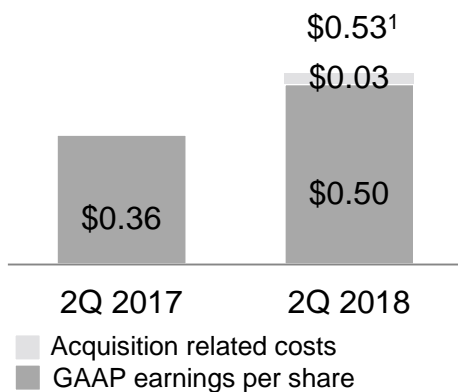


¹Growth from 2Q 2014 to 2Q 2018

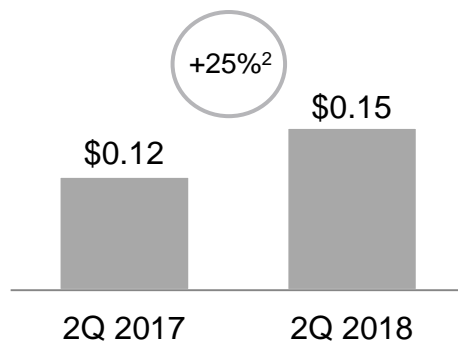
²Since March 31, 2012

EXPANDING BOTTOM LINE

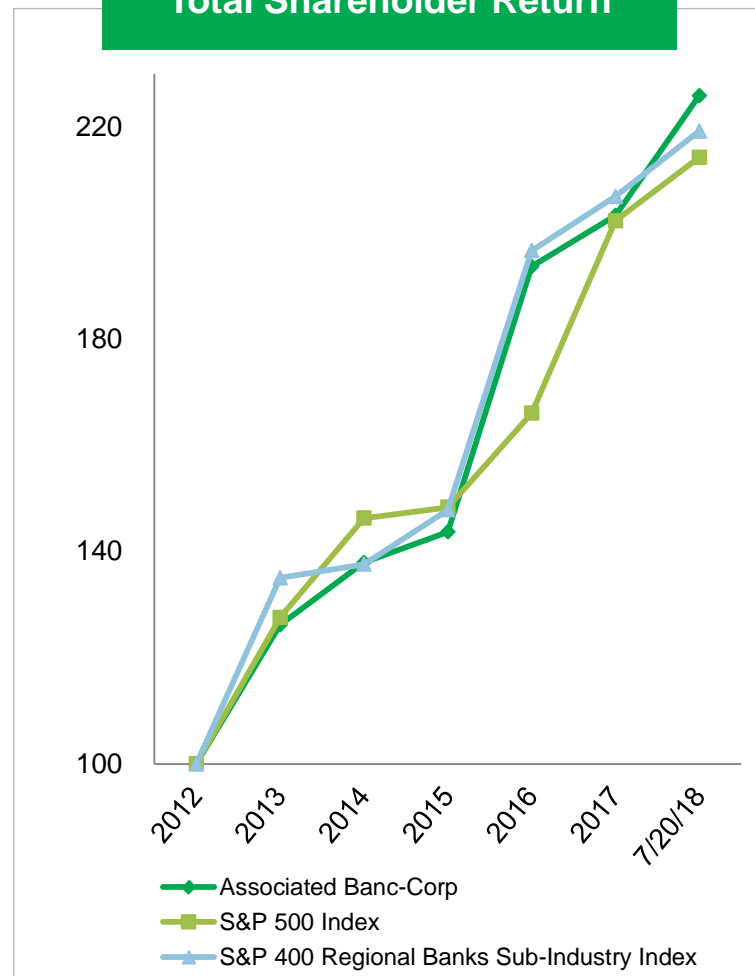
Per Share Data



Dividends

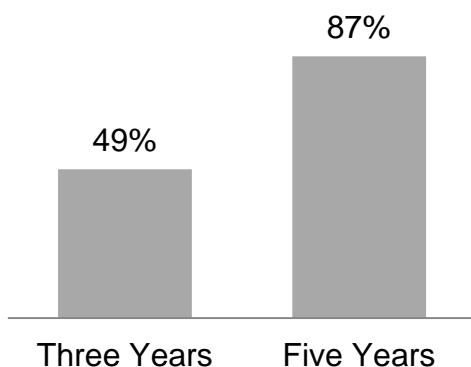


Total Shareholder Return

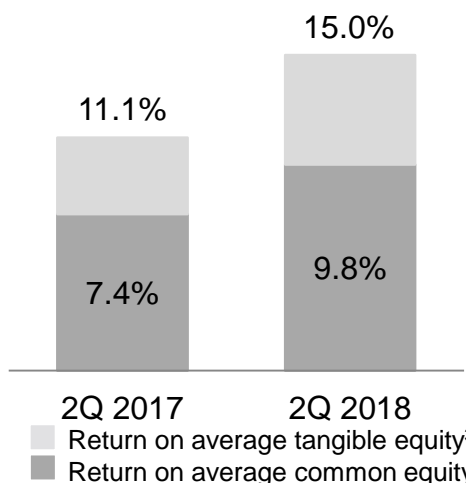


Total Shareholder Return

As of July 20, 2018



Return on Average Common Equity



¹Earnings per share, excluding acquisition related costs is a non-GAAP financial measure. Refer to the appendix for a reconciliation of non-GAAP measures

²Growth from 2Q 2017 to 2Q 2018

³Return on average tangible equity is a non-GAAP financial measure. Refer to the appendix for a reconciliation of non-GAAP measures

2018 OUTLOOK

This outlook reflects a stable to improving economy and includes our expectation of additional rate increases in 2018. We may adjust our outlook if, and when, we have more clarity on any one, or more, of these factors.

Balance Sheet Management

- 1%-2% quarterly loan growth for the remainder of 2018
- Improving year over year NIM trend
- Maintain loan to deposit ratio under 100%

Fee Businesses

- Improving year over year fee-based revenues
- Approximately \$365M - \$370M full year noninterest income

Expense Management

- Approximately \$825M noninterest expense¹
- Effective tax rate:
 - ~22% for 3Q and 4Q 2018
 - ~20% for full year 2018

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

¹Including Diversified Insurance Solutions and Anderson Insurance acquisitions, and all costs related to Bank Mutual.



APPENDIX



KEY HIGHLIGHTS

Franchise Overview

- Largest bank headquartered in Wisconsin¹ with \$34 billion in assets²
- Efficiency-focused business model leading to improving ROATCE
- Midwest branch footprint in WI, IL and MN with more than 1 million customer accounts²

Strong, high-quality balance sheet

- Well diversified loan portfolio and low-cost funding profile with 81% of funding from deposits²
- Strong CET1 ratio, well in excess of regulatory minimums²
- Disciplined management of credit risk with continuously improving trends
- Dynamic liquidity / concentration management process, current LCR ~130%²

Delivering for all stakeholders

- Proven organic growth while expanding the bottom line
- Driving efficiency through branch optimization and technical innovation
- Experienced management team committed to delivering top-tier through-the-cycle performance

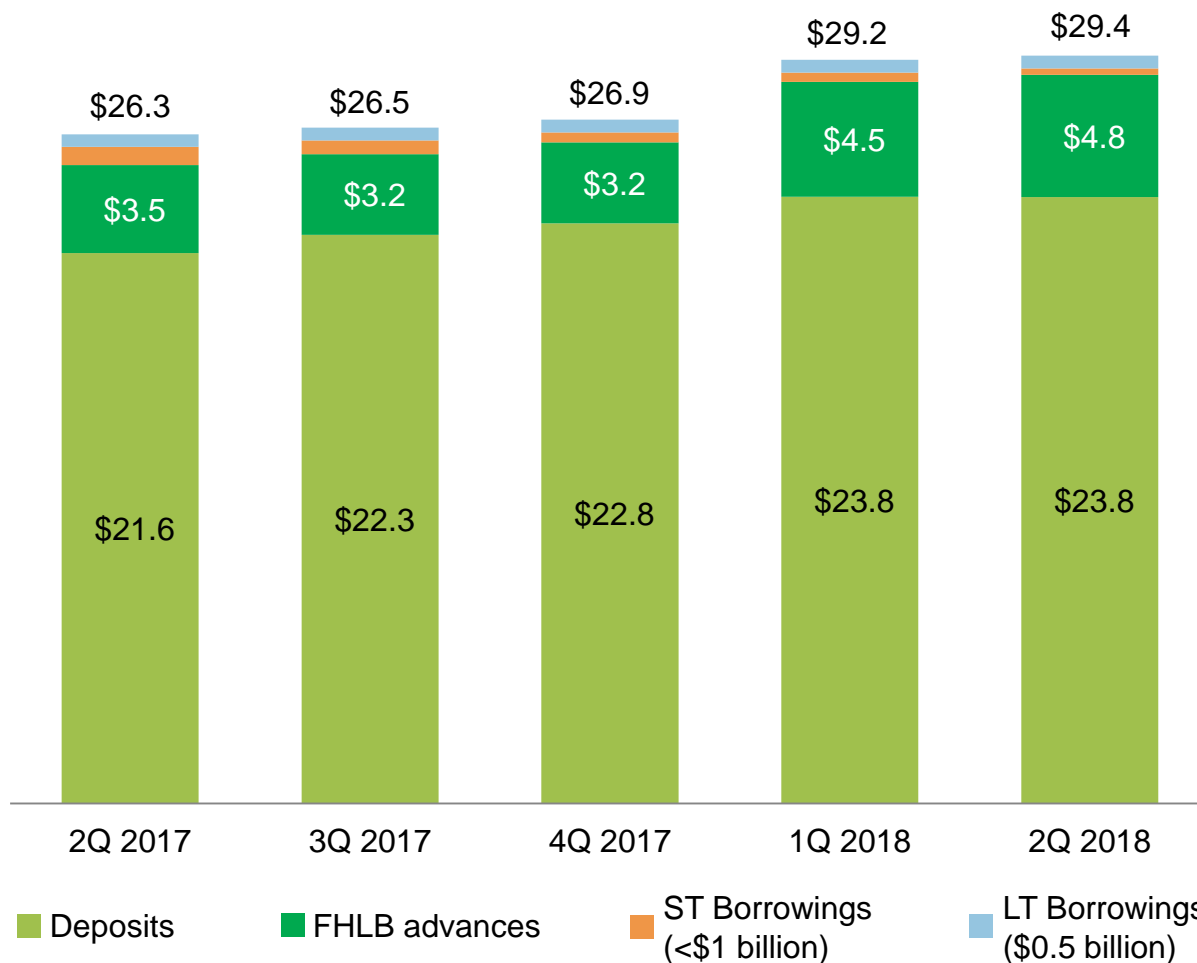
¹Based on assets

²As of June 30, 2018

OVERALL FUNDING COMPOSITION

Quarterly Trends¹

(\$ in billions)



- 2Q 2018 managed run-off of acquired deposits and network deposits
- Cumulative deposit beta of 28% since rates started increasing²

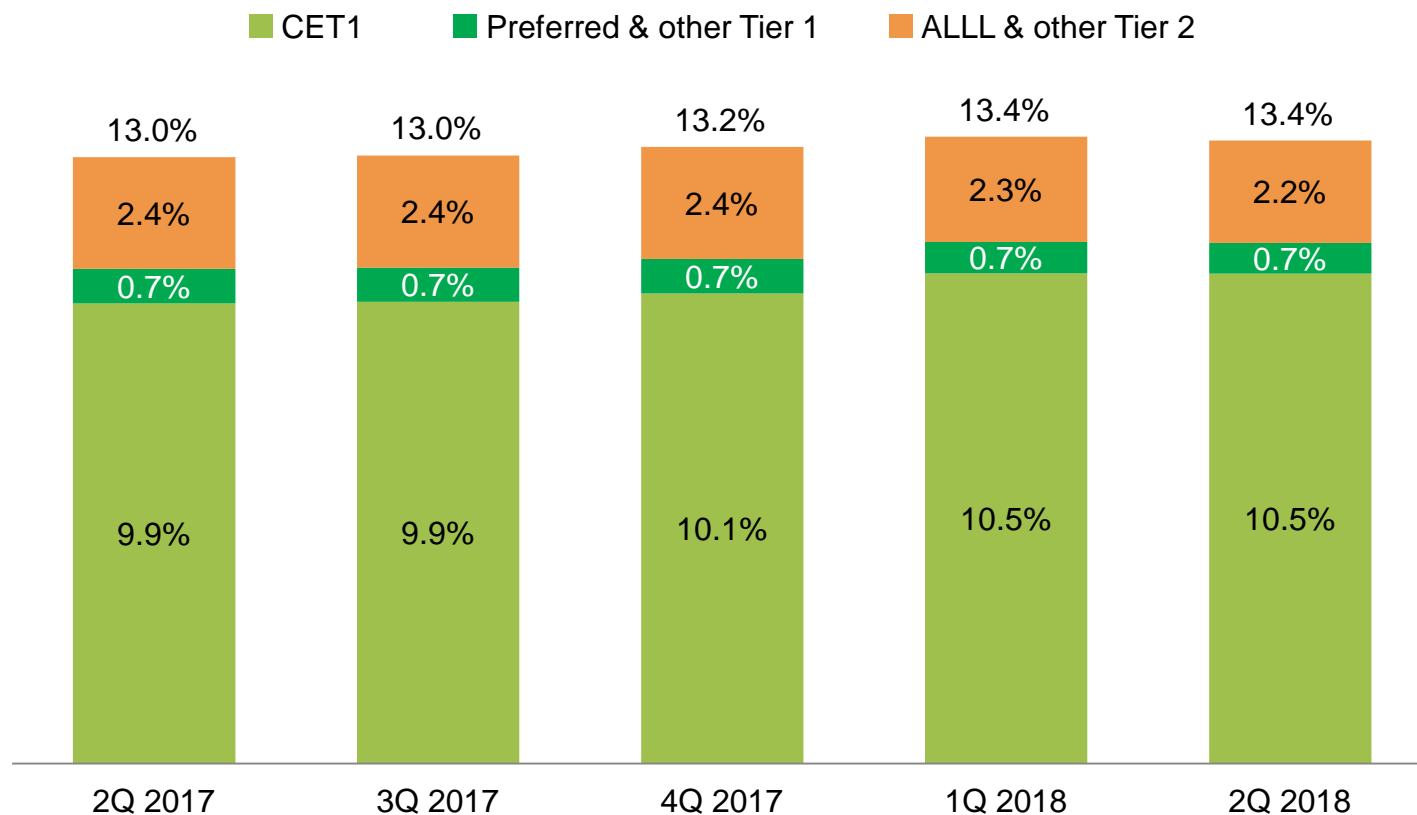
¹Based on period-end balances.

²Calculated as the change in total deposit costs divided by the change in the fed funds target rate from September 30, 2015 through June 30, 2018.



STRONG CAPITAL BASE

Regulatory Capital Levels



Bank Level Ratios

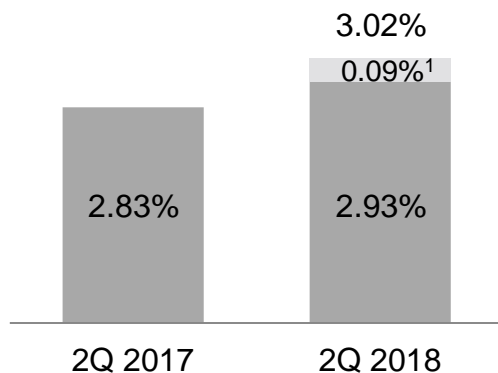
CET1 Capital	10.0%	10.0%	10.1%	10.3%	10.3%
Tier 1 Capital	10.9	11.0	11.0	11.2	11.2
Total Capital	12.1	12.2	12.2	12.5	12.3



EXPANDING BOTTOM LINE

Net Interest Margin

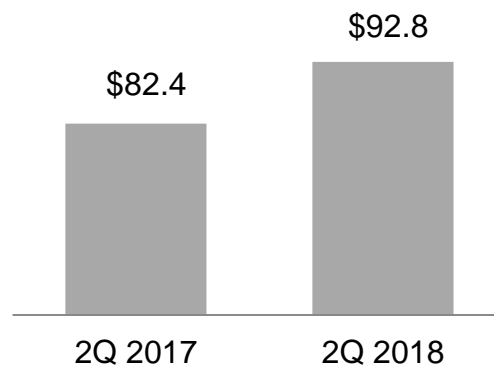
- Expanding margins



Noninterest Income

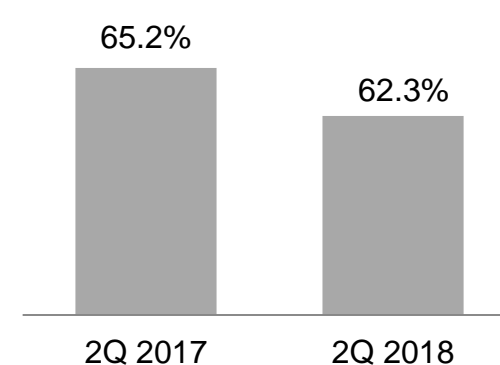
(\$ in millions)

- Growing fee-based revenue

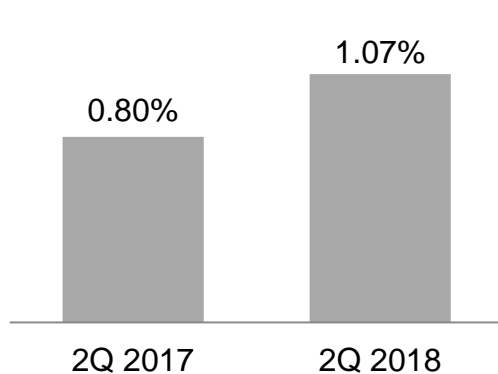


Efficiency Ratio²

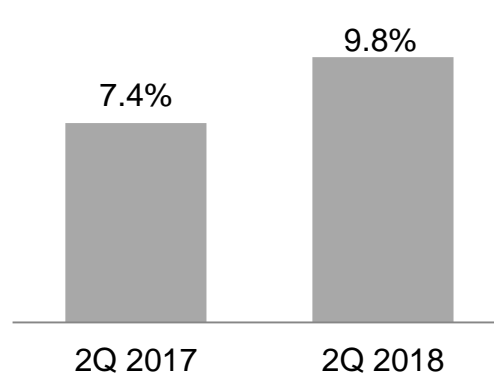
- Disciplined expense management



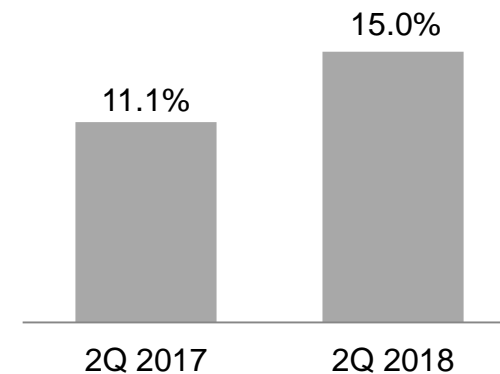
ROAA



ROACE



ROATCE³



¹Represents impact from prepayments and interest recoveries.

²Represents the fully tax-equivalent efficiency ratio, excluding acquisition related costs. This is a non-GAAP financial measure. Refer to the appendix for a reconciliation of non-GAAP measures.

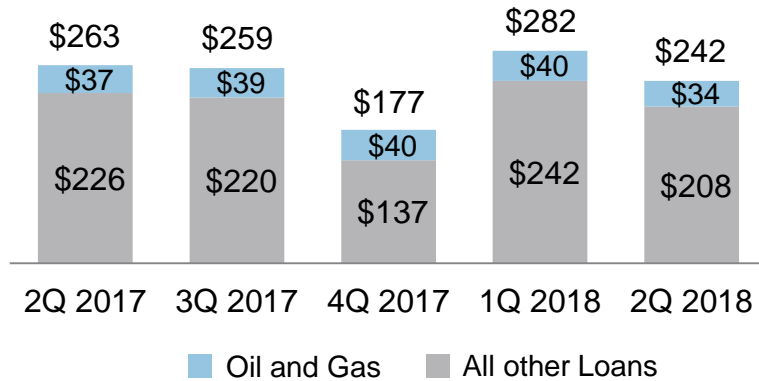
³Return on average tangible common equity is a non-GAAP financial measure. Refer to the appendix for a reconciliation of non-GAAP measures.



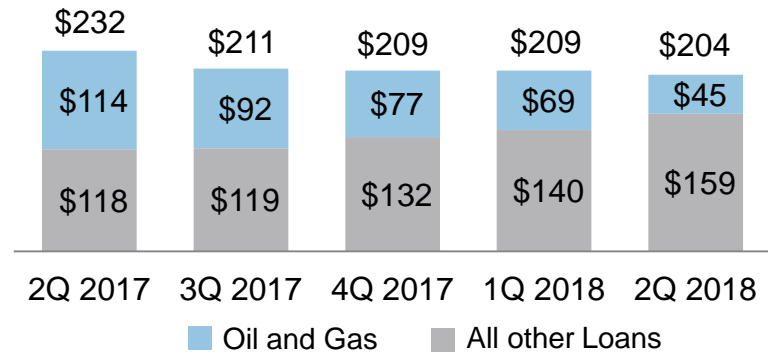
CREDIT QUALITY – QUARTERLY TRENDS

(\$ IN MILLIONS)

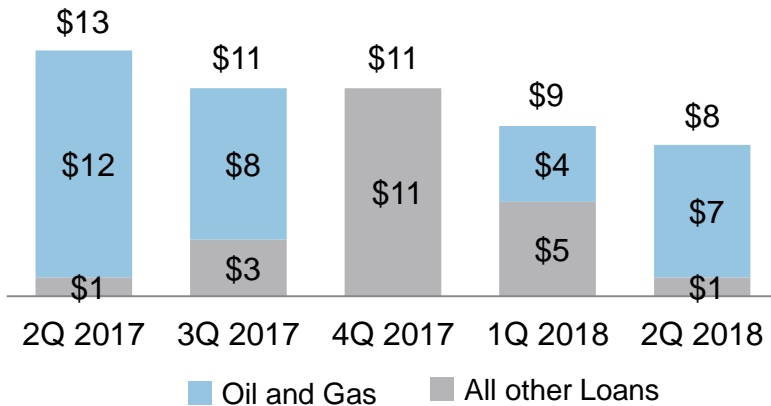
Potential Problem Loans



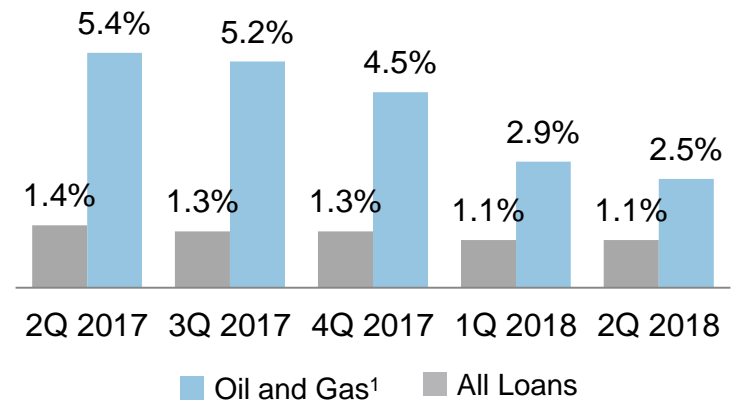
Nonaccrual Loans



Net Charge Offs (Recoveries)



Allowance for Loan Losses / Loans



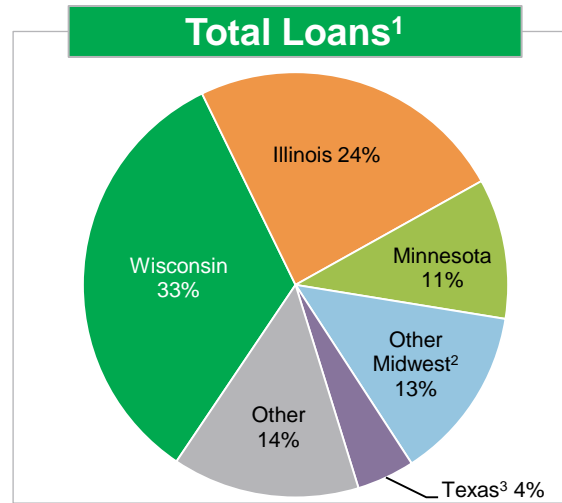
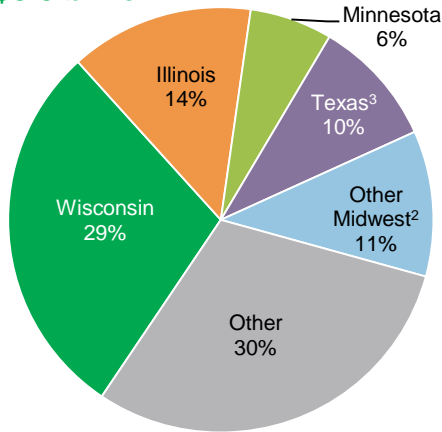
¹Allowance for oil and gas loan losses / oil and gas loans



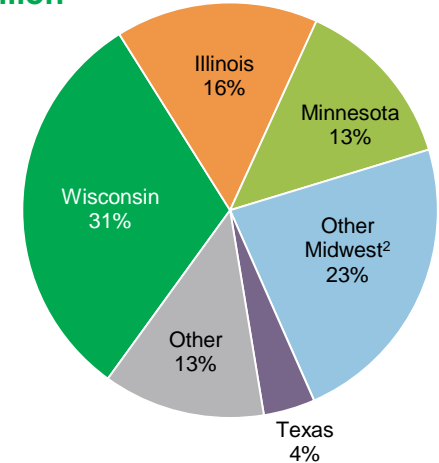
LOANS STRATIFICATION

OUTSTANDINGS AS OF JUNE 30, 2018

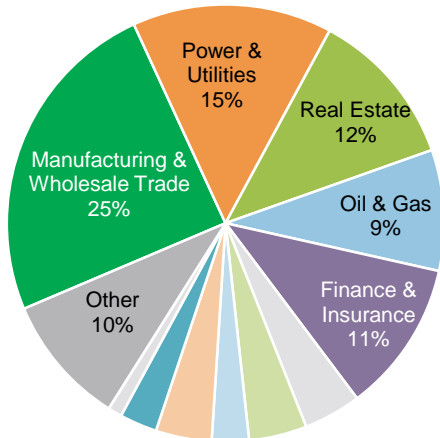
C&BL by Geography
\$8.0 billion



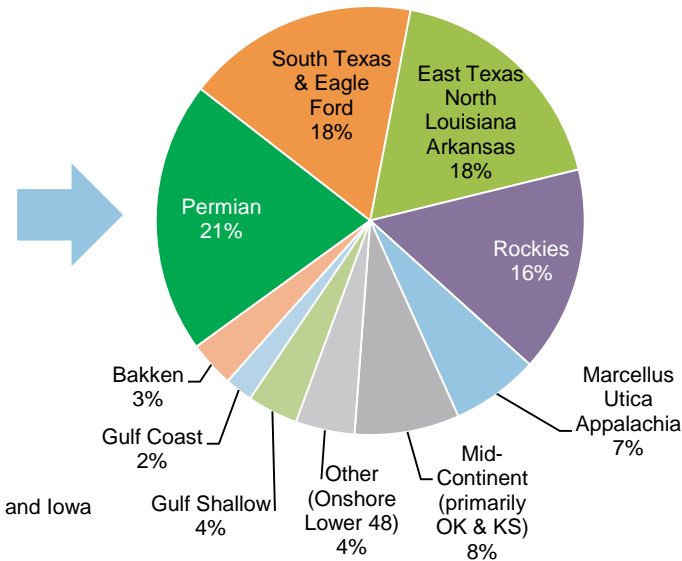
CRE by Geography
\$5.5 billion



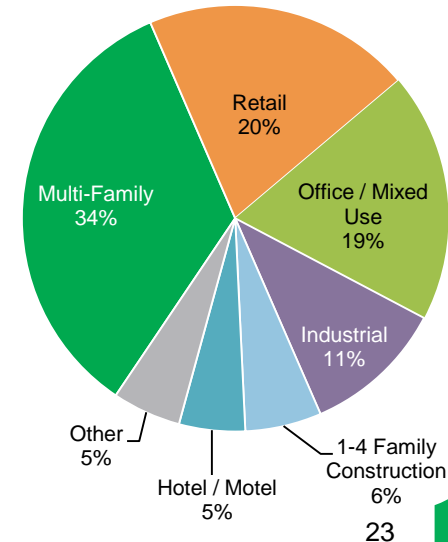
C&BL by Industry
\$8.0 billion



Oil and Gas Lending⁴
\$682 million



CRE by Property Type
\$5.5 billion



¹Excludes \$0.4 billion Other consumer portfolio

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

³Principally reflects the oil and gas portfolio

⁴Chart based on commitments of ~\$1.1 billion



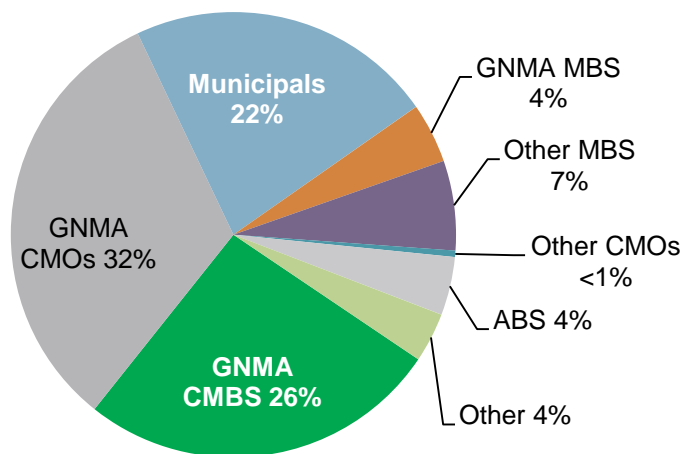
HIGH QUALITY SECURITIES

(\$ IN BILLIONS)

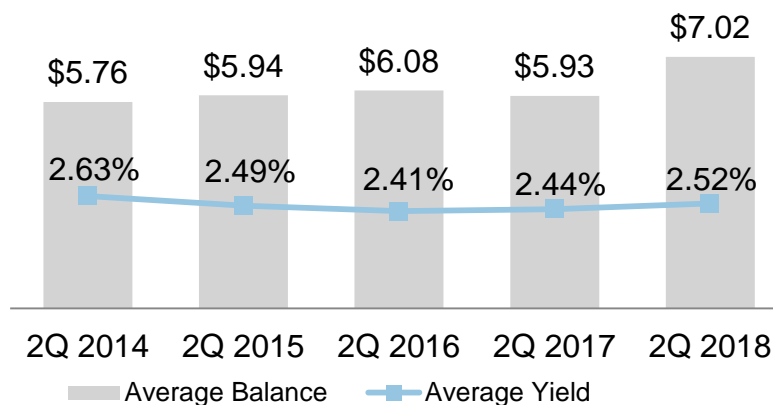
Portfolio Detail as of June 30, 2018

Investment Type	Amortized Cost	Fair Value	Duration (Yrs)
GNMA CMBS	\$1.92	\$1.86	2.93
GNMA MBS & CMOs	2.66	2.59	4.35
Agency & Other MBS & CMOs	0.50	0.49	2.89
Municipals	1.59	1.58	6.57
FFELP ABS	0.30	0.30	0.17
Other ¹	0.01	0.01	1.59
Strategic Portfolio	\$6.98	\$6.82	4.18
Membership Stock	0.25	0.25	
Total Portfolio	\$7.23	\$7.07	

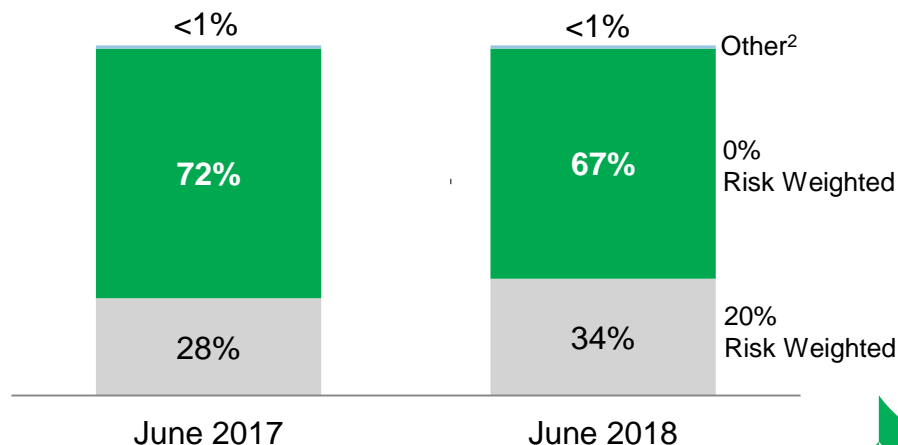
Fair Value Composition



Portfolio Balance and Yield Trends



Portfolio Risk Weighting Profile



¹Includes Corporate, Treasury, and all other

²Includes unrealized losses

RECONCILIATION AND DEFINITIONS OF NON-GAAP ITEMS

Efficiency Ratio	2Q 2014	2Q 2015	2Q 2016	2Q 2017	2Q 2018
Federal Reserve efficiency ratio	69.70%	70.23%	69.34%	66.69%	65.77%
Fully tax-equivalent adjustment	(1.32)	(1.35)	(1.36)	(1.30)	(0.65)
Other intangible amortization	(0.41)	(0.35)	(0.21)	(0.18)	(0.68)
Fully tax-equivalent efficiency ratio	67.97%	68.53%	67.77%	65.21%	64.45%
Acquisition related costs adjustment					(2.19)%
Fully tax-equivalent efficiency ratio, excluding acquisition related costs	67.97%	68.53%	67.77%	65.21%	62.26%

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)	2Q 2014	2Q 2015	2Q 2016	2Q 2017	2Q 2018
Insurance commissions and fees	\$14	\$20	\$22	\$21	\$24
Service charges and deposit account fees	17	16	16	16	16
Card-based and loan fees	13	14	13	14	14
Trust and asset management fees	12	13	12	12	13
Brokerage commissions and fees	5	4	4	4	7
Fee-based revenue	\$60	\$66	\$67	\$67	\$75
Other	12	20	15	15	18
Total noninterest income	\$72	\$86	\$82	\$82	\$93



RECONCILIATION AND DEFINITIONS OF NON-GAAP ITEMS

Average Tangible Common Equity Reconciliation (\$ in millions)	2Q 2017	2Q 2018
Average common equity	\$3,005	\$3,561
Average goodwill and other intangible assets, net	(987)	(1,236)
Average tangible common equity	2,018	2,325

Acquisition Related Costs (\$ in millions, except per share data)	YTD 2018	YTD 2018 per share data ²	2Q 2018	2Q 2018 per share data ²	1Q 2018	1Q 2018 per share data ²
GAAP earnings	\$154	\$0.90	\$87	\$0.50	\$67	\$0.40
Change of control and severance	7		(1)		7	
Merger advisors and consultants	4		-		4	
Facilities and other	7		2		5	
Contract terminations	10		6		5	
Total acquisition related costs	\$28		\$7		\$21	
Less: Additional tax expense	\$6		\$1		\$5	
Earnings, excluding acquisition related costs ¹	\$176	\$1.03	\$93	\$0.53	\$83	\$0.50

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

²Earnings and per share data presented after tax

