



**Associated**  
Banc-Corp

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**3Q 2011 Earnings Presentation**

October 20, 2011

# 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. Forward-looking statements are based on current management expectations and, by their nature, are subject to risks and uncertainties. These statements may be identified by the use of words such as "believe", "expect", "anticipate", "plan", "estimate", "should", "will", "intend", or similar expressions. Outcomes related to such statements are subject to numerous risk factors and uncertainties including those listed in the company's most recent Form 10-K and any subsequent Form 10-Q.

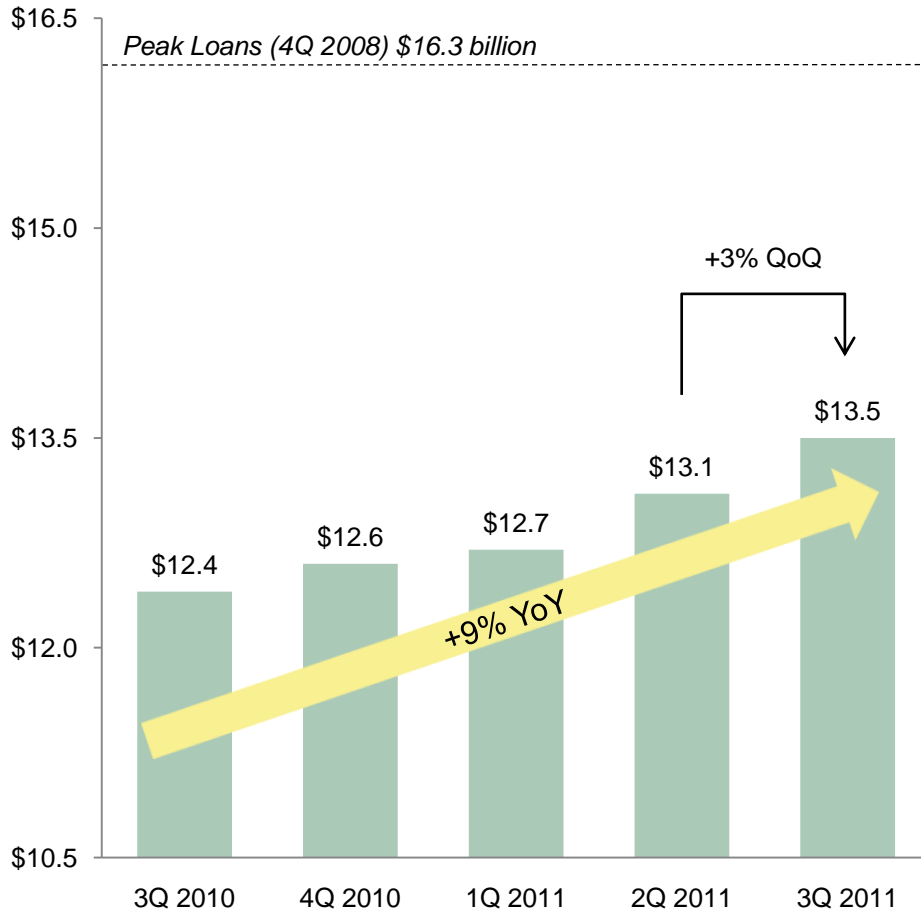
# Third Quarter 2011 Highlights

- Net income to common shareholders of \$34 million or \$0.20 per share
- Pre-tax income improved 33%, or \$15 million, and net income to common shareholders improved 33%, or \$8 million, from the prior quarter
- Total loans of \$13.5 billion were up 3% from the end of the second quarter
  - Commercial and business lending (C&I, leasing, and owner-occupied CRE loans) grew by a net \$198 million on a linked-quarter basis
  - Commercial real estate lending (Investor CRE and construction loans) increased by a net \$108 million from the prior quarter
  - Retail loans and residential mortgages grew by a net \$108 million during the third quarter
- Continued improvement in key credit metrics
  - Nonaccrual loans declined 14% from the prior quarter and 45% on a year-over-year basis to \$403 million, the lowest level in seven quarters
  - Provision for loan losses of \$4 million was down significantly from the prior quarter
  - Net charge-offs of \$30 million were down 32% from \$45 million for the second quarter
- Capital ratios remain very strong with a Tier 1 common ratio of 12.44% and total capital ratio of 15.81%
- Completed the repurchase of remaining TARP funds through senior note and preferred stock offerings

# Loan Portfolio Growth and Composition

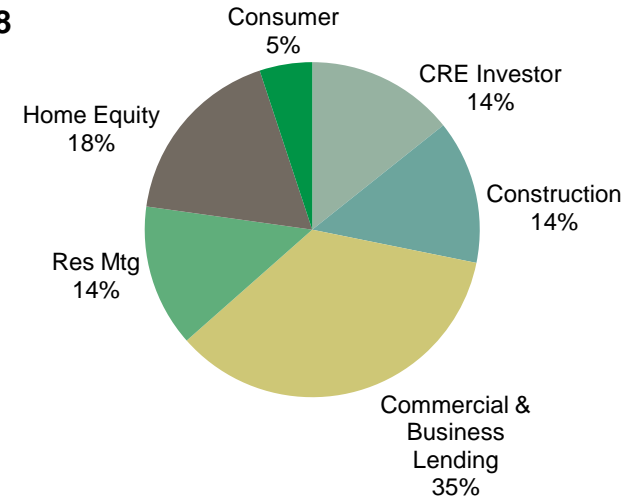
Total Loans of \$13.5 billion at September 30, 2011

Total Loans (\$ in billions)

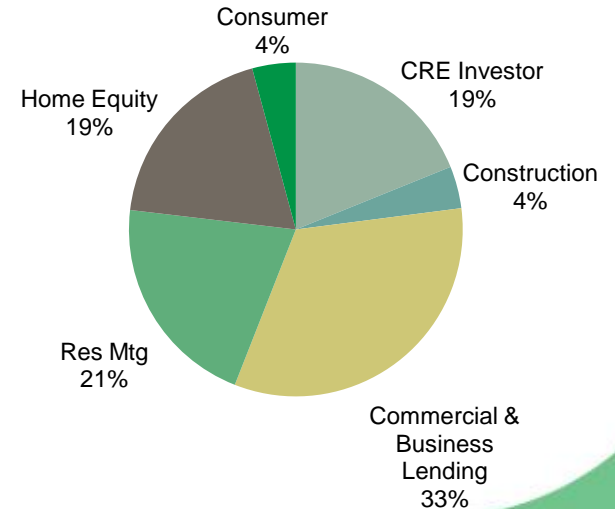


Loan Mix – 4Q 2008 vs 3Q 2011

4Q 2008

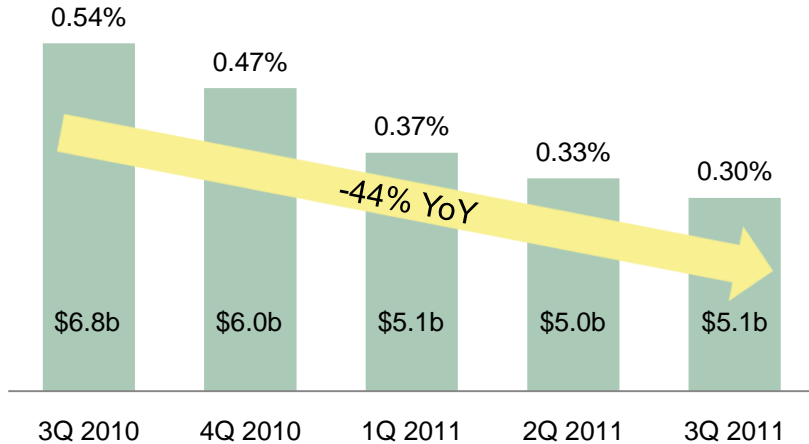


3Q 2011



# Managing the Cost of Funds and Customer Funding Levels

Cost of Money Market Deposits

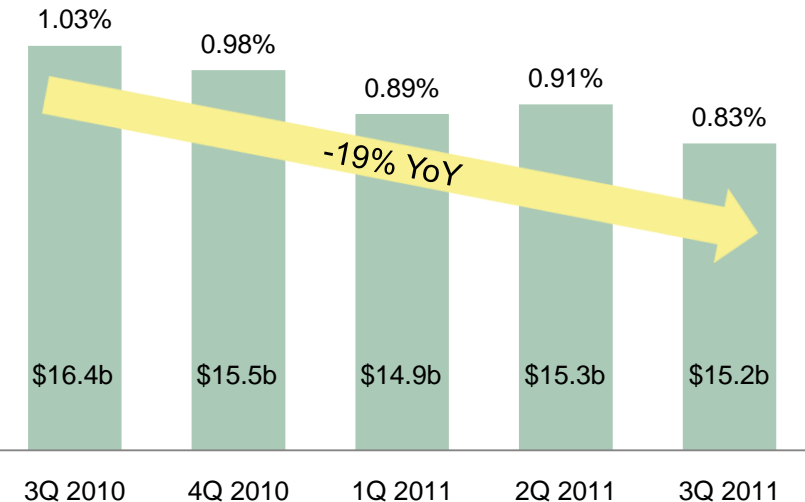


Net Customer Deposits and Funding

(\$ in billions)



Cost of Interest-Bearing Liabilities



# Continuing Decline in Potential Problem Loans

(\$ in millions)

	3Q 2010	4Q 2010	1Q 2011	2Q 2011	3Q 2011	YoY Change
<i>Commercial and industrial</i>	\$ 373,955	\$ 354,284	\$ 348,949	\$ 229,407	\$ 207,351	(45%)
<i>Commercial real estate</i>	553,126	492,778	465,376	382,056	392,737	(29%)
<i>Real estate - construction</i>	175,817	91,618	70,824	63,186	37,155	(79%)
<i>Lease financing</i>	2,302	2,617	1,705	1,399	507	(78%)
<i>Total commercial</i>	1,105,200	941,297	886,854	676,048	637,750	(42%)
<i>Home equity</i>	6,495	3,057	4,737	4,515	4,975	(23%)
<i>Installment</i>	692	703	230	216	272	(61%)
<i>Total retail</i>	7,187	3,760	4,967	4,731	5,247	(27%)
<i>Residential mortgage</i>	19,416	18,672	19,710	18,575	16,550	(15%)
<i>Total Potential Problem Loans</i>	\$ 1,131,803	\$ 963,729	\$ 911,531	\$ 699,354	\$ 659,547	(42%)

# Significant Improvements in Credit Quality Indicators

(\$ in millions)

	3Q 2010	4Q 2010	1Q 2011	2Q 2011	3Q 2011
<i>Provision for loan losses</i>	\$ 64.0	\$ 63.0	\$ 31.0	\$ 16.0	\$ 4.0
<i>Net charge offs</i>	\$ 109.9	\$ 108.2	\$ 53.4	\$ 44.5	\$ 30.2
<i>ALLL/Total loans</i>	4.22%	3.78%	3.59%	3.25%	2.96%
<i>ALLL/Nonaccruals</i>	71.72%	83.02%	93.07%	91.09%	99.09%
<i>NPA/Assets</i>	3.47%	2.84%	2.50%	2.33%	2.03%
<i>Nonaccruals/Loans</i>	5.88%	4.55%	3.86%	3.57%	2.99%
<i>NCOs / Avg Loans</i>	3.39%	3.41%	1.71%	1.37%	0.90%

# Maintaining a Strong Capital Profile

	3Q 2010	4Q 2010	1Q 2011	2Q 2011	3Q 2011
<b><u>ASBC Capital Ratios</u></b>					
<i>Stockholders' equity / assets</i>	14.21%	14.50%	14.88%	13.60%	13.01%
<i>Tangible common equity / tangible assets</i>	8.03%	8.12%	8.42%	8.49%	8.77%
<i>Tangible equity / tangible assets</i>	10.41%	10.59%	10.93%	9.71%	9.07%
<i>Tier 1 common equity / risk-weighted assets</i>	12.31%	12.26%	12.65%	12.61%	12.44%
<i>Tier 1 leverage ratio</i>	10.78%	11.19%	11.65%	10.46%	9.62%
<i>Tier 1 risk-based capital ratio</i>	17.68%	17.58%	18.08%	16.03%	14.35%
<i>Total risk-based capital ratio</i>	19.16%	19.05%	19.56%	17.50%	15.81%



# Summary

## 3Q 2011

- Solid third quarter results, with EPS of \$0.20 per common share
- Loan portfolio grew 3% from the second quarter to \$13.5 billion, with strong growth from major segments
- Credit continues to improve
- Increasing pre-tax income, up 33% from prior quarter

## Remainder of 2011 – Positioning for the Future

- Continuing to execute our strategic initiatives for loan growth
- Modest pressure on the net interest margin
- Continuing to invest in our brand, our footprint, and our people

## 2012 and Beyond – Investing in Our Franchise

- Our customer centric investments will provide attractive returns
- Focusing on levers for earnings expansion

# Deposit and Funding Portfolio Trends

(\$ in thousands)

## Period End Deposit and Customer Funding Composition

	Jun 30, 2011	Sep 30, 2011	Jun 11 vs Sep 11		Cost of Funds 3Q 2011
			\$ Change	% Change	
Demand	\$ 3,218,722	\$ 3,711,570	492,848	15%	
Savings	1,007,337	1,013,195	5,858	1%	0.11 %
Interest-bearing demand	1,931,519	2,071,627	140,108	7%	0.18
Money market	4,982,492	5,205,401	222,909	4%	0.30
Brokered CDs	316,670	203,827	(112,843)	-36%	1.29
Other time deposits	2,609,310	2,576,790	(32,520)	-1%	1.50
Total deposits	14,066,050	14,782,410	716,360	5%	0.56
Customer repo sweeps	930,101	871,619	(58,482)	-6%	
Customer repo term	1,147,938	1,141,450	(6,488)	-1%	
Total customer funding	2,078,039	2,013,069	(64,970)	-3%	
<b>Total Deposits and Customer Funding</b>	<b>16,144,089</b>	<b>16,795,479</b>	<b>651,390</b>	<b>4%</b>	
Network transaction deposits	824,003	875,630	51,627	6%	
Brokered CDs	316,670	203,827	(112,843)	-36%	1.29
<b>Total Networked and Brokered Deposits</b>	<b>1,140,673</b>	<b>1,079,457</b>	<b>(61,216)</b>	<b>-5%</b>	
<b>Net Customer Deposits and Funding</b>	<b>\$ 15,003,416</b>	<b>\$ 15,716,022</b>	<b>712,606</b>	<b>5%</b>	

# Loan Portfolio Trends

(\$ in thousands)

## Period End Loan Composition

	Jun 30, 2011	Sep 30, 2011	Jun 11 vs Sep 11		Cost of Funds 3Q 2011
			\$ Change	% Change	
Commercial and industrial	\$ 3,202,301	\$ 3,360,502	158,201	5%	
Lease financing	54,001	54,849	848	2%	
Commercial real estate - owner occupied	1,030,060	1,068,616	38,556	4%	
Commerical and business lending	4,286,362	4,483,967	197,605	5%	
Commercial real estate - investor	2,393,626	2,481,411	87,785	4%	
Real estate - construction	533,804	554,024	20,220	4%	
Commercial real estate lending	2,927,430	3,035,435	108,005	4%	
Total commercial	7,213,792	7,519,402	305,610	4%	4.28 %
Home equity	2,594,029	2,571,404	(22,625)	-1%	
Installment	589,714	572,243	(17,471)	-3%	
Total retail	3,183,743	3,143,647	(40,096)	-1%	4.78
Residential mortgage	2,692,054	2,840,458	148,404	6%	4.09
<b>Total Loans</b>	<b>\$ 13,089,589</b>	<b>\$ 13,503,507</b>	<b>413,918</b>	<b>3%</b>	<b>4.36</b>