



NEWS RELEASE

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Associated Reports Third Quarter Earnings of \$0.26 per share Earnings per share increased 30% from a year ago

GREEN BAY, Wis. — October 18, 2012 — Associated Banc-Corp (NASDAQ: ASBC) today reported net income to common shareholders of \$45 million, or \$0.26 per common share, for the quarter ended September 30, 2012. This compares to net income to common shareholders of \$34 million, or \$0.20 per common share, for the comparable quarter ended September 30, 2011.

For the first nine months of 2012, Associated reported net income to common shareholders of \$128 million, or \$0.74 per common share. This compares to net income to common shareholders of \$75 million, or \$0.43 per common share, for the comparable year ago period.

“We continue to be focused on taking advantage of the opportunities to grow Associated across the footprint,” said President and CEO Philip B. Flynn. “We are encouraged by the solid performance this quarter and we remain focused on delivering increased value for shareholders of Associated.”

HIGHLIGHTS

- Net income to common shareholders of \$45 million for the third quarter
 - Quarterly earnings per share increased 8% from the prior quarter and 30% year-over-year
 - Return on Tier 1 common equity for the quarter of 9.7%, compared to 7.8% a year ago
- Total loan balances increased by \$267 million, or 2%, during the third quarter to \$15.0 billion, and have increased by \$1.5 billion, or 11%, from a year ago
 - Commercial loans grew by \$243 million, or 3% from the second quarter
 - Residential mortgage loans increased by \$125 million, or 4%, from the second quarter
 - Retail loans, including home equity and installment loans, declined by \$101 million from the second quarter
- Average deposits increased by a net \$565 million, or 4%, to \$15.6 billion during the third quarter
- Credit metrics continued to improve with levels of net charge offs, nonaccrual loans, potential problem loans, and delinquent loans all declining during the quarter
- Capital ratios remain very strong with a Tier 1 common equity ratio of 12.01%
- After the end of the quarter, we redeemed \$150 million of 7.625% Trust Preferred Securities on October 1st and expect to redeem the remaining \$30 million of Trust Preferred Securities during the fourth quarter

THIRD QUARTER 2012 FINANCIAL RESULTS

Loans

At September 30, 2012, the Company's loan portfolio was \$15.0 billion, up \$267 million, or 2%, from \$14.7 billion at June 30, 2012, and up \$1.5 billion, or 11%, from \$13.5 billion a year ago. Commercial loans, which include general commercial loans, specialized lending, and commercial real estate, grew by \$243 million, or 3% from the second quarter and have increased by \$1.4 billion, or 19% from a year ago. The residential mortgage portfolio grew by \$125 million, or 4%, during the quarter while the retail portfolio, which includes home equity and installment loan balances, experienced net run-off of \$101 million as consumers continued to refinance home equity loans into new first mortgages.

Deposits

Average deposits of \$15.6 billion were up \$565 million, or 4%, from the second quarter, and have increased by \$1.2 billion, or 8%, from a year ago. Total deposits of \$16.5 billion at the end of the third quarter were up \$1.3 billion, or 9%, compared to second quarter levels. Period-end noninterest-bearing account balances grew by \$446 million, or 12%, from the second quarter, and have increased by \$609 million, or 16%, from a year ago. Money market balances increased by \$860 million, or 15%, from the second quarter, and have increased by \$1.5 billion, or 28%, from a year ago.

Net Interest Income and Net Interest Margin

Third quarter net interest income of \$156 million increased by 1% compared to the prior quarter and was up 2% compared to the year-ago quarter. The net interest margin for the quarter was 3.26%. While yields on earning assets compressed by 7 basis points from the prior quarter, the cost of deposits and interest-bearing liabilities declined by 3 basis points, contributing to a net decrease in overall net interest margin of 4 basis points compared to the prior quarter.

Noninterest Income and Expense

Noninterest income for the quarter was \$81 million, up \$5 million, or 7%, from the second quarter. This revenue growth included a \$3 million gain on the sale of securities. Revenue from trust service fees, service charges on deposit accounts, card-based fees, and capital markets fees all increased from the prior quarter. However, lower mortgage banking revenue and insurance commissions during the third quarter partially off-set the revenue increases.

Total noninterest expense for the quarter ended September 30, 2012 was \$170 million, up \$4 million, or 2%, from the second quarter. Personnel and occupancy expenses increased by \$2 million from the prior quarter while legal and professional fees also increased by \$2 million from the second quarter primarily related to ongoing BSA enhancements. Other expense categories, in aggregate, were flat compared to the second quarter.

Credit

The Company recorded a provision of zero, reflecting another quarter of improving credit metrics. Nonaccrual loans were down 13%, to \$278 million compared to the second quarter, and down 31%, from \$403 million a year ago. Nonperforming assets declined 12% from the prior quarter to \$314 million, and declined 30%, from \$445 million a year ago.

Net charge offs of \$18 million for the third quarter were down \$6 million, or 26%, from the second quarter, and were 42% lower than a year ago. The Company's allowance for loan losses was \$315 million, representing an allowance equal to 2.11% of loans, and which represented a coverage ratio of over 113% of nonaccrual loans at September 30, 2012.

Capital Ratios

The Company's capital position remains very strong, with a Tier 1 common equity ratio of 12.01% at September 30, 2012. The Company's capital ratios continue to be well in excess of both current and proposed "well-capitalized" regulatory benchmarks.

THIRD QUARTER 2012 EARNINGS RELEASE CONFERENCE CALL

The Company will host a conference call for investors and analysts at 4:00 p.m. Central Time (CT) today, October 18, 2012. Interested parties can listen to the call live on the Internet through the investor relations section of the company's website, <http://investor.associatedbank.com/> or by dialing 877-317-6789. The slide presentation for the call will be available on the company's website just prior to the call. The number for international callers is 412-317-6789. Participants should ask the operator for the Associated Banc-Corp third quarter 2012 earnings call.

An audio archive of the webcast will be available on the company's website. A telephone replay will be available two hours after the completion of the call through 8:00 a.m. CT on November 19, 2012, by dialing 877-344-7529 and entering the conference ID number 10018690. The replay number for international callers is 412-317-0088.

ABOUT ASSOCIATED BANC-CORP

Associated Banc-Corp (NASDAQ: ASBC) has total assets of \$23 billion and is one of the top 50, publicly traded, U.S. bank holding companies. Headquartered in Green Bay, Wis., Associated is a leading Midwest banking franchise, offering a full range of financial products and services through more than 250 banking locations serving more than 150 communities throughout Wisconsin, Illinois and Minnesota, and commercial financial services in Indiana, Michigan, Missouri, Ohio and Texas. Associated Bank, N.A. is an Equal Housing Lender, Equal Opportunity Lender and Member FDIC. More information about Associated Banc-Corp is available at www.associatedbank.com.

FORWARD LOOKING STATEMENTS

Statements made in this document 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.

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