

Associated Banc-Corp
Investor Presentation

2016

SECOND QUARTER



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.



ASSOCIATED BANK FRANCHISE



Company 1Q 2016

- Headquarters: Green Bay, Wisconsin
- Employees: ~4,400
- Branches: 215
- Largest bank headquartered in Wisconsin

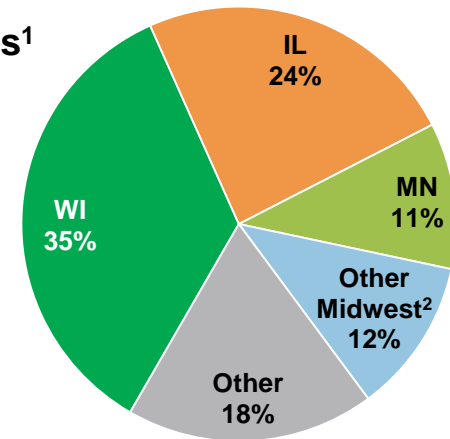
Financials 1Q 2016

- Assets: \$28 billion
- Loans: \$19 billion
- Deposits: \$21 billion
- LTM Revenue: \$1 billion

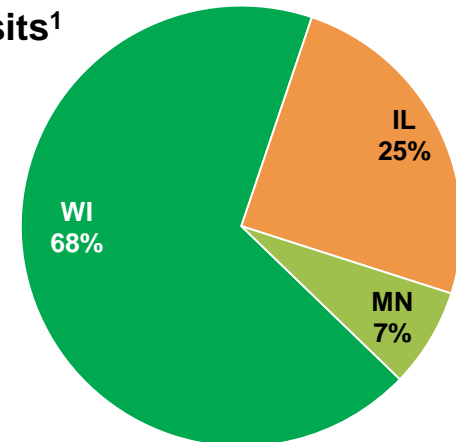
Business

- Full range of banking services, insurance, and other financial solutions
- Serving over 1 million customers in over 100 communities
- Extensive affinity programs featuring the Green Bay Packers, Milwaukee Brewers, and Minnesota Wild

Loans¹



Deposits¹



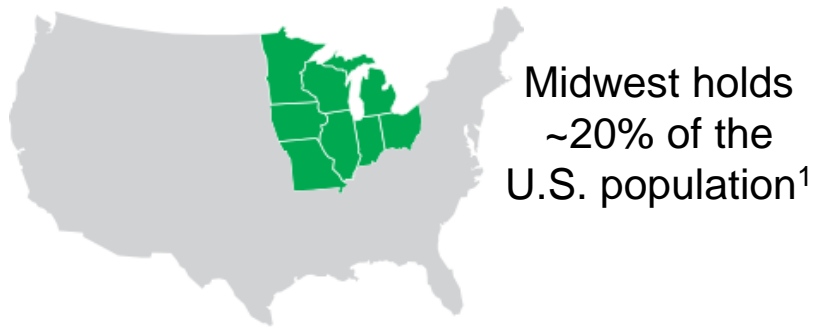
¹ – Period end as of March 31, 2016; loan chart excludes \$0.4 billion in other consumer loans

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

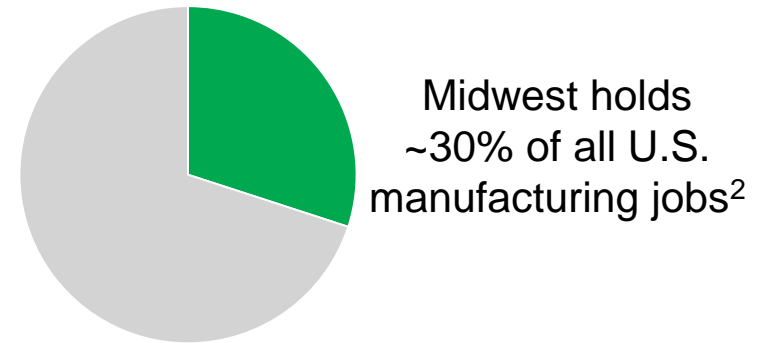


ATTRACTIVE MIDWEST MARKETS

Large Demographic Base



Manufacturing Centric

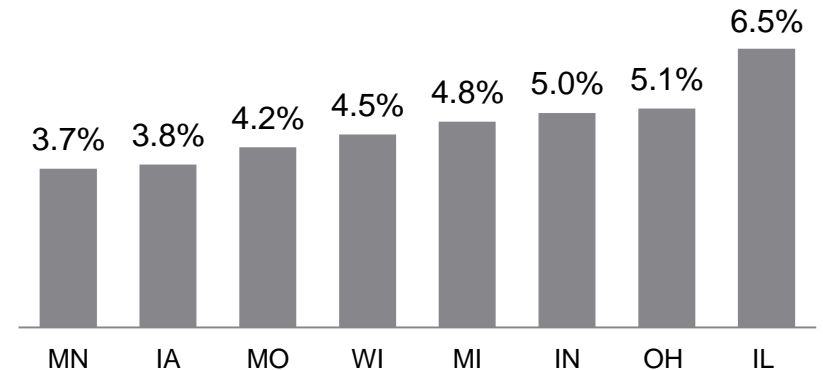


Strong Consumer Credit

ASB
Mortgage
Portfolio
FICO
Score³

771

Low Unemployment Rates⁴



¹ – U.S. Census Bureau, Annual Estimates of the Resident Population, 2015

² – U.S. Bureau of Labor Statistics, Manufacturing Industry Employees, March 2016 (preliminary)

³ – Weighted average of the March 31, 2016 principal balance and borrowers' FICO score retrieved in January 2016

⁴ – U.S. Bureau of Labor Statistics, Total Nonfarm Employees, March 2016



2016 MANAGEMENT PRIORITIES

1

Enhanced Customer Experience

We are committed to providing efficient solutions that improve each customer's experience and which help them better manage their finances across multiple platforms

2

Organic Balance Sheet Growth

We are focused on organically expanding our relationships, with existing and new customers, across our Upper Midwest footprint and in select national businesses

3

Diverse Business Lines

We have a diverse set of loan and fee-based businesses, which should produce balanced revenue streams through the cycle

4

Disciplined Credit Approach

We have robust internal portfolio management controls, ensuring we grow loan exposures in a balanced and diversified manner over time

5

Expense Control

We continue to invest in our businesses while containing and controlling expenses

6

Prudent Capital Management

We prudently and efficiently deploy capital

Driving Long-Term Shareholder Value Creation



FIRST QUARTER UPDATE

Enhanced Customer Experience

Improving branch customer satisfaction trends

90% of consumer customers were completely satisfied with their branch experience in the first quarter

Disciplined Credit Approach

Increased the allowance related to the oil and gas portfolio to

6.5%

Solid credit quality trends outside of the oil and gas portfolio

Organic Balance Sheet Growth

Average loans were **up \$380 million**, or 2% in the first quarter

Total commercial lending accounted for 85% of average loan growth

Expense Control

Costs were down \$2 million from the fourth quarter and flat year over year

Efficiency ratio **improved to 67%** in the first quarter

Diverse Business Lines

Recognized record insurance commissions of

\$21 million

in the first quarter

Expanded REIT lending

Prudent Capital Management

Returned 90%

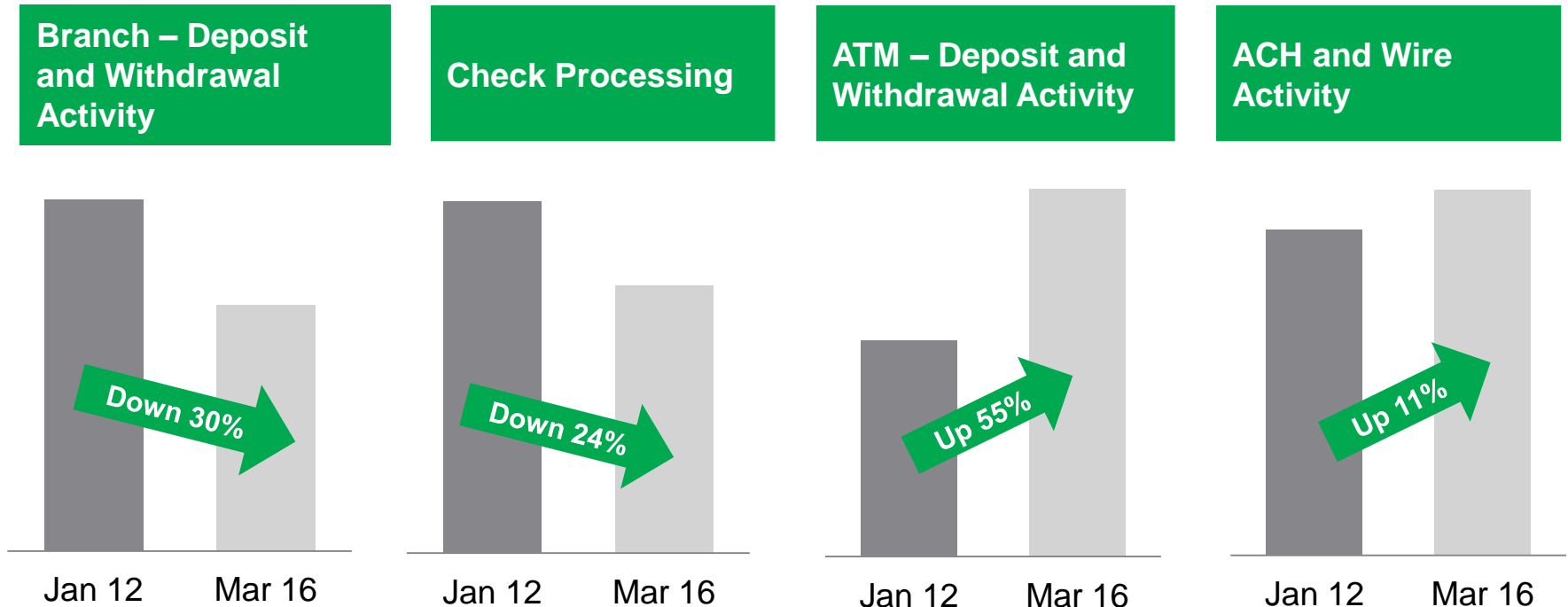
of first quarter's net income to shareholders through share repurchases and dividends

Net income available to common equity of \$40 million, or \$0.27 per common share



EVOLVING DELIVERY MODEL

Changing customer behavior has driven our continued investment in digital platforms

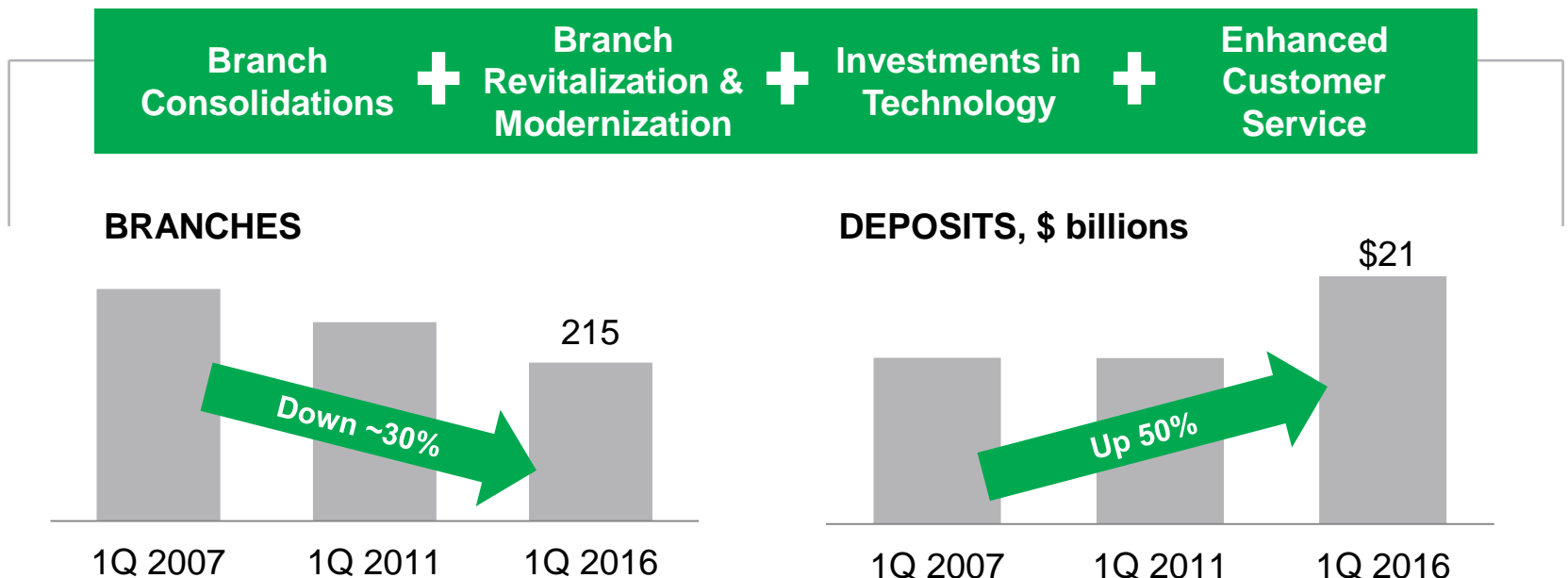


ENHANCED CUSTOMER EXPERIENCE

SUPPORTS GROWTH IN AN EVOLVING INDUSTRY

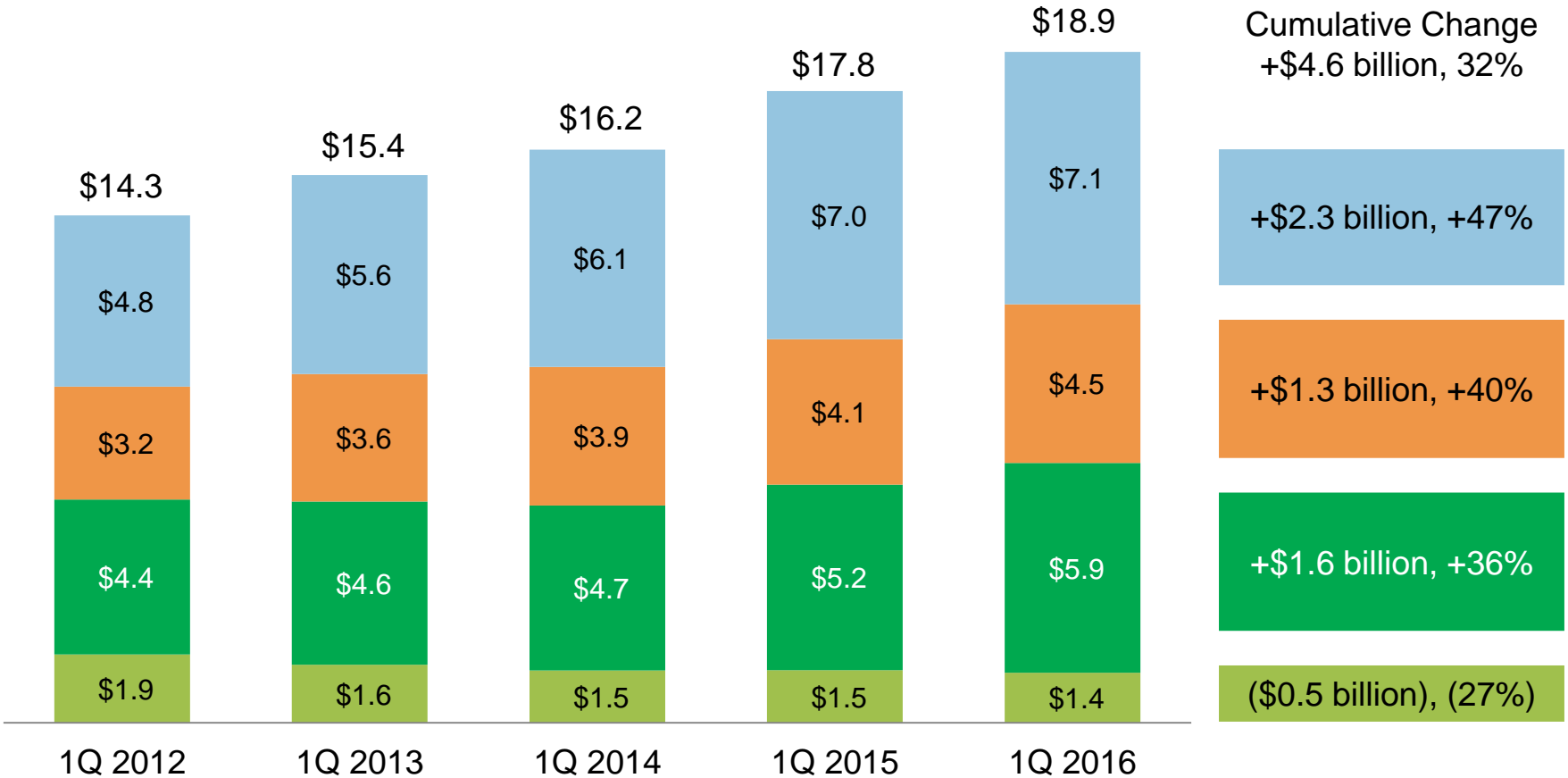
- We believe that providing extraordinary service leads to customer satisfaction and loyalty
- We deliver financial products and services through efficient, seamless, multi-channel experiences
- We are constantly evolving our delivery model to meet the changing preferences of our customers

Our evolving branch optimization strategy combines efficiency initiatives with investments in technology and the customer experience



ORGANIC LOAN GROWTH

(AVERAGE BALANCES, \$ IN BILLIONS)

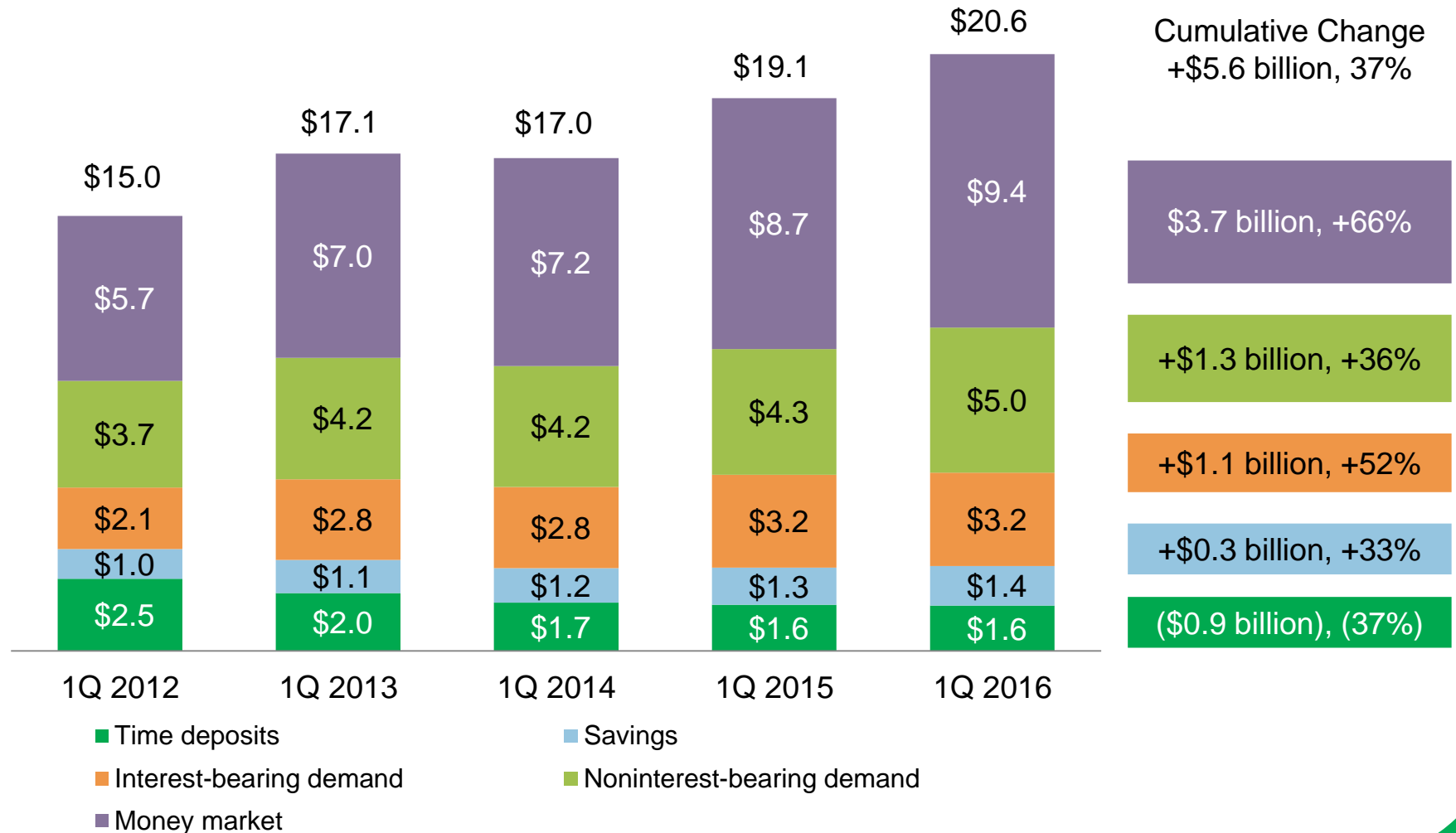


- Home Equity & Other Consumer
- Residential Mortgage
- Commercial Real Estate
- Commercial & Business



ORGANIC DEPOSIT GROWTH

(AVERAGE BALANCES, \$ IN BILLIONS)



DIVERSE BUSINESS LINES

Community, Consumer, and Business (48% of Average Loans)

Consumer and Commercial Banking	Branch Banking		Commercial Banking		Residential Lending		Payments and Direct Channels	
Community Markets	Eau Claire, WI	La Crosse, WI	Central Wisconsin	Rockford, IL	Peoria, IL	Southern Illinois	Rochester, MN	
Private Client and Institutional Services	Private Banking	Personal Trust	Asset Management	Retirement Plan Services	Associated Financial Group	Associated Investment Services		

Corporate and Commercial Specialty (51% of Average Loans)

Corporate Banking	Corporate Lending	Specialized Lending Verticals	Commercial Deposits and Treasury Management	Capital Markets
Commercial Real Estate	CRE Lending	Real Estate Investment Trusts	CRE Syndications	CRE Tax Credits



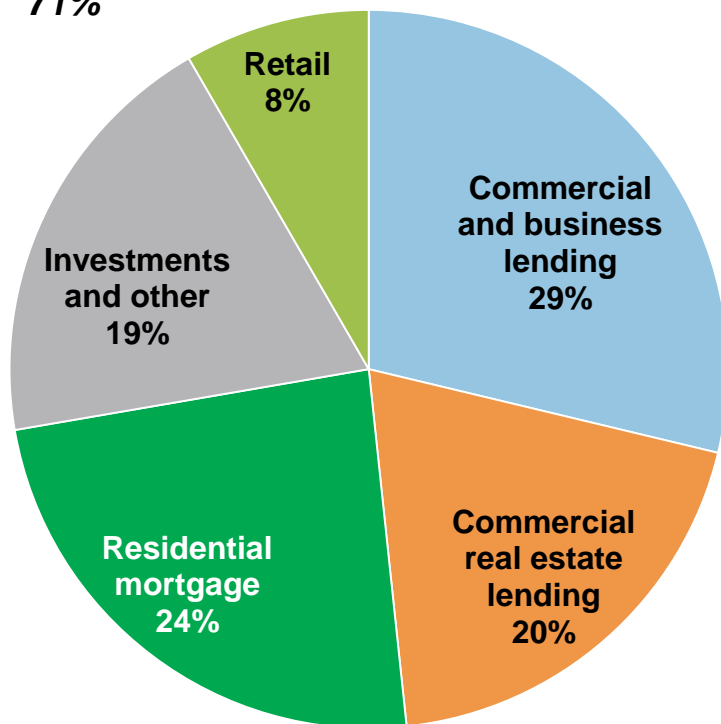
BALANCED REVENUE STREAMS

FIRST QUARTER 2016

Interest Income Composition¹

\$199 million

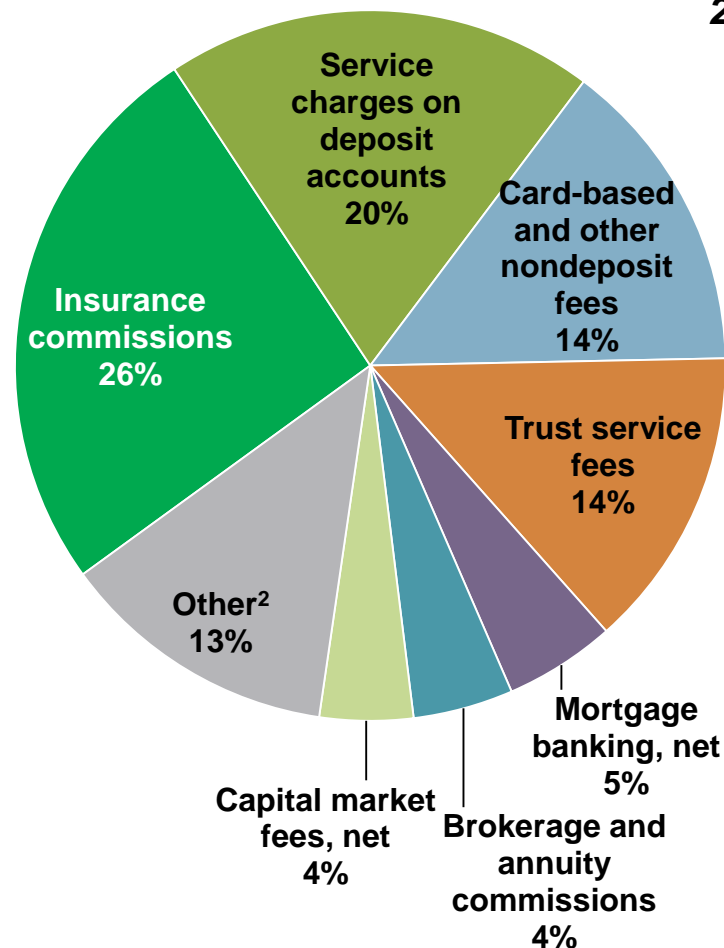
71%



Noninterest Income Composition

\$83 million

29%



¹ – Interest income on a fully tax-equivalent basis

² – Other includes Bank owned life insurance income; Asset gains, net; Investment securities gains, net; and Other

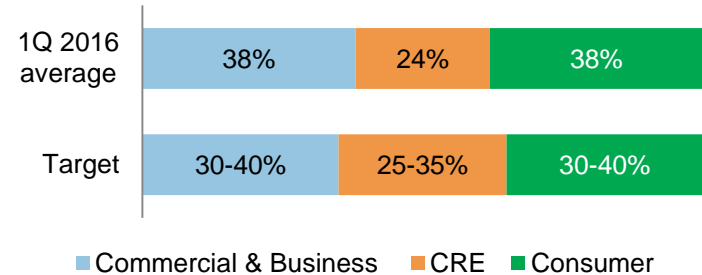


DISCIPLINED CREDIT APPROACH

INTERNAL PORTFOLIO MANAGEMENT LEADS TO PURPOSEFUL DIVERSIFICATION

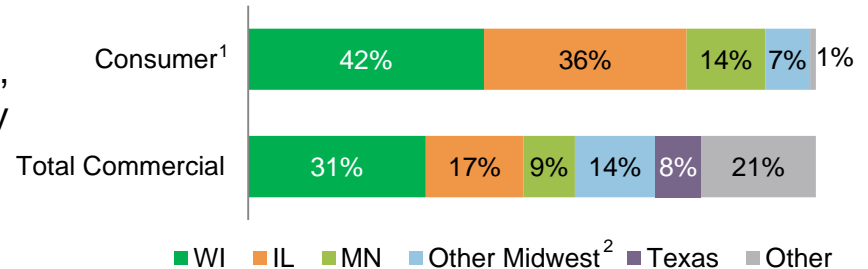
Asset Class

- Balanced portfolio of Commercial and Business, Commercial Real Estate and Consumer credit



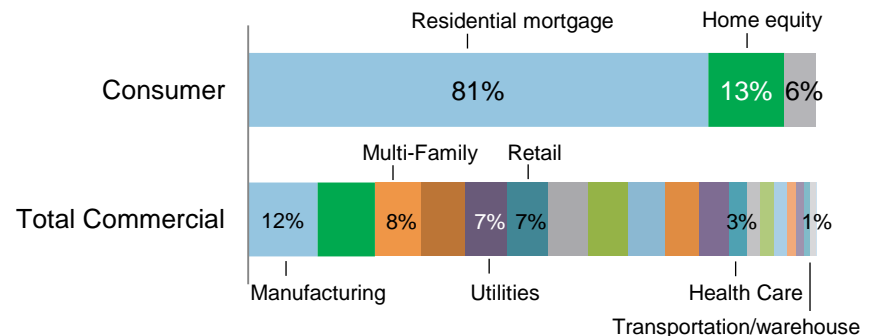
Geography

- Focused on growth within our Upper Midwest footprint, and select national specialty businesses and markets



Industry / Property

- Industry and property type caps ensure granular diversification



¹ – Excludes \$0.4 billion in other consumer loans

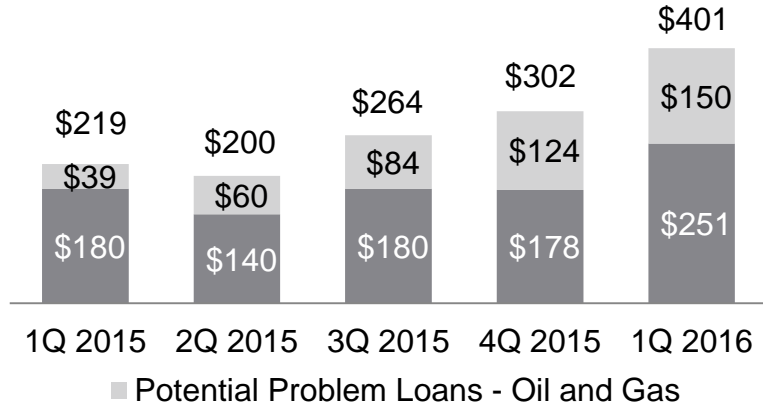
² – Other Midwest includes Missouri, Indiana, Ohio, Michigan and Iowa

See slide 23 for complete industry and property detail.

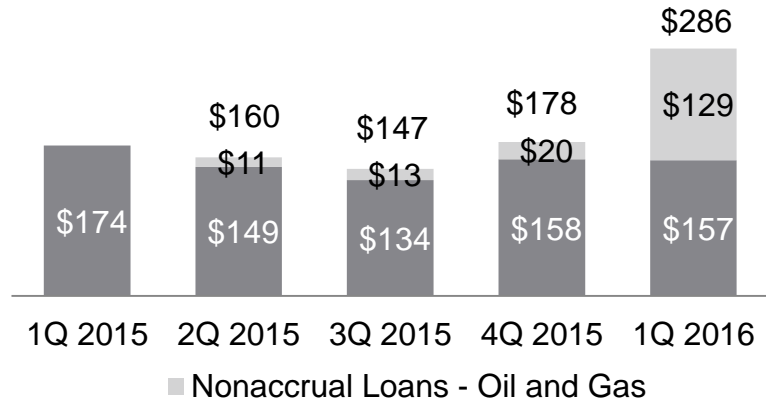
CREDIT QUALITY TRENDS

(\$ IN MILLIONS)

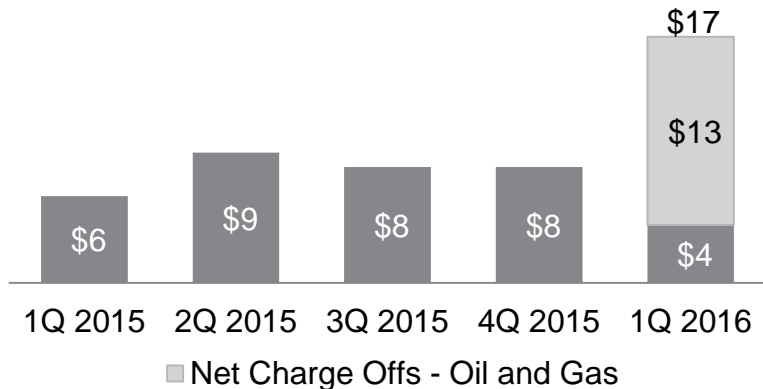
Potential Problem Loans



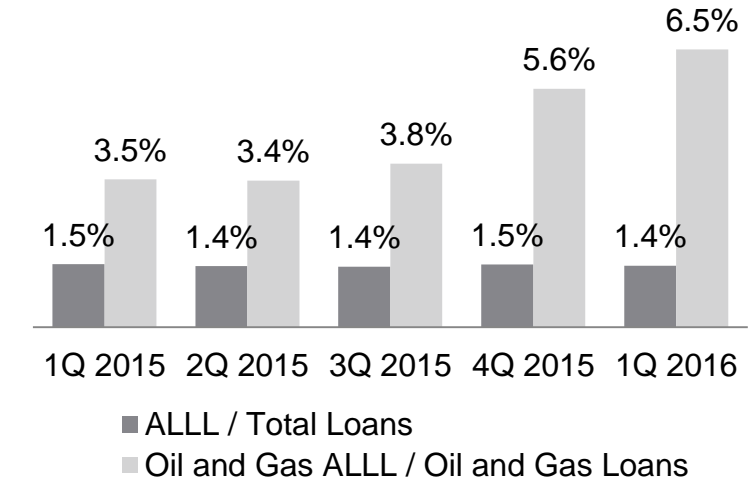
Nonaccrual Loans



Net Charge Offs



Allowance to Total / Oil and Gas Loans



OIL AND GAS LENDING UPDATE

Portfolio

- ~\$1 billion in exposure
- 4% of total loans
- 53 credits

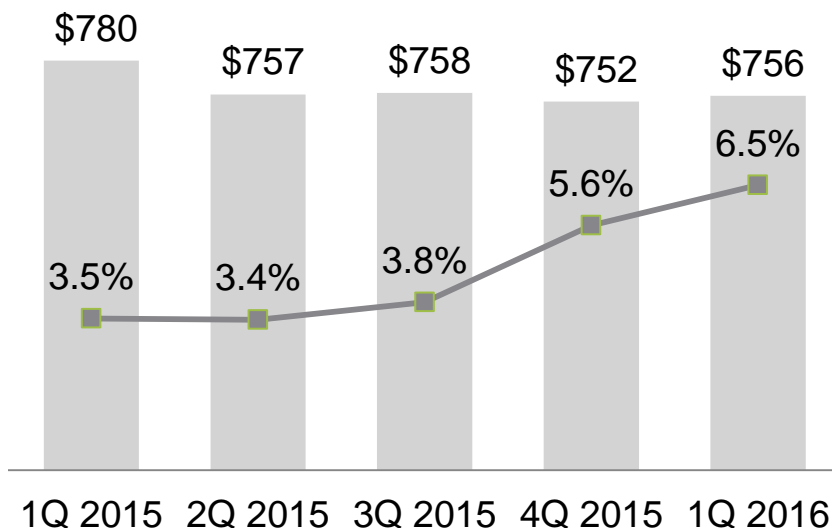
Mix

- Exclusively focused on the upstream sector
- Exposure is approximately 65% oil and 35% gas¹

Underwriting

- 100% of loans are reserve secured

■ Period End Oil & Gas Loans (\$ in millions) ■ Related Reserves %



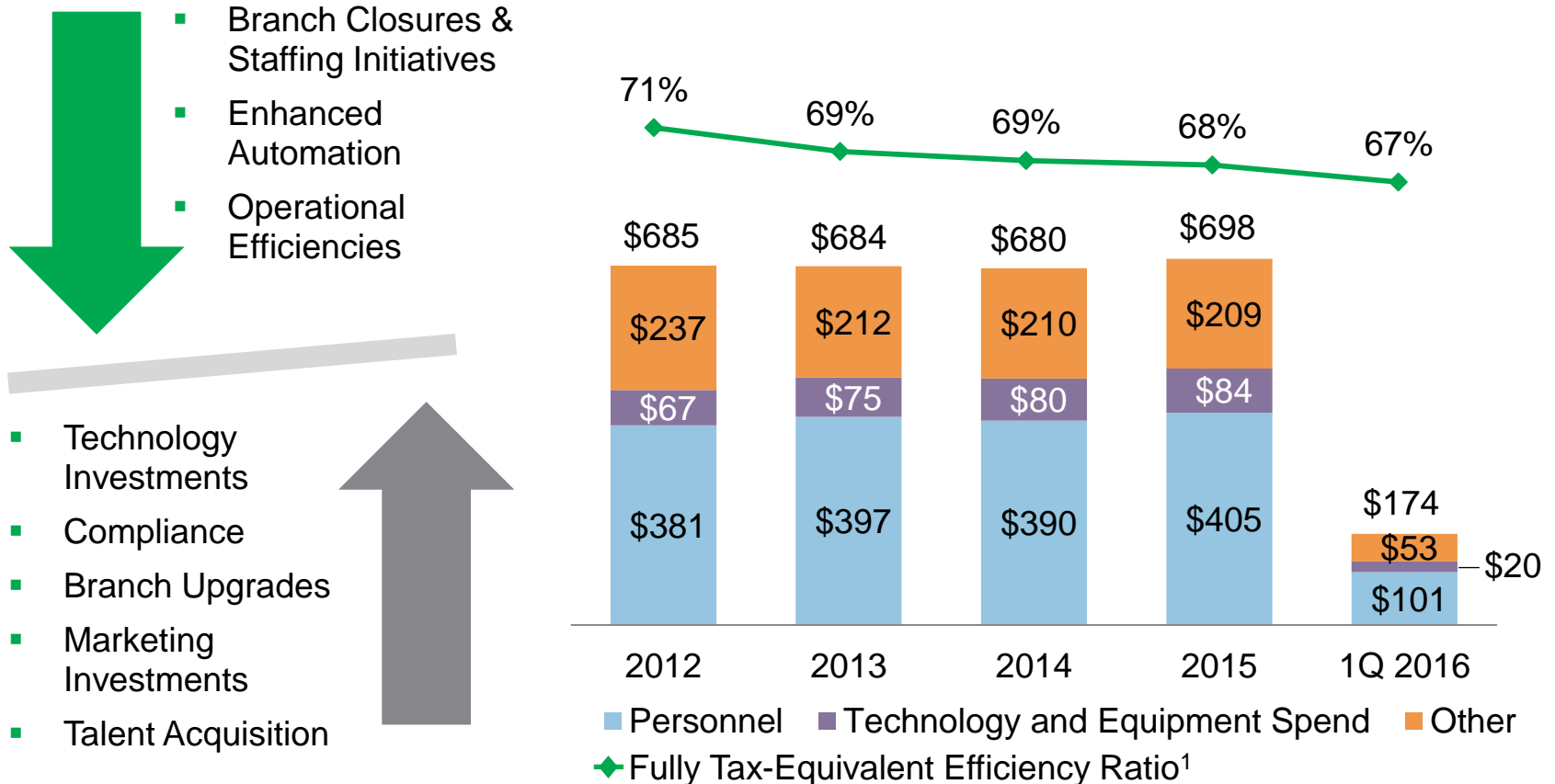
- Borrowing base redeterminations are performed at least twice per year
 - Based on detailed engineering reports and discounted cash flow forecast analysis
- We proactively risk grade and reserve accordingly against our loan portfolio
- Lower market pricing and new regulatory guidance has led to downward rating migration within the portfolio
- Increased reserves to \$49 million, or 6.5%, at quarter end

¹ – Based on borrowers' % revenue from oil/gas



EXPENSE CONTROL

Automation and investments are driving better efficiency over time



¹ – The fully tax-equivalent efficiency ratio is a non-GAAP financial measure, which is defined by the Federal Reserve guidance as 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. Please refer to the appendix for a reconciliation of this measure to “efficiency ratio” as defined by the Federal Reserve.



PRUDENT CAPITAL MANAGEMENT

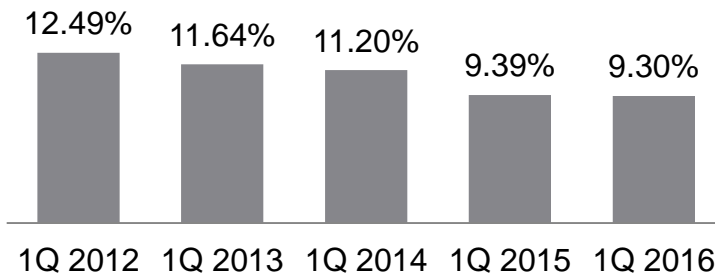
1
Funding
Organic
Growth

2
Paying a
Competitive
Dividend

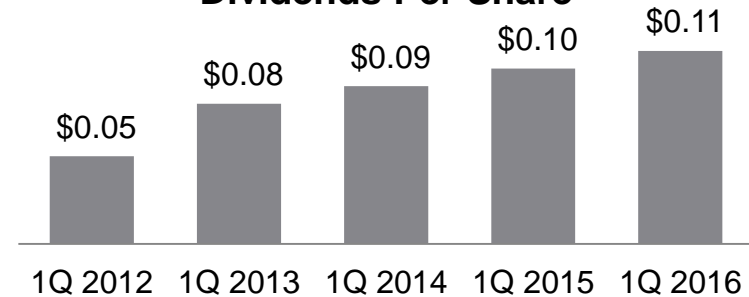
3
Non-organic
Growth
Opportunities

4
Share
Buybacks
and
Redemptions

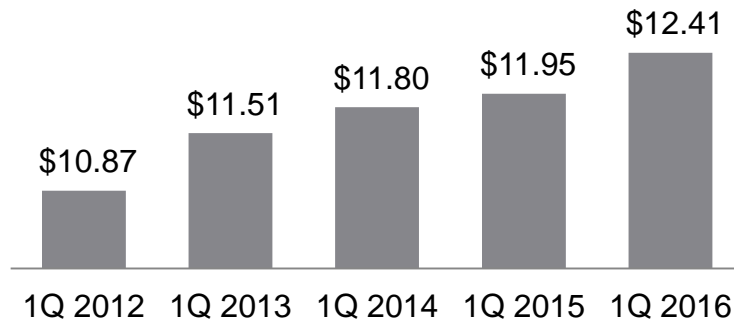
Common Equity Tier 1¹ Ratio



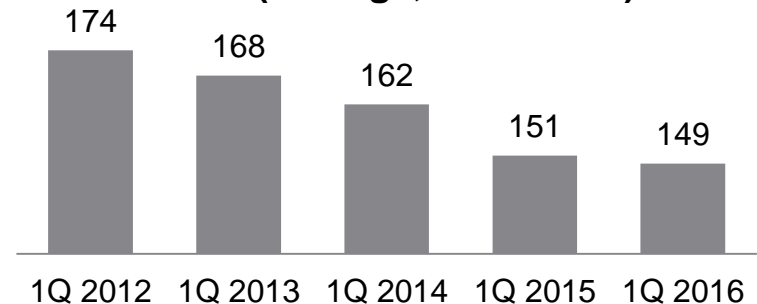
Dividends Per Share



Tangible Book Value Per Share



Common Shares Outstanding Diluted (average, in millions)

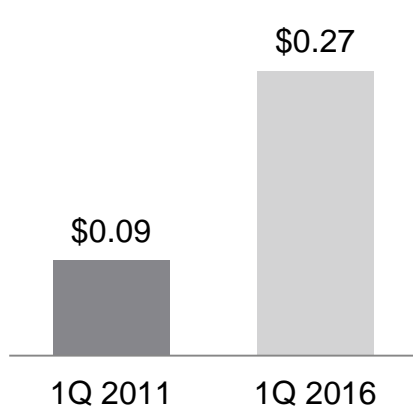


¹ – Prior to 2015, the regulatory capital requirements effective for the Corporation followed the Capital Accord of the Basel Committee on Banking Supervision ("Basel I"). Beginning January 1, 2015, the regulatory capital requirements effective for the Corporation follow Basel III, subject to certain transition provisions. Please refer to the appendix for additional information on common equity Tier 1.

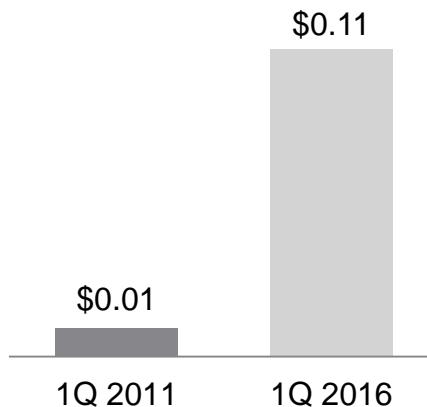


DELIVERING LONG TERM VALUE

Earnings Per Share

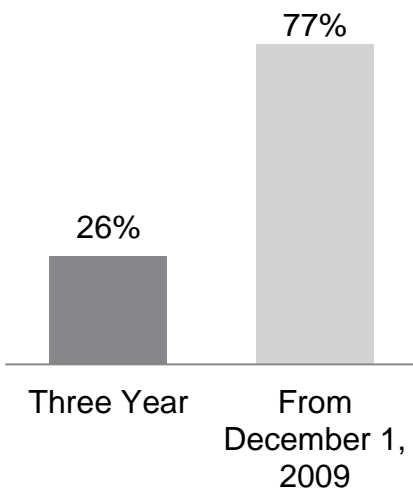


Dividends



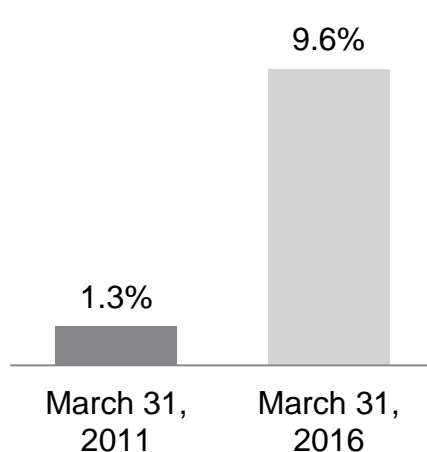
Shareholder Return

As of March 31, 2016



ROATCE

Last twelve months



Earnings Per Share

25%

5 Year CAGR

Dividends

62%

5 Year CAGR

Annualized Shareholder Returns

9.4%

December 1, 2009 – March 31, 2016

ROATCE

9.6%

Last Twelve Months



2016 OUTLOOK

Balance Sheet

- High single digit annual average loan growth
- Maintain Loan to Deposit ratio under 100%

Noninterest Expense

- Approximately flat to prior year

Net Interest Margin

- In the absence of Federal Reserve action to raise rates, NIM to dip into the 2.75% to 2.80% range

Capital

- Continue to follow stated corporate priorities for capital deployment

Noninterest Income

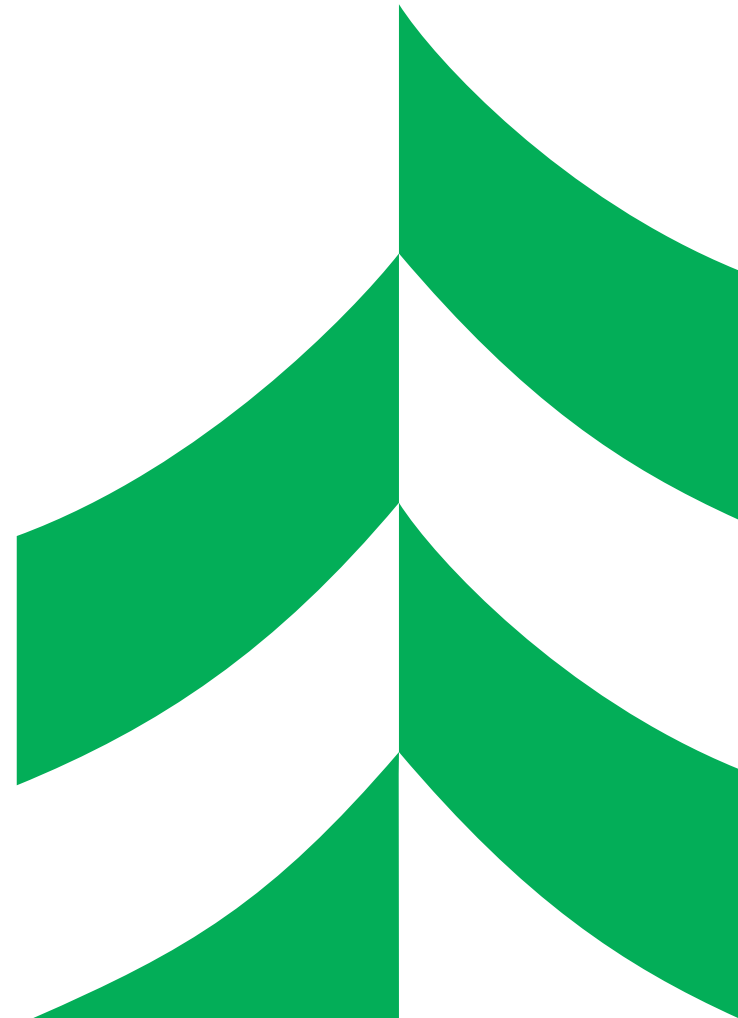
- Approximately flat to prior year, excluding investment securities gains

Provision

- Dependent on loan growth and changes in risk grade or other indications of credit quality

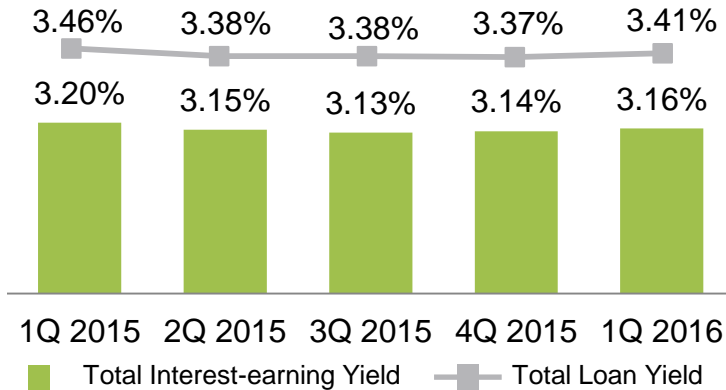


APPENDIX

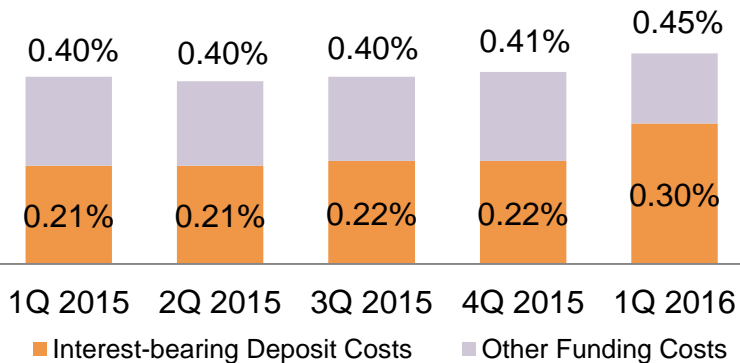


NET INTEREST INCOME AND MARGIN TRENDS

Yield on Interest-earning Assets

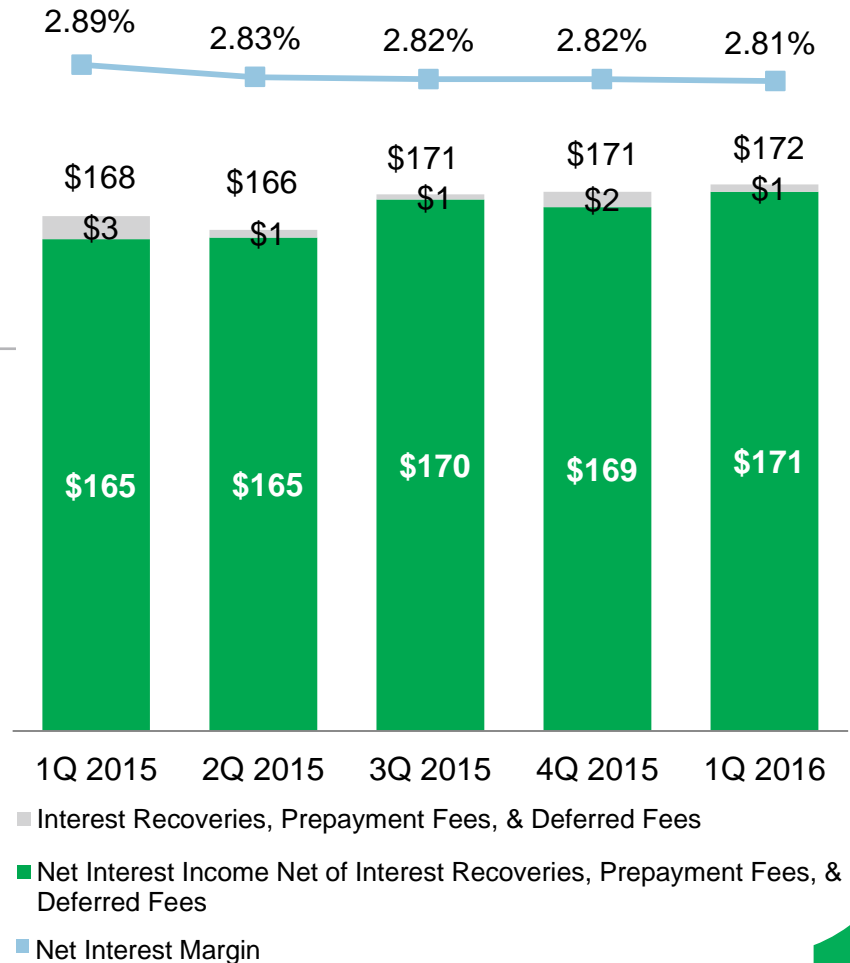


Cost of Interest-bearing Liabilities



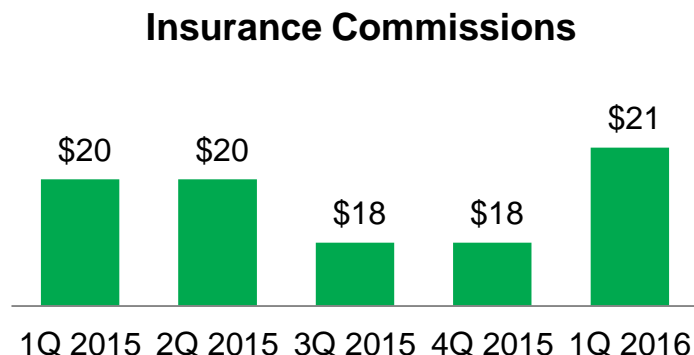
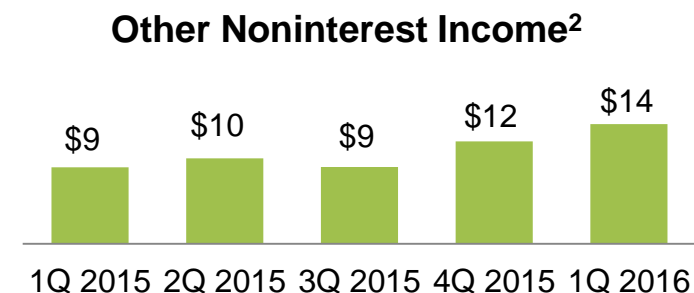
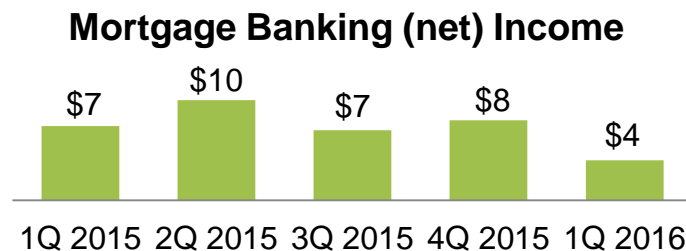
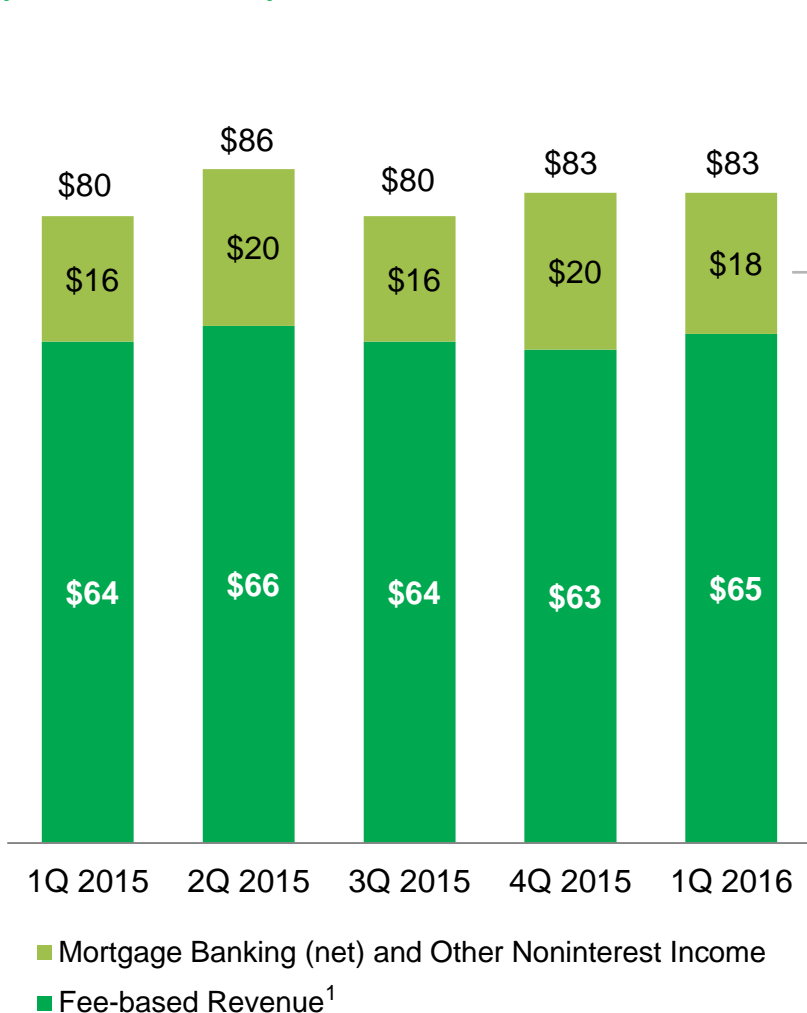
Net Interest Income & Net Interest Margin

(\$ in millions)



NONINTEREST INCOME TRENDS

(\$ IN MILLIONS)



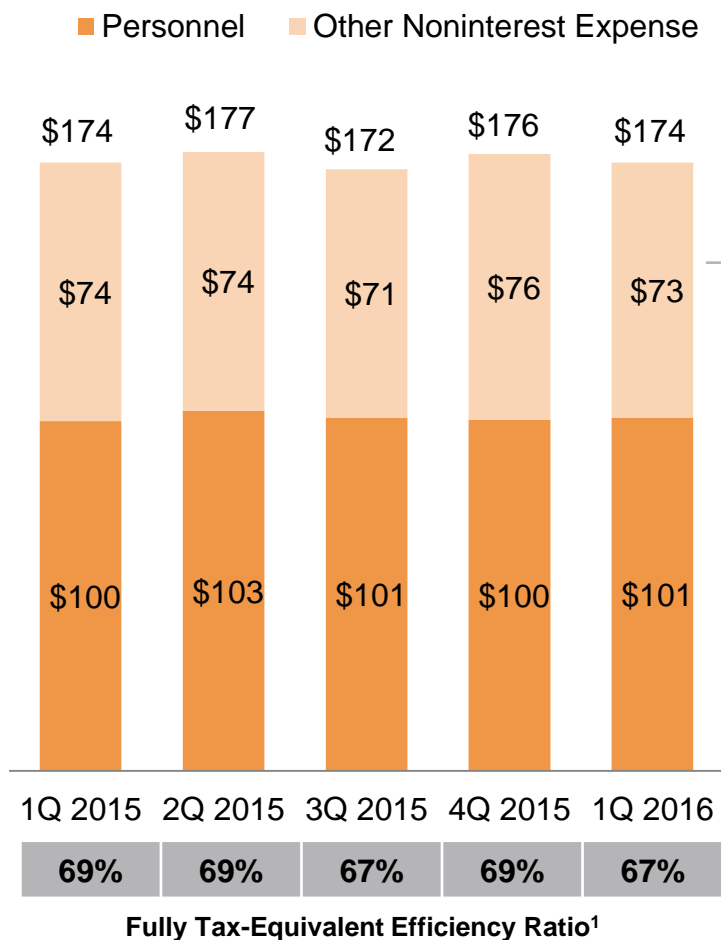
¹ – Fee-based Revenue = A non-GAAP financial measure, is the sum of trust service fees, service charges on deposit accounts, card-based and other nondeposit fees, insurance commissions, and brokerage and annuity commissions

² – Other Noninterest Income = Total noninterest income minus mortgage banking (net) income minus fee-based revenue

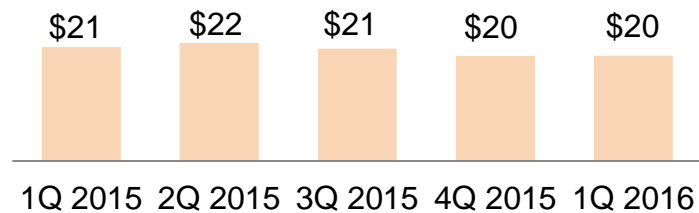


NONINTEREST EXPENSE TRENDS

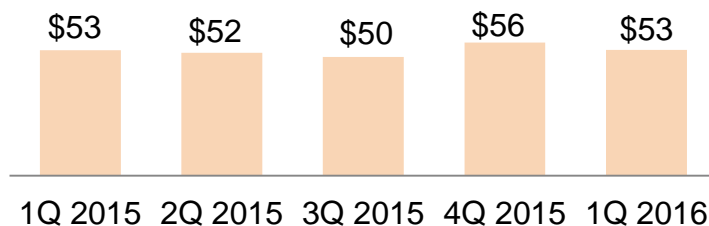
(\$ IN MILLIONS)



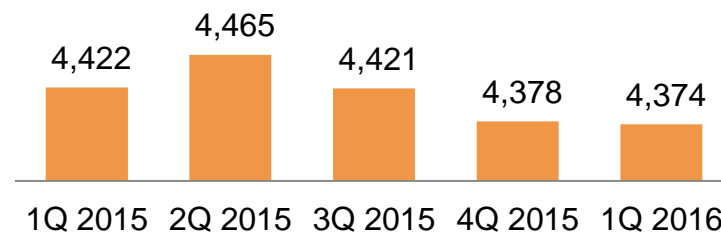
Technology and Equipment Spend



Other Non-Personnel Spend²



FTE³ Trend



¹ – The fully tax-equivalent efficiency ratio is a non-GAAP financial measure, which is defined by the Federal Reserve guidance as 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. Please refer to the appendix for a reconciliation of this measure to “efficiency ratio” as defined by the Federal Reserve.

² – Other Non-Personnel Spend = Total noninterest expense less personnel and technology and equipment spend

³ – FTE = Average full time equivalent employees

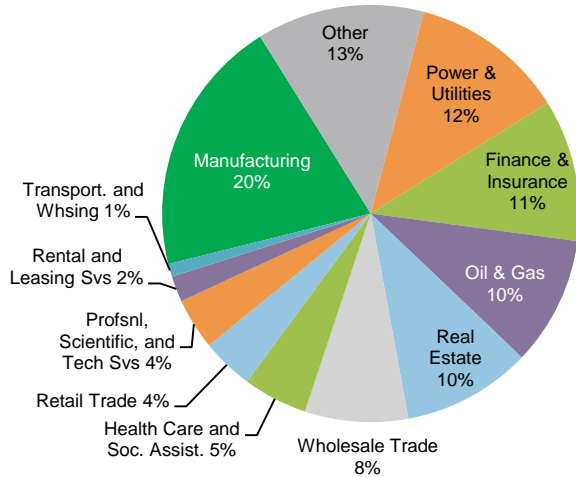


LOANS BY INDUSTRY AND STATE

MARCH 2016 PERIOD END BALANCES

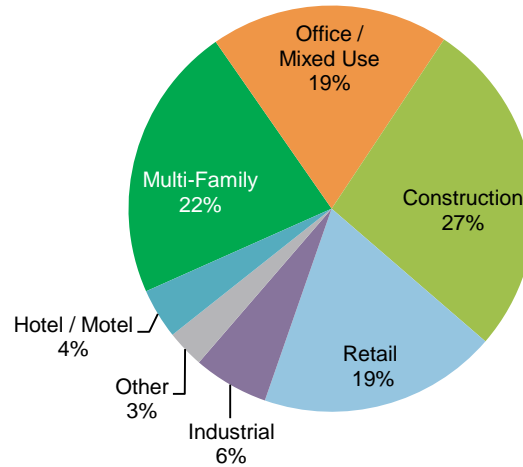
C&BL by Industry

(\$7.4 billion)



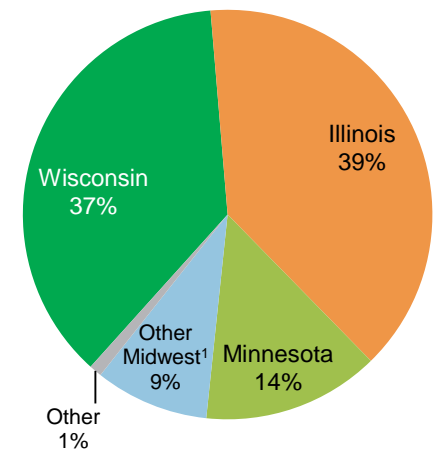
CRE by Industry

(\$4.5 billion)



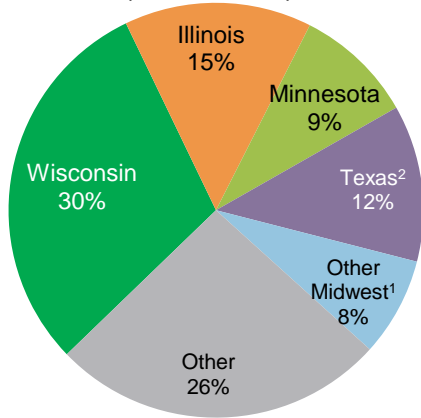
Residential Mortgage by Geography

(\$5.9 billion)



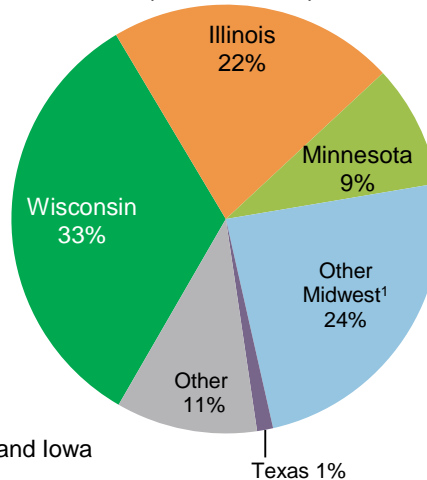
C&BL by Geography

(\$7.4 billion)



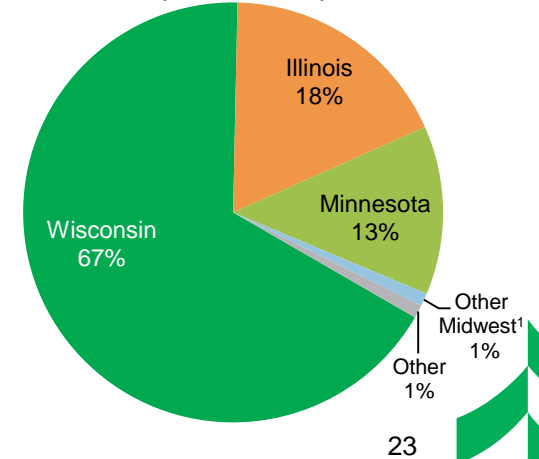
CRE by Geography

(\$4.5 billion)



Home Equity by Geography

(\$1.0 billion)

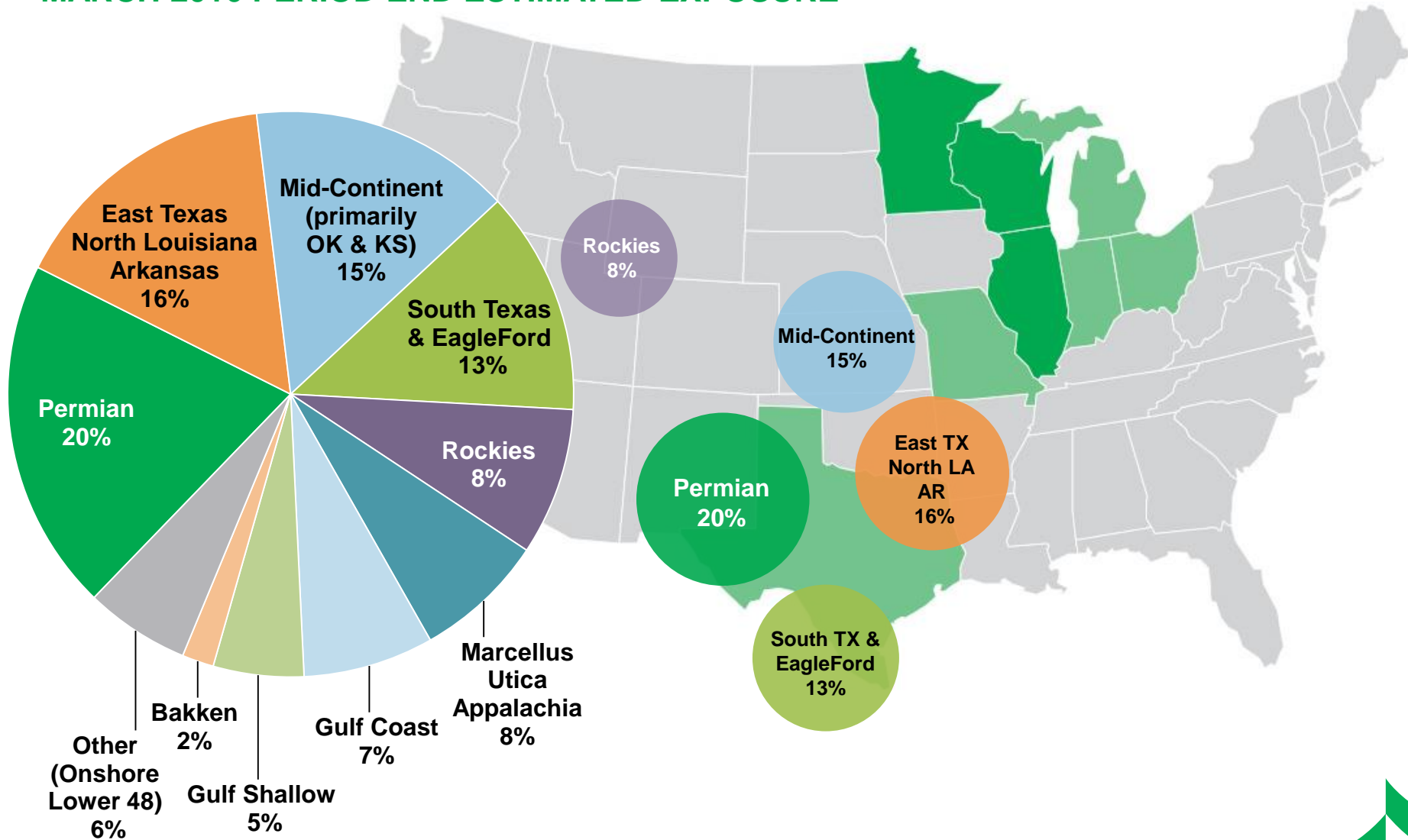


¹ – Other Midwest includes Missouri, Indiana, Ohio, Michigan and Iowa

² – Principally reflects the oil and gas portfolio

OIL AND GAS PORTFOLIO BY GEOGRAPHY

MARCH 2016 PERIOD END ESTIMATED EXPOSURE



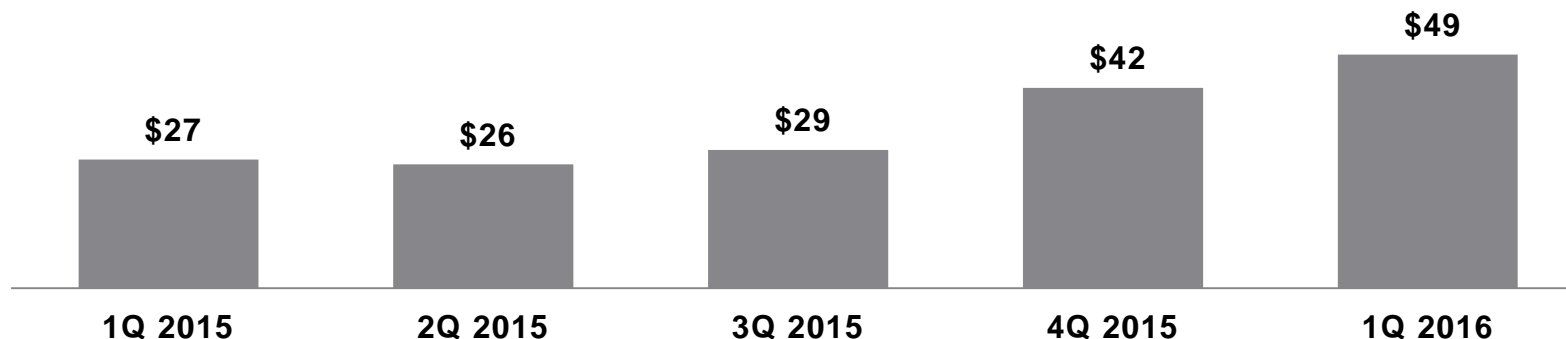
OIL AND GAS CREDIT PROFILE

(\$ IN MILLIONS)

Oil and Gas Loans Outstanding	1Q 2015	2Q 2015	3Q 2015	4Q 2015	1Q 2016
Pass	\$706	\$658	\$587	\$522	\$402
Criticized / Classified	74	88	158	210	225
Nonaccrual	-	11	13	20	129
Total Oil and Gas Loans	\$780	\$757	\$758	\$752	\$756

Potential Problem Loans (PPLs)	1Q 2015	2Q 2015	3Q 2015	4Q 2015	1Q 2016
Oil and Gas ¹	\$39	\$60	\$84	\$124	\$150
Oil and Gas % of Total (PPLs)	18%	30%	32%	41%	37%

Allowance Related to the Oil and Gas Portfolio



¹ – Potential problem loans are included in Criticized / Classified



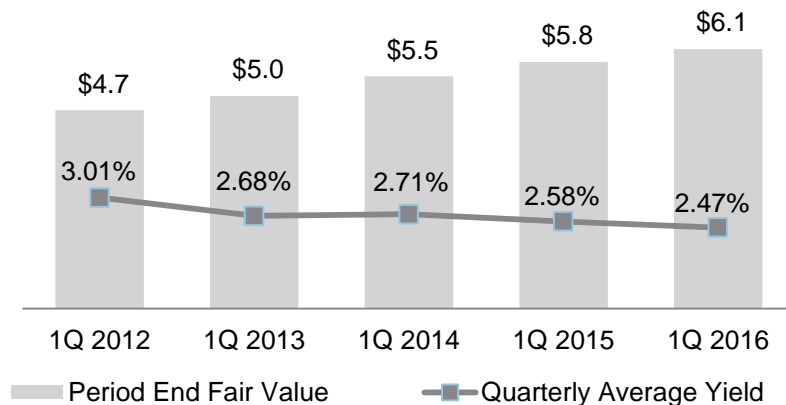
HIGH QUALITY SECURITIES

(\$ IN BILLIONS)

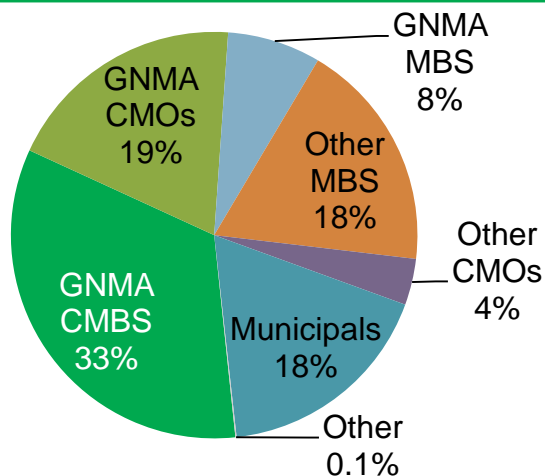
Portfolio Detail

Investment Type	Amortized Cost	Fair Value	Duration (Yrs)
GNMA CMBS	\$2.1	\$2.0	3.8
GNMA MBS & CMOs	1.6	1.6	4.2
Agency & Other MBS & CMOs	1.3	1.3	2.7
Municipals	1.1	1.1	6.0
Corporates & Other	0.0	0.0	2.9
Treasury	0.0	0.0	0.9
Strategic Portfolio	\$6.0	\$6.1	4.1
Membership Stock	0.2	0.2	
Total Portfolio	\$6.2	\$6.3	

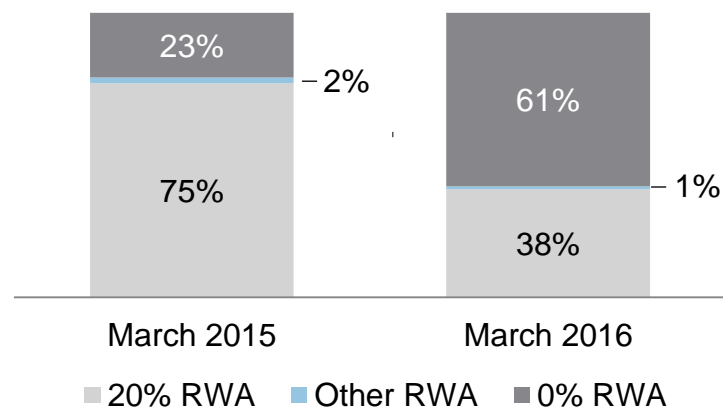
Portfolio and Yield Trends



Fair Value Composition



Risk Weighting Profile



RECONCILIATION AND DEFINITIONS OF NON-GAAP ITEMS

Tangible Common Equity and Common Equity Tier 1 Reconciliation, (\$ in millions)	1Q 2012	1Q 2013	1Q 2014	1Q 2015	1Q 2016
Common equity	\$2,838	\$2,873	\$2,840	\$2,823	\$2,862
Goodwill and other intangible assets	(948)	(944)	(939)	(987)	(989)
Tangible common equity	1,890	1,929	1,901	1,836	1,873
Less: Accumulated other comprehensive (income) loss	(65)	(43)	11	(25)	(2)
Less: Deferred tax assets / deferred tax liabilities, net	(5)	(5)	-	27	32
Common equity Tier 1	\$1,820	\$1,881	\$1,912	\$1,838	\$1,903

Common equity Tier 1, a non-GAAP financial measure, is used by banking regulators, investors and analysts to assess and compare the quality and composition of our capital with the capital of other financial services companies. Management uses common equity Tier 1, along with other capital measures, to assess and monitor our capital position. Beginning January 1, 2015, common equity Tier 1 follows Basel III and is defined as common stock and related surplus, net of treasury stock, plus retained earnings. Prior to 2015, common equity Tier 1 follows Basel I and is defined as Tier 1 capital excluding qualifying perpetual preferred stock and qualifying trust preferred securities.

Efficiency Ratio Reconciliation	2012	2013	2014	2015	1Q 2016
Federal Reserve efficiency ratio	72.62%	70.97%	70.26%	69.90%	69.01%
Fully tax-equivalent adjustment	(1.62)	(1.46)	(1.36)	(1.42)	(1.37)
Other intangible amortization	(0.44)	(0.42)	(0.38)	(0.30)	(0.20)
Fully tax-equivalent efficiency ratio	70.56%	69.09%	68.52%	68.18%	67.44%

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 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.