Associated Banc-Corp Investor Presentation

2016

FOURTH QUARTER

Associated Bank

ASB LISTED NYSE

FORWARD-LOOKING STATEMENTS

<u>Important note regarding forward-looking statements</u>:

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.

<u>Trademarks:</u>

ASSOCIATED BANK FRANCHISE

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

217 branches

Headquartered in Green Bay, Wisconsin

Third Quarter 2016

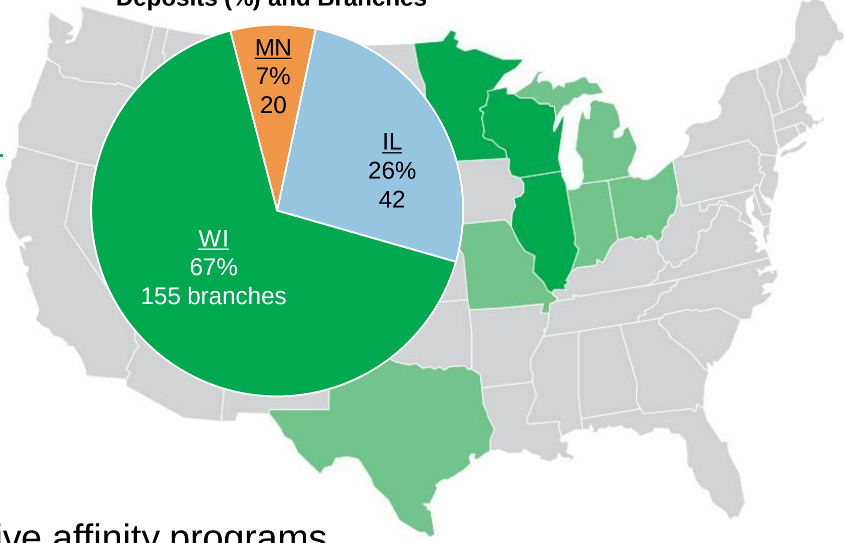
$29 billion in assets

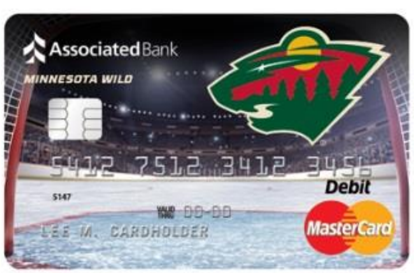
Largest bank headquartered in Wisconsin

$1 billion revenue[2]

Over $21 billion of deposits enhanced by extensive affinity programs

Deposits (%) and Branches



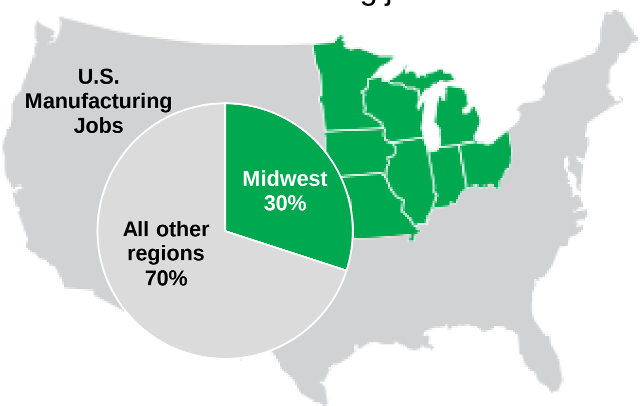


[1] – Retail banking locations in Wisconsin, Illinois and Minnesota and commercial financial offices in Indiana, Michigan, Missouri, Ohio, and Texas
[2] – Last twelve months ended September 30, 2016

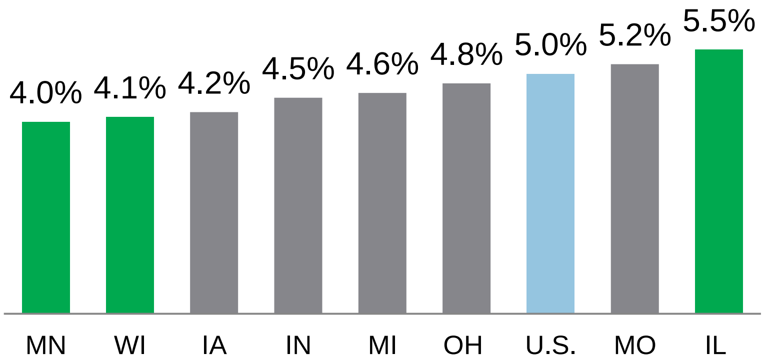
ATTRACTIVE MIDWEST MARKETS

Large population base with a manufacturing-centric economy…

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



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



…supporting a strong employment base with less volatile real estate markets

Midwest Commercial Real Estate Price Index **is half as volatile**[4] as the Northeast regional index

Midwest Home Price Index **is half as volatile**[5] as the national average

Eight of the top 10 cities by **highest VantageScore**[6] are in the Upper Midwest

[1] – U.S. Census Bureau, Annual Estimates of the Resident Population, 2015
[2] – U.S. Bureau of Labor Statistics, Manufacturing Industry Employees, seasonally adjusted, September 2016 (preliminary)
[3] – U.S. Bureau of Labor Statistics, Unemployment Rates by State, seasonally adjusted, September 2016 (preliminary)
[4] – CoStar U.S. Regional Quarterly Index – Equal Weighted, December 1999 – June 2016
[5] – FHFA All Transactions Home Price Index, Q4 1999 – Q2 2016
[6] – Experian, 2015 State of Credit report, VantageScore registered trademark

EVOLVING DELIVERY MODEL

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

Deposits
~50%
from 2007

Branches
~30%
from 2007

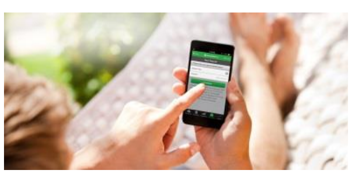
Completed extensive branch revitalization & modernization 2012—2015

ATM transactions represent over 30% of all deposit and withdrawal activity[1]

ATM deposit transactions
~400%
from first quarter 2012

Third quarter 2016
over 55%
of all deposit and withdrawal activity[1] occurred outside our branches

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

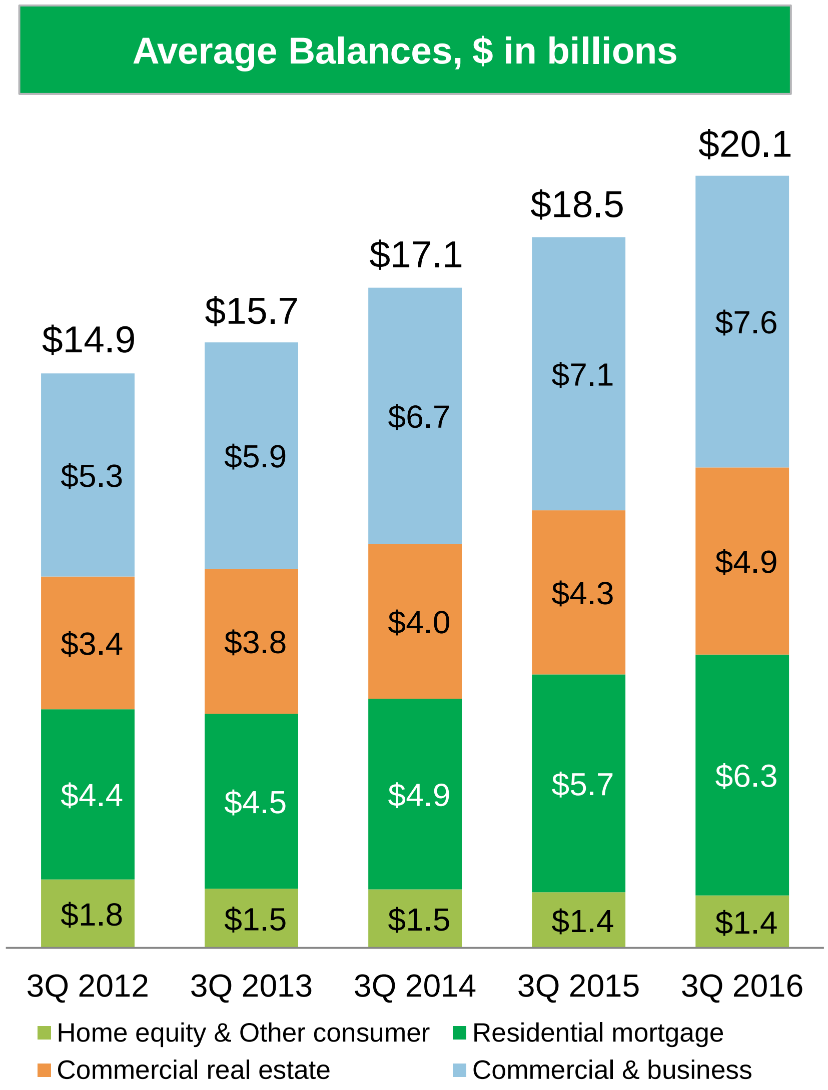


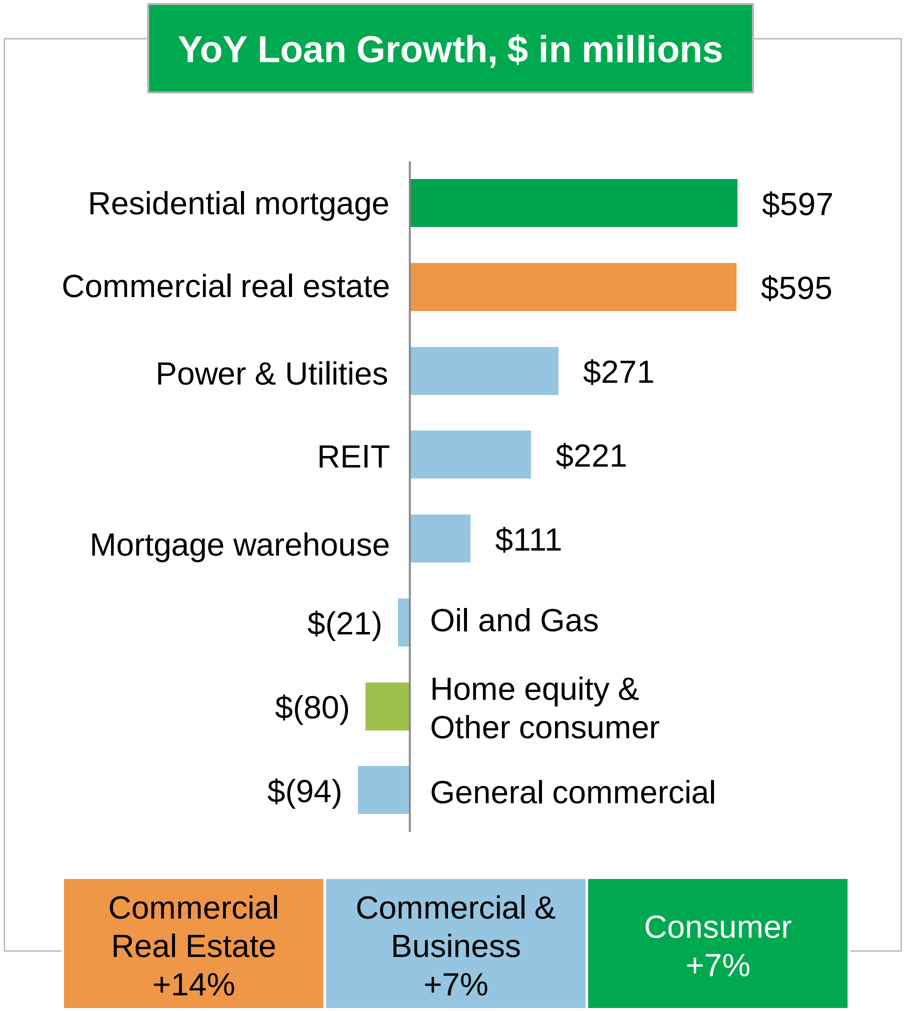
Mobile banking is accessed by nearly 30% of our consumer deposit customers

Mobile deposits
~50%
from third quarter 2015

[1] – Excludes ACH and wire transfer activity

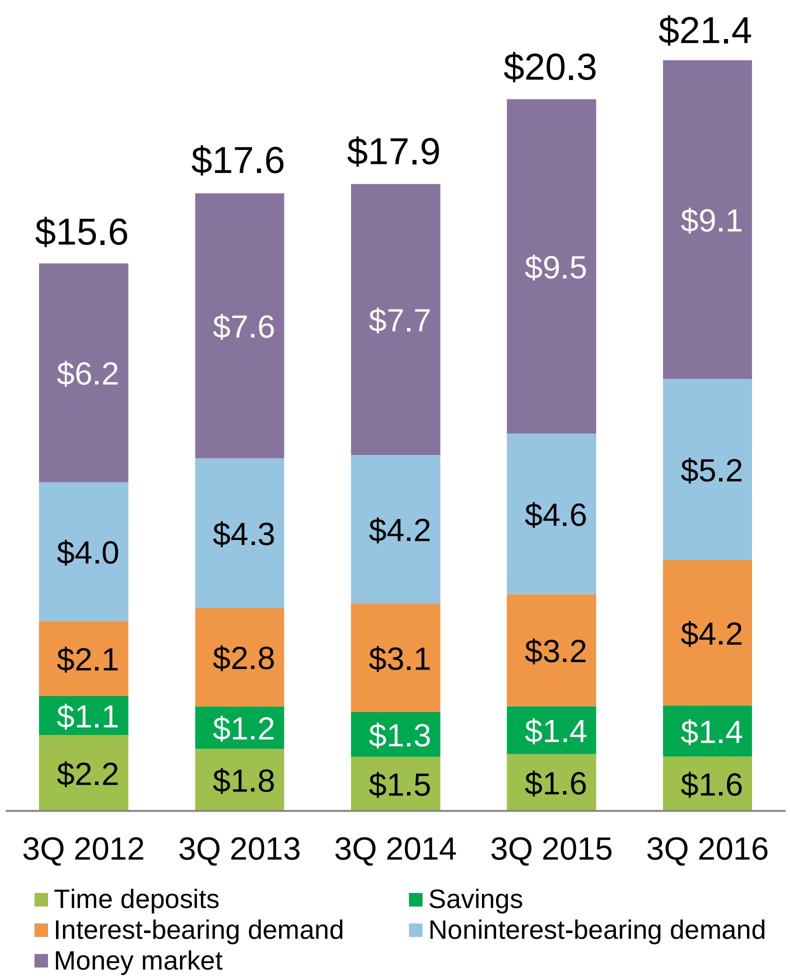
LOAN PORTFOLIO TRENDS





DEPOSIT PORTFOLIO TRENDS

Average Balances, $ in billions



ASB Deposit Highlights by Fed Market[1]

Largest Deposit Markets

Milwaukee $6.4 billion	Chicago $4.2 billion	Green Bay $2.0 billion

Fastest Growing Markets
(Deposit Growth %)

Stevens Point +35%	Beloit-Janesville +32%	Chicago +19%

Leadership Markets by Position Rank

#1	#2	#3
Green Bay Wood County Shawano	Appleton Stevens Point Sturgeon Bay	Milwaukee Madison La Crosse

[1] – FDIC 2016 U.S. Bank Branch Summary of Deposits; growth rates from June 30, 2015 to June 30, 2016

DIVERSE BUSINESS LINES

Community, Consumer, and Business

Eau Claire, WI	La Crosse, WI	Central Wisconsin	Rockford, IL	Peoria, IL	Southern Illinois	Rochester, MN

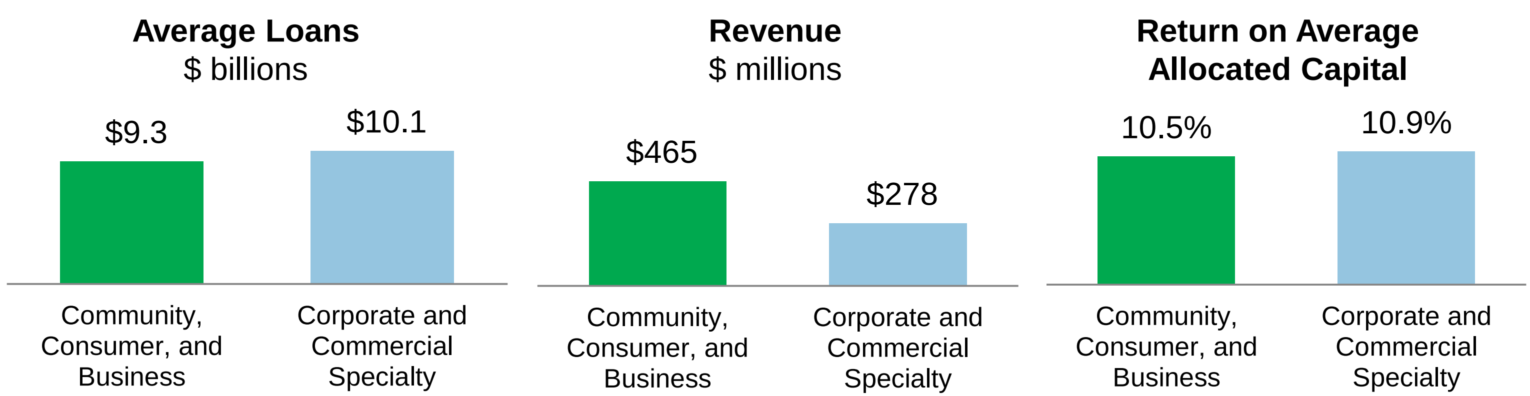
Branch Banking	Business Banking	Residential Lending	Payments and Direct Channels

Private Banking	Personal Trust	Asset Management	Retirement Plan Services	Associated Benefits and Risk Consulting	Associated Investment Services

Corporate and Commercial Specialty

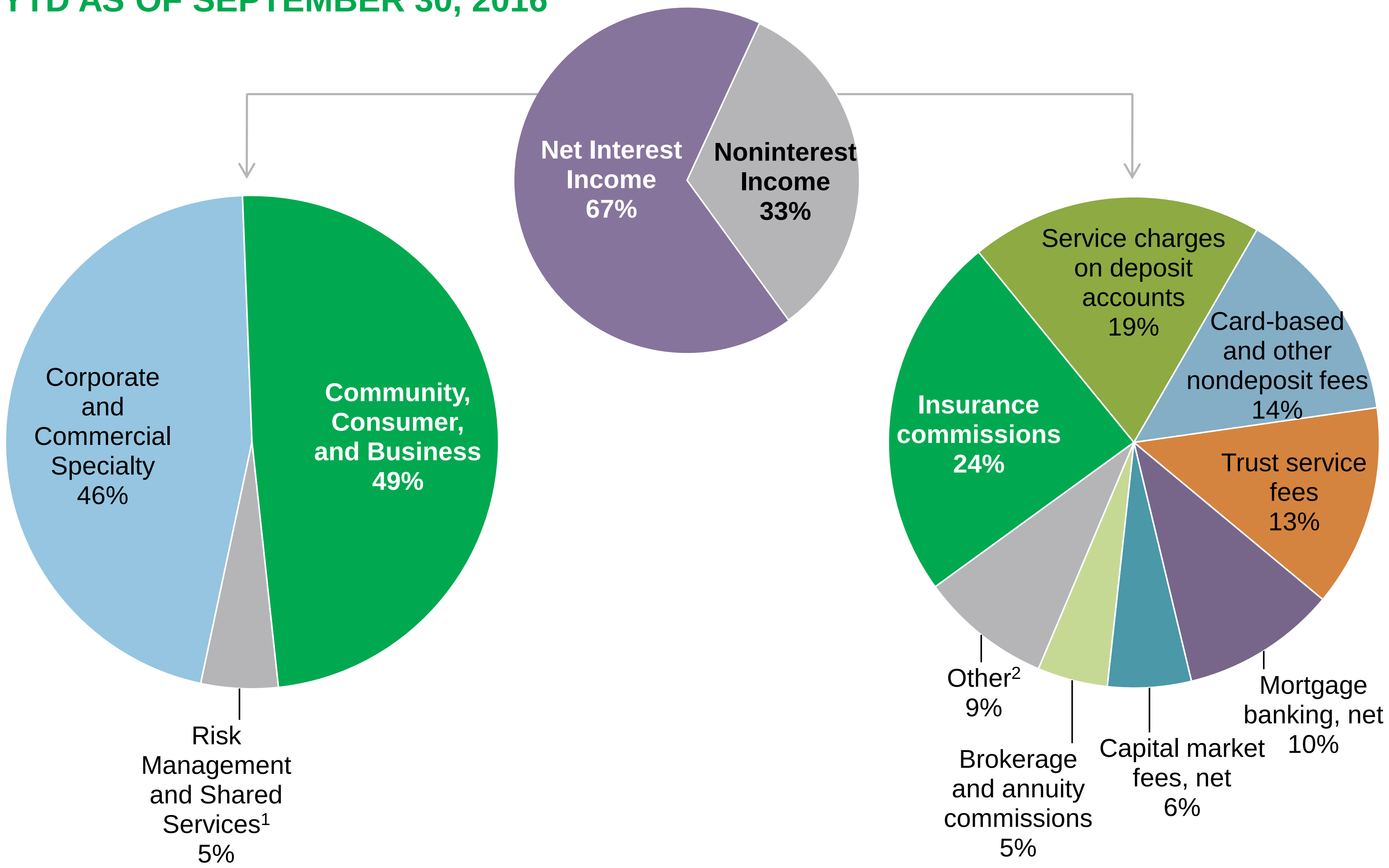
Corporate Lending	Specialized Lending Verticals	Commercial Deposits and Treasury Management	Capital Markets
CRE Lending	Real Estate Investment Trusts	CRE Syndications	CRE Tax Credits

YTD by Segment as of September 30, 2016



BALANCED REVENUE STREAMS

YTD AS OF SEPTEMBER 30, 2016



[1] – Includes Corporate Risk Management, Credit Administration, Finance, Treasury, Operations and Technology, which are key shared functions

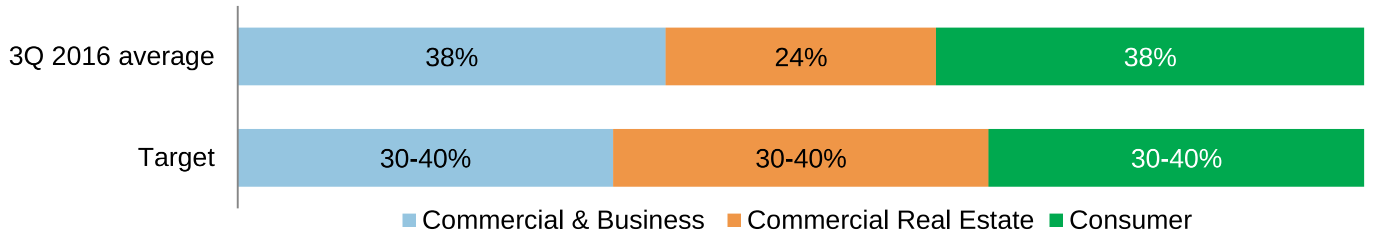
[2] – Other includes Bank owned life insurance income; Asset gains (losses), net; Investment securities gains, net; and Other

DISCIPLINED CREDIT APPROACH

INTERNAL PORTFOLIO MANAGEMENT LEADS TO PURPOSEFUL DIVERSIFICATION

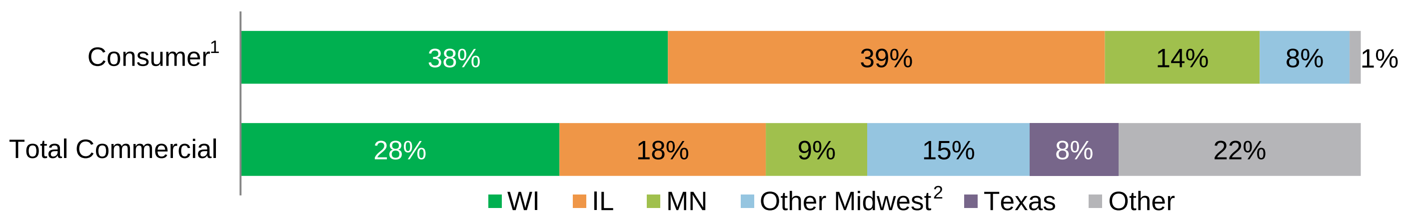
Asset Class

Balanced portfolio amongst three primary asset classes



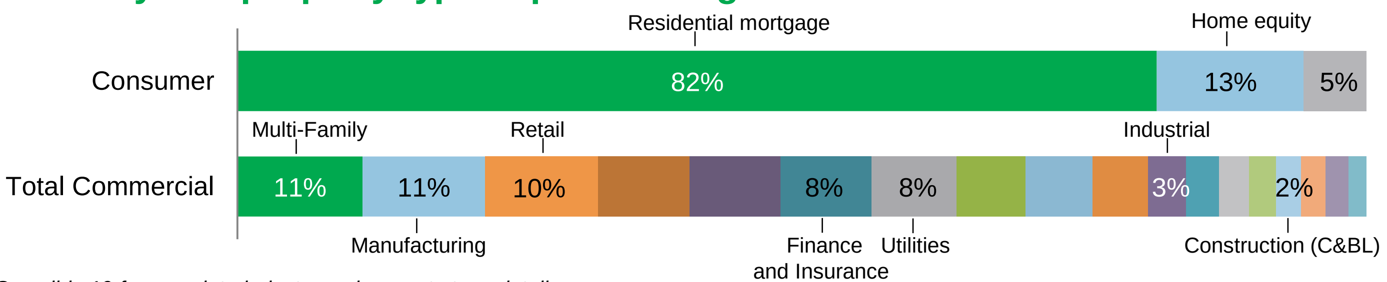
Geography

Focused on growth within the Upper Midwest



Industry / Property

Industry and property type caps ensure granular diversification



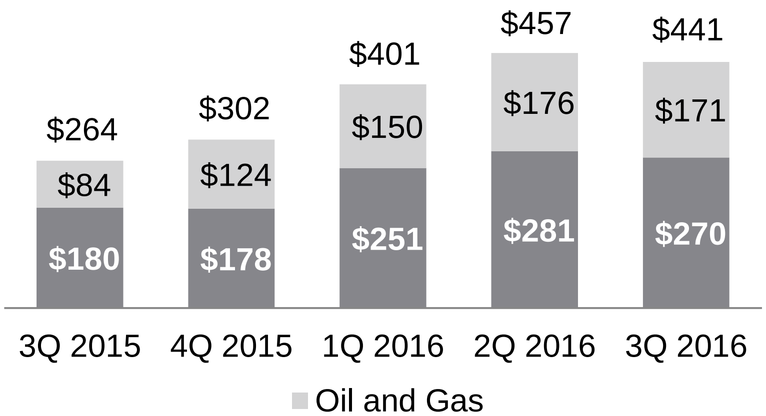
See slide 19 for complete industry and property type detail

[1] – Excludes $0.4 billion in other consumer loans
[2] – Other Midwest includes Missouri, Indiana, Ohio, Michigan and Iowa

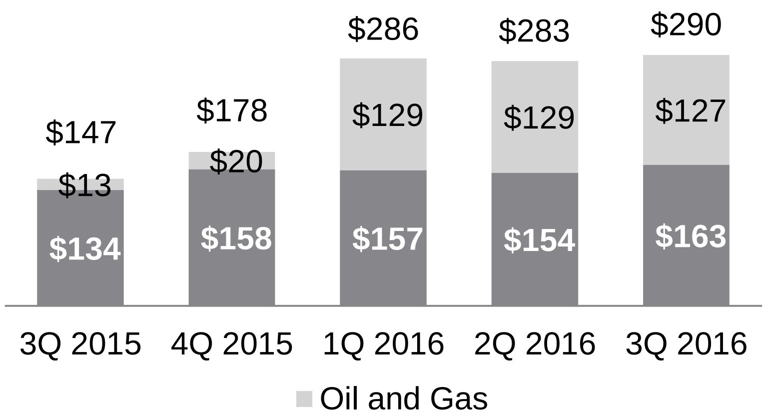
CREDIT QUALITY TRENDS

($ IN MILLIONS)

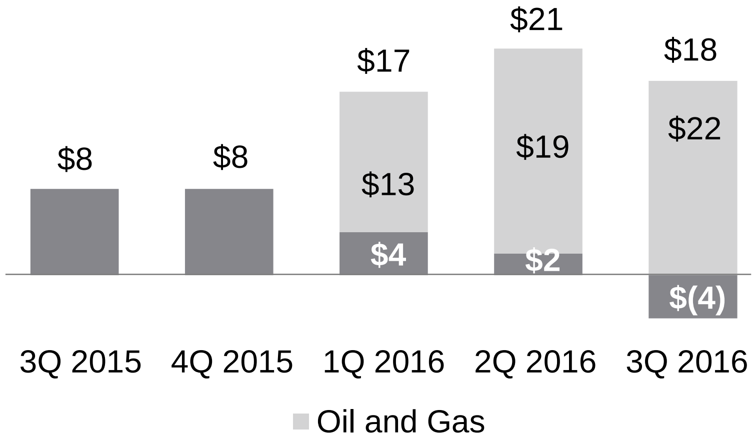
Potential Problem Loans



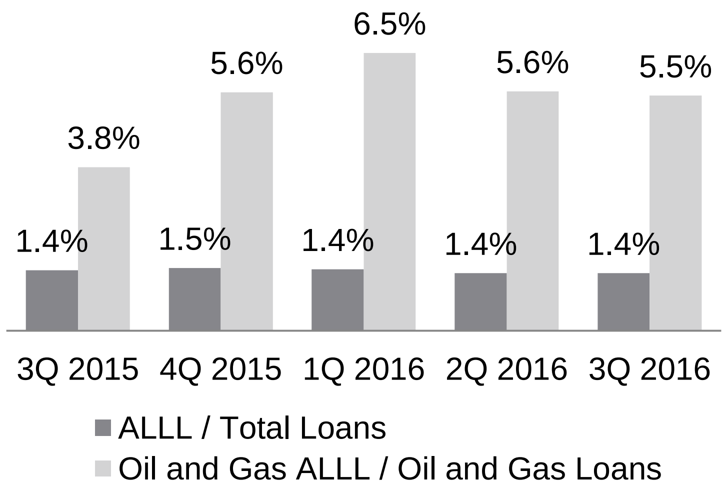
Nonaccrual Loans



Net Charge Offs (Recoveries)



Allowance to Total Loans / Oil and Gas Loans

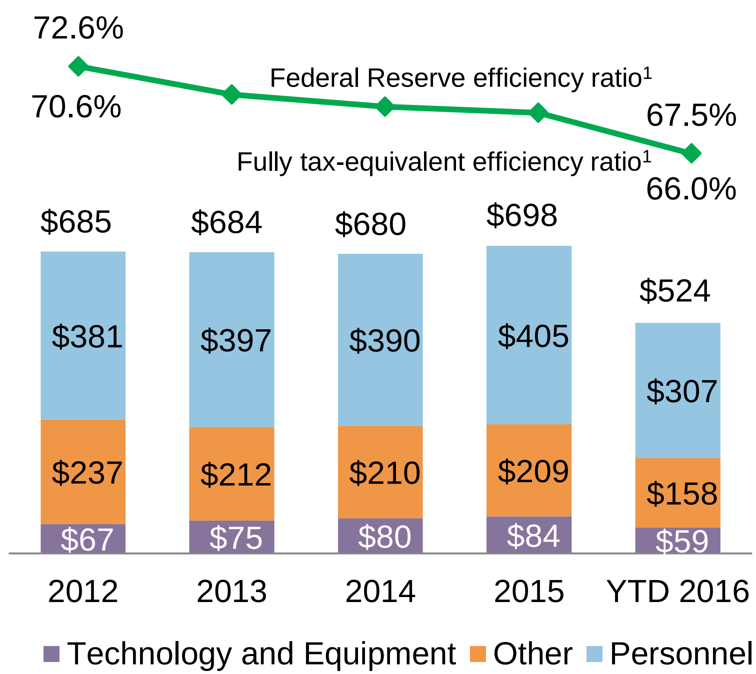


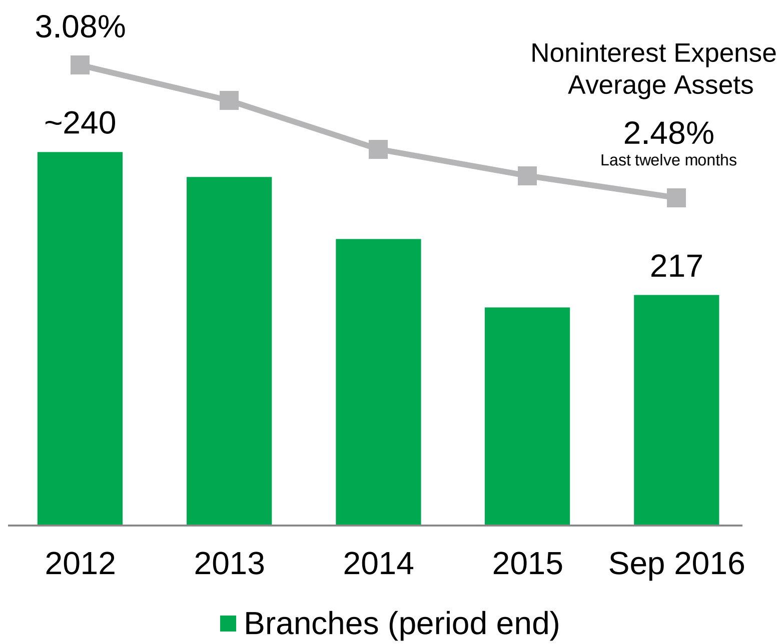
EXPENSE CONTROL

AUTOMATION AND INVESTMENTS ARE DRIVING BETTER EFFICIENCY OVER TIME

Efficiency Drivers

Enhanced Automation	Operational Efficiencies	Branch Consolidations	Branch Staffing Initiatives



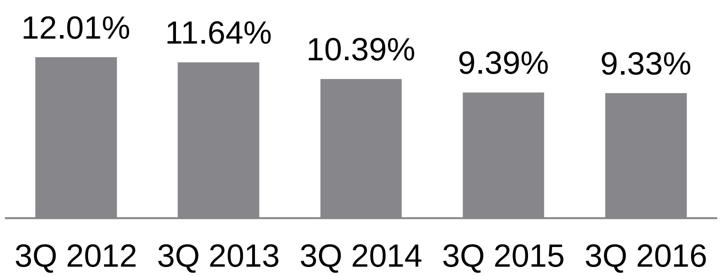


[1] – The fully tax-equivalent efficiency ratio is a non-GAAP financial measure, which is defined by the Federal Reserve guidance as noninterest expense (which includes the provision for unfunded commitments), excluding other intangible amortization, divided by the sum of fully tax-equivalent net interest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

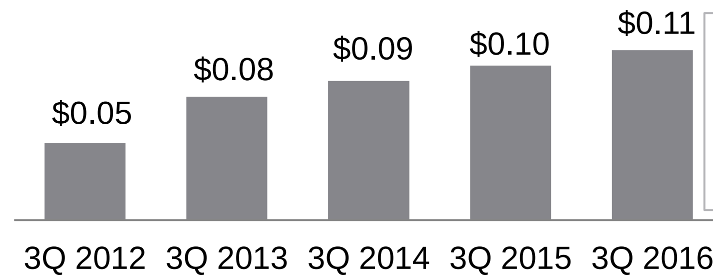
PRUDENT CAPITAL MANAGEMENT

1	Funding Organic Growth
2	Paying a Competitive Dividend
3	Non-organic Growth Opportunities
4	Share Buybacks and Redemptions

Common Equity Tier 1[1] Ratio

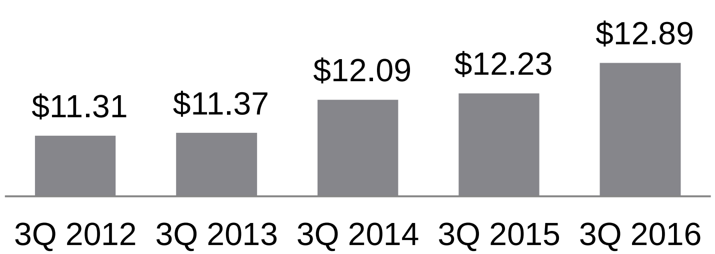


Dividends per Common Share

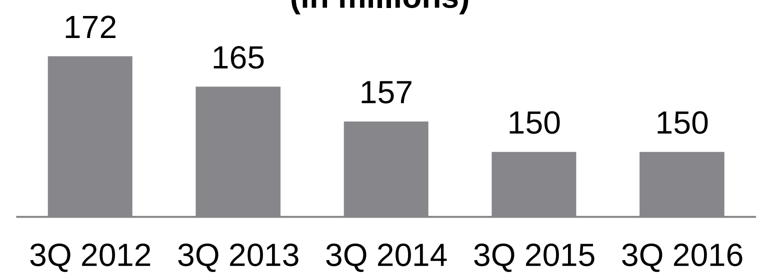


Declared Dividend $0.12 4Q 2016

Tangible Book Value Per Share



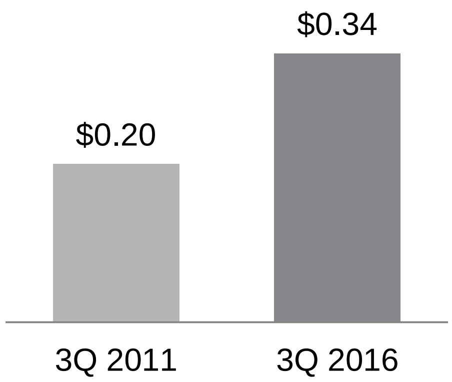
Average Common Shares Outstanding Diluted (in millions)



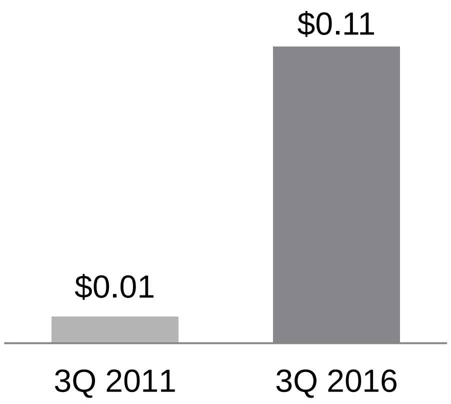
[1] – Beginning January 1, 2015, the regulatory capital requirements effective for the Corporation follow Basel III, subject to certain transition provisions, and introduced a new regulatory measure of CET1. Prior to 2015, the regulatory capital requirements effective for the Corporation followed the 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.

DELIVERING LONG TERM VALUE

Earnings Per Share

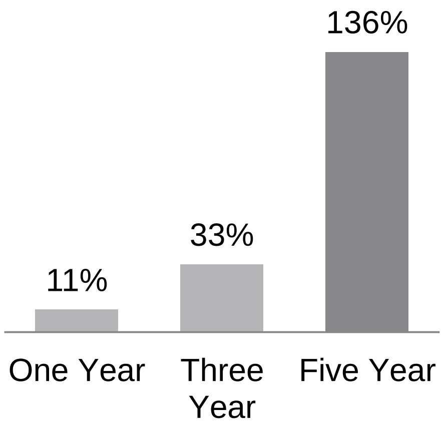


Dividends

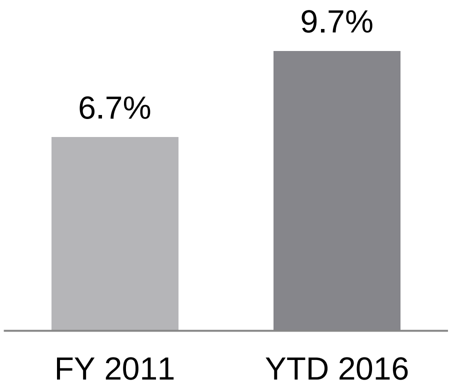


Shareholder Gain

As of September 30, 2016



ROCET1



Earnings Per Share
11% 5-Year CAGR

Dividends
62% 5-Year CAGR

Annualized Total Shareholder Return
19% 5-Year

Return on average common equity Tier 1
9.7% YTD 2016

APPENDIX

THIRD QUARTER 2016 RECAP

Enhanced Customer Experience

Implemented WiFi and instant EMV chip card issuance capabilities in all branches

33% increase in mobile customer sign-ons year over year

Disciplined Credit Approach

Balanced loan growth across commercial, CRE, and mortgage businesses year over year

Organic Balance Sheet Growth

Average deposits were up $1.1 billion from the second quarter

On track to deliver high single digit annual average loan growth

Expense Control

Expenses in-line with prior guidance

Diverse Business Lines

Strong mortgage banking results

Record capital markets revenues in the third quarter

Prudent Capital Management

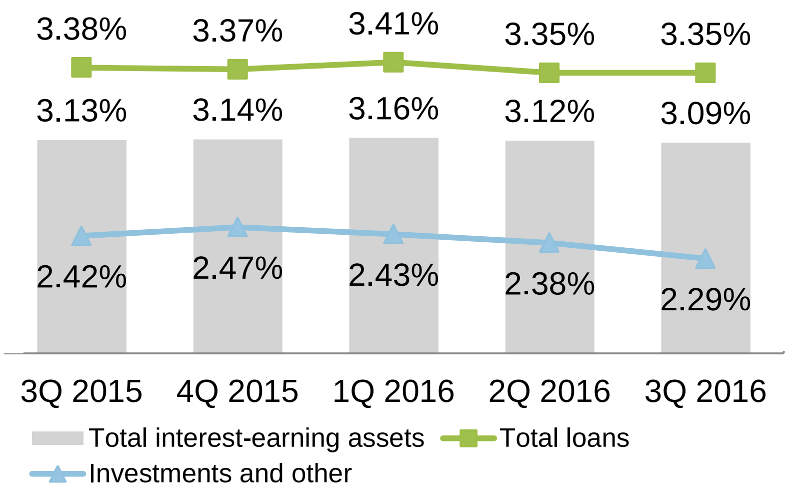
Return on average common equity Tier 1 (CET1) of 10.5%

Dividend payout ratio of 32%

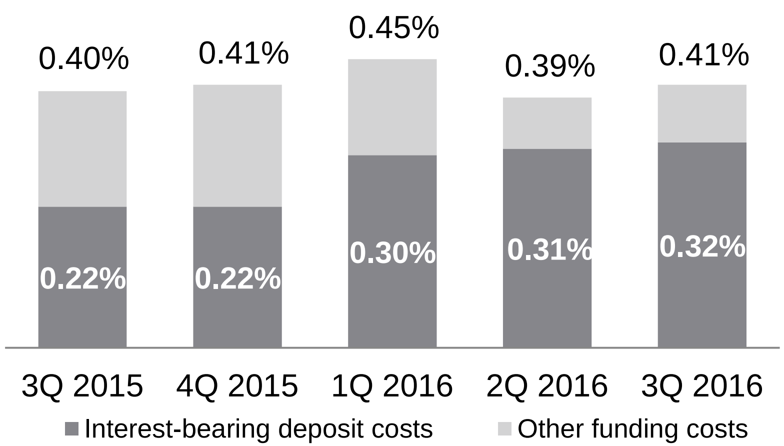
Net income available to common equity of $52 million, or $0.34 per common share

NET INTEREST INCOME AND MARGIN TRENDS

Yield on Interest-earning Assets

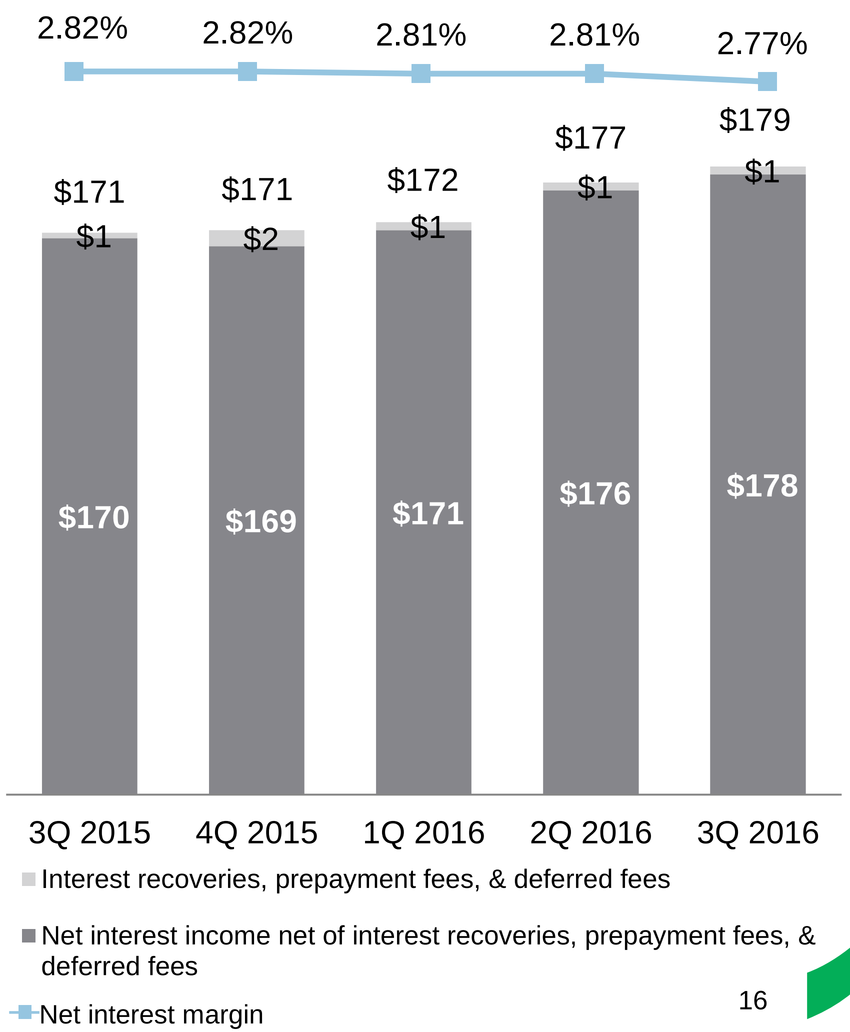


Cost of Interest-bearing Liabilities



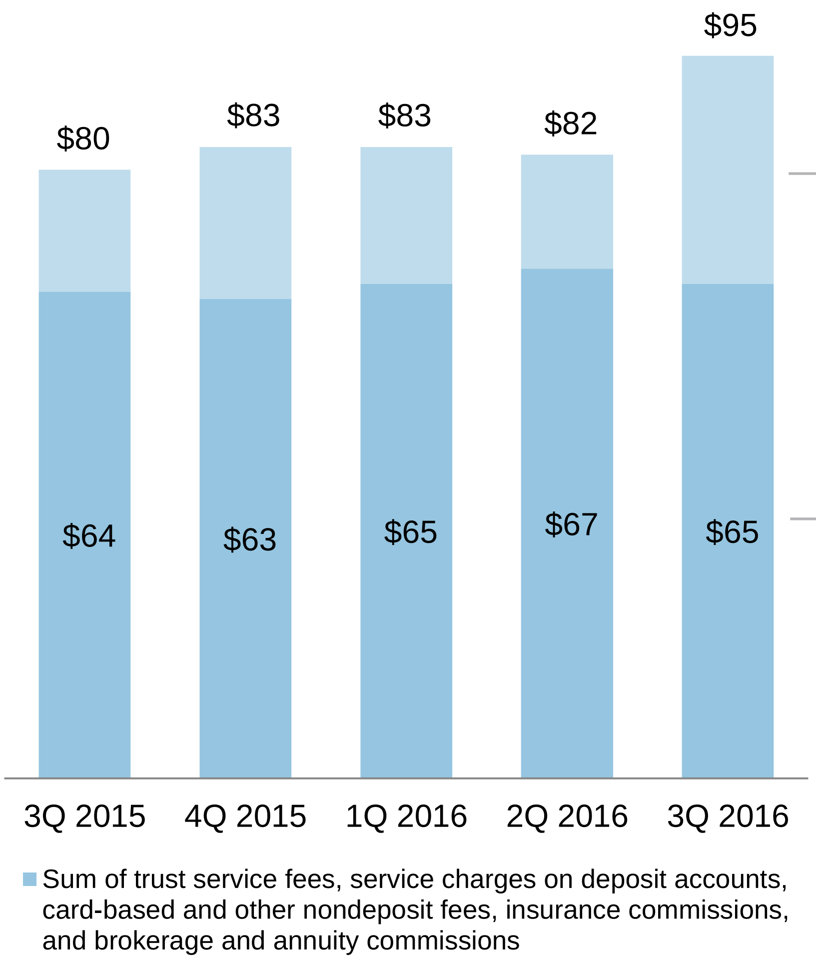
Net Interest Income & Net Interest Margin

($ in millions)

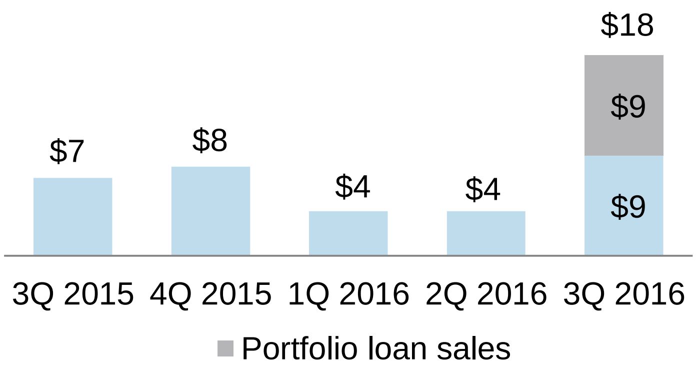


NONINTEREST INCOME TRENDS

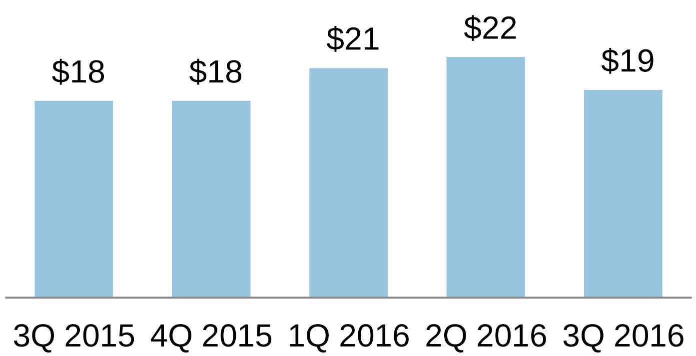
($ IN MILLIONS)



Mortgage Banking (net) Income

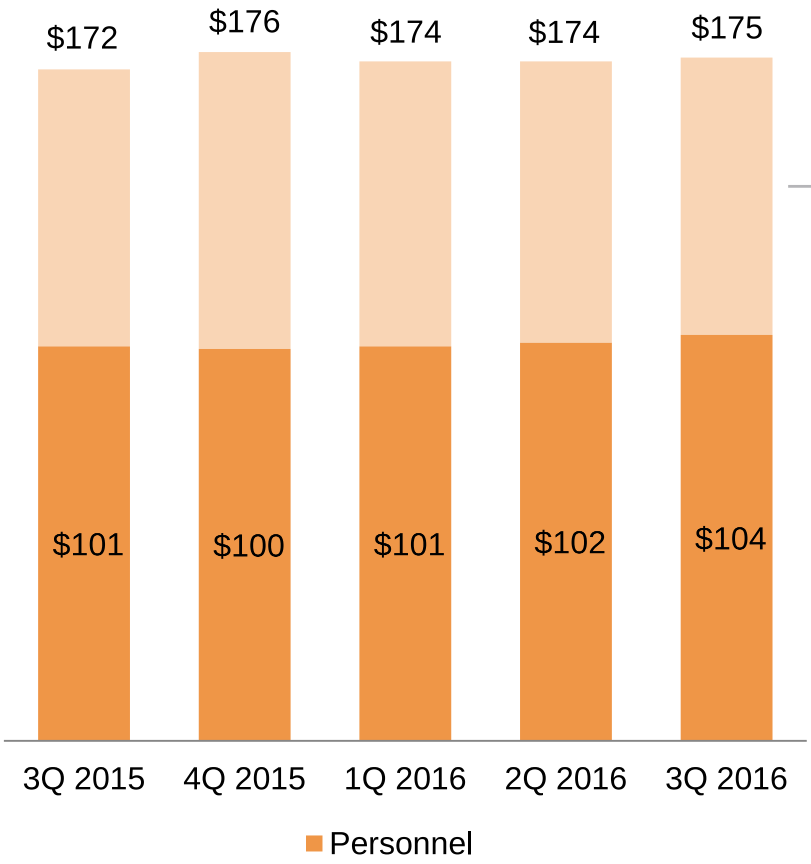


Insurance Commissions

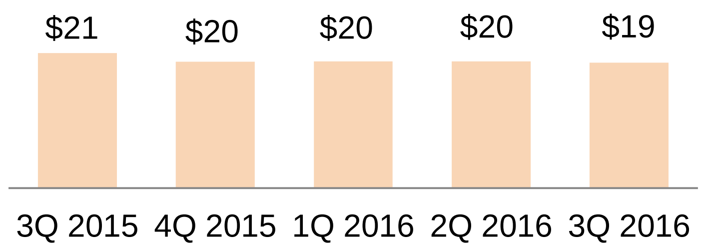


Please refer to the Form 8-K filed October 20, 2016: Noninterest Income as presented on Page 3 of the Financial Tables, Consolidated Statements of Income

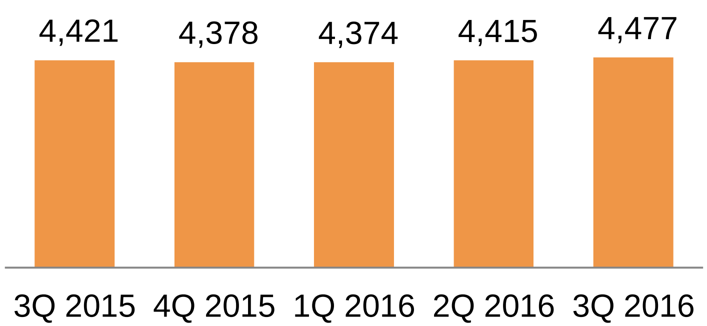
NONINTEREST EXPENSE TRENDS
($ IN MILLIONS)



Technology and Equipment



FTE[1] Trend



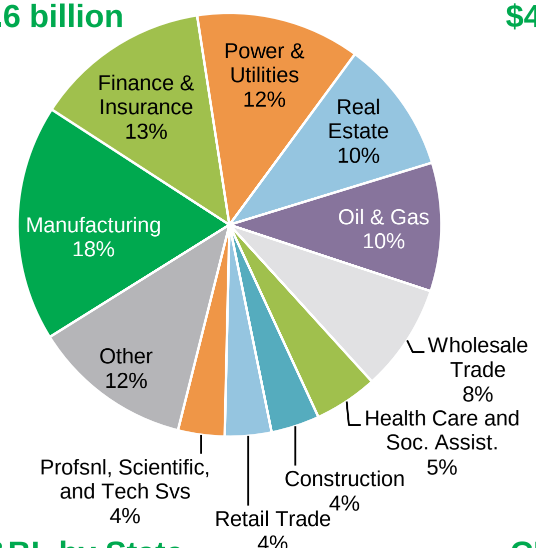
[1] – FTE = Average full time equivalent employee

Please refer to the Form 8-K filed October 20, 2016: Noninterest Expense as presented on Page 3 of the Financial Tables, Consolidated Statements of Income

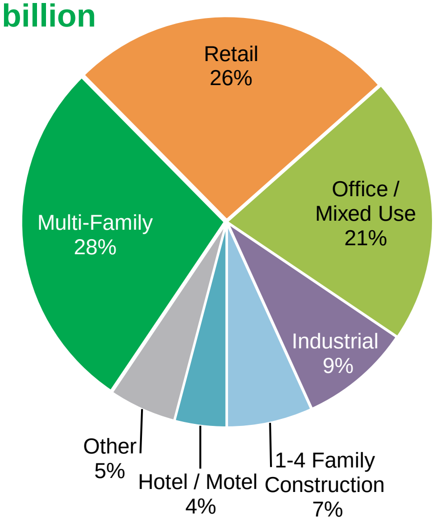
LOANS BY INDUSTRY AND STATE

SEPTEMBER 2016 PERIOD END BALANCES

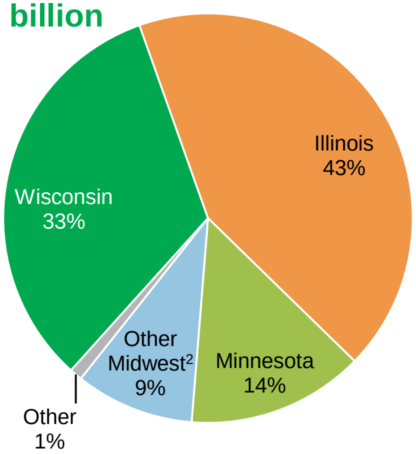
C&BL by Industry
$7.6 billion



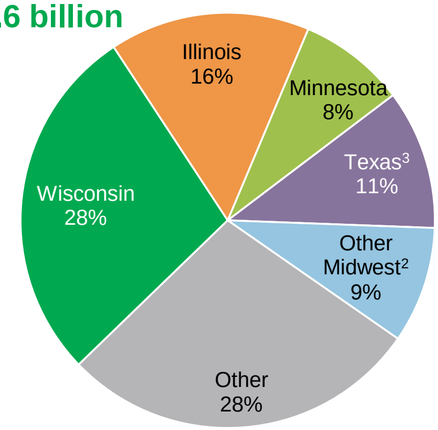
CRE by Property Type[1]
$4.8 billion



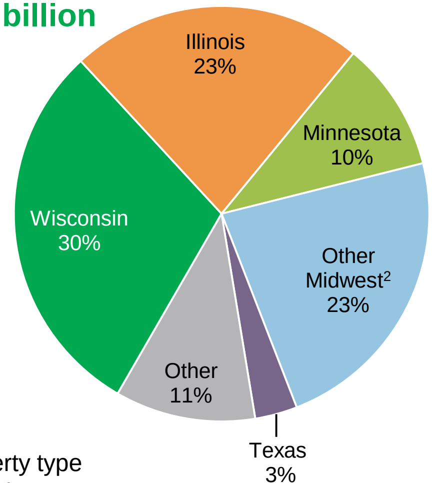
Residential Mortgage by State
$6.0 billion



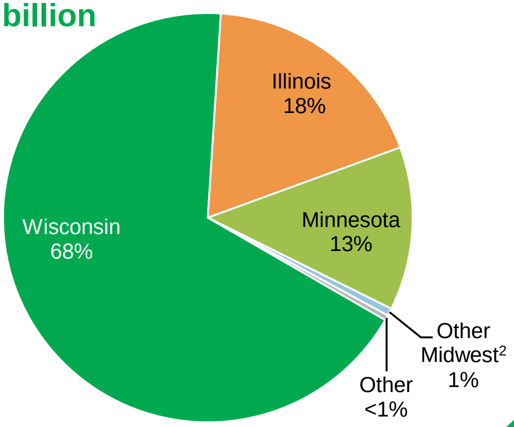
C&BL by State
$7.6 billion



CRE by State
$4.8 billion



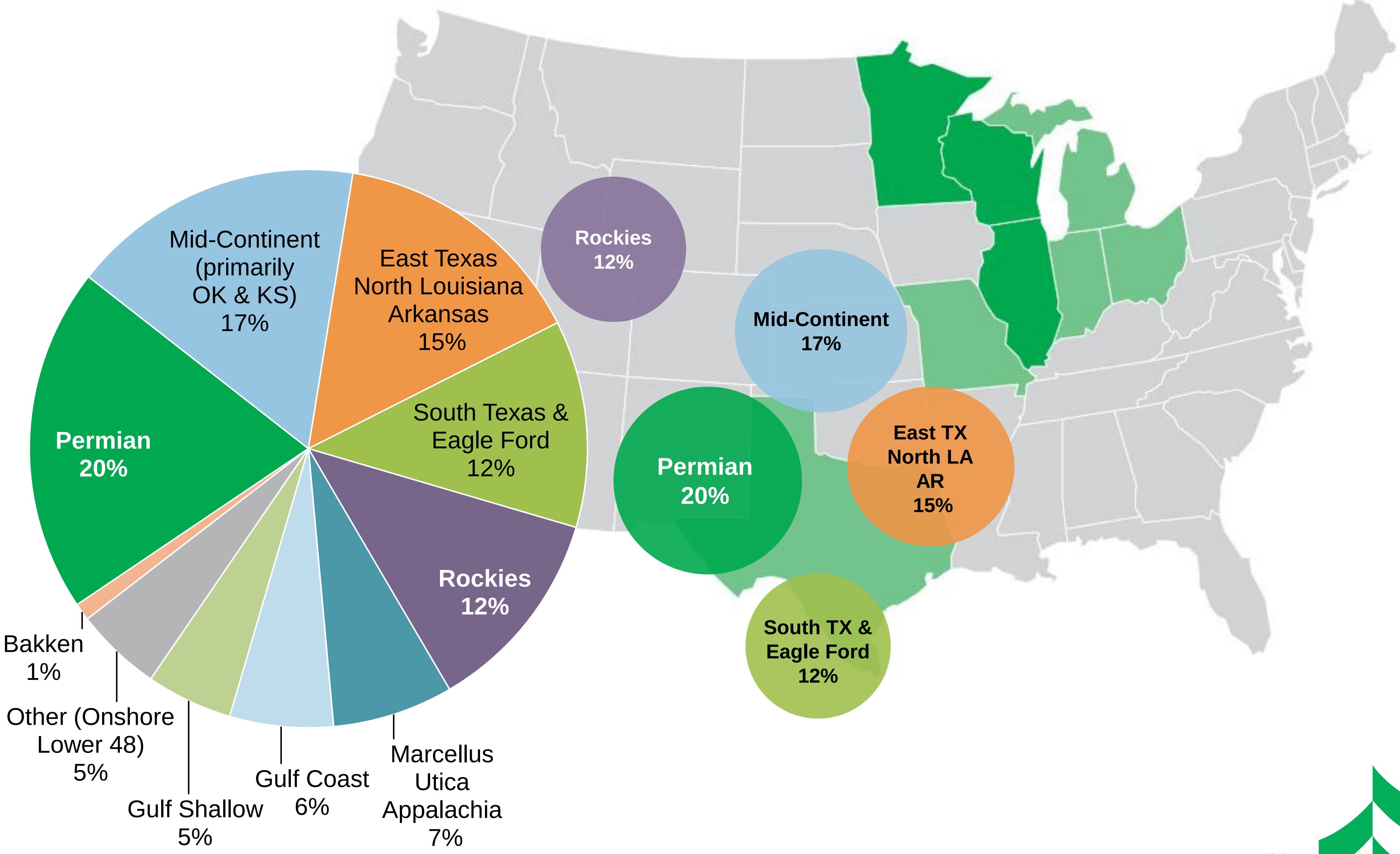
Home Equity by State
$1.0 billion



1 – Includes allocation of the CRE construction portfolio by property type
2 – Other Midwest includes Missouri, Indiana, Ohio, Michigan and Iowa
3 – Principally reflects the oil and gas portfolio

OIL AND GAS PORTFOLIO BY GEOGRAPHY

SEPTEMBER 2016 PERIOD END ESTIMATED EXPOSURE

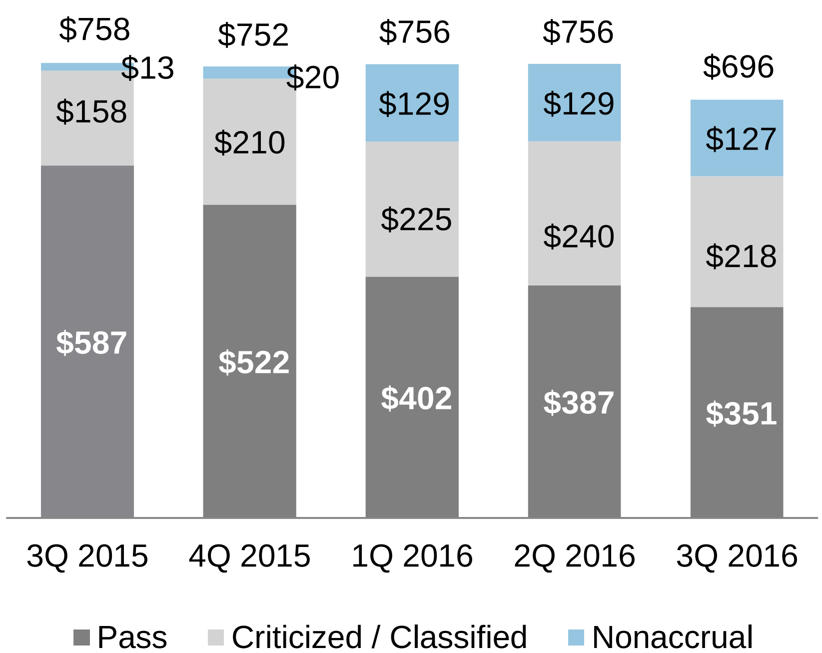


OIL AND GAS UPDATE

- **Shared National Credit Review:** 100% complete and results are fully reflected in 3Q 2016
- **New business:** Since 4Q 2015, we have funded 12 new credits with $253 million of commitments and $148 million of outstandings, representing 21% of the 9/30/16 outstandings

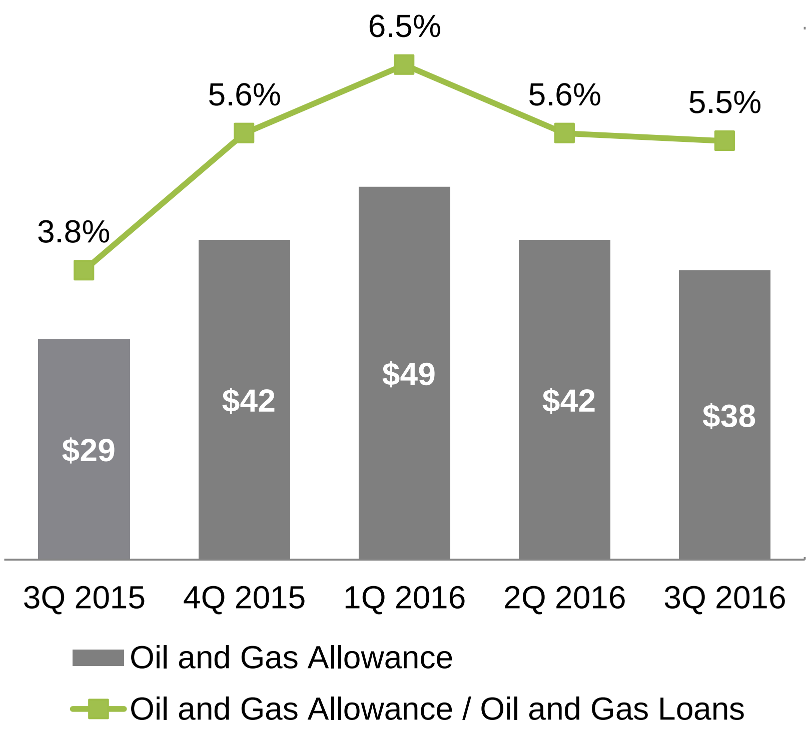
Period End Loans by Credit Quality

($ in millions)



Oil and Gas Allowance

($ in millions)



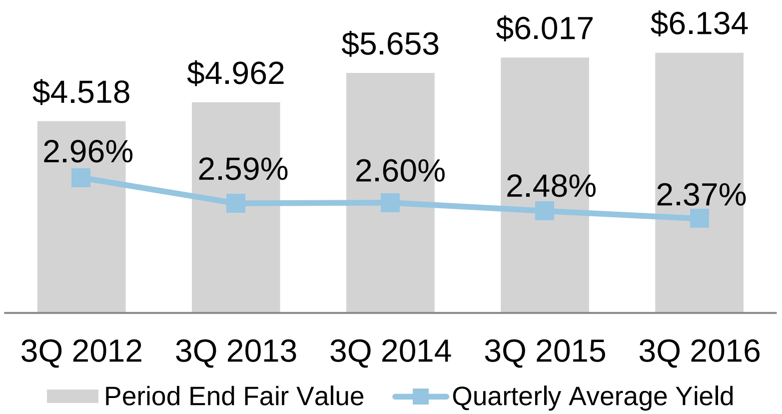
HIGH QUALITY SECURITIES

($ IN BILLIONS)

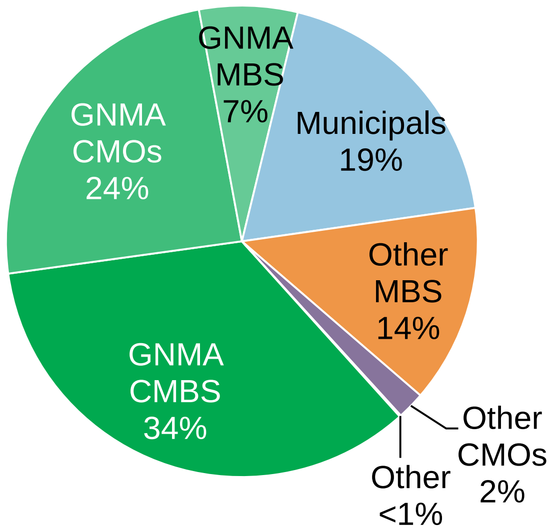
Portfolio Detail

Investment Type	Amortized Cost	Fair Value	Duration (Yrs)
GNMA CMBS	$2.122	$2.115	3.61
GNMA MBS & CMOs	1.884	1.899	3.92
Agency & Other MBS & CMOs	0.922	0.953	2.43
Municipals	1.129	1.161	5.69
Corporates & Other	0.005	0.005	2.21
Treasury	0.001	0.001	0.38
Strategic Portfolio	$6.063	$6.134	3.91
Membership Stock	0.140	0.140	
Total Portfolio	$6.204	$6.274	

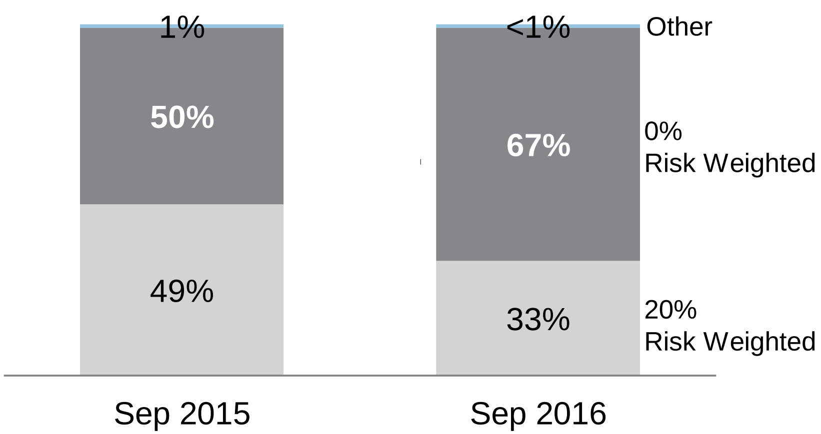
Portfolio and Yield Trends



Fair Value Composition



Risk Weighting Profile



RECONCILIATION AND DEFINITIONS OF NON-GAAP ITEMS

Efficiency Ratio Reconciliation	2012	2013	2014	2015	YTD 2016
Federal Reserve efficiency ratio	72.62%	70.97%	70.26%	69.90%	67.51%
Fully tax-equivalent adjustment	(1.62)	(1.46)	(1.36)	(1.42)	(1.32)
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%	65.99%

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.