

Associated Banc-Corp

Investor Presentation



DePere Office (Green Bay MSA) – Opened February 2019

2020

FIRST 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," "target," "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. These forward-looking statements include: management plans relating to the proposed acquisition of First Staunton Bancshares, Inc. ("proposed transaction"); the expected timing of the completion of the proposed transaction; the ability to complete the proposed transaction; the ability to obtain any required regulatory approvals; any statements of the plans and objectives of management for future operations, products or services; any statements of expectation or belief; projections related to certain financial results or other benefits of the proposed transaction; and any statements of assumptions underlying any of the foregoing. 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, and such factors are incorporated herein by reference. Additional factors which may cause actual results of the proposed transaction to differ materially from those contained in forward-looking statements are the possibility that expected benefits of the proposed transaction may not materialize in the timeframe expected or at all, or may be more costly to achieve; the proposed transaction may not be timely completed, if at all; that required regulatory approvals are not obtained or other customary closing conditions are not satisfied in a timely manner or at all; reputational risks and the reaction of shareholders, customers, employees or other constituents to the proposed transaction; and diversion of management time on acquisition-related matters.

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Presentation:

Within the charts and tables presented, certain segments, columns and rows may not sum to totals shown due to rounding.



OUR FRANCHISE

Fourth Quarter 2019¹

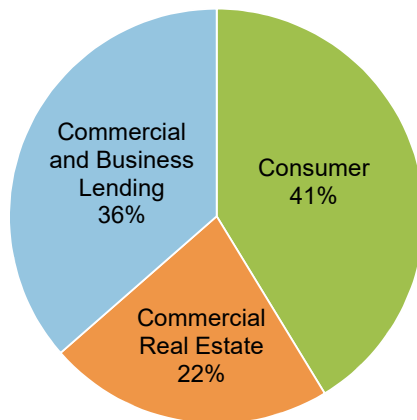
\$32 billion of assets

\$23 billion of loans

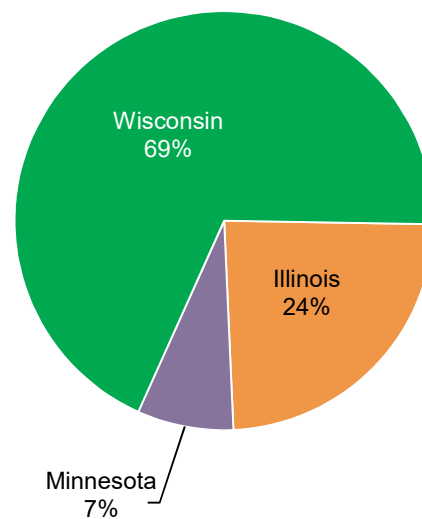
\$4 billion of equity

\$24 billion of deposits

2019 Average Loan Composition



Deposit Location²



Highlights and Accomplishments

- Largest bank headquartered in **Wisconsin³**
- Approximately **4,700** employees, servicing **1.3 million** customer accounts in **8** states and over **120** communities¹
- Wisconsin's **#1** Mortgage Lender⁴
- **Top 40** U.S. insurance brokerage firm⁵

Affinity Programs

~40% of checking accounts are affinity related⁶



¹As of December 31, 2019.

²FDIC Summary of Deposits data as of June 30, 2019.

³Based on assets, as of December 31, 2019.

⁴The Wisconsin's #1 Mortgage Lender designation is based on originated, closed-end mortgage loan count, gathered from the Home Mortgage Disclosure Act data compiled annually by the Consumer Financial Protection Bureau. The results of the data were obtained through the Consumer Financial Protection Bureau Mortgage Database (HMDA), August 2019.

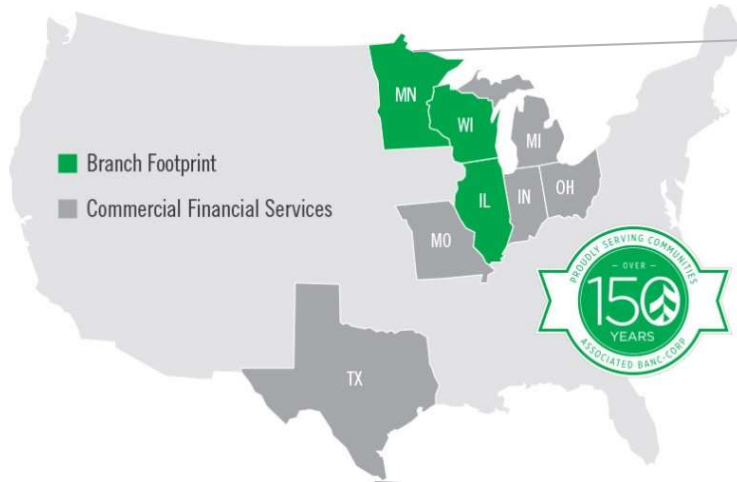
⁵Business Insurance magazine, July 2019. Rankings based on 2018 brokerage revenue gathered by U.S. based clients.

⁶Affinity checking accounts as a percentage of total checking accounts, as of December 31, 2019.

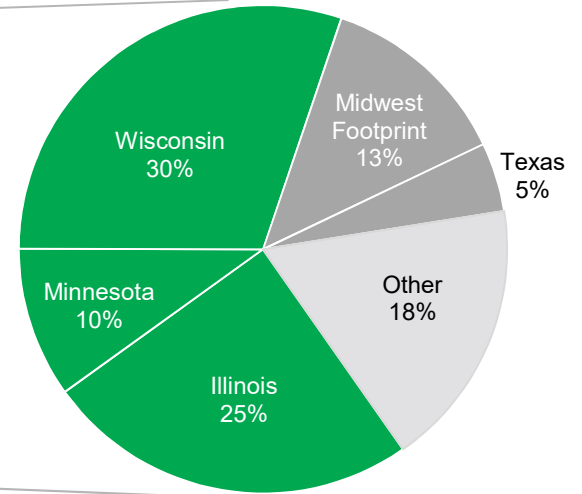


MIDWESTERN STRONG

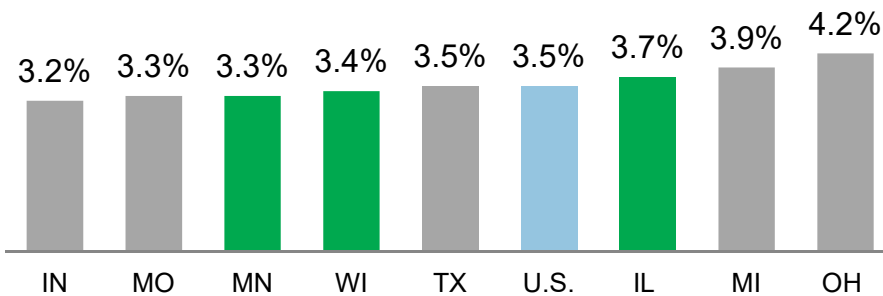
We make most of our loans in local communities with robust employment bases and sound consumer credit



Deep Roots:
82% of our loans¹ are within our branch and commercial office footprint



Footprint States Unemployment Rates²



Select ASB Market Unemployment Rates³

Madison, WI.....	2.5%
Rochester, MN.....	2.8%
Minneapolis – St. Paul, MN.....	3.0%
Appleton, WI.....	3.0%
Green Bay, WI.....	3.3%

¹Total loans as of 12/31/19, excludes \$351 million Other consumer portfolio.

²U.S. Bureau of Labor Statistics, State Employment and Unemployment, seasonally adjusted, December 2019 (preliminary).

³U.S. Bureau of Labor Statistics, Civilian labor force and unemployment by metropolitan area, seasonally adjusted, December 2019.

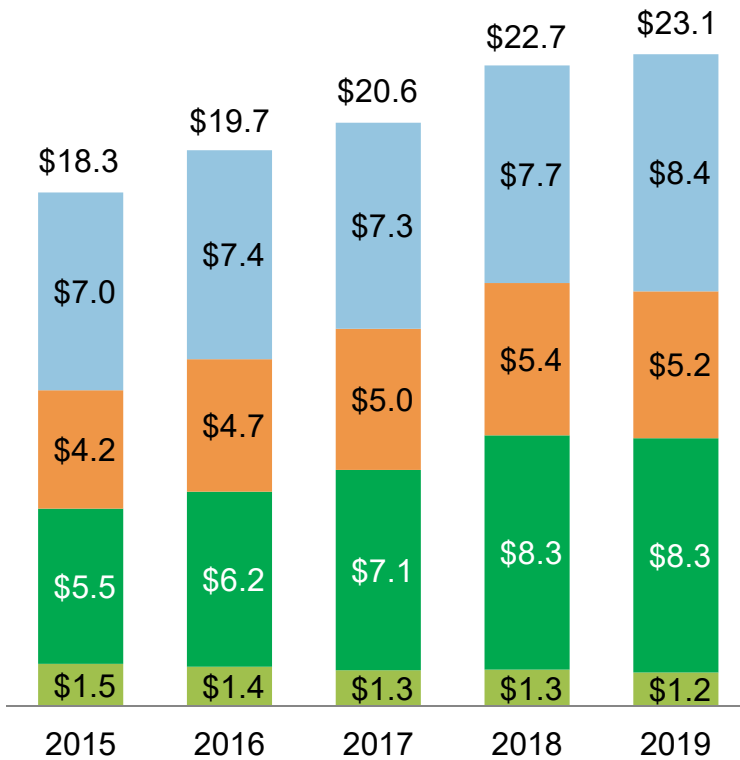


LOAN TRENDS

2019 loan growth impacted by loan sales and oil & gas portfolio de-risking

Average Annual Loans

(\$ in billions)



Commercial & business lending

Commercial real estate

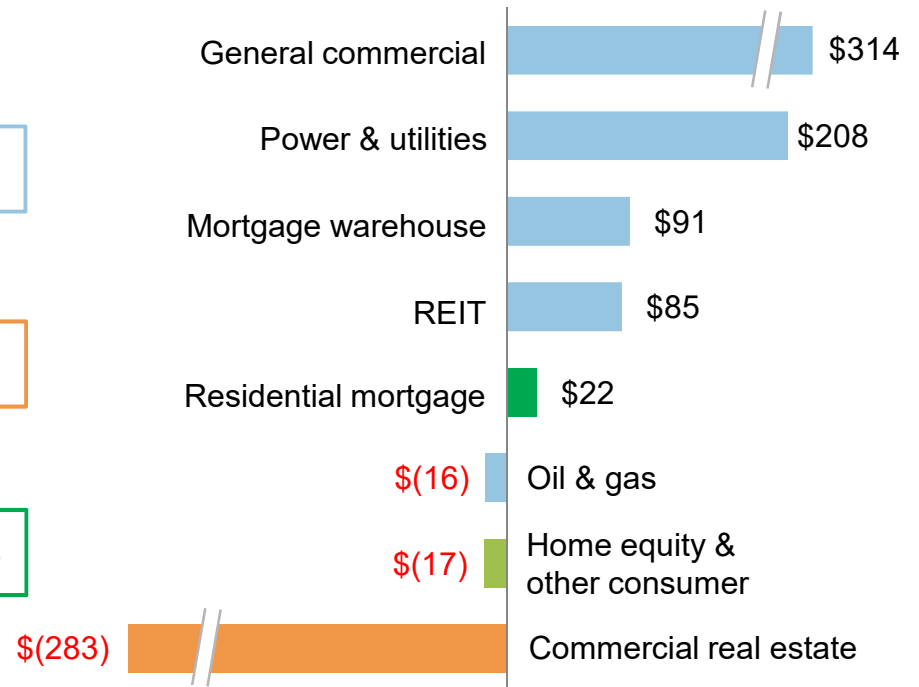
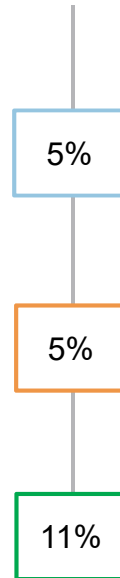
Residential mortgage

Home equity & other consumer

Average Loan Growth (2018 to 2019)

(\$ in millions)

2015 – 2019 CAGR

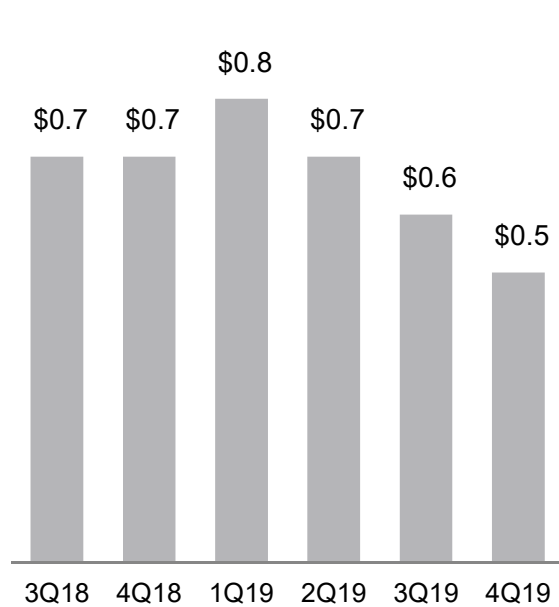


COMMERCIAL LOAN MANAGEMENT¹

We de-risked our oil & gas portfolio while growing power & utilities; commercial real estate rebounded

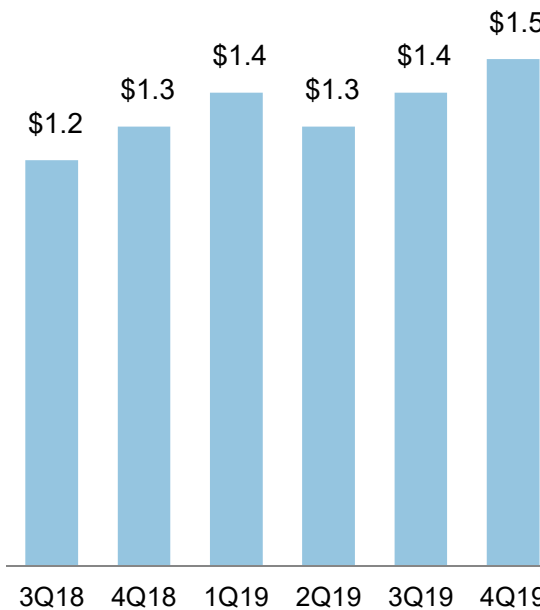
Oil & Gas Loans

(\$ in billions)



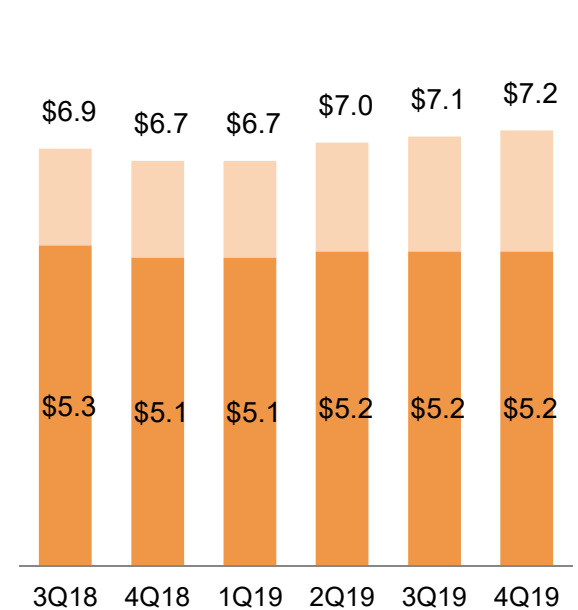
Power & Utilities Loans

(\$ in billions)



Commercial Real Estate

(\$ in billions)



■ CRE unfunded commitments
■ CRE total outstanding balance

¹All values as of period end.

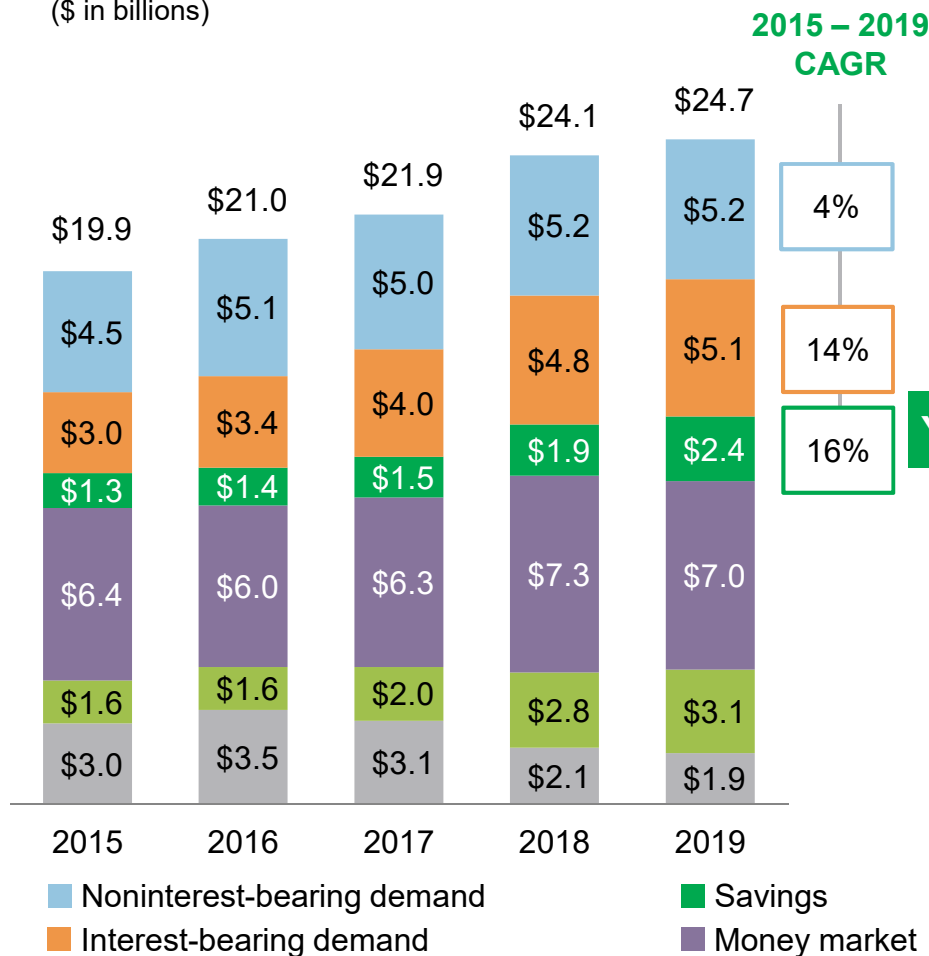


DEPOSIT PORTFOLIO TRENDS

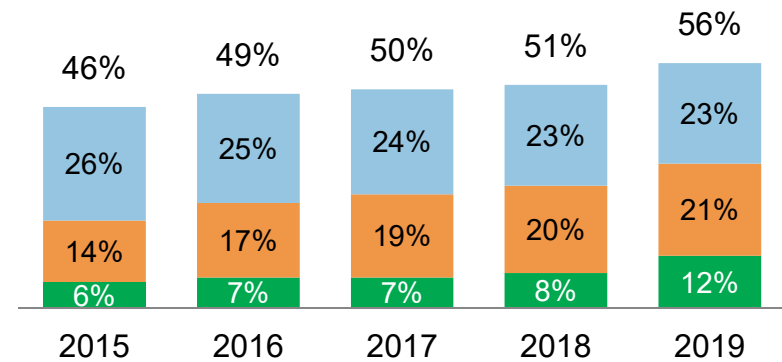
The Huntington branch acquisition and balance sheet repositioning drove increase in low-cost deposit mix

Average Annual Deposits

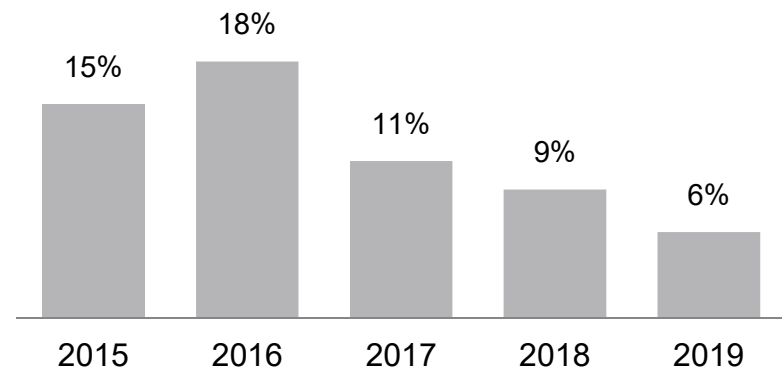
(\$ in billions)



Year End Low-cost Deposit Mix



Year End Network Transaction Deposit Mix

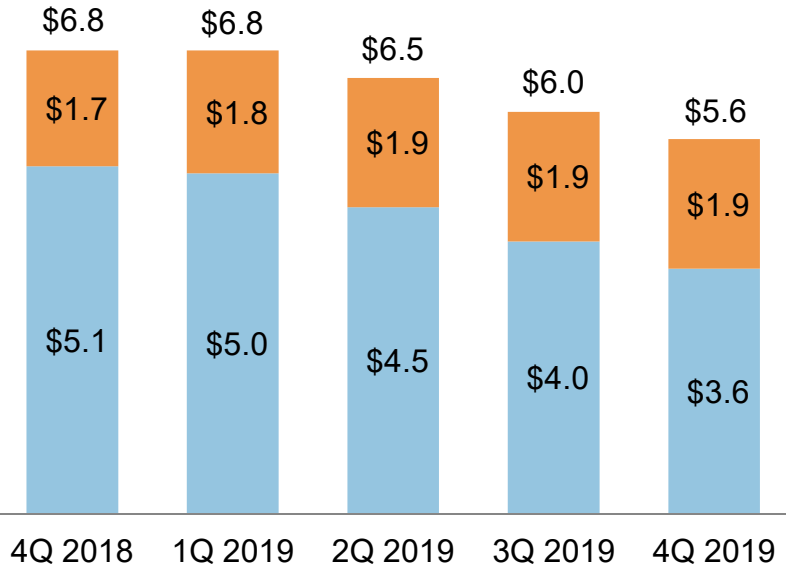
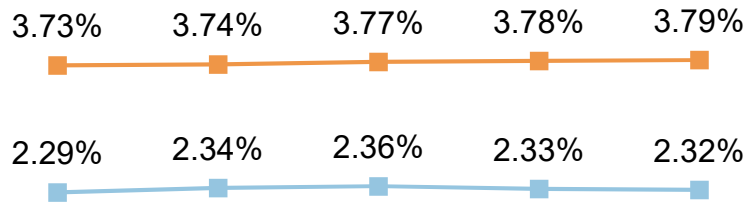


INVESTMENT SECURITIES PORTFOLIO TRENDS

Investment portfolio balances expected to level off in 1Q20 and remain at ~17% of assets through 2020

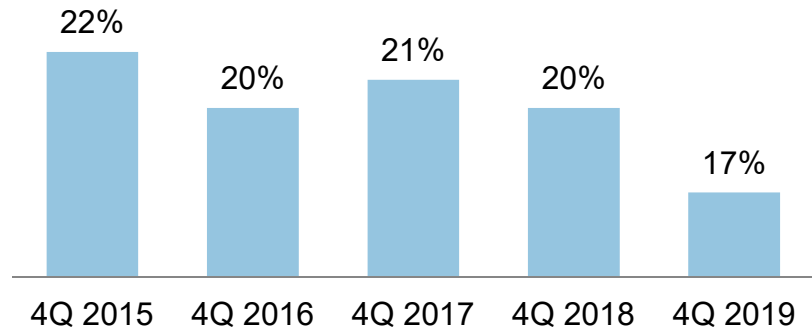
Portfolio¹ and Yield Trends (Quarterly)

(\$ in billions)

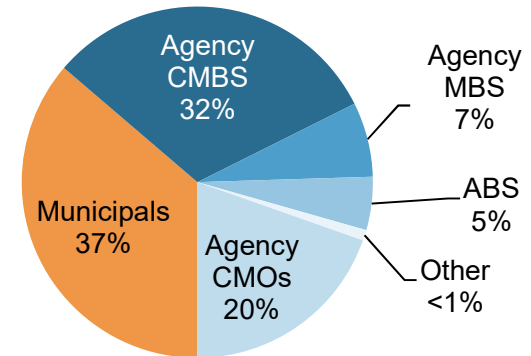


■ Tax-exempt securities
 ■ Taxable securities

Investments / Total Assets²



Portfolio Fair Value Composition²



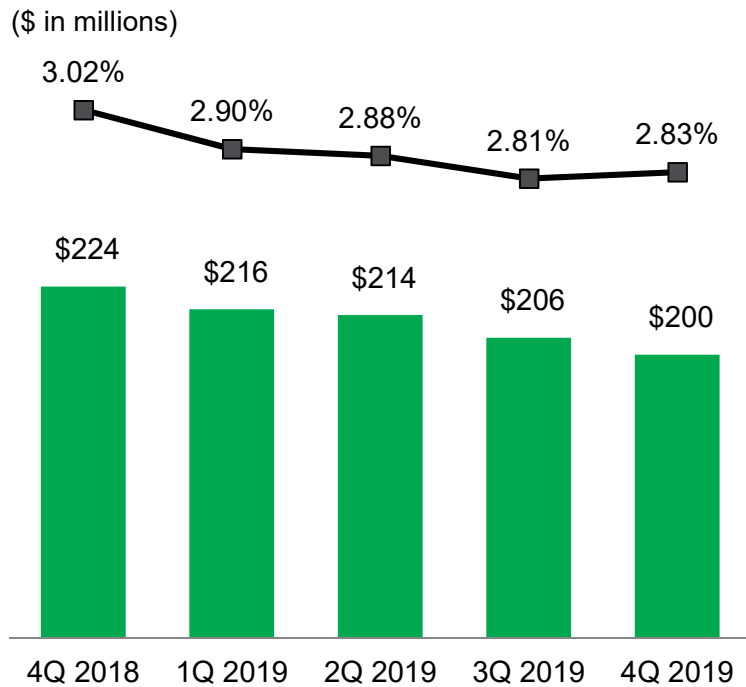
¹Average balances.
²Period-end balances.



NET INTEREST INCOME AND YIELDS — QUARTERLY TRENDS

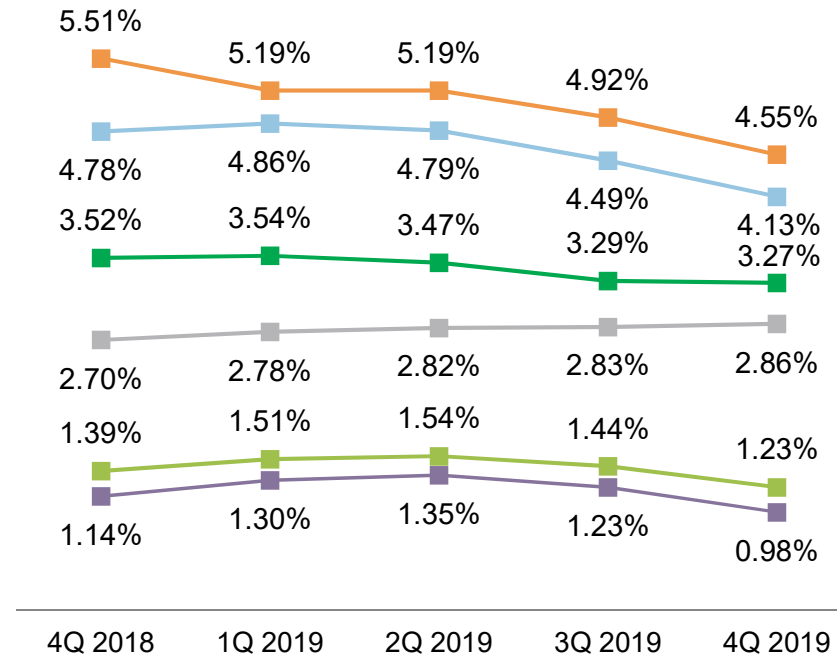
Lower deposit costs have helped stabilize net interest margin

Net Interest Income and Net Interest Margin



■ Net interest income
 ■ Net interest margin

Average Yields



■ Commercial real estate loans ■ Investments and other
 ■ Commercial and business lending loans ■ Total interest-bearing liabilities
 ■ Total residential mortgage loans ■ Total interest-bearing deposits

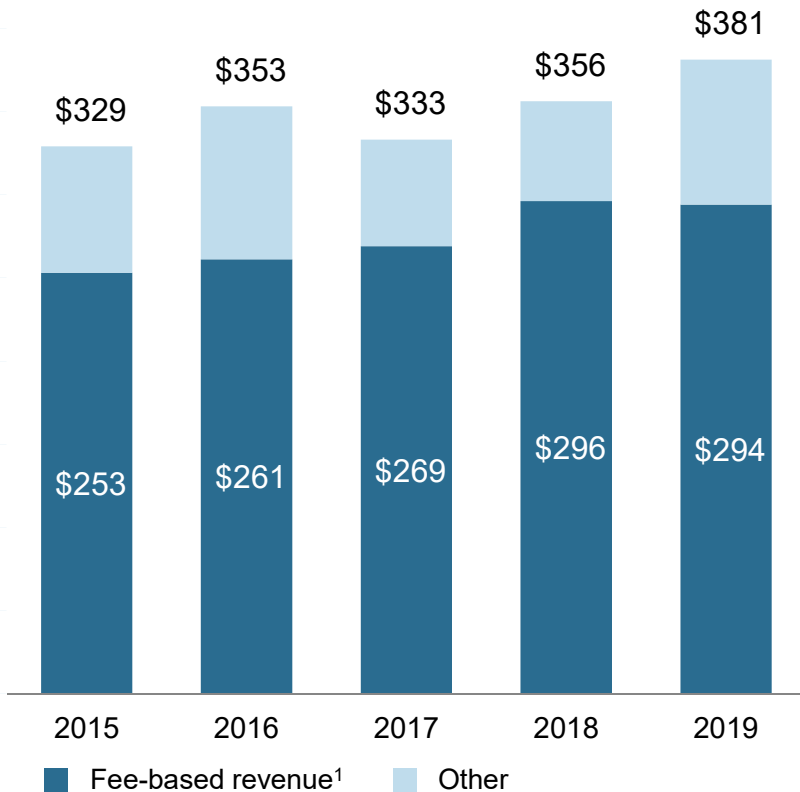


GROWING AND DIVERSIFIED BUSINESS MODEL

Mortgage banking and wealth management are benefitting from current environment

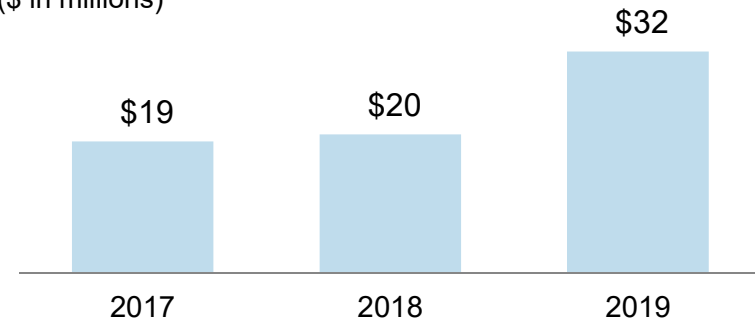
Noninterest Income

(\$ in millions)



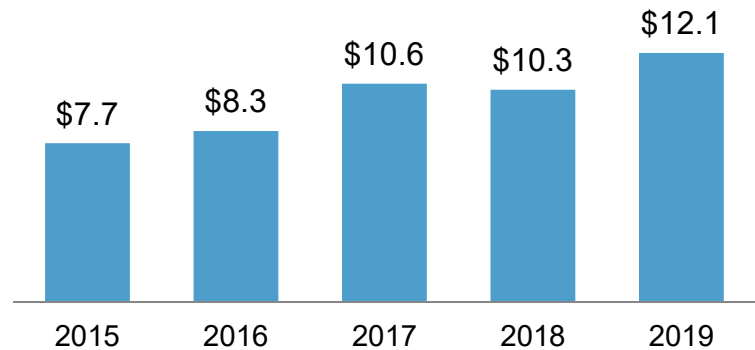
Mortgage Banking, Net

(\$ in millions)



Assets Under Management

(\$ in billions)



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

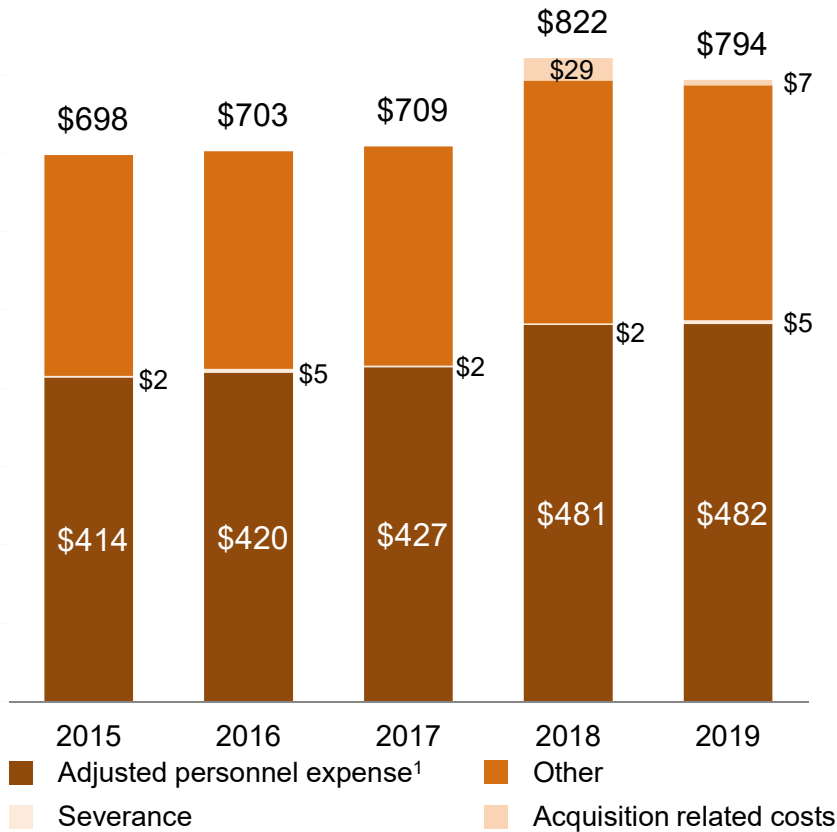


NONINTEREST EXPENSE – ANNUAL TRENDS

We continue to control our overall costs while increasing technology spending

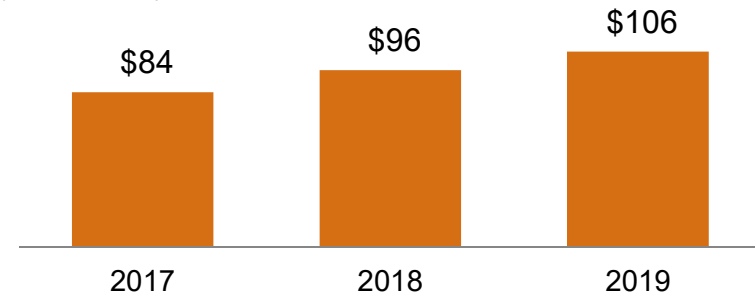
Noninterest Expense

(\$ in millions)

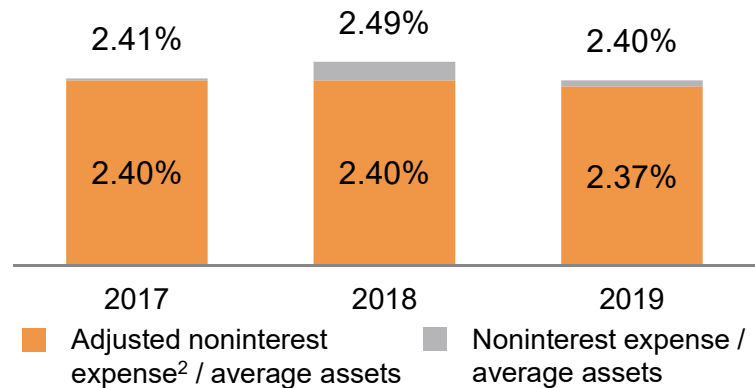


Technology and Equipment Expense

(\$ in millions)



Noninterest Expense / Average Assets



¹A non-GAAP financial measure, adjusted personnel expense excludes restructuring related costs. Please refer to the appendix for a reconciliation of personnel expense to adjusted personnel expense.

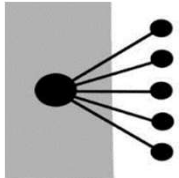
²A non-GAAP financial measure, adjusted noninterest expense excludes acquisition and restructuring related costs. Please refer to the appendix for a reconciliation of noninterest expense to adjusted noninterest expense.



ENHANCING OUR DIGITAL PLATFORMS

Delivered significant customer-facing enhancements in 2019; will optimize recent initiatives in 2020

Banking Services Are Current Focus



Innovation has so far focused on

- Unbundling of banking services
- Improving the front end for customers

Banking Infrastructure Is Future Focus



- Infrastructure has been largely untouched by fintech startups due to high entry barriers
- Reinventing banking rails may be next wave of innovation as cloud computing and “banking as a service” takes hold

ASB Fintech Initiatives in 2019 - 2020

Partner	Application	Status/Timing
zelle	Person-to-person (P2P) payments	✓ 1Q19
uopen	Online deposit acct opening upgrade	✓ 1Q19
originate	Digital consumer loan application	✓ 1Q19
Entrust Datacard	Contactless debit cards	✓ 2Q19
timetrade	Digital appointment scheduling	✓ 3Q19
blend	Digital mortgage loan application	✓ 3Q19
Elan	Mobile credit card information	✓ 3Q19
NCR	Next generation ATMs (60)	✓ 4Q19
FOUNDATION	Digital business loan application	✓ 4Q19
PLAID	Online deposit acct opening upgrade	● 2Q20
fiserv.	Debit card fraud SMS alerts	● 2Q20
NCR	Next generation ATMs (83)	● 2020
DocuSign	Digital signatures in branches	● 2020
fiserv.	Online, mobile, core systems	● Ongoing



CAPITAL PRIORITIES

Committed to a consistent capital management philosophy with rigorous capital discipline



¹Expected to close in February 2020.

²The ratio tangible common equity to tangible assets excludes goodwill and other intangible assets, net. The TCE ratio is a non-GAAP financial measure and has been included as it is considered to be a critical metric used to analyze and evaluate financial condition and capital strength. Please refer to the appendix for a reconciliation of non-GAAP financial measures to GAAP financial measures.



CURRENT EXPECTED CREDIT LOSSES (CECL)

Our current capital levels and expected earnings should allow us to readily absorb the anticipated CECL impact

CECL Adoption in 1Q 2020

- **Life-of-loan CECL reserves** will be driven by our portfolio characteristics, risk-grading, economic outlook, and methodology
- **Key Reserve Level Increase Factors**
 - **Longer tenor** of consumer loans drives higher CECL reserve levels
 - **Economic uncertainty factor** drives increased CRE and commercial & business lending reserve levels
 - **Unfunded commitment** reserve

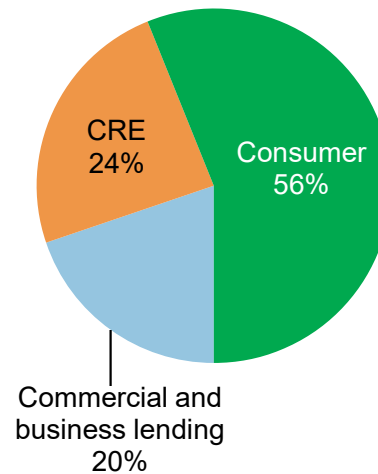
Loan Portfolio Remaining Maturity

Commercial and Business Lending	~4 years
CRE	~6 years
Total Consumer	~24 years

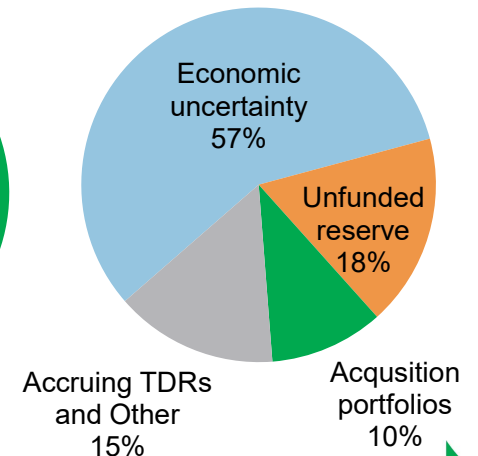
Expected CECL Impact in 1Q 2020

- **\$93 million to \$106 million increase to ACL¹ from year-end 2019 levels**
- **Net, after-tax, reduction in Tangible Common Equity ratio of 21 bps – 24 bps**

By Portfolio²



By Factor³



¹Allowance for Credit Losses.

²By lending portfolio, excluding acquired portfolios.

³Includes acquired portfolios.

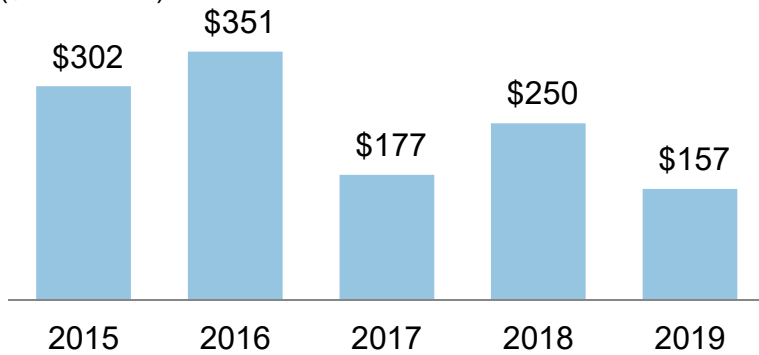


CREDIT QUALITY – QUARTERLY TRENDS

Continued benign credit environment with stable provision outlook for 2020

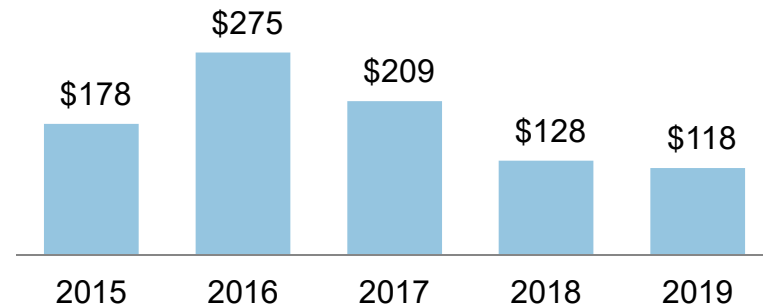
Potential Problem Loans¹

(\$ in millions)



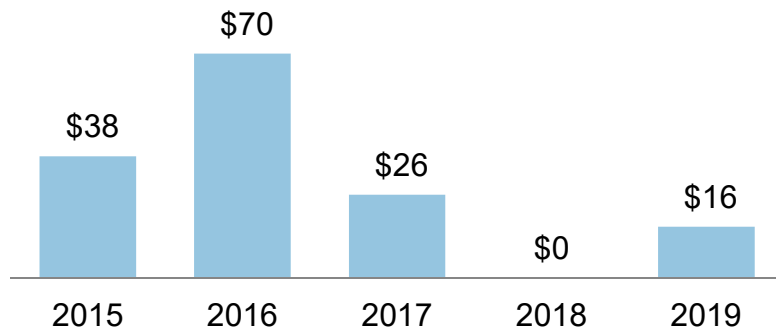
Nonaccrual Loans¹

(\$ in millions)

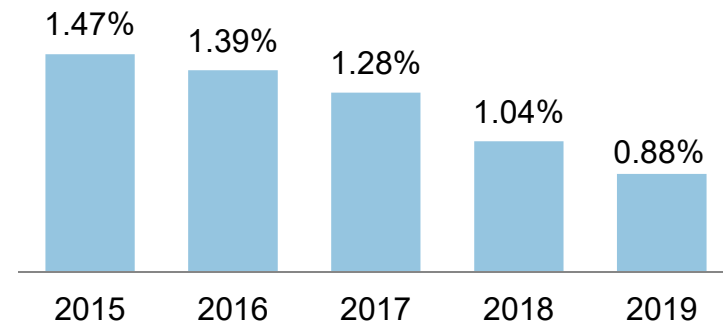


Provision for Credit Losses

(\$ in millions)



Allowance for Loan Losses to Loans¹



¹At period end.



2020 OUTLOOK

This outlook reflects our expectation for a stable economy. We may adjust our outlook if, and when, we have more clarity on economic factors.

Balance Sheet Management

- Annual average loan growth of 2% to 4%
- Maintain loan to deposit ratio under 100%
- Full-year 2020 NIM expected to be 2.80% to 2.85%

Fee Businesses

- Noninterest income of \$375 million to \$385 million

Expense Management

- Noninterest expense of \$790 million to \$795 million, including all First Staunton costs
- Effective tax rate of 19% to 21%

Capital & Credit Management

- Initial CECL impact expected to be a \$70 million to \$80 million after-tax charge and a corresponding 21 bps to 24 bps decrease in the TCE ratio¹
- Continue to follow stated corporate priorities for capital deployment

¹The ratio tangible common equity to tangible assets excludes goodwill and other intangible assets, net. The TCE ratio is a non-GAAP financial measure and has been included as it is considered to be a critical metric used to analyze and evaluate financial condition and capital strength. Please refer to the appendix for a reconciliation of non-GAAP financial measures to GAAP financial measures.



LINE OF BUSINESS PROFILES



BALANCED BUSINESS SEGMENTS¹

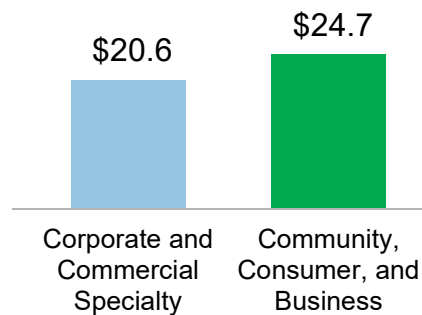
Corporate and Commercial Specialty

- Corporate Banking
- Commercial Real Estate

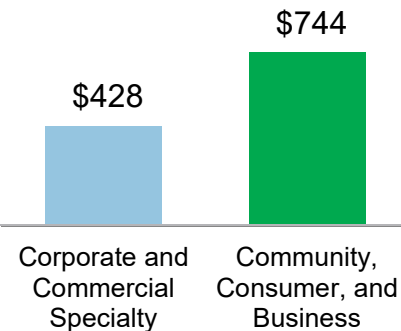
Community, Consumer, and Business

- Consumer and Business Banking
- Community Markets
- Wealth Management and Institutional Services

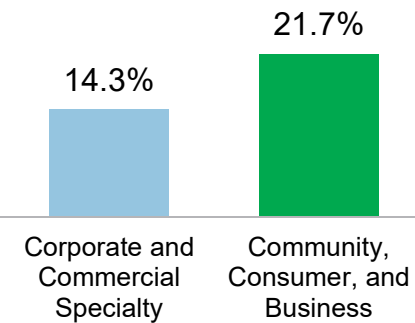
Average Loans and Deposits (\$ in billions)



Net Interest Income and Noninterest Income (\$ in millions)



Return on Average Allocated Capital



¹For the year ended December 31, 2019.



CORPORATE BANKING

CORPORATE AND COMMERCIAL SPECIALTY SEGMENT

Business Units



2019 Overview

- \$14.1 billion in average loans and deposits
- 9 offices across 5 states
- ~270 colleagues

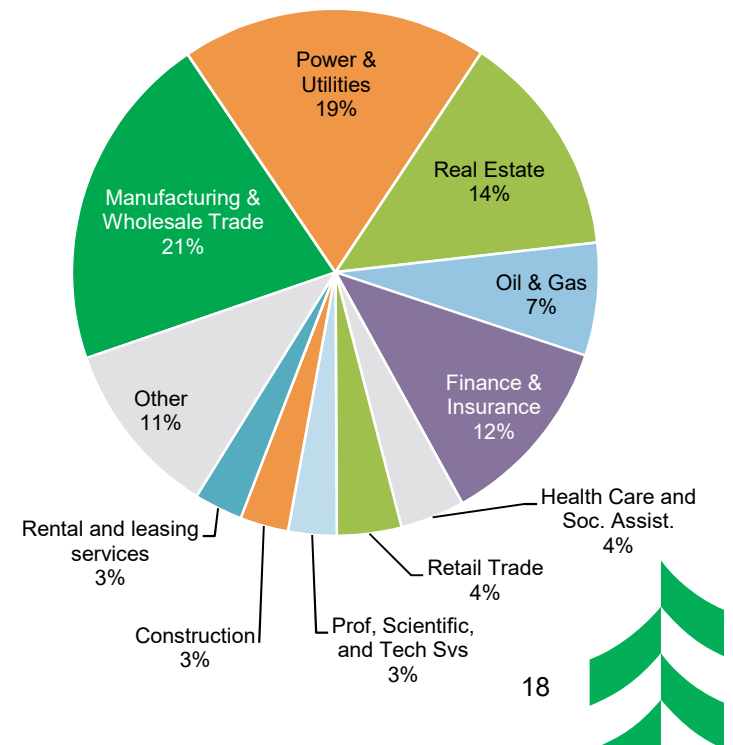
Creative, relationship-oriented teams build loyal, long-lasting client relationships

- **Corporate Lending** serves large and complex customers, including **Specialized Industries**
- **Commercial Deposits and Treasury Management** and **Capital Markets** provide solutions focused on customer needs and supported by high-touch, in-market service

2019 Highlights

- Corporate banking average loans grew by 8% and average deposits grew by 4%
- Continued to augment the Treasury Management product offering and focus on developing and enhancing profitable relationships across the group

Commercial and Business Lending¹
Loan Composition by Industry



¹Total commercial and business lending loans outstanding as of December 31, 2019.



COMMERCIAL REAL ESTATE

CORPORATE AND COMMERCIAL SPECIALTY SEGMENT

Business Units

CRE Lending	Real Estate Investment Trusts	CRE Syndications	CRE Tax Credits
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2019 Overview

- \$6.5 billion in average loans and deposits
- 12 offices across 8 states
- ~100 colleagues

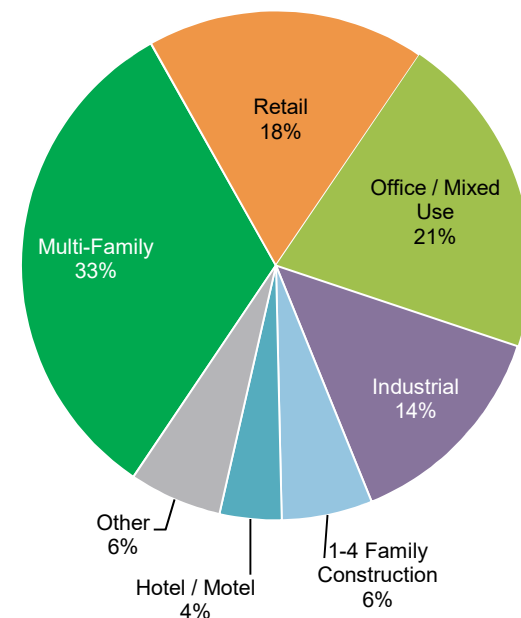
Local experienced teams create custom real estate financing solutions

- Term, acquisition, construction and interim-bridge financing
- Deposit and cash management solutions
- Specialized financial services including loan syndications and interest rate risk management

2019 Highlights

- Closed \$2.9 billion of new loan commitments, an increase of 25% from 2018
- Year-end loan balance increased 3% from 2018 as strong production and construction funding drove a return to growth
- Noninterest income growth driven by robust swap and syndication performance

Commercial Real Estate¹ Loan Composition by Property Type



¹Total commercial real estate lending loans outstanding as of December 31, 2019.



CONSUMER AND BUSINESS BANKING

COMMUNITY, CONSUMER, AND BUSINESS SEGMENT

Business Units Serving Metro Markets

Retail
Banking

Residential
Lending

Business
Banking

2019 Overview

- \$17.5 billion in average loans and deposits
- 175 branches¹
- ~1,900 colleagues

Full-range services for individuals and small businesses

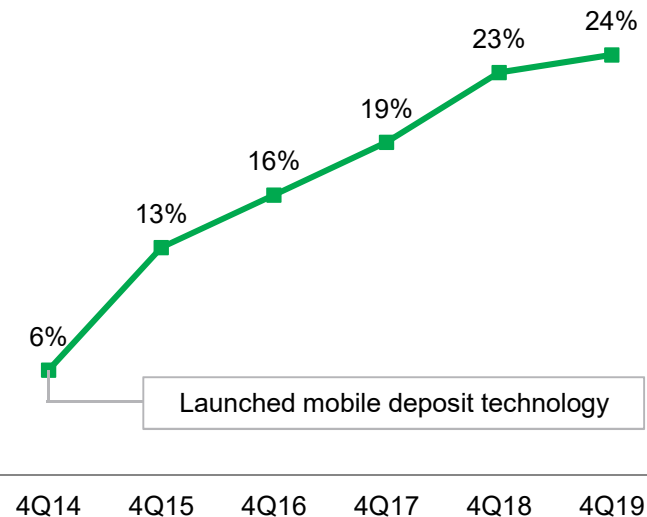
- **Retail Banking** provides best-in-class customer experience across branches and digital channels
- **Residential Lending** offers residential mortgages through direct and third party channels and home equity lines through direct channels
- **Business Banking** provides solutions to businesses with \$10 million or less in annual revenue

2019 Highlights

- Introduced online and mobile mortgage application; 80% of mortgage applicants are now experiencing a quality digital process using Blend
- Upgraded person-to-person payments to Zelle® Instant Payments platform and realized a 250% increase in transaction volume over our previous solution

Mobile Deposits

% of total consumer deposits²



¹Includes one branch that offers wealth management services only.

²Based on period end deposits.



COMMUNITY MARKETS

COMMUNITY, CONSUMER, AND BUSINESS SEGMENT

Business Units Serving Midsize Markets

Branch
Banking

Commercial &
Business
Banking

Residential
Lending

Private
Banking

2019 Overview

- \$4.5 billion in average loans and deposits
- 73 branches
- ~440 colleagues

Localized approach ensures the customer experience is at the forefront of decisions and actions

- Virtual community banks with our full suite of financial and risk management solutions in midsize markets
- Community market presidents are positioned as active community partners and financial leaders
- Strategy is intended to build on our strong deposit market share in select midsize markets
- Reduced residential loan officers while maintaining geographical coverage in all markets

2019 Highlights

- Strong mortgage banking income (+57% y/y) drove overall fee revenue increase of 7%
- Average deposits grew 9%



WEALTH MGMT AND INSTITUTIONAL SERVICES

COMMUNITY, CONSUMER, AND BUSINESS SEGMENT

Business Units

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

2019 Overview

- \$2.7 billion in average loans and deposits
- \$12.1 billion AUM
- ~780 colleagues

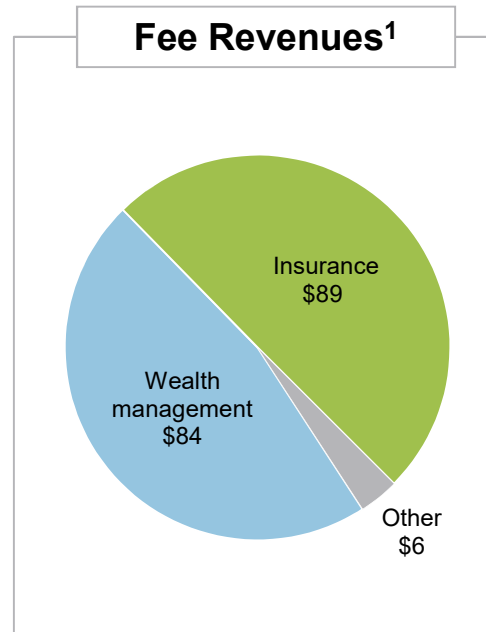
Market-based teams are comprised of specialists

- **Wealth Management Services** offers a suite of services tailored to the unique needs of high-net-worth and ultra-high-net-worth clients
- **Institutional Services** works with businesses and other entities to provide strategic, customized employee benefits, retirement plan services, business insurance and HR solutions

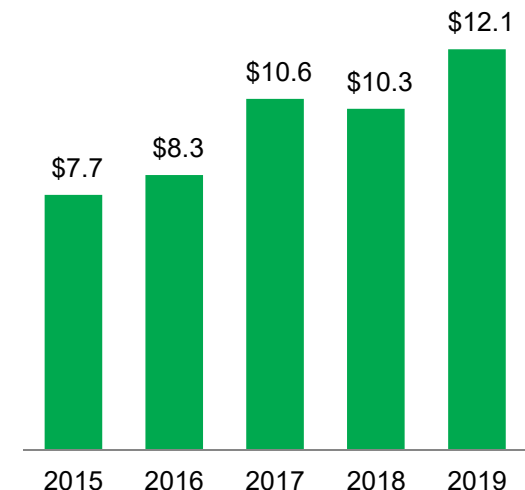
2019 Highlights

- Average deposit growth of 9%
- Wealth management fees up \$1 million from 2018

Fee Revenues¹



Assets Under Management²



¹Figures in millions, for the year ended December 31, 2019.

²Balances in billions, for the years ended December 31.



APPENDIX



FNB STAUNTON TRANSACTION SUMMARY

Seller: First Staunton Bancshares

Transaction Value:

- ~\$76 million for franchise
- ~1.30x 1Q 2019 reported tangible book value
- ~4% deposit premium

Consideration: 100% cash

Assets Purchased:

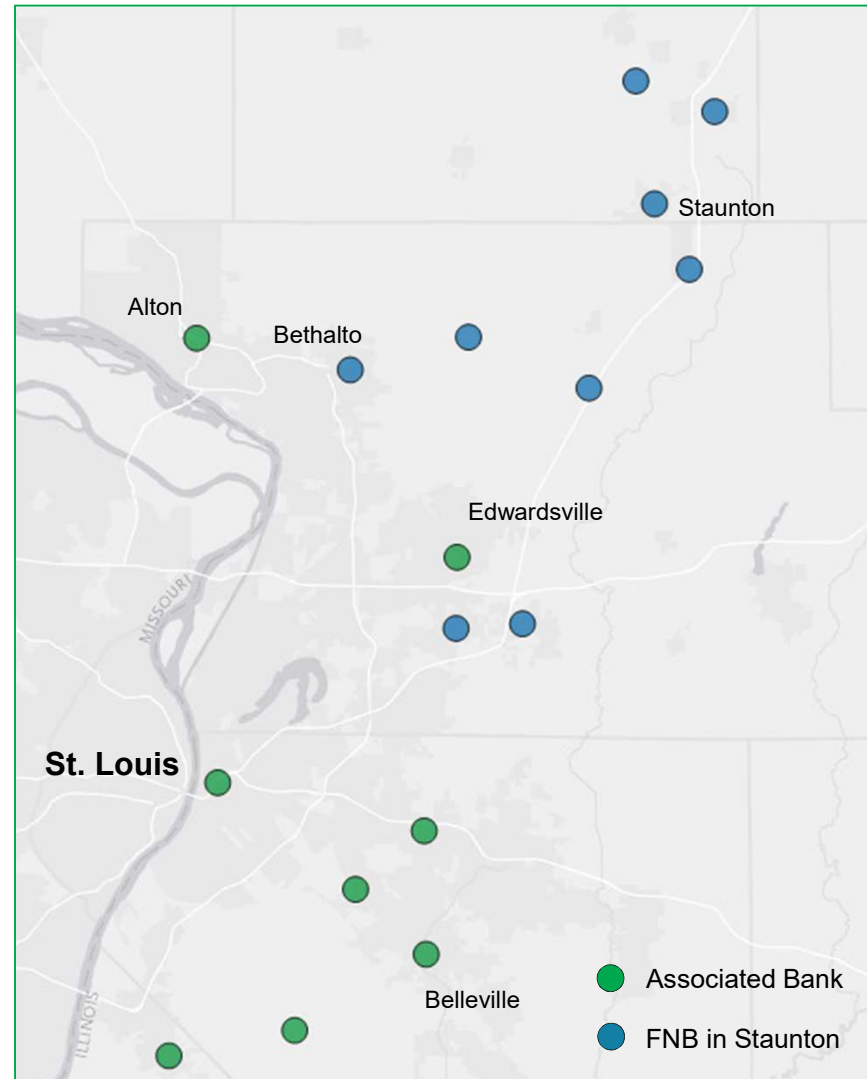
- Nine branches
- ~\$350 million of loans

Deposits Assumed:

- ~\$440 million
- ~30,000 customer accounts

Closing and Conversion:

- Closing and conversion anticipated in February 2020



Source: S&P Global Market Intelligence



ACQUISITIONS

Delivering on Our Strategy

- Huntington completed...***
- Was an in-market, cost takeout driven depository acquisition
 - Filled in network gaps and boosted our network in key locations
 - Further improved branch density and scale across Wisconsin

- ...and Staunton up next***
- Is an in-market, cost takeout driven depository acquisition
 - Fills in network gaps and boosts our network in key locations
 - Further improves branch density and scale in St. Louis market

Enhancing ASB Franchise Value

- Expanded into 13 new communities
- Added over 60,000 deposit accounts and 33,000 households
- Acquired ~\$730 million of granular branch deposits with <1% cost of funds

- Expanding into 7 new communities
- Expected to add over 30,000 deposit accounts and 16,000 loans
- ~\$440 million of granular branch deposits with <1% cost of funds

Financially Attractive

- Accretive to efficiency metrics and EPS outlook
- Expected 45% cost savings run rate
- Minimal TBV dilution (~1.5%); \$34 million net premium

- Accretive to efficiency metrics and EPS outlook
- Approximately 35% cost savings expected on conversion
- Minimal TBV dilution (<1%); less than 3.5 year TBV earnback expected



COMMUNITY, DIVERSITY & SUSTAINABILITY

We remain committed to initiatives to improve our communities, promote diversity and enhance sustainability



Over **\$900 million¹** in credit commitments to support wind, hydroelectric and solar projects since 2012



\$3.6 million¹ in grants to support CRA programming at various nonprofit organizations



Provided **Diversity & Inclusion training** for all colleagues and specialized unconscious bias and management training to more than 240 leaders¹ in 2018



67,000 volunteer hours logged, with a value of \$1.7 million²



LED lighting yielded nearly **\$700,000 in annual savings²** versus 2015 baseline



\$797 million¹ in loans helping low- to moderate-income (LMI) and minority families attain home ownership



43% of employees² participate in **6 Colleague Resource Groups** acting to address the unique needs of Associated's diverse workforce



2020 Women on Boards
2014-2019 | Winning "W" Company

¹As of or for the year ended December 31, 2018.

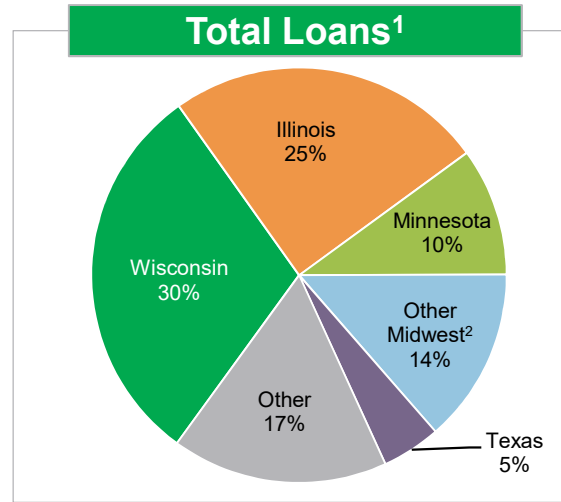
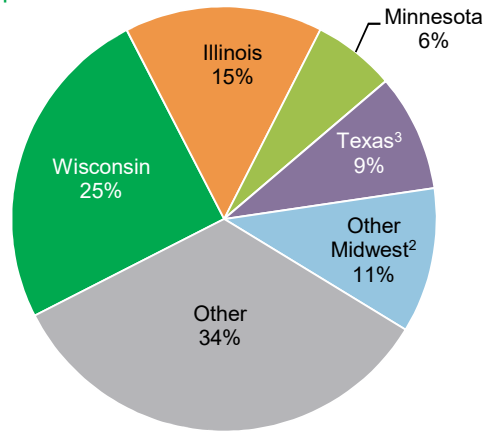
²As of or for the year ended December 31, 2019.



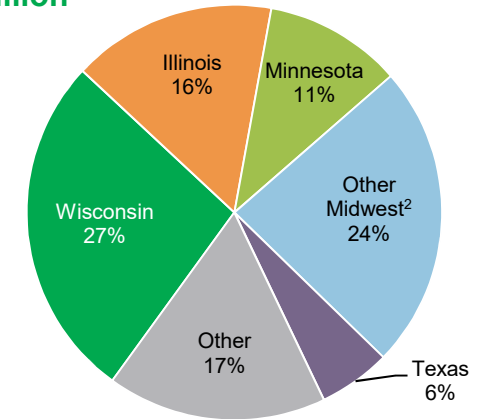
LOAN STRATIFICATION

OUTSTANDINGS AS OF DECEMBER 31, 2019

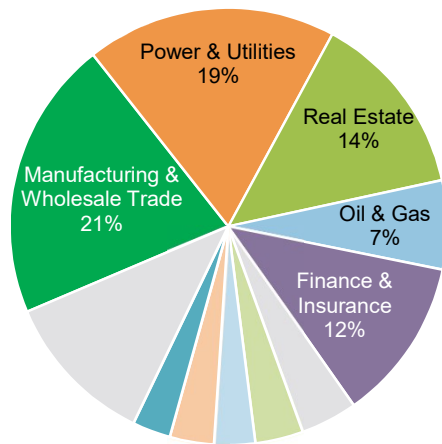
C&BL by Geography
\$8.3 billion



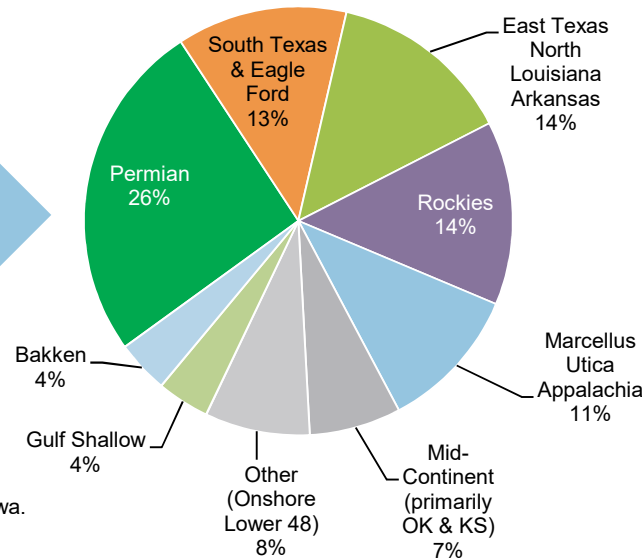
CRE by Geography
\$5.2 billion



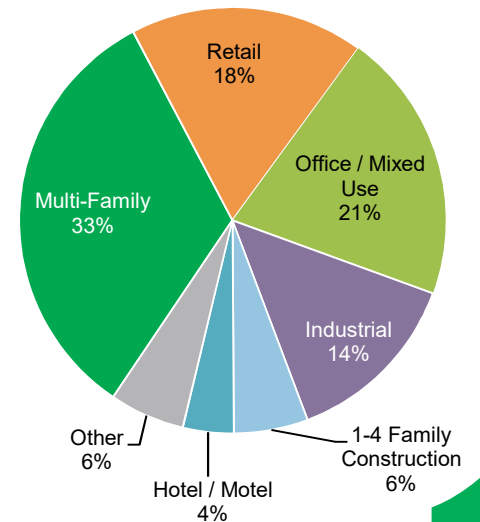
C&BL by Industry
\$8.3 billion



Oil and Gas Lending⁴
\$484 million



CRE by Property Type
\$5.2 billion



¹Excludes \$351 million Other consumer portfolio.

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

³Principally reflects the oil and gas portfolio.

⁴Chart based on commitments of \$741 million.



RECONCILIATION AND DEFINITIONS OF NON-GAAP ITEMS (\$ IN MILLIONS)

Adjusted Noninterest Expense Reconciliation¹	2019	2018	2017		
Noninterest expense	\$794	\$822	\$709		
Acquisition related costs	7	29	-		
Severance	5	2	2		
Adjusted noninterest expense	<u>\$782</u>	<u>\$791</u>	<u>\$708</u>		
Fee-based Revenue¹	2019	2018	2017	2016	2015
Insurance commissions and fees	\$89	\$90	\$81	\$81	\$75
Wealth management fees	83	83	70	63	64
Service charges and deposit account fees	63	66	64	67	65
Card-based fees	40	40	35	34	29
Other fee-based revenue	19	18	18	17	19
Fee-based revenue	<u>\$294</u>	<u>\$296</u>	<u>\$269</u>	<u>\$261</u>	<u>\$253</u>
Other	86	60	64	92	76
Total noninterest income	<u>\$381</u>	<u>\$356</u>	<u>\$333</u>	<u>\$353</u>	<u>\$329</u>
Adjusted Personnel Expense Reconciliation¹	2019	2018	2017	2016	2015
Personnel expense	\$487	\$483	\$429	\$425	\$416
Severance	5	2	2	5	2
Adjusted personnel expense	<u>\$482</u>	<u>\$481</u>	<u>\$427</u>	<u>\$420</u>	<u>\$414</u>

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.

