

Associated Banc-Corp
Bank of America Merrill Lynch
Future of Financials Conference

2017

FOURTH QUARTER



DISCLAIMER

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.

Non-GAAP Measures

This presentation includes certain non-GAAP financial measures. These non-GAAP measures are provided in addition to, and not as substitutes for, measures of our financial performance determined in accordance with GAAP. Our calculation of these non-GAAP measures may not be comparable to similarly titled measures of other companies due to potential differences between companies in the method of calculation. As a result, the use of these non-GAAP measures has limitations and should not be considered superior to, in isolation from, or as a substitute for, related GAAP measures. Reconciliations of these non-GAAP financial measures to the most directly comparable GAAP financial measures can be found at the end of this presentation.

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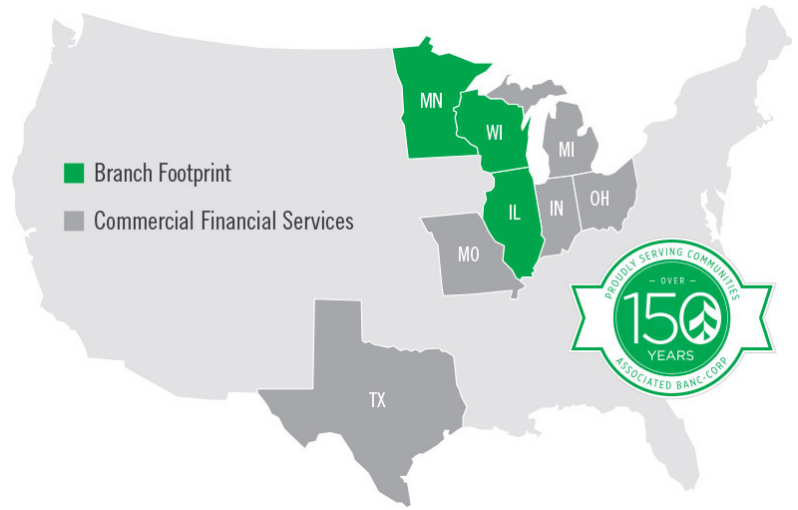


OUR FRANCHISE

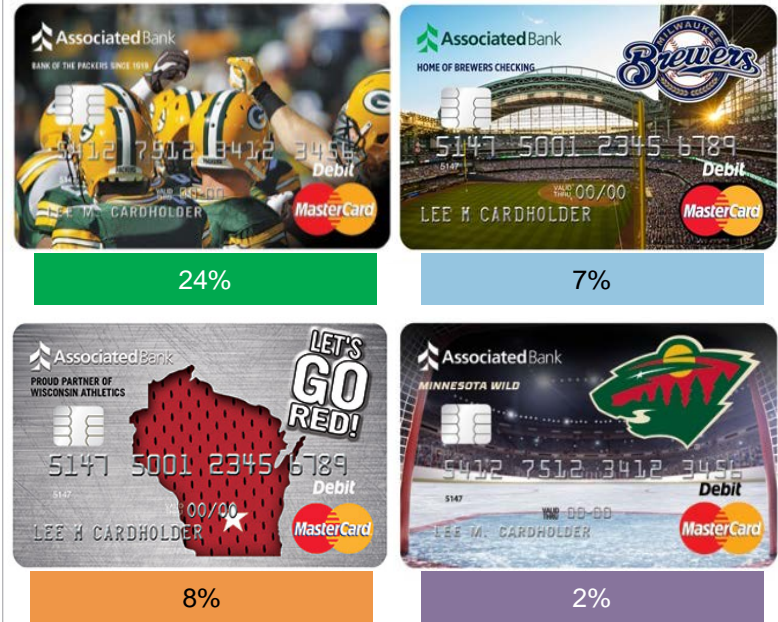
Third Quarter 2017¹

\$30 billion of assets **\$21 billion** of loans
Over \$1 billion of revenue² **\$22 billion** of deposits

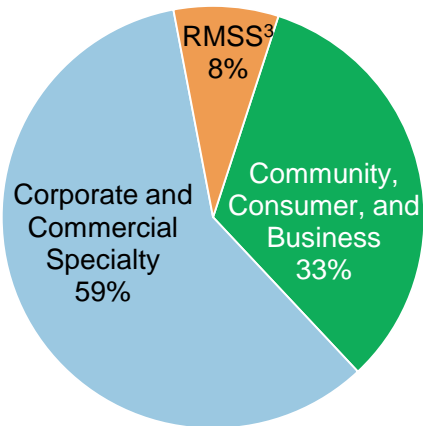
- Largest bank headquartered in **Wisconsin**
- Approximately **4,400** employees, servicing over **1 million** customer accounts in **8** states and over **100** communities
- **40%+** of active personal checking accounts are affinity related



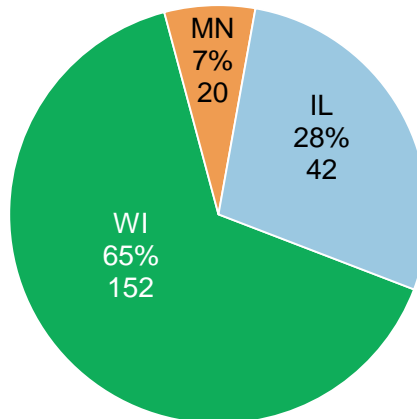
Affinity Programs⁴



YTD 3Q 2017 Net Income by Business Segment



Deposits (%) And Branches



¹ – As of September 30, 2017, unless otherwise noted

² – Twelve months ended September 30, 2017

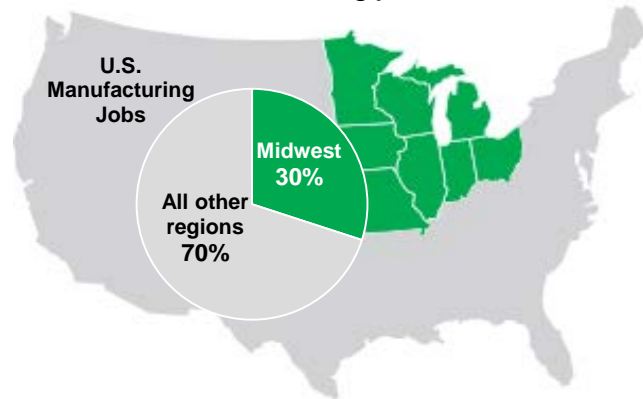
³ – Risk Management and Shared Services

⁴ – Affinity debit cards as a percentage of active personal checking accounts, as of September 30, 2017

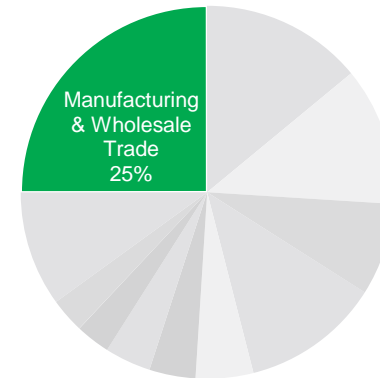
ATTRACTIVE MIDWEST MARKETS

Large Population Base With a Manufacturing and Wholesale Trade-Centric Economy

Midwest holds ~20% of the U.S. population¹ and 30% of all U.S. manufacturing jobs²

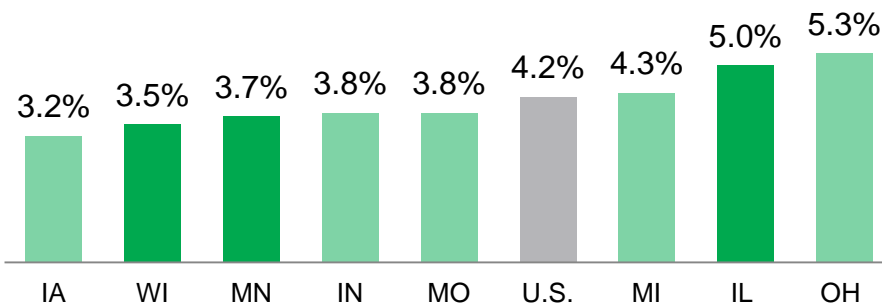


Commercial and Business Lending ASB Loan Composition by Industry



Supporting Strong Employment Base and Healthy Consumer Credit

Several Midwestern states have unemployment rates³ below the national average



Dark green bars denote ASB branch states

Select ASB Metro Market Unemployment Rates⁴

Madison, WI.....	2.3%
Rochester, MN.....	2.5%
Wausau, WI.....	2.7%
Green Bay, WI.....	2.8%
Minneapolis – St. Paul, MN.....	2.9%

¹ – U.S. Census Bureau, Annual Estimates of the Resident Population, 2016

² – U.S. Bureau of Labor Statistics, Manufacturing Industry Employees, seasonally adjusted, September 2017 (preliminary)

³ – U.S. Bureau of Labor Statistics, Unemployment Rates by State, seasonally adjusted, September 2017 (preliminary)

⁴ – U.S. Bureau of Labor Statistics, Unemployment Rates, Midwest Information Office, seasonally adjusted, September 2017 (preliminary)

THIRD QUARTER UPDATE

3Q17: Net income available to common equity of \$63 million, or \$0.41 per common share

Growing Interest Income

Improving Credit Dynamics

Continued Efficiency Improvement

Expanding Bottom Line

Balance Sheet Management

- Mid-to-high single digit annual average loan growth
- Maintain Loan to Deposit ratio under 100%
- Improving NIM trend

YoY Progress



Expense Management

- Approximately 1% higher than the prior year
- Continued improvement to our efficiency ratio

YoY Progress



Fee Businesses

- Improving year over year fee-based revenues
- Declining year over year mortgage banking revenue



Capital & Credit Management

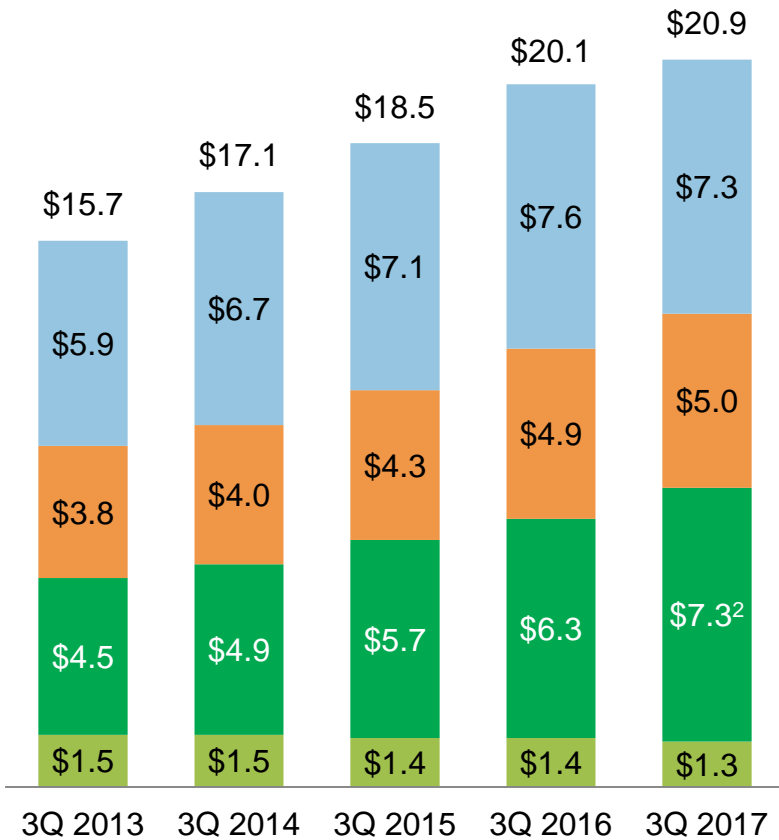
- Continue to follow stated corporate priorities for capital deployment
- Provision expected to adjust with changes to risk grade, other indications of credit quality, and loan volume



LOAN GROWTH TRENDS

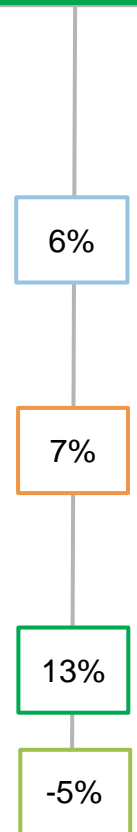
Average Quarterly Loans

(\$ in billions)



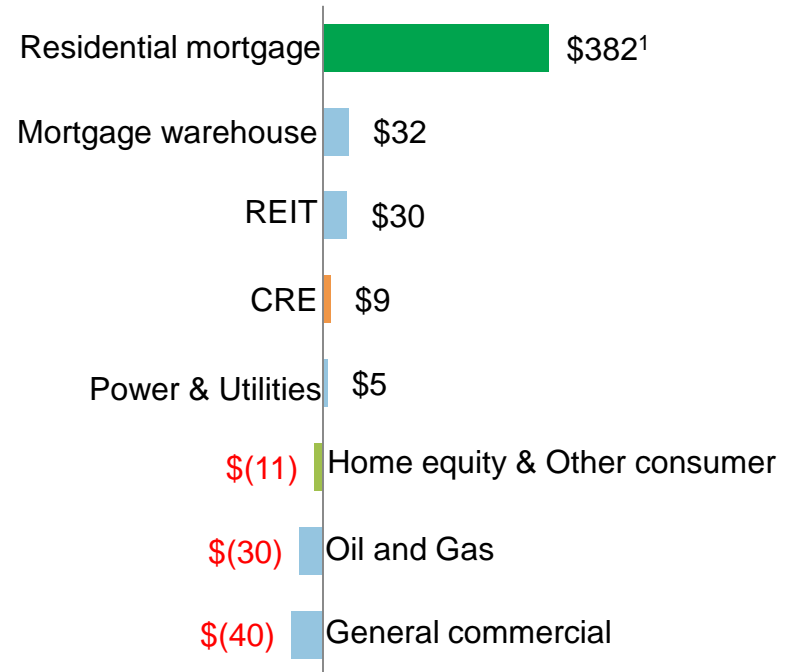
- Commercial & business
- Commercial real estate ("CRE")
- Residential mortgage
- Home equity & Other consumer

3Q13 – 3Q17 CAGR



Linked Quarter Average Loan Growth

(\$ in millions)



Net Loan Growth: +\$377 million

¹ – Over 60% of 3Q residential mortgage loan growth was in adjustable-rate production. Percentage based on change in period end composition.

² – \$4.9 billion of the total residential mortgage portfolio was comprised of adjustable-rate loans. Amount based on period end composition.

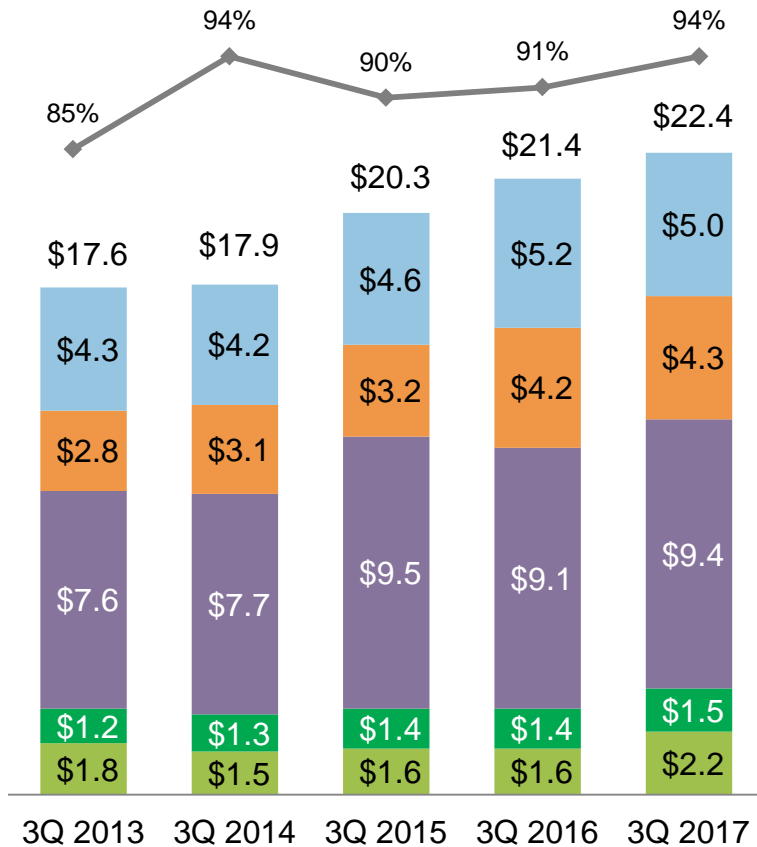


CONSISTENT DEPOSIT GROWTH

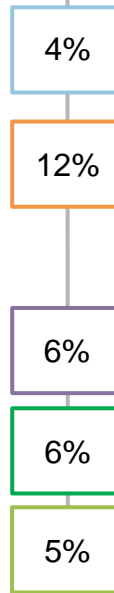
Average Quarterly Deposits

(\$ in billions)

Loan to Deposit Ratio

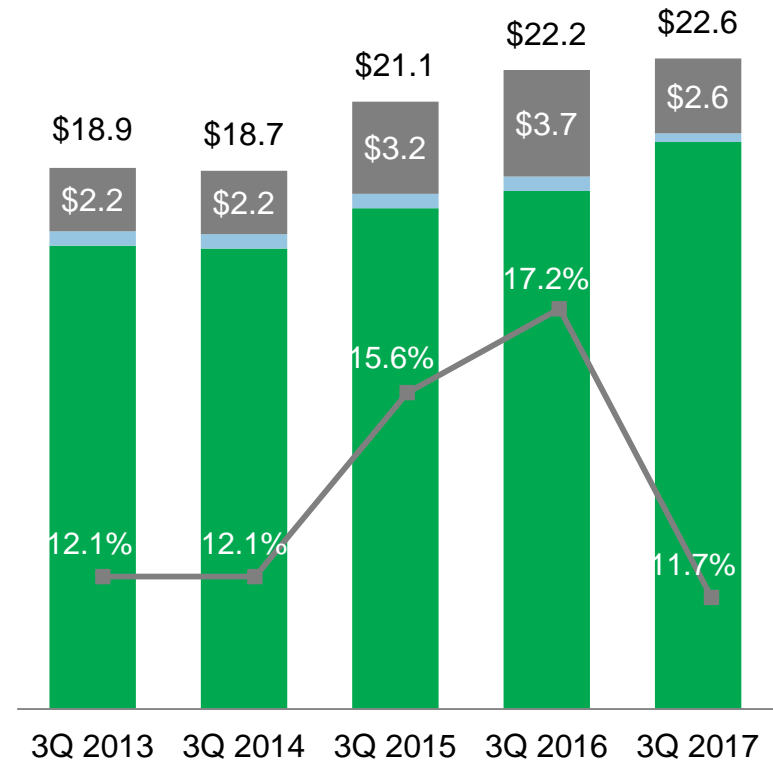


3Q13
– 3Q17
CAGR



Period End Deposits & Customer Funding

(\$ in billions)



■ Time deposits ■ Savings
■ Money market ■ Interest-bearing demand
■ Noninterest-bearing demand

■ Network Transaction Deposits ("NTD")
■ Customer Funding
■ Customer Deposits¹
— NTDs as % of Total Deposits

¹ – Total deposits excluding network transaction deposits

ACQUISITION OF BANK MUTUAL

Associated Banc-Corp

Acquisition of



July 20, 2017

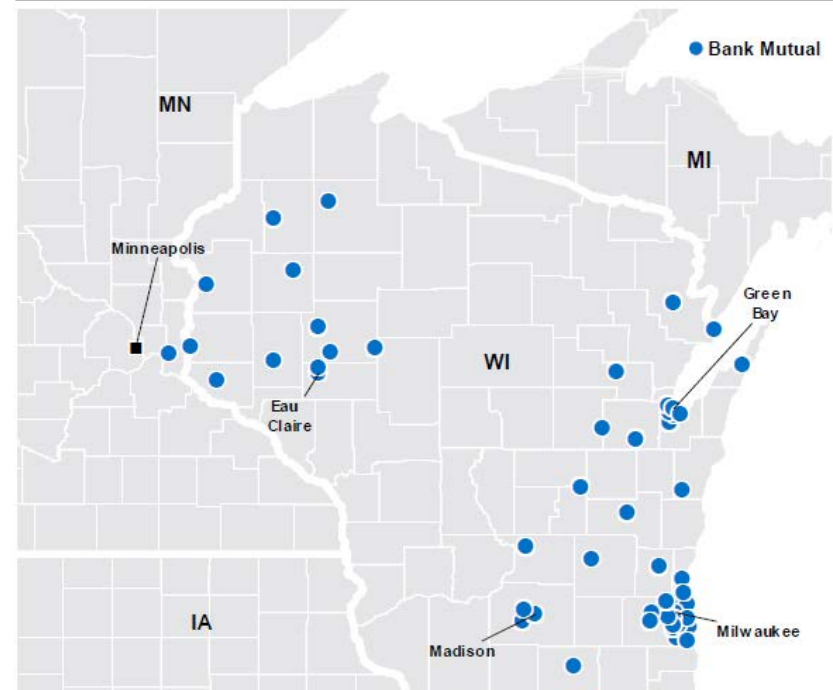
Transaction Pricing

- 100% stock transaction
 - 0.422 exchange ratio
- 1.6x price / tangible book value per share of \$6.33 as of June 30, 2017
- 12.5x price / 2017E EPS with fully phased-in 45% after-tax cost savings³

Bank Mutual Profile

Third Quarter 2017

Branches ¹	58
Loans	\$2.0bn
Deposits	\$1.9bn
Revenue ²	\$99mm
Expenses ²	\$71mm



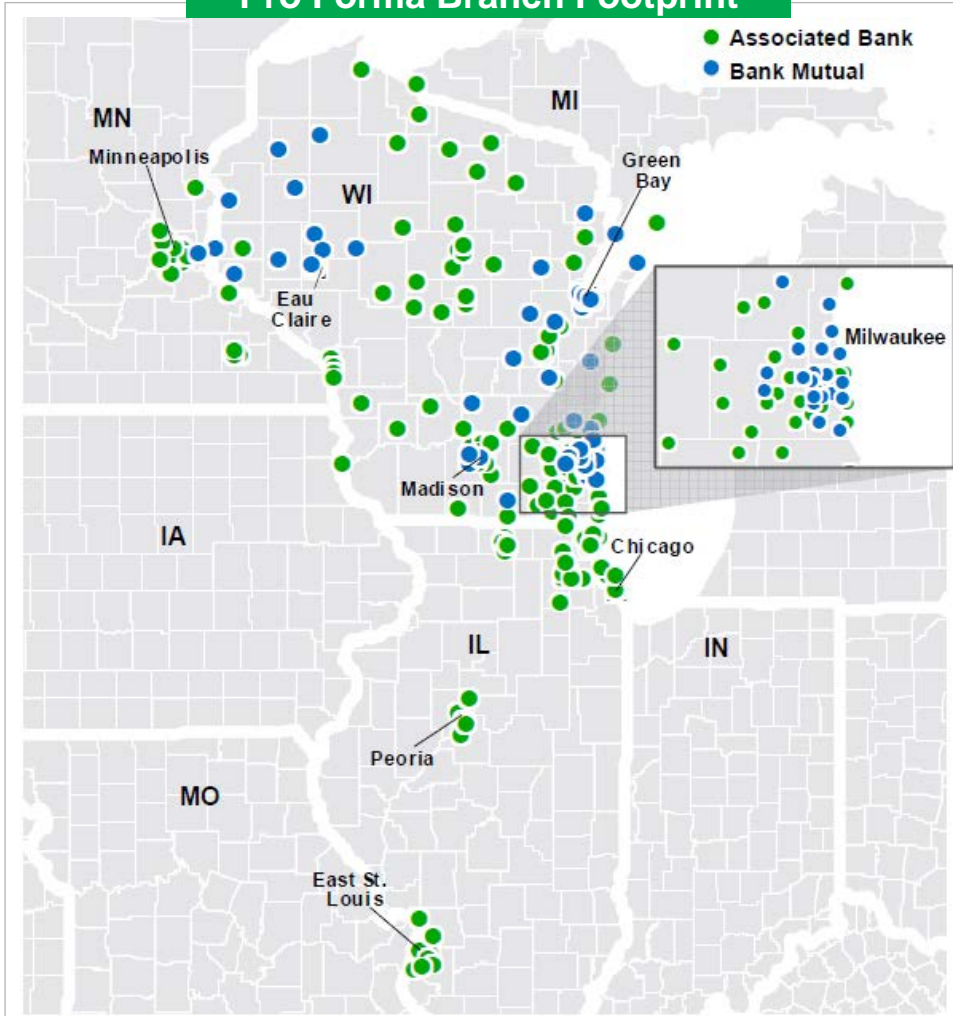
¹ – 57 branches in WI and one branch in MN

² – Twelve months ended September 30, 2017

³ – Based on BKMU IBES median 2017E EPS of \$0.38

ASSOCIATED'S PRO FORMA FOOTPRINT

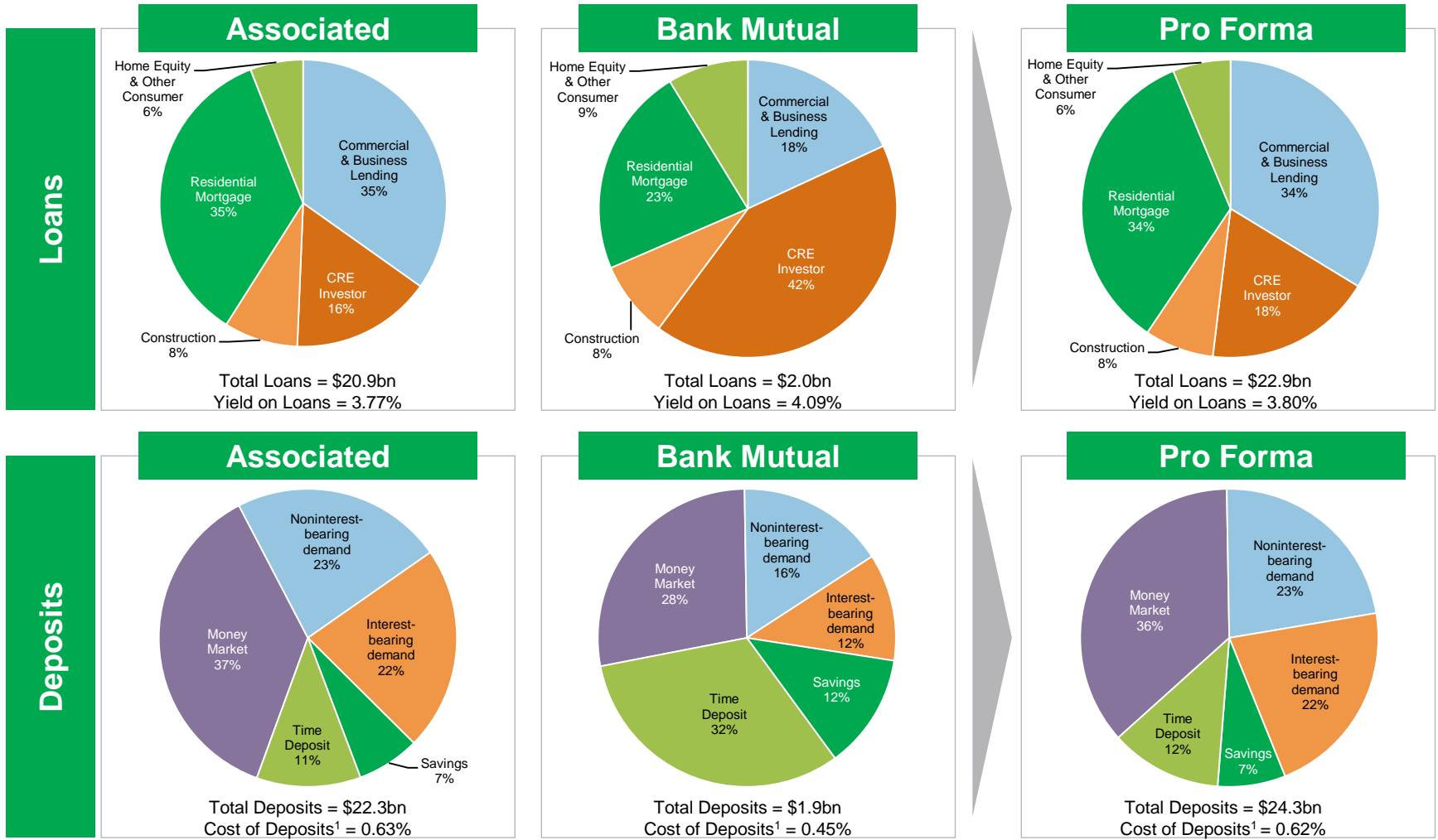
Pro Forma Branch Footprint



Improved Scale and Customer Reach

- Strengthens our position as largest bank headquartered in the state of Wisconsin
 - > \$32bn combined total assets
 - Adds > 120,000 customer accounts to the Associated franchise
- Significant efficiency opportunities
 - 50% of Bank Mutual branches are within 1 mile of an Associated branch
 - Several shared key technology vendors
 - Positioned to further invest in and better support the customer experience
- Continued commitment to supporting the socioeconomic health of our combined communities and markets
 - Expanding services into nearly a dozen new markets
 - Offers new customers access to Associated's broader network and solutions

PRO FORMA LOANS & DEPOSITS

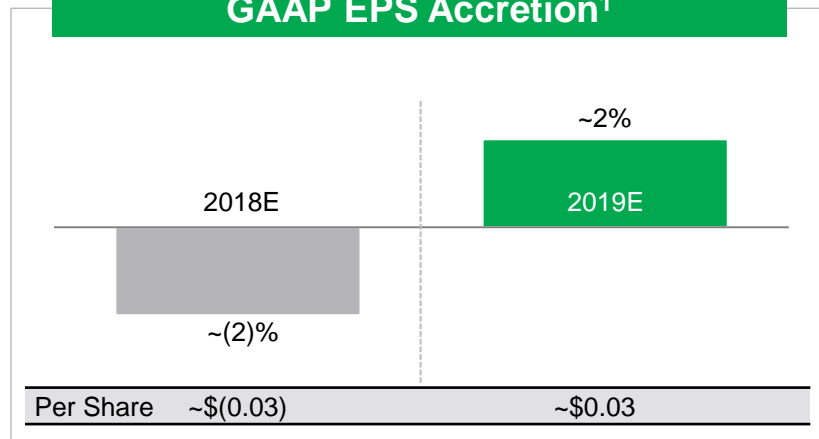


Note: Figures as of September 30, 2017

¹ – Cost of deposits includes interest-bearing deposits only

ESTIMATED PRO FORMA FINANCIAL METRICS

GAAP EPS Accretion¹



Capital Metrics

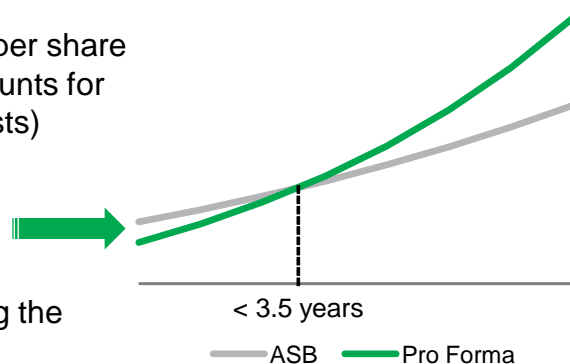
	ASB Current (Sept 30, 2017)	Pro Forma ²
Common Equity Tier 1 Ratio	9.9 %	10.1 %
Tier 1 Capital Ratio	10.6	10.8
Total Capital Ratio	13.0	12.9
Tier 1 Leverage Ratio	7.9	8.2

Tangible Book Value Per Share Impact¹

- < 1% tangible book value per share dilution at close (fully accounts for merger and integration costs)

— ~\$0.07 dilution at close on a per share basis

- < 3.5 years earnback using the crossover method



Additional Comments

- Pre-tax cost savings of 45% of BKMU non-interest expense
- Expected to improve efficiency ratio by > 100bps with fully phased-in cost savings
- Internal rate of return in the high teens
- Transaction does not alter dividend policy or capital priorities

¹ – Based on ASB and BKMU IBES median EPS estimates as of June 30, 2017 for 2017, 2018, and grown at 7% IBES median long-term growth rate thereafter. EPS accretion is excluding one-time charges.

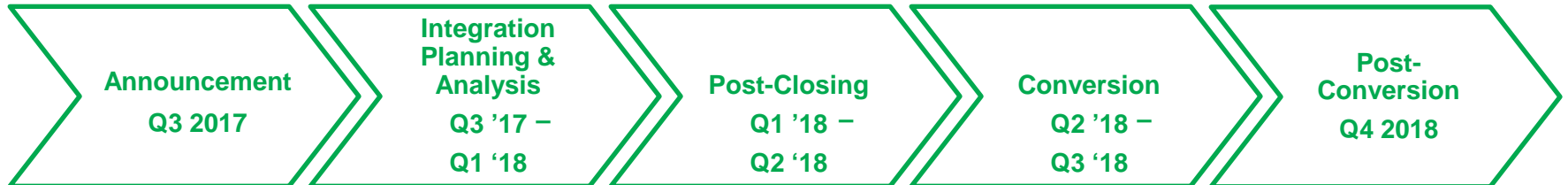
² – Estimated pro forma capitalization as of June 30, 2017, net of merger and integration costs and purchase accounting adjustments.

POST ANNOUNCEMENT UPDATE & TIMELINE

Post Announcement Activities and Integration Planning

- ASB management team has developed a detailed integration plan spanning from transaction announcement through closing, conversion, and post-conversion time periods
- ASB/BKMU integration team has significant local market knowledge and deep operational expertise from prior consolidations to execute a seamless transition for customers, employees, and stakeholders

Projected Post-Announcement Timeline



ACCELERATES 2017 STRATEGIC PRIORITIES

Strengthening Customer Relationships



- Adds over 120,000 customer accounts and nearly 1,000 commercial relationships
- Extends Associated's specialized products to Bank Mutual's customer base
- Positions Associated to gain efficiencies and further invest in customer experience

Delivering on our Strategy



- Delivers smaller sized, in-market, depository institution acquisition
- Drives efficiency through improved scale and distribution
- Disciplined transaction terms with attractive economics

Expanding our Community Presence



- Strengthens core deposit franchise
- Enhances branch network and density
- Increases current market share and expands services to new communities

Providing Long-term Value to Shareholders



- A low-risk transaction with significant opportunities for cost savings
- Expected to produce modest initial dilution to tangible book value per share with positive EPS accretion in 2019
- Expected to improve efficiency ratio by > 100bps with fully phased-in cost savings



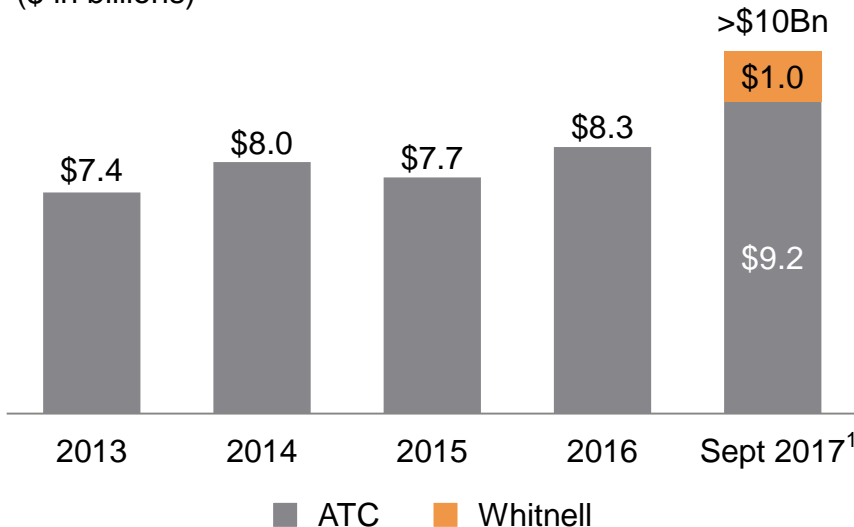
ASSET MANAGEMENT EXPANSION

Enhanced Big-Firm Financial Services With a Family Touch

- On October 2, 2017, we completed the acquisition of a wealth management organization, Whitnell & Co., an Oak Brook, Illinois based, \$1 billion AUM registered investment advisor, to further complement Associated's investment and asset management capabilities, especially in Chicago
- Whitnell's 28 professionals provide affluent Mid-Western clients with a complete set of family office services centered around wealth management and generational wealth transfer
 - The acquisition adds a strong team to our existing Chicago-land private banking presence and introduces new services and capabilities to Associated's existing client base
 - The acquisition increases both assets under management and related run-rate revenue by more than 10%

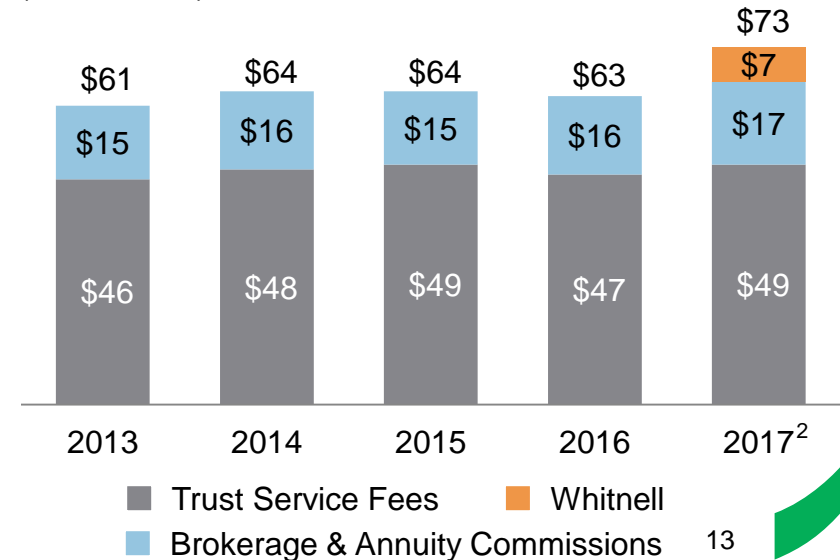
Assets Under Management ("AUM")

(\$ in billions)



Trust Service Fees and Brokerage and Annuity Commissions

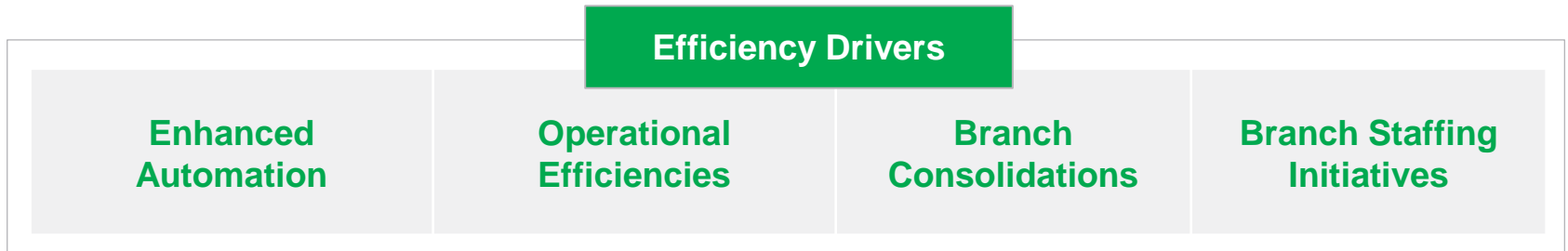
(\$ in millions)



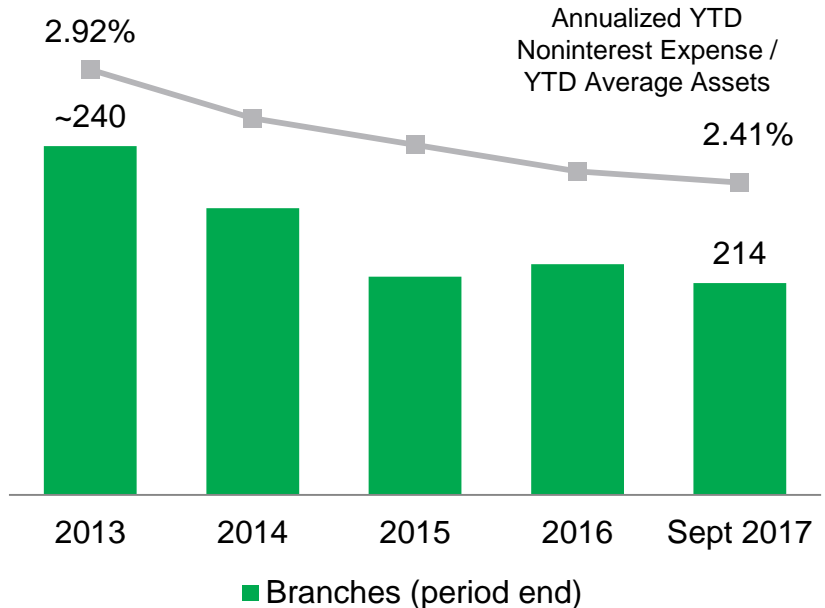
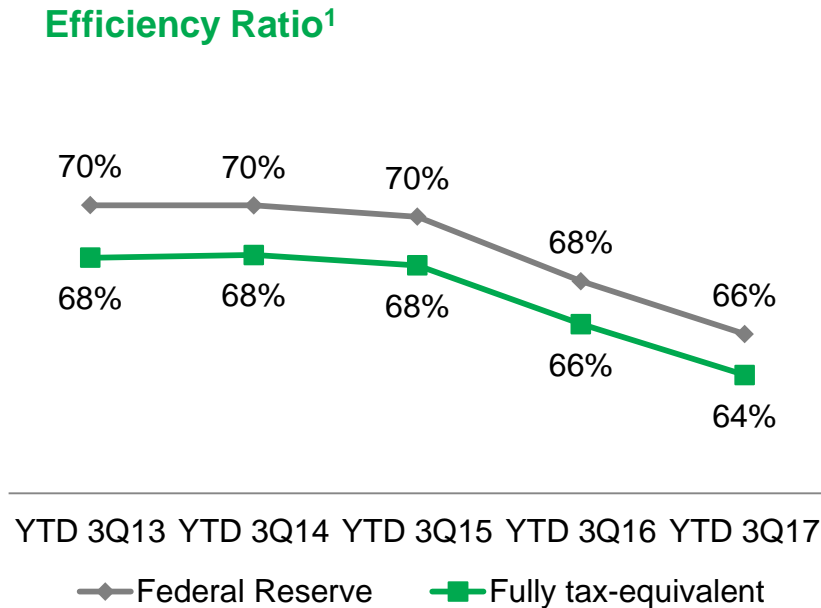
¹ – Pro Forma Associated Trust Company ("ATC"), including Whitnell

² – Pro Forma Associated Trust Company, including Whitnell, for the twelve months ended September 30, 2017

OVERALL EXPENSE EFFICIENCY



Efficiency Ratio¹



¹ – 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, which is a non-GAAP financial measure, 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. Refer to the appendix for a reconciliation of the Federal Reserve efficiency ratio to the fully tax-equivalent efficiency ratio.



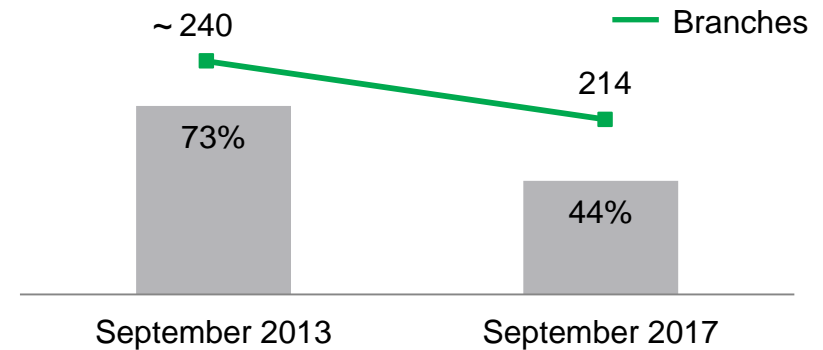
SHIFT TO DIGITAL CHANNELS

Customers continue to seek more efficient ways to bank. Digital capabilities are key to meeting their rising expectations. Associated is actively enhancing its multichannel approach and will be deploying new mobile solutions in early 2018.

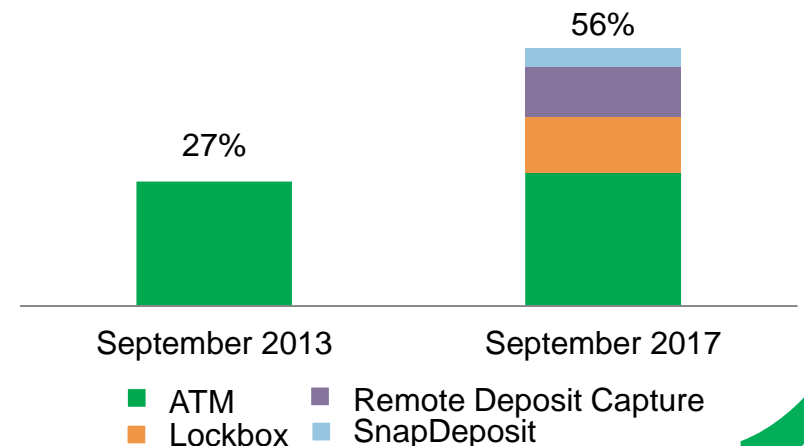
Adopting a Multichannel Approach



Branch Transactions / Total Transactions



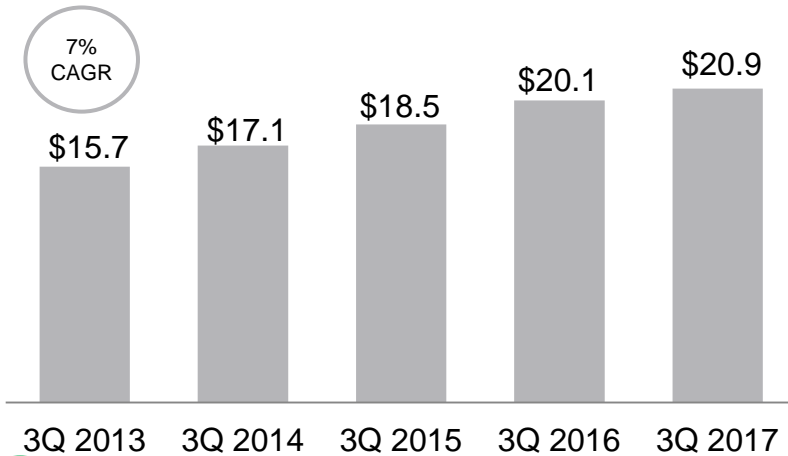
Transactions by Digital & Remote Channels



CAPITAL PRIORITIES

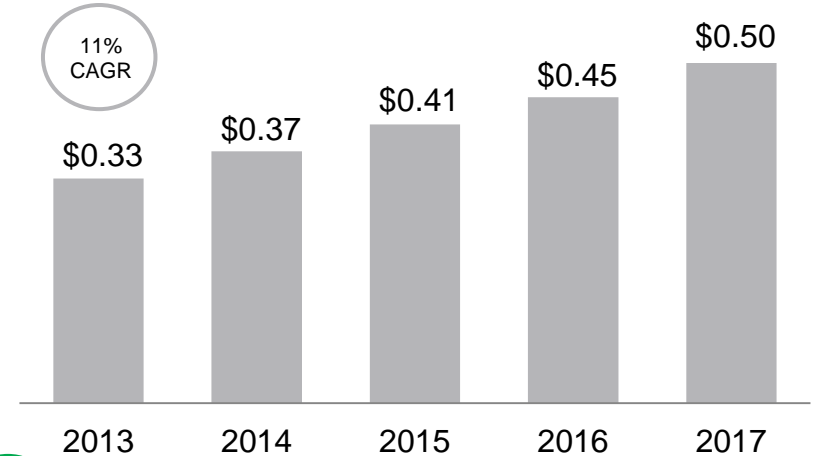
1 Funding Organic Growth

Average Quarterly Loans; (\$ in billions)



2 Paying a Competitive Dividend

Full Year Declared Dividends



3 Non-Organic Growth Opportunities

Announced



2017

Completed



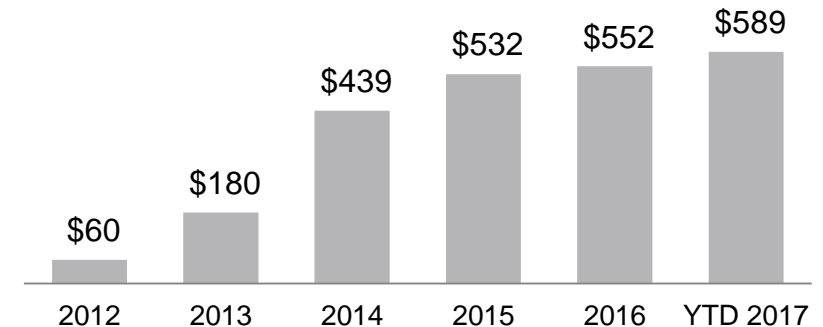
2015



2017

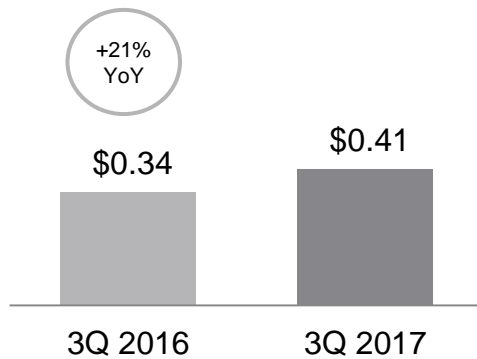
4 Share Repurchases

Cumulative Common Share Repurchases (\$ in millions)

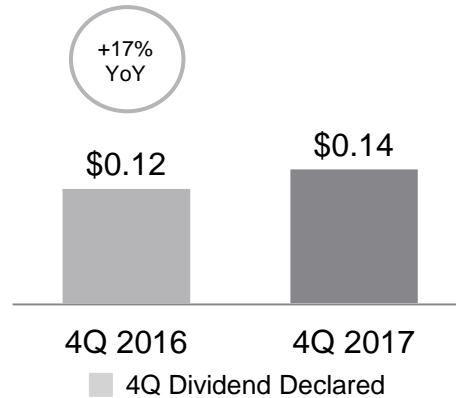


EXPANDING BOTTOM LINE

Earnings Per Share

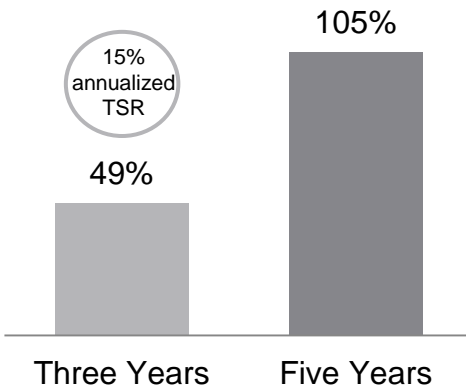


Dividends

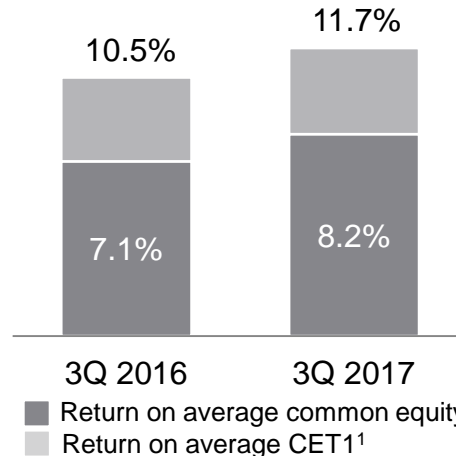


Shareholder Gain

As of September 30, 2017



Return on Average Common Equity



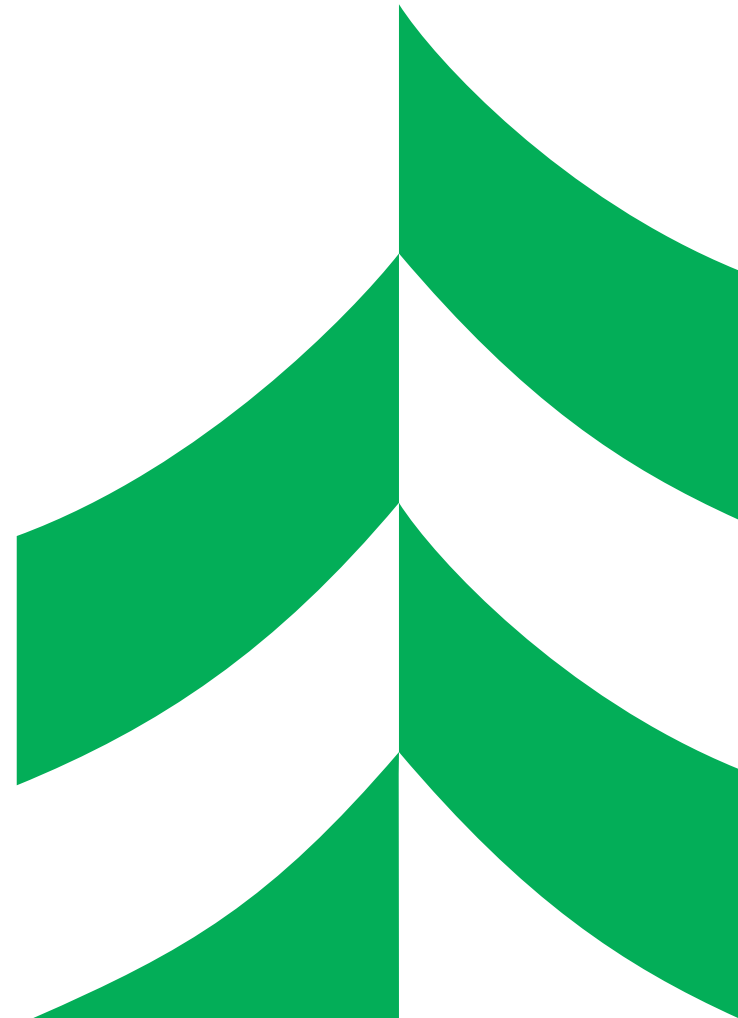
Exceptional Value

“We’ve shaped our success around a shared vision to become the Midwest’s premier financial services company, distinguished by consistent, quality customer experiences, built upon a strong commitment to our colleagues and the communities we serve, resulting in **exceptional value** to our shareholders through economic cycles.”

¹ – Refer to the appendix for a reconciliation of average common equity Tier 1 to average common equity



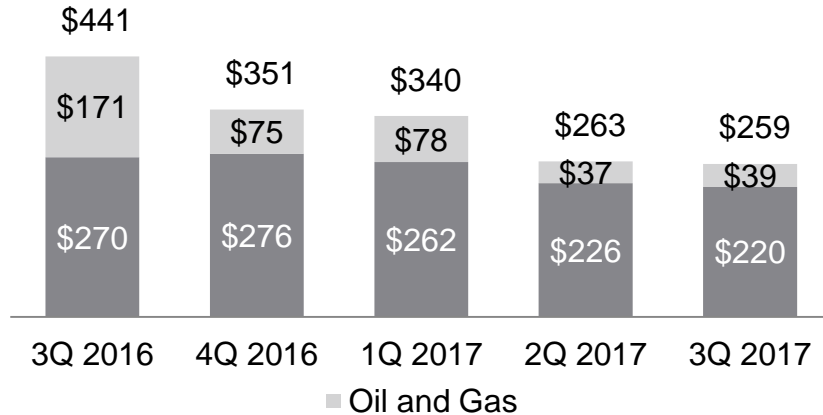
APPENDIX



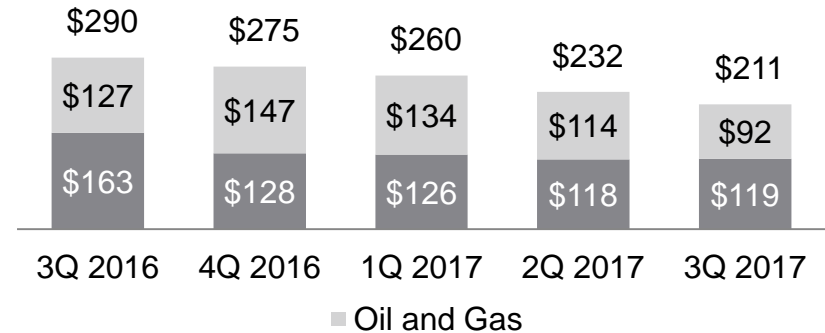
CREDIT QUALITY

(\$ IN MILLIONS)

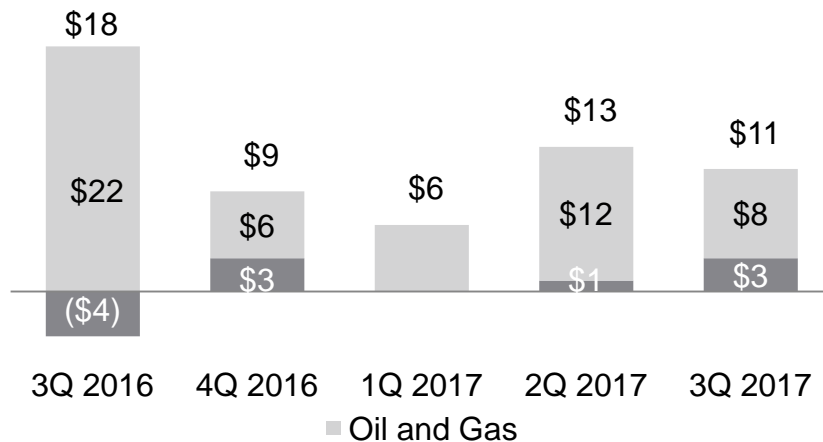
Potential Problem Loans



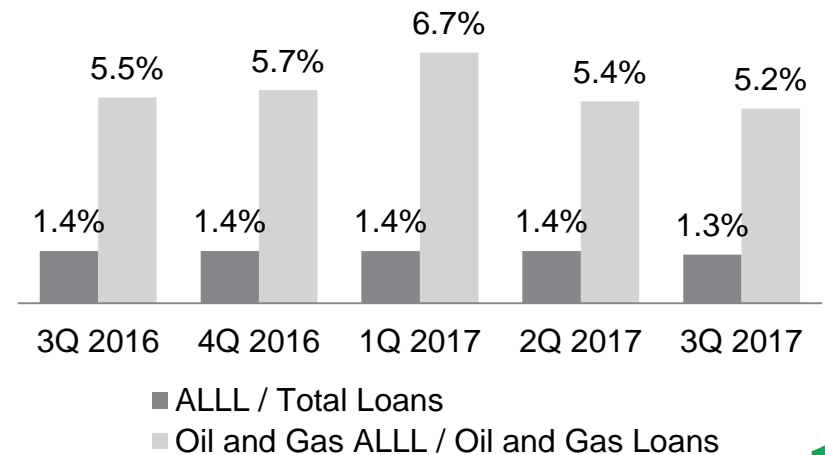
Nonaccrual Loans



Net Charge Offs (Recoveries)



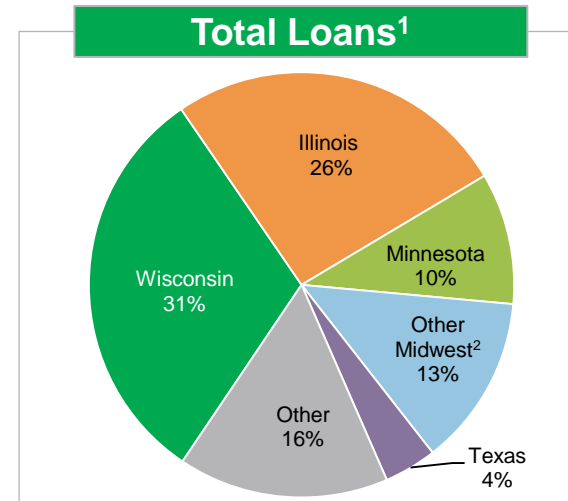
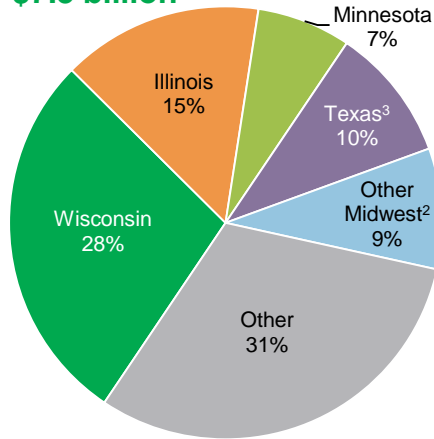
Allowance to Total Loans / Oil and Gas Loans



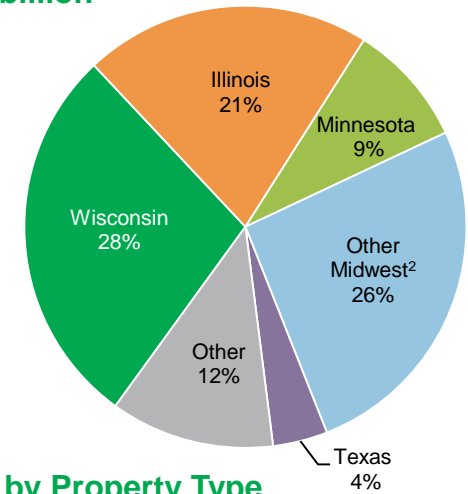
LOANS STRATIFICATION

OUTSTANDINGS AS OF SEPTEMBER 30, 2017

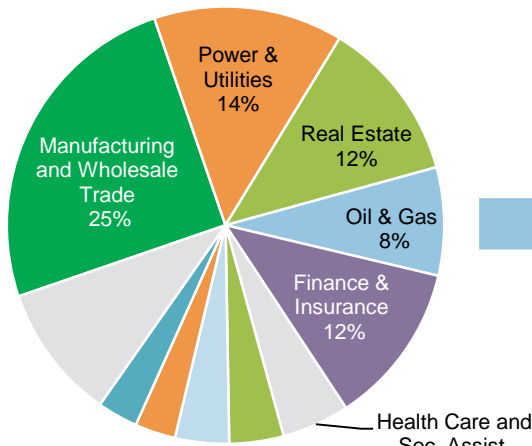
C&BL by Geography
\$7.3 billion



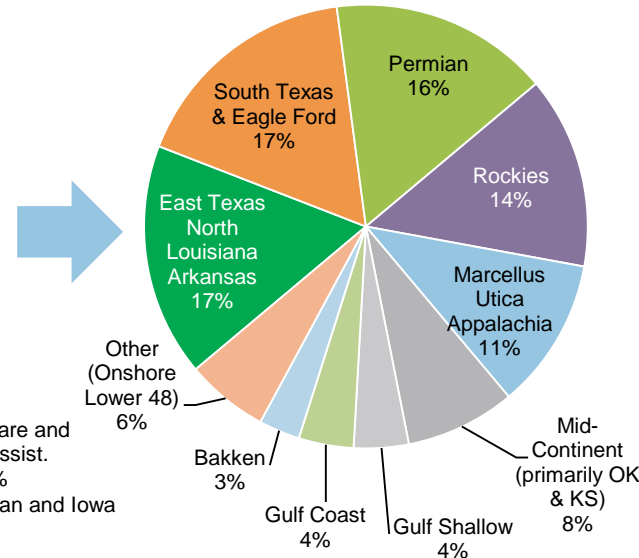
CRE by Geography
\$5.0 billion



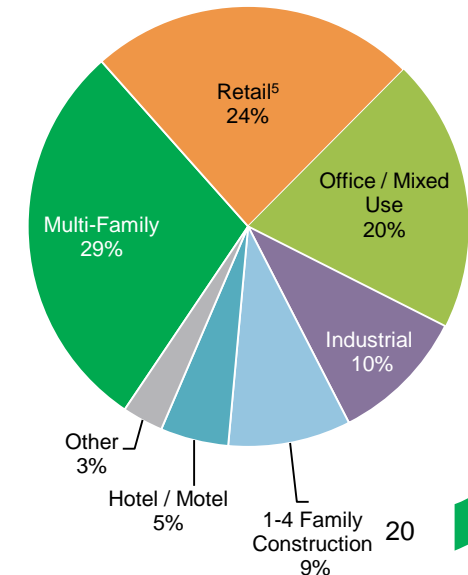
C&BL by Industry
\$7.3 billion



Oil and Gas Lending⁴
\$577 million



CRE by Property Type
\$5.0 billion



¹ - Excludes \$0.4 billion Other consumer portfolio

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

³ - Principally reflects the oil and gas portfolio

⁴ - Based on outstanding commitments of \$917 million

⁵ - Our largest tenant exposure is 5%, spread over six loans, to a national investment grade grocer

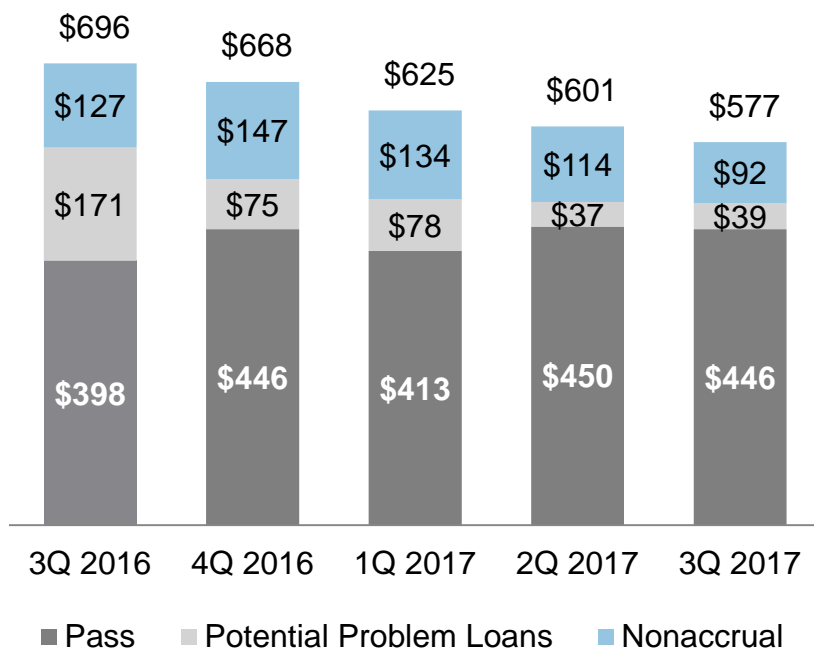


OIL AND GAS UPDATE

	# of credits	\$ of commitments	\$ of outstandings	% of total loans
Total O&G Portfolio As of September 30, 2017	56	\$917 million	\$577 million	3%
New Business Since January 1, 2016	21	\$423 million	\$227 million	1%
	38%	46%	39%	

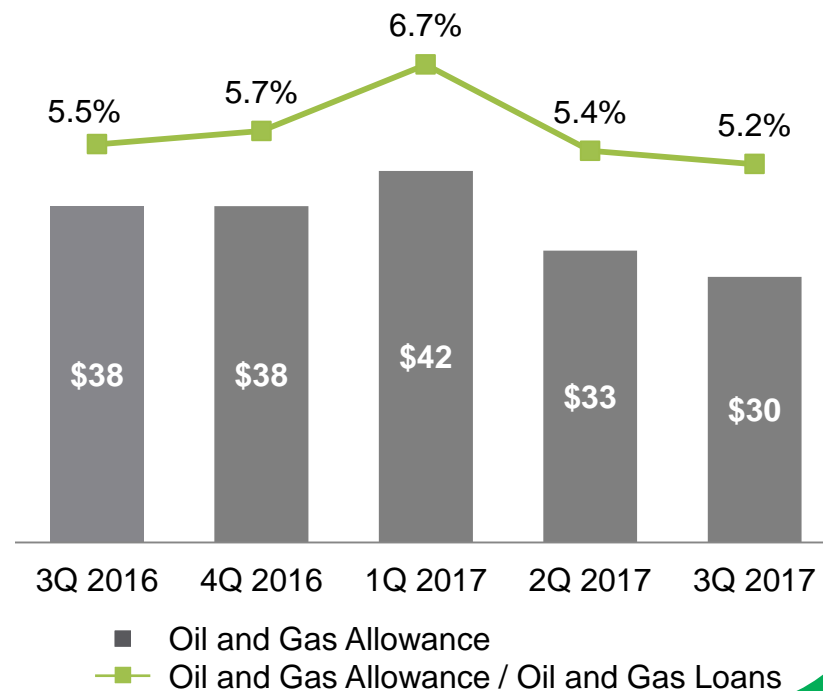
Period End Loans by Credit Quality

(\$ in millions)



Oil and Gas Allowance

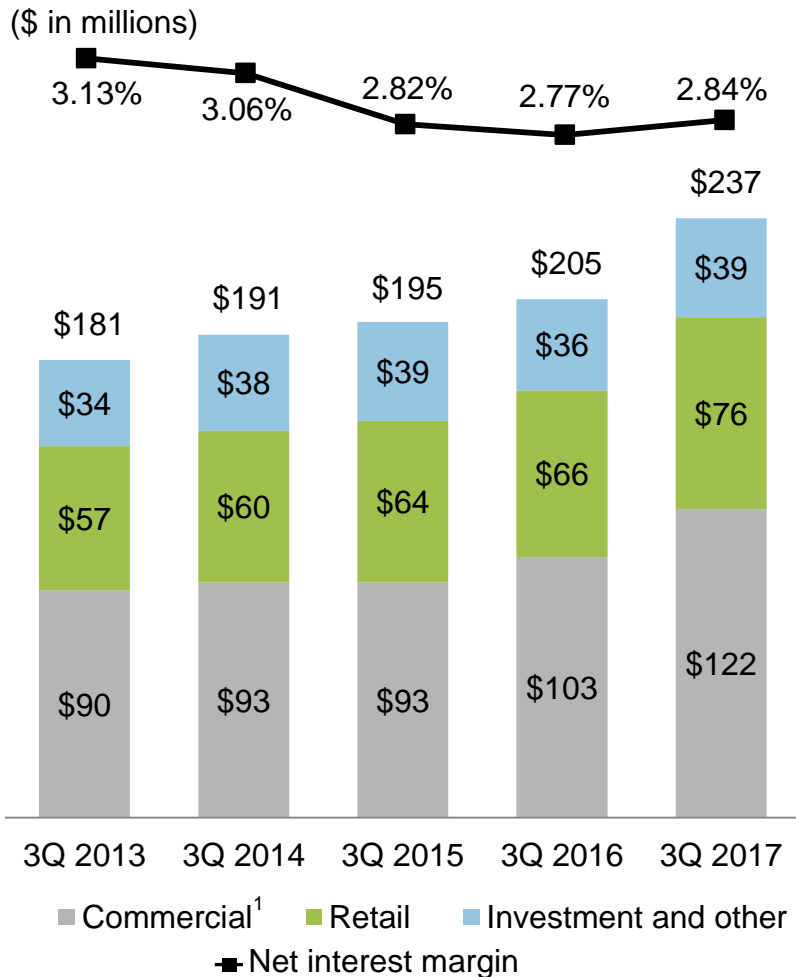
(\$ in millions)



POSITIONED FOR HIGHER INTEREST RATES

ASSET SENSITIVE PROFILE

Interest Income & Net Interest Margin



3Q13 vs 3Q17
Interest
Expense
Change
-\$27 million

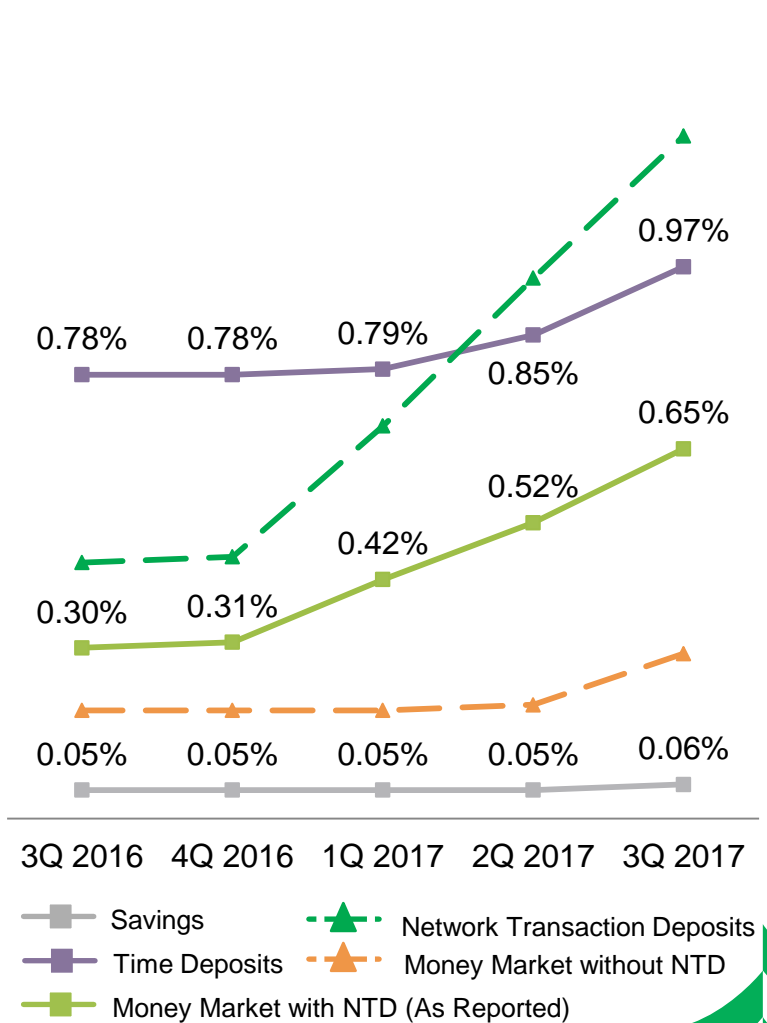


3Q13 vs 3Q17
NII Change
+\$29 million



3Q13 vs 3Q17
Interest
Income
Change
+\$56 million

Average Deposit Rates



¹ – Our LIBOR-based loans typically reprice the first of the month in arrears. Since the Fed tends to raise rates mid-month, we tend to see a 6+ week lag in repricing.

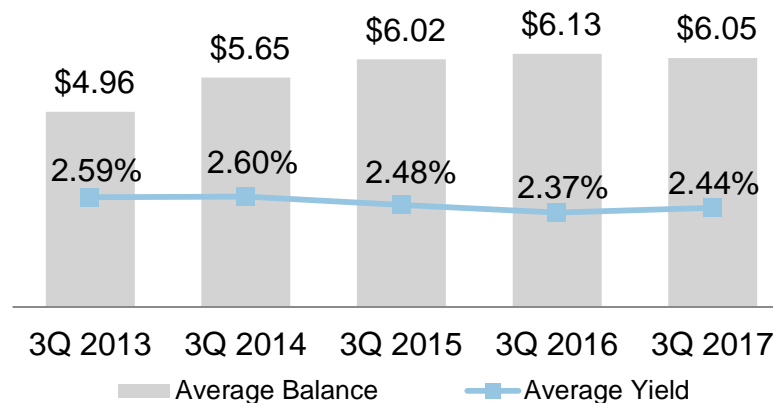
HIGH QUALITY SECURITIES

(\$ IN BILLIONS)

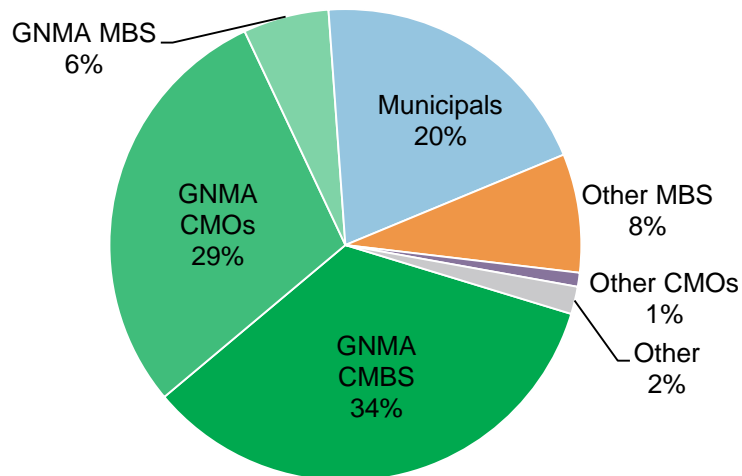
Portfolio Detail as of September 30, 2017

Investment Type	Amortized Cost	Fair Value	Duration (Yrs)
GNMA CMBS	\$2.09	\$2.07	3.28
GNMA MBS & CMOs	2.13	2.11	4.41
Agency & Other MBS & CMOs	0.54	0.55	2.55
Asset-Backed Securities	0.11	0.11	0.15
Municipals	1.19	1.20	5.49
Other ¹	0.01	0.01	
Strategic Portfolio	\$6.06	\$6.05	4.01
Membership Stock	0.17	0.17	
Total Portfolio	\$6.24	\$6.22	

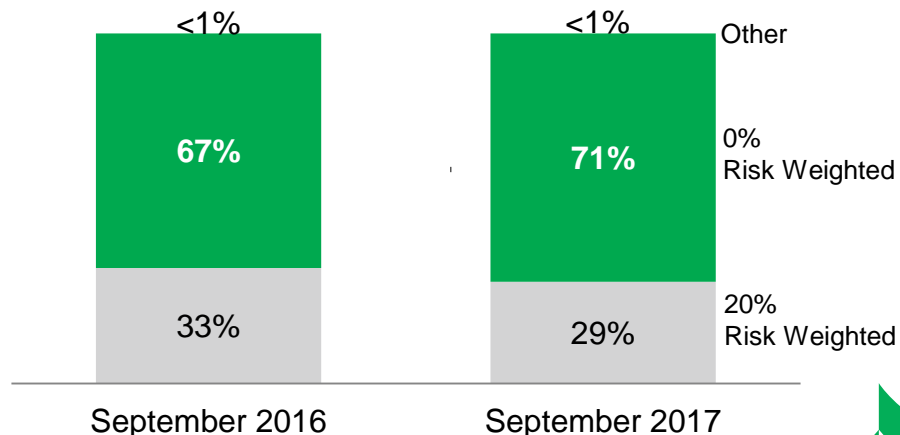
Portfolio and Yield Trends



Fair Value Composition



Risk Weighting Profile



¹ – Includes Corporate, Treasury, asset-backed, and all other securities

RECONCILIATION AND DEFINITIONS OF NON-GAAP ITEMS

Efficiency Ratio	YTD 3Q13	YTD 3Q14	YTD 3Q15	YTD 3Q16	YTD 3Q17
Federal Reserve efficiency ratio	70.20%	70.19%	69.79%	67.51%	65.64%
Fully tax-equivalent adjustment	(1.44)%	(1.35)%	(1.38)%	(1.32)%	(1.27)%
Other intangible amortization	(0.42)%	(0.40)%	(0.34)%	(0.20)%	(0.18)%
Fully tax-equivalent efficiency ratio	68.34%	68.44%	68.07%	65.99%	64.19%

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, which is a non-GAAP financial measure, 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.

Average Tangible Common Equity and Average Common Equity Tier 1 (\$ in millions)	3Q 2016	3Q 2017
Average common equity	\$2,911	\$3,025
Average goodwill and other intangible assets, net	(988)	(986)
Average tangible common equity	1,923	2,039
Less: Accumulated other comprehensive income / loss	(3)	49
Less: Deferred tax assets / deferred tax liabilities, net	33	32
Average common equity Tier 1	\$1,953	\$2,120

