# INVESTOR PRESENTATION
# FOURTH QUARTER 2015

ASB LISTED NYSE

ASSOCIATED BANC-CORP

# 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.

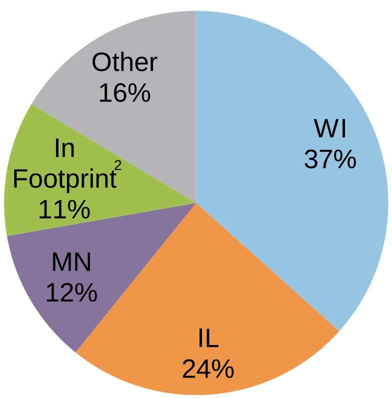
# OUR FOOTPRINT AND FRANCHISE

- Largest bank headquartered in Wisconsin
- $27 billion in assets: Top 50 publicly traded bank holding company in the U.S.
- Over 200 banking locations serving over one million customers in over 100 communities
- Offering a full range of banking services and other financial products and services

**Third Quarter 2015[1]**

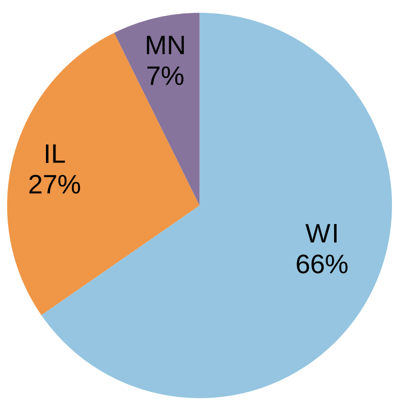
**Loans**

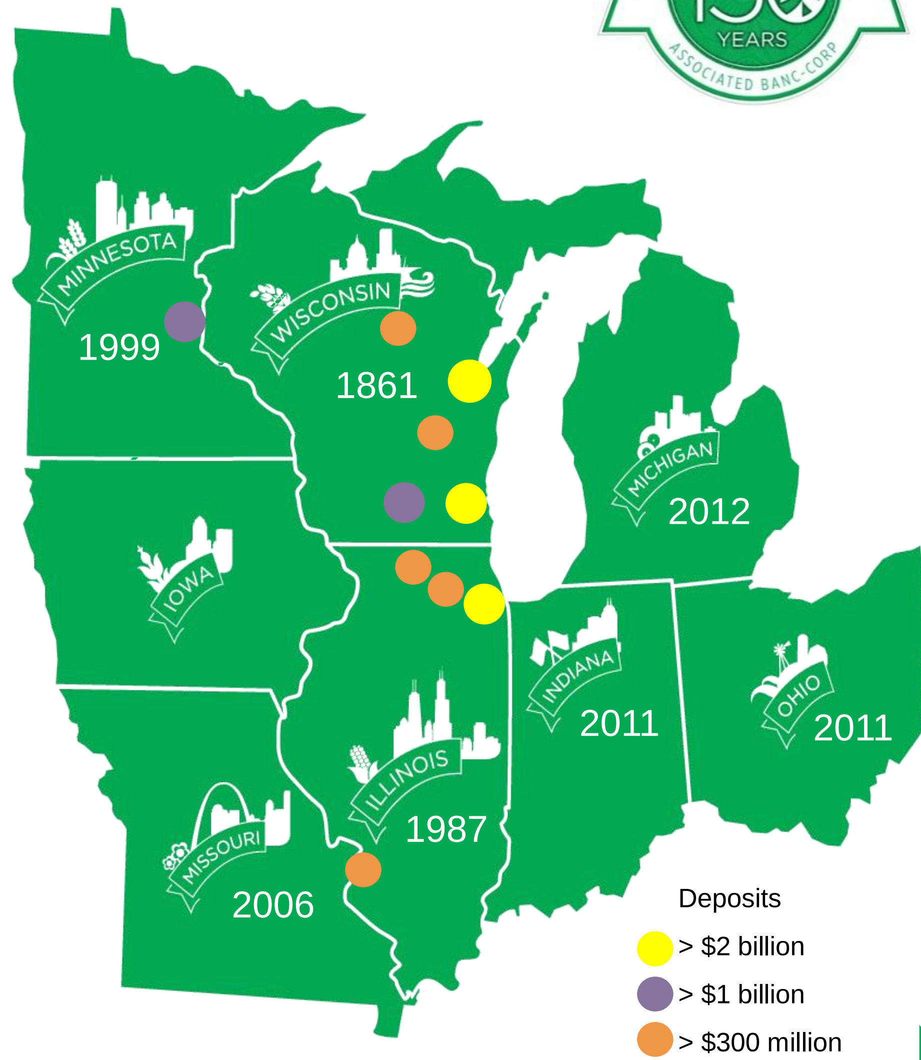
**$18.5 billion**




**Deposits**

**$20.6 billion**




[1] – Period end as of September 30, 2015; Loan pie chart excludes $0.4 billion installment and credit card portfolio

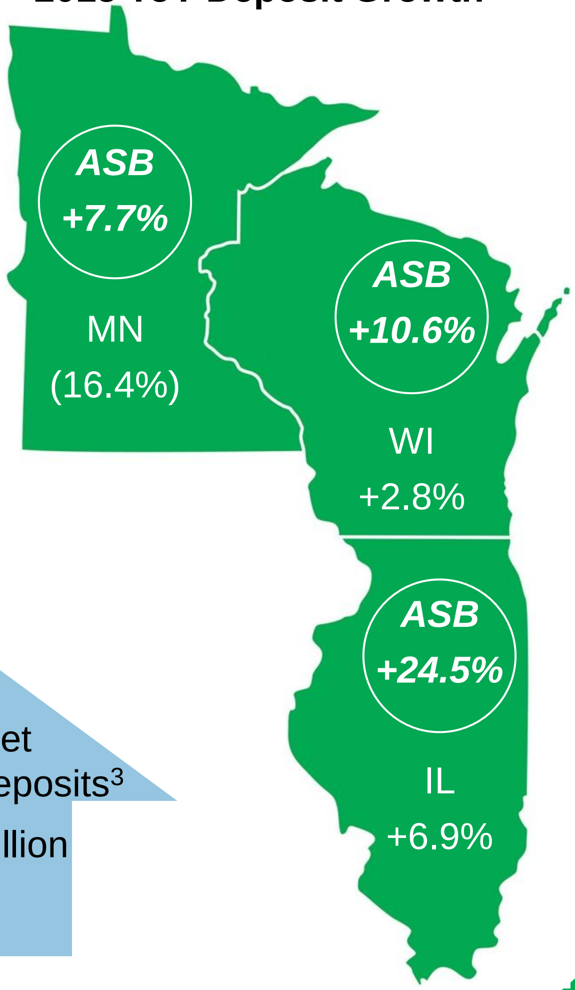
[2] – Includes Missouri, Indiana, Ohio, Michigan and Iowa

# FASTEST GROWING BANK IN WISCONSIN

## GAINED DEPOSIT MARKET SHARE ACROSS OUR BRANCH FOOTPRINT[1]

- Our continued focus on the customer experience has allowed us to gain market share in a competitive and transforming industry
  - Added $2 billion in total deposits[1]
  - This growth trend continued in the third quarter of 2015 as we added over $1 billion of additional deposits
- We have outpaced the total deposit growth across our footprint
- The year-over-year growth was driven by granular (FDIC-insured) deposits and Net Customer funding activity
- Our multi-channel delivery model supports a higher level of granular deposits relative to our regional bank peers

**2015 YoY Deposit Growth[1]**

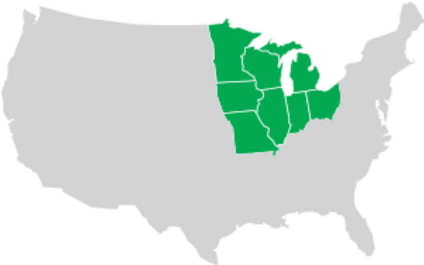



**2015 YoY Deposit Growth[1]**

| Total Deposits | FDIC Insured[2] | Total Net Customer Deposits[3] |
|---|---|---|
| +$2.0 billion | +$1.4 billion | +$1.2 billion |
| +11% | +14% | +8% |

[1] – FDIC 2015 U.S Bank Branch Summary of Deposits; growth rates from June 30, 2014 to June 30, 2015
[2] – Insured deposits (less than $250,000) covered by the FDIC, as of June 30, 2015
[3] – Total deposits net of network transaction deposits and brokered funding

# ATTRACTIVE MIDWEST MARKETS



### We Serve a Large and Growing Market…

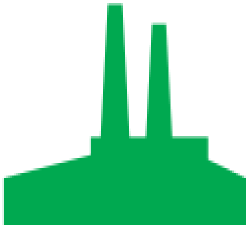
- Our footprint covers ~ 20% of the U.S. population[1]
- Our footprint is estimated to have contributed ~ 30% of the country's recent population growth[1]

### …with Favorable Employment Dynamics

- Wisconsin, Michigan, Minnesota, Indiana, Iowa, and Ohio have unemployment rates below the national unemployment rate[2]

### Our Markets have Demonstrated Consumer Credit Strength

- Eight of the Top 10 American cities with the highest credit scores are located within our footprint[3]
- Seven of the Top 10 cities are located in our three state branch footprint
- The average FICO score on our residential lending portfolio is ~780



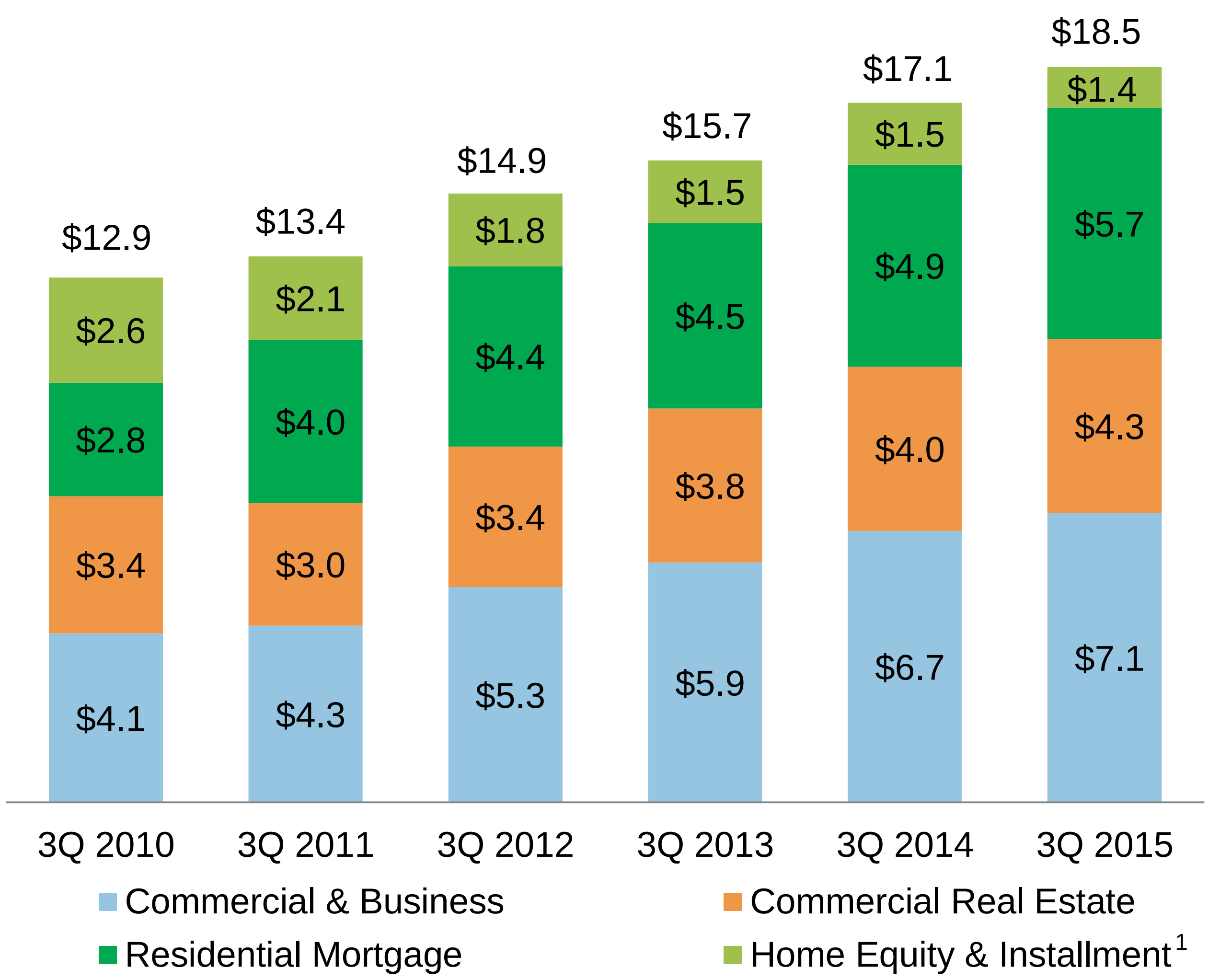
### Top Concentration of Manufacturing Jobs

- Our footprint is home to ~ 30% of all manufacturing jobs in the U.S.[4]
- Our footprint's manufacturing labor force has grown over the past three years[4]
- The Midwest attracts new manufacturing facilities due to favorable energy prices, better infrastructure, and government incentives

1 – US Census Bureau Annual Estimates of the Resident Population, 2011-2014
2 – US Bureau of Labor Statistics, Total Nonfarm Employees, September 2015
3 – Experian.com, 2014 Annual Credit Study, VantageScore registered trademark
4 – US Bureau of Labor Statistics, Manufacturing Industry Employees, 2011-2014

# GROWING THE LOAN PORTFOLIO

## (AVERAGE BALANCES, $ IN BILLIONS)




**Cumulative Change 3Q 2010 – 3Q 2015**

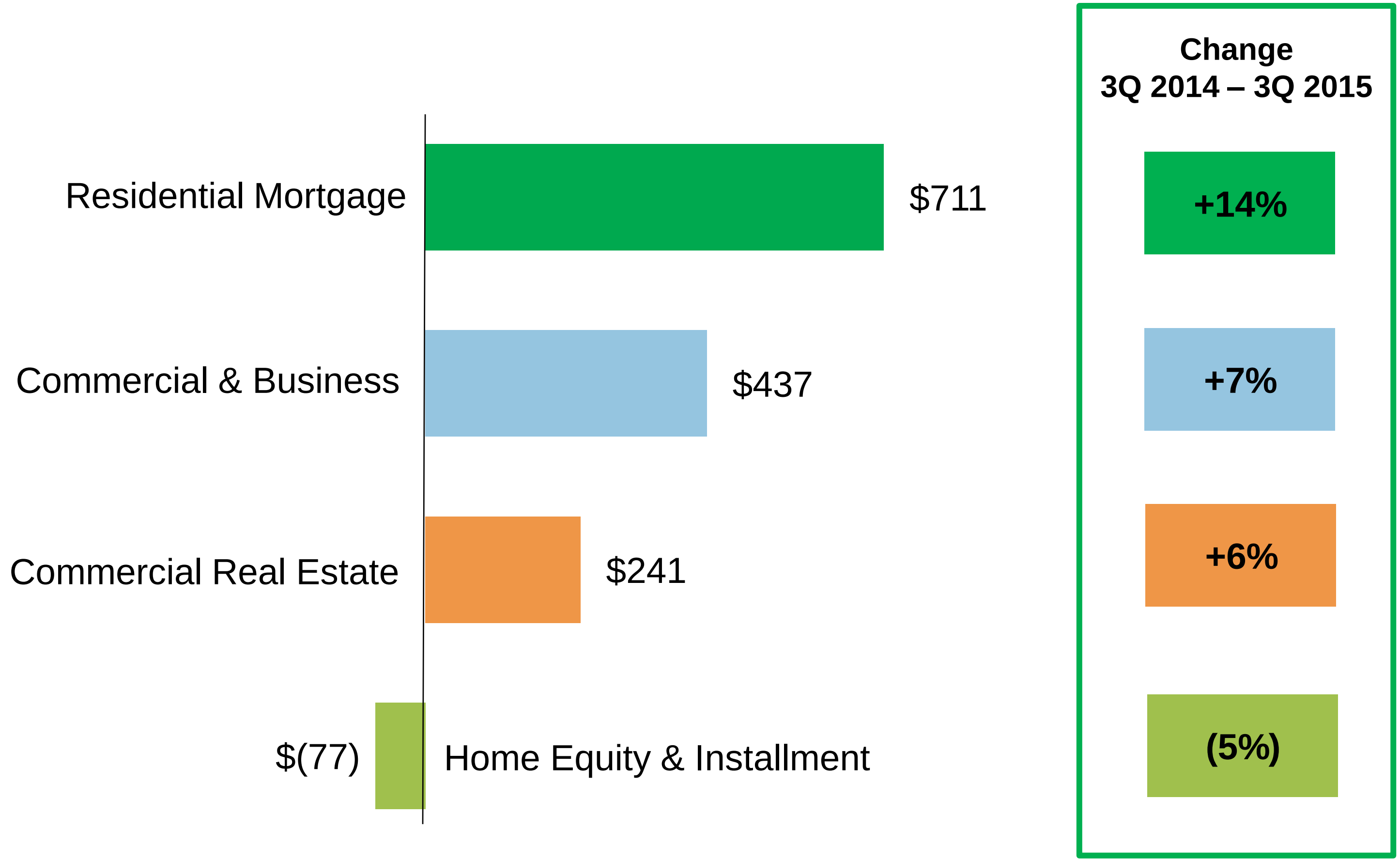
- **-$1.1 billion**
- **+$2.9 billion**
- **+$0.9 billion**
- **+$2.9 billion**

[1] – During the third quarter of 2015, the Corporation reclassified approximately $500 million of closed end first lien home equity loans to residential mortgage loans in order to better align with the Corporation's regulatory reporting of residential mortgage loan products. All prior periods have been restated to reflect this change.

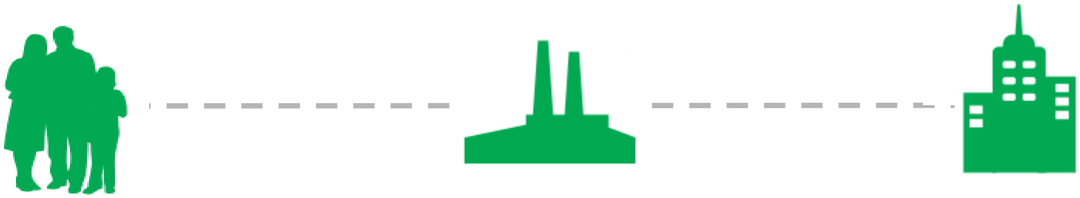
# YEAR OVER YEAR LOAN GROWTH

## AVERAGE LOAN GROWTH OF $1.3 BILLION, OR 8% FROM THIRD QUARTER 2014

### ($ IN MILLIONS)



# DIVERSE PORTFOLIO OF BUSINESSES



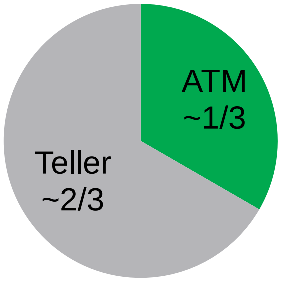
| Community, Consumer, and Business | | | Corporate and Commercial Specialty | |
|---|---|---|---|---|
| **Consumer and Business Banking** | **Community Markets** | **Private Client and Institutional Services** | **Corporate Banking** | **Commercial Real Estate Lending** |
| ▪ Branch Banking<br>▪ Commercial Banking<br>▪ Residential Lending<br>▪ Payments and Direct Channels | ▪ Rochester, MN<br>▪ Eau Claire, WI<br>▪ La Crosse, WI<br>▪ Central Wisconsin<br>▪ Rockford, IL<br>▪ Peoria, IL<br>▪ Southern Illinois | ▪ Private Banking<br>▪ Personal Trust<br>▪ Asset Management<br>▪ Retirement Plan Services<br>▪ Associated Financial Group<br>▪ Associated Investment Services | ▪ Corporate Lending<br>▪ Specialized Lending Verticals<br>▪ Commercial Deposits and Treasury Management<br>▪ Capital Markets | ▪ CRE Lending<br>▪ Real Estate Investment Trusts<br>▪ CRE Syndications<br>▪ CRE Tax Credits |

# EVOLVING DELIVERY MODEL

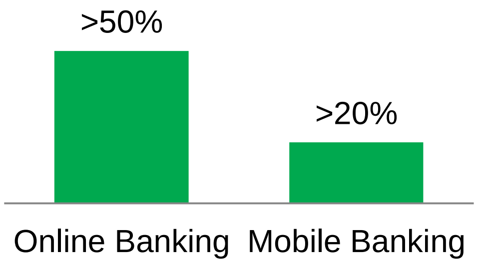
Shifting customer behavior and preferences are driving a migration to digital and self-service technologies

- Deployed new online lending and deposit sales solutions
- Redesigned AssociatedBank.com to enhance eCommerce
- Leveraging customer analytics and a virtual sales team to drive cross-sell
- Investing in technology to enable our branch colleagues to sell digital-channel adoption at the point of sale (i.e., instant activation)

**Branch Transactions**



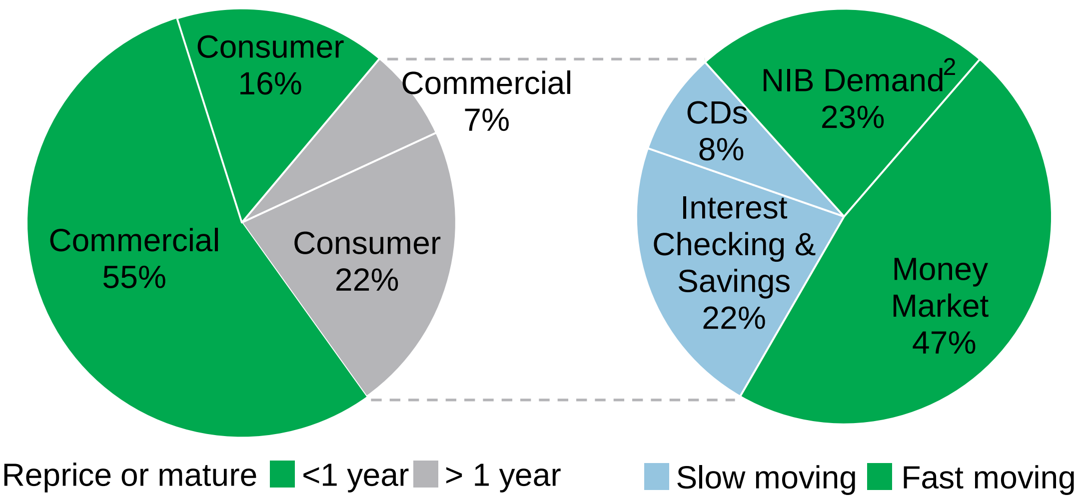

**Deposit Customer Usage**




Our technology platform and offerings are often ahead of the many community banks that operate in our markets

# ASSET SENSITIVE PROFILE

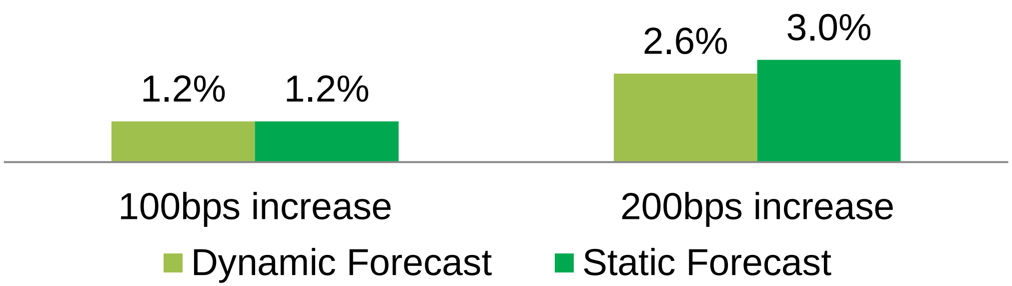
| Loans[1]: Short End Exposure | Deposits[1]: Effective Beta ~0.5 | Proven Experience |
| --- | --- | --- |




### Proven Experience

- ASB's deposit pricing has historically lagged Federal Reserve interest rate increases
- Senior management team successfully lagged the market during the last rate cycle (2004—2006)
- Asset sensitivity expected from deposit rate management

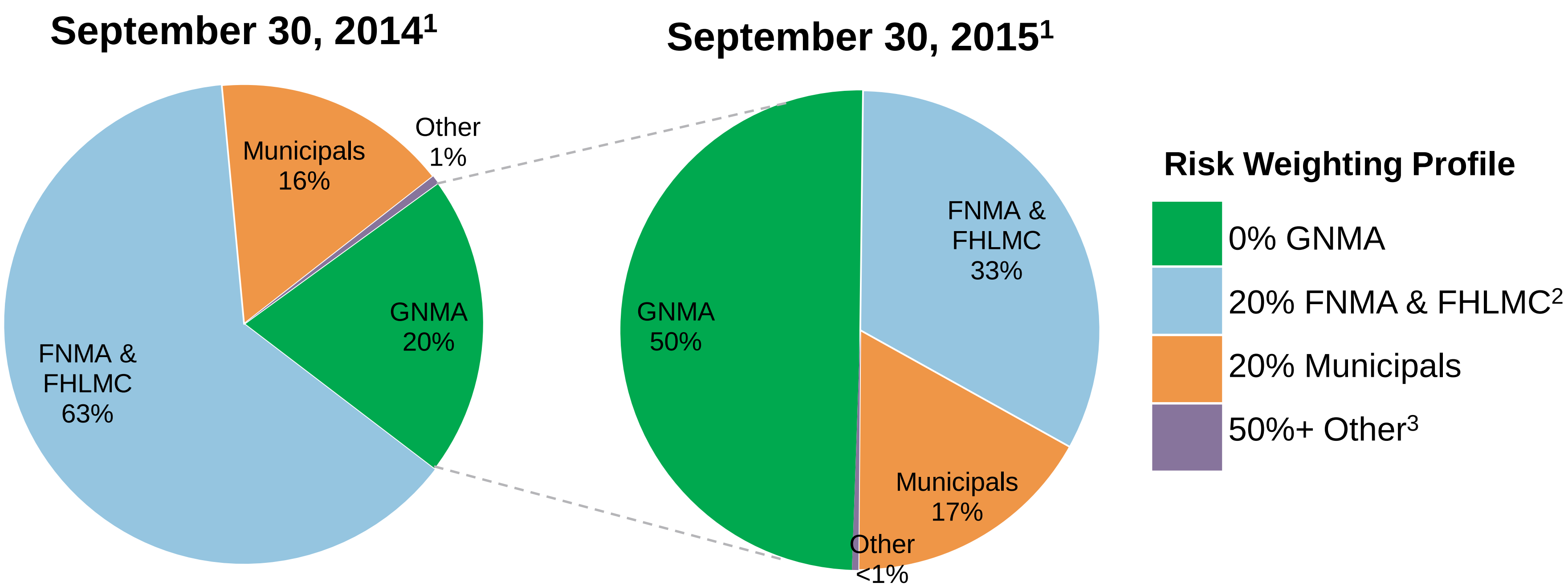
## Estimated % Change in Earnings[3] Over 12 Months




[1] – Third quarter average
[2] – Noninterest-bearing demand accounts
[3] – Change in net interest income and earnings at risk due to instantaneous moves in benchmark interest rates. We evaluate the sensitivity using: 1) a dynamic forecast incorporating expected growth in the balance sheet, and 2) a static forecast where the current balance sheet is held constant.

# SECURITIES PORTFOLIO RESTRUCTURE

**Strategic shift into Ginnie Mae Securities Enhances Our Regulatory Capital Measures**



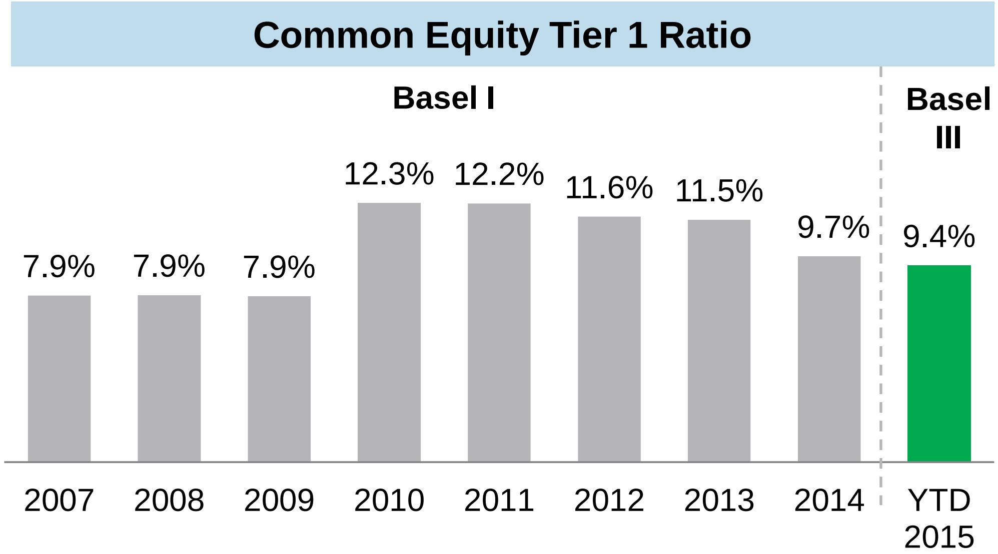

- The shift has resulted in a better liquidity profile and has lowered our risk-weighted assets
- We will continue to optimize our portfolio as securities mature and the bank reinvests

[1] – Fair Value as of period end
[2] – Federal National Mortgage Association (Fannie Mae) and Federal Home Loan Mortgage Corp (Freddie Mac)
[3] – Includes Municipals, Agency and Other CMOs, and Corporates

# DISCIPLINED CAPITAL PHILOSOPHY

## TARGETING CET1 RANGE OF 8.0% - 9.5%

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



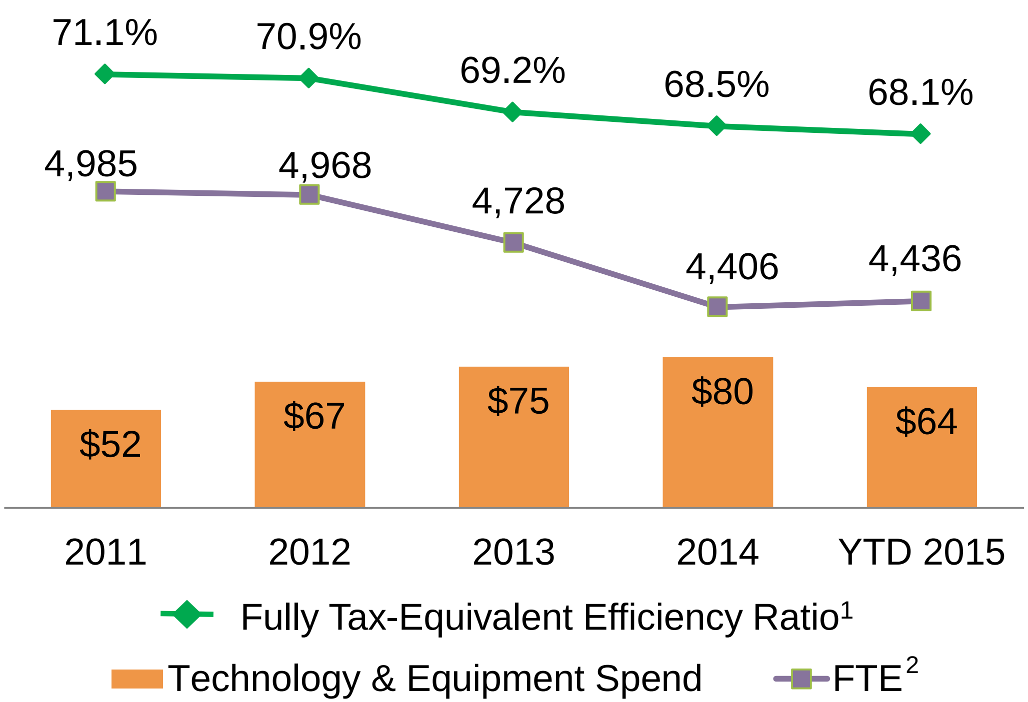

- Proactive capital management has restored capital to normalized levels; capital is modestly above pre-crisis levels
- Well positioned for changing economic cycles and future challenges
- DFAST: We remain "well-capitalized" throughout the forecasting horizon
- Share repurchase program is on "pause"

# DRIVING EFFICIENCY

## ($ IN MILLIONS)

**Fully Tax-Equivalent Efficiency Ratio[1] YTD 2015 = 68%**

**Goal = Peer Average or Better**




### Back Office Initiatives

- Built end-to-end commercial loan system ✓
- Outsourced testing & development ✓

### Real Estate Initiatives

- Will close 100 branches by year end (2007 – 2015) ✓
- Outsourced facilities and consolidated corporate offices ✓

### Distribution Initiatives

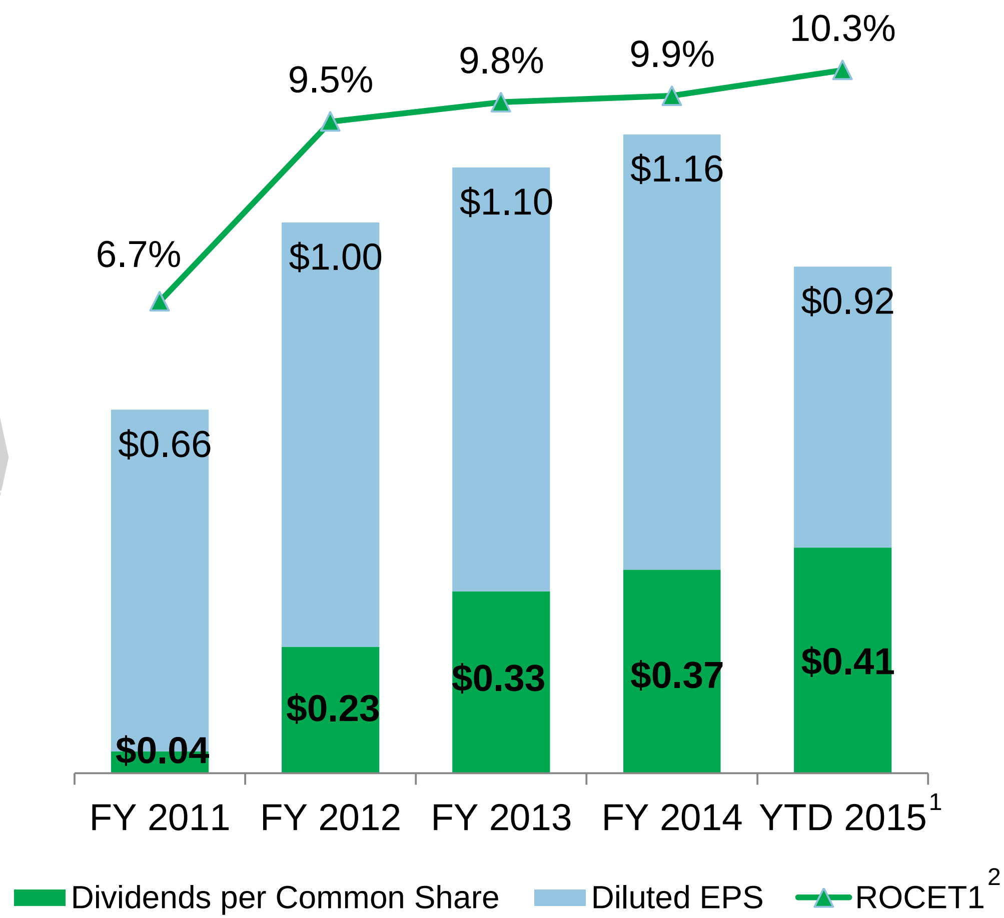
- Built robust online and mobile sales tools ✓
- Enhanced website ✓

[1] – The fully tax-equivalent efficiency ratio is a non-GAAP financial measure. Please refer to the appendix for the definition and a reconciliation of this measure to "efficiency ratio" as defined by the Federal Reserve.
[2] – FTE = Average Full Time Equivalent Employees

# WHY ASSOCIATED

**Management Team Focused on Creating Long-Term Value**

- **Attractive Midwest Markets**
- **Growing Deposit Base**
- **Diverse Portfolio of Businesses**
- **Modern and Rapidly Evolving Delivery Model**
- **Asset Sensitive Profile**
- **Disciplined Capital Philosophy**



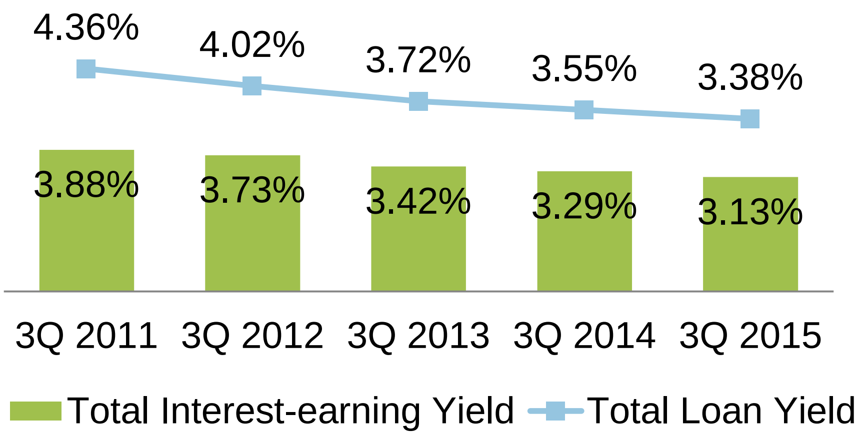

[1]– Diluted EPS and ROCET1 as of YTD 2015 ; the dividends per common share includes declared dividends

[2] – Return on Average Common Equity Tier 1 (ROCET1). Management uses common equity tier 1, along with other capital measures to assess and monitor our capital position. This is a non-GAAP financial measure. Please refer to the appendix for a reconciliation of common equity tier 1 to stockholders' equity.

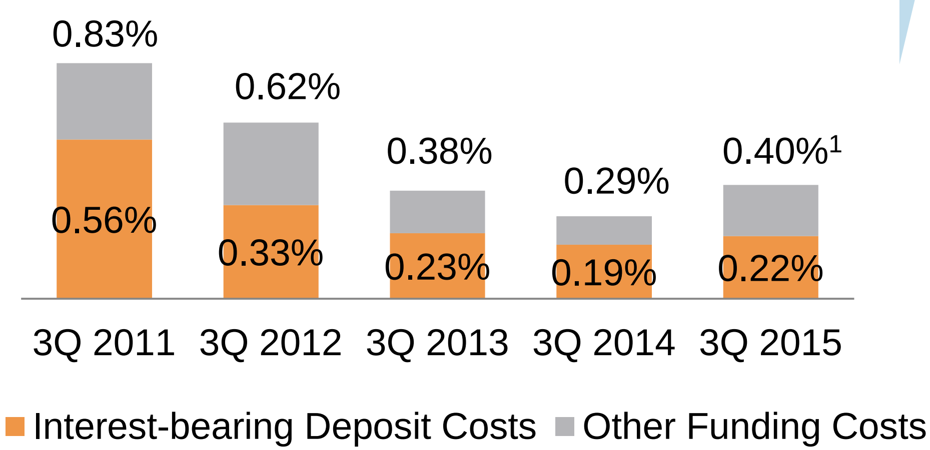
# APPENDIX

# NET INTEREST INCOME AND MARGIN

## Yield on Interest-earning Assets

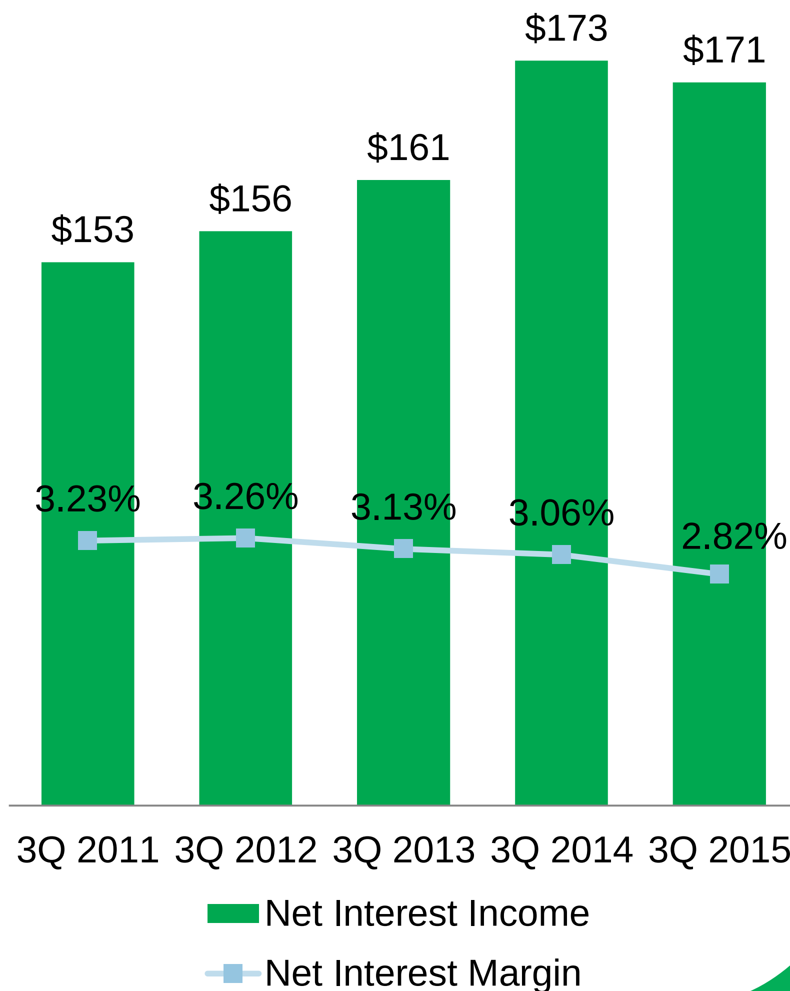



## Cost of Interest-bearing Liabilities




## Net Interest Income & Net Interest Margin

($ in millions)

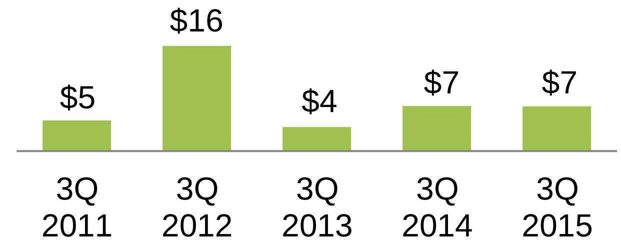



[1] – Includes the effect of pre-funding $430 million of senior notes due 1Q 2016

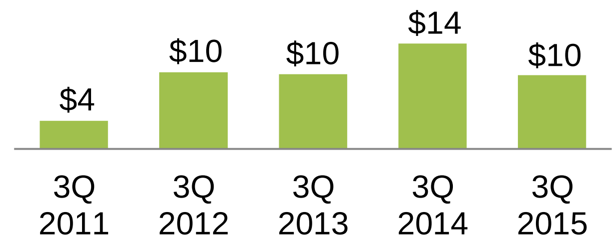
# NONINTEREST INCOME TRENDS

## ($ IN MILLIONS)

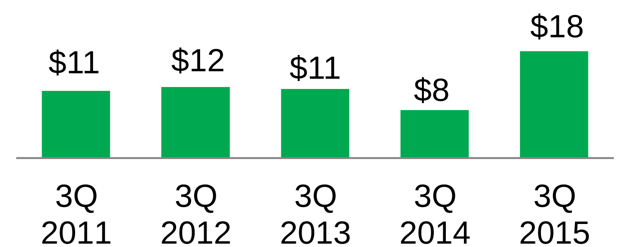

### Mortgage Banking (net) Income




### Other Noninterest Income[2]




### Insurance Commissions

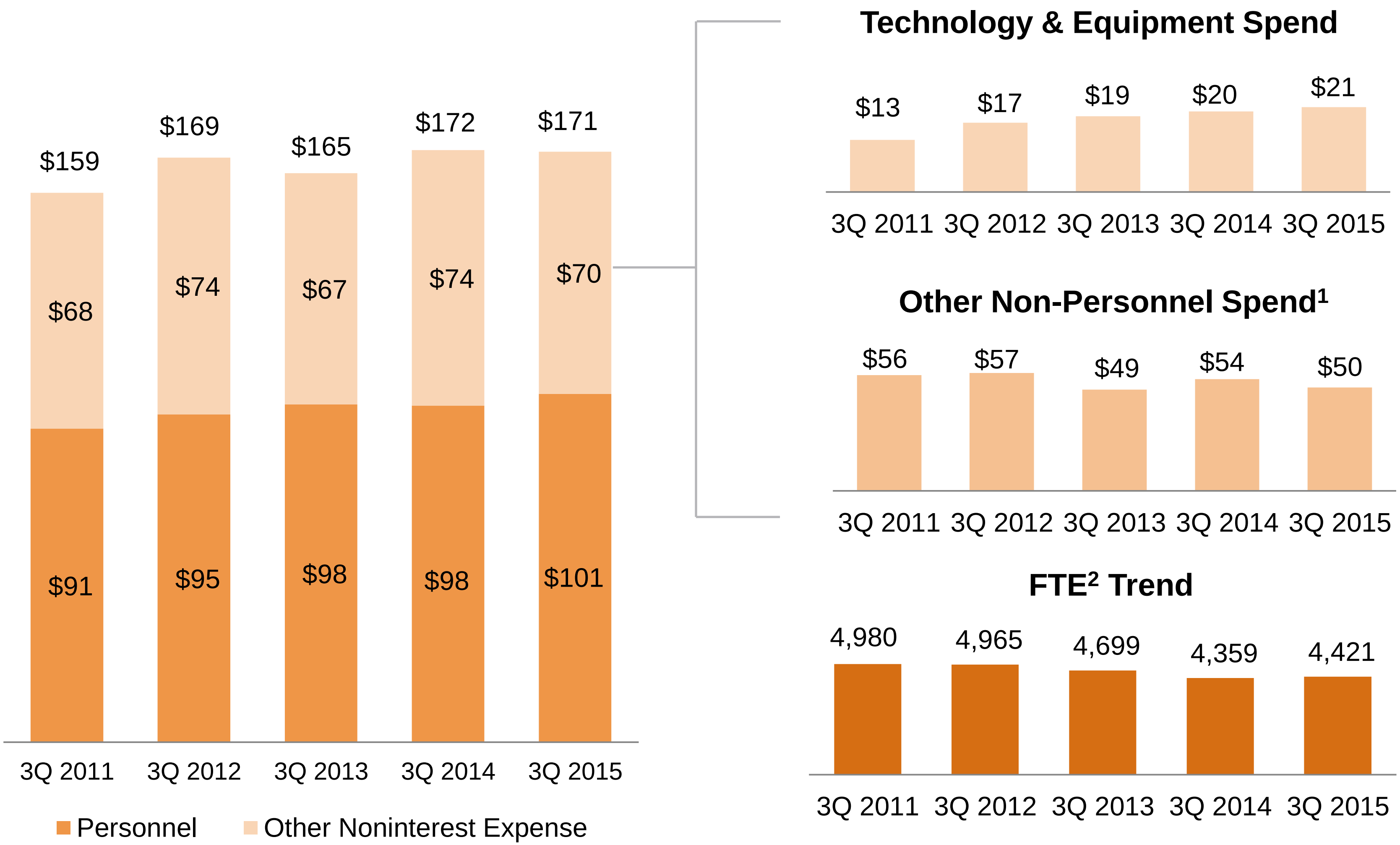



[1] – Core Fee-based Revenue = Trust service fees plus service charges on deposit accounts plus card-based and other nondeposit fees plus insurance commissions plus brokerage and annuity commissions. This is a non-GAAP measure. Please refer to the press release tables for a reconciliation to noninterest income.

[2] – Other Noninterest Income = Total noninterest income minus net mortgage banking income minus core fee-based revenue. This is a non-GAAP measure. Please refer to the press release tables for a reconciliation to noninterest income.

# NONINTEREST EXPENSE TRENDS

## ($ IN MILLIONS)

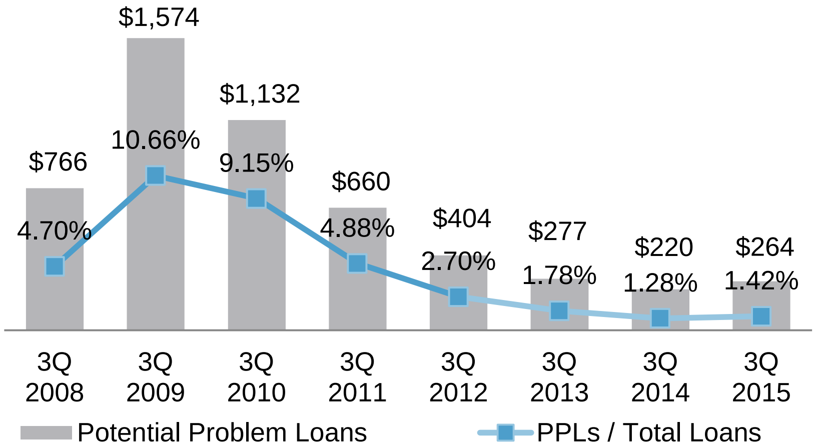



[1] – Other Non-Personnel Spend = Total Noninterest Expense less Personnel and Technology & Equipment spend
[2] – FTE = Average Full Time Equivalent Employees

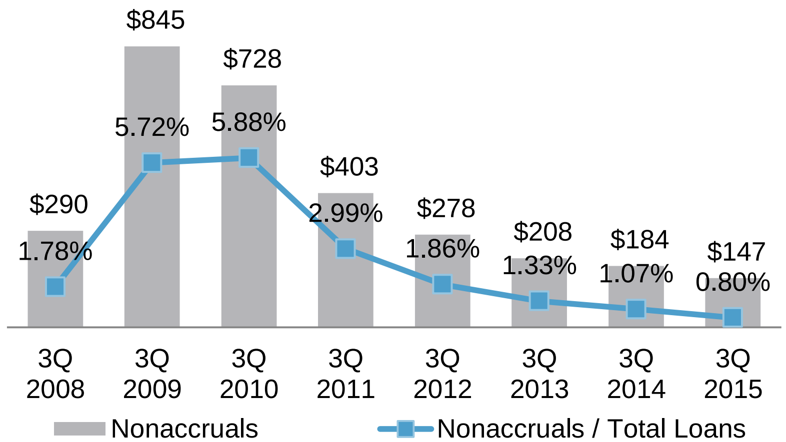
# CREDIT QUALITY INDICATORS

## ($ IN MILLIONS)

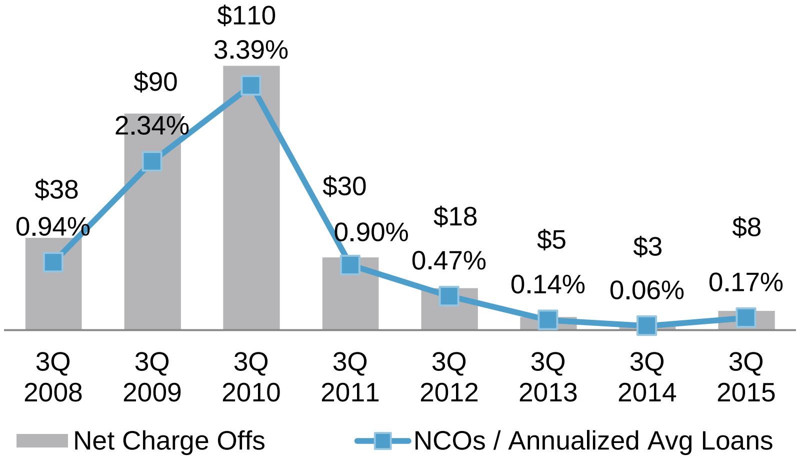
### Potential Problem Loans to Total Loans



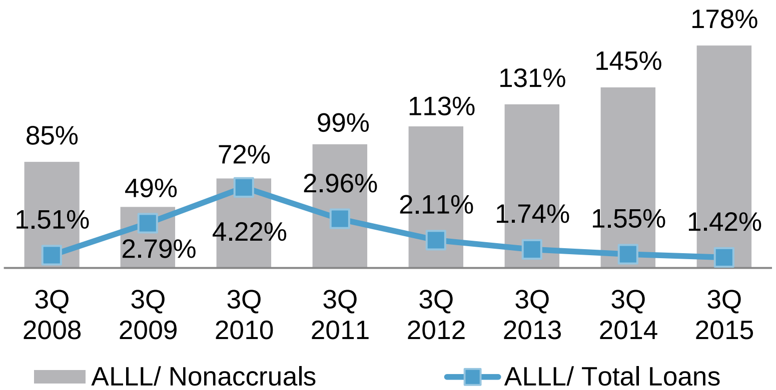

### Nonaccruals to Total Loans




### Net Charge Offs to Average Loans




### Allowance to Total Loans

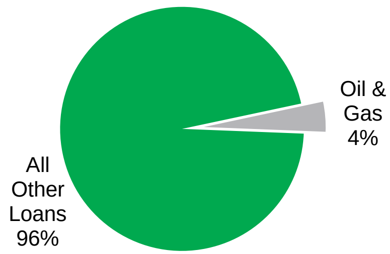


# OIL AND GAS LENDING UPDATE

## Portfolio Update

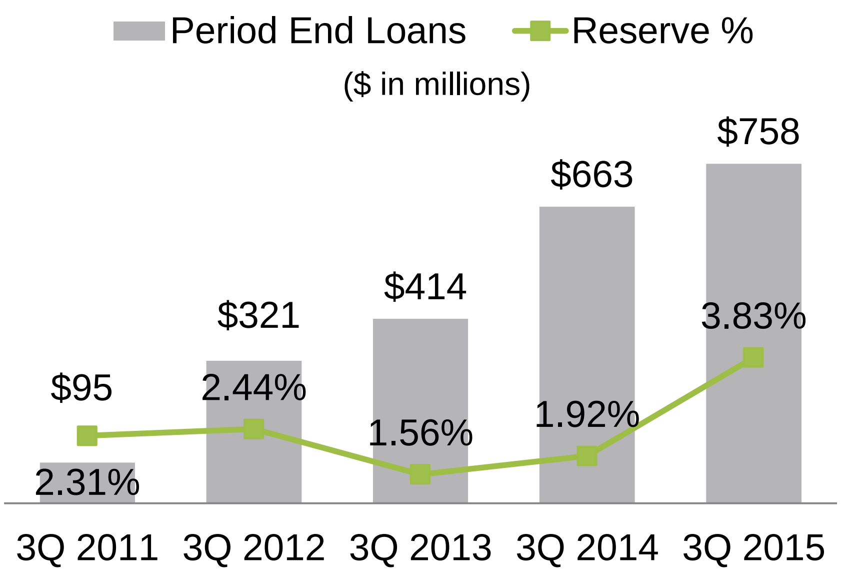
- Exclusively focused on the upstream sector ('Exploration and Production' or 'E&P' sector)
- Oil & Gas period end loans were relatively flat in the third quarter

**3Q 2015**
**Loan Composition**




- 50 clients
- Over $1 billion in aggregate commitments
- Average commitment of $20 million

## Reserve Update

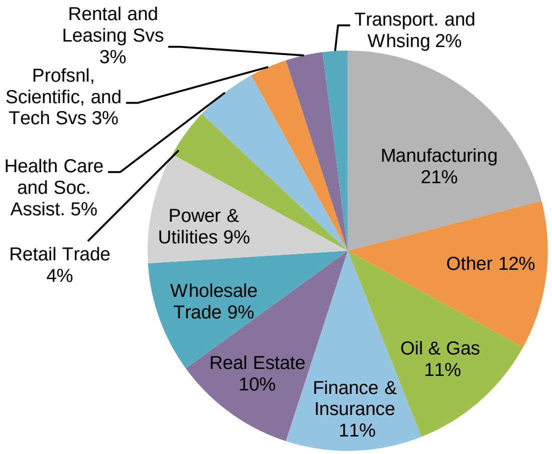



- We proactively risk grade and reserve accordingly against our loan portfolio
- Fall borrowing base re-determinations are underway
- Lower market pricing led to downward rating migration within the portfolio
- Increased reserves to $29 million, up $3 million from the second quarter

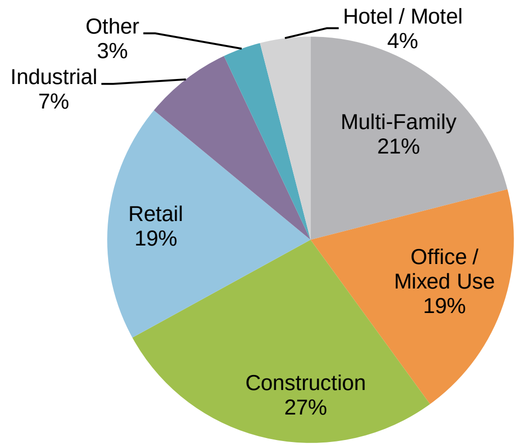
# LOANS BY INDUSTRY AND STATE

## SEPTEMBER 2015 PERIOD END BALANCES

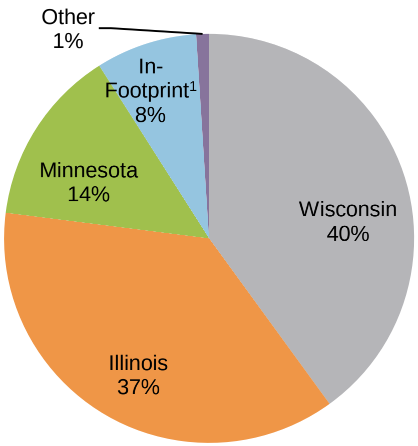
**C&BL by Industry**
($7.1 billion)



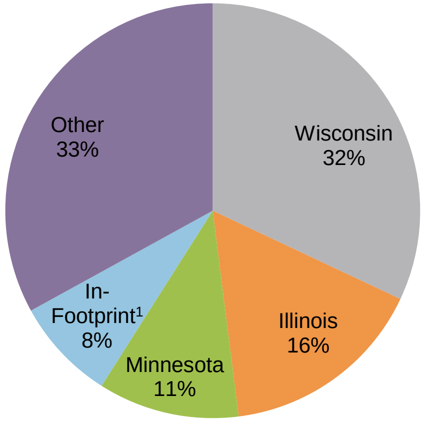

**CRE by Industry**
($4.3 billion)



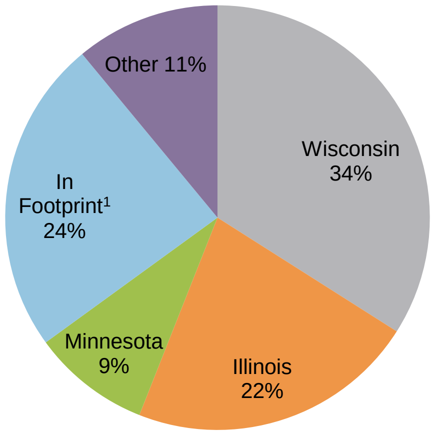

**Residential Mortgage by State**
($5.7 billion)



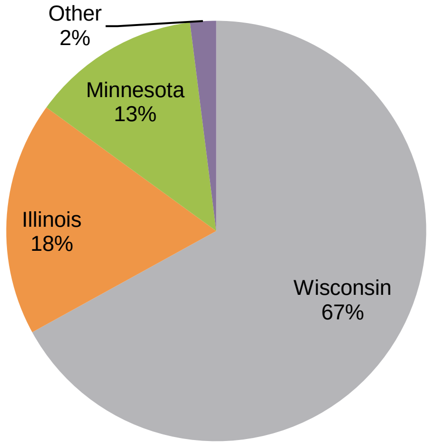

**C&BL by State**
($7.1 billion)




**CRE by State**
($4.3 billion)




**Home Equity by State**
($1.0 billion)

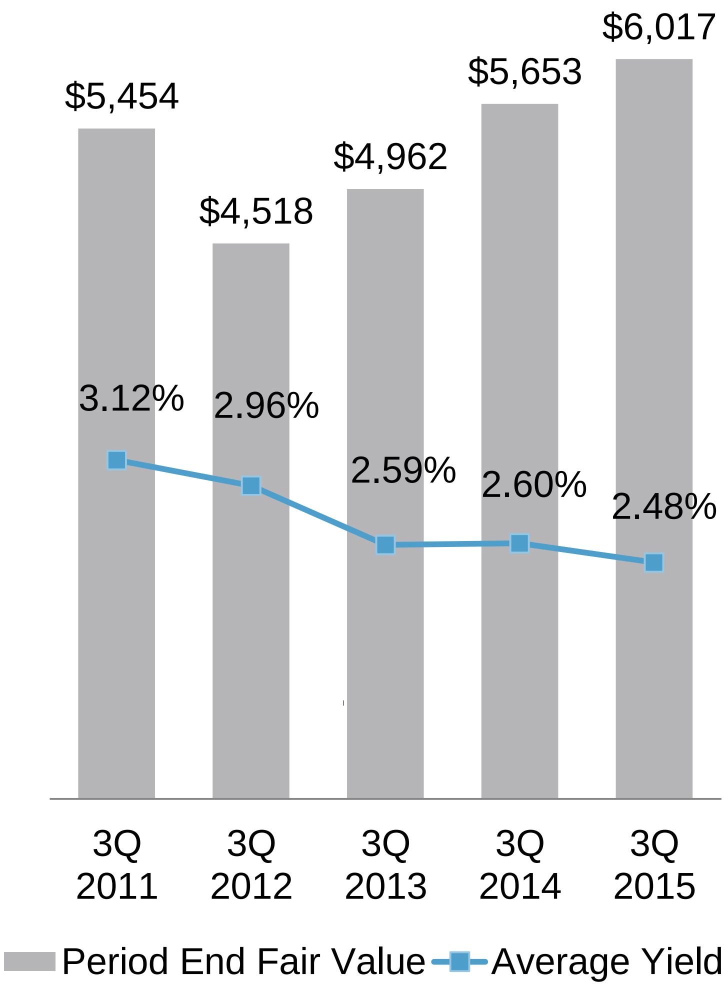



[1] – Includes Missouri, Indiana, Ohio, Michigan and Iowa

# HIGH QUALITY SECURITIES

## SEPTEMBER 2015 PERIOD END BALANCES
## ($ IN MILLIONS)

| Investment Type | Amortized Cost | Fair Value | Duration (Yrs) |
|---|---|---|---|
| GNMA | $2,992 | $2,986 | 3.99 |
| FNMA / FHLMC[1] | 1,933 | 1,980 | 2.80 |
| Municipals | 1,014 | 1,041 | 6.13 |
| Other | 10 | 10 | 1.39 |
| **Strategic Portfolio** | **$5,949** | **$6,017** | **3.96** |
| Membership Stock | 161 | 161 | |
| **Total Portfolio** | **$6,110** | **$6,178** | |




[1] – Federal National Mortgage Association (Fannie Mae) and Federal Home Loan Mortgage Corp (Freddie Mac)

# RECONCILIATION AND DEFINITIONS OF NON-GAAP ITEMS

| **Efficiency Ratio Reconciliation:** | **2011** | **2012** | **2013** | **2014** | **YTD 2015** |
|---|---|---|---|---|---|
| Federal Reserve efficiency ratio | 73.33% | 72.92% | 71.05% | 70.28% | 69.79% |
| Taxable equivalent adjustment | (1.73) | (1.61) | (1.46) | (1.36) | (1.38) |
| Other intangible amortization | (0.51) | (0.43) | (0.41) | (0.39) | (0.34) |
| Fully tax-equivalent efficiency ratio | 71.09% | 70.88% | 69.18% | 68.53% | 68.07% |

The efficiency ratio is defined by the Federal Reserve guidance as 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 taxable equivalent net interest income plus noninterest income, excluding investment securities gains / losses. 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. This differs from prior presentations. All periods have been adjusted to conform.

| **Common Equity Tier 1 Reconciliation: ($ in thousands)** | **2011** | **2012** | **2013** | **2014** | **YTD 2015** |
|---|---|---|---|---|---|
| Common equity | $2,802,522 | $2,873,127 | $2,829,428 | $2,740,524 | $2,832,418 |
| Goodwill & intangibles, net of DTLs | (948,590) | (944,395) | (940,352) | (936,605) | (949,716) |
| Tangible common equity | 1,853,932 | 1,928,732 | 1,889,076 | 1,803,919 | 1,882,702 |
| Accumulated other comprehensive income | (65,602) | (48,603) | 24,244 | 4,850 | (15,376) |
| Disallowed servicing assets/Deferred Tax Assets | (4,815) | (4,595) | | (437) | (2,037) |
| Common equity tier 1 | $1,783,515 | $1,875,534 | $1,913,320 | $1,808,332 | $1,865,289 |

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. Common equity tier 1 for 2015 follows Basel III and is defined as common stock and related surplus, net of treasury stock, plus retained earnings. Common equity tier 1 for 2014 follows Basel I and is defined as tier 1 capital excluding qualifying perpetual preferred stock and qualifying trust preferred securities.