



# NEWS RELEASE

**Investor Contact:**

Robb Timme, Vice President, Investor Relations  
920-491-7059

**Media Contact:**

Jennifer Kaminski, Vice President, Public Relations Senior Manager  
920-491-7576

---

***Associated Banc-Corp Reports First Quarter Earnings of \$0.40 per common share,  
or \$0.50 per common share excluding \$21 million in acquisition related costs<sup>1</sup>***

***Earnings per share up 14% from the prior year***

**GREEN BAY, Wis.** -- April 19, 2018 -- Associated Banc-Corp (NYSE: ASB) ("Associated" or "Company") today reported net income available to common equity ("earnings") of \$67 million, or \$0.40 per common share for the quarter ended March 31, 2018. This compares to net income available to common equity of \$54 million, or \$0.35 per common share for the quarter ended March 31, 2017.

"The Bank Mutual acquisition was integral to Associated's results in the quarter. With the merger closing on February 1, we added \$1.9 billion of loans and \$1.8 billion of deposits to our franchise. The integration is going well and we look forward to introducing Bank Mutual customers to Associated's products and services over the next few months," said President and CEO Philip B. Flynn. "In the first quarter, credit dynamics continued to be favorable and fee income increased. Our conversations with customers have been upbeat, and our growth outlook is optimistic."

**FIRST QUARTER 2018 SUMMARY (all comparisons to the first quarter of 2017)**

- Average loans of \$22.1 billion were up 10%, or \$2.0 billion
- Average deposits of \$23.7 billion were up 10%, or \$2.2 billion
- Net interest income of \$210 million increased \$30 million, or 16%
- Net interest margin of 2.92% improved 8 basis points from 2.84%
- Provision for credit losses was zero, down from \$9 million
- Noninterest income of \$90 million was up \$11 million, or 13%
- Noninterest expense of \$213 million was up \$39 million and included \$21 million of acquisition related costs
- Income before income taxes was up 13%, or \$10 million
- During the quarter, the Company repurchased approximately 1.1 million shares, or \$26 million, of common stock
- Total dividends paid per common share were \$0.15, up 25%

<sup>1</sup>This 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. See page 8 of the attached tables for a reconciliation of GAAP financial measures to non-GAAP financial measures which exclude acquisition related costs.

## Loans

First quarter 2018 average loans of \$22.1 billion were up 10%, or \$2.0 billion from the first quarter of 2017 and were up \$1.2 billion from the fourth quarter of 2017. The Bank Mutual acquisition added \$1.9 billion of loans.

With respect to first quarter 2018 average balances by loan category:

- Consumer lending increased \$1.5 billion from the year ago quarter, driven by the Company's on balance sheet mortgage retention strategy, and grew \$554 million from the fourth quarter of 2017 to \$9.4 billion.
- Commercial real estate lending increased \$399 million from the first quarter of 2017 and increased \$526 million from the fourth quarter of 2017 to \$5.4 billion.
- Commercial and business lending increased \$114 million from the year ago quarter and increased \$135 million from the fourth quarter of 2017 to \$7.3 billion. Mortgage Warehouse loan balances decreased approximately \$50 million year over year and were down approximately \$100 million from the prior quarter due to seasonal factors and higher mortgage interest rates.

## Deposits

First quarter 2018 average deposits of \$23.7 billion were up \$2.2 billion, or 10% from the year ago quarter and were up \$1.4 billion, or 6% from the fourth quarter of 2017. The Bank Mutual acquisition supplied \$1.8 billion of deposits.

With respect to first quarter 2018 average balances by deposit category:

- Noninterest-bearing demand deposits increased \$119 million from the year ago quarter, but decreased \$49 million from the fourth quarter of 2017 to \$5.1 billion.
- Savings and time deposits increased \$1.4 billion from the year ago quarter and increased \$528 million from the fourth quarter of 2017 to \$4.4 billion.
- Interest-bearing demand deposits increased \$461 million from the year ago quarter and increased \$249 million from the fourth quarter of 2017 to \$4.7 billion.
- Money market deposits increased \$247 million from the year ago quarter and increased \$672 million from the fourth quarter of 2017 to \$9.4 billion.

## **Net Interest Income and Net Interest Margin**

First quarter 2018 net interest income of \$210 million was up 16%, or \$30 million from the year ago quarter, with net interest margin increasing 8 basis points to 2.92%. First quarter 2018 net interest income increased 12%, or \$23 million from the fourth quarter of 2017.

- The average yield on total commercial loans for the first quarter of 2018 increased 82 basis points to 4.34% from the year ago quarter and increased 45 basis points from the prior quarter.
- The average cost of total interest-bearing deposits for the first quarter of 2018 increased 31 basis points to 0.73% from the year ago quarter and increased 8 basis points from the prior quarter.
- The net free funds benefit, the benefit of holding noninterest-bearing demand deposits, increased 6 basis points in the first quarter of 2018 compared to the year ago quarter and remained unchanged from the prior quarter.
- Net loan and deposit growth for the first quarter of 2018, including the Bank Mutual acquisition, contributed an additional \$10 million of net interest income compared to fourth quarter 2017.
- Accreted income from the acquired Bank Mutual loan portfolio contributed \$6 million to net interest income for the first quarter of 2018. Approximately \$2 million of the accreted income was from prepayments and other adjustments.
- Net changes in the securities portfolio for the first quarter of 2018 added \$3 million to net interest income. LIBOR - Fed Funds and other net changes to earning assets and liabilities contributed \$4 million to net interest income.

## **Noninterest Income**

First quarter 2018 total noninterest income of \$90 million increased \$11 million from the year ago quarter and increased \$6 million from the prior quarter.

With respect to first quarter 2018 noninterest income line items:

- Brokerage and asset management fees were up \$3 million from the year ago quarter, primarily driven by the acquisition of Whitnell & Co., and were up slightly from the prior quarter.
- Capital market fees increased \$1 million from the year ago quarter, but decreased \$2 million from a very strong fourth quarter of 2017.
- Mortgage banking income increased \$2 million from the year ago quarter and increased \$3 million from the prior quarter as the Company completed its mortgage retention initiative and returned to selling newly originated mortgage loans.

## **Noninterest Expense**

First quarter 2018 total noninterest expense of \$213 million increased 23%, or \$39 million from the year ago quarter and increased \$31 million from the fourth quarter of 2017. First quarter 2018 noninterest expense includes \$21 million of Bank Mutual acquisition related costs.

With respect to first quarter 2018 noninterest expense line items:

- Personnel expense increased by \$11 million from both the year ago quarter and the fourth quarter of 2017, primarily driven by the additional cost of Bank Mutual staff.
- Technology expense increased \$3 million from the year ago quarter, but was unchanged from the prior quarter.
- Occupancy expense was essentially unchanged from the year ago quarter, but increased \$2 million from the prior quarter, with most of the increase coming from the additional expense of acquired Bank Mutual facilities.

## **Taxes**

The first quarter 2018 effective tax rate was 20% compared to 27% in the year ago quarter. The decrease is primarily due to the Tax Cut and Jobs Act signed into law on December 22, 2017. The Company continues to expect its 2018 effective tax rate to be in the range of 20%-22%.

## **Credit**

The first quarter provision for credit losses was zero, down from \$9 million from the year ago quarter and unchanged from the prior quarter.

With respect to first quarter 2018 credit quality:

- Potential problem loans of \$282 million, including \$42 million of loans from the Bank Mutual acquisition, were down \$57 million from the year ago quarter, but were up \$105 million from the prior quarter.
- Nonaccrual loans of \$209 million, including \$15 million of purchased credit-impaired loans from the Bank Mutual acquisition, were down \$51 million from the year ago quarter and were unchanged from the prior quarter. The nonaccrual loans to total loans ratio was 0.91% in the first quarter, compared to 1.29% in the year ago quarter, and 1.00% in the prior quarter.
- Net charge offs of \$9 million were up \$4 million from the year ago quarter, but were down \$1 million from the prior quarter. Oil and gas charge offs were \$4 million in the first quarter.
- The allowance for loan losses of \$257 million was down \$26 million from the year ago quarter and was down \$9 million from the prior quarter. The allowance for loan losses to total loans ratio was 1.13% in the first quarter of 2018, compared to 1.40% in the year ago quarter, and 1.28% in the prior quarter.
- The allowance related to the oil and gas portfolio was \$19 million at March 31, 2018 and represented 2.9% of total oil and gas loans compared to 6.7% in the year ago quarter, and 4.5% in the prior quarter.

## **Capital**

The Company's capital position remains strong, with a CET1 capital ratio of 10.5% at March 31, 2018. The Company's capital ratios continue to be in excess of the Basel III "well-capitalized" regulatory benchmarks on a fully phased in basis.

During the quarter, the Company repurchased approximately 1.1 million shares, or \$26 million, of common stock, at an average price of \$23.90 per share.

## **FIRST QUARTER 2018 EARNINGS RELEASE CONFERENCE CALL**

The Company will host a conference call for investors and analysts at 4:00 p.m. Central Time (CT) today, April 19, 2018. Interested parties can access the live webcast of the call through the Investor Relations section of the Company's website, <http://investor.associatedbank.com>. Parties may also dial into the call at 877-407-8037 (domestic) or 201-689-8037 (international) and request the Associated Banc-Corp first quarter 2018 earnings call. The first quarter 2018 financial tables with an accompanying slide presentation will be available on the Company's website just prior to the call. An audio archive of the webcast will be available on the Company's website approximately fifteen minutes after the call is over.

## **ABOUT ASSOCIATED BANC-CORP**

Associated Banc-Corp (NYSE: ASB) has total assets of \$33 billion and is one of the top 50 publicly traded U.S. bank holding companies. Headquartered in Green Bay, Wisconsin, Associated is a leading Midwest banking franchise, offering a full range of financial products and services from more than 270 banking locations serving more than 110 communities throughout Wisconsin, Illinois and Minnesota, and commercial financial services in Indiana, Michigan, Missouri, Ohio and Texas. Associated Bank, N.A. is an Equal Housing Lender, Equal Opportunity Lender and Member FDIC. More information about Associated Banc-Corp is available at [www.associatedbank.com](http://www.associatedbank.com).

## **FORWARD-LOOKING STATEMENTS**

*Statements made in this document 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 FINANCIAL MEASURES**

*This press release and related materials may contain references to measures which are not defined in generally accepted accounting principles ("GAAP"). Information concerning these non-GAAP financial measures can be found in the financial tables. 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 a greater understanding of ongoing operations and enhance comparability of results with prior periods.*

###

Associated Banc-Corp  
Consolidated Balance Sheets (Unaudited)

| (In thousands)   | Mar 31, 2018 | Dec 31, 2017 | Seq'l Qtr \$<br>Change | Sep 30, 2017  | Jun 30, 2017  | Mar 31, 2017  | Comp Qtr \$<br>Change |
|--|--------------|--------------|------------------------|---------------|---------------|---------------|-----------------------|
| <b>Assets</b>  |              |              |                        |               |               |               |                       |
| Cash and due from banks  | \$ 328,260   | \$ 483,666   | \$ (155,406)           | \$ 354,331    | \$ 396,677    | \$ 332,601    | \$ (4,341)            |
| Interest-bearing deposits in other financial institutions                  | 94,918       | 199,702      | (104,784)              | 109,596       | 126,232       | 337,167       | (242,249)             |
| Federal funds sold and securities purchased under agreements to resell     | 10,000       | 32,650       | (22,650)               | 27,700        | 43,000        | 19,700        | (9,700)               |
| Investment securities held to maturity, at amortized cost                  | 2,443,203    | 2,282,853    | 160,350                | 2,233,579     | 2,255,395     | 1,554,843     | 888,360               |
| Investment securities available for sale, at fair value                    | 4,485,875    | 4,043,446    | 442,429                | 3,801,699     | 3,687,470     | 4,300,490     | 185,385               |
| Federal Home Loan Bank and Federal Reserve Bank stocks, at cost            | 233,216      | 165,331      | 67,885                 | 172,446       | 181,180       | 139,273       | 93,943                |
| Residential loans held for sale  | 103,953      | 85,544       | 18,409                 | 113,064       | 41,620        | 34,051        | 69,902                |
| Commercial loans held for sale   | 6,091        | —            | 6,091                  | 9,718         | 4,772         | 2,901         | 3,190                 |
| Loans  | 22,810,491   | 20,784,991   | 2,025,500              | 20,931,460    | 20,783,069    | 20,147,683    | 2,662,808             |
| Allowance for loan losses  | (257,058)    | (265,880)    | 8,822                  | (276,551)     | (281,101)     | (282,672)     | 25,614                |
| Loans, net   | 22,553,433   | 20,519,111   | 2,034,322              | 20,654,909    | 20,501,968    | 19,865,011    | 2,688,422             |
| Bank and corporate owned life insurance                                    | 657,841      | 591,057      | 66,784                 | 589,093       | 588,440       | 587,600       | 70,241                |
| Tax credit and other investments   | 142,368      | 147,099      | (4,731)                | 120,927       | 95,710        | 92,675        | 49,693                |
| Trading assets   | 102,890      | 69,675       | 33,215                 | 48,429        | 48,576        | 49,306        | 53,584                |
| Premises and equipment   | 381,327      | 330,963      | 50,364                 | 330,065       | 328,404       | 332,884       | 48,443                |
| Goodwill   | 1,153,156    | 976,239      | 176,917                | 972,006       | 972,006       | 972,006       | 181,150               |
| Mortgage servicing rights, net   | 66,407       | 58,384       | 8,023                  | 58,377        | 59,395        | 60,702        | 5,705                 |
| Other intangible assets, net   | 79,714       | 15,580       | 64,134                 | 14,080        | 14,530        | 15,026        | 64,688                |
| Other assets   | 523,855      | 482,294      | 41,561                 | 454,528       | 423,650       | 413,621       | 110,234               |
| Total assets   | \$33,366,505 | \$30,483,594 | \$ 2,882,911           | \$ 30,064,547 | \$ 29,769,025 | \$ 29,109,857 | \$ 4,256,648          |
| <b>Liabilities and stockholders' equity</b>                                |              |              |                        |               |               |               |                       |
| Noninterest-bearing demand deposits  | \$ 5,458,473 | \$ 5,478,416 | \$ (19,943)            | \$ 5,177,734  | \$ 5,038,162  | \$ 5,338,212  | \$ 120,261            |
| Interest-bearing deposits  | 18,367,129   | 17,307,546   | 1,059,583              | 17,155,717    | 16,580,018    | 16,489,823    | 1,877,306             |
| Total deposits   | 23,825,602   | 22,785,962   | 1,039,640              | 22,333,451    | 21,618,180    | 21,828,035    | 1,997,567             |
| Federal funds purchased and securities sold under agreements to repurchase | 283,954      | 324,815      | (40,861)               | 476,550       | 607,669       | 650,188       | (366,234)             |
| Other short-term funding   | 1,862,420    | 351,467      | 1,510,953              | 588,067       | 794,813       | 430,679       | 1,431,741             |
| Long-term funding  | 3,233,338    | 3,397,450    | (164,112)              | 3,147,285     | 3,262,120     | 2,761,955     | 471,383               |
| Trading liabilities  | 100,247      | 67,660       | 32,587                 | 46,812        | 47,143        | 47,561        | 52,686                |
| Accrued expenses and other liabilities                                     | 348,246      | 318,797      | 29,449                 | 268,781       | 247,598       | 246,645       | 101,601               |
| Total liabilities  | 29,653,806   | 27,246,151   | 2,407,655              | 26,860,946    | 26,577,523    | 25,965,063    | 3,688,743             |
| <b>Stockholders' equity</b>  |              |              |                        |               |               |               |                       |
| Preferred equity   | 159,853      | 159,929      | (76)                   | 159,929       | 159,929       | 159,929       | (76)                  |
| <b>Common equity</b>   |              |              |                        |               |               |               |                       |
| Common stock   | 1,741        | 1,618        | 123                    | 1,615         | 1,630         | 1,630         | 111                   |
| Surplus  | 1,823,800    | 1,454,188    | 369,612                | 1,442,328     | 1,474,301     | 1,469,744     | 354,056               |
| Retained earnings  | 1,859,068    | 1,819,230    | 39,838                 | 1,792,184     | 1,747,632     | 1,709,514     | 149,554               |
| Accumulated other comprehensive income (loss)                              | (107,673)    | (62,758)     | (44,915)               | (54,288)      | (53,470)      | (56,344)      | (51,329)              |
| Treasury stock, at cost  | (24,089)     | (134,764)    | 110,675                | (138,167)     | (138,520)     | (139,679)     | 115,590               |
| Total common equity  | 3,552,847    | 3,077,514    | 475,333                | 3,043,672     | 3,031,573     | 2,984,865     | 567,982               |
| Total stockholders' equity   | 3,712,699    | 3,237,443    | 475,256                | 3,203,601     | 3,191,502     | 3,144,794     | 567,905               |
| Total liabilities and stockholders' equity                                 | \$33,366,505 | \$30,483,594 | \$ 2,882,911           | \$ 30,064,547 | \$ 29,769,025 | \$ 29,109,857 | \$ 4,256,648          |

Numbers may not add due to rounding.

| Associated Banc-Corp<br>Consolidated Statements of Income (Unaudited) - Quarterly Trend |                  |                  |                  |             |                  |                  |                  |                  |             |
|---|------------------|------------------|------------------|-------------|------------------|------------------|------------------|------------------|-------------|
| (In thousands, except per share data)   |                  |                  |                  |             |                  |                  |                  |                  |             |
|   | 1Q18             | 4Q17             | Seq'l Qtr        |             | 3Q17             | 2Q17             | 1Q17             | Comp Qtr         |             |
|   |                  |                  | \$ Change        | % Change    |                  |                  |                  | \$ Change        | % Change    |
| <b>Interest income</b>  |                  |                  |                  |             |                  |                  |                  |                  |             |
| Interest and fees on loans  | \$220,034        | \$194,133        | \$ 25,901        | 13 %        | \$196,972        | \$184,246        | \$173,649        | \$ 46,385        | 27 %        |
| Interest and dividends on investment securities   |                  |                  |                  |             |                  |                  |                  |                  |             |
| Taxable   | 30,104           | 25,614           | 4,490            | 18 %        | 24,162           | 23,658           | 23,475           | 6,629            | 28 %        |
| Tax-exempt  | 9,217            | 8,437            | 780              | 9 %         | 8,268            | 8,143            | 8,129            | 1,088            | 13 %        |
| Other interest  | 2,177            | 2,138            | 39               | 2 %         | 2,492            | 1,553            | 1,536            | 641              | 42 %        |
| Total interest income   | 261,532          | 230,322          | 31,210           | 14 %        | 231,894          | 217,600          | 206,789          | 54,743           | 26 %        |
| <b>Interest expense</b>   |                  |                  |                  |             |                  |                  |                  |                  |             |
| Interest on deposits  | 33,412           | 28,143           | 5,269            | 19 %        | 27,778           | 21,180           | 16,924           | 16,488           | 97 %        |
| Interest on Federal funds purchased and securities sold under agreements to repurchase  | 522              | 420              | 102              | 24 %        | 768              | 824              | 515              | 7                | 1 %         |
| Interest on other short-term funding  | 3,005            | 1,731            | 1,274            | 74 %        | 1,039            | 1,827            | 1,080            | 1,925            | 178 %       |
| Interest on long-term funding   | 14,722           | 13,023           | 1,699            | 13 %        | 12,187           | 9,950            | 7,996            | 6,726            | 84 %        |
| Total interest expense  | 51,661           | 43,317           | 8,344            | 19 %        | 41,772           | 33,781           | 26,515           | 25,146           | 95 %        |
| <b>Net interest income</b>  | <b>209,871</b>   | <b>187,005</b>   | <b>22,866</b>    | <b>12 %</b> | <b>190,122</b>   | <b>183,819</b>   | <b>180,274</b>   | <b>29,597</b>    | <b>16 %</b> |
| Provision for credit losses   | —                | —                | —                | —           | 5,000            | 12,000           | 9,000            | (9,000)          | N/M         |
| Net interest income after provision for credit losses                                   | 209,871          | 187,005          | 22,866           | 12 %        | 185,122          | 171,819          | 171,274          | 38,597           | 23 %        |
| <b>Noninterest income</b>   |                  |                  |                  |             |                  |                  |                  |                  |             |
| Insurance commissions and fees  | 22,648           | 19,186           | 3,462            | 18 %        | 19,815           | 20,853           | 21,620           | 1,028            | 5 %         |
| Service charges and deposit account fees  | 16,420           | 15,773           | 647              | 4 %         | 16,268           | 16,030           | 16,356           | 64               | — %         |
| Card-based and loan fees  | 13,422           | 13,840           | (418)            | (3)%        | 12,619           | 13,764           | 12,465           | 957              | 8 %         |
| Trust and asset management fees   | 13,369           | 13,125           | 244              | 2 %         | 12,785           | 12,346           | 11,935           | 1,434            | 12 %        |
| Brokerage commissions and fees  | 7,273            | 6,864            | 409              | 6 %         | 4,392            | 4,346            | 4,333            | 2,940            | 68 %        |
| Mortgage banking, net   | 6,370            | 3,169            | 3,201            | 101 %       | 6,585            | 5,027            | 4,579            | 1,791            | 39 %        |
| Capital markets, net  | 5,306            | 7,107            | (1,801)          | (25)%       | 4,610            | 4,042            | 3,883            | 1,423            | 37 %        |
| Bank and corporate owned life insurance   | 3,187            | 3,156            | 31               | 1 %         | 6,580            | 3,899            | 2,615            | 572              | 22 %        |
| Asset gains (losses), net   | (107)            | (528)            | 421              | (80)%       | (16)             | (466)            | (234)            | 127              | (54)%       |
| Investment securities gains (losses), net   | —                | 75               | (75)             | N/M         | 3                | 356              | —                | —                | N/M         |
| Other   | 2,492            | 2,777            | (285)            | (10)%       | 2,254            | 2,213            | 2,279            | 213              | 9 %         |
| Total noninterest income  | 90,380           | 84,544           | 5,836            | 7 %         | 85,895           | 82,410           | 79,831           | 10,549           | 13 %        |
| <b>Noninterest expense</b>  |                  |                  |                  |             |                  |                  |                  |                  |             |
| Personnel <sup>(1)</sup>  | 117,685          | 107,031          | 10,654           | 10 %        | 108,098          | 107,066          | 106,782          | 10,903           | 10 %        |
| Occupancy   | 15,357           | 13,497           | 1,860            | 14 %        | 12,294           | 12,832           | 15,219           | 138              | 1 %         |
| Technology  | 17,715           | 17,878           | (163)            | (1)%        | 15,233           | 15,473           | 14,420           | 3,295            | 23 %        |
| Equipment   | 5,556            | 5,250            | 306              | 6 %         | 5,232            | 5,234            | 5,485            | 71               | 1 %         |
| Business development and advertising  | 6,693            | 8,195            | (1,502)          | (18)%       | 7,764            | 7,152            | 5,835            | 858              | 15 %        |
| Legal and professional  | 5,413            | 6,384            | (971)            | (15)%       | 6,248            | 5,711            | 4,166            | 1,247            | 30 %        |
| Card issuance and loan costs  | 3,304            | 2,836            | 468              | 17 %        | 3,330            | 2,974            | 2,620            | 684              | 26 %        |
| Foreclosure / OREO expense, net   | 723              | 1,285            | (562)            | (44)%       | 906              | 1,182            | 1,505            | (782)            | (52)%       |
| FDIC assessment   | 8,250            | 7,500            | 750              | 10 %        | 7,800            | 8,000            | 8,000            | 250              | 3 %         |
| Other intangible amortization   | 1,525            | 500              | 1,025            | 205 %       | 450              | 496              | 513              | 1,012            | 197 %       |
| Acquisition related costs <sup>(2)</sup>  | 20,605           | —                | 20,605           | N/M         | —                | —                | —                | 20,605           | N/M         |
| Other <sup>(1)</sup>  | 10,140           | 11,343           | (1,203)          | (11)%       | 10,072           | 10,196           | 9,146            | 994              | 11 %        |
| Total noninterest expense   | 212,965          | 181,699          | 31,266           | 17 %        | 177,427          | 176,316          | 173,691          | 39,274           | 23 %        |
| <b>Income before income taxes</b>   | <b>87,285</b>    | <b>89,850</b>    | <b>(2,565)</b>   | <b>(3)%</b> | <b>93,590</b>    | <b>77,913</b>    | <b>77,414</b>    | <b>9,871</b>     | <b>13 %</b> |
| Income tax expense  | 17,829           | 39,840           | (22,011)         | (55)%       | 28,589           | 19,930           | 21,144           | (3,315)          | (16)%       |
| <b>Net income</b>   | <b>69,456</b>    | <b>50,010</b>    | <b>19,446</b>    | <b>39 %</b> | <b>65,001</b>    | <b>57,983</b>    | <b>56,270</b>    | <b>13,186</b>    | <b>23 %</b> |
| Preferred stock dividends   | 2,339            | 2,339            | —                | — %         | 2,339            | 2,339            | 2,330            | 9                | — %         |
| <b>Net income available to common equity</b>  | <b>\$ 67,117</b> | <b>\$ 47,671</b> | <b>\$ 19,446</b> | <b>41 %</b> | <b>\$ 62,662</b> | <b>\$ 55,644</b> | <b>\$ 53,940</b> | <b>\$ 13,177</b> | <b>24 %</b> |
| <b>Earnings per common share</b>  |                  |                  |                  |             |                  |                  |                  |                  |             |
| Basic   | \$ 0.41          | \$ 0.31          | \$ 0.10          | 32 %        | \$ 0.41          | \$ 0.36          | \$ 0.36          | \$ 0.05          | 14 %        |
| Diluted   | \$ 0.40          | \$ 0.31          | \$ 0.09          | 29 %        | \$ 0.41          | \$ 0.36          | \$ 0.35          | \$ 0.05          | 14 %        |
| <b>Average common shares outstanding</b>  |                  |                  |                  |             |                  |                  |                  |                  |             |
| Basic   | 163,520          | 150,563          | 12,957           | 9 %         | 150,565          | 151,573          | 150,815          | 12,705           | 8 %         |
| Diluted   | 166,432          | 153,449          | 12,983           | 8 %         | 152,968          | 154,302          | 153,869          | 12,563           | 8 %         |

N/M = Not meaningful

Numbers may not add due to rounding.

(1) During the first quarter of 2018, the Corporation adopted a new accounting standard related to the presentation of net periodic pension cost and net periodic postretirement benefit cost which required the disaggregation of the service cost component from the other components of net benefit cost and net periodic postretirement benefit cost. Under this new accounting standard, the other components of net benefit cost and net periodic postretirement benefit cost were reclassified from personnel expense to other noninterest expense. All prior periods have been restated to reflect this change in presentation.

(2) Includes Bank Mutual acquisition related costs only.

Associated Banc-Corp  
Selected Quarterly Information

(In millions, except share and per share, full time equivalent employee and branch count data)

|  | 1Q18      | 4Q17      | 3Q17      | 2Q17      | 1Q17      |
|--|-----------|-----------|-----------|-----------|-----------|
| <b>Per common share data</b>   |           |           |           |           |           |
| Dividends  | \$ 0.15   | \$ 0.14   | \$ 0.12   | \$ 0.12   | \$ 0.12   |
| Market value:  |           |           |           |           |           |
| High   | 26.90     | 26.10     | 25.70     | 25.50     | 26.50     |
| Low  | 23.60     | 24.00     | 21.25     | 23.25     | 23.40     |
| Close  | 24.85     | 25.40     | 24.25     | 25.20     | 24.40     |
| Book value   | 20.63     | 20.13     | 19.98     | 19.70     | 19.42     |
| Tangible book value / share  | \$ 13.47  | \$ 13.65  | \$ 13.51  | \$ 13.29  | \$ 13.00  |
| <b>Performance ratios (annualized)</b>   |           |           |           |           |           |
| Return on average assets   | 0.88%     | 0.66%     | 0.86%     | 0.80%     | 0.79%     |
| Effective tax rate   | 20.43%    | 44.34%    | 30.55%    | 25.58%    | 27.31%    |
| Dividend payout ratio <sup>(1)</sup>   | 36.59%    | 45.16%    | 29.27%    | 33.33%    | 33.33%    |
| Net interest margin  | 2.92%     | 2.79%     | 2.84%     | 2.83%     | 2.84%     |
| <b>Selected trend information</b>  |           |           |           |           |           |
| Average full time equivalent employees   | 4,693     | 4,367     | 4,384     | 4,352     | 4,370     |
| Branch count   | 271       | 213       | 214       | 214       | 215       |
| Assets under management, at market value <sup>(2)</sup>                              | \$ 10,540 | \$ 10,555 | \$ 9,243  | \$ 8,997  | \$ 8,716  |
| Mortgage loans originated for sale during period                                     | \$ 198    | \$ 249    | \$ 246    | \$ 119    | \$ 101    |
| Mortgage loan settlements during period  | \$ 188    | \$ 268    | \$ 188    | \$ 167    | \$ 197    |
| Mortgage portfolio serviced for others   | \$ 8,507  | \$ 7,647  | \$ 7,653  | \$ 7,768  | \$ 7,909  |
| Mortgage servicing rights, net / mortgage portfolio serviced for others              | 0.78%     | 0.76%     | 0.76%     | 0.76%     | 0.77%     |
| Shares outstanding, end of period  | 172,182   | 152,846   | 152,316   | 153,848   | 153,734   |
| Net shares issuable to Associated Banc-Corp warrant ("ASBWS") holders <sup>(5)</sup> | 1,023     | 1,134     | 903       | 1,094     | 933       |
| <b>Selected quarterly ratios</b>   |           |           |           |           |           |
| Loans / deposits   | 95.74%    | 91.22%    | 93.72%    | 96.14%    | 92.30%    |
| Stockholders' equity / assets  | 11.13%    | 10.62%    | 10.66%    | 10.72%    | 10.80%    |
| <b>Risk-based capital <sup>(3) (4)</sup></b>   |           |           |           |           |           |
| Total risk-weighted assets   | \$ 23,550 | \$ 21,544 | \$ 21,657 | \$ 21,590 | \$ 21,129 |
| Common equity Tier 1   | \$ 2,474  | \$ 2,172  | \$ 2,144  | \$ 2,130  | \$ 2,085  |
| Common equity Tier 1 capital ratio   | 10.50%    | 10.08%    | 9.90%     | 9.87%     | 9.87%     |
| Tier 1 capital ratio   | 11.18%    | 10.82%    | 10.64%    | 10.61%    | 10.62%    |
| Total capital ratio  | 13.44%    | 13.22%    | 13.04%    | 13.01%    | 13.05%    |
| Tier 1 leverage ratio  | 8.48%     | 8.02%     | 7.93%     | 8.09%     | 8.05%     |
| <b>Loans</b>   |           |           |           |           |           |
| Recorded investment on loans   | \$ 22,756 | \$ 20,699 | \$ 20,849 | \$ 20,708 | \$ 20,086 |
| Net unaccreted Bank Mutual purchase discount   | (34)      | —         | —         | —         | —         |
| Net other deferred costs   | 88        | 86        | 83        | 75        | 62        |
| Loans  | \$ 22,810 | \$ 20,785 | \$ 20,931 | \$ 20,783 | \$ 20,148 |

Numbers may not add due to rounding.

(1) Ratio is based upon basic earnings per common share.

(2) Excludes assets held in brokerage accounts.

(3) The Federal Reserve establishes regulatory capital requirements, including well-capitalized standards for the Corporation. The regulatory capital requirements effective for the Corporation follow Basel III, subject to certain transition provisions.

(4) March 31, 2018 data is estimated.

(5) Based on the treasury stock method and the period-end close price. The ASBWS warrants will expire on November 21, 2018.



Associated Banc-Corp  
Selected Asset Quality Information

| (In thousands)   | Mar 31, 2018 | Dec 31, 2017 | Seq'l Qtr %<br>Change | Sep 30, 2017 | Jun 30, 2017 | Mar 31, 2017 | Comp Qtr %<br>Change |
|--|--------------|--------------|-----------------------|--------------|--------------|--------------|----------------------|
| <b>Allowance for loan losses</b>                           |              |              |                       |              |              |              |                      |
| Balance at beginning of period                             | \$ 265,880   | \$ 276,551   | (4)%                  | \$ 281,101   | \$ 282,672   | \$ 278,335   | (4)%                 |
| Provision for loan losses                                  | 500          | —            | N/M                   | 6,000        | 11,000       | 10,000       | (95)%                |
| Charge offs  | (12,155)     | (14,289)     | (15)%                 | (14,727)     | (15,376)     | (11,854)     | 3 %                  |
| Recoveries   | 2,832        | 3,618        | (22)%                 | 4,177        | 2,805        | 6,191        | (54)%                |
| Net charge offs  | (9,323)      | (10,671)     | (13)%                 | (10,550)     | (12,571)     | (5,663)      | 65 %                 |
| Balance at end of period                                   | \$ 257,058   | \$ 265,880   | (3)%                  | \$ 276,551   | \$ 281,101   | \$ 282,672   | (9)%                 |
| <b>Allowance for unfunded commitments</b>                  |              |              |                       |              |              |              |                      |
| Balance at beginning of period                             | \$ 24,400    | \$ 24,400    | — %                   | \$ 25,400    | \$ 24,400    | \$ 25,400    | (4)%                 |
| Provision for unfunded commitments                         | (500)        | —            | N/M                   | (1,000)      | 1,000        | (1,000)      | (50)%                |
| Amount recorded at acquisition                             | 2,436        | —            | N/M                   | —            | —            | —            | N/M                  |
| Balance at end of period                                   | \$ 26,336    | \$ 24,400    | 8 %                   | \$ 24,400    | \$ 25,400    | \$ 24,400    | 8 %                  |
| Allowance for credit losses                                | \$ 283,394   | \$ 290,280   | (2)%                  | \$ 300,951   | \$ 306,501   | \$ 307,072   | (8)%                 |
| Provision for credit losses                                | \$ —         | \$ —         | N/M                   | \$ 5,000     | \$ 12,000    | \$ 9,000     | (100)%               |
| <b>Net charge offs</b>                                     |              |              |                       |              |              |              |                      |
| Commercial and industrial                                  | \$ (6,599)   | \$ (8,212)   | (20)%                 | \$ (9,442)   | \$ (11,046)  | \$ (4,368)   | 51 %                 |
| Commercial real estate—owner occupied                      | (1,025)      | (246)        | N/M                   | 13           | 43           | 19           | N/M                  |
| Commercial and business lending                            | (7,624)      | (8,458)      | (10)%                 | (9,429)      | (11,003)     | (4,349)      | 75 %                 |
| Commercial real estate—investor                            | 8            | (164)        | (105)%                | 55           | (126)        | (514)        | (102)%               |
| Real estate construction                                   | 189          | (365)        | (152)%                | (150)        | (26)         | 11           | N/M                  |
| Commercial real estate lending                             | 197          | (529)        | (137)%                | (95)         | (152)        | (503)        | (139)%               |
| Total commercial   | (7,427)      | (8,987)      | (17)%                 | (9,524)      | (11,155)     | (4,852)      | 53 %                 |
| Residential mortgage                                       | (131)        | (966)        | (86)%                 | (26)         | (564)        | (128)        | 2 %                  |
| Home equity  | (677)        | 330          | N/M                   | (87)         | 54           | 173          | N/M                  |
| Other consumer   | (1,088)      | (1,048)      | 4 %                   | (913)        | (906)        | (856)        | 27 %                 |
| Total consumer   | (1,896)      | (1,684)      | 13 %                  | (1,026)      | (1,416)      | (811)        | 134 %                |
| Total net charge offs                                      | \$ (9,323)   | \$ (10,671)  | (13)%                 | \$ (10,550)  | \$ (12,571)  | \$ (5,663)   | 65 %                 |
| <b>Net charge offs to average loans (annualized)</b>       |              |              |                       |              |              |              |                      |
| Commercial and industrial                                  | (41)         | (51)         |                       | (58)         | (69)         | (28)         |                      |
| Commercial real estate—owner occupied                      | (48)         | (12)         |                       | 1            | 2            | 1            |                      |
| Commercial and business lending                            | (42)         | (47)         |                       | (51)         | (60)         | (24)         |                      |
| Commercial real estate—investor                            | N/M          | (2)          |                       | 1            | (2)          | (6)          |                      |
| Real estate construction                                   | 5            | (10)         |                       | (4)          | (1)          | N/M          |                      |
| Commercial real estate lending                             | 1            | (4)          |                       | (1)          | (1)          | (4)          |                      |
| Total commercial   | (24)         | (30)         |                       | (31)         | (36)         | (16)         |                      |
| Residential mortgage                                       | (1)          | (5)          |                       | N/M          | (3)          | (1)          |                      |
| Home equity  | (28)         | 15           |                       | (4)          | 2            | 8            |                      |
| Other consumer   | (115)        | (109)        |                       | (97)         | (98)         | (90)         |                      |
| Total consumer   | (8)          | (8)          |                       | (5)          | (7)          | (4)          |                      |
| Total net charge offs                                      | (17)         | (20)         |                       | (20)         | (25)         | (11)         |                      |
| <b>Credit Quality</b>                                      |              |              |                       |              |              |              |                      |
| Nonaccrual loans   | \$ 208,553   | \$ 208,546   | — %                   | \$ 210,517   | \$ 231,888   | \$ 259,991   | (20)%                |
| Other real estate owned (OREO)                             | 16,919       | 12,608       | 34 %                  | 8,483        | 7,782        | 7,540        | 124 %                |
| Other nonperforming assets                                 | 7,117        | 7,418        | (4)%                  | 7,418        | 7,418        | 7,418        | (4)%                 |
| Total nonperforming assets                                 | \$ 232,589   | \$ 228,572   | 2 %                   | \$ 226,418   | \$ 247,088   | \$ 274,949   | (15)%                |
| Loans 90 or more days past due and still accruing          | \$ 3,393     | \$ 1,867     | 82 %                  | \$ 1,611     | \$ 1,535     | \$ 1,720     | 97 %                 |
| Allowance for loan losses to loans                         | 1.13%        | 1.28%        |                       | 1.32%        | 1.35%        | 1.40%        |                      |
| Net unaccreted purchase discount to purchased loans        | 1.80%        | —%           |                       | —%           | —%           | —%           |                      |
| Allowance for loan losses to nonaccrual loans              | 123.26%      | 127.49%      |                       | 131.37%      | 121.22%      | 108.72%      |                      |
| Nonaccrual loans to total loans                            | 0.91%        | 1.00%        |                       | 1.01%        | 1.12%        | 1.29%        |                      |
| Nonperforming assets to total loans plus OREO              | 1.02%        | 1.10%        |                       | 1.08%        | 1.19%        | 1.36%        |                      |
| Nonperforming assets to total assets                       | 0.70%        | 0.75%        |                       | 0.75%        | 0.83%        | 0.94%        |                      |
| Year-to-date net charge offs to average loans (annualized) | 0.17%        | 0.19%        |                       | 0.19%        | 0.18%        | 0.11%        |                      |

Associated Banc-Corp  
Selected Asset Quality Information (continued)

| (In thousands)                        | Mar 31, 2018 | Dec 31, 2017 | Seq'l Qtr %<br>Change | Sep 30, 2017 | Jun 30, 2017 | Mar 31, 2017 | Comp Qtr %<br>Change |
|---------------------------------------|--------------|--------------|-----------------------|--------------|--------------|--------------|----------------------|
| <b>Nonaccrual loans</b>               |              |              |                       |              |              |              |                      |
| Commercial and industrial             | \$ 102,667   | \$ 112,786   | (9)%                  | \$ 122,284   | \$ 141,475   | \$ 164,891   | (38)%                |
| Commercial real estate—owner occupied | 20,636       | 22,740       | (9)%                  | 15,598       | 15,800       | 17,925       | 15 %                 |
| Commercial and business lending       | 123,303      | 135,526      | (9)%                  | 137,882      | 157,275      | 182,816      | (33)%                |
| Commercial real estate—investor       | 15,574       | 4,729        | N/M                   | 3,543        | 7,206        | 8,273        | 88 %                 |
| Real estate construction              | 1,219        | 974          | 25 %                  | 1,540        | 1,717        | 1,247        | (2)%                 |
| Commercial real estate lending        | 16,793       | 5,703        | 194 %                 | 5,083        | 8,923        | 9,520        | 76 %                 |
| Total commercial                      | 140,096      | 141,229      | (1)%                  | 142,965      | 166,198      | 192,336      | (27)%                |
| Residential mortgage                  | 55,100       | 53,632       | 3 %                   | 54,654       | 51,975       | 54,183       | 2 %                  |
| Home equity                           | 13,218       | 13,514       | (2)%                  | 12,639       | 13,482       | 13,212       | — %                  |
| Other consumer                        | 139          | 171          | (19)%                 | 259          | 233          | 260          | (47)%                |
| Total consumer                        | 68,456       | 67,317       | 2 %                   | 67,552       | 65,690       | 67,655       | 1 %                  |
| Total nonaccrual loans                | \$ 208,553   | \$ 208,546   | — %                   | \$ 210,517   | \$ 231,888   | \$ 259,991   | (20)%                |

|  | Mar 31, 2018 | Dec 31, 2017 | Seq'l Qtr %<br>Change | Sep 30, 2017 | Jun 30, 2017 | Mar 31, 2017 | Comp Qtr %<br>Change |
|--|--------------|--------------|-----------------------|--------------|--------------|--------------|----------------------|
| <b>Restructured loans (accruing)</b>   |              |              |                       |              |              |              |                      |
| Commercial and industrial  | \$ 29,580    | \$ 30,047    | (2)%                  | \$ 32,572    | \$ 31,540    | \$ 30,852    | (4)%                 |
| Commercial real estate—owner occupied  | 3,892        | 3,989        | (2)%                  | 4,077        | 4,145        | 5,532        | (30)%                |
| Commercial and business lending  | 33,472       | 34,036       | (2)%                  | 36,649       | 35,685       | 36,384       | (8)%                 |
| Commercial real estate—investor  | 13,683       | 14,389       | (5)%                  | 14,294       | 14,628       | 14,563       | (6)%                 |
| Real estate construction   | 305          | 310          | (2)%                  | 316          | 321          | 327          | (7)%                 |
| Commercial real estate lending   | 13,988       | 14,699       | (5)%                  | 14,610       | 14,949       | 14,890       | (6)%                 |
| Total commercial   | 47,460       | 48,735       | (3)%                  | 51,259       | 50,634       | 51,274       | (7)%                 |
| Residential mortgage   | 19,902       | 17,068       | 17 %                  | 16,859       | 17,624       | 18,535       | 7 %                  |
| Home equity  | 8,098        | 7,705        | 5 %                   | 7,987        | 7,985        | 8,209        | (1)%                 |
| Other consumer   | 1,041        | 1,110        | (6)%                  | 1,073        | 1,082        | 1,041        | — %                  |
| Total consumer   | 29,041       | 25,883       | 12 %                  | 25,919       | 26,691       | 27,785       | 5 %                  |
| Total restructured loans (accruing)  | \$ 76,501    | \$ 74,618    | 3 %                   | \$ 77,178    | \$ 77,325    | \$ 79,059    | (3)%                 |
| Restructured loans included in nonaccrual loans<br>(not included with restructured loans (accruing)) | \$ 23,827    | \$ 23,486    | 1 %                   | \$ 33,520    | \$ 51,715    | \$ 78,902    | (70)%                |

|   | Mar 31, 2018 | Dec 31, 2017 | Seq'l Qtr %<br>Change | Sep 30, 2017 | Jun 30, 2017 | Mar 31, 2017 | Comp Qtr %<br>Change |
|---|--------------|--------------|-----------------------|--------------|--------------|--------------|----------------------|
| <b>Accruing Loans 30-89 Days Past Due</b> |              |              |                       |              |              |              |                      |
| Commercial and industrial                 | \$ 880       | \$ 271       | N/M                   | \$ 1,378     | \$ 1,255     | \$ 1,675     | (47)%                |
| Commercial real estate—owner occupied     | 511          | 48           | N/M                   | 1,522        | 1,284        | 970          | (47)%                |
| Commercial and business lending           | 1,391        | 319          | N/M                   | 2,900        | 2,539        | 2,645        | (47)%                |
| Commercial real estate—investor           | 240          | 374          | (36)%                 | 1,109        | 899          | 1,122        | (79)%                |
| Real estate construction                  | 490          | 251          | 95 %                  | 700          | 135          | 431          | 14 %                 |
| Commercial real estate lending            | 730          | 625          | 17 %                  | 1,809        | 1,034        | 1,553        | (53)%                |
| Total commercial                          | 2,121        | 944          | 125 %                 | 4,709        | 3,573        | 4,198        | (49)%                |
| Residential mortgage                      | 15,133       | 9,552        | 58 %                  | 8,870        | 9,165        | 7,243        | 109 %                |
| Home equity                               | 5,868        | 6,825        | (14)%                 | 7,191        | 5,924        | 4,512        | 30 %                 |
| Other consumer                            | 1,811        | 2,007        | (10)%                 | 1,686        | 1,746        | 1,658        | 9 %                  |
| Total consumer                            | 22,812       | 18,384       | 24 %                  | 17,747       | 16,835       | 13,413       | 70 %                 |
| Total accruing loans 30-89 days past due  | \$ 24,934    | \$ 19,328    | 29 %                  | \$ 22,456    | \$ 20,408    | \$ 17,611    | 42 %                 |

|                                       | Mar 31, 2018 | Dec 31, 2017 | Seq'l Qtr %<br>Change | Sep 30, 2017 | Jun 30, 2017 | Mar 31, 2017 | Comp Qtr %<br>Change |
|---------------------------------------|--------------|--------------|-----------------------|--------------|--------------|--------------|----------------------|
| <b>Potential Problem Loans</b>        |              |              |                       |              |              |              |                      |
| Commercial and industrial             | \$ 196,766   | \$ 113,778   | 73 %                  | \$ 153,779   | \$ 142,607   | \$ 218,930   | (10)%                |
| Commercial real estate—owner occupied | 34,410       | 41,997       | (18)%                 | 57,468       | 60,724       | 58,994       | (42)%                |
| Commercial and business lending       | 231,176      | 155,775      | 48 %                  | 211,247      | 203,331      | 277,924      | (17)%                |
| Commercial real estate—investor       | 46,970       | 19,291       | 143 %                 | 46,770       | 48,569       | 49,217       | (5)%                 |
| Real estate construction              | 1,695        | —            | N/M                   | 118          | 8,901        | 10,141       | (83)%                |
| Commercial real estate lending        | 48,665       | 19,291       | 152 %                 | 46,888       | 57,470       | 59,358       | (18)%                |
| Total commercial                      | 279,841      | 175,066      | 60 %                  | 258,135      | 260,801      | 337,282      | (17)%                |
| Residential mortgage                  | 2,155        | 1,616        | 33 %                  | 650          | 1,576        | 2,155        | — %                  |
| Home equity                           | 188          | 195          | (4)%                  | 124          | 208          | 220          | (15)%                |
| Total consumer                        | 2,343        | 1,811        | 29 %                  | 774          | 1,784        | 2,375        | (1)%                 |
| Total potential problem loans         | \$ 282,184   | \$ 176,877   | 60 %                  | \$ 258,909   | \$ 262,585   | \$ 339,657   | (17)%                |

N/M = Not meaningful  
Numbers may not add due to rounding.

Associated Banc-Corp  
Net Interest Income Analysis - Fully Tax-Equivalent Basis - Sequential and Comparable Quarter

| (In thousands)   | Three Months Ended |                           |                      |                   |                           |                      |                 |                           |                      |
|--|--------------------|---------------------------|----------------------|-------------------|---------------------------|----------------------|-----------------|---------------------------|----------------------|
|  | March 31, 2018     |                           |                      | December 31, 2017 |                           |                      | March 31, 2017  |                           |                      |
|  | Average Balance    | Interest Income / Expense | Average Yield / Rate | Average Balance   | Interest Income / Expense | Average Yield / Rate | Average Balance | Interest Income / Expense | Average Yield / Rate |
| <b>Assets</b>  |                    |                           |                      |                   |                           |                      |                 |                           |                      |
| Earning assets   |                    |                           |                      |                   |                           |                      |                 |                           |                      |
| Loans <sup>(1) (2) (3)</sup>   |                    |                           |                      |                   |                           |                      |                 |                           |                      |
| Commercial and business lending  | \$ 7,313,621       | \$ 74,706                 | 4.14%                | \$ 7,178,384      | \$ 68,440                 | 3.79%                | \$ 7,199,481    | \$ 60,680                 | 3.42%                |
| Commercial real estate lending   | 5,399,429          | 61,504                    | 4.62%                | 4,873,889         | 49,744                    | 4.05%                | 4,999,994       | 45,135                    | 3.66%                |
| Total commercial   | 12,713,050         | 136,210                   | 4.34%                | 12,052,273        | 118,184                   | 3.89%                | 12,199,475      | 105,815                   | 3.52%                |
| Residential mortgage   | 8,010,381          | 66,402                    | 3.32%                | 7,546,288         | 59,979                    | 3.18%                | 6,564,600       | 53,306                    | 3.25%                |
| Retail   | 1,355,098          | 17,852                    | 5.29%                | 1,265,055         | 16,853                    | 5.31%                | 1,308,650       | 15,450                    | 4.74%                |
| Total loans  | 22,078,529         | 220,464                   | 4.03%                | 20,863,616        | 195,016                   | 3.72%                | 20,072,725      | 174,571                   | 3.51%                |
| Investment securities  |                    |                           |                      |                   |                           |                      |                 |                           |                      |
| Taxable  | 5,576,826          | 30,104                    | 2.16%                | 4,986,279         | 25,614                    | 2.05%                | 4,830,421       | 23,475                    | 1.94%                |
| Tax-exempt <sup>(1)</sup>  | 1,312,913          | 11,613                    | 3.54%                | 1,206,078         | 12,909                    | 4.28%                | 1,138,010       | 12,438                    | 4.37%                |
| Other short-term investments   | 313,864            | 2,177                     | 2.80%                | 382,762           | 2,138                     | 2.22%                | 298,158         | 1,536                     | 2.08%                |
| Investments and other  | 7,203,603          | 43,894                    | 2.44%                | 6,575,119         | 40,661                    | 2.47%                | 6,266,589       | 37,449                    | 2.39%                |
| Total earning assets   | 29,282,132         | \$ 264,358                | 3.64%                | 27,438,735        | \$ 235,677                | 3.42%                | 26,339,314      | \$ 212,020                | 3.24%                |
| Other assets, net  | 2,884,248          |                           |                      | 2,542,484         |                           |                      | 2,441,013       |                           |                      |
| Total assets   | \$ 32,166,380      |                           |                      | \$ 29,981,219     |                           |                      | \$ 28,780,327   |                           |                      |
| <b>Liabilities and stockholders' equity</b>                                |                    |                           |                      |                   |                           |                      |                 |                           |                      |
| Interest-bearing liabilities   |                    |                           |                      |                   |                           |                      |                 |                           |                      |
| Interest-bearing deposits  |                    |                           |                      |                   |                           |                      |                 |                           |                      |
| Savings  | \$ 1,722,665       | \$ 202                    | 0.05%                | \$ 1,554,639      | \$ 209                    | 0.05%                | \$ 1,465,811    | \$ 188                    | 0.05%                |
| Interest-bearing demand  | 4,712,115          | 8,553                     | 0.74%                | 4,462,725         | 7,462                     | 0.66%                | 4,251,357       | 4,210                     | 0.40%                |
| Money market   | 9,415,869          | 17,827                    | 0.77%                | 8,743,614         | 14,274                    | 0.65%                | 9,169,141       | 9,388                     | 0.42%                |
| Time deposits  | 2,715,292          | 6,830                     | 1.02%                | 2,354,828         | 6,198                     | 1.04%                | 1,613,331       | 3,138                     | 0.79%                |
| Total interest-bearing deposits  | 18,565,941         | 33,412                    | 0.73%                | 17,115,806        | 28,143                    | 0.65%                | 16,499,640      | 16,924                    | 0.42%                |
| Federal funds purchased and securities sold under agreements to repurchase | 275,578            | 522                       | 0.77%                | 279,817           | 420                       | 0.60%                | 495,311         | 515                       | 0.42%                |
| Other short-term funding   | 884,633            | 3,005                     | 1.38%                | 600,492           | 1,731                     | 1.14%                | 683,306         | 1,080                     | 0.64%                |
| Total short-term funding   | 1,160,211          | 3,527                     | 1.23%                | 880,309           | 2,151                     | 0.97%                | 1,178,617       | 1,595                     | 0.55%                |
| Long-term funding  | 3,422,947          | 14,722                    | 1.74%                | 3,332,140         | 13,023                    | 1.55%                | 2,761,850       | 7,996                     | 1.17%                |
| Total short and long-term funding  | 4,583,158          | 18,249                    | 1.61%                | 4,212,449         | 15,174                    | 1.43%                | 3,940,467       | 9,591                     | 0.98%                |
| Total interest-bearing liabilities   | 23,149,099         | \$ 51,661                 | 0.90%                | 21,328,255        | \$ 43,317                 | 0.81%                | 20,440,107      | \$ 26,515                 | 0.52%                |
| Noninterest-bearing demand deposits  | 5,084,957          |                           |                      | 5,133,977         |                           |                      | 4,966,082       |                           |                      |
| Other liabilities  | 395,008            |                           |                      | 302,981           |                           |                      | 250,747         |                           |                      |
| Stockholders' equity   | 3,537,316          |                           |                      | 3,216,006         |                           |                      | 3,123,391       |                           |                      |
| Total liabilities and stockholders' equity                                 | \$ 32,166,380      |                           |                      | \$ 29,981,219     |                           |                      | \$ 28,780,327   |                           |                      |
| Interest rate spread   |                    |                           | 2.74%                |                   |                           | 2.61%                |                 |                           | 2.72%                |
| Net free funds   |                    |                           | 0.18%                |                   |                           | 0.18%                |                 |                           | 0.12%                |
| Fully tax-equivalent net interest income and net interest margin ("NIM")   | \$ 212,697         | 2.92%                     |                      | \$ 192,360        | 2.79%                     |                      | \$ 185,505      | 2.84%                     |                      |
| Fully tax-equivalent adjustment  | 2,826              |                           |                      | 5,355             |                           |                      | 5,231           |                           |                      |
| Net interest income  | \$ 209,871         |                           |                      | \$ 187,005        |                           |                      | \$ 180,274      |                           |                      |
| Bank Mutual net accreted purchase loan discount                            | \$ 6,076           |                           |                      | \$ —              |                           |                      | \$ —            |                           |                      |

Numbers may not add due to rounding.

(1) Beginning in 2018, the yield on tax-exempt loans and securities is computed on a fully tax-equivalent basis using a tax rate of 21% and is net of the effects of certain disallowed interest deductions. Prior to 2018, the yield on tax-exempt loans and securities was computed on a fully tax-equivalent basis using a tax rate of 35% and was net of the effects of certain disallowed interest deductions.

(2) Nonaccrual loans and loans held for sale have been included in the average balances.

(3) Interest income includes amortization of net deferred loan origination costs and net accreted purchase loan discount.

Associated Banc-Corp  
Loan and Deposit Composition

| (In thousands)  | Mar 31, 2018  | Dec 31, 2017  | Seq'l Qtr %<br>Change | Sep 30, 2017  | Jun 30, 2017  | Mar 31, 2017  | Comp Qtr<br>% Change |
|---|---------------|---------------|-----------------------|---------------|---------------|---------------|----------------------|
| <b>Period end loan composition <sup>(3)</sup></b>     |               |               |                       |               |               |               |                      |
| Commercial and industrial                             | \$ 6,756,983  | \$ 6,399,693  | 6 %                   | \$ 6,534,660  | \$ 6,571,000  | \$ 6,300,646  | 7 %                  |
| Commercial real estate—owner occupied                 | 900,913       | 802,209       | 12 %                  | 827,064       | 845,336       | 878,391       | 3 %                  |
| Commercial and business lending                       | 7,657,896     | 7,201,902     | 6 %                   | 7,361,724     | 7,416,336     | 7,179,037     | 7 %                  |
| Commercial real estate—investor                       | 4,077,671     | 3,315,254     | 23 %                  | 3,345,536     | 3,329,585     | 3,415,355     | 19 %                 |
| Real estate construction                              | 1,579,778     | 1,451,684     | 9 %                   | 1,552,135     | 1,651,805     | 1,553,205     | 2 %                  |
| Commercial real estate lending                        | 5,657,449     | 4,766,938     | 19 %                  | 4,897,671     | 4,981,390     | 4,968,560     | 14 %                 |
| Total commercial                                      | 13,315,345    | 11,968,840    | 11 %                  | 12,259,395    | 12,397,726    | 12,147,597    | 10 %                 |
| Residential mortgage                                  | 8,197,223     | 7,546,534     | 9 %                   | 7,408,471     | 7,115,457     | 6,715,282     | 22 %                 |
| Home equity   | 923,470       | 883,804       | 4 %                   | 890,130       | 897,111       | 911,969       | 1 %                  |
| Other consumer  | 374,453       | 385,813       | (3)%                  | 373,464       | 372,775       | 372,835       | — %                  |
| Total consumer  | 9,495,146     | 8,816,151     | 8 %                   | 8,672,065     | 8,385,343     | 8,000,086     | 19 %                 |
| Total loans   | \$ 22,810,491 | \$ 20,784,991 | 10 %                  | \$ 20,931,460 | \$ 20,783,069 | \$ 20,147,683 | 13 %                 |
| Purchased credit-impaired loans                       | \$ 14,838     | \$ —          | N/M                   | \$ —          | \$ —          | \$ —          | N/M                  |
| Total loans excluding purchased credit-impaired loans | \$ 22,795,653 | \$ 20,784,991 | 10 %                  | \$ 20,931,460 | \$ 20,783,069 | \$ 20,147,683 | 13 %                 |

|   | Mar 31, 2018  | Dec 31, 2017  | Seq'l Qtr %<br>Change | Sep 30, 2017  | Jun 30, 2017  | Mar 31, 2017  | Comp Qtr<br>% Change |
|---|---------------|---------------|-----------------------|---------------|---------------|---------------|----------------------|
| <b>Period end deposit and customer sweeps composition <sup>(4)</sup></b>  |               |               |                       |               |               |               |                      |
| Noninterest-bearing demand  | \$ 5,458,473  | \$ 5,478,416  | — %                   | \$ 5,177,734  | \$ 5,038,162  | \$ 5,338,212  | 2 %                  |
| Savings   | 1,883,638     | 1,524,992     | 24 %                  | 1,544,037     | 1,552,820     | 1,530,155     | 23 %                 |
| Interest-bearing demand   | 4,719,566     | 4,603,157     | 3 %                   | 4,990,891     | 3,858,739     | 4,736,236     | — %                  |
| Money market  | 9,086,553     | 8,830,328     | 3 %                   | 8,299,512     | 9,228,129     | 8,608,523     | 6 %                  |
| Brokered CDs  | 44,503        | 18,609        | 139 %                 | 3,554         | 131,184       | 54,993        | (19)%                |
| Other time  | 2,632,869     | 2,330,460     | 13 %                  | 2,317,723     | 1,809,146     | 1,559,916     | 69 %                 |
| Total deposits  | 23,825,602    | 22,785,962    | 5 %                   | 22,333,451    | 21,618,180    | 21,828,035    | 9 %                  |
| Customer funding <sup>(1)</sup>   | 297,289       | 250,332       | 19 %                  | 324,042       | 360,131       | 448,502       | (34)%                |
| Total deposits and customer funding   | \$ 24,122,891 | \$ 23,036,294 | 5 %                   | \$ 22,657,493 | \$ 21,978,311 | \$ 22,276,537 | 8 %                  |
| Network transaction deposits <sup>(2)</sup>   | \$ 2,244,739  | \$ 2,520,968  | (11)%                 | \$ 2,622,787  | \$ 3,220,956  | \$ 3,417,380  | (34)%                |
| Net deposits and customer funding (Total deposits and customer sweeps, excluding Brokered CDs and network transaction deposits) | \$ 21,833,649 | \$ 20,496,717 | 7 %                   | \$ 20,031,152 | \$ 18,626,171 | \$ 18,804,164 | 16 %                 |

|  | Mar 31, 2018  | Dec 31, 2017  | Seq'l Qtr %<br>Change | Sep 30, 2017  | Jun 30, 2017  | Mar 31, 2017  | Comp Qtr<br>% Change |
|--|---------------|---------------|-----------------------|---------------|---------------|---------------|----------------------|
| <b>Quarter average loan composition <sup>(3)</sup></b> |               |               |                       |               |               |               |                      |
| Commercial and industrial                              | \$ 6,449,898  | \$ 6,366,626  | 1 %                   | \$ 6,487,378  | \$ 6,449,250  | \$ 6,313,389  | 2 %                  |
| Commercial real estate—owner occupied                  | 863,723       | 811,758       | 6 %                   | 831,216       | 872,273       | 886,092       | (3)%                 |
| Commercial and business lending                        | 7,313,621     | 7,178,384     | 2 %                   | 7,318,594     | 7,321,523     | 7,199,481     | 2 %                  |
| Commercial real estate—investor                        | 3,866,286     | 3,369,785     | 15 %                  | 3,346,669     | 3,359,817     | 3,502,769     | 10 %                 |
| Real estate construction                               | 1,533,143     | 1,504,104     | 2 %                   | 1,626,767     | 1,604,440     | 1,497,225     | 2 %                  |
| Commercial real estate lending                         | 5,399,429     | 4,873,889     | 11 %                  | 4,973,436     | 4,964,257     | 4,999,994     | 8 %                  |
| Total commercial                                       | 12,713,050    | 12,052,273    | 5 %                   | 12,292,030    | 12,285,780    | 12,199,475    | 4 %                  |
| Residential mortgage                                   | 8,010,381     | 7,546,288     | 6 %                   | 7,339,827     | 6,957,865     | 6,564,600     | 22 %                 |
| Home equity  | 972,918       | 885,235       | 10 %                  | 894,596       | 906,208       | 923,896       | 5 %                  |
| Other consumer   | 382,180       | 379,820       | 1 %                   | 372,684       | 372,137       | 384,754       | (1)%                 |
| Total consumer   | 9,365,479     | 8,811,343     | 6 %                   | 8,607,107     | 8,236,210     | 7,873,250     | 19 %                 |
| Total loans  | \$ 22,078,529 | \$ 20,863,616 | 6 %                   | \$ 20,899,137 | \$ 20,521,990 | \$ 20,072,725 | 10 %                 |

|   | Mar 31, 2018  | Dec 31, 2017  | Seq'l Qtr %<br>Change | Sep 30, 2017  | Jun 30, 2017  | Mar 31, 2017  | Comp Qtr<br>% Change |
|---|---------------|---------------|-----------------------|---------------|---------------|---------------|----------------------|
| <b>Quarter average deposit composition <sup>(4)</sup></b> |               |               |                       |               |               |               |                      |
| Noninterest-bearing demand                                | \$ 5,084,957  | \$ 5,133,977  | (1)%                  | \$ 4,992,118  | \$ 4,892,271  | \$ 4,966,082  | 2 %                  |
| Savings   | 1,722,665     | 1,554,639     | 11 %                  | 1,545,884     | 1,541,129     | 1,465,811     | 18 %                 |
| Interest-bearing demand                                   | 4,712,115     | 4,462,725     | 6 %                   | 4,347,550     | 4,272,620     | 4,251,357     | 11 %                 |
| Money market  | 9,415,869     | 8,743,614     | 8 %                   | 9,367,907     | 9,064,874     | 9,169,141     | 3 %                  |
| Time deposits   | 2,715,292     | 2,354,828     | 15 %                  | 2,187,986     | 1,752,255     | 1,613,331     | 68 %                 |
| Total deposits  | \$ 23,650,898 | \$ 22,249,783 | 6 %                   | \$ 22,441,445 | \$ 21,523,149 | \$ 21,465,722 | 10 %                 |

N/M = Not meaningful

Numbers may not add due to rounding.

(1) Includes repurchase agreements and commercial paper.

(2) Included above in interest-bearing demand and money market.

(3) On February 1, 2018, the Corporation acquired Bank Mutual and added \$1.9 billion of loans.

(4) On February 1, 2018, the Corporation acquired Bank Mutual and assumed \$1.8 billion of deposits.

Associated Banc-Corp  
Non-GAAP Financial Measures Reconciliation

(In millions, except per share data)

|  | 1Q18      | 4Q17      | 3Q17      | 2Q17      | 1Q17      |
|--|-----------|-----------|-----------|-----------|-----------|
| <b>Tangible common equity reconciliation <sup>(1)</sup></b>  |           |           |           |           |           |
| Common equity  | \$ 3,553  | \$ 3,078  | \$ 3,044  | \$ 3,032  | \$ 2,985  |
| Goodwill and other intangible assets, net  | (1,233)   | (992)     | (986)     | (987)     | (987)     |
| Tangible common equity   | \$ 2,320  | \$ 2,086  | \$ 2,058  | \$ 2,045  | \$ 1,998  |
| <b>Tangible assets reconciliation <sup>(1)</sup></b>   |           |           |           |           |           |
| Total assets   | \$ 33,367 | \$ 30,484 | \$ 30,065 | \$ 29,769 | \$ 29,110 |
| Goodwill and other intangible assets, net  | (1,233)   | (992)     | (986)     | (987)     | (987)     |
| Tangible assets  | \$ 32,134 | \$ 29,492 | \$ 29,079 | \$ 28,782 | \$ 28,123 |
| <b>Average tangible common equity and average common equity tier 1 reconciliation <sup>(1)</sup></b> |           |           |           |           |           |
| Common equity  | \$ 3,377  | \$ 3,056  | \$ 3,025  | \$ 3,005  | \$ 2,963  |
| Goodwill and other intangible assets, net  | (1,108)   | (992)     | (986)     | (987)     | (987)     |
| Tangible common equity   | 2,269     | 2,064     | 2,039     | 2,018     | 1,976     |
| Less: Accumulated other comprehensive income / loss  | 89        | 62        | 49        | 50        | 54        |
| Less: Deferred tax assets / deferred tax liabilities, net  | 32        | 29        | 32        | 32        | 32        |
| Average common equity Tier 1   | \$ 2,390  | \$ 2,155  | \$ 2,120  | \$ 2,100  | \$ 2,062  |
| <b>Selected Trend Information <sup>(2)</sup></b>   |           |           |           |           |           |
| Insurance commissions and fees   | \$ 23     | \$ 19     | \$ 20     | \$ 21     | \$ 22     |
| Service charges and deposit account fees   | 16        | 16        | 16        | 16        | 16        |
| Card-based and loan fees   | 13        | 14        | 13        | 14        | 13        |
| Trust and asset management fees  | 13        | 13        | 13        | 12        | 12        |
| Brokerage commissions and fees   | 7         | 7         | 4         | 4         | 4         |
| Fee-based revenue  | 73        | 69        | 66        | 67        | 67        |
| Other  | 17        | 16        | 20        | 15        | 13        |
| Total noninterest income   | \$ 90     | \$ 85     | \$ 86     | \$ 82     | \$ 80     |
| <b>Selected equity and performance ratios <sup>(1) (3)</sup></b>                                     |           |           |           |           |           |
| Tangible common equity / tangible assets   | 7.22 %    | 7.07 %    | 7.08 %    | 7.11 %    | 7.10 %    |
| Return on average equity   | 7.96 %    | 6.17 %    | 8.10 %    | 7.35 %    | 7.31 %    |
| Return on average tangible common equity   | 11.99 %   | 9.16 %    | 12.20 %   | 11.06 %   | 11.07 %   |
| Return on average common equity Tier 1   | 11.39 %   | 8.77 %    | 11.73 %   | 10.63 %   | 10.61 %   |
| <b>Efficiency ratio reconciliation <sup>(4)</sup></b>  |           |           |           |           |           |
| Federal Reserve efficiency ratio   | 70.76 %   | 66.93 %   | 63.92 %   | 66.69 %   | 66.39 %   |
| Fully tax-equivalent adjustment  | (0.66)%   | (1.30)%   | (1.21)%   | (1.30)%   | (1.30)%   |
| Other intangible amortization  | (0.51)%   | (0.18)%   | (0.16)%   | (0.18)%   | (0.20)%   |
| Fully tax-equivalent efficiency ratio  | 69.60 %   | 65.45 %   | 62.55 %   | 65.21 %   | 64.89 %   |
| Acquisition related costs adjustment   | (6.60)%   | — %       | — %       | — %       | — %       |
| Fully tax-equivalent efficiency ratio, excluding acquisition related costs                           | 63.00 %   | 65.45 %   | 62.55 %   | 65.21 %   | 64.89 %   |

| Acquisition Related Costs                                    | 1Q 2018 | 1Q 2018<br>per share<br>data <sup>(6)</sup> |
|--|---------|---|
| GAAP earnings  | \$ 67   | \$ 0.40                                     |
| Change of control and severance                              | 7       |   |
| Merger advisors and consultants                              | 4       |   |
| Facilities and other   | 5       |   |
| Contract terminations  | 5       |   |
| Total acquisition related costs                              | \$ 21   |   |
| Less additional tax expense                                  | \$ 5    |   |
| Earnings, excluding acquisition related costs <sup>(5)</sup> | \$ 83   | \$ 0.50                                     |

Numbers may not add due to rounding.

(1) The ratio tangible common equity to tangible assets excludes goodwill and other intangible assets, net. This financial measure has been included as it is considered to be a critical metric with which to analyze and evaluate financial condition and capital strength.

(2) These financial measures have been included as they provide meaningful supplemental information to assess trends in the Corporation's results of operations. May not match the income statement due to rounding.

(3) These capital measurements are used by management, regulators, investors, and analysts to assess, monitor and compare the quality and composition of our capital with the capital of other financial services companies.

(4) 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.

(5) This is a non-GAAP financial measure. Management believes these measures are meaningful because it reflects adjustments commonly made by management, investors, regulators, and analysts to evaluate the adequacy of earnings per common share and provides greater understanding of ongoing operations and enhances comparability of results with prior periods.

(6) Earnings and per share data presented after-tax.