First Quarter 2021 Earnings Presentation

APRIL 22, 2021

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Statements made in this presentation which are not purely historical are forward-looking statements, as defined in the Private Securities Litigation Reform Act of 1995. This includes any statements regarding management's plans, objectives, or goals for future operations, products or services, and forecasts of its revenues, earnings, or other measures of performance. Such forward-looking statements may be identified by the use of words such as "believe," "expect," "anticipate," "plan," "estimate," "should," "will," "intend," "target," "outlook," "guidance," 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 Form 10-Qs and other SEC filings, and such factors are incorporated herein by reference.

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Presentation:

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

Non-GAAP Measures:

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

2021 First Quarter Update

First quarter 2021 results reflected positive fee, credit and deposit trends across our business

Associated Banc-Corp Reports First Quarter 2021 net income available to common equity of $89 million, or $0.58 per common share

Strong Fee Income Trends Offsetting Margin Pressure

- Mortgage banking income up $9 million quarter over quarter
- Capital markets fees up $2 million quarter over quarter
- Continued strength in wealth management
- The above fees offset the impacts of LIBOR compression and mortgage refinancing on the margin

Positive Credit Dynamics

- Nonaccrual loans down 23% from 4Q 2020
- Net charge offs of $5 million, down 83% from 4Q 2020
- Negative provision of $23 million
- Net reserve release of $28 million
- Well reserved with ACLL to loan ratio of 1.67% at the end of 1Q 2021

Growing Low-Cost Core Deposit Base to Support Expected Loan Growth

- Record levels of noninterest-bearing deposit inflows
- However, this added liquidity also depressed margins
- Low-cost deposits accounted for ~65% of total deposits at the end of 1Q 2021
- Loan-to-deposit ratio of 87% at the end of 1Q 2021

Contributing to Strong Profitability and Capital Trends

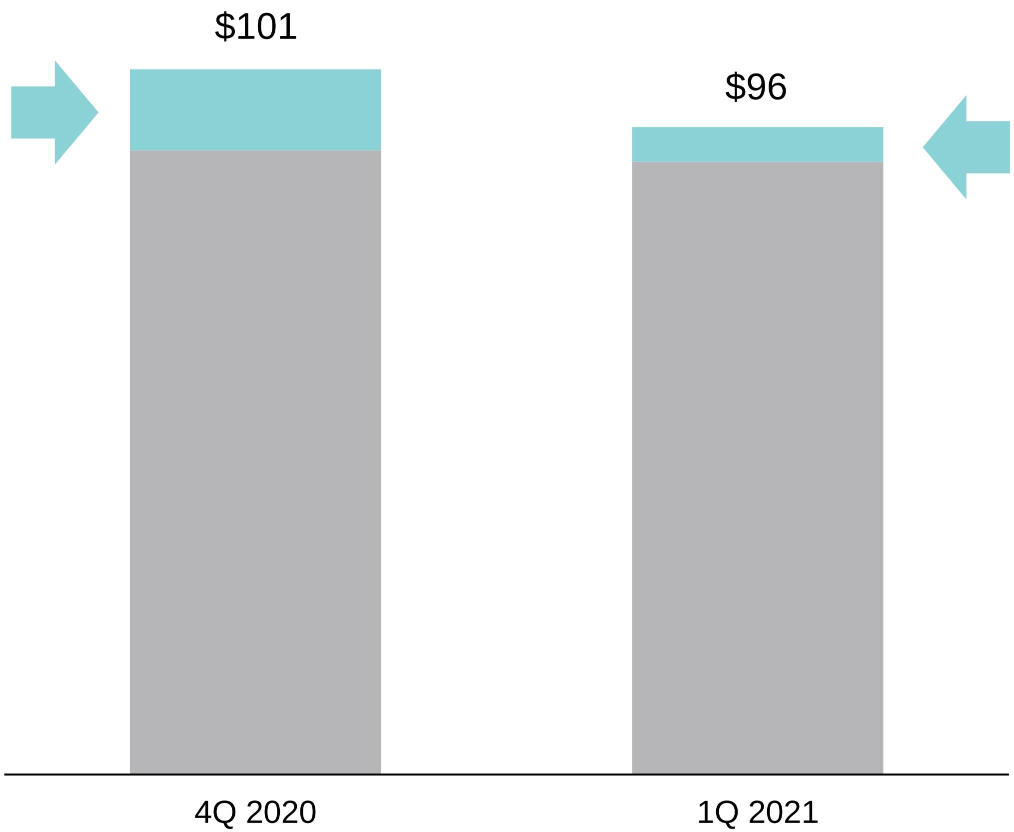
- ROATCE of 14.03%
- ROAA of 1.14%
- Repurchased $18 million of common stock in first quarter
- Increasing tangible book value per share; $16.95 at 3/31/21
- All capital ratios finished 1Q 2021 higher than 1Q 2020

Pre-Tax Pre-Provision Income[1]

PTPP income[2] has remained relatively flat quarter over quarter

($ in millions)

4Q 2020 PTPP income included $7 million of gains on the sale of branches



1Q 2021 PTPP income includes $3 million of branch and subsidiary gains on sale

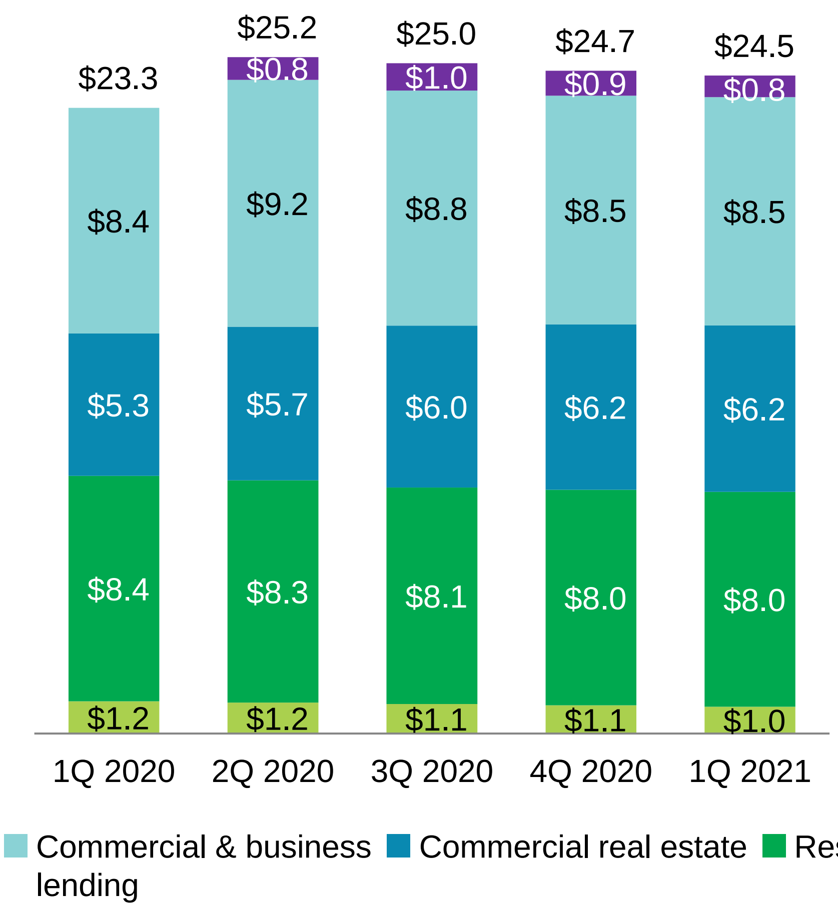
[1] Given the adoption of CECL last year and the volatility of provision during the pandemic, we believe pre-tax pre-provision income provides meaningful disclosure to investors regarding the Company's operations.
[2] A non-GAAP measure. Please refer to the appendix for a reconciliation of pre-tax pre-provision income to income before income taxes.

Quarterly Loan Trends

Growth in Specialized Lending and CRE Construction; offset by low general Commercial loan utilization

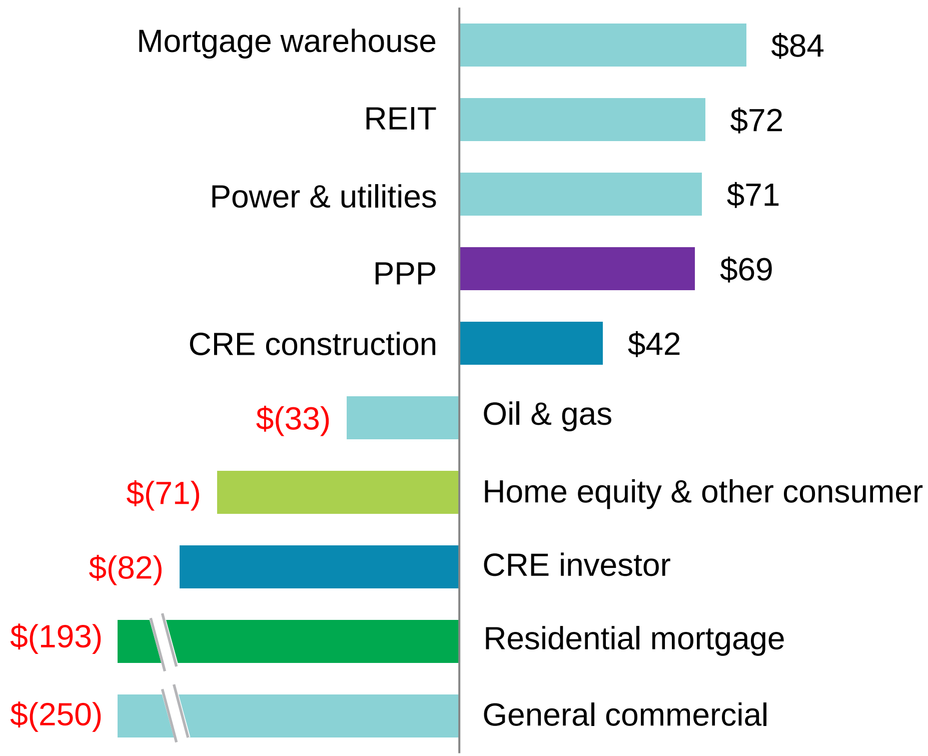
Average Quarterly Loans

($ in billions)



EOP Loan Change (4Q 2020 to 1Q 2021)

($ in millions)

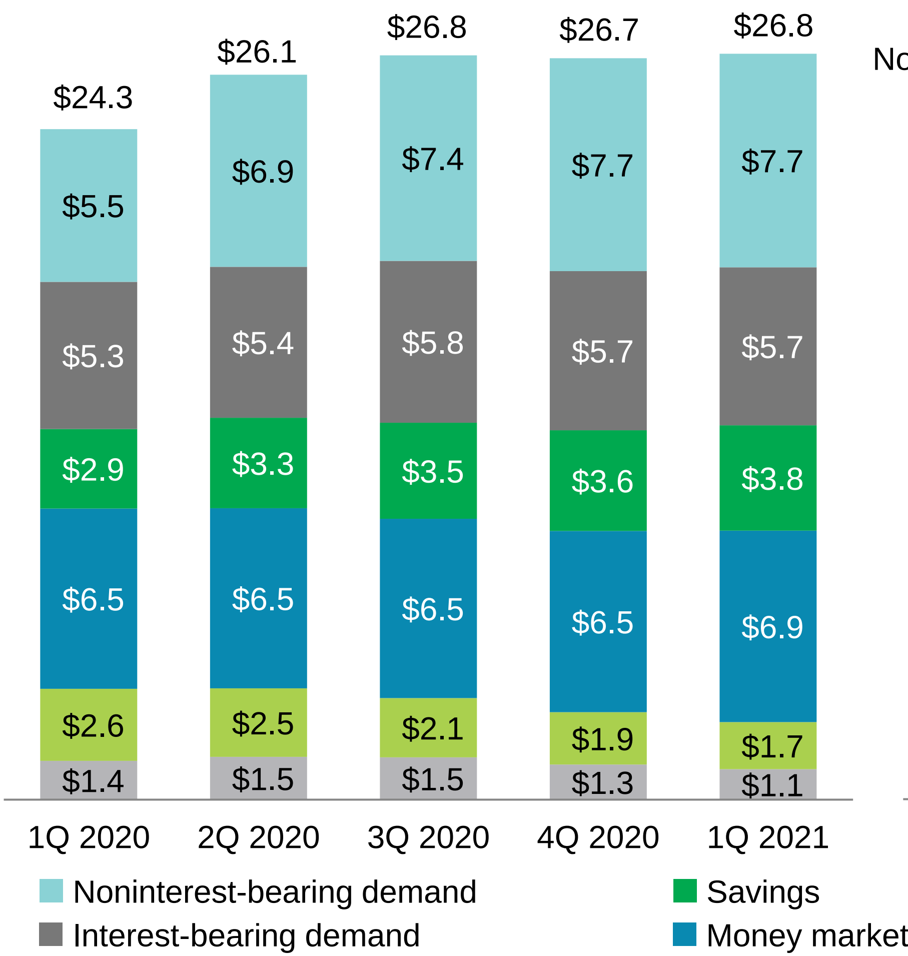


Quarterly Deposit Portfolio Trends

We continue to improve the mix of low-cost, core customer funding

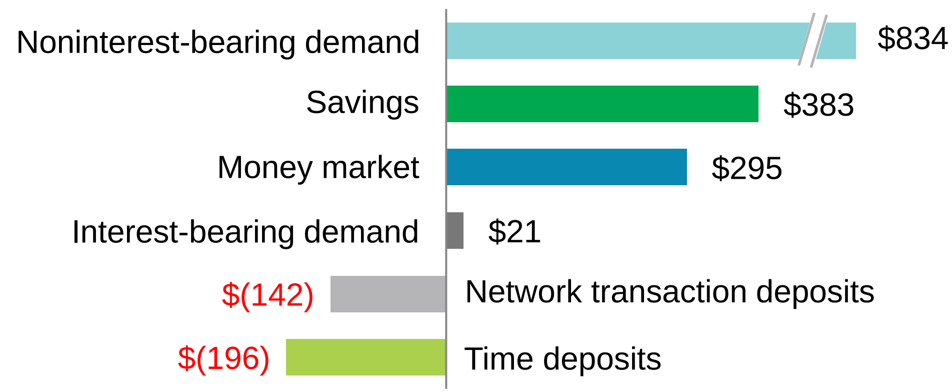
Average Quarterly Deposits

($ in billions)

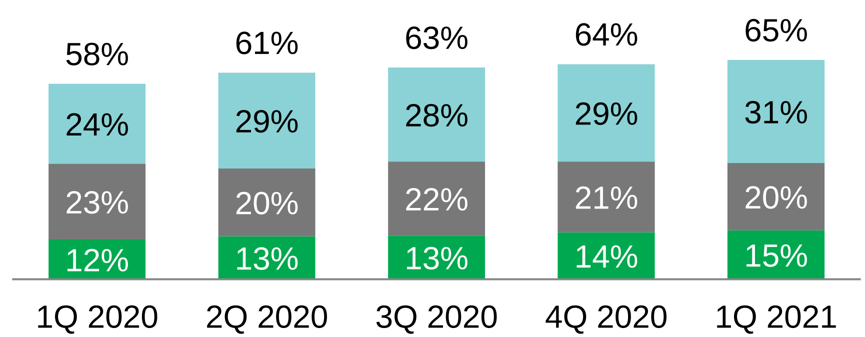


EOP Deposit Change (4Q 2020 to 1Q 2021)

($ in millions)



EOP Low-Cost Deposit Mix Trend

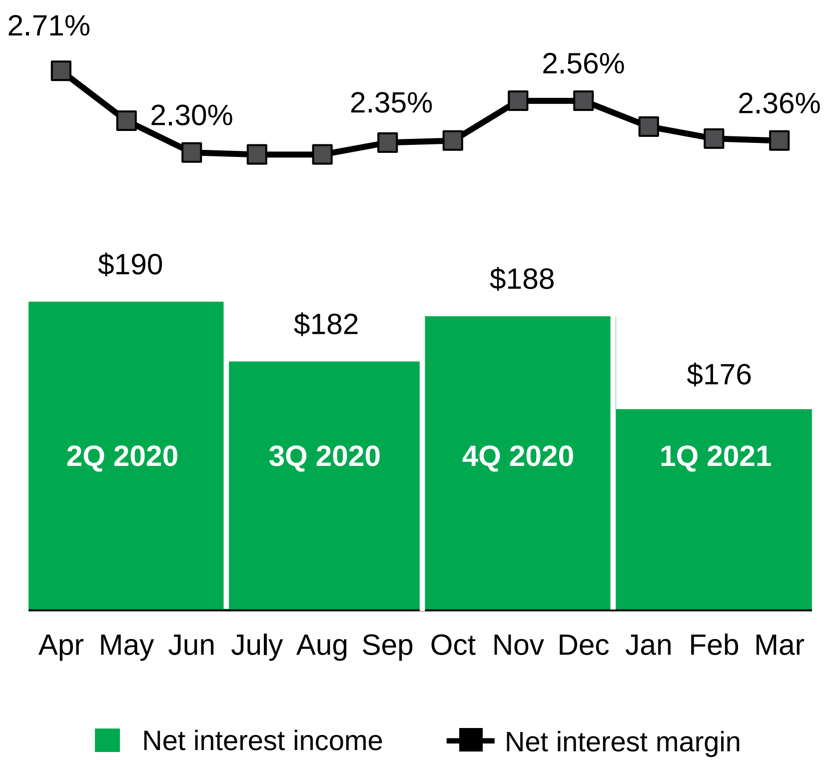


Net Interest Income and Yield Trends

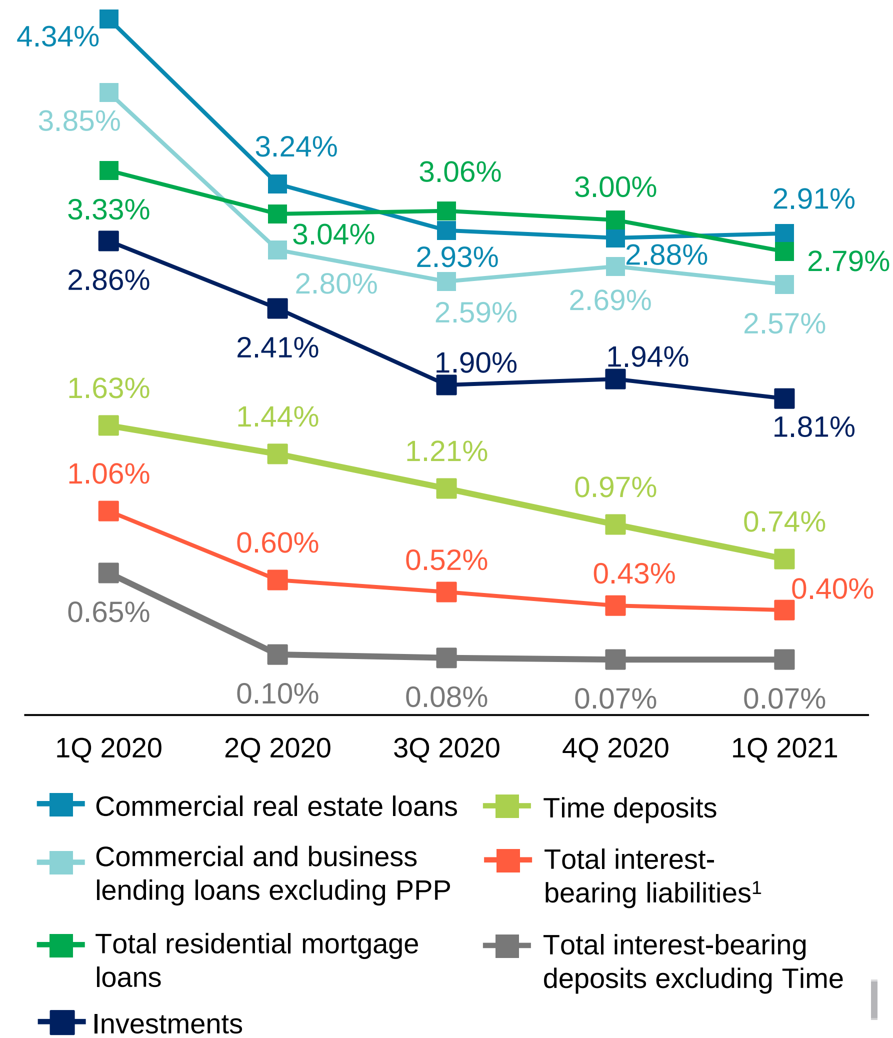
1Q margin dipped as declining mortgage and C&I spreads outpaced declining liability costs

Quarterly NII and Monthly NIM

($ in millions)



Average Yields

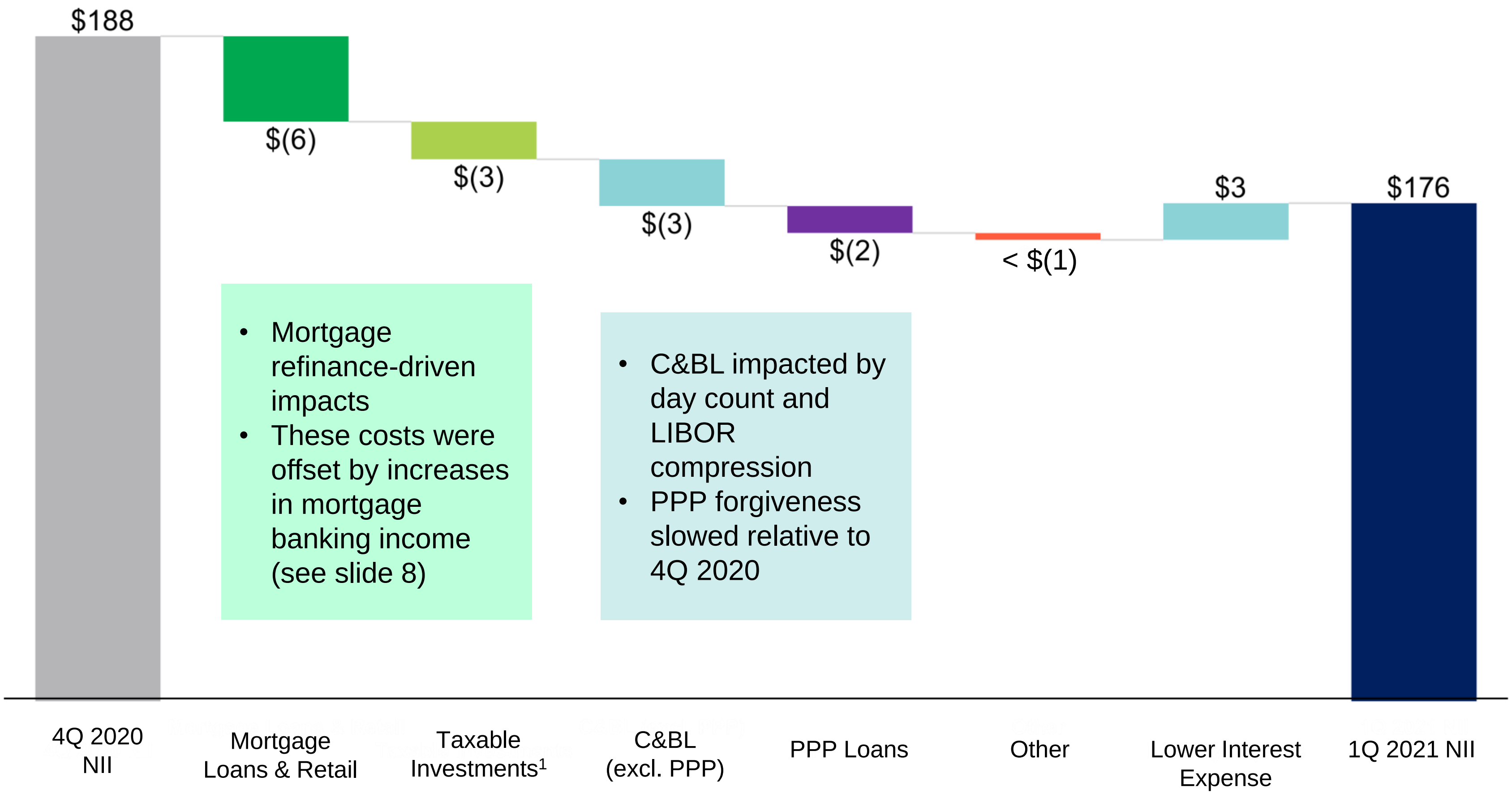


[1] Reflects approximately $1 billion repayment of FHLB advances in 3Q and $1 billion repayment of PPPLF in 4Q.

Net Interest Income Walkforward

Elevated mortgage refinance activity, LIBOR compression and a shortened day count pressured 1Q NII

($ in millions)



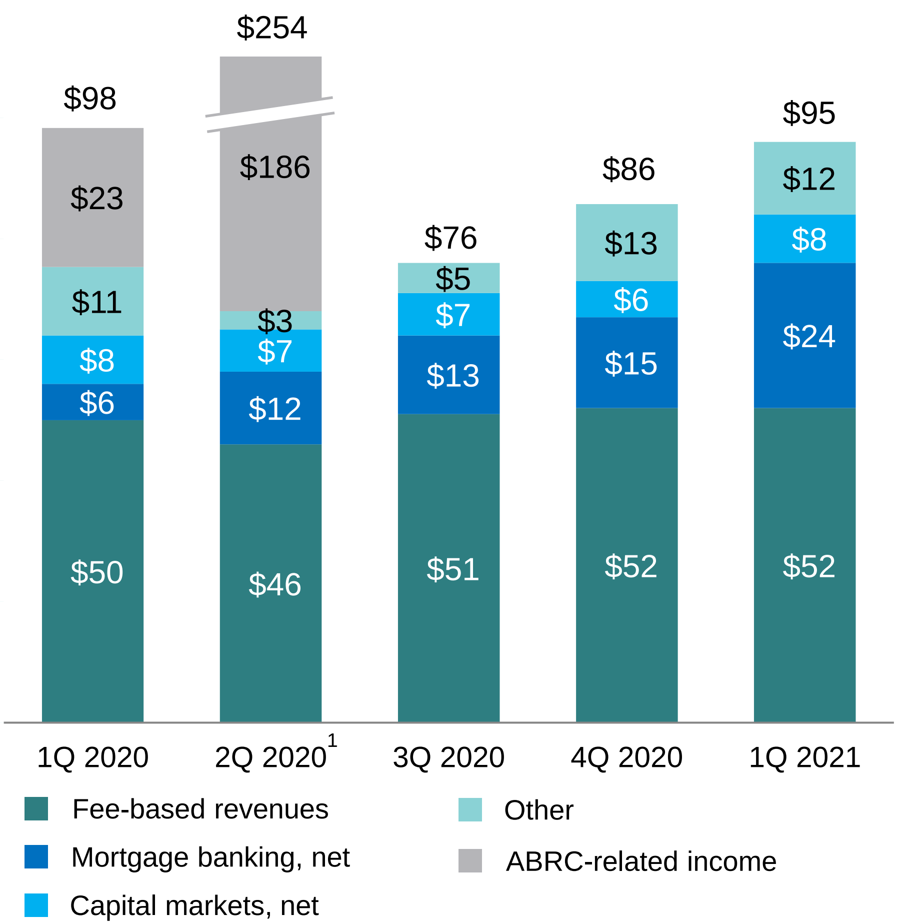
[1] Principally composed of residential mortgage related securities.

Noninterest Income Trends

Quarterly noninterest income grew by over 11%, driven by mortgage banking and capital markets income

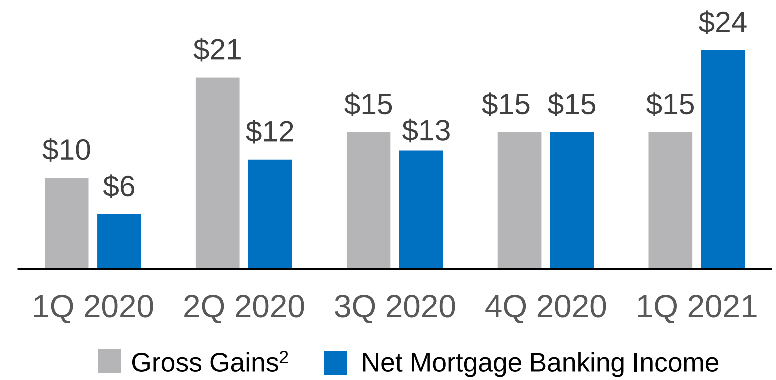
Noninterest Income Trend

($ in millions)



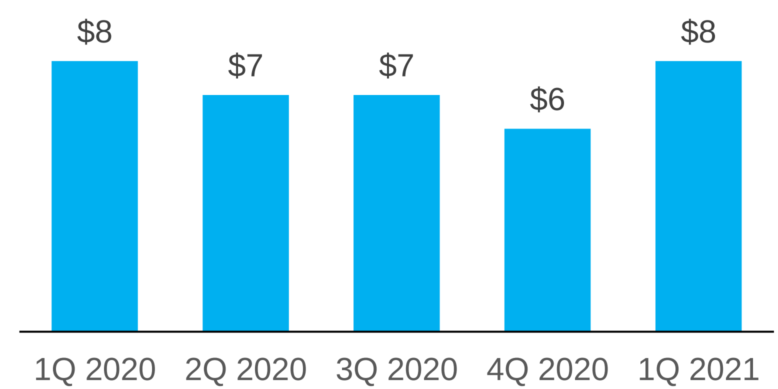
Net Mortgage Banking Income

($ in millions)



Net Capital Markets Income

($ in millions)



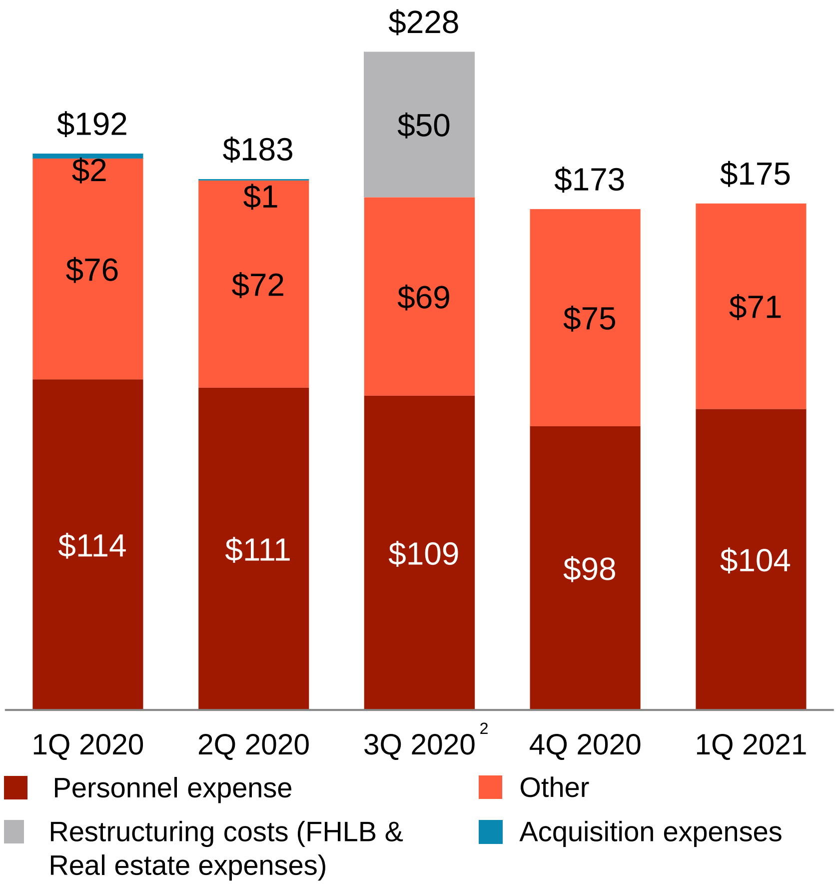
[1] Includes a gain of $163 million from the sale of Associated Benefits & Risk Consulting.
[2] Mortgage banking gains and fair value adjustments on loans held for sale.

Noninterest Expense Trends

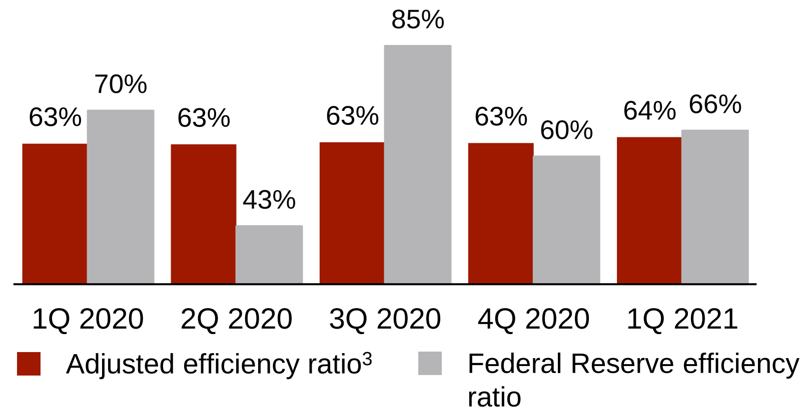
Noninterest expense down 9% YoY, 11% YoY improvement in noninterest expense to average assets ratio[1]

Noninterest Expense

($ in millions)

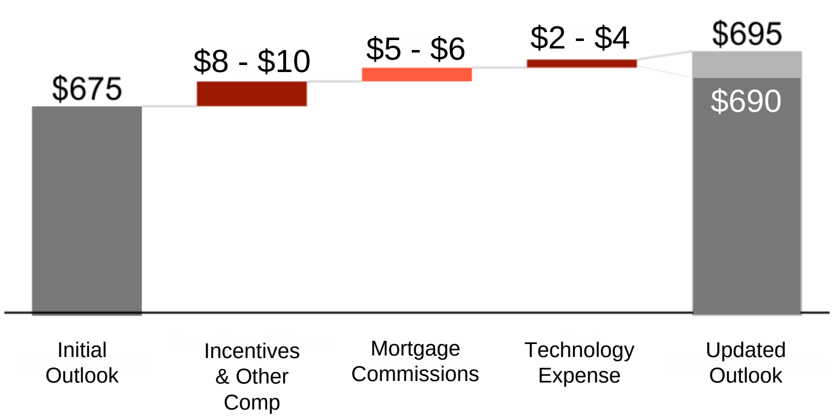


Adjusted Efficiency Ratio[3]



2021 Noninterest Expense Outlook

($ in millions)



[1] Annualized.
[2] Personnel expense includes $10 million of severance.
[3] A non-GAAP financial measure. Please refer to the appendix for a reconciliation of the adjusted efficiency ratio to the Federal Reserve efficiency ratio.

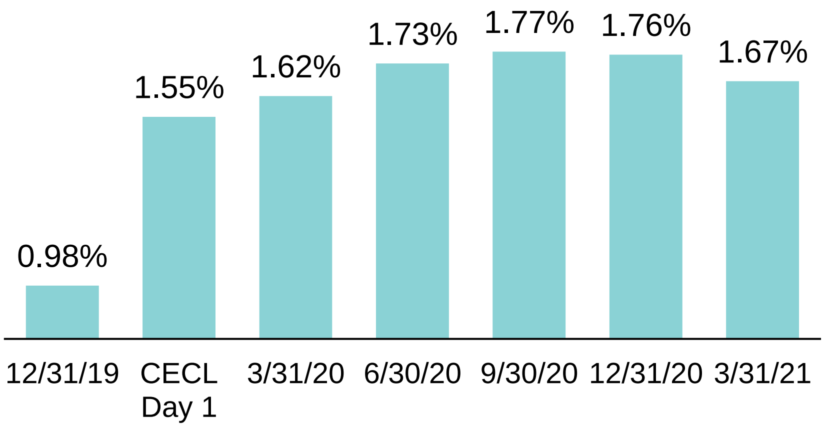
Allowance Update

ACLL[1] decreased $28 million and covered 1.67% of loan balances at the end of 1Q 2021

First Quarter ACLL

- Allowance for credit losses on loans (ACLL) decreased $28 million at the end of 1Q 2021 from 4Q 2020
- 1Q 2021 provision of negative $23 million, down $40 million from 4Q 2020
- CECL forward looking assumptions based on Moody's March 2021 Baseline forecast

ACLL / Total Loans



($ in thousands)

Loan Category	ACLL[1] CECL Day 1	ACLL[1] / Loans CECL Day 1	ACLL[1] 12/31/2020	ACLL[1] / Loans 12/31/2020	ACLL[1] 3/31/2021	ACLL[1] / Loans 3/31/2021
C&BL - excl. Oil & Gas	$ 92,203	1.19%	$ 122,994	1.48%	$ 118,841	1.43%
C&BL Oil & Gas	68,687	14.08%	53,650	18.12%	$ 42,683	16.52%
PPP Loans	-	-	531	0.07%	$ 607	0.07%
CRE - Investor	43,331	1.14%	94,071	2.17%	$ 89,894	2.11%
CRE - Construction	58,261	4.10%	78,080	4.24%	$ 73,552	3.91%
Residential Mortgage	50,175	0.62%	42,996	0.55%	$ 45,215	0.59%
Other Consumer	41,768	3.47%	39,154	3.84%	$ 32,921	3.47%
Total	**$ 354,425**	**1.55%**	**$ 431,478**	**1.76%**	**$ 403,714**	**1.67%**
Total (excl. PPP Loans)	$ 354,425	1.55%	$ 430,946	1.82%	$ 403,107	1.73%

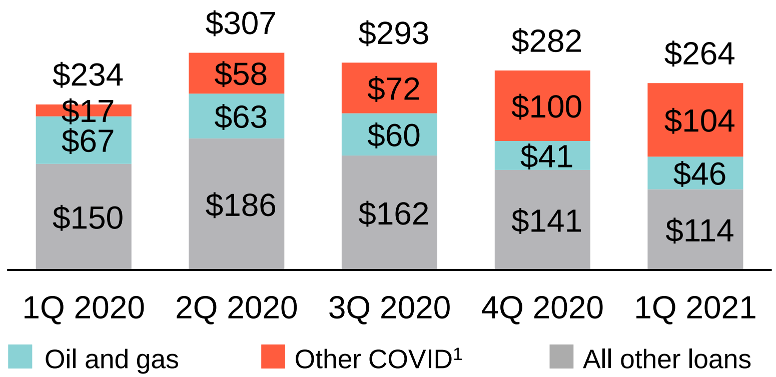
[1] Includes funded and unfunded reserve for loans, excludes reserve for HTM securities.

Credit Quality – Quarterly Trends

Credit metrics continued to improve during 1Q 2021

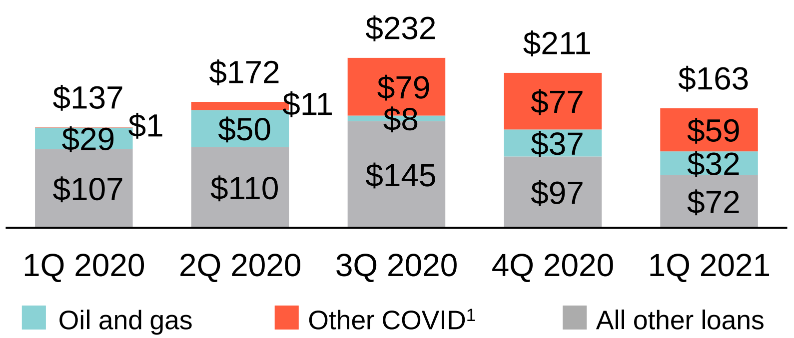
Potential Problem Loans

($ in millions)



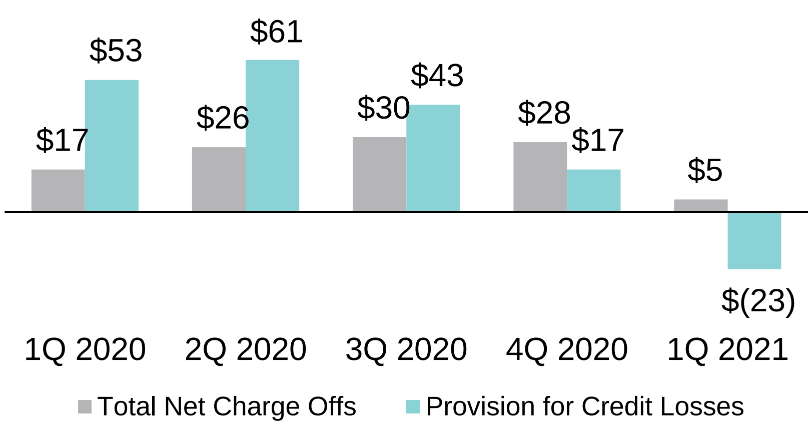
Nonaccrual Loans

($ in millions)



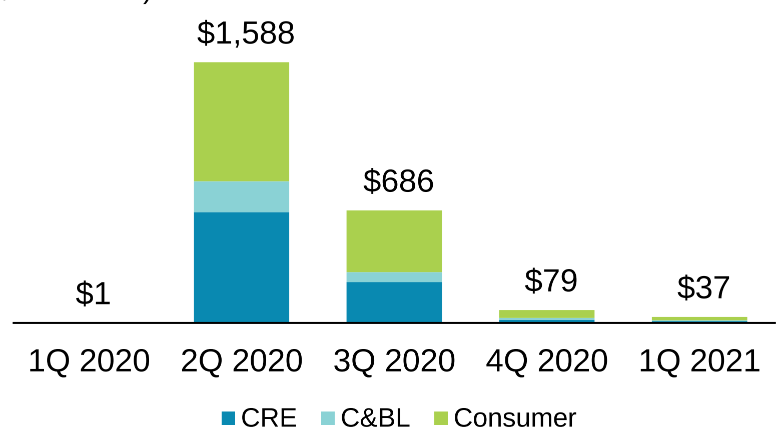
Net Charge Offs and Provision

($ in millions)



Active Loan Deferrals

($ in millions)

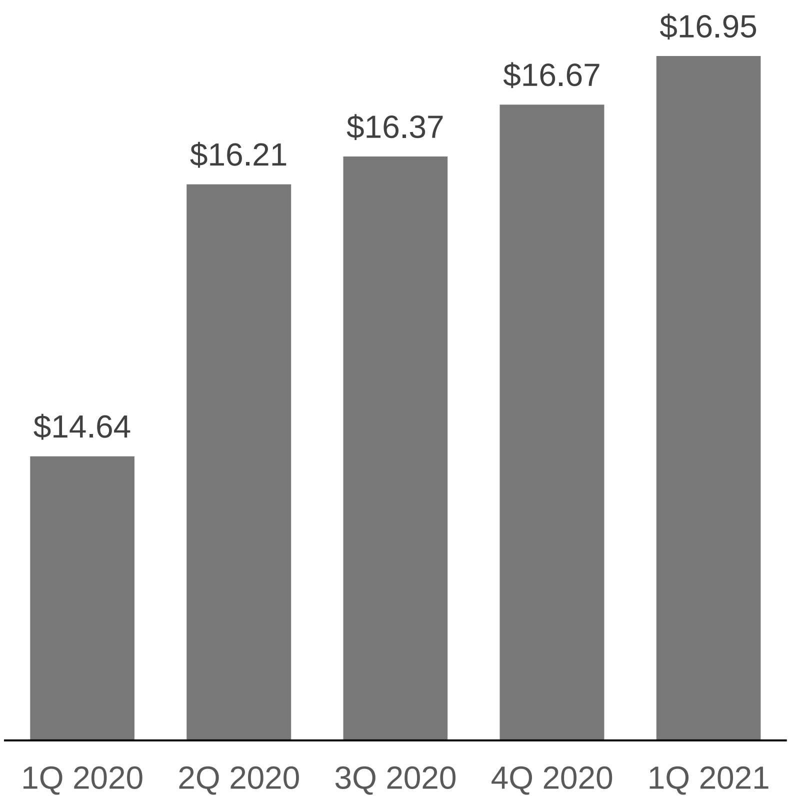


[1] Please see slide 16 for more detail on our Key COVID Commercial Loan Exposures.

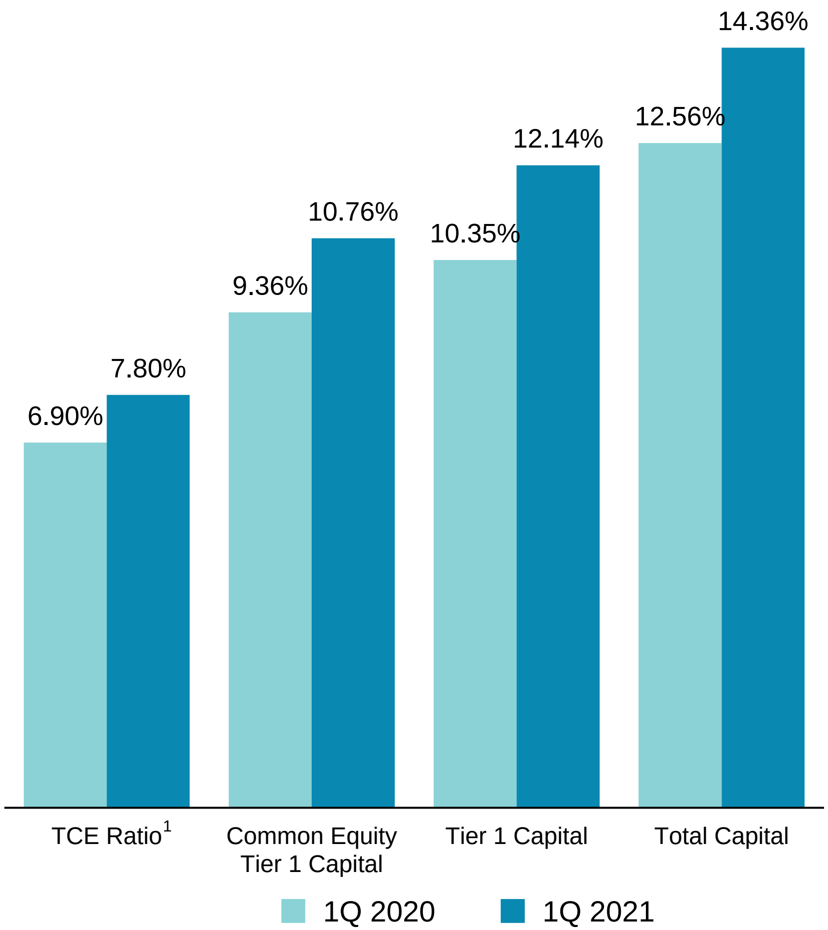
Strong Capital Position

Tangible Book Value has increased 16% from 1Q 2020 through 1Q 2021

Tangible Book Value / Share



Capital Ratios



[1] Tangible common equity / tangible assets. This is a non-GAAP financial measure. See Appendix for a reconciliation of non-GAAP financial measures to GAAP financial measures.

Updated 2021 Outlook

Outlook as of April 22, 2021

Balance Sheet Management

- Commercial loan growth, excluding PPP, of 2-4%
- Full year margin of 2.45% to 2.55%
- Target investments / total assets ratio of 15%

Expense Management

- We expect 2021 expenses of approximately $690 million to $695 million, reflecting:
  - Additional incentive and compensation expense
  - Additional mortgage commissions
  - Additional personnel expense including 55-60 FTEs to support the new Indirect Auto initiative
- Full-year expected effective tax rate of 19% to 21%, assuming no change in the corporate tax rate

Fee Businesses

- Noninterest income of $310 million to $330 million, reflecting positive fee income trends which we expect will outpace margin pressure
- Mortgage banking revenue expected to remain elevated in 2Q with potential further MSR recoveries should rates move higher

Capital & Credit Management

- Target TCE at or above 7.5%
- Target CET1 at or above 9.5%
- Expect a nominal full-year Provision

Appendix

Total Loans Outstanding Balances as of March 31, 2021

Well-diversified $24 billion loan portfolio

($ in millions)

	3/31/2021[1]	% of Total Loans
C&BL (by NAICS[2])		
Utilities	$ 1,678	6.9%
Wholesale/Manufacturing	1,558	6.4%
Mortgage Warehouse	1,377	5.7%
Real Estate (includes REITs)	1,139	4.7%
Construction	383	1.6%
Health Care and Social Assistance	374	1.5%
Retail Trade	321	1.3%
Mining[3]	291	1.2%
Rental and Leasing Services	281	1.2%
Professional, Scientific, and Tech. Serv.	277	1.1%
Transportation and Warehousing	190	0.8%
Waste Management	184	0.8%
Accommodation and Food Services	174	0.7%
Arts, Entertainment, and Recreation	122	0.5%
Information	98	0.4%
Financial Investments & Related Activities	93	0.4%
Management of Companies & Enterprises	80	0.3%
Educational Services	63	0.3%
Public Administration	30	0.1%
Agriculture, Forestry, Fishing and Hunting	9	0.0%
Other	662	2.7%
Total C&BL	$ 9,384	38.8%

	3/31/2021[1]	% of Total Loans
CRE (by property type)		
Multi-Family	$ 2,006	8.3%
Office/Mixed	1,270	5.3%
Industrial	1,053	4.4%
Retail	929	3.8%
Single Family Construction	339	1.4%
Hotel/Motel	234	1.0%
Land	110	0.5%
Parking Lots and Garages	78	0.3%
Mobile Home Parks	16	0.1%
Other	109	0.4%
Total CRE	$ 6,143	25.4%
Consumer		
Residential Mortgage	$ 7,685	31.8%
Home Equity	652	2.7%
Student Loans	115	0.5%
Credit Cards	99	0.4%
Other Consumer	85	0.4%
Total Consumer	$ 8,635	35.7%
Total Loans	$ 24,162	100.0%

[1] All values as of period end.
[2] North American Industry Classification System.
[3] Includes oil and gas loans.

Key COVID Commercial Loan Exposures[1]

Key COVID commercial loan exposures are spread across multiple industries without large concentrations

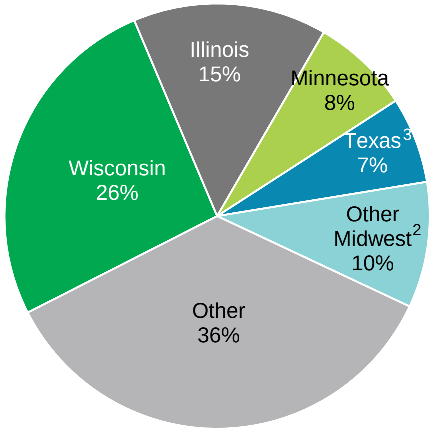
($ in millions)

	C&BL	Utilization	CRE	Utilization	Total	% of total loans
Retailers/Shopping Centers[2]						
Retailers	$ 76.8	39%	$ 672.9	92%	$ 749.7	3.10%
Retail REITs	180.4	47%	101.1	100%	281.5	1.17%
Subtotal	257.2	44%	774.1	93%	1,031.2	4.27%
Hotels, Amusement & Related						
Hotels	2.3	70%	234.3	91%	236.5	0.98%
Parking Lots and Garages	22.2	67%	95.7	90%	118.0	0.49%
Casinos	25.3	100%	-	-	25.3	0.10%
Recreation & Entertainment	31.7	31%	5.7	97%	37.4	0.15%
Movie Theaters	9.4	29%	-	-	9.4	0.04%
Subtotal	90.9	46%	335.7	91%	426.6	1.77%
Restaurants						
Full-Service	66.2	75%	14.3	100%	80.6	0.33%
Limited-Service & Other	22.7	90%	7.3	72%	30.0	0.12%
Subtotal	89.0	78%	21.6	89%	110.6	0.46%
Transportation & Other						
Transportation Services	50.8	80%	-	-	50.8	0.21%
Fracking Sand Mining	-		-	-	-	
Subtotal	50.8	80%	-	-	50.8	0.21%
Total	$ 487.8	51%	$ 1,131.4	92%	$ 1,619.2	6.70%

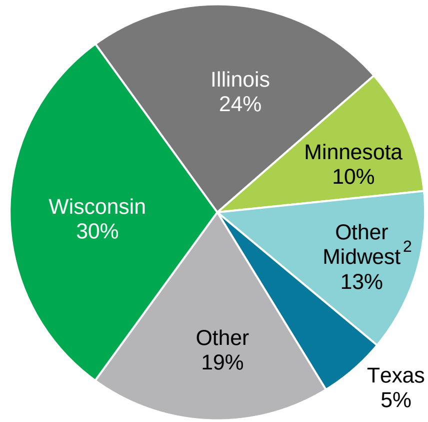
[1] As of 3/31/2021. Excludes $258 million Oil & Gas portfolio.
[2] C&BL excludes grocers, convenience stores, vehicle dealers, auto parts and tire dealers, direct and mail order retailers, and building material dealers; CRE excludes properties primarily anchored by grocers, self-storage facilities, and vehicle dealers.

Loan Stratification Outstandings as of 3/31/2021

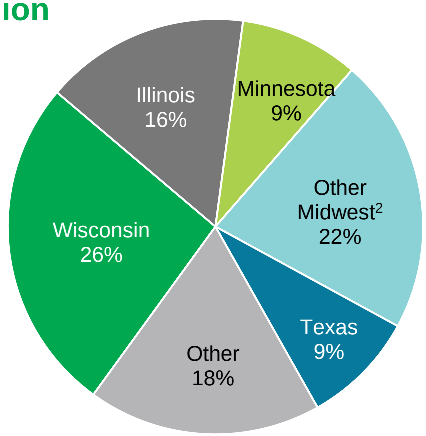
C&BL by Geography
$9.4 billion



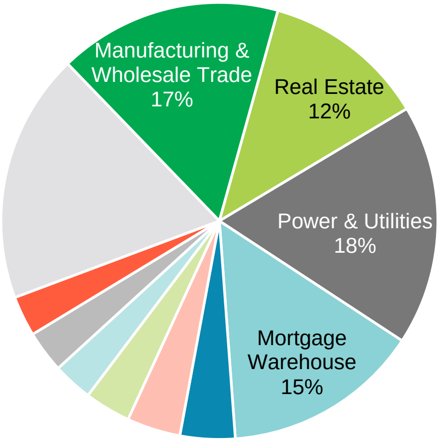
Total Loans[1]



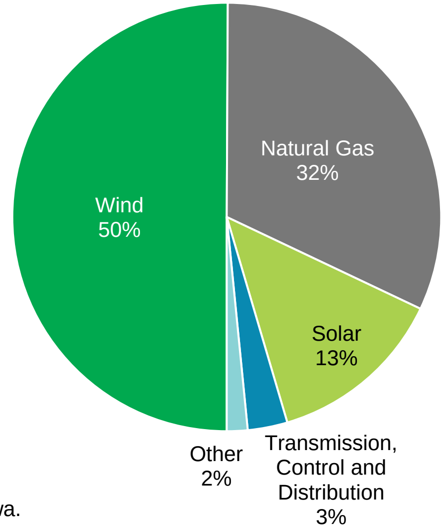
CRE by Geography
$6.1 billion



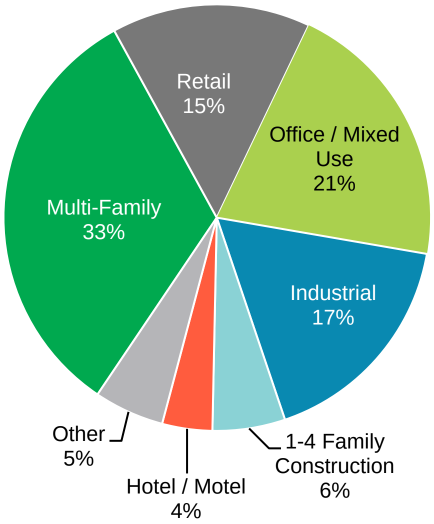
C&BL by Industry
$9.4 billion



Power & Utilities Lending
$1.7 billion



CRE by Property Type
$6.1 billion



[1] Excludes $298 million Other consumer portfolio.
[2] Other Midwest includes Missouri, Indiana, Ohio, Michigan and Iowa.
[3] Principally reflects the oil and gas portfolio.

Reconciliation and Definitions of Non-GAAP Items

($ in millions)

Pre-tax Pre-Provision Income Reconciliation[1]	4Q 2020	1Q 2021
Pre-tax pre-provision income		
Income (loss) before income taxes	$84	$119
Provision for credit losses	17	(23)
Pre-tax pre-provision income	$101	$96

Tangible Common Equity and Tangible Assets Reconciliation[2]	4Q 2020	1Q 2021
Common equity	$3,737	$3,774
Goodwill and other intangible assets, net	(1,178)	(1,170)
Tangible common equity	$2,560	$2,605
Total assets	$33,420	$34,575
Goodwill and other intangible assets, net	(1,178)	(1,170)
Tangible assets	$32,242	$33,406

[1] 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.

[2] 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.

Reconciliation and Definitions of Non-GAAP Items

Efficiency Ratio Reconciliation	1Q 2020	2Q 2020	3Q 2020	4Q 2020	1Q 2021
Federal Reserve efficiency ratio	70.37%	43.49%	85.41%	59.68%	65.74%
Fully tax-equivalent adjustment	(0.96)%	(0.39)%	(1.29)%	(0.84)%	(0.97)%
Other intangible amortization	(0.95)%	(0.65)%	(0.87)%	(0.82)%	(0.82)%
Fully tax-equivalent efficiency ratio	68.47%	42.26%	83.25%	58.02%	63.96%
Acquisition related costs adjustment	(0.58)%	(0.12)%	(0.08)%	--%	(0.01)%
Provision for unfunded commitments adjustment	(5.18)%	(1.91)%	2.87%	3.42%	(1.09)%
Asset gains (losses), net adjustment	(0.02)%	22.10%	(0.11)%	(0.30)%	1.12%
Branch sales	--%	--%	--%	1.68%	0.24%
3Q 2020 initiatives	--%	--%	(22.90)%	--%	--%
Adjusted efficiency ratio[1]	62.70%	62.53%	63.02%	62.83%	64.21%

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. The adjusted efficiency ratio is noninterest expense, which excludes the provision for unfunded commitments, other intangible amortization, acquisition related costs, and 3Q20 initiatives, divided by the sum of fully tax-equivalent net interest income plus noninterest income, excluding investment securities gains (losses), net, acquisition related costs, asset gains (losses), net and gain on sale of branches. Management believes the adjusted efficiency ratio is a meaningful measure as it enhances the comparability of net interest income arising from taxable and tax-exempt sources and provides a better measure as to how the Corporation is managing its expenses by adjusting for acquisition related costs, provision for unfunded commitments, asset gains (losses), net, branch sales, and 3Q 2020 initiatives.

[1] 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.