Third Quarter 2022 Earnings Presentation

OCTOBER 20, 2022

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Forward-Looking Statements

Important note regarding forward-looking statements:

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

Third Quarter 2022 Update

3Q 2022 results reflect strong loan and deposit growth, expanding margins and stable credit

Associated Banc-Corp Reports Third Quarter 2022 Net Income Available to Common Equity of $93 Million, or $0.62 per Common Share

Growing Balance Sheet & Expanding Margins

- $720 million (+4%) of total commercial loan growth[1]
- $602 million (+6%) of total consumer loan growth[1]
- $622 million (+2%) of total deposit growth[1]
- Net interest margin expanded by 42 bps[1]

Stable Credit Trends

- NCOs / Average Loans (annualized) of 0.03% in 3Q
- Delinquencies / Loans flat at 0.07%[1]
- $17 million build in provision for credit losses on loans (growth-driven)
- ACLL / Loans flat at 1.20%[1]

Enhanced Profitability & Strong Capital Position

- Total net interest income up 22%[1]
- Pre-tax income of $122 million (+11%)[1] and PTPP income[2] of $139 million (+27%)[1]
- ROATCE[3] of 14.3%
- CET1 ratio of 9.4%

Disciplined Expense Management

- YTD total noninterest expense up 4% vs. prior year
- Personnel and technology expenses increased while occupancy expense decreased, as we continue to invest in people and reduce brick & mortar expense

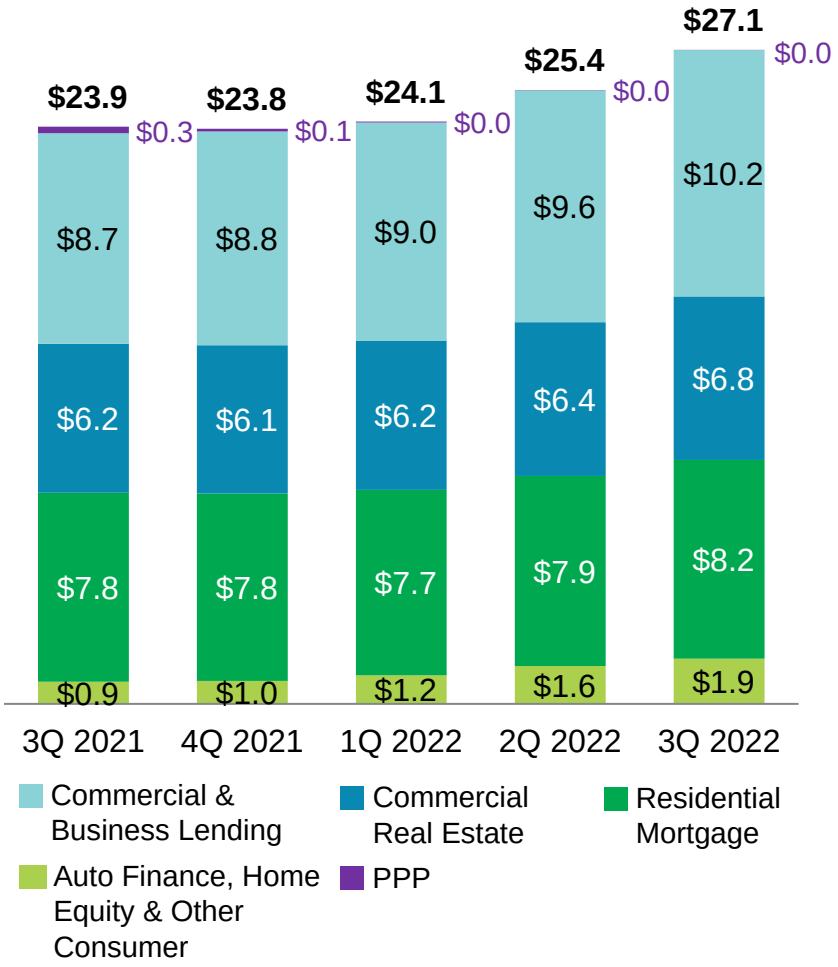
[1] All figures shown on an end of period basis with comparisons to the second quarter of 2022 unless otherwise noted.
[2] This is a non-GAAP financial measure. Please refer to slide 6 and the appendix for a reconciliation of pre-tax pre-provision income to income before income taxes. Given the adoption of CECL 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.
[3] This is a non-GAAP financial measure. See appendix for a reconciliation of non-GAAP financial measures to GAAP financial measures.

3Q 2022 Loan Trends

Total average loans grew by 7% vs. the prior quarter, while total period end loans grew by 5%

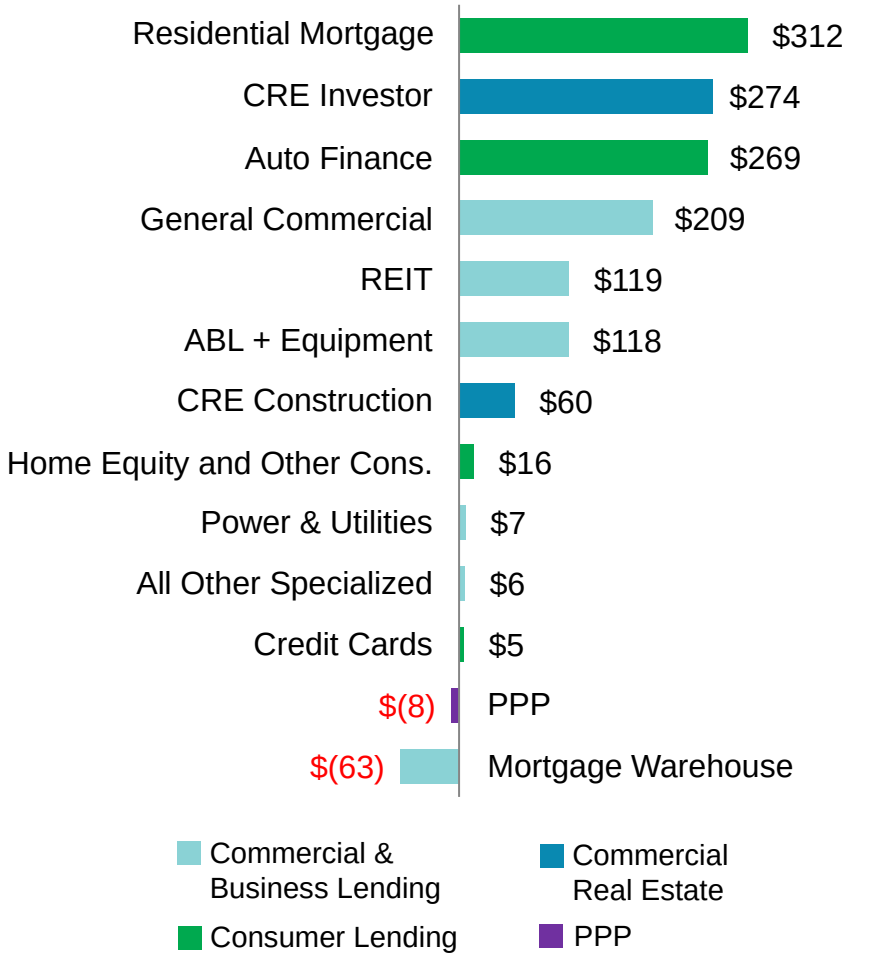
Average Quarterly Loans

($ in billions)



EoP Loan Change (6/30/2022 to 9/30/2022)

($ in millions)



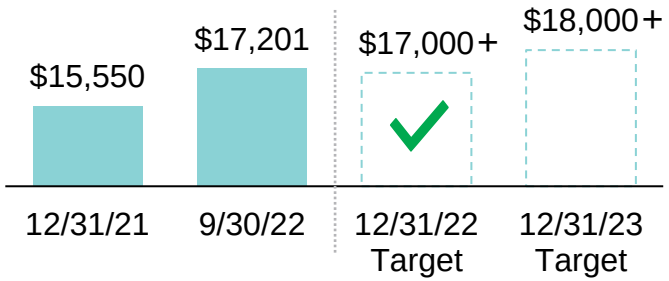
Growing and Expanding our Lending Capabilities

Our strategic lending initiatives remain on track, providing additional pathways to drive balanced growth

Core Commercial[1]



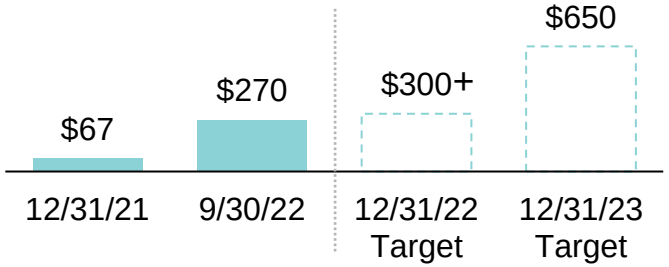
- We've strategically increased our total commercial and business relationship manager ranks by 33% from March 2021 to September 2022, which is driving core loan growth



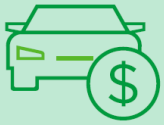
New Asset-Based Lending + Equipment Finance[2]



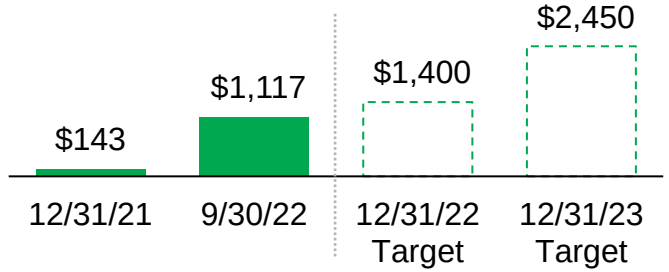
- We've built out both our asset-based and equipment finance lending teams over the past year and have steadily grown our portfolio through 2022



Auto Finance



- Our experienced auto finance team is executing a prime / super-prime growth strategy from a near-zero baseline; adding fixed-rate and less prepayment-sensitive assets to the balance sheet



[1] Includes $111 million of legacy baseline asset-based lending + equipment finance balances and excludes the balances captured in footnote 2.
[2] Reflected as balance growth above the 3Q 2021 legacy baseline of $111 million; the baseline balances are reflected in Core Commercial above.

3Q 2022 Deposit Trends

Deposits grew at a 9% annualized rate vs. the prior quarter, a result of our strategic actions over time

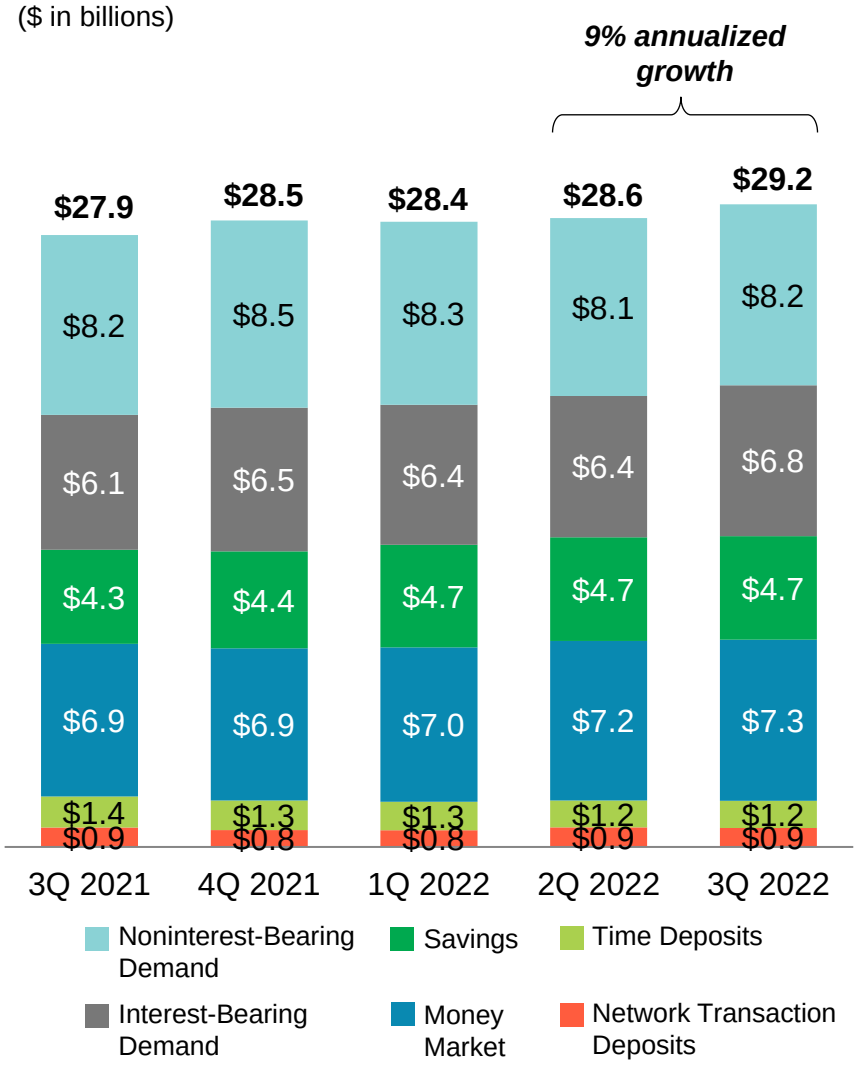
ASB Deposit Thesis

1. We've cultivated low-cost, granular core deposits over time, leading to a high degree of stability in our deposit base and limited post-COVID "surge" outflows to date

2. Our commercial strategic initiatives (+33% RMs) have emphasized attracting and deepening of holistic relationships (not just loans), allowing us to grow commercial deposit balances in 2022

3. Several consumer-focused strategies are designed to bolster deposit gathering efforts into 2023, including our new digital and mass affluent strategies

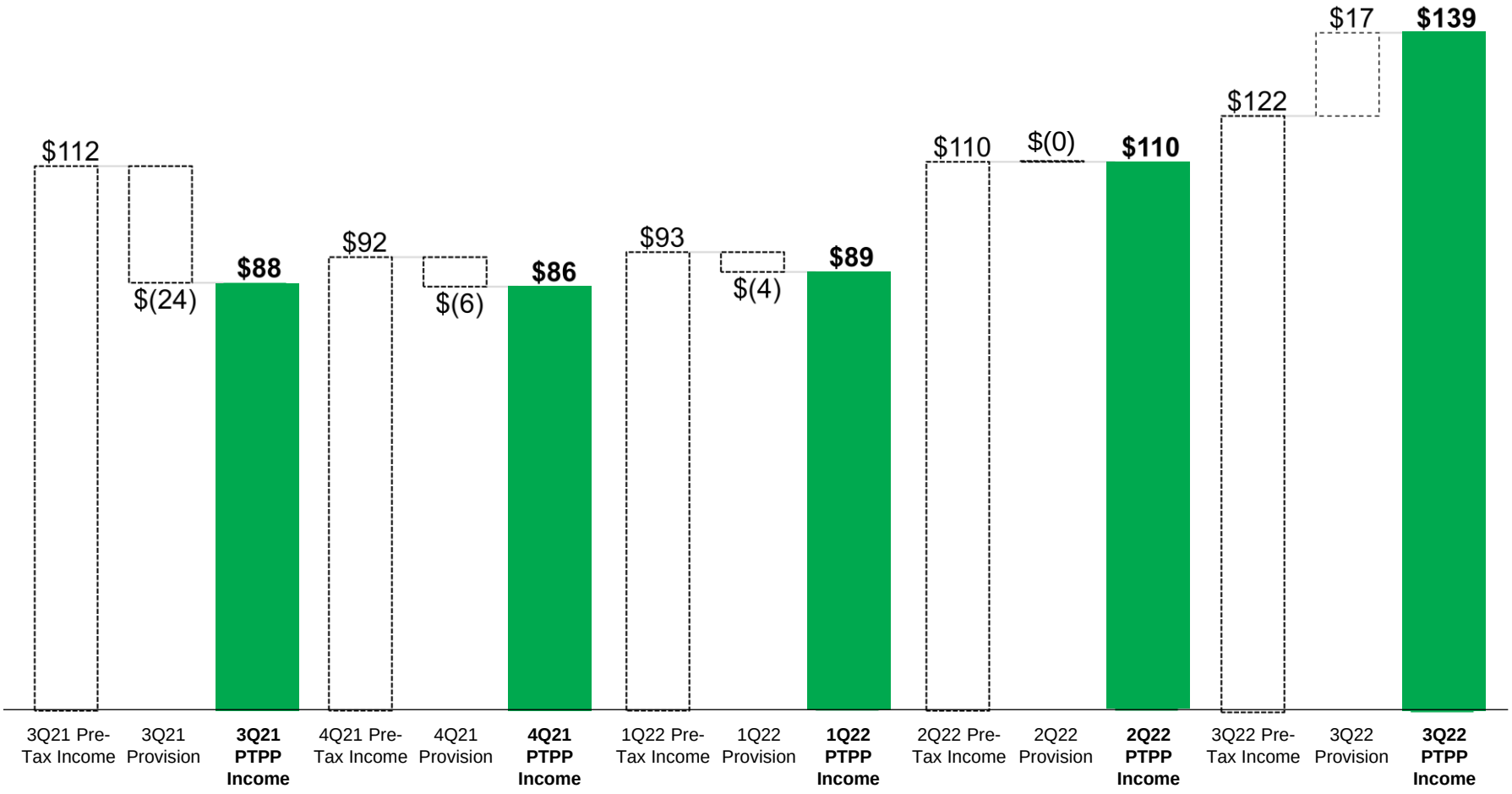
EoP Quarterly Deposits



Pre-Tax Pre-Provision Income[1] Trends

Strong revenue growth and disciplined expense management are driving positive operating leverage

($ in millions)

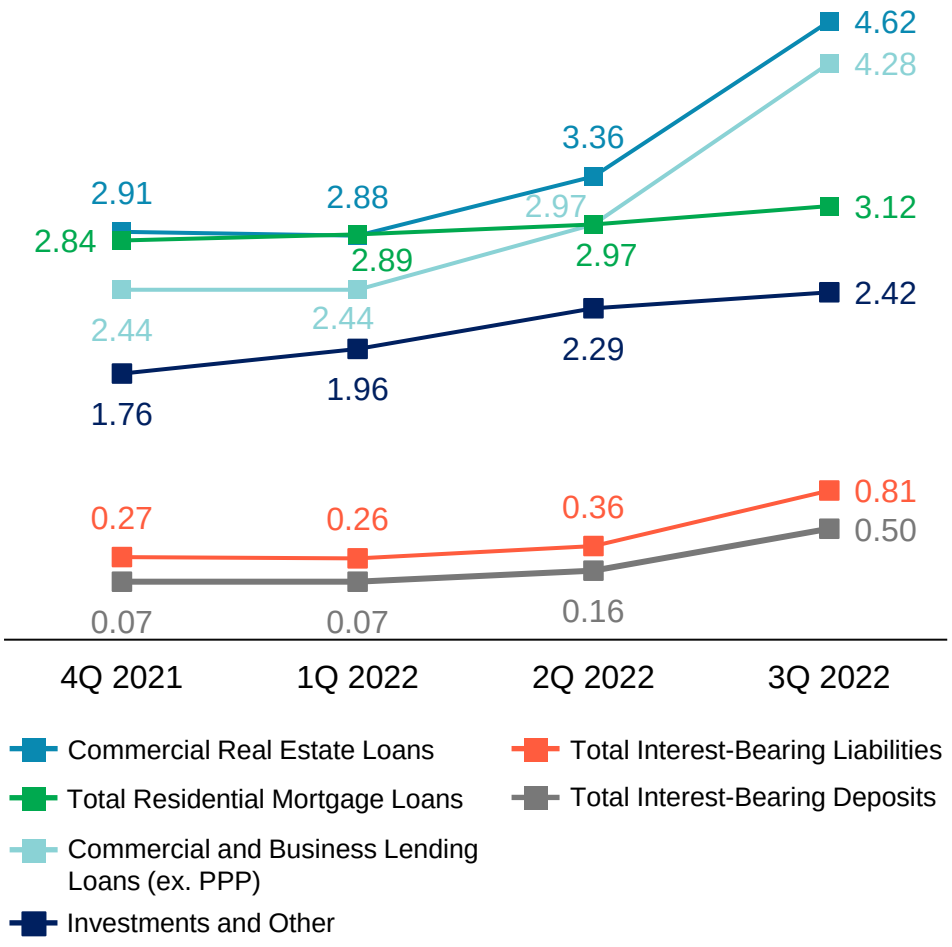


[1] This is a non-GAAP financial measure. Please refer to the appendix for a reconciliation of pre-tax pre-provision income to income before income taxes. Given the adoption of CECL and the volatility of provision during the pandemic, we believe pre-tax pre-provision income provides meaningful disclosure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

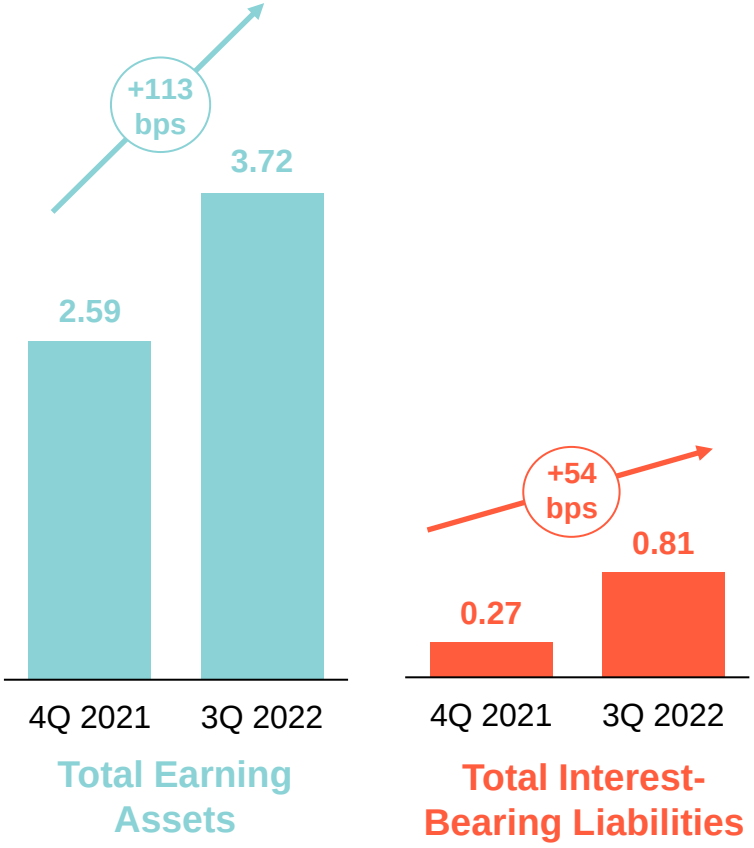
Poised for Further Margin Expansion

ASB's structurally asset sensitive balance sheet continues to benefit from the rising rate environment

Average Yields (%)



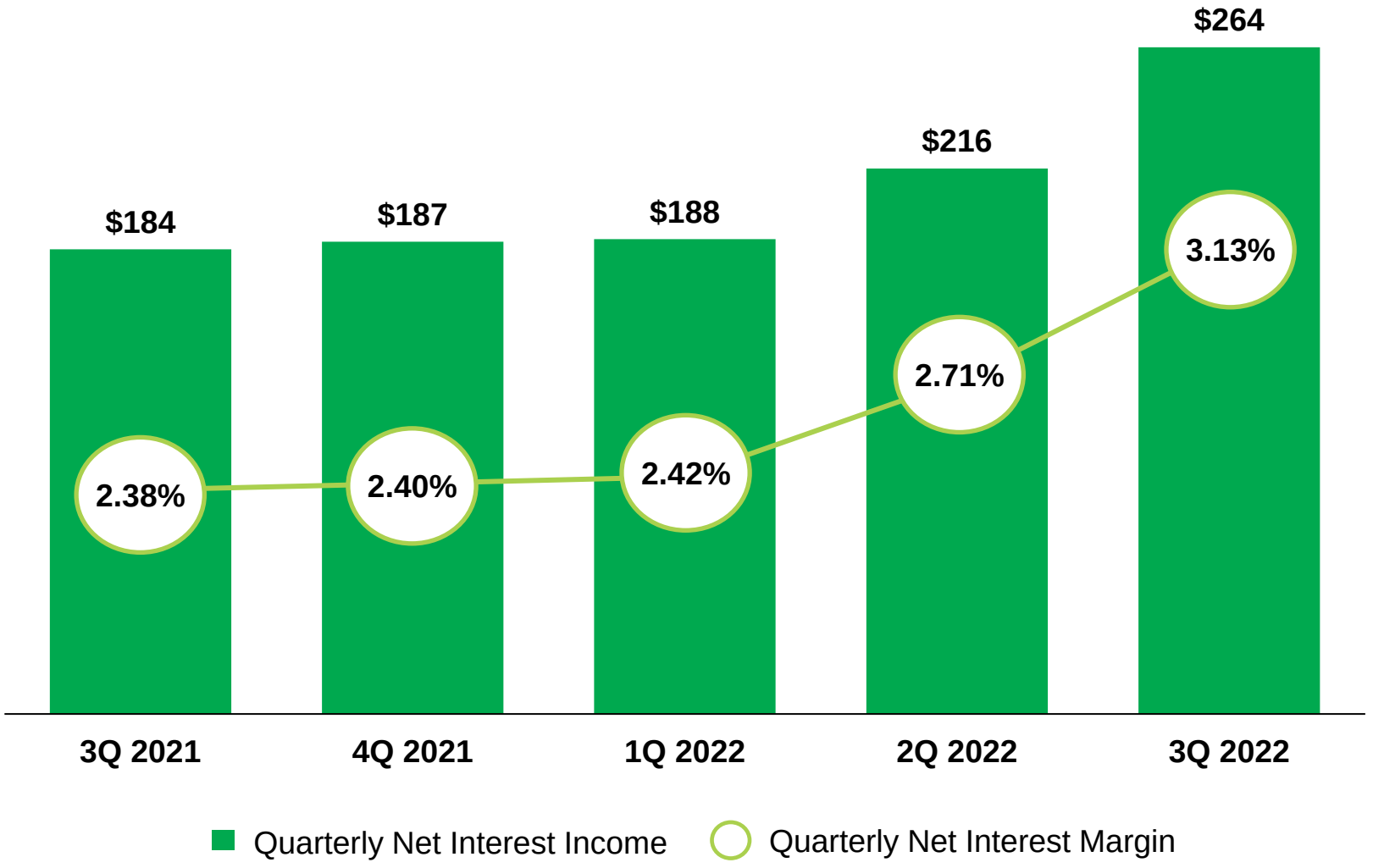
Average Yield Trends (%)



Net Interest Income & Net Interest Margin Trends

NII and NIM continued to grow in 3Q, driven by rising loan yields and controlled deposit costs

($ in millions)



Interest Rate Risk Management

While ASB remains well-positioned to benefit from higher rates, we are proactively managing the downside risk

Well-Positioned for Rising Rates

1. **92% of commercial loans outstanding** were floating rate, adjustable rate, re-pricing within one year or maturing within one year as of 6/30/2022[1]

2. **We've decreased our reliance on higher-beta network and wholesale funding** since the last rate cycle (15% of total funding in 3Q 2022 vs. 30% in 3Q 2016)

3. This higher-beta funding has been replaced by lower-cost, core customer deposits, helping us drive **total interest-bearing deposit betas of ~20% YTD**[2]

Managing Downside Risk

Already executed

$850 million

of received fixed swaps in 3Q 2022

Estimated NII Sensitivity Profile

Δ in interest rates	*2Q 2022*	*3Q 2022*
+200 bps ramp over 12 months	10.8%	9.2%
+100 bps ramp over 12 months	5.4%	4.6%
-100 bps ramp over 12 months	(5.0%)	(4.3%)

[1] Based on latest available data as of 2Q 2022.

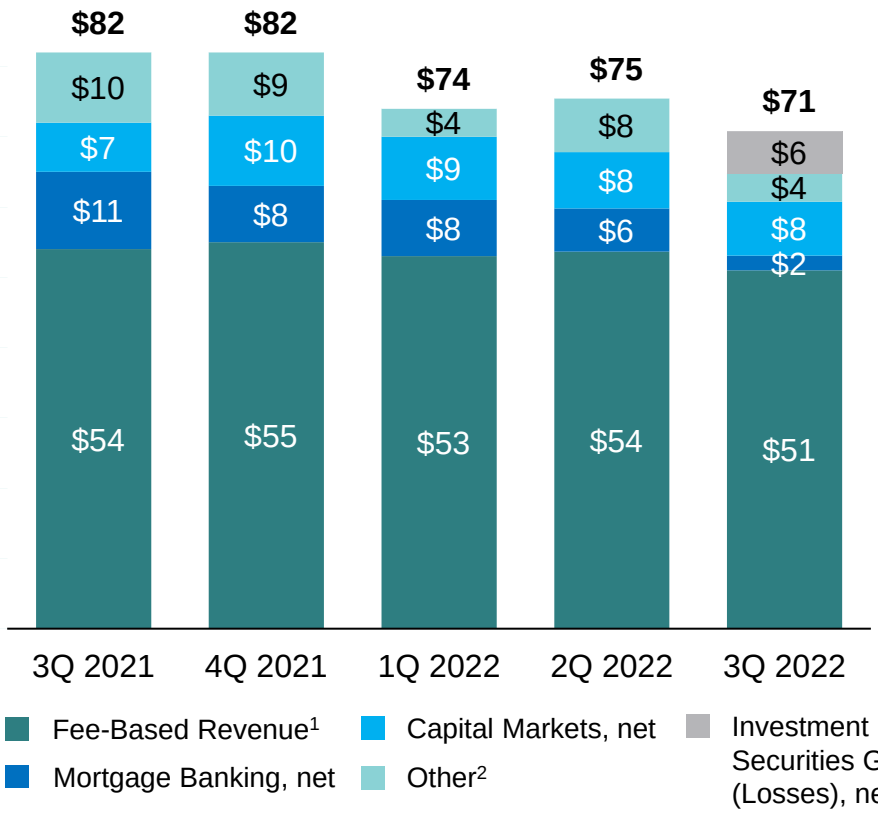
[2] Beta calculated as change in quarterly average yield from 4Q 2021 to 3Q 2022 vs. change in average Fed Effective Rate. Fed data derived from St. Louis FRED database.

Noninterest Income Trends

Noninterest income remains pressured by mortgage banking and service charge headwinds

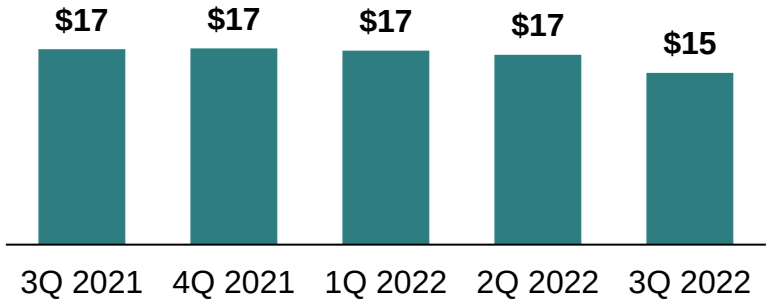
Noninterest Income Trends

($ in millions)



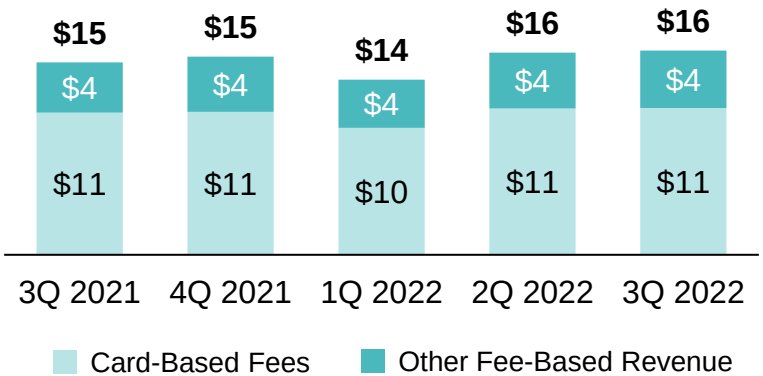
Service Charges & Deposit Account Fees

($ in millions)



Card-Based Fees & Other Fee-Based Revenue

($ in millions)



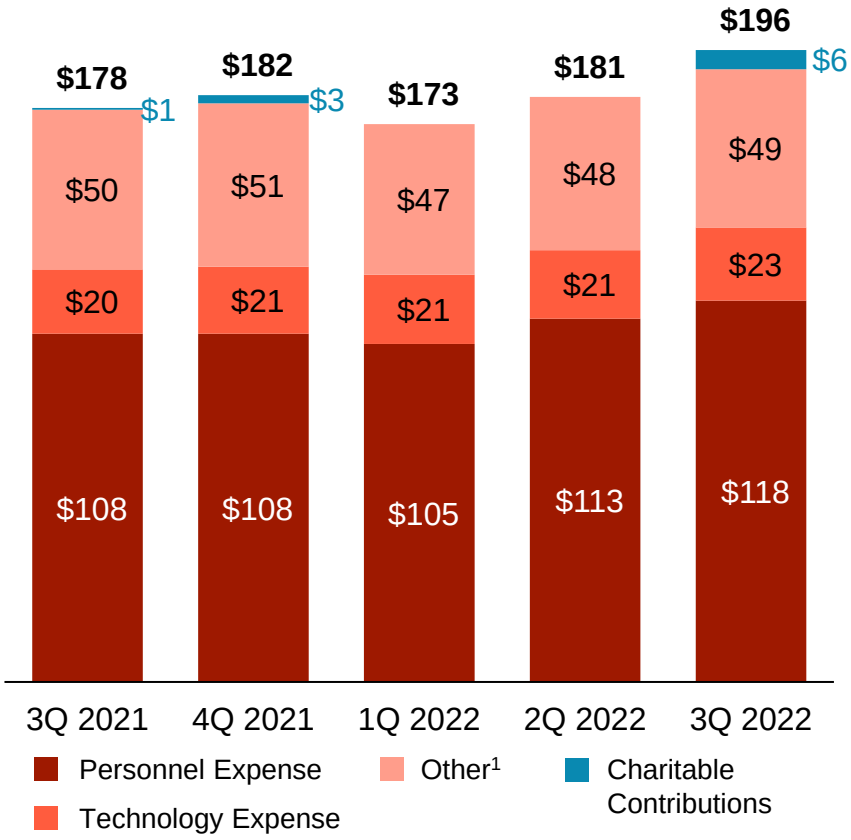
[1] This is a non-GAAP financial measure. Please refer to the appendix for a reconciliation of fee-based revenue to noninterest income.
[2] Other noninterest income primarily comprised of bank and corporate owned life insurance and asset gains, net.

Noninterest Expense Trends

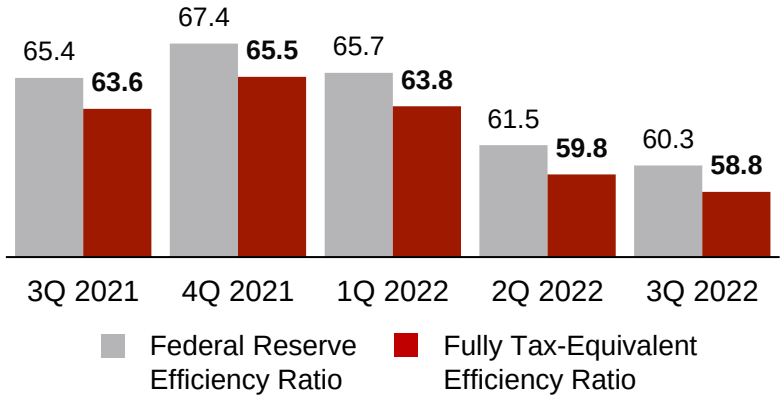
We continue to invest in people and technology while keeping expense growth below total revenue growth

Noninterest Expense Trends

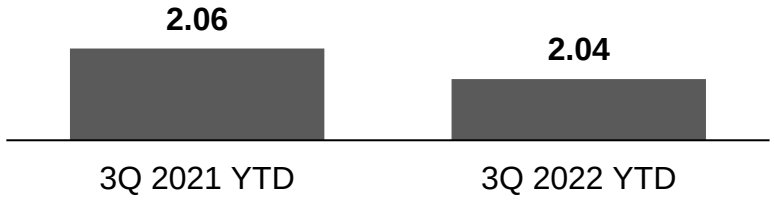
($ in millions)



Fully Tax-Equivalent Efficiency Ratio[2] (%)



Annualized Noninterest Exp. / Avg. Assets (%)

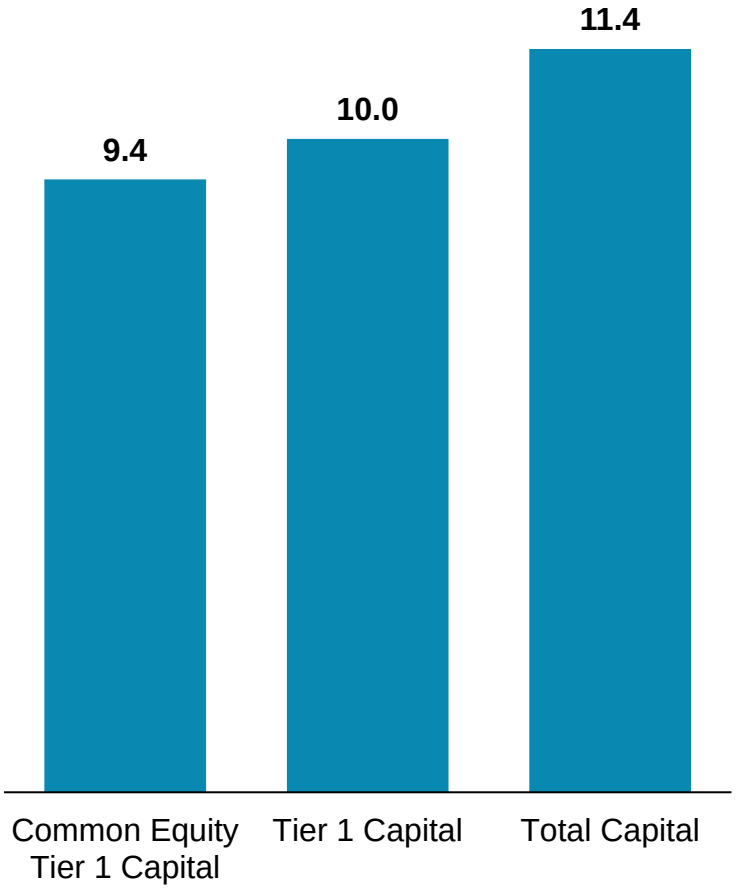


[1] Other expenses are primarily comprised of occupancy, business development & advertising, equipment, legal & professional, and FDIC assessment costs.
[2] This is a non-GAAP financial measure. Please refer to the appendix for a reconciliation of the fully tax-equivalent efficiency ratio to the Federal Reserve efficiency ratio.

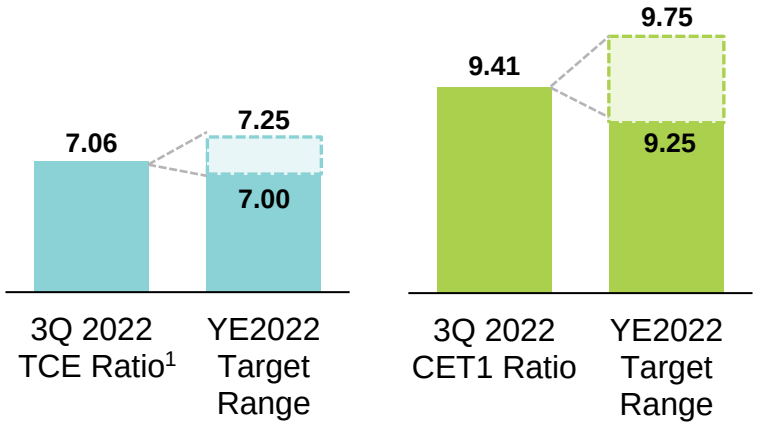
Capital Profile

We are managing capital levels toward our target ranges, while holding TBVPS steady

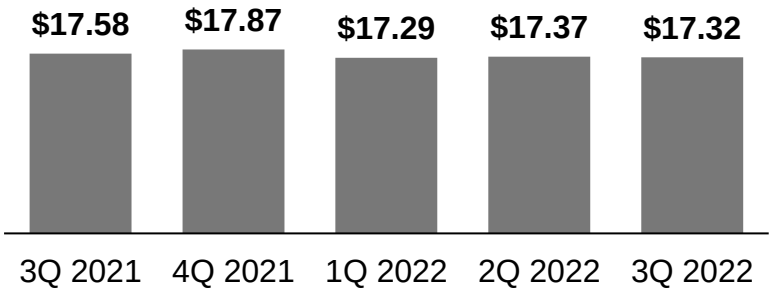
3Q 2022 Regulatory Capital Ratios (%)



Year-End 2022 Capital Targets (%)



Tangible Book Value / Share



[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.

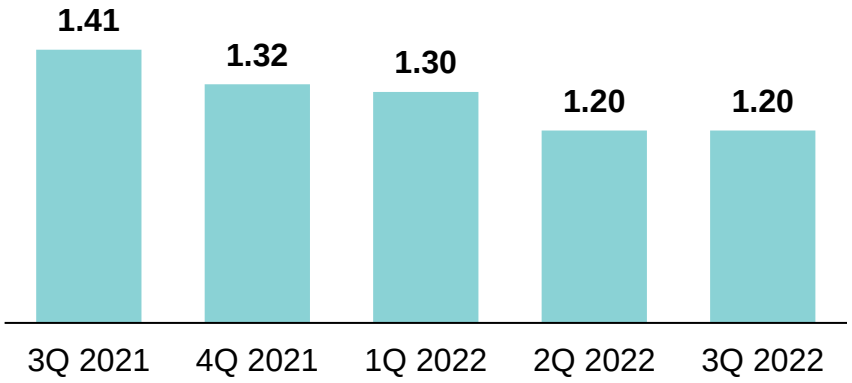
Allowance for Credit Losses on Loans (ACLL) Update

Our ACLL held firm at 1.20%, with an allowance build largely driven by loan growth

3Q 2022 ACLL[1] Update

- ACLL ($) increased $15 million from the prior quarter, largely driven by loan growth and stable credit factors
- Negligible net charge offs YTD
- CECL forward looking assumptions based on Moody's August 2022 Baseline forecast

ACLL / Total Loans (%)



($ in thousands)

	9/30/2021		6/30/2022		9/30/2022	
Loan Category	**ACLL**	**ACLL / Loans**	**ACLL**	**ACLL / Loans**	**ACLL**	**ACLL / Loans**
C&BL (excl. PPP Loans)	$120,845	1.37%	$122,589	1.20%	$135,200	1.28%
PPP Loans	125	0.07%	6	0.06%	1	0.10%
CRE - Investor	82,182	1.91%	65,040	1.36%	61,404	1.21%
CRE - Construction	56,441	3.08%	52,627	2.96%	52,557	2.86%
Residential Mortgage	41,620	0.55%	38,851	0.49%	38,907	0.47%
Other Consumer	31,059	3.41%	38,433	2.21%	44,610	2.20%
Total	**$332,273**	**1.41%**	**$317,547**	**1.20%**	**$332,680**	**1.20%**
Total (excl. PPP Loans)	$332,147	1.42%	$317,541	1.20%	$332,679	1.20%

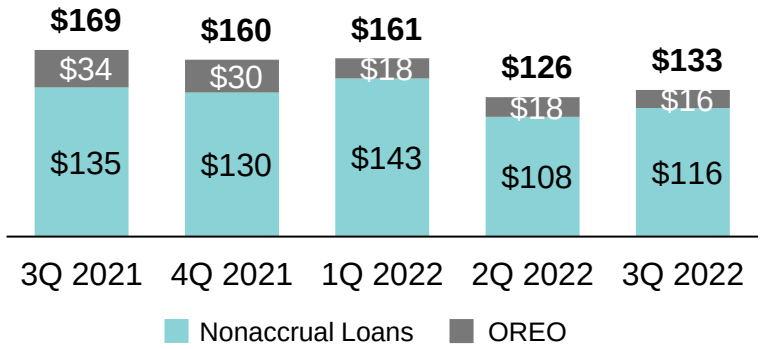
[1] Includes funded and unfunded reserve for loans, excludes reserve for HTM securities.

Credit Quality Trends

YTD net charge offs remain negligible in 2022, reflecting stability of portfolio

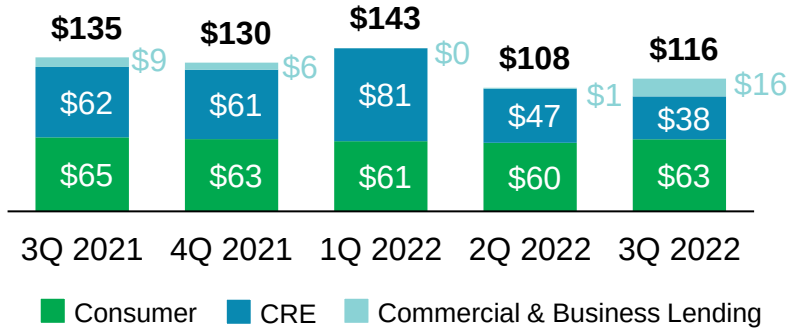
Total Nonperforming Assets

($ in millions)

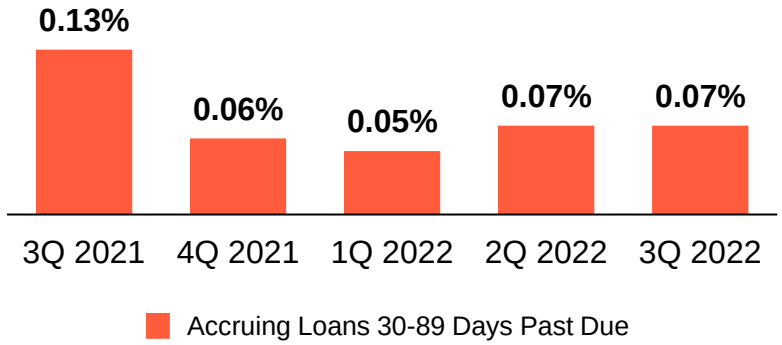


Nonaccrual Loans

($ in millions)

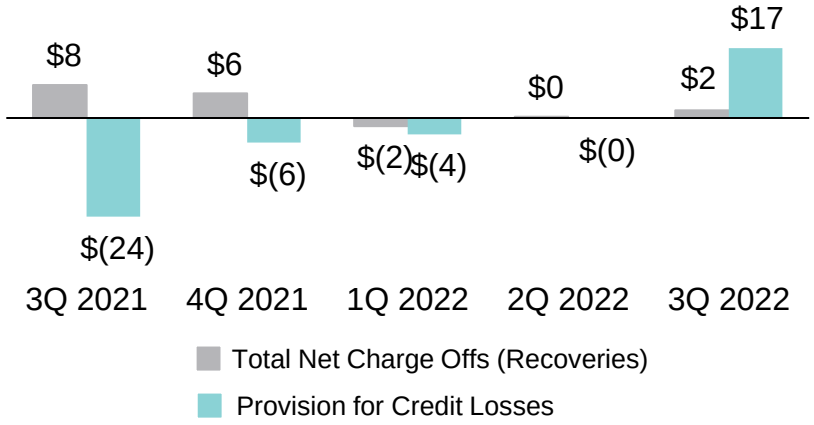


Delinquent Loans / EoP Total Loans (%)



Net Charge Offs (Recoveries) and Provision

($ in millions)



2022 Full-Year Outlook Updates

	Previous Guidance (9/13/2022)	Updated Guidance
Balance Sheet Management[1]	▪ Total commercial[2] loan growth of ~$1.7B ▪ Target investments/total assets ratio of ~18% ▪ We expect to maintain wholesale funding of ~15% of total funding	▪ No updates
Net Interest Income & Noninterest Income	▪ Net interest income (GAAP) of $910M+ – Assumes a 75bp Fed Funds increase in September and a 25bp increase at each remaining FOMC meeting this year; interest-bearing deposit betas of 30% to 40% for this rate cycle; and benefits of additional loan growth ▪ Total net interest income & noninterest income of $1.200B+	▪ Net interest income (GAAP) of $935M+ – Assumes a 75bp Fed Funds increase in November and a 50bp increase in December; interest-bearing deposit betas of 30% to 40% for this rate cycle; and benefits of additional loan growth ▪ Total net interest income & noninterest income of $1.225B+
Expense Management	▪ Noninterest expense of ~$735M to $745M ▪ Effective tax rate of ~21%	▪ Noninterest expense of $740M to $750M ▪ No change to effective tax rate
Capital Targets	▪ Target TCE ratio range of 7.25% to 7.50% ▪ Target CET1 ratio range of 9.25% to 9.75%	▪ Target TCE ratio range of 7.00% to 7.25% ▪ No change to target CET1 ratio range

[1] Growth to end of period as compared to 12/31/2021.
[2] Includes asset-based lending & equipment finance.

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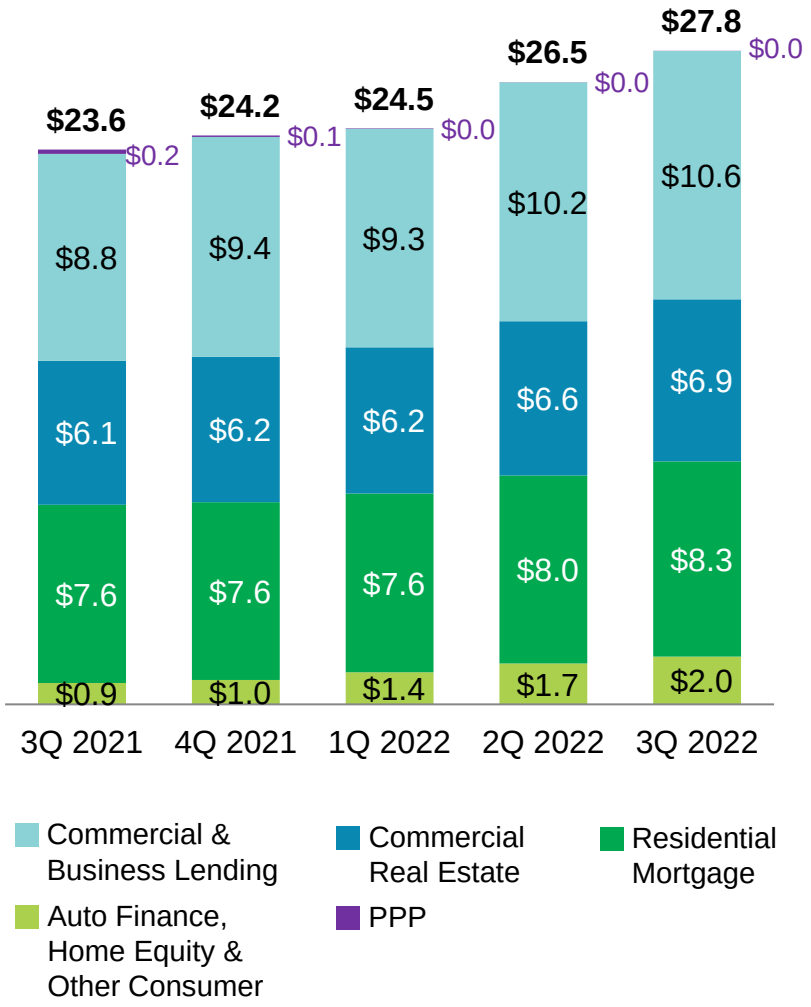
Appendix

Additional Third Quarter 2022 Loan Trends

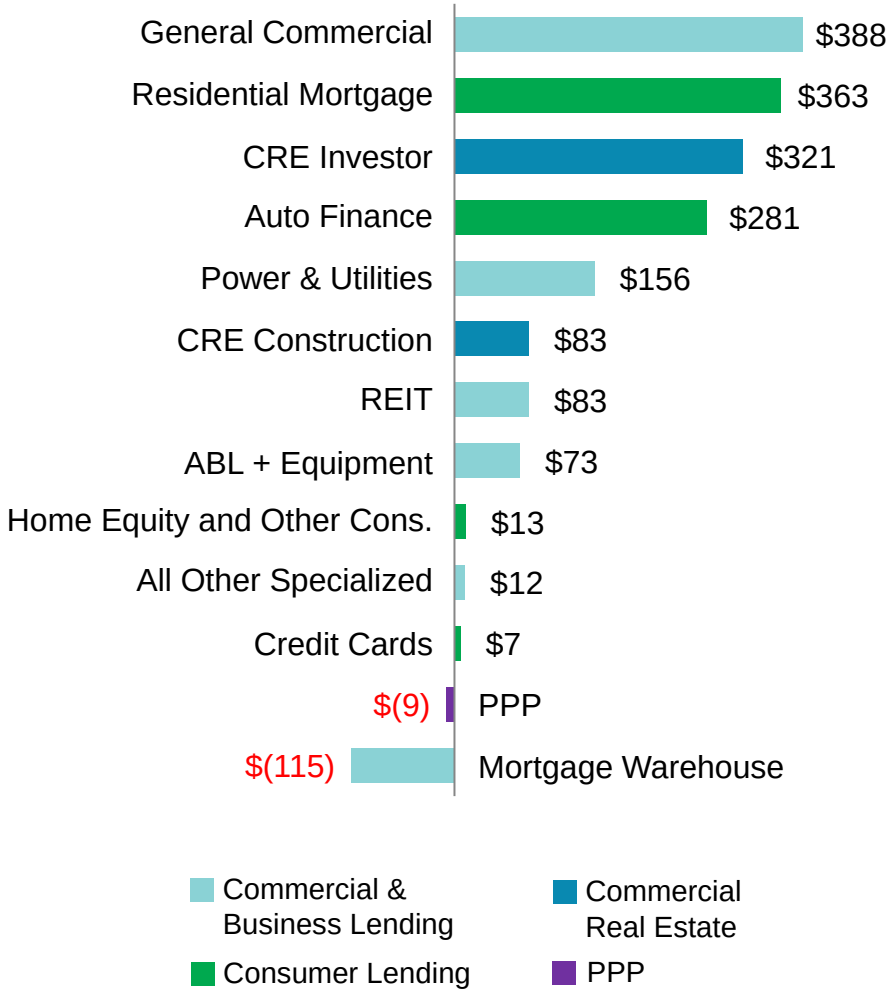
EoP Quarterly Loan Trends

($ in billions)



Average Loan Change (2Q 2022 to 3Q 2022)

($ in millions)



Total Loans Outstanding Balances as of September 30, 2022

Well-diversified $28 billion loan portfolio

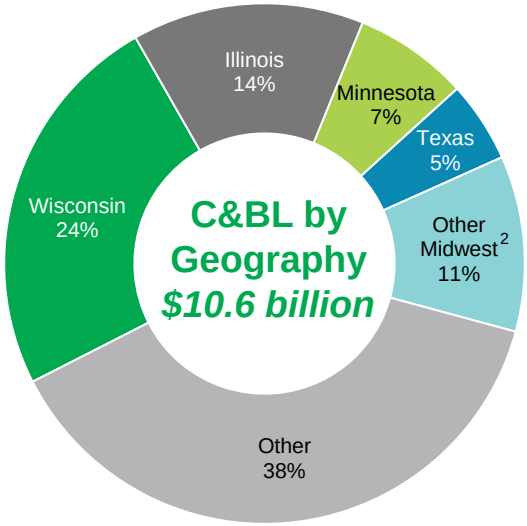
($ in millions)

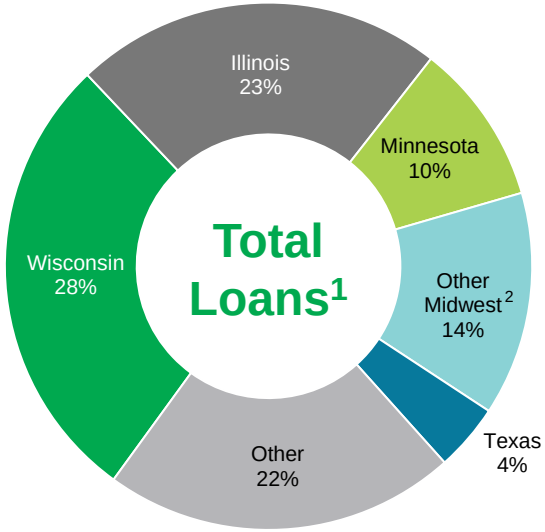
	9/30/2022[1]	% of Total Loans
C&BL (by NAICS[2])		
Manufacturing & Wholesale Trade	$ 2,119	7.6%
Utilities	2,108	7.6%
Real Estate (includes REITs)	1,821	6.5%
Mortgage Warehouse	837	3.0%
Finance & Insurance	552	2.0%
Construction	452	1.6%
Retail Trade	444	1.6%
Health Care and Social Assistance	422	1.5%
Rental and Leasing Services	310	1.1%
Transportation and Warehousing	289	1.0%
Professional, Scientific, and Tech. Serv.	252	0.9%
Waste Management	157	0.6%
Information	95	0.3%
Accommodation and Food Services	90	0.3%
Arts, Entertainment, and Recreation	85	0.3%
Financial Investments & Related Activities	82	0.3%
Management of Companies & Enterprises	77	0.3%
Mining	37	0.1%
Educational Services	30	0.1%
Public Administration	28	0.1%
Agriculture, Forestry, Fishing and Hunting	1	0.0%
Other	283	1.0%
Total C&BL	$ 10,572	38.0%

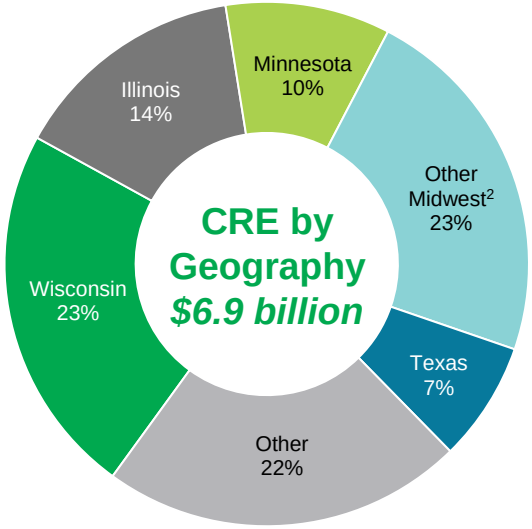
	9/30/2022[1]	% of Total Loans
CRE (by property type)		
Multi-Family	$ 2,296	8.3%
Industrial	1,557	5.6%
Office/Mixed	1,319	4.7%
Retail	707	2.5%
Single Family Construction	475	1.7%
Hotel/Motel	234	0.8%
Land	72	0.3%
Mobile Home Parks	53	0.2%
Parking Lots and Garages	13	0.0%
Other	174	0.6%
Total CRE	$ 6,899	24.8%
Consumer		
Residential Mortgage	$ 8,315	29.9%
Auto Finance	1,117	4.0%
Home Equity	613	2.2%
Credit Cards	124	0.4%
Student Loans	85	0.3%
Other Consumer	93	0.3%
Total Consumer	$ 10,346	37.2%
Total Loans	$ 27,817	100.0%

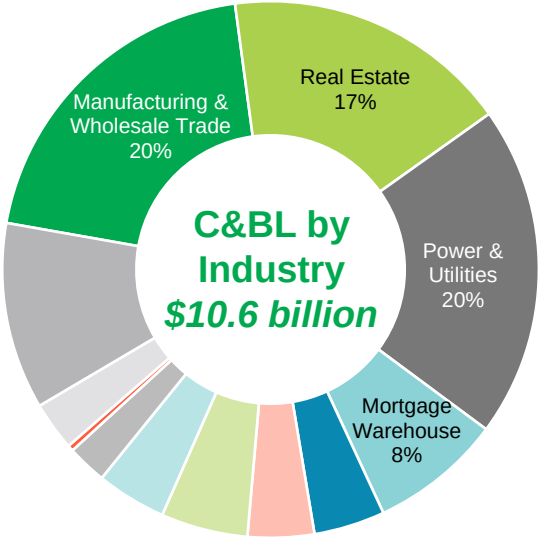
[1] All values as of period end.
[2] North American Industry Classification System.

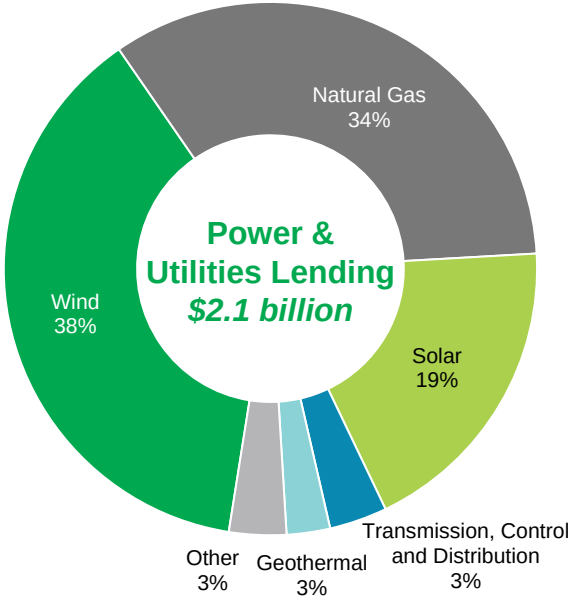
Loan Stratification Outstanding Balances as of September 30, 2022

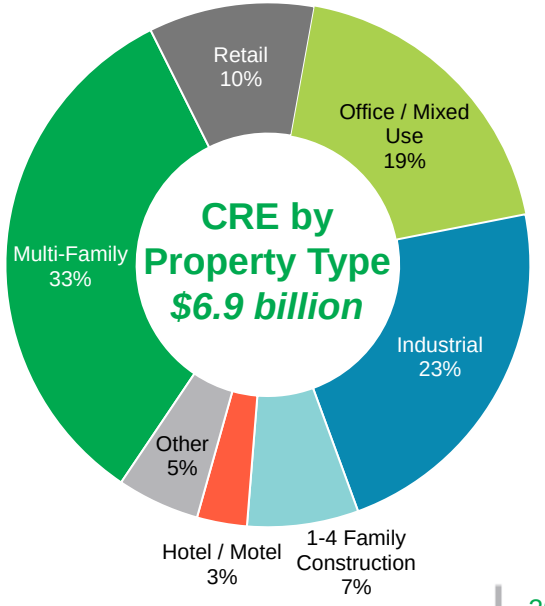












[1] Excludes Other Consumer portfolio.
[2] Other Midwest includes Missouri, Indiana, Ohio, Michigan and Iowa.

Reconciliation and Definitions of Non-GAAP Items

($ in millions)

Pre-tax Pre-Provision Income Reconciliation[1]	3Q 2021	4Q 2021	1Q 2022	2Q 2022	3Q 2022
Income (loss) before income taxes	$112	$92	$93	$110	$122
Provision for credit losses	(24)	(6)	(4)	-	$17
Pre-tax pre-provision income	$88	$86	$89	$110	$139

Average Tangible Common Equity Reconciliation[2]	3Q 2022
Common equity	$3,791
Goodwill and other intangible assets, net	(1,158)
Tangible common equity	$2,634

Selected Trend Information[3]	3Q 2021	4Q 2021	1Q 2022	2Q 2022	3Q 2022
Wealth management fees	$22	$23	$22	$21	$20
Service charges and deposit account fees	17	17	17	17	15
Card-based fees	11	11	10	11	11
Other fee-based revenue	4	4	4	4	4
Fee-based revenue	54	55	53	54	51
Other	28	26	22	22	20
Total noninterest income	$82	$82	$74	$75	$71

[1] Management believes this measure is meaningful because it reflects 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] 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.
[3] These financial measures have been included as they provide meaningful supplemental information to assess trends in the Corporation's results of operations.

Reconciliation and Definitions of Non-GAAP Items

($ in millions)

Efficiency Ratio Reconciliation	3Q 2021	4Q 2021	1Q 2022	2Q 2022	3Q 2022
Federal Reserve efficiency ratio	65.43%	67.36%	65.71%	61.53%	60.32%
Fully tax-equivalent adjustment	(1.01)%	(1.10)%	(1.13)%	(0.98)%	(0.87)%
Other intangible amortization	(0.83)%	(0.82)%	(0.84)%	(0.76)%	(0.67)%
Fully tax-equivalent efficiency ratio[1]	63.61%	65.46%	63.76%	59.80%	58.79%

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.

Tangible Common Equity and Tangible Assets Reconciliation[2]	3Q 2021	4Q 2021	1Q 2022	2Q 2022	3Q 2022
Common equity	$3,802	$3,832	$3,755	$3,766	$3,760
Goodwill and other intangible assets, net	(1,165)	(1,163)	(1,161)	(1,159)	(1,156)
Tangible common equity	$2,636	$2,669	$2,594	$2,608	$2,603
Total assets	$34,440	$35,104	$34,956	$37,236	$38,050
Goodwill and other intangible assets, net	(1,165)	(1,163)	(1,161)	(1,159)	(1,156)
Tangible assets	$33,274	$33,941	$33,795	$36,077	$36,893

[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.