



NEWS RELEASE

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Associated earns 52 cents per share in first quarter of 2008

- Net income of \$66.5 million, 3% higher than fourth quarter 2007
- Loans up 7 percent annualized over year end
- Net interest margin of 3.58%, down 4 bp from fourth quarter
- Provision for loan losses of \$23 million, with net charge offs of \$16 million
- Tangible capital ratio of 6.75%, up from 6.59% at year end 2007

GREEN BAY, Wis. – April 17, 2008 – Associated Banc-Corp (NASDAQ: ASBC) reported net income of \$66.5 million, or \$.52 per share, for the first quarter of 2008. Comparatively, net income was \$64.8 million (\$.51 per share) for the fourth quarter of 2007 and \$73.4 million (\$.57 per share) for the first quarter of 2007. Book value per share rose to \$18.71 at March 31, 2008, up 7 percent over a year ago.

First quarter 2008 results included several notable items. The provision for loan losses was \$23 million, \$7 million higher than net charge offs. The reserve for unfunded commitments was increased by \$2 million with a charge to other expense. Noninterest revenue included a \$5 million gain recorded in other income related to our interest in the Visa, Inc. initial public offering, and a \$3 million loss related to other-than-temporary impairment on certain equity securities recorded in net investment securities gains. Noninterest revenue was also impacted by recent accounting standards related to fair value measurement, which at adoption in the first quarter increased mortgage banking income by \$2 million and reduced other income by \$0.5 million related to derivatives. Tax expense was impacted by the resolution of certain tax matters and changes in estimated exposure of uncertain tax positions, partially offset by the increase in valuation allowance related to certain deferred tax assets, resulting in a \$4 million net reduction of income tax expense.

Net interest income was \$165 million for the first quarter, up from \$164 million and \$159 million for the fourth and first quarters of 2007, respectively. The net interest margin was 3.58 percent, compared to 3.62 percent for both the fourth and first quarters of 2007. "We are pleased with our revenue dynamics as we continue to generate loan growth, coupled with improved deposit flows," said Associated Chairman and CEO Paul S. Beideman. "This has contributed to the improvement in our tangible capital ratio to 6.75 percent from 6.59 percent."

On average, loans were \$15.7 billion for the first quarter of 2008, up \$0.4 billion or 11 percent annualized over the fourth quarter of 2007, led by 14 percent annualized growth in commercial loans and 6 percent annualized growth in home equity loans. At March 31, 2008, loans were \$15.8 billion, up \$0.3 billion (7 percent annualized) since year end 2007.

Deposits, on average, were \$13.6 billion for the first quarter of 2008, down \$0.1 billion compared to the fourth quarter of 2007, attributed primarily to seasonal first quarter declines in commercial deposits and lower time deposits, offset in part by increased money market deposits. Since year end, deposits were down \$0.1 billion to \$13.9 billion at March 31, 2008.

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At March 31, 2008, the allowance for loan losses represented 1.32 percent of total loans, compared to 1.29 percent at year end 2007 and 1.37 percent a year ago. Since year end, nonperforming loans rose \$45 million to \$207 million at March 31, 2008, with commercial nonperforming loans up \$41 million to \$150 million and total consumer nonperforming loans up \$4 million to \$57 million. The rise in nonperforming loans includes four individual credits totaling approximately \$49 million.

Core fee-based revenues were \$61.3 million, up 2 percent over \$60.1 million for first quarter 2007, led by a 3 percent increase in deposit service charges and a 4 percent increase in retail commissions. Total noninterest expense was \$136.3 million for the first quarter of 2008, compared to \$140.1 million for the fourth quarter of 2007.

During the first quarter, Associated paid a dividend of \$.31 cents per share, up 7 percent over the first quarter of last year.

Associated will host a conference call for investors and analysts at 3 p.m. CT today. The toll-free dial-in number for the live call is 800-762-8779. The number for international callers is 480-248-5081. Participants should ask the operator for the Associated Banc-Corp first quarter 2008 earnings call, or for call ID number 3859529. A replay of the call will be available starting at 6 p.m. CT on April 17 through May 8, 2008, by calling 800-406-7325 (toll-free) domestically or 303-590-3030 internationally. The call ID number, 3859529, is required to access the replay.

Associated Banc-Corp, headquartered in Green Bay, Wis., is a diversified bank holding company with total assets of \$22 billion. Associated has approximately 300 banking offices serving 180 communities in Wisconsin, Illinois, and Minnesota. The company offers a full range of traditional banking services and a variety of other financial products and services. More information about Associated Banc-Corp is available at www.associatedbank.com.

Statements made in this document that 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. Forward-looking statements are based on current management expectations and, by their nature, are subject to risks and uncertainties. These statements may be identified by the use of words such as "believe," "expect," "anticipate," "plan," "estimate," "should," "will," "intend," or similar expressions. Outcomes related to such statements are subject to numerous risk factors and uncertainties including those listed in the company's Annual Report filed on Form 10-K.

Tables can be accessed by clicking the following link:

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