NEWS RELEASE

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Associated reports first quarter earnings of $0.28 per common share, up from $0.11 for the fourth quarter of 2008

- **Net income available to common shareholders was $35.4 million for the first quarter compared to $13.6 million for the fourth quarter of 2008**
- **Net interest income for the quarter was $189.3 million compared to $191.8 million for the fourth quarter of 2008**
- **Total deposits grew by 4.7% to $15.9 billion at March 31, 2009 compared to $15.2 billion at December 31, 2008 and were up 14.3% from $13.9 billion at March 31, 2008**
- **Mortgage loans originated for sale exceeded $1 billion during the quarter**
- **Provision for loan losses of $105.4 million exceeded net charge offs of $57.6 million by $47.8 million, increasing allowance for loan losses to 1.97% of loans at March 31, 2009, up from 1.63% at December 31, 2008**
- **Tangible common equity ratio remained stable at 6.10%**
- **Quarterly dividend reduced to $0.05 per common share to preserve capital**

GREEN BAY, Wis. – April 16, 2009 – Associated Banc-Corp (NASDAQ: ASBC) reported net income available to common shareholders of $35.4 million, or $0.28 per common share, for the quarter ended March 31, 2009. This compares to net income of $13.6 million, or $0.11 per common share for the fourth quarter of 2008, and net income of $66.5 million, or $0.52 per common share, for the first quarter of 2008.

Net interest income for the quarter was $189.3 million compared to $191.8 million for the fourth quarter of 2008 and $165.1 million for the same quarter a year ago. The company's net interest margin was 3.59% at March 31, 2009 down 29 basis points from 3.88% at December 31, 2008 and comparable to 3.58% at March 31, 2008.

The provision for loan losses for the quarter was $105.4 million compared to $65.0 million for the fourth quarter of 2008, and $23.0 million for the same period one year ago. Net charge offs for the quarter were $57.6 million compared to $45.9 million for the fourth quarter of 2008, and $16.0 million for the first quarter of 2008. Nonperforming loans were $452.2 million at March 31, 2009 compared to $340.7 million at December 31, 2008. The increase in nonperforming loans reflects the continued deterioration in commercial real estate and construction credits. The increase in net charge offs is primarily attributable to several commercial and industrial loans. Going forward, the company expects the provision for loan losses to be lower than the provision in first quarter of 2009.

On average, loans were $16.4 billion for the first quarter of 2009, up $0.1 billion from the fourth quarter of 2008, with residential mortgage loan growth offset by declines in other loan categories. On a period end basis, loans were $15.9 billion at March 31, 2009, down $0.4 billion from December 31, 2008, representing declines in both commercial and retail balances.

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Deposits, on average, were $15.0 billion for the first quarter 2009, up $0.7 billion compared to fourth quarter 2008 and up $1.4 billion compared to first quarter 2008. On a period end basis, deposits grew to $15.9 billion at March 31, 2009, up 4.7% from $15.2 billion at December 31, 2008 and up 14.3% from $13.9 billion a year ago. The year over year growth is primarily attributable to increases in demand and money market deposits, and higher levels of network transaction deposits and brokered CDs.

Mortgage loans originated for sale during the first quarter exceeded $1 billion, an increase of $832 million from the fourth quarter of 2008. This exceptionally strong first quarter compares to $247 million for the fourth quarter of 2008 and $517 million for the first quarter of 2008. For the first quarter 2009, net mortgage banking income was $4.3 million compared to a loss of $1.2 million for the fourth quarter of 2008. First quarter results include a $12.3 million valuation charge related to mortgage servicing rights, compared to a $7.2 million valuation charge in the fourth quarter of 2008. The outlook for second quarter mortgage production remains strong with current locked mortgage commitments of approximately $780 million at March 31, 2009.

Core fee-based revenue of $61.4 million for the first quarter 2009 was comparable to first quarter 2008, as growth in deposit fees was offset by declines in other core fee-based revenue categories largely due to market declines and lower commercial lending fees.

Total noninterest expenses were $141.3 million, down $7.5 million from $148.8 million in the fourth quarter 2008, and up $5.0 million from $136.3 million in the first quarter 2008. The efficiency ratio improved to 51.31% in the first quarter of 2009, from 53.87% in the previous quarter and 52.79% in the first quarter 2008.

For the first quarter of 2009, income tax expense declined $33.1 million compared to the first quarter of 2008. The reduction in income tax expense was a result of lower income before tax and a $17.0 million, or $0.13 per common share, net decrease in the valuation allowance on and changes to state deferred tax assets as a result of the recently enacted Wisconsin combined reporting tax legislation. Excluding the state deferred tax assets adjustment, the quarter's effective tax rate was 18.9% compared to 11.6% in the fourth quarter of 2008 and 24.8% in the first quarter of 2008.

More than $3.0 billion of credit has been originated or committed to be extended to new and existing customers since the infusion of capital from the TARP Capital Purchase Program. These loans support consumers and businesses that have a direct and indirect impact on jobs and the economy. In 2008, Associated Bank was named the No. 1 Small Business Administration (SBA) lender in Wisconsin for the fourth consecutive year, providing nearly twice as many loans as the number two SBA lender in the state. The bank continues to focus on providing credit in the communities it serves. Small business loans for the first quarter increased by 23% over the fourth quarter of 2008.

On April 16, 2009, the Board of Directors of Associated Banc-Corp declared a quarterly dividend of $0.05 per common share, a reduction of $0.27 from the previous quarterly dividend per common share of $0.32. The dividend is payable May 15, 2009, to shareholders of record at the close of business on May 7, 2009. "While the decision to reduce the quarterly dividend was difficult, we believe that it is in the best long-term interests of our shareholders to preserve capital during this time of unprecedented economic uncertainty and market volatility," said Chairman and CEO Paul S. Beideman. "We believe the dividend reduction will better enable us to support our customers and communities, grow and expand our businesses, and maintain and enhance our tangible common equity. We recognize and appreciate the loyalty of our shareholders. We also understand the impact the dividend reduction will have on our shareholders. The Board of Directors and management are committed to increasing the dividend as soon as possible."

Associated Banc-Corp (NASDAQ: ASBC) will host a conference call for investors and analysts at 3 p.m. Central Time (CT) Thursday, April 16, 2009. 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 2009 earnings call, or for call ID number 4048464. A replay of the call will be available starting at 6 p.m. CT on April 16, 2009 through 12:00 midnight CT on May 16, 2009 by calling 800-406-7325 (toll-free) domestically or 303-590-3030 internationally. The call ID number, 4048464, is required to access the replay.

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Associated Banc-Corp, headquartered in Green Bay, Wis., is a diversified bank holding company with total assets of $24 billion. Associated has approximately 300 banking offices serving approximately 160 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.

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