



NEWS RELEASE

Associated Banc-Corp Earns \$2.43 Per Share in 2005 and 64 Cents in Fourth Quarter 2005

1/19/2006

GREEN BAY, Wis.--(BUSINESS WIRE)--Jan. 19, 2006--Associated Banc-Corp (NASDAQ:ASBC):

- Fourth quarter EPS grew 12 percent over comparable quarter last year
- Credit quality remains strong
- Fourth quarter margin improves slightly as wholesale funding is reduced
- State Financial successfully integrated

Associated Banc-Corp (NASDAQ:ASBC) earned \$0.64 per diluted share in the fourth quarter of 2005, up 12 percent from \$0.57 per share earned in the fourth quarter of 2004, and up from \$0.63 per share in the third quarter of 2005. Net income for the fourth quarter 2005 was \$87.6 million, up 24 percent from the fourth quarter 2004 net income of \$70.9 million, and up 8 percent over third quarter 2005 net income of \$81.0 million.

Associated earned \$2.43 per diluted share in 2005, up 8 percent from 2004. Net income for 2005 was \$320.2 million, up 24 percent from \$258.3 million in 2004.

Associated's acquisition of First Federal Capital Corp, a \$4 billion thrift, on Oct. 29, 2004, and of State Financial Services Corp, a \$1.5 billion commercial bank, on Oct. 3, 2005, affect comparisons to past periods.

Return on average assets (ROA) and return on average equity (ROE) for the year ended Dec. 31, 2005, were 1.53 percent and 15.24 percent, respectively. This compares to an ROA of 1.58 percent and an ROE of 17.22 percent in 2004. Return on average tangible equity (which is a non-GAAP measure that excludes the average of goodwill and other intangible assets from average equity) was 23.47 percent for 2005 compared to 22.11 percent in 2004.

Book value per share rose to \$17.15 as of Dec. 31, 2005, up 10 percent compared to a year earlier.

Period-end loans at Dec. 31, 2005, were \$15.2 billion, up 10 percent over year-end 2004. Deposits at year-end 2005 were \$13.6 billion, up 6 percent over the prior year end.

"The integrations of First Federal and State Financial in 2005 have strengthened our position in attractive markets. We look forward to delivering on this potential in 2006," said Paul S. Beideman, Associated president and CEO.

In 2005 net charge-offs were \$12.7 million (or .09 percent of average loans), compared to \$17.3 million (or 0.15 percent of average loans) in 2004. Nonperforming loans at Dec. 31, 2005, totaled \$98.6 million, or 0.65 percent of loans, compared to \$115.0 million, or 0.83 percent of loans, a year ago. The provision for loan losses for 2005 was \$13.0 million, compared to \$14.7 million for 2004.

The allowance for loan losses at Dec. 31, 2005, was \$203.4 million, representing 1.34 percent of total loans, and 206 percent of nonperforming loans. In comparison, the allowance was \$189.8 million, or 1.37 percent of total loans, and 165 percent of nonperforming loans at Dec. 31, 2004.

Associated's net interest income for 2005 was \$672.3 million, up 22 percent from 2004's \$552.6 million. Net interest margin for 2005 was 3.64 percent, compared to 3.80 percent for 2004. While the Federal Reserve raised short-term rates eight times in 2005, longer-term rates did not rise commensurately, causing a flattening of the yield curve and downward pressure on the margin in 2005.

For the fourth quarter of 2005, net interest income was \$175.6 million, up \$11.5 million or 7 percent over the third quarter of 2005. The net interest margins were 3.59 percent for the fourth quarter versus 3.56 percent in the third quarter. Fourth quarter 2005 results include State Financial as well as impacts from the company's wholesale funding reduction strategy described last quarter.

"In the fourth quarter we have made significant progress in reducing our level of borrowed funds. As we fully implement this initiative our net interest margin and overall quality of earnings will continue to improve," said

Beideman. During the fourth quarter of 2005, excluding the State Financial acquisition, investments were reduced by approximately \$430 million, deposit growth exceeded loan growth by approximately \$230 million, and wholesale funding declined by \$620 million. Additionally, in November, under an accelerated share repurchase program, the company repurchased approximately 1 million shares of its common stock.

Noninterest income for 2005 was \$291.1 million, up 38 percent from \$210.2 million in 2004. Annual growth occurred in trust service fees (up 10 percent to \$35.0 million) driven by growth in new business; service charges on deposits (up 55 percent to \$86.8 million) given our larger customer base; retail commissions (up 20 percent to \$56.6 million) predominantly from insurance revenues; and in mortgage banking, net (up 79 percent to \$36.4 million), influenced by an average portfolio serviced for others of \$9.3 billion in 2005 versus \$6.5 billion in 2004, and by secondary mortgage production of \$1.58 billion in 2005 versus \$1.62 billion in 2004.

Mortgage banking, net, for the fourth quarter of 2005 was \$12.2 million, similar to \$12.0 million for the third quarter of 2005, but the results stem from different dynamics. Secondary mortgage production for fourth quarter was \$356 million, representing approximately 71 percent of the production for the third quarter. To better manage earnings volatility risks in its growing mortgage servicing portfolio, Associated sold approximately \$1.5 billion (or 16 percent) of its mortgage portfolio serviced for others, effective Nov. 30. And finally, the valuation of the mortgage servicing asset stabilized between the quarters. The impact of these dynamics on fourth quarter versus third quarter 2005 results was a \$3.1 million increase in gross mortgage banking income, which included a \$5.3 million gain on the bulk servicing sale, offset by \$2.9 million in higher mortgage servicing rights expense, including valuation recoveries of \$1.3 million in the fourth quarter versus \$4.5 million in the third quarter.

Noninterest income for the fourth quarter of 2005 was \$81.0 million, up \$4.1 million or 5 percent over third quarter 2005, as the fourth quarter included three months of State Financial and the third quarter included none.

Noninterest expenses were a critical focus during 2005 as the company integrated two acquisitions and refined certain operational structures. Noninterest expense for 2005 was \$480.5 million, up 27 percent from \$377.9 million in 2004, given the timing of the acquisitions. However, the efficiency ratio (a measure of noninterest expense to total revenues) remained steady at 48.99 percent for 2005 compared to 48.04 percent for 2004.

Noninterest expense for the fourth quarter of 2005 was \$125.5 million, up \$8.2 million or 7 percent over the third quarter of 2005, as State Financial was added at the start of the fourth quarter.

"We enter 2006 with a stronger distribution system in attractive markets, more effective sales and marketing, solid asset quality, and a more efficient organizational structure. This progress makes us confident in our ability to achieve our strategic priorities," Beideman said. "In addition, our balance sheet deleveraging initiative is on track and producing the desired result."

"We are comfortable that we can meet or exceed the current First Call consensus EPS estimates for Associated in 2006," he said. "The effect of expensing of stock options, a required accounting change in 2006, is estimated to be less than \$2 million pre-tax for options granted to date, as options granted in January and December 2005 are fully vested by year end 2005."

The company paid dividends of \$1.06 per share in 2005, up 9 percent from \$0.98 in 2004, making 2005 Associated's 35th consecutive year of increasing dividends.

Associated repurchased approximately 3.5 million shares of its common stock in 2005 at an average cost of \$32.43 per share (including the two accelerated share repurchases during 2005 totaling approximately 3 million shares), compared to 1.1 million shares at an average cost per share of \$30.43 during 2004. Associated starts 2006 with an authorization to repurchase approximately 2.6 million shares.

Associated will host a conference call for investors and analysts at 3 p.m. CST today. The toll-free dial-in number is 877-654-5513. Participants should ask the operator for the Associated Banc-Corp year-end earnings call, or for call ID number 4359258. A taped play-back of the call will be available through Feb. 2 by calling 800-642-1687.

Associated Banc-Corp, headquartered in Green Bay, Wis., is a diversified multibank holding company with total assets of \$22 billion. Associated has more than 300 banking offices serving more than 170 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 to be filed on Form 10-K.

Consolidated Balance Sheets (Unaudited)
Associated Banc-Corp
December 31, December 31,

(in thousands)	2005	2004	% Change

Assets			
Cash and due from banks	\$ 460,230	\$ 389,311	18.2%
Interest-bearing deposits in other financial institutions	14,254	13,321	7.0%
Federal funds sold and securities purchased under agreements to resell	17,811	55,440	(67.9%)
Securities available for sale, at fair value	4,711,605	4,815,344	(2.2%)
Loans held for sale	57,710	64,964	(11.2%)
Loans	15,206,464	13,881,887	9.5%
Allowance for loan losses	(203,404)	(189,762)	7.2%

Loans, net	15,003,060	13,692,125	9.6%
Premises and equipment	206,153	184,944	11.5%
Goodwill	877,680	679,993	29.1%
Intangible assets	120,358	119,440	0.8%
Other assets	631,221	505,254	24.9%

Total assets	\$22,100,082	\$20,520,136	7.7%
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Liabilities and Stockholders' Equity			
Noninterest-bearing deposits	\$ 2,504,926	\$ 2,347,611	6.7%
Interest-bearing deposits, excluding Brokered CDs	10,538,856	10,077,069	4.6%
Brokered CDs	529,307	361,559	46.4%

Total deposits	13,573,089	12,786,239	6.2%
Short-term borrowings	2,666,307	2,926,716	(8.9%)
Long-term funding	3,348,476	2,604,540	28.6%
Accrued expenses and other liabilities	187,232	185,222	1.1%

Total liabilities	19,775,104	18,502,717	6.9%
Stockholders' Equity			
Preferred stock	-	-	
Common stock	1,357	1,300	4.4%
Surplus	1,301,004	1,127,205	15.4%
Retained earnings	1,029,247	858,847	19.8%
Accumulated other comprehensive income (loss)	(3,938)	41,205	(109.6%)
Deferred compensation	(2,081)	(2,122)	(1.9%)
Treasury stock, at cost	(611)	(9,016)	(93.2%)

Total stockholders' equity	2,324,978	2,017,419	15.2%

Total liabilities and stockholders' equity	\$22,100,082	\$20,520,136	7.7%
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Consolidated Statements of Income (Unaudited)
Associated Banc-Corp
For The Three Months Ended,
December 31,

(in thousands, except per share amounts)	2005	2004	% Change
Interest Income			
Interest and fees on loans	\$ 252,443	\$ 179,612	40.5%
Interest and dividends on investment securities and deposits with other financial institutions			
Taxable	41,486	37,631	10.2%
Tax-exempt	10,325	10,047	2.8%
Interest on federal funds sold and securities purchased under agreements to resell	289	260	11.2%
Total interest income	304,543	227,550	33.8%
Interest Expense			
Interest on deposits	66,934	36,835	81.7%
Interest on short-term borrowings	26,828	14,898	80.1%
Interest on long-term funding	35,186	17,360	102.7%
Total interest expense	128,948	69,093	86.6%
Net Interest Income	175,595	158,457	10.8%
Provision for loan losses	3,676	3,603	2.0%
Net interest income after provision for loan losses	171,919	154,854	11.0%
Noninterest Income			
Trust service fees	9,055	8,107	11.7%
Service charges on deposit accounts	23,073	16,943	36.2%
Mortgage banking, net	12,166	6,046	101.2%
Credit card and other nondeposit fees	10,033	8,183	22.6%
Retail commissions	13,624	12,727	7.0%
Bank owned life insurance income	3,022	2,525	19.7%

Asset sale gains, net	2,766	432	N/M
Investment securities gains (losses), net	1,179	(719)	N/M
Other	6,126	4,793	27.8%

Total noninterest income	81,044	59,037	37.3%
Noninterest Expense			
Personnel expense	68,619	65,193	5.3%
Occupancy	10,287	8,297	24.0%
Equipment	4,361	3,855	13.1%
Data processing	7,240	5,966	21.4%
Business development and advertising	4,999	4,271	17.0%
Stationery and supplies	1,869	1,567	19.3%
Other intangible amortization	2,418	1,699	42.3%
Other	25,746	19,119	34.7%

Total noninterest expense	125,539	109,967	14.2%

Income before income taxes	127,424	103,924	22.6%
Income tax expense	39,783	33,069	20.3%

Net Income	\$ 87,641	\$ 70,855	23.7%
=====			

Earnings Per Share:

Basic	\$ 0.65	\$ 0.57	14.0%
Diluted	\$ 0.64	\$ 0.57	12.3%
Average Shares Outstanding:			
Basic	135,684	123,509	9.9%
Diluted	137,005	125,296	9.3%

N/M - Not meaningful.

Consolidated Statements of Income (Unaudited)

Associated Banc-Corp

For The Year Ended,
December 31,

(in thousands, except per share amounts)	2005	2004	% Change

Interest Income			
Interest and fees on loans	\$ 889,374	\$ 594,702	49.5%
Interest and dividends on			

investment securities and deposits with other financial institutions			
Taxable	164,404	131,020	25.5%
Tax-exempt	39,310	40,804	(3.7%)
Interest on federal funds sold and securities purchased under agreements to resell	937	596	57.2%

Total interest income	1,094,025	767,122	42.6%
Interest Expense			
Interest on deposits	213,052	118,236	80.2%
Interest on short-term borrowings	89,356	38,940	129.5%
Interest on long-term funding	119,362	57,319	108.2%

Total interest expense	421,770	214,495	96.6%

Net Interest Income	672,255	552,627	21.6%
Provision for loan losses	13,019	14,668	(11.2%)

Net interest income after provision for loan losses	659,236	537,959	22.5%
Noninterest Income			
Trust service fees	35,017	31,791	10.1%
Service charges on deposit accounts	86,783	56,153	54.5%
Mortgage banking, net	36,395	20,331	79.0%
Credit card and other nondeposit fees	37,439	26,181	43.0%
Retail commissions	56,604	47,171	20.0%
Bank owned life insurance income	9,942	13,101	(24.1%)
Asset sale gains, net	3,945	1,181	N/M
Investment securities gains (losses), net	4,116	637	N/M
Other	20,845	13,701	52.1%

Total noninterest income	291,086	210,247	38.4%
Noninterest Expense			
Personnel expense	274,941	224,548	22.4%
Occupancy	38,961	29,572	31.7%
Equipment	16,792	12,754	31.7%
Data processing	27,390	23,632	15.9%
Business development and advertising	17,661	14,975	17.9%
Stationery and supplies	6,956	5,436	28.0%
Other intangible amortization	8,607	4,350	97.9%
Other	89,155	62,602	42.4%

Total noninterest expense	480,463	377,869	27.2%

Income before income taxes	469,859	370,337	26.9%
Income tax expense	149,698	112,051	33.6%

Net Income	\$ 320,161	\$ 258,286	24.0%
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Earnings Per Share:

Basic	\$ 2.45	\$ 2.28	7.5%
Diluted	\$ 2.43	\$ 2.25	8.0%
Average Shares Outstanding:			
Basic	130,554	113,532	15.0%
Diluted	131,931	115,025	14.7%

N/M - Not meaningful.

Consolidated Statements of Income (Unaudited) - Quarterly Trend
Associated Banc-Corp

(in thousands,
except per share
amounts)

	4Q05	3Q05	2Q05	1Q05	4Q04
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Interest Income					
Interest and fees on					
loans	\$252,443	\$223,202	\$213,420	\$200,309	\$179,612
Interest and					
dividends on					
investment					
securities					
and deposits in					
other financial					
institutions					
Taxable	41,486	40,050	41,834	41,034	37,631
Tax-exempt	10,325	9,755	9,507	9,723	10,047
Interest on federal					
funds sold and					
securities					
purchased under					
agreements to					
resell	289	384	182	82	260

Total interest					
income	304,543	273,391	264,943	251,148	227,550

Interest Expense					
Interest on deposits	66,934	53,598	48,087	44,433	36,835
Interest on short-term borrowings	26,828	23,628	21,731	17,169	14,898
Interest on long-term funding	35,186	32,087	28,451	23,638	17,360
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Total interest expense	128,948	109,313	98,269	85,240	69,093
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Net Interest Income	175,595	164,078	166,674	165,908	158,457
Provision for loan losses	3,676	3,345	3,671	2,327	3,603
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Net interest income after provision for loan losses	171,919	160,733	163,003	163,581	154,854
Noninterest Income					
Trust service fees	9,055	8,667	8,967	8,328	8,107
Service charges on deposit accounts	23,073	22,830	22,215	18,665	16,943
Mortgage banking, net	12,166	11,969	2,376	9,884	6,046
Credit card and other nondeposit fees	10,033	9,505	8,790	9,111	8,183
Retail commissions	13,624	12,905	15,370	14,705	12,727
Bank owned life insurance income	3,022	2,441	2,311	2,168	2,525
Asset sale gains (losses), net	2,766	942	539	(302)	432
Investment securities gains (losses), net	1,179	1,446	1,491	-	(719)
Other	6,126	6,260	(355)	8,814	4,793
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Total noninterest income	81,044	76,965	61,704	71,373	59,037
Noninterest Expense					
Personnel expense	68,619	66,403	66,934	72,985	65,193
Occupancy	10,287	9,412	9,374	9,888	8,297
Equipment	4,361	4,199	4,214	4,018	3,855
Data processing	7,240	7,129	6,728	6,293	5,966
Business development and advertising	4,999	4,570	4,153	3,939	4,271
Stationery and					

supplies	1,869	1,599	1,644	1,844	1,567
Other intangible					
amortization	2,418	1,903	2,292	1,994	1,699
Other	25,746	22,133	20,995	20,281	19,119

Total					
noninterest					
expense	125,539	117,348	116,334	121,242	109,967

Income before income					
taxes	127,424	120,350	108,373	113,712	103,924
Income tax expense	39,783	39,315	34,358	36,242	33,069

Net Income	\$ 87,641	\$ 81,035	\$ 74,015	\$ 77,470	\$ 70,855
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Earnings Per Share:

Basic	\$ 0.65	\$ 0.63	\$ 0.57	\$ 0.60	\$ 0.57
Diluted	\$ 0.64	\$ 0.63	\$ 0.57	\$ 0.59	\$ 0.57

Average Shares

Outstanding:

Basic	135,684	127,875	128,990	129,781	123,509
Diluted	137,005	129,346	130,463	131,358	125,296

Selected Quarterly Information Associated Banc-Corp

(in thousands,
except per share
& full time
equivalent
employee data) YTD 2005 YTD 2004 4th Qtr 2005 3rd Qtr 2005

Summary of Operations

Net interest				
income	672,255	552,627	175,595	164,078
Provision for				
loan losses	13,019	14,668	3,676	3,345
Asset sale gains				
(losses), net	3,945	1,181	2,766	942
Investment				
securities gains				
(losses), net	4,116	637	1,179	1,446
Noninterest				
income				
(excluding				

securities & asset gains)	283,025	208,429	77,099	74,577
Noninterest expense	480,463	377,869	125,539	117,348
Income before income taxes	469,859	370,337	127,424	120,350
Income taxes	149,698	112,051	39,783	39,315
Net income	320,161	258,286	87,641	81,035
Taxable equivalent adjustment	25,509	25,528	6,766	6,347

Per Common Share Data (1)

Net income:

Basic	\$ 2.45	\$ 2.28	\$ 0.65	\$ 0.63
Diluted	2.43	2.25	0.64	0.63
Dividends	1.0600	0.9767	0.2700	0.2700

Market Value:

High	\$ 34.74	\$ 34.85	\$ 33.23	\$ 34.74
Low	29.09	27.09	29.09	30.29
Close	32.55	33.23	32.55	30.48
Book value	17.15	15.56	17.15	16.12

Performance Ratios (annualized)

Earning assets

yield	5.84%	5.21%	6.12%	5.83%
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Interest-bearing

liabilities rate	2.57	1.67	2.98	2.66
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Net interest

margin	3.64	3.80	3.59	3.56
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Return on average

assets	1.53	1.58	1.58	1.56
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Return on average

equity	15.24	17.22	14.99	15.85
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Return on

tangible average

equity (2)	23.47	22.11	22.70	24.55
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Efficiency ratio (3)	48.99	48.04	48.38	47.90
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Effective tax

rate	31.86	30.26	31.22	32.67
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Dividend payout

ratio (4)	43.27	42.84	41.54	42.86
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Average Balances

Assets	\$20,921,575	\$16,365,762	\$22,022,165	\$20,607,901
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Earning assets	19,181,630	15,202,928	20,080,758	18,960,035
Interest-bearing liabilities	16,410,899	12,868,370	17,090,134	16,198,492
Loans	14,347,707	11,174,856	15,154,225	14,163,827
Deposits	12,462,981	10,144,528	13,282,910	12,133,719
Stockholders' equity	2,101,389	1,499,606	2,320,134	2,027,785
Stockholders' equity / assets	10.04%	9.16%	10.54%	9.84%

At Period End

Assets	\$22,100,082	\$20,741,731
Loans	15,206,464	14,107,137
Allowance for loan losses	203,404	190,080
Goodwill	877,680	679,993
Mortgage servicing rights, net	68,841	78,688
Other intangible assets	51,517	37,004
Deposits	13,573,089	12,181,025
Stockholders' equity	2,324,978	2,062,565
Stockholders' equity / assets	10.52%	9.94%
Tangible equity / tangible assets (5)	6.59%	6.72%
Shares outstanding, end of period	135,602	127,985
Shares repurchased during period	974	-
Average per share cost of shares repurchased during period	\$ 30.82	\$ -
Year-to-date shares repurchased during period	3,496	2,522
YTD average per share cost of shares repurchased during period	\$ 32.43	\$ 33.05

Selected trend information

Average full time equivalent employees	5,113	4,815
Trust assets under management, at market value	\$ 5,000,000	\$ 4,900,000
Mortgage loans originated for sale	356,280	498,343
Portfolio serviced for others	8,028,000	9,492,000
Mortgage servicing rights, net / Portfolio serviced for others	0.86%	0.83%

Selected Quarterly Information
Associated Banc-Corp

(in thousands, except per share
& full time equivalent
employee data) 2nd Qtr 2005 1st Qtr 2005 4th Qtr 2004

Summary of Operations

Net interest income	166,674	165,908	158,457
Provision for loan losses	3,671	2,327	3,603
Asset sale gains (losses), net	539	(302)	432
Investment securities gains (losses), net	1,491	-	(719)
Noninterest income (excluding securities & asset gains)	59,674	71,675	59,324
Noninterest expense	116,334	121,242	109,967
Income before income taxes	108,373	113,712	103,924
Income taxes	34,358	36,242	33,069
Net income	74,015	77,470	70,855
Taxable equivalent adjustment	6,174	6,222	6,342

Per Common Share Data (1)

Net income:

Basic	\$ 0.57	\$ 0.60	\$ 0.57
Diluted	0.57	0.59	0.57
Dividends	0.2700	0.2500	0.2500

Market Value:

High	\$ 33.89	\$ 33.50	\$ 34.85
Low	30.11	30.60	32.08
Close	33.58	31.23	33.23
Book value	15.80	15.62	15.56

Performance Ratios (annualized)

Earning assets yield	5.71%	5.51%	5.31%
Interest-bearing liabilities rate	2.42	2.13	1.85
Net interest margin	3.63	3.68	3.74
Return on average assets	1.44	1.54	1.49
Return on average equity	14.62	15.52	15.46
Return on tangible average equity (2)	22.65	24.13	22.47
Efficiency ratio (3)	50.03	49.73	49.07
Effective tax rate	31.70	31.87	31.82
Dividend payout ratio (4)	47.37	41.67	43.86

Average Balances

Assets	\$20,574,770	\$20,467,698	\$18,956,445
Earning assets	18,916,921	18,756,555	17,437,618
Interest-bearing liabilities	16,207,719	16,139,002	14,761,878
Loans	14,084,246	13,977,621	12,858,394
Deposits	12,069,719	12,359,040	11,658,646
Stockholders' equity	2,030,929	2,024,265	1,822,715
Stockholders' equity / assets	9.87%	9.89%	9.62%

At Period End

Assets	\$20,753,714	\$20,502,442	\$20,520,136
Loans	14,054,506	13,923,196	13,881,887
Allowance for loan losses	190,024	189,917	189,762
Goodwill	679,993	679,993	679,993
Mortgage servicing rights, net	74,103	78,182	76,247
Other intangible assets	38,907	41,199	43,193
Deposits	12,098,631	12,193,904	12,786,239
Stockholders' equity	2,018,435	2,025,071	2,017,419
Stockholders' equity / assets	9.73%	9.88%	9.83%
Tangible equity / tangible assets (5)	6.49%	6.59%	6.54%
Shares outstanding, end of period	127,743	129,622	129,695
Shares repurchased during period	2,111	411	376
Average per share cost of shares repurchased during period	\$33.10	\$32.76	\$33.25

Year-to-date shares repurchased during period	2,522	411	1,073
YTD average per share cost of shares repurchased during period	\$ 33.05	\$ 32.76	\$ 30.43

Selected trend information

Average full time equivalent employees	4,889	5,132	4,746
Trust assets under management, at market value	\$4,800,000	\$4,700,000	\$4,600,000
Mortgage loans originated for sale	385,677	337,406	427,951
Portfolio serviced for others	9,479,000	9,528,000	9,543,000
Mortgage servicing rights, net / Portfolio serviced for others	0.78%	0.82%	0.80%

- (1) Per share data adjusted retroactively for stock splits and stock dividends.
- (2) Return on tangible average equity = Net income divided by average equity excluding average goodwill and other intangible assets. This is a non-GAAP financial measure.
- (3) Efficiency ratio = Noninterest expense divided by sum of taxable equivalent net interest income plus noninterest income, excluding investment securities gains, net, and asset sales gains, net.
- (4) Ratio is based upon basic earnings per share.
- (5) Tangible equity to tangible assets = Stockholders' equity excluding goodwill and other intangible assets divided by assets excluding goodwill and other intangible assets. This is a non-GAAP financial measure.

Financial Summary and Comparison

Associated Banc-Corp Three months ended
December 31,

(in thousands)	2005	2004	% Change
Allowance for Loan Losses			
Beginning balance	\$190,080	\$175,007	8.6%
Balance related to acquisition	13,283	14,750	(9.9%)
Provision for loan losses	3,676	3,603	2.0%
Charge offs	(11,142)	(5,710)	95.1%

Recoveries	7,507	2,112	255.4%
Net charge offs	(3,635)	(3,598)	1.0%
Ending Balance	\$203,404	\$189,762	7.2%

Financial Summary and Comparison

Year ended
December 31,

(in thousands)	2005	2004	% Change
Allowance for Loan Losses			
Beginning balance	\$189,762	\$177,622	6.8%
Balance related to acquisition	13,283	14,750	(9.9%)
Provision for loan losses	13,019	14,668	(11.2%)
Charge offs	(27,743)	(22,202)	25.0%
Recoveries	15,083	4,924	206.3%
Net charge offs	(12,660)	(17,278)	(26.7%)
Ending Balance	\$203,404	\$189,762	7.2%

Credit Quality

4Q05 vs
Dec 31, Sept 30, 3Q05
2005 2005 % Change

Nonaccrual loans	\$ 95,313	\$107,298	(11.2%)
Loans 90 or more days past due and still accruing	3,270	3,354	(2.5%)
Restructured loans	32	33	(3.0%)
Total nonperforming loans	98,615	110,685	(10.9%)
Other real estate owned	11,336	10,017	13.2%
Total nonperforming assets	109,951	120,702	(8.9%)
Provision for loan losses	3,676	3,345	9.9%
Net charge offs	3,635	3,289	10.5%
Allowance for loan losses / loans	1.34%	1.35%	

Allowance for loan losses /			
nonperforming loans	206.26	171.73	
Nonperforming loans / total			
loans	0.65	0.78	
Nonperforming assets / total			
assets	0.50	0.58	
Net charge offs / average loans			
(annualized)	0.10	0.09	
Year-to-date net charge offs /			
average loans	0.09	0.09	

Credit Quality

		4Q05 vs		
	June 30,	Mar 31,	Dec 31,	4Q04
	2005	2005	2004	% Change

Nonaccrual loans	\$109,698	\$ 99,835	\$112,761	(15.5%)
Loans 90 or more days past due				
and still accruing	2,806	3,068	2,153	51.9%
Restructured loans	35	36	37	(13.5%)

Total nonperforming loans	112,539	102,939	114,951	(14.2%)
Other real estate owned	3,685	4,019	3,915	189.6%

Total nonperforming assets	116,224	106,958	118,866	(7.5%)
=====				
Provision for loan losses	3,671	2,327	3,603	2.0%
Net charge offs	3,564	2,172	3,598	1.0%

Allowance for loan losses /			
loans	1.35%	1.36%	1.37%
Allowance for loan losses /			
nonperforming loans	168.85	184.49	165.08
Nonperforming loans / total			
loans	0.80	0.74	0.83
Nonperforming assets / total			
assets	0.56	0.52	0.58
Net charge offs / average loans			
(annualized)	0.10	0.06	0.11
Year-to-date net charge offs /			
average loans	0.08	0.06	0.15

Period End Loan	4Q05 vs
-----------------	---------

Composition	3Q05		
	Dec 31, 2005	Sept 30, 2005	% Change

Commercial, financial			
& agricultural	\$ 3,417,343	\$ 3,213,656	6.3%
Real estate -			
construction	1,783,267	1,519,681	17.3%
Commercial real			
estate	4,064,327	3,648,169	11.4%
Lease financing	61,315	57,270	7.1%

Commercial	9,326,252	8,438,776	10.5%
Home equity (a)	2,025,055	1,878,436	7.8%
Installment	1,003,938	1,024,356	(2.0%)

Retail	3,028,993	2,902,792	4.3%
Residential			
mortgage	2,851,219	2,765,569	3.1%

Total loans	\$15,206,464	\$14,107,137	7.8%
=====			

Period End Loan Composition	4Q05 vs 4Q04		
	June 30, 2005	Mar 31, 2005	Dec 31, 2004 % Change

Commercial, financial			
& agricultural	\$ 3,086,663	\$ 2,852,462	\$ 2,803,333 21.9%
Real estate -			
construction	1,640,941	1,569,013	1,459,629 22.2%
Commercial real			
estate	3,650,726	3,813,465	3,933,131 3.3%
Lease financing	53,270	50,181	50,718 20.9%

Commercial	8,431,600	8,285,121	8,246,811 13.1%
Home equity (a)	1,806,236	1,744,676	1,866,485 8.5%
Installment	1,025,621	1,048,510	1,054,011 (4.8%)

Retail	2,831,857	2,793,186	2,920,496 3.7%
Residential			
mortgage	2,791,049	2,844,889	2,714,580 5.0%

Total loans	\$14,054,506	\$13,923,196	\$13,881,887 9.5%
=====			

(a) Home equity includes home equity lines and residential mortgage

junior liens.

Period End Deposit Composition		4Q05 vs 3Q05	
	Dec 31, 2005	Sept 30, 2005	% Change

Noninterest-bearing			
demand	\$ 2,504,926	\$ 2,256,774	11.0%
Savings	1,079,851	1,074,234	0.5%
Interest-bearing			
demand	2,549,782	2,252,711	13.2%
Money market	2,629,933	2,240,606	17.4%
Brokered CDs	529,307	407,459	29.9%
Other time deposits	4,279,290	3,949,241	8.4%

Total deposits	\$13,573,089	\$12,181,025	11.4%
=====			

Period End Deposit Composition		4Q05 vs 4Q04	
	June 30, 2005	Mar 31, 2005	Dec 31, 2004 % Change

Noninterest-bearing			
demand	\$ 2,250,482	\$ 2,156,592	\$ 2,347,611 6.7%
Savings	1,117,922	1,137,120	1,116,158 (3.3%)
Interest-bearing			
demand	2,227,188	2,485,548	2,854,880 (10.7%)
Money market	2,094,796	2,112,490	2,083,717 26.2%
Brokered CDs	491,781	218,111	361,559 46.4%
Other time deposits	3,916,462	4,084,043	4,022,314 6.4%

Total deposits	\$12,098,631	\$12,193,904	\$12,786,239 6.2%
=====			

 Net Interest Income Analysis -
 Taxable Equivalent Basis
 Associated Banc-Corp Year ended December 31, 2005

 Interest Average

(in thousands)	Average Income / Yield /		
	Balance	Expense	Rate

Earning assets:			
Loans: (1) (2) (3)			
Commercial	\$ 8,574,996	\$ 532,116	6.21%
Residential mortgage	2,875,438	161,095	5.60
Retail	2,897,273	198,086	6.84

Total loans	14,347,707	891,297	6.21
Investments and other	4,833,923	228,237	4.72

Total earning assets	19,181,630	1,119,534	5.84
Other assets, net	1,739,945		

Total assets	\$20,921,575		
=====			
Interest-bearing liabilities:			
Savings deposits	\$1,125,417	\$3,877	0.34%
Interest-bearing demand deposits	2,337,462	26,611	1.14
Money market deposits	2,262,369	45,626	2.02
Time deposits, excluding Brokered			
CDs	4,083,500	123,550	3.03

Total interest-bearing deposits,			
excluding Brokered CDs	9,808,748	199,664	2.04
Brokered CDs	394,305	13,388	3.40

Total interest-bearing deposits	10,203,053	213,052	2.09
Wholesale funding	6,207,846	208,718	3.36

Total interest-bearing liabilities	16,410,899	421,770	2.57
Noninterest-bearing demand	2,259,928		
Other liabilities	149,359		
Stockholders' equity	2,101,389		

Total liabilities and stockholders'			
equity	\$20,921,575		
=====			

Net interest income and rate spread (1)		\$ 697,764	3.27%
=====			
Net interest margin (1)		3.64%	
Taxable equivalent adjustment		\$ 25,509	
=====			

Net Interest Income Analysis -

Taxable Equivalent Basis

Associated Banc-Corp Year ended December 31, 2004

(in thousands)	Interest Average		
	Average Balance	Income / Expense	Yield / Rate
Earning assets:			
Loans: (1) (2) (3)			
Commercial	\$ 6,928,494	\$ 350,889	5.06%
Residential mortgage	2,170,600	122,453	5.64
Retail	2,075,762	122,406	5.90
Total loans	11,174,856	595,748	5.33
Investments and other	4,028,072	196,902	4.89
Total earning assets	15,202,928	792,650	5.21
Other assets, net	1,162,834		
Total assets	\$16,365,762		
Interest-bearing liabilities:			
Savings deposits	\$ 967,930	\$ 3,487	0.36%
Interest-bearing demand deposits	2,406,280	19,874	0.83
Money market deposits	1,628,208	14,259	0.88
Time deposits, excluding Brokered CDs	3,042,933	76,930	2.53
Total interest-bearing deposits, excluding Brokered CDs	8,045,351	114,550	1.42
Brokered CDs	232,066	3,686	1.59
Total interest-bearing deposits	8,277,417	118,236	1.43
Wholesale funding	4,590,953	96,259	2.10
Total interest-bearing liabilities	12,868,370	214,495	1.67
Noninterest-bearing demand	1,867,111		
Other liabilities	130,675		
Stockholders' equity	1,499,606		
Total liabilities and stockholders' equity	\$16,365,762		

Net interest income and rate spread (1)	\$ 578,155	3.54%
Net interest margin (1)	3.80%	
Taxable equivalent adjustment	\$ 25,528	

Three months ended
December 31, 2005

	Interest	Average	
	Average	Income /	Yield /
	Balance	Expense	Rate

Earning assets:

Loans: (1) (2) (3)				
Commercial	\$ 9,222,512	\$ 156,412	6.64%	
Residential mortgage	2,905,463	41,482	5.68	
Retail	3,026,250	55,120	7.25	
Total loans	15,154,225	253,014	6.58	
Investments and other	4,926,533	58,295	4.73	
Total earning assets	20,080,758	311,309	6.12	
Other assets, net	1,941,407			
Total assets	\$22,022,165			

Interest-bearing liabilities:

Savings deposits	\$ 1,150,777	\$ 800	0.28%	
Interest-bearing demand deposits	2,210,056	7,082	1.27	
Money market deposits	2,623,223	17,121	2.59	
Time deposits, excluding Brokered CDs	4,342,185	37,004	3.38	
Total interest-bearing deposits, excluding Brokered CDs	10,326,241	62,007	2.38	
Brokered CDs	483,100	4,927	4.05	
Total interest-bearing deposits	10,809,341	66,934	2.46	
Wholesale funding	6,280,793	62,014	3.87	

Total interest-bearing liabilities	17,090,134	128,948	2.98
Noninterest-bearing demand	2,473,569		
Other liabilities	138,328		
Stockholders' equity	2,320,134		

Total liabilities and stockholders' equity \$22,022,165

Net interest income and rate spread (1) \$ 182,361 3.14%

Net interest margin (1) 3.59%
Taxable equivalent adjustment \$ 6,766

Three months ended
December 31, 2004

Interest Average
Average Income / Yield /
Balance Expense Rate

Earning assets:

Loans: (1) (2) (3)

Commercial	\$ 7,702,801	\$ 104,124	5.29%
Residential mortgage	2,552,396	36,050	5.63
Retail	2,603,197	39,751	6.07

Total loans	12,858,394	179,925	5.52
Investments and other	4,579,224	53,967	4.71

Total earning assets	17,437,618	233,892	5.31
Other assets, net	1,518,827		

Total assets \$18,956,445

Interest-bearing liabilities:

Savings deposits	\$ 1,087,220	\$ 959	0.35%
Interest-bearing demand deposits	2,525,312	5,688	0.90
Money market deposits	1,918,149	5,012	1.04
Time deposits, excluding Brokered CDs	3,634,972	23,703	2.59

Total interest-bearing deposits,			
excluding Brokered CDs	9,165,653	35,362	1.53
Brokered CDs	278,812	1,473	2.10

Total interest-bearing deposits	9,444,465	36,835	1.55
Wholesale funding	5,317,413	32,258	2.38

Total interest-bearing liabilities	14,761,878	69,093	1.85
Noninterest-bearing demand	2,214,181		
Other liabilities	157,671		
Stockholders' equity	1,822,715		

Total liabilities and stockholders'			
equity	\$18,956,445		
=====			

Net interest income and rate spread (1)	\$ 164,799 3.46%
=====	

Net interest margin (1)	3.74%
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Taxable equivalent adjustment	\$6,342
=====	

(1) The yield on tax exempt loans and securities is computed on a taxable equivalent basis using a tax rate of 35% for all periods presented and is 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 net loan fees.

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SOURCE: Associated Banc-Corp