



NEWS RELEASE

Associated Forms CDC To Invest in Communities; State Financial CEO Mike Falbo To Lead New Subsidiary

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GREEN BAY, Wis.--(BUSINESS WIRE)--June 2, 2005--Associated Banc-Corp (Nasdaq:ASBC) has created a Community Development Corporation (CDC) to more effectively focus the company's resources on community development in low- and moderate-income neighborhoods. Mike Falbo will head the new subsidiary. Falbo is currently chairman and CEO of State Financial Bank, which Associated plans to acquire later this year.

The new company, Associated Community Development, LLC, will facilitate access to affordable residential borrowing in low- and moderate-income neighborhoods. The CDC will also make investments to fund commercial community development projects. The CDC will help individuals, community groups and businesses use community-based resources along with government guarantees and to achieve affordable housing and commercial redevelopment in low- and moderate-income neighborhoods.

"Supporting the financial and social health of our communities is one of Associated's core values. Our community development corporation will link the bank's resources with community organizations and governmental entities to improve neighborhoods and invest in their growth and vitality," said Associated President and CEO Paul S. Beideman.

Mike Falbo said, "I am pleased to lead the newly formed CDC for Associated Bank. Along with everyone at Associated Bank, I am very committed to the economic development of the communities we serve." He added, "The depth of experience and expanded resources of our combined organization positions us well to create a positive

impact for both area neighborhoods and for local businesses."

Associated Banc-Corp, headquartered in Green Bay, Wis., is a diversified multibank holding company with total assets of \$20.5 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 filed on Form 10-K.

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