

ASSOCIATED BANK, N.A. COMMUNITY COMMITMENT PLAN FOR 2018-2020



Our Purpose

Associated Bank, N.A. (Associated) recognizes our success is dependent upon strong relationships with the communities where we live and serve. As a responsible corporate citizen, we endeavor to foster stronger, more stable communities. This includes providing sound financial services throughout our three-state footprint of Wisconsin, Illinois and Minnesota; giving of our time through colleague volunteerism; and strengthening our communities through our provision of financial resources.

Helping to ensure the well-being of our communities is an integral part of our strategy. Through targeted efforts and specific commitments to the minority and low- to moderate-income (LMI) customers and communities within our footprint (Intended Customers and Communities), we work to address some of the most important economic development issues in the markets we serve.

Ultimately, we believe we can only be successful if the communities in which we operate are also successful. In 2016, Associated adopted a Community Commitment Plan outlining our goals over three years in the areas of lending, investments and services as they relate to our Intended Customers and Communities. This Community Commitment Plan (Plan) is an extension of the 2016 Plan outlining our objectives through year-end 2020.

By striving to meet the goals stated in this Plan, we are strengthening these communities. And in turn, we are ensuring both Associated's long-term vitality and taking an important step toward becoming the premier financial services company in the Midwest.

Our Overall Commitment

Associated commits to extend at least \$2.4 billion in loans and investments and at least \$8 million in grants to our Intended Customers and Communities by the end of 2020 in order to achieve the goals outlined below.

On an annual basis, we will publish on our website a report showing our progress in achieving our goals

under the Plan. In addition to the progress on our overall goals, we will publish the following for mortgage loans under our Plan: loans made to LMI borrowers, loans made in LMI census tracts, loans made in majority-minority census tracts and loans made to minorities. With respect to small business loans, we will publish loans made in LMI census tracts and loans made to businesses with revenues of \$1 million or less.

Our Partnership with Our Communities

To achieve the Plan goals, we will continue to collaborate with community leaders, various nonprofit organizations, governmental entities and other community representatives in support of the economic health of our communities. These relationships play a vital and multifaceted role in successfully implementing this plan, including: (i) helping us to better understand the needs of the communities that are the focus of this Plan; (ii) creating more direct access to consumers and communities that will directly benefit from the Plan; and (iii) influencing key elements of our Plan as it evolves.

To effectively foster these relationships, we will continue our work with Community Advisory Councils (Councils). Council membership represents various nonprofit groups and brings expertise in key areas including homeownership counseling, small business support, neighborhood stabilization/revitalization, and community services designed to better reach our Intended Customers and Communities. The Councils work with Associated colleagues, periodically reviewing our progress on this Plan, keeping us informed on specific community development needs, and advising on solutions that will meet those needs. The Councils, originally launched in 2016, are based in Chicago, Milwaukee and Minneapolis.

Our Commitments in Lending

Associated understands that effectively extending credit to qualified minority and LMI borrowers is essential to achieving the overall goal of actively participating in community development. We are committed to

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servicing the credit needs of our Intended Customers and Communities, including small businesses and community development organizations. We are also committed to meeting these credit needs while still following safe and sound banking practices. To further our goals, we prudently underwrite loans and carefully consider the borrower's ability to repay, recognizing the reality that extending credit to unqualified borrowers does them and our communities a disservice. All underwriting will continue to fully conform to applicable regulations and regulatory guidance. Associated is an Equal Housing and Equal Opportunity Lender. We seek advice from our Councils and other community organizations to ensure our loan products are designed to meet the needs of the community. Additionally, we will continue to lend to organizations that support community development.

The chart below presents our overall lending goals for 2018 through 2020. For residential mortgages, we have a specific dollar commitment for our entire footprint. Residential mortgages include loans for the purchase and construction of one-to-four unit and single family properties to our Intended Customers and Communities. Based on feedback from our community partners, we placed an emphasis on creating homeownership, and did not include refinance transactions in our commitment. For small business loans, we have specific dollar commitments for our entire footprint. Small business loans include loan commitments of \$1 million or less made to businesses located in our Intended Communities or businesses with revenues of \$1 million or less that are located within the Company's entire footprint.

In addition to lending to consumers and businesses, we commit to initiating \$600 million in community

development loans and monetary investments over the three-year Plan. This includes construction loans, term loans, letters of credit and other projects.

We will monitor our performance and annually report our progress toward meeting these commitments. We recognize that changes in the level of interest rates and general market conditions may impact our performance. To that end, if the need arises, we may adjust our commitments during the course of the Plan.

Mortgage Lending

Our Residential Lending division originates mortgages and home equity lines to consumers across our footprint. We use our full array of channels and products to maximize our reach to our Intended Customers and Communities. Channels for loan origination and funding include: loan officers, branches, loan production offices (LPOs), third-party originators (mortgage bankers, mortgage brokers and correspondent banks), loan and portfolio purchases, loan-by-phone and online banking. Our lending products include standard mortgages and home equity lines, government programs (e.g., FHA loans) and proprietary loan products.

We will achieve the goals outlined in this Plan by leveraging enhanced lending practices, down payment assistance programs, increased staff, internal training programs and community outreach efforts. We offer both standard and proprietary mortgage products that are specifically designed to address the needs of our Intended Communities. We have also enhanced our existing training program, including training on programs specific to the relevant products and programs designed to give our residential loan officers the skills to effectively reach our Intended Customers and Communities. Additionally, our management team

Product	Three-Year Commitment (\$ in millions)
1-4 Family Purchase Money Residential Mortgages	\$1,400
Small Business	\$425
Community Development Loans and Investments	\$600*
Donations	\$8

*Amount does not include the book value of Community Development Investments from prior periods.

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will continue to be present in the communities we serve, actively and vigorously collaborating with community leaders and housing assistance partners to find lending opportunities.

As we monitor and report on our progress toward reaching these goals, we will be prepared to adjust our strategies to account for economic conditions, such as rising interest rates. Such adjustments could include shifting resources to focus on multifamily lending or supporting nonprofit developers. Associated strives to achieve these goals through direct originations, however, purchasing and funding whole loans that enhance our reach to our Intended Customers and Communities will remain part of the strategy.

Small Business Lending

We originate small business loans through a variety of channels and products. As with residential lending, we use all our available channels and products to maximize the outreach to the Intended Customers and Communities. Channels for small business loan origination include our branches, commercial relationship managers and online banking. Products include a full array of conventional business loans, government-guaranteed loan products (e.g., Small Business Administration loans) and business credit cards.

Community Development Lending and Investments

In addition to lending to minority and LMI borrowers and small businesses, and to fully achieve the goals of this Plan, we will continue to make commitments to developments in the communities within our footprint. Over the three years, we plan to make at least \$600 million in community development loans and monetary investments that have a main purpose of providing additional resources to Intended Customers and Communities.

This includes making loans that create affordable housing options in LMI communities, provide community services to LMI individuals, promote economic development within LMI communities, and serve to help revitalize or stabilize LMI neighborhoods.

Our Commercial Real Estate Group will continue to work with developers and tax credit syndicators to explore

opportunities to develop affordable housing throughout our footprint. Additionally, through community outreach and active prospecting efforts, we will seek opportunities to promote economic development through new construction and renovation of commercial properties that will have an impact on the communities we serve. Channels for Community Development Lending include: construction loans, term loans and letters of credit. These loans will provide leadership opportunities for complex and layered transactions to achieve the stated lending goals.

We continue to invest in mortgage-backed securities, certificates of deposit in minority-owned banks, small business investment corporations, low-income housing tax credits, new market tax credits, historic tax credits and loan pools. We will leverage the information learned through our ongoing community outreach and from our Community Advisory Councils to identify appropriate investing opportunities.

Social Investments

The company volunteers its expertise and provides financial contributions to nonprofit organizations that support community development. We designate approximately 1% of annual pretax profits for charitable purposes with the majority of that total supporting Community Reinvestment Act (CRA) qualifying contributions. We surpassed that target in 2017, providing \$2.4 million in CRA-qualifying contributions to various nonprofit organizations. These include organizations such as Housing Resources, Inc. of Milwaukee, Neighborhood Housing Services of Chicago, Minneapolis Urban League and similar organizations that focus on creating affordable housing; provide community services to our Intended Customers and Communities; promote economic development of small businesses; and revitalize and stabilize LMI neighborhoods. Going forward, we will seek advice from our Councils to identify organizations that best align with the goals stated in this Plan. Subject to any major circumstances that might impair our charitable contributions formula described above, we intend to make at least \$8 million in CRA-qualified contributions from 2018 through 2020.

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Associated will continue to support colleague volunteerism in organizations and programs that primarily serve the Intended Customers and Communities. Our colleagues have a strong tradition of engaging in this type of volunteerism, using their expertise to serve on boards of directors and to support the organizations' staff and clients. And, over the three years ending December 31, 2017, our colleagues recorded over 15,000 CRA-qualified service hours in the communities we serve.

In support of these efforts, we provide each employee with eight hours of volunteer time off. This company-supported initiative equates to approximately \$4 million in paid time off for volunteerism purposes by the end of 2020, which includes volunteering for CRA-qualified activities. We will also increase our focus on providing access to volunteer opportunities that support the goals outlined in this Plan.

Our Commitments to Providing Services

Access to Services to Our Intended Customers and Communities

Associated is committed to ensuring that we effectively provide access to our financial products and services. In doing so, we must acknowledge that the landscape of banking is changing, with a noticeable shift from transactions performed in branches to transactions performed via electronic means. As a result, we need to ensure that all of our current and prospective customers, including our Intended Customers and Communities, have access to our services and products.

To accomplish this, we must strike a fine balance between maintaining a physical presence within the communities we serve and providing cutting-edge electronic banking options and alternative channels, including online banking and mobile banking. Teller transactions at branches industrywide and at Associated continue to drop significantly, while consumer usage of digital channels (online banking, mobile banking and ATMs) continued to rise significantly. Mobile banking, in particular, has proven an effective tool for providing financial services access to minorities and LMI individuals.

While we acknowledge this shift in consumer habits, Associated still recognizes the importance of a physical presence, especially in minority and LMI census tracts. With our acquisition of Bank Mutual in February 2018, Associated added a net 22 branches to our network. Moreover, fully 28% of our branch network will be located in LMI census tracts by mid-2018.

Associated has invested heavily in digital and other non-branch channels, and consumer adoption of our digital channels outpaces the industry. We have significantly invested in developing our alternative channels, including online banking, mobile banking, full-service ATMs and a 24/7/365 telephone-based Customer Care center to address these changing access needs.

Products, Services and Programs

We continue to implement a variety of services and programs that are specifically designed to reach our Intended Customers and Communities.¹ We launched in 2014 our Credit Builder loan program, which is designed to help consumers build favorable credit history and help build savings. Customers enrolled in this program receive a \$1,000 loan (with no loan fees) that is deposited into a savings account and used to secure the loan. The customer then pays back the \$1,000 and nominal interest over two years, and the payments are reported to the credit bureaus. Since the introduction of Credit Builder at the end of 2014, over 3,500 of our customers have enrolled.

In 2017, we introduced PATH (Program for Assisting Today's Homebuyer), a program that provides down payment and closing cost assistance to Intended Customers and Communities purchasing or building a primary residence in eligible counties. Eligible borrowers can receive up to \$4,000 financial assistance grant from Associated with no obligation to repay the grant funds. PATH funds may be eligible for use in combination with other down payment and closing cost payment assistance programs. Since the introduction of PATH, more than 300 loans have been originated.

In addition, we plan to offer Fannie Mae's HomeStyle Energy Mortgage in the near future. This product is designed to support borrowers in their efforts to

¹ These programs and the funds we commit are included in our overall financial commitments mentioned above.

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increase home energy efficiency and reduce utility costs. Borrowers can finance energy-efficient upgrades when purchasing or refinancing a home.

Focused Marketing

The company will drive increased awareness of its community-based lending products and programs through specific marketing outreach designed to reach the Intended Customers and Communities. This may include print, digital and radio advertising, and complementary marketing materials used in Associated Bank branch and loan production office locations.

Our Colleagues

Recognizing the value our colleagues bring to the organization and the markets we serve, we work to attract and develop high-caliber talent. Integral to the success of this Plan is the company's new Director of Community Accountability, who drives enterprise-wide initiatives in this space. Also critical to our success is our CRA Officer who is responsible for establishing CRA policy and monitoring the Bank's performance in complying with the requirements of the CRA program. These efforts are complemented by the Director of Multi-Cultural & Affordable Lending who is responsible for leading strategic initiatives relative to Affordable Lending for the Bank.

We also rigorously train our colleagues who have substantial involvement in residential lending on key aspects of fair lending, including obligations contained in the Federal Fair Housing Act and the Equal Credit Opportunity Act. Many of these colleagues in partnership with various housing counseling agencies have conducted homebuyer and financial literacy workshops and participated in homebuyer fairs for local consumers.

Diversity and Inclusion Within Associated

Associated's customers represent people of diverse backgrounds. To effectively attract and serve these

customers, we aspire to have our colleague population mirror the larger communities in which we do business. Through targeted recruitment activities and a concerted effort to present diverse candidates for interviews, we have doubled minority hiring over the past two years in key markets.

We encourage all colleagues to expand their networks by participating in one or more of the company's voluntary Colleague Resource Groups, including the Cultural Awareness Network (CAN). Since its inception, CAN has grown to more than 550 participants. Its primary focus is to promote racial and ethnic diversity within Associated and is directly involved in recruiting and retaining colleagues of color. CAN also plays an important role in achieving the goals outlined in this Plan, including generating several recommendations that help us attract minority and LMI customers, and serving as a channel through which we can effectively engage with our diverse communities.

The company regularly monitors the progress of workforce development and retention, supplier diversity, colleague engagement and similar initiatives. Quarterly progress reports are provided to the Diversity & Inclusion Council and business line leaders. Additionally, Associated Banc-Corp Board of Directors receives a comprehensive report on an annual basis. The company also shares progress publicly through its Diversity & Inclusion Summary Annual Report.

For more information regarding Associated's Community Commitment Plan for 2018-2020, please contact our Director of Community Accountability at CommunityAccountability@AssociatedBank.com or by calling 312-552-2400.

