Associated Banc-Corp (ASB)

Updated October 24th, 2025, by Kody Kester

Key Metrics

Current Price:	$26	**5 Year CAGR Estimate:**	11.7%	**Market Cap:**	$4.3B
Fair Value Price:	$29	**5 Year Growth Estimate:**	6.0%	**Ex-Dividend Date:**	12/01/25[1]
% Fair Value:	87%	**5 Year Valuation Multiple Estimate:**	2.7%	**Dividend Payment Date:**	12/15/25[1]
Dividend Yield:	3.6%	**5 Year Price Target**	$39	**Years Of Dividend Growth:**	14
Dividend Risk Score:	C	**Sector:**	Financials	**Rating:**	Hold

Overview & Current Events

Associated Banc-Corp (ASB) is a diversified bank holding company with corporate roots dating back to 1861. Through its subsidiaries, it provides banking and nonbanking products and services to individuals and businesses in Wisconsin, Illinois, Minnesota, and Missouri. It is Wisconsin's largest bank, with $44.5 billion in assets and nearly 200 branches as of September 30th, 2025.

The regional bank offers both savings and loan products. Savings products include money market deposit accounts, certificates of deposit, savings accounts, and checking accounts. Loan products include residential mortgages, construction loans, commercial real estate financing, auto loans, and home equity loans.

As of September 30th, 2025, the company had $31 billion in loans on its balance sheet. Approximately 41.1% of these loans were commercial and business loans. Another 35.2% were consumer loans (of which 87% were super prime with FICO scores of 720 or higher and 8% were prime with FICO scores between 660 and 719). The remaining 23.7% of loans were in the commercial real estate category.

On October 23rd, ASB shared its financial results for the third quarter ended September 30th, 2025. The company's net interest income climbed 16.3% over the year-ago period to $305.2 million during the quarter. That was fueled by both a 26-basis-point expansion in the net interest margin and a higher loan balance in the quarter. ASB's non-interest income surged 20.9% year-over-year to $81.3 million for the quarter. Greater revenue from capital markets, wealth management fees, and card-based fees were key contributors to this uptick during the quarter. ASB's diluted EPS soared 30.4% over the year-ago period to $0.73 in the quarter. This beat the analyst consensus for the quarter by $0.05.

Growth on a Per-Share Basis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
EPS	$1.19	$1.26	$1.52	$2.07	$1.97	$1.19	$2.19	$2.39	$2.27	$2.38	***$2.68***	***$3.59***
DPS	$0.41	$0.45	$0.50	$0.62	$0.69	$0.72	$0.76	$0.81	$0.85	$0.89	***$0.92***	***$1.17***
Shares[2]	151.2	152.1	152.8	164.4	157.2	153.5	149.3	150.4	151.0	166.2	***165.9***	***165.9***

Since 2015, ASB has compounded its non-GAAP diluted EPS by 8% annually. Looking ahead, we think that the company's non-GAAP diluted EPS can rise by 6% each year off an anticipated 2025 base of $2.68. In March, the company completed Phase 2 of its commercial expansion by adding three experienced bankers to its commercial banking team in Kansas City. In April, ASB expanded into Missouri with the opening of its first branch in St. Louis. These moves give the company a longer growth runway. Additionally, we expect that, as the Federal Reserve announces further federal funds rate cuts, ASB's net interest margin will continue to gradually expand over time, as has been the case with the meaningful expansion in the past four quarters.

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[1] Estimated based on past dividend dates.

[2] Share count is in millions.

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Valuation Analysis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Now	2030
Avg. P/E	15.8	19.6	16.7	9.6	11.2	14.3	10.3	9.7	9.4	11.0	***9.6***	***11.0***
Avg. Yld.	2.2%	1.8%	2.0%	3.1%	3.1%	4.2%	3.4%	3.5%	4.0%	3.7%	***3.6%***	***3.0%***

Over the past decade, shares of ASB have been priced at a P/E ratio as low as the high single digits to as much as the high teens. During that time, the average P/E ratio was almost 13. Over the past five years, the average P/E ratio was approximately 11. Moving forward, we still think that the five-year average P/E ratio continues to represent fair value for ASB. Compared to the current P/E ratio of 9.6, the bank's shares look to be undervalued.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
Payout	34%	36%	33%	30%	35%	61%	35%	34%	37%	37%	***34%***	***33%***

ASB's reputation as a leading Midwestern regional bank serves as a competitive advantage for the company. Tracing its operations back to the American Civil War, it consistently wins over new customers. ASB also has the product offerings and customer service to retain these customers.

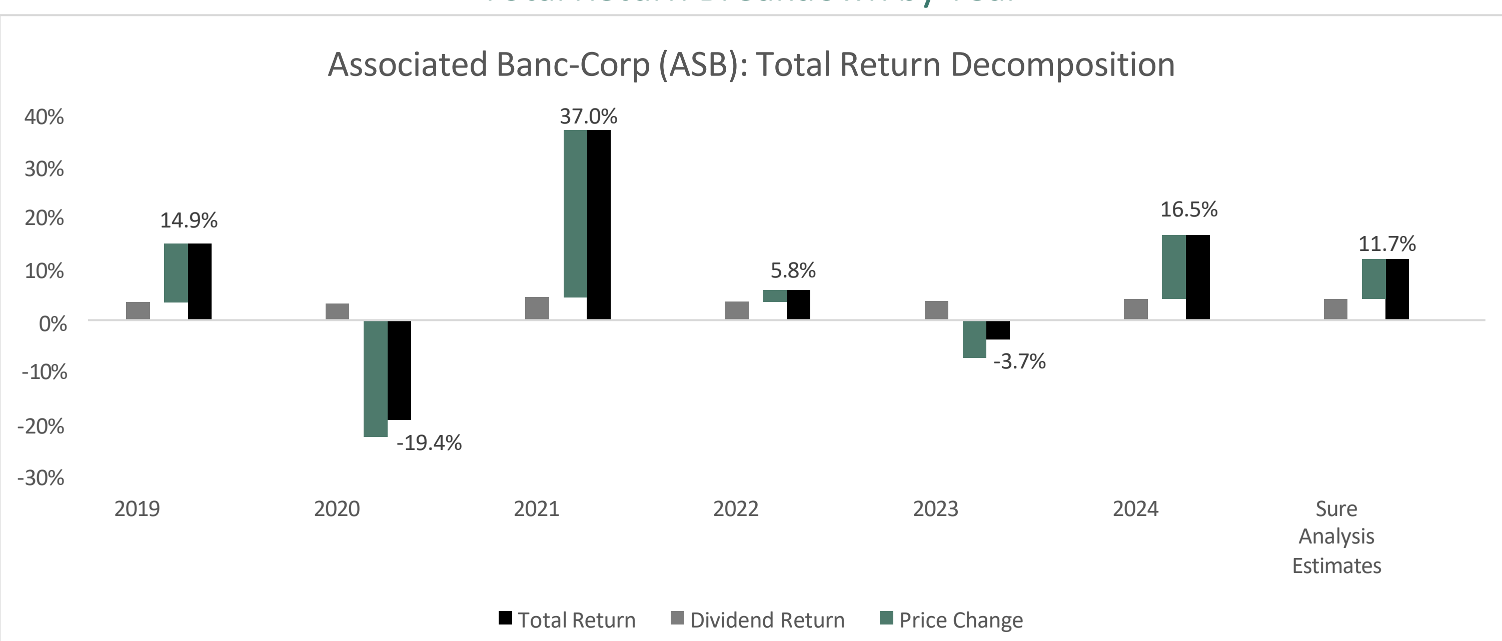
Financially, the company is reasonably healthy. ASB's CET1 ratio as of Q3 2025 was approximately 10.3% (up 13 basis points sequentially). That's more than double the regulatory minimum set forth by the Federal Reserve Board of 4.5%. ASB also enjoys an investment-grade, BBB- credit rating from S&P.

The regional bank's dividend is also sustainable, with the payout ratio expected to be in the mid-30% range for 2025. That should give ASB the flexibility to grow its non-GAAP diluted EPS at a mid-single-digit rate for the foreseeable future, which would build on its existing 14-year dividend growth streak.

Final Thoughts & Recommendation

ASB's 3.6% dividend yield, 6.0% annual non-GAAP diluted EPS growth prospects, and 2.7% annual valuation multiple upside potential could deliver 11.7% annual total returns through 2030. That's a respectable prospective total return profile. Still, other options offer superior return potential in our coverage spectrum. That's why we're maintaining our hold rating.

Total Return Breakdown by Year



Disclosure: This analyst has no position in the security discussed in this research report, and no plans to initiate one in the next 72 hours.

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Income Statement Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenue	1,006	1,060	1,067	1,228	1,208	1,257	1,049	1,234	1,097	953
SG&A Exp.	517	543	552	616	615	552	548	502	564	713
D&A Exp.	62	60	59	66	81	83	75	54	94	58
Net Profit	188	200	229	334	327	307	351	366	183	123
Net Margin	18.7%	18.9%	21.5%	27.2%	27.1%	24.4%	33.5%	29.7%	16.7%	12.9%
Free Cash Flow	247	538	411	431	507	495	477	784	381	535
Income Tax	81	87	110	80	80	20	85	94	23	11

Balance Sheet Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total Assets	27,712	29,139	30,484	33,615	32,386	33,420	35,104	39,410	41,020	43,023
Cash & Equivalents	455	596	683	728	581	715	1,026	594	909	1,020
Acc. Receivable	---	---	---	---	91	90	81	144	170	168
Goodwill & Int.	1,047	1,049	1,050	1,313	1,332	1,220	1,218	1,232	1,230	1,137
Total Liabilities	24,775	26,048	27,246	29,834	28,464	29,329	31,079	35,390	36,840	38,417
Long-Term Debt	3,079	3,345	3,749	4,415	3,760	2,240	1,905	4,604	2,481	1,441
Total Equity	2,816	2,931	3,078	3,524	3,665	3,737	3,832	3,821	3,980	4,606
LTD/E Ratio	1.05	1.08	1.16	1.17	0.96	0.55	0.47	1.15	0.59	0.31

Profitability & Per Share Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Return on Assets	0.7%	0.7%	0.8%	1.0%	1.0%	0.9%	1.0%	1.0%	0.5%	0.3%
Return on Equity	6.8%	7.0%	7.6%	10.1%	9.1%	8.3%	9.3%	9.6%	4.5%	2.8%
ROIC	2.8%	3.2%	3.4%	4.4%	4.1%	4.4%	5.7%	5.0%	2.4%	
Shares Out.	151	152	153	164	157	154	149	151	151	153
Revenue/Share	6.68	7.07	6.94	7.23	7.46	8.18	6.90	8.20	7.27	6.23
FCF/Share	1.64	3.58	2.68	2.54	3.13	3.22	3.14	5.21	2.53	3.50

Note: All figures in millions of U.S. Dollars unless per share or indicated otherwise.