City Holding Company (CHCO)

Updated February 5th, 2026, by Yiannis Zourmpanos

Key Metrics

Current Price:	$129	**5 Year Annual Expected Total Return:**	5.1%	**Market Cap:**	$1.82 B
Fair Value Price:	$90	**5 Year Growth Estimate:**	10.0%	**Ex-Dividend Date:**	04/15/26[1]
% Fair Value:	143%	**5 Year Valuation Multiple Estimate:**	-6.9%	**Dividend Payment Date:**	04/30/26[2]
Dividend Yield:	2.7%	**5 Year Price Target**	$145	**Years Of Dividend Growth:**	15
Dividend Risk Score:	C	**Sector:**	Financials	**Rating:**	Hold

Overview & Current Events

City Holding Company (CHCO) serves as the holding entity for City National Bank of West Virginia, offering a comprehensive range of financial services throughout the United States. These services encompass banking, trust, and investment management, with a diverse suite of products, including checking, savings, money market accounts, certificates of deposit, and individual retirement accounts. The company's portfolio encompasses commercial and industrial loans, commercial real estate loans, residential real estate loans, home equity loans, and consumer loans. Additionally, they provide mortgage banking services and a variety of deposit and wealth management solutions for individual and commercial clients, along with modern banking technologies such as ATMs, interactive teller machines, mobile banking, and credit and debit card services.

On January 21st, 2026, the company announced results for the fourth quarter of 2025. City Holding reported Q4 non-GAAP EPS of $2.18, missing the market's estimates by $0.11, and revenue of $80.2 million.

City Holding Company reported record results for 2025, posting net income of $130.5 million. The bank holding company generated a 1.97% return on assets and a 21.2% return on tangible equity, reinforcing its position among the nation's top-performing community banks. Net interest income increased 7.3% on a tax-equivalent basis to $237.2 million, supported by $220.9 million in average loan growth and a 12-basis-point decline in funding costs. The net interest margin improved to 3.94% for the year, reflecting disciplined balance sheet management and steady core growth.

Loans rose 5.4% year-over-year to $4.51 billion, led by commercial real estate, residential real estate, and commercial and industrial lending. Deposits increased 3.0% to $5.23 billion, highlighting continued customer loyalty. Asset quality strengthened, with nonperforming assets declining to 0.32% of total loans and a $1.4 million recovery of credit losses recorded during the year. Tangible equity increased to $652 million, lifting the tangible equity ratio to 9.9%. During 2025, the company repurchased 397,000 shares at a weighted average price of $115.24 and declared a quarterly dividend of $0.87 per share, underscoring confidence in its capital position and earnings durability.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
EPS	$3.45	$3.48	$4.49	$5.42	$5.55	$5.66	$6.80	$7.61	$7.91	$8.93	***$9.00***	***$14.49***
DPS	$1.71	$1.75	$1.38	$2.16	$2.28	$2.32	$2.45	$2.67	$3.01	$3.32	***$3.48***	***$4.44***
Shares[3]	14.9	15.4	15.4	16.3	16.0	15.4	14.9	14.9	14.7	14.5	***14.5***	***14.3***

City Holding's performance reflects its focus on stability and growth, which are underpinned by its core values. With consistent non-performing asset ratios and a robust risk management strategy, the company's proactive approach to maintaining credit quality is evident. The growth of loans, notably in commercial and industrial sectors, demonstrates their value in supporting local businesses and economic development. However, the dip in commercial real estate loans suggests cautious lending practices. An increase in average depository balances mitigates the decline in period-end

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[1] The ex-dividend date is estimated based on historical data.

[2] The dividend payment date is estimated based on historical data.

[3] In millions

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.

deposit balances, thanks to acquisitions from Citizens. Nevertheless, a decline in savings and non-interest-bearing demand deposits, counterbalanced by growth in interest-bearing demand and time balances, shows a shift in customer deposit preferences. In line with the analysts' estimates and the favorable microenvironment, we expect the company to post an EPS of $9.00 in 2026. We estimate an EPS growth of 10.0% over the next five years, leading to our estimated EPS of $14.49 by 2031. Moreover, the company has a solid record of paying dividends despite operating in a macroeconomically sensitive sector, as City Holding has paid an increasing dividend for the past 15 years. We expect the company to maintain its dividend growth and have forecasted a dividend CAGR of 5.0%, leading to a dividend of $4.44 by 2031.

Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
Avg. P/E	13.3	14.7	19.3	16.4	14.2	11.8	13.7	12.7	12.4	13.5	***14.3***	***10.0***
Avg. Yld.	0.04	0.03	0.03	0.02	0.03	0.03	0.03	0.03	0.03	0.03	***2.7%***	***3.1%***

The regional bank trades at a forward P/E of 14.3, lower than the long-term average P/E of 14.2, but higher than the five-year average P/E of 12.8. Even though the higher interest rates and an uptick in the loan portfolio will benefit the company in the near term, we assign a P/E of 10.0 to the stock, which is a fair reflection of its value in our view, leading to our target price of $145 by 2031.

Safety, Quality, Competitive Advantage, & Recession Resiliency

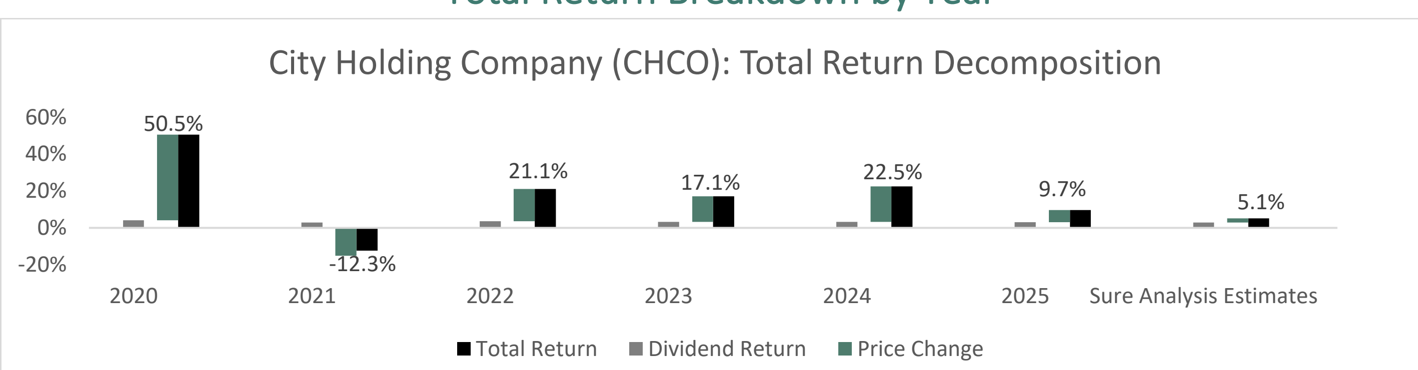
Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	50%	50%	31%	40%	41%	41%	36%	35%	38%	37%	***39%***	***31%***

The company has paid a consistent dividend to its shareholders with a 10-year payout ratio averaging 41%, and we expect the company to maintain and increase its payout in the future. The demand for loans has recovered in recent quarters, and we expect the company to be in a much better position in the future than it is today. In addition, the margins continue to improve in the high-interest rate environment, and the net interest margin ought to be high, driven by the Fed's 'higher for longer' stance. The company continues to deploy capital thoughtfully under its existing share repurchase authorization.

Final Thoughts & Recommendation

While City Holding runs an interest rate-sensitive regional banking business, increased loans and net interest margins will be a positive catalyst for EPS growth. Additionally, City Holding's dividend growth prospects could remain strong throughout the medium-term. However, we maintain our hold rating for CHCO premised upon the 5.1% annualized total returns through 2026, derived from the forecasted earnings-per-share growth of 10.0%, the 2.7% dividend yield, and a valuation headwind.

Total Return Breakdown by Year



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Income Statement Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenue	167	173	186	194	224	231	219	246	282	285
SG&A Exp.	52	55	55	59	66	66	67	72	79	83
D&A Exp.	1	7	7	6	6	11	15	16	11	13
Net Profit	54	52	54	70	89	90	88	102	114	117
Net Margin	32.3%	30.1%	29.2%	36.0%	39.8%	38.7%	40.3%	41.5%	40.4%	41.1%
Free Cash Flow	45	60	70	67	100	84	99	114	135	129
Income Tax	28	25	36	18	24	22	23	25	29	27

Balance Sheet Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total Assets	3,714	3,984	4,132	4,899	5,019	5,759	6,004	5,878	6,168	6,459
Cash & Equivalents	70	88	83	123	140	529	635	200	156	225
Acc. Receivable	7	8	9	12	12	16	16	18	20	21
Goodwill & Int.	80	79	79	123	120	119	117	116	163	160
Total Liabilities	3,295	3,542	3,630	4,298	4,361	5,058	5,323	5,300	5,491	5,729
Long-Term Debt	29	81	70	44	4	-	-	-	125	150
Total Equity	419	442	503	601	658	701	681	578	677	731
LTD/E Ratio	0.07	0.18	0.14	0.07	0.01	-	-	-	0.18	0.21

Profitability & Per Share Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Return on Assets	1.5%	1.4%	1.3%	1.6%	1.8%	1.7%	1.5%	1.7%	1.9%	1.9%
Return on Equity	13.4%	12.1%	11.5%	12.7%	14.2%	13.2%	12.7%	16.2%	18.2%	16.6%
ROIC	12.6%	10.7%	9.9%	11.5%	13.7%	13.1%	12.7%	16.2%	16.6%	13.9%
Shares Out.	15.2	14.9	15.4	15.4	16.3	16.0	15.4	14.9	14.9	14.7
Revenue/Share	11.02	11.62	12.04	12.58	13.73	14.47	14.20	16.55	18.97	19.40
FCF/Share	2.96	4.01	4.51	4.36	6.14	5.27	6.42	7.64	9.04	8.79

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