Tompkins Financial Corporation (TMP)

Updated May 16th, 2026, by Josh Arnold

Key Metrics

Current Price:	$82	**5 Year CAGR Estimate:**	14.3%	**Market Cap:**	$1.2 B
Fair Value Price:	$98	**5 Year Growth Estimate:**	8.0%	**Ex-Dividend Date:**	08/08/26[1]
% Fair Value:	84%	**5 Year Valuation Multiple Estimate:**	3.7%	**Dividend Payment Date:**	08/15/26
Dividend Yield:	3.3%	**5 Year Price Target**	$144	**Years Of Dividend Growth:**	40
Dividend Risk Score:	A	**Sector:**	Financials	**Rating:**	Buy

Overview & Current Events

Tompkins Financial is a regional financial services holding company headquartered in Ithaca, NY that can trace its roots back more than 180 years. It trades with a market capitalization of $1.2 billion and has total assets of about $8 billion, which produce about $350 million in annual revenue. The company offers a wide range of services, including checking and deposit accounts, time deposits, loans, credit cards, insurance services, and wealth management to its customers in New York and Pennsylvania. Tompkins also sports an extremely impressive 40-year dividend increase streak after boosting its payout for February 2026.

Tompkins posted first quarter earnings on April 24th, 2026, and results showed strong improvements from the year-ago period. Earnings came to $1.82 per-share, up 45 cents, or 33%, from last year's first quarter. Net income was $26.1 million, up 33% or $6.4 million, from the year-ago period.

Net interest margin was 3.57%, up 15 basis points from the prior quarter, and soaring 59 basis points from the year-ago period. Total loans were up $31.7 million, or 2% on an annualized basis, from December. Loans rose $411 million, or 7%, from last year's first quarter. Total deposits were $7.1 billion, up $116 million, or 1.7%, compared to December, and up 4.5% from last year's first quarter.

Average cost of funds was 1.67%, down four basis points from December and 17 basis points a year ago. The loan-to-deposit ratio was 91.8%, down slightly from Q4 and up slightly from last year's Q1, but still extremely elevated compared to most banks we cover.

We see $7.55 in adjusted earnings-per-share for this year after Q1 results.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
EPS	$3.91	$4.42	$5.33	$5.37	$5.20	$6.25	$5.89	$4.29	$4.97	$6.31	***$7.55***	***$11.09***
DPS	$1.77	$1.82	$1.94	$2.02	$2.10	$2.19	$2.31	$2.40	$2.44	$2.51	***$2.68***	***$3.59***
Shares[2]	15.1	15.3	15.3	15.0	14.9	14.6	14.4	14.2	14.3	14.3	***14.2***	***14.0***

As 2018 earnings greatly benefited from the one-time effect of tax reform, it is prudent to focus on historical growth before that point. Excluding the non-recurring write-off of 2017, Tompkins Financial grew its earnings-per-share at a 6.4% average annual rate during 2008-2017 and a 6.5% rate during 2012-2017. However, we are much more cautious on Tompkins' ability to grow in the near-term given the interest rate environment, and other factors. Earnings in 2021 were boosted by credit loss recoveries that will not reoccur, and 2023 earnings were quite weak. In conjunction with this, we're estimating 8% growth going forward as 2026's base of earnings is high, but the company is performing quite well.

We note NIM has moved higher, but Tompkins still has below-peer margins despite its very full loan book. Given this, the outlook for revenue and margins is somewhat unfavorable. The bank's share repurchase program should help, but only with fractional declines in the float annually. Extremely high loan-to-deposit ratios are yet another headwind, remaining elevated in Q1.

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[1] Estimated date

[2] Share count 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.

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Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
Avg. P/E	17.7	24.2	15.3	15.1	13.2	12.8	13.2	14.0	13.6	11.5	***10.9***	***13.0***
Avg. Yld.	2.6%	2.2%	2.4%	2.5%	3.1%	2.7%	3.0%	4.0%	3.6%	3.5%	***3.3%***	***2.5%***

Tompkins Financial is currently trading at a price-to-earnings ratio of 10.9, which is below where we see fair value at 13 times earnings. With shares trading at 84% of our estimate of fair value, Tompkins' value proposition is slightly better than our prior update. The yield is 3.3% now, and we see it potentially declining to 2.5% over time as the share price should move higher more quickly than the dividend if our growth forecast comes to fruition.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	45%	41%	36%	38%	40%	35%	39%	56%	49%	40%	***35%***	***32%***

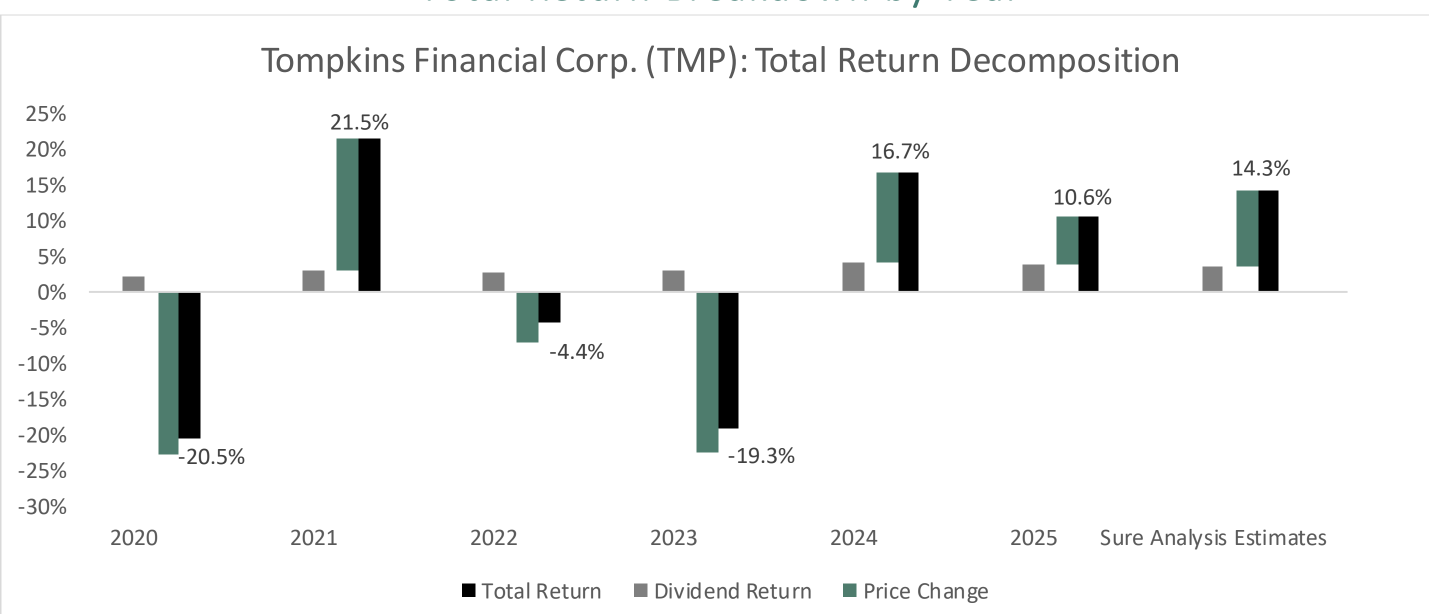
Tompkins Financial has raised its dividend for 40 consecutive years, and we don't see this streak in jeopardy by any means. Due to its modest payout ratio, it has ample room to keep growing its dividend, even with weak earnings growth. We do note that the payout ratio continues to rise given negative earnings growth in recent years, which is something for investors to keep an eye on going forward.

The company also exhibited remarkable resilience in the Great Recession. In the worst financial crisis of the last 90 years, when most banks incurred losses or saw their earnings collapse, Tompkins Financial grew its earnings-per-share 17%, from $2.53 in 2008 to $2.96 in 2009. The defensive behavior of Tompkins Financial during economic downturns is particularly important. Tompkins' competitive advantage, if it has one, is its focus on targeted local markets in the Northeast U.S. The local bank feel is something consumers in small communities gravitate towards, which benefits Tompkins. Tompkins performed well in 2020, but credit quality did deteriorate some during the year, unsurprisingly.

Final Thoughts & Recommendation

Tompkins is seeing a number of earnings tailwinds presently, reflected in what should be record earnings for 2026. The valuation is below fair value, and the yield is 3.3%. With 8% earnings growth forecast, we see 14.3% total returns ahead. With total prospective returns remaining quite high, we are reiterating the stock at a buy rating following Q1 results.

Total Return Breakdown by Year



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Income Statement Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenue	247	267	283	283	296	303	308	220	299	447
SG&A Exp.	112	119	126	129	136	120	123	125	128	---
D&A Exp.	9	10	11	12	12	12	12	12	10	9
Net Profit	59	52	82	82	78	89	85	10	71	161
Net Margin	24.0%	19.7%	29.1%	28.9%	26.2%	29.5%	27.6%	4.3%	23.7%	36.0%
Free Cash Flow	75	51	89	96	97	116	95	82	89	32
Income Tax	27	43	22	21	20	25	25	2	22	64

Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets	6,237	6,648	6,758	6,726	7,622	7,820	7,671	7,820	8,109	8,668
Cash & Equivalents	64	84	80	138	388	63	78	80	134	51
Accounts Receivable	84	83	82	101	110	116	181	---	---	---
Goodwill & Int. Ass.	104	102	100	99	97	96	95	95	95	74
Total Liabilities	5,687	6,072	6,138	6,063	6,904	7,091	7,053	7,150	7,396	7,730
Long-Term Debt	922	1,088	1,093	675	278	124	291	602	790	564
Shareholder's Equity	548	575	619	662	716	728	616	669	713	938
LTD/E Ratio	1.68	1.89	1.76	1.02	0.39	0.17	0.47	0.90	1.11	0.70

Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Return on Assets	1.0%	0.8%	1.2%	1.2%	1.1%	1.2%	1.1%	0.1%	0.9%	1.9%
Return on Equity	11.2%	9.4%	13.8%	12.8%	11.3%	12.4%	12.7%	1.5%	10.2%	19.5%
ROIC	4.6%	3.3%	4.9%	5.4%	6.6%	9.7%	9.7%	0.9%	5.1%	10.3%
Shares Out.	15.1	15.3	15.3	15.0	14.9	14.6	14.4	14.3	14.3	14.3
Revenue/Share	16.53	17.72	18.70	18.88	20.07	20.66	21.4	15.4	21.0	27.3
FCF/Share	4.99	3.37	5.89	6.38	6.57	7.95	6.61	5.75	6.22	2.23

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