

TOMPKINS FINANCIAL CORP
Form 10-Q
November 10, 2008

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 10-Q

- QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 2008

OR

- TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission File Number **1-12709**

Tompkins Financial Corporation

(Exact name of registrant as specified in its charter)

New York

(State or other jurisdiction of incorporation or organization)

16-1482357

(I.R.S. Employer Identification No.)

The Commons, P.O. Box 460, Ithaca, NY

(Address of principal executive offices)

14851

(Zip Code)

Registrant's telephone number, including area code: **(607) 273-3210**

Registrant's former name (if changed since last report): NA

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days: Yes No .

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definition of "large accelerated filer", "accelerated filer", and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer Accelerated Filer Non-Accelerated Filer Smaller Reporting Company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act.)

Yes No .

Indicate the number of shares of the Registrant's Common Stock outstanding as of the latest practicable date:

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Class	Outstanding as of October 24, 2008
Common Stock, \$.10 par value	9,670,440 shares

TOMPKINS FINANCIAL CORPORATION

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PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

TOMPKINS FINANCIAL CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF CONDITION
(In thousands, except share data) (Unaudited)

	As of 09/30/2008	As of 12/31/2007
ASSETS		
Cash and noninterest bearing balances due from banks	\$ 50,799	\$ 46,705
Interest bearing balances due from banks	4,818	3,154
Trading securities, at fair value	38,778	60,135
Available-for-sale securities, at fair value	711,498	639,148
Held-to-maturity securities, fair value of \$50,446 at September 30, 2008, and \$50,297 at December 31, 2007	50,122	49,593
Loans and leases, net of unearned income and deferred costs and fees	1,718,378	1,440,122
Less: Allowance for loan and lease losses	17,306	14,607
	1,701,072	1,425,515
Bank premises and equipment, net	46,993	44,811
Corporate owned life insurance	34,440	29,821
Goodwill	41,563	22,894
Other intangible assets	5,344	3,497
Accrued interest and other assets	39,587	34,186
	\$ 2,725,014	\$ 2,359,459
LIABILITIES, MINORITY INTEREST IN CONSOLIDATED SUBSIDIARIES AND SHAREHOLDERS' EQUITY		
Deposits:		
Interest bearing:		
Checking, savings and money market	\$ 974,524	\$ 741,836
Time	700,542	585,142
Noninterest bearing	419,581	393,848
	2,094,647	1,720,826
Federal funds purchased and securities sold under agreements to repurchase, fair value of \$15,594 at September 30, 2008 and \$15,553 at December 31, 2007.	190,299	195,447
Other borrowings, fair value of \$10,916 at September 30, 2008 and \$10,795 at December 31, 2007.	185,067	210,862
Other liabilities	36,295	33,677
	\$ 2,506,308	\$ 2,160,812
Minority interest in consolidated subsidiaries	6,074	1,452
Shareholders' equity:		
Common Stock - par value \$.10 per share: Authorized 25,000,000 shares; Issued: 9,704,025 at September 30, 2008; and 9,615,430 at December 31, 2007	970	962
Additional paid-in capital	151,760	147,657
Retained earnings	69,798	57,255

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Accumulated other comprehensive loss		(7,889)		(6,900)
Treasury stock, at cost 75,323 shares at September 30, 2008, and 70,896 shares at December 31, 2007		(2,007)		(1,779)
	Total Shareholders Equity	\$ 212,632	\$	197,195
	Total Liabilities, Minority Interest in Consolidated Subsidiaries and Shareholders Equity	\$ 2,725,014	\$	2,359,459

See accompanying notes to unaudited condensed consolidated financial statements.

TOMPKINS FINANCIAL CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(In thousands, except per share data) (Unaudited)

	Three months ended		Nine months ended	
	09/30/2008	09/30/2007	09/30/2008	09/30/2007
INTEREST AND DIVIDEND INCOME				
Loans	\$ 26,624	\$ 24,644	\$ 75,944	\$ 72,341
Due from banks	14	29	124	183
Federal funds sold	40	14	115	217
Trading securities	424	813	1,517	1,989
Available-for-sale securities	8,643	7,227	25,197	22,018
Held-to-maturity securities	455	497	1,388	1,560
Total Interest and Dividend Income	36,200	33,224	104,285	98,308
INTEREST EXPENSE				
Deposits:				
Time certificates of deposits of \$100,000 or more	2,069	3,204	7,155	11,748
Other deposits	6,111	7,786	19,668	22,908
Federal funds purchased and securities sold under agreements to repurchase	1,738	2,066	5,760	6,066
Other borrowings	2,244	1,665	6,080	3,031
Total Interest Expense	12,162	14,721	38,663	43,753
Net Interest Income	24,038	18,503	65,622	54,555
Less: Provision for loan/lease losses	1,515	387	3,323	1,050
Net Interest Income After Provision for Loan/Lease Losses	22,523	18,116	62,299	53,505
NONINTEREST INCOME				
Investment services income	3,492	3,621	10,728	10,628
Insurance commissions and fees	3,048	2,910	8,774	8,440
Service charges on deposit accounts	2,671	2,789	7,663	7,517
Card services income	730	884	2,511	2,587
Other service charges	660	631	1,960	1,927
Mark-to-market gain (loss) on trading securities	204	346	(172)	221
Mark-to-market loss on liabilities held at fair value	(203)	(644)	(162)	(667)
Increase in cash surrender value of corporate owned life insurance	398	302	1,087	858
Gains on sale of loans	48	54	90	151
Gain on VISA stock redemption	0	0	1,639	0
Other income	376	408	1,127	877
Net gain on sale of available-for-sale securities	18	283	424	289
Total Noninterest Income	11,442	11,584	35,669	32,828
NONINTEREST EXPENSES				
Salary and wages	10,208	9,045	29,353	26,616
Pension and other employee benefits	2,561	2,598	7,753	7,712
Net occupancy expense of bank premises	1,718	1,484	5,086	4,531
Furniture and fixture expense	1,075	949	3,152	2,895
Marketing expense	655	568	2,093	1,748

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Professional fees	700	1,046	2,067	2,606
Software licenses and maintenance	655	552	2,044	1,555
Cardholder expense	407	241	920	732
Amortization of intangible assets	239	155	600	498
Other operating expense	3,972	3,061	11,260	9,576
Total Noninterest Expenses	22,190	19,699	64,328	58,469
Income Before Income Tax Expense and Minority Interest in Consolidated Subsidiaries	11,775	10,001	33,640	27,864
Minority interest in consolidated subsidiaries	117	33	264	98
Income Tax Expense	3,725	3,163	10,816	8,820
Net Income	\$ 7,933	\$ 6,805	\$ 22,560	\$ 18,946
Basic Earnings Per Share	\$ 0.82	\$ 0.71	\$ 2.34	\$ 1.94
Diluted Earnings Per Share	\$ 0.81	\$ 0.70	\$ 2.32	\$ 1.93