TOMPKINS FINANCIAL CORP Form 10-Q August 11, 2008

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

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

For the quarterly period ended June 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)

The Commons, P.O. Box 460, Ithaca, NY (Address of principal executive offices) 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 x No o.

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 oAccelerated Filer xNon-Accelerated Filer oSmaller Reporting Company oIndicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act.)

Yes o No x.

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

Outstanding as of July 28, 2008

16-1482357 (I.R.S. Employer Identification No.)

14851 (Zip Code)

Common Stock, \$.10 par value

9,664,081 shares

TOMPKINS FINANCIAL CORPORATION

FORM 10-Q

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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)

Interest bearing balances due from banks 3,910 3, Federal funds sold 172 Trading securities, at fair value 40,085 60, Available-for-sale securities, at fair value 49,923 at June 30, 2008, and \$50,297 at December 31, 207 2007 48,861 49, 2007 48,861 49, 2007 48,861 49, 2007 48,861 49, 2008 and leases, net of unearned income and deferred costs and fees 1,635,2831 1,440, Less: Allowance for loan and lease losses 16,835 14, Net Loans and Leases 1,635,996 1,425, Bank premises and equipment, net 47,687 44, Corporate owned life insurance 34,001 29, Goodwill 41,437 22, Other intangible assets 5,610 3, Accrued interest and other assets 5,610 3, Accrued interest and other assets 2,705,196 \$ 2,359, LIABILITIES, MINORITY INTEREST IN CONSOLIDATED SUBSIDIARIES AND SHAREHOLDERS EQUITY S Deposits: Interest bearing 442,055 393, </th <th></th> <th>0</th> <th colspan="2">As of 06/30/2008</th> <th colspan="2">As of 12/31/2007</th>		0	As of 06/30/2008		As of 12/31/2007	
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Other borrowings, fair value of \$10,747 at June 30, 2008 and \$10,795 at December 31, 2007. 192,638 210, Other liabilities 42,290 33, Total Liabilities \$ 2,495,859 \$ 2,160, Minority interest in consolidated subsidiaries 6,042 1, Shareholders equity: Common Stock - par value \$.10 per share: Authorized 25,000,000 shares; Issued: 9,695,193 at June	LIABILITIES, MINORITY INTEREST IN CONSOLIDATED SUBSIDIARIES AND SHAREHOLDERS EQUITY Deposits: Interest bearing: Checking, savings and money market Time Noninterest bearing Total Deposits		2,705,196 923,704 691,485 442,055		2,359,459 741,836 585,142	
Other liabilities 42,290 33, Total Liabilities \$ 2,495,859 \$ 2,160, Minority interest in consolidated subsidiaries 6,042 1, Shareholders equity: Common Stock - par value \$.10 per share: Authorized 25,000,000 shares; Issued: 9,695,193 at June	LIABILITIES, MINORITY INTEREST IN CONSOLIDATED SUBSIDIARIES AND SHAREHOLDERS EQUITY Deposits: Interest bearing: Checking, savings and money market Time Noninterest bearing Total Deposits Federal funds purchased and securities sold under agreements to repurchase, fair value of \$15,560		2,705,196 923,704 691,485 442,055 2,057,244		2,359,459 741,836 585,142 393,848 1,720,826	
Minority interest in consolidated subsidiaries 6,042 1, Shareholders equity: Common Stock - par value \$.10 per share: Authorized 25,000,000 shares; Issued: 9,695,193 at June	LIABILITIES, MINORITY INTEREST IN CONSOLIDATED SUBSIDIARIES AND SHAREHOLDERS EQUITY Deposits: Interest bearing: Checking, savings and money market Time Noninterest bearing Federal funds purchased and securities sold under agreements to repurchase, fair value of \$15,560 June 30, 2008 and \$15,553 at December 31, 2007.		2,705,196 923,704 691,485 442,055 2,057,244 203,687		2,359,459 741,836 585,142 393,848 1,720,826 195,447	
Shareholders equity: Common Stock - par value \$.10 per share: Authorized 25,000,000 shares; Issued: 9,695,193 at June	LIABILITIES, MINORITY INTEREST IN CONSOLIDATED SUBSIDIARIES AND SHAREHOLDERS EQUITY Deposits: Interest bearing: Checking, savings and money market Time Noninterest bearing Total Deposits Federal funds purchased and securities sold under agreements to repurchase, fair value of \$15,560 June 30, 2008 and \$15,553 at December 31, 2007. Other borrowings, fair value of \$10,747 at June 30, 2008 and \$10,795 at December 31, 2007.		2,705,196 923,704 691,485 442,055 2,057,244 203,687 192,638		2,359,459 741,836 585,142 393,848 1,720,826 195,447 210,862	
Shareholders equity: Common Stock - par value \$.10 per share: Authorized 25,000,000 shares; Issued: 9,695,193 at June	LIABILITIES, MINORITY INTEREST IN CONSOLIDATED SUBSIDIARIES AND SHAREHOLDERS EQUITY Deposits: Interest bearing: Checking, savings and money market Time Noninterest bearing Total Deposits Federal funds purchased and securities sold under agreements to repurchase, fair value of \$15,560 June 30, 2008 and \$15,553 at December 31, 2007. Other borrowings, fair value of \$10,747 at June 30, 2008 and \$10,795 at December 31, 2007. Other liabilities	\$	2,705,196 923,704 691,485 442,055 2,057,244 203,687 192,638 42,290	\$	2,359,459 741,836 585,142 393,848 1,720,826	
Common Stock - par value \$.10 per share: Authorized 25,000,000 shares; Issued: 9,695,193 at June	LIABILITIES, MINORITY INTEREST IN CONSOLIDATED SUBSIDIARIES AND SHAREHOLDERS EQUITY Deposits: Interest bearing: Checking, savings and money market Time Noninterest bearing Total Deposits Federal funds purchased and securities sold under agreements to repurchase, fair value of \$15,560 June 30, 2008 and \$15,553 at December 31, 2007. Other borrowings, fair value of \$10,747 at June 30, 2008 and \$10,795 at December 31, 2007. Other liabilities	\$	2,705,196 923,704 691,485 442,055 2,057,244 203,687 192,638 42,290	\$	2,359,459 741,836 585,142 393,848 1,720,826 195,447 210,862 33,677	
	LIABILITIES, MINORITY INTEREST IN CONSOLIDATED SUBSIDIARIES AND SHAREHOLDERS EQUITY Deposits: Interest bearing: Checking, savings and money market Time Noninterest bearing Total Deposits Federal funds purchased and securities sold under agreements to repurchase, fair value of \$15,560 June 30, 2008 and \$15,553 at December 31, 2007. Other borrowings, fair value of \$10,747 at June 30, 2008 and \$10,795 at December 31, 2007. Other liabilities Total Liabilities	\$	2,705,196 923,704 691,485 442,055 2,057,244 203,687 192,638 42,290 2,495,859	\$	2,359,459 741,836 585,142 393,848 1,720,826 195,447 210,862 33,677 2,160,812	
	LIABILITIES, MINORITY INTEREST IN CONSOLIDATED SUBSIDIARIES AND SHAREHOLDERS EQUITY Deposits: Interest bearing: Checking, savings and money market Time Noninterest bearing Total Deposits Federal funds purchased and securities sold under agreements to repurchase, fair value of \$15,560 June 30, 2008 and \$15,553 at December 31, 2007. Other borrowings, fair value of \$10,747 at June 30, 2008 and \$10,795 at December 31, 2007. Other liabilities Total Liabilities Minority interest in consolidated subsidiaries Shareholders equity:	\$	2,705,196 923,704 691,485 442,055 2,057,244 203,687 192,638 42,290 2,495,859	\$	2,359,459 741,836 585,142 393,848 1,720,826 195,447 210,862 33,677	
30, 2008; and 9,615,430 at December 31, 2007 970 Additional paid-in capital 151,318 147,	LIABILITIES, MINORITY INTEREST IN CONSOLIDATED SUBSIDIARIES AND SHAREHOLDERS EQUITY Deposits: Interest bearing: Checking, savings and money market Time Noninterest bearing Total Deposits Federal funds purchased and securities sold under agreements to repurchase, fair value of \$15,560 June 30, 2008 and \$15,553 at December 31, 2007. Other borrowings, fair value of \$10,747 at June 30, 2008 and \$10,795 at December 31, 2007. Other liabilities Minority interest in consolidated subsidiaries Shareholders equity: Common Stock - par value \$.10 per share: Authorized 25,000,000 shares; Issued: 9,695,193 at June	\$	2,705,196 923,704 691,485 442,055 2,057,244 203,687 192,638 42,290 2,495,859 6,042	\$	2,359,459 741,836 585,142 393,848 1,720,826 195,447 210,862 33,677 2,160,812	

Retained earnings Accumulated other comprehensive loss	65,151 (12,212)	57,255 (6,900)
Treasury stock, at cost 73,408 shares at June 30, 2008, and 70,896 shares at December 31, 2007	(1,932)	(1,779)
Total Shareholders Equity	\$ 203,295	\$ 197,195
Total Liabilities, Minority Interest in Consolidated Subsidiaries and Shareholders Equity	\$ 2,705,196	\$ 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 06/30/2008 06/30/2007			Six mont 06/30/2008		ths ended 06/30/2007		
INTEREST AND DIVIDEND INCOME								
Loans	\$	25,065	\$	24,298	\$	49,478	\$	47,697
Due from banks		27		59		104		154
Federal funds sold		55		107		75		203
Trading securities		467		607		1,093		1,176
Available-for-sale securities		8,473		7,548		16,554		14,792
Held-to-maturity securities		459		527		934		1,063
Total Interest and Dividend Income		34,546		33,146		68,238		65,085
INTEREST EXPENSE								
Deposits:								
Time certificates of deposits of \$100,000 or more		2,285		4,125		5,081		8,544
Other deposits		6,394		7,696		13,556		15,123
Federal funds purchased and securities sold under		.,		.,		.,		0,120
agreements to repurchase		1,986		2,037		4,022		4,000
Other borrowings		1,971		798		3,836		1,366
Total Interest Expense		12,636		14,656		26,495		29,033
Net Interest Income		21,910		18,490		41,743		36,052
Less: Provision for loan/lease losses		1,183		192		1,808		663
Net Interest Income After Provision for Loan/Lease Losses		20,727		18,298		39,935		35,389
NONINTEREST INCOME		2.540		2 520		5.005		- 000
Investment services income		3,568		3,538		7,237		7,008
Insurance commissions and fees		2,936		2,814		5,726		5,530
Service charges on deposit accounts Card services income		2,467 979		2,805 905		4,992 1,781		4,728 1,702
Other service charges		575		639		1,781		1,702
Mark-to-market (loss) on trading securities		(670)		(577)		(375)		(125)
Mark-to-market gain (loss) on liabilities held at fair value		889		(23)		41		(123)
Increase in cash surrender value of corporate owned life		007		(23)		11		(23)
insurance		352		283		689		556
Gains on sale of loans		44		42		41		97
Gain on VISA stock redemption		0		0		1,639		0
Other income		254		392		696		469
Net gain (loss) on sale of available-for-sale securities		159		(17)		406		6
Total Noninterest Income		11,553		10,801		24,069		21,246
NONINTEREST EXPENSES								
Salary and wages		9,787		8,770		19,157		17,572
Pension and other employee benefits		2,484		2,611		5,179		5,114
Net occupancy expense of bank premises		1,747		1,543		3,367		3,048
Furniture and fixture expense		1,153		999		2,077		1,946

Markating avaansa	876	544	1.438	1,180
Marketing expense Professional fees	738	910	1,458	1,180
Software licenses and maintenance		,)	,
	780	503	1,388	1,003
Cardholder expense	197	256	491	491
Amortization of intangible assets	214	162	362	343
Other operating expense	3,782	3,376	7,314	6,515
Total Noninterest Fynenses	21 758	19 674	42 139	38 772
Total Noninterest Expenses	21,758	19,674	42,139	38,772
Total Noninterest Expenses Income Before Income Tax Expense and Minority	21,758	19,674	42,139	38,772