

TOMPKINS FINANCIAL CORP
Form 10-Q
August 08, 2018

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 June 30, 2018

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

For the transition period from _____ to _____

Commission File Number 1-12709

Tompkins Financial Corporation
(Exact name of registrant as specified in its charter)
New York 16-1482357
(State or other jurisdiction of incorporation or organization) (I.R.S. Employer Identification No.)

118 E. Seneca Street, P.O. Box 460, Ithaca, NY 14851
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: (888) 503-5753
Former name, former address, and former fiscal year, 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 has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No .

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer", "accelerated

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filer”, “smaller reporting company”, and “emerging growth company” in Rule 12b-2 of the Exchange Act. (Check one):
Large Accelerated Filer Accelerated Filer
Non-Accelerated Filer (Do not check if a smaller reporting company) Smaller Reporting Company
Emerging Growth Company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of Exchange Act.

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:

Class	Outstanding as of July 24, 2018
Common Stock, \$0.10 par value	15,278,430 shares

TOMPKINS FINANCIAL CORPORATION

FORM 10-Q

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TOMPKINS FINANCIAL CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF CONDITION

(In thousands, except share and per share data)	As of	As of
ASSETS	6/30/2018	12/31/2017
	(unaudited)	(audited)
Cash and noninterest bearing balances due from banks	\$80,702	\$77,688
Interest bearing balances due from banks	1,971	6,615
Cash and Cash Equivalents	82,673	84,303
Available-for-sale securities, at fair value (amortized cost of \$1,385,805 at June 30, 2018 and \$1,408,996 at December 31, 2017)	1,343,690	1,391,862
Held-to-maturity securities, at amortized cost (fair value of \$137,221 at June 30, 2018 and \$140,315 at December 31, 2017)	139,413	139,216
Equity securities, at fair value (amortized cost \$1,000,000 at June 30, 2018 and \$1,000,000 at December 31, 2017)	888	913
Originated loans and leases, net of unearned income and deferred costs and fees	4,507,006	4,358,543
Acquired loans and leases	284,187	310,577
Less: Allowance for loan and lease losses	41,225	39,771
Net Loans and Leases	4,749,968	4,629,349
Federal Home Loan Bank and other stock	58,770	50,498
Bank premises and equipment, net	93,994	86,995
Corporate owned life insurance	81,126	80,106
Goodwill	92,283	92,291
Other intangible assets, net	8,342	9,263
Accrued interest and other assets	94,653	83,494
Total Assets	\$6,745,800	\$6,648,290
LIABILITIES		
Deposits:		
Interest bearing:		
Checking, savings and money market	2,749,782	2,651,632
Time	635,004	748,250
Noninterest bearing	1,407,443	1,437,925
Total Deposits	4,792,229	4,837,807
Federal funds purchased and securities sold under agreements to repurchase	52,042	75,177
Other borrowings	1,229,956	1,071,742
Trust preferred debentures	16,777	16,691
Other liabilities	64,147	70,671
Total Liabilities	\$6,155,151	\$6,072,088
EQUITY		
Tompkins Financial Corporation shareholders' equity:		
Common Stock - par value \$.10 per share: Authorized 25,000,000 shares; Issued: 15,314,340 at June 30, 2018; and 15,301,524 at December 31, 2017	1,532	1,530
Additional paid-in capital	367,121	364,031
Retained earnings	294,553	265,007
Accumulated other comprehensive loss	(69,436) (51,296)

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Treasury stock, at cost – 118,554 shares at June 30, 2018, and 120,805 shares at December 31, 2017	(4,597) (4,492)
Total Tompkins Financial Corporation Shareholders' Equity	589,173	574,780	
Noncontrolling interests	1,476	1,422	
Total Equity	\$590,649	\$576,202	
Total Liabilities and Equity	\$6,745,800	\$6,648,290	

See notes to unaudited condensed consolidated financial statements.

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TOMPKINS FINANCIAL CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF INCOME

(In thousands, except per share data) (Unaudited)	Three Months Ended		Six Months Ended	
	6/30/2018	6/30/2017	6/30/2018	6/30/2017
INTEREST AND DIVIDEND INCOME				
Loans	\$52,757	\$ 47,357	\$103,651	\$ 92,308
Due from banks	7	4	13	6
Available-for-sale securities	7,729	7,647	15,373	14,969
Held-to-maturity securities	854	870	1,712	1,748
Federal Home Loan Bank and other stock	796	464	1,534	932
Total Interest and Dividend Income	62,143	56,342	122,283	109,963
INTEREST EXPENSE				
Time certificates of deposits of \$250,000 or more	540	466	525	907
Other deposits	3,087	2,482	5,870	4,829
Federal funds purchased and securities sold under agreements to repurchase	34	43	80	151
Trust preferred debentures	306	256	586	623
Other borrowings	5,462	2,794	9,821	5,118
Total Interest Expense	9,429	6,041	16,882	11,628
Net Interest Income	52,714	50,301	105,401	98,335
Less: Provision for loan and lease losses	1,045	976	1,612	1,745
Net Interest Income After Provision for Loan and Lease Losses	51,669	49,325	103,789	96,590
NONINTEREST INCOME				
Insurance commissions and fees	7,387	7,092	14,781	14,210
Investment services income	4,022	3,891	8,268	7,682
Service charges on deposit accounts	2,080	2,045	4,212	4,212
Card services income	2,621	2,676	4,767	4,685
Other income	4,898	1,746	6,686	3,901
Net gain on securities transactions	150	0	274	0
Total Noninterest Income	21,158	17,450	38,988	34,690
NONINTEREST EXPENSES				
Salaries and wages	21,377	20,480	42,375	40,116
Other employee benefits	5,183	4,989	10,559	10,624
Net occupancy expense of premises	3,170	3,390	6,816	6,901
Furniture and fixture expense	1,673	1,637	3,648	3,234
FDIC insurance	704	617	1,371	1,155
Amortization of intangible assets	443	485	894	978
Other operating expense	12,435	9,970	23,043	19,928
Total Noninterest Expenses	44,985	41,568	88,706	82,936
Income Before Income Tax Expense	27,842	25,207	54,071	48,344
Income Tax Expense	5,751	8,248	11,512	15,637
Net Income attributable to Noncontrolling Interests and Tompkins Financial Corporation	22,091	16,959	42,559	32,707
Less: Net income attributable to noncontrolling interests	32	33	64	65
Net Income Attributable to Tompkins Financial Corporation	\$22,059	\$ 16,926	\$42,495	\$ 32,642
Basic Earnings Per Share	\$1.44	\$ 1.11	\$2.78	\$ 2.15
Diluted Earnings Per Share	\$1.43	\$ 1.11	\$2.76	\$ 2.13

See notes to unaudited condensed consolidated financial statements.

TOMPKINS FINANCIAL CORPORATION
 CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

Three Months Ended

(In thousands) (Unaudited)	6/30/2018	6/30/2017
Net income attributable to noncontrolling interests and Tompkins Financial Corporation	\$ 22,091	\$ 16,959
Other comprehensive (loss) income, net of tax:		

Available-for-sale securities: