TOMPKINS FINANCIAL CORP
Form S-4/A
May 16, 2012

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As filed with the Securities and Exchange Commission on May 16, 2012

File No. 333-180825

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Amendment No. 1
Form S-4/A

**REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933**

Tompkins Financial Corporation

(Exact Name of Registrant as Specified in Its Charter)

New York	**6022**	**16-1482357**
(State or Other Jurisdiction of Incorporation or Organization)	(Primary Standard Industrial Classification Code Number)	(IRS Employer Identification Number)

The Commons, P.O. Box 460, Ithaca, NY 14851
(607) 273-3210
(Address, Including Zip Code, and Telephone Number, Including Area Code, of Registrant's Principal Executive Offices)

Stephen S. Romaine, President and Chief Executive Officer
The Commons, P.O. Box 460, Ithaca, NY 14851
(607) 273-3210
(Name, Address, Including Zip Code, and Telephone Number, Including Area Code, of Agent for Service)

Copies to:

Thomas E. Willett, Esq.
Harris Beach PLLC
99 Garnsey Road
Pittsford, NY 14534
Telephone: (585) 419-8800

David W. Swartz
Stevens & Lee, P.C.
111 North Sixth Street
P.O. Box 679
Reading, PA 19603-0679
Telephone: (610) 478-2000

Approximate Date of Commencement of Proposed Sale of Securities to the Public:
As soon as practicable after this Registration Statement becomes effective and upon completion of the merger described in the enclosed document.

If the securities being registered on this form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box. o

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

If this form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. 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 the definitions of "large accelerated filer", "accelerated filer", and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large Accelerated Filer o	Accelerated Filer ý	Non-Accelerated Filer o (Do not check if a smaller reporting company)	Smaller Reporting Company o

If applicable, place an X in the box to designate the appropriate rule provision relied upon in conducting this transaction:

Exchange Act Rule 13e-4(i) (Cross-Border Issuer Tender Offer) o

Exchange Act Rule 14d-1(d) (Cross-Border Third-Party Tender Offer) o

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act or until this Registration Statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

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SUBJECT TO COMPLETION, DATED MAY 16, 2012

PROXY STATEMENT/PROSPECTUS OF TOMPKINS FINANCIAL CORPORATION	PROXY STATEMENT OF VIST FINANCIAL CORP.
2012 ANNUAL MEETING OF SHAREHOLDERS	**SPECIAL MEETING OF SHAREHOLDERS**

PROPOSED MERGER YOUR VOTE IS VERY IMPORTANT

Tompkins Financial Corporation, which we refer to as "Tompkins," and VIST Financial Corp., which we refer to as "VIST," have entered into a merger agreement that provides for the combination of the two companies. Under the merger agreement, VIST will merge with and into a wholly owned subsidiary of Tompkins, with Tompkins' subsidiary remaining as the surviving entity, and the separate corporate existence of VIST will cease. Before we complete the merger, the shareholders of VIST must approve and adopt the merger agreement. VIST shareholders will vote to approve and adopt the merger agreement and the other transactions and matters described below at a special meeting of shareholders to be held on July 17, 2012. Tompkins shareholders must approve the issuance of shares of Tompkins common stock to the shareholders of VIST in the merger. Tompkins shareholders will vote to approve the issuance of the shares of Tompkins common stock to the shareholders of VIST in the merger and the other transactions and matters described below at an annual meeting of shareholders to be held on July 18, 2012.

If the merger is completed, VIST shareholders will receive 0.3127 shares of Tompkins common stock in exchange for each share of VIST common stock they own immediately prior to completion of the merger, which we refer to as the "Exchange Ratio." The Exchange Ratio is subject to adjustment based on the average of the closing price of Tompkins common stock for the 20 consecutive business days ending three days prior to the date of the VIST special meeting of shareholders, which is to be held on July 17, 2012. If this average closing price is greater than $43.98, the Exchange Ratio will be adjusted and fixed at 0.2842 shares of Tompkins common stock for each VIST share of common stock, and if this average closing price is less than $35.98, the Exchange Ratio will be adjusted and fixed at 0.3475 shares of Tompkins common stock for each VIST share of common stock. The aggregate number of shares of Tompkins common stock to be issued in the merger is approximately 2,076,254 assuming that the Exchange Ratio is 0.3127. The exact total number of shares of Tompkins common stock to be issued in the merger will depend on the total number of shares of VIST common stock outstanding immediately prior to the effective time of the merger.

The common stock of Tompkins trades on the NYSE-Amex under the symbol "TMP." The common stock of VIST trades on the NASDAQ Global Market system under the symbol "VIST." On May 14, 2012, the most recent practicable trading day prior to the printing of this joint proxy statement/prospectus, the closing price of Tompkins common stock was $36.32 per share and the closing price of VIST common stock was $11.33 per share. The market price of both Tompkins common stock and VIST common stock will fluctuate before the completion of merger, therefore, you are urged to obtain current market quotations for both Tompkins common stock and VIST common stock.

The VIST board of directors has determined that the combination of VIST and Tompkins is advisable and in the best interests of VIST based upon its analysis, investigation and deliberation, and the VIST board of directors unanimously recommends that the VIST shareholders vote "FOR" the approval and adoption of the merger agreement and "FOR" the approval of the other proposals described in this joint proxy statement/prospectus.

The Tompkins board of directors has determined that the combination of Tompkins and VIST is in the best interests of Tompkins shareholders based upon its analysis, investigation and deliberation, and the Tompkins board of directors unanimously recommends that the Tompkins shareholders vote "FOR" the issuance of the shares of Tompkins common stock to the shareholders of VIST in connection with the merger and "FOR" the approval of the other proposals described in this joint proxy statement/prospectus.

You should read this entire joint proxy statement/prospectus, including the annexes hereto and the documents incorporated by reference herein, carefully because it contains important information about the merger and the related transactions. **In particular, you should read carefully the information under the section entitled "Risk Factors" beginning on page 20.**

The shares of Tompkins common stock to be issued to VIST shareholders in the merger are not deposits or savings accounts or other obligations of any bank or savings association, and are not insured by the Federal Deposit Insurance Corporation or any other governmental agency.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved the Merger described in this joint proxy statement/prospectus or the Tompkins common stock to be issued in the merger, or passed upon the adequacy or accuracy of this joint proxy statement/prospectus. Any representation to the contrary is a criminal offense.

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ADDITIONAL INFORMATION

This joint proxy statement/prospectus incorporates business and financial information about Tompkins that is not included in or delivered with this document. This information is available from Tompkins without charge by first class mail or equally prompt means within one business day of receipt of your request, excluding exhibits unless the exhibit has been specifically incorporated by reference into the information that this document incorporates. To obtain timely delivery, you must request the information no later than five business days before you must make your investment decision. In the case of Tompkins shareholders, this means that you must make your request no later than July 11, 2012. If you want to receive a copy of any document incorporated by reference, please request it in writing or by telephone from Tompkins at the following address:

Tompkins Financial Corporation
The Commons
P.O. Box 460
Ithaca, NY 14851
Attention: Ms. Linda M. Carlton, Assistant Vice
President and Corporate Secretary
Telephone: (607) 273-3210

Shareholders may also consult Tompkins' or VIST's websites for more information concerning the merger described in this joint proxy statement/prospectus and each of the parties thereto. Tompkins' website is www.tompkinsfinancial.com and VIST's website is www.vistfc.com. Information included on these websites is not incorporated by reference into this joint proxy statement/prospectus.

This joint proxy statement/prospectus is dated May 16, 2012 and is first being mailed to the shareholders of VIST and the shareholders of Tompkins on or about May 28, 2012.

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May 16, 2012

**NOTICE OF 2012 ANNUAL MEETING OF SHAREHOLDERS
TO THE SHAREHOLDERS OF TOMPKINS FINANCIAL CORPORATION**

The Annual Meeting of Shareholders of Tompkins Financial Corporation, or "Tompkins," will be held on Wednesday, July 18, 2012 at 5:30 p.m., at the Country Club of Ithaca, 189 Pleasant Grove Road, Ithaca, New York, for the following purposes:

1. To approve the issuance of shares of Tompkins common stock in the merger of VIST Financial Corp. with and into TMP Mergeco. Inc., a wholly owned subsidiary of Tompkins, whereby the operating subsidiaries of VIST Financial Corp. will become wholly-owned subsidiaries of Tompkins;

2. To elect sixteen (16) Directors for a term of one year expiring in the year 2013;

3. To ratify the appointment of the independent registered public accounting firm, KPMG LLP, as Tompkins' independent auditor for the fiscal year ending December 31, 2012;

4. To approve the adjournment of the Tompkins annual meeting, if necessary, to solicit additional proxies; and,

5. To transact such other business as may properly come before the annual meeting or any adjournment thereof.

The board of directors has fixed the close of business on May 25, 2012 as the record date for determining shareholders entitled to notice of and to vote at the annual meeting. Only shareholders of record at the close of business on that date are entitled to vote at the annual meeting. A shareholder's information meeting for our shareholders in western New York will be held at 5:30 p.m. on August 13, 2012, at Genesee Country Village & Museum, 1410 Flint Hill Rd., Mumford, NY 14511. A shareholder's information meeting for our shareholders in the Hudson Valley will be held at 6:00 p.m. on August 16, 2012 at Villa Barone, 466 Route 6, Mahopac, NY 10541.

Please refer to the attached joint proxy statement/prospectus with respect to the business to be transacted at the annual meeting of Tompkins shareholders. Information relating to the activities and operations of Tompkins during the fiscal year ended December 31, 2011 is also contained in the joint proxy statement/prospectus.

The Tompkins board of directors unanimously recommends that you vote "*FOR*" all of the Tompkins proposals. Your vote is important regardless of the number of shares you own. Whether or not you plan to attend the annual meeting, you are urged to read and carefully consider the enclosed joint proxy statement/prospectus. You may vote by telephone, via the Internet, or mark, sign, date, and return the enclosed form of proxy in the accompanying pre-addressed postage-paid envelope. Your proxy may be revoked prior to its exercise by filing a written notice of revocation or a duly executed proxy bearing a later date with the Corporate Secretary of Tompkins Financial prior to the annual meeting, or by attending the annual meeting and filing a written notice of revocation with the Corporate Secretary at the annual meeting prior to the vote and voting in person.

By Order of the Board of Directors,

/s/ JAMES J. BYRNES	/s/ LINDA M. CARLTON
James J. Byrnes *Chairman*	Linda M. Carlton *Asst. Vice President & Corporate Secretary*

TOMPKINS FINANCIAL CORPORATION, THE COMMONS, P.O. BOX 460, ITHACA, NEW YORK 14851 (607) 273-3210

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS

FOR THE STOCKHOLDER MEETING TO BE HELD July 18, 2012

This joint proxy statement/prospectus and Tompkins' annual report to security holders are available under the "SEC Filings" tab at www.tompkinsfinancial.com.

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NOTICE OF SPECIAL MEETING OF SHAREHOLDERS
TO BE HELD JULY 17, 2012

TO THE SHAREHOLDERS OF VIST FINANCIAL CORP.:

NOTICE IS HEREBY GIVEN that the Special meeting of Shareholders of VIST Financial Corp. will be held at 10:00 A.M. (Eastern Time) on Tuesday, July 17, 2012, at the Crowne Plaza Reading, 1741 Papermill Road, Wyomissing, PA 19610, to consider and vote on the following proposals:

1. Approval and adoption of the Agreement and Plan of Merger, dated January 25, 2012, by and among Tompkins, Merger Sub, and VIST, which provides for, among other things, the merger of VIST with and into Merger Sub;

2. Approval, in an advisory (non-binding) vote, of the compensation payable to VIST's named executive officers in connection with the merger;

3. Approval of a proposal to authorize the board of directors to adjourn the special meeting, if necessary, to solicit additional proxies, in the event there are not sufficient votes to approve any of the other proposals; and

4. Transaction of such other business as may properly be presented at the meeting or any adjournment or postponement of the meeting.

All of these items, including the proposal to adopt the merger agreement, are described in more detail in the accompanying joint proxy statement/prospectus and its appendices. You should read these documents in their entirety before voting. We have fixed May 15, 2012 as the record date for determining those VIST shareholders entitled to vote at the special meeting. Accordingly, only shareholders of record at the close of business on that date are entitled to notice of and to vote at the special meeting or any adjournment or postponement of the meeting. A list of such shareholders will be available for inspection at the special meeting and for ten days prior to the meeting at VIST's headquarters located at 1240 Broadcasting Road, Wyomissing, PA 19610, during normal business hours.

Your board of directors has unanimously determined that the proposed merger is advisable and in the best interests of VIST and its shareholders and unanimously recommends that you vote "FOR" the proposal to approve and adopt the merger agreement. Your board of directors also recommends that you vote "FOR" proposals 2 and 3 listed above.

We urge you to vote as soon as possible so that your shares will be represented. Please do not send in any VIST stock certificates until you receive written instructions to do so.

BY ORDER OF THE BOARD OF DIRECTORS,

Donna O. Kowalski
Assistant Corporate Secretary

May 16, 2012

Your vote is important. Whether or not you plan to attend the special meeting, please complete, sign, date and return your proxy card or voting instruction card in the enclosed envelope promptly. For many shareholders, you may also vote your shares by calling the toll-free telephone number or by using the Internet as described in the instructions included with your proxy card or voting instruction card. If you later decide to attend the meeting, you can, if you wish, revoke the proxy and vote in person.

The Notice of Special Meeting and Joint Proxy Statement/Prospectus and the Proxy Card are available at http://www.vistfc.com.

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QUESTIONS AND ANSWERS

The following questions and answers briefly address some commonly asked questions about the merger (as defined below) and the shareholders meetings. They may not include all the information that is important to the shareholders of VIST and of Tompkins. Shareholders of VIST and of Tompkins should each read carefully this entire joint proxy statement/prospectus, including the annexes and other documents referred to in this document.

About the Merger

Q: **What is the merger?**

A: Tompkins and VIST have entered into an Agreement and Plan of Merger, dated January 25, 2012, which is referred to as the "merger agreement." A copy of the merger agreement is attached as Annex A to, and is incorporated by reference in, this joint proxy statement/prospectus. The merger agreement contains the terms and conditions of the proposed business combination of Tompkins and VIST. Under the merger agreement, VIST will merge with and into TMP Mergeco. Inc., a wholly owned subsidiary of Tompkins which is referred to as "merger sub," with merger sub remaining as the surviving entity, and the separate corporate existence of VIST will cease. We refer to this transaction as the "merger." Immediately after the merger, it is expected that merger sub will merge into its parent, Tompkins, and all of VIST's subsidiaries will become direct subsidiaries of Tompkins.

Q: **Why am I receiving these materials?**

A: Tompkins is sending these materials to its shareholders to help them decide how to vote their shares of Tompkins common stock with respect to the issuance of Tompkins common stock in the merger and the other matters to be considered at the Tompkins annual meeting.

VIST is sending these materials to its shareholders to help them decide how to vote their shares of VIST common stock with respect to the proposed merger and the other matters to be considered at the VIST special meeting.

The merger cannot be completed unless VIST shareholders adopt the merger agreement and approve the merger and Tompkins shareholders approve the issuance of Tompkins common stock in the merger. VIST is holding its special meeting of shareholders to vote on the proposal necessary to complete the merger in addition to the other proposals described in "*VIST Special Meeting of Shareholders*" beginning on page 310. Tompkins is holding its 2012 annual meeting of shareholders to vote on the merger in addition to the other proposals described in "*Tompkins Annual Meeting of Shareholders*," beginning on page 318. Information about these meetings, the merger and the other business to be considered at the meetings is contained in this joint proxy statement/prospectus.

This document constitutes both a joint proxy statement of Tompkins and VIST and a prospectus of Tompkins. It is a joint proxy statement because the boards of directors of both companies are soliciting proxies from their respective holders of common stock. It is a prospectus because Tompkins will issue shares of its common stock in exchange for shares of VIST common stock in the merger.

Q: **Why is Tompkins proposing the merger?**

A: Tompkins' board of directors believes that the merger is in the best interest of Tompkins. In reaching this decision, Tompkins' board, in consultation with Macquarie Capital, its financial advisor, and Harris Beach PLLC, its legal advisor, identified several key strategic and financial reasons for the merger. These key reasons include the potential to diversify and expand Tompkins' market area in a region with favorable demographics, as well as the anticipated operating efficiencies, cost savings and opportunities for revenue enhancements of the combined company. For a more detailed discussion of Tompkins' reasons for the merger, see "*The Merger Background and Negotiation of the Merger*" and "*The Merger Tompkins' Reasons for the Merger*," beginning on pages 43 and 47, respectively.

Q:

Why is VIST proposing the merger?

A:

The VIST board of directors, in unanimously determining that the merger is in the best interests of VIST, considered a number of key factors which are described under the headings "*The Merger Background and Negotiation of the Merger*" and "*The Merger VIST's Reasons for the Merger*," beginning on pages 43 and 47, respectively.

Q:

What will VIST shareholders receive in the merger, and how will this affect holders of Tompkins common stock?

A:

In the proposed merger, VIST shareholders will receive 0.3127 shares of Tompkins common stock in exchange for each share of VIST common stock they own immediately prior to completion of the merger, which we refer to as the "Exchange Ratio." The Exchange Ratio is subject to adjustment based on the average closing prices of Tompkins common stock for the twenty consecutive business days ending three days prior to the date of the VIST special meeting of shareholders, which is to be held on July 17, 2012. If this average closing price is greater than $43.98, the Exchange Ratio will be adjusted and fixed at 0.2842 shares of Tompkins common stock for each VIST share of common stock, and if this average closing price is less than $35.98, the Exchange Ratio will be adjusted and fixed at 0.3475 shares of Tompkins common stock for each VIST share of common stock. As a result, the value of the Tompkins shares that VIST shareholders will receive in the merger will change, and we cannot predict what the value will be at the closing of the merger.

Further, if the Exchange Ratio decreases to 0.2842, this would increase the total number of shares of Tompkins common stock issued to VIST shareholders, which would have a dilutive effect on the relative ownership interest of each Tompkins shareholder in the combined company. Accordingly, at the time of the mailing of this joint proxy statement/prospectus, neither Tompkins nor VIST shareholders will be able to assess whether and to what extent Tompkins common stock issued in the merger will impact their relative holdings in the combined company following the merger.

Fractional shares of Tompkins common stock resulting from the application of the exchange ratio to a VIST shareholder's holdings of VIST common stock will be converted to the right to receive a cash payment for such fractional shares. The cash payment will be equal to an amount, rounded to the nearest cent and without interest, equal to the product of (i) the fraction of a share to which such holder would otherwise have been entitled and (ii) the average of the daily closing price of a share of Tompkins common stock as reported on Amex for the five consecutive trading days immediately preceding the Closing Date.

Tompkins shareholders will continue to own their existing shares of Tompkins common stock after the merger. Because of the number of shares of Tompkins common stock being issued in the merger, the interest in Tompkins represented by the existing shares of Tompkins common stock will be diluted. The existing shares of Tompkins will represent in the aggregate ownership of approximately 81% of the outstanding shares of Tompkins common stock upon the completion of the merger.

Q:

When do Tompkins and VIST expect to complete the merger?

A:

Tompkins and VIST expect to complete the merger after all conditions to the merger in the merger agreement are satisfied or waived, including after shareholder approvals are received at the

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respective meetings of Tompkins and VIST. Tompkins and VIST currently expect to complete the merger early in the third quarter of 2012. It is possible, however, that factors outside of either company's control could result in Tompkins and VIST completing the merger at a later time or not completing it at all.

Q: **What are the federal income tax consequences of the merger?**

A: The merger has been structured to qualify as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended, which is referred to as the Internal Revenue Code, and it is a condition to the completion of the merger that each of Tompkins and VIST receive a written opinion from their respective legal counsel to the effect that the merger will be treated as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code and that holders of VIST common stock will not recognize gain or loss for U.S. federal income tax purposes upon the exchange of their VIST common stock for Tompkins common stock pursuant to the merger. For further discussion of the material U.S. federal income tax consequences of the merger, see "*The Merger Material Federal Income Tax Consequences,*" beginning on page 60.

About the Tompkins Annual Meeting

Q: **What am I being asked to vote on?**

A: Tompkins shareholders are being asked to vote on the following proposals:

1. *Issuance of Common Stock in the Merger.* To approve the issuance of Tompkins common stock in the merger contemplated by the merger agreement, a copy of which is attached as Annex A to this joint proxy statement/prospectus;

2. *Election of Directors.* To elect sixteen (16) Directors for a term of one year expiring in the year 2013;

3. *Ratification of Auditor Appointment.* To ratify the appointment of the independent registered public accounting firm, KPMG LLP, as Tompkins' independent auditor for the fiscal year ending December 31, 2012;

4. *Adjournment of Meeting.* To approve the adjournment of the Tompkins annual meeting, if necessary, to solicit additional proxies; and,

5. *Other Matters.* To transact such other business as may properly come before the Tompkins annual meeting or any adjournment thereof.

Q: **How does the board of directors of Tompkins recommend that I vote?**

A: The Tompkins board of directors recommends that holders of Tompkins common stock vote **"FOR"** all Tompkins proposals described in this joint proxy statement/prospectus.

Q: **What do I need to do now?**

A: After carefully reading and considering the information contained in this joint proxy statement/prospectus, please submit your proxy as soon as possible so that your shares will be represented at the meeting. Please follow the instructions set forth on the proxy card or on the voting instruction form provided by the record holder if your shares are held in the name of your broker or other nominee.

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Q: **How do I vote?**

A: If you are a shareholder of record of Tompkins as of May 25, 2012, which is referred to as the Tompkins record date, you may submit a proxy before the Tompkins annual meeting in one of the following ways:

- use the toll-free number shown on your proxy card;
- visit the website shown on your proxy card to submit a proxy via the Internet; or
- complete, sign, date and return the enclosed proxy card in the enclosed postage-paid envelope.

You may also cast your vote in person at the Tompkins annual meeting, as applicable.

If your shares are held in "street name" through a broker, bank or other nominee, that institution will send you separate instructions describing the procedure for voting your shares. Holders in "street name" who wish to vote in person at the Tompkins annual meeting will need to obtain a proxy form from the institution that holds their shares.

Q: **When and where is the Tompkins annual meeting of shareholders?**

A: The annual meeting of Tompkins shareholders will be held on Wednesday, July 18, 2012 at 5:30 p.m., at the Country Club of Ithaca, 189 Pleasant Grove Road, Ithaca, New York. All shareholders of Tompkins as of the Tompkins record date, or their duly appointed proxies, may attend the Tompkins annual meeting. Since seating is limited, seating at the Tompkins annual meeting will be on a first-come, first-served basis.

Q: **If my shares are held in "street name" by a broker or other nominee, will my broker or nominee vote my shares for me?**

A: Tompkins believes that brokers or other nominees will have discretionary authority to vote only on the ratification of auditors proposal (Proposal 3). Therefore, if you are a Tompkins shareholder and you do not instruct your broker or other nominee on how to vote your shares:

- your broker or other nominee may not vote your shares on Proposal 1 (to authorize issuance of Tompkins common stock in connection with the merger), nor on Proposal 2 (the election of directors), nor on Proposal 4 (the adjournment proposal), and these "broker non-votes" will have no effect on the vote on these proposals; and
- your broker or other nominee may vote your shares on Proposal 3 (to ratify the selection of KPMG LLP as Tompkins' independent registered public accounting firm for the fiscal year ending December 31, 2012).

This is because, if your shares are held in "street name" in a stock brokerage account or by a bank or other nominee, you must provide the record holder of your shares with instructions on how to vote your shares. Please follow the voting instructions provided by your bank or broker. Please note that you may not vote shares held in street name by returning a proxy card directly to Tompkins or by voting in person at the Tompkins annual meeting unless you provide a "legal proxy," which you must obtain from your bank or broker.

Brokers or other nominees who hold shares in street name for a beneficial owner typically have the authority to vote in their discretion on "routine" proposals when they have not received instructions from beneficial owners. However, brokers or other nominees are not allowed to exercise their voting discretion on matters that are determined to be "non-routine" without specific instructions from the beneficial owner. Broker non-votes are shares held by a broker or other nominee that are represented at the applicable meeting but with respect to which the broker or other nominee is not instructed by the beneficial owner of such shares to vote on the particular

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proposal and the broker or other nominee does not have discretionary voting power on such proposal.

Q:
What constitutes a quorum for the Tompkins annual meeting?

A:
The presence, in person or by proxy, of the holders of a majority of the outstanding shares of Tompkins common stock entitled to vote at the annual meeting is necessary to constitute a quorum at the annual meeting and any adjournment thereof. Each share is entitled to one vote on all matters. Abstentions and broker non-votes will be counted as present and entitled to vote for purposes of determining a quorum.

Q:
What vote is required to approve each proposal to be considered at the Tompkins annual meeting?

A:
To elect Tompkins directors: Election of the Tompkins directors requires the affirmative vote of a plurality of the votes cast at the Tompkins annual meeting. Accordingly, the sixteen (16) director nominees receiving the highest number of votes will be elected.

To act on all other matters: All other proposals on the agenda for the Tompkins annual meeting require the affirmative vote of a majority of the votes cast at the annual meeting. Accordingly, these proposals will be approved if the number of votes cast in favor of the proposal at the annual meeting or any adjournment thereof exceeds the number of votes cast against the proposal.

As of the record date for the Tompkins annual meeting, Tompkins' directors and executive officers collectively had the right to vote approximately 10% of the Tompkins common stock outstanding and entitled to vote at the Tompkins annual meeting. **Each of the directors and executive officers of Tompkins has indicated to us that he or she intends to vote "FOR" approval and adoption of the merger agreement**, although none of them has entered into any agreements obligating them to do so.

Q:
What if I abstain from voting or do not vote at the Tompkins annual meeting?

A:
For the purposes of the Tompkins annual meeting, an abstention, which occurs when a Tompkins shareholder attends the Tompkins annual meeting, either in person or by proxy, but abstains from voting, will have no effect on the outcome of the proposals to be considered at the Tompkins annual meeting.

Q:
What if I hold stock of both Tompkins and VIST?

A.
If you hold shares of both Tompkins and VIST, you will receive two separate packages of proxy materials. A vote as a VIST shareholder for the merger proposal or any other proposals to be considered at the VIST special meeting will not constitute a vote as a Tompkins shareholder for the share issuance proposal relating to the merger or any other proposals to be considered at Tompkins annual meeting, and vice versa. Therefore, please sign, date and return all proxy cards that you receive, whether from Tompkins or VIST, or submit separate proxies as both a Tompkins shareholder and a VIST shareholder by Internet or telephone.

Q:
May I change my vote or revoke my proxy after I have delivered my proxy or voting instruction card?

A:
Yes. You may change your vote at any time before your proxy is voted at the Tompkins annual meeting. You may do this in one of four ways:

by sending a notice of revocation to the corporate secretary of Tompkins;

by sending a completed proxy card bearing a later date than your original proxy card;

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by logging onto the website specified on your proxy card in the same manner you would to submit your proxy electronically or by calling the telephone number specified on your proxy card, in each case if you are eligible to do so, and following the instructions on the proxy card; or

by attending the Tompkins annual meeting and voting in person; however, your attendance alone will not revoke any proxy.

If you choose any of the first three methods, you must take the described action no later than 11:59 p.m., Eastern time, on the day before the date of the Tompkins annual meeting.

If your shares are held in an account at a broker or other nominee, you should contact your broker or other nominee to change your vote.

Q: **What happens if I sell my Tompkins shares after the Tompkins record date but before the Tompkins annual meeting?**

A: The record date for the Tompkins annual meeting is earlier than both the date of such meeting and the date that the merger is expected to be completed. If you transfer your Tompkins common stock after the Tompkins record date but before the date of the Tompkins annual meeting, you will retain your right to vote at the Tompkins annual meeting (provided that such shares remain outstanding on the date of the Tompkins annual meeting).

Q: **What do I do if I receive more than one joint proxy statement/prospectus or set of voting instructions?**

A: If you hold shares directly as a record holder and also in "street name," or otherwise through a nominee, you may receive more than one joint proxy statement/prospectus and/or set of voting instructions relating to the applicable meeting. These should each be voted or returned separately to ensure that all of your shares are voted.

Q: **Do I have appraisal or dissenters' rights?**

A: No. Under New York law, holders of Tompkins common stock will not be entitled to exercise any dissenters' or appraisal rights in connection with any of the proposals being presented to them.

Q: **Should I send in my Tompkins stock certificates?**

A: No. Please do not send your stock certificates with your proxy card.

Tompkins shareholders will not be required to exchange or take any other action regarding their stock certificates in connection with the merger. Tompkins shareholders holding stock certificates should keep their stock certificates both now and after the merger is completed.

Q: **Whom should I contact if I have additional questions?**

A: If you are a Tompkins shareholder and have any questions about the merger, or if you need additional copies of this document or the enclosed proxy card, you should contact:

Tompkins Financial Corporation
The Commons
P.O. Box 460
Ithaca, NY 14851

Attention: Ms. Linda M. Carlton, Assistant Vice President and Corporate Secretary
Telephone: (607) 273-3210

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About the VIST Special Meeting

Q:
What are the matters on which I am being asked to vote at the VIST special meeting?

A:
You are being asked to consider and vote on the following matters:

- Approval and adoption of the merger agreement, a copy of which is attached as Annex A to this proxy statement/prospectus;
- Approval, in an advisory (non-binding) vote, of compensation payable to the named executive officers of VIST in connection with the merger ("merger-related executive compensation"); and
- Adjournment of the VIST special meeting, if necessary, to solicit additional proxies.

Q:
How does the VIST board of directors recommend that I vote my shares?

A:
The VIST board of directors recommends that the VIST shareholders vote their shares as follows:

- "FOR" approval and adoption of the merger agreement;
- "FOR" approval, in an advisory (non-binding) vote, of the merger-related executive compensation; and
- "FOR" an adjournment of the VIST special meeting, if necessary, to solicit additional proxies.

Q:
What do I need to do now?

A:
After carefully reading and considering the information contained in this joint proxy statement/prospectus, please submit your proxy as soon as possible so that your shares will be represented at VIST's special meeting. Please follow the instructions set forth on the proxy card or on the voting instruction form provided by the record holder if your shares are held in the name of your broker or other nominee.

Q: Who is entitled to vote at the VIST special meeting?

A:
VIST shareholders of record as of the close of business on May 15, 2012, which is referred to as the VIST record date.

Q: How many votes do I have?

A:
Each share of VIST common stock is entitled to one vote.

Q: How do I vote my VIST shares?

A:

You may vote your VIST shares by completing and returning the enclosed proxy card or by voting in person at the VIST special meeting. In addition, you may be able to vote via the Internet, as described below.

Voting by Proxy. You may vote your VIST shares by completing and returning the enclosed proxy card. Your proxy will be voted in accordance with your instructions. If you do not specify a choice on one of the proposals described in this joint proxy statement/prospectus, your proxy will be voted in favor of that proposal.

ON YOUR VIST PROXY CARD:

- Mark your selections;
- Date and sign your name exactly as it appears on your card; and
- Return your completed proxy card in the enclosed postage-paid envelope.

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Voting by Internet. If you are a registered shareholder, you may vote electronically through the Internet by following the instructions included with your proxy card. If your shares are registered in the name of a broker or other nominee, your nominee may be participating in a program provided through ADP Investor Communication Services that allows you to vote via the Internet. If so, the voting form your nominee sends you will provide Internet instructions.

Voting in person. If you attend the VIST special meeting, you may deliver your completed proxy card in person or may vote by completing a ballot which will be available at the VIST special meeting.

Should you have any questions on the procedure for voting your shares, please contact Phoenix Advisory Partners at 110 Wall Street, 27th Floor, New York, NY 10005 or toll-free at (877) 478-5038 (brokers and banks should call (212) 493-3910).

Q: Why is my vote important?

A: Because the merger cannot be completed without the affirmative vote of the holders of at least 70% of the shares of VIST common stock outstanding on May 15, 2012, and because a majority of the outstanding VIST common stock entitled to vote is necessary to constitute a quorum in order to transact business at the special meeting, every shareholder's vote is important.

Q: If my shares of VIST common stock are held in street name by my broker, will my broker automatically vote my shares for me?

A: No. Your broker **CANNOT** vote your shares on any proposal at the VIST special meeting without instructions from you. You should instruct your broker as to how to vote your shares, following the directions your broker provides to you. Please check the voting form used by your broker.

Q: What if I fail to instruct my broker?

A: If you do not provide your broker with instructions, your broker generally will not be permitted to vote your shares on the merger proposal or any other proposal (a so-called "broker non-vote") at the VIST special meeting. For purposes of determining the number of votes cast with respect to the merger proposal, only those votes cast "for" or "against" the proposal are counted. Broker non-votes, if any, are submitted by brokers or nominees in connection with the special meeting, will not be counted as votes "for" or "against" for purposes of determining the number of votes cast, but will be treated as present for quorum purposes. Because the affirmative vote of the holders of at least 70% of the shares of VIST common stock is required for the adoption of the merger agreement, abstentions and broker non-votes will have the effect of a vote against adoption of the merger agreement but will not affect the outcome of any of the other matters being voted on at the meeting.

Q: What constitutes a quorum for the VIST special meeting?

A: As of May 9, 2012, 6,639,762 shares of VIST common stock were issued and outstanding, each of which will be entitled to one vote at the meeting. A majority of the outstanding shares, present or represented by proxy, constitutes a quorum. If you vote by proxy, your shares will be included for determining the presence of a quorum. Both abstentions and broker non-votes are also included for purposes of determining the presence of a quorum.

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Q: Assuming the presence of a quorum, what is the vote required to approve the matters to be considered at the VIST special meeting?

A: The affirmative vote of the holders of at least 70% of the shares of VIST common stock outstanding on May 15, 2012 is required for the approval and adoption of the merger agreement. The affirmative vote of a majority of all votes cast, in person and by proxy, at the meeting is required to approve the other matters to be considered at the meeting. Abstentions and broker non-votes will have the effect of a vote against adoption of the merger agreement but will not affect the outcome of any of the other matters being voted on at the meeting.

Simultaneously with the execution of the merger agreement, the directors and executive officers of VIST holding approximately 17% of the outstanding shares of VIST common stock each entered into a voting agreement with Tompkins pursuant to which each executive officer and director agreed that he or she will vote his or her shares of VIST common stock (i) in favor of the approval and adoption of the merger agreement and (ii) against any proposal made in opposition to or competition with the merger agreement or that would impede, interfere with, delay or otherwise adversely affect the consummation of the merger.

Q: Do I have appraisal or dissenters' rights?

A: No. Under Pennsylvania law, holders of VIST common stock will not be entitled to exercise any appraisal rights in connection with the merger or any of the other proposals being presented to them.

Q: Can I attend the VIST special meeting and vote my shares in person?

A: Yes. All shareholders, including shareholders of record and those who hold their shares through banks, brokers, nominees or any other holder of record, are invited to attend the special meeting. Holders of record of VIST common stock can vote in person at the special meeting. If you are not a shareholder of record, you must obtain a proxy, executed in your favor, from the record holder of your shares, such as a broker, bank or other nominee, to be able to vote in person at the special meeting. If you plan to attend the special meeting, you must hold your shares in your own name or have a letter from the record holder of your shares confirming your ownership and you must bring a form of personal photo identification with you in order to be admitted. We reserve the right to refuse admittance to anyone without proper proof of share ownership and without proper photo identification.

Q: Can I change my vote?

A: Yes. You may revoke any proxy at any time before it is voted by (1) signing and returning a proxy card with a later date, (2) delivering a written revocation letter to the Secretary of VIST, or (3) attending the special meeting in person, notifying the Secretary and voting by ballot at the special meeting. VIST Secretary's mailing address is VIST Financial Corp., P.O. Box 6219, Wyomissing PA 19610.

Any shareholder entitled to vote in person at the special meeting may vote in person regardless of whether a proxy has been previously given, and such vote will revoke any previous proxy, but the mere presence (without notifying the Secretary of VIST) of a shareholder at the special meeting will not constitute revocation of a previously given proxy.

Q: Is my vote confidential?

A: Proxy instructions, ballots and voting tabulations that identify individual shareholders are handled in a manner designed to protect your voting privacy. Your vote will not be disclosed either within

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VIST or to third parties except (1) as necessary to meet applicable legal requirements, (2) to allow for the tabulation of votes and certification of the vote, or (3) to facilitate a successful proxy solicitation by the Board. Occasionally, shareholders provide written comments on their proxy card, which are then forwarded to management.

Q: Who will bear the cost of soliciting votes for the VIST special meeting?

A: Tompkins will pay the cost of preparing, assembling, printing, mailing and distributing these proxy materials. In addition to the mailing of these proxy materials, the solicitation of proxies or votes may be made in person, by telephone, or by electronic communication by our directors, officers, and employees, who will not receive any additional compensation for such solicitation activities. VIST has retained the services of Phoenix Advisory Partners to aid in the solicitation of proxies from banks, brokers, nominees and intermediaries, and to tabulate votes at the meeting. VIST estimates that it will pay a fee of $7,000, plus expenses, for these services. In addition, VIST may reimburse brokerage firms and other persons representing beneficial owners of shares for their expenses in forwarding solicitation material to such beneficial owners.

Q: What happens if additional proposals are presented at the VIST special meeting?

A: Other than the proposals described in this joint proxy statement/prospectus, VIST does not expect any matters to be presented for a vote at the special meeting. If you grant a proxy, the persons named as proxy holders, Donna O. Kowalski and Edward C. Barrett, will have the discretion to vote your shares on any additional matters properly presented for a vote at the special meeting.

Q: When do you expect to complete the merger?

A: We expect to complete the merger in the third quarter of 2012. However, we cannot assure you when or if the merger will occur. Among other things, we cannot complete the merger until we obtain the approval of VIST shareholders at the special meeting.

Q: Whom should I call with questions about the special meeting or the merger?

A: VIST shareholders should call VIST's Investor Relations at (610) 306-7211, or Phoenix Advisory Partners, VIST's proxy solicitor, at toll-free at (877) 478-5038 (brokers and banks should call (212) 493-3910), with any questions about the special meeting, the merger or any related transactions.

Q: Will I be able to trade the shares of Tompkins common stock that I receive in the merger?

A: Yes. The shares of Tompkins common stock that you receive pursuant to the merger will be listed on the NYSE-Amex under the symbol "TMP." Certain persons who are deemed affiliates of VIST will be required to comply with Rule 145 promulgated under the Securities Act of 1933, as amended (the "Securities Act"), if they sell their shares of Tompkins common stock received pursuant to the merger.

Q: Should I send in my VIST stock certificates now?

A: No. If VIST shareholders approve the merger agreement, after the merger is completed, you will receive written instructions, including a letter of transmittal, that will explain how to exchange your VIST stock certificates for Tompkins common stock certificates. **Please do not send in any VIST stock certificates until you receive these written instructions and the letter of transmittal.**

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Q: Are there risks that I should consider in deciding whether to vote to approve the merger agreement?

A:

Yes. You should consider the risk factors set out in the section entitled "*Risk Factors*" beginning on page 20 of this joint proxy statement/ prospectus.

Q: What if I hold stock of both Tompkins and VIST?

A:

If you hold shares of both Tompkins and VIST, you will receive two separate packages of proxy materials. A vote as a VIST shareholder for the merger proposal or any other proposals to be considered at the VIST special meeting will not constitute a vote as a Tompkins shareholder for the share issuance proposal relating to the merger or any other proposals to be considered at Tompkins annual meeting, and vice versa. Therefore, please sign, date and return all proxy cards that you receive, whether from Tompkins or VIST, or submit separate proxies as both a Tompkins shareholder and a VIST shareholder by Internet or telephone.

SUMMARY

This summary highlights selected information in this document, and it may not include all the information that is important to the shareholders of VIST and the shareholders of Tompkins. Shareholders of VIST and shareholders of Tompkins should each read carefully this entire joint proxy statement/prospectus, including the annexes and other documents referred to in this document.

The Companies

Tompkins

Tompkins is headquartered in Ithaca, New York and is registered as a Financial Holding Company with the Federal Reserve Board under the Bank Holding Company Act of 1956, as amended. Tompkins offers a variety of financial products and services, including commercial and consumer banking, leasing, trust and investment management, financial planning and wealth management, insurance, and brokerage services. Tompkins' subsidiaries include: three wholly-owned banking subsidiaries, Tompkins Trust Company, The Bank of Castile, The Mahopac National Bank; AM&M Financial Services, Inc., a wholly owned registered investment advisor; and a wholly-owned insurance agency subsidiary, Tompkins Insurance Agencies, Inc. AM&M and the trust division of Tompkins Trust Company provide investment services under the Tompkins Financial Advisors name, including investment management, trust and estate, financial and tax planning as well as life, disability and long-term care insurance services.

At December 31, 2011, Tompkins had total assets of approximately $3.4 billion, deposits of $2.7 billion, and stockholders' equity of $299.1 million. Tompkins' principal offices are located at The Commons, Ithaca, New York, 14851, and its telephone number is (607) 273-3210. Tompkins' common stock is traded on the NYSE-Amex under the Symbol "TMP." Tompkins was organized in 1995, under the laws of the State of New York, as a bank holding company for Tompkins Trust Company, a commercial bank that has operated in Ithaca, New York and surrounding communities since 1836.

VIST

VIST is a Pennsylvania business corporation headquartered in Wyomissing, Pennsylvania. VIST was organized as a bank holding company on January 1, 1986 and became a financial holding company on February 7, 2002 upon election with the Board of Governors of the Federal Reserve System (the "Federal Reserve"). VIST offers a wide array of financial services, including banking, insurance, investment, and mortgage services, through its various subsidiaries VIST Bank, VIST Insurance, LLC and VIST Capital Management, LLC. As of December 31, 2011, VIST Bank's wholly-owned subsidiary, VIST Mortgage Holdings, LLC, was inactive.

At December 31, 2011, VIST had total assets of $1.43 billion, total shareholders' equity of $115.7 million, and total deposits of $1.19 billion. VIST's executive offices are located at 1240 Broadcasting Road, Wyomissing, Pennsylvania 19610, and its telephone number is (610) 603-7211. VIST's common stock is traded on the NASDAQ Global Market system under the symbol "VIST." For further information about VIST, its business and operations, please see "*Additional Information about VIST*" beginning on page 89.

Merger Sub

Merger Sub was incorporated in the State of New York on January 24, 2012, and is a wholly owned subsidiary of Tompkins. Merger Sub has not, and prior to the completion of the merger will not, conduct any activities other than those incidental to its formation and the matters contemplated by the merger agreement.

The Merger

Each of the Tompkins board of directors and VIST board of directors has approved and adopted the merger agreement, which provides that, subject to the terms and conditions of the merger agreement and in accordance with the New York Business Corporation Law, which is referred to in this joint proxy statement/prospectus as the NYBCL, upon completion of the merger, VIST will merge with and into Merger Sub, a wholly owned subsidiary of Tompkins, with Merger Sub being the surviving corporation in the merger and remaining a wholly owned subsidiary of Tompkins. Immediately after the merger, it is expected that merger sub will merge into its parent, Tompkins, and all of VIST's subsidiaries will become direct subsidiaries of Tompkins.

Each share of VIST common stock issued and outstanding immediately prior to the completion of the merger (except any shares of VIST common stock held by VIST, Tompkins, or Merger Sub, which will be cancelled upon completion of the merger) will be converted into the right to receive 0.3127 shares of Tompkins common, which we refer to as the "Exchange Ratio." The Exchange Ratio is subject to adjustment based on the average of the closing price of Tompkins common stock for the 20 consecutive business days ending three days prior to the date of the VIST special meeting of shareholders, which is to be held on July 17, 2012. If this average closing price is greater than $43.98, the Exchange Ratio will be adjusted and fixed at 0.2842 shares of Tompkins common stock for each VIST share of common stock, and if this average closing price is less than $35.98, the Exchange Ratio will be adjusted and fixed at 0.3475 shares of Tompkins common stock for each VIST share of common stock. As a result, the value of the Tompkins shares that VIST shareholders will receive in the merger will change, and we cannot predict what the value will be at the closing of the merger. Further, if the Exchange Ratio decreases to 0.2842, this would increase the total number of shares of Tompkins common stock issued to VIST shareholders, which would have a dilutive effect on the relative ownership interest of each Tompkins shareholder in the combined company. Accordingly, at the time of the mailing of this joint proxy statement/prospectus, neither Tompkins nor VIST shareholders will be able to assess whether and to what extent Tompkins common stock issued in the merger will impact their relative holdings in the combined company following the merger.

Fractional shares of Tompkins common stock resulting from the application of the Exchange Ratio to a VIST shareholder's holdings of VIST common stock will be converted to the right to receive a cash payment for each such fractional share. The cash payment will equal an amount, rounded to the nearest cent and without interest, equal to the product of (i) the fraction of a share to which such holder would otherwise have been entitled and (ii) the average of the daily closing sales prices of a share of Tompkins Common Stock as reported on NYSE-Amex for the five consecutive trading days immediately preceding the Closing Date.

For further discussion of the merger consideration, see "*The Merger Merger Consideration,*" beginning on page 59.

Recommendation of the Tompkins Board of Directors

Tompkins' board of directors recommends that holders of Tompkins common stock vote as follows:

- "FOR" the proposal to issue shares of Tompkins common stock in connection with the merger;
- "FOR" each of the director nominees;
- "FOR" the proposal to ratify Tompkins' appointment of an independent auditor;
- "FOR" the proposal to adjourn the Tompkins annual meeting, if necessary, to solicit additional proxies; and
- "FOR" the proposal to to transact other proper business at the annual meeting, or any adjournment thereof.

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For further discussion of Tompkins' reasons for the merger and the recommendations of Tompkins' board of directors, "*The Merger Tompkins' Reasons for the Merger*" and "*The Merger Recommendation of Tompkins' Board of Directors,*" beginning on pages 47 and 48, respectively.

Recommendation of the VIST Board of Directors

VIST's board of directors recommends that holders of VIST common stock vote as follows:

- "FOR" the approval and adoption of the merger agreement;
- "FOR" approval, in an advisory (non-binding) vote, of the merger-related executive compensation; and
- "FOR" an adjournment of the VIST special meeting, if necessary, to solicit additional proxies.

For further discussion of VIST's reasons for the merger and the recommendations of VIST's board of directors, see "*The Merger VIST's Reasons for the Merger*" and "*The Merger Recommendation of VIST's Board of Directors,*" beginning on pages 48 and 51, respectively.

Opinion of VIST's Financial Advisor

In connection with the VIST board of directors' consideration of the merger agreement, VIST's financial advisor, Stifel, Nicolaus & Company, Incorporated, or "Stifel," provided its opinion to the VIST board of directors at the January 24, 2012 meeting of the VIST board of directors that, as of that date, and subject to and based on the qualifications and assumptions set forth in its opinion, the exchange ratio stated in the merger agreement was fair, from a financial point of view, to VIST's shareholders. The full text of Stifel's opinion is attached as Annex B to this joint proxy statement/prospectus. VIST shareholders should read that opinion and the description of Stifel's opinion contained in this document in their entirety. The opinion of Stifel does not reflect any developments that may have occurred or may occur after the date of its opinion and prior to the completion of the merger.

VIST paid Stifel a cash fee of $250,000 concurrently with the rendering of the fairness opinion. Additionally, VIST has agreed to pay to Stifel at the time of completion of the merger a cash fee estimated to be approximately $1.06 million.

Interests of VIST's Directors and Executive Officers in the Merger

In addition to their interests as VIST shareholders, the directors and executive officers of VIST may have interests in the merger that are different from or in addition to interests of other VIST shareholders. These interests include, among others, provisions in the merger agreement regarding board membership, as well as change in control agreements, employment agreements, indemnification, insurance, stock options, vesting of restricted stock, and eligibility to participate in various employee benefit plans. For purposes of the VIST agreements and plans, the completion of the merger will generally constitute a change in control. These additional interests may create potential conflicts of interest and cause some of these persons to view the proposed transaction differently than you may view it as a VIST shareholder. The financial interests of VIST's executive officers and directors in the merger include the following:

- the appointment, effective at the closing of the merger, of two current VIST directors (to be mutually identified by Tompkins and VIST, subject to certain limitations) to the board of directors of Tompkins and the payment of compensation to such individuals in accordance with the policies of Tompkins, which currently consists of the following payments to each of Tompkins' non-employee directors: an annual retainer of $13,000, a per diem payment of $1,250 for each Tompkins board meeting and between $400 and $750 for each committee meeting attended, depending on the committee;

- the appointment, effective at the closing of the merger, of five current VIST directors (to be mutually identified by Tompkins and VIST, subject to certain limitations) to the board of directors of VIST Bank and the payment of compensation to such individuals in accordance with the policies of Tompkins related to its subsidiary banks, which currently consists of the following payments to each of the banks' non-employee directors: an annual retainer of $14,200, and $400 for each committee meeting attended;

- the nomination of two (2) members of the current VIST board of directors which persons may or may not be those selected to fill the vacancies described above-for election at the first annual meeting of Tompkins following the merger;

- the continued indemnification of current directors and executive officers of VIST and its subsidiaries pursuant to the terms of the merger agreement and providing these individuals with director's and officer's liability insurance;

- the retention of certain executive officers of VIST, and payment of compensation to such executive officers, pursuant to employment agreements between Tompkins and each of them that are expected become effective at the closing of the merger;

- each of VIST's named executive officers, as well as certain other executives, will be entitled to severance or change-in-control benefits upon a termination of their employment following the merger (except in certain limited circumstances); and,

- the acceleration of vesting of unvested VIST stock options and restricted stock held by VIST directors and officers, and either the cashing out or the conversion of VIST stock options held by directors and officers into stock options to purchase shares of Tompkins common stock.

VIST's board of directors was aware of these interests and took them into account in its decision to approve the merger agreement. Please see "*The Merger Interests of Certain Persons in the Merger*" beginning on page 63 for a more detailed description of these interests, as well as the costs associated with them. Certain officers of VIST and its subsidiaries are expected to be appointed as officers of Tompkins or its subsidiaries upon completion of the merger, and as employees of these surviving entities, they will be eligible for certain employee benefits. Please see *"The Merger Employee Benefit Plans"* on page 61 for more information. All of these circumstances may cause some of VIST's directors and executive officers to view the proposed merger differently than VIST shareholder may view it.

Material United States Federal Income Tax Consequences of the Merger

The merger has been structured to qualify as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code, and it is a condition to the completion of the merger that each of Tompkins and VIST receive a written opinion from their respective legal counsel to the effect that the merger will be treated as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code. Stevens and Lee, P.C., counsel to VIST, will also render an opinion that the holders of VIST common stock will not recognize gain or loss for U.S. federal income tax purposes upon the exchange of their VIST common stock for Tompkins common stock pursuant to the merger. For further discussion of the material U.S. federal income tax consequences of the merger, see "*The Merger Material Federal Income Tax Consequences,*" beginning on page 60.

Holders of VIST common stock should consult their tax advisors to determine the tax consequences to them, including the application and effect of any state, local or non-U.S. income and other tax laws, of the merger.

Accounting Treatment of the Merger

The merger will be treated as a "business combination" using the acquisition method of accounting with Tompkins treated as the acquiror under generally accepted accounting principles, or GAAP.

For further discussion of the accounting treatment of the merger, see "*The Merger Accounting Treatment,*" beginning on page 81.

No Appraisal Rights

Neither shareholders of Tompkins nor shareholders of VIST will have appraisal or dissenters' rights in connection with any of the proposals to be voted upon at their respective meetings.

Regulatory Matters

The Federal Reserve must approve the merger under the provisions of the Bank Holding Company Act of 1956, as amended (the "Bank Holding Company Act"), relating to the acquisition of a bank holding company by another bank holding company, and the applicable waiting period must expire before it can be completed. In addition, the Pennsylvania Department of Banking must approve the merger under the Pennsylvania Banking Code of 1965. The application for approval of the merger was filed with the Federal Reserve on May 10, 2012, and it is expected that application will be made with the Pennsylvania Department of Banking during May 2012.

For further discussion of the regulatory requirements in connection with the merger, see "*The Merger Regulatory Approvals Required for the Merger,*" beginning on page 79.

Conditions to Completion of the Merger

Currently, we expect to complete the merger in the third quarter of 2012. As more fully described in this joint proxy statement/prospectus and in the merger agreement, the completion of the merger depends on a number of conditions being satisfied or, where legally permissible, waived. These conditions include, among others:

- the approval of the issuance of the shares of Tompkins common stock in the merger by the affirmative vote of the holders of a majority of the votes cast, in person or by proxy, at the Tompkins annual meeting;

- the approval and adoption of the merger agreement by the affirmative vote of the holders of seventy percent (70%) of the outstanding shares of VIST common stock entitled to vote thereon;

- the purchase or redemption of all VIST Series A Preferred Stock, and the warrant to purchase shares of VIST common stock, from the U.S. Treasury, with the result that any and all restrictions, limitations or conditions associated with VIST's participation in the Capital Purchase Program of the Troubled Asset Relief Program of the United States Department of the Treasury, or "TARP," will have terminated and no longer be of any force and effect;

- the receipt of all required regulatory approvals, including the expiration of all waiting periods relating to such approvals, without the imposition of any condition or requirement that Tompkins' board of directors reasonably determines would materially and adversely affect the combined enterprise or materially impair the value of VIST (including its subsidiaries) to Tompkins;

- the approval for listing on NYSE-Amex of the Tompkins common stock to be issued in the merger; and

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- receipt by Tompkins and VIST of an opinion of their respective legal counsel to the effect that, for federal income tax purposes, the merger will constitute a reorganization or be treated as part of a reorganization, within the meaning of Section 368(a) of the Internal Revenue Code.

Tompkins' obligation to complete the merger is also separately subject to the satisfaction or waiver of the following conditions, among others:

- the execution and delivery of employment agreements by certain of VIST's key employees, on terms and conditions satisfactory to Tompkins, as described below under "*The Merger Interests of Certain Persons in the Merger New Employment Agreements*" on page 67;

- the approval, on terms and conditions satisfactory to Tompkins, by the Federal Deposit Insurance Corporation, or "FDIC," of the assignment by merger of a certain Shared-Loss Agreement, dated November 19, 2010, by and among the FDIC as Receiver for Allegiance Bank of North America, and VIST and VIST Bank;

- the execution and delivery of resignations from each of the directors of VIST's subsidiaries; and

- VIST's representations and warranties in the merger agreement being true and correct, subject to the materiality standards contained in the merger agreement, and the performance by VIST, in all material respects, of all of its obligations under the merger agreement.

VIST's obligation to complete the merger is also separately subject to the satisfaction or waiver of the following conditions, among others:

- Tompkins' representations and warranties in the merger agreement being true and correct, subject to the materiality standards contained in the merger agreement, and the performance by Tompkins, in all material respects, of all of its obligations under the merger agreement.

We cannot provide assurance as to when or if all of the conditions to the merger can or will be satisfied or waived by the appropriate party. For further discussion of the conditions to the merger, see "*The Merger Conditions to the Completion of the Merger,*" beginning on page 69.

No Solicitation of Other Offers

VIST has agreed that it, its subsidiaries, and its representatives (including its directors and officers) will not, directly or indirectly:

- initiate, solicit, induce or knowingly encourage, the making or implementation of any alternative acquisition proposal; or

- participate in any discussions or negotiations regarding any alternative acquisition proposal, or furnish information or access to any person that has made an alternative acquisition proposal.

The merger agreement does not, however, prohibit VIST from furnishing information or access to a third party who has made an alternative acquisition proposal and participating in discussions and negotiating with such person prior to the receipt of shareholder approval if specified conditions are met. Among those conditions is a good faith determination by VIST's board of directors that the acquisition proposal constitutes a proposal that is more favorable to VIST and its shareholders than the transactions contemplated by the merger agreement and is reasonably capable of being completed on its stated terms, taking into account all financial, regulatory, legal and other aspects of the proposal.

For further discussion of the restrictions on solicitation of acquisition proposals from third parties, see "*The Merger No Solicitation by VIST,*" beginning on page 75.

Termination and Termination Fee

The merger agreement contains customary termination provisions for a transaction of this type that may apply even if VIST's and Tompkins' shareholders approve the merger. Tompkins and VIST can

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agree by mutual consent to terminate the merger agreement, if the board of directors of each determines to do so. In addition, either VIST or Tompkins may decide, without the consent of the other, to terminate the merger agreement if the merger is not completed by December 31, 2012.

VIST may terminate the merger agreement, without the consent of Tompkins, for the following reasons, among others, which are more fully described in this document:

- if VIST has received a proposal for a competing business combination between VIST and a third party that is financially superior to the merger with Tompkins, and following certain procedures specified in merger agreement, the board of directors of VIST has made a determination to accept such superior proposal; and

- if the average of the closing prices of Tompkins' common stock is less than $32.00 (as adjusted for certain capital transactions) for the 10 consecutive trading days ending on the date on which certain closing conditions to the merger have been satisfied or waived by the party entitled to enforce such conditions.

Tompkins may terminate the merger agreement, without the consent of VIST, for the following reasons, among others, which are more fully described in this document:

- if VIST has entered into an acquisition agreement with respect to a different transaction, or terminated the merger agreement, or if VIST withdraws or modifies, in a manner adverse to Tompkins, its recommendation to its shareholders in order to accept a proposal for a competing business combination between VIST and a third party that is financially superior to the merger with Tompkins; and

- if the aggregate amount of VIST past-due loans and non-performing assets exceeds $65,000,000 as of any month end prior to the closing date of the merger.

In addition, if Tompkins terminates the merger agreement as described above or under certain other circumstances, which are described in detail later in this joint proxy statement/prospectus, VIST will be required either to reimburse Tompkins' out-of-pocket expenses associated with the merger, to reimburse Tompkins for both its out-of-pocket expenses as well as for burdened staff costs, or to pay a termination fee of $3,300,000, depending upon the reason for termination. For further discussion of these reimbursements and the termination fee and the circumstances under which the merger agreement may be terminated, see "*The Merger Termination of the Merger Agreement,*" beginning on page 77.

Matters to Be Considered at the Meetings

Tompkins

Tompkins shareholders will be asked to vote on proposals related to the following:

- the issuance of shares of Tompkins common stock in connection with the merger;

- the election of sixteen (16) Directors for a term of one year expiring in the year 2013;

- the ratification of the appointment of the independent registered public accounting firm, KPMG LLP, as Tompkins' independent auditor for the fiscal year ending December 31, 2012; and

- the adjournment of the Tompkins annual meeting, if necessary, to solicit additional proxies.

The Tompkins board of directors recommends that Tompkins shareholders vote "FOR" all of the proposals set forth above. For further discussion of the Tompkins annual meeting, see "*Tompkins Annual Meeting of Shareholders,*" beginning on page 318.

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VIST

VIST shareholders will be asked to consider and vote on the following proposals:

- adoption of the merger agreement;
- approval, in an advisory (non-binding) vote, of the merger-related executive compensation; and
- approval of an adjournment of the VIST special meeting, if necessary, to solicit additional proxies.

The VIST board of directors recommends that VIST shareholders vote "FOR" all of the proposals set forth above. For further discussion of the VIST special meeting, see "*VIST Special Meeting of Shareholders,*" beginning on page 310.

Rights of VIST Shareholders Will Change as a Result of the Merger

The rights of Tompkins shareholders are governed by New York law and by Tompkins' restated certificate of incorporation and second amended and restated bylaws. The rights of VIST shareholders are governed by Pennsylvania law and by VIST's articles of incorporation, as amended, and bylaws. Upon the completion of the merger, the rights of VIST shareholders will be governed by New York law and by Tompkins' restated certificate of incorporation and second amended and restated bylaws. Therefore, VIST shareholders receiving merger consideration will have different rights once they become Tompkins shareholders. These differences are described in greater detail under "*Comparison of Rights of Holders of VIST Common Stock and Tompkins Common Stock,*" beginning on page 83.

Litigation Related to the Merger

On February 2, 2012, Gary Veitch, a purported shareholder of VIST, filed a complaint in the Supreme Court of Pennsylvania, Court of Common Pleas, Berks County against VIST, its directors, Tompkins, and Merger Sub, in connection with merger agreement. The lawsuit is brought on behalf of a putative class of similarly situated shareholders, and alleges that VIST's board of directors breached its fiduciary duties regarding the merger, that Tompkins and Merger Sub aided and abetted the alleged breach of fiduciary duties, and that the merger represents a waste of corporate assets. The plaintiffs ask that, among other equitable remedies, the merger be enjoined and that plaintiffs be reimbursed for costs and reasonable legal fees. Additionally, on February 6, 2012, William K. Serp, a purported shareholder of VIST, made a separate demand under Pennsylvania law on VIST's board of directors, demanding that the VIST board of directors rectify alleged failures of fiduciary duty in connection with the merger. On May 9, 2012, Mr. Serp filed a complaint in the United States District Court for the Eastern District of Pennsylvania against VIST, its directors, Tompkins, and Merger Sub in connection with the merger agreement and this joint proxy statement/prospectus. The lawsuit is brought both individually and derivatively on behalf of a putative class of similarly-situated shareholders, and alleges, among other things, that this joint proxy statement/prospectus does not comply with Section 14(a) of the Securities Exchange Act of 1934 and Rule 14a-9 promulgated thereunder, that VIST's board of directors breached their fiduciary duties regarding the merger, and that VIST, Tompkins and Merger Sub aided and abetted the alleged breach of fiduciary duties. Plaintiff asks that the merger be enjoined or rescinded, that there be an award of damages, and that plaintiff be reimbursed for costs and reasonable legal fees. VIST intends to vigorously defend itself, and Tompkins intends to vigorously defend itself and Merger Sub, against these allegations.

Where You Can Find More Information

If you would like more information about Tompkins or VIST, you should refer to the documents filed by each of us with the SEC. We have identified these documents and have set out instructions as to how you can obtain copies of these documents beginning on page 364 under the heading "*Where You Can Find More Information.*"

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RISK FACTORS

In considering whether to vote in favor of the proposal to approve the Merger Agreement, you should consider all of the information included in this document and its annexes and all of the information included in the documents we have incorporated by reference. In particular, you should consider the following risk factors.

Risks Relating to VIST and Tompkins Shareholders in Connection with the Merger

VIST shareholders cannot be sure of the market value of the Tompkins common stock that they will receive in the merger.

In the proposed merger, VIST shareholders will receive Exchange Ratio. The Exchange Ratio is subject to adjustment based on the average of the closing prices of Tompkins common stock for the 20 consecutive business days ending three days prior to the date of the VIST special meeting of shareholders, which is to be held on July 17, 2012. If this average closing price is greater than $43.98, the Exchange Ratio will be adjusted and fixed at 0.2842 shares of Tompkins common stock for each VIST share of common stock, and if this average closing price is less than $35.98, the Exchange Ratio will be adjusted and fixed at 0.3475 shares of Tompkins common stock for each VIST share of common stock. As a result, the value of the Tompkins shares that VIST shareholders will receive in the merger will change, and we cannot predict what the value will be at the closing of the merger. Further, if the Exchange Ratio decreases to 0.2842, this would increase the total number of shares of Tompkins common stock issued to VIST shareholders, which would have a dilutive effect on the relative ownership interest of each Tompkins shareholder in the combined company. Accordingly, at the time of the mailing of this joint proxy statement/prospectus, neither Tompkins nor VIST shareholders will be able to assess whether and to what extent Tompkins common stock issued in the merger will impact their relative holdings in the combined company following the merger.

In addition, relative prices of Tompkins common stock and VIST common stock are likely to change between the date of this Joint Proxy Statement/Prospectus and the date that the merger is completed. The market prices of Tompkins and VIST common stock may change as a result of a variety of factors, including general market and economic conditions, changes in business, operations and prospects, and regulatory considerations. Many of these factors are beyond the control of Tompkins and VIST. As Tompkins and VIST market share prices fluctuate, the value of the shares of Tompkins common stock that a VIST shareholder will receive will correspondingly fluctuate. It is impossible to predict accurately the market price of Tompkins common stock upon, or after completion of, the merger. Accordingly, it is also impossible to predict accurately the market value of the consideration to be received by shareholders of VIST in the merger upon their exchange of shares of VIST common stock for shares of Tompkins common stock.

The market price of Tompkins common stock may be affected by factors different from those affecting VIST common stock.

Upon completion of the merger, VIST shareholders will own approximately 19% of the combined company. Tompkins' current businesses and markets differ from those of VIST and, accordingly, the results of operations of Tompkins after the merger may be affected by factors different from those currently affecting the results of operations of VIST. For a discussion of the businesses of Tompkins and VIST and of certain factors to consider in connection with those businesses, see "*Additional Information About VIST*" beginning on page 89, and referred to under "*Where You Can Find More Information*" beginning on page 364.

The credit quality of VIST's loans may be poorer than Tompkins expected, which would require Tompkins to increase its allowance for loan losses and negatively affect Tompkins' earnings.

In the merger Tompkins will acquire from VIST approximately $958 million of corporate, commercial real estate, residential mortgage and construction and development related loans. As part of its due diligence on the merger, Tompkins reviewed a sample of these loans in various categories and has applied a fair value discount of approximately $55 million to reflect the credit risk of the loan portfolio. Tompkins' examination of these loans was made using the same criteria, analyses and collateral evaluations that Tompkins has traditionally used in the ordinary course of our business. Although Tompkins believes the loans that it will acquire are of acceptable credit quality, no assurance can be given as to the future performance of these loans. If the credit quality of these loans deteriorates more than Tompkins expects, it will require Tompkins to increase its allowance for loan losses and could affect Tompkins' earnings in future periods in a material and adverse manner.

The required regulatory approvals and filings may not be obtained or completed, may delay the date of completion of the merger or may contain materially burdensome conditions.

Tompkins and VIST will be required to obtain regulatory approvals with respect to certain filings and/or applications regarding the merger. These approvals and filings may include, among other items, applications and notices filed with the Federal Reserve, approval of the listing of Tompkins common stock issued in the merger on NYSE-Amex, approval of the merger by the Pennsylvania Department of Banking and/or related filings pursuant to the Pennsylvania Banking Code, as amended, and such other relevant filings, registrations, authorizations or approvals as may be required by a governmental or regulatory entity. Such filings and approvals must be completed prior to effecting the merger. Tompkins and VIST have agreed to use their reasonable best efforts to complete these filings and obtain these approvals; however, satisfying any requirements of regulatory agencies may delay the date of completion of the merger or such approval may not be obtained at all. In addition, you should be aware that, as in any transaction, it is possible that, among other things, restrictions on Tompkins after the merger may be sought by governmental agencies as a condition to obtaining the required regulatory approvals and these conditions could be materially burdensome to Tompkins following the closing of the merger. We cannot assure you as to whether these regulatory approvals will be received, the timing of the approvals or whether any conditions will be imposed.

Failure to complete the merger could negatively affect the market price of Tompkins' and VIST's common stock.

If the merger is not completed for any reason, Tompkins and VIST will be subject to a number of material risks, including the following:

- the market price of their common stock may decline to the extent that the current market prices of their shares already reflect a market assumption that the merger will be completed;

- costs relating to the merger, such as legal, accounting and financial advisory fees, and, in specified circumstances, additional reimbursement and termination fees, must be paid even if the merger is not completed;

- the diversion of management's attention from the day-to-day business operations and the potential disruption to each company's employees and business relationships during the period before the completion of the merger may make it difficult to regain financial and market positions if the merger does not occur.

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If Tompkins does not successfully integrate VIST into its business and operations following the merger, the combined company may not realize the expected benefits from the merger.

Integration in connection with any merger transaction is difficult and there is a risk that integrating the two companies may take more time and resources than we presently expect. Tompkins' ability to integrate VIST, which currently operates as a stand-alone business, into its operations and business divisions after the merger and its future success depends in large part on the ability of the management teams to work together effectively. The integration efforts may also more difficult and time consuming than the companies anticipate. As with any merger of financial institutions, there may also be disruptions that cause VIST to lose customers or cause customers to withdraw deposits from VIST or Tompkins banking subsidiaries, or other unintended consequences that could have a material adverse effect on Tompkins' results of operations or financial condition.

Tompkins and VIST will be subject to business uncertainties and contractual restrictions while the merger is pending.

Uncertainties about the effect of the merger on their businesses may have an adverse effect on Tompkins and VIST. These uncertainties may also impair VIST's ability to attract, retain and motivate strategic personnel until the merger is consummated, and could cause their customers and others that deal with VIST to seek to change their existing business relationship, which could negatively impact Tompkins upon consummation of the merger. In addition, the merger agreement restricts Tompkins and VIST from taking certain specified actions without the other's consent until the merger is consummated. These restrictions may prevent Tompkins and VIST from pursuing or taking advantage of attractive business opportunities that may arise prior to the completion of the merger.

The merger agreement limits VIST's ability to pursue alternatives to the merger with Tompkins.

The merger agreement contains terms and conditions that make it more difficult for VIST to engage in a business combination with a party other than Tompkins. Subject to limited exceptions, VIST is required to convene a special meeting and VIST's board of directors is required to recommend approval of the merger agreement. If the VIST board of directors determines to accept a superior acquisition proposal from a competing third party, VIST will be obligated to pay a $3.3 million termination fee to Tompkins. A competing third party may be discouraged from considering or proposing an acquisition of VIST, including an acquisition on better terms than those offered by Tompkins, due to the termination fee and VIST's obligations under the merger agreement. Further, the termination fee might result in a potential competing third party acquiror proposing a lower per share price than it might otherwise have proposed to acquire VIST. See "*The Merger Termination of the Merger Agreement Termination Fee*" beginning on page 78.

The opinion of VIST's financial advisor does not reflect changes in circumstances since January 24, 2012.

VIST's financial advisor, Stifel, rendered an opinion dated January 24, 2012, to the VIST board of directors that, as of such date, and subject to and based on the considerations referred to in its opinion, the Exchange Ratio to be received for each VIST share was fair, from a financial point of view, to holders of VIST common stock. The opinion was based on economic, market and other conditions in effect on, and the information made available to it as of, the date thereof. Changes in the operations and prospects of Tompkins or VIST, general market and economic conditions and other factors on which Stifel's opinion to VIST was based, may significantly alter the value of Tompkins or VIST or the prices of shares of Tompkins common stock or VIST common stock by the time the merger is completed. The opinion does not speak as of the time the merger will be completed or as of any date other than the date of such opinion. The VIST board of directors' recommendation that holders of VIST common stock vote "FOR" adoption of the merger agreement, however, is as of the

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date of this joint proxy statement/prospectus. For a description of the opinion that VIST received from its financial advisor, please refer to "*The Merger Opinion of VIST's Financial Advisor*" beginning on page 51. For a description of the other factors considered by VIST's board of directors in deciding to approve the merger, please refer to "*The Merger VIST's Reasons for the Merger*" beginning on page 48.

VIST directors and executive officers may have interests in the merger that differ from your interests.

Some of VIST's directors and executive officers have interests in the transaction other than their interests as shareholders. These interests include, among others, provisions in the merger agreement regarding board membership, as well as change in control agreements, employment agreements, indemnification, insurance, stock options, vesting of restricted stock, and eligibility to participate in various employee benefit plans. For purposes of the VIST agreements and plans, the completion of the merger will generally constitute a change in control. These additional interests may create potential conflicts of interest and cause some of these persons to view the proposed transaction differently than you may view it as a VIST shareholder. The financial interests of VIST's executive officers and directors in the merger include the following:

- the appointment, effective at the closing of the merger, of two current VIST directors (to be mutually identified by Tompkins and VIST, subject to certain limitations) to the board of directors of Tompkins and the payment of compensation to such individuals in accordance with the policies of Tompkins;

- the appointment, effective at the closing of the merger, of five current VIST directors (to be mutually identified by Tompkins and VIST, subject to certain limitations) the board of directors of VIST Bank and the payment of compensation to such individuals in accordance with the policies of Tompkins;

- the nomination of two (2) members of the current VIST board of directors which persons may or may not be those selected to fill the vacancies described above-for election at the first annual meeting of Tompkins following the merger;

- the continued indemnification of current directors and executive officers of VIST and its subsidiaries pursuant to the terms of the merger agreement and providing these individuals with director's and officer's liability insurance;

- the retention of certain executive officers of VIST, and the payment of compensation to these executives, including a retention payment, pursuant to employment agreements between Tompkins and these executives that will become effective at the closing of the merger;

- each of VIST's named executive officers, as well as certain other executives, will be entitled to severance benefits upon a termination of their employment following the merger (except in certain limited circumstances); and,

- the acceleration of vesting of unvested VIST stock options and restricted stock held by VIST directors and officers, and either the cashing out or the conversion of VIST stock options held by directors and officers into stock options to purchase shares of Tompkins common stock.

Please see "*The Merger Interests of Certain Persons in the Merger*" beginning on page 63 for a more detailed description of these interests, as well as the costs associated with such interests. Certain officers of VIST and its subsidiaries are expected to be appointed as officers of Tompkins or its subsidiaries upon completion of the merger, and as employees of these surviving entities, they will be eligible for certain employee benefits. Please see *"The Merger Employee Benefit Plans"* on page 61 for more information. All of these circumstances may cause some of VIST's directors and executive officers to view the proposed merger differently than VIST shareholders may view it.

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The unaudited pro forma financial data included in this joint proxy statement/prospectus is preliminary and Tompkins' actual financial position and results of operations after the merger may differ materially from the unaudited pro forma financial data included in this joint proxy statement/prospectus.

The unaudited pro forma financial data in this joint proxy statement/prospectus is presented for illustrative purposes only and is not necessarily indicative of what the combined company's actual financial position or results of operations would have been had the merger been completed on the dates indicated. The pro forma financial data reflect adjustments, which are based upon preliminary estimates, to record VIST's identifiable assets acquired and liabilities assumed at fair value and the resulting goodwill recognized. The purchase price allocation reflected in this document is preliminary, and final allocation of the purchase price will be based upon the actual purchase price and the fair value of the assets and liabilities of VIST as of the date of the completion of the merger. Accordingly, the final purchase accounting adjustments may differ materially from the pro forma adjustments reflected in this document.

After the merger is completed, VIST shareholders will become Tompkins shareholders and will have different rights that may be less advantageous than their current rights.

Upon completion of the merger, VIST shareholders will become Tompkins shareholders. Differences between VIST's articles of incorporation and bylaws and Tompkins' restated certificate of incorporation and second amended and restated bylaws will result in changes to the rights of VIST shareholders who become Tompkins shareholders.

VIST shareholders will have less influence as shareholders of Tompkins than as shareholders of VIST.

VIST shareholders currently have the right to vote in the election of the board of directors of VIST and on other matters affecting VIST. The amount of Tompkins common stock VIST shareholders will receive for their shares of VIST common stock will result in the transfer of control of VIST to the shareholders of Tompkins. The percentage ownership of VIST shareholders in Tompkins will be much less than their percentage ownership of VIST. Because of this, VIST shareholders in the aggregate will have significantly less influence on the management and policies of Tompkins than they now have on the management and policies of VIST.

Litigation relating to the merger could require us to incur significant costs and suffer management distraction, as well as delay and/or enjoin the merger.

On February 2, 2012, Gary Veitch, a purported shareholder of VIST, filed a complaint in the Supreme Court of Pennsylvania, Court of Common Pleas, Berks County against VIST, its directors, Tompkins, and Merger Sub, in connection with the merger agreement. The lawsuit is brought on behalf of a putative class of similarly situated shareholders, and alleges that VIST's board of directors breached its fiduciary duties regarding the merger, that Tompkins and Merger Sub aided and abetted the alleged breach of fiduciary duties, and that the merger represents a waste of corporate assets. The plaintiffs ask that, among other equitable remedies, the merger be enjoined and that plaintiffs be reimbursed for costs and reasonable legal fees. Additionally, on February 6, 2012, William K. Serp, a purported shareholder of VIST, made a separate demand under Pennsylvania law on VIST's board of directors, demanding that the VIST board of directors rectify alleged failures of fiduciary duty in connection with the merger. On May 9, 2012, Mr. Serp filed a complaint in the United States District Court for the Eastern District of Pennsylvania against VIST, its directors, Tompkins, and Merger Sub in connection with the merger agreement and this joint proxy statement/prospectus. The lawsuit is brought both individually and derivatively on behalf of a putative class of similarly-situated shareholders, and alleges, among other things, that this joint proxy statement/prospectus does not comply with Section 14(a) of the Securities Exchange Act of 1934 and Rule 14a-9 promulgated thereunder, that VIST's board of directors breached their fiduciary duties regarding the merger, and that VIST, Tompkins and Merger Sub aided and abetted

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the alleged breach of fiduciary duties. Plaintiff asks that the merger be enjoined or rescinded, that there be an award of damages, and that plaintiff be reimbursed for costs and reasonable legal fees. VIST intends to vigorously defend itself, and Tompkins intends to vigorously defend itself and Merger Sub, against these allegations. Such actions, however, create additional uncertainty relating to the merger and responding to such demands and defending such actions is costly and distracting to management. While there can be no assurance as to the ultimate outcomes of the demands or the litigation, neither Tompkins nor VIST believes that their resolution will have a material adverse effect on its respective financial position, results of operations or cash flows.

Risks Relating to Combined Operations Following the Merger

Tompkins may fail to realize the cost savings estimated for the merger.

The success of the merger will depend, in part, on Tompkins' ability to realize the estimated cost-savings from combining the businesses of Tompkins and VIST. Tompkins' management estimated at the time the proposed merger was announced that it believes it can achieve total cost-savings of approximately $8.9 million, to be phased in between 2012 and 2014. While Tompkins and VIST continue to believe these cost-savings estimates are possible as of the date of this document, it is possible that the potential cost-savings could turn out to be more difficult to achieve than originally anticipated. The cost-savings estimates also depend on the ability to combine the businesses of Tompkins and VIST in a manner that permits those cost-savings to be realized. If the estimates of Tompkins and VIST turn out to be incorrect or Tompkins and VIST are not able to successfully combine their two companies, the anticipated cost-savings may not be realized fully or at all, or may take longer than expected to realize.

Unanticipated costs relating to the merger could reduce Tompkins' future earnings per share.

We believe that we have reasonably estimated the likely incremental costs of the combined operations of Tompkins and VIST following the merger. However, it is possible that unexpected transaction costs such as taxes, fees or professional expenses or unexpected future operating expenses such as unanticipated costs to integrate the two businesses, increased personnel costs or increased taxes, as well as other types of unanticipated adverse developments, including negative changes in the value of VIST's loan portfolio, could have a material adverse effect on the results of operations and financial condition of Tompkins following the merger. In addition, if actual costs are materially different than expected costs, the merger could have a significant dilutive effect on Tompkins' earnings per share.

Failure to comply with the terms of the Shared-Loss Agreement with the FDIC may result in significant losses.

It is a condition of closing that the FDIC approve, on terms and conditions satisfactory to Tompkins, the assignment by merger of a certain Shared-Loss Agreement, dated November 19, 2010, by and among the FDIC as Receiver for Allegiance Bank of North America, VIST and VIST Bank. This loss sharing agreement covers approximately $51 million in assets (as of December 31, 2011), and provides that the FDIC will reimburse VIST for 70 percent of net losses on covered assets incurred up to $12.0 million, and 80 percent of net losses exceeding $12.0 million. The term for loss sharing on residential real estate loans is ten years, while the term for loss sharing on non-residential real estate loans is five years in respect to losses and eight years in respect to loss recoveries. If the FDIC consents to the assignment of this loss sharing agreement from VIST to Tompkins, Tompkins must comply with the specific, detailed and cumbersome compliance, servicing, notification and reporting requirements provided in the Shared-Loss Agreement. Tompkins' failure to comply with the terms of the agreements or to properly service the loans and other real estated owned under the requirements of the loss sharing agreements may cause individual loans or large pools of loans to lose eligibility for loss share payments from the FDIC. This could result in material losses that are currently not anticipated.

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CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

This document contains certain forward-looking information about Tompkins, VIST and the combined company that is intended to be covered by the safe harbor for "forward-looking statements" provided by the Private Securities Litigation Reform Act of 1995. These statements may include statements for the period after the completion of the merger. Representatives of Tompkins and VIST may also make forward-looking statements. Forward-looking statements are statements that are not historical facts. Words such as "expect," "believe," "will," "may," "anticipate," "plan," "estimate," "intend," "should," "can," "likely," "could" and similar expressions are intended to identify forward-looking statements. These statements include statements about the expected benefits of the merger, information about the combined company's objectives, plans and expectations, the likelihood of satisfaction of certain conditions to the completion of the merger and whether and when the merger will be completed. Forward-looking statements are not guarantees of performance. These statements are based upon the current beliefs and expectations of the management of each of Tompkins and VIST and are subject to risks and uncertainties, including the risks described in this joint proxy statement/prospectus under the section "Risk Factors," that could cause actual results to differ materially from those expressed in, or implied or projected by, the forward-looking information and statements.

In light of these risks, uncertainties, assumptions and factors, the results anticipated by the forward-looking statements discussed in this joint proxy statement/prospectus or made by representatives of Tompkins or VIST may not occur. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof or, in the case of statements made by representatives of Tompkins or VIST, on the date those statements are made. All subsequent written and oral forward-looking statements concerning the merger or the combined company or other matters addressed in this joint proxy statement/prospectus and attributable to Tompkins or VIST or any person acting on behalf of either are expressly qualified in their entirety by the cautionary statements contained or referred to in this section. Except to the extent required by applicable law or regulation, neither Tompkins nor VIST undertakes any obligation to update or publish revised forward-looking statements to reflect events or circumstances after the date hereof or the date of the forward-looking statements or to reflect the occurrence of unanticipated events.

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SELECTED CONSOLIDATED FINANCIAL DATA OF TOMPKINS

The following tables set forth selected consolidated financial information for Tompkins. The selected income statement data for each of the years ended December 31, 2011, 2010, 2009, 2008, and 2007 and the selected balance sheet data as of December 31, 2011, 2010, 2009, 2008, and 2007 have been derived from Tompkins' consolidated financial statements that were audited by KPMG LLP. The selected income statement data for the three months ended March 31, 2012 and 2011 and the selected balance sheet data as of March 31, 2012 and 2011 have been derived from Tompkins' unaudited consolidated financial statements. You should read this information in conjunction with Tompkins' consolidated financial statements and related notes included in Tompkins' Annual Report on Form 10-K for the year ended December 31, 2011, which are incorporated by reference herein and from which this information is derived. Please see *"Where You Can Find More Information"* beginning on page 364.

	Quarter Ended March 31,	Quarter Ended March 31,	Year Ended December 31,				
(in thousands, except per share data)	**2012**	**2011**	**2011**	**2010**	**2009**	**2008**	**2007**
Balance Sheet Data:							
Total assets	$ 3,546,694	$ 3,278,894	$ 3,400,248	$ 3,260,343	$ 3,153,260	$ 2,867,722	$ 2,359,459
Total loans	1,977,569	1,914,344	1,981,849	1,910,358	1,914,818	1,817,531	1,440,122
Deposits	2,859,436	2,612,517	2,660,564	2,495,873	2,439,864	2,134,007	1,720,826
Other borrowings	132,884	140,353	186,075	244,193	208,956	274,791	210,862
Shareholders' equity	305,967	282,237	299,143	273,408	245,008	219,361	198,647
Income Statement Data:							
Interest and dividend income	33,128	34,287	137,088	144,062	146,795	140,783	132,441
Interest expense	5,687	6,745	25,682	32,287	39,758	50,393	58,412
Net interest income	27,441	27,542	111,406	111,775	107,037	90,390	74,029
Provision for loan and lease losses	1,125	1,910	8,945	8,507	9,288	5,428	1,529
Net securities gains	2	95	396	178	348	477	384
Net income attributable to Tompkins Financial Corporation	7,811	8,773	35,419	33,831	31,831	29,834	26,371
Per Common Share(1)							
Basic earnings per share	0.70	0.80	3.21	3.13	2.98	2.81	2.47
Diluted earnings per share	0.70	0.80	3.20	3.11	2.96	2.78	2.45
Cash dividends per share	0.36	0.34	1.40	1.33	1.24	1.20	1.13
Book value per share	27.32	25.77	26.89	25.09	22.87	20.44	18.71
Tangible book value per share(2)	22.98	21.60	22.58	20.88	18.51	16.05	16.20
Earnings Performance Ratios							
Return on average assets(4)	0.91%	1.09%	1.07%	1.06%	1.06%	1.13%	1.16%
Return on average equity(4)	10.35%	12.83%	12.02%	12.72%	13.66%	14.15%	13.88%
Net interest margin(4)	3.51%	3.78%	3.72%	3.86%	3.92%	3.81%	3.63%
Noninterest income to operating revenue	29.82%	31.20%	30.12%	29.23%	30.16%	33.74%	37.31%
Asset Quality Ratios							
Nonperforming assets to assets	1.19%	1.40%	1.26%	1.43%	1.12%	0.56%	0.40%
Allowance for loan and lease losses to total loans	1.36%	1.46%	1.39%	1.46%	1.27%	1.03%	1.01%
Allowance for loan and lease losses to nonperforming loans and leases	66.65%	64.33%	66.65%	61.46%	69.72%	116.50%	156.27%
Net loan and lease charge-offs to average loans and leases(4)	0.36%	0.36%	0.48%	0.26%	0.20%	0.18%	0.09%
Capital Ratios							
Tangible common equity to tangible assets(3)	7.4%	7.3%	7.5%	7.1%	6.4%	6.1%	7.4%
Tier 1 leverage (to average assets)	8.5%	8.2%	8.5%	8.0%	7.4%	6.7%	7.9%
Tier 1 capital (to risk-weighted assets)	13.1%	12.4%	12.9%	12.2%	10.9%	9.6%	11.3%
Total capital (to risk-weighted assets)	14.4%	13.7%	14.2%	13.4%	12.1%	10.6%	12.2%

(1) Per share data has been retroactively adjusted to reflect a 10% stock dividend paid on February 15, 2010

(2) Tangible book value per share is a non-GAAP based financial measure calculated using non-GAAP based amounts. The most directly comparable GAAP based measure is book value per share. To calculate tangible book value per share, we divide tangible common equity, which is a non-GAAP based measure calculated as common shareholders' equity less intangible assets, by the number of shares of common stock outstanding. In contrast,

book value per share is calculated by dividing total common

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shareholders' equity by the number of shares of common stock outstanding. We included tangible book value per share because it is a basis upon which we assess our financial performance and it is a financial measure commonly used in our industry.

(3) The ratio of tangible common equity to tangible assets is a non-GAAP financial measure calculated using non-GAAP based measures. The most direct comparable GAAP measure is the ratio of common shareholders' equity to total assets. To calculate tangible common shareholders' equity and assets, we subtract intangible assets from both common shareholders' equity and total assets. Tangible common equity is then divided by tangible assets to arrive at the ratio.

(4) Quarterly ratios have been annualized.

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SELECTED CONSOLIDATED FINANCIAL DATA OF VIST

The following tables set forth selected consolidated financial information for VIST. The selected income statement data for each of the years ended December 31, 2011, 2010, 2009, 2008, and 2007 and the selected balance sheet data as of December 31, 2011, 2010, 2009, 2008, and 2007 have been derived from VIST's consolidated financial statements that were audited by ParenteBeard LLC (for fiscal years 2007 through 2010) and Grant Thornton LLP (for fiscal year 2011). The selected income statement data for the three months ended March 31, 2012 and 2011 and the selected balance sheet data as of March 31, 2012 and 2011 have been derived from VIST's unaudited consolidated financial statements. You should read this information in conjunction with VIST's consolidated financial statements and related notes which are set forth beginning on page 168.

(in thousands, except per share data)	Quarter Ended March 31, 2012	Quarter Ended March 31, 2011	Year Ended December 31, 2011	2010	2009	2008	2007
Financial Condition:							
Total assets	$ 1,409,982	$ 1,411,844	$ 1,431,715	$ 1,425,012	$ 1,308,719	$ 1,226,070	$ 1,124,951
Securities available for sale	364,987	288,952	375,691	279,755	268,030	226,665	186,481
Securities held to maturity	1,534	2,028	1,555	2,022	3,035	3,060	3,078
Federal Home Loan Bank stock	5,514	6,749	5,800	7,099	5,715	5,715	5,562
Loans, net of unearned income	896,055	926,194	907,177	954,363	910,964	886,305	820,998
Covered Loans	47,814	62,818	50,706	66,770			
Allowance for loan losses	13,664	15,283	14,049	14,790	11,449	8,124	7,264
Deposits	1,164,996	1,148,968	1,187,449	1,149,280	1,020,898	850,600	712,645
Repurchase agreements	103,121	105,194	103,362	106,843	115,196	120,086	110,881
Federal funds purchased						53,424	118,210
Borrowings				10,000	20,000	50,000	45,000
Junior subordinated debt	18,431	18,593	18,534	18,437	19,658	18,260	20,232
Shareholders' equity	115,528	132,001	115,683	132,447	125,428	123,629	106,592
Book value per share	13.63	16.29	13.66	16.44	17.22	17.30	18.84
Operating Results:							
Interest income	$ 16,159	$ 16,893	$ 67,809	$ 64,087	$ 62,740	$ 65,838	$ 68,076
Interest expense	5,131	5,373	21,508	23,343	27,318	30,637	34,835
Net interest income before provision for loan losses	11,028	11,520	46,301	40,744	35,422	35,201	33,241
Provision for loan losses	2,200	2,230	9,036	10,210	8,572	4,835	998
Net interest income after provision for loan losses	8,828	9,290	37,265	30,534	26,850	30,366	32,243
Fee based income	4,737	4,149	17,737	18,854	19,555	19,209	20,171
Gain on sale of equity interest				1,875			
(Loss) gain on sale of other real estate owned	(151)	(804)	(1,245)	(1,640)	(1,117)	(120)	28
Net realized gains (losses) on sales of securities	577	89	1,473	691	344	(7,230)	(2,324)
Net credit impairment losses	(577)	(64)	(1,519)	(850)	(2,468)		
Non-interest expense	12,525	12,358	74,457	45,945	44,586	43,518	40,902
Income (loss) before income taxes	889	302	(20,746)	3,519	(1,422)	(1,293)	9,216
Income tax (benefit) expense	178	(204)	(165)	(465)	(2,029)	(1,858)	1,746
Net income (loss)	711	506	(20,581)	3,984	607	565	7,470
Preferred stock dividends and discount accretion	436	427	1,709	1,678	1,649		
Net income (loss) available to common shareholders	$ 275	$ 79	$ (22,290)	$ 2,306	$ (1,042)	$ 565	$ 7,470
Per Share Data:							
Earnings (loss) per common share basic	$ 0.04	$ 0.01	$ (3.39)	$ 0.37	$ (0.18)	$ 0.10	$ 1.32

Earnings (loss) per common share diluted	$	0.04	$	0.01	$	(3.39)	$	0.37	$	(0.18)	$	0.10	$	1.31
Cash dividends per common share	$	0.05	$	0.05	$	0.20	$	0.20	$	0.30	$	0.50	$	0.77
Selected Ratios:														
Return on average assets(1)		0.20%		0.14%		(1.42)%		0.29%		0.05%		0.05%		0.70%
Return on average shareholders' equity(1)		2.47%		1.55%		(14.90)%		3.02%		0.51%		0.54%		7.15%
Dividend payout ratio		120.73%		415.19%		(5.90)%		53.69%		(166.22)%		503.89%		58.53%
Average equity to average assets		8.21%		9.34%		9.41%		9.73%		9.38%		8.95%		9.78%

(1) Quarterly ratios have been annualized.

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UNAUDITED PRO FORMA COMBINED CONSOLIDATED FINANCIAL INFORMATION

The following unaudited pro forma combined consolidated financial information assumes that each share of VIST common stock will be exchanged for .3127 shares of Tompkins common stock, and further assumes an average Tompkins common stock price of $39.98 (using the trading day average for the 20-day period ending January 24, 2012, the day before the signing of the merger agreement on January 25, 2012). Utilizing the exchange ratio of .3127, it is anticipated that VIST common shareholders will own approximately 14.5% of the voting stock of the combined company after the merger.

The unaudited pro forma combined consolidated financial information is based upon the assumption that the total number of shares of VIST common stock outstanding immediately prior to the completion of the merger will be 6,639,762 and utilizes the exchange ratio of .3127 which will result in 2,076,254 Tompkins common shares being issued in the transaction. Upon completion of the merger, all unvested VIST stock options will become fully vested. Of the 922,074 VIST options outstanding, certain options will convert into options to purchase Tompkins common stock and the holders of other options will be paid cash reflecting the difference between the merger consideration and the option exercise price. The unaudited pro forma combined consolidated financial statements assume that a total of $1.1 million is paid in cash for the settlement of 602,689 outstanding stock options and the remaining 319,385 stock options will be converted into options to purchase Tompkins common stock and have an estimated fair value of $1.8 million.

The following unaudited pro forma combined consolidated financial statements as of March 31, 2012 combines the historical consolidated financial statements of Tompkins and VIST. The unaudited pro forma combined consolidated financial statements give effect to the proposed acquisition as if the acquisition occurred on March 31, 2012 with respect to the consolidated statement of condition, and at the beginning of the period, for the three months ended March 31, 2012 and for the year ended December 31, 2011, with respect to the consolidated statement of income. In addition, the pro forma combined consolidated financial statements assume that immediately prior to or contemporaneously with the completion of the merger, Tompkins will fund the redemption of VIST's TARP in the amount of $25 million, plus any accrued dividends payable at the time of the redemption, using the proceeds of Tompkins' April 2012 issuance of 1,006,250 shares of Tompkins common stock, which issuance raised $38.2 million, net of underwriting discounts but not excluding other offering expenses. The related VIST TARP warrants will also be purchased from the U.S. Treasury for an assumed price of $2.3 million, consistent with VIST's book value of warrants, subject to final negotiation with the U.S. Treasury.

The notes to the unaudited pro forma combined consolidated financial statements describe the pro forma amounts and adjustments presented below. **This pro forma data is not necessarily indicative of the operating results that Tompkins would have achieved had it completed the merger as of the beginning of the period presented and should not be considered as representative of future operations.**

The unaudited pro forma combined consolidated financial information presented below is based on, and should be read together with, the historical financial information that Tompkins and VIST have included in this joint proxy statement/prospectus as of and for the indicated periods.

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Selected Unaudited Pro Forma Combined Consolidated Financial Data
(In Thousands, Except Per Share Data)

	For the Twelve Months Ended December 31, 2011	As of or for the Three Months Ended March 31, 2012
Combined consolidated statement of income(1):		
Total interest income	$ 202,149	$ 48,600
Total interest expense	41,514	9,399
Net interest income	160,635	39,201
Provision for loan and lease losses	17,981	3,325
Net interest income after provision for loan and leases losses	142,654	35,876
Total noninterest income	64,460	16,247
Total noninterest expenses(2)	174,028	39,151
Income before income tax expense	33,086	12,972
Income tax expense	16,972	4,132
Net income attributable to noncontrolling interests and Tompkins Financial Corporation	16,114	8,840
Net income attributable to noncontrolling interests	131	33
Preferred stock dividends and discount accretion		
Net income attributable to Tompkins Financial Corporation	$ 15,983	$ 8,807
Net income per share (Basic)	$ 1.13	$ 0.62
Net income per share (Diluted)	$ 1.13	$ 0.62
Selected combined consolidated statement of condition items(1):		
Securities available for sale		$ 1,598,783
Securities held to maturity		27,912
Total loans and leases, net		2,851,793
Total assets		4,994,377
Total deposits		4,045,822
Borrowing		458,877
Equity		428,095

(1) The selected unaudited pro forma combined consolidated statement of condition items for Tompkins and VIST include estimated fair value purchase accounting adjustments of assets and liabilities of VIST. The selected unaudited pro forma combined consolidated statement of income does not include anticipated merger-related expenses or cost savings from the merger.

(2) Total noninterest expenses in 2011 include a $25.1 million noncash expense for goodwill impairment recorded on VIST's books.

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Unaudited Pro Forma Combined Consolidated Statement of Condition as of March 31, 2012
(In Thousands, Except Share and Per Share Data)

	Tompkins Financial Corporation	VIST Financial Corp.	Pro Forma Adjustments	Equity Issuance	Pro Forma Combined
Assets					
Cash and due from banks	$ 102,163	$ 15,647	$	$	$ 117,810
Interest-bearing deposits	1,154	6,104			7,258
Cash and cash equivalents	103,317	21,751			125,068
Trading securities, at fair value	18,766				18,766
Available-for-sale securities, at fair value	1,240,598	364,987	(17,524)(4)(10)	10,722(12)	1,598,783
Held-to-maturity securities	26,321	1,534	58(4)		27,913
Loans and leases, net of unearned income and deferred costs and fees	1,977,569	900,542	7,839(5)		2,885,950
Credit fair value of loans purchased			(55,023)(6)		(55,023)
Loans, net of fair value adjustments	1,977,569	900,542	(47,184)		2,830,927
Less: allowance for loan and lease losses	26,948	13,664	(13,664)(6)		26,948
Net loans and leases	1,950,621	886,878	(33,520)		2,803,979
Covered loans,net		47,814	(6)		47,814
Federal Home Loan Bank stock and Federal Reserve Bank stock	16,460	5,514			21,974
Premises and equipment, net	45,200	8,650	(9)		53,850
Bank owned life insurance	43,473	19,932			63,405
Goodwill	44,653	16,513	42,226(1)		103,392
Other intangible assets, net	3,916	3,253	5,603(3)		12,772
Accrued interest and other assets	53,369	33,156	30,136(11)(13)		116,661
Total Assets	$ 3,546,694	$ 1,409,982	$ 26,979	$ 10,722	$ 4,994,377
Liabilities					
Deposits:					
Interest-bearing					
Checking, savings and money market	$ 1,524,978	$ 647,177	$	$	$ 2,172,155
Time	729,107	393,438	21,390(7)		1,143,935
Noninterest bearing	605,351	124,381			729,732
Total Deposits	2,859,436	1,164,996	21,390		4,045,822
Federal funds purchased and securities sold under agreements to repurchase	169,456	103,121	14,373(8)		286,950
Other borrowings, including certain amounts at fair value	132,884				132,884
Trust preferred debentures	25,066	18,431	(4,454)(8)		39,043
Other liabilities	53,885	7,906		(208)(12)	61,583
Total liabilities	3,240,727	1,294,454	31,309	(208)	4,566,282
Equity					
Tompkins Financial Corporation shareholders' equity					
Preferred stock		24,102		(24,102)(12)	
Common stock	1,123	33,251	(33,043)(2)	101(12)	1,432
Stock warrant		2,307		(2,307)(12)	
Additional paid-in capital	209,472	65,716	18,865(2)	38,136(12)	332,189
Retained earnings	100,251	(10,701)	10,701(2)	(898)(12)	99,353
Accumulated other comprehensive (loss) income	(3,837)	1,044	(1,044)(2)		(3,837)
Treasury stock, at cost	(2,527)	(191)	191(2)		(2,527)
Total Tompkins Financial Corporation Shareholders' Equity	304,482	115,528	(4,330)	10,930	426,610

Noncontrolling interests	1,485				1,485
Total Equity	305,967	115,528	(4,330)	10,930	428,095
Total liabilities and equity	$ 3,546,694	$ 1,409,982	$ 26,979	$ 10,722	$ 4,994,377
Per Share Data					
Shares Outstanding	11,197,370	6,639,762	(4,563,508)(1)	1,006,250(12)	14,279,874
Book Value Per Share	$ 27.32	$ 13.63			$ 29.98
Tangible Book Value Per Share	$ 22.98	$ 10.66			$ 21.83

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**Unaudited Pro Forma Combined Consolidated Statement of Income
for the Twelve Months Ended December 31, 2011
(In Thousands, Except Per Share Data)**

	Tompkins Financial Corporation	VIST Financial Corp.	Pro Forma Adjustments	Equity Issuance	Pro Forma Combined
Interest Income					
Loans	$ 103,998	$ 54,592	$ (1,960)(5)	$	$ 156,630
Due from banks	12	31			43
Federal funds sold	7	8			15
Trading securities	873				873
Available-for-sale securities	30,103	13,067	(1,002)(4)	214(12)	42,382
Held-to-maturity securities	1,185				1,185
Other		24			24
Federal Home Loan Bank stock and Federal Reserve Bank stock	910	87			997
Total interest income	137,088	67,809	(2,962)	214	202,149
Interest Expense					
Deposits	13,087	15,103	(3,024)(7)		25,166
Federal funds purchased and securities sold under agreements to repurchase	4,872	4,762	(2,875)(8)		6,759
Trust preferred debentures	1,580	1,636	223(8)		3,439
Other borrowings	6,143	7			6,150
Total interest expense	25,682	21,508	(5,676)		41,514
Net interest income	111,406	46,301	2,714	214	160,635
Provision for loan and lease losses	8,945	9,036			17,981
Net interest income after provision for loan and lease losses	102,461	37,265	2,714	214	142,654
Other Income					
Investment services income	14,287	610			14,897
Insurance commissions and fees	13,542	12,201			25,743
Service charges on deposit accounts	8,491	1,673			10,164
Card services income	5,060	1,404			6,464
Mark-to-market gain on trading securities	62				62
Mark-to-market loss on liabilities held at fair value	(464)				(464)
Other income	6,705	604			7,309
Net other-than-temporary impairment losses	(65)	(1,519)			(1,584)
Net gain on securities transactions	396	1,473			1,869
Total noninterest income	48,014	16,446			64,460
Other Expense					
Salaries and wages	44,140	21,800			65,940
Pension and other employee benefits	14,275	2,315			16,590
Net occupancy expense of premises	7,117	4,977			12,094
Furniture and fixture expense	4,463	2,760			7,223
FDIC insurance	2,527	1,827			4,354
Amortization of intangible assets	589	476	1,019(3)		2,084
Goodwill impairment		25,069			25,069
Other operating expense	25,441	15,233			40,674
Total other expenses	98,552	74,457	1,019		174,028
Income (loss) before income tax expense	51,923	(20,746)	1,695	214	33,086
Income tax expense (benefit)	16,373	(165)	678(11)	86(11)	16,972
	35,550	(20,581)	1,017	128	16,114

Net income (loss) attributable to noncontrolling interests and Tompkins Financial Corporation										
Less net income attributable to noncontrolling interests		131								131
Less preferred stock dividends and discount accretion				1,709				(1,709)(12)		
Net income (loss) attributable to Tompkins Financial Corporation	$	35,419	$	(22,290)	$	1,017	$	1,837	$	15,983
Earnings (loss) per common share:										
Basic	$	3.21	$	(3.39)						1.13
Diluted	$	3.20	$	(3.39)						1.13
Cash dividends per common share	$	1.40	$	0.20						1.40
Average common shares outstanding:										
Basic		11,002		6,577		(4,501)(1)		1,006(12)		14,084
Diluted		11,035		6,577		(4,501)(1)		1,061(12)		14,172

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Unaudited Pro Forma Combined Consolidated Statement of Income for the Three Months Ended March 31, 2012 (In Thousands, Except Per Share Data)

	Tompkins Financial Corporation	VIST Financial Corp.	Pro Forma Adjustments	Equity Issuance	Pro Forma Combined
Interest Income					
Loans	$ 25,303	$ 12,793	$ (490)(5)	$	$ 37,606
Due from banks	3				3
Federal funds sold	2				2
Trading securities	198				198
Available-for-sale securities	7,176	3,286	(251)(4)	54(12)	10,265
Held-to-maturity securities	225	58			283
Other		1			1
Federal Home Loan Bank stock and Federal Reserve Bank stock	221	21			242
Total interest income	33,128	16,159	(741)	54	48,600
Interest Expense					
Deposits	2,761	3,538	(756)(7)		5,543
Federal funds purchased and securities sold under agreements to repurchase	1,092	1,187	(719)(8)		1,560
Trust preferred debentures	405	406	56(8)		867
Other borrowings	1,429				1,429
Total interest expense	5,687	5,131	(1,419)		9,399
Net interest income	27,441	11,028	678	54	39,201
Provision for loan and lease losses	1,125	2,200			3,325
Net interest income after provision for loan losses	26,316	8,828	678	54	35,876
Other Income					
Investment services income	3,397	159			3,556
Insurance commissions and fees	3,638	3,094			6,732
Service charges on deposit accounts	1,785	370			2,155
Card services income	1,569				1,569
Mark-to-market gain on trading securities	(82)				(82)
Mark-to-market loss on liabilities held at fair value	88				88
Other income	1,264	963			2,227
Net other-than-temporary impairment losses		(577)			(577)
Net gain on securities transactions	2	577			579
Total noninterest income	11,661	4,586			16,247
Other Expense					
Salaries and wages	11,300	5,605			16,905
Pension and other employee benefits	4,299	795			5,094
Net occupancy expense of premises	1,805	1,191			2,996
Furniture and fixture expense	1,100	678			1,778
FDIC insurance	528	316			844
Amortization of intangible assets	133	66	255(3)		454
Other operating expense	7,206	3,874			11,080
Total other expenses	26,371	12,525	255		39,151
Income before taxes	11,606	889	423	54	12,972
Income tax expense	3,762	178	170(11)	22(11)	4,132
Net income attributable to noncontrolling interests and Tompkins Financial Corporation	7,844	711	253	32	8,840

Less net income attributable to noncontrolling interests	33				33
Less preferred stock dividends and discount accretion		436		(436)(12)	
Net income attributable to Tompkins Financial Corporation	$ 7,811	$ 275	$ 253	$ 468	$ 8,807
Earnings per common share:					
Basic	$ 0.70	$ 0.04			0.62
Diluted	$ 0.70	$ 0.04			0.62
Cash dividends per common share	$ 0.36	$ 0.05			0.36
Average common shares outstanding:					
Basic	11,103	6,639	(4,563)(1)	1,006(12)	14,185
Diluted	11,147	6,804	(4,728)(1)	1,061(12)	14,285

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NOTES TO UNAUDITED PRO FORMA COMBINED CONSOLIDATED FINANCIAL STATEMENTS

(1)

The acquisition will be effected by the issuance of shares of Tompkins common stock to VIST's common shareholders. The unaudited pro forma combined consolidated financial information assumes that each share of VIST common stock will be exchanged for .3127 shares of Tompkins common stock based on an average Tompkins common stock price of $39.98 (using the trading day average for the 20-day period ending January 24, 2012, the day before the signing of the merger agreement on January 25, 2012). At the closing date of the merger, the exchange ratio may be adjusted in the manner described in the merger agreement based on the average closing price of Tompkins common stock during the 20 trading days ending on the day that is three days before the VIST shareholder meeting held to adopt the merger agreement. If that average closing price is more than $43.98, then the exchange ratio shall be 0.2842 shares of Tompkins common stock for each share of VIST common stock and, if the average closing price is less than $35.98, then the exchange ratio shall be 0.3475 shares of Tompkins common stock for each share of VIST common stock. The exchange ratios are subject to adjustment for stock splits, stock dividends, recapitalizations and similar transactions with respect to Tompkins common stock. Utilizing the exchange ratio of .3127, it is anticipated that VIST common shareholders will own approximately 14.5% of the voting stock of the combined company after the merger. Upon completion of the merger, unvested VIST stock options will become fully vested. Certain options will convert into options to purchase Tompkins common stock and the holders of other options will be paid cash reflecting the difference between the merger consideration and the option exercise price. The final accounting purchase price assigned to record the shares issued in the acquisition will be based on the closing price of Tompkins common stock on the closing date of the acquisition. Tompkins and VIST cannot predict what the value or price of Tompkins' common stock will be at the closing of the transaction or how the value or price of Tompkins's stock may trade at any time, including the date hereof.

The unaudited pro forma combined consolidated financial information is based upon the assumption that the total number of shares of VIST common stock outstanding immediately prior to the completion of the merger will be 6,639,762 and utilizes the exchange ratio of .3127, which results in 2,076,254 Tompkins common shares being issued in the transaction. Upon completion of the merger, all unvested VIST stock options will become fully vested. Of the 922,074 VIST options outstanding, certain options will convert into options to purchase Tompkins common stock and the holders of other options will be paid cash reflecting the difference between the merger consideration and the option exercise price. It is anticipated in these unaudited pro forma combined consolidated financials that a total of $1.1 million is paid in cash for the settlement of 602,689 outstanding stock options and the remaining 319,385 stock options will be converted into options to purchase Tompkins common stock and have an estimated fair value of $1.8 million. The final allocation of the purchase price will be determined after the acquisition is completed and additional analyses are performed to determine the fair values of VIST tangible and identifiable intangible assets and liabilities as of the date the acquisition is completed. The final adjustments may be materially different from the unaudited pro forma adjustments presented herein. The unaudited pro forma combined consolidated financial information has been prepared to include the estimated adjustments necessary to record the assets and liabilities of VIST at their respective fair values and represents management's best estimate based upon the information available at this time. These pro forma adjustments included herein are subject to change as additional information becomes available and as additional analyses are performed. Such adjustments, when compared to the information shown in this document, may change the amount of the purchase price allocated to goodwill while changes to other assets and liabilities may impact the statement of income due to adjustments in the yield and/or amortization/accretion of the adjusted assets and liabilities.

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The total estimated purchase price for the purpose of this unaudited pro forma combined consolidated financial information is $85.9 million. The following table provides the calculation and allocation of the purchase price used in the pro forma financial statements and a reconcilement of pro forma shares to be outstanding with estimated goodwill created in the transaction of $58.7 million.

Summary of Purchase Price Calculation and Goodwill Resulting from Merger
And Reconciliation of Pro Forma Shares Outstanding at March 31, 2012

(In thousands except share and per share data)		**March 31, 2012**
Purchase Price Consideration in Common Stock		
VIST common shares settled for stock	6,639,762	
Exchange Ratio	0.3127	
Tompkins shares to be issued	2,076,254	
Value assigned to Tompkins common share	$ 39.98	
Purchase price assigned to VIST common shares exchanged for Tompkins stock		$ 83,009
Purchase Price Consideration Cash for Outstanding Options		1,124
Purchase Price Consideration VIST Options Rolled Over to Tompkins Options		1,780
Total Purchase Price		85,913
Net Assets Acquired:		
VIST common shareholders' equity, excluding TARP and TARP Warrants	$ 89,119	
VIST goodwill and intangibles	(19,766)	
Estimated adjustments to reflect assets acquired at fair value:		
Investments	58	
Loans		
Interest rate fair value mark	7,839	
Credit fair value mark	(55,023)	
Allowance for loan losses	13,664	
Core deposit intangible	5,603	
Other identifiable intangibles, such as customer list and trade mark intangibles	3,253	
Deferred tax assets	30,136	
Estimated adjustments to reflect liabilities assumed at fair value:		
Time deposits	(21,390)	
Borrowings	(9,919)	
Transaction merger expenses to be incurred by VIST	(16,400)	
		27,174
Goodwill resulting from merger		$ 58,739

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Reconcilement of Pro Forma Shares Outstanding

VIST shares outstanding	6,639,762
Exchange ratio	0.3127
Tompkins shares to be issued to VIST	2,076,254
Tompkins shares outstanding*	12,203,620
Pro Forma Tompkins shares outstanding*	14,279,874
Percentage ownership for Tompkins*	85.46%
Percentage ownership for VIST*	14.54%

* Includes the 1,006,250 common shares issued by Tompkins in April, 2012

(2) Adjustment to reflect the issuance of common shares of Tompkins common stock with a $0.10 par value in connection with the acquisition and an estimated fair value of VIST options rolled over to Tompkins options and the adjustments to shareholders' equity for the elimination of VIST historical equity accounts (common stock, accumulated other comprehensive loss, cost of treasury stock, and undivided profits) into surplus and adjustment for goodwill created in the transaction.

(3) Adjustment for core deposit intangible to reflect the fair value of this asset and the related amortization using an accelerated method based upon an expected life of 10 years. The amortization of the core deposit intangible is expected to increase pro forma pre-tax noninterest expense by $1.0 million in the first year following consummation. The fair value of other identifiable intangibles such as a customer list intangible asset are estimated to approximate the March 31, 2012 carrying value of VIST's other identifiable intangible assets. The amortization of the other identifiable intangibles on a proforma combined basis for 2011 is estimated to approximate the amortization of the other identifiable intangibles included in the VIST 2011 consolidated statement of income.

(4) Adjustment to record held-to-maturity securities at fair value results in a premium of $58 thousand. Income statement adjustments reflect prospective amortization of existing available-for-sale and held-to-maturity unrealized gains, which are amortized based on the expected lives of the securities. These adjustments are expected to decrease pro forma pre-tax interest income by $1.0 million in the first year following consummation.

(5) A fair value premium of $7.8 million to reflect fair values of loans based on current interest rates of similar loans. The adjustment will be substantially recognized over approximately 7 years using an amortization method based upon the expected life of the loans and is expected to decrease pro forma pre-tax interest income by $2.0 million in the first year following consummation.

(6) A fair value discount of $55.0 million to reflect the credit risk of the loan portfolio. Included is the reversal of the VIST allowance for loan losses of $13.7 million in accordance with acquisition method of accounting for the acquisition. No pro forma earnings impact was assumed from the loan credit adjustments. The estimated fair value of the covered loans approximates their carrying value.

(7) A fair value premium of $21.4 million to reflect the fair values of certain interest-bearing time deposit liabilities based on current interest rates for similar instruments. The adjustment will be recognized using an amortization method based upon the estimated maturities of the deposit liabilities. This adjustment is expected to decrease pro forma pre-tax interest expense by $3.0 million in the first year following consummation.

(8) A fair value premium of $14.4 million to reflect fair values of repurchase agreements with various terms and maturities. The adjustment will be recognized using an amortization method based upon the estimated maturities of these liabilities. This adjustment is expected to decrease pro forma pre-tax interest expense by $2.9 million in the first year following consummation. Also a fair value

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discount of $4.5 million to reflect fair values of trust preferred debentures with various terms and maturities. The adjustment will be recognized using an amortization method based upon the estimated maturities of these debentures. This adjustment is expected to increase pro forma pre-tax interest expense by $223 thousand in the first year following consummation.

(9)
Tompkins is continuing to evaluate the fair value adjustment for premises and leased facilities. For purposes of these unaudited pro forma combined consolidated financial statements there is not an adjustment made as the fair value adjustment is not expected to be material.

(10)
Adjustment assumes VIST acquisition-related costs and cash settlement of certain VIST stock options will be paid for by the reduction of securities available-for-sale. For purposes of the unaudited pro forma combined consolidated financial statements, merger costs for both VIST and Tompkins are not included in the unaudited pro forma combined consolidated statement of income. The merger costs related to Tompkins and VIST, respectively, associated with the acquisition will be recorded as expense as incurred for GAAP reporting.

(11)
Adjustment assumes a tax rate of 40% related to fair value adjustments on the balance sheet and an effective tax rate of 40% on pre-tax amounts in the unaudited pro forma combined consolidated statement of income. A tax benefit was not taken for certain acquisition obligations and costs that were considered to be not tax deductable.

(12)
Immediately prior to or contemporaneously with the completion of the merger, Tompkins will fund the redemption of VIST's TARP in the amount of $25 million, which is the original purchase price of the preferred stock plus any accrued dividends payable at the time of the redemption, using the proceeds of Tompkins' April 2012 issuance of 1,006,250 shares of Tompkins common stock, which issuance raised $38.2 million, net of underwriting discounts but not excluding other offering expenses. As a result of the redemption, the remaining unamortized discount of $0.9 million was recognized as an additional preferred stock dividend. For purposes of these unaudited pro forma combined consolidated statements, it is assumed that the related VIST TARP warrants will also be purchased from the U.S. Treasury for an assumed price of $2.3 million, subject to final negotiation with Treasury. The unaudited pro forma combined consolidated financial statements assume that the excess funds from the stock issuance are invested in available-for-sale securities.

(13)
Other assets for VIST include a net FDIC Indemnification Asset representing the FDIC's indemnification obligation over the loss sharing agreements for covered loans and other real estate. The unaudited pro forma combined consolidated statements assume transfer of this asset to Tompkins.

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COMPARATIVE PER SHARE DATA (UNAUDITED)

The following table sets forth certain historical VIST and Tompkins per share data. This data should be read together with VIST's and Tompkins' historical financial statements and notes thereto, included elsewhere in this document or incorporated by reference herein, and the Tompkins unaudited pro forma financial statements included in this document. Please see "*Additional Information About VIST* " beginning on page 89 and "*Where You Can Find More Information*" beginning on page 364. **The per share data is not necessarily indicative of the operating results that Tompkins would have achieved had it completed the merger as of the beginning of the periods presented and should not be considered as representative of future operations.**

	For the Twelve Months Ended December 31, 2011 (In dollars)	As of and for the Three Months Ended March 31, 2012 (In dollars)
Comparative Per Share Data		
Basic net income (loss) per share		
Tompkins historical	3.21	0.70
VIST historical(4)	(3.39)	0.04
Pro forma combined(1)(2)(4)	1.13	0.62
Equivalent pro forma for one share of VIST common stock(3)	0.35	0.19
Diluted net income (loss) per share		
Tompkins historical	3.20	0.70
VIST historical(4)	(3.39)	0.04
Pro forma combined(1)(2)(4)	1.13	0.61
Equivalent pro forma for one share of VIST common stock(3)	0.35	0.19
Cash dividends declared per share		
Tompkins historical	1.40	0.36
VIST historical	0.20	0.05
Pro forma combined(1)(2)	1.40	0.36
Equivalent pro forma for one share of VIST common stock(3)	0.44	0.11
Book value per share		
Tompkins historical		27.32
VIST historical		13.63
Pro forma combined(1)(2)		29.98
Equivalent pro forma for one share of VIST common stock(3)		9.37

(1) The pro forma combined basic earnings and diluted earnings of Tompkins common stock is based on the pro forma combined net income for Tompkins and VIST divided by total pro forma common shares or diluted common shares of the combined entity. The pro forma information includes adjustments related to the estimated fair value of assets and liabilities and is subject to adjustment as additional information becomes available and as additional analysis is performed. The pro forma information does not include anticipated cost savings or revenue enhancements.

(2) The pro forma combined book value of Tompkins common stock is based on the pro forma combined common stockholders' equity of Tompkins and VIST divided by total pro forma common shares of the combined entities. The unaudited pro forma combined

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consolidated financialinformation does not include anticipated cost savings or revenue enhancements.

(3) The pro forma equivalent per share amount is calculated by multiplying the pro forma combined per share amount by an assumed exchange ratio of .3127 in accordance with the merger agreement.

(4) 2011 net income (loss) per share amounts for VIST and pro forma combined reflect the impact of $24.4 million noncash expense for goodwill impairment recorded on VIST's books in the fourth quarter of 2011.

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MARKET PRICES, DIVIDENDS AND OTHER DISTRIBUTIONS

Tompkins common stock trades on the NYSE-Amex under the symbol "TMP," and VIST common stock trades on the NASDAQ Global Market system under the symbol "VIST."

Stock Prices

The table below sets forth, for the calendar quarters indicated, the high and low closing sales per share of Tompkins common stock, as reported on the NYSE-Amex, and VIST common stock, as reported on the NASDAQ Global Market System. As of May 2, 2012, there were approximately 2,496 record holders of Tompkins' common stock and approximately 820 record holders of VIST's common stock.

	Tompkins Common Stock		VIST Common Stock	
	High	Low	High	Low
2009				
First Quarter	$ 50.76	$ 29.55	$ 9.40	$ 5.75
Second Quarter	45.95	36.64	8.43	6.61
Third Quarter	43.59	38.25	7.71	5.71
Fourth Quarter	41.23	35.68	6.21	5.00
2010				
First Quarter	39.05	35.00	9.89	5.24
Second Quarter	43.44	36.52	9.40	7.40
Third Quarter	42.03	36.13	7.89	6.57
Fourth Quarter	41.91	38.04	7.65	6.84
2011				
First Quarter	41.85	39.15	9.34	7.40
Second Quarter	42.20	36.43	8.61	6.72
Third Quarter	41.00	34.01	7.11	5.41
Fourth Quarter	40.49	33.75	7.34	5.40
2012				
First Quarter	42.60	39.29	12.35	6.13
Second Quarter (through May 14, 2012)	40.69	36.32	12.10	11.33

Market Value of Securities

On January 25, 2012, the last trading day before the public announcement of the signing of the merger agreement, the last sale prices per share of Tompkins common stock on NYSE-Amex and VIST common stock on the NASDAQ Global Market system were $41.01 and $6.90, respectively. On May 14, 2012, the latest practicable date before the date of this joint proxy statement/prospectus, the closing prices per share of Tompkins common stock on NYSE-Amex and VIST common stock on the NASDAQ Global Market system were $36.32 and $11.33, respectively.

The following table sets forth the market value per share of Tompkins common stock, the market value per share of VIST common stock and the equivalent market value per share of VIST common stock on January 25, 2012 (the last full trading day preceding public announcement of the merger) and May 14, 2012 (the latest practicable trading day prior to the date of this joint proxy statement/prospectus). The equivalent market value per share is based upon an Exchange Ratio of 0.3127 shares of Tompkins common stock for each share of VIST common stock, multiplied by the closing sales price for Tompkins common

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stock on the date specified, because this Exchange Ratio is the mid-point of the three possible exchange ratios.

	Tompkins Common Stock	VIST Common Stock	Equivalent Value Per Share of VIST Common Stock
January 25, 2012	$ 41.01	$ 6.90	$ 12.82
May 14, 2012	$ 36.32	$ 11.33	$ 11.36

The market value of the Tompkins common stock to be issued in exchange for shares of VIST common stock upon the completion of the merger will not be known at the time of the VIST special meeting. The above tables show only historical comparisons. Because the market prices of Tompkins common stock and VIST common stock will likely fluctuate prior to the merger, these comparisons may not provide meaningful information to VIST shareholders in determining whether to adopt the merger agreement. VIST shareholders are encouraged to obtain current market quotations for Tompkins common stock and VIST common stock and to review carefully the other information contained, or incorporated by reference, in this joint proxy statement/prospectus. See "*Additional Information About VIST* " beginning on page 89 and "*Where You Can Find More Information,*" at page 364 of this joint proxy statement/prospectus. Following the merger, Tompkins' common stock will continue to be listed on NYSE-Amex, and there will be no further market for VIST common stock.

Dividends and Other Distributions

Dividends are paid by Tompkins as and when declared by Tompkins' board of directors. During the two most recent fiscal years, cash dividends on Tompkins common stock have been paid quarterly in the following amounts per share:

Tompkins Payment Date	Amount
5/15/2012	$ 0.36
2/15/2012	$ 0.36
11/15/2011	$ 0.36
8/15/2011	$ 0.36
5/16/2011	$ 0.34
2/15/2011	$ 0.34
11/15/2010	$ 0.34
8/16/2010	$ 0.34
5/14/2010	$ 0.34
2/15/2010	$ 0.31

Dividends are paid by VIST as and when declared by VIST's board of directors. During the two most recent fiscal years, cash dividends on VIST common stock have been declared quarterly in the following amounts per share:

VIST Payment Date	Amount
2/27/2012	$ 0.05
11/15/2011	$ 0.05
8/15/2011	$ 0.05
5/13/2011	$ 0.05
2/15/2011	$ 0.05
11/15/2010	$ 0.05
8/13/2010	$ 0.05
5/14/2010	$ 0.05
2/22/2010	$ 0.05

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THE MERGER

Background and Negotiation of the Merger

Tompkins' strategic initiatives include diversification within its markets, growth of its fee-based businesses, and growth internally and through acquisitions of financial institutions, branches, and financial services businesses. As such, Tompkins from time to time considers acquiring banks, thrift institutions, branch offices of banks or thrift institutions, or other businesses within markets currently served by Tompkins or in other locations that would complement Tompkins' business or its geographic reach. Tompkins generally targets merger or acquisition partners that are culturally similar and have experienced management and either possess significant market presence or have potential for improved profitability through financial management, economies of scale and expanded services. Tompkins has pursued acquisition opportunities in the past, and continues to review new opportunities.

Tompkins did not make any acquisitions in 2011, 2010 or 2009, other than the acquisition of certain insurance agencies and financial services companies, none of which were material. In 2008, Tompkins acquired Sleepy Hollow Bancorp, Inc, a privately held bank holding company located in Sleepy Hollow, New York. Upon completion of that merger, Sleepy Hollow Bancorp's banking subsidiary was merged into Mahopac National Bank, and its five full service offices and one limited service office, all in Westchester County, New York, became offices of Mahopac National Bank.

In July 2011, VIST filed a registration statement with the Securities and Exchange Commission registering $30 million of its common stock for a proposed underwritten public offering. VIST intended to use the proceeds from the public offering to, among other things, fund organic growth and also pursue strategic acquisitions consistent with VIST's historic business strategy to expand opportunistically through the purchase of banks and related financial services businesses. The registration statement also provided that, to the extent that VIST was unable to deploy the net proceeds from the offering in a manner that provided attractive risk-adjusted returns or a strategic benefit to its growth strategy, it might use some of the proceeds to redeem a portion of the outstanding shares of preferred stock, with a liquidation value of $25.0 million, previously issued to the United States Department of Treasury in December 2008 in connection with the TARP Capital Purchase Program. Due to continued volatility in the capital markets for financial institution equity offerings through the summer and fall of 2011, the offering was not commenced, although the registration statement remained on file with the SEC and VIST continued to evaluate with its financial advisors the timing of a potential public offering.

On September 1, 2011, VIST's Chief Executive Officer and its Chief Financial Officer attended an unsolicited meeting requested by senior representatives of a large regional bank holding company ("Company A"), at which meeting Company A indicated its interest in considering a business combination with VIST. The Company A representatives indicated preliminarily that, depending on the results of further investigation, including comprehensive due diligence, Company A might be willing to consider a price in the range of $10.00 to $12.00 per share. Following the meeting on September 1, 2011, VIST's Chief Executive Officer informed VIST's Chairman of the occurrence of the meeting with the Company A representatives.

On September 14, 2011, VIST publicly announced that it had withdrawn its previously filed application to the U.S. Department of Treasury to participate in Treasury's Small Business Lending Fund, which had been created as part of the Small Business Jobs Act enacted in September 2010. VIST decided to withdraw the application after being notified by Treasury representatives that VIST's application would not be approved. Under the terms of the Small Business Lending Fund program, outstanding preferred stock issued by financial institutions under the TARP Capital Purchase Program, including the preferred stock issued by VIST under the Capital Purchase Program, was required to be redeemed with the proceeds of the securities issued under the Small Business Lending Fund that provided certain favorable interest rate and other terms.

On September 19, 2011, VIST's board of directors held its annual strategic planning session. As part of those discussions, and in light of the continued volatility in the capital markets and the September 1, 2011 meeting with the representatives of Company A, the board generally discussed the possibility of considering strategic alternatives other than the capital raise pursuant to the registration statement then on file with the SEC. The board of directors concluded to invite representatives of Stifel and representatives of another investment banking firm to make presentations to the board on strategic alternatives, including the capital raise and also consideration of a business combination transaction.

On October 13, 2011, VIST's board held a special meeting at which representatives of Stifel and the second investment banking institution gave separate presentations on three broad potential strategic alternatives available to VIST: (i) maintain the status quo and continue to operate with no new or additional capital; (ii) continue to pursue the capital raise alternative pursuant to the registration statement then on file, giving due consideration to the size, timing and pricing of any offering in challenging market conditions; and (iii) pursue a business combination transaction with a potential merger partner. At the conclusion of this meeting, the board of directors determined to continue to pursue the public offering alternative in the event that market conditions improved, but also determined to engage Stifel to contact confidentially a select list of potential merger candidates, determined by management in conjunction with input from Stifel, who might have an interest in a business combination with VIST. A representative of VIST's outside general counsel, Stevens & Lee, P.C., also attended this meeting in person.

From October 14, 2011 through approximately November 7, 2011, VIST and Stifel prepared a confidential information memorandum to be distributed to selected parties to solicit their interest in a potential business combination transaction involving VIST, as well as a form of confidentiality agreement to be executed by such selected parties prior to their receipt of the confidential information memorandum. In addition, during this period VIST and Stifel populated a confidential virtual data room (the "VDR") with due diligence information regarding VIST. On November 7, 2011, management approved the form of confidential information memorandum to be distributed by Stifel to the selected parties.

From November 7, 2011 through November 10, 2011, Stifel initiated contact with a total of six selected parties provided by management based on discussions with Stifel. Such parties consisted of Tompkins, Company A and four additional publicly- traded financial institutions: "Company B," "Company C," Company D," and "Company E." Tompkins first became aware of the potential business combination with VIST on November 8, 2011, and signed a confidentiality agreement the same day. By November 14, 2011, all six parties had executed confidentiality agreements, received a copy of the confidential information memorandum, and begun to conduct due diligence of VIST via the VDR.

On November 10, 2011, a representative of Stifel met in person with the President and Chief Executive Officer of Tompkins. At this meeting, Stifel discussed the intended process and timing with Tompkins.

On November 15, 2011, VIST held a regularly scheduled board meeting. At this meeting, a representative of Stifel's capital markets group (which had been named as sole book running manager for the proposed public underwritten offering under the registration statement filed in July 2011) attended the first portion of the board meeting by telephone and updated the board of directors on the state of the capital markets for financial institution offerings in light of VIST's continued consideration of the capital raising alternative in addition to the potential business combination transaction. Following departure from the meeting of the Stifel capital markets representative (who was not at the time of the board meeting aware of VIST's consideration of a potential business combination transaction), the board acknowledged that the state of the capital markets for financial institutions continued to present challenges to raising capital on acceptable terms, but concluded that the capital raise continue as a potential strategic alternative, in addition to consideration of a potential business combination

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transaction, in the event that conditions in the capital markets for financial institutions improved. Representatives of Stifel's investment banking group acting as VIST's financial advisor in connection with the business combination transaction, and who were present during the entire board meeting, then updated the board on the status of the discussions with the various potential merger candidates and informed the board of directors that initial written indications of interest had been requested from all parties by November 28, 2011. A representative of Stevens & Lee also attended this meeting by telephone.

On November 16, 2011, Tompkins contacted Macquarie Capital (USA) Inc. to request that it act as Tompkins' financial advisor should Tompkins determine to pursue a business combination with VIST.

On November 17, 2011, members of VIST's senior management participated in a conference call with members of Tompkins' senior management.

On November 22, 2011, members of VIST's senior management and Stifel met separately with representatives of Company B and Company C.

Also on November 22, 2011, a special meeting of the Tompkins Board of Directors was called to discuss the potential business combination with VIST and review potential transaction terms, at which Tompkins' management was authorized to submit a non-binding indication of interest to Stifel. Representatives of Harris Beach PLLC and Macquarie Capital (USA) Inc. attended this special meeting of the Tompkins board.

On November 28, 2011, VIST received initial written indications of interest from Company A, Company B and Tompkins. Each of Company C, Company D and Company E elected not to submit initial indications of interest. The initial indication of interest letters received from the three parties provided for per share merger consideration of $11.00 to $12.00 (Company A), $11.50 to $13.50 (Company B), and $11.00 to $12.50 (Tompkins). The indication of interest from Company A provided for consideration in the form of common stock and cash (with a maximum of 25% cash), and the indications of interest from both Company B and Tompkins provided for 100% common stock consideration.

On December 2, 2011, the board of directors held a special meeting to consider the indications of interest received from the three potential merger candidates. In addition to the board of directors and VIST's Chief Financial Officer, this meeting was attended by representatives of Stifel and a representative of Stevens & Lee. At this meeting, Stifel reviewed with the board a comparison of the financial terms of the indications of interest received, as well as a comparison of the non-financial terms of the indications of interest and a summary of each of Tompkins, Company A and Company B. At the conclusion of this meeting, the board elected to pursue a dual track process consisting of continuing the potential business combination discussions by scheduling on-site due diligence with the three parties that had submitted written indications of interest, while also continuing to consider and evaluate capital raising alternatives.

On December 5, 2011, VIST's Chairman, its Chief Executive Officer, and its Chief Financial Officer met with select senior executive officers of VIST to advise them that VIST was in discussions with three parties regarding a potential business combination and that due diligence was scheduled for December 8, 2011 through December 15, 2011. Representatives from Stifel and Stevens & Lee attended this meeting. Company A conducted on-site due diligence from December 8, 2011 through December 10, 2011; Tompkins conducted on-site due diligence from December 12, 2011 through December 14, 2011; and Company B conducted on-site due diligence on December 15, 2011 with additional conference calls with VIST's senior management on December 16, 2011.

From December 19, 2011 through December 23, 2011, Stifel contacted each of Tompkins, Company A and Company B regarding their ongoing due diligence efforts and continued interest in the potential business combination transaction.

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On December 22, 2011 each of Company A and Company B separately advised Stifel that they had elected not to continue in the process and would not be submitting a revised indication of interest. On December 23, 2011, Tompkins submitted a revised indication of interest letter.

The board of directors considered Tompkins' revised indication of interest at a special meeting of the board held on December 28, 2011. At this meeting, representatives of Stifel first reviewed with the board the status of the equity capital markets, particularly for smaller market capitalization public companies, in light of the public offering registration statement still on file with the SEC. The board concluded that the prospects for a successful equity capital raise in an amount sufficient to meet business objectives that would not result in substantial dilution to existing shareholders were not sufficiently positive under current market conditions. The board then reviewed the terms of the revised indication of interest received from Tompkins. The revised Tompkins offer was for a 100% stock transaction with a fixed exchange ratio within a 10% collar based on Tompkins 20-day average stock price designed to result in a value of $12.50 per share for VIST common shareholders. Based on the 20-day average Tompkins stock price for the period ending December 22, 2011, the fixed exchange ratio within the collars would be 0.319 shares of Tompkins common stock for each VIST share of common stock. As of the date of the board meeting, the price represented a 93% premium to VIST's current market price per share, a 28.4x multiple to last twelve months earnings, and 117% of VIST's tangible book value per share, and also would result in per share dividend accretion of 130% based on Tompkins' common stock dividend rate. At this meeting, the board of directors also reviewed and considered certain non-financial factors of the Tompkins offer, including the fact that VIST Bank would retain its separate bank charter and operate as a wholly owned subsidiary of Tompkins with a board of directors that included local representatives, that Tompkins intended to retain local decision-making authority for the markets served by VIST Bank, that Tompkins supported VIST's current strategic bank branching plans and had no present plans for branch closings or relocations, that the offer contained no financing contingencies, and that severance would be offered to any terminated employees in accordance with VIST's severance policy. The board also noted that Tompkins intended to purchase and retire VIST's outstanding preferred stock and related warrants issued to the United States Department of Treasury in connection with the TARP Capital Purchase Program, which would address VIST's need to refinance such securities at some point in the future. Stevens & Lee also attended this meeting and reviewed with the board its fiduciary duties under Pennsylvania law relating to the transaction under consideration.

At the conclusion of discussion at the board of directors meeting held on December 28, 2011 the board directed Stifel to contact Tompkins and inform Tompkins that its indication of interest had been accepted unanimously, pending negotiation and approval by the boards of directors of both parties of definitive documentation for a business combination transaction.

Representatives of Stifel conducted onsite reverse due diligence on Tompkins on January 9, 2012, including management interview telephone calls involving members of VIST's senior management, Stifel, and Stevens & Lee. Additional follow-up due reverse due diligence conference calls involving Stifel, Stevens & Lee and senior management of both VIST and Tompkins were held on January 11, 2012 and January 12, 2012.

Stevens & Lee received a draft merger agreement from Harris Beach PLLC, Tompkins' outside counsel, on January 9, 2012. The parties and their respective counsel and advisors negotiated the terms of the transaction and the merger agreement from January 9, 2012 through January 24, 2012.

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On January 24, 2012, VIST's board of directors met to consider the final merger proposal as set forth in the proposed definitive merger agreement and related documents negotiated by Tompkins and VIST and their respective counsel and advisors. At this meeting, representatives of Stifel presented a summary of its financial analyses of the proposed transaction and delivered Stifel's oral and written opinion that, as of the date of the meeting, the per share merger consideration to be received from Tompkins by holders of shares of VIST common stock in the merger pursuant to the merger agreement was fair to such holders from a financial point of view. A representative from Stevens & Lee, as counsel to VIST, made a detailed presentation on the terms of the proposed merger and the merger agreement, including the provisions of the voting agreements which each VIST director would be required to execute. Following extensive discussion and after all questions were addressed by VIST's advisors, the board of directors unanimously approved the merger agreement and the transactions set forth in the agreement, and resolved to submit the merger agreement to shareholders for consideration and approval.

At its regularly scheduled meeting on January 24, 2012, the Tompkins board of directors considered the proposed transaction with VIST. Also attending the meeting were representatives of Harris Beach and Macquarie Capital (USA) Inc. At the meeting, Mr. Romaine reviewed with the board the financial analysis and the financial terms of the proposed transaction with VIST. Representatives of Harris Beach PLLC and Macquarie Capital (USA) Inc. also reviewed with the board of directors the terms of the proposed merger agreement, as well as fiduciary duties of the directors in connection with the transaction. After lengthy discussion, Tompkins' board of directors unanimously approved the merger agreement and agreed to recommend that the Tompkins shareholders approve the merger agreement.

The merger agreement was executed by the parties on January 25, 2012 and publicly announced on January 26, 2012.

Tompkins' Reasons for the Merger

Tompkins board of directors reviewed and discussed the transaction with Tompkin's management and its financial and legal advisors in unanimously determining that the merger was advisable and in the best interests of Tompkins and its shareholders. This discussion of the Tompkins board of directors' reasons for approving the merger is forward looking in nature and, therefore, should be read in light of the factors discussed under the heading "*Cautionary Statement Regarding Forward Looking Statements*" on page 26. In reaching its determination, the Tompkins directors considered a number of factors, including, among others, the following:

- the board's understanding of, and presentations of Tompkin's management and financial advisor regarding, VIST's business, operations, management, financial condition, asset quality and prospects;

- the board's agreement with Tompkin's management that the merger provides Tompkins with a sizeable expansion opportunity in a Southeast Pennsylvania market with attractive demographics and is consistent with Tompkins conservative acquisition strategy of selectively entering into new, attractive markets;

- the board's view that VIST's business mix and branch network is well suited to Tompkin's own product set and will provide Tompkins with an opportunity to accelerate loan growth, grow VIST's trust and investment management business in affluent markets and integrate a well-developed insurance agency into Tompkin's own operations;

- its understanding, based on information then available, that the merger should be accretive to earnings in the first year and therafter;

the results of management's due diligence investigation of VIST and the reputation ,business practices and management of VIST, including its impression that VIST is a well run bank holding company with a business model very similar to Tompkin's own, and that operation of VIST bank as a separate subsidiary will be consistent with the operations of Tompkin's other bank subsidiaries;

the board's view as to the potential synergies resulting from a combination of Tompkins and VIST, the potential long term cost savings and the growth prospects associated with the combined operations;

the board's view that the combined company will have the potential to realize a stronger competitive position and improved long-term operating results, including revenue and earnings enhancements; and,

the review by Tompkin's board of directors with its legal and financial advisors of the structure of the merger and the financial and other terms of the merger agreement, including deal protections in the event of any termination of the merger.

This discussion of factors considered by Tompkins board of directors is not exhaustive but sets out the material factors considered by the Tompkins board of directors. The board did not attempt to quantify, rank or otherwise assign relative weights to the specific factors that it considered in reaching its decision and individual directors may have given different weights to each factor. Rather, the board of directors considered these factors as a whole and, after its evaluation, including asking questions of Tompkin's management and financial and legal advisors, determined them to be favorable to, and supportive of, its determination.

Recommendation of Tompkins' Board of Directors

Tompkins' board of directors believes that the terms of the transaction are in the best interests of Tompkins and its shareholders and has approved the issuance of Tompkins common stock pursuant to the merger agreement. Accordingly, Tompkins' board of directors unanimously recommends that Tompkins shareholders vote "FOR" the issuance of shares of Tompkins common stock pursuant to the merger agreement.

VIST's Reasons for the Merger

VIST's board of directors carefully considered the process by which potentially interested acquirers were identified, the indications of interest that were received, the terms of the merger agreement and the value of the merger consideration to be received by the holders of VIST common stock. After careful consideration, VIST's board of directors determined that it is advisable and in the best interests of VIST for VIST to enter into the merger agreement with Tompkins. Accordingly, VIST's board of directors unanimously recommends that VIST's shareholders vote "FOR" approval and adoption of the merger agreement.

In the course of making its decision to approve the transaction with Tompkins, VIST's board of directors consulted with VIST's senior management and VIST's financial and legal advisors. VIST's board of directors considered, among other things, the following factors:

the board's understanding of the current and prospective environment in which VIST operates, including national, regional and local economic conditions, the competitive environment for financial institutions, the increased regulatory burdens on financial institutions and the uncertainties in the regulatory climate going forward, the trend toward consolidation in the financial services industry generally and the likely effect of these factors on VIST's potential growth, profitability and strategic options;

the board's assessment of the challenges in completing an underwritten public offering under the registration statement on file with the SEC to realize sufficient proceeds to permit VIST to execute its business plan at a price that would not result in significant dilution to existing shareholders;

the board's view that the size of the institution and related economies of scale, beyond the level it believed to be reasonably achievable on an independent basis, was becoming increasingly important to continued success in the current and prospective financial services environment;

the comprehensive process conducted by VIST's management and Stifel, VIST's financial advisor, to identify potential merger partners and to solicit proposals as to the terms, structure and other aspects of a potential transaction from potential merger partners;

the board's understanding of VIST's business, operations, financial condition, earnings and prospects and of Tompkins's business, operations, financial condition, earnings and prospects, including the respective geographic markets in which the companies and their banking subsidiaries each operate;

the board's perception that VIST's operating philosophy as a community-oriented financial services company with a strong customer focus is compatible with Tompkins's operating philosophy;

Tompkins commitment to continue VIST Bank as a separately chartered banking subsidiary of Tompkins, and Tompkins' operating history with its current subsidiary banks;

the board's perception regarding the enhanced future prospects of the combined company compared to those VIST was likely to achieve on a stand-alone basis, including the projected market capitalization and market position of the combined entity and the compatibility of VIST's and Tompkins' business activities, as well as opportunities for increasing revenues as a result of a higher lending limit to originate larger and more profitable commercial loans and revenues associated with fee income products, such as insurance and investment products;

the board's review with its legal and financial advisors of the structure of the merger and the financial and other terms of the merger agreement and related documents, including the board's assessment of the adequacy of the merger consideration, not only in relation to the current market price of VIST's common stock, but also in relation to the historical, present and anticipated future operating results and financial position of VIST;

the fact that, as of January 24, 2012, the price resulting from the exchange ratio represented an 81% premium to VIST's market price as of January 23, 2012, a 28.4x multiple to last twelve months earnings, and 117% of VIST's tangible book value, and also would result in dividend accretion of 125% based on current quarterly common stock dividend rates;

the prices and premiums over book value and market value paid in other recent acquisitions of financial institutions as presented by Stifel to VIST's board of directors;

Tompkins's historical and current quarterly dividend rate as compared to VIST's historical dividend rate and the board's perception regarding the prospects for maintaining or increasing such dividends;

the proposed board and management arrangements, including Tompkins's commitment to (i) appoint two VIST directors to the Tompkins board of directors and appoint five existing VIST directors to the VIST Bank board of directors, (ii) employ certain senior executive officers of VIST Bank after the merger and the perceived benefits to the combined institution of the continued service of persons with knowledge and experience regarding VIST's operations and its

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market area, and (iii) nominate two (2) members of the current VIST board of directors for election at the first annual meeting of Tompkins following the merger;

the reports of VIST's management and financial presentation by Stifel to VIST's board of directors concerning the operations, financial condition and prospects of Tompkins and the expected financial impact of the merger on the combined company;

the effects of the merger on VIST's employees and customers, including the prospects for continued employment and the severance and other benefits agreed to be provided to VIST employees;

the fact that VIST shareholders will receive shares of Tompkins common stock in the merger, which will allow VIST shareholders to participate in a portion of the future performance of the combined company's businesses and synergies resulting from the merger, and the value to VIST's shareholders represented by that consideration; and

the financial information and analyses presented by Stifel to the board of directors, and the opinion of Stifel to the effect that, as of the date of such opinion, based upon and subject to the factors and assumptions set forth in such opinion, the consideration in the proposed merger was fair to holders of VIST common stock from a financial point of view. A copy of the Stifel written opinion that was delivered to the VIST board is included as Annex B to this joint proxy statement/prospectus and described under "*Opinion of VIST's Financial Advisor*"; shareholders are encouraged to read the Stifel opinion in its entirety.

VIST's board of directors also considered certain potentially adverse factors in connection with the merger, including the following:

the potential challenges associated with obtaining the regulatory approvals required to complete the transaction in a timely manner;

the fact that certain provisions of the merger agreement prohibit VIST from soliciting, and limit its ability to respond to, proposals for alternative transactions, and the obligation to pay a termination fee in the event that the merger agreement is terminated in certain circumstances, including $3.3 million if VIST terminates the merger agreement to accept a superior offer and $1.5 million if VIST's shareholders fail to approve the merger at the special meeting;

the fact that pursuant to the merger agreement, VIST must generally conduct its business in the ordinary course and VIST is subject to a variety of other restrictions on the conduct of its business prior to the completion of the merger or termination of the merger agreement, which may delay or prevent VIST from undertaking business opportunities that may arise pending completion of the merger;

the risk that potential benefits and synergies sought in the merger may not be realized or may not be realized within the expected time period, and the risks associated with the integration of VIST and Tompkins;

the fact that because the consideration in the merger is a fixed exchange ratio of shares of Tompkins common stock to VIST common stock subject to adjustment within collars, VIST shareholders could be adversely affected by a significant change in the trading price of Tompkins common stock during the 20-day pricing period for determining the value of the Tompkins common stock for purposes of calculating the exchange ratio;

the potential for diversion of management and employee attention, and for employee attrition, during the period prior to the completion of the merger and the potential effect on VIST's business and relations with customers, service providers and other stakeholders, whether or not the merger is consummated; and

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the risks associated with ownership of shares of Tompkisn common stock, as described in the section entitled "*Risk Factors*" beginning on page 20.

VIST's board of directors realizes that there can be no assurance about future results, including results expected or considered in the factors listed above. The board of directors concluded, however, that the potential positive factors outweighed the potential risks of completing the merger.

During its consideration of the merger, VIST's board of directors was also aware that some of its directors and executive officers may have interests in the merger that are different from or in addition to those of shareholders generally, as described under the heading "*The Merger Interests of Certain Persons in the Merger*" beginning on page 63.

The foregoing discussion of the information and factors considered by VIST's board of directors is not exhaustive, but includes the material factors considered by VIST's board. In view of the wide variety of factors considered by the board of directors in connection with its evaluation of the merger and the complexity of these matters, the board of directors did not consider it practical to, and did not attempt to, quantify, rank or otherwise assign relative weights to the specific factors that it considered in reaching its decision. VIST's board of directors evaluated the factors described above, including asking questions of VIST's legal and financial advisors. In considering the factors described above, individual members of VIST's board of directors may have given different weights to different factors. The board of directors relied on the experience and expertise of its legal advisors regarding the structure of the merger and the terms of the merger agreement and on the experience and expertise of its financial advisors for quantitative analysis of the financial terms of the merger. It should also be noted that this explanation of the reasoning of VIST's board of directors and all other information presented in this section is forward-looking in nature and, therefore, should be read in light of the factors discussed under the heading "*Cautionary Statement Regarding Forward-Looking Statements*" on page 26.

Recommendation of VIST's Board of Directors

VIST's board of directors believes that the terms of the transaction are in the best interests of VIST and has unanimously approved the merger agreement. **Accordingly, VIST's board of directors unanimously recommends that VIST shareholders vote "FOR" approval and adoption of the merger agreement.**

Opinion of VIST's Financial Advisor

Stifel, Nicolaus & Company, Incorporated ("Stifel") acted as VIST's financial advisor in connection with the merger. Stifel is a nationally recognized investment banking and securities firm with membership on all the principal United States securities exchanges and substantial expertise in transactions similar to the merger. As part of its investment banking activities, Stifel is regularly engaged in the independent valuation of businesses and securities in connection with mergers, acquisitions, underwritings, sales and distributions of listed and unlisted securities, private placements and valuations for estate, corporate and other purposes.

On January 24, 2012, Stifel rendered its oral opinion, which was confirmed in writing, to the board of directors of VIST that, as of the date of Stifel's written opinion, the per share consideration to be received by the holders of shares of VIST common stock pursuant to the merger agreement was fair to such holders, from a financial point of view.

The full text of Stifel's written opinion dated January 24, 2012, which sets forth the assumptions made, matters considered and limitations of the review undertaken, is attached as Annex B to this joint proxy statement/prospectus and is incorporated herein by reference. Holders of VIST's common stock are urged to, and should, read this opinion carefully and in its entirety in connection with this

joint proxy statement/prospectus. The summary of the opinion of Stifel set forth in this joint proxy statement/prospectus is qualified in its entirety by reference to the full text of such opinion. The opinion of Stifel does not reflect any developments that may occur or may have occurred after the date of its opinion and prior to the completion of the merger. Stifel has no obligation to update, revise or reaffirm its opinion and VIST does not currently expect that it will request an updated opinion from Stifel.

No limitations were imposed by VIST on the scope of Stifel's investigation or the procedures to be followed by Stifel in rendering its opinion. In arriving at its opinion, Stifel did not ascribe a specific range of values to VIST. Stifel's opinion is based on the financial and comparative analyses described below. Stifel's opinion is solely for the information of, and directed to, VIST's board of directors for its information and assistance in connection with VIST's board of directors' consideration of the financial terms of the merger and is not to be relied upon by any shareholder of VIST or Tompkins or any other person or entity. Stifel's opinion was not intended to be and did not constitute a recommendation to VIST's board of directors as to how it should vote on the merger or to any shareholder of VIST or Tompkins as to how any such shareholder should vote at any shareholders' meeting at which the merger is considered, or whether or not any shareholder of VIST should enter into a voting, shareholders' or affiliates' agreement with respect to the merger, or exercise any dissenter's or appraisal rights that may be available to such shareholder. In addition, Stifel's opinion does not compare the relative merits of the merger with any other alternative transaction or business strategy which may have been available to VIST and does not address the underlying business decision of VIST's board of directors or VIST to proceed with the merger or any aspect thereof.

In connection with its opinion, Stifel, among other things:

- reviewed and analyzed a draft copy of the merger agreement dated January 23, 2012;
- reviewed and analyzed the audited consolidated financial statements of VIST for the three years ended December 31, 2010 and the unaudited consolidated financial statements of VIST for the nine month period ended September 30, 2011;
- reviewed and analyzed the audited consolidated financial statements of Tompkins for the three years ended December 31, 2010 and the unaudited consolidated financial statements of Tompkins for the nine month period ended September 30, 2011;
- reviewed and analyzed certain other publicly available information concerning VIST and Tompkins;
- held discussions with VIST's and Tompkins' senior management and advisors, including, without limitation, discussions regarding estimates of certain cost savings, operating synergies, merger charges and the pro forma financial impact of the merger on Tompkins;
- reviewed certain non-publicly available information concerning VIST, including, without limitation, a review of its internal financial analyses and forecasts prepared by its management, and held discussions with VIST's senior management regarding recent developments and regulatory matters;
- reviewed certain non-publicly available information concerning Tompkins, including, without limitation, a review of its internal financial analyses and forecasts prepared by its management, and held discussions with Tompkins' senior management regarding recent developments and regulatory matters;
- participated in certain discussions and negotiations between representatives of VIST and Tompkins;
- reviewed the reported prices and trading activity of the equity securities of VIST and Tompkins;

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analyzed certain publicly available information concerning the terms of selected merger and acquisition transactions considered relevant to its analysis;

reviewed and analyzed certain publicly available financial and stock market data relating to selected public companies deemed relevant to its analysis;

conducted such other financial studies, analyses and investigations and considered such other information as were deemed necessary or appropriate for purposes of its opinion; and

took into account its assessment of general economic, market and financial conditions and its experience in other transactions, as well as its experience in securities valuations and its knowledge of the banking industry generally.

In connection with its review, Stifel relied upon and assumed, without independent verification, the accuracy and completeness of all of the financial and other information that was provided to it, by or on behalf of VIST or Tompkins, or that was otherwise reviewed by Stifel and did not assume any responsibility for independently verifying any of such information. Stifel further relied upon the assurances by VIST or Tompkins that they were not aware of any facts that would make their respective information incomplete or misleading. With respect to the financial forecasts supplied to it by VIST and Tompkins (including, without limitation, potential cost savings and operating synergies realized by a potential acquirer), Stifel assumed that the forecasts were reasonably prepared on the basis reflecting the best currently available estimates and judgments of the management of VIST and Tompkins, as applicable, as to the future operating and financial performance of VIST and Tompkins, as applicable, and that they provided a reasonable basis upon which Stifel could form its opinion. Such forecasts and projections were not prepared with the expectation of public disclosure. All such projected financial information was based on numerous variables and assumptions that were inherently uncertain, including, without limitation, factors related to general economic, market and competitive conditions. Accordingly, actual results could vary significantly from those set forth in such projected financial information. Stifel relied on this projected information without independent verification or analysis and did not in any respect assume any responsibility for the accuracy or completeness thereof.

Stifel assumed that there were no material changes in the assets, liabilities, financial condition, results of operations, business or prospects of either VIST or Tompkins since the date of the last financial statements of each company made available to Stifel. Stifel also assumed, without independent verification and with VIST's consent, that the aggregate allowances for loan losses set forth in the respective financial statements of VIST and Tompkins were in the aggregate adequate to cover all such losses. Stifel did not make or obtain any independent evaluation, appraisal or physical inspection of either VIST's or Tompkins' assets or liabilities, the collateral securing any of such assets or liabilities, or the collectibility of any such assets nor did it review loan or credit files of VIST or Tompkins. Estimates of values of companies and assets do not purport to be appraisals or necessarily reflect the prices at which companies or assets could actually be sold. Because such estimates are inherently subject to uncertainty, Stifel assumed no responsibility for their accuracy. Stifel relied on advice of VIST's counsel as to certain legal matters with respect to VIST, the merger agreement and the merger and other matters contained or contemplated therein. Stifel assumed, with VIST's consent, that there were no factors that would delay, or subject to any adverse conditions, any necessary regulatory or governmental approval and that all conditions to the merger would be satisfied and not waived. In addition, Stifel assumed that the definitive merger agreement would not differ materially from the draft it reviewed. Stifel also assumed that the merger would be consummated substantially on the terms and conditions described in the merger agreement, without any waiver of material terms or conditions by VIST or any other party, and that obtaining any necessary regulatory approvals or satisfying any other conditions for consummation of the merger would not have an adverse effect on VIST or Tompkins. Stifel assumed that the merger would be consummated in a manner that complies in all respects with the applicable provisions of the Securities Act, the Securities Exchange Act of 1934 (the "Exchange Act"), as amended, and all other applicable federal and state statutes, rules and regulations.

Stifel's opinion was necessarily based solely on economic, market, monetary, financial and other conditions as they existed on, and on the information made available to Stifel as of, the date of its opinion. It is understood that subsequent developments may affect the conclusions reached in Stifel's opinion and that Stifel does not have or assume any obligation to update, revise or reaffirm its opinion.

Stifel's opinion is limited to whether the per share merger consideration is fair to the holders of VIST common stock, from a financial point of view, solely as of the date of its opinion. Stifel's opinion did not consider, address or include: (i) any other strategic alternatives (which were or may have been) contemplated by VIST's board of directors or VIST; (ii) the legal, tax or accounting consequences of the merger on VIST or the holders of VIST's common stock including, without limitation, whether or not the merger would qualify as a tax-free reorganization pursuant to Section 368 of the Internal Revenue Code; (iii) the fairness of the amount or nature of any compensation to any of VIST's officers, directors or employees, or class of such persons, relative to the compensation to the holders of VIST's securities; (iv) the treatment of, or the effect on, VIST's Series A Preferred Stock and related warrants or the holders thereof; (v) the treatment of, or effect of the merger on, VIST's Stock Options (as defined in the merger agreement), or any other class of securities of VIST other than its common stock or the holders thereof; or (vi) any advice or opinions provided by any other advisor to VIST or Tompkins. Furthermore, Stifel did not express any opinion as to the prices, trading range or volume at which Tompkins' securities would trade following public announcement or consummation of the merger.

In connection with rendering its opinion, Stifel performed a variety of financial analyses that are summarized below. Such summary does not purport to be a complete description of such analyses. Stifel believes that its analyses and the summary set forth herein must be considered as a whole and that selecting portions of such analyses and the factors considered therein, without considering all factors and analyses, could be misleading. The preparation of a fairness opinion is a complex process involving subjective judgments and is not necessarily susceptible to partial analysis or summary description. The range of valuations resulting from any particular analysis described below should not be taken to be Stifel's view of the actual value of VIST. In its analyses, Stifel made numerous assumptions with respect to industry performance, business and economic conditions, and other matters, many of which are beyond the control of VIST or Tompkins. Any estimates contained in Stifel's analyses are not necessarily indicative of actual future values or results, which may be significantly more or less favorable than suggested by such estimates. No company or transaction utilized in Stifel's analyses was identical to VIST or Tompkins or the merger. Accordingly, an analysis of the results described below is not mathematical; rather, it involves complex considerations and judgments concerning differences in financial and operating characteristics of the companies and other facts that could affect the public trading value of the companies to which they are being compared. In arriving at its opinion, none of the analyses performed by Stifel were assigned a greater significance by Stifel than any other, nor does the order of analyses described represent relative importance or weight given to those analyses by Stifel. The analyses described below do not purport to be indicative of actual future results, or to reflect the prices at which VIST's or Tompkins's common stock may trade in the public markets, which may vary depending upon various factors, including changes in interest rates, dividend rates, market conditions, economic conditions and other factors that influence the price of securities.

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In accordance with customary investment banking practice, Stifel employed generally accepted valuation methods in reaching its opinion. The following is a summary of the material financial analyses that Stifel used in providing its opinion. Some of the summaries of financial analyses are presented in tabular format. In order to understand the financial analyses used by Stifel more fully, you should read the tables together with the text of each summary. The tables alone do not constitute a complete description of Stifel's financial analyses, including the methodologies and assumptions underlying the analyses, and if viewed in isolation could create a misleading or incomplete view of the financial analyses performed by Stifel. The summary data set forth below do not represent and should not be viewed by anyone as constituting conclusions reached by Stifel with respect to any of the analyses performed by it in connection with its opinion. Rather, Stifel made its determination as to the fairness to the shareholders of VIST of the per share merger consideration, from a financial point of view, on the basis of its experience and professional judgment after considering the results of all of the analyses performed. Accordingly, the data included in the summary tables and the corresponding imputed ranges of value for VIST should be considered as a whole and in the context of the full narrative description of all of the financial analyses set forth in the following pages, including the assumptions underlying these analyses.

In connection with rendering its opinion and based upon the terms of the draft merger agreement reviewed by it, Stifel assumed the aggregate consideration for the common stock to be $86 million and the per share consideration to be $12.50. Stifel noted this represented a premium of 81% over VIST's closing price of $6.91 on January 23, 2012.

Comparison of Selected Companies. Stifel reviewed and compared certain multiples and ratios for the merger with a peer group of 13 selected public banking institutions of similar size, geography and asset quality. In order to calculate a range of imputed values for a share of VIST's common stock, Stifel utilized the following financial and valuation metrics in its analysis: price to tangible book value per share, price to latest 12 months earnings per share and premium over tangible book value to core deposits as of or for the quarter and twelve month period ended September 30, 2011. Market price information was as of January 23, 2012. Stifel then applied the resulting range of multiples and ratios for the peer group specified above to the appropriate financial results of VIST. This analysis resulted in a range of imputed values for VIST of between $5.63 and $11.69 based on the median multiples for the peer group.

Additionally, Stifel calculated the following ratios with respect to the merger and the 13 selected comparable companies:

		Trading Multiples for Selected Peer Group(3)(4)		
Ratios	**Tompkins / VIST Transaction**	**25th Percentile**	**Median**	**75th Percentile**
Price Per Share/Tangible Book Value Per Share(1)	117%	63%	109%	160%
Price Per Share/Last 12 Months Earnings Per Share	28.4x	11.1x	12.8x	14.2x
Premium over Tangible Book Value/Core Deposits(2)	1.5%	(3.6)%	0.8%	6.0%

(1) For purposes of this analysis, VIST's tangible book value per share excludes the unaccreted portion of the original issue discount on its Series A Preferred Stock.

(2) Core deposits defined as total deposits less certificates of deposit with balances greater than $100,000.

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(3) Market data as of January 23, 2012.

(4) Selected comparable banking institutions include ACNB Corporation, Bancorp, Inc., Bryn Mawr Bank Corporation, Center Bancorp, Inc., Citizens & Northern Corporation, CNB Financial Corporation, Codorus Valley Bancorp, Inc., Eagle Bancorp, Inc., First United Corporation, Metro Bancorp, Inc., Orrstown Financial Services, Inc., Peapack-Gladstone Financial Corporation and Univest Corporation of Pennsylvania.

Analysis of Selected Bank Merger Transactions. Stifel analyzed certain information related to two groups of recent transactions in the banking industry. The first group consisted of 17 U.S. bank holding company, bank, thrift holding company and thrift acquisitions announced between September 30, 2009 and January 23, 2012 which involved targets headquartered in New Jersey and Pennsylvania ("Regional" transaction group), excluding merger of equals and terminated transactions. The second group consisted of 11 U.S. bank holding company, bank, thrift holding company and thrift acquisitions announced between September 30, 2009 and January 23, 2012 with announced transaction values between $50 million and $125 million and where the target had nonperforming assets to total assets less than 4.0% at announcement ("Transaction Value and Asset Quality" transaction group), excluding merger of equals and terminated transactions.

The transactions included in the Regional transaction group were:

Acquiror	Acquiree
ESSA Bancorp, Inc.	First Star Bancorp, Inc.
Beneficial Mutual Bancorp, Inc.	SE Financial Corp.
S&T Bancorp, Inc.	Mainline Bancorp, Inc.
Susquehanna Bancshares, Inc.	Tower Bancorp, Inc.
F.N.B. Corporation	Parkvale Financial Corporation
BCB Bancorp, Inc.	Allegiance Community Bank
Ocean Shore Holding Co.	CBHC Financialcorp, Inc.
GNB Financial Services, Inc.	Herndon National Bank
Susquehanna Bancshares, Inc.	Abington Bancorp, Inc.
Norwood Financial Corp.	North Penn Bancorp, Inc.
Customers Bancorp Inc	Berkshire Bancorp, Inc.
F.N.B. Corporation	Comm Bancorp, Inc.
Kearny Financial Corp.	Central Jersey Bancorp
Bank of Princeton	MoreBank
Roma Financial Corporation	Sterling Banks, Inc.
Tower Bancorp, Inc.	First Chester County Corporation
Bryn Mawr Bank Corporation	First Keystone Financial, Inc.

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The transactions included in the Transaction Value and Asset Quality transaction group were:

Acquiror	Acquiree
ViewPoint Financial Group, Inc.	Highlands Bancshares, Inc.
BankUnited, Inc.	Herald National Bank
Berkshire Hills Bancorp, Inc.	Legacy Bancorp, Inc.
Community Bank System, Inc.	Wilber Corporation
Berkshire Hills Bancorp, Inc.	Rome Bancorp, Inc.
F.N.B. Corporation	Comm Bancorp, Inc.
People's United Financial, Inc.	LSB Corporation
Kearny Financial Corp.	Central Jersey Bancorp
National Australia Bank, Limited	F&M Bank-Iowa Central
Chemical Financial Corporation	O.A.K. Financial Corporation
Tower Bancorp, Inc.	First Chester County Corporation

Stifel then applied the resulting range of multiples and ratios for the comparable transaction groups specified above to the appropriate financial results of VIST. This analysis resulted in a range of imputed values for VIST common stock of between $9.08 and $12.79 for the Regional group and $8.82 and $14.39 for the Transaction Value and Asset Quality group based upon the median multiples for the selected transactions. Stifel calculated the following ratios with respect to the merger and the selected transactions:

Ratios	Tompkins / VIST Transaction	Regional Group Transaction Multiples		
		25th Percentile	Median	75th Percentile
Price Per Share/Tangible Book Value Per Share(1)	117%	100%	119%	127%
Price Per Share/Last 12 Months Earnings Per Share	28.4x	17.9x	20.6x	33.4x
Premium over Tangible Book Value/Core Deposits(2)	1.5%	0.0%	1.8%	5.2%
Offer Price / One Month Prior Price(3)	91%	38%	69%	117%

(1) For purposes of this analysis, VIST's tangible book value per share excludes the unaccreted portion of the original issue discount on its Series A Preferred Stock.

(2) Core deposits defined as total deposits less certificates of deposit with balances greater than $100,000.

(3) Market data as of January 23, 2012.

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Ratios	Tompkins / VIST Transaction	Transaction Value and Asset Quality Group Transaction Multiples		
		25th Percentile	Median	75th Percentile
Price Per Share/Tangible Book Value Per Share(1)	117%	111%	120%	136%
Price Per Share/Last 12 Months Earnings Per Share	28.4x	17.8x	20.1x	31.7x
Premium over Tangible Book Value/Core Deposits(2)	1.5%	1.7%	3.0%	6.6%
Offer Price / One Month Prior Price(3)	91%	55%	67%	88%

(1) For purposes of this analysis, VIST's tangible book value per share excludes the unaccreted portion of the original issue discount on its Series A Preferred Stock.

(2) Core deposits defined as total deposits less certificates of deposit with balances greater than $100,000.

(3) Market data as of January 23, 2012.

Discounted Dividends Analysis. Using a discounted dividend analysis, Stifel estimated the net present value of the future streams of after-tax cash flow that VIST could theoretically produce for dividends to common shareholders, referred to below as dividendable net income. In this analysis, Stifel assumed that VIST would perform in accordance with management's estimates and calculated assumed potential after-tax distributions to common shareholders such that VIST's tangible common equity ratio would remain 8.0% of tangible assets. Stifel calculated the range of implied values by taking the sum of (1) the assumed dividendable net income stream per share beginning in the year 2012 and continuing through 2016, and (2) the terminal value of VIST's common stock. These cash flows were then discounted to present values at assumed discount rates ranging from 15.0% to 20.0%. In calculating the terminal value of VIST's common stock, Stifel applied multiples ranging from 10.0 times to 14.0 times 2017 forecasted earnings, which assumed an 8.0% growth rate over management's 2016 earnings estimate. This discounted dividend analysis indicated an implied equity value reference range of $5.97 to $13.31 per share of VIST's common stock. This analysis does not purport to be indicative of actual future results and does not purport to reflect the prices at which shares of VIST's common stock may trade in the public markets. A discounted dividend analysis was included because it is a widely used valuation methodology, but the results of such methodology are highly dependent upon the numerous assumptions that must be made, including earnings and balance sheet growth rates, dividend payout rates and discount rates.

Pro Forma Effect of the Merger. Stifel reviewed certain estimated future operating and financial information developed by VIST and Tompkins and certain estimated future operating and financial information for the pro forma combined entity resulting from the merger. In this analysis, Stifel compared certain of VIST's estimated future per share results with such estimated figures for the pro forma combined entity. Based on this analysis on a pro forma basis, the merger is forecast to be accretive to VIST's earnings per share for the 12-month period ended December 31, 2013 and to be dilutive to VIST's book value per share and tangible book value per share as of December 31, 2011. Stifel also noted that on a pro forma basis, the merger is forecast to be accretive to the annual cash dividends per share to be received by the holders of VIST's common stock. Stifel's pro forma analysis also indicated that Tompkins would remain well capitalized under current regulatory capital definitions following the transaction. For all of the pro forma analyses, the actual results achieved following the merger may vary from projected results, and the variations may be material.

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As described above, Stifel's opinion was among the many factors taken into consideration by VIST's board of directors in making its determination to approve the merger. Consequently, the analyses described above should not be viewed as determinative of the views of VIST's Board or VIST's management with respect to the fairness of the per share consideration to be received by the holders of shares of VIST common stock.

Stifel acted as financial advisor to VIST in connection with the merger and will receive a fee which is contingent upon the completion of the merger. Stifel also acted as financial advisor to VIST's board of directors and received a fee upon the delivery of its opinion that was not contingent upon consummation of the merger. Stifel will not receive any other significant payment or compensation contingent upon the successful consummation of the merger. In addition, VIST agreed to indemnify Stifel for certain liabilities arising out of Stifel's engagement. Stifel has historically provided investment banking services to VIST, including acting as buyside financial advisor in 2010 and 2011 in connection with unconsummated merger transactions for which it received customary fees. Additionally, Stifel was named as sole bookrunning manager on a potential publicly underwritten offering of common equity which was initially filed in July 2011, but which was never publicly marketed and for which it received no fees. Other than the foregoing, there were no other material relationships that existed during the two years prior to the date of Stifel's opinion or that were mutually understood to be contemplated in which any compensation was received or is intended to be received as a result of the relationship between Stifel and any party to the merger. Stifel may seek to provide investment banking services to Tompkins or its affiliates in the future, for which Stifel would seek customary compensation. In the ordinary course of business, Stifel may trade VIST's or Tompkins' securities for its own account and for the accounts of its customers and, accordingly, may at any time hold a long or short position in such securities.

Merger Consideration

The merger agreement provides that at the effective time of the merger each share of VIST common stock issued and outstanding immediately prior to the effective time will be converted into the Exchange Ratio. The Exchange Ratio is subject to adjustment based on the average of the closing price of Tompkins common stock for the 20 consecutive business days ending three days prior to the date of the VIST special meeting of shareholders, which is to be held on July 17, 2012. We refer to this average price as the "Tompkins Average Closing Price." If the Tompkins Average Closing Price is greater than $43.98, the Exchange Ratio will be adjusted and fixed at 0.2842 shares of Tompkins common stock for each VIST share of common stock, and if the Tompkins Average Closing Price is less than $35.98, the Exchange Ratio will be adjusted and fixed at 0.3475 shares of Tompkins common stock for each VIST share of common stock. We refer to the number of shares of Tompkins common stock to be received by each VIST common stock holder as the "merger consideration."

It is important to note that the value of the merger consideration may change based on the Tompkins Average Closing Price, and we cannot predict what the value will be at the closing of the merger. The following table illustrates the effective per share value that VIST shareholders would receive for each VIST share, over a range of potential Tompkins Average Closing Prices:

	SAMPLE TOMPKINS AVERAGE CLOSING PRICES						
	$32.00	**$35.86**	**$35.87**	**$39.85**	**$43.84**	**$43.85**	**$47.82**
Effective Purchase Price per VIST share:	$ 11.12	$ 12.50	$ 11.25	$ 12.50	$ 13.75	$ 12.50	$ 13.59

The board of directors of VIST has the right, but not the obligation, to terminate the merger agreement if the average closing price of Tompkins' common stock is less than $32.00 (as adjusted for certain capital transactions), for the 10 consecutive trading days ending on the date on which certain closing conditions to the merger have been satisfied or waived by the party entitled to enforce such condition.

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Tompkins currently anticipates issuing the merger consideration to VIST shareholders using American Stock Transfer's Direct Registration program, which means that each VIST shareholder's merger consideration will initially be recorded in book entry form only on the records of Tompkins' transfer agent, American Stock Transfer, as opposed to new certificates being issued. VIST shareholders who receive Tompkins shares through the Direct Registration program may request a physical Tompkins stock certificate at no charge.

If, between the date of the merger agreement and the effective time of the merger, the shares of Tompkins common stock are changed into a different number or class of shares by reason of reclassification, split-up, combination, exchange of shares or readjustment, or a stock dividend is declared with a record date within that period, appropriate adjustments will be made to the merger consideration.

No fractional shares of Tompkins common stock will be issued to any VIST shareholders upon completion of the merger. Fractional shares of Tompkins common stock resulting from the application of the exchange ratio to a VIST shareholder's holdings of VIST common stock will be converted to the right to receive a cash payment for each such fractional share. The cash payment will equal an amount, rounded to the nearest cent and without interest, equal to the product of (i) the fraction of a share to which such holder would otherwise have been entitled and (ii) the average of the daily closing sales prices of a share of Tompkins common stock as reported on NYSE-Amex for the five consecutive trading days immediately preceding the closing of the merger.

The terms of the merger were determined by Tompkins and VIST on the basis of arm's-length negotiations.

Material Federal Income Tax Consequences

The following discussion addresses the material United States federal income tax consequences of the merger to a VIST shareholder who holds shares of VIST common stock as a capital asset. This discussion is based upon the Internal Revenue Code, Treasury regulations promulgated under the Internal Revenue Code, judicial authorities, published positions of the Internal Revenue Service (the "IRS") and other applicable authorities, all as in effect on the date of this discussion and all of which are subject to change (possibly with retroactive effect) and to differing interpretations. This discussion does not address all aspects of United States federal income taxation that may be relevant to VIST shareholders in light of their particular circumstances and does not address aspects of United States federal income taxation that may be applicable to VIST shareholders subject to special treatment under the Internal Revenue Code (including banks, tax-exempt organizations, insurance companies, dealers in securities, traders in securities that elect to use a mark-to-market method of accounting, investors in pass-through entities, VIST shareholders who hold their shares of VIST common stock as part of a hedge, straddle or conversion transaction, VIST shareholders who acquired their shares of VIST common stock pursuant to the exercise of employee stock options or otherwise as compensation, and holders who are not United States persons, within the meaning of Section 7701(a)(30) of the Internal Revenue Code). In addition, the discussion does not address any aspect of state, local or foreign taxation. No assurance can be given that the IRS would not assert, or that a court would not sustain a position contrary to any of the tax aspects set forth below.

VIST shareholders are encouraged to consult their tax advisors with respect to the particular United States federal, state, local and foreign tax consequences of the merger.

The closing of the merger is conditioned upon the receipt by VIST of the opinion of Stevens & Lee P.C. and the receipt by Tompkins of the opinion of Harris Beach PLLC, each dated as of the effective date of the merger, substantially to the effect that, on the basis of facts, representations and assumptions set forth or referred to in those opinions (including factual representations contained in certificates of officers of VIST and Tompkins) which are consistent with the state of facts existing as of the effective date of the merger, the merger will be treated for United States federal income tax purposes as a reorganization within the meaning of Section 368(a) of the Code. The tax opinions to be delivered in connection with the merger are not binding on the IRS or the courts, and neither VIST nor Tompkins intends to request a ruling from the IRS with respect to the United States federal income tax consequences of the merger. Consequently, no assurance can be given that the IRS will not assert, or that a court would not sustain, a position contrary to any of those set forth below. In addition, if any of the facts, representations or assumptions upon which such opinions are based are inconsistent with the actual facts, the United States federal income tax consequences of the merger could be adversely affected.

Assuming that the merger will be treated as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code, the discussion below sets forth the opinions of Stevens and Lee, P.C. and Harris Beach PLLC as to the material United States federal income tax consequences of the merger to VIST shareholders.

A VIST shareholder will not recognize gain or loss as a result of such shareholder's shares of VIST common stock being exchanged in the merger solely for shares of Tompkins common stock, except as described below with respect to the receipt of cash in lieu of a fractional share of Tompkins common stock. A VIST shareholder's aggregate tax basis in shares of Tompkins common stock received in the merger, including any fractional share deemed received and exchanged as described below, will equal the aggregate tax basis of the shareholder's VIST common shares surrendered in the merger. The holding period of the Tompkins common stock will include the holding period of the shares of VIST common stock surrendered in the merger, provided the VIST shareholder's common shares are held as a capital asset at the time of the merger.

Cash received by a VIST shareholder in lieu of a fractional share of Tompkins common stock generally will be treated as received in redemption of the fractional share, and gain or loss generally will be recognized based on the difference between the amount of cash received in lieu of the fractional share and the portion of the shareholder's aggregate adjusted tax basis of the shares of VIST common stock surrendered that is allocable to the fractional share. Such gain or loss generally will be long-term capital gain or loss if the holding period for such shares of VIST common stock is more than one year at the time of the merger. The deductability of capital losses is subject to limitations.

The foregoing discussion is not intended to be a complete analysis or description of all potential United States federal income tax consequences of the merger. In addition, the discussion does not address tax consequences that may vary with, or are contingent on, a VIST shareholder's individual circumstances. Moreover, the discussion does not address any non-income tax or any state, local or foreign tax consequences of the merger. Tax matters are very complicated and the tax consequences of the transaction to a VIST shareholder will depend upon the facts of his or her situation. Accordingly, VIST shareholders are strongly encouraged to consult with their tax advisors to determine the particular United States federal, state, local and foreign income and other tax consequences to them of the merger.

Employee Benefit Plans

Employee Benefit Plans. Tompkins may maintain, terminate or continue any or all of VIST's benefit plans. Tompkins will generally provide VIST employees with compensation and benefits that are, in the aggregate, substantially similar to the compensation and benefits provided to similarly situated employees of Tompkins. VIST employees who become participants in any Tompkins benefit plan will, except as otherwise described below, be given credit for service as an employee of VIST for purposes of determining eligibility and for any applicable vesting periods of such employee benefits. However, credit for prior service shall not be given for any purpose under the Tompkins Defined Contribution Retirement Plan, the Tompkins Employee Stock Ownership Plan, and the profit-sharing component of the Tompkins Investment & Stock Ownership Plan. Service credit for benefit accrual purposes will be given only for purposes of Tompkins vacation policies or programs and for purposes of the calculation of severance benefits under any severance compensation plan of Tompkins. After the effective date of the merger, Tompkins may elect not to provide to employees of VIST and its subsidiaries any benefits that are not then provided by Tompkins or its subsidiaries to their own employees, notwithstanding that such benefits were provided to VIST employees immediately prior to the effective date of the merger.

401(k) Plan. Following the merger, eligible VIST employees will be able to participate in Tompkins' 401(k) plan and, at such time, Tompkins will amend VIST's 401(k) plan to freeze participation and contributions under the VIST plan. Tompkins will maintain the individual participant accounts under the VIST 401(k) plan until such time as the VIST 401(k) plan is merged with and into the applicable Tompkins 401(k) plan in accordance with the requirements of Internal Revenue Code Section 414(1).

Employee Stock Purchase Plan. Pursuant to the terms of the merger agreement, since the date of the merger agreement no participant in VIST's Employee Stock Purchase Plan ("ESPP") has been permitted to increase the rate of payroll deductions to the ESPP. Additionally, upon the closing of the merger, the ESPP will be terminated.

Dividend Reinvestment Plan. VIST has suspended the acceptance of dividends and other contributions of participants in its Dividend Reinvestment and Stock Purchase Plan ("DRIP"). In addition, prior to the effective time of the merger, VIST will terminate its DRIP and distribute all shares of VIST common stock and the value of all cash held in a participant's account in accordance with the terms of the DRIP.

Employment Agreements, Incentive Plans and Deferred Compensation Agreements. Tompkins has agreed to honor the terms of all employment, consulting and change in control agreements, including provisions relating to incentive payments, which were disclosed to Tompkins prior to the execution of the merger agreement. Pursuant to the terms of the merger agreement, any bonus or incentive plan adopted, continued or implemented by VIST for services performed on or after January 1, 2012 will be administered on terms mutually agreeable to VIST and Tompkins. Tompkins has agreed that, pending closing of the merger, VIST may continue to administer the incentive programs which were disclosed in the merger agreement, with appropriate adjustments to take into account the circumstances of the merger. However, the aggregate amount of payments and grants under VIST bonus and incentive payments cannot exceed an agreed-upon amount, and must be allocated reasonably among VIST employees in accordance with past practice. Tompkins is also entitled to prior notice of such incentive payments or equity grants.

Retention Bonuses. Pursuant to the terms of the merger agreement, Tompkins and VIST have agreed to pay out certain retention bonuses to selected employees of VIST and its subsidiaries who remain employed through certain dates following the effective time of the merger. Prior to closing, Tompkins and VIST will mutually determine the date through which each employee must remain employed to be eligible for a retention bonus. The aggregate amount of such retention bonuses will not exceed $250,000.

Treatment of VIST Stock Options. The merger agreement distinguishes between "Surviving Options," and all other options, which will be cashed out as described below. The Surviving Options include all outstanding VIST stock options, whether or not vested or exercisable, except for (i) options held by employees who in the aggregate hold less than 1,000 options, (ii) options which have an exercise price of $12.50 or more, and (iii) options held by VIST directors. Each Surviving Option that remains outstanding under a VIST option plan as of the effective time of the merger will be assumed by Tompkins and will continue to have, and be subject to, the same terms and conditions of such VIST option immediately prior to the effective date of the merger, except that (1) each VIST option will be exercisable (or will become exercisable in accordance with its terms) for that number of shares of Tompkins common stock equal to the product of the number of shares of VIST common stock that were issuable upon exercise of such VIST option immediately prior to the effective date of the merger multiplied by the Exchange Ratio, rounded down to the nearest whole number of shares of Tompkins common stock, and (2) the per share exercise price for the shares of Tompkins common stock issuable upon the exercise of such assumed VIST option will be equal to the quotient determined by dividing the exercise price per share of VIST common stock at which such VIST option was exercisable immediately prior to the effective date of the merger by the Exchange Ratio, rounded up to the nearest whole cent. Holders of VIST options, other than Surviving Options, will be paid cash reflecting the difference between the merger consideration and the option exercise price.

Interests of Certain Persons in the Merger

In considering the recommendation of the board of directors of VIST that you vote to approve and adopt the merger agreement, VIST shareholders should be aware that VIST directors and executive officers have financial interests in the merger that may be different from, or in addition to, those of VIST shareholders generally. The VIST board of directors was aware of and considered these potential interests, among other matters, in its decision to approve the merger agreement.

As described in more detail below, these interests include certain payments and benefits that may be provided to VIST's executive officers upon completion of the merger, including accelerated vesting of stock options and restricted stock awards, enhanced cash severance and continued health and welfare benefits. For the non-employee directors, these interests include the accelerated vesting of stock options and restricted stock awards.

The dates and share prices used below to quantify these interests have been selected for illustrative purposes only. They do not necessarily reflect the dates on which certain events will occur and do not represent a projection about the future value of VIST common stock.

Share Ownership. As of May 15, 2012, VIST's executive officers and directors and their affiliates held, or had the right to acquire within 60 days, 1,118,621, representing 16.85% of outstanding shares, of VIST common stock and no shares of Tompkins common stock.

Treatment of VIST Equity Awards. VIST's executive officers and directors participate in VIST's equity-based compensation plans and hold VIST stock options and restricted stock awards granted in accordance with the terms of such plans.

Subject to continued service by the executives and directors, outstanding unvested VIST stock options held by such individuals vest at the rate of $33^1/_3$% per year beginning on the one year anniversary of the date of grant. Under the terms of VIST's equity-based compensation plan and award agreements, all Surviving Options that have not yet vested will immediately vest in full upon the affirmative vote of shareholders adopting the merger agreement. At the effective time of the merger, the Surviving Options that are not previously exercised shall be converted automatically into Tompkins stock options, which, subject to the terms of the applicable plan, shall remain exercisable for the remainder of the original ten-year term of the VIST stock option. All of the stock options held by VIST's executive officers are considered Surviving Options, and they will not be cashed-out in connection with the merger. As of May 15, 2012, the VIST record date, and, assuming that the special meeting occurs on July 17, 2012, the date of the VIST special meeting, VIST's executive officers and directors (as a group) will hold unvested options to acquire an aggregate of 91,723 shares of VIST common stock on each of those dates.

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Subject to continued service by the executives and directors, VIST restricted stock awards held by executives vest at the rate of 33% per year beginning on the one year anniversary of the date of grant and restricted stock awards held by non-employee directors vest in full on the one year anniversary of the date of grant. Under the terms of the merger agreement and the respective equity-based compensation plan and award agreements, all unvested restricted stock awards will vest in full upon the affirmative vote of shareholders adopting the merger agreement. As of May 15, 2012, the record date for VIST's special meeting, and, assuming that the special meeting occurs on July 17, the date of the VIST special meeting, VIST's executive officers and directors (as a group) will hold 46,171 shares of unvested restricted stock awards that will automatically vest upon the affirmative vote of VIST shareholders adopting the merger agreement.

The following table summarizes the number of unvested VIST stock options and restricted stock awards held by the executive officers and directors of VIST as of May 15, 2012, the record date of VIST's special meeting. For an estimation of the total value to be received by VIST executive officers as a result of the accelerated vesting of outstanding stock options and restricted stock awards in connection with the merger, please see "*Compensation to Executive Officers of VIST in Connection with the Merger*" below.

Executive Officer/Director	**Number of Unvested Stock Options(1)**	**Number of Unvested Restricted Stock Awards**
James H. Burton	2,000	2,000
Patrick J. Callahan	2,000	2,000
Robert D. Carl, III	2,000	2,000
Robert D. Davis	0	13,501
Charles J. Hopkins	0	2,000
Philip E. Hughes, Jr.	2,000	2,000
Andrew J. Kuzneski, III	2,000	2,000
M. Domer Leibensperger	2,000	2,000
Frank C. Milewski	2,000	2,000
Michael J. O'Donoghue	2,000	2,000
Harry J. O'Neill, III	2,000	2,000
Brent L. Peters	0	0
Karen A. Rightmire	2,000	2,000
Michael L. Shor	0	0
Alfred J. Weber	2,000	2,000
Edward C. Barrett	11,165	1,734
Louis J. DeCesare, Jr.	10,667	1,734
Marc Levengood	3,000	0
Michael C. Herr	11,112	1,734
Christina S. McDonald	12,445	1,734
Neena M. Miller	12,445	1,734
All executive officers as a group (7 persons)	60,834	22,171
All non-executive officer directors as a group (14 persons)	22,000	24,000

(1) The weighted average exercise price of the unvested VIST stock options held by executive officers and non-executive officer directors is $6.37 and $6.45, respectively.

For a more detailed explanation of the treatment of VIST stock options, please see " *Treatment of VIST Stock Options*" on page 62.

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Indemnification and Insurance. Tompkins and VIST have agreed in the merger agreement that, from and after the effective time of the merger, and subject to limitations set forth therein, Tompkins will indemnify and hold harmless each present and former director and officer of VIST or any of its subsidiaries against any losses, claims, damages, liabilities, costs, expenses, judgments, fines and amounts paid in settlement in connection with any claim, action, suit, proceeding or investigation, whether civil, criminal or administrative, pertaining or relating to the merger agreement or such person's position as a former director or officer of VIST, to the extent permitted by law. Tompkins has also agreed in the merger agreement that, for a period of six years after the effective time of the merger, and subject to the limits described in the merger agreement, it will cause the former directors and officers of VIST to be covered by the directors' and officers' insurance policy maintained by VIST or by a policy of at least the same coverage and containing terms no less advantageous to its beneficiaries than VIST's policy.

Tompkins Board of Directors. Tompkins has agreed in the merger agreement that two (2) current members of VIST's board of directors will be appointed to serve on the board of directors of Tompkins upon consummation of the merger. Such directors will be mutually identified by Tompkins and VIST, and they must meet the minimum qualifications required for service on the Tompkins board of directors. In addition, two (2) members of the current VIST board of directors which persons may or may not be those selected to fill the vacancies described above will be nominated for election at the first annual meeting of Tompkins following the merger, and such nominees must also meet the minimum qualifications required for service on the Tompkins board of directors. Finally, Tompkins has agreed, following the merger, to initially nominate and elect to the board of directors of VIST Bank at least five (5) persons selected from the current board of directors of VIST; and such persons must meet the minimum qualifications required for service on the Tompkins board of directors.

Existing Employment and Change in Control Agreements. All of VIST's executive officers have agreements which provide them with rights to payment and other compensation upon a change in control of VIST, which includes the merger. The paragraphs below describe the potential payments to which VIST's executive officers could be entitled following the merger:

Robert D. Davis' existing employment agreement contains a severance provision applicable to a change in control. Generally, if Mr. Davis' employment is terminated involuntarily other than for cause or disability or if Mr. Davis voluntarily terminates his employment, for any reason, and at any time following VIST's change in control, Mr. Davis will be entitled to a cash payment equal to two times his highest annualized base salary paid or payable to him at any time during the three years preceding such termination. In addition, following VIST's change in control, for a period of 24 months following termination, Mr. Davis is entitled to continue participating in VIST's health and other welfare benefit plans; provided, however, that if Mr. Davis is not permitted to participate in any of such plans in accordance with the administrative provisions of those plans and applicable federal and state law, VIST must pay or cause to be paid to Mr. Davis in cash an amount equal to the after-tax cost to him to obtain substantially similar benefits.

In the event that the amounts and benefits payable under the agreement are such that Mr. Davis becomes subject to the excise tax provisions of Section 4999 of the Internal Revenue Code, VIST will pay Mr. Davis such additional amount or amounts as will result in his retention (after the payment of all federal, state, and local excise, employment, and income taxes on such payments and the value of such benefits) of a net amount equal to the net amount Mr. Davis would have retained had the initially calculated payments and benefits been subject only to income and employment taxation.

Michael C. Herr's existing employment agreement contains a severance provision applicable to a change in control. If, prior to December 31, 2014, Mr. Herr's employment is terminated involuntarily other than for cause or disability, or if Mr. Herr voluntarily terminates his employment for certain events of good reason in each case at any time following VIST's change in control, Mr. Herr is entitled to receive a cash payment equal to two times his then annual base salary. However, if such termination is on account of a change in control which was approved in advance by at least two-thirds of VIST's directors then in office, in lieu of the foregoing, Mr. Herr is entitled to receive an amount equal to the sum of his current base salary and the average of the amounts paid to him (or otherwise accrued) annually during the employment term as bonuses.

In the event any payment to Mr. Herr under the agreement would trigger a reduction in tax deductions under Internal Revenue Code Section 280G, the amount of such payment shall be reduced to the maximum amount that can be paid without triggering the reduction in tax deductions.

For purposes of Mr. Herr's employment agreement, the term "good reason" means any of the following events occurring after a change in control:

- any reduction in responsibilities or authority;
- the assignment to him of duties inconsistent with those in effect as of the change in control;
- any reassignment to a location greater than 50 miles from the location of Mr. Herr's office on the date of the change in control;
- any reduction in salary;
- any failure to continue participation in any commission compensation or bonus plans or any material reduction in the potential benefits under any of such plans;
- any failure to provide benefits at least as favorable as those enjoyed by him under any retirement or pension, life insurance, medical, health and accident, disability or other employee plans, or any material reduction in any of such benefits;
- any requirement that Mr. Herr travel in performance of his duties for a significantly greater period of time than was required prior to a change in control; or
- any sustained pattern of interruption or disruption of Mr. Herr for matters substantially unrelated to Mr. Herr's discharge of his duties.

Each of the existing change in control agreements with Messrs. Barrett, DeCesare and Levengood and Mses. McDonald and Miller provides the applicable officer with severance benefits in the event that VIST involuntarily terminates their employment without cause or the officer's employment terminates for certain specified events of good reason within eighteen months following VIST's change in control. The agreements generally provide for a benefit in each case equal to:

- the officer's highest annualized base salary in the year of termination of employment or over the two prior years; and
- the highest cash bonus paid to the officer in the year of termination of employment or over the prior two years.

Payments are made over a 12 month period or 24 month period commencing on the month following termination of employment. The officer is also entitled to a continuation of health and medical benefits for a one-year period. In the event any payment to the officer under the agreement would trigger a reduction in tax deductions under Internal Revenue Code Section 280G, the amount of such payment will be reduced to the maximum amount that can be paid without triggering the reduction in tax deductions.

For purposes of the change in control agreements, the term "good reason" means any of the following events occurring after a change in control:

- any material reduction in responsibilities or duties;

any reassignment to a location greater than 35 miles from the location of the officer's primary office on the date of the change in control;

any material reduction in salary;

any failure to provide benefits at least as favorable as those enjoyed by the officer under any retirement or pension, life insurance, medical, health and accident, disability or other employee plans, or any material reduction in any of such benefits; or

any material breach of the agreements by VIST, coupled with a failure to cure.

New Employment Agreements. Tompkins' obligation to complete the merger is conditioned upon the execution and delivery of employment agreements by certain of VIST's key employees, on terms and conditions satisfactory to Tompkins. These employment agreements are currently being negotiated between Tompkins and these employees, and the agreements will contain customary confidentiality, non-solicitation and non-competition covenants. It is also expected that most of these agreements will provide for annual retention incentives, or "stay bonuses," of $20,000 for each year of completed service following the merger, for a total of two (2) years, resulting in an aggregate potential retention bonus of $40,000 for each of these VIST executives.

Compensation Payable to Executive Officers of VIST in Connection with the Merger

Each of VIST's executive officers is eligible to receive compensation that is based on or otherwise relates to the merger with Tompkins (the "Golden Parachute Compensation"), which is summarized in the table below. While the table below includes the Golden Parachute Compensation to be paid to all of VIST's executive officers, only the Golden Parachute Compensation payable to VIST's named executive officers is subject to an advisory (non-binding) vote of the VIST shareholders, as more fully described in the section entitled *"Proposal No. 2 Advisory (Non-binding) Vote on Certain Merger-Related Compensation for VIST Named Executive Officers"* beginning on page 314. VIST's named executive officers are Edward Barrett, Robert Davis, Louis J. DeCesare, Jr., Michael Herr and Neena Miller.

Louis J. DeCesare, Jr., Michael Herr, Christina McDonald, Neena Miller and James Turner will be entitled to receive compensation under their new employment agreements with Tompkins, described above under *" New Employment Agreements,"* in lieu of compensation they would otherwise receive under their existing employment agreements or arrangements with VIST, and Jenette L. Eck and Marc Levengood will be entitled to receive compensation under their existing agreements with VIST, described above under *" Existing Employment and Change in Control Agreements."* Edward Barrett will be entitled to receive compensation under his existing Change in Control Agreement, and he will not be entering into a new employment agreement with Tompkins. Robert Davis and Tompkins are currently negotiating an amendment to Mr. Davis' current agreement with VIST, which amendment addresses the timing and calculation of payments to which Mr. Davis is currently entitled under his existing employment agreement with VIST; except for this amendment, there will be no new employment agreement between Tompkins and Mr. Davis.

In addition to the amounts payable under their employment agreements, each of the executive officers will be entitled to accelerated vesting of outstanding VIST stock options and restricted stock awards upon the affirmative vote of shareholders adopting the merger agreement.

Assuming that the merger is completed and the employment of each of the executive officers is terminated on June 30, 2012, the following table sets forth the estimated potential severance benefits to VIST's executive officers on termination of employment in connection with a change in control. The amounts reported below are estimates based on multiple assumptions that may or may not actually occur, including assumptions described in this joint proxy statement/prospectus, and do not reflect certain compensation actions which may occur before completion of the merger or the value of benefits that the executive officers are vested in without regard to the occurrence of a change in control. As a

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result, the actual amounts, if any, to be received by an executive officer may materially differ from the amounts set forth below.

Golden Parachute Compensation

Name	Cash ($)(1)	Equity ($)(2)	Pension/ NQDC ($)	Perquisites/ Benefits ($)(3)	Tax Reimbursement ($)	Other ($)	Total ($)
Robert D. Davis	$ 800,000(4)	$ 172,925		$ 34,348			$ 1,007,273
Edward C. Barrett	$ 229,747(5)	$ 90,872	$ 615,419	$ 9,379			$ 945,417
Louis J. DeCesare, Jr.	$ 209,769(6)	$ 87,212		$ 17,194			$ 314,176
Marc Levengood	$ 48,976(7)			$ 530			$ 49,506
Michael C. Herr	$ 270,000(8)	$ 89,637		$			$ 359,637
Christina S.McDonald	$ 174,808(9)	$ 98,135		$ 16,330			$ 289,273
Neena M. Miller	$ 219,758(10)	$ 98,135		$ 16,623			$ 334,516

(1) Reflects the total amount of cash severance which would be owed to each individual if he was terminated under circumstances that qualify as a "separation from service" under United States Department of the Treasury Regulation 1-409A-1(h), for reasons other than cause, or, except with respect to Mr. Davis, the executive officer resigns with good reason within 18 months following the closing of the merger (double trigger severance payments).

(2) These amounts represent equity vesting upon the affirmative vote of VIST shareholders approving the merger agreement as follows:

Name	Aggregate Value of "in-the-Money" Stock Options that will Vest ($)	Aggregate Value of Shares of Restricted Stock that will Vest ($)	Total ($)
Robert D. Davis	$	$ 172,925	$ 172,925
Edward C. Barrett	$ 69,197	$ 21,675	$ 90,872
Louis J. DeCesare, Jr.	$ 65,537	$ 21,675	$ 87,212
Marc Levengood	$	$	
Michael C. Herr	$ 67,962	$ 21,675	$ 89,637
Christina S. McDonald	$ 76,460	$ 21,675	$ 98,135
Neena M. Miller	$ 76,460	$ 21,675	$ 98,135

(3) Represents the present value of the continuation of medical benefits for the severance period.

(4) Represents a lump sum cash payment equal to two times Mr. Davis's annual base salary of $400,000.

(5) Represents the present value of one times Mr. Barrett's annual base salary of $230,000 payable in 12 monthly installments. Under the terms of Mr. Barrett's agreement, payment of cash severance is subject to a restrictive non-solicitation covenant.

(6) Represents the present value of one times Mr. DeCesare's annual base salary of $210,000 payable in 12 monthly installments. Under the terms of Mr. DeCesare's agreement, payment of cash severance is subject to a restrictive non-solicitation covenant.

(7) Represents the present value of one-half times Mr. Levengood's annual base salary of $98,000 payable in 6 monthly installment. Under the terms of Mr. Levengood's agreement, payment of cash severance is subject to a restrictive non-solicitation covenant.

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(8) Represents a lump sum cash payment equal to one times Mr. Herr's annual base salary of $270,000. Under the terms of Mr. Herr's agreement, payment of cash severance is subject to restrictive non-solicitation and non-competition covenants.

(9) Represents the present value of one times Ms. McDonald's annual base salary of $175,000 payable in 12 monthly installments. Under the terms of Ms. McDonald's agreement, payment of cash severance is subject to a restrictive non-solicitation covenant.

(10) Represents the present value of one times Ms. Miller's annual base salary of $205,000 plus highest bonus over prior 3 years of $15,000 payable in 12 monthly installments. Under the terms of Ms. Miller's agreement, payment of cash severance is subject to a restrictive non-solicitation covenant.

Fractional Shares

Tompkins will not issue fractional shares in the merger. Instead, fractional shares of Tompkins common stock resulting from the application of the Exchange Ratio to a VIST shareholder's holdings of VIST common stock will be converted into the right to receive a cash payment for such fractional share. The cash payment will equal an amount, rounded to the nearest cent and without interest, equal to the product of (i) the fraction of a share to which such holder would otherwise have been entitled and (ii) the average of the daily closing sales prices of a share of Tompkins common stock as reported on NYSE-Amex for the five consecutive trading days immediately preceding the Closing Date.

Effective Time

We anticipate that the merger will be completed during the third quarter of 2012. However, completion of the merger could be delayed if there is a delay in satisfying any conditions to the merger. There can be no assurances as to whether, or when, Tompkins and VIST will complete the merger. If the merger is not completed on or before December 31, 2012, either Tompkins or VIST may terminate the merger agreement, unless the failure to complete the merger by that date is due to the failure of the party seeking to terminate the merger agreement to perform its covenants in the merger agreement. Please see " *Conditions to the Completion of the Merger*" and " *Regulatory Approvals Required for the Merger*" for more information.

Conditions to the Completion of the Merger

Completion of the merger is subject to various conditions. While it is anticipated that all of the applicable conditions will be satisfied, there can be no assurance as to whether or when all of those conditions will be satisfied or, where permissible, waived. These conditions include:

- the approval and adoption of the merger agreement by the affirmative vote of the holders of seventy percent (70%) of the outstanding shares of VIST common stock entitled to vote thereon;

- the approval of the issuance of the shares of Tompkins common stock in the merger by the affirmative vote of the holders of a majority of the votes cast, in person or by proxy, at the Tompkins annual meeting;

- the purchase or redemption of all VIST Series A Preferred Stock, and the warrant to purchase shares of VIST common stock, from the U.S. Treasury, with the result that any and all restrictions, limitations or conditions associated with VIST's participation in TARP will have terminated and no longer be of any force and effect;

- the absence of any injunction that enjoins or prohibits the consummation of the merger, and the absence of any statute, rule or regulation which enjoins or prohibits the consummation of the merger;

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- the receipt of all required regulatory approvals, including the expiration of all waiting periods relating to such approvals, without the imposition of any condition or requirement that Tompkins' board of directors reasonably determines would materially and adversely affect the combined enterprise or materially impair the value of VIST (including its subsidiaries) to Tompkins;

- the effectiveness of the registration statement, together with all amendments, filed with the SEC under the Securities Act for the purpose of registering shares of Tompkins common stock to be offered to holders of VIST common stock in connection with the merger, and the absence of any stop order suspending the effectiveness of the registration statement, and the absence of any proceedings for that purpose having been initiated or threatened by the SEC;

- the approval for listing on NYSE-Amex of the Tompkins common stock to be issued in the merger; and

- receipt by Tompkins and VIST of an opinion of their respective legal counsel to the effect that, for federal income tax purposes, the merger will constitute a reorganization or be treated as part of a reorganization, within the meaning of Section 368(a) of the Internal Revenue Code.

Tompkins' obligation to complete the merger is also separately subject to the satisfaction or waiver of the following conditions, among others:

- the execution and delivery of employment agreements by certain of VIST's key employees, on terms and conditions satisfactory to Tompkins, as described above under "*New Employment Agreement*" on page 67;

- the approval, on terms and conditions satisfactory to Tompkins, by the FDIC, of the assignment by merger of a certain Shared-Loss Agreement, dated November 19, 2010, by and among the FDIC as Receiver for Allegiance Bank of North America, and VIST and VIST Bank;

- all trustees of the statutory trusts relating to trust preferred securities issued by VIST shall have consented to the succession of Tompkins to all of the indentures related to the debentures issued by VIST in connection with such trust-preferred securities;

- the VIST common stock shall have its listing deregistered with Nasdaq;

- the execution and delivery of resignations from each of the directors of VIST's subsidiaries;

- VIST's representations and warranties in the merger agreement being true and correct, subject to the materiality standards contained in the merger agreement, and the performance by VIST, in all material respects, of all of its obligations under the merger agreement; and,

- the receipt by VIST of any and all material permits, authorizations, consents, waivers, clearances or approvals required for the lawful consummation of the merger.

VIST's obligation to complete the merger is also separately subject to the satisfaction or waiver of the following conditions, among others:

- Tompkins' representations and warranties in the merger agreement being true and correct, subject to the materiality standards contained in the merger agreement, and the performance by Tompkins, in all material respects, of all of its obligations under the merger agreement;

the receipt by Tompkins of any and all material permits, authorizations, consents, waivers, clearances or approvals required for the lawful consummation of the merger; and

evidence that Tompkins has delivered to the exchange agent certificates representing the shares of Tompkins common stock, plus an aggregate amount of cash sufficient to cover fractional shares, to be issued to VIST common shareholders.

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We cannot provide assurance as to when or if all of the conditions to the merger can or will be satisfied or waived by the appropriate party.

Representations and Warranties

Each of VIST and Tompkins has made representations and warranties to the other in the merger agreement. VIST's representations and warranties to Tompkins include:

- corporate existence, good standing and qualification to conduct business;
- due authorization, execution, delivery and enforceability of the merger agreement;
- capital structure;
- governmental and third-party consents necessary to complete the merger;
- financial statements;
- taxes;
- absence of material adverse effect;
- material contracts and the absence of defaults;
- employees and employee benefit matters;
- ownership of property and insurance coverage;
- absence of legal proceedings and regulatory actions;
- compliance with laws;
- fees payable to financial advisors in connection with the merger;
- environmental matters;
- loan portfolio, deposits and trust accounts;

- SEC filings;
- anti-takeover provisions and required vote;
- registration obligations;
- risk management instruments;
- receipt of a fairness opinion from its financial advisor;
- intellectual property; and,
- labor matters.

Tompkins' representations and warranties to VIST include:

- corporate existence, good standing and qualification to conduct business;
- due authorization, execution, delivery and enforceability of the merger agreement;
- capital structure;
- governmental and third-party consents necessary to complete the merger;
- financial statements;
- taxes;
- absence of material adverse effect;
- absence of legal proceedings and regulatory actions;

compliance with laws;

fees payable to financial advisors in connection with the merger;

SEC filings and required vote; and,

valid issuance of Tompkins common stock.

The term "Material Adverse Effect" as used in the merger agreement means, with respect to Tompkins or VIST, respectively, any effect that (i) is material and adverse to the financial condition, results of operations or business of such party and its subsidiaries, taken as a whole, or (ii) does or would materially impair the ability of such party to perform its obligations under the merger agreement or otherwise materially threaten or materially impede the consummation of the transactions contemplated by the merger agreement. In determining whether a material adverse effect has occurred or is likely, the parties will disregard any effects resulting from any of the following : (a) changes in laws and regulations (including interpretations) affecting banks or their holding companies generally, (b) changes in accounting rules which are generally applicable to financial institutions and their holding companies, (c) actions and omissions of a party which are taken with the prior written consent of the other party, (d) the announcement of the proposed merger, and compliance with the merger agreement on the business, financial condition or results of operations of the parties and their respective subsidiaries, (e) changes in national or international political or social conditions, unless it uniquely and disproportionately affects either party, (f) changes in VIST's stock price or trading volume, or any failure by VIST to meet internal or published projections, forecasts or revenue or earnings predictions for any period, or (g) changes relating to the securities markets in general.

Conduct of Business Pending the Merger

VIST has agreed, during the period from the date of the merger agreement to the completion of the merger (except as expressly provided in the merger agreement and except as otherwise consented to by Tompkins), to conduct its business in the ordinary course consistent with past practice. In addition, VIST has agreed that it will not, and will not permit any of its subsidiaries to, without the prior written consent of Tompkins:

amend VIST's articles of incorporation, VIST's bylaws or other similar governing documents;

undertake any capital transactions, except that VIST may pay its normal quarterly dividend on its preferred stock and its normal quarterly dividend of $0.05 per share with respect to shares of outstanding VIST common stock, with record and payment dates consistent with past practice;

make any agreements which increase the compensation or fringe benefits of any of VIST's directors, officers or employees, except as disclosed in VIST's disclosure schedule to the merger agreement, and except for pay increases in the ordinary course of business consistent with past practice to non-officer employees;

make certain promotions, or hire any new employee at an annual rate of compensation in excess of $50,000;

adopt or continue any incentive plan, except that VIST may continue to administer its incentive programs in accordance with past practice, with appropriate adjustments to take into account the merger and the restrictions imposed in the merger agreement, so long as (i) aggregate value of such incentive grants for the period beginning January 1, 2012 and ending on the effective date of the merger do not exceed mutually agreed amount, (ii) the grants are allocated reasonably among VIST employees and in accordance with past practices, and (iii) VIST notifies Tompkins 10 business days prior to making such grants;

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execute, amend, settle or waive any material contract, other than in the ordinary course of business;

close or open any branch or automated facility;

execute or modify any employee benefit plan, except as otherwise permitted by the merger agreement;

merge or consolidate VIST or any VIST subsidiary with any other entity, sell or lease all or any substantial portion of the assets or business of VIST or any VIST subsidiary, or make any acquisition of all or any substantial portion of another business or assets of any other business other than in connection with foreclosures;

take any action that would result in any of VIST's representations and warranties being or becoming untrue, or in any conditions to the merger not being satisfied, except as may be required by applicable law;

change its methods of accounting, except as required by GAAP or regulatory accounting principles;

purchase any equity securities, or purchase any securities other than certain highly-rated, fairly liquid debt securities;

change its underwriting and lending policies;

make any new loans in an amount in excess of (i) $3.5 million for a commercial loan, or in excess of $500,000 for a residential loan, (ii) $1.5 million to any borrower whose existing debts to VIST exceed $7.5 million, or (iii) $100,000 to any person or property located outside of Pennsylvania;

execute or modify any transaction with an affiliate of VIST, including VIST's officers and directors;

enter into interest rate hedge contracts;

take any action that would give rise to an acceleration of the right to payment to any individual under any employment agreement or benefit plan;

make any capital expenditures in excess of $100,000 individually or $300,000 in the aggregate, other than for pre-existing commitments;

purchase or sell any assets or incur any liabilities other than in the ordinary course of business;

enter into any agreement involving a payment of more than $25,000 annually, or containing any financial commitment extending beyond 24 months;

pay, discharge, settle or compromise any claim in an amount in excess of $25,000 individually or $50,000 in the aggregate;

- foreclose upon any commercial real estate without Tompkins' prior written consent, and without first conducting a Phase I environmental assessment of the property;

- purchase or sell any mortgage loan servicing; or,

- issue any broadly distributed communication of a general nature to employees or customers without prior consultation with Tompkins, except as required by law or for communications in the ordinary course of business consistent with past practice that do not relate to the merger.

VIST has agreed to additional covenants which include, among other things, commitments to:

- maintain insurance in reasonable amounts;

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- take all actions which are necessary or advisable to complete the merger;
- cause the purchase or redemption of VIST's Series A Preferred Stock (and warrants relating to such stock) from the U.S. Treasury;
- facilitate the FDIC to consent to the assignment by merger of the Shared-Loss Agreement, on terms satisfactory to Tompkins;
- facilitate all trustees of its statutory trusts to consent to the succession of Tompkins to all of the indentures related to the debentures issued by VIST in connection with the trust-preferred securities of such trusts;
- facilitate certain key employees of VIST to enter into agreements of employment on terms and conditions satisfactory to Tompkins;
- obtain as soon as practicable all consents and approvals necessary or desirable to close the merger;
- prohibit additional payroll deductions or other contributions to VIST's ESPP; or,
- suspend the acceptance of dividends and other contributions of participants in, and terminate, the DRIP.

Tompkins has agreed to certain covenants which include, among other things, commitments to:

- provide certain financial and regulatory information relating to Tompkins to VIST upon request;
- obtain as soon as practicable all consents and approvals necessary or desirable to close the merger;
- take all actions which are necessary or advisable to complete the merger;
- provide employees of VIST who become employees of Tompkins with compensation and benefits that are generally similar to the compensation and benefits provided to similarly situated employees of Tompkins, without limiting Tompkins' ability to terminate the employment of any employee or to change employee benefits programs from time to time;
- for purposes of determining eligibility and vesting for certain Tompkins employee benefit plans (and not for benefit accrual purposes), provide credit for meeting eligibility and vesting requirements in such plans for service as an employee of VIST or any predecessor of VIST, except that credit for prior service will not be given for any purpose under the Tompkins Defined Contribution Retirement Plan, the Tompkins Employee Stock Ownership Plan, and the profit-sharing component of the Tompkins Investment & Stock Ownership Plan;
- honor the terms of all employment, consulting and change in control agreements, as well as VIST's pre-existing severance policy, all as disclosed to Tompkins in the VIST disclosure schedules to the merger agreement;

following the merger, to amend the VIST 401(k) plan to freeze participation and contributions under such plan contemporaneously with the participation of all eligible VIST employees in the applicable Tompkins 401(k) plan and, thereafter, to maintain the individual participant accounts under the VIST 401(k) plan until the VIST 401(k) plan is merged with and into the applicable Tompkins 401(k) plan;

for a period of six years after the merger, to indemnify, defend and hold harmless the officers, directors and employees of VIST against all claims which arise out of the fact that such person is or was a director, officer or employee of VIST and which relate to any matter of fact existing at or prior to the merger, to the fullest extent as would have been permitted by VIST under Pennsylvania law and under VIST's articles of incorporation and bylaws;

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maintain, for six years following the merger, VIST's current directors' and officers' liability insurance policies covering the officers and directors of VIST with respect to matters occurring at or prior to the merger, except that Tompkins may substitute similar policies, and that Tompkins is not required spend more than $180,000 in order to obtain this insurance;

list on NYSE-Amex the shares of Tompkins common stock to be issued in the merger;

reserve a sufficient number of shares of its common stock and to maintain sufficient liquid accounts or borrowing capacity to fulfill its obligations in connection with the merger;

take such actions as may be required in connection with the purchase or redemption of the VIST Series A Preferred Stock (and the associated warrants);

create sufficient vacancies on the Tompkins board of directors to appoint two current VIST directors (to be mutually identified by Tompkins and VIST, subject to certain limitations) to the board of directors of Tompkins, and to nominate at the next Tompkins annual meeting two current VIST directors (who may or may not be those selected to fill the vacancies described above) for election to the Tompkins board of directors;

appoint to the board of directors of VIST Bank five current VIST directors (to be mutually identified by Tompkins and VIST, subject to certain limitations);

enter into retention incentive agreements with certain VIST employees; and,

for a period of two years following the merger, to continue to operate VIST Bank as a separate banking subsidiary of Tompkins.

Additional Agreements

Under the merger agreement, Tompkins and VIST have also agreed:

to mail this document to their respective shareholders, and to hold a meeting for the purpose of considering the merger;

to promptly prepare and file with the SEC this document and the Registration Statement on Form S-4 of which this document is a part;

to use their reasonable best efforts to have the registration statement on Form S-4 declared effective under the Securities Act as promptly as practicable after such filing;

to cooperate with each other and use all reasonable efforts to promptly file regulatory applications and obtain required third-party approvals for the merger; and

to coordinate with the other party regarding the declaration of any dividends in respect of Tompkins common stock and VIST common stock and the record dates and payment dates relating to the same.

No Solicitation by VIST

VIST has agreed that it will not, and it will not permit any of its officers, directors, employees, investment bankers, financial advisors, attorneys, accountants, consultants, affiliates and other agents to, directly or indirectly:

- initiate, solicit, induce or knowingly encourage any inquiries;
- participate in any discussions or negotiations with, or furnish or otherwise afford access to information relating to VIST or any of its subsidiaries by, a third party;
- release, waive, or fail to enforce any of its confidentiality or standstill agreements; or

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- enter into any agreement or letter of intent,

in any case, relating to the following:

- a merger, consolidation, recapitalization, share exchange, liquidation, dissolution or similar transaction involving VIST or any of the VIST Subsidiaries; or

- the acquisition of a 25% equity interest in, or 25% of the assets of, VIST or any of its subsidiaries.

In this discussion, any offer or proposal of the type described in any of the above points is referred to as an "acquisition proposal."

In addition, the VIST board of directors (including its committees) has agreed that it will not:

- withdraw, qualify or modify in a manner adverse to Tompkins, its recommendation to its shareholders to approve the merger agreement, except to the extent otherwise permitted and described below;

- approve or recommend any acquisition proposal; or

- enter into (or cause VIST or any of the VIST Subsidiaries to enter into) any letter of intent or other agreement relating to an acquisition proposal (except to the extent otherwise permitted and described below), or requiring VIST to abandon, terminate or fail to close the merger.

The board of directors of VIST may participate in discussions with, and may furnish information to, a third party in connection with an acquisition proposal if, and only if:

- VIST has received a bona fide unsolicited written acquisition proposal that did not result from a breach of the merger agreement;

- the VIST Board determines in good faith, after consultation with its counsel and advisors, that the acquisition proposal is, or is reasonably likely to become, a superior proposal (as defined below);

- VIST has provided Tompkins with at least one business day's prior notice of of its determination that the acquisition proposal is, or is reasonably likely to become, a superior proposal.

VIST has also agreed to promptly provide to Tompkins any non-public information about VIST that it provides to the third-party, to the extent such information was not previously provided to Tompkins.

The term "superior proposal," as defined under the merger agreement, means any bona fide, unsolicited written acquisition proposal made by a person other than Tompkins, which the VIST board of directors in good faith concludes, after consultation with its financial advisors and outside counsel, taking into account, among other things, the type of consideration being offered, regulatory approvals, or other risks associated with the timing of the acquisition proporsal, and all legal, financial, regulatory and other aspects of the acquisition:

- is more favorable to VIST shareholders than the merger with Tompkins, and for which there is no financing contingency; and is reasonably likely to be completed on the terms proposed.

In addition, prior to furnishing any information about VIST relating to an acquisition proposal, VIST must receive a confidentiality agreement with terms no less favorable to VIST than those contained in its confidentiality agreement with Tompkins, and must advise Tompkins of the requests for such information and the terms and conditions relating to that other party's superior proposal within 24 hours of providing such information or engaging in discussions or negotiations with the third party.

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VIST may accept a superior proposal, or withdraw or modify in a manner adverse to Tompkins its recommendation to its shareholders to approve the merger agreement, if and only if:

- the failure to do so would be reasonably likely to be inconsistent with the board of director's fiduciary duties to VIST's shareholders under applicable law; and,

- it has provided notice to Tompkins of its intention to accept a superior proposal, and Tompkins has had the opportunity modify its offer in connection with the merger; and,

- after taking into account such modified offer from Tompkins (if any), the VIST Board has again in good faith determined that the third-party acquisition proposal constitutes a superior proposal.

Additionally, Tompkins and VIST acknowledged that, while VIST and the VIST Board must comply with the requirements of Rules 14d-9 and 14e-2(a) under the Exchange Act, and other disclosure requirements under applicable law or the rules and regulations of Nasdaq, any such disclosure will be considered an adverse change in the VIST board's recommendation to VIST shareholders unless the VIST Board reaffirms its recommendation for the merger in the required disclosure.

Termination of the Merger Agreement

The merger agreement contains customary termination provisions for a transaction of this type that may apply even if VIST's and Tompkins' shareholders approve the merger. Tompkins and VIST can agree by mutual consent to terminate the merger agreement, if the board of directors of each determines to do so.

In addition, either Tompkins or VIST may terminate the merger agreement if:

- the merger is not completed by December 31, 2012;

- the merger is not approved by both the Tompkins and VIST shareholders; or

- either party receives an unappealable order from a banking regulator which fails to approve the merger, or if any court or other governmental authority has issued an unappealable order which prohibits the merger.

Either Tompkins or VIST may terminate the merger agreement, provided that the terminating party is not then in material breach of any representation, warranty, covenant or other agreement, if:

- the non-terminating party has materially breached any of its representations or warranties, which breach by its nature cannot be cured prior to December 31, 2012 or which has not been been cured within 30 days after notice of the breach is providee, but neither party may terminate the merger agreement under this section unless the breach of representation or warranty, together with all other such breaches, is reasonably expected to have a material adverse effect; or

- either party has failed to perform or comply with any of the covenants or agreements described in the merger agreement, which failure by its nature cannot be cured prior to December 31, 2012 or which has not been cured within 30 days, but neither party may terminate the merger agreement under this section unless the breach of covenant or agreement, together with all other such breaches, is reasonably expected to have a material adverse effect.

VIST may terminate the merger agreement, without the consent of Tompkins, if:

VIST has received a superior proposal and the board of directors of VIST has made a determination to accept such superior proposal; or

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- The average closing price of Tompkins' common stock is less than $32.00 (as adjusted for certain capital transactions), for the 10 consecutive trading days ending on the date on which certain closing conditions to the merger have been satisfied or waived by the party entitled to enforce such condition.

Tompkins may terminate the merger agreement, without the consent of VIST, if:

- VIST has received a superior proposal and has entered into an acquisition agreement with respect to that superior proposal, or terminated the merger agreement, or if VIST has withdrawn, modified, or qualified, in a manner adverse to Tompkins, its recommendation, or fails to make a recommendation, to its shareholders in order to accept a superior proposal; and

- if the aggregate amount of VIST past-due loans and non-performing assets exceeds $65,000,000 as of any month end prior to the closing date of the merger.

Price-based Termination. According to the terms of the merger agreement, VIST has the right to terminate the merger if the average closing price of Tompkins' common stock is less than $32.00 (as adjusted for certain capital transactions), for the 10 consecutive trading days ending on the date on which certain closing conditions to the merger have been satisfied or waived by the party entitled to enforce such condition. In order to exercise this termination right, VIST would have to give prompt written notice to Tompkins at any time during the three-day period prior to the day that the merger would otherwise become effective.

It is not possible to know whether the price-based termination right will be triggered until after all of the closing conditions have been satisfied or waived. VIST's board of directors has made no decision as to whether it would exercise its right to terminate the merger agreement if the termination right were triggered. In considering whether to exercise its termination right, the VIST board of directors would, consistent with its fiduciary duties, take into account all relevant facts and circumstances that exist at that time and would consult with its financial advisors and legal counsel. If VIST's shareholders approve the merger agreement at VIST's Annual Meeting and afterward the price-based termination right is triggered, the VIST board of directors will have the authority, consistent with its fiduciary duties, to elect either to complete the merger, without any further action by or re-solicitation of the shareholders of VIST, or to terminate the merger agreement.

Termination Fee. VIST must pay Tompkins a termination fee of $3.3 million if:

- Tompkins has terminated the merger agreement because VIST has received a superior proposal, and VIST's board of directors has authorized VIST to enter into an acquisition agreement with respect to the superior proposal, terminated the merger agreement, or withdrawn its recommendation of the merger, or fails to make such recommendation or modifies or qualifies its recommendation in a manner adverse to Tompkins;

- VIST has terminated the merger agreement in order to accept a superior proposal; or

- an alternate acquisition proposal is announced prior to the VIST special meeting, and the VIST shareholders do not approve the merger, and VIST ultimately signs or completes an alternate acquisition proposal.

VIST must pay Tompkins a cost and expense reimbursement fee of $1.5 million if VIST's shareholders do not approve the merger. If Tompkins terminates the merger agreement because the aggregate amount of VIST past-due loans and non-performing assets exceeds $65,000,000 as of any month end prior to the Closing Date, VIST must reimburse Tompkins for its actual expenditures related to the merger, not to exceed $1,000,000. If either Tompkins or VIST terminates the merger agreement because of the non-terminating party's breach of representations or warranties, or a failure

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to perform covenants or obligations, the non-terminating party must provide reimbursement to the terminating party for actual expenditures related to the merger, not to exceed $1,000,000.

VIST agreed to this termination fee arrangement in order to induce Tompkins to enter into the merger agreement. This arrangement could have the effect of discouraging other companies from trying to acquire VIST.

Effect of Termination. If the merger agreement is terminated, it will become void and there will be no liability on the part of Tompkins or VIST or their respective officers or directors, except that:

- any termination will be without prejudice to the rights of any party arising out of the willful breach by the other party of any provision of the merger agreement;
- certain provisions of the merger agreement relating to the payment of fees and expenses and the confidential treatment of information will survive the termination; and
- except as otherwise provided by the merger agreement, Tompkins and VIST each will bear its own expenses in connection with the merger agreement and the transactions contemplated by the merger agreement.

Extension, Waiver and Amendment of the Merger Agreement

Extension and Waiver. At any time prior to the completion of the merger, each of Tompkins and VIST may, to the extent legally allowed:

- extend the time for the performance of the obligations under the merger agreement;
- waive any inaccuracies in the other party's representations and warranties contained in the merger agreement; and
- waive the other party's compliance with any of its agreements contained in the merger agreement, or waive compliance with any conditions to its obligations to complete the merger.

Amendment. Subject to compliance with applicable law, Tompkins and VIST may amend the merger agreement at any time before or after the adoption of the merger agreement by VIST shareholders. However, after adoption of the merger agreement by VIST shareholders, there may not be, without their further approval, any amendment of the merger agreement which reduces the amount, or value, or changes the form of consideration to be delivered to VIST's shareholders.

Regulatory Approvals Required for the Merger

Completion of the merger is subject to the prior receipt of all consents or approvals of, and the provision of, all notices to federal and state authorities required to complete the merger of Tompkins and VIST.

Tompkins and VIST have agreed to use their reasonable best efforts to obtain all regulatory approvals required to complete the merger. These approvals include approval from the Federal Reserve and the Pennsylvania Department of Banking. The merger cannot proceed in the absence of these required regulatory approvals.

Tompkins and VIST are not aware of any material governmental approvals or actions that are required prior to the parties' completion of the merger other than those described below and compliance with the applicable corporation laws of New York and Pennsylvania. If any additional governmental approvals or actions are required, the parties presently intend to seek those approvals or actions.

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Federal Reserve. VIST is a financial holding company, and VIST Bank is a Pennsylvania state-chartered bank. VIST Bank owns several non-banking subsidiaries that are engaged in activities previously determined by the Federal Reserve to be closely related to banking and therefore permissible activities. The acquisition by Tompkins of VIST Bank by merging with its holding company requires the prior approval of the Federal Reserve under the Bank Holding Company Act (the "BHC Act"), and Tompkins will also request the Federal Reserve's approval to acquire indirectly the other non-banking subsidiaries of VIST Bank.

The BHC Act requires the Federal Reserve to determine that the proposed acquisition can reasonably be expected to produce benefits to the public that outweigh possible adverse effects, such as undue concentration of resources, decreased or unfair competition, conflicts of interests, or unsound banking practices. As part of its evaluation under these public interest factors, the Federal Reserve reviews the financial and managerial resources of the companies involved, the effect of the proposal on competition in the relevant markets, the extent to which the proposed acquisition would result in a greater or more concentrated risk to the U.S. banking or financial system, and the public benefits of the proposal. In acting on a notice to acquire a bank, the Federal Reserve also reviews the records of performance of the relevant insured depository institutions under the Community Reinvestment Act. Applicable regulations require publication of a notice of the BHC Act proposal, affording interested persons an opportunity to submit comments and to request a hearing. Any transaction approved by the Federal Reserve generally may not be completed until 30 days after such approval, during which time the U.S. Department of Justice may challenge such transaction on antitrust grounds and seek divestiture of certain assets and liabilities. With the approval of the Federal Reserve and the U.S. Department of Justice, the waiting period may be reduced to 15 days.

State Approval and Notices. The merger is subject to the prior approval of the Pennsylvania Department of Banking under Section 115 of the Pennsylvania Banking Code. In determining whether to approve the merger, the Pennsylvania Department of Banking will consider, among other things, whether the purposes and probable effects of the merger would be consistent with the purposes of the Pennsylvania Banking Code, as set forth in Section 103 thereof, and whether the merger would be prejudicial to the interests of the depositors, creditors, beneficiaries of fiduciary accounts or shareholders of the institutions involved. In determining whether to approve the merger, the Pennsylvania Department of Banking will consider, among other things, whether the merger would be consistent with adequate and sound banking and in the public interest.

There can be no assurance that all requisite approvals will be obtained or that such approvals will be received on a timely basis.

NYSE-Amex Listing

Tompkins common stock is listed on the NYSE-Amex. Tompkins has agreed to use its reasonable best efforts to cause the shares of Tompkins common stock to be issued in the merger to be listed with the NYSE-Amex. It is a condition of the merger that those shares be listed with the NYSE-Amex.

Alternative Structure

The merger agreement provides that Tompkins may, with the consent of VIST, modify the structure of the merger, provided that, as a result of such modification (1) the merger consideration to be paid to VIST shareholders is not changed in kind or reduced in amount, (2) there are no adverse tax consequences to VIST shareholders, and (3) the receipt of any required regulatory approvals will not be jeopardized or materially delayed and the consummation of the merger will not otherwise be impeded or materially delayed.

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Dissenters' Rights

Dissenters' rights are statutory rights that enable shareholders who object to extraordinary transactions, such as mergers, to demand that the corporation pay such shareholders the fair value of their shares as determined by a court in a judicial proceeding instead of receiving the consideration offered to shareholders in connection with the extraordinary transaction. Dissenters' rights are not available in all circumstances and exceptions to those rights are set forth in the New York Business Corporation Law ("NYBCL") and the Pennsylvania Business Corporation Law ("PBCL").

Neither Tompkins nor VIST shareholders are entitled to dissenters' rights in connection with the merger. VIST shareholders are not entitled to dissenters' rights because VIST stock is listed on the Nasdaq Global Market system. Pennsylvania law generally states that in connection with the consummation of a plan of merger, shareholders of a company whose stock is listed on a national securities exchange are not entitled to dissenters' rights. Tompkins shareholders are not entitled to dissenters' rights because they own shares of Tompkins, and not of Merger Sub, the Tompkins subsidiary which will be affected by the merger.

Accounting Treatment

For purposes of preparing Tompkins' consolidated financial statements, Tompkins will establish a new accounting basis for VIST's assets (including intangible assets) and liabilities based upon their fair values, recognize the merger consideration based upon stock value on the closing date of the transaction and expense the costs of the merger. A final determination of asset and liability values and required acquisition accounting adjustments has not yet been made. Tompkins will determine the fair value of VIST's assets and liabilities and will make appropriate acquisition accounting adjustments upon completion of that determination. However, for purposes of disclosing pro forma information in this document, Tompkins has made a preliminary determination of the purchase price allocation, based upon current estimates and assumptions, which is subject to revision upon consummation of the merger.

Litigation Related to the Merger

On February 2, 2012, Gary Veitch, a purported shareholder of VIST, filed a complaint in the Supreme Court of Pennsylvania, Court of Common Pleas, Berks County against VIST, its directors, Tompkins, and Merger Sub, in connection with merger agreement. The lawsuit is brought on behalf of a putative class of similarly situated shareholders, and alleges that VIST's board of directors breached its fiduciary duties regarding the merger, that Tompkins and Merger Sub aided and abetted the alleged breach of fiduciary duties, and that the merger represents a waste of corporate assets. The plaintiffs ask that, among other equitable remedies, the merger be enjoined and that plaintiffs be reimbursed for costs and reasonable legal fees. Additionally, on February 6, 2012, William K. Serp, a purported shareholder of VIST, made a separate demand under Pennsylvania law on VIST's board of directors, demanding that the VIST board of directors rectify alleged failures of fiduciary duty in connection with the merger. On May 9, 2012, Mr. Serp filed a complaint in the United States District Court for the Eastern District of Pennsylvania against VIST, its directors, Tompkins, and Merger Sub in connection with the merger agreement and this joint proxy statement/prospectus. The lawsuit is brought both individually and derivatively on behalf of a putative class of similarly-situated shareholders, and alleges, among other things, that this joint proxy statement/prospectus does not comply with Section 14(a) of the Securities Exchange Act of 1934 and Rule 14a-9 promulgated thereunder, that VIST's board of directors breached their fiduciary duties regarding the merger, and that VIST, Tompkins and Merger Sub aided and abetted the alleged breach of fiduciary duties. Plaintiff asks that the merger be enjoined or rescinded, that there be an award of damages, and that plaintiff be reimbursed for costs and reasonable legal fees. VIST intends to vigorously defend itself, and Tompkins intends to vigorously defend itself and Merger Sub, against these allegations.

INDEMNIFICATION OF TOMPKINS DIRECTORS, OFFICERS AND EMPLOYEES

Section 722 of the NYBCL empowers a New York corporation to indemnify any person who is, or is threatened to be, made party to any action or proceeding (other than one by or in the right of the corporation to procure a judgment in its favor), whether civil or criminal, by reason of the fact that such person (or such person's testator or intestate), was an officer or director of such corporation, or served at the request of such corporation as a director, officer, employee, agent, or in any other capacity, of another corporation or enterprise. The indemnity may include judgments, fines, amounts paid in settlement and reasonable expenses, including attorneys' fees actually and necessarily incurred by such person as a result of such action or proceeding, or any appeal therein, provided that such officer or director acted in good faith, for a purpose that he or she reasonably believed to be in or, in the case of service for another corporation or enterprise, not opposed to, the best interests of the corporation and, for criminal actions or proceedings, in addition, had no reasonable cause to believe his or her conduct was unlawful. A New York corporation may indemnify any officer or director against amounts paid in settlement and reasonable expenses, including attorneys' fees, under the same conditions, except that no indemnification is permitted in respect of (1) a threatened action, or a pending action which is settled or otherwise disposed of, or (2) any claim, issue or matter as to which such person shall have been adjudged to be liable to the corporation, unless and only to the extent judicially approved. Where an officer or director is successful on the merits or otherwise in the defense of an action referred to above, the corporation must indemnify him or her against the expenses which such officer actually and reasonably incurred.

In accordance with Section 402(b) of the NYBCL, the Certificate of Incorporation of Tompkins contains a provision to limit the personal liability of directors of Tompkins to the fullest extent permitted under the NYBCL; provided, however, that there shall be no limitation of a director's liability for acts or omissions committed in bad faith, or that involved intentional misconduct or a knowing violation of law, or from which a director personally gained a financial profit or other advantage to which he or she was not legally entitled. The effect of this provision is to eliminate personal liability of directors to Tompkins and its shareholders for monetary damages for actions involving a breach of their fiduciary duty of care, including any actions involving gross negligence.

Tompkins' second amended and restated bylaws provide, in effect, that it will indemnify each of its directors, officers and employees, and any director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise serving at its request who was or is a party or is threatened to be made a party to any action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact of such person's duties to or on our behalf, to the fullest extent permitted by the NYBCL.

As permitted by the NYBCL, Tompkins has purchased insurance policies which provide coverage for its directors and officers in certain situations where Tompkins cannot directly indemnify such directors or officers. Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers or persons controlling Tompkins pursuant to the foregoing provisions, the registrant has been informed that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable.

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COMPARISON OF RIGHTS OF HOLDERS OF VIST COMMON STOCK AND TOMPKINS COMMON STOCK

The rights of Tompkins' shareholders are governed by the NYBCL and Tompkins' restated certificate of incorporation and second amended and restated bylaws. The rights of VIST's shareholders are governed by the PABCL and VIST's articles of incorporation, as amended, and amended and restated bylaws. After the merger, the rights of VIST's common shareholders that receive Tompkins common shares will be governed by the NYBCL and Tompkins' restated certificate of incorporation and second amended and restated bylaws. The following discussion summarizes the material differences between the rights of VIST's common shareholders and the rights of Tompkins' common shareholders. We urge you to read Tompkins' restated certificate of incorporation and second amended and restated bylaws, VIST's articles of incorporation, as amended, and bylaws, and the NYBCL, the PABCL and federal law governing bank holding companies carefully and in their entirety.

Authorized Capital Stock

Tompkins. Tompkins' restated certificate of incorporation authorizes it to issue up to 25,000,000 shares of common stock, par value $0.10 per share, and 3,000,000 shares of preferred stock, par value $0.01 per share. As of May 4, 2012, there were 12,215,791 shares of Tompkins common stock outstanding and no shares of Tompkins preferred stock outstanding.

VIST. VIST's articles of incorporation, as amended, authorize VIST to issue up to 20,000,000 shares of common stock, par value $5.00 per share, and 1,000,000 shares of preferred stock, par value $1.00 per share. As of May 9, 2012, there were 6,639,762 shares of VIST common stock outstanding and 25,000 shares of VIST preferred stock outstanding.

Size of Board of Directors

Tompkins. Tompkins' amended and restated bylaws provide that its board of directors shall consist of not less than seven nor more than 19 directors. The exact number of directors may be determined from time to time by resolution of a majority of the entire Tompkins board of directors. The Tompkins board of directors currently has 17 directors. The merger agreement provides that, upon consummation of the merger, Tompkins' board will create a sufficient number of vacancies on its board of directors to appoint two current members of VIST's board of directors to the Tompkins board. Such directors will be mutually identified by Tompkins and VIST, and they must meet the director qualifications of Tompkins. In addition, two members of the current VIST board of directors which persons may or may not be those selected to fill the vacancies described above will be nominated for election at the first annual meeting of Tompkins following the merger, and such nominees must also meet the director qualifications of Tompkins.

VIST. VIST's articles of incorporation, as amended, provide that its board of directors shall consist of not less than five nor more than 25 directors. The exact number of directors may be fixed from time to time by a resolution passed by a majority of the full board of directors or by resolution of the shareholders at any annual or special meeting. VIST's bylaws provide that every director must be a shareholder and must own the number of shares required by law in order to qualify as a director. VIST's board of directors currently has 15 directors.

Classes of Directors

Tompkins. Tompkins' board of directors is not classified. Tompkins' second amended and restated bylaws provide that each director is elected annually.

VIST. VIST's board of directors is classified. VIST's amended and restated bylaws provide that the directors (other than directors, if any, elected by the holders of any series of preferred stock) are divided into three classes, as nearly equal in number as possible, with each class of directors serving for successive three-year terms so that each year the term of only one class of directors expires.

Removal of Directors

Tompkins. Tompkins' second amended and restated bylaws provide that any Tompkins director may be removed for cause by a vote of shareholders at a meeting duly called, by a vote of a majority of shares entitled to vote in the election of directors.

VIST. VIST's amended and restated bylaws do not have any provision governing removal of directors. Under Section 1726 of the PABCL, directors of a corporation with a classified board may only be removed for cause. In order for shareholders of a corporation with a classified board to remove a director without cause, the articles of incorporation must include a specific and unambiguous statement that directors may be removed from office without assigning any cause. VIST's articles of incorporation do not include any such provision.

Filling Vacancies on the Board of Directors

Tompkins. Under Tompkins' second amended and restated bylaws, vacancies created by any reason other than removal of directors may be filled by a vote of two-thirds of the directors then in office. Each director elected to fill a vacancy shall remain in office until the next meeting of shareholders at which directors are to be elected, and until his or her successor is elected or appointed and qualified. Tompkins shareholders are not entitled to cumulative voting rights in the election of directors.

VIST. Under VIST's amended and restated bylaws, newly created directorships and vacancies may be filled by the affirmative vote of a majority of the remaining directors, whether or not a quorum exists. Any director elected to fill a new directorship or vacancy will hold office for the remainder of the full term of the class of directors in which the new directorship was created (as designated by the board of directors) or in which the vacancy occurred, and until such director's successor has been duly elected and qualified. VIST shareholders are not entitled to cumulative voting rights in the election of directors.

Nomination of Director Candidates by Shareholders

Tompkins. Pursuant to Tompkins' Nominating and Corporate Governance Committee charter, the Nominating and Corporate Governance Committee considers nominees recommended by shareholders that are properly submitted in writing to the Chairman of the Committee, which shareholder-recommended nominees are evaluated in the same manner as all other nominees for director.

VIST. VIST's bylaws provide that nominations for the election of directors may be made by any shareholder of record entitled to vote in the election of directors who is a shareholder at the record date for the meeting and also on the date of the meeting at which directors are to be elected. The shareholder must provide timely written notice of the nomination to VIST's president. To be timely, the notice must be delivered to or received at VIST's principal executive offices (a) in the case of an annual meeting that is called for a date that is within 30 days before or after the anniversary date of the prior annual meeting, between 60 and 90 days before or after that anniversary date, or (b) in the case of a special meeting of shareholders called for the purpose of electing directors, not later than the fifth day following the earlier of the day on which notice of the meeting was mailed or public disclosure of the meeting date was made. Each such written notice must set forth (i) the name and address of the nominating shareholder, (ii) the name and address of the beneficial owner (if different than the nominating shareholder) of any of the shares owned of record by the nominating shareholder, (iii) the number of shares of each class and series of VIST stock owned of record and beneficially by the nominating shareholder, and the number owned beneficially by any other beneficial holder as described above, (iv) a description of all arrangements and understandings between the nominating shareholder and any beneficial holder and any other person(s) (naming such person(s)) pursuant to which the nomination is being made, (v) the name and address of the person(s) being nominated, (vi) certain representations regarding the nominating shareholder's status as a holder of record of shares entitled to vote at the meeting and intention to appear in person or by proxy at the meeting to nominate the person(s) specified in the notice, (vii) such other information regarding the nominee as would be required to be disclosed under the proxy rules of the SEC in connection with a nominee nominated by the VIST board of directors, and (viii) the written consent of each nominee to serve as a director if elected.

Calling Special Meetings of Shareholders

Tompkins. Under Tompkins' second amended and restated bylaws, a special meeting of shareholders may be called by the Chairman of Tompkins' board of directors, the Vice Chairman, the President, or by request of a majority of the shareholders.

VIST. Under VIST's amended and restated bylaws, except as otherwise required by law, a special meeting of shareholders may be called only by the board of directors.

Shareholder Proposals

Tompkins. Tompkins' second amended and restated bylaws require that all business conducted at a meeting of shareholders be properly brought before the meeting. For business to be properly brought before an annual meeting by a shareholder, the shareholder must (i) be a shareholder of record at the time of giving the notice described below, (ii) be entitled to vote at the meeting, and (iii) have complied with the procedures described below.

In order for a shareholder proposal to be properly brought before the meeting, any Tompkins shareholder making such a proposal must give timely notice to Tompkins' corporate secretary, and the subject matter of the proposal must be a proper subject matter for shareholder action. To be timely, the notice must be delivered to Tompkins at its principal executive offices no later than the 120th day prior to the date on which Tompkins mailed its proxy materials for the preceding year's annual meeting, or, if the date of the annual meeting is changed by more than 30 days from that of the preceding year, no later than the later of (i) the 60^{th} calendar day prior to such annual meeting, or (ii) the 10^{th} calendar day following the date of the public announcement of the date of any other annual or special meeting. The proposal must also set forth, as to each matter proposed to be brought before the meeting, (a) a reasonably detailed description of the business proposed to be brought before the annual meeting and the reasons for conducting such business at the annual meeting, (ii) the name and address of the proposing shareholder and the beneficial owner, if any, on whose behalf the proposal is made, (iii) the number of shares of Tompkins stock that are owned beneficially and of record by the proposing shareholder and the beneficial owner, if any, on whose behalf the proposal is made, and (iv) any personal or other material interest of such proposing shareholder and the beneficial owner, if any, on whose behalf the proposal is made, in such business. The proposing shareholder must also provide any other information reasonably requested by Tompkins, and must comply with all applicable requirements of the Exchange Act, as amended, and the rules and regulations thereunder with respect to such proposal.

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VIST. VIST's amended and restated bylaws provide that business may be brought before an annual meeting of shareholders by or on behalf of any shareholder who was a shareholder of record on the record date for the meeting and continues to be entitled to vote at the meeting, and who delivers written notice of the proposal in accordance with the requirements set forth in VIST's amended and restated bylaws. The shareholder notice must be delivered to or received at VIST's principal executive offices, addressed to its president, (i) in the case of an annual meeting that is called for a date that is within 30 days before or after the anniversary date of the prior year's annual meeting of shareholders, between 60 and 90 days before such anniversary date, except that a proposal that qualifies for inclusion in VIST's proxy statement under Rule 14a-8 under the Exchange Act, as amended, shall be deemed timely submitted under VIST's amended and restated bylaws, and (ii) in the case of an annual meeting called for a date that is not within such 30-day period, not later than the fifth day following the earlier of the day on which notice of the date of the meeting was mailed or public disclosure of the meeting date was made. Each such shareholder notice must set forth (a) the name and address of the proposing shareholder, (b) the name and address of the beneficial owner, if different than the proposing shareholder, of any of the shares owned of record by the proposing shareholder, (c) the number of shares of each class and series of VIST stock which are owned of record and beneficially by the proposing shareholder and the number owned beneficially by any such other beneficial owner, (d) any interest (other than solely as a shareholder) which the proposing shareholder or other such beneficial owner has in the business being proposed, (e) a description of all arrangements and understandings between the proposing shareholder and any such other beneficial owner and any other person(s) (naming such person(s)) pursuant to which the proposal is being made, (f) a description of the business the proposing shareholder seeks to bring before the annual meeting, the reason for doing so and, if a specific action is being proposed, the text of the resolution(s) which the proposing shareholder proposes that VIST adopt, and (g) certain representations regarding the proposing shareholder's status as a holder of record of shares entitled to vote at the meeting and intention to appear in person or by proxy at the meeting to bring the business specified in the notice before the meeting.

Notice of Shareholder Meetings

Tompkins. Tompkins' second amended and restated bylaws provide that Tompkins must give written notice between 10 and 60 days before any shareholders meeting to each shareholder entitled to vote at such a meeting. The notice shall state the date, time and place of the meeting, and shall state the purposes of the meeting and indicate the person who called the meeting, if not an annual meeting. The notice shall also indicate if any proposed action to be taken at a meeting would trigger dissenters' appraisal rights. Notice of a meeting may be waived by a shareholder, in writing or electronically, or by attending a meeting, in person or by proxy, without protesting prior to the conclusion of the meeting any lack of notice.

VIST. VIST's amended and restated bylaws do not contain any provision regarding notice of shareholder meetings. Section 1704 of the PABCL requires that shareholders of record entitled to vote at a meeting receive notice of the meeting (i) at least 10 days prior to any meeting that will consider a "fundamental change" as defined in Chapter 19 of the PABCL, and (ii) at least five days prior to any other meeting.

Anti-Takeover Provisions and Other Shareholder Protections

Tompkins. Section 912 of the NYBCL and Tompkins' restated certificate of incorporation place restrictions on certain business combinations with interested shareholders. These provisions do not apply to the transactions contemplated by the merger agreement.

In addition, NYBCL §910 provides that a shareholder of a New York corporation has the right, following compliance with certain procedures, to receive payment of the fair value of its shares if the shareholder has the right to vote and does not assent to, among other actions, a merger or consolidation to which the corporation is a party. The right to receive payment of the fair value of the shares is not available in certain circumstances, including if the shares of the corporation are listed on a national securities exchange (as is the case in the present context) or to shareholders of a parent corporation in the case of certain mergers between the parent corporation and a 90%-owned subsidiary corporation. Tompkins shareholders do not have the right to receive fair value described in the immediately preceding sentences in connection with the merger and consummation of the transactions contemplated by the merger agreement.

VIST. Under VIST's articles of incorporation, any merger, consolidation, liquidation or dissolution of VIST or any action that would result in the sale or other disposition of all or substantially all of VIST's assets must be approved by the affirmative vote of the holders of at least 70% of the outstanding shares of common stock.

In addition to any rights granted under Section 910 of the PABCL, Article 13 of VIST's articles of incorporation provides that if any corporation, person, entity or group becomes the owner, directly or indirectly, of 30% or more of the voting power of VIST stock, such corporation, person, entity or group shall within 30 days thereafter offer to purchase all shares of VIST capital stock issued, outstanding and entitled to vote, at a value determined in accordance with the articles of incorporation. This provision will not apply if 80% or more of the members of VIST's board of directors approve in advance such acquisition of beneficial ownership. If both PABCL §910 and Article 13 apply in any given instance, the price per share to be paid for shares of VIST capital stock shall be the higher of the price per share determined under PABCL § 910 or the price per share determined under Article 13 of VIST's articles of incorporation.

Indemnification of Directors and Officers

Tompkins. Under Tompkins' second amended and restated bylaws, all current and former officers and directors of Tompkins are indemnified against any threatened, pending or completed actions and appeals to the fullest extent permitted under the NYBCL. An officer or director shall be indemnified for any action initiated by such officer or director if such action was authorized by Tompkins' board of directors.

NYBCL §721 prohibits indemnification of officers and directors for acts finally adjudicated to be committed in bad faith, resulting from active or deliberate dishonesty, or resulting in a personal gain to which such an officer or director was not legally entitled.

VIST. Under VIST's amended and restated bylaws, to the fullest extent permitted by the Directors' Liability Act and the PABCL, a director of VIST will not be personally liable to VIST, its shareholders or others for monetary damages for any act or omission unless such director breached or failed to perform the duties of his or her office as set forth in the Directors' Liability Act, and such breach or failure constitutes self-dealing, willful misconduct, or recklessness. This provision does not affect a director's responsibility or liability under any criminal statute or liability for payment of taxes. VIST shall indemnify directors, officers, employees or agents except in cases of willful misconduct or recklessness, in connection with proceeding initiated by such person (not by way of defense), or for amounts paid in settlement of any action indemnified against by VIST, unless pursuant to the prior written consent of VIST.

Amendments to Articles/Certificate of Incorporation and Bylaws

Tompkins. Under the Tompkins second amended and restated bylaws, Tompkins' board of directors has the power to adopt, amend, rescind or repeal the bylaws. Any such action by the Board may be altered, amended or repealed amended or repealed by a vote of a majority of shares of Tompkins entitled to vote in the election of directors. If any bylaw regulating an impending election of directors is adopted, amended or repealed by the board of directors, the notice for the next shareholder meeting for the election of directors shall describe the changes made to such bylaw. Tompkins' amended and restated certificate of incorporation further provides that any bylaw pertaining to the number, classification or removal of directors, call of special meetings of shareholders and adoption, amendment or repeal of the bylaws may not be adopted, altered, rescinded or repealed except by a vote of the majority of shareholders entitled to vote thereon.

Under NYBCL §803(a), a corporation's certificate of incorporation may be amended or changed by a vote of the board and a vote of a majority of all outstanding shares entitled to vote. A corporation's certificate of incorporation may require a greater vote. Tompkins' amended and restated certificate of incorporation provides that the provisions of the amended and restated certificate of incorporation relating to the number, election, removal, and limitation of liability of Tompkins directors may not be altered, amended, rescinded or repealed unless approved by the affirmative vote of holders of not less than 75% of the outstanding shares of capital stock entitled to vote, and not less than 50% of the shares beneficially owned by shareholders other than interested shareholders and their affiliates and associates, as defined in Tompkins' amended and restated certificate of incorporation.

VIST. Under VIST's bylaws, subject to the rights of shareholders under §1504 of the PABCL, VIST's bylaws may be amended, in whole or in part, by a majority vote of the board of directors, except as described below.

In addition, (i) any amendment to Section 12 of VIST's articles of incorporation (shareholder approval of mergers and similar transactions) requires the affirmative vote of the holders of at least 70% of the outstanding common stock, and (ii) any amendment to Section 212 of VIST's amended and restated bylaws (Liability of Directors; Indemnification) requires the affirmative vote of 75% of the members of VIST's entire board of directors or the affirmative vote of VIST shareholders entitled to cast at least 75% of all votes which VIST shareholders are then entitled to cast (except that Section 212 of VIST's amended and restated bylaws shall be deemed amended automatically if the PABCL or the Directors' Liability Act is amended or otherwise modified to decrease the exposure of directors to liability or to increase their indemnification rights).

ADDITIONAL INFORMATION ABOUT VIST

VIST's Business

VIST is a Pennsylvania business corporation headquartered at 1240 Broadcasting Road, Wyomissing, Pennsylvania 19610. VIST was organized as a bank holding company on January 1, 1986. VIST's election with the Board of Governors of the Federal Reserve System to become a financial holding company became effective on February 7, 2002. VIST offers a wide array of financial services through its various subsidiaries. VIST's executive offices are located at 1240 Broadcasting Road, Wyomissing, Pennsylvania 19610.

VIST's common stock is traded on the NASDAQ Global Market system under the symbol "VIST." At December 31, 2011, VIST had total assets of $1.43 billion, total shareholders' equity of $115.7 million, and total deposits of $1.19 billion.

Subsidiary Activities

VIST Bank. VIST Bank is a Pennsylvania chartered commercial bank. VIST Bank operates in Berks, Chester, Delaware, Montgomery, Philadelphia and Schuylkill counties in Pennsylvania.

On October 1, 2004, VIST acquired 100% of the outstanding voting shares of Madison Bancshares Group, Ltd., the holding company for Madison Bank ("Madison"), a Pennsylvania state-chartered commercial bank and its mortgage banking division, Philadelphia Financial Mortgage Company, now known as VIST Mortgage. Madison and VIST Mortgage are both now divisions of VIST Bank. The transaction enhanced VIST Bank's strong presence in Pennsylvania, particularly in the high growth counties of Berks, Philadelphia, Montgomery and Delaware.

On November 19, 2010, VIST acquired certain assets and assumed certain liabilities of Allegiance Bank of North America ("Allegiance") of Bala Cynwyd, Pennsylvania, through an FDIC-assisted whole bank acquisition. The Allegiance acquisition added five full-service locations in Chester and Philadelphia counties, of which VIST closed one early in 2011 and plans on closing another one in the second quarter of 2012. As part of the Allegiance acquisition, VIST entered into a loss-sharing agreement with the FDIC that covers a portion of losses incurred after the acquisition date on loans and other real estate owned. As of the acquisition date, VIST recorded $7.0 million as an indemnification asset, which represents the present value of the estimated loss share reimbursements expected to be received from the FDIC for future losses on covered assets. As part of the agreement, the FDIC will reimburse VIST for 70% of any losses incurred related to loans and other real estate owned covered under the loss-sharing agreement. Realized losses in excess of the acquisition date estimates will result in the FDIC increasing its reimbursement to VIST to 80%.

The acquisition has been accounted for under the acquisition method of accounting. The assets and liabilities, both tangible and intangible, were recorded at their estimated fair values as of the November 19, 2010 acquisition date. Prior to purchase accounting adjustments, VIST assumed approximately $93.0 million in deposit liabilities and acquired certain assets of approximately $106.0 million. The application of the acquisition method of accounting resulted in recorded goodwill of $1.0 million. Fair value adjustments include a write-down of $12.0 million related to the covered loan portfolio, and increased liabilities of $534,000 related to time deposits and $553,000 related to long-term debt.

Commercial and Retail Banking. VIST Bank provides services to its customers through twenty-one full service and two limited service financial centers, which operate under VIST Bank's name in Leesport, Blandon, Bern Township, Wyomissing, Breezy Corner, Hamburg, Birdsboro, Northeast Reading, Exeter Township, and Sinking Spring all of which are in Berks County, Pennsylvania. VIST Bank also operates a financial center in Schuylkill Haven, which is located in Schuylkill County, Pennsylvania. VIST Bank also operates financial centers in Blue Bell, Conshohocken, Oaks, Centre

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Square, and Worcester all of which are in Montgomery County, Pennsylvania. VIST Bank also operates financial centers in Fox Chase, Bala Cynwyd and Old City all of which are in Philadelphia County, Pennsylvania. VIST Bank also operates a financial center in Berwyn, which is in Chester County, Pennsylvania and another financial center in Strafford in Delaware County, Pennsylvania. VIST Bank closed a King of Prussia location in early 2011 and expects to close the Berwyn location in the second quarter of 2012. VIST Bank also operates limited service facilities in Wernersville and Flying Hills, both in Berks County, Pennsylvania. Most full service financial centers provide automated teller machine services, with the exception of the Bala Cynwyd location. Each financial center that provides an automated teller machine, with the exception of the Wernersville, Exeter, Old City, Worcester, Berwyn and Breezy Corner locations, provides drive-in facilities.

VIST Bank engages in full service commercial and consumer banking business, including such services as accepting deposits in the form of time, demand and savings accounts. Such time deposits include certificates of deposit, individual retirement accounts and Roth IRAs. VIST Bank' savings accounts include money market accounts, club accounts, NOW accounts and traditional regular savings accounts. In addition to accepting deposits, VIST Bank makes both secured and unsecured commercial and consumer loans, provides equipment lease and accounts receivable financing and makes construction and mortgage loans, including home equity loans. VIST Bank does not engage in sub-prime lending. VIST Bank also provides small business loans and other services including rents for safe deposit facilities.

At December 31, 2011, VIST and VIST Bank had the equivalent of 302 and 200 full-time employees, respectively.

Mortgage Banking. VIST Bank provides mortgage banking services to its customers through VIST Mortgage, a division of VIST Bank. VIST Mortgage operates offices in Reading, Schuylkill Haven and Blue Bell, which are located in Berks County, Pennsylvania, Schuylkill County, Pennsylvania and Montgomery County, Pennsylvania, respectively. VIST Mortgage had 11 full-time employees at December 31, 2011.

Insurance. VIST Insurance, LLC ("VIST Insurance"), a full service insurance agency, offers a full line of personal and commercial property and casualty insurance as well as group insurance for businesses, employee and group benefit plans, and life insurance. VIST Insurance is headquartered in Wyomissing, Pennsylvania with sales offices at 1240 Broadcasting Road, Wyomissing, Pennsylvania, Pennsylvania; 1767 Sentry Parkway West (Suite 210) Blue Bell, Pennsylvania; and 5 South Sunnybrook Road (Suite 100), Pottstown, Pennsylvania. VIST Insurance had 64 full-time employees at December 31, 2011.

Wealth Management. VIST Capital Management, LLC ("VIST Capital"), a full service investment advisory and brokerage services company, offers a full line of products and services for individual financial planning, retirement and estate planning, investments, corporate and small business pension and retirement planning. VIST Capital is headquartered at 1240 Broadcasting Road, Wyomissing, Pennsylvania and had 6 full-time employees at December 31, 2011.

Equity Investments. *Health Savings Accounts* In July 2005, VIST purchased a 25% equity position in First HSA, LLC a national health savings account ("HSA") administrator. The investment formalized a relationship that existed since 2001. This relationship allowed VIST to be a custodian for HSA customers throughout the country. During the second quarter of 2010, the 25% equity interest in First HSA, LLC was sold, resulting in the transfer of approximately $89.0 million in HSA deposits and a recognized gain of $1.9 million.

Junior Subordinated Debt. VIST owns First Leesport Capital Trust I, a Delaware statutory business trust formed on March 9, 2000, in which VIST owns all of the common equity. The trust has outstanding $5.0 million of 10.875% fixed rate mandatory redeemable capital securities. These securities must be redeemed in March 2030, but became callable on March 9, 2010. In October, 2002 VIST entered into an interest rate swap agreement that effectively converts the securities to a floating interest rate of six month LIBOR plus 5.25%. In June, 2003 VIST purchased a six month LIBOR cap to create protection against rising interest rates for the interest rate swap. This interest rate cap matured in March 2010 and the payer exercised their call option to terminate the interest rate swap in September 2010.

On September 26, 2002, VIST established Leesport Capital Trust II, a Delaware statutory business trust, in which VIST owns all of the common equity. Leesport Capital Trust II issued $10.0 million of mandatory redeemable capital securities carrying a floating interest rate of three month LIBOR plus 3.45%. These securities must be redeemed in September 2032, but became callable on November 7, 2007. In September 2008, VIST entered into an interest rate swap agreement with a start date of February 2009 and a maturity date of November 2013 that effectively converts the $10.0 million of adjustable-rate capital securities to a fixed interest rate of 7.25%.

On June 26, 2003, Madison established Madison Statutory Trust I, a Connecticut statutory business trust. Pursuant to the purchase of Madison on October 1, 2004, VIST assumed Madison Statutory Trust I in which VIST owns all of the common equity. Madison Statutory Trust I issued $5.0 million of mandatory redeemable capital securities carrying a floating interest rate of three month LIBOR plus 3.10%. These securities must be redeemed in June 2033, but became callable on June 26, 2008. In September 2008, VIST entered into an interest rate swap agreement with a start date of March 2009 and a maturity date of September 2013 that effectively converts the $5.0 million of adjustable-rate capital securities to a fixed interest rate of 6.90%.

Competition

VIST faces substantial competition in originating loans, attracting deposits, and generating fee-based income. This competition comes principally from other banks, savings institutions, credit unions, mortgage banking companies and, with respect to deposits, institutions offering investment alternatives, including money market funds. Competition also comes from other insurance agencies and direct writing insurance companies. As a result of consolidation in the banking industry, some of VIST's competitors and their respective affiliates may enjoy advantages such as greater financial resources, a wider geographic presence, a wider array of services, or more favorable pricing alternatives and lower origination and operating costs.

Supervision and Regulation

General

VIST is registered as a bank holding company, which has elected to be treated as a financial holding company, and is subject to supervision and regulation by the Federal Reserve under the Bank Holding Company Act of 1956, as amended. As a bank holding company, VIST's activities and those of its bank subsidiary are limited to the business of banking and activities closely related or incidental to banking. Bank holding companies are required to file periodic reports with and are subject to examination by the Federal Reserve Board. The Federal Reserve has issued regulations under the Bank Holding Company Act that require a bank holding company to serve as a source of financial and managerial strength to its subsidiary banks. As a result, the Federal Reserve, pursuant to such regulations, may require VIST to stand ready to use its resources to provide adequate capital funds to its bank subsidiary during periods of financial stress or adversity.

The Bank Holding Company Act prohibits VIST from acquiring direct or indirect control of more than 5% of the outstanding shares of any class of voting stock, or substantially all of the assets of any bank, or from merging or consolidating with another bank holding company, without prior approval of the Federal Reserve Board. Additionally, the Bank Holding Company Act prohibits VIST from engaging in or from acquiring ownership or control of more than 5% of the outstanding shares of any class of voting stock of any company engaged in a non-banking business, unless such business is determined by the Federal Reserve Board to be so closely related to banking as to be a proper incident thereto. The types of businesses that are permissible for bank holding companies to own were expanded by the Gramm-Leach-Bliley Act in 1999.

As a Pennsylvania bank holding company for purposes of the Pennsylvania Banking Code, VIST is also subject to regulation and examination by the Pennsylvania Department of Banking.

VIST is under the jurisdiction of the SEC and of state securities commissions for matters relating to the offering and sale of its securities. In addition, VIST is subject to the SEC's rules and regulations relating to periodic reporting, proxy solicitation, and insider trading.

Regulation of VIST Bank

VIST Bank is a Pennsylvania chartered commercial bank, and its deposits are insured (up to applicable limits) by the FDIC. VIST Bank is subject to regulation and examination by the Pennsylvania Department of Banking and by the FDIC. The Community Reinvestment Act requires VIST Bank to help meet the credit needs of the entire community where VIST Bank operates, including low and moderate income neighborhoods. VIST Bank's rating under the Community Reinvestment Act, assigned by the FDIC pursuant to an examination of VIST Bank, is important in determining whether VIST Bank may receive approval for, or utilize certain streamlined procedures in, applications to engage in new activities.

VIST Bank is also subject to requirements and restrictions under federal and state law, including requirements to maintain reserves against deposits, restrictions on the types and amounts of loans that may be granted and the interest that may be charged thereon, and limitations on the types of investments that may be made and the types of services that may be offered. Various consumer laws and regulations also affect the operations of VIST Bank. In addition to the impact of regulation, commercial banks are affected significantly by the actions of the Federal Reserve Board as it attempts to control the money supply and credit availability in order to influence the economy.

Capital Adequacy Guidelines

Bank regulatory authorities in the United States issue risk-based capital standards. These capital standards relate a bank's capital to the risk profile of its assets and provide the basis by which all banks are evaluated in terms of its capital adequacy. VIST and VIST Bank are subject to various regulatory capital requirements administered by the federal banking agencies. Failure to meet the minimum capital requirements can initiate certain mandatory and possibly additional discretionary actions by regulators that, if undertaken, could have a direct material effect on our consolidated financial statements. Under capital adequacy guidelines and the regulatory framework for prompt corrective action, VIST and VIST Bank must meet specific capital guidelines that involve quantitative measures of their assets, liabilities and certain off-balance sheet items as calculated under regulatory accounting practices. The capital amounts and classification are also subject to qualitative judgments by the regulators about components, risk weightings and other factors.

Quantitative measures established by regulation to ensure capital adequacy require VIST and VIST Bank to maintain minimum amounts and ratios of Tier 1 capital to average assets and of total capital (as defined in the regulations) to risk-weighted assets.

As of December 31, 2011 and 2010, VIST and VIST Bank exceeded the current regulatory requirements to be considered a quantitatively "well capitalized" financial institution, i.e. a leverage ratio exceeding 5%, Tier 1 risk-based capital exceeding 6%, and total risk-based capital exceeding 10%.

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Prompt Corrective Action Rules

Immediately upon becoming undercapitalized, a depository institution becomes subject to the provisions of Section 38 of the FDIA, which: (a) restrict payment of capital distributions and management fees; (b) require that the appropriate federal banking agency monitor the condition of the institution on and its efforts to restore its capital; (c) require submission of a capital restoration plan; (d) restrict the growth of the institution's assets; and (e) require prior approval of certain expansion proposals. The appropriate federal banking agency for an undercapitalized institution also may take any number of discretionary supervisory actions if the agency determines that any of these actions is necessary to resolve the problems of the institution at the least possible long-term cost to the deposit insurance fund, subject in certain cases to specified procedures. These discretionary supervisory actions include: (a) requiring the institution to raise additional capital; (b) restricting transactions with affiliates; (c) requiring divestiture of the institution or the sale of the institution to a willing purchaser; and (d) any other supervisory action that the agency deems appropriate. These and additional mandatory and permissive supervisory actions may be taken with respect to significantly undercapitalized and critically undercapitalized institutions.

Regulatory Restrictions on Dividends

Dividend payments made by VIST Bank to VIST are subject to the Pennsylvania Banking Code, the Federal Deposit Insurance Act, and the regulations of the FDIC. Under VIST Banking Code, no dividends may be paid except from "accumulated net earnings" (generally, retained earnings). The Federal Reserve Bank ("FRB") and the FDIC have formal and informal policies which provide that insured banks and bank holding companies should generally pay dividends only out of current operating earnings, with some exceptions. The Prompt Corrective Action Rules, described above, further limit the ability of banks to pay dividends if they are not classified as well capitalized or adequately capitalized. Under these policies and subject to the restrictions applicable to VIST Bank, VIST Bank had no funds available for payment of dividends to VIST at December 31, 2011, without requiring prior regulatory approval. The issuance of the Series A Preferred Stock also carries certain restrictions with regards to VIST's declaration and payment of cash dividends on common stock.

Dividends payable by VIST are subject to guidance published by the Board of Governors of the FRB. Consistent with the Federal Reserve guidance, companies are urged to strongly consider eliminating, deferring or significantly reducing dividends if (i) net income available to common shareholders for the past four quarters, net of dividends previously paid during that period, is not sufficient to fully fund the dividend, (ii) the prospective rate of earnings retention is not consistent with the bank holding company's capital needs and overall current and prospective financial condition, or (iii) VIST will not meet, or is in danger of not meeting, its minimum regulatory capital adequacy rations. As a result of this guidance, management intends to consult with the FRB of Philadelphia, and provide the FRB with information on VIST's then current and prospective earnings and capital position, on a quarterly basis in advance of declaring any cash dividends for the foreseeable future.

FDIC Insurance Assessments

Recent insured institution failures, as well as deterioration in banking and economic conditions, have significantly increased FDIC loss provisions, resulting in a decline in the designated reserve ratio to historical lows. The FDIC expects a higher rate of insured institution failures in the next few years compared to recent years; thus, the reserve ratio may continue to decline. The Dodd-Frank Wall Street Reform and Consumer Protection Act, or Dodd-Frank Act, that was enacted by Congress on July 15, 2010, and was signed into law by President Obama on July 21, 2010, enacted a number of changes to the federal deposit insurance regime that will affect the deposit insurance assessments VIST Bank will be obligated to pay in the future. For example:

The law permanently raises the federal deposit insurance limit to $250,000 per account ownership. This change may have the effect of increasing losses to the FDIC insurance fund on future failures of other insured depository institutions.

The new law makes deposit insurance coverage unlimited in amount for non-interest bearing transaction accounts until December 31, 2012. This change may also have the effect of increasing losses to the FDIC insurance fund on future failures of other insured depository institutions.

The FDIC is required under the Dodd-Frank Act to establish assessment rates that will allow the Deposit Insurance Fund to achieve a reserve ratio of 1.35% of Insurance Fund insured deposits by September 2020. In addition, the FDIC has established a "designated reserve ratio" of 2.0%, a target ratio that, until it is achieved, will not likely result in the FDIC reducing assessment rates. In attempting to achieve the mandated 1.35% ratio, the FDIC is required to implement assessment formulas that charge banks over $10 billion in asset size more than banks under that size. Those new formulas began in the second quarter of 2011 and were beneficial to VIST Bank by calculating less FDIC insurance expense in the second half of 2011. Under the Dodd-Frank Act, the FDIC is authorized to make reimbursements from the insurance fund to banks if the reserve ratio exceeds 1.50%, but the FDIC has adopted the "designated reserve ratio" of 2.0% and has announced that any reimbursements from the fund are indefinitely suspended.

Each of these changes may increase the rate of FDIC insurance assessments to maintain or replenish the FDIC's deposit insurance fund. This could, in turn, raise VIST Bank's future deposit insurance assessment costs. On the other hand, the law changes the deposit insurance assessment base so that it will generally be equal to average consolidated assets less average tangible equity. As the asset base of the banking industry is larger than the deposit base, the range of assessment rates will change to a low of 2.5 basis points to a high of 45 basis points, per $100 of assets. This change of the assessment base from an emphasis on deposits to an emphasis on assets is generally considered likely to cause larger banking organizations to pay a disproportionately higher portion of future deposit insurance assessments, which may, correspondingly, lower the level of deposit insurance assessments that smaller community banks such as VIST Bank may otherwise have to pay in the future.

On November 12, 2009, the FDIC approved a rule to require insured institutions to prepay their estimated quarterly risk-based assessments for the fourth quarter of 2009, and for all of 2010, 2011, and 2012. An insured institution's risk-based deposit insurance assessments will continue to be calculated on a quarterly basis, but will be paid from the amount the institution prepaid until the later of the date that amount is exhausted or June 30, 2013, at which point any remaining funds would be returned to the insured institution. Consequently, VIST's prepayment of DIF premiums made in December 2009 resulted in a prepaid asset of $5.7 million. As of December 31, 2011, the amount of the prepaid asset was $2.6 million.

On May 22, 2009, the FDIC adopted a final rule imposing a 5 basis point special assessment on each insured depository institution's assets minus Tier 1 capital as of June 30, 2009. The amount of the special assessment for any institution did not exceed 10 basis points times the institution's assessment base for the second quarter 2009. The assessment, in the amount of $574,000, was collected from VIST Bank on September 30, 2009.

Federal Home Loan Bank System

VIST Bank is a member of the Federal Home Loan Bank of Pittsburgh ("FHLB"), which is one of 12 regional FHLB's. Each FHLB serves as a reserve or central bank for its members within its assigned region. It is funded primarily from funds deposited by member institutions and proceeds from the sale of consolidated obligations of the FHLB system. It makes loans to members (i.e., advances) in accordance with policies and procedures established by the board of directors of the FHLB. At December 31, 2011, VIST Bank had no FHLB advances outstanding (see Note 11 of the consolidated financial statements).

As a member, VIST Bank is required to maintain a minimum stock investment, both as a condition to becoming and remaining a member and as a condition to obtaining advances and Letters of Credit. VIST is required to purchase and hold FHLB stock in an amount equal to the sum of: (a) 4.60% of its current total outstanding advances, (b) 1.60% of its current total issued and outstanding letters of credit, and (c) 0.35% of its total membership asset value, calculated annually, and based on financial data for the most recent calendar year-end. On November 19, 2010, VIST acquired $1.7 million in FHLB stock as a result of the FDIC-assisted whole bank acquisition of Allegiance. At December 31, 2011, VIST Bank had $5.8 million in FHLB stock, which was in compliance with this requirement.

Emergency Economic Stabilization Act of 2008 and Related Programs

The Emergency Economic Stabilization Act of 2008 ("EESA") was enacted to enable the federal government, under terms and conditions developed primarily by the Secretary of the United States Department of Treasury ("Treasury"), to restore liquidity and stabilize the U.S. economy, including through implementation of TARP. Under the TARP, Treasury authorized a voluntary Capital Purchase Program ("CPP") to purchase up to $250.0 billion of senior preferred shares of qualifying financial institutions that elected to participate by November 14, 2008. As previously disclosed, on December 19, 2008, VIST issued to Treasury, 25,000 shares of Series A Preferred Stock and a warrant to purchase 367,982 shares of VIST's common stock for an aggregate purchase price of $25.0 million under the TARP CPP (see Note 13 of the consolidated financial statements in Exhibit 99.1 attached hereto). Companies participating in the TARP CPP were required to adopt certain standards relating to executive compensation. The terms of the TARP CPP also limit certain uses of capital by the issuer, including with respect to repurchases of securities and increases in dividends.

The American Recovery and Reinvestment Act of 2009 ("ARRA") was intended to provide a stimulus to the U.S. economy in the wake of the economic downturn brought about by the subprime mortgage crisis and the resulting credit crunch. The bill includes federal tax cuts, expansion of unemployment benefits and other social welfare provisions, and domestic spending in education, healthcare, and infrastructure, including the energy structure. The new law also includes certain noneconomic recovery related items, including a limitation on executive compensation in federally aided financial institutions, including institutions, such as VIST, that had previously received an investment by Treasury under the TARP CPP. Under ARRA, an institution that either will receive funds or which had previously received funds under TARP, will be subject to certain restrictions and standards throughout the period in which any obligation arising under TARP remains outstanding (except for the time during which the federal government holds only warrants to purchase common stock of the issuer).

The following summarizes the significant requirements of ARRA, which are included in standards established by the Treasury:

- limits on compensation incentives for risks by senior executive officers;
- a requirement for recovery of any compensation paid based on inaccurate financial information;
- a prohibition on "golden parachute payments" to specified officers or employees, which term is generally defined as any payment for departure from a company for any reason;

- a prohibition on compensation plans that would encourage manipulation of reported earnings to enhance the compensation of employees;
- a prohibition on bonus, retention award, or incentive compensation to designated employees, except in the form of long-term restricted stock;
- a requirement that the board of directors adopt a luxury expenditures policy;
- a requirement that shareholders be permitted a separate nonbinding vote on executive compensation;
- a requirement that the chief executive officer and the chief financial officer provide a written certification of compliance with the standards, when established, to the SEC.

Under ARRA, subject to consultation with the appropriate federal banking agency, Treasury is required to permit a recipient of TARP funds to repay any amounts previously provided to or invested in the recipient by Treasury without regard to whether the institution has replaced the funds from any other source or to any waiting period.

Recent Legislation

The Dodd-Frank Act was enacted on July 21, 2010. This new law will significantly change the current bank regulatory structure and affect the lending, deposit, investment, trading and operating activities of financial institutions and their holding companies.

The Dodd-Frank Act requires various federal agencies to adopt a broad range of new rules and regulations, and to prepare various studies and reports for Congress. The federal agencies are given significant discretion in drafting such rules and regulations, and consequently, many of the details and much of the impact of the Dodd-Frank Act are still not known.

Certain provisions of the Dodd-Frank Act are expected to have a near term impact on VIST. For example, effective July 21, 2011, a provision of the Dodd-Frank Act eliminated the federal prohibitions on paying interest on demand deposits, thus allowing businesses to have interest bearing checking accounts.

The Dodd-Frank Act also broadens the base for Federal Deposit Insurance Corporation insurance assessments. Under the Act, the assessment base will no longer be an institution's deposit base, but rather its average consolidated total assets less its average tangible equity during the assessment period.

The Dodd-Frank Act also permanently increases the maximum amount of deposit insurance for banks, savings institutions and credit unions to $250,000 per depositor, retroactive to January 1, 2008, and non-interest bearing transaction accounts have unlimited deposit insurance through December 31, 2012. Both of these changes had no impact to VIST Bank's operating results.

Bank and thrift holding companies with assets of less than $15 billion as of December 31, 2009, such as VIST, will be permitted to include trust preferred securities that were issued before May 19, 2010, as Tier 1 capital; however, trust preferred securities issued by a bank or thrift holding company (other than those with assets of less than $500 million) after May 19, 2010, will no longer count as Tier 1 capital. Trust preferred securities still will be entitled to be treated as Tier 2 capital.

The Dodd-Frank Act will require publicly traded companies to give stockholders a non-binding vote on executive compensation and so-called "golden parachute" arrangements, and may allow greater access by shareholders to the company's proxy material by authorizing the SEC to promulgate rules that would allow stockholders to nominate their own candidates using a company's proxy materials. The legislation also directs the Federal Reserve Board to promulgate rules prohibiting excessive compensation paid to bank holding company executives, regardless of whether the company is publicly traded.

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The Dodd-Frank Act creates a new Consumer Financial Protection Bureau with broad powers to supervise and enforce consumer protection laws. The Consumer Financial Protection Bureau has broad rule-making authority for a wide range of consumer protection laws that apply to all banks and savings institutions, including the authority to prohibit "unfair, deceptive or abusive" acts and practices. The Consumer Financial Protection Bureau has examination and enforcement authority over all banks and savings institutions with more than $10.0 billion in assets. Banks and savings institutions with $10.0 billion or less in assets such as VIST Bank will continue to be examined for compliance with the consumer laws by their primary bank regulators. The Dodd-Frank Act also weakens the federal preemption rules that have been applicable for national banks and federal savings associations, and gives state attorneys general the ability to enforce federal consumer protection laws.

It is difficult to predict at this time the specific impact the Dodd-Frank Act and the yet to be written implementing rules and regulations will have on community banks. Given the uncertainty associated with the manner in which the provisions of the Dodd-Frank Act will be implemented by the various regulatory agencies and through regulations, the full extent of the impact such requirements will have on financial institutions' operations is presently unclear. The changes resulting from the Dodd-Frank Act may impact the profitability of our business activities, require changes to certain of our business practices, impose upon us more stringent capital, liquidity and leverage ratio requirements or otherwise adversely affect our business. These changes may also require us to invest significant management attention and resources to evaluate and make necessary changes in order to comply with new statutory and regulatory requirements.

Other Legislation

VIST Insurance and VIST Capital are subject to additional regulatory requirements. VIST Insurance is subject to Pennsylvania insurance laws and the regulations of the Pennsylvania Department of Insurance. Our securities brokerage activities are conducted exclusively through LPL Financial LLC, an SEC and FINRA registered broker/dealer and SIPC member that is subject to regulation by SEC and the FINRA. Effective August 1, 2011, VIST Capital ceased registered investment advisor operations, with formal notification sent to the SEC in October 2011.

Congress is often considering some financial industry legislation, and the federal banking agencies routinely propose new regulations. VIST cannot predict how any new legislation, or new rules adopted by federal or state banking agencies, may affect the business of VIST and its subsidiaries in the future. Given that the financial industry remains under stress and severe scrutiny, and given that the U.S. economy has not yet fully recovered to pre-crisis levels of activity, VIST expects that there will be significant legislation and regulatory actions that may materially affect the banking industry for the foreseeable future.

Properties

VIST's executive office is located in the administration building at 1240 Broadcasting Road, Wyomissing, Pennsylvania. Listed below are the locations of properties owned or leased by VIST and its subsidiaries. Owned properties are not subject to any mortgage, lien or encumbrance.

Property Location	Leased or Owned
Corporate Office, 1240 Broadcasting Road, Wyomissing, PA	Leased
Operations Center, 1044 MacArthur Road, Reading, PA	Leased
North Pointe Financial Center, 241 South Centre Avenue, Leesport, PA	Leased
Northeast Reading Financial Center, 1210 Rockland Street, Reading, PA	Leased
Hamburg Financial Center, 801 South Fourth Street, Hamburg, PA	Leased

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Property Location	Leased or Owned
Bern Township Financial Center, 909 West Leesport Road, Leesport, PA	Leased
Wernersville Financial Center, 1 Reading Drive, Wernersville, PA	Leased
Breezy Corner Financial Center, 3401-3 Pricetown Road, Fleetwood, PA	Leased
Blandon Financial Center, 108 Plaza Drive, Blandon, PA	Leased
Wyomissing Financial Center, 1199 Berkshire Boulevard, Wyomissing, PA	Leased
Schuylkill Haven Financial Center, 237 Route 61 South, Schuylkill Haven, PA	Leased
Birdsboro Financial Center, 350 West Main Street, Birdsboro, PA	Leased
Exeter Financial Center, 4361 Perkiomen Avenue, Reading, PA	Leased
Sinking Spring Financial Center, 4708 Penn Ave, Sinking Spring, PA	Leased
Heritage Financial Center, 200 Tranquility Lane, Reading, PA	Leased
Blue Bell Financial Center, 1767 Sentry Parkway West, Blue Bell, PA	Leased
Centre Square Financial Center, 1380 Skippack Pike, Blue Bell, PA	Leased
Conshohocken Financial Center, Plymouth Corporate Center, Suite 600 625 Ridge Pike, Conshohocken, PA	Leased
Fox Chase Financial Center, 8000 Verree Road, Philadelphia, PA	Owned
Oaks Financial Center, 1232 Egypt Road, Oaks, PA	Leased
Strafford Financial Center, 600 West Lancaster Avenue, Strafford, PA	Leased
Bala Cynwyd Financial Center, Suite 105, One Belmont Avenue, Bala Cynwyd, PA	Leased
Old City Financial Center, 36 North Third Street, Philadelphia, PA	Leased
Worcester Financial Center, 2946 Skippack Pike, Worcester, PA	Leased
Berwyn Financial Center(1), 564 Lancaster Avenue, Berwyn, PA	Leased
VIST Insurance, 1767 Sentry Parkway, Suite 210, Blue Bell, PA	Leased
VIST Insurance, 5 South Sunnybrook Road, Pottstown, PA	Leased
VIST Bank (Mortgage Banking Office), 2213 Quarry Drive, West Lawn, PA	Leased

(1) VIST expects to close its Berwyn Financial Center acquired in the Allegiance acquisition by April 15, 2012.

VIST Insurance shares offices in VIST's administration building located at 1240 Broadcasting Road, Wyomissing, Pennsylvania. VIST Insurance is charged a pro rata amount of the total lease expense.

VIST Capital also shares office space in VIST's administration building in Wyomissing, Pennsylvania, as well as in VIST Insurance's office located in Blue Bell, Pennsylvania and are charged accordingly a pro rata amount of the total lease expense.

Legal Proceedings

A certain amount of litigation arises in the ordinary course of the business of VIST, and VIST's subsidiaries. In the opinion of the management of VIST, there are no proceedings pending to which

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VIST, or VIST's subsidiaries are a party or to which their property is subject, that, if determined adversely to VIST or its subsidiaries, would be material in relation to VIST's shareholders' equity or financial condition, nor are there any proceedings pending other than ordinary routine litigation incident to the business of VIST and its subsidiaries. In addition, no material proceedings are pending or are known to be threatened or contemplated against VIST or its subsidiaries by governmental authorities.

Veitch v. Robert D. Davis, et al., Court of Common Pleas of Berks County, Pennsylvania, No. 12-1918

A putative shareholder derivative and class action lawsuit relating to VIST's merger with Tompkins Corporation ("Tompkins") was filed in the Court of Common Pleas of Berks County, Pennsylvania, on February 2, 2012, against 11 of VIST's directors ("Director Defendants"), Tompkins, TMP Mergeco, Inc., and VIST (as a nominal defendant). The complaint alleges that the consideration VIST's shareholders will receive in connection with the merger is inadequate and that the Director Defendants breached their fiduciary duties to shareholders and to VIST in negotiating and approving the merger agreement, including agreeing to allegedly "preclusive" merger terms, and engaging in self-dealing. Plaintiff also contends that by entering into the merger agreement with Tompkins, the Director Defendants committed corporate waste. Last, the complaint alleges that Tompkins and TMP Mergeco, Inc. aided and abetted the alleged breaches by the Director Defendants. The complaint seeks various forms of relief, including injunctive relief that would, if granted, prevent the merger from being consummated in accordance with the agreed-upon terms.

VIST has not yet responded to the complaint. The defendants believe that the allegations are without merit and intend to defend the action vigorously. Because no discovery has been taken, it is too early to assess the likelihood of any liability against VIST and the Director Defendants.

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Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion summarizes VIST's results of operations and highlights material changes for the three months ended March 31, 2012 and 2011, the years ended December 31, 2011, 2010 and 2009, and its financial condition as of March 31, 2012, December 31, 2011 and December 31, 2010. This discussion is intended to provide additional information which may not be readily apparent from the consolidated selected financial data included in this joint proxy statement/prospectus. Reference should be made to the selected financial data presented for a complete understanding of the following discussion and analysis.

Overview. Management's discussion and analysis represents an overview of the financial condition and results of operations, and highlights the significant changes in the financial condition and results of operations, as presented in the accompanying consolidated financial statements for VIST, VIST Bank, VIST Insurance and VIST Capital Management.

On January 25, 2012, VIST entered into a definitive merger agreement under which Tompkins will acquire VIST. VIST Bank will operate as a subsidiary of Tompkins with a separate banking charter, local management team, and local Board of Directors. The transaction is expected to close early in the third quarter of 2012, subject to required regulatory approvals and other customary conditions, including required shareholder approval.

Critical Accounting Policies. VIST's consolidated financial statements are prepared based upon the application of U.S. generally accepted accounting principles ("U.S. GAAP"). The reporting of our financial condition and results of operations is impacted by the application of accounting policies by management, some of which are particularly sensitive and require significant judgments, estimates and assumptions to be made in matters that are inherently uncertain. These accounting policies, along with the disclosures presented in other financial statement notes and in this financial review, provide information on how significant assets and liabilities are valued in the financial statements and how those values are determined. Management views critical accounting policies to be those which are highly dependent on subjective or complex judgments, estimates and assumptions, and where changes in those estimates and assumptions could have a significant impact on the consolidated financial statements. Management currently views the determination of the allowance for loan losses, revenue recognition for insurance activities, stock based compensation, derivative financial instruments, goodwill and intangible assets, fair value measurements including other than temporary impairment losses on available for sale securities, the valuation of junior subordinated debt and related hedges, the valuation of deferred tax assets and the effects of any business combinations.

Goodwill and Other Intangible Assets. VIST had goodwill and other intangible assets of $19.8 million at December 31, 2011, related to the acquisition of its banking, insurance and wealth management companies. VIST utilizes a third party valuation service to perform its goodwill impairment test both on an interim and annual basis. A fair value is determined for the banking and financial services, insurance services and investment services reporting units. If the fair value of the reporting business unit exceeds the book value, then no impairment write down of goodwill is necessary (a Step One evaluation). If the fair value is less than the book value, then an additional test (a Step Two evaluation) is necessary to assess goodwill for potential impairment. As a result of the goodwill impairment valuation analysis, VIST determined that a $25.1 million goodwill impairment write-off for all of its reporting units was necessary for the year ended December 31, 2011. For additional information, refer to *Note 8 Goodwill and Other Intangible Assets* of the consolidated financial statements.

Reporting unit valuation is inherently subjective, with a number of factors based on assumption and management judgments. Among these are future growth rates, discount rates and earnings capitalization rates. Changes in assumptions and results due to economic conditions, industry factors

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and reporting business unit performance could result in different assessments of the fair value and could result in impairment charges in the future.

Framework for Interim Impairment Analysis. VIST utilizes the following framework from FASB ASC 350 "Intangibles Goodwill & Other" to evaluate whether an interim goodwill impairment test is required, given the occurrence of events or if circumstances change that would more likely than not reduce the fair value of a reporting unit below its carrying amount. Examples of such events or circumstances include:

- a significant adverse change in legal factors or in the business climate;
- an adverse action or assessment by a regulator;
- unanticipated competition;
- a loss of key personnel;
- a more-likely-than-not expectation that a reporting unit or a significant portion of a reporting unit will be sold or otherwise disposed of;
- Financing Transactions," of a significant asset group within a reporting unit; and
- recognition of a goodwill impairment loss in the financial statements of a subsidiary that is a component of a reporting unit.

When applying the framework above, management additionally considers that a decline in VIST's market capitalization could reflect an event or change in circumstances that would more likely than not reduce the fair value of reporting business unit below its carrying value. However, in considering potential impairment of goodwill, management does not consider the fact that our market capitalization is less than the carrying value of our Company to be determinative that impairment exists. This is because there are factors, such as our small size and small market capitalization, which do not take into account important factors in evaluating the value of our Company and each reporting business unit, such as the benefits of control or synergies. Consequently, management's annual process for evaluating potential impairment of our goodwill (and evaluating subsequent interim period indicators of impairment) involves a detailed level analysis and incorporates a more granular view of each reporting business unit than aggregate market capitalization, as well as significant valuation inputs.

Annual and Interim Impairment Tests and Results. Management estimates fair value annually utilizing multiple methodologies which include discounted cash flows, comparable companies and comparable transactions. Each valuation technique requires management to make judgments about inputs and assumptions which form the basis for financial projections of future operating performance and the corresponding estimated cash flows. The analyses performed require the use of objective and subjective inputs which include market-price of non-distressed financial institutions, similar transaction multiples, and required rates of return. Management works closely in this process with third party valuation professionals, who assist in obtaining comparable market data and performing certain of the calculations, based on information provided and assumptions made by management.

FASB ASC 820 "Fair Value Measurements and Disclosures" defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value measurement assumes that the transaction to sell or transfer the asset or transfer the liability occurs in the principal market for the asset or liability, or in the absence of a principal market, the most advantageous market for the asset or liability. FASB ASC 820 further defines market participants as buyers and sellers in the principal market that are (i) independent, (ii) knowledgeable, (iii) able to transact and (iv) willing to transact.

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FASB ASC 820 establishes a fair value hierarchy to prioritize the inputs used in valuation techniques:

1. Level 1 inputs are observable inputs that reflect quoted prices for identical assets or liabilities in active markets.

2. Level 2 inputs are inputs other than quoted prices included in level 1 that are observable for the asset or liability through corroboration with observable market data

3. Level 3 inputs are unobservable inputs, such as a company's own data

VIST will continue to monitor the interim indicators noted in FASB ASC 350 to evaluate whether an interim goodwill impairment test is required, given the occurrence of events or if circumstances change that would more likely than not reduce the fair value of a reporting unit below its carrying amount, absent those events, VIST will perform its annual goodwill impairment evaluation during the fourth quarter of each calendar year.

Consideration of Market Capitalization in Light of the Results of Our Annual and Interim Goodwill Assessments. VIST's stock price, like the stock prices of many other financial services companies, is trading below both book value as well as tangible book value. We believe that VIST's current market value does not represent the fair value of VIST when taken as a whole and in consideration of other relevant factors. Because VIST is viewed by investors predominantly as a community bank, we believe our market capitalization is based on net tangible book value, reduced by nonperforming assets in excess of the allowance for loan losses. We believe that the market place ascribes effectively no value to VIST's fee-based reporting units, the assets of which are composed principally of goodwill and intangibles. Management believes that as a stand-alone business each of these reporting units has value which is not being incorporated in the market's valuation of VIST reflected in the share price. Management also believes that if these reporting units were carved out of VIST and sold, they would command a sales price reflective of their current performance. Management further believes that if these reporting units were sold, the results of the sale would increase both the tangible book value (resulting from, among other things, the reduction in associated goodwill) and therefore market capitalization, given the market's current valuation approach described above.

Determination of the Allowance for Loan Losses. The level of the allowance for credit losses and the provision for credit losses involve significant estimates by management. In evaluating the adequacy of the allowance for loan losses, management considers the specific collectability of impaired and nonperforming loans, past loan loss experience, known and inherent risks in the portfolio, adverse situations that may affect borrowers ability to repay (including the timing of future payments), the estimated value of any underlying collateral, composition of the loan portfolio, current economic conditions and other relevant qualitative factors. While management uses available information to make such evaluations, future adjustments to the allowance for credit losses and the provision for credit losses may be necessary if economic conditions, loan credit quality, or collateral issues differ substantially from the factors and assumptions used in making the evaluation.

The allowance for loan losses is evaluated on a regular basis by management and consists of specific and general components. The specific component relates to loans that are classified as either loss, doubtful, substandard or special mention. For such loans that are also classified as impaired, an allowance is established when the discounted cash flows (or collateral value or observable market price) of the impaired loan are lower than the carrying value of that loan. The general component covers non-classified loans and is based on historical industry loss experience adjusted for qualitative factors. A loan is considered impaired when, based on current information and events, it is probable that we will be unable to collect the scheduled payments of principal or interest when due according to the contractual terms of the loan agreement. Factors considered by management in determining impairment include payment status, collateral value, and the probability of collecting scheduled principal and

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interest payments when due. Loans that experience insignificant payment delays and payment shortfalls generally are not classified as impaired.

Management determines the significance of payment delays and payment shortfalls on a case-by-case basis, taking into consideration all of the circumstances surrounding the loan and the borrower, including the length of the delay, the reasons for the delay, the borrower's prior payment record, and the amount of the shortfall in relation to the principal and interest owed. Impairment is measured on a loan by loan basis for commercial and commercial real estate loans by either the present value of expected future cash flows discounted at the loan's effective interest rate, the loan's obtainable market price, or the fair value of the collateral if the loan is collateral dependent.

The allowance for loan losses is established as losses are estimated to have occurred through a provision for loan losses charged to earnings. Loan losses are charged against the allowance when management believes the uncollectibility of a loan balance is confirmed. Subsequent recoveries, if any, are credited to the allowance.

Revenue Recognition for Insurance Activities. Insurance revenues are derived from commissions and fees. Commission revenues, as well as the related premiums receivable and payable to insurance companies, are recognized the later of the effective date of the insurance policy or the date the client is billed, net of an allowance for estimated policy cancellations. The reserve for policy cancellations is periodically evaluated and adjusted as necessary. Commission revenues related to installment premiums are recognized as billed. Commissions on premiums billed directly by insurance companies are generally recognized as income when received. Contingent commissions from insurance companies are generally recognized as revenue when the data necessary to reasonably estimate such amounts is obtained. A contingent commission is a commission paid by an insurance company that is based on the overall profit and/or volume of the business placed with the insurance company. Fee income is recognized as services are rendered.

Stock-Based Compensation. FASB Accounting Standards Codification ("ASC") 718, "Share-Based Payment" addresses the accounting for share-based payment transactions subsequent to 2006 in which an enterprise receives employee services in exchange for (a) equity instruments of the enterprise or (b) liabilities that are based on the fair value of the enterprise's equity instruments or that may be settled by the issuance of such equity instruments. FASB ASC 718 requires an entity to recognize the grant-date fair-value of stock options and its other equity-based compensation issued to the employees in the consolidated statements of operations. The revised Statement generally requires that an entity account for those transactions using the fair-value-based method, and eliminates the intrinsic value method of accounting in APB Opinion No. 25. "Accounting for Stock Issued to Employees," which was permitted under FASB ASC 718, as originally issued. Effective January 1, 2006, VIST adopted FASB ASC 718 using the modified prospective method. Any additional impact the adoption of this statement will have on our results of operations will be determined by share-based payments granted in future periods.

Derivative Financial Instruments. VIST maintains an overall interest rate risk-management strategy that incorporates the use of derivative instruments to minimize significant unplanned fluctuations in earnings that are caused by interest rate volatility. VIST's goal is to manage interest rate sensitivity by modifying the repricing or maturity characteristics of certain balance sheet assets and liabilities so that the net interest margin is not, on a material basis, adversely affected by movements in interest rates. As a result of interest rate fluctuations, hedged assets and liabilities will appreciate or depreciate in market value. The effect of this unrealized appreciation or depreciation will generally be offset by income or loss on the derivative instruments that are linked to the hedged assets and liabilities. VIST views this strategy as a prudent management of interest rate sensitivity, such that earnings are not exposed to undue risk presented by changes in interest rates.

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By using derivative instruments, VIST is exposed to credit and market risk. If the counterparty fails to perform, credit risk exists to the extent of the fair value gain in a derivative. When the fair value of a derivative contract is positive, this generally indicates that the counterparty owes VIST, and, therefore, creates a repayment risk for VIST. When the fair value of a derivative contract is negative, VIST owes the counterparty and, therefore, it has no repayment risk. VIST minimizes the credit (or repayment) risk in the derivative instruments by entering into transactions with high quality counterparties.

Market risk is the adverse effect that a change in interest rates, currency, or implied volatility rates has on the value of a financial instrument. VIST manages the market risk associated with interest rate contracts by establishing and monitoring limits as to the types and degree of risk that may be undertaken. VIST periodically measures this risk by using value-at-risk methodology (refer to Note 14 of the consolidated financial statements for information on interest rate swap and interest rate cap agreements VIST has used to manage its exposure to interest rate risk).

Investment Securities Impairment Evaluation. Management evaluates investment securities for other-than-temporary impairment at least on a quarterly basis, and more frequently when economic or market concerns warrant such evaluation. Factors that may be indicative of impairment include, but are not limited to, the following:

- Fair value below cost and the length of time
- Adverse condition specific to a particular investment
- Rating agency activities (e.g., downgrade)
- Financial condition of an issuer
- Dividend activities
- Suspension of trading
- Management intent
- Changes in tax laws or other policies
- Subsequent market value changes
- Economic or industry forecasts

Other-than-temporary impairment means management believes the security's impairment is due to factors that could include its inability to pay interest or dividends, its potential for default, and/or other factors. When a held to maturity or available for sale debt security is assessed for other-than-temporary impairment, management has to first consider (a) whether VIST intends to sell the security, and (b) whether it is more likely than not that VIST will be required to sell the security prior to recovery of its amortized cost basis. If one of these circumstances applies to a security, an other-than-temporary impairment loss is recognized in the statement of operations equal to the full amount of the decline in fair value below amortized cost. If neither of these circumstances applies to a security, but VIST does not expect to recover the entire amortized cost basis, an other-than-temporary impairment loss has occurred that must be separated into two categories: (a) the amount related to credit loss, and (b) the amount related to other factors. In assessing the level of other-than-temporary impairment attributable to credit loss, management compares the present value of cash flows expected to be collected with the amortized cost basis of the security. The portion of the total other-than-temporary impairment related to credit loss is recognized in earnings (as the difference between the fair value and the present value of the estimated cash flows), while the amount related to other factors is recognized in other comprehensive income. The total other-than-temporary impairment loss is presented in the statement of operations, less the portion recognized in other comprehensive income. When a debt security

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becomes other-than-temporarily impaired, its amortized cost basis is reduced to reflect the portion of the total impairment related to credit loss.

If a decline in market value of a security is determined to be other than temporary, under generally accepted accounting principles, we are required to write these securities down to their estimated fair value. As of December 31, 2011, we owned single issuer and pooled trust preferred securities of other financial institutions, private label collateralized mortgage obligations and equity securities whose aggregate historical cost basis is greater than their estimated fair value (see Note 5 of the consolidated financial statements). We reviewed all investment securities and have identified those securities that are other-than-temporarily impaired. The losses associated with these other-than-temporarily impaired securities have been bifurcated into the portion of non-credit impairment losses recognized in other comprehensive loss and into the portion of credit impairment losses recorded in earnings (see consolidated statements of comprehensive income). We perform an ongoing analysis of all investment securities utilizing both readily available market data and third party analytical models. Future changes in interest rates or the credit quality and strength of the underlying issuers may reduce the market value of these and other securities. If such decline is determined to be other than temporary, we will write them down through a charge to earnings to their then current fair value.

Federal Home Loan Bank Stock Impairment Evaluation. VIST Bank is required to maintain certain amounts of FHLB Stock as a member of the FHLB. These equity securities are "restricted" in that they can only be sold back to the respective institutions or another member institution at par. Therefore, they are less liquid than other tradable equity securities, their fair value is equal to amortized cost, and no impairment write-downs have been recorded on these securities during 2011, 2010, or 2009. As a result of the FDIC-assisted whole bank acquisition of Allegiance on November 19, 2010, the bank acquired $1.7 million in FHLB stock.

In December 2008, the FHLB of Pittsburgh suspended the payment of dividends and the repurchase of excess capital stock from member banks. The FHLB cited a significant reduction in the level of core earnings resulting from lower short-term interest rates, the increased cost of maintaining liquidity and constrained access to the debt markets at attractive rates and maturities as the main reasons for the decision to suspend dividends and the repurchase excess capital stock. As of December 31, 2011, the FHLB last paid a dividend in the third quarter of 2008. As a result of improved core earnings and a decrease in OTTI charges on non-agency investment securities, the FHLB repurchased stock totaling $283,000 and $1.3 million in 2010 and 2011, respectively. Subsequent to December 31, 2011, in February 2012 the FHLB continued its policy of repurchasing 5% of VIST Bank's excess outstanding FHLB Stock investment and reinstated paying a .10% cash dividend on VIST Bank's average outstanding FHLB Stock balance. Accounting guidance indicates that an investor in FHLB Pittsburgh capital stock should recognize impairment if it concludes that it is not probable that it will ultimately recover the par value of its shares. The decision of whether impairment exists is a matter of judgment that should reflect the investor's view of FHLB Pittsburgh's long-term performance, which includes factors such as its operating performance, the severity and duration of declines in the market value of its net assets related to its capital stock amount, its commitment to make payments required by law or regulation and the level of such payments in relation to its operating performance, the impact of legislation and regulatory changes on FHLB Pittsburgh, and accordingly, on the members of FHLB Pittsburgh and its liquidity and funding position. After evaluating all of these considerations, VIST believes the par value of its shares will be recovered. Future evaluations of the above mentioned factors could result in VIST recognizing an impairment charge.

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FINANCIAL CONDITION AS OF MARCH 31, 2012 AND DECEMBER 31, 2011

Total assets decreased by $21.7 million or 1.5%, to $1.41 billion at March 31, 2012 from $1.43 billion at December 31, 2011. The overall decrease in assets was attributable to a $10.7 million, or 2.8% decrease in securities available for sale and by a $14.0 million or 1.5% decrease in the loan portfolio.

Investment Securities Portfolio

The overall securities portfolio decreased $10.7 million to $366.5 million at March 31, 2012, from $377.2 million at December 31, 2011 primarily due to the sales and principal repayments of available for sale securities. Investment security purchases and sales generally occur to manage VIST Bank's liquidity requirements, pledging requirements, interest rate risk, and to enhance net interest margin and capital management. The available-for-sale securities portfolio is evaluated regularly for possible opportunities to increase earnings through potential sales or portfolio repositioning. During the first three months of 2012, proceeds of $32.0 million were received on sales of available-for-sale securities, and $577,000 was recognized in net gains, while available-for-sale investment securities of $46.4 million were purchased. During the first three months of 2011, proceeds of $16.9 million were received on sales of available-for-sale securities, and $89,000 was recognized in net gains, while available-for-sale securities of $40.0 million were purchased. Securities classified as available for sale are marketable equity securities, and those debt securities that we intend to hold for an undefined period of time, but not necessarily to maturity. Any decision to sell an available-for-sale investment security would be based on various factors, including significant movements in interest rates, changes in maturity mix of assets and liabilities, liquidity needs, regulatory capital considerations, reasonable gain realization, changes in the creditworthiness of the issuing entity, changes in investment strategy and portfolio mix, and other similar factors. Changes in unrealized gains or losses on available-for-sale investment securities, net of taxes, are recorded as other comprehensive income, a component of stockholders' equity. Debt securities that management has the positive ability and intent to hold to maturity are classified as held-to-maturity and recorded at amortized cost.

The available-for-sale securities portfolio included an after-tax net unrealized gain of $1.1 million at March 31, 2012, as compared to an after-tax net unrealized loss of $1.4 million at December 31, 2011. In addition, the held-to-maturity securities portfolio included an after-tax net unrealized gain of $29,000 at March 31, 2012, as compared to an after-tax net unrealized gain of $18,000 at December 31, 2011. Changes in long-term treasury interest rates, underlying collateral and credit concerns and dislocation and illiquidity in the current market continue to contribute to the decrease in the fair market value of certain securities.

Securities of $277.3 million were pledged to secure certain public, trust, and government deposits and for other purposes at March 31, 2012, as compared to and $290.1 million at December 31, 2011.

Management evaluates investment securities for other-than-temporary impairment at least on a quarterly basis, and more frequently when economic or market concerns warrant such evaluation. Factors that may be indicative of impairment include, but are not limited to, the following:

- Fair value below cost and the length of time
- Adverse condition specific to a particular investment
- Rating agency activities (e.g., downgrade)
- Financial condition of an issuer
- Dividend activities
- Suspension of trading

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Management intent

Changes in tax laws or other policies

Subsequent market value changes

Economic or industry forecasts

Other-than-temporary impairment means management believes the security's impairment is due to factors that could include the issuer's inability to pay interest or dividends, the issuer's potential for default, and/or other factors. When a held to maturity or available for sale debt security is assessed for other-than-temporary impairment, management has to first consider (a) whether VIST intends to sell the security, and (b) whether it is more likely than not that VIST will be required to sell the security prior to recovery of its amortized cost basis. If one of these circumstances applies to a security, an other-than-temporary impairment loss is recognized in the statement of operations equal to the full amount of the decline in fair value below amortized cost. If neither of these circumstances applies to a security, but VIST does not expect to recover the entire amortized cost basis, an other-than-temporary impairment loss has occurred that must be separated into two categories: (a) the amount related to credit loss, and (b) the amount related to other factors. In assessing the level of other-than-temporary impairment attributable to credit loss, management compares the present value of cash flows expected to be collected with the amortized cost basis of the security. The portion of the total other-than-temporary impairment related to credit loss is recognized in earnings (as the difference between the fair value and the present value of the estimated cash flows), while the amount related to other factors is recognized in other comprehensive income. The total other-than-temporary impairment loss is presented in the statement of operations, less the portion recognized in other comprehensive income. When a debt security becomes other-than-temporarily impaired, its amortized cost basis is reduced to reflect the portion of the total impairment related to credit loss.

Loans, Credit Quality and Credit Risk

Gross loans decreased by $14.0 million to $943.9 million at March 31, 2012 from $957.9 million at December 31, 2011. The overall decrease in the loan portfolio was the result of commercial loan prepayments exceeding new commercial loan originations.

The various components of loans at March 31, 2012 and December 31, 2011, were as follows:

	March 31, 2012		**December 31, 2011**	
	Amount	**As a % of gross loans**	**Amount**	**As a % of gross loans**
	(dollars in thousands)			
Residential real estate one to four family	$ 124,155	13.9%	$ 129,335	14.3%
Residential real estate multi family	57,579	6.4%	57,776	6.4%
Commercial, industrial and agricultural	158,104	17.6%	158,018	17.4%
Commercial real estate	415,620	46.4%	418,589	46.1%
Construction	55,508	6.2%	56,824	6.3%
Consumer	1,913	0.2%	2,148	0.2%
Home equity lines of credit	83,176	9.3%	84,487	9.3%
Gross loans, excluding covered loans	896,055	100.0%	907,177	100.0%
Covered loans	47,814		50,706	
Total loans	943,869		957,883	
Allowance for loan losses	(13,664)		(14,049)	
Loans, net of allowance for loan losses	$ 930,205		$ 943,834	

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Commercial real estate loans are secured by real estate as evidenced by mortgages or other liens on nonfarm nonresidential properties, including business and industrial properties, hotels, motels, churches, hospitals, educational and charitable institutions and similar properties. Commercial real estate loans include owner-occupied and non-owner occupied loans, which amount to $155.6 million and $260.0 million, respectively, at March 31, 2012 as compared to $153.7 million and $264.9 million, respectively, at December 31, 2011.

VIST Bank is required to pledge residential and commercial real estate secured loans to collateralize its potential borrowing capacity with the FHLB. As of March 31, 2012, VIST Bank had pledged approximately $509.3 million in loans to the FHLB to secure its maximum borrowing capacity, as compared to $503.9 million at December 31, 2011.

VIST Bank occasionally buys or sells portions of commercial loans through participations with other financial institutions, but no significant transactions occurred during the first quarter of 2012. VIST Bank also performs loans sales of retail mortgage loans on a regular basis. VIST Bank does not buy or sell any retail consumer loans. For the first three months of 2012, VIST Bank sold $12.8 million of residential mortgage loans generating $143,000 of gains recognized on the sale, which were recorded in non-interest income in the Consolidated Statements of Operations. For the first three months of 2011, VIST Bank sold $8.9 million of residential mortgage loans generating $169,000 of gains recognized on the sale.

Covered Loans

Loans for which VIST Bank will share losses with the FDIC are referred to as "covered loans", and consist of loans acquired from Allegiance Bank as part of an FDIC-assisted transaction during the fourth quarter of 2010. Our covered loans totaled $47.8 million at March 31, 2012 as compared to $50.7 million at December 31, 2011. Under ASC Subtopic 310-30, loans may be aggregated and accounted for as pools of loans if the loans being aggregated have common risk characteristics. Of the loans acquired with evidence of credit deterioration, some of the loans were aggregated into ten pools of loans based on common risk characteristics such as credit risk and loan type. A pool is accounted for as one asset with a single composite interest rate, an aggregate fair value and expected cash flows. The carrying value of covered loans acquired and accounted for in accordance with ASC Subtopic 310-30, "Loans and Debt Securities Acquired with Deteriorated Credit Quality," was $24.9 million at March 31, 2012, as compared to $25.9 million at December 31, 2011.

The carrying value of covered loans not exhibiting evidence of credit impairment at the time of the acquisition (i.e. loans outside of the scope of ASC 310-30) was $22.9 million at March 31, 2012, as compared to $24.8 million at December 31, 2011. The fair value of the acquired loans not exhibiting evidence of credit impairment was determined by projecting contractual cash flows discounted at risk-adjusted interest rates.

For those covered loans and pools of covered loans accounted for under ASC Subtopic 310-30, the difference between the contractually required payments due and the cash flows expected to be collected, considering the impact of prepayments, is referred to as the non-accretable difference. The contractually required payments due represents the total undiscounted amount of all uncollected principal and interest payments. Contractually required payments due may increase or decrease for a variety of reasons, e.g. when the contractual terms of the loan agreement are modified, when interest rates on variable rate loans change, or when principal and/or interest payments are received. VIST Bank estimates the undiscounted cash flows expected to be collected by incorporating several key assumptions including probability of default, loss given default, and the amount of actual prepayments after the acquisition dates. The non-accretable difference, which is neither accreted into income nor recorded on our consolidated balance sheet, reflects estimated future credit losses and uncollectable contractual interest expected to be incurred over the life of the loans. The excess of cash flows

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expected to be collected over the carrying value of the covered loans is referred to as the accretable yield. This amount is accreted into interest income over the remaining life of the loans, or pool of loans, using the level yield method. The accretable yield is affected by changes in interest rate indices for variable rate loans, changes in prepayment assumptions, and changes in expected principal and interest payments over the estimated lives of the loans. Prepayments affect the estimated life of covered loans and could change the amount of interest income, and possibly principal, expected to be collected.

At both acquisition and subsequent reporting dates, VIST uses a third party service provider to assist with determining the contractual and estimated cash flows. VIST provides the third party with updated loan-level information derived from VIST's main operating system, contractually required loan payments and expected cash flows for each loan and loan pool are individually reviewed by VIST. Using this information, the third party provider determines both the contractual cash flows and cash flows expected to be collected. The loan-level information used to reforecast the cash flows is subsequently aggregated for those loans accounted for on a pool basis. The expected payment data, discount rates, impairment data and changes to the accretable yield received back from the third party are reviewed by VIST to determine whether this information is accurate and the resulting financial statement effects are reasonable.

Unlike contractual cash flows which are determined based on known factors, significant management assumptions are necessary in forecasting the estimated cash flows. We attempt to ensure the forecasted expectations are reasonable based on the information currently available; however, due to the uncertainties inherent in the use of estimates, actual cash flow results may differ from our forecast and the differences may be significant. To mitigate such differences, we carefully prepare and review the assumptions utilized in forecasting estimated cash flows.

In reforecasting future estimated cash flow, VIST will adjust the credit loss expectations for loan pools, as necessary. These adjustments are based, in part, on actual loss severities recognized for each loan type, as well as changes in the probability of default.

The following table summarizes the changes in the carrying amount of those covered loans and pools of covered loans accounted for under ASC Subtopic 310-30, at March 31, 2012 and December 31, 2011.

	Carrying Amount, Net	**Accretable Yield**
	(in thousands)	
Balance at January 1, 2011	$ 29,719	$ 5,811
Accretion	2,978	(2,978)
Payments Received	(6,272)	
Net increase in cash flows		4,000
Transfer to OREO	(550)	
Provision for losses on covered loans	(135)	
Balance at December 31, 2011	25,740	6,833
Accretion	993	(993)
Payments Received	(1,784)	
Net decrease in cash flows		(223)
Transfer to OREO		
Provision for losses on covered loans		
Balance at March 31, 2012	$ 24,949	$ 5,617

Although we recognized credit impairment for loans and certain pools, on an aggregate basis the acquired portfolio of covered loans are performing better than originally expected. Based on our current estimates, we expect to receive more future cash flows than originally modeled at the acquisition dates. For the loans and pools with better than expected cash flows, the forecasted increase is recorded as a prospective adjustment to our interest income on these loans and loan pools over future periods. A corresponding decrease in the FDIC indemnification asset due to the increase in expected cash flows for these loan pools is recognized on a prospective basis over the shorter period of the lives of the loan pools and the loss-share agreements accordingly. The offsetting expense is recorded as an impairment to the FDIC indemnification asset to other expense in the consolidated statement of operations.

Impaired Loans. VIST generally values impaired loans that are accounted for under FASB ASC 310, Accounting by Creditors for Impairment of a Loan ("FASB ASC 310"), based on the fair value of a loan's collateral. Loans are determined to be impaired when management has utilized current information and economic events and judged that it is probable that not all of the principal and interest due under the contractual terms of the loan agreement will be collected. Other than as described herein, management does not believe there are any significant trends, events or uncertainties that are reasonably expected to have a material impact on the loan portfolio to affect future results of operations, liquidity or capital resources. However, based on known information, management believes that the effects of current and past economic conditions and other unfavorable business conditions may impact certain borrowers' abilities to comply with their repayment terms and therefore may have an adverse effect on future results of operations, liquidity, or capital resources. Management closely monitors economic and business conditions and their impact on borrowers' financial strength. At March 31, 2012, the recorded investment in loans that were considered to be impaired under U.S. GAAP totaled $81.2 million, compared to $74.9 million at December 31, 2011. Management continues to diligently monitor and evaluate the existing portfolio, and identify credit concerns and risks, including those resulting from the current economy.

For the three months ended March 31, 2012, the average recorded investment in impaired loans was $77.8 million and interest income recognized on impaired loans was $693,000. For the three months ended March 31, 2011, the average recorded investment in impaired loans was $52.5 million and interest income recognized on impaired loans was $524,000.

Impaired Loans With a Related Allowance. At March 31, 2012, VIST had a recorded investment of $39.2 million in impaired loans with a related allowance, as compared to $45.8 million at December 31, 2011. This group of impaired loans and leases has a related allowance due to the probability that the borrower is not able to continue to make principal and interest payments due under the contractual terms of the loan or lease. Additionally, these loans appear to have insufficient collateral and VIST's principal may be at risk; as a result, a related allowance is established to estimate future potential principal losses.

Impaired Loans Without a Related Allowance. At March 31, 2012, VIST had a recorded investment of $42.0 million in impaired loans without a related allowance, as compared to $29.1 million at December 31, 2011. This group of impaired loans is considered impaired due to the likelihood of the borrower not being able to continue to make principal and interest payments due under the contractual terms of the loan. However, these loans appear to have sufficient collateral and VIST's principal does not appear to be at risk of probable principal losses; as a result, management believes a related allowance is not necessary.

Non-Performing Assets. Nonperforming assets consist of nonperforming loans and other real estate owned ("OREO"). Nonperforming loans consist of loans where the accrual of interest has been discontinued (i.e. non-accrual loans), and those loans that are 90 days or more past due and still accruing interest. Nonaccruing loans are no longer accruing interest income because of apparent financial difficulties of the borrower. Interest received on nonaccruing loans is recorded as income only after the past due principal is brought current and deemed collectible in full. Non-accrual loans that maintained a current payment status for six consecutive months are placed back on accrual status under

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VIST Bank's loan policy. Loans (excluding covered loans) on which the accrual of interest has been discontinued amounted to $41.4 million and $36.3 million at March 31, 2012 and December 31, 2011, respectively. A total of $9.6 million (represented by 22 loans) was added to non-accrual during the first three months of 2012, and a total of $2.3 million (represented by 14 loans) was removed from non-accrual. For the three months ended March 31, 2012, there was also $2.2 million of principal pay-downs on non accrual loans. Of the $9.6 million increase in non-accruals during 2012, $7.1 million or 74% of the increase was related to three loans.

OREO includes assets acquired through foreclosure, deed in-lieu of foreclosure, and loans identified as in-substance foreclosures. A loan is classified as an in-substance foreclosure when effective control of the collateral has been taken prior to completion of formal foreclosure proceedings. OREO is held for sale and is recorded at fair value less estimated costs to sell. Costs to maintain OREO and subsequent gains and losses attributable to OREO liquidation are included in the Consolidated Statements of Operations in other income and other expense as realized. No depreciation or amortization expense is recognized. OREO was $3.5 million and $3.7 million at March 31, 2012 and December 31, 2011, respectively. The decrease in OREO during the first three months of 2012 was attributable to the sale of two properties. At March 31, 2012, one OREO property amounted to $1.7 million or 49% of VIST's total OREO. VIST had thirteen OREO properties at March 31, 2012 and December 31, 2011.

The table below presents the various components of VIST's non-performing assets (excluding covered assets) at March 31, 2012 as compared to December 31, 2011:

	March 31, 2012	**December 31, 2011**
	(Dollar amounts in thousands)	
Non-accrual loans:		
Residential real estate one to four family	$ 7,161	$ 6,123
Residential real estate multi-family	2,485	2,556
Commercial, industrial and agricultural	2,182	2,314
Commercial real estate	5,850	5,686
Construction	21,631	17,457
Consumer	3	2
Home equity lines of credit	2,112	2,206
Total	41,424	36,344
Loans past due 90 days or more and still accruing:		
Residential real estate one to four family	1,137	
Residential real estate multi-family		
Commercial, industrial and agricultural		
Commercial real estate		
Construction		
Consumer		
Home equity lines of credit	13	239
Total	1,150	239
Total non-performing loans	42,574	36,583
Other real estate owned	3,479	3,724
Total non-performing assets	$ 46,053	$ 40,307

Troubled Debt Restructurings ("TDRs") As a result of adopting the amendments in ASU No. 2011-02 in the third quarter of 2011, VIST reassessed all restructurings that occurred on or after January 1, 2011, for which the borrower was determined to be troubled, for identification as

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TDRs. Upon identifying those receivables as TDRs, VIST identified them as impaired under the guidance in Section 310-10-35 of the Accounting Standards Codification. The amendments in ASU No. 2011-02 require prospective application of the impairment measurement guidance in Section 450-20 for those receivables newly identified as impaired.

TDRs may be modified by means of extended maturity at below market adjusted interest rates, a combination of rate and maturity, or by other means including covenant modifications, forbearance and other concessions. However, VIST generally only restructures loans by modifying the payment structure to interest only or by reducing the actual interest rate. Once a loan becomes a TDR, it will continue to be reported as a TDR until it is ultimately repaid in full, reclassified to loans held for sale, or foreclosed and sold.

The recorded investment in TDRs was $3.4 million at both March 31, 2012 and December 31, 2011. At March 31, 2012 and December 31, 2011, VIST had $2.5 million and $2.7 million of accruing TDRs while TDRs on nonaccrual status totaled $908,000 and $655,000 at March 31, 2012 and December 31, 2011, respectively. Some loan modifications classified as TDRs may not ultimately result in the full collection of principal and interest, as modified, and result in potential incremental losses. These potential incremental losses have been factored into our overall estimate of the allowance for loan losses. The level of any re-defaults will likely be affected by future economic conditions. At March 31, 2012 and December 31, 2011, the allowance for loan and lease losses included specific reserves of $186,000 and $245,000 related to TDRs, respectively.

The following table shows information on the troubled and restructured debt by loan portfolio for the three month period ended March 31, 2012:

	Three Months Ended March 31, 2012		
	Number of Contracts	Pre-Modification Outstanding Recorded Investment	Post-Modification Outstanding Recorded Investment
	(Dollars in thousands)		
Troubled Debt Restructurings:			
Commercial real estate	1	$ 150	$ 150
Total Troubled Debt Restructurings	1	$ 150	$ 150

	Three Months Ended March 31, 2011		
	Number of Contracts	Pre-Modification Outstanding Recorded Investment	Post-Modification Outstanding Recorded Investment
	(Dollars in thousands)		
Troubled Debt Restructurings:			
Residential real estate one to four family	1	$ 39	$ 39
Commercial industrial & agricultural	1	6	6
Commercial real estate	1	335	335
Total Troubled Debt Restructurings	3	$ 380	$ 380

For the three months ended March 31, 2012, VIST added an additional $150,000 in TDRs. VIST had no reserves allocated for loan loss for the additions in troubled debt restructurings made during the three months ending March 31, 2012. A default on a troubled debt restructured loan for purposes of this disclosure occurs when the borrower is 90 days past due or a foreclosure or repossession of the applicable collateral has occurred. There was $365,000 in defaults on troubled debt restructured loans

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that occurred during the three month periods ending March 31, 2012 on loans modified as a TDR within the previous 12 months.

	March 31, 2012	
	Number of Contracts	Recorded Investment
	(Dollar amounts in thousands)	
Troubled Debt Restructurings that subsequently defaulted:		
Residential real estate one to four family	1	$ 36
Commercial real estate	1	329
	2	$ 365

Allowance for Loan Losses. The allowance for loan losses at March 31, 2012 was $13.7 million, or 1.45% of outstanding loans, as compared to $14.0 million or 1.47% at December 31, 2011. In accordance with U.S. GAAP, the allowance for loan losses represents management's estimate of losses inherent in the loan and lease portfolio as of the balance sheet date and is recorded as a reduction to loans and leases. The allowance for loan losses is increased by the provision for loan losses, and decreased by charge-offs, net of recoveries. Loans deemed to be uncollectible are charged against the allowance for loan losses, and subsequent recoveries, if any, are credited to the allowance. All, or part, of the principal balance of loans receivable are charged off to the allowance as soon as it is determined that the repayment of all, or part, of the principal balance is highly unlikely. Non-residential consumer loans are generally charged off no later than 90 days past due on a contractual basis, earlier in the event of bankruptcy, or if there is an amount deemed uncollectible. Because all identified losses are immediately charged off, no portion of the allowance for loan losses is restricted to any individual loan or groups of loans, and the entire allowance is available to absorb any and all loan losses.

The allowance for loan losses is maintained at a level considered adequate to provide for losses that can be reasonably anticipated. Management performs a quarterly evaluation of the adequacy of the allowance, which is based on VIST's past loan loss experience, known and inherent risks in the portfolio, adverse situations that may affect the borrower's ability to repay, the estimated value of any underlying collateral, composition of the loan and lease portfolio, current economic conditions and other relevant factors. This evaluation is inherently subjective as it requires material estimates that may be susceptible to significant revision as more information becomes available.

The allowance consists of specific, general and unallocated components. The specific component relates to loans and leases that are classified as impaired. For such loans and leases, an allowance is established when the (i) discounted cash flows, or (ii) collateral value, or (iii) observable market price of the impaired loan is lower than the carrying value of that loan. The general component covers pools of loans by loan class including commercial loans not considered impaired, as well as smaller balance homogeneous loans, such as residential real estate, home equity loans, home equity lines of credit and other consumer loans. These pools of loans are evaluated for loss exposure based upon historical loss rates for each of these categories of loans, adjusted for relevant qualitative factors. Separate qualitative adjustments are made for higher-risk criticized loans that are not impaired. These qualitative risk factors include:

1. Lending policies and procedures, including underwriting standards and historical-based loss/collection, charge-off, and recovery practices.

2. National, regional, and local economic and business conditions as well as the condition of various market segments, including the value of underlying collateral for collateral dependent loans.

3. Nature and volume of the portfolio and terms of loans.

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4. Experience, ability, and depth of lending management and staff.

5. Volume and severity of past due, classified and nonaccrual loans as well as trends and other loan modifications.

6. Quality of VIST's loan review system, and the degree of oversight by VIST's Board of Directors.

7. Existence and effect of any concentrations of credit and changes in the level of such concentrations.

8. Effect of external factors, such as competition and legal and regulatory requirements.

Each factor is assigned a value to reflect improving, stable or declining conditions based on management's best judgment using relevant information available at the time of the evaluation.

An unallocated component is maintained to cover uncertainties that could affect management's estimate of probable losses. The unallocated component of the allowance reflects the margin of imprecision inherent in the underlying assumptions used in the methodologies for estimating specific and general losses in the portfolio.

A loan is considered impaired when, based on current information and events, it is probable that VIST will be unable to collect the scheduled payments of principal or interest when due according to the contractual terms of the loan agreement. Factors considered by management in determining impairment include payment status, collateral value and the probability of collecting scheduled principal and interest payments when due. Loans that experience insignificant payment delays and payment shortfalls generally are not classified as impaired. Management determines the significance of payment delays and payment shortfalls on a case-by-case basis, taking into consideration all of the circumstances surrounding the loan and the borrower, including the length of the delay, the reasons for the delay, the borrower's prior payment record and the amount of the shortfall in relation to the principal and interest owed. Impairment is measured on a loan by loan basis for all criticized and classified loans by either the present value of expected future cash flows discounted at the loan's effective interest rate or the fair value of the collateral if the loan is collateral dependent.

An allowance for loan losses is established for an impaired loan if its carrying value exceeds its estimated fair value. The estimated fair values of substantially all of VIST's impaired loans are measured based on the estimated fair value of the loan's collateral.

For commercial loans secured by real estate, estimated fair values are determined primarily through third-party appraisals or evaluations. When a real estate secured loan becomes impaired, a decision is made regarding whether an updated certified appraisal of the real estate is necessary. This decision is based on various considerations, including the age of the most recent appraisal, the loan-to-value ratio based on the original appraisal and the condition of the property. Appraised values are discounted to arrive at the estimated selling price of the collateral, which is considered to be the estimated fair value. The discounts also include estimated costs to sell the property.

For commercial and industrial loans secured by non-real estate collateral, such as accounts receivable, inventory and equipment, estimated fair values are determined based on the borrower's financial statements, inventory reports, accounts receivable agings or equipment appraisals or invoices. Indications of value from these sources are generally discounted based on the age of the financial information or the quality of the assets.

For loans that are not rated as criticized or classified, VIST collectively evaluates the loans for impairment based upon homogeneous loan groups.

Loans whose terms are modified are classified as troubled debt restructurings if VIST grants such borrowers concessions and it is deemed that those borrowers are experiencing financial difficulty.

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Concessions granted under a troubled debt restructuring generally involve a temporary reduction in interest rate, an extension of a loan's stated maturity date or a change in the loan payment to interest-only. For troubled debt restructurings on loans that are accruing interest, VIST will continue to accrue interest based upon the modified terms. Troubled debt restructurings on loans not accruing interest are restored to accrual status if principal and interest payments, under the modified terms, are current for six consecutive months after modification. Loans classified as troubled debt restructurings are tested for impairment.

The allowance calculation methodology includes further segregation of loan classes into risk rating categories. The borrower's overall financial condition, repayment sources, guarantors and value of collateral, if appropriate, are evaluated annually for commercial loans or when credit deficiencies arise, such as delinquent loan payments, for commercial and consumer loans. Credit quality risk ratings include regulatory classifications of special mention, substandard, doubtful and loss. Loans criticized as special mention have potential weaknesses that deserve management's close attention. If uncorrected, the potential weaknesses may result in deterioration of the repayment prospects. Loans classified substandard have a well-defined weakness or weaknesses that jeopardize the liquidation of the debt. They include loans that are inadequately protected by the current sound net worth and paying capacity of the obligor or of the collateral pledged, if any. Loans classified doubtful have all the weaknesses inherent in loans classified substandard with the added characteristic that collection or liquidation in full, on the basis of current conditions and facts, is highly improbable. Loans classified as a loss are considered uncollectible and are charged to the allowance for loan losses. Loans not classified are rated pass.

In addition, Federal regulatory agencies, as an integral part of their examination process, periodically review VIST's allowance for loan losses and may require VIST to recognize additions to the allowance based on their judgments about information available to them at the time of their examination, which may not be currently available to management. Based on management's comprehensive analysis of the loan portfolio, management believes the current level of the allowance for loan losses is adequate.

Amounts were allocated to specific loan categories based upon management's classification of loans under VIST's internal loan grading system and assessment of near-term charge-offs and losses existing in specific larger balance loans that are reviewed in detail by VIST's internal loan review department and pools of other loans that are not individually analyzed. The allocation is made for analytical purposes and is not necessarily indicative of the categories in which future credit losses may occur.

The following table presents the allocation of VIST's allowance for loan losses ("ALLL") by portfolio segment at March 31, 2012, as compared to December 31, 2011.

	March 31, 2012		**December 31, 2011**	
	Amount	**% of ALLL**	**Amount**	**% of ALLL**
	(Dollar amounts in thousands)			
Residential real estate one-to-four family	$ 2,383	17.4%	$ 2,562	18.2%
Residential real estate multi-family	1,022	7.5	692	4.9
Commercial, industrial and agricultural	1,718	12.6	1,744	12.4
Commercial real estate	3,407	24.9	3,130	22.3
Construction	3,082	22.6	3,506	25.0
Consumer	120	0.9	116	0.8
Home equity lines of credit	1,794	13.1	2,164	15.4
Covered Loans	135	1.0	135	1.0
Allocated	13,661	100.0	14,049	100.0
Unallocated	3	0.0		0.0
Total	$ 13,664	100.0%	$ 14,049	100.0%

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The following table presents the activity related to VIST's allowance for loan losses for the three months ended March 31, 2012 and 2011:

	Three Months Ended March 31,	
	2012	**2011**
	(Dollar amounts in thousands)	
Balance of allowance for loan losses, beginning of period	$ 14,049	$ 14,790
Loans charged-off:		
Residential real estate one-to-four family	(366)	(196)
Residential real estate multi-family		(190)
Commercial, industrial and agricultural	(100)	(207)
Commercial real estate	(172)	(535)
Construction	(1,420)	(135)
Consumer	(64)	(39)
Home equity lines of credit	(696)	(475)
Total loans charged-off	(2,818)	(1,777)
Recoveries of loans previously charged-off:		
Residential real estate one-to-four family	74	14
Residential real estate multi-family	14	1
Commercial, industrial and agricultural	28	11
Commercial real estate		1
Construction	106	
Consumer	1	1
Home equity lines of credit	10	12
Total recoveries	233	40
Net loan charge-offs	(2,585)	(1,737)
Provision for loan losses	2,200	2,230
Balance of allowance for loan losses, end of period	$ 13,664	$ 15,283
Net charge-offs to average total loans (annualized)	1.09%	0.69%
Allowance for loan losses to total loans outstanding	1.45%	1.55%
Total loans outstanding at end of period (net of unearned income)	$ 943,869	$ 989,012
Average balance of total loans outstanding during the period	$ 948,244	$ 1,006,670

FDIC Indemnification Asset Related to Covered Loans and Foreclosed Assets

The receivable arising from the loss sharing agreements (referred to as the "FDIC indemnification asset" on our statements of financial condition) is measured separately from the covered loans and loan pools because the agreements are not contractually part of the covered loans and are not transferable should VIST Bank choose to dispose of the covered loans. As of the acquisition date of the FDIC-assisted transaction, we recorded an aggregate FDIC indemnification asset of $7.0 million, consisting of the present value of the expected future cash flows VIST Bank expected to receive from the FDIC under the loss sharing agreements. The FDIC indemnification asset is reduced as the loss sharing payments are received from the FDIC for losses realized on covered loans and other real estate owned acquired in the FDIC-assisted transactions. Actual or expected losses in excess of the acquisition date estimates and accretion of the acquisition date present value discount will result in an increase in the FDIC indemnification asset and the immediate recognition of non-interest income in our financial statements.

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A decrease in expected losses would generally result in a corresponding decline in the FDIC indemnification asset and the non-accretable difference. Reductions in the FDIC indemnification asset due to actual or expected losses that are less than the acquisition date estimates are recognized prospectively over the shorter of (i) the estimated life of the applicable pools of covered loans or (ii) the term of the loss sharing agreements with the FDIC.

The following table presents changes in the FDIC indemnification asset for the three months ended March 31, 2012:

	Three Months Ended March 31, 2012 (in thousands)
Balance, beginning of the period	$ 6,381
Discount accretion of the present value at the acquisition dates	17
Prospective adjustment for additional cash flows	(197)
Increase due to impairment on covered loans	
Reimbursements from the FDIC	
Balance, end of period	$ 6,201

Deposits

The components of VIST's deposits at March 31, 2012 as compared to December 31, 2011 were as follows:

	March 31, 2012	December 31, 2011
	(in thousands)	
Demand, non-interest bearing	$ 124,381	$ 129,394
Demand, interest bearing	474,378	469,578
Savings	172,799	168,530
Time, $100,000 and over	221,731	238,749
Time, other	171,707	181,198
Total deposits	$ 1,164,996	$ 1,187,449

Non-interest bearing deposits decreased to $124.4 million at March 31, 2012, from $129.4 million at December 31, 2011, a decrease of $5.0 million or 3.9%. Despite the decrease in non-interest bearing demand accounts, management continues its efforts to promote growth in these types of deposits, such as offering a free checking product, as a strategy to help reduce VIST's overall cost of funds. Interest bearing deposits decreased $17.4 million, or 1.6% during the first three months of 2012. Management continues to promote these types of deposits through a disciplined pricing strategy as a means of managing VIST's overall cost of funds, as well as management's continuing emphasis on increasing market share through commercial and retail marketing programs and customer service.

Borrowings

Borrowed funds from various sources are generally used to supplement deposit growth. There were no Federal funds purchased at either March 31, 2012 or December 31, 2011. Federal funds purchased typically mature in one day. A decrease in commercial lending levels has reduced the need for VIST to borrow overnight funds. Short-term securities sold under agreements to repurchase were $3.1 million and $3.4 million at March 31, 2012 and December 31, 2011, respectively. Long-term securities sold under agreements to repurchase were at $100.0 million at both March 31, 2012 and December 31, 2011.

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Shareholders' Equity

Shareholders' equity decreased slightly by $155,000 to $115.5 million at March 31, 2012, as compared to $115.7 million at December 31, 2011. The decrease in shareholders' equity was attributable to a change in unrealized gains on available-for-sale securities (for additional information related to the changes in shareholder's equity, refer to the Consolidated Statement of Changes in Shareholder's Equity in VIST's Consolidated Financial Statements).

Regulatory Capital

Federal bank regulatory agencies have established certain capital-related criteria that must be met by banks and bank holding companies. The measurements which incorporate the varying degrees of risk contained within the balance sheet and exposure to off-balance sheet commitments were established to provide a framework for comparing different institutions.

Other than Tier 1 capital restrictions on VIST's junior subordinated debt discussed later, VIST is not aware of any pending recommendations by regulatory authorities that would have a material impact on VIST's capital, resources, or liquidity if they were implemented.

The adequacy of VIST's regulatory capital is reviewed on an ongoing basis with regard to size, composition and quality of VIST's resources. An adequate capital base is important for continued growth and expansion in addition to providing an added protection against unexpected losses.

An important indicator in the banking industry is the leverage ratio, defined as the ratio of common shareholders' equity less intangible assets, to average quarterly assets less intangible assets. The leverage ratio was 8.09% and 7.68% at March 31, 2012 and December 31, 2011, respectively.

As required by the federal banking regulatory authorities, guidelines have been adopted to measure capital adequacy. Under the guidelines, certain minimum ratios are required for core capital and total capital as a percentage of risk-weighted assets and other off-balance sheet instruments. For VIST, Tier 1 risk-based capital generally consists of common shareholders' equity less intangible assets plus the junior subordinated debt, and Tier 2 risk-based capital includes the allowable portion of the allowance for loan losses, currently limited to 1.25% of risk-weighted assets. Any portion of the allowance for loan losses that exceeds the 1.25% limit of risk-weighted assets is disallowed for Tier 2 risk-based capital but is used to adjust the overall risk weighted asset calculation. At March 31, 2012, $1.8 million of the allowance for loan losses was disallowed for Tier 2 risk-based capital, but was used to adjust the overall risk weighted assets used in the regulatory ratio calculations. At December 31, 2011, $2.1 million of the allowance for loan losses was disallowed for Tier 2 risk-based capital, but was used to adjust the overall risk weighted assets used in the regulatory ratio calculations. Under Tier 1 risk-based capital guidelines, any amount of net deferred tax assets that exceeds either forecasted net income for the period or 10% of Tier 1 risk-based capital is disallowed. At March 31, 2012, VIST had no net deferred tax assets disallowed in the Tier 1 risk-based capital calculation. At December 31, 2011, none of net deferred tax assets was disallowed in the Tier 1 risk-based capital calculation. By regulatory guidelines, the separate component of equity for unrealized appreciation or depreciation on available for sale securities is excluded from Tier 1 risk-based capital. In addition, federal banking regulatory authorities have issued a final rule restricting VIST's junior subordinated debt to 25% of Tier 1 risk-based capital. Amounts of junior subordinated debt in excess of the 25% limit generally may be included in Tier 2 risk-based capital. The final rule provided a five-year transition period, ending March 31, 2009. In 2009, the Federal Reserve extended this transition period to March 31, 2011. This will allow bank holding companies more flexibility in managing their compliance with these new limits in light of the current conditions of the capital markets. At March 31, 2012, the entire amount of these securities was allowable to be included as Tier 1 risk-based capital for VIST. At March 31, 2012 and December 31, 2011, VIST's regulatory capital ratios were above minimum regulatory guidelines.

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On December 19, 2008, VIST issued to the Treasury 25,000 shares of Series A Preferred Stock, with a par value of $0.01 per share and a liquidation preference of $1,000 per share, and a warrant to purchase 367,984 shares of VIST's common stock, par value $5.00 per share, for an aggregate purchase price of $25.0 million in cash.

The Series A Preferred Stock qualifies as Tier 1 capital and will pay cumulative dividends at a rate of 5% per annum for the first five years, and 9% per annum thereafter. The Series A Preferred Stock generally may be redeemed at any time following consultation by VIST's primary bank regulator and Treasury. Participants in the Capital Purchase Program desiring to repay part of an investment by Treasury must repay a minimum of 25% of the issue price of the preferred stock.

The following table sets forth VIST's capital ratios at March 31, 2012 and December 31, 2011:

	March 31, 2012	December 31, 2011
	(Dollar amounts in thousands)	
Tier 1 Capital		
Common shareholders' equity excluding unrealized gains (losses) on securities	$ 115,528	$ 115,683
Disallowed goodwill, intangible assets and deferred tax assets	(19,766)	(19,832)
Junior subordinated debt	18,281	18,384
Unrealized losses on available for sale debt securities	(1,397)	(1,809)
Total Tier 1 Capital	112,646	112,426
Tier 2 Capital		
Allowable portion of allowance for loan losses	12,007	12,117
Total Tier 2 Capital	12,007	12,117
Total risk-based capital	$ 124,653	$ 124,543
Risk adjusted assets (including off-balance sheet exposures)	$ 958,745	$ 967,298
Leverage ratio	8.09%	7.68%
Tier I risk-based capital ratio	11.75%	11.62%
Total risk-based capital ratio	13.00%	12.88%

Regulatory guidelines require VIST's Tier 1 capital ratio and the total risk-based capital ratio to be at least 4.0% and 8.0%, respectively.

On August 5, 2011, Standard & Poor's rating agency lowered the long-term rating of the U.S. government and federal agencies from AAA to AA+. With regard to this action, the federal banking agencies, which include the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, the National Credit Union Administration, and the Office of the Comptroller of the Currency, issued a press release which provided the following guidance to banks and bank holding companies:

For risk-based capital purposes, the risk weights for Treasury securities and other securities issued or guaranteed by the U.S. government, government agencies, and government-sponsored entities will not change. The treatment of Treasury securities and other securities issued or guaranteed by the U.S. government, government agencies, and government-sponsored entities under other federal banking agency regulations, including, for example, the Federal Reserve Board's Regulation W, will also be unaffected.

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FINANCIAL CONDITION AS OF DECEMBER 31, 2011 AND DECEMBER 31, 2010

Total assets were $1.43 billion at both December 31, 2011 and 2010. Overall, assets increased slightly throughout 2011. VIST used the proceeds from $38.2 million of deposit growth and $63.3 million of total loan run-off to fund $95.5 million of additional investment securities.

Investment Securities Portfolio

The securities portfolio increased to $377.2 million at December 31, 2011, from $281.8 million at December 31, 2010 primarily due to the purchase of available for sale investments in U.S. Government agency securities and agency mortgage-backed debt securities (for additional information, refer to *Note 5 Securities Available for Sale and Securities Held to Maturity* of the consolidated financial statements). Securities are used to supplement loan growth as necessary, to generate interest and dividend income, to manage interest rate risk, and to provide pledging and liquidity. To accomplish these ends, most of the purchases in the portfolio during 2011 and 2010 were residential agency mortgage-backed securities.

The following table sets forth the amortized cost of the investment securities at its last three fiscal year ends:

	As of December 31,		
	2011	2010	2009
	(Dollar amounts in thousands)		
Securities Available For Sale			
U.S. Government agency securities	$ 11,298	$ 11,648	$ 23,087
Agency residential mortgage-backed debt securities	318,620	216,956	183,104
Non-Agency collateralized mortgage obligations	8,166	13,663	22,970
Obligations of states and political subdivisions	24,647	33,141	33,436
Trust preferred securities single issuer	500	500	500
Trust preferred securities pooled	4,564	5,396	5,957
Corporate and other debt securities	2,570	1,117	2,444
Equity securities	3,224	3,345	3,368
Total	$ 373,589	$ 285,766	$ 274,866

	As of December 31,		
	2011	2010	2009
	(Dollar amounts in thousands)		
Securities Held to Maturity			
Trust preferred securities single issuer	$ 978	$ 2,007	$ 2,012
Trust preferred securities pooled	617	650	1,023
Total	$ 1,595	$ 2,657	$ 3,035

For financial reporting purposes, available for sale securities are carried at fair value.

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Investment Securities Portfolio Maturities and Yields

The following table sets forth information about the maturities and weighted average yield on VIST's securities portfolio. Floating rate securities are included in the "Due in 1 Year or Less" bucket. Yields are not reported on a tax equivalent basis.

	Amortized Cost at December 31, 2011						
	Due in 1 Year or Less	After 1 Year to 5 Years	After 5 Years to 10 Years	After 10 Years	No Stated Maturity	Total	Fair Value
	(Dollars in thousands except percentage data)						
Securities Available For Sale							
U.S. Government agency securities	$	$ 20	$ 7,366	$ 3,912	$	$ 11,298	$ 12,087
	%	7.08%	4.15%	6.24%	%	4.88%	
Obligations of states and political subdivisions	$	$	$	$ 24,647	$	$ 24,647	$ 25,437
	%	%	%	4.51%	%	4.51%	
Trust preferred securities single issuer	$	$	$	$ 500	$	$ 500	$ 125
Trust preferred securities pooled				4,564		4,564	1,828
Corporate and other debt securities			1,570	1,000		2,570	2,455
Equity securities				225	2,999	3,224	2,545
Total	$	$	$ 1,570	$ 6,289	$ 2,999	$ 10,858	$ 6,953
	%	%	5.01%	4.25%	2.30%	3.82%	
Agency residential mortgage-backed debt securities	$	$	$	$ 318,620		$ 318,620	324,971
Non-Agency collateralized mortgage obligations				8,166		8,166	6,243
Total	$	$	$	$ 326,786	$	$ 326,786	$ 331,214
	%	%	%	4.57%	%	4.57%	

	Amortized Cost at December 31, 2011						
	Due in 1 Year or Less	After 1 Year to 5 Years	After 5 Years to 10 Years	After 10 Years	No Stated Maturity	Total	Fair Value
	(Dollars in thousands except percentage data)						
Securities Held to Maturity							
Trust preferred securities single issuer	$	$	$	$ 978	$	$ 978	$ 1,036
Trust preferred securities pooled				617		617	577
Total	$	$	$	$ 1,595	$	$ 1,595	$ 1,613
	%	%	%	6.16%	%	6.16%	

The securities portfolio included a net unrealized gain on available for sale securities of $2.1 million and a net unrealized loss on available for sale securities of $6.0 million at December 31, 2011 and 2010, respectively. In addition, net unrealized gains of $18,000 and net unrealized losses of $769,000 were present in the held to maturity securities at December 31, 2011 and 2010, respectively. Changes in longer-term treasury interest rates, government monetary policy, the easing of underlying collateral and credit concerns, and dislocation in the current market were primarily responsible for the change in the fair market value of the securities.

Debt securities that management has the positive ability and intent to hold to maturity are classified as held-to-maturity and recorded at amortized cost. Securities classified as available for sale

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are those securities that VIST intends to hold for an indefinite period of time but not necessarily to maturity. Any decision to sell a security classified as available for sale would be based on various factors, including significant movement in interest rates, changes in maturity mix of VIST's assets and liabilities, liquidity needs, regulatory capital considerations and other similar factors. Securities available for sale are carried at fair value. Unrealized gains and losses are reported in other comprehensive income or loss, net of the related deferred tax effect. Realized gains or losses, determined on the basis of the cost of the specific securities sold, are included in earnings. Purchased premiums and discounts are recognized in interest income using a method which approximates the interest method over the terms of the securities. Declines in the fair value of held-to-maturity and available-for-sale securities below their cost that are deemed to be other than temporary are reflected in earnings as realized losses.

Management evaluates investment securities for other-than-temporary impairment at least on a quarterly basis, and more frequently when economic or market concerns warrant such evaluation. Factors that may be indicative of impairment include, but are not limited to, the following:

- Fair value below cost and the length of time
- Adverse condition specific to a particular investment
- Rating agency activities (e.g., downgrade)
- Financial condition of an issuer
- Dividend activities
- Suspension of trading
- Management intent
- Changes in tax laws or other policies
- Subsequent market value changes
- Economic or industry forecasts

Other-than-temporary impairment means management believes the security's impairment is due to factors that could include the issuer's inability to pay interest or dividends, the issuer's potential for default, and/or other factors. When a held to maturity or available for sale debt security is assessed for other-than-temporary impairment, management has to first consider (a) whether VIST intends to sell the security, and (b) whether it is more likely than not that VIST will be required to sell the security prior to recovery of its amortized cost basis. If one of these circumstances applies to a security, an other-than-temporary impairment loss is recognized in the statement of operations equal to the full amount of the decline in fair value below amortized cost. If neither of these circumstances applies to a security, but VIST does not expect to recover the entire amortized cost basis, an other-than-temporary impairment loss has occurred that must be separated into two categories: (a) the amount related to credit loss, and (b) the amount related to other factors. In assessing the level of other-than-temporary impairment attributable to credit loss, management compares the present value of cash flows expected to be collected with the amortized cost basis of the security. The portion of the total other-than-temporary impairment related to credit loss is recognized in earnings (as the difference between the fair value and the present value of the estimated cash flows), while the amount related to other factors is recognized in other comprehensive income. The total other-than-temporary impairment loss is presented in the statement of operations, less the portion recognized in other comprehensive income. When a debt security becomes other-than-temporarily impaired, its amortized cost basis is reduced to reflect the portion of the total impairment related to credit loss.

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Federal Home Loan Bank Stock

VIST had $5.8 million and $7.1 million of FHLB stock at December 31, 2011 and 2010, respectively. The decrease in FHLB stock was the result of stock repurchases by the FHLB throughout 2011, totaling $1.3 million. As a result of improved core earnings and a decrease in other-than-temporary impairment charges on non-agency investment securities, the FHLB repurchased stock from VIST Bank. VIST Bank is a voluntary member of the FHLB, which is one of 12 regional Federal Home Loan Banks. Each Federal Home Loan Bank serves as a reserve or central bank for its members within its assigned region. It is funded primarily from funds deposited by member institutions and proceeds from the sale of consolidated obligations of the Federal Home Loan Bank System. It makes loans to members (i.e., advances) in accordance with policies and procedures established by the board of directors of the FHLB. Investment in FHLB Stock is "restricted" as it is required to participate in FHLB programs.

Loans, Credit Quality and Credit Risk

Gross loans decreased by $63.3 million to $957.9 million at December 31, 2011 from $1.0 billion at December 31, 2010. The overall decrease in loans was mainly due to decreases in the one-to-four family portion of our residential real estate loan portfolio, our construction portfolio and our commercial real estate portfolio, partially offset by an increase in our commercial, industrial and agricultural portfolio.

The various components of loans at December 31 were as follows:

	December 31,				
	2011	2010	2009	2008	2007
	(Dollar amounts in thousands)				
Residential real estate one to four family	$ 129,335	$ 153,499	$ 168,862	$ 185,201	$ 197,540
Residential real estate multi family	57,776	53,497	38,994	34,869	33,457
Commercial, industrial and agricultural	158,018	150,097	153,404	177,266	167,370
Commercial real estate	418,589	427,546	358,834	322,581	282,983
Construction	56,824	78,202	100,713	89,556	79,414
Consumer	2,148	2,713	3,241	4,196	5,902
Home equity lines of credit	84,487	88,809	86,916	72,137	53,405
Gross loans, excluding covered loans	907,177	954,363	910,964	885,806	820,071
Covered loans	50,706	66,770			
Total loans	957,883	1,021,133	910,964	885,806	820,071
Allowance for loan losses	(14,049)	(14,790)	(11,449)	(8,124)	(7,264)
Loans, net of allowance for loan losses	$ 943,834	$ 1,006,343	$ 899,515	$ 877,682	$ 812,807

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The table below presents maturities the various components of loans, outstanding at December 31, 2011:

	Maturities of Outstanding Loans			
	Within One Year	After One But Within Five Years	After Five Years	Total
	(Dollar amounts in thousands)			
Residential real estate one to four family	$ 22,375	$ 37,244	$ 69,716	$ 129,335
Residential real estate multi family	3,760	40,573	13,443	57,776
Commercial, industrial and agricultural	72,837	45,504	39,677	158,018
Commercial real estate	47,102	232,003	139,484	418,589
Construction	37,113	14,041	5,670	56,824
Consumer	1,110	544	494	2,148
Home equity lines of credit	56,810	2,065	25,612	84,487
Gross loans, excluding covered loans	241,107	371,974	294,096	907,177
Covered loans	14,936	21,656	14,114	50,706
Total loans	$ 256,043	$ 393,630	$ 308,210	$ 957,883

At December 31, 2011 and 2010, VIST Bank had $530.7 million and $537.2 million in variable rate loans, respectively.

VIST Bank is required to pledge residential and commercial real estate secured loans to collateralize its potential borrowing capacity with the FHLB. At December 31, 2011, VIST Bank had pledged approximately $503.9 million in loans to the FHLB to secure its maximum borrowing capacity, as compared to $713.5 million at December 31, 2010.

VIST Bank occasionally buys or sells portions of commercial loans through participations with other financial institutions. During 2011, VIST Bank participated in a shared national credit with VIST Bank taking $15.0 million of the overall loan request. VIST Bank was comfortable in this request based upon the high credit quality of the borrowing entity, the fact that the business was within our lending area, and VIST Bank's commercial loan officer has had a long standing lending relationship with the client for a number of years. VIST Bank transacts sales of residential mortgages on a regular basis through VIST Mortgage. During 2011, VIST Bank sold $35.0 million of residential mortgage loans generating $702,000 of gains recognized on the sale, which were recorded as non-interest income. During 2010, VIST Bank sold $43.5 million of residential mortgage loans generating $963,000 of gains recognized on the sale.

Loan Policy and Procedure. VIST Bank's loan policies and procedures have been approved by the Board of Directors, based on the recommendation of VIST Bank's President, Chief Lending Officer, Chief Credit Officer, and the Risk Management Officer, who collectively establish and monitor credit policy issues. Application of the loan policy is the direct responsibility of those who participate either directly or administratively in the lending function.

VIST Bank's Relationship Managers originate loan requests through a variety of sources which include VIST Bank's existing customer base, referrals from directors and various networking sources (accountants, attorneys, and realtors), and market presence. Over the past several years, the effectiveness of VIST Bank's Relationship Managers have been significantly increased through (1) the hiring of experienced commercial lenders in VIST Bank's geographic markets, (2) VIST Bank's continued participation in community and civic events, (3) strong networking efforts, (4) local decision making, and (5) consolidation and other changes which are occurring with respect to other local financial institutions.

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A credit loan committee comprised of senior management approves commercial and consumer loans with total loan exposures in excess of $2.0 million. The executive loan committee comprised of senior management and 5 independent members from the Board of Directors approves commercial and consumer loans with total exposures in excess of $4.5 million up to VIST Bank's legal lending limit. One of the affirmative votes on both the credit and/or executive loan committee must be either the Chief Credit Officer or the Chief Lending Officer in order to ensure that proper standards are maintained.

Lending authorities are granted to individuals based on position and experience. All commercial loan approvals require dual signatures. Loans over $1,000,000 and up to $2,000,000 require the additional approval of the Chief Lending Officer, Chief Credit Officer, Senior Credit Officer and/or VIST Bank's Chief Executive Officer . Loans in excess of $2,000,000 are presented to VIST Bank's Credit Committee, comprised of the Chief Lending Officer, Chief Credit Officer, Senior Credit Officer, Chief Risk Officer (non-voting), and selected market Executives. The Credit Committee can approve loans up to $4,500,000 and recommend loans to the Executive Loan Committee for approval up to VIST Bank's legal lending limit of approximately $18.1 million at December 31, 2011. The Executive Loan Committee is comprised of VIST Bank CEO, the Chief Lending Officer, the Chief Credit Officer, the Chief Financial Officer, Senior Credit Officer, the Chief Risk Officer (non-voting member) and selected Board members. At least one affirmative vote in both the Credit Committee and the Executive Loan Committee must come from the CCO or the CLO. Individual joint lending authority is granted based on the level of experience of the individual for commercial loan exposures under $2 million. Higher risk credits (as determined by internal loan ratings) and unsecured facilities (in excess of $100,000) require the signature of an officer with more credit experience.

VIST Bank has established an "in-house" lending limit of 80% of its legal lending limit and, at December 31, 2011, VIST Bank had no loan relationships in excess of its in-house limit. Although Bank policy does not prohibit going over the 80% limit, these credits need to be generally considered of "high quality".

VIST Bank does occasionally purchase or sell portions of large dollar amount commercial loans through participations with other financial institutions. VIST Bank also transacts loans sales of retail mortgage loans on a regular basis. Typically, VIST Bank does not buy or sell any retail consumer loans.

Through the Chief Credit Officer and the Credit Committee, VIST Bank has successfully implemented individual, joint, and committee level approval procedures which have monitored and solidified credit quality as well as provided lenders with a process that is responsive to customer needs.

VIST Bank manages credit risk in the lo