

TOMPKINS FINANCIAL CORP  
Form 10-Q  
May 12, 2014

**United States**

**Securities and Exchange Commission**

**Washington, D.C. 20549**

**FORM 10-Q**

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

For the quarterly period ended March 31, 2014

OR

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

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File Number **1-12709**

**Tompkins Financial Corporation**

(Exact name of registrant as specified in its charter)

**New York**

(State or other jurisdiction of incorporation or organization)

**16-1482357**

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

**The Commons, P.O. Box 460, Ithaca, NY 14851**  
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: **(888) 503-5753**

Former name, former address, and former fiscal year, if changed since last report: NA

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

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No .

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, 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 Accelerated Filer  
Non-Accelerated Filer (Do not check if a smaller reporting company) Smaller Reporting Company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act.) Yes No .

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

Class	Outstanding as of April 30, 2014
Common Stock, \$0.10 par value	<u>14,857,722</u> shares

**TOMPKINS FINANCIAL CORPORATION**

**FORM 10-Q**

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**TOMPKINS FINANCIAL CORPORATION****CONDENSED CONSOLIDATED STATEMENTS OF CONDITION**

(In thousands, except share and per share data) (Unaudited)	As of	As of
ASSETS	03/31/2014	12/31/2013
Cash and noninterest bearing balances due from banks	\$97,283	\$82,163
Interest bearing balances due from banks	1,016	721
Cash and Cash Equivalents	98,299	82,884
Trading securities, at fair value	10,498	10,991
Available-for-sale securities, at fair value (amortized cost of \$1,384,804 at March 31, 2014 and \$1,368,736 at December 31, 2013)	1,379,600	1,354,811
Held-to-maturity securities, fair value of \$19,434 at March 31, 2014, and \$19,625 at December 31, 2013	18,820	18,980
Originated loans and leases, net of unearned income and deferred costs and fees	2,555,522	2,527,244
Acquired loans and leases, covered	24,106	25,868
Acquired loans and leases, non-covered	624,584	641,172
Less: Allowance for loan and lease losses	28,014	27,970
Net Loans and Leases	3,176,198	3,166,314
FDIC Indemnification Asset	3,999	4,790
Federal Home Loan Bank stock	18,240	25,041
Bank premises and equipment, net	56,776	55,932
Corporate owned life insurance	72,339	69,335
Goodwill	92,246	92,140
Other intangible assets, net	16,004	16,298
Accrued interest and other assets	98,781	105,523
Total Assets	\$5,041,800	\$5,003,039
<b>LIABILITIES</b>		
Deposits:		
Interest bearing:		
Checking, savings and money market	2,338,780	2,190,616
Time	898,884	865,702
Noninterest bearing	867,506	890,898
Total Deposits	4,105,170	3,947,216
Federal funds purchased and securities sold under agreements to repurchase	158,794	167,724
Other borrowings, including certain amounts at fair value of \$11,228 at March 31, 2014 and \$11,292 at December 31, 2013	214,616	331,531
Trust preferred debentures	37,211	37,169
Other liabilities	52,187	61,460
Total Liabilities	\$4,567,978	\$4,545,100

## EQUITY

Tompkins Financial Corporation shareholders' equity:

Common Stock - par value \$.10 per share: Authorized 25,000,000 shares; Issued: 14,864,917 at March 31, 2014; and 14,785,007 at December 31, 2013	1,486	1,479
Additional paid-in capital	349,812	346,096
Retained earnings	143,766	137,102
Accumulated other comprehensive loss	(19,685 )	(25,119 )
Treasury stock, at cost – 103,921 shares at March 31, 2014, and 105,449 shares at December 31, 2013	(3,042 )	(3,071 )
 Total Tompkins Financial Corporation Shareholders' Equity	 472,337	 456,487
Noncontrolling interests	1,485	1,452
Total Equity	\$473,822	\$457,939
Total Liabilities and Equity	\$5,041,800	\$5,003,039

*See notes to unaudited condensed consolidated financial statements*

**TOMPKINS FINANCIAL CORPORATION****CONDENSED CONSOLIDATED STATEMENTS OF INCOME**

(In thousands, except per share data) (Unaudited)	Three Months Ended	
	03/31/2014	03/31/2013
<b>INTEREST AND DIVIDEND INCOME</b>		
Loans	\$36,954	\$ 36,429
Due from banks	1	7
Trading securities	112	165
Available-for-sale securities	7,936	7,480
Held-to-maturity securities	152	191
Federal Home Loan Bank stock and Federal Reserve Bank stock	210	185
Total Interest and Dividend Income	45,365	44,457
<b>INTEREST EXPENSE</b>		
Time certificates of deposits of \$100,000 or more	952	1,204
Other deposits	1,790	2,182
Federal funds purchased and securities sold under agreements to repurchase	817	1,010
Trust preferred debentures	570	687
Other borrowings	1,209	1,168
Total Interest Expense	5,338	6,251
Net Interest Income	40,027	38,206
Less: Provision for loan and lease losses	743	1,038
Net Interest Income After Provision for Loan and Lease Losses	39,284	37,168
<b>NONINTEREST INCOME</b>		
Insurance commissions and fees	7,257	7,261
Investment services income	4,010	3,788
Service charges on deposit accounts	2,116	1,908
Card services income	2,112	1,738
Mark-to-market loss on trading securities	(59 )	(115 )
Mark-to-market gain on liabilities held at fair value	65	77
Other income	1,839	2,366
Gain on sale of available-for-sale securities	94	367
Total Noninterest Income	17,434	17,390
<b>NONINTEREST EXPENSES</b>		
Salaries and wages	16,646	15,572
Pension and other employee benefits	6,045	6,070
Net occupancy expense of premises	3,260	3,061
Furniture and fixture expense	1,337	1,457
FDIC insurance	811	772
Amortization of intangible assets	527	557
Merger related expenses	0	196
Other operating expense	9,584	9,835
Total Noninterest Expenses	38,210	37,520
Income Before Income Tax Expense	18,508	17,038
Income Tax Expense	5,906	5,495

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Net Income attributable to Noncontrolling Interests and Tompkins Financial Corporation	12,602	11,543
Less: Net income attributable to noncontrolling interests	33	33
Net Income Attributable to Tompkins Financial Corporation	\$12,569	\$ 11,510
Basic Earnings Per Share	\$0.85	\$ 0.80
Diluted Earnings Per Share	\$0.84	\$ 0.79

*See notes to unaudited condensed consolidated financial statements*



**Consolidated Statements of Comprehensive Income**

<i>(in thousands) (Unaudited)</i>	Three Months Ended	
	03/31/2014	03/31/2013
Net income attributable to noncontrolling interests and Tompkins Financial Corporation	\$12,602	\$11,543
Other comprehensive income, net of tax:		
<b>Available-for-sale securities:</b>		
Change in net unrealized gain (loss) during the period	5,290	(3,278 )
Reclassification adjustment for net realized gain on sale of available-for-sale securities included in net income	(56 )	(220 )
<b>Employee benefit plans:</b>		
Amortization of net retirement plan actuarial loss	192	393
Amortization of net retirement plan prior service cost	8	8
Amortization of net retirement plan transition liability	0	8
Other comprehensive income (loss)	5,434	(3,089 )
<b>Subtotal comprehensive income attributable to noncontrolling interests and Tompkins Financial Corporation</b>	<b>18,036</b>	<b>8,454</b>
Less: Net income attributable to noncontrolling interests	(33 )	(33 )
<b>Total comprehensive income attributable to Tompkins Financial Corporation</b>	<b>\$18,003</b>	<b>\$ 8,421</b>

*See notes to unaudited condensed consolidated financial statements.*

**CONSOLIDATED STATEMENTS OF CASH FLOWS**

(In thousands) (Unaudited)	03/31/2014	03/31/2013
<b>OPERATING ACTIVITIES</b>		
Net income attributable to Tompkins Financial Corporation	\$ 12,569	\$ 11,510
Adjustments to reconcile net income to net cash provided by operating activities:		
Provision for loan and lease losses	743	1,038
Depreciation and amortization of premises, equipment, and software	1,384	1,445
Amortization of intangible assets	527	557
Earnings from corporate owned life insurance	(502 )	(552 )
Net amortization on securities	2,544	3,898
Amortization/accretion related to purchase accounting	(1,958 )	2,375
Mark-to-market loss on trading securities	59	115
Mark-to-market gain on liabilities held at fair value	(65 )	(77 )
Net gain on securities transactions	(94 )	(367 )
Net gain on sale of loans	(50 )	(29 )
Proceeds from sale of loans	2,577	720
Loans originated for sale	(2,555 )	(589 )
Net loss (gain) on sale of bank premises and equipment	15	(14 )
Stock-based compensation expense	342	307
Increase in accrued interest receivable	(68 )	(395 )
Decrease in accrued interest payable	(153 )	(457 )
Proceeds from maturities and payments of trading securities	430	694
Other, net	(5,069 )	1,251
Net Cash Provided by Operating Activities	10,676	21,430
<b>INVESTING ACTIVITIES</b>		
Proceeds from maturities, calls and principal paydowns of available-for-sale securities	73,943	77,907
Proceeds from sales of available-for-sale securities	24,263	25,222
Proceeds from maturities, calls and principal paydowns of held-to-maturity securities	937	1,433
Purchases of available-for-sale securities	(116,719 )	(246,715 )
Purchases of held-to-maturity securities	(778 )	(676 )
Net increase in loans	(9,427 )	(42,682 )
Net decrease (increase) in Federal Home Loan Bank stock	6,801	(258 )
Proceeds from sale of bank premises and equipment	58	72
Purchases of bank premises and equipment	(2,112 )	(1,618 )
Purchase of corporate owned life insurance	(2,500 )	0
Net cash used in acquisition	(210 )	0
Other, net	0	2,237
Net Cash Used in Investing Activities	(25,744 )	(185,078 )
<b>FINANCING ACTIVITIES</b>		
Net increase in demand, money market, and savings deposits	124,772	117,715
Net decrease in time deposits	33,703	4,468
Net decrease in Federal funds purchases and securities sold under agreements to repurchase	(8,647 )	(19,882 )
Increase in other borrowings	42,140	49,879
Repayment of other borrowings	(158,990 )	(5,000 )
Cash dividends	(5,905 )	(5,472 )

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Shares issued for dividend reinvestment plan	1,295	970
Shares issued for employee stock ownership plan	1,528	717
Net shares issued related to restricted stock awards	125	0
Net proceeds from exercise of stock options	405	416
Tax benefit from stock option exercises	57	60
Net Cash Provided by Financing Activities	30,483	143,871
Net Increase (Decrease) in Cash and Cash Equivalents	15,415	(19,777 )
Cash and cash equivalents at beginning of period	82,884	118,930
Total Cash & Cash Equivalents at End of Period	98,299	99,153

*See notes to unaudited condensed consolidated financial statements.*

**CONSOLIDATED STATEMENTS OF CASH FLOWS**

(In thousands) (Unaudited)	03/31/2014	03/31/2013
Supplemental Information:		
Cash paid during the year for - Interest	\$ 6,012	\$ 6,708
Cash paid during the year for - Taxes	283	76
Transfer of loans to other real estate owned	1,271	550

*See notes to unaudited condensed consolidated financial statements.*

## CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

(Unaudited)

<i>(in thousands except share and per share data)</i>	Common Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive (Loss) Income	Treasury Stock	Non-controlling Interests	Total
<b>Balances at January 1, 2013</b>	\$ 1,443	\$ 334,649	\$ 108,709	\$ (2,106 )	\$ (2,787 )	\$ 1,452	\$ 441,360
Net income attributable to noncontrolling interests and Tompkins Financial Corporation			11,510			33	11,543
Other comprehensive loss				(3,089 )			(3,089 )
Total Comprehensive Income							8,454
Cash dividends (\$0.38 per share)			(5,472 )				(5,472 )
Net exercise of stock options and related tax benefit (15,567 shares)	1	475					476
Stock-based compensation expense		307					307
Shares issued for dividend reinvestment plan (23,532 shares)	2	968					970
Shares issued for employee stock ownership plan (17,290 shares)	2	715					717
Directors deferred compensation plan (1,444 shares)		(17 )			17		0
Restricted stock activity (173 shares)							0
<b>Balances at March 31, 2013</b>	\$ 1,448	\$ 337,097	\$ 114,747	\$ (5,195 )	\$ (2,770 )	\$ 1,485	\$ 446,812
<b>Balances at January 1, 2014</b>	\$ 1,479	\$ 346,096	\$ 137,102	\$ (25,119 )	\$ (3,071 )	\$ 1,452	\$ 457,939
Net income attributable to noncontrolling interests and Tompkins Financial Corporation			12,569			33	12,602
Other comprehensive loss				5,434			5,434
Total Comprehensive Income							18,036
Cash dividends (\$0.40 per share)			(5,905 )				(5,905 )
Net exercise of stock options and related tax benefit (20,515 shares)	2	460					462
Shares issued for dividend reinvestment plan (27,038 shares)	2	1,293					1,295
Compensation expense stock options		342					342
Shares issued for employee stock ownership plan (31,192 shares)	3	1,525					1,528

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Directors deferred compensation plan (1,528 shares)		(29 )			29		0
Restricted stock activity (1,165 shares)	0	125					125
<b>Balances at March 31, 2014</b>	\$ 1,486	\$ 349,812	\$ 143,766	\$ (19,685 )	\$ (3,042 )	\$ 1,485	\$ 473,822

*See notes to unaudited condensed consolidated financial statements*

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. Business

Tompkins Financial Corporation (“Tompkins” or the “Company”) 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. The Company is a locally oriented, community-based financial services organization that offers a full array of products and services, including commercial and consumer banking, leasing, trust and investment management, financial planning and wealth management, insurance, and brokerage services. At March 31, 2014, the Company’s subsidiaries included: four wholly-owned banking subsidiaries, Tompkins Trust Company (the “Trust Company”), The Bank of Castile, Mahopac Bank (formerly known as Mahopac National Bank), VIST Bank; TFA Wealth Management, Inc., (“TFA Wealth Management”) a wholly owned registered investment advisor, and a wholly-owned insurance agency subsidiary, Tompkins Insurance Agencies, Inc. (“Tompkins Insurance”). TFA Wealth Management and the trust division of the Trust Company provide a full array of investment services under the Tompkins Financial Advisors brand, including investment management, trust and estate, financial and tax planning as well as life, disability and long-term care insurance services. The Company’s principal offices are located at The Commons, Ithaca, New York, 14851, and its telephone number is (888) 503-5753. The Company’s common stock is traded on the NYSE MKT LLC under the Symbol “TMP.”

As a registered financial holding company, the Company is regulated under the Bank Holding Company Act of 1956 (“BHC Act”), as amended and is subject to examination and comprehensive regulation by the Federal Reserve Board (“FRB”). The Company is also subject to the jurisdiction of the Securities and Exchange Commission (“SEC”) and is subject to disclosure and regulatory requirements under the Securities Act of 1933, as amended, and the Securities Exchange Act of 1934, as amended. The Company is subject to the rules of the NYSE MKT LLC for listed companies.

The Company’s banking subsidiaries are subject to examination and comprehensive regulation by various regulatory authorities, including the Federal Deposit Insurance Corporation (“FDIC”), the New York State Department of Financial Services (“NYSDFS”), and the Pennsylvania Department of Banking and Securities (“PDBS”). Each of these agencies issues regulations and requires the filing of reports describing the activities and financial condition of the entities under its jurisdiction. Likewise, such agencies conduct examinations on a recurring basis to evaluate the safety and soundness of the institutions, and to test compliance with various regulatory requirements, including: consumer protection, privacy, fair lending, the Community Reinvestment Act, the Bank Secrecy Act, sales of non-deposit investments, electronic data processing, and trust department activities.

The Company’s wealth management subsidiary is subject to examination and regulation by various regulatory agencies, including the SEC and the Financial Industry Regulatory Authority (“FINRA”). The trust division of

Tompkins Trust Company is subject to examination and comprehensive regulation by the FDIC and NYSDFS.

The Company's insurance subsidiary is subject to examination and regulation by the NYSDFS and the Pennsylvania Insurance Department.

## 2. Basis of Presentation

The unaudited consolidated financial statements included in this quarterly report do not include all of the information and footnotes required by GAAP for a full year presentation and certain disclosures have been condensed or omitted in accordance with rules and regulations of the SEC. In the application of certain accounting policies, management is required to make assumptions regarding the effect of matters that are inherently uncertain. These estimates and assumptions affect the reported amounts of certain assets, liabilities, revenues, and expenses in the unaudited condensed consolidated financial statements. Different amounts could be reported under different conditions, or if different assumptions were used in the application of these accounting policies. The accounting policies that management considers critical in this respect are the determination of the allowance for loan and lease losses, the expenses and liabilities associated with the Company's pension and post-retirement benefits, and the review of its securities portfolio for other than temporary impairment.

In management's opinion, the unaudited condensed consolidated financial statements reflect all adjustments of a normal recurring nature. The results of operations for the interim periods are not necessarily indicative of the results of operations to be expected for the full year ended December 31, 2014. The unaudited condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements and the notes thereto in the Company's Annual Report on Form 10-K for the year ended December 31, 2013. There have been no significant changes to the Company's accounting policies from those presented in the 2013 Annual Report on Form 10-K. Refer to Note 3- "Accounting Standards Updates" of this Report for a discussion of recently issued accounting guidelines.



Cash and cash equivalents in the consolidated statements of cash flow include cash and noninterest bearing balances due from banks, interest-bearing balances due from banks, and money market funds. Management regularly evaluates the credit risk associated with the counterparties to these transactions and believes that the Company is not exposed to any significant credit risk on cash and cash equivalents.

The Company has evaluated subsequent events for potential recognition and/or disclosure, and determined that no further disclosures were required.

The consolidated financial information included herein combines the results of operations, the assets, liabilities, and shareholders' equity of the Company and its subsidiaries. Amounts in the prior periods' unaudited condensed consolidated financial statements are reclassified when necessary to conform to the current periods' presentation. During the quarter ended March 31, 2014, the Company revised the comparative December 31, 2013 outstanding principal balance of acquired credit impaired loans from \$70,727 to \$62,146, and the balance of outstanding principal balance of acquired non-credit impaired loans from \$666,089 to \$630,600. The Company has assessed the materiality of this correction of an error and concluded, based on qualitative and quantitative considerations, that the adjustments are not material to the financial statements as a whole. All significant intercompany balances and transactions are eliminated in consolidation."

### 3. Accounting Standards Updates

ASU 2013-11, "Presentation of an Unrecognized Tax Benefit When a Net Operating Loss Carryforward, a Similar Tax Loss, or a Tax Credit Carryforward Exists" ASU No. 2013-11 addresses the financial statement presentation of an unrecognized tax benefit, or a portion of an unrecognized tax benefit, as a reduction to a deferred tax asset for a net operating loss Carryforward, a similar tax loss, or a tax credit Carryforward. The adoption of this ASU is required on a perspective basis beginning with the quarter ending March 31, 2014. The adoption of this ASU is not expected to have a material impact on the Company's consolidated financial statements.

ASU 2014-01, "*Investments (Topic 323), Accounting for Investments in Qualified Affordable Housing Projects.*" The amendments in this ASU provide guidance on accounting for investments by a reporting entity in flow-through limited liability entities that manage or invest in affordable housing projects that qualify for the low-income housing tax credit. The amendments permit reporting entities to make an accounting policy election to account for their investments in qualified affordable housing projects using the proportional amortization method if certain conditions are met. Under the proportional amortization method, an entity amortizes the initial cost of the investment in proportion to the tax credits and other tax benefits received and recognizes the net investment performance in the income statement as a component of income tax expense (benefit). The amendments in this ASU are effective for the Company for annual periods beginning January 1, 2015 and should be applied retrospectively to all periods presented. A reporting entity that uses the effective yield method to account for its investments in qualified affordable housing projects before the date of adoption may continue to apply the effective yield method for those preexisting

investments. The Company does not expect the adoption of this ASU to have a material impact on the Company's consolidated financial statements.

ASU 2014-04, "Receivables-Troubled Debt Restructurings by Creditors (Subtopic 310-40), Reclassification of Residential Real Estate Collateralized Consumer Mortgage Loans Upon Foreclosure." his new guidance clarifies when an in substance repossession or foreclosure occurs, and requires all creditors who obtain physical possession (resulting from an in substance repossession or foreclosure) of residential real estate property collateralizing a consumer mortgage loan in satisfaction of a receivable to reclassify the collateralized mortgage loan such that the loan should be derecognized and the collateral asset recognized. This guidance is effective prospectively for the Company for annual and interim periods beginning after December 15, 2014. The adoption of this guidance is not expected to have a material impact on the Company's consolidated financial statements.

#### 4. Securities

##### Available-for-Sale Securities

The following table summarizes available-for-sale securities held by the Company at March 31, 2014:

March 31, 2014	Amortized Cost	Available-for-Sale Securities		Fair Value
		Gross Unrealized Gains	Gross Unrealized Losses	
(in thousands)				
Obligations of U.S. Government sponsored entities	\$ 543,889	\$ 7,114	\$ 4,605	\$ 546,398
Obligations of U.S. states and political subdivisions	69,066	1,149	849	69,366
Mortgage-backed securities – residential, issued by U.S. Government agencies	140,583	2,631	2,244	140,970
U.S. Government sponsored entities	626,994	7,531	15,500	619,025
Non-U.S. Government agencies or sponsored entities	297	5	0	302
U.S. corporate debt securities	2,500	0	375	2,125
Total debt securities	1,383,329	18,430	23,573	1,378,186
Equity securities	1,475	0	61	1,414
Total available-for-sale securities	\$ 1,384,804	\$ 18,430	\$ 23,634	\$ 1,379,600

The following table summarizes available-for-sale securities held by the Company at December 31, 2013:

December 31, 2013	Amortized Cost	Available-for-Sale Securities		Fair Value
		Gross Unrealized Gains	Gross Unrealized Losses	
(in thousands)				
Obligations of U.S. Government sponsored entities	\$ 558,130	\$ 7,720	\$ 9,505	\$ 556,345
Obligations of U.S. states and political subdivisions	68,216	1,193	1,447	67,962
Mortgage-backed securities – residential, issued by U.S. Government agencies	147,766	2,554	3,642	146,678
U.S. Government sponsored entities	587,843	8,122	18,493	577,472
Non-U.S. Government agencies or sponsored entities	306	5	0	311
U.S. corporate debt securities	5,000	8	375	4,633
Total debt securities	1,367,261	19,602	33,462	1,353,401

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Equity securities	1,475	0	65	1,410
Total available-for-sale securities	\$1,368,736	\$19,602	\$33,527	\$1,354,811

**Held-to-Maturity Securities**

The following table summarizes held-to-maturity securities held by the Company at March 31, 2014:

March 31, 2014	Held-to-Maturity Securities			Fair Value
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	
(in thousands)				
Obligations of U.S. states and political subdivisions	\$18,820	\$614	\$0	\$19,434
Total held-to-maturity debt securities	\$18,820	\$614	\$0	\$19,434

The following table summarizes held-to-maturity securities held by the Company at December 31, 2013:

December 31, 2013	Held-to-Maturity Securities			Fair Value
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	
(in thousands)				
Obligations of U.S. states and political subdivisions	\$ 18,980	\$ 645	\$ 0	\$ 19,625
Total held-to-maturity debt securities	\$ 18,980	\$ 645	\$ 0	\$ 19,625

The Company may from time to time sell investment securities from its available-for-sale portfolio.

Realized gains on available-for-sale securities were \$172,000 and \$367,000 in the quarters ending March 31, 2014 and 2013, respectively. Realized losses on available-for-sale securities were \$78,000 and \$0 in the quarters ending March 31, 2014 and 2013, respectively. The sales from available-for-sale investment securities were the result of the general investment portfolio and interest rate risk management.

The following table summarizes available-for-sale securities that had unrealized losses at March 31, 2014:

(in thousands)	Less than 12 Months		12 Months or Longer		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Obligations of U.S. Government sponsored entities	\$279,989	\$ 4,557	\$3,227	\$ 48	\$283,216	\$ 4,605
Obligations of U.S. states and political subdivisions	18,004	373	8,275	476	26,279	849
Mortgage-backed securities – issued by						
U.S. Government agencies	64,054	1,552	12,670	692	76,724	2,244
U.S. Government sponsored entities	304,382	9,490	121,686	6,010	426,068	15,500
U.S. corporate debt securities	0	0	2,125	375	2,125	375
Equity securities	0	0	939	61	939	61
Total available-for-sale securities	\$666,429	\$ 15,972	\$ 148,922	\$ 7,662	\$815,351	\$ 23,634

There were no unrealized losses on held-to-maturity securities at March 31, 2014.

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The following table summarizes available-for-sale securities that had unrealized losses at December 31, 2013:

(in thousands)	Less than 12 Months		12 Months or Longer		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Obligations of U.S. Government sponsored entities	\$337,967	\$ 9,467	\$1,761	\$ 38	\$339,728	\$ 9,505
Obligations of U.S. states and political subdivisions	21,821	821	6,173	626	27,994	1,447
Mortgage-backed securities – residential, issued by						
U.S. Government agencies	70,052	2,701	14,874	941	84,926	3,642
U.S. Government sponsored entities	293,945	14,061	76,070	4,432	370,015	