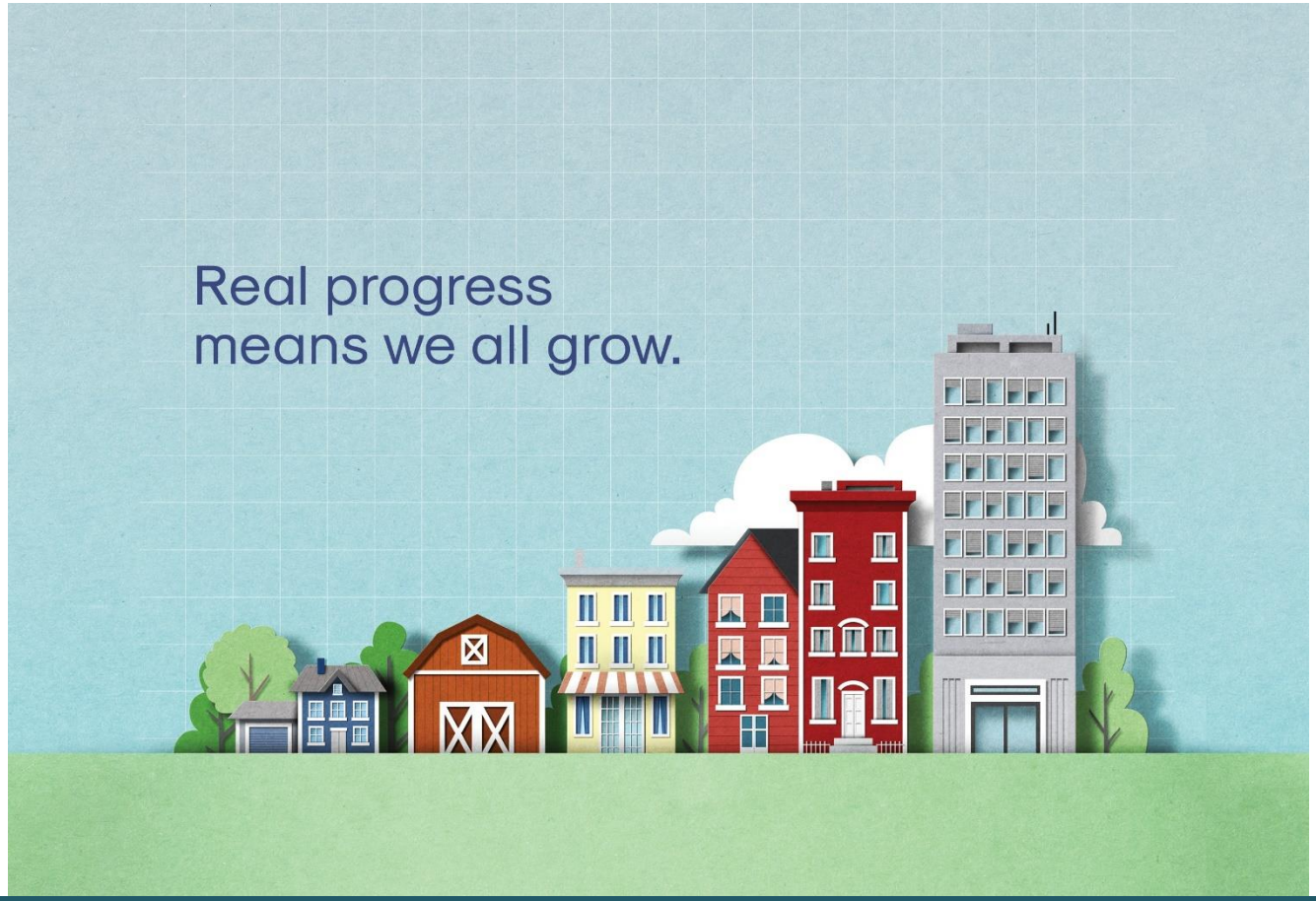


FINANCIAL INSTITUTIONS, INC. (Nasdaq: FISI)

Investor Presentation

February 2020

Safe Harbor Statement

Statements contained in this presentation which are not historical facts and which pertain to future operating results of Financial Institutions, Inc. (the "Company") and its subsidiaries constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Similarly, statements that describe the objectives, plans or goals of the Company are forward-looking. These forward-looking statements can generally be identified as such by the context of the statements, including words such as "believe," "expect," "anticipate," "plan," "may," "would," "intend," "estimate," "guidance" and other similar expressions, whether in the negative or affirmative. These forward-looking statements involve significant risks and uncertainties. All forward-looking statements made herein are qualified by the cautionary language in the Company's Annual Report on Form 10-K, its Quarterly Reports on Form 10-Q and other documents filed with the Securities and Exchange Commission. These documents contain and identify important factors that could cause actual results to differ materially from those contained in our projections or forward-looking statements. Certain of the information contained herein may be derived from information provided by industry sources. The Company believes that such information is accurate and that the sources from which it has been obtained are reliable. FISI cannot guarantee the accuracy of such information, however, and has not independently verified such information. Except as required by law, the Company assumes no obligation to update any information presented herein. This presentation includes certain non-GAAP financial measures intended to supplement, not substitute for, comparable GAAP measures. Reconciliations of those non-GAAP financial measures to GAAP financial measures are provided in the Appendix to this presentation.

Overview of Financial Institutions, Inc.

Corporate Overview

- Diversified financial services holding company headquartered in Western New York
- Subsidiaries include:
  - Five Star Bank (regional community bank)
  - SDN Insurance Agency, LLC (full-service insurance agency)
  - Courier Capital, LLC (investment advisory firm)
  - HNP Capital, LLC (investment advisory firm)
- 53 banking locations in 15 contiguous counties in Western and Central New York
- Experienced management team with extensive market knowledge and industry experience
- Franchise offers products and services to a diversified mix of consumer, business, municipal, healthcare and not-for-profit customers
- Generating consistent, strong operating results
- Positioned for growth through key initiatives

Key Statistics as of December 31, 2019

Assets:	$4.4 billion
Loans:	$3.2 billion
Deposits:	$3.6 billion
Shareholders' Equity:	$438.9 million
NPAs(1)/Total Assets:	0.21%
Employees:	~ 700
ROACE (TTM):	11.74%
ROATCE(2) (TTM):	14.45%
ROAA (TTM):	1.14%
Annualized Dividend Per Share:	$1.00

Market and Valuation Data as of February 3, 2020

Closing Price Per Share:	$30.74
Market Capitalization:	$491.9 million
Dividend Yield:	3.3%
Price/Tangible Common Book Value(3):	142%
Price/NTM Consensus EPS(3):	11.1x

(1) NPAs include nonaccrual loans, loans past due 90 days or more and still accruing, and foreclosed assets
(2) Refer to "Non-GAAP Reconciliation" in Appendix
(3) Per S&P Global Market Intelligence; NTM = next twelve months

Perceived Challenges vs. Reality

FISI Presents a Compelling Investment Opportunity When Perceived Franchise Challenges are Put in Context

Perceived Challenge	In Reality	Bottom Line
Indirect Auto Loans are a Risky Asset Class/FISI Portfolio is Oversized	• FISI's indirect business is a **Prime Lending Operation** with **avg. portfolio FICO score of 725** (<3.3% below 630) • Strong network of **500 franchised new** auto dealers • **Natural risk dispersion** – many units and small loan size • **Consistent results** through several economic cycles – '08 to '19: charge-offs ranged from 0.60% to 0.87% • 2019 NCOs/Average Loans = 0.61%	• While current management team inherited asset class concentration, indirect remains a **core competency**, with **attractive risk-adjusted return profile** • Indirect portfolio **concentration is on the decline** as focus on growing relationship-based loan categories is reducing production – 26.4% of total loans at 12/31/19 compared to 29.8% at 12/31/18 and peak of 34.7% at 12/31/13
Large Municipal Deposits Portfolio Limits Yield on Interest-Earnings Assets	• **Diversified** among **300+ municipalities** – No single relationship greater than $40 million • NY **MULOC** program allows for collateralization of deposits with LOCs backed by loans, rather than lower-yielding securities – Allows for reduction of investment securities portfolio – **Funding higher-yielding loan growth** with proceeds	• Five Star Bank is a market share leader in core legacy counties, providing a unique competitive edge in servicing municipal entities that super regionals and smaller competitors do not/cannot • Capitalizing on a **valuable deposit base** that spans our 15-county footprint, limiting individual concentrations • MULOC program helps reconstitute earnings asset mix while managing liquidity
Sleepy Upstate NY Focus Results in Low Growth and Minimal Value Creation	• HQ'd in Warsaw with regional offices and **leadership** in **Rochester** (ROC) and **Buffalo** (BUF) • With less than 3% market share in ROC and BUF, focused on **expanding** in these markets; opened 4 **innovative financial solution centers** since 2015 • **#2 SBA lender** in operating footprint and **#98** in US(1)	• Ability to utilize **low cost deposits** from rural franchise to **fund higher growth metro franchise** • More than **50 strategic talent hires** since 2016, many from key competitors, leveraging market disruption • Impressive loan growth since Q3'16 **–Comm Bus: +63% –Comm Mtg: +74% –Residential: +34%** **–CBVPS: +24% –TCBVPS(2): +35%**
Low TCE Ratio	• FISI historically manages to total, overall capital • Expect continued improvement in ratios as capital is generated through retention of earnings	• **Well capitalized** across all regulatory capital metrics • Strong asset quality metrics with **0.21% NPAs/Assets, 0.95% ALL/Loans and 353% ALL/NPL** • TCE(2) at 12/31/19 was 8.05%, up 90 bps from 12/31/18 and up 189 basis points from 3/31/17

(1) Based upon number of SBA loans for the 2019 SBA year
(2) Refer to "Non-GAAP Reconciliation" in Appendix

Fourth Quarter and Full Year 2019 Highlights[1]

- Diluted earnings per share ("EPS") for the quarter was $0.79, $0.34 higher than 2018
  - EPS for the year of $2.96 was $0.57 higher than 2018
- Pre-tax pre-provision income[2] for the quarter increased $2.5 million to $16.1 million
  - 2019 full year pre-tax pre-provision income increased $9.0 million to $67.5 million
- Net interest margin ("NIM") expanded to 3.33% from 3.21%
  - 2019 full year NIM was 3.28% compared to 3.18% in 2018
- Return on average assets ("ROA") increased to 1.21% from 0.70%
  - 2019 full year ROA was 1.14% compared to 0.95% in 2018
- Common equity to assets ratio at quarter-end was 9.62% – an increase of 83 basis points from 12/31/18
- Tangible common equity to tangible assets[2], or TCE ratio, was 8.05% at year-end – an increase of 90 basis points from 12/31/18
- Completed a repositioning of the balance sheet, rotating investment securities into higher-yielding loans
  - Investment securities comprised 17.7% of total assets at year-end, down from 20.7% at 12/31/18
- Strategy to downscale the consumer indirect portfolio continued
  - Portfolio decreased 7.6% from 12/31/18
  - Portfolio comprised 26.4% of total loan portfolio at December 31, 2019, down from 29.8% at 12/31/18
- Dividends of $1.00 per common share were paid in 2019, an increase of 4.2% from 2018

(1) As compared to fourth quarter 2018 unless otherwise noted
(2) Refer to "Non-GAAP Reconciliation" in Appendix

2020 Key Initiatives

- **Execution of Enterprise Standardization Program**
  - Working with proven advisers who specialize in near term, self-funding business process improvement
  - Identifying opportunities to improve Company operations while enhancing customer and employee experiences
  - Evaluating activities and functions across the organization, focusing on ways to improve operational efficiency, including robotic process automation
- **Five Star Bank Digital Banking**
  - New platform will allow us to significantly improve the user experience across all devices
  - Offering many new features including online account opening capabilities, additional money transfer options and enhanced cash management services for businesses of all sizes
  - Important step in development of our omni channel distribution platform
  - First meaningful FinTech partnership — providing a differentiated customer experience

Enterprise Standardization and Five Star Digital Banking represent critical transformational and technology investments, improving relationships with our customers and enhancing future profitability

2020 Guidance[1]

- Low to mid-single-digit growth in total loans
  - Commercial and residential loan production to drive growth
  - Mid-single-digit percentage decrease in consumer indirect portfolio
- Low to mid-single-digit growth in non-public deposits
- Quarterly net interest margin between 3.30% to 3.40% (assuming spot rate interest environment)
  - Higher NIM expected in latter half of the year; dependent on overall rate environment
  - Full year NIM expected to expand slightly from fourth quarter 2019 run rate
- Mid-single-digit growth in noninterest income, excluding gains on investment securities
- Mid-single digit increase in noninterest expense
  - Quarterly expense within range of $26 to $28 million, with expenses highest in the first quarter, followed-by reductions each subsequent quarter as business process improvement initiatives are implemented
- Efficiency ratio within range of 60% to 61% for full year; 4th quarter efficiency ratio between 57% and 59%
  - Higher efficiency ratio in first half of year due to timing of expenses
- Effective tax rate within range of 20 to 21% (assumes no future investment tax credits)
- Quarterly provision for credit losses of approximately $2.0 to $3.0 million based on current economic conditions
  - Based on assumptions for charge-offs and changes in loan portfolio; does not assume changes in provision due to economic conditions
- 2020 outlook reflects continued focus on revenue growth and expense control, resulting in expected year-over-year positive operating leverage

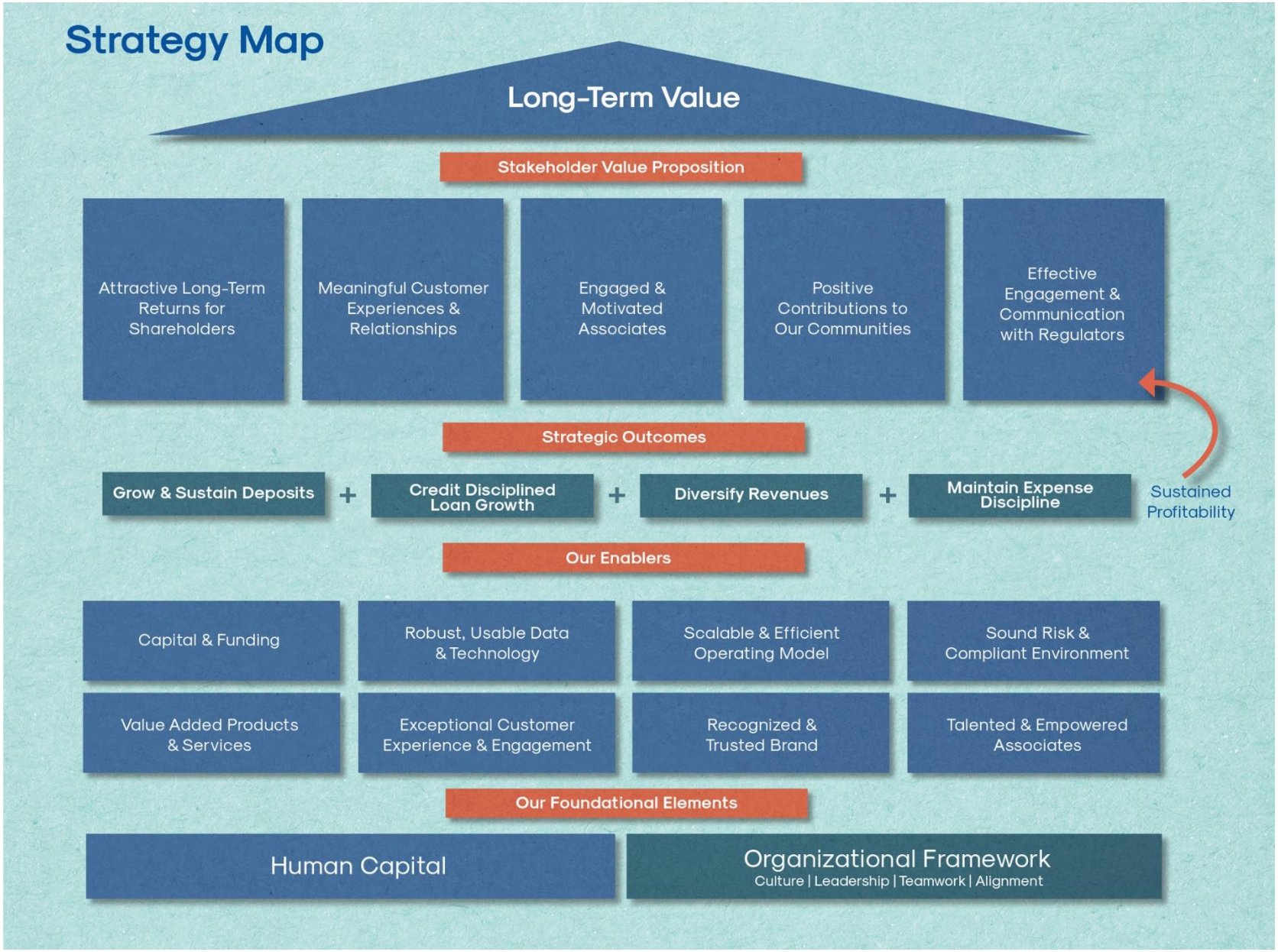
(1) Represents forward-looking information; refer to Safe Harbor language on slide 2. The Company undertakes no obligation to revise this information following the date of this presentation – February 7, 2020.

Successfully Executing Our Strategy

Our Promise: We Put Our Customers' Financial Well-Being at the Heart of Everything We Do

- **Maximize Community Bank Model Opportunities**
  - Offering responsive personal service, local leadership and local decision-making
  - Leverage Five Star Bank brand to expand in the larger markets of Buffalo and Rochester
  - Opportunistically acquire strategic talent throughout the organization to support growth
- **Generate Above-Peer-Average Growth / Results**
  - Targeting mid-single digit loan growth
  - Sustain disciplined credit culture
  - Continue to manage both sides of the balance sheet to fund loan growth
  - Drive continued improvement in ROAA and ROAE
  - Targeting efficiency ratio in the top one-third of peers
  - Provide dividend growth
- **Increase Fee-Based Revenue to Diversify Our Revenue Streams**
  - Enhance fee revenue from subsidiaries
  - Maximize synergies between bank, insurance and wealth management platforms

Strategy Map



Two Distinct Opportunities → Urban MSAs and Core Legacy Markets

Market Footprint



- 53 branches and 700 employees(2)
- High growth potential in Buffalo and Rochester urban markets
- Market share leader in core legacy markets – valuable core deposits
- 4th largest bank in counties of operation

Growth Opportunities

Buffalo and Rochester Urban MSAs

- Current market share of less than 3% in attractive $65 billion combined deposit markets(1)
  - Five Star Bank presence and brand awareness is increasing
  - Capitalizing on our community banking model
    - Personal service with local-leadership and decision-making power
    - Agile in responding to customer needs
  - Capacity and capability to meet credit needs of community banking marketplace

Our Core Legacy Markets

- No. 1 or No. 2 market share in 9 counties
  - Top 3 in 11 counties
- Stable/reliable core deposits
- Our role as trusted banker creates opportunity for fee-based services

(1) 6/30/19 data
(2) Includes all FISI subsidiaries

Buffalo and Rochester Economic Environment



Buffalo, New York
NY State's 2nd Largest City
Population: 259,000
MSA Population: 1.14 million



Rochester, New York
NY State's 3rd Largest City
Population: 208,000
MSA Population: 1.08 million

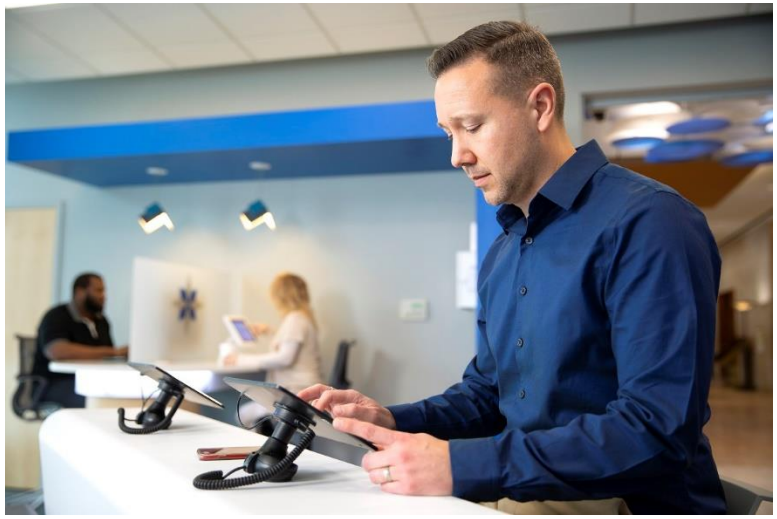
- Financially stable with positive outlook; demonstrated resilience through economic downturns
- Economy is transforming from manufacturing-based to a more diversified economy including healthcare, higher education, small business, technology and professional services
  - Significant college and university presence, including academic medical centers with robust research and development activities
  - For example, the University of Rochester is Rochester's largest employer, the largest private employer in upstate New York and the fifth largest private employer in the state of New York with 27,000 full-time equivalent workers; subsequent spending by these employees creates more than 25,900 additional jobs in New York
- Strong collaboration between public and private sectors
  - New York Regional Economic Development Council (REDC) Awards
- Buffalo and Rochester downtown redevelopments underway

Experienced Leadership Team & Addition of Talent

- Martin K. Birmingham was named CEO in March of 2013
  - Birmingham has more than 30 years of Western New York banking experience
- Leadership teams of all subsidiaries have significant experience in Western New York
  - Five Star Bank / SDN Insurance Agency / Courier Capital / HNP Capital
- Taking advantage of market disruption to add talent across all segments of our banking business
  - Hiring experienced professionals from competing institutions
  - Talent recognizing opportunities in the community banking environment vs. big bank experience
  - Bringing market experience, knowledge and relationships
- Added lenders in all categories including experienced leaders of C&I, CRE and residential lending
- Added credit and risk management professionals to support loan growth
- 2018 Additions:
  - Director of Treasury Services manages cash management business for commercial customers/prospects while developing new cash management products and services
  - Commercial Market Executive for Central New York focused on C&I lending and responsible for building commercial relationships, growing the commercial loan portfolio and increasing awareness of our Bank
  - Successfully executed executive succession plans and transitioned to new CFO and CHRO

Branch Transformation – Evolving to Meet Customer Needs

- Staff transformation from traditional tellers and platform roles to a universal banker role – our Certified Personal Banker, or CPB
  - CPBs are Five Star Bank experts trained to meet a broad array of customer needs
  - Cross-trained CPBs improve staffing efficiencies and enhance customer experience
- The Five Star Bank financial solution center concept illustrates our evolution
  - Solutions fit customer preferences for interactions, removing barriers and offering new technologies
  - High level of personalized banking provided by expert CPBs
  - Smaller footprint than a traditional branch
- Traditional branches are being remodeled to provide new technologies and remove barriers

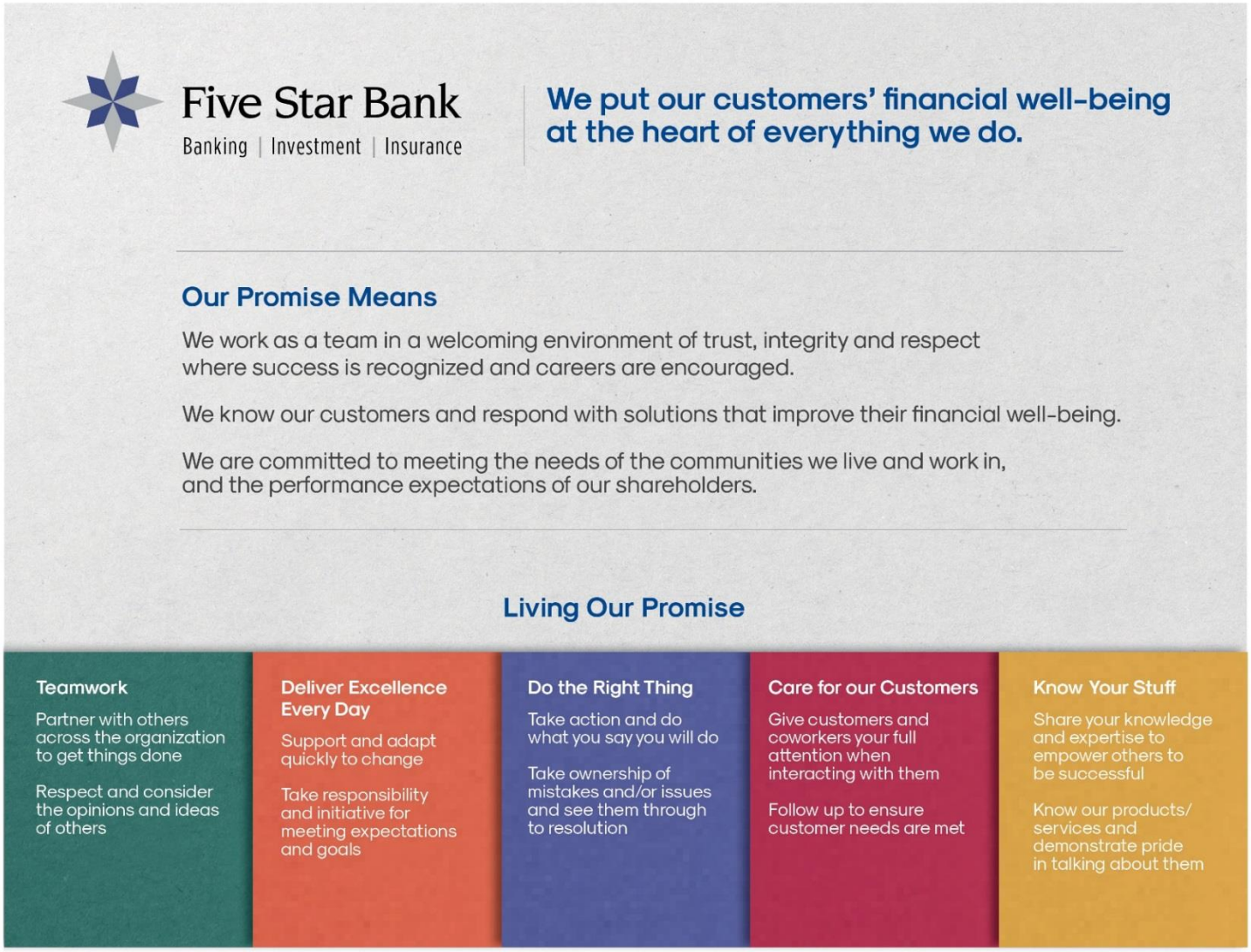


Downtown Rochester Financial Solution Center



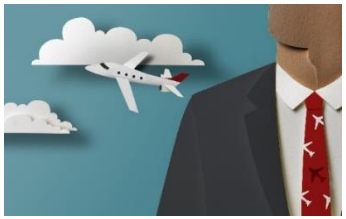
Remodeled/Updated Warsaw branch

Five Star Experience: Defining a Strong Culture to Power Employee and Customer Engagement



Branding Initiative

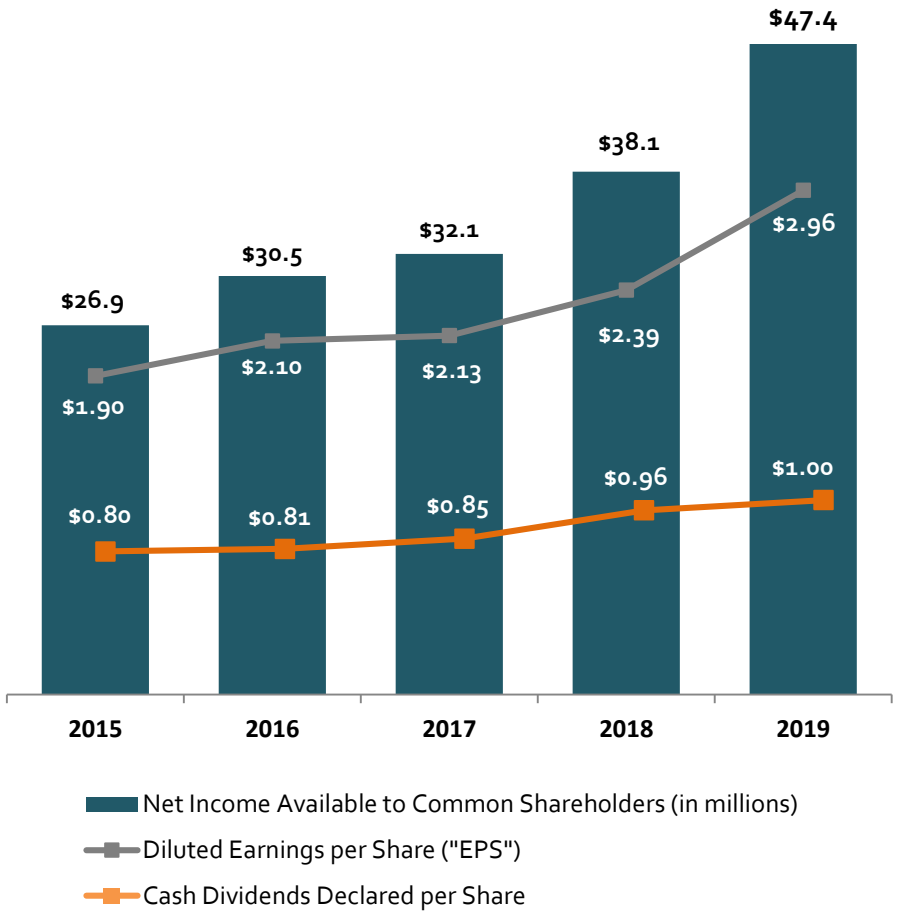
- Campaign designed to create a more recognized brand across all the communities we serve and increase understanding of the depth of products and services offered under the Five Star Bank umbrella to increase the Five Star customer base and lead to loyal customer advocates
- Metrics used to measure campaign impact correlate with our success across each step of the path to purchase (PTP) model – from awareness to consideration, evaluation, purchase and advocacy, where effectiveness is measured by considering the following PTP metrics:
  - Unaided Awareness Survey
  - Social Media Followers
  - Website Utilization
  - New to Bank Consumer and Commercial Customers with a DDA
  - Target Campaign Results
  - Consumer NPS Scores
- While the PTP model is not linear, the collection of metrics as a whole continued to show positive outcomes in our advertising efforts, successfully creating awareness that leads to increasing new to bank core customers, specific target campaigns and favorable NPS scores that that exceeded the industry average by 43%.







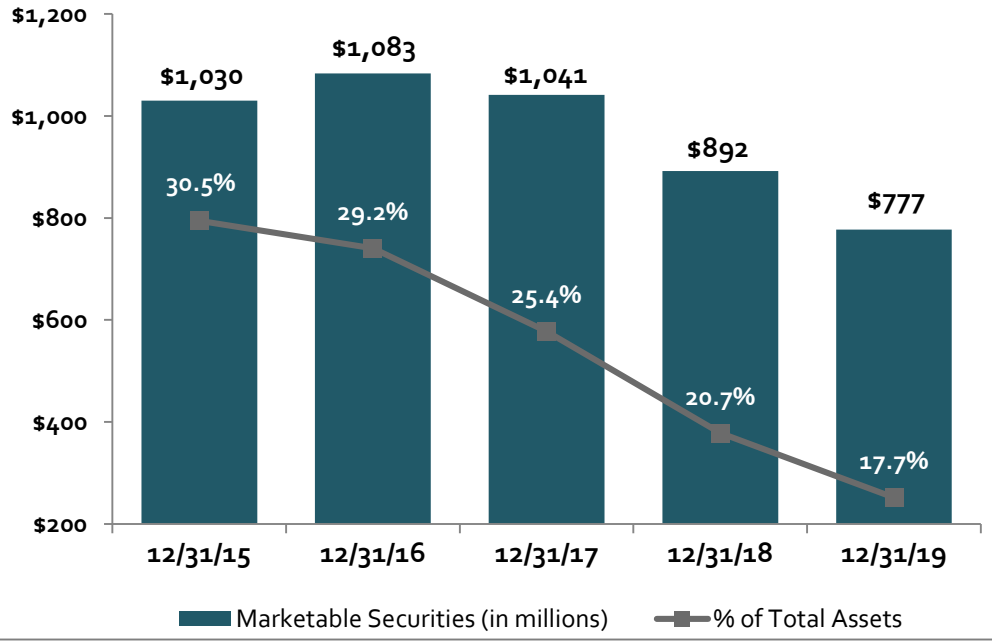
Net Income, Earnings and Dividends



- 2019 Dividend
  - 12/31/19 Yield **3.1%**
  - Payout ratio **33.7%**
- 2015 to 2019 CAGR
  - Net income available to common shareholders **15.2%**
  - EPS **11.7%**
  - Dividends **5.7%**
- 2018 to 2019 growth
  - Net income available to common shareholders **24.5%**
  - EPS **23.8%**
  - Dividends **4.2%**

Securities Portfolio

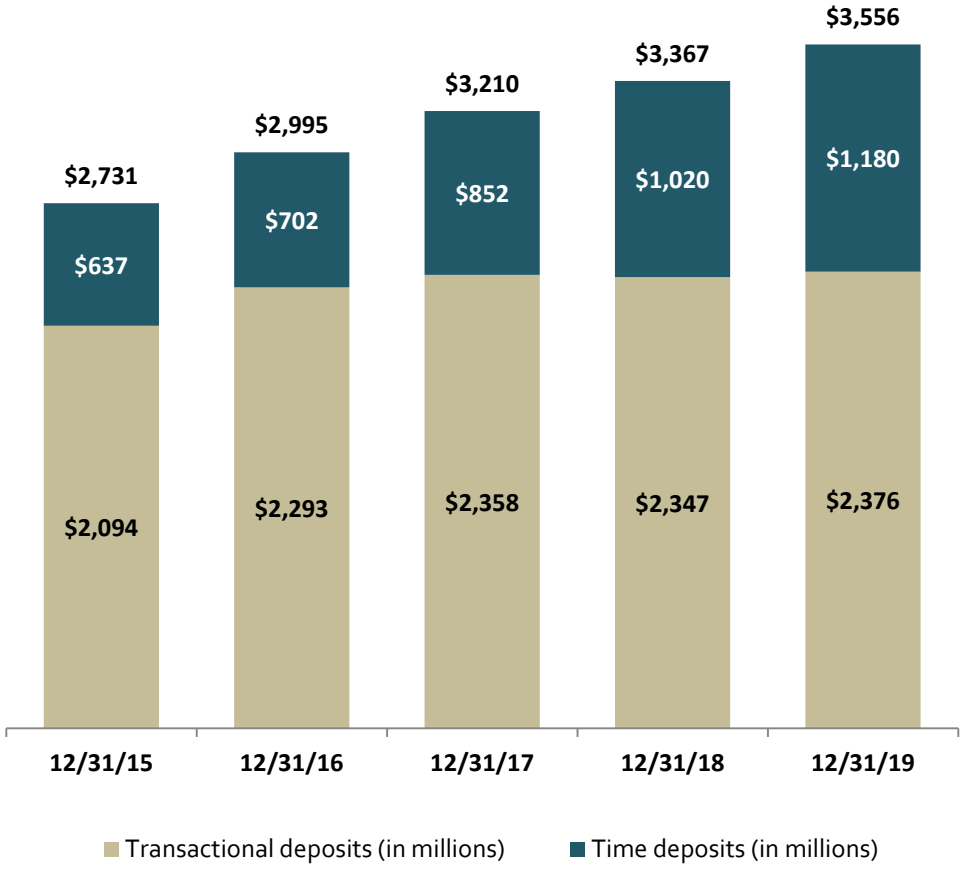
- The Company launched an initiative in 2018 to convert a portion of low-yield, low-risk-weighted investment securities into higher yielding loans. This initiative was completed in the third quarter of 2019.
- Entire portfolio 0% or 20% risk weighted
  - Comprised of New York State municipals and government agency issued MBS, CMO and debentures
- 17.7% of total assets at 12/31/19
  - Level of securities must be maintained to collateralize public/municipal deposits (24% of total deposits at 12/31/19)
- Average yield at 12/31/19: 2.39%(1)



(1) Annualized yield (tax equivalent basis)

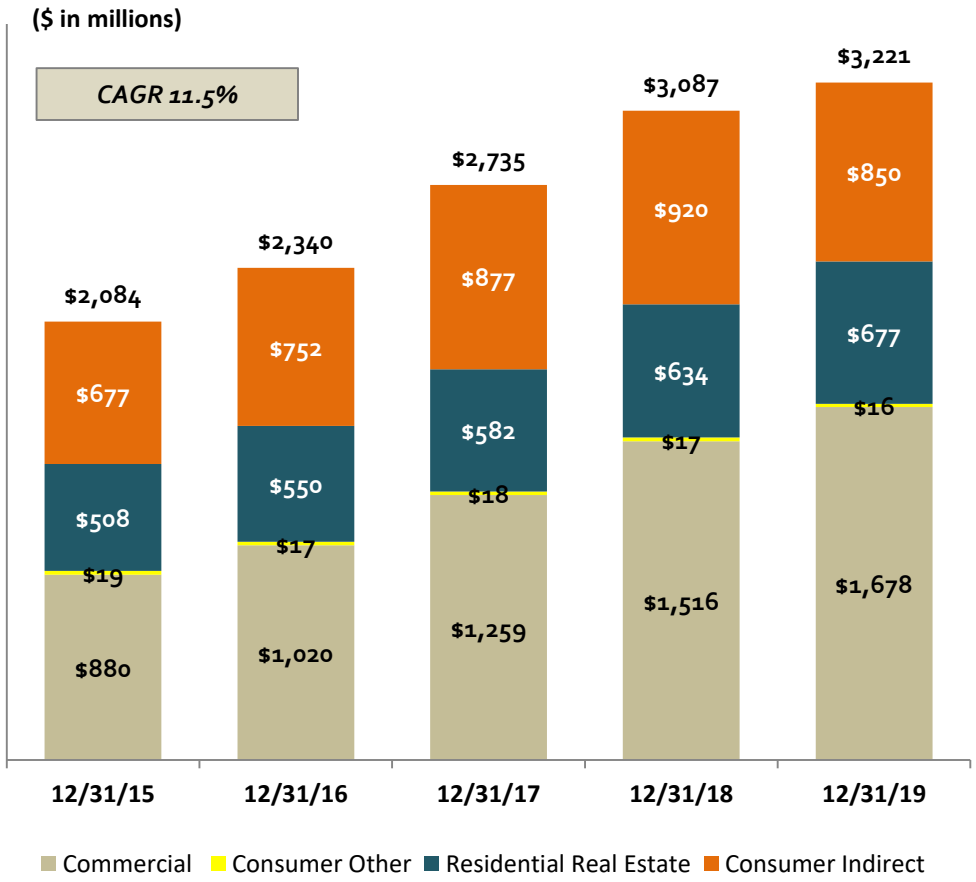
Total Deposits

- Deposits increased at a compound annual growth rate of 6.8% from 12/31/15 to 12/31/19
- Average cost of deposits for 2019 was 0.82%



Total Loans

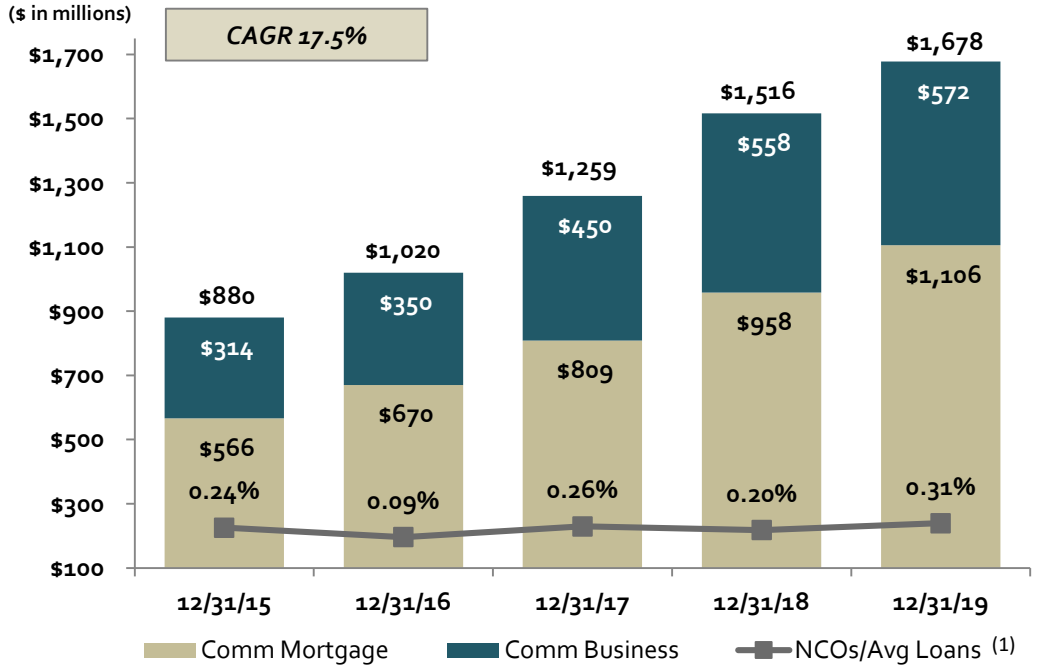
- Growth driven by addition of key lenders
- 2019 loan growth reflects lower indirect loan production as we maintain our focus on growing relationship-based loan categories (commercial and residential) and the 2Q'19 sale of $21 million pool of indirect loans
- Average yield at 12/31/19 was 4.77%[(1)]



(1) Annualized yield

Commercial Banking

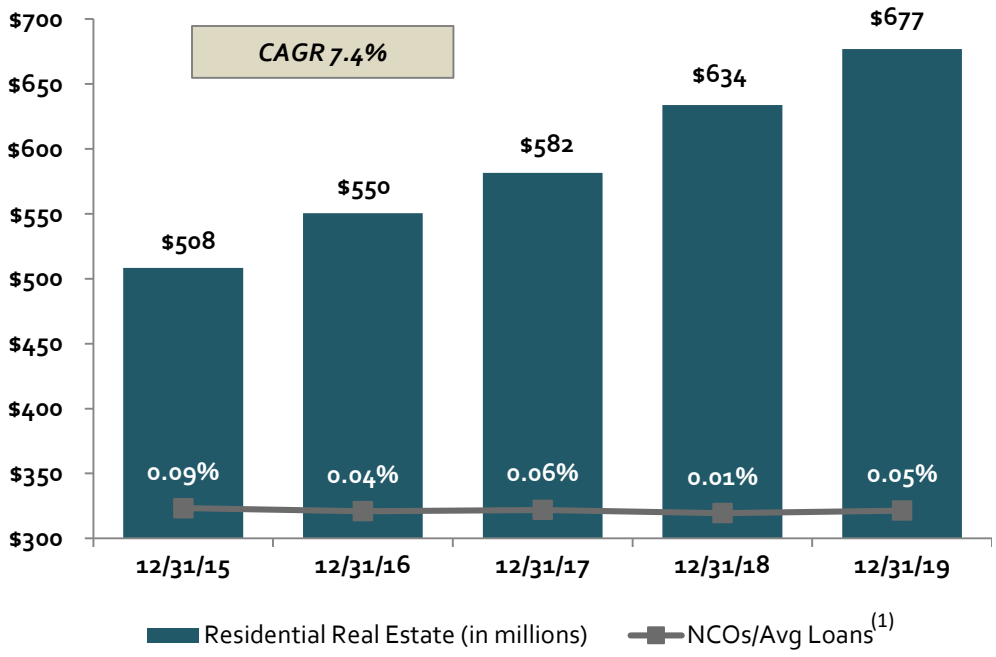
- 2019 growth in commercial business loans of 3% and commercial mortgage loans of 16%
  - Growth in the second half of 2019 was negatively impacted by increased loan payoff activity
- Includes growth in higher-yielding Small Business Commercial Lending
- Over the course of the past 3 years, we have made strategic hires, adding lenders in nearly all categories
  - Hiring experienced professionals from competing institutions
  - They bring market experience, knowledge and relationships
  - Attracting new customers and generating new loan business as well as noninterest income



(1) For the year annualized

Residential Real Estate Loans and Lines

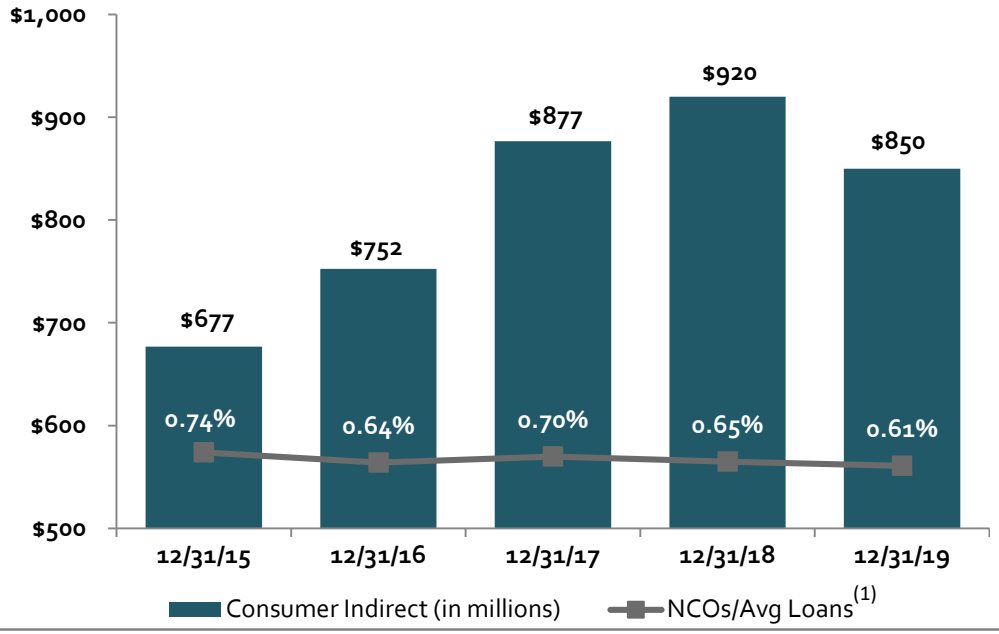
- In-market originations through mortgage loan originators and Five Star Bank branch network
- Full product menu featuring competitive portfolio and saleable products including government loan programs
- Continuing the build-out of residential mortgage production capabilities
- Line of business provides opportunity to establish relationships with new customers; loan and deposit relationships as well as opportunity to provide wealth management and insurance services
- Increased mortgage lending is expected to result in positive balance sheet impact as well as fee generation



(1) For the year annualized

Consumer Indirect Lending

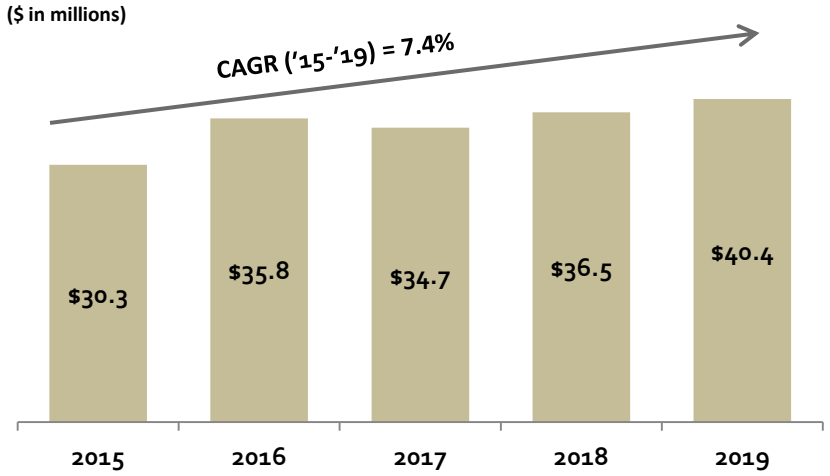
- $850 Million Portfolio at December 31, 2019
  - Portfolio represents 26.4% of total loans, down from 29.8% at 12/31/18 and peak of 34.7% at 12/31/13
  - 2019 decline reflects lower loan production as we maintain our focus on growing relationship-based loan categories (commercial and residential) and the 2Q'19 sale of $21 million pool of indirect loans
- Prime Lending Operation with average portfolio FICO score of approximately 725 with 3.2% under 630
- Dealer network of nearly 500 franchised new automobile dealerships
- Relatively Short Duration – Between 2 and 3 years
- Natural Risk Dispersion – Small Loan Size
- Demonstrated track record of consistent performance through economic expansions, recessions and stagnation



(1) For the year annualized

Diversification → Growing Noninterest Income

Noninterest Income



Excluding the net gain (loss) on investment securities from all periods, noninterest income was:

2015	$28.3 million
2016	$33.1 million
2017	$33.5 million
2018	$36.6 million
2019	$38.7 million

CAGR ('15-'19): 8.1%

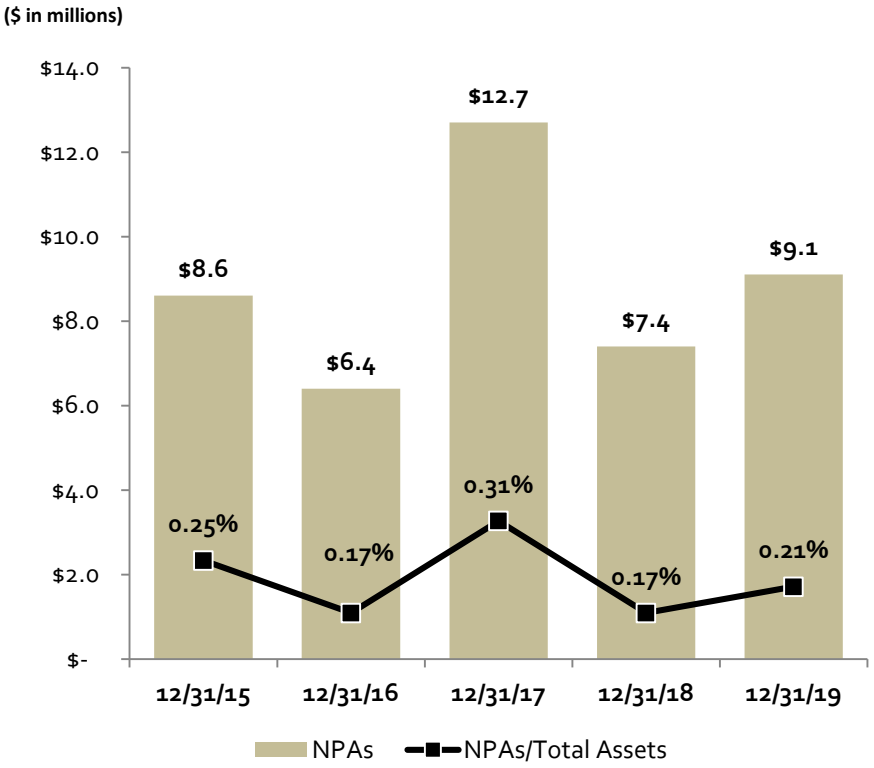
Commentary

- Insurance subsidiary SDN acquired 8/14
  - Organizational changes made and progress continues on conversion of SDN from an entrepreneurial agency focused primarily on commercial property and casualty to a bank-owned agency with emphasis on expanding personal lines division offering auto, homeowners and life insurance
- Wealth management subsidiary Courier Capital acquired 1/16
  - 8/17 acquisition of assets of Buffalo-based Robshaw & Julian Associates
  - 6/18 acquisition of Rochester-based HNP Capital
- Anticipate increase in mortgage-related fees as a result of addition of mortgage loan officers and support staff
- Synergies increasing from offering of:
  - Insurance products to residential mortgage, indirect consumer loan and commercial loan customers
  - Wealth management products to residential mortgage and commercial loan customers

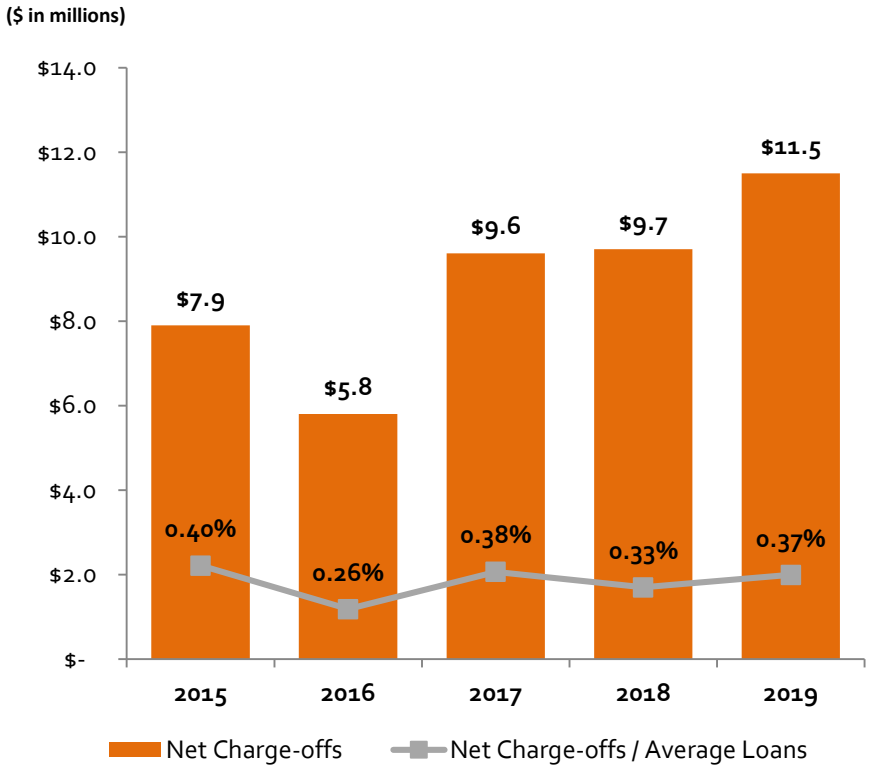
Asset Quality

- Credit quality reflects knowledge of our markets and customer base as well as our disciplined credit culture
- Allowance for loan losses to total loans was 0.95% at 12/31/19, down 15 basis points from 12/31/18
- Allowance for loan losses at 12/31/19 was 353% of non-performing loans

Nonperforming Assets ("NPAs")(1)



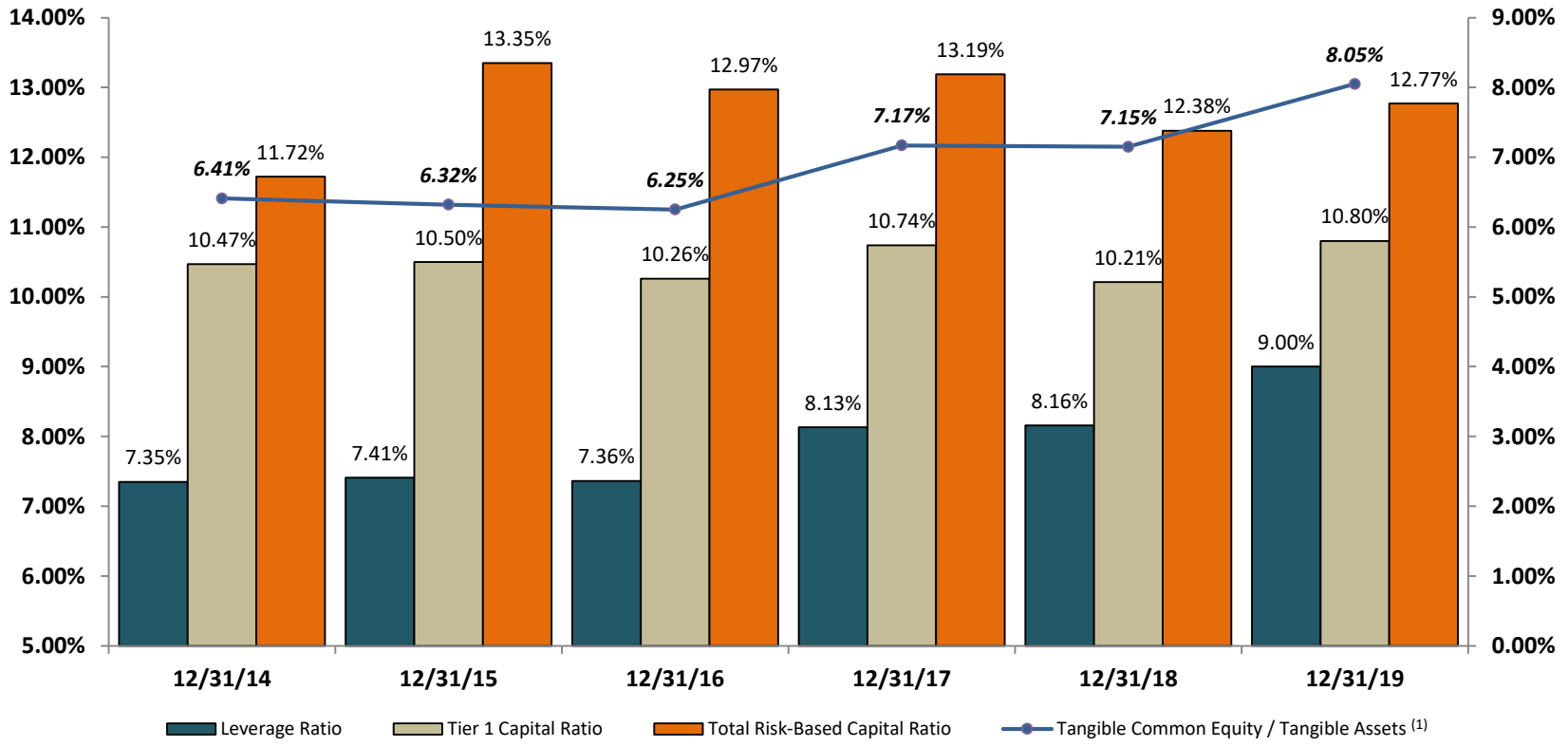
Net Charge-Offs



(1) NPAs include nonaccrual loans, loans past due 90 days or more and still accruing, and foreclosed assets

Historical Capital Position

Consolidated Capital Ratios



	December 31, 2019
Tangible Common Equity / Tangible Assets (1)	8.05%
Leverage Ratio	9.00%
Tier 1 Capital Ratio	10.80%
Total Risk-Based Capital Ratio	12.77%

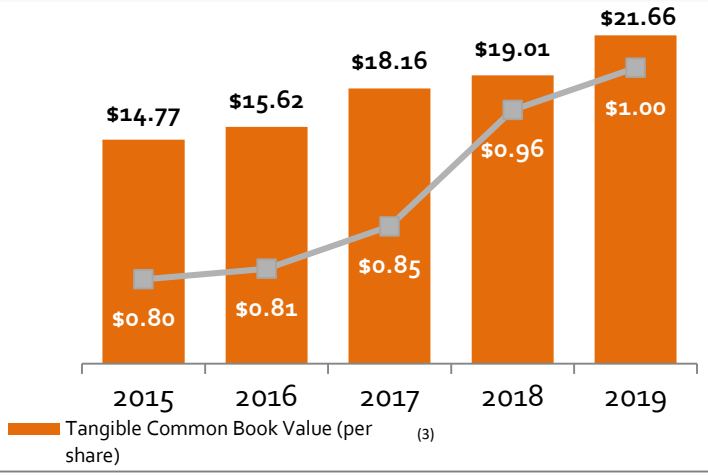
(1) Refer to "Non-GAAP Reconciliation" in Appendix

Reasons to Invest

Relative Valuation[1]

	Price/Tangible Common Book Value[2]	*Price/NTM Consensus EPS[2]*
FISI	**142%**	**11.1X**
AROW	190%	13.3X
CHMG	122%	11.3X
CBU	343%	20.5X
EVBN	139%	11.0X
NBTB	202%	15.1X
TMP	234%	17.0X
TRST	144%	13.1X

Dividends & Tangible Common Book Value



- Taking Advantage of Growth Opportunities
- Market Leadership in Core Legacy Markets Provides Valuable Core Deposits
- Addition of Talent is Fueling Activity and Driving Growth
- Securities Rotation into Higher-Yielding Loans Enhanced Margin
- Reducing Consumer Indirect Production as We Maintain Focus on Growing Relationship-Based Loan Categories (Commercial and Residential)
- Superior Credit Quality and Solid Capital Position
- Experienced Leadership
- Compelling Valuation

(1) Peer group defined as Upstate NY banks with market capitalization between $1 and $15 Billion and sell-side analyst coverage
(2) As of February 3, 2019; per S&P Global Market Intelligence; NTM = next twelve months
(3) Refer to "Non-GAAP Reconciliation" in Appendix

Appendix

Non-GAAP Reconciliation

In addition to results presented in accordance with U.S. generally accepted accounting principles ("GAAP"), this presentation contains certain non-GAAP financial measures. The Company believes that providing certain non-GAAP financial measures provides investors with information useful in understanding our financial performance, performance trends and financial position. Our management uses these measures for internal planning and forecasting purposes and we believe that our presentation and discussion, together with the accompanying reconciliations, allows investors, security analysts and other interested parties to view our performance and the factors and trends affecting our business in a manner similar to management. These non-GAAP measures should not be considered a substitute for GAAP measures and we strongly encourage investors to review our consolidated financial statements in their entirety and not to rely on any single financial measure to evaluate the Company. Non-GAAP financial measures have inherent limitations, are not uniformly applied and are not audited. Because non-GAAP financial measures are not standardized, it may not be possible to compare these financial measures with other companies' non-GAAP financial measures having the same or similar names.

GAAP to Non-GAAP Reconciliation	**Year Ended**				
($ in thousands, except per share data)	**2015**	**2016**	**2017**	**2018**	**2019**
Computation of ending tangible common equity:					
Common shareholders' equity	$ 276,504	$ 302,714	$ 363,848	$ 378,965	$ 421,619
Less: Goodwill and other intangible assets, net	66,946	75,640	74,703	76,173	74,923
Tangible common equity	209,558	227,074	289,145	302,792	346,696
Computation of ending tangible assets:					
Total assets	$ 3,381,024	$ 3,710,340	$ 4,105,210	$ 4,311,698	$ 4,384,178
Less: Goodwill and other intangible assets, net	66,946	75,640	74,703	76,173	74,923
Tangible assets	3,314,078	3,634,700	4,030,507	4,235,525	4,309,255
Tangible common equity to tangible assets[1]	6.32%	6.25%	7.17%	7.15%	8.05%
Common shares outstanding	14,191	14,538	15,925	15,929	16,003
Tangible common book value per share[2]	$ 14.77	$ 15.62	$ 18.16	$ 19.01	$ 21.66
Computation of average tangible common equity:					
Average common equity	$ 272,367	$ 301,666	$ 331,184	$ 371,023	$ 403,689
Less: Average goodwill and other intangible assets, net	68,138	76,170	74,818	76,990	75,557
Average tangible common equity	204,229	225,496	256,366	294,033	328,132
Computation of average tangible assets:					
Average assets	$ 3,269,890	$ 3,547,105	$ 3,896,071	$ 4,171,972	$ 4,285,825
Less: Average goodwill and other intangible assets, net	68,138	76,170	74,818	76,990	75,557
Average tangible assets	3,201,752	3,470,935	3,821,253	4,094,982	4,210,268
Net income available to common shareholders	26,875	30,469	32,064	38,065	47,401
Return on average tangible common equity[3]	13.16%	13.51%	12.51%	12.95%	14.45%
Pre-tax pre-provision income:					
Net income	$ 28,337	$ 31,931	$ 33,526	$ 39,526	$ 48,862
Add: Income tax expense	10,539	12,210	9,945	10,006	10,559
Add: Provision for loan losses	7,381	9,638	13,361	8,934	8,044
Pre-tax pre-provision income	46,257	53,779	56,832	58,466	67,465

Source: Company filings.
(1) Tangible common equity divided by tangible assets.
(2) Tangible common equity divided by common shares outstanding.
(3) Net income available to common shareholders (annualized) divided by average tangible common equity.

Non-GAAP Reconciliation (continued)

GAAP to Non-GAAP Reconciliation ($ in thousands, except per share data)	Qtr Ended 9/30/2016	Qtr Ended 3/31/2017
Computation of ending tangible common equity:		
Common shareholders' equity	$ 308,931	$ 308,348
Less: Goodwill and other intangible assets, net	75,943	75,343
Tangible common equity	232,988	233,005
Computation of ending tangible assets:		
Total assets	$ 3,687,365	$ 3,859,865
Less: Goodwill and other intangible assets, net	75,943	75,343
Tangible assets	3,611,422	3,784,522
Tangible common equity to tangible assets[1]	6.45%	6.16%
Common shares outstanding	14,528	14,536
Tangible common book value per share[2]	$ 16.04	$ 16.03
Computation of average tangible common equity:		
Average common equity	$ 308,524	$ 306,626
Less: Average goodwill and other intangible assets, net	76,116	75,508
Average tangible common equity	232,408	231,118
Computation of average tangible assets:		
Average assets	$ 3,593,672	$ 3,754,470
Less: Average goodwill and other intangible assets, net	76,116	75,508
Average tangible assets	3,517,556	3,678,962
Net income available to common shareholders	8,103	7,578
Return on average tangible common equity[3]	13.87%	13.30%

Source: Company filings.
(1) Tangible common equity divided by tangible assets.
(2) Tangible common equity divided by common shares outstanding.
(3) Net income available to common shareholders (annualized) divided by average tangible common equity.



Our Rochester regional administrative center – comprised of administrative, finance, lending, management and marketing associates – was moved to two-plus floors at Five Star Bank Plaza, an existing 20-story building in downtown Rochester, in 2017. This downtown office increases Five Star Bank's presence and visibility in Rochester.

Financial Institutions, Inc. and Five Star Bank headquarters remain in Warsaw, where significant administrative, board and management functions continue. Approximately 140 employees are based in Warsaw.