

FINANCIAL INSTITUTIONS INC
Form 424B5
May 15, 2017
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Filed pursuant to Rule 424(b)(5)
Registration Statement Number 333-202791

The information in this preliminary prospectus supplement relates to an effective registration statement, but is not complete and may be changed. This preliminary prospectus supplement and the accompanying prospectus are neither an offer to sell securities nor a solicitation of an offer to buy these securities in any state or jurisdiction where the offer or sale is not permitted.

SUBJECT TO COMPLETION, DATED MAY 15, 2017

Preliminary Prospectus Supplement

To the Prospectus dated March 16, 2015

\$40,000,000

Common Stock

We are offering _____ shares of our common stock, \$0.01 par value per share, pursuant to this prospectus supplement and the accompanying prospectus.

Our common stock is listed on the NASDAQ Global Select Market under the symbol **FISI**. On May _____, 2017, the last reported price of our common stock on the NASDAQ Global Select Market was \$ _____ per share.

Investing in our common stock involves risks. Please carefully review the risks discussed in Risk Factors beginning on page S-8 of this prospectus supplement and in risk factors included in certain of the documents incorporated by reference in this prospectus supplement for a description of factors you should consider before making your investment decision.

	Per Share	Total
Public offering price	\$	\$
Underwriting discounts and commissions	\$	\$
Proceeds, before expenses, to us	\$	\$

The shares of common stock are being offered through the underwriters on a firm commitment basis. We have granted the underwriters a 30-day option to purchase up to _____ additional shares of our common stock at the same price and on the same terms.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the accuracy or adequacy of this prospectus supplement or the accompanying prospectus. Any representation to the contrary is a criminal offense.

The shares of our common stock are not deposits or obligations of a bank or savings association and are not insured or guaranteed by the Federal Deposit Insurance Corporation or any other governmental agency.

The underwriters expect to deliver the common stock in book-entry form only, through the facilities of The Depository Trust Company, against payment on or about May _____, 2017.

Book-Running Manager

SANDLER O NEILL + PARTNERS, L.P.

Co-Managers

HOVDE GROUP, LLC

The date of this prospectus supplement is May _____, 2017.

PIPER JAFFRAY

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You should rely only on the information contained or incorporated by reference in this prospectus supplement and the accompanying prospectus when making your investment decision. We have not, and the underwriters have not, authorized any other person to provide you with different or additional information. If anyone provides you with different or inconsistent information, you should not rely on it. We are not, and the underwriters are not, making an offer to sell our securities in any jurisdiction where the offer or sale is not permitted. If you are in a jurisdiction where offers to sell, or solicitations of offers to purchase, the securities offered by this document are unlawful, or if you are a person to whom it is unlawful to direct these types of activities, then the offer presented in this document does not extend to you.

You should assume that the information appearing in this prospectus supplement, the accompanying prospectus and any documents incorporated by reference herein, is accurate as of their respective dates. However, our business, financial condition, results of operations, and prospects may have changed since those dates. This prospectus supplement supersedes the accompanying prospectus to the extent it contains information that is different from or in addition to the information in that prospectus.

ABOUT THIS PROSPECTUS SUPPLEMENT

This document consists of two parts. The first part is this prospectus supplement, which describes the specific terms of this offering, and updates and adds to the information contained in the accompanying prospectus and the documents incorporated by reference into this prospectus supplement and the accompanying prospectus. The second part is the accompanying prospectus, which provides more general information about us, our common stock, and other securities we may offer from time to time, some of which may not apply to this offering. You should read both this prospectus supplement and the accompanying prospectus, together with additional information described below under the headings *Where You Can Find Additional Information* and *Incorporation of Certain Documents by Reference*. Generally, when we refer to this prospectus we mean this prospectus supplement together with the accompanying prospectus.

If the information set forth in this prospectus supplement differs in any way from the information set forth in the accompanying prospectus or the information incorporated by reference, you should rely on the information set forth in this prospectus supplement.

Unless we specifically state otherwise, the information in this prospectus supplement assumes no exercise of the underwriters' option to purchase additional shares of our common stock.

We are offering to sell shares of our common stock only in jurisdictions where offers and sales are permitted. The distribution of this prospectus supplement and the accompanying prospectus and the offering of the common stock in certain jurisdictions may be restricted by law. This prospectus supplement and the accompanying prospectus do not constitute, and may not be used for or in connection with, an offer to sell, or a solicitation of an offer to buy, any common stock offered by this prospectus supplement by any person in any jurisdiction in which it is unlawful for such person to make such an offer or solicitation.

This prospectus supplement and accompanying prospectus are part of a registration statement that we filed with the U.S. Securities and Exchange Commission, which we refer to as the SEC, using a shelf registration process. Under this shelf registration process, we may sell securities described in the accompanying prospectus in one or more offerings from time to time.

In this prospectus supplement, all references to we, us, our, the Company or similar terms mean Financial Institutions Inc. and its consolidated subsidiaries unless otherwise stated or the context otherwise requires. References to the Bank

mean Five Star Bank, our wholly-owned banking subsidiary, to SDN mean Scott Danahy Naylon, LLC, our wholly-owned insurance subsidiary, and to Courier Capital mean Courier Capital, LLC, our wholly-owned investment advisory subsidiary.

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WHERE YOU CAN FIND ADDITIONAL INFORMATION

We are subject to the information and reporting requirements of the U.S. Securities Exchange Act of 1934, as amended, which we refer to as the Exchange Act, under which we file annual, quarterly and current reports, proxy statements and other information with the SEC. We file these documents with the SEC electronically. You can access the electronic versions of these filings free of charge on the SEC's Internet website found at <http://www.sec.gov> and on our Internet website address at <http://www.fiiwarsaw.com>. You may also read and copy any documents we have filed with the SEC at its Public Reference Room located at 100 F Street, N.E., Washington, DC 20549. You may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. You may also obtain free copies of the documents we have filed with the SEC, including documents incorporated by reference in this prospectus supplement, by contacting:

General Counsel

Financial Institutions, Inc.

220 Liberty Street

Warsaw, New York 14569

Tel: (585) 786-1100

We have filed with the SEC a registration statement on Form S-3 (File No. 333-202791) relating to the securities covered by this prospectus supplement. This prospectus supplement is a part of the registration statement and does not contain all the information in the registration statement. You may review a copy of the registration statement at the SEC's Public Reference Room or through either the SEC's or our Internet website.

Except as specifically incorporated by reference in this prospectus supplement, information on either the SEC's website or our website is not part of this prospectus supplement. No one has been authorized to provide you with information that is different from that contained in, or incorporated by reference into, this document. This document is dated May 1, 2017, and you should assume that the information in this document is accurate only as of such date. You should assume that the information incorporated by reference into this document is accurate only as of the date of such incorporated document.

INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

The SEC allows us to incorporate by reference information into this prospectus supplement. This means that we can disclose important information to you by referring you to another document that we have filed separately with the SEC. The information incorporated by reference is considered to be part of this prospectus supplement, except for any information that is superseded by information that is included directly in this document or in a more recent incorporated document.

As noted, you should rely only on the information contained in this prospectus supplement, the accompanying prospectus and in the documents that we have incorporated by reference into this prospectus supplement. We have not authorized anyone to provide you with information that is different from or in addition to the information contained in this document and incorporated by reference into this prospectus supplement.

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The prospectus supplement incorporates by reference the documents listed below. We previously filed these documents with the SEC on the dates indicated.

Our Annual Report on Form 10-K for the fiscal year ended December 31, 2016, filed on March 7, 2017;

Our Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2017, filed on May 5, 2017;

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The information specifically incorporated by reference into our Annual Report on Form 10-K for the fiscal year ended December 31, 2016 from our Definitive Proxy Statement on Schedule 14A, filed on April 28, 2017;

Our Current Reports on Form 8-K filed on February 23, 2017, March 29, 2017 and May 4, 2017; and

The description of our common stock set forth in the registration statement on Form 8-A12G, filed with the SEC on June 23, 1999.

In addition, we also incorporate by reference all future documents that we file with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act after the date of this prospectus and prior to the date this offering is terminated or we issue all of the securities under this prospectus. Nothing in this prospectus supplement shall be deemed to incorporate information furnished, but not filed, with the SEC pursuant to Item 2.02 or Item 7.01 of Form 8-K and corresponding information furnished, or included as an exhibit, under Item 9.01 of Form 8-K pursuant to Item 2.02 or Item 7.01 of Form 8-K, unless specifically incorporated herein.

The information incorporated by reference contains information about us and our financial condition and is an important part of this prospectus supplement and the accompanying prospectus.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

Certain statements contained in this prospectus supplement, the prospectus and in information incorporated by reference into this prospectus supplement and the prospectus that are not historical or current facts may constitute forward-looking statements within the meaning of Section 27A of the U.S. Securities Act of 1933, as amended, which we refer to as the Securities Act, and Section 21E of the Exchange Act and are intended to be covered by the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. In addition, the Company's management may make forward-looking statements orally to the media, securities analysts, investors or others. These statements, which are based on certain assumptions and describe our future plans, strategies, and expectations, can generally be identified by the use of words such as optimism, look-forward, bright, believe, expect, anticipate, intend, estimate, potential, project, target or words of similar meaning, or future or conditional verbs such as will, would, should, could or may. These forward-looking statements include statements relating to our strategy, effectiveness of investment programs, evaluations of future interest rate trends and liquidity, expectations as to growth in assets, deposits and results of operations, future operations, market position, financial position, and prospects, plans and objectives of management.

Forward-looking statements are based on the current assumptions and beliefs of management and are only expectations of future results and are subject to certain risks, uncertainties and assumptions. Our actual results could differ materially from those projected in the forward-looking statements as a result of, among other things, factors referenced herein under the section captioned *Risk Factors* beginning on page S-8 as well as the risk factors included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2016, including, among other things:

If we experience greater credit losses than anticipated, earnings may be adversely impacted;

Our tax strategies and the value of our deferred tax assets could adversely affect our operating results and regulatory capital ratios;

Geographic concentration may unfavorably impact our operations;

We depend on the accuracy and completeness of information about or from customers and counterparties;

Our insurance brokerage subsidiary is subject to risk related to the insurance industry;

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Our investment advisory and wealth management operations are subject to risk related to the financial services industry;

We may be unable to successfully implement our growth strategies;

We are subject to environmental liability risk associated with our lending activities;

Our commercial business and mortgage loans increase our exposure to credit risks;

Our indirect lending involves risk elements in addition to normal credit risk;

We accept deposits that do not have a fixed term and which may be withdrawn by the customer at any time for any reason;

Any future FDIC insurance premium increases may adversely affect our earnings;

We are highly regulated and may be adversely affected by changes in banking laws, regulations and regulatory practices;

New or changing tax and accounting rules and interpretations could significantly impact our strategic initiatives, results of operations, cash flows and financial condition;

Legal and regulatory proceedings and related matters could adversely affect us and the banking industry in general;

A breach in security of our or third party information systems, including the occurrence of a cyber incident or a deficiency in cyber security, may subject us to liability, result in a loss of customer business or damage our reputation;

We face competition in staying current with technological changes to compete and meet customer demands;

We rely on other companies to provide key components of our business infrastructure;

We use financial models for business planning purposes that may not adequately predict future results;

We may not be able to attract and retain skilled people;

Acquisitions may disrupt our business and dilute shareholder value;

We are subject to interest rate risk;

Our business may be adversely affected by instability in the financial markets and general economic conditions;

The policies of the Federal Reserve have a significant impact on our earnings;

The soundness of other financial institutions could adversely affect us;

The value of our goodwill and other intangible assets may decline in the future;

A proxy contest for the election of directors at our annual meeting or proposals arising out of shareholder initiatives could cause us to incur substantial costs and could negatively affect our business;

We operate in a highly competitive industry and market area;

Severe weather, natural disasters, acts of war or terrorism, and other external events could significantly impact our business;

Liquidity is essential to our businesses;

We may need to raise additional capital in the future and such capital may not be available on acceptable terms or at all;

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We rely on dividends from our subsidiaries for most of our revenue;

We may not pay or may reduce the dividends on our common stock;

We may issue debt and equity securities or securities convertible into equity securities, any of which may be senior to our common stock as to distributions and in liquidation, which could dilute our current shareholders or negatively affect the value of our common stock;

Our certificate of incorporation, our bylaws, and certain banking laws may have an anti-takeover effect; and

The market price of our common stock may fluctuate significantly in response to a number of factors. Forward-looking statements speak only as of the date they are made. Except as required by law, we do not undertake to update forward-looking statements to reflect circumstances or events that occur after the date the forward-looking statements are made. Although we believe that our expectations are reasonable, we can give no assurance that such expectations will prove to be correct. Based upon changing conditions, should any one or more of these risks or uncertainties materialize, or should any underlying assumptions prove incorrect, actual results may vary materially from those described in any forward-looking statements.

We caution our readers not to place undue reliance on any forward-looking statements. Forward-looking statements should not be viewed as predictions, and should not be the primary basis upon which investors evaluate the Company.

We assume no obligation for updating our forward-looking statements at any time. When considering these forward-looking statements, you should keep in mind these risks and uncertainties, as well as the other cautionary statements made in this prospectus supplement and the prospectus. You should not place undue reliance on any forward-looking statement, which speaks only as of the date made. You should refer to our periodic and current reports filed with the SEC for specific risks that could cause actual results to be significantly different from those expressed or implied by these forward-looking statements. See *Where You Can Find Additional Information* above and *Risk Factors* below.

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PROSPECTUS SUPPLEMENT SUMMARY

This summary highlights selected information contained or incorporated by reference in this prospectus supplement or the accompanying prospectus and may not contain all of the information that you need to consider in making your investment decision. To understand this offering fully, you should read this prospectus supplement and the accompanying prospectus carefully. Before making an investment decision, you should carefully read the sections titled Risk Factors in this prospectus supplement and in the accompanying prospectus and the documents identified in the section Incorporation of Certain Documents by Reference.

Financial Institutions, Inc.

We are a financial holding company organized in 1931 under the laws of New York State, but the continuity of the Company's banking business is traced to the organization of the National Bank of Geneva on March 28, 1817. Our principal business is the operation of our wholly-owned subsidiaries, which offer a broad array of deposit, lending, insurance, investment advisory and other financial services to individuals, municipalities and businesses.

Our corporate headquarters is located at 220 Liberty Street, Warsaw, New York 14569.

Five Star Bank

The Bank is a New York chartered bank that has its headquarters at 55 North Main Street, Warsaw, NY, and a total of 53 full-service banking offices in the New York State counties of Allegany, Cattaraugus, Cayuga, Chautauqua, Chemung, Erie, Genesee, Livingston, Monroe, Ontario, Orleans, Seneca, Steuben, Wyoming and Yates counties.

At March 31, 2017, the Bank had total assets of \$3.83 billion, investment securities of \$1.09 billion, net loans of \$2.37 billion, deposits of \$3.18 billion and shareholders' equity of \$324.6 million. The Bank offers deposit products, which include checking and NOW accounts, savings accounts, and certificates of deposit, as its principal source of funding. The Bank's deposits are insured up to the maximum permitted by the Bank Insurance Fund of the Federal Deposit Insurance Corporation (FDIC). The Bank offers a variety of loan products to its customers, including commercial and consumer loans and commercial and residential mortgage loans.

Scott Danahy Naylor, LLC

Acquired in August 2014, SDN is a full-service insurance agency founded in 1923 and headquartered in Amherst, NY. SDN offers personal and commercial insurance and financial services products and serves over 7,000 clients in 45 states.

SDN's primary market area is Erie and Niagara counties in New York State. SDN offers most lines of personal insurance, including automobile, homeowners, boat, recreational vehicle, landlord and umbrella coverage. Commercial insurance products are also provided, consisting of property, liability, automobile, inland marine, workers compensation, bonds, crop and umbrella insurance. SDN also provides the following financial services products: life and disability insurance, Medicare supplements, long-term care, annuities, mutual funds, retirement programs and New York State disability.

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Courier Capital, LLC

Acquired in January 2016, Courier Capital is an SEC-registered investment advisory and wealth management firm founded in 1967 and based in Western New York, with offices in Buffalo and Jamestown. With \$1.38 billion in assets under management, Courier Capital offers customized investment management, investment consulting and retirement plan services to over 1,100 individuals, businesses and institutions across nine states.

As of March 31, 2017, the Company had consolidated assets of \$3.86 billion, of which assets of the Bank represented 99.1%, assets of SDN represented 0.5% and assets of Courier Capital represented 0.3%, respectively.

Our Business Strategy

Our business strategy has been to maintain a community bank philosophy, which consists of focusing on and understanding the individualized banking and other financial services needs of individuals, municipalities and businesses of the local communities surrounding our primary service area. We believe this focus allows us to be more responsive to our customers' needs and to provide a high level of personal service that differentiates us from larger competitors, resulting in long-standing and broad-based relationships. Our core customers are primarily small- to medium-sized businesses, individuals and community organizations that prefer to build banking, insurance and wealth management relationships with a community bank that offers and combines high quality, competitively-priced products and services with personalized service. Because of our identity and origin as a locally operated bank, we believe that our level of personal service, combined with our localized decision-making process, provides a competitive advantage over larger banks, which tend to consolidate decision-making authority outside local communities.

A key aspect of our current business strategy is to foster a community-oriented culture where our customers and employees establish long-standing and mutually beneficial relationships. We believe that we are well-positioned to be a strong competitor within our market area because of our focus on community banking needs and customer service, our comprehensive suite of deposit, loan, insurance and wealth management products typically found at larger banks, our highly experienced management team and our strategically located banking centers. We believe that the foregoing factors enable us to grow our core deposits, which supports a central element of our business strategy—the growth of a diversified and high-quality loan portfolio.

Although historically we have operated in smaller cities and towns throughout Western New York, we have expanded our operations to include the larger markets of Buffalo and Rochester, New York and we intend to continue to strategically expand our operations in these markets.

Acquisition Strategy

We have pursued a robust acquisition strategy in recent years, including our acquisitions of SDN in August 2014 and of Courier Capital in January 2016. We will continue to explore market expansion opportunities in or near our current market areas as opportunities arise. Our primary focus will be on increasing market share within existing markets, while taking advantage of potential growth opportunities within our insurance and wealth management lines of business by acquiring new businesses that can be added to existing operations. In evaluating acquisition opportunities, we will balance the potential for earnings accretion with maintaining adequate capital levels, which could result in our common stock being the predominate form of consideration and/or the need for us to raise capital.

Conversations with potential strategic partners occur on a regular basis. The evaluation of any potential opportunity will favor a transaction that complements our core competencies and strategic intent, with a lesser

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emphasis being placed on geographic location or size. Additionally, we remain committed to maintaining a diversified revenue stream. Our senior management team has had extensive experience in acquisitions and post-acquisition integration of operations, and is prepared to act quickly should a potential opportunity arise, but will remain disciplined with its approach. We believe this experience positions us to successfully acquire and integrate additional financial services and banking businesses. Currently, we do not have any specific plans or arrangements to acquire any financial services or banking businesses.

Additional information about us and our subsidiaries is included in documents incorporated by reference in this prospectus supplement. See *Where You Can Find Additional Information* on page S-iii.

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THE OFFERING

<i>Issuer</i>	Financial Institutions, Inc., a New York corporation
<i>Common Stock Offered</i>	shares of common stock, \$0.01 par value per share ¹
<i>Common Stock Outstanding after the Offering</i>	shares of common stock, based on shares outstanding as of , 2017 ²
<i>Net Proceeds</i>	We estimate that the net proceeds from this offering will be approximately \$ million (or \$ million if the underwriters exercise in full their option to purchase additional shares) after deducting the underwriting discount and estimated offering expenses payable by us.
<i>Use of Proceeds</i>	We intend to use the net proceeds generated by this offering for general corporate purposes, including contributing capital to the Bank. See <i>Use of Proceeds</i> on page S-13 of this prospectus supplement.
<i>Market and Trading Symbol for the Common Stock</i>	Our common stock is listed and traded on the NASDAQ Global Select Market under the symbol FISI .
<i>Dividends</i>	We currently pay a quarterly cash dividend of \$0.21 per share. Although we expect to continue to pay regular dividends, any future determination to pay dividends on our common stock will be made by our Board of Directors and will depend upon our results of operations, financial condition, capital requirements, regulatory and contractual restrictions, our business strategy and other factors that our Board of Directors deems relevant. For additional information, see <i>Market for Common Stock and Our Dividend Policy</i> on page S-11.
<i>Risk Factors</i>	An investment in our common stock involves risks. You should carefully consider the information contained in, or incorporated by reference into, this prospectus supplement and the accompanying prospectus. In particular, we urge you to carefully consider the factors set forth under <i>Risk Factors</i> beginning on page S-8 of this prospectus supplement and in certain of the documents incorporated by reference to this prospectus supplement before investing in our common stock.

- ¹ Excludes the underwriters' option to purchase up to _____ additional shares of common stock.
- ² The number of shares of our common stock to be outstanding after the offering is based on _____ shares of common stock outstanding as of May _____, 2017, and does not include _____ shares of our common stock issuable upon conversion of outstanding compensatory stock options having a weighted-average exercise price of \$ _____ per share; _____ shares reserved for issuance of outstanding compensatory restricted stock awards and restricted stock units; and _____ shares, subject to the underwriters' option, to purchase additional shares granted in this offering.

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The following tables set forth consolidated financial data for the Company as of and for each of the fiscal years in the five-year period ended December 31, 2016 (which, other than our financial ratios, has been derived from our audited consolidated financial statements), and as of and for the three months ended March 31, 2017 and 2016 (unaudited). You should read these tables together with the historical consolidated financial information contained in our consolidated financial statements and related notes, as well as Management's Discussion and Analysis of Financial Condition and Results of Operations, included in our Annual Report on Form 10-K for the year ended December 31, 2016 and our Quarterly Report on Form 10-Q for the quarter ended March 31, 2017, which have been filed with the SEC and are incorporated herein by reference. Information for the three months ended March 31, 2017 and 2016 is derived from unaudited interim consolidated financial statements and has been prepared on the same basis as our audited consolidated financial statements and includes, in the opinion of management, all adjustments of a normal and recurring nature necessary to present fairly the data for such period. The results of operations for the three months ended March 31, 2017 do not necessarily indicate the results which may be expected for any future interim period or for the full year.

	At or for the three months ended March 31, 2017 2016 (dollars in thousands, except share and per share data) (unaudited)	
Balance Sheet Data		
Assets	\$ 3,859,865	\$ 3,516,572
Interest-earning assets	3,523,613	3,189,582
Investment securities	1,085,787	1,086,296
Loans, net	2,371,546	2,087,466
Deposits	3,169,659	2,960,177
Borrowings	342,378	218,208
Shareholders' equity	325,688	313,953
Income Statement Data		
Net interest income	\$ 26,995	\$ 24,719
Noninterest income	7,836	9,217
Noninterest expense	20,942	21,218
Net income	7,943	7,618
Stock and Related Per Share Data		
Earnings per common share-basic	\$ 0.52	\$ 0.50
Earnings per common share-diluted	0.52	0.50
Cash dividends declared per common share	0.21	0.20
Common book value per share	\$ 21.21	\$ 20.46
Common shares outstanding	14,536,015	14,495,083

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	At or for the three months ended March 31, 2017 2016 (unaudited)	
Performance Ratios		
Return on average assets ⁽¹⁾	0.86%	0.90%
Return on average common equity ⁽¹⁾	10.02	10.00
Net interest margin ⁽¹⁾⁽²⁾	3.23	3.27
Efficiency ratio ⁽³⁾	59.09	62.19
Common dividend payout ratio	40.38	40.00
Capital Ratios		
Tier 1 capital to adjusted average assets	7.30%	7.46%
Common shareholders' equity to total assets	7.99	8.43
Asset Quality Ratios		
Total non-performing assets to total assets	0.21%	0.25%
Total non-performing loans to total loans	0.33	0.41
Net charge-offs to average loans ⁽¹⁾	0.45	0.36
Allowance for loan losses to total loans	1.29	1.30
Other Data		
Number of banking centers	53	50
Full time equivalent employees	617	654

(1) Calculated on an annualized basis.

(2) The net interest margin represents net interest income (fully taxable equivalent) as a percent of average interest-earning assets for the period.

(3) The efficiency ratio is calculated by dividing noninterest expense by net revenue, i.e. the sum of net interest income (fully taxable equivalent) and noninterest income before net gains on investment securities. This is a banking industry financial measure not required by GAAP.

	At or for the year ended December 31,				
	2016	2015	2014	2013	2012
	(dollars in thousands, except share and per share data)				
Balance Sheet Data					
Assets	\$ 3,710,340	\$ 3,381,024	\$ 3,089,521	\$ 2,928,636	\$ 2,763,865
Interest-earning assets	3,428,541	3,114,530	2,826,488	2,705,045	2,522,444
Investment securities	1,083,264	1,030,112	916,932	859,185	841,701
Loans, net	2,309,227	2,056,677	1,884,365	1,806,883	1,681,012
Deposits	2,995,222	2,730,531	2,450,527	2,320,056	2,261,794
Borrowings	370,561	332,090	334,804	337,042	179,806
Shareholders' equity	320,054	293,844	279,532	254,839	253,897
Income Statement Data					
Net interest income	\$ 102,690	\$ 95,313	\$ 93,774	\$ 91,594	\$ 88,516
Noninterest income	35,760	30,337	25,350	24,833	24,777
Noninterest expense	84,671				