

FINANCIAL INSTITUTIONS INC

Form FWP

May 15, 2017

NASDAQ: FISI

Investor Presentation

May 15, 2017

Issuer Free Writing Prospectus

Dated May 15, 2017

Filed Pursuant to Rule 433

Registration Statement No. 333-202791

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This presentation does not constitute an offer to sell, nor a solicitation of an offer to buy, any securities of FISI by any person in violation of the securities laws, and it is unlawful for such person to make such an offering or solicitation.

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Statements contained in this presentation which are not historical facts and which pertain to future operating results of Financial Institutions, Inc. 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, targeting, intend, and other similar expressions, whether in the negative or affirmative. Additionally, statements made in connection with our long-term strategy are forward-looking as well.

These forward-looking statements involve significant risks and uncertainties. All forward-looking statements made by the Company contain cautionary language in the Company's Annual Report on Form 10-K, its Prospectus Supplement and other documents filed with the SEC.

These documents contain and identify important factors that could cause actual results to differ materially from those contained in our projections. Except as required by law, the Company assumes no obligation to update any information presented herein. This presentation is not intended to be a financial measure intended to supplement, not substitute for, comparable GAAP measure. Reconciliations of those non-GAAP financial measures are provided in the Appendix to this presentation.

FISI has filed a registration statement (including a prospectus) and a prospectus supplement which is preliminary and subject to change without notice. This offering to which this communication relates. Before you invest, you should read the prospectus in that registration statement, the prospectus supplement and the other documents that FISI has filed with the SEC for more complete information about the Company and the offering.

These documents are available for free by visiting the SEC website at [www.sec.gov](http://www.sec.gov). Alternatively, the Company, any underwriter or any dealer participating in the offering will arrange to send you the prospectus if you request it by contacting: Sandler O'Neill & Partners, L.P. at toll-free 1-866-805-4123.

For more information, please contact Sandler O'Neill & Partners, L.P. at toll-free 1-866-805-4123 or Sandler O'Neill & Partners, L.P. at toll-free 1-866-971-0961 or Piper Jaffray & Co. at toll-free 1-800-747-3924.

Offering Disclosure and Safe Harbor Statement

2

(1)

Based on May 12, 2017 stock price of \$32.95/share and 14,542,215 common shares outstanding

Source: SNL Financial, Company documents

Offering Summary

3

Issuer:

Financial Institutions, Inc.

Offering:

Follow-on

offering of common stock

Gross Amount Offered:

\$40 million (100% primary)

Over-Allotment Option:

15% (100%

primary)

Exchange

/ Symbol:

NASDAQ

Global Select

/ FIS

Market Capitalization

(1)

:

\$479 million

Current Quarterly

Dividend:

\$0.21

Dividend

Yield

(1)

:

2.5%

Use of Proceeds:

For general corporate purposes, including supporting

organic growth

Lock-Up:

90 days

Book-Running Manager:

Sandler O'Neill + Partners, L.P

Co-Managers:

Hovde

Group, LLC

Piper Jaffray

& Co.

Diversified financial services holding company  
headquartered in Western New York  
Subsidiaries include:

Five Star Bank (regional community bank)

Scott Danahy Naylor, LLC (full-service insurance  
agency)

Courier Capital, LLC (investment advisory and  
wealth management 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 is a diversified mix of consumer, business  
and municipal customers, products and revenue  
sources

Generating consistent, strong operating results  
Positioned for growth through key initiatives and  
M&A-driven market disruption

Corporate Overview

Key Corporate Statistics as of March 31, 2017

(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)  
Based on May 12, 2017 stock price of \$32.95/share and 14,542,215 common shares outstanding

(4)  
Per SNL Financial

Assets:

\$3.86 billion

Loans:

\$2.40 billion

Deposits:

\$3.17 billion

Shareholders Equity:

\$325.7 million

NPAs

(1)

/Total Assets:

0.21%

Employees:

~ 650

ROACE (TTM):

10.09%

ROATCE

(2)

(TTM):

13.43%

ROAA (TTM):

0.89%

Annualized Dividend Per Share:

\$0.84

Market and Valuation Data as of May 12, 2017

Market Capitalization

(3)

:

\$479 million

Dividend Yield:

2.5%

Price/Tangible Common Book Value

(2)

:

206%

Price/2017 Consensus EPS

(4)

:

15.5x

Overview of Financial Institutions, Inc.

4

5

Dividends & Tangible Common Book Value

Dividends & Tangible Common Book Value

(1)

Refer to Non-GAAP Reconciliation in Appendix

(2)

As of May 12, 2017; per SNL Financial

Reasons to Invest

(1)

Market Disruption Creating Growth

Opportunities

Addition of Talent is Fueling Activity and

Driving Growth

History of Strong Operating Results and  
Positive Balance Sheet Trends  
Superior Credit Quality and Solid Capital  
Position

Experienced Leadership

Reasonable Valuation Relative to Peers

Relative Valuation

(2)

Relative Valuation

(2)

Price/Tangible

Common Book Value

(1)

Price/2017

Consensus EPS

FISI

206%

15.5x

AROW

209%

15.7x

CBU

380%

23.0x

NBTB

249%

19.0x

STBA

218%

15.5x

TMP

266%

18.6x

\$13.56

\$13.71

\$14.77

\$15.62

\$0.74

\$0.77

\$0.80

\$0.81

2013

2014

2015

2016

Tangible Common Book Value (per share)

Cash Dividends Declared (per share)



Successfully Executing Long-Term Strategy  
Maximize Market Disruption Opportunities

Continue to capitalize on market disruption in Western New York banking

Leverage brand to expand in the larger markets of Buffalo and Rochester

Continue to strengthen bench through strategic hires  
Generate Above-Peer-Average Growth / Results

Targeting mid-to-high single digit loan growth across all loan classes

Sustain disciplined credit culture

Deposit growth sufficient to fund loan growth

Continued improvement in ROAA and ROAE

Targeting efficiency ratio in the top one-third of peers

Dividend growth

Increase Fee-Based Revenue

Targeting noninterest income at 25%-30% of total revenue

Maximize synergies between bank, insurance and wealth management platforms

6

Name  
Title  
Years  
with FISI  
Years in  
Banking  
Martin K. Birmingham  
President and Chief  
Executive Officer  
12  
27  
Kevin B. Klotzbach  
EVP,

Chief Financial Officer and Treasurer

15

33

William L. Kreienberg

EVP, Chief Corporate Development Executive and General Counsel

2

(1)

2

(1)

Michael D. Burneal

SVP, Chief Risk

and Enterprise Administration Officer

12

30

Craig

J. Burton

SVP, Commercial Real

Estate Executive

New Hire

30

Vito Caraccio

SVP,

Commercial

Market

Executive

and

Director

of

Business

Banking

Sales

New Hire

23

David

G. Case

SVP,

Chief Commercial Credit Officer

12

32

Paula

D. Dolan

SVP,

Director

of

Human

Resources

and

Enterprise

Planning

3

19

Joseph  
L. Dugan  
SVP,  
Retail  
Growth  
and  
Profitability  
Executive  
New Hire  
25

Sonia M. Dumbleton  
SVP, Controller and Corporate Secretary  
32  
32

Michael D. Grover  
SVP, Chief Accounting Officer, Financial Reporting and Tax Manager  
17  
17

Charles  
J. Guarino  
SVP,  
Chief  
Retail  
Lending  
Executive  
22  
22

Jeffrey  
P. Kenefick  
EVP, Chief Community, Commercial and Strategic Development Officer  
11  
27

Edward Ted Oexle  
SVP, C&I Lending Executive and Buffalo  
Regional President  
New Hire  
25

Deep Bench with Significant Experience Working in Rochester, Buffalo and all of Western NY  
Experienced Leadership Team  
7

(1)  
Served as FISIs outside general counsel  
for previous four years

Market Footprint  
Market Footprint  
Growth Opportunities  
Growth Opportunities  
Buffalo and Rochester  
Current market share of 3.6%  
(1)  
in attractive \$32  
billion combined local deposit markets

Five Star Bank presence and brand awareness  
growing

Four financial solution centers opened  
since November 2015

Market disruption creates opportunity for our  
style of community banking

Personal service with local-leadership and  
decision-making power

Agile in responding to customer needs

FISI balance sheet capacity far exceeds many  
other community banks in marketplace

Core Rural Markets

Role as trusted banker creates opportunity for  
fee-based services

Rely on stable core deposits

53 branches and 650 employees

Top 3 market share in 11 of 15 counties of operation

4

largest bank in counties of operation

Low market share in Buffalo and Rochester

(1)

Buffalo and Rochester MSAs represent total deposit market of \$60 billion (FISI share = 1.9%); excluding impact  
of estimated national account relationship deposits of \$28 billion, combined MSAs represent \$32 billion in  
local deposits (FISI share = 3.6%)

8

Buffalo

Rochester

Warsaw

th

Buffalo and Rochester Economic Environment

Financially stable with positive outlook

Key employer transition from manufacturing to small business, technology and professional services

Significant college and university presence, including academic medical centers with robust research and development activities

Strong collaboration between public and private sectors

New York Regional Economic Development Council (REDC) Awards

Buffalo Billion and Buffalo Billion II

Buffalo and Rochester downtown redevelopments underway

2017 WalletHub

List of Best Large Cities to Start a Business: Rochester was 31st and Buffalo 34th



Buffalo, New York

NY State s 2

Largest City

Population: 259,000

MSA Population: 1.13 million

Rochester, New York

NY State s 3

Largest City

Population: 211,000

MSA Population: 1.08 million

Note: Population data based upon U.S. Census estimates

nd

rd

Taking advantage of market disruption to upgrade talent across all segments of our business

Hiring experienced professionals from competing institutions

Choosing community banking environment vs. big bank experience

Bringing market experience, knowledge and relationships

Experienced Western New York bankers hired to lead recently segregated C&I, CRE and Small

Business

Lending

Teams:

Ted

Oexle,

Craig

Burton

and  
Vito  
Caraccio  
Adding lenders in all categories  
Impact to headcount and overhead expense tempered by retirements and departures  
Addition of Talent  
10  
Commercial  
Lending  
Commercial  
Credit  
Community  
Development  
Officers  
Key  
Infrastructure  
&  
Support  
Mortgage  
Lending  
Retail  
Growth  
& Profitability  
Executive  
10  
5  
3  
8  
10  
1  
Our Team Build Outs and Talent Upgrades  
Include  
the Following New Hires (2016 and 2017):

Evolving to Meet Changing Customer Needs

Financial solution center concept

illustrates how we are evolving to  
meet the needs of our customers

High level of personalized banking

Staffed by Certified Personal Bankers

(CPBs)

experts trained to meet a

broad array of customer needs

Smaller footprint than traditional

branch

Four financial solution centers open

and operating in Rochester and  
Buffalo

Transitioning staff in traditional  
branches from teller and platform  
roles to CPBs

Adding technology, such as instant  
issue debit cards, in traditional  
branches

11

Strong Operating Results and Positive Balance Sheet Trends

Total Loans

Total Deposits

Net Interest Income & Noninterest Income

(1)

Increase reflects public deposit seasonality

(\$ in millions)

Net Income

12

(\$ in millions)

(\$ in millions)

(\$ in millions)

\$25.5

\$29.4  
\$28.3  
\$31.9  
\$7.9  
2013  
2014  
2015  
2016  
1Q '17  
\$91.6  
\$93.8  
\$95.3  
\$102.7  
\$27.0  
\$24.8  
\$25.4  
\$30.3  
\$35.8  
\$7.8  
21.3%  
21.3%  
24.1%  
25.8%  
2013  
2014  
2015  
2016  
1Q '17  
Net Interest Inc.  
Noninterest Inc.  
% of Nonint. Inc. to Total Revenue  
\$735  
\$743  
\$880  
\$1,020  
\$1,051  
\$1,099  
\$1,169  
\$1,204  
\$1,320  
\$1,352  
\$1,834  
\$1,912  
\$2,084  
\$2,340  
\$2,403  
2013  
2014  
2015  
2016

1Q '17

Commercial Loans

Consumer Loans

\$1,724

\$1,858

\$2,094

\$2,293

\$2,435

\$596

\$593

\$637

\$702

\$735

\$2,320

\$2,451

\$2,731

\$2,995

\$3,170

2013

2014

2015

2016

1Q '17

Transactional deposits

Time deposits

(1)



Bank Fees/Income

Various initiatives underway to increase credit card revenues

New purchasing card program

Increased focus on sale of cash management services

Anticipate increase in mortgage-related fees  
with build-out of residential mortgage  
production capabilities  
Scott Danahy Naylor (August 2014) and Courier  
Capital (January 2016) acquisitions are integrated  
and performing in-line with expectations

Noninterest Income

Commentary

13

(\$ in millions)

Net Interest Income & Noninterest Income

(\$ in millions)

\$24.8

\$25.4

\$30.3

\$35.8

\$7.8

2013

2014

2015

2016

1Q '17

\$91.6

\$93.8

\$95.3

\$102.7

\$27.0

\$24.8

\$25.4

\$30.3

\$35.8

\$7.8

21.3%

21.3%

24.1%

25.8%

2013

2014

2015

2016

1Q '17

Net Interest Inc.

Noninterest Inc.

% of Nonint. Inc. to Total Revenue

Loan and Deposit Composition

\$2.40bn

4.19% Avg. Yield

(1)

Total Loans at March 31, 2017

Total Deposits at March 31, 2017

Total loans increased 13.6% from March 31, 2016

Commercial, residential real estate and indirect portfolios increased 15.7%, 7.9% and 15.6%, respectively

Total deposits increased 7.1% from March 31, 2016, driven by organic growth

Municipal business continues to grow; dedicated sales force and approximately 310 customers

14

(1)

1Q 17 average  
Commercial  
43.7%  
Consumer  
Indirect  
32.7%  
Residential  
Real Estate  
22.9%  
Other  
Consumer  
0.7%  
Nonint.  
Bearing  
Demand  
21.0%  
Int. Bearing  
Demand  
22.0%  
Savings &  
Money  
Market  
33.8%  
Time  
Deposits  
23.2%  
\$3.17bn  
0.30% Avg. Cost  
(1)

Nonperforming Assets

Net Charge-Offs

(\$ in millions)

(\$ in millions)

Nonperforming assets

(1)

to total assets are well below peers

Loan loss reserves as a ratio of nonperforming assets are significantly higher than peers, demonstrating

FISI's conservative underwriting culture and reserve coverage

Credit quality reflects our knowledge of our community banking market and customer base

Superior Credit Quality

(1)

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

15

\$17.1  
\$10.3  
\$8.6  
\$6.4  
\$8.1  
0.58%  
0.33%  
0.25%  
0.17%  
0.21%  
\$-  
\$2.0  
\$4.0  
\$6.0  
\$8.0  
\$10.0  
\$12.0  
\$14.0  
\$16.0  
\$18.0  
2013  
2014  
2015  
2016  
1Q'17  
NPAs  
NPAs/Total Assets  
\$7.1  
\$6.9  
\$7.9  
\$5.8  
\$2.6  
0.40%  
0.37%  
0.40%  
0.26%  
0.45%  
\$-  
\$1.0  
\$2.0  
\$3.0  
\$4.0  
\$5.0  
\$6.0  
\$7.0  
\$8.0  
\$9.0  
2013  
2014  
2015

2016

1Q'17

Net Charge-offs

Net Charge-offs / Average Loans

Entire portfolio 0% or 20% risk weighted  
Portfolio comprised of New York State  
municipals and government agency issued  
MBS, CMO and debentures  
Modified portfolio duration of 4.45 years  
28% of Total Assets

Higher than peers as a result of public  
deposits (public/municipal deposits  
comprised 31% of total deposits)

Size of securities portfolio has  
remained relatively constant for the  
past eight quarters while loans  
increased nearly 20%

16

Conservative Securities  
Portfolio

(1)

1Q 17 average on tax equivalent basis



MBS

35.9%

NYS

Municipals

28.4%

CMO

18.2%

Debentures

17.5%

Total Investment Securities

at March 31, 2017

\$1.09bn

2.46% Avg. Yield

(1)

Consolidated Capital Ratios

Consolidated Capital Ratios

Historical Capital Position

17

March 31, 2017

Tangible Common Equity / Tangible Assets

(1)

6.16%

Tier 1 Leverage Ratio

7.30%

Tier 1 Risk-Based Capital Ratio

10.11%

Total Risk-Based Capital Ratio

12.75%

(1)

Refer to Non-GAAP Reconciliation in Appendix

(1)

7.71%

7.63%

7.35%

7.41%

7.36%

7.30%

10.73%

10.82%

10.47%

10.50%

10.26%

10.11%

11.98%

12.08%

11.72%

13.35%

12.97%

12.75%

6.86%

6.51%

6.41%

6.32%

6.25%

6.16%

5.50%

5.70%

5.90%

6.10%

6.30%

6.50%

6.70%

6.90%

7.10%

4.00%

5.00%

6.00%

7.00%

8.00%

9.00%

10.00%

11.00%

12.00%

13.00%

14.00%

2012

2013

2014

2015

2016

Q1 2017

Tier 1 Leverage Ratio

Tier 1 Risk-Based Capital Ratio

Total Risk-Based Capital Ratio

Tangible Common Equity / Tangible Assets

Business Line Details: Commercial Banking

Commercial Banking

Quarterly

Commercial Banking

Annual

Commentary

Strong year-over-year growth in both Commercial

Mortgage (CRE and owner occupied) and

Commercial Business (C&I) lending

Includes growth in less price sensitive Small

Business Commercial lending driven by addition of

talent

#2 SBA lender in Rochester/Buffalo combined and

#32 SBA lender in U.S. for the 2016 SBA year  
ended September 30, 2016

(1)

Taking advantage of significant opportunities to  
capitalize on disruption within the marketplace

Made important acquisitions of talent in 2016  
and year-to-date in 2017

Community banks are gaining momentum in  
becoming financial partners of choice

Provide a wide spectrum of products: credit,  
deposit, insurance, wealth advisory and  
treasury

Responsive to changing customer needs

(\$ in millions)

(\$ in millions)

LTM Growth 15.7%

CAGR 11.6%

18

(1)

SBA Rankings based on Units

\$590

\$614

\$636

\$670

\$675

\$318

\$349

\$351

\$350

\$376

0.22%

(0.01%)

0.04%

0.10%

0.30%

\$200

\$300

\$400

\$500

\$600

\$700

\$800

\$900

\$1,000

\$1,100

1Q'16

2Q'16

3Q'16  
4Q'16  
1Q'17  
Commercial Mortgage  
Commercial Business  
NCOs/Avg Loans  
\$469  
\$475  
\$566  
\$670  
\$675  
\$266  
\$267  
\$314  
\$350  
\$376  
0.14%  
0.02%  
0.24%  
0.09%  
0.30%  
\$200  
\$300  
\$400  
\$500  
\$600  
\$700  
\$800  
\$900  
\$1,000  
\$1,100  
2013  
2014  
2015  
2016  
1Q'17  
Commercial Mortgage  
Commercial Business  
NCOs/Avg Loans

Business Line Details: Consumer Indirect

Consumer Indirect - Quarterly

Consumer Indirect - Annual

Commentary

Consumer indirect is a unique core competency

Experienced management team with average industry experience of 25+ years

Loans originate through approximately 480 franchised automobile dealerships in Upstate New York and Pennsylvania (no independent auto dealers)

Large unit volume and smaller loans provide



natural risk dispersion

Model not easily duplicated

Relatively short duration allows for rapid re-  
pricing of new assets

High percentage of originations are prime credits,  
resulting in favorable portfolio performance

Ongoing focus to maintain yield and credit quality  
standards

LTM Growth 15.6%

CAGR 6.7%

19

(\$ in millions)

(\$ in millions)

\$680

\$697

\$730

\$752

\$786

0.79%

0.53%

0.50%

0.73%

0.93%

\$630

\$650

\$670

\$690

\$710

\$730

\$750

\$770

\$790

1Q'16

2Q'16

3Q'16

4Q'16

1Q'17

Consumer Indirect

NCOs/Avg Loans

\$636

\$662

\$677

\$752

\$786

0.82%

0.87%

0.74%

0.64%

0.93%

\$500

\$550

\$600

\$650

\$700

\$750

\$800

2013

2014

2015

2016

1Q'17

Consumer Indirect

NCOs/Avg Loans

Business Line Details: Residential Real Estate Loans and Lines

Commentary

In-market originations through mortgage loan originators and Five Star Bank branch network include term loans and lines

Product builds relationships and captures market share

Continuing the build out of residential mortgage production capabilities to capitalize on market disruption in Buffalo and Rochester

Balance sheet capacity

Community bank delivery model

Increased mortgage lending is expected to result in positive balance sheet impact as well as fee generation

Strategic hires in 2016 and 2017 are expected to result in significant increase in traditional mortgage banking

Senior Residential Lending Administrator and Mortgage Operations Manager in 4Q 2016

Two Community Development Loan Officers in February 2017

Buffalo-based team started in late March 2017

LTM Growth 7.9%

CAGR 7.1%

20

(\$ in millions)

(\$ in millions)

\$509

\$533

\$550

\$550

\$549

0.02%

0.06%

0.05%

0.03%

0.01%

\$450

\$470

\$490

\$510

\$530

\$550

\$570

1Q'16

2Q'16

3Q'16

4Q'16

1Q'17

Residential Real Estate

NCOs/Avg Loans

\$439

\$487

\$508

\$550

\$549

0.14%

0.09%

0.09%

0.04%

0.01%

\$300

\$350

\$400

\$450

\$500

\$550

\$600

2013

2014

2015

2016

1Q'17

Residential Real Estate

NCOs/Avg Loans

21

Dividends & Tangible Common Book Value

Dividends & Tangible Common Book Value

Relative Valuation

(2)

Relative Valuation

(2)

(1)

Refer to Non-GAAP Reconciliation in Appendix

(2)

As of May 12, 2017; per SNL Financial

Reasons to Invest

(1)

Price/Tangible

Common Book Value

(1)

Price/2017

Consensus EPS

FISI

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15.5x

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18.6x

Market Disruption Creating Growth

Opportunities

Addition of Talent is Fueling Activity and

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Superior Credit Quality and Solid Capital

Position

Experienced Leadership

Reasonable Valuation Relative to Peers

\$13.56

\$13.71

\$14.77

\$15.62

\$0.74

\$0.77

\$0.80

\$0.81

2013

2014

2015

2016

Tangible Common Book Value (per share)

Cash Dividends Declared (per share)





(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

Source: Company filings

#### Non-GAAP Financial Information

This presentation contains disclosure regarding tangible common book value per share and return on average tangible common equity in accordance with U.S. generally accepted accounting principles ( GAAP ). The Company believes that these non-GAAP measures provide a better understanding of the Company's capital and ability to generate earnings on tangible common equity invested by our shareholders. These non-GAAP measures are intended to help investors to analyze our capital position without regard to the effects of intangible assets. Non-GAAP financial measures have limitations. Therefore, these non-GAAP financial measures should not be considered in isolation, or as a substitute for comparable measures. Financial measures and reconciliation to the comparable GAAP financial measures are provided below.

#### Non-GAAP Reconciliation

23

GAAP to Non-GAAP Reconciliation

TTM Ended

(\$ in thousands, except per share data)

2012

2013

2014

2015

2016

3/31/2017

Computation of ending tangible common equity:

Common shareholders' equity

236,426

\$

237,497

\$

262,192

\$

276,504

\$

302,714

\$

308,348

\$

Less: Goodwill and other intangible assets, net

50,389

50,002

68,639

66,946

75,640

75,343

Tangible common equity

186,037

187,495

193,553

209,558

227,074

233,005

Computation of ending tangible assets:

Total assets

2,763,865

\$

2,928,636

\$

3,089,521

\$

3,381,024

\$

3,710,340

\$

3,859,865

\$

Less: Goodwill and other intangible assets, net

50,389

50,002

68,639

66,946

75,640

75,343

Tangible assets

2,713,476

2,878,634

3,020,882

3,314,078

3,634,700

3,784,522

Tangible common equity to tangible assets

6.86%

6.51%

6.41%

6.32%

6.25%

6.16%

Common shares outstanding

13,788

13,829

14,118

14,191

14,538

14,536

Tangible common book value per share

13.49

\$

13.56

\$

13.71

\$

14.77

\$

15.62

\$

16.03

\$

Computation of average tangible common equity:

Average common equity

230,527

\$

235,290

\$

254,533

\$

272,367

\$

301,666

\$

305,337

\$

Less: Average goodwill and other intangible assets, net

43,399

50,201

57,039

68,138

76,170

75,968

Average tangible common equity

187,128

185,089

197,494

204,229

225,496

229,369

Computation of average tangible assets:

Average assets

2,519,258

\$

2,803,825

\$

2,994,604

\$

3,269,890

\$

3,547,105

\$

3,633,553

\$

Less: Average goodwill and other intangible assets, net

43,399

50,201

57,039

68,138

76,170

75,968

Average tangible assets

2,475,859

2,753,624

2,937,565

3,201,752

3,470,935

3,557,585

Net income available to common shareholders

21,975

24,064

27,893

26,875

30,469

30,794

Return on average tangible common equity

11.74%

13.00%

14.12%

13.16%

13.51%

13.43%

Year Ended

(1)

(2)

(3)