Investor Presentation

Financial Institutions, Inc. (NASDAQ: FISI)
Second Quarter 2023 Earnings Presentation

July 27, 2023

Financial Institutions, Inc.

Important Information

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," "continues," "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 and are subject to change. 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. 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.

Due to rounding, numbers presented throughout this and other documents may not add up precisely to the totals provided.

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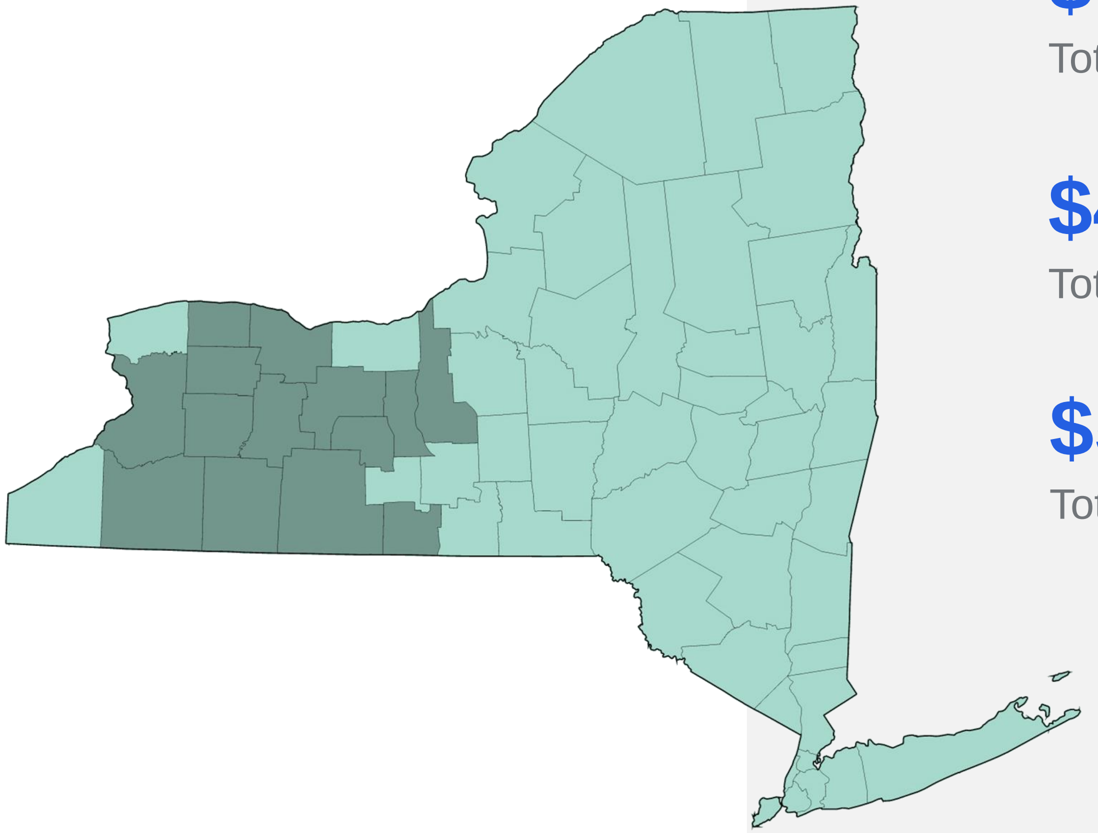
Financial Institutions, Inc.

Overview of Financial Institutions, Inc.

NASDAQ: FISI

- **Innovative financial holding company** headquartered in Western New York offering banking, insurance and wealth management services through a network of subsidiaries
  - Five Star Bank
  - SDN Insurance Agency, LLC
  - Courier Capital, LLC
- **Positioned for growth** through key initiatives, including Banking-as-a-Service (BaaS)
- **Financially stable geography**, with 49 banking locations[1] in 14 contiguous Upstate New York counties, as well as commercial loan production offices serving the Mid-Atlantic and Central New York regions
- **Experienced management team** with extensive market knowledge and industry experience
- **Generating consistent, strong operating results**



$242M
Market cap

$6.1B
Total assets

$4.4B
Total loans

$5.0B
Total deposits

[1] 48 branches and 1 motor branch in Olean, NY
Note: Information on this slide is as of June 30, 2023 unless noted otherwise

Financial Institutions, Inc.

Why FISI

Strategic focus designed to deliver long-term value

Results-driven community bank with strong retail and commercial franchises

- Serving financially stable Upstate New York markets and well-positioned for growth in Buffalo and Rochester
- Launched commercial lending platforms in Baltimore, MD serving the Mid-Atlantic region in early 2022 and in Syracuse, NY serving the Central New York region in early 2023

Disciplined credit culture with strong credit quality

- From 2008 through 2022, year-end non-performing assets[1] ranged from 0.17% to 0.58% of total assets, while annual net charge-offs (NCOs) to average loans ranged from 0.14% to 0.54%
- Indirect auto lending is a core competency with attractive risk-adjusted return profile and consistent results though several economic cycles

Fee-based businesses diversify revenue and complement core banking franchise

- Leading full-service insurance agency and a well-regarded investment advisory firm that support noninterest income and have been enhanced by bolt-on acquisitions in recent years
- BaaS presents additional fee-based revenue opportunities

Complementary fintech and digital partnerships driving exceptional digital experiences

- BaaS enables financial technology firms (fintechs) to offer banking products and services to their end customers
- Creating new fee-based revenue opportunities through service, interchange and other fees

16.8%
total loan growth year-over-year

6 bps
annualized NCOs to average loans for the current quarter

[1] Non-performing assets, or NPAs, include nonaccrual loans, loans past due 90 days or more and still accruing, and foreclosed assets
Note: Information on this slide is as of June 30, 2023 unless noted otherwise

Banking-as-a-Service (BaaS)

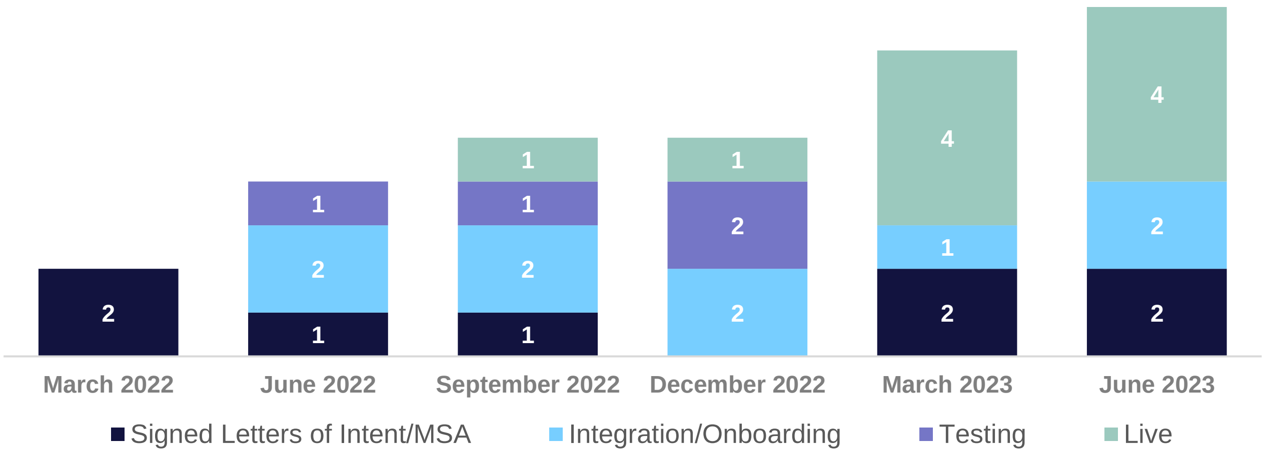
Creating new revenue opportunities and market differentiation

With BaaS, we are leveraging our digital and infrastructure investments to deliver value to financial technology firms (fintechs), select affinity groups and niche markets that we are well positioned to serve

- Enabling fintechs and non-bank financials to offer banking products and services to their end customers, leading primarily to deposit growth, fee generation, and loan diversification opportunities for FISI
- Pursuing BaaS client partnerships within meaningful and defensible market opportunities: B2B, select affinity groups, wealth management and niche areas

BaaS Client Partnerships

Value-driven, disciplined approach to cultivating partnerships by building a robust pipeline of opportunities that are complementary to our values and risk appetite



FISI sees BaaS as complimentary to the existing franchise

Fee-based line of business with potential to generate lower-cost deposits and enhance loan diversification

- **Services offered to BaaS clients:**
  - Program sponsorship
  - Open API banking
  - Risk and compliance management
  - Financial transactions clearing
  - Industry expertise and advisory services
  - Digital banking and wealth management platform
  - Card-as-a-Service (CaaS)
  - Center of Excellence, e.g., loan servicing and contact center
- **BaaS has potential to expand revenue sources to help improve earnings, including though:**
  - Service, interchange, advisory and servicing fees
  - Other revenue sharing

Primarily focused on five key BaaS client types where we see strong opportunity

Business-to-Business
Help B2B fintechs innovate solutions for enduring issues while creating new market opportunities and efficiencies

Affinity Groups
Empower traditionally under-banked communities with expanded financial services access

Sustainable Finance
Meet consumer-led environmental demands by partnering with early movers in the green banking space

Cannabis-Related Businesses
Tap into the multi-billion-dollar cannabis market by leveraging regulatory experience for sustained operations

Wealth Management
Enable wealth managers to meet accelerating client demand for banking services

Financial Institutions, Inc.

Second Quarter 2023 Results

As of June 30, 2023

- Net income available to common shareholders was $14.0 million, or $0.91 per diluted share, compared to $11.7 million, or $0.76 per diluted share, in the 1Q ‘23, and $15.3 million, or $0.99 per diluted share, in the 2Q ’22. Provision for credit losses was $3.2 million, compared to $4.2 million in the linked quarter and $563 thousand in the prior year quarter.
- Results were positively impacted by a reduction in income tax expense of $761 thousand for federal and state tax benefits related to tax credit investments placed in service in the current and prior quarters. These tax credit investments also generated a net gain of $489 thousand, recorded in noninterest income, resulting in a net positive impact in the quarter of $1.3 million.
- Net interest income (NII) of $42.3 million increased $522 thousand, or 1.2%, and $740 thousand, or 1.8%, from the linked and year-ago quarters, respectively, amid the current rising interest rate environment that has driven higher yields as well as higher funding costs
- Noninterest income was $11.5 million, up $542 thousand, or 5.0%, from 1Q ‘23 and up $106 thousand, or 0.9%, from 2Q ’22
- Noninterest expense was $33.8 million, compared to $33.7 million in 1Q ‘23 and $32.9 million in 2Q ’22
- Total loans were $4.40 billion, reflecting increases of $154.5 million, or 3.6%, from March 31, 2023 and $633.8 million, or 16.8%, from June 30, 2022
- Total deposits were $5.03 billion, down $106.4 million, or 2.1%, from March 31, 2023, reflective of seasonal outflows in the public deposit portfolio that occur during the second quarter, and up $214.3 million, or 4.4%, from one year prior
- The Company continues to report strong credit quality metrics, including annualized net charge-offs (NCOs) to average loans for the current quarter of 0.06%, as well as non-performing loans to total loans of 0.23% and non-performing assets to total assets of 0.16%

Recent Earnings Performance

Last five quarters

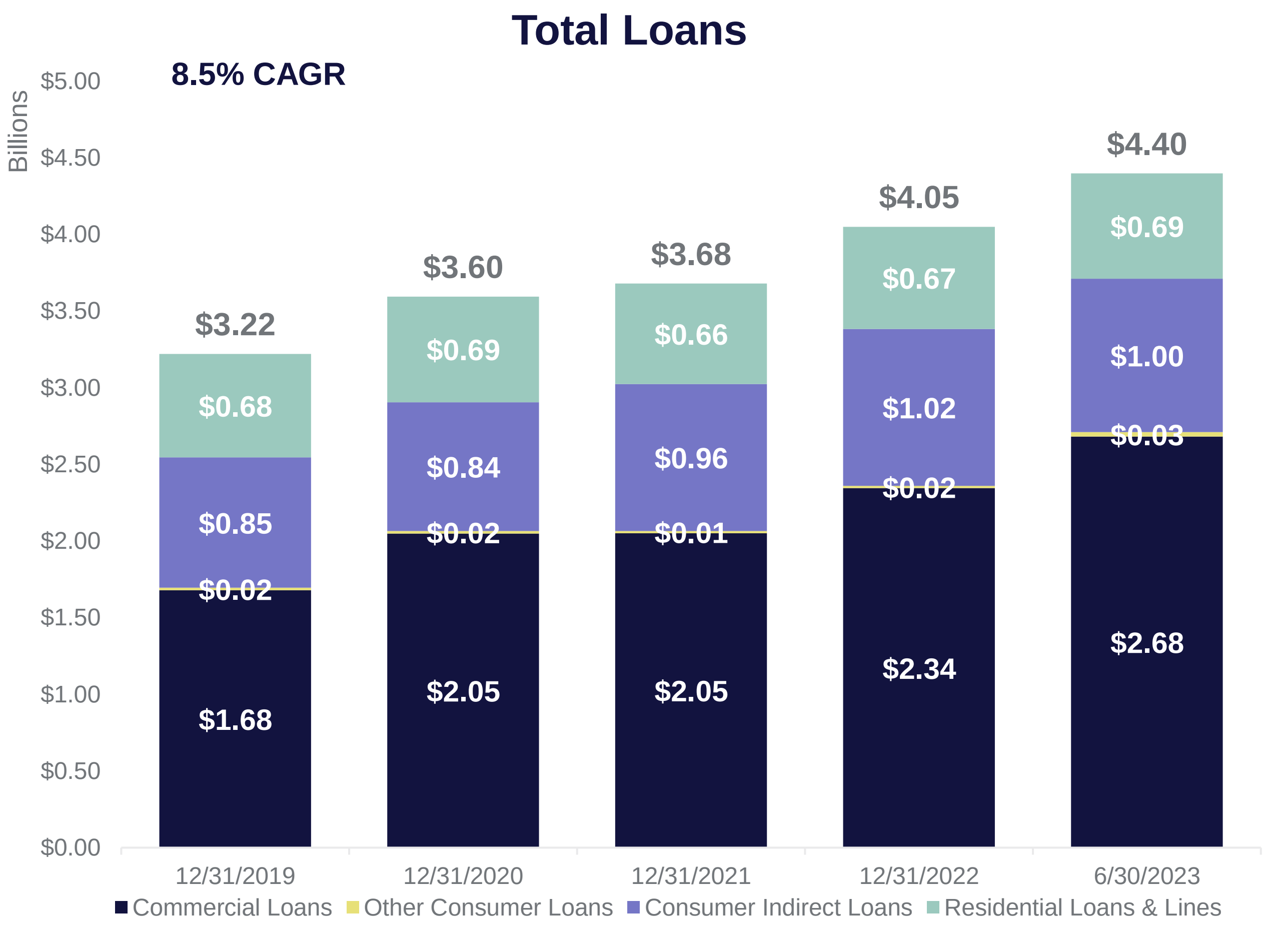
EARNINGS SUMMARY[1]	2Q '22	3Q '22	4Q '22	1Q '23	2Q '23
Average interest-earning assets	$5,246.6	$5,230.8	$5,330.2	$5,486.0	$5,691.9
Net interest margin	3.19%	3.28%	3.23%	3.09%	2.99%
Net interest income	41.6	43.1	43.1	41.8	42.3
Noninterest income	11.4	12.7	10.9	10.9	11.5
Total revenue	**$53.0**	**$55.7**	**$54.1**	**$52.7**	**$53.8**
Noninterest expense	($32.9)	($32.8)	($33.5)	($33.7)	(33.8)
Pre-tax pre-provision income[2]	20.1	22.9	20.6	19.1	20.0
Pre-PPP adjusted pre-tax pre-provision income[2]	20.5	20.6	20.8	19.1	20.0
Provision for credit losses	(0.6)	(4.3)	(6.1)	(4.2)	(3.2)
Income before income taxes	19.5	18.6	14.5	14.9	16.8
Income tax expense	(3.9)	(4.7)	(2.4)	(2.8)	(2.4)
Net income	**$15.7**	**$13.9**	**$12.1**	**$12.1**	**$14.4**
Preferred stock dividends	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)
Net income available to common shareholders	**$15.3**	**$13.5**	**$11.7**	**$11.7**	**$14.0**
Earnings per share – diluted	$0.99	$0.88	$0.76	$0.76	$0.91
Weighted average common shares outstanding – diluted	15.3	15.3	15.3	15.4	15.4

[1] Amounts in millions, except percentages and per share amounts.
[2] Refer to "Non-GAAP Reconciliation" in Appendix.

Total loans have increased $347.4M, or 8.6%, from year-end 2022

Organic Loan Growth

$4.4B of total loans at June 30, 2023 and average yield of 5.8% year-to-date



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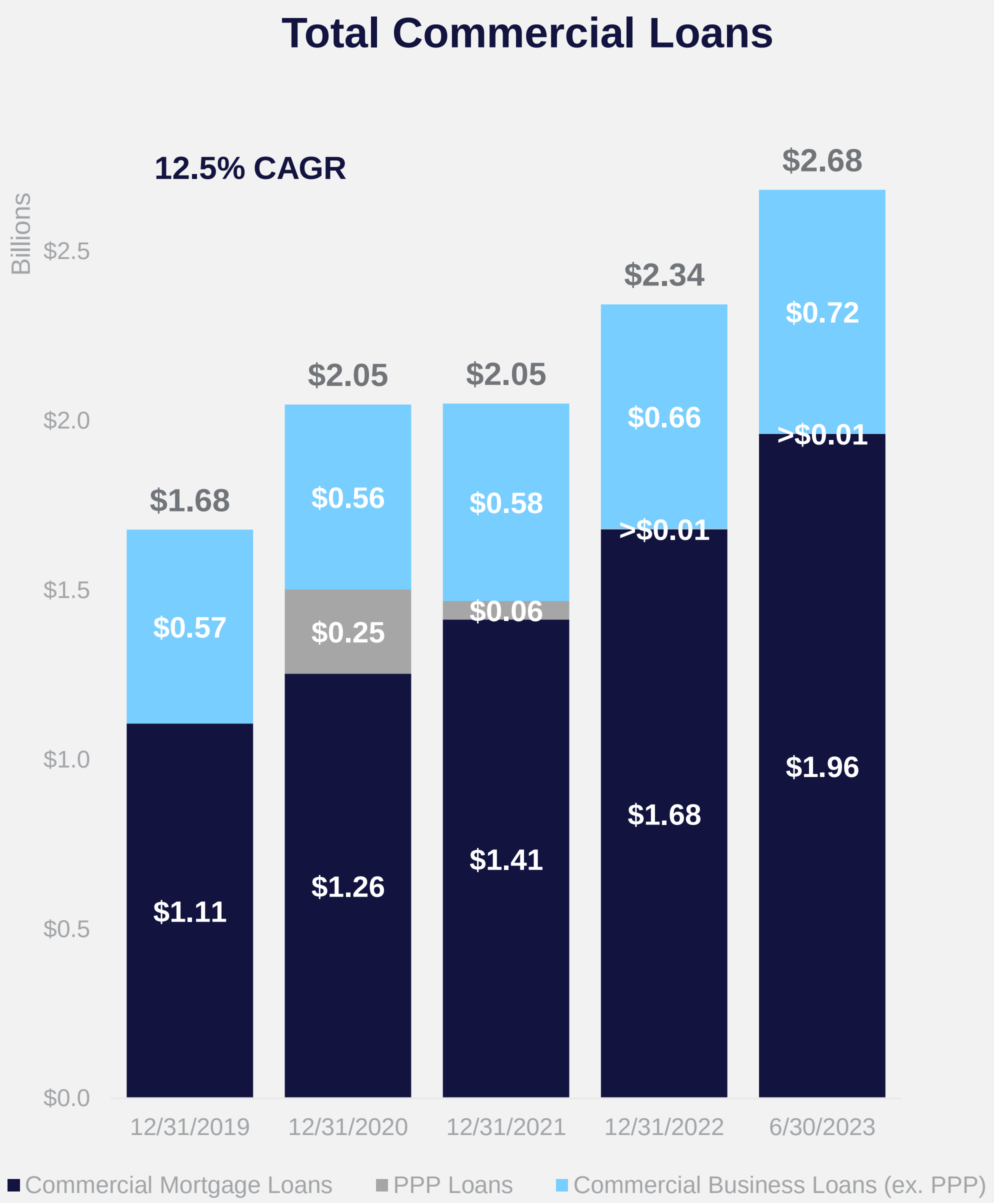
Commercial Lending

Outstanding balance of $2.68B at June 30, 2023

- Commercial loans increased $337.5M, or 14.4%, from December 31, 2022 and $622.3M, or 30.2%, from June 30, 2022
- Commercial loans made up 61% of total loan portfolio at June 30, 2023 and are comprised of Commercial & Industrial (C&I), Commercial Real Estate (CRE) and Business Banking Unit (BBU)[1]
  - CRE makes up 65% of commercial loans and 40% of total loans
  - C&I makes up 31% of commercial loans and 19% of total loans
  - BBU makes up 4% of commercial loans and 3% of total loans



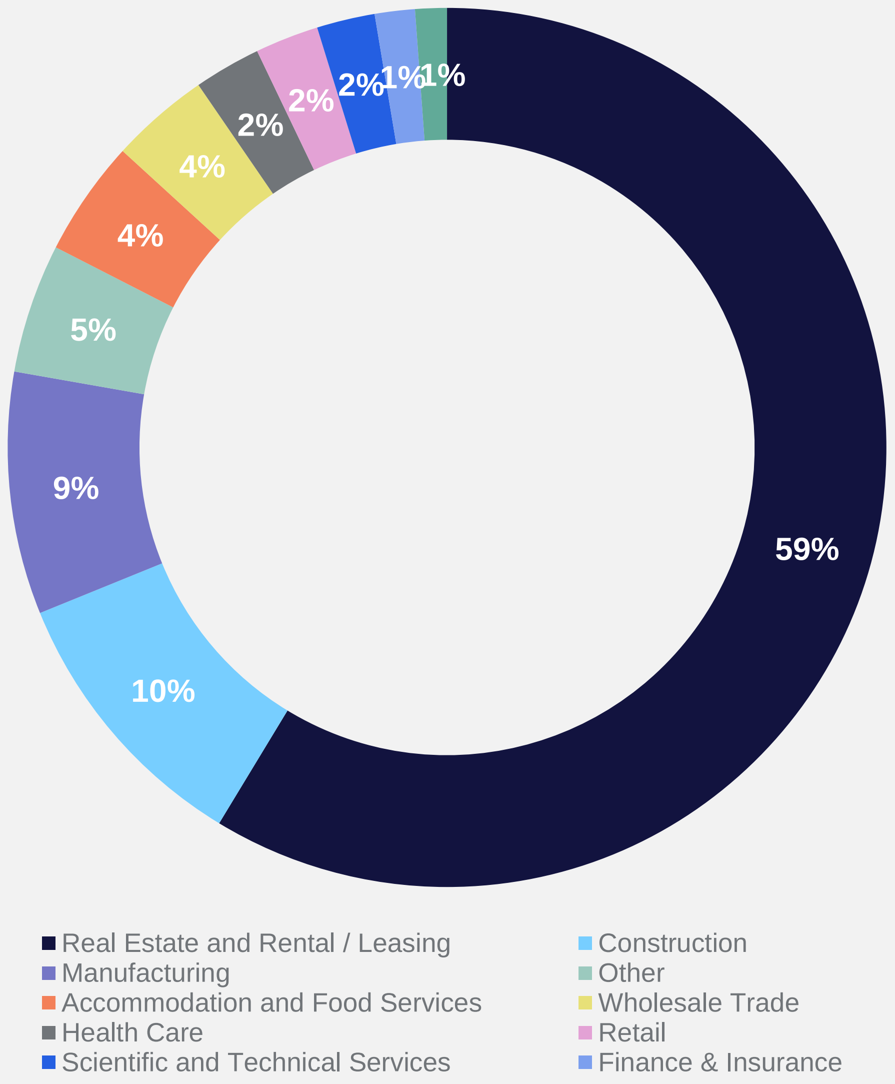
1 Business Banking Unit, or small business lending

Commercial Lending

Committed credit exposure of $3.60B at June 30, 2023

- The vast majority of the commercial loan portfolio is within the Bank's footprint, which now includes the Mid-Atlantic region following the Company’s opening of a commercial loan production office in a suburb of Baltimore, MD in 1Q ’22
- The Bank again expanded its commercial and industrial lending in 1Q ’23 with an additional office in Syracuse, NY, serving the Central New York region
- Disciplined approach to credit and risk management supports strong asset quality metrics, including annualized charge offs to average commercial loans of just two bps in 2Q ’23

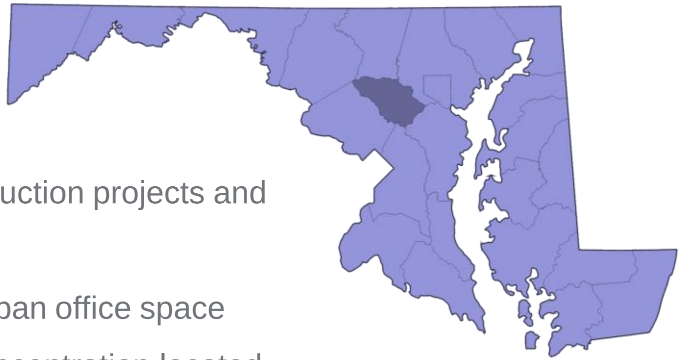
Overall Commercial Portfolio Exposure Mix



Strong Mid-Atlantic Performance & Opportunity

Leveraging technology to seamlessly collaborate with Mid-Atlantic team and onboard new customers despite geographic divide

- Commercial loan production office opened in Baltimore suburb of Ellicott City in 1Q ’22 serving the Mid-Atlantic region
  - Consolidation in the market allowed us to add a four-person team and capitalize on opportunities where a community banking approach provides a competitive advantage
- This Mid-Atlantic team has strong relationships with very high-quality sponsors and serves customers headquartered in and around Baltimore and the Greater Washington, D.C. area
  - Mid-Atlantic portfolio consists of a mix of stabilized projects, construction projects and residential acquisition and development (AD&C) projects
  - About 34% of committed exposure in this portfolio relates to suburban office space located near Baltimore, MD and Washington, D.C., with a large concentration located near hospitals with medical related tenants and high return to office metrics



$243M
in outstandings

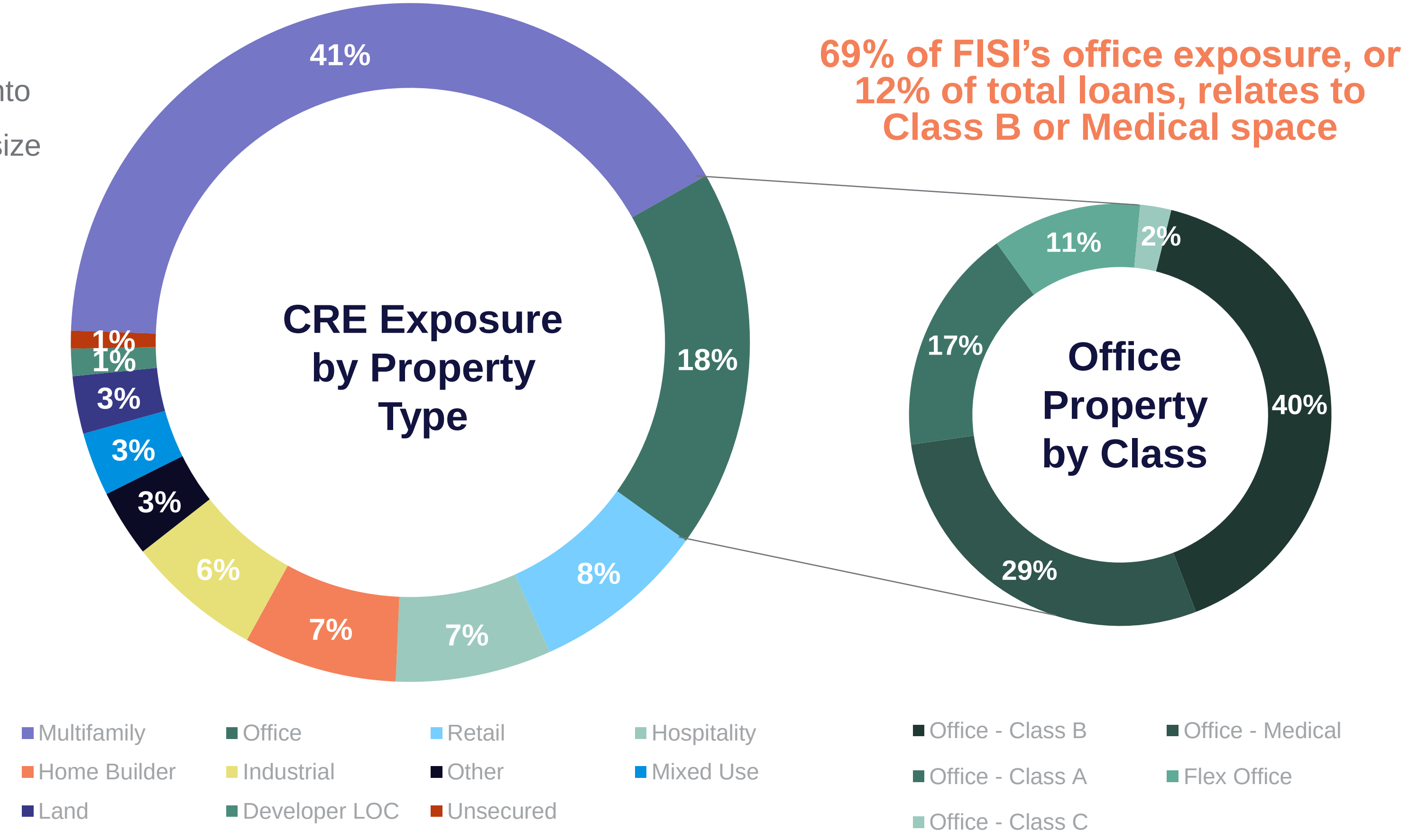
~48%
low average LTV

Note: Information on this slide is as of June 30, 2023 unless noted otherwise

Commercial Real Estate

Outstanding balances of $1.73B and committed credit exposure of $2.21B as of June 30, 2023

- Well diversified, with more than 700 loan facilities consolidated into ~300 separate lending relationships, with ~$3.0M average loan size
  - 74% of CRE clients have loan relationships <$10M
- Growth achieved without compromising strong credit culture
  - Portfolio factors in loan rollover risk, with 17% of exposure scheduled to mature within next 12-months and another 16% within 24 months
  - More than 90% of CRE loans have full or limited personal or corporate recourse, providing comfort with loan rollover risk
  - Average LTV of 55% for overall CRE portfolio[1]
- Office portfolio equally diversified
  - Average loan size of $3.3M and average LTV 57%[1]
  - ~$40M of committed credit exposure, or 10% of office portfolio and <2% of total CRE exposure, located in CBDs[2]



[1] Loan-to-value ratio calculated as of December 31, 2022
[2] Central Business District

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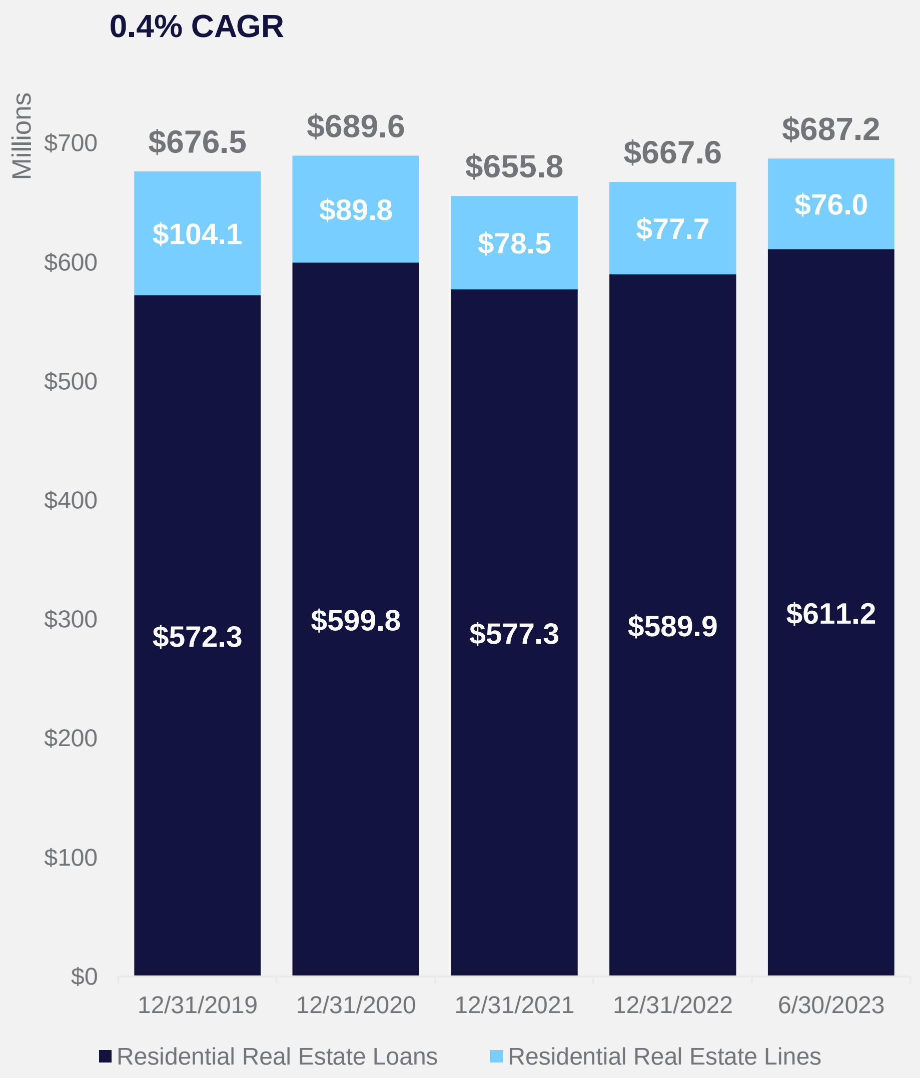
Residential Real Estate

$687.2M portfolio at June 30, 2023

- Residential portfolio increased $19.5M, or 2.9%, from December 31, 2022 and $36.3M, or 5.6%, from June 30, 2022
- High quality portfolio in stable Upstate New York market
  - As of quarter-end, our residential real estate loans had a weighted average FICO score of 738 at origination and an average balance of $100,357, while our home equity lines of credit, or HELOCs, had an average score of 768 and average balance of $21,677
- Full product menu featuring competitive portfolio and saleable products including government loan programs
- In-market originations through mortgage loan originators and Five Star Bank branch network

Residential Lending Portfolio

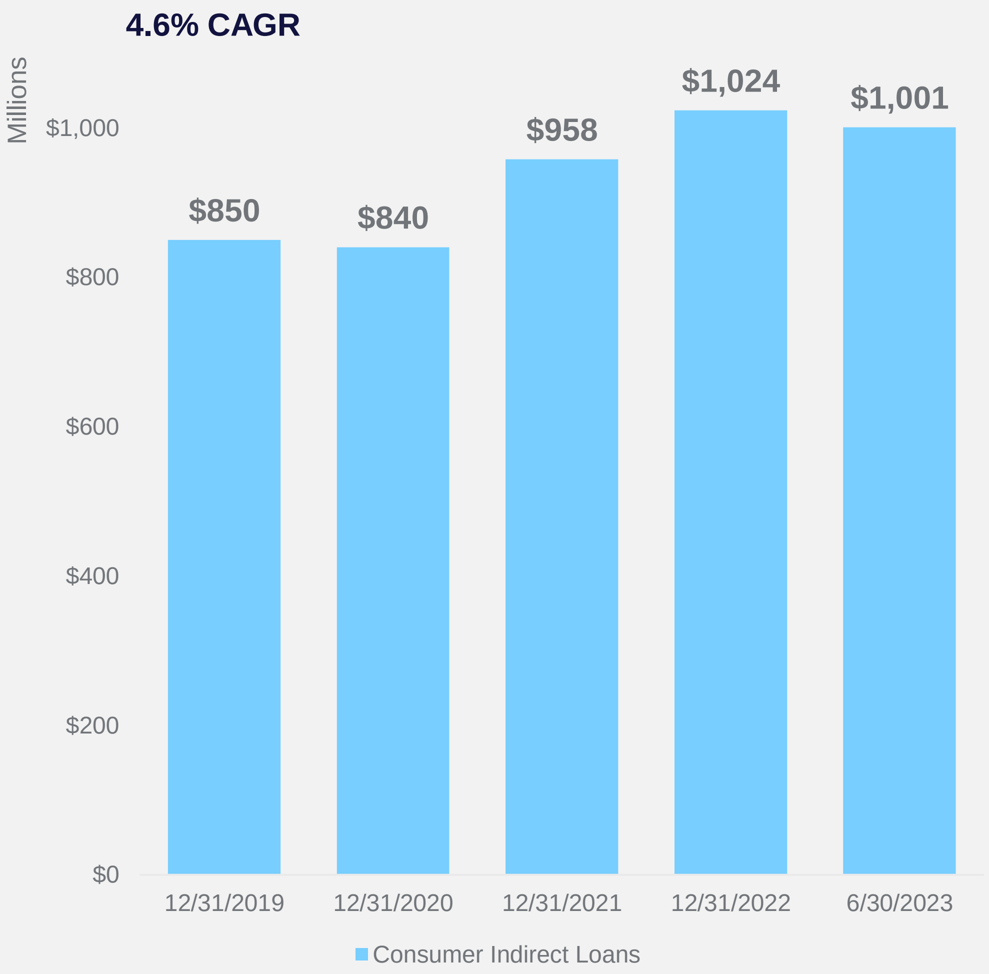


Indirect Auto Remains Core Competency

$1.00B portfolio at June 30, 2023

- Consumer indirect portfolio was down $22.6M, or 2.2%, from December 31, 2022, and down $38.3M, or 3.7%, from June 30, 2022
- Prime lending operation with average portfolio FICO score of ~713
- Strong network of ~470 franchised new auto dealers
- Relatively short duration averaging ~3.4 years and natural risk dispersion due to small loan size (average loan balance of $20,958)
- Demonstrated track record of consistent performance through economic expansions, recessions and stagnation
    - Annual charge-offs ranged 0.51% to 0.87% for 2008 through 2020 and were exceptionally low in 2021 at 0.14%
    - NCO levels normalized in 2022 and remain within our historical range
    - Consumer indirect charge-off ratio improved to 12 bps in 2Q ’23 and 42 bps for the first half of the year

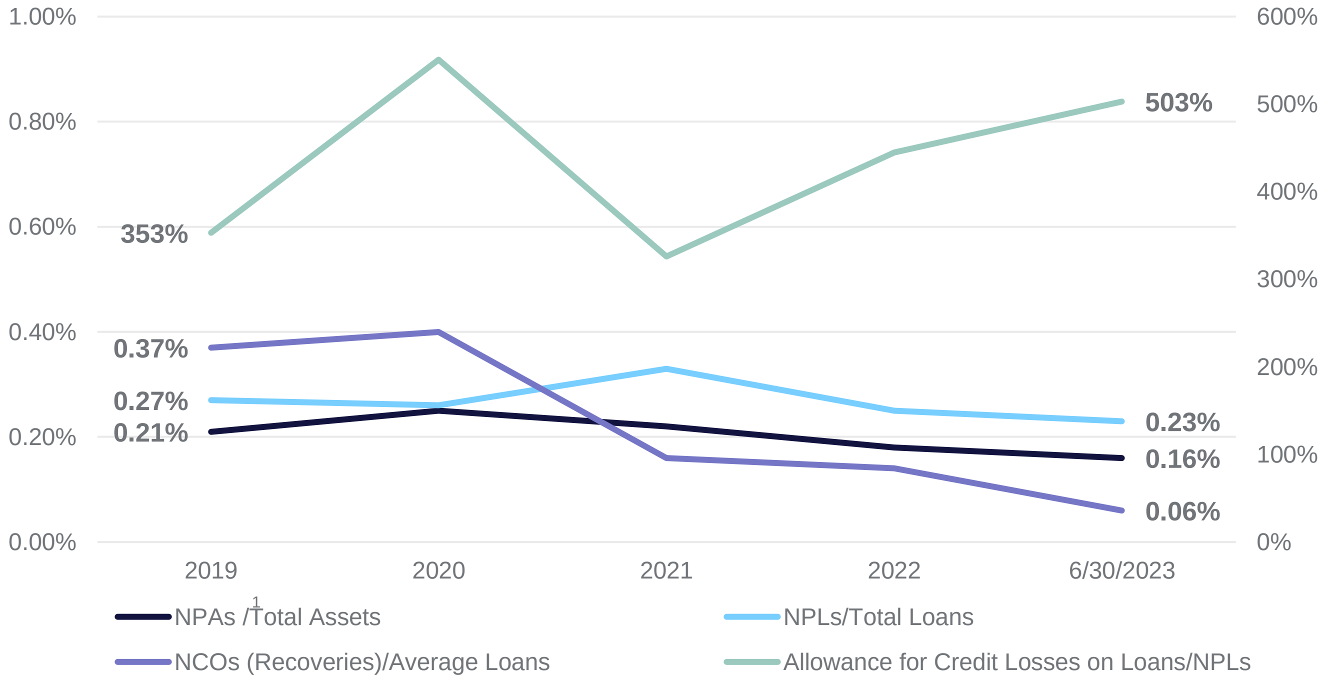
Consumer Indirect Portfolio



Solid Asset Quality

Disciplined credit culture supports consistently strong asset quality metrics

- Thorough credit review exercise undertaken at the outset of COVID-19 pandemic reinforced confidence in health of loan portfolio
  - During 2Q '22, COVID-19 at-risk pool was eliminated, and all credits now monitored as part of standard loan monitoring process

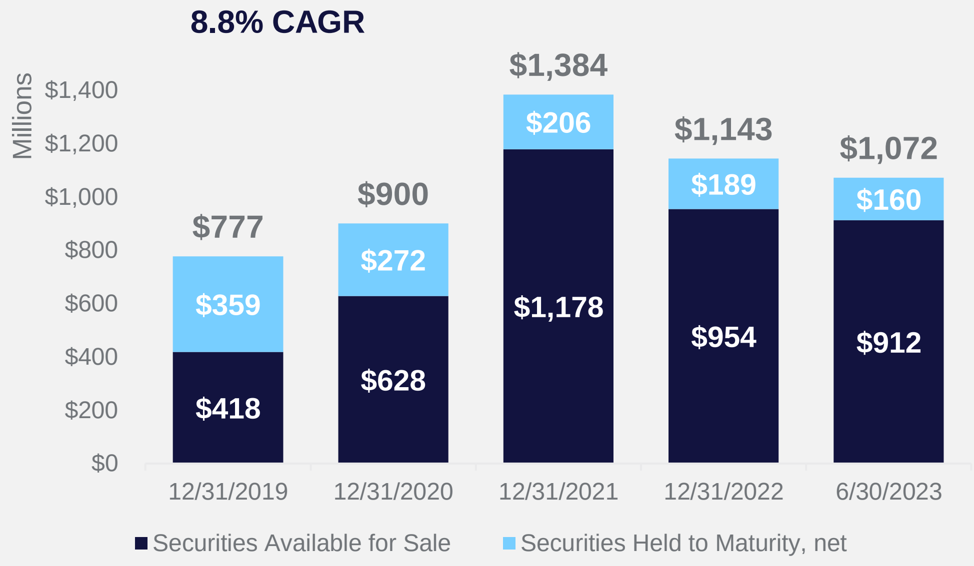


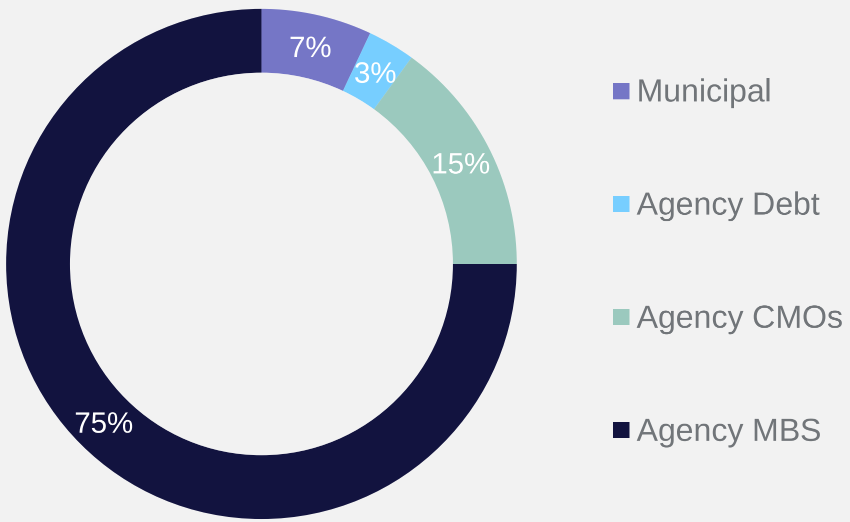
[1] Non-performing assets, or NPAs, include nonaccrual loans, loans past due 90 days or more and still accruing, and foreclosed assets

Securities Portfolio

$1.07B at June 30, 2023

- Primarily comprised of agency wrapped mortgage-backed securities with intermediate durations, which provide ongoing cash-flow, coupled with investment grade municipal bonds that are classified as held-to-maturity
  - Average yield on a tax equivalent basis for 2023 year-to-date (YTD) was 1.89%
- Cash flow from the securities portfolio allows for reinvestment into loans or additional investment securities
  - Principal cash flow of ~$130M expected over next 12 months





Note: Shown as a percentage of amortized cost basis

Deposit Growth

Low-cost deposits from rural markets fund higher growth in metro markets

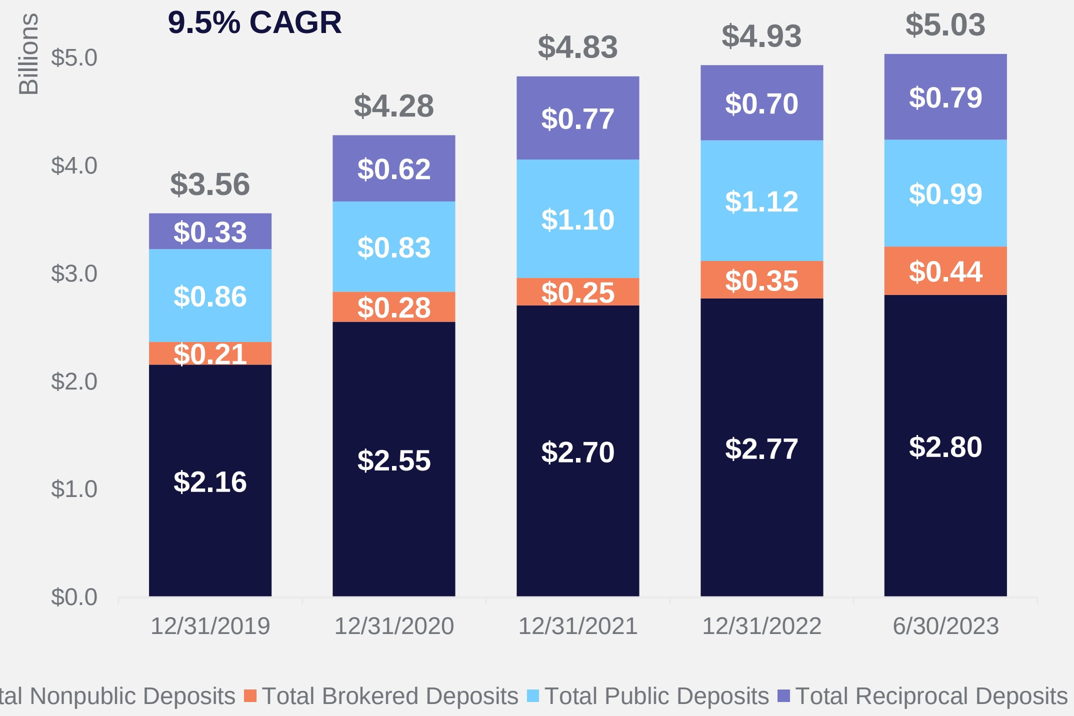
- Granularity of community banking franchise benefits deposit portfolio
  - Average deposit balances per branch of ~$78M, excluding reciprocal and brokered deposits
- Offering a variety of public (municipal) deposit products to the towns, villages, counties and school districts providing seasonal, low-cost funding source
  - Public deposit balances represented 20% of total deposits at June 30, 2023, 23% at December 31, 2022, and 21% at June 30, 2022
- Current interest rate environment has led to disintermediation from core transaction type accounts to time deposits
  - Time deposits made up 31% of total deposits at quarter-end

318

municipal customers as of MRQ-end

2.20%

YTD cost of total interest-bearing deposits



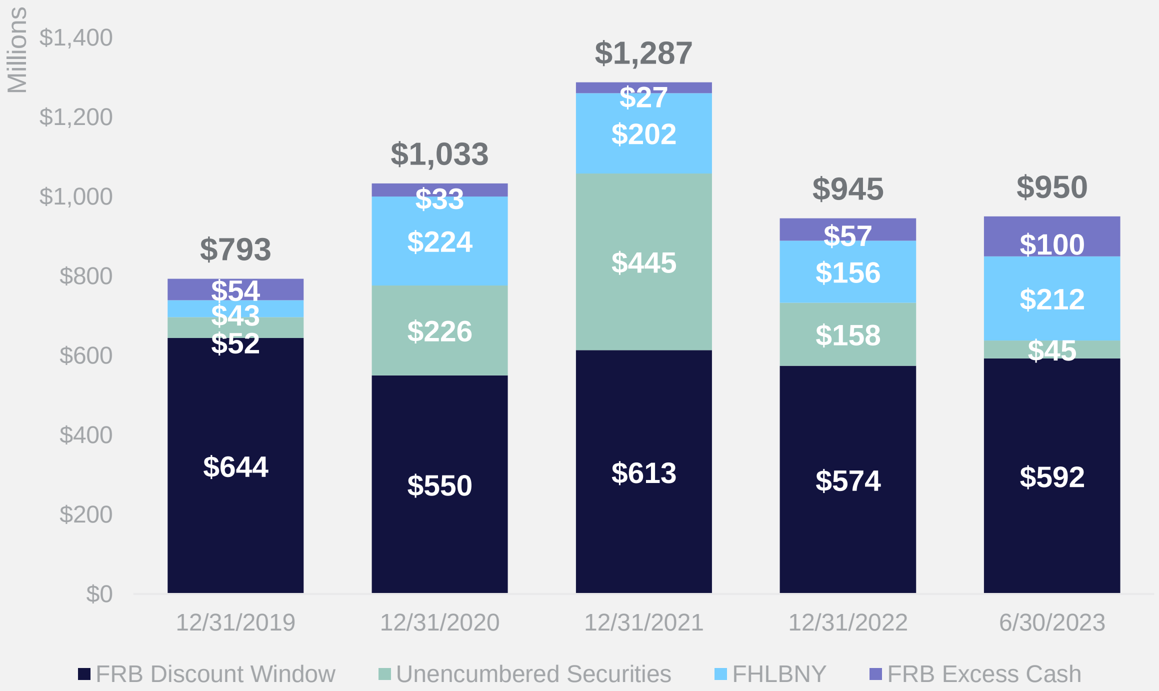
Liquidity

Diverse deposit gathering capabilities and eligible collateral support a robust liquidity position

- 2Q ’23 available committed liquidity remains strong, as supported through unencumbered collateral in the securities portfolio, borrowing capacity at the FHLB, access to brokered deposits and tertiary liquidity via the FRB discount window, which totaled approximately $1.1B
- The decrease in unencumbered securities is reflective of an increase in borrowing activity to support loan growth on a linked quarter basis, while the securities portfolio continues to pay-down
- Further, uninsured retail deposits make up ~14% of our total deposits, when considering the secured nature of our public and reciprocal portfolios, which typically have larger balances

14%
of total deposits are uninsured retail deposits

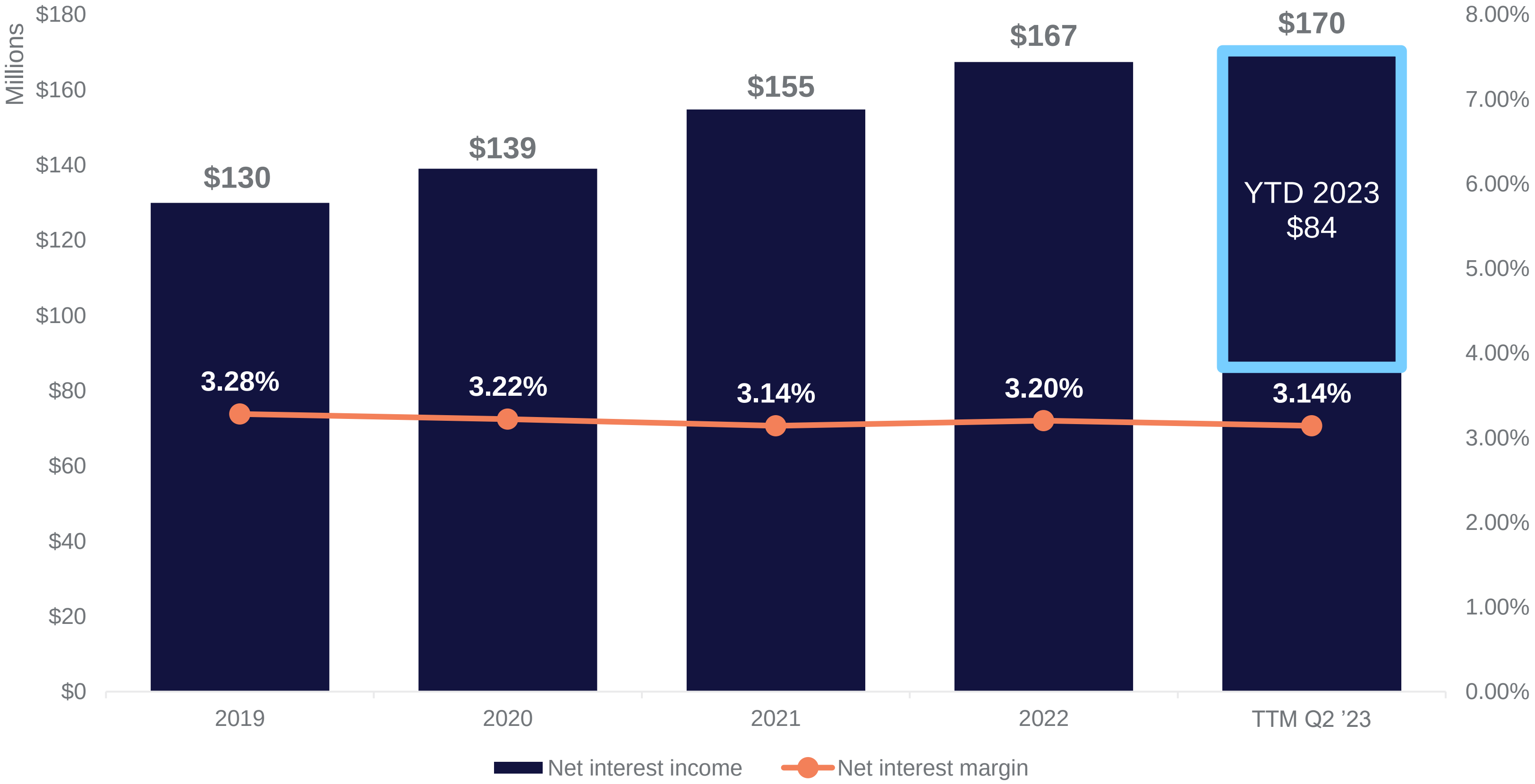
~87%
Loan to deposit ratio



Financial Institutions, Inc.

Net Interest Income & Margin

2Q ’23 NII of $42.3M and NIM of 2.99%



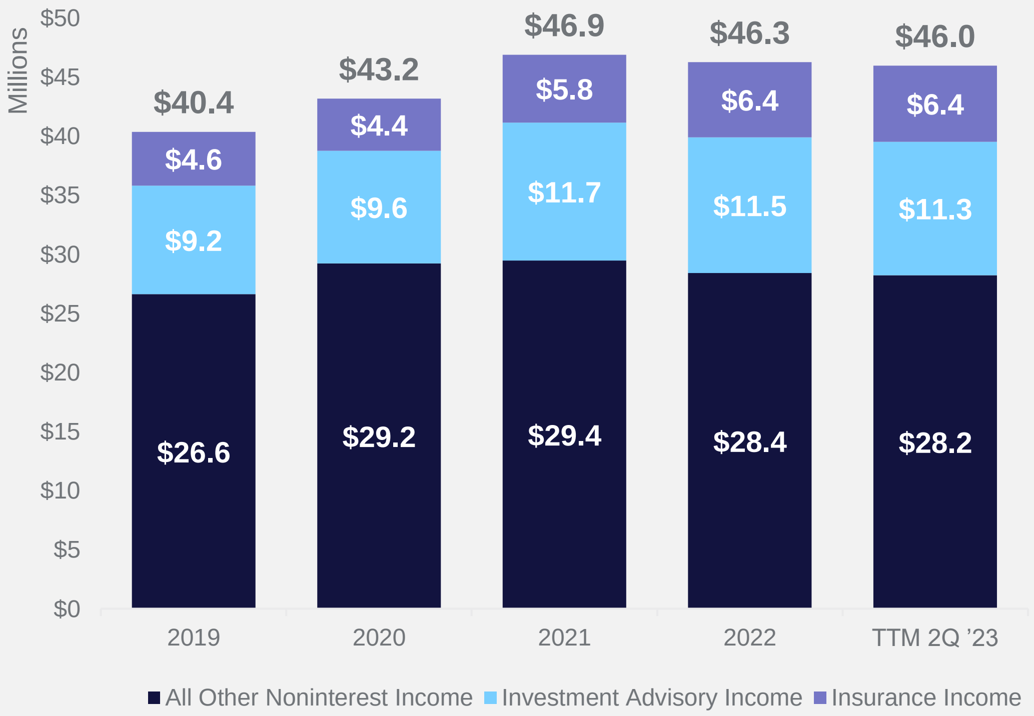
- YTD NII of $84.2M increased $3.0M, or 3.7%, over the prior year period
  - 2Q ’23 of $42.3M is up $0.7M, or 1.8%, from the year-ago quarter
- Net interest margin (NIM) of 3.04% for the six months ended June 30, 2023, down 11 bps from the prior year period
  - 2Q ’23 NIM of 2.99%, down 20 bps from prior year period
  - Margin has been impacted by the current rising interest rate environment that has driven higher funding costs.

Diverse Noninterest Income

- **Insurance services provided through SDN Insurance Agency, LLC**
  - Acquired initial business in 2014 and further enhanced capabilities and reach through two bolt-on acquisitions in 2021
  - Full-service agency offering commercial and personal insurance, as well as employee benefits
  - Boutique offerings with national reach for select segments
  - Exclusive broker for allied health professionals, serving >2,000 chiropractors, acupuncturists and naturopaths across 46 states
- **Wealth management provided by Courier Capital, LLC**
  - Since entering the investment advisory space in 2016 with the acquisition of Courier Capital, completed two additional wealth management acquisitions in 2017 and 2018
  - Provide customized investment management, retirement planning, and consulting services for individuals, businesses, institutions, and foundations

21%
of TTM revenue from non-interest income

6
financial services acquisitions since 2014



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Financial Institutions, Inc.

Wealth Management Business Positioned for Growth

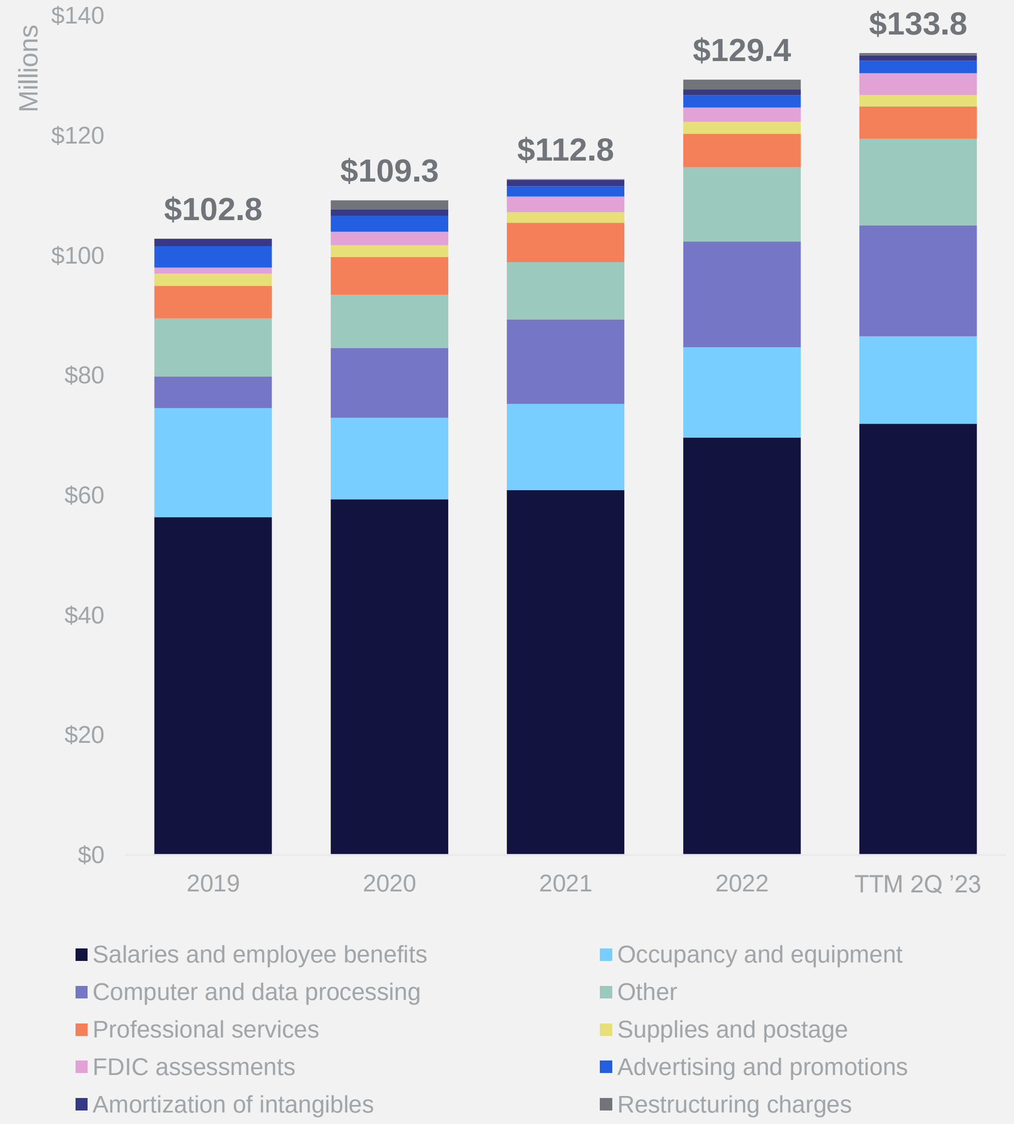
Assets under management of $2.75B as of June 30, 2023

- **Combination of FISI's subsidiary wealth management firms enhances size and scale as next natural step in evolution of this business line**
  - On May 1, 2023, FISI's wholly-owned SEC-registered investment advisory firm subsidiaries completed a merger, under which HNP Capital, LLC merged with and into Courier Capital, LLC
  - One of the largest registered investment advisory firms in Western New York
- **Merger streamlines ability to provide innovative financial products and services to current and prospective clients, including across banking and insurance business lines, and unites Western New York service footprint**
  - One brand streamlines business development efforts, including cross-selling opportunities
  - Courier Capital, LLC is headquartered in downtown Buffalo, NY and the majority of the former HNP Capital team is based in the Rochester, NY market, with additional offices located in Jamestown, NY and Pittsburgh, PA
- **2Q '23 investment advisory income of $2.8 million**

Strategic Investments Expected to Drive Operating Leverage

- YTD noninterest expense of $67.4M is up $4.4M, or 7.0%, from the prior year period
  - 2Q ’23 expenses of $33.8M was relatively flat with the linked quarter and up $0.9M, or 2.7%, from the prior year period
  - Year-over-year increase in quarterly expense driven in part by higher salaries and benefits expenses reflective of past investments in talent and increased FDIC insurance assessment
- 2022 expenses included investments in strategic initiatives that we believe will support improved operating leverage over the coming years
  - Investments primarily related to enhancing our customer relationship management solution, digital banking and BaaS
- YTD 2023 efficiency ratio[1] of 63.17%

Total Noninterest Expenses



[1] 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 measure not required by GAAP.

Financial Institutions, Inc.

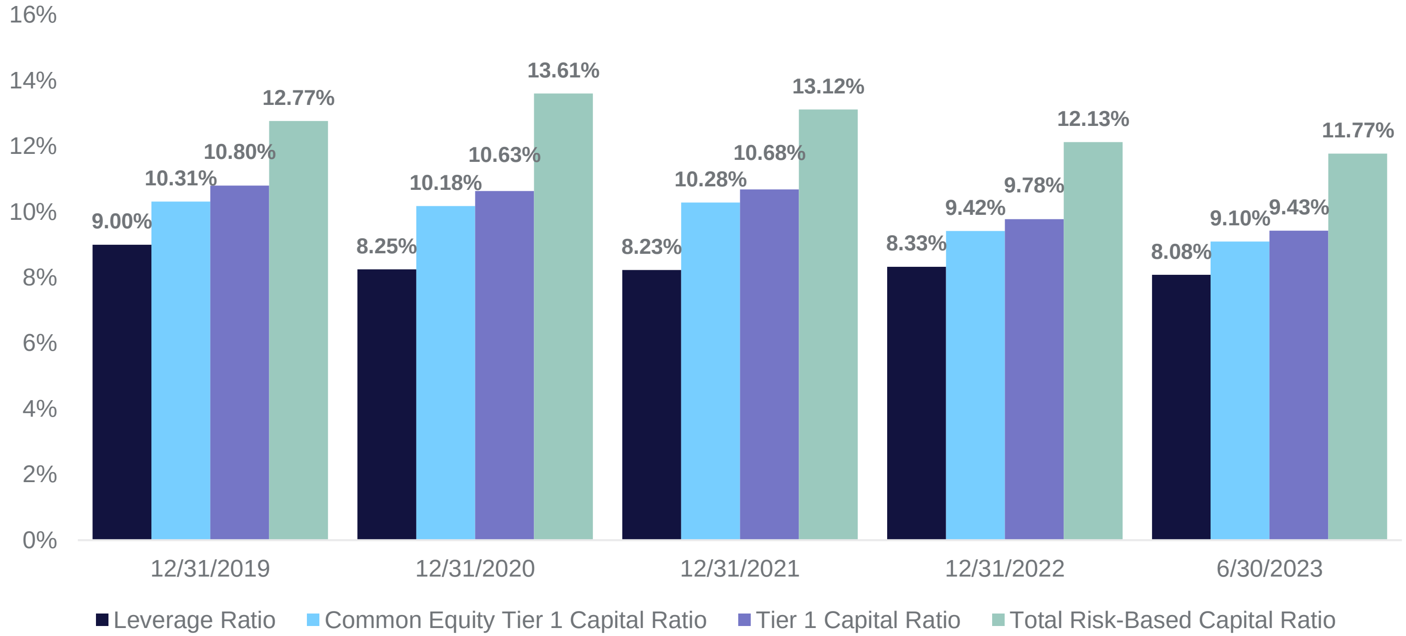
Longstanding commitment to rewarding shareholders through meaningful dividend yield

29-year history of cash dividend, with annual increases in each of last 13 years

Well-Capitalized

Exceeding well-capitalized regulatory thresholds and well-positioned to support future loan growth

Capital Ratios



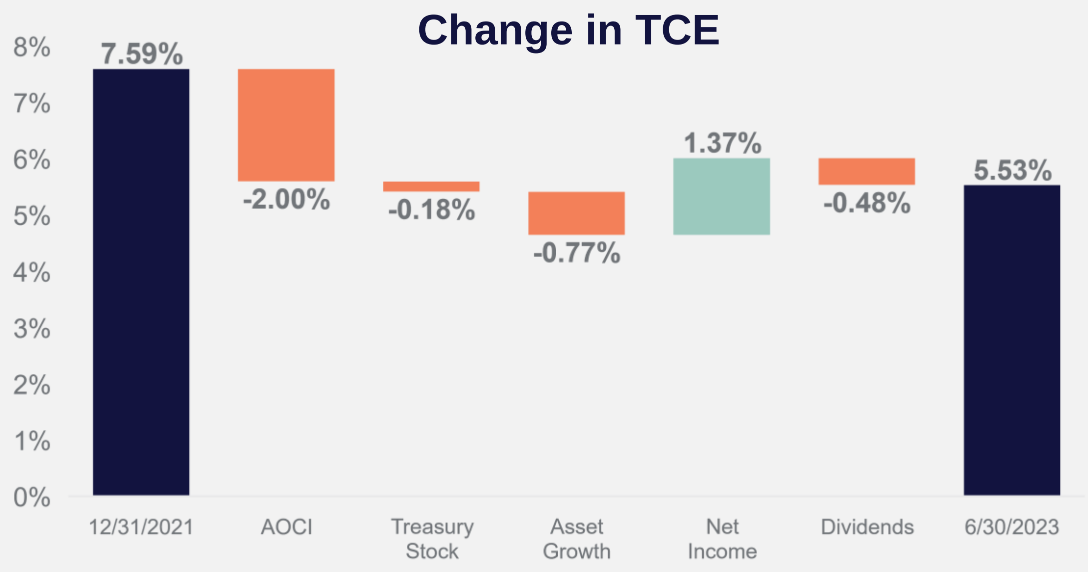
Capital Ratio	As of June 30, 2023	Well-Capitalized Threshold
Leverage ratio	8.08%	5.00%
Common equity tier 1 capital ratio	9.10%	6.50%
Tier 1 capital ratio	9.43%	8.00%
Total risk-based capital ratio	11.77%	10.00%

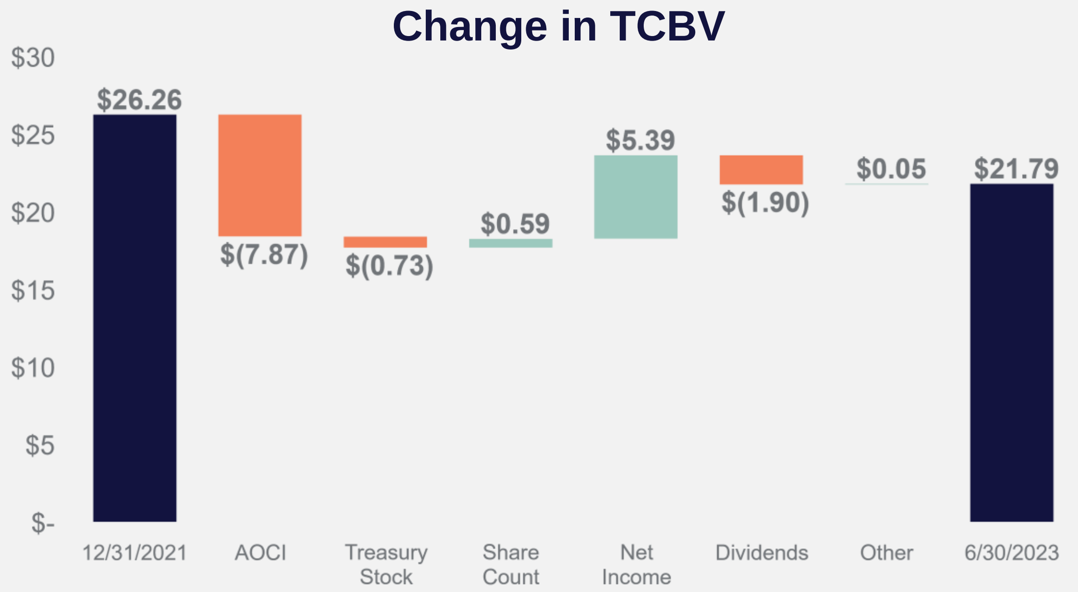
AOCI Impact on TCE & TCBV[1]

Unrealized losses believed to be temporary in nature

- AOCI losses are believed to be temporary in nature, as they are associated with the increase in interest rates which has resulted in an increase in the unrealized loss position of the available for sale securities portfolio
- We expect these metrics to return to more normalized levels over time given the high quality of our investment portfolio
- Excluding the AOCI impact, TCE ratio and tangible common book value per share would have been 7.53% and $29.66, respectively.

FISI believes a stock buyback program is an important part of the capital markets tool kit and announced a new stock repurchase program in June 2022 for up to ~5% of then outstanding common shares





[1] AOCI= Accumulated other comprehensive income (loss). TCE = Tangible common equity to tangible assets. TCBV = Tangible common book value per share. Please see Appendix for reconciliation of non-GAAP Financial measures for the computation of these non-GAAP measures.

FISI Presents a Compelling Valuation

Focused on executing our long-term growth strategy

Investment Profile	As of June 30, 2023
Closing Price	$15.74
52-week High	$28.44
52-week Low	$13.84
Common Shares Outstanding	15.4M
Market Capitalization	$242.0M
Price/LTM EPS	4.6x
Price/NTM Consensus EPS	5.2x
Price/Book	60%
Float	97.29%
Average Daily Volume (3 mos.)	~85,500
Dividend per Share (annualized)	$1.20
Dividend Yield (annualized)	7.64%
Common Dividend Payout Ratio	32.97%

Results-driven community bank with strong retail and commercial franchises

Disciplined credit culture with strong credit quality

Fee-based businesses diversify revenue and complement core banking franchise

Complementary fintech and digital partnerships driving exceptional digital experiences

Appendix

Thank you for your interest in Financial Institutions, Inc.

NASDAQ: FISI

Investor Relations Contacts

Kate Croft
Director of Investor and External Relations

Jack Plants
Chief Financial Officer & Corporate Treasurer

FISI-Investors@five-starbank.com

Learn more at www.FISI-Investors.com

Management Team

Experienced management team with extensive market knowledge and industry experience

Martin K. Birmingham
President & Chief Executive Officer

Justin K. Bigham
EVP, Chief Community Banking Officer

Samuel J. Burruano Jr.
EVP, Chief Legal Officer & Corporate Secretary

W. Jack Plants II
EVP, Chief Financial Officer & Treasurer

Sean M. Willett
EVP, Chief Administrative Officer

Laurie R. Collins
SVP, Chief Human Resources Officer

Gary A. Pacos
SVP, Chief Risk Officer

Kevin B. Quinn
SVP, Chief Commercial Banking Officer

Optimized leadership & organizational structure

Core functional areas of Community Banking, Finance, Administrative, Risk, Commercial Banking, Legal and HR aligned to report directly to CEO

160+ years

Collective financial services experience

Financial Institutions, Inc.

Strategy Map

FISI's vision is to be an independent, high-performing community bank offering best-in-class financial services to all of the communities we serve

Attractive long-term returns for shareholders

Meaningful customer experiences & relationships

Engaged & motivated associates

Positive contributions to our communities

Effective engagement & communications with regulators

Grow & sustain deposits

Credit disciplined loan growth

Diversify revenues

Maintain expense discipline

Sustainable business practice

Exceptional digital experiences

Optimal capital & funding

Robust, usable data & technology

Scalable & efficient operating model

Sound risk & compliant environment

Value-added products & services

Exceptional CX & engagement

Recognized & trusted brand

Talented & empowered employees

Complementary fintech & digital partnerships

Foundation of Human Capital Supported by Organizational Framework

Culture | Leadership | Teamwork | Alignment

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.

Amounts in thousands, except per share data	12/31/2021	6/30/2023
Computation of ending tangible common equity:		
Common shareholders' equity	$ 487,850	$ 408,581
Less: Goodwill and other intangible assets, net	74,400	72,950
Tangible common equity	413,450	335,631
Computation of ending tangible assets:		
Total assets	$ 5,520,779	$ 6,141,298
Less: Goodwill and other intangible assets, net	74,400	72,950
Tangible assets	5,446,379	6,068,348
Tangible common equity to tangible assets[1]	7.59%	5.53%
Common shares outstanding	15,745	15,402
Tangible common book value per share[2]	$ 26.26	$ 21.79

[1] Tangible common equity divided by tangible assets.
[2] Tangible common equity divided by common shares outstanding.
Source: Company filings

Non-GAAP Reconciliation Continued

Amounts in thousands	6/30/2022	9/30/2022	Quarter ended 12/31/2022	3/31/2023	6/30/2023
Pre-tax pre-provision income:					
Net income	$15,648	$13,854	$12,088	$12,089	$14,373
Add: Income tax expense	3,859	4,725	2,370	2,775	2,418
Add: Provision (benefit) for credit losses	563	4,314	6,115	4,214	3,230
Pre-tax pre-provision income	**20,070**	**22,893**	**20,573**	**19,078**	**20,021**
Add: Restructuring charges (recoveries)	1,269	-	350	-	(19)
Less: Enhancement from COLI surrender and redeployment	-	(1,997)	-	-	-
Adjusted pre-tax pre-provision income	21,339	20,896	20,923	19,078	20,002
Less: PPP accretion interest income and fees	(809)	(312)	(78)	(8)	(8)
Pre-PPP adjusted pre-tax pre-provision income:	**20,530**	**20,584**	**20,845**	**19,070**	**19,994**

Source: Company filings