Investor Presentation

Financial Institutions, Inc. (NASDAQ: FISI)
Second Quarter 2024 Earnings Presentation

July 25, 2024

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," "anticipate,“ "continue," "estimate," "expect," "focus," "forecast," “guidance,” "intend," "may," "plan," "preliminary," "should," or "will,” 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 presented.

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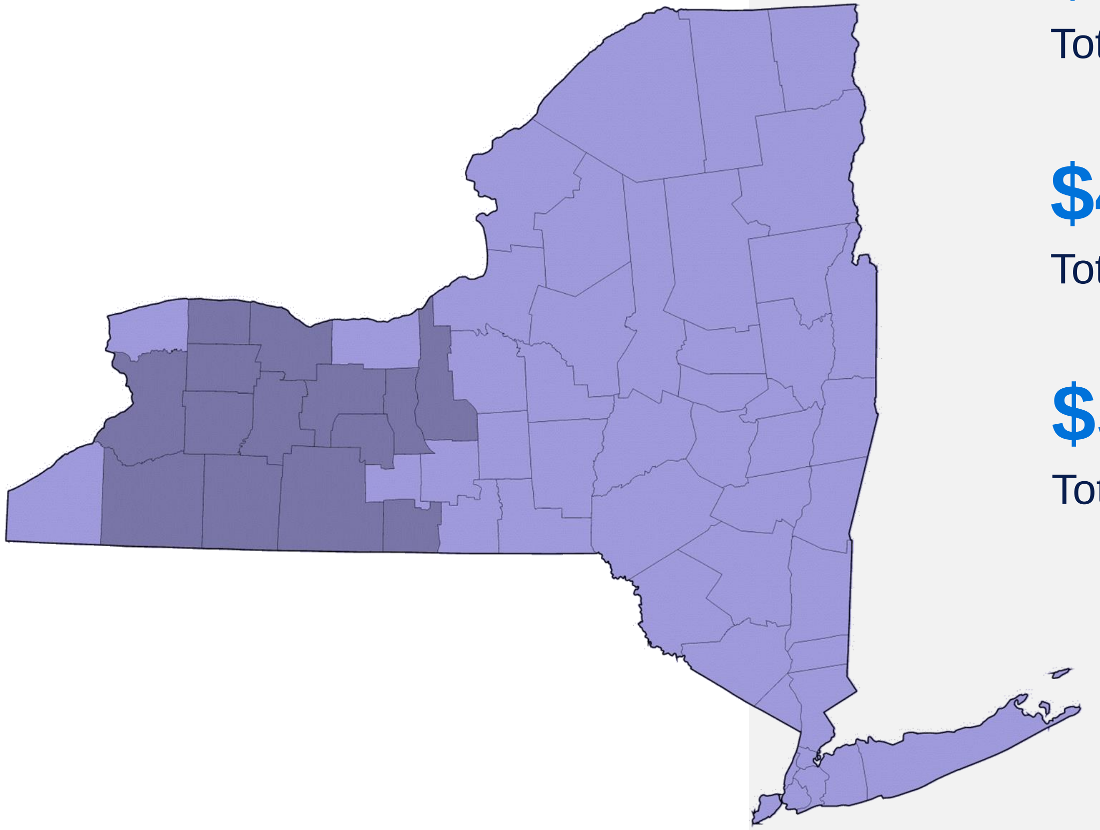
Overview of Financial Institutions, Inc.

NASDAQ: FISI

- **Innovative financial holding company** headquartered in Western New York offering banking and wealth management services through its subsidiaries, Five Star Bank and 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
- **History of generating consistent, strong operating results**



$299M
Market cap

$6.13B
Total assets

$4.46B
Total loans

$5.13B
Total deposits

[1] 48 branches and 1 motor branch in Olean, NY
Note: Information on this slide is as of June 30, 2024 unless noted otherwise

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 metros of Buffalo and Rochester
  - Launched commercial lending platforms in a suburb of Baltimore, MD serving the Mid-Atlantic region in 2022 and in Syracuse, NY serving the Central New York region in 2023
- **Disciplined credit culture with strong credit quality**
  - From 2008 through 2023, year-end non-performing assets (NPAs)[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-generating business line revenue complements core banking franchise**
  - Well-regarded investment advisory firm supports noninterest income and has 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 users
  - Presenting new fee-based revenue opportunities through platform, service, interchange and other fees

10 bps
annualized Q2 ’24 net charge-offs to average loans

9 bps
margin expansion during the second 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, 2024 unless noted otherwise

Banking-as-a-Service (BaaS)

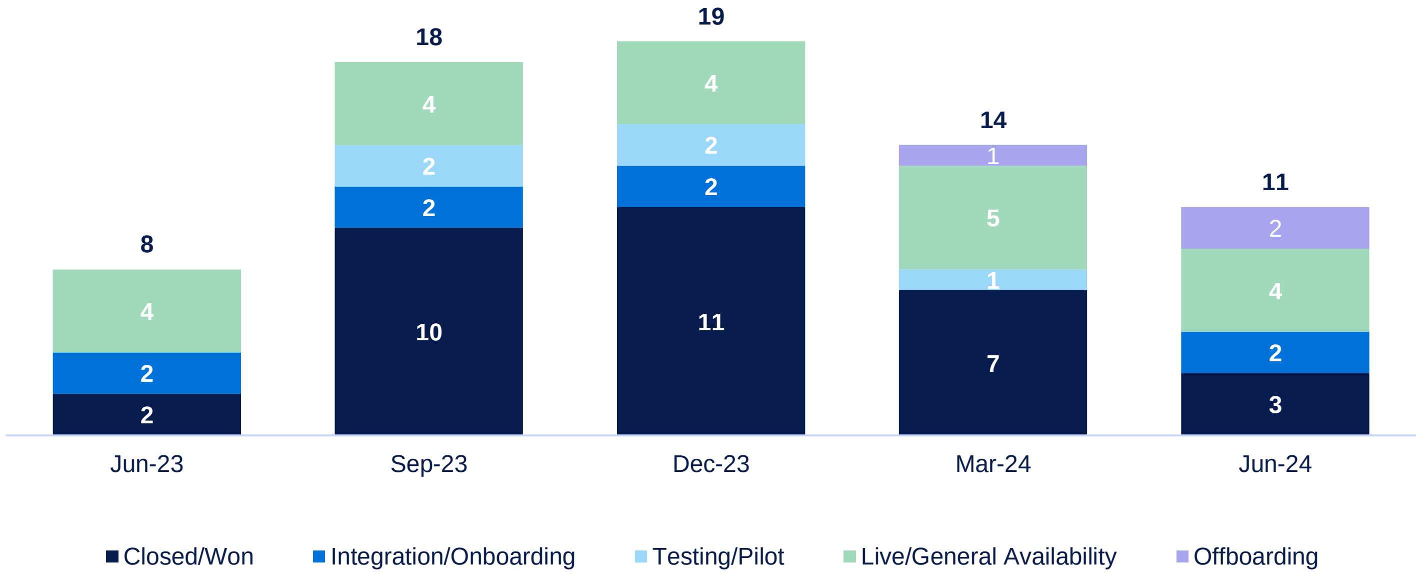
Creating new revenue opportunities and market differentiation

With BaaS, we are leveraging our digital and infrastructure investments to deliver value to select fintechs serving SMBs, affinity groups and niche markets

- Enabling fintechs to offer banking products and services to their end users, leading primarily to deposit growth as well as creating fee generation opportunities for FISI
- Focused on BaaS client partnerships within meaningful and defensible market opportunities: B2B, select affinity groups, wealth management and niche areas

BaaS Client Partnerships

Refining our partnerships to further prioritize and focus on fintechs aligned to our values and risk appetite through value-driven, disciplined approach



FISI sees BaaS as complementary to the existing franchise

Fee-based line of business with potential to generate lower-cost deposits and facilitate growth and scale

Our 200+ year of history and experience providing banking services in a safe, sound and resilient manner, coupled with our commitment to innovation, make FISI an attractive partner to fintechs

- Leading at all times with prudent risk and compliance management and sophisticated control framework
- Innovative technological solutions, like open banking API connectivity, allow FISI to be seamless and well-controlled extension of fintech partners
- Operational excellence in servicing, account maintenance and payments processing
- Committed to creating mutually beneficial deposit and loan opportunities

BaaS has potential to expand revenue sources to help improve earnings, including though:

- Platform fees
- 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

Second Quarter 2024 Key Results

As of June 30, 2024

- Net income available to common shareholders was $25.3M, or $1.62 per diluted share, compared to $1.7M, or $0.11 per diluted share, in 1Q ’24 and $14.0M, or $0.91 per diluted share, in 2Q ’23. 2Q ’24 results were positively impacted by the previously disclosed sale of the assets of SDN Insurance Agency, LLC (“SDN”), while 1Q ’24 results were negatively impacted by the previously disclosed deposit-related fraud event. Excluding the SDN sale gain and fraud event related expenses from both periods, adjusted net income available to common shareholders was $14.9M, or $0.96 per diluted share, in 2Q ’24 and $17.3M, or $1.12 per diluted share, in 1Q ‘24.[1]
- The company recorded a provision for credit losses of $2.0M in 2Q ‘24, compared to a benefit of $5.5M in the linked quarter and a provision of $3.2M in 2Q ’23.
- Net interest margin (NIM) of 2.87% expanded 9 bps from 1Q ’24, supporting a $1.1M, or 2.8%, increase in net interest income (NII) to $41.2M. NII decreased $1.1M, or 2.7%, from 2Q ‘23, amid the high interest rate environment that has driven funding costs higher. NIM in 2Q ’23 was 2.99%.
- Noninterest income was $24.0M, up $13.1M, or 120%, from 1Q ’24 and up $12.5M, or 109%, from 2Q ’24, due to the gain on the sale of SDN.
- Noninterest expense was $33.0M in 2Q ‘24, $54.0M in 1Q ‘24 and $33.8M in 2Q ’23. The linked quarter decrease was driven by the fraud event, coupled with expense reduction associated with the SDN sale.
- Total loans were $4.46B at June 30, 2024, reflecting an increase of $19.4M, or 0.4%, from March 31, 2024 and an increase of $63.7M, or 1.4%, from June 30, 2023.
- Total deposits were $5.13B at June 30, 2024, down $263.4M, or 4.9%, from March 31, 2024, and up $98.5M, or 2.0%, from June 30, 2023. Meaningful expansion of regulatory and tangible capital ratios from linked and year-ago periods.
- Strong and stable credit quality metrics, including annualized NCOs to average loans of 0.10% for 2Q ’24 and NPAs to total assets of 0.41% at June 30, 2024.

[1] Please see Appendix for reconciliation of non-GAAP Financial measures for the computation of these non-GAAP measures

Insurance Subsidiary Transaction Supports Earnings and Capital Positions

Compelling price of $27.0M took advantage of strong valuations for insurance brokerage businesses

- As previously disclosed, on April 1, 2024, the Company announced and closed the sale of the assets of its wholly-owned subsidiary, SDN Insurance, LLC, to NFP Property & Casualty Services, Inc., a privately-held property and casualty broker and benefits consultant
- Sale price of $27.0M represents approximately 4.0x 2023 insurance revenue
- Generated significant pre-tax gain of $13.5M after selling costs
- Eliminated $11.3M of goodwill and other intangibles
- Meaningful capital impact
- Supports earning potential and focus on core banking business
    - Expect to deploy some of the proceeds into our core banking business through high-quality, credit-disciplined loans to build higher-yielding earning assets

$27.0M
cash proceeds from transaction

$11.3M
of goodwill and other intangibles eliminated

2024 Guidance Update

Focused on executing strategic initiatives that will improve profitability and operating leverage over time; outside of effective tax rate expectations, guidance unchanged from April 2024 update

1-3% full year loan growth
driven by commercial loans

1-3% full year deposit growth
driven by non-public deposits

285-295 bps

Full-year NIM of 2.85-2.95%
using a spot-rate forecast as of quarter-end

Noninterest income of $36.5-$38M
for full year 2024[1]

2024 effective tax rate of 11-13%
including the impact of the previously disclosed fraud event, insurance transaction and the amortization of tax credit investments placed in service in recent years

Noninterest expense of $135M-$136M
for full year 2024, excluding the previously disclosed fraud event

30-40 bps

Annual net charge-offs to full year average assets
reflective of credit-disciplined lending and strong fundamental underwriting processes

[1] Noninterest income excludes gains/losses on securities, impairment of investment tax credits, limited partnership income, and gains/losses on assets, including the 2Q '24 insurance transaction

Recent Earnings Performance

Last five quarters

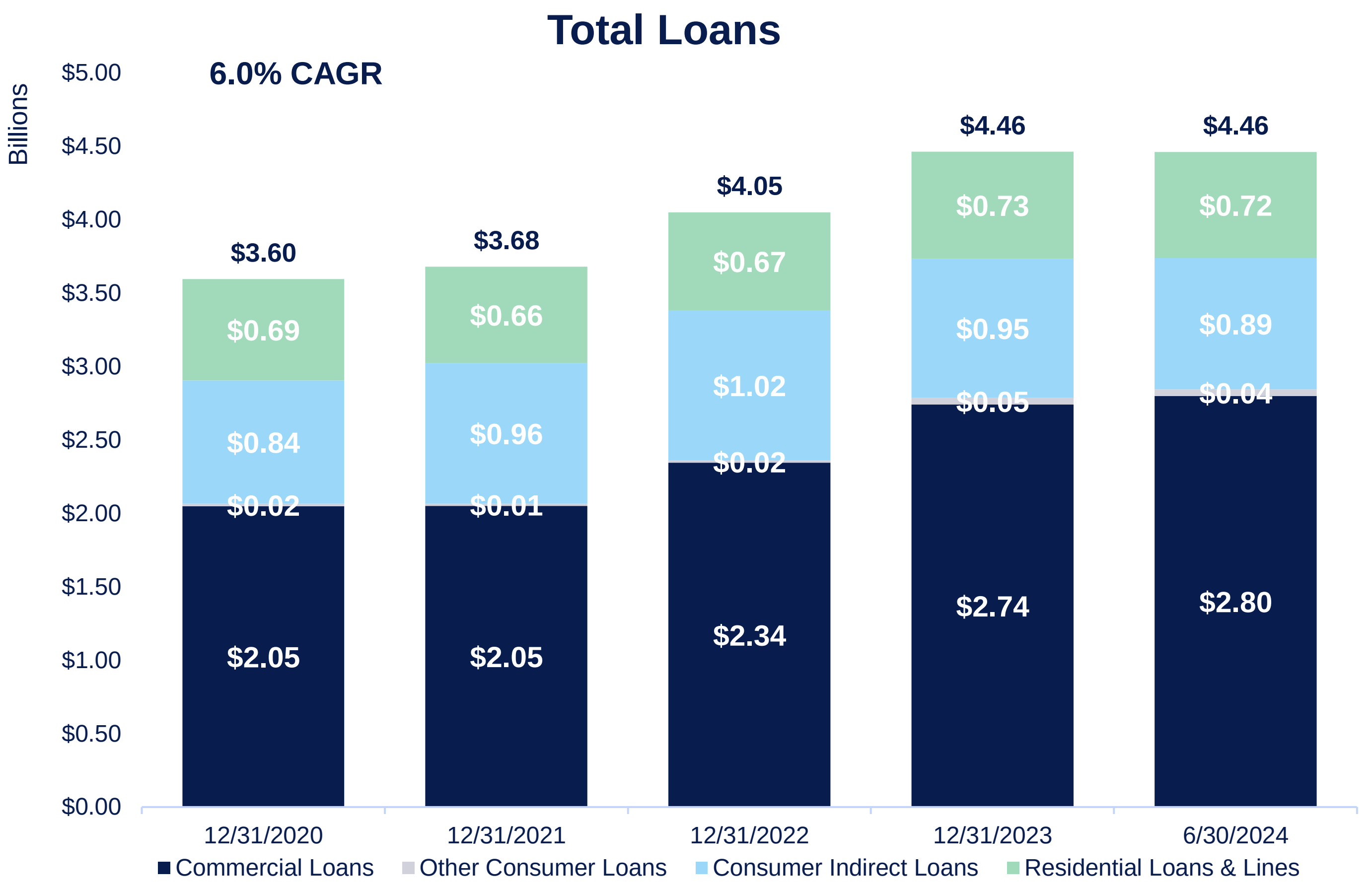
Earnings Summary[1]	2Q '23	3Q '23	4Q '23	1Q '24	2Q '24
Average interest-earning assets	$5,691.9	$5,704.1	$5,726.6	$5,804.9	$5,765.9
Net interest margin (tax equivalent basis)	2.99%	2.91%	2.78%	2.78%	2.87%
Net interest income	42.3	41.7	39.9	40.1	41.2
Noninterest income	11.5	10.5	15.4	10.9	24.0
Total revenue	**$53.8**	**$52.2**	**$55.3**	**$51.0**	**$65.2**
Noninterest expense	(33.8)	(34.7)	(35.0)	(54.0)	(33.0)
Benefit (provision) for credit losses	(3.2)	(1.0)	(5.3)	5.5	(2.0)
Income before income taxes	16.8	16.5	14.9	2.4	30.1
Income tax expense	(2.4)	(2.4)	(5.2)	(0.4)	(4.5)
Net income	**$14.4**	**$14.0**	**$9.8**	**$2.1**	**$25.6**
Preferred stock dividends	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)
Net income available to common shareholders	**$14.0**	**$13.7**	**$9.4**	**$1.7**	**$25.3**
Earnings per share – diluted	$0.91	$0.88	$0.61	$0.11	$1.62
Weighted average common shares outstanding – diluted	15.4	15.5	15.5	15.5	15.6

[1] Amounts in millions, except percentages and per share amounts.

Total loans increased $63.7M, or 1.4%, from June 30, 2023, driven by commercial loan growth

Organic Loan Growth

$4.46B of total loans at June 30, 2024 and average yield of 6.40% in the second quarter 2024



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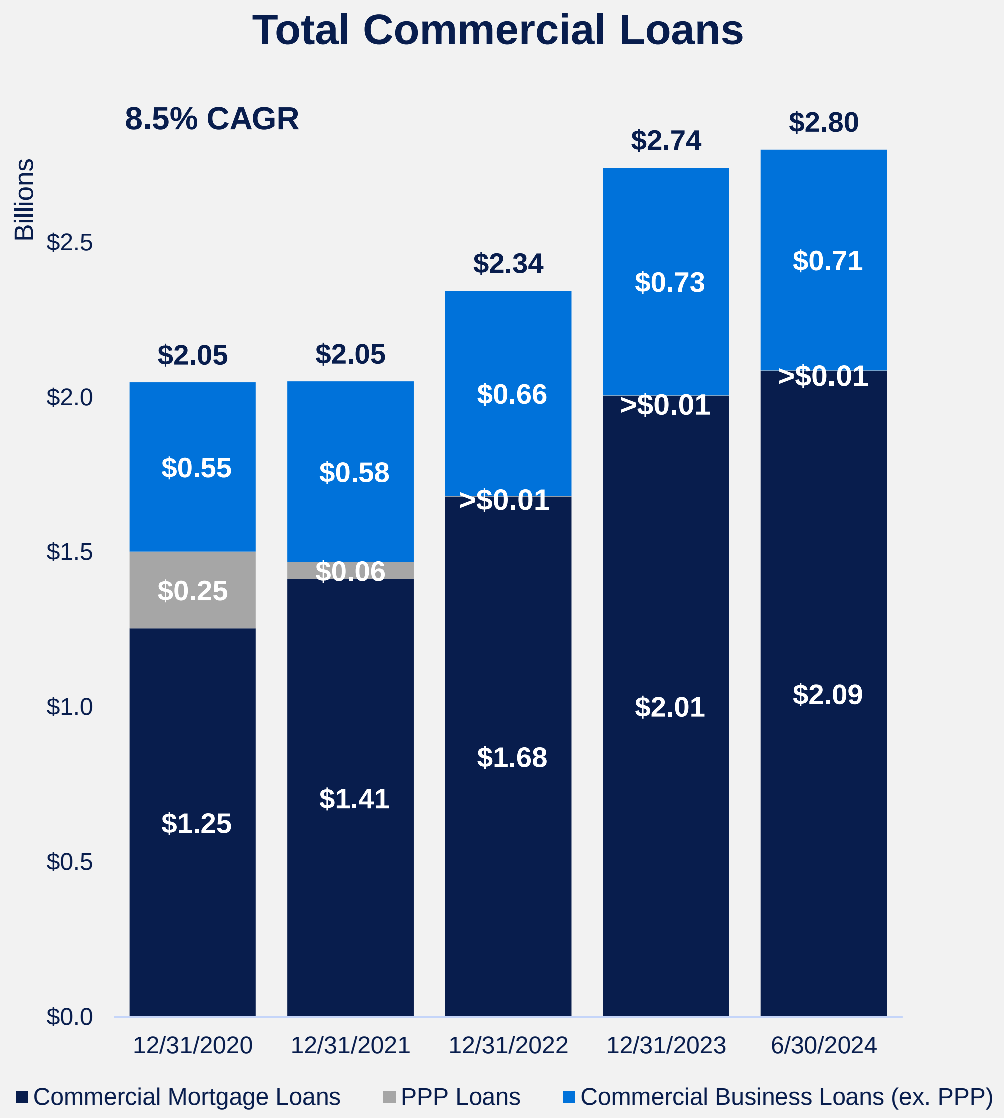
Commercial Lending

Outstanding balance of $2.80B at June 30, 2024

- Commercial loans increased $47.2M, or 1.7%, during the second quarter of 2024 and $118.2M, or 4.4%, year-over-year
- Commercial loans made up 63% of total loan portfolio at June 30, 2024 and are comprised of Commercial Real Estate (CRE), Commercial & Industrial (C&I) and Business Banking Unit (BBU)[1]
  - CRE makes up 65% of commercial loans and 41% 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
- The vast majority of the commercial loan portfolio is within the Bank's footprint, which operates in Upstate New York and the Mid-Atlantic region
- Disciplined approach to credit and risk management supports strong asset quality metrics



[1] Business Banking Unit refers to small business lending through commercial franchise

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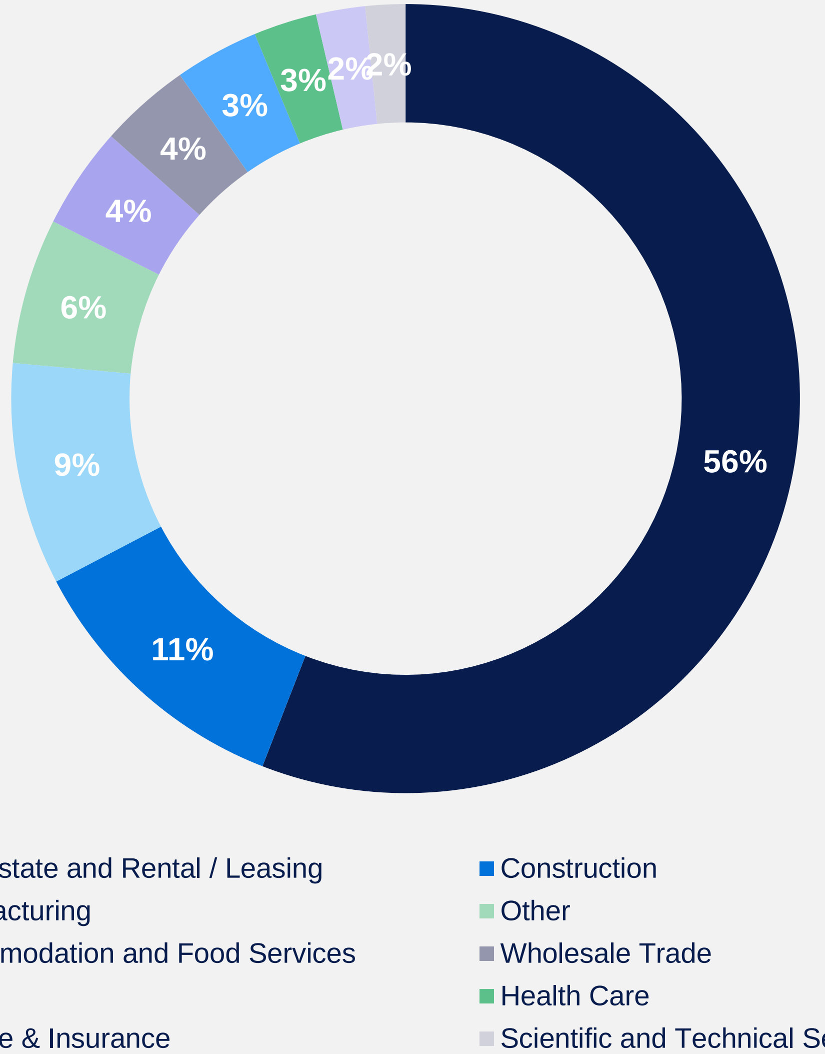
Commercial Lending

Committed credit exposure of $3.59B at June 30, 2024

- Commercial business operates across the Bank's core Upstate New York markets and in the Mid-Atlantic region, following its successful expansion there in 2022
- Suburban Baltimore, MD commercial loan production office ("LPO") provides important geographic and client diversification, leveraging decades of in-market and industry experience and deep relationships of the local CRE team
- Similarly, 2023 opening of LPO in Syracuse, NY builds on Five Star's Upstate New York market and houses team of C&I lenders, led by market president with more than 25 years of local commercial banking experience who joined the Bank in 2018

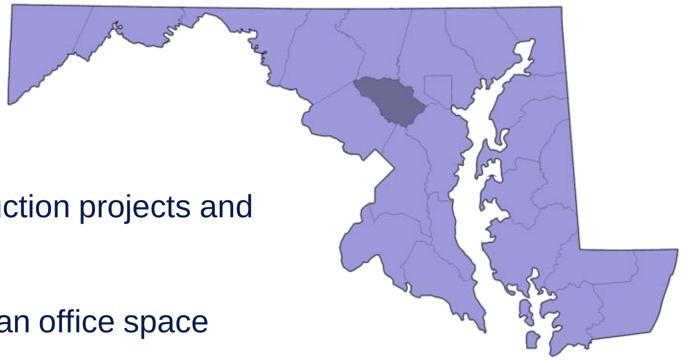
Overall Commercial Portfolio Exposure Mix



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 29% of committed exposure in this portfolio relates to suburban office space located around Baltimore, MD and Washington, D.C., with a large concentration located near hospitals with medical related tenants and high return to office metrics



$316M
in outstandings

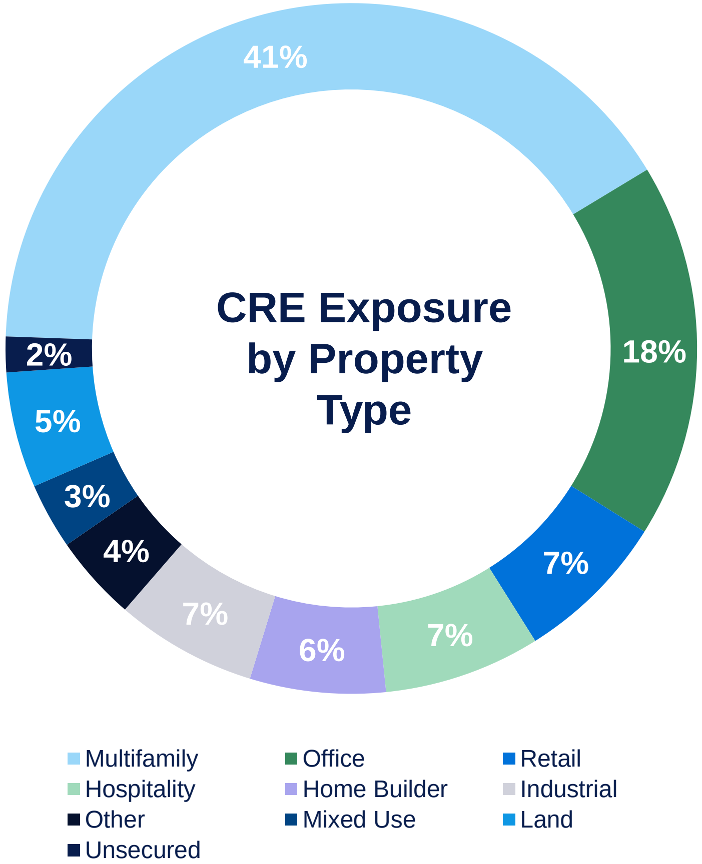
~47%
low average LTV[1]

Note: Information on this slide is as of June 30, 2024 unless noted otherwise
[1] Original appraised value used for loan-to-value ratio

Commercial Real Estate (CRE)

Outstanding balances of $1.82B and committed credit exposure of $2.14B as of June 30, 2024

- **Well diversified, with ~750 loan facilities consolidated into ~270 separate lending relationships, with ~$2.8M average loan size**
  - 82% of CRE clients have loan relationships <$10M
- **Growth achieved without compromising strong credit culture**
  - Portfolio factors in loan rollover risk, with ~20% of exposure scheduled to mature within next 12 months and another ~23% within 24 months
  - More than 90% of CRE loans have full or limited personal or corporate recourse, providing comfort with loan rollover risk[1]
  - Average LTV of 58% for overall CRE portfolio[1]
  - Internal stress testing conducted on a quarterly basis to analyze performance data of several of our largest CRE asset classes, including multifamily, office, hospitality, retail, mixed-use and industrial; variety of scenarios stressing loans with NOI downside and higher interest rates still result in the large majority continuing to have coverage ratios at or greater than 1:1 coverage



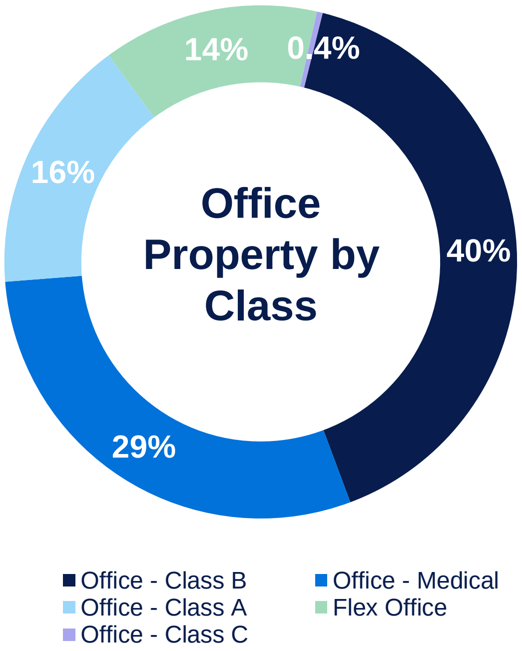
[1] Recourse and loan-to-value ("LTV") ratio calculated as of June 30, 2024; original appraised value used for LTV ratio
[2] Central Business District

Office and Multifamily CRE

Office and multifamily CRE outstanding balances of $357M and $732M, respectively, as of June 30, 2024

- **Office CRE committed credit exposure of $377M at June 30, 2024**
  - <$40M of office exposure in central business districts, or CBDs, represents ~10% of office and <2% of total CRE exposure
  - Average loan size of $3.2M and average LTV 55%[1]
  - >70% have full or limited personal or corporate recourse; those without have average LTV of ~60%[1] and DSCR of ~1.4X
  - ~$10M, or <3% of asset class, within criticized/classified
  - ~52% of office CRE loans are fixed and ~48% are variable rate[2]
- **Multifamily CRE committed credit exposure of $864M at June 30, 2024**
  - Expansion into Mid-Atlantic providing geographic and customer diversification
  - Average loan size of $3.4M and average LTV 60%[1]
  - >90% have full or limited personal or corporate recourse; those without have average LTV of ~56%[1] and DSCR of >1.7X
  - ~$29M, or ~3% of asset class, within criticized/classified
  - 40% of multifamily CRE loans are fixed and 60% are variable rate[2]

70% of FISI's office exposure, or 12% of CRE exposure, relates to Class B or Medical space

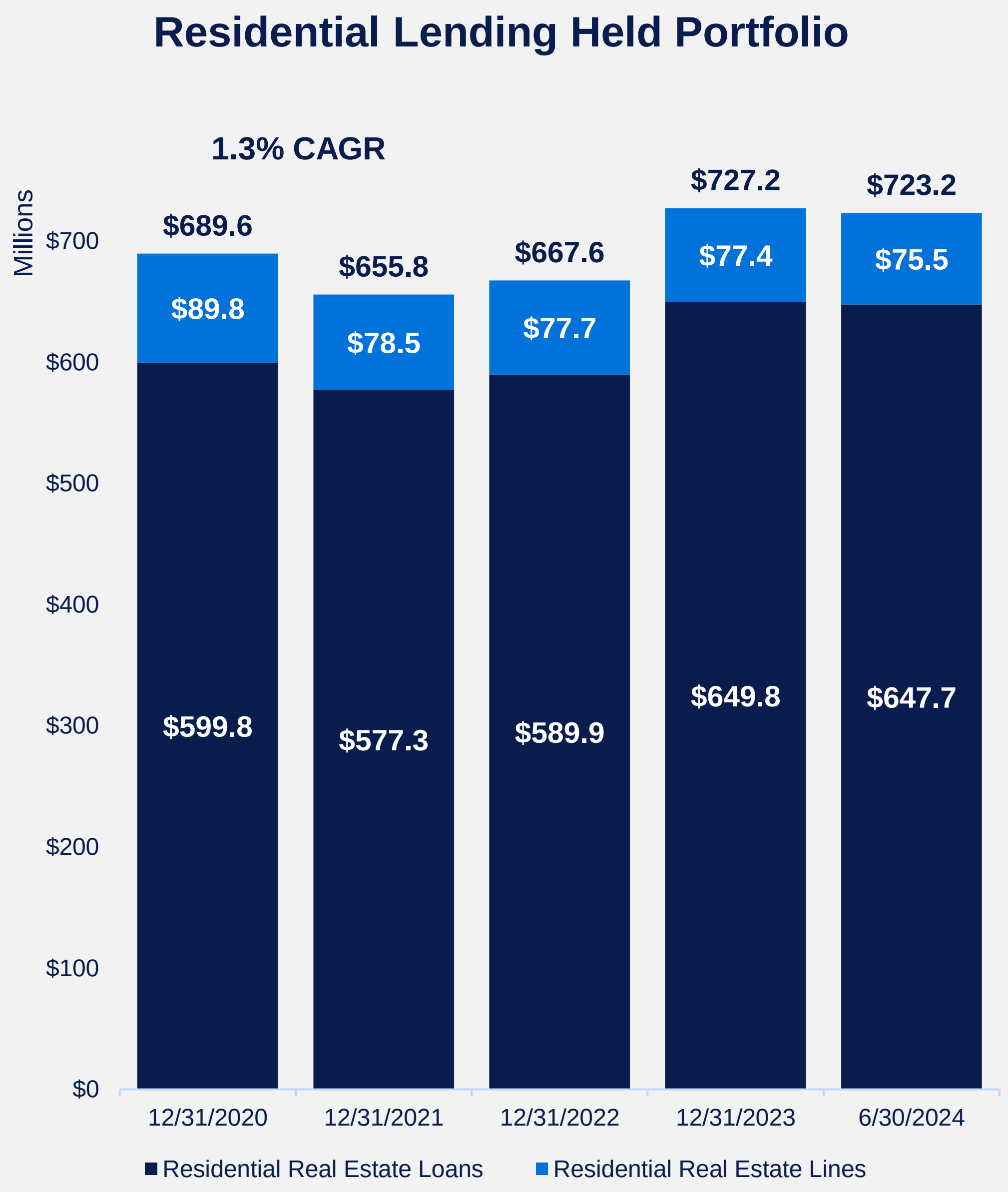


[1] Recourse and loan-to-value("LTV") ratio calculated as of June 30, 2024; original appraised value used for LTV ratio
[2] Loans with overlaying interest rate swaps are considered variable

Residential Real Estate

$723.2M held portfolio and $273.5M serviced for others portfolio at June 30, 2024

- Residential held portfolio was relatively flat on a linked quarter and up $36.0M, or 5.2%, from June 30, 2023
- 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 741 at origination and an average balance of ~$96,700, while our home equity lines of credit, or HELOCs, had an average score of 766 and average balance of $22,600
- Approved seller-servicer for Freddie Mac and FHLBNY, supporting a residential serviced for others portfolio of $273.5M
- Full product menu featuring competitive construction offerings, as well as FHA, VA, USDA and SONYMA products
- In-market originations through mortgage loan originators, Five Star Bank branch network and digital point-of-sale technology

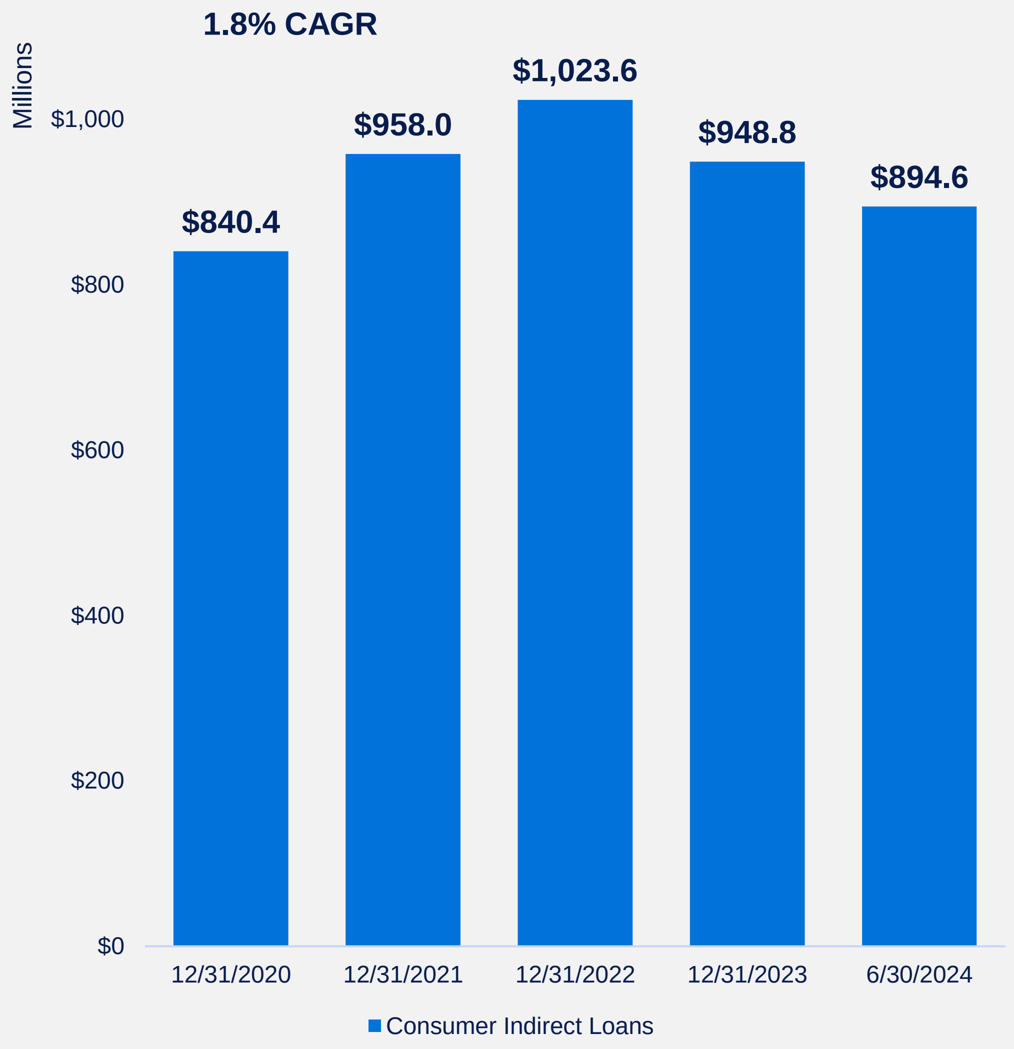


Indirect Auto Remains Core Competency

$894.6M portfolio at June 30, 2024

- Effective January 1, 2024, the Company exited the Pennsylvania auto market as it focuses on its core Upstate New York service area, which includes a strong network of ~375 new auto dealers currently
- Consumer indirect portfolio was down $25.84M, or 2.8%, from March 31, 2024 and down $106.4M, or 10.6%, from June 30, 2023
- Prime lending operation with average portfolio FICO score of 714
- Relatively short duration averaging ~3.5 years and natural risk dispersion due to small loan size, with an average loan balance of ~$20,300
- Demonstrated track record of consistent performance through economic expansions, recessions and stagnation
  - Annual charge-offs ranged 0.45% to 0.87% for 2008 through 2023, excluding the exceptionally low 0.14% reported in 2021
  - NCO levels normalized in 2022 and remain within our historical range
  - Consumer indirect charge-off ratio was 38 bps in 2Q ’24, 128 bps in 1Q ’24 and 130 bps in 4Q ’23

Consumer Indirect Portfolio



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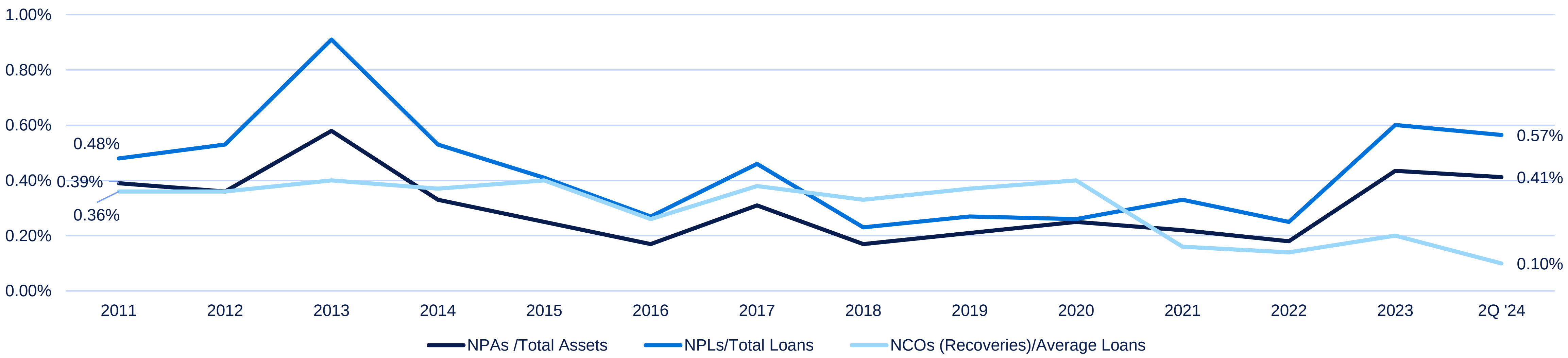
Solid Asset Quality

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

Select Asset Quality Metrics



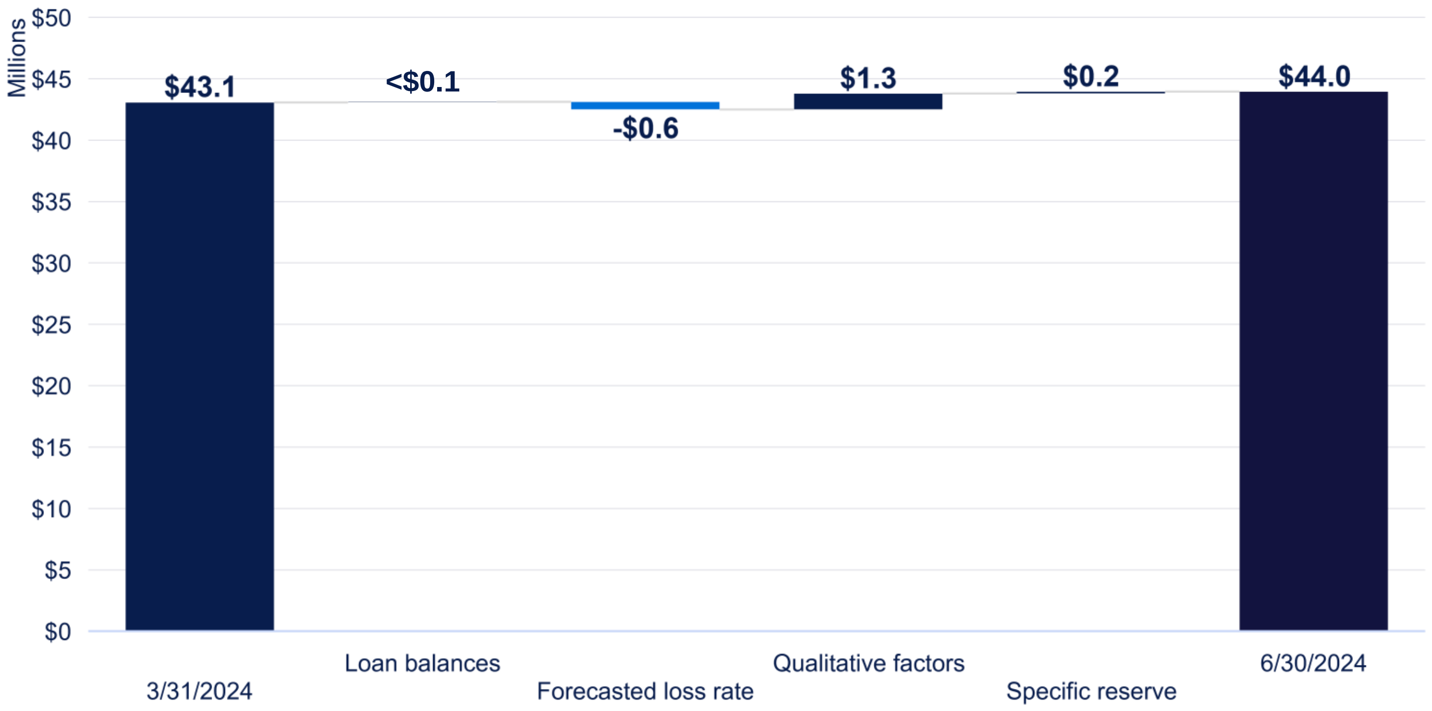
[1] Non-performing assets, or NPAs, include nonaccrual loans, loans past due 90 days or more and still accruing, and foreclosed assets

Allowance for Credit Losses

Allowance for credit losses - loans to total loans was 0.99% at June 30, 2024

- 2Q ’24 provision for credit losses of $2.0M, compared to benefit of $5.5M in 1Q ‘24
  - Provision for credit losses for 2Q ’24 driven by a combination of factors, including a modest increase in consumer indirect delinquencies during the period, which increased the qualitative factor for that portfolio, partially offset by improvement in forecasted losses.
  - 1Q ’24 benefit for credit losses of $5.5M was primarily driven by ~$8M reserve release along with a $0.6M credit to the allowance for unfunded commitments, partially offset by $3.2M of net charge-offs during the period.

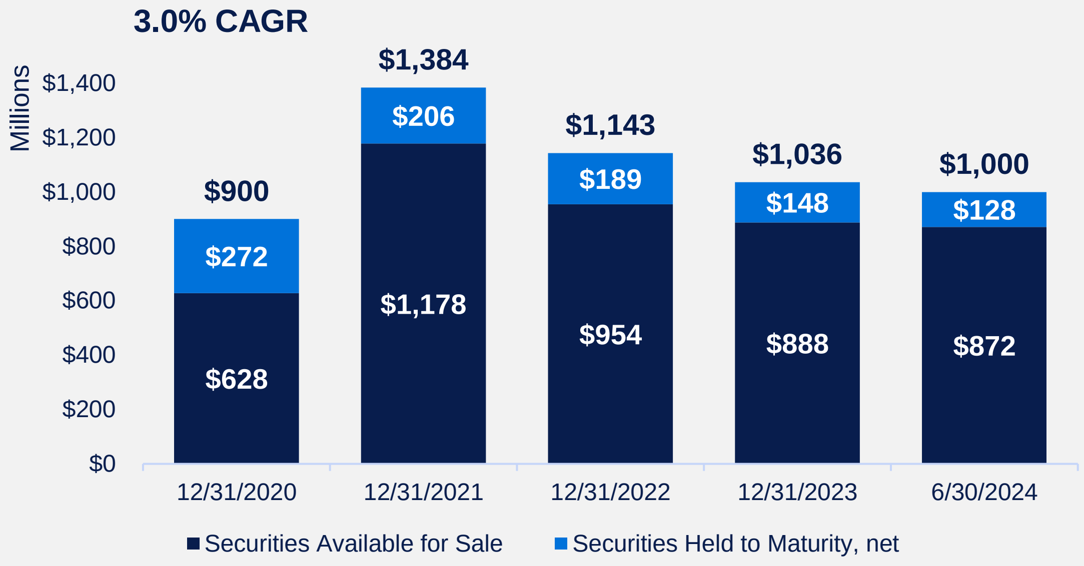
Allowance for Credit Losses – Loans

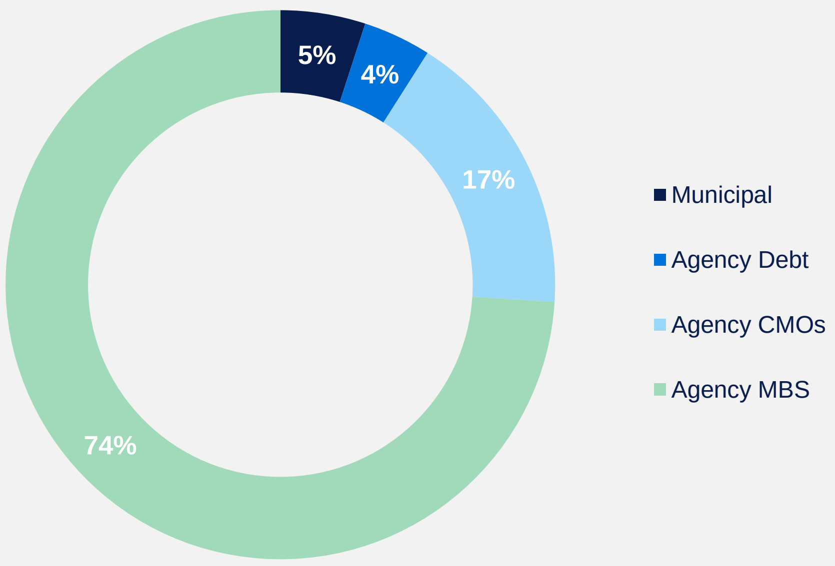


Securities Portfolio

$1.00B at June 30, 2024

- 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
- In 4Q ‘23, the Company repositioned a segment of our securities portfolio, selling ~$54M of agency mortgage-backed securities at an after-tax loss of $2.8M and reinvesting the proceeds into higher yielding bonds
  - Associated $1.4M of annual income equates to two year earn-back
- Average yield on a tax equivalent basis was 2.17% for 2Q ’24
  - Compared to 2.09% in linked quarter and 2.03% in Q4 ‘23
- Cash flow from the securities portfolio allows for reinvestment into loans or additional investment securities
  - Principal cash flow of ~$143M expected over next 12 months





Note: Shown as a percentage of amortized cost basis

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Deposit Growth

$5.13B at June 30, 2024

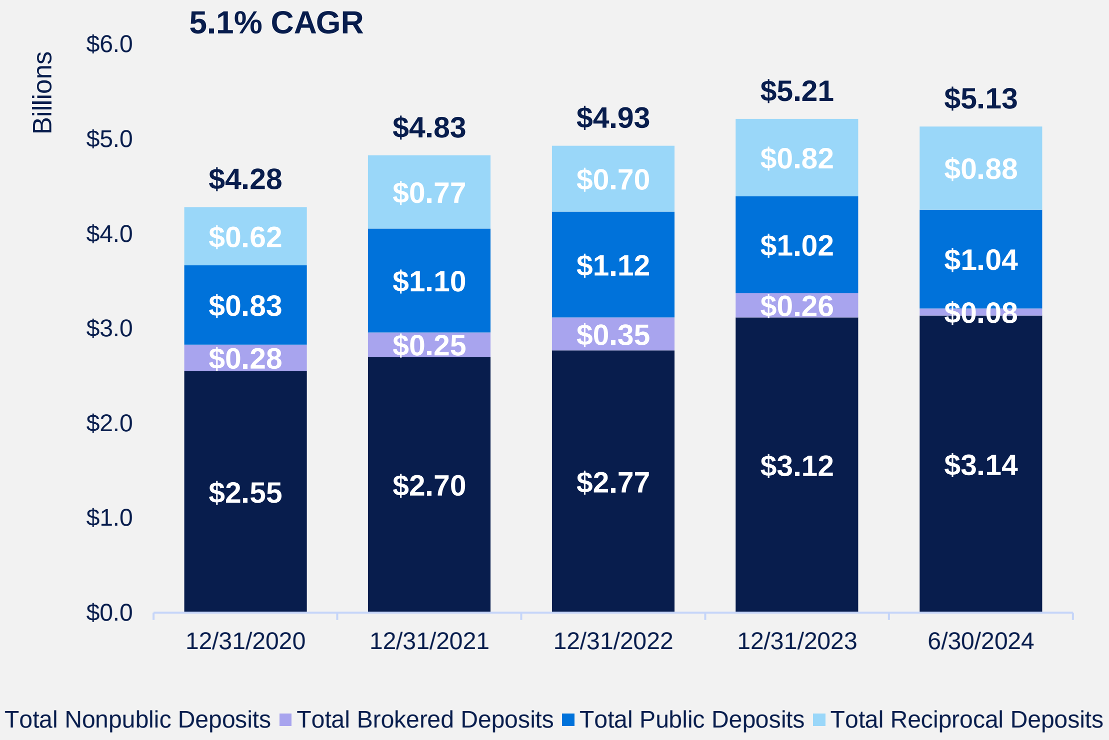
- Total deposits were $5.13B, down $263.4M, or 4.9%, from March 31, 2024, and up $98.5M, or 2.0%, from one year prior
  - Linked quarter decrease primarily due to the seasonality of public deposits coupled with a reduction in brokered CDs, while year-over-year improvement was driven by nonpublic deposit growth
- Granularity of community banking franchise benefits deposit portfolio
  - Average deposit balances per branch of approximately $86.8M, excluding reciprocal and brokered deposits
  - Lower-cost deposits from rural markets fund higher growth in metro markets
- Offering a variety of public (municipal) deposit products to the towns, villages, counties and school districts providing seasonal, lower-cost funding source
  - Public deposit balances represented 20% of total deposits at June 30, 2024, 22% at March 31, 2024, and 20% at June 30, 2023
- Current interest rate environment has led to disintermediation from core transaction type accounts to time deposits, which made up 29% of deposits at June 30, 2024

320

municipal customers as of MRQ-end

3.29%

2Q '24 cost of average interest-bearing deposits



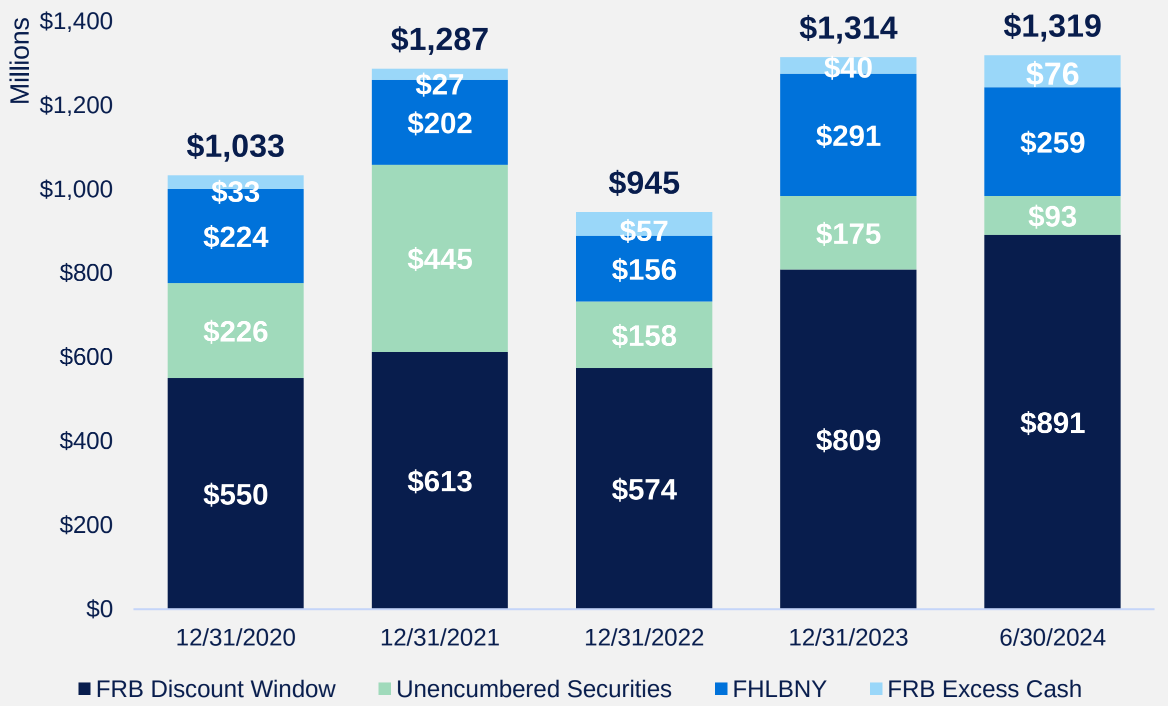
Liquidity

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

- 2Q ’24 available committed liquidity remains strong, as supported through unencumbered collateral in the securities portfolio, borrowing capacity at the FHLB, and tertiary liquidity via the FRB discount window, which totaled more than $1.31B at quarter-end
- The increase in unencumbered securities is due to the outflow of municipal deposits, which require collateralization
- Further, uninsured nonpublic deposits make up approximately 16.4% of our total deposits, when considering the secured nature of our public and reciprocal portfolios, which typically have larger balances

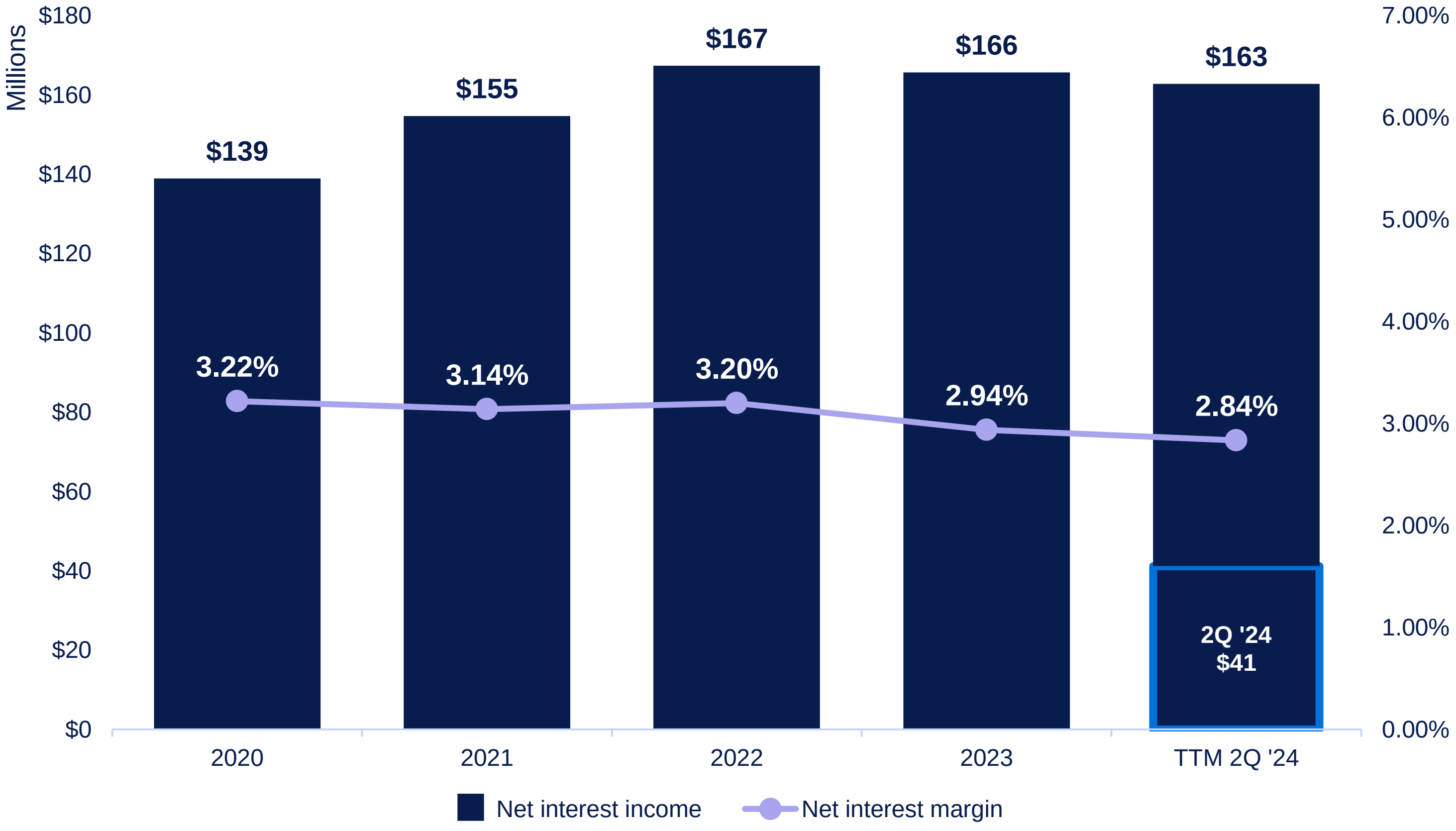
~16.4%
of total deposits are uninsured nonpublic deposits

~87%
Loan to deposit ratio



Net Interest Income & Margin

2Q ’24 net interest income of $41.1M and net interest margin of 2.87%



- Net interest income of $41.1M increased $1.1M, or 2.8%, from the linked quarter and decreased $1.1M, or 2.7%, from the year-ago quarter
- Net interest margin was 2.87% for the current quarter, up 9 bps from the linked quarter and 12 bps lower than the year-ago quarter
  - Margin has been impacted by the current high interest rate environment that has driven higher funding costs

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Ample cash flow allows for redeployment of funds in higher interest earning assets, supporting incremental margin expansion

Balance Sheet Providing Ample Cash Flow

More than ~$1.0B in anticipated cash flow over the next 12 months from investment securities and loan portfolios

Select Interest Earning Assets	2023 Yield	2Q '24 Yield	2Q '24 Roll Off Yield	Balance at 6/30/2024	Average NTM Monthly Cash Flow[1]
Investment Securities	1.92%	2.17%	3.63%	$ 999,906	$14,041
Commercial Real Estate Loans	6.83%	7.14%	7.22%	$1,813,944	$33,887
Commercial & Industrial Loans	6.43%	6.77%	7.11%	$869,477	$14,464
Small Business Loans[2]	6.65%	6.93%	8.32%	$115,583	$1,290
Residential Real Estate Loans	3.71%	4.06%	4.53%	$ 647,675	$5,956
Consumer Indirect Loans	5.36%	6.08%	6.30%	$894,596	$27,176

[1] NTM = next twelve months. Average monthly loan cash flow projections based on contractual loan terms and historical prepayment assumptions that are based on a 12-month historical average.
[2] Small business represents small business loans generated through retail network and commercial Business Banking Unit

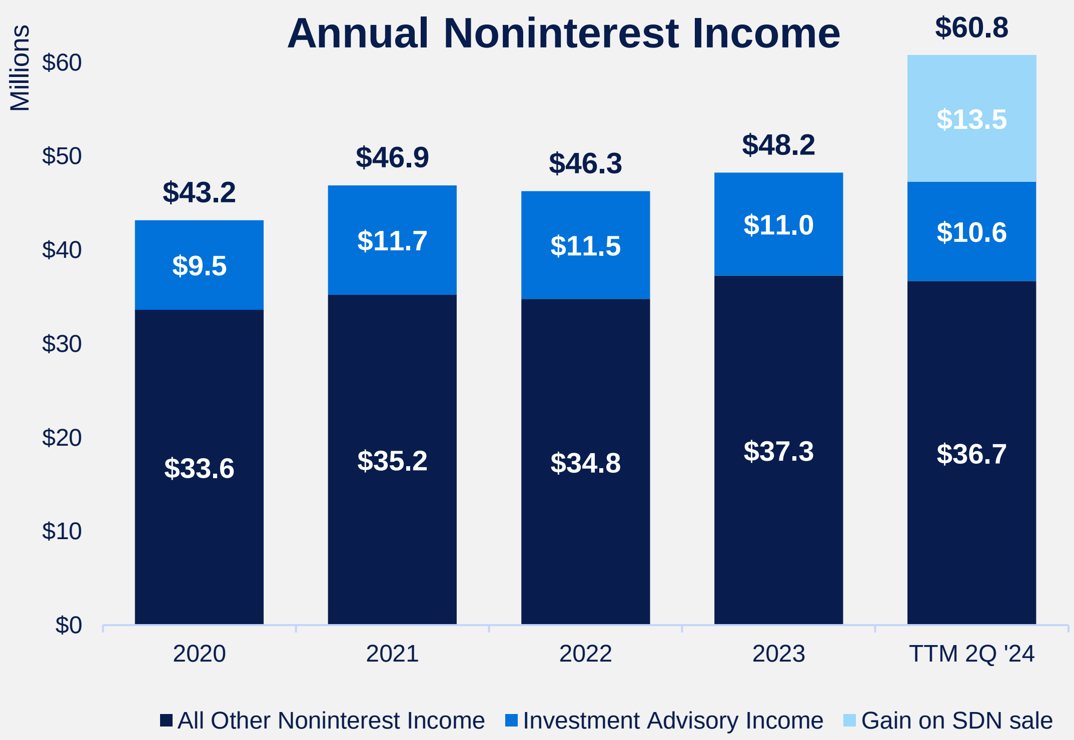
Noninterest Income

Noninterest income was $24.0M in 2Q ‘24

- Noninterest income was $24.0M, up $13.1, or 120.3%, from 1Q ’24 and up $12.5M, or 109.4%, from the year-ago quarter.
  - The linked quarter variance was driven by the Company’s previously disclosed sale of its insurance subsidiary, which generated a pre-tax gain of $13.5M in the second quarter of 2024
  - Excluding this gain, noninterest income of $10.5M[1] was down $407 thousand quarter-over-quarter, as increases in several areas partially offset the decline in insurance revenue
  - Investment advisory income, which totaled $2.8M in 2Q ’24, is primarily derived from the Company’s wealth management subsidiary Courier Capital, LLC

27.2%
of TTM net revenue from non-interest income

$2.99B
in assets managed by Courier Capital at quarter-end



[1] Please see Appendix for reconciliation of non-GAAP Financial measures for the computation of these non-GAAP measures.
Note: Information on this slide is as of June 30, 2024 unless noted otherwise

Wealth Management Business Positioned for Growth

Providing customized investment management, retirement planning, and consulting services for mass affluent and high-net-worth individuals and families, businesses, institutions, and foundations

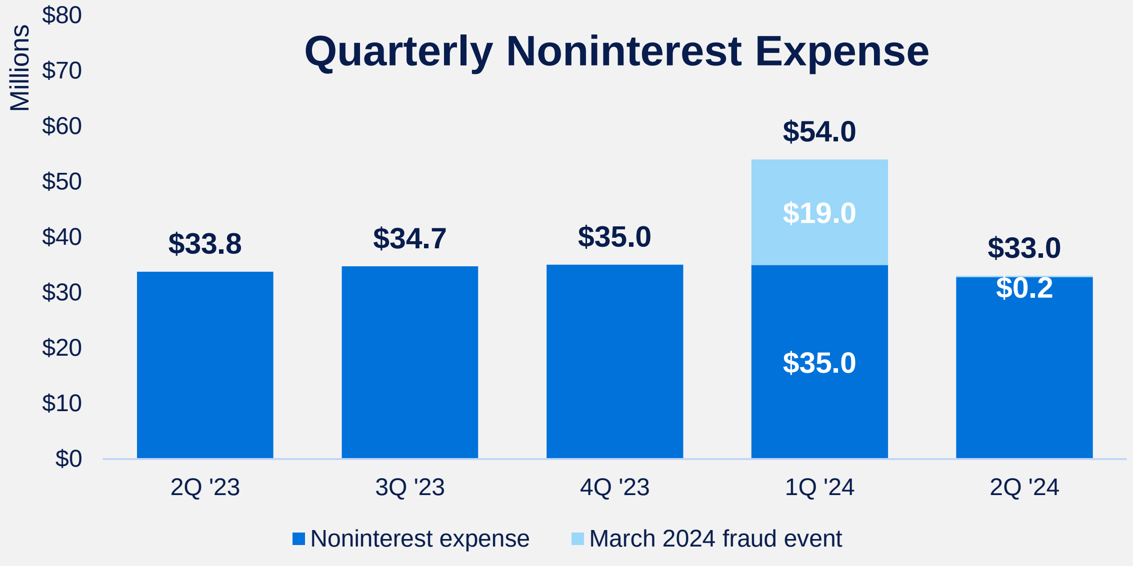
- **Since entering the investment advisory space in 2016 with the acquisition of Courier Capital, the Company has completed two additional wealth management acquisitions in 2017 and 2018**
- **Combination of FISI's subsidiary wealth management firms enhanced size and scale as next natural step in evolution 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 merged with and into Courier Capital
  - 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 and unites Western New York service footprint**
  - One brand streamlines business development efforts, including cross-selling opportunities
  - Courier Capital 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
- **In October 2023, the Company announced a leadership succession at Courier Capital**
  - Promoted internal candidate with two decades of experience in private banking with several large U.S. banks to President
  - New leadership structure allows the firm to continue serving its wealth management, retirement plan and institutional services clients at the highest level, while positioning the firm for continued growth

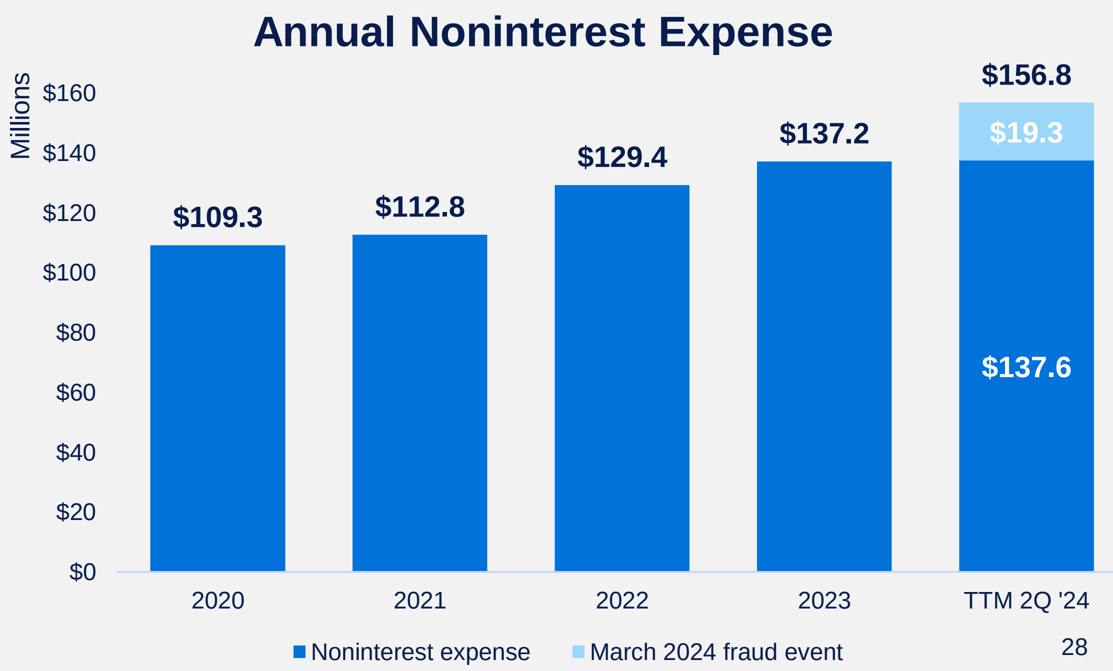
Financial Institutions, Inc.

Noninterest Expense

2Q ’24 expense of $33.0M

- 2Q ’24 expense of $33.0M was down $21.0M, or 38.9%, from the linked quarter and down $0.8M, or 2.3%, from the prior year period
  - 1Q ’24 expenses were impacted by approximately $18.4M in deposit-related charge-offs and $0.7M of legal and consulting expenses related to the Company’s previously disclosed fraud matter.
  - The company incurred expenses related to this fraud event of approximately $228 thousand in the 2Q ’24, as recovered funds flowing through deposit-related charge-offs partially offset professional expenses connected with this matter in the recent quarter.
- 2Q ‘24 efficiency ratio was 51% or 63% on an adjusted basis[1]

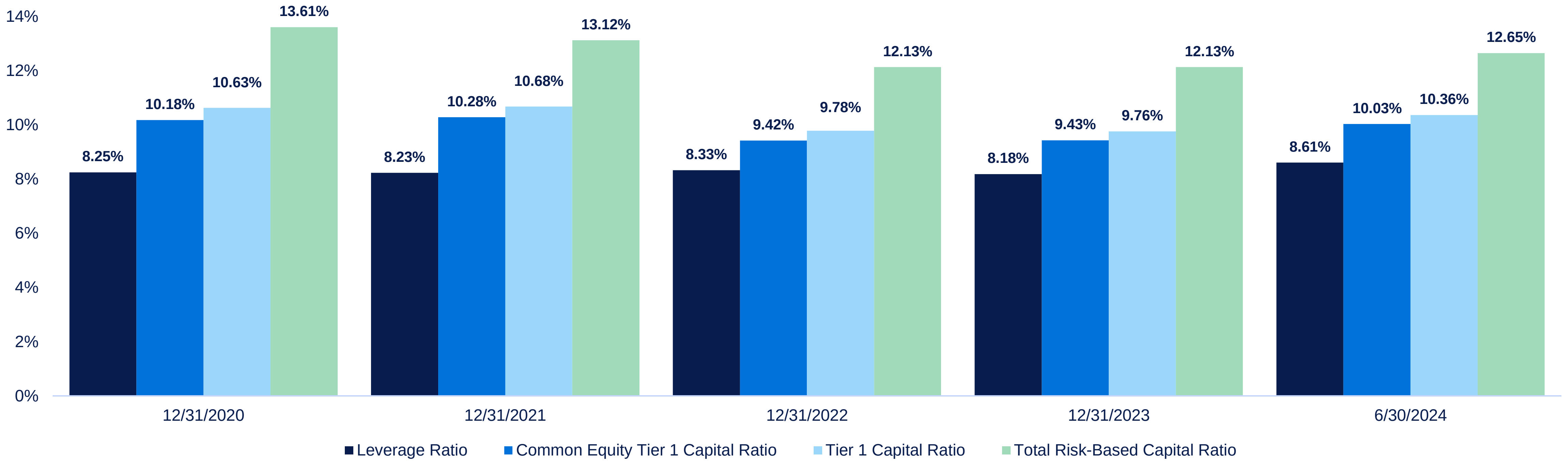




[1] Efficiency ratio is calculated by dividing noninterest expense by net revenue, i.e., the sum of net interest income (fully taxable equivalent) and noninterest income before net gains on investment securities. This is a banking industry measure not required by GAAP. Please see Appendix for additional details on this non-GAAP measure.

Well-Capitalized

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



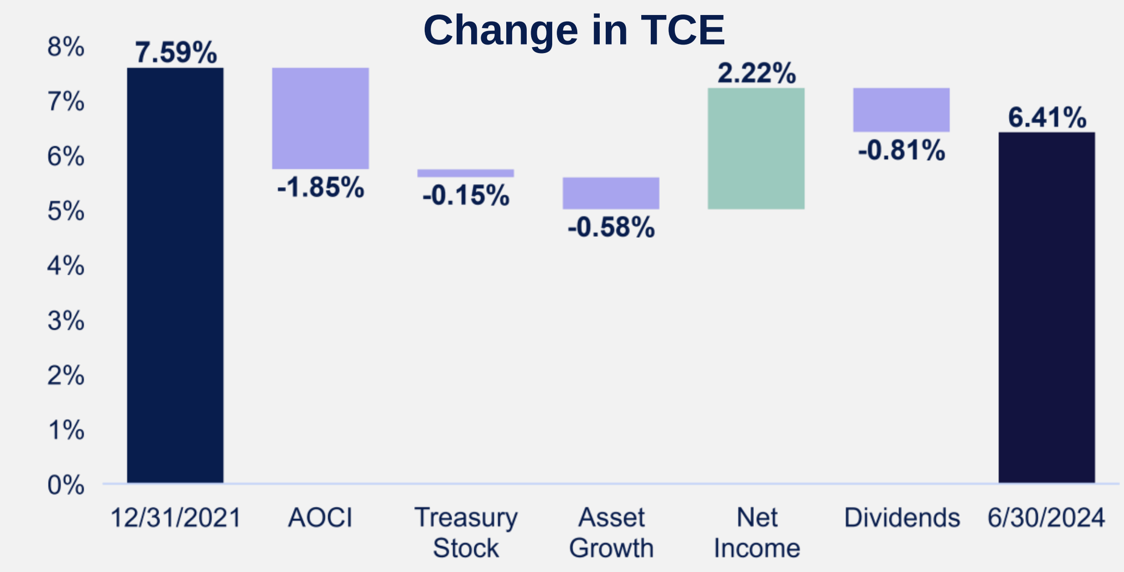
Capital Ratio	As of December 31, 2023	As of March 31, 2024	As of June 30, 2024	Well-Capitalized Threshold
Leverage	8.18%	8.03%	8.61%	5.00%
CET1 capital	9.43%	9.43%	10.03%	6.50%
Tier 1 capital	9.76%	9.76%	10.36%	8.00%
Total RBC	12.13%	12.04%	12.65%	10.00%

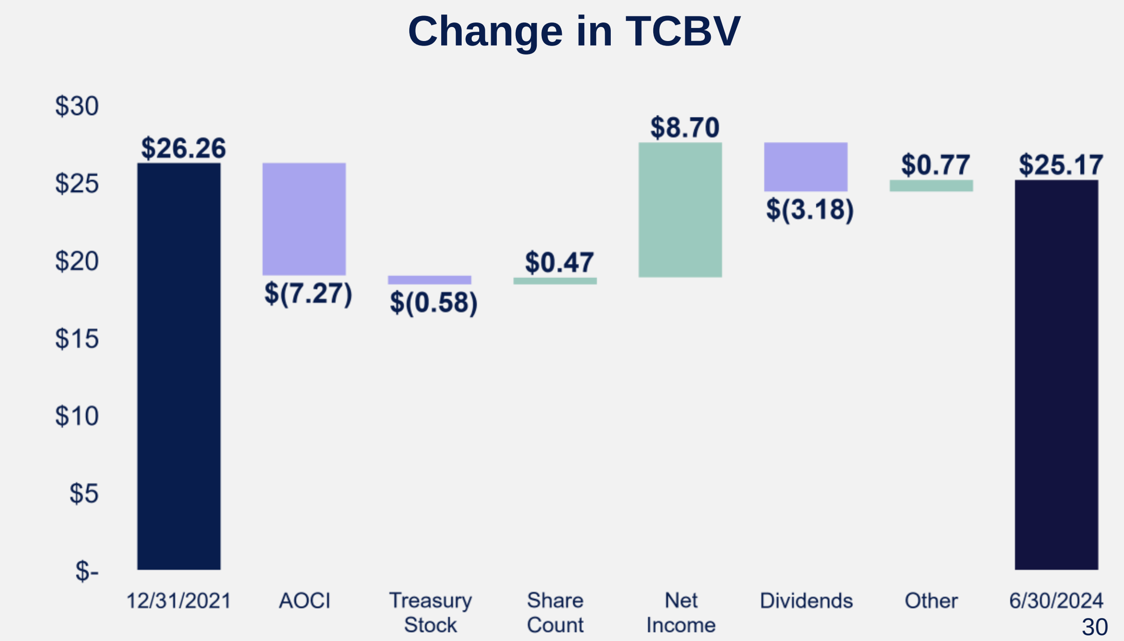
AOCI Impact on TCE & TCBV[1]

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 credit quality of our investment portfolio
- Excluding the AOCI impact, our TCE ratio and TCBV per share would have been 8.27% and $32.44, 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

Longstanding commitment to rewarding shareholders through meaningful dividend yield and 29-year cash dividend history

Investment Profile	As of June 30, 2024
Closing Price	$19.32
52-week High	$23.11
52-week Low	$15.22
Common Shares Outstanding	15.5M
Market Capitalization	$298.9M
Price/LTM EPS	5.9x
Price/NTM Consensus EPS	7.2x
Price/Common Book Value Per Share	0.66
Float	97%
Average Daily Volume (3 mos.)	~51,500
Dividend Per Share (annualized MRQ)	$1.20
Dividend Yield (annualized MRQ)	6.25%
Common Dividend Payout Ratio	18%

Results-driven community bank with strong retail and commercial franchises

Disciplined credit culture with strong credit quality

Fee-based business diversifies revenue and complements 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

Financial Institutions, Inc.

Strong Executive Leadership Team Positioned to Drive Growth and Operational Excellence

Martin K. Birmingham
President & Chief Executive Officer

Samuel J. Burruano Jr.
EVP, Chief Legal Officer & Corporate Secretary
overseeing legal, corporate governance, ESG and internal audit

W. Jack Plants II
EVP, CFO & Treasurer
overseeing financial planning and analysis, accounting, tax, investor and external relations, treasury, operations and technology

Laurie R. Collins
SVP, Chief Human Resources Officer
overseeing talent recruitment and development, training and incentives, and DEI

Blake G. Jones
SVP, Chief Marketing Officer
overseeing marketing, brand strategy and enterprise sales

Gary A. Pacos
SVP, Chief Risk Officer
overseeing enterprise risk, BSA/AML, fraud, compliance, information security and credit administration

Kevin B. Quinn
SVP, Chief Commercial Banking Officer
overseeing CRE and C&I lending, treasury management, merchant services and community development

Reid A. Whiting
SVP, Chief Banking Officer
overseeing retail and digital banking, consumer lending, residential mortgage and BaaS

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 Reconciliations

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 and percentages		12/31/2021		6/30/2024
Computation of ending tangible common equity:				
Common shareholders' equity	$	487,850	$	450,375
Less: Goodwill and other intangible assets, net		74,400		60,979
Tangible common equity		413,450		389,396
Computation of ending tangible assets:				
Total assets	$	5,520,779	$	6,131,772
Less: Goodwill and other intangible assets, net		74,400		60,979
Tangible assets		5,446,379		6,070,793
Tangible common equity to tangible assets[1]		7.59%		6.41%
Common shares outstanding		15,745		15,472
Tangible common book value per share[2]	$	26.26	$	25.17

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

Financial Institutions, Inc.

Non-GAAP Reconciliations Continued

Adjusted Net Income and Adjusted Earnings Per Share (EPS): Amounts in thousands, except per share data and percentages		Income before income taxes	Provision for income taxes	Net income	Preferred stock dividends	Net Income Available to Common Shareholders	Diluted EPS
As of and for the three months ended March 31, 2024	As reported	$2,426	$356	$2,070	$365	$1,705	$0.11
	Add back:						
	March 2024 fraud event related expenses	19,035	4,877	14,158	-	14,158	0.91
	Impact of full year effective tax rate – interim period adjustment	-	(1,471)	1,471	-	1,471	0.10
	As adjusted	$21,461	$3,762	$17,699	$365	$17,334	$1.12
As of and for the three months ended June 30, 2024	As reported	$30,146	$4,517	$25,629	$364	$25,265	$1.62
	Subtract:						
	Gain on sale of insurance subsidiary	(13,520)	3,464	(10,056)	-	(10,056)	(0.65)
	Add back:						
	March 2024 fraud event related expenses	228	58	170	-	170	0.01
	Impact of full year effective tax rate - interim period adjustment	-	481	(481)	-	(481)	(0.03)
	As adjusted	$16,854	$8,520	$15,262	$364	$14,898	$0.96
As of and for the six months ended June 30, 2024	As reported	$32,572	$4,873	$27,699	$729	$26,970	$1.73
	Subtract:						
	Gain on sale of insurance subsidiary	(13,520)	3,464	(10,056)	-	(10,056)	(0.65)
	Add back:						
	March 2024 fraud event related expenses	19,263	4,935	14,328	-	14, 328	0.92
	Impact of full year effective tax rate - interim period adjustment	-	(990)	990	-	990	0.06
	As adjusted	$38,315	$12,282	$32,961	$729	$32,232	$2.07

Source: Company filings

Financial Institutions, Inc.

Non-GAAP Reconciliations Continued

Please refer to slide 36 for additional detail on adjustments

Amounts in thousands, except percentages	As of and for the three months ended March 31, 2024			As of and for the three months ended June 30, 2024			As of and for the six months ended June 30, 2024		
Adjusted Return on Average Assets (ROAA):	As reported	Adjustments	As adjusted	As reported	Adjustments	As adjusted	As reported	Adjustments	As adjusted
Average total assets	$6,225,760	-	$6,225,760	$6,153,429	-	$6,153,429	$6,189,594	-	$6,189,594
Net income	2,070	15,629	17,699	25,629	(10,367)	15,262	27,699	5,262	32,961
Net income (annualized)	8,280	62,516	70,796	102,516	(41,469)	61,047	55,398	10,523	65,921
Return on average assets	0.13%	1.00%	1.14%	1.67%	-0.67%	0.99%	0.90%	0.17%	1.07%
Adjusted Efficiency Ratio:	As reported	Adjustments	As adjusted	As reported	Adjustments	As adjusted	As reported	Adjustments	As adjusted
Non-interest expenses	$54,013	$19,035	$34,978	$33,020	$228	$32,792	$87,033	$19,263	$67,770
Net interest income	40,082	-	40,082	41,193	-	41,193	81,275	-	81,275
Non-interest income	10,901	-	10,901	24,014	(13,520)	10,494	34,915	(13,520)	21,395
Efficiency ratio	106%	-37%	69%	51%	13%	63%	75%	-9%	66%

Source: Company filings