

Financial Institutions, Inc. (NASDAQ: FISI; Warsaw, NY) has agreed to acquire Courier Capital (Buffalo, NY)**Deal Value: Initial consideration of \$9.0 million; deferred consideration linked to growth-related performance of up to \$5.0 million**

Sandler O'Neill served as financial advisor to Financial Institutions, Inc. in this transaction. This transaction represents Sandler O'Neill's 9th asset management transaction nationwide since January 1, 2014 and 147th financial services transaction nationwide since January 1, 2014, more than any other investment bank over this time period.¹

WARSAW, N.Y. – November 30, 2015 – Financial Institutions, Inc. (the “Company”) (NASDAQ: FISI), the parent company of Five Star Bank and Scott Danahy Naylor Insurance, announced today that it has entered into a definitive agreement to acquire Courier Capital, a leading SEC-registered investment advisory and wealth management firm based in western New York, with operations in Buffalo and Jamestown. The acquisition is structured as a merger, with \$9 million (approximately 90% payable in FISI common stock) payable at closing (subject to certain adjustments), with additional contingent consideration (also payable primarily in FISI common stock) expected between \$2.3 to \$5.0 million and related post-closing payments based on Courier's achievement of certain growth objectives during the three year period following the closing. The acquisition is expected to be breakeven to moderately accretive to the earnings of Financial Institutions, Inc. in 2016.

Courier Capital offers customized investment management, investment consulting and retirement plan services to over 1,100 individuals, businesses and institutions. Courier Capital has more than \$1.2 billion in assets under management and is an advisor to an additional \$335 million of assets.

Courier was named to the Financial Times 300 Top Registered Investment Advisers list in each of the past two years since the ranking was established. The Financial Times, a globally recognized leader in financial and investment media, launched its inaugural Financial Times 300 list to recognize the top registered investment adviser firms across the US. The rankings are based on a firm's assets under management, asset growth rate, years in existence, compliance record, industry certifications, and online accessibility.

“This transaction continues our implementation of strategic initiatives designed to diversify our revenue beyond interest income and create value for our shareholders. We welcome the entire Courier Capital team, and its premier base of clients, to the Financial Institutions, Inc. family,” stated Martin K. Birmingham, president and chief executive officer of Financial Institutions, Inc.

Mr. Birmingham continued, “This is the second key acquisition in as many years as part of our strategic growth plan. This growth plan centers on the efficient deployment of capital and the diversification of our operations to better capitalize on market opportunities in the largest metropolitan areas of western New York. The Courier Capital acquisition is an integral component in the expansion of our business lines, increasing our fee-based revenues and noninterest income, broadening our customer base, and providing increased value to our customers.

“The acquisition also is representative of how the regional financial services landscape has been evolving with, we believe, Financial Institutions, Inc. at the forefront. With this trend in consolidation among all financial services industry constituents expected to continue for the foreseeable future, we are well positioned to offer our current and prospective customers a more comprehensive and improved experience delivered by a strong and growing local company.”

“We are very pleased to be joining the Financial Institutions family,” said Bruce Kaz, president of Courier Capital. “The impeccable reputation and integrity of Financial Institutions serves as a complement to the brand that has been built by Courier Capital, now in its third generation of owners/operators. In an increasingly complex and competitive market for financial services, we believe the needs of our clients as well as those of Five Star Bank and Scott Danahy Naylor Insurance are best served by the combination of our operational disciplines. Our conviction is evidenced by our management team becoming stakeholders in Financial Institutions, Inc., and our entire staff joining the growing Financial Institutions family.”

The transaction is subject to typical conditions to closing, and is expected to be completed in January of 2016. Upon closing of the acquisition, Courier will operate as a subsidiary of Financial Institutions, Inc. and an affiliate of Five Star Bank and Scott Danahy Naylor. Courier will serve as the Company's platform for continued growth of the wealth management business, and further strengthens its position as a leading diversified financial services provider in western New York.

1) Source: SNL Financial. Excludes terminated transactions and self-advisory roles

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