

# 2021 *by* THE NUMBERS



Community  
BANK SYSTEM, INC.

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2021 ANNUAL REPORT

## OUR ENTERPRISE PROFILE

A unique regional community bank with branch locations in four Northeastern states, approximately **\$15 billion** in assets, and noninterest income that represents nearly **40%** of total revenue.

**250**

**250+** CUSTOMER FACILITIES COMPANYWIDE

**51,200**

SERVICE AREA FOOTPRINT OF APPROXIMATELY **51,200** SQUARE MILES

**60,000**

**60,000+** BUSINESS BANKING CUSTOMER RELATIONSHIPS

**39.7**

NONINTEREST INCOME ACCOUNTED FOR **39.7%** OF TOTAL REVENUE IN 2021

**4,012,833,000**

**\$4.0 BILLION** MARKET CAPITALIZATION AT 12/31/21

**64**

1<sup>ST</sup> OR 2<sup>ND</sup> DEPOSIT MARKET SHARE IN APPROXIMATELY **64%** OF TOWNS OR CITIES WITH A CBNA BRANCH<sup>1</sup>

**2,927**

**2,927** COMPANY EMPLOYEES AT YEAREND

**114,328,000**

**\$114.3 MILLION** IN REVENUE FROM OUR NATIONAL BENEFITS ADMINISTRATION PLANS BUSINESS

**189,694,000**

**\$189.7 MILLION** NET INCOME FOR 2021

**150**

**150+** YEAR COMMUNITY BANK HISTORY

**4**

RETAIL BANKING PRESENCE IN **4** STATES (NY / PA / VT / MA)

**633,000**

**633,000+** PERSONAL BANKING CUSTOMER RELATIONSHIPS

**620,647,000**

**\$620.6 MILLION** IN TOTAL REVENUE FOR 2021

**3.48**

RECORD GAAP EARNINGS PER SHARE OF **\$3.48** FOR 2021

**20**

**20+** YEAR CONSISTENT BUSINESS MODEL

<sup>1</sup> Based on FDIC Summary of Deposit Data as of June 30, 2021

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We are committed  
to rewarding  
our shareholders  
and have raised our  
dividend for **29**  
consecutive years.

**29**

## To OUR SHAREHOLDERS, CUSTOMERS *and* EMPLOYEES:

With nimble strategic planning and a resilient business model, Community Bank System, Inc. produced solid financial results in 2021. We continued to support our customers and communities amidst an undulating global pandemic, dedicating resources to serve our customers in more efficient, safe and convenient ways. We delivered new and improved digital banking tools with the disciplined execution that's been our hallmark for more than 20 years. We took deliberate steps to optimize our branch network, prudently thinning the density created by our successful in-market acquisition strategy while maintaining our priority that all customers have a local Community Bank branch. We focused on countering ongoing margin pressure and driving organic growth, with strong outcomes and momentum carrying us into 2022. We were pleased to do well by our shareholders, customers, employees and community partners alike.

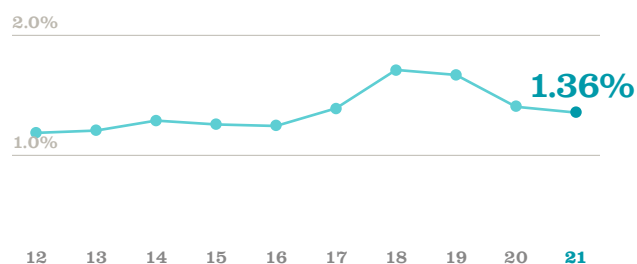
### By the Numbers

Our year was highly productive, as evident by the numbers. Net income grew by 15.2% over 2020, reaching a record \$189.7 million. Diluted earnings per share totaled a record \$3.48 for 2021, increasing \$0.40 per share, or 13.0%, from 2020. Operating diluted earnings per share (non-GAAP) measured a record \$3.49, growing \$0.25 per share, or 7.7%, over 2020.

Growing and diversified revenue streams from our nonbanking businesses boosted overall fee income to 39.7% of total revenue, compared to 22.7% for our peers. We grew the number of deposit accounts alongside higher average account balances. Deposit funding costs of 0.09% remained not only at historic lows, but five basis points lower than our proxy peer average. Loans grew \$334.5 million, or nearly 5%, excluding the impact of balances generated through federal stimulus programs. Our Tier 1 leverage ratio of 9.09% at December 31, 2021 was nearly two times the well-capitalized regulatory standard of 5%. Our ample capital position was bolstered by pristine asset quality metrics, including negligible credit losses of just 0.04% of average loans.

We increased our cash dividends by 2.4%, marking 29 consecutive years of increases and representing a strong 2.3% dividend yield. Price to tangible book value benchmarks — or the relative value the market sees in our company's stock among other banks — continued to exceed our peers by a wide margin.

### Return on Average Assets<sup>1</sup>



One-year total shareholder returns were 22.3%, more than twice our goal to provide 10% average annual shareholder returns over time and 433% 15-year cumulative shareholder returns ranked 6<sup>th</sup> highest among the 100 largest publicly-traded US banks. We've consistently added value for our shareholders across all economic cycles.

<sup>1</sup> Core ROAA, a non-GAAP measure, excludes net income attributable to non-controlling interest, gains on securities, non-recurring revenue/expense, amortization of intangible assets and goodwill impairment.

1

CBU's successful core deposit gathering earned it the title of **Best Retail Strategy** in Bank Director's 2021 RankingBanking study.

## EXCELLENCE RECOGNIZED

Community Bank System has a well-earned reputation for attaining strong performance that reflects our consistent approach to business, regardless of the economic environment, and commitment to effective execution. Our success does not go unnoticed.

**29**

CBU'S **29** YEARS OF CONSECUTIVE ANNUAL DIVIDEND INCREASES HAVE ALLOWED IT TO RETAIN ITS STATUS AS AN S&P DIVIDEND ARISTOCRAT

**10**

RANKED IN **TOP 10** OF FORBES AMERICA'S BEST LARGE BANKS FOR 10 OF THE LAST 13 YEARS, INCLUDING #7 IN 2021

**10**

RANKED **TOP 10** FOR CUSTOMER SATISFACTION OF MID-ATLANTIC BANKS IN THE J.D. POWER 2020 U.S. RETAIL BANKING SATISFACTION STUDY<sup>SM</sup>

## An Altered Banking Landscape

The ongoing COVID-19 pandemic has affected our operations and our industry in both productive and challenging ways. A notable positive: we experienced record deposit inflows which were largely the result of substantial federal government stimulus support to American citizens in need. Year-end deposits totaled \$12.9 billion, up 15.0% from December 31, 2020, while average total deposits for 2021 grew 19.1% over 2020. Nevertheless, in an exceptionally low interest rate environment, we had limited options to redeploy the excess liquidity profitably on our balance sheet, in large part driving net interest margin for the year to 2.82%, from 3.28% for 2020 and 3.76% for 2019, prior to the pandemic's onset. The banking industry as a whole shared this experience.

Additionally, while we believe our asset quality remains fundamentally strong, our credit experience in 2021 was supported by the extraordinary federal and state government financial assistance provided to businesses and consumers throughout the pandemic. Alongside widespread vaccine distribution in 2021, these programs helped accelerate economic growth, improving the credit outlook of many of our customers. The combination of these factors and our strong customer relationships resulted in a significant \$8.8 million reserve release for the year, benefiting bottom-line results.

The second year of the pandemic also brought our participation in the federal government's "second draw" Paycheck Protection Program ("PPP"), a continuation of the low-interest loan program

introduced as part of the 2020 Coronavirus Aid, Relief, and Economic Security Act. As with the 2020 "first draw" PPP, the "second draw" 2021 program is administered by the U.S. Small Business Administration, which can forgive all or a portion of the loan amount if the borrower meets certain conditions. The PPP has provided vital support to small businesses amidst the unprecedented economic disruption caused by the pandemic. As of December 31, 2021, our business lending portfolio included 722 PPP loans with a total balance of \$87.9 million, down from 3,417 PPP loans with a total balance of \$470.7 million at December 31, 2020. We are proud to support customers in accessing this important funding.

Excluding PPP balances, 2021 loan growth totaled 4.8%, driven by increased consumer balances and stable commercial balances compared to the prior year-end. Focused initiatives to drive organic growth across these portfolios have been successful. Consumer indirect loans grew \$167.9 million, or 16.4%, from December 31, 2020, while consumer mortgage loans increased \$154.6 million, or 6.4%. Commercial and mortgage pipelines grew meaningfully in the third and fourth quarters of 2021, creating solid loan growth momentum into 2022.

## **Optimizing Our Delivery Systems for Growth**

Optimizing our core banking operations is a main strategic priority for Community Bank. In 2021 we executed in several important ways toward this goal, announcing plans to both add to our branch network through acquisition, reduce certain branch redundancies through consolidations, and expand the ways in which customers can bank with us digitally. We aim to provide the most convenient and sophisticated resources to our customers, in the most profitable way for our shareholders.

In-market bank and branch acquisitions are a foundational part of our business model. Chosen selectively, these deals allow us to access new customers within and adjacent to the Community Bank branch footprint, with like-minded community bank partners. In September 2021 we announced our 14<sup>th</sup> such partnership over the past 20 years, agreeing to acquire Elmira Savings Bank, a \$630 million asset bank with 12 offices across the Southern Tier and Finger Lakes regions of New York State. With a solid mortgage business and complimentary business lines, we expect Elmira will be \$0.15 per share accretive on a full year basis, excluding acquisition expenses. The acquisition has received shareholder approval and integration plans are progressing well. We expect to close in the second quarter of 2022.

With Community Bank's strong currency and history of value creation for shareholders, including those whom we partner with, we believe we'll have continued opportunities in 2022 and beyond to find additional bank acquisitions that meet our criteria to create above-average shareholder returns with below-average risk.

At the same time, the pandemic fast-tracked trends in customer behavior which were progressively shifting since the evolution of electronic banking methods in recent years. Our branch traffic for the 10 years prior to COVID had declined approximately 4% a year. When COVID hit, it declined another 17% and has remained around that level since. Our pre-pandemic commitment to expanding Community Bank's digital offerings served us well, and rapid customer adoption of digital banking tools in 2020 allowed us to acutely evaluate our physical branch network. Across 2020 and 2021 we initiated prudent branch consolidations in overbanked regions, while ensuring our customers all have access to a local branch.

Importantly, our transition toward digital investment was boosted by the 2021 addition of our newest Director, Mr. Jeff Knauss. Mr. Knauss was previously CEO and co-founder of a digital marketing and advertising firm, and he remains an active entrepreneur in the technology start-up world. His experience in the areas of digital technology, cyber security, consumer-centric marketing, and entrepreneurship is an asset as we continue to utilize technology to effectively serve our customers.

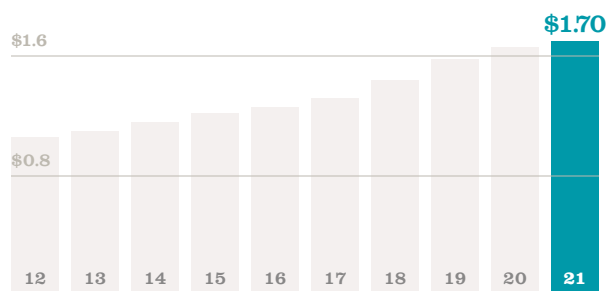
As we invest in our digital channels and rationalize our analog channels, we've also recognized an opportunity to improve our organic execution. In the commercial space, we are investing in people, systems and products to better identify and secure commercial business in our current footprint, while also pursuing business in adjacent markets that have superior growth potential characteristics.

In our mortgage business, we're investing in products, people, and systems to reposition our historically branch-oriented origination model. We've added back-office resources to reduce the pipeline and closing timelines, and we've seen a significant shift toward online applications, with approximately 20% of the Bank's residential mortgage applications being submitted digitally.

Rest assured, these efforts aim for improved execution; they will not be at the expense of credit quality.

## Dividend Growth

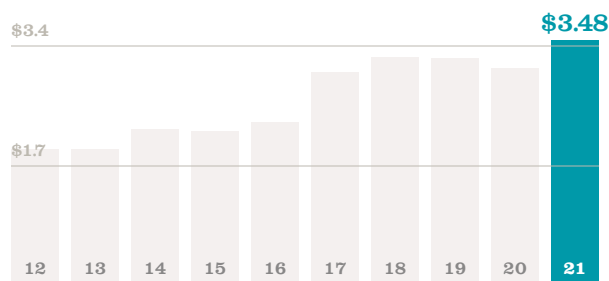
Declared



10-YEAR CAGR = 5.4%

## Earnings per Share

Diluted



10-YEAR CAGR = 5.6%

## Strength in Diversification

Another component of Community Bank's long-term strategy is investment in non-banking revenue streams to augment the steady, slow-growth profile of our traditional branch banking franchise. Our diversification efforts focus on building momentum in our employee benefits, wealth management and insurance services businesses. With technology and scale, these financial services businesses performed with outstanding results in 2021.

Non-banking revenues totaled \$181.6 million for 2021, growing 12.4% over 2020. These results reflect organic growth, favorable pricing, and the additive contributions of a benefits acquisition and two insurance businesses completed in 2021. Notably, in July 2021 we acquired Fringe Benefits Design of Minnesota, Inc., a provider of retirement plan administration and benefit consulting services, driving the annual revenues of our Benefit Plans Administrative Services, Inc. subsidiary to nearly \$115.0 million.

Likewise, in August 2021 we acquired

certain assets of the Boston-based Thomas Gregory Associates Insurance Brokers, Inc., a specialty-lines insurance broker, driving the annual revenues of our OneGroup, NY, Inc. subsidiary to \$34.0 million.

These contributions drove Community Bank's total fee-based revenue up 7.8% to \$246.2 million in 2021, accounting for 39.7% of total revenue, up from 38.3% in 2020. In comparison, the median peer's non-interest revenues comprised just 22.7% of total revenue in 2021. This significant differentiation is an important driver of our favorable long term shareholder returns.

Through strategic investment, our non-banking businesses have evolved into sophisticated and complex enterprises with fantastic technology and capabilities that we're now leveraging into much larger opportunities in the marketplace. We expect to remain active acquirers in this space while continuing to drive organic expansion across our national markets.



## **Expanding Our Leadership**

In 2021 we executed on plans to expand the depth of experience and diversity on our leadership team. Our outstanding additions bring an appropriate level of expertise and perspective to provide effective oversight of Community Bank and its subsidiaries.

At the corporate level, we were thrilled to welcome two executives with substantive experience across the financial services industry.

In June 2021, Dimitar Karaivanov joined the Company as Executive Vice President of Financial Services and Corporate Development. Mr. Karaivanov leads the Company's non-banking subsidiaries and financial services businesses and operations, including the employee benefit services and institutional trust businesses, the wealth management and investment advisory businesses, and the insurance and risk management businesses. He also assumes leadership of the company's corporate development efforts, to include both the bank and financial services businesses. With over 15 years of experience as an investment banker for banks, other financial institutions and fintech companies, he is uniquely qualified to assume this important role.

Additionally, Maureen Gillan-Myer joined the Company as Executive Vice President and Chief Human Resources Officer in October 2021, bringing over 29 years of leadership and oversight experience with respect to all aspects of human capital management. Ms. Gillan-Myer brings extensive experience in the financial services industry and a deep knowledge of leading HR strategies and implementing programs that produce an efficient and dynamic workforce. Her unique qualifications will be essential in guiding our continued development as an innovative, diverse and inclusive workforce and culture.

Finally, with the addition of Mr. Knauss, the Company's Board of Directors has expanded to 13 members, 12 of whom are independent. Mr. Knauss serves on the Company's Risk and Governance Committees and as the Board's representative to the Company's Technology Committee. His knowledge of the digital technology sector and entrepreneurial experience will be an asset to the Board during this age of digital commerce, and we look forward to his contributions in the areas of marketing, technology development, and business matters.

We believe Community Bank System has the people and strategy in place to continue outperforming for our customers and shareholders alike. We've entered 2022 with significant energy and operating momentum in both our banking and nonbanking businesses. We have high levels of capital to support future growth, diversified revenue streams provided by our nonbanking businesses, a history of strong credit performance and an exceptional core deposit base. We are deploying our excess liquidity as quickly and prudently as possible, and we will continue to seek attractive opportunities to deploy capital in an entrepreneurial and disciplined manner. We appreciate your continued interest in Community Bank System and we look forward to discussing our progress throughout 2022.



**Eric E. Stickels** Chairman of the Board

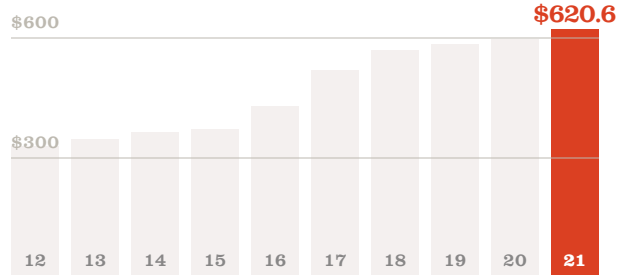


**Mark E. Tryniski** President and Chief Executive Officer

## PERFORMANCE PROFILE

### Total Revenue<sup>1</sup>

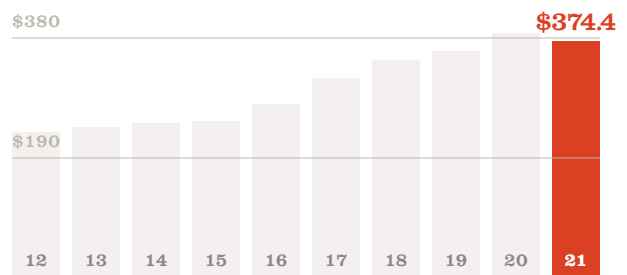
In millions



10-YEAR CAGR = 7.6%

### Net Interest Income

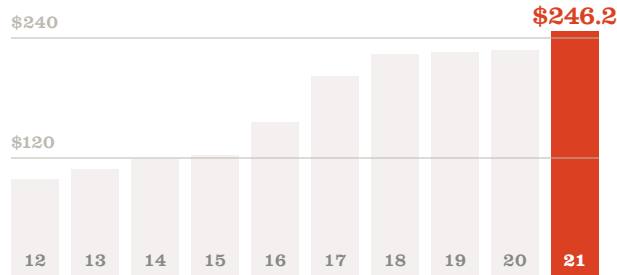
In millions



10-YEAR CAGR = 6.0%

### Noninterest Income<sup>1</sup>

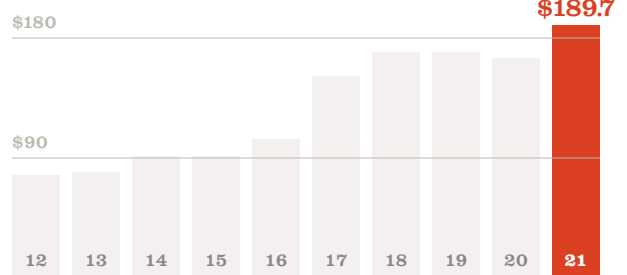
In millions



10-YEAR CAGR = 10.7%

### Net Income

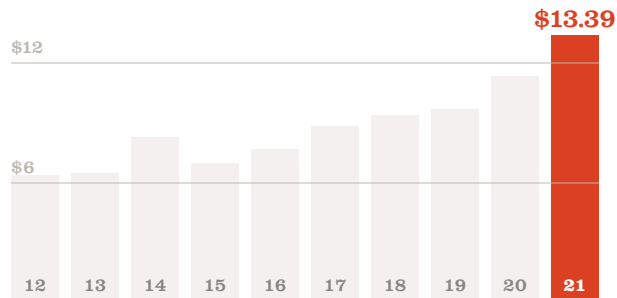
In millions



10-YEAR CAGR = 10.0%

### Average Interest-Earning Assets

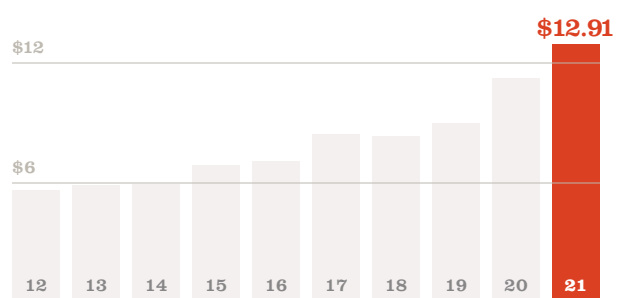
In billions



10-YEAR CAGR = 9.3%

### Total Deposits

In billions



10-YEAR CAGR = 10.4%

<sup>1</sup> Excluding securities gains/losses and debt extinguishment charges

## 2021 PERFORMANCE HIGHLIGHTS

**3.48**

GAAP EARNINGS OF **\$3.48** PER SHARE FOR FULL YEAR 2021, UP \$0.40, OR 13.0%, FROM \$3.08 PER SHARE FOR FULL YEAR 2020

**0.04**

CONTINUATION OF EXCELLENT ASSET QUALITY METRICS, WITH 2021 NET CHARGE-OFF RATIO OF **0.04%**

**92.8**

CORE NON-TIME DEPOSITS OF \$11.98 BILLION MAKE UP **92.8%** OF TOTAL DEPOSITS

**0.09**

FULL YEAR TOTAL COST OF DEPOSITS OF **0.09%**

**1.72**

CASH DIVIDEND RAISED FOR THE 29<sup>TH</sup> CONSECUTIVE YEAR TO AN ANNUALIZED **\$1.72**

**189.7**

NET INCOME OF **\$189.7 MILLION**

**620.6**

TOTAL REVENUE<sup>1</sup> OF **\$620.6 MILLION**

**3.49**

OPERATING DILUTED EARNINGS OF **\$3.49** PER SHARE

**39.7**

NONINTEREST REVENUES REPRESENTED **39.7%** OF OPERATING REVENUES

### Selected Financial Highlights

<b>Income Statement</b> IN MILLIONS	<b>2021</b>	<b>2011</b>	<b>CAGR 10-YEAR</b>
Net interest income	\$ 374.4	\$ 209.4	6.0%
Noninterest income	246.2	89.3	10.7%
Total revenue <sup>1</sup>	620.6	298.7	7.6%
Operating expenses <sup>2</sup>	387.3	185.5	7.6%
Net income	\$ 189.7	\$ 73.1	10.0%
Net interest margin	2.82%	4.07%	(3.6%)
<b>Per Share Data (Diluted)</b>			
Earnings per share	\$ 3.48	\$ 2.01	5.6%
Operating earnings per share	3.49	2.12	5.1%
Cash dividends declared	1.70	1.00	5.4%
Book value	38.99	20.94	6.4%
Tangible book value	\$ 23.77	\$ 11.85	7.2%
<b>Balance Sheet Data</b> END OF PERIOD, IN MILLIONS			
Assets	\$ 15,553	\$ 6,488	9.1%
Loans	7,374	3,471	7.8%
Deposits	12,911	4,795	10.4%
Shareholders' equity	\$ 2,101	\$ 775	10.5%

## COMMUNITY BANK *with a* STRONG MARKET PRESENCE

Through a series of strategic acquisitions, we have built Community Bank into one of the largest community banks based in Upstate New York with more than \$15 billion in total assets. Today, our branch network serves individual and business customers across four states.

### NORTHERN NEW YORK

The North Country of New York, including the Adirondacks and east to the Vermont border

MARKET AREA **~16,700 sq. mi.**

POPULATION **1.0M**

### CAPITAL REGION

Serving Albany and the five counties in and around the Capital District

MARKET AREA **~2,700 sq. mi.**

POPULATION **0.6M**

### SOUTHERN NEW YORK

New York's Southern Tier, encompassing much of Western New York and the Finger Lakes

MARKET AREA **~12,000 sq. mi.**

POPULATION **2.8M**

### PENNSYLVANIA

Serving the Northeastern portion of Pennsylvania

MARKET AREA **~4,100 sq. mi.**

POPULATION **0.7M**

### CENTRAL NEW YORK

From the Eastern Shore of Lake Ontario through Syracuse and reaching the Hudson Valley

MARKET AREA **~7,200 sq. mi.**

POPULATION **1.1M**

### NEW ENGLAND

Encompassing Vermont and part of Western Massachusetts

MARKET AREA **~8,500 sq. mi.**

POPULATION **1.1M**

### A Highly Cost-effective Funding Network

We have built an effective and highly-efficient funding engine powered by our strong market position in primarily non-metropolitan locations across New York, Pennsylvania, Vermont and Massachusetts. This strength is reflected by our first or second market share in approximately two thirds of the towns and cities where we have a branch location.

**12,911,168,000**

**\$12.9 BILLION** OF TOTAL DEPOSITS AT 12/31/21

**0.09**

DEPOSIT FUNDING COSTS AVERAGED **0.09%** FOR FULL YEAR 2021

**20.1**

MONEY MARKET DEPOSITS ACCOUNT FOR **20.1%** OF TOTAL DEPOSITS

**35,000**

**35,000** NEW RETAIL CHECKING ACCOUNTS OPENED IN 2021

**3,921,663,000**

**\$3.9 BILLION** IN NONINTEREST-BEARING DEPOSITS AT YEAR-END 2021

**30.4**

**30.4%** DEMAND DEPOSITS

**17.5**

SAVINGS ACCOUNTS MADE UP **17.5%** OF DEPOSITS AT YEAR-END

**5,000**

**5,000** NEW BUSINESS CHECKING ACCOUNTS OPENED IN 2021

**11,982,837,000**

**\$12.0 BILLION** CORE CHECKING & SAVINGS DEPOSITS AT 12/31/21

**24.8**

**24.8%** OF ALL DEPOSITS ARE INTEREST CHECKING

**7.2**

TIME DEPOSITS MAKE UP **7.2%** OF TOTAL DEPOSITS

Approximately **93%**  
of deposits come  
from core checking,  
money market and  
savings accounts.

**93**

## DIVERSIFIED *and* HIGH QUALITY LENDING PORTFOLIO

Our loan portfolio is well balanced with approximately 42% in business and commercial loans, 35% residential mortgage loans, and 23% in consumer installment loans. Consumer loans include more than \$1 billion of indirect lending, reflecting our more than 35 years of experience originating loans through dealerships within our service footprint.

**3,075,904,000**

**\$3.1 BILLION** IN BUSINESS LENDING PORTFOLIO AT YEAR-END

**398,061,000**

**\$0.4 BILLION** OF HOME EQUITY LOANS AT YEAR-END 2021

**134,000**

**\$134,000** AVERAGE RESIDENTIAL MORTGAGE BALANCE AT 12/31/21

**567,000**

**\$567,000** AVERAGE COMMERCIAL LOAN RELATIONSHIP<sup>1</sup> AT 12/31/21

**2,556,114,000**

**\$2.6 BILLION** IN CONSUMER MORTGAGE LOANS AT 12/31/21

**153,811,000**

**\$0.2 BILLION** IN CONSUMER DIRECT LOANS AT 12/31/21

**65,000**

**\$65,000** AVERAGE HOME EQUITY BALANCE AT 12/31/21

**900**

MORE THAN **900** DEALERSHIPS SERVICED THROUGH INDIRECT DEALER RETAIL CENTER

**1,189,749,000**

**\$1.2 BILLION** IN CONSUMER INDIRECT PORTFOLIO AT YEAR-END

**4.22**

**4.22%** LOAN YIELD AT DECEMBER 31, 2021

**23,000**

**\$23,000** AVERAGE INDIRECT LOAN BALANCE AT 12/31/21

<sup>1</sup> Excluding Paycheck Protection Program ("PPP") loans

### Asset Quality Metrics

Our asset quality metrics are consistently very strong, reflecting disciplined underwriting standards, combined with a deep understanding of our markets and customer base.

**0.04**

NET CHARGE-OFFS MADE UP JUST **4 BASIS POINTS** OF AVERAGE LOANS IN 2021

**0.62**

NONPERFORMING LOANS MADE UP **62 BASIS POINTS** OF TOTAL LOANS AT 12/31/21

**1.00**

**1.00%** RATIO OF DELINQUENT LOANS TO LOANS AT YEAR-END

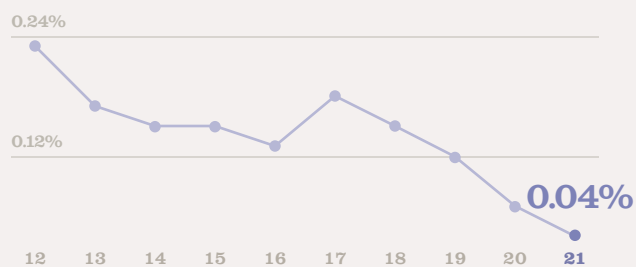
**110**

ALLOWANCE FOR CREDIT LOSSES TO NONPERFORMING LOANS RATIO OF **110%** AT 12/31/21

**0.68**

ALLOWANCE FOR CREDIT LOSSES TO LOANS OUTSTANDING AT YEAR-END WAS **0.68%**

### Net Charge-offs/Average Loans



7,373,639,000

Total loans grew to **\$7.37 billion** at year-end through a combination of organic growth and the Bank's participation in the PPP.

## *A* SUBSTANTIAL FINANCIAL SERVICES BUSINESS

Our financial services businesses provide a significant complement to the Company's value creation strategy, with annual revenue of more than \$181.6 million. This equates to a 10-year compound annual growth rate through December 31, 2021 of 15.7%. Among our diversified financial services businesses is our nationwide benefits plans business, which is one of the country's 35 largest retirement plan record keepers and provides services to many large and recognizable companies.

### **BPAS, Inc.** *US and Puerto Rico*

BPAS, Inc. is a national provider of retirement plans, benefit plans, fund administration, and collective investment trusts. BPAS operates eight subsidiaries through 13 offices located in the United States and Puerto Rico. These subsidiaries include Benefit Plans Administrative Services, LLC, BPAS Actuarial & Pension Services, LLC, Hand Benefits & Trust, Hand Securities, Inc., Northeast Retirement Services, LLC, Global Trust Company, BPAS Trust Company of Puerto Rico, and Fringe Benefits Design of Minnesota.

**4,200**

**4,200** RETIREMENT PLANS

**110,000,000,000**

**\$110 BILLION**  
IN TRUST ASSETS

**400**

**~400** EMPLOYEES WITHIN  
OUR BPAS SUBSIDIARY

**5**

**5** EMPLOYEE BENEFIT SERVICES  
ACQUISITIONS SINCE 2015

### **Wealth Management & Insurance** *NY, PA, VT, SC, MA and FL*

Our wealth management subsidiaries including Community Investment Services, Inc., Nottingham Advisors, Inc., Community Bank Trust Services, The Carta Group, Inc., and OneGroup Wealth Partners, Inc. Through these we provide comprehensive asset management, strategic wealth planning and management, and trust administration. Our insurance subsidiary, OneGroup NY, Inc., provides risk management services.

**9,000,000,000**

**~\$9 BILLION** ASSETS  
UNDER MANAGEMENT OR  
ADMINISTRATION

**20.2**

REVENUE GREW AT  
A 10-YEAR CAGR OF **20.2%**  
THROUGH 2021

**67,232,000**

**\$67.2 MILLION** IN 2021  
TOTAL REVENUES

**11.6**

**11.6%** INCREASE IN REVENUE  
FROM WEALTH MANAGEMENT  
AND INSURANCE FROM 2020

**6**

**6** WEALTH MANAGEMENT  
SERVICES ACQUISITIONS  
SINCE 2017

**8**

**8** INSURANCE SERVICES  
ACQUISITIONS SINCE 2015

**6**

**6<sup>TH</sup>** LARGEST BANK-OWNED  
PROPERTY/CASUALTY AGENCY  
IN INSURANCE JOURNAL'S  
2021 RANKING



**510,000**

BPAS is one of the country's largest benefits plans providers, serving more than **510,000** participants.

## INVESTING *in the* FUTURE *for* OUR CUSTOMERS *and* COMMUNITIES

Conducting business as a responsible and proactive community citizen is natural for us. It's been an essential part of who we are since Community Bank's founding more than 150 years ago. Investing in the future for our customers and communities goes beyond dollars. Our team volunteers thousands of hours to the communities we serve and we are intentional about the organizations we support. We're also dedicated to being a diverse employer and partner. In 2020 we launched a Diversity Council to advance various strategic corporate culture and diversity initiatives.

**2,000**

OVER **2,000** CAUSES AND ORGANIZATIONS SUPPORTED

**600**

**600** CULTURAL, CIVIC, ECONOMIC DEVELOPMENT AND SOCIAL SERVICE ORGANIZATIONS SUPPORTED THROUGH MONETARY CONTRIBUTIONS

**8,000**

MORE THAN **8,000** EMPLOYEE VOLUNTEER HOURS

**100**

**100%** RECYCLING RATE OF COMPANY'S ELECTRONICS

**2,300,000**

OVER **\$2.3 MILLION** CONTRIBUTED THROUGH DONATIONS, GRANTS AND SPONSORSHIPS

A strong and significant COVID-19 response in support of our customers

**719,500,000**

**\$719.5 MILLION** IN TOTAL LOAN ORIGINATIONS PROVIDED THROUGH THE PAYCHECK PROTECTION PROGRAM SINCE 2020

**700,000,000**

AT THE HEIGHT OF THE COVID-19 PANDEMIC, TOTAL LOANS ON DEFERRAL EXCEEDED **\$700 MILLION**

### Leveraging Our Strong Technology Platform

Investing for the future also means strengthening our digital capabilities. In recent years, we have made significant upgrades to our customer-facing technology, creating robust and easy to use platforms that have earned positive feedback from our customers. These enhancements have included a new mobile banking app launched in 2020, a small business loan application online portal, a treasury management tool for business and municipal customers, and a loan application portal for second-draw PPP loans. Our focus on technology also supports our efforts to implement environmentally sound practices. For example, our online mortgage banking platform helps to reduce paper usage during the lending process.

**55**

**55%** OF TOTAL CUSTOMERS ARE ENROLLED IN DIGITAL BANKING

**54**

**54%** OF CORE DEPOSIT CUSTOMERS ARE E-STATEMENT USERS

**225,000**

MORE THAN **225,000** ACTIVE MOBILE BANKING USERS

**20**

**20%** OF RESIDENTIAL MORTGAGE APPLICATIONS SUBMITTED ONLINE

**23**

**23%** OF CONSUMER CORE DEPOSIT CUSTOMERS USE ONLINE BILL PAY

**7,100,000**

MORE THAN **7.1 MILLION** MONTHLY DEBIT CARD TRANSACTIONS ON AVERAGE IN 2021

CBU provided over  
**5,700** Paycheck Protection  
Program loans during  
the program's duration.

**5,700's**

## COMPELLING INVESTMENT PROFILE

| Consistent business model for over 20 years | Market-leading branch system serving predominantly non-urban markets | Excellent low-cost core deposit base | Focused on profitable customer relationships | Disciplined growth through organic and acquired opportunities | Focused on low-risk accretive mergers and acquisitions | Goal of 10% average annual shareholder returns over time | Cash dividend payment raised every year for the past 29 years, providing a meaningful dividend and yield | Focus on revenue diversification, which has driven noninterest income to 39.7% of revenue | Successful and effective operating strategy | Strong fundamentals with excellent asset quality on a consistent basis | NYSE-listed company with both significant institutional ownership and significant liquidity

### Ownership Summary

AT 12/31/21 OR MORE RECENT AVAILABLE

**53,878,000**

**53.9 MILLION** SHARES  
OUTSTANDING

**71**

ABOUT **71%** OF SHARES  
HELD BY INSTITUTIONS

**15,700,000**

APPROXIMATELY **15.7 MILLION**  
RETAIL SHARES

**53,200,000**

APPROXIMATE FLOAT OF  
**53.2 MILLION**, OR 98.7%

**285**

**285** INSTITUTIONAL  
HOLDERS

**29**

**29%** SHARES OUTSTANDING  
ARE RETAIL SHARES

**38,100,000**

**38.1 MILLION** SHARES  
HELD BY INSTITUTIONS

**350**

**~350** PORTFOLIO  
POSITIONS

### Investment Profile

AT 12/31/21

**74.48**

CLOSING PRICE OF **\$74.48**

**3.1**

**3.1** PRICE/TANGIBLE  
BOOK VALUE

**2.31**

**2.31%** DIVIDEND YIELD

**61.24**

52 WEEK LOW STOCK  
PRICE OF **\$61.24**

**4,012,833,000**

**\$4.01 BILLION**  
MARKET CAP

**195,000**

**195,000** AVERAGE  
3-MONTH DAILY VOLUME

**49.4**

**49.4%** DIVIDEND  
PAYOUT RATIO

**21.4**

**21.4** PRICE/EARNINGS (TTM)

**1.72**

ANNUALIZED DIVIDEND OF  
**\$1.72** BASED ON MRQ

**82.53**

52 WEEK HIGH STOCK  
PRICE OF **\$82.53**

# 433

Our 15-year cumulative total return to shareholders of **433%** (11.8% annualized), compares favorably to the KBW Regional Banking Index return of 87% (4.1% annualized).



## EXECUTIVE MANAGEMENT

Mark E. Tryniski

**PRESIDENT and CHIEF EXECUTIVE OFFICER**

Joined CBU in 2003 and has previously served as CFO and COO. Prior to joining the company, he was a partner with PricewaterhouseCoopers, LLP.

Joseph E. Sutaris

**EVP, CHIEF FINANCIAL OFFICER**

Joined CBU in 2011 following its acquisition of The Wilber Corporation, where he held several roles, including CFO.

George J. Getman

**EVP, GENERAL COUNSEL**

Prior to joining CBU in 2008, he provided corporate counsel to CBU as a senior partner at Bond, Schoeneck & King, PLLC.

Maureen Gillan-Myer

**EVP, CHIEF HUMAN RESOURCES OFFICER**

Prior to joining Community Bank System in October 2021, Ms. Gillan-Myer served as Senior Executive Vice President and Chief Human Resources Officer of HSBC, USA.

Dimitar A. Karaivanov

**EVP, FINANCIAL SERVICES and CORPORATE DEVELOPMENT**

Joined Community Bank System in June 2021. Prior to then, Mr. Karaivanov served as Managing Director in Lazard's Financial Institutions Group.

Jeffrey M. Levy

**SVP, PRESIDENT of COMMERCIAL BANKING**

Joined CBU in 2018 as a regional executive and was promoted in January 2022 to his current role. Mr. Levy previously worked at NBT Bank and M&T Bank.

Joseph F. Serbun

**SVP, PRESIDENT of RETAIL BANKING**

Joined CBU in 2008. Prior to that, he had worked at Partners Trust Bank and JPMorgan Chase Bank.



From left to right: **Joseph Sutaris, Jeffrey Levy, Dimitar Karaivanov, Joseph Serbun, Mark Tryniski (front), George "Joe" Getman and Maureen Gillan-Myer.**

### COMMUNITY BANK, N.A. PENNSYLVANIA REGIONAL ADVISORY BOARD

John Basalyga

Colleen Doyle, Esq.

John Graham

Gerard O'Donnell

William Ruark

Lissa Bryan-Smith

James Shoemaker, Esq.

## BOARD *of* DIRECTORS



**Eric E. Stickels**  
*CHAIRPERSON OF THE BOARD*  
**RETIRED PRESIDENT, COO and SECRETARY**  
ONEIDA FINANCIAL CORP.  
DIRECTOR SINCE 2015



**Brian R. Ace**  
**RETIRED OWNER** LACEYVILLE HARDWARE  
**COMMITTEES** Governance; Compensation  
DIRECTOR SINCE 2003



**Mark J. Bolus**  
**PRESIDENT and CEO**  
BOLUS MOTOR LINES, INC.  
**COMMITTEES** Compensation, *Chair*;  
Strategic/Executive; Trust and Financial Services  
DIRECTOR SINCE 2010



**Jeffrey L. Davis**  
**PRESIDENT** J.L. DAVIS, INC.  
**COMMITTEES** Governance, *Chair*; Audit/Compliance  
DIRECTOR SINCE 2017



**Neil E. Fesette**  
**OWNER, PRESIDENT and CEO**  
FESETTE REALTY, LLC and  
FESETTE PROPERTY MANAGEMENT  
**COMMITTEES** Strategic/Executive, *Chair*;  
Compensation; Governance  
DIRECTOR SINCE 2010



**Jeffery Knauss**  
**CEO and CO-FOUNDER** DIGITAL HYVE  
**COMMITTEES** Governance  
DIRECTOR SINCE 2021



**Kerrie D. MacPherson**  
**RETIRED SENIOR PARTNER**  
ERNST & YOUNG, LLP  
**COMMITTEES** Audit/Compliance;  
Trust and Financial Services  
DIRECTOR SINCE 2019



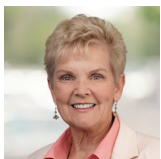
**John Parente**  
**CEO** CP MEDIA, LLC  
**COMMITTEES** Trust and Financial Services, *Chair*;  
Strategic/Executive  
DIRECTOR SINCE 2010



**Raymond C. Pecor, III**  
**PRESIDENT** LAKE CHAMPLAIN  
TRANSPORTATION COMPANY  
**COMMITTEES** Risk, *Chair*; Compensation  
DIRECTOR SINCE 2017



**Susan E. Skerritt**  
**RETIRED CHAIRWOMAN, CEO and PRESIDENT**  
DEUTSCHE BANK TRUST COMPANY AMERICAS  
**COMMITTEES** Audit/Compliance; Compensation  
DIRECTOR SINCE 2020



**Sally A. Steele**  
*LEAD DIRECTOR*  
**ATTORNEY AT LAW**  
**COMMITTEES** Governance; Strategic/Executive;  
Trust and Financial Services  
DIRECTOR SINCE 2003



**Mark E. Tryniski**  
**PRESIDENT and CEO**  
COMMUNITY BANK SYSTEM, INC.  
DIRECTOR SINCE 2006



**John F. Whipple, Jr.**  
**CEO** BUFFAMANTE WHIPPLE BUTTAFARO, P.C.  
**COMMITTEES** Audit/Compliance, *Chair*; Governance  
DIRECTOR SINCE 2010

**NOTE** All bank board members participate in the Risk Committee



## ADMINISTRATION

### EXECUTIVE

**Mark E. Tryniski**, President and Chief Executive Officer  
**Joseph E. Sutaris**, EVP, Chief Financial Officer  
**George J. (Joe) Getman**, EVP, General Counsel  
**Maureen Gillan-Myer**, EVP, Chief Human Resources Officer  
**Dimitar A. Karaivanov**, EVP, Financial Services and Corporate Development  
**Jeffrey M. Levy**, SVP, President of Commercial Banking  
**Joseph F. Serbun**, SVP, President of Retail Banking

### RETAIL BANKING

**Hal Wentworth**, SVP, Retail Banking and Marketing  
**Kent Backus**, Regional Retail Banking Manager  
**Paul Lepore**, Regional Retail Banking Manager  
**Lisa Allenson**, Regional Retail Banking Manager  
**Jody Tonkery**, Regional Retail Banking Manager  
**Denise Allen**, Regional Retail Banking Manager  
**Susanne Mullin**, Regional Retail Banking Manager  
**Victoria Strader**, Regional Retail Banking Manager  
**Anita Bourgeois**, SVP, Retail and Municipal Banking Manager  
**George Cooper**, VP Capital District  
**Barbara Maculloch**, Regional President Pennsylvania  
**Lynne Wadsworth**, Branch Services Administrator  
**Dara Penny**, Director of Marketing

### COMMERCIAL/CONSUMER LENDING AND CREDIT ADMINISTRATION

**Scott Boser**, SVP, Director of Consumer and Mortgage Lending  
**Luke Fagan**, SVP, Chief Commercial Credit Officer  
**Mark Houghtaling**, Director of Credit Administration & Commercial Credit Officer  
**John Keshavan**, Director of Special Assets  
**James Murphy**, Commercial Credit Officer

### FINANCE & TREASURY MANAGEMENT

**Joseph J. Lemchak**, SVP, Chief Investment Officer  
**Deresa Durkee**, Corporate Controller  
**Robert Frost**, VP of Finance, Director of Capital Planning and Analysis  
**Sean Howard**, Senior Treasury Officer  
**Carlena Wallace**, Director of Internal Controls

### ADMINISTRATIVE SERVICES

**Michael Abdo**, SVP, Senior Associate General Counsel  
**Danielle Cima**, Associate General Counsel, Corporate Secretary  
**Dorothy Quarltre**, Chief Compliance Officer  
**Brett Fisk**, Director of Facilities  
**Randy Pray**, Corporate Purchasing Manager

### INFORMATION TECHNOLOGY & OPERATIONS

**Aaron Friot**, SVP, Chief Technology Officer  
**Susan Fox**, SVP, Chief Information Officer  
**Christina Sullivan**, Director of Business Information Systems  
**Shelley Quinn**, Director of Customer Care and Cash Management  
**Barbara Snyder**, Director of Loan Operations  
**Paula Demo**, Director of Process Improvement  
**Christina Morin**, Deposit Operations Manager  
**Belord Kunjeer**, Director of Digital Banking Technology  
**Nadim Hussain**, Director of Data Analytics  
**Thomas Gurgol**, Director of Application Development

### RISK MANAGEMENT

**Paul Ward**, SVP, Chief Risk Officer  
**Dennelle Michalski**, Director of Risk Management  
**Timothy Miller**, Director of Information Security  
**Gail Whipple**, Director of Internal Audit  
**John Miller**, Bank Secrecy Officer

### COMMUNITY BANK

#### COMMERCIAL BANKING

##### WESTERN REGION

**John Eagleton**, SVP, Commercial Banking Group Manager  
**Christopher Humphrey**, Commercial Banking Team Leader

##### NORTHERN REGION

**Allen Racine**, Commercial Banking Team Leader  
**Ronald Bacon**, Commercial Banking Team Leader

### SYRACUSE/ONEIDA REGION

**Russell Brewer**, SVP, Commercial Banking Group Manager  
**Thomas Breed**, Commercial Banking Team Leader

### SOUTHERN REGION

**D. James Vedora**, SVP, Commercial Banking Group Manager  
**Ed Michalek**, Commercial Banking Team Leader

### CENTRAL REGION

**Jeffrey Lord**, SVP, Commercial Banking Sales Manager

### CAPITAL REGION

**Ken Countermine**, SVP, Commercial Banking Group Manager

### PENNSYLVANIA REGION

**Matthew Dougherty**, SVP, Commercial Banking Group Manager  
**Richard Kazmerick**, Commercial Banking Team Leader

### NEW ENGLAND REGION

**Matthew Durkee**, Regional President New England  
**Bruce Bernier**, SVP, Commercial Banking Group Manager  
**Patrick Calecas**, Commercial Banking Team Leader

### WEALTH MANAGEMENT GROUP

**Paul Restante**, Managing Director

### COMMUNITY INVESTMENT SERVICES, INC.

**Theresa Kalil-Lennon**, SVP, Sales and Marketing Director  
**Scott Duggleby**, SVP, Regional Sales Manager  
**Chasity Jaynes**, SVP, Director of Operations

### TRUST SERVICES

**Catherine Koebelin**, SVP, Chief Trust Officer, Olean  
**Charles Perrillo**, SVP, Chief Trust Investment Officer, South Burlington  
**Karissa McDonough**, SVP, Fixed Income Strategist

### NOTTINGHAM ADVISORS, LLC

*100 Corporate Parkway, Suite 338, Amherst, NY*

**Thomas Quealy**, Chief Executive Officer  
**Lawrence Whistler**, President, Chief Investment Officer

### ONEGROUP

*706 North Clinton Street, Syracuse, NY*

**Pierre Morrisseau**, Chief Executive Officer  
**Chris Mason**, President  
**Kevin Bryans**, Chief Financial Officer

### BENEFIT PLAN SERVICES

#### BPAS

*6 Rhoads Drive, Utica, NY*

**Paul M. Neveu**, Chief Executive Officer  
**Linda S. Pritchard**, SVP, Recordkeeping Services  
*3401 Masons Mill Road, Suite 601, Huntingdon Valley, PA*  
**Mary Anne Geary**, President

#### BPAS ACTUARIAL AND PENSION SERVICES

*706 North Clinton Street, Syracuse, NY*

**Vincent F. Spina**, President  
**Steven P. Chase**, SVP  
**Sarah E. Dam**, SVP  
*60 East 42nd Street, Suite 1062, New York, NY*  
**Sheryl Gabriel**, SVP

#### HAND BENEFITS & TRUST

*820 Gessner, Suite 1250, Houston, TX*

**Stephen Hand**, President  
**Kathy A. Harvey**, SVP  
**Gregg K. Zimmerman**, SVP

#### BPAS TRUST COMPANY PUERTO RICO

*VIG Tower, 1225 Ponce De Leon Ave, Suite 804, San Juan, PR*

**Alfredo Matheu**, BPAS President, Puerto Rico

#### NORTHEAST RETIREMENT SERVICES, INC. (NRS)

*12 Gill Street, Suite 2600, Woburn, MA*

**Chris Hulse**, Chief Executive Officer  
**Freddie Jacobs**, Chief Operating Officer  
**Frank Lалlos**, Chief Business Officer  
**Christopher Ellis**, Chief Financial Officer  
**Arvind Kesireddy**, IT Strategy Officer



## BRANCH LOCATIONS

### NORTHERN NEW YORK

Adams  
Alexandria Bay  
Ausable Forks  
Black River  
Camden  
Canton (80 Main St)  
Canton (45-49 Court St)  
Drive-up Only  
Champlain  
Chateaugay  
Clayton  
Fulton  
Gouverneur  
Hannibal  
Harrisville  
Indian Lake  
Lake Placid  
Long Lake  
Lowville (State St)  
Lowville (Turin Rd)  
Drive-up Only  
Lyons Falls  
Madrid  
Malone (West Main St)  
Malone (Elm St) Drive-up Only  
Massena  
North Creek  
Norwood  
Ogdensburg (Ford St)  
Ogdensburg (State St)  
Old Forge  
Oswego  
Plattsburgh (Margaret St)  
Plattsburgh (Route 3)  
Potsdam (Market St)  
Potsdam (May Rd)  
Drive-up Only  
Pulaski  
Rome Griffiss  
Rome Turin Road  
Saranac Lake (Broadway)  
Saranac Lake (Lake Flower)  
Drive-up Only  
St. Regis Falls  
Star Lake  
Ticonderoga  
Tupper Lake  
Waddington  
Watertown (Arsenal St)  
Watertown (Washington St)  
West Carthage  
Westmoreland  
Whitehall

### SOUTHERN NEW YORK

Addison  
Alfred  
Allegany  
Andover  
Angelica  
Arkport  
Avon  
Bath  
Belmont  
Belfast  
Bolivar  
Boonville (Main St.)  
Boonville (Headwaters Plaza)  
Drive-up Only  
Canandaigua  
Cassadaga Drive-up Only  
Cato  
Cicero  
Clarence  
Clifton Springs (Main St)  
Clifton Springs (Clifton Plaza)  
Drive-up Only  
Clymer  
Corning (West Market St)  
Corning (West Pulteney St)  
Cuba  
Dansville  
Dewitt  
Dunkirk (Central Ave)  
Dunkirk (Vineyard Dr)  
Elmira  
Erwin/Painted Post  
Drive-up Only  
Falconer  
Fillmore  
Franklinville  
Geneseo  
Geneva  
Gowanda  
Hammondsport  
Henrietta  
Hornell (Steuben Square)  
Horseheads (Consumer Square)  
Ithaca  
Jamestown (Brooklyn Square)  
Lakewood  
Livonia  
Moravia  
Mount Morris  
Naples  
Newark (Church St)  
Newark Plaza  
Nichols  
North Collins  
Olean (North Union St)  
Olean (Delaware Park)  
Drive-up Only  
Orchard Park  
Ovid  
Owego  
Palmyra  
Penn Yan (Lake St)  
Drive-up Only  
Penn Yan (Main St)

Phelps  
Portville  
Randolph  
Ripley  
Rushville  
Salamanca  
Seneca Falls  
Sherman  
Silver Creek  
Skaneateles  
Springville (South Cascade Dr)  
Springville (North Buffalo St)  
Warsaw  
Waterloo  
Watkins Glen  
Wellsville (North Highland Ave)  
Wellsville (North Main St)  
Westfield  
Woodhull  
Yorkshire

### CENTRAL NEW YORK

Boiceville  
Canastota  
Cazenovia  
Chittenango  
Cobleskill  
Cooperstown (Otsego)  
Delhi  
Downsville  
Hamilton  
Hannibal  
Johnson City  
Milford  
Morris  
Norwich (State Highway)  
Oneida (182 Main St)  
Oneida (585 Main St)  
Oneonta (Main St)  
Oneonta (Chestnut St)  
Oneonta (Southside)  
Schenevus  
Sidney  
Vernon  
Walton

### CAPITAL REGION OF NEW YORK

Albany  
Amsterdam  
Canajoharie  
Chatham  
Delmar  
East Greenbush  
Greenport  
Johnstown  
Kinderhook  
Latham  
Valatie

### NEW ENGLAND

Vermont and Massachusetts

Barre  
Bennington  
Bradford  
Brattleboro  
Bristol  
Burlington (College St)  
Burlington (North Ave)  
Enosburg  
Essex Junction  
Fair Haven  
Hardwick  
Hinesburg  
Jericho  
Johnson  
Manchester  
Northfield  
Rutland (Green Mountain Plaza)  
Rutland (Woodstock Ave)  
South Burlington

(Shelburne Rd)  
South Burlington  
(Williston Rd)

South Hero  
Springfield, VT  
Springfield, MA  
St. Albans  
St. Johnsbury  
Vergennes  
Waterbury  
White River Junction  
Williston (Cottonwood Dr)  
Wilmington  
Winoski

### PENNSYLVANIA

Carbondale Drive-up Only  
Clarks Summit  
Daleville  
Edwardsville Drive-up Only  
Freeland  
Hazleton (Airport Rd)  
Hazleton (South Church St)  
Jermyn  
Kingston  
Laceyville  
Lansford  
Lehighton  
Meshoppen  
Montrose  
Olyphant  
Pittston  
Scranton (Keyser Ave)  
Scranton (Minooka)  
Scranton (North Washington Ave)  
Scranton (Wyoming Ave)  
Towanda  
Tunkhannock  
Trucksville/Back Mountain  
Wilkes Barre (North Franklin St)  
Wilkes Barre (South Main St)  
Wyalusing

## CONTINUOUS GROWTH PROFILE

Our focus is always on building additional shareholder value into our diversified financial services enterprise. This is accomplished through organic growth in core banking relationships, disciplined lending, selective and strategic acquisitions of bank and financial services businesses, and a consistent approach to business regardless of economic conditions.

### 10-Year CAGRs AT 12/31/21

**7.6**

**7.6% TOTAL REVENUE GROWTH**

**15.7**

**15.7% FINANCIAL SERVICES REVENUE GROWTH**

**9.3**

**9.3% AVERAGE INTEREST-EARNING ASSET GROWTH**

**10.4**

**10.4% TOTAL DEPOSIT GROWTH**

**5.4**

**5.4% DIVIDEND GROWTH**

**6.0**

**6.0% NET INTEREST INCOME GROWTH**

**10.0**

**10.0% NET INCOME GROWTH**

**7.8**

**7.8% TOTAL LOAN GROWTH**

**15.9**

**15.9% NONINTEREST DEPOSIT GROWTH**

**10.7**

**10.7% NONINTEREST INCOME GROWTH**

**5.1**

**5.1% OPERATING EARNINGS PER SHARE GROWTH**

**9.6**

**9.6% COMMERCIAL LOAN GROWTH**

**10.5**

**10.5% SHAREHOLDERS EQUITY GROWTH**

### Intensely Focused on Investors

We're an experienced acquirer that prides itself on providing best-in-class service to customers, rewarding career opportunities to employees, and long-term value creation for shareholders who join Community Bank System through acquisition.

**386**

**386% VALUE CREATED FOR ACQUIRED WILBER CORP. SHAREHOLDERS SINCE 2010**

**68**

**68% VALUE CREATED FOR ACQUIRED STEUBEN TRUST CORP. SHAREHOLDERS SINCE 2019**

**192**

**192% VALUE CREATED FOR ACQUIRED ONEIDA FINANCIAL CORP. SHAREHOLDERS SINCE 2015**

**105**

**105% VALUE CREATED FOR ACQUIRED MERCHANTS BANCSHARES SHAREHOLDERS SINCE 2016**

### Total Shareholder Returns (ANNUALIZED)

	1 YEAR	5 YEARS	10 YEARS	15 YEARS
CBU	<b>22.3%</b>	<b>6.4%</b>	<b>13.6%</b>	<b>11.8%</b>
S&P 600 Commercial Banks Index	35.7%	4.9%	13.4%	3.7%
KBW Regional Bank Index	36.7%	5.4%	12.5%	4.1%

Through December 31, 2021 or most recent available, including reinvestment of dividends  
Source: Bloomberg

## CORPORATE *and* SHAREHOLDER INFORMATION

### CORPORATE HEADQUARTERS

Community Bank System, Inc.  
5790 Widewaters Parkway  
DeWitt, NY 13214-1883  
PHONE 315.445.2282 or 800.724.2262  
FAX 315.445.7347  
cbna.com

### Annual Meeting

Wednesday, May 18, 2022  
12:00pm EST

Wolferts Roost Country Club  
120 Van Rensselaer Boulevard  
Albany, NY 12204

### STOCK LISTING

#### CBU

The common stock symbol of Community Bank System, Inc. listing on the New York Stock Exchange (NYSE)

#### CmntyBkSys

Newspaper listing for common stock

### TRANSFER AGENT AND REGISTRANT OF STOCK

Shareholders requiring a change of name, address or ownership of stock, or information about shareholder records, lost or stolen certificates, and dividend checks, direct deposit and reinvestment should contact:

AST  
Operations Center  
6201 15<sup>th</sup> Avenue  
Brooklyn, NY 11219  
astfinancial.com  
General questions: 877.253.6847

### INVESTOR INFORMATION

Investor and shareholder information regarding Community Bank System, Inc., including all filings with the Securities and Exchange Commission, is available through the company's website: cbna.com

Copies may also be obtained without charge upon written request to:

Ms. Marguerite Geiss  
Investor Relations Department  
Community Bank System, Inc.  
5790 Widewaters Parkway  
DeWitt, NY 13214-1883  
315.445.7313  
marguerite.geiss@cbna.com

### INDEPENDENT AUDITORS

The Board of Directors appointed PricewaterhouseCoopers, LLP as auditor for the company for the year ended December 31, 2021.

### ANALYST COVERAGE

The following analysts published research about Community Bank System in 2021:

American Capital Partners  
Anthony Polini / 908.625.1931  
apolini@acpweb.com

Boenning & Scattergood  
Erik E. Zwick / 610.862.5322  
ezwick@boenninginc.com

D.A. Davidson & Co.  
Russell E. T. Gunther / 212.223.5403  
rgunther@dadco.com

Hovde Group LLC  
Bryce Rowe / 804.318.0969  
browe@hovdegroupllc.com

Keefe, Bruyette & Woods, Inc.  
Christopher O'Connell / 212.887.4725  
oconnellch@kbw.com

Piper Sandler  
Alexander Twerdahl / 212.466.7916  
alex.twerdahl@psc.com

Raymond James Financial Inc.  
William J. Wallace IV / 703.749.1485  
william.wallace@raymondjames.com

Stephens, Inc.  
Matthew M. Breese / 401.658.1114  
matt.breese@stephens.com

### INVESTOR'S CHOICE PROGRAM

CBU offers convenient, low-cost options for investors wishing to steadily buy shares. For information, contact:

AST  
Operations Center  
6201 15<sup>th</sup> Avenue  
Brooklyn, NY 11219  
astfinancial.com  
General questions: 877.253.6847

### SAFE HARBOR STATEMENT

The Community Bank System, Inc. Annual Report contains forward-looking statements, within the provisions of the Private Security Litigation Reform Act of 1995, that are based on current expectations, estimates, and projections about the industry, markets and economic environment in which the company operates. Such statements involve risks and uncertainties that could cause actual results to differ materially from the results discussed in these statements. These risks are detailed in the company's periodic reports filed with the Securities and Exchange Commission.

bank happy<sup>®</sup>



**COMMUNITY BANK SYSTEM, INC.**  
5790 Widewaters Parkway  
DeWitt, NY 13214-1883  
800.724.2262  
315.445.7347 fax  
cbna.com

**CBU**  

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**LISTED**  

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**NYSE**