



Community
FINANCIAL SYSTEM, INC.

Investor Presentation

COMMUNITY FINANCIAL SYSTEM, INC. | NYSE: CBU

FEBRUARY 2025

Disclaimers

Forward-Looking Statements

This presentation contains comments or information that constitute forward-looking statements (within the meaning of the Private Securities Litigation Reform Act of 1995), which involve significant risks and uncertainties. Forward-looking statements often use words such as “anticipate,” “could,” “target,” “expect,” “estimate,” “intend,” “plan,” “goal,” “forecast,” “believe,” or other words of similar meaning. These statements are based on the current beliefs and expectations of the Company’s management and are subject to significant risks and uncertainties. Actual results may differ materially from the results discussed in the forward-looking statements. Moreover, the Company’s plans, objectives and intentions are subject to change based on various factors (some of which are beyond the Company’s control). Factors that could cause actual results to differ from those discussed in the forward-looking statements include: (1) adverse developments in the banking industry related to bank failures and the potential impact of such developments on customer confidence and regulatory responses to these developments; (2) current and future economic and market conditions, including the effects of changes in housing or vehicle prices, higher unemployment rates, disruptions in the commercial real estate market, labor shortages, supply chain disruption, inability to obtain raw materials and supplies, U.S. fiscal debt, budget and tax matters, geopolitical matters and conflicts, and any changes in global economic growth; (3) the effect of, and changes in, monetary and fiscal policies and laws, including future changes in Federal and state statutory income tax rates and interest rate and other policy actions of the Board of Governors of the Federal Reserve System; (4) the effect of changes in the level of checking or savings account deposits on the Company’s funding costs and net interest margin including the possibility of a sudden withdrawal of the Company’s deposits due to rapid spread of information or disinformation regarding the Company’s well-being; (5) future provisions for credit losses on loans and debt securities; (6) changes in nonperforming assets; (7) the effect of a fall in stock market or bond prices on the Company’s fee income businesses, including its employee benefit services, wealth management, and insurance businesses; (8) risks related to credit quality; (9) inflation, interest rate, liquidity, market and monetary fluctuations; (10) the strength of the U.S. economy in general and the strength of the local economies where the Company conducts its business; (11) the timely development of new products and services and customer perception of the overall value thereof (including features, pricing and quality) compared to competing products and services; (12) changes in consumer spending, borrowing and savings habits; (13) technological changes and implementation and financial risks associated with transitioning to new technology-based systems involving large multi-year contracts; (14) the ability of the Company to maintain the security, including cybersecurity, of its financial, accounting, technology, data processing and other operating systems, facilities and data, including customer data; (15) effectiveness of the Company’s risk management processes and procedures, reliance on models which may be inaccurate or misinterpreted, the Company’s ability to manage its credit or interest rate risk, the sufficiency of its allowance for credit losses and the accuracy of the assumptions or estimates used in preparing the Company’s financial statements and disclosures; (16) failure of third parties to provide various services that are important to the Company’s operations; (17) any acquisitions or mergers that might be considered or consummated by the Company and the costs and factors associated therewith, including differences in the actual financial results of the acquisition or merger compared to expectations and the realization of anticipated cost savings and revenue enhancements; (18) the ability to maintain and increase market share and control expenses; (19) the nature, timing and effect of changes in banking regulations or other regulatory or legislative requirements affecting the respective businesses of the Company and its subsidiaries, including changes in laws and regulations concerning taxes, accounting, banking, service fees, risk management, securities, capital requirements and other aspects of the financial services industry; (20) changes in the Company’s organization, compensation and benefit plans and in the availability of, and compensation levels for, employees in its geographic markets; (21) the outcome of pending or future litigation and government proceedings; (22) the effect of opening new branches to expand the Company’s geographic footprint, including the cost associated with opening and operating the branches and the uncertainty surrounding their success including the ability to meet expectations for future deposit and loan levels and commensurate revenues; (23) the effects of natural disasters could create economic and financial disruption; (24) the effects from changes in governmental leadership which expose the Company and its customers to a variety of political, economic, and regulatory risks, including the risk of changes in laws (including labor, trade, tax and other laws) and the potential for disruption in governmental agencies, services provided by the government, and funding of government sponsored projects; (25) other risk factors outlined in the Company’s filings with the SEC from time to time; and (26) the success of the Company at managing the risks of the foregoing.

The foregoing list of important factors is not all-inclusive. For more information about factors that could cause actual results to differ materially from the Company’s expectations, refer to the discussion under the heading “Item 1A. Risk Factors” in the Company’s Annual Report on Form 10-K for the fiscal year ended December 31, 2023 as filed with the SEC on February 29, 2024. Any forward-looking statements speak only as of the date on which they are made and the Company does not undertake any obligation to update any forward-looking statement, whether written or oral, to reflect events or circumstances after the date on which such statement is made. If the Company does update or correct one or more forward-looking statements, investors and others should not conclude that the Company will make additional updates or corrections with respect thereto or with respect to other forward-looking statements.

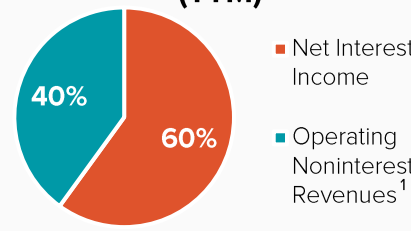
Note Regarding Non-GAAP Financial Measures

The Company also provides supplemental reporting of its results on an “operating” or “tangible” basis. During the first quarter of 2024, the Company modified the presentation of its non-GAAP operating results to exclude amortization of intangible assets which the Company believes better reflects core performance across its segments and enhances comparability to both banking and non-banking organizations. The prior periods have been recast to conform to the current period presentation. Results on an “operating” basis exclude the after-tax effects of acquisition expenses, acquisition-related contingent consideration adjustments, litigation accrual, restructuring expenses, gain on debt extinguishment, loss on sales of investment securities, unrealized gain (loss) on equity securities and amortization of intangible assets. Results on a “tangible” basis exclude goodwill and intangible asset balances, net of accumulated amortization and applicable deferred tax amounts. Although these items are non-GAAP measures, the Company’s management believes this information helps investors and analysts measure underlying core performance and improves comparability to other organizations that have not engaged in acquisitions or restructuring activities. In addition, the Company provides supplemental reporting for “operating pre-tax, pre-provision net revenues,” which excludes the provision for credit losses, acquisition expenses, acquisition-related contingent consideration adjustments, litigation accrual, restructuring expenses, gain on debt extinguishment, loss on sales of investment securities, unrealized gain (loss) on equity securities and amortization of intangible assets from income before income taxes. Although operating pre-tax, pre-provision net revenue is a non-GAAP measure, the Company’s management believes this information helps investors and analysts measure and compare the Company’s performance through a credit cycle by excluding the volatility in the provision for credit losses associated with the impact of CECL, helps investors and analysts measure underlying core performance and improves comparability to other organizations that have not engaged in acquisitions or restructuring activities. The Company also provides supplemental reporting of its interest income, net interest income and net interest margin on a fully tax-equivalent (“FTE”) basis, which includes an adjustment to interest income and net interest income that represents taxes that would have been paid had nontaxable investment securities and loans been taxable. Although fully tax-equivalent interest income, net interest income and net interest margin are non-GAAP measures, the Company’s management believes this information helps enhance comparability of the performance of assets that have different tax liabilities.



About CBU

SUCCESSFUL AND GROWING FINANCIAL SERVICES COMPANY operating four scaled, complementary business lines

		Banking	Employee Benefit Services	Insurance Services	Wealth Management Services
					
Operating Revenue Mix (TTM)  - Net Interest Income - Operating Noninterest Revenues¹		- Large bank capabilities with local service - Strong market share	- Retirement Plan & Benefits Administration - Actuarial & Pension Services - Public-Sector Benefits & VEBA - Health & Welfare Plans - Collective Investment Fund	- Top 66 Insurance Broker in the U.S. - P&C, Benefits, HR Consulting - Offices in NY, PA, MA, FL and SC	- Investment & Insurance Services - Trust Services - Asset Management - Retirement Plan Consulting - Financial Planning - Outsourced Partner Solutions
TTM Operating Revenue¹ 3-Yr Operating Revenue^{1,2} CAGR (TTM basis)		\$745.6M total revenues	\$524.0M operating revenues ²	\$137.4M operating revenues ²	\$50.5M operating revenues ²
		5.9%	6.0%	5.6%	13.9%
		\$38.7M operating revenues ²			3.8%

¹ Operating revenue is a non-GAAP measure. Please see Appendix for details.

² Segment-level operating revenue results. Segment results include certain intercompany transactions that are eliminated in consolidation to Community Financial System, Inc. Segment-level operating results are presented utilizing methodology consistent with the Company's Segment Information disclosure in its Quarterly Report on Form 10-Q for the periods ended September 30, 2024 in accordance with Accounting Standards Codification 280: Segment Reporting.

Trailing twelve months ("TTM") and year to date ("YTD") figures used throughout this presentation refer to the period ending 12/31/2024 unless otherwise noted.



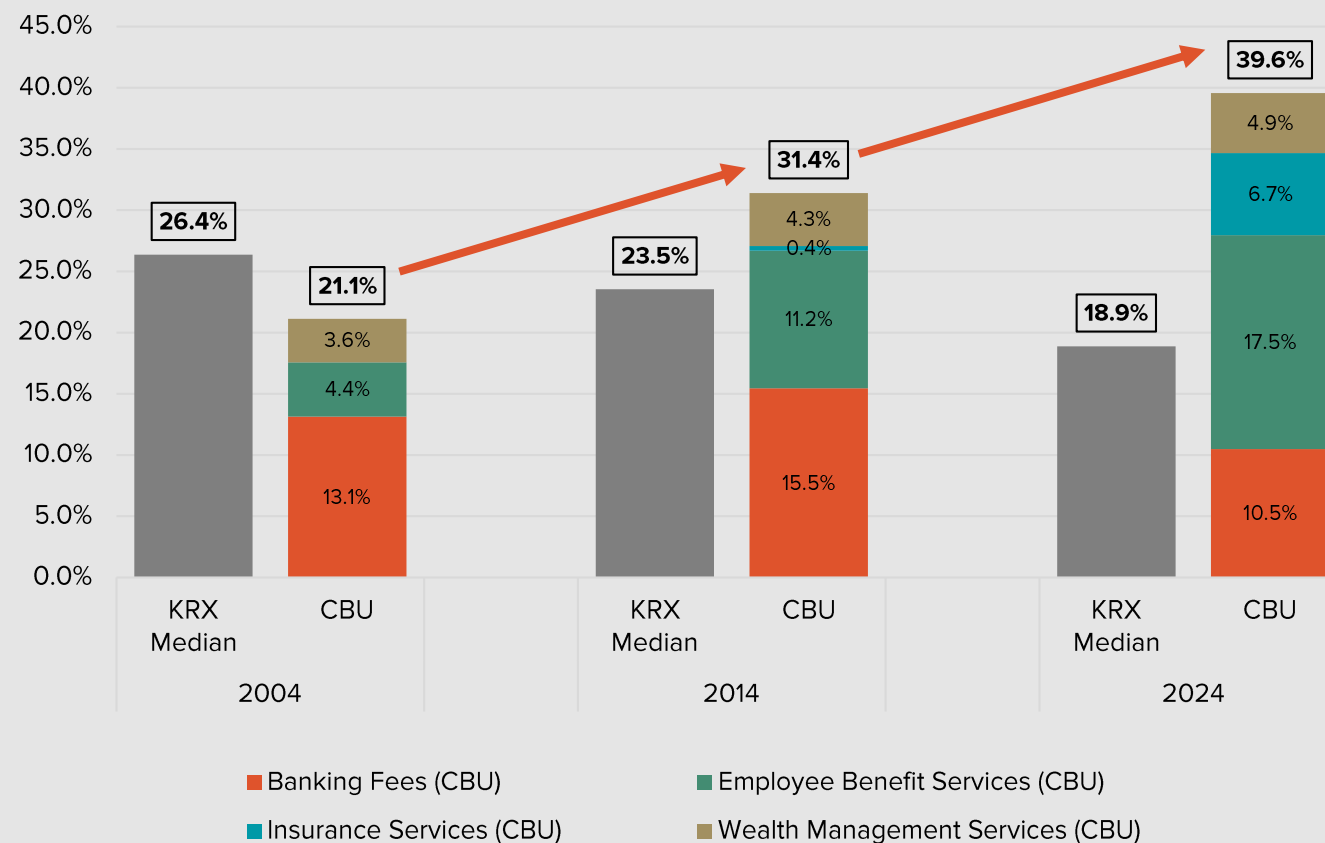
Our Evolution Into a Diversified Financial Company

2024 operating noninterest revenues were 40% of total operating revenues¹

- Top decile fee income performer²
- Longstanding focus on growing high quality, recurring noninterest revenues reduces revenue volatility
- 74% of CBU's 2024 operating noninterest revenues¹ derived from its financial services businesses
 - Providing important revenue diversification with lower capital intensity and higher ROA
 - Higher multiple businesses that support overall CBU return and valuation advantage

² Ranked in the top decile for noninterest revenue as a percentage of operating revenue among nationwide public banks with assets between \$10 and \$50 billion on a TTM basis

Operating Noninterest Revenues / Operating Revenues (FTE)¹

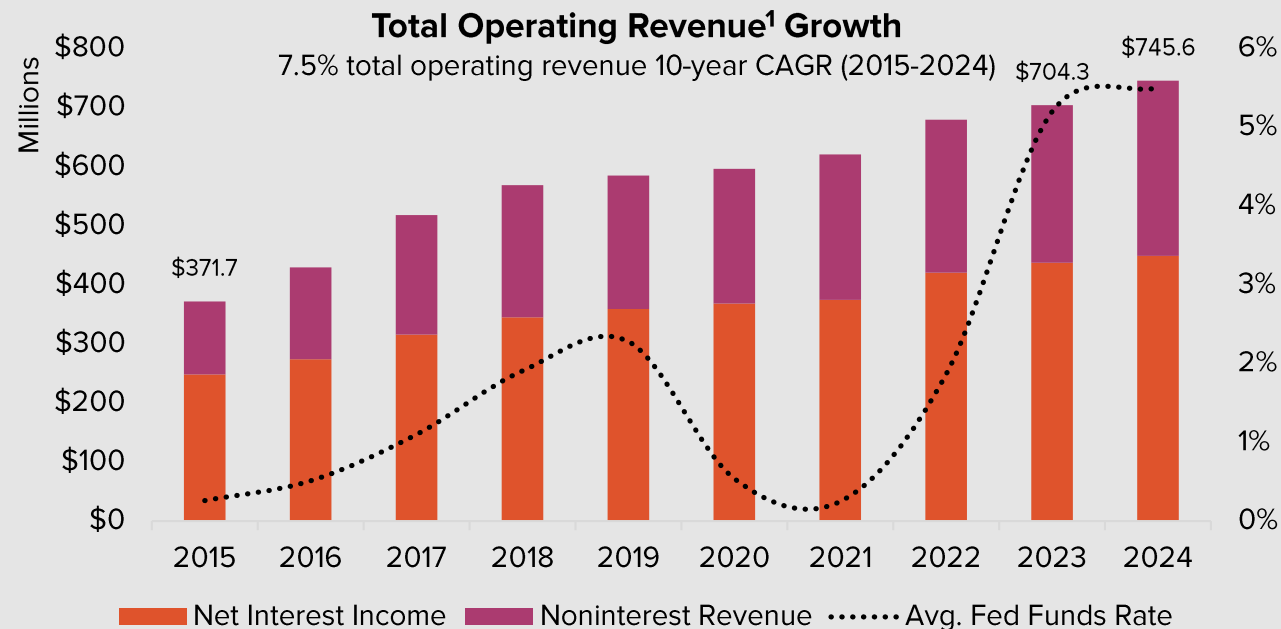


¹ Operating noninterest revenues and operating revenues (FTE) are non-GAAP measures. Please see Appendix for details. KRX peer group used throughout this presentation can be found in the Appendix.



Focus on Revenue Quality, Diversification and Sustainable Results

- Our businesses each have positive expected returns over the long term while helping balance each other at any particular point in the economic cycle
- Diversification allows us to produce consistent, lower volatility results



Diversified and Complementary Operating Revenue ¹ : Growth Rate						
Revenue Source (TTM % of Total)	2020	2021	2022	2023	2024	5-Yr Cum
Net Interest Income (60%)	2.6%	1.6%	12.3%	4.0%	2.7%	23.2%
Banking Fees (11%)	(5.8%)	(2.7%)	11.2%	(2.7%)	12.3%	12.3%
Benefits Administration (17%)	4.3%	12.8%	0.9%	2.2%	11.0%	31.2%
Wealth Management (5%)	7.8%	19.2%	(4.7%)	0.9%	14.8%	38.0%
Insurance & Risk Services (7%)	0.5%	5.0%	17.1%	18.3%	6.7%	47.6%
Total CBU Operating Revenue¹	2.0%	4.1%	9.5%	3.7%	5.9%	25.2%
Banking Industry²	(2.4%)	(2.6%)	9.2%	3.3%	(0.5%)	7.0%

Sources: S&P Global, Internal filings

¹ Non-GAAP measure. Please see Appendix for details.

² Industry group is defined as U.S. Commercial Banks with assets between \$10 billion and \$50 billion. Results are regulatory based and include net interest income and noninterest revenue as reported.



Our Investment Thesis:

Above Average Returns with Below Average Risk



Below Average Risk

Manage Risk & Earnings Volatility through:

- Revenue Diversity & Stability
- Cost of Funds Management
- Credit & Net Charge-off Management
- Risk-Weighted Asset Management



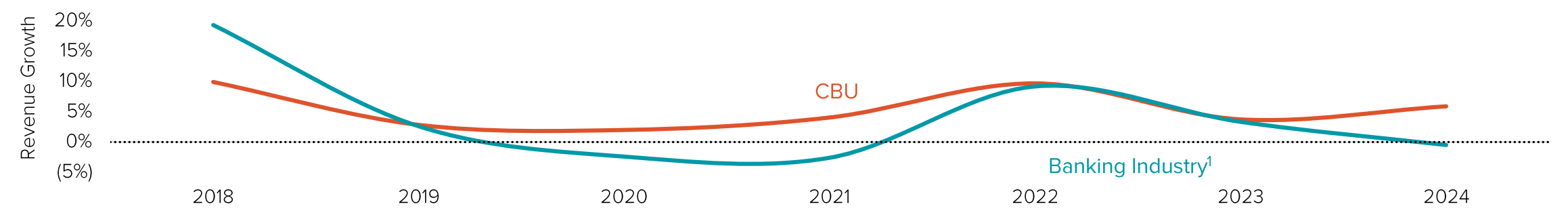
Above Average Returns

Provide Solid Earnings & Shareholder Return:

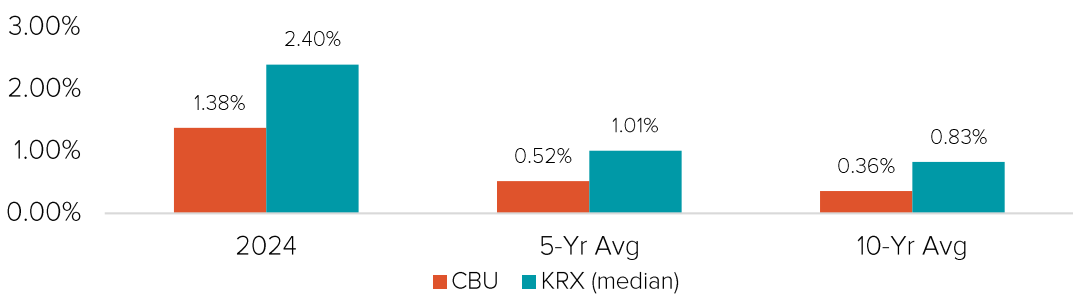
- Premium Return on Assets
- Long-term Shareholder Value & Return

Below Average Risk

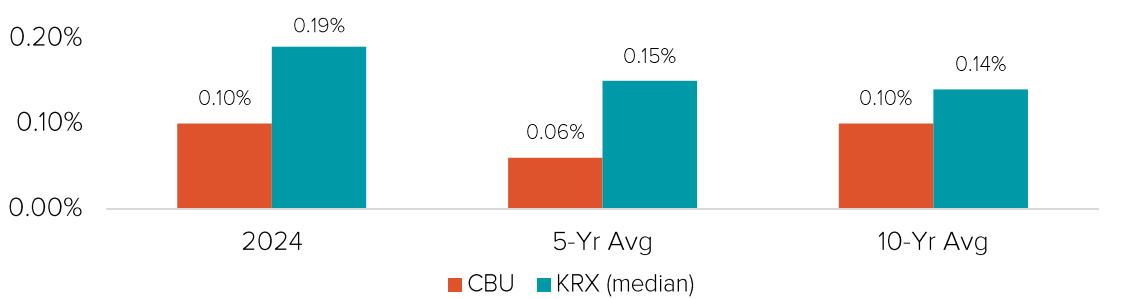
Revenue Growth Stability



Cost of Funds



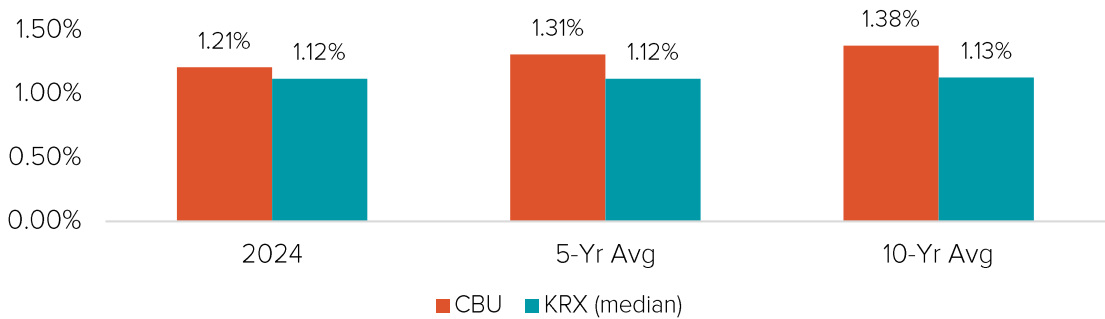
Net Charge-off Ratio



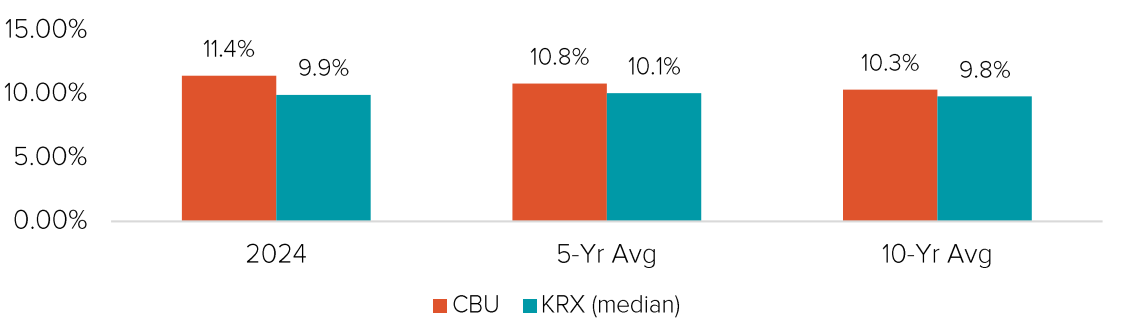
Sources: S&P Global, Internal filings
¹Industry group is defined as U.S. Commercial Banks with assets between \$10 billion and \$50 billion

Above Average Returns

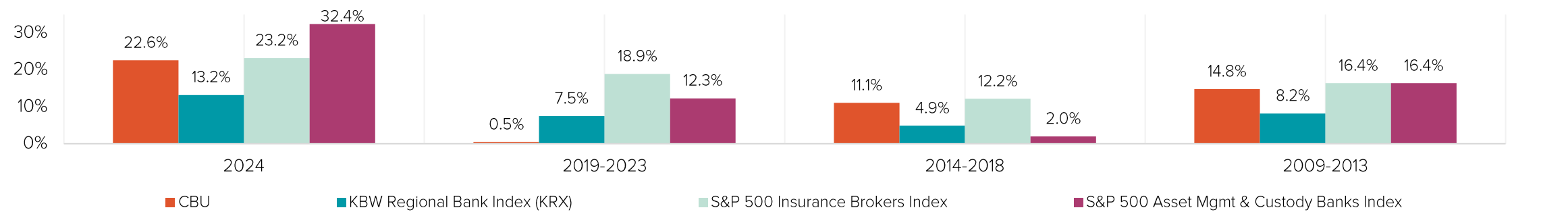
Core Return on Assets¹



Core Return on Equity¹



Total Shareholder Return²



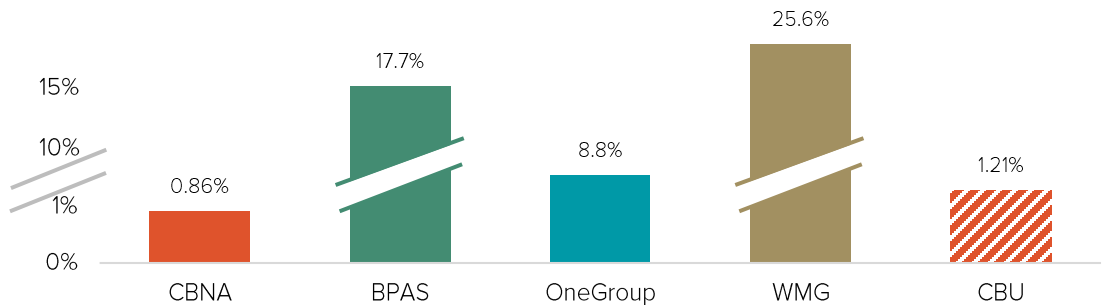
Sources: S&P Global, Internal filings

¹ Core income, a non-GAAP measure, is net income after taxes and before extraordinary items, less net income attributable to noncontrolling interest, gain or loss on the sale of securities, amortization of intangibles, goodwill and nonrecurring items. Core ROA is defined as core income divided by average period assets; annualized. Core ROE is defined as core income divided by average period equity; annualized.

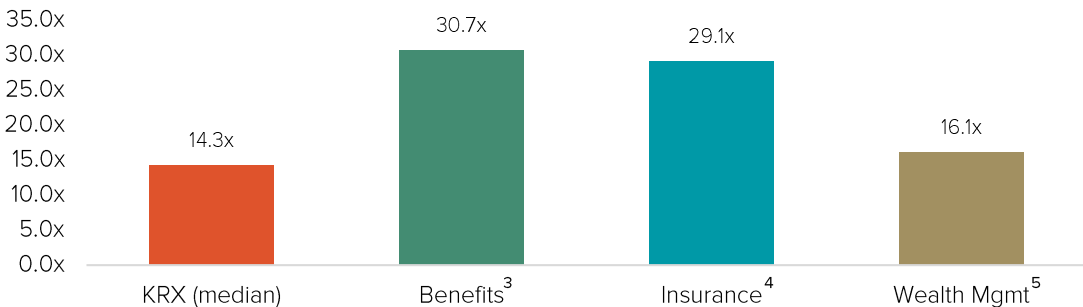
² Total returns for periods noted; include reinvestment of dividends

Our System Produces Premium Results

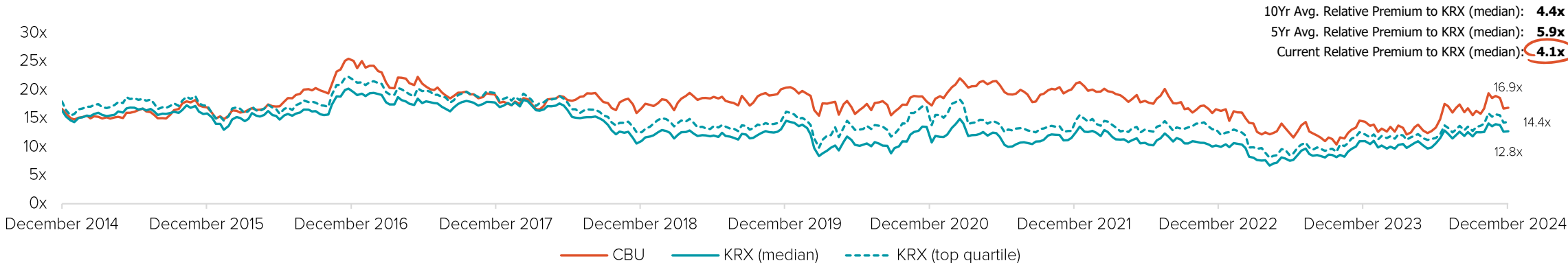
Operating Return on Assets ("ROA")¹



Peer Valuation (Price/ TTM EPS)¹



CBU Valuation (Price/ TTM Core² EPS)



CBU valuation analysis current as of 12/31/2024

Sources: S&P Global, Internal filings

¹ TTM results. Operating ROA is a non-GAAP measure. Please see Appendix for details.

² Core income, a non-GAAP measure, is net income after taxes and before extraordinary items, less net income attributable to noncontrolling interest, gain or loss on the sale of securities, amortization of intangibles, goodwill and nonrecurring items.

³ Median multiple among the following publicly traded firms: ADP, BR, HQY, PAYX, SEIC, SSNC

⁴ Median multiple among the following publicly traded insurance brokers: AJG, AON, BRO, MMC

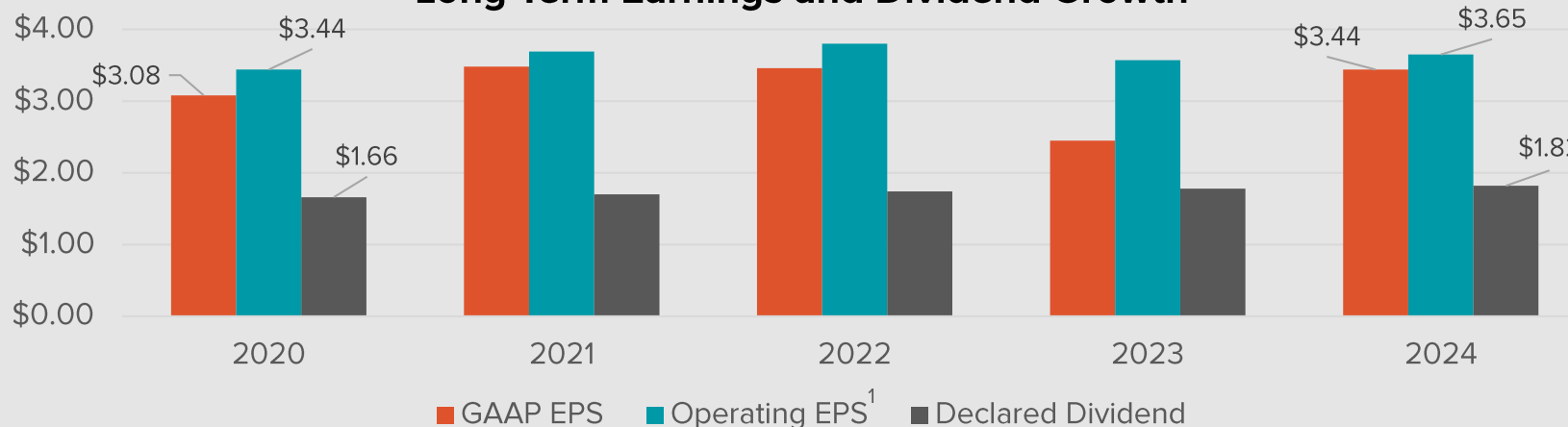
⁵ Median multiple among the following publicly traded firms: AMG, LPLA, RJF, SF



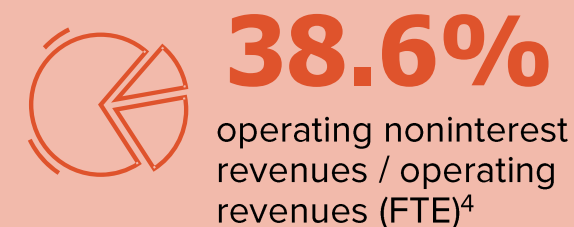
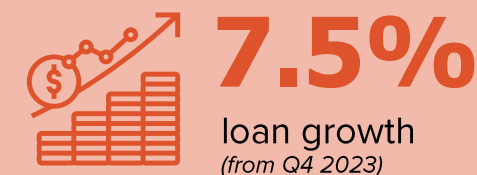
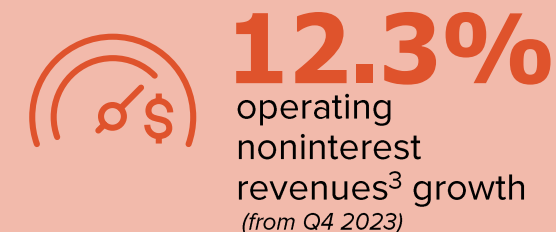
Company Performance

- Q4 2024 fully-diluted GAAP EPS of \$0.94 and non-GAAP operating EPS of \$1.00¹ increased \$0.11 and \$0.12 from the fourth quarter of 2023, respectively
- Fourth quarter 2024 operating pre-tax, pre-provision net revenue per share (non-GAAP)² of \$1.40 per share, up \$0.11, or 8.5%, from the fourth quarter of 2023
- Quarterly cash dividend of \$0.46 per share declared in the fourth quarter of 2024, an increase of 2.2% from the prior year's fourth quarter
 - Announced a \$0.01 per share, or 2.2%, increase to the quarterly cash dividend in July 2024
 - CBU's 32 years of consecutive annual dividend increases has empowered it to retain its status as a S&P Dividend Aristocrat
- Quarterly loan growth of 1.8%, marking the fourteenth consecutive quarter of loan growth
- Continued strong asset quality, including 0.12% annualized net charge-off ratio in Q4 2024 and 0.10% for FY 2024.

Long Term Earnings and Dividend Growth



Fourth Quarter 2024



¹ Operating earnings are a non-GAAP measure. Please see Appendix for details.

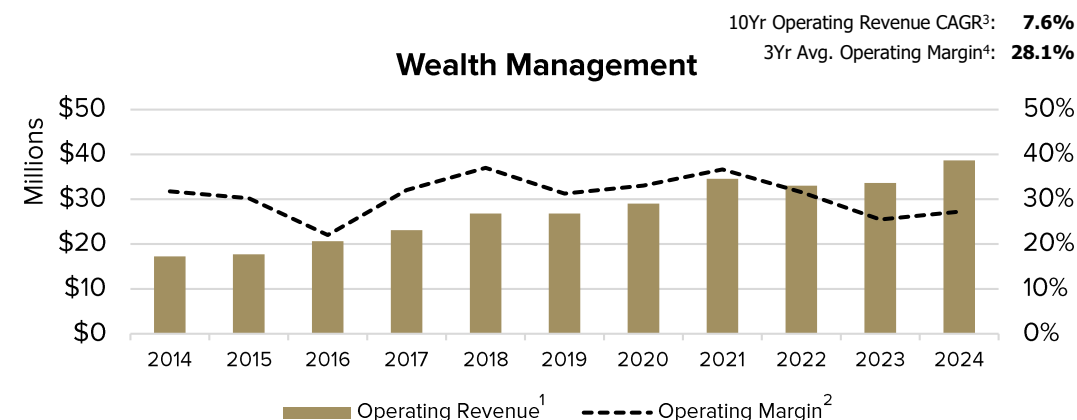
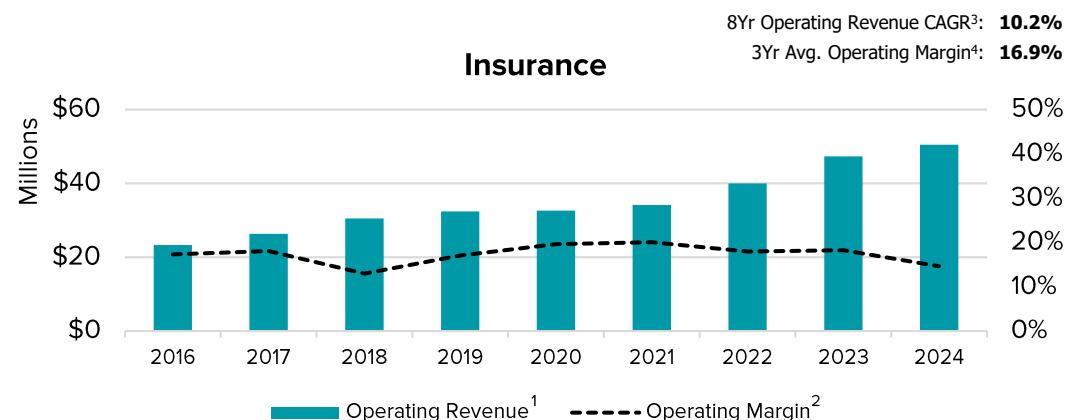
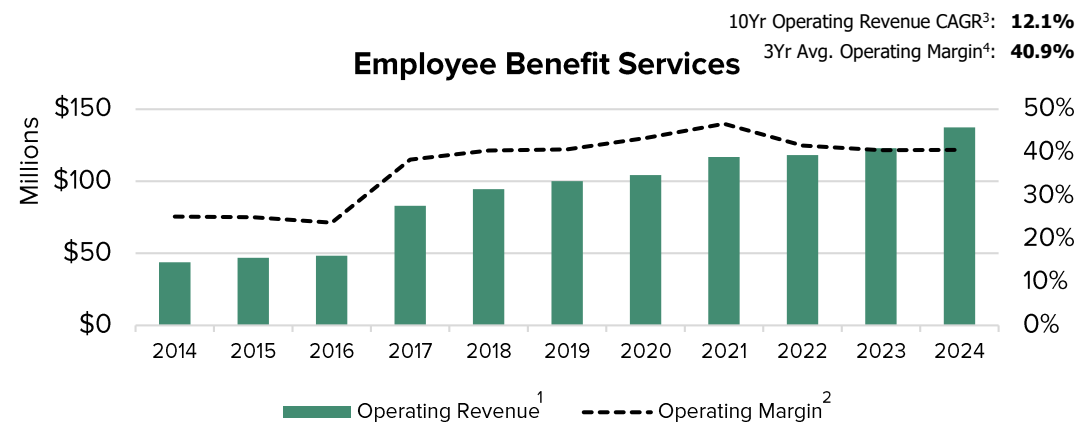
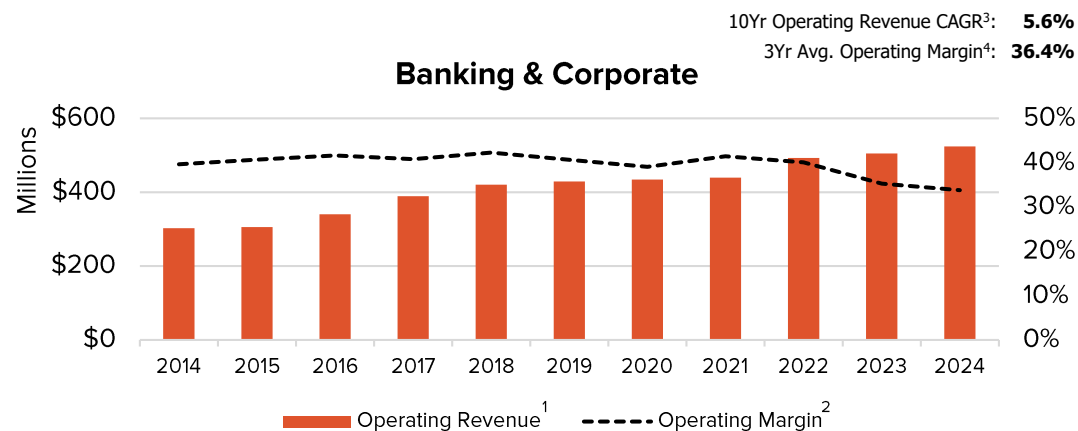
² Operating pre-tax, pre-provision net revenue per share is a non-GAAP measure. Please see Appendix for details.

³ Operating noninterest revenues is a non-GAAP measure. Please see Appendix for details.

⁴ Operating noninterest revenues and operating revenues (FTE) are non-GAAP measures. Please see Appendix for details.



Segment Performance



¹ Total Operating Revenues includes segment net interest income plus operating noninterest revenues (total noninterest revenues less securities and debt gains/losses). Includes certain intersegment revenues that eliminate upon consolidation.

² Operating Margin is calculated by total segment operating pre-tax income divided by total segment operating revenues. Total operating Pre-Tax Income is calculated by segment net interest income plus operating noninterest revenues less provision for credit losses less operating noninterest expenses (total noninterest expenses less acquisition expenses, amortization of intangible assets and other special charges). Includes certain intersegment revenues and expenses that eliminate upon consolidation.

³ TTM calculation basis

⁴ Calculation period ending full year 2024



How Our System Works

Our Community

Banking

- #1 or #2 market share in over 60% of towns we operate in
- 90% of commercial customers are SMBs¹

Insurance

- Leading market share in CNY
- Deep specialties
- 90% of clients are SMBs¹

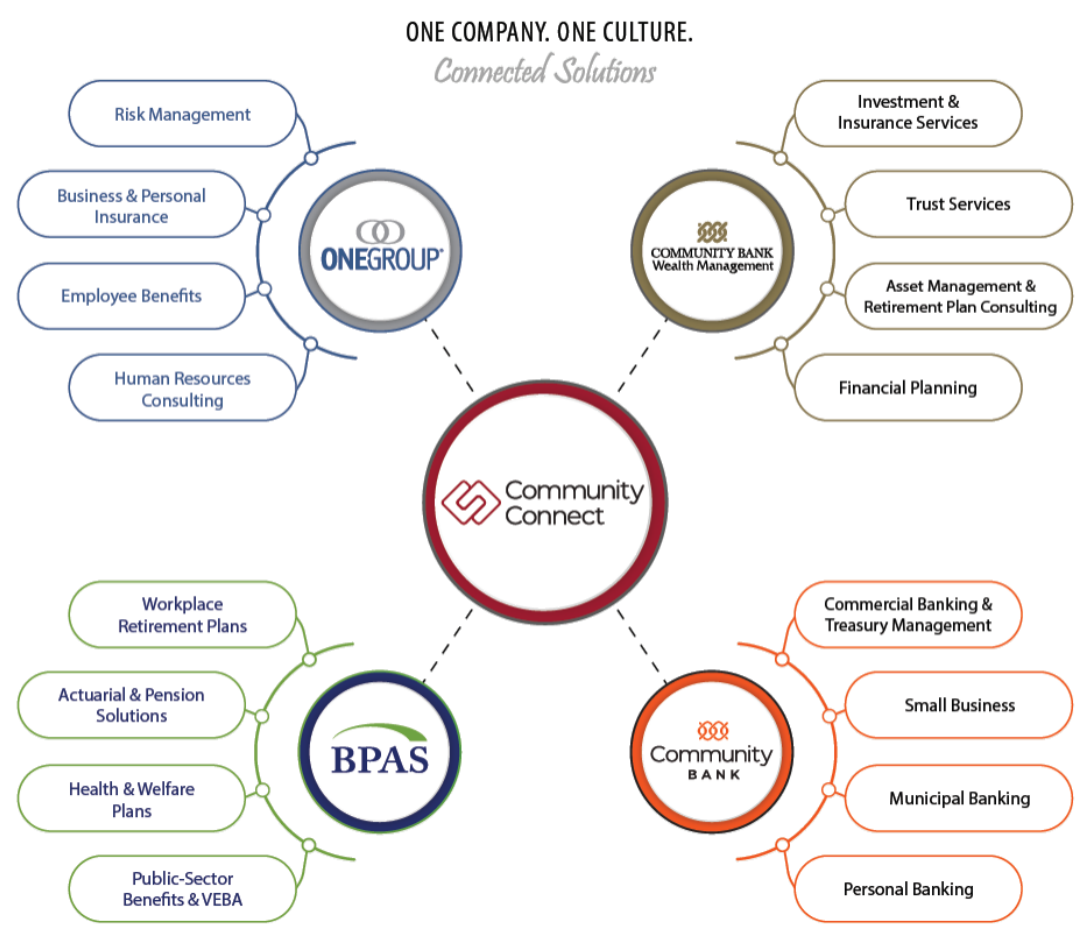
Wealth

- Local presence in each region
- Affluent/mass-affluent focus

Benefits

- 90% of clients are SMBs¹
- National reach

Our Financial Solutions



Our System

- 845 insurance referrals, 22% TTM YoY growth

Insurance

- 376 wealth referrals, 113% TTM YoY growth

Wealth

- 82 benefits referrals, 86% TTM YoY growth

Benefits

- Marquee client wins from insurance referrals

Banking

¹ SMBs defined as businesses with less than 500 employees ² Referrals based on 2022 – 2024

Banking

COMMUNITY FINANCIAL SYSTEM, INC. | NYSE: CBU

CBNA at a Glance



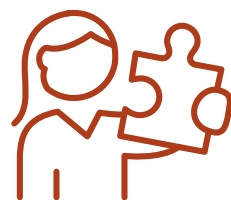
Deeply Penetrated Footprint

- First or second deposit market share in over 60% of towns we operate in
- Large bank capabilities with local service



Relationship Focused

- In-footprint lender with a focus on credit quality
- Regularly named a “best bank” in our communities



Disciplined Proven Acquirer

- Successful in-market strategy focused on high quality banking partners through low-risk, accretive acquisitions
- 5 whole bank acquisitions in the last 10 years



Ranked as one of America's best banks of 2024 by Forbes

196
branches



241
ATMs



1,710
FTEs¹



40
mortgage
bankers



~576,000
customers



77.6%
loans/deposits



43
middle market
bankers



30
business
bankers

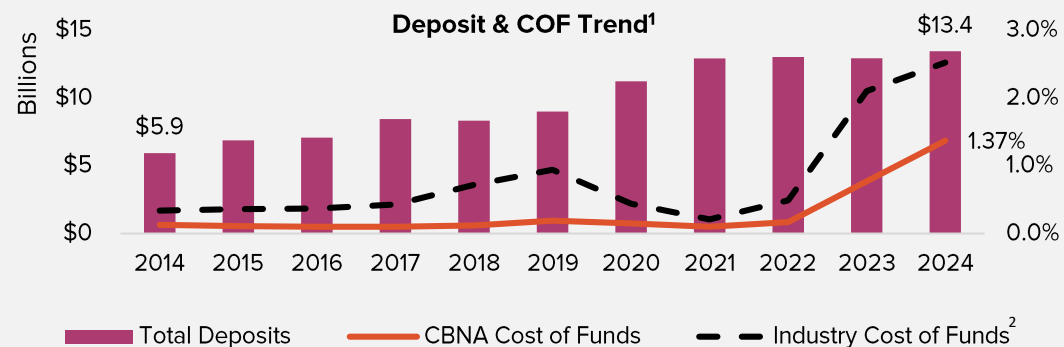
¹ Excludes corporate units

Figures as of December 31, 2024



Liquidity & Credit Are Our Foundational Strengths

Liquidity



Average Consumer Deposit Balance:

\$12,000

Average Business Deposit Relationship:

\$71,000

Average Non-maturity Deposit Age:

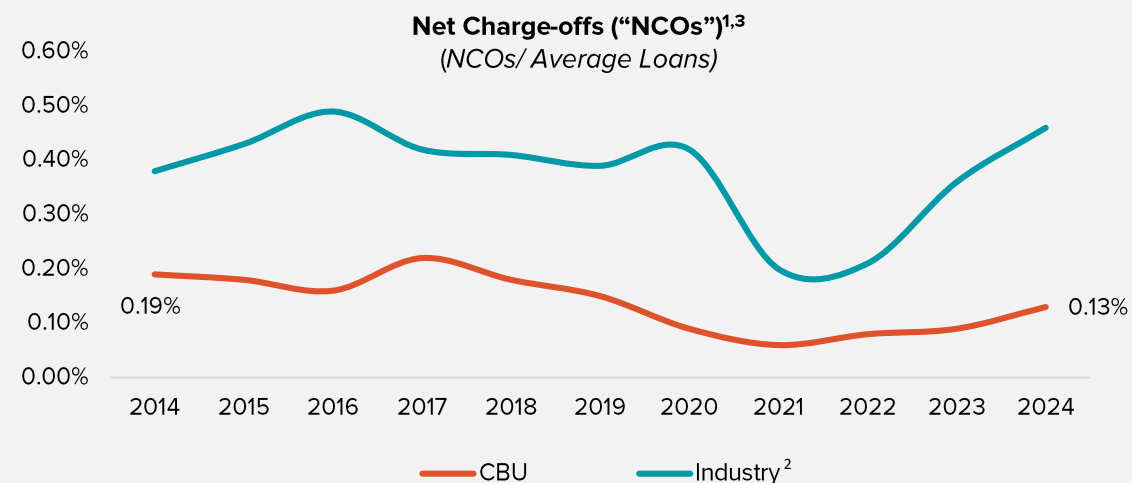
15 years

Deposits by Customer Type

- Personal: 58%
- Business: 27%
- Municipal: 15%

Over **80%** of deposit balances are either insured by the FDIC or secured through municipal pledging.

Credit



¹ Bank-level regulatory reporting results. YTD data as of 12/31/2024

² Industry group is defined as U.S. Commercial Banks with assets between \$10 billion and \$50 billion

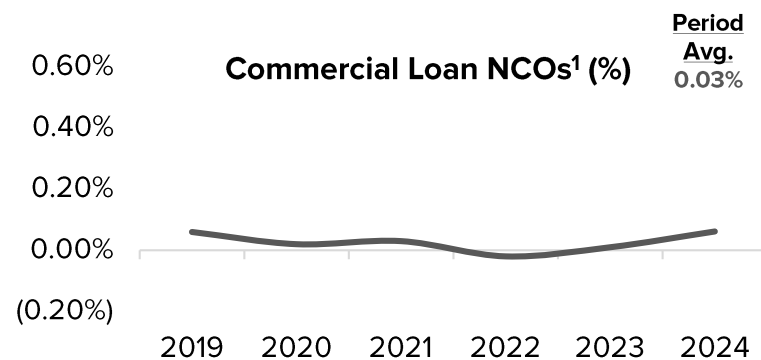
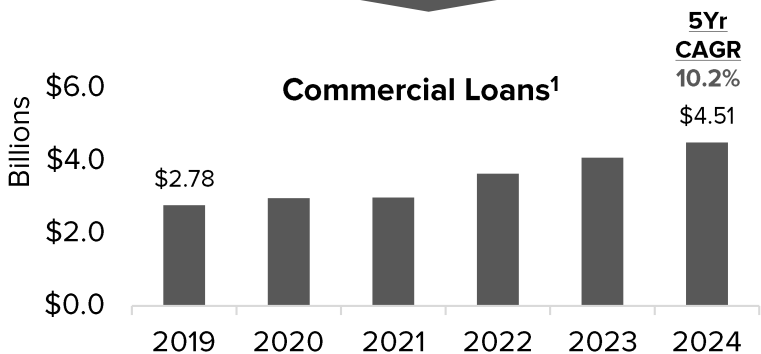
³ NCOs include checking/overdraft charge-offs



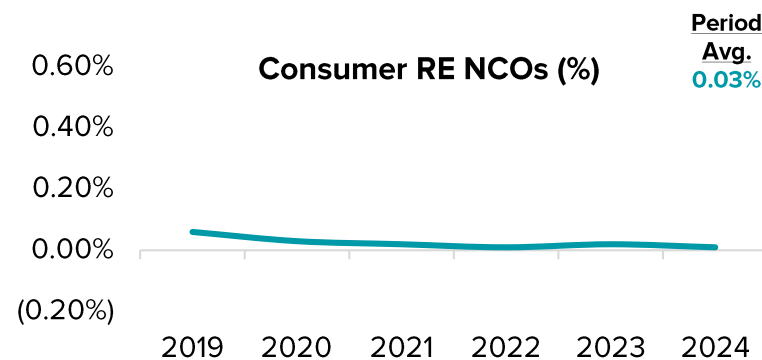
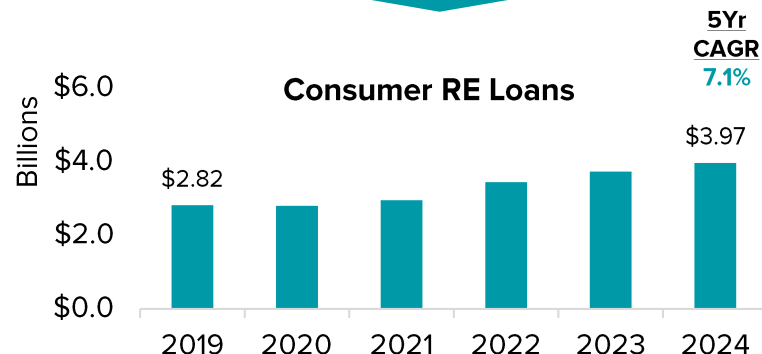
Loan Portfolios & Asset Quality

Successful track record of organic growth and acquisition integration combined with consistently strong credit results

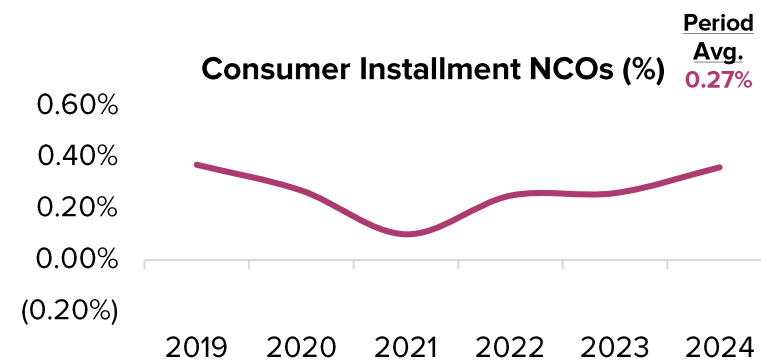
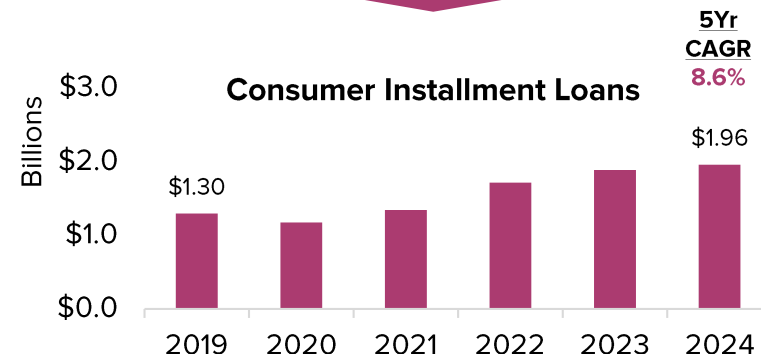
Commercial Loans



Consumer Real Estate



Consumer Installment

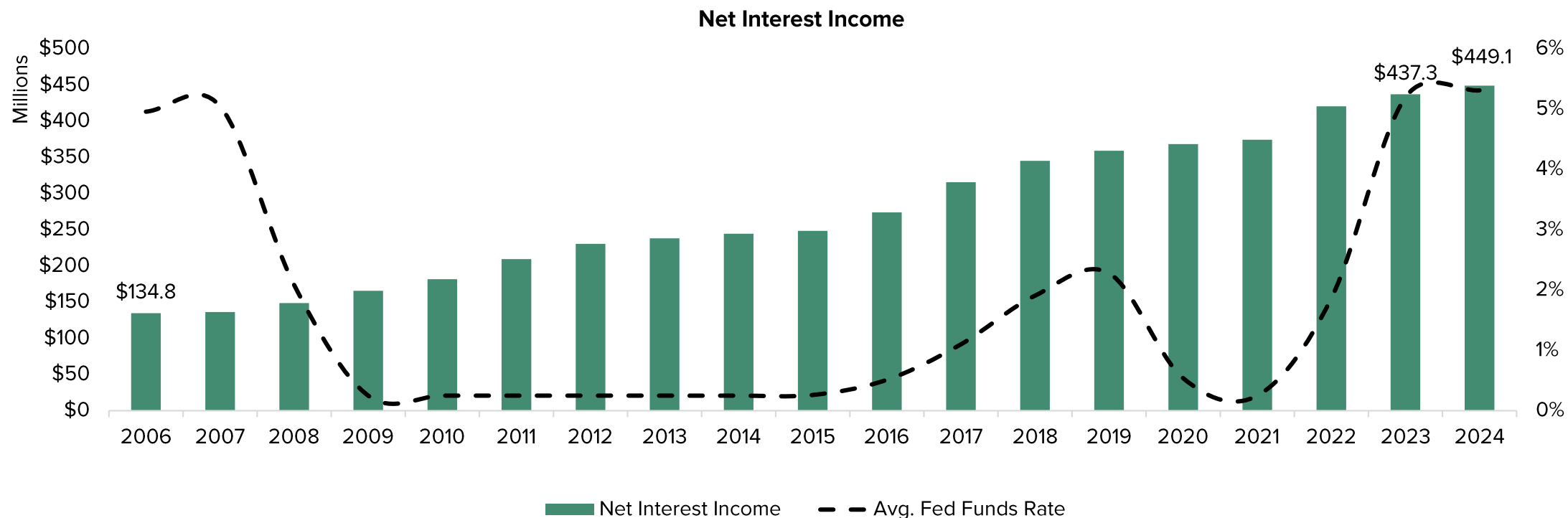


¹ Excludes PPP loans



We Have Grown Net Interest Income Every Year Since 2006

1 of only 3 KRX peers to achieve that consistent growth



Our Banking Evolution

Investments

Talent Investments

- Experienced leadership into all functional areas
- Built out expansion market teams in New Hampshire and Lehigh Valley, PA
- Process improvement and data analytics teams
- CRE, middle market and business banking development
- Invested in mortgage sales

Technology Investments

- Fraud prevention technology
- Treasury management solution
- Digital escrow platform
- AI / generative chat solutions
- Robotic process automation (RPA) technologies

Performance Results

	Pre-COVID ¹	2022 – 2024
Commercial Loans	7.0% CAGR	11.2% CAGR
Consumer Real Estate	3.3% CAGR	7.3% CAGR
Consumer Installment	4.3% CAGR	6.8% CAGR
Total Loans	4.9% CAGR	8.8% CAGR
Total Deposits	3.2% CAGR	1.6% CAGR
Loans/Deposits	77% in 2019	78% MRQ
NCO %	0.12% in 2019	0.10% in 2024
# of Branches	231 in 2019	196 MRQ
# of Banking Employees ²	1,946 in 2019	1,710 MRQ

Below all policy concentration limits

¹Pre-COVID period defined as 2017 – 2019

² Excludes corporate units

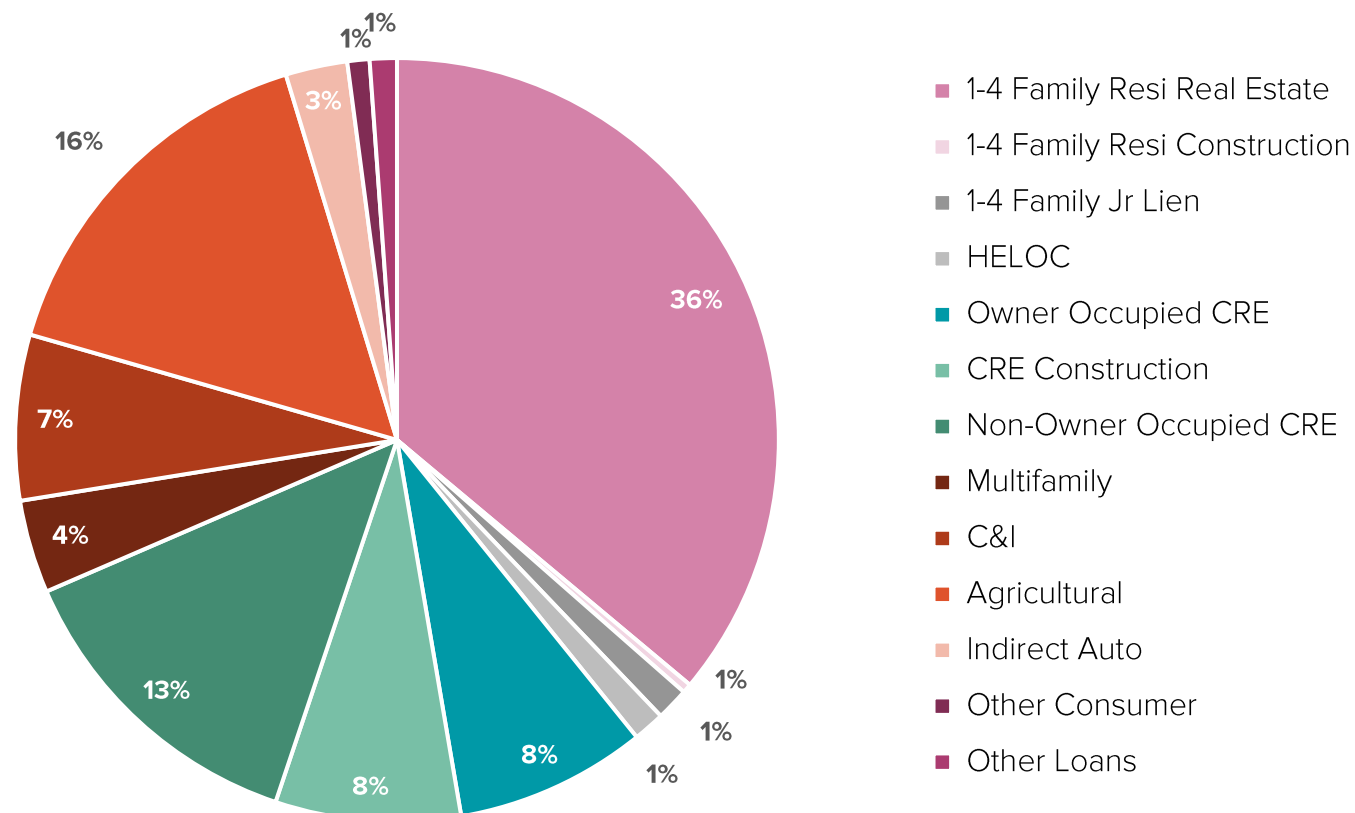


Diversified In-footprint Lender

\$854K average commercial loan relationship

- \$10.43 billion in total loans as of December 31, 2024
- Average consumer loan originations are uniquely granular for an institution of our size
 - Average Residential Mortgage – \$186,000
 - Average Home Equity Loan – \$69,000
 - Average Indirect Loan – \$26,000

Diversified Loan Portfolio¹



¹Loan customer balances as of December 31, 2024, call report code-based customer loan data

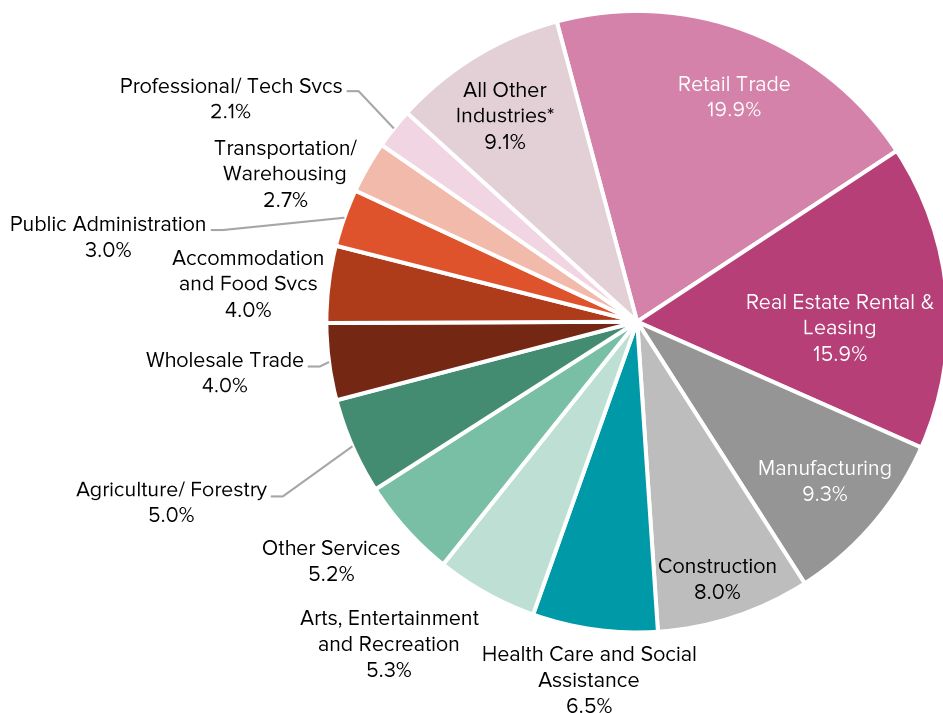


Commercial Lending

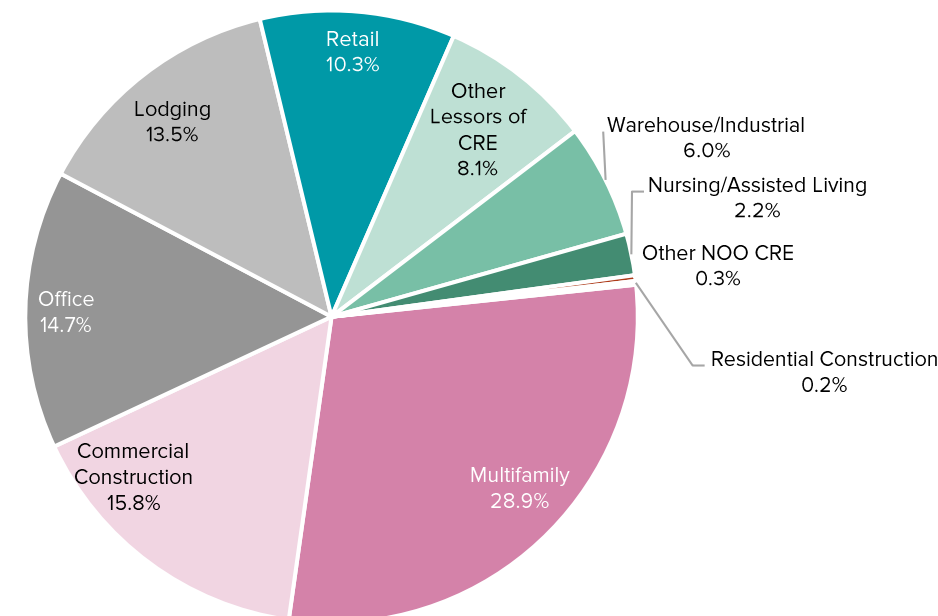
Well diversified lending portfolio

**0.07% 10-year average
net-charge off ratio
(2015-2024)**

C&I, Owner Occupied CRE & All Other Business¹
(\$2.00 billion)



Multifamily & Non-Owner Occupied CRE (“NOO CRE”)²
(\$2.51 billion)



**Total
Commercial
Lending**
\$4.51 Billion
43% of total loans

**NOO CRE represents 198% of total
bank-level capital compared to the KRX
bank-held median of 218%**

Loan balances as of December 31, 2024, call report code-based customer loan data

¹ Commercial & Industrial (“C&I”), owner occupied commercial real estate (“CRE”) & all other portfolio includes all business loans not coded with “NOO CRE” call report codes (below)

² Non-owner occupied CRE portfolio includes all business loans coded with 1A1, 1A2, 1D and 1E2 call report codes



Multifamily & NOO CRE by Location

	Multifamily CRE		Non-owner occupied CRE <i>(excluding Multifamily CRE)</i>		Total Multifamily & Non-owner occupied CRE	
<i>(000's omitted, except percentages)</i>	Balance ¹	% of Total NOO CRE	Balance ¹	% of Total NOO CRE	Balance ¹	% of Total NOO CRE
Metropolitan Statistical Area ("MSA")²:						
Albany-Schenectady-Troy, NY	\$104,274	4.20%	\$250,019	10.00%	\$354,293	14.20%
Burlington-South Burlington, VT	172,602	6.90%	153,102	6.10%	325,704	13.00%
Buffalo-Cheektowaga, NY	37,587	1.50%	172,484	6.90%	210,071	8.40%
Rochester, NY	30,391	1.20%	144,261	5.80%	174,652	7.00%
Scranton-Wilkes-Barre, PA	61,857	2.50%	101,573	4.10%	163,430	6.60%
Syracuse, NY	12,372	0.50%	145,796	5.80%	158,168	6.30%
Utica-Rome, NY	39,294	1.60%	63,696	2.50%	102,990	4.10%
Ithaca, NY	30,966	1.30%	23,481	1.00%	54,447	2.30%
All Other MSA – NY ^{3,4}	87,605	3.50%	107,881	4.30%	195,486	7.80%
All Other MSA – PA ^{3,4}	17,017	0.70%	97,908	3.90%	114,925	4.60%
All Other MSA ³	50,505	2.00%	249,527	10.00%	300,032	12.00%
Non-MSAs:						
NY	53,690	2.10%	198,312	7.90%	252,002	10.00%
All Other Non-MSA	25,954	1.00%	67,059	2.70%	93,013	3.70%
Total	\$724,114	29.00%	\$1,775,099	71.00%	\$2,499,213	100.00%

¹ Balance indicated reflects the Company's amortized cost basis within each loan pool

² Reflects the geographic concentrations of the Company's commercial real estate ("CRE") loan balances by property location (MSA) as of December 31, 2024

³ The MSAs within these captions are individually less than 2% of total CRE exposure.

⁴ The MSAs within these captions include certain counties in adjacent states with a high degree of economic and social integration to the respective core city in New York or Pennsylvania.



Consumer Lending

Durable loss history versus industry¹

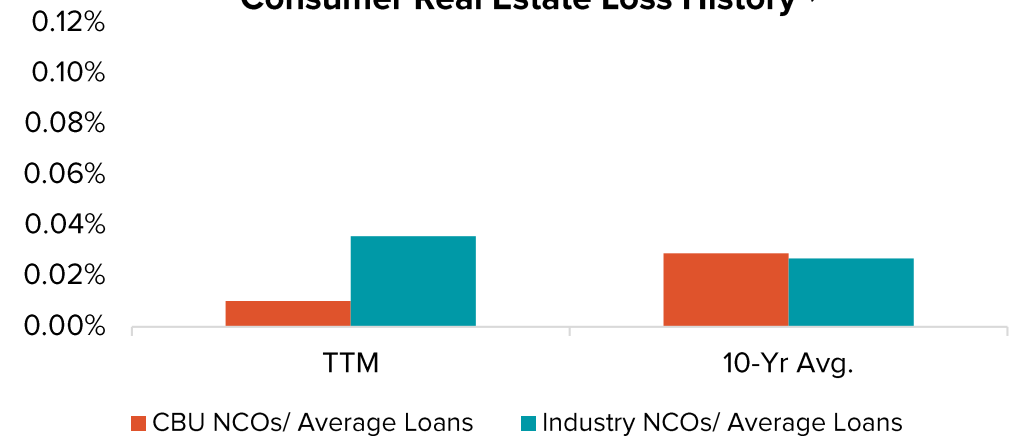
Consumer Real Estate (\$3.97 billion)

- Broad product set including non-conforming, FHA, VA and 1st time homebuyers program
- 88% consumer mortgage / 12% home equity
- 752 average origination FICO score

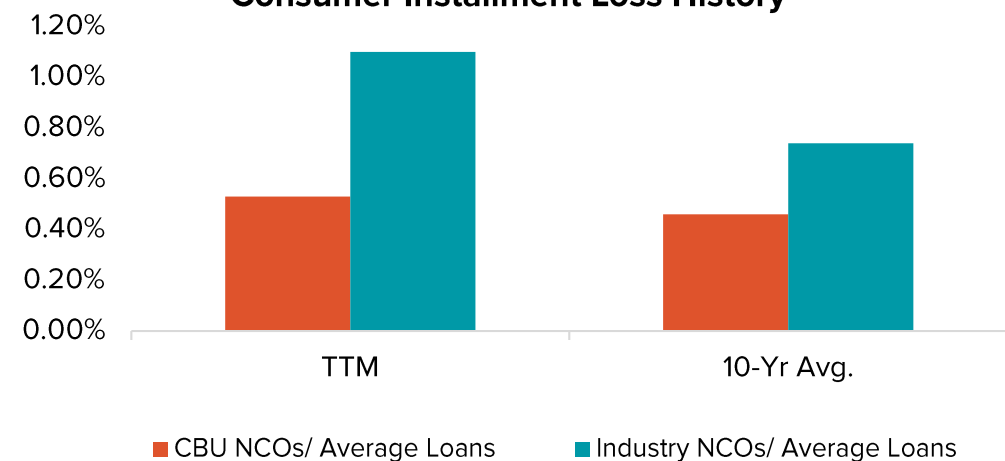
Consumer Installment (\$1.96 billion)

- 30+ years in the business
- 90% indirect (through 1,100+ dealer network) / 10% direct (branch/online)
- 754 average origination FICO score

Consumer Real Estate Loss History^{2,3}



Consumer Installment Loss History^{2,3}



Sources: S&P Global, Internal filings

¹Industry group is defined as U.S. Commercial Banks with assets between \$10 billion and \$50 billion

²Regulatory reporting results. Consumer installment results include checking/overdraft charge-offs and exclude credit cards.

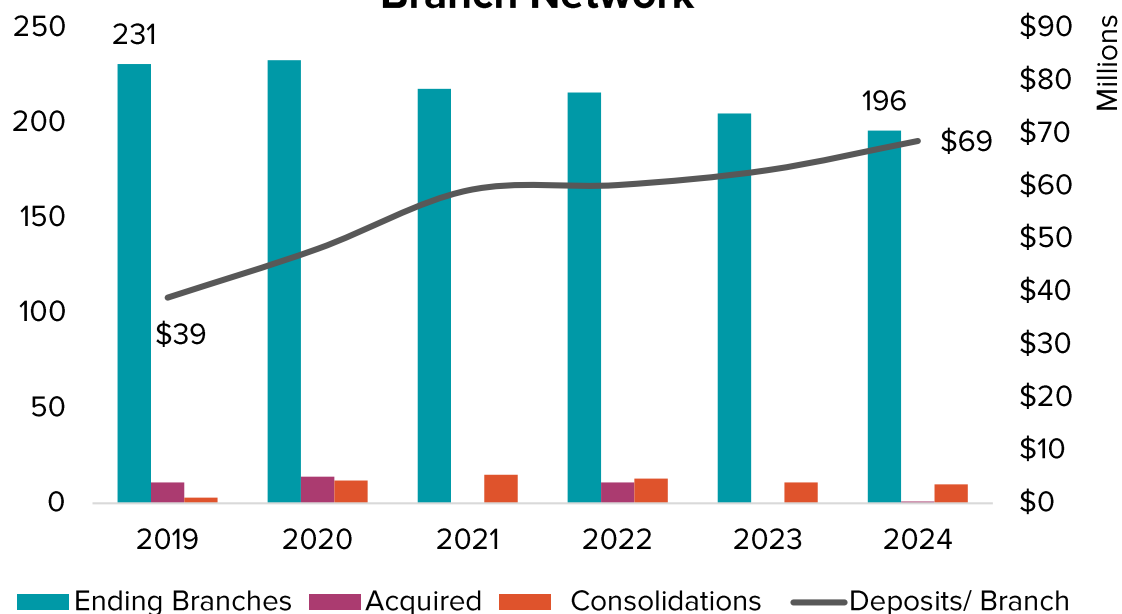
³Net charge-offs ("NCOs")



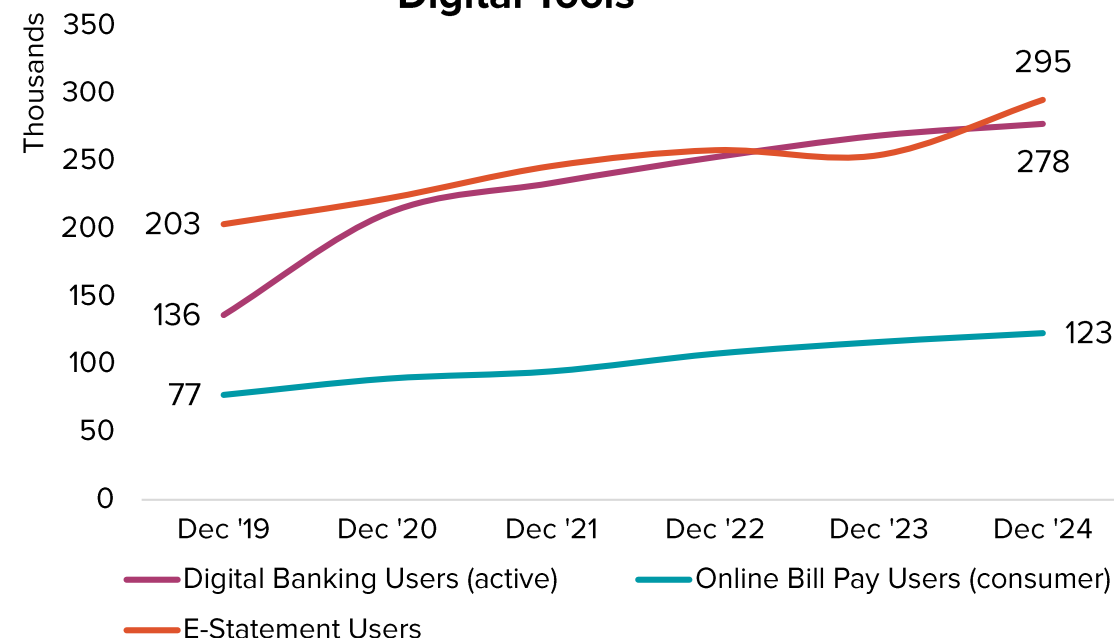
Optimizing Delivery Channels for Growth

- Addressing redundancies through consolidations and expanding digital banking services
- 61 branches consolidated since 2020
- The Company is currently investing in the retail network through de novo branch expansion in new, more densely populated markets throughout the current geographic footprint
- As of December 2024, 80% of total customers were digital banking users, while 65% and 30% of core deposit customers were e-statement users and online bill pay users, respectively

Maintaining Appropriate Branch Network



Customers Steadily Adopting Digital Tools



Digital Transformation

Supporting customers' preference towards digital while enhancing efficiencies

	Recent Accomplishments	What's Next
Client Experience	• Rolled out a credit monitoring and education tool • Enhanced personal banking budgeting tool • 41% of residential mortgage applications in 2024 were submitted online; 37% in 2023 • Rolled out a new tool to simplify digital account opening and direct deposit setup • Implemented new customer-facing digital escrow and sub-accounting platform that accommodates a wide range of businesses and special use cases	• Enhancing digital account opening process to include more funding options • Developing a unified and comprehensive online loan application process that will result in a more efficient and complete customer submission • Evaluating generative chat solutions for both internal and external opportunities
Process Efficiencies and Digital Investments	• Enhanced e-sign / digital signature capabilities • Shifted marketing budget to drive digital traffic • Invested resources in Process Improvement and Digital Banking departments • Expanded workflow automation capabilities to save more than 60,000 hours of manual effort	• Participating in bank tech / fintech ecosystem • Implementing end to end processes and robotic process automation technologies • Working to expand workflow automation capabilities to save up to 75,000 hours of manual effort
Client and Data Management	• Continually investing in information security infrastructure across banking and financial services businesses • Made a considerable investment into new data lake for corporate data solution project	• Investing resources in data analytics talent and platforms • Creating a single source of truth for all corporate data, via a new single, fully managed solution • Leveraging internal data to create predictive analytic models to help provide valuable business insights



Established Growth Capabilities Across All Regions

Banking Regions¹

<i>As of December 31, 2024</i>	<i>Buffalo, NY</i>	<i>Rochester, NY</i>	<i>Syracuse, NY</i>	<i>Binghamton, NY</i>	<i>Albany, NY</i>	<i>Pennsylvania</i>	<i>New England</i>	<i>CBNA Total</i>
<i>Loans</i>	\$1.59 B	\$1.65 B	\$2.06 B	\$0.69 B	\$1.58 B	\$1.47 B	\$1.33 B	<i>\$10.43 B</i>
<i>Deposits</i>	\$2.19 B	\$2.04 B	\$3.23 B	\$0.78 B	\$2.23 B	\$1.51 B	\$1.53 B	<i>\$13.44 B</i>
<i>Loans / Deposits</i>	72.4%	81.0%	64.0%	88.5%	70.7%	97.5%	86.7%	<i>77.6%</i>
<i>Branches</i>	29	28	41	15	28	25	30	<i>196</i>
<i>Middle Market Bankers</i>	6	4	6	3	6	5	13*	<i>43</i>
<i>Business Bankers</i>	3	7	5	2	5	5	3	<i>30</i>
<i>Mortgage Bankers</i>	3	4	8	6	10	4	5	<i>40</i>
<i>1 Year Loan Growth</i>	1.0%	7.0%	4.9%	2.0%	7.2%	12.8%	15.0%	<i>7.5%</i>
<i>1 Year Deposit Growth</i>	4.9%	3.2%	6.5%	(2.6%)	7.1%	(1.1%)	(1.6%)	<i>4.0%</i>

¹Excludes Online, Florida and Administration regions; includes intercompany balances

* 4 middle market bankers in New Hampshire, an expansion market



Expansion Markets

The Company is investing in the retail network through de novo branch expansion in new, more densely populated markets throughout the current geographic footprint

Updates

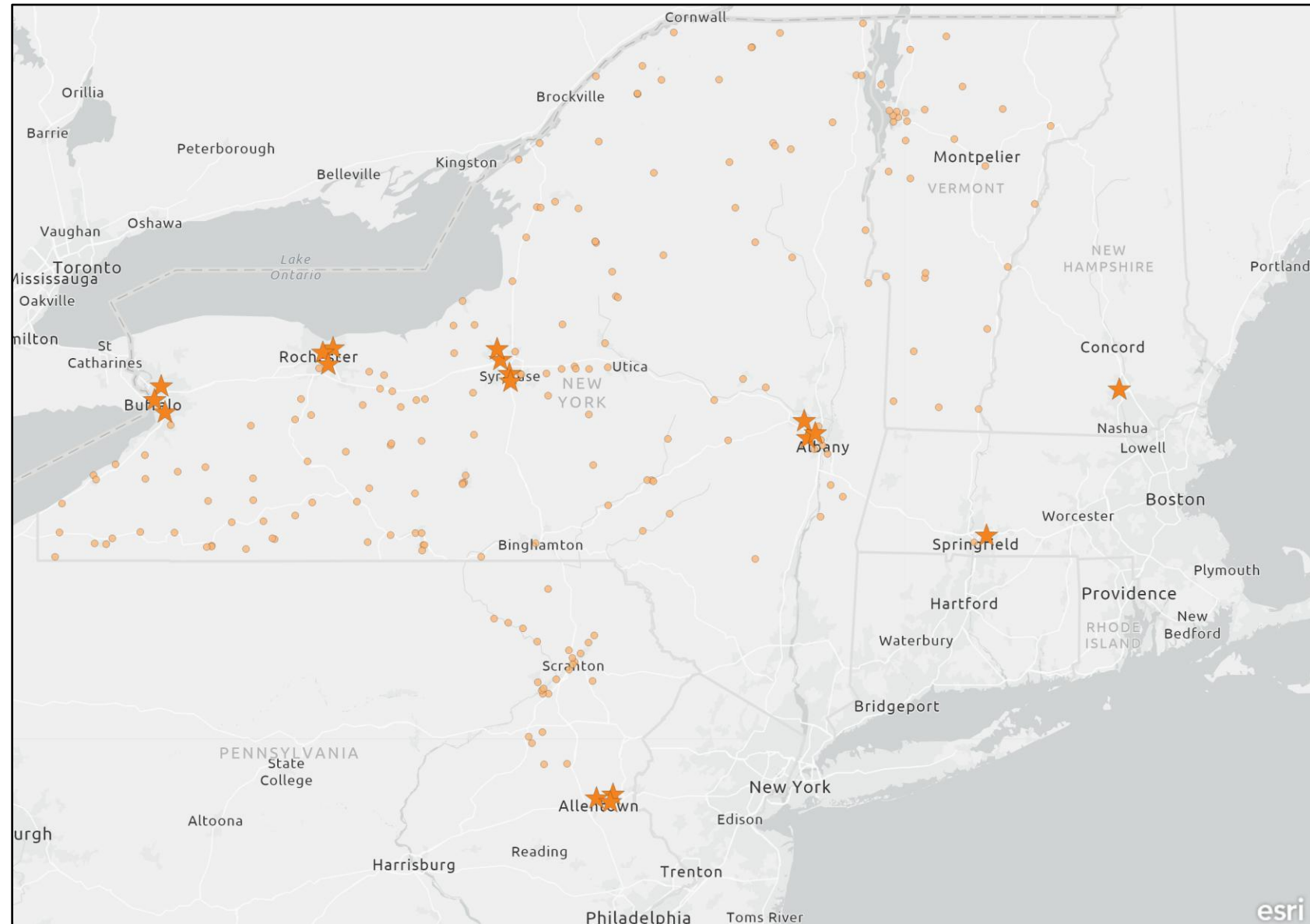
- In Q4 2024, one de novo branch was opened in Syracuse, NY

Job Growth

- Employment growth in our expansion markets exceeds statewide and nationwide averages

In-market economic development

- Upstate NY semiconductor/chip manufacturer investment¹
 - ~\$7.6 billion via CHIPS Act
 - Up to \$125 billion in potential Micron investment over the next 20+ years



● Existing Branch ★ De-Novo Branch

¹Source: Micron & GlobalFoundries press releases

Employee Benefit Services

COMMUNITY FINANCIAL SYSTEM, INC. | NYSE: CBU



Employee Benefit Services: BPAS

BPAS is an emerging player in the national retirement landscape



Growth Strategy

- Organic and acquired
- Strategically filling gaps & expanding footprint
- Maintaining culture and operating philosophy



Breadth of Services

- “Swiss Army Knife”
- Broad range of engagements serviced
- State of the art technology

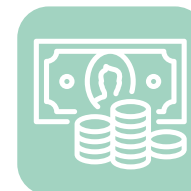


Speed to Market

- Numerous customer success stories
- Nimble maneuverability

\$137.4M

TTM revenue¹



11.8%

TTM revenue growth



12.1%

10-year revenue CAGR



459

employees



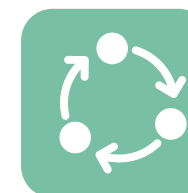
900,000+

plan participants



6,100+

retirement plans



2,500+

financial intermediaries



4

acquisitions since 2017

¹ Segment-level operating revenue results. Includes \$4.6 million of intercompany transactions that are eliminated in consolidation to Community Financial System, Inc.

Figures as of December 31, 2024

BPAS Business Line Summary

Recordkeeping & TPA

One of the nation's 25 largest DC recordkeepers¹. Vertical integration offers unique expertise

- \$14B+ AUA
- 394K participants

Health, Welfare & RHS

Offer Health Savings Accounts (HSA) and Retiree Health Savings Accounts (RHS). National solution in VEBA HRA space

- 157K participants

Actuarial & DBO

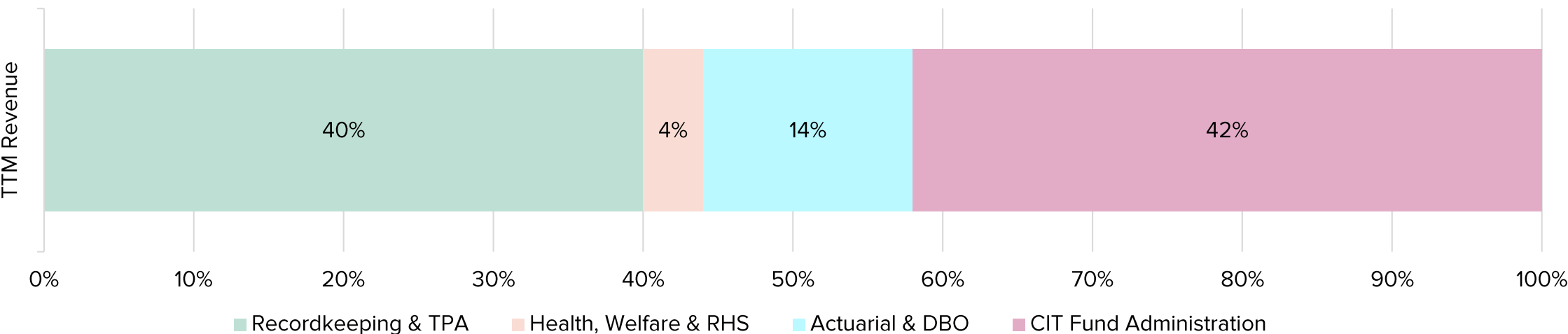
One of the 13 largest pension actuaries suited to handle full range of actuarial engagements

- 350K participants

CIT Fund Administration

One of the three largest special purpose trust companies focused on collective funds²

- \$104B in AUA
- ~\$67M in TTM revenue



¹ Per NAPA Black Book, 2023 results

² Based on publicly available data and firm asset data published on firm websites



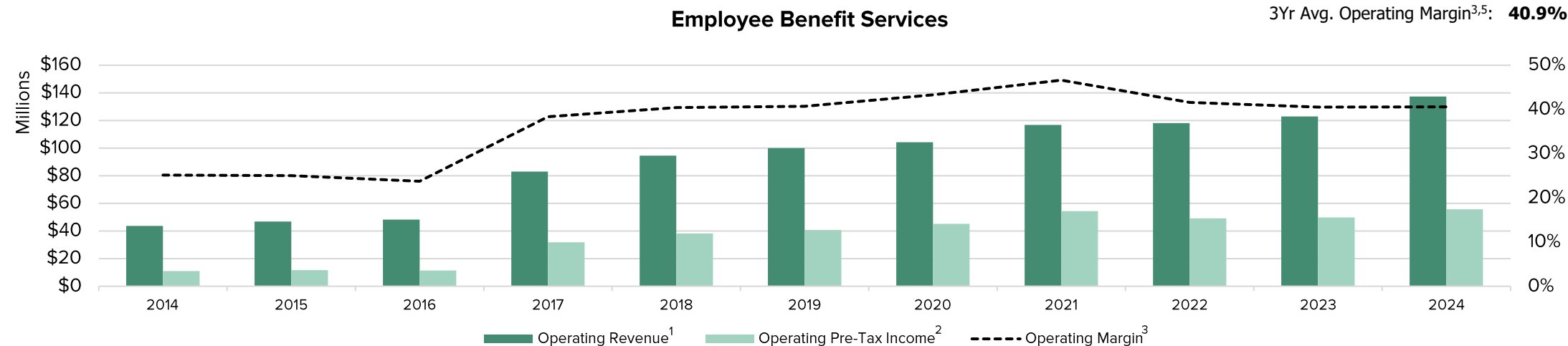
Revenue Model & Performance

TTM Revenue by Source

51% asset-based
46% fee-based
3% other

We have grown revenue every year for the past 20+ years

10Yr Operating Revenue CAGR^{1,4}: **12.1%**
3Yr Avg. Operating Margin^{3,5}: **40.9%**



Recordkeeping & TPA

Fixed fee per participant & asset-based fee

Health, Welfare & RHS

Fixed fee per participant & asset-based fee

Actuarial & DBO

Annual plan fee & consulting fees

CIT Fund Administration

Asset-based fees & fixed fees for transfer agency

¹ Total Operating Revenues includes segment net interest income plus operating noninterest revenues (total noninterest revenues less securities and debt gains/losses). Includes certain intersegment revenues that eliminate upon consolidation.
² Total Operating Pre-Tax Income is calculated by segment net interest income plus operating noninterest revenues less provision for credit losses less operating noninterest expenses (total noninterest expenses less acquisition expenses, amortization of intangible assets and other special charges). Includes certain intersegment revenues and expenses that eliminate upon consolidation.
³ Operating Margin is calculated by total segment operating pre-tax income divided by total segment operating revenues
⁴ TTM calculation basis
⁵ Calculation period ending full year 2024

Insurance Services

COMMUNITY FINANCIAL SYSTEM, INC. | NYSE: CBU



Insurance Services

OneGroup is a leading risk management and insurance broker providing holistic solutions



Experienced Team

- Serving much of the East Coast with offices in:
 - NY
 - PA
 - MA
 - SC
 - FL

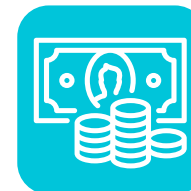


Services Offered

- Business Insurance
- Personal Insurance
- Risk Management and Consulting
- Claims Management
- Employee Benefits
- Human Resources Services & Consulting

\$50.5M

TTM
revenue¹



6.7%

TTM revenue
growth



9.7%

7-year revenue
CAGR



239

FTEs



> \$400M

annual premiums



66th

ranked U.S.
insurance agency²



22

offices



16

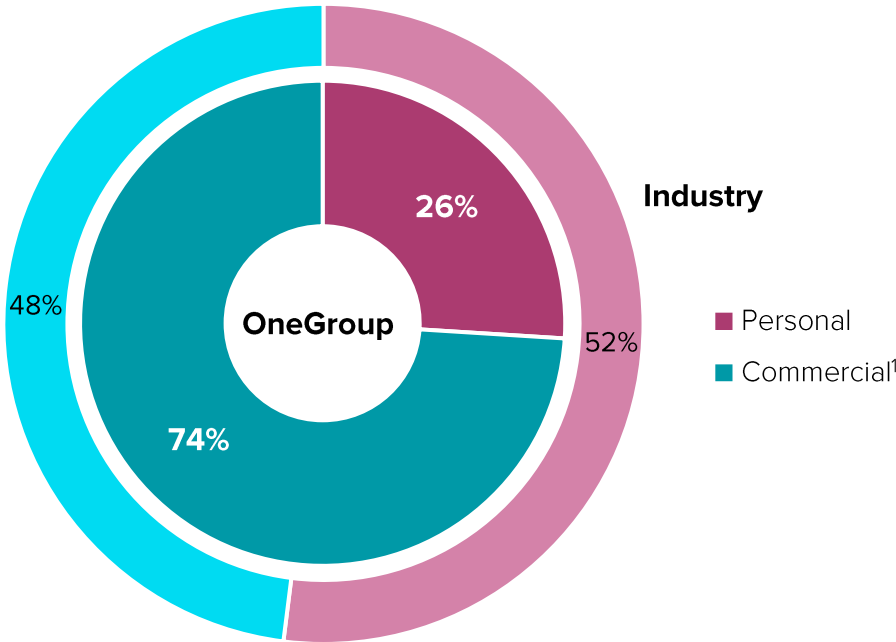
acquisitions since
2021

¹ Segment-level operating revenue results. Includes \$0.2 million of intercompany transactions that are eliminated in consolidation to Community Financial System, Inc.
² Based on a 2024 *Insurance Journal* ranking of total property & casualty agency revenue

Figures as of December 31, 2024

Favorable Business Mix With Deep Specialties

TTM Revenue Mix



Specialties

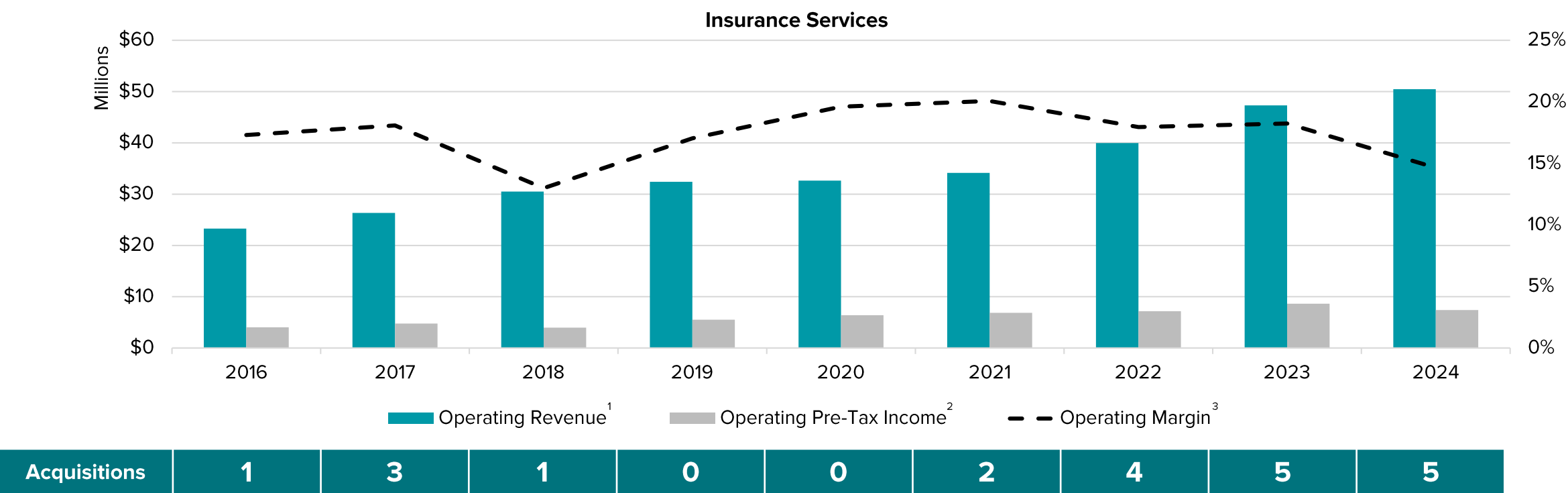
 Manufacturing	 Food & Agricultural	 Life Sciences
 Public Entities	 Education	 Healthcare
 Construction	 Real Estate	 Non-Profits / Social Service

Sources: S&P Global, Internal filings
¹ Commercial revenue includes employee benefit revenue (OneGroup) and accident & health revenue (Industry)

Revenue Performance

We have grown revenue every year since the acquiring the business in 2015

8Yr Operating Revenue CAGR^{1,4}: **10.2%**
 3Yr Avg. Operating Margin^{3,5}: **16.9%**



¹ Total Operating Revenues includes segment net interest income plus operating noninterest revenues (total noninterest revenues less securities and debt gains/losses). Includes certain intersegment revenues that eliminate upon consolidation.
² Total Operating Pre-Tax Income is calculated by segment net interest income plus operating noninterest revenues less provision for credit losses less operating noninterest expenses (total noninterest expenses less acquisition expenses, amortization of intangible assets and other special charges). Includes certain intersegment revenues and expenses that eliminate upon consolidation.
³ Operating Margin is calculated by total segment operating pre-tax income divided by total segment operating revenues
⁴ TTM calculation basis
⁵ Calculation period ending full year 2024

Wealth Management Services

COMMUNITY FINANCIAL SYSTEM, INC. | NYSE: CBU



COMMUNITY BANK
Wealth Management

Wealth Management Services

Providing comprehensive asset management, strategic wealth planning and management, and trust administration



Our Brands*

- Community Investment Services, Inc. (“CISI”)
- Nottingham Trust
- Nottingham Advisors
- OneGroup Retirement Advisors (“OGRA”)

*Financial Planning & Outsourced Partner Solutions provided across all businesses



Experienced Team

- Serving much of the East Coast with offices in:
 - NY
 - PA
 - VT
 - MA
 - FL
- Clients in all 50 states and the US Virgin Islands and Puerto Rico

\$38.7M

TTM
revenue¹



14.9%

TTM revenue
growth



8.4%

10-year revenue
CAGR



113

FTEs



30

financial
professionals



19

trust
officers



\$13.2B

AUMA²



14.6%

AUMA growth from
12/31/2024³

¹ Segment-level operating revenue results. Includes \$2.0 million of intercompany transactions that are eliminated in consolidation to Community Financial System, Inc.

² Includes \$3.3 billion of intercompany AUMA

³ Growth rate excludes intercompany AUMA

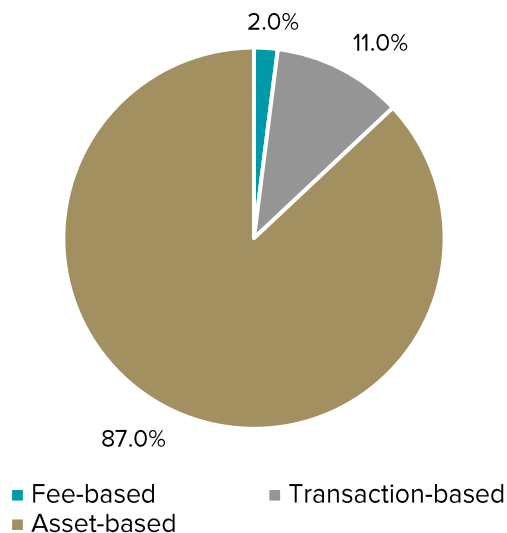
Figures as of December 31, 2024



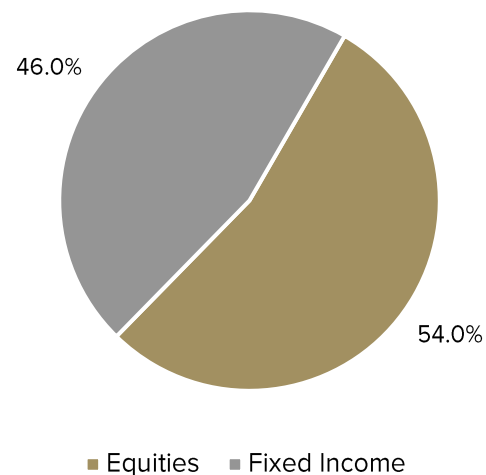
Trended Results

The Wealth Management division has experienced a consistent level of both revenue and asset growth through market appreciation and organic efforts.

TTM Revenue by Source

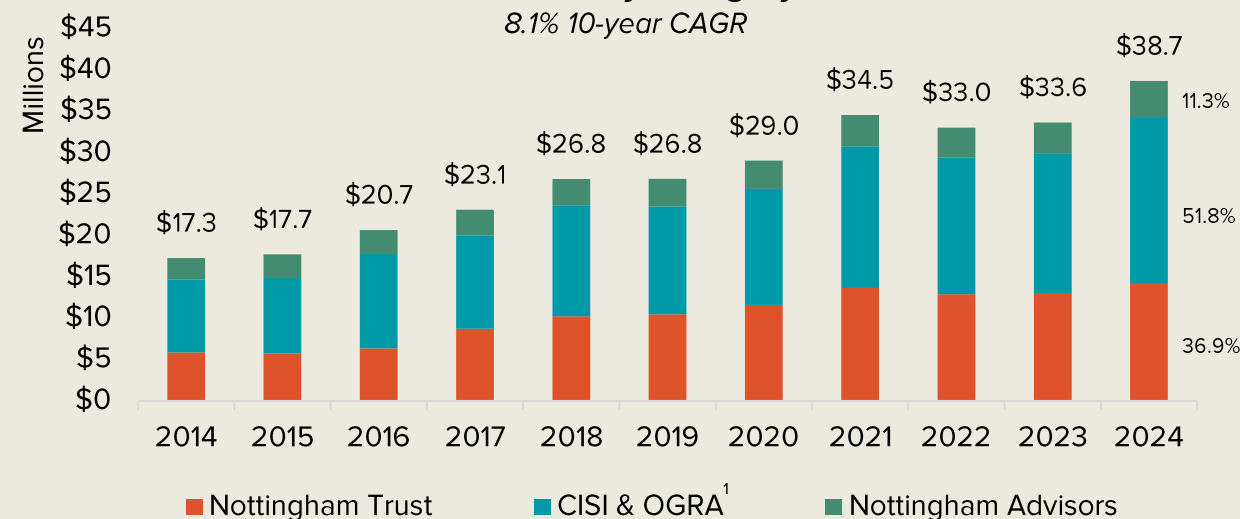


AUMA Mix (12/31/24)



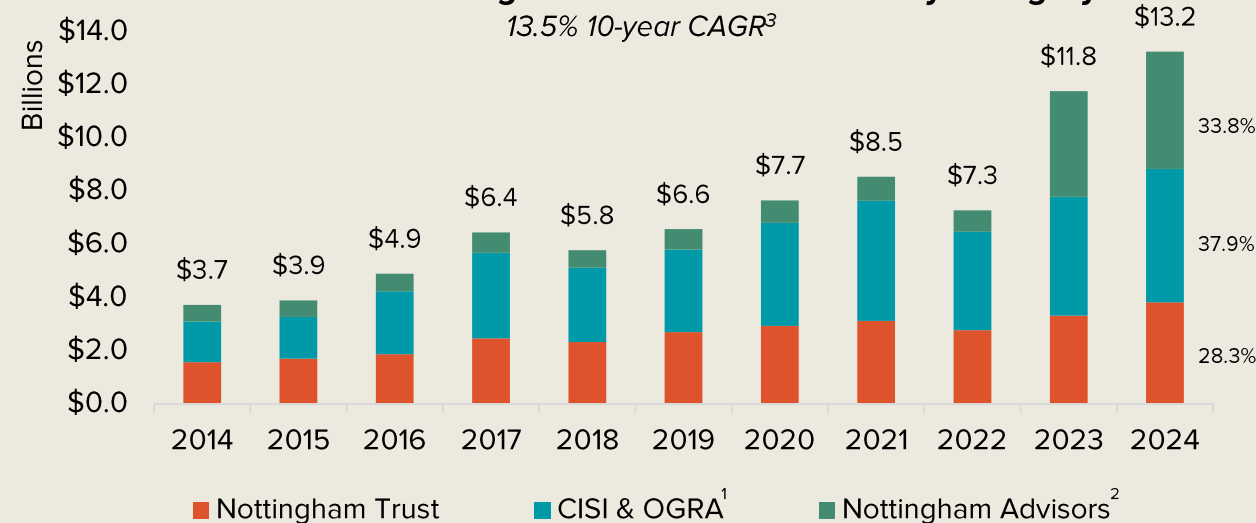
Revenue by Category

8.1% 10-year CAGR



Assets Under Management & Administration by Category

13.5% 10-year CAGR³



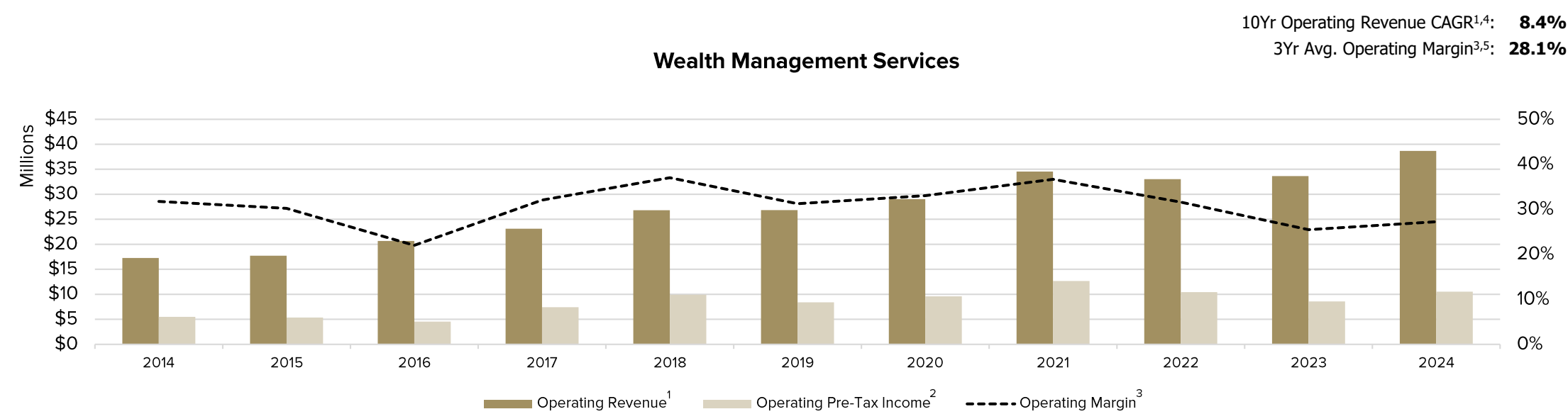
¹ Starting July 1, 2024, OGRA was recognized as it's own vertical with a P&L and asset and revenue reporting

² Nottingham Advisors began management of BPAS Fiduciary Assets (401k) in 2023

³ CAGR excludes intercompany AUMA



Wealth Management Services: Financial Performance



¹ Total Operating Revenues includes segment net interest income plus operating noninterest revenues (total noninterest revenues less securities and debt gains/losses). Includes certain intersegment revenues that eliminate upon consolidation.
² Total Operating Pre-Tax Income is calculated by segment net interest income plus operating noninterest revenues less provision for credit losses less operating noninterest expenses (total noninterest expenses less acquisition expenses, amortization of intangible assets and other special charges). Includes certain intersegment revenues and expenses that eliminate upon consolidation.
³ Operating Margin is calculated by total segment operating pre-tax income divided by total segment operating revenues
⁴ TTM calculation basis
⁵ Calculation period ending full year 2024



Community
FINANCIAL SYSTEM, INC.

Financial Performance

COMMUNITY FINANCIAL SYSTEM, INC. | NYSE: CBU

Operating Performance Summary

As of December 31, 2024

Financial Highlights	Q4 2024 in millions, except EPS	% Change from Q4 2023	2024 in millions, except EPS	% Change from 2023
Net interest income	\$120.0	9.9%	\$449.1	2.7%
Operating noninterest revenues ¹	76.0	12.3%	296.5	11.0%
Total operating revenues ¹	196.0	10.8%	745.6	5.9%
Operating noninterest expenses ¹	121.8	4.7%	472.0	5.4%
Operating pre-tax, pre-provision net revenue ("PPNR") ¹	74.3	22.6%	273.6	6.7%
Provision for credit losses	6.2	52.4%	22.8	103.3%
Net income, GAAP	49.8	47.7%	182.5	38.3%
Net income, operating ¹	52.9	20.8%	193.9	0.6%
Fully diluted weighted average common shares outstanding	53.1	(1.1%)	53.1	(1.5%)
GAAP EPS (diluted)	\$0.94	49.2%	\$3.44	40.4%
Operating EPS (diluted) ¹	\$1.00	22.0%	\$3.65	2.2%
Operating PPNR per share (diluted) ¹	\$1.40	23.9%	\$5.15	8.2%

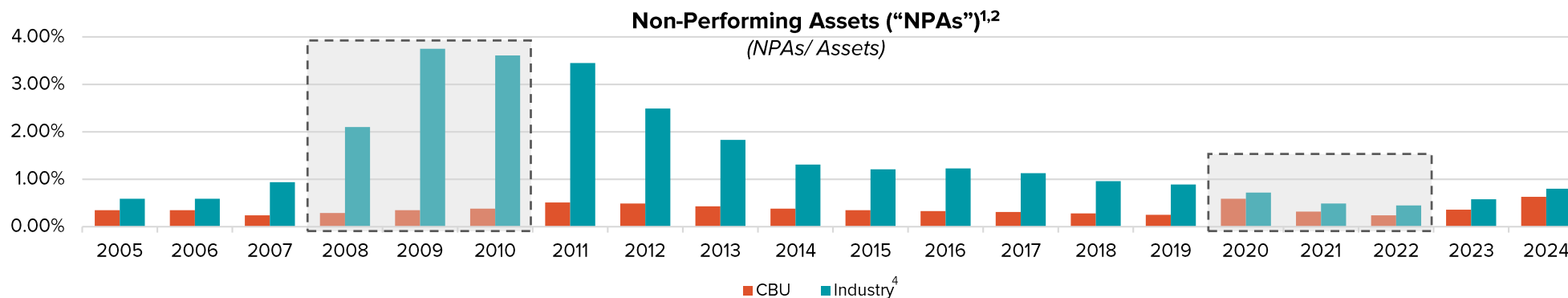
8.2% growth
in operating PPNR per
share¹ in 2024
compared to 2023

¹ Non-GAAP measure. Please see Appendix for details.



Strong Asset Quality

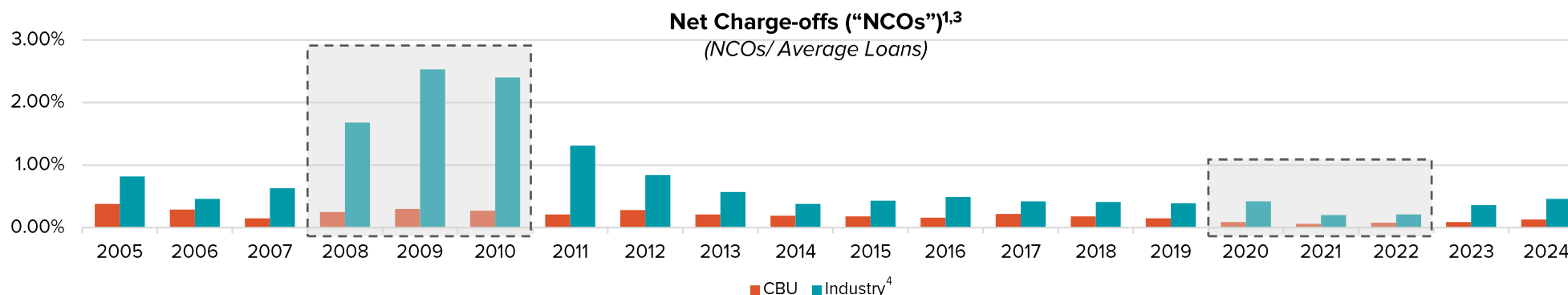
Historically Strong Asset Quality Metrics



Period Average⁵

CBU: 0.37%

Industry: 1.46%



Period Average⁵

CBU: 0.19%

Industry: 0.77%

¹ 2024 data as of 12/31/2024.

² Bank-level regulatory reporting results. Nonperforming assets include total nonaccrual loans, restructured loans, nonaccrual debt securities and other assets, and other real estate owned.

³ Bank-level regulatory reporting results. NCOs include checking/overdraft charge-offs.

⁴ Industry group is defined as U.S. Commercial Banks with assets between \$10 billion and \$50 billion

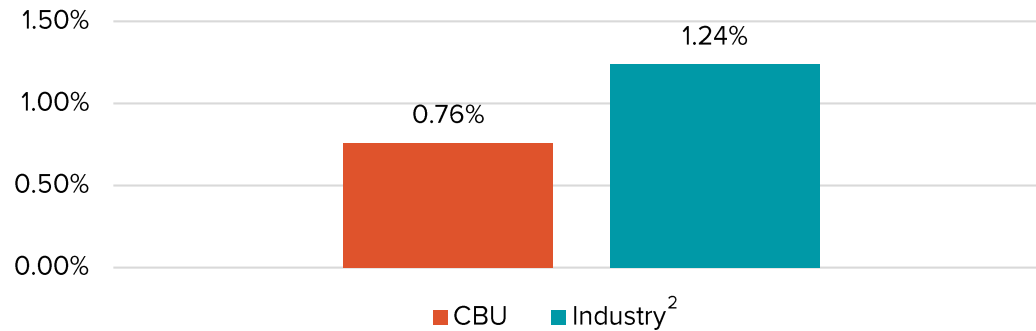
⁵ Simple average of all periods presented



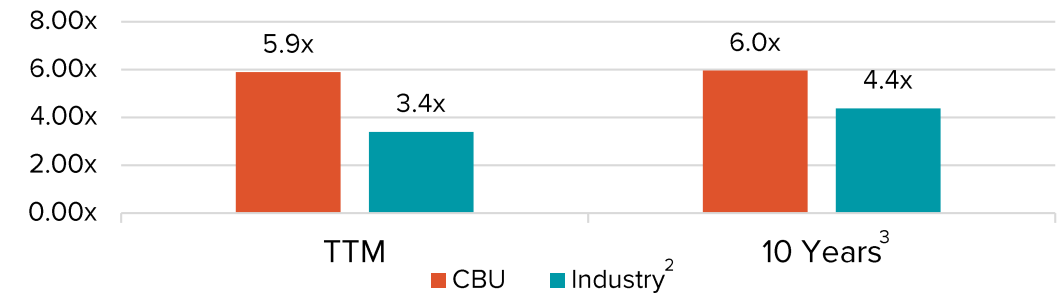
Allowance Industry Comparison

Ample loss coverage compared to industry

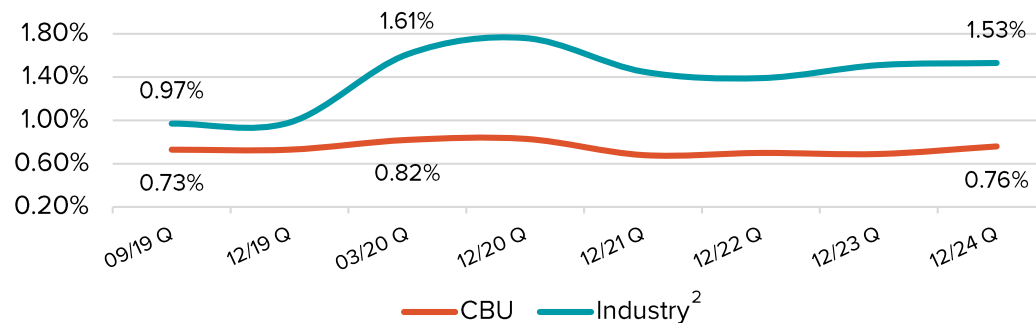
Allowance for Credit Losses (“ACL”) Ratio¹



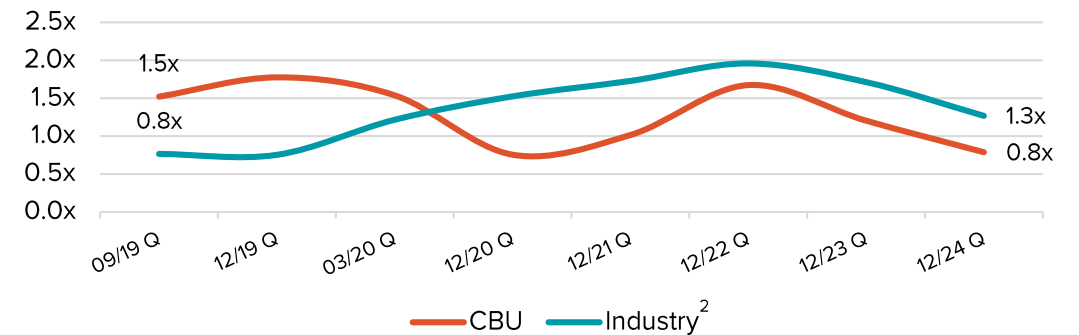
Allowance Loss Coverage
(ACL Ratio¹ / Average Period Net Charge-Off Ratio)



ACL Ratio Trend¹



ACL¹ / NPLs⁴



¹ Q4 2024 ACL regulatory reporting results.

² Industry group is defined as U.S. Commercial Banks with assets between \$10 billion and \$50 billion.

³ Average net charge-off ratio is a 10-year average from 2015 – 2024

⁴ Loan loss reserves as a percent of nonperforming assets plus loans 90 days or more past due and still accruing.

Source: S&P Global



Liquidity Position & Sources

Conservative approach

- Loan to deposit ratio of 77.6% as of December 31, 2024
- Investment portfolio consists of lower risk investments
 - 76% US Treasury Securities & Cash Equivalents at 12/31/2024
- Core deposit focused
- The Company's immediately available liquidity sources represent over **240%** of the Company's uninsured deposits, net of collateralized and intercompany deposits, which are estimated at \$2.35 billion

Dollars in thousands	December 31, 2024
Unrestricted cash and cash equivalents	\$191,894
FHLB borrowing availability	1,185,087
FRB borrowing capacity	2,670,278
Investments ¹	
US government and agency	3,099,335
MBS and CMO	512,354
Municipals	370,355
Corporates & equity securities	10,051
Less: Pledged securities	(2,265,415)
Net unpledged securities	1,726,680
Total liquidity sources	\$5,773,939

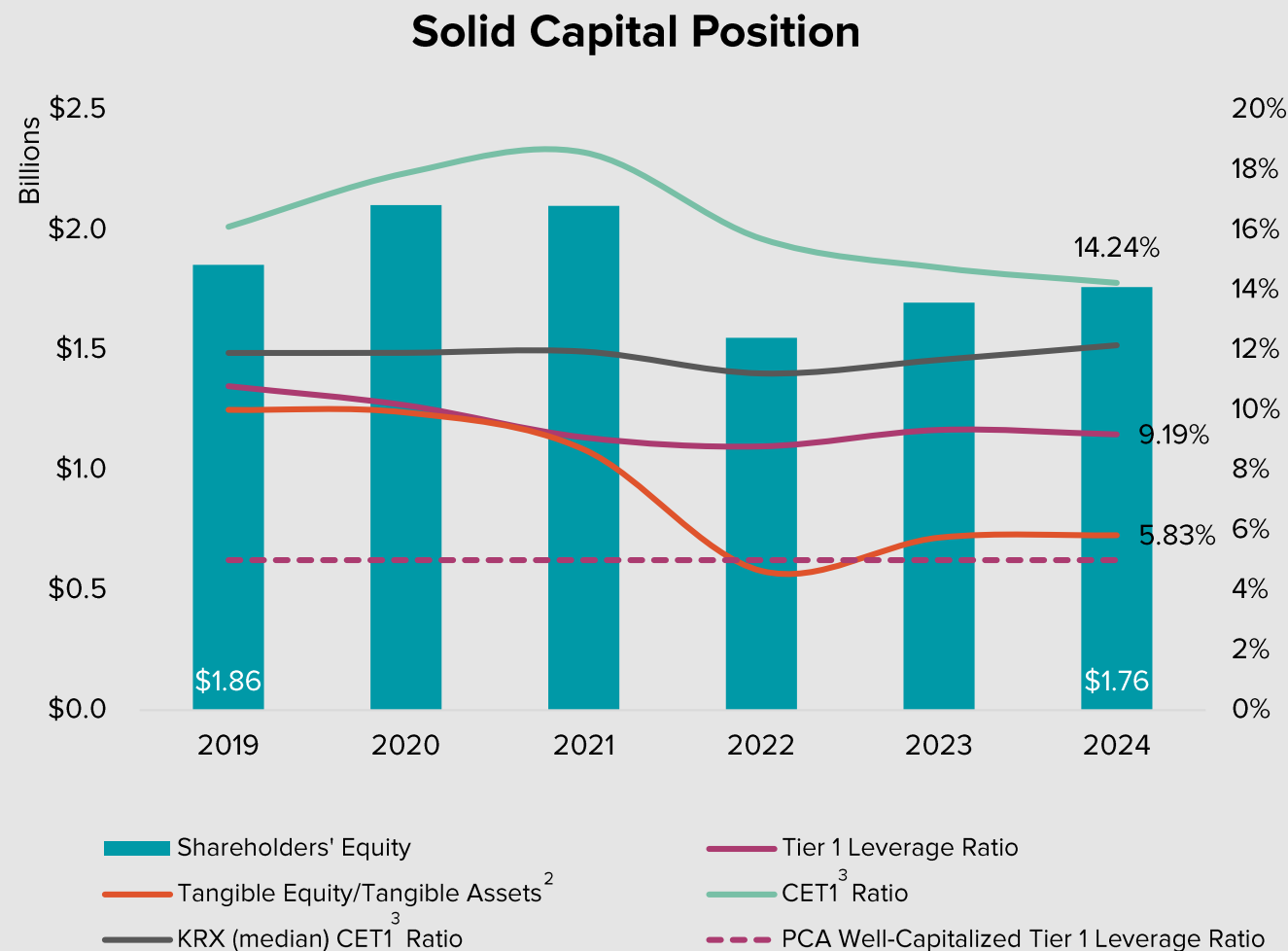
¹ Includes \$404.8 million in net unrealized losses on AFS securities and \$125.0 million in net unrealized losses on HTM securities; excludes municipal qualified school construction bonds, equity securities without readily determinable fair values and other investments



Solid Capital Position

Ready to support growth

- Tier 1 leverage ratio maintained well above PCA¹ well-capitalized standards to support future organic growth and strategic M&A
- Risk-based capital ratios maintained well-above KRX peer levels reflective of solid capital position and lower-risk balance sheet



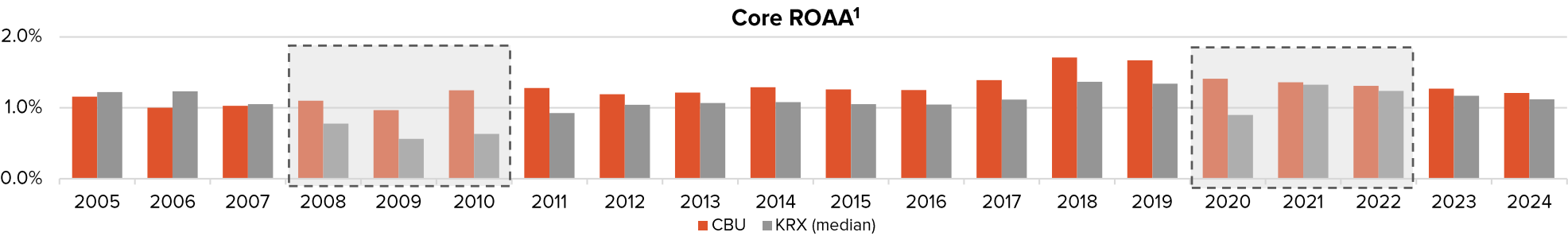
¹ Prompt Corrective Action

² Tangible equity and tangible assets are non-GAAP measures. Please see Appendix for details.

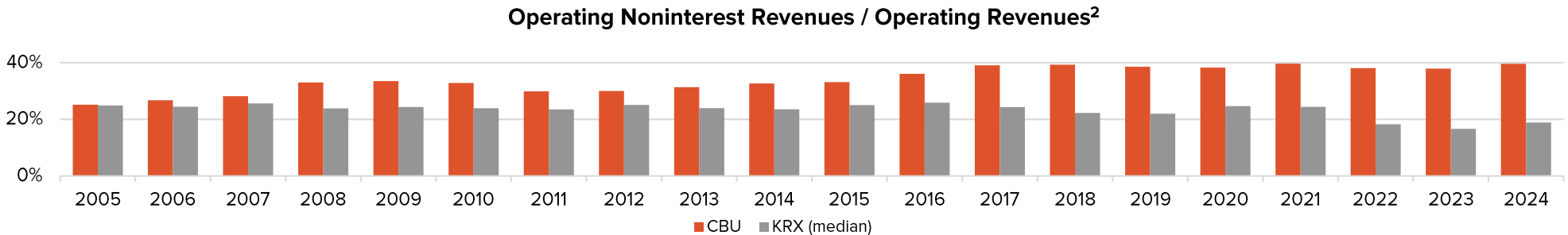
³ Tier 1 Common Capital (CET1) Ratio



Outperformance During Turbulence



Period Average³
CBU: 1.27%
KRX: 1.06%



Period Average³
CBU: 34.2%
KRX: 23.3%

¹ Core income, a non-GAAP measure, is net income after taxes and before extraordinary items, less net income attributable to noncontrolling interest, gain or loss on the sale of securities, amortization of intangibles, goodwill and nonrecurring items.
² Operating noninterest income / operating revenues is defined as total noninterest revenues, excluding only gains from securities transactions (if reported) and nonrecurring items divided by recurring operating revenue, net of interest expense and excluding securities transactions.
³ Simple average of all periods presented

Source: S&P Global

Shareholder Returns & Key Investment Merits



Committed to successful operating strategy focused on intelligent low-risk acquisitions, organic growth, and prudent capital management



Superior long-term return to shareholders and long-standing dividend growth

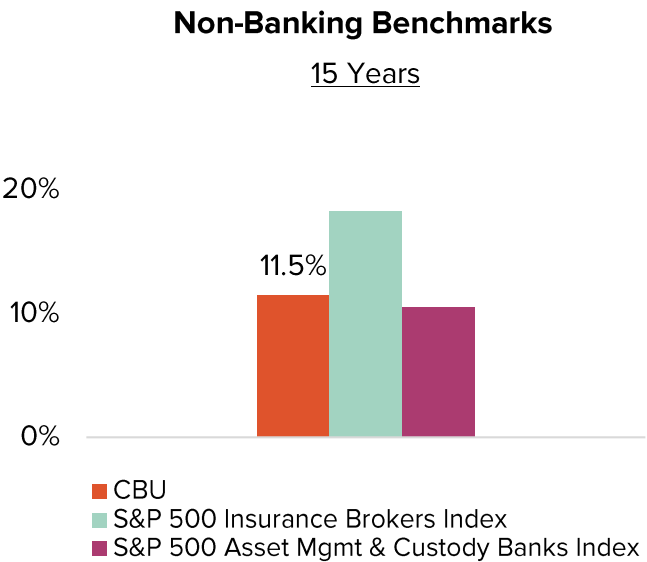
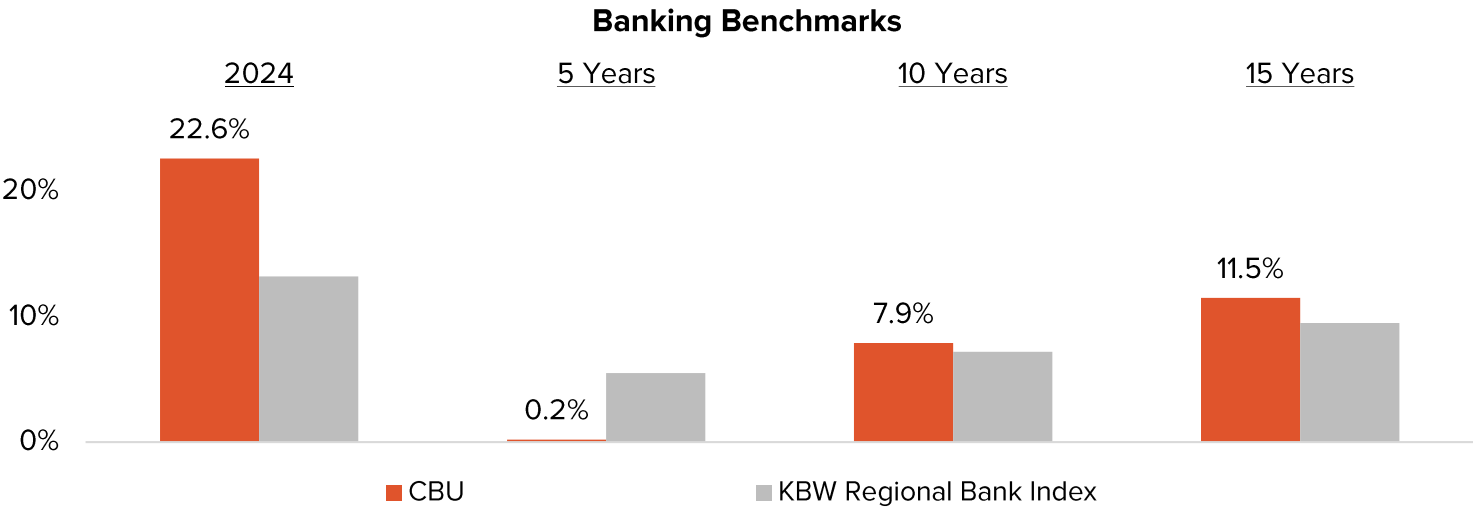


Strong fundamentals with consistent and strong asset quality and high quality, diversified revenues



Long-term responsible growth focus

Annualized Total Shareholder Returns¹



¹ Through December 31, 2024, including reinvestment of dividends.





Community
FINANCIAL SYSTEM, INC.

Valuation Considerations

COMMUNITY FINANCIAL SYSTEM, INC. | NYSE: CBU

Valuation Considerations

#1

in nonbanking fees/
revenue amongst
KRX^{1,2}

#2

in fees/ revenue
amongst KRX¹

#1

in cost of funds
amongst KRX¹

#2
(tied)

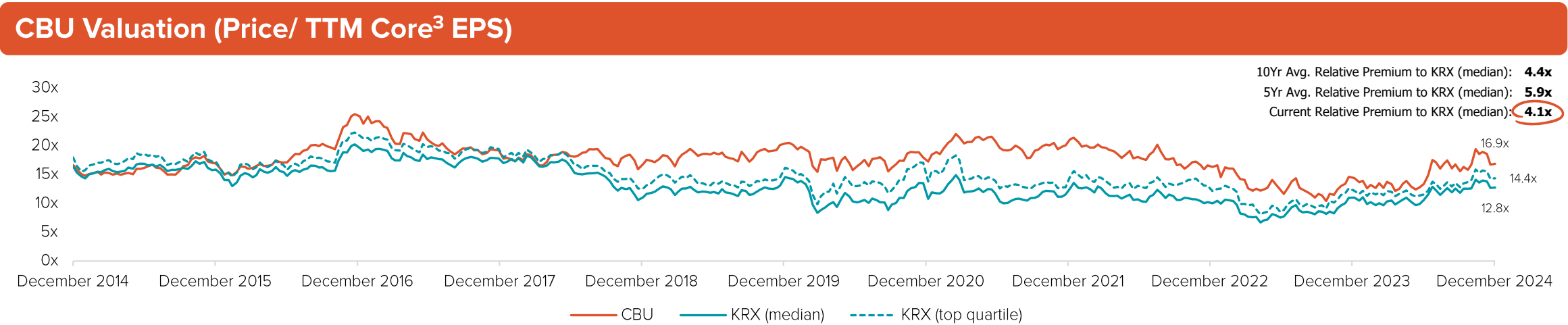
in consecutive
annual dividend
increases amongst
KRX

0.10%

NCO %
vs.
0.19% for KRX
median¹

1.21%

Core ROAA %
vs.
1.12% for KRX
median¹



¹ TTM basis
² Regulatory income statement basis. Non-bank revenue includes fiduciary, investment banking, insurance and other noninterest income to capture employee benefit services revenue
³ Core income, a non-GAAP measure, is net income after taxes and before extraordinary items, less net income attributable to noncontrolling interest, gain or loss on the sale of securities, amortization of intangibles, goodwill and nonrecurring items.

Sources: S&P Global
Analysis current as of 12/31/2024

P/E Reference Framework



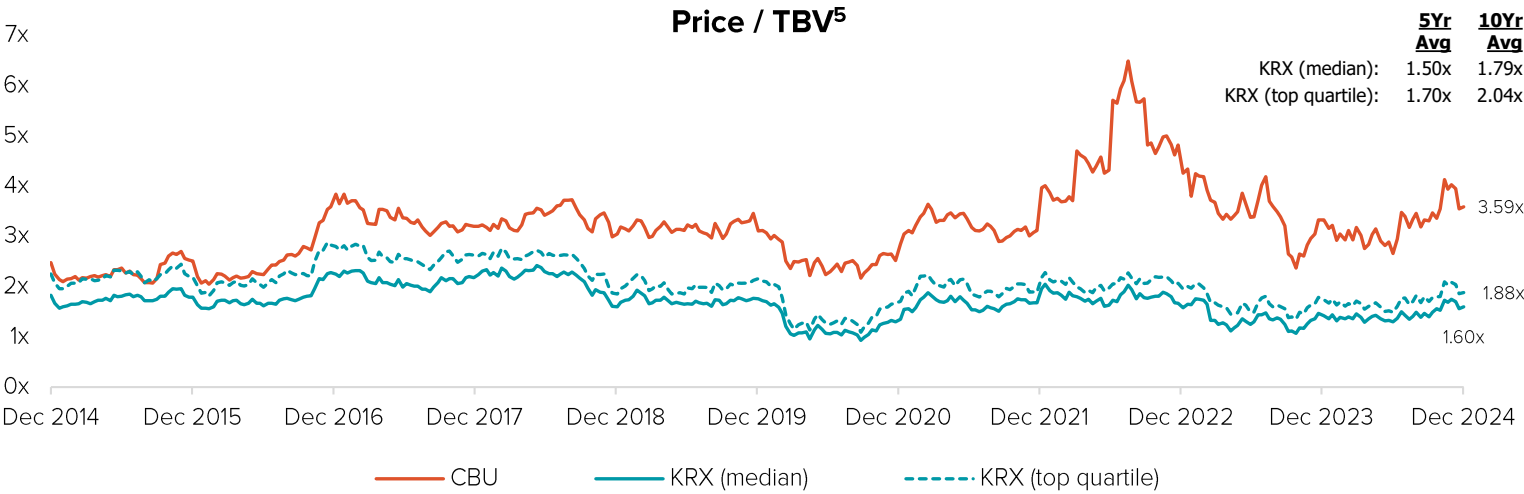
¹ Estimates based on the following publicly traded consumer finance firms: ALLY, AXP, BFN, COF, DFS, SLM, SYF
² Estimates based on the following publicly traded firms: ADP, BR, HQY, PAYX, SEIC, SSNC
³ Estimates based on the following publicly traded insurance brokers: AJG, AON, BRO, MMC
⁴ Estimates based on the following publicly traded firms: AMG, LPLA, RJF, SF

P/E ranges based on top and bottom quartiles based on 2025 estimates
P/E analysis current as of 2/10/2025

Illustrative P/TBV Context

		2025 Estimates						Illustrative Segment Valuation		
Nonbanking Business Proxies	ROE	Price/ Revenue		Price/ EBITDA		Price/ Earnings		Valuation	Per Share	Price / TBV
<i>\$ in Millions, except per share figures</i>	<i>TTM Median</i>	<i>Bottom Quartile</i> <i>Top Quartile</i>						<i>Median of 2025 Estimates</i>		<i>N/A</i>
Employee Benefit Services ¹	30.1%	4.6x	8.2x	14.5x	21.4x	19.9x	30.4x	\$979.8	\$18.49	N/A
Insurance Services ²	23.8%	4.9x	6.0x	16.6x	17.7x	23.6x	26.4x	\$207.7	\$3.92	N/A
Wealth Management Services ³	18.1%	2.0x	2.5x	9.2x	10.8x	11.0x	15.4x	\$102.2	\$1.93	N/A
Nonbanking Businesses ⁵								\$1,289.7	\$24.34	N/A

	Q4 2024
CBU Share Price (12/31/2024)	\$61.68
CBU TBV (A) ⁴	\$17.20
Nonbanking Businesses Implied Value (B) ⁵	\$24.34
CBU Intrinsic TBV (A + B) ⁵	\$41.54
CBU Intrinsic TBV (excl. AOCI) ⁵	\$51.61
Price / Intrinsic TBV ⁵	1.48x
Price / Intrinsic TBV (excl. AOCI) ⁵	1.20x



¹ Estimates based on the following publicly traded firms: ADP, BR, HQY, PAYX, SEIC, SSNC
² Estimates based on the following publicly traded insurance brokers: AJG, AON, BRO, MMC
³ Estimates based on the following publicly traded firms: AMG, LPLA, RJF, SF
⁴ Tangible book value (TBV) is a non-GAAP measure. Please see Appendix for details
⁵ Based on internal Company data for illustrative purposes

Valuation analysis current as of 2/10/2025

Appendix

Glossary of Terms

Term / Acronym	Defined as
ACL	Allowance for credit losses
AFS	Available for sale
AOCI	Accumulated other comprehensive income
AUA	Assets under administration
AUM	Assets under management
AUMA	Assets under management & administration
CAGR	Compounded annual growth rate
CET1	Common equity tier 1
CIT	Collective investment trust
CNY	Central New York
CRE	Commercial real estate
EBITDA	Earnings before interest, taxes, depreciation, and amortization
FTE	Fully taxable equivalent
FTEs	Full-time equivalent staff
FY	Full-year
HRA	Health reimbursement arrangement
HSA	Health savings account
HTM	Held to maturity
KRX	Ticker for the KBW Regional Banking Index peer group used

Term / Acronym	Defined as
MRQ	Most recent quarter
NCO	Net charge-offs
NOO CRE	Non-owner occupied commercial real estate
NPA	Non-performing assets
NTM	Next twelve months
P&C	Property & casualty
PCA	Prompt corrective action
PPNR	Pre-provision net revenue
RHS	Retirement health savings
ROA	Return on assets
ROE	Return on equity
SMB	Small-medium businesses with less than 500 employees
TBV	Tangible book value
TPA	Third party administrator
TTM	Trailing twelve months as of 12/31/2024
VEBA	Voluntary employees' beneficiary association
Y/E	Year ending
YOY	Year-over-year
YTD	Year to date as of 12/31/2024, unless otherwise noted

Primary Subsidiaries

Banking	Wealth Management Services	Insurance Services	Employee Benefit Services
Community Bank, N.A.	Community Investment Services, Inc.	OneGroup NY, Inc.	Benefit Plans Administrative Services, Inc.
	Nottingham Advisors, Inc.		Benefit Plans Administrative Services, LLC
	Nottingham Trust (Division of Community Bank, N.A.)		BPAS Actuarial & Pension Services, LLC
	The Carta Group, Inc.		Hand Benefits & Trust Company
	OneGroup Wealth Partners, Inc.		Hand Securities, Inc.
			Northeast Retirement Services, LLC
			Global Trust Company, Inc.
			BPAS Trust Company of Puerto Rico
			Fringe Benefits Design of Minnesota, Inc.



How We Operate: Our Core Values

Our Mission: “Contribute to the prosperity of our Community, including our clients, colleagues and shareholders.”

INTEGRITY
WE DO THE RIGHT THING



EXCELLENCE
WE ALWAYS BRING OUR BEST



TEAMWORK
WE WORK TOGETHER



HUMILITY
WE RESPECT EVERYONE



KRX Peer Group

Peer Company Name	Ticker	Location	Total Assets ¹
Flagstar Financial, Inc.	FLG	Hicksville, NY	\$100,190
Webster Financial Corporation	WBS	Stamford, CT	\$79,025
Popular, Inc.	BPOP	Hato Rey, PR	\$73,045
Wintrust Financial Corporation	WTFC	Rosemont, IL	\$64,880
Valley National Bancorp	VLY	Morristown, NJ	\$62,492
Synovus Financial Corp.	SNV	Columbus, GA	\$60,234
Old National Bancorp	ONB	Evansville, IN	\$53,552
Pinnacle Financial Partners, Inc.	PNFP	Nashville, TN	\$52,589
Cullen/Frost Bankers, Inc.	CFR	San Antonio, TX	\$52,520
Columbia Banking System, Inc.	COLB	Tacoma, WA	\$51,576
UMB Financial Corporation	UMBF	Kansas City, MO	\$50,410
BOK Financial Corporation	BOKF	Tulsa, OK	\$49,686
F.N.B. Corporation	FNB	Pittsburgh, PA	\$48,625
Cadence Bank	CADE	Tupelo, MS	\$47,019
SouthState Corporation	SSB	Winter Haven, FL	\$46,381
Associated Banc-Corp	ASB	Green Bay, WI	\$43,023
Prosperity Bancshares, Inc.	PB	Houston, TX	\$39,567
Bank OZK	OZK	Little Rock, AR	\$38,259
BankUnited, Inc.	BKU	Miami Lakes, FL	\$35,242
Hancock Whitney Corporation	HWC	Gulfport, MS	\$35,082
Banc of California, Inc.	BANC	Los Angeles, CA	\$33,543
Fulton Financial Corporation	FULT	Lancaster, PA	\$32,065
Commerce Bancshares, Inc.	CBSH	Kansas City, MO	\$31,997
Texas Capital Bancshares, Inc.	TCBI	Dallas, TX	\$30,732
United Bankshares, Inc.	UBSI	Charleston, WV	\$30,024

Peer Company Name	Ticker	Location	Total Assets ¹
First Interstate BancSystem, Inc.	FIBK	Billings, MT	\$29,137
Glacier Bancorp, Inc.	GBCI	Kalispell, MT	\$27,903
United Community Banks, Inc.	UCB	Blairsville, GA	\$27,720
WaFd, Inc.	WAFD	Seattle, WA	\$27,684
Simmons First National Corporation	SFNC	Pine Bluff, AR	\$26,876
Ameris Bancorp	ABCB	Atlanta, GA	\$26,262
Eastern Bankshares, Inc.	EBC	Boston, MA	\$25,558
Atlantic Union Bankshares Corporation	AUB	Glen Allen, VA	\$24,585
Provident Financial Services, Inc.	PFS	Jersey City, NJ	\$24,052
First Hawaiian, Inc.	FHB	Honolulu, HI	\$23,828
Bank of Hawaii Corporation	BOH	Honolulu, HI	\$23,601
Cathay General Bancorp	CATY	Los Angeles, CA	\$23,055
Home Bancshares, Inc. (Conway, AR)	HOMB	Conway, AR	\$22,491
WSFS Financial Corporation	WSFS	Wilmington, DE	\$20,814
Independent Bank Corp.	INDB	Rockland, MA	\$19,374
First BanCorp.	FBP	San Juan, PR	\$19,293
First Financial Bancorp.	FFBC	Cincinnati, OH	\$18,570
Trustmark Corporation	TRMK	Jackson, MS	\$18,152
Pacific Premier Bancorp, Inc.	PPBI	Irvine, CA	\$17,904
Hope Bancorp, Inc.	HOPE	Los Angeles, CA	\$17,054
Community Financial System, Inc.	CBU	Dewitt, NY	\$16,386
CVB Financial Corp.	CVBF	Ontario, CA	\$15,154
First Financial Bankshares, Inc.	FFIN	Abilene, TX	\$13,979
Brookline Bancorp, Inc.	BRKL	Boston, MA	\$11,905
First Commonwealth Financial Corporation	FCF	Indiana, PA	\$11,585

¹\$ in millions, as of December 31, 2024



Reconciliation of GAAP and Non-GAAP

Community Financial System, Inc.'s (the "Company") management uses the term "non-GAAP" financial measures in their analysis of the Company's performance and operations. Management believes that these non-GAAP financial measures help investors and analysts measure underlying core performance and improves comparability to other organizations that have not engaged in acquisitions or restructuring activities. These disclosures should not be viewed as a substitute for financial measures determined in accordance with GAAP, nor are they necessarily comparable to non-GAAP financial measures that may be presented by other companies. The types of non-GAAP financial measures used in this presentation include:

- Tangible equity, tangible common equity, tangible assets and tangible book value and tangible book value per share are non-GAAP financial measures which the Company's management uses to assess the quality of capital and believes that investors may find useful in their analysis, although these metrics are not necessarily comparable to similar non-GAAP financial measures used by other companies. Tangible equity is calculated by excluding the balance of goodwill and other intangible assets from the calculation of total equity and adding back the amount of the deferred tax liability related to tax deductible goodwill and other intangible assets. Tangible common equity is calculated by excluding the balance of goodwill and other intangible assets from the calculation of stockholders' equity and adding back the amount of the deferred tax liability related to tax deductible goodwill and other intangible assets. Tangible assets is calculated by excluding the balance of goodwill and other intangible assets from the calculation of total assets and adding back the amount of the deferred tax liability related to tax deductible goodwill and other intangible assets. Tangible book value per share is calculated by dividing tangible common equity by the number of shares outstanding at a point in time.
- Net interest margin on a fully tax-equivalent ("FTE") basis, includes an adjustment to net interest income that represents taxes that would have been paid had nontaxable investment securities and loans been taxable. The adjustment attempts to enhance the comparability of the performance of assets that have different tax liabilities.
- Operating earnings, operating revenues, operating revenues (FTE), operating noninterest revenues and operating noninterest expenses are non-GAAP financial measures which the Company believes investors may find useful in their analysis to better reflect core performance and enhance comparability to both banking and non-banking organizations. Operating earnings is calculated by excluding the net of tax effect of acquisition expenses, acquisition-related contingent consideration adjustment, net gain (loss) on sale of investments, unrealized gain (loss) on equity securities, amortization of intangible assets, gain (loss) on debt extinguishment, acquisition-related provision for credit losses, restructuring expenses and litigation accrual expenses from net income. Operating revenues is calculated by excluding unrealized gain (loss) on equity securities, gain (loss) on sales of investment securities and the gain (loss) on debt extinguishment from total revenues. Operating revenues (FTE) is calculated by adding the fully tax-equivalent (FTE) adjustment that is applied to net interest income to operating revenues. Operating noninterest revenues is calculated by excluding unrealized gain (loss) on equity securities, gain (loss) on sales of investment securities and the gain (loss) on debt extinguishment from total noninterest revenues. Operating noninterest expenses is calculated by excluding acquisition expenses, acquisition-related contingent consideration adjustment, amortization of intangible assets, restructuring expenses and litigation accrual expenses from noninterest expenses.
- Operating pre-tax, pre-provision net revenue, a non-GAAP financial measure, subtracts the provision for credit losses, acquisition-related expenses, unrealized gain (loss) on equity securities, loss on sales of investment securities, gain on debt extinguishment, amortization of intangible assets, restructuring expenses, and litigation accrual from income before income taxes. The Company's management believes this information helps investors and analysts measure and compare the Company's performance through a credit cycle by excluding the volatility in the provision for credit losses associated with the impact of CECL, helps investors and analysts measure underlying core performance and improves comparability to other organizations that have not engaged in acquisitions or restructuring activities.

Pre-tax, Pre-provision Components

Dollars in thousands, except per share data

	2024	2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024	Q4 2024
Operating pre-tax, pre-provision net revenue ("PPNR") (non-GAAP)							
Net income (GAAP)	\$182,481	\$131,924	\$33,706	\$40,872	\$47,915	\$43,901	\$49,793
Income taxes	54,223	36,307	10,089	12,171	14,177	13,129	14,747
Income before income taxes	236,704	168,231	43,795	53,043	62,092	57,030	64,540
Provision for credit losses	22,773	11,203	4,073	6,148	2,708	7,709	6,208
Pre-tax, pre-provision net revenue (non-GAAP)	259,477	179,434	47,868	59,191	64,800	64,739	70,748
Acquisition expenses	213	63	7	35	104	66	8
Acquisition-related contingent consideration adjustments	244	3,280	2,200	-	-	(156)	400
Restructuring expenses	-	1,163	1,163	-	-	-	-
Litigation accrual	138	5,800	5,800	119	-	102	(83)
Loss on sales of investment securities	487	52,329	-	-	232	255	-
Unrealized (gain) loss on equity securities	(1,231)	47	(52)	(16)	(867)	(101)	(247)
Gain on debt extinguishment	-	(242)	-	-	-	-	-
Amortization of intangible assets	14,259	14,511	3,563	3,576	3,877	3,369	3,437
Operating pre-tax, pre-provision net revenue ("PPNR") (non-GAAP)	\$273,587	\$256,385	\$60,549	\$62,905	\$68,146	\$68,274	\$74,263
Operating pre-tax, pre-provision net revenue ("PPNR") per share (non-GAAP)							
Diluted earnings per share (GAAP)	\$3.44	\$2.45	\$0.63	\$0.76	\$0.91	\$0.83	\$0.94
Income taxes	1.02	0.67	0.19	0.23	0.26	0.25	0.28
Income before income taxes	4.46	3.12	0.82	0.99	1.17	1.08	1.22
Provision for credit losses	0.43	0.21	0.07	0.12	0.06	0.15	0.11
Pre-tax, pre-provision net revenue per share (non-GAAP)	4.89	3.33	0.89	1.11	1.23	1.23	1.33
Acquisition expenses	-	-	-	-	-	-	-
Acquisition-related contingent consideration adjustments	-	0.06	0.04	-	-	-	-
Restructuring expenses	-	0.02	0.02	-	-	-	-
Litigation accrual	-	0.11	0.11	-	-	-	-
Loss on sales of investment securities	0.01	0.97	-	-	-	-	-
Unrealized (gain) loss on equity securities	(0.02)	-	-	-	(0.01)	-	-
Gain on debt extinguishment	-	-	-	-	-	-	-
Amortization of intangible assets	0.27	0.27	0.07	0.07	0.07	0.06	0.07
Operating pre-tax, pre-provision net revenue ("PPNR") per share (non-GAAP)	\$5.15	\$4.76	\$1.13	\$1.18	\$1.29	\$1.29	\$1.40



Operating Net Income

Dollars in thousands, except per share data

	2019	2020	2021	2022	2023	2024	Q4 2024
Net income (GAAP)	\$169,063	\$164,676	\$189,694	\$188,081	\$131,924	\$182,481	\$49,793
Acquisition expenses, net of tax effect	6,952	3,942	551	3,930	50	173	7
Acquisition-related contingent consideration adjustments, net of tax effect	-	-	157	(235)	2,591	198	359
(Gain) loss on sales of investments, net of tax effect	(3,943)	-	-	-	41,340	394	-
Unrealized (gain) loss on equity securities, net of tax effect	(15)	5	(13)	34	37	(997)	(222)
Gain on debt extinguishment, net of tax effect	-	(336)	-	-	(191)	-	-
Acquisition-related provision for credit losses, net of tax effect	-	2,446	-	3,074	-	-	-
Restructuring expenses, net of tax effect	-	-	-	-	919	-	-
Litigation accrual, net of tax effect	-	2,357	(79)	-	4,582	112	(75)
Amortization of intangible assets, net of tax effect	12,886	11,425	11,044	11,907	11,464	11,550	3,087
Operating net income (non-GAAP)	\$184,943	\$184,515	\$201,354	\$206,791	\$192,716	\$193,911	\$52,949

	2019	2020	2021	2022	2023	2024	Q4 2024
Diluted earnings per share (GAAP)	\$3.23	\$3.08	\$3.48	\$3.46	\$2.45	\$3.44	\$0.94
Acquisition expenses, net of tax effect	0.13	0.07	0.01	0.07	-	-	-
Acquisition-related contingent consideration adjustments, net of tax effect	-	-	-	-	0.05	-	-
(Gain) loss on sales of investments, net of tax effect	(0.07)	-	-	-	0.76	0.01	-
Unrealized (gain) loss on equity securities, net of tax effect	-	-	-	-	-	(0.02)	-
Gain on debt extinguishment, net of tax effect	-	(0.01)	-	-	-	-	-
Acquisition-related provision for credit losses, net of tax effect	-	0.05	-	0.05	-	-	-
Restructuring expenses, net of tax effect	-	-	-	-	0.02	-	-
Litigation accrual, net of tax effect	-	0.05	-	-	0.08	-	-
Amortization of intangible assets, net of tax effect	0.24	0.21	0.20	0.22	0.21	0.22	0.06
Operating diluted earnings per share (non-GAAP)	\$3.53	\$3.45	\$3.69	\$3.80	\$3.57	\$3.65	\$1.00



Net Interest Margin & Operating ROA

Dollars in thousands

	2019	2020	2021	2022	2023	2024	Q4 2024
Net interest margin							
Net interest income	\$359,175	\$368,403	\$374,412	\$420,630	\$437,285	\$449,117	\$119,973
Total average interest-earning assets	9,663,634	11,358,162	13,393,383	14,548,665	14,078,061	14,754,880	15,035,988
Net interest margin (GAAP)	3.72%	3.24%	2.80%	2.89%	3.11%	3.04%	3.17%
Net interest margin (FTE) (non-GAAP)							
Net interest income	\$359,175	\$368,403	\$374,412	\$420,630	\$437,285	\$449,117	\$119,973
Fully tax-equivalent adjustment	4,009	3,939	3,393	4,074	4,242	3,721	882
Fully tax-equivalent net interest income (non-GAAP)	363,184	372,342	377,805	424,704	441,527	452,838	120,855
Total average interest-earning assets	9,663,634	11,358,162	13,393,383	14,548,665	14,078,061	14,754,880	15,035,988
Net interest margin (FTE) (non-GAAP)	3.76%	3.28%	2.82%	2.92%	3.14%	3.07%	3.20%

	2019	2020	2021	2022	2023	2024	Q4 2024
Average total assets	\$11,043,173	\$12,896,499	\$14,835,025	\$15,567,139	\$15,242,884	\$15,990,697	\$16,324,320
Net income (GAAP)	\$169,063	\$164,676	\$189,694	\$188,081	\$131,924	\$182,481	\$49,793
Return on assets (GAAP)	1.53%	1.28%	1.28%	1.21%	0.87%	1.14%	1.21%
Operating net income (non-GAAP)	\$184,943	\$184,515	\$201,354	\$206,791	\$192,716	\$193,911	\$52,949
Operating return on assets (non-GAAP)	1.67%	1.43%	1.36%	1.33%	1.26%	1.21%	1.29%



Operating Revenues

Dollars in thousands

	2004	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Q4 2024
Operating noninterest revenues (non-GAAP)													
Noninterest revenues (GAAP)	\$44,445	\$119,020	\$123,299	\$155,625	\$202,423	\$224,059	\$230,619	\$228,419	\$246,235	\$258,725	\$214,834	\$297,185	\$76,314
Unrealized (gain) loss on equity securities	-	-	-	-	-	(657)	(19)	6	(17)	44	47	(1,231)	(247)
Loss (gain) on sales of investment securities	(72)	-	4	-	(2)	-	(4,882)	-	-	-	52,329	487	-
Loss (gain) on debt extinguishment	-	-	-	-	-	318	-	(421)	-	-	(242)	-	-
Operating noninterest revenues (non-GAAP)	\$44,393	\$119,020	\$123,303	\$155,625	\$202,421	\$223,720	\$225,718	\$228,004	\$246,218	\$258,769	\$266,968	\$296,441	\$76,067
Operating revenues (FTE) (non-GAAP)													
Net interest income (GAAP)	151,043	244,428	248,420	273,896	315,675	345,055	359,175	368,403	374,412	420,630	437,285	449,117	119,973
Noninterest revenues (GAAP)	44,445	119,020	123,299	155,625	202,423	224,059	230,619	228,419	246,235	258,725	214,834	297,185	76,314
Total revenues (GAAP)	195,488	363,448	371,719	429,521	518,098	569,114	589,794	596,822	620,647	679,355	652,119	746,302	196,287
Unrealized (gain) loss on equity securities	-	-	-	-	-	(657)	(19)	6	(17)	44	47	(1,231)	(247)
Loss (gain) on sales of investment securities	(72)	-	4	-	(2)	-	(4,882)	-	-	-	52,329	487	-
Loss (gain) on debt extinguishment	-	-	-	-	-	318	-	(421)	-	-	(242)	-	-
Operating revenues (non-GAAP)	195,416	363,448	371,723	429,521	518,096	568,775	584,893	596,407	620,630	679,399	704,253	745,558	196,040
Fully tax-equivalent adjustment (non-GAAP)	14,508	15,533	12,404	9,961	9,415	4,345	4,009	3,939	3,393	4,074	4,242	3,721	882
Operating revenues (FTE) (non-GAAP)	\$209,924	\$378,981	\$384,127	\$439,482	\$527,511	\$573,120	\$588,902	\$600,346	\$624,023	\$683,473	\$708,495	\$749,279	\$196,922
Noninterest revenues/ total revenues (GAAP)													
Noninterest revenues (GAAP)	\$44,445	\$119,020	\$123,299	\$155,625	\$202,423	\$224,059	\$230,619	\$228,419	\$246,235	\$258,725	\$214,834	\$297,185	\$76,314
Total revenues (GAAP)	195,488	363,448	371,719	429,521	518,098	569,114	589,794	596,822	620,647	679,355	652,119	746,302	196,287
Noninterest revenues/ total revenues (GAAP)	22.7%	32.7%	33.2%	36.2%	39.1%	39.4%	39.1%	38.3%	39.7%	38.1%	32.9%	39.8%	38.9%
Operating noninterest revenues/ operating revenues (FTE) (non-GAAP)													
Operating noninterest revenues (non-GAAP)	\$44,393	\$119,020	\$123,303	\$155,625	\$202,421	\$223,720	\$225,718	\$228,004	\$246,218	\$258,769	\$266,968	\$296,441	\$76,067
Operating revenues (FTE) (non-GAAP)	209,924	378,981	384,127	439,482	527,511	573,120	588,902	600,346	624,023	683,473	708,495	749,279	196,922
Operating noninterest revenues/ operating revenues (FTE) (non-GAAP)	21.1%	31.4%	32.1%	35.4%	38.4%	39.0%	38.3%	38.0%	39.5%	37.9%	37.7%	39.6%	38.6%



Equity-to-Assets

Dollars in thousands

	2019	2020	2021	2022	2023	2024
Total tangible assets (non-GAAP)						
Total assets (GAAP)	\$11,410,295	\$13,931,094	\$15,552,657	\$15,835,651	\$15,555,753	\$16,386,044
Goodwill and other intangible assets, net	(836,923)	(846,648)	(864,335)	(902,837)	(897,987)	(901,471)
Deferred taxes on goodwill and other intangible assets, net	44,742	44,370	44,160	46,130	45,198	44,618
Total tangible assets (non-GAAP)	\$10,618,114	\$13,128,816	\$14,732,482	\$14,978,944	\$14,702,964	\$15,529,191
Total tangible common equity (non-GAAP)						
Shareholders' equity (GAAP)	\$1,855,234	\$2,104,107	\$2,100,807	\$1,551,705	\$1,697,937	\$1,762,834
Goodwill and other intangible assets, net	(836,923)	(846,648)	(864,335)	(902,837)	(897,987)	(901,471)
Deferred taxes on goodwill and other intangible assets, net	44,742	44,370	44,160	46,130	45,198	44,618
Total tangible common equity (non-GAAP)	\$1,063,053	\$1,301,829	\$1,280,632	\$694,998	\$845,148	\$905,981
Shareholders' equity-to-assets ratio (GAAP)						
Total shareholders' equity (GAAP) – numerator	\$1,855,234	\$2,104,107	\$2,100,807	\$1,551,705	\$1,697,937	\$1,762,834
Total assets (GAAP) – denominator	11,410,295	13,931,094	15,552,657	15,835,651	15,555,753	16,386,044
Shareholders' equity-to-assets ratio (GAAP)	16.26%	15.10%	13.51%	9.80%	10.92%	10.76%
Tangible equity-to-assets ratio (non-GAAP)						
Total tangible common equity (non-GAAP) – numerator	\$1,063,053	\$1,301,829	\$1,280,632	\$694,998	\$845,148	\$905,981
Total tangible assets (non-GAAP) – denominator	10,618,114	13,128,816	14,732,482	14,978,944	14,702,964	15,529,191
Tangible equity-to-assets ratio (non-GAAP)	10.01%	9.92%	8.69%	4.64%	5.75%	5.83%

Book Value

Dollars and shares in thousands

	2019	2020	2021	2022	2023	2024
Book value (GAAP)						
Total shareholders' equity (GAAP)	\$1,855,234	\$2,104,107	\$2,100,807	\$1,551,705	\$1,697,937	\$1,762,834
Period end common shares outstanding	51,794	53,593	53,878	53,737	53,327	52,668
Book value per share (GAAP)	\$35.82	\$39.26	\$38.99	\$28.88	\$31.84	\$33.47
Tangible book value (non-GAAP)						
Total tangible common equity (non-GAAP)	\$1,063,053	\$1,301,829	\$1,280,632	\$694,998	\$845,148	\$905,981
Period end common shares outstanding	51,794	53,593	53,878	53,737	53,327	52,668
Tangible book value per share (non-GAAP)	\$20.52	\$24.29	\$23.77	\$12.93	\$15.85	\$17.20



Operating Noninterest Expenses

Dollars in thousands

	2019	2020	2021	2022	2023	2024	Q4 2024
Operating noninterest expenses (non-GAAP)							
Noninterest expenses (GAAP)	\$372,026	\$376,534	\$388,138	\$424,268	\$472,685	\$486,824	\$125,539
Acquisition expenses	(8,608)	(4,933)	(701)	(5,021)	(63)	(213)	(8)
Acquisition-related contingent consideration adjustments	-	-	(200)	300	(3,280)	(244)	(400)
Restructuring expenses	-	-	-	-	(1,163)	-	-
Litigation accrual	-	(2,950)	100	-	(5,800)	(138)	83
Amortization of intangible assets	(15,956)	(14,297)	(14,051)	(15,214)	(14,511)	(14,259)	(3,437)
Total operating noninterest expenses (non-GAAP)	\$347,462	\$354,354	\$373,286	\$404,333	\$447,868	\$471,970	\$121,777



Core Results

Dollars in thousands, except per share data

	2019	2020	2021	2022	2023	2024	Q4 2024
Net income (GAAP)	\$169,063	\$164,676	\$189,694	\$188,081	\$131,924	\$182,481	\$49,793
Acquisition expenses, net of statutory tax effect ¹	6,801	3,897	554	3,966	50	168	6
Acquisition-related contingent consideration adjustments, net of statutory tax effect ¹	-	-	158	(237)	2,591	193	316
(Gain) loss on sales of investments, net of statutory tax effect ¹	(3,857)	-	-	-	41,340	385	-
Unrealized (gain) loss on equity securities, net of statutory tax effect ¹	(15)	5	(13)	35	37	(972)	(195)
Restructuring expenses, net of statutory tax effect ¹	-	-	-	-	919	-	-
Litigation accrual, net of statutory tax effect ¹	-	2,330	(79)	-	4,582	109	(66)
Amortization of intangible assets, net of statutory tax effect ¹	12,605	11,295	11,100	12,019	11,464	11,264	2,715
FDIC special assessment, net of statutory tax effect ¹	-	-	-	-	1,184	237	-
Core income (non-GAAP)	\$184,597	\$182,203	\$201,414	\$203,864	\$194,091	\$193,865	\$52,569

	2019	2020	2021	2022	2023	2024	Q4 2024
Core income (non-GAAP)	\$184,597	\$182,203	\$201,414	\$203,864	\$194,091	\$193,865	\$52,569
Average total assets (GAAP)	11,043,173	12,896,499	14,835,025	15,567,139	15,242,884	15,990,697	16,324,320
Core ROAA (non-GAAP)	1.67%	1.41%	1.36%	1.31%	1.27%	1.21%	1.28%

	2019	2020	2021	2022	2023	2024	Q4 2024
Core income (non-GAAP)	\$184,597	\$182,203	\$201,414	\$203,864	\$194,091	\$193,865	\$52,569
Average shareholders' equity (GAAP)	1,794,717	2,026,669	2,064,105	1,733,521	1,595,724	1,695,794	1,757,467
Core ROAE (non-GAAP)	10.3%	9.0%	9.8%	11.8%	12.2%	11.4%	11.9%

¹ 21% statutory tax rate used



Thank you!

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