

Community Bank System Acquires Fringe Benefits Design of Minnesota, Inc.

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SYRACUSE, N.Y.--(BUSINESS WIRE)-- Community Bank System, Inc. (NYSE: CBU) announced today that it acquired Fringe Benefits Design of Minnesota, Inc. ("FBD"), a provider of retirement plan administration and benefit consulting services with offices in Minnesota and South Dakota. FBD will become a subsidiary of Benefit Plans Administrative Services, Inc. ("BPAS"), a wholly-owned subsidiary of Community Bank System.

BPAS, through its various subsidiaries provides daily valuation, actuarial and employee benefit consulting, cafeteria plan and institutional trust services on a national scale, from offices in Utica and Syracuse, NY, Pittsburgh and Philadelphia, PA, Houston, TX Boston, MA and Puerto Rico.

The acquisition of FBD is expected to give BPAS a profile of over \$110 million in annual revenues, administration of more than 510,000 retirement plan participant accounts, 4,200 employer clients, approximately \$13 billion in defined contribution plan assets on its daily valuation system, and approximately \$110 billion of total assets in trust.

"We are very excited to be partnering with FBD, a respected and growing provider of retirement plan administration and benefit consulting services," said Community Bank System President and Chief Executive Officer, Mark E. Tryniski. "The transaction will strengthen and complement our existing BPAS businesses, and represents an attractive opportunity to expand our benefits business in the Midwest. We are delighted to welcome the entire FBD team to the Community Bank System organization and look forward to the future of the combined company."

Community Bank System, Inc. operates more than 225 customer facilities across Upstate New York, Northeastern Pennsylvania, Vermont, and Western Massachusetts through its banking subsidiary, Community Bank, N.A. With

assets of over \$14.6 billion, the DeWitt, N.Y. headquartered company is among the country's 125 largest banking institutions. In addition to a full range of retail, business, and municipal banking services, the Company offers comprehensive financial planning, insurance and wealth management services through its Community Bank Wealth Management Group and OneGroup NY, Inc. operating units. The Company's Benefit Plans Administrative Services, Inc. subsidiary is a leading provider of employee benefits administration, trust services, collective investment fund administration and actuarial consulting services to customers on a national scale. Community Bank System, Inc. is listed on the New York Stock Exchange and the Company's stock trades under the symbol CBU. For more information about Community Bank visit www.cbna.com or <https://ir.communitybanksystem.com>.

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements are based on the current beliefs and expectations of CBU's management and are subject to significant risks and uncertainties. Actual results may differ from those set forth in the forward-looking statements. The following factors, among others, could cause the actual results of CBU's operations to differ materially from its expectations: the macroeconomic and other challenges and uncertainties related to the COVID-19 pandemic, including the negative impacts and disruptions on public health, corporate and consumer customers, the communities CBU serves, and the domestic and global economy, including various actions taken in response by governments, central banks and others, which may have an adverse effect on CBU's business; current and future economic and market conditions, including the effects of declines in housing prices, high unemployment rates, U.S. fiscal debt, budget and tax matters, geopolitical matters, and any slowdown in global economic growth; fiscal and monetary policies of the Federal Reserve Board; the effect of changes in the level of checking or savings account deposits on CBU's funding costs and net interest margin; future provisions for credit losses on loans and debt securities; changes in nonperforming assets; the effect of a fall in stock market prices on CBU's fee income businesses, including its employee benefit services, wealth management, and insurance businesses; the successful integration of operations of its acquisitions; competition; changes in legislation or regulatory requirements; and the timing for receiving regulatory approvals and completing pending transactions. For more information about factors that could cause actual results to differ materially from CBU's expectations, refer to its reports filed with the Securities and Exchange Commission ("SEC"), including the discussion under "Risk Factors" as filed with the SEC and available on CBU's website at <https://ir.communitybanksystem.com> and on the SEC's website at www.sec.gov. Further, any forward-looking statement speaks only as of the date on which it is made, and CBU undertakes no obligation to update any forward-looking statement to reflect events or circumstances after the date on which the statement is made or to reflect the occurrence of unanticipated events.

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