

Community Bank System, Inc. Announces Stockholder and Regulatory Approvals Received for Kinderhook Bank Corp. Merger

4/24/2019

SYRACUSE, N.Y.--(BUSINESS WIRE)-- Community Bank System, Inc. (NYSE: CBU) (the "Company") announced that the Stockholders of Kinderhook Bank Corp. ("Kinderhook"), at its Special Stockholders Meeting held on April 23, 2019, overwhelmingly voted to approve the proposed merger of Kinderhook with the Company (the "Merger"). Kinderhook reported that more than 97% of the votes cast were voted to approve the Merger and that more than 85% of issued and outstanding shares were represented at the Special Meeting.

As announced earlier this week, the Company has received the regulatory approvals necessary to complete the Merger, including approval from the Office of the Comptroller of the Currency and a waiver from filing an application with the Federal Reserve Bank of New York. The Merger is expected to close on July 12, 2019, subject to customary closing conditions.

Mark E. Tryniski, the President and Chief Executive Officer of the Company, stated, "We are excited to hear of the strong support by the Kinderhook stockholders for the merger. This approval and the recent regulatory approvals allow us to set a projected closing date of July 12, 2019. Community Bank looks forward to the opportunity to welcome Kinderhook Bank's customers and employees to our family as we work together to integrate two high-quality banks with long histories of service to their customers and communities. We are dedicated to Kinderhook Bank's customers and both teams are working to make the transition to Community Bank as seamless as possible. We hope that our new customers will enjoy the larger branch network and variety of financial services Community Bank and its subsidiaries have to offer."

On January 22, 2019, the Company announced that it entered into a definitive agreement with Kinderhook, parent company of National Union Bank of Kinderhook, pursuant to which the Company will acquire Kinderhook in an all cash transaction representing total consideration valued at approximately \$93.4 million. The Merger will extend the Company's footprint into the Capital District of Upstate New York with the addition of 11 branch locations across a five county area in the Capital District of Upstate New York.

About Community Bank System, Inc.

Community Bank System, Inc. operates more than 230 customer facilities across Upstate New York, Northeastern Pennsylvania, Vermont, and Western Massachusetts through its banking subsidiary, Community Bank, N.A. With assets of over \$10.9 billion, the DeWitt, N.Y. headquartered company is among the country's 150 largest financial institutions. In addition to a full range of retail, business, and municipal banking services, the Company offers comprehensive financial planning 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 <http://ir.communitybanksystem.com>.

About Kinderhook Bank Corp.

Kinderhook Bank Corp. has total assets of approximately \$632 million, and is the holding company for The National Union Bank of Kinderhook. The bank's business, municipal, and consumer customers enjoy personalized relationships, online and mobile banking options, with 11 branches in upstate New York. Kinderhook Bank Corp. is listed on the OTCQB Venture Market and trades under the symbol NUBK. For more information about Kinderhook Bank visit www.nubk.com.

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. The following factors, among others, could cause the actual results of CBU's operations to differ materially from CBU's expectations: the successful integration of operations of its acquisitions; competition; changes in economic conditions, interest rates and financial markets; changes in legislation or regulatory requirements; and the timing for receiving regulatory approvals and completing pending transactions. These statements are based on the current beliefs and expectations of CBU's management and CBU does not assume any duty to update forward-looking statements.

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Joseph E. Sutaris, EVP & Chief Financial Officer
Office: (315) 445-7396

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