



Community
FINANCIAL SYSTEM, INC.

Investment Thesis

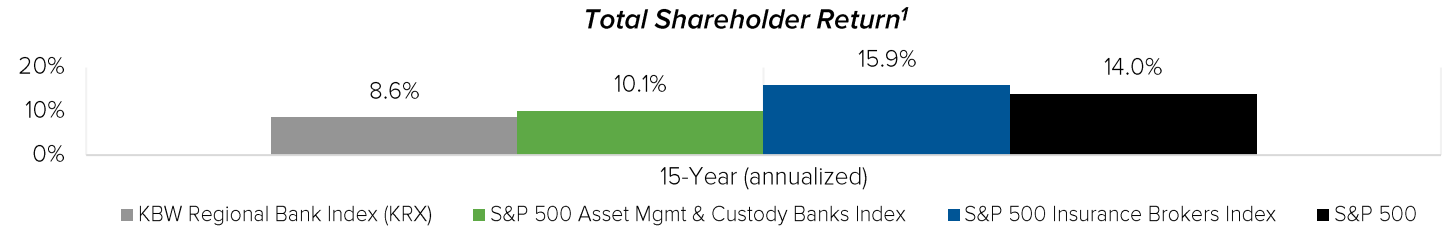
COMMUNITY FINANCIAL SYSTEM, INC. | NYSE: CBU

FEBRUARY 2026

Our Investment Thesis:

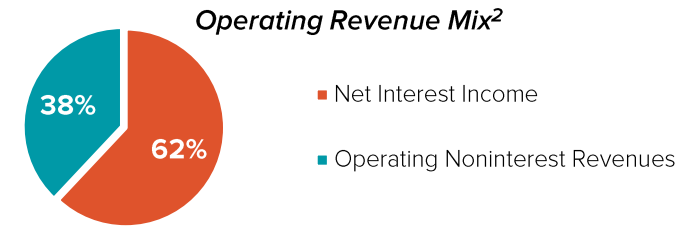
Above Average Returns with Below Average Risk

Sustainable returns in Financial Services accrue to diversified, lower capital-intensity companies



Diversification provides both revenue durability and high returns on capital

#1
in nonbanking fees/ revenue amongst KRX^{2,3}



Quality of balance sheet provides foundational strength

#2
in cost of funds amongst KRX²

76.1%
Loan/deposit ratio

0.12%
NCO % vs. 0.20% for KRX median²

Our business model leads to above-average returns

23.5%
Core ROATCE % vs. 14.2% for KRX median^{2,4,5}

1.35%
Core ROAA % vs. 1.25% for KRX median^{2,4}

33 years
of growing dividends

¹Total returns for periods noted ending 12/31/2025; include reinvestment of dividends

²TTM basis

³Regulatory income statement basis. Non-bank revenue includes fiduciary, investment banking, insurance and other noninterest income to capture employee benefit services revenue

⁴Core 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.






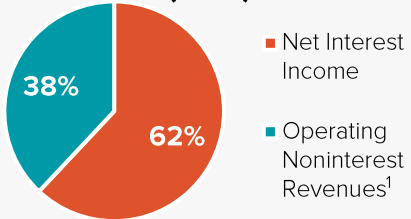

⁵Adjusted ROATCE is a non-GAAP measure defined as annualized segment adjusted pre-tax income / Total average segment tangible equity. Segment average tangible equity is defined as average total assets minus average total liabilities, excluding average intangible assets such as goodwill and other intangibles. Please see Appendix for details.

Trailing twelve months ("TTM") and year to date ("YTD") figures used throughout this presentation refer to the period ending 12/31/2025 unless otherwise noted.



About CBU

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

		Banking Services	Employee Benefit Services	Insurance Services	Wealth Management Services
					
<p>Operating Revenue Mix (TTM)</p>  <ul style="list-style-type: none"> Net Interest Income Operating Noninterest Revenues¹ 		<ul style="list-style-type: none"> \$17.0 billion in total assets Large bank capabilities with local service Strong market share 	<ul style="list-style-type: none"> Retirement Plan & Benefits Administration <ul style="list-style-type: none"> \$19.5 billion in AUA Actuarial & Pension Services Health & Welfare Plans Collective Investment Trusts <ul style="list-style-type: none"> \$108 billion in AUA 	<ul style="list-style-type: none"> Top 68 Insurance Broker in the U.S. P&C Insurance, Risk Management & Consulting, Employee Benefits and HR Consulting Offices in NY, PA, MA, FL and KY 	<ul style="list-style-type: none"> \$14.0 billion in AUMA Full-Service Financial Solutions: Investment Management, Trust & Estate Services, Asset Management, Retirement Plan Consulting, and Personalized Financial Planning Outsourced Partner Solutions
TTM Operating Revenue¹ 3-Yr Operating Revenue^{1,2} CAGR (TTM basis)	<p>\$817.6M total operating revenues</p>	<p>\$586.8M operating revenues²</p>	<p>\$142.4M operating revenues²</p>	<p>\$54.4M operating revenues²</p>	<p>\$39.4M operating revenues²</p>
	<p>6.4%</p>	<p>6.0%</p>	<p>6.4%</p>	<p>10.8%</p>	<p>6.1%</p>

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 Annual Report on Form 10-K for the periods ended December 31, 2024, in accordance with Accounting Standards Codification 280: Segment Reporting.

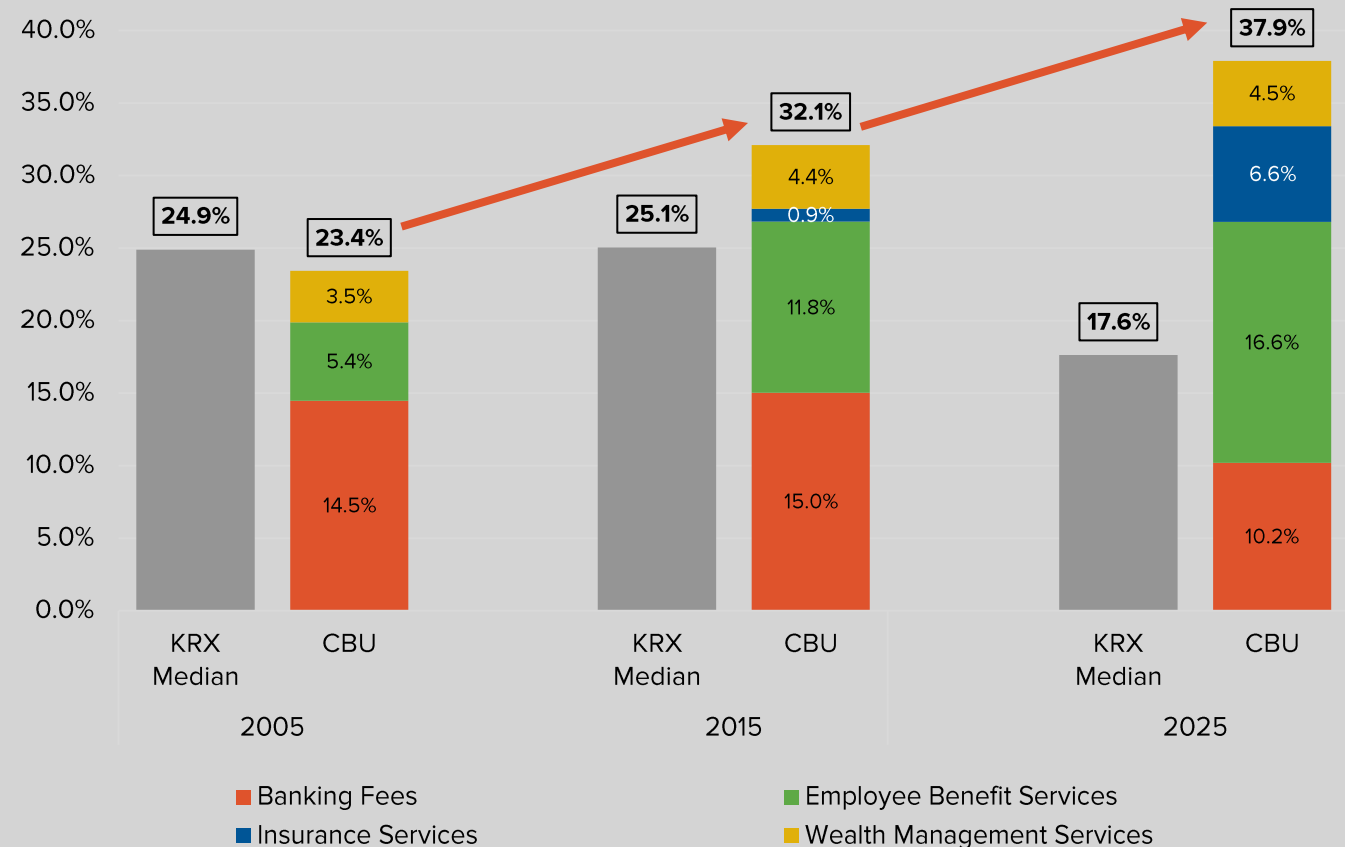


Our Evolution Into a Diversified Financial Company

2025 operating noninterest revenues were 38% of total operating revenues¹

- Top decile fee income performer²
- Longstanding focus on growing high quality, recurring noninterest revenues reduces revenue volatility
- 72% of CBU's Q4 2025 operating noninterest revenues¹ derived from its non-bank 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

Operating Noninterest Revenues / Operating Revenues (FTE)¹



¹ Operating noninterest revenues, operating revenues and operating revenues (FTE) are non-GAAP measures. Please see Appendix for details.

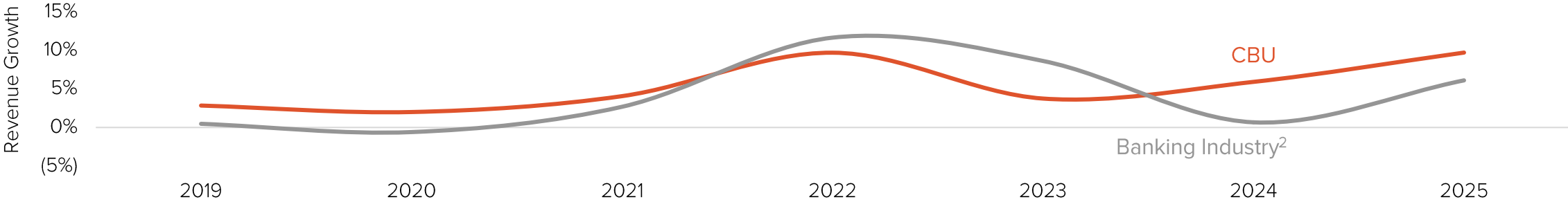
² Ranked in the top decile for noninterest revenue as a percentage of operating revenue among nationwide public banks with assets between \$10 and \$50 billion on a TTM basis

KRX peer group used throughout this presentation can be found in the Appendix.

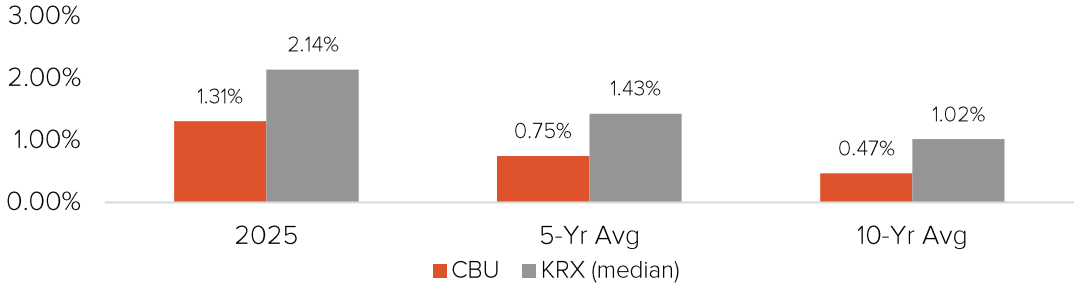


Below Average Risk

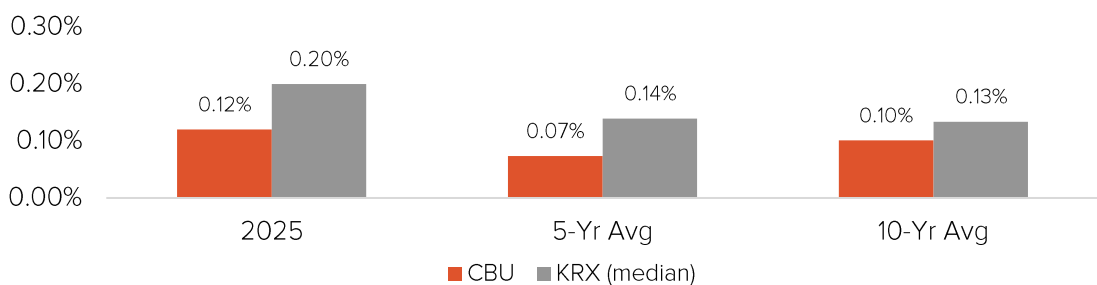
Revenue¹ Growth Stability



Cost of Funds



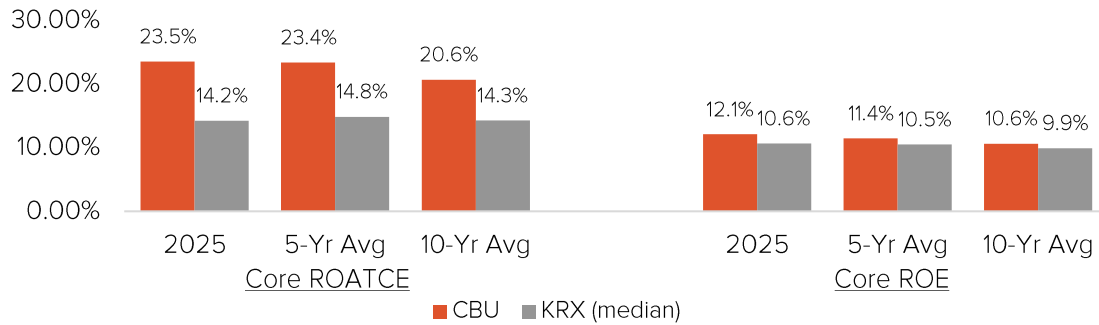
Net Charge-off Ratio



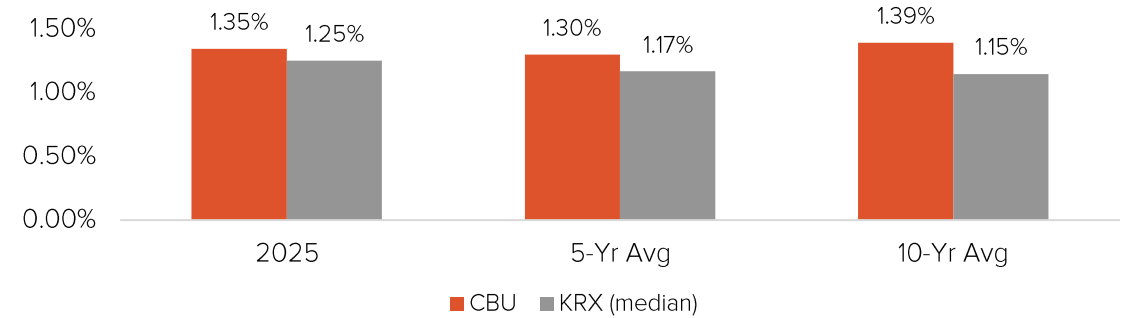
Sources: S&P Global, Internal filings
¹ Operating revenue is a non-GAAP measure. Please see Appendix for details.
² Industry group is defined as all U.S. Banks. Results are regulatory based and include net interest income and noninterest revenue as reported.

Above Average Returns

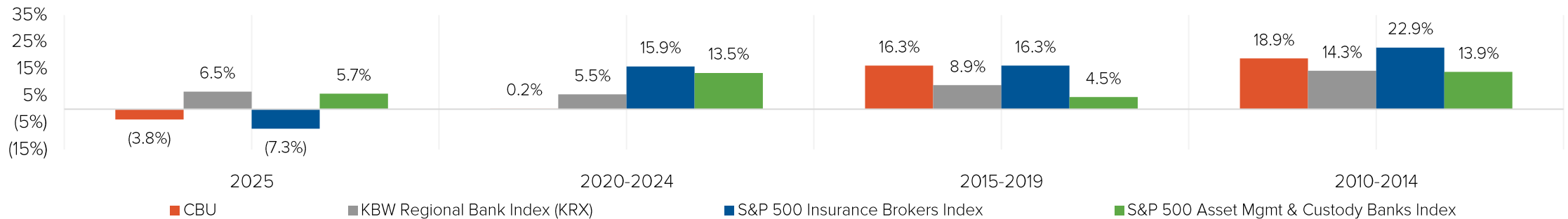
Core Return on Equity¹



Core Return on Assets¹



Total Shareholder Return²



Sources: S&P Global, Internal filings

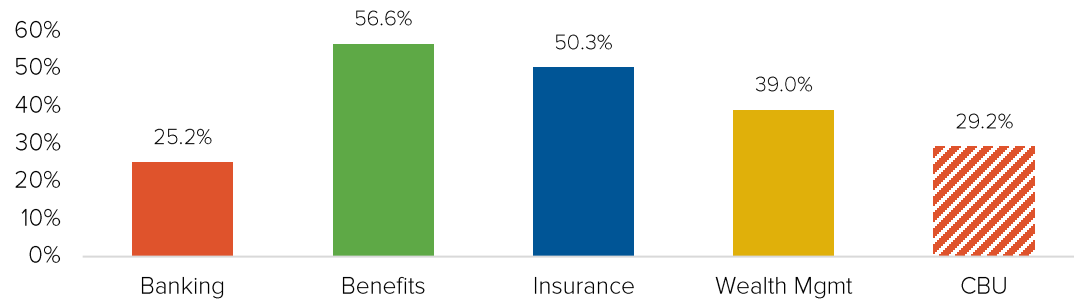
¹ Core income, a non-GAAP measure, is net income after taxes and before extraordinary items, less net income attributable to noncontrolling interest, gain or loss on the sale of securities, amortization of intangibles, goodwill and nonrecurring items. Core ROA is defined as core income divided by average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

² Total returns for periods noted including reinvestment of dividends

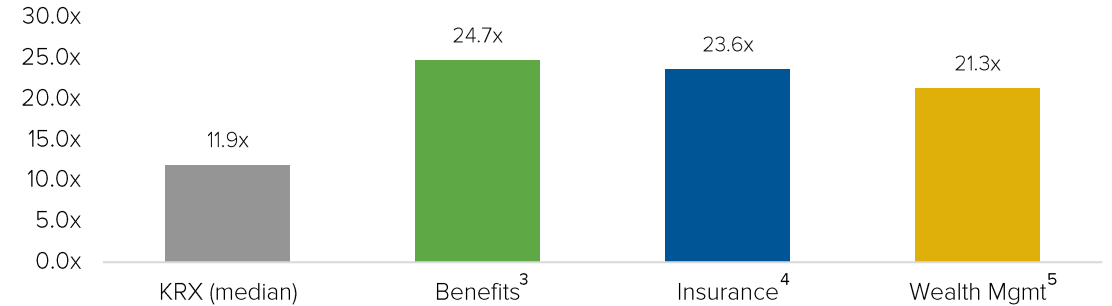


Our System Produces Premium Results

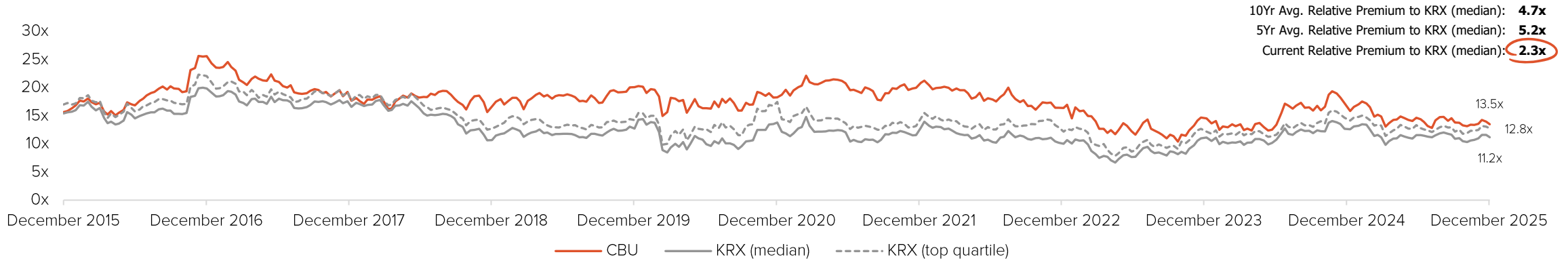
Adjusted Return on Tangible Equity (“ROATCE”)¹



Peer Valuation (Price/ TTM EPS)¹



CBU Valuation (Price/ TTM Core² EPS)



CBU valuation analysis current as of 12/31/2025

Sources: S&P Global, Internal filings

¹ TTM results. Adjusted ROATCE is a non-GAAP measure defined as annualized segment adjusted pre-tax income / Total average segment tangible equity. Segment average tangible equity is defined as average total assets minus average total liabilities, excluding average intangible assets such as goodwill and other intangibles. 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





Community
FINANCIAL SYSTEM, INC.

Appendix

COMMUNITY FINANCIAL SYSTEM, INC. | NYSE: CBU

FEBRUARY 2026

KRX Peer Group

Peer Company Name	Ticker	Location	Total Assets ¹
Flagstar Bank, National Association	FLG	Hicksville, NY	\$87,512
Webster Financial Corporation	WBS	Stamford, CT	\$84,074
Popular, Inc.	BPOP	Hato Rey, PR	\$75,348
UMB Financial Corporation	UMBF	Kansas City, MO	\$73,094
Old National Bancorp	ONB	Evansville, IN	\$72,152
Wintrust Financial Corporation	WTFC	Rosemont, IL	\$71,142
SouthState Bank Corporation	SSB	Winter Haven, FL	\$67,197
Columbia Banking System, Inc.	COLB	Tacoma, WA	\$66,832
Valley National Bancorp	VLY	Morristown, NJ	\$64,133
Pinnacle Financial Partners, Inc.	PNFP	Peachtree Corners, GA	\$57,706
Cadence Bank	CADE	Tupelo, MS	\$53,529
Cullen/Frost Bankers, Inc.	CFR	San Antonio, TX	\$53,041
BOK Financial Corporation	BOKF	Tulsa, OK	\$52,238
F.N.B. Corporation	FNB	Pittsburgh, PA	\$50,229
Associated Banc-Corp	ASB	Green Bay, WI	\$45,203
Bank OZK	OZK	Little Rock, AR	\$40,786
Prosperity Bancshares, Inc.	PB	Houston, TX	\$38,463
Atlantic Union Bankshares Corporation	AUB	Glen Allen, VA	\$37,586
Hancock Whitney Corporation	HWC	Gulfport, MS	\$35,473
BankUnited, Inc.	BKU	Miami Lakes, FL	\$35,039
Banc of California, Inc.	BANC	Los Angeles, CA	\$34,797
United Bankshares, Inc.	UBSI	Charleston, WV	\$33,660
Commerce Bancshares, Inc.	CBSH	Kansas City, MO	\$32,915
Fulton Financial Corporation	FULT	Lancaster, PA	\$32,118
Glacier Bancorp, Inc.	GBCI	Kalispell, MT	\$31,978

Peer Company Name	Ticker	Location	Total Assets ¹
Texas Capital Bancshares, Inc.	TCBI	Dallas, TX	\$31,540
Eastern Bankshares, Inc.	EBC	Boston, MA	\$30,587
Axos Financial, Inc.	AX	Las Vegas, NV	\$28,201
United Community Banks, Inc.	UCB	Greenville, SC	\$28,003
WesBanco, Inc.	WSBC	Wheeling, WV	\$27,696
Ameris Bancorp	ABCB	Atlanta, GA	\$27,516
WaFd, Inc.	WAFD	Seattle, WA	\$27,286
Renasant Corporation	RNST	Tupelo, MS	\$26,751
First Interstate BancSystem, Inc.	FIBK	Billings, MT	\$26,641
Provident Financial Services, Inc.	PFS	Jersey City, NJ	\$24,981
Independent Bank Corp.	INDB	Rockland, MA	\$24,913
Simmons First National Corporation	SFNC	Pine Bluff, AR	\$24,541
Cathay General Bancorp	CATY	Los Angeles, CA	\$24,230
Bank of Hawaii Corporation	BOH	Honolulu, HI	\$24,176
First Hawaiian, Inc.	FHB	Honolulu, HI	\$23,955
Home Bancshares, Inc. (Conway, AR)	HOMB	Conway, AR	\$22,882
WSFS Financial Corporation	WSFS	Wilmington, DE	\$21,314
First Financial Bancorp.	FFBC	Cincinnati, OH	\$21,129
First BanCorp.	FBP	San Juan, PR	\$19,133
Trustmark Corporation	TRMK	Jackson, MS	\$18,925
Hope Bancorp, Inc.	HOPE	Los Angeles, CA	\$18,532
Community Financial System, Inc.	CBU	Dewitt, NY	\$17,303
CVB Financial Corp.	CVBF	Ontario, CA	\$15,631
First Financial Bankshares, Inc.	FFIN	Abilene, TX	\$15,446
First Commonwealth Financial Corporation	FCF	Indiana, PA	\$12,343

¹\$ in millions, as of December 31, 2025



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.

The Company also provides supplemental ratio reporting at the segment level, which includes adjusted return on tangible equity. Adjusted return on tangible equity represents annualized adjusted income before income taxes applicable to each segment as a percentage of average tangible equity for each respective segment.



Operating ROA & ROATCE

Dollars in thousands

	2020	2021	2022	2023	2024	2025	Q4 2025
Average total assets – denominator	\$12,896,499	\$14,835,025	\$15,567,139	\$15,242,884	\$15,990,697	\$16,743,361	\$17,179,984
Net income (GAAP) – numerator	\$164,676	\$189,694	\$188,081	\$131,924	\$182,481	\$210,455	\$54,422
Return on assets (GAAP)	1.28%	1.28%	1.21%	0.87%	1.14%	1.26%	1.26%
Operating net income (non-GAAP) – numerator	\$184,515	\$201,354	\$206,791	\$192,716	\$193,911	\$225,091	\$59,547
Operating return on assets (non-GAAP)	1.43%	1.36%	1.33%	1.26%	1.21%	1.34%	1.38%

	2020	2021	2022	2023	2024	2025	Q4 2025
Net income (GAAP) – numerator	\$164,676	\$189,694	\$188,081	\$131,924	\$182,481	\$210,455	\$54,422
Average shareholders' equity (GAAP) – denominator	2,026,669	2,064,105	1,733,521	1,595,724	1,695,794	1,864,775	1,955,306
Return on equity (GAAP)	8.13%	9.19%	10.85%	8.27%	10.76%	11.29%	11.04%
Operating net income (non-GAAP) – numerator	\$184,515	\$201,354	\$206,791	\$192,716	\$193,911	\$225,091	\$59,547
Average tangible common equity (non-GAAP) – denominator	1,229,342	1,254,328	887,019	741,330	838,021	1,006,891	1,088,697
Operating return on tangible equity (non-GAAP)	15.01%	16.05%	23.31%	26.00%	23.14%	22.36%	21.70%
Total segment adjusted income before taxes (non-GAAP) – numerator	\$230,901	\$256,182	\$264,220	\$245,183	\$250,815	\$293,977	\$78,584
Average tangible common equity (non-GAAP) – denominator	1,229,342	1,254,328	887,019	741,330	838,021	1,006,891	1,088,697
Adjusted return on tangible equity (non-GAAP)	18.78%	20.42%	29.79%	33.07%	29.93%	29.20%	28.64%



Operating Revenues

Dollars in thousands

	2005	2015	2020	2021	2022	2023	2024	2025	Q4 2025
Operating noninterest revenues (non-GAAP)									
Noninterest revenues (GAAP)	\$60,596	\$123,299	\$228,419	\$246,235	\$258,725	\$214,834	\$297,186	\$311,457	\$82,026
Unrealized loss (gain) on equity securities	-	-	6	(17)	44	47	(1,231)	(375)	105
(Gain) loss on sales of investment securities	(12,195)	4	-	-	-	52,329	487	-	-
Gain on debt extinguishment	-	-	(421)	-	-	(242)	-	-	-
Operating noninterest revenues (non-GAAP)	\$48,401	\$123,303	\$228,004	\$246,218	\$258,769	\$266,968	\$296,442	\$311,082	\$82,131
Operating revenues (FTE) (non-GAAP)									
Net interest income (GAAP)	\$143,872	\$248,420	\$368,403	\$374,412	\$420,630	\$437,285	\$449,117	\$506,550	\$133,425
Noninterest revenues (GAAP)	60,596	123,299	228,419	246,235	258,725	214,834	297,186	311,457	82,026
Total revenues (GAAP)	204,468	371,719	596,822	620,647	679,355	652,119	746,303	818,007	215,451
Unrealized loss (gain) on equity securities	-	-	6	(17)	44	47	(1,231)	(375)	105
(Gain) loss on sales of investment securities	(12,195)	4	-	-	-	52,329	487	-	-
Gain on debt extinguishment	-	-	(421)	-	-	(242)	-	-	-
Operating revenues (non-GAAP)	192,273	371,723	596,407	620,630	679,399	704,253	745,559	817,632	215,556
Fully tax-equivalent adjustment (non-GAAP)	14,355	12,404	3,939	3,393	4,074	4,242	3,721	3,553	875
Operating revenues (FTE) (non-GAAP)	\$206,628	\$384,127	\$600,346	\$624,023	\$683,473	\$708,495	\$749,280	\$821,165	\$216,431
Noninterest revenues/ total revenues (GAAP)									
Noninterest revenues (GAAP)	\$60,596	\$123,299	\$228,419	\$246,235	\$258,725	\$214,834	\$297,186	\$311,457	\$82,026
Total revenues (GAAP)	204,468	371,719	596,822	620,647	679,355	652,119	746,303	818,007	215,451
Noninterest revenues/ total revenues (GAAP)	29.6%	33.2%	38.3%	39.7%	38.1%	32.9%	39.8%	38.1%	38.1%
Operating noninterest revenues/ operating revenues (FTE) (non-GAAP)									
Operating noninterest revenues (non-GAAP)	\$48,401	\$123,303	\$228,004	\$246,218	\$258,769	\$266,968	\$296,442	\$311,082	\$82,131
Operating revenues (FTE) (non-GAAP)	206,628	384,127	600,346	624,023	683,473	708,495	749,280	821,165	216,431
Operating noninterest revenues/ operating revenues (FTE) (non-GAAP)	23.4%	32.1%	38.0%	39.5%	37.9%	37.7%	39.6%	37.9%	37.9%



Core Results¹

Dollars in thousands, except per share data

	2020	2021	2022	2023	2024	2025	Q4 2025
Net income (GAAP)	\$164,676	\$189,694	\$188,081	\$131,924	\$182,481	\$210,455	\$54,422
Acquisition expenses, net of statutory tax effect ²	3,897	554	3,966	50	168	2,894	2,249
Acquisition-related contingent consideration adjustments, net of statutory tax effect ²	-	158	(237)	2,591	193	-	-
Loss on sales of investments, net of statutory tax effect ²	-	-	-	41,340	385	-	-
Unrealized loss (gain) on equity securities, net of statutory tax effect ²	5	(13)	35	37	(972)	(296)	83
Loss from equity method investments, net of statutory tax effect ²	-	-	-	-	-	226	226
Restructuring expenses, net of statutory tax effect ²	-	-	-	919	-	1,184	(20)
Litigation accrual, net of statutory tax effect ²	2,330	(79)	-	4,582	109	(40)	-
Amortization of intangible assets, net of statutory tax effect ²	11,295	11,100	12,019	11,464	11,264	10,938	2,952
FDIC special assessment, net of statutory tax effect ²	-	-	-	1,184	158	-	-
Core income (non-GAAP)	\$182,203	\$201,414	\$203,864	\$194,091	\$193,786	\$225,361	\$59,912

	2020	2021	2022	2023	2024	2025	Q4 2025
Core income (non-GAAP)	\$182,203	\$201,414	\$203,864	\$194,091	\$193,786	\$225,361	\$59,912
Average total assets (GAAP)	12,896,499	14,835,025	15,567,139	15,242,884	15,990,697	16,743,361	17,179,984
Core ROAA (non-GAAP)	1.41%	1.36%	1.31%	1.27%	1.21%	1.35%	1.39%
Core income (non-GAAP)	\$182,203	\$201,414	\$203,864	\$194,091	\$193,865	\$225,361	\$59,912
Average shareholders' equity (GAAP)	2,026,669	2,064,105	1,733,521	1,595,724	1,695,794	1,864,775	1,955,306
Core ROAE (non-GAAP)	9.0%	9.8%	11.8%	12.2%	11.4%	12.1%	12.3%
Core income (non-GAAP)	\$182,203	\$201,414	\$203,864	\$194,091	\$193,865	\$225,361	\$59,912
Average shareholders' equity (GAAP)	2,026,669	2,064,105	1,733,521	1,595,724	1,695,794	1,864,775	1,955,306
Average goodwill and intangible assets, net ³	(844,420)	(852,328)	(893,435)	(901,092)	(902,643)	(905,193)	(921,342)
Average tangible common equity	1,182,249	1,211,777	840,086	694,632	793,151	959,065	1,033,965
Core ROATCE (non-GAAP)	15.4%	16.6%	24.3%	27.9%	24.4%	23.5%	23.2%

¹Based on S&P Global results ²21% statutory tax rate used ³Average goodwill and intangible assets based on a simple average of ending quarterly balances

