[Speakers: Mark E. Tryniski (MET) and Scott A. Kingsley (SAK)]

(MET)

Good morning. I'm Mark Tryniski, Chief Operating Officer of Community Bank System, or "CBU," as we call ourselves due to our ticker symbol. Thank you for allowing Scott Kingsley, our Chief Financial Officer, and me to share with you today the story of how CBU has made community banking a growth business in Upstate New York and Northeastern Pennsylvania.

A key component of our growth strategy is the strength of our branch network. Because of the localized approach we take toward our markets and our customers, and the talented management team we've assembled along the way, we're able to provide a very high level of service and breadth of products that previously were not available in many of the non-metropolitan markets we've entered over the last decade.

Forward-looking Statements

This presentation contains certain “forward-looking statements,” within the meaning of the Private Securities Litigation Reform Act of 1995, that are based on current expectations, estimates and projections about the industry, markets and economic environment in which the Company operates.

Such statements involve risks and uncertainties that could cause actual results to differ materially from the results discussed in these statements. These risks are detailed in the Company’s periodic reports filed with the Securities and Exchange Commission.

Annualized, pro forma, projected and estimated amounts are presented for illustrative purposes only and may not reflect actual results.

CBU Listed NYSE

Here’s our forward-looking statement, with which you are all familiar.

Company Profile

As of March 31, 2005:

- Rapidly growing community bank headquartered just outside of Syracuse, New York.
- One of the largest community banks based in Upstate New York with $4.4 billion of assets.
- Approximately 130 customer facilities across Upstate New York and Northeastern Pennsylvania.
  - NY: Community Bank, N.A.
  - PA: First Liberty Bank & Trust
- Dominant market share: ranked 1st or 2nd in over 70% of the towns in which we operate.

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Our company is a rapidly growing community bank franchise headquartered just outside of Syracuse, New York. Our commercial bank roots date back to 1866 in Canton, NY, near the St. Lawrence River along the Canadian border. We are the one of the largest community banks based in Upstate New York, with 131 customer facilities and nearly 100 ATM's across Upstate New York and Northeastern Pennsylvania. We began from a base of only 32 branches just 11 years ago.

As part of our operating strategy, we hold a dominant position in these regions, ranking 1st or 2nd in deposit market share in more than 70% of the towns where we do business. That's 72 of 101 towns! And we are the "only bank in town" in 35 of these locations.

Company Profile

- Deliver diversified financial services products through branch locations and subsidiaries:
  - Personal Trust (5 CBNA locations)
  - Creditor Life and Disability Insurance (all CBNA branches)
  - Asset Management (Elias Asset Management)
  - Mutual Funds, Annuities, Insurance and Other Investment Products (Community Investment Services, Inc.)
  - Retirement Plan Administration and Recordkeeping (Benefit Plan Administrative Services, Inc. [BPA])
  - Actuarial and Employee Benefits Consulting (Harbridge Consulting Group)

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In addition to traditional loan and deposit products, we deliver diversified financial services products through our bank and through four other operating subsidiaries:

- Our personal trust department, based in Olean, NY, provides customer trust services from five locations, including our branch network in Northeastern PA;
- Creditor life and disability insurance is provided to consumer borrowers through our branch network and through cooperating auto dealerships;
- Our investment management firm, Elias Asset Management, is nationally recognized and provides investment advisory and management services to institutional investors and high net-worth individuals in numerous states;
- Our broker-dealer, Community Investment Services, offers a variety of retail investment products through our branch network and other independent locations;
- Our pension administration and record-keeping firm, BPA, with clients in 27 states and Puerto Rico; and
- Harbridge Consulting Group, an actuarial and employee benefits consulting firm acquired in 2003 from PricewaterhouseCoopers. Their two principals and 22 additional staff, including eight actuaries, have become part of our BPA subsidiary, bringing with them tremendous intellectual capital and a diversified client base that has nearly doubled BPA's annual revenues.

Company Profile

As of March 31, 2005:

- Assets $ 4.4 billion
- Loans $ 2.3 billion
- Deposits $ 3.0 billion
- Assets Under Management $ 2.1 billion
- Shareholders’ Equity $472 million
- Market Capitalization $695 million

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(SAK)

Our balance sheet numbers as of March 31 show that CBU is a substantial-sized community bank. Our balance sheet and market capitalization have grown significantly over the past few years. At the time of a secondary offering in 2001 to support growth initiatives, our market value was $340 million. As a result of share appreciation and the judicious use of stock to effect acquisitions, it stands at approximately $695 million today. In addition, effective August 31, 2004, we were formally added to the Standard & Poor’s SmallCap 600 Index, as well as S&P’s Regional Bank Sub-industry index. This was a tremendous honor for CBU, as the S&P SmallCap 600 is one of the most widely respected of the small cap indices, and to be selected speaks highly of the strength and consistency of our performance over the long term.

Shareholder Profile

March 31, 2005 or Most Recent Data Avail. *(in thousands, except # of shareholders)*	Number of Shares	Dollars	% Shares Outstanding	Number of Shareholders
Total Shares Outstanding	30,322	$ 694,677	––	––
Shares Held by Institutions	11,914	$ 272,950	39.3%	120
Insiders (including 401k)	3,478	$ 79,681	11.4%	23
401(k) Plan	821	$ 18,809	2.7%	1,357
Pension Plan	92	$ 2,108	.3%	1
Dividend Reinvestment Plan	658	$ 15,075	2.2%	1,196
5 % or Greater Shareholders	––	––	––	––
CBU Price at March 31, 2005:	$ 22.91			

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Of the 30.3 million CBU shares outstanding at March 31, institutions held 39%. They increased their CBU holdings by nearly 5.2 million shares in the last 30 months, up from 23% ownership. In addition, average daily trading volume has increased substantially, from approximately 40,000 shares in 2002 to 48,000 shares in 2003, and to 91,000 shares daily for 2004. These factors all reflect the substantial market liquidity of our shares.

Insiders hold an 11% position, excluding the impact of exercisable options. Through our 401(k) plan, employees hold about 3%, representing 35% of total plan assets. Our pension plan holds about 5% of its assets in company stock as well.

Executive Management Team

Member	Title	Joined	Age	Years in Banking
Sanford A. Belden	President & CEO	1992	62	34
Mark E. Tryniski	EVP & Chief Operating Officer	2003	44	20
Scott A. Kingsley	EVP & Chief Financial Officer	2004	41	9
Brian D. Donahue	SVP, Chief Banking Officer	1992	49	26
Michael A. Patton	President, Financial Services	1971	59	34
James A. Wears	President, NY Banking	1971	56	35
Thomas A. McCullough	President, PA Banking	2003	59	38

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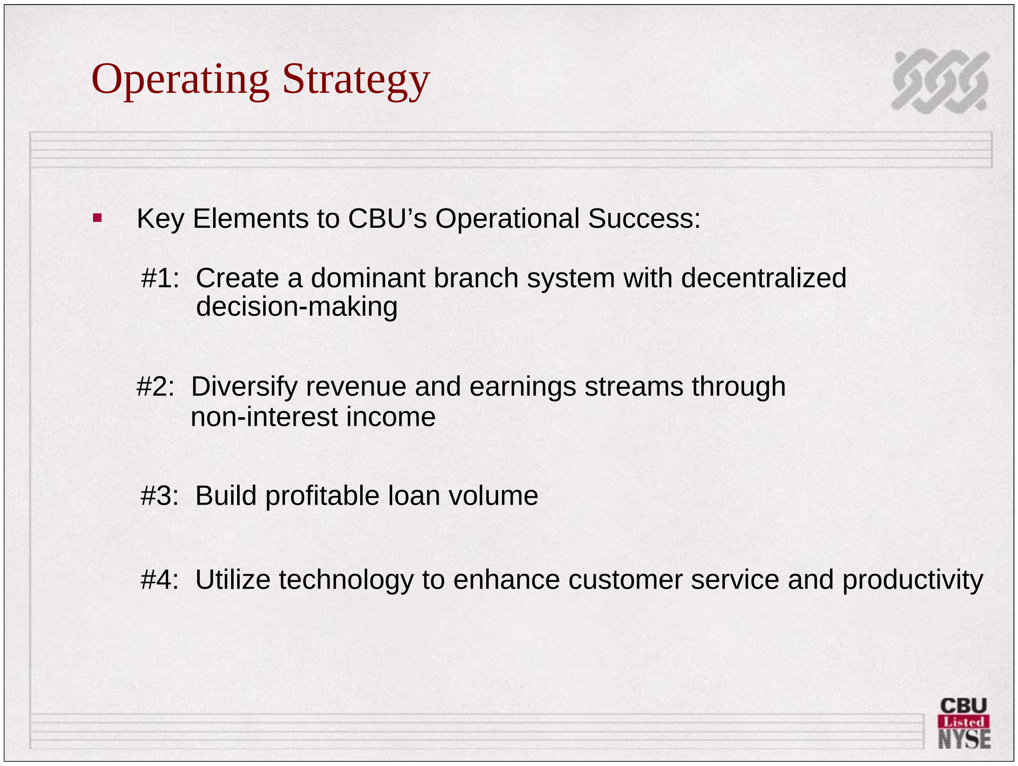
Over the past two years we've focused on strengthening our core management team. In addition to Brian Donahue, our Chief Banking Officer, we've added a Chief Technology Officer, a Director of Special Projects, a Vice-President of Sales & Marketing, and a Chief Human Resources Officer. Additionally, our management team in Pennsylvania has been strengthened over the past 17 months through the acquisitions of Grange National Bank at the end of 2003 and First Heritage Bank in May 2004. Tom McCullough, previous President of Grange, serves as President of our entire Pennsylvania franchise, and Bob Matley, previously Chief Operating Officer for First Heritage serves as our Senior Lending Officer of Pennsylvania Banking. These developments all reflect our commitment to grow the depth of our management team as we continue to grow our Company.



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We have achieved a great deal of success in recent years by developing and remaining committed – in a highly consistent fashion – to an operating strategy that consists of four key elements:

1. Creating a dominant branch system with decentralized decision-making;
2. Diversifying our revenue and earnings streams through non-interest income;
3. Continuing to build profitable loan volume, and lastly;
4. Using technology to create operating efficiencies and enhance – not replace – customer service .

5-Year Compound Annual Growth Rates
(2000 — 2004)

	CAGR
▪ Net interest income	11.4%
▪ Non-interest income	19.6%
▪ Net income	16.2%
▪ Net income per share (diluted)	8.5%
▪ Dividends per share	7.2%

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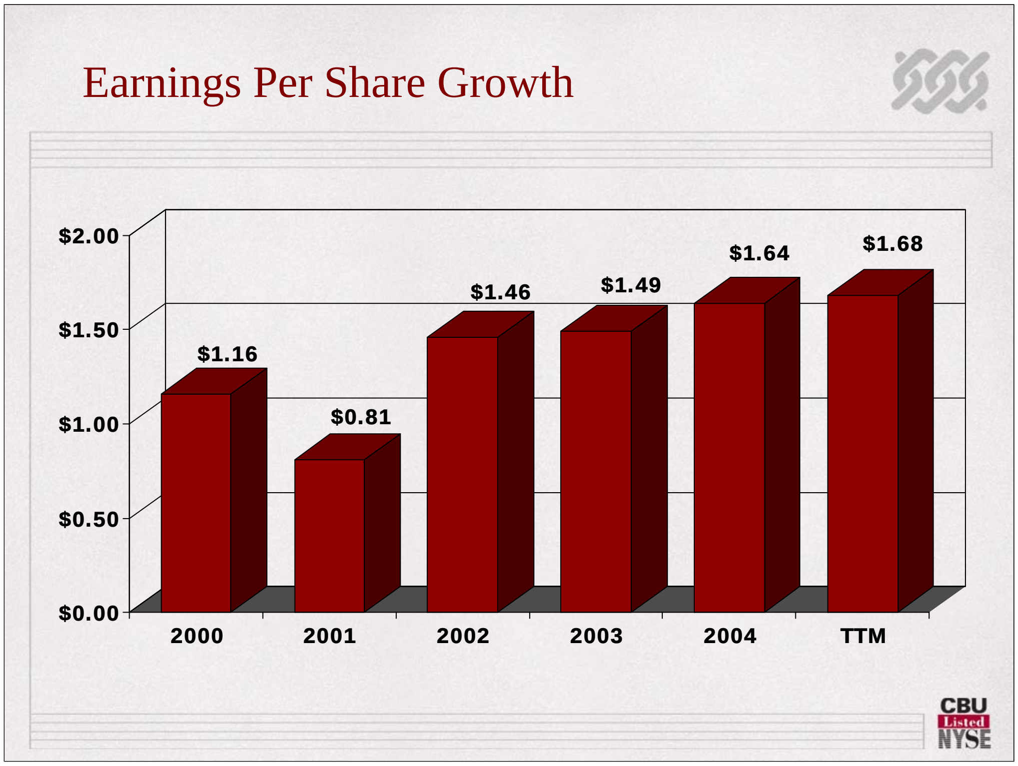
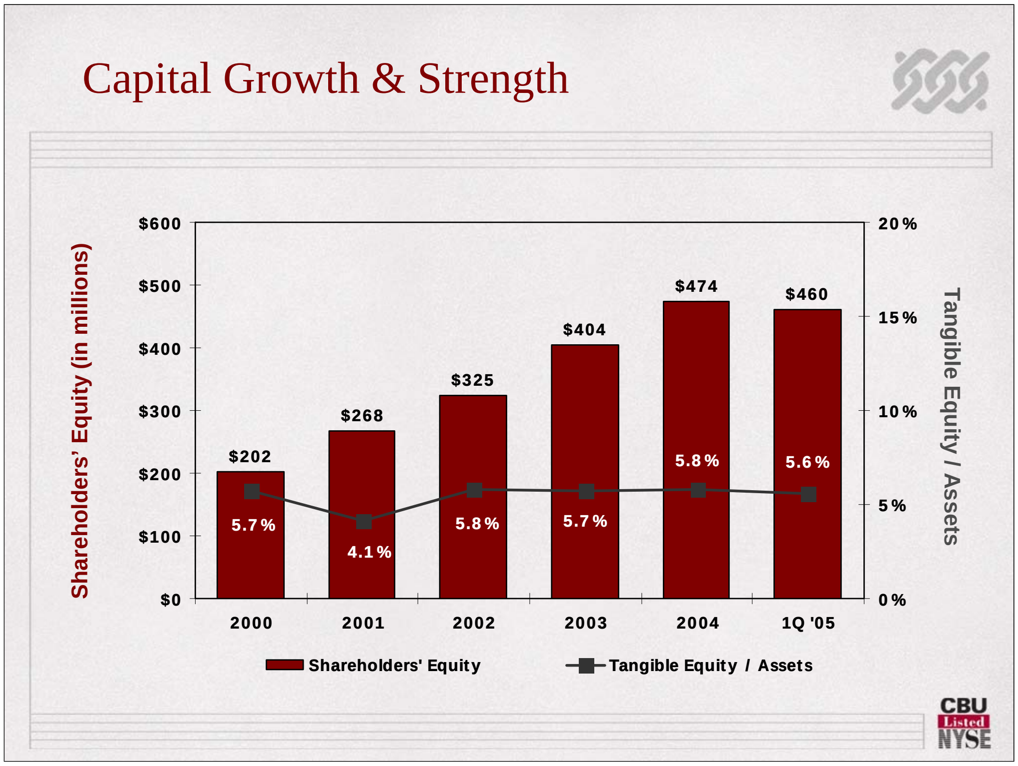
(SAK)

The results of our four-part operating strategy are clear. We've achieved double-digit, five-year compound annual growth rates for the 2000-2004 period for net interest income, non-interest income, and net income. Earnings per share have grown at 8.5%, and dividends per share at 7.2%.

That makes CBU a good example of what it takes to be a growth player in the community banking business. And in the process, we've been able to reward our shareholders with consistent increases in dividends per share, including a 12.5% increase we announced last August.

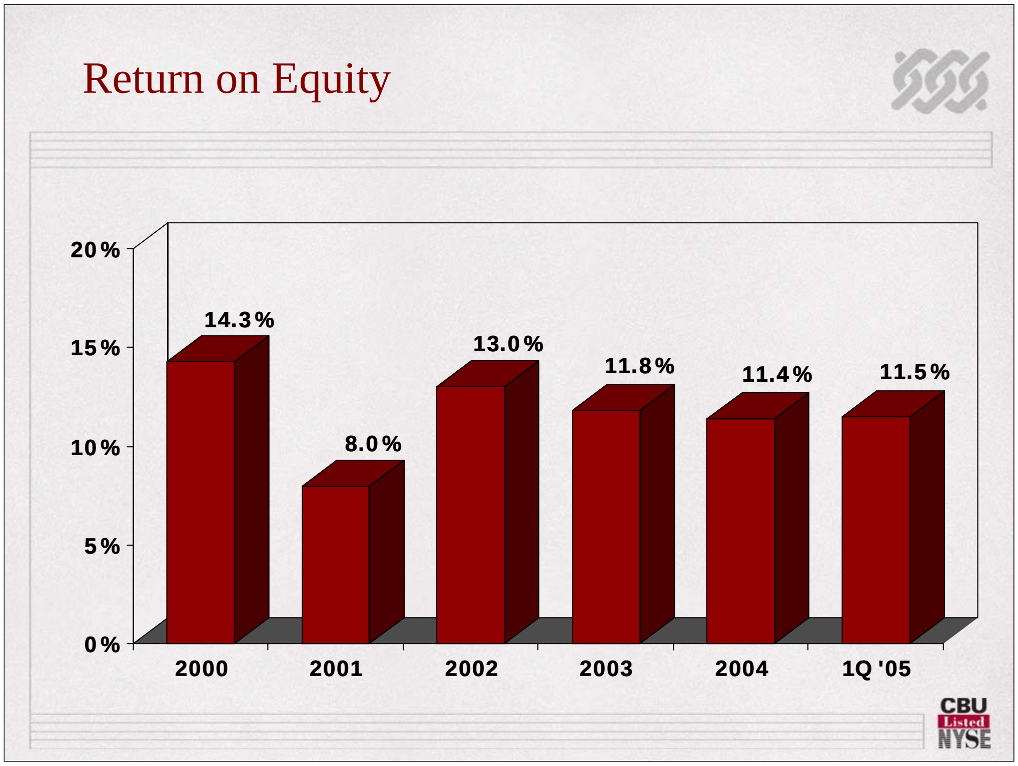


2004's earnings were an all-time high for CBU at $1.64, principally due to growth in non-interest income and improved asset quality, despite a lower net interest margin. We also recently reported first quarter 2005 earnings per share of $0.43, a 13% increase over the first quarter of 2004. Cash earnings per share, which exclude the after-tax effect of amortization of intangible assets, was $1.83 over the last twelve months. The dip in earnings in 2001 related to our digestion of 3 acquisitions done that year, as well as significant consolidation of operational processes that have enhanced efficiency and customer service.



One of our primary capital management objectives coming out of 2001 was to rebuild the tangible equity ratio, which had declined to 4.1% as a result of the 36-branch FleetBoston acquisition. We have always maintained regulatory capital ratios substantially in excess of the minimum needed to be "well-capitalized," but the tangible equity ratio has sometimes been below the norm for banks of our size as a result of the goodwill and other intangibles recorded from our acquisitions.

We were successful in 2002 in strengthening all of our capital ratios, and have been able to maintain this improved level of tangible capital through December 2004 despite four acquisitions that added nearly $100 million of intangibles to the balance sheet. At March 31, 2005 our tangible equity ratio stood at 5.6%, just slightly below year-end 2004's level.



Operating return on equity has improved since 2001, a year in which we closed 3 acquisitions that grew our company by 60%. The current results remain below our longer-term ROE targets, which we expect to improve as we earn-out the premiums paid for recent acquisitions. Now I will discuss the four key elements of our growth strategy in more detail.

Success Element #1: Creating a Dominant Branch System

- Focus on smaller towns and villages where competition is less intense and customers are more loyal.
- Emphasize responsive, decentralized decision-making.
- Establish a dominant market position within these markets.
- Execute a disciplined acquisition strategy.

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We’ve intentionally gone down “the road less traveled” in our franchise strategy, focusing on smaller cities, towns and villages — markets where competition is less intense and customer loyalty can be obtained through trust and outstanding localized service.

To that end, we empower our associates at the local level to be key decision-makers, resulting in faster, more responsive service to our customers, without sacrificing accuracy or compromising our credit guidelines and standards.

As I mentioned at the onset, we’ve established a dominant presence in these markets, ranking first or second in deposit market share in over 70% of the towns in which we do business.   One important way we’ve become such a strong player is through a disciplined acquisition strategy.

Success Element #1:
Creating a Dominant Branch System

	# of Branches	Deposits/Assets (in millions)
Branch Acquisitions		
1994 through 1997	39	$ 715
November 2001	36	$ 473
December 2004	1	$ 32
Whole-bank Acquisitions		
January 2001	5	$ 111
May 2001	13	$ 648
September 2003	1	$ 29
November 2003	12	$ 280
May 2004	3	$ 275

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During the 1990s, when many of the super-regional banks were pulling out of markets like ours, we were able to acquire 39 branches at very modest premiums, from such formidable institutions as Chase, Fleet and Key.

Since 2001, we've consummated five whole-bank acquisitions, including three over the last 18 months.

The two transactions closed in the first half of 2001 added a combined 18 branches and $760 million in assets.

The larger of these two transactions was our first acquisition outside of New York State — First Liberty Bank Corp. in the Scranton/Wilkes-Barre region of Northeastern Pennsylvania. Their back-office operations were combined into our existing bank, but First Liberty retained its name, allowing us to leverage its strong brand identity and reputation in the marketplace.

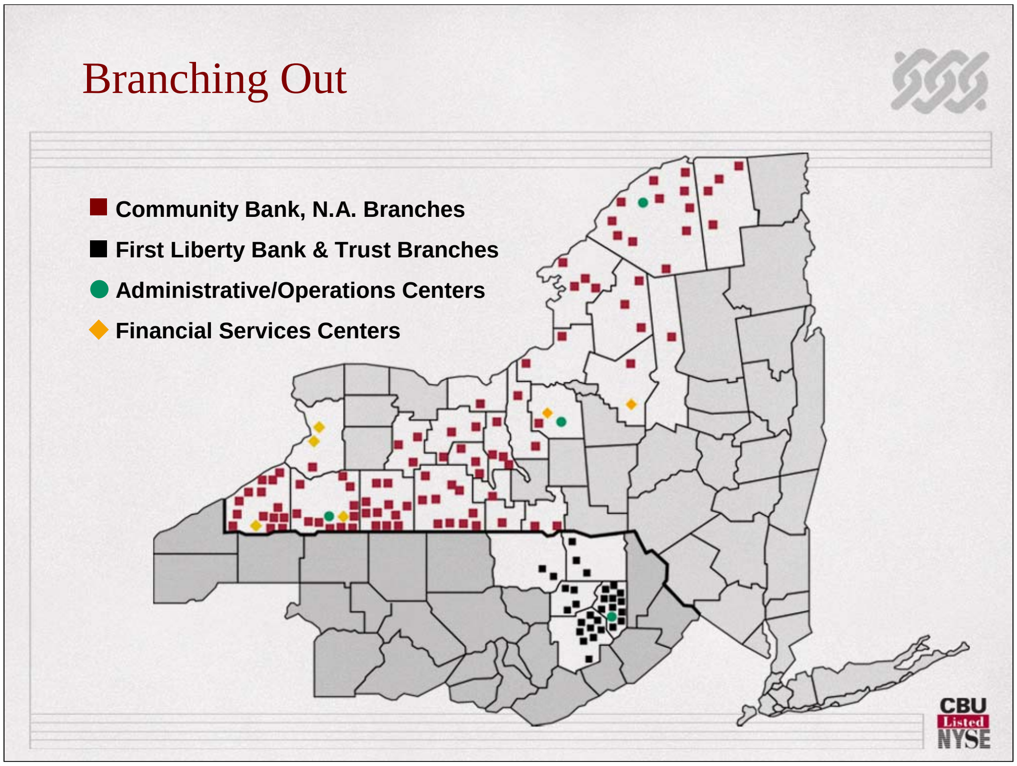
The 3rd transaction in 2001 was a very significant branch acquisition in the midst of our growing franchise in the Finger Lakes and Southwest regions of New York State — the purchase of 36 branches from FleetBoston. We've made excellent progress there, with increases in deposits and loan growth that exceeded our expectations.

In 2002 we focused our attention on integrating these two major acquisitions and strengthening our capital levels.

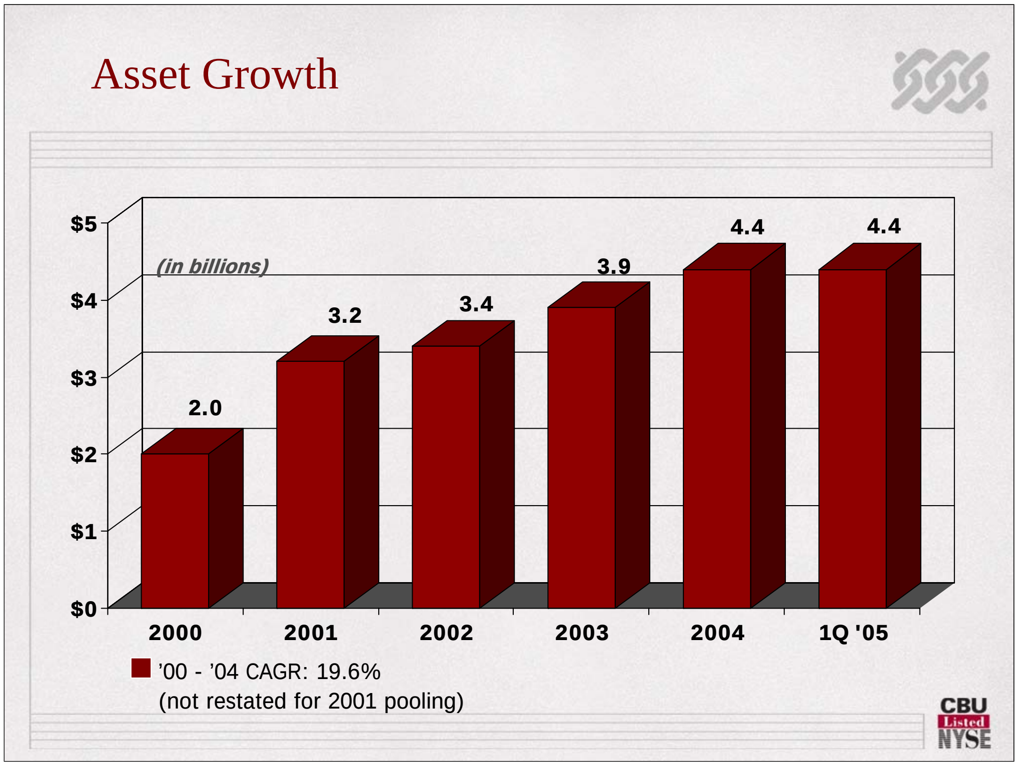
As I stated a few moments ago, these objectives were fully accomplished, with both earnings and capital levels improving significantly.

2003 was another active acquisition year, with one financial services and two whole-bank transactions. The $280 million-asset Grange acquisition in November marked the first step of our growth and consolidation strategy in Northeastern PA, building upon our First Liberty franchise. Grange's 12 branches are largely in smaller towns and villages, like the majority of our NY franchise.

In May of 2004, we acquired First Heritage Bank in an all-stock transaction. Headquartered in Wilkes-Barre, PA, First Heritage was a closely held $275 million-asset bank with three branches in Luzerne County that now operate under our First Liberty banner. This transaction is complementary and expansive to our existing presence in Northeastern PA, bringing us outstanding commercial lending relationships and an accomplished senior management team.



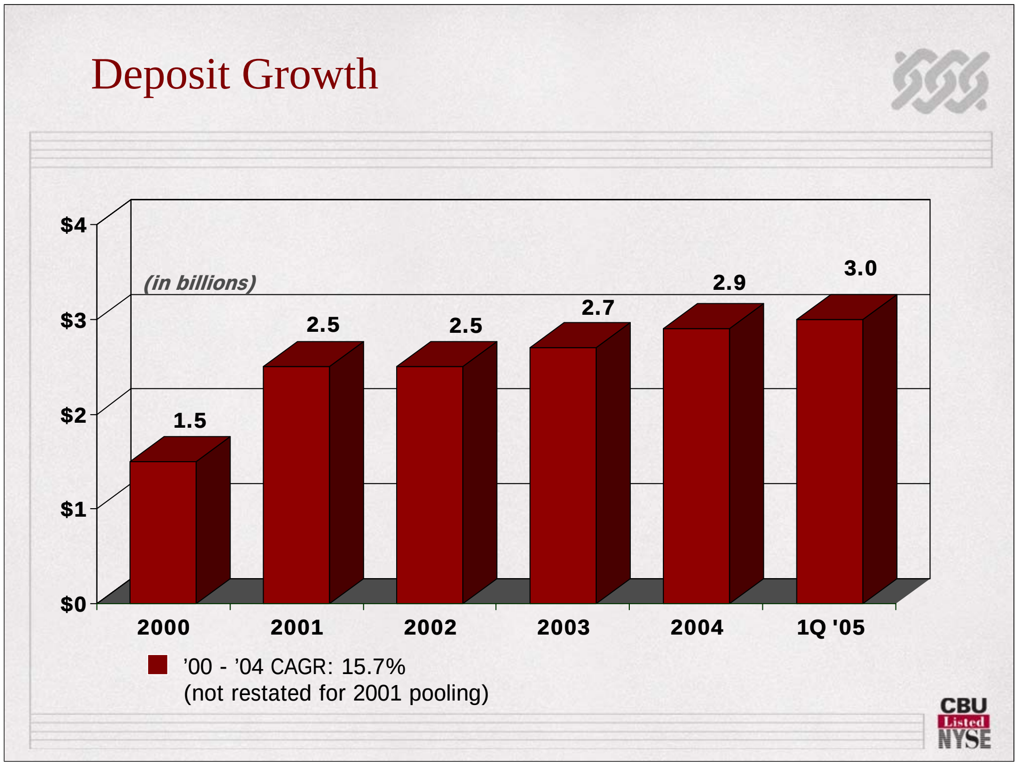
Here's what the breadth of our market profile looks like now. From no presence in PA in 2000, we've grown the First Liberty franchise to 29 branches in five counties with a deposit base of over $850 million. Note how nicely the First Liberty market in Northeast Pennsylvania links geographically to our southern-tier New York market. De novo expansion is currently underway in select PA markets as well.



(SAK)

Over the last five years, CBU's assets have grown to nearly $4.4 billion through a combination of organic and acquired growth.

Growth in assets over the five-year period through year-end 2004 was over 19% annually. The increase in 2001 was attributable to the three acquisitions that year, including First Liberty and the FleetBoston branch acquisition. 2003's increase includes the $280 million-asset Grange acquisition, and the 2004 increase includes the impact of First Heritage's assets of $275 million.



A doubling of our deposit base over the past 5 years has likewise been driven by our acquisition activity, resulting in a 5-year annual growth rate of over 15%.

Success Element #2:
Diversify Revenue and Earnings Streams

- Capture market opportunities for financial services and products.
- Meet the evolving needs of our expanding customer base.
- Mitigate volatility of net interest margin on earnings.
- Derive increasing proportion of revenues from non-interest income sources.

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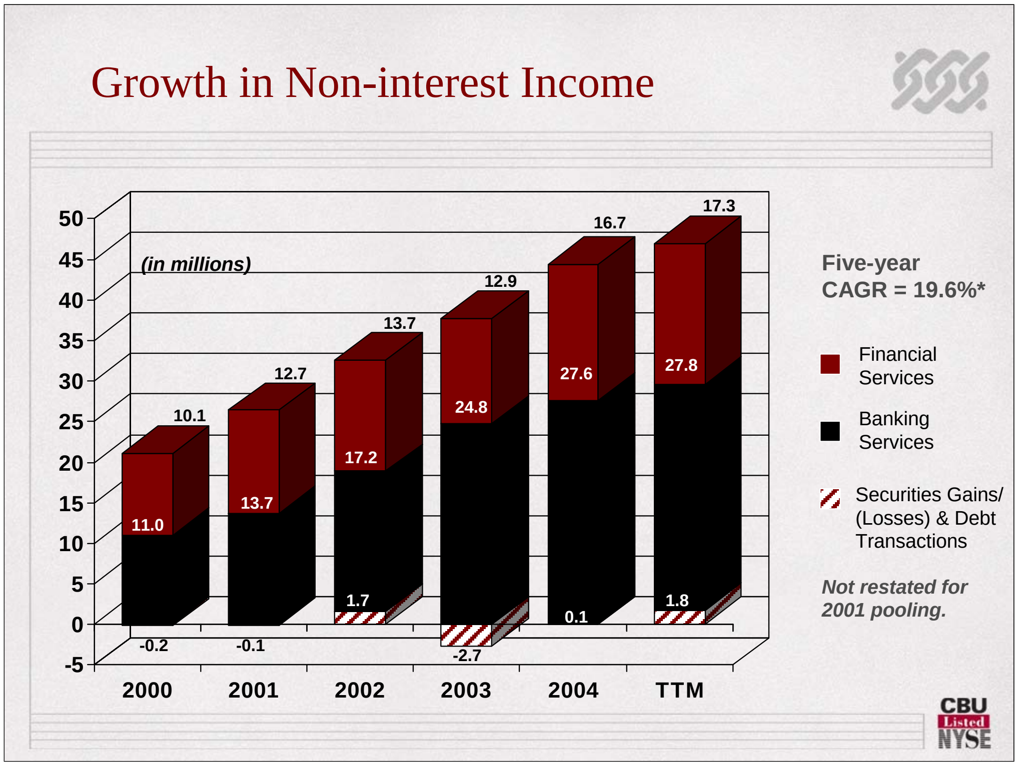
(MET)

The second element of our growth strategy is diversification of our operating revenue through non-interest income. Beginning in the mid-1990s, we made a strong commitment to grow non-interest income, and we've invested significantly in obtaining the resources and products to accomplish this growth objective. Broadening our revenue stream creates additional earnings opportunities and helps to mitigate the variability of net-interest margins. Our objective is to continue to derive an increasing proportion of total revenue from non-interest income sources, from a combination of organic growth and strategic acquisitions.



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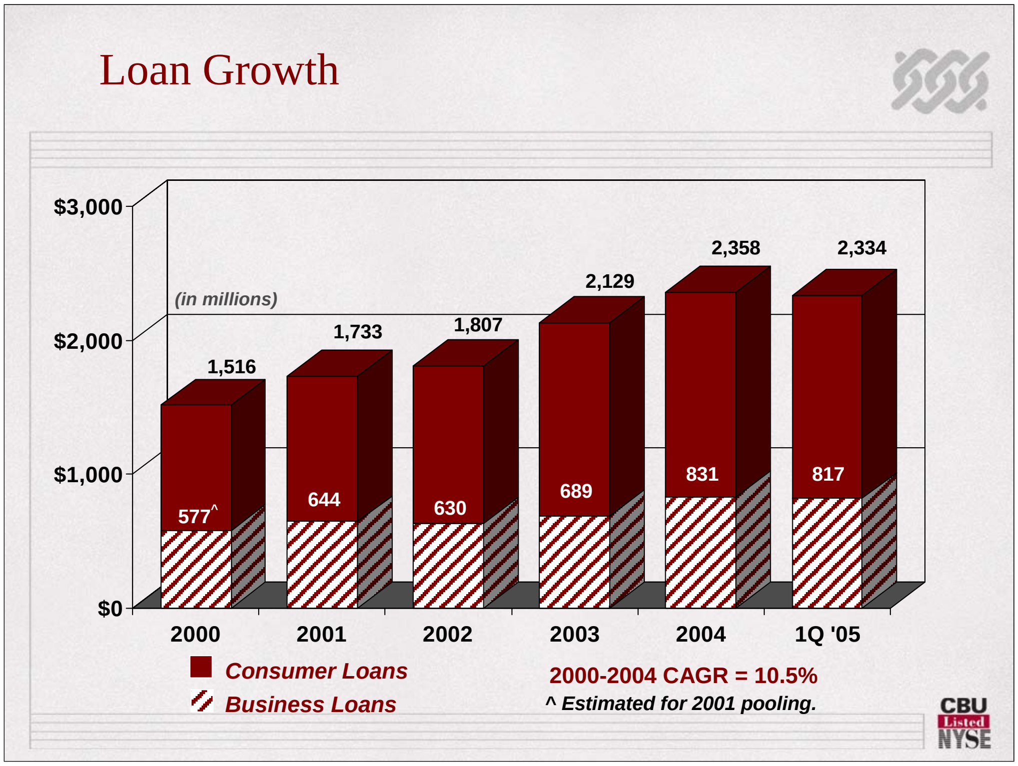
This chart shows our progress in growing non-interest income. The combination of organic and acquired growth has produced a 5-year compound annual growth rate of nearly 20%. In 2003, non-interest income climbed by more than 25%, largely reflecting the success of the company's consumer overdraft protection program introduced at the end of 2002, and the impact of the acquisition of Harbridge Consulting Group. In 2004, non-interest income was up 17% over the prior year, with increases achieved in our banking and employee benefits, and wealth management businesses. This growth has continued into 2005.

(MET)

Any discussion of growth in community banking has to focus on the challenges of continuously growing a high quality loan portfolio. Accordingly, building profitable loan volume is the third element of our strategy. As I've said, we utilize a process of responsive, localized decision-making, focused on customer needs. We've continued to hire good lenders that have left the super-regionals within our marketplace, including now in Northeastern PA, and we've empowered them to make loan decisions. This model has worked well for us, positioning us to compete successfully for high quality loan business. In fact, through year-end 2004, our portfolio has grown nearly 15% per year since the inception of our ten-year acquisition program. Just as importantly, this growth has not been achieved at the expense of asset quality.



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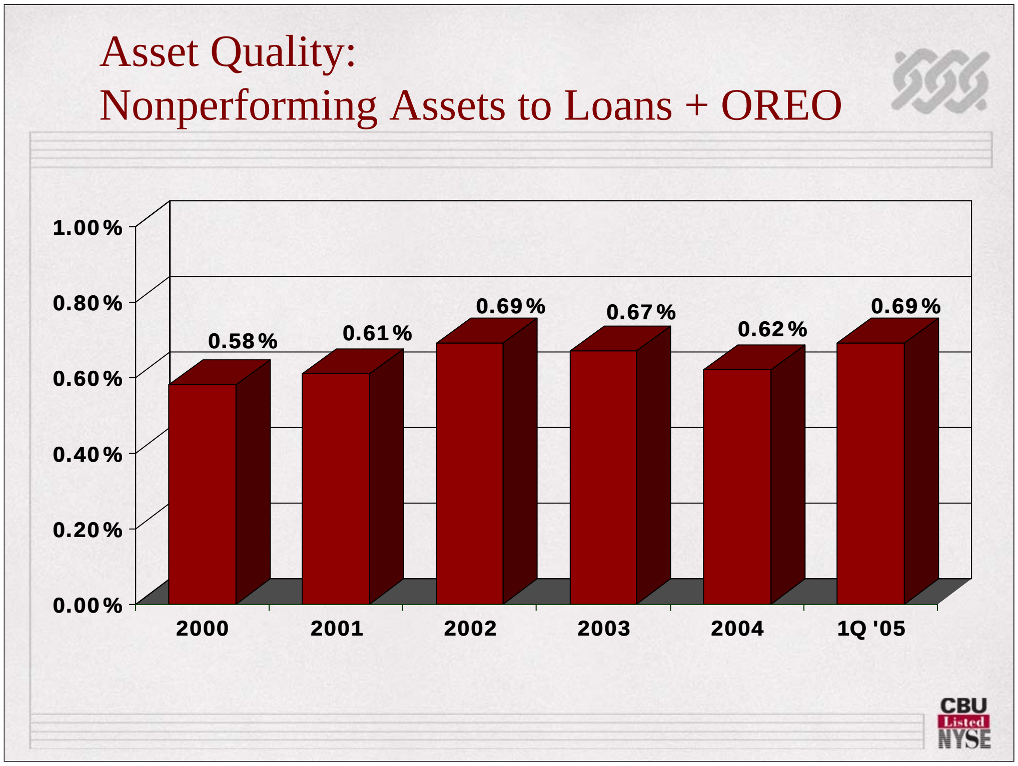
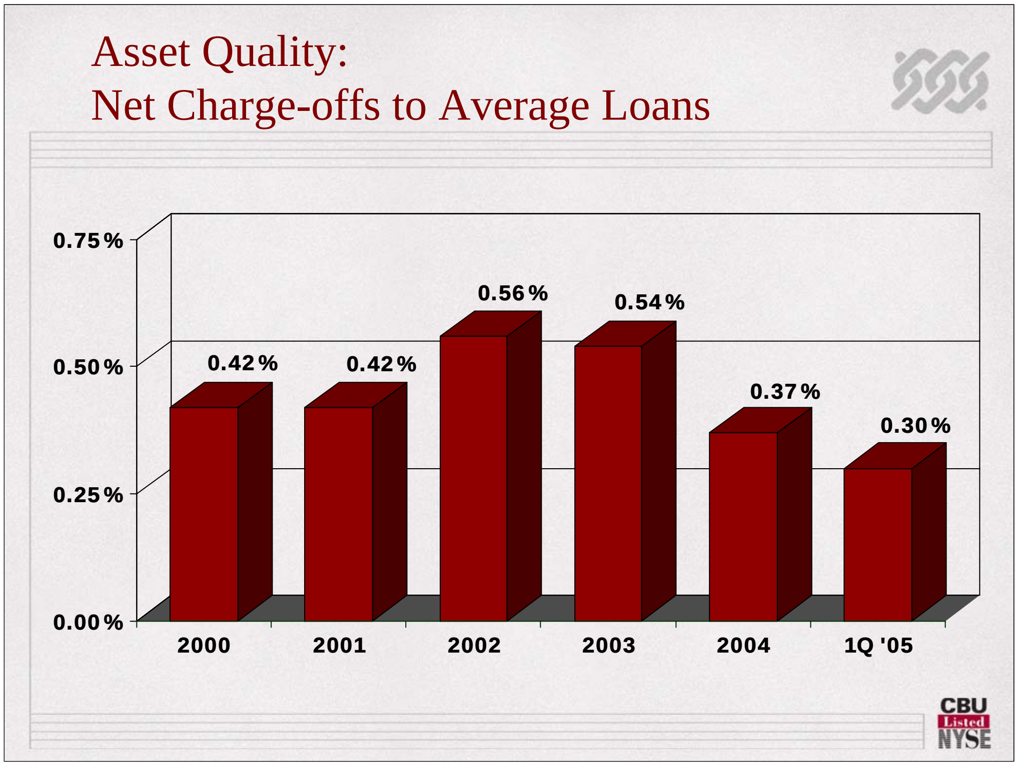
Our loan growth has been very steady throughout the last five years, with over 10% annual growth. Our present loan mix is very well-balanced, with 35% commercial business loans, 31% consumer installment lending, and 34% consumer mortgage lending.



As Mark said previously, loan growth has not come at the expense of asset quality. Through 2001, nonperforming assets remained in a narrow and very favorable range of about 58 to 62 basis points of total loans plus other real estate. Non-performing assets and charge-off's began rising in 2002, prompting the Company to further strengthen credit administration, loan review and workout resources. Non-performing assets stood at 69 basis points as of March 2005.



Similarly, the ratio of annual net charge-offs to average loans varied as well within a favorable and narrow band through 2001. The increased charge-off levels in 2002 and 2003 reflected the influence of a weakened economy and its impact, in particular, on our commercial customers.

In contrast, our consumer experience has been very favorable and very steady over this period.

Charge-offs stabilized in 2003 as a result of the additional credit administration resources and management attention, and declined significantly to a very favorable 37 basis points for 2004, and were at 30 basis points for the first quarter of 2005.

Success Element #4: Use Technology to Enhance Service/Profitability

- Third party technology partner:
  - Partner since 1992
  - Improved operational efficiency
  - Expertise to draw upon for acquisition conversions
  - Allows us to meet customers' evolving needs
- Image-based Check Processing
  - Opportunities to benefit from Check 21 legislation
- Internet banking
- E-statements / web access to check images
- Automated Loan Processing

(MET)

The fourth element of our growth strategy is an on-going commitment to have the necessary technology in place to support our growth initiatives.

In the past five years we've made significant investments in technology. We've committed to working with a third-party technology partner to ensure that our systems remain current and readily scaleable to accommodate our growth initiatives. Our alliance with Fiserv, which began more than ten years ago, has provided an economical and effective solution to meeting our technology and growth needs, allowing us to offer expanded products and services to our customers in a shorter time frame.

Our check processing system is fully optical and image-based, and positions us well for opportunities that ultimately arise as a result of Check 21.

We have successful internet banking products for both our retail and commercial customers, with a penetration rate of 20% of our retail checking customers. Other internet-based products include electronic statements, and check image retrieval.

We recently implemented an improved technology platform in support of our successful indirect installment lending business, and in 2005 will be implementing additional loan processing tools that will provide consistency across our business units, and allow for improved decision-making, faster processing cycles, and reduced operating costs.

Shareholder Return

- Consistent and long-term earnings growth.
- Solid dividend growth.
- Have consistently outperformed major indices over the last one-, three-, five- and 10-year periods.

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So what have been the fruits of the four success factors we have been committed to for the last ten years?

We have had very consistent earnings growth, with one exception. As you saw, that was in 2001 when we digested two major acquisitions and consolidated our operating platform.

We have a strong record of dividend growth.

And, most importantly, shareholder returns have outperformed market indices as the next slide well illustrates.

Total Shareholder Returns

(Through April 30, 2005, Including Reinvestment of Dividends)

	CBU	S&P 500	S&P Small-Cap 600 Index	NASDAQ Bank Index	Russell 2000
1 Year	12.0%	6.3%	10.5%	5.2%	4.8%
3 Years	12.9%	4.2%	6.9%	8.3%	5.7%
5 Years	18.3%	- 2.9%	9.0%	16.7%	4.2%
10 Years	17.3%	10.3%	12.6%	16.3%	9.6%

Source: Bloomberg

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As we've said, community banking is a growth business at CBU. Our earnings performance reflects it, with a 16% compound annual growth rate over the past 5 years.

The market also recognizes it, rewarding our shareholders with a 17% annual rate of return over the past 10 years, including dividend reinvestment.

Also, as you can see, we have exceeded the returns of the bank and the broader market indices over nearly all timeframes.

Investment Merits

- NYSE-listed Company.
- One of the largest community banks based in Upstate New York.
- Experienced Management Team:
  - Consistent performance;
  - Committed to a proven operating strategy;
  - Significant acquisition experience.

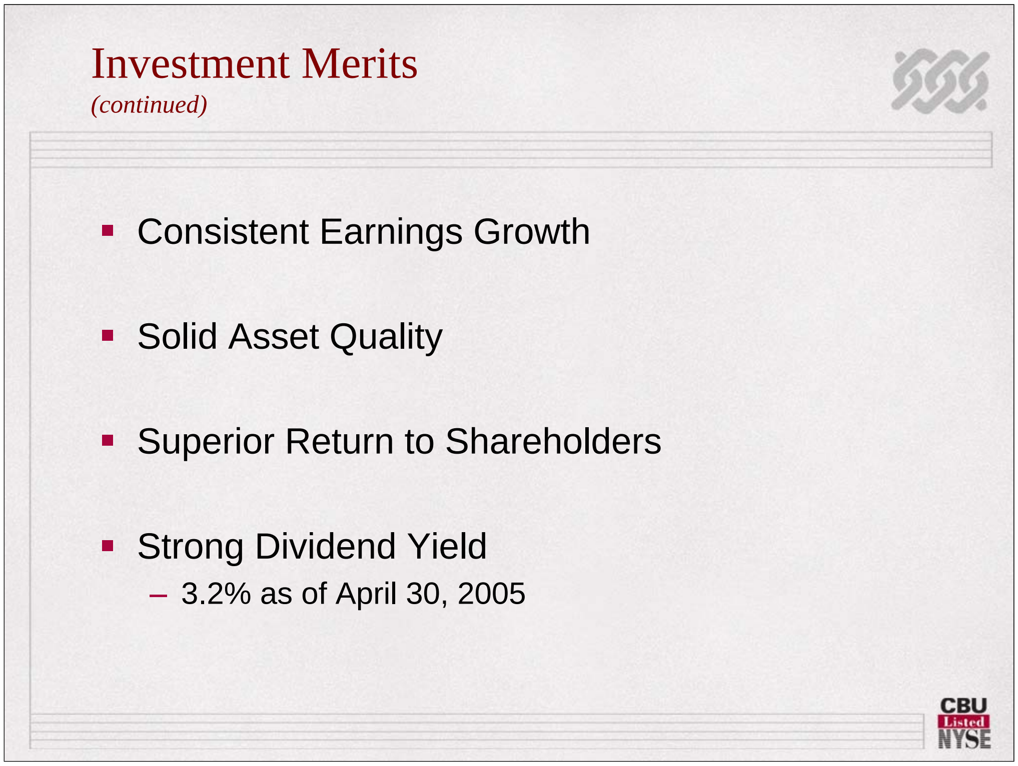
CBU Listed NYSE

So why should you invest in Community Bank System?

We're an established, NYSE-listed company, with a market capitalization of nearly $700 million and a very liquid stock.

We are one of the largest community banks based in Upstate New York, covering a broad geographic footprint with economic diversity.

Our experienced management team has generated growth by following a proven operating strategy, and has significant acquisition and integration experience.



We have a track-record of consistent earnings growth.

We are focused on maintaining strong asset quality.

And, most importantly, we have provided a superior return to shareholders over time, in the form of both capital appreciation and dividend growth.

Thank you for your attention, and I appreciate you allowing me to share our story of how CBU has made community banking a growth business in Upstate NY and Northeastern PA.