[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 me and Scott Kingsley, our Chief Financial Officer, 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 September 30, 2005:

- Successful and growing community bank headquartered just outside of Syracuse, New York.
- One of the largest community banks based in Upstate New York with $4.2 billion of assets.
- More than 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 successful and 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 130 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 locations)
  - Creditor Life and Disability Insurance (all branches)
  - Asset Management (Elias Asset Management)
  - Mutual Funds, Annuities, Insurance and Other Investment Products (Community Investment Services, Inc.)
  - Employee Benefit Plans Administration, Actuarial and Consulting Services (Benefit Plan Administrative Services [BPA] & 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 employee benefits administration, actuarial and consulting services firm, BPA – Harbridge, with clients in 27 states and Puerto Rico, is both the largest and fastest-growing unit in our financial services group.

(SAK)

Our balance sheet numbers as of September 30 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 $710 million today.

In addition, last August 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

Oct. 31, 2005 or Most Recent Data Avail. *(in thousands, except # of shareholders)*	Number of Shares	Dollars	% Shares Outstanding	Number of Shareholders
Total Shares Outstanding	**29,903**	**$ 710,196**	**––**	**––**
Shares Held by Institutions	**12,368**	**$ 293,740**	**41.4%**	**105**
Insiders (including 401k)	**2,348**	**$ 55,765**	**7.9%**	**28**
401(k) Plan	**771**	**$ 18,311**	**2.6%**	**1,426**
Pension Plan	**92**	**$ 2,815**	**.3%**	**1**
Dividend Reinvestment Plan	**729**	**$ 17,322**	**2.4%**	**1,399**
CBU Price at Oct. 31, 2005:	**$ 23.75**			

Of the 29.9 million CBU shares outstanding at September 30, institutions held 41%. They increased their CBU holdings by nearly 2.6 million shares in the last 24 months, up from 32% ownership. In addition, average daily trading volume has increased substantially, from approximately 40,000 shares in 2003 to 101,000 shares daily for the last twelve months. These factors all reflect the substantial market liquidity of our shares.

Insiders hold an 8% position, excluding the impact of exercisable options. Through our 401(k) plan, employees hold about 3%, representing 30% 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	63	35
Mark E. Tryniski	EVP & Chief Operating Officer	2003	45	21
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	60	35
James A. Wears	President, NY Banking	1971	56	35
Thomas A. McCullough	President, PA Banking	2003	59	38

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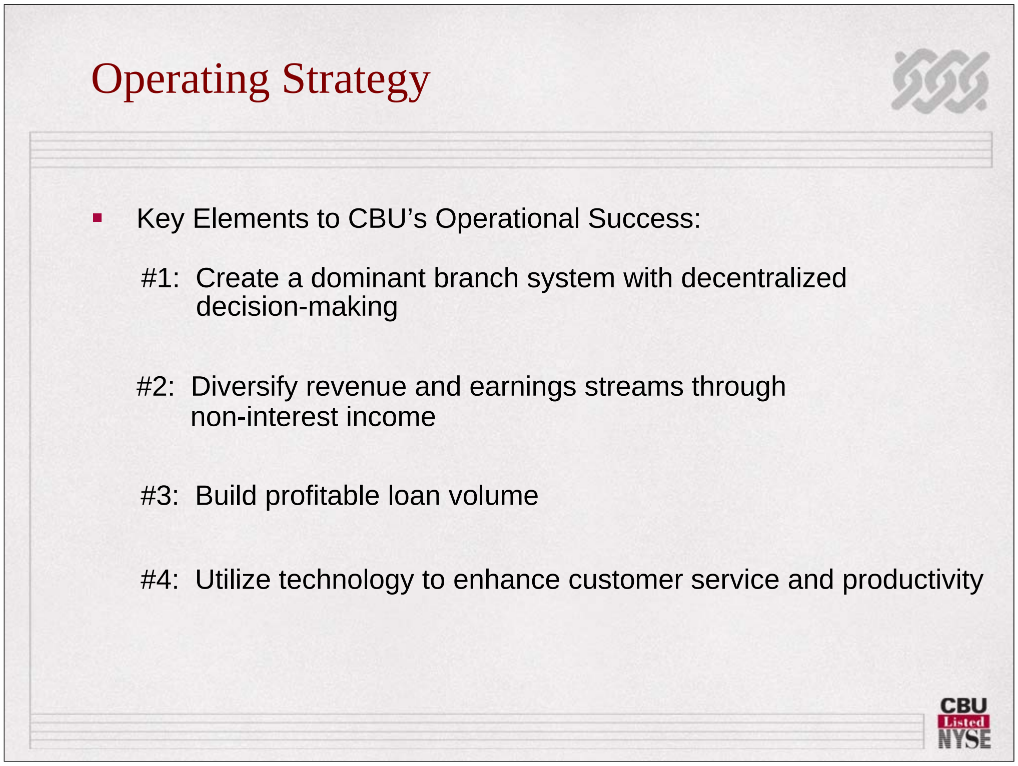
Over the past two years we've focused on strengthening our core management team. In addition to Brian Donahue, our Chief Banking Officer, we've added a Chief Technology Officer, a Director of Special Projects, a Vice-President of Sales & Marketing, and a Chief Human Resources Officer. Additionally, our management team in Pennsylvania has been strengthened over the past two years 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.



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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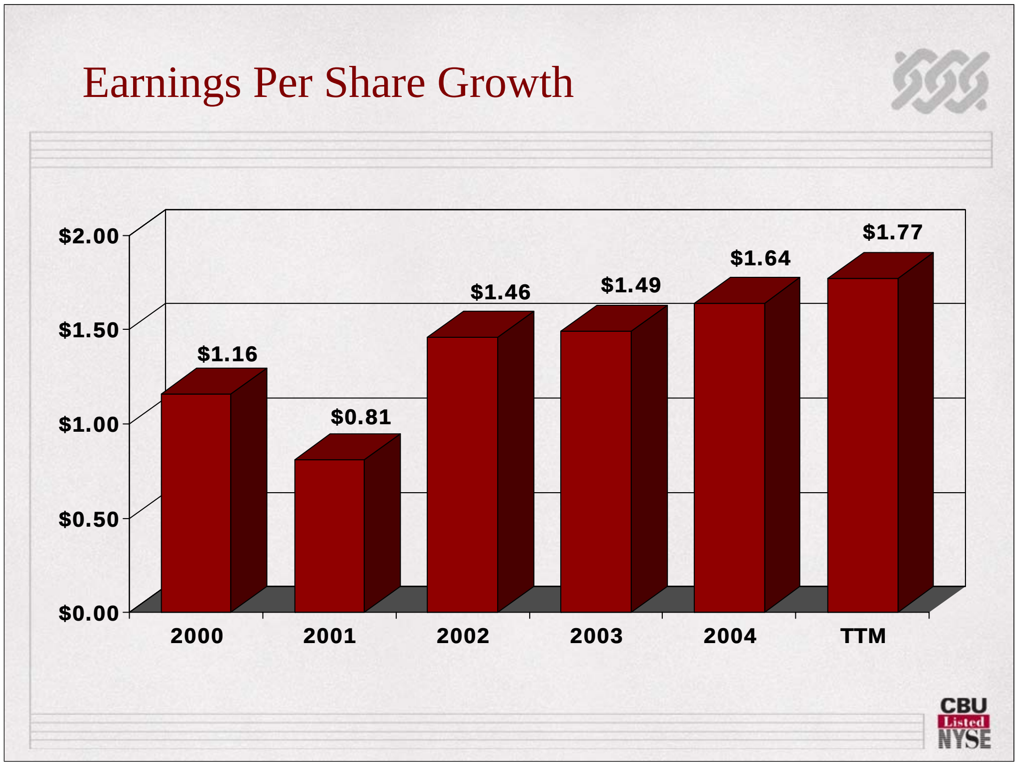
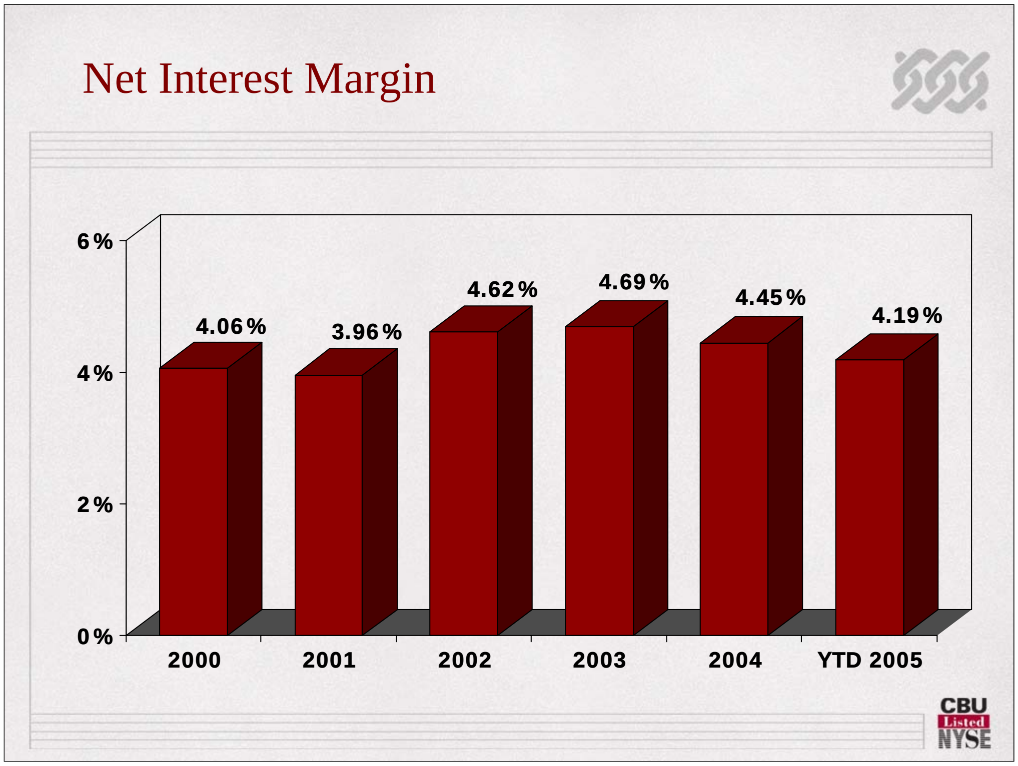
(SAK)

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%.

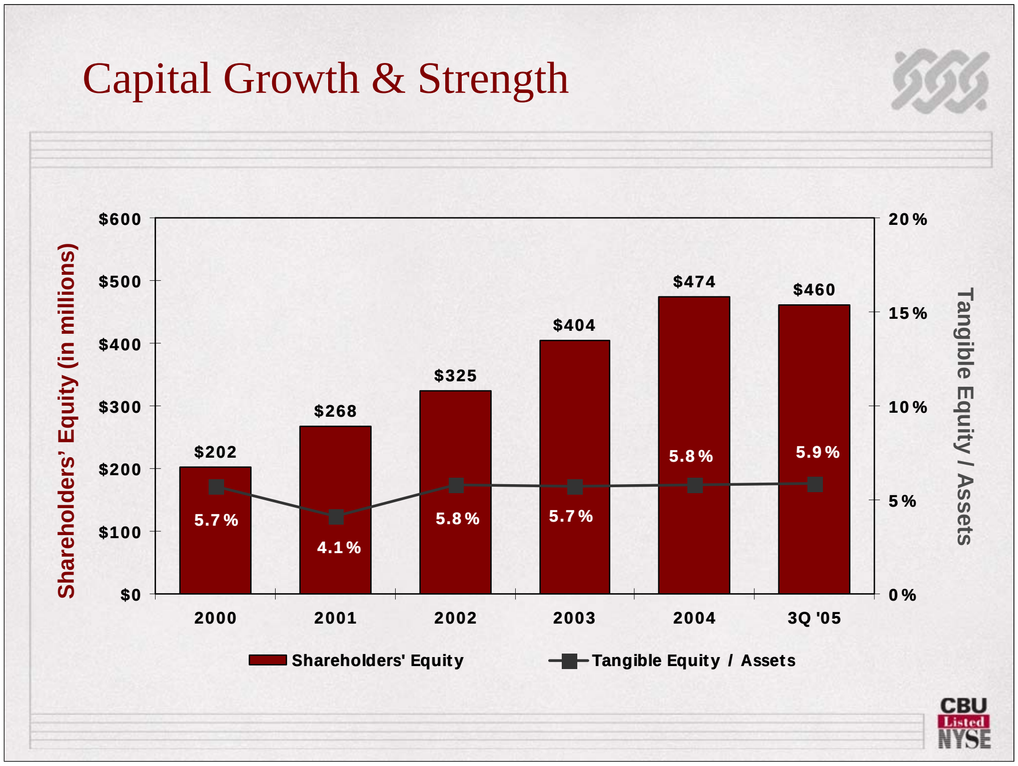
That makes CBU a good example of what it takes to be a growth player in the community banking business. And in the process, we've been able to reward our shareholders with consistent increases in dividends per share, including a 6% increase announced in August.



2004's earnings were an all-time high for CBU at $1.64 per share, principally due to growth in non-interest income and improved asset quality, despite a lower net interest margin. We also recently reported third quarter 2005 earnings per share of $0.48, a 7% increase over the third quarter of 2004. Cash earnings per share, which exclude the after-tax effect of amortization of intangible assets, was $1.93 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.

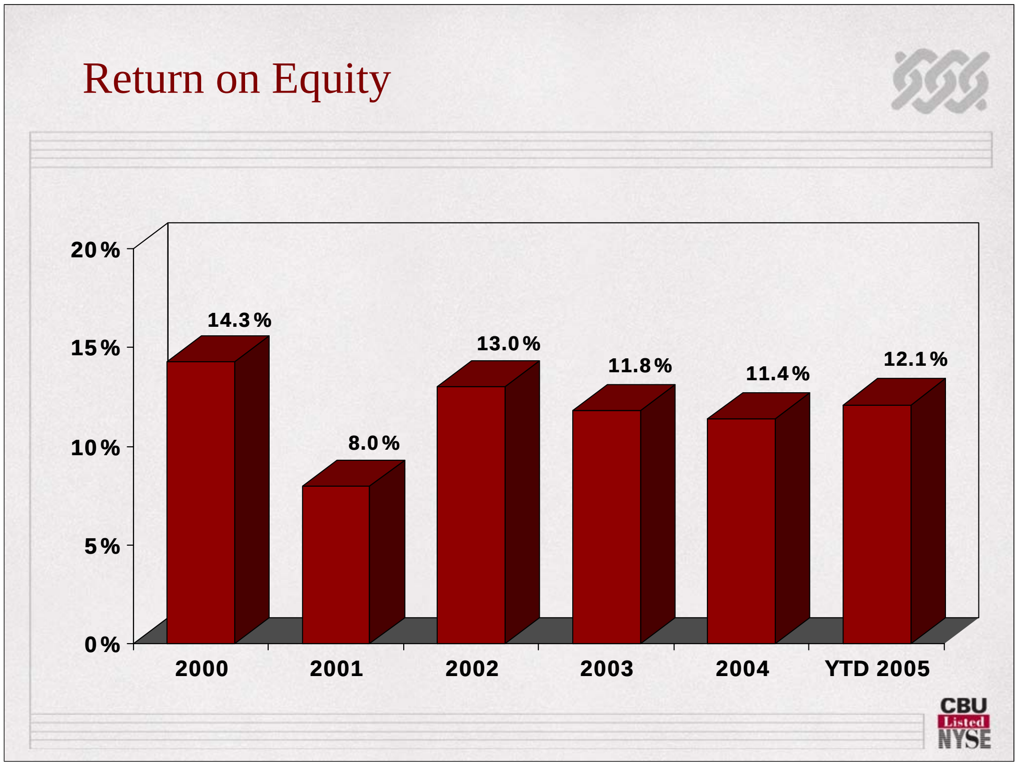


Consistent with most of our peers, the flattening yield curve has resulted in a lowering of our net interest margin over the past 24 months, from a high of 4.69% in 2003, to 4.19% for the nine months ended September 30, 2005. Despite the reduction, we continue to be in the 90th percentile of our peers, relative to net interest margin results.

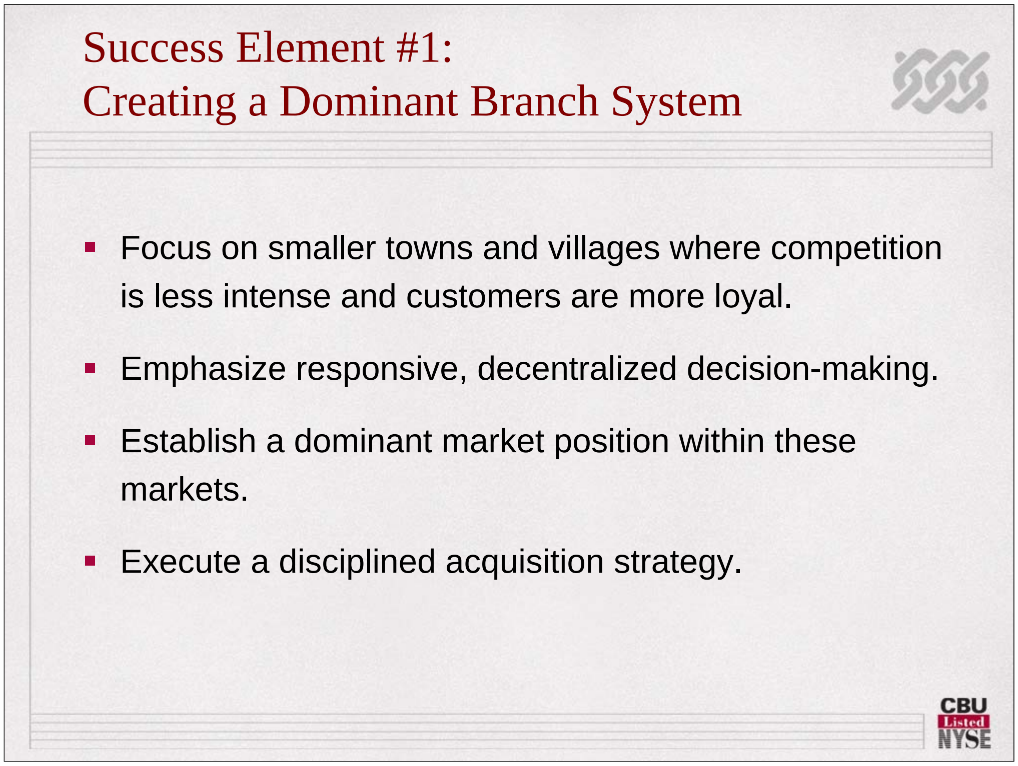


One of our primary capital management objectives coming out of 2001 was to rebuild the tangible equity ratio, which had declined to 4.1% as a result of the acquisitions completed that year. We have always maintained regulatory capital ratios substantially in excess of the minimum needed to be "well-capitalized," 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 have been successful since 2001 in strengthening all of our capital ratios, and have been able to maintain an improved level of tangible capital through September 2005 despite five acquisitions that added over $100 million of intangibles to the balance sheet, and over $50 million of share repurchases. At September 30, 2005 our tangible equity ratio stood at 5.9%, slightly above year-end 2004's level, and our Tier 1 Leverage ratio was at 7.33%. These improved capital metrics allow us the flexibility to more actively fulfill our share repurchase goals, if market and other conditions warrant, and to continue to execute our disciplined acquisition strategy.



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 earnout the premiums paid for recent acquisitions. Now Mark will discuss the four key elements of our growth strategy in more detail.



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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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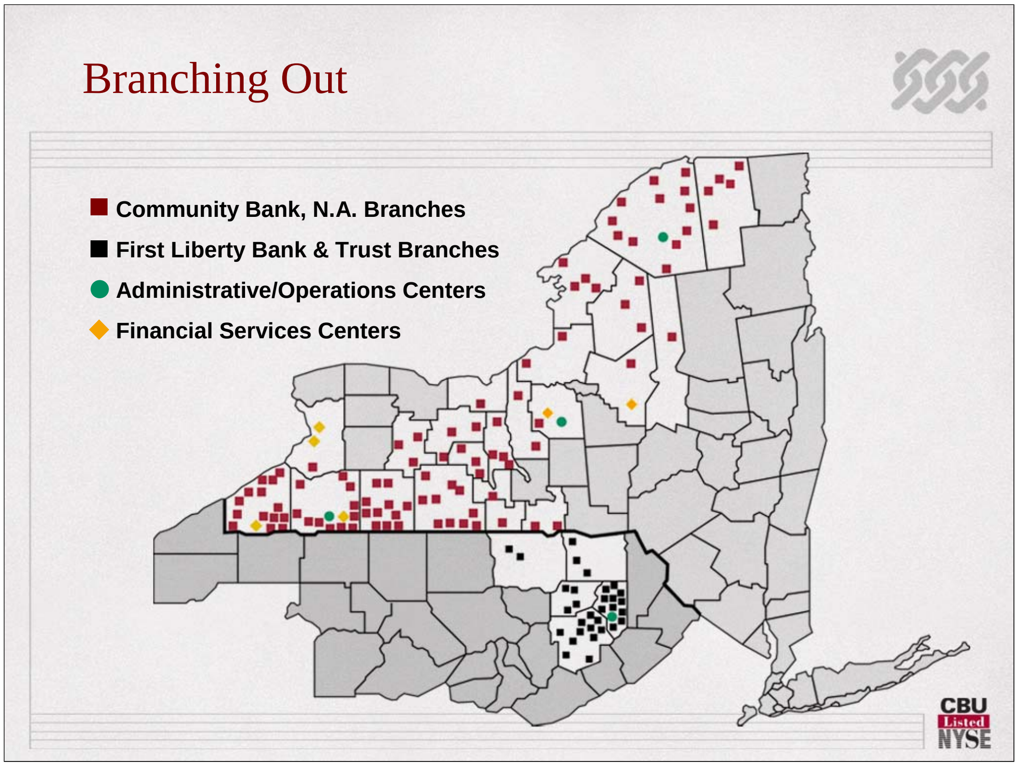
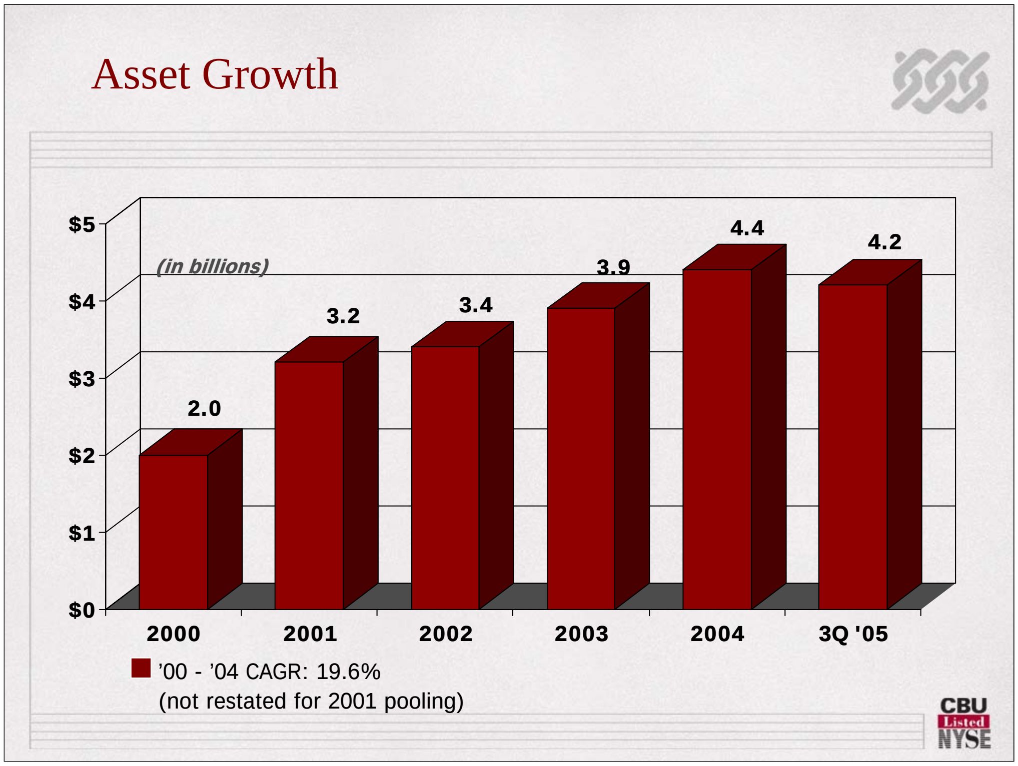
From the mid-1990's through 2001, when many of the super-regional banks were pulling out of markets like ours, we were able to acquire 75 branches at modest premiums, from such formidable institutions as Chase, Fleet and Key. In almost every case, we achieved excellent loan and deposit growth following the acquisition.

Since 2001, we've also consummated five whole-bank acquisitions – including two since November 2003. The May 2001 acquisition of First Liberty Bank Corp. in the Scranton / Wilkes-Barre region of Northeastern Pennsylvania was our first acquisition outside of New York State. We subsequently acquired the Grange National Bank in November 2003, and First Heritage in May 2004 and operate them under the First Liberty banner.



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 30 branches in five counties with a deposit base of over $850 million, including de novo expansion in select PA markets as well.



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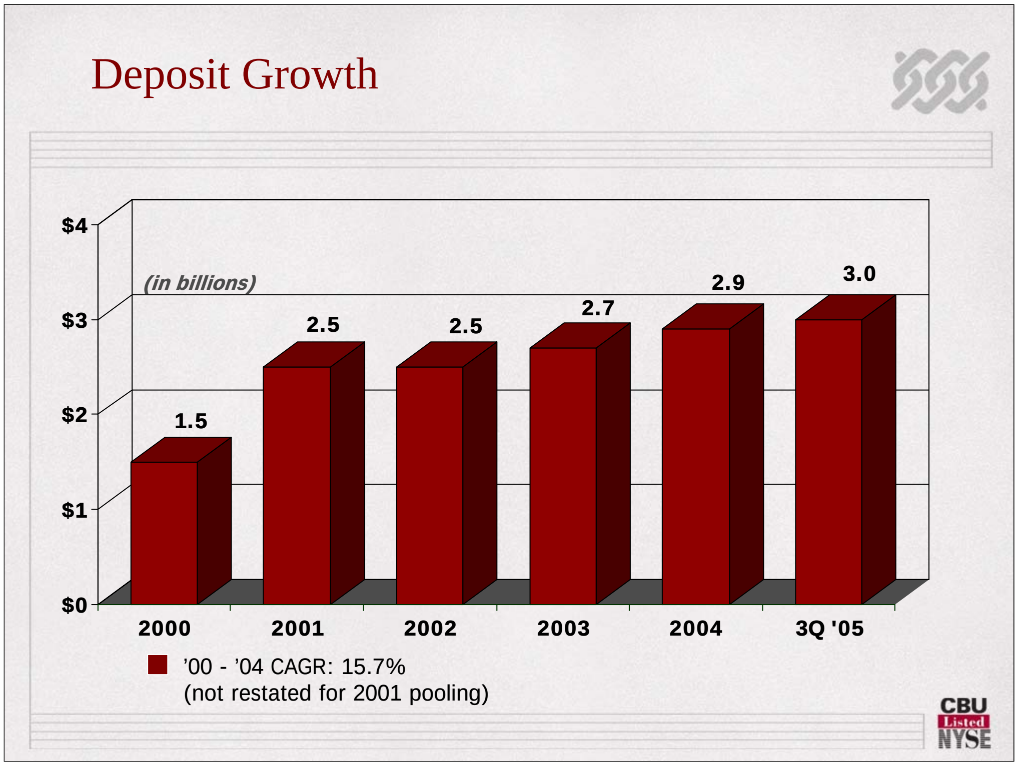
Over the last five years, CBU's assets have grown to nearly $4.2 billion through a combination of organic and acquired growth.

Growth in assets over the five-year period through year-end 2004 was over 19% annually. The decrease in 2005 is a result of our decision to sell and not reinvest securities portfolio cash flows in the current flat yield curve environment. Over the course of 2005, we've repositioned our balance sheet, as we said in the first quarter we intended to do, to better favor a rising rate environment, and we've accomplished that by selling securities, and repaying and restructuring our borrowings.

All of these actions have reduced current and ongoing interest income, but more importantly, they have served to substantially reduce the impact of our near-term liability sensitivity in a rising rate environment.



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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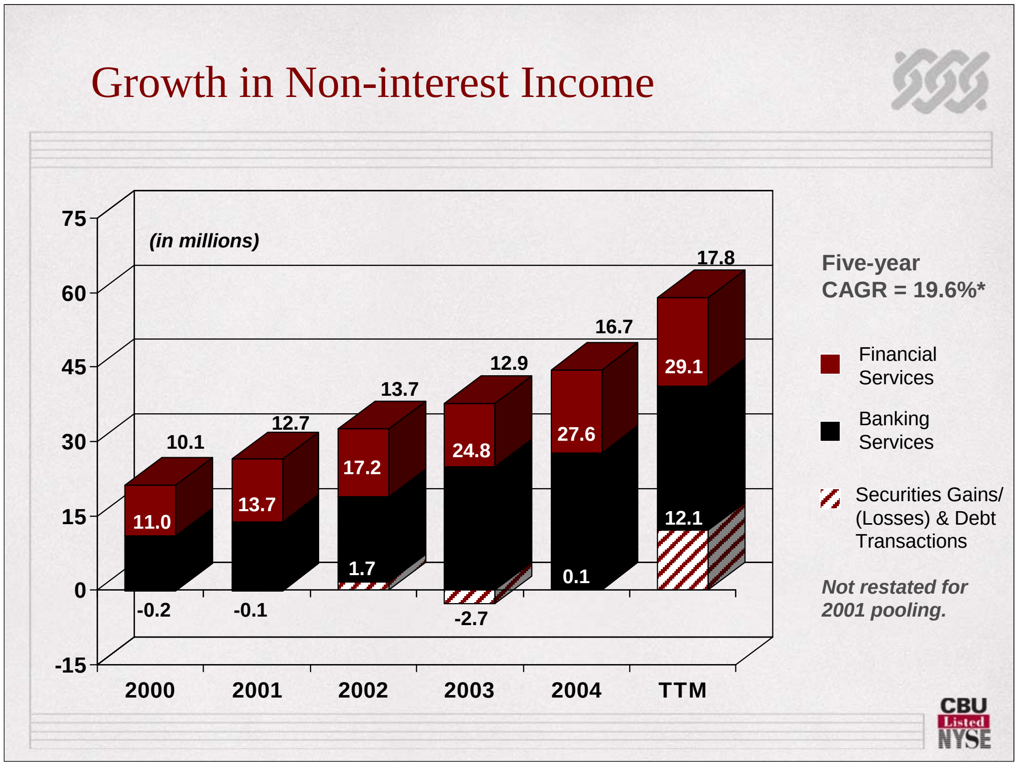
The second element of our growth strategy is diversification of our operating revenue through non-interest income. Beginning in the mid-1990s, we made a strong commitment to grow non-interest income, and we've invested significantly in obtaining the resources and products to accomplish this growth objective. 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 2004, non-interest income was up 17% over the prior year, with increases achieved in our banking, employee benefits, and wealth management businesses. This growth has continued into 2005, as our non-interest income, excluding securities gains, is up 7.3% over the first nine months of 2004.

As I discussed previously, in 2005 we have also made substantial progress toward enhancing our interest rate risk profile through the continued, planned reduction in the duration of our investment portfolio, which has declined from 7.0 years at June 30, 2004, to 4.8 years at September 30, 2005. This was affected principally through the sale of securities during very favorable market opportunities, as well as through scheduled maturities. As a result, our securities portfolio is down $248 million from September 2004, with that reduction used to reduce borrowings, which are down $265 million from a year ago. We have been able to accomplish this balance sheet repositioning while generating $0.24 per share of realized gains this year.

Success Element #3:
Profitable Loan Growth

- We emphasize responsive, localized decision-making.
- Portfolio has grown at 10% per year over the last five years and more than 15% annually since the inception of our acquisition program in 1994.
- Growth has been disciplined with our continued focus on maintaining solid asset quality.
- We've enhanced our strategy by focusing on growing the commercial portfolio.

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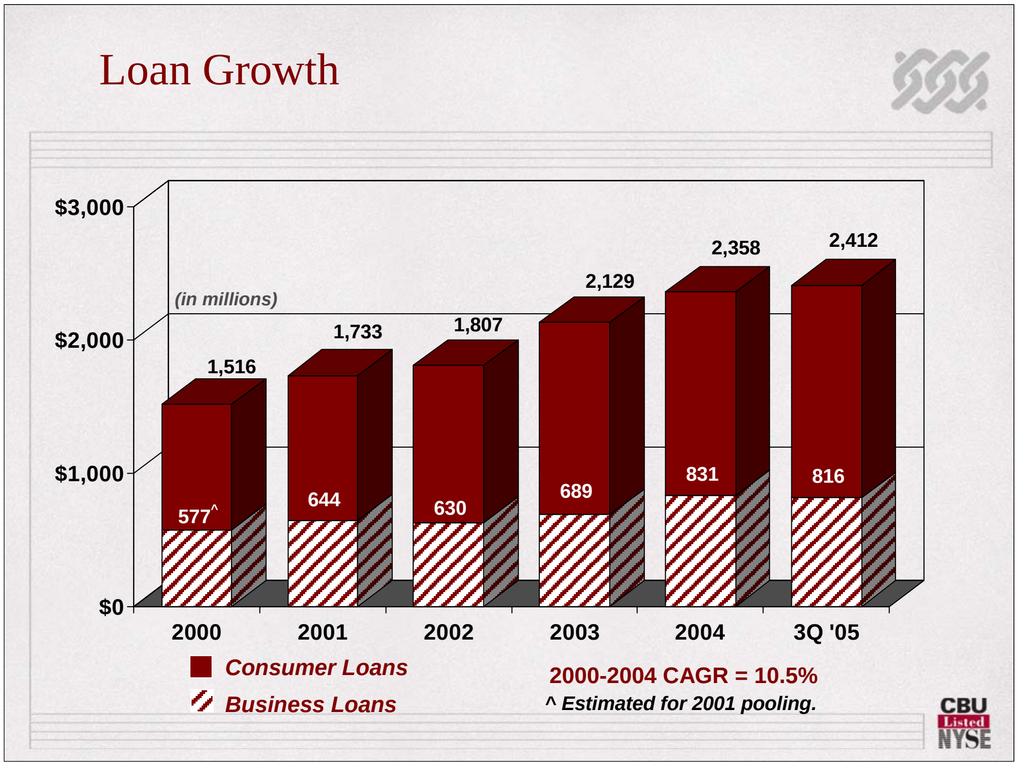
Any discussion of growth in community banking has to focus on the challenges of continuously growing a high quality loan portfolio. Accordingly, building profitable loan volume is the third element of our strategy. As I've said, we utilize a process of responsive, localized decision-making, focused on 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 had grown nearly 15% per year since the inception of our eleven-year acquisition program. Just as importantly, as Scott will describe, this growth has not been achieved at the expense of asset quality.



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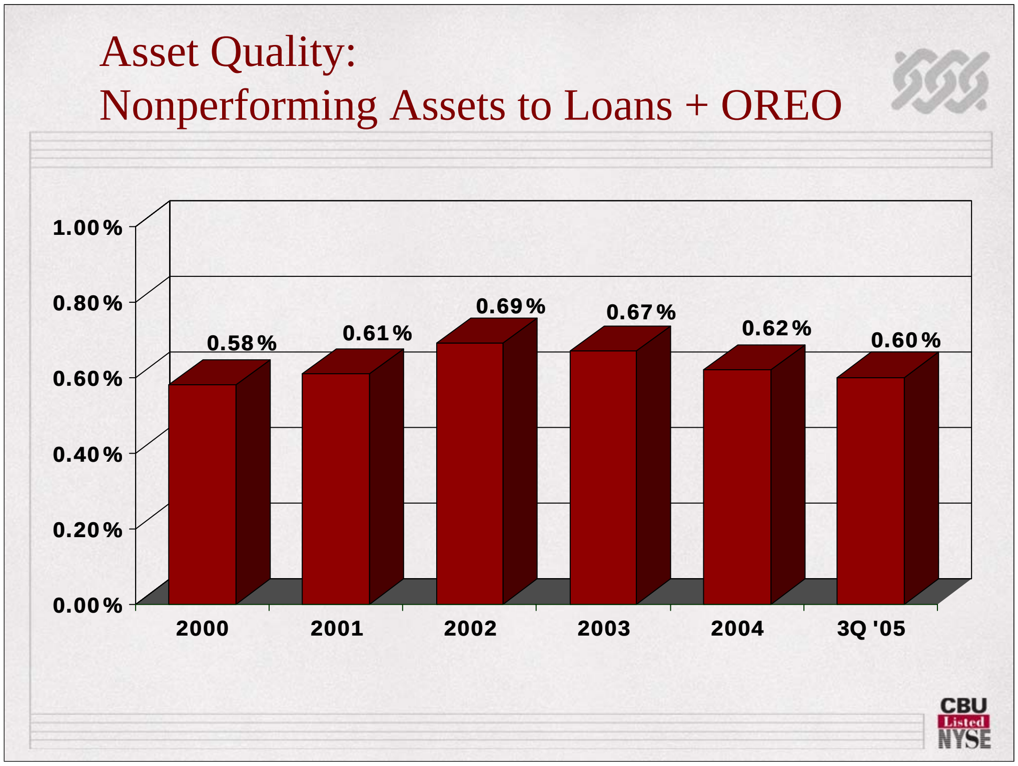
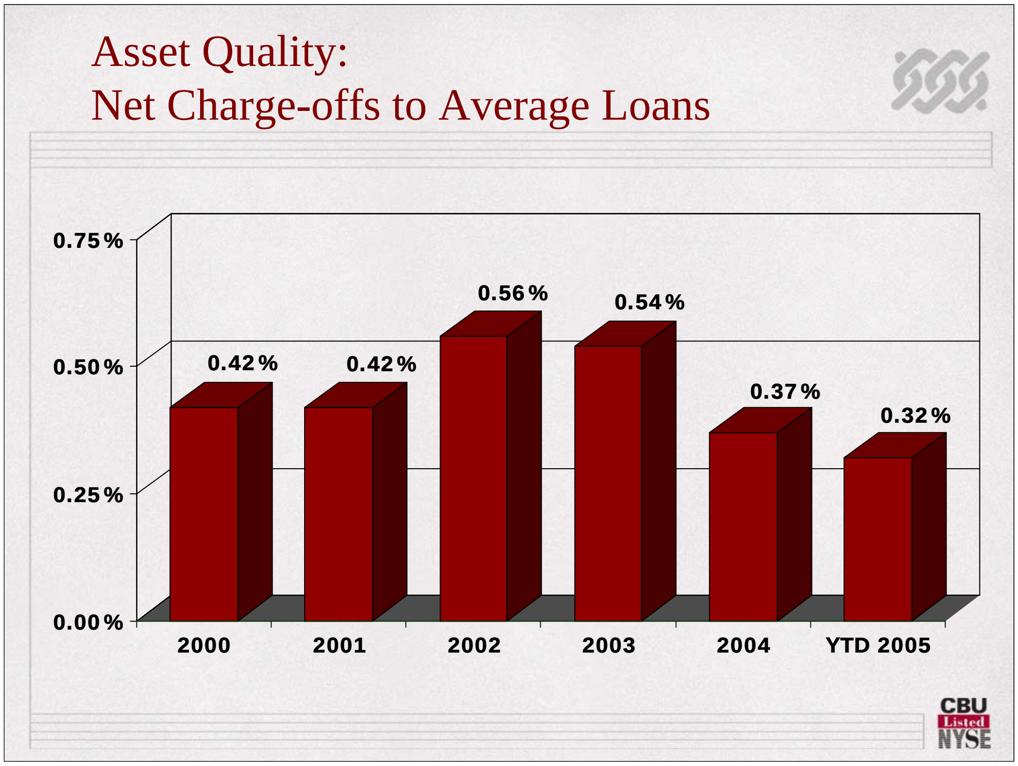
Our loan growth has been very steady throughout the last five years, with 10% annual growth. Our present loan mix is very well-balanced, with 34% commercial business loans, 33% consumer installment lending, and 33% consumer mortgage lending.



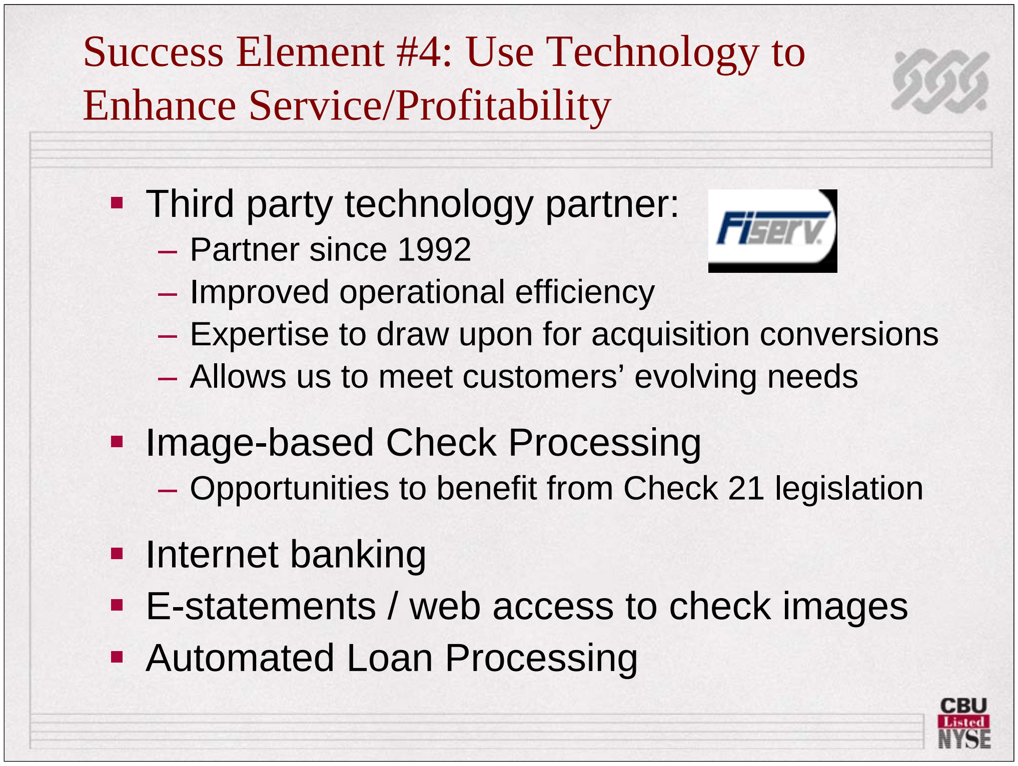
As Mark said, loan growth has not come at the expense of asset quality. Through 2001, nonperforming assets as a percentage of total loans and other real estate remained in a narrow and very favorable range. Non-performing assets and charge-off's began rising in 2002, prompting the Company to further strengthen credit administration, loan review and workout resources. Non-performing assets stood at 62 basis points as of December 2004, and at 60 basis points as of September 30, 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. They declined significantly to a very favorable 37 basis points for 2004, and were at 32 basis points for the first nine months of 2005.



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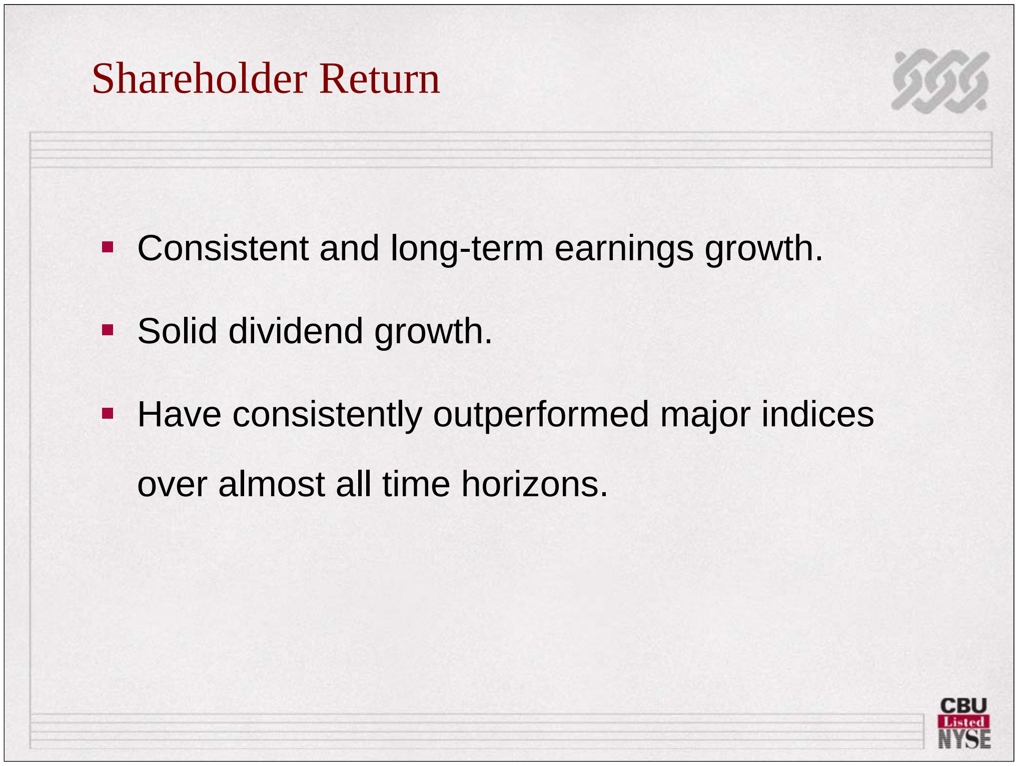
The fourth element of our growth strategy is an on-going commitment to have the necessary technology in place to support our growth initiatives.

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.

Early in 2005, we implemented an improved technology platform in support of our successful indirect installment lending business, and have recently implemented 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.



So what have been the fruits of the four success factors we have been committed to for the last eleven 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 October 31, 2005, Including Reinvestment of Dividends)

	CBU	S&P 500	S&P Small-Cap 600 Index	NASDAQ Bank Index	Russell 2000
1 Year	(11.3)%	8.7%	15.2%	2.9%	12.1%
3 Years	17.6%	12.8%	21.6%	13.9%	21.6%
5 Years	18.2%	(1.7)%	10.1%	14.6%	6.8%
10 Years	15.5%	9.3%	12.4%	15.0%	9.6%
15 Years	20.8%	11.9%	14.5%	N/A	12.0%

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 15.5% 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 almost 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 in excess of $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.

Investment Merits
(continued)

- Consistent Earnings Growth
- Solid Asset Quality
- Superior Return to Shareholders
- Strong Dividend Yield
  - 3.2% as of October 31, 2005

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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 we appreciate you allowing us to share our story of how CBU has made community banking a growth business in Upstate NY and Northeastern PA.