

The logo for Seeking Alpha, with the text 'Seeking Alpha' in white and a gold Greek letter alpha symbol to the right, all on a dark red background.

Community Bank System Q4 2008 Earnings Call Transcript

Earnings Call Excerpt

Community Bank System (CBU)

Q4 2008 Earnings Call

January 23, 2009 11:00 am ET

Executives

Mark Tryniski - President and Chief Executive Officer

Scott Kingsley - Executive Vice President & Chief Financial Officer

Analysts

Whitney Young - Bank of America

Rick Weiss - Janney Montgomery Scott

David Darst - FTN Midwest Securities Corp.

Barbara Giannuzzi - Unidentified Company

Michael Cooke - Unidentified Company

John Stewart - Unidentified Company

Presentation

Operator

Please note that this presentation contains forward-looking statements within the provisions 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 annual report on Form 10-K filed with the Securities and Exchange Commission. And now, I would like to introduce today's call leaders, Mr. Mark Tryniski, President and Chief Executive Officer; and Mr. Scott Kingsley, Executive Vice President and Chief Financial Officer of Community Bank System. Gentlemen, you may begin.

Mark Tryniski

Thank you, Betty. Good morning and happy New Year to all and thank you for joining our conference call. I would like to make a couple of comments on the fourth quarter and then comment on the year as a whole. I will begin by saying we're pleased with fourth quarter performance and earnings per share, which were up 6% over 2007 excluding the impact of a number of non-operating items Scott will discuss further.

In addition to organic loan and core deposit growth for the quarter, our net interest margin rose for the second straight quarter and non-interest income increased by double digits over 2007. In addition to positive operating results, there were three other significant fourth quarter events worthy of comment.

The first is our successful issuance in October of 2.5 million shares of common stock in an offering that was significantly oversubscribed. The purpose of the offering was to provide capital support for the acquisition of 18 branches in Northern New York from Citizens Financial Group, which was closed and integrated successfully in November.

This transaction brings us an attractive base of core funding relationships and economically strong markets and has already begun to provide substantial lending opportunities as well. The transaction will be accretive in 2009.

Copyright © 2008 CNET Networks, Inc. All Rights Reserved.