

PATHFINDER BANCORP, INC.
FINANCIAL HIGHLIGHTS
(dollars in thousands except per share amounts)

**For the three months
ended June 30,
(Unaudited)**

	2016	2015
Condensed Income Statement		
Interest and dividend income	\$ 5,866	\$ 5,302
Interest expense	873	623
Net interest income	4,993	4,679
Provision for loan losses	150	401
	4,843	4,278
Noninterest income excluding net gains on sales of securities, loans and foreclosed real estate	904	907
Net gain on sales of securities, loans and foreclosed real estate	122	45
Noninterest expense	4,778	4,232
Income before income taxes	1,091	998
Provision for income taxes	225	290
Net Income	\$ 866	\$ 708
Net income attributable to noncontrolling interest	\$ 34	\$ 14
Net income attributable to Pathfinder Bancorp, Inc.	\$ 832	\$ 694
Preferred stock dividends	-	33
Net income available to common shareholders	\$ 832	\$ 661

For the Periods Ending

	June 30, 2016	December 31, 2015	June 30, 2015
Selected Balance Sheet Data			
Assets	\$670,971	\$623,254	\$600,325
Earning assets	625,938	581,722	563,249
Total loans	450,581	430,438	403,411
Deposits	526,068	490,315	457,575
Borrowed funds	63,450	41,300	62,000
Allowance for loan losses	5,930	5,706	5,900
Subordinated loans	15,008	14,991	5,155
Pathfinder Bancorp, Inc. Shareholders' equity	59,689	70,805	69,671
Asset Quality Ratios			
Net loan charge-offs (annualized) to average loans	0.06%	0.25%	0.12%
Allowance for loan losses to period end loans	1.32%	1.33%	1.46%
Allowance for loan losses to nonperforming loans	115.17%	107.30%	93.96%
Nonperforming loans to period end loans	1.14%	1.24%	1.56%
Nonperforming assets to total assets	0.84%	0.94%	1.11%

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Key Earnings Ratios

Return on average assets	0.47%	0.46%
Return on average common equity**	5.55%	4.82%
Return on average equity	5.55%	3.93%
Net interest margin	2.99%	3.33%

Share and Per Share Data

Basic weighted average shares outstanding*	4,149,307		4,120,000
Basic earnings per share*	\$ 0.20	\$	0.16
Diluted weighted average shares outstanding*	4,233,678		4,187,210
Diluted earnings per share*	\$ 0.20	\$	0.16
Cash dividends per share	\$ 0.05	\$	0.03
Book value per common share at June 30, 2016 and 2015			
Tangible book value per common share at June 30, 2016 and 2015			

* Basic and diluted earnings per share are calculated based upon net income available to common shareholders after preferred stock dividends.

Historical basic and diluted earnings per share and average weighted shares outstanding have been adjusted by the exchange ratio of 1.6472 used in the Conversion and Offering that occurred on October 16, 2014.

Book value and tangible book value per common share at September 30, 2014 was not adjusted by the exchange ratio.

Weighted average shares outstanding do not include unallocated ESOP shares.

** Common Equity includes the book value of the Company's common shares, retained earnings and additional paid-in capital. This amount is equal to the Company's total equity minus the book value of preferred stock outstanding.

The above information is preliminary and based on the Company's data available at the time of presentation.