

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

	For the three months ended June 30, (Unaudited)		For the six months ended June 30, (Unaudited)	
	2017	2016	2017	2016
Condensed Income Statement				
Interest and dividend income	\$ 7,084	\$ 5,866	\$ 13,954	\$ 11,578
Interest expense	1,503	873	2,876	1,745
Net interest income	5,581	4,993	11,078	9,833
Provision for loan losses	423	150	812	360
	5,158	4,843	10,266	9,473
Noninterest income excluding net gains on sales of securities, loans and foreclosed real estate	949	904	1,865	1,825
Net gains on sales of securities, loans and foreclosed real est	114	122	161	202
Noninterest expense	5,024	4,778	10,023	9,481
Income before income taxes	1,197	1,091	2,269	2,019
Provision for income taxes	238	225	483	498
Net Income	\$ 959	\$ 866	\$ 1,786	\$ 1,521
Net income attributable to noncontrolling interest	\$ 39	\$ 34	\$ 66	\$ 28
Net income attributable to Pathfinder Bancorp, Inc.	\$ 920	\$ 832	\$ 1,720	\$ 1,493
Preferred stock dividends	-	-	-	16
Net income available to common shareholders	\$ 920	\$ 832	\$ 1,720	\$ 1,477

	For the Periods Ending June 30, 2017	December 31, 2016	June 30, 2016
	Selected Balance Sheet Data		
Assets	\$811,221	\$749,034	\$670,971
Earning assets	765,907	707,448	625,938
Total loans	548,825	492,147	450,581
Deposits	643,843	610,983	526,068
Borrowed funds	84,696	58,947	63,450
Allowance for loan losses	6,258	6,247	5,930
Subordinated loans	15,042	15,025	15,008
Pathfinder Bancorp, Inc. Shareholders' equity	61,064	57,929	59,689

Asset Quality Ratios			
Net loan charge-offs (annualized) to average loans	0.31%	0.09%	0.06%
Allowance for loan losses to period end loans	1.14%	1.27%	1.32%
Allowance for loan losses to nonperforming loans	142.45%	129.85%	115.17%
Nonperforming loans to period end loans	0.80%	0.98%	1.14%
Nonperforming assets to total assets	0.63%	0.72%	0.84%

For the three months

For the six months

	ended June 30, (Unaudited)		ended June 30, (Unaudited)	
	2017	2016	2017	2016
Key Earnings Ratios				
Return on average assets	0.46%	0.50%	0.43%	0.45%
Return on average common equity**	6.05%	5.84%	5.73%	5.14%
Return on average equity	6.05%	5.84%	5.73%	4.79%
Net interest margin	2.93%	3.16%	2.95%	3.16%
Share and Per Share Data				
Basic weighted average shares outstanding*	4,073,852	4,149,307	4,062,810	4,144,643
Basic earnings per share*	\$ 0.23	\$ 0.20	\$ 0.42	\$ 0.36
Diluted weighted average shares outstanding*	4,182,604	4,233,678	4,168,126	4,226,071
Diluted earnings per share*	\$ 0.22	\$ 0.20	\$ 0.41	\$ 0.35
Cash dividends per share	\$ 0.0525	\$ 0.05	\$ 0.1025	\$ 0.10
Book value per common share at June 30, 2017 and 2016			14.32	13.70
Tangible book value per common share at June 30, 2017 and 2016			13.21	12.61

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

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.