

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

**For the three months  
ended March 31,  
(Unaudited)**

|   | <b>2014</b>   | <b>2013</b>   |
|---|---------------|---------------|
| <b>Condensed Income Statement</b>   |               |               |
| Interest and dividend income  | \$ 4,715      | \$ 4,741      |
| Interest expense  | 695           | 896           |
| Net interest income   | 4,020         | 3,845         |
| Provision for loan losses   | 245           | 324           |
|   | 3,775         | 3,521         |
| Noninterest income excluding net gains on sales of securities, loans and foreclosed real estate | 821           | 608           |
| Net gain on sales of securities, loans and foreclosed real estate                               | 5             | 68            |
| Noninterest expense   | 3,907         | 3,505         |
| Income before income taxes  | 694           | 692           |
| Provision for income taxes  | 176           | 187           |
| <b>Net Income</b>   | <b>\$ 518</b> | <b>\$ 505</b> |
| <b>Net Income attributable to noncontrolling interest</b>                                       | <b>\$ 29</b>  | <b>\$ -</b>   |
| <b>Net Income attributable to Pathfinder Bancorp Inc</b>  | <b>\$ 489</b> | <b>\$ 505</b> |
| Preferred stock dividends   | -             | -             |
| Net income available to common shareholders   | \$ 489        | \$ 505        |

**Key Earnings Ratios**

|                          |       |       |
|--------------------------|-------|-------|
| Return on average assets | 0.38% | 0.41% |
|--------------------------|-------|-------|

|                                      |       |       |
|--------------------------------------|-------|-------|
| Return on average common equity      | 6.46% | 7.19% |
| Return on average equity             | 4.52% | 4.92% |
| Net interest margin (tax equivalent) | 3.48% | 3.40% |

#### Share and Per Share Data

|  |           |           |
|--|-----------|-----------|
| Basic weighted average shares outstanding              | 2,529,432 | 2,511,932 |
| Basic earnings per share*                              | \$ 0.19   | \$ 0.20   |
| Diluted weighted average shares outstanding            | 2,551,447 | 2,511,932 |
| Diluted earnings per share*                            | \$ 0.19   | \$ 0.20   |
| Cash dividends per share                               | \$ 0.03   | \$ 0.03   |
| Book value per common share at March 31, 2014 and 2013 | \$ 11.60  | \$ 10.71  |

\*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.

|  | March 31,<br>2014 | December 31,<br>2013 | March 31,<br>2013 |
|--|-------------------|----------------------|-------------------|
| <b>Selected Balance Sheet Data</b>                 |                   |                      |                   |
| Assets   | \$525,846         | \$503,793            | \$504,964         |
| Earning assets                                     | 489,100           | 469,984              | 475,640           |
| Total loans  | 348,142           | 341,633              | 338,944           |
| Deposits   | 438,352           | 410,140              | 428,385           |
| Borrowed funds                                     | 33,826            | 40,853               | 25,936            |
| Allowance for loan losses                          | 4,999             | 5,041                | 4,686             |
| Junior subordinated debentures                     | 5,155             | 5,155                | 5,155             |
| Pathfinder Bancorp, Inc Shareholders' equity       | 43,414            | 42,712               | 41,049            |
| <b>Asset Quality Ratios</b>                        |                   |                      |                   |
| Net loan charge-offs (annualized) to average loans | 0.33%             | 0.15%                | 0.17%             |
| Allowance for loan losses to period end loans      | 1.44%             | 1.48%                | 1.38%             |
| Allowance for loan losses to nonperforming loans   | 71.59%            | 94.22%               | 78.32%            |

|   |       |       |       |
|---|-------|-------|-------|
| Nonperforming loans to period end loans | 2.01% | 1.57% | 1.77% |
| Nonperforming assets to total assets    | 1.46% | 1.18% | 1.26% |

The information is preliminary and based on company data at the time of presentation.