

**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)	
	2014	2013	2014	2013
<b>Condensed Income Statement</b>				
Interest and dividend income	\$ 4,784	\$ 4,735	\$ 9,499	\$ 9,476
Interest expense	666	833	1,360	1,730
Net interest income	4,118	3,902	8,139	7,746
Provision for loan losses	275	276	520	600
	3,843	3,626	7,619	7,146
Noninterest income excluding net gains on sales of securities, loans and foreclosed real estate	828	623	1,648	1,230
Net gain on sales of securities, loans and foreclosed real estate	50	481	56	550
Noninterest expense	3,763	3,601	7,670	7,105
Income before income taxes	958	1,129	1,653	1,821
Provision for income taxes	275	306	451	493
<b>Net Income</b>	<b>\$ 683</b>	<b>\$ 823</b>	<b>\$ 1,202</b>	<b>\$ 1,328</b>
<b>Net Income attributable to noncontrolling interest</b>	<b>\$ 7</b>	<b>\$ -</b>	<b>\$ 37</b>	<b>\$ -</b>
<b>Net Income attributable to Pathfinder Bancorp Inc</b>	<b>\$ 676</b>	<b>\$ 823</b>	<b>\$ 1,165</b>	<b>\$ 1,328</b>
Preferred stock dividends	30	-	30	-
Net income available to common shareholders	\$ 646	\$ 823	\$ 1,135	\$ 1,328

**Key Earnings Ratios**

Return on average assets	0.49%	0.66%	0.44%	0.53%
Return on average common equity	8.22%	11.54%	7.36%	9.38%
Return on average equity	5.81%	7.93%	5.18%	6.43%
Net interest margin (tax equivalent)	3.43%	3.40%	3.45%	3.40%

**Share and Per Share Data**

Basic weighted average shares outstanding	2,532,557	2,515,057	2,531,003	2,513,503
Basic earnings per share*	\$ 0.26	\$ 0.33	\$ 0.45	\$ 0.53
Diluted weighted average shares outstanding	2,558,910	2,530,948	2,555,199	2,521,492
Diluted earnings per share*	\$ 0.25	\$ 0.33	\$ 0.44	\$ 0.53
Cash dividends per share	\$ 0.03	\$ 0.03	\$ 0.06	\$ 0.06
Book value per common share at June 30, 2014 and 2013			\$ 11.91	\$ 10.37

\*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.

	June 30, 2014	December 31, 2013	June 30, 2013
<b>Selected Balance Sheet Data</b>			
Assets	\$544,529	\$503,793	\$494,367
Earning assets	507,306	469,984	463,844
Total loans	358,776	341,633	337,600
Deposits	448,163	410,140	400,379
Borrowed funds	41,798	40,853	44,768
Allowance for loan losses	5,166	5,041	4,864
Junior subordinated debentures	5,155	5,155	5,155
Pathfinder Bancorp, Inc Shareholders' equity	44,253	42,712	40,143
<b>Asset Quality Ratios</b>			
Net loan charge-offs (annualized) to average loans	0.23%	0.15%	0.14%
Allowance for loan losses to period end loans	1.44%	1.48%	1.44%
Allowance for loan losses to nonperforming loans	80.11%	94.22%	83.86%
Nonperforming loans to period end loans	1.80%	1.57%	1.72%
Nonperforming assets to total assets	1.33%	1.18%	1.26%

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