



Investor Presentation

February 2013

Thomas W. Schneider
President & CEO

Forward Looking Statements

This presentation contains forward-looking statements within the meaning of the federal securities laws. Forward-looking statements can generally be identified by the fact that they do not relate strictly to historical or current facts. They often include words like “believe,” “expect,” “anticipate,” “estimate,” and “intend” or future or conditional verbs such as “will,” “would,” “should,” “could” or “may.” Statements in this document that are not strictly historical are forward-looking and are based upon current expectations that may differ materially from actual results. These forward-looking statements involve risks and uncertainties that could cause the actual results to differ materially from those anticipated by the statements made herein.

These risks and uncertainties involve general economic trends, changes in interest rates, competition, the quality and composition of the loan and investment portfolios, deposit flows, substantial changes in financial markets, changes in real estate value and the real estate market, results of regulatory examinations, regulatory changes, possibility of unforeseen events affecting the industry generally, the uncertainties associated with newly developed or acquired operations, the outcome of pending litigation, market disruptions, effects of terrorist activities, and other potential factors. Pathfinder Bancorp, Inc. undertakes no obligation to update these forward-looking statements to reflect events or circumstances after the date hereof or to reflect the occurrence of unforeseen events.

Corporate Overview

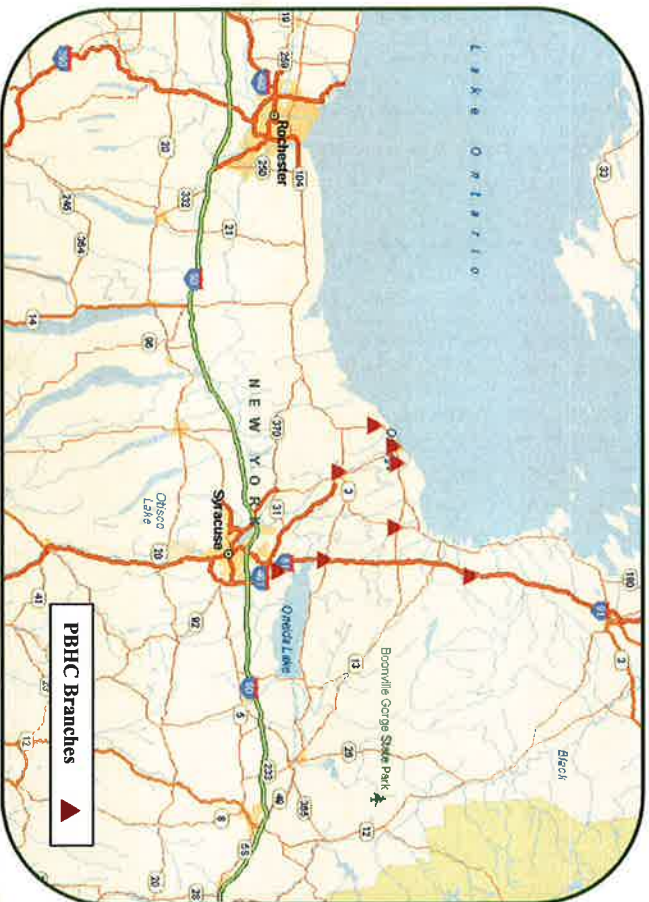
Company Overview

Bank Name	Pathfinder Bank
Headquarters	Oswego, NY
Date Established - IPO Date	3/4/1859 – 11/16/1995
Depository/ Branches	8

Summary Financials (12/31/2012)

Total Assets	\$477.8 MM
ROAA (LTM)	0.57%
ROATCE (LTM)	6.69%
Efficiency Ratio (LTM)	77.48%
TCE / TA	5.04%

Pathfinder Branch Map



Top 3 Branches ¹ by Deposits Location (Address, City)	2012 Deposits (\$'000s)	2011 Deposits (\$'000s)	2007 – 2012 Growth Rate (%)
214 W. First St., Oswego	141,365	110,926	61.4
5 W. First St. S., Fulton	50,607	45,535	48.8
6194 State Rt. 31, Cicero	43,492	28,895	NA

Stock Overview: PBHC

❖ Price:	\$10.50
❖ Dividend:	\$0.12
❖ Current Dividend Yield:	1.14%
❖ Market Capitalization:	\$27.5 million
❖ 52 Week High / Low:	\$11.00 / \$8.80
❖ Price / 2012 EPS:	12.1x
❖ Price / Fully-Converted Tangible Book ¹ :	72.6%

Experienced Management Team

Thomas “Tom” Schneider - President & CEO

- Former EVP and CFO of Pathfinder Bancorp, Inc., Pathfinder Commercial Bank, Pathfinder REIT and Whispering Oaks, all subsidiaries of the bank
- 24 years of financial services experience

James “Jim” Dowd – Senior VP & CFO

- Employed with Pathfinder Bank since 1994
- Previously a CPA with Coopers & Lybrand (PricewaterhouseCoopers LLP) for six years

Ronald “Ron” Tascarella – Senior VP & CCO

- Employed with Pathfinder Bank since 2006
- Previously SVP of Oswego County National Bank

Board of Directors

Janette Resnick

Chairman of Pathfinder Bancorp, Inc. & former Executive Director of Oswego County Opportunities

William Anson Barclay

Partner – Hiscock and Barclay, LLP

Christ R. Burritt

President & GM of R.M. Burritt Motors, Inc.

John Funicello

Owner of JF Real Estate

George P. Joyce

Owner of Laser Transit, Ltd.

David A. Ayoub

Partner at Bowers & Co. CPAs Tax Department

L. William Nelson Jr.

Owner of Nelson Funeral Home

Thomas W. “Tom” Schneider

President & CEO of Pathfinder Bancorp, Inc.

Corte J. Spencer

Retired CEO & Administrator of Oswego Hospital

Lloyd A. “Buddy” Stemple

Retired VP and GM of Novelis Specialty Products

Pathfinder Bancorp Company Highlights

- ❖ 7.0% year-over-year deposit growth vs. 1.9% deposit growth in the Syracuse MSA¹
 - Disenfranchised customers as a result of local acquisitions and those exiting the market
 - Successful branch opening strategy
- ❖ Continued organic loan growth through turbulent market cycles
 - 7.5% compound annualized growth rate since 2008
- ❖ Solid earnings performance for 2012
 - ROAA: 0.57%
 - ROAE: 6.69%
- ❖ Strong asset quality in-line with regional peers²
- ❖ Experienced management team with 77 years of combined banking experience
- ❖ \$6.8 million in TARP repaid with \$13.0 million in SBLF funding on September 6, 2011
 - Warrant redeemed on February 1, 2012



(1) Based on branch-level deposit comparison data as of 6/30/12 provided by SNL Financial
(2) Regional peers include major exchange traded New York and Pennsylvania banks and thrifts with assets between \$250 and \$600 million

Strategic Initiatives

Focus on expanding opportunities in Central New York

Focusing on under-served small business markets (Onondaga county branch opening)

Increasing revenues through insurance Product Offerings

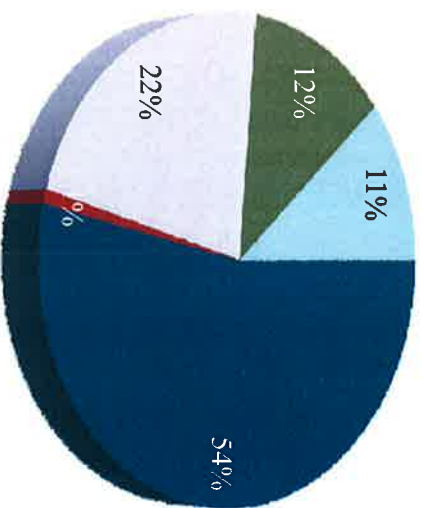
Improving operating efficiencies and effectiveness

Acquisition of disenfranchised customers and employees as a result of market consolidation

*Focus on
growing the
Pathfinder brand
while maximizing
shareholder
value*

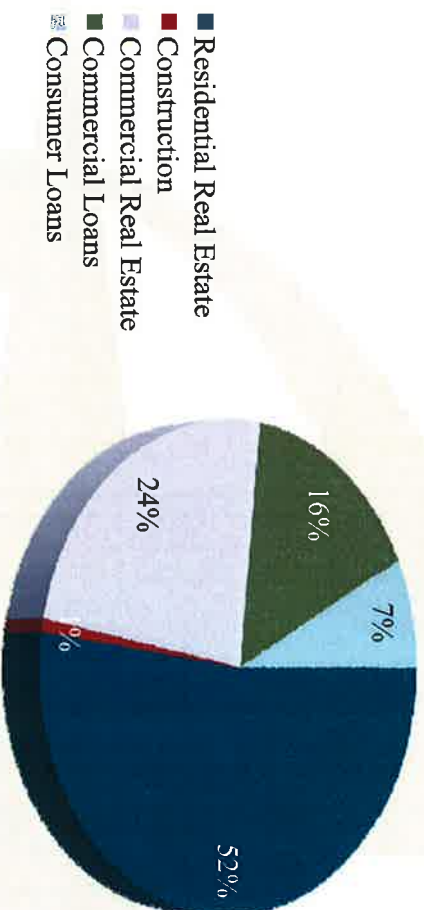
Loan Composition¹

December 2008



Total Loans: \$249.0 Million

December 2012

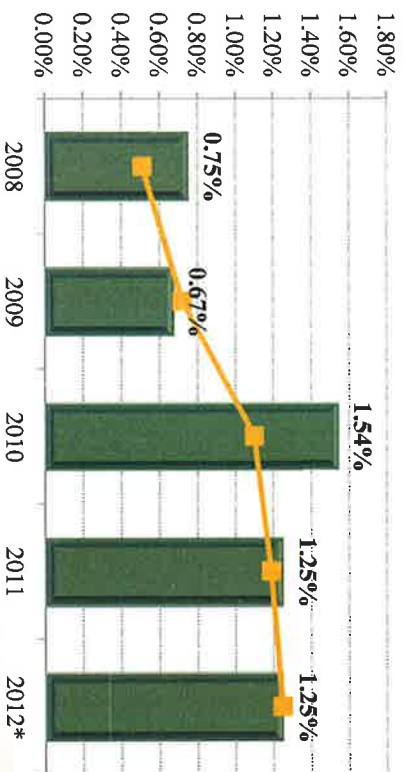


Total Loans: \$333.8 Million

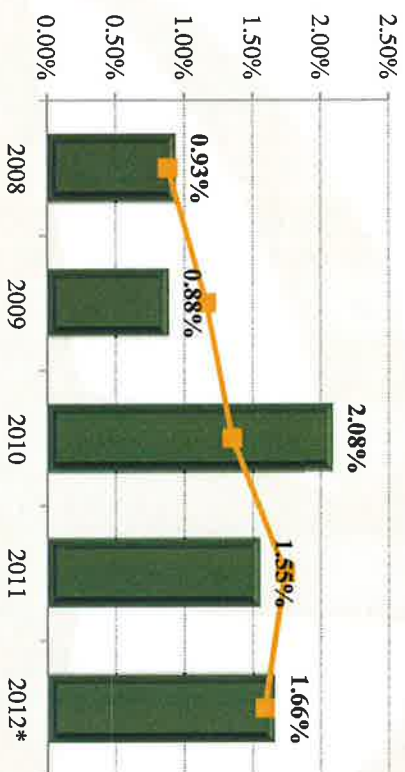
7.5% compound annualized growth rate since 2008

Strong Asset Quality

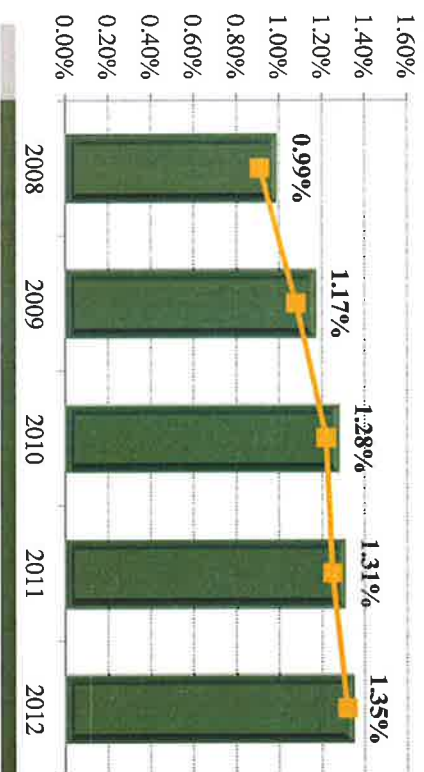
(Nonaccrual & 90+ & OREO) / Assets



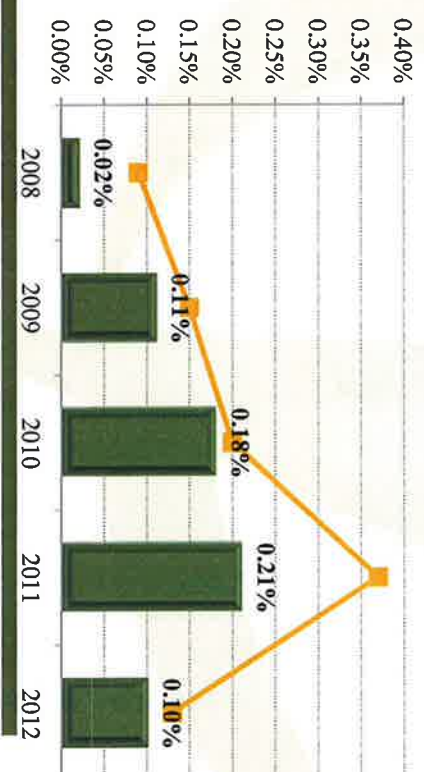
Nonaccrual Loans / Loans



Reserves / Loans



Net Charge-Offs / Average Loans

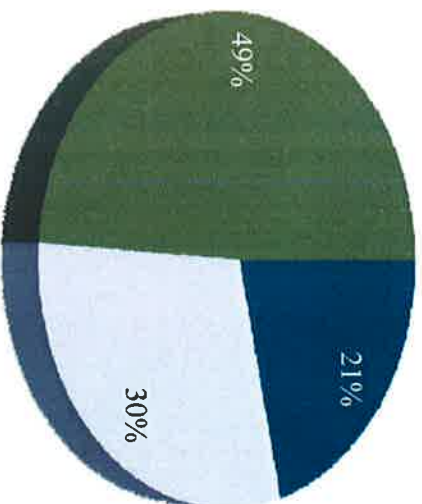


*Indicates bank-level ratio for PathFinder
YTD information for Regional Peers used where 2012 year end data is unavailable

—■— Regional Peer Group Median

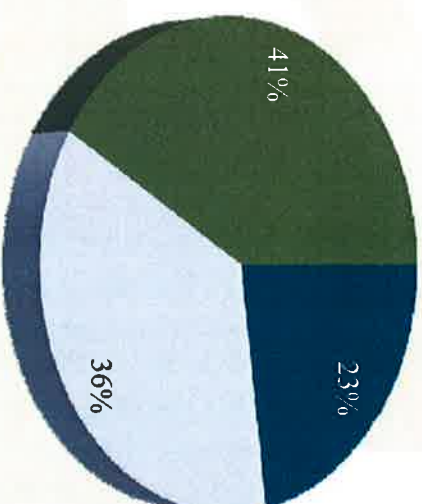
Deposit Composition¹

December 2008



Total Deposits: \$270.0 Million

December 2012



Total Deposits: \$393.8 Million

- Transaction
- MMDA & Savings
- Time

9.9% compound annualized growth rate since 2008

(1) Deposit composition breakouts are bank-level

Deposit Market Rank by County

- ❖ #1 market share holder in Oswego County, New York

Oswego, NY		2012	2012
Rank	Institution (ST)	Deposits (\$000)	Market Share (%)
1	Pathfinder Bancorp Inc. (MHC) (NY)	404,767	33.64
2	Fulton Savings Bank (NY)	201,607	16.76
3	Community Bank System Inc. (NY)	156,554	13.01
4	Bank of America Corp. (NC)	144,841	12.04
5	NBT Bancorp Inc. (NY)	141,942	11.80
6	KeyCorp (OH)	114,486	9.52
7	JPMorgan Chase & Co. (NY)	38,510	3.20
8	Woodforest Financial Grp Inc. (TX)	425	0.04
Total For Institutions In Market		1,203,132	

- ❖ Meaningful penetration into Onondaga County, New York in a short timeframe

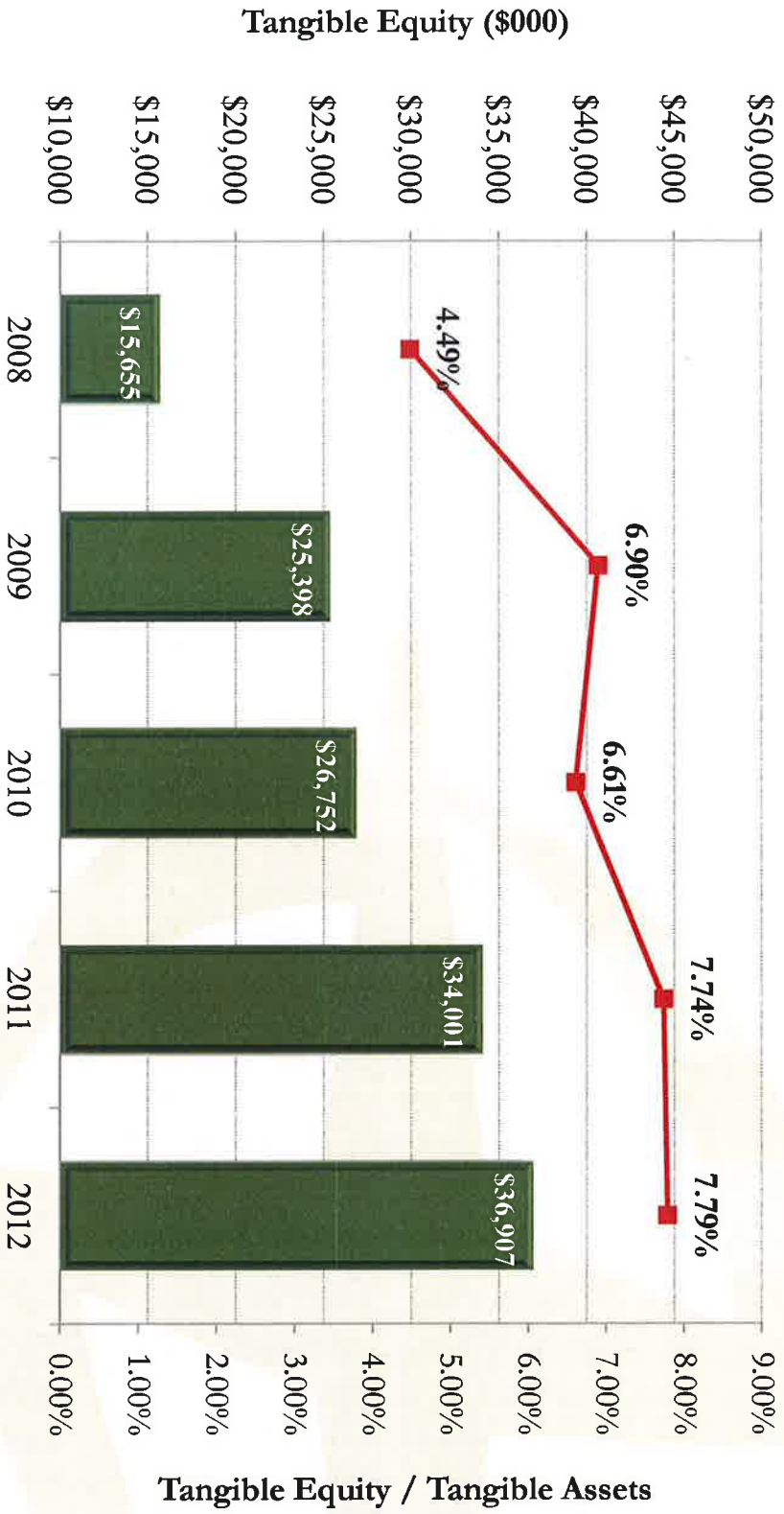
Onondaga, NY		2012	2012
Rank	Institution (ST)	Deposits (\$000)	Market Share (%)
1	M&T Bank Corp. (NY)	2,475,309	29.09
2	KeyCorp (OH)	1,616,652	19.00
3	First Niagara Finl Group (NY)	808,072	9.50
4	JPMorgan Chase & Co. (NY)	658,096	7.73
5	Solvay Bank Corp. (NY)	583,188	6.85
6	Bank of America Corp. (NC)	572,103	6.72
7	Berkshire Hills Bancorp Inc. (MA)	484,424	5.69
8	Geddes FS&LA (NY)	414,026	4.87
9	NBT Bancorp Inc. (NY)	390,900	4.59
10	RBS	228,559	2.69
11	Seneca FS&LA (NY)	117,215	1.38
12	Pathfinder Bancorp Inc. (MHC) (NY)	43,998	0.52
13	Fulton Savings Bank (NY)	40,048	0.47
14	Lyons Bancorp Inc (NY)	33,341	0.39
15	Community Bank System Inc. (NY)	28,824	0.34
Total For Institutions In Market		8,509,314	

Pathfinder Deposit Growth Outpaces Syracuse Market

- ❖ Pathfinder's deposit growth has outpaced the deposit growth of the Syracuse metropolitan statistical area

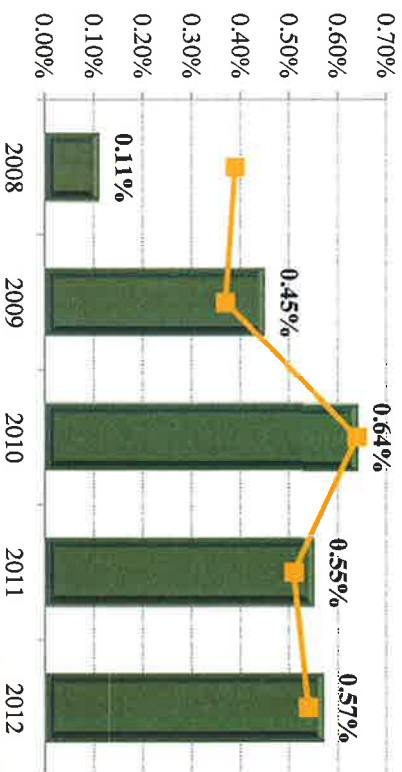


Continued Capital Growth and Stability

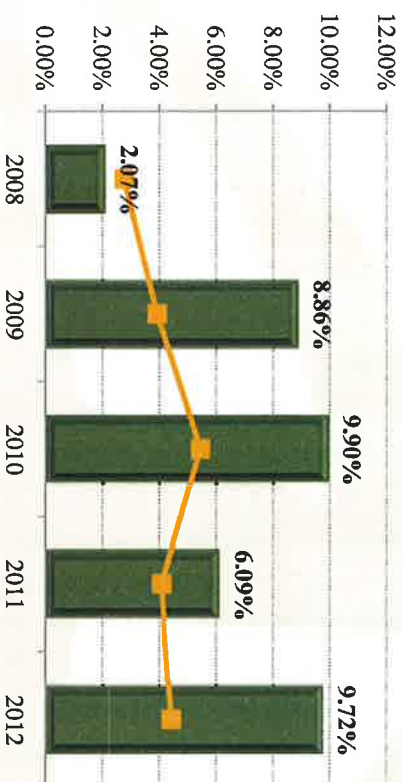


Financial Performance

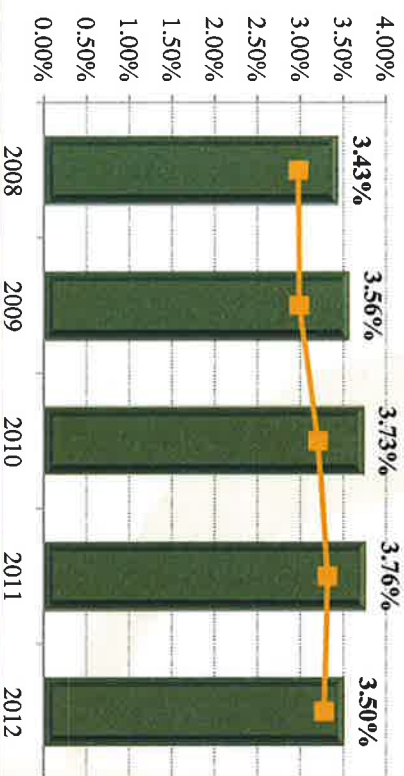
Return on Average Assets



Return on Average Tang. Common Equity



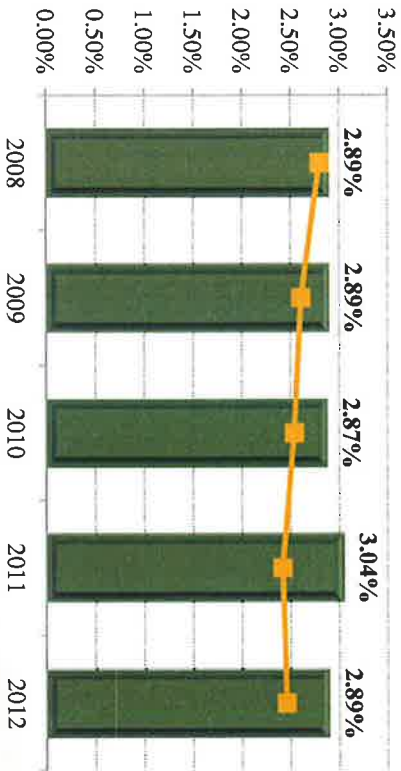
Net Interest Margin



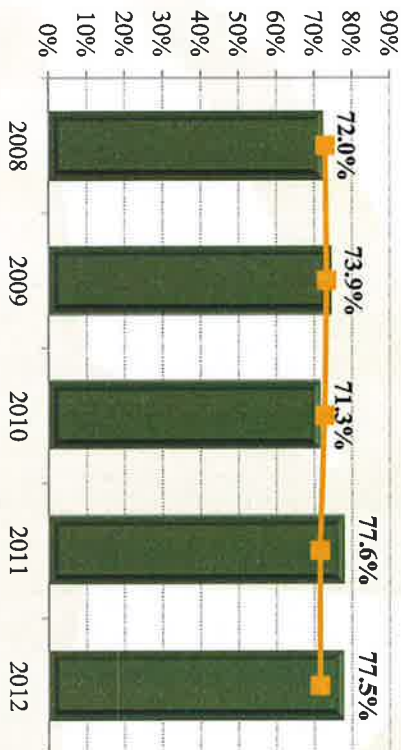
—■— Regional Peer Group Median

Financial Performance

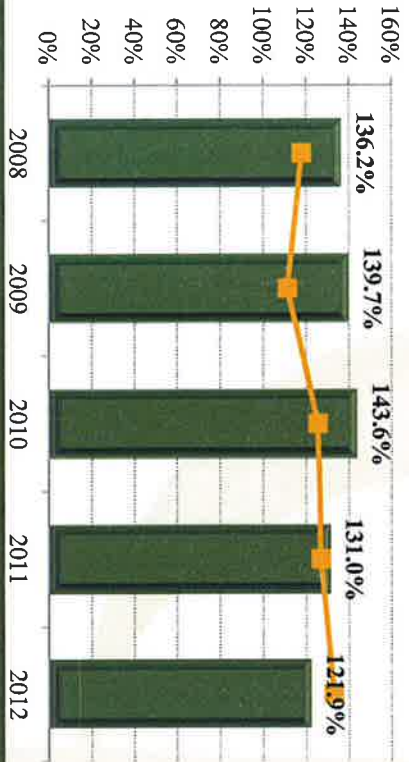
Noninterest Expense / Average Assets¹



Efficiency Ratio



Total Revenue / Total Expenses²

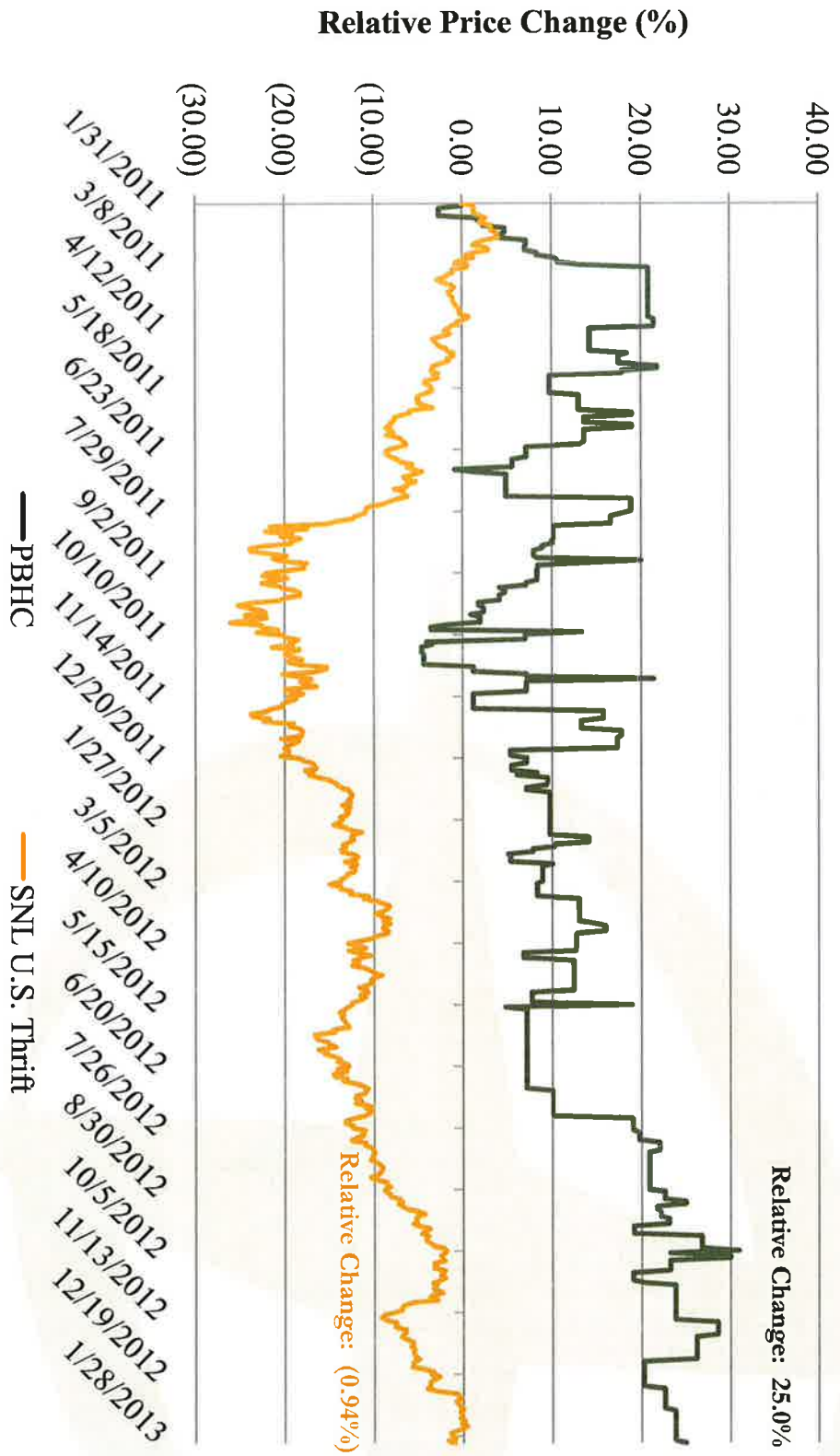


—■— Regional Peer Group Median

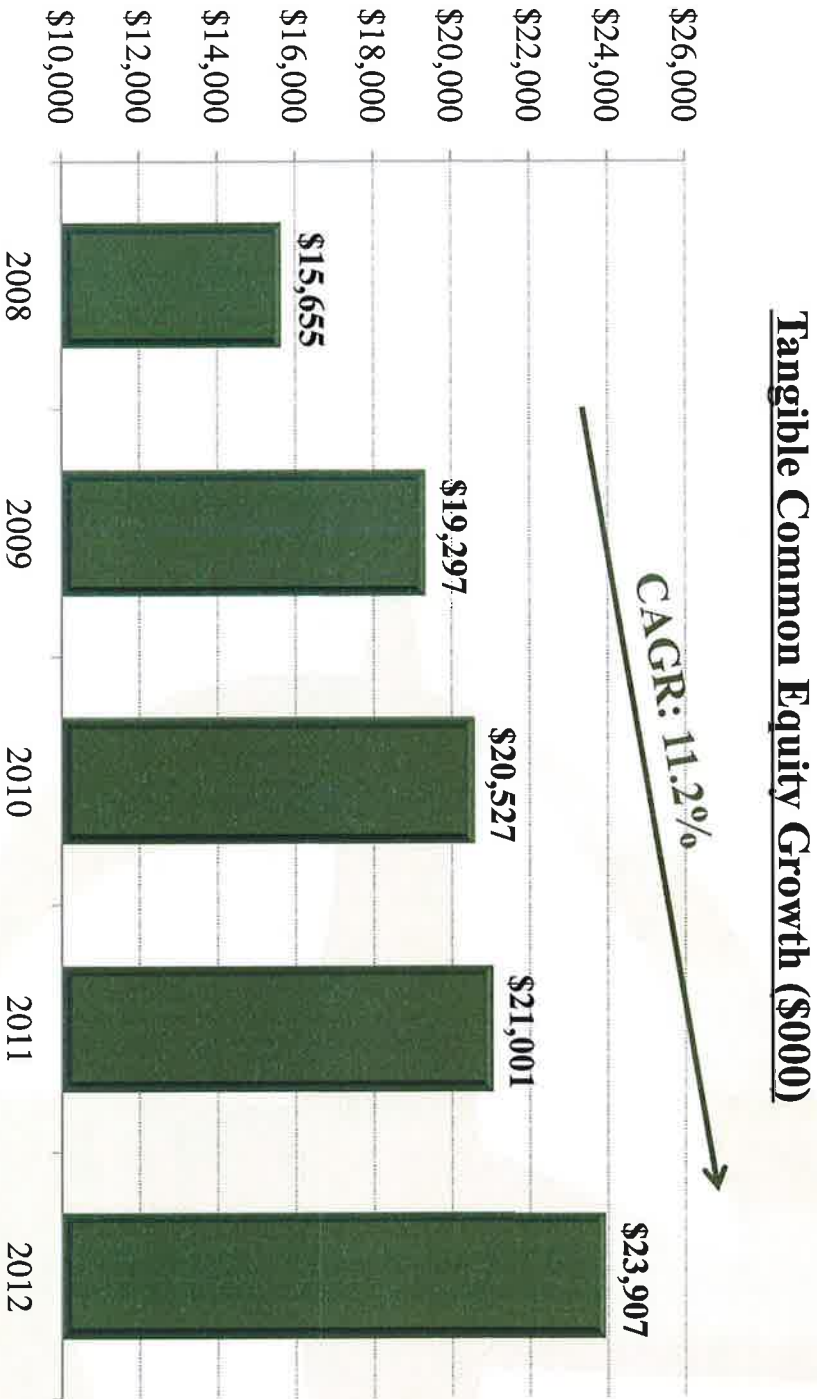
(1) Core expense / average assets shown for Pathfinder
 (2) Total core revenue / total core expenses shown for Pathfinder
 YTD information for Regional Peers used where 2012 year end data is unavailable



Creating Shareholder Value – Relative Two Year Price Performance



Creating Shareholder Value – Tang. Common Equity Growth



Regional Peer Group

Major Exchange Traded New York and Pennsylvania Banks and Thrifts with Assets Between \$250 and \$600 Million

Company	Ticker	City	State
Elmira Savings Bank	ESBK	Elmira	NY
Prudential Bancorp, Inc. of Pennsylvania (MHC)	PBIP	Philadelphia	PA
Emclaire Financial Corp.	EMCF	Emlenton	PA
Lake Shore Bancorp, Inc. (MHC)	LSBK	Dunkirk	NY
Alliance Bancorp, Inc. of Pennsylvania	ALLB	Broomall	PA
NorthEast Community Bancorp, Inc. (MHC)	NECB	White Plains	NY
Standard Financial Corp.	STND	Monroeville	PA
VSB Bancorp, Inc.	VSBN	Staten Island	NY
FedFirst Financial Corporation	FFCO	Monessen	PA
Polonia Bancorp, Inc.	PBCP	Huntingdon	PA
WVS Financial Corp.	WVFC	Pittsburgh	PA



Thank You For Your Interest In:



Corporate Headquarters

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