



2013
***Annual Meeting
of Shareholders***

April 24, 2013

10 a.m.

Oswego Country Club

Oswego, New York

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Pathfinder Bancorp, Inc.
Annual Meeting of Shareholders

Janette Resnick
Chairman of the Board



President, CEO – Thomas W. Schneider

Corporate Secretary – Edward A. Mervine, Esq.

Introductions

Directors:

David A. Ayoub

William A. Barclay

Chris R. Burritt

John P. Funicello

George P. Joyce

L. William Nelson, Jr.

Lloyd “Buddy” Stemple

External Auditors:

Donald R. Taylor

Jamie L. Keiser

Bonadio & Co., LLP

Executive Officers:

James A. Dowd, CPA

Melissa A. Miller

Ronald Tascarella

Inspector of Elections

Roberta J. Davis,

Assistant Vice President

Business of the Meeting

- 1) The election of two directors of the Board of Directors of the Company.
 - David A. Ayoub
 - Janette Resnick

Business of the Meeting

2) The Advisory Vote on Executive Compensation.

Business of the Meeting

3) Advisory Vote on the Frequency of Future
“Say-on-Pay” Advisory Votes.

Business of the Meeting

- 4) Ratification of the appointment of Bonadio & Co., LLP as auditors for the Company for the fiscal year ended December 31, 2013.

Report to Shareholders

Thomas W. Schneider

President & CEO

James A. Dowd, CPA

SVP & Chief Financial Officer

This discussion may contain the words or phrases “will likely result”, “are expected to”, “will continue”, “is anticipated”, “estimate”, “project” or similar expression are intended to identify “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements are subject to certain risks and uncertainties. By identifying these forward-looking statements for you in this manner, the Company is alerting you to the possibility that its actual results and financial condition may differ, possibly materially, from the anticipated results and financial condition indicated in these forward-looking statements. Important factors that could cause the Company’s actual results and financial condition to differ from those indicated in the forward-looking statements include, among others:

- credit quality and the effect of credit quality on the adequacy of our allowance for loan losses;*
- deterioration in financial markets that may result in impairment charges relating to our securities portfolio;*
- competition in our primary market areas; significant government regulations, legislation and potential changes thereto;*
- a reduction in our ability to generate or originate revenue-producing assets as a result of compliance with heightened capital standards;*
- increased cost of operations due to greater regulatory oversight, supervision and examination of banks and bank holding companies, and higher deposit insurance premiums;*
- the limitation on our ability to expand consumer product and service offerings due to anticipated stricter consumer protection laws and regulations: and other risks described herein and in the other reports and statements we file with the SEC.*

These risks and uncertainties should be considered in evaluating forward-looking statements and undue reliance should not be placed on such statements. The Company wishes to caution readers not to place undue reliance on any such forward-looking statements, which speak only as of the date made. The Company wishes to advise readers that the factors listed above could affect the Company’s financial performance and could cause the Company’s actual results for future periods to differ materially from any opinions or statements expressed with respect to future periods in any current statements. Additionally, all statements in this document, including forward-looking statements, speak only as of the date they are made, and the Company undertakes no obligation to update any statement in light of new information or future events.

Agenda

National/Global Economy

- Monetary Policy
- Interest Rate Trends

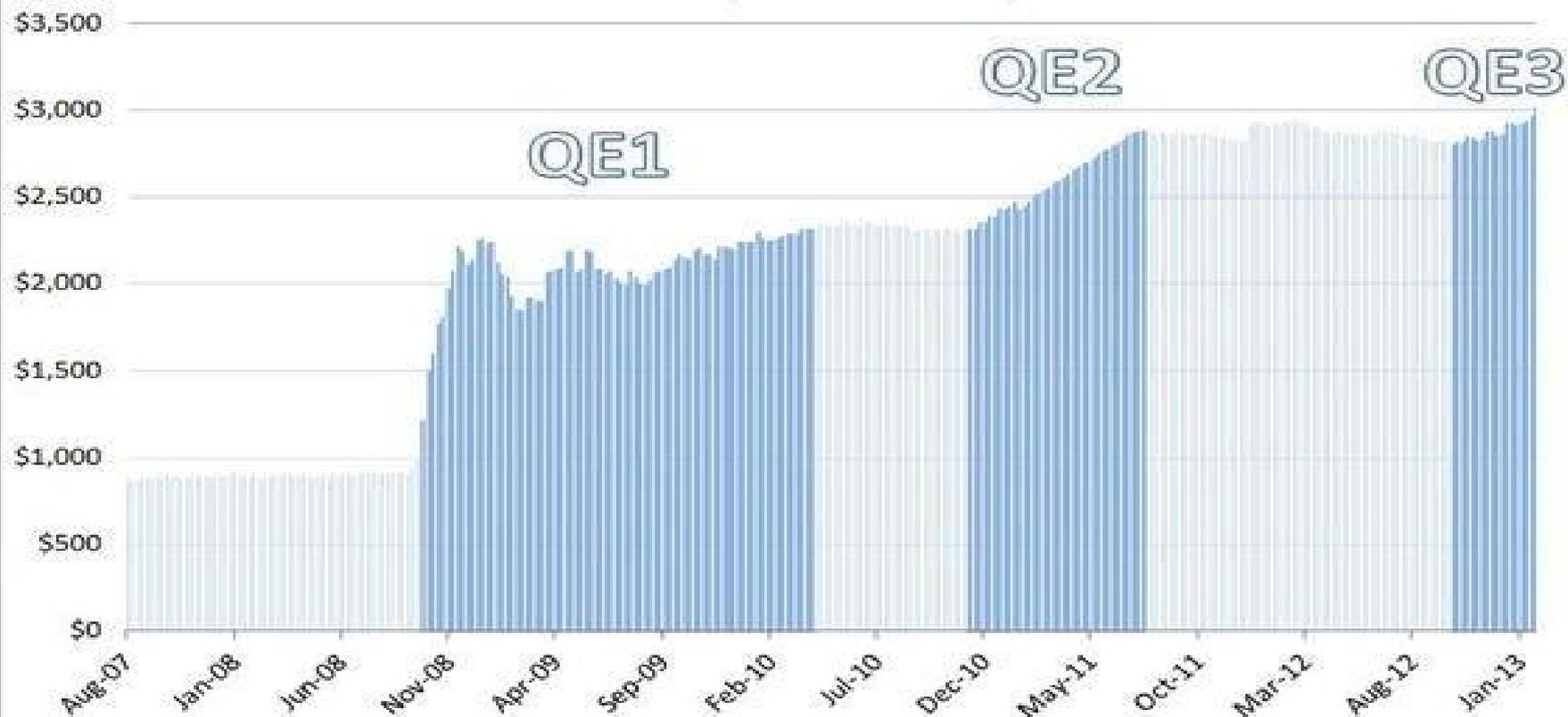
Regional Market

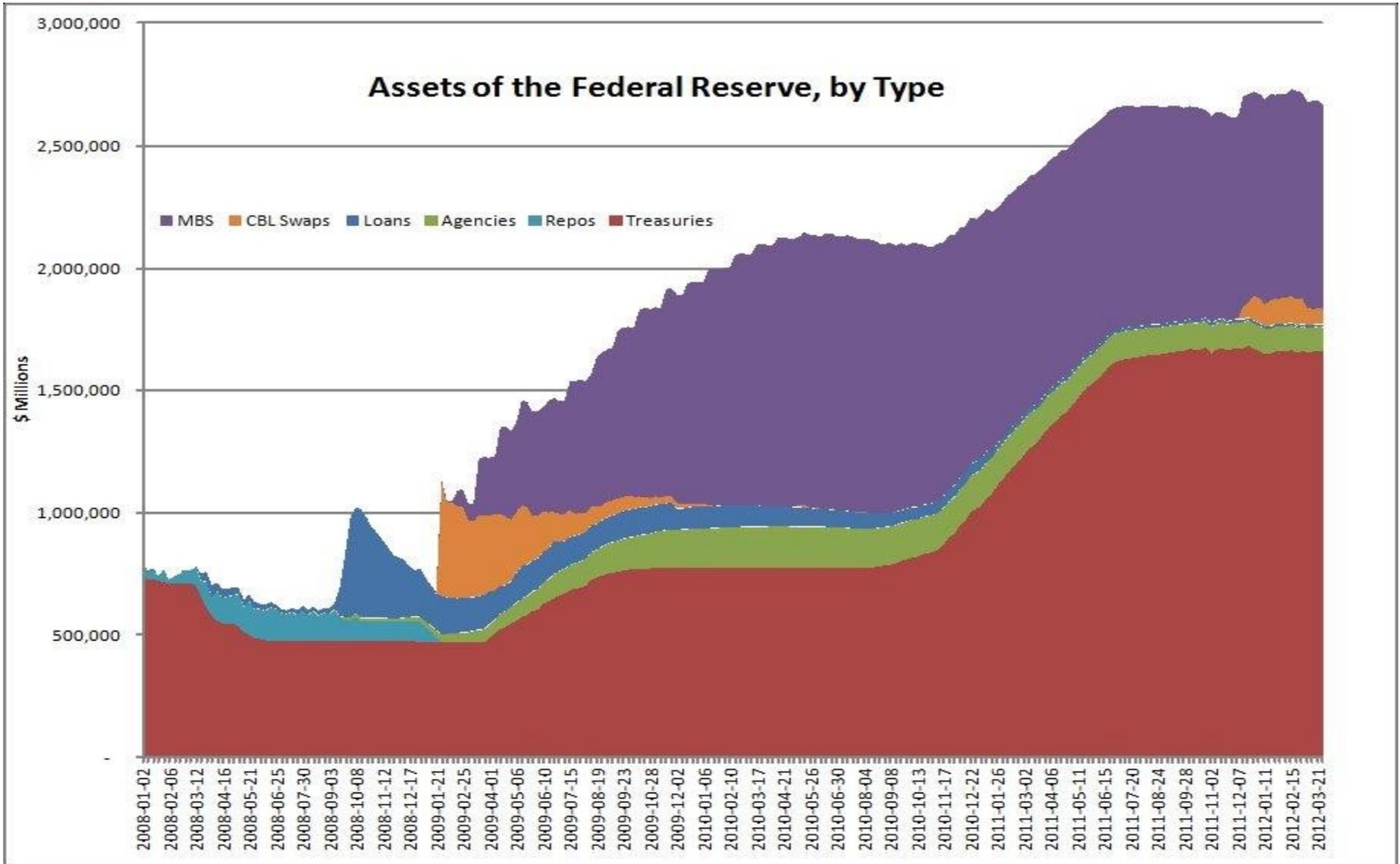
- Competitive Position
- Market Disruption

Corporate Strategy

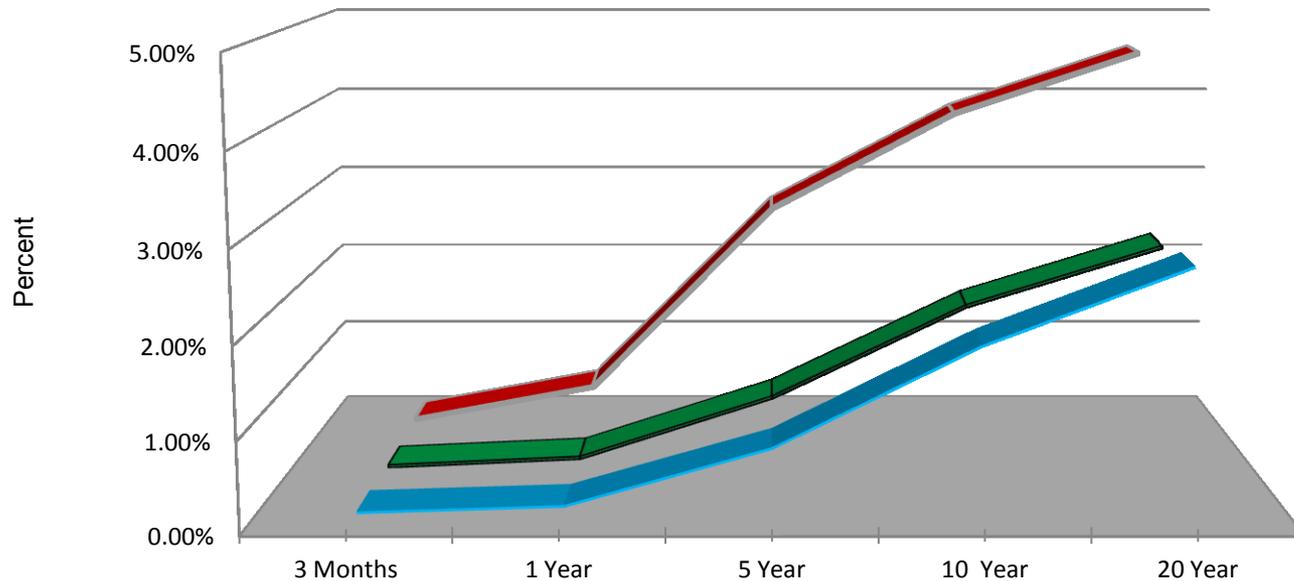
Results

The Fed's Balance Sheet (\$ billions)





Comparison of Treasury Yield Curve



	3 Months	1 Year	5 Year	10 Year	20 Year
■ 3/31/2013	0.07%	0.14%	0.77%	1.87%	2.71%
■ 12/31/2011	0.02%	0.12%	0.83%	1.89%	2.57%
■ 12/31/2009	0.06%	0.47%	2.69%	3.85%	4.58%



Deposit Market Rank by County - 2012

#1 market share holder in Oswego County

OSWEGO COUNTY			
Rank	Institution (ST)	Total Deposits (\$000)	Market Share (%)
1	Pathfinder Bancorp Inc. (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	JP Morgan Chase & Co. (NY)	38,510	3.20%
8	Woodforest Financial Group (TX)	425	0.04%
Total for Institutions in Market		\$1,203,132	

Meaningful penetration into Onondaga County in a short timeframe

ONONDAGA COUNTY			
Rank	Institution (ST)	Total 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 Citizens	228,559	2.69%
11	Seneca FS&LA (NY)	117,215	1.38%
12	Pathfinder Bancorp Inc. (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	



Oswego and Onondaga Market Combined

2012

Rank	Institution (ST)	Total Deposits (000's)	Market Share %
1	M & T Bank Corp. (NY)	2,475,309	25.52%
2	KeyCorp (OH)	1,731,138	17.85%
3	First Niagara Finl Group (NY)	808,072	8.33%
4	Bank of America Corp. (NC)	716,944	7.39%
5	JP Morgan Chase & Co. (NY)	696,606	7.18%
6	Solvay Bank Corp. (NY)	583,188	6.01%
7	NBT Bancorp Inc. (NY)	532,842	5.49%
8	Berkshire Hills Bancorp Inc. (MA)	484,424	5.00%
9	Pathfinder Bancorp Inc. (NY)	448,765	4.63%
10	Geddes FS&LA (NY)	414,026	4.27%
11	Fulton Savings Bank (NY)	241,655	2.49%
12	RBS Citizens	228,559	2.36%
13	Community Bank System Inc. (NY)	185,378	1.91%
14	Seneca FS&LA (NY)	117,215	1.21%
15	Lyons Bancorp Inc (NY)	33,341	0.34%
16	Woodforest Financial Group (TX)	425	0.00%
Total Institution Share		\$ 9,697,887	

2011

Rank	Institution (ST)	Total Deposits (000's)	Market Share %
1	M & T Bank Corp. (NY)	2,198,443	23.21%
2	KeyCorp (OH)	1,636,374	17.27%
3	HSBC Bank (VA)	1,170,915	12.36%
4	Bank of America Corp. (NC)	707,583	7.47%
5	JP Morgan Chase & Co. (NY)	650,846	6.87%
6	Solvay Bank Corp. (NY)	575,236	6.07%
7	Alliance Financial Corp (NY)	531,890	5.61%
8	Beacon Federal Bancorp Inc. (NY)	442,473	4.67%
9	Geddes FS&LA (NY)	410,170	4.33%
10	Pathfinder Bancorp Inc. (NY)	390,318	4.12%
11	Fulton Savings Bank (NY)	238,961	2.52%
12	RBS Citizens	221,678	2.34%
13	Seneca FS&LA (NY)	122,084	1.29%
14	Community Bank System Inc. (NY)	74,115	0.78%
15	First Niagara Finl Group (NY)	71,126	0.75%
16	Lyons Bancorp Inc (NY)	29,673	0.31%
17	Woodforest Financial Group (TX)	887	0.01%
Total Institution Share		\$ 9,472,772	

Strategic Initiatives

Focus on expanding opportunities in Central New York

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

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

Improving operating efficiencies and effectiveness

Managing our capital for growth and value creation

Focus on growing the Pathfinder Bank brand while maximizing franchise value

PATHFINDER BANK BRAND



COMPETITIVE ADVANTAGE

LOCAL. COMMUNITY. TRUST.

2013 Action Items

- Quality Loan Growth

- Downtown Syracuse LPO+
- loan production office

- New Internet Banking Platform

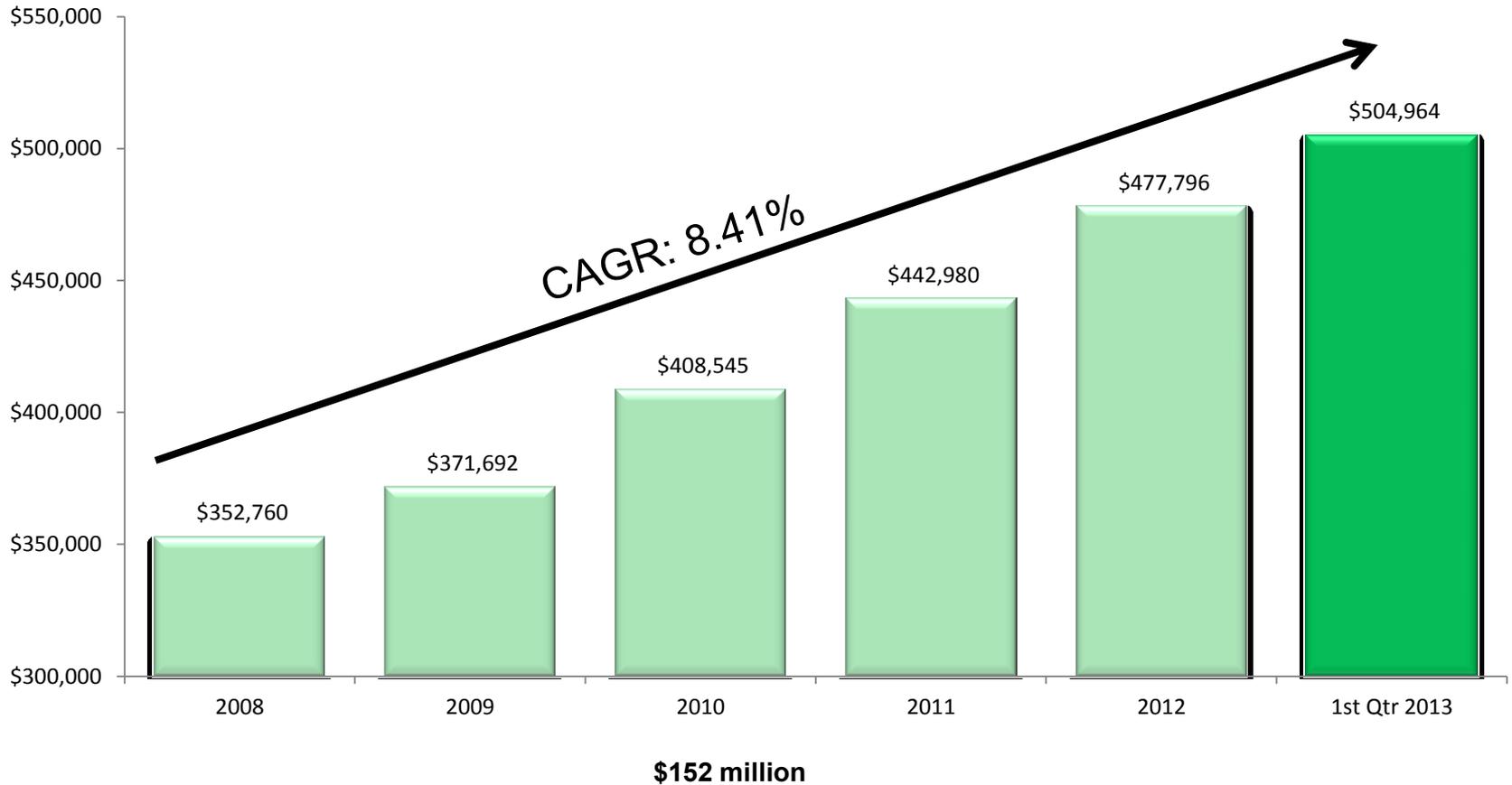
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James A. Dowd
SVP & Chief Financial Officer

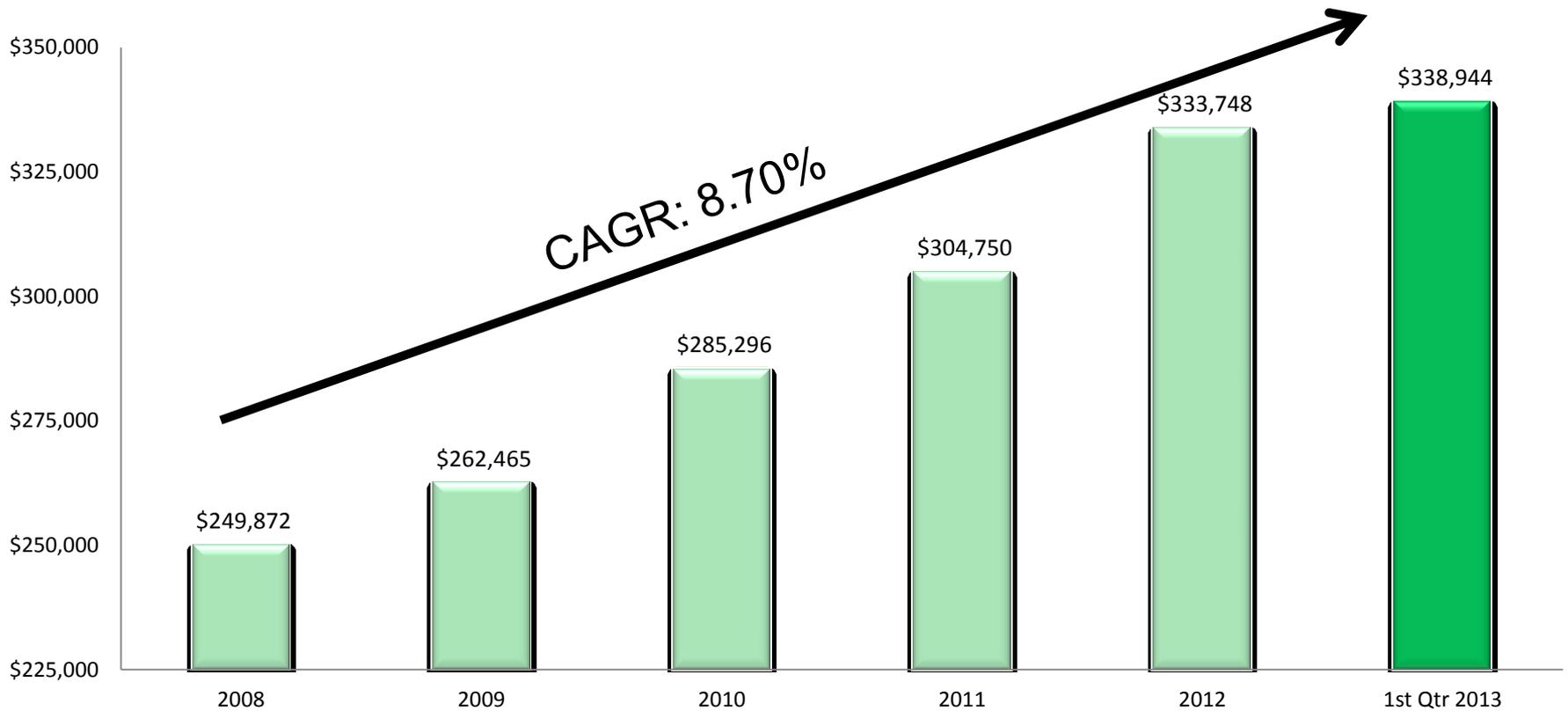
Growth

- Organic
- Balanced
- Diversified

Asset Growth (\$ in thousands)



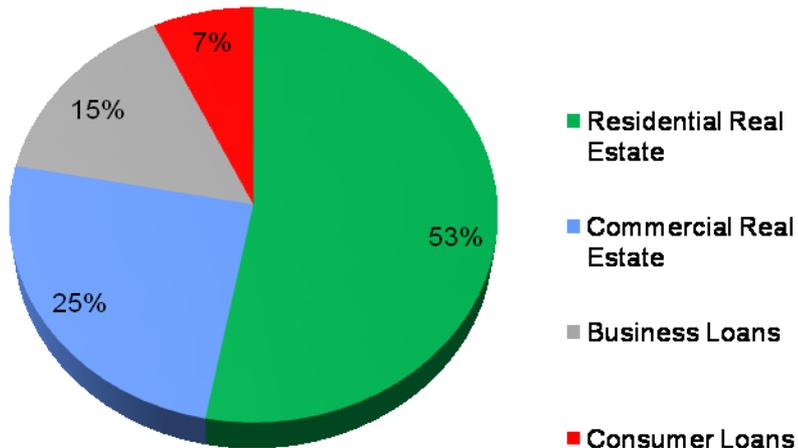
Loan Growth (\$ in Thousands)



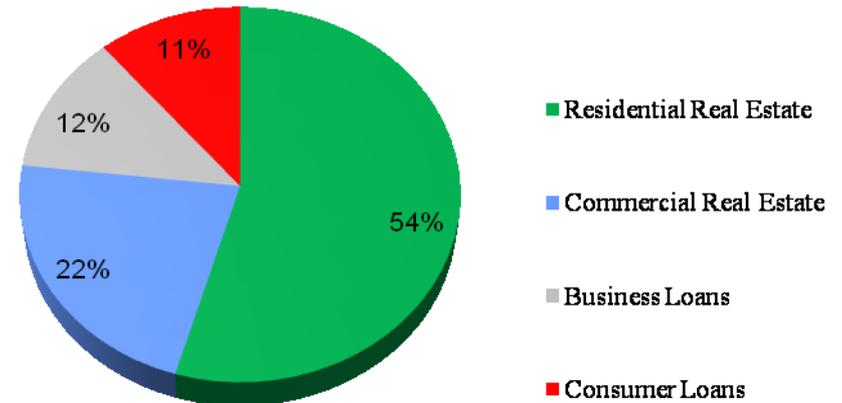
\$89 million

Loan Portfolio Composition

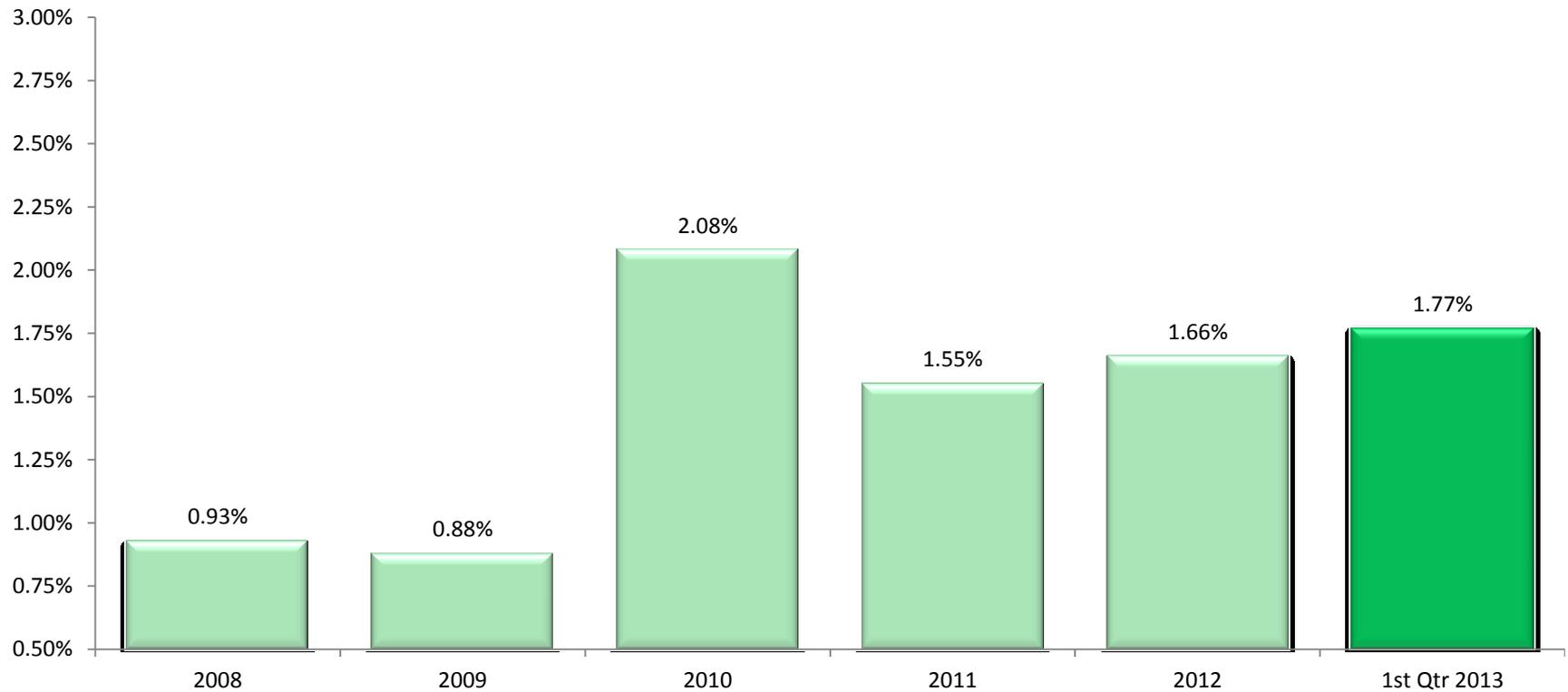
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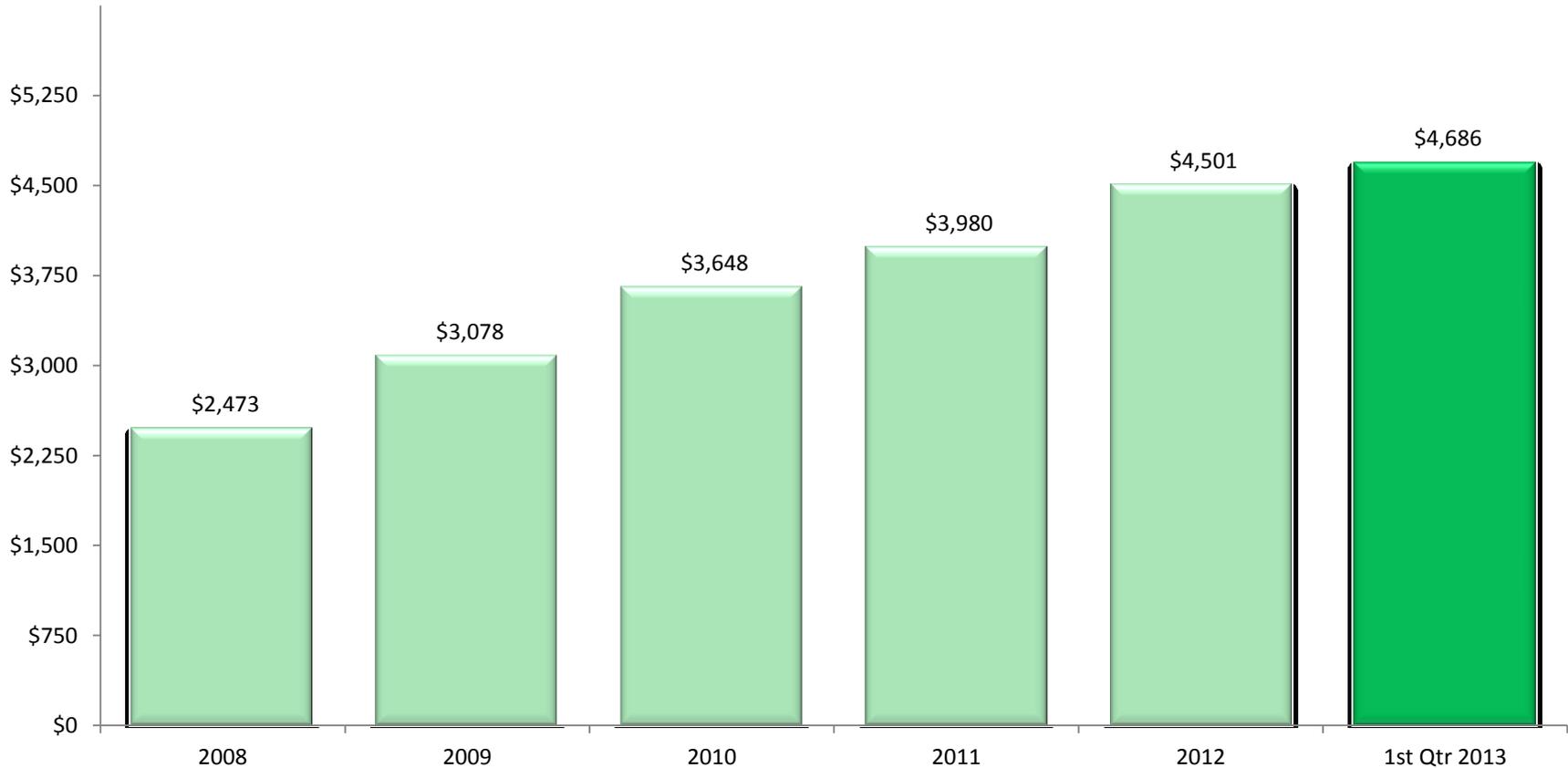
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Non Performing Loans to Total Loans

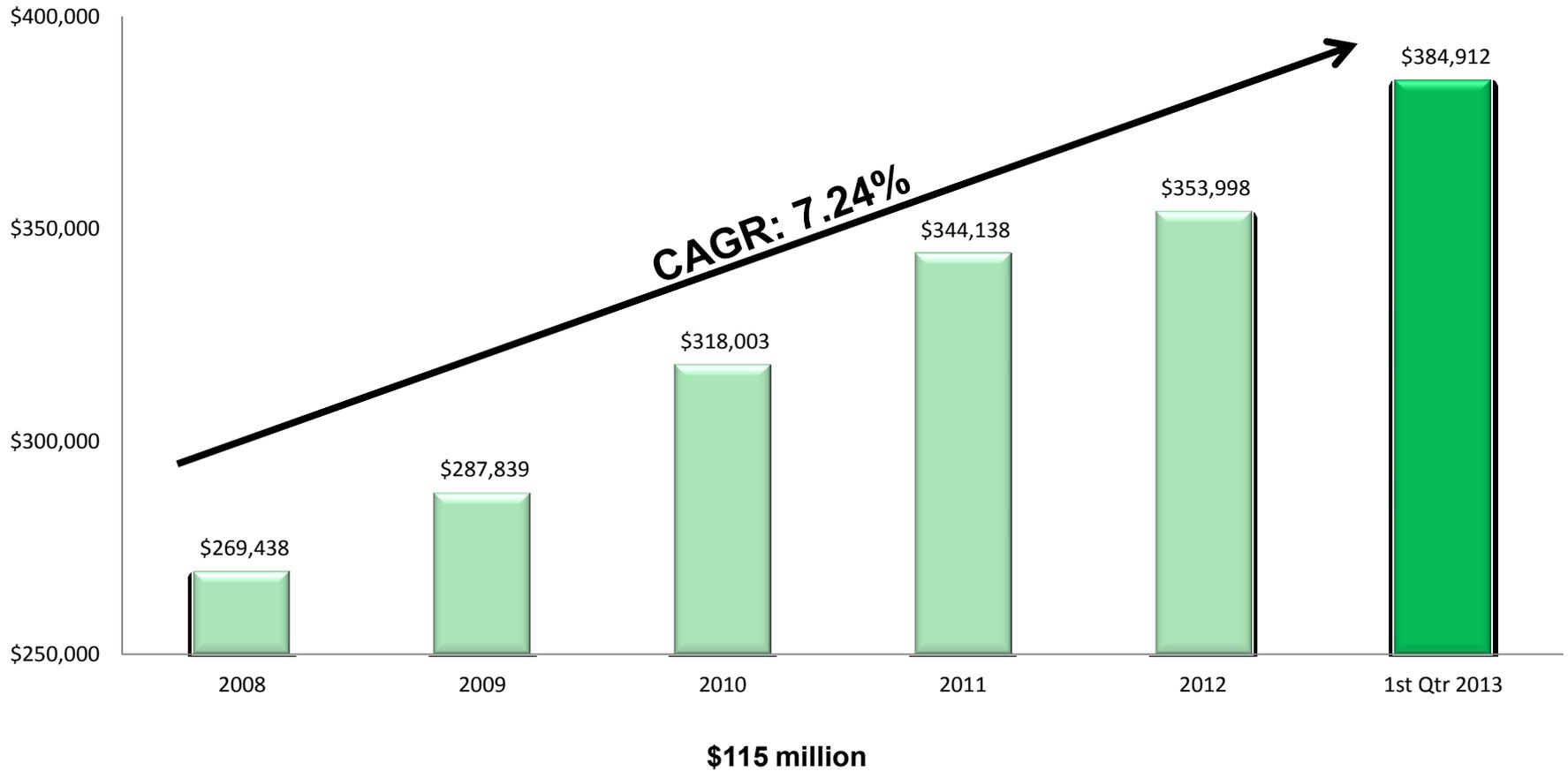


Total Loan Loss Reserves *(\$ in Thousands)*



Deposit Growth

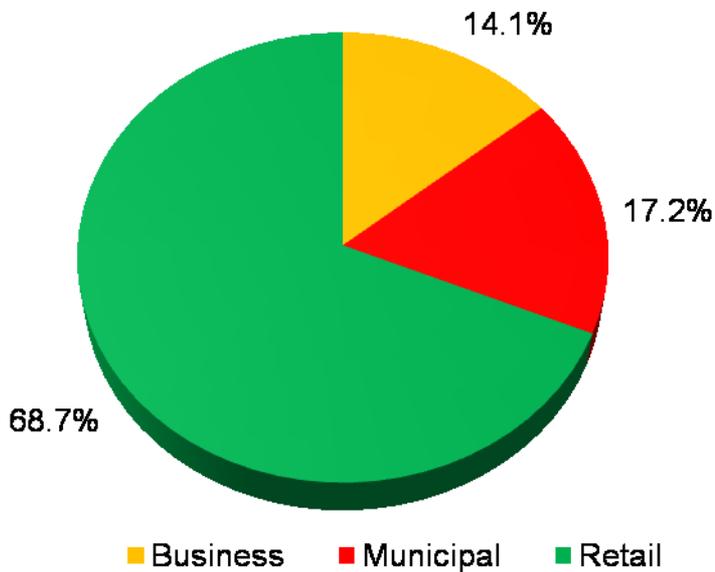
(\$ In Thousands)



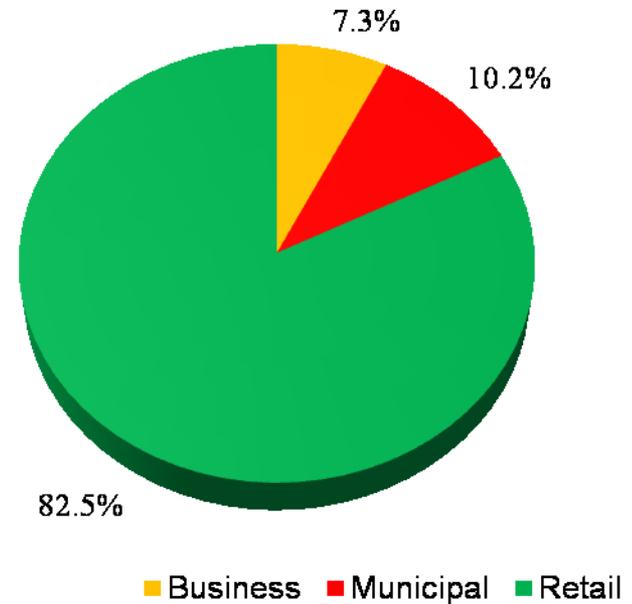
Excludes Brokered Deposits

Deposit Portfolio Composition

3/31/2013



12/31/2008





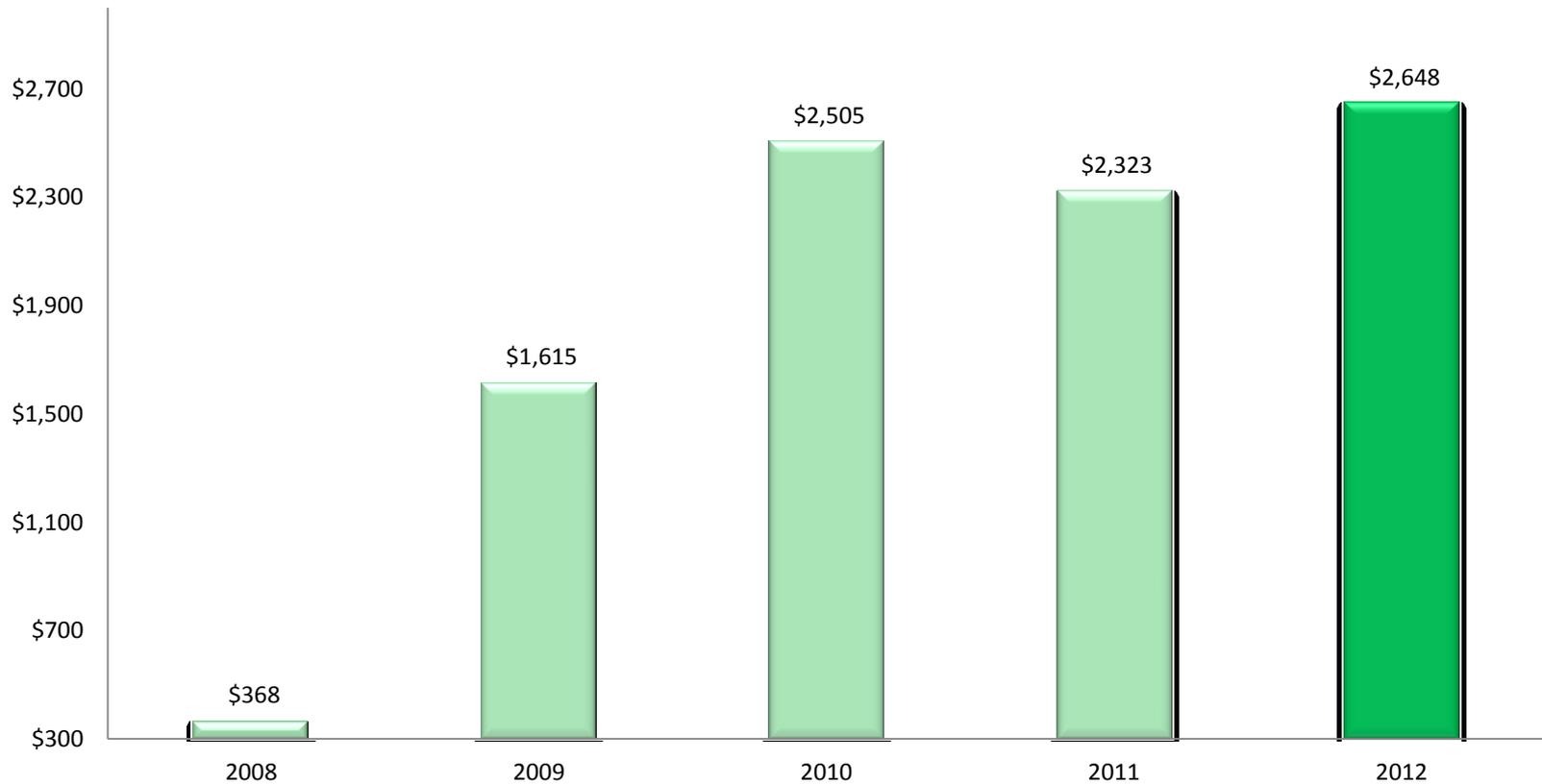
Pathfinder Bank Deposit Growth Outpaces Syracuse Market

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

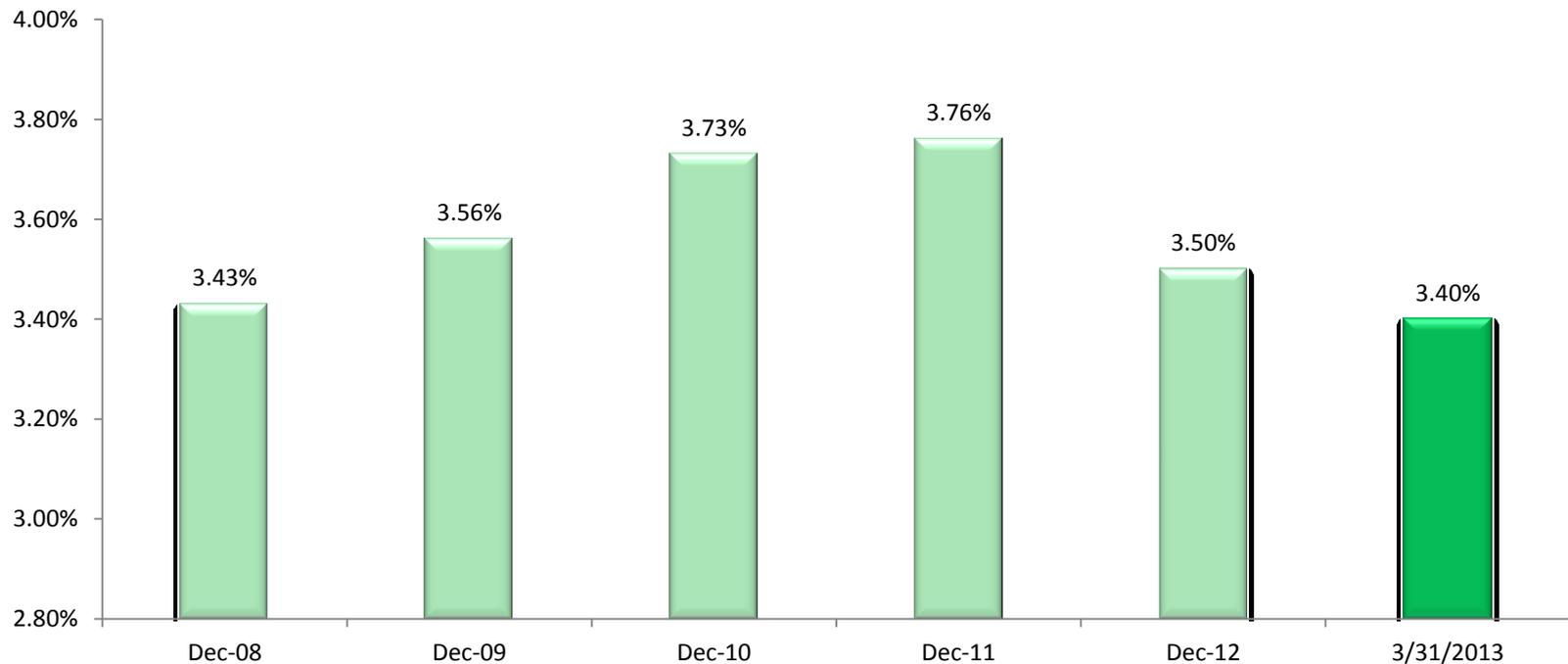
	Pathfinder Bank	Syracuse, NY MSA
YoY Deposit Growth 2012	7.0%	1.9%
5-Year Deposit CAGR 2007 – 2012	8.4%	3.7%
Active Branches	8	193

Source: SNL Financial
Branch-level deposit comparison data as of 6/30/12

Net Income

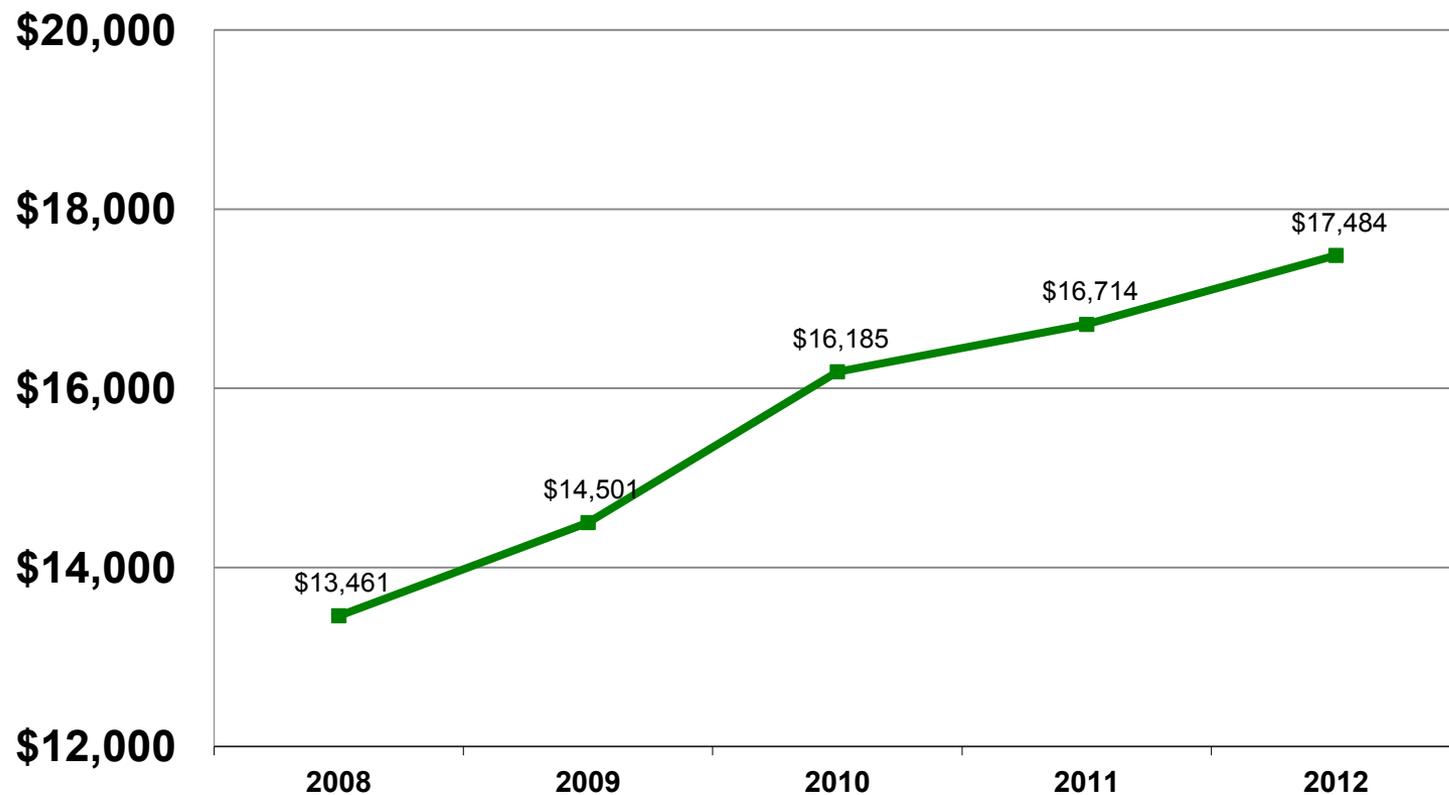


Net Interest Margin



Revenue Trends

(\$ in Thousands)

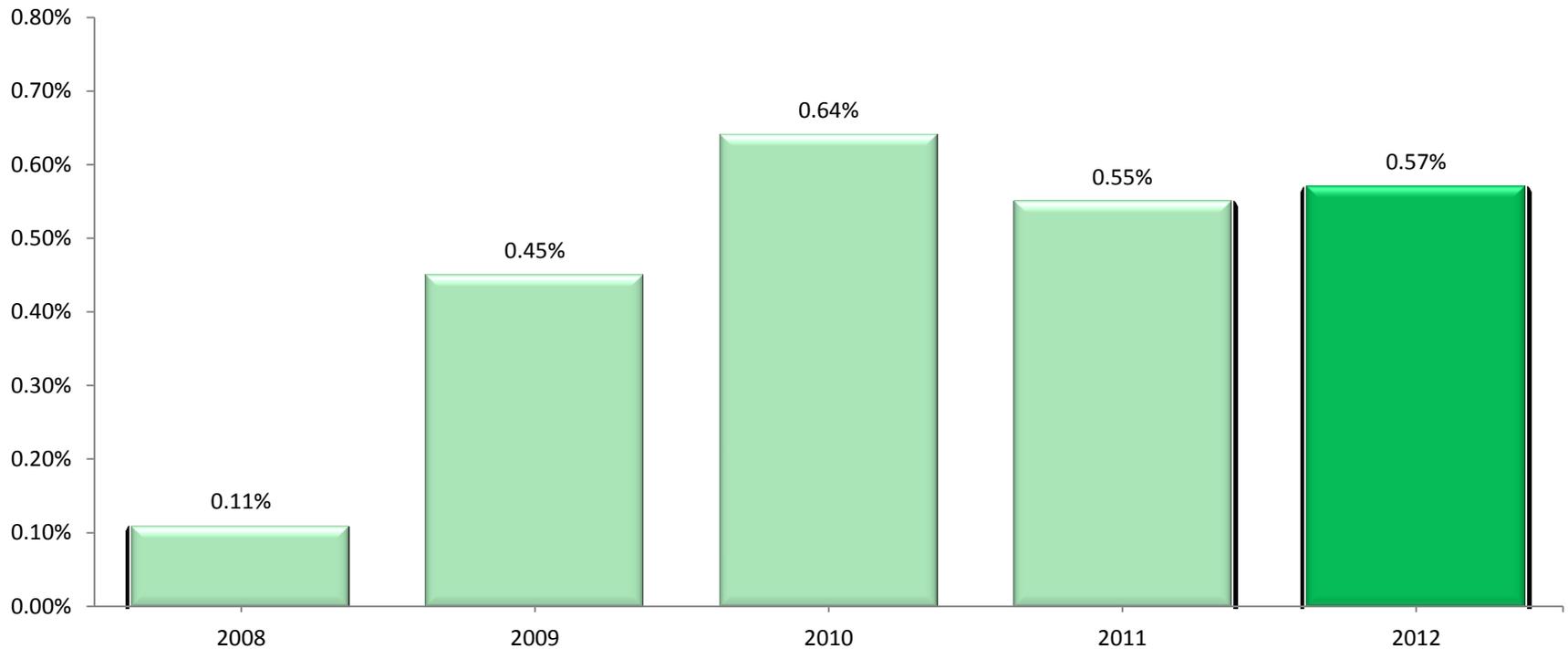




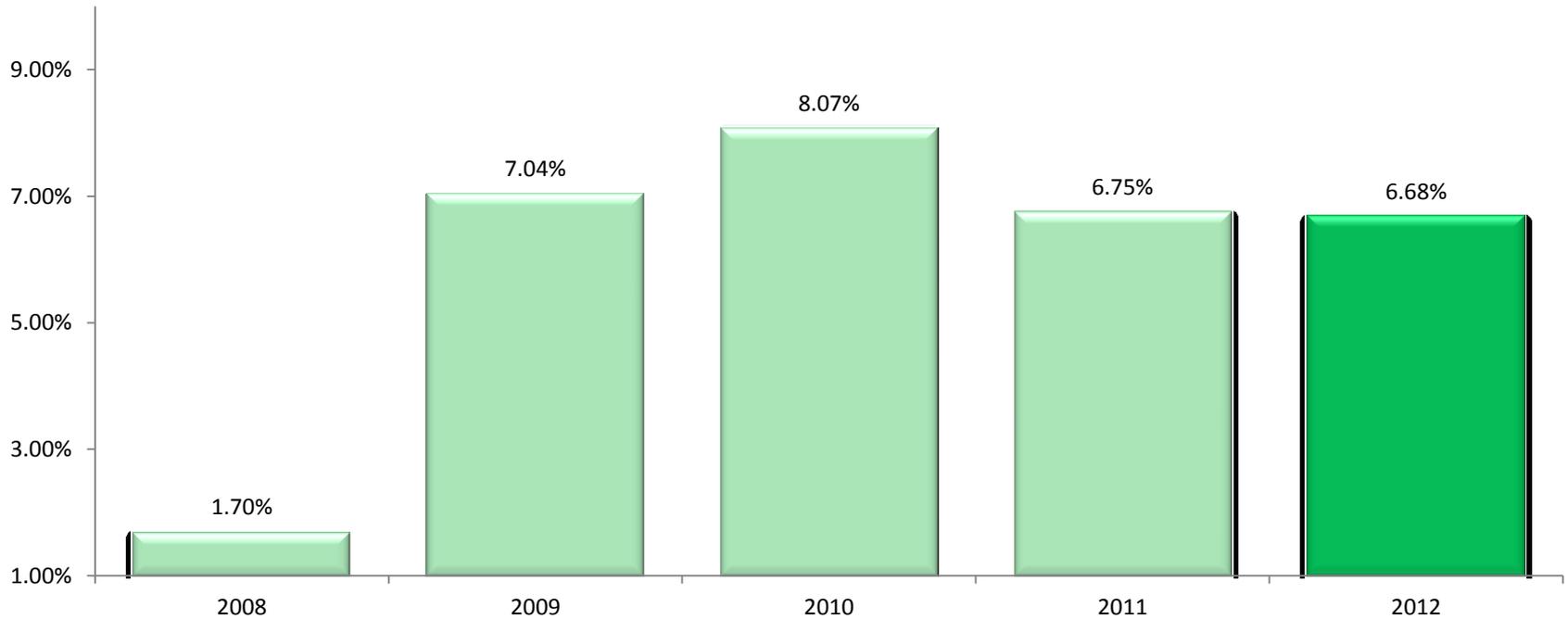
Rate/Volume Analysis Year Ended December 31, 2012

	<u>Volume</u>	<u>Rate</u>	<u>Total Incr/(Decr)</u>
Interest Income:			
Loans	\$1,153	\$(1,061)	\$ 92
Investments	915	(690)	225
Interest Earning Deposits	<u>19</u>	<u>2</u>	<u>21</u>
Total Interest Income	<u>2,087</u>	<u>(1,749)</u>	<u>338</u>
Interest Expense:			
Deposits	431	(771)	(340)
Borrowings	<u>(5)</u>	<u>(88)</u>	<u>(93)</u>
Total Interest Expense	<u>426</u>	<u>(859)</u>	<u>(433)</u>
Net Change in Net Interest Income	<u>\$1,661</u>	<u>\$ (890)</u>	<u>\$ 771</u>

Return on Average Assets



Return on Average Equity



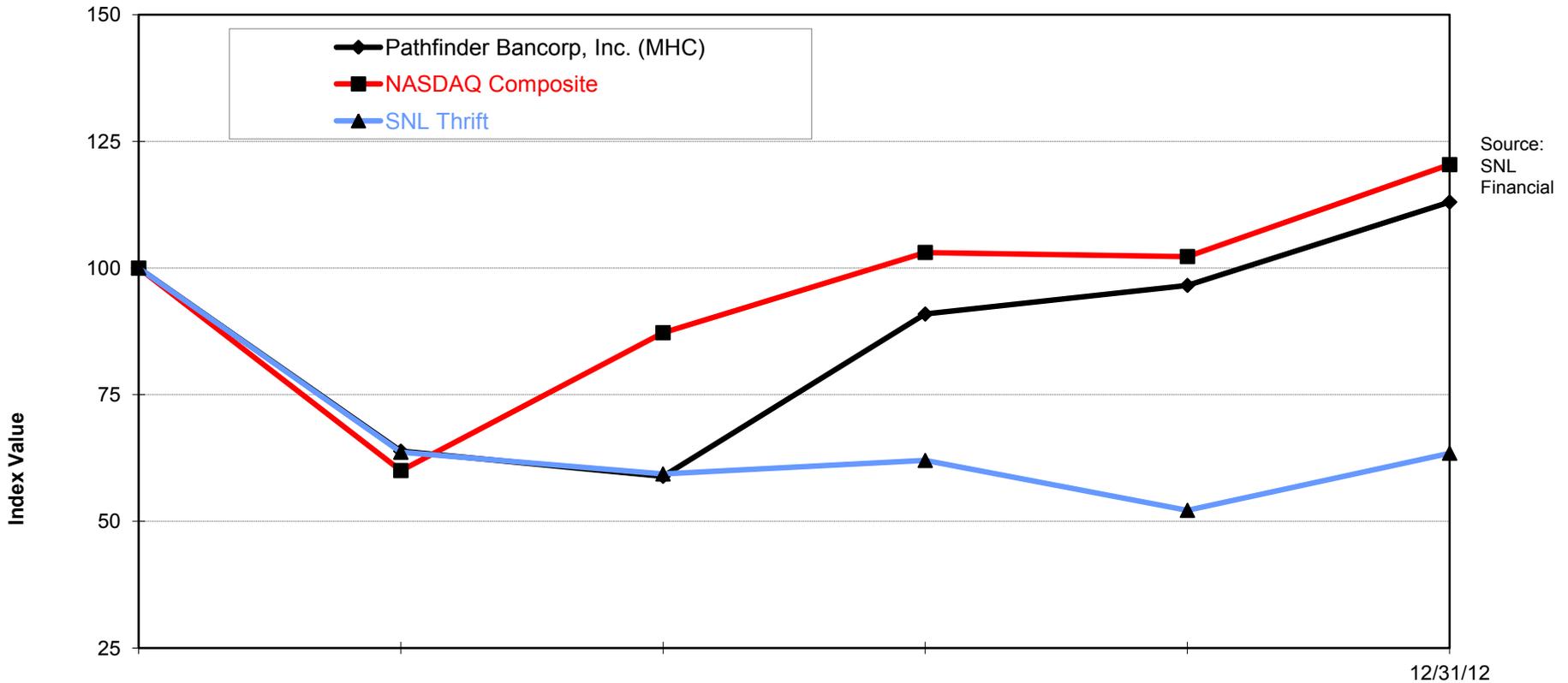


Stock Overview: PBHC

Price:	\$15.75
Dividend:	\$0.12
Current Dividend Yield:	0.76%
Market Capitalization	\$41.2 million
52 Week High/Low:	\$16.50/\$8.80
Price/3/31/13 EPS:	19.7x
Price/Fully-Converted Tangible Book ⁽¹⁾:	70.5%

(1) Fully-converted tangible book value defined as $CMV / [(CMV * MHC \text{ Shares} * \text{Estimated Net Proceeds}) + \text{Tangible Common Equity}] / \text{Total Shares Outstanding}$

Total Return Performance



Index	Period Ending					
	12/31/07	12/31/08	12/31/09	12/31/10	12/31/11	12/31/12
Pathfinder Bancorp, Inc. (MHC)	100.00	63.86	58.88	90.92	96.57	113.03
NASDAQ Composite	100.00	60.02	87.24	103.08	102.26	120.42
SNL Thrift	100.00	63.64	59.35	62.01	52.17	63.45



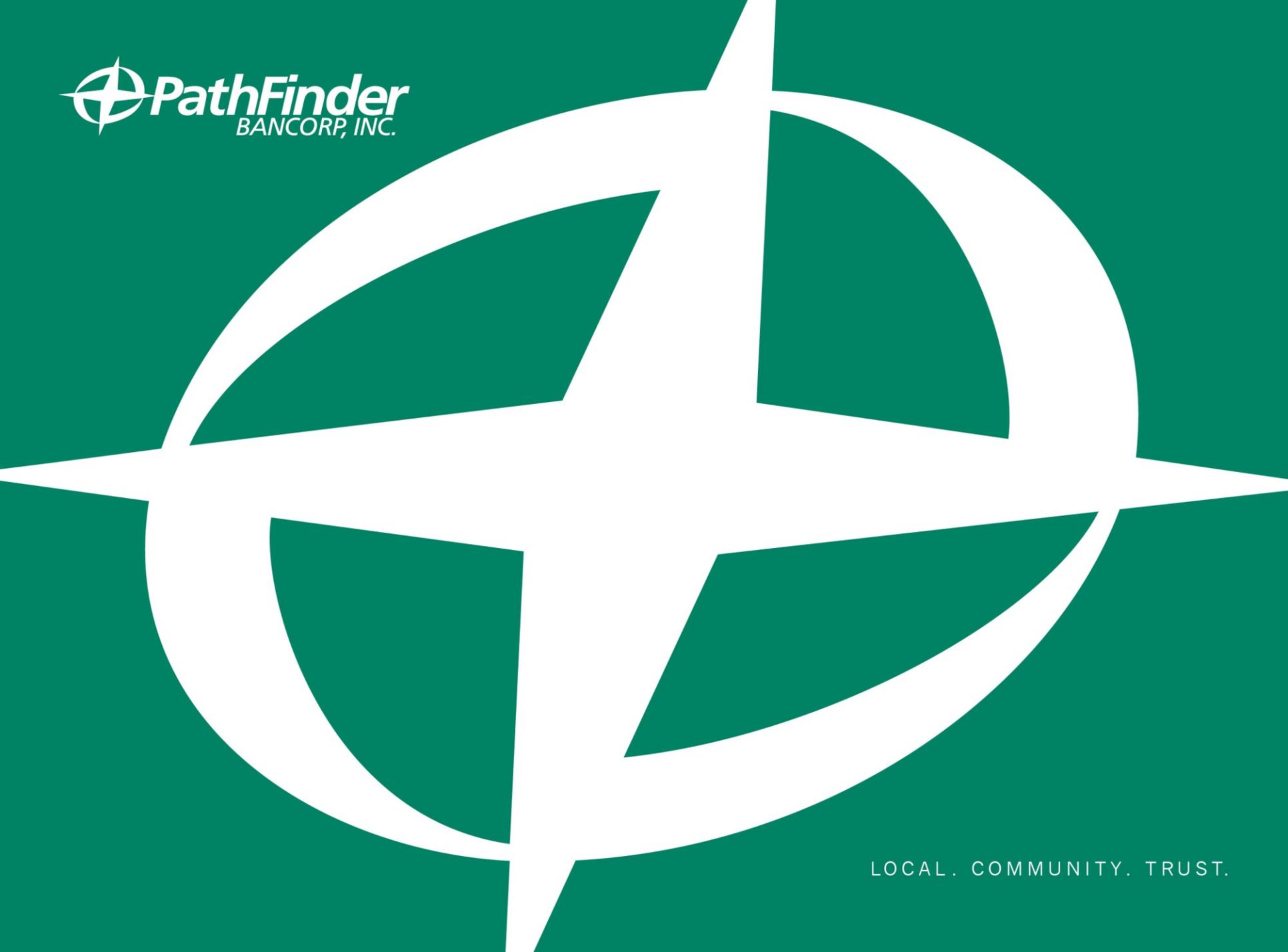
Questions?



Voting Results



Thank you.



LOCAL. COMMUNITY. TRUST.