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THIS EXHIBIT 99.3 TO THE REGISTRANT'S FORM S-1 IS BEING
FILED IN PAPER PURSUANT TO A CONTINUING
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SECURITIES AND EXCHANGE COMMISSION

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Pathfinder Bancorp, Inc.

(Exact Name of Registrant as Specified in Charter)

0001609065

(Registrant's CIK Number)

Exhibit 99.3 to the Form S-1

(Electronic Report, Schedule or Registration Statement of Which the Documents Are a Part
(Give Period of Report))

333-

(SEC File Number, if Available)

Not Applicable

(Name of Person Filing the Document
(If Other Than the Registrant))

SIGNATURES

The Registrant has duly caused this form to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Oswego, State of New York on June 10, 2014.

PATHFINDER BANCORP, INC.

By: 

Thomas W. Schneider
President and Chief Executive Officer

EXHIBIT 99.3

PRO FORMA VALUATION REPORT SECOND-STEP CONVERSION

Pathfinder Bancorp, Inc. | Oswego, New York

PROPOSED HOLDING COMPANY FOR:
Pathfinder Bank | Oswego, New York

Dated as of May 16, 2014



RP FINANCIAL, L.C.
Advisory | Planning | Valuation

1100 North Glebe Road Suite 600
Arlington, Virginia 22201
703.528.1700
rpfinancial.com

May 16, 2014

Boards of Directors
Pathfinder Bancorp, M.H.C.
Pathfinder Bancorp, Inc.
Pathfinder Bank
214 West First Street
Oswego, New York 13126

Members of the Boards of Directors:

At your request, we have completed and hereby provide an independent appraisal ("Appraisal") of the estimated pro forma market value of the common stock which is to be issued in connection with the mutual-to-stock conversion transaction described below.

This Appraisal is furnished pursuant to the requirements stipulated in the Code of Federal Regulations and has been prepared in accordance with the "Guidelines for Appraisal Reports for the Valuation of Savings and Loan Associations Converting from Mutual to Stock Form of Organization" (the "Valuation Guidelines") of the Office of Thrift Supervision ("OTS") and accepted by the Federal Reserve Board ("FRB"), the Office of the Comptroller of the Currency ("OCC"), the Federal Deposit Insurance Corporation ("FDIC"), the New York Department of Financial Services ("NYDFS"), and applicable regulatory interpretations thereof.

Description of Plan of Conversion

On April 8, 2014, the Boards of Directors of Pathfinder Bancorp, M.H.C. (the "MHC") and Pathfinder Bancorp, Inc. ("PBHC") adopted a plan of conversion whereby the MHC will convert to stock form. As a result of the conversion, PBHC, which currently owns all of the issued and outstanding common stock of Pathfinder Bank (the "Bank"), will be succeeded by a new Maryland corporation with the name of Pathfinder Bancorp, Inc. ("Pathfinder Bancorp" or the "Company"). Following the conversion, the MHC will no longer exist. For purposes of this document, the existing consolidated entity will hereinafter also be referred to as Pathfinder Bancorp or the Company, unless otherwise identified as PBHC. As of March 31, 2014, the MHC had a majority ownership interest in, and its principal asset consisted of, approximately 60.36% of the common stock (the "MHC Shares") of PBHC. The remaining 39.64% of PBHC's common stock is owned by public stockholders.

It is our understanding that Pathfinder Bancorp will offer its stock, representing the majority ownership interest held by the MHC, in a subscription offering to Eligible Account Holders, Tax-Qualified Employee Benefit Plans including the Bank's employee stock ownership plan (the "ESOP"), Supplemental Eligible Account Holders and Other Depositors. To the extent that shares remain available for purchase after satisfaction of all subscriptions

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received in the subscription offering, the shares may be offered for sale to the public at large in a community offering and a syndicated offering. Upon completing the mutual-to-stock conversion and stock offering (the "second-step conversion"), the Company will be 100% owned by public shareholders, the publicly-held shares of PBHC will be exchanged for shares in the Company at a ratio that retains their ownership interest at the time the conversion is completed and the MHC assets will be consolidated with the Company.

RP® Financial, LC.

RP® Financial, LC. ("RP Financial") is a financial consulting firm serving the financial services industry nationwide that, among other things, specializes in financial valuations and analyses of business enterprises and securities, including the pro forma valuation for savings institutions converting from mutual-to-stock form. The background and experience of RP Financial is detailed in Exhibit V-1. We believe that, except for the fee we will receive for the Appraisal, we are independent of the Company, the Bank, the MHC and the other parties engaged by the Bank or the Company to assist in the stock conversion process.

Valuation Methodology

In preparing our Appraisal, we have reviewed the regulatory applications of the Company, the Bank and the MHC, including the prospectus as filed with the FRB, the FDIC, the NYDFS and the Securities and Exchange Commission ("SEC"). We have conducted a financial analysis of the Company, the Bank and the MHC that has included a review of audited financial information for the years ended December 31, 2009 through December 31, 2013 and a review of various unaudited information and internal financial reports through March 31, 2014, and due diligence related discussions with the Company's management; Bonadio & Co., LLP, the Company's independent auditor; Luse Gorman Pomerenk & Schick, P.C. the Company's conversion counsel and Keefe, Bruyette & Woods, Inc., the Company's marketing advisor in connection with the stock offering. All assumptions and conclusions set forth in the Appraisal were reached independently from such discussions. In addition, where appropriate, we have considered information based on other available published sources that we believe are reliable. While we believe the information and data gathered from all these sources are reliable, we cannot guarantee the accuracy and completeness of such information.

We have investigated the competitive environment within which Pathfinder Bancorp operates and have assessed Pathfinder Bancorp's relative strengths and weaknesses. We have kept abreast of the changing regulatory and legislative environment for financial institutions and analyzed the potential impact on Pathfinder Bancorp and the industry as a whole. We have analyzed the potential effects of the stock conversion on Pathfinder Bancorp's operating characteristics and financial performance as they relate to the pro forma market value of Pathfinder Bancorp. We have analyzed the assets held by the MHC, which will be consolidated with Pathfinder Bancorp's assets and equity pursuant to the completion of the second-step conversion. We have reviewed the economic and demographic characteristics of the Company's primary market area. We have compared Pathfinder Bancorp's financial performance and condition with selected publicly-traded thrifts in accordance with the Valuation Guidelines, as well as all publicly-traded thrifts and thrift holding companies. We have reviewed the current conditions in the securities markets in general and the market for thrift stocks in

particular, including the market for existing thrift issues, initial public offerings by thrifts and thrift holding companies, and second-step conversion offerings. We have excluded from such analyses thrifts subject to announced or rumored acquisition, and/or institutions that exhibit other unusual characteristics.

The Appraisal is based on Pathfinder Bancorp's representation that the information contained in the regulatory applications and additional information furnished to us by Pathfinder Bancorp and its independent auditor, legal counsel and other authorized agents are truthful, accurate and complete. We did not independently verify the financial statements and other information provided by Pathfinder Bancorp, or its independent auditor, legal counsel and other authorized agents nor did we independently value the assets or liabilities of Pathfinder Bancorp. The valuation considers Pathfinder Bancorp only as a going concern and should not be considered as an indication of Pathfinder Bancorp's liquidation value.

Our appraised value is predicated on a continuation of the current operating environment for Pathfinder Bancorp and for all thrifts and their holding companies. Changes in the local, state and national economy, the legislative and regulatory environment for financial institutions and mutual holding companies, the stock market, interest rates, and other external forces (such as natural disasters or significant world events) may occur from time to time, often with great unpredictability and may materially impact the value of thrift stocks as a whole or the value of Pathfinder Bancorp's stock alone. It is our understanding that there are no current plans for selling control of Pathfinder Bancorp following completion of the second-step conversion. To the extent that such factors can be foreseen, they have been factored into our analysis.

The estimated pro forma market value is defined as the price at which Pathfinder Bancorp's common stock, immediately upon completion of the second-step stock offering, would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or sell and both having reasonable knowledge of relevant facts.

In preparing the pro forma pricing analysis we have taken into account the pro forma impact of the MHC's net assets (i.e., unconsolidated equity) that will be consolidated with the Company and thus will slightly increase equity. After accounting for the impact of the MHC's net assets, the public shareholders' ownership interest was reduced by approximately 0.39%. Accordingly, for purposes of the Company's pro forma valuation, the public shareholders' pro forma ownership interest was reduced from 39.64% to 39.23% and the MHC's ownership interest was increased from 60.36% to 60.77%.

Valuation Conclusion

It is our opinion that, as of May 16, 2014, the estimated aggregate pro forma valuation of the shares of the Company to be issued and outstanding at the end of the conversion offering – including (1) newly-issued shares representing the MHC's current ownership interest in the Company and (2) exchange shares issued to existing public shareholders of PBHC – was \$32,909,690 at the midpoint, equal to 3,290,969 shares at \$10.00 per share. The resulting range of value and pro forma shares, all based on \$10.00 per share, are as follows: \$27,973,240 or 2,797,324 shares at the minimum, \$37,846,140 or 3,784,614 shares at the maximum and \$43,523,060 or 4,352,306 shares at the super maximum.

Based on this valuation and taking into account the ownership interest represented by the shares owned by the MHC, the midpoint of the offering range is \$20,000,000 equal to 2,000,000 shares at \$10.00 per share. The resulting offering range and offering shares, all based on \$10.00 per share, are as follows: \$17,000,000 or 1,700,000 shares at the minimum, \$23,000,000 or 2,300,000 shares at the maximum and \$26,450,000 or 2,645,000 shares at the super maximum,

Establishment of the Exchange Ratio

The conversion regulations provide that in a conversion of a mutual holding company, the minority stockholders are entitled to exchange the public shares for newly issued shares in the fully converted company. The Boards of Directors of the MHC and PBHC have independently determined the exchange ratio, which has been designed to preserve the current aggregate percentage ownership in the Company (adjusted for the dilution resulting from the consolidation of the MHC's unconsolidated equity into the Company). The exchange ratio to be received by the existing minority shareholders of the Company will be determined at the end of the offering, based on the total number of shares sold in the offering and the final appraisal. Based on the valuation conclusion herein, the resulting offering value and the \$10.00 per share offering price, the indicated exchange ratio at the midpoint is 1.2414 shares of the Company's stock for every one share held by public shareholders. Furthermore, based on the offering range of value, the indicated exchange ratio is 1.0552 at the minimum, 1.4276 at the maximum and 1.6417 at the super maximum. RP Financial expresses no opinion on the proposed exchange of newly issued Company shares for the shares held by the public stockholders or on the proposed exchange ratio.

Limiting Factors and Considerations

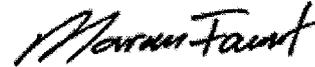
The valuation is not intended, and must not be construed, as a recommendation of any kind as to the advisability of purchasing shares of the common stock. Moreover, because such valuation is determined in accordance with applicable regulatory guidelines and is necessarily based upon estimates and projections of a number of matters, all of which are subject to change from time to time, no assurance can be given that persons who purchase shares of common stock in the conversion offering, or prior to that time, will thereafter be able to buy or sell such shares at prices related to the foregoing valuation of the estimated pro forma market value thereof. The appraisal reflects only a valuation range as of this date for the pro forma market value of Pathfinder Bancorp immediately upon issuance of the stock and does not take into account any trading activity with respect to the purchase and sale of common stock in the secondary market on the date of issuance of such securities or at anytime thereafter following the completion of the second-step conversion.

RP Financial's valuation was based on the financial condition, operations and shares outstanding of Pathfinder Bancorp as of March 31, 2014, the date of the financial data included in the prospectus. The proposed exchange ratio to be received by the current public stockholders of PBHC and the exchange of the public shares for newly issued shares of Pathfinder Bancorp's common stock as a full public company was determined independently by the Boards of Directors of the MHC and PBHC. RP Financial expresses no opinion on the proposed exchange ratio to public stockholders or the exchange of public shares for newly issued shares.

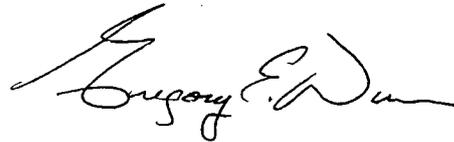
RP Financial is not a seller of securities within the meaning of any federal and state securities laws and any report prepared by RP Financial shall not be used as an offer or solicitation with respect to the purchase or sale of any securities. RP Financial maintains a policy which prohibits RP Financial, its principals or employees from purchasing stock of its client institutions.

This valuation will be updated as provided for in the conversion regulations and guidelines. These updates will consider, among other things, any developments or changes in the financial performance and condition of Pathfinder Bancorp, management policies, and current conditions in the equity markets for thrift shares, both existing issues and new issues. These updates may also consider changes in other external factors which impact value including, but not limited to: various changes in the legislative and regulatory environment for financial institutions, the stock market and the market for thrift stocks, and interest rates. Should any such new developments or changes be material, in our opinion, to the valuation of the shares, appropriate adjustments to the estimated pro forma market value will be made. The reasons for any such adjustments will be explained in the update at the date of the release of the update. The valuation will also be updated at the completion of Pathfinder Bancorp's stock offering.

Respectfully submitted,
RP® FINANCIAL, LC.



Marcus Faust
Managing Director



Gregory E. Dunn
Director

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PATHFINDER BANK
Oswego, New York**

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I. OVERVIEW AND FINANCIAL ANALYSIS

Introduction

Pathfinder Bank (the "Bank"), founded in 1859, is a New York-chartered stock savings bank headquartered in Oswego, New York. The Bank is headquartered in Oswego, New York and currently serves Central New York through the main office and seven branch locations. The main office and six branch offices are located in Oswego County and one branch office is located in northern Onondaga County. The Bank intends to add a business banking office in the third quarter of 2014, which will be located in downtown Syracuse. The Bank is subject to regulation and oversight by the Federal Deposit Insurance Corporation (the "FDIC") and the New York Department of Financial Services (the "NYDFS"). The Bank is a member of the Federal Home Loan Bank ("FHLB") system, and its deposits are insured up to the regulatory maximums by the FDIC. Exhibit I-1 is a map of the Bank's office locations.

The Bank completed its initial public offering on November 15, 1995, pursuant to which it sold 881,666 shares or 46.00% of its outstanding common stock to the public and issued 1,035,000 shares or 54.00% of its common stock outstanding to Pathfinder Bancorp, M.H.C. (the "MHC"). Pathfinder Bancorp, Inc. ("PBHC"), which was originally organized as a Delaware corporation in September 1997, is a federally chartered mid-tier stock holding company of the Bank. PBHC owns 100% of the outstanding common stock of the Bank. Since being formed in 1997, PBHC has been engaged primarily in the business of holding the common stock of the Bank. The MHC and PBHC are subject to supervision and regulation by the Department and the Board of Governors of the Federal Reserve System (the "Federal Reserve Board" or the "FRB"). At March 31, 2014, PBHC had total consolidated assets of \$525.8 million, deposits of \$438.4 million and equity of \$43.8 million or 8.33% of total assets. PBHC's audited financial statements for the most recent period are included by reference as Exhibit I-2.

Plan of Conversion

On April 8, 2014, the respective Board of Directors of the MHC and PBHC adopted a Plan of Conversion and Reorganization (the "Plan of Conversion"), whereby the MHC will convert to stock form. As a result of the conversion, PBHC, which currently owns all of the issued and outstanding common stock of the Bank, will be succeeded by a new Maryland corporation with the name of Pathfinder Bancorp, Inc. ("Pathfinder Bancorp" or the "Company").

Following the conversion, the MHC will no longer exist. For purposes of this document, the existing consolidated entity will also hereinafter be referred to as Pathfinder Bancorp or the Company, unless otherwise identified as PBHC. As of March 31, 2014, the MHC had a majority ownership interest of approximately 60.36% in, and its principal asset consisted of, 1,583,239 common stock shares of Pathfinder Bancorp (the "MHC Shares"). The remaining 1,039,943 shares or approximately 39.64% of Pathfinder Bancorp's common stock was owned by public shareholders.

It is our understanding that Pathfinder Bancorp will offer its stock, representing the majority ownership interest held by the MHC, in a subscription offering to Eligible Account Holders, Tax-Qualified Employee Benefit Plans including the Bank's employee stock ownership plan (the "ESOP"), Supplemental Eligible Account Holders and Other Depositors. To the extent that shares remain available for purchase after satisfaction of all subscriptions received in the subscription offering, the shares may be offered for sale to the public at large in a community offering and a syndicated offering. Upon completing the mutual-to-stock conversion and stock offering (the "second-step conversion"), the Company will be 100% owned by public shareholders, the publicly-held shares of PBHC will be exchanged for shares in the Company at a ratio that retains their ownership interest at the time the conversion is completed and the MHC assets will be consolidated with the Company.

Strategic Overview

Pathfinder Bancorp maintains a local community banking emphasis, with a primary strategic objective of meeting the borrowing and savings needs of consumers and businesses in Oswego County and surrounding counties. Lending activities by the Company have emphasized the origination of mortgage loans, including 1-4 family permanent mortgage loans, commercial real estate loans, multi-family loans, home equity loans and construction loans. Lending diversification by the Company also includes the origination of commercial business loans and consumer loans. In recent years, the Company has focused on growing the commercial real estate and commercial business loan portfolios. The Company's lending activities are supplemented with investments in securities, which comprise a much smaller portion of the Company's interest-earning asset composition. Mortgage-backed securities comprise the largest segment of the Company's investment portfolio. Assets are primarily funded by retail deposits generated through the branch network, with supplemental funding

provided by borrowings as an alternative funding source for purposes of managing funding costs, interest rate risk and increasing the Bank's regulatory capital.

Overall, implementation of the Company's growth strategies has served to effectively leverage capital and grow net interest income. The Company's lending markets were adversely impacted by the 2008 national recession and the resulting fallout from the financial crisis that occurred with the implosion of the housing market, pursuant to which the Company experienced credit quality deterioration. Non-performing assets increased from \$1.9 million or 0.67% of assets at yearend 2009 to \$6.3 million or 1.54% of assets at yearend 2010. Since yearend 2010, the balance of non-performing assets has remained at relatively elevated levels and is viewed to be indicative of the largely stagnant economy in the Company's lending markets. Non-performing assets totaled \$7.7 million or 1.46% of assets at March 31, 2014.

Pathfinder Bancorp's earnings base is largely dependent upon net interest income and operating expense levels. Overall, the Company has maintained a relatively stable net interest margin; although, since 2011 the Company has experienced some net interest margin compression, as the prolonged low interest rate environment has resulted in yields earned on interest-earnings assets declining more relative to funding costs paid on interest-bearing liabilities. Operating expenses have been maintained at relatively stable levels, as the Company has been relatively effective in leveraging increases in operating expenses associated implementation of growth strategies. Revenues derived from non-interest operating income sources have been a fairly stable contributor to the Company's core earnings base, with such income consisting mostly of customer service charges on deposit accounts and miscellaneous other charges and commission and fees.

A key component of the Company's business plan is to complete a second-step conversion offering. The post-offering business plan of the Company is expected to continue to focus on implementing strategic initiatives to develop and grow a full service community banking franchise. Accordingly, Pathfinder Bancorp will continue to be an independent full service community bank, with a commitment to meeting the retail and commercial banking needs of individuals and businesses in Central New York.

The capital realized from the stock offering will increase the Company's operating flexibility and allow for continued growth of the balance sheet. The additional capital realized from stock proceeds will increase liquidity to support funding of future loan growth and other interest-earning assets. The Company's strengthened capital position will also provide more of

a cushion against potential credit quality related losses, as the Company continues to implement workout strategies to reduce the balance of non-performing assets. Pathfinder Bancorp's higher capital position resulting from the infusion of stock proceeds will also serve to reduce interest rate risk, particularly through enhancing the Company's interest-earning assets/interest-bearing liabilities ("IEA/IBL") ratio. The additional funds realized from the stock offering will serve to raise the level of interest-earning assets funded with equity and, thereby, reduce the ratio of interest-earning assets funded with interest-bearing liabilities as the balance of interest-bearing liabilities will initially remain relatively unchanged following the conversion, which may facilitate a reduction in Pathfinder Bancorp's funding costs. Additionally, Pathfinder Bancorp's higher equity-to-assets ratio will enable the Company to pursue expansion opportunities. Such expansion would most likely occur through the establishment or acquisition of additional banking offices or customer facilities that would increase market penetration in the markets currently served by the Company or to gain a market presence into nearby complementary markets. The Company will also be better positioned to pursue growth through acquisition of other financial service providers following the stock offering, given its strengthened capital position and ability to offer stock as consideration. At this time, other than the planned opening of a business banking office in Syracuse, the Company has no specific plans for expansion. The projected uses of proceeds are highlighted below.

- Pathfinder Bancorp. The Company is expected to retain up to 50% of the net offering proceeds. At present, funds at the Company level, net of the loan to the ESOP, are expected to be primarily invested initially into liquid funds held as a deposit at the Bank. Over time, the funds may be utilized for various corporate purposes, possibly including acquisitions, infusing additional equity into the Bank, repurchases of common stock, and the payment of cash dividends.
- Pathfinder Bank. Approximately 50% of the net stock proceeds will be infused into the Bank in exchange for all of the Bank's stock. Cash proceeds (i.e., net proceeds less deposits withdrawn to fund stock purchases) infused into the Bank are anticipated to become part of general operating funds, and are expected to be primarily utilized to fund loan growth over time.

Overall, it is the Company's objective to pursue growth that will serve to increase returns, while, at the same time, growth will not be pursued that could potentially compromise the overall risk associated with Pathfinder Bancorp's operations.

Balance Sheet Trends

Table 1.1 shows the Company's historical balance sheet data for the past five and one-quarter years. The Company sustained positive asset growth throughout the period covered in Table 1.1, with assets increasing at an annual rate of 8.51% from yearend 2009 through March 31, 2014. Asset growth was primarily sustained by loan growth and was primarily funded by deposit growth. A summary of Pathfinder Bancorp's key operating ratios for the past five and one-quarter years is presented in Exhibit I-3.

Pathfinder Bancorp's loans receivable portfolio increased at a 6.81% annual rate from yearend 2009 through March 31, 2014, in which loan growth was sustained throughout the period. The Company's slightly lower loan growth rate compared to its asset growth rate provided for a decrease in the loans-to-assets ratio from 69.79% at December 31, 2009 to 65.26% at March 31, 2014. Net loans receivable at March 31, 2014 totaled \$343.1 million, versus \$259.4 million at December 31, 2009.

Residential real estate loans, commercial real estate loans and commercial business loans have accounted for most of the Company's loan growth since yearend 2009, with recent loan growth primarily sustained by growth of commercial real estate loans and commercial business loans. Residential real estate loans comprise the largest segment of the loan portfolio, although the concentration of residential real estate loans decreased from 51.33% of total loans at December 31, 2009 to 48.39% of total loans at March 31, 2014. Comparatively, commercial real estate loans increased from 23.78% of total loans at December 31, 2009 to 29.48% of total loan at March 31, 2014 and over the same time period commercial business loans increased from 13.53% of total loans to 14.84% of total loans. The balance of outstanding home equity loans has declined since yearend 2009, decreasing as a percent of total loans from 9.97% at December 31, 2009 to 6.15% of total loans at March 31, 2014. Consumer lending other than home equity loans and lines of credit has consistently been a minor area of lending diversification for the Company, with the balance of consumer loans increasing modestly since yearend 2009 and decreasing as percent of total loans from 1.37% at December 31, 2009 to 1.14% at March 31, 2014.

The intent of the Company's investment policy is to provide adequate liquidity and to generate a favorable return within the context of supporting overall credit and interest rate risk objectives. It is anticipated that proceeds retained at the holding company level will primarily be invested into liquid funds held as a deposit at the Bank. Since yearend 2009, the Company's

Table 1.1
Pathfinder Bancorp, Inc.
Historical Balance Sheet Data

Total Amount of:	At Fiscal Year Ended December 31,												12/31/09- 03/31/14 Annual Growth Rate Pct (%)	
	2009		2010		2011		2012		2013		2014			At March 31, 2014
	Amount (\$000)	Pct(1) (%)	Amount (\$000)	Pct(1) (%)	Amount (\$000)	Pct(1) (%)	Amount (\$000)	Pct(1) (%)	Amount (\$000)	Pct(1) (%)	Amount (\$000)	Pct(1) (%)		
Assets	\$371,692	100.00%	\$408,545	100.00%	\$442,980	100.00%	\$477,796	100.00%	\$503,793	100.00%	\$525,846	100.00%	8.51%	
Cash and cash equivalents	14,631	3.94%	13,763	3.37%	10,218	2.31%	8,665	1.81%	16,575	3.29%	18,933	3.60%	6.25%	
Interest earning time deposits	-	0.00%	-	0.00%	2,000	0.45%	2,000	0.42%	500	0.10%	500	0.10%	NM	
Investment securities	72,754	19.57%	85,327	20.89%	100,395	22.66%	108,339	22.67%	115,371	22.90%	126,653	24.09%	13.93%	
Loans receivable, net	259,387	69.79%	281,648	68.94%	300,770	67.90%	329,247	68.91%	336,592	66.81%	343,143	65.26%	6.81%	
Bank owned life insurance	6,956	1.87%	6,915	1.69%	7,939	1.79%	8,046	1.68%	8,266	1.64%	10,108	1.92%	9.19%	
FHLB stock	1,899	0.51%	2,134	0.52%	1,528	0.34%	1,929	0.40%	2,440	0.48%	2,035	0.39%	1.64%	
Goodwill/intangible assets	3,840	1.03%	3,840	0.94%	3,840	0.87%	3,840	0.80%	4,564	0.90%	4,551	0.87%	4.08%	
Deposits	296,389	79.74%	326,502	79.92%	366,129	82.65%	391,805	82.00%	410,140	81.41%	438,352	83.36%	9.65%	
Borrowings	41,155	11.07%	46,155	11.30%	31,229	7.05%	40,119	8.40%	46,008	9.13%	38,981	7.41%	-1.27%	
Equity	29,238	7.87%	30,592	7.49%	37,841	8.54%	40,747	8.53%	43,070	8.55%	43,802	8.33%	9.98%	
Tangible equity	25,398	6.83%	26,752	6.55%	34,001	7.68%	36,907	7.72%	38,516	7.65%	39,251	7.46%	10.79%	
Loans/Deposits		87.52%		86.26%		82.15%		84.03%		82.07%		78.28%		
Full Service Banking Offices Open	7		7		8		8		8		8			

(1) Ratios are as a percent of ending assets.

Sources: Pathfinder Bancorp's prospectus, audited and unaudited financial statements and RP Financial calculations.

level of cash and investment securities (inclusive of FHLB stock) ranged from a low of 24.02% of assets at yearend 2009 to a high of 28.17% of assets at March 31, 2014. As of March 31, 2014, the Company's cash and investments totaled \$148.1 million. Mortgage-backed securities totaling \$55.3 million comprised the most significant component of the Company's investment portfolio at March 31, 2014. The mortgage-backed securities portfolio consists of securities that are guaranteed by Government Sponsored Enterprises ("GSEs"). Other investments held by the Company at March 31, 2014 consisted of municipal bonds (\$29.3 million), U.S. Government and federal agency obligations (\$24.4 million), corporate bonds (\$15.8 million), mutual funds (\$1.7 million), and common stock equities (\$289,000). As of March 31, 2014, the Company maintained \$83.7 million of investment securities as available-for-sale and \$43.0 million of investment securities as held-to-maturity. The available-for-sale portfolio had a net unrealized gain of \$484,000 at March 31, 2014. Exhibit I-4 provides historical detail of the Company's investment portfolio. The Company also held \$500,000 of interest-earning time deposits with other banks, \$18.9 million of cash and cash equivalents and \$2.0 million of FHLB stock.

The Company also maintains an investment in bank-owned life insurance ("BOLI") policies, which cover the lives of Board members and certain officers of the Company. The purpose of the investment is to provide funding for the benefit plans of the covered individuals. The life insurance policies earn tax-exempt income through cash value accumulation and death proceeds. As of March 31, 2014, the cash surrender value of the Company's BOLI equaled \$10.1 million or 1.92% of assets.

Over the past five and one-quarter years, Pathfinder Bancorp's funding needs have been addressed through a combination of deposits, borrowings and internal cash flows. From yearend 2009 through March 31, 2014, the Company's deposits increased at a 9.65% annual rate. Deposit growth was sustained throughout the period covered in Table 1.1 and, overall, deposits increased from \$296.4 million or 79.74% of assets at yearend 2009 to \$438.4 million or 83.36% of assets at March 31, 2014. Transaction and savings account deposits constitute the largest concentration of the Company's deposits and have been the primary source of the Company's deposit growth in recent years.

Borrowings serve as an alternative funding source for the Company to address funding needs for growth and to support management of deposit costs and interest rate risk. Additionally, borrowed funds by the Company were down streamed into the Bank for purposes of increasing regulatory capital. From yearend 2009 through March 31, 2014, the Company's

balance of borrowings ranged from a low of \$31.2 million or 7.05% of assets at yearend 2011 to a high of \$46.0 million or 9.13% of assets at yearend 2013. As of March 31, 2014, borrowing held by the Company totaled \$39.0 million or 7.41% of assets. Overall, borrowings decreased at a 1.27% annual rate from yearend 2009 through March 31, 2014. FHLB advances constitute the primary source of borrowings utilized by the Company, with other borrowings consisting of trust preferred debt and a third party loan to fund the Bank's Employee Stock Ownership Plan ("ESOP").

The Company's equity increased at a 9.98% annual rate from yearend 2009 through March 31, 2014. Capital growth was supplemented with the issuance of \$13.0 million of preferred stock in 2011. On September 1, 2011, the Company issued and sold 13,000 shares of senior non-cumulative perpetual preferred stock, Series B ("Series B Preferred Stock"), with a liquidation value of \$1,000 per share. The Company sold the Series B Preferred Stock to the U.S. Treasury as part of the Small Business Lending Fund Program ("SBLF") for an aggregate purchase price of \$13,000,000. Non-cumulative dividends on the Series B Preferred Stock accrue at an annual rate of between 1% and 5% for the first four and one-half years and at an annual rate of 9% thereafter. The variable rate is determined based upon changes in the amount of the Company's "Qualified Small Business Lending" as compared to a baseline level. At March 31, 2014, as a result of the Company's small business lending activity, the dividend rate was 1.00%. Proceeds from the issuance of the Series B Preferred Stock funded the redemption of the Company's Series A Preferred Stock issued and sold to the U.S. Treasury Department as part of the Capital Purchase Program. The Company paid \$6.8 million to the U.S. Treasury Department to fund the redemption of the Series A Preferred Stock. Overall, comparatively stronger equity growth relative to asset growth increased the Company's equity-to-assets ratio from 7.87% at yearend 2009 to 8.33% at March 31, 2014. Over the same time period, the Company's tangible equity-to-assets ratio increased from 6.83% to 7.46%. Goodwill and intangibles resulting from the acquisition of branches and an insurance agency equaled \$4.6 million or 0.87% of assets at March 31, 2014. The Bank maintained capital surpluses relative to all of its regulatory capital requirements at March 31, 2014. The addition of stock proceeds will serve to strengthen the Company's capital position, as well as support growth opportunities. At the same time, the significant increase in Pathfinder Bancorp's pro forma capital position will initially depress its ROE.

Income and Expense Trends

Table 1.2 shows the Company's historical income statements for the past five years and for the twelve months ended March 31, 2014. The Company's reported earnings over the past five and one-quarter years ranged a low of \$1.6 million or 0.45% of average assets in 2009 to a high of \$2.6 million or 0.57% of average assets in 2012. For the twelve months ended March 31, 2014, the Company reported net income of \$2.4 million or 0.46% of average assets. Net interest income and operating expenses represent the primary components of the Company's earnings. Non-interest operating income and loan loss provisions have been fairly stable factors in the Company earnings over the past five and one-quarter years. Non-operating income has primarily consisted of gains on sale and redemption of investments.

Over the past five and one-quarter years, the Company's net interest income to average assets ratio ranged from a low of 3.06% during the twelve months ended March 31, 2014 to a high of 3.40% during 2011. The decline in the Company's net interest income ratio since 2011 has been largely attributable to interest rate spread compression that has resulted from a more significant decrease in the yield earned on interest-earning assets relative to the cost of interest-bearing liabilities. As the result of the prolonged low interest rate environment, the decline in yield earned on less rate sensitive interest-earning assets has become more significant relative to the decline in rate paid on more rate sensitive liabilities which had more significant downward repricing earlier in the prevailing interest rate environment. Overall, during the past five and one-quarter years, the Company's interest rate spread decreased from a peak of 3.62% during 2011 to a low of 3.32% during 2013. For the three months ended March 31, 2014, the Company's interest rate spread increased to 3.38%. The Company's net interest rate spreads and yields and costs for the past five and one-quarter years are set forth in Exhibit I-3 and Exhibit I-5.

Non-interest operating income as a percent of average assets has also been a fairly stable contributor to the Company's earnings, ranging from a low of \$2.5 million or 0.58% of average assets during 2011 to a high of \$2.9 million or 0.73% of average assets during 2010. For the twelve months ended March 31, 2014, non-interest operating income equaled \$2.8 million or 0.54% of average assets. Service charges on deposit accounts and other charges, commissions and fees are the primary contributors to the Company's non-interest operating revenues, which also includes income earned on BOLI, loan servicing fees and debit card interchange fees.

Table 1.2
Pathfinder Bancorp, Inc.
Historical Income Statements

	For the Fiscal Year Ended December 31,										For the 12 Months Ended 03/31/14	
	2009		2010		2011		2012		2013		Amount (\$000)	Pct(1) (%)
	Amount (\$000)	Pct(1) (%)	Amount (\$000)	Pct(1) (%)	Amount (\$000)	Pct(1) (%)	Amount (\$000)	Pct(1) (%)	Amount (\$000)	Pct(1) (%)		
Interest income	\$17,806	4.96%	\$18,139	4.61%	\$18,604	4.44%	\$18,765	4.02%	\$18,883	3.79%	\$18,857	3.66%
Interest expense	(6,029)	-1.68%	(4,808)	-1.22%	(4,341)	-1.04%	(3,908)	-0.84%	(3,264)	-0.66%	(3,063)	-0.59%
Net interest income	\$11,777	3.28%	\$13,331	3.39%	\$14,263	3.40%	\$14,857	3.18%	\$15,619	3.14%	\$15,794	3.06%
Provision for loan losses	(876)	-0.24%	(1,050)	-0.27%	(940)	-0.22%	(825)	-0.18%	(1,032)	-0.21%	(953)	-0.17%
Net interest income after provisions	\$10,901	3.04%	\$12,281	3.12%	\$13,323	3.18%	\$14,032	3.00%	\$14,587	2.93%	\$14,841	2.88%
Non-interest operating income	\$2,724	0.76%	\$2,854	0.73%	\$2,451	0.58%	\$2,627	0.56%	\$2,581	0.52%	\$2,794	0.54%
Non-interest operating expense	(11,126)	-3.10%	(11,789)	-3.00%	(13,148)	-3.14%	(13,518)	-2.89%	(14,751)	-2.96%	(15,153)	-2.94%
Net operating income	\$2,499	0.70%	\$3,346	0.85%	\$2,626	0.63%	\$3,141	0.67%	\$2,417	0.49%	\$2,482	0.48%
Non-Operating Income												
Gain(loss) on sale and redemption of investments	\$805	0.22%	211	0.05%	\$791	0.19%	\$375	0.08%	\$365	0.07%	328	0.06%
Net gains(losses) on sale of loans and OREO	54	0.02%	(45)	-0.01%	(50)	-0.01%	61	0.01%	470	0.09%	444	0.09%
Loss on impairment of investments	(693)	-0.19%	-	0.00%	0	0.00%	-	0.00%	-	0.00%	-	0.00%
Net non-operating income	\$166	0.05%	\$166	0.04%	\$741	0.18%	\$436	0.09%	\$835	0.17%	\$772	0.15%
Net income before tax	\$2,665	0.74%	\$3,512	0.89%	\$3,367	0.80%	\$3,577	0.77%	\$3,252	0.65%	\$3,254	0.63%
Income tax provision	(1,050)	-0.29%	(1,007)	-0.26%	(1,044)	-0.25%	(929)	-0.20%	(847)	-0.17%	(836)	-0.16%
Net income (loss) before noncontrolling interest	\$1,615	0.45%	\$2,505	0.64%	\$2,323	0.55%	\$2,648	0.57%	\$2,405	0.48%	\$2,418	0.47%
Net income(loss) attributable to noncontrolling interest	-	0.00%	-	0.00%	-	0.00%	-	0.00%	(1)	0.00%	28	0.01%
Net income (loss)	\$1,615	0.45%	\$2,505	0.64%	\$2,323	0.55%	\$2,648	0.57%	\$2,406	0.48%	\$2,390	0.46%
Adjusted Earnings												
Net income	\$1,615	0.45%	\$2,505	0.64%	\$2,323	0.55%	\$2,648	0.57%	\$2,406	0.48%	\$2,390	0.46%
Add(Deduct): Net gain/(loss) on sale	(166)	-0.05%	(166)	-0.04%	(741)	-0.18%	(436)	-0.09%	(835)	-0.17%	(772)	-0.15%
Tax effect (2)	66	0.02%	66	0.02%	296	0.07%	174	0.04%	334	0.07%	309	0.06%
Adjusted earnings	\$1,515	0.42%	\$2,405	0.61%	\$1,878	0.45%	\$2,386	0.51%	\$1,905	0.38%	\$1,927	0.37%
Expense Coverage Ratio (3)	1.06x		1.13x		1.08x		1.10x		1.06x		1.04x	
Efficiency Ratio (4)	76.73%		72.82%		78.89%		77.27%		80.87%		81.67%	
Effective tax rate	39.40%		28.67%		31.01%		25.97%		26.05%		26.69%	

(1) Ratios are as a percent of average assets.

(2) Assumes a 40.0% effective tax rate.

(3) Expense coverage ratio calculated as net interest income before provisions for loan losses divided by operating expenses.

(4) Efficiency ratio calculated as operating expenses divided by the sum of net interest income before provisions for loan losses plus other income (excluding non-operating gains).

Sources: Pathfinder Bancorp's prospectus, audited & unaudited financial statements and RP Financial calculations.

Operating expenses represent the other major component of the Company's earnings and have trended higher over the past five and one-quarter years, but have declined slightly as a percent of average assets. Operating expenses increased from \$11.1 million or 3.10% of average assets during 2009 to \$15.2 million or 2.94% of average assets during the twelve months ended March 31, 2014. The increase in operating expenses was largely related to normal cost increases and adding personnel to implement growth strategies, which included the opening of a branch office in 2011.

Overall, the general trends in the Company's net interest margin and operating expense ratio since 2009 reflect stability in core earnings, as indicated by the Company's expense coverage ratios (net interest income divided by operating expenses). Pathfinder Bancorp's expense coverage ratio equaled 1.06 times during 2009, versus a ratio of 1.04 times during the twelve months ended March 31, 2014. Likewise, Pathfinder Bancorp's efficiency ratio (operating expenses as a percent of the sum of net interest income and other operating income) of 76.73% during 2009 was slightly more favorable compared to its efficiency ratio of 81.67% during the twelve months ended March 31, 2014.

Over the past five and one-quarter years, loan loss provisions established by the Company have been fairly stable as a percent of average assets ranging from a low of 0.17% during the twelve months ended March 31, 2014 to a high 0.27% during 2010. For the twelve months ended March 31, 2014, the Company established loan loss provisions of \$953,000. As of March 31, 2014, the Company maintained valuation allowances of \$5.0 million, equal to 0.44% of total loans and 71.59% of non-accruing loans. Exhibit I-6 sets forth the Company's loan loss allowance activity during the past five and one-quarter years.

Non-operating income and losses have had a varied impact on the Company's earnings over the past five and one-quarter years, primarily consisting of gains on sale and redemption of investment securities. Gains on the sale of loans and OREO had a more significant impact on the Company's earnings during 2013 and for the twelve months ended March 31, 2014, while a loss on impairment of investments negatively impacted the Company's earnings during 2009. For the twelve months ended, net non-operating income equaled \$772,000 or 0.15% of average assets and consisted of a \$328,000 gain on sale and redemption of investment securities and \$444,000 of net gains on the sale of loans and OREO most of which was the realized from the sale of \$8.8 million of residential loans during the second quarter of 2013. Overall, the various

items that comprise the Company's non-operating income are not viewed to be part of the Company's core or recurring earnings base.

The Company's effective tax rate ranged from 25.69% during the twelve months ended March 31, 2014 to 39.40% during 2009. As set forth in the prospectus, the Company's effective marginal tax rate is 40.0%.

Interest Rate Risk Management

The Company's balance sheet is liability-sensitive in the short-term (less than one year) and, thus, the net interest margin will typically be adversely affected during periods of rising and higher interest rates. Comparatively, the Company's net interest margin benefits from a declining interest rate environment. As interest rates have remained at or near historically low levels for an extended period of time, the Company has experienced interest spread compression as the average yield earned on interest-earning assets has started to decline more relative to the average rate paid on interest-bearing liabilities. The Company's interest rate risk analysis indicated that as of March 31, 2014, in the event of a 200 basis point instantaneous and sustained increase in interest rates, net portfolio would decrease by 9.0% which was within policy limits (see Exhibit I-7).

The Company pursues a number of strategies to manage interest rate risk, particularly with respect to seeking to limit the repricing mismatch between interest rate sensitive assets and liabilities. The Company manages interest rate risk from the asset side of the balance sheet through maintaining most investments as available-for-sale, maintaining an investment portfolio with laddered terms and diversifying into other types of lending beyond 1-4 family permanent mortgage loans which consists primarily of adjustable rate loans or shorter-term fixed rate loans. As of December 31, 2013, ARM loans comprised 47.46% of the dollar amount of all fixed rate and adjustable rate loans due after December 31, 2014 (see Exhibit I-8). On the liability side of the balance sheet, management of interest rate risk has been pursued through utilizing fixed rate FHLB advances with ladder terms due within ten years and emphasizing growth of lower costing and less interest rate sensitive transaction and savings account deposits. Transaction and savings account deposits comprised 64.47% of the Company's total deposits at March 31, 2014.

The infusion of stock proceeds will serve to further limit the Company's interest rate risk exposure, as most of the net proceeds will be redeployed into interest-earning assets and the

increase in the Company's capital position will lessen the proportion of interest rate sensitive liabilities funding assets.

Lending Activities and Strategy

Pathfinder Bancorp's lending activities have traditionally emphasized 1-4 family permanent mortgage loans and such loans continue to comprise the largest component of the Company's loan portfolio. Pursuant to the Company's strategic plan, the Company is pursuing a diversified lending strategy emphasizing commercial real estate loans and commercial business loans as the primary areas of targeted loan growth. Other areas of lending diversification for the Company include construction loans, home equity loans and lines of credit and consumer loans. Exhibit I-9 provides historical detail of Pathfinder Bancorp's loan portfolio composition for the past five and one-quarter years and Exhibit I-10 provides the contractual maturity of the Company's loan portfolio by loan type as of March 31, 2014.

1-4 Family Residential Loans. Pathfinder Bancorp offers both fixed rate and adjustable rate 1-4 family permanent mortgage loans, which are substantially secured by properties in the counties of Oswego and Onondaga. Loans are generally underwritten to secondary market guidelines, so they can be sold in the secondary market. The Company's current philosophy is to retain 1-4 family loan originations for its own portfolio, although the Company sold \$8.8 million of 1-4 family loans out of its loans receivable portfolio during the second quarter of 2013. ARM loans offered by the Company have initial repricing terms of one, three or five years and then adjust annually for the balance of the loan term. ARM loans are indexed to the one year Treasury adjusted to a constant maturity. As of March 31, 2014, the Company's outstanding balance of 1-4 family residential loans totaled \$168.4 million or 48.39% of total loans outstanding and included \$1.2 million of construction loans for construction of single-family homes.

Home Equity Loans and Lines of Credit. The Company's 1-4 family lending activities include home equity loans and lines of credit. Home equity loans are originated as fixed rate loans with amortization terms up to 20 years. Home equity lines of credit are tied to the prime rate as published in *The Wall Street Journal* and are offered for terms of up to a ten year draw period followed by a 20 year repayment period. The Company will originate home equity loans and lines of credit up to a maximum loan-to-value ("LTV") ratio of 80%, inclusive of other liens on the property. If the Company holds the first mortgage on the property, the maximum LTV ratio

may be increased to 90%. As of March 31, 2014, the Company's outstanding balance of home equity loans and lines of credit totaled \$21.4 million or 6.15% of total loans outstanding.

Commercial Real Estate Loans Commercial real estate loans consist largely of loans originated by the Company, which are collateralized by properties in the Company's regional lending area. On a more limited basis, the Company supplements originations of commercial real estate loans with purchased loan participations secured by properties in the Company's local lending market. Loan participations are subject to the same underwriting criteria and loan approvals as applied to loans originated by the Company. Pathfinder Bancorp generally originates commercial real estate loans up to a LTV ratio of 80% and generally requires a minimum debt-coverage ratio of 1.20 times. The Company offers both fixed and adjustable rate commercial real estate loans, generally for terms of up to 20 years. Adjustable rate loans reprice every three or five years and are typically indexed to the corresponding FHLB of New York advance rate. Most of the Company's adjustable rate commercial real estate loans reprice every five years and amortize over terms of 20 years. Properties securing the commercial real estate loan portfolio include apartments, office buildings, mixed-use properties, 1-4 family investment properties, warehouses and retail properties. As of March 31, 2014, the Company's outstanding balance of commercial real estate loans totaled \$102.6 million equal to 29.48% of total loans outstanding.

Construction Loans. Construction loans originated by the Company consist of loans to finance the construction of 1-4 family residences and commercial/multi-family properties. The Company's 1-4 family construction lending activities consist of construction loans, which convert to a permanent loan at the end of the construction period. Residential and commercial construction loans are interest only loans during the construction period and are generally offered up to a maximum LTV ratio of 80% of the appraised value of the completed property. As of March 31, 2014, Pathfinder Bancorp's outstanding balance of construction loans equaled \$1.2 million or 0.35% of total loans outstanding

Commercial Business Loans The commercial business loan portfolio is generated through extending loans to businesses operating in the local market area. Expansion of commercial business lending activities is a desired area of loan growth for the Company, pursuant to which the Company is seeking to become a full service community bank to its commercial loan customers through offering a full range of commercial loan products that can be packaged with lower cost commercial deposit products. Commercial business loans offered

by the Company consist of floating lines of credit indexed to *The Wall Street Journal* prime rate and fixed rate term loans. Depending on the collateral securing the loan, commercial loans are originated up to a maximum LTV ratio of 80% of the value of the collateral securing the loan. The commercial business loan portfolio consists substantially of loans secured by business assets such as accounts receivable, inventory, equipment, furniture and fixtures and other business assets. The Company also originates working capital lines of credit to finance the short-term cash flow needs of businesses and municipal loans are term loans and typically unsecured. As of March 31, 2014, Pathfinder Bancorp's outstanding balance of commercial business loans equaled \$51.6 million or 14.84% of total loans outstanding.

Consumer Loans The Company's diversification into consumer lending has been limited, with such loans generally consisting of automobile loans and other installment loans, loans secured by deposits and unsecured personal loans. As of March 31, 2014, Pathfinder Bancorp's outstanding balance of consumer loans equaled \$4.0 million or 1.14% of total loans outstanding.

Asset Quality

Historically, the Company's lending emphasis on lending in local and familiar markets generally supported maintenance of relatively favorable credit quality measures. However, with the onset of the national recession and bursting of the housing bubble in 2008, the Company experienced elevated levels of problem assets. Over the past five and one-quarter years, Pathfinder Bancorp's balance of non-performing assets ranged from a low of \$2.5 million or 0.67% of assets at yearend 2009 to a high of \$7.7 million or 1.46% of assets at March 31, 2014. As shown in Exhibit I-11, non-performing assets at March 31, 2014 consisted of \$7.0 million of non-accruing loans and \$699,000 of foreclosed real estate. Non-accruing commercial real estate loans comprised the largest concentration of the non-performing loan balance, accounting for \$3.8 million or 54.66% of total non-accruing loans at March 31, 2014. The second largest concentration of non-accruing loans consisted of 1-4 family permanent mortgage loans totaling \$1.9 million or 26.82% of total non-accruing loans at March 31, 2014.

To track the Company's asset quality and the adequacy of valuation allowances, the Company has established detailed asset classification policies and procedures which are consistent with regulatory guidelines. Classified assets are reviewed monthly by senior management and the Board. Pursuant to these procedures, when needed, the Company

establishes additional valuation allowances to cover anticipated losses in classified or non-classified assets. As of March 31, 2014, the Company maintained loan loss allowances of \$5.0 million, equal to 1.44% of total loans outstanding and 71.59% of non-accruing loans.

Funding Composition and Strategy

Deposits have consistently served as the Company's primary funding source and at March 31, 2014 deposits accounted for 91.83% of the Company's combined balance of deposits and borrowings. Exhibit I-12 sets forth the Company's deposit composition for the past three and one-quarter years. Transaction and savings account deposits constituted 64.47% of total deposits during at March 31, 2014, as compared to 58.12% of total deposits at December 31, 2011. The increase in the concentration of core deposits comprising total deposits since 2011 was realized through core deposits increasing at a faster rate relative to CD growth. The largest source of core deposit growth since 2011 has been money market deposits, followed by growth of demand deposits and saving account deposits. Money market deposits comprised 21.45% of total deposits and 33.27% of core deposits at March 31, 2014.

The balance of the Company's deposits consists of CDs, which equaled 35.53% of total deposits at March 31, 2014 compared to 41.88% of total deposits at December 31, 2011. Pathfinder Bancorp's current CD composition reflects a higher concentration of short-term CDs (maturities of one year or less). The CD portfolio totaled \$155.7 million at March 31, 2014 and \$113.7 million or 72.98% of the CDs were scheduled to mature in one year or less. Exhibit I-13 sets forth the maturity schedule of the Company's CDs as of March 31, 2014. As of March 31, 2014, jumbo CDs (CD accounts with balances of \$100,000 or more) amounted to \$86.9 million or 55.77% of total CDs. The Company held \$40.5 million of brokered CDs at March 31, 2014.

Borrowings serve as an alternative funding source for the Company to facilitate management of funding costs and interest rate risk, as well as increasing the Bank's regulatory capital. Borrowings totaled \$39.0 million at March 31, 2014 and consisted of \$17.0 million of short-term FHLB advances, \$16.0 million of long-term FHLB advances, \$5.2 million of junior subordinated debentures and an \$826,000 ESOP loan payable. At March 31, 2014, the weighted average interest rate on the FHLB advances was 1.43%. Long-term FHLB advances had laddered terms extending out to five years. The Company's junior subordinated debentures consist of an issuances of trust preferred securities ("Statutory Trust II"). Statutory Trust II pays a cumulative quarterly distribution at a rate per annum equal to three month LIBOR (25 basis

points at March 31, 2014) plus 1.65% for a total of 1.90% at March 31, 2014. Statutory Trust II matures in 2037. Exhibit I-14 provides further detail of the Company's borrowings activities during the past three and one-quarter years.

Subsidiaries

In addition to the Bank, the Company is the parent company of Statutory Trust II. Statutory Trust II was formed in connection with the issuance of \$5.2 million of trust preferred securities. The Bank has four operating subsidiaries – Pathfinder Commercial Bank, Pathfinder REIT, Inc., Pathfinder Risk Management Company, Inc. and Whispering Oaks Development Corp.

Pathfinder Commercial Bank is a limited commercial bank subsidiary, which serves the depository needs of municipalities and public entities in its market area. New York law requires municipal deposits to be held only by commercial banks.

Pathfinder REIT, Inc., a New York Corporation, is a wholly-owned real estate investment trust subsidiary. At March 31, 2014, Pathfinder REIT, Inc. held \$16.8 million in mortgages and mortgage related assets.

Whispering Oaks Development Corp., a New York corporation, was formed in the case of a need to operate or develop foreclosed real estate emerges.

Pathfinder Risk Management, Inc. was established to record the 51% controlling interest upon the December 2013 purchase of the Fitzgibbons Agency, LLC, an Oswego County property and casualty and life and health insurance brokerage business with approximately \$500,000 in annual revenues.

Legal Proceedings

Periodically, the Company has been involved in routine legal proceedings in the ordinary course of business. Such routine legal proceedings, in the aggregate, are believed by management to be immaterial to the Company's financial condition, results of operations and cash flows.

II. MARKET AREA

Introduction

Pathfinder Bancorp is headquartered in Oswego, New York and currently serves Central New York through the main office and seven branch locations. The main office and six branch offices are located in Oswego County and one branch office is located in northern Onondaga County. The Company intends to add a business banking office in Onondaga County, which will be located in downtown Syracuse. Oswego is 40 miles north of Syracuse. Details regarding the Company's office properties are set forth in Exhibit II-1.

Oswego, which currently maintains a population of approximately 18,000, is located on Lake Ontario and is known as the Port City of Central New York. Manufacturing and the State University of New York College at Oswego constitute the basis of local economy. Future growth opportunities for Pathfinder Bancorp depend on the future growth and stability of the local and regional economy, demographic growth trends and the nature and intensity of the competitive environment. These factors have been briefly examined to help determine the growth potential that exists for the Company, the relative economic health of the Company's market area, and the resultant impact on value.

National Economic Factors

The future success of the Company's operations is partially dependent upon various national and local economic trends. Manufacturing activity grew for a fifth consecutive month in October 2013, with the PMI index rising to its highest level in more than two years. Service sector activity also continued to expand in October. The employment report for October showed that 204,000 jobs were added, while the October unemployment rate edged up to 7.3%. Despite the partial government shutdown in early-October, retail sales increased in October. Existing home sales declined in October, which was viewed as a potential sign that rising interest rates were starting to weigh on the housing recovery. The pace of manufacturing activity accelerated further in November, while service sector activity grew at a slightly lower rate in November. Employment growth remained steady in November, with 203,000 jobs being added and the November unemployment rate hitting a five year low of 7.0%. New and existing home sales were down slightly in November compared to October, as home buyers faced higher interest rates and an increase in home prices. Bolstered by a rebound in consumer

confidence, retail sales for November showed a healthy increase from October, While manufacturing activity expanded at a slightly lower rate in December, the PMI readings for November and December were the highest and second highest for 2013. Similarly, December service sector activity also grew at a slightly lower rate compared to November. December job growth was the lowest in almost three years, as only 74,000 jobs were added in December. However, the December unemployment rate dropped to 6.7%, which was mostly attributable to people leaving the labor force. Fourth quarter GDP increased at a 3.2% annual rate (subsequently revised to 2.6%).

The pace of manufacturing activity slowed considerably in January 2014, with the PMI reading declining 5.2 points to 51.3. Comparatively, January service sector activity expanded at a slight faster pace, with PMI reading of 56.7 compared to 55.7 in December. January was the second straight month of weak job growth, with a tepid gain of 113,000 jobs. The January unemployment rate dipped to 6.6% in January. Existing home sales in January declined to the lowest level since July 2012, while new home sales were up solidly in January. January 2014 home prices were up 0.9% from December and up 12.0% from a year ago January. Manufacturing activity accelerated in February, with the PMI registering 53.2. Comparatively, February service sector activity expanded at a slower pace in February, decreasing from a reading of 54.0 for January to 51.6 for February. Job growth picked-up in February, as the U.S. economy added 175,000 jobs. However, as more peoples entered the labor force, the February unemployment rate ticked up to 6.7%. Despite poor weather conditions in many areas of the U.S., retail sales rose slightly in February. Sales of existing and new homes were both lower in February compared to January, which was in part attributable to rising mortgage rates and higher home prices. Home prices were up 12.2% in February compared to a year ago. Manufacturing activity expanded for the tenth consecutive month in March, with the March PMI of 53.7 reflecting a slight increase compared to February. Similarly, service sector activity expanded at a slightly faster rate in March compared to February. Job growth was up slightly in March, with a total of 192,000 added during the month. However, the March unemployment rate remained at 6.7%. A healthy increase in March retail sales offered evidence of an improving economy. Sales of existing homes were down slightly in March compared to February, while new single-family home sales were down 14.5% from February to March. However, March pending home sales were up 3.4% in March compared to February, marking the first gain in nine months. First quarter GDP growth fell short of expectations, as the U.S. economy increased at a modest 0.1% annual rate during the quarter.

Manufacturing and non-manufacturing activity both accelerated in April 2014, providing more evidence that the economy was regaining momentum. The April jobs report showed a healthy pick-up in hiring with 288,000 jobs added and the April unemployment rate declined to 6.3%, but most of the decline was due to fewer job seekers as more people elected to drop out of the labor force. In early-May 2014 testimony before Congress, Federal Reserve Chairwoman Janet Yellen stated that the economy was on track for solid growth in the current quarter; although, a slowdown in housing that became evident in late-2013 showed few signs of reviving. The modest 0.1% increase in April sales provided an indication that the rebound in the U.S. was losing momentum.

In terms of interest rates trends over the past few quarters, Treasury yields dipped lower at the beginning of October 2013 as hiring in the private sector increased less than expected during September. Stalled negotiations in Washington to avert the first ever default on the U.S. debt pushed Treasury yields higher going into mid-October, which was followed by a rally in Treasury bonds on news of an agreement in Washington that raised the debt ceiling and avoided an imminent default by the U.S. Government. A weaker than expected jobs report for September furthered the downward trend in interest rates, as investors became more confident that the Federal Reserve would leave its bond buying program unchanged. A sharp decline in October consumer confidence and an October employment report that continued to reflect a relatively slow pace of job growth provided for a stable interest rate environment at the end of October and into early-November. Long-term Treasury yields edged higher in mid-November and then stabilized for the balance of November, as investors reacted to generally favorable October economic data and Congressional testimony by the Federal Reserve Chairman nominee Janet Yellen, in which she stated for a continuation of the Federal Reserve's stimulus efforts. Signs of the economic recovery gaining momentum and the Federal Reserve's mid-December announcement that it would begin to taper its stimulus program provided for a general upward trend in interest rates throughout December, with the 10-year Treasury yield edging above 3.0% in late-December.

Interest rates eased lower at the start of 2014, with the 10-year Treasury yield dipping below 3.0%. The weaker-than-expected jobs report for December furthered the downward trend in long-term Treasury yields heading into mid-January. The downward trend in long-term Treasury yields continued through the balance of January, as investors sought the safe haven of Treasury bonds amid turmoil in emerging markets and soft jobs data. The Federal Reserve concluded its late-January meeting by voting to scale back its bond buying program by another

\$10 billion. Soft economic data provided for a stable interest rate environment through most of February, which was followed by a slight decline in long-term Treasury yields in late-February as investors responded to a decline in February consumer confidence and a downward revision to fourth quarter GDP. Stronger-than-expected job growth reflected in the February employment report and an increase in February manufacturing activity translated into Treasury yields edging higher during first half of March. A lower reading for March consumer confidence provided for a slight dip in the 10-year Treasury yield in mid-March, which was followed by an up-tick in the 10-year Treasury yield at the conclusion of the Federal Reserve's March meeting and announcement that the Federal Reserve decided to trim its bond buying program by another \$10 billion to \$55 billion in monthly bond purchases. Long-term Treasury yields stabilized in the closing weeks of the first quarter.

Treasury yields edged higher in early-April 2014, as employment data for March showed job growth accelerating, and then declined slightly going into mid-April. Interest rates stabilized through the balance of April, as inflation remained in check and economic data generally reflected a continuation of sluggish economic growth. The Federal Reserve trimmed its monthly bond purchase program by another \$10 billion to a total of \$45 billion in monthly bond purchases at the end of April. The 10-year Treasury yield dropped to six month lows in early- and mid-May, as investors moved into safe haven investments amid geopolitical fears, uncertainty over global economic growth and data indicating that the U.S. economy was growing at a tepid pace. As of May 16, 2014, the bond equivalent yields for U.S. Treasury bonds with terms of one and ten years equaled 0.09% and 2.52%, respectively, versus comparable year ago yields of 0.12% and 1.87%. Exhibit II-2 provides historical interest rate trends.

Based on the consensus outlook of economists surveyed by The Wall Street Journal in May 2014, GDP growth was projected to come in at 2.4% in 2014 and increase to 2.9% in 2015. The unemployment rate was forecasted to fall to 6.1% in December 2014 and continue to decline to 5.8% in June 2015. An average of 215,000 jobs were projected to be added per month during 2014. On average, the economists did not expect the Federal Reserve to begin raising its target rate until mid-2015 at the earliest and the 10-year Treasury yield would increase to 3.28% at the end of 2014. The surveyed economists also forecasted home prices would rise by 5.4% in 2014. Housing starts were forecasted to continue to trend slightly higher in 2014.

Market Area Demographics

Key demographic and economic indicators in the Company's market area include population, number of households and household/per capita income levels. Demographic data for Oswego and Onondaga Counties, as well as comparative data for New York and the U.S., are provided in Table 2.1. The market area is characterized by two different market types. Onondaga County represents a densely populated blend of urban and suburban markets, whilst Oswego County has a smaller population base that is largely suburban and rural in nature. Both primary market area counties displayed relatively stable population and household figures over the past three years, with population and household growth rates falling below the comparable national and state growth rates. The slow demographic growth stems from a regional economy where overall job growth has been limited by the lack of new economic activity. Population and household growth rates for Oswego County are projected to remain below the comparable growth rates for the U.S. and the state of New York for the next five years, while projected population and household growth rates for Onondaga County are projected to approximate the comparable New York growth rates.

Compared to the U.S. and the state of New York, median and per capita income figures were lower in Oswego County, which is indicative of the somewhat rural nature of Oswego County that tends to facilitate a lower cost of living relative to the more densely populated urban and suburban markets in the state of New York. Comparatively, income measures for Onondaga County, which includes the Syracuse metropolitan area, were comparable to the U.S. measures. Over the next five years, household and per capita income growth rates for Oswego and Onondaga Counties are projected to be in line with the comparable New York and U.S. growth rates.

The less affluent nature of Oswego County is further implied by household income distribution measures, which show that in comparison to Onondaga County as well as New York and the U.S., Oswego County maintains a higher percentage of households with incomes of less than \$50,000 and a lower percentage of households with incomes upwards of \$100,000. Age distribution measures for Oswego County were fairly consistent with the age distribution measures for New York and the U.S., while Onondaga County has a slightly older population relative to Oswego County, New York and the U.S.

Table 2.1
Pathfinder Bancorp, Inc.
Summary Demographic Data

	Year			Growth Rate	
	<u>2010</u>	<u>2013</u>	<u>2018</u>	<u>2010-2013</u> (%)	<u>2013-2018</u> (%)
<u>Population (000)</u>					
USA	308,746	314,468	323,986	0.6%	0.6%
New York	19,378	19,553	19,878	0.3%	0.3%
Oswego, NY	122	123	122	0.1%	-0.1%
Onondaga, NY	467	469	476	0.1%	0.3%
<u>Households (000)</u>					
USA	116,716	118,979	122,665	0.6%	0.6%
New York	7,318	7,390	7,526	0.3%	0.4%
Oswego, NY	46	47	47	0.2%	0.0%
Onondaga, NY	188	189	192	0.2%	0.3%
<u>Median Household Income (\$)</u>					
USA	NA	51,314	56,895	NA	2.1%
New York	NA	55,170	62,961	NA	2.7%
Oswego, NY	NA	47,429	53,138	NA	2.3%
Onondaga, NY	NA	51,316	57,860	NA	2.4%
<u>Per Capita Income (\$)</u>					
USA	NA	27,567	29,882	NA	1.6%
New York	NA	31,695	34,449	NA	1.7%
Oswego, NY	NA	23,468	25,725	NA	1.9%
Onondaga, NY	NA	29,171	31,859	NA	1.8%
<u>2013 Age Distribution (%)</u>					
	<u>0-14 Yrs.</u>	<u>15-34 Yrs.</u>	<u>35-54 Yrs.</u>	<u>55-69 Yrs.</u>	<u>70+ Yrs.</u>
USA	19.4	27.5	26.7	17.1	9.4
New York	17.8	28.0	27.1	17.2	9.9
Oswego, NY	17.6	28.1	27.0	18.4	8.9
Onondaga, NY	17.9	27.8	26.0	17.8	10.4
<u>2013 HH Income Dist. (%)</u>					
	<u>Less Than</u> <u>25,000</u>	<u>\$25,000 to</u> <u>50,000</u>	<u>\$50,000 to</u> <u>100,000</u>	<u>\$100,000+</u>	
USA	24.0	24.6	30.2	21.2	
New York	22.4	23.0	28.1	26.5	
Oswego, NY	23.8	28.3	32.6	15.3	
Onondaga, NY	22.7	26.0	29.8	21.6	

Source: SNL Financial

Regional Economy

The Company’s primary market area has a fairly diversified local economy, with employment in services, wholesale/retail trade, healthcare, manufacturing and government serving as the basis of the regional economy. Service jobs represented the largest employment sector in both of the primary market area counties, followed by wholesale/retail trade. Once the backbone of the regional economy, the manufacturing sector has experienced job erosion since the 1970s. The loss of manufacturing jobs has been a major contributing factor that has limited population growth in the region. Major private employers in the Company’s market area include Entergy Nuclear Northeast, Novelis, Constellation, NRG and Huhtamaki. The State University of New York College at Oswego and Oswego Health both play a significant role in the Oswego County’s economy, as the two largest public employers, providing stable jobs through various stages of the economic cycle. In line with national trends, service jobs have accounted for most of the new employment within the regional economy. Table 2.2 provides an overview of employment by sector, for both of the primary market area counties and the state of New York.

Table 2.2
Pathfinder Bancorp, Inc.
Primary Market Area Employment Sectors
(Percent of Labor Force)

<u>Employment Sector</u>	<u>New York</u> (% of Total Employment)	<u>Oswego County</u>	<u>Onondaga County</u>
Services	34.2%	35.5%	32.0%
Healthcare	10.8%	8.0%	12.6%
Government	5.9%	10.1%	6.2%
Wholesale/Retail Trade	23.4%	22.3%	23.1%
Finance/Insurance/Real Estate	8.8%	3.5%	6.6%
Manufacturing	7.0%	10.1%	8.3%
Construction	3.5%	4.6%	4.3%
Information	1.1%	0.3%	1.3%
Transportation/Utility	3.5%	3.7%	4.3%
Agriculture	0.8%	1.3%	0.8%
Other	<u>1.0%</u>	<u>0.4%</u>	<u>0.6%</u>
	100.0%	100.0%	100.0%

Source: SNL Financial

Unemployment Trends

Comparative unemployment rates for Oswego and Onondaga Counties, as well as for the U.S. and New York, are shown in Table 2.3 and provide further evidence of Oswego County's sluggish economy. The March 2014 unemployment rate for Oswego County of 9.1% was above the comparable unemployment rates for the U.S. and New York, equal to 6.7% and 7.3%, respectively. Comparatively, Onondaga County's March 2014 unemployment rate was 6.4%. Consistent with the U.S. and New York, Oswego and Onondaga Counties reported lower unemployment rates in March 2014 compared to a year ago.

Table 2.3
Pathfinder Bancorp, Inc.
Unemployment Trends

<u>Region</u>	<u>March 2013 Unemployment</u>	<u>March 2014 Unemployment</u>
USA	7.6%	6.7%
New York	8.1%	7.3%
Oswego, NY	11.2%	9.1%
Onondaga, NY	7.7%	6.4%

Source: SNL Financial

Market Area Deposit Characteristics and Competition

The Company's deposit base is closely tied to the economic fortunes of Oswego and Onondaga Counties and, in particular, the areas surrounding Pathfinder's branch locations. Table 2.4 displays deposit market trends from June 30, 2009 through June 30, 2013 for Pathfinder Bancorp, as well as for all commercial bank and savings institution branches located in the market area counties and the state of New York. Consistent with the state of New York, commercial banks maintained a larger market share of deposits than savings institutions in Oswego and Onondaga Counties. For the four year period covered in Table 2.4, savings institutions' deposit market share increased in Oswego County and decreased in Onondaga County. Overall, for the past four years, bank and thrift deposits decreased at an annual rate of 1.8% in Oswego County and increased at an annual rate of 2.3% in Onondaga County, both of which fell well below the comparable state annual deposit growth rate of 9.3%.

Table 2.4
Pathfinder Bancorp, Inc.
Deposit Summary

	As of June 30,						Deposit Growth Rate 2009-2013 (%)
	2009			2013			
	Deposits	Market Share	No. of Branches (Dollars in Thousands)	Deposits	Market Share	No. of Branches	
New York	\$784,982,230	100.0%	5,407	\$1,120,317,680	100.0%	5,374	9.3%
Commercial Banks	692,924,587	88.3%	4,366	1,048,173,678	93.6%	4,427	10.9%
Savings Institutions	92,057,643	11.7%	1,041	72,144,002	6.4%	947	-5.9%
Oswego County	\$1,246,492	100.0%	37	\$1,161,484	100.0%	35	-1.8%
Commercial Banks	774,961	62.2%	23	598,174	51.5%	23	-6.3%
Savings Institutions	471,531	37.8%	14	563,310	48.5%	12	4.5%
Pathfinder Bancorp, Inc.	281,943	22.6%	7	362,229	31.2%	7	6.5%
Onondaga County	\$7,964,040	100.0%	137	\$8,722,843	100.0%	131	2.3%
Commercial Banks	7,049,247	88.5%	127	7,774,331	89.1%	122	2.5%
Savings Institutions	914,793	11.5%	10	948,512	10.9%	9	0.9%
Pathfinder Bancorp, Inc.	-	0.0%	-	40,137	0.5%	1	-

Source: FDIC

Pathfinder Bancorp maintains its largest balance and deposit market share in Oswego County, where the Company maintains seven branch locations, including its main office. The Company's \$362.2 million of deposits at the Oswego County branches represented a 31.2% market share of thrift and bank deposits at June 30, 2013 and constituted a number one market share among banks and thrifts that maintained deposits in Oswego County. Comparatively, the single branch office in Onondaga County had total deposits of \$40.1 million at June 30, 2013, which represented a 0.5% market share of Onondaga County bank and thrift deposits. The Onondaga County branch was opened in 2011. At the core of the Syracuse metropolitan area, Onondaga County is home to a highly competitive banking market where Pathfinder Bancorp competes against significantly larger banks, and a number of institutions local to the Syracuse metropolitan area. During the period covered in Table 2.4, a 6.5% annual deposit growth rate in Oswego County translated into significant growth in the Company's deposit market share from 22.6% at June 30, 2009 to 31.2% at June 30, 2013.

The Company faces notable competition in both deposit gathering and lending activities. Among the Company's competitors are much larger and more diversified institutions, which have greater resources than maintained by Pathfinder Bancorp. Financial institution competitors in the Company's primary market area include other locally based thrifts, banks and

credit unions, as well as regional, super-regional and money center banks. From a competitive standpoint, Pathfinder Bancorp has sought to emphasize its community orientation in the markets served by its branches. Table 2.5 lists the Company’s largest competitors in the market area counties, based on deposit market share as noted parenthetically. The Company’s market share and market rank are also provided in Table 2.5.

Table 2.5
Pathfinder Bancorp, Inc.
Market Area Deposit Competitors

<u>Location</u>	<u>Name</u>	<u>Market Share</u>	<u>Rank</u>
Oswego County	Fulton Savings Bank	16.56%	
	KeyCorp	11.54%	
	Community Bank System	11.53%	
	Pathfinder Bancorp, Inc.	31.19%	1 out of 8
Onondaga County	M&T Bank Corp.	29.11%	
	KeyCorp	20.34%	
	First Niagra Finl Group	9.21%	
	Pathfinder Bancorp, Inc.	0.46%	12 out of 16

III. PEER GROUP ANALYSIS

This chapter presents an analysis of Pathfinder Bancorp's operations versus a group of comparable savings institutions (the "Peer Group") selected from the universe of all publicly-traded savings institutions in a manner consistent with the regulatory valuation guidelines. The basis of the pro forma market valuation of Pathfinder Bancorp is derived from the pricing ratios of the Peer Group institutions, incorporating valuation adjustments for key differences in relation to the Peer Group. Since no Peer Group can be exactly comparable to Pathfinder Bancorp, key areas examined for differences are: financial condition; profitability, growth and viability of earnings; asset growth; primary market area; dividends; liquidity of the shares; marketing of the issue; management; and effect of government regulations and regulatory reform.

Peer Group Selection

The Peer Group selection process is governed by the general parameters set forth in the regulatory valuation guidelines. Accordingly, the Peer Group is comprised of only those publicly-traded savings institutions whose common stock is either listed on the NYSE or NASDAQ, since their stock trading activity is regularly reported and generally more frequent than non-publicly traded and closely-held institutions. Institutions that are not listed on the NYSE or NASDAQ are inappropriate, since the trading activity for thinly-traded or closely-held stocks are typically highly irregular in terms of frequency and price and thus may not be a reliable indicator of market value. We have also excluded from the Peer Group those companies under acquisition or subject to rumored acquisition, mutual holding companies and recent conversions, since their pricing ratios are subject to unusual distortion and/or have limited trading history. A recent listing of the universe of all publicly-traded savings institutions is included as Exhibit III-1.

Ideally, the Peer Group, which must have at least 10 members to comply with the regulatory valuation guidelines, should be comprised of locally- or regionally-based institutions with comparable resources, strategies and financial characteristics. There are approximately 105 fully-converted, publicly-traded institutions nationally and, thus, it is typically the case that the Peer Group will be comprised of institutions with relatively comparable characteristics. To the extent that differences exist between the converting institution and the Peer Group, valuation adjustments will be applied to account for the differences. Since Pathfinder Bancorp

will be a full public company upon completion of the offering, we considered only full public companies to be viable candidates for inclusion in the Peer Group. From the universe of publicly-traded thrifts, we selected ten institutions with characteristics similar to those of Pathfinder Bancorp. In the selection process, we applied two “screens” to the universe of all public companies that were eligible for consideration:

- o Screen #1 Mid-Atlantic institutions with assets between \$250 million and \$1.0 billion, tangible equity-to-assets ratios of greater than 7.5% and positive core earnings. Nine companies met the criteria for Screen #1 and five were included in the Peer Group: Alliance Bancorp, Inc. of Pennsylvania, CMS Bancorp, Inc. of New York, Oneida Financial Corp. of New York, TF Financial Corp. of Pennsylvania and WVS Financial Corp. of Pennsylvania. The four companies which met the selection criteria, but were excluded from the Peer Group were Carver Bancorp, Inc. of New York, FedFirst Financial Corporation of Pennsylvania, OBA Financial Services of Maryland and Prudential Bancorp, Inc. of Pennsylvania. Carver Bancorp was excluded as the result of its low level of tangible common equity and resulting not meaningful price-to-book ratio, FedFirst Financial Corporation and OBA Financial Services were excluded as the result of being the targets of announced acquisitions and Prudential Bancorp was excluded due to its recent conversion status (conversion completed October 2013). Exhibit III-2 provides financial and public market pricing characteristics of all publicly-traded Mid-Atlantic thrifts.
- o Screen #2 New England institutions with assets between \$250 million and \$1.0 billion, tangible equity-to-assets ratios of greater than 7.5% and positive core earnings. Six companies met the criteria for Screen #2 and five were included in the Peer Group: Chicopee Bancorp, Inc. of Massachusetts, Georgetown Bancorp, Inc. of Massachusetts, Hampden Bancorp, Inc. of Massachusetts, Peoples Federal Bancshares, Inc. of Massachusetts and Wellesley Bancorp, Inc. of Massachusetts. Coastway Bancorp, Inc. of Rhode Island met the selection criteria, but was excluded from the Peer Group due to its recent conversion status (conversion completed January 2014). Exhibit III-3 provides financial and public market pricing characteristics of all publicly-traded New England thrifts.

Table 3.1 shows the general characteristics of each of the ten Peer Group companies and Exhibit III-4 provides summary demographic and deposit market share data for the primary market areas served by each of the Peer Group companies. While there are expectedly some differences between the Peer Group companies and Pathfinder Bancorp, we believe that the Peer Group companies, on average, provide a good basis for valuation subject to valuation adjustments. The following sections present a comparison of Pathfinder Bancorp’s financial condition, income and expense trends, loan composition, interest rate risk and credit risk versus the Peer Group as of the most recent publicly available date. Comparative data for all publicly-traded thrifts, publicly-traded New York thrifts and institutions comparable to Pathfinder Bancorp

Table 3.1
Peer Group of Publicly-Traded Thrifts
As of December 31, 2013

<u>Ticker</u>	<u>Financial Institution</u>	<u>Exchange</u>	<u>City</u>	<u>State</u>	<u>Total Assets (\$Mil)</u>	<u>Offices</u>	<u>Fiscal Year End</u>	<u>Conv. Date</u>	<u>As of May 16, 2014</u>	
									<u>Stock Price (\$)</u>	<u>Market Value (\$Mil)</u>
ALLB	Alliance Bancorp, Inc. of Pennsylvania	NASDAQ	Broomall	PA	426	8	Dec	1/18/2011	15.50	64.89
CBNK	Chicopee Bancorp, Inc.	NASDAQ	Chicopee	MA	588	9	Dec	7/20/2006	16.86	91.69
CMSB	CMS Bancorp, Inc.	NASDAQ	White Plains	NY	263	6	Sep	4/4/2007	9.60	17.88
GTWN	Georgetown Bancorp, Inc.	NASDAQ	Georgetown	MA	263	3	Dec	7/12/2012	14.90	27.33
HBNK	Hampden Bancorp, Inc.	NASDAQ	Springfield	MA	694	10	Jun	1/17/2007	16.20	91.60
ONFC	Oneida Financial Corp.	NASDAQ	Oneida	NY	742	13	Dec	7/7/2010	12.73	89.30
PEOP	Peoples Federal Bancshares, Inc.	NASDAQ	Brighton	MA	588	8	Sep	7/7/2010	18.14	113.68
THRD	TF Financial Corporation	NASDAQ	Newtown	PA	836	19	Dec	7/13/1994	30.74	96.88
WEBK	Wellesley Bancorp, Inc.	NASDAQ	Wellesley	MA	459	4	Dec	1/26/2012	17.76	43.60
WVFC	WVS Financial Corp.	NASDAQ	Pittsburgh	PA	314	6	Jun	11/29/1993	11.70	24.08

Source: SNL Financial, LC.

that have recently completed a second-step conversion offering have been included in the Chapter III tables as well.

In addition to the selection criteria used to identify the Peer Group companies, a summary description of the key comparable characteristics of each of the Peer Group companies relative to Pathfinder Bancorp's characteristics is detailed below.

- o Alliance Bancorp, Inc. of Pennsylvania. Comparable due to completed second-step conversion in 2011, same size of branch network, similar interest-earning asset composition, similar net interest income to average assets ratio, similar impact of loan loss provisions on earnings, similar concentration of 1-4 family permanent mortgage loans as a percent of assets and lending diversification emphasis on commercial real estate loans.
- o Chicopee Bancorp, Inc. of Massachusetts. Comparable due to similar asset size, similar size of branch network, similar interest-bearing funding composition, similar return on average assets, similar net interest income to average assets ratio, similar earnings contribution from sources of non-interest operating income, similar ratio of operating expenses as a percent of average assets, similar concentration of 1-4 family permanent mortgage loans as a percent of assets and lending diversification emphasis on commercial real estate and commercial business loans.
- o CMS Bancorp, Inc. of New York. Comparable due to similar size of branch network, similar interest-bearing funding composition, similar impact of loan loss provisions on earnings, similar ratio of operating expenses as a percent of average assets, similar concentration of mortgage-backed securities and 1-4 family permanent mortgage loans as a percent of assets and lending diversification emphasis on commercial real estate and commercial business loans.
- o Georgetown Bancorp, Inc. of Massachusetts. Comparable due to completed second-step conversion in 2012 and lending diversification emphasis on commercial real estate loans.
- o Hampden Bancorp, Inc. of Massachusetts. Comparable due to similar interest-earning asset composition, similar net interest income to average assets ratio, similar impact of loan loss provisions on earnings, similar earnings contribution from sources of non-interest operating income and lending diversification emphasis on commercial real estate and commercial business loans.
- o Oneida Financial Corp. of New York. Comparable due to completed second-step conversion in 2010, similar market area located east of Syracuse and similar concentration of deposits as a percent of assets.
- o Peoples Federal Bancshares, Inc. of Massachusetts. Comparable due to similar asset size, same size of branch network and similar net interest income to average assets ratio.
- o TF Financial Corporation of Pennsylvania. Comparable due to similar interest-earning asset composition, similar interest-bearing funding composition, similar impact of loan loss provisions, similar earnings contribution from sources of non-interest operating income, lending diversification emphasis on commercial real estate loans and similar ratio of non-performing assets as a percent of assets.

- o Wellesley Bancorp, Inc. of Massachusetts. Comparable due to similar asset size, similar interest-bearing funding composition, similar impact of loan loss provisions on earnings, lending diversification emphasis on commercial real estate loans and similar ratio of non-performing assets as percent of assets.
- o WVS Financial Corp. of Pennsylvania. Comparable due to similar size of branch network.

In aggregate, the Peer Group companies maintained a slightly lower level of tangible equity than the industry average (12.18% of assets versus 12.45% for all public companies), generated slightly lower earnings as a percent of average assets (0.48% core ROAA versus 0.55% for all public companies), and earned a slightly lower ROE (3.85% core ROE versus 4.43% for all public companies). Overall, the Peer Group's average P/TB ratio and average core P/E multiple were below and above the respective averages for all publicly-traded thrifts.

	<u>All Publicly-Traded</u>	<u>Peer Group</u>
<u>Financial Characteristics (Averages)</u>		
Assets (\$Mil)	\$2,715	\$517
Market capitalization (\$Mil)	\$379	\$66
Tangible equity/assets (%)	12.45%	12.18%
Core return on average assets (%)	0.55	0.48
Core return on average equity (%)	4.43	3.85
<u>Pricing Ratios (Averages)(1)</u>		
Core price/earnings (x)	17.68x	21.16x
Price/tangible book (%)	110.86%	99.65%
Price/assets (%)	12.90	11.87

(1) Based on market prices as of May 16, 2014.

Ideally, the Peer Group companies would be comparable to Pathfinder Bancorp in terms of all of the selection criteria, but the universe of publicly-traded thrifts does not provide for an appropriate number of such companies. However, in general, the companies selected for the Peer Group were fairly comparable to Pathfinder Bancorp, as will be highlighted in the following comparative analysis. Comparative data for all publicly-traded thrifts, publicly-traded New York thrifts and institutions comparable to Pathfinder Bancorp that have recently completed a second-step conversion offering have been included in the Chapter III tables as well.

Financial Condition

Table 3.2 shows comparative balance sheet measures for Pathfinder Bancorp and the Peer Group, reflecting the expected similarities and some differences given the selection procedures outlined above. The Company's and the Peer Group's ratios reflect balances as of March 31, 2014 and December 31, 2013, respectively. Pathfinder Bancorp's equity-to-assets ratio of 8.33% was lower than the Peer Group's median net worth ratio of 11.77%. With the infusion of the net conversion proceeds, the Company's pro forma equity-to-assets ratio will be more comparable to the Peer Group's equity-to-assets ratio. However, the Company's capital strength would still be viewed less favorable compared to the Peer Group's capital strength, as the Company's capital includes \$13.0 million of higher costing Series B Preferred Stock. The annual dividend rate on the Series B Preferred Stock is scheduled to increase from a current annual rate of 1.0% to an annual rate of 9.0% beginning March 2, 2016. Comparatively, CMS Bancorp was the only Peer Group company with a capital structure that included preferred stock. Tangible equity-to-assets ratios for the Company and the Peer Group equaled 7.46% and 10.89%, respectively. The increase in Pathfinder Bancorp's pro forma capital position will be favorable from a risk perspective and in terms of future earnings potential that could be realized through leverage and lower funding costs. At the same time, the Company's higher pro forma capitalization will initially depress return on equity. Both Pathfinder Bancorp's and the Peer Group's capital ratios reflected capital surpluses with respect to the regulatory capital requirements.

The interest-earning asset compositions for the Company and the Peer Group were somewhat similar, with loans constituting the bulk of interest-earning assets for both Pathfinder Bancorp and the Peer Group. The Company's loans-to-assets ratio of 65.26% was lower than the comparable Peer Group median ratio of 76.74%. Comparatively, the Company's cash and investments-to-assets ratio of 28.17% was higher than the comparable Peer Group ratio of 17.88%. Overall, Pathfinder Bancorp's interest-earning assets amounted to 93.43% of assets, which was below the comparable Peer Group ratio of 94.62%. The Peer Group's non-interest earning assets included bank-owned life insurance ("BOLI") equal to 2.32% of assets, while the Company non-interest assets included BOLI equal to 1.92% of assets and goodwill/intangible equal to 0.87% of assets.

Pathfinder Bancorp's funding liabilities reflected a funding strategy that was somewhat similar to that of the Peer Group's funding composition. The Company's deposits equaled 83.36% of assets, which was above the Peer Group's median ratio of 77.25%. Comparatively,

Table 3.2
Balance Sheet Composition and Growth Rates
Comparable Institution Analysis
As of December 31, 2013 or most recent available

	Balance Sheet as a Percent of Assets				Balance Sheet Annual Growth Rates						Regulatory Capital										
	Cash & Equivalents	MBS & Invest.	Net Loans (1)	Sub. Debt	Total Equity	Goodwill & Intangibles	Tangible Equity	Assets	MBS, Cash & Investments	Loans	Deposits & Subdebt	Total Equity	Tangible Equity	Tier 1 Risk-Based Capital							
Pathfinder Bancorp, Inc.	3.60%	24.57%	1.92%	65.26%	83.35%	6.43%	0.98%	8.33%	0.87%	7.46%	4.14%	3.81%	2.66%	2.33%	25.38%	6.71%	5.49%	8.73%	12.53%	13.83%	
NY																					
All Public Companies																					
Averages	5.46%	20.66%	1.90%	67.67%	73.79%	11.40%	0.38%	13.23%	0.71%	12.45%	3.35%	4.83%	5.45%	2.34%	17.33%	4.08%	3.32%	12.86%	19.97%	20.96%	
Medians	3.62%	16.60%	1.94%	69.72%	75.09%	10.23%	0.00%	12.28%	0.02%	11.14%	2.21%	-4.48%	4.31%	1.12%	4.91%	-0.43%	-0.85%	12.29%	18.83%	19.76%	
State of NY																					
Averages	5.35%	20.02%	1.58%	68.57%	75.24%	11.59%	0.56%	11.21%	1.14%	10.07%	2.40%	-5.34%	4.85%	1.84%	7.41%	2.83%	3.39%	11.14%	16.73%	17.69%	
Medians	3.39%	16.26%	1.64%	66.81%	80.52%	7.53%	0.00%	9.62%	0.24%	8.64%	3.15%	-4.08%	5.55%	2.23%	12.47%	1.40%	2.82%	9.45%	13.86%	15.18%	
Comparable Recent Conversions(2)																					
CSBK Clifton Savings Bancorp, Inc.	1.40%	42.10%	3.30%	51.20%	73.10%	8.50%	0.00%	17.40%	0.00%	17.40%	4.50%	-13.94%	21.91%	1.12%	67.01%	0.84%	0.84%	15.29%	35.68%	36.29%	
NJ																					
Comparable Group																					
Averages	4.10%	22.51%	1.98%	68.37%	74.82%	12.59%	0.00%	12.60%	0.42%	12.18%	9.12%	-0.61%	10.16%	6.11%	23.15%	0.04%	0.02%	11.29%	17.23%	18.16%	
Medians	3.70%	14.16%	2.32%	76.74%	77.25%	8.25%	0.00%	11.77%	0.00%	10.88%	8.09%	-4.81%	7.44%	2.40%	19.04%	0.07%	0.07%	10.53%	16.27%	17.43%	
Comparable Group																					
ALLB Alliance Bancorp, Inc. of Pennsylvania	10.63%	12.93%	2.93%	70.24%	81.17%	0.81%	0.00%	16.49%	0.00%	16.49%	-7.66%	-35.53%	7.17%	-6.92%	5.40%	-12.29%	-12.29%	13.25%	20.87%	22.12%	
CNBK Chiopee Bancorp, Inc.	3.22%	9.07%	2.41%	82.64%	76.53%	7.66%	0.00%	15.69%	0.00%	15.69%	-2.04%	-30.73%	4.40%	-3.52%	4.40%	2.51%	2.51%	15.82%	18.65%	19.59%	
CNSB CMS Bancorp, Inc.	1.28%	15.47%	0.00%	81.03%	82.48%	7.53%	0.00%	8.66%	0.00%	8.66%	-3.99%	-27.37%	2.62%	-0.37%	-36.15%	2.82%	2.82%	8.45%	12.39%	12.75%	
GTWN Georgetown Bancorp, Inc.	2.39%	8.45%	1.10%	85.51%	66.90%	20.88%	0.00%	11.00%	0.00%	11.00%	24.31%	46.87%	22.77%	13.94%	132.73%	-5.30%	-5.30%	9.66%	13.07%	14.30%	
HBNK Hampden Bancorp, Inc.	2.15%	21.50%	2.48%	71.64%	68.72%	18.20%	0.00%	12.19%	0.00%	12.19%	7.21%	-11.44%	15.62%	3.92%	32.68%	-2.18%	-2.18%	12.20%	16.30%	17.40%	
ONFC Oneida Financial Corp.	5.68%	36.99%	2.45%	45.21%	85.83%	0.13%	0.00%	12.22%	3.58%	8.64%	8.97%	11.24%	7.70%	12.14%	-83.33%	-2.51%	-2.51%	9.00%	15.25%	15.97%	
PEOP Peoples Federal Bancshares, Inc.	5.29%	9.41%	3.43%	79.96%	71.81%	8.84%	0.00%	17.88%	0.00%	17.88%	1.89%	-7.85%	3.96%	-0.98%	57.58%	-3.35%	-3.35%	15.18%	23.92%	25.00%	
THRD TF Financial Corporation	5.42%	15.42%	2.22%	73.53%	81.84%	5.94%	0.00%	11.35%	0.00%	10.76%	17.40%	23.69%	16.51%	22.06%	-18.22%	14.38%	-14.38%	10.35%	16.23%	17.46%	
WEBK Wellesley Bancorp, Inc.	4.18%	8.69%	1.44%	83.87%	77.97%	11.45%	0.00%	10.20%	0.00%	10.20%	21.93%	-1.77%	26.82%	19.95%	66.67%	4.04%	4.04%	8.31%	10.87%	12.10%	
WVFC WVS Financial Corp.	0.77%	87.18%	1.29%	10.02%	44.99%	44.44%	0.00%	10.28%	0.00%	10.28%	23.24%	26.82%	-5.96%	0.87%	69.74%	2.32%	2.32%	10.70%	24.70%	24.90%	

(1) Includes loans held for sale.
 (2) Ratios are based on the date of the most recent financial statements disclosed in the offering prospectus.
 Source: SNI, Financial, LC, and RP® Financial, LC. Calculations. The information provided in this table has been obtained from sources we believe are reliable, but we cannot guarantee the accuracy or completeness of such information.
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the Company maintained a similar level of borrowings as the Peer Group, as indicated by borrowings-to-assets ratios of 7.41% and 8.25% for Pathfinder Bancorp and the Peer Group, respectively. Total interest-bearing liabilities maintained by the Company and the Peer Group, as a percent of assets, equaled 90.77% and 85.50%, respectively.

A key measure of balance sheet strength for a thrift institution is its interest-earnings assets/interest-bearing liabilities ("IEA/IBL") ratio. Presently, the Company's IEA/IBL ratio is lower than the Peer Group's ratio, based on IEA/IBL ratios of 102.93% and 110.67%, respectively. The additional capital realized from stock proceeds should serve to provide Pathfinder Bancorp with an IEA/IBL ratio that is more comparable to the Peer Group's ratio, as the increase in capital provided by the infusion of stock proceeds will serve to lower the level of interest-bearing liabilities funding assets and will be primarily deployed into interest-earning assets.

The growth rate section of Table 3.2 shows annual growth rates for key balance sheet items. Pathfinder Bancorp's and the Peer Group's growth rates are based on annual growth for the twelve months ended March 31, 2014 and December 31, 2013, respectively. Pathfinder Bancorp recorded a 4.14% increase in assets, versus median asset growth of 8.09% recorded by the Peer Group. Asset growth for Pathfinder Bancorp included a 2.66% increase in loans and a 3.81% increase in cash and investments. Asset growth for the Peer Group was primarily sustained by a 7.44% increase in loans, which was partially offset by a 4.81% decrease in cash and investments.

Asset growth for Pathfinder Bancorp was funded through a 2.33% increase in deposits and a 25.38% increase in borrowings. Similarly, asset growth for the Peer Group was funded through deposit growth of 2.40% and a 19.04% increase in borrowings. The Company's tangible capital increased by 5.49%, which was largely realized through retention of earnings. Comparatively, the Peer Group's tangible capital increased 0.07%, as retention of earnings was largely offset by stock repurchases and dividend payments. The Company's post-conversion capital growth rate will initially be constrained by maintenance of a higher pro forma capital position. Additional implementation of any stock repurchases and dividend payments, pursuant to regulatory limitations and guidelines, could also slow the Company's capital growth rate in the longer term following the stock offering.

Income and Expense Components

Table 3.3 displays statements of operations for the Company and the Peer Group. The Company's and the Peer Group's ratios are based on earnings for the twelve months ended March 31, 2014 and December 31, 2013, respectively. Pathfinder Bancorp and the Peer Group reported net income to average assets ratios of 0.46% and 0.40%, respectively. Higher ratios for of non-interest operating income and non-operating gains and a lower effective tax rate represented earnings advantages for the Company, which were largely offset by the Peer Group's higher ratio for net interest income and lower ratios for loan loss provisions and operating expenses.

The Peer Group's higher net interest income to average assets ratio was realized through both a higher interest income ratio and a lower interest expense ratio. The Peer Group's higher interest income ratio was supported by maintaining a higher concentration of assets in interest-earning assets, which was partially offset by the Company maintaining a slightly higher overall yield earned on interest-earning assets (4.10% versus 4.04% for the Peer Group). The Peer Group's lower interest expense ratio was supported by a lower cost of funds (0.70% versus 0.76% for the Company), as well as maintaining a lower concentration of interest-bearing liabilities as a percent of assets. Overall, Pathfinder Bancorp and the Peer Group reported net interest income to average assets ratios of 3.06% and 3.18%, respectively.

In another key area of core earnings strength, the Company maintained a higher level of operating expenses than the Peer Group. For the period covered in Table 3.3, the Company and the Peer Group reported operating expense to average assets ratios of 2.94% and 2.66%, respectively. The Company's higher operating expense ratio was consistent with the comparatively higher number of employees maintained relative to its asset size. Assets per full time equivalent employee equaled \$4.654 million for the Company, versus \$5.461 million for the Peer Group.

When viewed together, net interest income and operating expenses provide considerable insight into a thrift's earnings strength, since those sources of income and expenses are typically the most prominent components of earnings and are generally more predictable than losses and gains realized from the sale of assets or other non-recurring activities. In this regard, as measured by their expense coverage ratios (net interest income divided by operating expenses), the Company's earnings were less favorable than the Peer Group's. Expense coverage ratios for Pathfinder Bancorp and the Peer Group equaled 1.04x and 1.20x, respectively.

Table 3.3
Income as Percent of Average Assets and Yields, Costs, Spreads
Comparable Institution Analysis
For the 12 Months Ended December 31, 2013 or most recent available

	Net Interest Income										Non-Op. Items				Yields, Costs, and Spreads				MEMO: Effective Tax Rate (%)
	Net Income (%)	Income		Loss on IEA (%)	Nil After Provis. (%)	Non-Interest Income		Total Non-Int Expense (%)	Net Gains/ Losses (2) (%)	Extrao. Items (%)	Provision for Taxes (%)	Yield On IEA (%)	Cost Of IBL (%)	Yid-Cost Spread (%)	MEMO: Assets/ FTE Emp. (%)				
		Expense (%)	NI (%)			Recurring Gain on Sale of Loans (%)	Other Non-Int Income (%)									Income (%)	Income (%)	Income (%)	
Pathfinder Bancorp. Inc.	0.46%	3.66%	0.59%	3.06%	0.17%	2.88%	0.00%	0.54%	2.94%	0.15%	0.00%	0.16%	4.10%	0.76%	3.34%	\$4,654	25.69%		
March 31, 2014																			
All Public Companies																			
Averages	0.55%	3.71%	0.71%	3.00%	0.15%	2.84%	0.36%	0.58%	3.06%	0.09%	0.00%	0.21%	3.99%	0.91%	3.10%	\$5,618	23.85%		
Medians	0.56%	3.71%	0.67%	3.05%	0.12%	2.91%	0.06%	0.44%	2.85%	0.03%	0.00%	0.25%	4.01%	0.91%	3.16%	\$4,951	32.64%		
State of NY																			
Averages	0.68%	3.80%	0.75%	3.05%	0.02%	3.03%	0.04%	0.80%	2.91%	0.03%	0.00%	0.32%	4.07%	0.95%	3.12%	\$6,622	29.29%		
Medians	0.77%	3.84%	0.73%	3.14%	0.07%	3.06%	0.01%	0.43%	2.55%	0.01%	0.00%	0.23%	4.13%	0.97%	3.21%	\$5,264	28.77%		
Comparable Recent Conversions(2)																			
CSBK Clifton Savings Bancorp, Inc.	0.59%	3.19%	0.99%	2.20%	0.10%	2.10%	0.00%	0.20%	1.38%	0.05%	0.00%	0.38%	3.84%	1.26%	2.18%	\$10,513	33.92%		
Comparable Group																			
Averages	0.49%	3.63%	0.59%	3.03%	0.11%	2.92%	0.06%	0.72%	2.98%	0.07%	0.00%	0.24%	3.85%	0.77%	3.08%	\$5,628	33.16%		
Medians	0.40%	3.75%	0.53%	3.18%	0.11%	3.05%	0.04%	0.33%	2.66%	0.02%	0.00%	0.22%	4.04%	0.70%	3.22%	\$5,461	35.66%		
Comparable Group																			
ALLB Alliance Bancorp. Inc. of Pennsylvania	0.32%	3.73%	0.55%	3.18%	0.20%	2.98%	0.00%	0.17%	2.66%	0.00%	0.00%	0.17%	3.94%	0.71%	3.23%	\$4,779	35.06%		
CBNK Chicopee Bancorp, Inc.	0.44%	3.93%	0.74%	3.19%	0.07%	3.12%	0.03%	0.52%	3.09%	0.03%	0.00%	0.12%	4.24%	1.04%	3.20%	\$4,556	21.20%		
CMSB CMS Bancorp, Inc.	0.37%	4.32%	0.85%	3.47%	0.17%	3.30%	0.06%	0.07%	2.98%	-0.11%	0.00%	0.18%	4.39%	1.05%	3.34%	\$6,412	32.64%		
GTWN Georgetown Bancorp, Inc.	0.32%	4.22%	0.51%	3.70%	0.31%	3.39%	0.21%	0.53%	3.63%	0.00%	0.00%	0.18%	4.40%	0.68%	3.72%	\$4,615	36.36%		
HBNK Hampden Bancorp, Inc.	0.55%	3.68%	0.79%	2.90%	0.10%	2.79%	0.09%	0.52%	2.49%	0.08%	0.00%	0.31%	3.92%	1.08%	2.83%	\$6,142	36.26%		
ONFC Oneida Financial Corp.	0.86%	3.16%	0.37%	2.79%	0.07%	2.72%	0.05%	4.38%	5.92%	0.08%	0.00%	0.35%	3.66%	0.45%	3.21%	\$2,099	28.73%		
PEOP Peoples Federal Bancshares, Inc.	0.37%	3.34%	0.45%	2.89%	0.01%	2.87%	0.02%	0.29%	2.54%	0.00%	0.00%	0.27%	3.56%	0.64%	2.92%	\$7,175	41.72%		
THRD TF Financial Corporation	0.85%	3.78%	0.51%	3.27%	0.11%	3.16%	0.09%	0.37%	2.57%	0.60%	0.00%	0.25%	4.13%	0.59%	3.54%	\$4,134	22.94%		
WEBK Wellesley Bancorp, Inc.	0.55%	4.14%	0.69%	3.45%	0.12%	3.32%	0.03%	0.18%	2.66%	0.03%	0.00%	0.35%	4.25%	0.89%	3.36%	\$8,315	38.76%		
WVFC WVS Financial Corp.	0.29%	1.98%	0.48%	1.49%	-0.04%	1.53%	0.00%	0.17%	1.25%	0.01%	0.00%	0.17%	2.01%	0.58%	1.43%	\$8,050	37.94%		

(1) Net gains/losses includes gain/loss on sale of securities and nonrecurring income and expense.

(2) Ratios are based on the date of the most recent financial statements disclosed in the offering prospectus.

Source: SNL Financial, LC. and RP® Financial, LC. calculations. The information provided in this table has been obtained from sources we believe are reliable, but we cannot guarantee the accuracy or completeness of such information.

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Sources of non-interest operating income provided a larger contribution to the Company's earnings, with such income amounting to 0.54% and 0.37% of Pathfinder Bancorp's and the Peer Group's average assets, respectively. Taking non-interest operating income into account in comparing the Company's and the Peer Group's earnings, Pathfinder Bancorp's efficiency ratio (operating expenses, as a percent of the sum of non-interest operating income and net interest income) of 81.67% was less favorable than the Peer Group's efficiency ratio of 74.93%.

Loan loss provisions had a slightly larger impact on the Company's earnings, with loan loss provisions established by the Company and the Peer Group equaling 0.17% and 0.11% of average assets, respectively. The higher level of loan provisions established by the Company was consistent with the Company's higher ratio of non-performing loans as a percent of loans (see Table 3.6).

Net non-operating gains equaled 0.15% of average assets for the Company, versus median net non-operating gains equal to 0.02% of average assets for the Peer Group. Typically, gains and losses generated from the sale of assets and other non-operating activities are viewed as earnings with a relatively high degree of volatility, particularly to the extent that such gains and losses result from the sale of investments or other assets that are not considered to be part of an institution's core operations. Extraordinary items were not a factor in either the Company's or the Peer Group's earnings.

Taxes had a less significant impact on the Company's earnings, as the Company and the Peer Group posted effective tax rates of 25.69% and 35.66%, respectively. As indicated in the prospectus, the Company's effective marginal tax rate is equal to 40.0%.

Loan Composition

Table 3.4 presents data related to the Company's and the Peer Group's loan portfolio compositions (including the investment in mortgage-backed securities). The Company's loan portfolio composition reflected a slightly higher concentration of 1-4 family permanent mortgage loans and mortgage-backed securities combined, compared to the Peer Group (42.30% of assets versus 39.64% for the Peer Group), as the Company's higher concentrations of mortgage-backed securities was only partially offset by the Peer Group's higher concentration of 1-4 family permanent mortgage loans. Loans serviced for others equaled 5.30% and 9.32% of

Table 3.4
Loan Portfolio Composition and Related Information
Comparable Institution Analysis
As of December 31, 2013 or most recent available

		Portfolio Composition as a Percent of Assets							RWA/	Serviced	Servicing	
		MBS	1-4	Constr.	Multi-	Commerc.		Assets	For Others	Assets		
		(%)	Family	& Land	Family	Comm RE	Business	Consumer	(%)	(\$000)	(\$000)	
<u>Pathfinder Bancorp, Inc.</u>	NY											
March 31, 2014		10.51%	31.79%	0.23%	3.19%	16.32%	9.82%	4.82%	66.76%	\$27,856	\$77	
<u>All Public Companies</u>												
Averages		12.38%	33.17%	2.92%	7.27%	17.31%	4.13%	1.86%	64.55%	\$1,583,919	\$15,855	
Medians		10.41%	32.22%	2.00%	2.48%	17.76%	2.87%	0.32%	65.28%	\$30,304	\$275	
<u>State of NY</u>												
Averages		9.69%	29.70%	1.07%	19.51%	14.16%	4.09%	0.55%	62.07%	\$2,106,406	\$23,198	
Medians		9.65%	37.23%	0.79%	7.44%	14.13%	3.15%	0.06%	63.48%	\$11,715	\$80	
<u>Comparable Recent Conversions(1)</u>												
CSBK	Clifton Savings Bancorp, Inc.	NJ	29.19%	47.30%	0.05%	2.05%	1.83%	0.00%	0.09%	42.82%	\$0	\$0
<u>Comparable Group</u>												
Averages		12.04%	35.27%	5.02%	3.73%	18.17%	5.67%	1.19%	67.50%	\$57,147	\$345	
Medians		6.02%	33.62%	3.91%	1.79%	18.91%	4.97%	0.31%	68.27%	\$48,728	\$64	
<u>Comparable Group</u>												
ALLB	Alliance Bancorp, Inc. of Pennsylvania	PA	1.10%	29.19%	4.65%	5.21%	28.86%	2.44%	1.06%	63.85%	\$0	\$0
CBNK	Chicopee Bancorp, Inc.	MA	0.11%	28.13%	8.43%	1.30%	30.56%	14.59%	0.41%	83.78%	\$97,704	\$381
CMSB	CMS Bancorp, Inc.	NY	2.57%	38.05%	0.36%	9.74%	20.71%	12.38%	0.03%	68.27%	\$0	\$0
GTWN	Georgetown Bancorp, Inc.	MA	6.44%	46.58%	8.00%	1.87%	23.48%	6.32%	0.16%	74.05%	\$117,673	\$1,058
HBNK	Hampden Bancorp, Inc.	MA	18.86%	27.08%	4.69%	1.71%	26.11%	7.71%	5.14%	74.56%	\$70,670	\$0
ONFC	Oneida Financial Corp.	NY	13.33%	22.82%	1.23%	1.45%	9.58%	6.60%	3.94%	NA	\$107,761	\$411
PEOP	Peoples Federal Bancshares, Inc.	MA	6.82%	53.87%	3.16%	12.19%	9.00%	1.56%	0.85%	63.37%	\$26,786	\$128
THRD	TF Financial Corporation	PA	5.60%	55.44%	1.03%	2.15%	14.64%	0.85%	0.21%	63.82%	\$150,825	\$1,472
WEBK	Wellesley Bancorp, Inc.	MA	3.83%	45.72%	17.47%	0.87%	17.10%	3.61%	0.06%	73.43%	\$48	\$0
WVFC	WVFS Financial Corp.	PA	61.76%	5.80%	1.20%	0.85%	1.60%	0.58%	0.07%	42.37%	\$0	\$0

(1) Ratios are based on the date of the most recent financial statements disclosed in the offering prospectus.

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the Company's and the Peer Group's assets, respectively, thereby indicating that loan servicing income had a slightly larger impact on the Peer Group's earnings. Loan servicing intangibles constituted a relatively small balance sheet item for both the Company and the Peer Group.

Overall, diversification into higher risk and higher yielding types of lending was more significant for the Company, which was mostly attributable to the Company's higher concentrations of commercial business loans and consumer loans. Commercial real estate loans constituted the most significant type of lending diversification for the Company and the Peer Group, equaling 16.32% of the Company's assets and 18.91% of the Peer Group's assets. Commercial business loans accounted for the second largest area of lending diversification for the Company amounting to 9.82% of assets, versus 4.97% of assets for the Peer Group. Based on the Peer Group's medians, the Company also maintained higher concentrations of consumer loans and multi-family loans. Construction and land loans was the one area of lending diversification that was more significant for the Peer Group. In total, construction/land, commercial real estate, multi-family, commercial business and consumer loans comprised 34.38% and 29.89% of the Company's and the Peer Group's assets, respectively. Overall, the Company's asset compositions provided for a slightly lower risk weighted assets-to-assets ratios of 66.76%, versus a comparable Peer Group ratio of 68.27%.

Interest Rate Risk

Table 3.5 reflects various key ratios highlighting the relative interest rate risk exposure of the Company versus the Peer Group. In terms of balance sheet composition, Pathfinder Bancorp's interest rate risk characteristics were overall considered to be less favorable than the Peer Group's measures. Most notably, the Company's tangible equity-to-assets ratio and average IEA/IBL ratio were below the comparable Peer Group ratios. The Company also maintained a slight disadvantage with respect to its higher ratio of non-interest earning assets as a percent of assets. On a pro forma basis, the infusion of stock proceeds should serve to narrow the current comparative advantages reflected in the Peer Group's balance sheet interest rate risk characteristics.

To analyze interest rate risk associated with the net interest margin, we reviewed quarterly changes in net interest income as a percent of average assets for Pathfinder Bancorp and the Peer Group. In general, the comparative fluctuations in the Company's and the Peer Group's net interest income ratios implied that the interest rate risk associated with their respective net interest margins was fairly similar, based on the interest rate environment that

Table 3.5
Interest Rate Risk Measures and Net Interest Income Volatility
Comparable Institution Analysis
As of December 31, 2013 or most recent available

		Balance Sheet Measures			Quarterly Change in Net Interest Income						
		Tangible	IEA/	Non-IEA							
		Equity/ Assets	IEA/ IBL	Assets/ Assets	12/31/2013	9/30/2013	6/30/2013	3/31/2013	12/31/2012	9/30/2012	
(%)	(%)	(%)	(change in net interest income is annualized in basis points)								
<u>Pathfinder Bancorp, Inc.</u>											
	NY	7.5%	102.9%	6.6%	2	6	0	-9	6	-2	
March 31, 2014											
All Public Companies											
		12.5%	109.9%	7.3%	3	2	-2	-7	-2	-1	
State of NY											
		10.2%	107.6%	7.1%	2	-2	3	-7	-1	4	
<u>Comparable Recent Conversions(1)</u>											
	NJ	17.4%	116.1%	5.3%	-3	-5	0	2	-3	4	
CSBK Clifton Savings Bancorp, Inc.											
<u>Comparable Group</u>											
Average											
		12.2%	110.0%	6.1%	0	2	0	-5	-4	1	
Median											
		10.9%	109.6%	5.7%	0	0	-1	-4	-6	4	
<u>Comparable Group</u>											
ALLB	Alliance Bancorp, Inc. of Pennsylvania	PA	16.5%	114.4%	5.7%	11	15	5	3	-6	18
CBNK	Chicopee Bancorp, Inc.	MA	15.7%	112.8%	6.5%	-1	-1	-7	3	2	11
CMSB	CMS Bancorp, Inc.	NY	8.7%	108.6%	3.0%	-5	-1	7	0	-9	19
GTWN	Georgetown Bancorp, Inc.	MA	11.0%	109.8%	5.1%	9	-2	2	3	20	-12
HBNK	Hampden Bancorp, Inc.	MA	12.2%	109.6%	6.1%	4	1	6	-9	-20	-5
ONFC	Oneida Financial Corp.	NY	9.0%	102.2%	14.0%	-11	6	-6	-7	-2	6
PEOP	Peoples Federal Bancshares, Inc.	MA	17.9%	117.4%	6.1%	7	-2	8	-16	-6	3
THRD	TF Financial Corporation	PA	10.8%	107.5%	5.7%	1	0	-8	-23	-5	6
WEBK	Wellesley Bancorp, Inc.	MA	10.2%	108.2%	3.8%	-13	12	-7	10	-9	-9
WVFC	WVS Financial Corp.	PA	10.3%	109.5%	4.4%	-5	-10	-4	-14	-2	-20

NA=Change is greater than 100 basis points during the quarter.

(1) Ratios are based on the date of the most recent financial statements disclosed in the offering prospectus.

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prevailed during the period covered in Table 3.5. The stability of the Company's net interest margin should be enhanced by the infusion of stock proceeds, as interest rate sensitive liabilities will be funding a lower portion of Pathfinder Bancorp's assets and the proceeds will be substantially deployed into interest-earning assets.

Credit Risk

Overall, based on a comparison of credit risk measures, the Company's implied credit risk exposure was viewed to be slightly greater relative to the Peer Group's credit risk exposure. As shown in Table 3.6, the Company's ratios for non-performing/assets and non-performing loans/loans equaled 1.83% and 2.57%, respectively, versus comparable measures of 1.28% and 1.52% for the Peer Group. It should be noted that the measures for non-performing assets and non-performing loans include accruing loans that are classified as troubled debt restructurings. The Company's and Peer Group's loss reserves as a percent of non-performing loans equaled 55.85% and 68.55%, respectively. Loss reserves maintained as percent of loans receivable equaled 1.44% for the Company, versus 1.00% for the Peer Group. Net loan charge-offs were a more significant factor for the Company, as net loan charge-offs for the Company and the Peer Group equaled 0.18% and 0.05% of loans, respectively.

Summary

Based on the above analysis, RP Financial concluded that the Peer Group forms a reasonable basis for determining the pro forma market value of the Company. Such general characteristics as asset size, capital position, interest-earning asset composition, funding composition, core earnings measures, loan composition, credit quality and exposure to interest rate risk all tend to support the reasonability of the Peer Group from a financial standpoint. Those areas where differences exist will be addressed in the form of valuation adjustments to the extent necessary.

Table 3.6
Credit Risk Measures and Related Information
Comparable Institution Analysis
As of December 31, 2013 or most recent available

		REO/ Assets (%)	NPAs & 90+Del/ Assets (1) (%)	NPLs/ Loans (1) (%)	Rsrvs/ Loans HFI (%)	Rsrvs/ NPLs (1) (%)	Rsrvs/ NPAs & 90+Del (1) (%)	Net Loan Chargeoffs (2) (\$000)	NLCs/ Loans (%)
Pathfinder Bancorp, Inc.	NY								
March 31, 2014		0.13%	1.83%	2.57%	1.44%	55.85%	51.81%	\$640	0.18%
All Public Companies									
Averages		0.36%	2.54%	2.97%	1.37%	70.24%	67.43%	\$5,272	0.35%
Medians		0.16%	1.81%	2.08%	1.18%	58.06%	43.68%	\$915	0.18%
State of NY									
Averages		0.19%	2.10%	2.60%	1.12%	75.23%	58.84%	\$5,033	0.17%
Medians		0.12%	1.37%	1.94%	1.08%	64.66%	47.11%	\$766	0.15%
Comparable Recent Conversions(3)									
CSBK Clifton Savings Bancorp, Inc.	NJ	0.04%	0.50%	0.90%	0.53%	58.71%	54.33%	\$356	0.06%
Comparable Group									
Averages		0.19%	1.30%	1.58%	0.94%	80.95%	72.88%	\$440	0.14%
Medians		0.01%	1.28%	1.52%	1.00%	68.55%	61.79%	\$180	0.05%
Comparable Group									
ALLB Alliance Bancorp, Inc. of Pennsylvania	PA	0.75%	2.48%	2.08%	1.40%	67.16%	40.19%	\$1,576	0.55%
CBNK Chicopee Bancorp, Inc.	MA	0.07%	1.23%	1.39%	0.94%	67.25%	63.47%	\$193	0.04%
CMSB CMS Bancorp, Inc.	NY	0.00%	2.65%	3.26%	0.30%	9.28%	9.28%	\$646	0.31%
GTWN Georgetown Bancorp, Inc.	MA	0.00%	1.20%	1.39%	1.06%	75.92%	75.92%	\$92	0.05%
HBNK Hampden Bancorp, Inc.	MA	0.18%	1.32%	1.56%	1.09%	69.85%	60.11%	\$335	0.07%
ONFC Oneida Financial Corp.	NY	0.01%	0.22%	0.45%	0.92%	201.82%	192.93%	\$166	0.05%
PEOP Peoples Federal Bancshares, Inc.	MA	0.00%	0.47%	0.58%	0.85%	144.93%	144.93%	\$68	0.01%
THRD TF Financial Corporation	PA	0.67%	1.84%	1.47%	1.06%	72.02%	42.65%	\$1,186	0.21%
WEBK Wellesley Bancorp, Inc.	MA	0.00%	1.43%	1.64%	1.09%	66.14%	64.21%	\$131	0.04%
WVFC WVS Financial Corp.	PA	NA	0.20%	1.98%	0.69%	35.14%	35.14%	\$10	0.03%

(1) Includes TDRs for the Company and the Peer Group.

(2) Net loan chargeoffs are shown on a last twelve month basis.

(3) Ratios are based on the date of the most recent financial statements disclosed in the offering prospectus.

Source: SNL Financial, LC and RP[®] Financial, LC. calculations. The information provided in this table has been obtained from sources we believe are reliable, but we cannot guarantee the accuracy or completeness of such information.

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IV. VALUATION ANALYSIS

Introduction

This chapter presents the valuation analysis and methodology, prepared pursuant to the regulatory valuation guidelines, and valuation adjustments and assumptions used to determine the estimated pro forma market value of the common stock to be issued in conjunction with the Company's conversion transaction.

Appraisal Guidelines

The federal regulatory appraisal guidelines required by the FRB, the FDIC and state banking agencies specify the pro forma market value methodology for estimating the pro forma market value of a converting thrift. Pursuant to this methodology: (1) a peer group of comparable publicly-traded institutions is selected; (2) a financial and operational comparison of the subject company to the peer group is conducted to discern key differences; and (3) a valuation analysis in which the pro forma market value of the subject company is determined based on the market pricing of the peer group as of the date of valuation, incorporating valuation adjustments for key differences. In addition, the pricing characteristics of recent conversions, both at conversion and in the aftermarket, must be considered.

RP Financial Approach to the Valuation

The valuation analysis herein complies with such regulatory approval guidelines. Accordingly, the valuation incorporates a detailed analysis based on the Peer Group, discussed in Chapter III, which constitutes "fundamental analysis" techniques. Additionally, the valuation incorporates a "technical analysis" of recently completed stock conversions, particularly second-step conversions, including closing pricing and aftermarket trading of such offerings. It should be noted that these valuation analyses cannot possibly fully account for all the market forces which impact trading activity and pricing characteristics of a particular stock on a given day.

The pro forma market value determined herein is a preliminary value for the Company's to-be-issued stock. Throughout the conversion process, RP Financial will: (1) review changes in Pathfinder Bancorp's operations and financial condition; (2) monitor Pathfinder Bancorp's operations and financial condition relative to the Peer Group to identify any fundamental

changes; (3) monitor the external factors affecting value including, but not limited to, local and national economic conditions, interest rates, and the stock market environment, including the market for thrift stocks and Pathfinder Bancorp's stock specifically; and (4) monitor pending conversion offerings, particularly second-step conversions, (including those in the offering phase), both regionally and nationally. If, during the conversion process, material changes occur, RP Financial will determine if updated valuation reports should be prepared to reflect such changes and their related impact on value, if any. RP Financial will also prepare a final valuation update at the closing of the offering to determine if the prepared valuation analysis and resulting range of value continues to be appropriate.

The appraised value determined herein is based on the current market and operating environment for the Company and for all thrifts. Subsequent changes in the local and national economy, the legislative and regulatory environment, the stock market, interest rates, and other external forces (such as natural disasters or major world events), which may occur from time to time (often with great unpredictability) may materially impact the market value of all thrift stocks, including Pathfinder Bancorp's value, or Pathfinder Bancorp's value alone. To the extent a change in factors impacting the Company's value can be reasonably anticipated and/or quantified, RP Financial has incorporated the estimated impact into the analysis.

Valuation Analysis

A fundamental analysis discussing similarities and differences relative to the Peer Group was presented in Chapter III. The following sections summarize the key differences between the Company and the Peer Group and how those differences affect the pro forma valuation. Emphasis is placed on the specific strengths and weaknesses of the Company relative to the Peer Group in such key areas as financial condition, profitability, growth and viability of earnings, asset growth, primary market area, dividends, liquidity of the shares, marketing of the issue, management, and the effect of government regulations and/or regulatory reform. We have also considered the market for thrift stocks, in particular new issues, to assess the impact on value of the Company coming to market at this time.

1. Financial Condition

The financial condition of an institution is an important determinant in pro forma market value because investors typically look to such factors as liquidity, capital, asset composition and

quality, and funding sources in assessing investment attractiveness. The similarities and differences in the Company's and the Peer Group's financial strengths are noted as follows:

- Overall A/L Composition. In comparison to the Peer Group, the Company's interest-earning asset composition showed a higher concentration of cash and investments and a lower concentration of loans. Diversification into higher risk and higher yielding types of loans was more significant for the Company, while the Peer Group maintained a slightly higher concentration of 1-4 family loans. Overall, in comparison to the Peer Group, the Company's interest-earning asset composition provided for a slightly higher yield earned on interest-earning assets and a similar risk weighted assets-to-assets ratio. Pathfinder Bancorp's funding composition reflected a higher level of deposits and a similar level of borrowings relative to the comparable Peer Group measures, which translated into a slightly higher cost of funds for the Company. Overall, as a percent of assets, the Company maintained a lower level of interest-earning assets and a higher level of interest-bearing liabilities compared to the Peer Group's ratios, which resulted in a lower IEA/IBL ratio for the Company. After factoring in the impact of the net stock proceeds, the Company's IEA/IBL ratio should be more comparable to the Peer Group's IEA/IBL ratio. On balance, RP Financial concluded that asset/liability composition was a neutral factor in our adjustment for financial condition.
- Credit Quality. The Company's ratios for non-performing assets as a percent of assets and non-performing loans as a percent of loans were slightly higher than the comparable ratios for the Peer Group. In comparison to the Peer Group, the Company maintained lower loss reserves as a percent of non-performing loans and higher loss reserves as a percent of loans. Net loan charge-offs as a percent of loans were slightly higher for the Company. The Company's risk weighted assets-to-assets ratio was similar to the Peer Group's ratio. Overall, RP Financial concluded that credit quality was a slightly negative factor in our adjustment for financial condition.
- Balance Sheet Liquidity. The Company operated with a higher level of cash and investment securities relative to the Peer Group (28.17% of assets versus 17.88% for the Peer Group). Following the infusion of stock proceeds, the Company's cash and investments ratio is expected to increase as the net proceeds realized from the second-step offering will be initially deployed into cash and investments. The Company was viewed as having similar future borrowing capacity relative to the Peer Group, based on the similar levels of borrowings currently funding the Company's and the Peer Group's assets. Overall, RP Financial concluded that balance sheet liquidity was a slightly positive factor in our adjustment for financial condition.
- Funding Liabilities. The Company's interest-bearing funding composition reflected a higher concentration of deposits and a similar concentration of borrowings relative to the comparable Peer Group ratios, which translated into a slightly higher cost of funds for the Company. Total interest-bearing liabilities as a percent of assets were higher for the Company. Following the stock offering, the increase in the Company's capital position will reduce the level of interest-bearing liabilities funding the Company's assets to a ratio that is more comparable to the Peer Group's ratio of interest-bearing liabilities as a percent of assets. Overall, RP Financial concluded that funding liabilities were a neutral factor in our adjustment for financial condition.

- Capital. The Company currently operates with a lower tangible equity-to-assets ratio than the Peer Group. Following the stock offering, Pathfinder Bancorp's pro forma tangible capital position is expected to be comparable to the Peer Group's tangible equity-to-assets ratio. However, approximately one-third of the Company's current tangible equity consists of preferred stock, with a current annual dividend rate of 1.0% that will increase to an annual rate of 9.0% beginning March 2, 2016. Comparatively, only one of the Peer Group companies held preferred stock. On balance, in light of the higher cost of the Company's capital structure, RP Financial concluded that capital strength was a slightly negative factor in our adjustment for financial condition.

On balance, Pathfinder Bancorp's balance sheet strength was considered to be slightly less favorable than the Peer Group's balance sheet strength and, thus, a slight downward adjustment was applied for the Company's financial condition.

2. Profitability, Growth and Viability of Earnings

Earnings are a key factor in determining pro forma market value, as the level and risk characteristics of an institution's earnings stream and the prospects and ability to generate future earnings heavily influence the multiple that the investment community will pay for earnings. The major factors considered in the valuation are described below.

- Reported Earnings. The Company's reported earnings were slightly higher than the Peer Group's on a ROAA basis (0.46% of average assets versus 0.40% for the Peer Group), as the Peer Group earnings advantages with respect to net interest income, loan loss provisions and operating expenses were more than offset by the Company's earnings advantages with respect to non-interest operating income, net gains and effective tax rate. Reinvestment of stock proceeds into interest-earning assets will serve to increase the Company's earnings, with the benefit of reinvesting proceeds expected to be somewhat offset by implementation of additional stock benefit plans in connection with the second-step offering. Overall, given the non-recurring nature of the Company's net gains, the Company's pro forma reported earnings were considered to be comparable to the Peer Group's earnings and, thus, RP Financial concluded that this was a neutral factor in our adjustment for profitability, growth and viability of earnings.
- Core Earnings. Net interest income, operating expenses, non-interest operating income and loan loss provisions were reviewed in assessing the relative strengths and weaknesses of the Company's and the Peer Group's core earnings. The Company maintained a lower net interest income ratio, a higher operating expense ratio and a higher level of non-interest operating income. The Company's less favorable ratios for net interest income and operating expenses translated into a lower expense coverage ratio in comparison to the Peer Group's ratio (equal to 1.04x versus 1.20x for the Peer Group). Similarly, the Company's efficiency ratio of 81.67% was less favorable than the Peer Group's efficiency ratio of 74.93%. Slightly higher loan loss provisions also contributed to the Company's lower core earnings. Overall, these measures, as well as the expected earnings benefits the Company

should realize from the redeployment of stock proceeds into interest-earning assets and leveraging of post-conversion capital, which will be somewhat negated by expenses associated with the stock benefit plans, indicate that the Company's pro forma core earnings will remain less favorable than the Peer Group's core earnings. Therefore, RP Financial concluded that this was a slightly negative factor in our adjustment for profitability, growth and viability of earnings.

- Interest Rate Risk. Quarterly changes in the Company's and the Peer Group's net interest income to average assets ratios indicated a similar degree of volatility was associated with their respective net interest margins. Measures of balance sheet interest rate risk, such as capital, IEA/IBL and non-interest earning asset ratios were more favorable for the Peer Group. On a pro forma basis, the infusion of stock proceeds can be expected to provide the Company with equity-to-assets and IEA/ILB ratios that will be more comparable to the Peer Group ratios, as well as enhance the stability of the Company's net interest margin through the reinvestment of stock proceeds into interest-earning assets. On balance, RP Financial concluded that interest rate risk was a neutral factor in our adjustment for profitability, growth and viability of earnings.
- Credit Risk. Loan loss provisions were a slightly larger factor in the Company's earnings (0.17% of average assets versus 0.11% of average assets for the Peer Group). In terms of future exposure to credit quality related losses, lending diversification into higher risk types of loans was more significant for the Company. The Company's credit quality measures generally implied a slightly greater degree of credit risk exposure relative to the comparable credit quality measures indicated for the Peer Group. Overall, RP Financial concluded that credit risk was a slightly negative factor in our adjustment for profitability, growth and viability of earnings.
- Earnings Growth Potential. Several factors were considered in assessing earnings growth potential. First, the Company maintained a slightly higher interest rate spread than the Peer Group, which would tend to facilitate a slightly higher net interest margin for the Company going forward based on the current prevailing interest rate environment. Second, the infusion of stock proceeds will provide the Company with similar growth potential through leverage as currently maintained by the Peer Group. Third, the Company's higher ratio of non-interest operating income and the Peer Group's lower operating expense ratio were viewed as respective advantages to sustain earnings growth during periods when net interest margins come under pressure as the result of adverse changes in interest rates. Overall, earnings growth potential was considered to be a neutral factor in our adjustment for profitability, growth and viability of earnings.
- Return on Equity. Currently, the Company's core ROE is slightly higher than the Peer Group's core ROE. As the result of the increase in capital that will be realized from the infusion of net stock proceeds into the Company's equity, the Company's pro forma return equity on a core earnings basis will be more comparable to the Peer Group's core ROE. Accordingly, this was a neutral factor in the adjustment for profitability, growth and viability of earnings.

On balance, Pathfinder Bancorp's pro forma earnings strength was considered to be less favorable than the Peer Group's and, thus, a slight downward adjustment was applied for

profitability, growth and viability of earnings.

3. Asset Growth

Comparative twelve-month asset growth rates for the Company and the Peer Group showed a 4.14% increase in the Company's assets, versus an 8.09% increase in the Peer Group's assets. Asset growth for the Company consisted of loans and cash and investments, with a slightly higher growth rate reflected for cash and investments. Comparatively, the Peer Group's asset growth was sustained by loan growth, which was partially funded with cash and investments. Overall, the Company's recent asset growth trends would tend to be viewed less favorably than the Peer Group's in terms of supporting future earnings growth. On a pro forma basis, the Company's tangible equity-to-assets ratio will be more comparable to the Peer Group's tangible equity-to-assets ratio, indicating similar leverage capacity for the Company. On balance, a slight downward adjustment was applied for asset growth.

4. Primary Market Area

The general condition of an institution's market area has an impact on value, as future success is in part dependent upon opportunities for profitable activities in the local market served. Pathfinder Bancorp serves Central New York through the main office and seven branch locations. Operating in somewhat of a rural market area that has experienced very modest population growth in recent years limits growth opportunities in the primary market served by the Company. The Company competes against significantly larger institutions that provide a larger array of services and have significantly larger branch networks than maintained by Pathfinder Bancorp. While the demographics of Oswego County are not conducive for growth, it also a less competitive operating environment compared to faster growing and more densely populated markets as implied by the Company's relatively higher market share of deposits in Oswego County.

All of the Peer Group companies operate in markets with larger populations compared to Oswego County. Population growth for the primary market area counties served by the Peer Group companies reflect a range of growth rates, but overall population growth rates in the markets served by the Peer Group companies approximated Oswego County's population growth rate in recent years. Oswego County has a lower per capita income compared to the average per capita income of the Peer Group's primary market area counties and the Peer

Group's primary market area counties were relatively more affluent markets within their respective states compared to Oswego County, which had a comparatively lower per capita income compared to New York's per capita income. The average and median deposit market shares maintained by the Peer Group companies were well below the Company's market share of deposits in Oswego County. Overall, the degree of competition faced by the Peer Group companies was viewed as greater than faced by the Company, while the growth potential of the markets served by the Peer Group companies was for the most part viewed to be stronger than the Company's primary market area. Summary demographic and deposit market share data for the Company and the Peer Group companies is provided in Exhibit III-4. As shown in Table 4.1, the average unemployment rate for the primary market area counties served by the Peer Group companies was well below the unemployment rate reflected for Oswego County. On balance, we concluded that a moderate downward adjustment was appropriate for the Company's market area.

Table 4.1
Market Area Unemployment Rates
Pathfinder Bancorp and the Peer Group Companies(1)

	<u>County</u>	<u>March 2014 Unemployment</u>
Pathfinder Bancorp - NY	Oswego	9.1%
<u>Peer Group Average</u>		6.6%
Alliance Bancorp, Inc. – PA	Delaware	6.1
Chicopee Bancorp, Inc. - MA	Hampden	8.5
CMS Bancorp, Inc. – NY	Westchester	5.7
Georgetown Bancorp, Inc. - MA	Essex	6.9
Hampden Bancorp, Inc. – MA	Hampden	8.5
Oneida Financial Corp. - NY	Oneida	7.2
Peoples Federal Bancshares - MA	Suffolk	5.8
TF Financial Corporation - PA	Bucks	6.0
WVS Financial Corp. - PA	Allegheny	5.7
Wellesley Bancorp, Inc. - MA	Norfolk	5.4

(1) Unemployment rates are not seasonally adjusted.

Source: SNL Financial.

5. Dividends

Pathfinder Bancorp has indicated its intention to pay a cash dividend that will preserve the current \$0.12 per share annual cash dividend paid to its public shareholders, which is equal to a 1.2% yield based on the \$10.00 per share IPO price. However, future declarations of dividends by the Board of Directors will depend upon a number of factors, including investment opportunities, growth objectives, financial condition, profitability, tax considerations, minimum capital requirements, regulatory limitations, stock market characteristics and general economic conditions.

Eight out of the ten Peer Group companies pay regular cash dividends, with implied dividend yields ranging from 1.10% to 3.77%. The average dividend yield on the stocks of the Peer Group institutions was 1.34% as of May 16, 2014. Comparatively, as of May 16, 2014, the average dividend yield on the stocks of all fully-converted publicly-traded thrifts equaled 1.81%. The dividend paying thrifts generally maintain higher than average profitability ratios, facilitating their ability to pay cash dividends.

The Company's indicated dividend policy provides for a slightly lower yield compared to the Peer Group's average dividend yield, while the Company's implied payout ratio is lower than the Peer Group's payout ratio. Accordingly, on balance, we concluded that no adjustment was warranted for purposes of the Company's dividend policy.

6. Liquidity of the Shares

The Peer Group is by definition composed of companies that are traded in the public markets. All of the Peer Group companies trade on NASDAQ. Typically, the number of shares outstanding and market capitalization provides an indication of how much liquidity there will be in a particular stock. The market capitalization of the Peer Group companies ranged from \$18 million to \$114 million as of May 16, 2014, with average and median market values of \$66 million and \$77 million, respectively. The shares issued and outstanding of the Peer Group companies ranged from 1.8 million to 7.0 million, with average and median shares outstanding of 4.0 million and 3.7 million, respectively. The Company's second-step stock offering is expected to provide for a pro forma market value that will in the lower end of the Peer Group's range of market value and in the middle of the Peer Group's range of shares outstanding. Following the second-step conversion, the Company's stock will continue to be traded on the NASDAQ Capital Market. Overall, we anticipate that the Company's stock will have a

comparable trading market as the Peer Group companies on average and, therefore, concluded no adjustment was necessary for this factor.

7. Marketing of the Issue

We believe that four separate markets exist for thrift stocks, including those coming to market such as Pathfinder Bancorp's: (A) the after-market for public companies, in which trading activity is regular and investment decisions are made based upon financial condition, earnings, capital, ROE, dividends and future prospects; (B) the new issue market in which converting thrifts are evaluated on the basis of the same factors, but on a pro forma basis without the benefit of prior operations as a fully-converted company; (C) the acquisition market for thrift franchises based in New York; and (D) the market for the public stock of Pathfinder Bancorp. All of these markets were considered in the valuation of the Company's to-be-issued stock.

A. The Public Market

The value of publicly-traded thrift stocks is easily measurable, and is tracked by most investment houses and related organizations. Exhibit IV-1 provides pricing and financial data on all publicly-traded thrifts. In general, thrift stock values react to market stimuli such as interest rates, inflation, perceived industry health, projected rates of economic growth, regulatory issues and stock market conditions in general. Exhibit IV-2 displays historical stock market trends for various indices and includes historical stock price index values for thrifts and commercial banks. Exhibit IV-3 displays various stock price indices for thrifts.

In terms of assessing general stock market conditions, the performance of the overall stock market has been mixed in recent quarters. Stocks fell broadly at the beginning of the fourth quarter of 2013, as investors weighed the consequences of the budget impasse in Washington and the possibility of an extended shutdown of the U.S. Government. Indications that lawmakers were nearing a deal to raise the federal debt ceiling and end the shutdown of the U.S. Government fueled a stock market rally heading into mid-October. A last minute compromise to raise the debt ceiling, which averted a default on the national debt and allowed for the re-opening of the U.S. Government sustained the positive trend in stocks through late-October. The Dow Jones Industrial Average ("DJIA") closed at a record high in late-October, as weaker-than-expected job growth reflected in the September employment data and subdued inflation readings raised expectations that the Federal Reserve would stay the course on its

easy money policies at its end of October meeting. An overall strong month for stocks closed with consecutive losses at the end of October, as investors who were expecting the Federal Reserve to downgrade its economic outlook were surprised that the Federal Reserve's assessment of the economy was unchanged and, thereby, raised expectations that it could taper its stimulus efforts as early as its next policy meeting in December. Favorable reports on manufacturing and nonmanufacturing activity in October, along with comments from a Federal Reserve President suggesting that the Federal Reserve should wait for stronger evidence of economic momentum before tapering its bond-buying program, contributed to a rebound in stocks at the start of November. The DJIA closed at multiple record highs through mid-November, with a better-than-expected employment report for October and comments made by Federal Reserve Chairman nominee Janet Yellen during confirmation hearings that the Federal Reserve's economic stimulus efforts would continue under her leadership contributed to the rally that included the DJIA closing above 16000 for the first time. Stocks edged higher in the final week of November, as positive macroeconomic news contributed to the gains. Stocks traded lower at the start of December 2013, as a number of favorable economic reports stoked concerns that the Federal Reserve would start to wind down its stimulus efforts in the near future. After five consecutive losses in the DJIA, the stock market rebounded on news of the strong employment report for November. The rebound was temporary, as stocks eased lower ahead of the Federal Reserve's mid-December meeting. Stocks surged at the conclusion of the Federal Reserve's meeting, as investors approved of the Federal Reserve's action to begin measured paring of its \$85 billion a-month bond buying program. The DJIA moved to record highs in late-December, as more favorable economic reports helped to sustain the stock market rally through the end of 2013. Overall, the DJIA was up 30% during 2013, which was its strongest performance in 18 years.

Stocks retreated at the start of 2014, as profit taking and a disappointing employment report for December weighed on the broader stock market. Mixed fourth quarter earnings reports translated into an up and down stock market in mid-January. Concerns about weakening economies in emerging market countries precipitated a global stock market selloff heading into the second half of January, as the DJIA posted five consecutive losses. News that the Federal Reserve voted again to scale back its monthly bond buying program by another \$10 billion, despite recent turmoil in emerging markets and soft jobs data, added to the selloff to close out January. A significant decline in January manufacturing activity drove stocks sharply lower at the start of February. Stocks rebounded heading into mid-February, as disappointing

job growth reflected in the January employment report and congressional testimony by the new Federal Reserve Chairwoman eased investor concerns that the Federal Reserve would not continue on its current course of easy monetary policies. The release of minutes from the Federal Reserve's previous meeting, which indicated that some Federal Reserve officials were considering raising interest rates sooner than expected, pressured stocks lower heading into the second half of February. Despite data showing a softening economy, stocks traded higher to close out February. Stocks declined sharply on the first day of trading in March as the Ukraine crisis sparked a global selloff which was followed by a rebound in the stock market to close out the first week of March as the threat of the Ukraine crisis escalating diminished and the February employment report showed better-than-expected job growth. Data showing that China's economy weakened sharply during the first two months of 2014 and rising tensions in Ukraine contributed to stocks trading lower into mid-March. The broader stock market traded unevenly in the second half of March, as investors reacted to mixed reports on the economy and comments from the Federal Reserve Chairwoman signaling that the Federal Reserve could begin raising interest rates earlier than expected. New assurances from the Federal Reserve Chairwoman on the Federal Reserve's plan to keep rates low until the job market returned to normal health and remarks from China's premier that the Chinese government was ready to take steps to support China's economy helped to lift stocks at the close of March.

Stocks edged higher at the start of the second quarter of 2014, which was followed by a downturn as investors reacted to March employment data in which the unemployment rate was unchanged from February and job growth was slightly below expectations. Led by advances in technology shares, the broader stock market traded higher for the first time in four sessions at the start of the first quarter earnings season. Stocks retreated heading into mid-April, with once high-flying biotechnology and Internet companies leading the decline. A strong retail sales report for March helped stocks to rebound in mid-April, with technology stocks leading the market higher. Investor confidence was also bolstered by reassurances from the Federal Reserve Chairwoman on maintaining her stance for keeping interest rates low. A rebound in technology stocks and a series of deals in the healthcare sector helped to extend gains in the broader stock market heading into late-April. The DJIA closed at a record high at the end of April, as a number of positive first quarter earnings reports helped to offset investors' worries about tensions in Ukraine and slowing growth in China. Stocks traded unevenly during the first half of May, as investors reacted to mixed data on the economy and gravitated towards lower risk investments. On May 16, 2014, the DJIA closed at 16491.31, an

increase of 7.4% from one year ago and an decrease of 0.5% year-to-date, and the NASDAQ closed at 4090.59, an increase of 16.9% from one year ago and a decrease of 2.1% year-to-date. The Standard & Poor's 500 Index closed at 1877.86 on May 16, 2014, an increase of 12.6% from one year ago and an increase of 1.6% year-to-date.

The market for thrift stocks has also experienced varied trends in recent quarters. Thrift issues stabilized at the start of the fourth quarter of 2013 and then traded lower as the budget impasse in Washington continued into a second week. A deal to raise the federal debt ceiling and re-open the U.S. Government lifted thrift stocks and the broader stock market to healthy gains in mid-October. Third quarter earnings reports and signs of merger activity picking up in the thrift sector boosted thrift shares in late-October, which was followed by a slight downturn at the end of October and into early-November as the Federal Reserve concluded its two day meeting by staying the course on quantitative easing and the benchmark interest rate. Thrift shares followed the broader stock market higher through mid-November, as the financial sector benefited from the better-than-expected employment report for October and a continuation of low interest rates. A larger-than-expected increase in a November consumer sentiment index and a decline in weekly jobless claims supported a modest gain for the thrift sector in late-November. Thrift issues generally followed trends in the broader stock market throughout December 2013, declining in early-December on the uncertain outlook for the Federal Reserve's stimulus efforts and then rallying higher on the stronger-than-expected job growth reflected in the November employment data. After trading in a narrow range into mid-December, the rally in thrift issues resumed following the Federal Reserve's mid-December meeting and announcement that it will begin to taper its bond buying. Thrift stocks participated in the broader stock market rally to close out 2013, with the SNL Index for all publicly-traded thrifts posting a gain of 25% for all of 2013.

Shares of thrift issues traded down at the start of 2014, as the 10-year Treasury yield approached 3.0% in early-January. Thrift stocks were also hurt by the disappointing employment report for December and then traded in a narrow range in mid-January, as investors reacted to mixed fourth quarter earnings reports coming out the banking sector at the start of the fourth quarter earnings season. Financial shares participated in the selloff experienced in the broader stock market during the second half of January and the first trading day of February. Janet Yellen's debut congressional testimony as Federal Reserve Chairwoman helped to spark a rally in thrift stocks heading into mid-February, as she indicated that there no plans to change course from the Federal Reserve's current monetary policies.

Thrift issues generally followed trends in the broader stock market in late-February and at the start of March, rallying at the end of February and then selling off at the start of March. Lessening concerns about Ukraine, financial sector merger activity and rising home prices boosted thrift shares following the March 1 selloff. The mid-March global sell-off sparked by news of a slowdown in China's economy impacted thrift shares as well, which was followed by a rebound supported by some favorable economic data including a pick-up in industrial production. Mixed signals from the Federal Reserve regarding the end of its quantitative easing program and a decline in February pending home sales were factors that pressured thrift stocks lower in late-March. Thrift stocks traded up at the end of the first quarter, as comments by the Federal Reserve Chairwoman that the Federal Reserve would continue to support the economic recovery were well received in the broader stock market.

Consistent with the broader stock market, thrift stocks traded lower in early-April 2014 with the release of the March employment report. A disappointing first quarter earnings report posted by J.P. Morgan, along with a selloff in the broader stock market, pressured financial shares lower heading into mid-April. Led by Citigroup's better-than-expected first quarter earnings report, financial shares participated in the broader stock market rally going in the second half of April. News that Bank of America would suspend its stock buyback program and a planned increase in its quarterly dividend pressured financial shares lower in late-April. Thrift shares traded in a narrow range during early-May and then bounced higher, as the Federal Reserve Chairwoman reiterated the Federal Reserve's stance to keep short-term interest rates near zero for the foreseeable future. Fresh concerns over the pace of economic growth and weakness in the housing sector pressured financial shares lower in mid-May. On May 16, 2014, the SNL Index for all publicly-traded thrifts closed at 683.1, an increase of 12.4% from one year ago and a decrease of 3.3% year-to-date.

B. The New Issue Market

In addition to thrift stock market conditions in general, the new issue market for converting thrifts is also an important consideration in determining the Company's pro forma market value. The new issue market is separate and distinct from the market for seasoned thrift stocks in that the pricing ratios for converting issues are computed on a pro forma basis, specifically: (1) the numerator and denominator are both impacted by the conversion offering amount, unlike existing stock issues in which price change affects only the numerator; and (2) the pro forma pricing ratio incorporates assumptions regarding source and use of proceeds,

effective tax rates, stock plan purchases, etc. which impact pro forma financials, whereas pricing for existing issues are based on reported financials. The distinction between pricing of converting and existing issues is perhaps no clearer than in the case of the price/book ("P/B") ratio in that the P/B ratio of a converting thrift will typically result in a discount to book value whereas in the current market for existing thrifts the P/B ratio may reflect a premium to book value. Therefore, it is appropriate to also consider the market for new issues, both at the time of the conversion and in the aftermarket.

As shown in Table 4.2, one standard conversions and three second-step conversions have been completed during the past three months. The second-step conversion offerings are considered to be more relevant for Pathfinder Bancorp's pro forma pricing. The average closing pro forma price/tangible book ratio of the three recent second-step conversion offerings equaled 78.90%. On average, the three second-step conversion offerings had price appreciation of 16.10% after their first week of trading. As of May 16, 2014, the three recent second-step conversion offerings showed an average price increase of 19.1% from their respective IPO prices.

Shown in Table 4.3 are the current pricing ratios for the two fully-converted offerings completed during the past three months and trade on NASDAQ. Both Clifton Bancorp and Investors Bancorp were second-step conversion offerings. The current average P/TB ratio of the NASDAQ traded, fully-converted recent conversions equaled 101.00%, based on closing stock prices as of May 16, 2014.

C. The Acquisition Market

Also considered in the valuation was the potential impact on Pathfinder Bancorp's stock price of recently completed and pending acquisitions of thrift institutions operating in New York. As shown in Exhibit IV-4, there were six New York thrift acquisitions completed from the beginning of 2010 through May 16, 2014 and there is one acquisition pending for a New York savings institution. The recent acquisition activity involving regional financial institutions may imply a certain degree of acquisition speculation for the Company's stock. To the extent that acquisition speculation may impact the Company's offering, we have largely taken this into account in selecting companies for the Peer Group which operate in markets that have experienced some degree of acquisition activity as well and, thus, are subject to the same type of acquisition speculation that may influence Pathfinder Bancorp's stock. However, since converting thrifts are subject to a three-year regulatory moratorium from being

Table 4.3
Market Pricing Comparatives
Prices As of May 16, 2014

Financial Institution	Market Capitalization		Per Share Data		Pricing Ratios(2)				Dividends(3)			Financial Characteristics(5)								
	Price/Share (\$)	Market Value (\$Mil)	Core EPS(1) (\$)	Book Value/Share (\$)	P/E (x)	P/B (%)	P/A (%)	P/TB (%)	P/CoRe (x)	Amount/Share (\$)	Yield (%)	Payout Ratio(4) (%)	Total Assets (\$Mil)	Equity/Assets (%)	Tang Eq Assets (%)	NFA's/Assets (%)	ROA (%)	ROE (%)	ROA (%)	ROE (%)
All Non-MHC Public Companies	\$15.85	\$379.21	\$0.85	\$15.42	17.58x	102.78%	12.90%	110.86%	17.68x	\$0.29	1.81%	55.15%	\$2,715	13.21%	12.25%	2.31%	0.56%	4.39%	0.55%	4.43%
Converted Last 3 Months (no MHC)	\$11.04	\$2,026.24	\$0.27	\$11.30	30.74x	99.46%	22.47%	101.00%	32.66x	\$0.23	1.46%	62.50%	\$9,843	23.10%	22.88%	0.60%	0.57%	2.64%	0.54%	2.51%
Converted Last 3 Months (no MHC)	\$11.63	\$309.28	\$0.21	\$13.10	NM	88.78%	24.62%	88.78%	NM	\$0.25	2.16%	NM	\$1,256	27.73%	27.73%	0.41%	0.48%	1.72%	0.45%	1.62%
CSBK Cifton Bancorp, Inc. of NJ	\$10.45	\$3,743.21	\$0.32	\$9.49	30.74x	110.12%	20.31%	113.22%	32.66x	\$0.20	0.75%	62.50%	\$18,430	18.46%	18.03%	0.78%	0.66%	3.55%	0.63%	3.40%

(1) Core income, on a diluted per-share basis. Core income is net income after taxes and before extraordinary items, less net income attributable to noncontrolling interest, gain on the sale of securities, amortization of intangibles, goodwill and nonrecurring items. Assumed tax rate is 35%.

(2) P/E = Price to earnings; P/B = Price to book; P/A = Price to assets; P/TB = Price to tangible book value; and P/CoRe = Price to core earnings. P/E and P/CoRe =NM if the ratio is negative or above 35x.

(3) Indicated 12 month dividend, based on last quarterly dividend declared.

(4) Indicated 12 month dividend as a percent of trailing 12 month earnings.

(5) ROAA (return on average assets) and ROAE (return on average equity) are indicated ratios based on trailing 12 month earnings and average equity and assets balances.

(6) Excludes from averages and medians those companies the subject of actual or rumored acquisition activities or unusual operating characteristics.

Source: SNL Financial, LC. calculations. The information provided in this report has been obtained from sources we believe are reliable, but we cannot guarantee the accuracy or completeness of such information.

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acquired, acquisition speculation in Pathfinder Bancorp's stock would tend to be less compared to the stocks of the Peer Group companies.

D. Trading in Pathfinder Bancorp's Stock

Since Pathfinder Bancorp's minority stock currently trades under the symbol "PBHC" on the NASDAQ, RP Financial also considered the recent trading activity in the valuation analysis. Pathfinder Bancorp had a total of 2,623,182 shares issued and outstanding at March 31, 2014, of which 1,039,943 shares were held by public shareholders and traded as public securities. The Company's stock has had a 52 week trading range of \$11.76 to \$16.00 per share and its closing price on May 16, 2014 was \$14.90 per share. There are significant differences between the Company's minority stock (currently being traded) and the conversion stock that will be issued by the Company. Such differences include different liquidity characteristics, a different return on equity for the conversion stock and the stock is currently traded based on speculation of a range of exchange ratios. Since the pro forma impact has not been publicly disseminated to date, it is appropriate to discount the current trading level. As the pro forma impact is made known publicly, the trading level will become more informative.

* * * * *

In determining our valuation adjustment for marketing of the issue, we considered trends in both the overall thrift market, the new issue market including the new issue market for second-step conversions, the acquisition market, and recent trading activity in the Company's minority stock. Taking these factors and trends into account, RP Financial concluded that no adjustment was appropriate in the valuation analysis for purposes of marketing of the issue.

8. Management

The Company's management team appears to have experience and expertise in all of the key areas of the Company's operations. Exhibit IV-5 provides summary resumes of the Company's Board of Directors and senior management. The financial characteristics of the Company suggest that the Board and senior management have been effective in implementing an operating strategy that can be well managed by the Company's present organizational structure. The Company currently does not have any senior management positions that are

vacant. Similarly, the returns, equity positions and other operating measures of the Peer Group companies are indicative of well-managed financial institutions, which have Boards and management teams that have been effective in implementing competitive operating strategies. Therefore, on balance, we concluded no valuation adjustment relative to the Peer Group was appropriate for this factor.

9. Effect of Government Regulation and Regulatory Reform

As a fully-converted regulated institution, Pathfinder Bancorp will operate in substantially the same regulatory environment as the Peer Group members -- all of whom are adequately capitalized institutions and are operating with no apparent restrictions. Exhibit IV-6 reflects the Bank's pro forma regulatory capital ratios. On balance, no adjustment has been applied for the effect of government regulation and regulatory reform.

Summary of Adjustments

Overall, based on the factors discussed above, we concluded that the Company's pro forma market value should reflect the following valuation adjustments relative to the Peer Group:

<u>Key Valuation Parameters:</u>	<u>Valuation Adjustment</u>
Financial Condition	Slight Downward
Profitability, Growth and Viability of Earnings	Slight Downward
Asset Growth	Slight Downward
Primary Market Area	Moderate Downward
Dividends	No Adjustment
Liquidity of the Shares	No Adjustment
Marketing of the Issue	No Adjustment
Management	No Adjustment
Effect of Govt. Regulations and Regulatory Reform	No Adjustment

Valuation Approaches

In applying the accepted valuation methodology promulgated by the FRB and the NYDFS, i.e., the pro forma market value approach, we considered the three key pricing ratios in valuing the Company's to-be-issued stock -- price/earnings ("P/E"), price/book ("P/B"), and price/assets ("P/A") approaches -- all performed on a pro forma basis including the effects of the stock proceeds. In computing the pro forma impact of the conversion and the related pricing

ratios, we have incorporated the valuation parameters disclosed in the Company's prospectus for reinvestment rate, effective tax rate, stock benefit plan assumptions and expenses (summarized in Exhibits IV-7 and IV-8). In our estimate of value, we assessed the relationship of the pro forma pricing ratios relative to the Peer Group and recent conversion offerings.

RP Financial's valuation placed an emphasis on the following:

- P/E Approach. The P/E approach is generally the best indicator of long-term value for a stock and we have given it significant weight among the valuation approaches. Given certain similarities between the Company's and the Peer Group's earnings composition and overall financial condition, the P/E approach was carefully considered in this valuation. At the same time, recognizing that (1) the earnings multiples will be evaluated on a pro forma basis for the Company; and (2) the Peer Group on average has had the opportunity to realize the benefit of reinvesting and leveraging their offering proceeds, we also gave weight to the other valuation approaches.
- P/B Approach. P/B ratios have generally served as a useful benchmark in the valuation of thrift stocks, particularly in the context of an initial public offering, as the earnings approach involves assumptions regarding the use of proceeds. RP Financial considered the P/B approach to be a valuable indicator of pro forma value, taking into account the pricing ratios under the P/E and P/A approaches. We have also modified the P/B approach to exclude the impact of intangible assets (i.e., price/tangible book value or "P/TB"), in that the investment community frequently makes this adjustment in its evaluation of this pricing approach.
- P/A Approach. P/A ratios are generally a less reliable indicator of market value, as investors typically assign less weight to assets and attribute greater weight to book value and earnings. Furthermore, this approach as set forth in the regulatory valuation guidelines does not take into account the amount of stock purchases funded by deposit withdrawals, thus understating the pro forma P/A ratio. At the same time, the P/A ratio is an indicator of franchise value, and, in the case of highly capitalized institutions, high P/A ratios may limit the investment community's willingness to pay market multiples for earnings or book value when ROE is expected to be low.
- Trading of PBHC stock. Converting institutions generally do not have stock outstanding. Pathfinder Bancorp, however, has public shares outstanding due to the mutual holding company form of ownership and first-step minority stock offering. Since Pathfinder Bancorp is currently traded on the NASDAQ, it is an indicator of investor interest in the Company's conversion stock and therefore received some weight in our valuation. Based on the May 16, 2014, stock price of \$14.90 per share and the 2,623,182 shares of Pathfinder Bancorp stock outstanding, the Company's implied market value of \$39.1 million was considered in the valuation process. However, since the conversion stock will have different characteristics than the minority shares, and since pro forma information has not been publicly disseminated to date, the current trading price of Pathfinder Bancorp's stock was somewhat discounted herein but will become more important towards the closing of the offering.

The Company has adopted “Employers’ Accounting for Employee Stock Ownership Plans” (“ASC 718-40”), which causes earnings per share computations to be based on shares issued and outstanding excluding unreleased ESOP shares. For purposes of preparing the pro forma pricing analyses, we have reflected all shares issued in the offering, including all ESOP shares, to capture the full dilutive impact, particularly since the ESOP shares are economically dilutive, receive dividends and can be voted. However, we did consider the impact of ASC 718-40 in the valuation.

In preparing the pro forma pricing analysis we have taken into account the pro forma impact of the MHC’s net assets (i.e., unconsolidated equity) that will be consolidated with the Company and, thus, will slightly increase equity. This pro forma adjustment also takes into account the quarterly dividend paid by the Company in the second quarter of 2014 and to be paid by the Company in the third quarter of 2014. At March 31, 2014, the MHC had estimate pro forma net assets of \$346,000, which has been added to the Company’s March 31, 2014 pro forma equity to reflect the consolidation of the MHC into the Company’s operations. Exhibit IV-9 shows that after accounting for the impact of the MHC’s net assets, the public shareholders’ ownership interest was reduced by approximately 0.41%. Accordingly, for purposes of the Company’s pro forma valuation, the public shareholders’ ownership interest was reduced from 39.64% to 39.23% and the MHC’s ownership interest was increased from 60.36% to 60.77%.

Based on the application of the three valuation approaches, taking into consideration the valuation adjustments discussed above, RP Financial concluded that as of May 16, 2014, the aggregate pro forma market value of Pathfinder Bancorp’s conversion stock equaled \$32,909,690 at the midpoint, equal to 3,290,969 shares at \$10.00 per share. The \$10.00 per share price was determined by the Pathfinder Bancorp Board. The midpoint and resulting valuation range is based on the sale of a 60.77% ownership interest to the public, which provides for a \$20,000,000 public offering at the midpoint value.

1. Price-to-Earnings (“P/E”). The application of the P/E valuation method requires calculating the Company’s pro forma market value by applying a valuation P/E multiple to the pro forma earnings base. In applying this technique, we considered both reported earnings and a recurring earnings base, that is, earnings adjusted to exclude any one-time non-operating items, plus the estimated after-tax earnings benefit of the reinvestment of the net proceeds. The Company’s reported earnings equaled \$2.390 million for the twelve months ended March 31, 2014. In deriving Pathfinder Bancorp’s core earnings, the adjustments made to reported

earnings were to eliminate net gains on the sale and redemption of investment securities equal to \$328,000 and net gains on the sale of loans and other real estate owned equal to \$444,000. As shown below, assuming an effective marginal tax rate of 40.0% for the earnings adjustments, the Company's core earnings were estimated to equal \$1.927 million for the twelve months ended March 31, 2014.

	<u>Amount</u> (\$000)
Net income	\$2,390
Deduct: Net gains on sales and redemption of investments(1)	(197)
Deduct: Net gains on sales of loans and OREO(1)	<u>(266)</u>
Core earnings estimate	<u>\$1,927</u>

(1) Adjustments were tax effected at 40.0%.

Based on the Company's reported and estimated core earnings, and incorporating the impact of the pro forma assumptions discussed previously, the Company's pro forma reported and core P/E multiples at the \$32.9 million midpoint value equaled 14.10x and 17.58x, respectively, indicating discounts of 34.66% and 16.92% relative to the Peer Group's average reported and core earnings multiples of 21.58x and 21.16x, respectively (see Table 4.4). In comparison to the Peer Group's median reported and core earnings multiples of 19.96x and 21.04x, respectively, the Company's pro forma reported and core P/E multiples at the midpoint value indicated discounts of 29.36% and 16.44%, respectively. The Company's pro forma P/E ratios based on reported earnings at the minimum and the super maximum equaled 11.95x and 18.76x, respectively, and based on core earnings at the minimum and the super maximum equaled 14.89x and 23.43x, respectively.

2. Price-to-Book ("P/B"). The application of the P/B valuation method requires calculating the Company's pro forma market value by applying a valuation P/B ratio, as derived from the Peer Group's P/B ratio, to the Company's pro forma book value. Based on the \$32.9 million midpoint valuation, the Company's pro forma P/B and P/TB ratios equaled 68.45% and 75.59%, respectively. In comparison to the average P/B and P/TB ratios for the Peer Group of 95.31% and 99.65%, the Company's ratios reflected discounts of 28.18% on a P/B basis and 24.14% on a P/TB basis. In comparison to the Peer Group's median P/B and P/TB ratios of 96.63% and 99.21%, respectively, the Company's pro forma P/B and P/TB ratios at the midpoint value reflected discounts of 29.16% and 23.81%, respectively. At the super maximum of the

Table 4.4
Public Market Pricing Versus Peer Group
Palmfunder Bancorp, Inc. and the Comparables
As of May 16, 2014

	Market Capitalization			Per Share Data			Dividend(3)			Financial Characteristics(5)			Exchange Ratio			Offering Balance (\$MM)							
	Price/Share (\$)	Market Value (\$MM)	Share (\$)	Core 12 Month EPS(1) (\$)	P/E (x)	Dividend Yield (%)	Dividend/Share (\$)	Yield (%)	Total Assets (\$MM)	Equity/Assets (%)	Loan/Assets (%)	NPAA/Assets (%)	ROAA (%)	ROAE (%)	Core (%)		Ratio (x)						
Palmfunder Bancorp, Inc.	\$10.00	\$43.52	\$0.43	\$0.43	18.76x	80.55%	7.93%	88.03%	23.43	\$0.12	1.20%	28.12%	55.49	12.21%	11.38%	1.76%	0.42%	4.30%	0.34%	3.44%	1.6417x	\$26.45	
Super Maximum	\$10.00	\$37.85	\$0.48	\$0.48	16.26x	74.46%	6.93%	81.77%	20.29	\$0.12	1.20%	24.35%	\$546	11.70%	10.86%	1.77%	0.43%	4.58%	0.34%	3.67%	1.4276x	\$23.00	
Maximum	\$10.00	\$32.81	\$0.37	\$0.37	14.10x	68.45%	6.06%	75.99%	17.58	\$0.12	1.20%	21.10%	\$543	10.41%	10.41%	1.78%	0.43%	4.86%	0.34%	3.89%	1.2414x	\$20.00	
Minimum	\$10.00	\$27.31	\$0.37	\$0.37	11.53x	61.73%	5.18%	68.63%	14.89	\$0.12	1.20%	17.87%	\$540	10.19%	9.95%	1.79%	0.43%	5.17%	0.35%	4.14%	1.0552x	\$17.00	
All Non-MHC Public Companies(6)																							
Averages	\$15.85	\$378.21	\$0.85	\$0.85	17.58x	102.78%	12.90%	110.86%	17.68x	\$0.29	1.81%	55.15%	\$2,715	13.21%	12.25%	2.31%	0.56%	4.38%	0.55%	4.43%			
Median	\$14.12	\$103.18	\$0.80	\$0.80	17.00x	83.90%	12.12%	98.99%	16.24x	\$0.24	1.55%	43.28%	\$846	12.25%	11.27%	1.60%	0.57%	4.58%	0.61%	4.44%			
All Non-MHC State of NY(7)																							
Averages	\$11.84	\$1,304.08	\$0.70	\$0.70	17.57x	107.94%	10.49%	129.75%	15.96x	\$0.35	2.80%	55.10%	\$10,545	9.84%	8.29%	1.63%	0.72%	7.10%	0.72%	6.90%			
Medians	\$12.58	\$554.00	\$0.65	\$0.65	14.69x	95.96%	11.37%	134.16%	14.46x	\$0.25	3.73%	55.17%	\$4,280	9.89%	8.12%	1.37%	0.84%	6.62%	0.87%	7.55%			
State of NY (7)																							
AF Astoria Financial Corp.	\$12.58	\$1,250.65	NA	NA	16.55x	87.93%	8.03%	101.09%	NM	\$0.16	1.27%	21.05%	\$15,700	9.89%	8.81%	2.96%	0.53%	5.72%	NA	NA			
CARV Carver Bancorp Inc.	\$11.66	\$43.09	\$0.19	\$0.19	32.38x	85.46%	7.26%	83.51%	NM	\$0.00	0.00%	0.00%	\$639	7.80%	8.08%	3.61%	0.26%	2.82%	0.15%	1.68%			
CMSB CMS Bancorp Inc.	\$9.60	\$17.88	\$0.41	\$0.41	18.46x	82.19%	6.72%	82.19%	23.48x	\$0.00	0.00%	0.00%	\$267	8.70%	7.84%	2.09%	0.38%	4.38%	0.31%	3.52%			
DCMB Dime Community Bancshares Inc.	\$15.03	\$554.00	\$1.20	\$1.20	12.42x	124.97%	12.89%	142.99%	12.54x	\$0.56	3.75%	46.28%	\$4,280	10.32%	9.14%	0.75%	1.07%	10.18%	1.05%	10.08%			
NYCB New York Community Bancorp	\$14.82	\$6,580.17	\$1.07	\$1.07	13.85x	114.24%	13.79%	199.24%	13.83x	\$1.00	6.75%	93.48%	\$47,987	12.07%	7.30%	0.49%	1.04%	8.36%	1.04%	8.38%			
NYFC Onetta Financial Corp.	\$12.73	\$89.30	\$0.48	\$0.48	14.63x	95.96%	11.37%	134.16%	14.46x	\$0.48	3.77%	55.17%	\$785	11.88%	8.76%	0.17%	0.84%	6.62%	0.85%	6.75%			
TRST TrustCo Bank Corp NY	\$6.46	\$613.43	\$0.42	\$0.42	14.89x	104.82%	13.36%	165.07%	15.46x	\$0.26	4.05%	59.52%	\$4,579	8.12%	8.12%	1.37%	0.93%	11.59%	0.89%	11.01%			
Comparable Group																							
Averages	\$16.41	\$66.09	\$0.70	\$0.70	21.58x	95.31%	11.87%	99.65%	21.18x	\$0.22	1.34%	83.01%	\$517	12.60%	12.22%	1.20%	0.48%	3.93%	0.48%	3.85%			
Medians	\$15.85	\$77.09	\$0.45	\$0.45	19.98x	86.63%	11.41%	99.21%	21.04x	\$0.20	1.33%	47.10%	\$523	11.77%	10.92%	1.28%	0.46%	3.54%	0.41%	3.15%			
Comparable Group																							
ALLB Alliance Bancorp, Inc. of Pennsylvania	\$15.50	\$64.89	\$0.33	\$0.33	NM	97.29%	15.07%	97.29%	NM	\$0.20	1.29%	60.61%	\$426	16.45%	16.45%	2.48%	0.32%	1.80%	0.32%	1.80%			
CBNK Chickopee Bancorp, Inc.	\$16.86	\$91.69	\$0.08	\$0.08	NM	101.13%	15.28%	101.13%	NM	\$0.28	1.66%	300.00%	\$588	15.69%	15.69%	1.23%	0.26%	2.82%	0.45%	2.86%			
CMSB CMS Bancorp, Inc.	\$9.60	\$17.88	\$0.41	\$0.41	18.46x	82.19%	6.72%	82.19%	23.48x	\$0.00	0.00%	0.00%	\$263	8.66%	8.66%	2.05%	0.37%	4.29%	0.30%	3.42%			
GTWN Georgetown Bancorp, Inc.	\$14.90	\$27.33	\$0.45	\$0.45	33.11x	93.90%	10.19%	93.90%	33.11x	\$0.17	1.14%	36.11%	\$263	11.00%	11.00%	1.20%	0.32%	2.46%	0.32%	2.46%			
HBNK Hampden Bancorp, Inc.	\$16.20	\$91.60	\$0.76	\$0.76	22.82x	106.67%	12.76%	106.67%	21.33x	\$0.24	1.45%	33.80%	\$694	12.19%	12.19%	1.32%	0.55%	4.31%	0.54%	4.23%			
ONFC Onetta Financial Corp.	\$12.73	\$89.30	\$0.48	\$0.48	14.63x	95.96%	11.37%	134.16%	14.46x	\$0.48	3.77%	55.17%	\$742	12.22%	8.95%	0.22%	0.86%	6.59%	0.91%	7.05%			
PEOP Peoples Federal Bancshares, Inc.	\$18.14	\$113.68	\$0.35	\$0.35	NM	110.03%	19.05%	110.03%	NM	\$0.20	1.10%	120.00%	\$588	17.88%	17.88%	1.84%	0.47%	0.37%	2.01%	0.37%	2.01%		
PEOP Peoples Federal Bancshares, Inc.	\$30.74	\$96.88	\$2.22	\$2.22	13.54x	99.88%	11.45%	105.08%	13.83x	\$0.48	1.56%	19.38%	\$836	11.84%	10.84%	1.84%	0.85%	7.40%	0.82%	7.20%			
WFBK WFBK Bancorp, Inc.	\$17.76	\$43.60	\$0.86	\$0.86	19.96x	91.82%	9.16%	91.82%	20.74x	\$0.00	0.00%	0.00%	\$459	10.20%	10.20%	1.43%	0.55%	5.09%	0.64%	4.94%			
WVFC WVS Financial Corp.	\$11.70	\$24.06	NA	NA	28.54x	74.05%	7.95%	74.05%	NM	\$0.16	1.37%	39.02%	\$314	10.28%	10.28%	0.20%	0.29%	2.55%	0.28%	2.50%			

(1) Core income, on a diluted per-share basis. Core income is net income after taxes and before extraordinary items, less net income attributable to noncontrolling interest, gain on the sale of securities, amortization of intangibles, goodwill and nonrecurring items. Assumed tax rate is 35.0%.

(2) P/E = Price to earnings; P/B = Price to book; P/A = Price to assets; P/TB = Price to tangible book value; and P/CoE = Price to core earnings. P/E and P/CoE = NM if the ratio is negative or above 35x.

(3) Indicated 12 month dividend, based on last quarterly dividend declared.

(4) Indicated 12 month dividend as a percent of trailing 12 month earnings.

(5) ROAA (return on average assets) and ROAE (return on average equity) are indicated ratios based on trailing 12 month earnings and average equity and assets balances.

(6) Excludes from averages and medians these companies the subject of actual or rumored acquisition activities or unusual operating characteristics.

Source: SNL Financial, LC, and RP Financial, LC. calculations. The information provided in this report has been obtained from sources we believe are reliable, but we cannot guarantee the accuracy or completeness of such information.

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range, the Company's P/B and P/TB ratios equaled 80.58% and 88.03%, respectively. In comparison to the Peer Group's average P/B and P/TB ratios, the Company's P/B and P/TB ratios at the super maximum of the range reflected discounts of 15.45% and 11.66%, respectively. In comparison to the Peer Group's median P/B and P/TB ratios, the Company's P/B and P/TB ratios at the super maximum of the range reflected discounts of 16.61% and 11.27%, respectively. RP Financial considered the discounts under the P/B approach to be reasonable, given the nature of the calculation of the P/B ratio which tends to mathematically result in a ratio discounted to book value.

3. Price-to-Assets ("P/A"). The P/A valuation methodology determines market value by applying a valuation P/A ratio to the Company's pro forma asset base, conservatively assuming no deposit withdrawals are made to fund stock purchases. In all likelihood there will be deposit withdrawals, which results in understating the pro forma P/A ratio which is computed herein. At the \$32.9 million midpoint of the valuation range, the Company's value equaled 6.06% of pro forma assets. Comparatively, the Peer Group companies exhibited an average P/A ratio of 11.87%, which implies a discount of 48.95% has been applied to the Company's pro forma P/A ratio. In comparison to the Peer Group's median P/A ratio of 11.41%, the Company's pro forma P/A ratio at the midpoint value reflects a discount of 46.89%.

Comparison to Recent Offerings

As indicated at the beginning of this chapter, RP Financial's analysis of recent conversion offering pricing characteristics at closing and in the aftermarket has been limited to a "technical" analysis and, thus, the pricing characteristics of recent conversion offerings cannot be a primary determinate of value. Particular focus was placed on the P/TB approach in this analysis, since the P/E multiples do not reflect the actual impact of reinvestment and the source of the stock proceeds (i.e., external funds vs. deposit withdrawals). As discussed previously, the three recently completed second-step offerings had an average pro forma price/tangible book ratio at closing of 78.90% (see Table 4.2). In comparison, the Company's pro forma price/tangible book ratio at the midpoint value reflects an implied discount of 4.20%. The current average P/TB ratio of the two recent second-step conversions that trade on NASDAQ is 101.00%, based on closing stock prices as of May 16, 2014. In comparison, the Company's P/TB ratio at the midpoint value reflects an implied discount of 25.16%.

Out of the three recent second-step offerings that have been completed, Clifton Bancorp's second-step offering was viewed to be most comparable to Pathfinder Bancorp's second-step offering. Clifton Bancorp's pro forma price/tangible book ratio at closing equaled 76.40% (see Table 4.2). In comparison, the Company's pro forma price/tangible book ratio at the midpoint value reflects an implied discount of 1.06%. Clifton Bancorp's current P/TB ratio, based on closing stock prices as of May 16, 2014, equaled 88.78%. In comparison to Clifton Bancorp's current P/TB ratio, the Company's P/TB ratio at the midpoint value reflects an implied discount of 14.86%. Comparative pre-conversion financial data for Clifton Bancorp has been included in the Chapter III tables and show that, in comparison to Pathfinder Bancorp, Clifton Bancorp maintained a higher tangible equity-to-assets ratio (17.40% versus 7.46% for Pathfinder Bancorp), a higher return on average assets (0.59% versus 0.46% for Pathfinder Bancorp) and a lower ratio of non-performing assets as a percent of assets (0.50% versus 1.83% for Pathfinder Bancorp).

Valuation Conclusion

Based on the foregoing, it is our opinion that, as of May 16, 2014, the estimated aggregate pro forma valuation of the shares of the Company to be issued and outstanding at the end of the conversion offering – including (1) newly-issued shares representing the MHC's current ownership interest in the Company and (2) exchange shares issued to existing public shareholders of the Company - was \$32,909,690 at the midpoint, equal to 3,290,969 shares at a per share value of \$10.00. The resulting range of value and pro forma shares, all based on \$10.00 per share, are shown below.

The pro forma valuation calculations relative to the Peer Group are shown in Table 4.4 and are detailed in Exhibit IV-7 and Exhibit IV-8.

	<u>Total Shares</u>	<u>Offering Shares</u>	<u>Exchange Shares Issued to Public Shareholders</u>	<u>Exchange Ratio</u>
<u>Shares</u>				
Maximum, as Adjusted	4,352,306	2,645,000	1,707,306	1.6417
Maximum	3,784,614	2,300,000	1,484,614	1.4276
Midpoint	3,290,969	2,000,000	1,290,969	1.2414
Minimum	2,797,324	1,700,000	1,097,324	1.0552
<u>Distribution of Shares</u>				
Maximum, as Adjusted	100.00%	60.77%	39.23%	
Maximum	100.00%	60.77%	39.23%	
Midpoint	100.00%	60.77%	39.23%	
Minimum	100.00%	60.77%	39.23%	
<u>Aggregate Market Value at \$10 per share</u>				
Maximum, as Adjusted	\$ 43,523,060	\$ 26,450,000	\$ 17,073,060	
Maximum	\$ 37,846,140	\$ 23,000,000	\$ 14,846,140	
Midpoint	\$ 32,909,690	\$ 20,000,000	\$ 12,909,690	
Minimum	\$ 27,973,240	\$ 17,000,000	\$ 10,973,240	

Establishment of the Exchange Ratio

Conversion regulations provide that in a conversion of a mutual holding company, the minority shareholders are entitled to exchange the public shares for newly issued shares in the fully converted company. The Boards of Directors of the MHC and PBHC have independently determined the exchange ratio, which has been designed to preserve the current aggregate percentage ownership in the Company (adjusted for the dilution resulting from the consolidation of the MHC's unconsolidated equity into the Company). The exchange ratio to be received by the existing minority shareholders of the Company will be determined at the end of the offering, based on the total number of shares sold in the second-step conversion offering and the final appraisal. Based on the valuation conclusion herein, the resulting offering value and the \$10.00 per share offering price, the indicated exchange ratio at the midpoint is 1.2414 shares of the Company for every one public share held by public shareholders. Furthermore, based on the offering range of value, the indicated exchange ratio is 1.0552 at the minimum, 1.4278 at the maximum and 1.6417 at the super maximum. RP Financial expresses no opinion on the proposed exchange of newly issued Company shares for the shares held by the public shareholders or on the proposed exchange ratio.

EXHIBITS

LIST OF EXHIBITS

<u>Exhibit Number</u>	<u>Description</u>
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I-2	Audited Financial Statements
I-3	Key Operating Ratios
I-4	Investment Portfolio Composition
I-5	Yields and Costs
I-6	Loan Loss Allowance Activity
I-7	Interest Rate Risk Analysis
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II-1	Description of Office Properties
II-2	Historical Interest Rates

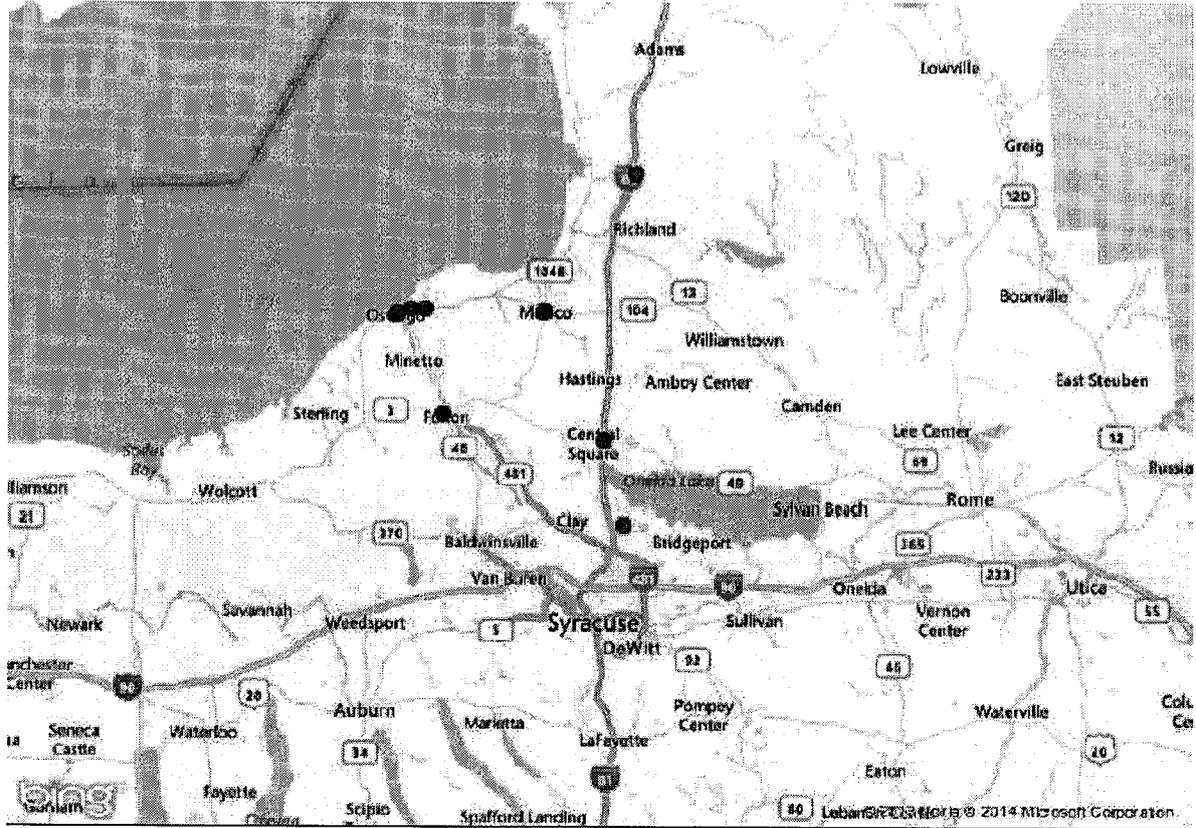
LIST OF EXHIBITS (continued)

<u>Exhibit Number</u>	<u>Description</u>
III-1	General Characteristics of Publicly-Traded Institutions
III-2	Public Market Pricing of Mid-Atlantic Thrift Institutions
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IV-1	Stock Prices: As of May 16, 2014
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V-1	Firm Qualifications Statement

EXHIBIT I-1

**Pathfinder Bancorp, Inc.
Map of Office Locations**

Exhibit I-1
Pathfinder Bancorp, Inc.
Map of Office Locations



● U.S. Branches (16)

EXHIBIT I-2

**Pathfinder Bancorp, Inc.
Audited Financial Statements
[Incorporated by Reference]**

EXHIBIT I-3

**Pathfinder Bancorp, Inc.
Key Operating Ratios**

Exhibit I-3
Pathfinder Bancorp, Inc.
Key Operating Ratios

	At or For the Three Months Ended March 31, ⁽⁶⁾		At or For the Years Ended December 31,				
	2014	2013	2013	2012	2011	2010	2009
Selected Financial Ratios and Other Data:							
Performance Ratios:							
Return on assets (ratio of net income to average total assets)	0.38%	0.41%	0.48%	0.57%	0.55%	0.64%	0.45%
Return on equity (ratio of net income to average equity)	4.52	4.92	5.86	6.68	6.75	8.07	7.04
Average equity to average total assets	8.49	8.28	8.24	8.48	8.21	7.89	6.40
Equity to total assets at end of period	8.26	8.13	8.55	8.53	8.54	7.49	7.87
Interest rate spread ⁽²⁾	3.38	3.28	3.32	3.38	3.62	3.58	3.40
Net interest margin ⁽³⁾	3.48	3.40	3.43	3.50	3.76	3.73	3.56
Average interest-earning assets to average interest-bearing liabilities	115.74	114.99	115.85	113.89	112.22	110.84	110.84
Total non-interest expenses to average total assets	3.07	2.83	2.96	2.89	3.14	3.00	3.10
Efficiency ratio ⁽⁴⁾	78.88	76.85	79.14	75.53	77.56	71.95	76.36
Dividend payout ratio ⁽⁵⁾	15.34	14.85	12.47	11.37	12.87	11.90	18.45
Return on common equity (ratio of net income available to common stockholders to average common equity)	6.48	7.20	8.58	8.26	5.09	8.20	7.10
Asset Quality Ratios:							
Nonperforming loans as a percent of total loans	2.01	1.77	1.57	1.66	1.55	2.08	0.88
Nonperforming assets as a percent of total assets	1.46	1.26	1.18	1.25	1.19	1.54	0.67
Allowance for loan losses as a percent of total loans	1.44	1.38	1.48	1.35	1.31	1.28	1.17
Allowance for loan losses as a percent of nonperforming loans	71.59	78.32	94.22	81.13	84.18	61.58	133.07
Regulatory Capital Ratios (Bank Only):							
Total capital (to risk-weighted assets)	13.83	14.08	14.13	14.20	14.94	13.50	13.95
Tier I capital (to risk-weighted assets)	12.53	12.76	12.82	12.90	13.66	12.24	12.69
Tier I capital (to adjusted assets)	8.73	8.45	8.72	8.80	9.37	8.11	8.38
Other Ratios:							
Common equity to total assets	5.86	5.55	5.97	5.81	5.61	5.96	6.22
Tangible common equity to tangible assets	5.04	4.88	5.11	5.04	4.78	5.07	5.25
Number of:							
Banking offices ⁽⁷⁾	8	8	8	8	8	7	7
Full time equivalent employees	113	111	112	110	110	105	99

(1) Includes \$13.0 million of Series B Preferred Stock issued in connection with the SBLF Program at March 31, 2014, December 31, 2013, December 31, 2012 and December 31, 2011, as well as \$6.7 million of Series A Preferred Stock issued in connection with TARP at December 31, 2010 and December 31, 2009.

(2) Interest rate spread represents the difference between the weighted-average yield on interest-earning assets and the weighted-average rate on interest-bearing liabilities.

(3) Net interest margin represents net interest income as a percentage of average interest-earning assets.

(4) Efficiency ratio represents the ratio of general, administrative and other expenses divided by the sum of net interest income and total noninterest income.

Source: Pathfinder Bancorp's prospectus.

EXHIBIT I-4

**Pathfinder Bancorp, Inc.
Investment Portfolio Composition**

Exhibit I-4
Pathfinder Bancorp, Inc.
Investment Portfolio Composition

	At March 31, 2014		2013		At December 31, 2012		2011	
	Amortized Cost	Estimated Fair Value	Amortized Cost	Estimated Fair Value	Amortized Cost	Estimated Fair Value	Amortized Cost	Estimated Fair Value
(Dollars in thousands)								
Investment securities held to maturity:								
<u>Debt investment securities</u>								
US Treasury, agencies and GSEs.....	\$ 4,814	\$ 4,800	\$ 1,872	\$ 1,847	\$ —	\$ —	\$ —	\$ —
State and political subdivisions.....	22,831	23,140	21,371	21,264	—	—	—	—
Corporate.....	3,692	3,742	3,746	3,718	—	—	—	—
Residential mortgage-backed – US agency	8,762	8,760	5,556	5,526	—	—	—	—
Collateralized mortgage obligations – US agency.....	2,891	2,917	1,867	1,867	—	—	—	—
Collateralized mortgage obligations – private label	—	—	—	—	—	—	—	—
Total investment securities held to maturity.....	42,990	43,359	34,412	34,222	—	—	—	—
Investment securities available for sale:								
<u>Debt investment securities</u>								
US Treasury, agencies and GSEs.....	19,910	19,598	16,935	16,597	6,175	6,183	5,025	5,073
State and political subdivisions.....	6,300	6,450	6,429	6,587	26,413	27,471	19,508	20,304
Corporate.....	11,870	12,060	13,498	13,696	22,942	23,006	21,086	20,434
Residential mortgage-backed – US agency	24,372	24,387	22,231	22,139	22,891	23,638	31,998	33,067
Collateralized mortgage obligations – US agency.....	19,175	19,213	20,147	20,003	24,222	24,613	17,667	17,989
Collateralized mortgage obligations – private label	—	—	—	—	296	305	505	519
Total debt investment securities available for sale.....	81,627	81,708	79,240	79,022	102,939	105,216	95,789	97,386
<u>Equity investment securities</u>								
Mutual funds:								
Ultra short mortgage fund.....	643	647	643	648	1,286	1,291	1,286	1,298
Large cap equity fund.....	456	655	456	651	905	1,081	905	1,024
Other mutual funds US agency.....	183	364	183	345	183	319	183	243
Common stock – financial services industry	270	289	271	293	420	432	443	444
Total equity investment securities available for sale.....	1,552	1,955	1,553	1,937	2,794	3,123	2,817	3,009
Total investment securities available for sale.....	83,179	83,663	80,793	80,959	105,733	108,339	98,606	100,395
Total investment securities.....	\$ 126,169	\$ 127,022	\$ 115,205	\$ 115,181	\$ 105,733	\$ 108,339	\$ 98,606	\$ 100,395

Source: Pathfinder Bancorp's prospectus.

EXHIBIT I-5

**Pathfinder Bancorp, Inc.
Yields and Costs**

Exhibit I-5
Pathfinder Bancorp, Inc.
Yields and Costs

	At March 31, 2014		For the Three Months Ended March 31,				
		2014		2013			
	Yield/ Cost	Average Outstanding Balance	Interest Earned/Paid	Yield/ Cost ⁽⁴⁾	Average Outstanding Balance	Interest Earned/Paid	Yield/ Cost ⁽⁴⁾
		(Dollars in thousands)					
Interest-earning assets:							
Real estate loans residential.....	4.52%	\$ 168,739	\$ 1,884	4.47%	\$ 177,934	\$ 2,059	4.63%
Real estate loans commercial.....	5.02	99,034	1,224	4.94	81,951	1,109	5.41
Commercial and municipal loans.....	4.91	52,626	617	4.69	51,144	608	4.76
Home equity and junior liens.....	5.07	21,236	266	5.01	21,869	281	5.14
Consumer loans.....	8.35	4,054	84	8.29	3,470	78	8.99
Taxable investment securities.....	2.12	96,500	454	1.88	93,820	418	1.78
Tax-exempt investment securities.....	4.31	27,148	295	4.35	25,979	289	4.45
Interest-earning time deposits.....	1.55	500	2	1.60	2,000	6	1.20
Interest-earning deposits.....	0.03	<u>5,669</u>	<u>1</u>	0.07	<u>7,117</u>	<u>1</u>	0.06
Total interest-earning assets.....	3.96	475,506	4,827	4.06	465,284	4,849	4.17%
Total noninterest-earning assets.....		34,188			30,819		
Total assets.....		<u>\$ 509,694</u>			<u>\$ 496,103</u>		
Interest-bearing liabilities:							
NOW accounts.....	0.14	\$ 40,848	17	0.17	\$ 39,355	19	0.19
Money management accounts.....	0.15	13,312	5	0.15	14,444	9	0.25
MMDA accounts.....	0.40	90,462	94	0.42	81,206	96	0.47
Savings and club accounts.....	0.09	74,937	15	0.08	67,870	14	0.08
Time deposits.....	0.96	<u>151,864</u>	<u>398</u>	1.05	<u>164,150</u>	<u>521</u>	1.27
Total deposits.....	0.53	371,423	529	0.57	367,025	659	0.72
Junior subordinated debentures.....	3.07	5,155	40	3.10	5,155	40	3.10
Borrowings.....	1.50	<u>34,259</u>	<u>126</u>	1.47	<u>32,437</u>	<u>197</u>	2.43
Total interest-bearing liabilities.....	0.66	<u>\$ 410,837</u>	<u>\$ 695</u>	0.68	<u>\$ 404,617</u>	<u>\$ 896</u>	0.89
Demand deposits.....		\$ 52,054			\$ 46,765		
Other liabilities.....		3,525			3,632		
Total liabilities.....		<u>466,416</u>			<u>455,014</u>		
Stockholders' Equity.....		43,278			41,089		
Total liabilities and stockholders' equity.....		<u>\$ 509,694</u>			<u>\$ 496,103</u>		
Net interest income.....			<u>\$ 4,132</u>			<u>\$ 3,953</u>	
Net interest rate spread ⁽¹⁾				3.38%			3.28%
Net interest-earning assets ⁽²⁾		<u>\$ 64,669</u>			<u>\$ 60,667</u>		
Net interest margin ⁽³⁾				3.48%			3.40%
Average interest-earning assets to average interest-bearing liabilities.....				115.74%			114.99%

Exhibit I-5 (Continued)
Pathfinder Bancorp, Inc.
Yields and Costs

	For The Year Ended December 31,								
	2013			2012			2011		
	Average Outstanding Balance	Interest Earned/Paid	Yield/ Cost	Average Outstanding Balance	Interest Earned/Paid	Yield/ Cost	Average Outstanding Balance	Interest Earned/Paid	Yield/ Cost
	(Dollars in thousands)								
Interest-earning assets:									
Real estate loans residential.....	\$ 172,294	7,810	4.53%	\$ 168,354	8,233	4.89%	\$ 153,735	\$ 8,029	5.22%
Real estate loans commercial.....	90,042	4,729	5.25	72,894	4,194	5.75	70,050	4,372	6.24
Commercial and municipal loans.....	51,218	2,441	4.77	45,598	2,161	4.74	38,533	1,904	4.94
Home equity and junior liens.....	21,365	1,101	5.15	23,262	1,199	5.15	24,987	1,387	5.55
Consumer loans.....	3,813	315	8.26	3,694	336	9.10	3,481	339	9.74
Taxable investment securities.....	94,597	1,748	1.85	93,352	1,927	2.06	79,236	2,231	2.82
Tax-exempt investment securities.....	25,972	1,152	4.44	23,716	1,100	4.64	11,716	571	4.87
Interest-earning time deposits.....	1,612	19	1.18	1,994	24	1.20	176	2	1.14
Interest-earning deposits.....	<u>6,901</u>	<u>7</u>	0.10	<u>3,426</u>	<u>4</u>	0.12	<u>4,147</u>	<u>5</u>	0.12
Total interest-earning assets.....	467,814	19,322	4.13	436,290	19,178	4.40	386,061	18,840	4.88
Total noninterest-earning assets.....	<u>30,032</u>			<u>30,963</u>			<u>33,068</u>		
Total assets.....	<u>\$ 497,846</u>			<u>\$ 467,253</u>			<u>\$ 419,129</u>		
Interest-bearing liabilities:									
NOW accounts.....	37,733	80	0.21%	31,819	82	0.26%	30,274	87	0.29%
Money management accounts.....	13,962	26	0.19	14,395	43	0.30	12,964	43	0.33
MMDA accounts.....	81,734	364	0.45	77,401	427	0.55	64,352	438	0.68
Savings and club accounts.....	69,284	54	0.08	63,962	54	0.08	60,713	78	0.13
Time deposits.....	<u>160,823</u>	<u>1,954</u>	1.22	<u>159,283</u>	<u>2,290</u>	1.44	<u>139,299</u>	<u>2,590</u>	1.86
Total deposits.....	363,536	2,478	0.68	346,860	2,896	0.83	307,602	3,236	1.05
Junior subordinated debentures.....	5,155	162	3.14	5,155	169	3.28	5,155	163	3.16
Borrowings.....	<u>35,128</u>	<u>624</u>	1.78	<u>31,079</u>	<u>843</u>	2.71	<u>31,255</u>	<u>942</u>	3.01
Total interest-bearing liabilities.....	403,819	3,264	0.81	383,094	3,908	1.02	344,012	4,341	1.26
Noninterest-bearing demand deposits.....	48,814			40,759			35,971		
Other liabilities.....	<u>4,185</u>			<u>3,765</u>			<u>4,722</u>		
Total liabilities.....	456,818			427,618			384,705		
Stockholders' Equity.....	41,028			39,635			34,424		
Total liabilities and stockholders' equity.....	<u>497,846</u>			<u>467,253</u>			<u>419,129</u>		
Net interest income.....		<u>\$ 16,058</u>			<u>\$ 15,270</u>			<u>\$ 14,499</u>	
Net interest rate spread ⁽¹⁾			3.32%			3.38%			3.62%
Net interest-earning assets ⁽²⁾	<u>\$ 63,995</u>			<u>\$ 53,196</u>			<u>\$ 42,049</u>		
Net interest margin ⁽³⁾			3.43%			3.50%			3.76%
Average interest-earning assets to average interest-bearing liabilities.....			115.85%			113.89%			112.22%

- (1) Net interest rate spread represents the difference between the weighted average yield on interest-earning assets and the weighted average rate of interest-bearing liabilities.
(2) Net interest-earning assets represent total interest-earning assets less total interest-bearing liabilities.
(3) Net interest margin represents net interest income divided by average total interest-earning assets.
(4) Annualized.

Source: Pathfinder Bancorp's prospectus.

EXHIBIT I-6

**Pathfinder Bancorp, Inc.
Loan Loss Allowance Activity**

Exhibit I-6
Pathfinder Bancorp, Inc.
Loan Loss Allowance Activity

	For the Three Months Ended March 31,		For the Years Ended December 31,				
	2014	2013	2013	2012	2011	2010	2009
	(Dollars in thousands)						
Balance at beginning of period	\$ 5,041	\$ 4,501	\$ 4,501	\$ 3,980	\$ 3,648	\$ 3,078	\$ 2,472
Charge-offs:							
Residential real estate	(12)	(12)	(153)	(108)	(237)	(48)	(48)
Commercial real estate	(47)	—	(46)	(142)	(205)	(162)	(69)
Commercial and municipal	(143)	(59)	(273)	(89)	(99)	(223)	(3)
Home equity and junior lien	(50)	(81)	(81)	(8)	(43)	(76)	(38)
Consumer	(51)	(28)	(98)	(161)	(123)	(81)	(134)
Total charge-offs	(303)	(180)	(651)	(508)	(707)	(590)	(293)
Recoveries:							
Residential real estate	—	12	47	75	49	19	1
Commercial real estate	—	—	19	14	—	55	—
Commercial and municipal	3	—	22	50	—1	—	—
Home equity and junior lien	—	13	19	6	10	5	2
Consumer	13	16	52	59	39	31	19
Total recoveries	16	41	159	204	99	110	22
Net (charge-offs)	(287)	(139)	(492)	(304)	(608)	(480)	(270)
Provision for loan losses	245	324	1,032	825	940	1,050	876
Balance at end of period	<u>\$ 4,999</u>	<u>\$ 4,686</u>	<u>\$ 5,041</u>	<u>\$ 4,501</u>	<u>\$ 3,980</u>	<u>\$ 3,648</u>	<u>\$ 3,078</u>
Ratios:							
Net charge-offs during the period to average loans outstanding during the period ⁽¹⁾	0.33%	0.17%	0.15%	0.10%	0.21%	0.18%	0.11%
Net charge-offs during the period to non-performing loans at end of period	4.11	2.32	9.20	5.48	12.86	8.10	11.67
Allowance for loan losses to non-performing loans at end of period	71.59	78.32	94.22	81.13	84.18	61.58	133.07
Allowance for loan losses to total loans at end of period	1.44	1.38	1.48	1.35	1.31	1.28	1.17

(1) Annualized.

Source: Pathfinder Bancorp's prospectus.

EXHIBIT I-7

**Pathfinder Bancorp, Inc.
Interest Rate Risk Analysis**

Exhibit I-7
 Pathfinder Bancorp, Inc.
 Interest Rate Risk Analysis

Change in Interest Rates (Basis Points)	Net Portfolio Value			NPV as a % of Assets	
	Estimated NPV	Amount of Change	Percent	NPV Ratio	Change ⁽¹⁾
	(Dollars in thousands)				
400	\$ 47,746	\$ (11,588)	(19.5)%	10.1%	(1.2)
300	50,847	(8,487)	(14.3)%	10.4%	(0.9)
200	54,003	(5,331)	(9.0)%	10.8%	(0.5)
100	57,032	(2,302)	(3.9)%	11.1%	(0.2)
0	59,334	-	0.0%	11.3%	-
-100	56,072	(3,262)	(5.5)%	10.5%	(0.8)

(1) Expressed in basis points.

Source: Pathfinder Bancorp's prospectus.

EXHIBIT I-8

**Pathfinder Bancorp, Inc.
Fixed and Adjustable Rate Loans**

Exhibit I-8
 Pathfinder Bancorp, Inc.
 Fixed and Adjustable Rate Loans

	At December 31, 2013 and Due After December 31, 2014		
	Fixed	Adjustable	Total
	(In thousands)		
Real estate loans:			
Residential	\$ 140,531	\$ 27,905	\$ 168,436
Commercial	5,914	88,048	93,962
Total real estate loans.....	146,445	115,953	262,398
Other Loans:			
Commercial and municipal.....	8,329	19,787	28,116
Home equity and junior lien	7,253	13,925	21,178
Consumer.....	3,652	—	3,652
Total loans	\$ 165,679	\$ 149,665	\$ 315,344

Source: Pathfinder Bancorp's prospectus.

EXHIBIT I-9

**Pathfinder Bancorp, Inc.
Loan Portfolio Composition**

Exhibit I-9
Pathfinder Bancorp, Inc.
Loan Portfolio Composition

	At March 31, 2014		At December 31,									
	Amount	Percent	2013		2012		2011		2010		2009	
			Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent
			(Dollars in thousands)									
Real estate loans:												
Residential	\$ 168,353	48.4%	\$ 168,280	49.3%	\$176,610	53.0%	\$ 162,319	53.4%	\$ 147,230	51.7%	\$ 134,328	51.3%
Commercial	<u>102,559</u>	<u>29.5</u>	<u>95,536</u>	<u>28.0</u>	<u>82,329</u>	<u>24.7</u>	<u>73,420</u>	<u>24.1</u>	<u>69,042</u>	<u>24.3</u>	<u>62,229</u>	<u>23.8</u>
Total real estate loans.....	270,912	<u>77.9</u>	263,816	<u>77.3</u>	258,939	<u>77.7</u>	235,739	<u>77.5</u>	216,272	<u>76.0</u>	196,557	<u>75.1</u>
Other Loans:												
Commercial and municipal loans	51,613	14.8	52,241	15.3	48,813	14.7	40,111	13.2	39,727	14.0	35,447	13.5
Home equity and junior liens	21,387	6.2	21,110	6.2	22,073	6.6	24,171	7.9	25,168	8.8	26,086	10.0
Consumer loans	<u>3,965</u>	<u>1.1</u>	<u>4,166</u>	<u>1.2</u>	<u>3,469</u>	<u>1.0</u>	<u>4,140</u>	<u>1.4</u>	<u>3,411</u>	<u>1.2</u>	<u>3,580</u>	<u>1.4</u>
Total loans	347,877	<u>100.0%</u>	341,333	<u>100.0%</u>	333,294	<u>100.0%</u>	304,161	<u>100.0%</u>	284,578	<u>100.0%</u>	261,670	<u>100.0%</u>
Less:												
Allowance for loan losses	(4,999)		(5,041)		(4,501)		(3,980)		(3,648)		(3,078)	
Deferred loan (fees) costs	<u>265</u>		<u>300</u>		<u>454</u>		<u>589</u>		<u>718</u>		<u>795</u>	
Total loans receivable, net	\$ <u>343,143</u>		\$ <u>336,592</u>		\$ <u>329,247</u>		\$ <u>300,770</u>		\$ <u>281,648</u>		\$ <u>259,387</u>	

Source: Pathfinder Bancorp's prospectus.

EXHIBIT I-10

**Pathfinder Bancorp, Inc.
Contractual Maturity by Loan Type**

EXHIBIT I-11

**Pathfinder Bancorp, Inc.
Non-Performing Assets**

Exhibit I-11
Pathfinder Bancorp, Inc.
Non-Performing Assets

	March 31,	At December 31,				
	2014	2013	2012	2011	2010	2009
				(Dollars in thousands)		
Non-accrual loans:						
Residential real estate.....	\$ 1,873	\$ 2,194	\$ 2,046	\$ 1,428	\$ 1,182	\$ 1,181
Commercial real estate.....	3,491	1,934	1,274	689	2,598	877
Commercial and municipal.....	797	690	817	849	480	144
Home equity and junior lien.....	251	402	424	550	303	111
Consumer.....	12	45	46	156	62	—
Total non-accrual loans.....	<u>6,424</u>	<u>5,265</u>	<u>4,607</u>	<u>3,672</u>	<u>4,625</u>	<u>2,313</u>
Non-accruing troubled debt restructured loans:						
Residential real estate.....	—	—	—	—	153	—
Commercial real estate.....	326	—	519	934	1,082	—
Commercial and municipal.....	194	85	115	122	64	—
Home equity and junior lien.....	39	—	306	—	—	—
Consumer.....	—	—	—	—	—	—
Total non-accruing troubled debt restructured loans.....	<u>559</u>	<u>85</u>	<u>941</u>	<u>1,056</u>	<u>1,299</u>	<u>—</u>
Total non-performing loans.....	<u>6,983</u>	<u>5,350</u>	<u>5,548</u>	<u>4,728</u>	<u>5,924</u>	<u>2,313</u>
Foreclosed assets:						
Foreclosed residential mortgage loans.....	415	341	241	244	106	181
Foreclosed commercial real estate.....	284	278	185	292	269	—
Foreclosed other assets.....	—	—	235	258	—	—
Total other real estate owned.....	<u>699</u>	<u>619</u>	<u>661</u>	<u>794</u>	<u>375</u>	<u>181</u>
Total non-performing assets.....	<u>\$ 7,682</u>	<u>\$ 5,969</u>	<u>\$ 6,209</u>	<u>\$ 5,522</u>	<u>\$ 6,299</u>	<u>\$ 2,494</u>
Accruing troubled debt restructured loans:						
Residential real estate.....	\$ 400	\$ 402	\$ 145	\$ 149	\$ —	\$ —
Commercial real estate.....	1,231	1,570	1,262	446	437	1,549
Commercial and municipal.....	30	140	490	—	297	351
Home equity and junior lien.....	306	347	40	—	107	—
Consumer.....	—	—	—	—	—	—
Total accruing troubled debt restructured loans.....	<u>\$ 1,967</u>	<u>\$ 2,459</u>	<u>\$ 1,937</u>	<u>\$ 595</u>	<u>\$ 841</u>	<u>\$ 1,900</u>
Ratios:						
Non-performing loans to total loans.....	2.01%	1.57%	1.66%	1.55%	2.08%	0.88%
Non-performing assets to total assets.....	1.46%	1.18%	1.30%	1.25%	1.54%	0.67%

Source: Pathfinder Bancorp's prospectus.

EXHIBIT I-12

**Pathfinder Bancorp, Inc.
Deposit Composition**

Exhibit I-12
Pathfinder Bancorp, Inc.
Deposit Composition

	At or For the Three Months Ended March 31,				At or For the Year Ended December 31,			
	2014				2013			
	Average Balance	Amount	Percent	Weighted Average Rate	Average Balance	Amount	Percent	Weighted Average Rate
	(Dollars in thousands)							
Deposit type:								
NOW accounts.....	\$ 40,848	\$ 43,222	9.86%	0.17%	\$ 37,733	\$ 35,949	8.77%	0.21%
Money management accounts	13,312	13,452	3.07	0.15	13,962	13,337	3.25	0.19
MMDA accounts	90,462	94,032	21.45	0.42	81,734	83,867	20.45	0.45
Savings and club accounts	74,937	75,548	17.23	0.08	69,284	68,924	16.80	0.08
Time deposits.....	151,864	155,734	35.53	1.05	160,823	159,892	38.98	1.22
Demand deposits.....	<u>52,054</u>	<u>56,365</u>	<u>12.86</u>	0.00	<u>48,814</u>	<u>48,171</u>	<u>11.75</u>	0.00
Total deposits.....	<u>\$ 423,477</u>	<u>\$ 438,353</u>	<u>100.00%</u>	0.50%	<u>\$ 412,350</u>	<u>\$ 410,140</u>	<u>100.00%</u>	0.60%
	At or For the Year Ended December 31,				At or For the Year Ended December 31,			
	2012				2011			
	Average Balance	Amount	Percent	Weighted Average Rate	Average Balance	Amount	Percent	Weighted Average Rate
	(Dollars in thousands)							
Deposit type:								
NOW accounts.....	\$ 31,819	\$ 33,110	8.45%	0.26%	\$ 30,274	\$ 32,106	8.77%	0.29%
Money management accounts	14,395	14,441	3.69	0.30	12,964	14,249	3.89	0.33
MMDA accounts	77,401	73,519	18.76	0.55	64,352	70,588	19.28	0.68
Savings and club accounts	63,962	63,501	16.21	0.08	60,713	58,689	16.03	0.13
Time deposits.....	159,283	163,321	41.68	1.44	139,299	153,344	41.88	1.86
Demand deposits.....	<u>40,759</u>	<u>43,913</u>	<u>11.21</u>	0.00	<u>35,971</u>	<u>37,153</u>	<u>10.15</u>	0.00
Total deposits.....	<u>\$ 387,619</u>	<u>\$ 391,805</u>	<u>100.00%</u>	0.75%	<u>\$ 343,573</u>	<u>\$ 366,129</u>	<u>100.00%</u>	0.94%

Source: Pathfinder Bancorp's prospectus.

EXHIBIT I-13

**Pathfinder Bancorp, Inc.
Maturity of Time Deposits**

Exhibit I-13
 Pathfinder Bancorp, Inc.
 Maturity of Time Deposits

At March 31, 2014						
	Less than Six Months	Six Months to One Year	Over One Year to Three Years	Over Three Years	Total	Percent of Total
(Dollars in thousands)						
2.00% and below.....	\$ 69,123	\$ 27,061	\$ 15,482	\$ 17,446	\$ 129,112	82.90%
2.01% to 3.00%.....	11,814	3,018	2,632	3,860	21,324	13.69
3.01% to 4.00%.....	342	230	1,254	410	2,236	1.44
4.01% to 5.00%.....	964	279	915	78	2,236	1.44
5.01% to 6.00%.....	826	—	—	—	826	0.53
6.00% and over.....	—	—	—	—	—	0.00
Total.....	<u>\$ 83,069</u>	<u>\$ 30,588</u>	<u>\$ 20,283</u>	<u>\$ 21,794</u>	<u>\$ 155,734</u>	<u>100.00%</u>

Source: Pathfinder Bancorp's prospectus.

EXHIBIT I-14

**Pathfinder Bancorp, Inc.
Borrowing Activity**

Exhibit I-14
 Pathfinder Bancorp, Inc.
 Borrowing Activity

	At or for the Three Months ended March 31,		At or For the Year Ended December 31,		
	2014	2013	2013	2012	2011
	(Dollars in thousands)				
FHLB Advances:					
Maximum outstanding at any month end	\$ 40,000	\$ 35,000	\$ 43,860	\$ 38,500	\$ 35,910
Balance at the end of period.....	\$ 33,000	\$ 25,000	\$ 40,000	\$ 34,000	\$ 25,000
Average balance during period	\$ 33,398	\$ 31,593	\$ 34,015	\$ 30,176	\$ 31,203
Weighted average interest rate at the end of period.....	1.43%	2.91%	1.31%	2.58%	3.22%
Weighted average interest rate during period	1.40%	2.37%	1.70%	2.65%	2.95%

Source: Pathfinder Bancorp's prospectus.

EXHIBIT II-1

Description of Office Properties

Exhibit II-1
 Pathfinder Bancorp, Inc.
 Description of Office Properties

Location	Year Acquired or Leased	Owned or Leased	Net Book Value of Real Property
Main Office:			
214 West First Street Oswego, New York 13126	1874	Owned	\$3.3 million
Branch Locations:			
Plaza Branch Route 104, Ames Plaza Oswego, New York 13126	1989	Owned (1)	\$177,000
Mexico Branch Norman & Main Streets Mexico, New York 13114	1978	Owned	\$416,000
Oswego East Branch 34 East Bridge Street Oswego, New York 13126	1994	Owned	\$752,000
Lacona Branch 1897 Harwood Drive Lacona, New York 13083	2002	Owned	\$146,000
Fulton Branch 5 West First Street South Fulton, New York 13069	2003	Owned (2)	\$625,000
Central Square Branch 3025 East Ave Central Square, New York 13036	2005	Owned	\$1.2 million
Cicero Branch 6194 State Route 31 Cicero, New York 13039	2011	Owned	\$1.4 million
Syracuse Business Banking Office 302-310 South Salina Street Syracuse, New York 13202	2014	Leased (3)	

(1) The building is owned; the underlying land is leased with an annual rent of \$22,000.

(2) The building is owned; the underlying land is leased with an annual rent of \$33,000.

(3) The premises will be leased upon opening in the third quarter of 2014 with an annual rent of \$58,000.

Source: Pathfinder Bancorp's prospectus.

EXHIBIT II-2

Historical Interest Rates

Exhibit II-2
Historical Interest Rates(1)

<u>Year/Qtr. Ended</u>	<u>Prime Rate</u>	<u>90 Day T-Note</u>	<u>One Year T-Note</u>	<u>10 Year T-Note</u>
2004: Quarter 1	4.00%	0.95%	1.20%	3.86%
Quarter 2	4.00%	1.33%	2.09%	4.62%
Quarter 3	4.75%	1.70%	2.16%	4.12%
Quarter 4	5.25%	2.22%	2.75%	4.24%
2005: Quarter 1	5.75%	2.80%	3.43%	4.51%
Quarter 2	6.00%	3.12%	3.51%	3.98%
Quarter 3	6.75%	3.55%	4.01%	4.34%
Quarter 4	7.25%	4.08%	4.38%	4.39%
2006: Quarter 1	7.75%	4.63%	4.82%	4.86%
Quarter 2	8.25%	5.01%	5.21%	5.15%
Quarter 3	8.25%	4.88%	4.91%	4.64%
Quarter 4	8.25%	5.02%	5.00%	4.71%
2007: Quarter 1	8.25%	5.04%	4.90%	4.65%
Quarter 2	8.25%	4.82%	4.91%	5.03%
Quarter 3	7.75%	3.82%	4.05%	4.59%
Quarter 4	7.25%	3.36%	3.34%	3.91%
2008: Quarter 1	5.25%	1.38%	1.55%	3.45%
Quarter 2	5.00%	1.90%	2.36%	3.99%
Quarter 3	5.00%	0.92%	1.78%	3.85%
Quarter 4	3.25%	0.11%	0.37%	2.25%
2009: Quarter 1	3.25%	0.21%	0.57%	2.71%
Quarter 2	3.25%	0.19%	0.56%	3.53%
Quarter 3	3.25%	0.14%	0.40%	3.31%
Quarter 4	3.25%	0.06%	0.47%	3.85%
2010: Quarter 1	3.25%	0.16%	0.41%	3.84%
Quarter 2	3.25%	0.18%	0.32%	2.97%
Quarter 3	3.25%	0.18%	0.32%	2.97%
Quarter 4	3.25%	0.12%	0.29%	3.30%
2011: Quarter 1	3.25%	0.09%	0.30%	3.47%
Quarter 2	3.25%	0.03%	0.19%	3.18%
Quarter 3	3.25%	0.02%	0.13%	1.92%
Quarter 4	3.25%	0.02%	0.12%	1.89%
2012: Quarter 1	3.25%	0.07%	0.19%	2.23%
Quarter 2	3.25%	0.09%	0.21%	1.67%
Quarter 3	3.25%	0.10%	0.17%	1.65%
Quarter 4	3.25%	0.05%	0.16%	1.78%
2013: Quarter 1	3.25%	0.07%	0.14%	1.87%
Quarter 2	3.25%	0.04%	0.15%	2.52%
Quarter 3	3.25%	0.02%	0.10%	2.64%
Quarter 4	3.25%	0.07%	0.13%	3.04%
2014: Quarter 1	3.25%	0.05%	0.13%	2.73%
As of May 16, 2014	3.25%	0.03%	0.09%	2.52%

(1) End of period data.

Sources: Federal Reserve and The Wall Street Journal.

EXHIBIT III-1

General Characteristics of Publicly-Traded Institutions

Exhibit III-1
 Characteristics of Publicly-Traded Thrifts
 May 16, 2014

Ticker	Financial Institution	Exchange	Region	City	State	Total Assets (\$Mil)	Offices	Fiscal Mth End	Conv. Date	As of May 16, 2014			
										Stock Price (\$)	Market Value (\$Mil)		
ALLB	Alliance Bancorp of Penn	NASDAQ	MA	Broomall	PA	\$431	8	Dec	1/18/11	\$	15.50	\$	65
ANCB	Anchor Bancorp	NASDAQ	WE	Lacey	WA	393	11	Jun	1/26/11		19.00		48
ASBB	ASB Bncp Inc	NASDAQ	SE	Asheville	NC	748	13	Dec	10/12/11		19.28		94
AF	Astoria Financial Corp.	NYSE	MA	Lake Success	NY	15,700	86	Dec	11/18/93		12.58		1,251
AFCB	Athens Bancshares Corporation	NASDAQ	SE	Athens	TN	304	7	Dec	1/7/10		20.29		37
ACFC	Atlantic Coast Financial Corp.	NASDAQ	SE	Jacksonville	FL	709	12	Dec	2/4/11		4.19		65
BKMU	Bank Mutual Corp.	NASDAQ	MW	Brown Deer	WI	2,319	77	Dec	10/30/03		6.02		280
BFIN	BankFinancial Corp	NASDAQ	MW	Burr Ridge	IL	1,449	20	Dec	6/24/05		9.56		202
BHLB	Berkshire Hills Bancorp Inc	NYSE	NE	Pittsfield	MA	6,010	96	Dec	6/28/00		22.32		560
BOFI	Bolt Holding Inc.	NASDAQ	WE	San Diego	CA	3,851	1	Jun	3/14/05		75.25		1,068
BYFC	Broadway Financial Corp.	NASDAQ	WE	Los Angeles	CA	335	4	Dec	1/9/96		1.29		25
BLMT	BSB Bancorp Inc.	NASDAQ	NE	Belmont	MA	1,169	6	Dec	10/5/11		17.92		162
CBNJ	Cape Bancorp Inc.	NASDAQ	MA	Cape May Court House	NJ	1,091	15	Dec	2/1/08		10.26		121
OPFN	Capitol Federal Financial Inc	NASDAQ	MW	Topeka	KS	9,115	47	Sep	12/22/10		11.85		1,710
CARV	Carver Bancorp Inc.	NASDAQ	MA	New York	NY	1,266	10	Mar	4/2/14		11.63		309
CFBK	Central Federal Corp.	NASDAQ	MW	Fallawn	OH	639 (1)	10	Mar	10/25/94		11.86		43
CFHN	Charter Financial Corp.	NASDAQ	SE	West Point	GA	1,078	17	Sep	4/9/13		10.64		240
CHEV	Cheviot Financial	NASDAQ	MW	Cheviot	OH	584	12	Dec	1/18/12		11.04		75
CBNK	Chicopee Bancorp Inc.	NASDAQ	NE	Chicopee	MA	800	9	Dec	7/20/06		16.86		92
CZWI	Citizens Community Bncp	NASDAQ	MW	Eau Claire	WI	351	24	Sep	11/10/06		8.00		41
CSBK	Cititon Bancorp Inc.	NASDAQ	MA	Cititon	NJ	1,266	10	Mar	4/2/14		11.63		309
CMSB	CMS Bancorp Inc.	NASDAQ	MA	White Plains	NY	267	6	Sep	4/4/07		9.60		18
CWAY	Coastway Bncp, Inc.	NASDAQ	NE	Cranston	RI	433 (1)	11	Dec	1/15/14		10.23		51
COBK	Colonial Financial Services	NASDAQ	MA	Vineland	NJ	583 (1)	9	Dec	7/13/10		11.25		43
DCOM	Dime Community Bancshares Inc.	NASDAQ	MA	Brooklyn	NY	4,280	25	Dec	6/28/96		15.03		554
EBMT	Eagle Bancorp Montana, Inc.	NASDAQ	WE	Helena	MT	520	13	Jun	4/5/10		10.65		42
ESBF	ESB Financial Corp.	NASDAQ	MA	Elwood City	PA	1,339	23	Dec	6/13/07		12.47		221
ESSA	ESSA Bancorp Inc.	NASDAQ	MA	Stroudsburg	PA	1,385	27	Sep	4/4/07		10.49		125
EVER	EverBank Financial	NYSE	SE	Jacksonville	FL	17,631	16	Dec	5/2/12		18.39		2,273
FCAP	First Capital Inc.	NASDAQ	MW	Corydon	IN	449	13	Dec	1/4/99		20.70		58
FCLF	First Clover Leaf Fin Corp.	NASDAQ	MW	Edwardsville	IL	622 (1)	5	Dec	7/11/06		9.39		66
FBNK	First Connecticut Bancorp, Inc	NASDAQ	NE	Farmington	CT	2,182	25	Dec	6/30/11		15.26		246
DFEF	First Defiance Financial	NASDAQ	MW	Defiance	OH	2,184	37	Dec	10/29/06		27.17		253
FFBH	First Federal Bancshares of AR	NASDAQ	SE	Harrison	AR	569	13	Dec	5/3/96		8.40		168
FFNM	First Fed of Northern MI Bncp	NASDAQ	MW	Alpena	MI	215	8	Dec	4/4/05		5.69		16
FFNW	First Financial Northwest Inc	NASDAQ	MW	Renton	WA	901	1	Dec	10/10/07		10.64		176
FSFG	First Savings Financial Group	NASDAQ	MW	Clarksville	IN	704	16	Sep	10/7/08		24.40		53
FBC	Flagstar Bancorp Inc.	NYSE	MI	Troy	MI	9,611	113	Sep	4/30/97		16.75		942
FXCB	Fox Chase Bancorp Inc.	NASDAQ	MA	Halboro	PA	1,083	11	Dec	6/28/10		15.86		192
FRNK	Franklin Financial Corp.	NASDAQ	SE	Glen Allen	VA	1,095	6	Sep	4/28/11		20.06		236
FSBW	FS Bancorp Inc.	NASDAQ	WE	Mountlake Terrace	WA	433	8	Dec	7/10/12		16.95		56
GTWN	Georgetown Bancorp Inc.	NASDAQ	NE	Georgetown	MA	268	3	Dec	7/12/12		14.90		27
HBK	Hamilton Bancorp Inc.	NASDAQ	MA	Towson	MD	303	5	Mar	10/10/12		13.96		50
HSBK	Hampden Bancorp Inc.	NASDAQ	NE	Springfield	MA	718	10	Dec	11/7/07		15.20		52
HBOS	Heritage Financial Group Inc.	NASDAQ	SE	Albany	GA	1,414	27	Dec	11/30/10		17.99		141
HFCC	HF Financial Corp.	NASDAQ	MW	Sioux Falls	SD	1,258	28	Jun	4/8/92		13.60		96
HIFS	Hingham Instit. for Savings	NASDAQ	NE	Hingham	MA	1,440	12	Dec	12/20/88		70.79		151
HMNF	HMN Financial Inc.	NASDAQ	MW	Rochester	MN	621	11	Dec	6/30/94		11.00		49
HBCP	Home Bancorp Inc.	NASDAQ	SW	Lafayette	LA	1,239	30	Dec	10/3/08		20.85		148
HBFL	Home Fedl Bncp Inc. LA	NASDAQ	SW	Shreveport	LA	290	4	Dec	12/22/10		18.75		42
HMST	HomeStreet Inc.	NASDAQ	WE	Seattle	WA	3,126	31	Dec	2/10/12		17.34		253
HTBI	HomeTrust Bancshares Inc.	NASDAQ	SE	Asheville	NC	1,632	22	Jun	7/11/12		15.10		289
IROQ	IF Bancorp Inc.	NASDAQ	MW	Waukegan	IL	578	6	Jun	7/8/11		16.10		71
ISBC	Investors Bancorp Inc	NASDAQ	MA	Short Hills	NJ	16,426	133	Dec	5/8/14		10.45		3,743
JSNB	Jackville Bancorp	NASDAQ	MA	Jacksonville	IL	315	6	Dec	7/11/10		20.65		38
LPSB	LaPorte Bancorp Inc	NASDAQ	MW	LaPorte	IN	626	7	Dec	10/5/12		10.94		63
LABC	Louisiana Bancorp Inc.	NASDAQ	SW	Melairie	LA	316	4	Dec	7/10/07		19.58		56
LSBI	LSB Financial Corp.	NASDAQ	MW	Lafayette	IN	366	5	Dec	2/3/95		28.41		45
MCBK	Madison County Financial Inc.	NASDAQ	MW	Madison	NE	290 (1)	5	Dec	10/4/12		18.00		55
MLVF	Malvern Bancorp Inc	NASDAQ	MA	Paoli	PA	585	9	Sep	10/12/12		10.22		67
CASH	Meta Financial Group Inc.	NASDAQ	MW	Sioux Falls	SD	1,891	13	Sep	9/20/93		35.92		220
NASB	NASB Financial Inc.	NASDAQ	MW	Grandview	MO	1,185	9	Sep	9/27/85		21.26		167
NVSL	Naugatuck Valley Finl	NASDAQ	NE	Naugatuck	CT	507	10	Dec	6/30/11		7.71		54
NHTB	New Hampshire Thrift Bncshrs	NASDAQ	NE	Newport	NH	1,435	39	Dec	5/27/86		14.31		118
NYCB	New York Community Bancorp	NYSE	MA	Westbury	NY	47,567	277	Dec	11/23/93		14.82		6,500
NFBK	Northwest Bancorp Inc.	NASDAQ	MA	Woodbridge	NY	2,892	30	Dec	1/25/13		12.82		687
NWBK	Northwest Bancshares, Inc.	NASDAQ	PA	Wargent	PA	7,375	13	Dec	12/18/09		13.27		1,256
OSHC	Ocean Shore Holding Co.	NASDAQ	MA	Ocean City	NJ	1,023	12	Dec	12/21/09		14.41		97
OCFC	OceanFirst Financial Corp.	NASDAQ	MA	Toms River	NJ	2,282	24	Dec	7/3/96		16.55		287
ONFC	Oneda Financial Corp.	NASDAQ	MA	Oneda	NY	785	13	Dec	7/7/10		12.73		89
ORIT	Orlani Financial Corp.	NASDAQ	MA	Township of Washington	NJ	3,005	26	Jun	6/24/10		14.88		667
PEOP	People's Bancshares Inc.	NASDAQ	MA	Brighton	MA	509	8	Sep	7/7/10		18.14		113
PBCT	People's United Financial Inc.	NASDAQ	NE	Bridgport	CT	33,112	414	Dec	4/16/07		14.09		4,367
PBSK	Poage Bankshares Inc.	NASDAQ	MW	Ashtand	KY	289 (1)	10	Dec	9/13/11		14.12		56
PBCP	Polonia Bncp, Inc.	NASDAQ	MA	Huntingdon Valley	PA	302	5	Dec	11/13/12		9.85		34
PROV	Provident Financial Holdings	NASDAQ	WE	Riverside	CA	1,125	15	Jun	6/28/96		14.40		137
PFS	Provident Financial Services	NYSE	MA	Jersey City	NJ	7,901	78	Dec	7/18/03		16.48		987
PBIP	Prudential Bancorp Inc.	NASDAQ	MA	Philadelphia	PA	515	7	Sep	10/10/13		10.91		103
PULB	Pulaski Financial Corp.	NASDAQ	MW	Saint Louis	MO	1,337	13	Sep	12/3/98		11.13		127
RVSB	Riverview Bancorp Inc.	NASDAQ	WE	Vancouver	WA	825	18	Mar	10/1/97		3.65		82
SVBI	Severn Bancorp Inc.	NASDAQ	MA	Annapolis	MD	793	4	Dec	10/0/00		4.73		48
SIFI	SI Financial Group Inc.	NASDAQ	NE	Williamatic	CT	1,363	26	Dec	1/13/11		11.31		145
SMPF	Simplicity Bancorp Inc.	NASDAQ	WE	Covina	CA	861	8	Jun	11/9/10		16.73		124
SIBC	State Investors Bancorp Inc.	NASDAQ	SW	Melairie	LA	259	4	Dec	7/7/11		16.00		37
TBKN	Territorial Bancorp Inc.	NASDAQ	WE	Honolulu	HI	1,640	28	Dec	7/13/09		20.18		198
THRD	TF Financial Corp.	NASDAQ	MA	Newtown	PA	846	19	Dec	7/13/94		30.74		97
TSBK	Timberland Bancorp Inc.	NASDAQ	WE	Hoquiam	WA	732	22	Sep	1/13/98		10.75		76
TRST	TrustCo Bank Corp NY	NASDAQ	MA	Glenville	NY	4,579	139	Dec	10/0/00		6.48		613
UCBA	United Community Bancorp	NASDAQ	MW	Lavencosburg	IN	526	8	Jun	1/10/13		10.72		54
UCFC	United Community Fiat Corp.	NASDAQ	MW	Youngstown	OH	1,749	33	Dec	7/9/98		13.36		170
UBNK	United Financial Bancorp	NASDAQ	NE	Glastonbury	CT	2,373	59	Dec	3/4/11		12.51		659
WSBF	Waterstone Financial Inc.	NASDAQ	MW	Wauwatosa	WI	1,765	11	Dec	1/23/14		10.65		366
WAYN	Wayne Savings Bancshares	NASDAQ	MW	Wooster	OH	410	12	Dec	1/9/03		12.05		34
WEBK	Wellesley Bancorp	NASDAQ	NE	Wellesley	MA	476	4	Dec	1/26/12		17.76		44
WSB	Westbury Bancorp Inc.	NASDAQ	MW	West Bend	WI	547	10	Sep	4/10/13		14.30		73
WFD	Westfield Financial Inc.	NASDAQ	NE	Westfield	MA	1,275	13	Dec	1/4/07		7.09		138
WBKC	Wolverine Bancorp Inc.	NASDAQ	MW	Midland	MI	298 (1)	4	Dec	1/20/11		21.99		50
WSFS	WSFS Financial Corp.	NASDAQ	MA	Wilmington	DE	4,546	44	Dec	11/28/86		67.41		601
WFPC	WVS Financial Corp.	NASDAQ	MA	Pittsburgh	PA	317	6	Jun	11/29/93		11.70		24
BNCL	Beneficial Mutual Bncp (MHC)	NASDAQ	MA	Philadelphia	PA	4,537	60	Dec	7/16/07		13.18		1,005
GCBC	Greene County Bncp Inc. (MHC)	NASDAQ	MA	Catikin	NY	709	14	Jun	12/30/98		21.61		108
KRNY	Keary Financial Corp. (MHC)	NASDAQ	MA	Fairfield	NJ	3,371	41	Jun	2/24/05		13.52		895
KFFB	Kentucky First Federal (MHC)	NASDAQ	MW	Frankfort	KY	306	7	Jun	3/3/05		8.45		72
LSBK	Lake Shore Bancorp Inc. (MHC)	NASDAQ	MA	Dunkirk	NJ	488	11	Dec	4/4/06		12.35		73
MGYR	Masgyr Bancorp Inc. (MHC)	NASDAQ	MA	New Brunswick	NJ	537	6	Sep	1/24/06		7.95		46
EBSB	MetLife Bancorp (MHC)	NASDAQ	NE	East Boston	MA	2,795	27	Dec	1/23/08		24.85		548
MSBF	MSB Financial Corp. (MHC)	NASDAQ	MA	Hillington	NJ	345	5	Jun	1/5/07		8.00		40
NECB	NorthEast Community Bncp (MHC)	NASDAQ	MA	White Plains	NY	458 (1)	9	Dec	7/6/06		7.20		87
OFED	Oconee Federal Financial Corp.	NASDAQ	SE	Sereca	SC	361 (1)	4	Jun	1/14/11		17.70		103
PBHC	Pathfinder Bancorp Inc. (MHC)	NASDAQ	MA	Oswego	NY	526	16	Dec	11/16/95		14.90		39
PSBH	PSB Holdings Inc. (MHC)	NASDAQ	NE	Putnam	CT	454 (1)	8	Jun	10/5/04		6.13		40
TFSL	TFS Financial Corp (MHC)	NASDAQ	MW	Cleveland	OH	11,534	39	Sep	4/23/07		13.12		4,013

(1) As of December 31, 2013.
 Source: SNL Financial

EXHIBIT III-2

Public Market Pricing of Mid-Atlantic Thrift Institutions

Exhibit III-2
Public Market Pricing of Mid-Atlantic Thrifts
As of May 16, 2014

	Market Capitalization		Per Share Data		Pricing Ratios(2)					Dividends(3)			Financial Characteristics(5)								
	Price/Share (\$)	Market Value (\$Mil)	12 Month EPS(1) (\$)	Book Value/Share (\$)	P/E (x)	P/B (%)	P/A (%)	P/TB (%)	P/Core (x)	Amount/Share (\$)	Yield (%)	Payout Ratio(4) (%)	Total Assets (\$Mil)	Equity/Assets (%)	Tang. Eq./T. Assets (%)	NPAs/Assets (%)	Reported		Core		
																	ROAA (%)	ROAE (%)	ROAA (%)	ROAE (%)	
All Non-MHC Public Companies(6)																					
Averages	\$16.01	\$386.36	\$0.80	\$15.58	18.03x	104.29%	13.06%	112.78%	18.40x	\$0.29	1.77%	53.10%	\$2,713	13.15%	12.56%	2.83%	0.57%	4.39%	0.46%	3.70%	
Median	\$14.10	\$102.89	\$0.62	\$14.35	17.28x	94.53%	12.15%	100.23%	16.90x	\$0.24	1.53%	42.93%	\$846	12.14%	11.69%	2.19%	0.57%	4.50%	0.57%	4.39%	
Comparable Group																					
Averages	\$14.78	\$653.59	\$0.64	\$13.93	18.22x	108.82%	13.06%	120.82%	17.25x	\$0.33	2.27%	60.09%	\$4,506	12.90%	12.19%	1.82%	0.36%	3.24%	0.34%	2.95%	
Medians	\$12.58	\$124.53	\$0.48	\$12.71	16.10x	96.94%	12.03%	105.53%	14.40x	\$0.26	2.06%	48.36%	\$1,091	11.86%	10.45%	1.49%	0.57%	4.41%	0.65%	4.35%	
Comparable Group																					
ALLB	PA	\$15.50	\$64.89	\$0.33	\$15.93	NM	97.29%	15.07%	97.29%	NM	\$0.20	1.29%	60.61%	\$431	15.49%	15.49%	2.19%	0.35%	2.03%	0.35%	2.03%
AF	NY	\$12.58	\$1,250.65	NA	\$14.31	16.55x	87.93%	8.03%	101.08%	NM	\$0.16	1.27%	21.05%	\$15,700	9.89%	8.81%	2.96%	0.53%	5.72%	NA	NA
CBNJ	NJ	\$10.26	\$121.30	\$0.48	\$11.87	19.73x	86.40%	11.17%	105.16%	21.29x	\$0.24	2.34%	44.23%	\$1,091	12.93%	NA	2.14%	0.57%	4.22%	0.52%	3.88%
CSBK	NJ	\$11.63	\$309.28	\$0.24	NA	NM	157.43%	NA	157.43%	NM	\$0.24	2.06%	97.02%	\$1,266	15.33%	15.33%	0.45%	0.59%	3.41%	0.56%	3.22%
DCOM	NY	\$15.03	\$554.00	\$1.20	\$12.03	12.42x	124.97%	12.89%	142.98%	12.54x	\$0.56	3.73%	46.28%	\$4,280	10.32%	9.14%	0.75%	1.07%	10.18%	1.06%	10.08%
ESBF	PA	\$12.47	\$221.38	\$0.87	\$11.00	13.66x	113.32%	11.41%	144.07%	14.27x	\$0.40	3.21%	44.44%	\$1,939	10.01%	8.04%	1.06%	0.85%	8.62%	0.83%	8.36%
ESSA	PA	\$10.49	\$124.53	\$0.73	\$14.11	15.66x	74.33%	9.13%	80.19%	14.33x	\$0.28	2.67%	32.84%	\$1,365	12.26%	11.49%	2.45%	0.54%	4.41%	0.59%	4.82%
FXCB	PA	\$15.85	\$192.25	\$0.48	\$14.38	32.35x	110.19%	17.78%	110.19%	32.99x	\$0.40	2.52%	106.12%	\$1,083	16.13%	16.13%	1.26%	0.52%	3.22%	0.51%	3.16%
HBK	MD	\$13.96	\$50.19	(\$0.34)	\$17.23	NM	81.01%	16.57%	84.90%	NM	NA	NA	NM	\$303	20.45%	19.70%	1.67%	-0.32%	-1.57%	-0.37%	-1.78%
ISBC	NJ	\$10.45	\$3,743.21	\$0.43	\$3.92	26.00x	266.64%	22.66%	286.18%	24.54x	\$0.08	0.75%	19.51%	\$16,426	8.50%	7.96%	0.88%	0.83%	9.98%	0.88%	10.55%
NYCB	NY	\$14.82	\$6,560.17	\$1.07	\$12.97	13.85x	114.24%	13.79%	199.24%	13.83x	\$1.00	6.75%	93.46%	\$47,567	12.07%	7.30%	0.49%	1.04%	8.36%	1.04%	8.38%
NFBK	NJ	\$12.82	\$686.58	\$0.35	\$12.41	NM	103.27%	26.15%	105.89%	NM	\$0.24	1.87%	68.57%	\$2,692	25.32%	24.85%	1.49%	0.72%	2.71%	0.71%	2.68%
NWBI	PA	\$13.27	\$1,255.51	\$0.67	\$12.25	18.42x	108.25%	15.71%	128.19%	19.87x	\$0.52	3.92%	225.00%	\$7,975	14.51%	12.54%	2.05%	0.83%	5.80%	0.77%	5.38%
OSHC	NJ	\$14.41	\$97.37	NA	\$15.72	16.56x	91.69%	9.52%	96.45%	NM	\$0.24	1.67%	27.59%	\$1,023	10.38%	9.92%	0.68%	0.55%	5.42%	NA	NA
OCFC	NJ	\$16.55	\$286.94	\$1.15	\$12.45	17.06x	132.88%	12.59%	132.88%	14.35x	\$0.48	2.90%	49.48%	\$2,282	9.47%	9.47%	3.10%	0.72%	7.67%	0.87%	9.16%
ONFC	NY	\$12.73	\$89.30	\$0.88	\$13.27	14.63x	95.96%	11.37%	134.16%	14.46x	\$0.48	3.77%	55.17%	\$785	11.86%	8.78%	0.17%	0.84%	6.62%	0.85%	6.75%
ORIT	NJ	\$14.58	\$667.09	\$0.97	\$11.50	14.73x	126.74%	22.18%	126.74%	15.08x	\$0.70	4.80%	95.96%	\$3,006	17.50%	17.50%	0.70%	1.49%	8.17%	1.46%	7.98%
PBCP	PA	\$9.85	\$33.57	(\$0.06)	\$11.51	NM	85.58%	11.31%	85.58%	NM	NA	NA	NM	\$302	13.21%	13.21%	1.53%	-0.07%	-0.51%	-0.07%	-0.51%
PFS	NJ	\$16.48	\$986.57	\$1.22	\$17.06	13.51x	96.58%	13.15%	150.64%	13.55x	\$0.60	3.64%	48.36%	\$7,501	13.62%	NA	2.00%	0.95%	6.94%	0.94%	6.86%
PBIP	PA	\$10.81	\$103.18	\$0.18	\$13.46	NM	80.32%	20.02%	80.32%	NM	\$0.00	0.00%	NM	\$515	24.93%	24.93%	1.62%	0.45%	2.55%	0.32%	1.77%
SVBI	MD	\$4.73	\$47.62	NA	\$5.62	NM	84.19%	6.21%	84.69%	NM	\$0.00	0.00%	NM	\$793	10.49%	10.45%	6.36%	-3.04%	-26.45%	-3.03%	-26.36%
THRD	PA	\$30.74	\$96.88	\$2.22	\$30.78	13.54x	99.88%	11.45%	105.08%	13.83x	\$0.48	1.56%	19.38%	\$846	11.46%	10.96%	1.28%	0.83%	7.37%	0.82%	7.26%
TRST	NY	\$6.48	\$613.43	\$0.42	\$3.93	14.69x	164.82%	13.38%	165.07%	15.46x	\$0.26	4.05%	59.52%	\$4,579	8.12%	8.11%	1.37%	0.93%	11.59%	0.89%	11.01%
WSFS	DE	\$67.61	\$602.62	\$5.57	\$45.89	11.50x	147.34%	13.25%	162.70%	12.15x	\$0.48	0.71%	8.16%	\$4,546	8.99%	8.21%	1.19%	1.23%	13.58%	1.16%	12.87%
WVFC	PA	\$11.70	\$24.08	NA	\$15.79	28.54x	74.09%	7.59%	74.09%	NM	\$0.16	1.37%	38.02%	\$317	10.25%	10.25%	0.18%	0.29%	2.72%	NA	NA
CARV	NY	\$11.66	\$43.09	\$0.19	\$1.50	32.39x	NA	7.26%	NA	NM	\$0.00	0.00%	NM	\$639	7.90%	7.90%	3.61%	0.26%	2.82%	0.15%	1.68%
CMSB	NY	\$9.60	\$17.88	\$0.41	\$11.68	18.46x	82.19%	6.72%	82.19%	23.48x	NA	NA	NM	\$267	8.70%	8.70%	2.08%	0.38%	4.38%	0.31%	3.52%
COBK	NJ	\$11.25	\$43.43	(\$0.79)	\$15.96	NM	70.47%	7.80%	70.47%	NM	NA	NA	NM	\$557	11.07%	11.07%	5.96%	-0.38%	-3.64%	-0.49%	-4.69%
MLVF	PA	\$10.22	\$67.03	(\$2.86)	\$11.48	NM	89.05%	11.47%	89.05%	NM	\$0.11	0.00%	NM	\$585	12.88%	12.88%	1.23%	-3.03%	-22.45%	-2.89%	-21.48%

(1) Core income, on a diluted per-share basis. Core income is net income after taxes and before extraordinary items, less net income attributable to noncontrolling interest, gain on the sale of securities, amortization of intangibles, goodwill and nonrecurring items. Assumed tax rate is 35%.

(2) P/E = Price to earnings; P/B = Price to book; P/A = Price to assets; P/TB = Price to tangible book value; and P/Core = Price to core earnings. P/E and P/Core = NM if the ratio is negative or above 35x.

(3) Indicated 12 month dividend, based on last quarterly dividend declared.

(4) Indicated 12 month dividend as a percent of trailing 12 month earnings.

(5) ROAA (return on average assets) and ROAE (return on average equity) are indicated ratios based on trailing 12 month earnings and average equity and assets balances.

(6) Excludes from averages and medians those companies the subject of actual or rumored acquisition activities or unusual operating characteristics.

Source: SNL Financial, LC, and RP Financial, LC, calculations. The information provided in this report has been obtained from sources we believe are reliable, but we cannot guarantee the accuracy or completeness of such information.

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EXHIBIT III-3

Public Market Pricing of New England Thrift Institutions

Exhibit III-3
Public Market Pricing of New England Thrifts
As of May 16, 2014

	Market Capitalization	Per Share Data									Dividends(3)			Financial Characteristics(5)									
		Price/Share		Core 12 Month		Book Value/Share		Pricing Ratios(2)					Amount/Share	Yield	Payout	Total Assets	Equity/Assets	Tang. Eq./T. Assets	NPA's/Assets	Reported		Core	
		(\$)	(\$Mil)	EPS(1)	(\$)	P/E	P/B	P/A	P/TB	P/Core	(\$)	(%)	(%)	(\$MM)	(%)	(%)	(%)	ROAA	ROAE	ROAA	ROAE		
All Non-MHC Public Companies(6)																							
Averages	\$16.01	\$386.36	\$0.80	\$15.58	18.03x	104.29%	13.06%	112.78%	18.40x	\$0.29	1.77%	53.10%	\$2,713	13.15%	12.56%	2.83%	0.57%	4.39%	0.46%	3.70%			
Median	\$14.10	\$102.89	\$0.62	\$14.35	17.28x	94.53%	12.15%	100.23%	16.90x	\$0.24	1.53%	42.93%	\$846	12.14%	11.69%	2.19%	0.57%	4.50%	0.57%	4.38%			
Comparable Group																							
Averages	\$17.96	\$438.71	\$0.92	\$17.27	20.57x	99.83%	11.93%	113.77%	19.74x	\$0.37	2.07%	82.60%	\$3,372	12.16%	11.22%	1.35%	0.33%	3.04%	0.36%	3.22%			
Medians	\$15.08	\$128.10	\$0.45	\$15.07	19.96x	94.08%	11.17%	107.39%	20.74x	\$0.24	1.53%	60.50%	\$1,222	11.35%	11.06%	1.35%	0.48%	3.55%	0.40%	3.21%			
Comparable Group																							
BHLB	Berkshire Hills Bancorp Inc.	MA	\$22.32	\$560.42	\$1.79	\$26.99	18.76x	82.70%	9.32%	140.87%	12.48x	\$0.72	3.23%	60.50%	\$6,010	11.27%	6.94%	0.66%	0.54%	4.34%	0.83%	6.68%	
BLMT	BSB Bancorp Inc.	MA	\$17.92	\$162.33	\$0.25	\$14.55	NM	123.18%	13.88%	123.18%	NM	NA	NA	NM	\$1,169	11.27%	11.27%	0.81%	0.22%	1.72%	0.22%	1.72%	
CBNK	Chicopee Bancorp Inc.	MA	\$16.86	\$91.69	\$0.08	\$16.67	NM	101.13%	15.28%	101.13%	NM	\$0.28	1.66%	300.00%	\$600	15.11%	15.11%	1.79%	0.07%	0.43%	0.07%	0.44%	
FBNK	First Connecticut Bancorp, Inc	CT	\$15.26	\$246.51	\$0.27	\$14.22	NM	107.28%	11.33%	107.28%	NM	\$0.12	0.79%	42.86%	\$2,182	10.56%	10.56%	1.49%	0.22%	1.85%	0.21%	1.78%	
GTWN	Georgetown Bancorp Inc.	MA	\$14.90	\$27.33	\$0.45	\$15.87	33.11x	93.90%	10.19%	93.90%	33.11x	\$0.17	1.14%	36.11%	\$268	10.85%	10.85%	0.52%	0.33%	2.72%	0.33%	2.72%	
HBNK	Hampden Bancorp Inc.	MA	\$16.20	\$91.60	\$0.76	\$15.19	22.82x	106.67%	12.76%	106.67%	21.33x	\$0.24	1.48%	33.80%	\$718	11.97%	11.97%	1.48%	0.57%	4.56%	0.61%	4.87%	
HIFS	Hingham Insult. for Savings	MA	\$70.79	\$150.69	\$7.26	\$52.70	7.71x	134.33%	10.47%	134.33%	9.75x	\$1.08	1.53%	14.71%	\$1,440	7.79%	7.79%	0.74%	1.51%	19.18%	1.19%	15.16%	
NHTB	New Hampshire Thrift Bncshrs	NH	\$14.31	\$117.79	\$1.10	\$15.55	13.13x	92.05%	8.33%	162.26%	12.97x	\$0.52	3.63%	47.71%	\$1,435	10.50%	6.92%	1.41%	0.65%	6.18%	0.66%	6.28%	
PEOP	Peoples Federal Bancshares Inc	MA	\$18.14	\$113.68	\$0.35	\$16.49	NM	110.03%	19.06%	110.03%	NM	\$0.20	1.10%	120.00%	\$601	17.33%	17.33%	0.34%	0.37%	2.00%	0.37%	2.00%	
PBCT	People's United Financial Inc.	CT	\$14.08	\$4,367.06	\$0.83	\$14.95	18.29x	94.18%	13.07%	174.91%	17.02x	\$0.66	4.69%	84.74%	\$33,112	13.88%	7.99%	1.40%	0.74%	5.01%	0.79%	5.38%	
SIFI	SI Financial Group Inc.	CT	\$11.31	\$145.09	\$0.24	\$12.03	NM	93.99%	10.64%	107.50%	NM	\$0.12	1.06%	NM	\$1,363	11.32%	10.04%	0.79%	0.01%	0.09%	0.25%	2.09%	
UBNK	United Financial Bancorp	CT	\$12.51	\$658.54	\$0.53	\$11.56	30.51x	108.21%	13.70%	108.59%	23.51x	\$0.40	3.20%	97.56%	\$2,373	12.66%	12.62%	1.14%	0.48%	3.55%	0.62%	4.57%	
WEBK	Wellesley Bancorp	MA	\$17.76	\$43.60	\$0.86	\$19.32	19.96x	91.92%	9.16%	91.92%	20.74x	NA	NA	NM	\$476	9.96%	9.96%	1.33%	0.48%	4.60%	0.46%	4.42%	
WFD	Westfield Financial Inc.	MA	\$7.09	\$138.41	\$0.26	\$7.66	20.85x	92.54%	11.00%	92.54%	26.77x	\$0.24	3.39%	70.59%	\$1,275	11.89%	11.89%	1.37%	0.52%	4.14%	0.40%	3.21%	
CWAY	Coastway Bncp, Inc.	RI	\$10.23	\$50.63	NA	\$14.27	NM	71.71%	12.11%	71.71%	NM	NA	NA	NM	\$418	16.88%	16.88%	3.52%	NA	NA	NA	NA	
NVSL	Naugatuck Valley Finl	CT	\$7.71	\$53.96	(\$1.20)	\$8.25	NM	93.45%	10.64%	93.45%	NM	\$0.00	0.00%	NM	\$507	11.38%	11.38%	2.76%	-1.81%	-14.81%	-1.60%	-13.05%	

(1) Core income, on a diluted per-share basis. Core income is net income after taxes and before extraordinary items, less net income attributable to noncontrolling interest, gain on the sale of securities, amortization of intangibles, goodwill and nonrecurring items. Assumed tax rate is 35%.

(2) P/E = Price to earnings; P/B = Price to book; P/A = Price to assets; P/TB = Price to tangible book value; and P/Core = Price to core earnings. P/E and P/Core = NM if the ratio is negative or above 35x.

(3) Indicated 12 month dividend, based on last quarterly dividend declared.

(4) Indicated 12 month dividend as a percent of trailing 12 month earnings.

(5) ROAA (return on average assets) and ROAE (return on average equity) are indicated ratios based on trailing 12 month earnings and average equity and assets balances.

(6) Excludes from averages and medians those companies the subject of actual or rumored acquisition activities or unusual operating characteristics.

Source: SNL Financial, L.C. and RP Financial, L.C. calculations. The information provided in this report has been obtained from sources we believe are reliable, but we cannot guarantee the accuracy or completeness of such information.

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EXHIBIT III-4

Peer Group Market Area Comparative Analysis

Exhibit III-4
Peer Group Market Area Comparative Analysis

<u>Institution</u>	<u>County</u>	<u>Population</u>		<u>Proj.</u>	<u>2010-2013</u>	<u>2013-2018</u>	<u>Per Capita Income</u>		<u>Deposit</u>
		<u>2010</u>	<u>2013</u>	<u>Pop.</u>			<u>2013</u>	<u>% State</u>	
				<u>2018</u>	<u>% Change</u>	<u>% Change</u>	<u>Amount</u>	<u>Average</u>	<u>Share(1)</u>
Alliance Bancorp, Inc. - PA	Delaware	558,979	562,250	567,938	0.2%	0.2%	33,118	124.0%	2.99%
Chicopee Bancorp, Inc. - MA	Hampden	463,490	464,354	467,348	0.1%	0.1%	25,535	75.7%	4.89%
CMS Bancorp, Inc. - NY	Westchester	949,113	949,017	962,540	0.0%	0.3%	45,694	152.7%	0.53%
Georgetown Bancorp, Inc. - MA	Essex	743,159	744,351	758,404	0.1%	0.4%	34,730	102.9%	0.87%
Hampden Bancorp, Inc. - MA	Hampden	463,490	464,354	467,348	0.1%	0.1%	25,535	75.7%	5.27%
Oneida Financial Corp. - NY	Oneida	234,878	235,877	236,396	0.1%	0.0%	25,478	85.1%	3.98%
Peoples Federal Bancshares - MA	Suffolk	722,023	738,368	775,193	0.7%	1.0%	31,346	92.9%	0.35%
TF Financial Corporation - PA	Bucks	625,249	628,750	633,468	0.2%	0.1%	37,359	139.8%	1.53%
WVS Financial Corp. - PA	Allegheny	1,223,348	1,222,551	1,226,781	0.0%	0.1%	30,447	114.0%	0.16%
Wellesley Bancorp, Inc. - MA	Norfolk	670,850	680,358	699,888	0.5%	0.6%	42,652	126.4%	1.50%
	Averages:	665,458	669,023	679,530	0.2%	0.3%	33,189	108.9%	2.21%
	Medians:	648,050	654,554	666,678	0.1%	0.2%	32,232	108.5%	1.52%
Pathfinder Bancorp, Inc. - NY	Oswego	122,109	122,555	122,509	0.1%	0.0%	23,468	78.4%	31.19%

(1) Total institution deposits in headquarters county as percent of total county deposits as of June 30, 2013.

Sources: SNL Financial LC, FDIC.

EXHIBIT IV-1
Stock Prices:
As of May 16, 2014

Exhibit IV-1A
Weekly Thrift Market Line - Part One
Prices As of May 16, 2014

Financial Institution	Market Capitalization			Price Change Data						Current Per Share Financials				
	Price/	Shares	Market	52 Week (1)		% Change From				LTM	LTM Core	BV/	TBV/	Assets/
	Share(1)	Outstanding	Capitalization	High	Low	Last Wk	Last Wk	52 Wks (2)	MRY (2)	EPS (3)	EPS (3)	Share	Share (4)	Share
(\$)	(000)	(\$M)	(\$)	(\$)	(\$)	(%)	(%)	(%)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
ALLB Alliance Bancorp of Penn	15.50	4,186	64.9	15.96	13.50	15.45	0.32	13.06	0.65	0.33	0.33	15.93	15.93	102.85
ANCB Anchor Bancorp	19.00	2,550	48.5	19.84	15.02	19.25	-1.28	10.47	3.88	-0.27	-0.28	20.72	20.72	154.19
ASBB ASB Bncp Inc	19.28	4,915	94.8	19.50	16.06	18.78	2.66	17.85	11.76	0.25	0.12	20.53	20.53	152.22
AF Astoria Financial Corp.	12.58	99,416	1,250.7	14.67	9.67	13.13	-4.19	23.82	-9.04	0.76	NA	14.31	12.44	157.92
AFCB Athens Bancshares Corporation	20.29	1,807	36.7	25.92	16.50	20.30	-0.05	10.03	2.37	1.24	1.26	22.26	22.17	168.17
ACFC Atlantic Coast Financial Corp.	4.19	15,509	65.0	5.81	3.00	4.29	-2.33	-20.79	-3.23	-2.04	-1.58	4.40	4.40	45.70
BKMU Bank Mutual Corp.	6.02	46,551	280.2	7.35	5.11	6.10	-1.31	11.69	-14.12	0.24	0.24	6.09	6.08	49.82
BFIN BankFinancial Corp	9.56	21,102	201.7	10.38	7.60	9.90	-3.43	19.05	4.37	0.18	0.20	8.38	8.27	68.64
BHLB Berkshire Hills Bancorp Inc.	22.32	25,108	560.4	29.38	22.06	23.38	-4.63	-17.49	-18.15	1.19	1.79	26.99	15.84	239.38
BOFI BofI Holding Inc.	75.25	14,197	1,068.3	106.55	39.00	79.71	-5.60	85.99	-4.05	3.54	3.70	23.51	23.51	271.25
BYFC Broadway Financial Corp.	1.29	20,247	26.2	1.50	0.52	1.22	5.99	72.41	39.13	-0.19	-0.28	1.31	1.31	16.55
BLMT BSB Bancorp Inc.	17.92	9,058	162.3	18.65	12.60	17.80	0.67	30.42	18.75	0.25	0.25	14.55	14.55	129.05
CBNJ Cape Bancorp Inc.	10.26	11,822	121.3	11.26	8.77	10.35	-0.87	8.46	0.98	0.52	0.48	11.87	NA	92.29
CFFN Capitol Federal Financial Inc	11.95	143,121	1,710.3	13.21	11.69	12.06	-0.91	-0.25	-1.32	0.50	0.50	10.69	10.69	63.69
CARV Carver Bancorp Inc.	11.66	3,696	47.1	17.87	4.60	11.80	-1.19	145.47	66.81	0.36	0.19	1.50	1.50	172.80
CFBK Central Federal Corp.	1.50	15,824	23.7	1.78	1.29	1.46	2.74	7.14	12.78	-0.06	-0.11	1.44	1.44	16.16
CHFN Charter Financial Corp.	10.64	22,541	239.8	11.10	9.80	10.75	-1.02	5.98	-1.21	0.25	0.23	11.96	11.74	47.82
CHEV Cheviot Financial	11.04	6,777	74.8	11.94	9.76	10.96	0.73	-4.17	7.18	0.22	0.21	13.64	12.05	86.21
CBNK Chicopee Bancorp Inc.	18.86	5,438	91.7	19.72	16.00	17.30	-2.54	-1.86	-3.16	0.08	0.08	16.67	16.67	110.31
CZWI Citizens Community Bncp	8.00	5,168	41.3	8.56	6.91	7.95	0.63	13.02	7.96	0.21	0.32	10.71	10.67	106.55
CSBK Clifton Bancorp Inc	11.63	26,593	309.3	13.62	11.29	11.62	0.09	-6.97	-11.04	0.25	0.24	NA	NA	47.61
CMSB CMS Bancorp Inc	9.60	1,863	17.9	9.99	7.68	9.60	0.00	0.52	3.34	0.52	0.41	11.68	11.68	143.59
CWAY Coastway Bncp, Inc.	10.23	4,949	50.6	11.05	10.04	10.23	0.00	NA	NA	NA	NA	14.27	14.27	84.50
COBK Colonial Financial Services	11.25	3,880	43.4	17.00	10.11	11.28	-0.09	-18.00	-15.41	-0.61	-0.79	15.96	15.96	144.20
DCOM Dime Community Bancshares Inc.	15.03	36,859	554.0	18.23	14.25	15.80	-4.87	3.23	-11.17	1.21	1.20	12.03	10.51	116.13
EBMT Eagle Bancorp Montana, Inc.	10.65	3,918	41.7	12.03	10.45	10.61	0.38	-2.29	-2.72	0.49	0.32	12.63	10.64	132.66
ESBF ESB Financial Corp.	12.47	17,753	221.4	15.00	11.74	12.52	-0.40	-0.18	-12.18	0.90	0.87	11.00	8.66	109.23
ESSA ESSA Bancorp Inc.	10.49	11,871	124.5	11.89	10.20	10.35	1.35	-3.85	-9.26	0.67	0.73	14.11	13.08	115.01
EVER EverBank Financial	18.39	122,742	2,257.2	20.00	13.95	18.76	-1.97	11.45	0.27	0.96	1.12	12.21	11.78	143.84
FCAP First Capital Inc.	20.70	2,784	67.6	21.97	19.40	20.75	-0.24	4.54	-2.64	1.86	NA	NA	NA	161.23
FCLF First Clover Leaf Fin Corp.	9.39	7,007	65.8	10.00	7.78	9.36	0.32	16.82	-4.18	0.41	0.43	10.61	8.95	90.41
FBNK First Connecticut Bancorp, Inc	15.26	16,154	246.5	17.00	13.14	15.97	-4.45	3.04	-5.33	0.28	0.27	14.22	14.22	135.06
FDEF First Defiance Financial	27.17	9,665	262.6	28.49	21.67	27.22	-0.18	21.13	4.62	2.15	2.30	28.48	21.77	223.86
FFBH First Federal Bancshares of AR	8.40	20,046	168.4	10.00	7.55	8.46	-0.71	-14.20	-3.45	0.01	NA	3.57	3.57	28.40
FFNM First Fed of Northern MI Bncp	5.69	2,884	16.4	5.72	3.40	4.07	14.49	22.63	5.37	0.07	0.10	6.31	6.30	74.64
FFNW First Financial Northwest Inc	10.64	16,552	176.1	11.25	9.51	10.79	-1.39	12.59	2.60	1.53	1.53	11.42	11.42	54.46
FSFG First Savings Financial Group	24.40	2,185	53.3	28.20	20.88	24.40	0.00	8.98	6.78	2.16	NA	30.18	25.70	322.28
FBC Flagstar Bancorp Inc.	16.75	56,222	941.7	22.88	12.91	17.32	-3.29	18.21	-14.63	2.52	3.56	19.29	19.29	170.95
FXCB Fox Chase Bancorp Inc.	15.85	12,129	192.3	18.24	15.68	16.85	-5.93	-6.43	-8.23	0.49	0.48	14.38	14.38	89.30
FRNK Franklin Financial Corp.	20.06	11,824	237.2	20.68	17.69	20.07	-0.05	10.52	1.42	0.98	0.75	20.37	20.37	92.63
FSBW FS Bancorp Inc.	16.95	3,240	54.9	18.75	15.50	16.55	2.42	0.89	-1.17	1.18	1.12	19.59	19.59	133.70
GTWN Georgetown Bancorp Inc.	14.90	1,834	27.3	16.50	13.50	15.00	-0.86	7.98	-6.28	0.45	0.45	15.87	15.87	146.30
HBK Hamilton Bancorp Inc	13.96	3,595	50.2	15.45	12.55	13.92	0.29	7.38	-1.62	-0.30	-0.34	17.23	16.44	84.27
HBNK Hampden Bancorp Inc.	16.20	5,654	91.6	18.42	14.78	16.12	0.50	6.02	-1.28	0.71	0.76	15.19	15.19	126.92
HBOS Heritage Financial Group Inc.	17.99	7,849	141.2	20.91	13.75	19.14	-8.01	25.80	-6.55	1.17	1.31	16.34	15.84	180.10
HFCC HF Financial Corp.	13.60	7,055	96.0	14.25	12.13	13.62	-0.14	2.52	5.03	0.92	0.86	14.10	13.41	178.34
HIFS Hingham Insitit. for Savings	70.79	2,129	150.7	81.00	57.69	70.64	0.21	10.45	-9.81	9.18	7.26	52.70	52.70	676.25
HMMF HMN Financial Inc.	11.00	4,448	48.9	13.44	6.39	10.90	0.92	46.67	4.07	5.74	5.74	13.76	13.76	139.56
HBCP Home Bancorp Inc.	20.85	7,099	148.0	23.50	16.86	20.41	2.16	16.61	10.61	1.01	1.21	20.34	NA	174.55
HFBL Home Fedl Bncp Inc. LA	18.75	2,238	42.0	19.53	15.34	18.60	0.81	5.63	5.34	1.23	1.18	18.72	18.72	129.36
HMST HomeStreet Inc.	17.34	14,850	257.5	24.00	16.51	17.03	1.82	-27.02	-13.30	1.02	1.17	18.42	NA	210.43
HTBI HomeTrust Bancshares Inc.	15.10	19,102	288.4	17.00	14.95	15.31	-1.37	-6.73	-5.57	0.61	NA	18.32	NA	85.45
IROQ IF Bancorp Inc.	16.10	4,428	71.3	17.04	15.00	16.20	-0.62	5.44	-3.59	0.83	0.85	18.26	18.26	130.62
ISBC Investors Bancorp Inc	10.45	358,202	3,743.2	11.26	7.63	10.46	-0.10	33.24	4.17	0.40	0.43	3.92	3.65	45.86
JXSB Jacksonville Bancorp	20.65	1,825	37.7	24.00	18.75	20.86	-1.01	8.29	5.63	1.66	1.54	23.32	21.82	172.71
LPSB LaPorte Bancorp Inc.	10.94	5,771	63.1	11.86	9.80	10.90	0.37	9.39	-1.62	0.66	0.62	13.90	12.41	91.07
LABC Louisiana Bancorp Inc.	19.58	2,864	56.1	20.00	16.46	19.73	-0.76	15.38	7.46	1.07	1.01	20.25	20.25	110.39
LSBI LSB Financial Corp.	28.81	1,568	45.2	30.71	21.00	29.40	-2.02	37.18	1.11	1.53	1.53	26.35	26.35	233.53
MCBK Madison County Financial Inc.	18.00	3,067	55.2	19.19	16.62	18.00	0.01	8.70	0.01	1.03	1.06	20.22	19.85	94.57
MLVF Malvern Bancorp Inc	10.22	6,558	67.0	13.20	10.13	10.14	0.79	-14.19	-7.09	-2.99	-2.86	11.48	11.48	89.13
CASH Meta Financial Group Inc.	35.92	6,129	220.2	46.38	25.95	37.33	-3.78	37.15	-10.93	2.56	2.52	25.40	24.99	308.45
NASB NASB Financial Inc.	21.26	7,868	167.3	30.50	19.85	21.63	-1.71	-7.81	-29.60	2.10	NA	25.47	25.19	150.59
NVSL Naugatuck Valley Finl	7.71	7,002	54.0	7.98	7.00	7.58	1.66	7.03	6.44	-1.36	-1.20	8.25	8.25	72.45
NHTB New Hampshire Thrift Bncshrs	14.31	8,231	117.8	15.51	12.77	14.64	-2.25	10.50	-6.16	1.09	1.10	15.55	8.82	174.39
NYCB New York Community Bancorp	14.82	442,657	6,560.2	17.39	12.91	15.21	-2.56	8.57	-12.05	1.07	1.07	12.97	7.44	107.46
NFBK Northfield Bancorp Inc.	12.82	53,555	686.6	13.43	11.34	13.05	-1.76	11.67	-2.88	0.35	0.35	12.41	12.11	50.27
NWBI Northwest Bancshares, Inc.	13.27	94,648	1,255.5	15.11	12.28	13.19	0.57	5.11	-10.25	0.72	0.67	12.25	10.35	84.26
OSHC Ocean Shore Holding Co.	14.41	6,757	97.4	15.00	13.01	14.75	-2.31	1.12	5.49	0.87	NA	15.72	14.94	151.40
OCFC OceanFirst Financial Corp.	16.55	17,338	286.9	19.47	13.79	16.47	0.49	16.55	-3.39	0.97	1.15	12.45	12.45	131.60
ONFC Oneida Financial Corp.	12.73	7,015	89.3	16.32	11.51	12.51	1.76	-1.85	0.47	0.87	0.88	13.27	9.49	111.92
ORIT Oritani Financial Corp.	14.58	45,754	667.1	16.90	14.03	14.65	-0.48	-7.31	-9.16	0.99	0.97	11.50	11.50	65.70
PEOP Peoples Federal Bancshares Inc	18.14	6,267	113.7	19.24	17.10	18.10	0.22	-2.21	2.25	0.35	0.35	16.49	16.49	95.94
PBCT People's United Financial Inc.	14.08	310,161	4,367.1	15.70	13.52	14.39	-2.15	2.03	-6.88	0.77	0.83	14.95	8.05	106.76
PBSK Poage Bankshares Inc.	14.12	3,905	55.1	15.09	12.46	14.15	-0.21	-5.87	0.79	0.24	0.32	16.79	16.16	111.48
PBCP Polonia Bncp, Inc.	9.85	3,408	33.6	10.31	8.80	10.01	-1.60	8.00	-0.40	-0.06	-0.06	11.51	11.51	88.60
PROV Provident Financial Holdings	14.40	9,536	137.3	18.62	13.75	13.97	3.08	-7.99	-4.00	0.93	0.93	15.51	15.51	117.98
PFS Provident Financial Services	16.48	59,864	986.6	19.93	14.85	17.14	-3.85	6.19	-14.70	1.22	1.22	17.06	NA	125.30
PBIP Prudential Bancorp Inc.	10.81	9,545	103.2	11.39	8.48	10.78	0.28	20.79	0.19	0.26	0.18	13.46	13.46	54.00

Exhibit IV-1A
Weekly Thrift Market Line - Part One
Prices As of May 16, 2014

	Market Capitalization			Price Change Data						Current Per Share Financials				
	Price/ Share(1)	Shares Outstanding	Market Capitalization	52 Week (1)		Last Wk		% Change From		LTM	LTM Core	BV/ Share	TBV/ Share (4)	Assets/ Share
	(\$)	(000)	(\$M)	High (\$)	Low (\$)	(\$)	(%)	52 Wks (2) MRY (2)	(%)	(\$)	(\$)	(\$)	(\$)	(\$)
Financial Institution														
PULB Pulasaki Financial Corp.	11.13	11,399	126.9	11.74	9.14	10.88	2.30	5.40	-1.15	0.58	0.58	9.11	8.75	117.33
RVSB Riverview Bancorp Inc.	3.65	22,472	82.0	3.85	2.25	3.70	-1.35	52.72	25.86	0.87	0.87	4.36	3.22	36.69
SVBI Severn Bancorp Inc.	4.73	10,067	47.6	5.54	4.10	4.69	0.96	4.65	-0.21	-2.64	NA	5.82	5.58	78.81
SIFI SI Financial Group Inc.	11.31	12,828	145.1	12.16	10.34	11.57	-2.25	5.60	-6.14	-0.03	0.24	12.03	10.52	106.26
SMPL Simplicity Bancorp Inc.	16.73	7,398	123.8	18.43	14.02	16.83	-0.59	13.58	3.53	0.79	0.79	18.35	17.82	116.41
SIBC State Investors Bancorp Inc.	16.00	2,326	37.2	16.64	13.28	15.80	1.27	9.74	4.30	0.24	NA	17.60	17.60	111.50
TBNK Territorial Bancorp Inc.	20.18	9,880	199.4	24.15	19.56	20.69	-2.46	-14.60	-13.02	1.49	1.30	21.40	NA	165.99
THRD TF Financial Corp.	30.74	3,152	96.9	33.72	24.25	30.57	0.56	22.32	9.16	2.27	2.22	30.78	29.25	268.44
TSBK Timberland Bancorp Inc.	10.75	7,046	75.7	11.83	7.58	10.79	-0.37	33.37	11.75	0.56	0.53	11.36	10.55	103.95
TRST TrustCo Bank Corp NY	6.48	94,665	613.4	7.67	5.29	6.71	-3.43	15.71	-9.75	0.44	0.42	3.93	3.93	48.37
UCBA United Community Bancorp	10.72	5,040	54.0	11.74	9.41	10.78	-0.56	7.63	-0.19	0.60	0.59	14.64	14.02	104.33
UCFC United Community Finl Corp.	3.36	50,594	170.0	5.00	3.17	3.40	-1.18	-11.11	-5.88	0.05	0.02	3.76	3.76	34.57
UBNK United Financial Bancorp	12.51	52,641	658.5	15.42	12.21	13.27	-5.73	-5.73	-11.96	0.41	0.53	11.56	11.52	45.07
WSBF Waterstone Financial Inc.	10.65	34,403	366.2	10.70	7.06	10.60	0.42	40.23	5.23	0.34	0.34	13.57	13.55	51.30
WAYN Wayne Savings Bancshares	12.05	2,838	34.2	12.30	9.08	11.87	1.50	18.84	10.65	0.76	0.78	13.85	13.24	144.30
WEBK Wellesley Bancorp	17.76	2,455	43.6	20.45	16.31	18.27	-2.79	3.20	-9.16	0.89	0.86	19.32	19.32	193.97
WBB Westbury Bancorp Inc.	14.30	5,143	73.5	14.98	13.32	14.10	1.42	4.99	2.51	NA	NA	17.42	17.42	106.46
WFD Westfield Financial Inc.	7.09	19,522	138.4	8.00	6.50	7.25	-2.21	-5.34	-4.96	0.34	0.26	7.66	7.66	65.31
WBKC Wolverine Bancorp Inc.	21.99	2,294	50.4	22.50	18.45	21.70	1.31	17.88	3.24	0.60	0.60	26.43	26.43	136.76
WSFS WSFS Financial Corp.	67.61	8,913	602.6	79.85	49.12	68.51	-1.31	31.67	-12.80	5.88	5.57	45.89	41.55	510.02
WVFC WVS Financial Corp.	11.70	2,058	24.1	12.50	10.38	11.57	1.12	1.21	-4.48	0.41	NA	15.79	15.79	154.14
MHCs														
BNCL Beneficial Mutual Bncp (MHC)	13.18	76,234	1,004.8	14.35	8.36	12.93	1.93	50.29	20.70	0.16	0.18	8.03	6.34	59.52
GCBC Greene County Bncp Inc. (MHC)	25.71	4,214	108.3	32.54	19.70	25.82	-0.41	26.03	-1.12	1.50	NA	14.19	14.19	166.23
KRNY Kearny Financial Corp. (MHC)	13.52	66,190	894.9	15.49	9.19	13.75	-1.67	30.63	16.25	0.15	0.15	7.13	NA	50.93
KFFB Kentucky First Federal (MHC)	8.45	8,524	72.0	8.97	7.55	8.48	-0.33	5.83	5.62	0.27	NA	7.88	6.17	35.91
LSBK Lake Shore Bancorp Inc. (MHC)	12.35	5,911	73.0	12.52	10.93	12.26	0.73	5.55	1.22	0.63	NA	NA	NA	82.56
MGYR Magyar Bancorp Inc. (MHC)	7.95	5,811	46.2	8.25	4.81	7.95	0.03	54.71	6.60	0.08	0.07	7.84	7.84	92.34
EBSB Meridian Interstate Bncp (MHC)	24.65	22,232	548.0	28.22	17.81	25.10	-1.79	36.41	9.17	0.78	0.52	11.45	10.83	125.72
MSBF MSB Financial Corp. (MHC)	8.00	5,010	40.1	9.10	7.00	8.04	-0.45	14.11	0.25	0.19	0.19	NA	NA	68.93
NECB NorthEast Community Bncp (MHC)	7.20	12,103	87.1	8.00	5.81	7.06	1.98	20.40	-0.28	0.09	0.11	8.31	8.22	38.35
OFED Oconee Federal Financial Corp.	17.70	5,836	103.3	17.75	13.73	17.73	-0.17	14.19	0.57	0.66	0.63	12.90	12.90	61.79
PBHC Pathfinder Bancorp Inc. (MHC)	14.80	2,623	39.1	16.00	11.76	14.91	-0.07	26.59	10.37	0.94	NA	11.60	NA	200.46
PSBH PSB Holdings Inc. (MHC)	6.13	6,542	40.1	7.19	5.60	6.43	-4.67	2.17	-3.92	0.18	0.20	7.68	6.61	69.45
TFSL TFS Financial Corp (MHC)	13.12	305,853	4,012.8	13.75	10.68	13.45	-2.45	18.84	8.30	0.20	NA	6.13	6.10	37.71
Under Acquisition														
FFCO FedFirst Financial Corp.	22.00	2,316	50.9	22.70	18.07	22.15	-0.68	12.82	12.94	0.82	0.81	22.00	21.52	139.60
HCBK Hudson City Bancorp Inc.	9.56	528,741	5,054.8	10.13	8.18	9.87	-3.14	11.42	1.38	0.37	0.32	9.05	8.76	72.31
JFBI Jefferson Bancshares Inc.	7.85	6,595	51.8	7.92	5.35	7.72	1.68	43.01	22.27	0.31	0.37	8.25	8.11	76.84
OBAF OBA Financial Services Inc.	21.31	4,038	86.0	23.00	17.62	21.30	0.05	14.78	17.09	0.27	0.27	18.08	18.08	99.58
OABC OmniAmerican Bancorp Inc.	24.15	11,552	279.0	25.73	20.46	24.58	-1.75	0.12	12.96	0.56	0.54	18.21	18.21	120.36
SPBC SP Bancorp Inc.	28.56	1,602	45.8	29.00	17.95	28.52	0.14	51.51	44.68	0.62	0.65	20.68	20.68	197.11

- (1) Average of High/Low or Bid/Ask price per share.
- (2) Or since offering price if converted of first listed in the past 52 weeks. Percent change figures are actual year-to-date and are not annualized.
- (3) EPS (earnings per share) is based on actual trailing 12 month data and is not shown on a pro forma basis.
- (4) Excludes intangibles (such as goodwill, value of core deposits, etc.).
- (5) ROA (return on assets) and ROE (return on equity) are indicated ratios based on trailing 12 month common earnings and average common equity and total assets balances.
- (6) Annualized based on last regular quarterly cash dividend announcement.
- (7) Indicated dividend as a percent of trailing 12 month earnings.
- (8) Excluded from averages due to actual or rumored acquisition activities or unusual operating characteristics.
- (9) For MHC institutions, market value reflects share price multiplied by public (non-MHC) shares.

Source: SNL Financial, LC. and RP® Financial, LC. calculations. The information provided in this table has been obtained from sources we believe are reliable, but we cannot guarantee the accuracy or completeness of such information.
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Exhibit IV-1B
Weekly Thrift Market Line - Part Two
Prices As of May 16, 2014

Financial Institution	Key Financial Ratios						Asset Quality Ratios		Pricing Ratios					Dividend Data (6)		
	Equity/	Tang Equity/	Reported Earnings		Core Earnings		NPAs/	Rsvs/	Price/	Price/	Price/	Price/	Price/	Div/	Dividend	Payout
	Assets(1)	Assets(1)	ROA(5)	ROE(5)	ROA(5)	ROE(5)	Assets	NPLs	Earnings	Book	Assets	Tang Book	Core Earnings	Share	Yield	Ratio (7)
(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(x)	(%)	(%)	(%)	(x)	(\$)	(%)	(%)	(%)
ALLB Alliance Bancorp of Penn	15.49	15.49	0.35	2.03	0.35	2.03	NA	NA	46.97	97.29	15.07	97.29	46.97	0.20	1.29	60.61
ANCB Anchor Bancorp	13.44	13.44	-0.16	-1.32	-0.17	-1.38	5.96	23.42	NM	91.69	12.32	91.69	NM	NA	NA	NM
ASBB ASB Bncp Inc	13.63	13.63	0.15	1.07	0.06	0.46	2.74	104.13	NM	93.89	12.79	93.89	160.06	NA	NA	NM
AF Astoria Financial Corp.	9.89	8.81	0.53	5.72	NA	NA	3.01	31.39	16.55	87.93	8.03	101.09	NA	0.16	1.27	21.05
AFCB Athens Bancshares Corporation	13.24	13.19	0.81	5.57	0.83	5.69	2.70	57.60	16.36	91.14	12.07	91.53	16.05	0.20	0.99	16.13
ACFC Atlantic Coast Financial Corp.	9.62	9.62	-1.26	-20.21	-1.01	-16.25	4.07	29.83	NM	95.27	9.17	95.27	NM	0.00	0.00	NM
BKMU Bank Mutual Corp.	12.38	12.37	0.47	3.99	0.48	4.03	0.90	167.75	25.08	98.91	12.10	98.99	24.78	0.16	2.66	54.17
BFIN Bank Financial Corp	12.21	12.07	0.25	2.03	0.27	2.25	2.23	60.09	53.11	114.06	13.93	115.55	48.97	0.04	0.42	22.22
BHLB Berkshire Hills Bancorp Inc.	11.27	6.94	0.54	4.34	0.83	6.68	NA	NA	18.76	82.70	9.32	140.87	12.48	0.72	3.23	60.50
BOFI Boff Holding Inc.	8.80	8.80	1.57	17.34	1.64	18.10	0.56	74.50	21.26	320.03	27.78	320.03	20.36	NA	NA	NM
BYFC Broadway Financial Corp.	7.93	7.93	0.38	5.83	0.15	2.34	9.35	34.98	NM	98.43	7.80	98.43	NM	0.04	0.00	NM
BLMT BSB Bancorp Inc.	11.27	11.27	0.22	1.72	0.22	1.72	0.81	87.88	NM	123.18	13.88	123.18	71.78	NA	NA	NM
CBNJ Cape Bancorp Inc.	12.93	NA	0.57	4.22	0.52	3.88	2.15	57.64	19.73	86.40	11.17	105.16	21.29	0.24	2.34	44.23
CFFN Capitol Federal Financial Inc	16.78	16.78	0.78	4.44	0.78	4.44	NA	NA	23.90	111.78	18.76	111.78	23.90	0.30	2.51	146.00
CARV Carver Bancorp Inc.	7.90	7.90	0.26	2.82	0.15	1.68	5.49	25.04	32.39	NM	7.26	NM	60.09	0.00	0.00	NM
CFBK Central Federal Corp.	8.94	8.94	-0.39	-4.04	-0.68	-7.09	4.26	61.90	NM	103.81	9.28	103.81	NM	0.00	0.00	NM
CHFN Charter Financial Corp.	25.07	24.73	0.51	2.07	0.47	1.90	1.22	86.66	42.56	88.99	22.31	90.64	46.07	0.20	1.88	180.00
CHEV Cheviot Financial	15.87	14.28	0.24	1.55	0.24	1.52	2.65	13.86	50.18	80.92	12.84	91.59	51.78	0.36	3.26	163.64
CBNK Chicopee Bancorp Inc.	15.11	15.11	0.07	0.43	0.07	0.44	NA	NA	NM	101.13	15.28	101.13	206.46	0.28	1.66	300.00
CZWI Citizens Community Bncp	10.05	10.02	0.20	1.98	0.30	3.01	1.67	83.25	38.10	74.69	7.51	74.94	25.22	0.04	0.50	19.05
CSBK Clifton Bancorp Inc	15.33	15.33	0.59	3.41	0.56	3.22	NA	NA	46.52	157.43	NA	157.43	49.33	0.24	2.06	97.02
CMSB CMS Bancorp Inc.	8.70	8.70	0.38	4.38	0.31	3.52	NA	NA	18.46	82.19	6.72	82.19	23.48	NA	NA	NM
CWAY Coastway Bncp, Inc.	16.88	16.88	NA	NA	NA	NA	3.43	19.58	NA	71.71	12.11	71.71	NA	NA	NA	NA
COBK Colonial Financial Services	11.07	11.07	-0.38	-3.64	-0.49	-4.69	NA	NA	NM	70.47	7.80	70.47	NM	NA	NA	NA
DCOM Dime Community Bancshares Inc.	10.32	9.14	1.07	10.18	1.06	10.08	0.75	65.27	12.42	124.97	12.89	142.98	12.54	0.56	3.73	46.28
EBMT Eagle Bancorp Montana, Inc.	9.52	8.14	0.38	3.88	0.25	2.54	0.21	351.94	21.73	84.31	8.03	100.13	33.25	0.29	2.72	59.18
ESBF ESB Financial Corp.	10.01	8.04	0.85	8.62	0.83	8.36	1.05	36.64	13.86	113.32	11.41	144.07	14.27	0.40	3.21	44.44
ESSA ESSA Bancorp Inc.	12.28	11.49	0.54	4.41	0.59	4.82	2.05	33.51	15.66	74.33	9.13	80.19	14.33	0.28	2.67	32.84
EVER EverBank Financial	9.35	9.08	0.73	8.19	0.84	9.42	1.04	40.86	19.16	150.67	12.91	156.11	16.43	0.12	0.65	12.50
FCAF First Capital Inc.	NA	NA	1.15	NA	NA	NA	1.52	76.12	11.13	108.27	NA	120.46	NA	0.84	4.06	43.55
FCLF First Clover Leaf Fin Corp.	11.73	10.08	0.47	3.92	0.50	4.12	1.88	87.27	22.90	88.52	10.39	104.93	21.81	0.24	2.56	58.54
FBNK First Connecticut Bancorp, Inc	10.56	10.56	0.22	1.85	0.21	1.78	1.49	55.24	54.50	107.28	11.33	107.28	56.92	0.12	0.79	42.86
DFEF First Defiance Financial	12.70	10.01	1.05	8.14	1.12	8.69	2.75	46.39	12.64	95.41	12.12	124.81	11.84	0.60	2.21	27.91
FPBH First Federal Bancshares of AR	12.57	12.57	0.03	0.21	NA	NA	3.24	109.25	NM	235.26	29.58	235.26	NA	0.20	0.00	NM
FFNM First Fed of Northern MI Bncp	11.13	11.13	0.10	0.88	0.15	1.36	NA	NA	NM	68.49	7.62	68.52	54.82	0.08	1.41	85.71
FFNW First Financial Northwest Inc	20.84	20.84	2.83	13.71	2.84	13.73	8.23	19.32	6.95	93.21	19.42	93.21	6.94	0.20	1.88	14.38
FSFG First Savings Financial Group	11.83	10.58	0.76	6.09	NA	NA	2.11	43.03	11.30	80.85	7.79	94.95	NA	0.44	1.80	18.98
FBC Flagstar Bancorp Inc.	14.06	14.06	1.44	12.63	1.81	15.86	5.45	62.35	6.65	86.82	10.08	86.82	4.71	0.00	0.00	NM
FXCB Fox Chase Bancorp Inc.	16.13	16.13	0.52	3.22	0.51	3.16	1.26	125.86	32.35	110.19	17.78	110.19	32.99	0.40	2.52	106.12
FRNK Franklin Financial Corp.	22.20	22.20	1.06	4.67	0.81	3.56	5.52	31.03	20.47	98.46	21.86	98.46	26.88	NA	NA	NM
FSBW FS Bancorp Inc.	14.65	14.65	0.89	5.79	0.85	5.51	0.41	422.82	14.36	86.53	12.68	86.53	15.09	0.24	1.42	17.80
GTWN Georgetown Bancorp Inc.	10.85	10.85	0.33	2.72	0.33	2.72	NA	NA	33.11	93.90	10.19	93.90	33.11	0.17	1.14	36.11
HBK Hamilton Bancorp Inc	20.45	19.70	-0.32	-1.57	-0.37	-1.78	1.61	58.84	NM	81.01	16.57	84.90	NM	NA	NA	NM
HBNK Hampden Bancorp Inc.	11.97	11.97	0.57	4.56	0.61	4.87	1.48	60.01	22.82	106.67	12.76	106.67	21.33	0.24	1.48	33.80
HBOS Heritage Financial Group Inc.	9.05	8.81	0.64	7.13	0.72	7.99	0.87	81.56	15.38	110.13	9.97	113.55	13.70	0.28	1.56	11.97
HFFC HF Financial Corp.	7.91	7.55	0.53	6.64	0.49	6.24	1.61	51.89	14.78	96.44	7.63	101.39	15.74	0.45	3.31	48.91
HIFS Hingham Instit. for Savings	7.79	7.79	1.51	19.18	1.19	15.16	NA	NA	7.71	134.33	10.47	134.33	9.75	1.08	1.53	14.71
HMNF HMN Financial Inc.	14.05	14.05	4.73	39.62	4.73	39.62	3.64	56.31	1.92	79.92	8.23	79.92	1.92	0.00	0.00	NM
HBCP Home Bancorp Inc.	11.65	NA	0.69	4.86	0.80	5.70	1.65	41.60	20.64	102.53	11.95	105.73	17.26	NA	NA	NM
HFBL Home Fedl Bncp Inc. LA	14.50	14.50	0.91	6.07	0.88	5.82	NA	NA	15.24	100.19	14.53	100.19	15.91	0.24	1.28	19.51
HMST HomeStreet Inc.	8.75	NA	0.54	5.55	0.61	6.37	3.56	22.30	17.00	94.12	8.24	101.98	14.79	0.44	0.00	32.35
HTBI HomeTrust Bancshares Inc.	21.96	NA	0.73	3.24	NA	NA	4.80	36.51	24.75	82.40	18.09	NA	NA	NA	NA	NM
IROQ IF Bancorp Inc.	13.98	13.98	0.62	4.17	0.63	4.25	0.91	80.66	19.40	88.15	12.33	88.15	18.99	0.10	0.62	12.05
ISBC Investors Bancorp Inc	8.50	7.96	0.83	9.98	0.88	10.55	0.88	133.61	26.00	266.64	22.66	286.18	24.54	0.08	0.75	19.51
JXSB Jacksonville Bancorp	13.46	12.70	0.96	7.21	0.89	6.69	1.47	77.19	12.44	88.56	11.92	94.64	13.41	0.32	1.55	18.67
LPSB LaPorte Bancorp Inc	15.41	13.99	0.77	4.56	0.72	4.26	2.23	35.52	16.58	78.68	12.12	88.13	17.78	0.16	1.46	24.24
LABC Louisiana Bancorp Inc.	18.35	18.35	0.89	4.97	0.84	4.70	0.60	165.17	18.30	96.68	17.74	96.68	19.37	0.20	1.02	9.35
LSBI LSB Financial Corp.	11.28	11.28	0.66	5.98	0.66	5.98	NA	NA	18.83	109.34	12.33	109.34	18.83	0.36	1.25	24.18
MCBK Madison County Financial Inc.	21.16	20.85	1.08	4.82	1.11	4.98	0.14	NM	17.48	89.02	18.84	90.69	16.91	0.24	1.33	23.30
MLVF Malvern Bancorp Inc	12.88	12.88	-3.03	-22.45	-2.89	-21.48	1.23	100.19	NM	89.05	11.47	89.05	NM	0.11	0.00	NM
CASH Meta Financial Group Inc.	8.23	8.11	0.85	10.56	0.84	10.40	0.29	84.70	14.03	141.44	11.65	143.71	14.28	0.52	1.45	20.31
NASB NASB Financial Inc.	16.91	16.76	1.42	8.48	NA	NA	NA	NA	10.12	83.48	14.12	84.41	NA	0.00	0.00	33.33
NVSL Naugatuck Valley Finl	11.38	11.38	-1.81	-14.81	-1.60	-13.05	2.77	76.38	NM	93.45	10.64	93.45	NM	0.00	0.00	NM
NHTB New Hampshire Thrift Bncshrs	10.50	6.92	0.65	6.18	0.66	6.29	NA	NA	13.13	92.05	8.33	162.26	12.97	0.52	3.63	47.71
NYCB New York Community Bancorp	12.07	7.30	1.04	8.36	1.04	8.38	0.41	149.08	13.85	114.24	13.79	199.24	13.83	1.00	6.75	93.46
NFBK Northfield Bancorp Inc.	25.32	24.85	0.72	2.71	0.71	2.68	1.60	62.05	36.63	103.27	26.15	105.89	37.00	0.24	1.87	68.57
NWBK Northwest Bancshares, Inc.	14.51	12.54	0.83	5.80	0.77	5.38	2.08	51.05	18.42	108.25	15.71	128.19	19.87	0.52	3.92	225.00
OSHC Ocean Shore Holding Co.	10.38	9.92	0.55	5.42	NA	NA	0.82	52.69	16.56	91.69	9.52	96.45	NA	0.24	1.67	27.59
OCFC OceanFirst Financial Corp.	9.47	9.47	0.72	7.67	0.87	9.16	3.12	31.36	17.06	132.88	12.59	132.88	14.35	0.48	2.90	49.48
ONFC Oneida Financial Corp.	11.86	8.78	0.84	6.62	0.85	6.75	0.17	256.10	14.63	95.96	11.37	134.16	14.46	0.48	3.77	55.17
ORIT Orilani Financial Corp.	17.50	17.50	1.49	8.17	1.46	7.98	0.70	182.56	14.73	126.74	22.18	126.74	15.08	0.70	4.80	95.96
PEOP Peoples Federal Bancshares Inc	17.33	17.33	0.37	2.00	0.37	2.00	0.34	195.25	51.83	110.03	19.06	110.03	51.88	0.20	1.10	

Exhibit IV-1B
Weekly Thrift Market Line - Part Two
Prices As of May 16, 2014

		Key Financial Ratios					Asset Quality Ratios		Pricing Ratios					Dividend Data (6)			
Equity/ Assets(1)	Tang Equity/ Assets(1)	Reported Earnings ROA(5)	Core Earnings ROE(5)	Core Earnings ROA(5)	Core Earnings ROE(5)	NPAs/ Assets	Rsvs/ NPLs	Price/ Earnings	Price/ Book	Price/ Assets	Price/ Tang Book	Price/ Core Earnings	Div/ Share	Dividend Yield	Payout Ratio (7)		
(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(x)	(%)	(%)	(%)	(x)	(\$)	(%)	(%)		
Financial Institution																	
PFS	Provident Financial Services	13.62	NA	0.95	6.94	0.94	6.86	1.71	52.05	13.51	96.58	13.15	150.64	13.55	0.60	3.64	48.36
PBIP	Prudential Bancorp Inc.	24.93	24.93	0.45	2.55	0.32	1.77	NA	NA	41.76	80.32	20.02	80.32	59.74	0.00	0.00	NM
PULB	Pulaski Financial Corp.	8.08	7.80	0.60	6.45	0.61	6.46	4.13	34.53	19.19	122.14	9.24	127.13	19.21	0.38	3.41	65.52
RVSB	Riverview Bancorp Inc.	11.94	9.12	2.46	23.73	2.46	23.53	NA	NA	4.20	83.72	9.95	113.32	4.19	0.00	0.00	NM
SVBI	Severn Bancorp Inc.	10.49	10.45	-3.04	-26.45	-3.03	-26.36	6.46	24.55	NM	84.19	6.21	84.69	NA	0.00	0.00	NM
SIFI	SI Financial Group Inc.	11.32	10.04	0.01	0.09	0.25	2.09	0.82	79.16	NM	93.99	10.64	107.50	46.36	0.12	1.06	NM
SMPPL	Simplicity Bancorp Inc.	15.92	15.53	0.71	4.22	0.71	4.22	2.83	20.83	21.18	91.16	14.51	93.87	21.18	0.36	2.15	41.77
SIBC	State Investors Bancorp Inc.	15.89	15.89	0.24	1.44	NA	NA	NA	NA	66.67	90.89	14.45	90.89	NA	NA	NA	NM
TBNK	Territorial Bancorp Inc.	12.89	NA	0.91	6.70	0.79	5.83	NA	20.03	13.54	94.32	12.16	95.73	15.49	0.60	2.97	44.30
THRD	TF Financial Corp.	11.46	10.96	0.83	7.37	0.82	7.26	NA	NA	13.54	99.88	11.45	105.08	13.83	0.48	1.56	19.38
TSBK	Timberland Bancorp Inc.	10.93	10.23	0.61	5.24	0.58	4.98	6.05	35.91	19.20	94.65	10.34	101.93	20.36	0.16	1.49	25.00
TRST	TrustCo Bank Corp NY	8.12	8.11	0.93	11.59	0.89	11.01	1.37	87.41	14.69	164.82	13.38	165.07	15.46	0.26	4.05	59.52
UCBA	United Community Bancorp	14.03	13.52	0.56	3.92	0.55	3.87	4.15	25.77	17.87	73.23	10.28	76.44	18.10	0.24	2.24	50.00
UCFC	United Community Finl Corp.	10.85	10.85	0.53	4.94	0.47	4.34	3.10	41.44	67.20	89.25	9.69	89.31	148.51	0.00	0.00	NM
UBNK	United Financial Bancorp	12.66	12.62	0.48	3.55	0.62	4.57	1.14	79.85	30.51	108.21	13.70	108.59	23.51	0.40	3.20	97.56
WSBF	Waterstone Financial Inc.	26.44	26.41	0.70	4.59	0.70	4.59	4.54	40.68	31.20	78.47	20.74	78.57	31.20	0.20	1.88	14.66
WAYN	Wayne Savings Bancshares	9.60	9.22	0.53	5.52	0.55	5.67	NA	NA	15.86	86.98	6.35	90.99	15.43	0.32	2.66	42.11
WEBK	Wellesley Bancorp	9.96	9.96	0.48	4.60	0.46	4.42	NA	NA	19.96	91.92	9.16	91.92	20.74	NA	NA	NM
WBB	Westbury Bancorp Inc.	16.37	16.37	-0.35	-2.16	-0.22	-1.37	2.21	47.24	NA	82.07	13.43	82.07	NA	NA	NA	NM
WFD	Westfield Financial Inc.	11.89	11.89	0.52	4.14	0.40	3.21	NA	NA	20.85	92.54	11.00	92.54	26.77	0.24	3.39	70.59
WBKC	Wolverine Bancorp Inc.	19.33	19.33	0.45	2.15	0.45	2.15	2.14	136.84	36.64	83.18	16.08	83.18	36.64	NA	NA	66.67
WSFS	WSFS Financial Corp.	8.99	8.21	1.23	13.58	1.16	12.87	1.22	79.93	11.50	147.34	13.25	162.70	12.15	0.48	0.71	8.16
WVFC	WVS Financial Corp.	10.25	10.25	0.29	2.72	NA	NA	NA	NA	28.54	74.09	7.59	74.09	NA	0.16	1.37	39.02
MHCs																	
BNCL	Beneficial Mutual Bncp (MHC)	13.53	10.99	0.25	1.91	0.28	2.14	1.15	112.33	NM	164.03	22.20	207.87	74.04	NA	NA	NM
GCBC	Greene County Bncp Inc. (MHC)	8.54	8.54	0.98	11.12	NA	NA	NA	NA	17.14	181.18	15.47	181.18	NA	0.70	2.72	46.67
KRNY	Kearny Financial Corp. (MHC)	13.99	NA	0.29	1.98	0.29	1.99	NA	NA	NM	189.69	26.53	251.54	89.03	0.00	0.00	NM
KFFB	Kentucky First Federal (MHC)	21.93	18.05	0.73	3.51	NA	NA	NA	NA	31.30	107.30	23.53	136.88	NA	0.40	4.73	148.15
LSBK	Lake Shore Bancorp Inc. (MHC)	13.81	13.81	0.74	5.48	NA	NA	NA	NA	19.60	111.93	NA	111.93	NA	0.28	2.27	44.44
MGYR	Magyar Bancorp Inc. (MHC)	8.49	8.49	0.10	1.14	0.09	1.01	NA	NA	NM	101.38	8.61	101.38	112.08	NA	NA	NM
EBSB	Meridian Interstate Bncp (MHC)	9.11	8.66	0.66	6.98	0.44	4.62	1.69	54.90	31.60	215.28	19.61	227.51	47.76	NA	NA	NM
MSBF	MSB Financial Corp. (MHC)	11.72	11.72	0.27	2.35	0.27	2.35	NA	NA	42.11	99.80	NA	99.80	42.11	0.00	0.00	NM
NECB	NorthEast Community Bncp (MHC)	22.29	22.11	0.26	1.10	0.32	1.34	5.24	20.70	NM	86.66	19.32	87.57	65.30	0.12	1.67	133.33
OFED	Oconee Federal Financial Corp.	20.91	20.91	1.04	4.98	1.00	4.76	0.90	32.92	26.82	137.21	28.69	137.21	28.09	0.40	2.26	60.61
PBHC	Pathfinder Bancorp Inc. (MHC)	NA	NA	0.48	NA	NA	NA	NA	NA	15.85	128.45	NA	155.36	NA	0.12	0.81	12.77
PSBH	PSB Holdings Inc. (MHC)	11.05	9.67	0.25	2.24	0.27	2.45	NA	NA	34.06	79.86	8.83	92.74	31.16	0.16	0.00	NM
TFSL	TFS Financial Corp (MHC)	16.33	16.26	0.57	3.46	NA	NA	2.35	33.24	65.60	213.92	34.94	215.03	NA	0.00	0.00	NM
Under Acquisition																	
FFCO	FedFirst Financial Corp.	15.78	15.48	0.64	3.81	0.63	3.79	1.47	73.07	26.83	99.99	15.76	102.24	27.25	0.24	1.09	59.76
HCBK	Hudson City Bancorp Inc.	12.51	12.16	0.46	3.79	0.39	3.24	2.93	25.53	25.84	105.63	13.21	109.12	30.25	0.16	1.67	43.24
JFBI	Jefferson Bancshares Inc.	10.73	10.58	0.39	3.64	0.46	4.36	2.94	43.12	25.32	95.17	10.22	96.77	21.17	0.00	0.00	NM
OBFA	OBA Financial Services Inc	18.15	18.15	0.27	1.46	0.27	1.46	1.76	49.76	NM	117.87	21.40	117.87	78.93	NA	NA	NM
OABC	OmniAmerican Bancorp Inc.	15.13	15.13	0.44	2.91	0.43	2.83	1.04	51.41	43.13	132.63	20.06	132.63	44.37	0.20	0.83	17.86
SPBC	SP Bancorp Inc.	10.49	10.49	0.31	2.87	0.33	2.99	1.14	63.69	46.06	138.10	14.49	138.10	44.27	NA	NA	NM

- (1) Average of High/Low or Bid/Ask price per share.
- (2) Or since offering price if converted of first listed in the past 52 weeks. Percent change figures are actual year-to-date and are not annualized.
- (3) EPS (earnings per share) is based on actual trailing 12 month data and is not shown on a pro forma basis.
- (4) Excludes intangibles (such as goodwill, value of core deposits, etc.).
- (5) ROA (return on assets) and ROE (return on equity) are indicated ratios based on trailing 12 month common earnings and average common equity and total assets balances.
- (6) Annualized based on last regular quarterly cash dividend announcement.
- (7) Indicated dividend as a percent of trailing 12 month earnings.
- (8) Excluded from averages due to actual or rumored acquisition activities or unusual operating characteristics.
- (9) For MHC institutions, market value reflects share price multiplied by public (non-MHC) shares.

Source: SNL Financial, LC. and RP[®] Financial, LC. calculations. The information provided in this table has been obtained from sources we believe are reliable, but we cannot guarantee the accuracy or completeness of such information.
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EXHIBIT IV-2
Historical Stock Price Indices

Exhibit IV-2
Historical Stock Price Indices(1)

<u>Year/Qtr. Ended</u>	<u>DJIA</u>	<u>S&P 500</u>	<u>NASDAQ Composite</u>	<u>SNL Thrift Index</u>	<u>SNL Bank Index</u>
2004: Quarter 1	10357.7	1126.2	1994.2	1585.3	562.20
Quarter 2	10435.5	1140.8	2047.8	1437.8	546.62
Quarter 3	10080.3	1114.6	1896.8	1495.1	556.00
Quarter 4	10783.0	1211.9	2175.4	1605.6	595.10
2005: Quarter 1	10503.8	1180.6	1999.2	1516.6	551.00
Quarter 2	10275.0	1191.3	2057.0	1577.1	563.27
Quarter 3	10568.7	1228.8	2151.7	1527.2	546.30
Quarter 4	10717.5	1248.3	2205.3	1616.4	582.80
2006: Quarter 1	11109.3	1294.8	2339.8	1661.1	595.50
Quarter 2	11150.2	1270.2	2172.1	1717.9	601.14
Quarter 3	11679.1	1335.9	2258.4	1727.1	634.00
Quarter 4	12463.2	1418.3	2415.3	1829.3	658.60
2007: Quarter 1	12354.4	1420.9	2421.6	1703.6	634.40
Quarter 2	13408.6	1503.4	2603.2	1645.9	622.63
Quarter 3	13895.6	1526.8	2701.5	1523.3	595.80
Quarter 4	13264.8	1468.4	2652.3	1058.0	492.85
2008: Quarter 1	12262.9	1322.7	2279.1	1001.5	442.5
Quarter 2	11350.0	1280.0	2293.0	822.6	332.2
Quarter 3	10850.7	1166.4	2082.3	760.1	414.8
Quarter 4	8776.4	903.3	1577.0	653.9	268.3
2009: Quarter 1	7608.9	797.9	1528.6	542.8	170.1
Quarter 2	8447.0	919.3	1835.0	538.8	227.6
Quarter 3	9712.3	1057.1	2122.4	561.4	282.9
Quarter 4	10428.1	1115.1	2269.2	587.0	260.8
2010: Quarter 1	10856.6	1169.4	2398.0	626.3	301.1
Quarter 2	9744.0	1030.7	2109.2	564.5	257.2
Quarter 3	9744.0	1030.7	2109.2	564.5	257.2
Quarter 4	11577.5	1257.6	2652.9	592.2	290.1
2011: Quarter 1	12319.7	1325.8	2781.1	578.1	293.1
Quarter 2	12414.3	1320.6	2773.5	540.8	266.8
Quarter 3	10913.4	1131.4	2415.4	443.2	198.9
Quarter 4	12217.6	1257.6	2605.2	481.4	221.3
2012: Quarter 1	13212.0	1408.5	3091.6	529.3	284.9
Quarter 2	12880.1	1362.2	2935.1	511.6	257.3
Quarter 3	13437.1	1440.7	3116.2	557.6	276.8
Quarter 4	13104.1	1426.2	3019.5	565.8	292.7
2013: Quarter 1	14578.5	1569.2	3267.5	602.3	318.9
Quarter 2	14909.6	1606.3	3404.3	625.3	346.7
Quarter 3	15129.7	1681.6	3771.5	650.8	354.4
Quarter 4	16576.7	1848.4	4176.6	706.5	394.4
2014: Quarter 1	16457.7	1872.3	4199.0	718.9	410.8
As of May 16, 2014	16491.3	1877.9	4090.6	683.1	379.6

(1) End of period data.

Sources: SNL Financial and The Wall Street Journal.

EXHIBIT IV-3
Historical Thrift Stock Indices

Index Values

Industry: Savings Bank/Thrift/Mutual

Geography: United States and Canada

	Close	Last Update	Change (%)						Price / Earnings (x)	
			1 Day	1 Week	MTD	QTD	YTD	1 Year		3 Years
SNL Custom** Indexes										
SNL Banking Indexes										
SNL U.S. Bank and Thrift	364.02	5/16/2014	(0.08)	(1.23)	(2.49)	(7.49)	(3.74)	11.38	38.14	14.4
SNL U.S. Thrift	683.07	5/16/2014	(0.28)	(1.93)	(2.40)	(4.98)	(3.31)	12.90	22.70	24.8
SNL TARP Participants	77.39	5/16/2014	(0.28)	(3.66)	(2.45)	(4.10)	(1.03)	9.93	43.80	9.8
S&P 500 Bank	207.26	5/15/2014	(1.09)	(1.33)	(2.65)	(7.49)	(0.93)	14.19	50.11	NA
NASDAQ Bank	2,433.25	5/16/2014	(0.08)	(2.17)	(2.77)	(8.81)	(6.48)	14.04	37.50	NA
S&P 500 Thrifts & Mortgage Finance	4.14	5/15/2014	(0.61)	(1.90)	(2.14)	(3.42)	(2.26)	6.79	6.19	NA
SNL Asset Size Indexes										
SNL U.S. Thrift < \$250M	1,006.39	5/16/2014	0.00	14.49	14.27	14.27	6.22	16.47	33.62	NA
SNL U.S. Thrift \$250M-\$500M	4,098.12	5/16/2014	0.07	0.11	0.09	2.23	3.85	11.75	44.65	26.6
SNL U.S. Thrift < \$500M	1,400.89	5/16/2014	0.07	0.24	0.21	2.34	3.74	11.50	43.58	26.6
SNL U.S. Thrift \$500M-\$1B	1,715.51	5/16/2014	0.06	(0.05)	(0.03)	(0.16)	3.11	10.13	37.74	21.9
SNL U.S. Thrift \$1B-\$5B	2,156.74	5/16/2014	0.33	(1.79)	(2.58)	(5.60)	(3.14)	15.40	44.75	24.3
SNL U.S. Thrift \$5B-\$10B	735.07	5/16/2014	0.13	(1.92)	(2.59)	(11.70)	(10.83)	(1.94)	3.40	17.3
SNL U.S. Thrift > \$10B	140.64	5/16/2014	(0.70)	(2.29)	(2.64)	(4.05)	(2.70)	15.05	14.27	26.6
SNL Market Cap Indexes										
SNL Micro Cap U.S. Thrift	682.29	5/16/2014	0.23	(0.48)	(1.06)	(1.83)	0.29	9.94	49.12	23.6
SNL Micro Cap U.S. Bank & Thrift	471.99	5/16/2014	0.22	(0.25)	(0.58)	(1.25)	2.39	14.38	50.32	16.7
SNL Small Cap U.S. Thrift	482.92	5/16/2014	0.34	(2.14)	(2.80)	(6.10)	(4.61)	15.12	30.52	20.8
SNL Small Cap U.S. Bank & Thrift	415.33	5/16/2014	0.31	(2.06)	(2.11)	(6.93)	(6.51)	14.38	39.31	17.9
SNL Mid Cap U.S. Thrift	270.43	5/16/2014	(0.51)	(1.85)	(1.84)	(5.15)	(1.83)	14.36	20.65	30.1
SNL Mid Cap U.S. Bank & Thrift	279.33	5/16/2014	(0.22)	(2.32)	(3.28)	(9.55)	(8.76)	13.01	25.40	18.5
SNL Large Cap U.S. Thrift	138.02	5/16/2014	(0.79)	(2.82)	(3.91)	(5.61)	(9.03)	6.67	(9.87)	19.1
SNL Large Cap U.S. Bank & Thrift	240.60	5/16/2014	(0.10)	(1.04)	(2.41)	(7.25)	(2.85)	10.91	38.96	13.6
SNL Geographic Indexes										
SNL Mid-Atlantic U.S. Thrift	2,742.48	5/16/2014	(0.25)	(1.87)	(2.81)	(5.47)	(4.28)	14.65	14.97	20.3
SNL Midwest U.S. Thrift	2,148.17	5/16/2014	(0.25)	(1.69)	(1.95)	(3.00)	(0.03)	12.70	29.44	40.5
SNL New England U.S. Thrift	1,848.66	5/16/2014	(0.51)	(2.49)	(1.91)	(5.51)	(6.38)	2.86	12.89	22.2
SNL Southeast U.S. Thrift	342.09	5/16/2014	(0.33)	(1.62)	(1.71)	(5.15)	(0.29)	8.83	53.85	21.5
SNL Southwest U.S. Thrift	568.30	5/16/2014	1.13	(0.07)	1.89	5.42	12.74	9.29	53.49	35.1
SNL Western U.S. Thrift	90.35	5/16/2014	(0.17)	(2.62)	(3.35)	(7.82)	(3.27)	30.71	74.21	17.7
SNL Stock Exchange Indexes										
SNL U.S. Thrift NYSE	124.62	5/16/2014	(0.88)	(2.87)	(3.82)	(9.72)	(10.49)	10.13	3.97	14.7
SNL U.S. Thrift NASDAQ	1,896.59	5/16/2014	(0.07)	(1.61)	(1.92)	(3.29)	(0.66)	13.78	29.85	28.5
SNL U.S. Thrift Pink	203.79	5/16/2014	(0.08)	0.19	(0.43)	(0.84)	4.62	12.02	35.59	16.1
SNL Other Indexes										
SNL U.S. Thrift MHCs	4,463.95	5/16/2014	(0.47)	(1.47)	(1.51)	(0.24)	7.83	27.57	53.88	58.1
Broad Market Indexes										
DJIA	16,491.31	5/16/2014	0.27	(0.55)	(0.54)	0.20	(0.51)	8.26	31.42	NA
S&P 500	1,877.86	5/16/2014	0.37	(0.03)	(0.32)	0.30	1.60	13.78	41.25	NA

Index Values

S&P Mid-Cap	1,352.53	5/16/2014	0.50	(0.09)	(0.25)	(1.88)	0.74	12.74	37.37	NA
S&P Small-Cap	633.97	5/15/2014	(0.52)	(0.57)	(2.76)	(5.54)	(4.74)	14.02	41.79	NA
S&P 500 Financials	292.22	5/15/2014	(1.10)	(1.07)	(1.32)	(2.94)	(0.84)	9.54	37.79	NA
SNL U.S. Financial Institutions	636.35	5/16/2014	0.01	(1.15)	(1.86)	(4.87)	(3.49)	12.61	41.41	15.3
MSCI US IMI Financials	1,082.13	5/15/2014	(1.00)	(1.07)	(1.29)	(3.08)	(0.98)	7.42	33.28	NA
NASDAQ	4,090.59	5/16/2014	0.52	0.46	(0.58)	(2.58)	(2.06)	18.05	47.02	NA
NASDAQ Finl	2,875.58	5/16/2014	0.02	(1.70)	(2.33)	(6.64)	(6.34)	8.80	31.81	NA
NASDAQ OMX Govt Relief	1,246.06	5/16/2014	0.00	0.00	0.00	0.00	0.00	0.00	3.33	NA
NYSE	10,603.18	5/16/2014	0.33	(0.03)	(0.23)	0.72	1.95	11.74	27.19	NA
Russell 1000	1,043.06	5/15/2014	(0.91)	(0.24)	(0.68)	(0.32)	1.23	13.31	40.17	NA
Russell 2000	1,095.99	5/15/2014	(0.65)	(0.13)	(2.74)	(6.57)	(5.81)	10.87	31.15	NA
Russell 3000	1,115.64	5/15/2014	(0.89)	(0.23)	(0.84)	(0.82)	0.66	13.12	39.42	NA
S&P TSX Composite	14,514.74	5/16/2014	(0.51)	(0.13)	(0.94)	1.25	6.56	16.05	8.39	NA
MSCI AC World (USD)	414.38	5/15/2014	(0.69)	(0.02)	0.07	0.82	1.43	9.81	20.31	NA
MSCI World (USD)	1,682.34	5/15/2014	(0.74)	(0.26)	(0.32)	0.51	1.28	11.35	25.25	NA

Intraday data is available for certain exchanges. In all cases, the data is at least 15 minutes delayed.

** - Non-publicly traded institutions and institutions outside of your current subscription are not included in custom indexes. Custom indexes including foreign institutions do not take into account currency translations. Data is as of the previous close.

All SNL indexes are market-value weighted; i.e., an institution's effect on an index is proportional to that institution's market capitalization.

Source: MSCI. MSCI makes no express or implied warranties or representations and shall have no liability whatsoever with respect to any MSCI data contained herein. The MSCI data may not be further redistributed or used as a basis for other indices or any securities or financial products.

Mid-Atlantic: DE, DC, MD, NJ, NY, PA, PR Midwest: IA, IN, IL, KS, KY, MI, MN, MO, ND, NE, OH, SD, WI

New England: CT, ME, MA, NH, RI, VT Southeast: AL, AR, FL, GA, MS, NC, SC, TN, VA, WV

Southwest: CO, LA, NM, OK, TX, UT West: AZ, AK, CA, HI, ID, MT, NV, OR, WA, WY

EXHIBIT IV-4

New York Thrift Acquisitions 2010 - Present

Exhibit IV-4
New York Thrift Acquisitions 2010-Present

Announce Date	Complete Date	Buyer Name	Target Name		Target Financials at Announcement							Deal Terms and Pricing at Announcement						
					Total Assets (\$000)	E/A (%)	TE/A (%)	LTM ROAA (%)	LTM ROAE (%)	NPAs/ Assets (%)	Rsrvs/ NPLs (%)	Deal Value (\$M)	Value/ Share (\$)	P/B (%)	P/TB (%)	P/E (x)	P/A (%)	Prem/ Cdeps (%)
01/30/2014		Pending Kearny Financial Corp. (MHC)	NJ Atlas Bank	NY	110,480	13.68	13.68	-0.93	-6.18	0.60	109.79	NA	NA	NA	NA	NA	NA	NA
05/31/2012	10/19/2012	Berkshire Hills Bancorp Inc.	MA Beacon Federal Bancorp, Inc.	NY	1,024,743	11.12	11.12	0.52	4.82	4.00	36.20	130.4	20.352	110.73	110.73	22.61	13.00	3.66
03/13/2012	11/02/2012	Northfield Bancorp Inc. (MHC)	NJ Flatbush Federal Bancorp, Inc. (MHC)	NY	144,102	10.53	10.53	-0.61	-5.62	NA	NA	18.2	6.652	120.07	120.07	NM	12.63	3.76
01/10/2012	07/06/2012	Wallkill Valley FS&LA	NY Highland Falls Federal Savings & Loan Association	NY	41,226	14.98	14.98	-0.30	-1.95	3.07	40.04	NA	NA	NA	NA	NA	NA	NA
08/17/2011	01/06/2012	Investors Bancorp Inc. (MHC)	NJ BFS Bancorp, MHC	NY	469,929	8.67	8.67	-4.84	-53.30	24.93	17.64	10.3	0.800	25.32	25.32	NM	2.19	-9.45
04/14/2011	09/08/2011	Investor group	NJ Community FSB Holding Company	NY	52,176	7.09	7.09	-2.53	-33.23	15.53	2.79	NA	NA	NA	NA	NA	NA	NA
10/12/2010	04/01/2011	Berkshire Hills Bancorp Inc.	MA Rome Bancorp, Inc.	NY	329,637	18.59	18.59	1.08	5.98	0.69	113.04	73.3	10.813	119.61	119.61	19.31	22.23	NA
			Average:		310,328	12.09	12.09	-1.09	-12.78	8.14	53.25			93.93	93.93	20.96	12.51	-0.68
			Median:		144,102	11.12	11.12	-0.61	-5.62	3.54	38.12			115.17	115.17	20.96	12.82	3.66

Source: SNL Financial, LC.

EXHIBIT IV-5

**Pathfinder Bancorp, Inc.
Director and Senior Management Summary Resumes**

Exhibit IV-5
 Pathfinder Bancorp, Inc.
 Director and Senior Management Summary Resumes

Executive Officers

The following table sets forth information regarding our executive officers. Age information is as of March 31, 2014. The executive officers of New Pathfinder and Pathfinder Bank are elected annually.

Name	Age	Position
Thomas W. Schneider	52	President and Chief Executive Officer, New Pathfinder and Pathfinder Bank
James A. Dowd	46	Senior Vice President and Chief Financial Officer, New Pathfinder and Pathfinder Bank
Melissa A. Miller	56	Senior Vice President and Chief Operating Officer, New Pathfinder and Pathfinder Bank
Edward A. Mervine	57	Senior Vice President, General Counsel and Corporate Secretary, New Pathfinder and Pathfinder Bank
Ronald Tascarella	55	Senior Vice President and Chief Credit Officer, Pathfinder Bank
Daniel R. Phillips	49	Senior Vice President and Chief Information Officer, Pathfinder Bank

The principal occupation during the past five years of each of our executive officers is set forth below. All directors and executive officers have held their present positions for all five years unless otherwise stated.

Thomas W. Schneider has been employed by Pathfinder Bank since 1988. Mr. Schneider is the President and Chief Executive Officer of Pathfinder-Federal and Pathfinder Bank. Prior to his appointment as President in 2000, Mr. Schneider was the Executive Vice President and Chief Financial Officer of Pathfinder-Federal and Pathfinder Bank. Mr. Schneider is a member of the Board of Directors of New Pathfinder, Pathfinder-Federal and Pathfinder Bank. Mr. Schneider provides the Board with extensive knowledge of our customers and lending markets.

James A. Dowd has been employed by Pathfinder Bank since 1994 and was appointed in 2000 as the Senior Vice President and Chief Financial Officer of Pathfinder-Federal and Pathfinder Bank. Mr. Dowd is responsible for the accounting, finance, marketing and facilities departments.

Melissa A. Miller has been employed by Pathfinder Bank since 1976. Since 2005, Ms. Miller has served as Senior Vice President and Chief Operating Officer of Pathfinder-Federal and Pathfinder Bank. Ms. Miller is responsible for deposit operations, branch administration and information services.

Edward A. Mervine is Senior Vice President, General Counsel and Corporate Secretary for Pathfinder-Federal and Pathfinder Bank. Prior to joining us in 2002, Mr. Mervine was a partner in the law firm of Bond Schoeneck & King, PLLC. Mr. Mervine is responsible for human resources, loss mitigation, security and legal and regulatory compliance.

Ronald Tascarella has been the Senior Vice President and Chief Credit Officer of Pathfinder Bank since 2006. Prior to joining us, he was Senior Vice President of Oswego County National Bank. Mr. Tascarella is responsible for Pathfinder Bank's lending operations.

Daniel R. Phillips has been employed by Pathfinder Bank since 1999 and since January 2014, has served as Senior Vice President and Chief Information Officer of Pathfinder Bank. Prior to joining us, he was Assistant Vice President of Community Bank. Mr. Phillips is responsible for electronic delivery channels, information security and technology platforms.

Exhibit IV-5 (continued)
 Pathfinder Bancorp, Inc.
 Director and Senior Management Summary Resumes

Directors

New Pathfinder has nine directors. Directors serve three-year staggered terms so that approximately one-third of the directors are elected annually. Directors of Pathfinder Bank will be elected by New Pathfinder as its sole stockholder. The following table states our directors' names, their ages as of March 31, 2014, the years when they began serving as directors of Pathfinder Bank and when their current term expires.

Name	Age	Position	Director Since	Term to Expire
Thomas W. Schneider	52	President, Chief Executive Officer and Director	2001	2015
John P. Funicello	50	Director	2011	2015
Lloyd "Buddy" Stemple	53	Director	2005	2015
David A. Ayoub	51	Director	2012	2016
Adam C. Gagas(1)	42	Director	2014	2016
John F. Sharkey, III(2)	56	Director	2014	2016
William A. Barclay	45	Director	2011	2017
Chris R. Burritt	60	Chairman of the Board	1986	2017
George P. Joyce	63	Director	2000	2017

- (1) Mr. Gagas was elected to the Board of Directors of Pathfinder-Federal effective April 23, 2014 and to the Board of Directors of Pathfinder Bank, effective March 17, 2014.
- (2) Mr. Sharkey was elected to the Board of Directors of Pathfinder-Federal effective April 23, 2014 and to the Board of Directors of Pathfinder Bank, effective December 19, 2013.

The principal occupation during the past five years of each director, nominee and executive officer, as well as other relevant experience, is set forth below. All directors, nominees and executive officers have held their present positions for five years unless otherwise stated. None of our directors or nominees have been the subject of securities litigation, enforcement or bankruptcy in the past ten years.

Chris R. Burritt is the President and General Manager of R.M. Burritt Motors, Inc., an automobile dealership located in Oswego, New York. Mr. Burritt was elected Chairman of the Board effective January 1, 2014. In addition to his long term ownership and management of his well known local business, Mr. Burritt is active in community affairs. He presently serves on the Board of Directors of Oswego Hospital and is a member of its Finance/Operations Committee. Mr. Burritt also serves as Director of the NYS Automobile Dealers Association in Albany, NY. Mr. Burritt's experience operating a local business and substantial ties to the communities served by Pathfinder Bank provides the Board with valuable insight into managing and overseeing a business.

George P. Joyce is the owner and operator of Laser Transit, Ltd., Lacona, New York, a Central New York logistics services provider. Mr. Joyce has earned a Bachelor Degree in Economics from SUNY Oswego. He has been a Controller for transportation and warehousing firm, as well as a manager in an IT consulting firm. He is also presently President of Intelliflex, LLC a third party logistics firm performing freight forwarding and outsourced logistics services for its customers. He has served as President and Chair of the Board of Trustees for Oswego Hospital, Chair of the Board of Operation Oswego County, Vice President of Seneca Hill Manor, Director of the Oswego College Foundation and numerous other community organizations. Mr. Joyce provides the Board with extensive financial and business experience as well as valuable insight into managing and overseeing a business.

Lloyd "Buddy" Stemple is the Chief Executive Officer of Constellium Rolled Products in Ravenswood, West Virginia, a global supplier of rolled aluminum to the Aerospace and Transportation materials industries. Mr. Stemple, until recently, was the Chief Executive Officer of Oman Aluminum Rolling Company. The Oman Aluminum Rolling Company is a new venture supported by the government of Oman which started commercial production of rolled aluminum in late 2013. Prior to his work in Oman, he was the Vice-President and General Manager of Novelis Specialty Products, Novelis Inc. which has manufacturing locations in Oswego, New York, Kingston, Ontario Canada and sales offices in Cleveland, Ohio and Detroit, Michigan. Mr. Stemple has an Engineering Degree and an MBA. His experience in large, publicly traded companies provides a unique perspective to our Board.

Exhibit IV-5 (continued)
Pathfinder Bancorp, Inc.
Director and Senior Management Summary Resumes

William A. Barclay is a graduate of St. Lawrence University and Syracuse University College of Law. An attorney and businessman, Mr. Barclay is a partner in the Syracuse law firm of Hiscock and Barclay, LLP, where he specializes in business law. Mr. Barclay has served on several community organizations throughout his career including the SUNY Oswego College Council, the Rosamond Gifford Zoo at Burnet Park, the Everson Museum of Art, and Northern Oswego County Health Services, Inc. In 2004, he was recognized as one of Oswego County Business Magazine's Forty under 40, an honor given to Oswego County leaders under the age of 40. Mr. Barclay was also awarded the 2007 Martin Rose Economic Developer Merit Award for his commitment to the economic development process by helping to facilitate the attraction and retention of businesses in Oswego County. Mr. Barclay is currently a New York State Assemblyman for the 120th District, which includes Oswego, Onondaga and Jefferson counties. Mr. Barclay's in-depth knowledge of economic development and the law provide the Board with a unique and valuable perspective into economic development and legal issues.

John P. Funciello is a licensed real estate broker and developer who owns and operates J.F. Real Estate in Syracuse, NY. Mr. Funciello began his career with Pyramid Brokerage Company and started J.F. Real Estate in 1992. J.F. Real Estate represents approximately three million square feet of commercial real estate in the Central New York Region. Mr. Funciello is a graduate of the State University of New York at Cortland with a degree in Economics and a concentration in Business. He is an active member of the Syracuse community and has served on the Boards of the Consortium for Children's Services and the Samaritan Center. Mr. Funciello's extensive real estate experience and knowledge of the local real estate market as well as his valuable insight into managing and overseeing a business brings valuable expertise to the Board.

David A. Ayoub serves as Partner-in-Charge of the Tax Department at the Syracuse firm of Bowers & Company, CPA's. In that capacity, Mr. Ayoub consults on corporate mergers and acquisitions, as well as assists start-up businesses. In addition, he oversees the firm's tax compliance, technical research, planning and consulting. Mr. Ayoub has over 25 years of accounting and taxation experience. Mr. Ayoub is a graduate of Rochester Institute of Technology with a BBA in Accounting and is a Certified Public Accountant in New York State. He is also a Member of the American Institute of Certified Public Accountants, as well as the New York State Society of Certified Public Accountants. Mr. Ayoub pursues an active role in the community, serving on Boards including the Manlius Village Public Library and Make-A-Wish Foundation. He has also worked previously with the United Way and Score. Mr. Ayoub's extensive experience with corporate transactions as well as his experience in business and tax offers the Board an invaluable perspective of Pathfinder Bank's business.

John F. Sharkey, III is President of Universal Metal Works, a custom metal fabrication facility, in Fulton, New York, and the Managing Partner of Universal Properties, LLC. Prior to his role with Universal Metal Works, Mr. Sharkey was President of Universal Joint Sales, a heavy-duty truck parts distributor, headquartered in Syracuse, New York. During his tenure at Universal Joint Sales, the company grew to 13 locations throughout the Northeast and Florida. In 1998, Mr. Sharkey sold Universal Joint Sales to FleetPride. For three years following the sale of the company, Mr. Sharkey acted as FleetPride's Regional Vice President. Mr. Sharkey is an active member of the Central New York community, serving on Boards including the Council of Fleet Specialists, Rockwell International's Distributor Advisory Council, and the Camillus Youth Hockey Association. He is also a committee member of the Syracuse Chapter of Ducks Unlimited. Mr. Sharkey's management experience and business knowledge provides a valuable resource and perspective to the Board.

Adam Gagas has more than 15 years experience in global financial markets. He is the founder and CEO of Breakwall Asset Management, LLC, a New York State registered investment advisor located in Oswego. Mr. Gagas was an analyst on teams managing multi-billion dollar portfolios at Skandia Asset Management and Principal Global Investors in New York City. He was awarded an Alfa Fellowship and completed a yearlong professional placement as an institutional investment analyst at Alfa Capital in Moscow, Russia. He is also the owner/operator of Gagas Realty Corporation, a multi-property commercial real estate holding company. In addition, he is an adjunct instructor of Corporate Finance in the SUNY Oswego School of Business. Mr. Gagas earned a BA from Hobart College with majors in Economics and Russian Studies, and an MBA with a concentration in Finance from the Leonard N. Stern School of Business at New York University. His extensive community involvement includes serving as Treasurer of Oswego Health, chair of that organization's Audit and Investment committees, and as a member of the Executive committee. Mr. Gagas is also a board member of Oswego's historic Riverside Cemetery, and has previously held leadership positions with the Oswego YMCA and Oswego Opera Theater. Mr. Gagas provides the Board with extensive financial and business experience as well as valuable insight into managing and overseeing a business.

Source: Pathfinder Bancorp's prospectus.

EXHIBIT IV-6

**Pathfinder Bancorp, Inc.
Pro Forma Regulatory Capital Ratios**

Exhibit IV-6
Pathfinder Bancorp, Inc.
Pro Forma Regulatory Capital Ratios

	Pathfinder Bank Historical at March 31, 2014		Pro Forma at March 31, 2014, Based Upon the Sale in the Offering of (1)							
	Amount	Percent of Assets (2)	1,700,000 Shares		2,000,000 Shares		2,300,000 Shares		2,645,000 Shares	
			Amount	Percent of Assets (2)	Amount	Percent of Assets (2)	Amount	Percent of Assets (2)	Amount	Percent of Assets (2)
(Dollars in thousands)										
Equity	\$ 47,109	8.95%	\$ 53,517	10.02%	\$ 54,777	10.23%	\$ 56,037	10.44%	\$ 57,486	10.67%
Tier 1 leverage capital.....	\$ 44,011	8.73	\$ 50,419	9.85	\$ 51,679	10.07	\$ 52,939	10.28	\$ 54,388	10.53
Leverage requirement.....	<u>25,207</u>	<u>5.00</u>	<u>25,595</u>	<u>5.00</u>	<u>25,670</u>	<u>5.00</u>	<u>25,745</u>	<u>5.00</u>	<u>25,831</u>	<u>5.00</u>
Excess	<u>\$ 18,805</u>	<u>3.73%</u>	<u>\$ 24,824</u>	<u>4.85%</u>	<u>\$ 26,009</u>	<u>5.07%</u>	<u>\$ 27,194</u>	<u>5.28%</u>	<u>\$ 28,557</u>	<u>5.53%</u>
Tier 1 risk-based capital (3).....	\$ 44,011	12.53%	\$ 50,419	14.29%	\$ 51,679	14.64%	\$ 52,939	14.98%	\$ 54,388	15.37%
Risk-based requirement..	<u>21,075</u>	<u>6.00</u>	<u>21,168</u>	<u>6.00</u>	<u>21,186</u>	<u>6.00</u>	<u>21,204</u>	<u>6.00</u>	<u>21,225</u>	<u>6.00</u>
Excess	<u>\$ 22,936</u>	<u>6.53%</u>	<u>\$ 29,251</u>	<u>8.29%</u>	<u>\$ 30,493</u>	<u>8.64%</u>	<u>\$ 31,735</u>	<u>8.98%</u>	<u>\$ 33,163</u>	<u>9.37%</u>
Total risk-based capital (3).....	\$ 48,582	13.83%	\$ 54,990	15.59%	\$ 56,250	15.93%	\$ 57,510	16.27%	\$ 58,959	16.67%
Risk-based requirement.....	<u>35,125</u>	<u>10.00</u>	<u>35,280</u>	<u>10.00</u>	<u>35,310</u>	<u>10.00</u>	<u>35,340</u>	<u>10.00</u>	<u>35,375</u>	<u>10.00</u>
Excess	<u>\$ 13,457</u>	<u>3.83%</u>	<u>\$ 19,710</u>	<u>5.59%</u>	<u>\$ 20,940</u>	<u>5.93%</u>	<u>\$ 22,170</u>	<u>6.27%</u>	<u>\$ 23,584</u>	<u>6.67%</u>
Reconciliation of capital infused into Pathfinder Bank:										
Net proceeds.....			\$ 7,768		\$ 9,268		\$ 10,768		\$ 12,493	
Less: Common stock acquired by stock-based benefit plan.....			(680)		(800)		(920)		(1,058)	
Less: Common stock acquired by employee stock ownership plan.....			(680)		(800)		(920)		(1,058)	
Pro forma increase.....			<u>\$ 6,408</u>		<u>\$ 7,668</u>		<u>\$ 8,928</u>		<u>\$ 10,377</u>	

- (1) Effective January 1, 2015, the Prompt Corrective Action Well Capitalized Thresholds will be 5%, 8% and 10% for the tier 1 leverage capital requirement, tier 1 risk-based capital requirement and total risk-based capital requirement, respectively. Additionally, effective January 1, 2015, a new capital standard, common equity tier 1 capital ratio, will be implemented with a 6.5% well capitalized threshold. At March 31, 2014, our common equity tier 1 capital ratio was 12.53%, and assuming the completion of the conversion and offering, as of March 31, 2014, our common equity tier 1 capital ratio would be 14.29%, 14.64%, 14.98% and 15.37% at the minimum, the midpoint, the maximum and the adjusted maximum, respectively. At March 31, 2014, assuming the completion of the conversion and offering, Pathfinder Bank would be classified as "well capitalized" under each of the Prompt Corrective Action requirements described in this footnote, which also includes the required conservation buffer of 2.5%.
- (2) Equity and Tier 1 leverage capital levels are shown as a percentage of total average assets. Risk-based capital levels are shown as a percentage of risk-weighted assets.
- (3) Pro forma amounts and percentages assume net proceeds are invested in assets that carry a 20% risk weighting.

Source: Pathfinder Bancorp's prospectus.

EXHIBIT IV-7

**Pathfinder Bancorp, Inc.
Pro Forma Analysis Sheet**

EXHIBIT IV-7
PRO FORMA ANALYSIS SHEET
Pathfinder Bancorp, Inc.
Prices as of May 16, 2014

Valuation Midpoint Pricing Multiples	Symbol	Subject at Midpoint	Peer Group		New York		All Public	
			Mean	Median	Mean	Median	Mean	Median
Price-earnings multiple =	P/E	14.10 x	21.58x	19.96x	17.57x	14.69x	17.58x	17.00x
Price-core earnings multiple =	P/CE	17.58 x	21.16x	21.04x	15.96x	14.46x	17.66x	16.24x
Price-book ratio =	P/B	68.45%	95.31%	96.63%	107.94%	95.96%	102.78%	93.90%
Price-tangible book ratio =	P/TB	75.59%	99.65%	99.21%	129.75%	134.16%	110.80%	98.99%
Price-assets ratio =	P/A	6.06%	11.87%	11.41%	10.49%	11.37%	12.90%	12.12%

Valuation Parameters

				Adjusted
Pre-Conversion Earnings (Y)	\$2,393,591	(12 Mths 03/14)(2)	ESOP Stock (% of Offering + Foundation) (E)	4.00%
Pre-Conversion Core Earnings (YC)	\$1,930,591	(12 Mths 03/14)(2)	Cost of ESOP Borrowings (S)	0.00%
Pre-Conversion Book Value (B)	\$31,148,000	(2)	ESOP Amortization (T)	10.00 Years
Pre-Conv. Tang. Book Value (B)	\$26,597,000	(2)	Stock Program (% of Offering + Foundation) (M)	4.00%
Pre-Conversion Assets (A)	\$526,192,000	(2)	Stock Programs Vesting (N)	5.00 Years
Reinvestment Rate (R)	1.73%		Fixed Expenses	\$1,465,000
Tax rate (TAX)	40.00%		Variable Expenses (Blended Commission %)	0.00%
After Tax Reinvest. Rate (R)	1.04%		Percentage Sold (PCT)	60.7724%
Est. Conversion Expenses (1)(X)	7.33%		MHC Assets	\$346,000
Insider Purchases	NA		Options as (% of Offering + Foundation) (O1)	10.00%
Price/Share	\$10.00		Estimated Option Value (O2)	25.20%
Foundation Cash Contribution (FC)	\$ -		Option Vesting Period (O3)	5.00 Years
Foundation Stock Contribution (FS)	\$ -		% of Options taxable (O4)	25.00%
Foundation Tax Benefit (FT)	\$ -			

Calculation of Pro Forma Value After Conversion

1. V=	$\frac{P/E * (Y - FC * R)}{1 - P/E * PCT * ((1-X-E-M-FS)*R - (1-TAX)*(E/T) - (1-TAX)*(M/N)-(1-TAX*O4)*(O1*O2/O3))}$	V=	\$32,909,690
2. V=	$\frac{P/Core E * (YC)}{1 - P/Core E * PCT * ((1-X-E-M-FS)*R - (1-TAX)*(E/T) - (1-TAX)*(M/N)-(1-TAX*O4)*(O1*O2/O3))}$	V=	\$32,909,690
3. V=	$\frac{P/B * (B-FC+FT)}{1 - P/B * PCT * (1-X-E-M)}$	V=	\$32,909,690
4. V=	$\frac{P/TB * (B-FC+FT)}{1 - P/TB * PCT * (1-X-E-M)}$	V=	\$32,909,690
5. V=	$\frac{P/A * (A-FC+FT)}{1 - P/A * PCT * (1-X-E-M)}$	V=	\$32,909,690

Shares

	2nd Step Offering Shares	2nd Step Exchange Shares	Full Conversion Shares	Plus: Foundation Shares	Total Market Capitalization Shares	Exchange Ratio
Conclusion						
Super Maximum	2,645,000	1,707,306	4,352,306	0	4,352,306	1.6417
Maximum	2,300,000	1,484,614	3,784,614	0	3,784,614	1.4276
Midpoint	2,000,000	1,290,969	3,290,969	0	3,290,969	1.2414
Minimum	1,700,000	1,097,324	2,797,324	0	2,797,324	1.0552

Market Value

	2nd Step Offering Value	2nd Step Exchange Shares Value	Full Conversion \$ Value	Plus: Foundation \$ Value	Total Market Capitalization \$ Value
Conclusion					
Super Maximum	\$26,450,000	\$17,073,060	\$43,523,060	\$0	\$43,523,060
Maximum	\$23,000,000	\$14,846,140	\$37,846,140	0	\$37,846,140
Midpoint	\$20,000,000	\$12,909,690	\$32,909,690	0	\$32,909,690
Minimum	\$17,000,000	\$10,973,240	\$27,973,240	0	\$27,973,240

(1) Estimated offering expenses at midpoint of the offering.

(2) Adjusted to reflect consolidation and reinvestment of \$346,000 of net MHC net assets

EXHIBIT IV-8

**Pathfinder Bancorp, Inc.
Pro Forma Effect of Conversion Proceeds**

Exhibit IV-8
PRO FORMA EFFECT OF CONVERSION PROCEEDS
Pathfinder Bancorp, Inc.
At the Minimum of the Range

1. Fully Converted Value and Exchange Ratio		
Fully Converted Value		\$27,973,240
Exchange Ratio		1.05518
2nd Step Offering Proceeds		\$17,000,000
Less: Estimated Offering Expenses		<u>1,465,000</u>
2nd Step Net Conversion Proceeds (Including Foundation)		\$15,535,000
2. Estimated Additional Income from Conversion Proceeds		
Net Conversion Proceeds		\$15,535,000
Less: Cash Contribution to Foundation		0
Less: ESOP Stock Purchases (1)		(680,000)
Less: RRP Stock Purchases (2)		<u>(680,000)</u>
Net Cash Proceeds		\$14,175,000
Estimated after-tax net incremental rate of return		1.04%
Earnings Increase		\$147,137
Less: Consolidated interest cost of ESOP borrowings		0
Less: Amortization of ESOP borrowings(3)		(40,800)
Less: RRP Vesting (3)		(81,600)
Less: Option Plan Vesting (4)		<u>(77,112)</u>
Net Earnings Increase		(\$52,376)

3. Pro Forma Earnings	<u>Before Conversion(5)</u>	<u>Net Earnings Increase</u>	<u>After Conversion</u>
12 Months ended March 31, 2014 (reported)	\$2,393,591	(\$52,376)	\$2,341,216
12 Months ended March 31, 2014 (core)	\$1,930,591	(\$52,376)	\$1,878,216

4. Pro Forma Net Worth	<u>Before Conversion(5)</u>	<u>Net Cash Proceeds</u>	<u>Tax Benefit and Other</u>	<u>After Conversion</u>
March 31, 2014	\$31,148,000	\$14,175,000	\$ -	\$45,323,000
March 31, 2014 (Tangible)	\$26,597,000	\$14,175,000	\$0	\$40,772,000

5. Pro Forma Assets	<u>Before Conversion(5)</u>	<u>Net Cash Proceeds</u>	<u>Tax Benefit and Other</u>	<u>After Conversion</u>
March 31, 2014	\$526,192,000	\$14,175,000	\$0	\$540,367,000

(1) Includes ESOP purchases of 4% of the second step offering.

(2) Includes RRP purchases of 4% of the second step offering.

(3) ESOP amortized over 10 years, RRP amortized over 5 years, tax effected at: 40.00%

(4) Option valuation based on Black-Scholes model, 5 year vesting, and assuming 25% taxable.

(5) Adjusted to reflect consolidation and reinvestment of net MHC assets.

Exhibit IV-8
PRO FORMA EFFECT OF CONVERSION PROCEEDS
Pathfinder Bancorp, Inc.
At the Midpoint of the Range

1.	Fully Converted Value and Exchange Ratio	
	Fully Converted Value	\$32,909,690
	Exchange Ratio	1.24138
	2nd Step Offering Proceeds	\$20,000,000
	Less: Estimated Offering Expenses	<u>1,465,000</u>
	2nd Step Net Conversion Proceeds (Including Foundation)	\$18,535,000
2.	Estimated Additional Income from Conversion Proceeds	
	Net Conversion Proceeds	\$18,535,000
	Less: Cash Contribution to Foundation	0
	Less: ESOP Stock Purchases (1)	(800,000)
	Less: RRP Stock Purchases (2)	<u>(800,000)</u>
	Net Cash Proceeds	\$16,935,000
	Estimated after-tax net incremental rate of return	1.04%
	Earnings Increase	\$175,785
	Less: Consolidated interest cost of ESOP borrowings	0
	Less: Amortization of ESOP borrowings(3)	(48,000)
	Less: RRP Vesting (3)	(96,000)
	Less: Option Plan Vesting (4)	<u>(90,720)</u>
	Net Earnings Increase	(\$58,935)

3.	Pro Forma Earnings	Before <u>Conversion(5)</u>	Net Earnings <u>Increase</u>	After <u>Conversion</u>	
	12 Months ended March 31, 2014 (reported)	\$2,393,591	(\$58,935)	\$2,334,657	
	12 Months ended March 31, 2014 (core)	\$1,930,591	(\$58,935)	\$1,871,657	
4.	Pro Forma Net Worth	Before <u>Conversion (5)</u>	Net Cash <u>Proceeds</u>	Tax Benefit <u>of Foundation</u>	After <u>Conversion</u>
	March 31, 2014	\$31,148,000	\$16,935,000	\$ -	\$48,083,000
	March 31, 2014 (Tangible)	\$26,597,000	\$16,935,000	\$0	\$43,532,000
5.	Pro Forma Assets	Before <u>Conversion (5)</u>	Net Cash <u>Proceeds</u>	Tax Benefit <u>of Foundation</u>	After <u>Conversion</u>
	March 31, 2014	\$526,192,000	\$16,935,000	\$0	\$543,127,000

- (1) Includes ESOP purchases of 4% of the second step offering.
(2) Includes RRP purchases of 4% of the second step offering.
(3) ESOP amortized over 10 years, RRP amortized over 5 years, tax effected at: 40.00%
(4) Option valuation based on Black-Scholes model, 5 year vesting, and assuming 25% taxable.
(5) Adjusted to reflect consolidation and reinvestment of net MHC assets.

Exhibit IV-8
PRO FORMA EFFECT OF CONVERSION PROCEEDS
Pathfinder Bancorp, Inc.
At the Maximum of the Range

1. Fully Converted Value and Exchange Ratio		
Fully Converted Value		\$37,846,140
Exchange Ratio		1.42759
2nd Step Offering Proceeds		\$23,000,000
Less: Estimated Offering Expenses		<u>1,465,000</u>
2nd Step Net Conversion Proceeds (Including Foundation)		\$21,535,000
2. Estimated Additional Income from Conversion Proceeds		
Net Conversion Proceeds		\$21,535,000
Less: Cash Contribution to Foundation		0
Less: ESOP Stock Purchases (1)		(920,000)
Less: RRP Stock Purchases (2)		<u>(920,000)</u>
Net Cash Proceeds		\$19,695,000
Estimated after-tax net incremental rate of return		1.04%
Earnings Increase		\$204,434
Less: Consolidated interest cost of ESOP borrowings		0
Less: Amortization of ESOP borrowings(3)		(55,200)
Less: RRP Vesting (3)		(110,400)
Less: Option Plan Vesting (4)		<u>(104,328)</u>
Net Earnings Increase		(\$65,494)

3. Pro Forma Earnings	<u>Before Conversion(5)</u>	<u>Net Earnings Increase</u>	<u>After Conversion</u>	
12 Months ended March 31, 2014 (reported)	\$2,393,591	(\$65,494)	\$2,328,098	
12 Months ended March 31, 2014 (core)	\$1,930,591	(\$65,494)	\$1,865,098	
4. Pro Forma Net Worth	<u>Before Conversion (5)</u>	<u>Net Cash Proceeds</u>	<u>Tax Benefit of Foundation</u>	<u>After Conversion</u>
March 31, 2014	\$31,148,000	\$19,695,000	\$ -	\$50,843,000
March 31, 2014 (Tangible)	\$26,597,000	\$19,695,000	\$0	\$46,292,000
5. Pro Forma Assets	<u>Before Conversion (5)</u>	<u>Net Cash Proceeds</u>	<u>Tax Benefit of Foundation</u>	<u>After Conversion</u>
March 31, 2014	\$526,192,000	\$19,695,000	\$0	\$545,887,000

- (1) Includes ESOP purchases of 4% of the second step offering.
(2) Includes RRP purchases of 4% of the second step offering.
(3) ESOP amortized over 10 years, RRP amortized over 5 years, tax effected at: 40.00%
(4) Option valuation based on Black-Scholes model, 5 year vesting, and assuming 25% taxable.
(5) Adjusted to reflect consolidation and reinvestment of net MHC assets.

Exhibit IV-8
PRO FORMA EFFECT OF CONVERSION PROCEEDS
Pathfinder Bancorp, Inc.
At the Super Maximum Value

1.	Fully Converted Value and Exchange Ratio	
	Fully Converted Value	\$43,523,060
	Exchange Ratio	1.64173
	2nd Step Offering Proceeds	\$26,450,000
	Less: Estimated Offering Expenses	<u>1,465,000</u>
	2nd Step Net Conversion Proceeds (Including Foundation)	\$24,985,000
2.	Estimated Additional Income from Conversion Proceeds	
	Net Conversion Proceeds	\$24,985,000
	Less: Cash Contribution to Foundation	0
	Less: ESOP Stock Purchases (1)	(1,058,000)
	Less: RRP Stock Purchases (2)	<u>(1,058,000)</u>
	Net Cash Proceeds	\$22,869,000
	Estimated after-tax net incremental rate of return	1.04%
	Earnings Increase	\$237,380
	Less: Consolidated interest cost of ESOP borrowings	0
	Less: Amortization of ESOP borrowings(3)	(63,480)
	Less: RRP Vesting (3)	(126,960)
	Less: Option Plan Vesting (4)	<u>(119,977)</u>
	Net Earnings Increase	(\$73,037)

3.	Pro Forma Earnings	<u>Before Conversion(5)</u>	<u>Net Earnings Increase</u>	<u>After Conversion</u>	
	12 Months ended March 31, 2014 (reported)	\$2,393,591	(\$73,037)	\$2,320,555	
	12 Months ended March 31, 2014 (core)	\$1,930,591	(\$73,037)	\$1,857,555	
4.	Pro Forma Net Worth	<u>Before Conversion (5)</u>	<u>Net Cash Proceeds</u>	<u>Tax Benefit of Foundation</u>	<u>After Conversion</u>
	March 31, 2014	\$31,148,000	\$22,869,000	\$ -	\$54,017,000
	March 31, 2014 (Tangible)	\$26,597,000	\$22,869,000	\$0	\$49,466,000
5.	Pro Forma Assets	<u>Before Conversion (5)</u>	<u>Net Cash Proceeds</u>	<u>Tax Benefit of Foundation</u>	<u>After Conversion</u>
	March 31, 2014	\$526,192,000	\$22,869,000	\$0	\$549,061,000

- (1) Includes ESOP purchases of 4% of the second step offering.
(2) Includes RRP purchases of 4% of the second step offering.
(3) ESOP amortized over 10 years, RRP amortized over 5 years, tax effected at: 40.00%
(4) Option valuation based on Black-Scholes model, 5 year vesting, and assuming 25% taxable.
(5) Adjusted to reflect consolidation and reinvestment of net MHC assets.

EXHIBIT IV-9

Calculation of Minority Ownership Dilution in a Second-Step Offering

Exhibit IV-9
 Pathfinder Bancorp, Inc.
 Impact of MHC Assets & Waived Dividends on Minority Ownership In 2nd Step
 Financial and Stock Ownership Data as of March 31, 2014
 Reflects Appraised Pro Forma Market Value as of May 16, 2014

Key Input Assumptions

Mid-Tier Common Stockholders' Equity	\$30,802,000	(BOOK)
Aggregate Dividends Waived by MHC	\$0	(WAIVED DIVIDENDS)
Minority Ownership Interest	39.6443%	(PCT)
Pro Forma Market Value	\$32,909,690	(VALUE)
Market Value of MHC Assets (Other than Stock in Mid-Tier)(1)	\$345,921	(MHC ASSETS)

Adjustment for MHC Assets & Waived Dividends - 2 Step Calculation (as required by FDIC & FRB)

Step 1: To Account for Waiver of Dividends	=	$\frac{(\text{BOOK} - \text{WAIVED DIVIDENDS}) \times \text{PCT}}{\text{BOOK}}$
	=	39.6443%
Step 2: To Account for MHC Assets	=	$\frac{(\text{VALUE} - \text{MHC ASSETS}) \times \text{Step 1}}{\text{VALUE}}$
	=	<u>39.2276%</u> (rounded)

Current Ownership

MHC Shares	1,583,239	60.36%
Public Shares	<u>1,039,943</u>	<u>39.64%</u>
Total Shares	2,623,182	100.00%

(1) Includes \$0.03 per share dividend paid to the MHC in the second and third quarters of 2014 prior to the close of the stock offering.

EXHIBIT V-1

**RP® Financial, LC.
Firm Qualifications Statement**

FIRM QUALIFICATION STATEMENT

RP Financial, L.C. ("RP Financial") provides financial and management consulting, merger advisory and valuation services to the financial services companies, including banks, thrifts, credit unions, insurance companies, mortgage companies and others. We offer a broad array of services, high quality and prompt service, hands-on involvement by our senior staff, careful structuring of strategic initiatives and sophisticated valuation and other analyses consistent with industry practices and regulatory requirements. Our staff has extensive consulting, valuation, financial advisory and industry backgrounds.

STRATEGIC PLANNING SERVICES

RP Financial's strategic planning services, for established or de novo banking companies, provide effective feasible plans with quantifiable results to enhance shareholder value, achieve regulatory approval or realize other objectives. We conduct situation analyses; establish mission/vision statements, develop strategic goals and objectives; and identify strategies to enhance value, address capital, increase earnings, manage risk and tackle operational or organizational matters. Our proprietary financial simulation models facilitate the evaluation of the feasibility, impact and merit of alternative financial strategies.

MERGER ADVISORY SERVICES

RP Financial's merger advisory services include targeting buyers and sellers, assessing acquisition merit, conducting due diligence, negotiating and structuring deal terms, preparing merger business plans and financial simulations, rendering fairness opinions, preparing fair valuation analyses and supporting post-merger strategies. RP Financial is also expert in de novo charters, shelf charters and failed bank deals with loss sharing or other assistance. Through financial simulations, valuation proficiency and regulatory familiarity, RP Financial's merger advisory services center on enhancing shareholder returns.

VALUATION SERVICES

RP Financial's extensive valuation practice includes mergers, thrift stock conversions, insurance company demutualizations, merger valuation and goodwill impairment, ESOPs, going private, secondary offerings and other purposes. We are highly experienced in performing appraisals conforming with regulatory guidelines and appraisal standards. RP Financial is the nation's leading valuation firm for thrift stock conversions, with offerings ranging up to \$4 billion.

MANAGEMENT STUDIES

RP Financial provides effective organizational planning, and we are often engaged to prepare independent management studies required for regulatory enforcement actions. We evaluate Board, management and staffing needs, assess existing talent and capabilities and make strategic recommendations for new positions, replacement, succession and other organizational matters.

ENTERPRISE RISK ASSESSMENT SERVICES

RP Financial provides effective enterprise risk assessment consulting services to assist our clients in evaluating the degree to which they have properly identified, understood, measured, monitored and controlled enterprise risk as part of a deliberate risk/reward strategy and to help them implement strategies to mitigate risk, enhance performance, ensure effective reporting and compliance with laws and regulations and avoid potential future damage to their reputation and associated consequences and to mitigate residual risk and unanticipated losses.

OTHER CONSULTING SERVICES

RP Financial provides other consulting services including evaluating regulatory changes, development diversification and branching strategies, conducting feasibility studies and other research, and preparing management studies in response to regulatory enforcement actions. We assist clients with CRA plans and revising policies and procedures. Our other consulting services are aided by proprietary valuation and financial simulation models.

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