

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): May 9, 2019



(Exact name of Registrant as specified in its charter)

Commission File Number: 001-36695

Maryland
(State or Other Jurisdiction of Incorporation or Organization)

38-3941859
(I.R.S. Employer Identification Number)

214 West First Street, Oswego, NY 13126
(Address of Principal Executive Office) (Zip Code)

(315) 343-0057
(Issuer's Telephone Number including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the Registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of each class</u>	<u>Trading Symbol(s)</u>	<u>Name of each exchange on which registered</u>
Common Stock, \$0.01 par value	PBHC	The Nasdaq Stock Market LLC

Item 7.01 – Regulation FD Disclosure

Pathfinder Bancorp, Inc.'s Annual Meeting of Shareholders was held on May 9, 2019.

A copy of the presentation that was presented at the Shareholders' Meeting is attached as Exhibit 99.1 and being furnished to the SEC and shall not be deemed "filed" for any purpose.

Item 9.01 – Financial Statements and Exhibits

<u>Exhibit No.</u>	<u>Description</u>
99.1	Pathfinder Bancorp, Inc.'s Presentation to Shareholders

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, hereunto duly authorized.

PATHFINDER BANCORP, INC.

Date: May 9, 2019

By: /s/ Thomas W. Schneider
Thomas W. Schneider
President and Chief Executive Officer



2019 Annual Meeting of Shareholders

10:00 A.M. | May 9th, 2019

The Lake Ontario Conference and Events Center

Oswego, New York





Welcoming Remarks

Chris R. Burritt
Chairman of the Board



Agenda – 2019 Annual Meeting of Shareholders

Introduction of Directors, Management and Guests

- Conduct of the Meeting
 - Notice and proxy
 - Report of Inspector of Elections
 - Meeting proposals
 - Call for vote

Management Presentation and Q & A to Follow

Results of Shareholder Vote

Meeting Adjourned

Board of Directors



	Director Since
David A. Ayoub	2012
William A. Barclay	2011
Chris R. Burritt, Chairman	1986
John P. Funicello	2011
Adam C. Gagas	2014
George P. Joyce	2000
Melanie Littlejohn	2016
Thomas W. Schneider, President & CEO	2001
John F. Sharkey, III	2014
Lloyd "Buddy" Stemple	2005

Executive Officers



		Current Position Since
Thomas W. Schneider	President & CEO	2000
James A. Dowd, CPA	Executive Vice President & Chief Operations Officer	2016
Ronald Tascarella	Executive Vice President & Chief Banking Officer	2006
Daniel R. Phillips	Senior Vice President & Chief Information Officer	2014
Walter F. Rusnak, CPA, CGMA	Senior Vice President & Chief Financial Officer	2019
Calvin L. Corriders	Regional President, Syracuse Market, Human Resource Director	2017



Welcome to Past Directors and Other Guests



Independent Registered Public Accounting Firm

Tamara L. Gamble, CPA

Partner

Bonadio & Company, LLP



Executive Management Presentation

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

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

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

Capitalizing on Our Growth



PRIVATE PLACEMENT EQUITY OFFERING

- Commenced late January
- Two targets:
 - Primarily-institutional investors
 - Supplemental, yet substantive, contribution from Board of Directors, Executive Officers and local accredited investors (“Friends of the Bank”)
- Offering price - \$14.25
- Closed on May 8th, with a \$20.8 million infusion of new stock proceeds
 - \$17.0 million – institutional investor
 - \$3.8 million – Directors, executive officers and local accredited investors (friends of the bank)

Capitalizing on Our Growth



INSTITUTIONAL INVESTOR – CASTLE CREEK CAPITAL

- Now owns 9.9% of our voting shares through a combination of a privately-negotiated purchase from a now-former institutional holder (\$6.1 million)
- Approximately \$500,000 of common stock (voting)
- Approximately \$16.5 million in newly created convertible preferred stock
 - Convertible preferred is convertible into non-voting common stock subject to future shareholder approval
 - Non-voting common stock can become voting common stock, up to 24.9%, subject to regulatory approval

Capitalizing on Our Growth



- Additionally, Castle Creek Capital was issued 125,000 warrants with a strike price of \$14.25 per share
 - The warrants expire in seven years

Capitalizing on Our Growth



- Castle Creek Capital is investing in our Forward Plan to Capitalize on our Growth to enhance our franchise value to the benefit of our shareholders
- Castle Creek Capital is an alternative asset management firm focused on the community banking industry
- Nationally-recognized institutional investor, located in Rancho Santa Fe, California
- Agreed to purchase approximately \$23.1 million of newly-issued and existing equity securities
- Partnership – Commitment - Discipline

Capitalizing on Our Growth



\$ in Thousands	Dec. 31, 2018 Actual	Mar. 31, 2019 Actual	Pro Forma
			\$20.8 Million Capital Raise
Voting Common Shares Outstanding	4,362,328	4,387,244	4,694,221
Preferred Shares Outstanding (non-voting)	-	-	1,155,283
Common Equity	\$64,221	\$66,180	\$86,090
Book Value per Common Share	\$14.72	\$15.08	-
Book Value Per Total Shares	-	-	\$14.72
Tang. Book Value per Common Share	\$13.64	\$14.01	-
Tang. Book Value per Total Share	-	-	\$13.91
Shareholders' Equity / Total Assets	6.88%	6.79%	8.83%
Tang. Equity / Tang. Assets	6.41%	6.31%	8.35%

Business of 2019

Annual Meeting of Shareholders



The Election of Four Directors

David A. Ayoub

Adam C. Gagas

Melanie Littlejohn

John F. Sharkey, III

The ratification of the appointment of Bonadio & Co., LLP as the Bank's independent registered public accounting firm for the year ending December 31, 2019



Executive Management Presentation

**James A. Dowd, CPA, Executive Vice President, and
Chief Operating Officer**

**Walter F. Rusnak, CPA, CGMA, Senior Vice President and
Chief Financial Officer**

**Thomas W. Schneider, President and
Chief Executive Officer**





2017 – 2020 Branch Additions

- Utica Loan Production Office
- Route 31, Town of Clay
- Southwest Corridor – Syracuse
 - Applying for Banking Development District

Positioned for Continued Growth

Strong Competitive Market Position

Main Office
214 West First Street, Oswego

Lacona Office
1897 Harwood Drive, Lacona

Plaza Office
291 State Route 104 East, Oswego

Central Square Office
3025 East Avenue, Central Square

Downtown Drive-Thru
34 East Bridge Street, Oswego

Cicero Office
6194 State Route 31, Cicero

Mexico Office
3361 Main Street, Mexico

Pike Block Office
109 West Fayette Street, Syracuse

Fulton Office
5 West First Street South, Fulton

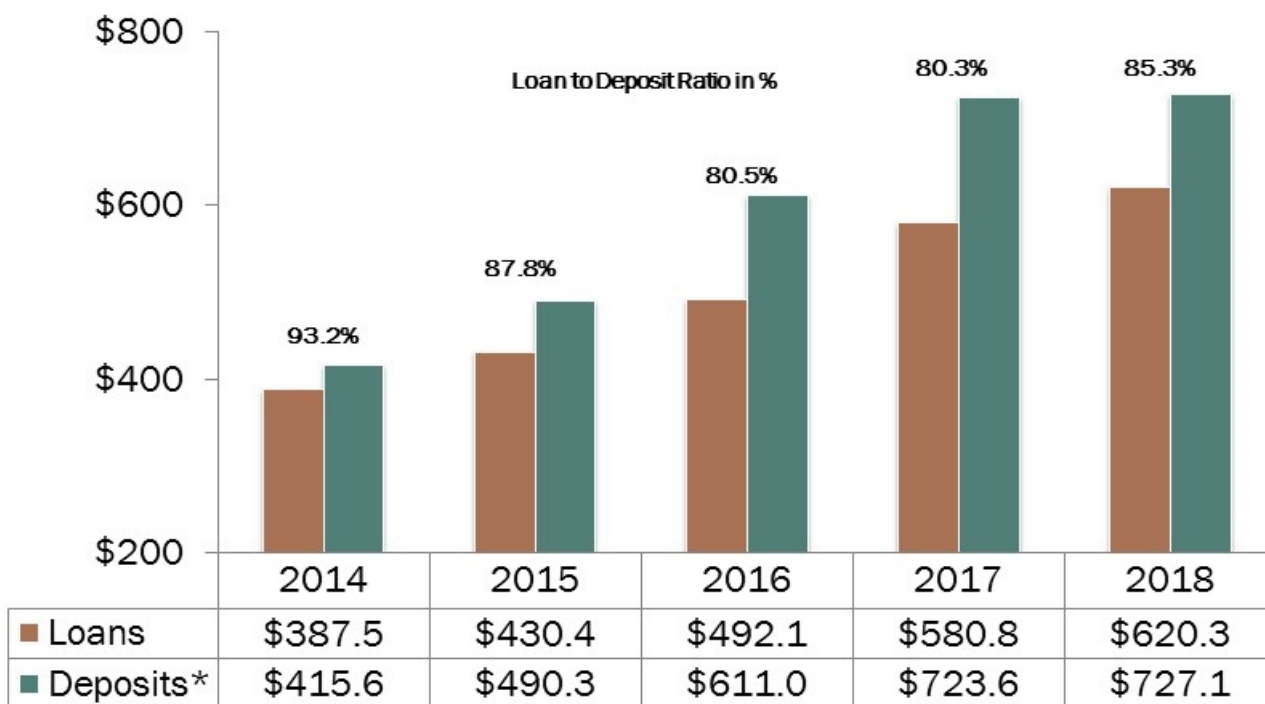
Clay Office
3775 Route 31, Clay



⊕ We anticipate opening an additional branch in downtown Syracuse in 2020 subject to regulatory approval



5 -Year Loan and Deposit Growth (in millions)



*Deposits include one way borrowings through Promontory Network

Positioned for Continued Growth



6-30-18 Rank	Institution (ST)	Total Deposits (\$000)	Market Share (%)
1	Manufacturers and Traders Trust Company	\$3,017,436	26.0%
2	KeyBank National Association	2,325,614	20.0%
3	JPMorgan Chase Bank, National Association	1,135,924	9.8%
4	Bank of America, National Association	1,105,640	9.5%
5	Solvay Bank	780,660	6.7%
6	Pathfinder Bank	738,471	6.4%
7	NBT Bank, National Association	631,691	5.4%
8	Geddes Federal Savings and Loan Association	419,121	3.6%
9	Community Bank, National Association	408,700	3.5%
10	Citizens Bank, National Association	316,424	2.7%
11	Berkshire Bank	279,259	2.4%
12	Fulton Savings Bank	259,931	2.2%
13	Seneca Federal Savings and Loan Association	138,466	1.2%

Strong
Competitive
Market
Position in
Onondaga and
Oswego
Counties

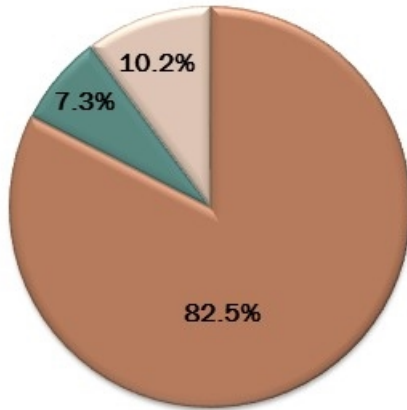
Source:
FDIC Deposit
Market Share
Report at
6-30-18



Deposit Portfolio Composition

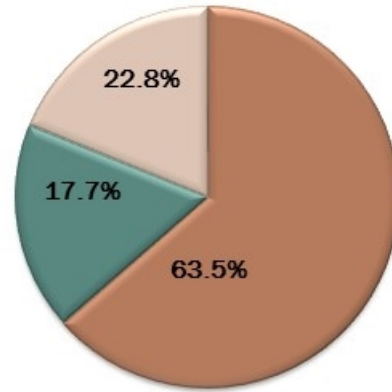


December 31, 2008
\$269.4 Million



■ Retail ■ Business ■ Municipal

December 31, 2018
\$727.1 Million



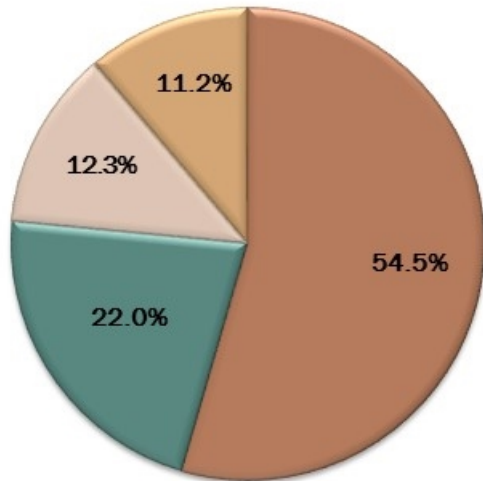
■ Retail ■ Commercial ■ Municipal

Includes brokered deposits

Loan Portfolio Diversification

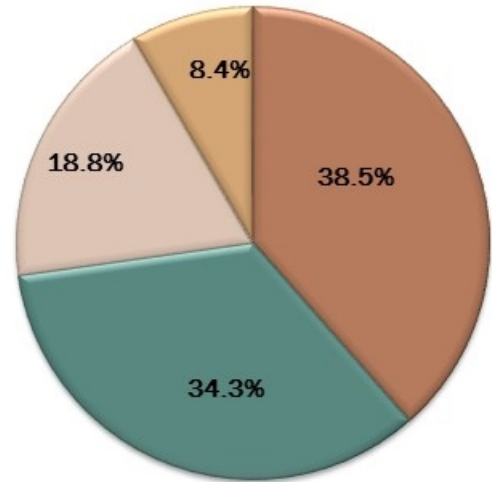


December 31, 2008
\$249.9 Million



■ Residential Real Estate ■ Commercial Real Estate
■ Commercial Loans ■ Consumer Loans

December 31, 2018
\$620.3 Million



■ Residential Real Estate ■ Commercial Real Estate
■ Commercial Loans ■ Consumer Loans

Improved Asset Quality Metrics



	Dec 2014	Dec 2015	Dec 2016	Dec 2017	Dec 2018
Non-performing Loans to Total Loans	1.61%	1.24%	0.98%	0.84%	0.35%
Non-performing Assets to Total Assets	1.16%	0.94%	0.72%	0.61%	0.36%
Allowance for Loan Losses to Total Loans	1.38%	1.33%	1.27%	1.23%	1.18%
Allowance for Loan Losses to Non-performing Loans	85.50%	107.30%	129.85%	145.61%	340.13%



Executive Management Presentation

James A. Dowd, CPA, Executive Vice President, and
Chief Operating Officer

**Walter F. Rusnak, CPA, CGMA, Senior Vice President and
Chief Financial Officer**

Thomas W. Schneider, President and
Chief Executive Officer

Financial Statement Highlights

(\$in thousands)



Statement of Condition	December 2018	December 2017	\$ Change	% Change
Total Assets	\$933,115	\$881,257	\$51,858	5.9%
Total Loans	620,270	580,831	39,439	6.8
Total Investments	232,025	237,334	(5,309)	(2.2)
Total Deposits	727,060	723,603	3,457	0.5
Shareholders' Equity	64,221	61,811	2,410	3.9

Financial Statements Highlights

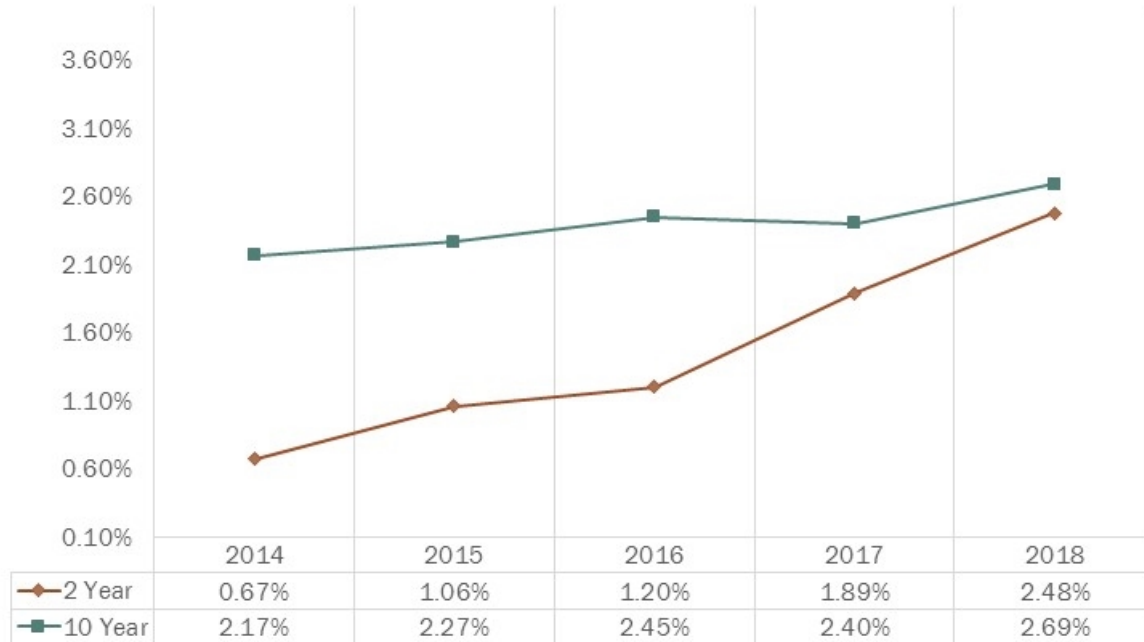
(\$ in thousands)



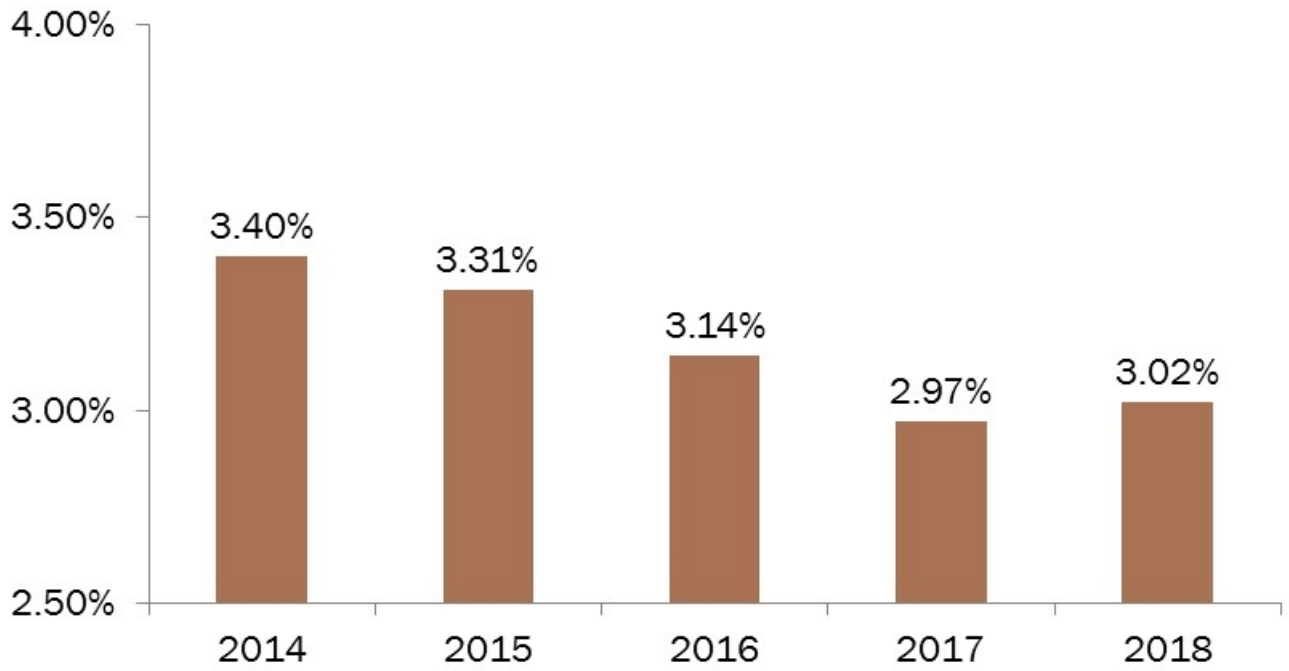
Income Statement	December 2018	December 2017	\$ Change	% Change
Net Income	\$4,009	\$3,423	\$586	17%
Net Interest Income	25,766	23,123	2,643	11
Provision for Loan Losses	1,497	1,769	(272)	(15)
Core Noninterest Income*	4,029	3,559	470	13
Noninterest Expense	23,549	21,094	2,455	12

*exclusive of net gains on sales, redemptions and impairment of investment securities and net gains(losses) on sales of loans and foreclosed real estate.

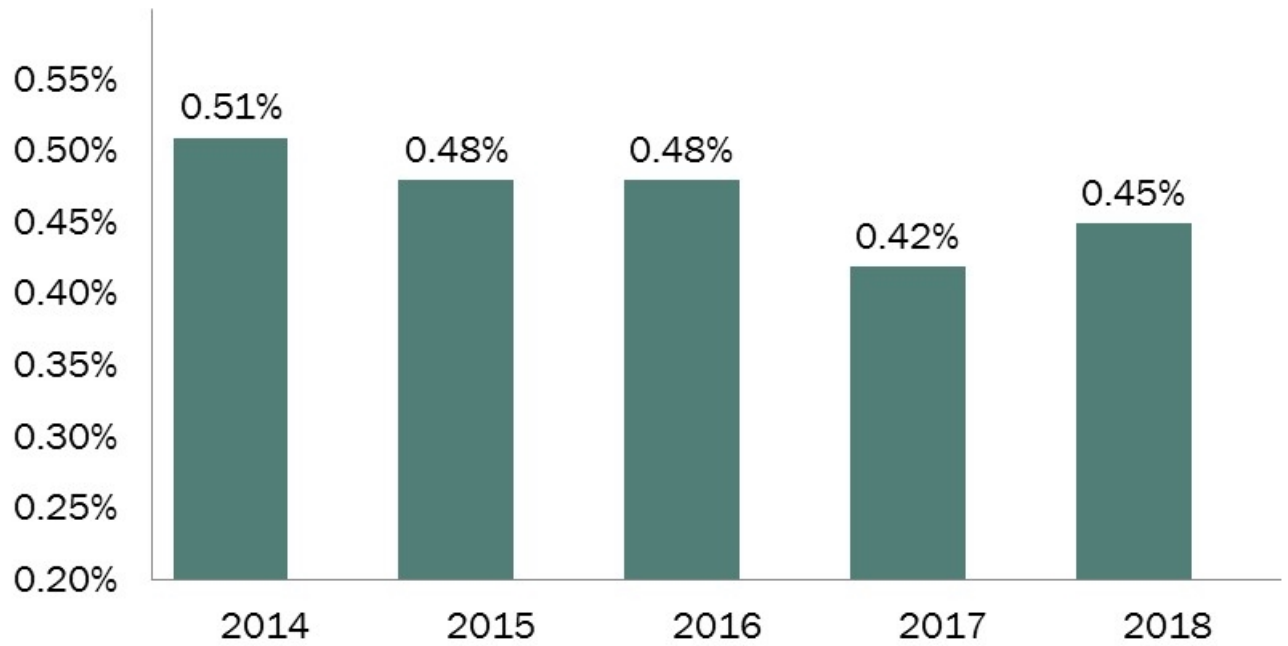
2- and 10- Year Treasury Curve



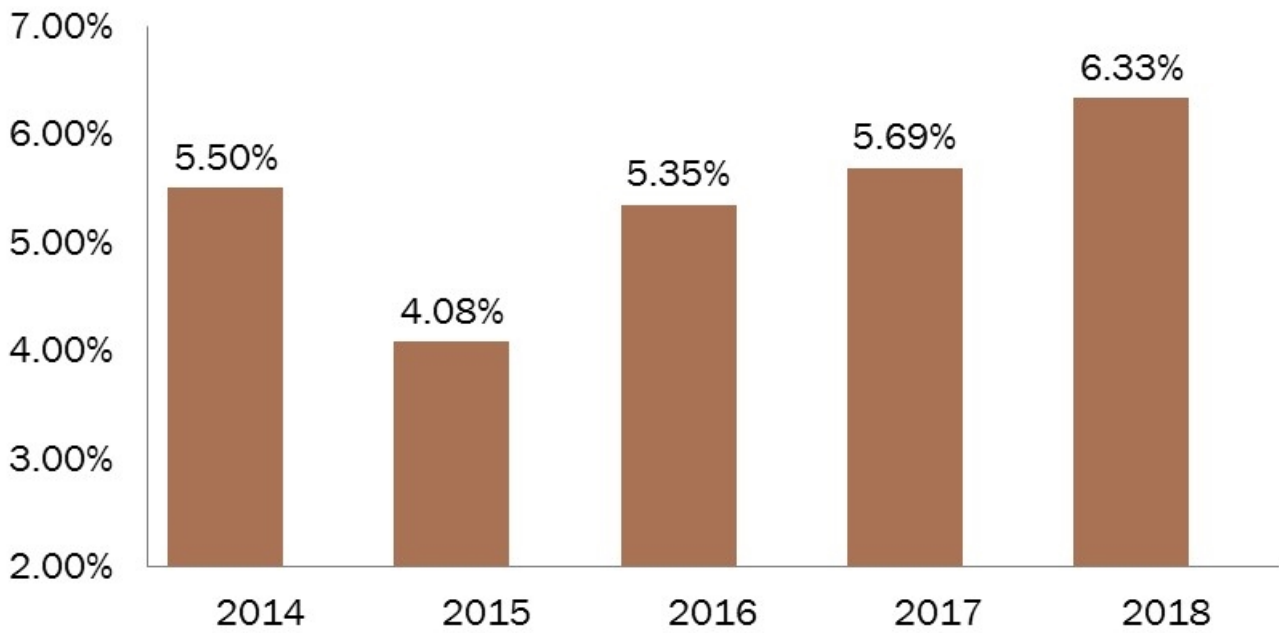
Net Interest Margin



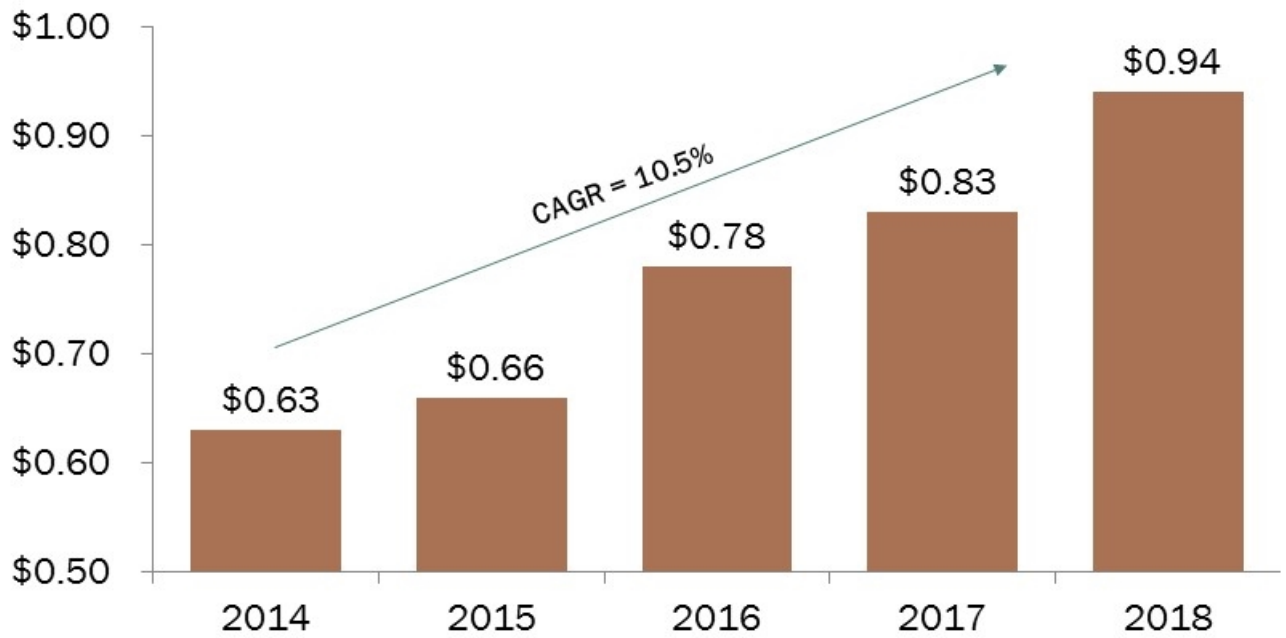
Return on Average Assets



Return on Average Equity



Earnings Per Share (Diluted) Growth



Revenue and Operating Expense Trends (in thousands)



2019 1st Quarter Summary

Financial Condition

(\$ In Thousands)	March 2019	December 2018	Inc./ (Dec.)
Total Loans	\$657,590	\$620,270	\$37,320
Total Investments	234,657	232,025	2,632
Total Assets	975,072	933,115	41,957
Total Deposits	805,528	727,060	78,468
Shareholders' Equity	66,180	64,221	1,959
Tier 1 Capital to Total Assets *	8.08%	8.31%	(0.23)%
Nonperforming Loans/Total Loans	0.51%	0.35%	0.16%

*Pathfinder Bank only

2019 1st Quarter Summary

Financial Performance



(\$ In thousands, except per share data)	March 2019	March 2018	Inc./(Dec.)
Total Interest Income	\$9,669	\$8,209	\$1,460
Total Interest Expense	3,122	1,816	1,306
Net Interest Income	6,547	6,393	154
Provision for Loan Losses	144	613	(469)
Total Noninterest Expense	6,711	5,459	1,252
Net Income	514	1,004	(490)
Return on Average Assets	0.22%	0.45%	-0.23%
Return on Average Equity	3.13%	6.39%	-3.26%
Earnings Per Share - Diluted	\$0.12	\$0.24	\$(0.12)



Executive Management Presentation

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Walter F. Rusnak, CPA, CGMA, Senior Vice President and
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**Thomas W. Schneider, President and
Chief Executive Officer**

Capitalizing on Our Growth



BUILD TO \$1.0 BILLION

- Strategy initiated concurrently with the October 2014 capital raise/second step demutualization
- Establish market position
- Communicate our Value Proposition
- Lead with lending; follow with deposits
- Located directly in downtown Syracuse



OUTCOMES

- Strong loan growth:
 - Urban revitalization and city living
 - Diversified loan portfolio with emphasis on solutions for commercial customers

- Deposits striving to keep pace with loan growth

- Capacity/ability to convert commercial loan relationships into core commercial deposits was challenged
 - Over-weighted dependency on higher priced deposits

Capitalizing on Our Growth



EMPHASIS ON VALUE PROPOSITION

- Achieved excellent brand recognition and significance in Greater Syracuse markets
- Built capacity:
 - Service capabilities
 - Risk management systems and processes
- Strong revenue growth
- Disproportionally high operating expense directed towards:
 - People
 - Systems
 - Community support activities
- Need to increase self-generated capital levels



SHIFTING FOCUS

- **Re-balance Deposit Mix**
 - **Emphasis on commercial demand deposits**
 - **Accessibility**
 - **Treasury Management services**
 - **Our Value Proposition remains**
 - **Lower cost of funds to support assets with strong yields**
 - **Offset margin compression**



SHIFTING FOCUS

- **Control operating expenses:**
 - **Emphasis on reducing operating expenses as a percentage of revenue**
 - **Emphasis on improving the Bank's Efficiency Ratio**
 - **Continued revenue growth**
 - **Appropriate levels of expense growth**



SHIFTING FOCUS

- **Improve noninterest income:**
 - **Service fees moving toward market rates**
 - **Value added services as net contributors:**
 - **Investment services**
 - **Insurance services**

Capitalizing on Our Growth



SHIFTING FOCUS

- Self-capitalize through retained earnings supporting a more moderate rate of asset growth
- ROA – Capital Levels – ROE
- Enhance tangible book value per share
- Enhance earnings per share
- Shift in focal emphasis:
 - From the balance sheet
 - To the income statement



Questions and Discussion



Voting Results

Chris R. Burritt, Chairman

Inspector of Elections Report, James A. Dowd



2019 Annual Meeting of Shareholders

Meeting Adjourned
Thank You for Attending



