



2025 ANNUAL REPORT

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## Our Mission

We exist to be the local bank our communities trust – building lasting relationships and strengthening the people, businesses, and neighborhoods we call home. Through thoughtful growth, we expand our capacity to serve and deliver long-term value to our customers, employees, shareholders, and the regions we serve.

## Our Vision

To be Central New York's most trusted bank. Where strong relationships, local empowerment, and generational impact come together to build a better future.

## Our North Star

To be the most trusted and recommended bank in Central New York, measured by the strength of our relationships, the loyalty of our customers, and the long-term value we deliver to our shareholders and communities.

**At Pathfinder Bank, relationships are our business.  
Everything begins and ends with the relationships we build.**



## A MESSAGE TO OUR **SHAREHOLDERS:**

**JAMES A. DOWD**  
President and CEO

2025 was a year of disciplined action and important progress for Pathfinder Bancorp.

Throughout the year, we took deliberate steps to strengthen the Bank's foundation, address areas of risk, and create greater clarity and alignment across the organization, positioning us for disciplined execution ahead. At the same time, we continued to evolve, building a more focused, capable, and scalable organization while preserving the personal service, local expertise, and strong relationships that define Pathfinder.

### **Building a Stronger Credit Foundation**

A critical component of this work was a comprehensive evaluation of our commercial loan portfolio and broader credit environment. This review included substantially all commercial relationships with exposures of \$500,000 or more, representing approximately 90% of the portfolio.

As a result, we recorded an \$11.2 million provision for credit losses in the fourth quarter, increasing our allowance for credit losses to \$29.4 million, or 3.28% of total loans at year-end. This reserve build reflects a forward-looking assessment of specific loans with unique risk characteristics identified through the review.

Importantly, this was a deliberate and proactive step. By addressing these credits directly and strengthening our reserve position, we believe we have substantially resolved legacy credit concerns and reduced a source of earnings volatility that had impacted prior periods. The portfolio review also enabled us to identify opportunities to enhance our credit oversight processes and implement a more disciplined approach to commercial underwriting and portfolio management.

Despite the impact of the reserve build, the underlying performance of Pathfinder remained strong. Net interest income increased to \$44.3 million, up from \$41.0 million in 2024, and our net interest margin expanded to 3.21% from 2.98%. Pre-tax, pre-provision earnings remained solid, reflecting disciplined balance sheet management strategies and highlighting the strength of our core banking franchise and relationship-driven approach.

As we enter 2026, we do so with a stronger balance sheet, a more robust credit framework, and greater confidence in the overall quality and performance of our loan portfolio.



*Our actions in 2025 reflect a disciplined approach to risk and a clear commitment to long-term performance.*

## **Strengthening Our Core Deposit Base**

Our deposit franchise continues to represent a central strength of the organization. At year-end 2025, total deposits were \$1.18 billion. While overall balances declined modestly due to the intentional runoff of higher-cost brokered deposits, the composition of our funding base improved meaningfully, with core deposits increasing to nearly 80% of total deposits.

This shift is intentional and reflects our focus on building a stable deposit base anchored by primary checking relationships. In 2025, we enhanced our ability to execute by adding dedicated resources, both people and technology, to support more disciplined, data-driven loan and deposit pricing, while continuing to refine our product design and customer experience to better serve our customers' full financial needs.

These efforts are already producing measurable results and reinforce what differentiates Pathfinder: a model built on relationships, not transactions, that supports sustainable growth, profitability, and long-term loyalty.

## **Investing Leadership and Organizational Alignment**

Underlying this performance is the work we have done to strengthen our leadership, align our organization, and define a clear path forward.

Over the past two years, three long-tenured senior executives retired, creating a natural inflection point for the organization. We approached this transition thoughtfully, adding key leaders who complement the team and establishing greater clarity and cohesion in how we lead and operate.

To support this effort, we established a Strategic Planning Committee, consisting of senior leadership and a cross-functional team with direct engagement at the Board level. While continuing to execute on day-to-day priorities, this group played a central role in shaping our strategic direction for 2026 and beyond and translating it into clear focus areas and execution priorities.

A defining outcome of this work was the establishment of a shared North Star: a clear, collective direction centered on being a relationship-driven, customer-centric organization, grounded in trust and focused on long-term value. It is brought to life through our employees and a genuine commitment to the success of our customers and the communities we serve.

This North Star is supported by a refreshed vision and mission and translated into four defined strategic focus areas, and coordinated priorities, programs, and initiatives, many of which are already underway. In addition, we are establishing key performance indicators to measure progress, ensure accountability, and guide decision-making.

In parallel, we expanded capabilities in key areas including lending, credit administration, technology, and risk management, while

enhancing data visibility, credit monitoring, and operational workflows. These investments across people, processes, and technology are improving how we operate, enabling greater consistency and discipline while maintaining the high level of service and local care our customers expect.

### **Positioned for What's Next**

Looking ahead, the economic characteristics of Central New York present both meaningful opportunities and challenges for Pathfinder Bank. The region is entering a period of transformation, driven by significant investment in advanced manufacturing, semiconductor production, and supporting infrastructure. Stable employment sectors, increasing household incomes, and ongoing regional economic development initiatives support continued demand for community-based banking services.

*Strong relationships are not a byproduct of our business model, they are the foundation of it.*



At the same time, modest population growth and evolving economic conditions require disciplined lending practices and prudent balance sheet management.

In response, a key area of emphasis is focused on expanding our treasury management and small business banking capabilities to better serve the operating needs of businesses across our markets. Paired with our local expertise, responsive decision-making, and relationship-based service, these investments position us to stand apart and earn the role of go-to financial partner for businesses across our markets as the region continues to grow.

We also remain focused on organically growing our loan and deposit portfolios through disciplined, targeted strategies centered on attracting, retaining, and deepening primary banking relationships. As economic activity accelerates across Central New York we are well positioned to earn new and enhance existing primary banking relationships with small businesses, commercial clients, and households across Central New York.

At the same time, we are continuing to modernize how we serve and scale the organization. This includes enhancing both customer and employee experiences, investing in more integrated systems, and simplifying processes through automation and improved data visibility. While much of this work is not customer-facing, it is essential to improving efficiency, strengthening execution, and supporting sustainable growth without added complexity.

Finally, we are elevating both the customer and employee experience by aligning culture, tools, and expectations across the organization. Through strategic hires, enhanced digital and in-branch capabilities, and a continued focus on culture, we are equipping our teams to deliver a more consistent, connected, and high-quality experience. One that strengthens relationships and reinforces our role as a trusted, local partner.

Together, these efforts are advancing Pathfinder Bank; strengthening our ability to compete and grow in an increasingly complex environment, while remaining firmly rooted in the local relationships and decision-making that define who we are.

We believe the actions taken over the past year have positioned Pathfinder for its next phase defined by stronger performance, deeper relationships, and disciplined, sustainable growth.

## Closing

Our progress this year would not be possible without the people behind it.

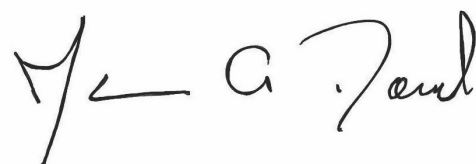
To our Board of Directors, thank you for your continued guidance, oversight, and commitment to Pathfinder. Your perspective and leadership play an important role in shaping our direction and providing oversight as we execute against our long-term strategy.

To our employees, thank you. You show up every day with a level of care, professionalism, and commitment that brings our approach to life in a real and meaningful way. You are the reason we are able to serve our customers with consistency, responsiveness, and trust.

To our customers, we are grateful for the relationships we have the privilege to be part of. At a time when there are more options than ever, you continue to choose Pathfinder as your banking partner. That trust is something we value deeply, and we are proud to support you – in the big moments, the small ones, and everything in between.

To our shareholders, thank you for your continued confidence and support. We remain focused on executing with discipline, operating with transparency, and enhancing long-term value.

We look forward to building on this progress in the year ahead and to sharing more at our Annual Meeting.



Mark A. Zand

## CORPORATE INFORMATION

### PATHFINDER BANCORP, INC. BOARD OF DIRECTORS (1)

William A. Barclay, Chairman  
Eric Allyn  
David A. Ayoub, CPA  
Meghan Crawford-Hamlin  
James A. Dowd, CPA  
John P. Funicello  
Adam Gaggs  
Melanie Littlejohn  
Tony Scavuzzo, CFA  
John F. Sharkey, III  
Lloyd "Buddy" Stemple

### PATHFINDER EXECUTIVE OFFICERS

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

**Justin K. Bigham, CPA**  
Executive Vice President,  
Chief Financial Officer

**Robert G. Butkowski**  
Senior Vice President,  
Chief Operating Officer

**Joseph P. McManus**  
Senior Vice President,  
Chief Information Officer

**William D. O'Brien**  
Senior Vice President,  
Chief Risk Officer

**Joseph Polniak**  
First Vice President,  
General Counsel &  
Corporate Secretary

**Joseph F. Serbun**  
Senior Vice President,  
Chief Credit Officer

**Ronald G. Tascarella**  
Senior Vice President,  
Chief Lending Officer

### PATHFINDER OFFICERS

**Regina E. Bass**  
First Vice President,  
Corporate Controller

**James Beames**  
First Vice President,  
Corporate Treasurer

**William F. Bower**  
First Vice President,  
Commerical Team Leader

**Cassandra M. Gehrig**  
First Vice President, Brand,  
Marketing, & Communications

**Lisa A. Kimball**  
First Vice President,  
Audit Manager

**Stephanie A. Magrisi**  
First Vice President,  
Corporate Asset/Liability Manager

**Mary S. McConkey**  
First Vice President,  
Electronic Commerce Manager

**April L. Phillips**  
First Vice President,  
Operations Manager

**Paloma Sarkar**  
First Vice President,  
Enterprise Risk Manager

**John M. Andrews**  
Vice President,  
Treasury Management Officer

**Tiffany A. Barrett**  
Vice President,  
Project Management Office Director

**Sarah J. Bixler**  
Vice President,  
Senior Branch Analyst

**Kailey Calverese**  
Vice President, Credit Manager

**Jessica L. Cavallaro**  
Vice President,  
Fraud and Security Officer

**Theresa L. Colburn**  
Vice President,  
Compliance/BSA Officer/OFAC

**Joleen M. DiBartolo**  
Vice President,  
Residential Mortgage Team Leader

**Sydney F. DiPiero**  
Vice President,  
Lending Quality Control Manager

**William "Wink" Doolittle**  
Vice President, Special Assets Officer

**Ben J. Driscoll**  
Vice President,  
Computer Operations Manager

**Shari L. Gordon**  
Vice President,  
Information Security Officer

**Alison X. Ha**  
Vice President,  
Senior Commercial Lender

**Karri L. Hibbert**  
Vice President, Facilities Manager

**Erica Muscatello**  
Vice President,  
Marketing and Communications

**Mark Omolino**  
Vice President, Special Assets Officer

**Jessica Ortiz**  
Vice President,  
Consumer Compliance, Fair Lending/  
Community Reinvestment Act Officer

**Reyne J. Pierce**  
Vice President,  
Residential Mortgage Lender

**Tina M. Sawyer**  
Vice President,  
Digital Banking Manager

**Heather L. Vashaw**  
Vice President, Human Resources

**Jennifer L. Wright**  
Vice President,  
Business Deposit Manager

**Samantha Bennett**  
Assistant Vice President,  
Contact Center Manager

**Joy E. Campbell**  
Assistant Vice President,  
Process Improvement Manager

**Miranda Carson**  
Assistant Vice President, ACH & Check-  
ing Operations Manager

**Jennifer Cogswell**  
Assistant Vice President,  
Branch Support Supervisor

**Alexis Cook**  
Assistant Vice President,  
Senior Operations Analyst

**Brandon J. Fink**  
Lending Systems & Process  
Implementation Manager

**Anthony Gentile**  
Assistant Vice President,  
Internal Auditor

**Ryan Herr**  
Assistant Vice President,  
SEC Reporting Manager

**Matthew J. Hughes**  
Assistant Vice President,  
Commercial Lender

**Ryan Kohutanich**  
Assistant Vice President,  
Business Banking Officer

**Natalie Metz**  
Assistant Vice President,  
Senior Managerial Accountant

**Heather Mulhall**  
Assistant Vice President,  
Business Banking Officer

**Olivia Peel**  
Assistant Vice President,  
Business Banking Officer

**Kaitlyn Ripley**  
Assistant Vice President,  
Loss Mitigation Manager

### BANKING OFFICERS

**Daniel Capella**  
Residential Mortgage Lender

**Gregorio Jimenez**  
Residential Mortgage Lender

**Melissa Myers**  
Loan Operations Supervisor

**Matthew Prell**  
Residential Mortgage Lender

### PATHFINDER BRANCH MANAGERS

**David D. Cavallaro**  
Vice President

**Kimberly Ciarpelli**  
Vice President

**Jennifer R. Kaljeskie**  
Vice President

**Colleen A. McCraith**  
Vice President

**Ruth E. Scheppard**  
Assistant Vice President

**Amy J. Shaw**  
Vice President

**Kelly Sococcio**  
Assistant Vice President

### ANNUAL MEETING

June 4, 2026, 10:00 AM  
Lake Ontario Conference and  
Events Center  
25 East First Street  
Oswego, NY 13126

### CORPORATE HEADQUARTERS

214 West First Street  
Oswego, NY 13126  
(315) 343-0057

### STOCK LISTING

The NASDAQ Capital Market  
Symbol: PBHC Listing: PathBcp

### SPECIAL COUNSEL

Luse Gorman, PC  
5335 Wisconsin Avenue N.W.  
Suite 780  
Washington, D.C. 20015

### INDEPENDENT AUDITORS

Bonadio & Co., LLP  
432 North Franklin Street, Suite 60  
Syracuse, NY 13204

### TRANSFER AGENT

Computershare  
**Overnight Mail Delivery**  
150 Royall St., Suite 101  
Canton, MA 02021

**Regular Mail Delivery**  
P.O. Box 43006  
Providence, RI 02940-3006

**Telephone**  
1-800-522-6645

### INVESTOR RELATIONS

**James A. Dowd**  
President and Chief Executive Officer

**Justin K. Bigham**  
Executive Vice President,  
Chief Financial Officer

### GENERAL INQUIRIES AND REPORTS

A copy of the Bank's 2025 Annual Report to the Securities and Exchange Commission, Form 10-K, may be obtained without charge by written request of shareholders to:

**Joseph Polniak**  
First Vice President,  
General Counsel & Corporate Secretary  
Pathfinder Bank  
214 West First Street  
Oswego, NY 13126

A copy of this Annual Report on Form 10K and our 2025 Annual Proxy Statement, is available free of charge on our website at: <https://ir.pathfinderbank.com/>

The public may read and copy any materials the Company files with the SEC at the SEC's Public Reference Room at 450 Fifth Street, N.W., Washington, D.C. 20549. The public may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. The Company's filings are also available electronically free of charge at the SEC website: <http://www.sec.gov> and at the Company's website: <https://ir.pathfinderbank.com/>

### FDIC DISCLAIMER

This Annual Report has not been reviewed or confirmed for accuracy or relevance by the FDIC.

(1) Information concerning the principal occupation of the Directors is available in the Company's Proxy Statement

### SAFE HARBOR STATEMENT

This Annual Report contains forward-looking statements that are based on current expectations and are subject to risks and uncertainties that may cause actual results to differ materially. Readers are advised to review the Company's filings with the Securities and Exchange Commission and earnings releases for additional information.





2025

**MAIN OFFICE**

214 West First Street  
Oswego  
(315) 343-0057

**PLAZA OFFICE**

291 State Route 104 East  
Oswego  
(315) 343-4483

**CENTRAL SQUARE OFFICE**

3025 East Avenue  
Central Square  
(315) 676-2265

**FULTON OFFICE**

5 West First Street South  
Fulton  
(315) 592-9545

**LACONA OFFICE**

1897 Harwood Drive  
Lacona  
(315) 387-3437

**MEXICO OFFICE**

3361 Main Street  
Mexico  
(315) 963-7248

**DOWNTOWN DRIVE-THRU**

34 East Bridge Street  
Oswego  
(315) 343-2577

**CICERO OFFICE**

6194 State Route 31  
Cicero  
(315) 752-0033

**SYRACUSE OFFICE**

109 West Fayette Street  
Syracuse  
(315) 207- 8020

**UTICA LOAN OFFICE**

258 Genesee Street  
Utica  
(315) 343-0057

**CLAY OFFICE**

3775 Route 31  
Liverpool  
(315) 593-4400

**SOUTHWEST CORRIDOR OFFICE**

506 West Onondaga Street  
Syracuse  
(315) 413-7714

**EAST SYRACUSE OFFICE**

6611 Manlius Center Road  
East Syracuse  
(315) 437-1850

[pathfinderbank.com](http://pathfinderbank.com)