

Generations of Success



LAKE SHORE BANCORP, INC.
2018 ANNUAL REPORT



INVESTMENT RATIONALE

Prudent and conservative approach to growth and risk management

Experienced management with thorough knowledge of the market area

Commitment to an efficient operating profile

Operational focus on managing interest rate risk

Solid community banking core business

Online banking enhancements support branch efforts to secure retail and commercial deposits

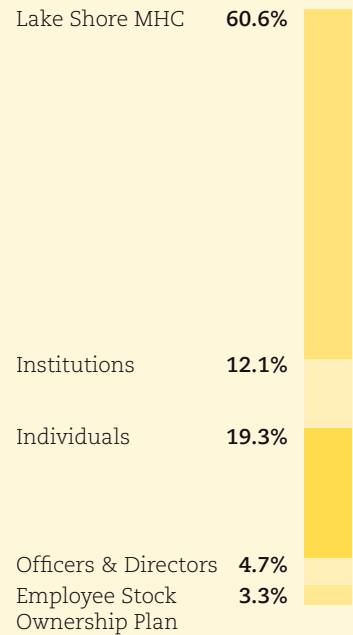
Continued investments in enhanced digital capabilities to meet customers' evolving technology needs

Capital ratios significantly in excess of regulatory definition for well-capitalized

Commercial lending growth efforts focused on gaining market share in Western New York

SHAREHOLDER PROFILE

As of 3/1/19



DIVIDENDS DECLARED (PAID)

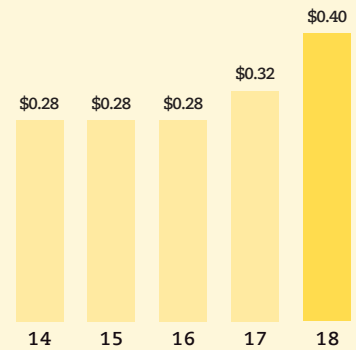


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LETTER TO SHAREHOLDERS

We are pleased to report another year of solid performance in 2018 characterized by record earnings, loan growth of more than \$27 million, improved asset quality and a 25% increase in our cash dividend. Our performance reflects a total effort by our team members who are fully committed to serving the best interests of our customers and our community.

In 2018 we enhanced our customer service through expanded products and services, upgraded technology and digital banking capabilities and by equipping our branch employees with the skills needed to meet our customers' financial needs. These investments and developments strengthen our company and in turn, help us build shareholder value over the long term, for generations to come.

GENERATIONS OF SUCCESS

With a continuous banking presence that spans well over a century, we have had the honor of serving multiple generations of Western New Yorkers, helping the sons and daughters of long-time customers buy their first house, save for college, and start or take over a business. We have always put people first and when you conduct your business that way, customers keep coming back — generation after generation.

Like our generations of customers, Lake Shore Savings has always had to work hard and remain focused on what is important to achieve success. During the past 127 years, we have faced many challenges and competitors. Even today there is no shortage of competitors in our market area, including a number of larger regional banks that are headquartered outside of Western New York. In addition to our true community bank approach to customer service, we have utilized innovation and technology to level the playing field.

We continue to develop and offer products that are designed to be responsive to a wide variety of customer preferences. Our millennial customers don't necessarily have the same approach to banking as their parents and grandparents. In recent years we have developed a range of checking, savings and credit products to meet these varied preferences, as well as introduced upgrades to our retail online banking product. Whether a customer prefers to transact their banking at a branch or at a desk in their home, we have technologically advanced solutions available to meet their needs.

The same is also true of our approach to business banking, where one size definitely does not fit all. We have assembled an experienced group of commercial bankers to meet the needs of almost any type of business. New ventures, growing and long-established businesses alike can find checking and credit products to meet their needs, as well as direct deposit of payroll, remote deposit capture and online and mobile banking through our Business Online Banking and Mobiliti Business™ products. In February 2019 we unveiled a new look and feel to our business online banking platform and we are excited to offer our business customers a more powerful, convenient and secure experience than ever before. Just because we have existed since 1891 does not mean our approach to business is "old fashioned."

GENERATIONS OF PERFORMANCE

Our ability to evolve our products and service capabilities has enabled Lake Shore Savings to attract and retain customers and, importantly, it has been a driver for growth and improved financial performance. In 2018, we reported record net income of \$4.0 million for the year, compared to \$3.4 million in 2017. On a per share basis, we earned \$0.66 for the year, an improvement of \$0.11, or 20.0%, compared to 2017.

Organic loan growth was driven by expanding relationships with existing customers and acquiring new banking relationships. Net loans at December 31, 2018 of \$392.5 million increased \$274 million, or 7.5%, from the end of 2017, primarily due to organic growth in the commercial loan portfolio and in residential real estate loans. Our focus on creating a strong commercial lending platform is driven by the higher potential loan yields, and at year end, commercial loans of \$194.6 million were up \$13.4 million, or 7.4%, compared to December 31, 2017.

Along with our efforts to increase the yield on our loan portfolio, we are continuously working to manage our funding costs by focusing on gathering low-cost, core deposits, which include savings, money market, demand deposit and non-interest bearing checking accounts. This effort was rewarded with year-over-year core deposit growth of \$20.8 million, or 8.1%, to \$277.5 million at December 31, 2018.

Our two-pronged effort to accelerate commercial loan growth and control funding costs resulted in continued improvement in net interest income, which grew by \$1.2 million, or 6.9%, in 2018 to \$17.9 million, compared to one year prior. Our net interest margin of 3.61% at December 31, 2018 was in line with our net interest margin as of December 31, 2017 and compares well with industry peer averages.

2018 HIGHLIGHTS

20.0% ▲

Earnings per share increased 20.0% to \$0.66, compared to the prior year

5.2% ▲

Total assets at December 31, 2018 of \$545.7 million reflects growth of 5.2% when compared to the prior year

7.5% ▲

Year end loans receivable (net) of \$392.5 million increased 7.5% when compared to December 31, 2017

8.1% ▲

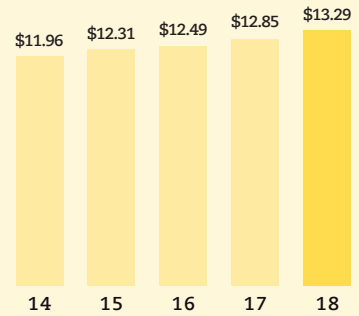
Core deposits grew 8.1% to \$277.5 million, compared to December 31, 2017

23 bps ▼

Non-performing loans as a percent of total net loans improved 23 basis points to 0.82% at December 31, 2018, compared to the prior year end

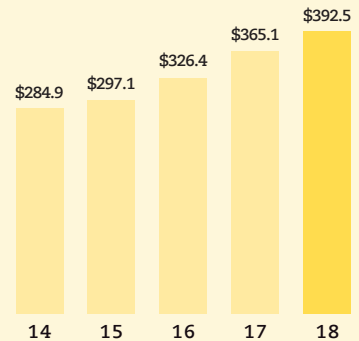
BOOK VALUE PER SHARE

At 12/31



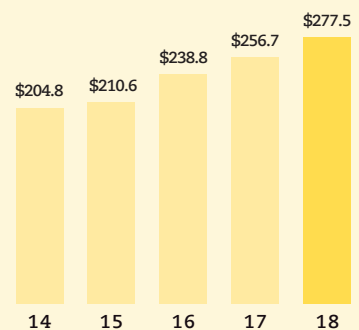
LOANS, NET

In millions at 12/31



CORE DEPOSITS

In millions at 12/31



We realized improved asset quality metrics during 2018, reflecting our robust loan servicing and collection capabilities, along with strong underwriting procedures. Nonperforming loans (NPLs) as a percentage of total net loans were 0.82% at year end, a 23-basis-point improvement from December 31, 2017. In addition, our allowance for loan losses as a percentage of NPLs at December 31, 2018 was 107.15%, a significant improvement from 85.65% one year prior.

Our 2018 operating performance was solid, however our bottom-line results also benefited from the reduction in our corporate tax rate following the passing of the Tax Cuts and Jobs Act ("Tax Act") in 2017. We expect to continue to benefit from tax reform in 2019 and beyond, enhancing our ongoing efforts to build shareholder value.

DELIVERING VALUE TO OUR SHAREHOLDERS

We are dedicated to building sustainable value for our franchise for the benefit of our shareholders, by pursuing measured and profitable growth and improved operating results, while keeping the customers' best interests in mind. Our unwavering adherence to this core principal, has afforded us the opportunity to build a customer base that includes multiple generations, and contributes to our franchise value.

We have continued to build on an already strong capital base by consistently generating solid bottom-line results year after year. As a result, our regulatory capital ratios are very strong and significantly above what the regulators describe as well capitalized. Our year end Tier 1 risk-based capital to risk-weighted assets ratio of 19.70% is more than twice the regulatory threshold for well-capitalized. As a result, Lake Shore Savings has a very strong capital foundation that will support our planned growth initiatives.

The combination of strong capital and continued solid operating results provides the necessary environment for a significant dividend as an element of value creation. In 2018, shareholders received quarterly cash dividends of \$0.10 per share, a 25% increase from the prior year. On February 7, 2019, we announced that the Board had raised our quarterly cash dividend to \$0.12 per share, another 20% increase on an annual basis. Based on the Company's closing stock price of \$16.00 on March 8, 2019, the implied dividend yield has increased to 3.0%.

AN ENGAGED AND EXPERIENCED BOARD

Our Company and our shareholders continue to realize the benefit of having a Board of Directors with a significant level of local business experience combined with a deep understanding of the Company's operations. Cumulatively, our diverse group of outside directors have been representing our shareholders' interests for more than 87 years.

During 2018, Kevin Sanvidge, who joined the Board in 2012, succeeded Nancy Yocum as vice chairman of the Board of Directors as part of our company's succession plan. Kevin has positively impacted our corporate direction during his tenure and we are pleased that he will be taking on this additional leadership role as we continue to implement our strategic plan.

A 24-year veteran of our Board, Nancy will continue in her role as the chairperson of the Audit/Risk committee. She is one of the longest-serving female directors of a public company headquartered in Western New York and one of three women currently serving on Lake Shore's Board of Directors. Nancy is an invaluable asset and we are grateful for her leadership.

CONTINUED EXECUTION ON STRATEGY FOR GROWTH

Our 2018 results illustrate that the strategy we have put in place is appropriate, effective and yielding the desired results. We continue to seize opportunities created by merger-related market disruption and economic resurgence taking place throughout Western New York as part of our focus on commercial lending growth. We have an experienced team ready to serve businesses small and large in this growing market. With a strong loan pipeline at the start of 2019, we are excited by the potential for continued growth in our commercial portfolio.

SERVING THE NEXT GENERATION


Our industry and the local business economy are in a continuous state of change. As we have done for the past 127 years we recognize the changes, identify opportunities and take the necessary steps to continue to perform at a high level regardless of the business environment. This ability to adapt and perform has convinced generation after generation that Lake Shore Savings Bank is the right fit for their banking needs.



Gary W. Winger
Chairman of the Board



Daniel P. Reininga
President and Chief Executive Officer



The father-daughter duo of Paul and Emily Kolkmeier of Priam Enterprises recently restored the 100-year-old Marin Building in downtown Buffalo, including the luxurious Admiral Room banquet facility, with Lake Shore Savings' support.

Founder Andy Dzdich (front row, fourth from left) along with second generation owners, third generation employees and other members of the ADD Lumber True Value team celebrated the grand re-opening of their Irving, N.Y. location in 2018.



Where Stability Meets Growth

We have always focused on our customers' success, pointing them on a path that limits risk and prepares a secure future for their families and businesses. Our continued investments in the overall customer experience remain rooted in providing financial stability and security at their very core.

For example, our stable asset quality metrics reflect our deep understanding of the Western New York market in which our business is focused, along with the proven underwriting standards utilized by our lending team. Of course, we incorporate strong guarantees and collateral in our underwriting, but we also work with customers to help them craft a realistic, manageable plan, developing solutions and alternatives that make sense and increase their chances for success.

Customer dedication has kept businesses like ADD Lumber True Value banking with us for generations. The Dunkirk, N.Y.-headquartered hardware and lumber business opened in 1982 and quickly became a trusted partner to both contractors and do-it-yourselfers in Chautauqua County. In 1998, when founder Andrew Dzdich was ready to expand to the south, Lake Shore Savings helped him acquire a store in Westfield, N.Y. In 2005, he then expanded northward with an acquisition in Irving, N.Y., again with Lake Shore's aid. ADD Lumber has since expanded and renovated all three of its locations in the county, including a relocation in Westfield in 2012, a remodel of the Dunkirk store in 2016, and a complete interior and exterior remodel of the Irving store in 2018 — all with Lake Shore Savings as its financial partner.

"They're easy to work with. If you have questions, you always find someone right away," attests ADD Lumber Treasurer Lisa Dzdich Crandall, one of five of Dzdich's seven children who are second-generation owners. (Third generation grandchildren are also now among the ranks!) "Lake Shore's employees have been there a long time too, so you build up great relationships. It's nice to stay in the community for our banking needs and help each other out."

Our commitment to generations means we also value our region's past. That's why we are excited to support the renovation of downtown Buffalo's historic Marin Building at 237 Main Street. Built in 1915 and designed by renowned architects Green & Wicks, the Marin is one of Buffalo's most iconic structures. This 16-floor, Italian Renaissance Revival-style high rise is managed by Priam Property Management, which is restoring the building and neighboring Roblin building into a 300,000+ square-foot, mixed-use facility. The building will offer high-end commercial and residential space, in addition to the spectacular Admiral Room which opened in 2018 — a luxurious, breathtaking banquet hall. The space's high, stately ceilings and long, sunlit windows create an aura of elegance that is unmatched in the region, placing it atop wish lists of numerous brides-to-be and corporate event planners alike. We are honored to play a role in preserving Buffalo's history and contributing to its recent renaissance.

In recent years, various financial institution mergers and acquisitions caused disruption within our market area, providing ample opportunity for Lake Shore Savings Bank. One particular growth area for us recently has been Commercial Real Estate Lending. We have an experienced commercial lending team that is respected and trusted in their communities. This has led to double-digit growth in commercial loans in recent years, as business leaders in Erie County, especially, have begun to recognize that Lake Shore Savings can be a true partner in their success with a level of personal service that is unsurpassed.

Even as commercial loan growth has increased, we continue to be a strong and steady provider of residential and home equity lines of credit to meet the needs in our market area. In 2018, residential mortgage loans increased by 7.2% over 2017 and home equity growth was 9.9%.



Where Technology Meets Convenience

Lake Shore Savings Bank has succeeded for generations because it has remained in tune with its customers for generations. That approach has never been more true — or more vital — than it is today. As the banking industry continues to experience rapid change and disruption due to ever-changing technological advances and customer demands, it has been imperative to our success that we listen keenly, and respond quickly, to customer feedback.

One of the most significant examples of this is our newly enhanced Business Online Banking program, just launched in February 2019. This new suite of services and tools gives our business clients a far more customizable approach that is both powerful and functional. Gone are the template-driven systems filled with pop-up screens and external websites that seemed more suited to third-party vendors than the actual end users. In their place are solutions designed to improve the ease of banking, with electronic banking options for faster payment processing and enhanced fraud protection.

Efficiency is equally important to our personal banking customers who are embracing such conveniences as mobile banking, person-to-person payments, and online mortgage and home equity applications. In 2018 we upgraded our loan origination technology on the consumer side, developing a more user-friendly interface for customers to apply for loans as well as a better overall online banking experience. These digital capabilities provide the same level of innovation and service found in our branches, creating a seamless experience. Customers could choose to complete a loan application in one of our branches, online or through a combination of the two. This means that customers could start a mortgage application at their local branch, but choose to finalize it online on their own time, from wherever they may be. In addition, our bankers will readily meet customers at their home or place of business to assist them in completing the process.

One way we ensure that we are paying attention to the latest banking and technology trends is through our Millennial Advisory Board. This group of individuals representing a variety of industries and interests guide us in making sure we are as trusted by and important to the next generation of customers as we have been to their parents and grandparents. The group represents a diversified view and is comprised of lawyers, educators, sales and marketing professionals and not-for-profit leaders who gather once a quarter to share their insights and guide us in our strategic direction from product, marketing and customer service perspectives.

We also offer customer training videos online, in addition to the in-person guidance available in any of our branches or Customer Service Call Center, so that individuals of all ages can learn how to take advantage of our many time-saving innovations. We will never force our customers out of their comfort zones. Innovation and efficiencies are wonderful, but not at the expense of customer satisfaction. So we remain ready to help people learn and grow at their own pace — if that is their goal. If not, we are just as happy to take care of their needs the way they have grown accustomed to, so that their faith in us never falters.

MILLENNIAL ADVISORY BOARD

Brandon Ihrig
Math Teacher, Amherst High School

Kale Mann
President, Soar Into Your Destiny, Inc.

Dr. Sue McNamara
Associate Professor and Internship
Coordinator, State University of
New York at Fredonia School of Business

Chrissy Ortolano
Administrative Coordinator,
DENT Neurologic Institute

Chris Phillips
Vice President of Sales and Operations,
Accessium Group, Inc.

Steven Przybyla
President, Jushi Medical, Jushi, Inc.

Molly White
Staff Attorney, Center for Elder Law and Justice

*We would like to thank **Alex Czechowski**
and **Casey DeMarco** for their service on the
Millennial Advisory Board.*



Where Commerce Meets Community

With our continued investments in digital capabilities, product enhancements and sales and marketing skills, we recognize that we are, and always will be, a community bank. Personal touch and service are the hallmark of that experience, and it's what we do best.

That's why, if you call our customer service line during business hours, you will be able to speak to a real person and not a stranger from some centralized call center out of state or in another country. Our customer service people live and work right here in Western New York, often in the same communities from which the customer is calling. Over the years we have found the reassurance and authenticity which this human connection generates is invaluable; in fact, even today's millennial generation consistently reports this as a strong preference.

That personal connection is immediately apparent when you walk into any Lake Shore Savings branch. We are "right-sized" and uniquely positioned to have the one-on-one interactions which our customers value so strongly. Our team members are knowledgeable about their communities and have deep relationships with their neighbors. Most of our branch managers live right in the community of the branch they manage as well. This genuineness gives us a validity that is extremely important to our success.

Moreover, our staff has steadily evolved from single-focus titles such as teller or lender to more holistic financial consultants. We train them specifically to not place products or services with customers if the product or service is not the right fit — a lesson some recent national and super-regional banks did not learn quickly enough.

Instead, we have instilled a systemic and cultural shift across all of our branches, promoting relationship management and a proactive, conversational approach. We consistently make educational investments in our team members, understanding that enhancing their knowledge base is the best way to routinely ensure both their and our customers' trust in us — and our collective long-term success. Lake Shore Savings Bank employees are capable of understanding the broad financial picture of their customers, guiding them strategically to different stages of their career and life journeys.

We also have a deep commitment to supporting the communities we serve. We do this in a variety of ways, not only giving financially as an organization, but also instilling in our employees the importance of giving their time as well. We are always so proud when we see our colleagues volunteering at hospitals, serving on boards, coaching youth sports and supporting any number of fundraising events.

In 2018 we were thrilled to support an exhibit in the new National Comedy Center in Jamestown, N.Y., which held its grand opening last year. The most exciting new development to impact Chautauqua County in decades, the Center is becoming a windfall for tourism and a virtual sanctuary among comedians and their legions of fans. Legends such as Dan Aykroyd, Lily Tomlin and Amy Schumer have performed there. Its advisory board includes such icons as Carl Reiner, Lewis Black, Jim Gaffigan, Laraine Newman and Robert Klein — plus the surviving children of many of comedy's biggest pioneers: Richard Pryor, George Carlin, Lenny Bruce and Harold Ramis.

The National Comedy Center pays tribute to the broad spectrum of the comedy umbrella, including individuals with ties to Western New York, like the great Lucille Ball, born in Jamestown, and Brad Anderson, creator of the timeless comic strip "Marmaduke." Anderson, a Chautauqua native, was one of the nation's most accomplished cartoonists. After his passing at age 91 in 2015, the Center became the keeper of his drawing studio's contents, now featured in an exhibit. Lake Shore Savings is proud to be the sole sponsor of this exhibit to pay tribute to a Western New Yorker who brought a smile to millions of people every week.

Another event we are very proud to support is the Women of Influence awards, hosted annually by Buffalo Business First. Each year 25 women are selected to be honored for their contributions in various roles within the workplace — a wonderful accolade in and of itself. However, what truly makes this event special for us is that, in addition to the award, Lake Shore Savings Bank donates \$25,000 so that each award recipient may allocate a \$1,000 grant to the non-profit organization of her choice. This pay-it-forward strategy embodies what we believe in as an organization: the celebration of people doing great things in their communities, and the recognition of the need to open doors for additional difference makers along the way. Lake Shore Savings Bank has served as the title sponsor of this event since 2008.

There are many other organizations which we support, including the Mikey's Way Foundation, which helps children with cancer and other life-threatening illnesses connect to their family, friends and schools by providing them with laptops, tablets and other electronics. We're also avid supporters of the Buffalo Hearing and Speech Center, Fredonia College Foundation, Food Bank of WNY and many other excellent not-for-profits who are changing people's lives for the better throughout our two-county footprint.



Lake Shore Savings has sponsored the "Marmaduke" exhibit at the National Comedy Center, which pays tribute to famous cartoonist Brad Anderson, who created the comic strip in 1954. The comic strip appeared in more than 500 newspapers across the U.S. and beyond.

Photo courtesy of Jay Rosenblatt and the National Comedy Center.



Lake Shore Savings was a presenting sponsor of Business First's 2018 Women of Influence Awards, along with Catholic Health. From left, are Lake Shore Bancorp Chief Financial Officer and Treasurer Rachel Foley, Joyce Markiewicz, Executive Vice President, Catholic Health and President and CEO of Catholic Health Home and Community-Based Care, Honoree Melody Jason, Executive Director of Erie 1 BOCES, and Business First Publisher John Tebeau.

Photo courtesy of Buffalo Business First.

SUMMARY SELECTED FINANCIAL DATA

AS OF DECEMBER 31, 2018 2017

SELECTED FINANCIAL CONDITION DATA

(Dollars in thousands)

Total assets	\$ 545,708	\$ 518,977
Loans, net	392,471	365,063
Total deposits	432,458	405,153
Total stockholders' equity	79,804	78,375

FOR THE YEAR ENDED DECEMBER 31, 2018 2017

SELECTED OPERATING DATA

(Dollars in thousands, except per share data)

Interest income	\$ 21,536	\$ 19,408
Interest expense	3,602	2,630
Net interest income	17,934	16,778
Provision for loan losses	390	510
Net interest income after provision for loan losses	17,544	16,268
Total non-interest income	2,474	2,655
Total non-interest expense	15,433	14,360
Income before income taxes	4,585	4,563
Income taxes	585	1,185
Net income	\$ 4,000	\$ 3,378
Basic earnings per common share	\$ 0.66	\$ 0.55
Diluted earnings per common share	\$ 0.66	\$ 0.55
Dividends declared per share	\$ 0.40	\$ 0.32

Our selected consolidated financial and other data as set forth on this page, which is derived in part from, and should be read in conjunction with our audited consolidated financial statements and notes thereto, beginning on page F-1 of our 2018 Annual Report on Form 10-K.

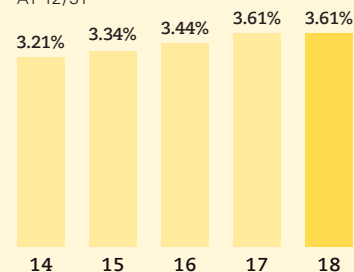
CAUTIONARY STATEMENT

The statements contained herein that are not purely historical are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, which statements generally can be identified by the use of forward-looking terminology, such as "may," "will," "expect," "estimate," "anticipate," "believe," "target," "plan," "project" or "continue" or the negatives thereof or other variations thereon or similar terminology, and are made on the basis of management's current plans and analyses of our business and the industry in which we operate as a whole. These factors in some cases have affected, and in the future could affect, our financial performance and could cause actual results to differ materially from those expressed in or implied by such forward-looking statements. Information on factors that could affect the Company's business and results are discussed in the Company's periodic reports filed with the Securities and Exchange Commission including the Company's annual report on Form 10-K for 2018. We do not undertake to publicly update or revise our forward-looking statements even if experience or future changes make it clear that any projected results expressed or implied therein will not be realized.

PERFORMANCE SUMMARY

NET INTEREST MARGIN

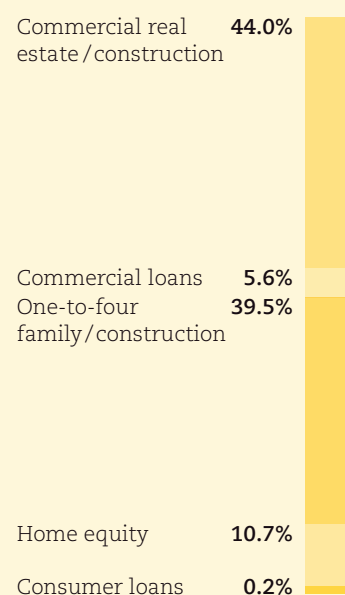
AT 12/31



LOAN PORTFOLIO COMPOSITION

AT 12/31/18

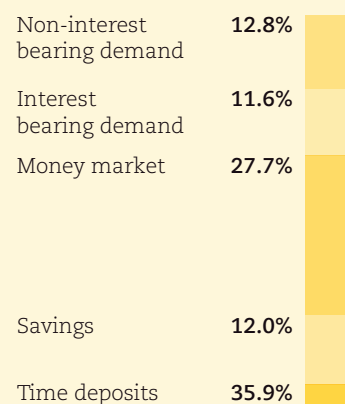
TOTAL LOANS = \$392.5 MILLION



DEPOSIT COMPOSITION

AT 12/31/18

TOTAL DEPOSITS = \$432.5 MILLION



SHAREHOLDER INFORMATION

ANNUAL SHAREHOLDERS MEETING

May 15, 2019 – 8:30 a.m.
Clarion Hotel and Conference Center
30 Lake Shore Drive East
Dunkirk, New York 14048

NATIONAL STOCK LISTING

The NASDAQ Global Market
under the symbol LSBK

SPECIAL COUNSEL

Luse Gorman, PC
5335 Wisconsin Avenue, NW
Suite 780
Washington, DC 20015

INDEPENDENT AUDITORS

Baker Tilly Virchow Krause, LLP
20 Stanwix Street
Suite 800
Pittsburgh, PA 15222

TRANSFER AGENT AND REGISTRAR

Computershare Shareholder Services

BY REGULAR MAIL

P.O. Box 505000
Louisville, KY 40233-5000

BY OVERNIGHT DELIVERY

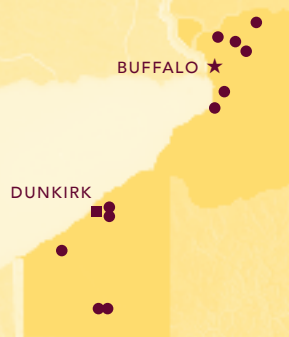
462 South 4th Street, Suite 1600
Louisville, KY 40202

(800) 368-5948

computershare.com/investor

INVESTOR RELATIONS CONTACT

Rachel A. Foley
Chief Financial Officer/Treasurer
(716) 366-4070 option 4 ext 1220
rachel.foley@lakeshoresavings.com



■ Corporate Headquarters
● Branch Location

BRANCH LOCATIONS

Chautauqua County

128 East Fourth Street
Dunkirk, NY 14048

30 East Main Street
Fredonia, NY 14063

115 East Fourth Street
Jamestown, NY 14701

1 Green Avenue, WE
Lakewood, NY 14701

106 East Main Street
Westfield, NY 14787

Erie County

570 Dick Road
Depew, NY 14043

5751 Transit Road
East Amherst, NY 14051

59 Main Street
Hamburg, NY 14075

3438 Delaware Avenue
Kenmore, NY 14217

3111 Union Road
Orchard Park, NY 14127

4950 Main Street
Snyder, NY 14226

BOARD OF DIRECTORS

Gary W. Winger

Chairman of the Board

Interim Vice President of Administrative Services at Corning Community College

DIRECTOR SINCE 1997

BOARD COMMITTEES
Asset/Liability, Loan

Kevin M. Sanvidge

Vice Chairman of the Board

Former Chief Executive Officer and Administrative Director of the Chautauqua County Industrial Development Agency

DIRECTOR SINCE 2012

BOARD COMMITTEES
Chairs Compensation, Nominating and Governance

Susan C. Ballard

Branch Consultant for Hunt Real Estate ERA

DIRECTOR SINCE 2012

BOARD COMMITTEES
Nominating and Governance, Compensation, Loan

Tracy S. Bennett

CPA and Former Vice President of Administration, SUNY Fredonia

DIRECTOR SINCE 2010

BOARD COMMITTEES
Audit/Risk, Asset/Liability

Sharon E. Brautigam

Of Counsel, Brautigam & Brautigam, LLP

DIRECTOR SINCE 2004

BOARD COMMITTEES
Chairs Nominating and Governance, Compensation

David C. Mancuso

Former President and Chief Executive Officer of Lake Shore Bancorp, Inc.

DIRECTOR SINCE 1998

BOARD COMMITTEES
Chairs Asset/Liability, Loan

Jack L. Mehlretter

Vice President of Information Technology, Gibraltar Industries

DIRECTOR SINCE 2016

BOARD COMMITTEES
Audit/Risk

Daniel P. Reininga

President and Chief Executive Officer

DIRECTOR SINCE 1994

BOARD COMMITTEES
Chairs Loan, Asset/Liability

Nancy L. Yocum

Retired CPA and Former Partner of Brumfield & Associates

DIRECTOR SINCE 1995

BOARD COMMITTEES
Chairs Audit/Risk

DIRECTORS EMERITUS

Michael E. Brunecz

Reginald S. Corsi

James P. Foley, DDS

SENIOR MANAGEMENT

Daniel P. Reininga

President and Chief Executive Officer

SINCE 2011

Jeffrey M. Werdein

Executive Vice President, Commercial Division

SINCE 2014

Rachel A. Foley

Chief Financial Officer and Treasurer

SINCE 2006

Beverly J. Sutton

Vice President of Retail Banking Operations

SINCE 2015

Steven Schiavone

Controller and Principal Accounting Officer

SINCE 2008

Nicole May

Compliance and CRA Officer

SINCE 2002

Janinne Fiegl Dugan

Vice President, Human Resources Officer

SINCE 1994

Sonia N. Ortolano

Vice President, Management Information Systems

SINCE 2004

Mark J. Peters

Internal Auditor and Enterprise Risk Manager

SINCE 2016

Brenda Mikolajczak

Assistant Vice President, Marketing and Sales Director

SINCE 2016

We would like to thank

Louis P. DiPalma, Vice President, Commercial Portfolio Manager and Business Development Officer, for his 16 years of dedicated service to our Company.

BANK OFFICERS

COMMERCIAL LENDING AND OTHER OFFICERS

Barbara M. Fancher

Assistant Vice President

Wendy J. Harrington

Corporate Secretary

Beverley J. Mulkin

Vice President

Dylan P. Rubadeaux

Vice President, Commercial Loan Officer

Jared Sedor

Assistant Vice President, Commercial Loan Officer

BRANCH MANAGEMENT OFFICERS

Adam J. Dimitri

Assistant Vice President, Regional Branch Sales Manager

Magdalena Dye

Assistant Vice President, Regional Branch Sales Manager

Richard E. Greco, Jr.

Assistant Vice President, Regional Branch Sales Manager

Amy Harding

Assistant Vice President, Regional Branch Sales Manager

John P. Huber

Vice President, Regional Branch Sales Manager

Gabriele J. Maddalena

Assistant Vice President, Regional Branch Sales Manager

Sally A. Pyne

Assistant Vice President, Regional Branch Sales Manager

Scott T. Swan

Assistant Vice President, Regional Branch Sales Manager

Hiroko Walters

Assistant Vice President, Regional Branch Sales Manager

Lake Shore Bancorp, Inc. (the “Company”) is the mid-tier holding company of Lake Shore Savings Bank, a mission-driven community institution dedicated to serving the financial needs of consumers and businesses within the bank’s Western New York market area. The Company is committed to maintaining an efficient expense profile, driving commercial loan portfolio growth, identifying and managing enterprise risk, and achieving prudent growth which builds long-term sustainable value for investors.

Lake Shore common stock is traded on the NASDAQ Global Market as “LSBK” and its 6.0 million shares, including 3.6 million mutual holding company (MHC) shares, had a “market cap” of approximately \$90.4 million on December 31, 2018. The Company had total consolidated assets of \$545.7 million and total deposits of \$432.5 million at the end of 2018.

Lake Shore Savings Bank is dedicated to serving the financial needs of consumers and businesses in Western New York, which it has been doing for more than 127 years. Lake Shore is focused on providing high-quality, personal customer service through its 11 full-service branches and 18 ATMs that are located throughout Chautauqua and Erie counties. Locally headquartered in Western New York, Lake Shore Savings Bank has retail locations in Depew, East Amherst, Hamburg, Kenmore, Orchard Park, Snyder, Dunkirk, Fredonia, Jamestown, Lakewood, and Westfield, where it offers a broad range of retail and commercial lending and deposit services. Additional information about the Company and the Bank is available at lakeshoresavings.com.



Lake Shore Bancorp, Inc.

Putting People First.[™]

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