



LS Lake Shore Savings

Putting People First.™

ANNUAL SHAREHOLDERS' MEETING

MAY 17, 2023

Safe Harbor Statement

This presentation contains certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, that are based on current expectations, estimates and projections about the Company's and the Bank's industry, and management's beliefs and assumptions. Words such as anticipates, expects, intends, plans, believes, estimates and variations of such words and expressions are intended to identify forward-looking statements. Such statements are not a guarantee of future performance and are subject to certain risks, uncertainties and assumptions that are difficult to forecast. Therefore, actual results may differ materially from those expressed or forecast in such forward-looking statements. The Company and Bank undertake no obligation to update publicly any forward-looking statements, whether as a result of new information or otherwise.

There are risks, uncertainties and other factors that could cause the actual results of the Company to differ materially from the results expressed or implied by such forward-looking statements. Information on factors that could affect the Company's business and results is discussed in the Company's periodic reports filed with the Securities and Exchange Commission, including in the section "Risk Factors". Forward looking statements speak only as of the date they are made. The Company undertakes no obligation to publicly update or revise forward looking information, whether as a result of new, updated information, future events or otherwise.

Agenda

- Call to Order – Kevin M. Sanvidge, Chairman
- Introduction of Officers, Directors and Director Nominees
- Secretary's Report
- Presentation of Proposals
- Executive Management Report to Shareholders
- Vote Report
- Adjournment



Board of Directors

	Director Since
Tracy S. Bennett, Audit Committee Chairperson	2010
Sharon E. Brautigam, Vice Chairperson of the Board, Nominating and Governance Committee Chairperson	2004
Michelle M. DeBergalis, Nominating and Governance Committee member	2022
Kim C. Liddell, President and Chief Executive Officer	2023
John P. McGrath, Asset and Liability Management Committee Chairman	2019
John (“Jack”) L. Mehlretter, Enterprise Risk Management Chairman	2016
Ronald J. Passafaro, Compensation Committee Chairman	1994
Kevin M. Sanvidge, Chairman of the Board	2012

Bank Officers

	Hired		Hired
Kim Liddell, President and Chief Executive Officer	2023	Rachel Sanchioni, VP, Comm. Loan Officer	2022
Rachel Foley, Chief Financial Officer/Treasurer and Principal Financial/Accounting Officer	1999	Adam Dimitri, VP, Retail Banking	2006
Benjamin Pietak, Controller	2023	Amy Harding, VP, Regional Sales Officer	1997
Robert Cortellucci, Chief Technology Officer	2022	Christina Schwindler, VP, Reg. Sales Ofc.	2020
Jeffrey Werdein, Executive VP, Comm. Division	2014	Theresa Campanella, Br. Relationship Mgr.	2008
Tamara Bellanti, Senior VP, Human Resources	2022	Eric Hohenstein, Compliance Officer	2006
Barbara Fancher, VP, Commercial Lending	1998	Nicole Piegzik, BSA Officer	2023
Gabriele Maddalena, VP, Senior Lending Officer	2010	Josh Brunner, Information Security Officer	2023
Michael Noville, VP, Comm. Loan Officer	2019	Elizabeth Rugg, Director of Internal Audit	2015
Dylan Rubadeaux, VP, Comm. Loan Officer	2016		

Business of Annual Shareholders Meeting

1. Election of Directors:

Elect two Class Three directors to serve until the 2026 annual meeting:

Class Three Directors

- Michelle M. DeBergalis
- John (“Jack”) L. Mehltreter

Business of Annual Shareholders Meeting (Continued)

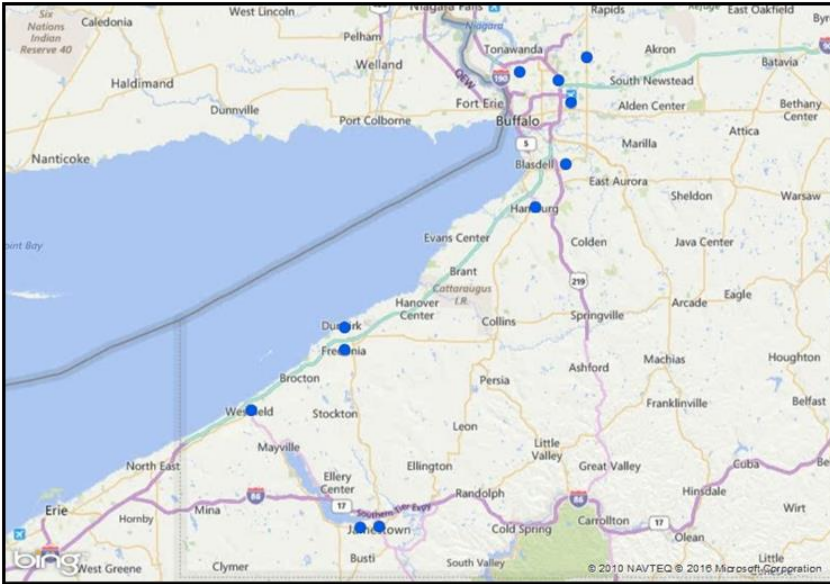
2. **Say on Pay Proposal:** A non-binding “say on pay” proposal to approve the compensation of the named executive officers.
3. **Appointment of Independent Registered Public Accounting Firm:** Ratify the appointment of Baker Tilly US, LLP as the Company’s independent registered public accounting firm for the year ending December 31, 2023.

Executive Management Presentation

Kim C. Liddell, President and Chief Executive Officer

LS LAKE SHORE BANCORP, INC.

An Overview of Lake Shore Savings



- Lake Shore Savings Bank is a federally chartered, community-oriented financial institution headquartered in Dunkirk, New York, with a longstanding history of community banking since 1891
- Current focus on organic growth of loan portfolio primarily through commercial real estate and commercial business loans
 - Since going public, net loans have increased from \$205.3 million on June 30, 2006 to \$574.4 million as of March 31, 2023
- Operates 11 full-service branch locations in two counties within Western New York
- Lake Shore ranks 5th in deposit market share in Chautauqua County with 5 branches; ranks 11th in Erie County with 6 branches
- Converted to MHC structure on April 4, 2006, raising \$29.8 million in gross proceeds and trades on NASDAQ under the symbol LSBK

County	Rank	Branches	Company Deposits in Market (\$000)	Deposit Market Share (%)	Projected Population Change 2023-2028 (%)	Median HH Income 2023 (\$)	Projected HH Income Change 2023-2028 (%)
Chautauqua	5	5	317,831	14.93	(2.24)	56,393	15.21
Erie	11	6	266,953	0.44	0.51	66,856	11.01
Total		11	584,784				
New York Franchise					(0.99)	61,169	13.29
State of New York					(0.13)	80,716	13.05
National					2.14	73,503	13.37

An Overview of Lake Shore Savings (Continued)

Stockholder Information (NASDAQ: LSBK)			
Ownership		Market Information as of 5/15/23	
Mutual Holding Company	63.9%	Total Market Cap (mm)	\$65.0
Institutional	7.9%	Minority Market Cap (mm)	\$23.5
Insider*	7.9%	Book Value Per Share **	\$14.70
		Price / Tangible Book	78%
		Price / FC Tangible Book	54%
		Price / MRQ EPS	9.8x

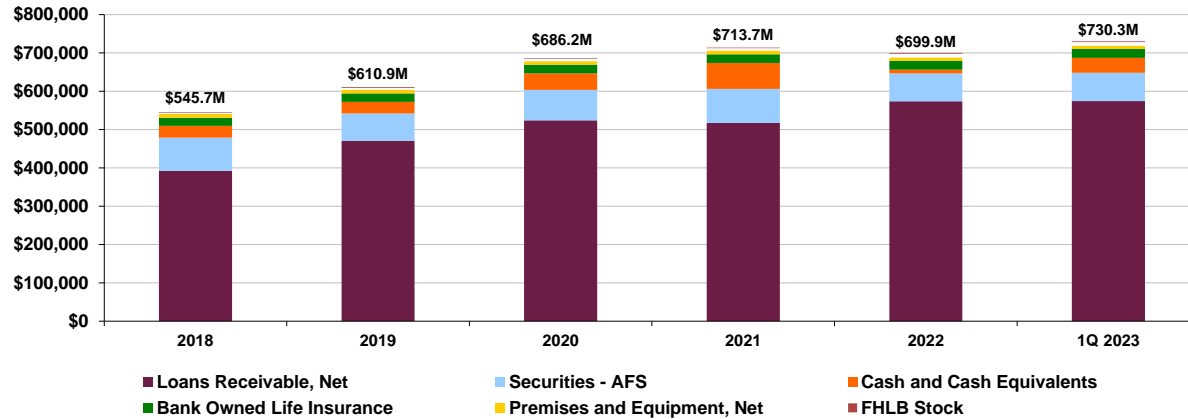
Financial Highlights

<i>Dollars in Thousands (except per share amounts)</i>	2023 FQ1	2022 FQ1	QoQ Change
Assets	\$730,315	\$707,452	3.2%
Net Loans	\$574,408	\$550,286	4.4%
Deposits	\$595,207	\$592,820	0.4%
Net Income	\$1,684	\$1,061	58.7%
Basic Earnings Per Share	\$0.29	\$0.18	61.1%
Book Value Per Share	\$14.70	\$14.45	1.7%
ROAA	0.94%	0.98%	(4.1%)
Efficiency Ratio[*]	80.60%	73.10%	10.3%
Non-Performing Assets	\$2,866	\$9,678	(70.4%)

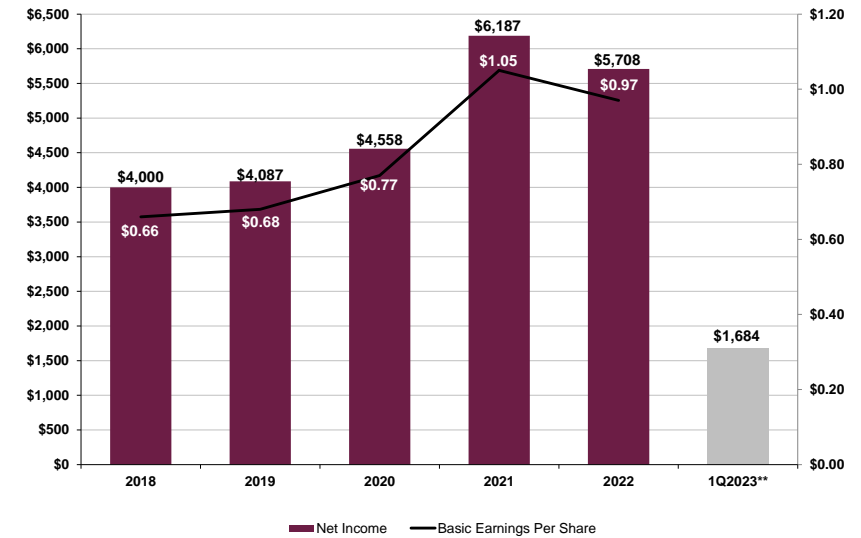
<i>Dollars in Thousands (except per share amounts)</i>	FY 2022	FY 2021	YoY Change
Assets	\$699,914	\$713,739	(1.9%)
Net Loans	\$573,537	\$517,206	10.9%
Deposits	\$570,119	\$593,184	(3.9%)
Net Income	\$5,708	\$6,187	(7.7%)
Basic Earnings Per Share	\$0.97	\$1.05	(7.6%)
Book Value Per Share	\$14.23	\$15.45	(7.9%)
ROAA	0.82%	0.88%	(6.7%)
Efficiency Ratio[*]	71.92%	67.73%	6.2%
Non-Performing Assets	\$3,000	\$9,757	(69.3%)

LAKE SHORE BANCORP, INC.

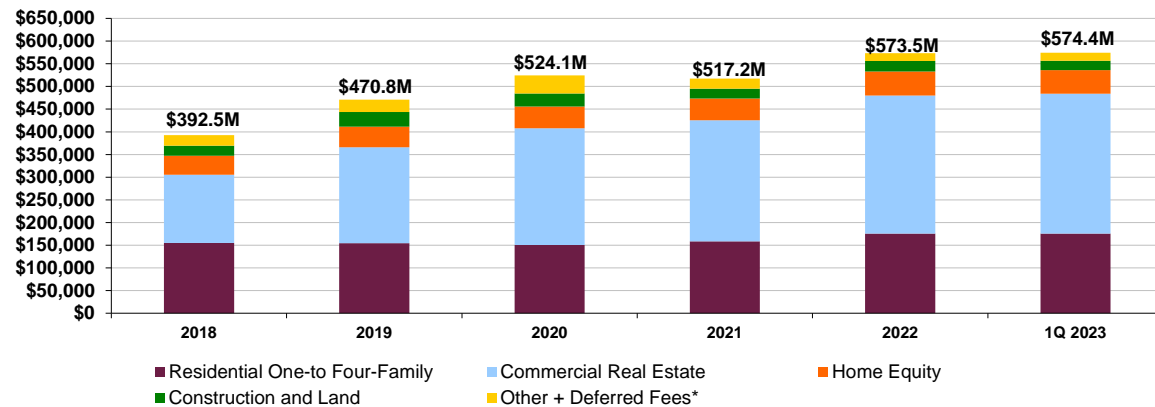
Total Assets



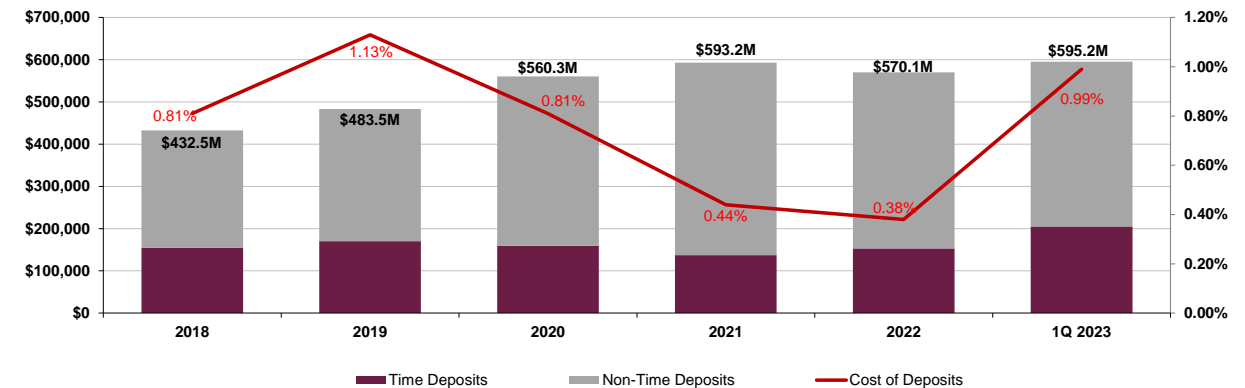
Net Income



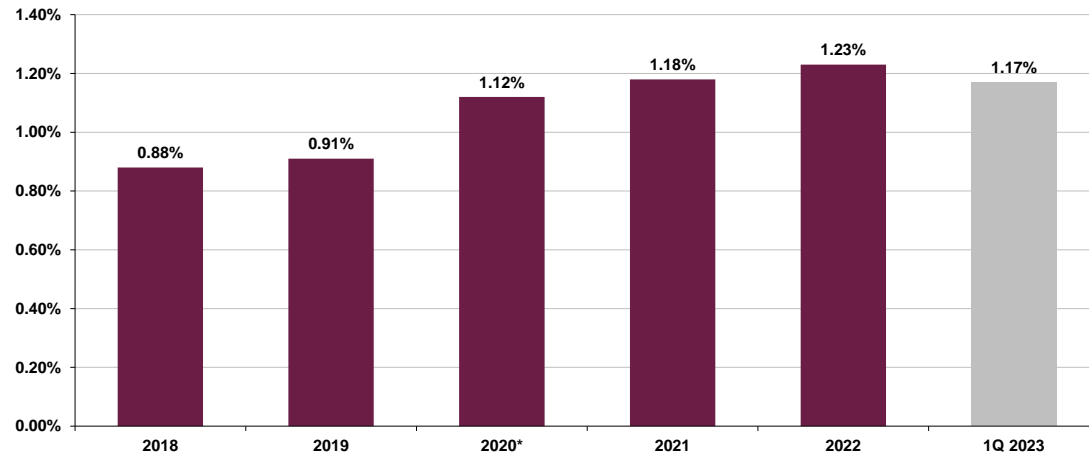
Loan Portfolio



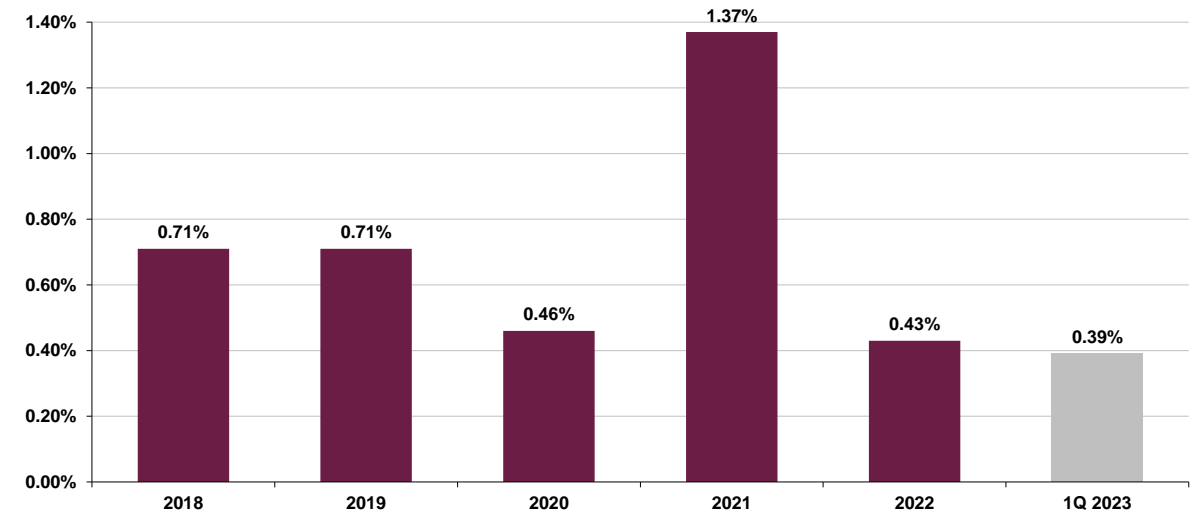
Deposit Trends



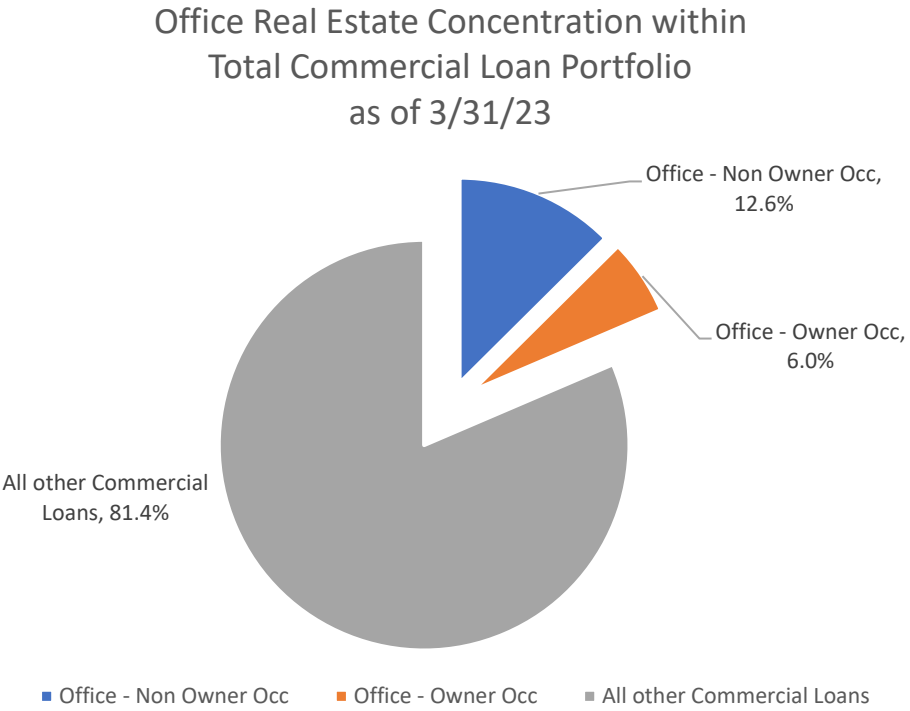
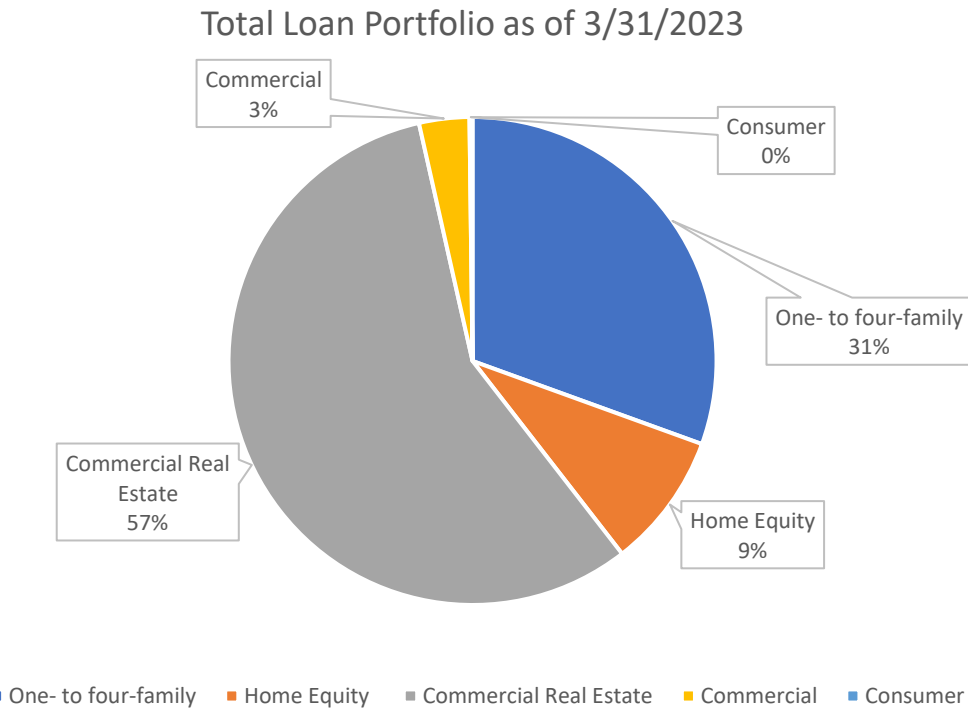
Loan Loss Reserves / Total Net Loans



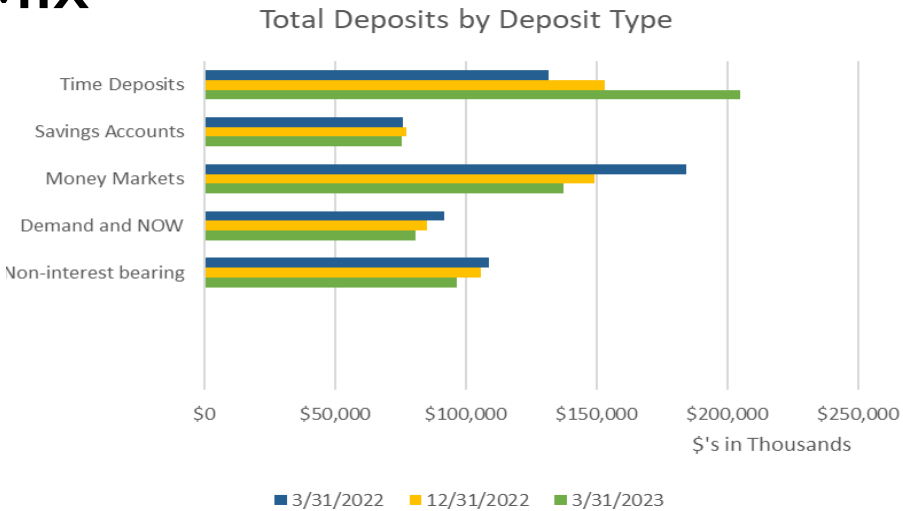
NPAs / Total Assets



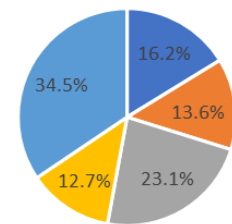
Loan Portfolio – Office Concentration



Change in Deposit Mix

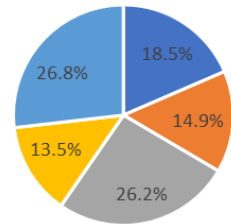


Total Deposits as of
March 31, 2023



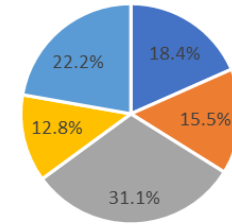
■ Non-interest bearing ■ Demand and NOW ■ Money Markets
■ Savings Accounts ■ Time Deposits

Total Deposits as of
12/31/2022



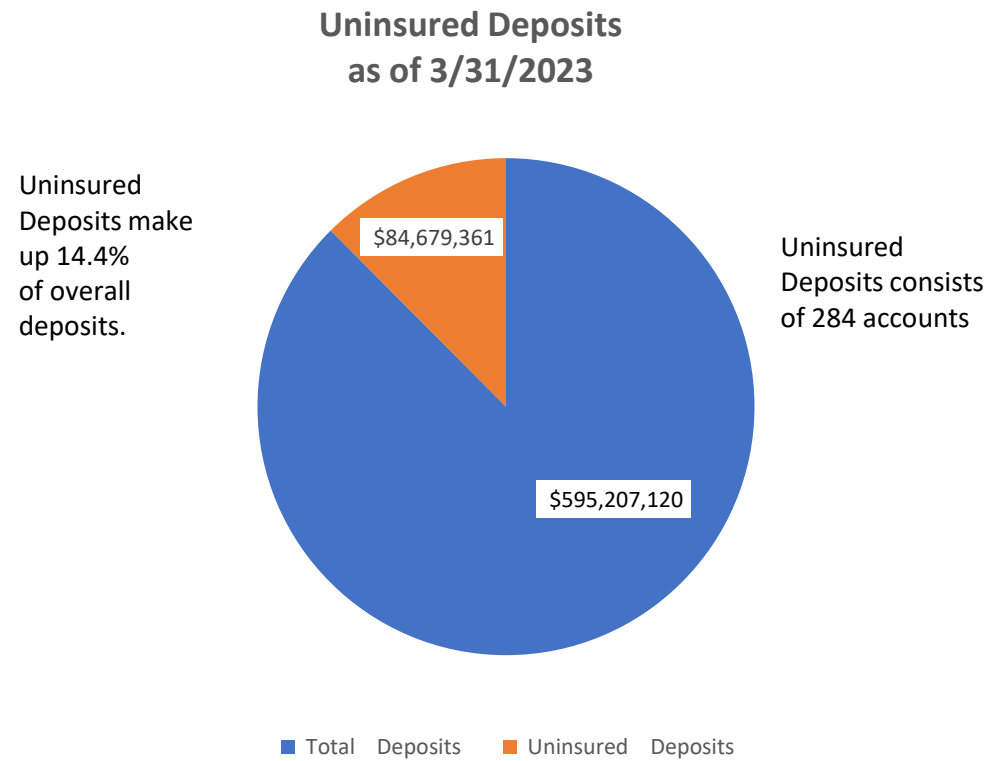
■ Non-interest bearing ■ Demand and NOW ■ Money Markets
■ Savings Accounts ■ Time Deposits

Total Deposits as of
3/31/2022



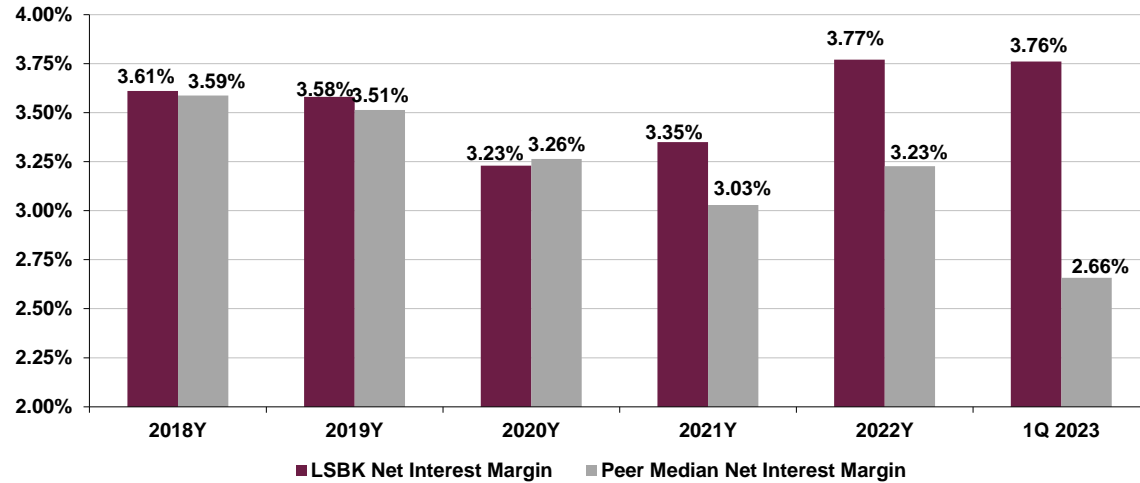
■ Non-interest bearing ■ Demand and NOW ■ Money Markets
■ Savings Accounts ■ Time Deposits

Uninsured Deposits

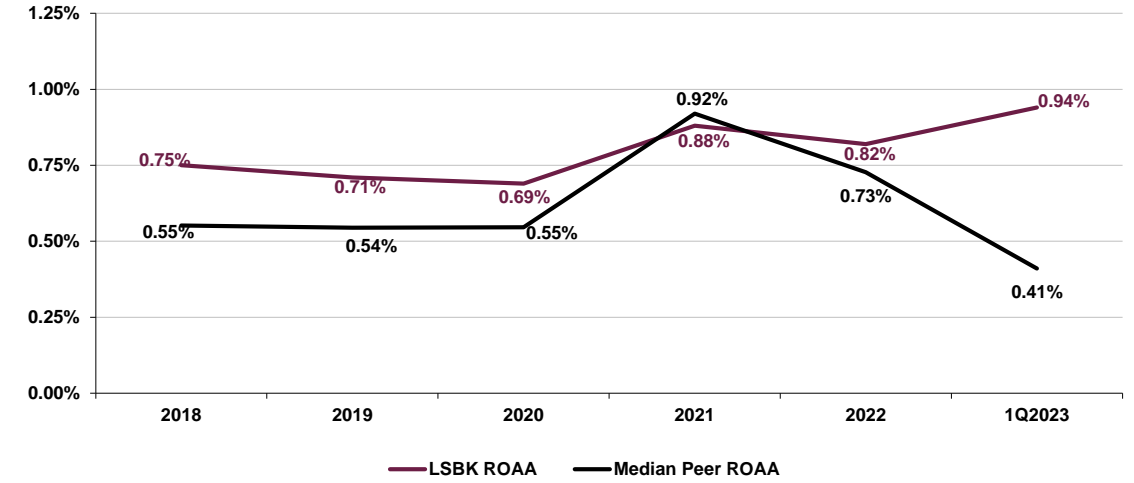


LAKE SHORE BANCORP, INC.

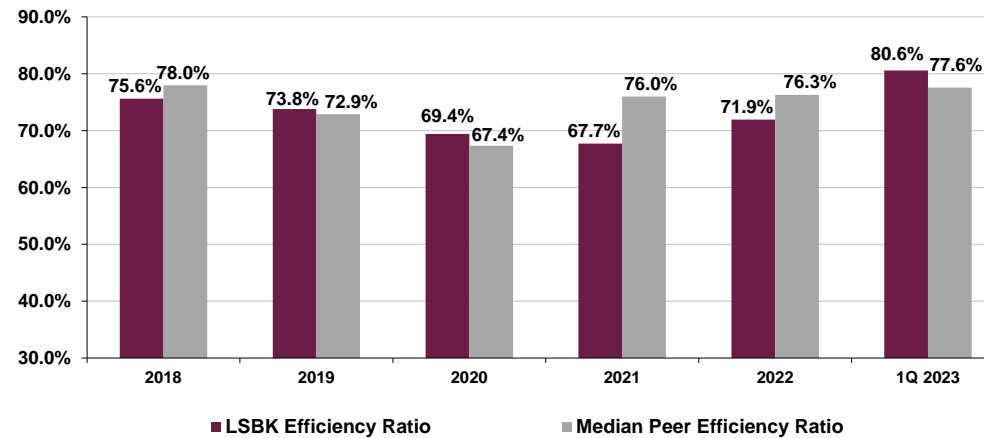
Net Interest Margin



Return on Average Assets



Efficiency Ratio*

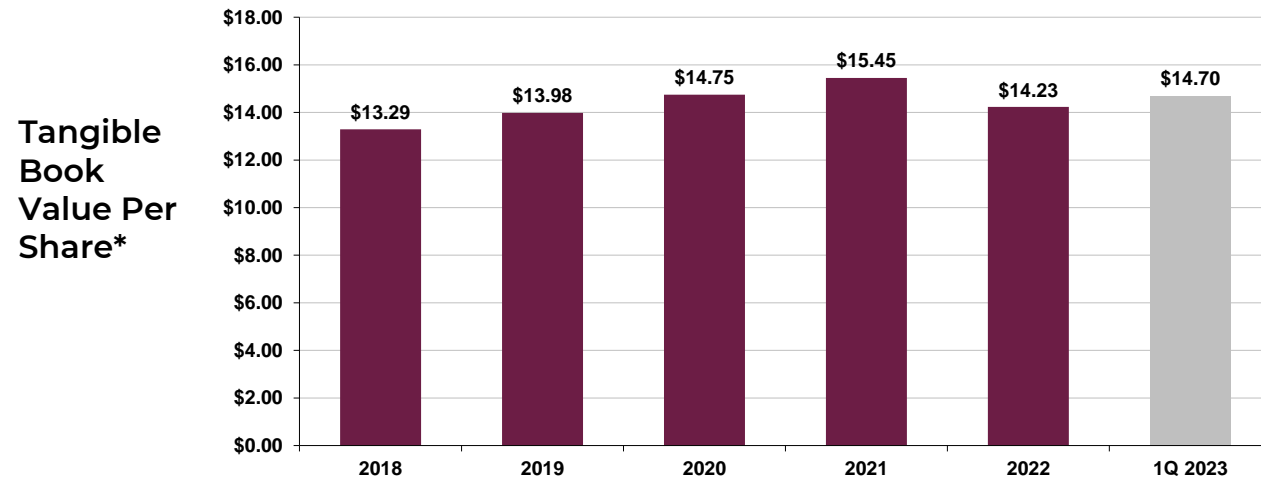


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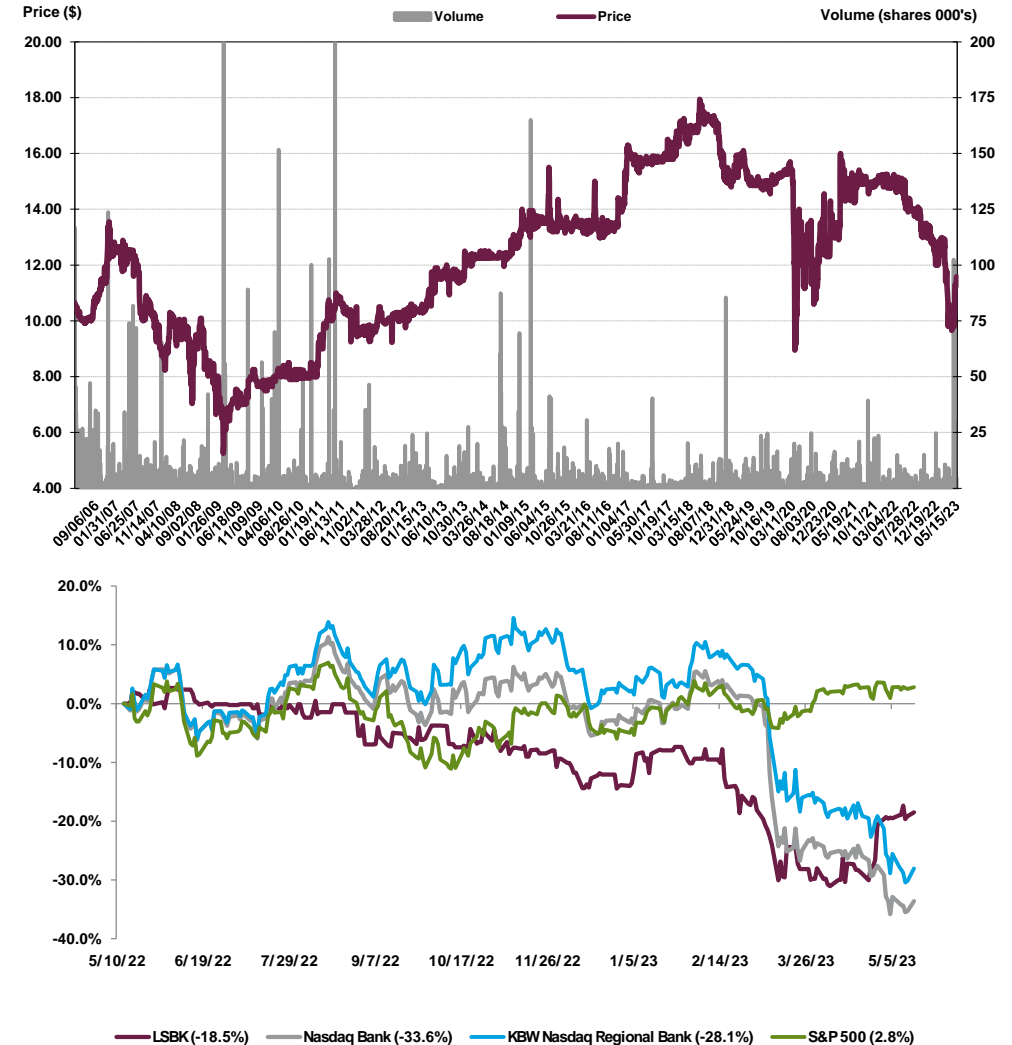
Creating Shareholder Value

- High capital ratios enable organic growth without diluting shareholder value
- Elected the Community Bank Leverage Ratio effective January 1, 2020

	2018	2019	2020	2021	2022	3/31/2023
Tier 1/Community Bank Leverage Ratio	14.0%	13.0%	11.8%	12.0%	12.4%	12.3%
Equity / Total Assets	14.6%	13.6%	12.5%	12.3%	11.6%	11.5%
Common Shares Outstanding	6,004,664	5,924,339	5,823,786	5,692,410	5,705,225	5,693,358



Since IPO



Summary

- After 132 years in business, we continue to be a local bank that cares about its customers and communities.
- At Lake Shore Savings, that has always meant “Putting People First.”
- We will continue to put our customers, communities, and shareholders **FIRST**, as we adopt new technology, products, and services to meet the future needs of our customers.



QUESTIONS AND ANSWERS

LS Lake Shore Savings
Putting People First.™

Vote Report

Adjournment of Annual Shareholder' Meeting

Appendix: Lake Shore Savings Peer Data

Institution Name	Ticker	City, State	Total Assets (\$mm)
Columbia Financial, Inc. (MHC)	CLBK	Fair Lawn, NJ	\$10,635
Greene County Bancorp, Inc. (MHC)	GCBC	Catskill, NY	\$2,729
Pioneer Bancorp, Inc. (MHC)	PBFS	Albany, NY	\$1,835
Rhinebeck Bancorp, Inc. (MHC)	RBKB	Poughkeepsie, NY	\$1,351
Bogota Financial Corp. (MHC)	BSBK	Teaneck, NJ	\$950
BV Financial, Inc. (MHC)	BVFL	Baltimore, MD	\$858
CFSB Bancorp, Inc. (MHC)	CFSB	Quincy, MA	\$352
SSB Bancorp, Inc. (MHC)	SSBP	Pittsburgh, PA	\$251
Seneca Financial Corp. (MHC)	SNNF	Baldwinsville, NY	\$234
Gouverneur Bancorp, Inc. (MHC)	GOVB	Gouverneur, NY	\$205
Auburn Bancorp, Inc. (MHC)	ABBB	Auburn, ME	\$102
Average			\$1,773
Median			\$858