Lyons Bancorp Inc.
It's all about people. LNB & you.

Main Office
35 William Street
Lyons, NY 14489
(315) 946-4871

Clyde Office
4 Williams Street
Clyde, NY 14433
(315) 923-2100

Geneva Office
399 Exchange Street
Geneva, NY 14456
(315) 781-5000

Jordan Office
2 North Main Street
Jordan, NY 13080
(315) 689-9530

Lyons Office
Corner Routes 14&31
Lyons, NY 14489
(315) 946-4505

Macedon Office
359 NYS Route 31
Macedon, NY 14502
(315) 986-9681

Newark Office
750 West Miller Street
Newark, NY 14513
(315) 331-0296

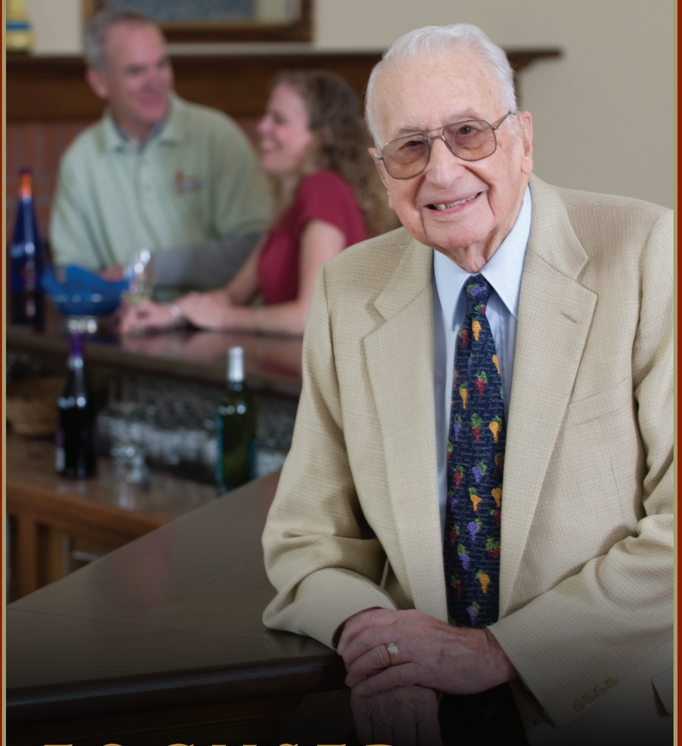
Ontario Office
Tops Plaza
6256 Furnace Road
Ontario, NY 14519
(315) 524-9661

Penn Yan Office
205 Liberty Street
Penn Yan, NY 14527
(315) 536-2300

Wolcott Office
5996 New Hartford Street
Wolcott, NY 14590
(315) 594-6002

www.lyonsbank.com

FIRST QUARTER REPORT
As of March 31, 2009



FOCUSED

Our local Board members keep us focused on meeting the needs of the local marketplace, making sound banking decisions and doing what is right for our customers, the community and the Bank.

Carl W. Fribolin
Carl Fribolin, owner of White Springs Winery, is an active and local member of LNB's Geneva Advisory Board. Carl's distinguished business career and active support of local community organizations have

continues

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PROFILE

Lyons Bancorp, Inc. is a bank holding company headquartered in Lyons, New York, with assets of $430 million at March 31, 2009. Lyons Bancorp, Inc. has one banking subsidiary, The Lyons National Bank.

The Lyons National Bank is a community bank with offices in Clyde, Lyons, Macedon, Newark, Ontario and Wolcott in Wayne County, Jordan in Onondaga County, Geneva in Ontario County and Penn Yan in Yates County. Subsidiaries of The Lyons National Bank are Lyons Realty Associates Corp. and LNB Life Agency, Inc.

STOCK SYMBOL

LYBC

The Lyons National Bank
It's all about people. LNB & you.

Lyons Realty Assoc. Corp.
It's all about people. LNB & you.

Carl W. Fribolin continued – contributed significantly to the quality of life in our community. His leadership role in organizations such as the Finger Lakes Council BSA, Geneva General Hospital, Keuka College and the Smith Opera House, is only a small sample of Carl's involvement and influence on our region. We are proud to have Carl as a contributing member of our local Advisory Board. We feel strongly that Carl's involvement and input, along with that of other local Board members like Carl, help keep us connected to our communities and focused on remaining a Main Street bank.

BOARD OF DIRECTORS

Robert A. Schick
President &
Chief Executive Officer
Lyons Bancorp, Inc. &
The Lyons National Bank

David J. Breen, Jr.
General Manager
Herrema's Market Place

Clair J. Britt, Jr.
Executive Vice President &
Senior Commercial
Lending Officer
The Lyons National Bank

Andrew F. Fredericksen, CPA
Senior Partner
Fredericksen & Sirianni, LLP

Dale H. Hemminger
President & General Manager
Hemdale Farms & Greenhouses

James A. Homburger
Real Estate Broker

Thomas L. Kime
Executive Vice President &
Chief Operating Officer
The Lyons National Bank

Theodore J. Marshall
President &
Chief Executive Officer
Marshall Companies

James E. Santelli
Retired Vice President &
Co-owner, Santelli Lumber Co.

John J. Werner, Jr.
Retired President &
Chief Executive Officer
Lyons Bancorp, Inc. &
The Lyons National Bank

Carol A. Snook
Banking Officer &
Corporate/Executive Secretary
The Lyons National Bank

GENEVA ADVISORY BOARD

Peter J. D'Amico, Jr.
D'Amico Chrysler Dodge Jeep

Joseph A. Fragnoli
Super Casuals

Carl W. Fribolin
White Springs Winery

Bernard G. Lynch
Lynch Furniture

Jane M. Shaffer
Sessler Companies

Bryan G. vonHahmann
Dairylea Cooperative Inc.

Earl (Red) T. Wadhams
Wadhams Enterprises, Inc.

PENN YAN ADVISORY BOARD

Bonnie B. Curbeau
Curbeau Realty

Michael D. Linehan
Yates County
Chamber of Commerce

James H. Long
Longs' Cards and Books

Paul W. Marble, Jr.
Marble's Automotive
and Glass

Henry H. Martin
Dairy farmer

Neil J. Simmons
Simmons Vineyards

William H. Sutherland
Sutherland Corporation
(retired)

FOCUSED

DEAR SHAREHOLDERS & FRIENDS,

The economy continued in the crisis mode in the first quarter of 2009. The unemployment rate jumped past 8%; the stock market plummeted to 6500; foreclosures accelerated to record levels, and iconic companies talked of imminent bankruptcy. When in a crisis mode, companies, like people, react differently. Some are brought together by the events; others torn apart. Some refocus on things that matter and still others become creative and innovative in ways not previously envisaged. At Lyons Bancorp, our conservative culture rose front and center as the staff remained focused on the basics of banking and produced yet another sound financial quarter. Barring the enactment of any industry-wide government punitive regulation, the Bank is positioned to weather the remaining storm.

Our earnings for the first three months of 2009 increased almost 6% over those recorded for the same period last year – $765,276 versus $724,021. This equates to $0.90 versus $0.85 on a per share basis. The increase in earnings was due to growth in the Bank's loan portfolio, an increase in our net interest spread, and improved efficiencies. On a sequential quarter-to-quarter basis, earnings were flat – $765,276 versus $771,795.

Total assets on March 31, 2009 were $430 million versus $392 million on March 31, 2008. Loans totaled $243 million as compared to $220 million. The residential mortgage/home equity loan segment of the loan portfolio represented the lion's share of the increase; this, the result of the Bank's efforts to expand its underwriting of these types of consumer loans. In the first 90 days of 2009, the Bank closed 171 residential mortgages totaling almost $25 million. Another 129 have been approved and are in the process of closing. For all of 2008, the Bank closed 236 mortgages. To minimize interest rate risk in the future, many of these mortgages have been sold into the secondary market. The Bank's off-balance sheet portfolio of these sold loans is quickly approaching the $100 million mark, and because the Bank continues to service these mortgages, reoccurring fee income will grow handsomely.

In keeping with our conservative approach to credit risk, we once again made a provision for loan losses ($370,000) that was well in excess of our actual net losses of approximately $105,000. During the first quarter net loan losses equate to 0.04% (four-tenths of one percent) of average loans outstanding. The ratio of our non-performing loans to period-end loans fell to 1.17% from the year ago level of 1.51%. Note that our percentage of non-performing loans continues to decline at a time when that of our peers are rising. Moreover, our total reserve for loan and lease losses as a percentage of period-ending loans is 1.54% – higher than the average of our peers of 1.37% (as of 12/31/08).

Growth in retail and commercial deposits remain strong. Over the past year, deposits increased from $351 million to $383 million – almost 10%. This has provided the funding needed for our asset growth. While we have the ability to raise deposits in the secondary broker market, we have chosen not to take that route. Our local deposit growth is a testament to our branch staff and their ability to cultivate new and existing customers.

Reflecting these efforts, our stock price bounced up in the first quarter. However, until the general market becomes more comfortable with financial stocks overall, our stock price may not manifest all of our efforts.

To date, we are meeting the challenges of these very trying economic times by sticking to the basics. I'm confident that we can continue to do so. However, there are some in Washington that seek to impose much higher FDIC insurance premiums on all banks. If enacted as proposed, these increased premiums would materially affect our 2009 earnings. Together with our community bank trade associations, we are resisting these attempts and trying to distinguish ourselves from those who caused the problems. We will know the results of our efforts soon.

Sincerely,

Robert A. Schick
President and Chief Executive Officer

LYONS BANCORP, INC. AND SUBSIDIARIES
CONSOLIDATED FINANCIAL INFORMATION UNAUDITED

Condensed Income Statement	As of and for the Three Months Ended March 31, 2009	2008
Net interest income	$ 3,329,109	$ 3,173,970
Provision for loan losses	370,000	60,000
Net interest income after provision for loan losses	$ 2,959,109	$ 3,113,970
Securities gains	373,577	96,822
Non-interest income	1,169,864	870,653
Non-interest expense	3,415,399	3,122,424
Income before income taxes	$ 1,087,151	$ 959,021
Income taxes	321,875	235,000
Net income	$ 765,276	$ 724,021
Share and Per Share Data		
Average common shares outstanding (basic)	848,003	855,271
Average common shares outstanding (dilutive)	848,003	855,271
Period-end common shares outstanding (common)	847,225	855,489
Period-end common shares outstanding (dilutive)	847,225	855,489
Net income per common share (basic)	$ 0.90	$ 0.85
Net income per common share (dilutive)	$ 0.90	$ 0.85
Cash dividend declared	$ 0.29	$ 0.28
Book value per common share (basic)	$ 32.02	$ 30.47
Book value per common share (dilutive)	$ 32.02	$ 30.47
Last stock trade	$ 26.00	$ 30.60
Period-end Balances		
Assets	$ 429,869,296	$ 391,657,267
Earning assets	$ 381,218,999	$ 360,873,839
Loans	$ 243,310,777	$ 219,708,426
Allowance for loan losses	$ 3,736,286	$ 3,857,116
Deposits	$ 382,848,558	$ 350,936,904
Shareholders' equity	$ 27,131,427	$ 26,066,415
Average Balances		
Assets	$ 413,968,088	$ 389,281,241
Earning assets	$ 373,740,693	$ 358,081,155
Loans	$ 243,153,549	$ 217,710,579
Allowance for loan losses	$ 3,684,878	$ 3,867,671
Deposits	$ 366,155,506	$ 349,055,766
Shareholders' equity	$ 27,203,099	$ 25,571,065
Key Ratios		
Earnings		
Return on average assets	0.75%	0.75%
Return on average equity	11.41%	11.39%
Net interest margin	3.61%	3.57%
Efficiency ratio*	75.92%	77.20%
Asset quality		
Net loan charge-offs to average loans	0.04%	0.03%
Allowance for loan losses to period-end loans	1.54%	1.76%
Non-performing loans to period-end loans	1.17%	1.51%

*Calculated by dividing total non-interest expense by net interest income plus non-interest income (adjusted for certain items).

LYONS BANCORP, INC. AND SUBSIDIARIES
CONSOLIDATED FINANCIAL INFORMATION UNAUDITED

Condensed Income Statement	As of and for the Three Months Ended March 31, 2009	December 31, 2008
Net interest income	$ 3,329,109	$ 3,530,443
Provision for loan losses	370,000	165,000
Net interest income after provision for loan losses	$ 2,959,109	$ 3,365,443
Securities gains/(losses)	373,577	(16,870)
Non-interest income	1,169,864	862,344
Non-interest expense	3,415,399	3,202,122
Income before income taxes	$ 1,087,151	$ 1,008,795
Income taxes	321,875	237,000
Net income	$ 765,276	$ 771,795
Share and Per Share Data		
Average common shares outstanding (basic)	848,003	847,359
Average common shares outstanding (dilutive)	848,003	847,359
Period-end common shares outstanding (common)	847,225	848,230
Period-end common shares outstanding (dilutive)	847,225	848,230
Net income per common share (basic)	$ 0.90	$ 0.91
Net income per common share (dilutive)	$ 0.90	$ 0.91
Cash dividend declared	$ 0.29	$ 0.29
Book value per common share (basic)	$ 32.02	$ 31.29
Book value per common share (dilutive)	$ 32.02	$ 31.29
Last stock trade	$ 26.00	$ 24.75
Period-end Balances		
Assets	$ 429,869,296	$ 411,490,048
Earning assets	$ 381,218,999	$ 378,746,352
Loans	$ 243,310,777	$ 245,457,095
Allowance for loan losses	$ 3,736,286	$ 3,471,854
Deposits	$ 382,848,558	$ 356,766,992
Shareholders' equity	$ 27,131,427	$ 26,544,341
Average Balances		
Assets	$ 413,968,088	$ 399,349,116
Earning assets	$ 373,740,693	$ 369,076,673
Loans	$ 243,153,549	$ 240,993,592
Allowance for loan losses	$ 3,684,878	$ 4,000,950
Deposits	$ 366,155,506	$ 350,930,389
Shareholders' equity	$ 27,203,099	$ 26,397,845
Key Ratios		
Earnings		
Return on average assets	0.75%	0.77%
Return on average equity	11.41%	11.63%
Net interest margin	3.61%	3.81%
Efficiency ratio*	75.92%	72.89%
Asset quality		
Net loan charge-offs to average loans	0.04%	0.29%
Allowance for loan losses to period-end loans	1.54%	1.41%
Non-performing loans to period-end loans	1.17%	1.09%

*Calculated by dividing total non-interest expense by net interest income plus non-interest income (adjusted for certain items).