

About Cortland Bancorp — Cortland Bancorp is a financial holding company headquartered in Cortland, Ohio. Founded in 1892, the Company's bank subsidiary, The Cortland Savings and Banking Company conducts business through twelve full-service community banking offices located in the counties of Trumbull, Mahoning, Portage, and Ashtabula in Northeastern Ohio, and a mortgage origination office in Mahoning County. For additional information about Cortland Banks visit <http://www.cortland-banks.com>.

CORTLAND BANCORP

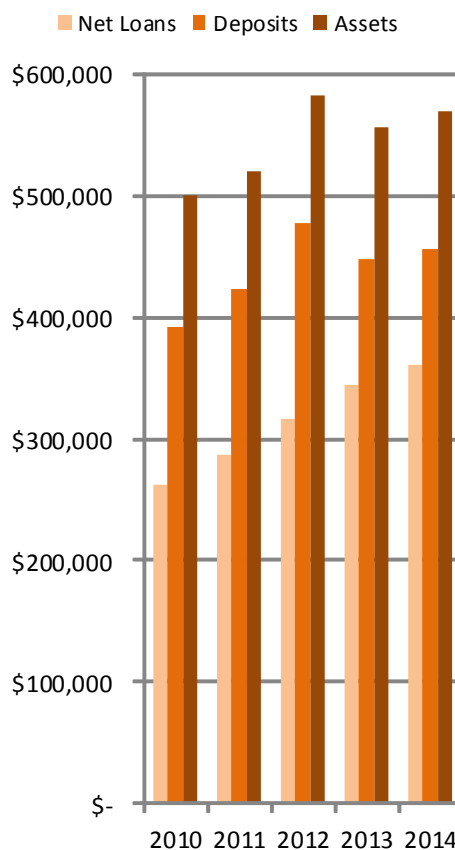
FACT SHEET

OTCQX: CLDB \$15.65 – 2/10/2015

2014 Financial Highlights

- Profits more than double in 2014: net profits grew 117% to \$3.9 million, or \$0.85 per share, from \$1.8 million, or \$0.39 per share for 2013.
- Net income was \$543,000, or \$0.12 per share for 4Q14, compared to a net loss of \$462,000, or (\$0.11) for 4Q13. Excluding one-time OTTI charges mandated under the Volcker Rule, net income for 4Q13 would have been \$827,000, or \$0.18 per share. Net income for 3Q14 was \$955,000, or \$0.21 per share.
- EPS full year 2014 were \$0.85, compared to \$0.39 per share for 2013. The Volcker Rule charges reduced 2013 EPS by \$0.29. EPS for the 4Q14 were \$0.12, compared to (\$0.11) for 4Q13, and \$0.21 for 3Q14.
- 2014 net interest income increased 7% to \$17.8 million, compared to \$16.7 million for 2013. Net interest income grew 5% to \$4.5 million for 4Q14, compared to \$4.3 million for 4Q13, and increased 4% from \$4.4 million for 3Q14.
- Net interest margin (NIM) improved by 26 basis points to 3.67% for the full year, compared to 3.41% for 2013. NIM for 4Q14 expanded 5 basis points to 3.68% from 3.63% in 4Q13, and improved by 4 basis points from 3.64% for 3Q14.
- Total loans increased by \$13.4 million, or 4%, to \$360.2 million, at December 31, 2014, compared to \$346.8 million a year ago, and grew by \$30 million, or 9%, from September 30, 2014.
- Nonperforming loans as a percentage of total loans were 2.58%, compared to 1.77% at the end of 2013. Asset quality remained strong with total nonperforming assets representing only 1.77% of total assets, at quarter end.
- Cortland Bancorp remained well capitalized with leverage capital improving to 10.66%; while total risk-based capital to risk-weighted assets increased to 15.82%.
- On February 5, 2015, Cortland increased its quarterly cash dividend 20% to \$0.06 per share, from \$0.05 per share, providing a yield of 1.51% at current market prices.

Balance Sheet (\$ in millions)

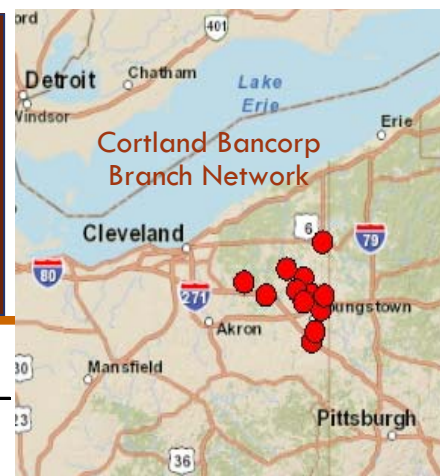


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\$ in 000s except per share	EPS Diluted	Net Income	Tangible Book/Shr	Total Assets	NPA's/ Assets	Net Interest Margin
2014	\$ 0.85	\$ 3,869	\$ 12.33	\$ 568,932	1.77%	3.67%
2013	\$ 0.39	\$ 1,784	\$ 10.94	\$ 556,918	1.32%	3.41%
2012	\$ 0.64	\$ 2,913	\$ 10.93	\$ 582,240	1.11%	3.58%
2011	\$ 0.90	\$ 4,072	\$ 10.10	\$ 519,830	1.29%	3.72%
2010	\$ 0.72	\$ 3,271	\$ 9.25	\$ 500,273	1.69%	3.59%

Cortland is a city in Trumbull County, Ohio, located on the eastern shore of Mosquito Creek Reservoir. The population was 7,104 at the 2010 census. It is part of the Youngstown-Warren-Boardman, OH-PA Metropolitan Statistical Area. Cortland became a village in 1874 with the construction of a railroad depot. It became a city in 1980 when its population exceeded 5,000 people.

Cortland Bancorp is located between the Cleveland, OH and Pittsburgh, PA metropolitan areas. It's close to two state universities and several world class hospitals including Humility of Mary, Akron Children's, the Cleveland Clinic, UPMC and University Hospital.



FINANCIAL HIGHLIGHTS (\$ in thousands)

Income Statement - Quarter ended	31-Dec-14	30-Sep-14	31-Dec-13
Interest Income	\$ 5,222	\$ 5,103	\$ 5,129
Interest Expense	688	726	792
Net Interest Income	4,534	4,377	4,337
Provision for Loan Losses	1,150	188	150
Net Interest Income after Provision	3,384	4,189	4,187
Investment security gains	397	58	(1,893)
Noninterest Income (excluding investment gains)	898	776	747
Noninterest Expense	4,115	3,852	3,966
Income Before Taxes	564	1,171	(925)
Provision for Income Taxes	21	216	(463)
Net Income	\$ 543	\$ 955	\$ (462)

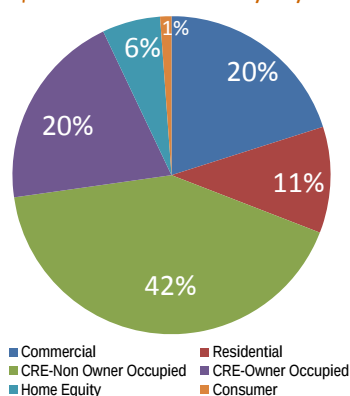
Per Common Share Data

Earnings per Share	0.12	0.21	(0.11)
Tangible Book Value per Share	\$ 12.33	\$ 12.20	\$ 10.94

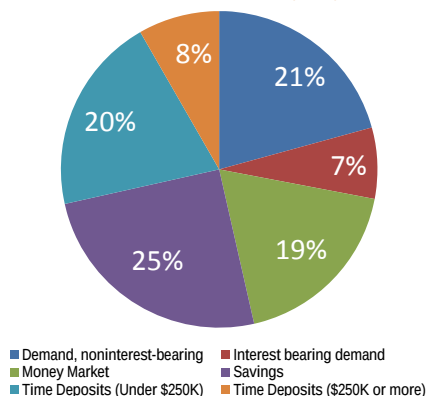
Balance Sheet Data (\$ in thousands)

	31-Dec-14	30-Sep-14	31-Dec-13
Total Assets	\$ 568,932	\$ 549,297	\$ 556,918
Gross Loans	\$ 360,185	\$ 330,187	\$ 346,833
Total Deposits	\$ 456,761	\$ 430,255	\$ 448,669
Total Stareholders' Equity	\$ 55,852	\$ 55,245	\$ 49,535

Gross Loan Portfolio
\$360.2 Million at 12/31/14



Total Deposit Mix
\$437.9 Million at 12/31/14



CLDB - STOCK DATA

Stock Price	\$15.65
(2/10/2015)	
Market Cap	\$70.9 M
Shares Outstanding	4.5 M
Tangible Book Value	\$12.33
Price/Tangible Book	127%
P/E Ratio (ttm)	18.33x
Net Interest Margin	3.68%
(MRQ)	

EXECUTIVE OFFICERS

James M. Gasior

President/CEO

(330) 282-4111

David J. Lucido

Senior Vice President/CFO

(330) 282-4110

HEADQUARTERS

194 West Main Street

Cortland, OH 44410

www.cortland-banks.com



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