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 two mortgage loan production offices in Canfield and Fairlawn, Ohio. A thirteenth banking office is currently under construction in Mahoning County with an expected fourth quarter 2015 grand opening. For additional information about Cortland Banks visit http://www.cortland-banks.com.

CORTLAND BANCORP

FACT SHEET

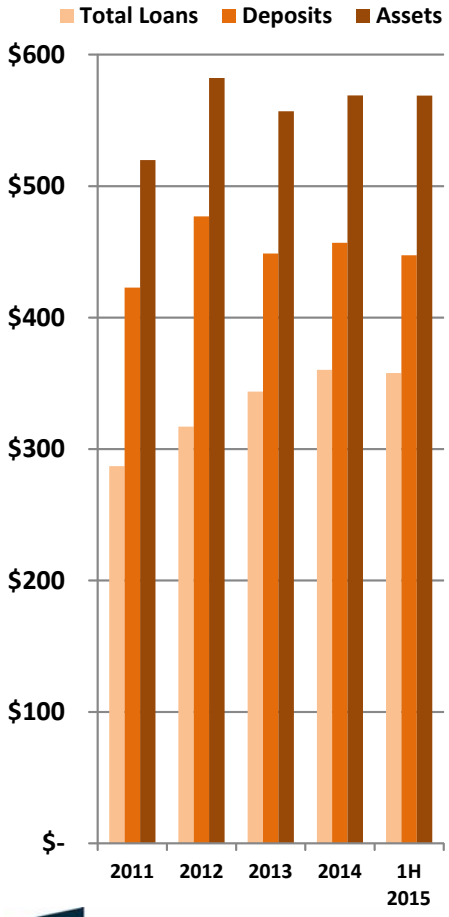
OTCQX: CLDB $13.75 – 8/3/2015

Second Quarter 2015 Financial Highlights

- Earns $2.1 million, or $0.46 per share, for first half of 2015.
- Net income was $916,000, or $0.21 per share for 2Q15, compared to $1.0 million, or $0.23 per share for 2Q14.
- ROAA was 0.65%, and ROAE was 6.49%, in 2Q15.
- Net interest income increased 4% to $4.6 million, compared to $4.4 million for 2Q14. Net interest income was level with the strong performance delivered in 1Q15. YTD, net interest income was $9.1 million, compared to $8.9 million for the first half of 2014.
- Solid net interest margin of 3.66% was maintained for 2Q15.
- Non-interest income, excluding investment gains and losses, increased 11% to $896,000 for 2Q15, compared to $806,000 for 2Q14. YTD, non-interest income increased 26% to $1.9 million, from $1.5 million for the first six months of 2014.
- Total loans increased 13%, to $357.9 million, from $316.6 million, at 6/30/2014, and grew 4%, from $343.9 million at 3/31/2015.
- Total deposits grew 5% to $447.4 million, compared to $425.1 million at 6/30/2014, and increased 2% from $439.5 million at 3/31/2015.
- NPAs as a percentage of assets fell 6% to 1.71% from 1.81% in 1Q15.
- Allowance for loan losses as a percentage of total loans was 1.52% for 2Q15, compared to 1.31% at 6/30/2014.
- Cortland Bancorp remained well capitalized with total risk-based capital to risk-weighted assets of 15.28% and tangible equity to tangible assets of 9.92%.
- A quarterly cash dividend of $0.06 per share will be payable on September 1, 2015 to shareholders of record on August 10, 2015.

Balance Sheet

($ in millions)



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$ in 000s except per share	EPS Diluted	Net Income	Tangible Book/Shr	Total Assets	NPAs/ Assets	Net Interest Margin
1H-2015	**$ 0.46**	**$ 2,065**	**$ 12.50**	**$ 568,819**	**1.71%**	**3.66%**
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%

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.

Boenning & Scattergood, Inc. is the Corporate Broker for Cortland Bancorp.

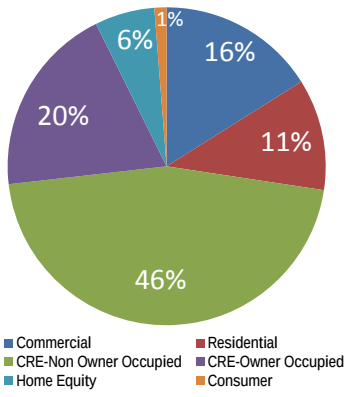


FINANCIAL HIGHLIGHTS ($ in thousands)

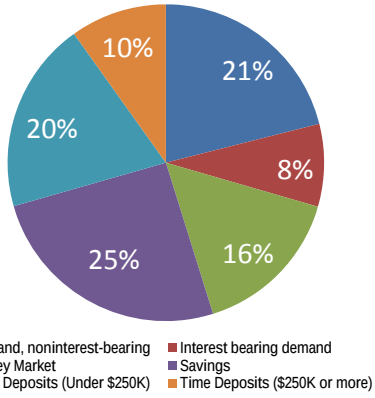
Income Statement - Quarter ended	**30-Jun-15**	**31-Mar-15**	**30-Jun-14**
Interest Income	$ 5,206	$ 5,217	$ 5,123
Interest Expense	631	648	726
Net Interest Income	4,575	4,569	4,397
Provision for Loan Losses	130	160	150
Net Interest Income after Provision	4,445	4,409	4,247
Investment security gains (losses)	(38)	8	141
Noninterest Income (excluding investment gains)	896	1,047	806
Noninterest Expense	4,187	3,994	3,909
Income Before Taxes	1,116	1,470	1,285
Provision for Income Taxes	200	321	246
Net Income	$ 916	$ 1,149	$ 1,039
Per Common Share Data			
Earnings per Share	$ 0.21	$ 0.25	$ 0.23
Tangible Book Value per Share	$ 12.50	$ 12.62	$ 12.01

Balance Sheet Data ($ in thousands)	**30-Jun-15**	**31-Mar-15**	**30-Jun-14**
Total Assets	$ 568,819	$ 555,996	$ 534,417
Gross Loans	$ 357,873	$ 343,911	$ 316,567
Total Deposits	$ 447,373	$ 439,471	$ 425,065
Total Shareholders' Equity	$ 56,455	$ 57,155	$ 54,403

Gross Loan Portfolio
$357.9 Million at 6/30/15



Total Deposit Mix
$447.4 Million at 6/30/15



CLDB - STOCK DATA

Stock Price (8/3/2015)	$13.75
Market Cap	$62.1M
Shares Outstanding	4.5 M
Tangible Book Value	$12.50
Price/Tangible Book	110%
P/E Ratio (ttm)	17.34x
Net Interest Margin (MRQ)	3.66%

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