

https://www.cortland-banks.com.

CORTLAND BANCORP

FACT SHEET

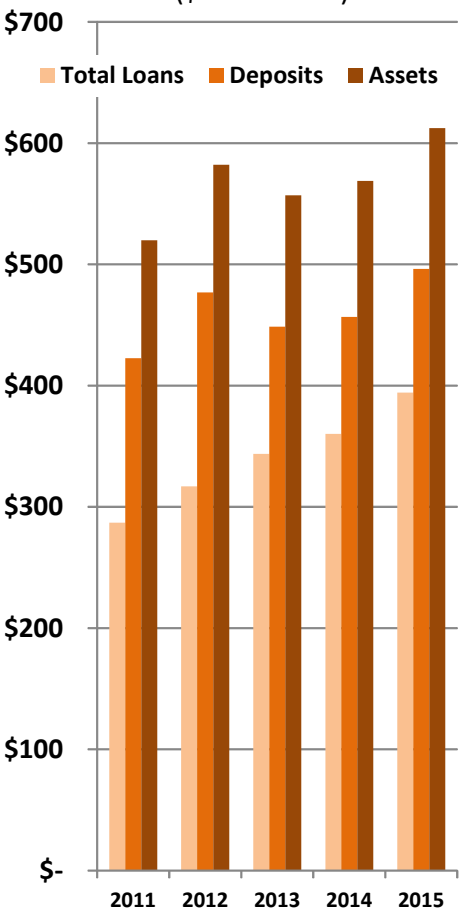
OTCQX: CLDB $16.85 – 1/27/2016

2015 Financial Highlights

- Profits increased 13% for the full year, driven by robust loan and deposit growth. 2015 results were the best earnings reported in nine years.
- Earnings per share (EPS) grew 14% to $0.97 in 2015 from $0.85 in 2014; 4Q15 EPS doubled to $0.24 from $0.12 a year ago.
- Total loans grew 9%, or $34.1 million, year-over-year, to $394.3 million.
- Total deposits grew 9% to $496.4 million year-over-year.
- Net interest income improved 4% to $4.7 million for 4Q15, from $4.5 million for 4Q14, and grew 2% from 3Q15. For 2015, net interest income grew 4% to $18.5 million, compared to $17.8 million for 2014.
- Non-interest income (excluding securities gains) increased to $903,000 for 4Q15, compared to $898,000 for 4Q14, with strong contributions from mortgage banking and wealth management. For the year, non-interest income grew 20% to $3.8 million from $3.2 million for 2014.
- Net interest margin ("NIM") remained stable at 3.63% in 4Q15. NIM is in line with the 3.61% for the 639 banks that make up the SNL Micro-Cap U.S. Bank Index for 3Q15. For the full year in 2015, NIM was 3.65%.
- The allowance for loan losses, as a percentage of total loans, was 1.32% at 12/31/2015, compared to 1.44% a year ago.
- Cortland Bancorp remained well capitalized with total risk-based capital of 15.08% and tangible equity to tangible assets of 9.26%.
- J. Martin Erbaugh, President of JM Erbaugh Co., and Thomas P. Perciak, Mayor of Strongsville, Ohio, were appointed to the boards of the holding company and the bank, at year end.
- Converted investment group to Private Wealth Management capabilities. Custodial options will include LPL Financial, Charles Schwab and Fidelity.

Balance Sheet

($ in millions)



$ in 000s except per share	EPS Diluted	Net Income	Tangible Book/Shr	Total Assets	NPAs/ Assets	Net Interest Margin
2015	**$ 0.97**	**$ 4,378**	**$ 12.87**	**$ 612,443**	**2.02%**	**3.65%**
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%

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Cortland Bancorp , founded in 1892, operates 13 full-service branches in Northeast Ohio. Located between the Cleveland, OH and Pittsburgh, PA metropolitan areas., its market area encompasses two state universities and several world class hospitals including Mercy Health Partners, Akron Children's, the Cleveland Clinic, UPMC and University Hospital.
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. **https://www.cortland-banks.com**

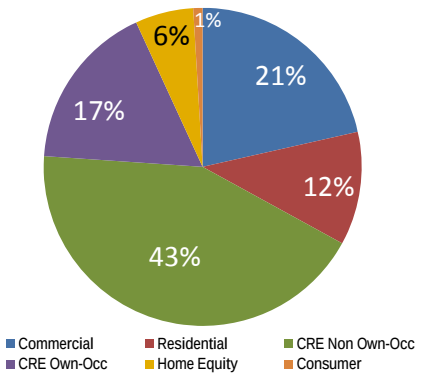


FINANCIAL HIGHLIGHTS ($ in thousands)

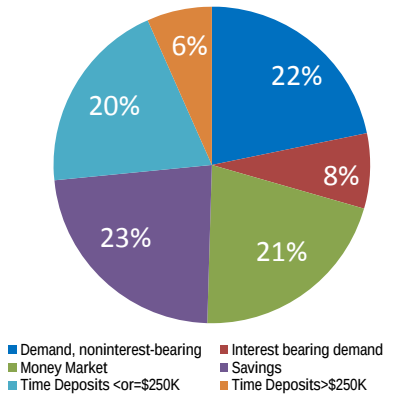
Income Statement - Quarter ended	31-Dec-15	30-Sep-15	31-Dec-14
Interest Income	$ 5,395	$ 5,295	$ 5,222
Interest Expense	679	649	688
Net Interest Income	4,716	4,646	4,534
Provision for Loan Losses	65	100	1,150
Net Interest Income after Provision	4,651	4,546	3,384
Investment security gains (losses)	47	47	397
Noninterest Income (excluding investment gains)	903	999	898
Noninterest Expense	4,192	3,990	4,115
Income Before Taxes	1,409	1,602	564
Provision for Income Taxes	323	375	21
Net Income	$ 1,086	$ 1,227	$ 543
Per Common Share Data			
Earnings per Share	$ 0.24	$ 0.27	$ 0.12
Tangible Book Value per Share	$ 12.87	$ 12.82	$ 12.33

Balance Sheet Data ($ in thousands)	31-Dec-15	30-Sep-15	31-Dec-14
Total Assets	$ 612,443	$ 570,250	$ 568,932
Gross Loans	$ 394,254	$ 359,834	$ 360,185
Total Deposits	$ 496,404	$ 454,547	$ 456,761
Total Shareholders' Equity	$ 56,684	$ 57,235	$ 55,852

Gross Loan Portfolio
$394.3 Million at 12/31/15



Total Deposit Mix
$496.4Million at 12/31/15



CLDB - STOCK DATA

Stock Price (1/27/2016)	$16.85
Market Cap	$74.2M
Shares Outstanding	4.4 M
Tangible Book Value	$12.87
Price/Tangible Book	131%
P/E Ratio (ttm)	19.52x
Net Interest Margin (MRQ)	3.63%

TOTAL RETURN

One Year	7.70%
Three Year	79.94%
Five Year	217.68%

CORP. MARKET MAKER

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