



CORTLAND BANCORP

FACT SHEET

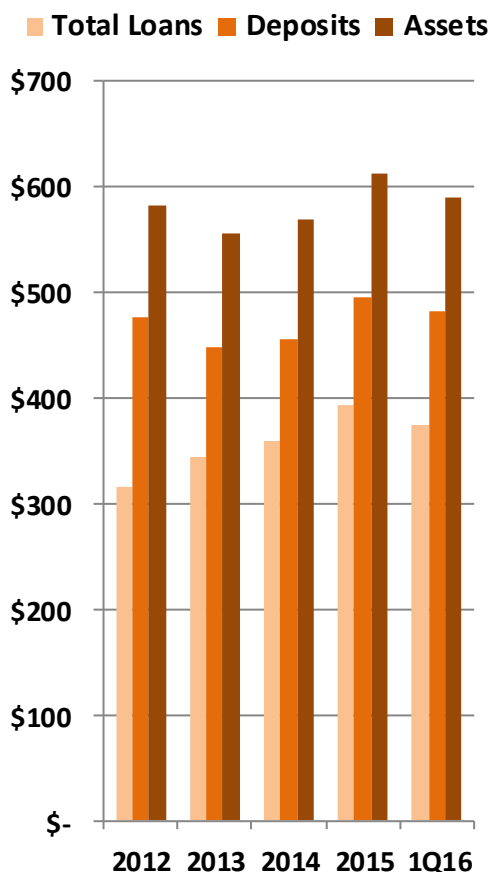
OTCQX: CLDB \$15.89 – 4/28/2016

1Q16 Financial Highlights

- Profits Increase 25% in 1Q16 and 19% YOY.
- EPS grew to \$0.31 in 1Q16 from \$0.25 in 1Q15 and \$0.24 in 4Q15.
- Net interest income increased 3% to \$4.7 million for 1Q16, compared to \$4.6 million for 1Q15, and remained flat on a linked quarter basis.
- Non-interest income (excluding securities gains) grew 3% to \$1.1 million for 1Q16, from \$1.0 million for 1Q15, and grew 20% from \$903,000 for the 4Q15, reflecting strong mortgage banking contributions.
- Net interest margin (“NIM”) for the quarter was 3.58%, compared to 3.66% for 1Q15 and 3.63% for 4Q15 reflecting the transition to reinvest sales proceeds. NIM was slightly higher than the 3.53% for the 628 banks that make up the SNL Micro-Cap U.S. Bank Index for the fourth quarter of 2015.
- Total loans grew to \$373.8 million, up \$29.9 million, or 9%, from 1Q15.
- Total deposits grew 10% to \$481.9 million year-over-year.
- Nonperforming assets were 2.05% of total assets at 3/31/2016.
- The allowance for loan losses was 1.39% of total loans at 3/31/2016, compared to 1.56% a year ago and 1.32% at 12/31/2015.
- Cortland Bancorp remained well capitalized with total risk-based capital to risk-weighted assets of 15.12% and tangible equity to tangible assets of 9.87%.
- A quarterly cash dividend of \$0.07 per share will be payable on June 1, 2016 to shareholders of record on May 11, 2016, providing a 1.8% current yield at recent market prices.

Balance Sheet

(\$ in millions)



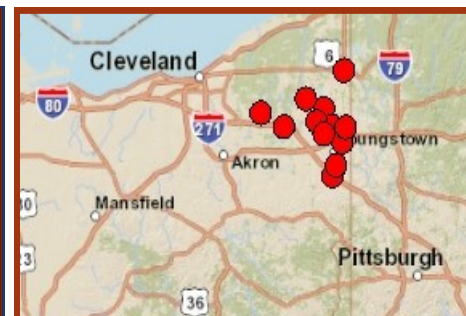
\$ in 000s except per share	EPS Diluted	Net Income	Tangible Book/Shr	Total Assets	NPAs/ Assets	Net Interest Margin
1Q16	\$ 0.31	\$ 1,362	\$ 13.23	\$ 590,393	2.05%	3.58%
2015	\$ 0.97	\$ 4,378	\$ 12.87	\$ 612,443	2.02%	3.65%
2014	\$ 0.85	\$ 3,869	\$ 12.33	\$ 568,932	1.77%	3.67%
2013	\$ 0.39	\$ 1,784	\$ 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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Corporate Investor Relations
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Cortland Bancorp, founded in 1892, operates 13 full-service branches and two financial service centers 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-Mar-16	31-Dec-15	31-Mar-15
Interest Income	\$ 5,393	\$ 5,395	\$ 5,217
Interest Expense	692	679	648
Net Interest Income	4,701	4,716	4,569
Provision for Loan Losses	-	65	160
Net Interest Income after Provision	4,701	4,651	4,409
Investment security gains (losses)	324	47	8
Noninterest Income (excluding investment gains)	1,083	903	1,047
Noninterest Expense	4,484	4,192	3,994
Income Before Taxes	1,624	1,409	1,470
Provision for Income Taxes	262	323	321
Net Income	\$ 1,362	\$ 1,086	\$ 1,149

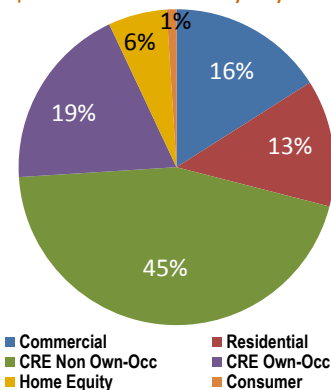
Per Common Share Data

Earnings per Share	\$ 0.31	\$ 0.24	\$ 0.25
Tangible Book Value per Share	\$ 13.23	\$ 12.87	\$ 12.62

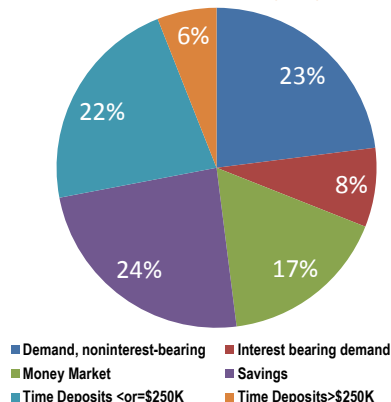
Balance Sheet Data (\$ in thousands)

	31-Mar-16	31-Dec-15	31-Mar-15
Total Assets	\$ 590,393	\$ 612,443	\$ 555,996
Gross Loans	\$ 373,788	\$ 394,254	\$ 343,911
Total Deposits	\$ 481,941	\$ 496,404	\$ 439,471
Total Shareholders' Equity	\$ 58,270	\$ 56,684	\$ 57,155

Gross Loan Portfolio
\$373.8 Million at 3/31/16



Total Deposit Mix
\$481.9 Million at 3/31/16



CLDB - STOCK DATA

Stock Price (4/28/2016)	\$15.89
Market Cap	\$70.0M
Shares Outstanding	4.4 M
Tangible Book Value	\$13.23
Price/Tangible Book	120%
P/E Ratio (ttm)	15.4x
Net Interest Margin (MRQ)	3.58%

TOTAL RETURN

One Year	7.70%
Three Year	66.01%
Five Year	131.92%

CORP. MARKET MAKER

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