



Fact Sheet

Cortland Bancorp

<https://www.cortlandbank.com>

OTCQX: CLDB \$17.04 – 11/17/2016

3Q16 Financial Highlights

- YTD profits increased 13% to \$3.7 million, or \$0.85 per share, compared to \$3.3 million, or \$0.73 per share for the first nine months of 2015. Net income for 3Q16 was \$1.2 million, or \$0.27 per share.
- Net interest income increased 6% to \$4.9 million for 3Q16, compared to \$4.6 million for 3Q15 and \$5.0 million for the 2Q16. YTD, net interest income grew 6% to \$14.6 million, compared to \$13.8 million for the first nine months of 2015.
- Non-interest income, excluding investment gains, was \$1.0 million, level with 3Q15, and \$1.2 million on a linked quarter basis. YTD, non-interest income, excluding investment gains, grew 12% to \$3.3 million from \$2.9 million for the first nine months of 2015.
- Net interest margin ("NIM") was 3.63%, compared to 3.67% for 3Q15 and 3.77% for 2Q16. Net interest margin was 3.66% for both the year-to-date 2016 and for first nine months of 2015.
- Total loans increased 10% to \$395.8 million from \$359.8 million a year ago, and grew 3% from \$384.1 million at 6/30/2016.
- Mortgage banking revenue increased 17% year-over-year and 82% YTD.
- Total deposits grew 12% to \$508.5 million year-over-year and increased 4% from \$488.7 million at 6/30/2016.
- NPAs, as a percentage of total assets, declined to 1.46% compared to 1.63% a year earlier, and from 1.54% on a linked quarter basis.
- The ALLL was 1.24% of total loans at 9/30/2016, compared to 1.44% a year ago and 1.27% at 6/30/2016.
- Cortland Bancorp remained well capitalized with total risk-based capital to risk-weighted assets of 15.03% and tangible equity to tangible assets of 9.93%.
- A quarterly cash dividend of \$0.07 per share will be payable on 12/1/2016 to shareholders of record on 11/10/2016, providing a 1.8% current yield at recent prices.
- Received regulatory approval to locate 14th full-service branch in Hudson, Ohio, with expected opening in fourth quarter of 2016.

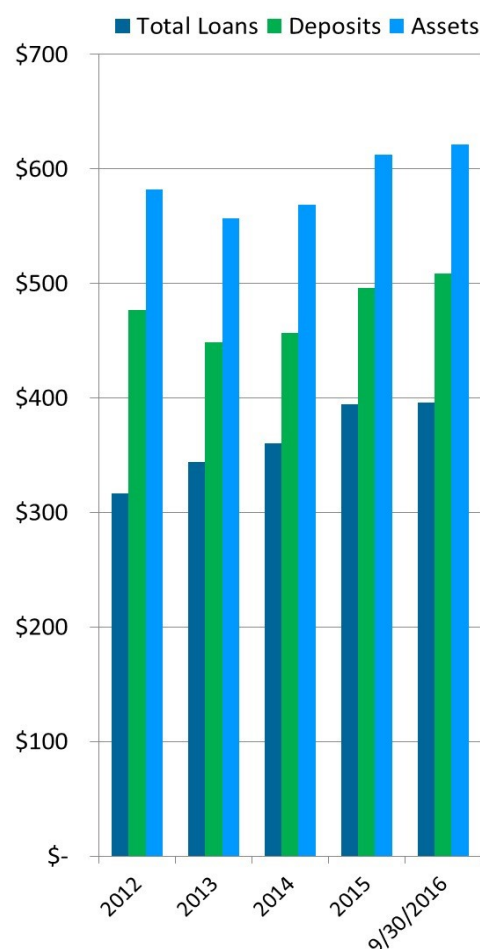
5 Year Financial Highlights

\$ in 000s except per share	EPS Diluted	Net Income	Tangible Book/Shr	Total Assets	NPAs/ Assets	Net Interest Margin
YTD 9/30/16	\$0.85	\$3,730	\$13.65	\$621,162	1.46%	3.66%
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%

*2013 profits were impacted by charges for its investment portfolio due to regulatory changes mandated by the Volcker Rule, which reduced net income by \$1.3 million.

Balance Sheet

(\$ in millions)



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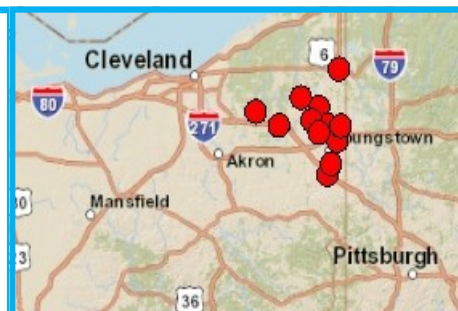


Cortland Bancorp

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.cortlandbank.com>

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



FINANCIAL HIGHLIGHTS (\$ in thousands)

Income Statement - Quarter ended	30-Sep-16	30-Jun-16	30-Sep-15
Interest Income	\$ 5,660	\$ 5,740	\$ 5,295
Interest Expense	743	719	649
Net Interest Income	4,917	5,021	4,646
Provision for Loan Losses	50	-	100
Net Interest Income after Provision	4,867	5,021	4,546
Investment security gains	83	4	47
Noninterest Income (excluding investment gains)	1,037	1,161	999
Noninterest Expense	4,479	4,734	3,990
Income Before Taxes	1,508	1,452	1,602
Provision for Income Taxes	313	279	375
Net Income	\$ 1,195	\$ 1,173	\$ 1,227

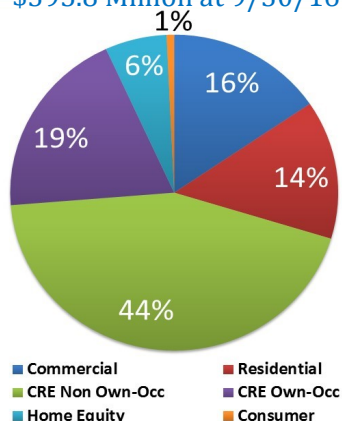
Per Common Share Data

Earnings per Share	\$ 0.27	\$ 0.27	\$ 0.27
Tangible Book Value per Share	\$ 13.65	\$ 13.67	\$ 12.82

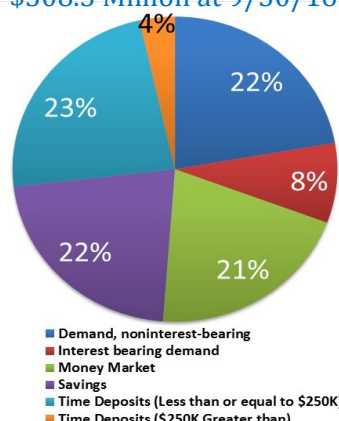
Balance Sheet Data (\$ in thousands)

	30-Sep-16	30-Jun-16	30-Sep-15
Total Assets	\$ 621,162	\$ 606,361	\$ 570,250
Gross Loans	\$ 395,763	\$ 384,058	\$ 359,834
Total Deposits	\$ 508,452	\$ 488,675	\$ 454,547
Total Shareholders' Equity	\$ 60,334	\$ 60,223	\$ 57,235

Gross Loan Portfolio
\$395.8 Million at 9/30/16



Total Deposit Mix
\$508.5 Million at 9/30/16



CLDB - STOCK DATA

Stock Price (11/17/2016)	\$17.04
Market Cap	\$79.5M
Shares Outstanding	4.4 M
Tangible Book Value	\$13.65
Price/Tangible Book	125%
P/E Ratio (TTM)	14.18x
Net Interest Margin (MRQ)	3.63%

TOTAL RETURN

One Year	12.30%
Three Year	74.60%
Five Year	128.34%

CORP. MARKET MAKER

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