



Fact Sheet

Cortland Bancorp

<https://www.cortlandbank.com>

OTCQX: CLDB \$18.50 – 4/28/2017

1Q17 Financial Highlights

- Earned \$1.0 Million for 1Q17 ; driven by solid loan and deposit growth
- Earnings per share was \$0.23 for 1Q17, compared to \$0.31 for 1Q16, and \$0.26 for 4Q16.
- Net interest income increased 5% to \$4.9 million for 1Q17, from \$4.7 million for 1Q16, and remained relatively flat on a linked quarter basis.
- Non-interest income was \$891,000 for 1Q17, compared to \$1.1 million for 1Q16, and \$897,000 for 4Q16.
- Net interest margin (“NIM”) for the quarter was 3.52%, compared to 3.58% for the first quarter a year ago and 3.58% for 4Q16.
- Total loans grew 6% to \$397.1 million from \$373.8 million for the first quarter a year ago.
- Mortgage originations were \$8.2 million, generating gains on sale of mortgages of \$194,000 in the 1Q17, from \$10.4 million in originations and \$349,000 in gains in the 1Q16.
- Total deposits grew 7% to \$517.4 million from the comparable quarter a year earlier.
- Nonperforming assets declined to 1.41% of total assets at 3/31/17 from the prior year.
- The allowance for loan losses was 1.22% of total loans at 3/31/17, compared to 1.39% a year earlier and 1.16% at 12/31/16.
- Cortland Bancorp remained well capitalized with total risk-based capital to risk-weighted assets of 14.99% and tangible equity to tangible assets of 9.37%.
- A quarterly cash dividend of \$0.08 per share will be payable on June 1, 2017 to shareholders of record on May 10, 2017, providing a 1.7% current yield at recent market prices.

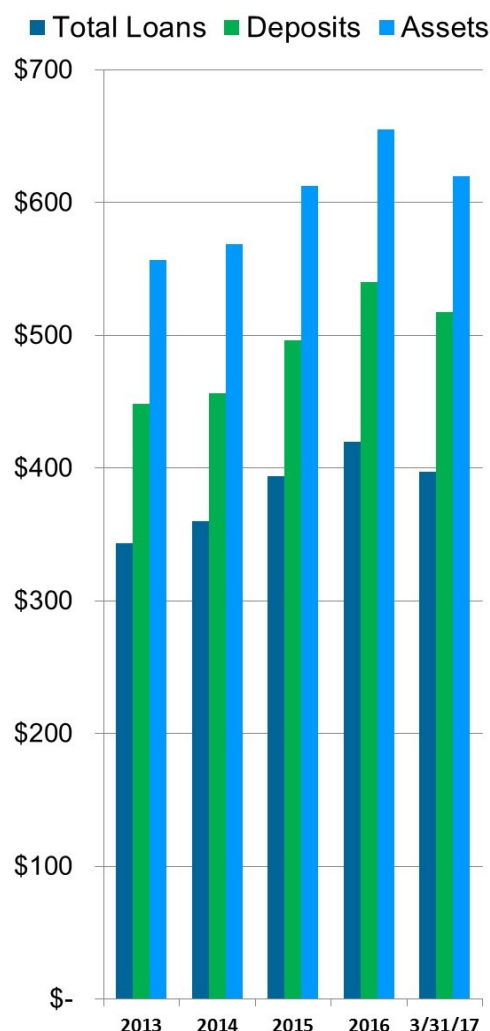
5 Year Financial Highlights

| \$ in 000s except per share | EPS Diluted | Net Income | Tangible Book/Shr | Total Assets | NPAs/ Assets | Net Interest Margin |
|--------------------------------|----------------|---------------|----------------------|-----------------|-----------------|------------------------|
| 2016 | \$1.11 | \$4,871 | \$13.05 | \$655,184 | 1.39% | 3.63% |
| 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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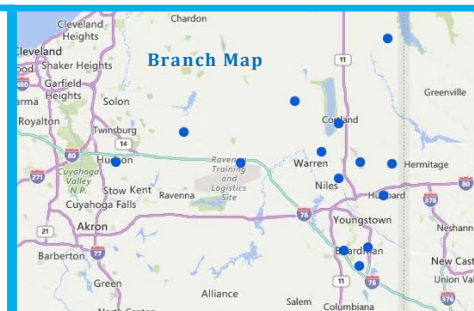


Cortland Bancorp

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 14 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 | 31-Mar-17 | 31-Dec-16 | 31-Mar-16 |
|---|-----------|-----------|-----------|
| Interest Income | \$ 5,696 | \$ 5,762 | \$ 5,393 |
| Interest Expense | 759 | 764 | 692 |
| Net Interest Income | 4,937 | 4,998 | 4,701 |
| Provision for Loan Losses | - | - | - |
| Net Interest Income after Provision | 4,937 | 4,998 | 4,701 |
| Investment security gains | 9 | 8 | 324 |
| Noninterest Income (excluding investment gains) | 891 | 897 | 1,083 |
| Noninterest Expense | 4,647 | 4,489 | 4,484 |
| Income Before Taxes | 1,190 | 1,414 | 1,624 |
| Provision for Income Taxes | 190 | 273 | 262 |
| Net Income | \$ 1,000 | \$ 1,141 | \$ 1,362 |

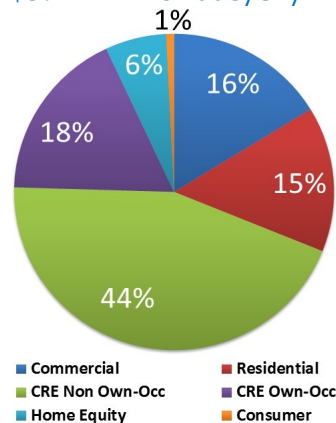
Per Common Share Data

| | | | |
|-------------------------------|----------|----------|----------|
| Earnings per Share | \$ 0.23 | \$ 0.26 | \$ 0.31 |
| Tangible Book Value per Share | \$ 13.09 | \$ 13.05 | \$ 13.23 |

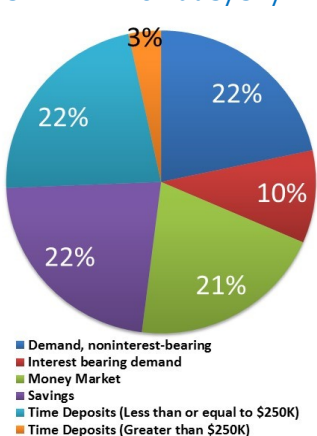
Balance Sheet Data (\$ in thousands)

| | 31-Mar-17 | 31-Dec-16 | 31-Mar-16 |
|----------------------------|------------|------------|------------|
| Total Assets | \$ 619,893 | \$ 655,184 | \$ 590,393 |
| Gross Loans | \$ 397,087 | \$ 419,768 | \$ 373,788 |
| Total Deposits | \$ 517,352 | \$ 539,850 | \$ 481,941 |
| Total Shareholders' Equity | \$ 58,054 | \$ 57,670 | \$ 58,270 |

Gross Loan Portfolio
\$397.1 Million at 3/31/17



Total Deposit Mix
\$517.4 Million at 3/31/17



CLDB - STOCK DATA

| | |
|---------------------------|---------|
| Stock Price (4/28/2017) | \$18.50 |
| Market Cap | \$82.0M |
| Shares Outstanding | 4.4 M |
| Tangible Book Value | \$13.09 |
| Price/Tangible Book | 141% |
| P/E Ratio (TTM) | 18.1x |
| Net Interest Margin (MRQ) | 3.52% |

TOTAL RETURN

| | |
|------------|---------|
| One Year | 18.98% |
| Three Year | 76.65% |
| Five Year | 140.83% |

CORP. MARKET MAKER

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