



Cortland Bancorp

Fact Sheet

<https://www.cortlandbank.com>

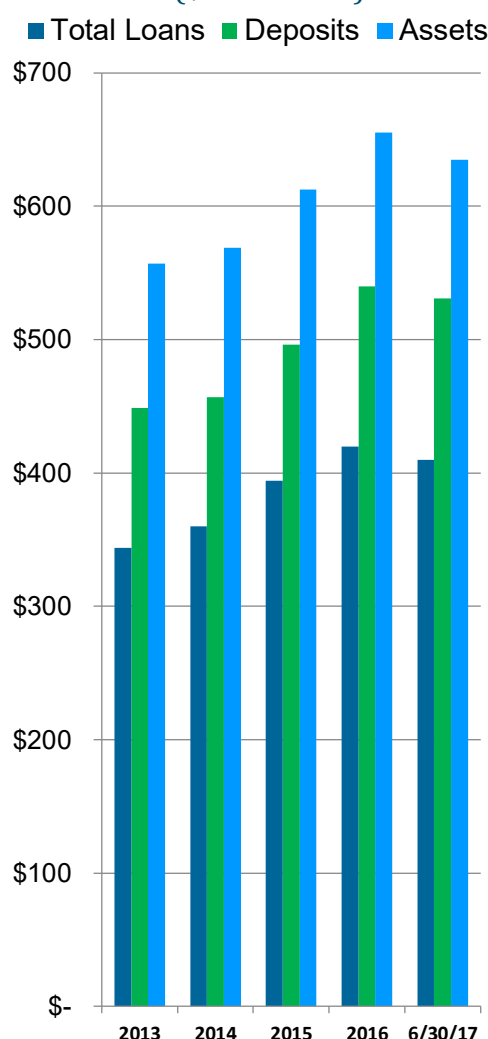
OTCQX: CLDB \$17.90 – 8/8/2017

2Q17 Financial Highlights

- Earnings increased 18% to \$1.2 Million, or \$0.26 per share, in 2Q17, compared to \$1.0 million, or \$0.23 per share in 1Q17. YTD, net income was \$2.2 million, or \$0.49 per share, compared to \$2.5 million, or \$0.58 per share for the six months of 2016. (Earnings for the first half of 2016 benefitted from a recovery of a commercial loan that was on nonaccrual status.)
- Total loans grew 7% to \$409.8 million from \$384.1 million for 2Q16.
- Mortgage originations totaled \$15.0 million, generating gains on sale of mortgages of \$322,000 in 2Q17, compared to \$16.5 million in originations and \$465,000 in gains in 2Q16. YTD, mortgage originations were \$23.2 million, versus \$26.9 million generated in the first half of 2016.
- Total deposits grew 9% to \$531.0 million at 6/30/17 from a year earlier.
- Net interest income (NII) was \$5.0 million for 2Q17, unchanged from 2Q16. NII increased 2% from \$4.9 million from 1Q17. For the first six months of 2017, NII was \$10.0 million, compared to \$9.7 million for the like period in 2016.
- Non-interest income (excluding investment security gains) was \$1.1 million for 2Q17, compared to \$1.2 million for 2Q16 and increased 25% from \$891,000 for 1Q17. YTD, non-interest income was \$2.0 million, compared to \$2.2 million for the first half of 2016.
- Net interest margin ("NIM") for 2Q17 was 3.56%, compared to 3.77% for 2Q16, and 3.52% for 1Q17. NIM for the first six months of 2017 was 3.54%, compared to 3.67% for the like period in 2016.
- Nonperforming assets declined to 1.13% of total assets at 6/30/17.
- The allowance for loan losses was 1.18% of total loans at 6/30/17, compared to 1.27% a year earlier, and 1.22% at 3/31/17.
- Cortland Bancorp remained well capitalized with total risk-based capital to risk-weighted assets of 14.90% and tangible equity to tangible assets of 9.44%.
- A quarterly cash dividend of \$0.08 per share will be payable on 9/1/17 to shareholders of record on 8/10/17, providing a 1.8% current yield at recent market prices.

Balance Sheet

(\$ in millions)



5 Year Financial Highlights

\$ in 000s except per share	EPS Diluted	Net Income	Tangible Book/Shr	Total Assets	NPAs/ Assets	Net Interest Margin
1H17	\$0.49	\$2,182	\$13.51	\$634,736	1.13%	3.54%
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%

*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.



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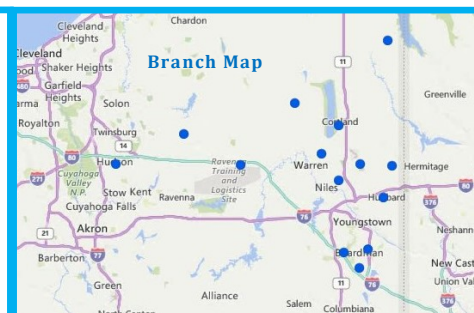


Cortland Bancorp

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	30-Jun-17	31-Mar-17	30-Jun-16
Interest Income	\$ 5,805	\$ 5,696	\$ 5,740
Interest Expense	783	759	719
Net Interest Income	5,022	4,937	5,021
Provision for Loan Losses	-	-	-
Net Interest Income after Provision	5,022	4,937	5,021
Investment security gains	22	9	4
Noninterest Income (excluding investment gains)	1,110	891	1,161
Noninterest Expense	4,686	4,647	4,734
Income Before Taxes	1,468	1,190	1,452
Provision for Income Taxes	286	190	279
Net Income	\$ 1,182	\$ 1,000	\$ 1,173

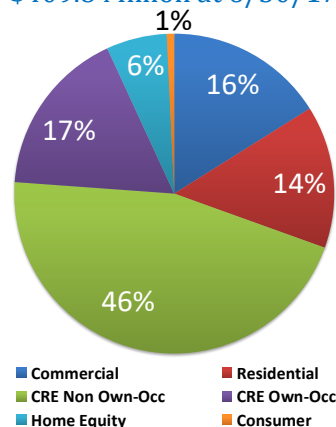
Per Common Share Data

Earnings per share, basic and diluted	\$ 0.26	\$ 0.23	\$ 0.27
Tangible Book Value per Share	\$ 13.51	\$ 13.09	\$ 13.67

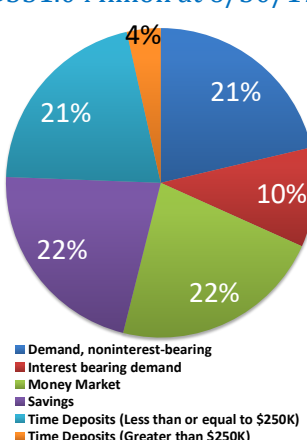
Balance Sheet Data (\$ in thousands)

	30-Jun-17	31-Mar-17	30-Jun-16
Total Assets	\$ 634,736	\$ 619,893	\$ 606,361
Gross Loans	\$ 409,766	\$ 397,087	\$ 384,058
Total Deposits	\$ 530,988	\$ 517,352	\$ 488,675
Total Shareholders' Equity	\$ 59,910	\$ 58,054	\$ 60,223

Gross Loan Portfolio
\$409.8 Million at 6/30/17



Total Deposit Mix
\$531.0 Million at 6/30/17



CLDB - STOCK DATA

Stock Price (8/8/2017)	\$17.90
Market Cap	\$79.4M
Shares Outstanding	4.4 M
Tangible Book Value	\$13.51
Price/Tangible Book	133%
P/E Ratio (TTM)	17.6x
Net Interest Margin (MRQ)	3.56%

TOTAL RETURN

One Year	17.58%
Three Year	42.06%
Five Year	75.49%

CORP. MARKET MAKER

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EXECUTIVE OFFICERS

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HEADQUARTERS

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