

About Cortland Bancorp — Cortland Bancorp is a financial holding company headquartered in Cortland, Ohio. Founded in 1892, the Company's bank subsidiary, The Cortland Savings and Banking Company conducts business through twelve full-service community banking offices located in the counties of Trumbull, Mahoning, Portage, and Ashabula in Northeastern Ohio, and a mortgage origination office in Mahoning County. For additional information about Cortland Banks visit <http://www.cortland-banks.com>.



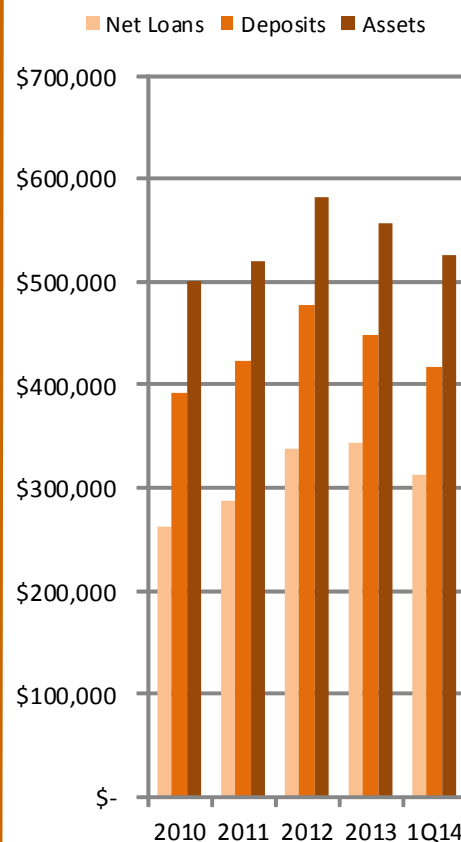
FACT SHEET

OTCQB: CLDB \$11.25 5/1/14

First Quarter 2014 FINANCIAL HIGHLIGHTS

- Cortland Bancorp profits increased 61% to \$1.33 million, or \$0.29 per share, compared to \$830,000, or \$0.18 per share for 1Q13.
- Earnings per share were \$0.29, compared to \$0.18 for the first quarter a year ago, and \$0.17 for the fourth quarter of 2013, excluding the Other Than Temporary Impairment charges of \$1.3 million on certain bank investment securities.
- ROAA rose to 0.99% and ROAE was 10.45% in 1Q14.
- Net interest income increased 8.2% to \$4.5 million for 1Q14, compared to \$4.1 million for 1Q13, and grew 3.1% from \$4.3 million for 4Q13.
- Net interest margin expanded 43 basis points to 3.70% for the first quarter, compared to 3.27% for the first quarter a year ago, and increased 7 basis points from 3.63% in the linked quarter.
- Loans grew 5% to \$312 million, compared to \$297 million, at 3/31/2014.
- Asset quality measures continued to improve with non-accrual loans, net charge-offs and provision for loan losses all declining during the quarter. Non-accrual loans decreased to 0.56% of total loans at year end, from 0.94% of total loans a year ago.
- Cortland Bancorp remained well capitalized with total risk-based capital to risk-weighted assets of 15.98% and tangible equity to tangible assets of 9.95%.
- Increased its quarterly cash dividend 67% to \$0.05 per common share, from \$0.03 per share in the preceding quarter, providing a current yield of 1.81% at current 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
1Q14	\$ 0.29	\$ 1,332	\$ 11.55	\$ 525,926	1.30%	3.70%
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%
2010	\$ 0.72	\$ 3,271	\$ 9.25	\$ 500,273	1.69%	3.59%
2009	\$ (1.40)	\$ (6,335)	\$ 8.16	\$ 497,299	0.98%	3.19%

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.

Cortland Bancorp is located between the Cleveland, OH and Pittsburgh, PA metropolitan areas. It's close to two state universities and several world class hospitals including Humility of Mary, Akron Children's, the Cleveland Clinic and UPMC.



FINANCIAL HIGHLIGHTS (\$ in thousands)

Income Statement - Quarter ended	31-Mar-14	31-Dec-13	31-Mar-13
Interest Income	\$ 5,217	\$ 5,129	\$ 5,045
Interest Expense	744	792	911
Net Interest Income	4,473	4,337	4,134
Provision for Loan Losses	150	150	200
Net Interest Income after Provision	4,323	4,187	3,934
Investment security losses (net of impairment losses)	193	(1,957)	-
Noninterest Income (excluding investment losses)	858	850	1,271
Noninterest Expense	3,623	4,005	4,140
Income (Loss) Before Taxes	1,751	(925)	1,065
Provision for Income Taxes	419	(463)	235
Net Income	\$ 1,332	\$ (462)	\$ 830

Per Common Share Data

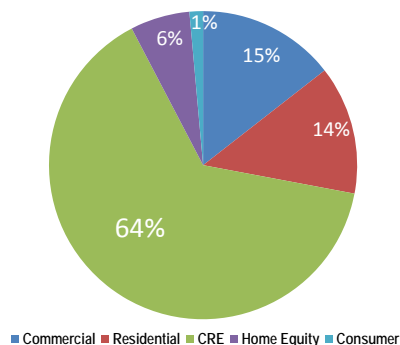
Diluted Earnings per Share	0.29	(0.11)	0.18
Tangible Book Value per Share	\$ 11.55	\$ 10.94	\$ 11.17

Balance Sheet Data (\$ in thousands)

	31-Mar-14	31-Dec-13	31-Mar-13
Total Assets	\$ 525,926	\$ 556,918	\$ 546,467
Gross Loans	\$ 312,223	\$ 346,833	\$ 297,463
Total Deposits	\$ 417,369	\$ 448,669	\$ 441,010
Total Stockholders' Equity	\$ 52,309	\$ 49,535	\$ 50,570

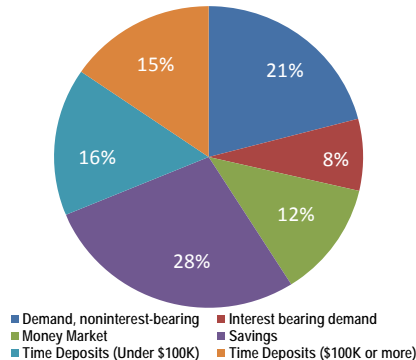
Gross Loan Portfolio

\$312.2 Million at 3/31/14



Total Deposit Mix

\$417.5 Million at 3/31/14



CDLB - STOCK DATA

Stock Price (5/1/2014)	\$11.25
Market Cap	\$50.0 M
Shares Outstanding	4.5 M
Tangible Book Value	\$11.55
Price/Tangible Book	0.97x
Net Interest Margin (MRQ)	3.70%

EXECUTIVE OFFICERS

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HEADQUARTERS

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The Cereghino Group
Corporate Investor Relations

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