

MARKET STATISTICS

Exchange / Symbol	NASDAQ: CLDB
Price:	\$22.24
Market Cap (mm):	\$97.38
Shares Outstanding (mm):	4.38
Float (%):	83%
52-week Range:	\$19.10-\$28.68
Headquarters:	Cortland, Ohio
Industry:	Banking Services

CONDENSED BALANCE SHEET

(\$mm, except per share data)

Balance Sheet Date	9/30/2019
Cash & Cash Equivalent:	\$20.5
Debt:	\$25.5
Equity (Book Value):	\$74.2
Equity/Share:	\$16.93

CONDENSED INCOME STATEMENTS

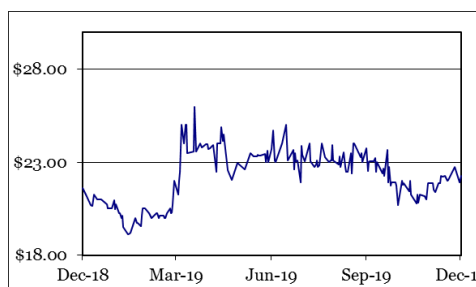
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FY - 012/31	Int. Income	Net Int. Income	Net Income	Dil. EPS
FY16	\$22.5	\$19.6	\$4.9	\$1.11
FY17	\$23.5	\$20.3	\$4.3	\$0.99
Fy18	\$27.7	\$23.4	\$8.8	\$2.03
FY19E	\$29.9	\$23.8	\$8.1	\$1.86

LARGEST SHAREHOLDERS

Elizabeth Park Capital Advisors, Ltd.	322,469
Ancora Advisors, LLC	297,533
Richard B. Thompson	177,124
Timothy K. Woofter	90,331
EJF Capital, LLC	58,000
Maltese Capital Management, LLC	52,638
Timothy Carney	45,880
James M. Gasior	35,497
Morgan Stanley	31,810
Farmers National Banc Corp.	31,719

STOCK CHART



COMPANY DESCRIPTION

Cortland Bancorp (the Company or Cortland) was incorporated in Ohio in 1984 and is the bank holding company of The Cortland Savings and Banking Company (the Cortland Bank); the Company owns all outstanding shares of the Cortland Bank. The Cortland Bank is a full-service Ohio-chartered commercial bank engaging in commercial and retail banking and also offers investment services under its Cortland Private Wealth Management brand. Cortland Bank was originally founded in 1892. Cortland currently has 14 branch locations and 1 loan production office and last reported ~160 employees. The branch locations cover five Ohio counties in three NE Ohio markets, which include the Mahoning Valley, Cleveland, and Akron-Canton.

SUMMARY

Cortland Bank has a long history of providing superior customer service, being deeply rooted in the communities that it serves while offering a full suite of banking and investment options to these NE Ohio markets. The seasoned management team has developed a sound business model and a stable geographic base from which to continue its disciplined growth strategy. Given the Company's track record of successful branch additions, combined with expanding profitability, strong credit metrics, and operational efficiency, we anticipate continued growth going forward.

- **Long history of building the brand** - Cortland has built a solid brand name in the Ohio markets that it serves, currently being the 6th largest bank with ~ \$700M in assets and a history that goes back to 1892; CLDB has always had a focus on asset quality with minimal losses reported over the years.
- **Strong leadership** - The management team is comprised of industry veterans, each possessing decades of experience in banking as well as expertise in the various aspects of retail and commercial lending, giving them the capability to compete with the larger banks in their areas on deals of almost any size. Company insiders as a whole (executives + directors) own ~10% of outstanding CLDB shares and are thus truly invested in the success of the business.
- **Community-focused** - The Company has recruited directors with ties to communities in which they serve and a commitment to the bank through stock ownership and development efforts. Cortland also hires experienced team members at each location with a focus on supporting the local customer and business owner with a level of service beyond that of the competition, and many with industry-specific backgrounds that can cater to certain customer concentrations. Importantly, decisions are made locally, enabling the bank to remain nimble for its customers.
- **Full-service offerings** - Beyond the basics of banking, Cortland has a full-service suite of offerings for its clients, including treasury management, "private" banking and wealth management services, among others, which cater to the small- to medium-sized business owners often driving the local economy.
- **Successful growth strategy** - The Company has continued to expand its branch operations into targeted growth markets of NE Ohio over the years with great success; furthermore, Cortland has increased its asset base by gaining additional business with its current clientele, which it is able to do given the variety of banking and investment options that each branch can deliver.
- **Valuation** - Combining our thoughts on CLDB versus current regional comps, as well as 5-year historical trading multiples for its comp set, we believe CLDB should trade in a P/E range of 11x to 15x with a mid-point of 13x. Using this range on our FY19 EPS estimate results in a valuation range of \$20.41 to \$27.83 with a mid-point of \$24.12. Further details are on page 7.

BUSINESS OVERVIEW

Positioned in Strong, High-Growth Markets

Cortland Bank has been in business since 1892 and was originally founded in Cortland, Ohio. Cortland has expanded over the years into targeted growth markets and currently reports 14 branches as well as one loan production office. Its territories include 5 Ohio counties encompassing 3 NE Ohio markets – the Mahoning Valley, Cleveland and Akron/Canton.

Exhibit 1: Northeast Ohio Locations



Source: Company Reports

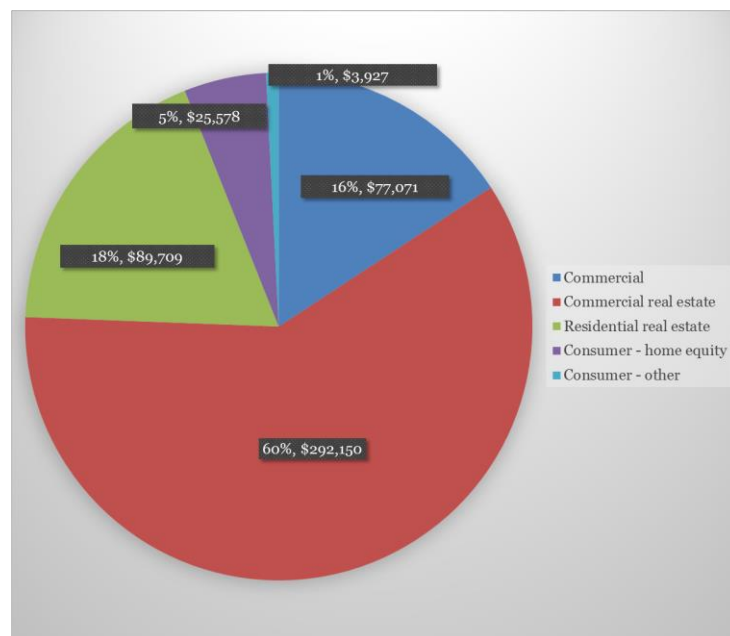
Cortland is currently the 6th largest stock bank in Northeast Ohio with assets totaling ~ \$700 million and has accomplished this standing by strategically targeting branch locations in markets with significant growth potential. The Company has grown organically over the years, both by opening new locations and by expanding its banking and investment relationships with its current customer base. And with every location that is opened, Cortland's focus is on community banking and putting the resources in place (from Directors down to service team members) to successfully compete against other banks in the area; by delivering superior customer service and a full suite of retail and commercial offerings with a local "feel", branches are able to gain market share from many of the regional and national players. Often Cortland will initially focus on commercial lending client relationships that can then be expanded to deposits and personal banking. The Company's approach to banking has created superior customer loyalty over its long history, and Cortland quotes that the average account holder stays ~8 years.

Loan Portfolio

The Company's commercial & industrial, commercial real estate and residential real estate loans comprise the largest portion of the Bank's loan portfolio as of 9/30/19. Within its commercial banking portfolio, Cortland focuses on loans to small-to-medium size businesses. The commercial and business banking Business development teams have developed expertise in varying industry sectors. The business development teams are supported by a strong credit function, which positions the Bank to compete with National and larger regional banks on a multitude of business credits.

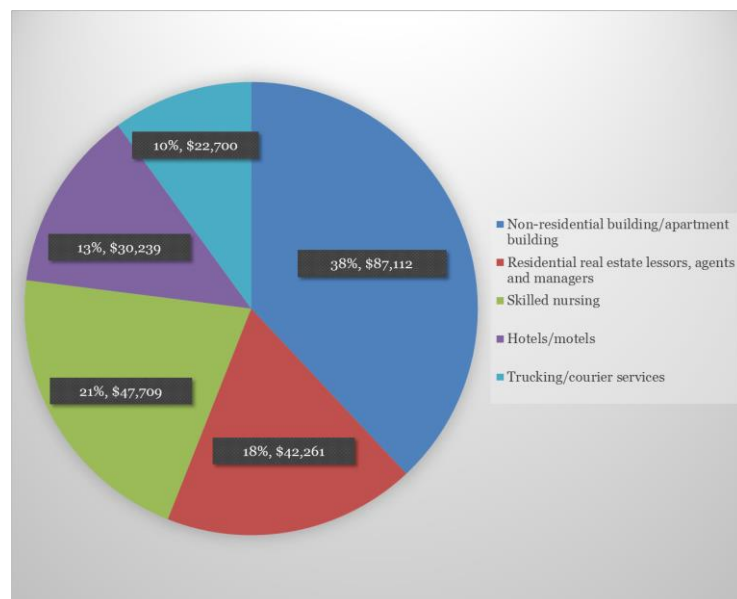
Recent results further summarize commercial loans by varying business sectors reflecting the areas of largest concentrations. The most substantial increase in concentration growth by percentage since 2016 comes from residential real estate lessors, agents and managers. This industry sector remains the second largest concentration relative to the total portfolio concentration. Non-residential building/apartment buildings remains the largest industry concentration. Skilled Nursing, Hotels/Motels and the trucking/courier service sector are also among the top five areas of loan concentrations.

Exhibit 2: Loan Composition at 9/30/19 (000s)



Source: Company Reports

Exhibit 3: Loan Concentration by Sector at 9/30/19 (000s)



Source: Company Reports

Cortland reported a loan-to-deposit ratio of 83.2% as of 9/30/19 vs. 85.9% as of 9/30/18. The Company has posted composite growth of ~42% since 2014. Management notes that the balance sheet is adequately structured to accommodate additional loan growth; thus, Cortland has the capacity to fulfill the credit needs of creditworthy applicants.

Typically, Cortland will sell its long-term residential mortgages, although exceptions can be made if requested by a customer or as part of servicing a significant client account. From year to year, the amount of loans sold vs. retained in the portfolio will vary given the composition and rates.

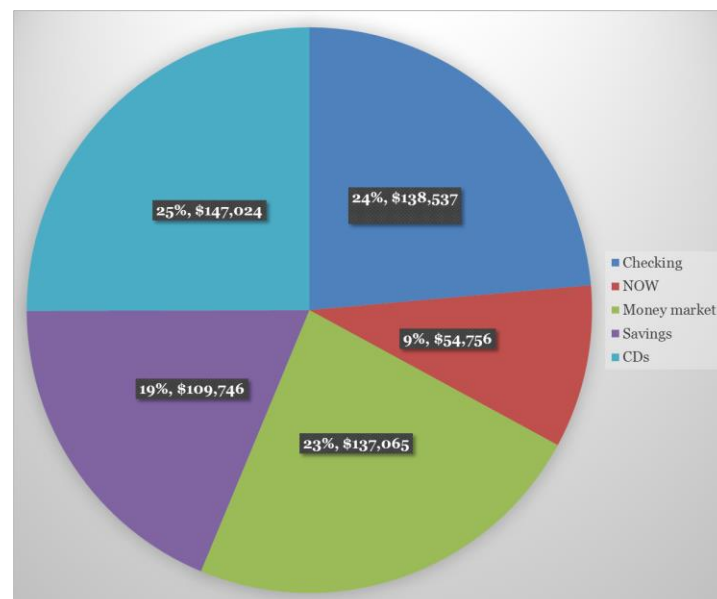
Deposits

Alongside Cortland's loan balances, deposits have shown steady growth over recent years. Deposits come from both individuals and businesses living or located in the Company's local markets. The deposit base consists of:

- Demand deposits
- Savings
- Money market accounts
- Time deposit accounts

Non-interest-bearing deposit balances increased 3.7% from 9/30/18 to 9/30/19, while interest-bearing increased 4.9%. The shift over recent years has been away from CDs and more towards demand-type deposit accounts as account holders keep an eye on interest rate changes. The Company most recently reported non-interest-bearing deposits at 23.6% of its deposit base as of 9/30/19 vs. 23.8% at 9/30/18.

Exhibit 4: Breakdown of Deposits at 9/30/19 (000s)



Source: Company Reports

Net Interest Income and Margins

The net interest margin is a good indicator of how profitably Cortland is managing its balance sheet. Exhibit 5 provides annual net interest margin growth analysis. Cortland's management notes that in light of earnings pressures driven by economic instability, interest rate compression and heightened competition in the marketplace during the period from 2017 to current, the Company increased its focus on profit improvement measures and balance sheet positioning, which is reflected below as well as in the additional financial metrics detailed on the financial statements presented later in this report. In Q3 the Company noted increased challenges to expanding the net interest margin in the near-term due to expectations that the Federal Reserve will continue to decrease interest rates. And as always, Cortland's longer-term strategy includes maintaining adequate capital for lending and continued business development efforts as new branches are opened and additional business opportunities with current clients are expanded.

Exhibit 5: Net Interest Margin



Source: Company Reports

Notably, the Company's efficiency ratio improved from 72.92% in 2017 to 64.82% in 2018 as management has been able to expand its net interest margin while controlling its operating costs. Most recently in Q3 2019, the Company's efficiency ratio increased as a result of the investment associated with the opening of the Strongsville branch and entry onto the Nasdaq trading platform.

COMPETITIVE STRATEGY

Cortland has strategically positioned itself to be competitive in its current and future markets in several ways.

1. The Company has an experienced management team in place as well as service team members that have strong ties to the community and have shown dedication to servicing the financial needs of the clients
2. Additionally, Cortland targets and recruits Directors in its target markets that are recognized leaders in the community and are committed to the success of the bank through ownership and driving business development efforts
3. The life of Cortland Bank's non-maturity deposits of 8 – 9 years notably exceeds the industry average as a result of the strong relationships its team members form with clients, which the Company can then turn into additional business opportunities through new loans as well as other cross-sell offerings such as personal loans, treasury services and private banking offerings. As the Bank continues to grow, current in-house lending limits are adjusted accordingly, allowing the bank to grow important account relationships. Cortland has lending availability to scale under current legal limits
4. The Company has also introduced its community-based banking brand into high potential growth markets where consumers and businesses can have the choice and benefits of a "local" bank vs. a regional or national brand
5. The Company also has expanded its traditional line of banking services to include treasury management, "private" banking and wealth management services, primarily catering to small- to medium-sized business

owners; Cortland hires and trains knowledgeable team members who understand business operations as well as the nuances of certain industries of customer concentrations given the market

6. Cortland has put in place a disciplined underwriting strategy that includes industry concentration analysis and stress testing to continue its history of high-performing assets with minimal losses

RISKS

Geographic concentration – Cortland is largely concentrated in the state of Ohio, which exposes the Company to risks associated with lack of geographic diversification. A local or regional economic downturn could adversely affect the Company's profitability.

Changes in interest rates – The Company's results depend on its net interest income; should the rates it earns on loans, securities and other interest-bearing assets fall faster the rates it is required to pay on deposits and borrowed funds, results would suffer.

Security of systems – Any material breaches in the security of Cortland's banking systems could cause material losses for the Company. Protecting sensitive consumer data is essential as is maintenance and backup of key financial and customer information.

Failure to stay competitive – Cortland operates in an extremely competitive marketplace, and failure of its branches to stay competitive in their respective local markets could cause significant harm to financial results and result in closures; competition continues to increase as consolidation occurs in the industry and changes to regulations affect the business. The Company is much smaller than certain competitors that have access to significantly more resources when compared to Cortland. Additionally, technology now enables banking online which broadens the reach of the competition, and Cortland faces higher costs than the newer trending online financial services organizations that lack physical branches.

Trading of common shares is limited – Trading in the Company's common shares is not very active, which could cause concern for current and future shareholders, and the limited trading can cause exaggerated price volatility for shares of CLDB.

Access to future capital – Should the Company incur significant loan losses, desire to execute acquisitions, or require additional funds for other operational purposes, the timing and terms of the capital may not be favorable given certain economic and/or market conditions.

BALANCE SHEETS
Cortland Bancorp and Subsidiaries
Consolidated Balance Sheets (in thousands \$, except per share amounts)
Fiscal Year: December

	FY 2016	FY 2017	FY 2018	Q3 2019
Assets				
Cash and due from banks	\$ 7,021	\$ 9,741	\$ 11,333	\$ 8,483
Interest-earning deposits	8,330	9,384	8,359	12,025
Total cash and cash equivalents	15,351	19,125	19,692	20,508
Investment securities available-for-sale	179,219	159,841	136,923	136,456
Regulatory stock	-	2,581	2,581	2,835
Loans held for sale	4,554	2,780	1,040	4,988
Total loans	419,768	487,490	514,392	488,435
Less allowance for loan losses	(4,868)	(4,578)	(4,198)	(4,641)
Net loans	414,900	482,912	510,194	483,794
Premises and equipment	9,132	9,038	10,202	11,752
Bank-owned life insurance	17,376	17,650	15,711	17,672
Other assets	14,652	17,174	18,323	22,616
Total assets	\$ 655,184	\$ 711,101	\$ 714,666	\$ 700,621
Liabilities				
Noninterest-bearing	\$ 117,225	\$ 123,291	\$ 136,886	\$ 138,537
Interest-bearing deposits	422,625	462,560	467,533	448,591
Total deposits	539,850	585,851	604,419	587,128
Securities sold under agreement to repurchase	2,702	2,678	2,206	1,307
Federal Home Loan Bank advances, short-term	23,000	32,000	12,000	-
Federal Home Loan Bank advances, long-term	17,500	14,000	16,000	19,000
Subordinated debt	5,155	5,155	5,155	5,155
Other liabilities	9,307	9,787	9,968	13,878
Total liabilities	597,514	649,471	649,748	626,468
Shareholders' equity				
Common stock	23,641	23,641	23,641	23,641
Additional paid-in capital	20,878	20,928	20,984	21,153
Retained earnings	21,485	24,403	31,089	34,808
Accumulated other comprehensive loss	(2,961)	(1,825)	(3,656)	1,261
Treasury stock	(5,373)	(5,517)	(7,140)	(6,710)
Total shareholders equity	57,670	61,630	64,918	74,153
Total liabilities & shareholders equity	\$ 655,184	\$ 711,101	\$ 714,666	\$ 700,621
Book value per share				
	\$ 13.05	\$ 13.94	\$ 14.92	\$ 16.93
Return on average equity				
	8.27%	7.25%	14.36%	10.71%
Return on average assets				
	0.80	0.68	1.31	1.12
Leverage ratio				
	10.5%	10.8%	10.7%	11.2%

INCOME STATEMENTS

Cortland Bancorp and Subsidiaries

Consolidated Statements of Income (in thousands \$, except per share amounts)

Fiscal Year: December

	FY 2016	FY 2017	FY 2018	FY 2019E
Interest income				
Interest and fees on loans	\$ 18,554	\$ 19,243	\$ 23,823	\$ 25,936
Interest and dividends on investment securities:				
Taxable interest	2,026	2,098	2,118	2,030
Nontaxable interest	1,814	1,922	1,494	1,540
Dividends	117	131	152	144
Other interest income	44	98	162	200
Total interest and dividend income	22,555	23,492	27,749	29,850
Interest expense				
Deposits	2,093	2,571	3,527	4,550
Short-term borrowings	7	7	6	6
Federal Home Loan Bank advances - short-term	73	175	374	228
Federal Home Loan Bank advances - long-term	633	299	287	323
Subordinated debt	112	138	189	190
Total Interest Expense	2,918	3,190	4,383	5,297
Net interest income	19,637	20,302	23,366	24,553
Provisions for loan losses	50	100	725	710
Net interest income after provisions for loan losses	19,587	20,202	22,641	23,843
Non-interest income				
Fees for customer services	2,103	2,241	2,273	2,300
Investment securities available-for-sale, net	466	7	(21)	-
Trading security losses, net	(47)	-	-	-
Mortgage banking gains, net	1,248	1,074	974	1,200
Earnings on bank-owned life insurance	328	1,203	1,869	1,000
Wealth management	95	35	39	50
Other real estate gains	13	170	-	-
Other non-interest income	391	436	558	750
Total non-interest income	4,597	5,166	5,692	5,300
Non-interest expense				
Salaries & employee benefits	10,169	10,631	10,260	11,140
Net occupancy & equipment	2,151	2,331	2,232	2,345
State and local taxes	455	463	493	525
FDIC insurance	251	199	176	200
Professional fees	882	786	879	1,088
Advertising and marketing	527	478	322	375
Net losses from the extinguishment of debt	242	-	-	-
Data processing fees	250	251	250	300
Other operating expenses	3,259	3,462	3,471	3,600
Total non-interest expense	18,186	18,601	18,083	19,573
Net income before federal income taxes	5,998	6,767	10,250	9,570
Federal income tax expense	1,127	2,417	1,415	1,436
Net income	\$ 4,871	\$ 4,350	\$ 8,835	\$ 8,135
Basic EPS - GAAP	\$ 1.11	\$ 0.99	\$ 2.03	\$ 1.86
Diluted EPS - GAAP	\$ 1.11	\$ 0.99	\$ 2.03	\$ 1.86
Cash dividends declared per share	\$ 0.28	\$ 0.39	\$ 0.49	\$ 0.46
Weighted average shares outstanding -				
Basic	4,406	4,407	4,358	4,385
Diluted	4,407	4,411	4,364	4,385
GAPP net income	\$ 4,871	\$ 4,350	\$ 8,835	\$ 8,135
Investment gains not in the ordinary course of business	(191)	0	0	0
Net losses from extinguishment of debt	160	0	0	0
Gains recognized on Bank Owned Life Insurance policy	0	(898)	(1,548)	(51)
Change in corporate tax rate	0	1,246	0	0
Recognition of deferred tax valuation allowance	(93)	0	28	0
Core earnings	\$ 4,747	\$ 4,698	\$ 7,315	\$ 8,084
Core diluted EPS - non-GAAP	\$ 1.07	\$ 1.07	\$ 1.68	\$ 1.84

VALUATION

Given the Company's long track record of successful growth through branch openings within Northeast Ohio combined with expanding profitability, strong credit metrics, and operational efficiency, we anticipate continued meaningful growth going forward. Cortland's experienced management and service teams bring not only valuable industry knowledge but also a unique grasp of the local economy and target demographics. With the current strength of its target markets as well as longer-term expectations for further asset expansion, the Company appears well-positioned to continue gaining market share. All of this combined would indicate a slight premium to the market for CLDB.

Exhibit 6: Comparable Analysis

Name	Ticker	Price ⁽¹⁾	S/O	Mrkt Cap	Financial (MRQ)			EPS ⁽²⁾			Valuation				Credit		Profitability		
					Assets	BV/sh	TBV/sh	2017	2018	2019E	P/E 2018	P/E 2019E	P/BV	P/TBV	NPAs / Assets	Res. / NPLs	NIM	ROAA	ROAE
American Riviera Bank	ARBV	\$ 19.25	5.0	\$ 95.3	\$ 697.3	\$ 15.05	\$ 13.97	\$ 1.10	\$ 1.17	\$ -	16.4x	n/a	1.28x	1.38x	0.04%	0%	22.87	1.0%	9.5%
Summit State Bank	SSBI	\$ 12.76	6.1	\$ 77.4	\$ 680.8	\$ 10.96	\$ 10.28	\$ 0.61	\$ 0.83	\$ -	15.4x	n/a	1.16x	1.24x	0.09%	1106%	23.89	0.9%	9.1%
United Bancorp, Inc.	UBCP	\$ 12.94	5.7	\$ 73.6	\$ 675.8	\$ 10.56	\$ 10.28	\$ 0.70	\$ 0.79	\$ 1.20	16.3x	10.8x	1.22x	1.26x	0.39%	81%	23.61	0.9%	10.7%
First Capital, Inc.	FCAP	\$ 66.21	3.4	\$ 222.7	\$ 823.3	\$ 28.81	\$ 26.63	\$ 1.98	\$ 2.00	\$ -	33.1x	n/a	2.30x	2.49x	0.22%	258%	29.80	1.3%	11.7%
United Bancshares, Inc.	UBOH	\$ 22.23	3.3	\$ 72.7	\$ 875.8	\$ 27.87	\$ 18.87	\$ 1.53	\$ 1.86	\$ -	11.9x	n/a	0.80x	1.18x	0.35%	129%	22.24	1.1%	10.6%
SB Financial Group, Inc.	SBFG	\$ 18.30	6.4	\$ 117.1	\$ 1,042.8	\$ 19.03	\$ 16.23	\$ 1.76	\$ 1.46	\$ 1.57	12.5x	11.7x	0.96x	1.13x	0.44%	207%	22.34	1.1%	8.9%
Croghan Bancshares, Inc.	CHBH	\$ 51.85	2.3	\$ 117.4	\$ 881.9	\$ 54.20	\$ 54.20	\$ 3.59	\$ 3.87	\$ -	13.4x	n/a	0.96x	0.96x	0.00%	0%	31.47	1.4%	10.4%
CSB Bancorp, Inc.	CSBB	\$ 41.00	2.7	\$ 112.4	\$ 786.8	\$ 30.49	\$ 28.72	\$ 2.35	\$ 2.66	\$ -	15.4x	n/a	1.34x	1.43x	0.57%	153%	32.00	1.4%	13.1%
Wayne Savings Bancshares, Inc.	WAYN	\$ 21.75	2.6	\$ 56.9	\$ 493.9	\$ 18.23	\$ 18.23	\$ 0.98	\$ 1.46	\$ -	14.9x	n/a	1.19x	1.19x	0.53%	146%	34.62	1.3%	13.8%
Middlefield Banc Corp.	MBCN	\$ 25.75	6.4	\$ 165.4	\$ 1,280.6	\$ 21.16	\$ 18.48	\$ 1.52	\$ 1.41	\$ 1.94	18.2x	13.3x	1.22x	1.39x	0.79%	70%	28.62	1.0%	10.0%
					Average			\$ 1.62	\$ 1.79	\$ 1.57	16.6x	11.9x	1.25x	1.36x	0.3%	231.2%	26.98	1.2%	10.9%
					Median			\$ 1.53	\$ 1.46	\$ 1.57	15.4x	11.2x	1.19x	1.24x	0.3%	146.2%	23.89	1.1%	10.6%
Cortland Bancorp	CLDB	\$22.24	4.4	\$ 97.4	\$ 700.6	\$ 16.93	\$ 16.93	\$ 0.99	\$ 2.03	\$ 1.86	11.0x	12.0x	1.31x	1.31x	1.30%	50.9%	26.18	1.1%	10.9%

(1) Previous day's closing price

(2) Estimates are from CapitalIQ except for CLDB which are Stonegate estimates

Credit and Profitability are most recently reported data

Source: Company Reports, Stonegate Capital Partners, Capital IQ

Based on FY18 results, CLDB is trading at a 11x P/E vs. comparable companies trading at an average P/E of 16.6X. 2019E EPS for the selected comparables was largely unavailable. Combining our thoughts on CLDB versus current regional comparables, as well as 5-year historical trading multiples for this comparable set, we believe CLDB should trade in a P/E range of 11x to 15x with a mid-point of 13x. Using this range on our FY19 EPS estimate results in a valuation range of \$20.41 to \$27.83 with a mid-point of \$24.12.

COMPANY TIMELINE

2019 – CLDB graduates to NASDAQ Capital Market stock exchange as of 3/8/19; Company opens in Strongsville, Ohio, an affluent suburb of Cleveland that is the fifth largest city in Cuyahoga County as measured by population census data

2017 - The Company opens a full service branch in Hudson, Ohio, which is among the most attractive markets in Summit County

2016 – Cortland Private Bank is formed

2015 – Cortland Investment Group is rebranded as Cortland Private Wealth Management offering non-deposit investment products and registered advisory services; Bank opens its Canfield branch location which also becomes home base for the Banks Mortgage Center; two Loan Production Offices open

2014 – Treasury Management Services expanded

2013 – Cortland Investment Group formed, a wealth management team

2012 – Welcome Home Grant, an affordable housing program, is offered

2010 – David Lucido named CFO and SVP; Stanley Feret named SVP and Chief Lending Officer

2009 – Tim Carney named EVP and COO and Corporate Secretary; James Gasior named CEO and President

2000 – 2004 – Stock repurchase programs are launched

1998 – Stock splits 3-for-1, and assets hit \$400 million

1992 – 100 year celebration

1989 – Annual stock dividend begins

1988 – Cortland Bancorp stock pays a 50% stock dividend (3 for 2 split); capital increases by \$2.6M through Shareholder Rights Offering; dividend reinvestment program initiated; assets top \$300M

1985 – Total assets hit \$200 million, and holding company acquires CBS stock in exchange for Cortland Bancorp stock

1983 – New department formed offering full Trust Services

1982 – CBS stock splits 5 for 1

1979 – Total assets reach \$100 million

1963 – First branch opens in Brookfield

1911 – The First National Bank of Cortland drops its national charter, switching to a state chartered bank and adopting the name The Cortland Savings and Banking Company

1892 – The First National Bank of Cortland receives its Charter and opens for business

CORTLAND BANCORP GOVERNANCE

James M. Gasior – CEO and President - Mr. Gasior is the President, Chief Executive Officer and Director of the Company and the Bank since 2009. He previously served as Senior Vice President, Chief Financial Officer and Corporate Secretary of the Company and the Bank from November 2005 to October 2009. Mr. Gasior is a Certified Public Accountant, a member of the American Institute of CPAs and a member of the Ohio Society of CPAs. He is also a member and director of the Youngstown-Warren Regional Chamber of Commerce, a member of the Board of Trustees of Eastern Gateway Community College, a Board Trustee for the Ohio Foundation of Independent Colleges and a member and director of the Ohio Bankers League. He is also a member of the Financial Managers Society, the RMA Northeast Ohio chapter, the YSU Tax Institute and CPE Advisory Committee. He has extensive background in all financial activities and financial reporting, budgeting, risk management, compensation planning, plan design and talent recruitment, corporate governance and strategic planning. Mr. Gasior has been a member of the Board of Directors since 2005.

Timothy Carney – COO, EVP and Secretary - Mr. Carney is Executive Vice President and Chief Operating Officer of the Company and the Bank since November 2, 2009. He was previously Senior Vice President, Chief Operations Officer and Secretary of the Company and the Bank. Mr. Carney earned his degree in Accounting at Youngstown State University. Prior to joining the Bank, Mr. Carney was employed by Ernst & Young and had experience in all financial activities and financial reporting, audit preparation, budgeting, and knowledge of government regulatory requirements. The Corporate Governance Committee and the Board believe that the experiences, qualifications, attributes and skills that Mr. Carney has developed allow him to provide valuable accounting, strategic planning and corporate governance expertise to the Board. Mr. Carney has been a member of the Board of Directors since 2009.

David J. Lucido – CFO and SVP - David J. Lucido is Senior Vice President & Chief Financial Officer of the Company and the Bank. He joined the Company January 18, 2010. Mr. Lucido's career in the financial services industry spans over 30 years including positions as Chief Financial Officer for Dollar Bank and Ohio Bancorp and Vice President and Manager of Holding Company Accounting for National City Bank. Just prior to joining the Company and the Bank, Mr. Lucido served as Corporate Vice President and Treasurer of First Place Bank in Warren, Ohio. Mr. Lucido began his career with the international accounting firm of Ernst and Young. Over a nine-year period he was promoted to increasing levels of responsibility with the accounting firm with a focus on the financial services industry. Mr. Lucido earned his Bachelor of Business Administration degree from Youngstown State University and is a graduate of the University of Wisconsin's Graduate School of Banking.

Stanley P. Feret – Chief Lending Officer and SVP - Mr. Feret's career in the financial services industry spans over 30 years with a focus centered in commercial banking. Prior to joining the Company Mr. Feret held the position of Senior Vice President with Huntington National Bank. His previous positions in banking include senior vice president, vice president, vice president department manager of commercial banking, commercial and consumer loan officer, branch manager and mortgage loan officer. Mr. Feret earned his Bachelor of Business Administration degree, majoring in finance with a minor in economics, from Youngstown State University, where he was nominated by YSU's faculty for the annual award given by the American Association of Certified Financial Analysts. He is also an honors graduate of the American Bankers Association National School of Commercial Lending. An active member in the local community, Mr. Feret is currently on the Board of Directors with Trumbull 100, Trumbull County Community Improvement Corp. and a current member of the Builder's Association – Mahoning County Division. His past involvements include the Trumbull County Red Cross, Second Harvest Food Bank and the Youngstown Area Association of Credit Management. Mr. Feret is a current member of Trumbull County Country Club and resides in Poland with his wife and three children.

Board of Directors:

Timothy K. Woofert – *Chairman of the Board*

Thomas P. Perciak – *Vice Chairman of the Board*

Timothy Carney – *Director*

David C. Cole – *Director*

J. Martin Erbaugh – *Director*

James M. Gasior – *Director*

James E. Hoffman – *Director*

Neil J. Kaback – *Director*

Joseph E. Koch – *Director*

Joseph P. Langhenry – *Director*

Richard B. Thompson – *Director*

Anthony R. Vross – *Director*

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