Croghan Colonial Bank

Corporate Office

323 Croghan Street Fremont, OH 43420 419.332.7301

Banking Centers

Fremont	Bellevue	Tiffin
Main Office	Clyde	Downtown
Ballville	Custar	Westgate
East	Green Springs	
North	Monroeville	
West	Norwalk	
	Port Clinton	

Shareholder Information

Stock Listing:

OTC BB - Ticker symbol: CHBH

Registrar and Transfer Agent:

Registrar and Transfer Company 10 Commerce Drive Cranford, NJ 07016-3572 Toll free 1.800.368.5948 Website: www.rtco.com

Market Maker:

Boenning & Scattergood 9916 Brewster Lane Powell, OH 43065 1.866.326.8113

Investor Relations:

Amy LeJeune <u>alejeune@croghan.com</u> 419.355.2231 or toll free 1.888.276.4426

Our Website:

www.croghan.com



Quarterly Report March 31, 2012

Letter to our Shareholders:

Highlights of the 2012 first quarter include:

- Our quarterly cash dividend of \$0.32 per share continues and will be paid on April 30, 2012
- Stockholders' Equity has grown to \$63.5 Million
- Net Income of \$934,000 for first quarter
- Annual Meeting of Shareholders will be held on May 8, 2012 at Terra Community College

A 32 cent per share dividend was approved by the Board on March 13, 2012, and will be paid on April 30th to shareholders of record as of April 13th. With our closing price for the quarter at \$34.35 per share, this represents an annualized dividend yield of 3.7% on your Croghan Bancshares common shares.

As expected, first quarter net income was less than the previous year's net income by \$75,000. Net income for the quarter ended March 31, 2012 was \$934,000 compared to \$1,009,000 for the similar period last year. Quarterly non-interest expenses in the first quarter of 2012 increased \$324,000 compared to the first quarter 2011. This increase was a result of the combination of the branch purchase transaction costs and the addition of resources to facilitate loan growth. In addition, our net interest margin declined in the first quarter as a result of the acquisition of additional deposits in the branch purchase. We continue to work to restructure those deposits into our loan and investment portfolios accordingly. Overall, we are pleased that we were able to attain the growth and expansion of our bank with relatively minimal impact to our first quarter earnings.

Stockholders' equity grew to \$63.5 million at March 31, 2012. In addition, our loan loss reserve is in excess of \$4.5 million, which management believes is adequate to cover the risks in our loan portfolio.

We continue to be encouraged by the branch purchase in December 2011. The entire team has done an excellent job with the conversion and we are well positioned to continue to provide our customers with excellent community banking. As shareholders and important customers, please consider The Croghan Colonial Bank for any loan needs you may have.

The Annual Meeting will be held on Tuesday, May 8th at 1pm local time at Terra Community College, 2830 Napoleon Road, Building B, Room 101, in Fremont. I look forward to seeing you there!





FINANCIAL	INFORMATION	(unaudited)

Loans

Deposits

Stockholders' equity

Common shares outstanding

FINANCIAL INFORMATION (una		ree Months Ended 3/31/12	Th	ree Months Ended 3/31/11
CONDENSED STATEMENT OF OPERA	ATIONS			
Interest income	\$	5,318,000	\$	5,341,000
Interest expense		923,000		991,000
Net interest income		4,395,000		4,350,000
Provision for loan losses		125,000		100,000
Net interest income after provision for loan losses		4,270,000		4,250,000
Non-interest income		900,000		766,000
Non-interest expenses		4,116,000		3,792,000
Income before federal income taxes	_	1,054,000		1,224,000
Federal income taxes		120,000		215,000
Net income	\$	934,000	\$	1,009,000
Average common shares outstanding		1,673,380		1,674,980
PER SHARE DATA				
Net income	\$	0.56	\$	0.60
Cash dividends	\$	0.32	\$	0.32
Book value	\$	37.94	\$	34.33
Closing price	\$	34.35	\$	23.75
FINANCIAL RATIOS				
Return on average assets		0.60%		0.81%
Return on average equity		5.86%		7.07%
Net interest margin		3.18%		3.87%
Loans to deposits		57.12%		74.61%
Allowance for loan losses to total loans		1.55%		1.63%
PERIOD END BALANCES				
Total assets	67	As of 3/31/12		As of 12/31/11
Total assets	\$6	28,971,000	\$6	29,651,000

\$295,823,000

1,673,380

\$517,866,000 \$501,837,000

\$ 63,488,000 \$ 62,883,000

\$301,965,000

1,673,380