# **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	
	<b>Port Clinton</b>	

### **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 June 30, 2012 Letter to our Shareholders:

Highlights of the 2012 second quarter include:

- Quarterly cash dividend of 32 cents per share continues, payable on July 31, 2012
- Net Income of \$1.37 million, an increase of 5.6% over second quarter 2011
- Loans increased \$16 million over last quarter
- Stock price closed at \$35.90 at June 30, 2012; a 49% increase over the closing price of \$24.10 at June 30, 2011

It is always a pleasure to report dividend payments. Your Board of Directors approved a 32 cent per share dividend to be paid July 31, 2012 to shareholders of record on July 13, 2012.

We have completed a quarter of good progress in a number of priority areas. Loan totals are up, including increases in commercial lending, residential real estate lending, and consumer lending. Loans totaled \$312 million at June 30, 2012 compared to \$296 million at March 31, 2012, a \$16 million increase for the quarter. Also in the "good news" category; classified assets (problem loans) have decreased from recent reporting periods. This reduction has also lowered the provision for loan loss expense. We continue to have approximately \$4.5 million in our allowance for loan loss account.

We continue to experience market pressure regarding our Net Interest Margin. With a relatively sizeable investment portfolio and historically low yields on all investments, portfolio net yields have been declining. We will continue to maintain our quality standards and will manage through the lower yield environment.

Net income for the six months ended June 30, 2012 totaled \$2.3 million with no change compared to the prior year period. Net income for the quarter ended June 30, 2012 totaled \$1.37 million, a 5.6% increase over the \$1.30 million reported for the same period in the prior year.

On a somber note, on June 8, 2012, Al Nichols, former President and Chairman of the Board passed away at age 93. Al started his career with us in 1952 and retired as Chairman of the Board in 2000. His 48 years of leadership helped create the foundation of the strong bank we have today. He will certainly be missed.

Thank you to all shareholders for voting on the agenda items at the annual meeting held on May 8th. All of the items passed as recommended by the Board. Your continued support is critical and appreciated.





#### FINANCIAL INFORMATION (unaudited)

Loans to deposits

Allowance for loan losses to total loans

		ix Months Ended 6/30/12	S	Six Months Ended 6/30/11
CONDENSED STATEMENT OF OPERA	ATIONS			
Interest income	\$	10,621,000	\$	10,779,000
Interest expense		1,712,000		1,819,000
Net interest income		8,909,000		8,960,000
Provision for loan losses		175,000		400,000
Net interest income after provision for loan losses		8,734,000		8,560,000
Non-interest income		2,236,000		1,664,000
Non-interest expenses		8,209,000		7,323,000
Income before federal income taxes		2,761,000		2,901,000
Federal income taxes		456,000		594,000
Net income	\$	2,305,000	\$	2,307,000
Average common shares outstanding		1,673,380		1,674,176
PER SHARE DATA				
Net income	\$	1.38	\$	1.38
Cash dividends	\$	0.64	\$	0.64
Book value	\$	38.76	\$	35.57
Closing price	\$	35.90	\$	24.10
FINANCIAL RATIOS				
Return on average assets		0.73%	,	0.93%
Return on average equity		7.18%	,	7.96%
Net interest margin		3.18%	,	3.97%

PERIOD END BALANCES						
	As of 6/30/12	As of 12/31/11				
Total assets	\$626,292,000	\$629,651,000				
Loans	\$312,247,000	\$301,965,000				
Deposits	\$518,614,000	\$501,837,000				
Stockholders' equity	\$ 64,859,000	\$ 62,883,000				
Common shares outstanding	1,673,380	1,673,380				

60.21%

1.43%

73.08%

1.59%