



January 5, 2015

Dear Shareholder:

We believe the following update is good news, and hopefully you believe it is good news as well.

The Board of Directors of Croghan Bancshares, Inc. has approved another increase in our quarterly dividend. **A \$0.34 per share dividend will be paid January 30, 2015 to shareholders of record on January 16, 2015.**

For a number of years, even during the economic downturn of 2007-2009, Croghan Bancshares, Inc. was able to pay quarterly dividends. Recently, the quarterly dividend has been at a \$.32 per share level. However, the last two quarters we now have had the following increases:

- The dividend was raised to \$0.33 per share on October 31, 2014
- The dividend will be raised to \$0.34 per share on January 30, 2015

In our October 2014 Quarterly Shareholder Newsletter, we provided the 9 month year-to-date financial update which, as a result of our December 2013 acquisition, included a year-to-date net income which was up 82% over the same period of the prior year. Copies of that newsletter can be found on our website www.croghan.com.

I look forward to providing our 2014 year end information in an upcoming shareholder communication, which you can expect to receive in early February. Again, we are pleased to increase our dividend to \$0.34 cents payable on January 30, 2015.

I hope you and your family members had a Happy Holiday Season and may 2015 be a healthy, happy and prosperous one for all of you.

Very truly yours,

CROGHAN BANCSHARES, INC.

A handwritten signature in black ink that reads 'Rick M Robertson'.

Rick Robertson
President & CEO