# Croghan Colonial Bank
## Banking Centers

**Fremont Main**
419.332.7301

**Fremont Ballville**
419.355.2361

**Fremont East**
419.355.2342

**Fremont North**
419.334.7188

**Fremont West**
419.355 2352

**Bellevue**
419.483.2541

**Clyde**
419.547.9525

**Curtice**
419.836.7722

**Green Springs**
419.639.2323

**Maumee LPO**
419.794.9399

**Monroeville**
419.465.2596

**Norwalk**
419.668.2507

**Oak Harbor**
419.898.5741

**Oregon**
419.691.6264

**Port Clinton Catawba**
419.732.6150

**Port Clinton Downtown**
419.734.5600

**Tiffin Downtown**
419.447.8777

**Tiffin Westgate**
419.447.2250

CROGHAN
BANCSHARES, INC.

QUARTERLY REPORT
March 31, 2016

CROGHAN
BANCSHARES, INC.

April 2016

Letter to our Shareholders:

Highlights for the first three months of 2016 include:

- Record quarterly Net Income of $2,380,000
- Net Income per share of $1.04 which is a 10.6% increase from $.94 in 2015
- Shareholder Equity increased to $100.5 million
- Quarterly dividend of $0.35 per share, up 3% from 1st quarter 2015
- Closing stock price of $38.00 per share, up 12.2% from March 31, 2015
- Annual Meeting May 10th

I am pleased to announce record quarterly earnings. Net Income for the quarter totaled $2.38 Million, or $1.04 per share, representing a 1.20% Return on Average Assets.

Contributing factors for this quarterly performance include an improved asset mix with loan growth of $42.9 Million year over year and $3.4 Million for the first quarter. Net Interest income improved $497,000 over the previous year comparable quarter and Non-Interest Expense was up only $59,000 for comparable period in 2015.

We announced a dividend of $0.35 per share, payable April 29, 2016 to holders of record on April 15, 2016. We are pleased that the equity increased to $100.5 million, all while maintaining the increased dividend levels. The annualized current dividend totaling $1.40 and the stock market value as of March 31, 2016, of $38.00 per share equates to a 3.7% rate of return.

Our new EZ Checking account is receiving positive market feedback and gaining popularity. We continue to adjust our deposit account line-up to meet the expectations of our clients. This is just part of "Helping Good People Make Good Decisions."

The Annual Meeting will be held this year on May 10th at Terra Community College, and we hope to see you there. We are off to a very good start for 2016 and we will continue to strive to strengthen our brand and financial position. We thank you for your continued support.

Rick Robertson
President & CEO

CROGHAN
BANCSHARES, INC.

| Financial Information (unaudited) | Year to Date 3/31/16 | Year to Date 3/31/15 | Year Ended 12/31/15 | Year Ended 12/31/14 |
|---|---|---|---|---|
| **CONDENSED STATEMENT OF OPERATIONS** | | | | |
| Interest income | $ 7,935,000 | $ 7,395,000 | $ 30,043,000 | $ 30,652,000 |
| Interest expense | 612,000 | 569,000 | 2,208,000 | 2,418,000 |
| Net interest income | 7,323,000 | 6,826,000 | 27,835,000 | 28,234,000 |
| Provision for loan losses | 150,000 | 50,000 | 350,000 | 740,000 |
| Net interest income after provision for loan losses | 7,173,000 | 6,776,000 | 27,485,000 | 27,494,000 |
| Non-interest income | 1,735,000 | 1,713,000 | 6,479,000 | 5,817,000 |
| Non-interest expenses | 5,717,000 | 5,658,000 | 22,881,000 | 21,929,000 |
| Income before federal income taxes | 3,191,000 | 2,831,000 | 11,083,000 | 11,382,000 |
| Federal income taxes | 811,000 | 682,000 | 2,683,000 | 2,765,000 |
| Net income | $ 2,380,000 | $ 2,149,000 | $ 8,400,000 | $ 8,617,000 |
| Average common shares outstanding | 2,283,139 | 2,282,860 | 2,284,718 | 2,275,666 |

| PERIOD END BALANCES | As of 3/31/16 | As of 12/31/15 |
|---|---|---|
| Cash and cash equivalents | $ 18,010,000 | $ 18,101,000 |
| Securities | $ 187,866,000 | $ 195,961,000 |
| Loans | $ 532,454,000 | $ 528,984,000 |
| Less allowance for loan loss | $ 4,558,000 | $ 4,457,000 |
| Other assets | $ 59,581,000 | $ 58,823,000 |
| Total assets | $ 793,353,000 | $ 797,412,000 |
| Deposits | $ 659,442,000 | $ 650,445,000 |
| Other liabilities | $ 33,379,000 | $ 48,175,000 |
| Stockholders' equity | $ 100,532,000 | $ 98,792,000 |
| Total liabilities and capital | $ 793,353,000 | $ 797,412,000 |
| Common shares outstanding | 2,282,195 | 2,285,595 |

CROGHAN
BANCSHARES, INC.

| PER SHARE DATA (BASIC) | Year to Date 3/31/16 | Year to Date 3/31/15 |
|---|---|---|
| Net income | $ 1.04 | $ 0.94 |
| Cash dividends declared | $ 0.35 | $ 0.34 |
| Book value | $ 44.05 | $ 41.84 |
| Closing price | $ 38.00 | $ 33.87 |

| FINANCIAL RATIOS | Year to Date 3/31/16 | Year to Date 3/31/15 |
|---|---|---|
| Return on average assets | 1.20% | 1.11% |
| Return on average equity | 9.53% | 9.07% |
| Net interest margin | 4.06% | 3.90% |
| Loans to deposits | 80.74% | 75.23% |

## Shareholder Information

**Stock Listing:**
Ticker symbol: CHBH

**Investor Relations:**
Amy LeJeune alejeune@croghan.com
419.355.2231 or toll free 1.888.276.4426

**Our Website:**
www.croghan.com

Board Of Directors

**James E. Bowlus**
Lead Director

**Michael D. Allen Sr.**

**John J. Caputo**

**James C. Dunn**

**James R. Faist**

**Claire F. Johansen**

**Stephen A. Kemper**

**Daniel W. Lease**

**Thomas W. McLaughlin**

**Allan E. Mehlow**

**Rick M. Robertson**

**Gary L. Zimmerman**

Management Team

**Rick M. Robertson**
President/CEO

**Kendall W. Rieman**
EVP/CFO

**Stacy A. Cox**
SVP/COO

**Carrie L. Dickinson**
SVP/CCO

**Barry F. Luse**
SVP/Trust Officer

**Daniel N. Schloemer**
SVP/CLO

**Jodi A. Albright**
VP/Main Office Manager

**Charles T. Barteck**
VP/Retail Sales Manager

**Melissa A. Walker**
VP/Retail Operations Manager

**Laura M. Whipple**
VP/Human Resource Manager

## Croghan Colonial Bank

**Corporate Office**
323 Croghan Street
Fremont, OH 43420
419.332.7301