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
September 30, 2017

CROGHAN BANCSHARES, INC.

October 2017

Letter to our Shareholders:

Highlights for nine months ending September 30, 2017 include:

- Year to date Net Income of $7,637,000 – up 12.9% over last year
- 1.23% Return on Average Assets
- Quarterly dividend of $0.37 per share
- Closing stock price of $46.50 per share, up 21.4% from September 30, 2016

Our quarter ending September 30, 2017 was just an excellent quarter and our entire year has been excellent. Loans are up $18.6 million from year end 2016, deposits are up $17.6 million from year end 2016, and our Net Interest Margin has increased to 4.11% from 4.06% at September 30, 2016. Non-Interest Expenses are basically flat this year compared to last year. Combined, this results in our $2.7 million net income for the quarter ending September 30, 2017 and our $7.6 million net income for the year to date. These net income numbers are records for us and nicely above industry averages.

While economic forecasts vary, most are calling for additional pressure on bank Net Interest Margins. With that, we may experience some challenges in keeping our Net Interest Income and overall profitability at the very high levels we are fortunate to have at this time. We are extremely well positioned for the future and to handle such margin reduction, should that materialize.

I am also very pleased to report that a $0.37 per share dividend will be paid on October 31, 2017 to shareholders of record on October 13, 2017. We have declared $1.10 of dividends in 2017 compared to $1.06 at this point in 2016.

As a reminder, we do offer a Dividend Reinvestment Program to easily purchase additional shares of Croghan stock. We have enclosed a brochure with additional information, or feel free to contact Croghan's Investor Relations Officer, Amy LeJeune, at 419.355.2231 with any questions you may have.

On a somber note, we recently lost a valued member of our Board of Directors, Stephen A. Kemper. Steve was appointed to the Board in July 1996 and served with passion for 21 years. We send our heartfelt condolences to Steve's family as he will be missed.

Thank you for your continued support.

Rick Robertson
President & CEO

CROGHAN BANCSHARES, INC.

Financial Information (unaudited)	Year to Date 9/30/17	Year to Date 9/30/16	Three Months Ended 9/30/17	Three Months Ended 9/30/16
CONDENSED STATEMENT OF OPERATIONS				
Interest income	$ 24,755,000	$ 23,877,000	$ 8,387,000	$ 8,066,000
Interest expense	1,553,000	1,779,000	525,000	577,000
Net interest income	23,202,000	22,098,000	7,862,000	7,489,000
Provision for loan losses	400,000	475,000	150,000	175,000
Net interest income after provision for loan losses	22,802,000	21,623,000	7,712,000	7,314,000
Gain on Sale of Securities	48,000	361,000	48,000	-
Non-interest income	4,599,000	4,528,000	1,634,000	1,590,000
Non-interest expenses	17,515,000	17,478,000	5,822,000	6,017,000
Income before federal income taxes	9,934,000	9,034,000	3,572,000	2,887,000
Federal income taxes	2,297,000	2,268,000	871,000	708,000
Net income	$ 7,637,000	$ 6,766,000	$ 2,701,000	$ 2,179,000

PERIOD END BALANCES	As of 9/30/17	12/31/16
Cash and cash equivalents	$ 17,669,000	$ 19,489,000
Securities	$ 183,599,000	$ 194,317,000
Loans	$ 570,397,000	$ 551,765,000
Less allowance for loan loss	$ 5,096,000	$ 4,788,000
Other assets	$ 59,405,000	$ 58,783,000
Total assets	$ 825,974,000	$ 819,566,000
Deposits	$ 678,679,000	$ 661,045,000
Other liabilities	$ 39,104,000	$ 56,770,000
Stockholders' equity	$ 108,191,000	$ 101,751,000
Total liabilities and capital	$ 825,974,000	$ 819,566,000
Common shares outstanding	2,285,087	2,280,662

CROGHAN BANCSHARES, INC.

PER SHARE DATA (BASIC)	Year to Date 9/30/17	Year to Date 9/30/16
Net income	$ 3.34	$ 2.97
Cash dividends declared	$ 1.10	$ 1.06
Book value	$ 47.35	$ 45.37
Closing price	$ 46.50	$ 38.30

FINANCIAL RATIOS	Year to Date 9/30/17	Year to Date 9/30/16
Return on average assets	1.23%	1.13%
Return on average equity	9.71%	8.88%
Net interest margin	4.11%	4.06%
Loans to deposits	84.05%	81.97%
Average common shares outstanding	2,283,832	2,281,862

Shareholder Information

Stock Listing:
Ticker symbol: CHBH
Find us on the OTCQX Market

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

Our Website:
www.croghan.com

Follow us:

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

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Fremont, OH 43420
419.332.7301