

Croghan Colonial Bank

Corporate Office

323 Croghan Street
Fremont, OH 43420
419.332.7301

Banking Centers

Fremont (4)
Bellevue
Clyde
Custar
Green Springs
Monroeville
Norwalk
Port Clinton



Quarterly Report
March 31, 2010

Shareholder Information

Stock Listing:

NASDAQ – Over the Counter Bulletin Board
Symbol: CHBH

Registrar and Transfer Agent:

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

Investor Relations:

Amy LeJeune
323 Croghan Street
Fremont, OH 43420
1.888.276.4426
www.croghan.com

April 2010

Letter to our shareholders:

While overall conditions have improved this year, slow as they may be, we continue to position the Bank for opportunities in the future. During the first quarter of 2010, we strengthened our capital by \$222,000 to \$56,349,000 and increased our loan loss reserve by \$463,000 to 1.56% of total loans. These increases in our capital and loan loss reserves will provide additional protection against unforeseen future loan losses should they occur from any further economic deterioration. We are pleased that net income for the first quarter of 2010, as compared to 2009, increased by \$61,000, or 7%, to \$932,000, and net income per share increased from \$.51 to \$.55 per share. This improvement in net income was achieved despite the continued poor economy and increased FDIC premium expense of \$138,000.

Although we have adequate levels of liquidity and available funds to loan, we have not seen the loan demand in our markets bounce back during the first quarter. During the remainder of 2010, we will continue to position ourselves by managing the balance sheet, maintaining expense controls, and making strategic investments so that we are able to take advantage of an improvement in the economy.

At Croghan, we continue to make investments in Information Technology, including a \$200,000 investment in IT systems which will occur in 2010. Along with equipment investments, we are also committed to investing in and developing our staff to be able to take advantage of the new technology investments we make. Croghan's ongoing task is to always find ways to better manage expenses in an industry where we see more regulatory burden and rising FDIC insurance premiums resulting from the financial crisis.

Despite our challenges, we remain steadfast in our commitment of providing a high level of personal service and focus in meeting our client needs, as well as providing leadership in the communities we serve. We were pleased to sponsor several area small businesses for "boot camp" training to improve their competitive edge and provide them with the tools to better succeed in a challenging economy. Our business boot camp sponsorship illustrates our commitment to supporting the financial education and well-being of our shareholders, employees, clients, and the communities that we serve. We understand that our success is dependent on the success of our communities and their businesses.

We look forward to seeing you at the Annual Meeting of Shareholders of Croghan Bancshares, Inc., which will be held at Terra Community College, Building B, Room B101, 2830 Napoleon Road, Fremont, Ohio 43420, on Tuesday, May 11, 2010, at 1:00 p.m.

Sincerely,



Steven C. Futrell
President and CEO



FINANCIAL INFORMATION (unaudited) **Three Months Ended 3/31/2010** **Three Months Ended 3/31/2009**

CONDENSED STATEMENT OF OPERATIONS		
Interest income	\$ 5,748,000	\$ 6,014,000
Interest expense	1,338,000	1,645,000
Net interest income	4,410,000	4,369,000
Provision for loan losses	500,000	600,000
Net interest income after provision for loan losses	3,910,000	3,769,000
Non-interest income	852,000	853,000
Non-interest expenses	3,563,000	3,446,000
Income before federal income taxes	1,199,000	1,176,000
Federal income taxes	267,000	305,000
Net income	<u>\$ 932,000</u>	<u>\$ 871,000</u>
Average common shares outstanding	1,708,015	1,720,659

PER SHARE DATA		
Net income	\$ 0.55	\$ 0.51
Cash dividends	\$ 0.32	\$ 0.32
Book value	\$ 33.09	\$ 32.16
Closing price	\$ 24.50	\$ 24.82

FINANCIAL RATIOS		
Return on average assets	0.77%	0.75%
Return on average equity	6.59%	6.30%
Net interest margin	4.06%	4.13%
Loans to deposits	85.40%	96.75%
Allowance for loan losses to total loans	1.56%	1.12%

PERIOD END BALANCES		
	As of 3/31/2010	As of 12/31/2009
Total assets	\$479,400,000	\$481,988,000
Loans	\$314,139,000	\$324,484,000
Deposits	\$367,826,000	\$370,719,000
Stockholders' equity	\$ 56,349,000	\$ 56,127,000
Common shares outstanding	1,703,118	1,713,877