

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
September 30, 2009

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

October 2009

Letter to our Shareholders:

While the financial crisis has affected banks of all sizes and in all regions, community banks continue to lend and seem to be faring better than the larger banks. Whether this is because most community banks did not participate in the widely publicized high-risk lending activities; or because they have not suffered as much from the crisis of confidence that has plagued the banking industry over the past 18 months it is hard to say. However, an Independent Community Bankers Association survey conducted in March, 2009, clearly shows that the vast majority of community banks are well-positioned to survive the economic downturn and perhaps, even reclaim some of the customers from larger banks. Our year-to-date September 30, 2009 numbers seem to validate those findings, as our deposits have increased \$8,740,000 to \$353,817,000.

Croghan's net income for the three-month period ended September 30, 2009 was \$371,000, or \$.22 per common share, compared to \$1,255,000, or \$.73 per common share, for the same period in 2008. Net income for the nine-month period ended September 30, 2009 was \$2,115,000, or \$1.23 per common share, compared to \$3,262,000, or \$1.88 per common share, for the same period in 2008. Like most banks during this financial crisis, net income has been adversely affected by increases in the provision for loan losses, loan collection expenses, and decreases in net interest income. In addition, FDIC insurance expenses have increased drastically due to increased regular assessments as well as a special assessment. We have, however, been able to increase total non-interest income by \$158,000 for the nine-month period ended September 30, 2009, as compared to the same period in 2008.

On September 15, 2009, the Board of Directors declared a cash dividend of \$.32 per share, payable on October 30, 2009 to shareholders of record as of October 9, 2009.

At Croghan, we have been able to grow deposits, acquire new customers, better position ourselves in the eyes of our customers, and remain profitable. But in order to remain competitive with larger banks, we must continue to strengthen our operations and better leverage technology throughout the current financial crisis. If done well, we may even see more opportunities moving forward than we have in the past.

Sincerely,



Steven C. Futrell
President and CEO



FINANCIAL INFORMATION (unaudited) **Nine Months Ended Sept. 30, 2009** **Nine Months Ended Sept. 30, 2008**

CONDENSED STATEMENT OF OPERATIONS		
Interest income	\$ 17,981,000	\$ 19,582,000
Interest expense	4,805,000	6,365,000
Net interest income	13,176,000	13,217,000
Provision for loan losses	2,350,000	1,150,000
Net interest income after provision for loan losses	10,826,000	12,067,000
Non-interest income	2,726,000	2,568,000
Non-interest expenses	10,793,000	10,083,000
Income before federal income taxes	2,759,000	4,552,000
Federal income taxes	644,000	1,290,000
Net income	\$ 2,115,000	\$ 3,262,000
Average common shares outstanding	1,720,438	1,736,273

PER SHARE DATA		
Net income	\$ 1.23	\$ 1.88
Cash dividends	\$ 0.96	\$ 0.96
Book value	\$ 32.94	\$ 31.31
Closing price	\$ 24.50	\$ 27.75

FINANCIAL RATIOS		
Return on average assets	0.61%	0.96%
Return on average equity	5.07%	8.09%
Net interest margin	4.14%	4.25%
Loans to deposits	93.29%	98.51%
Allowance for loan losses to total loans	1.40%	0.95%

PERIOD END BALANCES		
	As of Sept. 30, 2009	As of Dec. 31, 2008
Assets	\$466,198,000	\$460,476,000
Loans	\$330,061,000	\$349,433,000
Deposits	\$353,817,000	\$345,077,000
Stockholders' equity	\$ 56,670,000	\$ 54,819,000
Common shares outstanding	1,720,330	1,720,858