

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



Shareholder Information

Stock Listing:

OTC BB – Ticker symbol: CHBH

Registrar and Transfer Agent:

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

Market Maker:

Boenning & Scattergood
9916 Brewster Lane
Powell, OH 43065
1.866.326.8113

Investor Relations:

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

Our Website:

www.croghan.com

Quarterly Report
September 30, 2011

October 2011

Letter to our shareholders:

Highlights:

- Net Income up 28.6% on a year-to-date basis over same period in 2010
- Cash Dividend of \$0.32 per share continues and will be paid on October 31st
- Previously announced agreement to acquire four branch offices from The Home Savings and Loan Company

We have completed another very positive quarter. Year-to-date net income totaled \$3,848,000 at September 30, 2011 compared to \$2,992,000 in 2010 at the same period; representing a 28.6% increase. We are also continuing our quarterly dividend of \$0.32 per share, to be paid October 31st to shareholders of record as of October 14, 2011. Our earnings increase has positioned us to both pay the dividend and be better prepared to have the equity to support future growth.

We have previously announced the acquisition of four branch offices of The Home Savings and Loan Company, which is scheduled to be completed in the fourth quarter 2011. This transaction is subject to regulatory approval and various other normal closing conditions. We are looking forward to the branch purchase transaction which will expand our market presence into Tiffin and strengthen our presence in Fremont and Clyde. This transaction is not expected to impact our current well-capitalized status.

This past quarter, we were very fortunate to have substantial recoveries of previously charged-off loans which allowed us to maintain a 1.75% Allowance for Loan Losses (as a percent of total loans) without taking additional expense. The provision for loan loss expense is less than last year based on the positive situation of loan loss recoveries. Management feels that the 1.75% Allowance for Loan Losses is adequate to cover the credit risk in our loan portfolio.

Last quarter, we had started to see positive activity regarding future loan opportunities in our market. However, loan demand has remained soft and we have experienced a higher than normal amount of loan reductions and payoffs; which have reduced our loan portfolio to \$277 million as of September 30, 2011. As a community bank, we are dependent upon a growing loan portfolio to continue our earnings growth. With a relative soft economy, growing loans represents a significant challenge for the future.

Overall, we are very pleased to report good earnings, continuation of our dividend, and planned market expansion. Thank you for your investment in Croghan.



Rick Robertson
President & CEO



FINANCIAL INFORMATION (unaudited) **Nine Months Ended 9/30/11** **Nine Months Ended 9/30/10**

CONDENSED STATEMENT OF OPERATIONS		
Interest income	\$ 16,362,000	\$ 17,179,000
Interest expense	2,578,000	3,908,000
Net interest income	13,784,000	13,271,000
Provision for loan losses	300,000	1,250,000
Net interest income after provision for loan losses	13,484,000	12,021,000
Non-interest income	2,452,000	2,731,000
Non-interest expenses	11,019,000	10,964,000
Income before federal income taxes	4,917,000	3,788,000
Federal income taxes	1,069,000	796,000
Net income	\$ 3,848,000	\$ 2,992,000
Average common shares outstanding	1,673,907	1,696,795

PER SHARE DATA		
Net income	\$ 2.30	\$ 1.76
Cash dividends	\$ 0.96	\$ 0.96
Book value	\$ 36.93	\$ 34.52
Closing price	\$ 25.75	\$ 25.50

FINANCIAL RATIOS		
Return on average assets	1.02%	0.82%
Return on average equity	8.72%	7.00%
Net interest margin	4.05%	4.04%
Loans to deposits	69.15%	79.79%
Allowance for loan losses to total loans	1.75%	1.70%

PERIOD END BALANCES		
	As of 9/30/11	As of 12/31/10
Total assets	\$501,899,000	\$489,727,000
Loans	\$277,226,000	\$293,305,000
Deposits	\$400,918,000	\$384,157,000
Stockholders' equity	\$ 61,797,000	\$ 56,513,000
Common shares outstanding	1,673,380	1,676,380