

## 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**  
419.794.9399

**Milan**  
567.401.0260

**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, 2022



## A MESSAGE FROM

KENDALL W. RIEMAN, President/CEO

April 2022

Letter to our Shareholders:

2022 1st quarter update includes:

- Net Income totaling \$3,384,000 or \$1.54 per share
- Quarterly cash dividend of \$0.55 per share, up 4% year-to-date
- PPP Loan Update
- Director Retirements
- Annual Meeting to be held on May 10, 2022

Another quarter has come and gone and I continue to be pleased to share our earnings and update you on Croghan Bancshares. Our 2021 was a historical year for the Bank earnings, and we followed that up with a strong first quarter 2022. Net income was \$3,384,000, and a net income per share of \$1.54. These numbers resulted in a 1.21% ROAA and 9.93% ROAE. The net income is down \$362,000, or 9.7% compared to last year's same period as the fee income provided by the SBA PPP loans decreased \$567,000. The PPP program for the Bank was a very big success. The Bank was able to assist our clients as well as gain new clients by helping them through the loan process. As we continue into 2022 and this program winds down, please realize that the comparable interest income will trail last year due mostly to this one-time event. At this time, the loans and fees have almost fully been forgiven and income has been recognized. Another challenge for year-over-year comparables is reduced non-interest income from slower refinancing activity and home purchases due to an increase in interest rates. Positive comparables came from zero allocation to the provision for loan loss and from our wealth management area. The Federal Reserve increased the Fed Funds rate by 25 basis points in the 1st quarter, and forecasts are signaling that there will be more increases in 2022. Rising rates are historically good for most bank's earnings and margins; however, the increases will likely not result in a year-over-year increase to net income.

Our balance sheet continues to remain above \$1.1 Billion. The growth we had over the last two years has been excellent. We continue to look for ways to generate new loan growth utilizing our expanded presence in Maumee and Brunswick Ohio as well as our new consumer lending activity in central Michigan. We were able to achieve core loan growth of \$11.4MM after removing the effects of PPP loan forgiveness and year-end adjustments that occur for some clients.

For the first quarter, we declared a dividend of \$0.55 per share, payable on April 29, 2022, to shareholders of record as of April 8, 2022. The \$0.55 dividend is a \$0.02 increase year-over-year or an increase of 4%. Our closing price per share on March 31, 2022, was \$64.51 and the annualized dividend yield would equal 3.41%.

In the annual report, I reported Directors Jim Faist and Jim Dunn announced they would not be seeking re-election and chose to retire. I would like to recognize and thank them for the service they provided to Croghan. As a reminder, the Annual Shareholder Meeting will be held on May 10, 2022. Please refer to the proxy statement or shareholder notice statement for instructions on how to attend this meeting.

**Financial Information** (unaudited)

	Year to Date		Year Ended	
	3/31/22	3/31/21	12/31/21	12/31/20

**CONDENSED STATEMENT OF OPERATIONS**

Interest income	\$ 9,216,000	\$ 9,879,000	\$ 39,818,000	\$ 38,583,000
Interest expense	357,000	495,000	1,784,000	2,692,000
Net interest income	8,859,000	9,384,000	38,034,000	35,891,000
Provision for loan losses	-	325,000	825,000	2,475,000
Net interest income after provision for loan losses	8,859,000	9,059,000	37,209,000	33,416,000
Other non-interest income	1,895,000	2,046,000	8,309,000	8,290,000
Non-interest expenses	6,660,000	6,551,000	26,988,000	25,122,000
Income before federal income taxes	4,094,000	4,554,000	18,530,000	16,584,000
Federal income taxes	710,000	808,000	3,298,000	2,865,000
Net income	\$ 3,384,000	\$ 3,746,000	\$ 15,232,000	\$ 13,719,000

**PERIOD END BALANCES**

	As of	
	3/31/22	12/31/21
Cash and cash equivalents	\$ 16,527,000	\$ 45,801,000
Securities	\$ 389,311,000	\$ 364,604,000
Loans	\$ 639,135,000	\$ 642,889,000
Less allowance for loan loss	\$ 8,757,000	\$ 8,769,000
Other assets	\$ 72,386,000	\$ 67,877,000
Total assets	\$1,108,602,000	\$1,112,402,000
Deposits	\$ 927,622,000	\$ 908,687,000
Other liabilities	\$ 56,600,000	\$ 63,659,000
Stockholders' equity	\$ 124,380,000	\$ 140,056,000
Total liabilities and capital	\$1,108,602,000	\$1,112,402,000
Common shares outstanding	2,196,199	2,198,013

**PER SHARE DATA (BASIC)**

	Year to Date	
	3/31/22	3/31/21
Net income	\$ 1.54	\$ 1.68
Cash dividends declared	\$ 0.55	\$ 0.53
Book value	\$ 56.63	\$ 60.51
Tangible book value	\$ 46.34	\$ 50.24
Closing price	\$ 64.51	\$ 54.00

**FINANCIAL RATIOS**

	Year to Date	
	3/31/22	3/31/21
Return on average assets	1.21%	1.41%
Return on average equity	9.93%	11.00%
Net interest margin	3.37%	3.80%
Loans to deposits	68.90%	78.96%
Average common shares outstanding	2,196,561	2,227,075

**SHAREHOLDER INFORMATION**

**Croghan Colonial Bank**

**Corporate Office**  
323 Croghan Street  
Fremont, OH 43420  
419-332-7301

**Stock Listing:**

Ticker symbol: CHBH  
Find us on the OTCQB Market

**Investor Relations:**

Amy LeJeune [alejeune@croghan.com](mailto:alejeune@croghan.com)  
419-355-2231 or toll free 888-276-4426

**BOARD OF DIRECTORS**

**Jim Bowlus**  
*Lead Director*

**Mike Allen**  
**Jim Dunn**  
**Jim Faist**  
**John Hoty**

**Claire Johansen**  
**Dan Lease**

**Tom McLaughlin**  
**Al Mehlow**

**Kendall Rieman**  
**Rick Robertson**  
**Gary Zimmerman**  
**Sarah Zimmerm**

**MANAGEMENT TEAM**

**Kendall Rieman**  
*President/CEO*

**Brad Elfring**  
*SVP, CFO*

**Carla Waggoner**  
*SVP, Technology & Operations Officer*

**Chip VanDette**  
*SVP, CLO*

**Chris Kelly**  
*SVP, CCO*

**Tracy Baughman**  
*SVP, CIO*

**Jodi Albright**  
*VP, Regional Mgr.*

**Theresa Elfring**  
*VP, Regional Mgr.*

**Shannon George**  
*VP, Sr. Commercial Lender*

**Wayne Nault**  
*VP, Sr. Business Development Officer*

**Missy Walker**  
*VP, Retail Operations Mgr.*

**Laura Whipple**  
*VP, HR Mgr.*