

Croghan Colonial Bank Banking Centers

Fremont Main
419.332.7301

Maumee LPO
419.794.9399

Fremont Ballville
419.355.2361

Monroeville
419.465.2596

Fremont East
419.355.2342

Norwalk
419.668.2507

Fremont North
419.334.7188

Oak Harbor
419.898.5741

Fremont West
419.355.2352

Oregon
419.691.6264

Bellevue
419.483.2541

Port Clinton Catawba
419.732.6150

Clyde
419.547.9525

Port Clinton Downtown
419.734.5600

Curtice
419.836.7722

Tiffin Downtown
419.447.8777

Green Springs
419.639.2323

Tiffin Westgate
419.447.2250



QUARTERLY REPORT June 30, 2020



July 2020

Letter to our Shareholders:

2nd quarter 2020 update includes:

- A milestone number was hit.
- Net Income for the year totaled \$6,215,000, an increase of 9.7%
- Paycheck Protection Plan "PPP" and Croghan
- Quarterly cash dividend of \$0.49 per share, for the year \$0.98, an increase of 6.5%
- Annual Meeting results

Croghan Bancshares is a \$1 Billion company! This is a milestone to be really proud of. The growth in deposits, related to the pandemic driven financial stimulus, was the main driver of our growth. There will likely continue to be large fluctuations on our balance sheet as the SBA forgives the PPP loans, as well as other financial stimulus packages that work their way through the financial system.

Net income year-to-date was \$6,215,000, which is up from the same period last year by \$551,000, or 9.7%. Per share net income was \$2.76 per share resulting in a 1.34% ROAA and 9.85% ROAE. We did set aside \$650,000 during the quarter for loan losses, which combined with a \$450,000 allocation in the 1st quarter, means we have set aside \$1,100,000 for future losses. We have not seen any meaningful loan losses to date, but we realize there is uncertainty with our economy which may lead to actual losses in the future. While our overall margin has declined, mainly from the extremely low rate environment and low yielding PPP loans, our mortgage business income was at record levels.

During the 2nd quarter, the pandemic and related issues surrounding it took most of our attention. When Congress passed legislation for the PPP program, Croghan went to work immediately! We were able to help 659 businesses by processing \$84,791,000 in loans which helped many of them get through the challenges they face. By originating these loans, Croghan will likely collect approximately \$2.6 million in fees over the life of these loans, which are mostly 24 months. If the loans are indeed forgiven or paid off, the remaining fees will be taken to income at that time. Fee income from the PPP loans for the quarter was \$12,000, so most of the fee income has not been recognized in our income statement yet.

Our strong earnings and capital have allowed us to declare and pay a \$0.49 per share dividend payable on July 31, 2020 to shareholders of record as of July 10, 2020. The \$0.49 dividend is a \$0.06 or 6.5% increase year-over-year. We continue to return above industry dividends to our shareholders.

At the May Annual Shareholder meeting, which was a virtual meeting this year, Directors John Caputo, John Hoty, Claire Johansen, Rick Robertson, Gary Zimmerman and Sarah Zimmerman were elected for their respective terms and Plante & Moran was ratified as our independent external audit firm.

With the ever-changing environment we are living in, we encourage anyone who wants to receive Croghan updates to e-mail Amy LeJeune at alejeune@croghan.com. Looking forward, we continue to be committed to helping our customers however we can.

A handwritten signature in blue ink that reads 'Kendall Rieman'.

Kendall Rieman
President & CEO



<https://www.facebook.com/CroghanColonial/>



<https://www.linkedin.com/company/croghan-colonial-bank/>

Financial Information (unaudited)	Year to Date		Three Months Ended	
	6/30/20	6/30/19	6/30/20	6/30/19
CONDENSED STATEMENT OF OPERATIONS				
Interest income	\$ 18,576,000	\$ 18,312,000	\$ 9,273,000	\$ 9,347,000
Interest expense	1,533,000	2,189,000	673,000	1,127,000
Net interest income	17,043,000	16,123,000	8,600,000	8,220,000
Provision for loan losses	1,100,000	350,000	650,000	250,000
Net interest income after provision for loan losses	15,943,000	15,773,000	7,950,000	7,970,000
Other non-interest income	3,799,000	3,072,000	2,196,000	1,642,000
Non-interest expenses	12,296,000	12,167,000	6,228,000	6,168,000
Income before federal income taxes	7,446,000	6,678,000	3,918,000	3,444,000
Federal income taxes	1,231,000	1,014,000	650,000	514,000
Net income	\$ 6,215,000	\$ 5,664,000	\$ 3,268,000	\$ 2,930,000

PERIOD END BALANCES

	As of	
	6/30/20	12/31/19
Cash and cash equivalents	\$ 45,204,000	\$ 20,617,000
Securities	\$ 188,886,000	\$ 166,077,000
Loans	\$ 714,121,000	\$ 637,819,000
Less allowance for loan loss	\$ 7,013,000	\$ 5,966,000
Other assets	\$ 59,898,000	\$ 58,245,000
Total assets	\$1,001,096,000	\$ 876,792,000
Deposits	\$ 810,648,000	\$ 686,847,000
Other liabilities	\$ 60,298,000	\$ 66,394,000
Stockholders' equity	\$ 130,150,000	\$ 123,551,000
Total liabilities and capital	\$1,001,096,000	\$ 876,792,000
Common shares outstanding	2,247,074	2,255,312

PER SHARE DATA (BASIC)

	Year to Date	
	6/30/20	6/30/19
Net income	\$ 2.76	\$ 2.49
Cash dividends declared	\$ 0.98	\$ 0.92
Book value	\$ 57.92	\$ 53.18
Tangible book value	\$ 47.66	\$ 42.86
Closing price	\$ 41.00	\$ 53.00

FINANCIAL RATIOS

	Year to Date	
	6/30/20	6/30/19
Return on average assets	1.34%	1.35%
Return on average equity	9.85%	9.63%
Net interest margin	3.99%	4.17%
Loans to deposits	88.09%	92.45%
Average common shares outstanding	2,248,540	2,276,666

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:



Board Of Directors

Jim Bowlus,
Lead Director

Mike Allen

John Caputo

Jim Dunn

Jim Faist

John Hoty

Claire Johansen

Dan Lease

Tom McLaughlin

Al Mehlow

Kendall Rieman

Rick Robertson

Gary Zimmerman

Sarah Zimmerman

Management Team

Kendall Rieman,
President/CEO

Dan Schloemer,
EVP/CLO

Carrie Dickinson,
SVP/CCO

Brad Elfring,
SVP/Sr. Financial Officer

Monika Lovewell,
SVP/Trust Officer

Steve "Chip" VanDette,
SVP/Sr. Commercial Lender

Jodi Albright,
VP/Fremont Regional Manager

Wayne Nault,
VP/Sr. Product Manager

Missy Walker,
VP/Retail Operations Manager

Laura Whipple,
VP/Human Resource Manager

Croghan Colonial Bank

Corporate Office

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