



CSB BANCORP, INC.

2018 / CSB Bancorp, Inc. Annual Meeting

BUILDING OUR WAY
TO **EXCELLENCE**

April 25, 2018

BUSINESS MEETING

- **Prior Minutes**
- **Election of Directors**
- **Ratification of Independent Registered Public Accountants**
- **Adjourn**

MANAGEMENT PRESENTATION

- **2017 Milestones**
- **2017 Financial Highlights**
- **A Look into 2018**
- **Stock Performance**
- **Economic Conditions**
- **Target Metrics**

FORWARD LOOKING STATEMENTS

Certain statements contained in Management's Discussion and Analysis of Financial Condition and Results of Operations are not related to historical results, but are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements involve a number of risks and uncertainties. Any forward-looking statements made by the Company herein and in future reports and statements are not guarantees of future performance, and actual results may differ materially from those in forward-looking statements because of various risk factors as discussed in this annual report and the Company's Annual Report on Form 10-K. The Company does not undertake, and specifically disclaims, any obligation to publicly release the result of any revisions to any forward-looking statements to reflect the occurrence of unanticipated events or circumstances after the date of such statements.

CSBB STOCK HIGHLIGHTS

SNL Financial

\$0.84/share

2017 DIVIDENDS

\$33.11/share

CLOSING PRICE
December 31, 2017



CSB STOCK TOTAL RETURN

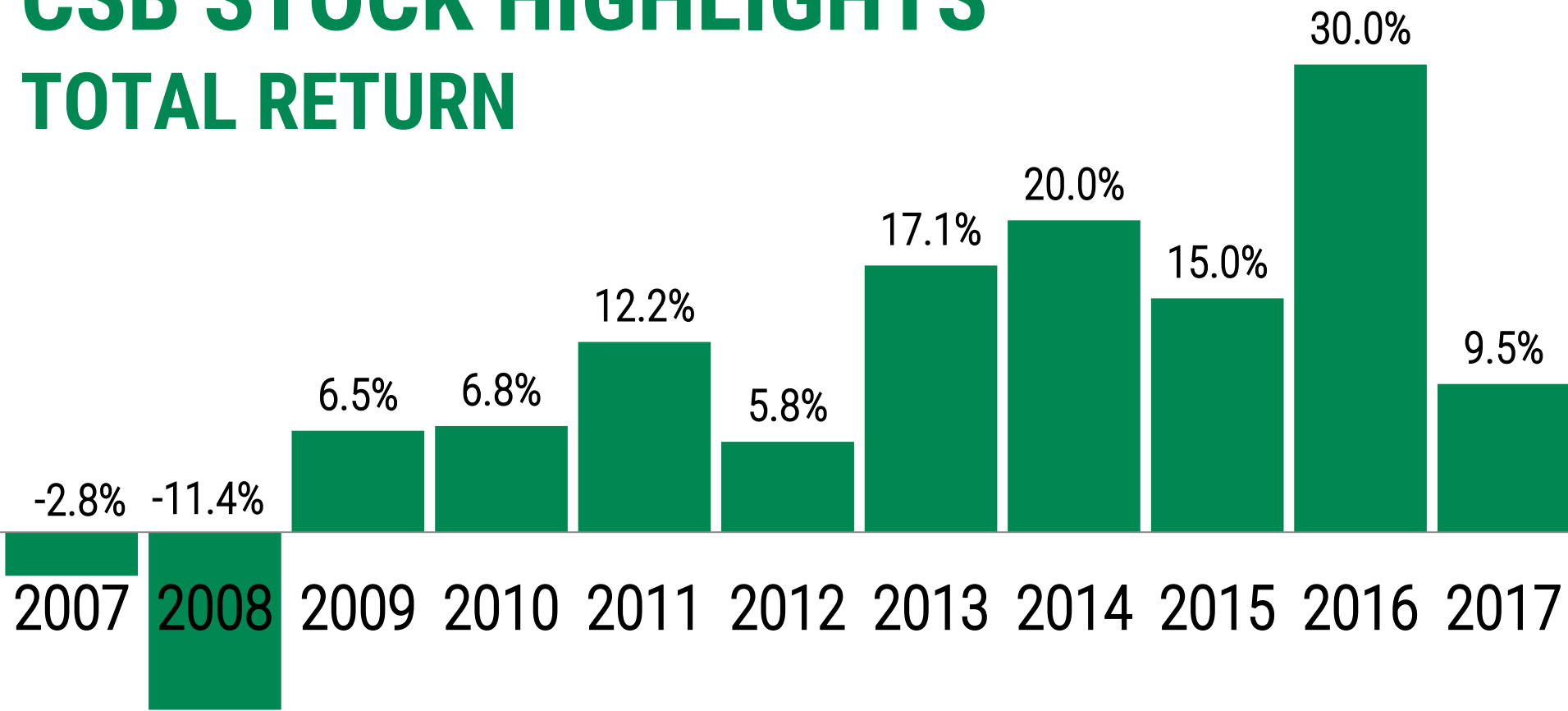
as of December 31, 2017

	ONE YEAR	THREE YEARS	FIVE YEARS	TEN YEARS
CSBB	10%	70%	127%	173%
S&P 500	22%	38%	108%	126%
U.S. Bank Index	18%	52%	133%	54%

Assumes Source: SNL Financial

CSB STOCK HIGHLIGHTS

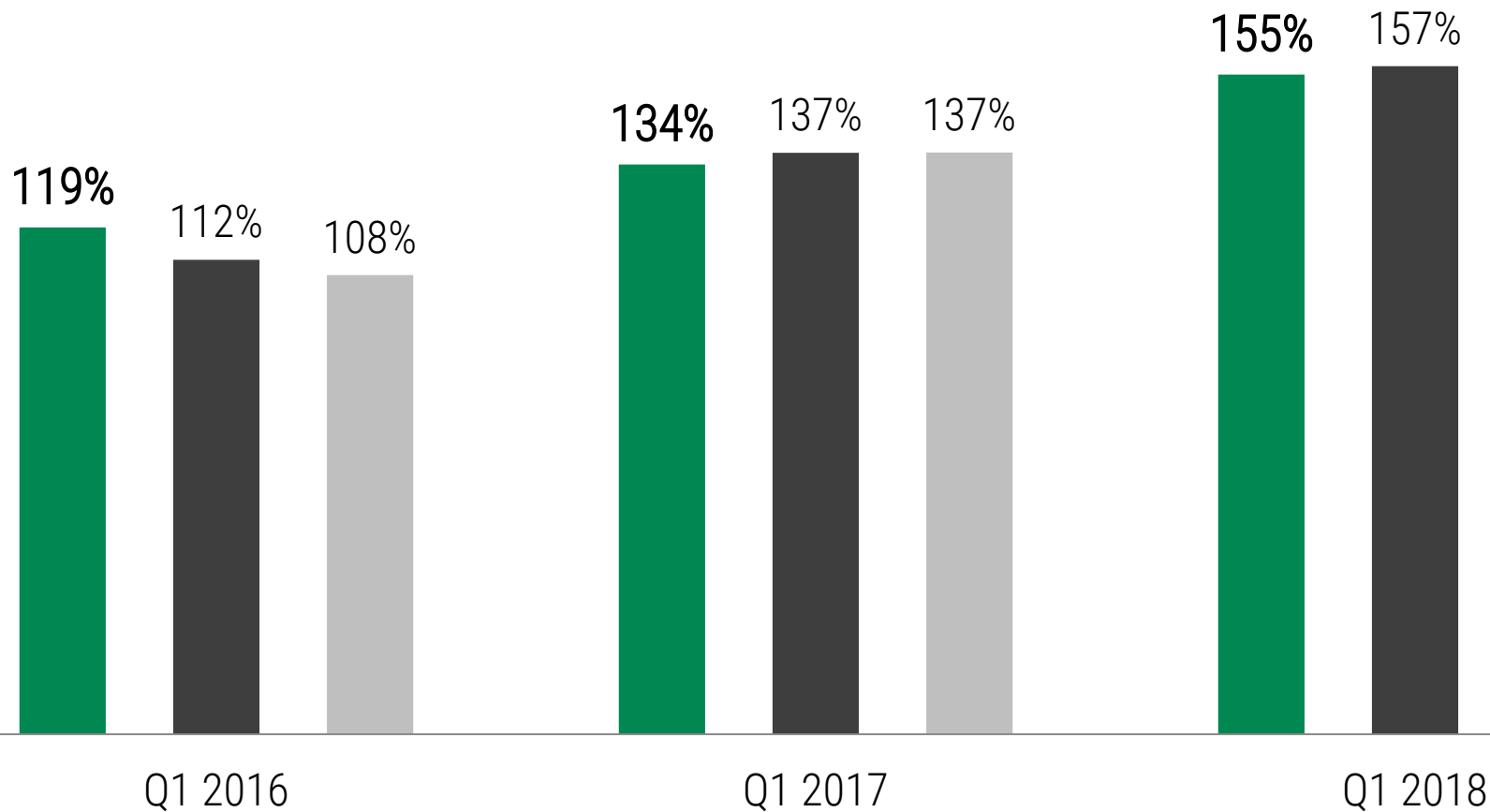
TOTAL RETURN



ANNUAL TOTAL RETURN ASSUMING REINVESTMENT OF DIVIDENDS

PRICE TO TANGIBLE BOOK VALUE

■ CSB ■ Ohio Public ■ U.S. Public



Source: Keefe, Bruyette & Woods, SNL Financial, through April 20, 2018 based on most recent released earnings, medians for Ohio and U.S.

Q1 2018 DIVIDEND

\$0.24 / share paid on April 24, 2018

Equivalent to 2.6% forward dividend annual yield

Closing price April 20, 2018 \$37.00/share

Past 30 days average closing price \$36.35/share

CSB's Reach and Presence Go Far Beyond Lending, Deposit, Payment Sys's, Wealth Mgmt

- We value and reward our shareholder base
 - 1,199 identifiable retail shareholders
 - Annual cash dividend rate exceeds \$2.6 million - over \$200,000/month
- Maintain attractive facilities, keeping downtowns alive
- Heavily involved in civic activity
 - Bank's 60 officers serve on more than 40 civic and community-based not-for-profit boards and commissions, including 16 Chair, President, or Treasurer positions
 - Direct donations in our communities average \$200,000 per year

2017 – Year of Milestones

- Total Assets exceeds \$700 million
- Total Equity exceeds \$70 million
- Net Income exceeds \$7 million
- Net Loan balances exceed \$500 million
- \$1 of every \$8 in bank deposits in Holmes, Wayne and Tuscarawas counties is at CSB.
- \$1 of every \$20 in bank deposits in Holmes, Wayne, Tuscarawas and Stark counties is at CSB

Tax Cuts and Jobs Act of 2017

- CSB's effective federal income tax rate has declined from approximately 30% to about 19%, effectively freeing \$1 million in company cash/earnings annually
 - Increased dividend (each \$.01 increment ~ \$110,000/yr)
 - Q1 17 dividend \$0.20; Q1 18 dividend \$0.24
 - Increased pay scales for select retail and operations staff
 - Investing in presence in communities
 - Continuing to build capital for strength and future deployment

NET LOANS

IN MILLIONS

Increased 9%



TOTAL ASSETS

IN MILLIONS

Increased 6%

2017



2016



2015



2014



2013



11th Consecutive Year of
Record Average Assets

SHAREHOLDERS' EQUITY

IN MILLIONS

Increased 8%

2017

\$71

2016

\$65

2015

\$61

2014

\$57

2013

\$52

10th Consecutive Year of
Record Average Equity



DEPOSITS

IN MILLIONS

Increased 8%

2017

\$583

2016

\$541

2015

\$525

2014

\$500

2013

\$481

9th Consecutive Year of
Record Average Deposits

OPERATING REVENUE

IN MILLIONS

7th Consecutive Year of Record Revenue

2017



\$29 MILLION

2016



\$27

2015



\$25

2014



\$24

2013



\$23

Operating Revenue = Net Interest Income (FTE) + Noninterest Income

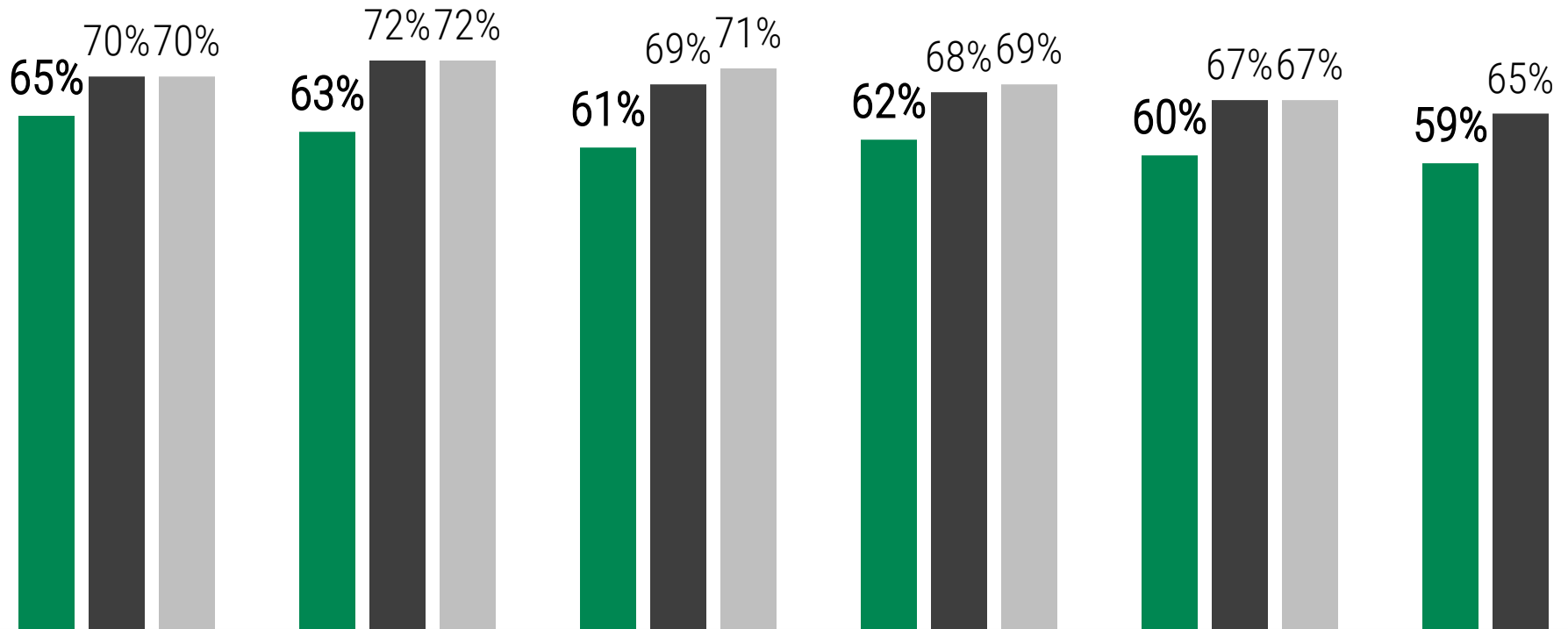
Income Statement Trends

	2013	2014	2015	2016	2017
Net Interest Income	\$18.9	\$19.9	\$20.4	\$22.2	\$24.4
Loan Loss Provision	0.8	0.6	0.4	0.5	1.1
Noninterest Income	4.3	4.3	4.4	4.3	4.3
Noninterest Expense	14.9	15.1	15.8	16.3	17.3
Income Tax Provision	2.3	2.6	2.6	3.0	3.2
Net Income	\$5.2	\$5.9	\$6.0	\$6.7	\$7.1

6th Consecutive Year of Record Net Income

(\$MILLIONS)

■ CSB ■ Ohio Public ■ U.S. Public



2012

2013

2014

2015

2016

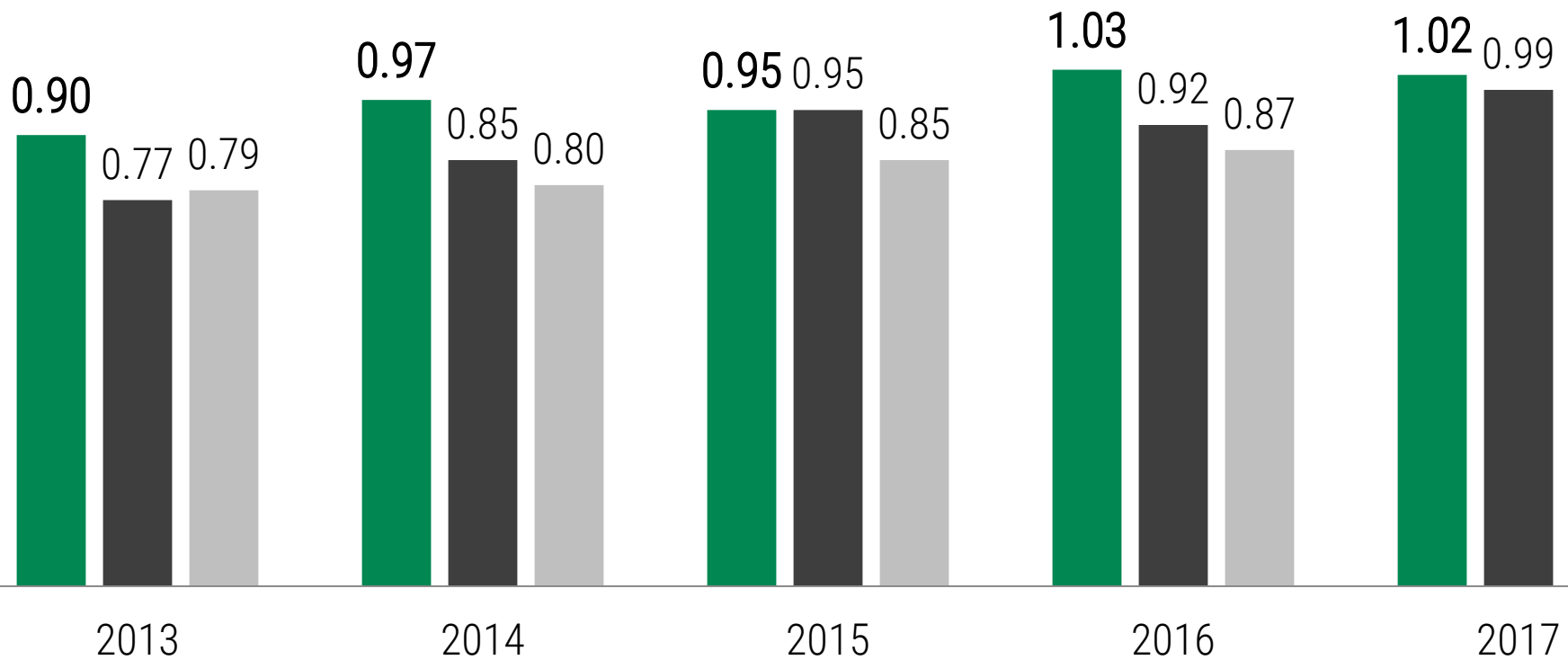
2017

EFFICIENCY 59%

6th Consecutive Year of Efficiency Ratio Below 65%

1st Year of Efficiency Ratio Below 60%

■ CSB ■ Ohio Public ■ U.S. Public

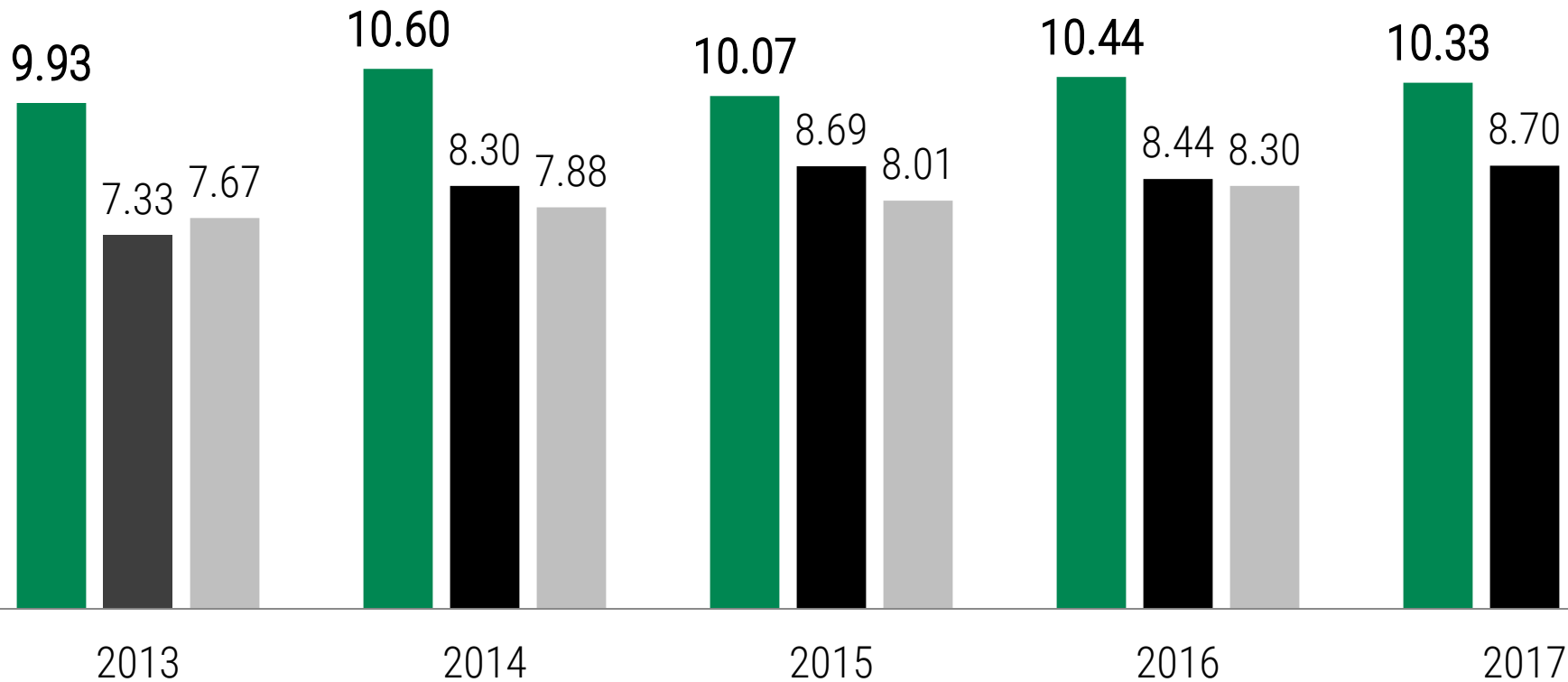


Return on Assets **1.02 %**

2nd Consecutive Year of Greater than 1% Return on Assets

Ohio & U.S. medians

■ CSB ■ Ohio Public ■ U.S. Public

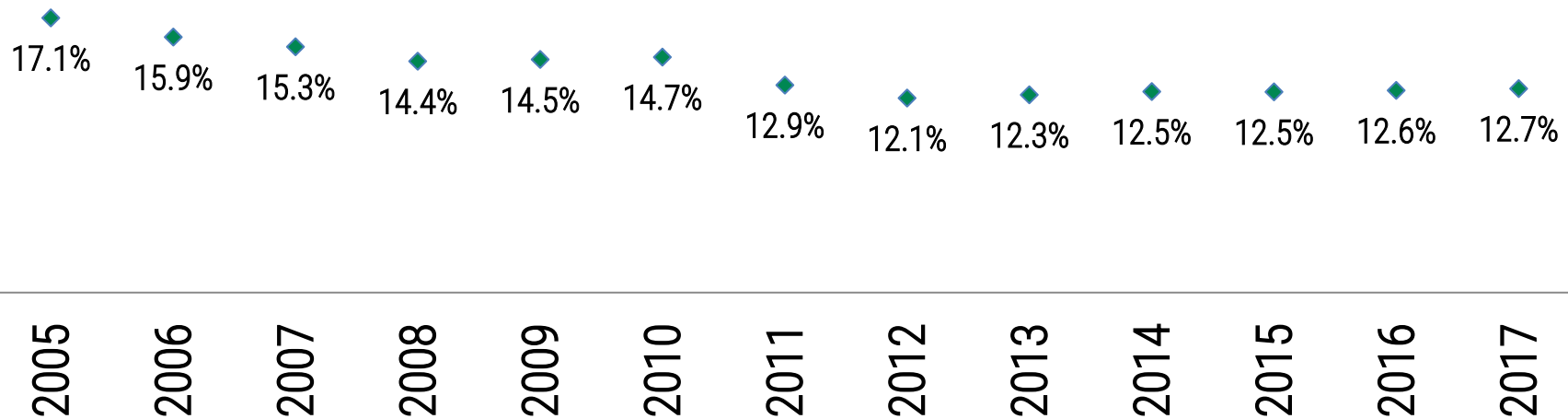


Return on Equity 10.33 %

4th Consecutive Year of Greater than 10% Return on Equity

CSB's Capital Level


CET1, Risk Based Tier 1



CSB has twice deployed capital to acquire expanded market presence in the past 10 years (IVCB 2008, Wooster BC's 2011). We continue to look for expansion opportunities.

We maintain appropriate capital cushions regardless of the investment effort. At 12/31/17, the Company and Bank exceed all regulatory capital levels, including appropriate Capital Conservation Buffers to the final standard in 2019.

2017 ACCOMPLISHMENTS

- New Orrville Banking Center
 - Marketing Channels
 - NorthCoast99 Award Winner
 - Thrive Wellness program rollout
- 

Some 2018 INITIATIVES

- Wooster Construction
 - Visible Branding
 - Business Credit Card
 - Monetize Digital Channel
 - Information Technology Infrastructure
- 

2018 1st Quarter Financial Highlights

	Q1 2017	Q1 2018
Net Interest Income	\$5.86	\$6.39
Loan Loss Provision	(0.16)	0.32
Noninterest Income	1.11	1.15
Noninterest Expense	4.65	4.54
Net Income (\$MILLIONS)	\$1.73	\$2.16

2018 1st Quarter Financial Highlights

	Q1 2017	Q1 2018
Total Assets	\$679	\$700
Net Loans	475	525
Total Deposits	542	576
Shareholders' Equity	67	71

(\$MILLIONS)

OHIO

4.8%

U.S.

4.4%

Unemployment Rate & Change YOY

3.3

-0.7

5.0

-0.6

2.9

-0.4

4.6

-0.9

[MARCH 2018 – MARCH 2017]

2017 ECONOMY

- Personal consumption expenditures increased 2.9%
- Consumer Price Index increased 1.9%
- Capital Spending was up 5.1%
- Real Gross Domestic Product increased 2.3%

- This month, the economic expansion is 8 years and 10 months old. It is tied for the 2nd longest economic expansion in U.S. history

BANKING INDUSTRY OBSERVATIONS

- Net interest margin expected to steadily rise, with loan yields outpacing rising deposit rates
- Funding pressures will grow
- Tax reform & interest rate increases will lead to climbing ROA, ROE, and loan competition
- Asset quality appears to remain strong
- Pace of regulatory change has slowed
- Increased optimism throughout the industry

BANKING INDUSTRY OBSERVATIONS

(continued)

- There are 189 Ohio banks and 5,670 U.S. Banks
- Technology, cybersecurity, and costs to comply with regulations (e.g. Anti-Money Laundering and Community Reinvestment Act) are taking a toll on smaller banks
- Board and management succession is a challenge for some banks
- We see opportunity to keep growing – in current markets and with market extensions

2018 COMMITMENT

- Sustain Strong Financial Performance
- Further Strengthen Risk Management
 - Cybersecurity and BC/DR capabilities
- Improve Efficiencies
- Strive for Growth
- Serve our Markets – The CSB Way
- Top 1/3 Performer (ROA / ROE) Among Ohio Publicly-Traded Banks
- 1% ROA (holding company level)

**Thank You
for your support as
a CSB Shareholder!**



End of Management Presentation





Ron Holtman

CSB Board of Directors
Over 16 Years

CSB'S MISSION

Our mission as an independent community bank is to provide high quality financial services through valued employees, thereby meeting the needs of our customers and the diverse communities we serve, generating profit and increasing value for our shareholders.

CORE VALUES

PROFIT RESPONSIBILITY
CUSTOMER SERVICE
EMPLOYEES
HONESTY
ENJOYMENT
GROWTH

CSB'S VISION

is to become a company of
enduring greatness.

We believe in order to be great,
we must first have a commitment to
excellence in our everyday work.
But in order to be *enduringly great*,
we must sustain greatness
for many generations.

HOW DO WE ACHIEVE THAT VISION?

- *Commitment to endure*
- *Commitment to be great*
- Outstanding employee team
 - “Employer of choice” for the brightest and best
- Appropriate use of technology
- Appropriate vendor partnerships
- Relentless quest to continually improve
- Culture that safeguards our mission and core values