



When we say we're here for you,
we mean it.





Dear CSB Customers, Partners and Shareholders,

For more than 90 years, Community State Bank has been a steadfast presence in the communities within Noble and DeKalb counties of northeast Indiana. We continue to thrive thanks to steady leadership, community support and adherence to the guiding principles set forth in our by-laws. Far more than dusty words on paper, our guiding principles—to maintain a community purpose, operate prudently and provide a reasonable shareholder return—are put into action every single day. At CSB, we aren't distracted by short-term targets or temporary goals. Instead, our employees work to ensure long-term prosperity for the bank, our shareholders, our depositors and the communities we serve.

In 2020 and 2021, our actions exemplified our guiding principles. Community State Bank employees found innovative ways to keep our banks open each business day and collaboratively address the challenges facing our consumer and business clients. We restructured dozens of consumer loans to help clients weather the uncertainty brought on by the pandemic. Furthermore, we partnered with the federal government's Paycheck Protection Program to deliver \$42,000,000 in financial backing to regional businesses, helping them preserve jobs and provide stability for employers. And through it all, we continued to offer unwavering support to the non-profit enterprises that bring life and light to so many northeast Indiana communities.

I'm thrilled to announce that fiscal year 2021 marked the seventh consecutive year of increased profitability for Community State Bank.

On the pages to follow, you'll find data that demonstrates our financial performance, which continues to be well above our Indiana bank peer group average for shareholder return, asset efficiency and many other metrics. Our consistent performance, sustainable growth and thoughtfully managed profitability are testaments to our ability to navigate today's ever-changing financial landscape.



As we look to the future, Community State Bank continues to seek out opportunities to incorporate new technology, enhance products and attract skilled talent. In the second half of 2021, we expanded our residential mortgage capabilities and added five experienced professionals to better serve our growing portfolio of commercial clients. These investments, as well as others, will help us continue to embody our guiding principles in the months and years to come.

I am often asked what makes Community State Bank an organization worth doing business with. My answer is best summed up by our rallying cry: We Mean It. At CSB, we are authentic. We're plain-spoken and direct in our dealings with clients and team members alike. Our clients know that we'll always communicate clearly and make good on our promises—day after day, in every interaction.

The last two years have been a challenge for all of us, and I want to take a moment to recognize and thank our talented staff for their hard work and dedication throughout the pandemic. Whether they were re-opening our lobbies, educating clients on government programs or implementing new financial support products, our team stayed the course. They answered the call—and we are a stronger bank because of them.

I hope you'll be a part of the next chapter of our story at Community State Bank. Brighter days are ahead for northeast Indiana, and CSB is excited to be a part of it.

When we make a promise, we mean it.

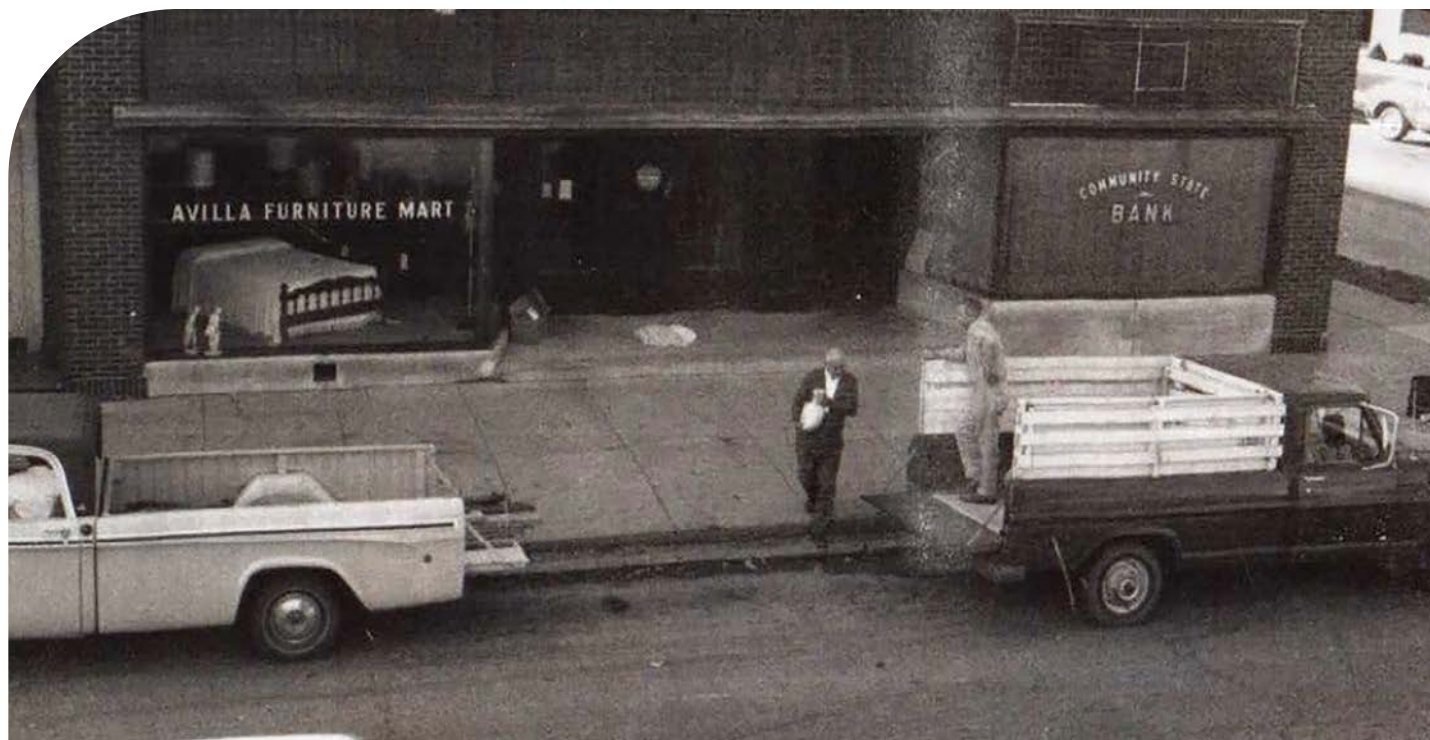
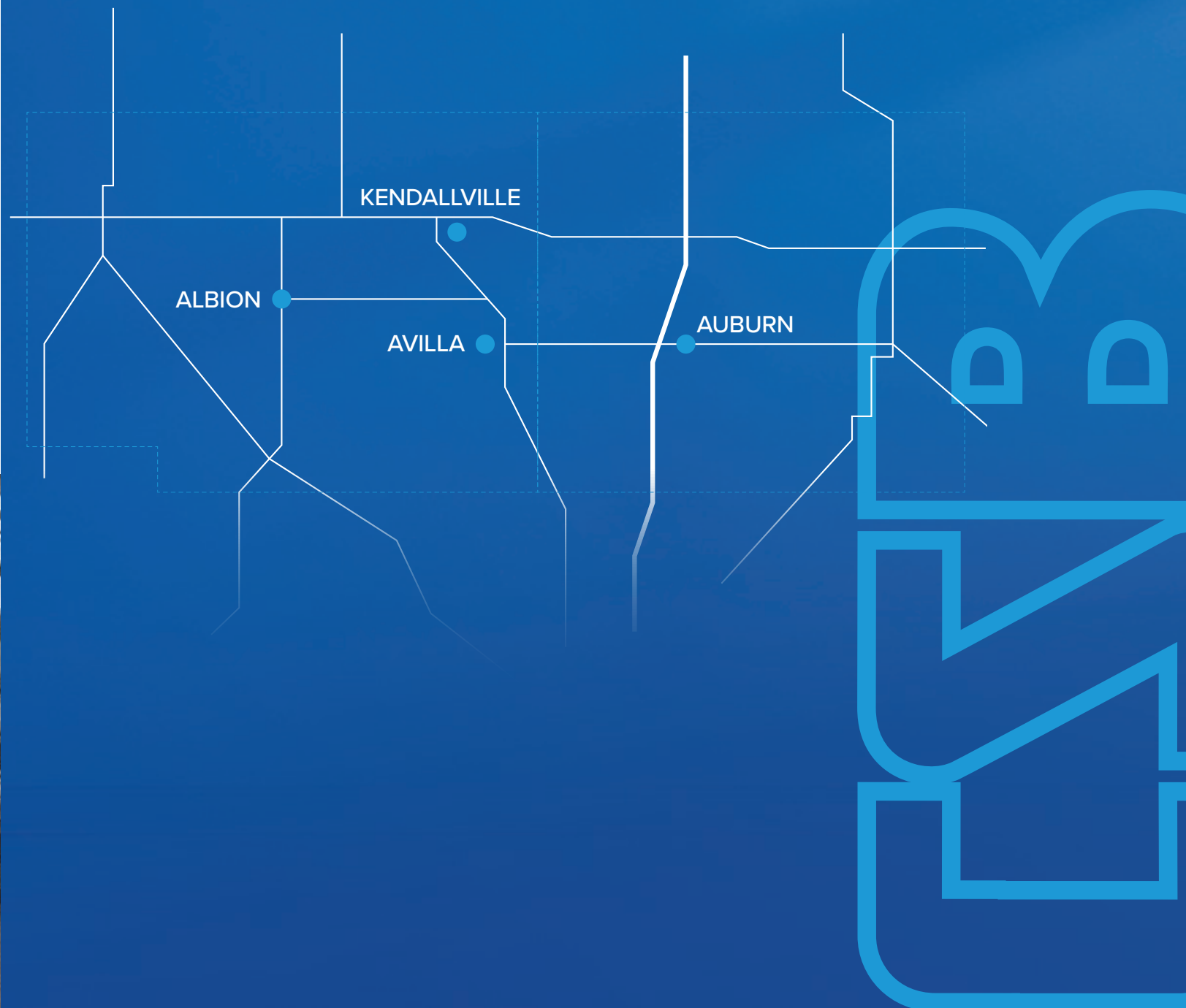
Since 1931, Community State Bank has welcomed DeKalb and Noble county residents with open doors, friendly handshakes and warm smiles.

We were founded in the early days of the Great Depression by a group of local merchants, farmers and leaders who recognized the need for a local bank. During tough times, residents needed an institution they could trust—and CSB earned that trust by investing in its customers and community. Our founders' vision has served as a guide ever since, helping us achieve steady growth and build a reputation as a responsible, fiscally sound institution.



Local

Our products and services help customers reach milestones and meet their financial goals—and our employees go the extra mile to deliver personal attention and individualized solutions to everyone who walks through our doors.





Abby Cable, Auburn Branch Manager

At CSB, “trust” is more than a buzzword. It’s in our bones. When we make a promise—we mean it.

Trust

We want to help, we honor our word, and we follow through. It’s as simple as that. And it’s something you’ll only find at a bank that sees you as a neighbor, instead of an asset.

CUSTOMER SINCE **1984**



AVILLA

For over 50 years, Wirco has manufactured castings and fabrications for a variety of industries, with a specialty in heat treatment tooling. Wirco and Community State Bank’s relationship is built on the foundation of shared values and commitment to community. **“CSB shares our beliefs and values,”** says Chad Wright, President of Wirco. **“They work with us like a consultant, offering advice and sharing their past experiences with other clients.”**

Wright also appreciates that CSB understands Wirco’s desire to grow. **“As a community bank, CSB is also able to move faster and cut through red tape—and we’re able to talk directly to decision-makers,”** he says.

In their times of change and growth, Wirco has turned to CSB for building financing, lease hold improvements, deposit accounts and permanent financing. Along the way, our local knowledge, small bank flexibility and fast turnaround time on lending products have helped Wirco capitalize on opportunities and grow stronger every day.

“When we have problems or questions, I can call and speak to a real person who walks me through the solution right then and there,” says Wright. **“That means a lot to me and my team.”**



Chad Wright
President
Wirco

When we say we value relationships, we mean it.

John Ocken, Vice President of Finance Aaron Fisher, Vice President, Fabrication Division



Nathan and Rachel Schermerhorn, Owners

CUSTOMER SINCE **2016**



KENDALLVILLE

When Nathan and Rachel Schermerhorn noticed a historic Rome City barn listed for sale, they knew instantly they would regret not jumping on the opportunity to follow their dreams. With help from family, friends and Community State Bank, their dream to refurbish the barn became a labor of love—and Sylvan Cellars Event Center was born. **“CSB has been there every step of the way for us.”** say Nathan and Rachel.

They kept the rustic charm and transformed the structure into an elegant space for friends and family to gather—featuring 30-foot-high gabled ceilings, beautifully lit chandeliers, and stained, salvaged wood floors. As the couple’s personal and commercial banking provider, we were proud to support the project with startup funds and construction and improvement loans.

“From when we first started chasing this dream of ours, to the growth and strategic decisions we’ve made throughout the way, they have been a true partner,” the Schermerhorns say. **“We couldn’t imagine going on this journey with anyone else.”**

When we say we listen to your needs, we mean it.

CUSTOMER SINCE **2018**



ALBION

Noble Rural Electric Membership Cooperative (REMC), a Touchstone Energy Cooperative, has provided electricity and other services to rural residents for more than 85 years. The cooperative has more than 1,250 miles of energized lines and delivers electricity to nearly 10,000 members in an eight-county region.

As one of the region’s most essential services, Noble REMC needs a highly responsive bank—and CSB fits the bill. We support REMC’s operation with Cash Management Services, Positive Pay fraud prevention and online access to technology—to keep things moving at lightning speed behind the scenes.

“Any questions or concerns we have are addressed promptly and professionally,” says Ron Raypole, President and CEO of REMC. **“There’s never a hesitation to call or visit because we know we will be treated with respect and care.”**

When we say we’re here to serve, we mean it.



Ron Raypole,
President & CEO
Sarah Dreibelbis,
Office Manager
Adam Chitwood,
Manager of Finance
and Accounting



Rudi Eidam, Vice President of Development

CUSTOMER SINCE **2021**



AUBURN

Jason Sweitzer and Rudi Eidam share a vision for a greener, more eco-friendly Auburn. They’re working to make that vision a reality at Auburn Renewables, a solar array and related real estate off County Road 19. The tax-incentivized project is also designed to create jobs and spur investment in the surrounding area, which has been designated by the federal government as a Qualified Opportunity Zone.

Community State Bank shares Jason’s and Rudi’s passion for making a difference in the community. **“Community State Bank is a REAL community bank,”** says Eidam, Vice President of Development for Auburn Renewables. **“They’re always responsive and sensitive to our needs.”**

The funding, guidance, and deposit and treasury management services that CSB provides have helped take Auburn Renewables from a proposal into an 86-acre, 30,000-panel powerhouse. At every step, our local decision-making and personal approach help Auburn Renewables get things done. **“Whenever we engage with CSB, we can tell they’re listening,”** Eidam says. **“CSB is the best place to go to get things done. They adjust their approach to be complementary to our goals.”**

When we say we’re community-driven, we mean it.

CONSOLIDATED BALANCE SHEET	2021	2020	2019
ASSETS			
Cash and cash equivalents	\$74,267,382	\$44,007,121	\$23,467,956
Investment securities	46,735,702	32,578,324	25,997,732
Loans - Net	251,706,762	245,137,576	220,555,564
Premises and equipment - Net	3,802,961	3,934,428	4,062,069
Accrued interest receivable	1,050,600	1,076,042	1,256,172
Cash surrender value of life insurance	4,097,939	4,021,356	3,939,826
Other assets	2,150,780	2,123,812	2,349,134
Total assets	\$383,812,126	\$332,878,659	\$281,628,453

LIABILITIES AND STOCKHOLDERS' EQUITY

Liabilities			
Non-interest bearing	\$139,385,843	\$112,761,396	\$91,675,086
Interest bearing	192,006,299	164,281,698	137,631,716
Total deposits	331,392,142	277,043,094	229,306,802
Borrowings	10,000,000	16,000,000	16,177,280
Accrued interest payable	157,534	220,924	367,654
Accrued and other liabilities	585,415	485,059	466,173
Total liabilities	342,135,091	293,749,077	246,317,909
Stockholders' Equity			
Common stock and surplus	745,787	996,252	1,012,488
Retained earnings	39,410,024	36,377,579	33,448,446
Accumulated other comprehensive income (loss)	1,521,224	1,755,751	849,610
Total stockholders' equity	41,677,035	39,129,582	35,310,544
Total liabilities and stockholders' equity	\$383,812,126	\$332,878,659	\$281,628,453

FINANCIAL SUMMARIES	2021	2020	2019
Key Ratios			
Return on Average Assets	1.17%	1.28%	1.48%
Return on Average Total Equity	12.01%	12.52%	13.75%
Net Interest Margin	3.08%	3.48%	4.18%
Efficiency	55.36%	56.10%	56.51%

CONSOLIDATED STATEMENT OF INCOME	2021	2020	2019
Interest Income			
Interest & fees on loans	\$12,294,178	\$12,246,065	\$11,908,968
Interest and dividends on securities and deposits	1,145,817	979,564	1,048,409
Total interest income	13,439,995	13,225,629	12,957,377
Interest Expense			
Interest on deposits	579,791	1,033,166	1,197,145
Interest on borrowings	196,137	248,083	238,316
Total interest expense	775,928	1,281,249	1,435,461
Net Interest Income	12,664,067	11,944,380	11,521,916
Provision for Loan Losses	650,000	333,000	75,000
Net Interest Income after Provision for Loan Losses	12,014,067	11,611,380	11,446,916
Noninterest Income			
Service charges on deposit accounts	191,423	343,359	452,578
Mortgage banking income	44,254	30,909	32,841
Other income	704,081	610,067	636,700
Total noninterest income	939,758	984,335	1,122,119
Noninterest Expense			
Salaries and employee benefits	4,095,372	3,970,295	4,060,026
Net occupancy expense	1,653,879	1,742,637	1,591,243
Advertising expense	142,777	144,058	170,410
Directors and committee fees	218,964	158,819	225,416
FDIC insurance expense	91,416	88,116	14,878
Professional fees	364,630	359,714	356,783
Other expenses	869,543	765,135	891,432
Total noninterest expense	7,436,581	7,228,774	7,310,188
Income Before Income Tax Expense	5,517,244	5,366,941	5,258,847
Income Tax Expense	1,307,495	1,285,672	1,218,944
Consolidated Net Income	\$4,209,749	\$4,081,269	\$4,039,903

FINANCIAL SUMMARIES	2021	2020	2019
Per Share Data			
Basic Net Income Per Common Share	\$11.62	\$11.21	\$11.14
Cash Dividends Per Common Share	\$3.25	\$3.17	\$3.00
Dividend Payout	\$1,177,304	\$1,152,136	\$1,087,855

When we ask, “How can I help?” we mean it.

The leadership team at CSB exemplifies integrity and grit. Whether they started working at CSB as a teenager or came in as an executive, they are all driven to help their community and their team. While the past two years have been stressful for businesses, communities and families, these individuals have fought to make CSB what it is today. They continually earn praise and adoration from customers, community members and employees, and they constantly strive for better—not only for themselves but for those they serve.



Executive Team

Aaron Schaffer, Chief Banking Officer
Tira Bussing, Director of Human Resources
William Thatcher III, President & CEO

Cody Brooks, Chief Credit Officer
Bonita Flynn, Chief Risk Officer



Commercial and Consumer Lending Team

Taylor Sobasky, Treasury Management Associate
Aaron Campbell, Senior Lending Officer
Lindsay Shook, Auburn Market Leader
Carla Fiantdt, Albion Market Leader

Aaron Schaffer, Chief Banking Officer
Matt Blair, Senior Lending Officer
Doug Hanes, Senior Lending Officer
Jill Coy, Senior Lending Officer



Branch Managers

Kristen Dunlap, Kendallville Branch Manager
Abby Cable, Auburn Branch Manager

Tara Norris, Albion Branch Manager
Monique Anderson, Avilla Assistant Branch Manager



Board Members

Alan Osterlund
Michel Shuherk
Don Monesmith

Jeffrey Turner, Board Chairman
Mark Demske
Loren Troyer

Scott Frick, CPA
Dr. Thomas Jansen (in front)



AVILLA

802 E Albion St.
PO Box 79
Avilla, IN 46710
260 897 3361

ALBION

115 E Main St.
Albion, IN 46701
260 636 3744

AUBURN

708 W 7th St.
Auburn, IN 46706
260 925 3567

KENDALLVILLE

506 E North St.
PO Box 5079
Kendallville, IN 46755
260 347 9000

CSBBANKONLINE.BANK

