

CSB BANCORP INC /OH
Form 8-K
July 24, 2002

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the

Securities Exchange Act of 1934

Date of Report

(Date of earliest event reported)

July 22, 2002

CSB Bancorp, Inc.

(Exact name of Registrant as specified in its Charter)

Ohio
(State or other jurisdiction
of incorporation)

0-21714
(Commission
File No.)

34-1687530
(IRS Employer
Identification Number)

6 West Jackson Street, P.O. Box 232, Millersburg, Ohio
(Address of principal executive offices)

44654
(Zip Code)

Registrant's telephone number, including area code: (330) 674-9015

N/A

(Former name or former address, if changed since last report)

Item 5. Other Events and Regulation FD Disclosure

On July 22, 2002, CSB Bancorp, Inc. released a quarterly report to shareholders that included its financial statements for the period ended June 30, 2002. A copy of the quarterly report to shareholders is attached to this report as Exhibit 99.1.

Item 7. Financial Statements and Exhibits

(a) Exhibits
99.1

Quarterly report to shareholders for the period ended June 30, 2002.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

CSB BANCORP, INC.

Date: July 24, 2002

By: /s/C. James Bess

C. James Bess

Chairman, President and CEO

Exhibit 99.1

To our Shareholders:

The Company recorded net income for the first six months of 2002 of \$881,000, or \$.33 per share. Continued improvement in asset quality enabled management to remove \$242,000 from the Allowance for Loan Losses, which

increased net income by approximately \$160,000. Other income continues to outperform last year, while operating expenses have been reduced from the previous year.

Due to numerous factors, the Federal Reserve has not raised interest rates as had been anticipated by the markets, and therefore the Bank's prime lending rate has remained at historical low levels. Any action, or inaction, by the Federal Reserve will have an impact on the second half results. However, 2002 financial performance is expected to significantly outperform the performance of 2001, when the Company had net income of \$1,059,000. The Company completed the first six months of 2002 with a capital-to-assets ratio of 11.25% and a per share book value of \$12.65.

As was noted in a recent news release, CSB has been released from the Written Agreement with its state and federal regulators. The Company has made great strides over the past eighteen months, and is currently looking to the future for opportunities to build on that strength. Also, the Company recently paid a second quarter 2002 dividend.

Thank you for your continued support of CSB as the Company moves forward. We ask that you look to CSB for all of your financial services needs. CSB, where the future is now!

/s/ C. James Bess

C. James Bess
Chairman, President and CEO

QUARTERLY REPORT

JUNE 30, 2002

CSB
CSB BANCORP, INC.

CONSOLIDATED STATEMENTS OF CONDITION (UNAUDITED)

(000 OMITTED) EXCEPT SHARE DATA

JUNE 30

| | <u>2002</u> | <u>2001</u> |
|--|-------------------------|-------------------------|
| ASSETS: | | |
| Cash and due from banks | \$10,460 | \$11,941 |
| Federal funds sold | 14,859 | 15,665 |
| Securities | 79,261 | 88,808 |
| Net loans | 177,730 | 179,146 |
| Premises & equipment, net | 9,084 | 9,439 |
| Other assets | <u>4,512</u> | <u>6,122</u> |
| TOTAL ASSETS | \$295,906 | \$311,121 |
| | ===== | ===== |
| LIABILITIES: | | |
| Deposits | \$232,498 | \$259,991 |
| Securities sold under agreements to repurchase | 13,361 | 11,835 |
| Other borrowings | 15,721 | 7,674 |
| Other liabilities | <u>1,048</u> | <u>946</u> |
| TOTAL LIABILITIES | <u>\$262,628</u> | <u>\$280,446</u> |
| SHAREHOLDERS EQUITY: | | |
| Common stock | \$16,674 | \$16,674 |
| Additional paid-in capital | 6,414 | 6,414 |
| Retained earnings | 11,170 | 8,790 |
| Treasury stock | (1,154) | (1,339) |
| Accumulated other comprehensive income | <u>174</u> | <u>136</u> |
| TOTAL SHAREHOLDERS EQUITY | <u>\$33,278</u> | <u>\$30,675</u> |
| TOTAL LIABILITIES AND SHAREHOLDERS EQUITY | \$295,906 | \$311,121 |
| | ===== | ===== |

CONSOLIDATED STATEMENTS OF EARNINGS (UNAUDITED)

(000 OMITTED) EXCEPT SHARE DATA

| | SIX MONTHS ENDED | |
|---|------------------|-----------------|
| | JUNE 30 | |
| | <u>2002</u> | <u>2001</u> |
| INTEREST INCOME: | | |
| Interest & fees on loans | \$6,272 | \$9,106 |
| Interest on securities | 2,100 | 2,318 |
| Other interest income | <u>114</u> | <u>193</u> |
| TOTAL INTEREST INCOME | <u>\$8,486</u> | <u>\$11,617</u> |
| INTEREST EXPENSE: | | |
| Interest on deposits | \$3,310 | \$5,709 |
| Other interest expense | <u>280</u> | <u>451</u> |
| TOTAL INTEREST EXPENSE | <u>\$3,590</u> | <u>\$6,160</u> |
| Net interest income | \$4,896 | \$5,457 |
| Less provision for loan losses | <u>(242)</u> | <u>2,709</u> |
| Net interest income after provision for loan losses | \$5,138 | \$2,748 |
| Total other income | 1,075 | 998 |
| Total other expense | 5,418 | 5,876 |
| Benefit from income taxes | <u>(86)</u> | <u>(1,080)</u> |
| NET INCOME | \$881 | \$1,050 |
| | ===== | ===== |
| EARNINGS PER SHARE | \$.33 | \$.40 |

FINANCIAL HIGHLIGHTS
(000 OMITTED) EXCEPT SHARE DATA

JUNE 30

| | 2002 | 2001 |
|-------------------------------------|-----------|-----------|
| Assets | \$295,906 | \$311,121 |
| Net loans | 177,730 | 179,146 |
| Securities | 79,261 | 88,808 |
| Deposits | 232,498 | 259,991 |
| Shareholders' equity | 33,278 | 30,675 |
| Net income | 881 | (1,050) |
| Earnings per share | .33 | (.40) |
| Book value per outstanding share | 12.65 | 11.69 |
| *Quarterly price per share: | | |
| High | 19.85 | 19.00 |
| Low | 18.75 | 15.75 |

*Includes transactions reported by market makers and private transactions known to the Company.

KEY RATIOS

JUNE 30

| | 2002 | 2001 |
|--------------------------|--------|---------|
| Return on average assets | .61% | (.68%) |
| Return on average equity | 5.39% | (6.71%) |
| Loan to deposit | 78.06% | 71.97% |
| Equity to assets | 11.25% | 9.86% |

Copies of

CSB BANCORP, INC.

S.E.C. Filings may be obtained by writing:

A. Lee Miller, CFO

CSB BANCORP, INC.

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6 West Jackson Street

Millersburg, Ohio 44654

(800) 654-9015 or 330-674-9015

Stock Symbol: CSBB.OB

Website: www.csbl.com