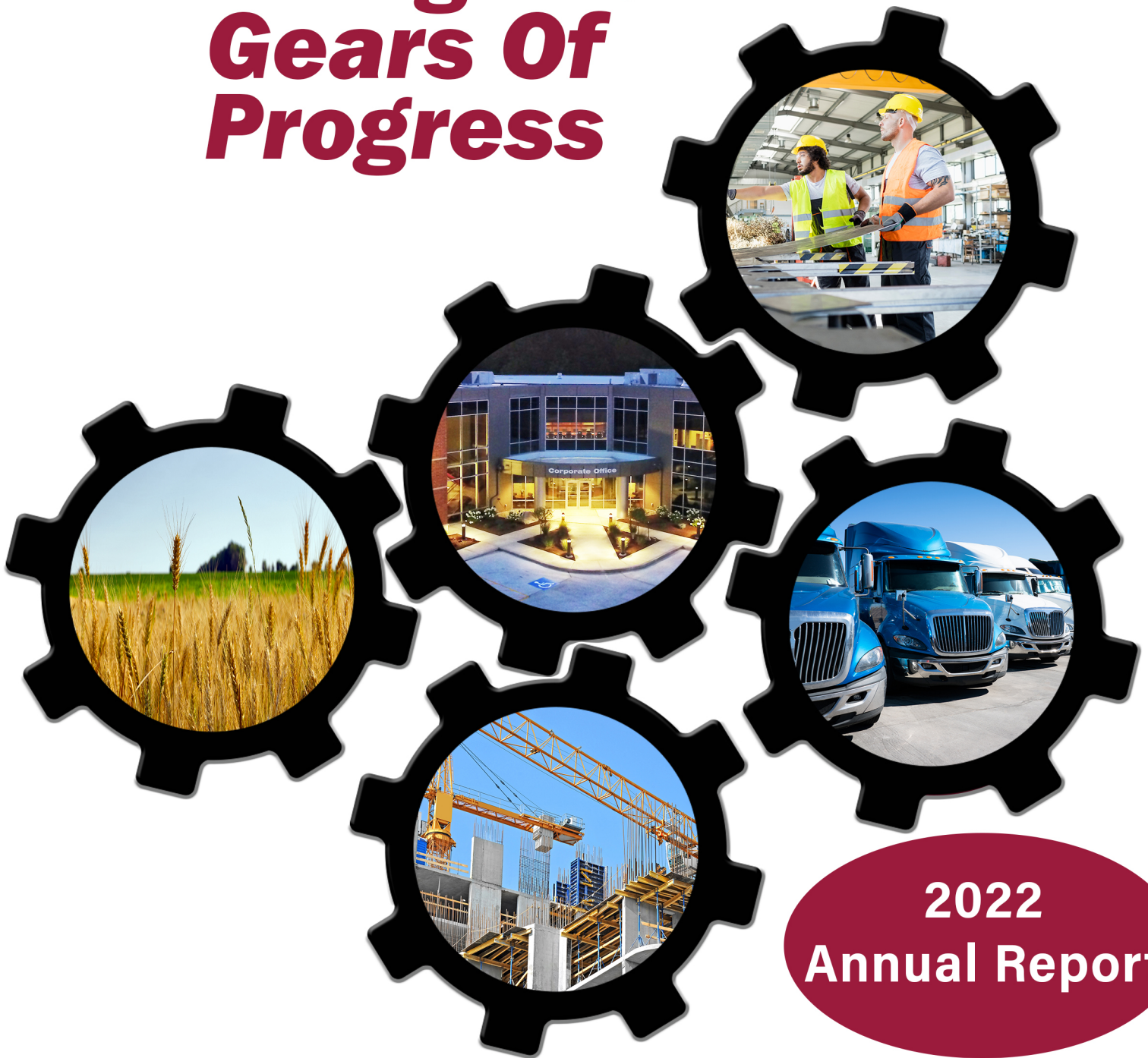


CONSUMERS

Bancorp Inc.

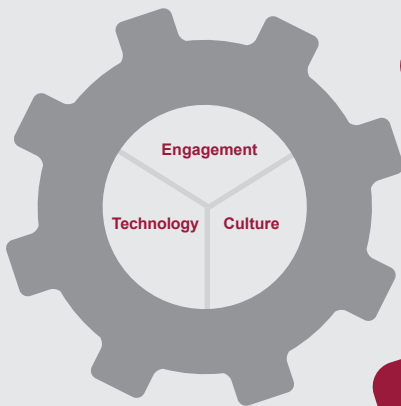
*Driving The
Gears Of
Progress*



**2022
Annual Report**

Making A Difference Since 1965

A Driving Force In The Community



CONSUMERS
National Bank



Financial Highlights

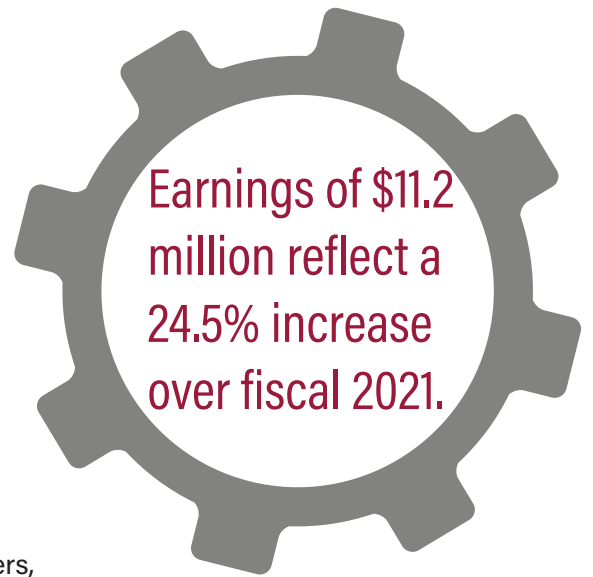
Dollar amounts in thousands, except per share data.

Selected Items at Year-End	June 30, 2022	June 30, 2021	June 30, 2020
Financial Condition			
Total Assets	\$ 977,313	\$ 833,804	\$ 740,820
Securities, available for sale	296,347	207,760	143,918
Loans, net	604,683	559,956	537,183
Deposits	886,562	726,849	633,355
Shareholders' equity	53,970	69,900	63,240
Share Information			
Book value	\$ 17.66	\$ 23.08	\$ 20.97
Cash dividends paid per share	0.64	0.590	0.540
Basic and diluted earnings per share	3.68	2.98	1.92
Operations			
Net interest income	\$ 32,746	\$ 26,583	\$ 21,484
Provision for loan losses	735	850	1,980
Noninterest income	4,735	4,466	4,703
Noninterest Expenses	23,215	19,361	17,768
Net income	11,192	8,988	5,527
Asset Quality			
Net charge offs to total loans	0.01%	0.01%	0.02%
Non-performing assets to total assets	0.05%	0.21%	0.17%
Allowance for loan losses to total loans	1.17%	1.14%	1.05%
Performance Ratios			
Return on average assets	1.17%	1.16%	0.89%
Return on average equity	16.43%	13.36%	9.67%
Net interest margin (fully tax equivalent)	3.60%	3.67%	3.72%
Efficiency Ratio	61.10%	61.53%	67.01%

Please refer to the annual report on Form 10-K for additional financial information.



President's Letter



Earnings of \$11.2 million reflect a 24.5% increase over fiscal 2021.

Dear Fellow Shareholders,

I am pleased to introduce Consumers Bancorp's record 2022 financial results and to provide insight into some of the accomplishments and investments that contributed to our current success and that we believe will drive our progress in an increasingly challenging and competitive environment.

The bank's core loans increased \$81.2 million, or 15.7%. This growth was made possible by \$300 million in new loans and commitments.

Record Fiscal 2022 earnings of \$11.2 million represent a \$2.2 million, or 24.5% increase over fiscal year 2021 and resulted in a 1.17% return on average assets and a 16.43% return on average equity. This increase in earnings was largely driven by a 15.7% increase in core loan growth and a 38.9% increase in the bank's investment portfolio which together resulted in a \$6.0 million, or 25.1% increase

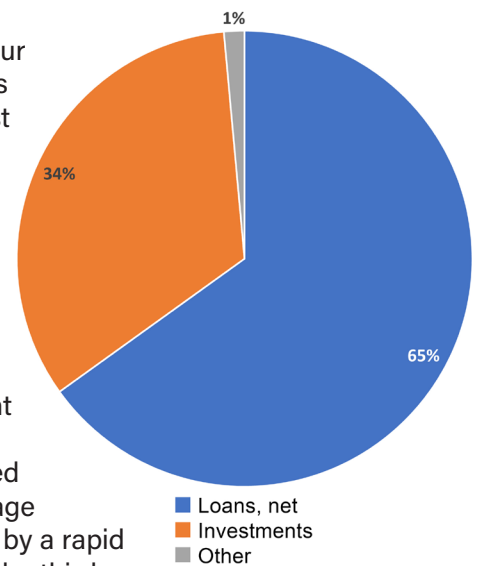
in core net interest income (net of PPP earnings). Successfully deploying PPP loan forgiveness proceeds and newly acquired deposits positively impacted our net interest margin. The bank's fully-tax equivalent net interest income to average asset rates of 3.45% exceeded that of our regulatory peer group by 28 basis points.

The margin and increases in deposit account service charges (19.5%) and interchange income (9.4%) helped offset a 16.1% decrease in mortgage sale premiums that were caused by a rapid increase in mortgage rates over the third and fourth quarter.

These earnings enabled our board of directors to increase the quarterly dividend by 6.25% in September 2022. The annualized dividend, now \$0.68 (68 cents) per share, results in a 3.3% dividend yield.

In prior letters I congratulated our bankers on originating 1,554 Paycheck Protection Program loans in fiscal year 2020 and fiscal

Earnings Assets





year 2021. I am pleased to report that our staff has successfully processed applications that have resulted in forgiveness of 99.9% of the \$114 million disbursed during the program. Implementing the program was a 27-month long bank wide effort that made a lasting impact on small businesses and farmers across northeast Ohio. Over that period, the bank earned over \$5.3 million in PPP interest and loan origination fees.

As noted, our ability to reinvest the PPP proceeds into new loans was a main driver of the bank's 2022 success. While PPP balances declined by \$50.5 million during the year, total loans increased by \$45.4 million, or 8%. The bank's core loans (excluding loans acquired in the branch acquisition and net of PPP balances) increased by \$81.2 million, or 15.7%. This growth was made possible by \$300 million in new loans



Castle Aviation "soared" through COVID and recessions with flying colors, thanks in large part to its partnership with Consumers National Bank. Getting timely help from Consumers to secure a SBA 504 loan for their hangar was a significant milestone, and the company continues to make great strides in their industry.

and commitments. Our in-market commercial, agricultural, mortgage and consumer lenders produced strong originations in each of their respective product lines. Commercial commitments reached \$178.6 million; residential mortgage and equity loans and commitments grew to \$89.9 million; and consumer originations reached \$31.0 million in fiscal year 2022. During the year we made investments in our commercial customer relationship

management and credit workflow systems, added commercial loan business development and support staff, launched a new retail loan origination system, expanded our consumer loan sales staff and dealer network, and launched new bank-owned commercial and consumer credit cards. We also introduced our Community

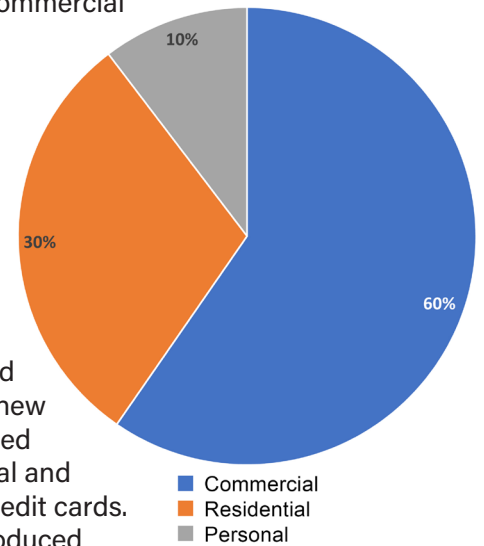
Difference mortgage program for home buyers in lower income communities and our Dream Builder loan construction program designed to help borrowers and builders mitigate supply chain and labor market issues.

The bank's noninterest and low-cost deposit accounts continue to be a strength. Average total checking (noninterest and interest bearing) account balances increased by \$77.4 million, or 24.5% in fiscal 2022, a result of both branch acquisitions and strong organic growth in existing markets. On June 30, 2022, the Consumers Bank DDA and NOW account balance to average asset ratio of

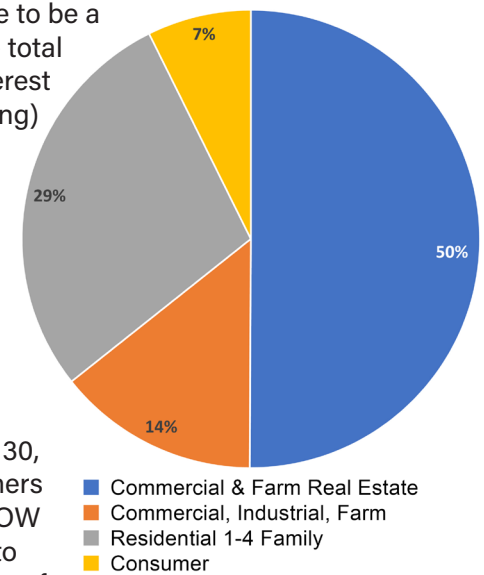
41.34% compared favorably to the 29.55% ratio for banks in our regulatory peer group, a 11.8% difference that will help mitigate the impact of recent and expected short-term rate increases.

Further, our long-term strategy to grow low-cost stable funding by developing business relationships continues

Loan Production



Loan Portfolio





to prove successful. In fiscal year 2022, total commercial transaction account, money market, and sweep repurchase agreement balances increased by \$55.9 million, or 17.2%. Since 2017, these commercial funding sources have increased at a 20.3% five-year compounded annual growth rate and represent 41.8% of the bank's total funding. Our business bankers and commercial deposit specialists continue to focus on developing full commercial relationships that provide a mix of loan, deposit, and cash management opportunities.

Fiscal year 2022 brought the conclusion of two significant Columbiana County investments. In July 2021, we closed on the acquisition and completed the system conversion of the Calcutta and Wellsville branches from CFBank. The transaction

which included \$104 million in deposit balances and approximately \$35 million in earning assets, expanded and strengthened our market position in Columbiana County, partially filled a geographical gap between our existing Columbiana County and Jefferson County markets, and allowed us to better serve clients in western Pennsylvania and northern West Virginia. We welcome the new customers and look forward to growing our relationships with them and to expanding the bank's presence

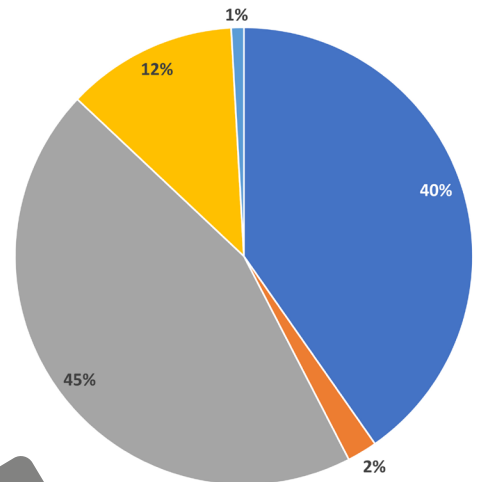
in the new markets. To that end, we have expanded consumer lending product offerings and have added business bankers, commercial deposit specialists, and mortgage originators in these markets.

In October 2021, the bank opened the newly constructed branch in Salem, Ohio. The \$1.3 million facility which increased efficiency, added technology, and improved employee and customer amenities, is a sign of our commitment to the Salem community and a testament to our confidence

"Sarah Grubbs (Elk Ridge Game Farm's lender at Consumers) has been a phenomenal partner for us. I knew about Sarah through the 4-H organization. She understands the industry and ag-focused solutions to help make running our growing business easier. Sarah always makes us feel that we're her top priority, even if that means text messages or weekend calls after hours."



Funding



- Commercial
- Repurchase
- Consumer
- Time Deposits
- Other Borrowings

in the market and our Salem-based bankers. Columbiana County now accounts for 29% of the bank's total deposits and commercial repurchase agreements. We believe that our investments in Calcutta, Wellsville, and Salem will help drive economic growth throughout Columbiana County.

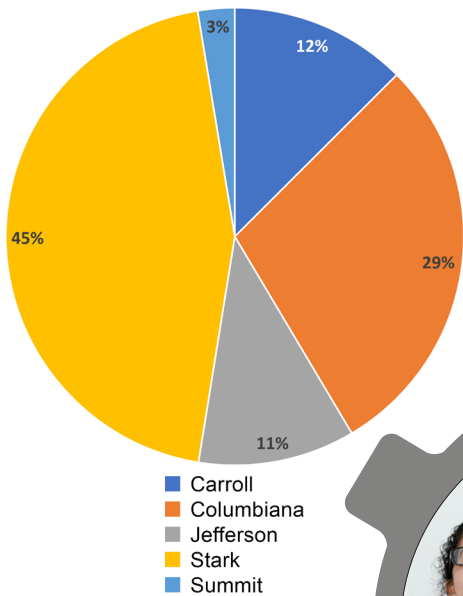
Cybersecurity at the company and customer level continues to be a major concern across the financial services industry. In 2022, we took several steps to guard against external threats and to help our customers protect their banking information.

We invested over \$400,000 in significant data security measures including AirGap backup solutions; extended detection response and managed threat response systems; and hyperconverged server infrastructure. We believe these investments, along with expanded dual-factor authentication across internal systems and customer interfaces will help the bank stay ahead of constantly developing external threats. We regularly warn customers of scams and security threats, promote electronic banking security features and transaction alert capabilities, and continually train employees on cyber security. Monitoring cyber threats and staying abreast of developing technologies continues to be a high priority.

We redeveloped our website and expanded our electronic and social media marketing in 2022. Our team



County Deposit & Repurchase Accounts



has developed Customer Success Stories, an integrated social media and website campaign that spotlights our diverse customer base and Mortgage Mondays, a social media educational campaign that features our expansive mortgage product line. We have also added or upgraded digital signage at several locations. We will continue to deploy marketing budgets into electronic and web-based campaigns and communication.

While taking prudent precautions where necessary, the bank continues to move beyond the pandemic in its daily operations. We have emerged more resilient, technologically advanced, and more flexible in our approach to employee engagement and customer interaction. We are deploying technology to operate an effective hybrid work model as a component of our business continuity plan and to provide our employees flexibility, broaden the applicant pool for certain open positions, and assist in recruiting efforts. Our approach to employee engagement has resulted in approximately 88% employee retention rate, well above the 81% industry average.

Fiscal year 2023 is shaping up to be another year full of ongoing and new challenges. Bankers will be challenged by rapid increases in short term rates, an inverted yield

curve, inflationary pressures, recessionary fears, and a slowing residential mortgage market. Increased cyber security concerns, and tight labor supply are also concerns. Our team is up to the challenge. Our balance sheet is well positioned for an increasing rate environment; our loan production is balanced across products, regions, and industries; our asset quality is strong, and our borrowers are resilient; our sales team continues to develop new relationships; our management team is experienced; and our culture is vibrant.

Management expects Consumers National Bank to reach the \$1.0 billion asset benchmark in fiscal 2023. While surpassing this threshold puts the bank in a new peer group and brings additional audit requirements, it is a

sign of strength and an indicator of our economic relevance and impact. I want to congratulate our present and past bankers who dedicated themselves to building a strong and respected organization. Our current success and bright prospects would not be possible without their efforts, perseverance, and commitment to community banking.

We reach this threshold with an increased drive to deepen the impact Consumers National Bank has in our communities. Our plans to increase the company's franchise value are designed around seven strategic pillars:

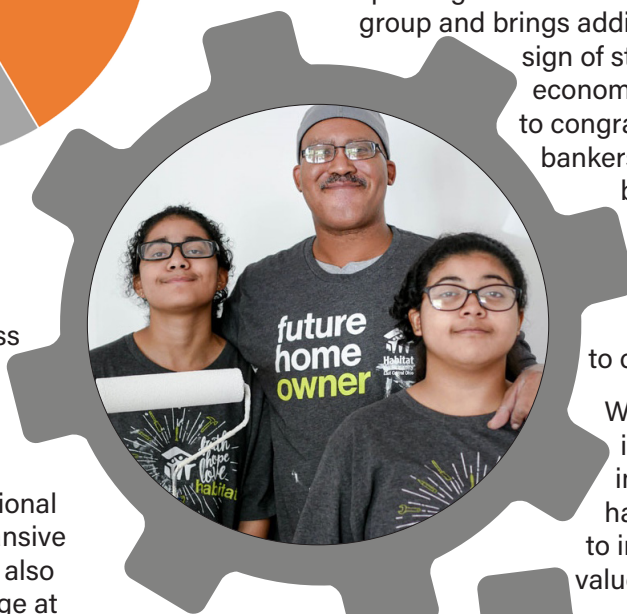
Employees:

We understand that employee development, engagement, recruitment, retention, and effective succession planning will be critical to move the bank forward.

Customer:

We intend to continually improve customer access to financial tools and solutions, enhance the customer experience in each

delivery channel, match industry developments of new technology and account features, and strengthen and



"At Habitat for Humanity East Central Ohio, we know we have a real relationship with Consumers National Bank. They're local people who know us, believe in us and always go above and beyond to help us meet our goals and thrive as an organization. They help our organization remain strong and stable so that we can build strength and stability throughout our community."



promote data security options.

Business Development: We intend to win an increasingly larger share of the market by increasing in-market and electronic business development efforts in our business banking, mortgage services, consumer lending and cash management units.

Technology: We will implement technologies to improve internal processes, create efficiencies, strengthen infrastructure, and protect against cyber threats.

Capacity: We will continue to deploy targeted staffing additions, specialization, and technology to ensure that back-office servicing and support capabilities keep pace with business development efforts.

Market Development: We intend to further develop the bank's presence in Carroll, Columbiana, Jefferson, Stark, Summit, and Wayne counties and we will pursue prudent expansion of our market area.

Culture: Cultivated over 57 years, Consumers' unique culture has a positive impact on employees and customers. There is a direct link to it and the bank's success. By diligently adhering to our mission (to make a difference in our communities), our vision (to be THE community bank in each of our markets through engagement, growth, and performance), and our values (respect, integrity, trust, and excellence), we intend to preserve and enrich it.

Your interest in community banking's unique business model will be critical to our success in these initiatives. Your support allows Consumers National Bank to leverage your capital to generate local deposits for investments in local families, businesses, farms, nonprofit organizations, and public entities. With your support, we can increase our impact on each community and continue our growth trajectory. Thank you for your investment, your business, and your referrals.








After a two-year hiatus, I am pleased to invite you to an in-person shareholder meeting on October 27, 2022. The meeting will be held at noon at the Hartville Kitchen. We will follow CDC and local safety guidelines in effect and will work with the venue to socially distance lunch guests. I hope to see you in Hartville.

Sincerely,

Ralph J. Lober II



Consumers National Bank Management Team

-  **Ralph Lober, II, President & CEO**
Lober joined Consumers in 2007 as EVP and COO becoming President and CEO in 2008. He holds an MBA, a CPA and is a graduate of the Graduate School of Banking (GSB) Madison. Lober resides in Jackson Township, Stark County.
-  **Scott Dodds, EVP, Senior Loan Officer**
Dodds joined Consumers in 2013. He has over 34 years of experience in retail banking, commercial lending and mortgage services and is a graduate of Stonier GSB. Dodds resides in Akron, Summit County.
-  **Renee Wood, EVP, Chief Financial Officer**
Wood joined Consumers in 2005. She has over 26 years of senior management experience primarily in finance and accounting at community banks. Wood is a graduate of GSB-Madison and resides in Canton, Stark County.
-  **Kim Chuckalovchak, SVP, Chief Information Officer**
Chuckalovchak joined Consumers in 2005 and became IT Manager in 2010 and SVP, CIO in 2020. She leads the IT team in the development and maintenance of the bank's IT infrastructure. She resides in Minerva, Stark County.
-  **Hillary Hudak, SVP, Chief People Officer**
Hudak joined Consumers in 2015. She has over 20 years of experience in human resources and benefits. She has developed the bank's corporate training, mentorship and leadership programs. Hudak resides in Stow, Summit County.
-  **Suzanne Mikes, SVP, Chief Credit Officer**
Mikes joined Consumers in 2017. She has over 19 years of credit experience, holds an MBA and is a graduate of GSB-Madison. She leads credit, loan processing, servicing and collections. Mikes resides in Green, Summit County.
-  **Derek Williams, SVP, Retail Sales & Operations**
Williams joined Consumers in 2011. He has more than 40 years of community banking experience in retail banking management. He is a graduate of the BAI School of Retail Banking. Williams resides in Louisville, Stark County.



Chairman's Letter

Average total checking account balances increased \$77.4 million, or 24.5% in fiscal 2022, a result of both branch acquisitions and strong organic growth in existing markets.

Dear Shareholders,

The gears of progress are moving forward as Consumers continues to make a difference in the communities we serve. I am pleased to share our 2022 results of record growth and profitability. The Board of Directors, Management and Associates are made up of movers and shakers, and I am proud of the Consumers Team. One indicator of this is that established strategies and goals are executed in a timely and efficient manner. Another is that opportunities for growth and increased profitability are seized. As a result, in 2022, shareholder income was \$3.68 per share or a 23.8% increase year over year with an annual dividend payout of \$0.64 (64 cents) per share, which is a \$0.05 increase over 2021. Our solid performance allows us to focus on our customers, and to meet the financial needs of families, businesses and communities.

Just as shareholders provide capital to keep the financial gears running smoothly at Consumers, the bank provides the funding to keep the financial gears of individuals, businesses and organizations running smoothly. Our lenders are available to offer personalized service and have the experience and skills to provide customized products to meet each client's unique set of circumstances. Net interest income, which increased by 23.2% over fiscal year 2021, was the main driver of the increase in total income in fiscal year 2022. The bank successfully grew the 2022 personal loan portfolio and realized a 52.8% increase over fiscal year end 2021. Our mortgage operation offers a variety of products that can suit the needs of many individuals. In 2022, home equity lines of credit and real estate loans grew by 36.2% and 13.2% respectively over fiscal year 2021. Our focus on small business, manufacturing and agriculture has not wavered in 2022, as our outreach continues and expanded with growth of 65.2% in commercial lines of credit and 14.5% in commercial loans over the previous fiscal year.

Consumers' story is not unique in the world of banking, but what sets us apart is our commitment to the communities we serve. As an independent community bank, we are giving directly to local initiatives at your schools and local organizations that make improvements in your home towns. Our employees and board members can be found volunteering and serving in your communities. They are on hospital and college boards, serving as officers of chambers, foundations, churches and other local nonprofits. We believe in giving back and want to keep the gears of growth and progress in your local community greased and turning.

As Consumers approaches the billion-dollar mark in assets, we are focused on meeting regulatory and structural requirements to support a larger organization, while retaining our community bank feel. You can be confident that Consumers will stay true to our roots as we grow and expand our operation. The board and management team are dedicated to community banking and our founding principles to make a difference in our local communities.

Thank you for being a part of our success through your investment, business and referrals. Consumers is committed to being your solution, to keep your financial gears running and driving the gears of economic development in your communities. We invite you to join us at the Annual Shareholders Meeting at Hartville Kitchen on October 27th. I look forward to seeing many of you there in person.

Sincerely,

Laurie McClellan



Consumers Bancorp, Inc. Board of Directors

Laurie McClellan, Chairman of the Board

McClellan has served as a Director of Consumers Bancorp, Inc. and Consumers National Bank since 1987 and as Chairman of the Boards since 1998. She has 34 years of experience in community banking with an extensive knowledge of the Company's history and operations. McClellan resides in Minerva, Stark County.

John Furey, Vice Chairman of the Board

Furey has served as a Director of Consumers Bancorp, Inc. and Consumers National Bank since 1995 and was appointed Vice Chairman of the Board in 2015. He retired as the Corporate President of Furey's Wheel World, Inc., an automotive retail sales business, located in Malvern in 2018. Furey resides in Malvern, Carroll County.

Bradley Goris, Director

Goris has served as a Director of Consumers Bancorp, Inc. and Consumers National Bank since 2011. He is the managing member of Goris Properties, LLC, a family real estate development firm in Alliance. He is a retired agent of the Goris-Meadows Insurance Agency and past Vice-President of the A.A. Hammersmith Insurance Agency in Massillon. Goris resides in Alliance, Stark County.

Richard Kiko Jr., Director

Kiko has served as a Director of Consumers Bancorp, Inc. and Consumers National Bank since 2015. He is currently President and a director on the Board of Coletta Holdings Inc., which includes the holdings, Russ Kiko Associates Inc., Richard T. Kiko Agency, Inc. and Kiko Auctioneers & Realtors, Canton, Ohio. Kiko resides in Wadsworth, Medina County.

Shawna L'Italien, Director

L'Italien has served as a Director of Consumers Bancorp, Inc. and Consumers National Bank since March of 2021. She is a partner in the Salem office of Harrington, Hoppe, and Mitchell, Ltd and serves on the firm's Management Committee focusing on business organization, commercial and real estate transactions, and estate planning. L'Italien resides in Salem, Columbiana County.

Ralph Lober II, Director

Lober has served as a Director of Consumers Bancorp, Inc. and Consumers National Bank since 2008. He is the President and Chief Executive Officer of Consumers National Bank, first joining the Company in 2007 as Executive Vice President and Chief Operating Officer. He is a certified public accountant licensed in Ohio and Pennsylvania. Lober resides in Jackson Township, Stark County.

Frank Paden, Director

Paden has served as a Director of Consumers Bancorp, Inc. and Consumers National Bank since July 2013. He served as President and Chief Executive Officer at Farmers National Bank of Canfield from 1996 until he was appointed Executive Chairman of the Board in 2010 and served in that position until 2011 at which time he retired. Paden lives in Youngstown, Mahoning County.

John Parkinson, Director

Parkinson has served as a Director of Consumers Bancorp, Inc. and Consumers National Bank since 2020. He currently is President, Chief Compliance Officer of Appalachian Capital Management Ltd., a firm he founded in 1990, which provides money management for individuals, trusts, non-profits and corporations. Parkinson lives in Wintersville, Jefferson County.

Harry Schmuck Jr., Director

Schmuck has served as a Director of Consumers Bancorp, Inc. and Consumers National Bank since November of 2005. He is the Operations Manager of Schmuck Partnership, an agricultural business, working in the business since 1970, and a Farm Sales Associate of Russ Kiko & Associates, Inc. Schmuck lives in Louisville, Stark County.

Michael Wheeler, Director

Wheeler has served as a Director of Consumers Bancorp, Inc. and Consumers National Bank since 2021. He is President and Chief Legal Officer of Patriot Software, a Canton, Ohio based payroll and accounting software firm. At Patriot Software for 15 years, Mr. Wheeler handles most business, legal, and financial aspects of the company. Wheeler lives in Jackson Township, Stark County.

General Information

Independent Registered Public Accounting Firm

Plante & Moran, PLLC
2601 Cambridge Court, Ste. 500
Auburn Hills, Michigan 48236

Legal Counsel

Squire Patton Boggs (US) LLP
4900 Key Tower
100 Public Square
Cleveland, Ohio 44114
(216) 479-8500

Stock Transfer Agent and Registrar

Computershare Shareholder Services
PO Box 505005
Louisville, KY 40233-5005
(800) 522-6645

Market Makers

D.A. Davidson & Co.
Thomas L. Dooley
Nick Bicking
Powell: (614) 710-7061
(800) 394-9230

Raymond James Financial, Inc.
The Wealth Advisory Group of DiLauro
Wracher & Thomas
Akron: (330) 564-1700
Boardman: (330) 965-0980

Common Stock Listing

Consumers Bancorp, Inc. common stock trades on the OTCQX Bulletin Board under the symbol CBKM. The CUSIP is 210509105. As of June 30, 2022, there were 3,056,674 shares outstanding with 735 shareholders of record and an estimated 756 additional beneficial holders whose stock was held in nominee name.

Dividend Reinvestment and Stock Purchase Plan

Existing holders of common stock may elect to have all or a portion of cash dividends automatically invested in additional shares of common stock without payment of any brokerage or service charge. Additionally, shareholders may elect to purchase shares of common stock with optional cash payments of \$100 to \$5,000 per quarter without payment of any brokerage commission or service charge. Shareholders should contact

Computershare to execute these convenient options at www-us.computershare.com or (800) 368-5948 or a participating broker.

Dividend Payments

Subject to the approval of the Board of Directors, quarterly cash dividends are typically paid on or about the 15th day of September, December, March, and June.

Direct Deposit of Cash Dividends

Shareholders may elect to have their cash dividends deposited directly into their savings or checking account. Shareholders should contact Computershare Shareholder Services at www-us.computershare.com or (800) 368-5948 or a participating broker.

Shareholder Relations

shareholderrelations@consumers.bank

Website

www.consumersbancorp.com

Annual Meeting

The 2022 annual meeting of shareholders will be held at 12:00 p.m. on Thursday, October 27, 2022, at Hartville Kitchen, 1015 Edison Street NW, Hartville, Ohio 44632.

Annual Report on Form 10-K

A copy of the Company's Annual Report on Form 10-K for the fiscal year ended June 30, 2022, as filed with the Securities and Exchange Commission, will be furnished without charge to shareholders upon written request to Renee Wood, Corporate Secretary, at 614 East Lincoln Way, P.O. Box 256, Minerva, Ohio 44657. An electronic version is also available on our website at www.consumersbancorp.com.

Directors Emeriti

James V. Hanna
James R. Kiko, Sr
Thomas M. Kishman
John E. Tonti

CONSUMERS

Bancorp Inc.

Adena

9 E. Main St

Hartville

1215 W. Maple St.

Alliance

610 W. State St.

Jackson-Belden

4026 Dressler Rd. NW

Bergholz

256 Second St.

Lisbon

7985 Dickey Dr.

Brewster

210 Wabash Ave. S.

Louisville

1111 N. Chapel St.

Calcutta

49028 Foulks Dr.

Malvern

4070 Alliance Rd. NW

Carrollton

1017 Canton Rd. NW

Minerva

614 E. Lincoln Way

Dillonvale

44 Smithfield St.

Mount Pleasant

298 Union St.

East Canton

440 W. Noble St.

Salem

141 S. Ellsworth Ave.

Fairlawn

3680 Embassy Pkwy

Waynesburg

8607 Waynesburg Dr. SE

Green

4086 Massillon Rd.

Wellsville

565 Main St.

Hanoverton

30034 Canal St.

Wooster

146 East Liberty St. Ste. 220

www.Consumers.Bank