The Commercial & Savings Bank

Date: January 26, 2016

91 North Clay Streets, P.O. Box 232
Millersburg, OH 44654

Contact Person: Alyssa Waller
330-674-6418 / alyssa.waller@csb1.com

CSB BANCORP, INC. REPORTS FOURTH QUARTER EARNINGS

Fourth Quarter Highlights

	Quarter Ended December 31, 2015	Quarter Ended December 31, 2014
Diluted earnings per share	$0.59	$0.53
Net Income	$1,607,000	$1,439,000
Return on average common equity	10.41%	9.99%
Return on average assets	0.98%	0.92%

Millersburg, Ohio – January 26, 2016 – CSB Bancorp, Inc. (CSBB) today announced fourth quarter 2015 net income of $1,607,000 or $.59 per basic and diluted share, as compared to $1,439,000 or $.53 per basic and diluted share for the same period in 2014. For the twelve month period ended December 31, 2015 net income totaled $6,022,000, compared to $5,884,000 for the same period last year.

Annualized returns on average common equity ("ROE") and average assets ("ROA") for the quarter were 10.41% and 0.98%, respectively, compared with 9.99% and 0.92% for the fourth quarter of 2014.
For the full year of 2015, the Company reported net income of $6.0 million or $2.20 per basic and diluted share, as compared to $5.9 million or $2.15 per basic and diluted share in 2014. Full year ROE and ROA were 10.07% and 0.95% respectively, compared to 10.60% and 0.97% in 2014.

Eddie Steiner, President and CEO stated, "Total revenue has now increased for twenty consecutive quarters when compared to the same period in the prior year. Loan demand in our core business sectors and geographic markets appears to be increasing as we head into 2016."

Revenue, on a fully-taxable equivalent basis, totaled $6.3 million during the quarter, a 3% increase from the prior-year fourth quarter. Net interest income improved by $202 thousand as compared to fourth quarter 2014, while other income increased $10 thousand. Full year revenue of $25.2 million reflects a $720 thousand, or a 3%, increase as compared to full year 2014.

Non-interest expense amounted to $3.9 million during the quarter, an increase of $143 thousand or 4% from fourth quarter 2014. The Company's fourth quarter efficiency ratio amounted to 61.6% as compared to 61.3% for the same quarter in the prior year. Salary and employee benefits rose $155 thousand, or 8%, on a quarter over prior year quarter with increases in base salary, medical coverage and employment taxes. For the full year ended December 31, 2015, non-interest expense increased $714 thousand or 5% versus 2014, with the majority of the change attributable to increases in salary and benefit expense.

Net interest margin for the quarter amounted to 3.39% compared to 3.43% from the linked September quarter and 3.43% for the prior year's fourth quarter. The margin decrease year over year resulted from a 7 basis point decrease in average yield on earning assets partially offset with a 3 basis point decrease in average interest costs on all liabilities. The sustained low interest rate environment with resultant periodic rate decreases on certain long-term loans with scheduled rate repricing, along with deposit growth outpacing loan growth in the past year, have contributed to the lower margin trend.

Net interest margin amounted to 3.48% for the full year in 2015 as compared to 3.56% for the prior full year. The margin decrease on a year over year basis was largely attributable to an increase in low yielding overnight funds through the end of the fourth quarter in 2015 as growth in average loan and securities balances during the year was outpaced by growth in average deposit balances. The lower yields on earning assets were partially offset by a 4 basis point decline in liability costs.

Federal income tax provision totaled $707 thousand in fourth quarter 2015, compared to $637 thousand for the same quarter in 2014 reflecting a stable effective tax rate of 31% for the comparable quarters.
Average total assets during the quarter amounted to $653 million, an increase of $31 million or 5% above the same quarter of the prior year. Average loan balances of $409 million declined $589 thousand, or less than 1%, from the prior year fourth quarter while average securities balances of $163 million increased $18 million or 13% as compared to fourth quarter 2014.

Average commercial loan balances for the quarter, including commercial real estate, decreased $3 million or 1% from prior year levels. Average residential mortgage balances decreased $1 million or 1% over the prior year's quarter. Average home equity balances increased $1 million or 3% and average consumer credit balances increased $2 million or 21% versus the same quarter of the prior year.

The Company did not fund a loan loss provision during the fourth quarter 2015 due to declines in delinquent loans and nonperforming assets. Delinquent loan balances as of December 31, 2015 amounted to 0.65% of total loans as compared to 1.30% at December 31, 2014. Nonperforming assets totaled $1.7 million or 0.40% of total loans plus other real estate, a decrease from $3.9 million or 0.96% of total loans plus other real estate at December 31, 2014. The allowance for loan losses amounted to 1.10% of total loans on December 31, 2015.

Net loan recoveries during fourth quarter 2015 were $30 thousand (0.03% annualized) compared to fourth quarter 2014 net loan charge-offs of $1 million. Net charge-offs for full year 2015 amounted to $108 thousand or 0.03% of average loans.

Average deposit balances for fourth quarter 2015 totaled $524 million, an increase of $27 million, or 6%, from the prior year's fourth quarter. Within the deposit category, average noninterest-bearing account balances for the fourth quarter increased by $19 million, or 14% above the same period in the prior year. Average interest-bearing checking, money market and traditional savings balances increased $14 million or 6% from year ago levels, while average time deposit balances decreased $6 million or 5% from fourth quarter 2014. In addition to the changes in average deposit balances, the average balance of securities sold under repurchase agreement during the fourth quarter of 2015 increased by $2 million or 4% above the average for the same period in the prior year. The repurchase agreements, while considered short-term borrowings, are primarily tied to overnight customer sweep accounts.

Shareholders' equity totaled $61.3 million on December 31, 2015 with 2.7 million common shares outstanding. The tangible equity to assets ratio amounted to 8.7% on December 31, 2015, as compared to 8.5% on December 31, 2014. The Company declared a common dividend of $.19 per share during the quarter. Based on the December 31, 2015 closing stock price of $24.50 per share, the Company's annual dividend yield approximates 3.1%.

About CSB Bancorp, Inc.

CSB is a financial holding company headquartered in Millersburg, Ohio, with approximate assets of $650 million as of December 31, 2015. CSB provides a complete range of banking and other financial services to consumers and businesses through its wholly owned subsidiary, The Commercial and Savings Bank, with sixteen banking centers in Holmes, Wayne, Tuscarawas and Stark counties and Trust offices located in Millersburg and Wooster, Ohio.

Forward-Looking Statement

This release contains forward-looking statements relating to present or future trends or factors affecting the banking industry, and specifically the financial condition and results of operations, including without limitation, statements relating to the earnings outlook of the Company, as well as its operations, markets and products. Actual results could differ materially from those indicated. Among the important factors that could cause results to differ materially are interest rate changes, softening in the economy, which could materially impact credit quality trends and the ability to generate loans, changes in the mix of the Company's business, competitive pressures, changes in accounting, tax or regulatory practices or requirements and those risk factors detailed in the Company's periodic reports and registration statements filed with the Securities and Exchange Commission. The Company undertakes no obligation to release revisions to these forward-looking statements or reflect events or circumstances after the date of this release.

Contact Information:
Paula J. Meiler, SVP & CFO
330-763-2873
paula.meiler@csb1.com