The Commercial & Savings Bank

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CSB BANCORP, INC. REPORTS FIRST QUARTER EARNINGS

First Quarter Highlights

	Quarter Ended March 31, 2016	Quarter Ended March 31, 2015
Diluted earnings per share	$0.54	$0.49
Net Income	$1,480,000	$1,342,000
Return on average common equity	9.48%	9.33%
Return on average assets	0.93%	0.87%

Millersburg, Ohio – April 19, 2016 – CSB Bancorp, Inc. (CSBB) today announced first quarter 2016 net income of $1,480,000 or $.54 per basic and diluted share, as compared to $1,342,000 or $.49 per basic and diluted share for the same period in 2015.

Annualized returns on average common equity (“ROE”) and average assets (“ROA”) for the quarter were 9.48% and 0.93%, respectively, compared with 9.33% and 0.87% for the first quarter of 2015.

Eddie Steiner, President and CEO stated, “Economic conditions within our market are relatively stable and increased loan demand has been developing in both consumer and business sectors.”

Revenue, on a fully-taxable equivalent basis, totaled $6.4 million during the quarter, a 4% increase from the prior-year first quarter. Net interest income increased $271 thousand in the first quarter of 2016 compared to the same period in 2015, driven primarily by growth in average loans outstanding of $13 million and a lower cost of funds. As a result, the net interest margin improved by .05% to 3.57% during the first three months of 2016 from 3.52% a year earlier. The historically low interest rate environment and flattening of the yield curve following the Federal Reserve’s December rate hike continue to limit margin expansion.

Noninterest revenue declined by $62 thousand, or 6%, in the first quarter of 2016 compared to 2015. The decline reflects reductions in gains on the sale of securities and mortgage loans and a loss on fixed asset retirement. These reductions were partially offset by increases in interchange fees and trust income.

Noninterest expense amounted to $4 million during the quarter, an increase of $41 thousand or 1% from first quarter 2015. The Company's first quarter efficiency ratio amounted to 62.2% as compared to 64.1% for the same quarter in the prior year. Salary and employee benefits rose $177 thousand, or 8%, on a quarter over prior year quarter with increases in base salary, medical coverage and employment taxes.

Federal income tax provision totaled $644 thousand in first quarter 2016, compared to $584 thousand for the same quarter in 2015 reflecting a stable effective tax rate of 30% for the comparable quarters.

Average total assets during the quarter amounted to $641 million, an increase of $18 million or 3% above the same quarter of the prior year. Average loan balances of $428 million increased $13 million, or 3%, from the prior year first quarter while average securities balances of $161 million increased $14 million or 10% as compared to first quarter 2015.

Average commercial loan balances for the quarter, including commercial real estate, increased $6 million, or 2%, from prior year levels. Average residential mortgage balances increased $3 million, or 3%, over the prior year's quarter. Average home equity balances increased $2 million, or 5%, and average consumer credit balances increased $2 million, or 25%, versus the same quarter of the prior year.

Delinquent loan balances as of March 31, 2016 amounted to 0.61% of total loans as compared to 1.08% at March 31, 2015. Nonperforming assets totaled $1.9 million, or 0.44%, of total loans plus other real estate, a decrease from $3.7 million, or 0.88%, of total loans plus other real estate at March 31, 2015. The allowance for loan losses amounted to 1.15% of total loans on March 31, 2016.

Net loan recoveries during first quarter 2016 were $179 thousand (0.17% annualized) compared to first quarter 2015 net loan charge-offs of $81 thousand.

Average deposit balances for first quarter 2016 totaled $512 million, an increase of $15 million, or 3%, from the prior year's first quarter. Within the deposit category, average noninterest-bearing account balances for the first quarter increased by $8 million, or 6%, above the same period in the prior year. Average interest-bearing checking, money market and traditional savings balances increased $15 million, or 7%, from year ago levels, while average time deposit balances decreased $8 million, or 7%, from first quarter 2015. In addition to the changes in average deposit balances, the average balance of securities sold under repurchase agreement during the first quarter of 2016 increased by $685 thousand, or 1%, above the average for the same period in the prior year. Repurchase agreements, while considered short-term borrowings, are primarily tied to overnight customer sweep accounts.

Shareholders' equity totaled $62.8 million on March 31, 2016 with 2.7 million common shares outstanding. The tangible equity to assets ratio amounted to 9.1% on March 31, 2016, as compared to 8.6% on March 31, 2015. The Company declared a first quarter dividend of $0.19 per share producing a yield of 3.1% based on the March 31, 2016 closing price of $24.25.

About CSB Bancorp, Inc.

CSB is a financial holding company headquartered in Millersburg, Ohio, with approximate assets of $637 million as of March 31, 2016. 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, North Canton 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.

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