

Citizens Bancorp of Virginia, Inc.

PRESS RELEASE - FOR IMMEDIATE DISTRIBUTION

Dated: July 12, 2024

Strong Second Quarter 2024 Earnings Reported by Citizens Bancorp of Virginia, Inc.

Blackstone, Virginia Citizens Bancorp of Virginia, Inc. (the "Company") (OTCBB: CZBT), the parent company of Citizens Bank and Trust Company (the "Bank"), reported a \$106 thousand decrease in earnings for the second quarter of 2024 compared to the same period in 2023. The Company reported earnings of \$2.159 million, or \$1.02 per share, for the quarter ended June 30, 2024, compared to \$2.265 million, or \$1.07 per share, for the same period in 2023. The Company's return on assets for the second quarter of 2024 was 1.55%, versus 1.62% reported for the same period in 2023. The Company reported earnings of \$4.319 million or \$2.04 per share, for the first six months of 2024, compared to \$4.553 million, or \$2.14 per share for the first six months of 2023.

Earnings Highlights

The Company reported a decrease of \$27 thousand, or 0.5%, in net interest income for the second quarter of 2024 compared to the same quarter in 2023. Interest income increased by \$499 thousand but was offset by a \$526 thousand increase in interest expense. Noninterest income increased by \$55 thousand from \$638 thousand in 2023 primarily from the increase in interchange income. Noninterest expense increased \$119 thousand to \$3.079 million in the second quarter of 2024 from \$2.960 million in 2023. The Company's net interest margin for the second quarter of 2024 was 3.81% unchanged from the second quarter of 2023.

Balance Sheet

At June 30, 2024 total Company assets were \$556.5 million, an increase of \$2.2 million from December 31, 2023. Gross loans ended the period at \$264.5 million, an increase of \$12.3 million from December 31, 2023. Total deposits decreased by \$934 thousand to \$483.1 million from \$484.0 million at year end 2023. Interest-bearing deposits increased from \$370.6 million to \$372.6 million and noninterest-bearing deposits decreased from \$113.4 million to \$110.5 million, respectively. Total stockholders' equity increased from \$59.7 million on December 31, 2023 to \$61.7 million on June 30, 2024.

Capital Strength

The Company's Community Bank Leverage Ratio was approximately 13.64%. This ratio significantly exceeds the current regulatory standards for well-capitalized status.

Credit Quality

The Bank's loan portfolio continues to perform well and remains stable. At June 30, 2024 Other Real Estate Owned (OREO) totaled \$633 thousand, unchanged from December 31, 2023. Nonaccruing loans as a percentage of loans at June 30, 2024 remained relatively flat at .04%.

The Company's President and CEO C. Taylor Quicke commented, "Management is pleased with the Bank's strong earnings for the first half of 2024. Our Bank continues to experience strong loan growth comprised of good quality credits. During 2024 loans have increased by \$12.3 million, or 4.8%. The Bank's income has been impacted due to margin compression, which is currently being felt by all institutions. Based on the current rate environment,

many depositors are moving funds from low cost deposits back into time deposits to obtain higher yield. Our team is very pleased with the management of the Bank's cost of funds and liquidity position."

About Citizens Bancorp of Virginia, Inc. and Citizens Bank and Trust Company

Citizens Bank and Trust Company was founded in 1873 and is the second oldest independent bank in Virginia. The Bank has twelve locations in the Counties of Amelia, Chesterfield, Nottoway, Mecklenburg, Powhatan and Prince Edward and in the City of Colonial Heights, Virginia. The Bank also operates a loan production office in Goochland, Virginia. Citizens Bancorp of Virginia, Inc. is the parent company of the Bank and is headquartered in Blackstone, Virginia. The Company's stock trades on the OTC Bulletin Board under the symbol "CZBT". Additional information on the Company and the Bank is also available at its website: www.cbtva.com.

Cautionary Statement about Forward-Looking Statements

We caution you that certain statements in this release may constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Although we believe that our expectations with respect to these forward-looking statements are based upon reasonable assumptions within the bounds of our business operations, there can be no assurance that the actual results, performance or achievements of the Company will not differ materially from any future results, performance or achievements expressed or implied by such forward-looking statements. For more details on factors that could affect expectations, see the Company's Annual Report for the year ended December 31, 2023.

CITIZENS BANCORP OF VIRGINIA, INC. AND SUBSIDIARY
Consolidated Balance Sheets
(Dollars in thousands, except share data)

Assets	(Unaudited) June 30, 2024	December 31, 2023
Cash and due from banks	\$ 6,939	\$ 7,433
Interest-bearing deposits in banks	267	232
Federal funds sold	24,935	39,671
Securities available for sale, at fair market value	230,617	226,138
Restricted securities, at cost	544	558
Loans, net of allowance for credit losses of \$3,049 in 2024 and \$2,969 in 2023	261,451	249,279
Premises and equipment, net	7,699	7,751
Accrued interest receivable	2,433	2,241
Other assets	5,029	4,671
Bank-owned life insurance	15,975	15,734
Other real estate owned	633	633
Total assets	\$ 556,522	\$ 554,341
Liabilities and Stockholders' Equity		
Liabilities		
Deposits:		
Noninterest-bearing	\$ 110,455	\$ 113,421
Interest-bearing	372,644	370,612
Total deposits	483,099	484,033
Other borrowings	6,391	5,632
Accrued interest payable	1,074	1,236
Accrued expenses and other liabilities	4,297	3,745
Total liabilities	494,861	494,646
Stockholders' Equity		
Preferred stock, \$0.50 par value; authorized 1,000,000 shares; none outstanding	-	-
Common stock, \$0.50 par value; authorized 10,000,000 shares; issued and outstanding, 2,115,285 for 2024 and 2,123,863 for 2023	1,058	1,062
Additional paid-in capital	-	-
Retained earnings	75,393	72,438
Accumulated other comprehensive loss	(14,790)	(13,805)
Total stockholders' equity	61,661	59,695
Total liabilities and stockholders' equity	\$ 556,522	\$ 554,341

CITIZENS BANCORP OF VIRGINIA, INC. AND SUBSIDIARY
Consolidated Statements of Income
(Dollars in thousands, except per share data)

	Three Months Ended June 30, (Unaudited)		Six Months Ended June 30, (Unaudited)	
	2024	2023	2024	2023
Interest and Dividend Income				
Loans, including fees	\$ 4,136	\$ 3,444	\$ 8,102	\$ 6,688
Investment securities:				
Taxable	1,590	1,516	3,097	3,054
Tax-exempt	66	68	130	137
Federal funds sold	406	673	875	1,361
Other	11	9	22	18
Total interest and dividend income	6,209	5,710	12,226	11,258
Interest Expense				
Deposits	1,072	562	2,050	970
Borrowings	17	1	24	3
Total interest expense	1,089	563	2,074	973
Net interest income	5,120	5,147	10,152	10,285
Provision for credit losses	50	7	75	22
Net interest income after provision for loan losses	5,070	5,140	10,077	10,263
Noninterest Income				
Service charges on deposit accounts	177	149	348	313
Net loss on disposition of land, premises and equipment	-	-	-	(11)
Net loss on calls of securities	-	-	(11)	-
Net gain on sales of loans	5	7	8	19
Income from bank-owned life insurance	125	117	240	233
Interchange income, net	279	249	496	501
Other	107	116	197	213
Total noninterest income	693	638	1,278	1,268
Noninterest Expense				
Salaries and employee benefits	1,826	1,847	3,617	3,672
Net occupancy expense	254	171	434	352
Equipment expense	114	128	231	253
FDIC deposit insurance	62	65	124	130
Net gain on sale of other real estate owned	-	(12)	-	(72)
OREO expenses, net of rental income	8	7	15	17
Other	815	754	1,563	1,513
Total noninterest expense	3,079	2,960	5,984	5,865
Income before income taxes	2,684	2,818	5,371	5,666
Income taxes	525	553	1,052	1,113
Net income	\$ 2,159	\$ 2,265	\$ 4,319	\$ 4,553
Earnings per share, basic & diluted	\$ 1.02	\$ 1.07	\$ 2.04	\$ 2.14

CITIZENS BANCORP OF VIRGINIA, INC. AND SUBSIDIARY
Consolidated Regulatory Capital Ratios
And Performance Ratios

(Dollars in thousands, except per share data)

	Three Months Ended				
	June 30, 2024	March 31, 2024	December 31, 2023	September 30, 2023	June 30, 2023
Per Share Data:					
Earnings per weighted average share	\$1.02	\$1.02	\$0.72	\$1.14	\$1.07
Weighted average shares outstanding	2,119,276	2,123,474	2,123,863	2,123,863	2,124,234
Actual shares outstanding	2,115,285	2,122,833	2,123,863	2,123,863	2,123,863
Book value per share at period end	\$ 29.15	\$ 28.34	\$ 28.11	\$ 24.33	\$ 25.12
Dividend per share	\$ 0.27	\$ 0.27	\$ 0.27	\$ 0.27	\$ 0.27
Performance Ratios:					
Return on average assets	1.55%	1.56%	1.11%	1.74%	1.62%
Net interest margin, (FTE) ¹	3.81%	3.78%	3.75%	3.78%	3.81%
Efficiency ratio ²	52.82%	51.57%	63.62%	51.10%	51.01%
Capital and Other Ratios:					
(Ratios are period end, unless stated otherwise)					
Tier 1 leverage ratio	13.64%	13.46%	13.45%	13.08%	12.50%
Allowance for loan losses to total loans	1.16%	1.17%	1.18%	1.16%	1.16%
Nonaccruing loans to total loans	0.04%	0.02%	0.01%	0.01%	0.02%
Net charge-offs (net recoveries) to average loans (annualized)	-0.01%	0.00%	0.02%	0.00%	0.01%

¹ The net interest margin is reported on a fully taxable equivalent basis.

² Computed by dividing noninterest expense by the sum of net interest income (on a fully taxable equivalent basis) and noninterest income.

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