

Citizens Bancorp of Virginia, Inc.

PRESS RELEASE - FOR IMMEDIATE DISTRIBUTION

Dated: October 17, 2024

Solid Third 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 \$182 thousand decrease in earnings for the third quarter of 2024 compared to the same period in 2023. The Company reported earnings of \$2.231 million, or \$1.06 per share, for the quarter ended September 30, 2024, compared to \$2.413 million, or \$1.14 per share, for the same period in 2023. The Company's return on assets for the third quarter of 2024 was 1.61%, versus 1.74% reported for the same period in 2023. The Company reported earnings of \$6.550 million or \$3.09 per share, for the first nine months of 2024, compared to \$6.966 million, or \$3.28 per share for the first nine months of 2023. As a result of its continued steady performance and solid earnings, the Company announced an increase in its quarterly dividend from \$0.27 to \$0.28 per share.

Earnings Highlights

The Company reported an increase of \$134 thousand, or 2.6%, in net interest income for the third quarter of 2024 compared to the same quarter in 2023. Interest income increased by \$480 thousand but was offset by a \$346 thousand increase in interest expense. Noninterest income decreased by \$313 thousand from \$981 thousand in 2023 primarily due to the proceeds in 2023 of a bank owned life insurance policy. Noninterest expense decreased \$68 thousand to \$3.028 million in the third quarter of 2024 from \$3.096 million in 2023. The Company's net interest margin for the third quarter of 2024 was 3.93%, versus 3.78% reported for the same period in 2023 as the bank benefits from a higher rate environment while remaining disciplined on cost of funds.

Balance Sheet

At September 30, 2024 total Company assets were \$545.6 million, a decrease of \$8.7 million from December 31, 2023. Gross loans ended the period at \$267.0 million, an increase of \$14.8 million from December 31, 2023.

During the third quarter the Company saw a decline in deposits primarily due to customers' utilization and reallocation of funds. Total deposits decreased by \$17.8 million to \$466.2 million from \$484.0 million at year end 2023. Interest-bearing deposits decreased from \$370.6 million to \$353.6 million and noninterest-bearing deposits decreased from \$113.4 million to \$112.6 million, respectively. Total stockholders' equity increased from \$59.7 million on December 31, 2023 to \$68.2 million on September 30, 2024.

Capital Strength

The Company's Community Bank Leverage Ratio was approximately 14.11%. 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 September 30, 2024 Other Real Estate Owned (OREO) had decreased to \$534 thousand, or by 15.6%, from December 31, 2023. Nonaccruing loans as a percentage of loans at September 30, 2024 remained flat at .02%.

The Company's President and CEO C. Taylor Quicke commented, "The Bank's strong performance year to date is largely attributable to the positioning of the balance sheet during the high rate environment. Management is pleased with the improvement of the net interest margin, and we feel the Bank is well positioned for the forecasted decrease in interest rates. Based on strong and consistent earnings the Board of Directors approved an increase in the quarterly dividend from \$0.27 to \$0.28 per share, or from \$1.08 to \$1.12 on an annual basis. The Bank's annualized dividend as a percent of the average market value for the third quarter is 4.17%."

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) September 30, 2024	December 31, 2023
	2024	2023
Cash and due from banks	\$ 6,563	\$ 7,433
Interest-bearing deposits in banks	278	232
Federal funds sold	5,320	39,671
Securities available for sale, at fair market value	238,753	226,138
Restricted securities, at cost	544	558
Loans, net of allowance for credit losses of \$3,143 in 2024 and \$2,969 in 2023	263,868	249,279
Premises and equipment, net	7,601	7,751
Accrued interest receivable	2,409	2,241
Other assets	3,642	4,671
Bank-owned life insurance	16,104	15,734
Other real estate owned	534	633
	\$ 545,616	\$ 554,341
Liabilities and Stockholders' Equity		
Liabilities		
Deposits:		
Noninterest-bearing	\$ 112,620	\$ 113,421
Interest-bearing	353,613	370,612
Total deposits	466,233	484,033
Other borrowings	5,073	5,632
Accrued interest payable	1,217	1,236
Accrued expenses and other liabilities	4,877	3,745
Total liabilities	477,400	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, 2,110,867 for 2024 and 2,123,863 for 2023	1,055	1,062
Additional paid-in capital	-	-
Retained earnings	76,919	72,438
Accumulated other comprehensive loss	(9,758)	(13,805)
Total stockholders' equity	68,216	59,695
Total liabilities and stockholders' equity	\$ 545,616	\$ 554,341

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

	Three Months Ended September 30, (Unaudited)		Nine Months Ended September 30, (Unaudited)	
	2024	2023	2024	2023
Interest and Dividend Income				
Loans, including fees	\$ 4,403	\$ 3,653	\$ 12,505	\$ 10,341
Investment securities:				
Taxable	1,627	1,498	4,724	4,552
Tax-exempt	64	67	194	204
Federal funds sold	185	584	1,060	1,945
Other	12	9	34	27
Total interest and dividend income	6,291	5,811	18,517	17,069
Interest Expense				
Deposits	1,083	750	3,133	1,720
Borrowings	14	1	38	4
Total interest expense	1,097	751	3,171	1,724
Net interest income	5,194	5,060	15,346	15,345
Provision for credit losses	60	23	135	45
Net interest income after provision for loan losses	5,134	5,037	15,211	15,300
Noninterest Income				
Service charges on deposit accounts	182	172	530	485
Net loss on disposition of land, premises and equipment	-	-	-	(11)
Net loss on calls of securities	-	-	(11)	-
Net gain on sales of loans	21	27	29	46
Income from bank-owned life insurance	129	436	369	669
Interchange income, net	231	224	727	725
Other	105	122	302	335
Total noninterest income	668	981	1,946	2,249
Noninterest Expense				
Salaries and employee benefits	1,912	1,925	5,529	5,597
Net occupancy expense	199	179	633	531
Equipment expense	114	125	345	378
FDIC deposit insurance	62	63	186	193
Net gain on sale of other real estate owned	(71)	(13)	(71)	(85)
OREO expenses, net of rental income	5	5	20	22
Other	807	812	2,370	2,325
Total noninterest expense	3,028	3,096	9,012	8,961
Income before income taxes	2,774	2,922	8,145	8,588
Income taxes	543	509	1,595	1,622
Net income	\$ 2,231	\$ 2,413	\$ 6,550	\$ 6,966
Earnings per share, basic & diluted	\$ 1.06	\$ 1.14	\$ 3.09	\$ 3.28

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

(Dollars in thousands, except per share data)

	Three Months Ended				
	September 30, 2024	June 30, 2024	March 31, 2024	December 31, 2023	September 30, 2023
Per Share Data:					
Earnings per weighted average share	\$1.06	\$1.02	\$1.02	\$0.72	\$1.14
Weighted average shares outstanding	2,112,423	2,119,276	2,123,474	2,123,863	2,123,863
Actual shares outstanding	2,110,867	2,115,285	2,122,833	2,123,863	2,123,863
Book value per share at period end	\$ 32.32	\$ 29.15	\$ 28.34	\$ 28.11	\$ 24.33
Dividend per share	\$ 0.28	\$ 0.27	\$ 0.27	\$ 0.27	\$ 0.27
Performance Ratios:					
Return on average assets	1.61%	1.55%	1.56%	1.11%	1.74%
Net interest margin, (FTE) ¹	3.93%	3.81%	3.78%	3.75%	3.78%
Efficiency ratio ²	51.51%	52.82%	51.57%	63.62%	51.10%
Capital and Other Ratios:					
(Ratios are period end, unless stated otherwise)					
Tier 1 leverage ratio	14.11%	13.64%	13.46%	13.45%	13.08%
Allowance for loan losses to total loans	1.18%	1.16%	1.17%	1.18%	1.16%
Nonaccruing loans to total loans	0.02%	0.04%	0.02%	0.01%	0.01%
Net charge-offs (net recoveries) to average loans (annualized)	-0.05%	-0.01%	0.00%	0.02%	0.00%

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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