

# Citizens Bancorp of Virginia, Inc.

## PRESS RELEASE - FOR IMMEDIATE DISTRIBUTION

**Dated: April 17, 2024**

### **Solid First 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 \$128 thousand decrease in earnings for the first quarter of 2024 compared to the same period in 2023. Earnings were \$2.160 million or \$1.02 per share, for the period ended March 31, 2024 compared to \$2.288 million, or \$1.08 per share, for the same period in 2023. The Company’s return on assets for the first quarter of 2024 was 1.56%, versus 1.65% reported for the same period in 2023.

#### **Earnings Highlights**

The Company reported a decrease of \$106 thousand, or 2.1%, in net interest income for the first quarter of 2024 compared to the same quarter in 2023. Interest income increased by \$469 thousand but was offset by a \$575 thousand increase in interest expense. Noninterest income decreased by \$45 thousand from \$630 thousand in 2023 primarily from the decline in interchange income and gains on sale of secondary market loans. Noninterest expense remained flat when compared to the same period in 2023. The Company’s net interest margin for the first quarter of 2024 was 3.78% versus 3.83% in the first quarter of 2023.

#### **Balance Sheet**

At March 31, 2024 total Company assets were \$562.0 million, an increase of \$7.7 million from December 31, 2023. Gross loans ended the period at \$259.9 million, an increase of \$7.7 million from December 31, 2023. Total deposits increased by \$4.1 million to \$488.1 million from \$484.0 million at year end 2023. Interest-bearing deposits increased from \$370.6 million to \$377.1 million and noninterest-bearing deposits decreased from \$113.4 million to \$111.0 million, respectively. Total stockholders’ equity increased from \$59.7 million on December 31, 2023 to \$60.2 million on March 31, 2024.

#### **Capital Strength**

The Company’s Community Bank Leverage Ratio was approximately 13.46%. 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 March 31, 2024 Other Real Estate Owned (OREO) totaled \$633 thousand, unchanged from December 31, 2023. Nonaccruing loans as a percentage of loans at March 31, 2024 remained relatively flat at .02%.

The Company’s President and CEO C. Taylor Quicke commented, “Management is pleased to report that Citizens Bank & Trust Company had strong first quarter earnings of \$2.160 million. Net income was down \$128 thousand from the record earnings posted in the first quarter of 2023. The decline can be attributed primarily to the decrease of net interest margin, which Management had been preparing for based on the current rate environment.

Management is pleased with the Bank's continued strong loan growth of \$7.7 million for the quarter, which is equivalent to an annualized growth rate of 12%. ”

### **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](http://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)

<b>Assets</b>	<b>(Unaudited) March 31, 2024</b>	<b>December 31, 2023</b>
Cash and due from banks	\$ 7,875	\$ 7,433
Interest-bearing deposits in banks	256	232
Federal funds sold	33,533	39,671
Securities available for sale, at fair market value	231,398	226,138
Restricted securities, at cost	544	558
Loans, net of allowance for credit losses of \$2,995 in 2024 and \$2,969 in 2023	256,975	249,279
Premises and equipment, net	7,753	7,751
Accrued interest receivable	2,337	2,241
Other assets	4,848	4,671
Bank-owned life insurance	15,850	15,734
Other real estate owned	633	633
Total assets	\$ 562,002	\$ 554,341
<b>Liabilities and Stockholders' Equity</b>		
<b>Liabilities</b>		
Deposits:		
Noninterest-bearing	\$ 110,975	\$ 113,421
Interest-bearing	377,112	370,612
Total deposits	488,087	484,033
Other borrowings	8,125	5,632
Accrued interest payable	944	1,236
Accrued expenses and other liabilities	4,689	3,745
Total liabilities	501,845	494,646
<b>Stockholders' Equity</b>		
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, 2,122,833 for 2024 and 2,123,863 for 2023	1,061	1,062
Additional paid-in capital	-	-
Retained earnings	73,998	72,438
Accumulated other comprehensive loss	(14,902)	(13,805)
Total stockholders' equity	60,157	59,695
Total liabilities and stockholders' equity	\$ 562,002	\$ 554,341

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

	<b>Three Months Ended</b>	
	<b>March 31,</b>	
	<b>(Unaudited)</b>	
	<b>2024</b>	<b>2023</b>
Interest and Dividend Income		
Loans, including fees	\$ 3,966	\$ 3,244
Investment securities:		
Taxable	1,507	1,538
Tax-exempt	64	69
Federal funds sold	469	688
Other	11	9
<b>Total interest and dividend income</b>	<b>6,017</b>	<b>5,548</b>
Interest Expense		
Deposits	978	408
Borrowings	7	2
<b>Total interest expense</b>	<b>985</b>	<b>410</b>
<b>Net interest income</b>	<b>5,032</b>	<b>5,138</b>
Provision for credit losses	25	15
<b>Net interest income after provision for loan losses</b>	<b>5,007</b>	<b>5,123</b>
Noninterest Income		
Service charges on deposit accounts	171	164
Net loss on disposition of land, premises and equipment	-	(11)
Net loss on calls of securities	(11)	-
Net gain on sales of loans	3	12
Income from bank-owned life insurance	115	116
Interchange income, net	217	252
Other	90	97
<b>Total noninterest income</b>	<b>585</b>	<b>630</b>
Noninterest Expense		
Salaries and employee benefits	1,791	1,825
Net occupancy expense	180	181
Equipment expense	117	125
FDIC deposit insurance	62	65
Net gain on sale of other real estate owned	-	(60)
OREO expenses, net of rental income	7	10
Other	748	759
<b>Total noninterest expense</b>	<b>2,905</b>	<b>2,905</b>
<b>Income before income taxes</b>	<b>2,687</b>	<b>2,848</b>
Income taxes	527	560
<b>Net income</b>	<b>\$ 2,160</b>	<b>\$ 2,288</b>
<b>Earnings per share, basic &amp; diluted</b>	<b>\$ 1.02</b>	<b>\$ 1.08</b>

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

(Dollars in thousands, except per share data)

	Three Months Ended				
	March 31, 2024	December 31, 2023	September 30, 2023	June 30, 2023	March 31, 2023
<b>Per Share Data:</b>					
Earnings per weighted average share	\$1.02	\$0.72	\$1.14	\$1.07	\$1.08
Weighted average shares outstanding	2,123,474	2,123,863	2,123,863	2,124,234	2,125,102
Actual shares outstanding	2,122,833	2,123,863	2,123,863	2,123,863	2,124,613
Book value per share at period end	\$ 28.34	\$ 28.11	\$ 24.33	\$ 25.12	\$ 25.37
Dividend per share	\$ 0.27	\$ 0.27	\$ 0.27	\$ 0.27	\$ 0.26
<b>Performance Ratios:</b>					
Return on average assets	1.56%	1.11%	1.74%	1.62%	1.65%
Net interest margin, (FTE) <sup>1</sup>	3.78%	3.75%	3.78%	3.81%	3.83%
Efficiency ratio <sup>2</sup>	51.57%	63.62%	51.10%	51.01%	50.21%
<b>Capital and Other Ratios:</b>					
<b>(Ratios are period end, unless stated otherwise)</b>					
Tier 1 leverage ratio	13.46%	13.45%	13.08%	12.50%	12.15%
Allowance for loan losses to total loans	1.17%	1.18%	1.16%	1.16%	1.20%
Nonaccruing loans to total loans	0.02%	0.01%	0.01%	0.02%	0.01%
Net charge-offs (net recoveries) to average loans (annualized)	0.00%	0.02%	0.00%	0.01%	-0.03%

<sup>1</sup> The net interest margin is reported on a fully taxable equivalent basis.

<sup>2</sup> 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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