

Citizens Bancorp of Virginia, Inc.

PRESS RELEASE - FOR IMMEDIATE DISTRIBUTION

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Record 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 record earnings of \$9.632 million in 2025 compared to \$8.563 million in 2024, or an increase of 12.48%. Earnings per share were \$4.57 per share for the year ended 2025 versus \$4.05 for the same period in 2024. The Company's return on assets increased to 1.71% in 2025 from 1.55% in 2024. The Company reported earnings of \$2.257 million, or \$1.07 per share, for the quarter ended December 31, 2025 compared to \$2.013 million or \$0.95 per share, for the same period in 2024. The Company's return on assets for the fourth quarter of 2025 was 1.55% versus 1.45% reported for the same period in 2024.

Earnings Highlights

Net interest income for 2025 exceeded 2024 by \$2.069 million, largely due to the current rate environment. Noninterest income for 2025 increased by \$215 thousand from 2024, primarily due to 2025 proceeds from a bank owned life insurance policy (BOLI). Noninterest expense increased to \$13.382 million in 2025 from \$12.271 million in 2024. Contributing to the increase were annual increases in personnel costs, increases in other noninterest expense and a loss on the sale of Other Real Estate Owned (OREO). Due to strong growth in the Bank's loan portfolio, the Bank provided \$285 thousand to the Allowance for Credit Losses. The Company's net interest margin increased to 4.23% in 2025 from 3.88% in 2024.

Net interest income for the fourth quarter of 2025 exceeded the same period in 2024 by \$698 thousand. As noted above, the majority of this increase was due to the current rate environment. Noninterest income increased by \$13 thousand from 2024 due to increases in net gains on sales of loans, and income from BOLI. Noninterest expense for the fourth quarter of 2025 increased to \$3.807 million from \$3.259 million in 2024. The Company's net interest margin for the fourth quarter of 2025 increased to 4.38% versus 3.99% in 2024. The Company continues to benefit from the elevated rate environment while remaining disciplined in its approach to managing funding costs.

Balance Sheet

At December 31, 2025 total Company assets were \$578.6 million, an increase of \$25.9 million from December 31, 2024. Gross loans ended the period at \$280.0 million, an increase of \$10.2 million from December 31, 2024. Total deposits increased by \$15.1 million to \$486.8 million from \$471.7 million at year end 2024. Interest-bearing deposits increased from \$362.8 million to \$374.5 million and noninterest-bearing deposits increased from \$108.9 million to \$112.3 million. Total stockholders' equity increased from \$66.7 million on December 31, 2024 to \$80.0 million on December 31, 2025. This represents a 19.94% increase, driven by an increase in retained earnings and a reduction in the unrealized loss on the Bank's securities portfolio. The improvement is due to declining bond rates and the repricing of a portion of the portfolio.

Capital Strength

The Company's Community Bank Leverage Ratio was approximately 15.08%. This ratio significantly exceeds the current regulatory standards for well-capitalized status.

Credit Quality

The Bank's loan portfolio remains stable and continues to perform well. At December 31, 2025 Other Real Estate Owned (OREO) had decreased to \$254 thousand, or by 52.4%, from December 31, 2024. Nonaccruing loans as a percentage of loans at December 31, 2025 remained flat.

The Company's President and CEO, C. Taylor Quicke commented, "Management and the Board of Directors are pleased to report that Citizens Bank & Trust Company achieved record earnings for 2025 of \$9.632 million, an increase of \$1.069 million compared to 2024. These results were driven primarily by the Bank's strong net interest margin, which expanded to 4.38% in the fourth quarter. In addition to the strong earnings performance, the Bank experienced solid balance sheet growth during the year. Total assets increased by \$25.9 million, or 4.6%, supported by loan growth of approximately \$10 million and deposit growth of \$15 million. This growth reflects continued customer confidence and the strength of our core markets. We are encouraged by the 20% annualized increase to the book value per share, which underscores our commitment to making long-term decisions that enhance shareholder value.

During the fourth quarter, Management and the Board made a strategic decision to sell the Bank's largest remaining Other Real Estate Owned (OREO) property at a loss. While this transaction had a short-term impact on earnings, it reduced ongoing OREO expense and risk while improving balance sheet quality. As we look ahead to 2026, we are cautiously optimistic regarding the outlook of the economy and its potential impact on the Bank's income statement and balance sheet. We will remain focused on meeting the needs of our communities, customers, and shareholders while making decisions concentrated on sound credit quality, sustainable growth, and prudent capital management as we position the Bank for continued long-term success."

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, 2024.

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

Assets	(Unaudited)	
	December 31, 2025	December 31, 2024
Cash and due from banks	\$ 5,659	\$ 6,561
Interest-bearing deposits in banks	328	288
Federal funds sold	49,851	21,099
Securities available for sale, at fair market value	212,653	224,683
Restricted securities, at cost	543	544
Loans, net of allowance for credit losses of \$3,584 in 2025 and \$3,329 in 2024	276,428	266,442
Premises and equipment, net	7,748	7,685
Accrued interest receivable	2,774	2,570
Other assets	3,406	4,062
Bank-owned life insurance	18,925	18,235
Other real estate owned	254	534
 Total assets	 \$ 578,569	 \$ 552,703
 Liabilities and Stockholders' Equity		
 Liabilities		
Deposits:		
Noninterest-bearing	\$ 112,280	\$ 108,930
Interest-bearing	374,558	362,822
Total deposits	486,838	471,752
Other borrowings	8,073	10,119
Accrued interest payable	1,064	1,369
Accrued expenses and other liabilities	2,626	2,795
Total liabilities	498,601	486,035
 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, 2,103,846 for 2025 and 2,108,017 for 2024	1,052	1,054
Additional paid-in capital	-	-
Retained earnings	85,384	78,267
Accumulated other comprehensive loss	(6,468)	(12,653)
Total stockholders' equity	79,968	66,668
 Total liabilities and stockholders' equity	 \$ 578,569	 \$ 552,703

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

	Three Months Ended December 31, (Unaudited)		Twelve Months Ended December 31, (Unaudited)	
	2025	2024	2025	2024
	\$	\$	\$	\$
Interest and Dividend Income				
Loans, including fees	\$ 4,866	\$ 4,485	\$ 18,769	\$ 16,990
Investment securities:				
Taxable	1,668	1,623	6,645	6,347
Tax-exempt	148	63	404	257
Federal funds sold	435	141	1,467	1,201
Other	11	11	42	45
Total interest and dividend income	7,128	6,323	27,327	24,840
Interest Expense				
Deposits	1,164	1,058	4,597	4,191
Borrowings	19	18	68	56
Total interest expense	1,183	1,076	4,665	4,247
Net interest income	5,945	5,247	22,662	20,593
Provision for credit losses	105	228	285	363
Net interest income after provision for loan losses	5,840	5,019	22,377	20,230
Noninterest Income				
Service charges on deposit accounts	162	170	627	700
Net loss on calls of securities	(2)	(1)	(4)	(12)
Net gain on sales of loans	43	28	79	57
Income from bank-owned life insurance	155	132	764	501
Interchange income, net	213	224	927	951
Other	185	190	511	492
Total noninterest income	756	743	2,904	2,689
Noninterest Expense				
Salaries and employee benefits	2,103	2,036	7,917	7,565
Net occupancy expense	310	186	895	819
Equipment expense	116	99	438	444
FDIC deposit insurance	61	61	244	247
Net (gain)loss on sale of other real estate owned	186	-	186	(71)
OREO expenses, net of rental income	1	2	16	22
Other	1,030	875	3,686	3,245
Total noninterest expense	3,807	3,259	13,382	12,271
Income before income taxes	2,789	2,503	11,899	10,648
Income taxes	532	490	2,267	2,085
Net income	\$ 2,257	\$ 2,013	\$ 9,632	\$ 8,563
Earnings per share, basic & diluted	\$ 1.07	\$ 0.95	\$ 4.57	\$ 4.05

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

(Dollars in thousands, except per share data)

	Three Months Ended				
	December 31, 2025	September 30, 2025	June 30, 2025	March 31, 2025	December 31, 2024
Per Share Data:					
Earnings per weighted average share	\$1.07	\$1.19	\$1.19	\$1.12	\$0.95
Weighted average shares outstanding	2,103,846	2,104,611	2,106,853	2,107,917	2,110,185
Actual shares outstanding	2,103,846	2,103,846	2,105,646	2,107,517	2,108,017
Book value per share at period end	\$ 38.01	\$ 36.69	\$ 34.92	\$ 33.60	\$ 31.63
Dividend per share	\$ 0.29	\$ 0.29	\$ 0.28	\$ 0.28	\$ 0.28
Performance Ratios:					
Return on average assets	1.55%	1.76%	1.78%	1.73%	1.45%
Net interest margin, (FTE) ¹	4.38%	4.33%	4.17%	4.03%	3.99%
Efficiency ratio ²	56.49%	51.04%	49.80%	50.91%	54.26%
Capital and Other Ratios:					
(Ratios are period end, unless stated otherwise)					
Tier 1 leverage ratio	15.08%	14.93%	14.61%	14.47%	14.43%
Allowance for loan losses to total loans	1.29%	1.27%	1.25%	1.26%	1.24%
Nonaccruing loans to total loans	0.00%	0.01%	0.01%	0.02%	0.02%
Net charge-offs (net recoveries) to average loans (annualized)	0.03%	0.00%	0.00%	0.10%	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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