Citizens Bancorp of Virginia, Inc.

PRESS RELEASE - FOR IMMEDIATE DISTRIBUTION

Dated: October 27, 2026

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 for both the third quarter and the first nine months of 2026. The Company reported earnings of $8.723 million, or $4.15 per share, for the first nine months of 2026 compared to $7.375 million, or $3.50 per share, for the first nine months of 2025. The Company reported quarterly earnings of $2.898 million, or $1.38 per share, for the quarter ended September 30, 2026 compared to $2.504 million, or $1.19 per share, for the same period in 2025. The Company's return on assets for the third quarter of 2026 was 2.01% versus 1.76% reported for the same period in 2025. As a result of the continued strong earnings and solid performance, the Board of Directors voted to increase the quarterly dividend from $0.30 to $0.32 per share.

Earnings Highlights

Net interest income for the third quarter of 2026 exceeded the same period in 2025 by $626 thousand, primarily due to the current rate environment. Noninterest income increased by $49 thousand from 2025, largely due to increases in net interchange income and other noninterest income categories. Noninterest expense for the third quarter of 2026 increased to $3.575 million from $3.322 million in 2025, primarily due to personnel costs and other noninterest expense. The Company's net interest margin for the third quarter of 2026 increased to 4.75% from 4.33% for the same period of 2025. The Company continues to benefit from the elevated rate environment while remaining disciplined on managing funding costs.

Balance Sheet

At September 30, 2026 total Company assets were $559.4 million, a decrease of $19.4 million from December 31, 2025. Gross loans ended the period at $291.2 million, an increase of $11.2 million from December 31, 2025. Total deposits decreased by $15.3 million to $471.5 million from $486.8 million at year end 2025. Interest-bearing deposits decreased from $374.5 million to $349.7 million and noninterest-bearing deposits increased from $112.3 million to $121.8 million. During the third quarter, the Company saw a decline in deposits primarily due to customer utilization and reallocation of funds. Total stockholders' equity decreased from $80.0 million on December 31, 2025 to $77.5 million on September 30, 2026. The decrease in equity can be attributed to the increase in unrealized losses on the securities portfolio, which were impacted by the recent rise in interest rates. The Bank's intent remains to hold these securities to maturity, thereby alleviating the unrealized losses created by change in rates.

Capital Strength

The Company's Community Bank Leverage Ratio was approximately 16.18%. 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, 2026 Other Real Estate Owned (OREO) had decreased to $114 thousand, or by 55.1% from December 31, 2025. Nonaccruing loans as a percentage of total loans at September 30, 2026 remained flat at .02%.

The Company's President and CEO, C. Taylor Quicke, commented, "It is a pleasure to report that Citizens Bank & Trust Company had record earnings for both the third quarter and the first nine months of 2026. Year to date income exceeds the same period as last year by $1.348 million, or 18%. The strong earnings are driven largely by net interest margin expansion to 4.75%, up from 4.33% in the same period of 2025. Bank Management is pleased with the continued growth in the loan portfolio of $11.2 million for 2026. Given the Bank's strong capital position and consistent earnings, the Board of Directors approved an increase in the quarterly dividend from $0.30 to $0.32 per share, which is a 6.67% increase compared to the second quarter dividend."

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, 2025.

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

Assets	(Unaudited) September 30, 2026	December 31, 2025
Cash and due from banks	$ 10,154	$ 5,659
Interest-bearing deposits in banks	428	328
Federal funds sold	16,997	49,851
Securities available for sale, at fair market value	207,730	212,653
Restricted securities, at cost	561	543
Loans, net of allowance for credit losses of $3,677 in 2026 and $3,584 in 2025	287,527	276,428
Premises and equipment, net	8,068	7,748
Accrued interest receivable	3,105	2,774
Other assets	6,017	3,685
Bank-owned life insurance	18,719	18,925
Other real estate owned	114	254
Total assets	$ 559,420	$ 578,848
Liabilities and Stockholders' Equity		
Liabilities		
Deposits:		
Noninterest-bearing	$ 121,836	$ 112,280
Interest-bearing	349,678	374,558
Total deposits	471,514	486,838
Other borrowings	4,918	8,073
Accrued interest payable	1,163	1,064
Accrued expenses and other liabilities	4,276	2,906
Total liabilities	481,871	498,881
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, 2,096,688 for 2026 and 2025	1,048	1,052
Additional paid-in capital	-	-
Retained earnings	91,905	85,383
Accumulated other comprehensive loss	(15,404)	(6,468)
Total stockholders' equity	77,549	79,967
Total liabilities and stockholders' equity	$ 559,420	$ 578,848

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)	
	2026	**2025**	**2026**	**2025**
Interest and Dividend Income				
Loans, including fees	$ 5,182	$ 4,823	$ 15,140	$ 13,903
Investment securities:				
Taxable	1,898	1,661	5,358	4,977
Tax-exempt	174	110	508	256
Federal funds sold	266	402	1,134	1,032
Other	10	10	30	31
Total interest and dividend income	**7,530**	**7,006**	**22,170**	**20,199**
Interest Expense				
Deposits	1,059	1,158	3,411	3,433
Borrowings	14	17	40	49
Total interest expense	**1,073**	**1,175**	**3,451**	**3,482**
Net interest income	**6,457**	**5,831**	**18,719**	**16,717**
Provision for credit losses	-	60	100	180
Net interest income after provision for loan losses	**6,457**	**5,771**	**18,619**	**16,537**
Noninterest Income				
Service charges on deposit accounts	175	161	516	465
Net gain on calls of securities	-	(2)	5	(2)
Net gain on sales of loans	16	6	42	36
Income from bank-owned life insurance	166	162	809	609
Interchange income, net	222	194	715	714
Other	120	129	379	326
Total noninterest income	**699**	**650**	**2,466**	**2,148**
Noninterest Expense				
Salaries and employee benefits	2,150	2,033	6,300	5,814
Net occupancy expense	265	194	706	585
Equipment expense	112	121	360	322
FDIC deposit insurance	63	62	187	183
Net loss on sale of other real estate owned	20	-	20	-
OREO expenses, net of rental income	(9)	4	1	15
Other	974	908	2,812	2,656
Total noninterest expense	**3,575**	**3,322**	**10,386**	**9,575**
Income before income taxes	**3,581**	**3,099**	**10,699**	**9,110**
Income taxes	683	595	1,976	1,735
Net income	**$ 2,898**	**$ 2,504**	**$ 8,723**	**$ 7,375**
Earnings per share, basic & diluted	**$ 1.38**	**$ 1.19**	**$ 4.15**	**$ 3.50**

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, 2026	June 30, 2026	March 31, 2026	December 31, 2025	September 30, 2025
Per Share Data:					
Earnings per weighted average share	$1.38	$1.53	$1.24	$1.07	$1.19
Weighted average shares outstanding	2,098,778	2,103,846	2,103,846	2,103,846	2,104,611
Actual shares oustanding	2,096,688	2,103,846	2,103,846	2,103,846	2,103,846
Book value per share at period end	$ 36.99	$ 39.64	$ 38.50	$ 38.01	$ 36.69
Dividend per share	$ 0.32	$ 0.30	$ 0.30	$ 0.29	$ 0.29
Performance Ratios:					
Return on average assets	2.01%	2.22%	1.82%	1.55%	1.76%
Net interest margin, (FTE)[1]	4.75%	4.59%	4.43%	4.38%	4.33%
Efficiency ratio[2]	49.65%	46.45%	50.28%	56.49%	51.04%
Capital and Other Ratios:					
(Ratios are period end, unless stated otherwise)					
Tier 1 leverage ratio	16.18%	15.48%	15.10%	15.08%	14.93%
Allowance for loan losses to total loans	1.27%	1.29%	1.28%	1.29%	1.27%
Nonaccruing loans to total loans	0.02%	0.01%	0.00%	0.00%	0.01%
Net charge-offs (net recoveries) to average loans (annualized)	0.01%	-0.01%	0.01%	0.03%	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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