

Citizens Bancorp of Virginia, Inc.

PRESS RELEASE - FOR IMMEDIATE DISTRIBUTION

Dated: April 17, 2018

Strong First Quarter 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 earnings of \$1.140 million, or \$.52 per share, for the quarter ended March 31, 2018 compared to \$892 thousand, or \$.41 per share, for the same period in 2017. The Company's return on assets was 1.23% in 2018 versus 1.00% in 2017.

As a result of the passage of "Tax Cuts & Jobs Act" in December 2017, the Company's effective tax decreased to 16.8% for the 1st quarter of 2018 from 25.9% for the same period in 2017.

Earnings Highlights

The Company reported an increase of \$196 thousand in net interest income for the first quarter of 2018 compared to the same quarter in 2017. The increase can be attributed to an increase in loan, investment, and fed fund balances as well as short-term interest rates. The Company's net interest margin for the first quarter of 2018 increased three basis points from 3.66% in the first quarter of 2017 to 3.69% in 2018.

Balance Sheet

At March 31, 2018, total Company assets were \$381.4 million, an increase of \$5.9 million, or 1.56%, from December 31, 2017. The Bank's loan portfolio ended the period at \$198.3 million, an increase of \$4.7 million from the prior year end, and total deposits increased to \$320.7 million from \$313.9 million at year end 2017. Noninterest-bearing demand deposits remained unchanged at \$62.2 million and interest-bearing deposits increased to \$258.5 million, or by 2.73%, from the prior year end.

Capital Strength

The Company's total equity at March 31, 2018 was \$48.6 million. Total risk-based capital and Tier 1 risk-based capital ratios were approximately 26.7% and 25.6%, respectively. Both ratios significantly exceed the current regulatory standards for well-capitalized status.

Credit Quality

The Bank's loan portfolio has continued to perform well and remains stable. The Company reported net charge-offs of \$19 thousand for the three months ended March 31, 2018 and net recoveries of \$1 thousand for the same period in 2017. Nonaccruing loans as a percentage of loans remained flat.

President and CEO Joseph D. Borgerding commented, "The Bank's first quarter earnings of \$1.14 million exceeded last year by \$248 thousand, or 27.8%. This increase was attributable primarily to solid loan and deposit growth, which resulted in a \$196 thousand improvement in net interest income over last year's first quarter. The Bank also realized an \$80 thousand reduction in income tax expense resulting from the new tax law enacted in December 2017."

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 eleven offices in the Counties of Amelia, Chesterfield, Nottoway and Prince Edward, along with one branch in the city of Colonial Heights and one in the Town of South Hill, Virginia. The Bank also operates a loan production office in Powhatan, 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 web site: 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, 2017.

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

| Assets | (Unaudited) March 31, 2018 | December 31, 2017 |
|--|---|------------------------------|
| | | |
| Cash and due from banks | \$ 6,484 | \$ 5,877 |
| Interest-bearing deposits in banks | 173 | 177 |
| Federal funds sold | 54,221 | 54,342 |
| Securities available for sale, at fair market value | 97,020 | 96,287 |
| Restricted securities, at cost | 493 | 484 |
| Loans, net of allowance for loan losses of \$2,217 in 2018 and \$2,237 in 2017 | 196,090 | 191,339 |
| Premises and equipment, net | 7,393 | 7,396 |
| Accrued interest receivable | 1,593 | 1,592 |
| Other assets | 1,405 | 1,682 |
| Bank-owned life insurance | 12,237 | 12,149 |
| Other real estate owned, net of valuation allowance of \$418 in 2018 and \$417 in 2017 | 4,266 | 4,206 |
| | | |
| Total assets | \$ 381,375 | \$ 375,531 |
| Liabilities and Stockholders' Equity | | |
| Liabilities | | |
| Deposits: | | |
| Noninterest-bearing | \$ 62,191 | \$ 62,233 |
| Interest-bearing | 258,510 | 251,642 |
| Total deposits | 320,701 | 313,875 |
| Other borrowings | 8,003 | 9,481 |
| Accrued interest payable | 226 | 215 |
| Accrued expenses and other liabilities | 3,835 | 3,283 |
| Total liabilities | 332,765 | 326,854 |
| 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, 2,179,358 for 2018 and 2,181,858 for 2017 | 1,090 | 1,091 |
| Additional paid-in capital | - | - |
| Retained earnings | 50,548 | 49,917 |
| Accumulated other comprehensive loss | (3,028) | (2,331) |
| Total stockholders' equity | 48,610 | 48,677 |
| Total liabilities and stockholders' equity | \$ 381,375 | \$ 375,531 |

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

| | Three Months Ended | |
|--|---------------------------|----------------|
| | March 31, | |
| | (Unaudited) | |
| | 2018 | 2017 |
| Interest and Dividend Income | | |
| Loans, including fees | \$ 2,658 | \$ 2,558 |
| Investment securities: | | |
| Taxable | 314 | 279 |
| Tax-exempt | 179 | 201 |
| Federal funds sold | 185 | 101 |
| Other | 5 | 5 |
| Total interest and dividend income | 3,341 | 3,144 |
| Interest Expense | | |
| Deposits | 259 | 257 |
| Borrowings | 7 | 8 |
| Total interest expense | 266 | 265 |
| Net interest income | 3,075 | 2,879 |
| Provision for loan losses | - | - |
| Net interest income after provision for loan losses | 3,075 | 2,879 |
| Noninterest Income | | |
| Service charges on deposit accounts | 202 | 198 |
| Net gain on sale of land, premises and equipment | - | 3 |
| Net gain on sales of loans | 24 | 31 |
| Income from bank-owned life insurance | 88 | 93 |
| ATM fee income | 296 | 277 |
| Other | 88 | 66 |
| Total noninterest income | 698 | 668 |
| Noninterest Expense | | |
| Salaries and employee benefits | 1,500 | 1,405 |
| Net occupancy expense | 176 | 155 |
| Equipment expense | 105 | 94 |
| FDIC deposit insurance | 19 | 11 |
| Net (gain) loss on sale of other real estate owned | (70) | 7 |
| OREO expenses, net of rental income | 13 | (7) |
| Other | 659 | 679 |
| Total noninterest expense | 2,402 | 2,344 |
| Income before income taxes | 1,371 | 1,203 |
| Income taxes | 231 | 311 |
| Net income | \$ 1,140 | \$ 892 |
| Earnings per share, basic & diluted | \$ 0.52 | \$ 0.41 |

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, 2018 | December 31, 2017 | September 30, 2017 | June 30, 2017 | March 31, 2017 |
| Per Share Data: | | | | | |
| Earnings per weighted average share | \$0.52 | \$0.30 | \$0.46 | \$0.44 | \$0.41 |
| Weighted average shares outstanding | 2,180,747 | 2,181,858 | 2,181,858 | 2,182,563 | 2,185,326 |
| Actual shares outstanding | 2,179,358 | 2,181,858 | 2,181,858 | 2,181,858 | 2,185,326 |
| Book value per share at period end | \$ 22.30 | \$ 22.31 | \$ 22.57 | \$ 22.36 | \$ 21.98 |
| Dividend per share | \$ 0.21 | \$ 0.21 | \$ 0.21 | \$ 0.20 | \$ 0.20 |
| Performance Ratios: | | | | | |
| Return on average assets | 1.23% | 0.72% | 1.07% | 1.05% | 1.00% |
| Net interest margin, (FTE) ¹ | 3.69% | 3.61% | 3.71% | 3.58% | 3.66% |
| Efficiency ratio ² | 62.18% | 63.40% | 61.94% | 61.83% | 64.25% |
| Capital and Other Ratios: | | | | | |
| (Ratios are period end, unless stated otherwise) | | | | | |
| Tier 1 leverage ratio | 13.74% | 13.68% | 13.72% | 13.60% | 13.66% |
| Total risk-based capital ratio | 26.72% | 26.97% | 27.22% | 26.94% | 26.92% |
| Allowance for loan losses to total loans | 1.12% | 1.16% | 1.19% | 1.19% | 1.20% |
| Nonaccruing loans to total loans | 0.39% | 0.35% | 0.33% | 0.45% | 0.43% |
| Net charge-offs (net recoveries) to average loans (annualized) | 0.04% | 0.05% | 0.00% | -0.01% | 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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