

Citizens Bancorp of Virginia, Inc.

PRESS RELEASE - FOR IMMEDIATE DISTRIBUTION

Dated: July 16, 2018

Record Second 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 \$1.235 million, or \$.57 per share, for the quarter ended June 30, 2018 compared to \$962 thousand, or \$.44 per share, for the same period in 2017. The Company's return on assets for the second quarter was 1.32% in 2018 versus 1.05% in 2017. Earnings for the first six months of 2018 were \$2.375 million, or \$1.09 per share, compared to \$1.854 million, or \$.85 per share, for the prior year. The earnings for the quarter and for the six months are both records for the Company.

Earnings Highlights

The Company reported an increase of \$287 thousand in net interest income for the second 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 second quarter of 2018 increased 14 basis points from 3.58% in the second quarter of 2017 to 3.72% in 2018.

Balance Sheet

At June 30, 2018, total Company assets were \$381.2 million, an increase of \$5.7 million, or 1.52%, from December 31, 2017. The Bank's loan portfolio ended the period at \$207.0 million, an increase of \$13.4 million from the prior year end, and total deposits increased to \$321.6 million from \$313.9 million at year end 2017. Noninterest-bearing demand deposits increased to \$64.4 million and interest-bearing deposits increased to \$257.2 million, or by 2.20%, from the prior year end.

Capital Strength

The Company's total equity at June 30, 2018 was \$49.2 million. Total risk-based capital and Tier 1 risk-based capital ratios were approximately 26.0% and 24.9%, 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 recoveries of \$74 thousand for the quarter ended June 30, 2018 versus net recoveries of \$5 thousand for the same period in 2017. Nonaccruing loans as a percentage of loans remained flat.

President and CEO Joseph D. Borgerding commented, "Management is pleased to announce that Citizens Bank & Trust Company had record second quarter and year to date earnings. The Bank's year to date net income of \$2.375 million exceeded last year by \$521 thousand, or 28.1%. The Bank continues to experience strong loan demand as loans grew by \$13.4 million from the prior year end. We are also encouraged by the \$185 thousand in gains from the sale of OREO. Management is very focused on the need to dispose of bank-owned properties during this period of strong real estate markets."

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) June 30, 2018	December 31, 2017
Cash and due from banks	\$ 7,485	\$ 5,877
Interest-bearing deposits in banks	178	177
Federal funds sold	41,525	54,342
Securities available for sale, at fair market value	99,819	96,287
Restricted securities, at cost	493	484
Loans, net of allowance for loan losses of \$2,291 in 2018 and \$2,237 in 2017	204,751	191,339
Premises and equipment, net	7,312	7,396
Accrued interest receivable	1,682	1,592
Other assets	1,552	1,682
Bank-owned life insurance	12,328	12,149
Other real estate owned, net of valuation allowance of \$410 in 2018 and \$417 in 2017	4,099	4,206
Total assets	\$ 381,224	\$ 375,531
Liabilities and Stockholders' Equity		
Liabilities		
Deposits:		
Noninterest-bearing	\$ 64,405	\$ 62,233
Interest-bearing	257,176	251,642
Total deposits	321,581	313,875
Other borrowings	6,513	9,481
Accrued interest payable	217	215
Accrued expenses and other liabilities	3,703	3,283
Total liabilities	332,014	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, 2,177,926 for 2018 and 2,181,858 for 2017	1,089	1,091
Additional paid-in capital	-	-
Retained earnings	51,296	49,917
Accumulated other comprehensive loss	(3,175)	(2,331)
Total stockholders' equity	49,210	48,677
Total liabilities and stockholders' equity	\$ 381,224	\$ 375,531

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

	Three Months Ended June 30, (Unaudited)		Six Months Ended June 30, (Unaudited)	
	2018	2017	2018	2017
Interest and Dividend Income				
Loans, including fees	\$ 2,735	\$ 2,529	\$ 5,393	\$ 5,087
Investment securities:				
Taxable	344	280	658	559
Tax-exempt	173	199	352	400
Federal funds sold	200	141	385	242
Other	7	4	12	9
Total interest and dividend income	3,459	3,153	6,800	6,297
Interest Expense				
Deposits	272	253	531	510
Borrowings	8	8	15	16
Total interest expense	280	261	546	526
Net interest income	3,179	2,892	6,254	5,771
Provision for loan losses	-	-	-	-
Net interest income after provision for loan losses	3,179	2,892	6,254	5,771
Noninterest Income				
Service charges on deposit accounts	191	185	393	383
Net gain on sale of land, premises and equipment	-	-	-	3
Net gain on sales of loans	34	29	58	60
Income from bank-owned life insurance	90	90	178	183
ATM fee income	320	294	616	571
Other	104	107	192	173
Total noninterest income	739	705	1,437	1,373
Noninterest Expense				
Salaries and employee benefits	1,536	1,393	3,036	2,798
Net occupancy expense	159	152	335	307
Equipment expense	99	98	204	192
FDIC deposit insurance	27	28	46	39
Net (gain) loss on sale of other real estate owned	(115)	-	(185)	7
OREO expenses, net of rental income	23	(4)	36	(11)
Other	697	619	1,356	1,298
Total noninterest expense	2,426	2,286	4,828	4,630
Income before income taxes	1,492	1,311	2,863	2,514
Income taxes	257	349	488	660
Net income	\$ 1,235	\$ 962	\$ 2,375	\$ 1,854
Earnings per share, basic & diluted	\$ 0.57	\$ 0.44	\$ 1.09	\$ 0.85

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

(Dollars in thousands, except per share data)

	Three Months Ended				
	June 30, 2018	March 31, 2018	December 31, 2017	September 30, 2017	June 30, 2017
Per Share Data:					
Earnings per weighted average share	\$0.57	\$0.52	\$0.30	\$0.46	\$0.44
Weighted average shares outstanding	2,178,527	2,180,747	2,181,858	2,181,858	2,182,563
Actual shares outstanding	2,177,926	2,179,358	2,181,858	2,181,858	2,181,858
Book value per share at period end	\$ 22.60	\$ 22.30	\$ 22.31	\$ 22.57	\$ 22.36
Dividend per share	\$ 0.21	\$ 0.21	\$ 0.21	\$ 0.21	\$ 0.20
Performance Ratios:					
Return on average assets	1.32%	1.23%	0.72%	1.07%	1.05%
Net interest margin, (FTE) ¹	3.72%	3.69%	3.61%	3.71%	3.58%
Efficiency ratio ²	61.21%	62.18%	63.40%	61.94%	61.83%
Capital and Other Ratios:					
(Ratios are period end, unless stated otherwise)					
Tier 1 leverage ratio	13.88%	13.74%	13.68%	13.72%	13.60%
Total risk-based capital ratio	25.96%	26.72%	26.97%	27.22%	26.94%
Allowance for loan losses to total loans	1.11%	1.12%	1.16%	1.19%	1.19%
Nonaccruing loans to total loans	0.31%	0.39%	0.35%	0.33%	0.45%
Net charge-offs (net recoveries) to average loans (annualized)	-0.15%	0.04%	0.05%	0.00%	-0.01%

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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