

Citizens Bancorp of Virginia, Inc.

PRESS RELEASE - FOR IMMEDIATE DISTRIBUTION

Dated: April 3, 2020

Record 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 record earnings of \$1.438 million, or \$.66 per share, for the period ended March 31, 2020 compared to \$1.406 million, or \$.65 per share, for the same period in 2019. The Company's return on assets was 1.38% in 2020 versus 1.45% in 2019.

Earnings Highlights

The Company reported a decrease of \$94 thousand, or 2.6%, in net interest income for the first quarter of 2020 compared to the same quarter in 2019. The decrease can be attributed to lower yields on loans, investments, and fed funds. Noninterest income increased \$56 thousand to \$696 thousand in 2020 from \$640 thousand in 2019. Noninterest expense decreased \$64 thousand to \$2.446 million in 2020 from \$2.510 million in 2019. The Company's net interest margin for the first quarter was 3.70% versus 4.09% in the first quarter of 2019, primarily from the effect of a significant reduction in interest rates.

Balance Sheet

At March 31, 2020 total Company assets were \$423.0 million, an increase of \$11.0 million from December 31, 2019. Gross loans ended the period at \$228.0 million, a decrease of \$1.5 million, and total deposits increased to \$352.1 million from \$343.6 million at year end 2019. Noninterest-bearing deposits increased to \$72.4 million and interest-bearing deposits increased to \$279.7 million.

Capital Strength

The Company's total equity at March 31, 2020 was \$57.3 million. The Company's Community Bank Leverage Ratio was approximately 13.69%. This ratio significantly exceeds 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 \$16 thousand for the three months ended March 31, 2020 compared to net recoveries of \$26 thousand for the same period in 2019. At March 31, 2020 Other Real Estate Owned (OREO) decreased to \$3.1 million, or by 9.9%, from December 31, 2019. Nonaccruing loans as a percentage of loans at March 31, 2020 remained flat.

President and CEO Joseph D. Borgerding commented, "Management is pleased to report that Citizens Bank & Trust Company had record earnings for the first quarter of 2020, exceeding the first quarter of last year by \$32 thousand, or 2.3%. As we look ahead, the COVID-19 virus has had a negative effect on interest rates and economic activity which may have some impact on Bank performance in the near term. The Bank's high levels of liquidity and capital provide the strength needed to support our customers and communities during these challenging times. Our hearts go out to those families that have been impacted by the COVID-19 virus and we remain committed to helping our communities through this crisis."

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 locations in the Counties of Amelia, Chesterfield, Nottoway, Mecklenburg, Powhatan and Prince Edward and one location in the City of Colonial Heights, 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, 2019.

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

Assets	(Unaudited) March 31, 2020	December 31, 2019
Cash and due from banks	\$ 6,663	\$ 6,828
Interest-bearing deposits in banks	1,189	200
Federal funds sold	54,504	34,256
Securities available for sale, at fair market value	107,373	115,241
Restricted securities, at cost	527	510
Loans, net of allowance for loan losses of \$2,609 in 2020 and \$2,594 in 2019	225,397	226,890
Premises and equipment, net	9,233	9,314
Accrued interest receivable	1,698	1,767
Other assets	334	698
Bank-owned life insurance	12,972	12,879
Other real estate owned, net of valuation allowance of \$326 in 2020 and \$339 in 2019	3,137	3,483
Total assets	\$ 423,027	\$ 412,066
Liabilities and Stockholders' Equity		
Liabilities		
Deposits:		
Noninterest-bearing	\$ 72,358	\$ 67,340
Interest-bearing	279,708	276,302
Total deposits	352,066	343,642
Other borrowings	9,581	9,884
Accrued interest payable	430	424
Accrued expenses and other liabilities	3,650	2,946
Total liabilities	365,727	356,896
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, 2,159,873 for 2020 and 2,174,102 for 2019	1,080	1,087
Additional paid-in capital	-	-
Retained earnings	56,002	55,419
Accumulated other comprehensive gain (loss)	218	(1,336)
Total stockholders' equity	57,300	55,170
Total liabilities and stockholders' equity	\$ 423,027	\$ 412,066

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

	Three Months Ended	
	March 31,	
	(Unaudited)	
	2020	2019
Interest and Dividend Income		
Loans, including fees	\$ 3,150	\$ 3,146
Investment securities:		
Taxable	542	477
Tax-exempt	123	158
Federal funds sold	131	189
Other	7	7
Total interest and dividend income	3,953	3,977
Interest Expense		
Deposits	426	357
Borrowings	13	12
Total interest expense	439	369
Net interest income	3,514	3,608
Provision for loan losses	-	25
Net interest income after provision for loan losses	3,514	3,583
Noninterest Income		
Service charges on deposit accounts	195	192
Net gain on calls of securities	31	-
Net gain on sales of loans	53	28
Income from bank-owned life insurance	94	88
Interchange income, net	161	164
Other	162	168
Total noninterest income	696	640
Noninterest Expense		
Salaries and employee benefits	1,591	1,616
Net occupancy expense	174	189
Equipment expense	125	114
FDIC deposit insurance	2	27
Net (gain) on sale of other real estate owned	(103)	(61)
OREO expenses, net of rental income	11	17
Other	646	608
Total noninterest expense	2,446	2,510
Income before income taxes	1,764	1,713
Income taxes	326	307
Net income	\$ 1,438	\$ 1,406
Earnings per share, basic & diluted	\$ 0.66	\$ 0.65

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, 2020	December 31, 2019	September 30, 2019	June 30, 2019	March 31, 2019
Per Share Data:					
Earnings per weighted average share	\$0.66	\$0.47	\$0.59	\$0.62	\$0.65
Weighted average shares outstanding	2,170,943	2,174,564	2,175,619	2,176,885	2,177,475
Actual shares outstanding	2,159,873	2,174,105	2,175,352	2,176,885	2,176,885
Book value per share at period end	\$ 26.53	\$ 25.38	\$ 25.34	\$ 24.91	\$ 24.01
Dividend per share	\$ 0.24	\$ 0.24	\$ 0.24	\$ 0.23	\$ 0.23
Performance Ratios:					
Return on average assets	1.38%	1.00%	1.27%	1.35%	1.45%
Net interest margin, (FTE) ¹	3.70%	3.83%	3.92%	4.01%	4.09%
Efficiency ratio ²	57.67%	68.74%	62.96%	60.85%	58.53%
Capital and Other Ratios:					
(Ratios are period end, unless stated otherwise)					
Tier 1 leverage ratio	13.69%	13.86%	13.99%	13.84%	13.79%
Allowance for loan losses to total loans	1.14%	1.13%	1.12%	1.13%	1.10%
Nonaccruing loans to total loans	0.13%	0.13%	0.21%	0.18%	0.16%
Net charge-offs (net recoveries) to average loans (annualized)	-0.03%	0.01%	-0.01%	0.01%	-0.05%

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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