

Citizens Bancorp of Virginia, Inc.

PRESS RELEASE - FOR IMMEDIATE DISTRIBUTION

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Solid 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 solid quarterly earnings of \$1.377 million, or \$.65 per share, for the period ended March 31, 2022 compared to \$1.545 million, or \$.72 per share, for the same period in 2021. The Company's return on assets for the first quarter of 2022 was .98%, down from 1.25% in 2021 as total assets year-over-year increased by 8.24%.

Earnings Highlights

The Company reported a slight decrease of \$31 thousand, or (0.9%), in net interest income for the first quarter of 2022 compared to the same quarter in 2021. Loan fees decreased by \$168 thousand in the first quarter primarily due to a reduction in Paycheck Protection Program (PPP) fees. Noninterest income decreased by \$60 thousand from a decline in gains on the sale of secondary market loans. Noninterest expense increased \$312 thousand to \$2.650 million in 2022 from \$2.338 in 2021 mainly due to the accounting for origination costs of PPP loans in 2021. As a result of the reduced uncertainty surrounding the COVID-19 pandemic and improved economic conditions, the Bank released \$200 thousand from the allowance for loan losses. Management will continue monitoring key economic metrics and the stability in the quality of the Bank's loan portfolio to determine if any further adjustments in the allowance may be warranted. The Company's net interest margin for the first quarter of 2022 was 2.59% versus 3.02% in the first quarter of 2021 and was impacted by the reduction in PPP loan fees.

Balance Sheet

At March 31, 2022 total Company assets were \$570 million, an increase of \$3.1 million from December 31, 2021. Gross loans ended the period at \$206.8 million, a decrease of \$5.9 million, and total deposits increased to \$504.2 million from \$495.8 at year end 2021. Noninterest-bearing deposits decreased slightly from \$121.3 million at year end 2021 to \$120.3 million, and interest-bearing deposits increased from \$374.4 million to \$383.9 million during the same period.

Capital Strength

The Company's total equity at March 31, 2022 was \$54.7 million and its Community Bank Leverage Ratio was approximately 10.94% for the period. 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. At March 31, 2022 Other Real Estate Owned (OREO) decreased to \$1.9 million, or by 10.9%, from December 31, 2021. Nonaccruing loans as a percentage of total loans at March 31, 2022 remained flat at a very low .02%.

President and CEO Joseph D. Borgerding commented, "Management is pleased to report a strong first quarter with earnings of \$1.377 million. Net income was down \$168 thousand from the record earnings posted in the

first quarter of 2021. The decline can be attributed primarily to the reduction in government-backed small business Paycheck Protection Program (PPP) loan fees that were predominantly recognized in 2021 as these loans were forgiven. Inflation concerns have resulted in increased rates and we expect this pattern to continue throughout the remainder of the year. Rising rates will likely impact gains realized from the sale of secondary market mortgage loans, but this impact will be more than offset by the increased earnings on the Bank's securities portfolio and overnight investments. The Bank remains well-positioned for this environment as Management anticipated a rising rate environment."

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, 2021.

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

Assets	(Unaudited) March 31, 2022	December 31, 2021
Cash and due from banks	\$ 7,878	\$ 9,052
Interest-bearing deposits in banks	302	1,337
Federal funds sold	164,040	72,376
Securities available for sale, at fair market value	164,655	246,574
Restricted securities, at cost	440	403
Loans, net of allowance for loan losses of \$2,555 in 2022 and \$2,761 in 2021	204,308	210,002
Premises and equipment, net	8,400	8,537
Accrued interest receivable	1,520	1,526
Other assets	2,883	1,387
Bank-owned life insurance	13,731	13,635
Other real estate owned, net of valuation allowance of \$168 in 2022 and \$164 in 2021	1,873	2,103
Total assets	\$ 570,030	\$ 566,932
Liabilities and Stockholders' Equity		
Liabilities		
Deposits:		
Noninterest-bearing	\$ 120,361	\$ 121,380
Interest-bearing	383,903	374,452
Total deposits	504,264	495,832
Other borrowings	6,627	7,547
Accrued interest payable	227	224
Accrued expenses and other liabilities	4,135	3,354
Total liabilities	515,253	506,957
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, 2,129,613 for 2022 and 2,130,888 for 2021	1,065	1,065
Additional paid-in capital	-	-
Retained earnings	61,670	60,857
Accumulated other comprehensive loss	(7,958)	(1,947)
Total stockholders' equity	54,777	59,975
Total liabilities and stockholders' equity	\$ 570,030	\$ 566,932

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

	Three Months Ended	
	March 31,	
	(Unaudited)	
	2022	2021
Interest and Dividend Income		
Loans, including fees	\$ 3,016	\$ 3,326
Investment securities:		
Taxable	549	357
Tax-exempt	41	78
Federal funds sold	67	18
Other	6	20
Total interest and dividend income	3,679	3,799
Interest Expense		
Deposits	248	331
Borrowings	4	10
Total interest expense	252	341
Net interest income	3,427	3,458
(Recovery of) provision for loan losses	(200)	-
Net interest income after (recovery of) provision for loan losses	3,627	3,458
Noninterest Income		
Service charges on deposit accounts	163	140
Net gain on calls of securities	1	2
Net gain on sales of loans	67	138
Income from bank-owned life insurance	96	94
Interchange income, net	223	218
Other	180	198
Total noninterest income	730	790
Noninterest Expense		
Salaries and employee benefits	1,682	1,474
Net occupancy expense	166	178
Equipment expense	134	140
FDIC deposit insurance	41	30
Net gain on sale of other real estate owned	(78)	(81)
OREO expenses, net of rental income	22	14
Other	683	583
Total noninterest expense	2,650	2,338
Income before income taxes	1,707	1,910
Income taxes	330	365
Net income	\$ 1,377	\$ 1,545
Earnings per share, basic & diluted	\$ 0.65	\$ 0.72

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, 2022	December 31, 2021	September 30, 2021	June 30, 2021	March 31, 2021
Per Share Data:					
Earnings per weighted average share	\$0.65	\$0.63	\$0.59	\$0.69	\$0.72
Weighted average shares outstanding	2,130,378	2,130,961	2,132,470	2,137,051	2,143,378
Actual shares outstanding	2,129,613	2,130,888	2,131,138	2,134,631	2,142,731
Book value per share at period end	\$ 25.72	\$ 28.15	\$ 27.76	\$ 27.67	\$ 27.08
Dividend per share	\$ 0.25	\$ 0.25	\$ 0.25	\$ 0.25	\$ 0.24
Performance Ratios:					
Return on average assets	0.98%	0.97%	0.92%	1.12%	1.25%
Net interest margin, (FTE) ¹	2.59%	2.80%	2.79%	2.78%	3.02%
Efficiency ratio ²	63.59%	66.03%	66.31%	56.87%	54.77%
Capital and Other Ratios:					
(Ratios are period end, unless stated otherwise)					
Tier 1 leverage ratio	10.94%	11.18%	11.30%	11.45%	11.85%
Allowance for loan losses to total loans	1.23%	1.30%	1.30%	1.28%	1.31%
Nonaccruing loans to total loans	0.02%	0.03%	0.01%	0.01%	0.06%
Net charge-offs (net recoveries) to average loans (annualized)	0.01%	0.00%	-0.06%	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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