

Citizens Bancorp of Virginia, Inc.

PRESS RELEASE - FOR IMMEDIATE DISTRIBUTION

Dated: July 15, 2013

Solid Second Quarter Earnings and Dividend Increase 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 net income of \$1.015 million, or \$0.45 per share, for the quarter ended June 30, 2013, a 21.7% increase from the \$834 thousand, or \$0.36 per share, reported for the same period of 2012. Earnings for the first six months of 2013 were \$1.748 million, or \$0.77 per share, compared to \$1.743 million, or \$0.75 per share, for the prior year. The year to date increase was achieved in spite of additional pension expenses of \$275 thousand resulting from the lump sum payments of accrued pension benefits to recent retirees.

As a result of its continued strong earnings performance and the stability of its earnings, the Company announced a 5.88% increase in the quarterly dividend from \$0.17 to \$0.18 per share. This represents an annualized dividend yield of 4.34%, one of the highest among Virginia banks.

Balance Sheet

At June 30, 2013, total Company assets were \$343.5 million, an increase of \$4.6 million over December 31, 2012. The Bank's loan portfolio ended the period at \$191.1 million, representing a decrease of 0.36%, or \$693 thousand, from the prior year end.

Deposit growth continued as total deposits grew to \$286.8 million from \$282.6 million at December 31, 2012. We are particularly pleased that noninterest-bearing demand deposits increased to \$48.1 million, or by 14.5%, from \$42.0 million at the end of 2012.

Capital Strength

The Company's total equity at June 30, 2013 was \$41.8 million. Total risk-based capital and Tier 1 leverage ratios were approximately 22.9% and 12.5%, 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. Net charge-offs as a percentage of loans were 0.46% for the quarterly period ended June 30, 2013. Nonaccruing loans as a percentage of loans remained flat at 1.55% as of June 30, 2013 compared to 1.53% as of December 31, 2012.

President and CEO, Joseph D. Borgerding commented, "Management is very pleased to report that quarterly earnings exceeded \$1 million for only the second time in the Company's history. In addition, the Board of Directors approved an increase in the Company's dividend, given the Company's consistent earnings, to further enhance the total return to shareholders. We believe that the earnings stability is reflective of our efforts to be proactive in addressing operating efficiencies, not straying from our core values, and recognizing and providing for the needs of our customer base."

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. 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, 2012.

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

Assets	(Unaudited) June 30, 2013	December 31, 2012
	2013	2012
Cash and due from banks	\$ 6,595	\$ 8,198
Interest-bearing deposits in banks	2,135	2,093
Federal funds sold	12,042	12,145
Securities available for sale, at fair market value	108,413	100,426
Restricted securities, at cost	783	866
Loans, net of allowance for loan losses of \$2,261 and \$2,470	188,836	189,320
Premises and equipment, net	6,865	6,392
Accrued interest receivable	1,651	1,606
Other assets	1,745	1,142
Bank-owned life insurance	8,906	8,752
Other real estate owned, net of valuation allowance of \$207 in 2013 and \$220 in 2012	5,537	7,990
	\$ 343,508	\$ 338,930
Liabilities and Stockholders' Equity		
Liabilities		
Deposits:		
Noninterest-bearing	\$ 48,155	\$ 41,962
Interest-bearing	238,638	240,671
Total deposits	286,793	282,633
FHLB advances	5,000	5,000
Other borrowings	7,131	6,661
Accrued interest payable	424	450
Accrued expenses and other liabilities	2,378	842
Total liabilities	301,726	295,586
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, 2,251,212 for 2013 and 2,263,612 for 2012	1,126	1,132
Retained earnings	42,221	41,461
Accumulated other comprehensive income (loss)	(1,565)	751
Total stockholders' equity	41,782	43,344
Total liabilities and stockholders' equity	\$ 343,508	\$ 338,930

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

	(Unaudited)		(Unaudited)	
	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2013	2012	2013	2012
Interest and Dividend Income				
Loans, including fees	\$ 2,897	\$ 3,071	\$ 5,734	\$ 6,219
Investment securities:				
Taxable	319	330	636	670
Tax-exempt	269	265	527	526
Federal Funds sold	9	6	17	13
Other	12	10	22	19
Total interest and dividend income	3,506	3,682	6,936	7,447
Interest Expense				
Deposits	496	642	1,037	1,335
Borrowings	32	31	63	62
Total interest expense	528	673	1,100	1,397
Net interest income	2,978	3,009	5,836	6,050
Provision for loan losses	13	67	38	142
Net interest income after provision for loan losses	2,965	2,942	5,798	5,908
Noninterest Income				
Service charges on deposit accounts	227	231	455	460
Net gain on sales of securities	-	-	3	-
Net other-than-temporary impairments	-	-	-	(28)
Net gain on sales of loans	20	30	69	72
Income from bank owned life insurance	79	77	155	150
ATM fee income	225	210	433	417
Other	87	86	167	157
Total noninterest income	638	634	1,282	1,228
Noninterest Expense				
Salaries and employee benefits	1,423	1,414	3,008	2,817
Net occupancy expense	148	164	302	306
Equipment expense	79	100	166	192
FDIC deposit insurance	65	58	132	127
Net (gain) loss on sale of other real estate owned	(10)	(18)	8	(117)
Impairment - other real estate owned	-	-	-	45
OREO expenses, net of rental income	(14)	30	(3)	95
Other	548	724	1,160	1,367
Total noninterest expense	2,239	2,472	4,773	4,832
Income before income taxes	1,364	1,104	2,307	2,304
Income taxes	349	270	559	561
Net income	\$ 1,015	\$ 834	\$ 1,748	\$ 1,743
Earnings per share, basic & diluted	\$ 0.45	\$ 0.36	\$ 0.77	\$ 0.75

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, 2013	March 31, 2013	December 31, 2012	September 30, 2012	June 30, 2012
Per Share Data:					
Earnings per weighted average share	\$0.45	\$0.32	\$0.35	\$0.39	\$0.36
Weighted average shares outstanding	2,251,975	2,259,528	2,278,064	2,292,269	2,303,986
Actual shares outstanding	2,251,212	2,254,037	2,263,612	2,288,467	2,295,467
Book value per share at period end	\$ 18.56	\$ 19.18	\$ 19.15	\$ 18.97	\$ 18.59
Dividend per share	\$ 0.18	\$ 0.17	\$ 0.17	\$ 0.17	\$ 0.17
Performance Ratios:					
Return on average assets	1.18%	0.87%	0.96%	1.07%	1.00%
Net interest margin, (FTE) ¹	3.94%	3.90%	4.07%	4.10%	4.16%
Efficiency ratio ²	59.71%	69.80%	66.81%	63.01%	65.50%
Capital and Other Ratios:					
(Ratios are period end, unless stated otherwise)					
Tier 1 leverage ratio	12.54%	12.63%	12.57%	12.78%	12.64%
Total risk-based capital ratio	22.95%	22.92%	22.90%	22.89%	22.25%
Allowance for loan losses to total loans	1.19%	1.29%	1.30%	1.24%	1.19%
Nonaccruing loans to total loans	1.55%	1.66%	1.53%	1.46%	1.18%
Net charge-offs (net recoveries) to average loans (annualized)	0.46%	0.06%	0.00%	-0.01%	0.27%

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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