

Citizens Bancorp of Virginia, Inc.

PRESS RELEASE - FOR IMMEDIATE DISTRIBUTION

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Record 2015 Earnings Seen At 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 \$3.786 million, or \$1.70 per share, for the twelve months ended December 31, 2015, a 3.64% increase over the \$3.653 million, or \$1.63 per share, reported for 2014. The Company's return on assets was 1.09% in 2015 compared to 1.08% in 2014.

Earnings Highlights

Margin compression remained a challenge for the Company in 2015. Net interest income decreased by \$401 thousand or 3.45%. The Company's net interest margin decreased from 3.95% in 2014 to 3.71% in 2015. The decrease in net interest income was due to a decrease in interest income of \$683 thousand offset by a \$282 thousand decrease in total interest expense. The Company did not record a provision for loan losses in 2015. Noninterest income increased \$402 thousand to \$3.051 million in 2015 from \$2.649 million in 2014. Noninterest expense decreased \$49 thousand to \$9.265 million in 2015 from \$9.314 million in 2014. Included in the 2015 results were gains of \$337 thousand and \$150 thousand on the sale of bank-owned property and OREO, respectively. These transactions increased net income by \$321 thousand.

Earnings for the fourth quarter of 2015 declined to \$777 thousand from \$808 thousand in the fourth quarter of 2014. Noninterest income increased by \$22 thousand to \$716 thousand from \$694 thousand and noninterest expense increased to \$2.530 million from \$2.464 million. The Company's return on assets was .88% and .94% for the fourth quarter of 2015 and 2014 respectively. The Company's net interest margin decreased from 3.85% in the fourth quarter of 2014 to 3.66% in 2015. The Company sees margin compression as a continuing significant challenge in the next year.

Balance Sheet

At December 31, 2015, total Company assets were \$349.7 million, an increase of \$9.4 million, or 2.75%, from December 31, 2014. The Bank's loan portfolio ended the period at \$182.6 million, a decrease of \$394 thousand from the prior year end, and total deposits grew to \$293.4 million from \$285.5 million at year end 2014. Noninterest-bearing demand deposits increased to \$48.8 million, or by 8.8%, and interest-bearing deposits increased to \$244.6 million, or by 1.64%, since the prior year end.

Capital Strength

The Company's total equity at December 31, 2015 was \$47.1 million. Total risk-based capital and Tier 1 risk-based capital ratios were approximately 26.4% and 25.2%, 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 declined to \$113 thousand in 2015 from \$158 thousand in 2014. Nonaccruing loans as a percentage of loans increased to 1.24% as of December 31, 2015 from .87% at December 31, 2014. Other Real Estate Owned (OREO) has declined from \$5.3 million at December 31, 2014 to \$4.9 million at December 31, 2015.

President and CEO, Joseph D. Borgerding commented, "We are very pleased to report a fourth year of record earnings. It is important to note that approximately \$321 thousand of after-tax earnings was a direct result of the sale of OREO and other bank-owned property. We are pleased with our asset and deposit growth for 2015; however, loan growth continues to be challenging as we remain committed to maintaining our credit standards and not incurring significant interest rate risk. The Company continues to perform at a high level while we strive to preserve the low risk profile of our balance sheet. Margin compression remains a challenge for the banking industry as global economic conditions continue to put downward pressure on intermediate and long term interest rates. We continue to offset the impact of margin compression with greater operating efficiencies."

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, 2014.

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

Assets	(Unaudited) December 31, 2015	December 31, 2014
	2015	2014
Cash and due from banks	\$ 5,953	\$ 7,290
Interest-bearing deposits in banks	170	411
Federal funds sold	47,600	23,428
Securities available for sale, at fair market value	88,427	102,332
Restricted securities, at cost	459	455
Loans, net of allowance for loan losses of \$2,218 in 2015 and \$2,331 in 2014	180,417	180,698
Premises and equipment, net	7,873	8,003
Accrued interest receivable	1,527	1,666
Other assets	987	1,337
Bank-owned life insurance	11,410	9,376
Other real estate owned, net of valuation allowance of \$352 in 2015 and \$322 in 2014	4,868	5,322
	\$ 349,691	\$ 340,318
Liabilities and Stockholders' Equity		
Liabilities		
Deposits:		
Noninterest-bearing	\$ 48,797	\$ 44,864
Interest-bearing	244,557	240,615
Total deposits	293,354	285,479
Other borrowings	6,570	6,695
Accrued interest payable	214	273
Accrued expenses and other liabilities	2,490	2,212
Total liabilities	302,628	294,659
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, 2,206,575 for 2015 and 2,233,234 for 2014	1,103	1,116
Additional paid-in capital	-	-
Retained earnings	46,533	44,926
Accumulated other comprehensive loss	(573)	(383)
Total stockholders' equity	47,063	45,659
Total liabilities and stockholders' equity	\$ 349,691	\$ 340,318

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

	Three Months Ended December 31, (Unaudited)		Twelve Months Ended December 31, (Unaudited)	
	2015	2014	2015	2014
Interest and Dividend Income				
Loans, including fees	\$ 2,575	\$ 2,640	\$ 10,264	\$ 10,857
Investment securities:				
Taxable	260	290	1,133	1,208
Tax-exempt	248	278	1,070	1,106
Federal funds sold	28	12	78	40
Other	4	5	16	33
Total interest and dividend income	3,115	3,225	12,561	13,244
Interest Expense				
Deposits	303	367	1,304	1,582
Borrowings	7	7	28	32
Total interest expense	310	374	1,332	1,614
Net interest income	2,805	2,851	11,229	11,630
Provision for loan losses	-	37	-	150
Net interest income after provision for loan losses	2,805	2,814	11,229	11,480
Noninterest Income				
Service charges on deposit accounts	217	235	905	902
Net gain on sale of land, premises and equipment	-	-	337	-
Net gain on calls of securities	1	-	6	-
Net gain on sales of loans	29	34	91	106
Income from bank-owned life insurance	93	79	334	312
ATM fee income	260	229	1,007	921
Other	116	117	371	408
Total noninterest income	716	694	3,051	2,649
Noninterest Expense				
Salaries and employee benefits	1,394	1,348	5,399	5,434
Net occupancy expense	148	152	624	641
Equipment expense	114	106	425	393
FDIC deposit insurance	50	55	201	229
Net gain on sale of other real estate owned	(1)	(4)	(149)	(47)
Impairment - other real estate owned	-	10	-	10
OREO expenses, net of rental income	70	53	109	112
Other	755	744	2,656	2,542
Total noninterest expense	2,530	2,464	9,265	9,314
Income before income taxes	991	1,044	5,015	4,815
Income taxes	214	236	1,229	1,162
Net income	\$ 777	\$ 808	\$ 3,786	\$ 3,653
Earnings per share, basic & diluted	\$ 0.35	\$ 0.36	\$ 1.70	\$ 1.63

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

(Dollars in thousands, except per share data)

	Three Months Ended				
	December 31, 2015	September 30, 2015	June 30, 2015	March 31, 2015	December 31, 2014
Per Share Data:					
Earnings per weighted average share	\$0.35	\$0.39	\$0.44	\$0.52	\$0.36
Weighted average shares outstanding	2,211,311	2,218,560	2,225,632	2,231,451	2,233,384
Actual shares outstanding	2,206,575	2,213,100	2,224,609	2,230,234	2,333,234
Book value per share at period end	\$ 21.33	\$ 21.29	\$ 20.92	\$ 20.91	\$ 20.45
Dividend per share	\$ 0.19	\$ 0.19	\$ 0.19	\$ 0.19	\$ 0.19
Performance Ratios:					
Return on average assets	0.88%	0.99%	1.12%	1.37%	0.94%
Net interest margin, (FTE) ¹	3.66%	3.63%	3.73%	3.81%	3.85%
Efficiency ratio ²	69.40%	64.45%	60.89%	55.87%	66.88%
Capital and Other Ratios:					
(Ratios are period end, unless stated otherwise)					
Tier 1 leverage ratio	13.36%	13.50%	13.57%	13.62%	13.59%
Total risk-based capital ratio	26.37%	25.89%	25.99%	25.66%	25.14%
Allowance for loan losses to total loans	1.21%	1.21%	1.24%	1.26%	1.27%
Nonaccruing loans to total loans	1.24%	1.44%	0.96%	0.88%	0.87%
Net charge-offs (net recoveries) to average loans (annualized)	0.04%	0.09%	0.04%	0.08%	0.21%

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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