

Citizens Bancorp of Virginia, Inc.

PRESS RELEASE - FOR IMMEDIATE DISTRIBUTION

Dated: October 26, 2012

Solid Third Quarter 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 net income of \$900 thousand, or \$0.39 per share, for the quarter ended September 30, 2012, a 13.6% increase over the \$792 thousand, or \$0.34 per share, reported for the third quarter of 2011. Earnings for the nine month year to date period increased 12.5% to \$2.643 million as compared to the \$2.350 million in the same period last year.

Earnings Highlights

Earnings performance in the third quarter was positively impacted by an increase in net interest income to \$2.987 million from the \$2.970 million in the third quarter of 2011. The Company's net interest margin on a fully taxable equivalent basis remained almost unchanged at 4.10% from 4.12% for the same period in 2011. The slight decrease is attributable to a continuing period of historically low interest rates which is resulting in an industry-wide margin compression. We are extremely pleased to be able to maintain a net interest margin above 4%, but expect this margin compression to remain a challenge over the near term.

Noninterest income decreased by \$18 thousand, or 2.7%, to \$641 thousand compared to the third quarter of 2011 and noninterest expense decreased to \$2.368 million from \$2.376 million in the third quarter of 2011. There were no material changes in any income or expense category.

Balance Sheet

At September 30, 2012, total Company assets were \$333.1 million, an increase of \$4.3 million over the third quarter of 2011. The Bank's loan portfolio ended the period at \$194.5 million, representing a decrease of 2.6%, or \$5.3 million, from the prior year. This decrease is the result of continued weak loan demand.

Deposit growth continued as total deposits grew to \$273.8 million from \$271.9 million over the third quarter of 2011. Noninterest-bearing demand deposits increased to \$42.1 million, or 12.0%, from \$37.6 million at the end of the third quarter of 2011.

Capital Strength

The Company's total equity at September 30, 2012 rose to \$43.4 million. Total risk-based capital and Tier 1 risk-based capital ratios were approximately 22.9% and 21.6%, 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 provision for loan losses for 2012 declined \$158 thousand and \$316 thousand compared to the three and nine month periods in 2011. The Bank

reported net recoveries of \$3 thousand for the third quarter of 2012 compared to net charge-offs of \$38 thousand in the third quarter of 2011. Year to date net charge-offs decreased to \$150 thousand in 2012 from \$388 thousand in 2011. Nonaccruing loans as a percentage of loans increased to 1.46% as of September 30, 2012 from 1.36% at September 30, 2011.

President and CEO, Joseph D. Borgerding commented, "We are pleased with our strong earnings performance and solid growth in low cost core deposits for the first nine months of 2012. The Banking industry continues to be challenged by the impact of compressing margins due to the extended low interest rate environment. Management's focus will be to minimize this impact through expense control and by improving 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 on Form 10-K for the year ended December 31, 2011 and its other filings with the Securities and Exchange Commission.

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

| Assets | (Unaudited) September 30, 2012 | December 31, 2011 |
|--|---|------------------------------|
| | 2012 | 2011 |
| Cash and due from banks | \$ 6,146 | \$ 6,124 |
| Interest-bearing deposits in banks | 3,112 | 2,606 |
| Federal funds sold | 10,454 | 10,445 |
| Securities available for sale, at fair market value | 93,766 | 84,512 |
| Restricted securities, at cost | 866 | 933 |
| Loans, net of allowance for loan losses of \$2,411 and \$2,352 | 192,129 | 197,363 |
| Premises and equipment, net | 6,706 | 6,790 |
| Accrued interest receivable | 1,593 | 1,635 |
| Other assets | 1,680 | 2,357 |
| Bank-owned life insurance | 8,674 | 8,446 |
| Other real estate owned, net of valuation allowance of \$220 in 2012 and \$181 in 2011 | 7,938 | 7,430 |
| | \$ 333,064 | \$ 328,641 |
| Liabilities and Stockholders' Equity | | |
| Liabilities | | |
| Deposits: | | |
| Noninterest-bearing | \$ 42,115 | \$ 37,079 |
| Interest-bearing | 231,663 | 234,518 |
| Total deposits | \$ 273,778 | \$ 271,597 |
| FHLB advances | 5,000 | 5,000 |
| Other borrowings | 6,467 | 6,009 |
| Accrued interest payable | 523 | 608 |
| Accrued expenses and other liabilities | 3,873 | 3,581 |
| Total liabilities | \$ 289,641 | \$ 286,795 |
| 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, 2,288,467 for 2012 and 2,326,242 for 2011 | 1,144 | 1,163 |
| Additional paid-in capital | -- | -- |
| Retained earnings | 41,439 | 40,533 |
| Accumulated other comprehensive income | 840 | 150 |
| Total stockholders' equity | \$ 43,423 | \$ 41,846 |
| | \$ 333,064 | \$ 328,641 |

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

| | (Unaudited) | | (Unaudited) | |
|--|--------------------|--------------|-------------------|---------------|
| | Three Months Ended | | Nine Months Ended | |
| | September 30, | | September 30, | |
| | 2012 | 2011 | 2012 | 2011 |
| Interest and Dividend Income | | | | |
| Loans, including fees | 3,038 | 3,201 | 9,257 | 9,730 |
| Investment securities: | | | | |
| Taxable | 317 | 394 | 987 | 1,302 |
| Tax-exempt | 264 | 258 | 790 | 769 |
| Federal Funds sold | 5 | 5 | 18 | 15 |
| Other | 10 | 5 | 29 | 19 |
| Total interest and dividend income | 3,634 | 3,863 | 11,081 | 11,835 |
| Interest Expense | | | | |
| Deposits | 616 | 854 | 1,951 | 2,783 |
| Borrowings | 31 | 39 | 93 | 116 |
| Total interest expense | 647 | 893 | 2,044 | 2,899 |
| Net interest income | 2,987 | 2,970 | 9,037 | 8,936 |
| Provision for loan losses | 67 | 225 | 209 | 525 |
| Net interest income after provision for loan losses | 2,920 | 2,745 | 8,828 | 8,411 |
| Noninterest Income | | | | |
| Service charges on deposit accounts | 244 | 279 | 704 | 785 |
| Net gain on sales of securities | 27 | - | 27 | - |
| Net other-than-temporary impairments | - | - | (28) | (40) |
| Net gain on sales of loans | 28 | 25 | 100 | 52 |
| Income from bank owned life insurance | 78 | 75 | 228 | 222 |
| ATM fee income | 206 | 191 | 623 | 568 |
| Other | 58 | 89 | 215 | 208 |
| Total noninterest income | 641 | 659 | 1,869 | 1,795 |
| Noninterest Expense | | | | |
| Salaries and employee benefits | 1,443 | 1,372 | 4,260 | 4,112 |
| Net occupancy expense | 156 | 150 | 462 | 450 |
| Equipment expense | 95 | 118 | 287 | 358 |
| FDIC deposit insurance | 63 | 65 | 190 | 326 |
| Net (gain) on sale of other real estate owned | (43) | (5) | (160) | (21) |
| Impairment - other real estate owned | - | 8 | 45 | 35 |
| OREO expenses, net of rental income | 25 | 51 | 120 | 68 |
| Other | 629 | 617 | 1,996 | 1,818 |
| Total noninterest expense | 2,368 | 2,376 | 7,200 | 7,146 |
| Income before income taxes | 1,193 | 1,028 | 3,497 | 3,060 |
| Income taxes | 293 | 236 | 854 | 710 |
| Net income | 900 | 792 | 2,643 | 2,350 |
| Earnings per share, basic & diluted | 0.39 | 0.34 | 1.15 | 1.01 |

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

(Dollars in thousands, except per share data)

| | Three Months Ended | | | | |
|--|-----------------------|------------------|-------------------|----------------------|-----------------------|
| | September 30, 2012 | June 30, 2012 | March 31, 2012 | December 31, 2011 | September 30, 2011 |
| Per Share Data: | | | | | |
| Earnings per weighted average share | 0.39 | 0.36 | 0.39 | 0.36 | 0.34 |
| Weighted average shares outstanding | 2,292,269 | 2,303,986 | 2,319,048 | 2,328,307 | 2,340,193 |
| Actual shares outstanding | 2,288,467 | 2,295,467 | 2,312,047 | 2,326,242 | 2,331,242 |
| Book value per share at period end | \$ 18.97 | \$ 18.59 | \$ 18.27 | \$ 17.99 | \$ 18.20 |
| Dividend per share | \$ 0.17 | \$ 0.17 | \$ 0.17 | \$ 0.17 | \$ 0.17 |
| Performance Ratios: | | | | | |
| Return on average assets | 1.07% | 1.00% | 1.10% | 1.02% | 0.96% |
| Net interest margin, (FTE) ¹ | 4.10% | 4.16% | 4.23% | 4.28% | 4.12% |
| Efficiency ratio ² | 63.01% | 65.50% | 62.70% | 63.80% | 63.28% |
| Capital and Other Ratios: | | | | | |
| (Ratios are period end, unless stated otherwise) | | | | | |
| Tier 1 leverage ratio | 12.78% | 12.64% | 12.42% | 12.69% | 12.57% |
| Total risk-based capital ratio | 22.89% | 22.25% | 22.28% | 22.05% | 22.01% |
| Allowance for loan losses to total loans | 1.24% | 1.19% | 1.22% | 1.18% | 1.18% |
| Nonaccruing loans to total loans | 1.46% | 1.18% | 1.12% | 1.04% | 1.36% |
| Net charge-offs (net recoveries) to average loans (annualized) | -0.01% | 0.27% | 0.04% | 0.34% | 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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