

Citizens Bancorp of Virginia, Inc.

PRESS RELEASE - FOR IMMEDIATE DISTRIBUTION

Dated: October 23, 2014

Solid Third 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 earnings of \$930 thousand, or \$0.42 per share, for the quarter ended September 30, 2014, versus \$918 thousand, or \$0.41 per share, for the comparable 2013 quarter. Earnings for the first nine months of 2014 were \$2.845 million, or \$1.27 per share, compared to \$2.666 million, or \$1.18 per share, for the prior year. The Company's earnings for the 2013 period were impacted by a \$202 thousand charge to pension expense resulting from the lump sum payments of accrued pension benefits.

The Company's return on assets was 1.08% and 1.07% for the 3rd quarter of 2014 and 2013, respectively. The Company's net interest margin decreased from 3.95% in the 3rd quarter of 2013 to 3.87% in 2014.

As a result of its continued strong earnings performance and the stability of its earnings, the Company announced a 5.56% increase in the quarterly dividend from \$0.18 to \$0.19 per share. This represents an annualized dividend yield of 4.18%, one of the highest among Virginia banks.

Balance Sheet

At September 30, 2014, total Company assets were \$340.5 million, an increase of \$5.0 million from December 31, 2013. The Bank's loan portfolio ended the period at \$185.9 million, down \$1.7 million from the \$187.6 million reported at year end.

Deposit growth has remained steady as total deposits grew to \$284.7 million from \$282.9 million at year end 2013. Noninterest-bearing demand deposits increased to \$47.1 million and interest-bearing deposits decreased to \$237.6 million from \$42.1 million and \$240.8 million, respectively, at the prior year end.

Capital Strength

The Company's total equity at September 30, 2014 rose to \$46.1 million. Total risk-based capital and Tier 1 risk-based capital ratios were approximately 24.7% and 23.5%, respectively. The Bank's capital 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. Nonaccruing loans as a percentage of loans decreased to 1.59% as of September 30, 2014 from 2.08% at December 31, 2013. Other Real Estate Owned (OREO) has declined from \$6.4 million at December 31, 2013 to \$4.7 million at September 30, 2014.

President and CEO, Joseph D. Borgerding commented, "The Company had very solid performance in the third quarter. Earnings for the first nine months exceeded the comparable period in 2013 by 6.7%. We are pleased with our consistent growth in deposits accompanied by meaningful progress in the reduction of nonperforming assets."

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, 2013.

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

Assets	(Unaudited) September 30, 2014	December 31, 2013
	2014	2013
Cash and due from banks	\$ 6,646	\$ 7,111
Interest-bearing deposits in banks	1,158	2,319
Federal funds sold	20,202	11,097
Securities available for sale, at fair market value	103,170	102,046
Restricted securities, at cost	455	558
Loans, net of allowance for loan losses of \$2,390 in 2014 and \$2,339 in 2013	183,519	185,264
Premises and equipment, net	8,118	7,843
Accrued interest receivable	1,661	1,594
Other assets	1,585	2,187
Bank-owned life insurance	9,298	9,065
Other real estate owned, net of valuation allowance of \$207 in 2014 and 2013	4,686	6,370
	\$ 340,498	\$ 335,454
Liabilities and Stockholders' Equity		
Liabilities		
Deposits:		
Noninterest-bearing	\$ 47,061	\$ 42,088
Interest-bearing	237,595	240,808
Total deposits	284,656	282,896
Other borrowings	7,935	7,472
Accrued interest payable	294	326
Accrued expenses and other liabilities	1,542	1,319
Total liabilities	294,427	292,013
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, 2,233,959 for 2014 and 2,247,429 for 2013	1,117	1,124
Additional paid-in capital	-	-
Retained earnings	44,554	43,173
Accumulated other comprehensive (loss)	400	(856)
Total stockholders' equity	46,071	43,441
Total liabilities and stockholders' equity	\$ 340,498	\$ 335,454

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

	Three Months Ended September 30, (Unaudited)		Nine Months Ended September 30, (Unaudited)	
	2014	2013	2014	2013
Interest and Dividend Income				
Loans, including fees	\$ 2,696	\$ 2,827	\$ 8,217	\$ 8,561
Investment securities:				
Taxable	296	336	918	972
Tax-exempt	279	270	828	797
Federal Funds sold	11	5	28	22
Other	9	12	28	34
Total interest and dividend income	3,291	3,450	10,019	10,386
Interest Expense				
Deposits	395	465	1,215	1,502
Borrowings	9	32	25	95
Total interest expense	404	497	1,240	1,597
Net interest income	2,887	2,953	8,779	8,789
Provision for loan losses	38	82	113	120
Net interest income after provision for loan losses	2,849	2,871	8,666	8,669
Noninterest Income				
Service charges on deposit accounts	242	242	667	697
Net gain on sales of securities	-	-	-	3
Net gain on sales of loans	32	21	72	90
Income from bank owned life insurance	78	79	233	234
ATM fee income	237	219	692	652
Other	89	103	291	270
Total noninterest income	678	664	1,955	1,946
Noninterest Expense				
Salaries and employee benefits	1,362	1,369	4,086	4,377
Net occupancy expense	160	164	489	466
Equipment expense	114	93	287	259
FDIC deposit insurance	55	66	174	198
Net (gain) loss on sale of other real estate owned	(20)	(12)	(43)	(4)
OREO expenses, net of rental income	23	36	59	33
Other	606	605	1,798	1,765
Total noninterest expense	2,300	2,321	6,850	7,094
Income before income taxes	1,227	1,214	3,771	3,521
Income taxes	297	296	926	855
Net income	\$ 930	\$ 918	\$ 2,845	\$ 2,666
Earnings per share, basic & diluted	\$ 0.42	\$ 0.41	\$ 1.27	\$ 1.18

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, 2014	June 30, 2014	March 31, 2014	December 31, 2013	September 30, 2013
Per Share Data:					
Earnings per weighted average share	\$0.42	\$0.44	\$0.42	\$0.40	\$0.41
Weighted average shares outstanding	2,235,059	2,240,122	2,242,754	2,248,371	2,250,335
Actual shares outstanding	2,233,959	2,238,509	2,242,179	2,247,429	2,249,429
Book value per share at period end	\$ 20.62	\$ 20.44	\$ 19.88	\$ 19.33	\$ 18.81
Dividend per share	\$ 0.19	\$ 0.18	\$ 0.18	\$ 0.18	\$ 0.18
Performance Ratios:					
Return on average assets	1.08%	1.15%	1.13%	1.07%	1.07%
Net interest margin, (FTE) ¹	3.87%	4.02%	4.06%	3.99%	3.95%
Efficiency ratio ²	62.08%	60.93%	61.33%	62.67%	61.83%
Capital and Other Ratios:					
(Ratios are period end, unless stated otherwise)					
Tier 1 leverage ratio	13.41%	13.26%	13.29%	13.17%	12.90%
Total risk-based capital ratio	24.73%	24.58%	24.19%	23.84%	23.10%
Allowance for loan losses to total loans	1.29%	1.27%	1.28%	1.25%	1.18%
Nonaccruing loans to total loans	1.59%	1.60%	1.80%	2.08%	2.15%
Net charge-offs (net recoveries) to average loans (annualized)	0.03%	0.10%	0.00%	-0.02%	0.18%

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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