

Citizens Bancorp of Virginia, Inc.

PRESS RELEASE - FOR IMMEDIATE DISTRIBUTION

Dated: April 25, 2013

Solid First Quarter Earnings Reported by Citizens Bancorp of VA

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 \$733 thousand, or \$0.32 per share, for the quarter ended March 31, 2013, a 19.4% decrease from the \$909 thousand, or \$0.39 per share, reported for the comparable 2012 quarter. The Company's return on assets was 0.87% in 2013 compared to 1.10% in 2012. First quarter earnings were impacted by a \$202 thousand charge to pension expense resulting from the large amount of lump sum payments to recent retirees of accrued pension benefits. Pension accounting rules require the acceleration and immediate recognition of certain long-term, deferred pension costs when cumulative lump sum distributions during a year exceed a threshold amount. The Company had anticipated and budgeted for the likelihood that this threshold amount for the year would be exceeded during the first quarter. Further charges are expected during the remainder of 2013, but the impact will be dependent on the amount of any additional distributions. We currently believe that the majority of this year's expense has been incurred during the first quarter. Excluding this expense, net income for the quarter would have been \$866 thousand, or \$0.38 per share.

Net interest income for the 1st quarter of 2013 decreased by \$183 thousand as the historic low interest rate environment resulted in a further compression of our net interest margin. The Company's net interest margin decreased from 4.23% in 2012 to 3.90% in 2013. The margin compression was partially offset by a \$50 thousand decrease in the provision for loan losses resulting from the continued stability in the loan portfolio and a \$50 thousand increase in noninterest income.

Balance Sheet

At March 31, 2013, total Company assets were \$345.3 million, an increase of \$6.4 million over December 31, 2012. The Bank's loan portfolio ended the period at \$192.0 million, representing an increase of 0.11%, or \$200 thousand, from the prior year end.

Deposit growth continued as total deposits grew to \$287.1 million from \$282.6 million at December 31, 2012. We are particularly pleased that noninterest-bearing demand deposits increased to \$44.9 million, or 6.90%, from \$42.0 million at the end of 2012.

Capital Strength

The Company's total equity at March 31, 2013 was \$43.2 million. Total risk-based capital and Tier 1 leverage ratios were approximately 22.9% and 12.6%, 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. Net charge-offs were only \$26 thousand for the quarterly period ended March 31, 2013. Nonaccruing loans as a percentage of loans increased moderately to 1.66% as of March 31, 2013 from 1.18% as of March 31, 2012.

President and CEO, Joseph D. Borgerding commented, "Management is pleased with solid core deposit growth and a modest improvement in loan portfolio balances. Some of the Bank's markets are beginning to show measured improvement in loan demand. Earnings, exclusive of the pension adjustment, remain strong. The banking industry will continue to be challenged by margin compression in the near term until interest rates begin to rise."

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) March 31, 2013	December 31, 2012
Cash and due from banks	\$ 6,485	\$ 8,198
Interest-bearing deposits in banks	2,155	2,093
Federal funds sold	19,052	12,145
Securities available for sale, at fair market value	102,917	100,426
Restricted securities, at cost	783	866
Loans, net of allowance for loan losses of \$2,468 and \$2,470	189,520	189,320
Premises and equipment, net	6,377	6,392
Accrued interest receivable	1,651	1,606
Other assets	1,067	1,142
Bank-owned life insurance	8,828	8,752
Other real estate owned, net of valuation allowance of \$220 in 2013 and \$220 in 2012	6,512	7,990
	<u>6,512</u>	<u>7,990</u>
Total assets	<u>\$ 345,347</u>	<u>\$ 338,930</u>
 Liabilities and Stockholders' Equity		
Liabilities		
Deposits:		
Noninterest-bearing	\$ 44,899	\$ 41,962
Interest-bearing	242,203	240,671
Total deposits	<u>287,102</u>	<u>282,633</u>
FHLB advances	5,000	5,000
Other borrowings	7,804	6,661
Accrued interest payable	407	450
Accrued expenses and other liabilities	1,812	842
Total liabilities	<u>302,125</u>	<u>295,586</u>
 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, 2,254,037 for 2013 and 2,263,612 for 2012	1,127	1,132
Retained earnings	41,657	41,461
Accumulated other comprehensive income	438	751
Total stockholders' equity	<u>43,222</u>	<u>43,344</u>
	<u>\$ 345,347</u>	<u>\$ 338,930</u>

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

	(Unaudited)	
	Three Months Ended	
	March 31,	
	2013	2012
Interest and Dividend Income		
Loans, including fees	\$ 2,837	\$ 3,148
Investment securities:		
Taxable	317	340
Tax-exempt	258	261
Federal Funds sold	8	7
Other	10	9
Total interest and dividend income	3,430	3,765
Interest Expense		
Deposits	541	693
Borrowings	31	31
Total interest expense	572	724
Net interest income	2,858	3,041
Provision for loan losses	25	75
Net interest income after provision for loan losses	2,833	2,966
Noninterest Income		
Service charges on deposit accounts	228	229
Net gain on sales of securities	3	-
Net other-than-temporary impairments	-	(28)
Net gain on sales of loans	49	42
Income from bank owned life insurance	76	73
ATM fee income	208	207
Other	80	71
Total noninterest income	644	594
Noninterest Expense		
Salaries and employee benefits	1,585	1,403
Net occupancy expense	154	142
Equipment expense	87	92
FDIC deposit insurance	67	69
Net (gain) loss on sale of other real estate owned	18	(99)
Impairment - other real estate owned	-	45
OREO expenses, net of rental income	11	65
Other	612	643
Total noninterest expense	2,534	2,360
Income before income taxes	943	1,200
Income taxes	210	291
Net income	\$ 733	\$ 909
Earnings per share, basic & diluted	\$ 0.32	\$ 0.39

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, 2013	December 31, 2012	September 30, 2012	June 30, 2012	March 31, 2012
Per Share Data:					
Earnings per weighted average share	\$0.32	\$0.35	\$0.39	\$0.36	\$0.39
Weighted average shares outstanding	2,259,528	2,278,064	2,292,269	2,303,986	2,319,048
Actual shares outstanding	2,254,037	2,263,612	2,288,467	2,295,467	2,312,047
Book value per share at period end	\$ 19.18	\$ 19.15	\$ 18.97	\$ 18.59	\$ 18.27
Dividend per share	\$ 0.17	\$ 0.17	\$ 0.17	\$ 0.17	\$ 0.17
Performance Ratios:					
Return on average assets	0.87%	0.96%	1.07%	1.00%	1.10%
Net interest margin, (FTE) ¹	3.90%	4.07%	4.10%	4.16%	4.23%
Efficiency ratio ²	70.21%	66.81%	63.01%	65.50%	62.70%
Capital and Other Ratios:					
(Ratios are period end, unless stated otherwise)					
Tier 1 leverage ratio	12.63%	12.57%	12.78%	12.64%	12.42%
Total risk-based capital ratio	22.92%	22.90%	22.89%	22.25%	22.28%
Allowance for loan losses to total loans	1.29%	1.30%	1.24%	1.19%	1.22%
Nonaccruing loans to total loans	1.66%	1.53%	1.46%	1.18%	1.12%
Net charge-offs (net recoveries) to average loans (annualized)	0.06%	0.00%	-0.01%	0.27%	0.04%

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.

CONTACT: Geoffrey C. Warner
SVP and Chief Financial Officer
Voice: 434-292-8100 or E-mail: Geoffrey.Warner@cbtva.com
