

Citizens Bancorp of Virginia, Inc.

PRESS RELEASE - FOR IMMEDIATE DISTRIBUTION

Dated: April 17, 2014

Solid First 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 \$938 thousand, or \$0.42 per share, for the quarter ended March 31, 2014, a 28.0% increase over the \$733 thousand, or \$0.32 per share, reported for the comparable 2013 quarter. During the first quarter of 2013 the Company's earnings 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 1.13% in 2014 compared to .87% in 2013.

The Company reported an increase of \$50 thousand in net interest income for the first quarter of 2014. The increase in net interest income resulted from a decrease in total interest expense of \$152 thousand which was offset by a decrease of \$89 thousand in interest income and a slight increase in the provision for loan losses of \$13 thousand. The Company's net interest margin increased from 3.90% in 2013 to 4.06% in 2014. While the net interest margin has shown improvement, we expect margin compression to remain a challenge over the near term. Management continues to focus on reducing operating costs. The Company's efficiency ratio decreased from 69.80% (64.34% excluding the effect of the lump sum pension expense) in the first quarter of 2013 to 61.33% for the same period in 2014.

Balance Sheet

At March 31, 2014, total Company assets were \$342.5 million, an increase of \$7.0 million from December 31, 2013. The Bank's loan portfolio ended the period at \$186.6 million, representing a decrease of .54%, or \$1.0 million, from the prior year end. This decrease is the result of continued weak loan demand.

Deposit growth was strong during the quarter as total deposits grew to \$287.1 million from \$282.9 million at year end 2013. Noninterest-bearing demand deposits increased to \$44.6 million, or by 5.91%, and interest-bearing deposits increased to \$242.5 million, or by .70%, during the period.

Capital Strength

The Company's total equity at March 31, 2014 rose to \$44.6 million. Total risk-based capital and Tier 1 risk-based capital ratios were approximately 24.2% and 23.0%, 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 Company has reported net recoveries of \$1 thousand in 2014 compared to net charge-offs of \$26 thousand during the same period in 2013. Nonaccruing loans as a percentage of loans decreased to 1.80% as of March 31, 2014 from 2.08% at December 31, 2013.

President and CEO, Joseph D. Borgerding commented, "We had strong first quarter earnings, exceeding last year by 28%. We remain disciplined in our approach, focusing on growth in transactional deposits, expense efficiencies, and managing interest rate risk as we work to grow the loan portfolio. In March, we celebrated the grand opening of our

newest branch located at the intersection of Route 10 and Olivers Way in Chester, Virginia. We are excited about our new branch which is located in the heart of a retail development with DMV, Walmart and American Family Fitness nearby.”

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) March 31, 2014	December 31, 2013
	2014	2013
Cash and due from banks	\$ 7,781	\$ 7,111
Interest-bearing deposits in banks	1,898	2,319
Federal funds sold	17,495	11,097
Securities available for sale, at fair market value	104,375	102,046
Restricted securities, at cost	455	558
Loans, net of allowance for loan losses of \$2,378 in 2014 and \$2,339 in 2013	184,205	185,264
Premises and equipment, net	8,285	7,843
Accrued interest receivable	1,542	1,594
Other assets	1,771	2,187
Bank-owned life insurance	9,141	9,065
Other real estate owned, net of valuation allowance of \$207 in 2014 and 2013	5,550	6,370
	\$ 342,498	\$ 335,454
Liabilities and Stockholders' Equity		
Liabilities		
Deposits:		
Noninterest-bearing	\$ 44,574	\$ 42,088
Interest-bearing	242,494	240,808
Total deposits	287,068	282,896
Other borrowings	8,741	7,472
Accrued interest payable	302	326
Accrued expenses and other liabilities	1,802	1,319
Total liabilities	297,913	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, 2,242,179 for 2014 and 2,247,429 for 2013	1,121	1,124
Additional paid-in capital	-	-
Retained earnings	43,619	43,173
Accumulated other comprehensive (loss)	(155)	(856)
Total stockholders' equity	44,585	43,441
Total liabilities and stockholders' equity	\$ 342,498	\$ 335,454

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

	Three Months Ended March 31, (Unaudited)	
	2014	2013
Interest and Dividend Income		
Loans, including fees	\$ 2,738	\$ 2,837
Investment securities:		
Taxable	315	317
Tax-exempt	271	258
Federal Funds sold	7	8
Other	10	10
Total interest and dividend income	3,341	3,430
Interest Expense		
Deposits	412	541
Borrowings	8	31
Total interest expense	420	572
Net interest income	2,921	2,858
Provision for loan losses	38	25
Net interest income after provision for loan losses	2,883	2,833
Noninterest Income		
Service charges on deposit accounts	217	228
Net gain on sales of securities	-	3
Net gain on sales of loans	8	49
Income from bank owned life insurance	76	76
ATM fee income	218	208
Other	93	80
Total noninterest income	612	644
Noninterest Expense		
Salaries and employee benefits	1,375	1,585
Net occupancy expense	158	154
Equipment expense	80	87
FDIC deposit insurance	61	67
Net (gain) loss on sale of other real estate owned	(32)	18
OREO expenses, net of rental income	21	11
Other	587	612
Total noninterest expense	2,250	2,534
Income before income taxes	1,245	943
Income taxes	307	210
Net income	\$ 938	\$ 733
Earnings per share, basic & diluted	\$ 0.42	\$ 0.32

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, 2014	December 31, 2013	September 30, 2013	June 30, 2013	March 31, 2013
Per Share Data:					
Earnings per weighted average share	\$0.42	\$0.40	\$0.41	\$0.45	\$0.32
Weighted average shares outstanding	2,242,754	2,248,371	2,250,335	2,251,975	2,259,528
Actual shares outstanding	2,242,179	2,247,429	2,249,429	2,251,212	2,254,037
Book value per share at period end	\$ 19.88	\$ 19.33	\$ 18.81	\$ 18.56	\$ 19.18
Dividend per share	\$ 0.18	\$ 0.18	\$ 0.18	\$ 0.18	\$ 0.17
Performance Ratios:					
Return on average assets	1.13%	1.07%	1.07%	1.18%	0.87%
Net interest margin, (FTE) ¹	4.06%	3.99%	3.95%	3.94%	3.90%
Efficiency ratio ²	61.33%	62.67%	61.83%	59.71%	69.80%
Capital and Other Ratios:					
(Ratios are period end, unless stated otherwise)					
Tier 1 leverage ratio	13.29%	13.17%	12.90%	12.54%	12.63%
Total risk-based capital ratio	24.19%	23.84%	23.10%	22.95%	22.92%
Allowance for loan losses to total loans	1.28%	1.25%	1.18%	1.19%	1.29%
Nonaccruing loans to total loans	1.80%	2.08%	2.15%	1.55%	1.66%
Net charge-offs (net recoveries) to average loans (annualized)	0.00%	-0.02%	0.18%	0.46%	0.06%

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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