

Citizens Bancorp of Virginia, Inc.

PRESS RELEASE - FOR IMMEDIATE DISTRIBUTION

Dated: July 31, 2012

Solid Second 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 \$834 thousand, or \$0.36 per share, for the quarter ended June 30, 2012, a 1.2% increase over the \$824 thousand, or \$0.35 per share, reported for the second quarter of 2011. Earnings for the six month year to date period increased 11.9% to \$1.743 million as compared to the \$1.558 million in the same period last year.

Earnings Highlights

Earnings performance in the second quarter was positively impacted by an increase in net interest income to \$3.009 million from the \$2.992 million in the second quarter of 2011. The Company's net interest margin on a fully taxable equivalent basis decreased slightly to 4.16% from 4.28% for the same period in 2011. The reduction 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 increased by \$42 thousand, or 7.1%, to \$634 thousand compared to the second quarter of 2011 and noninterest expense increased to \$2.472 million from \$2.355 million in the second quarter of 2011. There were no material changes in any income or expense category.

Balance Sheet

At June 30, 2012, total Company assets reached \$333.8 million, an increase of \$5.4 million over the second quarter of 2011. The Bank's loan portfolio ended the period at \$197.5 million, representing a decrease of 3.5%, or \$7.1 million, from the prior year. This decrease is the result of continued weak loan demand.

Deposit growth continued as total deposits grew to \$275.5 million from \$272.6 million over the second quarter of 2011. Noninterest-bearing demand deposits increased to \$40.5 million, or 17.7%, from \$34.5 million at the end of the second quarter of 2011.

Capital Strength

The Company's total equity at June 30, 2012 rose to \$42.7 million. Total risk-based capital and Tier 1 risk-based capital ratios were 22.25% and 21.08%, 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 \$83 thousand and \$158 thousand compared to the three and six month periods in 2011. Net charge-offs for

the second quarter of 2012 were \$133 thousand compared to \$286 thousand in the second quarter of 2011. Year to date net charge-offs decreased to \$153 thousand in 2012 from \$331 thousand in 2011. Nonaccruing loans as a percentage of loans decreased to 1.18% as of June 30, 2012 from 1.66% at June 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 half of 2012. We are also encouraged that nonaccrual loans and loans over 30 days past due have shown meaningful improvement from the same period last year."

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) June 30, 2012	December 31, 2011
	2012	2011
Cash and due from banks	\$ 7,027	\$ 6,124
Interest-bearing deposits in banks	3,117	2,606
Federal funds sold	10,601	10,445
Securities available for sale, at fair market value	90,928	84,512
Restricted securities, at cost	881	933
Loans, net of allowance for loan losses of \$2,341 and \$2,352	195,153	197,363
Premises and equipment, net	6,703	6,790
Accrued interest receivable	1,535	1,635
Other assets	1,834	2,357
Bank-owned life insurance	8,596	8,446
Other real estate owned, net of valuation allowance of \$220 in 2012 and \$181 in 2011	7,404	7,430
	\$ 333,779	\$ 328,641
Liabilities and Stockholders' Equity		
Liabilities		
Deposits:		
Noninterest-bearing	\$ 41,587	\$ 37,079
Interest-bearing	233,922	234,518
Total deposits	\$ 275,509	\$ 271,597
FHLB advances	5,000	5,000
Other borrowings	6,430	6,009
Accrued interest payable	557	608
Accrued expenses and other liabilities	3,608	3,581
Total liabilities	\$ 291,104	\$ 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, 2,295,467 for 2012 and 2,326,242 for 2011	1,148	1,163
Additional paid-in capital	--	--
Retained earnings	41,033	40,533
Accumulated other comprehensive income	494	150
Total stockholders' equity	\$ 42,675	\$ 41,846
Total liabilities and stockholders' equity	\$ 333,779	\$ 328,641

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2012	2011	2012	2011
Interest and Dividend Income				
Loans, including fees	3,071	3,288	6,219	6,529
Investment securities:				
Taxable	330	424	670	908
Tax-exempt	265	253	526	511
Federal Funds sold	6	3	13	10
Other	10	10	19	14
Total interest and dividend income	3,682	3,978	7,447	7,972
Interest Expense				
Deposits	642	947	1,335	1,929
Borrowings	31	39	62	77
Total interest expense	673	986	1,397	2,006
Net interest income	3,009	2,992	6,050	5,966
Provision for loan losses	67	150	142	300
Net interest income after provision for loan losses	2,942	2,842	5,908	5,666
Noninterest Income				
Service charges on deposit accounts	231	267	460	506
Net gain on sales of securities	-	-	-	-
Net other-than-temporary impairments	-	(40)	(28)	(40)
Net gain on sales of loans	30	13	72	27
Income from bank owned life insurance	77	75	150	147
ATM fee income	210	195	417	377
Other	86	82	157	131
Total noninterest income	634	592	1,228	1,148
Noninterest Expense				
Salaries and employee benefits	1,414	1,371	2,817	2,740
Net occupancy expense	164	151	306	300
Equipment expense	100	118	192	240
FDIC deposit insurance	58	60	127	261
Net (gain) on sale of other real estate owned	(18)	(9)	(117)	(16)
Impairment - other real estate owned	-	27	45	27
OREO expenses, net of rental income	30	22	95	30
Other	724	615	1,367	1,200
Total noninterest expense	2,472	2,355	4,832	4,782
Income before income taxes	1,104	1,079	2,304	2,032
Income taxes	270	255	561	474
Net income	834	824	1,743	1,558
Earnings per share, basic & diluted	0.36	0.35	0.75	0.66

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

(Dollars in thousands, except per share data)

	Three Months Ended				
	June 30, 2012	March 31, 2012	December 31, 2011	September 30, 2011	June 30, 2011
Per Share Data:					
Earnings per weighted average share	0.36	0.39	0.36	0.34	0.35
Weighted average shares outstanding	2,303,986	2,319,048	2,328,307	2,340,193	2,348,509
Actual shares outstanding	2,295,467	2,312,047	2,326,242	2,331,242	2,348,509
Book value per share at period end	\$ 18.59	\$ 18.27	\$ 17.99	\$ 18.20	\$ 17.70
Dividend per share	\$ 0.17	\$ 0.17	\$ 0.17	\$ 0.17	\$ 0.17
Performance Ratios:					
Return on average assets	1.00%	1.10%	1.02%	0.96%	1.00%
Net interest margin, (FTE) ¹	4.16%	4.23%	4.28%	4.12%	4.14%
Efficiency ratio ²	65.50%	62.70%	63.80%	63.28%	63.54%
Capital and Other Ratios:					
(Ratios are period end, unless stated otherwise)					
Tier 1 leverage ratio	12.64%	12.42%	12.69%	12.57%	12.54%
Total risk-based capital ratio	22.25%	22.28%	22.05%	22.01%	21.70%
Allowance for loan losses to total loans	1.19%	1.22%	1.18%	1.18%	1.04%
Nonaccruing loans to total loans	1.18%	1.12%	1.04%	1.36%	1.66%
Net charge-offs (net recoveries) to average loans (annualized)	0.27%	0.04%	0.34%	0.00%	0.56%

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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