

Citizens Bancorp of Virginia, Inc.

PRESS RELEASE - FOR IMMEDIATE DISTRIBUTION

Dated: October 22, 2013

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 net income of \$918 thousand, or \$0.41 per share, for the quarter ended September 30, 2013, a 2.00% increase from the \$900 thousand, or \$0.39 per share, reported for the same period of 2012. Earnings for the first nine months of 2013 were \$2.666 million, or \$1.18 per share, compared to \$2.643 million, or \$1.15 per share, for the prior year. The year to date increase was achieved in spite of additional pension expenses of \$275 thousand resulting from the lump sum payments of accrued pension benefits to recent retirees.

Noninterest income for the nine month year to date period increased by \$77 thousand, or 4.1%, to \$1.946 million compared to 2012. Noninterest expense for the nine month year to date period decreased \$106 thousand, or 1.5% to \$7.094 million when compared to the same period in 2012.

Balance Sheet

At September 30, 2013, total Company assets were \$340.9 million, an increase of \$2.0 million over December 31, 2012. The Bank's loan portfolio ended the period at \$192.3 million, representing a increase of 0.26%, or \$496 thousand, from the prior year end.

Deposit growth remains almost unchanged as total deposits grew to \$282.7 million from \$282.6 million at December 31, 2012. Noninterest-bearing demand deposits increased to \$44.2 million, or by 5.3%, from \$42.0 million at the end of 2012. Interest-bearing deposits declined to \$238.5 million, or by 0.9%, from \$282.6 at the end of 2012.

Capital Strength

The Company's total equity at September 30, 2013 was \$42.3 million. Total risk-based capital and Tier 1 leverage ratios were approximately 23.1% and 12.9%, 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 as a percentage of loans were .18% for the quarterly period ended September 30, 2013. Nonaccruing loans as a percentage of loans increased to 2.15% as of September 30, 2013 compared to 1.53% as of December 31, 2012.

President and CEO, Joseph D. Borgerding commented, "Management is very pleased to report strong third quarter and year to date earnings which exceed a very solid earnings performance in 2012. Management's emphasis on improving noninterest income and operating efficiencies continues to positively impact earnings. The construction of our newest branch on Route 10 in Chesterfield is on schedule for opening in the first quarter of 2014. The new Chesterfield branch will offer a more convenient location and additional space for growth over our existing leased facility. The Chesterfield market has been very important to the Bank in providing growth in loans and core deposits."

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) September 30, 2013	December 31, 2012
Cash and due from banks	\$ 7,248	\$ 8,198
Interest-bearing deposits in banks	2,114	2,093
Federal funds sold	10,017	12,145
Securities available for sale, at fair market value	105,676	100,426
Restricted securities, at cost	783	866
Loans, net of allowance for loan losses of \$2,259 and \$2,470	190,027	189,320
Premises and equipment, net	7,215	6,392
Accrued interest receivable	1,581	1,606
Other assets	1,791	1,142
Bank-owned life insurance	8,985	8,752
Other real estate owned, net of valuation allowance of \$207 in 2013 and \$220 in 2012	5,468	7,990
	\$ 340,905	\$ 338,930
Liabilities and Stockholders' Equity		
Liabilities		
Deposits:		
Noninterest-bearing	\$ 44,201	\$ 41,962
Interest-bearing	238,460	240,671
Total deposits	282,661	282,633
FHLB advances	5,000	5,000
Other borrowings	7,826	6,661
Accrued interest payable	355	450
Accrued expenses and other liabilities	2,744	842
Total liabilities	298,586	295,586
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, 2,249,429 for 2013 and 2,263,612 for 2012	1,125	1,132
Retained earnings	42,706	41,461
Accumulated other comprehensive income (loss)	(1,512)	751
Total stockholders' equity	42,319	43,344
	\$ 340,905	\$ 338,930

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

	(Unaudited)		(Unaudited)	
	Three Months Ended September 30,		Nine Months Ended September 30,	
	2013	2012	2013	2012
Interest and Dividend Income				
Loans, including fees	\$ 2,827	\$ 3,038	\$ 8,561	\$ 9,257
Investment securities:				
Taxable	336	317	972	987
Tax-exempt	270	264	797	790
Federal Funds sold	5	5	22	18
Other	12	10	34	29
Total interest and dividend income	3,450	3,634	10,386	11,081
Interest Expense				
Deposits	465	616	1,502	1,951
Borrowings	32	31	95	93
Total interest expense	497	647	1,597	2,044
Net interest income	2,953	2,987	8,789	9,037
Provision for loan losses	82	67	120	209
Net interest income after provision for loan losses	2,871	2,920	8,669	8,828
Noninterest Income				
Service charges on deposit accounts	242	244	697	704
Net gain on sales of securities	-	27	3	27
Net other-than-temporary impairments	-	-	-	(28)
Net gain on sales of loans	21	28	90	100
Income from bank owned life insurance	79	78	234	228
ATM fee income	219	206	652	623
Other	103	58	270	215
Total noninterest income	664	641	1,946	1,869
Noninterest Expense				
Salaries and employee benefits	1,369	1,443	4,377	4,260
Net occupancy expense	164	156	466	462
Equipment expense	93	95	259	287
FDIC deposit insurance	66	63	198	190
Net (gain) loss on sale of other real estate owned	(12)	(43)	(4)	(160)
Impairment - other real estate owned	-	-	-	45
OREO expenses, net of rental income	36	25	33	120
Other	605	629	1,765	1,996
Total noninterest expense	2,321	2,368	7,094	7,200
Income before income taxes	1,214	1,193	3,521	3,497
Income taxes	296	293	855	854
Net income	\$ 918	\$ 900	\$ 2,666	\$ 2,643
Earnings per share, basic & diluted	\$ 0.41	\$ 0.39	\$ 1.18	\$ 1.15

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, 2013	June 30, 2013	March 31, 2013	December 31, 2012	September 30, 2012
Per Share Data:					
Earnings per weighted average share	\$0.41	\$0.45	\$0.32	\$0.35	\$0.39
Weighted average shares outstanding	2,250,335	2,251,975	2,259,528	2,278,064	2,292,269
Actual shares outstanding	2,249,429	2,251,212	2,254,037	2,263,612	2,288,467
Book value per share at period end	\$ 18.81	\$ 18.56	\$ 19.18	\$ 19.15	\$ 18.97
Dividend per share	\$ 0.18	\$ 0.18	\$ 0.17	\$ 0.17	\$ 0.17
Performance Ratios:					
Return on average assets	1.07%	1.18%	0.87%	0.96%	1.07%
Net interest margin, (FTE) ¹	3.95%	3.94%	3.90%	4.07%	4.10%
Efficiency ratio ²	61.83%	59.71%	69.80%	66.81%	63.01%
Capital and Other Ratios:					
(Ratios are period end, unless stated otherwise)					
Tier 1 leverage ratio	12.90%	12.54%	12.63%	12.57%	12.78%
Total risk-based capital ratio	23.10%	22.95%	22.92%	22.90%	22.89%
Allowance for loan losses to total loans	1.18%	1.19%	1.29%	1.30%	1.24%
Nonaccruing loans to total loans	2.15%	1.55%	1.66%	1.53%	1.46%
Net charge-offs (net recoveries) to average loans (annualized)	0.18%	0.46%	0.06%	0.00%	-0.01%

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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