

Citizens Bancorp of Virginia, Inc.

PRESS RELEASE - FOR IMMEDIATE DISTRIBUTION

Dated: February 6, 2014

Record 2013 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 record earnings of \$3.571 million, or \$1.58 per share, for the twelve months ended December 31, 2013, a 3.5% increase over the \$3.450 million, or \$1.50 per share, reported for 2012. The Company's return on assets was 1.05% in 2013 compared to 1.04% in 2012. 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. Earnings for the fourth quarter of 2013 were \$905 thousand as compared to \$807 thousand in the same period last year.

Earnings Highlights

Net interest income only decreased by \$280 thousand, or 2.3%, which reflects management's focus on maintaining the Company's net interest margin despite the continuing historic low interest rate environment. The decrease in net interest income was more than offset by a \$339 thousand decrease in total noninterest expense and a \$109 thousand decline in the provision for loan losses.

Earnings performance in the fourth quarter showed improvement over the same period in 2012. Net income rose to \$905 thousand from \$807 thousand in the fourth quarter of 2012. Noninterest income decreased by \$92 thousand to \$663 thousand from \$755 thousand in the fourth quarter of 2012, which included a gain of \$66 thousand from the sale of fixed assets. Noninterest expense decreased to \$2.337 million from \$2.570 million in the fourth quarter of 2012. There were no material changes in any income or expense category. The Company's net interest margin decreased slightly to 3.99% from 4.07% for the same period in 2012. We expect margin compression to remain a challenge over the near term.

Balance Sheet

At December 31, 2013, total Company assets were \$335.5 million, a decrease of \$3.4 million from December 31, 2012. This decrease was primarily the result of the maturity of a \$5 million Federal Home Loan Bank advance, which was repaid from low yielding overnight funds. The Bank's loan portfolio ended the period at \$187.6 million, representing a decrease of 2.2%, or \$4.2 million, from the prior year. This decrease is the result of continued weak loan demand and the migration of residential mortgage loans to the secondary market.

Deposit growth remained flat as total deposits ended the year at \$282.9 million versus \$282.6 million in 2012. Noninterest-bearing demand deposits increased to \$42.1 million, or by 2.84% from \$40.9 million at the end of 2012. Interest-bearing deposits decreased to \$240.8 million, or .37%, from \$241.7 million.

Capital Strength

The Company's total equity at December 31, 2013 rose to \$43.4 million. Total risk-based capital and Tier 1 risk-based capital ratios were approximately 23.8% and 22.7%, 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 increased slightly to \$320 thousand in 2013 from \$181 thousand in 2012. Nonaccruing loans as a percentage of loans increased to 2.08% as of December 31, 2013 from 1.53% at December 31, 2012.

President and CEO, Joseph D. Borgerding commented, "We are proud of achieving record earnings for the second consecutive year. The key factors that contributed to the record year include our ability to maintain a consistent level of net interest income and a substantial reduction in noninterest expense. The Bank was also very successful in its strategic initiative to grow low-cost core transactional deposits which benefits our cost of funds and positively impacts the net interest margin."

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) December 31, 2013	December 31, 2012
Cash and due from banks	\$ 7,111	\$ 8,198
Interest-bearing deposits in banks	2,319	2,093
Federal funds sold	11,097	12,145
Securities available for sale, at fair market value	102,046	100,426
Restricted securities, at cost	558	866
Loans, net of allowance for loan losses of \$2,339 and \$2,470	185,264	189,320
Premises and equipment, net	7,843	6,392
Accrued interest receivable	1,594	1,606
Other assets	2,187	1,142
Bank-owned life insurance	9,065	8,752
Other real estate owned, net of valuation allowance of \$207 in 2013 and \$220 in 2012	6,370	7,990
	\$ 335,454	\$ 338,930
 Liabilities and Stockholders' Equity		
Liabilities		
Deposits:		
Noninterest-bearing	\$ 42,088	\$ 40,926
Interest-bearing	240,808	241,707
Total deposits	282,896	282,633
FHLB advances	-	5,000
Other borrowings	7,472	6,661
Accrued interest payable	326	450
Accrued expenses and other liabilities	1,319	842
Total liabilities	292,013	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, 2,247,429 for 2013 and 2,263,612 for 2012	1,124	1,132
Additional paid-in capital	-	-
Retained earnings	43,173	41,461
Accumulated other comprehensive income	(856)	751
Total stockholders' equity	43,441	43,344
	\$ 335,454	\$ 338,930

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

	Three Months Ended December 31, (Unaudited)		Twelve Months Ended December 31, (Unaudited)	
	2013	2012	2013	2012
Interest and Dividend Income				
Loans, including fees	\$ 2,786	\$ 3,011	\$ 11,347	\$ 12,268
Investment securities:				
Taxable	321	297	1,293	1,284
Tax-exempt	265	253	1,062	1,043
Federal Funds sold	5	7	26	25
Other	10	11	45	40
Total interest and dividend income	3,387	3,579	13,773	14,660
Interest Expense				
Deposits	443	582	1,945	2,533
Borrowings	10	31	105	124
Total interest expense	453	613	2,050	2,657
Net interest income	2,934	2,966	11,723	12,003
Provision for loan losses	70	90	190	299
Net interest income after provision for loan losses	2,864	2,876	11,533	11,704
Noninterest Income				
Service charges on deposit accounts	227	244	924	948
Net gain on sales of securities	-	1	3	28
Net other-than-temporary impairments	-	-	-	(28)
Net gain on sales of loans	21	25	111	125
Income from bank owned life insurance	79	78	313	306
ATM fee income	227	202	879	825
Other	109	205	379	420
Total noninterest income	663	755	2,609	2,624
Noninterest Expense				
Salaries and employee benefits	1,370	1,498	5,747	5,758
Net occupancy expense	133	136	599	598
Equipment expense	90	87	349	374
FDIC deposit insurance	62	65	260	255
Net (gain) on sale of other real estate owned	-	-	(4)	(160)
Impairment - other real estate owned	-	-	-	45
OREO expenses, net of rental income	31	140	64	260
Other	651	644	2,416	2,640
Total noninterest expense	2,337	2,570	9,431	9,770
Income before income taxes	1,190	1,061	4,711	4,558
Income taxes	285	254	1,140	1,108
Net income	\$ 905	\$ 807	\$ 3,571	\$ 3,450
Earnings per share, basic & diluted	\$ 0.40	\$ 0.35	\$ 1.58	\$ 1.50

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

(Dollars in thousands, except per share data)

	Three Months Ended				
	December 31, 2013	September 30, 2013	June 30, 2013	March 31, 2013	December 31, 2012
Per Share Data:					
Earnings per weighted average share	\$0.40	\$0.41	\$0.45	\$0.32	\$0.35
Weighted average shares outstanding	2,248,371	2,250,335	2,251,975	2,259,528	2,278,064
Actual shares outstanding	2,247,429	2,249,429	2,251,212	2,254,037	2,263,612
Book value per share at period end	\$ 19.33	\$ 18.81	\$ 18.56	\$ 19.18	\$ 19.15
Dividend per share	\$ 0.18	\$ 0.18	\$ 0.18	\$ 0.17	\$ 0.17
Performance Ratios:					
Return on average assets	1.07%	1.07%	1.18%	0.87%	0.96%
Net interest margin, (FTE) ¹	3.99%	3.95%	3.94%	3.90%	4.07%
Efficiency ratio ²	62.67%	61.83%	59.71%	69.80%	66.81%
Capital and Other Ratios:					
(Ratios are period end, unless stated otherwise)					
Tier 1 leverage ratio	13.17%	12.90%	12.54%	12.63%	12.57%
Total risk-based capital ratio	23.84%	23.10%	22.95%	22.92%	22.90%
Allowance for loan losses to total loans	1.25%	1.18%	1.19%	1.29%	1.30%
Nonaccruing loans to total loans	2.08%	2.15%	1.55%	1.66%	1.53%
Net charge-offs (net recoveries) to average loans (annualized)	-0.02%	0.18%	0.46%	0.06%	0.00%

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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