

CENTRAL VIRGINIA BANKSHARES, INC
CONSOLIDATED BALANCE SHEETS
June 30, 2006 and 2005
(Unaudited)

ASSETS	June 30, 2006	June 30, 2005	\$ Change	% Change
Cash and due from banks	9,024,447	10,241,695	(1,217,248)	-11.89%
Federal funds sold	3,662,000	7,227,000	(3,565,000)	-49.33%
Total cash and cash equivalents	<u>12,686,447</u>	<u>17,468,695</u>	<u>(4,782,248)</u>	<u>-27.38%</u>
Securities available for sale	149,658,427	163,259,757	(13,601,330)	-8.33%
Securities held to maturity (approximate market value 2006 \$8,686,285; 2005 \$8,764,551)	8,477,527	8,481,014	(3,487)	-0.04%
Total Investment Securities	<u>158,135,954</u>	<u>171,740,771</u>	<u>(13,604,817)</u>	<u>-7.92%</u>
Mortgage loans held for sale	348,500	50,000	298,500	597.00%
Total loans	211,792,129	185,189,932	26,602,197	14.36%
Less: Unearned income	(94,906)	(80,664)	(14,242)	17.66%
Reserve for loan losses	(2,899,194)	(2,805,257)	(93,937)	3.35%
Loans, net	<u>208,798,029</u>	<u>182,304,011</u>	<u>26,494,018</u>	<u>14.53%</u>
Bank premises and equipment, net	10,357,369	10,017,715	339,654	3.39%
Accrued interest receivable	2,569,109	2,360,334	208,775	8.85%
Other assets	16,072,752	12,450,512	3,622,240	29.09%
Total Other Assets	<u>28,999,230</u>	<u>24,828,561</u>	<u>4,170,669</u>	<u>16.80%</u>
Total assets	<u><u>408,968,160</u></u>	<u><u>396,392,038</u></u>	<u><u>12,576,122</u></u>	<u><u>3.17%</u></u>
LIABILITIES AND STOCKHOLDERS' EQUITY				
LIABILITIES				
Deposits:				
Demand deposits	51,490,510	46,079,152	5,411,358	11.74%
Interest bearing demand deposits and Now Accounts	55,535,417	52,933,859	2,601,558	4.91%
Savings deposits	40,483,205	50,435,536	(9,952,331)	-19.73%
Time deposits, \$100,000 and over	51,247,775	44,995,630	6,252,145	13.90%
Other time deposits	134,134,000	130,575,063	3,558,937	2.73%
Total Deposits	<u>332,890,907</u>	<u>325,019,240</u>	<u>7,871,667</u>	<u>2.42%</u>
Fed funds purchased and securities sold under REPO	73,500	511,500	(438,000)	-85.63%
Overnight FHLB advances	0	0	0	
FHLB Term Borrowings	36,000,000	30,500,000	5,500,000	18.03%
Long term debt, Capital Trust Preferred	5,155,000	5,155,000	0	0.00%
Total Borrowed Funds	<u>41,228,500</u>	<u>36,166,500</u>	<u>5,062,000</u>	<u>14.00%</u>
Accrued interest payable	471,792	449,587	22,205	4.94%
Other liabilities	1,958,145	1,378,469	579,676	42.05%
Total other liabilities	<u>2,429,937</u>	<u>1,828,056</u>	<u>601,881</u>	<u>32.92%</u>
Total Liabilities	376,549,344	363,013,796	13,535,548	3.73%
STOCKHOLDERS' EQUITY				
Common stock, \$1.25 par value; 6,000,000 shares authorized; 2,405,624 and 2,276,288 shares issued and outstanding in 2006 and 2005 respectively	3,007,030	2,845,360	161,670	5.68%
Surplus	14,066,344	10,698,047	3,368,297	31.49%
Retained earnings	19,836,316	19,246,176	590,140	3.07%
Accumulated other comprehensive income	(4,490,874)	588,659	(5,079,533)	-862.90%
Shareholders' Equity	<u>32,418,816</u>	<u>33,378,242</u>	<u>(959,426)</u>	<u>-2.87%</u>
Total Liabilities and Stockholders' Equity	<u><u>408,968,160</u></u>	<u><u>396,392,038</u></u>	<u><u>12,576,122</u></u>	<u><u>3.17%</u></u>
Loan to Deposit Ratio	63.59%	56.95%		11.66%
Book Value	\$13.48	\$13.97		-3.50%
Shares outstanding	2,405,624	2,390,102		

CENTRAL VIRGINIA BANKSHARES, INC
CONSOLIDATED STATEMENTS OF INCOME
(Unaudited)

	Three Months Ended June 30				Six Months Ended June 30			
	2006	2005	\$ Change	% Change	2006	2005	\$ Change	% Change
Interest and fees on loans	4,348,394	3,267,620	1,080,774	33.1%	8,308,779	6,367,781	1,940,998	30.5%
Interest on securities:								
U.S. Government agencies and corporations	1,113,245	1,053,671	59,574	5.7%	2,195,610	2,060,380	135,230	6.6%
U.S. Treasury securities	0	0	0		5,369	0	5,369	
States and political subdivisions	252,986	372,117	(119,131)	-32.0%	532,096	747,495	(215,399)	-28.8%
Other	958,944	932,274	26,670	2.9%	1,939,599	1,827,938	111,661	6.1%
Interest on federal funds sold	6,773	9,503	(2,730)	-28.7%	7,013	20,499	(13,486)	-65.8%
Total Interest on Securities and Funds Sold	2,331,948	2,367,565	(35,617)	-1.5%	4,679,687	4,656,312	23,375	0.5%
Total Interest Income	6,680,342	5,635,185	1,045,157	18.5%	12,988,466	11,024,093	1,964,373	17.8%
Interest on Deposits	2,295,772	1,736,708	559,064	32.2%	4,381,264	3,345,478	1,035,786	31.0%
Interest on federal funds purchased and securities sold under repurchase agreements	89,738	22,128	67,610	305.5%	179,318	39,498	139,820	354.0%
Interest on FHLB borrowings:								
Overnight	142,840	0	142,840		197,135	8,185	188,950	2308.5%
Term	214,514	272,269	(57,755)	-21.2%	465,866	526,507	(60,641)	-11.5%
Interest on capital trust preferred	80,952	80,952	0	0.0%	160,983	161,015	(32)	0.0%
Total Interest on Borrowings	528,044	375,349	152,695	40.7%	1,003,302	735,205	268,097	36.5%
Total Interest Expense	2,823,816	2,112,057	711,759	33.7%	5,384,566	4,080,683	1,303,883	32.0%
Net interest income	3,856,526	3,523,128	333,398	9.5%	7,603,900	6,943,410	660,490	9.5%
Net Interest Income (FTE)	4,034,836	3,736,879	297,957	8.0%	7,971,121	7,370,723	600,399	8.1%
Provision for Loan Losses	0	59,000	(59,000)	-100.0%	0	59,000	(59,000)	-100.0%
Net interest income after provision for loan losses	3,856,526	3,464,128	392,398	11.3%	7,603,900	6,884,410	719,490	10.5%
Other income								
Deposit fees and charges	491,856	301,566	190,290	63.1%	930,541	562,250	368,291	65.5%
Bank card fees	106,738	89,192	17,546	19.7%	204,064	174,151	29,913	17.2%
Increase in cash surrender value of life insurance	52,848	68,527	(15,679)	-22.9%	105,695	139,084	(33,389)	-24.0%
Secondary mortgage market loan interest and fees	55,131	59,735	(4,604)	-7.7%	138,351	107,096	31,255	29.2%
Investment and insurance commissions	113,345	109,767	3,578	3.3%	184,575	181,307	3,268	1.8%
Realized gain on sale of securities available for sale	0	104,615	(104,615)	-100.0%	96,315	104,615	(8,300)	-7.9%
Realized gain on sale of assets	757,416	757,416	0		757,416	757,416	0	
Other	52,159	51,844	315	0.6%	133,959	107,791	26,168	24.3%
Total Other Income	1,629,493	785,246	844,247	107.5%	2,550,916	1,376,294	1,174,622	85.3%
Other expenses								
Salaries and wages	1,362,446	1,149,879	212,567	18.5%	2,664,944	2,234,707	430,237	19.3%
Pensions and other employee benefits	545,205	422,384	122,821	29.1%	1,004,538	820,500	184,038	22.4%
Total Salaries and Benefits	1,907,651	1,572,263	335,388	21.3%	3,669,482	3,055,207	614,275	20.1%
Occupancy expense	161,745	117,388	44,357	37.8%	321,496	238,848	82,648	34.6%
Equipment depreciation	188,356	157,003	31,353	20.0%	379,210	309,305	69,905	22.6%
Equipment repairs and maintenance	91,191	82,950	8,241	9.9%	167,663	157,086	10,577	6.7%
Advertising and public relations	93,463	59,753	33,710	56.4%	168,027	112,139	55,888	49.8%
Federal insurance premiums	9,998	10,676	(678)	-6.4%	20,308	21,337	(1,029)	-4.8%
Office supplies, telephone, and postage	159,959	149,967	9,992	6.7%	291,457	295,925	(4,468)	-1.5%
Taxes and licenses	65,758	66,820	(1,062)	-1.6%	134,455	125,784	8,671	6.9%
Legal and professional fees	71,875	76,568	(4,693)	-6.1%	145,725	144,696	1,029	0.7%
Consulting fees	83,531	69,904	13,627	19.5%	153,866	134,515	19,351	14.4%
Other operating expenses	520,136	372,083	148,053	39.8%	944,111	694,713	249,398	35.9%
Total Other Expenses	1,446,012	1,163,112	282,900	24.3%	2,726,318	2,234,348	491,970	22.0%
Total Non-Interest Expense	3,353,663	2,735,375	618,288	22.6%	6,395,800	5,289,555	1,106,245	20.9%
Income before income taxes	2,132,356	1,513,999	618,357	40.8%	3,759,016	2,971,149	787,867	26.5%
Income taxes	580,155	305,167	274,988	90.1%	934,400	591,648	342,752	57.9%
Net Income	1,552,201	1,208,832	343,369	28.4%	2,824,616	2,379,501	445,115	18.7%
Earnings per share of common stock - Primary:								
Income before income taxes	0.89	0.64		39.7%	1.57	1.25		25.3%
Net income - Basic	0.65	0.51		27.3%	1.18	1.00		17.6%
Earnings per share assuming dilution:								
Income before income taxes	0.87	0.63		39.5%	1.54	1.23		25.5%
Net income - Fully Diluted	0.64	0.50		27.2%	1.16	0.98		17.8%
Dividends paid per share	0.18	0.16		12.5%	0.35	0.305		14.8%
Weighted average shares	2,403,156	2,383,112		0.8%	2,401,771	2,379,255		0.9%
Weighted average shares assuming dilution	2,441,773	2,417,999		1.0%	2,440,263	2,420,981		0.8%
Return on average assets	1.53%	1.24%		23.1%	1.40%	1.23%		13.5%
Return on average equity	17.18%	15.23%		12.8%	16.19%	15.05%		7.6%
Average assets	407,065,947	390,288,084			403,713,012	385,923,229		
Average equity	36,145,958	31,747,369			34,893,677	31,627,276		

