

CENTRAL VIRGINIA BANKSHARES, INC
CONSOLIDATED BALANCE SHEETS
December 31, 2005 and December 31, 2004

<u>ASSETS</u>	<u>December 31, 2005</u>	<u>December 31, 2004</u>	<u>\$ Change</u>	<u>% Change</u>
Cash and due from banks	9,628,534	9,663,181	(34,647)	-0.36%
Federal funds sold	0	0		
Total cash and cash equivalents	<u>9,628,534</u>	<u>9,663,181</u>	<u>(34,647)</u>	<u>-0.36%</u>
Securities available for sale	157,180,730	160,219,203	(3,038,473)	-1.90%
Securities held to maturity (est mkt value 2005 \$8,708,861; 2004 \$9,134,149)	8,477,514	8,820,035	(342,521)	-3.88%
Total Investment Securities	<u>165,658,244</u>	<u>169,039,238</u>	<u>(3,380,994)</u>	<u>-2.00%</u>
Mortgage loans held for sale	909,800	1,264,175	(354,375)	-28.03%
Total loans	197,646,988	180,032,318	17,614,670	9.78%
Less: Unearned income	(88,762)	(100,141)	11,379	-11.36%
Reserve for loan losses	(2,917,670)	(2,698,622)	(219,048)	8.12%
Loans, net	<u>194,640,556</u>	<u>177,233,555</u>	<u>17,407,001</u>	<u>9.82%</u>
Bank premises and equipment, net	10,899,744	8,134,145	2,765,599	34.00%
Accrued interest receivable	2,642,043	2,297,411	344,632	15.00%
Other assets	12,838,799	11,644,488	1,194,311	10.26%
Total Other Assets	<u>26,380,586</u>	<u>22,076,044</u>	<u>4,304,542</u>	<u>19.50%</u>
Total Assets	<u>397,217,720</u>	<u>379,276,193</u>	<u>17,941,527</u>	<u>4.73%</u>
 <u>LIABILITIES AND STOCKHOLDERS' EQUITY</u>				
<u>LIABILITIES</u>				
Deposits:				
Demand deposits	44,572,283	41,046,290	3,525,993	8.59%
Interest bearing demand deposits and NOW accounts	57,484,662	54,634,469	2,850,193	5.22%
Savings deposits	44,842,730	53,190,797	(8,348,067)	-15.69%
Time deposits, \$100,000 and over	43,380,423	39,204,176	4,176,247	10.65%
Other time deposits	131,948,849	121,871,237	10,077,612	8.27%
Total Deposits	<u>322,228,948</u>	<u>309,946,969</u>	<u>12,281,979</u>	<u>3.96%</u>
Federal funds purchased and securities sold under repurchase agreements	4,690,000	997,000	3,693,000	370.41%
Overnight FHLB advances	0	4,500,000	(4,500,000)	-100.00%
FHLB Term Borrowings	30,500,000	26,000,000	4,500,000	17.31%
Long term debt, capital trust preferred securities	5,000,000	5,000,000	0	0.00%
Total Borrowed Funds	<u>40,190,000</u>	<u>36,497,000</u>	<u>3,693,000</u>	<u>10.12%</u>
Accrued interest payable	517,117	416,469	100,648	24.17%
Other liabilities	1,372,684	1,034,809	337,875	32.65%
Total other liabilities	<u>1,889,801</u>	<u>1,451,278</u>	<u>438,523</u>	<u>30.22%</u>
Total Liabilities	364,308,749	347,895,247	16,413,502	4.72%
 <u>STOCKHOLDERS' EQUITY</u>				
Common stock, \$1.25 par value; 6,000,000 shares authorized; 2,285,618 and 2,261,716 shares issued and outstanding in 2005 and 2004 respectively	2,857,023	2,827,145	29,878	1.06%
Surplus	10,898,720	10,417,162	481,558	4.62%
Retained earnings	21,013,201	17,558,418	3,454,783	19.68%
Accumulated other comprehensive income	(1,859,973)	578,221	(2,438,194)	-421.67%
Total stockholders' equity	<u>32,908,971</u>	<u>31,380,946</u>	<u>1,528,025</u>	<u>4.87%</u>
Total Liabilities and Stockholders' Equity	<u>397,217,720</u>	<u>379,276,193</u>	<u>17,941,527</u>	<u>4.73%</u>
 Loan to Deposit Ratio	61.31%	58.05%		5.61%
Book Value	\$14.40	\$13.87		3.77%
Shares outstanding	2,285,618	2,261,716		

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

	Three Months Ended December 31				Twelve Months Ended December 31			
	2005	2004	\$ Change	% Change	2005	2004	\$ Change	% Change
Interest and fees on loans	3,759,895	2,977,919	781,976	26.3%	13,609,704	11,122,815	2,486,889	22.4%
Interest on securities:								
U.S. Government agencies and corporations	989,175	960,913	28,262	2.9%	4,108,892	3,918,091	190,801	4.9%
U.S. Treasury securities	0	0	0	0.0%	0	37,286	(37,286)	-100.0%
States and political subdivisions	346,960	384,976	(38,016)	-9.9%	1,440,620	1,576,759	(136,139)	-8.6%
Other	978,009	926,874	51,135	5.5%	3,787,502	3,624,233	163,269	4.5%
Interest on federal funds sold	32,572	23,734	8,838	37.2%	72,341	38,260	34,081	89.1%
Total Interest on Securities and Funds Sold	2,346,716	2,296,497	50,219	2.2%	9,409,355	9,194,629	214,726	2.3%
Total interest income	6,106,611	5,274,416	832,195	15.8%	23,019,059	20,317,444	2,701,615	13.3%
Interest on deposits	1,982,228	1,556,116	426,112	27.4%	7,190,999	5,982,163	1,208,836	20.2%
Interest on federal funds purchased and securities sold under repurchase agreements	29,815	9,665	20,150	208.5%	95,914	42,313	53,601	126.7%
Interest on FHLB borrowings:								
Overnight	0	25,536	(25,536)	-100.0%	8,185	81,429	(73,244)	-89.9%
Term	238,378	239,517	(1,139)	-0.5%	1,010,197	914,940	95,257	10.4%
Interest on capital trust preferred	81,842	81,841	1	0.0%	324,698	324,603	95	0.0%
Total Interest on Borrowings	350,035	356,559	(6,524)	-1.8%	1,438,994	1,363,285	75,709	5.6%
Total Interest Expense	2,332,263	1,912,675	419,588	21.9%	8,629,993	7,345,448	1,284,545	17.5%
Net interest income	3,774,348	3,361,741	412,607	12.3%	14,389,066	12,971,996	1,417,070	10.9%
Net Interest Income (FTE)	3,975,291	3,579,762	395,529	11.0%	15,219,087	13,839,362	1,379,725	10.0%
Provision for loan losses	37,000	43,000	(6,000)	-14.0%	203,000	414,500	(211,500)	-51.0%
Net interest income after provision for loan losses	3,737,348	3,318,741	418,607	12.6%	14,186,066	12,557,496	1,628,570	13.0%
Other income								
Deposit fees and charges	364,225	273,839	90,386	33.0%	1,227,076	1,083,151	143,925	13.3%
Bank card fees	95,933	78,296	17,637	22.5%	362,901	302,519	60,382	20.0%
Increase in cash surrender value of life insurance	72,996	65,871	7,125	10.8%	280,607	264,454	16,153	6.1%
Secondary mortgage market loan interest and fees	76,016	56,759	19,257	33.9%	241,980	238,199	3,781	1.6%
Investment and insurance commissions	44,417	61,947	(17,530)	-28.3%	284,772	410,206	(125,434)	-30.6%
Realized gain on sale of securities available for sale	197,868	123,962	73,906	59.6%	380,852	310,391	70,461	22.7%
Other	46,297	49,136	(2,839)	-5.8%	224,721	229,464	(4,743)	-2.1%
Total other income	897,752	709,810	187,942	26.5%	3,002,909	2,838,384	164,525	5.8%
Other expenses								
Salaries and wages	1,181,699	1,045,706	135,993	13.0%	4,595,603	4,244,234	351,369	8.3%
Pensions and other employee benefits	434,338	369,399	64,939	17.6%	1,681,245	1,460,283	220,962	15.1%
Total Salaries and Benefits	1,616,037	1,415,105	200,932	14.2%	6,276,848	5,704,517	572,331	10.0%
Occupancy expense	154,979	134,199	20,780	15.5%	550,739	457,624	93,115	20.3%
Equipment depreciation	210,189	174,292	35,897	20.6%	679,498	640,268	39,230	6.1%
Equipment repairs and maintenance	83,278	75,000	8,278	11.0%	323,125	284,868	38,257	13.4%
Advertising and public relations	89,974	72,291	17,683	24.5%	259,094	232,657	26,437	11.4%
Federal insurance premiums	10,549	10,681	(132)	-1.2%	42,140	43,871	(1,731)	-3.9%
Office supplies, telephone, and postage	141,535	132,400	9,135	6.9%	599,030	569,529	29,501	5.2%
Taxes and licenses	71,610	64,363	7,247	11.3%	268,672	231,233	37,439	16.2%
Legal and professional fees	50,224	50,509	(285)	-0.6%	199,723	174,092	25,631	14.7%
Consulting Fees	75,232	75,232	0	0.0%	281,912	272,136	9,776	3.6%
Other operating expenses	404,759	378,471	26,288	6.9%	1,474,122	1,364,410	109,712	8.0%
Total Other Expenses	1,292,329	1,167,438	124,891	10.7%	4,678,055	4,270,688	407,367	9.5%
Total Non-Interest Expense	2,908,366	2,582,543	325,823	12.6%	10,954,903	9,975,205	979,698	9.8%
Income before income taxes	1,726,734	1,446,008	280,726	19.4%	6,234,072	5,420,675	813,397	15.0%
Income taxes	419,774	252,710	167,064	66.1%	1,357,232	1,056,351	300,881	28.5%
Net Income	1,306,960	1,193,298	113,662	9.5%	4,876,840	4,364,324	512,516	11.7%
Earnings per share of common stock - Basic:								
Income before income taxes *	\$ 0.76	\$ 0.64	\$ 0.11	17.9%	\$ 2.74	\$ 2.42	\$ 0.33	13.5%
Net income - Basic *	\$ 0.57	\$ 0.53	\$ 0.04	8.2%	\$ 2.14	\$ 1.95	\$ 0.20	10.2%
Earnings per share assuming dilution:								
Income before income taxes *	\$ 0.74	\$ 0.63	\$ 0.11	18.3%	\$ 2.69	\$ 2.37	\$ 0.33	13.8%
Net income - Fully Diluted	\$ 0.56	\$ 0.52	\$ 0.04	8.5%	\$ 2.11	\$ 1.91	\$ 0.20	10.6%
Dividends paid per share	\$ 0.16	\$ 0.145	\$ 0.02	10.3%	\$ 0.625	\$ 0.58	\$ 0.045	7.8%
Weighted average shares	2,283,758	2,255,110			2,274,010	2,243,529		
Weighted average shares assuming dilution	2,323,519	2,301,185			2,313,650	2,290,049		
Return on average assets	1.32%	1.27%			1.25%	1.18%		
Return on average equity	16.22%	15.37%			15.02%	14.80%		
Average assets	396,641,674	376,523,455			391,713,081	369,501,834		
Average equity	32,222,235	31,048,595			32,465,553	29,487,242		

Central Virginia Bankshares, Inc.
Consolidated Financial Information
December 31, 2005
(Unaudited)

Selected Financial Data and Ratios

<u>Average Balances</u>	<u>2005</u>		<u>2004</u>	
	<u>4th Qtr</u>	<u>Year To Date</u>	<u>4th Qtr</u>	<u>Year To Date</u>
Investment Securities	168,792,046	173,369,318	166,383,187	167,271,349
Federal Funds Sold	3,338,674	2,192,175	5,289,196	2,767,355
Loans (net of unearned discount)	194,874,361	186,208,744	176,193,506	171,269,946
Earning Assets	367,602,402	362,360,007	348,601,721	341,839,984
Assets	396,641,674	391,713,081	376,523,455	369,501,834
Non-Interest Bearing Deposits	46,538,695	42,748,536	40,067,230	38,567,126
Interest Bearing Deposits	277,174,238	275,930,630	266,807,297	262,205,549
Total Deposits	323,712,932	318,679,166	306,874,527	300,772,675
FHLB Overnight Advances	0	295,890	4,586,957	5,252,732
FHLB Term Borrowings	30,500,000	30,834,247	25,913,043	24,939,891
Fed Funds Purchased and Repurchase Agreements	2,764,304	2,739,819	1,777,663	2,894,884
Long term debt, Capital Trust Preferred	5,000,000	5,000,000	5,000,000	5,000,000
Total Borrowings	38,264,304	38,869,956	37,277,663	38,087,507
Interest Bearing Liabilities	315,438,542	314,800,586	304,084,960	300,293,056
Stockholder's Equity	32,222,235	32,465,553	31,048,595	29,487,242
Weighted Average Shares Outstanding - Basic	2,283,758	2,274,010	2,255,110	2,243,529
Weighted Average Shares Outstanding - Fully Diluted	2,323,519	2,313,650	2,301,185	2,290,049

Asset Quality

	<u>1st Qtr 2005</u>	<u>2nd Qtr 2005</u>	<u>3rd Qtr 2005</u>	<u>4th Qtr 2005</u>	<u>4th Qtr 2004</u>
Non-accrual Loans	244,162	224,058	748,328	719,915	270,546
Other Non Performing Assets	117,760	117,760	117,760	110,830	124,520
Other Real Estate Owned	0	0	0	0	0
Loans 90 Days Past Due	219,471	134,760	724,252	247,160	604,783
Total Non-Performing Assets	581,393	476,577	1,590,340	1,077,905	999,849
	467%	589%	181%	271%	292%

Reserve for Loan Losses:	<u>1st Qtr 2005</u>	<u>2nd Qtr 2005</u>	<u>3rd Qtr 2005</u>	<u>4th Qtr 2005</u>	<u>YTD 2005</u>
Beginning Balance	2,698,622	2,715,143	2,805,257	2,879,149	2,698,622
Provision Charged to Expense	0	59,000	107,000	37,000	203,000
Charge Offs	24,794	16,461	41,031	11,416	93,702
Recoveries	41,315	47,575	7,923	12,937	109,750
Ending Balance	2,715,143	2,805,257	2,879,149	2,917,670	2,917,670

Selected Ratios

	<u>4th Qtr 2005</u>	<u>YTD 2005</u>	<u>4th Qtr 2004</u>	<u>YTD 2004</u>
Return on Average Assets	1.32%	1.25%	1.27%	1.18%
Return on Average Stockholder's Equity	16.22%	15.02%	15.37%	14.80%
Average Equity to Assets	8.12%	8.29%	8.25%	7.98%
Net Interest Margin (FTE)	4.33%	4.20%	4.11%	4.05%
Efficiency Ratio	59.68%	60.12%	60.21%	59.81%
Average Loan to Average Deposit Ratio	60.20%	58.43%	57.42%	56.94%
Reserve for Loan Loss / Loans EOP	1.48%		1.50%	
Reserve for Loan Loss / Non-Performing Assets	270.68%		269.90%	
Dividend Payout Ratio (Qtr Annualized - Fully Diluted)	29.09%		27.88%	
Dividend Payout Ratio (12 Mos Trailing - Fully Diluted)	29.76%		30.32%	

Per Share Data

EPS - Basic	\$ 0.57	\$ 2.14	\$ 0.53	\$ 1.95
EPS - Fully Diluted	\$ 0.56	\$ 2.11	\$ 0.52	\$ 1.91
Dividends Paid per Share	\$ 0.16	\$ 0.625	0.145	\$ 0.573
Book Value at Period End	\$14.40	\$14.40	\$13.87	\$13.87