



MY DREAM, MY BANK

May 20, 2010

P.O. Box 39
Powhatan, VA 23139

(804)403-2000
(804)598-7768 fax

www.centralvabank.com

Dear Shareholders:

Our 2009 financial results were not what we consider acceptable; however, we believe that we will see improved performance in 2010 as a result of what has made Central Virginia Bankshares, Inc. a successful community bank over the past 36 years. "My Dream, My Bank" is not just a marketing slogan but is at the heart of our bank. We are a community-based, relationship-oriented financial provider focused on our markets. We will strive to build upon this core principle, rebuild our capital base and once again deliver the strong financial performance that our owners expect and deserve. There is no doubt that the "Recession of 2008-2009" has been painful for our customers and our shareholders. We have worked with our customers to help them through this tough economic cycle because we know the value of our relationship with our customers. However, we too have been impacted by the recession. Over the past two years, we have lost a combined total of \$18.8 million. Obviously, this has greatly reduced our capital position despite 34 years of consistent earnings, as you can see in the enclosed Amendment No. 2 to our Annual Report on Form 10-K/A for the year ended December 31, 2009.

As discussed in further detail beginning on page 18 of the enclosed proxy statement, our Board of Directors has approved, subject to your approval at our annual meeting on June 23, 2010, increasing our authorized shares of common stock from 6 million to 30 million shares. Many of you may be asking "why?" The answer is simple - we need to be able to raise capital and rebuild our regulatory capital base through an issuance of common stock if we deem that such an issuance is in the best interest of our shareholders. Additionally, we want to have the authorized shares available to issue additional shares in the future for other corporate purposes, including the possibility of paying off our TARP obligation. If we improve our capital position, we will be able to continue to do what we do best - providing the customers in our market the loans and deposit products they need in order to realize their dreams. We respectfully request you vote "yes" to this proposal.

2009 Summary and Future Outlook

Our results in 2009 were impacted by four key items. First, as our customers have been struggling through this economy, we needed to provide for potential credit losses in our loan portfolio. In response to the changing environment, we recorded a record \$9.5 million in provision for loan losses. Secondly, as banks across the United States continue to have financial difficulty, some of our investments backed by securities issued by these banks have declined in value. This required a non-cash write-down of \$6.7 million for the year. Thirdly, the Federal Deposit Insurance Corporation has increased insurance premiums on all banks in the country, and our premiums increased 424% or \$933 thousand over the prior years. The combination of the items mentioned above coupled with the 2008 write-off of our investment in Freddie Mac and Fannie Mae, and the increase in non-performing loans has resulted in a lower base of interest-earning assets. As a result, we recorded approximately \$4.0 million lower interest income in 2009 compared to 2008.

Arguably, 2008 and 2009 have been the toughest economic environment that most of us, as well as Central Virginia Bank, have ever experienced. But we believe we are seeing positive signs on the horizon. Through the hard work of our team, our financial performance for the first quarter 2010 showed progress. Despite the challenges presented by the national and local economies, our focus toward serving our customers has helped our financial performance. We're encouraged by signs of improvement in the national economy. As reported by the Federal Reserve Bank of Richmond in their April 14, 2010 Beige Book, improved economic activity is being seen across the Fifth District. Manufacturing, home sales, tourism and retail sales are improving. These economic recovery signs are a welcomed relief after years of negative economic news. While we are seeing positive indicators, we also realize this recovery is fragile and we anticipate that the recovery will be slow process.

We are coming through the most severe recession in the Bank's history and we believe will emerge stronger as an organization. Our team is focused on serving the needs of our customers and delivering the performance our owners expect. We expect our Bank will contribute significantly to the economic recovery of our market. We know we have much work to do to rebuild our capital base, our financial performance and your confidence. We need your affirmative vote to the proposal to increase our authorized shares so we will have the flexibility to raise capital to meet our short and long term needs.

We greatly appreciate the continued loyalty of our customers and their allowing us to help them attain their dreams. And we thank you, our owners, for your confidence in Central Virginia Bankshares, Inc. as we begin our 37th year.

James T. Napier
Chairman

Ralph Larry Lyons
President & CEO