



ANNUAL USE OF CAPITAL SURVEY - 2009

NAME OF INSTITUTION

(Include Holding Company Where Applicable)

Eastern Virginia Bankshares, Inc. (one bank holding company for EVB)

Person to be contacted regarding this report:	Joan Sumner
UST Sequence Number:	250
CPP Funds Received:	24,000,000
CPP Funds Repaid to Date:	0
Date Funded (first funding):	Jan 9, 2009
Date Repaid ¹ :	N/A

RSSD: (For Bank Holding Companies)	2626691
Holding Company Docket Number: (For Thrift Holding Companies)	000-23565
FDIC Certificate Number: (For Depository Institutions)	11584
City:	Tappahannock
State:	Virginia

¹If repayment was incremental, please enter the most recent repayment date.

American taxpayers are quite interested in knowing how banks have used the money that Treasury has invested under the Capital Purchase Program (CPP). To answer that question, Treasury is seeking responses that describe generally how the CPP investment has affected the operation of your business. We understand that once received, the cash associated with TARP funding is indistinguishable from other cash sources, unless the funds were segregated, and therefore it may not be feasible to identify precisely how the CPP investment was deployed or how many CPP dollars were allocated to each use. Nevertheless, we ask you to provide as much information as you can about how you have used the capital Treasury has provided, and how your uses of that capital have changed over time. Treasury will be pairing this survey with a summary of certain balance sheet and other financial data from your institution's regulatory filings, so to the extent you find it helpful to do so, please feel free to refer to your institution's quarterly call reports to illustrate your answers. This is your opportunity to speak to the taxpayers in your own words, which will be posted on our website.

What specific ways did your institution utilize CPP capital? Check all that apply and elaborate as appropriate, especially if the uses have shifted over time. Your responses should reflect actions taken over the past year (or for the portion of the year in which CPP funds were outstanding).

<input checked="" type="checkbox"/>	Increase lending or reduce lending less than otherwise would have occurred.	Participation in CPP has allowed EVB to avoid reductions in lending in the communities which we serve and to develop a win-win situation to alleviate stress for our customers. As of year end 2009, all of the CPP funds were deployed throughout our communities.
<input checked="" type="checkbox"/>	To the extent the funds supported increased lending, please describe the major type of loans, if possible (residential mortgage loans, commercial mortgage loans, small business loans, etc.).	As of year end 2009, EVB had increased outstanding loans by approximately \$34 million since the receipt of CPP funds in January 2009. Increases were noted in HELOC, C&I and Commercial Real Estate loans.
<input checked="" type="checkbox"/>	Increase securities purchased (ABS, MBS, etc.).	The securities portfolio increased 11% after receipt of CPP funds, primarily in collateralized mortgage obligations (CMO's) and municipal bonds.

<input type="checkbox"/>	Make other investments	
<input checked="" type="checkbox"/>	Increase reserves for non-performing assets	Our reserve for non-performing assets increased 15% in 2009 after receipt of CPP funds.
<input checked="" type="checkbox"/>	Reduce borrowings	Borrowings were reduced by 6% in 2009 after receipt of CPP funds.
<input checked="" type="checkbox"/>	Increase charge-offs	\$18.6 million of ABS securities and \$2.5 million of loans were charged-off in 2009 after receipt of CPP funds. CPP funds provided a capital cushion to permit charge-off of "toxic" ABS securities
<input type="checkbox"/>	Purchase another financial institution or purchase assets from another financial institution	
<input type="checkbox"/>	Held as non-leveraged increase to total capital	

What actions were you able to avoid because of the capital infusion of CPP funds?

CPP funds allowed EVB to avoid a lending moratorium and provided the cushion to remain well capitalized after charge-off of ABS securities.

What actions were you able to take that you may not have taken without the capital infusion of CPP funds?

Full charge-off of ABS securities

Please describe any other actions that you were able to undertake with the capital infusion of CPP funds.

None noted