



ANNUAL USE OF CAPITAL SURVEY - 2009

NAME OF INSTITUTION

(Include Holding Company Where Applicable)

Virginia Commerce Bancorp, Inc./Virginia commerce Bank

Person to be contacted regarding this report:	William Beauchesne
UST Sequence Number:	221
CPP Funds Received:	71,000,000
CPP Funds Repaid to Date:	0
Date Funded (first funding):	Dec 12, 2008
Date Repaid ¹ :	N/A

RSSD: (For Bank Holding Companies)	0002856377
Holding Company Docket Number: (For Thrift Holding Companies)	
FDIC Certificate Number: (For Depository Institutions)	27249
City:	Arlington
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.	While net loans in 2009 declined by \$63.0 million due to a high level of run-off, the Bank funded \$231.6 million in new loans and renewed \$707.4 million in loans that matured.
<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.).	Of the \$231.6 million in new loans funded, \$26.4 million were for business commercial purpose, \$60.2 million were for 1-4 family first and second trusts, \$12.8 million in home equity lines of credit, and \$119.6 million were for commercial real estate purpose.
<input type="checkbox"/>	Increase securities purchased (ABS, MBS, etc.).	

<input type="checkbox"/>	Make other investments	
<input checked="" type="checkbox"/>	Increase reserves for non-performing assets	The Bank was able to set aside \$81.9 million in provisions for loan losses and increased reserves from \$36.5 million at December 31, 2008, to \$65.2 million at December 31, 2009. While these provisions resulted in a loss of \$37.9 million, the Bank was able to maintain a well-capitalized rating.
<input type="checkbox"/>	Reduce borrowings	
<input checked="" type="checkbox"/>	Increase charge-offs	As, noted the Bank was able to set aside \$81.9 million in loan loss provisions with taking \$53.2 million in net charge-offs in 2009. The CPP funds provided the capital cushion to do so.
<input type="checkbox"/>	Purchase another financial institution or purchase assets from another financial institution	
<input checked="" type="checkbox"/>	Held as non-leveraged increase to total capital	The Company did not leverage the CPP funds, but rather held it to maintain a well capitalized regulatory rating as losses for the year, due to the resolution of non-performing assets, reduced the Company's retained earnings.

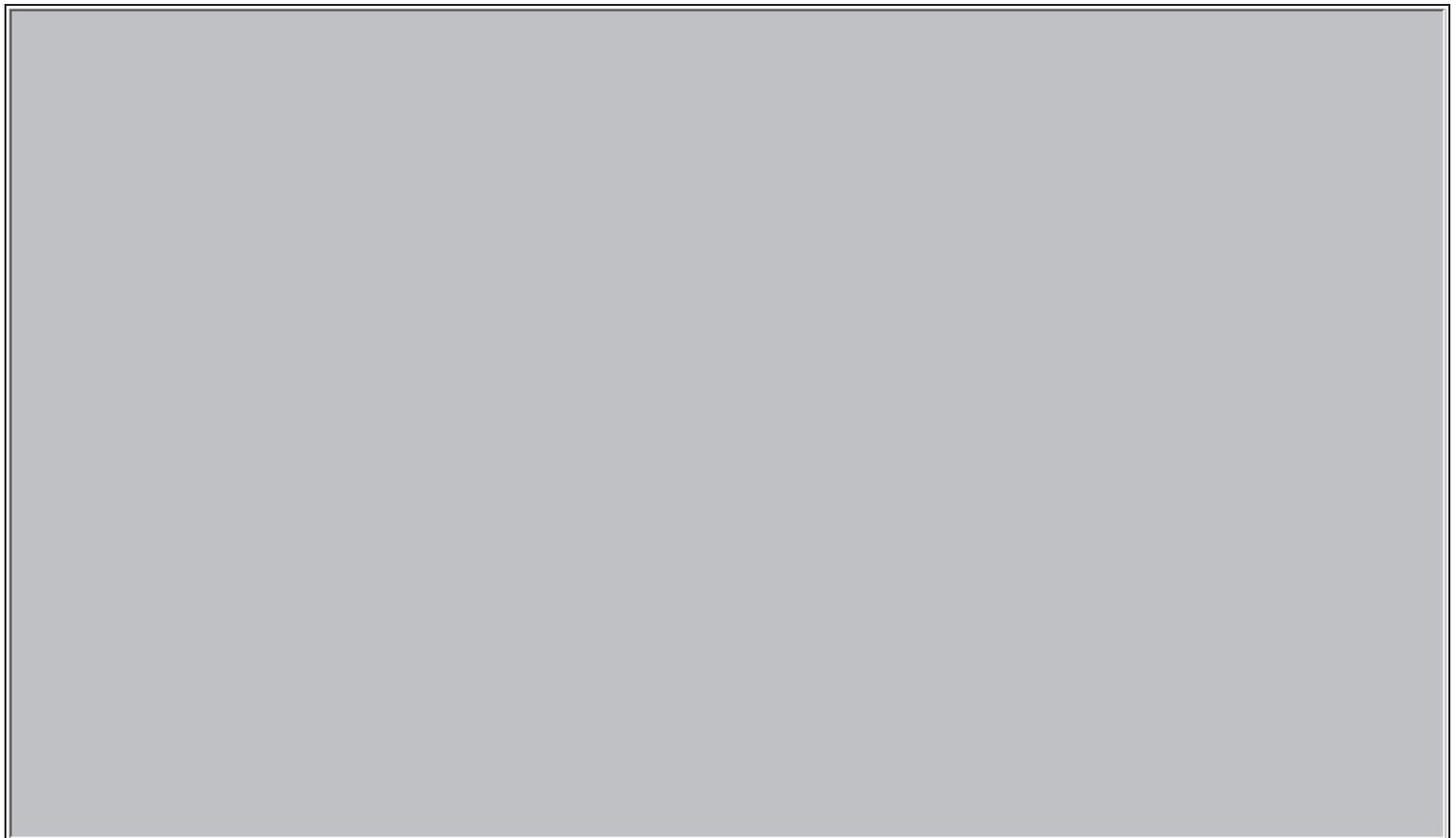
What actions were you able to avoid because of the capital infusion of CPP funds?

By receiving the CPP funds the Company was able to avoid increasing capital through a more expensive alternative, and/or selling branches and assets to increase capital ratios by shrinking the balance sheet. By not shrinking it's balance sheet, the Company was able to retain a high level of core earnings to help mitigate the effect on capital from losses due to problem loan resolution.

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

The Company was able to continue to grow, although modestly, and continue to serve its good borrowers and depositors. As noted above, without the CPP funds the Company would have probably had to shrink its balance sheet and curtail lending and not meet the needs of many of its customers. The CPP funds helped the Company to focus on cleaning up problem loan credits in 2009 while allowing it to continue to serve its customers and to maintain a well capitalized regulatory level. Without leveraging the CPP funds.

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



According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 1505-0222. The time required to complete this information collection is estimated to average 80 hours per response.