

CPP ANNUAL USE OF CAPITAL SURVEY - 2010



NAME OF INSTITUTION
(Include Holding Company Where Applicable)

Intervest Bancshares Corporation

Point of Contact:	John J. Arvonio	RSSD: (For Bank Holding Companies)	2049302
UST Sequence Number:	316	Docket Number: (For Thrift Holding Companies)	
CPP/CDCI Funds Received:	25,000,000	FDIC Certificate Number: (For Depository Institutions)	35011
CPP/CDCI Funds Repaid to Date:		Credit Union Charter Number: (For Credit Unions)	
Date Funded (first funding):	N/A	City:	New York
Date Repaid ¹ :	N/A	State:	New York

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) and Community Development Capital Initiative (CDCI). To answer that question, Treasury is seeking responses that describe generally how the CPP/CDCI 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/CDCI investment was deployed or how many CPP/CDCI 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/CDCI 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/CDCI funds were outstanding).

Increase lending or reduce lending less than otherwise would have occurred.

See Below

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.).

The Company's wholly owned subsidiary, Intervest National Bank, continued to originate commercial and multifamily real estate loans in New York and Florida, its major lending areas.

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Increase securities purchased (ABS, MBS, etc.).

Empty response box for 'Increase securities purchased (ABS, MBS, etc.).'

Make other investments.

Empty response box for 'Make other investments.'

Increase reserves for non-performing assets.

Empty response box for 'Increase reserves for non-performing assets.'

Reduce borrowings.

See below.

Empty response box for 'Reduce borrowings.' with the text 'See below.' above it.

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Increase charge-offs.

Empty response box for 'Increase charge-offs.'

Purchase another financial institution or purchase assets from another financial institution.

Empty response box for 'Purchase another financial institution or purchase assets from another financial institution.'

Held as non-leveraged increase to total capital.

See below.

Empty response box for 'Held as non-leveraged increase to total capital.'

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

The CPP funds received by our institution were contributed to the capital of our wholly-owned depository subsidiary (the "Bank"). As a result of the receipt of the CPP funds, that subsidiary was initially able to fund additional loans, consistent with its normal underwriting standards. More recently, the Bank has reduced its lending activities so as to preserve capital and to assure compliance with increased levels of capital required by its primary regulator. In the absence of the CPP funds, which are being held as a non-leveraged increase to total capital, the Bank would have been required to obtain cash through borrowings or capital through capital market transactions in order to continue its lending activities.

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

As is indicated above, in the absence of the CPP funds, the Bank would have explored other alternatives to raise additional capital, without any assurance that such capital would be available, or if available, would be available on reasonable terms and conditions. Without the infusion of CPP funds, the Bank may not have been able to meet the heightened capital requirements imposed on it. The availability of the capital, moreover, enabled the Bank to retain and aggressively manage certain non-performing assets, with a view towards minimizing losses and maximizing recoveries of those assets.

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

See above.