

CPP ANNUAL USE OF CAPITAL SURVEY - 2010



NAME OF INSTITUTION
(Include Holding Company Where Applicable)

The East Carolina Bank owned by ECB Bancorp, Inc.

Point of Contact:	Gary M. Adams	RSSD: (For Bank Holding Companies)	0
UST Sequence Number:	349	Docket Number: (For Thrift Holding Companies)	
CPP/CDCI Funds Received:	17,949,000	FDIC Certificate Number: (For Depository Institutions)	2017
CPP/CDCI Funds Repaid to Date:		Credit Union Charter Number: (For Credit Unions)	
Date Funded (first funding):	February 15, 2009	City:	Engelhard
Date Repaid ¹ :	N/A	State:	North Carolina

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.

Funds increased our ability to lend to qualified borrowers within our markets.

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.).

We made and continue to make credit available to all borrowers within our markets, primarily these loans are commercial real estate loans used by small businesses in our area. Consumer credit is also available to our retail customer base.

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

Portion of funds were used to purchase mortgage-backed securities.

Empty response area for the selected option.

Make other investments.

Empty response area for the unselected option.

Increase reserves for non-performing assets.

Funds have supported reserves for non-performing loans.

Empty response area for the selected option.

Reduce borrowings.

Empty response area for the unselected option.

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Increase charge-offs.

Funds have helped Bank stay well capitalized during a period of increased net charge-off of loans.

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

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?

Helped us defer going to the "market" to raise capital during a period time capital was not available or very very expensive. Dilution of existing shareholders.

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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?

Put us in position to continue to grow through normal business channels and/or acquisition. Reinsure our investors that we will be well capitalized for the foreseeable future. Increase our balance sheet and increase earnings.

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

A large, empty rectangular box with a black border, intended for the respondent to provide a detailed description of actions taken with the capital infusion of CPP/CDCI funds.