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Eastern Virginia Bankshares

March 13, 2009

Special Inspector General – TARP
1500 Pennsylvania Avenue, N.W.
Suite 1064
Washington, D.C. 20220

Dear Special Inspector General:

We received your letter requesting information pertaining to Eastern Virginia Bankshares, Inc.'s use of funds and compliance with The Emergency Economic Stabilization Act of 2008. The original questions, as stated in your request, are listed in bold below along with our response.

(1) A narrative response specifically outlining (a) your anticipated use of TARP funds; (b) whether the TARP funds were segregated from other institutional funds; (c) your actual use of TARP funds to date; and (d) your expected use of TARP funds. In your response, please take into consideration your anticipated use of unspent TARP funds at the time that you applied for such funds, or any actions that have been taken that you would not have been able to take absent the infusion of TARP funds.

Since the Company's receipt of \$24 million in TARP funds on January 9, 2009, our Board of Directors authorized us to invest 15% of the TARP funds. To date, we have invested \$3.5 million of the TARP funds, including \$1.3 million in agency mortgage-backed securities, \$1.0 million in agency bonds and \$1.2 million in tax-exempt municipal securities.

In addition, we have deployed \$20 million of the TARP funds to EVB, which is a wholly owned subsidiary of the Company, where the TARP funds are not segregated from EVB's other institutional funds. We anticipate that these TARP funds will be used to support lending by EVB by up to an additional \$200 million over the amount we would be able to lend absent the infusion of TARP funds.

Finally, we have adopted several programs that we would not have been able to without TARP funds, including the EVB Residential Mortgage Relief Program, the EVB Builder/Developer Residential Mortgage and Lot Relief Program and the Community Assistance Fund Program. Under the EVB Residential Mortgage Relief Program, we

provide temporary relief to existing residential mortgage customers who, through no fault of their own, are having difficulty making mortgage payments. Under the EVB Builder/Developer Residential Mortgage and Lot Relief Program, we provide relief to our existing builders by assisting them in marketing and selling existing inventory of finished 1-4 family residential properties and finished lots. Under our Community Assistance Fund Program, we provide lending assistance to our existing customers who are having difficulty meeting larger basic expenses due to an increase in fuel prices and adverse economic conditions.

(2) Your specific plans, and the status of implementation of those plans, for addressing executive compensation requirements associated with the funding. Information provided regarding executive compensation should also include any assessments made of loan risks and their relationship to executive compensation; how limitations on executive compensation will be implemented in line with Department of Treasury guidelines; and whether any such limitations may be offset by other changes to other, longer-term or deferred forms of executive compensation.

In connection with the consummation of our sale of preferred stock to the Department of Treasury, our senior executive officers signed letter agreements that address compensation issues. Copies of those letters are attached. Our belief is that those letter agreements have implemented the executive compensation limitations in line with Department of Treasury guidelines.

The Company's Compensation Committee has reviewed our compensation plans and has determined that none of those plans provide incentives to take excessive or unnecessary risks that could threaten the value of the Company.

We do not understand that any updates to this letter are required, but, of course, we will provide additional information if you request.

I certify the foregoing is true and accurate to the best of my knowledge and belief, pursuant to 18 USC 1001.

Sincerely,



Ronald L. Blevins
Chief Financial Officer

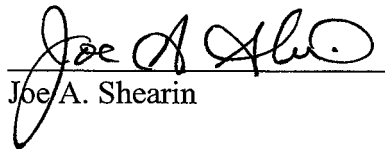
WAIVER

In consideration for the benefits I will receive as a result of my employer's participation in the United States Department of the Treasury's TARP Capital Purchase Program, I hereby voluntarily waive any claim against the United States or my employer for any changes to my compensation or benefits that are required to comply with the regulation issued by the Department of the Treasury as published in the Federal Register on October 20, 2008.

I acknowledge that this regulation may require modification of the compensation, bonus, incentive and other benefit plans, arrangements, policies and agreements (including so-called "golden parachute" agreements) that I have with my employer or in which I participate as they relate to the period the United States holds any equity or debt securities of my employer acquired through the TARP Capital Purchase Program.

This waiver includes all claims I may have under the laws of the United States or any state related to the requirements imposed by the aforementioned regulation, including without limitation a claim for any compensation or other payments I would otherwise receive, any challenge to the process by which this regulation was adopted and any tort or constitutional claim about the effect of these regulations on my employment relationship.

Date: January 9, 2009


Joe A. Shearin

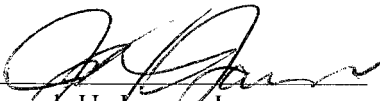
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Joseph H. James, Jr.

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James S. Thomas

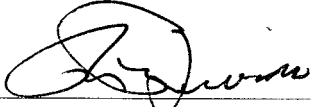
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Ronald L. Blevins

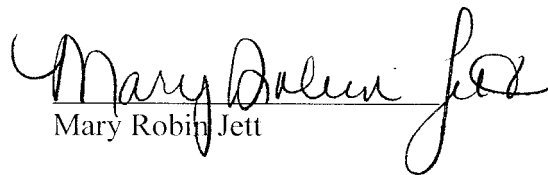
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Mary Robin Jett

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J. Lloyd Railey