

CAPITAL MARKETS ANNOUNCEMENT

Eastern Virginia Bankshares, Inc. (NASDAQ: EVBS) Closes Private Placement of \$20.0 Million Fixed-to-Floating Rate Subordinated Notes due 2025

Sandler O'Neill + Partners L.P. served as the sole placement agent for this offering.

This transaction is the 18th subordinated note or senior note transaction for a community bank since January 1, 2014 in which Sandler O'Neill acted as a placement agent, sole underwriter or book-runner, more than any other investment bank during that period.¹

About the Offering:

Tappahannock, VA. – Eastern Virginia Bankshares, Inc. (NASDAQ: EVBS) (the "Company"), the one bank holding company of EVB (the "Bank"), announced today that it has completed a private placement of \$20.0 million in aggregate principal amount of fixed-to-floating rate subordinated notes to certain institutional accredited investors. Unless earlier redeemed, the notes mature on May 1, 2025 and bear interest at a fixed rate of 6.50% per year, from and including April 22, 2015 to but excluding May 1, 2020. From and including May 1, 2020 to the maturity date or early redemption date, the interest rate will reset quarterly to an interest rate per year equal to the then current three month LIBOR rate plus 502 basis points. The Company has agreed to take steps to exchange the privately placed notes for registered notes having substantially the same terms. The Company plans to use the net proceeds from the sale of the subordinated notes to redeem the remaining 9,000 shares outstanding of its Fixed Rate Cumulative Perpetual Preferred Stock, Series A that were originally issued to the United States Department of the Treasury under the Troubled Asset Relief Program Capital Purchase Program (subject to regulatory approval), to enhance the Company's financial flexibility, and for general corporate purposes, including to support growth and potential acquisitions. The subordinated notes have been structured to qualify as Tier 2 capital for regulatory purposes. The Kroll Bond Rating Agency has assigned an investment grade rating of BBB- to the subordinated notes.

This announcement is for informational purposes only and does not constitute an offer to sell or the solicitation of an offer to buy securities.

About the Company:

Eastern Virginia Bankshares, Inc. is the one bank holding company headquartered in Tappahannock, Virginia that was organized and chartered under the laws of the Commonwealth of Virginia on September 5, 1997 and commenced operations on December 29, 1997. The Company conducts its primary operations through its wholly-owned bank subsidiary, EVB. The Bank provides a full range of banking and related financial services to individuals and businesses through its network of retail branches.

April 22, 2015

Fixed-to-Floating Rate
Subordinated Notes
due 2025

\$20.0 Million



Sole Placement Agent

SANDLER O'NEILL + PARTNERS

Financial Highlights (as of 12/31/2014)²

(\$ in thousands)

Total Assets	\$1,181,972
Total Gross Loans	820,569
Total Deposits	939,254
Shareholders' Equity	134,274
Tier 1 Leverage Ratio	10.76%
Tier 1 Risk-Based Capital Ratio	14.06%
Total Risk-Based Capital Ratio	15.31%
TE / TA	9.98%

(1) Source: SNL Financial. Includes all public offerings and private placements of subordinated notes or senior notes since 1/1/14 for banks and thrifts with assets less than \$25 billion.

(2) Financial data is not pro forma for the offering

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