

INTERVEST BANCSHARES CORPORATION
COMPENSATION COMMITTEE OF THE BOARD OF DIRECTORS
CHARTER

Introduction

As authorized by the Board of Directors of Intervest Bancshares Corporation (the "Board"), the Compensation Committee (the "Committee") shall have the authority, responsibilities and specific duties with respect to Intervest Bancshares Corporation and its subsidiaries (together the "Company") as described below.

The Company's executive compensation policies are intended to motivate and reward an executive's performance and contribution through cash payments and equity incentives. The executive compensation objectives of the Company are to attract and retain highly-qualified managers through competitive salary and benefit programs and incentive opportunities.

Authority and Responsibility

The Committee is appointed by the Board to make recommendations to the Board relating to the compensation of the executive officers of the Company and its subsidiaries and to make recommendations to the Board as to the various compensation plans and programs of the Company. The Committee may retain persons having special competence, such as counsel, auditors or other advisors, as the Committee may deem necessary to assist the Committee in fulfilling its responsibilities.

Specific Duties

In addition to any other role which the Board may from time to time assign, the Committee is to:

1. Review and provide oversight of the Company's compensation philosophy;
2. Assess the Company's financial and non-financial performance, evaluate the CEO in light of this performance, and recommend the CEO's compensation level based on this evaluation;
3. Review and recommend to the Board the Company's general compensation policies for executive officers;
4. Review and recommend to the Board the salary, bonus, and other benefits, direct or indirect, of the Company's executive officers, and review and recommend the terms of employment agreements with Company Executives;
5. Review and recommend policies for stock options, grant benefits and other equity incentive plans; and
6. Review this charter periodically as conditions may dictate and submit recommendations to modify this charter to the Board.

Administrative Matters

Membership. The Committee shall be comprised of not less than three directors, all of whom shall be independent directors, who shall be appointed by and serve at the pleasure of the Board. For this purpose, "independent director" shall mean a director who is an "independent director" under Nasdaq Stock Market rules, and shall to the extent possible further exclude (1) any person not qualifying as an "outside director" determined pursuant to Section 162m of the Internal Revenue Code and the regulations thereunder; (2) any person not qualifying as a "non-employee director" under Rule 16b-3 promulgated by the Securities and Exchange Commission; or (3) any other individual having a relationship that, in the opinion of the Board, would interfere with the exercise of independent judgment in carrying out the responsibilities of a director. One of the members as so appointed by the Board shall serve as Committee Chairman.

Meetings. The Committee is to meet at least once per year, and as many other times as necessary to permit the Committee to adequately perform its responsibilities hereunder. The Committee Chairman may call a meeting at any time he believes is necessary or appropriate or at the direction of the Board (or the Chairman of the Board). Meetings will be held in person, or telephonically, at a time and place determined by the Committee Chairman. Actions may also be taken by unanimous written consent.

Attendance. At least a majority of the members of the Committee are to be present at all meetings.

Minutes. Minutes of each meeting are to be prepared and presented to the Board.