

U.S. DEPARTMENT OF THE TREASURY

Press Center



More Than 99 Percent of TARP Disbursements to Banks Now Recovered as Six Financial Institutions Deliver Nearly Half Billion Dollars in Proceeds to Taxpayers

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TARP Bank Programs Continue to Near Profitability

WASHINGTON – The U.S. Department of the Treasury announced that today six financial institutions have repurchased Troubled Asset Relief Program (TARP) Capital Purchase Program (CPP) investments, delivering a total of \$475 million in proceeds for taxpayers.

With today's transactions, the programs within TARP that provide direct financial support to banks are continuing to near profitability. Through repayments, dividends, interest and other income, taxpayers have now recovered more than 99 percent (approximately \$244 billion) of the approximately \$245 billion in total funds disbursed for TARP investments in banks. Treasury currently estimates that bank programs within TARP will ultimately provide a lifetime profit of nearly \$20 billion to taxpayers.

Today's CPP transactions are listed below:

- *Fifth Third Bancorp (Cincinnati, OH)*: Repurchased 43.6 million warrants to purchase common stock of Fifth Third Bancorp. **(Total Proceeds Today for Taxpayers: \$280.0 million)** Note: On February 2, 2011, Fifth Third Bancorp fully repaid its \$3.4 billion in outstanding CPP preferred shares.
- *National Penn Bancshares, Inc. (Boyetown, PA)*: Repurchased all remaining outstanding CPP preferred shares totaling \$150.0 million and paid accrued dividends totaling \$645,833 **(Total Proceeds Today for Taxpayers: \$150.6 million)** *Lakeland Bancorp, Inc. (Oak Ridge, NJ)*: Repurchased CPP preferred shares totaling \$20.0 million and paid accrued dividends totaling \$86,111 **(Total Proceeds Today for Taxpayers: \$20.1 million)** Note: After this transaction, Treasury holds remaining outstanding Lakeland Bancorp, Inc. CPP preferred shares totaling \$19.0 million.
- *Stockmens Financial Corporation (Rapid City, SD)*: Repurchased all remaining outstanding CPP preferred shares from Treasury's original investment in the institution totaling \$11.6 million and paid accrued dividends totaling \$49,807. Stockmens Financial Corporation also repurchased additional preferred shares that Treasury obtained from exercising warrants totaling \$778,000 and paid accrued dividends on those additional preferred shares totaling \$6,030. **(Total Proceeds Today for Taxpayers: \$12.4 million)**
- *Bridge Capital Holdings (San Jose, CA)*: Repurchased all remaining outstanding CPP preferred shares totaling \$8.9 million and paid accrued dividends totaling \$38,164. **(Total Proceeds Today for Taxpayers: \$8.9 million)**
- *Heritage Bankshares, Inc. (Norfolk, VA)*: Repurchased CPP preferred shares totaling \$2.6 million and paid accrued dividends totaling \$11,220 **(Total Proceeds Today for Taxpayers: \$2.6 million)** Note: After this transaction, Treasury holds remaining outstanding Heritage Bankshares, Inc. CPP preferred shares totaling \$7.5 million.

Treasury currently expects that TARP investment programs taken as a whole – including financial support for banks, AIG, and the domestic auto industry; as well as targeted initiatives to restart the credit markets – will result in little or no cost to taxpayers. The lifetime cost of TARP is likely to be limited to funds disbursed for Treasury's foreclosure prevention programs, which were not expected to be recovered.

In the President's FY2012 Budget, the Administration estimated that the lifetime cost of the overall TARP program will be approximately \$48 billion. When also including AIG common stock held for the benefit of Treasury outside of TARP – that projected cost drops to \$28 billion.

