

U.S. DEPARTMENT OF THE TREASURY

Press Center



TARP Bank Programs Turn Profit After Three Financial Institutions Repay \$7.4 Billion

3/30/2011

WASHINGTON – The U.S. Department of the Treasury announced that the Troubled Asset Relief Program's (TARP) investment in banks has now turned a profit after three financial institutions repaid a total of \$7.4 billion in TARP funds today to taxpayers.

"While our overriding objective with TARP was to break the back of the financial crisis and save American jobs, the fact that our investment in banks has also delivered a significant profit for taxpayers is a welcome development," said Treasury Secretary Tim Geithner. "We still have more work to do repairing the damage caused by the crisis and strengthening the recovery, but today is an important milestone in our efforts to recover taxpayer dollars as we continue winding down TARP."

With today's proceeds, taxpayers have now recovered \$251 billion from TARP's bank programs through repayments, dividends, interest, and other income. That exceeds the original investment Treasury made through those programs (\$245 billion) by nearly \$6 billion. Treasury currently estimates that bank programs within TARP will ultimately provide a lifetime profit of approximately \$20 billion to taxpayers.

Based on current market conditions, Treasury 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 intended to be recovered.

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

TARP was one part of a comprehensive set of emergency programs that the government put in place to help stop a financial panic and prevent a second Great Depression. Necessary support for Fannie Mae and Freddie Mac, as well as the critical efforts of the Federal Reserve and FDIC, were also instrumental to saving American jobs and restarting economic growth. When evaluating the fiscal cost of the government's financial stabilization efforts, it is important to include all of these programs.

A new analysis that the Treasury Department released today reviews the direct fiscal costs of the comprehensive set of measures put in place to stabilize the financial markets during the crisis – including TARP, Federal Reserve and Federal Deposit Insurance Corporation programs, necessary financial support for Fannie Mae and Freddie Mac, and other critical initiatives. Based on current market conditions, Treasury's analysis forecasts that these emergency financial stabilization programs will produce a combined profit of approximately \$24 billion for taxpayers.

To read a copy of Treasury's new analysis on the fiscal cost of the government's financial stabilization programs, please visit [link](#).

Details on today's \$7.4 billion in TARP repayments are included below:

- *SunTrust Banks, Inc. (Atlanta, GA)*: Repurchased all remaining outstanding Capital Purchase Program (CPP) preferred shares from Treasury's investment in that institution totaling \$4.85 billion and paid accrued dividends totaling \$10.1 million. **(Total Proceeds Today for Taxpayers: \$4.86 Billion)**
- *KeyCorp (Cleveland, OH)*: Repurchased all remaining outstanding Capital Purchase Program (CPP) preferred shares from Treasury's investment in that institution totaling \$2.5 billion and paid accrued dividends totaling \$15.6 million. **(Total Proceeds Today for Taxpayers: \$2.52 Billion)**
- *Financial Institutions, Inc. (Warsaw, NY)*: Repurchased all remaining outstanding Capital Purchase Program (CPP) preferred shares from Treasury's investment in that institution totaling \$25.0 million and paid accrued dividends totaling \$156,313. **(Total Proceeds Today for Taxpayers: \$25.2 Million)**

