

U.S. DEPARTMENT OF THE TREASURY

Press Center



Associated Banc-Corp Repays \$264 Million in TARP Funds, Provides Additional Return for Taxpayers on Tarp Bank Programs

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WASHINGTON – The U.S. Department of the Treasury announced that Associated Banc-Corp of Green Bay, Wisconsin has repurchased Troubled Asset Relief Program (TARP) Capital Purchase Program (CPP) investments, delivering a total of \$264.4 million in proceeds today for taxpayers.

Last week, Treasury announced that the Troubled Asset Relief Program's (TARP) investments in banks turned a profit. Moving forward, all further repayments and income through TARP's bank programs, such as those announced today, will provide additional positive returns for taxpayers.

With today's proceeds, taxpayers have recovered more than \$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 positive return of approximately \$20 billion to taxpayers.

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 intended 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.

Additionally, last week, Treasury released a new analysis that reviewed 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 positive return of approximately \$24 billion for taxpayers. This estimate does not include the American Reinvestment and Recovery Act, which was critically important to beginning to rebuild our economy after the government took action to stem the financial crisis.

Details on today's TARP repayment are included below:

- *Associated Banc-Corp (Green Bay, WI)*: Repurchased CPP preferred shares totaling \$262.5 million and paid accrued dividends totaling \$1.9 million. After this transaction, Treasury holds remaining outstanding Associated Banc-Corp CPP preferred shares totaling \$262.5 million. **(Total Proceeds Today for Taxpayers: \$264.4 million)**

