

## U.S. DEPARTMENT OF THE TREASURY

## Press Center



## Treasury Department Announces \$103.6 Million in Proceeds From Pricing of Auctions of Preferred Stock and Subordinated Debt of Nine Financial Institutions

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*Auctions Part of Treasury's Continued Efforts to Wind Down TARP's Bank Programs  
Proceeds Deliver Additional Profit for Taxpayers on TARP's Bank Programs*

WASHINGTON – As part of the strategy it outlined for winding down its remaining Troubled Asset Relief Program (TARP) bank investments, the U.S. Department of the Treasury announced that it priced auctions of preferred stock and subordinated debt (the "CPP Securities") in the following nine institutions at the following prices:

<u>Issuer and Security</u>	<u>Price per share* or per \$1,000 aggregate principal amount</u>	<u>Number of shares or aggregate principal amount to be sold</u>	<u>Aggregate Gross Proceeds</u>
<b>Boscobel Bancorp, Inc., Boscobel, WI</b>			
7.7% Senior Subordinated Securities due 2039	\$1,106.11	\$5,586,000.00	\$6,178,730.46
13.8% Senior Subordinated Securities due 2039	1,310.20	\$279,000.00	365,545.80
			<u>6,544,276.26</u>
<b>Coastal Banking Company, Inc., Beaufort, SC</b>			
Fixed Rate Cumulative Perpetual Preferred Stock, Series A	955.10	9,950	9,503,245.00
<b>CoastalSouth Bancshares, Inc., Hilton Head Island, SC</b>			
Fixed Rate Cumulative Perpetual Preferred Stock, Series A	795.10	16,015	12,733,526.50
Fixed Rate Cumulative Perpetual Preferred Stock, Series B	875.10	480	420,048.00
			<u>13,153,574.50</u>
<b>First Reliance Bancshares, Inc., Florence, SC</b>			
Fixed Rate Cumulative Perpetual Preferred Stock, Series A	679.61	15,349	10,431,333.89
Fixed Rate Cumulative Perpetual Preferred Stock, Series B	822.61	767	630,941.87
			<u>11,062,275.76</u>
<b>Northwest Bancorporation, Inc., Spokane, WA</b>			
Fixed Rate Cumulative Preferred Stock, Series A	1,032.11	10,500	10,837,155.00
Fixed Rate Cumulative Preferred Stock, Series B	1,130.61	525	593,570.25
			<u>11,430,725.25</u>
<b>Old Second Bancorp, Inc., Aurora, IL</b>			
Fixed Rate Cumulative Perpetual Preferred Stock, Series B	352.50	70,028	24,684,870.00
<b>Santa Clara Valley Bank, N.A., Santa Paula, CA</b>			
Fixed Rate Non-Cumulative Perpetual Preferred Stock, Series A	850.01	2,900	2,465,029.00
Fixed Rate Non-Cumulative Perpetual Preferred Stock, Series B	850.01	145	123,251.45
			<u>2,588,280.45</u>
<b>SouthCrest Financial Group, Inc., Peachtree City, GA</b>			
Fixed Rate Cumulative Perpetual Preferred Stock, Series A	907.31	12,900	11,704,299.00
Fixed Rate Cumulative Perpetual Preferred Stock, Series B	921.25	645	594,206.25
			<u>12,298,505.25</u>
<b>The Queensborough Company, Louisville, GA</b>			
Fixed Rate Cumulative Perpetual Preferred Stock, Series A	976.90	12,000	11,722,800.00
Fixed Rate Cumulative Perpetual Preferred Stock, Series B	971.00	600	582,600.00

12,305,400.00

\*Reflects a liquidation preference of \$1,000 per share.

Treasury sold approximately 96% of its preferred stock in Old Second Bancorp, Inc., due to the fact that Treasury did not receive sufficient bids above the minimum price for the security in accordance with the auction procedures. Treasury set a minimum price for each security as part of the auctions in order to protect taxpayer interests.

The aggregate gross proceeds to Treasury from the auctions are expected to be approximately \$103.6 million.

"This auction represents another step forward in our efforts to wind down TARP by replacing temporary government support with private capital," said Assistant Secretary for Financial Stability Timothy G. Massad.

TARP's bank programs have already earned a significant profit for taxpayers. Including the expected proceeds from the transactions announced today, Treasury has now recovered \$269 billion from TARP's bank programs through repayments, dividends, interest, and other income – compared to the \$245 billion initially invested. Each additional dollar recovered from TARP's bank programs is an additional dollar of profit for taxpayers.

The vast majority of the \$269 billion in funds recovered to date are from repayments at par, as well as dividends, interest, and sales of warrants. Proceeds from CPP preferred stock auctions comprise less than one percent (approximately \$2 billion) of that overall total (\$269 billion).

These auctions are part of the strategy that Treasury outlined in May for winding down its remaining TARP bank investments in a way that protects taxpayer interests and preserves the strength of our nation's community banks. Treasury indicated that it intends to use a combination of repayments, restructurings, and sales to manage and recover those remaining investments.

The closings for the auctions are expected to occur on or about March 11, 2013, subject to customary closing conditions. The offerings were priced through modified Dutch auctions.

The CPP Securities sold in the auction have not been and will not be registered under the Securities Act of 1933, as amended (the Act), and may not be offered or sold in the United States or to, or for the benefit of, U.S. persons absent registration under, or an applicable exemption from, the registration requirements of the Act and applicable state securities law. The CPP Securities were offered only to (1) domestic "qualified institutional buyers" as defined in Rule 144A under the Act, (2) certain domestic institutional "accredited investors" as defined in Rule 501(a) under the Act that have total assets of not less than \$25,000,000 and (3) in certain cases, certain directors and executive officers of the respective issuers of the CPP Securities. This press release does not constitute an offer to sell or the solicitation of an offer to buy the CPP Securities, and shall not constitute an offer, solicitation or sale in any jurisdiction in which, or to any persons to whom, such offering, solicitation or sale would be unlawful.

For more details on Treasury's lifetime cost estimates for TARP programs, please visit Treasury's Monthly 105(a) Report to Congress on TARP at this link.

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