

Treasury still holds TARP stakes in 63 banks

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By Maria Tor

The U.S. Treasury still holds stakes in 63 banks and thrifts as part of the Troubled Asset Relief Program, which was signed into law over six years ago in 2008.

The government exited its largest remaining stake — in Ally Financial Inc. — on Dec. 19. Its remaining banks and thrifts, which it holds through investments in preferred shares, subordinated debentures and common stock, range in asset size from just \$47.5 million (Westminster, Calif.-based Saigon National Bank), to \$12.64 billion (San Juan, Puerto Rico-based First BanCorp.). The 63 stakes are in mostly smaller banks, with a median asset size of \$289.2 million. The Treasury said on its website that it is focused on recovering TARP funds “in a manner that maximizes returns for the taxpayers” and promotes financial stability.

Of those 63 banks and thrifts, 35 are part of the Capital Purchase Program, which was one of the first bank investment programs launched after the passage of TARP. Under the CPP, the Treasury provided capital to banks in exchange for preferred stock or subordinated debt as well as a warrant to purchase additional securities. The banks then had to pay dividends or interest payments to the Treasury as part of the terms of the investment. Some companies later converted the Treasury’s investment to common stock or trust-preferred securities in order to improve their capital ratios.

And 28 of the 63 companies are part of the Community Development Capital Initiative, which was launched in February 2010 to

provide a cheaper alternative to the CPP for institutions that serve underbanked communities. The initial dividend or interest rate under the CDCI is 2%, compared to the initial rate of 5% under the CPP. Additionally, the higher rate of 9% will kick in after eight years under the CDCI, as opposed to five years under the CPP. Twenty-eight banks that originally received funding under the CPP were allowed to exchange securities and become part of the CDCI instead.

As of Oct. 8, the Treasury also held investments in 109 institutions that had refinanced their CPP or CDCI securities into shares or debt issued under the Small Business Lending Fund. The SBLF is similar to TARP in that the Treasury provides capital to institutions in exchange for preferred stock or subordinated debt. The capital is meant to be used specifically to fund small business loans.

In all, the Treasury funded 707 institutions under the CPP. According to the Treasury’s monthly report to Congress released Dec. 10, 254 of the institutions exited the program by repaying the Treasury. The Treasury exited 185 of the stakes by auctioning the shares or debt to other investors, and 137 of the companies refinanced their CPP shares to become part of the SBLF. The rest of the stakes were exited through sales or through the merger of CPP participants. Additionally, 32 of the CPP participants went into receivership or bankruptcy, giving the Treasury little to no chance of recovering the invested funds.

The 63 banks and thrifts listed in the table do not include institutions where the Treasury holds only the outstanding warrant issued under TARP. It also does not include the 36 credit unions participating in the CDCI. *i*

US Treasury's remaining stakes in banks and thrifts under TARP						
Includes preferred equity, debt and common equity						
Company (ticker)	City, state/territory	Program²	Amount outstanding (\$M)³	Number of missed TARP dividend payments	Total assets (\$M)²	ROAA, LTM (%)²
Allied First Bancorp Inc. (AFBA)	Oswego, IL	CPP	3.84	14	118.07	-0.47
American Bancorp of Illinois Inc.	Oak Brook, IL	CDCI	5.46	0	288.68	0.59
Bainbridge Bancshares Inc.	Bainbridge, GA	CDCI	1.00	0	102.26	0.78
BancPlus Corp.	Ridgeland, MS	CDCI	80.91	0	2,458.80	0.80
Broadway Financial Corp. (BYFC) ¹	Los Angeles, CA	CPP	NA	0	337.84	0.87
Calvert Financial Corp.	Ashland, MO	CPP	1.04	8	49.70	0.06
CalWest Bancorp (CALW)	Rancho Santa Margarita, CA	CPP	4.89	17	141.36	0.64
Capital Commerce Bancorp Inc.	Milwaukee, WI	CPP	5.10	18	192.00	0.53
Carver Bancorp Inc. (CARV) ¹	New York, NY	CDCI	NA	0	646.78	-0.20
Cecil Bancorp Inc. (CECB)	Elkton, MD	CPP	11.56	20	340.41	-2.87
CFBanc Corp.	Washington, DC	CDCI	5.78	0	224.67	0.36
Chambers Bancshares Inc.	Danville, AR	CPP	19.82	8	776.77	0.20
Citizens Bancshares Corp. (CZBS)	Atlanta, GA	CDCI	11.84	0	400.76	0.48
Citizens Bank & Trust Co.	Covington, LA	CPP	2.40	5	112.70	0.46
Citizens Commerce Bancshares Inc.	Versailles, KY	CPP	6.62	21	214.11	0.77
City National Bancshares Corp.	Newark, NJ	CPP	9.44	20	287.22	-2.35
Community Bancshares of Mississippi Inc.	Brandon, MS	CDCI	54.60	0	2,516.86	0.77
Community Bancshares Inc.	Kingman, AZ	CPP	3.87	1	95.40	0.15
Community Bank of the Bay (CBYAA)	Oakland, CA	CDCI	4.06	1	192.02	0.95
CSRA Bank Corp.	Wrens, GA	CPP	2.40	17	90.22	2.39
Farmers & Merchants Bancshares Inc.	Houston, TX	CPP	11.00	5	569.26	0.72
First American International Corp. (FAIT)	Brooklyn, NY	CDCI	17.00	0	571.92	0.33
First BanCorp. (FBP) ¹	San Juan, PR	CPP	NA	0	12,643.28	0.60
First Bancshares Inc. (FBMS)	Hattiesburg, MS	CDCI	17.12	0	1,071.98	0.61
First Eagle Bancshares Inc.	Chicago, IL	CDCI	7.88	0	436.36	2.02
First Vernon Bancshares Inc.	Vernon, AL	CDCI	6.25	0	140.64	0.58
Goldwater Bank N.A.	Scottsdale, AZ	CPP	2.57	19	76.40	-2.26
Grand Financial Corp.	Hattiesburg, MS	CPP	2.44	0	92.69	0.22
Grand Mountain Bancshares Inc.	Granby, CO	CPP	3.08	22	93.70	0.07
Guaranty Capital Corp.	Belzoni, MS	CDCI	14.00	0	603.05	1.73
Harbor Bancshares Corp. (HRBK)	Baltimore, MD	CPP	6.80	18	233.58	-0.38
HCSB Financial Corp. (HCFB)	Loris, SC	CPP	12.90	16	434.36	0.20
IBC Bancorp Inc.	Chicago, IL	CDCI	8.09	0	526.54	1.18
IBW Financial Corp. (IBWC)	Washington, DC	CDCI	6.00	0	365.18	0.39
Kilmichael Bancorp Inc.	Kilmichael, MS	CDCI	3.15	0	137.59	1.27
Lafayette Bancorp Inc.	Oxford, MS	CDCI	4.55	0	113.69	0.69
Liberty Bancshares Inc.	Fort Worth, TX	CPP	6.50	0	372.67	0.69
Liberty Financial Services Inc.	New Orleans, LA	CDCI	11.33	0	555.57	1.18
Liberty Shares Inc.	Hinesville, GA	CPP	17.28	17	527.14	0.65
M&F Bancorp Inc. (MFBP)	Durham, NC	CPP	11.74	0	289.20	0.48
Magnolia State Corp.	Bay Springs, MS	CDCI	7.92	0	315.71	1.22
Metropolitan Capital Bancorp Inc.	Chicago, IL	CPP	4.39	0	188.64	0.57
Mission Valley Bancorp (MVLV)	Sun Valley, CA	CDCI	10.34	0	259.81	0.69
OneFinancial Corp.	Little Rock, AR	CPP	17.30	11	358.04	-0.10
OneUnited Bank	Boston, MA	CPP	12.06	23	619.91	0.08
Patapsco Bancorp Inc. (PATD)	Dundalk, MD	CPP	6.30	19	231.16	1.02
PGB Holdings Inc.	Chicago, IL	CDCI	3.00	0	156.72	1.61
Pinnacle Bank Holding Co. Inc.	Orange City, FL	CPP	4.39	18	163.66	-2.32
Prairie Star Bancshares Inc.	Olathe, KS	CPP	2.80	19	82.54	0.31
Saigon National Bank (SAGN)	Westminster, CA	CPP	1.63	24	47.49	-0.88
Security Capital Corp.	Batesville, MS	CDCI	17.91	0	502.66	0.94
Security Federal Corp. (SFDL)	Aiken, SC	CDCI	22.00	0	828.88	0.68
Southern Bancorp Inc.	Arkadelphia, AR	CDCI	33.80	0	1,157.94	0.87
SouthFirst Bancshares Inc. (SZBI)	Sylacauga, AL	CPP	2.90	12	92.96	0.41
St. Johns Bancshares Inc.	Saint Louis, MO	CPP	3.00	0	303.20	0.25
State Capital Corp.	Ridgeland, MS	CDCI	15.75	0	981.09	0.43
Suburban Illinois Bancorp Inc.	Elmhurst, IL	CPP	15.00	15	471.55	-0.43
Tidelands Bancshares Inc. (TDBK)	Mount Pleasant, SC	CPP	14.45	17	481.93	-0.03
Tri-State Bank of Memphis	Memphis, TN	CDCI	2.80	2	126.66	-0.63
U.S. Century Bank	Doral, FL	CPP	50.24	20	886.18	-0.35
United Bancorp. of Alabama Inc. (UBAB)	Atmore, AL	CDCI	10.30	0	484.58	0.46
US Metro Bank (USMT)	Garden Grove, CA	CPP	3.00	12	107.95	-1.56
Virginia Community Capital Inc.	Christiansburg, VA	CDCI	1.92	0	88.34	0.52
Total number of institutions:	63					
Total amount of TARP outstanding (\$M):	667.46					

As of Dec. 22, 2014.
Does not include credit unions, companies that only have TARP warrants outstanding, companies whose TARP shares have been auctioned by the Treasury, or companies whose subsidiaries have failed.
¹ The Treasury holds common shares of the company. Amount outstanding is not applicable, or NA, for companies whose TARP investments have been converted into common shares by the Treasury.
² CPP is the Capital Purchase Program and CDCI is the Community Development Capital Initiative
³ Amount outstanding includes value of exercised warrants.
⁴ Financial data is as of Sept. 30, 2014. If regulatory financials were not available for the holding company, financials for the holding company's subsidiary were used.
Source: SNL Financial