



UNITED STATES DEPARTMENT OF THE TREASURY
OFFICE OF FINANCIAL STABILITY

Warrant Disposition Report

Update December 31, 2010



Troubled Asset Relief Program
Office of Financial Stability

The United States Department of the Treasury (Treasury) is pleased to present this supplement to the *Warrant Disposition Report* dated January 20, 2010 with information about the seven warrant repurchases and two warrant auctions that Treasury's Office of Financial Stability (OFS) conducted under the Troubled Asset Relief Program (TARP) in the six months ending December 31, 2010.¹

Executive Summary

The Emergency Economic Stabilization Act of 2008 (EESA) requires that in most circumstances Treasury receive warrants in connection with the purchase of troubled assets. Treasury's warrant sales provide additional returns beyond dividend payments from Treasury's preferred stock investments. Treasury's successful warrant dispositions have significantly benefited taxpayers. During the six months ending December 31, 2010, Treasury received more than \$1.1 billion in gross proceeds from the disposition of nine warrant positions.²

Major parts of TARP were the Capital Purchase Program (CPP) and the Targeted Investment Program (TIP). Under these programs, Treasury invested \$245 billion in 707 financial institutions.

Since the program's inception, Treasury has received more than \$8.1 billion in gross proceeds from the disposition of warrants associated with 59 CPP investments and one TIP investment, consisting of (i) \$3.1 billion from issuer repurchases at agreed upon fair market values and (ii) \$5.0 billion from auctions. For the 59 fully repaid CPP investments representing \$137.9 billion in capital, Treasury has received an absolute return of 4.6% from dividends and an added 5.2% return from the sale of the warrants for a total absolute return of 9.8%.³ For the \$20 billion TIP investment in Bank of America Corporation, Treasury received an absolute return of 7.2% from dividends and an added 6.3% return from the sale of the warrants for a total absolute return of 13.5%.³ These returns are not predictive of the eventual returns on the entire CPP and TIP portfolios.

Repurchases

Upon repaying its TARP preferred stock investment, a financial institution may repurchase its warrants at an agreed upon fair market value. In all such cases, Treasury follows a consistent evaluation process to ensure that taxpayers receive fair market values for the warrants. In the six months ending December 31, 2010, Treasury received \$191.8 million from seven banks through warrant repurchases at agreed upon fair market values.

Auctions

If an institution decides not to repurchase its warrants, Treasury has determined to dispose of the warrants as soon as practicable. Treasury has been successful in effectively disposing of warrants at fair market values through public auctions. In the 16 warrant auctions held to date, investor demand above Treasury's minimum price has exceeded the supply of warrant shares by an average of 6.0 times with oversubscription rates ranging from 2.0 to 18.3 times. Auctioned warrants are actively traded on national exchanges, providing a liquid secondary market and observable market pricing for long-dated warrants. In the six months ending December 31, 2010, Treasury auctioned two warrant positions, generating over \$930.3 million in proceeds.

Remaining Positions

As of December 31, 2010, Treasury held warrants to purchase common stock in 22 financial institutions that have fully repaid their CPP investments and in 195 publicly traded companies in which the CPP investment is

- 1) TARP's Warrant Disposition Report is posted on the OFS website at the following link: www.treasury.gov/initiatives/financial-stability/briefing-room/reports/other/Pages/default.aspx
- 2) The repurchases of warrant preferred shares associated primarily with private institutions that Treasury exercised at the time of purchase are excluded from these numbers. In the six months ending December 31, 2010, nine private banks repurchased their warrant preferred shares. Since the program's inception, 20 private banks have repurchased their warrant preferred shares. See table on page 15.
- 3) Returns are not annualized.

still outstanding.⁴ Treasury intends to continue to execute a consistent and transparent disposition process which achieves fair market values and protects taxpayer interests.

The table below sets forth proceeds from the seven warrant repurchases and two warrant auctions completed during the last six months of 2010.⁵

Summary of Gross Proceeds from Sale of Public Warrants since July 1, 2010

Institution Name	Ticker	Preferred Redemption Date	Preferred Amount Redeemed (\$thousands)	Warrant Repurchase/Auction Date	Gross Warrant Proceeds (\$thousands)	QEO? (i.e. warrants cut by 50%)
REPURCHASES						
Discover Financial Services	DFS	4/21/2010	1,224,558	7/7/2010	\$172,000	-
Fulton Financial Corporation	FULT	7/14/2010	376,500	9/8/2010	10,800	-
The Bancorp, Inc.	TBBK	3/10/2010	45,220	9/8/2010	4,754	Yes
Columbia Banking System	COLB	8/11/2010	76,898	9/1/2010	3,302	Yes
Citizens & Northern Corporation	CZNC	8/4/2010	26,400	9/1/2010	400	-
Central Jersey Bancorp	CJBK	11/24/2010	11,300	12/1/2010	320	-
Bar Harbor Bankshares	BHB	2/24/2010	18,751	7/28/2010	250	Yes
TOTAL	7		\$1,779,627		\$191,825	3
AUCTIONS						
Hartford Financial Services Group, Inc.	HIG	3/31/2010	3,400,000	9/21/2010	\$713,687	-
Lincoln National Corporation	LNC	6/30/2010	950,000	9/16/2010	216,621	-
TOTAL	2		\$4,350,000		\$930,308	-

4) Treasury also holds warrants for common shares in public companies in connection with other TARP programs. For example, as of December 31, 2010, Treasury held warrants in Citigroup Inc. associated with CPP (210.1 million shares with an exercise price of \$17.85), TIP (188.5 million shares with an exercise price of \$10.61), and AGP (66.5 million shares with an exercise price of \$10.61). In addition, Treasury held exercised warrant preferred shares in 369 CPP institutions as of December 31, 2010.

5) The repurchase of the warrants by Central Jersey Bancorp was completed as part of a cash acquisition of the bank.

Background

As required by EESA, Treasury received warrants from TARP banks to provide taxpayers with an additional potential return on the government's investment.⁶

For each CPP and TIP investment in a publicly traded company, Treasury received warrants to purchase, at a fixed exercise price, shares of common stock equal to 15 percent of the aggregate liquidation preference of the senior preferred investment. The per share exercise price was set at the 20-trading day trailing average of the bank's common stock price as of the time it was given preliminary approval for the TARP investment. The warrants may be exercised at any time over a ten year period. These public warrants include certain customary anti-dilution provisions for Treasury's protection.

For CPP investments in a privately-held company, an S-corporation, or certain mutual institutions, Treasury received warrants to purchase, at a nominal cost, additional preferred stock (warrant preferreds) or subordinated debentures (warrant sub debt) equivalent to five percent of the aggregate liquidation preference of the primary CPP investment. These warrant preferreds and warrant sub debt securities pay a higher dividend or interest rate than the primary CPP investment. Treasury exercised these kinds of warrants at the closings of the investments.

Institutions may repay Treasury for its CPP investment under the conditions established in the CPP purchase agreements as amended by the American Recovery and Reinvestment Act of 2009 (ARRA). The repayment price is equal to what Treasury invested, plus any unpaid dividends or interest. Originally, the CPP contracts provided that an institution could not redeem the investment within the first three years except with the proceeds of a "qualified equity offering" (QEO), which is an offering of securities that would qualify as Tier 1 capital. The repayment terms of the contracts were later effectively amended by the ARRA, which provides that an institution can repay from any source of funds and without regard to any waiting period. For TIP investments, an institution was required to first redeem its CPP investment before being able to redeem the TIP preferred stock.⁷

In addition, in order to encourage institutions to seek additional private capital, the CPP contracts provided that participants could halve the number of shares subject to their warrants by completing one or more QEOs before December 31, 2009 with aggregate gross proceeds equivalent to the value of Treasury's CPP investment. Thirty-eight CPP participants completed a QEO in time to reduce their warrants.

The CPP and TIP contracts further provide that once the preferred investment is redeemed or sold by Treasury, the institution has a right to repurchase its warrants at the fair market value. In addition, Treasury has the contractual right to sell the warrants.

The ARRA affected Treasury's authority to dispose of warrants, as it provided that when an institution repaid, "the Secretary shall liquidate warrants [of such institution]... at the current market price." The ARRA was subsequently amended in May 2009 through the Helping Families Save Their Homes Act of 2009 (HFSTHA), which provides that the Secretary "may liquidate the warrants" following repayment.

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- 6) EESA provides that the Secretary may establish a "de minimus" exception to the requirement to issue warrants in the case of an institution that receives less than \$100 million in TARP funds. Treasury has exercised that authority by not requiring warrants in the case of investments in Community Development Financial Institutions in order to encourage their participation in CPP.
- 7) Bank of America redeemed both its CPP and TIP at the same time on December 9, 2010. Citigroup was able to redeem the TIP preferred stock on December 23, 2009 and Treasury has sold its CPP investment in the bank which had been exchanged into common stock.

Warrant Disposition Process

Upon redemption of the preferred stock issued to Treasury, an institution has a contractual right to repurchase its warrants at the fair market value.⁸ The banks have 15 days from repayment of the preferred stock to submit a bid, and Treasury then has 10 days to respond. In June 2009, Treasury announced that, in the event that an issuer does not repurchase its warrants, Treasury would sell the warrants to third parties “as quickly as practicable” and, when possible, by public auction.

Issuer Repurchases

If a company wishes to repurchase its warrants, the issuer and Treasury must agree on the warrants’ fair market value. Accordingly, Treasury has established a methodology for evaluating a bank’s determination of fair market value. As described below, Treasury’s evaluation of an issuer’s bid is based on three categories of input: (i) market quotes, (ii) independent, third party valuations, and (iii) model valuations.

If the issuer and Treasury fail to agree on a price, an appraisal procedure may be invoked by either party within 30 days following Treasury’s response to the issuer’s first bid. In the appraisal process, each party selects an independent appraiser. These independent appraisers conduct their own valuations and attempt to agree upon the fair market value. If they agree on a fair market value, that valuation becomes the basis for repurchase. If these appraisers fail to agree, a third appraiser is hired, and subject to some limitations, a composite valuation of the three appraisals is used to establish the fair market value. To date, no institution has invoked the appraisal procedure.

Even if an agreement is not reached within the specified timeframe, a bank that has repaid its preferred stock may bid to repurchase its warrants at any time, and Treasury will determine whether to accept the bid.

Sale to Third Party

Treasury retains the right to sell the warrants to a third party at a mutually agreed upon price. Following repayment of the preferred stock, if a bank notifies Treasury that it does not intend to repurchase its warrants or cannot agree with Treasury on the fair market value, Treasury intends to dispose of the warrants, when possible, through public auctions.

Treasury held the first warrant auctions in December 2009 and has held 16 auctions to date. These auctions were conducted as public modified “Dutch” auctions which were registered under the Securities Act of 1933. Only one bank’s warrants were sold in each auction. In this format, bidders were able to submit one or more independent bids at different price-quantity combinations and the warrants were sold at a uniform price that cleared the auction.

8) Privately-held companies, S-corporations, and certain mutual institutions typically redeem their warrant preferreds or subordinated debentures at par when redeeming the primary CPP investment. (See Appendix I for table of warrant preferred repurchases as of December 31, 2010.)

Treasury's Evaluation of Issuer's Bid

Treasury adheres to a consistent process for evaluating bids from institutions to repurchase their warrants. Upon receiving a bid for a warrant repurchase, Treasury utilizes (i) market quotes, (ii) independent, third party valuations, and (iii) model valuations to assess the bid.

(i) Market Quotes

There is little comparable market data for long-dated options. In order to perform its valuation analysis, Treasury seeks indications of value from various market participants active in the options markets. The range of estimated valuations is included in Treasury's analysis along with the average of the market indications collected. Treasury also utilizes the market information from the trading of auctioned TARP warrants as another indication how of the market values long-dated warrants.

(ii) Third Party Valuations

Treasury engages outside consultants or external asset managers to provide independent, third party valuations for the warrants. The third party provides Treasury with an estimated valuation along with a range of potential values given a reasonable variance in the assumptions underlying their models.

(iii) Model Valuations

Treasury uses a number of financial models to estimate warrant valuations. Primarily, Treasury uses a binomial option model adjusted for American style options, which is a well-accepted method for valuing options by both academics and market participants. Valuation estimates generated from the binomial model are presented in the Treasury's analysis along with a range of potential values given a reasonable variance in key model inputs, such as assumptions about the expected future volatility and dividend yield of the underlying stock. Treasury's internal valuation modeling was reviewed by Dr. Robert Jarrow, an options expert and professor at Cornell University, who concluded that "the Treasury's modeling methodology for valuing the warrants is consistent with industry best practice and the highest academic standards." More information on Treasury's internal valuation modeling and the report written by Dr. Jarrow can be found at www.treasury.gov/initiatives/financial-stability/investment-programs/cpp/Pages/capitalpurchaseprogram.aspx.

Treasury and its external asset managers use the 20-trading day trailing average stock price of a company in their valuations to minimize the effects of day-to-day market fluctuations. Market participants who provide Treasury with market indications utilize the stock price at the time that they provide the valuation. If the discussions with an institution continue over an extended period of time, Treasury and its external asset managers will update their estimates as necessary. Treasury may also collect new market quotes or adjust the market quotes based on changes in market conditions from when the quotes were collected. (See Appendix I for information on the timing of issuers' bids.)

Determination by Warrant Committee

Based on the range of estimated warrant values provided by these sources, a committee of Treasury officials within the Office of Financial Stability (OFS), who comprise the OFS Warrant Committee, makes a recommendation to the Assistant Secretary for Financial Stability as to whether to agree with the bank's determination of fair market

value. Each member of the Warrant Committee and the Assistant Secretary weigh the three valuation metrics as they deem appropriate.

Additional factors presented to the Warrant Committee, along with the three valuation metrics discussed above include:

- how quickly Treasury would have to monetize the warrants if the issuer does not repurchase based on legislation in place at the time as discussed in the “Background” section of this report,
- the expertise and experience of the outside consultant providing the third party valuation,
- the quality and number of market indications received,
- any significant movements in the stock price of the issuer since market indications were collected,
- deviations of the current stock price from the 20-trading day trailing average of the company's stock price,
- the size of the warrant position and potential investor interest in the warrants,
- the liquidity of the underlying common stock, and
- fixed transaction costs associated with selling the warrants to a third party.

Repurchases of Warrants

Treasury began selling warrants back to banks that had repaid the TARP investment in May 2009. In aggregate, as of December 31, 2010, Treasury has realized \$3.1 billion in gross proceeds from 44 warrant repurchases. This compares favorably to initial bids of \$1.9 billion and estimates of aggregate value of \$2.4 billion based on market indications, \$3.0 billion based on third party estimates, and \$2.8 billion based on Treasury's internal financial model. Warrants repurchased by the issuer have yielded an extra absolute return of 7.1% on Treasury's investment.

When selling warrants back to the issuer, Treasury has achieved fair market values and protected the taxpayer. Dr. Jarrow noted that "[Treasury's] valuation process results in a warrant valuation that is fair to both the participating banks and the U.S. taxpayers." Further, the Special Inspector General for the Troubled Asset Relief Program (SIGTARP) audit released on May 15, 2010 entitled *Assessing Treasury's Process to Sell Warrants Received from TARP Recipients* concluded that Treasury successfully negotiated prices from institutions that wished to repurchase their warrants that were at or above Treasury's estimated range of fair market value for such warrants.⁹ The report also described the valuation methodology to estimate fair market value and offered no suggestions for modifying that methodology.¹⁰

9) SIGTARP report, *Assessing Treasury's Process to Sell Warrants Received from TARP Recipients*, dated May 15, 2010.

10) SIGTARP offered some suggestions regarding documentation of the negotiation process, and regarding insuring consistency in the information provided to issuers seeking to repurchase their warrants. Treasury reviewed these suggestions carefully and has made appropriate changes to its procedures for recording Warrant Committee meeting minutes and conversations with banks regarding the repurchases of their warrants.

Auctions of Warrants

Following repayment of its preferred stock, if a bank notifies Treasury that it does not intend to repurchase its warrants or cannot agree with Treasury on the fair market price, Treasury disposes of the warrants, when possible, through public auctions. Since December 2009, Treasury has auctioned 16 warrant positions in 15 financial institutions, generating aggregate proceeds of approximately \$5.0 billion.¹¹ Demand in the warrant auctions has exceeded the number of warrant shares being auctioned by an average of 6.0 times with an oversubscription range of 2.0 to 18.3 times. Warrants sold through auctions have yielded an extra absolute return of 4.4% on Treasury's investment.

The auctions have also provided valuable insights into how the market values long-dated warrants, as scores of different bidders have placed hundreds of unique bids in each auction. The auctions have resulted in estimated placements of approximately 43% to fundamental institutional investors, 28% to convertible-focused investors, 19% to derivative-focused investors, and 10% to individual investors.¹² Typically, many of the fundamental institutional investors who buy warrants in an given auction are also holders of the bank's common stock.

Active secondary trading in the warrants has further validated the auction prices and provides ongoing observable market prices for long-dated warrants. Each of the warrants sold through public auction has been listed on the New York Stock Exchange or the NASDAQ. Trading volumes tend to be very high during the first few days following an auction and then to fall into a lower range. Excluding the first five trading days after each auction, the daily trading volume of the warrants has averaged 0.6% of the outstanding securities. Across the 16 TARP warrant positions currently outstanding with public investors, several million warrants change hands on a typical trading day.

In a Treasury report entitled *Treasury Analysis of Warrant Auction Results*, the OFS and the Office of Economic Policy have also examined three CPP warrant auctions and one TIP warrant auction, each of which generated proceeds in excess of \$100 million.¹³ This report concluded that no single bidder had a large impact on the final clearing price in these four auctions. Further, the report showed that increasing the amount of smaller bidders participating in the auctions would not have had a material impact on the final clearing price. These two conclusions suggest that the auctions were robust and achieved a fair market price.

Treasury has successfully disposed of warrants through the auction process. Clearing prices have been set through robust competition between a large number of bidders, and fair market value has been achieved for taxpayers. Additionally, an active and liquid secondary market for the warrants has been established, providing greater confidence in the market value of the total Treasury warrant portfolio and thereby supporting future auctions.

11) Treasury held two separate auctions for different Bank of America Corporation CPP and TIP warrants. See footnote 5.

12) The estimated placements to different investor types are calculated excluding any allocations to the issuing institution.

13) The report *Treasury Analysis of Warrant Auction Results* can be found on the Treasury website:
www.treasury.gov/resource-center/economic-policy/Documents/Auction-Analysis-3-18-2010.pdf

MODIFIED "DUTCH" AUCTIONS

For the first sixteen warrant auctions, Treasury utilized modified "Dutch" auctions to dispose of the warrants. The public auctions were registered under the Securities Act of 1933. Only one bank's warrants were sold in each auction. With advice from its external asset managers and the auction agent, Treasury publicly disclosed a minimum bid and privately set a reserve price for each auction. Bidders were able to submit one or more independent bids at different price-quantity combinations at or above the set minimum price. The auction agent did not provide bidders with any information about the bids of other bidders or auction trends, or with advice regarding bidding strategies, in connection with the auction. The issuers of the warrants were able to bid for their warrants in the auctions. Bids were accepted by the auction agent from 8:00 a.m. to 6:30 p.m. on the day of the auction. The warrants were sold to all winning bids at the uniform price that cleared the auction.

Deutsche Bank Securities Inc. was Treasury's auction agent for the first sixteen auctions. Deutsche Bank received fees equal to approximately 1.3% of the gross proceeds (\$66.6 million) which is significantly below typical secondary equity offering fees that run around 3.5% to 4.5% depending on the size of the offering.

For illustrative purposes only, Figures 1 and 2 are example charts of the demand in a theoretical auction of an 8 million share position with a minimum price of \$3.00 per share and a clearing price of \$5.75 per share.

Figure 1: Illustrative Cumulative Auction Demand by Price

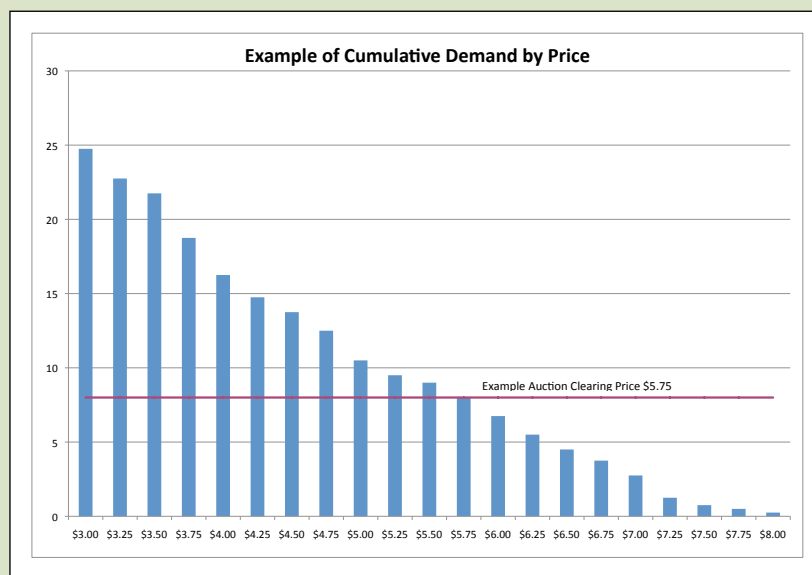
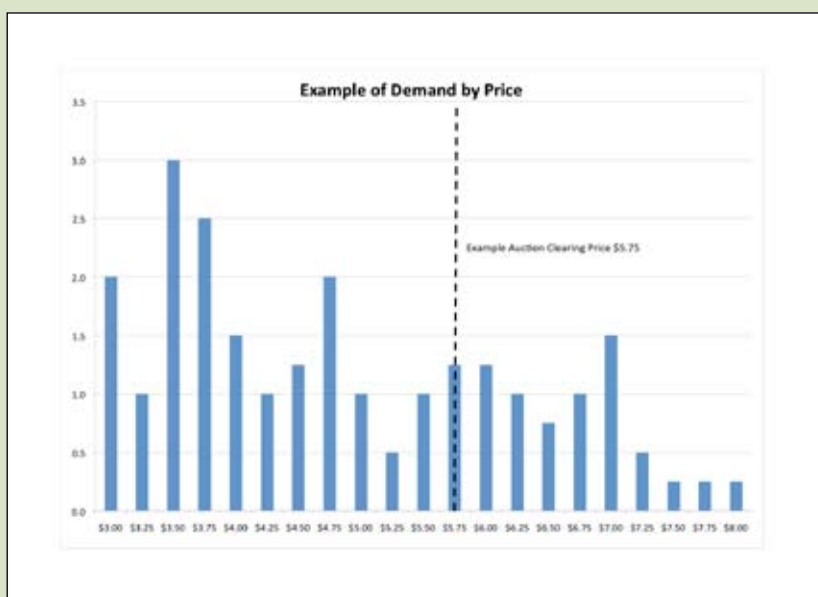


Figure 2: Illustrative Auction Demand by Price



Appendix I – Detailed Tables of Warrant Repurchases and Auctions

Issuer Bids and Warrant Sales Ordered by Sale Date

Company	Ticker	CPP Preferred (\$thousands)	Redemption Date	Issuer Bids			Date of Issuer Bids			Warrant Repurchase Date
				Bid #1	Bid #2	Bid #3	Bid #1	Bid #2	Bid #3	
Old National Bancorp	ONB	\$100,000	3/31/2009	\$559	\$1,200		4/15/2009	5/6/2009		5/8/2009
IBERIABANK Corporation	IBKC	90,000	3/31/2009	620	1,200		4/14/2009	5/12/2009		5/20/2009
Sun Bancorp	SNBC	89,310	4/8/2009	1,049	2,100		4/21/2009	5/19/2009		5/27/2009
FirstMerit Corp	FMR	125,000	4/22/2009	3,186	5,025		5/15/2009	5/21/2009		5/27/2009
Independent Bank Corp	INDB	78,158	4/22/2009	880	2,200		5/2/2009	5/21/2009		5/27/2009
Alliance Financial Corporation	AJFC	26,918	5/13/2009	320	900		5/26/2009	6/12/2009		6/17/2009
SCBT Financial Corporation	SCBT	64,779	5/20/2009	694	1,400		6/3/2009	6/16/2009		6/24/2009
Berkshire Hills Bancorp	BHLB	40,000	5/27/2009	875	1,040		6/8/2009	6/17/2009		6/24/2009
Somerset Hills Bancorp	SOMH	7,414	5/20/2009	193	275		6/4/2009	6/17/2009		6/24/2009
First Niagara Financial Group	FNFG	184,011	5/27/2009	1,500	2,700		6/4/2009	6/19/2009		6/24/2009
HF Financial Corp.	HFFC	25,000	6/3/2009	465	600	650	6/9/2009	6/29/2009	6/29/2009	6/30/2009
State Street Corporation	STT	2,000,000	6/17/2009	60,000			6/22/2009			7/8/2009
U.S. Bancorp	USB	6,599,000	6/17/2009	115,000	131,000	139,000	6/18/2009	7/1/2009	7/8/2009	7/15/2009
BB&T Corporation	BBT	3,133,640	6/17/2009	20,854	41,707	64,925	67,010	67,010	7/8/2009	7/22/2009
Goldman Sachs Group, Inc.	GS	10,000,000	6/17/2009	600,000	900,000	1,100,000			7/20/2009	7/22/2009
American Express Company	AXP	3,388,890	6/17/2009	230,000	260,000	340,000			7/20/2009	7/29/2009
Bank of New York Mellon	BK	3,000,000	6/17/2009	79,000	118,000	130,000	136,000		7/29/2009	7/30/2009
Morgan Stanley	MS	10,000,000	6/17/2009	500,000	800,000	900,000	950,000		8/3/2009	8/12/2009
Northern Trust Corporation	NTRS	1,576,000	6/17/2009	37,000	75,000	87,000			8/19/2009	8/26/2009
Old Line Bancshares	OLBK	7,000	7/15/2009	175	205	225			8/19/2009	9/2/2009
Bancorp Rhode Island, Inc.	BARI	30,000	8/5/2009	857	1,125	1,400			9/16/2009	9/30/2009
Manhattan Bancorp	MNHN	1,700	9/16/2009	63			63	9/29/2009		10/14/2009
CenterState Banks, Inc.	CSFL	27,875	9/30/2009	168	212		212	10/9/2009	10/20/2009	10/28/2009
CVB Financial Corp.	CVBF	130,000	9/2/2009	1,002	1,307		1,307	9/17/2009	10/21/2009	10/28/2009
Bank of the Ozarks, Inc.	OZBK	75,000	11/4/2009	2,161	2,650		2,650	11/5/2009	11/18/2009	11/24/2009
Wainwright Bank and Trust	WAIN	22,000	11/24/2009	569			569	12/3/2009		12/16/2009
LSB Corporation	LSBX	15,000	11/18/2009	500	560		560	12/4/2009	12/8/2009	12/16/2009
Westbank, Inc.	WBSB	75,000	9/2/2009	825	950	950		950	10/20/2009	12/23/2009
Union Bankshares Corporation	UBSH	59,000	11/18/2009	400	450		450	11/24/2009	12/16/2009	12/23/2009
Flushing Financial Corporation	FFIC	70,000	10/28/2009	597	700	860	900		12/14/2009	12/30/2009
Trustmark Corporation	TRMK	215,000	12/3/2009	8,167	9,200	9,600	10,000		12/28/2009	12/29/2009
OceanFirst Financial Corp.	OCFC	38,263	12/30/2009	431			431	1/21/2010		2/3/2010
Monarch Financial Holdings, Inc.	MNRK	14,700	12/23/2009	209	250	280			1/22/2010	2/10/2010
Umpqua Holdings Corp.	UMPO	214,181	2/17/2010	2,055	3,610	4,250	4,500		3/19/2010	3/31/2010
City National Corporation	CYN	400,000	3/3/2010	11,900	17,500	18,500			4/5/2010	4/7/2010
First Litchfield Financial Corporation	FLF	10,000	4/7/2010	1,488			1,488	4/7/2010		4/7/2010
SVB Financial Group	SVB	235,000	12/23/2009	3,900	6,200	6,820			6/4/2010	6/16/2010
Discover Financial Services	DFS	1,224,558	4/21/2010	165,000	180,000	165,000	172,000		6/9/2010	6/29/2010
Bar Harbor Bankshares	BHB	18,751	2/24/2010	67	175	225	250		7/20/2010	7/28/2010
Citizens & Northern Corporation	CZNC	26,400	8/4/2010	400			400	8/19/2010		9/1/2010
Columbia Banking System	COLB	76,898	8/11/2010	3,302			3,302	8/19/2010		9/1/2010
The Bancorp, Inc.	TBBK	45,220	3/10/2010	3,546	4,852	4,754			3/29/2010	9/8/2010
Fulton Financial Corporation	FULT	376,500	7/14/2010	8,000	9,500	10,800			9/2/2010	9/8/2010
Central Jersey Bancorp	CJBK	11,300	11/24/2010	320			320	12/1/2010		12/1/2010
Total	44	\$43,947,466		\$1,868,195			\$3,140,811			

Note: The first bid date is the date that an issuer submitted its bid. Subsequent bid dates are the dates the Warrant Committee met to consider those bids.

Issuer Bids and Warrant Auctions Ordered by Auction Date

Company	Ticker	CPP/TIP Preferred (\$thousands)	Redemption Date	Bid #1	Bid #2	Bid #3	Bid #4	Auction Proceeds (\$thousands)	Date of Issuer Bids				
									Bid #1	Bid #2	Bid #3	Bid #4	
Capital One Financial Corp.	COF	3,555,199	6/17/2009	46,500				148,731	6/30/2009				12/3/2009
JPMorgan Chase & Co.	JPM	25,000,000	6/17/2009	825,539				950,318	6/17/2009				12/10/2009
TFC Financial Corporation	TGB	361,172	4/22/2009	3,200				9,600	5/5/2009				12/15/2009
Bank of America Corporation	BAC	25,000,000	12/9/2009	N/A				310,572	N/A				3/3/2010
Bank of America Corporation	BAC	20,000,000	12/9/2009	N/A				1,255,639	N/A				3/9/2010
Washington Federal, Inc.	WFSL	200,000	5/27/2009	N/A				15,623	N/A				3/9/2010
Signature Bank	SBNY	120,000	3/31/2009	N/A				11,321	N/A				3/10/2010
Texas Capital Bancshares	TGBI	75,000	5/13/2009	N/A				6,709	N/A				3/11/2010
PNC Financial Services Group, Inc.	PNC	7,579,200	2/10/2010	N/A				324,196	N/A				4/29/2010
Comerica Incorporated	CMA	2,250,000	3/17/2010	N/A				183,673	N/A				5/6/2010
Valley National Bancorp	VLY	300,000	12/23/2009	2,291				5,572	1/7/2010				5/18/2010
Wells Fargo & Company	WFC	25,000,000	12/23/2009	593,600	700,000	750,000		849,015	1/7/2010	2/12/2010	2/22/2010		5/20/2010
First Financial Bancorp	FFBC	80,000	2/24/2010	N/A				3,116	N/A				6/2/2010
Sterling Bancshares, Inc.	SBIB	125,198	5/5/2009	4,000				3,008	6/5/2009				6/9/2010
Lincoln National Corporation	LNC	950,000	6/30/2010	N/A				216,621	N/A				9/16/2010
Hartford Financial Services Group, Inc.	HIG	3,400,000	3/31/2010	N/A				713,687	N/A				9/21/2010
Total	16	113,995,769		NA				\$5,007,401					

Appendix I – Detailed Tables of Warrant Repurchases and Auctions

Warrant Sales Ordered By Amount of Proceeds

Institution Name	Ticker	Decision Date	Payment Date	Expiration Date	Strike Price	OED? (i.e. warrants cut by 50%)	Final Warrant Shares	Warrant Repurchase Price/Share	Warrant Repurchase Proceeds	Estimated Implied Volatility*	Stock Price	20-day Avg Stock Price	Decision Date	
													Warrant Price / Stock Price	Underlying / Strike
Goldman Sachs Group, Inc.	GS	7/21/2009	7/22/2009	10/28/2018	\$122.90	-	12,205,045	\$90.13	\$1,100,000,000	40.6% - 44.5%	\$159.80	\$148.16	0.96	1.30 x
Morgan Stanley	MS	8/5/2009	8/12/2009	10/28/2018	22.99	-	65,245,759	14.56	950,000,000	33.3% - 38.7%	31.05	28.16	0.47	1.35 x
American Express Company	AXP	7/02/2009	7/29/2009	1/9/2010	20.95	-	24,264,129	14.01	340,000,000	37.6% - 40.7%	28.38	25.71	0.49	1.35 x
Discover Financial Services	DFS	6/29/2010	7/17/2010	3/13/2019	8.96	-	20,500,413	8.39	172,000,000	45.6% - 52.7%	13.80	13.66	0.61	1.54 x
U.S. Bancorp	USB	7/8/2009	7/15/2009	11/14/2018	30.29	-	32,679,102	4.25	139,000,000	39.3% - 42.6%	16.59	17.69	0.26	0.85 x
Bank of New York Mellon	BK	7/31/2009	8/5/2009	10/28/2018	31.00	-	14,516,129	9.37	136,000,000	35.7% - 39.6%	27.34	27.98	0.34	0.88 x
Northern Trust Corporation	NTRS	8/19/2009	8/26/2009	11/14/2018	61.81	-	3,824,624	22.75	87,000,000	31.1% - 35.9%	60.38	60.00	0.38	0.94 x
BB&T Corporation	BBT	7/14/2009	7/22/2009	11/14/2018	33.81	-	13,902,573	4.82	67,010,402	32.0% - 35.1%	21.65	21.64	0.22	0.64 x
State Street Corporation	STT	7/1/2009	7/8/2009	10/28/2018	53.80	Yes	2,788,104	21.52	60,000,000	37.9% - 43.8%	47.35	46.98	0.45	0.88 x
City National Corporation	CYN	4/6/2010	4/7/2010	11/21/2018	53.16	-	1,128,688	16.39	18,500,000	23.5% - 27.9%	55.70	53.90	0.29	1.05 x
Fulton Financial Corporation	FULT	9/3/2010	9/8/2010	12/23/2018	10.25	-	5,509,756	1.96	10,800,000	27.9% - 30.8%	8.72	8.52	0.22	0.85 x
Trustmark Corporation	TRMK	12/29/2009	12/30/2009	11/21/2018	19.57	-	1,647,931	6.07	10,000,000	19.0% - 22.9%	22.80	20.84	0.27	1.17 x
SVB Financial Group	SVB	6/8/2010	6/16/2010	12/12/2018	49.78	Yes	354,058	19.26	6,820,000	39.2% - 44.7%	42.24	45.32	0.46	0.85 x
FirstMerit Corp	FRMR	5/21/2009	5/27/2009	1/9/2010	19.69	-	952,260	5.28	5,025,000	34.9% - 38.3%	17.54	19.27	0.30	0.89 x
The Bancorp. Inc.	TBRK	9/2/2010	9/8/2010	12/12/2018	3.46	Yes	980,203	4.85	4,753,985	46.7% - 55.6%	6.89	6.60	0.70	1.99 x
Umpqua Holdings Corp.	UMPO	3/22/2010	3/31/2010	11/14/2018	14.46	Yes	1,110,887	4.05	4,500,000	25.1% - 29.4%	13.60	12.87	0.30	0.94 x
Columbia Banking System, Inc.	COLB	8/25/2010	9/1/2010	11/21/2018	14.49	Yes	398,023	8.30	3,301,647	40.3% - 46.0%	17.00	17.21	0.49	1.17 x
First Niagara Financial Group	FNFG	6/19/2009	6/24/2009	11/21/2018	14.48	Yes	953,086	2.83	2,700,000	28.5% - 31.7%	11.93	12.05	0.24	0.82 x
Bank of the Ozarks, Inc.	OZBK	11/18/2009	11/24/2009	12/12/2018	29.62	-	379,811	6.88	2,650,000	20.9% - 25.1%	27.48	24.46	0.25	0.83 x
Independent Bank Corp	INDB	5/21/2009	5/27/2009	1/9/2010	24.34	-	481,664	4.57	2,200,000	28.5% - 31.6%	19.60	19.92	0.23	0.81 x
Sun Bancorp	SNBC	5/19/2009	5/27/2009	1/9/2010	8.27	-	1,620,545	1.30	2,100,000	16.0% - 19.9%	6.25	6.36	0.21	0.76 x
First Litchfield Financial Corporation	FLF	4/7/2010	4/7/2010	12/12/2018	7.53	-	199,203	7.47	1,488,046	N/A	14.95	14.65	0.50	1.99 x
Bancorp Rhode Island, Inc.	BARI	9/21/2009	9/30/2009	12/19/2018	23.32	-	192,987	7.26	1,400,000	21.9% - 26.6%	24.86	25.57	0.29	1.06 x
SOBT Financial Corporation	SOBT	6/16/2009	6/24/2009	1/16/2010	32.06	-	303,083	4.82	1,400,000	24.1% - 27.4%	23.16	23.45	0.20	0.72 x
CVB Financial Corp.	CVBF	10/21/2009	10/28/2009	12/5/2018	11.68	Yes	834,761	1.57	1,307,000	26.4% - 29.2%	8.81	7.73	0.18	0.75 x
IBERIA BANK Corporation	IBKC	5/12/2009	5/20/2009	12/5/2018	48.74	Yes	138,490	8.66	1,200,000	17.5% - 20.8%	47.22	48.23	0.18	0.97 x
Old National Bancorp	ONB	5/6/2009	5/8/2009	12/12/2018	18.45	-	813,008	1.48	1,200,000	20.3% - 23.6%	14.33	14.18	0.10	0.78 x
Berkshire Hills Bancorp	BHLB	6/17/2009	6/24/2009	12/19/2018	26.51	-	226,330	4.60	1,040,000	24.0% - 28.0%	20.17	21.38	0.23	0.76 x
Westbank, Inc.	WSBC	12/11/2009	12/23/2009	12/5/2018	26.51	-	438,282	2.16	950,000	38.1% - 40.7%	12.41	12.71	0.17	0.48 x
Alliance Financial Corporation	ALNC	6/12/2009	6/17/2009	12/19/2018	23.33	-	173,069	5.20	900,000	13.8% - 17.0%	26.61	25.50	0.20	1.14 x
Flushing Financial Corporation	FFIC	12/28/2009	12/30/2009	12/19/2018	13.97	Yes	375,806	2.39	900,000	22.4% - 25.9%	11.73	10.92	0.20	0.84 x
HF Financial Corp.	HFCC	6/29/2009	6/30/2009	11/21/2018	12.40	-	302,419	2.15	650,000	18.3% - 21.5%	11.95	12.08	0.18	0.86 x
Wainwright Bank and Trust	WAIN	12/11/2009	12/16/2009	12/19/2018	8.46	-	390,071	1.46	588,700	27.8% - 30.7%	7.00	6.75	0.21	0.83 x
Central Jersey Bancorp	CJBK	12/1/2010	12/1/2010	12/23/2018	6.31	-	268,621	1.19	319,659	N/A	7.49	7.45	0.16	1.19 x
LSB Corporation	LSBX	12/8/2009	12/16/2009	12/12/2018	10.74	-	209,487	2.67	560,000	22.1% - 25.3%	11.28	11.00	0.24	1.05 x
Union Bankshares Corporation	UBSH	12/16/2009	12/23/2009	12/19/2018	20.94	Yes	211,318	2.13	450,000	30.3% - 33.0%	11.93	11.93	0.18	1.07 x
OceanFirst Financial Corp	OCFC	1/28/2010	2/3/2010	1/16/2019	15.07	Yes	190,427	2.26	430,797	31.2% - 34.2%	10.45	10.97	0.22	0.69 x
Citizens & Northern Corporation	CZNC	8/25/2010	9/1/2010	1/16/2019	20.36	-	194,794	2.05	400,000	41.9% - 44.4%	10.73	11.12	0.19	0.53 x
Somerset Hills Bancorp	SOMH	6/17/2009	6/24/2009	1/16/2019	6.82	-	163,065	1.69	275,000	14.8% - 18.4%	7.80	7.73	0.22	1.14 x
Monarch Financial Holdings	MNFK	2/1/2010	2/10/2010	12/19/2018	8.33	Yes	132,353	1.96	260,000	27.8% - 32.4%	6.40	6.48	0.31	0.77 x
Bar Harbor Bankshares	BHBI	7/22/2010	7/28/2010	1/16/2019	28.81	Yes	52,455	4.77	250,000	18.2% - 20.9%	27.00	25.61	0.18	1.01 x
Old Line Bancshares	OLBK	8/20/2009	9/2/2009	12/5/2018	7.40	-	141,892	1.59	225,000	26.3% - 30.1%	6.10	6.21	0.26	0.82 x
CenterState Banks, Inc.	CSFL	10/21/2009	10/28/2009	11/21/2018	16.67	Yes	125,413	1.69	212,000	34.9% - 38.2%	7.47	7.64	0.23	0.45 x
Manhattan Bancorp	MNHN	10/9/2009	10/14/2009	12/5/2018	8.65	-	29,480	2.15	63,364	29.7% - 34.8%	6.60	6.53	0.33	0.76 x
TOTAL	44	-	-	-	-	14	-	-	\$3,140,810,600	-	-	-	-	-

* Volatility implied by the repurchase price using stock price on decision date and UST estimates for dividend yield and borrow cost; reflects discounts to a modeled valuation for illiquidity, risk of cash takeover, etc.

Appendix I – Detailed Tables of Warrant Repurchases and Auctions

Warrant Auctions Ordered by Amount of Proceeds

Institution Name	Ticker	Announce Date	Auction Date	Expiration Date	Strike Price	OEO? (i.e. warrants cut by 50%)	Warrant Shares	Warrant Auction Price Per Share	Warrant Auction Gross Proceeds	Estimated Implied Volatility*	Stock Price	Auction Date		
												20-day Avg Stock Price	Warrant Price / Stock Price	Underlying / Strike
Bank of America Corporation	BAC	3/1/2010	3/3/2010	1/16/2019	13.30	-	150,375,940	8.35	1,255,639,099	32.1% -36.8%	16.37	15.59	0.51	1.23 x
JPMorgan Chase & Co.	JPM	12/8/2009	12/10/2009	10/28/2018	42.42	-	88,401,697	10.75	950,318,243	23.8% -27.5%	41.27	42.24	0.26	0.97 x
Wells Fargo & Company	WFC	5/18/2010	5/20/2010	10/28/2018	34.01	-	110,262,688	7.70	849,014,998	30.6% -34.0%	28.69	32.21	0.27	0.84 x
The Hartford Financial Services Group, Inc.	HIG	9/20/2010	9/21/2010	6/29/2019	9.79	-	52,093,973	13.70	713,687,430	10.0% -15.0%	23.16	21.68	0.59	2.37 x
PNC Financial Services	PNC	4/27/2010	4/29/2010	12/13/2018	67.33	-	16,885,192	19.20	324,195,686	27.6% -31.3%	66.06	64.68	0.29	0.98 x
Bank of America Corporation	BAC	3/1/2010	3/3/2010	10/28/2018	30.79	-	121,792,790	2.55	310,571,615	30.9% -33.5%	16.37	15.59	0.16	0.53 x
Lincoln National Corporation	LNC	9/15/2010	9/16/2010	7/10/2019	10.92	-	13,049,451	16.60	216,620,887	29.9% -44.7%	24.72	23.84	0.67	2.26 x
Comerica Inc.	CMA	5/4/2010	5/6/2010	11/14/2018	29.40	-	11,479,592	16.00	183,673,472	28.6% -32.3%	41.43	42.21	0.39	1.41 x
Capital One Financial Corp.	COF	12/1/2009	12/3/2009	11/14/2018	42.13	-	12,667,960	11.75	148,731,030	34.6% -38.2%	36.92	38.66	0.32	0.88 x
Washington Federal, Inc.	WFSL	3/8/2010	3/9/2010	11/14/2018	17.57	-	1,707,456	9.15	15,623,222	48.6% -53.5%	19.38	19.41	0.47	1.10 x
Signature Bank	SBNY	3/8/2010	3/10/2010	12/12/2018	30.21	-	595,829	19.00	11,320,751	23.1% -29.0%	38.75	36.83	0.49	1.28 x
TCF Financial Corporation	TCB	12/14/2009	12/15/2009	11/14/2018	16.93	-	3,199,988	3.00	9,599,964	28.8% -32.1%	13.22	12.78	0.23	0.78 x
Texas Capital Bancshares, Inc.	TCBI	3/8/2010	3/11/2010	1/16/2019	14.84	-	758,086	8.85	6,709,061	24.4% -29.9%	18.41	17.06	0.48	1.24 x
Valley National Bancorp	VLY	5/17/2010	5/18/2010	11/14/2018	17.77	-	2,532,542	2.20	5,571,592	25.1% -27.5%	14.80	15.49	0.15	0.83 x
First Financial Bancorp	FFBC	6/1/2010	6/2/2010	12/23/2010	12.90	Yes	465,117	6.70	3,116,283	39.9% -43.8%	15.87	16.81	0.42	1.23 x
Sterling Bancshares, Inc.	SBIB	6/7/2010	6/9/2010	12/12/2018	7.18	-	2,615,557	1.15	3,007,891	30.1% -34.2%	5.00	5.41	0.23	0.70 x
TOTAL	16	-	-	-	-	1	-	-	\$5,007,401,224	-	-	-	-	-

* Volatility implied by the repurchase price using stock price on auction date and UST estimates for dividend yield and borrow cost; reflects discounts to a modeled valuation for illiquidity, risk of cash takeout, etc.

Warrant Auction Statistics

Institution	Ticker	Auction Date	Warrant Shares	Gross Proceeds (\$millions)	Underwriting Fees (\$millions)	Minimum Bid	Clearing Bid	Number of Bids	Number of Bidders	Coverage Ratio ¹	Market Orders Share of Demand ²	Warrants Repurchased by Bank in Auction	Daily Liquidity Turnover ³
Capital One Financial Corp.	COF	12/3/2009	12,657,960	\$148.7	\$2.231	\$7.50	\$11.75	604	174	13.3x	0.2%	-	0.27%
JPMorgan Chase & Co.	JPM	12/10/2009	88,401,697	950.3	14.255	8.00	10.75	754	381	6.5x	0.3%	-	0.51%
TCF Financial Corporation	TCB	12/15/2009	3,199,988	9.6	0.150	1.50	3.00	470	135	18.3x	1.8%	-	0.62%
Bank of America Corporation (TIP)	BAC	3/3/2010	150,375,940	1,255.6	18.835	7.00	8.35	1,489	535	4.4x	1.0%	-	0.73%
Bank of America Corporation (CPP)	BAC	3/3/2010	121,792,790	310.6	4.659	1.50	2.55	1,246	570	10.7x	1.7%	-	0.76%
Washington Federal, Inc	WFSL	3/9/2010	1,707,456	15.6	0.234	5.00	9.15	708	413	14.5x	8.3%	-	0.57%
Signature Bank	SBNY	3/10/2010	595,829	11.3	0.170	16.00	19.00	409	68	8.2x	0.7%	-	0.66%
Texas Capital Bancshares, Inc.	TCBI	3/11/2010	758,086	6.7	0.150	6.50	8.85	326	61	7.0x	0.9%	-	0.30%
PNC Financial Services	PNC	4/29/2010	16,885,192	324.2	3.918	15.00	19.20	1,450	181	5.5x	2.5%	-	0.65%
Comerica Inc.	CMA	5/6/2010	11,479,592	183.7	2.571	15.00	16.00	518	120	2.7x	1.9%	-	0.39%
Valley National Bancorp	VLY	5/18/2010	2,532,542	5.6	0.150	1.70	2.20	183	34	6.6x	1.2%	-	0.35%
Wells Fargo & Company	WFC	5/20/2010	110,261,688	849.0	8.640	6.50	7.70	859	297	3.9x	2.3%	70,165,963	0.45%
First Financial Bancorp	FFBC	6/2/2010	465,117	3.1	0.150	4.00	6.70	142	66	10.3x	2.0%	-	1.46%
Sterling Bancshares, Inc.	SBIB	6/9/2010	2,615,557	3.0	0.150	0.85	1.15	211	67	6.9x	3.6%	-	0.58%
Lincoln National Corporation	LNC	9/16/2010	13,049,451	216.6	2.950	13.50	16.60	795	204	5.1x	2.1%	2,899,159	0.31%
Hartford Financial Services Group, Inc.	HIG	9/21/2010	52,093,973	713.7	7.423	10.50	13.70	1,000	263	2.0x	4.2%	-	0.34%
Total	16			\$5,007.4	\$66.635			11,164	223	6.0x	1.5%		0.61%

1) Coverage Ratio = Gross Demand / Warrant Shares

2) Market Orders Share of Auction = Total Market Orders / Gross Demand

A market order is a bid that specifies the number of warrants the bidder is willing to purchase without specifying the price it is willing to pay and is treated as a bid at the highest price received from any other bidder in the auction.

3) Daily Liquidity Turnover = Average Daily Trading Volume / Warrants Outstanding

The liquidity calculation excludes the first five trading days after the auction which typically have higher than normal volume and uses data through June 30, 2010. The data source is Bloomberg. Note: Totals for Coverage Ratio, Market Orders and Daily Liquidity are weighted averages. Total for Number of Bidders is a simple average.

Issuer Repurchases of Warrant Preferreds or Warrant Sub Debt

Institution Name	Repurchase Date	CPP Investment (\$thousands)	Warrant Repurchase Date	Gross Warrant Proceeds (\$thousands)
Centra Financial Holdings, Inc.	3/31/2009	\$15,000	4/15/2009	\$750
First Manitowoc Bancorp, Inc.	5/27/2009	12,000	5/27/2009	600
First Southern Bancorp, Inc.	6/16/2010	10,900	6/16/2010	545
Midland States Bancorp, Inc.	12/23/2009	10,189	12/23/2009	509
1st United Bancorp, Inc.	11/18/2009	10,000	11/18/2009	500
Leader Bancorp, Inc.	11/24/2010	5,830	11/24/2010	292
First ULB Corp.	4/22/2009	4,900	4/22/2009	245
Capital Bancorp, Inc.	12/30/2010	4,700	12/30/2010	235
Hilltop Community Bancorp, Inc.	4/21/2010	4,000	4/21/2010	200
Texas National Bancorporation, Inc.	5/19/2010	3,981	5/19/2010	199
California Oaks State Bank	12/8/2010	3,300	12/8/2010	165
FPB Financial Corp.	6/16/2010	3,240	6/16/2010	162
Frontier Bancshares, Inc.	10/6/2010	3,000	10/6/2010	150
Surrey Bancorp	12/29/2010	2,000	12/29/2010	100
Nationwide Bankshares, Inc.	12/29/2010	2,000	12/29/2010	100
Signature Bancshares, Inc.	12/15/2010	1,700	12/15/2010	85
The First State Bank of Mobeetie	4/14/2010	731	4/14/2010	37
Midwest Regional Bancorp	11/10/2009	700	11/10/2009	35
Green City Bancshares, Inc.	7/14/2010	651	7/14/2010	33
Haviland Bancshares, Inc.	12/29/2010	425	12/29/2010	21
TOTAL	20	\$99,247		\$4,963

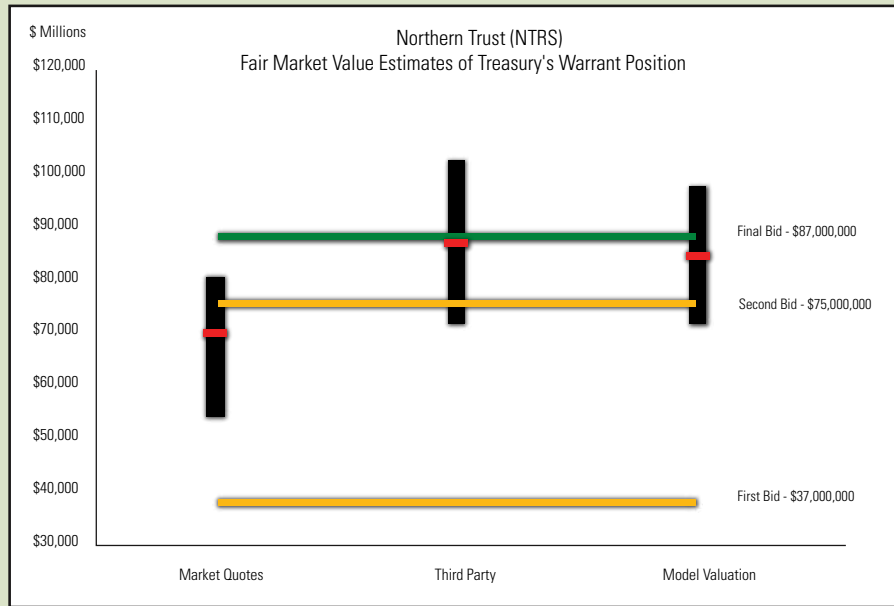
Appendix II – Warrant Disposition Details

GRAPHICAL REPRESENTATION OF TREASURY'S WARRANT VALUATION ANALYSIS

The chart below demonstrates the three elements of Treasury's warrant valuation analysis together with an institution's bid for the warrants, using Northern Trust Corporation as an example. The market quotes are presented as a range from the low to the high estimate of value provided by market participants (black bar) as well as the average of all the market indications collected (red point). The third party estimate of value (red point) is presented along with a reasonable range (black bar) that is also prepared by the third party. Treasury's estimate of value (red point) based on its internal model is presented along with a reasonable range (black bar). The ranges of estimates presented below show the final estimates utilized by Treasury officials to analyze the bank's final bid.

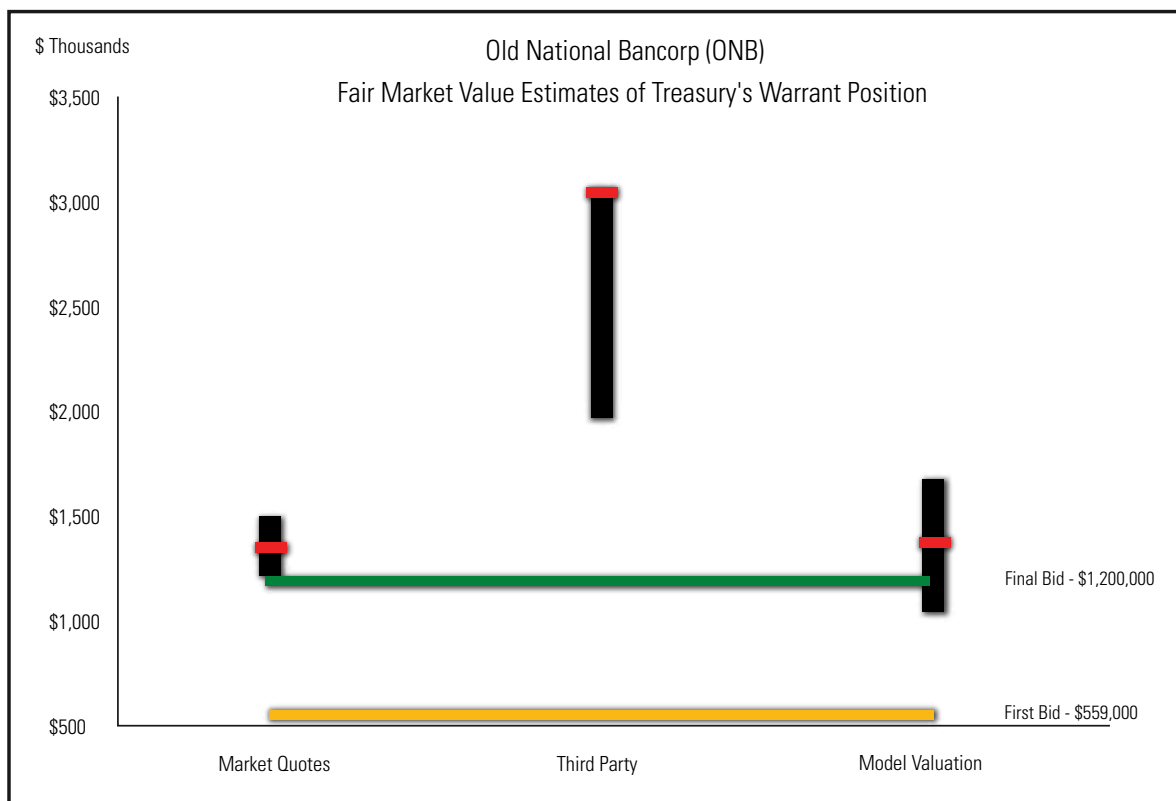
Appendix II presents charts for all of the CPP warrant sales, in which the bank submitted a bid to repurchase its warrants, as of December 31, 2010. As with the example below, all of the valuation estimates presented in Appendix II represent the final estimates used by Treasury officials when analyzing a repurchase request. Appendix II also notes additional relevant factors that were presented to the Warrant Committee.

Example of Treasury's Warrant Valuation Analysis



OLD NATIONAL BANCORP (ONB) REPURCHASE OF ONB WARRANT

On May 6, 2009, Old National Bancorp (ONB) agreed to pay \$1.2 million for the warrant held by Treasury which entitled the holder of the warrant to purchase 813,008 shares of ONB at a strike price of \$18.45 per share. The warrant had an expiration date of December 12, 2018.



ONB

Valuation Estimates

for Warrant (\$thousands)

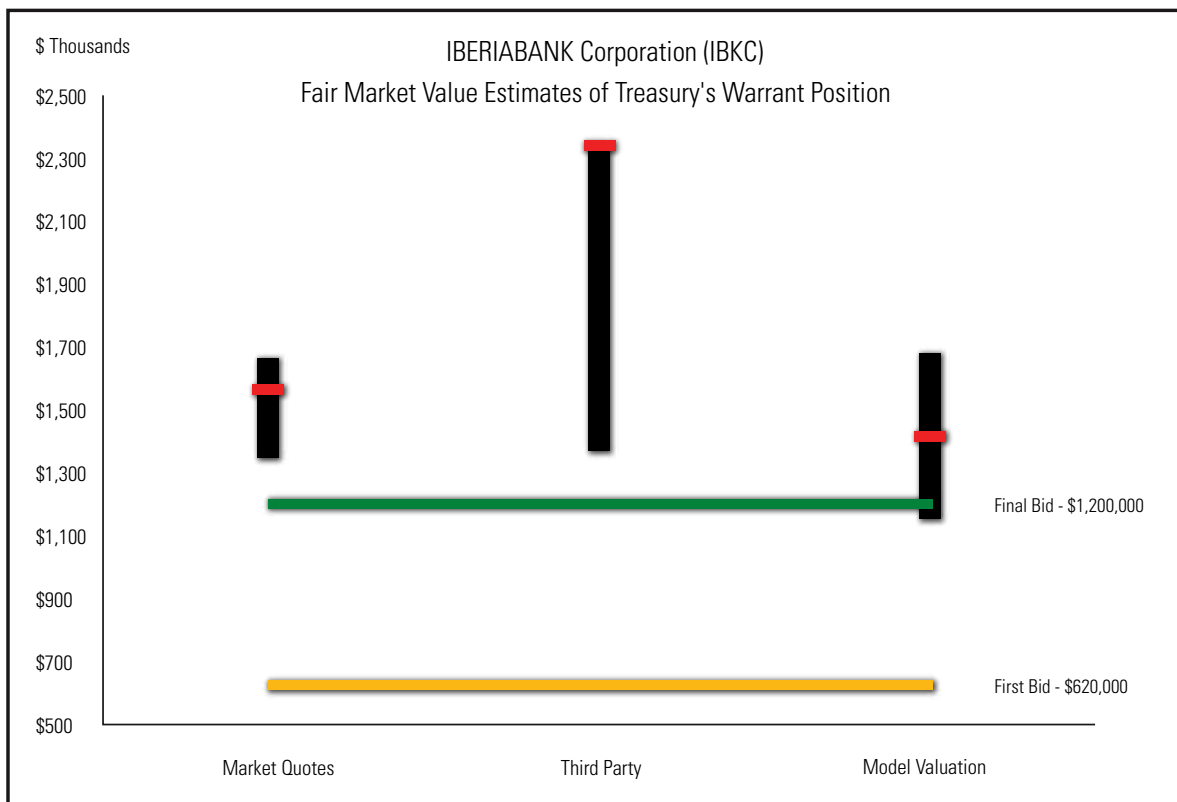
	Low	High	Estimate	First Bid	Final Bid	Details
Market Quotes	\$1,220	\$1,490	\$1,353	\$559	\$1,200	Three market indications
Third Party	\$1,969	\$3,054	\$3,054	\$559	\$1,200	External asset manager's valuation estimates
Model Valuation	\$1,056	\$1,697	\$1,393	\$559	\$1,200	Binomial option model adjusted for American style options

NOTE: 1) At the time of the decision, the external asset managers had not been hired. Treasury relied on financial modeling consultants to provide third party input. The modeling consultants may not have had market expertise necessary to make reasonable assumptions for key inputs such as volatility and dividend yield. 2) At that time, legislation may have required that Treasury dispose of the warrants immediately. The fixed cost of disposing of the warrants was taken into consideration when analyzing the company's determination of fair market value.

IBERIABANK CORPORATION (IBKC)

REPURCHASE OF IBKC WARRANT

On May 12, 2009, IBERIABANK Corporation (IBKC) agreed to pay \$1.2 million for the warrant held by Treasury which entitled the holder of the warrant to purchase 138,490 shares of IBKC at a strike price of \$48.74 per share. The warrant had an expiration date of December 5, 2018.



IBKC
Valuation Estimates
for Warrant (\$thousands)

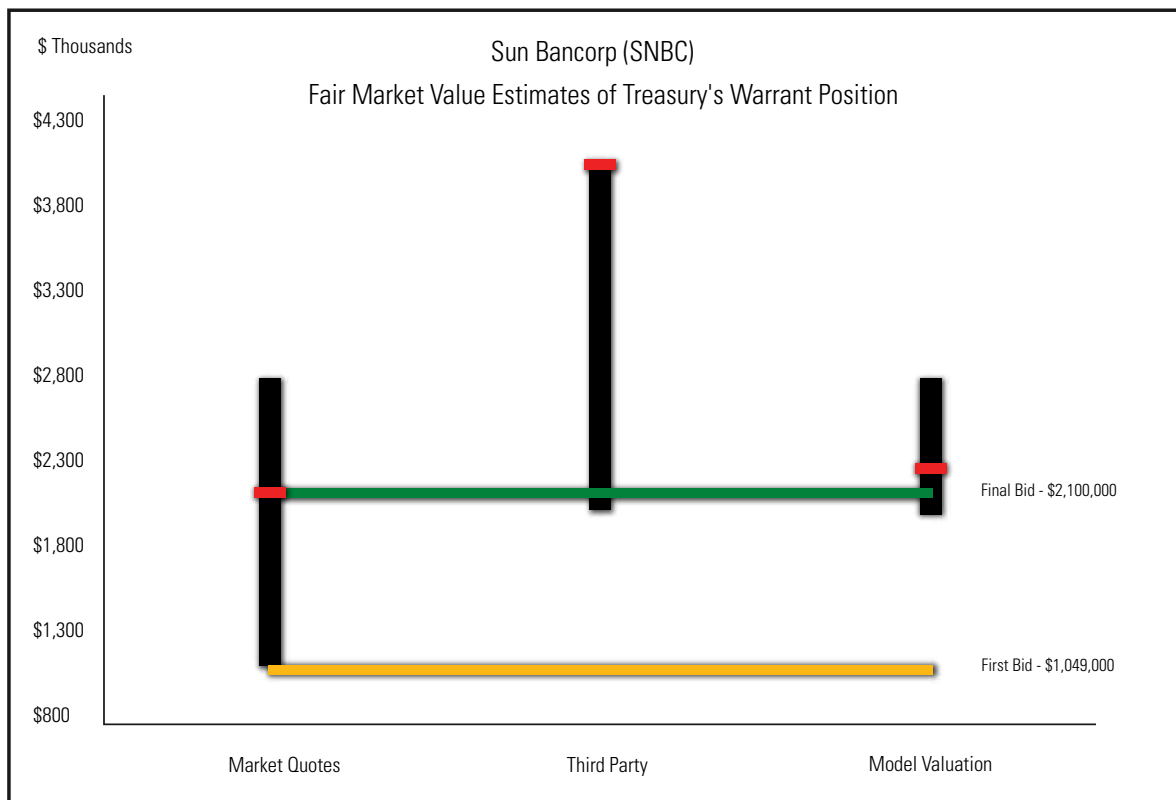
	Low	High	Estimate	First Bid	Final Bid	Details
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	Low	High	Estimate	First Bid	Final Bid	Details
Market Quotes	\$1,350	\$1,662	\$1,566	\$620	\$1,200	Four market indications
Third Party	\$1,370	\$2,334	\$2,334	\$620	\$1,200	External asset manager's valuation estimates
Model Valuation	\$1,156	\$1,682	\$1,421	\$620	\$1,200	Binomial option model adjusted for American style options

NOTE: 1) At the time of the decision, the external asset managers had not been hired. Treasury relied on financial modeling consultants to provide third party input. The modeling consultants may not have had market expertise necessary to make reasonable assumptions for key inputs such as volatility and dividend yield. 2) At that time, legislation may have required that Treasury dispose of the warrants immediately. The fixed cost of disposing of the warrants was taken into consideration when analyzing the company's determination of fair market value.

SUN BANCORP, INC. (SNBC)
 REPURCHASE OF SNBC WARRANT

On May 19, 2009, Sun Bancorp, Inc. (SNBC) agreed to pay \$2.1 million for the warrant held by Treasury which entitled the holder of the warrant to purchase 1,620,545 shares of SNBC at a strike price of \$8.27 per share. The warrant had an expiration date of January 9, 2019.



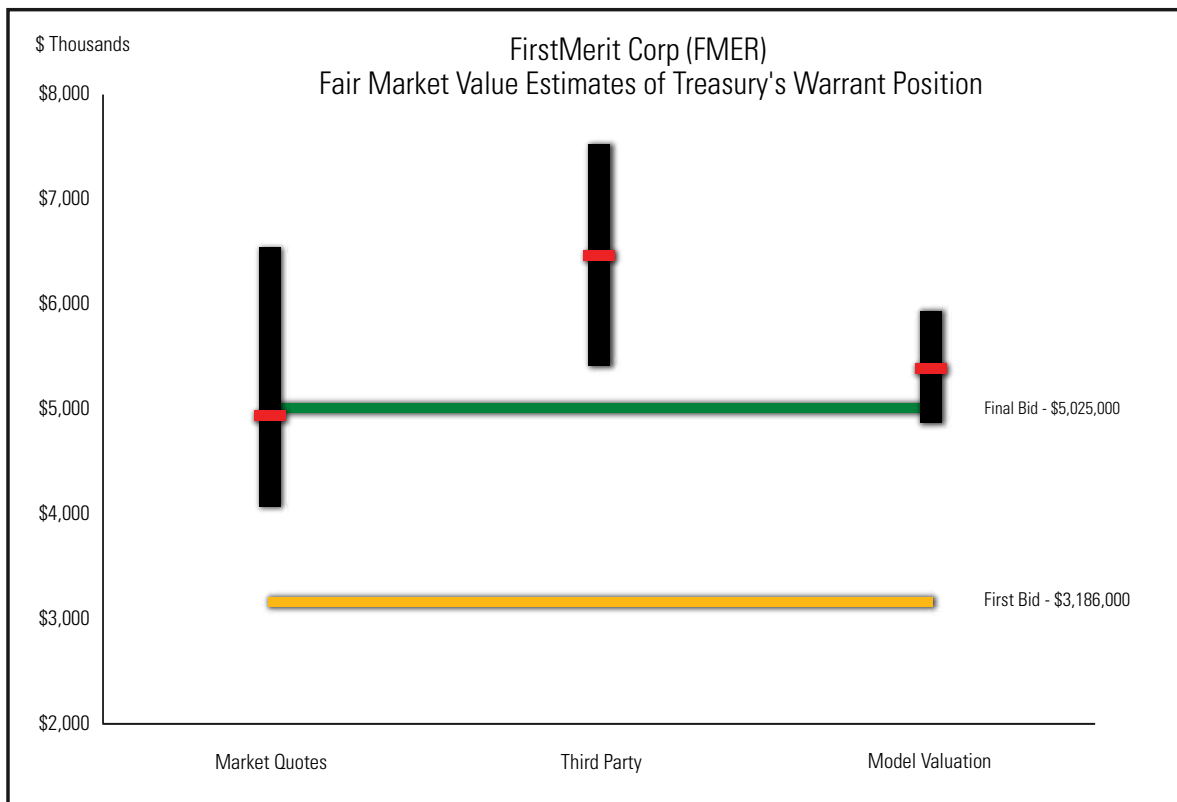
SNBC
 Valuation Estimates
 for Warrant (\$thousands)

	Low	High	Estimate	First Bid	Final Bid	Details
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	Low	High	Estimate	First Bid	Final Bid	Details
Market Quotes	\$1,080	\$2,778	\$2,096	\$1,049	\$2,100	Three market indications
Third Party	\$2,000	\$4,028	\$4,028	\$1,049	\$2,100	External asset manager's valuation estimates
Model Valuation	\$1,974	\$2,771	\$2,252	\$1,049	\$2,100	Binomial option model adjusted for American style options

FIRSTMERIT CORP (FMER) REPURCHASE OF FMER WARRANT

On May 21, 2009, FirstMerit Corp (FMER) agreed to pay \$5.025 million for the warrant held by Treasury which entitled the holder of the warrant to purchase 952,260 shares of FMER at a strike price of \$19.69 per share. The warrant had an expiration date of January 9, 2019.



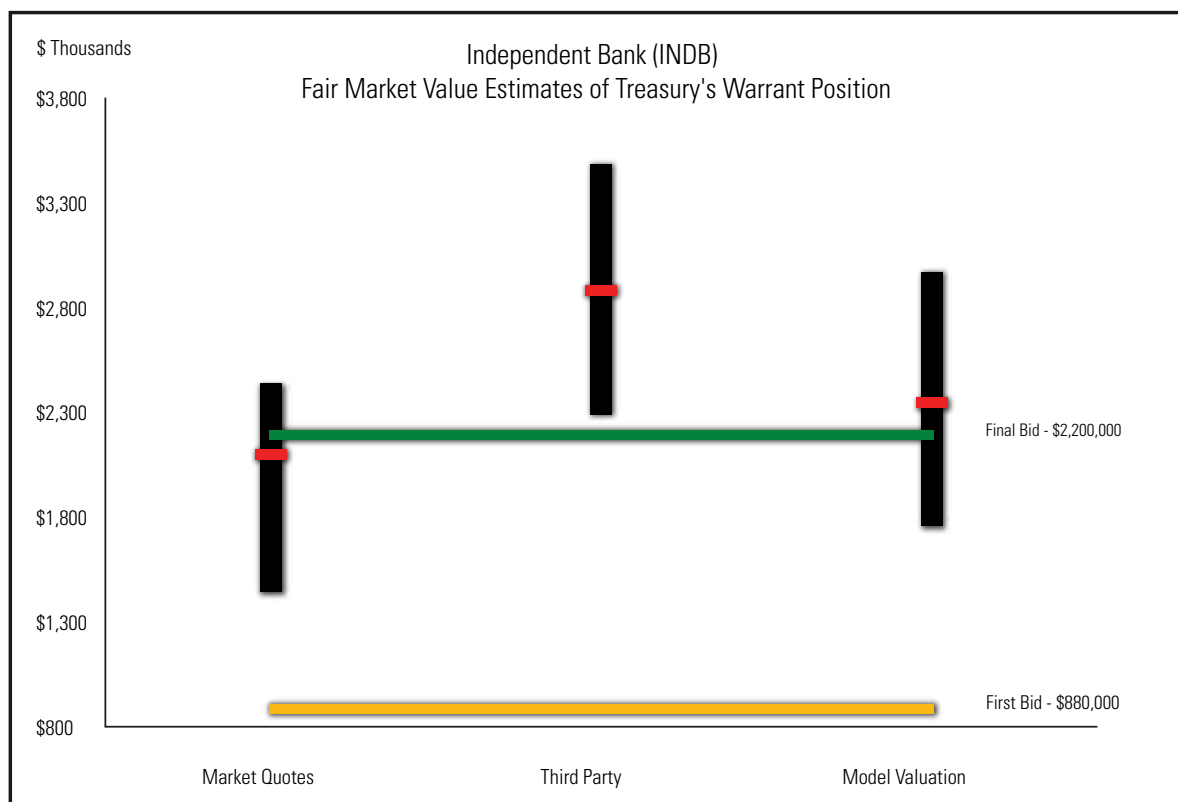
FMER
Valuation Estimates
for Warrant (\$thousands)

	Low	High	Estimate	First Bid	Final Bid	Details
Market Quotes	\$4,082	\$6,543	\$4,918	\$3,186	\$5,025	Four market indications
Third Party	\$5,428	\$7,532	\$6,485	\$3,186	\$5,025	External asset manager's valuation estimates
Model Valuation	\$4,871	\$5,930	\$5,400	\$3,186	\$5,025	Binomial option model adjusted for American style options

NOTE: At the time of the decision, the common share price of FMER was \$17.54 compared to the 20 day average price of \$19.27. This difference was taken under consideration in Treasury's analysis of the company's determination of fair market value.

INDEPENDENT BANK CORP (INDB) REPURCHASE OF INDB WARRANT

On May 21, 2009, Independent Bank Corp (INDB) agreed to pay \$2.2 million for the warrant held by Treasury which entitled the holder of the warrant to purchase 481,664 shares of INDB at a strike price of \$24.34 per share. The warrant had an expiration date of January 9, 2019.



INDB

Valuation Estimates

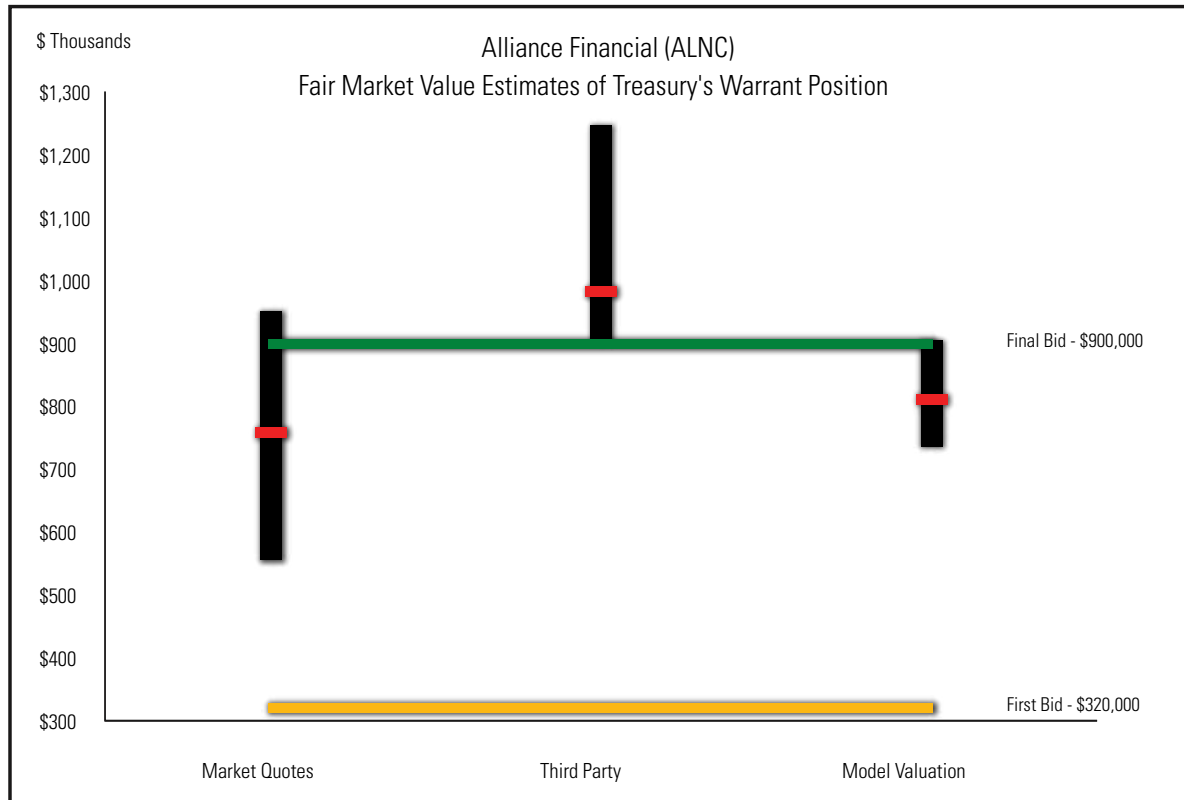
for Warrant (\$thousands)

	Low	High	Estimate	First Bid	Final Bid	Details
Market Quotes	\$1,444	\$2,432	\$2,104	\$888	\$2,200	Three market indications
Third Party	\$2,293	\$3,482	\$2,885	\$888	\$2,200	External asset manager's valuation estimates
Model Valuation	\$1,754	\$2,965	\$2,345	\$888	\$2,200	Binomial option model adjusted for American style options

ALLIANCE FINANCIAL CORPORATION (ALNC)

REPURCHASE OF ALNC WARRANT

On June 12, 2009, Alliance Financial Corporation (ALNC) agreed to pay \$900,000 for the warrant held by Treasury which entitled the holder of the warrant to purchase 173,069 shares of ALNC at a strike price of \$23.33 per share. The warrant had an expiration day of December 19, 2018.



ALNC

Valuation Estimates

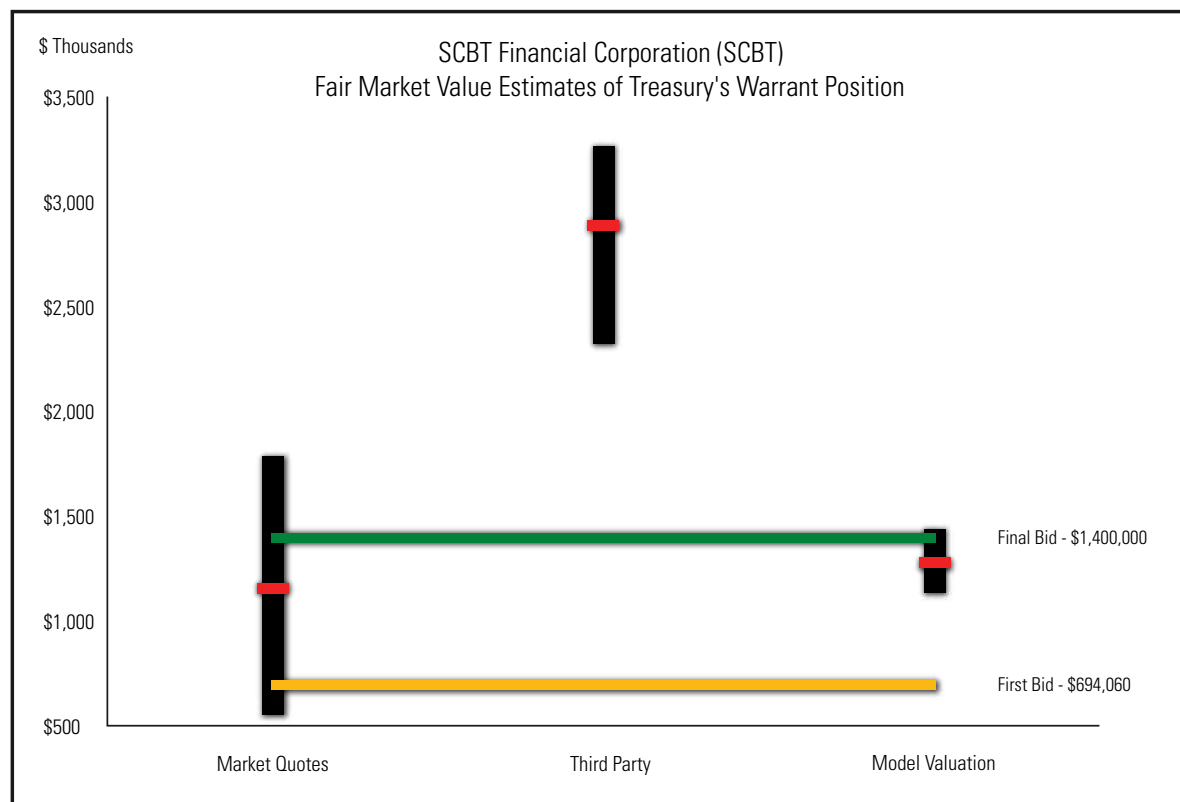
for Warrant (\$thousands)

	Low	High	Estimate	First Bid	Final Bid	Details
Market Quotes	\$554	\$952	\$762	\$320	\$900	Three market indications
Third Party	\$899	\$1,244	\$990	\$320	\$900	External asset manager's valuation estimates
Model Valuation	\$741	\$895	\$818	\$320	\$900	Binomial option model adjusted for American style options

SCBT FINANCIAL CORPORATION (SCBT)

REPURCHASE OF SCBT WARRANT

On June 16, 2009, SCBT Financial Corporation (SCBT) agreed to pay \$1.4 million for the warrant held by Treasury which entitled the holder of the warrant to purchase 303,083 shares of SCBT at a strike price of \$32.06 per share. The warrant had an expiration date of January 16, 2019.



SCBT

Valuation Estimates

for Warrant (\$thousands)

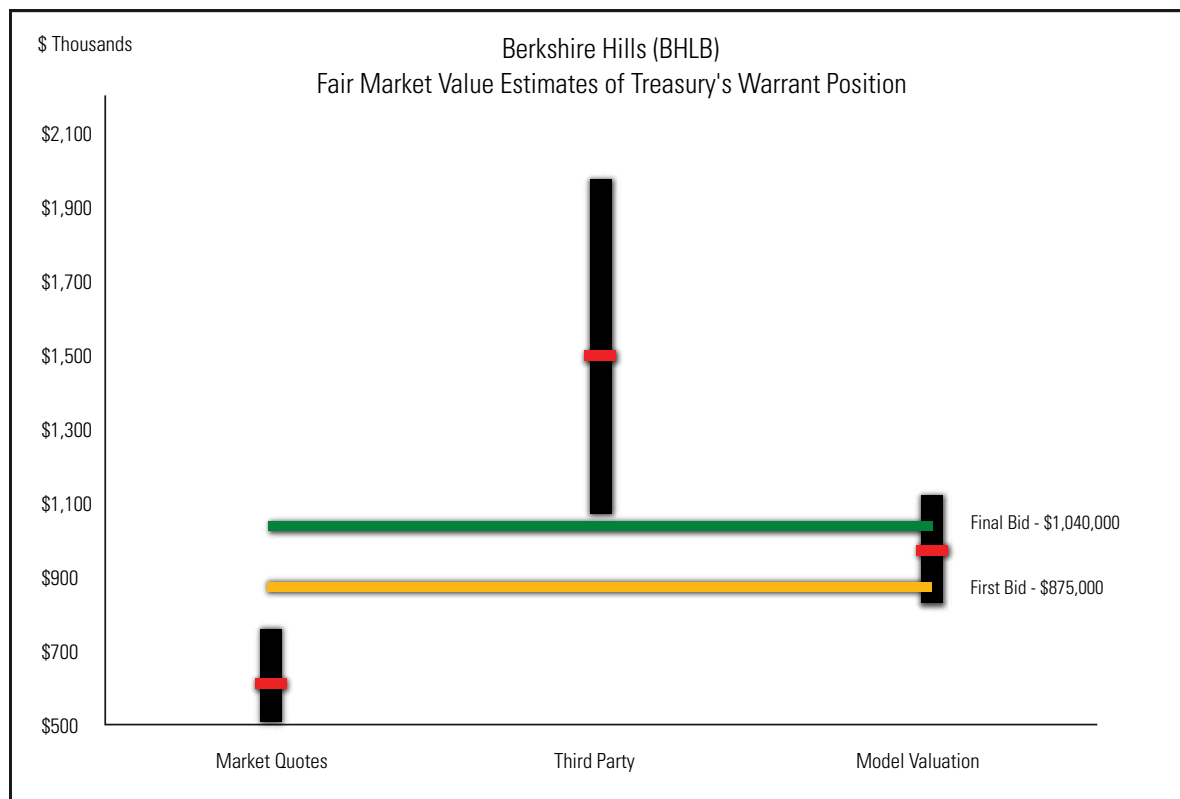
	Low	High	Estimate	First Bid	Final Bid	Details
Market Quotes	\$555	\$1,789	\$1,159	\$694	\$1,400	Five market indications
Third Party	\$2,322	\$3,261	\$2,888	\$694	\$1,400	External asset manager's valuation estimates
Model Valuation	\$1,137	\$1,436	\$1,281	\$694	\$1,400	Binomial option model adjusted for American style options

NOTE: The third party modeled valuation assumed volatility of 46%. Treasury's model assumed a significantly lower volatility closer to the historic volatility of the company and observable market prices.

BERKSHIRE HILLS BANCORP (BHLB)

REPURCHASE OF BHLB WARRANT

On June 17, 2009, Berkshire Hills Bancorp (BHLB) agreed to pay \$1.04 million for the warrant held by Treasury which entitled the holder of the warrant to purchase 226,330 shares of BHLB at a strike price of \$26.51 per share. The warrant had an expiration date of December 19, 2018.



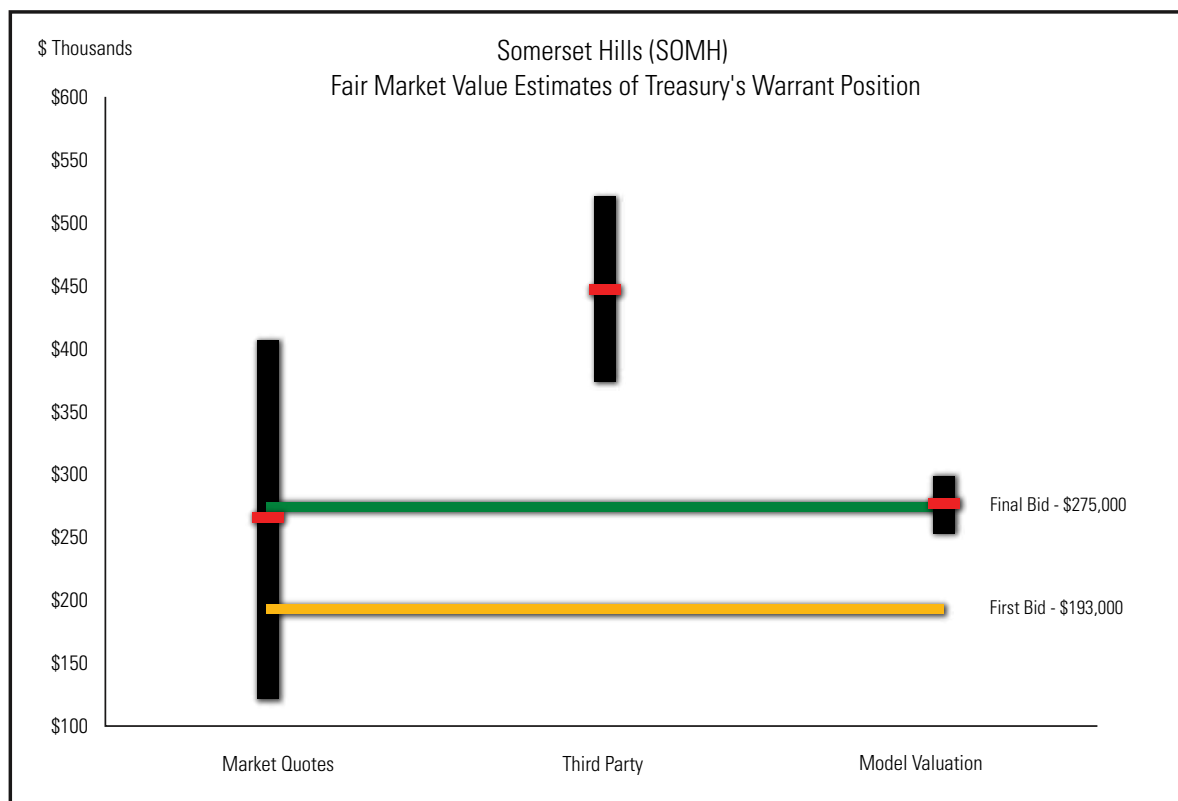
BHLB

Valuation Estimates
for Warrant (\$thousands)

	Low	High	Estimate	First Bid	Final Bid	Details
Market Quotes	\$509	\$758	\$611	\$875	\$1,040	Three market indications
Third Party	\$1,071	\$1,974	\$1,494	\$875	\$1,040	External asset manager's valuation estimates
Model Valuation	\$827	\$1,116	\$971	\$875	\$1,040	Binomial option model adjusted for American style options

SOMERSET HILLS BANCORP (SOMH) REPURCHASE OF SOMH WARRANT

On June 17, 2009, Somerset Hills Bancorp (SOMH) agreed to pay \$275,000 for the warrant held by Treasury which entitled the holder of the warrant to purchase 163,065 shares of SOMH at a strike price of \$6.82 per share. The warrant had an expiration date of January 16, 2019.



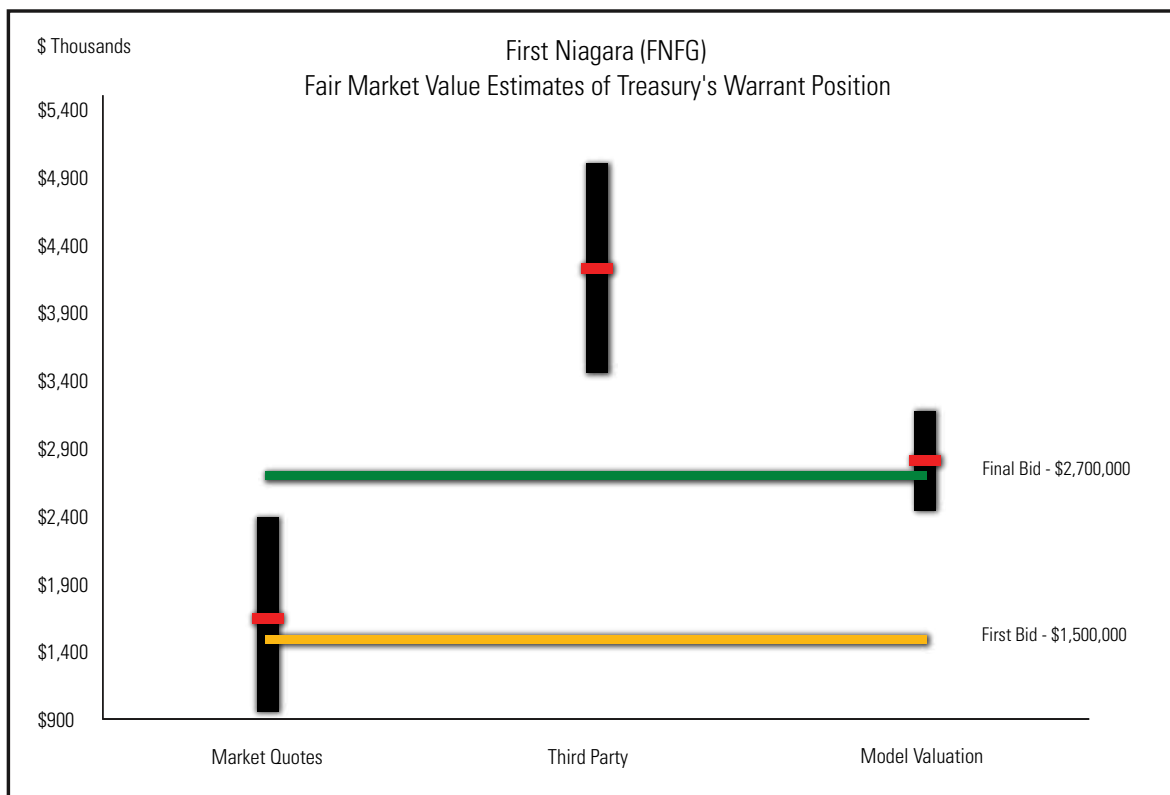
SOMH

Valuation Estimates for Warrant (\$thousands)

	Low	High	Estimate	First Bid	Final Bid	Details
Market Quotes	\$122	\$406	\$266	\$193	\$275	Five market indications
Third Party	\$374	\$521	\$447	\$193	\$275	External asset manager's valuation estimates
Model Valuation	\$253	\$299	\$276	\$193	\$275	Binomial option model adjusted for American style options

FIRST NIAGARA FINANCIAL GROUP (FNFG) REPURCHASE OF FNFG WARRANT

On June 19, 2009, First Niagara Financial Group (FNFG) agreed to pay \$2.7 million for the warrant held by Treasury which entitled the holder of the warrant to purchase 953,096 shares of FNFG at a strike price of \$14.48 per share. The warrant had an expiration date of November 21, 2018.



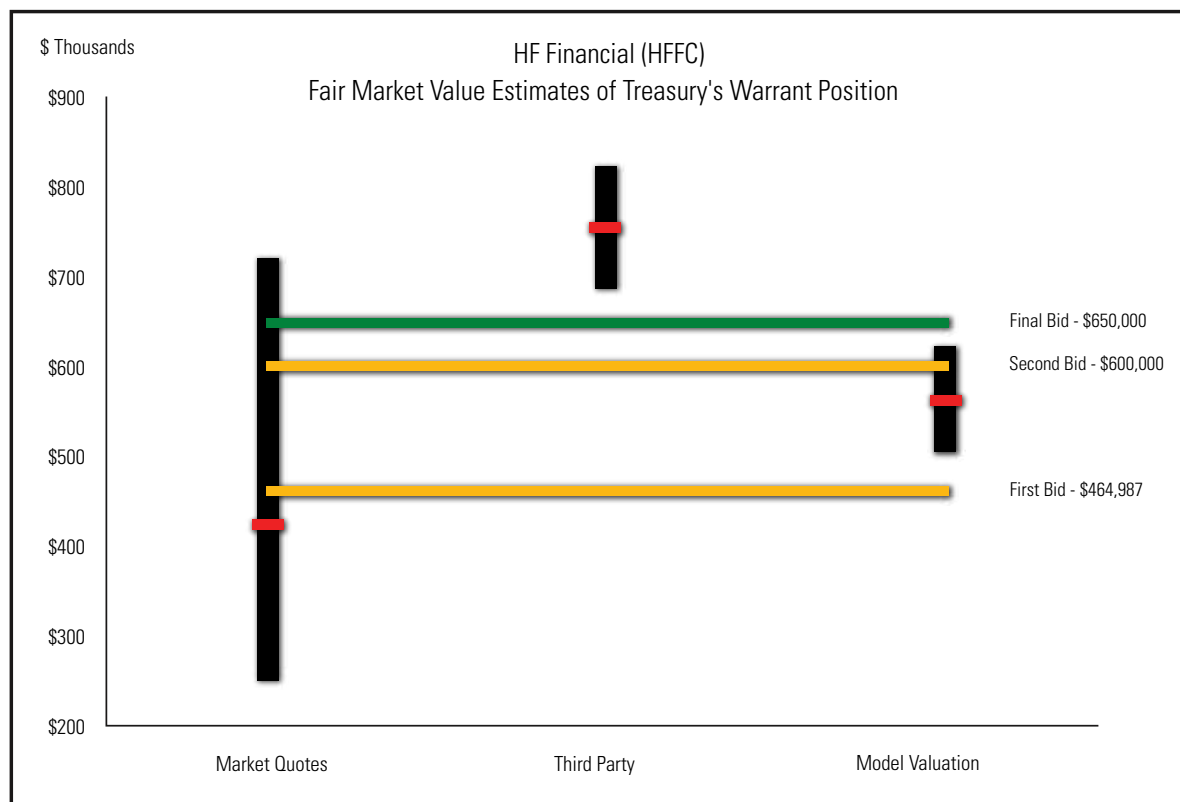
FNFG

Valuation Estimates
for Warrant (\$thousands)

	Low	High	Estimate	First Bid	Final Bid	Details
Market Quotes	\$953	\$2,383	\$1,646	\$1,500	\$2,700	Five market indications
Third Party	\$3,455	\$4,995	\$4,221	\$1,500	\$2,700	External asset manager's valuation estimates
Model Valuation	\$2,444	\$3,175	\$2,807	\$1,500	\$2,700	Binomial option model adjusted for American style options

HF FINANCIAL CORP (HFFC) REPURCHASE OF HFFC WARRANT

On June 29, 2009, HF Financial Corp (HFFC) agreed to pay \$650,000 for the warrant held by Treasury which entitled the holder of the warrant to purchase 302,419 shares of HFFC at a strike price of \$12.40 per share. The warrant had an expiration date of November 21, 2018.



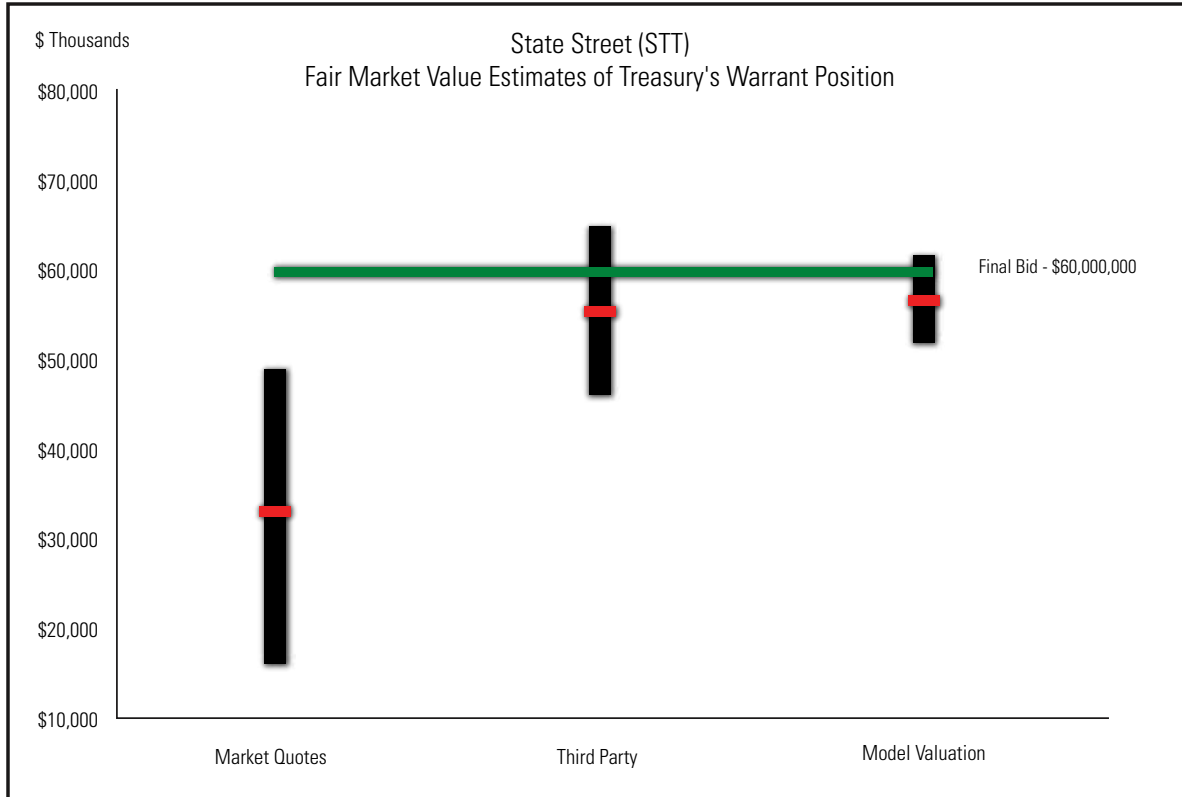
HFFC

Valuation Estimates
for Warrant (\$thousands)

	Low	High	Estimate	First Bid	Second Bid	Final Bid	Details
Market Quotes	\$251	\$720	\$424	\$464	\$600	\$650	Three market indications
Third Party	\$686	\$822	\$753	\$464	\$600	\$650	External asset manager's valuation estimates
Model Valuation	\$505	\$622	\$563	\$464	\$600	\$650	Binomial option model adjusted for American style options

STATE STREET CORPORATION (STT)
 REPURCHASE OF STT WARRANT

On July 1, 2009, State Street Corporation (STT) agreed to pay \$60 million for the warrant held by Treasury which entitled the holder of the warrant to purchase 2,788,104 shares of STT at a strike price of \$53.80 per share. The warrant had an expiration date of October 28, 2018.



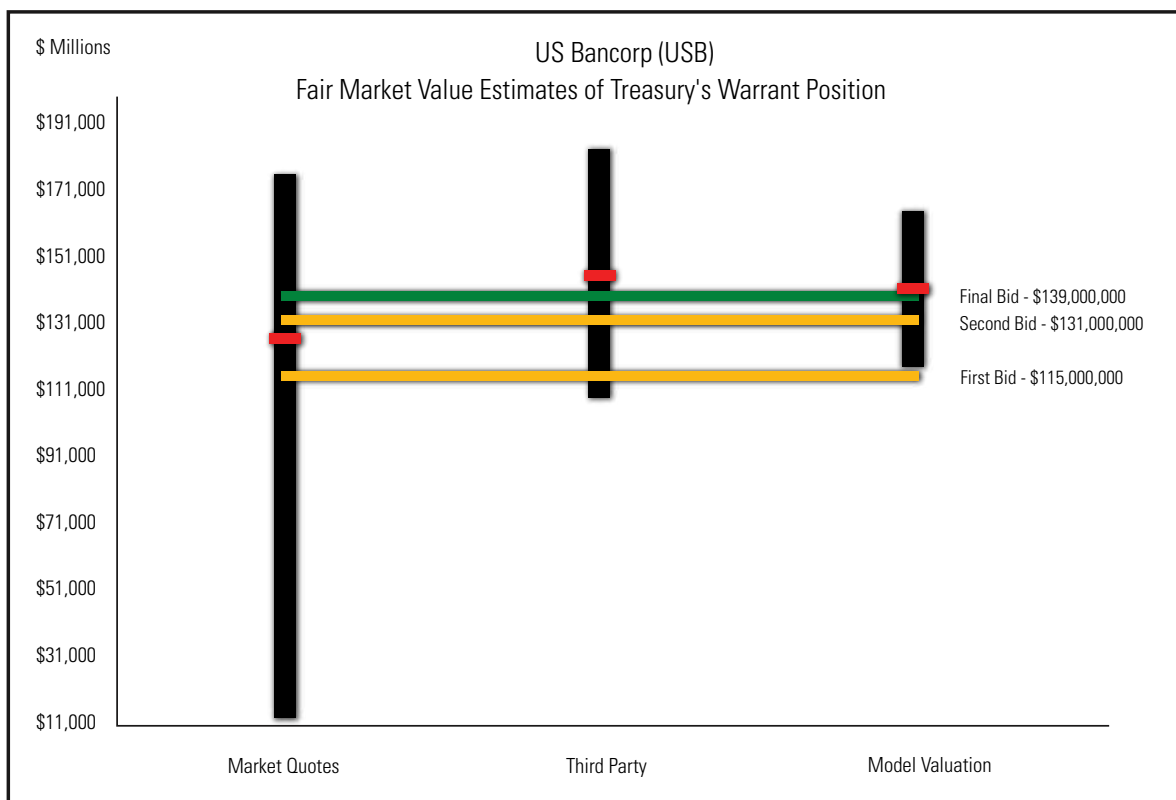
STT
 Valuation Estimates
 for Warrant (\$millions)

	Low	High	Estimate	Final Bid	Details
Market Quotes	\$16	\$48	\$33	\$60	Seven market indications
Third Party	\$46	\$65	\$55	\$60	External asset manager's valuation estimates
Model Valuation	\$52	\$62	\$57	\$60	Binomial option model adjusted for American style options

	Low	High	Estimate	Final Bid	Details
Market Quotes	\$16	\$48	\$33	\$60	Seven market indications
Third Party	\$46	\$65	\$55	\$60	External asset manager's valuation estimates
Model Valuation	\$52	\$62	\$57	\$60	Binomial option model adjusted for American style options

U.S. BANCORP (USB) REPURCHASE OF USB WARRANT

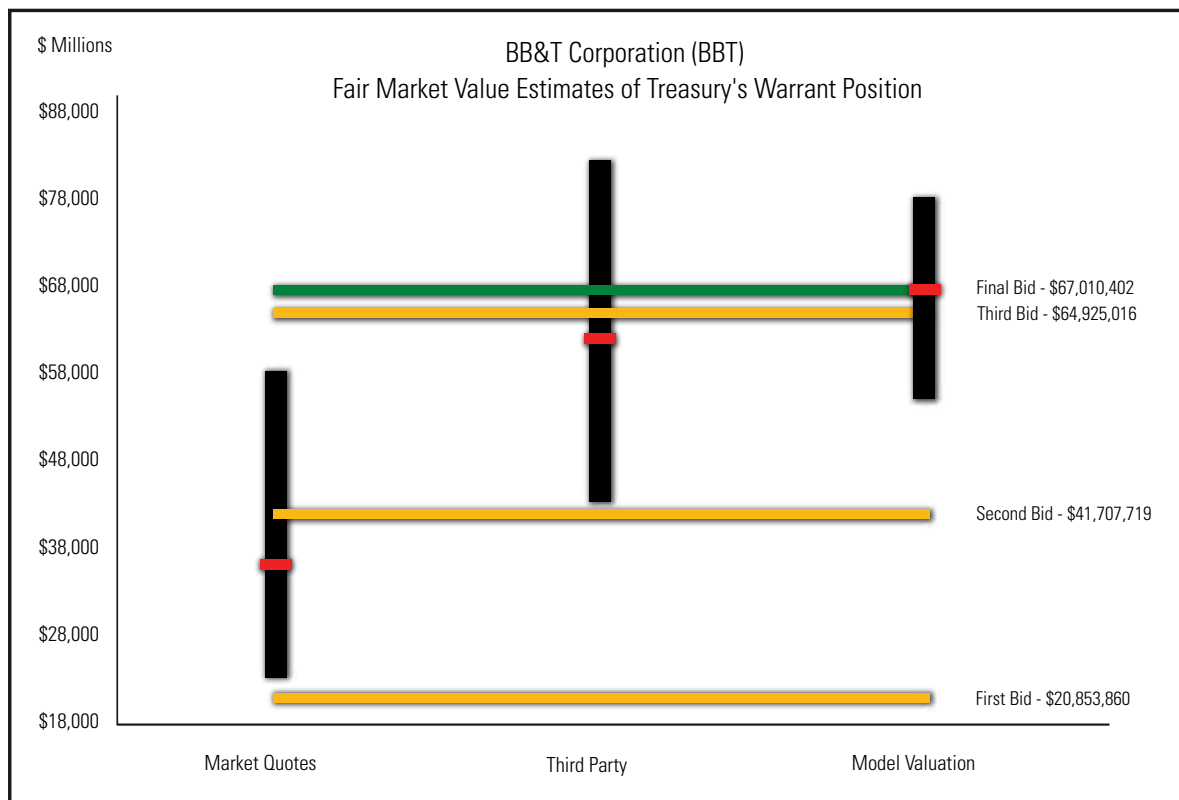
On July 8, 2009, U.S. Bancorp (USB) agreed to pay \$139 million for the warrant held by Treasury which entitled the holder of the warrant to purchase 32,679,102 shares of USB at a strike price of \$30.29 per share. The warrant had an expiration date of November 14, 2018.



USB Valuation Estimates for Warrant (\$millions)							
	Low	High	Estimate	First Bid	Second Bid	Final Bid	Details
Market Quotes	\$12	\$175	\$127	\$115	\$131	\$139	Six market indications
Third Party	\$108	\$183	\$144	\$115	\$131	\$139	External asset manager's valuation estimates
Model Valuation	\$117	\$164	\$140	\$115	\$131	\$139	Binomial option model adjusted for American style options

BB&T CORPORATION (BBT) REPURCHASE OF BBT WARRANT

On July 14, 2009, BB&T Corporation (BBT) agreed to pay \$67 million for the warrant held by Treasury which entitled the holder of the warrant to purchase 13,902,573 shares of BBT at a strike price of \$33.81 per share. The warrant had an expiration date of November 14, 2018.



BBT

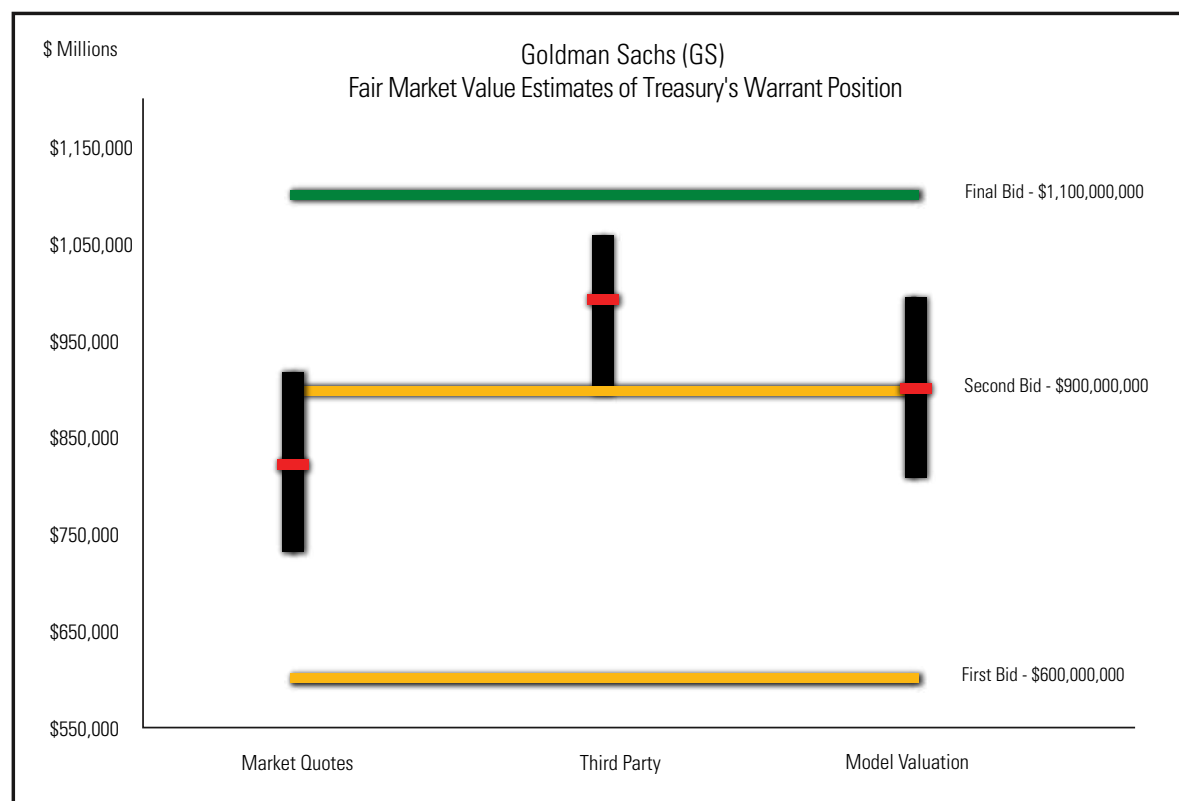
Valuation Estimates for Warrant (\$millions)

	Low	High	Estimate	First Bid	Second Bid	Third Bid	Final Bid	Details
Market Quotes	\$23	\$58	\$36	\$20	\$41	\$65	\$67	Five market indications
Third Party	\$43	\$82	\$62	\$20	\$41	\$65	\$67	External asset manager's valuation estimates
Model Valuation	\$55	\$78	\$67	\$20	\$41	\$65	\$67	Binomial option model adjusted for American style options

GOLDMAN SACHS GROUP, INC. (GS)

REPURCHASE OF GS WARRANT

On July 21, 2009, Goldman Sachs Group, Inc. (GS) agreed to pay \$1.1 billion for the warrant held by Treasury which entitled the holder of the warrant to purchase 12,205,045 shares of GS at a strike price of \$122.90 per share. The warrant had an expiration date of October 28, 2018.



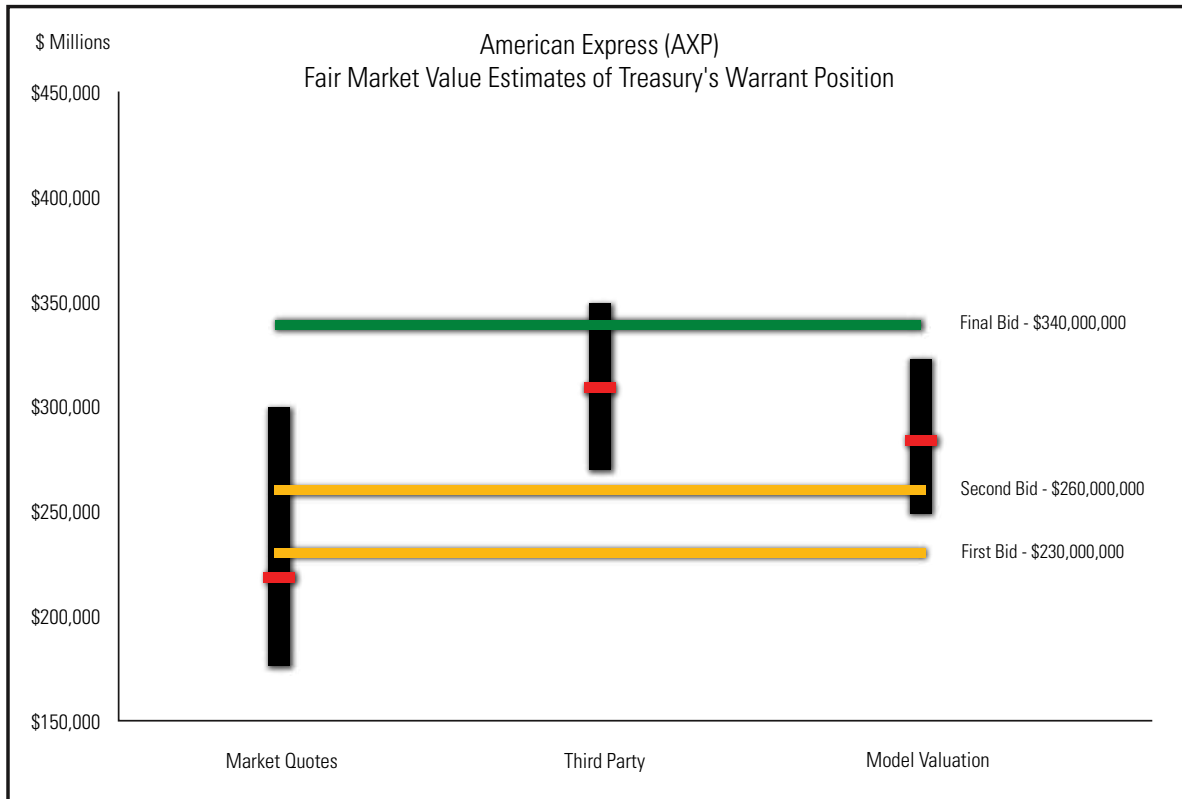
GS Valuation Estimates for Warrant (\$millions)	Low	High	Estimate	First Bid	Second Bid	Final Bid	Details
Market Quotes	\$732	\$917	\$826	\$600	\$900	\$1,100	Seven market indications
Third Party	\$899	\$1,058	\$993	\$600	\$900	\$1,100	External asset manager's valuation estimates
Model Valuation	\$808	\$995	\$902	\$600	\$900	\$1,100	Binomial option model adjusted for American style options

NOTE: At the time of the decision, the common share price of GS was \$159.80 compared to the 20-day average price of \$148.16. This difference was taken under consideration in Treasury's analysis of the company's determination of fair market value.

AMERICAN EXPRESS COMPANY (AXP)

REPURCHASE OF AXP WARRANT

On July 27, 2009, American Express Company (AXP) agreed to pay \$340 million for the warrant held by Treasury which entitled the holder of the warrant to purchase 24,264,129 shares of AXP at a strike price of \$20.95 per share. The warrant had an expiration date of January 9, 2019.



AXP

Valuation Estimates
for Warrant (\$millions)

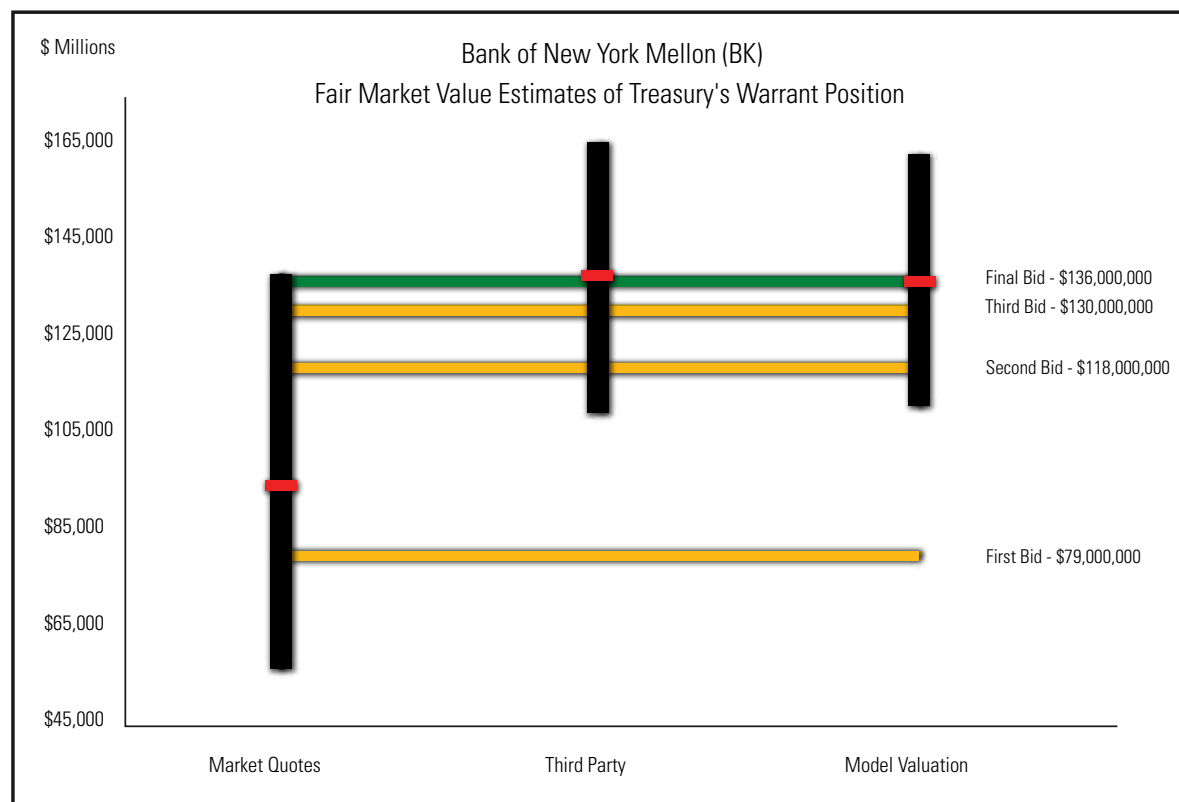
	Low	High	Estimate	First Bid	Second Bid	Final Bid	Details
Market Quotes	\$175	\$298	\$219	\$230	\$260	\$340	Six market indications
Third Party	\$269	\$349	\$309	\$230	\$260	\$340	External asset manager's valuation estimates
Model Valuation	\$248	\$322	\$285	\$230	\$260	\$340	Binomial option model adjusted for American style options

NOTE: At the time of the decision, the common share price of GS was \$159.80 compared to the 20-day average price of \$148.16. This difference was taken under consideration in Treasury's analysis of the company's determination of fair market value.

BANK OF NEW YORK MELLON CORPORATION (BK)

REPURCHASE OF BK WARRANT

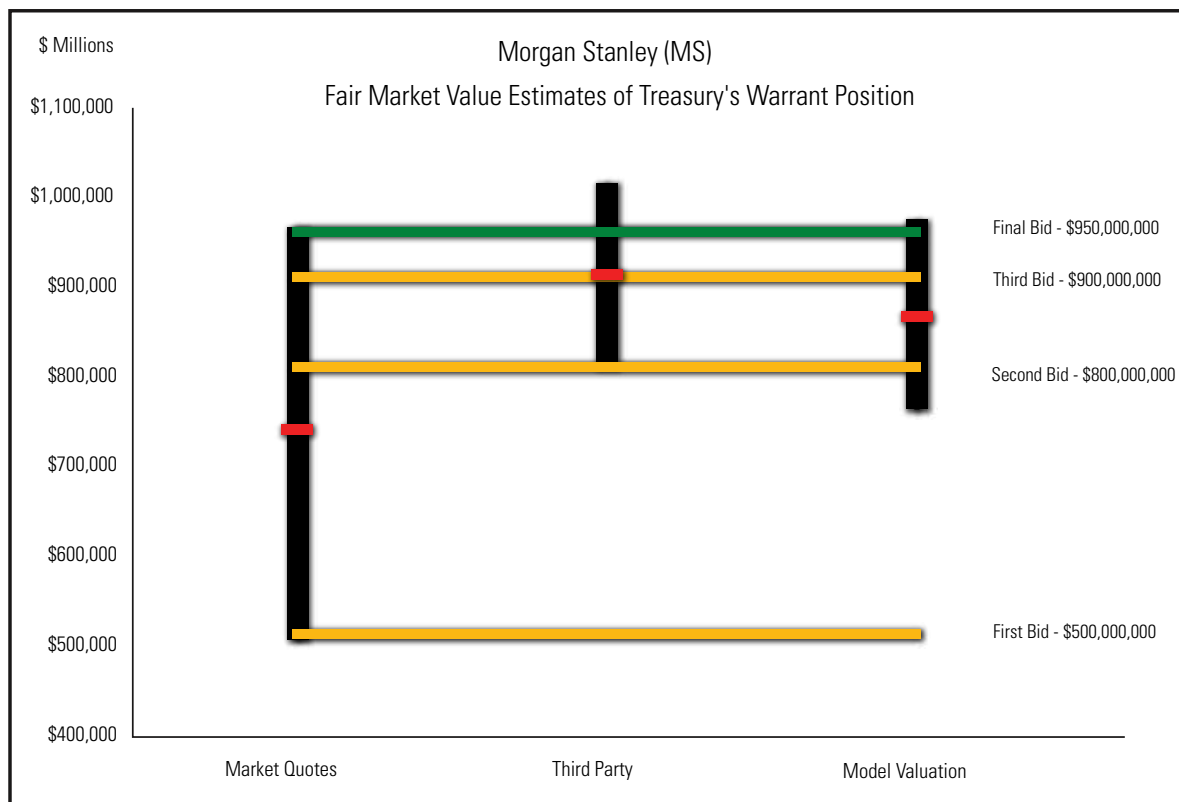
On July 31, 2009, Bank of New York Mellon Corporation (BK) agreed to pay \$136 million for the warrant held by Treasury which entitled the holder of the warrant to purchase 14,516,129 shares of BK at a strike price of \$31.00 per share. The warrant had an expiration date of October 28, 2018.



BK Valuation Estimates for Warrant (\$millions)								
	Low	High	Estimate	First Bid	Second Bid	Third Bid	Final Bid	Details
Market Quotes	\$55	\$137	\$94	\$79	\$118	\$130	\$136	Seven market indications
Third Party	\$108	\$164	\$136	\$79	\$118	\$130	\$136	External asset manager's valuation estimates
Model Valuation	\$110	\$162	\$135	\$79	\$118	\$130	\$136	Binomial option model adjusted for American style options

MORGAN STANLEY (MS) REPURCHASE OF MS WARRANT

On August 5, 2009, Morgan Stanley (MS) agreed to pay \$950 million for the warrant held by Treasury which entitled the holder of the warrant to purchase 65,245,759 shares of MS at a strike price of \$22.99 per share. The warrant had an expiration date of October 28, 2018.

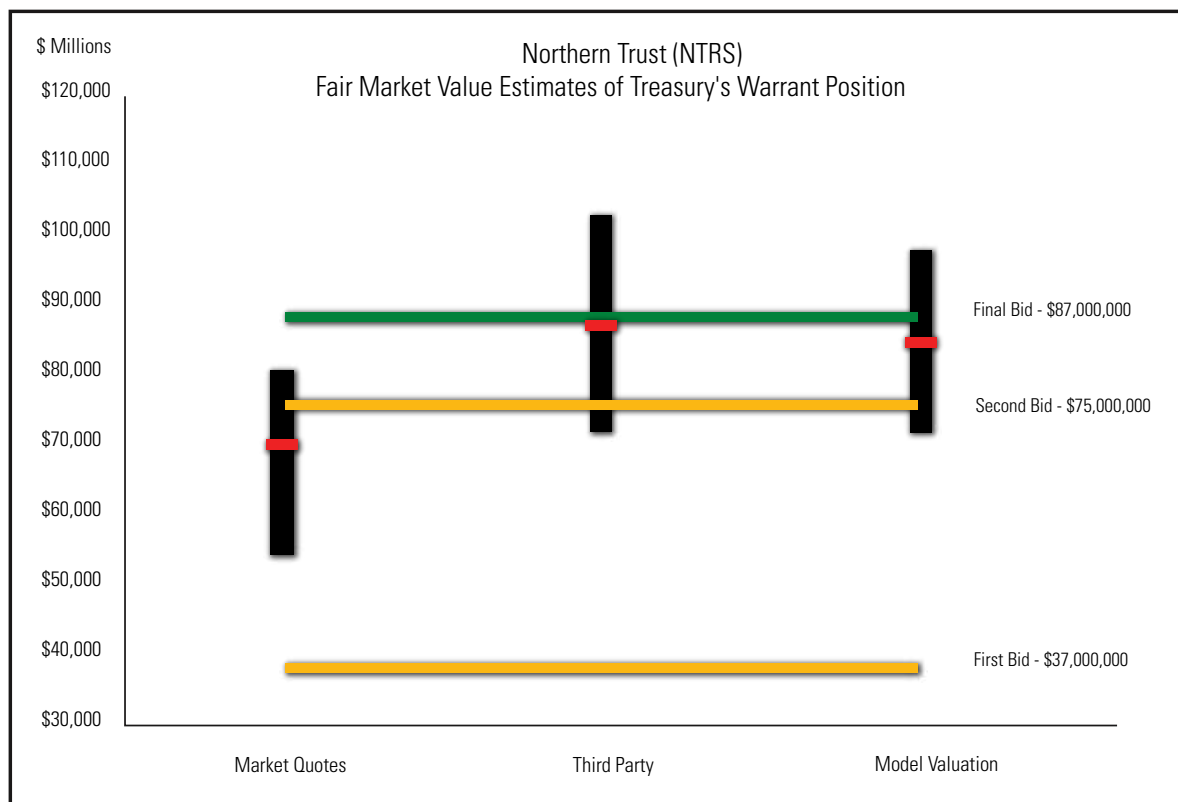


MS Valuation Estimates for Warrant (\$millions)	Low	High	Estimate	First Bid	Second Bid	Third Bid	Final Bid	Details
Market Quotes	\$495	\$944	\$731	\$500	\$800	\$900	\$950	Seven market indications
Third Party	\$806	\$1,002	\$900	\$500	\$800	\$900	\$950	External asset manager's valuation estimates
Model Valuation	\$750	\$962	\$855	\$500	\$800	\$900	\$950	Binomial option model adjusted for American style options

NOTE: At the time of the decision, the common share price of MS was \$31.05 compared to the 20-day average price of \$28.16. This difference was taken under consideration in Treasury's analysis of the company's determination of fair market value.

NORTHERN TRUST CORPORATION (NTRS) REPURCHASE OF NTRS WARRANT

On August 19, 2009, Northern Trust Corporation (NTRS) agreed to pay \$87 million for the warrant held by Treasury which entitled the holder of the warrant to purchase 3,824,624 shares of NTRS at a strike price of \$61.81 per share. The warrant had an expiration date of November 14, 2018.



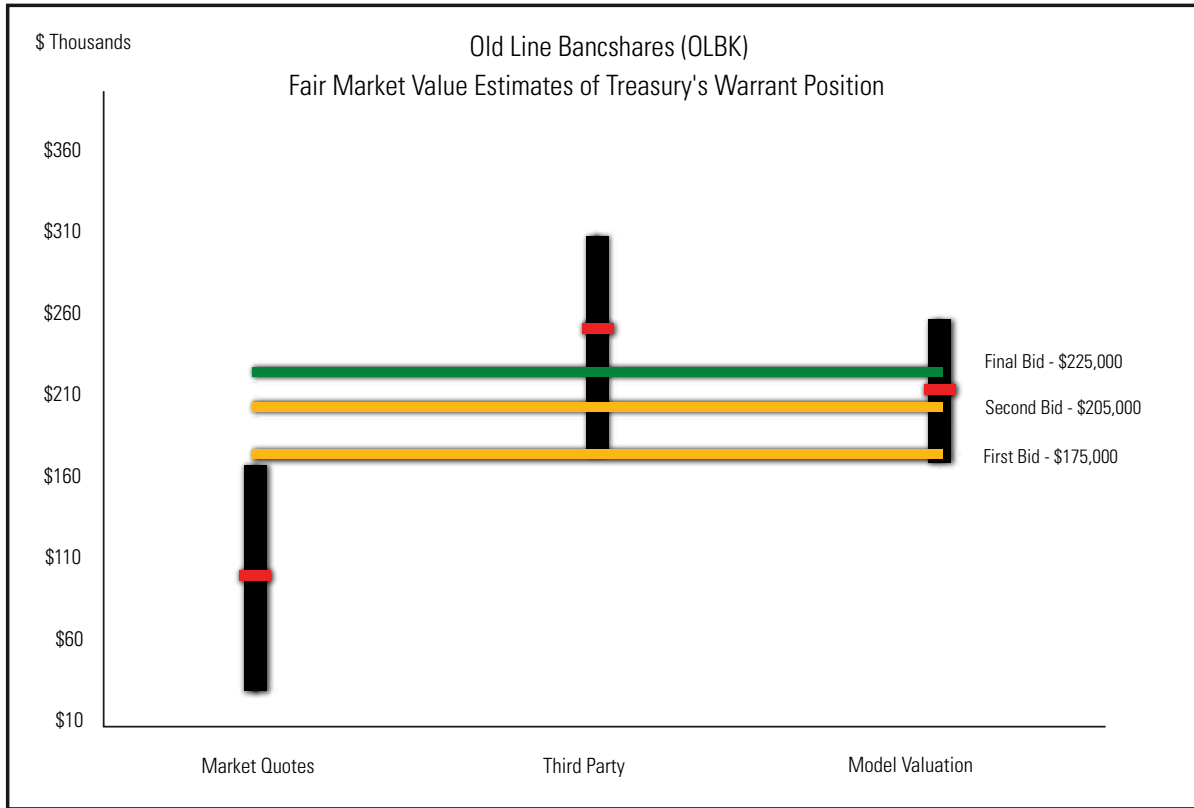
NTRS

Valuation Estimates for Warrant (\$millions)

	Low	High	Estimate	First Bid	Second Bid	Final Bid	Details
Market Quotes	\$54	\$80	\$69	\$37	\$75	\$87	Six market indications
Third Party	\$71	\$101	\$86	\$37	\$75	\$87	External asset manager's valuation estimates
Model Valuation	\$72	\$97	\$84	\$37	\$75	\$87	Binomial option model adjusted for American style options

OLD LINE BANCSHARES, INC. (OLBK) REPURCHASE OF OLBK WARRANT

On August 20, 2009, Old Line Bancshares, Inc. (OLBK) agreed to pay \$225,000 for the warrants held by Treasury which entitled the holder of the warrant to purchase 141,892 shares of OLBK at a strike price of \$7.40 per share. The warrant had an expiration date of December 5, 2018.

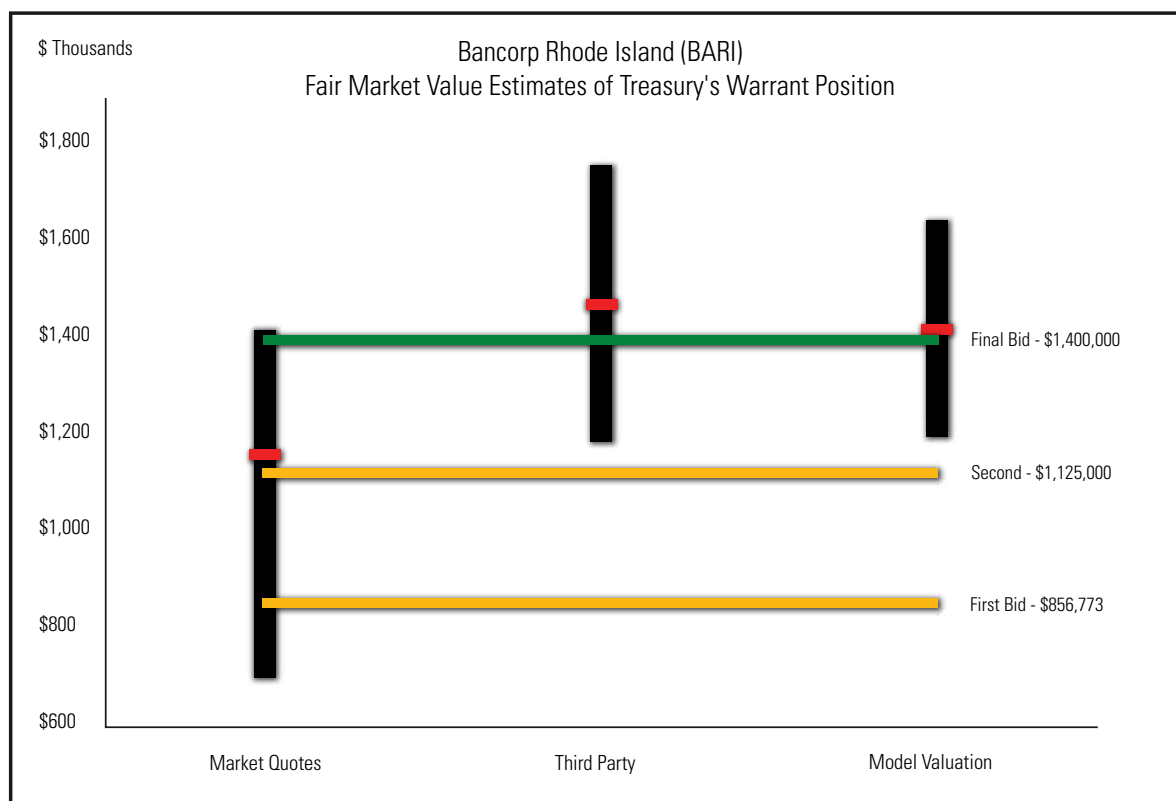


OLBK Valuation Estimates for Warrant (\$thousands)							
	Low	High	Estimate	First Bid	Second Bid	Final Bid	Details
Market Quotes	\$28	\$167	\$102	\$175	\$205	\$225	Four market indications
Third Party	\$201	\$308	\$254	\$175	\$205	\$225	External asset manager's valuation estimates
Model Valuation	\$172	\$257	\$214	\$175	\$205	\$225	Binomial option model adjusted for American style options

BANCORP RHODE ISLAND, INC. (BARI)

REPURCHASE OF BARI WARRANT

On September 21, 2009, Bancorp Rhode Island, Inc. (BARI) agreed to pay \$1.4 million for the warrant held by Treasury which entitled the holder of the warrant to purchase 192,967 shares of BARI at a strike price of \$23.32 per share. The warrant had an expiration date of December 19, 2018.

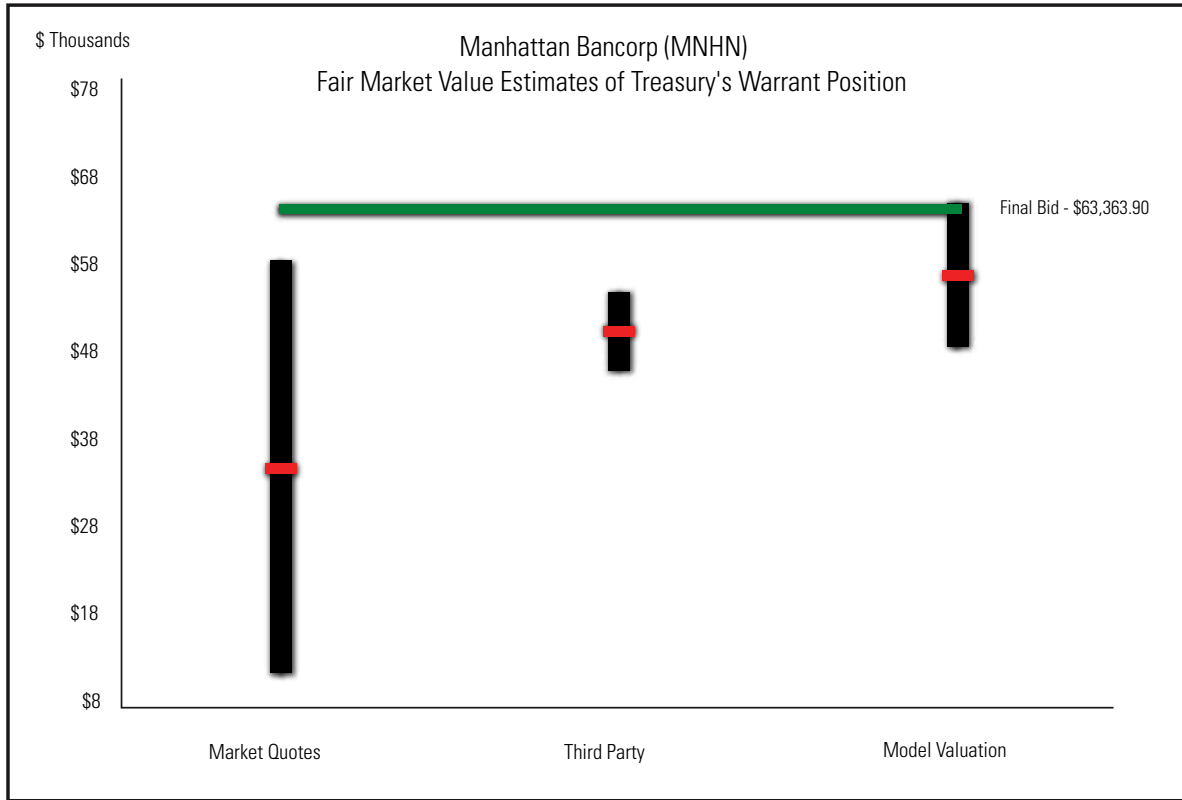


BARI
Valuation Estimates
for Warrant (\$thousands)

	Low	High	Estimate	First Bid	Second Bid	Final Bid	Details
Market Quotes	\$703	\$1,427	\$1,166	\$857	\$1,125	\$1,400	Three market indications
Third Party	\$1,196	\$1,760	\$1,476	\$857	\$1,125	\$1,400	External asset manager's valuation estimates
Model Valuation	\$1,200	\$1,643	\$1,423	\$857	\$1,125	\$1,400	Binomial option model adjusted for American style options

MANHATTAN BANCORP (MNHN)
 REPURCHASE OF MNHN WARRANT

On October 9, 2009, Manhattan Bancorp (MNHN) agreed to pay \$63,363.90 for the warrant held by Treasury which entitled the holder of the warrant to purchase 29,480 shares of MNHN at a strike price of \$8.65 per share. The warrant had an expiration date of December 5, 2018.



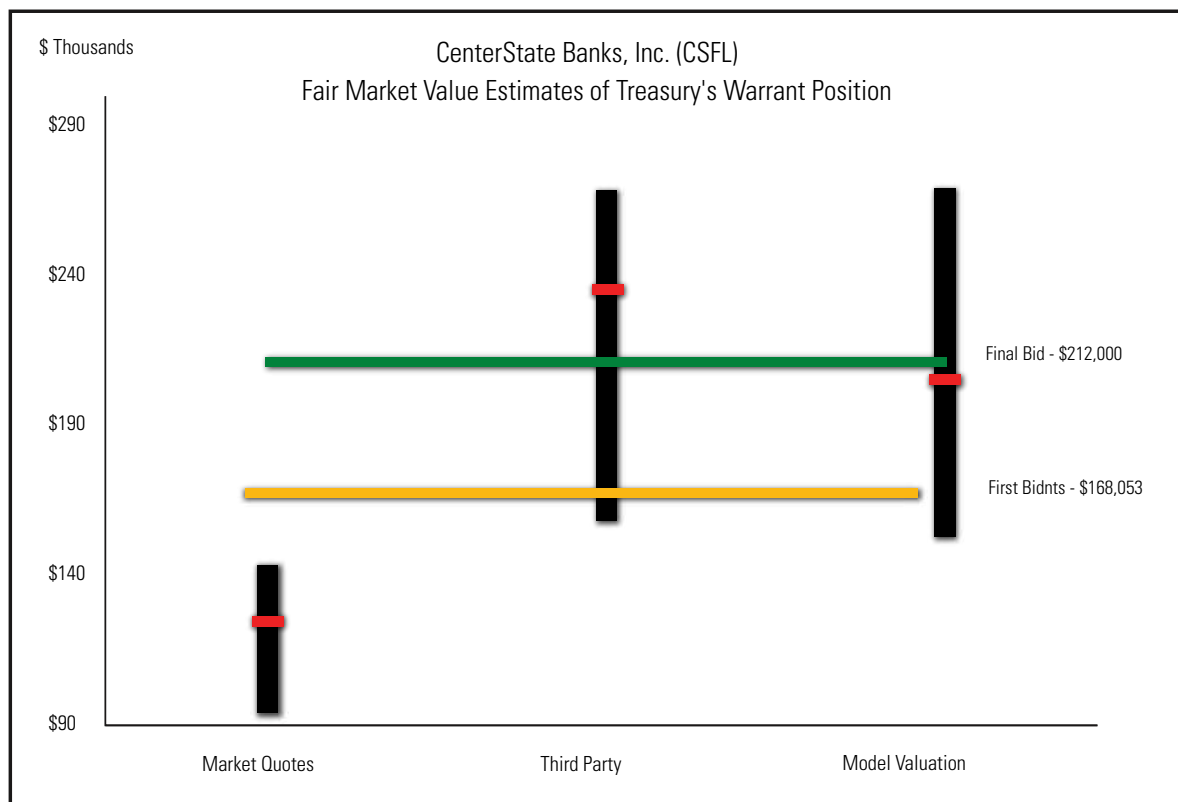
MNHN
 Valuation Estimates
 for Warrant (\$thousands)

	Low	High	Estimate	Final Bid	Details
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	Low	High	Estimate	Final Bid	Details
Market Quotes	\$10	\$57	\$34	\$63	Two market indications
Third Party	\$45	\$54	\$50	\$63	External asset manager's valuation estimates
Model Valuation	\$48	\$64	\$56	\$63	Binomial option model adjusted for American style options

CENTERSTATE BANKS, INC. (CSFL) REPURCHASE OF CSFL WARRANT

On October 20, 2009, CenterState Banks, Inc. (CSFL) agreed to pay \$212,000 for the warrants held by Treasury which entitled the holder of the warrant to purchase 125,413 shares of CSFL at a strike price of \$16.67 per share. The warrant had an expiration date of November 21, 2018.



CSFL

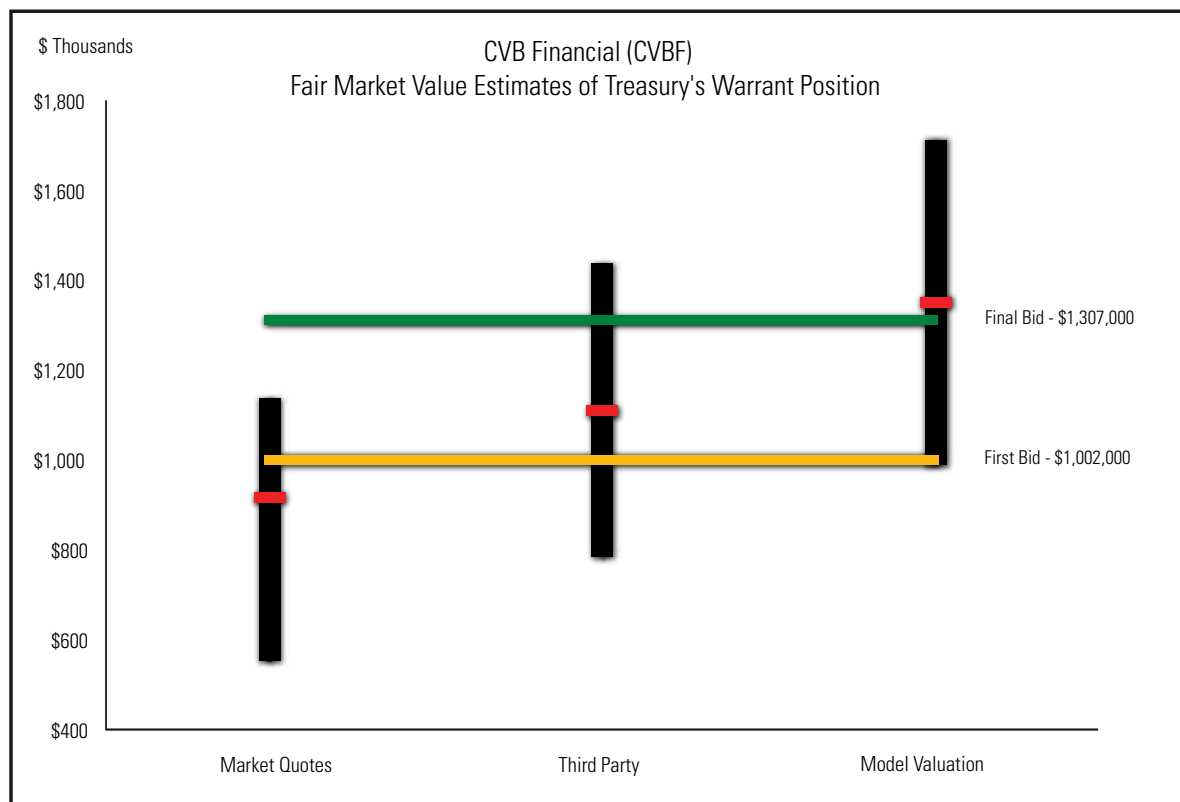
Valuation Estimates

for Warrant (\$thousands)

	Low	High	Estimate	First Bid	Final Bid	Details
Market Quotes	\$94	\$143	\$125	\$168	\$212	Three market indications
Third Party	\$159	\$268	\$236	\$168	\$212	External asset manager's valuation estimates
Model Valuation	\$153	\$269	\$206	\$168	\$212	Binomial option model adjusted for American style options

CVB FINANCIAL CORP. (CVBF) REPURCHASE OF CVBF WARRANT

On October 21, 2009, CVB Financial Corp. (CVBF) agreed to pay \$1.307 million for the warrant held by Treasury which entitled the holder of the warrant to purchase 834,761 shares of CVBF at a strike price of \$11.68 per share. The warrant had an expiration date of December 5, 2018.



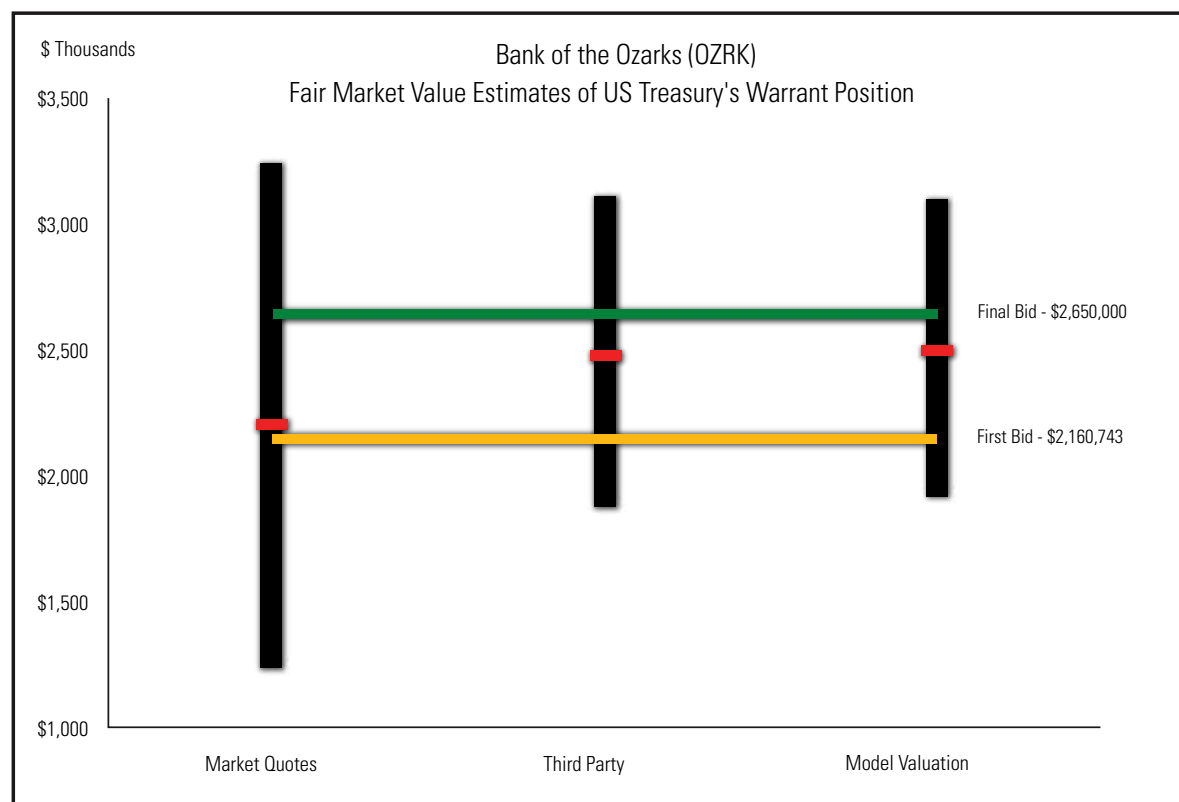
CVBF
Valuation Estimates
for Warrant (\$thousands)

	Low	High	Estimate	First Bid	Final Bid	Details
Market Quotes	\$551	\$1,135	\$917	\$1,002	\$1,307	Three market indications
Third Party	\$785	\$1,436	\$1,110	\$1,002	\$1,307	External asset manager's valuation estimates
Model Valuation	\$993	\$1,711	\$1,349	\$1,002	\$1,307	Binomial option model adjusted for American style options

BANK OF THE OZARKS, INC. (OZRK)

REPURCHASE OF OZRK WARRANT

On November 18, 2009, Bank of the Ozarks, Inc. (OZRK) agreed to pay \$2.65 million for the warrant held by Treasury which entitled the holder of the warrant to purchase 379,811 shares of OZRK at a strike price of \$29.62 per share. The warrant had an expiration date of December 12, 2018.



OZRK

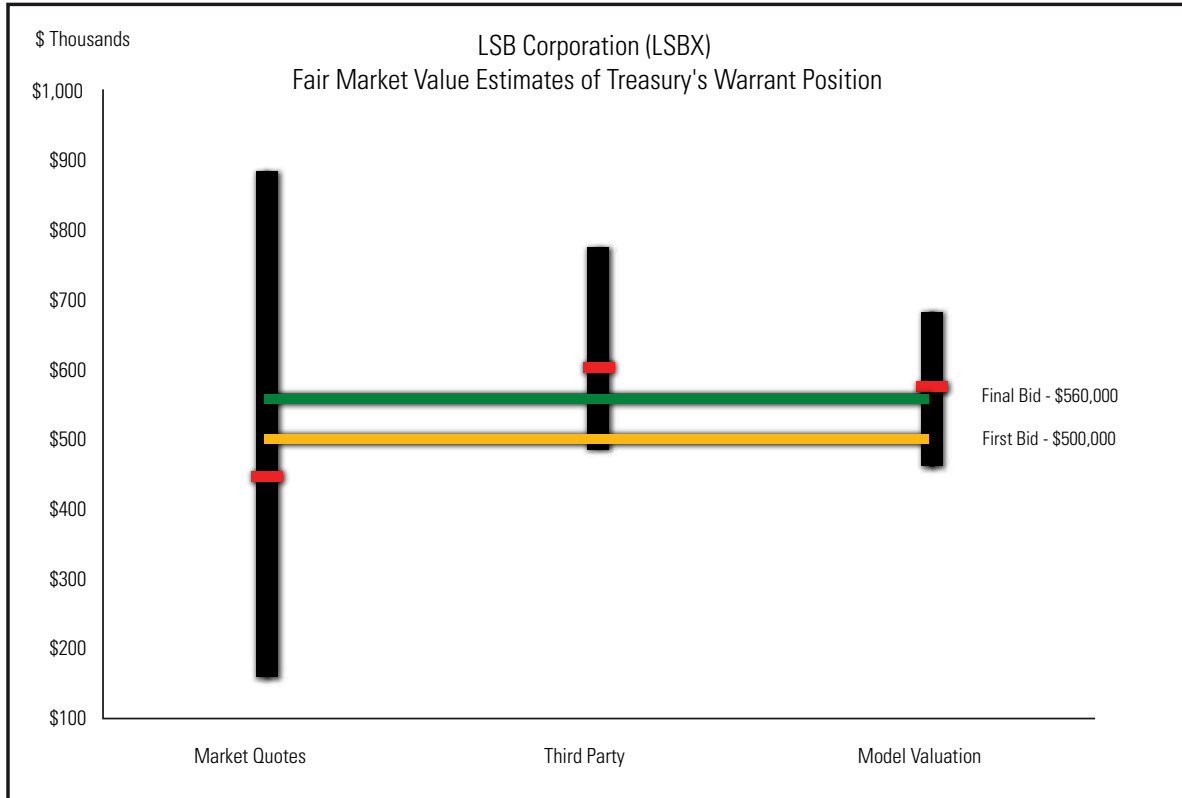
Valuation Estimates

for Warrant (\$thousands)

	Low	High	Estimate	First Bid	Final Bid	Details
Market Quotes	\$1,230	\$3,240	\$2,210	\$2,161	\$2,650	Three market indications
Third Party	\$1,880	\$3,110	\$2,480	\$2,161	\$2,650	External asset manager's valuation estimates
Model Valuation	\$1,917	\$3,095	\$2,509	\$2,161	\$2,650	Binomial option model adjusted for American style options

LSB CORPORATION (LSBX) REPURCHASE OF LSBX WARRANT

On December 8, 2009, LSB Corporation (LSBX) agreed to pay \$560,000 for the warrant held by Treasury which entitled the holder of the warrant to purchase 209,497 shares of LSBX at a strike price of \$10.74 per share. The warrant had an expiration date of December 12, 2018.



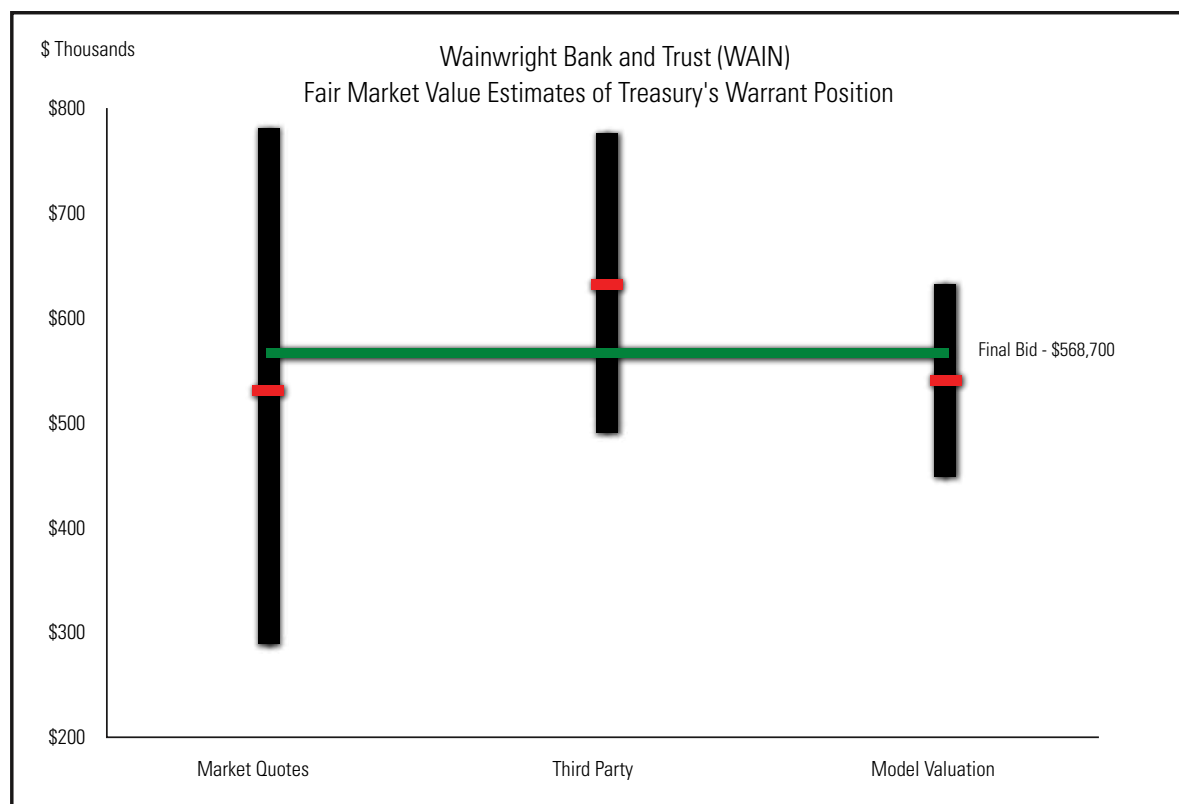
LSBX
Valuation Estimates
for Warrant (\$thousands)

	Low	High	Estimate	First Bid	Final Bid	Details
Market Quotes	\$157	\$883	\$446	\$500	\$560	Four market indications
Third Party	\$486	\$773	\$605	\$500	\$560	External asset manager's valuation estimates
Model Valuation	\$459	\$681	\$569	\$500	\$560	Binomial option model adjusted for American style options

WAINWRIGHT BANK AND TRUST COMPANY (WAIN)

REPURCHASE OF WAIN WARRANT

On December 11, 2009, Wainwright Bank and Trust Company (WAIN) agreed to pay \$568,700 for the warrants held by Treasury, which entitled the holder of the warrant to purchase 390,071 shares of WAIN at a strike price of \$8.46 per share. The warrant had an expiration date of December 19, 2018.



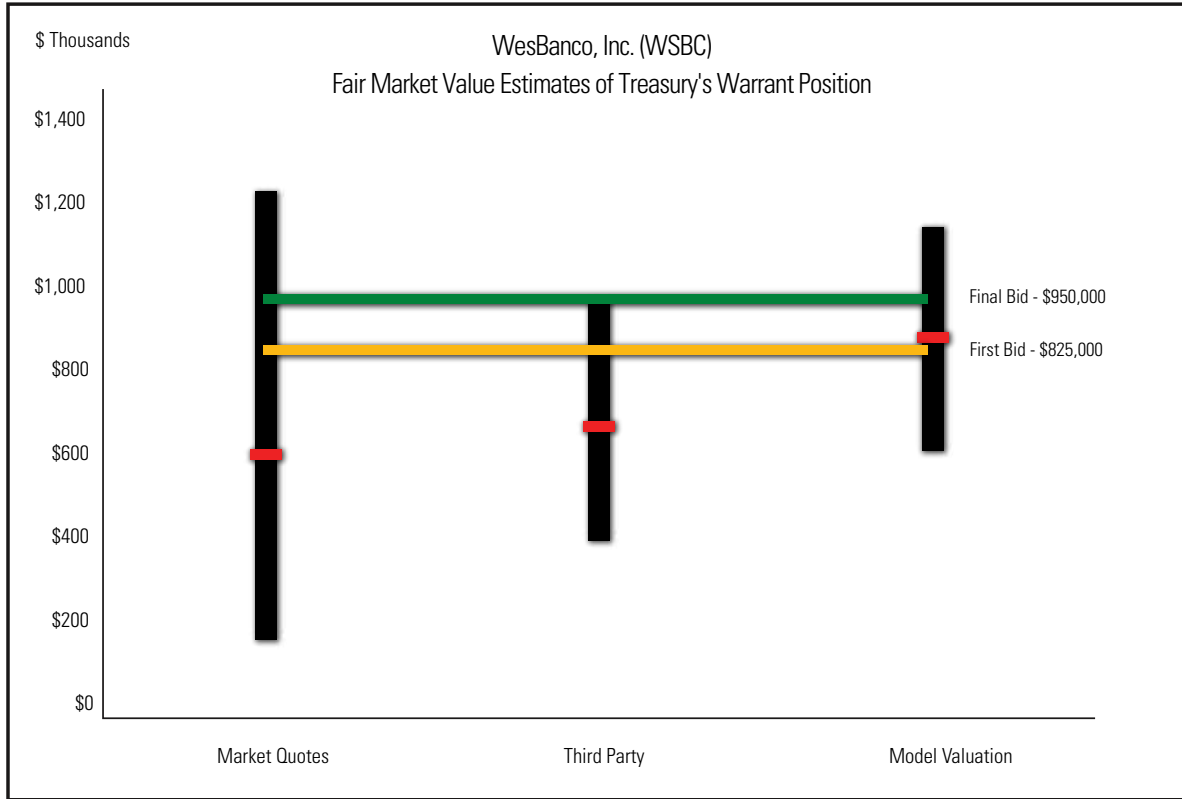
WAIN
Valuation Estimates
for Warrant (\$thousands)

	Low	High	Estimate	Final Bid	Details
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	Low	High	Estimate	Final Bid	Details
Market Quotes	\$289	\$780	\$532	\$569	Four market indications
Third Party	\$491	\$776	\$632	\$569	External asset manager's valuation estimates
Model Valuation	\$449	\$632	\$541	\$569	Binomial option model adjusted for American style options

WesBANCO, Inc. (WSBC)
 REPURCHASE OF WSBC WARRANT

On December 11, 2009, WesBanco, Inc. (WSBC) agreed to pay \$950,000 for the warrant held by Treasury which entitled the holder of the warrant to purchase 439,282 shares of WSBC at a strike price of \$25.61 per share. The warrant had an expiration date of December 5, 2018.



WSBC

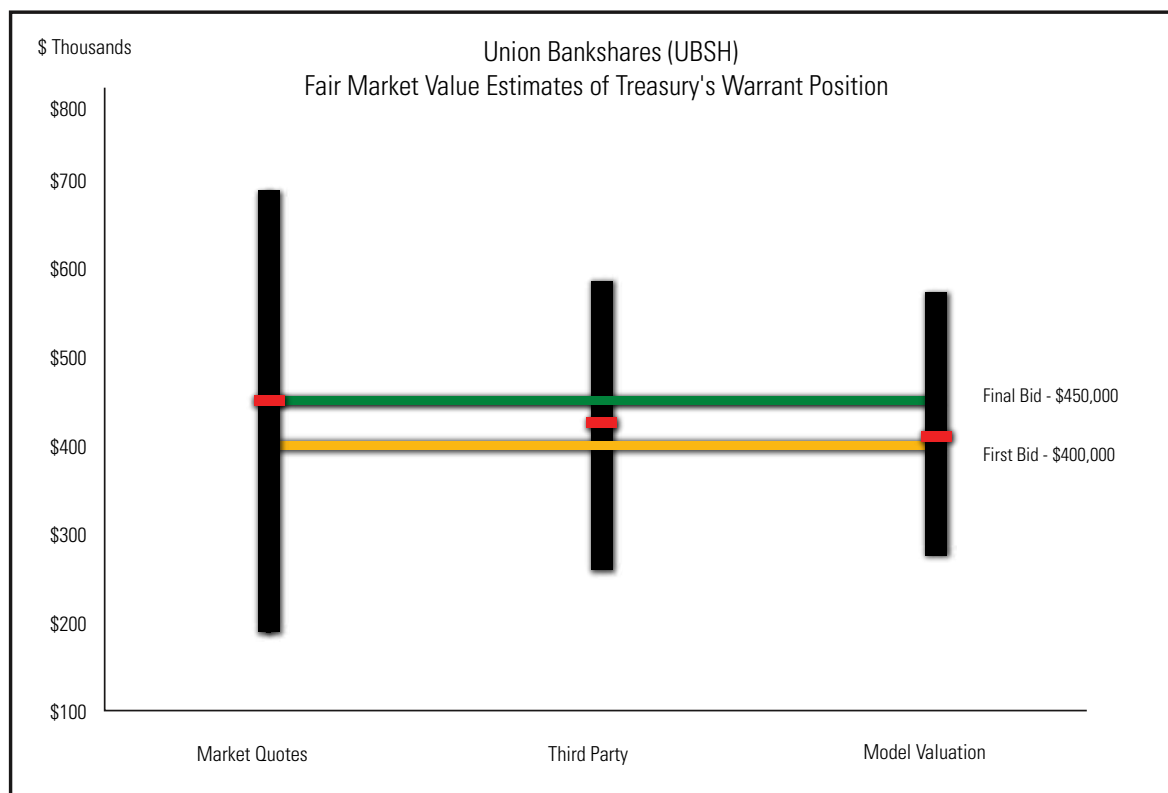
Valuation Estimates

for Warrant (\$thousands)

	Low	High	Estimate	First Bid	Final Bid	Details
Market Quotes	\$132	\$1,204	\$577	\$825	\$950	Four market indications
Third Party	\$371	\$955	\$643	\$825	\$950	External asset manager's valuation estimates
Model Valuation	\$585	\$1,119	\$851	\$825	\$950	Binomial option model adjusted for American style options

UNION BANKSHARES CORPORATION (UBSH) REPURCHASE OF UBSH WARRANT

On December 16, 2009, Union Bankshares Corporation (UBSH) agreed to pay \$450,000 for the warrant held by Treasury which entitled the holder of the warrant to purchase 211,318 shares of UBSH at a strike price of \$20.94 per share. The warrant had an expiration date of December 19, 2018.



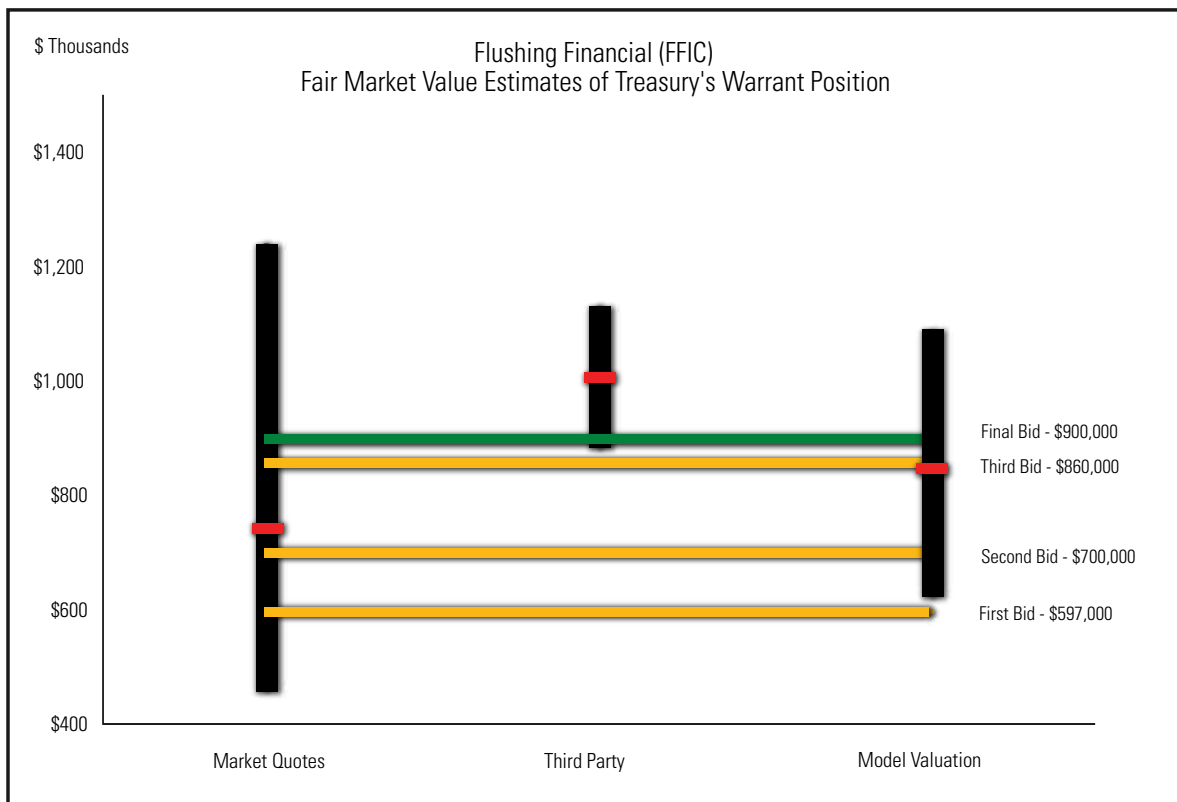
UBSH

Valuation Estimates for Warrant (\$thousands)

	Low	High	Estimate	First Bid	Final Bid	Details
Market Quotes	\$188	\$687	\$448	\$400	\$450	Four market indications
Third Party	\$267	\$595	\$424	\$400	\$450	External asset manager's valuation estimates
Model Valuation	\$279	\$564	\$410	\$400	\$450	Binomial option model adjusted for American style options

FLUSHING FINANCIAL CORPORATION (FFIC) REPURCHASE OF FFIC WARRANT

On December 28, 2009, Flushing Financial Corporation (FFIC) agreed to pay \$900,000 for the warrant held by Treasury which entitled the holder of the warrant to purchase 375,806 shares of FFIC at a strike price of \$13.97 per share. The warrant had an expiration date of December 19, 2018.

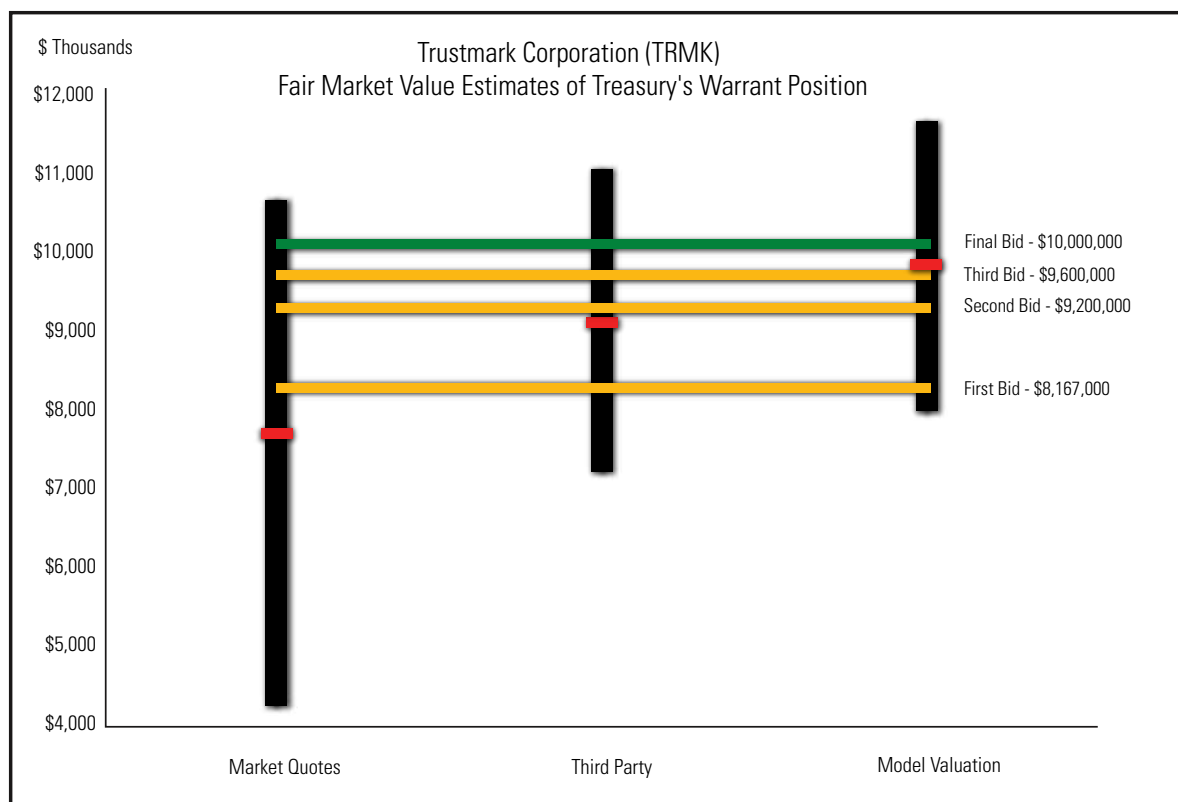


FFIC
Valuation Estimates
for Warrant
(\$thousands)

	Low	High	Estimate	First Bid	Second Bid	Third Bid	Final Bid	Details
Market Quotes	\$459	\$1,240	\$742	\$597	\$700	\$860	\$900	Four market indications
Third Party	\$883	\$1,131	\$1,007	\$597	\$700	\$860	\$900	External asset manager's valuation estimates
Model Valuation	\$623	\$1,090	\$850	\$597	\$700	\$860	\$900	Binomial option model adjusted for American style options

Trustmark Corporation (TRMK) REPURCHASE OF TRMK WARRANT

On December 29, 2009, Trustmark Corporation (TRMK) agreed to pay \$10,000,000 for the warrant held by Treasury which entitled the holder of the warrant to purchase 1,647,931 shares of TRMK at a strike price of \$19.57 per share. The warrant had an expiration date of November 21, 2018.



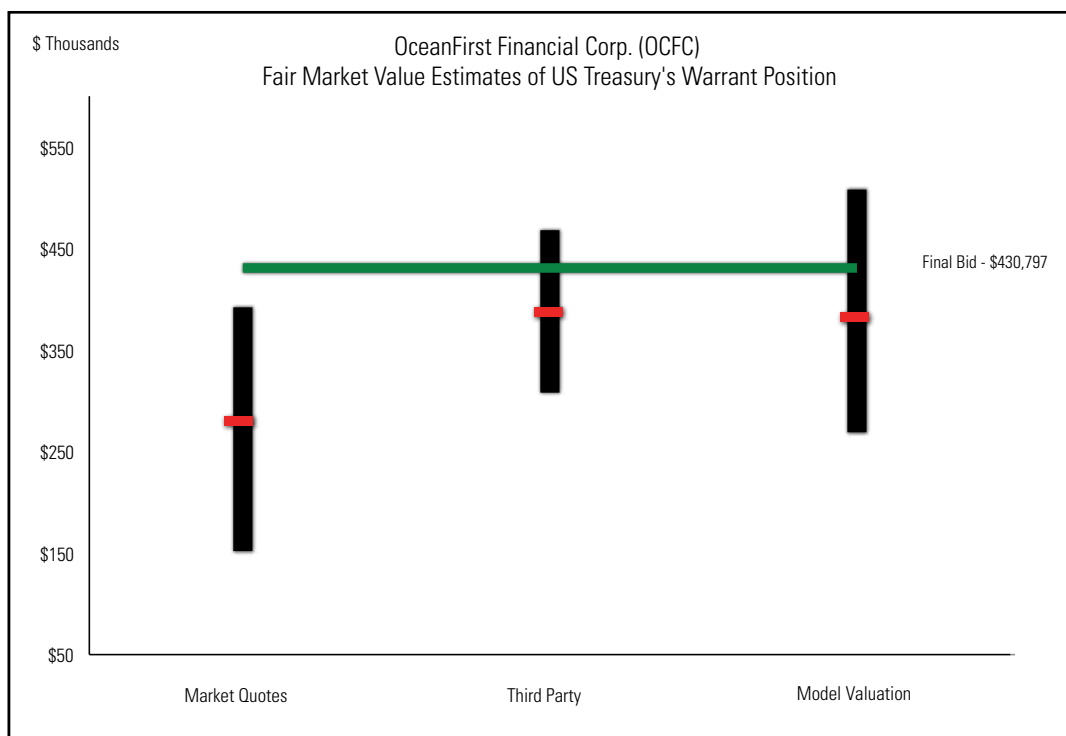
TRMK
Valuation Estimates
for Warrant
(\$thousands)

	Low	High	Estimate	First Bid	Second Bid	Third Bid	Final Bid	Details
Market Quotes	\$4,120	\$10,547	\$7,601	\$8,167	\$9,200	\$9,600	\$10,000	Four market indications
Third Party	\$7,103	\$10,942	\$9,014	\$8,167	\$9,200	\$9,600	\$10,000	External asset manager's valuation estimates
Model Valuation	\$7,876	\$11,551	\$9,704	\$8,167	\$9,200	\$9,600	\$10,000	Binomial option model adjusted for American style options

OceanFirst Financial Corp. (OCFC)

REPURCHASE OF OCFC WARRANT

On January 21, 2010, OceanFirst Financial Corp. (OCFC) agreed to pay \$430,797 for the warrant held by Treasury which entitled the holder of the warrant to purchase 190,427 shares of OCFC at an exercise price of \$15.07 per share. The warrant had an expiration date January 16, 2019.



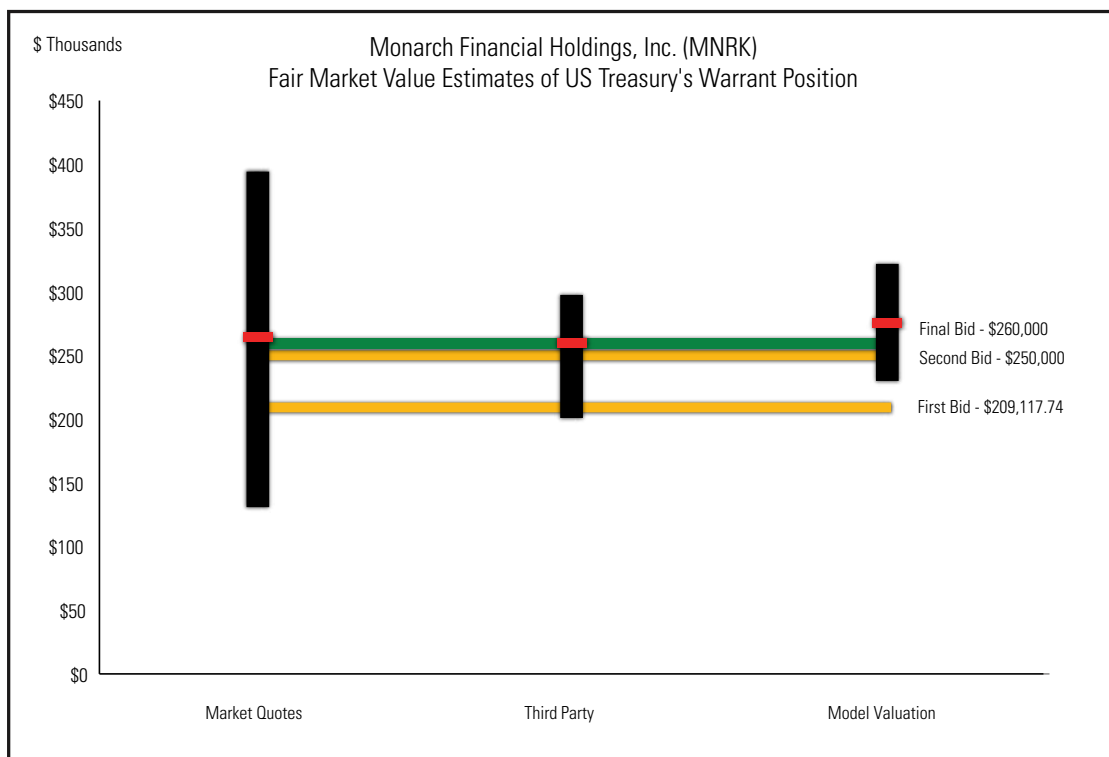
OCFC
Valuation Estimates
for Warrant (\$thousands)

	Low	High	Estimate	Final Bid	Details
Market Quotes	\$152	\$392	\$281	\$431	Three market indications
Third Party	\$308	\$468	\$388	\$431	External asset manager's valuation estimates
Model Valuation	\$269	\$508	\$381	\$431	Binomial option model adjusted for American style options

Monarch Financial Holdings, Inc. (MNRK)

REPURCHASE OF MNRK WARRANT

On February 1, 2010, Monarch Financial Holdings, Inc. (MNRK) agreed to pay \$260,000 for the warrant held by Treasury which entitled the holder of the warrant to purchase 132,353 shares of MNRK at an exercise price of \$8.33 per share. The warrant had an expiration date December 19, 2018.



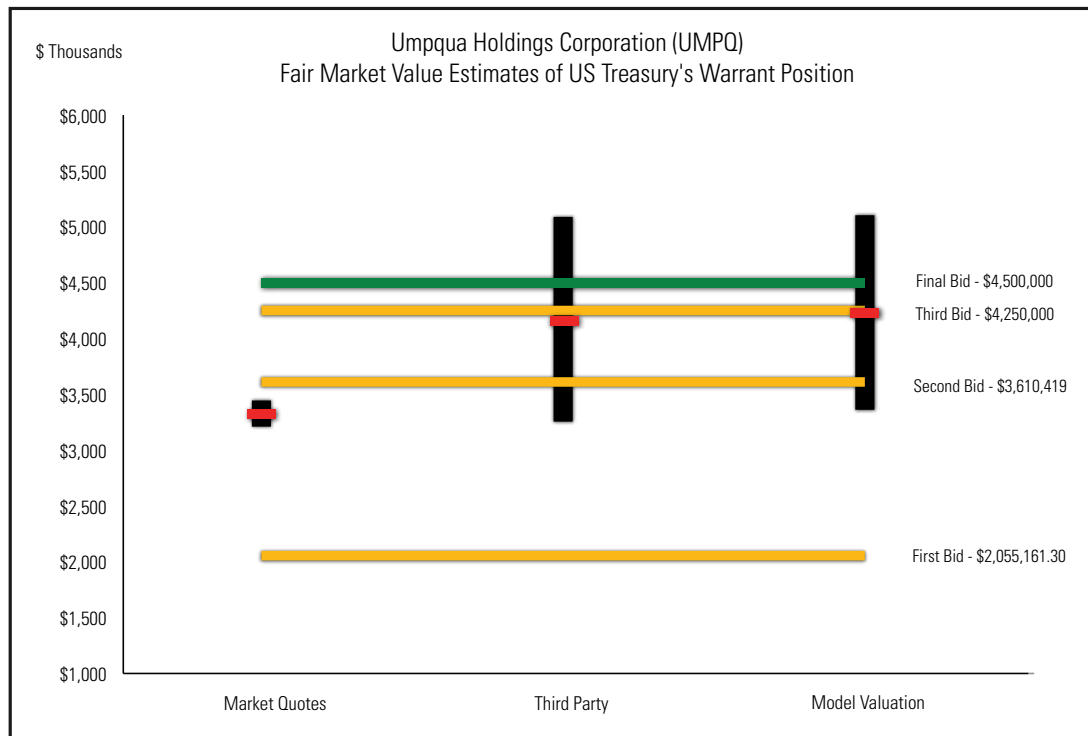
MNRK

Valuation Estimates for Warrant (\$thousands)

	Low	High	Estimate	First Bid	Second Bid	Final Bid	Details
Market Quotes	\$132	\$394	\$263	\$209	\$250	\$260	Two market indications
Third Party	\$201	\$297	\$260	\$209	\$250	\$260	External asset manager's valuation estimates
Model Valuation	\$230	\$321	\$275	\$209	\$250	\$260	Binomial option model adjusted for American style options

Umpqua Holdings Corporation (UMPQ) REPURCHASE OF UMPQ WARRANT

On March 22, 2010, Umpqua Holdings Corporation (UMPQ) agreed to pay \$4.5 million for the warrant held by Treasury which entitled the holder of the warrant to purchase 1,110,898 shares of UMPQ at an exercise price of \$14.46 per share. The warrant had an expiration date November 14, 2018.



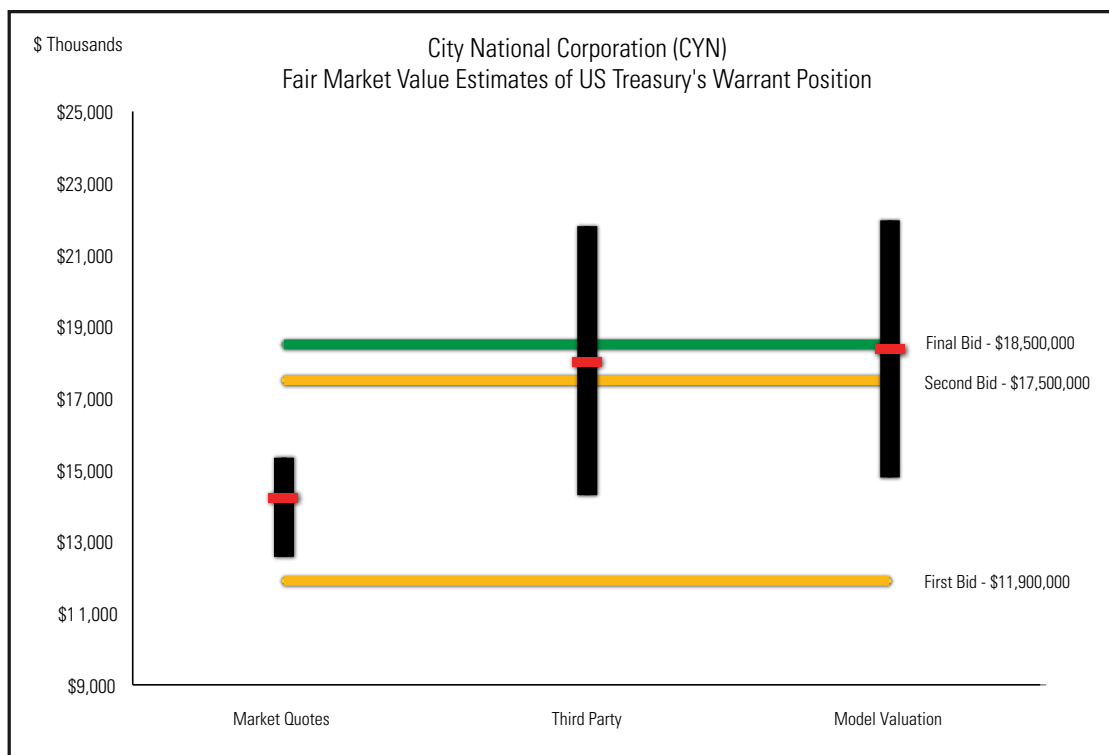
UMPQ
Valuation Estimates
for Warrant
(\$thousands)

	Low	High	Estimate	First Bid	Second Bid	Third Bid	Final Bid	Details
Market Quotes	\$3,210	\$3,444	\$3,327	\$2,055	\$3,610	\$4,250	\$4,500	Two market indications
Third Party	\$3,255	\$5,088	\$4,155	\$2,055	\$3,610	\$4,250	\$4,500	External asset manager's valuation estimates
Model Valuation	\$3,361	\$5,103	\$4,265	\$2,055	\$3,610	\$4,250	\$4,500	Binomial option model adjusted for American style options

City National Corporation (CYN)

REPURCHASE OF CYN WARRANT

On April 6, 2010, City National Corporation (CYN) agreed to pay \$18.5 million for the warrant held by Treasury which entitled the holder of the warrant to purchase 1,128,668 shares of CYN at an exercise price of \$53.16 per share. The warrant had an expiration date November 21, 2018.



CYN

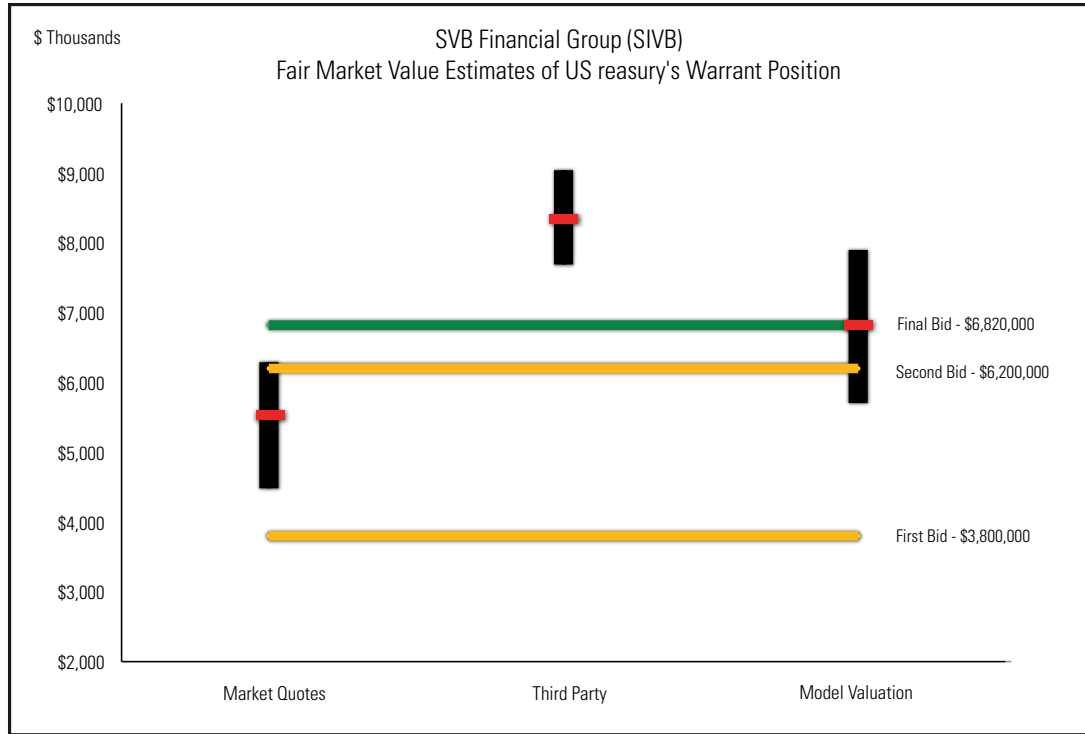
Valuation Estimates

for Warrant (\$thousands)

	Low	High	Estimate	First Bid	Second Bid	Final Bid	Details
Market Quotes	\$12,585	\$15,338	\$14,278	\$11,900	\$17,500	\$18,500	Three market indications
Third Party	\$14,298	\$21,800	\$18,016	\$11,900	\$17,500	\$18,500	External asset manager's valuation estimates
Model Valuation	\$14,816	\$21,947	\$18,365	\$11,900	\$17,500	\$18,500	Binomial option model adjusted for American style options

SVB Financial Group (SIVB) REPURCHASE OF SIVB WARRANT

On June 8, 2010, SVB Financial Group (SIVB) agreed to pay \$6.8 million for the warrant held by Treasury which entitled the holder of the warrant to purchase 354,058 shares of SIVB at an exercise price of \$49.78 per share. The warrant had an expiration date December 12, 2018.



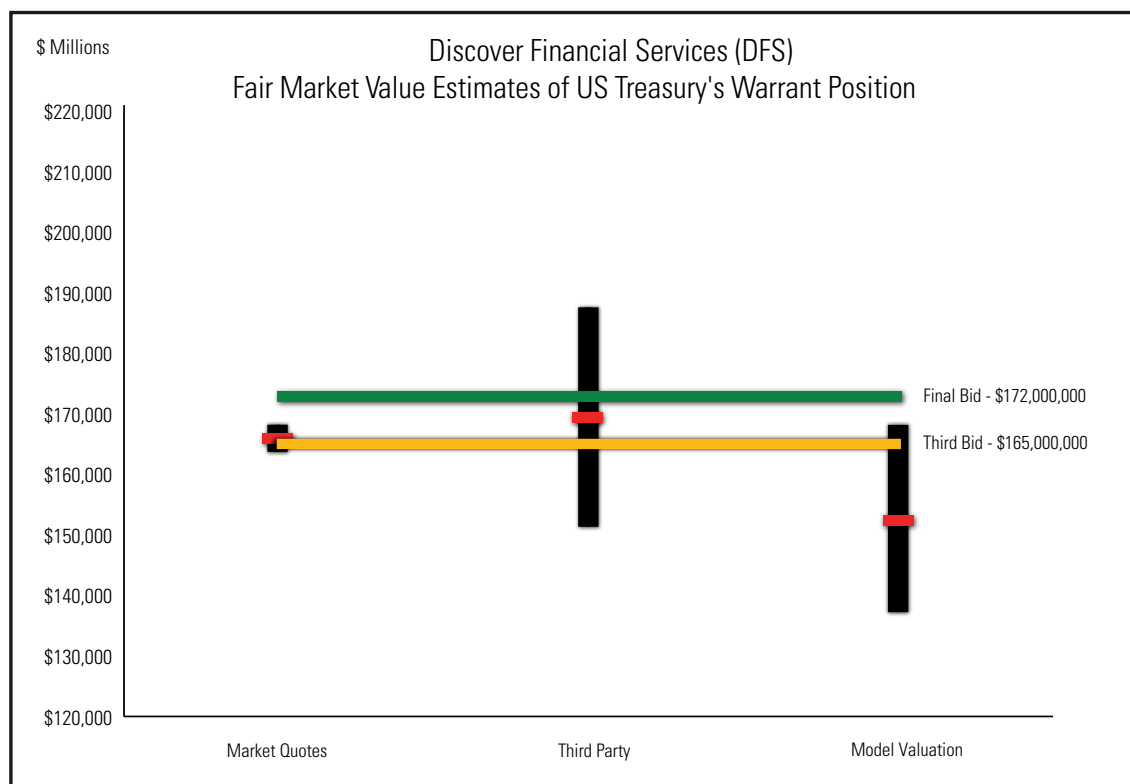
SIVB

Valuation Estimates
for Warrant (\$thousands)

	Low	High	Estimate	First Bid	Second Bid	Final Bid	Details
Market Quotes	\$4,483	\$6,289	\$5,524	\$3,800	\$6,200	\$6,820	Three market indications
Third Party	\$7,690	\$9,040	\$8,364	\$3,800	\$6,200	\$6,820	External asset manager's valuation estimates
Model Valuation	\$5,704	\$7,897	\$6,782	\$3,800	\$6,200	\$6,820	Binomial option model adjusted for American style options

Discover Financial Services (DFS) REPURCHASE OF DFS WARRANT

On June 29, 2010, Discover Financial Services (DFS) agreed to pay \$172 million for the warrant held by Treasury which entitled the holder of the warrant to purchase 20,500,413 shares of DFS at an exercise price of \$8.96 per share. The warrant had an expiration date of March 13, 2019.



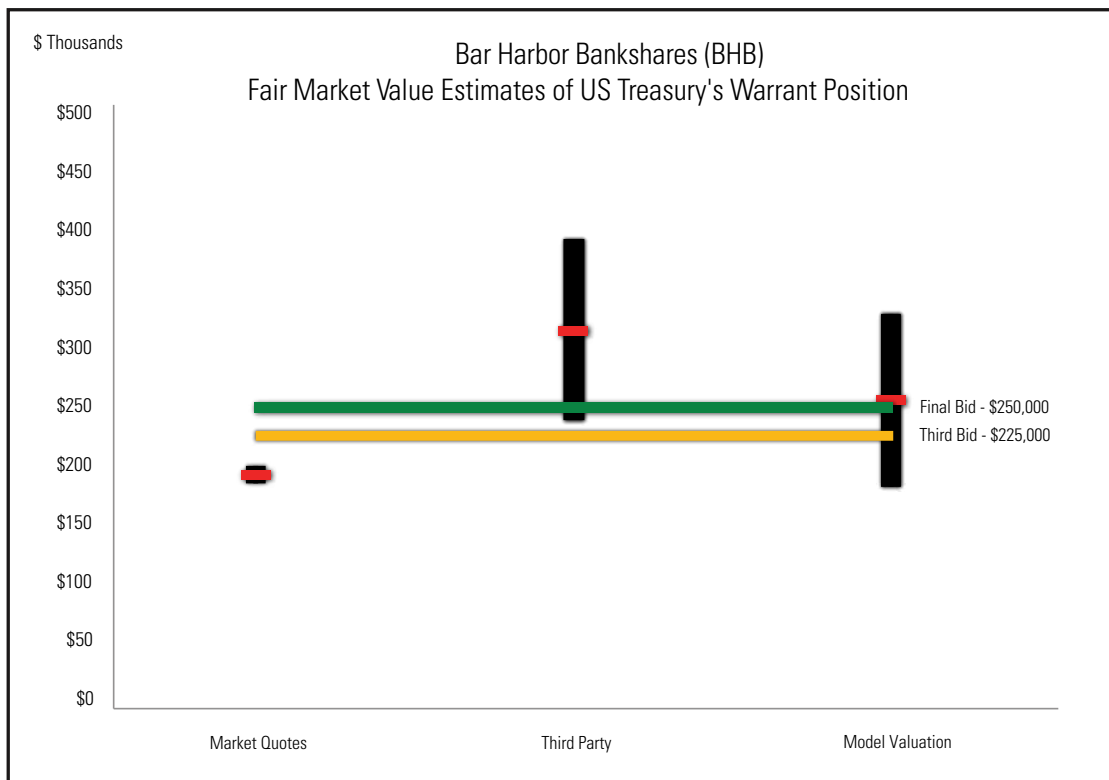
DFS
Valuation Estimates
for Warrant (\$millions)

	Low	High	Estimate	Third Bid	Final Bid	Details
Market Quotes	\$164	\$168	\$166	\$165	\$172	Three market indications
Third Party	\$151	\$188	\$169	\$165	\$172	External asset manager's valuation estimates
Model Valuation	\$137	\$168	\$152	\$165	\$172	Binomial option model adjusted for American style options

Note: The chart above shows Treasury's warrant valuation analysis at the time of DFS's last bid in late June 2010. Two months earlier, DFS had placed bids of \$165 million and \$180 million on 4/23/10 and 5/4/10, respectively. At that time, DFS's stock price was approximately 10% higher than it was in late June 2010. Accordingly, the bids were below the mid points of Treasury's various valuation metrics and were not accepted. When considering the \$180 million bid in early May 2010, the mid point valuation estimates were as follows: market indications \$189 million, third party \$198 million, and Treasury's model \$186 million.

Bar Harbor Bankshares (BHB) REPURCHASE OF BHB WARRANT

On July 22, 2010, Bar Harbor Bankshares (BHB) agreed to pay \$250,000 for the warrant held by Treasury which entitled the holder of the warrant to purchase 52,455 shares of BHB at an exercise price of \$26.81 per share. The warrant had an expiration date of January 16, 2019.



BHB

Valuation Estimates
for Warrant (\$thousands)

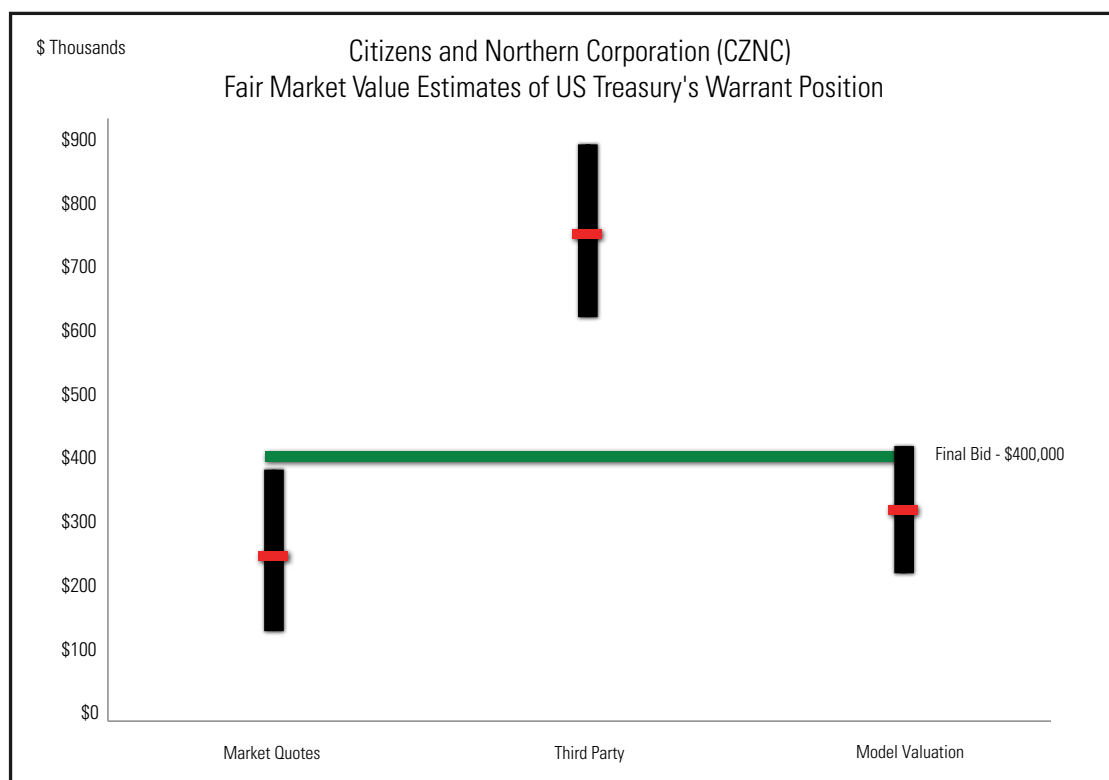
	Low	High	Estimate	Third Bid	Final Bid	Details
Market Quotes	\$189	\$196	\$193	\$225	\$250	Two market indications
Third Party	\$239	\$393	\$315	\$225	\$250	External asset manager's valuation estimates
Model Valuation	\$182	\$329	\$255	\$225	\$250	Binomial option model adjusted for American style options

NOTE: The chart above shows Treasury's warrant valuation analysis at the time of BHB's last bid in July 2010. Months earlier, BHB had placed bids of \$67,000 and \$175,000 on 3/10/10 and 4/23/10, respectively. The bids were below Treasury's various valuation metrics at that time and were not accepted.

Citizens & Northern Corporation (CZNC)

REPURCHASE OF CZNC WARRANT

On August 25, 2010, Citizens & Northern Corporation (CZNC) agreed to pay \$400,000 for the warrant held by Treasury which entitled the holder of the warrant to purchase 194,794 shares of CZNC at an exercise price of \$20.36 per share. The warrant had an expiration date of January 16, 2019.



CZNC

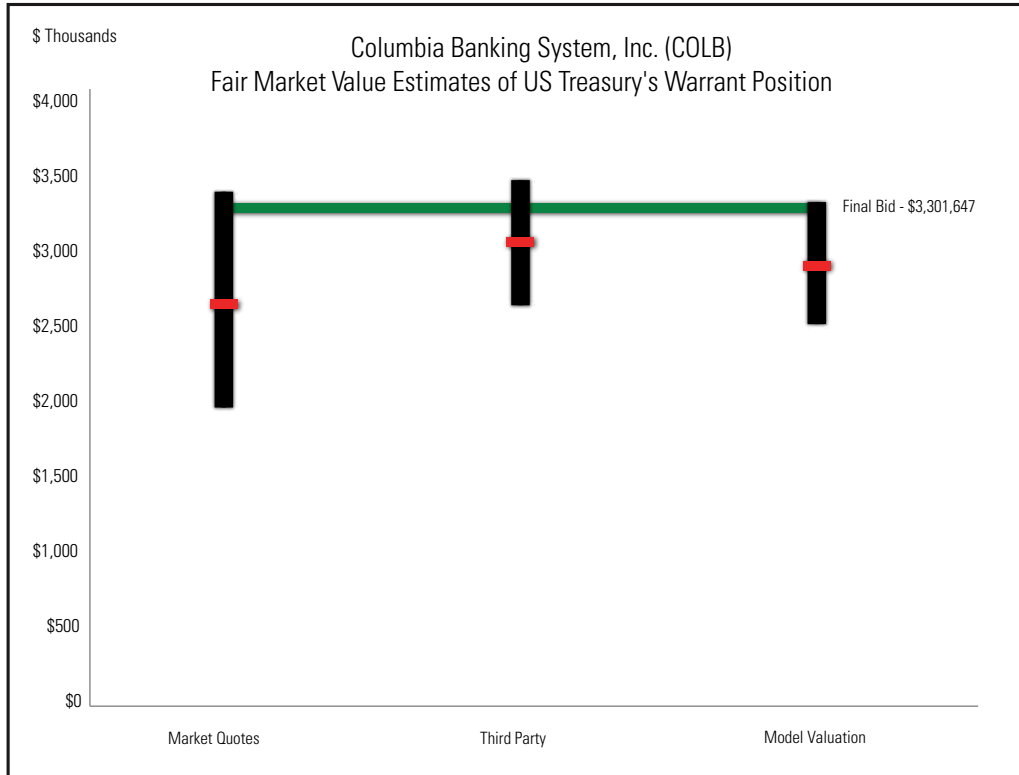
Valuation Estimates

for Warrant (\$thousands)

	Low	High	Estimate	Final Bid	Details
Market Quotes	\$127	\$378	\$245	\$400	Three market indications
Third Party	\$620	\$890	\$753	\$400	External asset manager's valuation estimates
Model Valuation	\$217	\$415	\$316	\$400	Binomial option model adjusted for American style options

Columbia Banking System (COLB)
 REPURCHASE OF COLB WARRANT

On August 25, 2010, Columbia Banking System (COLB) agreed to pay \$3.3 million for the warrant held by Treasury which entitled the holder of the warrant to purchase 398,023 shares of COLB at an exercise price of \$14.49 per share. The warrant had an expiration date of November 21, 2018.

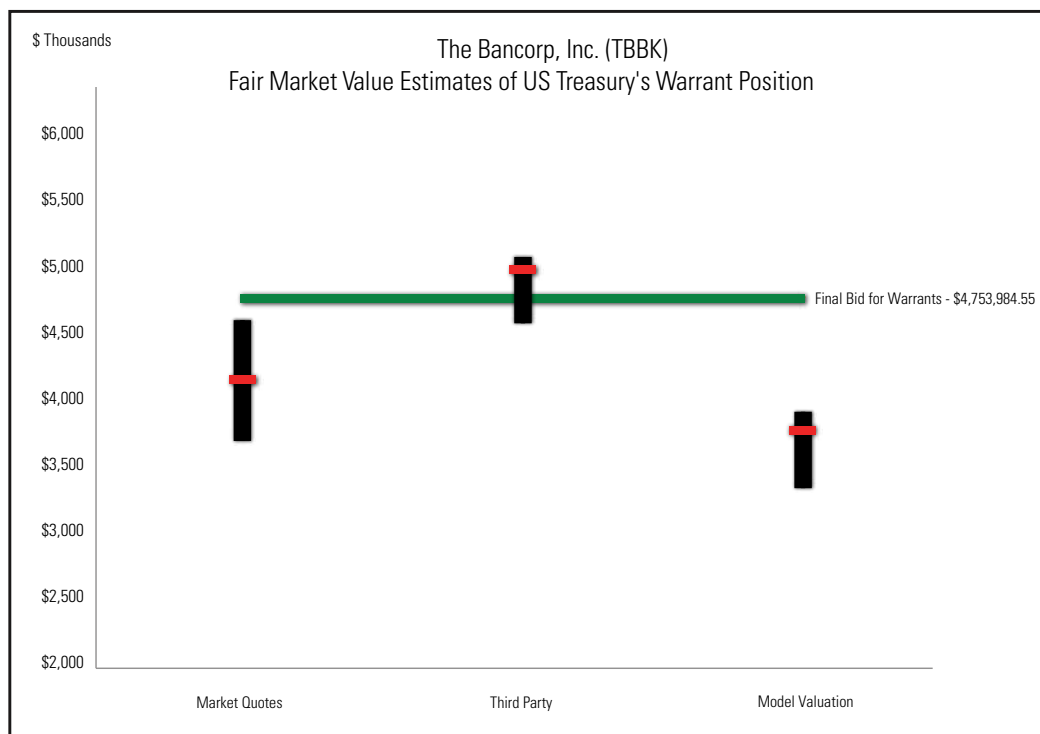


COLB
 Valuation Estimates
 for Warrant (\$thousands)

	Low	High	Estimate	Final Bid	Details
Market Quotes	\$1,950	\$3,383	\$2,632	\$3,302	Four market indications
Third Party	\$2,639	\$3,454	\$3,042	\$3,302	External asset manager's valuation estimates
Model Valuation	\$2,497	\$3,299	\$2,893	\$3,302	Binomial option model adjusted for American style options

The Bancorp, Inc. (TBBK) REPURCHASE OF TBBK WARRANT

On September 2, 2010, The Bancorp, Inc. (TBBK) agreed to pay \$4.75 million for the warrant held by Treasury which entitled the holder of the warrant to purchase 980,203 shares of TBBK at an exercise price of \$3.46 per share. The warrant had an expiration date of December 12, 2018.



TBBK

Valuation Estimates

for Warrant (\$thousands)

Low High Estimate Final Bid Details

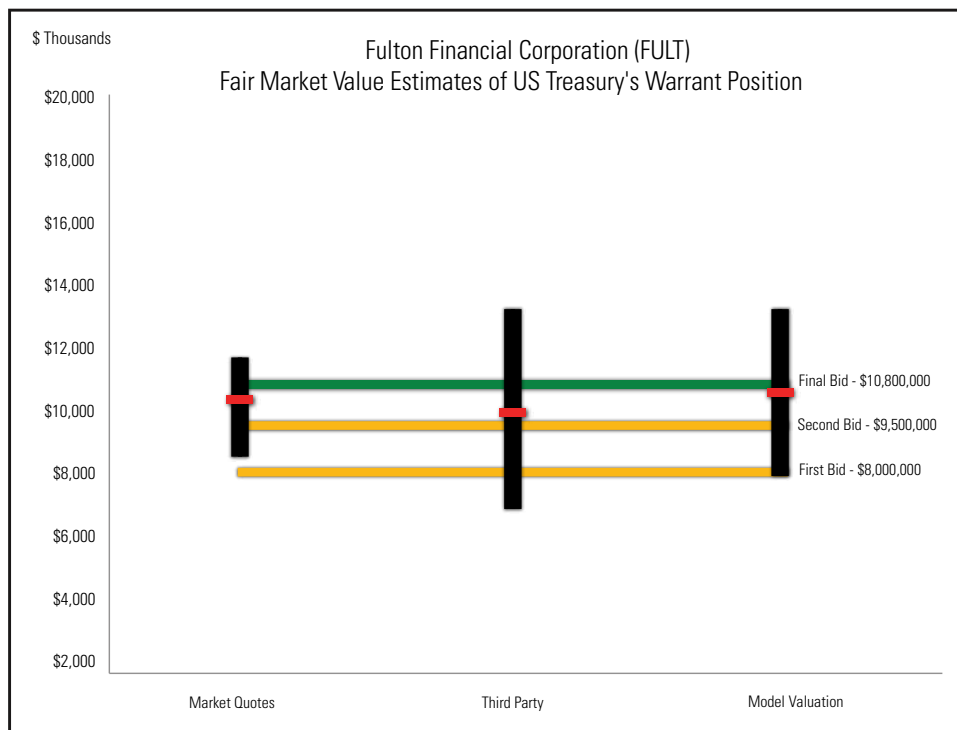
	Low	High	Estimate	Final Bid	Details
Market Quotes	\$3,666	\$4,578	\$4,122	\$4,754	Two market indications
Third Party	\$4,558	\$5,048	\$4,960	\$4,754	External asset manager's valuation estimates
Model Valuation	\$3,323	\$3,881	\$3,742	\$4,754	Binomial option model adjusted for American style options

Note: The chart above shows Treasury's warrant valuation analysis at the time of TBBK's last bid in early September 2010. Months earlier, TBBK had placed bids of \$3.55 million and \$4.85 million on 3/15/10 and 3/29/10, respectively. At that time, TBBK's stock price was more than 20% higher than it was in September 2010. Accordingly, the bids were below some of the mid points of Treasury's various valuation metrics and were not accepted. When considering the \$4.85 million bid in late March 2010, the mid point valuation estimates were as follows: market indications \$6.0 million, third party \$4.6 million, and Treasury's model \$4.8 million.

Fulton Financial Corporation (FULT)

REPURCHASE OF FULT WARRANT

On September 3, 2010, Fulton Financial Corporation (FULT) agreed to pay \$10.8 million for the warrant held by Treasury which entitled the holder of the warrant to purchase 5,509,756 shares of FULT at an exercise price of \$10.25 per share. The warrant had an expiration date of December 23, 2018.



FULT

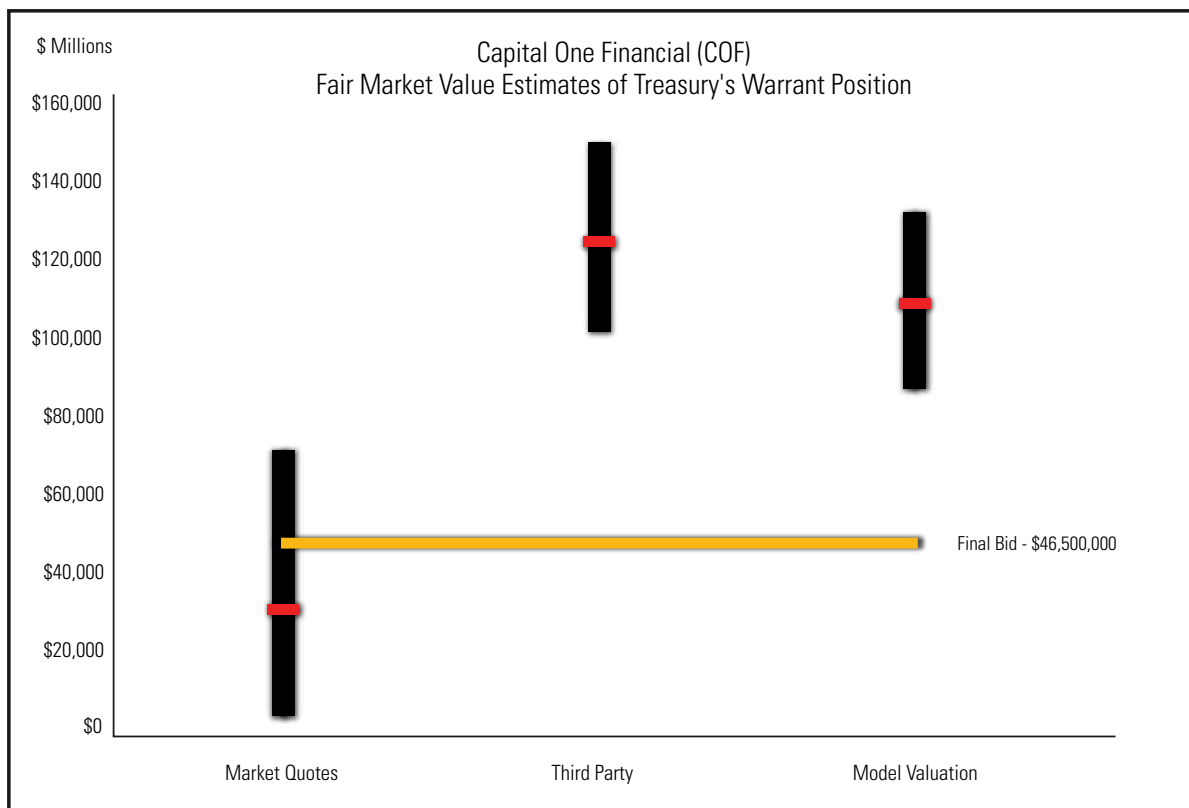
Valuation Estimates for Warrant (\$thousands)

	Low	High	Estimate	First Bid	Second Bid	Final Bid	Details
Market Quotes	\$8,525	\$11,648	\$10,288	\$8,000	\$9,500	\$10,800	Four market indications
Third Party	\$6,832	\$13,168	\$9,918	\$8,000	\$9,500	\$10,800	External asset manager's valuation estimates
Model Valuation	\$7,976	\$13,155	\$10,537	\$8,000	\$9,500	\$10,800	Binomial option model adjusted for American style options

CAPITAL ONE FINANCIAL CORP. (COF)

SALE OF COF WARRANT

On December 3, 2009, Treasury auctioned the Capital One Financial Corp. (COF) warrant for \$149 million in gross proceeds. The warrant entitled the holder to purchase 12,657,960 shares of COF at a strike price of \$42.13 per share and expired on November 14, 2018.



COF

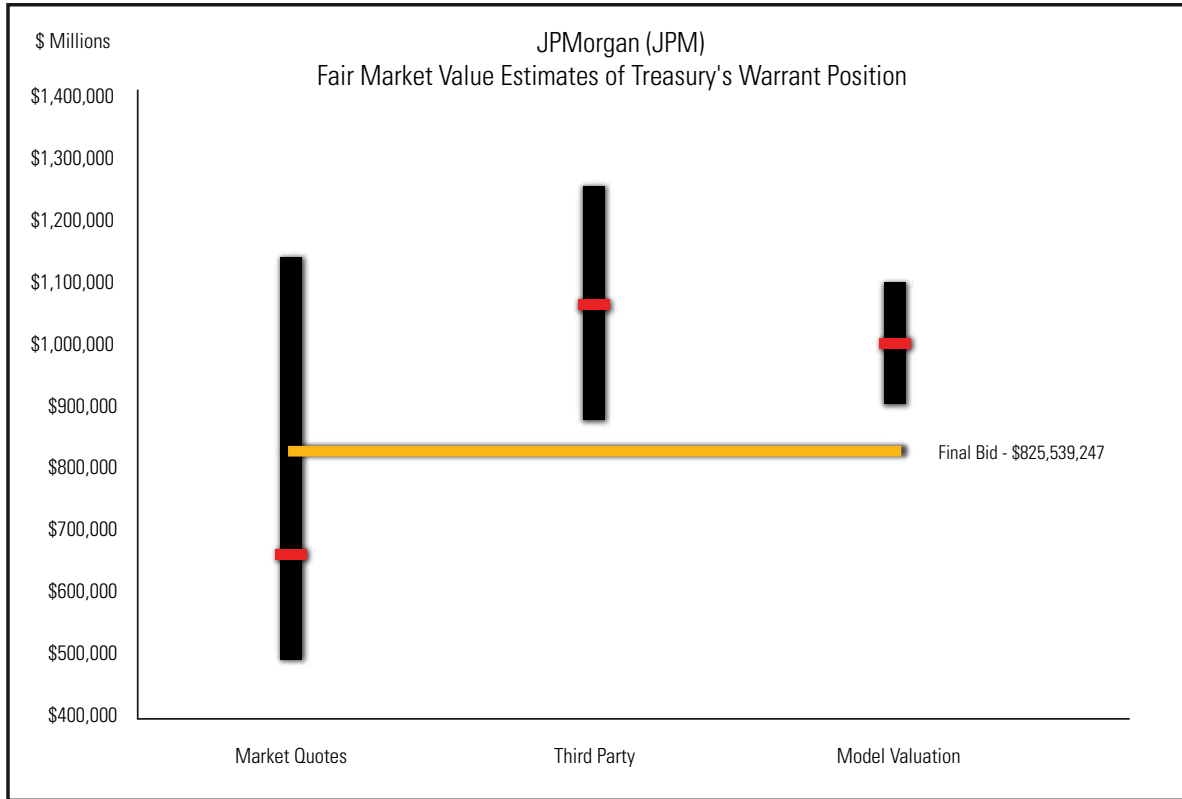
Valuation Estimates
for Warrant (\$millions)

	Low	High	Estimate	Final Bid	Details
Market Quotes	\$2	\$70	\$30	\$46.5	Seven market indications
Third Party	\$107	\$148	\$124	\$46.5	External asset manager's valuation estimates
Model Valuation	\$86	\$131	\$108	\$46.5	Binomial option model adjusted for American style options

NOTE: Above analysis was done to evaluate COF's bid on 6/30/09 and is not directly comparable to the auction results on 12/3/09 as market conditions changed over the intervening five months. In particular, COF's stock price appreciated 69% while short-term implied volatility in the stock declined slightly.

JP MORGAN CHASE & CO. (JPM)
SALE OF JPM WARRANT

On December 10, 2009, Treasury auctioned the JPMorgan Chase & Co. (JPM) warrant for \$950 million in gross proceeds. The warrant entitled the holder to purchase 88,401,697 shares of JPM at a strike price of \$42.42 per share and expired on October 28, 2018.



JPM

Valuation Estimates for Warrant (\$millions)

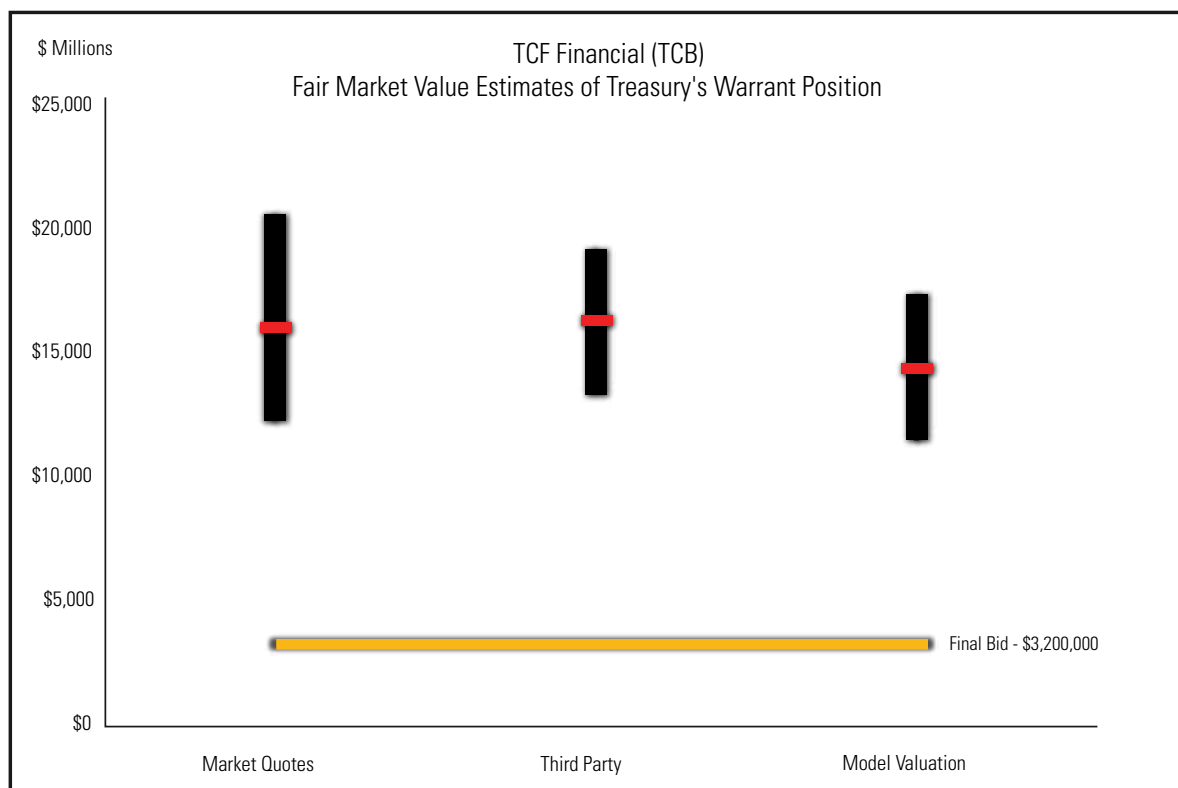
	Low	High	Estimate	Final Bid	Details
Market Quotes	\$488	\$1,137	\$658	\$825.5	Seven market indications
Third Party	\$875	\$1,252	\$1,063	\$825.5	External asset manager's valuation estimates
Model Valuation	\$900	\$1,097	\$998	\$825.5	Binomial option model adjusted for American style options

NOTE: Above analysis was done to evaluate JPM's bid on 6/17/09 and is not directly comparable to the auction results on 12/10/09 as market conditions changed over the intervening six months. In particular, JPM's stock price appreciated 26% while short-term implied volatility in the stock declined more than 25%.

TCF FINANCIAL CORPORATION (TCB)

SALE OF TCB WARRANT

On December 15, 2009, Treasury auctioned the TCF Financial Corporation (TCB) warrant for \$9.6 million in gross proceeds. The warrant entitled the holder to purchase 3,199,988 shares of TCB at a strike price of \$16.93 per share and expired on November 14, 2018.



TCB

Valuation Estimates
for Warrant (\$millions)

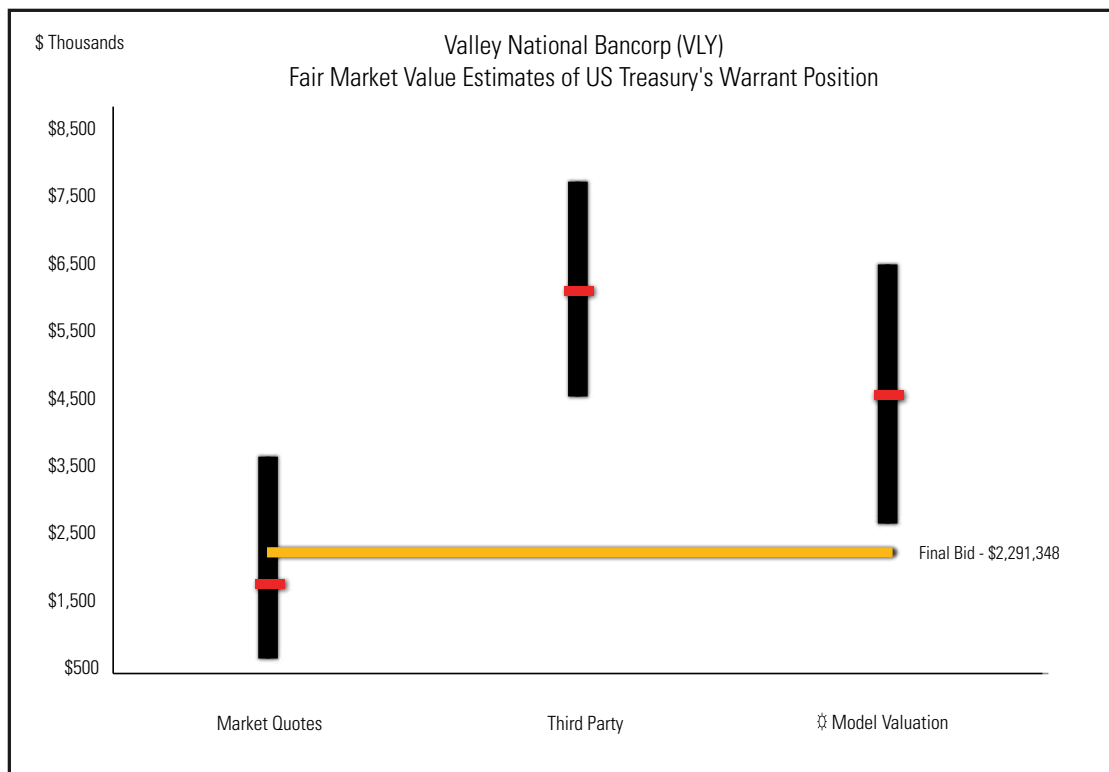
	Low	High	Estimate	Final Bid	Details
Market Quotes	\$12.1	\$20.5	\$15.9	\$3.2	Three market indications
Third Party	\$13.4	\$19.1	\$16.2	\$3.2	External asset manager's valuation estimates
Model Valuation	\$11.3	\$17.2	\$14.3	\$3.2	Binomial option model adjusted for American style options

NOTE: Above analysis was done to evaluate TCB's bid on 5/5/09 and is not directly comparable to the auction results on 12/15/09 as market conditions changed over the intervening seven months. In particular, TCB's stock price declined 16% while short-term implied volatility in the stock declined more than 40%.

Valley National Bancorp (VLY)

SALE OF VLY WARRANT

On May 18, 2010, Treasury auctioned the Valley National Bancorp (VLY) warrant for \$5.6 million in gross proceeds. The warrant entitled the holder to purchase 2,532,542 shares of VLY at an exercise price of \$17.77 per share and expired on November 14, 2018.



VLY

Valuation Estimates
for Warrant (\$thousands)

	Low	High	Estimate	Final Bid	Details
Market Quotes	\$723	\$3,714	\$1,801	\$2,291	Three market indications
Third Party	\$4,607	\$7,791	\$6,160	\$2,291	External asset manager's valuation estimates
Model Valuation	\$2,723	\$6,564	\$4,616	\$2,291	Binomial option model adjusted for American style options

NOTE: The above analysis was done to evaluate VLY's bid on 1/7/10 and is not directly comparable to the auction results on 5/18/10 as market conditions changed over the intervening five months.

Wells Fargo & Company (WFC)

SALE OF WFC WARRANT

On May 20, 2010, Treasury auctioned the Wells Fargo & Company (WFC) warrant for \$849 million in gross proceeds. The warrant entitled the holder to purchase 110,261,688 shares of WFC at an exercise price of \$34.01 per share and expired on October 28, 2018. Wells Fargo repurchased 70,165,963 warrant shares in the auction.



WFC

Valuation Estimates for Warrant (\$millions)

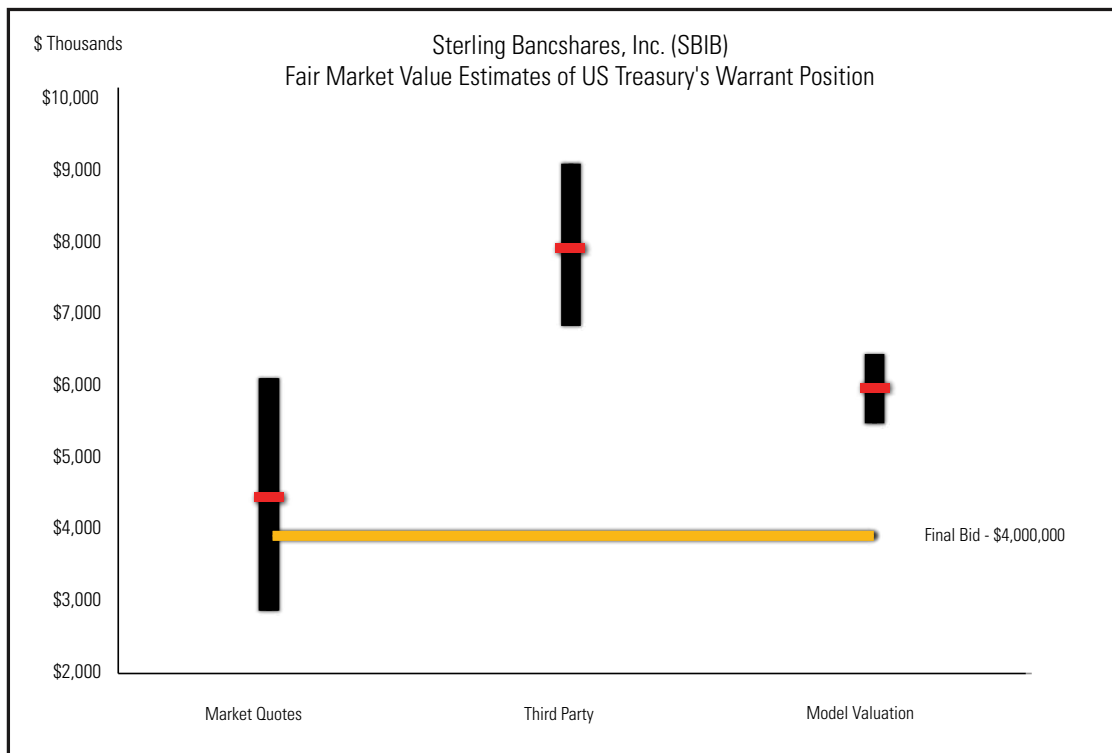
	Low	High	Estimate	First Bid	Second Bid	Final Bid	Details
Market Quotes	\$496	\$871	\$686	\$593.6	\$700	\$750	Seven market indications
Third Party	\$690	\$1,071	\$879	\$593.6	\$700	\$750	External asset manager's valuation estimates
Model Valuation	\$5,551	\$946	\$739	\$593.6	\$700	\$750	Binomial option model adjusted for American style options

NOTE: The above analysis was done to evaluate WFC's bid on 2/22/10 and is not directly comparable to the auction results on 5/20/10 as market conditions changed over the intervening three months. When considering Wells Fargo's offer to repurchase its warrant, Treasury concluded the market value realized through an auction would likely be in the high end of the valuation range. The results of past auctions have indicated that warrants associated with large well know companies, such as Wells Fargo, attract high levels of investor interest and competitive bidding.

Sterling Bancshares, Inc. (SBIB)

SALE OF SBIB WARRANT

On June 9, 2010, Treasury auctioned the Sterling Bancshares, Inc. (SBIB) warrant for \$3 million in gross proceeds. The warrant entitled the holder to purchase 2,615,557 shares of SBIB at an exercise price of \$7.18 per share and expired on December 12, 2018.



SBIB
Valuation Estimates
for Warrant (\$thousands)

	Low	High	Estimate	Final Bid	Details
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	Low	High	Estimate	Final Bid	Details
Market Quotes	\$2,877	\$6,120	\$4,467	\$4,000	Five market indications
Third Party	\$6,828	\$9,092	\$7,945	\$4,000	External asset manager's valuation estimates
Model Valuation	\$5,491	\$6,458	\$5,988	\$4,000	Binomial option model adjusted for American style options

NOTE: The above analysis was done to evaluate SBIB's bid on 6/5/09 and is not directly comparable to the auction results on 6/9/10 as market conditions changed over the intervening twelve months. Specifically, SBIB's stock price declined 28% from \$7.02 on 6/5/09 to \$5.00 on 6/9/10.

Appendix III – Warrant Portfolio

Warrants Held in Institutions That Have Fully Redeemed CPP Investment as of December 31, 2010

Institution Name	Ticker	Preferred Repurchase Date	Preferred Investment (\$thousands)	Warrant Shares	Strike Price	QEO? (i.e. warrants cut by 50%)
Citigroup Inc.	C	12/10/2010	\$25,000,000	210,084,034	\$17.85	-
Huntington Bancshares	HBAN	12/22/2010	\$1,398,071	23,562,994	\$8.90	-
First Horizon National Corporation	FHN	12/22/2010	\$866,540	14,578,136	\$8.92	-
Webster Financial Corporation	WBS	12/29/2010	\$400,000	3,282,276	\$18.28	-
East West Bancorp	EWBC	12/29/2010	\$306,546	1,517,555	\$15.15	Yes
Susquehanna Bancshares, Inc.	SUSQ	12/22/2010	\$300,000	3,028,264	\$14.86	-
Wintrust Financial Corporation	WTFC	12/22/2010	\$250,000	1,643,295	\$22.82	-
Boston Private Financial Holdings Inc	BPFH	6/16/2010	\$154,000	2,887,500	\$8.00	-
1st Source Corporation	SRCE	12/29/2010	\$111,000	837,947	\$19.87	-
F.N.B. Corporation	FNB	9/9/2009	\$100,000	651,042	\$11.52	Yes
Westamerica Bancorporation	WABC	11/18/2009	\$83,726	246,640	\$50.92	-
Sandy Spring Bancorp, Inc.	SASR	12/15/2010	\$83,094	651,547	\$19.13	-
Lakeland Financial Corp	LKFN	6/9/2010	\$56,044	198,269	\$21.20	Yes
First Community Bancshares, Inc.	FCBC	7/8/2009	\$41,500	88,273	\$35.26	Yes
Bank of Marin Bancorp	BMRC	3/31/2009	\$28,000	154,242	\$27.23	-
Shore Bancshares, Inc.	SHBI	4/15/2009	\$25,000	172,970	\$21.68	-
Heritage Financial Corporation	HFWA	12/22/2010	\$24,000	138,037	\$13.04	Yes
Middleburg Financial Corporation	MBRG	12/23/2009	\$22,000	104,101	\$15.85	Yes
First PacTrust Bancorp, Inc.	FPTB	12/15/2010	\$19,300	280,795	\$10.31	-
LCNB Corporation	LCNB	10/21/2009	\$13,400	217,063	\$9.26	-
1st Constitution Bancorp	FCCY	10/27/2010	\$12,000	220,745	\$8.15	-
Commerce National Bank	CNBF	10/7/2009	\$5,000	87,209	\$8.60	-
TOTAL	22		\$29,299,221			6