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1731 North Marcey, Chicago IL 60614

www.biancoresearch.com

## *Commentary*

### Market Opinions and Topics of Interest

By Greg Blaha (847) 304-1511

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## Tracking the True Cost Of The TARP

Two reports were released last week pertaining to the oversight of the Treasury's Troubled Asset Relief Program (TARP). One, released by the [Government Accountability Office](#) (GAO), concluded by offering nine different actions the Treasury should take to help ensure its future integrity, accountability, and transparency.

The second was released by the [Congressional Oversight Panel](#) (COP) and attempted to answer ten key questions about the Treasury's goals, its effectiveness in achieving those goals and the overall cost to taxpayers.

While both of these reports pose some interesting questions, neither the GAO nor the COP attempted to measure the performance to-date of the assets the Treasury has received in exchange for its capital infusions. While the Treasury has said many times TARP assets ultimately may turn profits once the credit crisis is behind us, these claims have been met with skepticism.

To gauge the true cost of the TARP to U.S. taxpayers, we have created the table displayed on the following pages. It lists the 184 companies who received TARP funds through December 12, 2008, the amount of money the government gave each company, and it displays the net value of the securities the government received in exchange for these capital infusions. Think of these government assets as [FAS 157](#) Level 3 assets and we are exercising managerial judgment in marking-to-market these investments.

### Terms Of Preferred Stock and Warrants

Every recipient of TARP funds, AIG and Citigroup excepted, had to agree to the same terms. In return for a capital infusion, the Treasury would receive 100% of the infusion value in the form of preferred shares of that company. This preferred pays a 5% dividend in the first three years and a 9% dividend after that. In addition, each company also would have to give the Treasury warrants equal to 15% of the infusion value.

In the second Citibank capital infusion of \$20 billion on November 21, the preferred shares had a dividend of 8% and the warrants were equal to 10% of the total preferred shares issued in **both** transactions to the U.S. government. In the \$40 billion AIG capital infusion on November 12, the preferred shares had a dividend of 10% and the warrants were equal to 2% of all the common shares outstanding.

Because these terms are uniform for all but AIG and Citigroup, the initial value of both the preferred shares and the warrants are known. How much are these securities worth at present?

### How We Applied Mark-To-Market

We will use the Wachovia Hybrid and Preferred Securities index as a proxy for changes in the preferred shares. The components of this index are similar to the Treasury's preferred stock holdings and offer the best transparent measure of the Treasury's opaque portfolio. Since we are following FAS 157 methodology, this is similar to the current practice of using the ABX and CMBX indices to value securities collateralized by subprime and commercial real estate respectively.

Surprisingly enough, the majority of the preferred shares have increased in value since the Treasury received them. Note that, in the case of any bailouts that occurred over a weekend, we calculated the returns as if the Treasury bought the securities on the close the following Monday. Beginning the Treasury's holding period on the close the Friday before the announcement would have built in an unfair profit margin in most cases. We were more concerned with the preferred shares' performance after the bailout. **In aggregate, the preferred shares are presently worth \$249.94 billion for a profit of \$2.68 billion.**

The warrants' values, calculated via the Black-Scholes model at 60% volatility **are worth approximately \$5.16 billion and have declined in value by approximately \$2.60 billion from an initial value of \$7.76 billion.**

The Treasury paid for the preferred securities in the form of a capital infusion, but the warrants essentially were obtained for free. The change in net worth of the preferred shares must be added to the current value of the warrants to approximate the current "mark-to-market" cost of the TARP to the U.S. taxpayer. This means the government started with a \$7.76 billion profit in the form of the free warrants. For them to move to an outright loss, the preferred shares first must decline by more than this amount.

### **Conclusion**

The Treasury infused \$247.26 billion into 184 companies over the span of the credit crisis. In exchange for these bailouts, the Treasury received securities that are currently valued at \$255.10 billion. This means **the TARP bailouts have actually turned a profit for U.S. taxpayers as of this writing. After factoring in the current value of the securities the Treasury received in exchange for its bailout money, the Treasury has turned a net profit of \$7.84 billion for a 3.17% return on investment over the period.**

**Known TARP Money Awarded And The Treasury's Return On Investment (Using FASB 157, Level 3 Rules)**

as of December 12, 2008

Bank Name	Date Announced	Initial Value of Preferred Stock (in Millions) <sup>1</sup>	Current Value of Preferred Stock (in Millions) <sup>2</sup>	Change In Preferred Stock Value	Initial Value of Warrants (in Millions) <sup>3</sup>	Current Value of Warrants (in Millions) <sup>4</sup>	Change In Warrant Value	Government Net Position	
								Dollars	%
American International Group	11/12/2008	\$40,000	\$37,137	(\$2,863)	\$147	\$147	\$0	(\$2,716)	-6.79%
Citigroup	10/12/2008	\$25,000	\$25,267	\$267	\$393	\$393	\$0	\$660	2.64%
Wells Fargo	10/12/2008	\$25,000	\$25,267	\$267	\$1,081	\$912	(\$169)	\$1,179	4.71%
JPMorgan Chase	10/12/2008	\$25,000	\$25,267	\$267	\$1,081	\$723	(\$357)	\$990	3.96%
Citigroup	11/21/2008	\$20,000	\$25,003	\$5,003	\$215	\$143	(\$72)	\$5,146	25.73%
Bank of America	10/12/2008	\$15,000	\$15,160	\$160	\$648	\$233	(\$415)	\$393	2.62%
Morgan Stanley	10/12/2008	\$10,000	\$10,107	\$107	\$432	\$271	(\$161)	\$378	3.78%
Merrill Lynch	10/12/2008	\$10,000	\$10,107	\$107	\$432	\$187	(\$245)	\$294	2.94%
Goldman Sachs Group	10/12/2008	\$10,000	\$10,107	\$107	\$432	\$235	(\$198)	\$341	3.41%
PNC Financial Services Group	10/12/2008	\$7,700	\$7,782	\$82	\$333	\$178	(\$154)	\$261	3.38%
US Bancorp	11/12/2008	\$6,600	\$6,128	(\$472)	\$284	\$227	(\$58)	(\$246)	-3.72%
Capital One Financial	10/12/2008	\$3,550	\$3,588	\$38	\$153	\$80	(\$74)	\$117	3.31%
SunTrust Banks	10/12/2008	\$3,500	\$3,537	\$37	\$151	\$78	(\$73)	\$115	3.30%
Regions Financial	10/12/2008	\$3,500	\$3,537	\$37	\$151	\$93	(\$58)	\$130	3.73%
Fifth Third Bancorp	10/12/2008	\$3,400	\$3,436	\$36	\$147	\$61	(\$86)	\$97	2.86%
BB&T	10/12/2008	\$3,100	\$3,133	\$33	\$134	\$102	(\$32)	\$136	4.37%
Bank of New York Mellon	10/12/2008	\$3,000	\$3,032	\$32	\$130	\$115	(\$15)	\$147	4.89%
KeyCorp	10/12/2008	\$2,500	\$2,527	\$27	\$108	\$69	(\$39)	\$96	3.83%
Comerica	10/12/2008	\$2,250	\$2,274	\$24	\$97	\$48	(\$49)	\$72	3.20%
State Street	10/12/2008	\$2,000	\$2,021	\$21	\$86	\$56	(\$31)	\$77	3.86%
Marshall & Ilsley	10/12/2008	\$1,700	\$1,718	\$18	\$73	\$38	(\$36)	\$56	3.27%
Northern Trust	10/12/2008	\$1,500	\$1,516	\$16	\$65	\$42	(\$23)	\$58	3.85%
Zions Bancorp	10/12/2008	\$1,400	\$1,415	\$15	\$61	\$34	(\$27)	\$49	3.47%
Huntington Bancshares	10/12/2008	\$1,400	\$1,415	\$15	\$61	\$48	(\$12)	\$63	4.52%
Freddie Mac	9/12/2008	\$1,000	\$749	(\$251)	\$43	\$4	(\$39)	(\$246)	-24.64%
Fannie Mae	9/12/2008	\$1,000	\$749	(\$251)	\$43	\$2	(\$41)	(\$248)	-24.83%
Synovus	11/14/2008	\$973	\$892	(\$81)	\$42	\$34	(\$7)	(\$47)	-4.83%
Popular, Inc	11/18/2008	\$950	\$915	(\$35)	\$41	\$33	(\$8)	(\$1)	-0.13%
First Horizon National	10/12/2008	\$866	\$875	\$9	\$37	\$34	(\$3)	\$44	5.05%
E-Trade	11/8/2008	\$800	\$699	(\$101)	\$34	\$18	(\$16)	(\$83)	-10.35%
M&T bank Corporation	11/20/2008	\$600	\$722	\$122	\$26	\$21	(\$5)	\$143	23.78%
Colonial BancGroup	12/2/2008	\$550	\$565	\$15	\$24	\$19	(\$5)	\$34	6.10%
Associated Banc-Corp.	11/8/2008	\$530	\$463	(\$67)	\$23	\$22	(\$1)	(\$45)	-8.50%
Webster Financial	11/12/2008	\$400	\$371	(\$29)	\$17	\$11	(\$6)	(\$17)	-4.33%
City National	10/12/2008	\$395	\$399	\$4	\$17	\$5	(\$12)	\$9	2.31%
Fulton Financial	11/8/2008	\$375	\$328	(\$47)	\$16	\$15	(\$1)	(\$32)	-8.53%
Fulton Financial Corp	12/10/2008	\$375	\$374	(\$1)	\$16	\$15	(\$1)	\$14	3.79%
TCF Financial	11/12/2008	\$361	\$335	(\$26)	\$16	\$11	(\$5)	(\$15)	-4.14%
South Financial Group	11/14/2008	\$347	\$318	(\$29)	\$15	\$12	(\$3)	(\$17)	-4.96%
Wilmington Trust	11/14/2008	\$330	\$302	(\$28)	\$14	\$12	(\$2)	(\$16)	-4.72%
Valley National Bancorp	10/12/2008	\$330	\$334	\$4	\$14	\$11	(\$3)	\$15	4.48%
Whitney Holding	11/26/2008	\$301	\$306	\$5	\$13	\$11	(\$2)	\$16	5.30%
Tennessee Commerce Bancorp	11/25/2008	\$300	\$316	\$16	\$13	\$9	(\$4)	\$25	8.27%
Susquehanna Bancshares	11/19/2008	\$300	\$320	\$20	\$13	\$13	\$0	\$33	11.08%
Sterling Financial Corp	11/24/2008	\$300	\$332	\$32	\$13	\$12	(\$1)	\$45	14.88%
Citizens Republic Bancorp	11/14/2008	\$300	\$275	(\$25)	\$13	\$12	(\$1)	(\$13)	-4.35%
UCBH Holdings	10/12/2008	\$298	\$301	\$3	\$13	\$10	(\$3)	\$13	4.39%
Whitney Holding	10/12/2008	\$282	\$285	\$3	\$12	\$6	(\$6)	\$9	3.35%
Cathay General Bancorp	11/18/2008	\$258	\$249	(\$9)	\$11	\$11	\$0	\$2	0.67%
Wintrust Financial Corp	11/26/2008	\$250	\$254	\$4	\$11	\$8	(\$3)	\$13	5.00%
First Merit	11/13/2008	\$248	\$230	(\$18)	\$11	\$11	\$0	(\$7)	-2.98%
SVB Financial Group	12/3/2008	\$235	\$240	\$5	\$10	\$6	(\$4)	\$11	4.86%
Trustmark	11/8/2008	\$215	\$188	(\$27)	\$9	\$9	\$0	(\$18)	-8.20%
Umpqua Holdings	10/12/2008	\$214	\$216	\$2	\$9	\$8	(\$2)	\$10	4.61%
Washington Federal	10/12/2008	\$200	\$202	\$2	\$9	\$7	(\$1)	\$9	4.65%
International Bancshares	10/8/2008	\$200	\$218	\$18	\$9	\$6	(\$3)	\$24	12.11%
United Bankshares	12/3/2008	\$197	\$202	\$5	\$8	\$9	\$1	\$14	6.94%
First Midwest Bancorp	11/12/2008	\$193	\$179	(\$14)	\$8	\$7	(\$1)	(\$7)	-3.52%
Pacific Capital Bancorp	11/12/2008	\$188	\$175	(\$13)	\$8	\$7	(\$1)	(\$7)	-3.46%
First Niagara Financial	10/12/2008	\$186	\$188	\$2	\$8	\$8	\$0	\$10	5.52%
United Community Banks	11/18/2008	\$180	\$173	(\$7)	\$8	\$8	(\$0)	\$1	0.60%
Old National Bancorp	10/12/2008	\$162	\$163	\$2	\$7	\$5	(\$2)	\$7	4.39%
Provident Bankshares	10/12/2008	\$157	\$159	\$2	\$7	\$3	(\$3)	\$5	3.26%
National Penn Bancshares	11/26/2008	\$150	\$153	\$3	\$6	\$6	(\$1)	\$8	5.63%
Boston Private Financial Holdings	11/19/2008	\$150	\$160	\$10	\$6	\$4	(\$2)	\$14	9.54%
Western Alliance Bancorp	11/13/2008	\$140	\$130	(\$10)	\$6	\$4	(\$2)	(\$6)	-4.51%
Central Pacific Financial Corp	12/9/2008	\$135	\$135	(\$0)	\$6	\$5	(\$1)	\$4	3.32%
CVB Financial	11/19/2008	\$130	\$139	\$9	\$6	\$5	(\$1)	\$14	10.46%
Sterling Bankshares	12/2/2008	\$125	\$128	\$3	\$5	\$4	(\$1)	\$8	6.19%
Banner Corp	11/12/2008	\$124	\$115	(\$9)	\$5	\$5	(\$1)	(\$4)	-3.39%
Signature	10/8/2008	\$120	\$131	\$11	\$5	\$4	(\$1)	\$15	12.16%
Iberiabank Corp	11/18/2008	\$115	\$111	(\$4)	\$5	\$4	(\$1)	\$0	0.23%
Taylor Capital	11/8/2008	\$105	\$92	(\$13)	\$5	\$2	(\$2)	(\$11)	-10.46%
Park National Corp	12/2/2008	\$100	\$103	\$3	\$4	\$5	\$0	\$7	7.26%
Midwest Banc Holdings	11/12/2008	\$86	\$79	(\$6)	\$4	\$2	(\$2)	(\$4)	-4.95%
Sandy Spring Bancorp	11/20/2008	\$83	\$100	\$17	\$4	\$4	\$0	\$21	25.01%
Heartland Financial USA	12/10/2008	\$82	\$81	(\$0)	\$4	\$4	\$0	\$4	4.39%
First Financial	10/8/2008	\$80	\$87	\$7	\$3	\$3	(\$0)	\$10	12.85%
Dime Community Bankshares	12/5/2008	\$77	\$80	\$2	\$3	\$3	(\$0)	\$6	7.34%
Columbia Banking System	11/12/2008	\$77	\$71	(\$6)	\$3	\$2	(\$2)	(\$4)	-4.98%
TowneBank	11/26/2008	\$77	\$78	\$1	\$3	\$3	\$0	\$5	6.08%
Independent Bank Corp	11/24/2008	\$72	\$80	\$8	\$3	\$2	(\$1)	\$10	13.20%
Virginia Commerce Bancorp	11/26/2008	\$71	\$72	\$1	\$3	\$5	\$2	\$7	9.22%
Southwest Bancorp	11/20/2008	\$70	\$84	\$14	\$3	\$3	(\$0)	\$17	23.99%
Flushing Financial Corp	12/3/2008	\$70	\$72	\$2	\$3	\$3	(\$0)	\$4	6.09%
Superior Bancorp	11/18/2008	\$69	\$66	(\$3)	\$3	\$2	(\$1)	(\$0)	-0.66%
Nara Bancorp	11/14/2008	\$67	\$61	(\$6)	\$3	\$3	(\$0)	(\$3)	-4.17%
First Financial Holdings	12/1/2008	\$65	\$67	\$2	\$3	\$3	(\$0)	\$5	7.31%
CoBiz Financial	11/8/2008	\$64	\$56	(\$8)	\$3	\$2	(\$0)	(\$6)	-8.99%
Wilshire Bancorp	11/20/2008	\$62	\$75	\$13	\$3	\$2	(\$0)	\$15	23.85%
Great Southern Bancorp	11/17/2008	\$60	\$56	(\$4)	\$3	\$3	\$0	(\$1)	-1.46%
Gateway Financial Holdings	12/5/2008	\$58	\$60	\$2	\$2	\$3	\$1	\$5	8.30%
American West Bank	11/8/2008	\$57	\$50	(\$7)	N/A	N/A	N/A	N/A	N/A
Center Financial Corp	11/24/2008	\$55	\$61	\$6	\$2	\$1	(\$1)	\$7	13.54%

**Known TARP Money Awarded And The Treasury's Return On Investment (Using FASB 157, Level 3 Rules)**  
as of December 12, 2008

Bank Name	Date Announced	Initial Value of Preferred Stock (in Millions) <sup>1</sup>	Current Value of Preferred Stock (in Millions) <sup>2</sup>	Change In Preferred Stock Value	Initial Value of Warrants (in Millions) <sup>3</sup>	Current Value of Warrants (in Millions) <sup>4</sup>	Change In Warrant Value	Government Net Position	
								Dollars	%
NewBridge	11/8/2008	\$52	\$45	(\$7)	\$2	\$1	(\$1)	(\$5)	-10.46%
Ameris Bancorp	11/21/2008	\$52	\$65	\$13	\$2	\$3	\$0	\$16	29.92%
Home Bancshares, Inc	11/21/2008	\$50	\$63	\$13	\$2	\$2	\$0	\$15	29.35%
Seacoast Banking Corp	12/10/2008	\$50	\$50	(\$0)	\$2	\$3	\$1	\$3	5.26%
Fidelity Southern Corp	11/24/2008	\$48	\$53	\$5	\$2	\$2	\$0	\$7	15.32%
Cadence Financial Corp	12/11/2008	\$44	\$44	\$0	\$2	\$2	(\$0)	\$2	3.78%
Capital Bank	11/17/2008	\$43	\$40	(\$3)	\$2	\$1	(\$1)	(\$1)	-3.16%
Southern Community Group	11/18/2008	\$43	\$41	(\$2)	\$2	\$2	(\$0)	\$0	0.13%
First Community Bancshares	10/30/2008	\$43	\$38	(\$5)	\$2	\$2	(\$0)	(\$3)	-6.81%
Sterling Bancorp	12/9/2008	\$42	\$42	(\$0)	\$2	\$2	\$0	\$2	4.45%
Bank of Florida	10/12/2008	\$41	\$41	\$0	\$2	\$1	(\$1)	\$1	3.41%
Simmons First National	10/8/2008	\$40	\$44	\$4	\$2	\$1	(\$0)	\$5	12.71%
Heritage Commerce	11/8/2008	\$40	\$35	(\$5)	\$2	\$1	(\$0)	(\$4)	-9.12%
Porter Bancorp	11/13/2008	\$39	\$36	(\$3)	\$2	\$1	(\$0)	(\$1)	-3.68%
Peoples Bancorp	11/13/2008	\$39	\$36	(\$3)	\$2	\$2	(\$0)	(\$1)	-3.60%
Cascade Financial	11/12/2008	\$39	\$36	(\$3)	\$2	\$2	(\$0)	(\$1)	-3.18%
Eagle Bancorp	11/21/2008	\$38	\$48	\$10	\$2	\$1	(\$0)	\$11	28.44%
Financial Institutions	12/5/2008	\$38	\$39	\$1	\$2	\$2	\$0	\$3	7.52%
TIB Financial Corp	12/1/2008	\$37	\$38	\$1	\$2	\$1	(\$0)	\$2	6.28%
First Defiance Financial Corp	11/24/2008	\$37	\$41	\$4	\$2	\$1	(\$1)	\$5	13.57%
West Bancorporation	12/8/2008	\$36	\$36	\$0	\$2	\$2	\$0	\$2	5.16%
HF Financial Corp	11/14/2008	\$35	\$32	(\$3)	\$2	\$2	\$0	(\$1)	-3.85%
MutualFirst Financial	12/5/2008	\$32	\$33	\$1	\$1	\$1	(\$0)	\$2	6.54%
BNC Bancorp	12/8/2008	\$31	\$31	\$0	\$1	\$1	(\$0)	\$1	4.36%
Bank of North Carolina	12/9/2008	\$31	\$31	(\$0)	\$1	\$1	(\$0)	\$1	3.88%
StellarOne Corp	12/3/2008	\$30	\$31	\$1	\$1	\$2	\$0	\$2	7.42%
Peapack-Gladstone Financial	11/20/2008	\$29	\$35	\$6	\$1	\$1	(\$0)	\$7	24.44%
Bank of Marin Bancorp	12/2/2008	\$28	\$29	\$1	\$1	\$1	(\$0)	\$2	6.88%
CenterState Banks of Florida	11/24/2008	\$28	\$31	\$3	\$1	\$1	\$0	\$4	15.15%
Intermountain Community Bancorp	11/7/2008	\$27	\$24	(\$3)	\$1	\$1	(\$0)	(\$2)	-9.12%
Washington Banking Company	12/1/2008	\$26	\$27	\$1	\$1	\$1	(\$0)	\$2	6.81%
LNB Bancorp	11/20/2008	\$25	\$30	\$5	\$1	\$1	(\$0)	\$6	24.03%
Peoples Bancorp of North Carolina	12/9/2008	\$25	\$25	(\$0)	\$1	\$1	(\$0)	\$1	3.20%
VIST Financial Corp	11/24/2008	\$25	\$28	\$3	\$1	\$1	(\$0)	\$4	14.58%
Horizon Bancorp	11/26/2008	\$25	\$25	\$0	\$1	\$1	(\$0)	\$1	5.21%
Home Federal Financial	10/12/2008	\$25	\$25	\$0	\$1	\$1	(\$0)	\$1	4.80%
First California Financial Group	12/2/2008	\$25	\$26	\$1	\$1	\$1	(\$0)	\$2	6.67%
The First Bancorp	12/4/2008	\$25	\$26	\$1	\$1	\$1	\$0	\$2	8.78%
Interwest Bancorp	12/12/2008	\$25	\$25	\$0	\$1	\$1	(\$0)	\$1	4.82%
Crescent Financial Corp	12/8/2008	\$25	\$25	\$0	\$1	\$1	(\$0)	\$1	4.00%
Heritage Financial	11/8/2008	\$24	\$21	(\$3)	\$1	\$1	(\$0)	(\$2)	-8.76%
Eastern Virginia Bankshares	12/8/2008	\$24	\$24	\$0	\$1	\$1	(\$0)	\$1	3.76%
Severn Bancorp	11/18/2008	\$24	\$23	(\$1)	\$1	\$1	(\$0)	(\$0)	-1.09%
Hampton Roads Bankshares	12/5/2008	\$22	\$23	\$1	\$1	\$1	\$0	\$2	7.52%
Wainwright Bank & Trust	11/20/2008	\$22	\$26	\$4	\$1	\$1	(\$0)	\$5	23.01%
Blue Valley Bancorp	12/9/2008	\$22	\$22	(\$0)	\$1	\$0	(\$1)	\$0	1.76%
Indiana Community Bancorp	11/20/2008	\$22	\$26	\$4	\$1	\$1	(\$0)	\$5	23.30%
Unity Bancorp	11/24/2008	\$21	\$23	\$2	\$1	\$1	\$0	\$3	15.24%
Citizens South Banking Corp	12/1/2008	\$21	\$21	\$1	\$1	\$1	(\$0)	\$1	6.60%
C&F Financial Corp	12/12/2008	\$20	\$20	\$0	\$1	\$1	(\$0)	\$1	5.74%
First PacTrust Bank	11/13/2008	\$19	\$18	(\$1)	\$1	\$1	(\$0)	(\$1)	-3.49%
HopFed Bancorp	11/20/2008	\$18	\$22	\$4	\$1	\$1	(\$0)	\$5	24.54%
Redding Bank	10/27/2008	\$17	\$16	(\$1)	N/A	N/A	N/A	N/A	N/A
Bank of Commerce	10/12/2008	\$17	\$17	\$0	\$1	\$0	(\$0)	\$1	3.31%
Valley National Corp	11/26/2008	\$16	\$16	\$0	\$1	\$1	(\$0)	\$1	5.88%
First Financial Services	11/14/2008	\$16	\$15	(\$1)	\$1	\$1	(\$0)	(\$1)	-5.23%
The Bank Holdings	11/8/2008	\$15	\$13	(\$2)	\$1	\$0	(\$0)	(\$2)	-11.32%
LSB Corp	12/8/2008	\$15	\$15	\$0	\$1	\$1	(\$0)	\$1	3.70%
Monarch Financial Holdings	12/4/2008	\$15	\$15	\$1	\$1	\$1	(\$0)	\$1	7.84%
Bridge Bancorp	11/8/2008	\$14	\$12	(\$2)	\$1	\$1	(\$0)	(\$1)	-8.32%
Oak Valley Bancorp	12/3/2008	\$14	\$14	\$0	\$1	\$1	\$0	\$1	6.82%
Wilbur Corp	12/9/2008	\$12	\$12	(\$0)	\$1	\$0	(\$0)	\$0	3.93%
Pamrapo	11/8/2008	\$11	\$10	(\$1)	\$0	\$0	(\$0)	(\$1)	-8.98%
Mackinac Financial	10/8/2008	\$11	\$12	\$1	\$0	\$0	(\$0)	\$1	12.64%
Mid Penn Bancorp	11/26/2008	\$10	\$10	\$0	\$0	\$0	\$0	\$1	6.17%
Center Bancorp	12/5/2008	\$10	\$10	\$0	\$0	\$0	(\$0)	\$1	7.27%
Coastal Banking Company	12/5/2008	\$10	\$10	\$0	\$0	\$0	(\$0)	\$1	6.32%
Center Bancorp	12/9/2008	\$10	\$10	(\$0)	\$0	\$0	(\$0)	\$0	4.09%
NCAL Bancorp	12/11/2008	\$10	\$10	\$0	\$0	\$0	(\$0)	\$0	4.27%
First Litchfield Financial Corp	12/12/2008	\$10	\$10	\$0	\$0	\$0	(\$0)	\$1	5.89%
Southern Missouri Bancorp	12/9/2008	\$10	\$9	(\$0)	\$0	\$0	(\$0)	\$0	3.88%
Elmira Savings Bank	12/9/2008	\$9	\$9	(\$0)	\$0	\$0	(\$0)	\$0	3.59%
Broadway Financial Corp	11/14/2008	\$9	\$8	(\$1)	\$0	\$0	(\$0)	(\$0)	-4.92%
Citizens First Corp	12/10/2008	\$9	\$9	(\$0)	\$0	\$0	(\$0)	\$0	2.79%
Commonwealth Business Bank	12/11/2008	\$8	\$8	\$0	\$0	\$0	(\$0)	\$0	4.26%
Central Federal Corp.	11/24/2008	\$7	\$8	\$1	\$0	\$0	\$0	\$1	15.91%
Fidelity Bancorp	12/4/2008	\$7	\$7	\$0	\$0	\$0	(\$0)	\$0	6.60%
Old Line Bancshares	12/5/2008	\$7	\$7	\$0	\$0	\$0	(\$0)	\$0	6.52%
CNB Financial Corp	12/12/2008	\$7	\$7	\$0	\$0	\$0	(\$0)	\$0	5.57%
American River Bancorp	11/24/2008	\$6	\$7	\$1	\$0	\$0	(\$0)	\$1	15.07%
Papapasco Bankcorp	12/11/2008	\$6	\$6	\$0	\$0	\$0	(\$0)	\$0	3.61%
The Connecticut Bank and Trust	12/3/2008	\$5	\$6	\$0	\$0	\$0	\$0	\$0	6.66%
Commerce National Bank	12/3/2008	\$5	\$5	\$0	\$0	\$0	(\$0)	\$0	5.79%
Northeast Bancorp	12/12/2008	\$4	\$4	\$0	\$0	\$0	(\$0)	\$0	5.26%
Pacific Commerce Bank	12/10/2008	\$4	\$4	(\$0)	\$0	\$0	(\$0)	\$0	2.68%
Capital Pacific Bancorp	11/8/2008	\$4	\$3	(\$1)	\$0	\$0	(\$0)	(\$0)	-9.26%
First Bankshares	12/12/2008	\$4	\$4	\$0	\$0	\$0	(\$0)	\$0	5.98%
Seacoast Commerce Bank	12/1/2008	\$2	\$2	\$0	\$0	\$0	(\$0)	\$0	7.01%
Manhattan Bancorp	12/9/2008	\$2	\$2	(\$0)	\$0	\$0	(\$0)	\$0	3.98%
Saigon National Bank	10/12/2008	\$1	\$1	\$0	\$0	\$0	(\$0)	\$0	3.40%
<b>Total</b>		\$247,260	\$249,939	\$2,679	\$7,762	\$5,160	(\$2,602)	\$7,839	3.17%

<sup>1</sup> Initial Value of Preferred Stock = Total Bailout Amount

<sup>2</sup> Using the Wachovia Hybrid & Preferred Securities Financial Index as a proxy

<sup>3</sup> Initial Value of Warrants = 15% of Total Bailout Amount, With The Exception of AIG and Citi

<sup>4</sup> Using Black Scholes Model to Value Warrants

## Bianco Research L.L.C.

1731 North Marcey, Suite 510  
Chicago IL 60614

Phone: (847) 304-1511

Fax (847) 304-1749

e-mail: [research@biancoresearch.com](mailto:research@biancoresearch.com)

<http://www.biancoresearch.com>

### **For more information about the contents/ opinions contained in these reports:**

**President** (847) 756-3599

James A. Bianco [jbianco@biancoresearch.com](mailto:jbianco@biancoresearch.com)

**Strategist/Analysts** (847) 304-1511

Howard L. Simons [hsimons@biancoresearch.com](mailto:hsimons@biancoresearch.com)

Greg Blaha [gblaha@biancoresearch.com](mailto:gblaha@biancoresearch.com)

Ryan Malo [rmalo@biancoresearch.com](mailto:rmalo@biancoresearch.com)

### **For subscription/service Information:**

**Arbor Research & Trading, Inc.**

**Director of Sales & Marketing** (800) 606-1872

Fritz Handler [fritz.handler@arborresearch.com](mailto:fritz.handler@arborresearch.com)

## Arbor Research & Trading, Inc.

1000 Hart Road, Suite 260

Barrington IL 60010

Phone (847) 304-1560 Fax (847) 304-1595

e-mail [inforequest@arborresearch.com](mailto:inforequest@arborresearch.com)

<http://www.arborresearch.com>

### **Domestic - For more information about Arbor Research & Trading and its services:**

#### **New York Sales Office**

The Chrysler Building, 405 Lexington Ave  
New York, NY 10174

Edward T. McElwreath [ed.mcelwreath@arborresearch.com](mailto:ed.mcelwreath@arborresearch.com)

Phone (212) 867-5326 Fax (212) 370-1218

### **International - For more information about Arbor Research & Trading and its services:**

#### **London Sales Office**

4 Broadgate, 2nd Floor, Room 57

London England EC2M 2QY

Phone 44-207-965-4784 Fax 44-207-965-4787

Neil Tritton [neil.tritton@arborresearch.com](mailto:neil.tritton@arborresearch.com)

Ben Gibson [ben.gibson@arborresearch.com](mailto:ben.gibson@arborresearch.com)

#### **European Sales**

James L. Perry [james.perry@arborresearch.com](mailto:james.perry@arborresearch.com)

Phone (847) 756-3510 Fax (847) 304-1595

Rich Kleinbauer [rich.kleinbauer@arborresearch.com](mailto:rich.kleinbauer@arborresearch.com)

Phone (41) 22 363-9229

#### **Far East Sales**

Robert Reynolds [robert.reynolds@arborresearch.com](mailto:robert.reynolds@arborresearch.com)

Phone (847) 756-3680 Fax (435) 647-3073