ABC News' Survey of 16 TARP Banks

By ABC NEWS

Dec. 17, 2008

Below are summaries of statements from 16 of the banks that received TARP (Troubled Asset Relief Program) funds that ABC News surveyed.

Each bank was asked:

How has your firm used the TARP money to date?

What is the total amount your firm has decided to allocate to bonus and incentive pay this year? How does it compare to the 2007 bonus/incentive pool?

Citigroup ($25 billion)

Will help expand the flow of credit in the U.S. economy.

Formed a Special Committee made up of senior executives responsible for overseeing, approving and monitoring how the TARP funds are used.

Continues to make targeted consumer/commercial loans and is focusing on helping eligible, distressed borrowers stay current in their credit card payments and to stay in their homes whenever possible.

Citi's board of directors will decide about the structure and level of compensation after the end of the year.

Will not use TARP funding for compensation.

JPMorganChase ($25 billion)

Using TARP funding to date to support our consumer, commercial, municipal and nonprofit clients.

Incentive compensation not yet allocated.

Wells Fargo ($25 billion)

Scheduled to release our fourth-quarter earnings in January 2009 and cannot provide any forward-looking guidance on lending for this quarter.

Intends to use the Capital Purchase Program funds to make more loans to credit-worthy customers and find solutions for our mortgage customers who are late on their payments or who face foreclosure.

Capital Purchase Program funds will not be spent on executive compensation. Wells Fargo doesn't need the government investment to pay for bonuses or compensation. Per usual, it's up to our board of directors to decide about annual bonuses.

Bank of America ($15 billion)

Added TARP money to general capital in order to make more loans.

Have reduced the incentive targets by more than half. Final awards have not been determined.

Goldman Sachs ($10 billion)

Goldman Sachs has used its capital, which includes the TARP funds, to promote client activity in the capital markets.

Goldman Sachs' seven most senior executives have decided to forgo bonus payments for fiscal year 2008.

We will announce our fiscal 2008 results next week. We will also announce the size of our firmwide compensation pool for the full year. That compensation pool includes both salaries and bonuses. Employee compensation will be down dramatically from last year.

Morgan Stanley ($10 billion)

Lending is a big part of how we are using TARP funds.

We took our bonus pool down 50% from 2007, that's over and above the decline in revenues, which were only down 12% for the year.

Tarp money doesn't go into bonuses. Tarp money goes into a capital account, while compensation is paid out of net revenues. We had $24.7 billion in net revenues in 2008.

Compensation to revenue ratio was 46.5% in 2008.

"Discretionary bonuses are typically a part of compensation, certainly not the majority."

It cites a $17 billion loan to Verizon Wireless.

U.S. Bancorp ($6.599 billion)

Has not yet used TARP funds.

Intends to use TARP funds to continue lending growth, pursue short-term debt reduction and evaluate additional investment opportunities for long-term shareholder benefit.

The bonus and incentive decisions are made in January, following the final year-end performance results and comparisons to the stated plan objectives and peer group performance.

Regions Financial Corp. ($3.5 billion)

Using TARP funds to help increase the flow of credit to businesses and consumers as Treasury intended.

Will expand lending to consumers and businesses where our standards for credit quality are met and where we can capture the full value of a customer relationship.

Regions' incentive decisions will not be made until the first quarter of 2009 but will certainly reflect company performance during 2008.

Suntrust ($3.5 billion)

TARP funds, along with existing capital, are being used to support continued growth in loans to qualified applicants.

Have not announced any decisions relative to bonus or incentive pay for 2008.

Capital One ($3.555.199 billion)

With respect to the government funds specifically, will use the capital to restore the liquidity and stability of our financial system.

CPP funding has enabled us to originate more of these loans than would have been possible without it.

Financial resources apart from the CPP are sufficient to meet planned business needs. Will not use the Treasury's funds for dividends, compensation, operating expenses or any other purpose beyond what the Treasury department intended.

The Bank of New York Mellon ($3 billion)

Using the $3 billion to provide liquidity to the credit markets.

Decisions on incentive compensation will not be made until the first quarter of 2009.

At the end of the third quarter, we reported a 30 percent decline in incentive compensation accruals compared with the previous year.

Keycorp ($2.5 billion)

Key doesn't routinely publicize specific client transactions, but in this instance, our client chose to issue a press release, and indicated Key's role in the financing.

The capital will enhance lending capabilities, enable Keycorp to invest in its businesses, and generally provide flexibility in managing the balance sheet.

Compensation committee of the Board of directors makes that determination each January for the previous year, and the decision is provided in the company's proxy statement. Key's incentive awards are directly related to company performance, and have been for some time.

CEO did not receive an incentive award last year.

Comerica Inc. ($2.25 billion)

The TARP proceeds (which we received Nov. 14) are part of the capital pool and assist us in funding our balance sheet.

In the short-term, the proceeds have been used to fund loans and meet debt maturities, with the excess invested overnight with the Fed.

In the medium- to long-term, anticipate making loans to new and existing relationship customers, with the appropriate credit standards, loan pricing and return hurdles in place to optimize our portfolio, particularly in our growth markets.

State Street ($2 billion)

Using the $2 billion it received in CPP funds to help further expand the flow of credit and increase the provision of credit and liquidity to institutional investors.

Funds its compensation out of operating earnings, and 2008 incentive compensation will be determined in the first quarter of 2009.

Will not use any of the proceeds from the TARP Capital Purchase Program to fund our bonus pool or executive compensation.

Marshall & Ilsley Corp. ($1.715 billion)

Looks at the TARP funds as an opportunity to continue serving customers/communities through increased lending, as well as for mitigating mortgage foreclosures.

Final determination of incentives is not made until after year-end results are determined. The year 2007 was down substantially from 2006 and trend expected to continue in 2008.

Northern Trust ($1.576 billion)

As with any source of capital, the investment by the U.S. Treasury contributes to Northern Trust's existing capital base.

Will help promote liquidity and stability to the financial system of the United States and to protect assets, including college funds, retirement accounts and life savings.

Will continue to support loan growth.

The Compensation and Benefits Committee of the board will determine the funding level of bonus and incentive pools based on the performance of the corporation after the final earnings are known. The funding level will not be determined until the year-end earnings results are known.