Development Impact Dashboards
NCIF Social Performance Metrics

Telling the Story

NCIF
Leveraging Capital for Change™
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ACKNOWLEDGEMENTS

The National Community Investment Fund (NCIF) is proud to present this publication of Development Impact Dashboards. The intent of this publication is to “Tell the Story” of the community development banking sector with the objective of increasing collaboration between CDFI banks, investors, and supporters.

NCIF is grateful to the leaders of the banks that have participated in this effort. We thank them for their time in providing guidance and information.

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Joseph L. Haskins Jr., Chairman, President & CEO, The Harbor Bank of Maryland, MD
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William M. Farrow III, President & CEO, Urban Partnership Bank, IL
As CDFI Banks work to attract greater levels of investment and other support, the industry must do a better job of "Telling the Story" of the impact that is being generated by the sector. To facilitate this, NCIF developed the Social Performance Metrics and the Development Impact Dashboard as a format to communicate the impact.

This Dashboard is a transparent, easily communicated impact report that will be valuable to the widest set of investors and stakeholders. NCIF will continue to work with both the CDFI Banking sector and the investor sector to enhance the format of the report by adding impact data points, anecdotes, and other criteria, so that it provides the greatest amount of value to the CDFI Banking community and its stakeholders.

NCIF is able to provide detailed information on all CDFI Banks:
(a) As of a point in time;
(b) Over a period of time;
(c) Relative to standardized and customized peer groups.

**IN NUMBERS**

**CDFI Banks have...**

3x higher percentage of Home Mortgage Disclosure Act (HMDA) reported lending in economically disadvantaged communities than the median percentage for All Banks in the country.

Out of every $100 dollars of HMDA lending, the median CDFI bank lends $45.84 to borrowers in economically disadvantaged communities. For All Banks, only $16.28 goes to such communities.

**CDFI Banks have...**

4x higher percentage of their branch locations in economically disadvantaged communities than the median percentage for All Banks in the country.

CDFI Banks have 66.67% of their branch locations in economically disadvantaged communities. All Banks have 16.67% of their branch locations in such communities.
The NCIF Social Performance Metrics and Development Impact Dashboard were created using the following logic.

**Methodology and Process**

**First**
Build The Case Using Public Data

In making the early case for social performance measurement, NCIF’s SPM was originally based solely on publicly available data.

**Public Data:**
- All 7,300 Banks

**Second**
Add On Privately Reported Data

As investors began to use SPM, mission-oriented institutions saw the value in providing additional private quantitative and qualitative data to NCIF to ensure a more robust measurement of the impact they generate.

**Data Reported:**
- All Lending
- Jobs Created
- Board & Staff Diversity

**Public Data:**
- All 7,300 Banks

**Private Data:**
- 23 Banks

**Third**
Refine Standards and Create Certifications

NCIF is continuously pushing to collect meaningful data and to refine impact measurement standards across the impact investing industry, and believes this effort will lead to standard certifications that investors can use to identify and allocate assets to the highest impact-generating institutions.

NCIF’s SPM creates a standard and a platform for future development in the conversion from measuring output to impact for financial institutions.

**Public Data:**
- All 7,300 Banks

**Private Data:**
- All CDFI Banks
- NCIF CDBI Banks

**Fourth**
End Goal

Finalize a reporting system and evaluation process that aligns with both the needs of the community development banking sector and the impact investing community.

Continue to move forward, expanding and refining the data that is collected in an effort to measure the true impact that a community development bank has on an underserved low- and moderate-income community.
The enclosed Dashboards represent a step forward in the effort to “Tell the Story” of the community development banking sector. However, to improve the visibility and effectiveness of this initiative, it is necessary for more collaboration to take place.

Collaboration with Investors: At this moment, it is critical to support the banking institutions that are serving the country’s most economically vulnerable communities. When investors use the NCIF Dashboard and Social Performance Metrics to invest money, there will be an increased incentive for CDFI Banks to collect and report on the impacts they generate. NCIF calls this the Virtuous Cycle of High Impact Investing.

Can investors route their equity, debt, and deposits to institutions that are rated high on these metrics?

Collaboration among CDFI Banks: This is the time to report to NCIF and participate in the Dashboard initiative. Only through strength in numbers can the CDFI Bank community increase its relevance and importance. By highlighting the tremendous impact our banks have in low- and moderate-income communities, the story and value of CDFI banking will be made clear to all investors, stakeholders, and regulators.

Can all CDFI Banks commit to providing comprehensive lending data for the creation of these metrics? This data includes all types of loans (Commercial Real Estate, Small Business, Commercial and Industrial, Consumer, Housing and Agricultural), along with their geographic information. Information will also need to be provided about education-related lending, environmentally-focused lending, and the number of jobs and housing units created through lending. As more data is reported, the metrics and benchmarks will be strengthened.

Collaboration at NCIF: NCIF understands the unique value and impact of CDFI Banks, and is therefore working with both investors and CDFI Banks to increase investment into the sector. NCIF will be working with this group, and will seek out feedback to enhance impact measurement and communication. NCIF is also working with software providers to make the data collection process simpler and cost effective.

Can CDFI Banks commit to participating in the Social Performance Metrics Leadership Group? NCIF is volunteering time and money to support the development of a platform for the collection of data; CDFI Banks need to participate in this development process, with a commitment of time and money.
UNDERSTANDING THE
Development Impact Dashboard

NCIF would like to thank the 23 institutions that have participated in this Dashboard publication. This number represents 44% growth from 2010 participation. It is important to note that 22 of these institutions are certified CDFI Banks (this represents 25% of the total CDFI Bank sector) and therefore have a demonstrated mission of community development. To highlight this fact, the median CDFI bank score for DLI-HMDA is 45.84% and for DDI, the median score is 66.67%. Not only are these values squarely in Quadrant 1, but they are also respectively in the 84th and 87th percentiles on these measures for all banks in the country. Clearly, the CDFI banking universe contains the highest performers in these measures, and by using the Dashboard, it is easy to differentiate between an institution that is mission-oriented and one that is not.

NCIF has structured the Dashboard in the following fashion.

Page 1
Contains primarily quantitative impact data, specifically each institution’s scores on the core Social Performance Metrics and the institution’s location on the Quadrant chart relative to three peer groups (CDFI Banks, All Banks, and the ten largest banks in the country). Included in this presentation is the institution’s percentile rank on each measure as compared to all domestic banks. Also included on Page 1 is NCIF analysis on the bank’s entire lending portfolio. For some institutions we have multiple years of data, for others, just one. NCIF is highlighting the overall Development Lending Intensity (not just for HMDA-related loans) as well as the dollar amount of lending that the institution is directing towards low- and moderate-income areas since the time the institution started reporting the information to NCIF.

Page 2
Contains summary financial information for the past five calendar years along with comparative data on the CDFI Bank median for each datapoint. In addition, Page 2 contains narrative information on the background of the institution and responses to the Model CDBI Framework questionnaire. While the Social Performance Metrics and Development Lending analysis tell a quantitative story, the Model CDBI Framework allows the bank to tell the qualitative impact story. Included here are responses about the bank’s products and services, and about how the bank serves the specific needs of its economically disadvantaged service area.

NOTE: All self-reported private lending data is, by definition, “self-reported” and its accuracy has not been verified by NCIF. The qualitative information is also self-reported and not verified by NCIF. However, given our unique knowledge of the sector, we are able to identify any major discrepancies and work with the institutions to resolve them on a case-by-case basis.
A growing community of impact investors is actively supporting institutions and organizations that provide social impact as well as financial returns. The Development Impact Dashboard is an effort to “Tell the Story” of CDFI Banking to all stakeholders. In order to enhance the CDFI Bank Industry’s efforts to Tell the Story, the sector must expand the data it is collecting. In doing so, the industry will be better positioned to access the growing funding available for impact investments.

NCIF has been in discussions with both CDFI Bank leaders and other stakeholders to determine which additional datapoints need to be collected to continue to building upon the Development Impact Dashboard. To the right is a partial list of quantitative and qualitative impact-related terms and metrics increasingly utilized within the impact investing community.

**Datapoints to Consider**

**Quantitative Data**
- All Lending Data (Commercial Real Estate, Housing, Small Business, Commercial and Industrial, Consumer, and Agricultural)
- Number of Jobs Created and Retained
- Individuals and Organizations Receiving Financial Training or Assistance
- Diversity of Board Membership
- Number of Housing Units Financed
- Number of Small Businesses Financed
- Value of Community Facilities Financed
- Environmental Performance

**Qualitative Analysis**
- Impact Stories and Anecdotes
- Community Service Contributions

**Call to Action**
Please suggest new datapoints that:

A) Are being required by investors prior to providing funding;

B) Are being used by CDFI Banks in telling their story to the CDFI Fund, public sector, and other stakeholders;

C) Can enhance the presentation of the Development Impact Dashboard.

2011 Dashboard includes these data points.
Cheryl L. Cebula, President, CEO & COO Albina Community Bank, OR

Our Bank Participates in the NCIF Development Impact Dashboard to...

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Debbie Wright, Chairman & CEO Carver Federal Savings Bank, NY

Brian E. Argrett, President & CEO City First Bank of D.C., NA

Alfonso Lau, President & CEO First American International Bank, NY
...showcase our institution's impact in serving the credit and depository needs of the communities that we serve. As proof of this FTB falls in the High-Performance Quadrant 1 of the Social Performance metrics.

Neill Wright, President & CEO
First Tuskegee Bank, AL

...highlight that the Bank ranks in the 88th Percentile nationally on both lending and branch locations in low- and moderate-income communities.

Alden J. McDonald Jr., President & CEO
Liberty Bank & Trust Company, LA

...highlight our innovative products, including a small dollar loan program that we are piloting to serve the needs of our customers.

Jeffrey Lacey, President & Chief Banking Officer
Merchants and Farmers Bank, MS

...highlight our work serving underserved and low-income communities.

Peter F. Hurst Jr., Chairman, President & CEO
The Community’s Bank, CT

...highlight that the bank is located in the High-Performing Quadrant 1 of the NCIF Social Performance Metrics.

William M. Farrow III, President & CEO
Urban Partnership Bank, IL

...highlight that the bank is located in the High-Performing Quadrant 1 of the NCIF Social Performance Metrics.

B. Doyle Mitchell Jr., President & CEO
Industrial Bank, DC

...highlight our full range of community and economic development work

Kathryn Ann Taylor, Co-Chair & CEO
One Pacific Coast Bank, CA

...highlight our work serving underserved and low-income communities.

Joseph L. Haskins Jr., Chairman, President & CEO
The Harbor Bank of Maryland, MD

...highlight that 100% of the Bank’s Small Business Lending is targeted to low- and moderate-income communities.

Evelyn F. Smalls, President & CEO
United Bank of Philadelphia, PA

...maximize the impact of our small business lending to build long term success for our customers, our community, and our new bank.

William M. Farrow III, President & CEO
Urban Partnership Bank, IL.
**National Community Investment Fund (NCIF)** is a non-profit private equity trust fund established in 1996 to invest private capital in banks around the country that have a mission of economic and community development. NCIF is the largest investor of equity in CDFI Banks (by numbers) in the country and has provided thought leadership by developing its proprietary Social Performance Metrics methodology – a tool that enables investors to measure the social and economic development impact of CDFI Banks. It is also focused on strengthening the capacity of both investee and other development-focused banks. Total assets under management are approximately $150 million, including $128 million of NMTC allocations.

Please visit our website for more information.

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### Relevance to CDBIs

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<th>NCIF Role</th>
<th>Social Performance Metrics</th>
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<tr>
<td>Patient common stock investor, strategic preferred investor.</td>
<td>Creating standards for social and community development impact measurement to support the sector.</td>
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<tr>
<td>Facilitating acquisition of deposits from socially responsible and mainstream investors into CDBIs that target more resources in low- and moderate-income areas.</td>
<td>Using NMTC allocation to assist CDBIs in garnering more earning assets; also enabling syndications among minority and CDBI banks.</td>
</tr>
<tr>
<td>Best practices in governance, risk management, capital raising, customer segmentation, impact measurement, and new technologies.</td>
<td>Providing timely and comprehensive research on the sector, peer group information and other relevant analysis.</td>
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<tr>
<td>Promoting the impact generated by CDBIs in low- and moderate-income communities within rural and urban America.</td>
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