

# DEVELOPMENT IMPACT DASHBOARDS

## NCIF SOCIAL PERFORMANCE METRICS

*Telling the Story*



LEVERAGING CAPITAL FOR CHANGE<sup>SM</sup>

[WWW.NCIF.ORG](http://WWW.NCIF.ORG)

## 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.

Cheryl L. Cebula, President, CEO & COO, Albina Community Bank, OR  
Wayne-Kent A. Bradshaw, President & CEO, Broadway Federal Savings Bank, CA  
Debbie Wright, Chairman & CEO, Carver Federal Savings Bank, NY  
Deborah A. Cole, President & CEO, Citizens Savings Bank and Trust Co.  
Cynthia N. Day, President & CEO, Citizens Trust Bank, NA  
Brian E. Argrett, President & CEO, City First Bank of D.C., NA  
Preston D. Pinkett III, President & CEO, City National Bank of New Jersey, NJ  
Jane N. Henderson, President & CEO, Community Capital Bank of Virginia, VA  
Guillermo Diaz Rousselot, President & CEO, Continental National Bank of Miami  
Alfonso Lau, President & CEO, First American International Bank, NY  
Neena Bansil, President & CEO, First Choice Bank, CA  
Andy Salk, Vice Chairman, President & CEO, First Eagle Bank, IL  
Neill Wright, President & CEO, First Tuskegee Bank, AL  
Norman J. Williams, Chairman & CEO, Illinois-Service Federal Savings & Loan, IL  
B. Doyle Mitchell Jr., President & CEO, Industrial Bank, DC  
Alden J. McDonald Jr., President & CEO, Liberty Bank & Trust Company  
Hugh S. Potts Jr., Chairman & CEO, Merchants and Farmers Bank, MS  
Tom L. Dobyns, CEO, Mission Community Bank  
Kathryn Ann Taylor, Co-Chair & CEO, One PacificCoast Bank, CA  
Peter F. Hurst Jr., Chairman, President & CEO, The Community's Bank, CT  
Joseph L. Haskins Jr., Chairman, President & CEO, The Harbor Bank of Maryland, MD  
Evelyn F. Smalls, President & CEO, United Bank of Philadelphia  
William M. Farrow III, President & CEO, Urban Partnership Bank, IL

# INTRODUCTION

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:

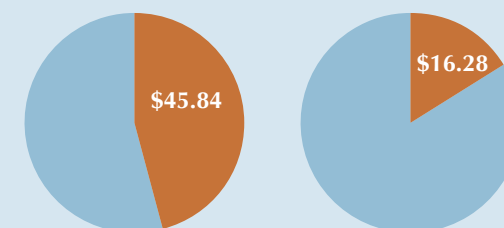
- (a) As of a point in time;
- (b) Over a period of time;
- (c) Relative to standardized and customized peer groups.

## 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.



CDFI Banks

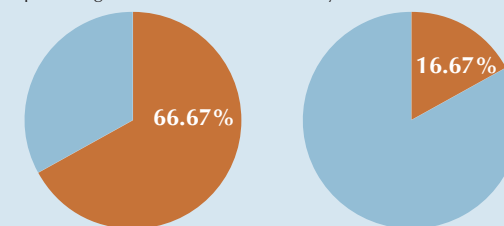
All Banks

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.

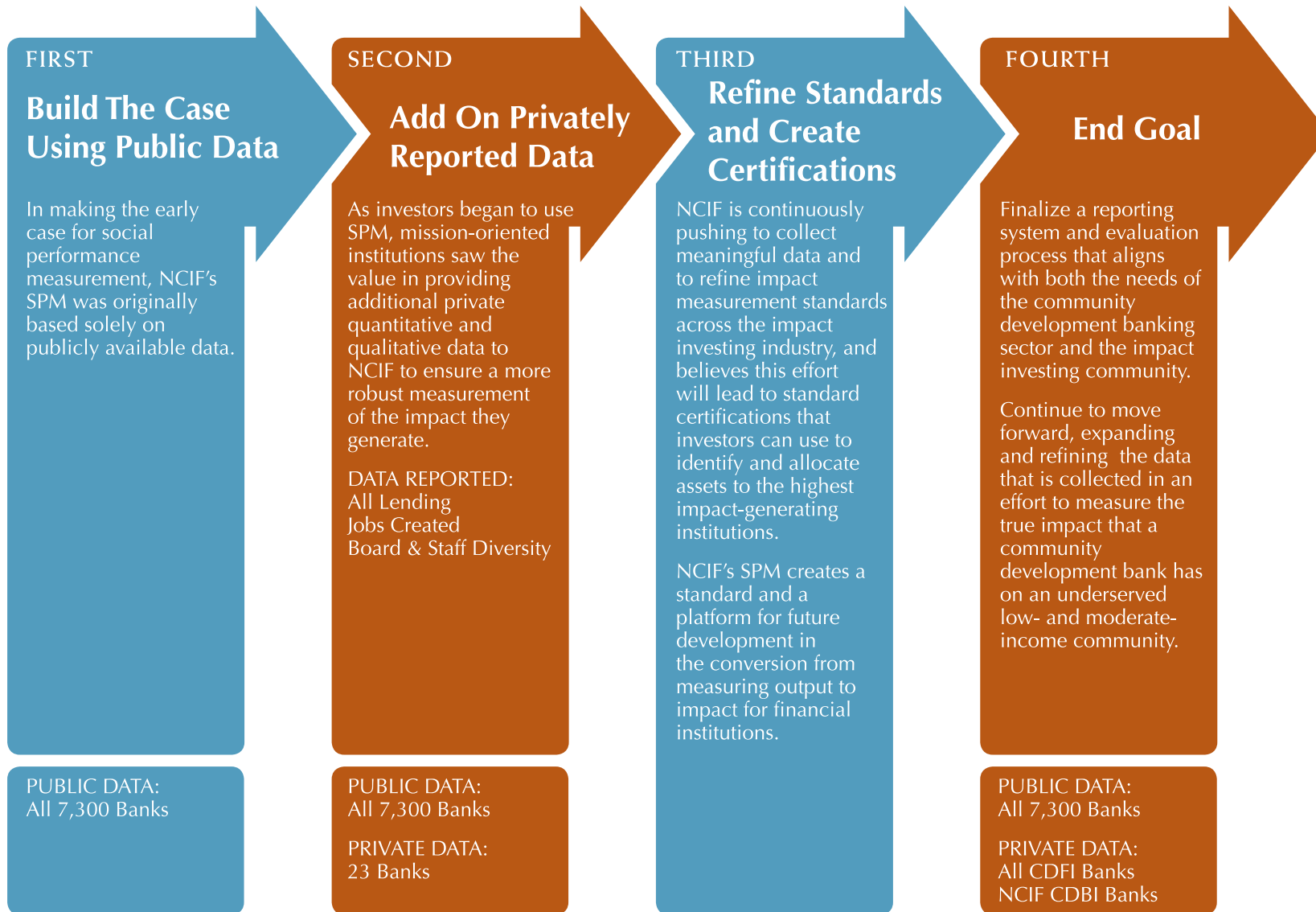


CDFI Banks

All Banks

## METHODOLOGY AND PROCESS

The NCIF Social Performance Metrics and Development Impact Dashboard were created using the following logic.



## THE WAY FORWARD

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.

### Call to Action

**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.

### Call to Action

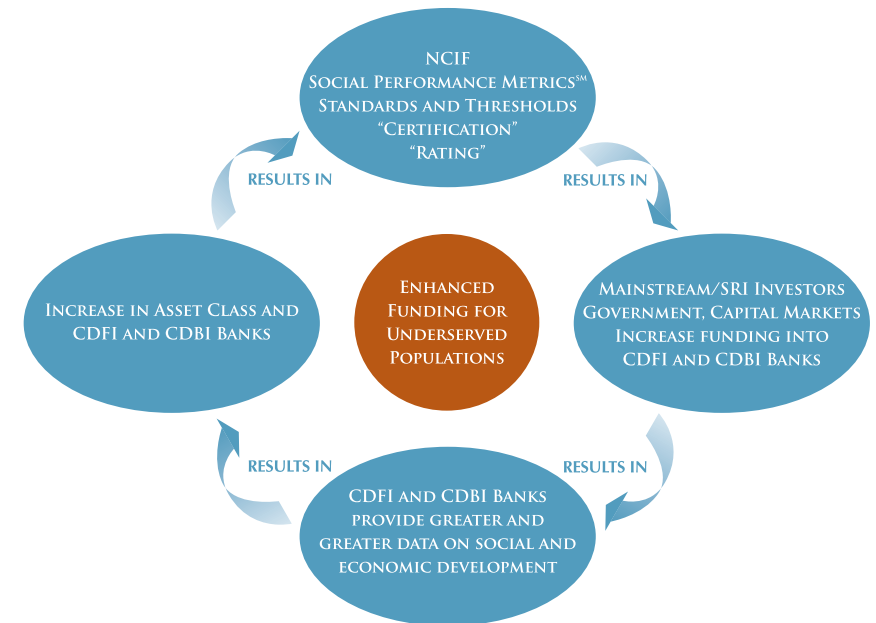
**Can all CDFI Banks commit to providing comprehensive lending data for the creation of these metrics?** This data includes all types of loans (Commercial Real Estate, Small Business, Commercial and Industrial, Consumer, Housing and Agricultural), along with their geographic information. Information 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.

### Call to Action

**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.

## The Virtuous Cycle of High Impact Investing



## 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.

### IN NUMBERS

49.23%

The percentage of the 65 HMDA reporting CDFI Banks that are located in the High-Performing Quadrant 1.

\$1.44 Billion

The total amount of HMDA reported lending to borrowers in low- and moderate- income communities made by CDFI Banks in the past two years.

\$5.13 Billion

The total amount of all lending (Commercial Real Estate, Housing, Small Business, Commercial and Industrial, Consumer and Agricultural loans) by NCIF reporting banks since 1998.

9,758

The number of individuals who received technical assistance and financial counseling from Dashboard reporting institutions during 2011.

31,329

The number of lending customers for all Dashboard reporting institutions.

173,231

The number of transaction account customers for all Dashboard reporting institutions.

## ENHANCING THE DEVELOPMENT IMPACT DASHBOARD

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 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.

**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.

### 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

*2011 Dashboard includes these data points.*

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



...highlight the Bank's focus on building full service deposit and banking relationships that help contribute to the sustainability of our local Portland neighborhoods.

Cheryl L. Cebula, *President, CEO & COO*  
Albina Community Bank, OR



...highlight that a majority of the bank's lending is targeted to low- and moderate-income communities.

Wayne-Kent A. Bradshaw, *President & CEO*  
Broadway Federal Savings Bank, CA



...demonstrate the overall impact of products and services within our community. NCIF provides us a channel to showcase Carver Community Cash, our new suite of products tailored to meet the needs of our unbanked and underbanked customers.

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



...highlight that 99.5% of the Bank's Commercial Real Estate lending is in low- and moderate-income communities.

Deborah A. Cole, *President & CEO*  
Citizens Savings Bank and Trust Co., TN



...show that our bank is part of the community. The bank that knows its customers, and knows the community it serves, is invaluable.

Cynthia N. Day, *President & CEO*  
Citizens Trust Bank, NA, GA



...highlight the 2,863 jobs created and retained by our borrowers since we started serving our community.

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



...highlight that 100% of the Bank's branch locations are located in low- and moderate-income communities.

Preston D. Pinkett III, *President & CEO*  
City National Bank of New Jersey, NJ



...highlight the innovative ways we work with partners to generate positive community impact.

Jane N. Henderson, *President & CEO*  
Community Capital Bank of Virginia, VA



...highlight that since 2007 the bank has originated over \$772 million in lending to low- and moderate-income communities.

Alfonso Lau, *President & CEO*  
First American International Bank, NY



...highlight that our bank is in the 95th Percentile when it comes to lending in low- and moderate-income communities.

Neena Bansil, *President & CEO*  
First Choice Bank, CA



...highlight the many ways that we work to support our local communities.

Andy Salk, *Vice Chairman, President & CEO*  
First Eagle Bank, IL





*...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 is solidly in the High-Performing Quadrant 1 of the NCIF Social Performance Metrics.*

Norman J. Williams, Chairman & CEO  
Illinois-Service Federal Savings & Loan, 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 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 that the bank's \$183 million in development lending over the past five years is necessary in creating local jobs.*

Tom L. Dobyns, CEO  
Mission Community Bank, CA



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

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



*...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.*

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

## ABOUT NATIONAL COMMUNITY INVESTMENT FUND

NATIONAL COMMUNITY INVESTMENT FUND	RELEVANCE TO CDBIS	NCIF ROLE
	Making common and preferred investments	Patient common stock investor, strategic preferred investor.
	Facilitating inflow of deposits and operating accounts	Facilitating acquisition of deposits from socially responsible and mainstream investors into CDBIs that target more resources in low- and moderate- income areas.
	Helping book loans	Using NMTC allocation to assist CDBIs in garnering more earning assets; also enabling syndications among minority and CDBI banks.
	Social Performance Metrics	Creating standards for social and community development impact measurement to support the sector.
	NCIF Network of CDBIs	Best practices in governance, risk management, capital raising, customer segmentation, impact measurement, and new technologies.
	Research	Providing timely and comprehensive research on the sector, peer group information and other relevant analysis.
	Advocacy	Promoting the impact generated by CDBIs in low- and moderate- income communities within rural and urban America.

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.

### NCIF TEAM

Saurabh Narain, *Chief Executive*  
snarain@ncif.org

Joe Schmidt, *Vice President, Investments and Research*  
jschmidt@ncif.org

Joe Mroczek, *Manager, Operations and Control*  
jmroczek@ncif.org

Alice Geglio, *Associate, Analysis and Communications*  
ageglio@ncif.org



LEVERAGING CAPITAL FOR CHANGE<sup>SM</sup>

WWW.NCIF.ORG



135 SOUTH LA SALLE STREET, SUITE 2040 · CHICAGO, ILLINOIS 60603 · [WWW.NCIF.ORG](http://WWW.NCIF.ORG)

THIS REPORT HAS BEEN PREPARED FOR THE GENERAL INFORMATION OF COMMUNITY DEVELOPMENT BANKING INSTITUTIONS AND THOSE WHO HAVE AN INTEREST IN THE SERVICES THAT THEY PROVIDE. IT IS NOT INTENDED TO BE RELIED UPON BY ANY PARTY WHO IS CONSIDERING MAKING A DEPOSIT OR INVESTMENT IN A COMMUNITY DEVELOPMENT BANKING INSTITUTION. WHILE NCIF STRIVES FOR ACCURACY, NCIF DISCLAIMS ANY RESPONSIBILITY FOR THE ACCURACY OF THE INFORMATION SET FORTH HEREIN.