NCIF NATIONAL COMMUNITY INVESTMENT FUND

LEVERAGING CAPITAL FOR CHANGE

The CDFI Banking Sector:
2008 Annual Financial and Social Performance

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I. Introduction

City First Bank is the Washington DC region's only commercial bank focused solely on community development. Located in an economically challenged community, City First is a market leader in the financing of startup and small disadvantaged businesses, affordable housing development, and community facilities. As a community development financial institution, (CDFI), the Bank provides a unique set of banking products and services designed to help people create new businesses, new jobs, schools, affordable housing and operate nonprofits that strengthen communities. Each year, between 75% - 85% of its loans serve low wealth communities.

As a three time awardee of New Markets Tax Credit (NMTC) authority, City First has become an industry leader in financing large commercial deals that have transformed formerly neglected and underserved communities. One such transaction was the recent $21 million permanent financing of the Euphemia L. Haynes Public Charter School in Washington, DC. The partners in the deal were Nationwide Mutual Insurance Company as the equity investor and Boston Community Loan Fund provided the leveraged loan.

E. L. Haynes opened in 2004 and has become one of the premier charter schools nationwide. The E. L Haynes project is located in the Washington community of Petworth, near historic Howard University, a struggling community that is seeing its first significant commercial and residential development in over five decades The new facility is 46,000 square feet with 22 classrooms, a science lab, art room, music room, gym, and future roof top playground. The unique financing provided by the bank provided a 30 year, fixed rate permanent mortgage to the school. The financing allowed E. L. Haynes to:

- consolidate its teaching and administrative functions,
- increase student enrollment from 300 – 460 in the pre K – 8^{th} grade,
- accommodate the year long academic and enrichment activities of the school, and
- save an estimated $1 million annually in operating costs.

II. Executive Summary

During this recession, at a time when financial news is littered with stories about large money center banks that are cutting back on lending, it is necessary to highlight the community focused banks that remain dedicated to serving the needs of their neighborhoods. As the above story illustrates, City First Bank of DC, a certified Community Development Financial Institution (CDFI), is providing innovative products to generate economic opportunity in our nation's capital. This story is not unique to City First Bank of DC. All CDFI banks and thrifts use innovative products and services as well as various community partnerships to provide real, tangible community development impact. Whether it is the simple provision of savings and credit products to previously unbanked customers or the more complex work of partnering with various entities to finance and develop governmentally subsidized commercial project, CDFI banks and thrifts are social entrepreneurs, working diligently to build sustainable communities.

The National Community Investment Fund (NCIF) invests private capital in, and further supports depository institutions that increase access to financial services in underserved communities. Many of these institutions are certified as Community Development Financial Institutions by the Community Development Financial Institution Fund (the CDFI Fund). Started in 1994, the CDFI Fund was established to expand the capacity of financial institutions to provide credit, capital, and financial services to underserved populations and communities in the United States.

Certification as a CDFI indicates a strong mission and track record of creating economic opportunity for individuals, small businesses, and for providing essential community services. CDFIs are specialized financial institutions, and these institutions help bridge the growing U.S. financial services access gap by bringing capital and financial services to low-income people and communities, affording them access to capital to start and expand businesses, build and purchase homes, and develop needed community facilities.

As part of NCIF's mission of supporting these development oriented financial institutions, we are proud to present the *2008 Annual Financial and Social Performance of the CDFI Banking Sector*, highlighting and commemorating the growth and community development activity of CDFI banks.

The information contained in the following report outlines the commitment and activity that make CDFI banks attractive targets for socially responsible and mainstream investors that are interested in financial return, social performance and the building of sustainable communities. NCIF is also including summary Peer Group Data on CDFI banks, including averages and medians for the industry. We hope that you find this useful as you compare your institution's performance to other CDFI banks. For further information on CDFI banks and to learn more about NCIF, please visit www.ncif.org.

Highlights

There are currently 63 CDFI banks throughout the United States. This is an increase of 8 over the previous year. Like City First Bank of DC, the majority of these depositories are well-managed, profitable institutions with a business of serving the financial needs of the low income communities where they are located.

The CDFI Industry Continues to Grow and CDFI Banks are Well-Capitalized

- In 2008, the CDFI bank and thrift sector grew total assets by 19.0%; total loans by 4.4%; total deposits by 15.9% and total equity by 18.2%.
- As of December 31, 2008, the median Tier 1 Leverage Ratio for all CDFI Banks was 8.90% which is considered well-capitalized.

CDFI Banks are mostly Profitable

- In total, CDFI banks and thrifts earned $22.2 million in net income during 2008.
- As of December 31, 2008, the CDFI median net interest margin of 4.00% is above the all bank median of 3.77%.

CDFI Banks Exhibit Strong Social Performance

- In 2007, the last year where data is available, for the median CDFI bank, 60.9% of all home lending was located in low income communities. For all banks, the median was 15.8%.
- In 2008, the median CDFI bank operated 75.0% of its branches within low income communities. For all banks, the median was 5.9%.
- According to an NCIF Social Performance Metrics analysis presented on page 19 of this report, of the 39 CDFI banks that reported Home Mortgage Disclosure Act data for 2007, 27 of them are located in the "High-Performing" Quadrant 1.

CDFI Banks are Witnessing a Decrease in Asset Quality Due to the Recession

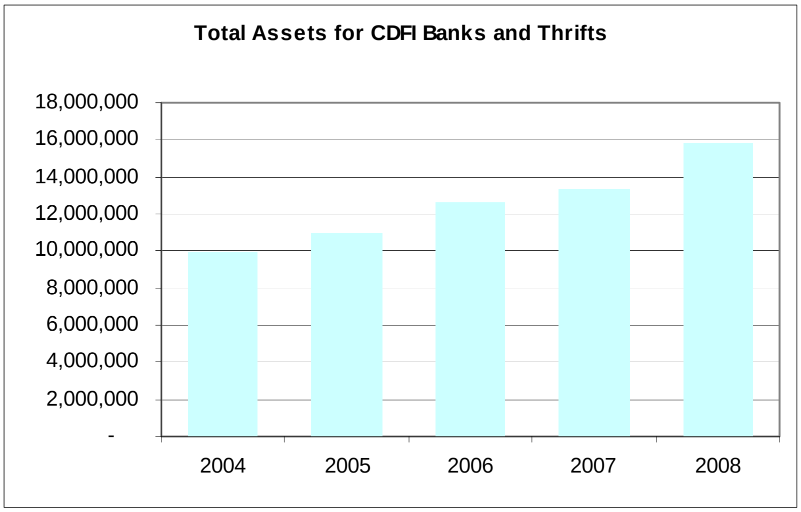
- Even though CDFI banks were responsible lenders, and were not involved in the exotic loan products that precipitated the economic downturn; the populations that they serve are economically vulnerable and are often the first to be impacted during a recession.
- At the end of 2008, the CDFI Banks and thrifts exhibited a median Noncurrent Loans to Total Loans Ratio of 3.30%. This represents a sizable deterioration over the 2007 year-end median of 2.20% and is above the median ratio for all banks with assets below $1 billion of 1.15%

III. Financial Performance of CDFI Banks & Thrifts

Both by number of institutions and total amount of assets, the CDFI Bank sector continues to grow. During 2007, there were 55 CDFI banks, and there are currently 63 active CDFI banks. These banks have experienced strong growth during the past five years.

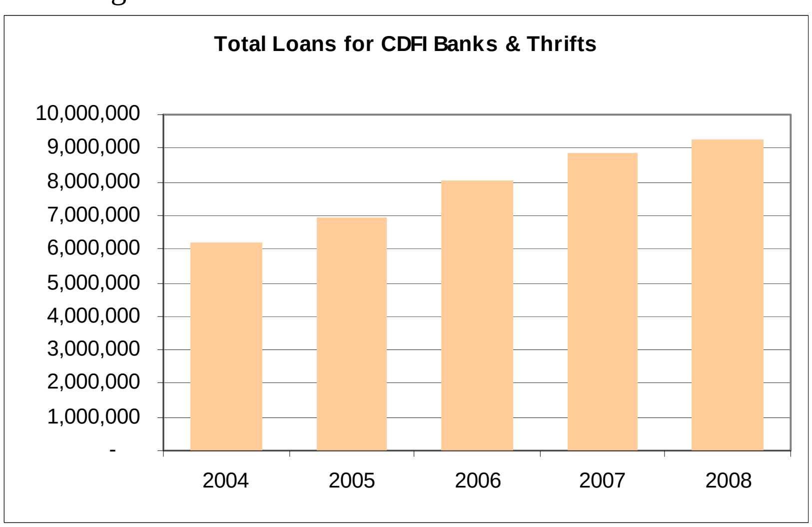
Total Assets

- In 2008, CDFI banks and thrifts grew total assets from $13.3 billion to $15.9 billion, an increase of 19.02%. Moreover, the compound annual growth rate for total assets for these 63 banks over the past five years is 9.9%.
- CDFI banks ranged from $10.6 million to $2.4 billion in asset size.
- The asset size of the average CDFI bank was $251.9 million. The median asset size was $142.6 million.



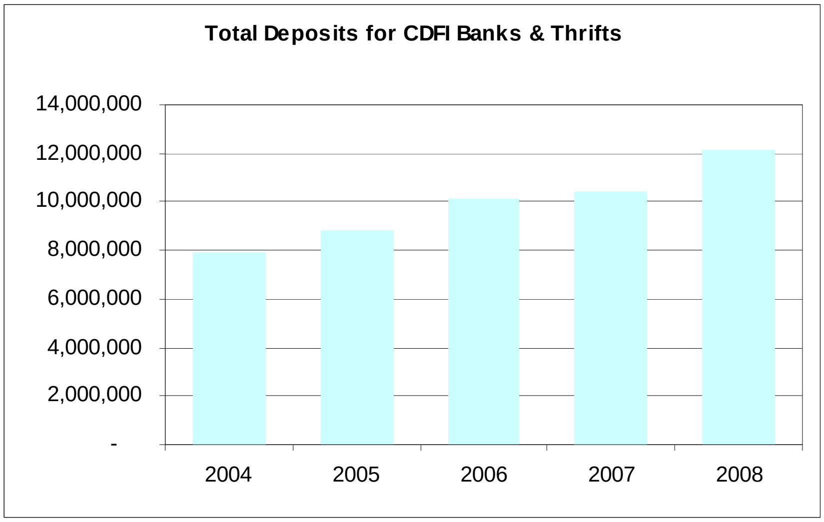
Total Loans

- In 2008, total loans within the sector grew from $8.8 billion to $9.2 billion, an increase of 4.4%. The compound annual growth rate over the previous five years equaled 8.3%.
- The largest loan level within an individual bank was $1.5 billion. The smallest portfolio was $2.9 million.
- On average, each CDFI bank has $172.3 million in loans outstanding. The median level of loans outstanding was $96.7 million.
- In 2008, the average CDFI bank had a loan to asset ratio of 68.4%.



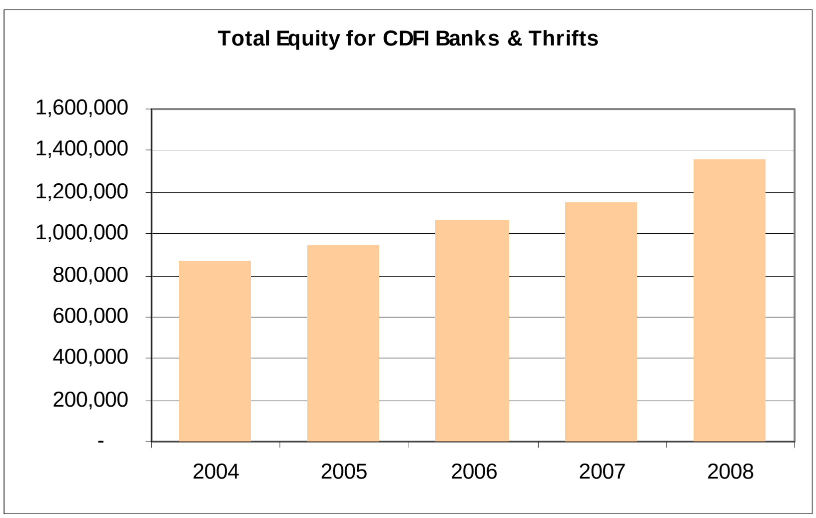
__Total Deposits__

- In 2008, deposits held at CDFI banks grew from $10.5 billion to $12.1 billion, an increase of 15.9%. The compound annual growth rate over the previous five years equaled 8.9%.
- On average, each CDFI bank held $192.3 million in deposits. The median bank held $110.6 million.
- CDFI banks typically operate with a higher non-core funding dependence than mainstream banks as CDFI banks are located in low wealth communities and are more reliant on socially responsible deposits to fund the institution's lending.
- Many CDFI banks are highly active in the CDARS program, using the service to allow existing customers to increase deposit volume while remaining insured.



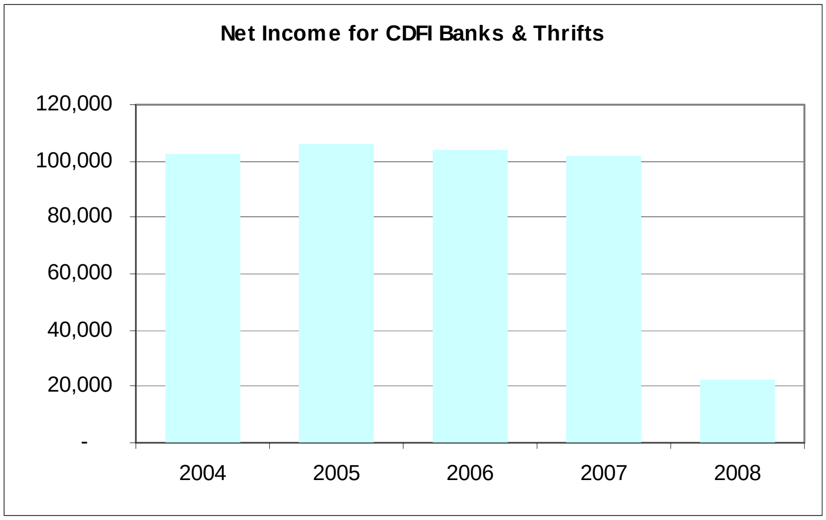
__Total Equity__

- In 2008, total equity for CDFI banks grew from $1.15 billion to $1.36 billion, an increase of 18.2%.
- The largest CDFI bank had $161.6 million in equity, while the smallest bank had $0.72 million in equity.
- On average, each CDFI bank held $21.5 million in equity, and the median CDFI bank held $15.3 million.



Net Income

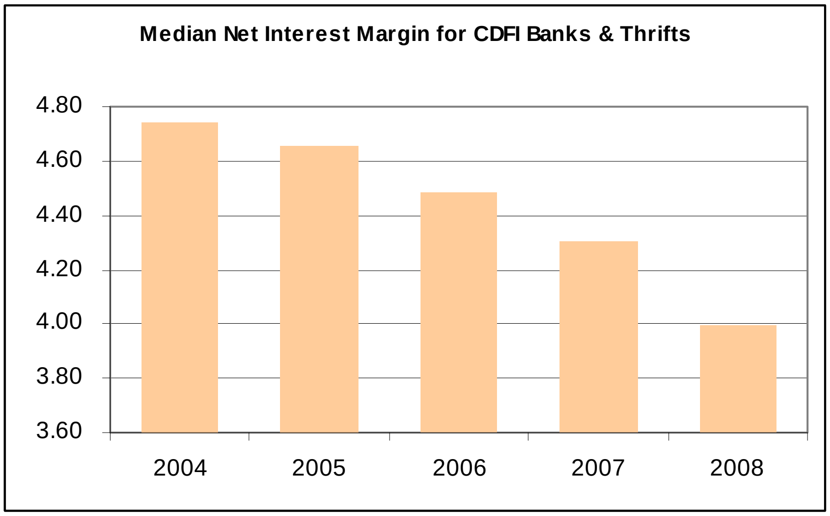
- Due to the economic downturn, the 63 CDFI banks and thrifts earned $22.2 million in net income during 2008. While the majority of the CDFI banks were profitable (63%), overall the year was difficult and the year end income level represented a 78.2% decrease from the previous year.
- Administered by the CDFI Fund, the Bank Enterprise Award (BEA) Program supports FDIC-insured financial institutions around the country that are dedicated to financing and supporting community and economic development activities. During 2008, the CDFI Banks received $15.3 million in BEA funding. Without this well-earned support, the CDFI banks would have earned just under $7 million in net income.



Performance & Condition Ratios

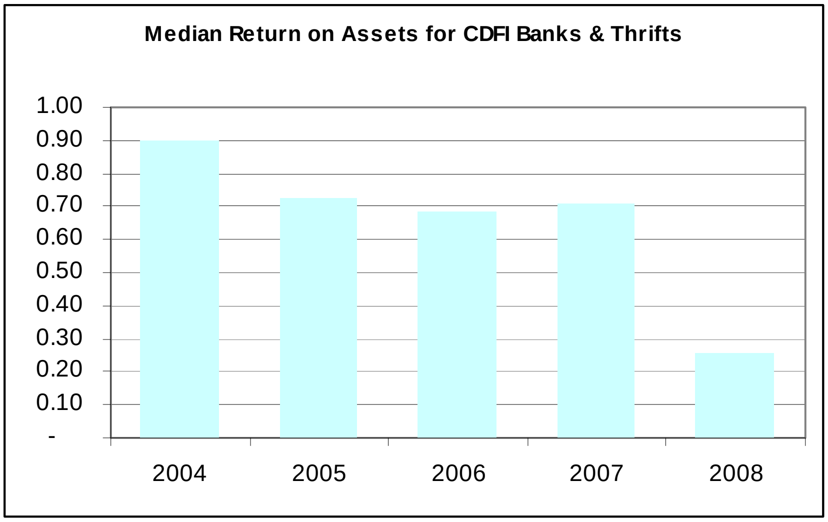
Net Interest Margin

- In 2008, the median net interest margin declined from 4.30% to 4.00%. However, this compares favorably to the all bank median of 3.77%.
- Since 2004, the median net interest margin for these 63 banks has declined from the 2004 high of 4.74% to 4.00%.



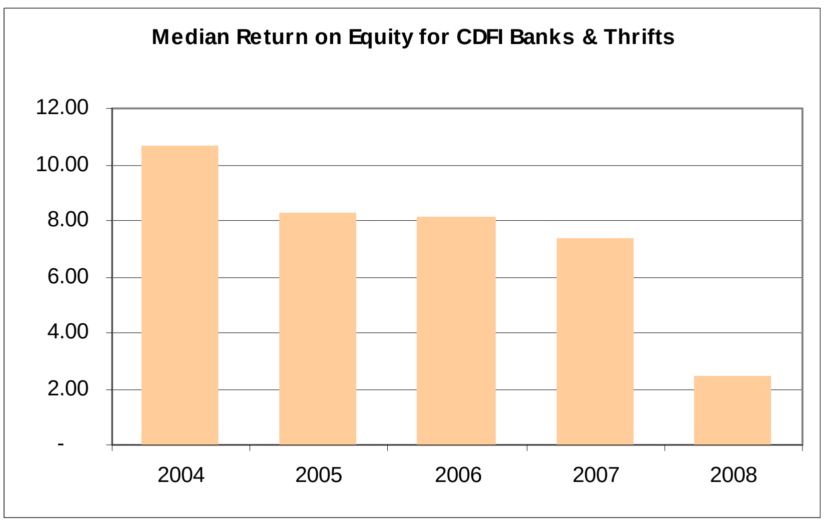
Return on Assets

- On the earnings side, the CDFI banks were negatively impacted by the economy in 2008 and the median return on assets decreased by 63%, from 0.71% to 0.26%, this is below the all bank median of 0.62%.
- Since the 2004 high of 0.90%, the return on assets has declined to a five-year low of 0.26%.



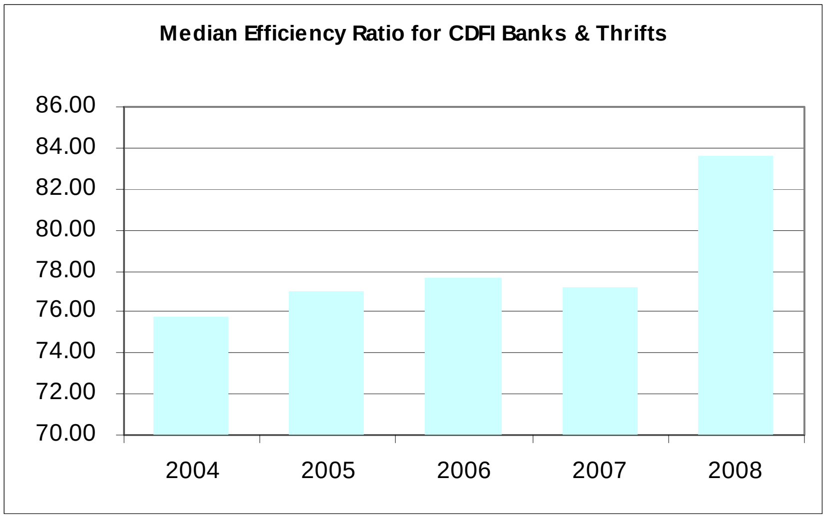
Return on Equity

- Return on equity fell by 66.2% in 2008, decreasing from 7.37% to 2.49%. As of 12/31/2008, the median return on equity for all banks was 5.67%.
- Since the 2004 high of 10.67%, the median return on equity has fallen to a five-year low of 2.49%.



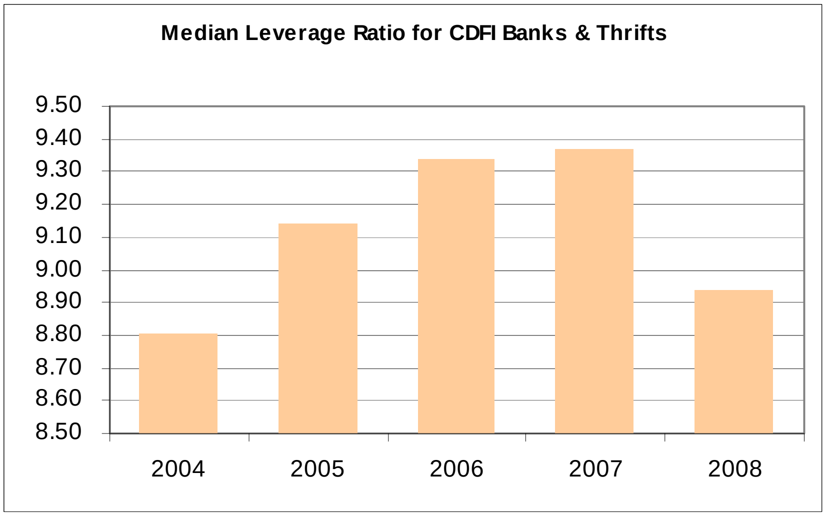
Efficiency Ratio

- The efficiency ratio ended 2008 at 83.58%, a large increase from the 2007 figure of 77.18%. The all bank median efficiency ratio increased to 70.91% as of year-end.
- After an overall improvement from 2003 to 2007, the median efficiency ratio has increased to its highest level in five years in 2008 at 83.58%. The best efficiency ratio was recorded in 2004 (75.79%).



Tier 1 Leverage Ratio

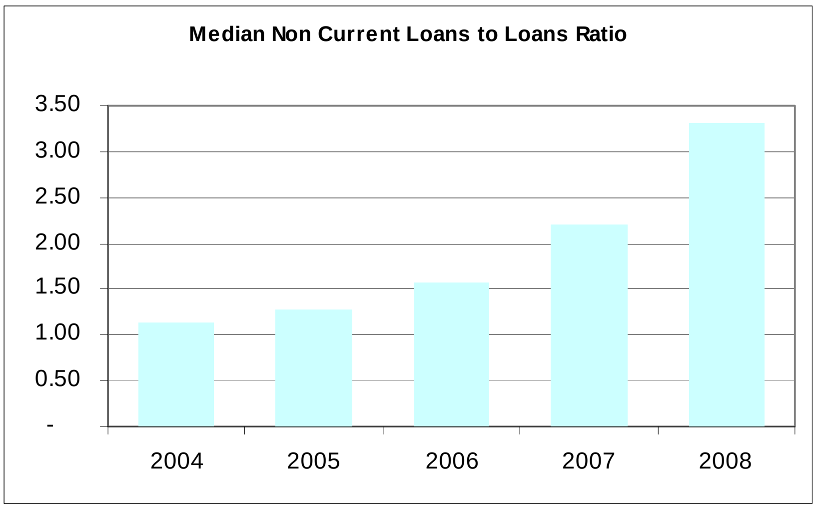
- The median leverage ratio decreased from 2007, from 9.37% to 8.94%. The median ratio for all banks was 9.43%.
- The median leverage ratio had increased each year since 2003 to a high of 9.37% in 2007, before decreasing to 8.94% in 2008.



Asset Quality

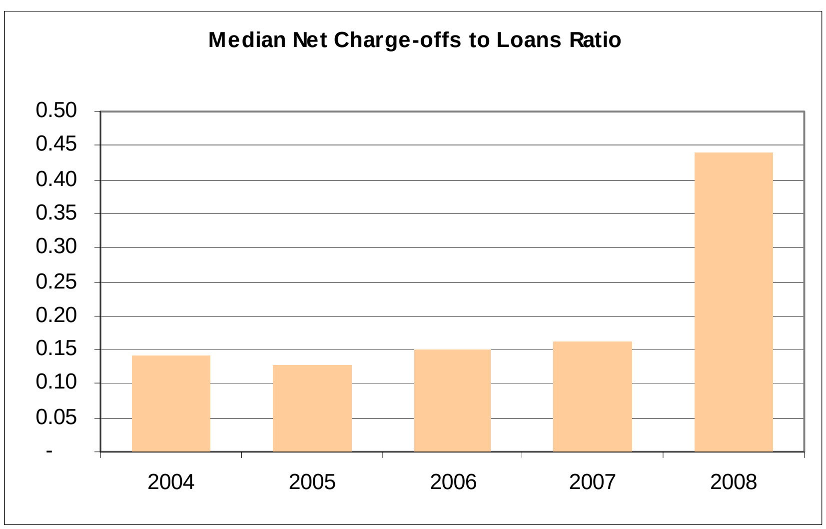
Noncurrent Loans to Total Loans

- Even though CDFI banks were responsible lenders, and most were not involved in the exotic loan products that precipitated the economic downturn; the populations that they serve are economically vulnerable and are often the first to be impacted during a recession.
- At the end of 2008, the CDFI Banks and thrifts exhibited a median Noncurrent Loans to Total Loans Ratio of 3.30%. This represents a sizable deterioration over the 2007 year-end median of 2.20% and is above the median ratio for all banks with assets below $1 billion of 1.15%



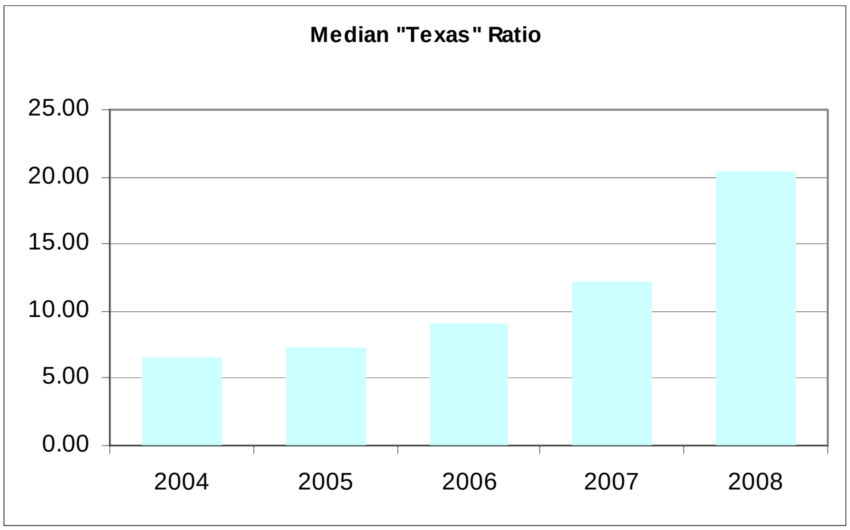
Net Charge-offs to Average Loans Ratio

- Similar to the Noncurrent Loans to Total Loans ratio; the median Net Charge-offs to Average Loans Ratio deteriorated from 0.16% to 0.44%. This is above the Net Charge-offs to Average Loans Ratio for all banks of 0.20%.



"Texas Ratio"

- The "Texas Ratio" was coined by analysts looking for potential bank failures while covering banks in the 1980s. The ratio is calculated by taking the total nonperforming assets, including loans 90 or more days delinquent, and dividing them by tangible total equity plus loan loss reserves. When the "Texas Ratio" is greater than 100%, the probability of bank failure is considered high.
- As the below table indicates, the recent recession has negatively impacted the median "Texas Ratio" for all CDFI banks. However, the 2008 median ratio of 20.35% is far from the 100% figure that indicates a high probability of bank failure.



These figures illustrate the dynamic role that CDFI banks play within their communities. Since CDFI banks are located in low income areas, areas that are easily impacted during tough economic times, it can be expected that delinquencies and net charge-offs will increase. As the data indicates, delinquencies are noticeably increasing while charge-offs are stable. This is likely due to the CDFI banks and their ability to mitigate risk by working with troubled borrowers to provide solutions that are workable for both bank and customer.

CDFI Banks are Poised to Weather the Current Recession

CDFI banks differ from large money-center banks in that CDFI banks are focused on providing the traditional banking products and services that are most needed within their economically disadvantaged service area, rather than in constructing the ever more exotic derivative products that contributed to the current economic downturn. CDFI banks are well suited to weather the economic downturn as they continue to offer traditional banking services; taking deposits and making loans in the communities that they serve. Also, while larger banks originated shaky mortgage loans only to sell them on the secondary market, many CDFI banks keep a majority of the loans that they originate on their books. This is a crucial distinction, as recent analysis shows that the securitization of mortgage loans has led to relaxed underwriting standards that in part contributed to the mortgage crisis. By having an ongoing relationship with the borrower and by performing a thorough underwriting, CDFI banks are operating under a time-tested business model that meets the double bottom-line of profitability and community development.

Since January 2008, less than 1 percent of all community banks have failed.[1] This is a direct result of the focus that these institutions have on the needs of their customer base. However, while CDFI banks were not engaged in the same aggressive and irresponsible activity of larger institutions, they are being adversely impacted by the economic downturn that was created. CDFI banks are located in and serve economically disadvantaged communities, and as the economy slows, these neighborhoods are some of the first to be hit. As the job losses mount, borrowers are finding it difficult to make their payments, and more and more CDFI banks are experiencing difficulty. As these asset quality problems continue, it is important to note that the CDFI banks have a strong track record of using the relationships that they have developed with borrowers to restructure troubled debt and to protect the borrowers' home as well as the bank's financial statement.

In sum, CDFI banks are generally safe and sound institutions, successful in mitigating risk and in the type of vanilla work that doesn't gather headlines, but that is profitable and secure. NCIF continues to work diligently to highlight the significant impact that these institutions have in their communities and to drive investment capital to these banks.

[1] New York Times Magazine, Rusty Cloutier has Money to Spare, May 17th, 2009

IV. Social Performance of CDFI Banks & Thrifts

While information on financial performance is readily available from the banking regulators, information pertaining to an institution's social performance is more difficult to gather. Since 1998, NCIF has worked to gather industry lending data and to create additional processes to evaluate social performance, the resulting tools, the *NCIF Social Performance Metrics*, the *Development Impact of NCIF Investees Report* and the *Model CDBI Framework* offer evidence as to the high level of social performance for CDFI Banks. These resources provide investors and interested stakeholders with information detailing the social performance of CDFI banks and thrifts, further showcasing the worth of these institutions as investment targets.

NCIF Social Performance Metrics

NCIF developed a measurement system that meaningfully assesses the social performance of depository institutions. The resulting NCIF Social Performance Metrics use publicly available data to detail the percentage of branch operations and home lending activity that a bank is engaged in within low income communities.

CDFI Bank Analysis

Using the two primary NCIF Social Performance Metrics (DLI-HMDA and DDI)[2], NCIF determined that, on average, CDFI banks strongly outperform peer groups composed of all domestic banks and the "Top-Ten" banks according to asset size.

As the data in Table 1 illuminates, the low income community focus of CDFI banks is substantial. It is observed that CDFI banks have an average DLI of 56.21% which is over 2.6 times greater than the average for "Top-Ten" banks and for all domestic banks. Similarly for DDI, it is observed that CDFI banks have an average DDI of 71.41% which is over 2.6 times greater than the average of all domestic banks. As further evidence of a focus on low to moderate income communities, for 2006, CDFI banks exhibited an average DLI-HMDA score of 62.7% while the average for all banks was only 20.8%. Also, the average 2006 DDI for CDFI banks was 74.5%, well above the all bank average of 28.2%.

Table 1: FY2007 NCIF Social Performance Metrics for Bank Subsectors (Average)

Sample	#	Average DLI-HMDA	Average DDI
CDFI Banks & Thrifts	63	57.5%	71.7%
Minority Depository Institutions	204	44.2%	53.9%
All Banks	8,314	21.3%	27.1%
Top 10 Banks (Assets)	10	19.1%	36.5%

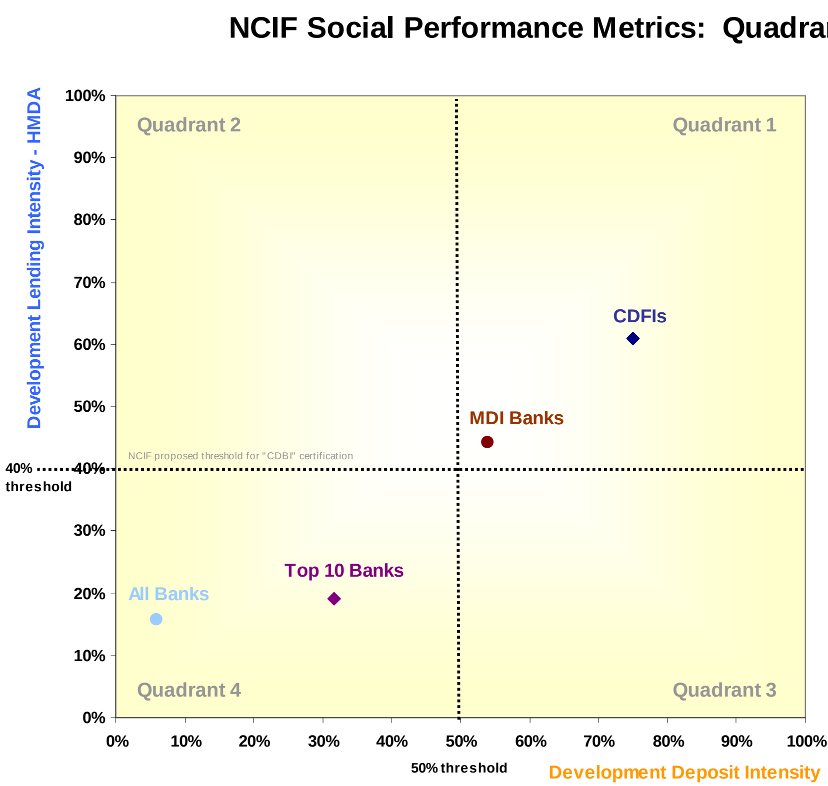
While it is possible to perform such one-to-one comparisons of peer groups using the NCIF Social Performance Metrics, NCIF created threshold levels for both DLI-HMDA and DDI that separate individual "high" performers from "low" performers. NCIF is proposing a threshold level of 40% for "High DLI-HMDA", a number that is approximately 2 times the average DLI-

[2] ***Development Deposit Intensity*** (DDI), the branch location metric, refers to the percentage of an institution's physical branch locations that are located in low to moderate income census tracts.
Development Lending Intensity – HMDA (DLI-HMDA), the housing loan metric, refers to the percentage of an institution's HMDA reported loan originations and purchases that are located in low to moderate income census tracts.1 Since this measure is solely based on housing lending, it is particularly relevant for banks that engage in a high-level of home lending.

HMDA for all banks in the country (21.3%). A possible use of this threshold is to say that 'a non-CDFI bank that has a DLI-HMDA greater than 40%, is likely to have a social mission either by choice or by virtue of its activities in low income areas.' Similarly for DDI, NCIF is proposing a threshold level of 50% to indicate "High DDI" and therefore making a statement about its low income service orientation.

Dividing the chart into quadrants according to the threshold values, NCIF can locate each domestic bank & thrift into one of the four quadrants. Quadrant 1 represents those institutions that score above the threshold value for both DLI-HMDA and DDI. By virtue of their lending activity and branch operations, these institutions display a high level of activity within low-income communities. Quadrant 2 is composed of those institutions that score above the DLI-HMDA threshold, but below the DDI threshold. Quadrant 3 is composed of those institutions that score above the DDI threshold, but below the DLI-HMDA thresholds. And Quadrant 4 is composed of those institutions that fall below both thresholds.

Chart 1: CDFI Bank Average Compared to Peer Groups



Development Lending Intensity (DLI-HMDA) is the percentage of a bank's lending activity in dollars that goes to borrowers that are located in low-income communities, initially calculated using information reported through the Home Mortgage Disclosure Act (HMDA). CDFI banks can calculate other forms of DLI through voluntary reporting. For example, DLI-CRE would calculate the LMI intensity of commercial real estate lending by the bank. These measures can be seen as a proxy for the Community Reinvestment Act (CRA) lending test.

Median DLI-HMDA	12/31/2007
CDFIs	60.92%
MDI Banks	44.20%
Top 10 Banks (by Assets)	19.22%
All Banks	15.76%

Development Deposit Intensity (DDI) is the percentage of a bank's branch locations that are located in low to moderate-income communities, calculated using information available through the FDIC Summary of Deposits database. This measure can be seen as a proxy for the CRA services test.

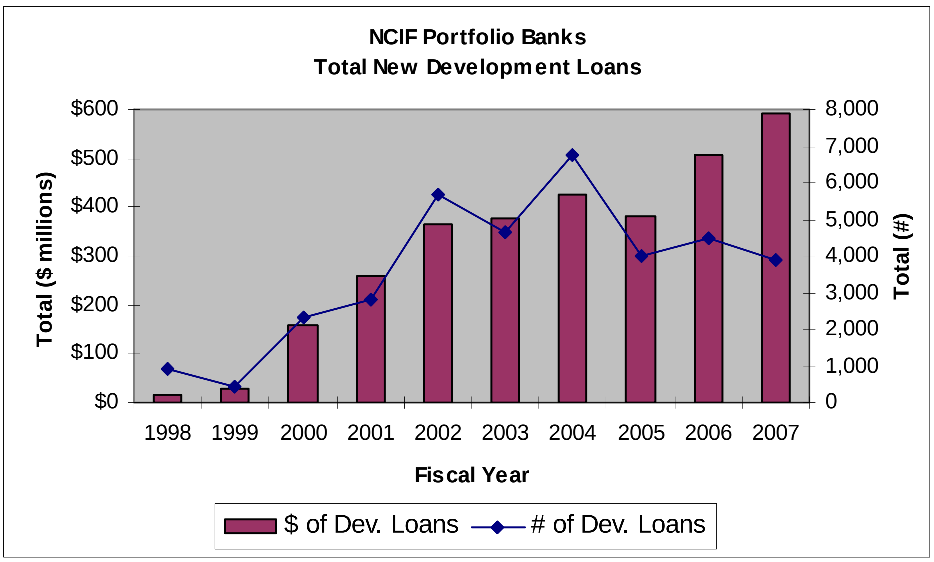
Median DDI	6/30/2008
CDFIs	75.00%
MDI Banks	53.90%
Top 10 Banks (by Assets)	31.67%
All Banks	5.88%

As Chart 1 illustrates, the CDFI peer group is squarely in high-performing Quadrant 1, while both the All Bank peer group and the "Top-Ten" bank peer group are located in the underperforming Quadrant 4. In fact, of the 39 CDFI banks that reported HMDA data for 2007, 27 of them are located in Quadrant 1.

NCIF Annual Development Impact of Investees

Each year, NCIF tracks and analyzes the total lending activity of institutions within its investment portfolio in an attempt to measure the dollar volume of lending that is being directed towards low income borrowers and low income communities. NCIF classifies these loans to underserved communities as "development loans," and while the institutions tracked via NCIF's efforts represent only a sample of the total number of CDFI banks, this analysis is illustrative as it provides an additional level of analysis that incorporates the entire lending portfolio for an institution.

Since 1998, when NCIF began this project, the banks and thrifts within NCIF's portfolio have originated 35,290 development loans totaling over $3.2 billion. More tellingly, for 2007, the average community development bank within the NCIF portfolio originated 322 development loans totaling $49.5 million. Also, as the below graph illustrates, every year except one has exhibited an increase in the dollar amount of development loans that the average institution is generating.



These CDFI banks and thrifts are growing their asset and loan levels and more and more of that money is being lent to low income borrowers and residents of low income communities.

V. Conclusion

The CDFI bank and thrift sector is growing and these institutions continue to be sound financial performers and superior social performers. For an investor that is interested in financial return, social performance and the strengthening of institutions within low income communities, CDFI banks offer a unique opportunity to invest in a regulated entity that acts as a social entrepreneur within low income areas.

As of 12/31/2008, there were over 8,314 banks and thrifts in the United States but only 63 of them are certified CDFIs. NCIF believes that there are hundreds of other institutions that are mission focused and could become certified in order to benefit from the programs of the CDFI Fund as well as the investment capital that is available to CDFI banks from other sectors. NCIF coined the term Community Development Banking Institution (CDBI) to refer to those institutions that "walk, talk and act" like CDFIs but are not certified by the federal government.

Using the NCIF Social Performance Metrics and the Model CDBI Framework, NCIF is working to identify high performing institutions to provide support and to bring them into the CDFI sector. To learn more about the community development banking sector, and to work with NCIF to identify high performing banks and thrifts within you area, please feel free to contact us. We also encourage you to visit www.ncif.org and to utilize our free searchable database tool that allows you to identify high performing banks and thrifts throughout the country.

Appendix

VI. CDFI Peer Group Financial Summary

	CDFI Peer Group Average	CDFI Peer Group Median
Total Assets	$ 238,877	$ 144,916
Total Deposits	$ 183,105	$ 119,323
Net Loans	$ 163,217	$ 95,557
Total Equity	$ 20,145	$ 15,328
Net Income	$ 478	$ 370
Tier 1 Leverage	10.25%	8.90%
Net Interest Margin	4.02%	4.00%
Return on Assets	-0.07%	0.26%
Return on Equity	0.72%	2.49%
Efficiency Ratio	89.43%	83.85%
Net Chargeoff Ratio	0.64%	0.38%
Non current Loan Ratio	3.91%	3.47%

* Data based on middle 55 CDFI institutions. Top and bottom 4 institutions discarded based on ROA.

VII. Listing of CDFI Banks & Thrifts

SUMMARY FINANCIAL INFORMATION FOR ALL CDFI BANKS & THRIFTS (as of 12/31/2008, sorted by Return on Assets)

#	Institution	State	Total Assets	Total Deposits	Net Loans	Total Equity	Net Income	Tier 1 Leverage	Net Interest Margin	Return on Assets	Return on Equity	Efficiency Ratio	Net Chargeoff Ratio	Non current Loan Ratio
1	Central Bank of Kansas City	MO	$ 168,333	$ 136,741	$ 125,837	$ 19,856	$ 3,345	10.91%	5.06%	2.13%	17.18%	59.18%	0.76%	2.61%
2	Inter National Bank	TX	$ 1,746,144	$ 1,379,304	$ 1,121,382	$ 149,395	$ 27,178	7.99%	4.34%	1.61%	20.50%	44.16%	0.12%	2.02%
3	Security State Bank of Wewoka, OK	OK	$ 74,753	$ 66,149	$ 47,702	$ 8,327	$ 1,196	10.80%	4.95%	1.60%	15.80%	52.57%	0.72%	3.56%
4	Community Development Bank, FSB	MN	$ 32,962	$ 25,760	$ 21,539	$ 4,986	$ 443	13.69%	3.62%	1.39%	9.38%	51.54%	0.44%	7.75%
5	Guaranty Bank and Trust Company	MS	$ 491,797	$ 389,014	$ 377,096	$ 40,159	$ 6,290	8.20%	4.31%	1.32%	16.03%	59.64%	0.68%	1.44%
6	The First National Bank of Davis	OK	$ 72,508	$ 48,250	$ 40,152	$ 7,542	$ 934	8.94%	3.92%	1.30%	13.84%	58.05%	1.29%	3.79%
7	University National Bank	MN	$ 120,304	$ 86,185	$ 95,432	$ 13,661	$ 1,527	11.35%	4.90%	1.28%	11.13%	66.80%	1.13%	4.92%
8	Pan American Bank	IL	$ 88,144	$ 77,659	$ 44,861	$ 7,233	$ 789	11.84%	3.09%	1.27%	13.48%	78.64%	-0.09%	0.00%
9	Southern Bancorp Bank of Arkansas	AR	$ 201,285	$ 171,725	$ 121,718	$ 18,689	$ 1,966	7.70%	4.00%	0.98%	10.68%	66.44%	0.10%	0.79%
10	Southern Bancorp Bank, National Assoc.	AR	$ 205,490	$ 168,650	$ 105,903	$ 24,215	$ 1,889	9.43%	4.34%	0.94%	7.78%	66.75%	1.63%	4.43%
11	Seaway Bank and Trust Company	IL	$ 363,523	$ 315,295	$ 194,662	$ 36,243	$ 3,286	10.11%	3.73%	0.94%	9.30%	79.70%	0.35%	5.51%
12	Liberty Bank and Trust Company	LA	$ 373,867	$ 337,160	$ 171,819	$ 28,159	$ 3,141	7.49%	5.23%	0.87%	11.89%	78.51%	0.90%	3.48%
13	Park Midway Bank, National Association	MN	$ 259,043	$ 212,429	$ 203,776	$ 22,954	$ 2,133	9.03%	4.49%	0.86%	9.37%	64.79%	1.25%	1.72%
14	Pacific Global Bank	IL	$ 167,516	$ 138,224	$ 145,445	$ 15,562	$ 1,360	9.32%	3.98%	0.84%	9.26%	58.35%	0.07%	1.42%
15	Broadway Federal Bank, F. S. B.	CA	$ 405,342	$ 294,067	$ 358,160	$ 33,468	$ 2,868	8.25%	3.99%	0.74%	9.73%	64.10%	0.06%	0.77%
16	Mission Valley Bank	CA	$ 238,039	$ 180,195	$ 190,232	$ 24,293	$ 1,533	10.33%	4.80%	0.72%	7.91%	77.27%	0.31%	0.03%
17	Community Commerce Bank	CA	$ 393,077	$ 265,484	$ 321,198	$ 31,775	$ 2,391	8.33%	3.94%	0.67%	7.55%	67.22%	0.11%	3.83%
18	Fort Gibson State Bank	OK	$ 57,776	$ 52,053	$ 33,351	$ 3,902	$ 381	6.45%	4.98%	0.65%	9.97%	75.51%	0.46%	0.28%
19	International Bank of Chicago	IL	$ 182,710	$ 161,770	$ 123,175	$ 16,177	$ 1,078	8.90%	3.17%	0.63%	7.06%	79.03%	0.00%	1.16%
20	Bank of Cherokee County	OK	$ 95,070	$ 84,629	$ 66,652	$ 6,940	$ 562	7.34%	4.49%	0.59%	8.72%	77.28%	0.25%	1.42%
21	Premier Bank	IL	$ 342,644	$ 228,882	$ 195,697	$ 17,862	$ 1,828	6.52%	2.74%	0.58%	10.13%	58.96%	1.01%	3.30%
22	Highland Community Bank	IL	$ 111,602	$ 90,526	$ 70,183	$ 11,820	$ 620	8.97%	4.43%	0.57%	5.57%	89.51%	0.25%	11.58%
23	Mechanics & Farmers Bank	NC	$ 270,326	$ 217,432	$ 205,611	$ 25,280	$ 1,451	8.90%	4.21%	0.55%	5.82%	98.27%	0.25%	2.57%
24	Southern Bancorp Bank	MS	$ 168,500	$ 119,323	$ 102,075	$ 20,188	$ 895	9.42%	3.90%	0.53%	4.31%	79.41%	0.29%	0.96%
25	Industrial Bank	DC	$ 363,881	$ 260,823	$ 206,867	$ 22,234	$ 1,695	7.53%	4.52%	0.49%	6.71%	87.04%	0.38%	4.29%
26	City National Bank of New Jersey	NJ	$ 494,390	$ 407,149	$ 268,373	$ 32,360	$ 1,869	6.78%	3.36%	0.40%	6.32%	68.74%	0.27%	3.16%
27	Citizens Trust Bank	GA	$ 347,751	$ 282,132	$ 210,305	$ 33,361	$ 1,207	9.80%	4.40%	0.35%	3.66%	79.69%	0.30%	7.53%
28	Citizens Bank and Trust Co. of Chicago	IL	$ 84,788	$ 78,974	$ 63,141	$ 5,434	$ 254	6.92%	3.83%	0.34%	4.93%	89.10%	-0.07%	14.44%
29	Tri-State Bank of Memphis	TN	$ 119,722	$ 96,576	$ 85,265	$ 15,328	$ 379	12.33%	5.02%	0.31%	2.49%	86.28%	0.35%	6.72%
30	Citizens Savings Bank and Trust Co.	TN	$ 68,990	$ 59,165	$ 59,345	$ 7,501	$ 202	10.55%	4.50%	0.28%	2.68%	83.58%	0.55%	2.75%
31	City First Bank of D.C., NA	DC	$ 142,635	$ 106,348	$ 95,557	$ 18,767	$ 370	12.93%	4.11%	0.26%	2.00%	90.58%	0.15%	1.79%
32	Legacy Bank	WI	$ 226,267	$ 189,766	$ 177,019	$ 19,243	$ 531	8.55%	3.57%	0.26%	3.06%	63.60%	0.33%	5.44%

#	Institution	State	Total Assets	Total Deposits	Net Loans	Total Equity	Net Income	Tier 1 Leverage	Net Interest Margin	Return on Assets	Return on Equity	Efficiency Ratio	Net Chargeoff Ratio	Non current Loan Ratio
33	First American International Bank	NY	$ 604,374	$ 519,293	$ 508,076	$ 47,144	$ 1,399	7.97%	3.99%	0.25%	3.00%	73.69%	0.00%	0.06%
34	Franklin National Bank of Minneapolis	MN	$ 117,357	$ 90,679	$ 83,417	$ 14,185	$ 172	11.98%	5.37%	0.15%	1.22%	98.32%	0.50%	1.07%
35	North Milwaukee State Bank	WI	$ 93,790	$ 77,117	$ 72,446	$ 8,243	$ 121	9.23%	4.06%	0.14%	1.46%	76.85%	0.44%	4.59%
36	ShoreBank	IL	$ 2,433,071	$ 1,540,156	$ 1,500,634	$ 161,580	$ 2,600	6.36%	2.89%	0.11%	1.72%	64.57%	0.57%	8.28%
37	The Carver State Bank	GA	$ 41,794	$ 35,208	$ 26,910	$ 2,895	$ 23	7.47%	5.07%	0.06%	0.82%	86.03%	1.35%	1.80%
38	Illinois-Service Federal Savings and Loan	IL	$ 142,206	$ 91,604	$ 46,565	$ 15,061	$ 56	10.10%	3.75%	0.04%	0.39%	100.02%	-0.07%	5.95%
39	Capitol City Bank & Trust Company	GA	$ 302,107	$ 270,227	$ 229,806	$ 22,337	$ 76	7.58%	3.00%	0.03%	0.34%	83.85%	0.67%	4.51%
40	Advance Bank	MD	$ 76,011	$ 57,936	$ 62,191	$ 9,243	$ 9	11.74%	4.62%	0.01%	0.10%	99.44%	0.06%	3.47%
41	The Harbor Bank of Maryland	MD	$ 285,053	$ 245,484	$ 207,868	$ 26,042	$ (51)	8.29%	4.31%	-0.02%	-0.19%	85.81%	0.72%	3.90%
42	First Independence Bank	MI	$ 161,139	$ 122,540	$ 88,370	$ 15,251	$ (143)	8.34%	3.54%	-0.07%	-0.92%	87.24%	0.35%	3.99%
43	Albina Community Bank	OR	$ 213,506	$ 167,250	$ 160,534	$ 16,872	$ (566)	8.23%	3.90%	-0.29%	-3.48%	69.49%	1.72%	7.97%
44	Neighborhood National Bank	CA	$ 133,812	$ 110,614	$ 111,695	$ 11,640	$ (414)	8.67%	4.01%	-0.32%	-3.76%	83.50%	1.28%	2.99%
45	Carver Federal Savings Bank	NY	$ 790,750	$ 622,566	$ 653,515	$ 61,749	$ (2,785)	7.71%	3.79%	-0.35%	-4.11%	94.94%	0.13%	2.08%
46	New York National Bank	NY	$ 144,916	$ 128,916	$ 72,560	$ 12,204	$ (852)	6.53%	4.25%	-0.60%	-6.75%	91.89%	1.82%	3.13%
47	American Metro Bank	IL	$ 90,856	$ 74,221	$ 73,121	$ 7,000	$ (561)	7.65%	2.92%	-0.65%	-7.73%	100.64%	0.38%	2.56%
48	South Carolina Community Bank	SC	$ 81,222	$ 73,694	$ 65,497	$ 6,970	$ (534)	8.16%	4.36%	-0.67%	-7.20%	104.72%	0.24%	6.45%
49	United Bank of Philadelphia	PA	$ 69,526	$ 61,093	$ 48,137	$ 7,952	$ (501)	10.26%	5.07%	-0.70%	-6.09%	100.33%	0.77%	4.69%
50	Second Federal Savings and Loan	IL	$ 264,954	$ 173,377	$ 213,440	$ 27,725	$ (1,873)	10.41%	4.15%	-0.73%	-6.50%	95.87%	0.76%	5.20%
51	United Bank and Trust Company	LA	$ 25,523	$ 20,841	$ 16,901	$ 1,453	$ (209)	5.87%	6.15%	-0.85%	-13.55%	107.71%	0.57%	1.96%
52	The Community's Bank	CT	$ 55,416	$ 34,504	$ 20,489	$ 4,648	$ (488)	7.27%	3.01%	-1.15%	-10.37%	162.15%	-0.03%	2.42%
53	Louisville Community Development Bank	KY	$ 31,472	$ 26,161	$ 13,822	$ 4,928	$ (370)	15.34%	2.71%	-1.15%	-7.41%	99.74%	2.71%	12.63%
54	Mission Community Bank	CA	$ 215,057	$ 146,273	$ 149,368	$ 21,532	$ (3,460)	9.47%	3.65%	-1.83%	-17.49%	100.75%	1.02%	2.49%
55	Community Capital Bank of Virginia	VA	$ 13,172	$ 6,288	$ 2,816	$ 6,825	$ (232)	73.51%	2.78%	-2.22%	-3.37%	170.21%	0.00%	0.00%
56	Community Bank of the Bay	CA	$ 68,871	$ 57,466	$ 40,874	$ 7,352	$ (1,888)	10.67%	3.85%	-2.82%	-22.53%	109.91%	2.19%	8.77%
57	Native American Bank, National	CO	$ 96,541	$ 84,136	$ 82,079	$ 11,813	$ (2,923)	9.95%	4.57%	-2.85%	-24.00%	100.33%	1.53%	4.62%
58	Covenant Bank	IL	$ 57,452	$ 51,705	$ 38,914	$ 5,541	$ (1,154)	9.11%	3.22%	-2.92%	-21.74%	188.24%	1.18%	4.76%
59	Landmark Community Bank	TN	$ 71,306	$ 61,564	$ 53,794	$ 9,462	$ (2,599)	13.84%	2.13%	-4.20%	-23.90%	189.31%	1.61%	5.04%
60	OneUnited Bank	MA	$ 635,846	$ 388,125	$ 367,180	$ 40,524	$ (29,077)	6.13%	3.32%	-4.30%	-95.16%	64.94%	0.18%	3.31%
61	American State Bank	OK	$ 10,617	$ 9,850	$ 8,159	$ 724	$ (558)	6.43%	3.85%	-5.07%	-63.89%	173.64%	3.71%	9.08%
62	OneCalifornia Bank, FSB	CA	$ 48,909	$ 32,435	$ 24,161	$ 15,440	$ (3,300)	31.43%	3.08%	-7.71%	-19.28%	331.91%	0.02%	0.00%
63	Nuestro Banco	NC	$ 16,843	$ 7,600	$ 8,044	$ 9,207	$ (3,308)	52.00%	4.26%	-19.94%	-30.56%	413.32%	8.41%	0.00%
	Average		**$ 251,947**	**$ 192,330**	**$ 169,856**	**$ 21,531**	**$ 352**	**11.16%**	**4.03%**	**-0.55%**	**-1.69%**	**96.98%**	**0.78%**	**3.86%**
	Median		**$ 142,635**	**$ 110,614**	**$ 95,432**	**$ 15,328**	**$ 370**	**8.94%**	**4.00%**	**0.26%**	**2.49%**	**83.58%**	**0.44%**	**3.31%**
	Maximum		**$ 2,433,071**	**$ 1,540,156**	**$ 1,500,634**	**$ 161,580**	**$ 27,178**	**73.51%**	**6.15%**	**2.13%**	**20.50%**	**413.32%**	**8.41%**	**14.44%**
	Minimum		**$ 10,617**	**$ 6,288**	**$ 2,816**	**$ 724**	**$ (29,077)**	**5.87%**	**2.13%**	**-19.94%**	**-95.16%**	**44.16%**	**-0.09%**	**0.00%**

NCIF NATIONAL COMMUNITY INVESTMENT FUND

LEVERAGING CAPITAL FOR CHANGE

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NCIF Mission Statement

The **National Community Investment Fund** (NCIF) invests private capital in, and facilitates knowledge transfer to, depository institutions that increase access to financial services in underserved communities.

Board of Trustees

NCIF Lines of Business

"Equities with Exits" Investments

NCIF purchases common stock in individual community development banks and thrifts as a patient investor. These institutions need to demonstrate sustainable, sound financial performance, a strong development impact in the communities they serve, and they must provide shareholder liquidity within a reasonable time frame. Additionally, NCIF makes seed fund loans, extends debt to banks and provides secondary capital to low-income credit unions. NCIF has a $38 million allocation of New Markets Tax Credits.

CDBI Exchange Network

This informal peer-to-peer network of CEOs, CFOs and other participants in the CDBI industry provides best practices in risk management, valuation, corporate governance and development impact analysis. NCIF's Annual Development Banking Conference is the centerpiece of its knowledge transfer initiatives.

Fund Advisor

NCIF is advised by ShoreBank Corporation (www.shorebankcorp.com), the nation's first and leading community development financial institution.

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LEVERAGING CAPITAL FOR CHANGE

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