



LEVERAGING CAPITAL FOR CHANGE

# 10 Reasons to Support NCIF Network Banks: Social & Environmental Impacts

Thursday, March 6  
2pm-3pm CST

# Agenda

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1. Introductions: NCIF and Reporting Banks
2. Top 10 Social and Environmental Impacts Facts
3. NCIF Research Capabilities: Transforming Data into Action

# About NCIF

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## **Joe Schmidt**

Vice President, Research and Investments

## **Emily Sipfle**

Senior Analyst, Research and Investments

## **We welcome your questions!**

Type questions at any time. We will answer them at the end of the webinar





# Turning Data into Action

## NCIF's Data Resources

Investors



NCIF offers information on opportunities that deliver **social, environmental, and financial returns** through the power of mission-oriented financial institutions.

Banks



Institutions in the **NCIF Network** gain access to capital, visibility, business opportunities, metrics, and innovative solutions

Regulators/  
Researchers

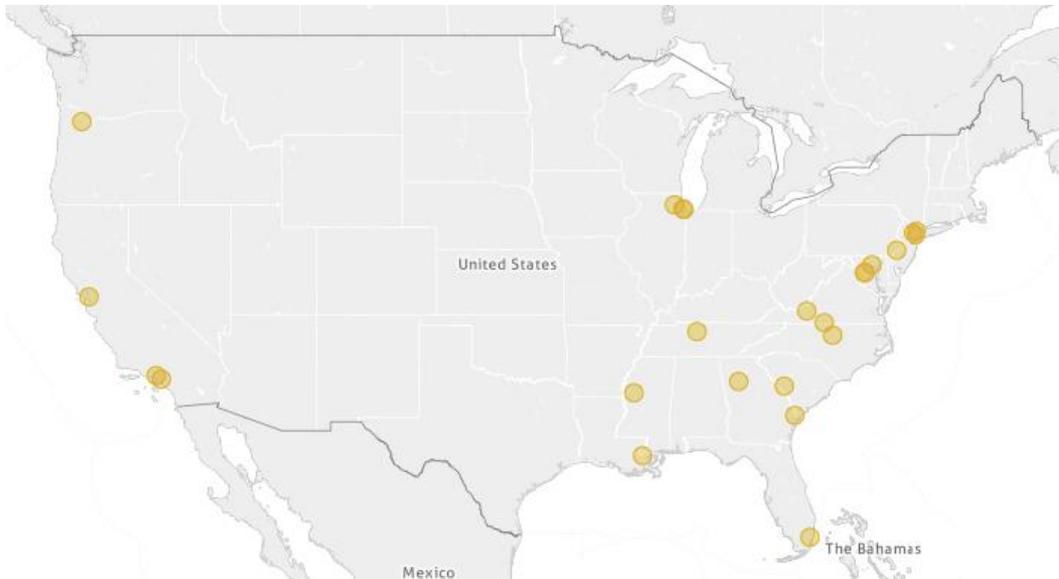


NCIF's **innovative thought leadership** positions us to advance and support the mission-oriented financial industry.

BankImpact – Custom Analysis – Publications – Dashboards

# Bank Characteristics

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24 institutions

1/3 of all CDFI Banks

10% of all MDIs

## Reporting Banks:

Albina Community Bank  
Broadway Federal Savings Bank  
Carver Federal Savings Bank  
Carver State Bank  
Citizens Savings Bank  
Citizens Trust Bank  
City First Bank of D.C.  
City National Bank of New Jersey  
Continental National Bank of Miami  
First American International Bank  
First Choice Bank  
First Eagle Bank  
First State Bank  
Guaranty Bank and Trust  
Harbor Bank of Maryland  
Illinois-Service Federal Savings and Loan  
Industrial Bank  
Liberty Bank and Trust  
Mechanics and Farmers Bank  
One PacificCoast Bank  
Security Federal Bank  
United Bank of Philadelphia  
Urban Partnership Bank

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# Top 10 Social and Environmental Impact Facts

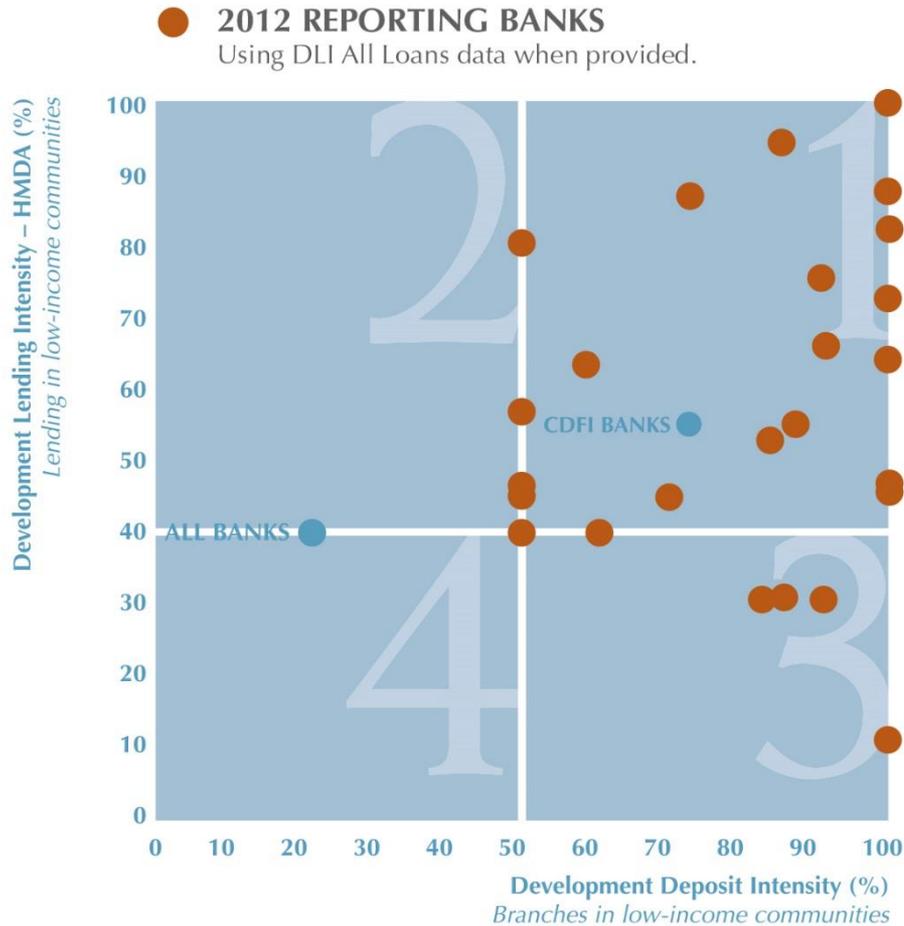
# 1) Drive local economic development

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- 10,921+ jobs created through loans to local businesses
- Many of the banks are SBA lenders, with \$1.1 billion in small business loans outstanding as of 12/31/13
- 5 participate in high-impact economic development projects through the New Markets Tax Credit (NMTC) program
- In 2012, the banks provided financial counseling to 11,049+ individuals and 679+ organizations in their communities

**Mission-oriented banks are anchor institutions in their communities**

## 2) Demonstrate dedication to distressed areas



Reporting banks are high social performers, per NCIF's Social Performance Metrics

20 are "Quadrant 1 CDBIs"

### 3) Supply loans in distressed areas

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	Median score of Reporting Banks	Category reported as % of total lending during the year
DLI All Loans	57.0%	All loans categories reported to NCIF
DLI HMDA <sup>3</sup>	62.1%	Housing loans reported to HMDA
DLI Housing	56.1%	All Housing Loans reported to NCIF
DLI CRE	60.4%	All Commercial Real Estate Loans reported to NCIF
DLI Small Business	53.4%	All Small Business Loans reported to NCIF
DLI Agriculture	50.0%	All Agricultural Loans reported to NCIF
DLI Consumer	59.3%	All Consumer Loans reported to NCIF

57% of all reported lending is targeted to low- and moderate-income areas in local communities

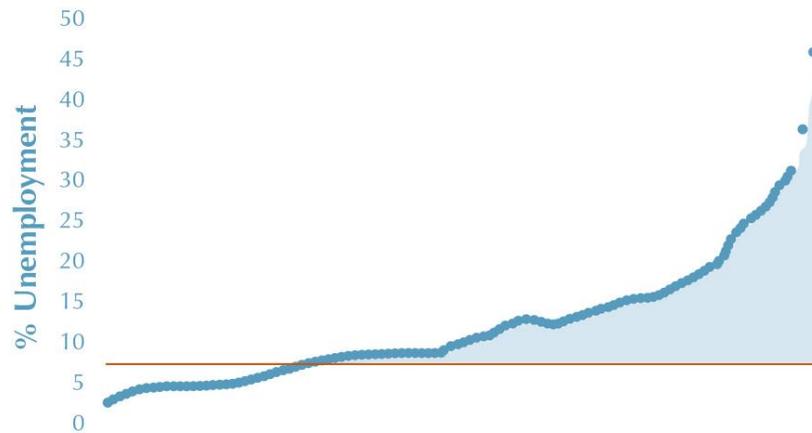
## 4) Establish on-the-ground presence with local knowledge

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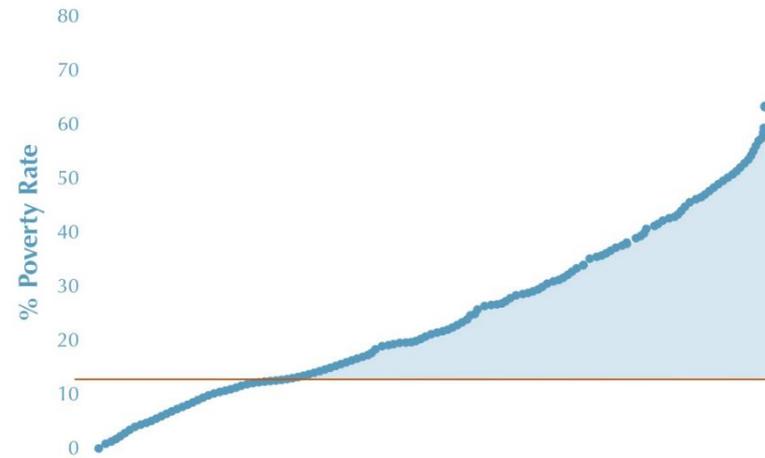


88.0% of all branches are located in low- and moderate-income areas

## 5) Deliver services in distressed and underbanked areas



62% of reporting bank branches are in census tracts with higher than average unemployment rates



70% of reporting bank branches are in census tracts with higher than average poverty rates

Reporting bank's branches are located in areas of higher economic distress compared to where banks overall have their branches

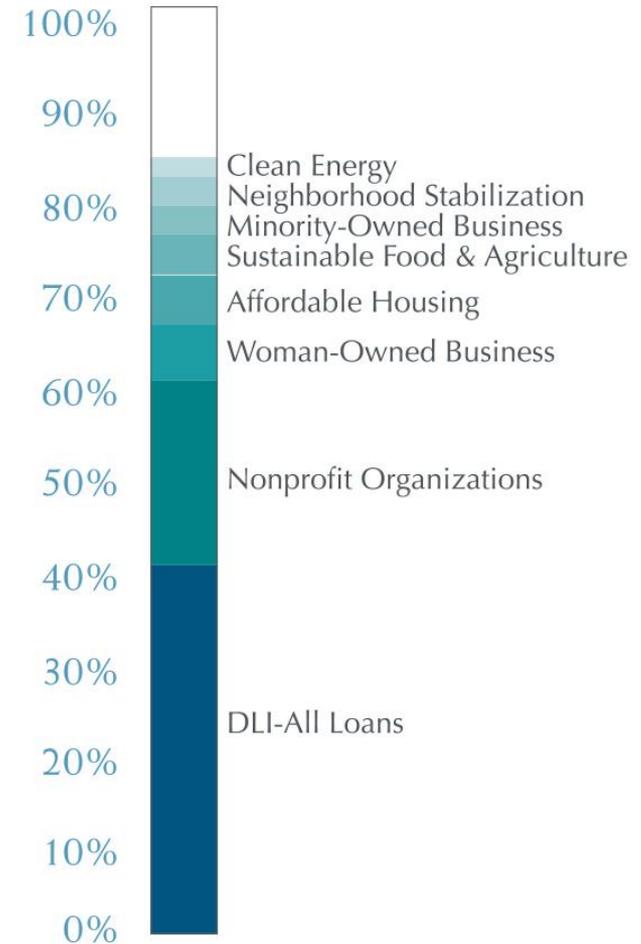


## 6) Transform communities through mission lending

### Mission Intensity: Measuring banks' particular area of focus

- Minority-owned businesses
- Women-owned businesses
- Environmental lending
- Low-income borrowers
- Minority borrowers
- Nonprofit borrowers
- For community development
- Faith-based lending
- Female borrowers
- Affordable housing
- Community lending
- To socially motivated partners

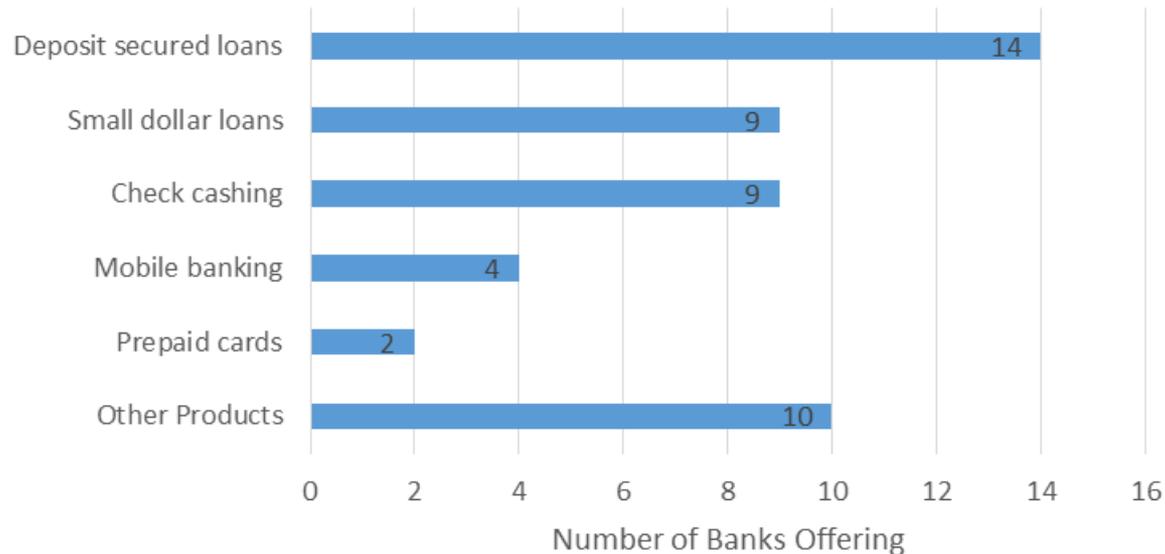
Mission Intensity Example



## 7) Design innovative products to fit local needs

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Additional Products Offered to Meet Client Needs



Other products offered include:  
credit rebuilder loans, small business  
improvement fund loans, low fee  
savings and checking accounts

## 8) Connect with customers through a range of products

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Banks provide wide-reaching services through a range of account types. For example, the median reporting bank had:

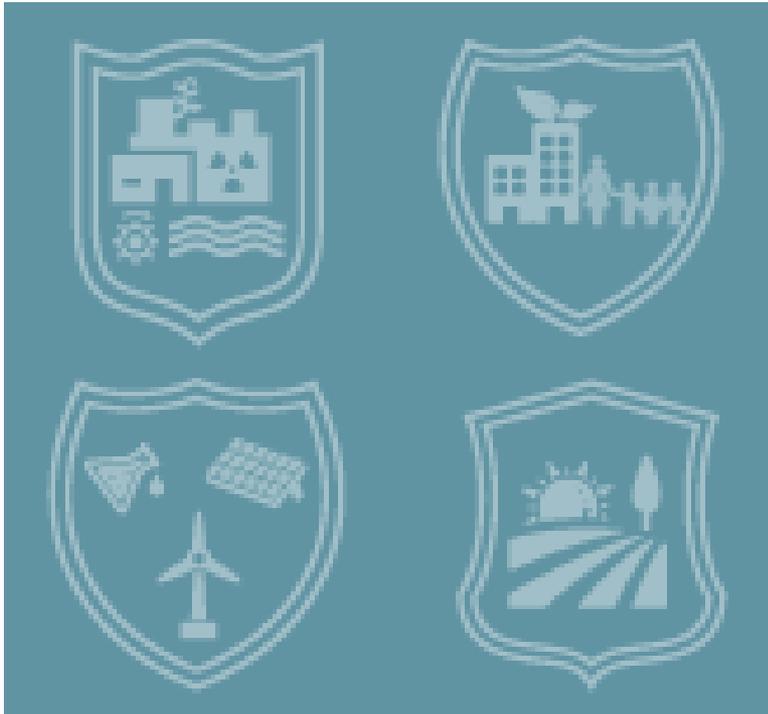
- 5,960 deposit customers with a 8,288 deposit accounts
- 36% of accounts have less than \$1,000—low volume accounts with high touch clients

Banks emphasize services to individuals and businesses who may otherwise be underbanked



## 9) Prioritize environmental responsibility

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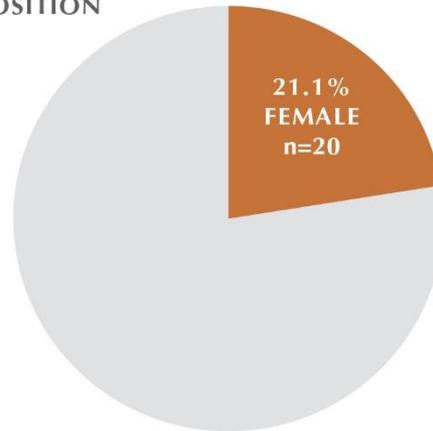
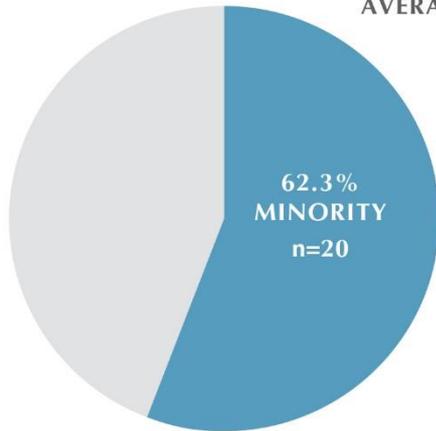


### Environmental Impacts:

- Lending for environmentally responsible projects (MI)
- Operations
- Growing focus for the industry and NCIF

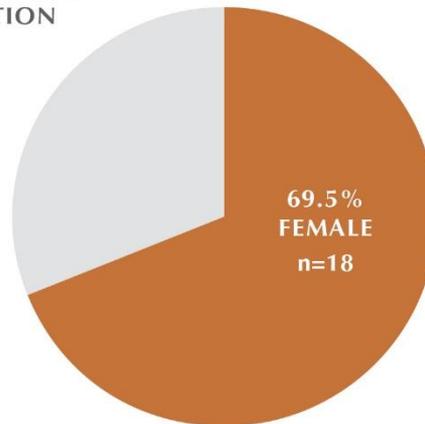
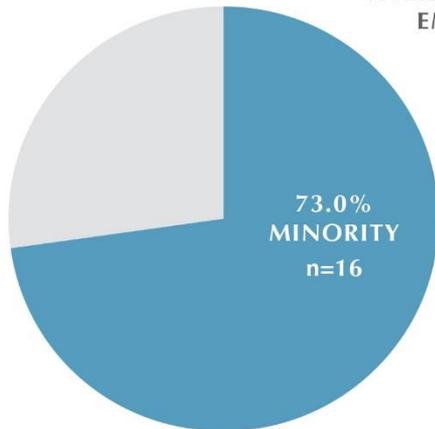
# 10) Value diversity in staff, board, and client base

AVERAGE BOARD COMPOSITION



Client Diversity:  
Reporting banks had  
a client base to  
87.7% minority (n=7)

AVERAGE FULL TIME EQUIVALENT  
EMPLOYEE COMPOSITION



Board Diversity:  
More diverse than  
average board  
compositions for  
banks/Fortune 500  
companies

Staff Diversity:  
Reflecting the  
communities in  
which they operate

# How to Engage Mission-Oriented Banks

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## Investors

Work with NCIF to:

- Place equity or deposits in banks with high impacts in their communities
- Support loans in local market through Small Business Loan Fund
- Use BankImpact to identify high impact banks, create and analyze peer groups
- Join us at our annual conference to learn more, November 12-14



# How to Engage Mission-Oriented Banks

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## **Banks**

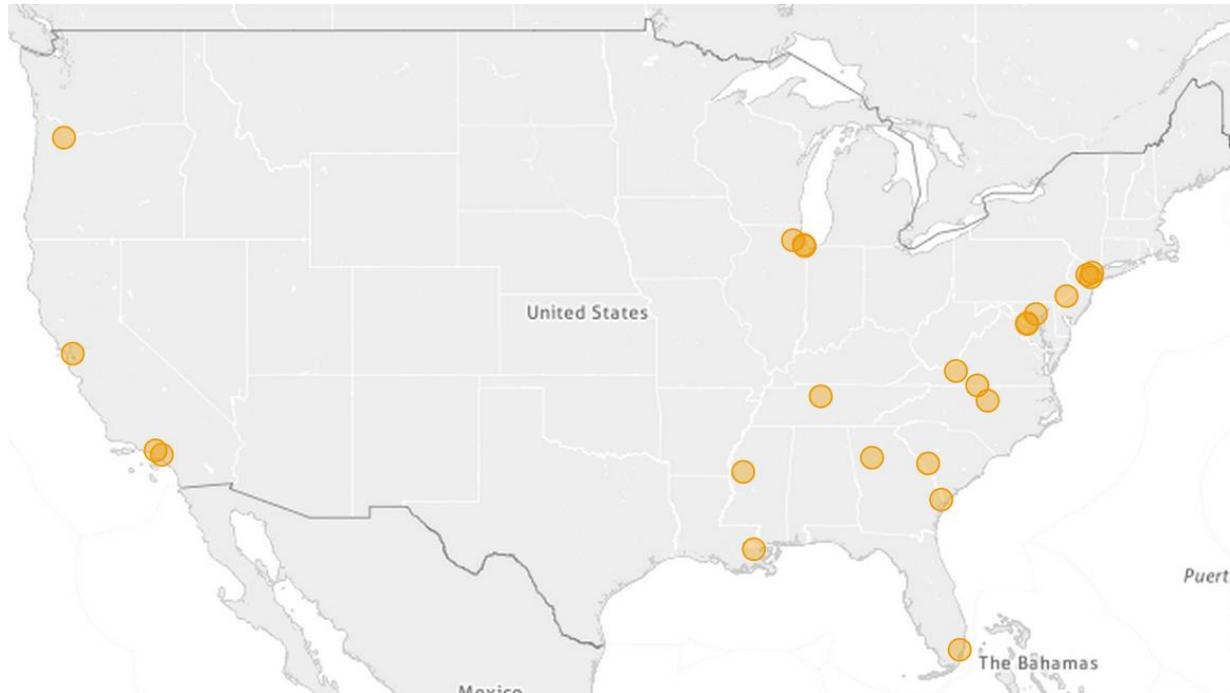
- Join the NCIF network to connect with investors and new opportunities
- Use BankImpact to create and analyze peer groups
- Provide data on your institution to better “Tell your Story” for your bank and the industry
- Receive customized reports on impacts through the Dashboard

## **Regulators and Researchers**

- Use BankImpact to identify high impact banks, create and analyze peer groups
- Use publications or custom analysis for in depth information on the sector

## Learn more about featured banks

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Albina Community Bank - Broadway Federal Savings Bank - Carver Federal Savings Bank - Carver State Bank - Citizens Savings Bank - Citizens Trust Bank - City First Bank of D.C. - City National Bank of New Jersey - Continental National Bank of Miami - First American International Bank - First Choice Bank - First Eagle Bank - First State Bank - Guaranty Bank and Trust - Harbor Bank of Maryland - Illinois-Service Federal Savings and Loan - Industrial Bank - Liberty Bank and Trust - Mechanics and Farmers Bank - One PacificCoast Bank - Security Federal Bank - United Bank of Philadelphia - Urban Partnership Bank

# BankImpact

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Online database providing bank-level impact data based on publically available information

- Search for banks based on social or financial performance
- Compare banks to standard peer groups
- Create your own peer group based on characteristics or specific banks



ADVANCED SEARCH

STANDARD PEER BUILDER

AUTO PEER BUILDER

CUSTOM PEER BUILDER

# Turning Data into Action

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- Custom Analysis
  - In-depth analysis of social and financial performance
  - Comparison to standard or custom peer groups
  - Historical analysis covering years since 1996
  - Presented in customized reports to meet client needs
- BankImpact Dashboards
  - Comprehensive financial and social performance analysis
  - Capture impacts through qualitative and quantitative way to “tell the story” of mission-oriented banks
  - Aligned with other reporting sources including IRIS
  - Evolving metrics
- Publications
  - Stay informed with annual and quarterly publications on the mission-oriented banking industry
  - Provide analysis of relevant topics such as Small Business lending and Pay for Performance

# Questions and Conclusions

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## Thanks again to Reporting Institutions:

Albina Community Bank  
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City First Bank of D.C.  
City National Bank of New Jersey  
Continental National Bank of Miami  
First American International Bank  
First Choice Bank  
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# The NCIF Process: Reporting Banks

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NCIF's Development Impact Survey has six primary sections. Sections I through V collect organizational and operational datapoints about your institution and its mission-driven activities. Section VI, based on NCIF's Model CDBI Framework, collects qualitative information on the innovative products, services, and partnerships that your institution offers to serve its specific community.

**Please note:** All fields are mandatory to submit the online form. However, in the event that a question does not apply to your institution or data is not available, please enter "NA."

Thank you for your participation! Together we are helping the mission-oriented banking industry demonstrate its impact and importance.

Questions? We're listening! Please contact Alice Geglio at [ageglio@ncif.org](mailto:ageglio@ncif.org) or 312-881-5841 with any concerns.

\* Required

▶ I. Organizational Description & Operational Impact

▶ II. Credit Product Impact

▶ III. Product & Technical Assistance Impact

▶ IV. Job Creation

▶ V. Customer Differentiation

▶ VI. Model CDBI Framework

▶ VII. Disclosure

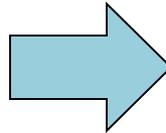
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## Summary of 10 Facts

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- 1) Drive economic development in their communities
- 2) Demonstrate dedication to distressed areas
- 3) Supply credit in economically distressed areas
- 4) Show local presence in economically distressed areas
- 5) Provide products and services in highly distressed areas
- 6) Lend with a mission to transform communities
- 7) Create innovated products designed to fit community
- 8) Provide access to a range of financial services
- 9) Prioritize environmental responsibility
- 10) Celebrate diversity in staff, board, and client base



- Support local, anchor institutions, tapping into their local knowledge
- Support banks providing services to economically-distressed communities
- Extend services to otherwise un/under-banked such as WBEs or MBEs individuals and financing to market segments
- Promote environmental responsibility and diversity

## Publications

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- Annual and quarterly publications on the state of CDBI industry
- Quick Take reports
- Summary of NCIF's Annual Development Banking Conference



# The NCIF Process: History

