2007 Annual Financial and Social Performance of the CDFI Banking Sector

Author:
Joseph Schmidt
Fund Advisor

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I. Introduction

Franklin Street Bakery thought they would need to go to an industrial park to triple their space and grow their burgeoning business. Wanting to expand their wholesale bakery and create room for retail, the co-owners met with Franklin Bank to see if any solutions could be found to stay in Minneapolis.

Working with the Bakery owners, the City and the State, Franklin Bank devised a solution to keep the Bakery in the heart of the city. However, what they proposed raised a few eyebrows.

The Franklin Street area was in disrepair, even dangerous. Commerce was virtually nonexistent and worse yet, violence plagued the community. In fact, the proposed lot was once a convenience store boasting the highest incidence of emergency 911 calls. Yet the Bank had been working with the community and saw that it was on the cusp of historic change.

"Franklin Bank's fingerprints are all over this corridor," said Franklin Street Bakery's owner. "They're cleaning up a part of Minneapolis that no one else was paying attention to." Today, Franklin Street Bakery has helped turn the community around. Their state-of-the-art facility is a draw in the neighborhood. "Franklin Bank shared our vision for business growth that did not compromise our product. They have been a quality partner since day one."

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As the above story illustrates, Franklin Street Bakery wanted to stay within its Minneapolis community, but had few options to do so. In order to make its dream a reality, the Bakery needed to work with an institution that could develop and implement a solution to keep the Bakery in a neighborhood that truly needed it. That institution was Franklin Bank, a certified Community Development Financial Institution (CDFI). CDFI banks and thrifts are mission oriented institutions that are dedicated not only to profit, but also to maximizing the second 'bottom-line" of creating a positive social impact.

This story is not unique to Franklin Bank. 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.

II. Executive Summary

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 this report detailing the trends within the Community Development Financial Institution (CDFI) banking industry (for this report, we will use the word bank to refer to both banks and thrifts). The *2007 Annual Financial and Social Performance of the CDFI Banking Sector*, highlights and commemorates 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. For further information on CDFI banks and to learn more about NCIF, please visit www.ncif.org.

Highlights

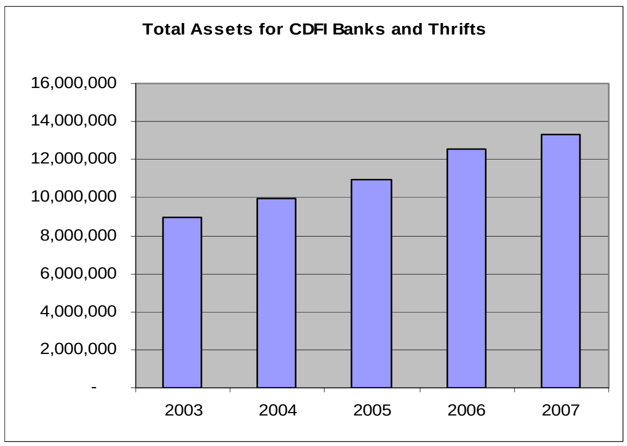
- As of January 1, 2007, there were 55 certified CDFI banks, an increase of three over the previous year's total of 52.
- In 2007, the 55 CDFI banks and thrifts grew total assets by 6.1%; total loans by 10.1%; total deposits by 3.6% and total equity by 7.6%.
- CDFI banks and thrifts earned $101.9 million in net income during 2007.
- In 2006, for the average CDFI bank, 62.7% of all home lending was located in low income communities. For all banks, the average was 20.8%.
- In 2006, the average CDFI bank operated 74.5% of its branches within low income communities. For all banks, the average was 28.2%

III. Financial Performance of CDFI Banks & Thrifts

By both number of institutions and total amount of assets, the CDFI Bank sector continues to grow. During 2006, there were 52 CDFI banks, and as of January 1, 2007, there were 55 active CDFI banks. These 55 banks grew steadily during 2007 and have experienced strong growth during the past five years.

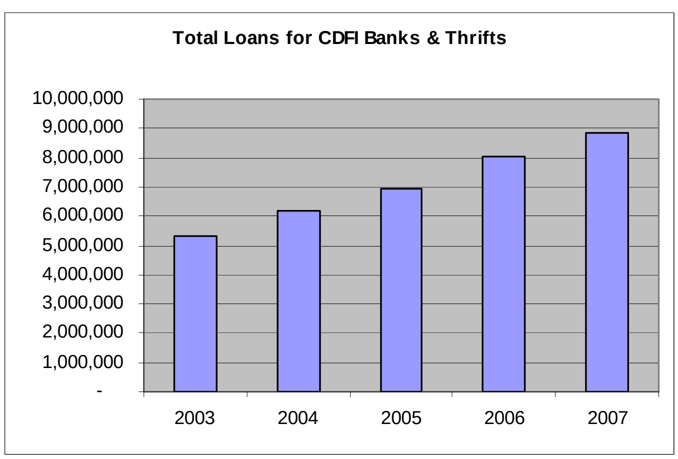
Total Assets

- In 2007, CDFI banks and thrifts grew total assets from $12.6 billion to $13.3 billion, an increase of 6.1%. Moreover, the compound annual growth rate for total assets for these 55 banks over the past five years is 8.3%.
- The largest CDFI bank had $2.2 billion in assets. The smallest CDFI bank had $25.2 million in assets.
- The asset size of the average CDFI bank was $242.5 million. The median asset size was $144.5 million.
- As of 2006, the last year where data is available, the 55 CDFI banks represented 10.9% of all CDFIs by number, but controlled 54.5% of the sector's total assets.



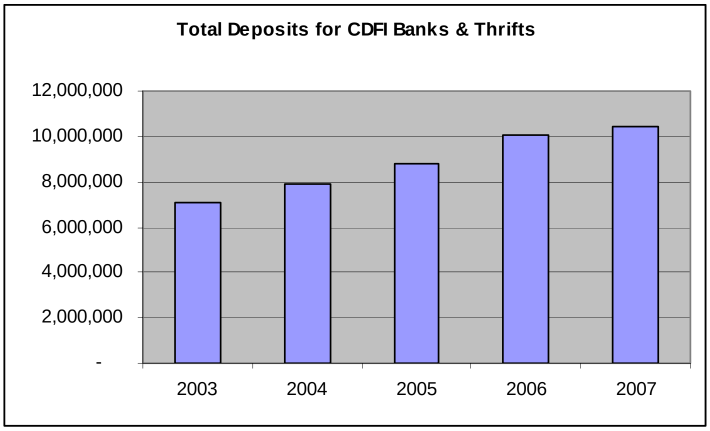
Total Loans

- In 2007, total loans within the sector grew from $8.0 billion to $8.8 billion, an increase of 10.1%. The compound annual growth rate over the previous five years equaled 10.6%.
- The largest loan level within an individual bank was $1.3 billion. The smallest portfolio was $15.1 million.
- On average, each CDFI bank has $160.6 million in loans outstanding. The median level of loans outstanding was $88.2 million.
- In 2007, the average CDFI bank had a loan to asset ratio of 66.2%.



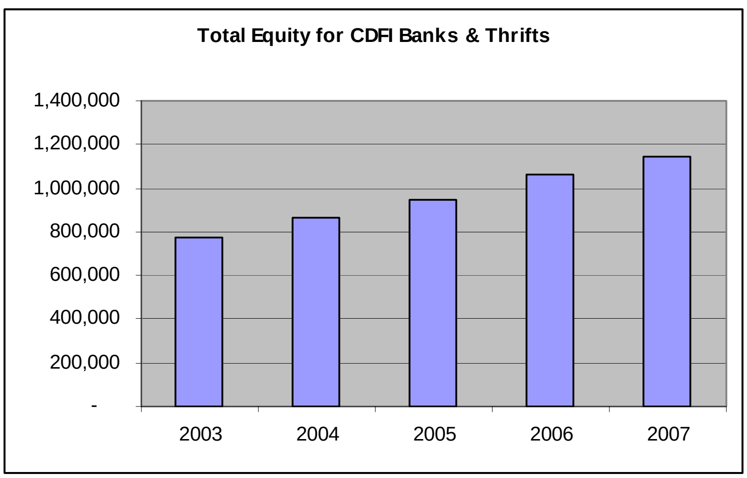
Total Deposits

- In 2007, deposits held at CDFI banks grew from $10.1 billion to $10.5 billion, an increase of 3.6%. The compound annual growth rate over the previous five years equaled 8.0%.
- The largest deposit level with an individual bank was $1.4 billion; the smallest level was $22.3 million.
- On average, each CDFI bank held $190.1 million in deposits. The median bank held $113.1 million.



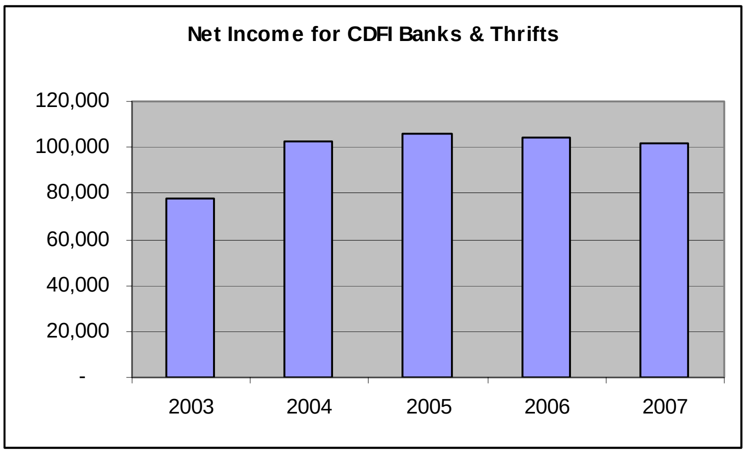
Total Equity

- In 2007, total equity for CDFI banks grew from $1.07 billion to $1.15 billion, an increase of 7.6%.
- The largest CDFI bank had $144.9 million in equity, while the smallest bank had 1.2 million in equity.
- On average, each CDFI bank held $20.9 million in equity, and the median CDFI bank held $14.3 million.



Net Income

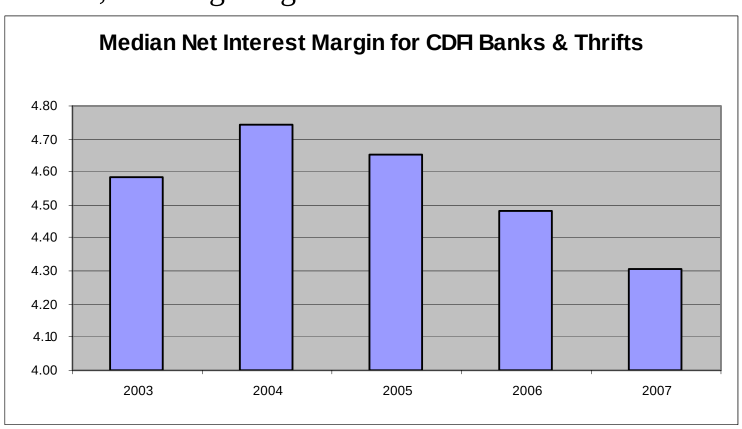
- In 2007, the 55 CDFI banks and thrifts earned $101.9 million in net income. While this represents a 2.0% decrease over the previous year, over the past 5 years, these banks have exhibited a compound annual growth rate for income of 5.6%.
- Administered by the CDFI Fund, the Bank Enterprise Award (BEA) Program supports FDIC-insured financial institutions around the country that are dedicated to financing and supporting community and economic development activities. Since 2003, the 55 CDFI banks have earned $44.3 million in BEA awards as a result of their high level of activity within distressed communities.



Performance & Condition Ratios

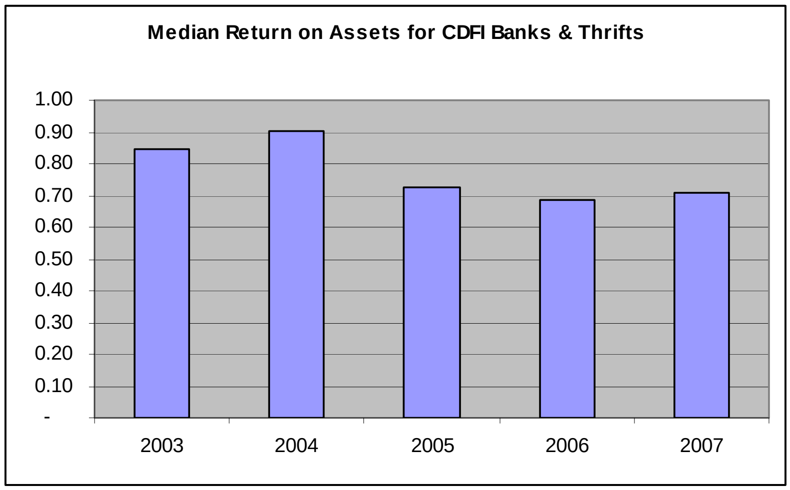
Net Interest Margin

- In 2007, the median net interest margin declined from 4.48% to 4.30%. However, this compares favorably to the all bank median of 3.91%.
- Since 2003, the median net interest margin for these 55 banks has declined from 4.59% to 4.30%, reaching a high in 2004 of 4.74%.



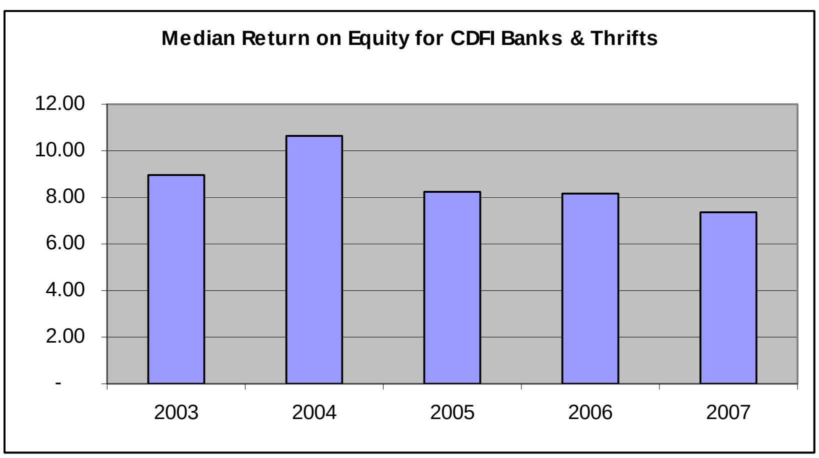
Return on Assets

- On the earnings side, return on assets improved in 2007 by three basis points, from 0.68% to 0.71%, but again, the CDFI banks are behind the all bank median of 0.89%.
- Since 2003, the return on assets has declined from 0.85% to 0.71%. The highest ROA was recorded in 2004 (0.90%) and the lowest was recorded in 2006 (0.68%).



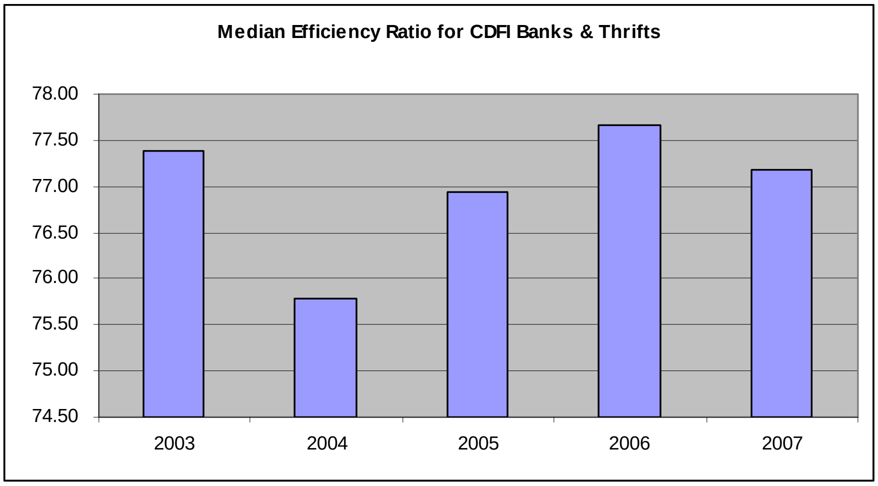
Return on Equity

- Return on equity fell by 9.5% in 2007, decreasing from 8.14% to 7.37%. As of 12/31/2007, the median return on equity for all banks was 8.41%.
- Since 2003, the median return on equity has fallen from 8.96% to 7.37%. The highest ROE was recorded in 2004 (10.67%) and the lowest was recorded in 2007.



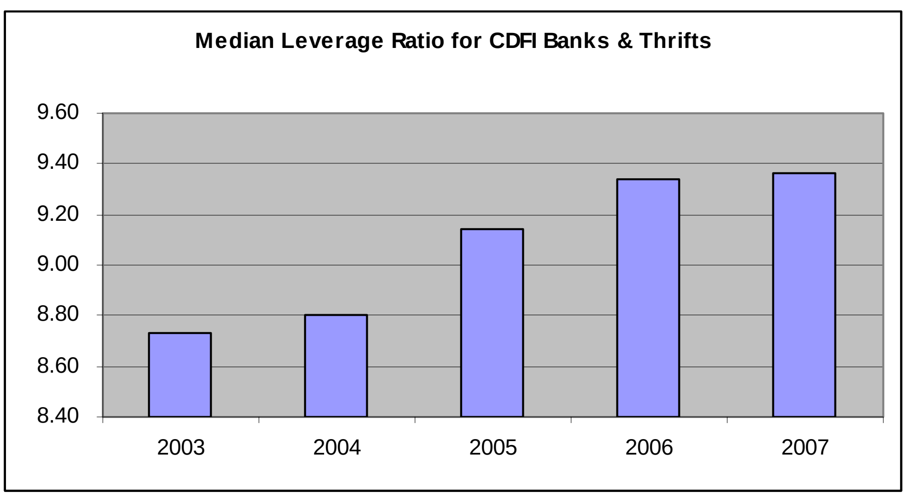
Efficiency Ratio

- The efficiency ratio improved slightly during the year, ending 2007 at 77.18%, improving from 77.66%. The all bank median efficiency ratio stood at 68.42% as of year-end.
- Since 2003, the median efficiency ratio has improved slightly from 77.39% to 77.18%. The best efficiency ratio was recorded in 2004 (75.79%) and the worst was recorded in 2006 (77.66%).



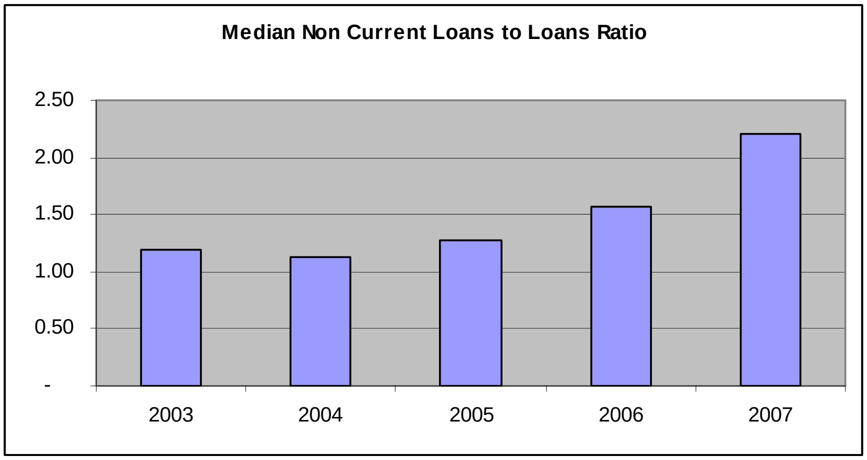
Tier 1 Leverage Ratio

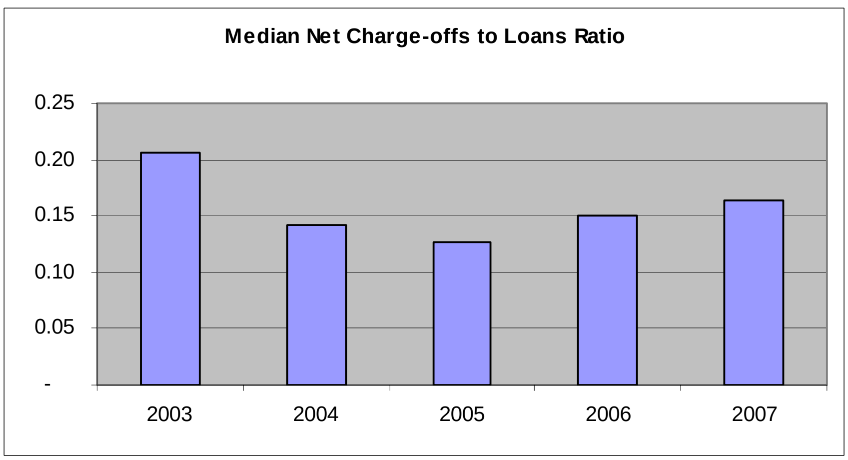
- The median leverage ratio held steady during 2007, increasing slightly from 9.34% to 9.37%. The median ratio for all banks was 9.75%.
- The median leverage ratio has increase each year since 2003, increasing from 8.73% to 9.37%.



Asset Quality

- At the end of 2007, the CDFI Banks and thrifts exhibited a median Non Current Loans to Loan Ratio of 2.21%. This represents a sizable deterioration over the 2006 year-end median of 1.57%. However, while the non-current loan ratio has increased as a result of the difficult economic times, the median Net Charge-offs to Loans Ratio held firm, declining by one basis point (from 0.15% to 0.16%).





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 and the Foreclosure Crisis

As detailed above, CDFI banks are profitable and sound financial performers that have experienced sustained growth over the previous five years. In the context of the current economic downturn, it is necessary to take a closer look at these institutions to determine how well they are positioned for the coming year. To accomplish this, NCIF has had extended discussions with a sample of CDFI bank leadership to discuss the status of the institution's balance sheet and the steps that are being taken to position the institution for a possible recession.

First and foremost, it seems that CDFI banks were largely not involved in originating exotic sub-prime loans including the exploding ARMs and low documentation loans. CDFI banks are responsible lenders and those that provide mortgage products are primarily in the business of originating standard, fixed-rate mortgages. Second, our discussions with these institutions seem to indicate that few of these institutions hold mortgage-backed securities that contain sub-prime loans, so the problems associated with such securities will not negatively impact this class of banks. Third, CDFI bank leadership is well aware of the current market environment and they are proactively taking action to confront the downturn. Many of the institutions we spoke with are tightening already strict underwriting standards and are improving the management of the delinquent portfolio. While it appears that CDFI banks will not be impacted directly by the foreclosure crisis, it is important to note that they will be impacted indirectly. All banks will be adversely impacted by the general economic downturn, and CDFI banks will also be impacted as lending to real estate construction firms and developers will slow.

Moreover, as institutions that are focused on the development needs of their community, some CDFI banks are actively organizing products and services to help combat the current foreclosure crisis. As an example, ShoreBank, a CDFI bank on the south side of Chicago, recently started the Rescue Loan Program to help borrowers and homeowners refinance their original subprime, adjustable rate mortgage from another institution and obtain a fixed rate mortgage from ShoreBank. The more manageable and affordable fixed-rate mortgage prevents qualified homeowners from facing unexpected spikes in their mortgage payments that make payments unaffordable and force homeowners into eventual foreclosure. The loan product provides borrowers with a peace of mind while it builds equity and stabilizes the community.

The Rescue Loan program also helps borrowers gain a better understanding of the complicated home buying and mortgage lending process to ensure successful home ownership. It features a wide array of ongoing, free seminars and workshops taking place at community centers, faith-based organizations, and housing fairs in neighborhoods all across the city.

The CDFI Industry can reestablish its leadership as responsible community bankers by stepping up to provide counseling, innovative programs to refinance or originate at-risk borrowers and also to participate in the overall industry initiatives.

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.

For this report, we will focus on two primary metrics; **Development Deposit Intensity (DDI)** and **Development Lending Intensity – Home Mortgage Disclosure Act (DLI-HMDA)**. For additional information about the full suite of Social Performance Metrics, please visit out website at www.ncif.org. We also invite you to visit our searchable database containing social and financial performance information for every domestic bank and thrift.

Methodology and Definition of the Primary Social Performance Metrics:

> ***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.[1]
>
> ***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.

[1] NCIF uses the CDFI Fund definition for an Investment Area, a census tract that has a median household income that is less than 80% of the relevant geographic area, an unemployment rate that is over 1.5 times the national average, or a poverty rate that is greater than 20%.

NCIF can screen each institution to determine whether it is a 'high' performer or a 'low' performer on each metric. To complete this task, NCIF analyzed various sub-sets of banks and compared the average scores for each sample group.

2006 Social Performance Metrics Comparison (Averages)

Sample	DLI-HMDA	DDI
CDFI Banks & Thrifts	62.7%	74.5%
Minority Depository Institutions	45.5%	60.2%
All Banks	20.8%	28.2%
All Banks Below $2 Billion in Assets	21.0%	28.1%
Ten Largest Banks (Assets)	19.0%	33.6%

Using the above data, it is observed that certified CDFI banks have an average DLI-HMDA of 62.7%, meaning that 62.7% of CDFI bank housing lending goes to borrowers that are located in low income census tracts. Please note that the 62.7% DLI-HMDA is slightly more than 3 times greater than the average for the 10 Largest Banks and for All Banks. Moreover, in an attempt to compare the CDFI banks to banks that are similar in asset size, NCIF calculated the average DLI-HMDA score for a bank with a total asset level below $2 billion.[2] For these institutions, the average DLI-HMDA score was 21.0%, again the CDFI average of 62.7% is approximately three times greater.

As for branch operations, on average, CDFI banks operate 74.5% of their branch locations in low income neighborhoods; as opposed to the all bank average of 28.2% and the similar all bank (less than $2 billion in assets) average of 28.1%. The CDFI average is well above these two comparison groups, and shows that almost three out of every four CDFI branch locations are operating in low income communities. This clearly shows that CDFI banks are physically present and are providing wealth building alternatives to payday lenders and check cashers in neighborhoods that are inundated with such predatory lenders.

Benefits to Utilizing the NCIF Social Performance Metrics
Using the NCIF Social Performance Metrics provides several benefits to the investor or stakeholder:

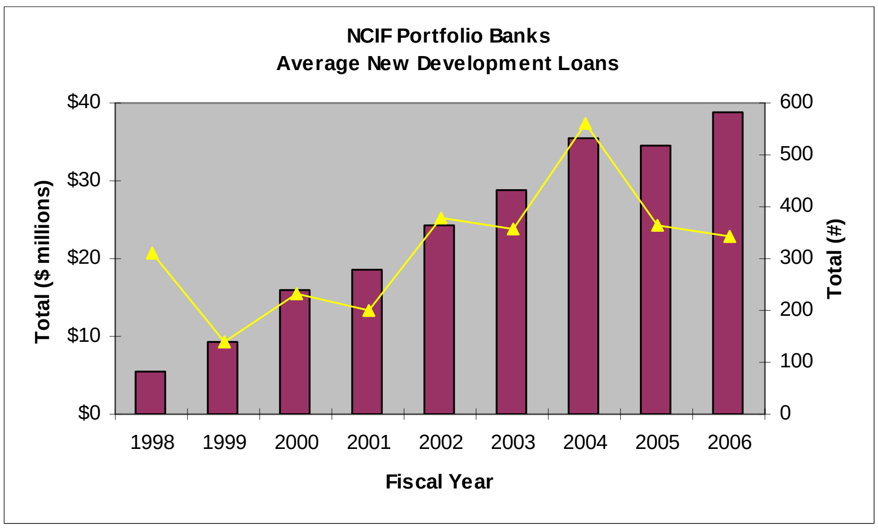
- First, the tool is transparent and utilizes publicly available data.
- Second, using the metrics leverages the expertise of NCIF as an intermediary and frees up analysis from staff members.
- Third, investments in CDFI banks are investments in federally regulated institutions. While this does not guarantee that an institution will not fail, each regulated bank must undergo strict oversight to maintain that the institution is "safe and sound."
- Fourth, deposits of up to $100,000 are federally insured, and if the institution that you are interested in supporting is a CDARS participant, that level rises to $50 million.

[2] As of 12/31/2007

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 31,971 development loans totaling over $2.5 billion. More tellingly, for 2006, the average community development bank within the NCIF portfolio originated 343 development loans totaling $38.9 million. Also, as the below graph illustrates, each year (except for 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 leant to low income borrowers and residents of low income communities.

Model CDBI Framework

As NCIF evaluates an investment target, it is imperative that the institution display a strong social mission. To determine if a bank does indeed possess a community development focus, we perform a development impact analysis on the operations of the institution using the five criteria of the Model Community Development Banking Institution (CDBI) Framework.

- Market Need – Is the bank operating in areas of high economic need?
- Credit Products & Services – Does the CDBI offer credit products that are tailored to the needs of its customer segments?

- Financial Products and Services – what retail deposit, savings and checking products are offered? Does the institution provide the types of products that are needed by low income and underbanked consumers?
- Non-Financial Services – Does the institution offer financial training and literacy and other services to individuals, community groups and businesses?
- Partnerships – What partnerships has the institution entered into to leverage their resources in the surrounding community?

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 12/31/2007, there were over 8,500 banks and thrifts in the United States but only 55 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.

SUMMARY FINANCIAL INFORMATION FOR ALL CDFI BANKS & THRIFTS (as of 12/31/2007, sorted by Return on Assets)

#	Institution	State	Total Assets	Total Deposits	Total Loans	Total Equity	Net Income	Tier 1 Leverage Ratio	Net Interest Margin	Return on Assets	Return on Equity	Efficiency Ratio	Net Chargeoff Ratio	Non current Loan Ratio
1	Franklin National Bank of Minneapolis	MN	$ 117,428	$ 102,768	$ 84,642	$ 14,130	$ 2,521	12.19%	6.03%	2.15%	18.24%	64.42%	0.22%	0.67%
2	Park Midway Bank	MN	$ 240,520	$ 197,700	$ 189,704	$ 22,666	$ 4,837	9.37%	5.17%	2.11%	21.94%	57.21%	0.16%	2.43%
3	Central Bank of Kansas City	MO	$ 144,500	$ 122,677	$ 104,445	$ 18,665	$ 2,512	11.83%	5.47%	1.76%	13.81%	61.34%	1.27%	1.09%
4	Inter National Bank	TX	$ 1,553,162	$ 1,405,662	$ 984,171	$ 118,595	$ 23,734	7.35%	4.39%	1.61%	22.29%	41.47%	0.38%	0.61%
5	Pan American Bank	IL	$ 33,884	$ 27,302	$ 24,954	$ 5,229	$ 548	15.57%	4.25%	1.61%	10.98%	82.89%	-0.04%	3.80%
6	Guaranty Bank and Trust Company	MS	$ 439,406	$ 342,938	$ 327,446	$ 40,281	$ 6,644	8.31%	4.49%	1.58%	17.68%	63.15%	0.44%	0.54%
7	Native American Bank, National Association	CO	$ 99,750	$ 87,078	$ 88,181	$ 11,732	$ 1,400	10.77%	5.29%	1.55%	12.93%	78.88%	0.04%	1.63%
8	Liberty Bank and Trust Company	LA	$ 327,101	$ 291,466	$ 143,417	$ 24,341	$ 3,616	7.45%	5.41%	1.14%	15.42%	68.11%	0.30%	1.98%
9	The First National Bank of Davis	OK	$ 73,576	$ 55,307	$ 38,119	$ 6,263	$ 705	8.23%	3.69%	1.06%	12.60%	60.20%	0.55%	3.25%
10	Capitol City Bank & Trust Company	GA	$ 272,316	$ 246,632	$ 199,488	$ 22,033	$ 2,627	8.08%	4.39%	1.01%	12.62%	67.36%	0.21%	3.18%
11	Community Commerce Bank	CA	$ 333,127	$ 200,925	$ 286,268	$ 31,787	$ 3,339	9.44%	4.64%	0.98%	10.58%	66.38%	-0.02%	1.32%
12	Citizens Trust Bank	GA	$ 338,115	$ 279,978	$ 238,211	$ 32,942	$ 3,263	9.61%	4.75%	0.97%	9.85%	77.15%	0.11%	2.21%
13	Security State Bank of Wewoka, Oklahoma	OK	$ 78,094	$ 70,814	$ 45,133	$ 6,912	$ 646	9.39%	4.17%	0.96%	10.26%	67.00%	-0.12%	1.32%
14	First Bank of The Delta, National Association	AR	$ 180,590	$ 152,169	$ 96,644	$ 24,113	$ 1,858	9.79%	4.66%	0.95%	7.92%	58.02%	1.60%	3.58%
15	Seaway National Bank of Chicago	IL	$ 346,661	$ 301,034	$ 181,247	$ 35,188	$ 3,202	10.30%	3.36%	0.94%	9.62%	82.58%	-0.01%	1.08%
16	Mission Valley	CA	$ 204,660	$ 150,844	$ 168,491	$ 17,954	$ 1,806	8.89%	4.67%	0.93%	10.61%	73.05%	0.14%	0.18%
17	Elk Horn Bank and Trust Company	AR	$ 196,780	$ 176,108	$ 126,472	$ 18,203	$ 1,775	7.74%	4.18%	0.93%	10.18%	69.36%	0.06%	0.19%
18	South Carolina Community Bank	SC	$ 74,512	$ 66,296	$ 58,791	$ 7,738	$ 606	9.54%	4.90%	0.86%	8.74%	73.54%	0.22%	1.04%
19	Community Development Bank, FSB	MN	$ 29,228	$ 23,307	$ 19,347	$ 4,464	$ 230	13.83%	4.30%	0.86%	5.33%	62.86%	0.84%	3.46%
20	Louisville Community Development Bank	KY	$ 32,217	$ 26,610	$ 16,695	$ 5,136	$ 279	15.90%	3.52%	0.85%	5.53%	77.18%	1.67%	13.36%
21	Carver Federal Savings Bank	NY	$ 784,226	$ 648,314	$ 661,758	$ 67,580	$ 6,442	7.77%	4.05%	0.84%	9.79%	82.15%	0.02%	0.64%
22	The Harbor Bank of Maryland	MD	$ 299,189	$ 270,335	$ 196,039	$ 26,216	$ 2,277	7.92%	4.39%	0.81%	8.98%	72.65%	0.11%	0.69%
23	Delta Southern Bank	MS	$ 165,246	$ 139,649	$ 80,801	$ 22,902	$ 1,179	12.68%	3.71%	0.78%	5.23%	71.86%	0.50%	0.62%
24	Legacy Bank	WI	$ 185,189	$ 151,732	$ 147,052	$ 15,693	$ 1,343	8.76%	3.64%	0.78%	9.10%	66.16%	0.08%	1.71%
25	Community Bank of the Bay	CA	$ 64,511	$ 50,872	$ 44,414	$ 9,248	$ 517	13.96%	5.16%	0.77%	5.89%	77.51%	0.52%	4.04%
26	University National Bank	MN	$ 117,530	$ 95,671	$ 90,886	$ 13,975	$ 925	11.31%	4.53%	0.76%	7.37%	62.84%	1.83%	2.90%
27	Fort Gibson State Bank	OK	$ 57,034	$ 51,429	$ 33,610	$ 3,730	$ 408	6.49%	4.60%	0.72%	10.89%	79.54%	0.09%	0.09%
28	Albina Community Bank	OR	$ 183,292	$ 146,987	$ 148,199	$ 16,523	$ 1,125	9.43%	4.54%	0.71%	7.13%	76.50%	0.20%	0.15%
29	Pacific Global Bank	IL	$ 150,839	$ 126,813	$ 130,670	$ 13,981	$ 1,006	9.32%	3.40%	0.70%	7.67%	69.00%	0.07%	0.20%
30	Bank of Cherokee County	OK	$ 94,409	$ 83,336	$ 66,442	$ 6,191	$ 670	6.69%	4.38%	0.70%	11.12%	76.88%	0.03%	0.53%
31	North Milwaukee State Bank	WI	$ 81,126	$ 66,286	$ 69,556	$ 8,128	$ 552	10.00%	4.06%	0.69%	7.21%	76.44%	0.00%	2.67%
32	Mission Community Bank	CA	$ 157,775	$ 112,493	$ 126,429	$ 15,252	$ 1,067	9.47%	4.74%	0.68%	7.26%	77.83%	0.02%	1.63%
33	OneUnited Bank	MA	$ 653,374	$ 368,915	$ 432,464	$ 41,631	$ 4,285	6.44%	3.02%	0.66%	10.79%	66.89%	0.03%	0.53%
34	Neighborhood National Bank	CA	$ 115,876	$ 92,641	$ 92,478	$ 10,922	$ 658	10.18%	5.73%	0.63%	6.25%	82.91%	0.36%	2.92%
35	First Independence Bank	MI	$ 188,727	$ 145,750	$ 69,414	$ 15,677	$ 1,447	7.93%	2.97%	0.61%	9.73%	71.66%	0.47%	5.95%
36	International Bank of Chicago	IL	$ 171,001	$ 151,778	$ 98,800	$ 15,309	$ 1,043	8.69%	2.41%	0.58%	6.95%	79.78%	0.00%	2.34%
37	ShoreBank	IL	$ 2,205,770	$ 1,327,302	$ 1,354,681	$ 144,945	$ 11,158	6.04%	2.82%	0.53%	7.85%	62.28%	0.52%	2.45%
38	Mechanics & Farmers Bank	NC	$ 222,234	$ 172,411	$ 146,083	$ 22,069	$ 1,284	9.02%	3.94%	0.53%	5.91%	89.95%	0.28%	1.23%
39	Industrial Bank, National Association	MD	$ 333,750	$ 245,720	$ 189,053	$ 27,689	$ 1,588	8.34%	4.46%	0.49%	5.87%	89.40%	0.05%	2.57%
40	Citizens Savings Bank and Trust Company	TN	$ 78,192	$ 65,525	$ 58,836	$ 7,434	$ 361	9.47%	4.12%	0.48%	5.05%	82.32%	0.22%	1.12%
41	City National Bank of New Jersey	NJ	$ 449,635	$ 394,860	$ 233,050	$ 29,185	$ 1,829	6.41%	2.93%	0.43%	6.74%	79.45%	0.08%	3.42%
42	The Carver State Bank	GA	$ 35,263	$ 28,935	$ 24,543	$ 2,594	$ 118	7.39%	5.51%	0.34%	4.77%	89.39%	0.31%	3.80%
43	City First Bank of D.C., National Association	DC	$ 150,123	$ 113,110	$ 84,991	$ 18,187	$ 348	11.41%	4.27%	0.28%	2.05%	91.70%	-0.06%	2.18%
44	First American International Bank	NY	$ 534,981	$ 455,855	$ 419,450	$ 46,229	$ 1,071	9.07%	4.09%	0.23%	2.61%	86.89%	0.00%	0.50%
45	Advance Bank	MD	$ 70,780	$ 55,832	$ 52,194	$ 9,192	$ 127	12.45%	5.14%	0.18%	1.40%	95.29%	-0.03%	1.76%
46	Illinois-Service Federal Savings and Loan Association	IL	$ 120,926	$ 91,814	$ 40,752	$ 14,329	$ 153	11.76%	3.97%	0.13%	1.12%	93.83%	0.24%	3.45%
47	United Bank of Philadelphia	PA	$ 75,239	$ 66,337	$ 45,184	$ 8,435	$ 75	9.99%	5.18%	0.10%	0.89%	92.42%	0.21%	4.01%
48	New York National Bank	NY	$ 140,325	$ 122,829	$ 63,313	$ 12,972	$ (66)	7.17%	4.35%	-0.05%	-0.52%	93.14%	0.53%	4.79%
49	Citizens Bank and Trust Company of Chicago	IL	$ 72,266	$ 66,756	$ 55,121	$ 4,979	$ (564)	7.07%	4.22%	-0.77%	-10.51%	108.52%	1.08%	5.19%
50	United Bank and Trust Company	LA	$ 25,193	$ 22,295	$ 15,138	$ 2,524	$ (242)	10.15%	5.84%	-0.97%	-10.93%	112.21%	-0.11%	3.57%
51	Mutual Community Savings Bank, SSB	NC	$ 63,862	$ 49,796	$ 44,007	$ 4,684	$ (1,638)	7.35%	3.13%	-2.02%	-29.73%	114.86%	0.10%	2.71%
52	Community Bank of Lawndale	IL	$ 34,239	$ 29,684	$ 15,487	$ 2,417	$ (722)	6.92%	4.19%	-2.02%	-26.18%	134.19%	-0.15%	11.33%
53	The Community's Bank	CT	$ 32,332	$ 26,905	$ 18,736	$ 5,013	$ (610)	15.69%	3.71%	-2.03%	-11.61%	182.40%	0.00%	4.20%
54	Douglass National Bank	MO	$ 52,824	$ 50,250	$ 29,271	$ 1,190	$ (1,343)	2.23%	3.25%	-2.19%	-87.08%	157.25%	2.48%	20.66%
55	MemphisFirst Community Bank	TN	$ 53,498	$ 41,240	$ 32,047	$ 12,016	$ (2,079)	22.50%	3.25%	-3.84%	-15.81%	156.31%	4.28%	5.33%
	Average		**$ 242,480**	**$ 190,147**	**$ 160,597**	**$ 20,862**	**$ 1,853**	**9.66%**	**4.28%**	**0.47%**	**4.19%**	**82.81%**	**0.41%**	**2.89%**
	Median		**$ 144,500**	**$ 113,110**	**$ 88,181**	**$ 14,329**	**$ 1,043**	**9.37%**	**4.30%**	**0.71%**	**7.37%**	**77.18%**	**0.16%**	**2.21%**
	Maximum		**$ 2,205,770**	**$ 1,405,662**	**$ 1,354,681**	**$ 144,945**	**$ 23,734**	**22.50%**	**6.03%**	**2.15%**	**22.29%**	**182.40%**	**4.28%**	**20.66%**
	Minimum		**$ 25,193**	**$ 22,295**	**$ 15,138**	**$ 1,190**	**$ (2,079)**	**2.23%**	**2.41%**	**-3.84%**	**-87.08%**	**41.47%**	**-0.15%**	**0.09%**

2006 Social Performance Metrics for all CDFI Banks & Thrifts

#	Institution	State	DLI-HMDA	DDI	Housing Focus
1	Citizens Savings Bank and Trust Company	TN	100.00%	100%	9.55%
2	Douglass National Bank	MO	100.00%	100%	28.84%
3	New York National Bank	NY	100.00%	100%	17.05%
4	City First Bank of D.C., National Association	DC	95.72%	100%	26.02%
5	Community Bank of Lawndale	IL	92.41%	100%	30.98%
6	Advance Bank	MD	92.25%	100%	40.63%
7	United Bank of Philadelphia	PA	89.94%	33%	40.22%
8	Community Commerce Bank	CA	86.89%	16%	27.05%
9	OneUnited Bank	MA	85.37%	75%	90.15%
10	ShoreBank	IL	85.06%	85%	42.29%
11	Legacy Bank	WI	83.44%	100%	35.25%
12	North Milwaukee State Bank	WI	78.08%	100%	25.04%
13	Illinois-Service Federal Savings and Loan Ass.	IL	76.45%	50%	85.58%
14	Carver Federal Savings Bank	NY	74.33%	71%	35.32%
15	Seaway National Bank of Chicago	IL	70.91%	100%	46.83%
16	Inter National Bank	TX	70.40%	40%	9.92%
17	Industrial Bank, National Association	MD	66.78%	75%	42.82%
18	Pacific Global Bank	IL	66.31%	100%	64.62%
19	First American International Bank	NY	63.04%	100%	15.04%
20	University National Bank	MN	62.26%	100%	32.91%
21	Park Midway Bank	MN	61.00%	33%	18.32%
22	Citizens Trust Bank	GA	58.02%	72%	30.28%
23	The Harbor Bank of Maryland	MD	56.80%	83%	21.69%
24	Mutual Community Savings Bank, SSB	NC	52.80%	100%	56.29%
25	International Bank of Chicago	IL	52.40%	75%	28.93%
26	Capitol City Bank & Trust Company	GA	51.17%	85%	8.08%
27	Central Bank of Kansas City	MO	51.03%	57%	20.79%
28	Citizens Bank and Trust Company of Chicago	IL	42.73%	0%	22.74%
29	City National Bank of New Jersey	NJ	42.05%	100%	21.71%
30	South Carolina Community Bank	SC	40.95%	100%	16.54%
31	Franklin National Bank of Minneapolis	MN	34.27%	50%	13.02%
32	First Independence Bank	MI	31.37%	75%	39.25%
33	Liberty Bank and Trust Company	LA	30.06%	69%	54.76%
34	Mechanics & Farmers Bank	NC	28.18%	55%	23.56%
35	Albina Community Bank	OR	23.59%	66%	9.35%
36	Elk Horn Bank and Trust Company	AR	21.26%	25%	27.46%
37	Mission Community Bank	CA	3.74%	60%	12.18%
38	Delta Southern Bank	MS	NA	100%	30.23%
39	First Bank of The Delta, National Association	AR	NA	100%	13.49%
40	Bank of Cherokee County	OK	NA	100%	35.41%
41	Security State Bank of Wewoka, Oklahoma	OK	NA	100%	29.47%
42	The Carver State Bank	GA	NA	100%	51.00%
43	Community Bank of the Bay	CA	NA	100%	18.09%
44	Louisville Community Development Bank	KY	NA	100%	17.41%
45	Neighborhood National Bank	CA	NA	100%	13.39%
46	MemphisFirst Community Bank	TN	NA	100%	29.51%
47	The Community's Bank	CT	NA	100%	22.78%
48	Guaranty Bank and Trust Company	MS	NA	83%	23.60%
49	United Bank and Trust Company	LA	NA	66%	57.35%
50	Pan American Bank	IL	NA	50%	41.63%
51	The First National Bank of Davis	OK	NA	0%	16.00%
52	Fort Gibson State Bank	OK	NA	0%	22.32%
53	Mission Valley Bank	CA	NA	0%	4.35%
54	Community Development Bank, FSB	MN	NA	NA	34.26%
55	Native American Bank, National Association	CO	NA	NA	7.41%
	Average		**62.7%**	**74.5%**	**29.8%**
	Median		**63.0%**	**85.0%**	**27.1%**
	Maximum		**100.0%**	**100.0%**	**90.2%**
	Minimum		**3.7%**	**0.0%**	**4.4%**

LEVERAGING CAPITAL FOR CHANGE

2230 South Michigan Avenue, Suite 200
Chicago, Illinois 60616

Saurabh Narain
Chief Fund Advisor
Phone: 312/881.5826
snarain@ncif.org

Joe Schmidt
Fund Advisor
Phone: 312/881.5817
jschmidt@ncif.org

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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NCIF National Community Investment Fund

Leveraging Capital for Change

2230 South Michigan Avenue, Suite 200 Chicago, Illinois 60616 **[T]** 312.881.5826 **[F]** 312.881.5801 **WWW.NCIF.ORG**