



**The CDFI Banking Sector:
2010 Annual Report on Financial and Social Performance**



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II. Executive Summary

Despite 2010's seeming stabilization from the financial crisis, the recession that began in 2007 is still having a deep effect on many of the most vulnerable populations in the nation. While many people in the higher income brackets have seen a return to pre-crisis income and may be unaffected by the stalled economic recovery, low-income and financially distressed urban and rural communities are still dealing with the cumulative effects of low real-estate values, high unemployment and the lack of access to credit. Until the economic conditions start to improve, these communities will still require increased focus and attention from financial stakeholders.

CDFI banks and thrifts, referred to as CDFI banks in this report, have a mission of meeting the financial services of these low- and moderate-income communities, while adhering to safe and sound banking practices. These banks are generally relatively small, but have very focused geographical service areas where they are able to focus and leverage their assets to meet the specific needs of the communities that they serve. However, this combination of small size and small service area increases CDFI bank exposure to risk as they are less able to absorb the shock of financial crisis on their communities. Several institutions have been particularly hard hit, as this report will show, and in 2011, there was an additional failure of a CDFI bank as Legacy Bank of Milwaukee was closed in March. Despite these misfortunes, the CDFI banking sector as a whole has weathered the storm well, and continues to grow.

Because of the geographies and populations these institutions serve, their impact is far greater than peer groups within the banking industry. Their social performance has been difficult to measure in the past, though with tools such as NCIF's Social Performance MetricsSM, the industry is starting to quantify impact in ways that resonate with investors who may be interested in supporting these institutions. CDFI banks need to continue to work together to build and communicate a clear story that outlines why they are crucial to their communities and how they are specifically making a greater social impact through their efforts. Further support is still needed, and demonstrating their continued financial viability combined with the impact they generate in the nation's most vulnerable populations will only help convince stakeholders to provide that support in the form of investments, policy changes and advocacy.

NCIF is pleased to present the **2010 Annual Financial and Social Performance of the CDFI Banking Sector**, highlighting the financial and social performance of CDFI banks and thrifts.

Financial Performance Summary

- As of 12/31/2010, there were 85 certified CDFI banks, an increase of 23 from the 62 active banks as of year-end 2009. This was due to a large increase in CDFI certified banks at the end of 2010.
- In 2010, the CDFI bank and thrift sector grew total assets by 15.5%; total loans by 15.7%; total deposits by 16.08% and total equity by 19.09%.
- The CDFI bank and thrift sector cumulatively lost \$14.8 million in net income during 2010, which is an improvement over the \$115.5 million loss in net income of 2009.
- The median return on assets ratio was 0.32%.
- While the median leverage ratio for all CDFI banks was 8.54% as at year end, the range is very wide.

Social Performance Summary

- 49.7% of the median CDFI bank's home lending is directed towards low- and moderate-income communities (Development Lending Intensity). This figure is over 3 times higher than the percentage for "All Banks" peer group (16.4%).
- 66.7% of the median CDFI bank's branch locations are located in, and are serving the needs of, low and moderate income communities (Development Deposit Intensity). This figure is almost 5 times higher than the percentage for "All Banks" peer group (14.6%).
- 38 of the 65 CDFI banks (58.5%) that reported HMDA loans in 2009 are located in the 'high-performing' Quadrant 1 per the NCIF Social Performance MetricsSM. Many others will be in Quadrant 1 if we count their commercial lending.

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It is clear that in the current economic and political environment, there has been more focus than ever on small businesses and the creation of new jobs, especially in economically distressed communities across the United States. With unemployment remaining stubbornly high (9.2% as of June 2011 according to the Bureau of Labor Statistics), and often reaching much higher levels in these communities, CDFI banks continue to be anchor institutions working to assist entrepreneurs and small business owners to weather the financial storm as well as grow and create jobs. Both the government and CDFI banks are focusing on supporting and growing small businesses.

An example of the government's commitment to the critical role CDFI banks play, and the difficulty they are having due to the credit crunch, the Small Business Jobs Act of 2010 included the creation of the Small Business Lending Fund (SBLF). This \$30 billion fund provides capital to community banks at heavily discounted rates for the express purpose of allowing banks to leverage that capital into a much larger amount of small business loans.

Sunrise Banks in Minneapolis/St. Paul provides an example of a CDFI bank that has implemented programs aimed at helping small businesses throughout their service area. The bank offers a Socially Responsible Deposit Fund (SRDF), wherein investors place deposits into a fund that is used to provide much needed loans to high impact businesses and projects.

As an example, through the SRDF Sunrise was able to finance Common Roots Café, a start-up business in Minneapolis. Danny Schwartzman, the café's owner, wanted to create a business with a broad impact on the community by serving locally grown, organic food; providing quality affordable housing and living-wage employment opportunities; and supporting other local businesses. After being turned down by other lenders, he found in Sunrise a bank that was willing to support his plan.

As a result of the investment Sunrise provided, Common Roots Café has resulted in the creation of more than 30 jobs, the creation of seven affordable rental housing units, a community garden that yields more than 1,500 pounds of organic produce during one season, and a large meeting room in the café that is available for free to local non-profits.

This example highlights the necessity of community development banks in the creation of new jobs the United States today, and why continued support of these unique types of financial institutions is critical for the success of the economic recovery.

III. Financial Performance of CDFI Banks & Thrifts

Overview

CDFI banks and thrifts continue to be disproportionately impacted by the current economic downturn. Though they were not the types of banks and financial institutions that were at the crux of the financial crisis, their location in, and service to, financially distressed and low-income communities make them vulnerable to sustained economic recessions. Although recent figures for unemployment in the U.S. are 9.2% (June, 2011, BLS), often the figures are much higher in the communities that many CDFI banks and thrifts serve. Broadway Federal Savings Bank services mid-city and south Los Angeles where unemployment can reach as high as 22% (California Employment Development Department, 2010). As the recovery stalls, these banks and the communities they serve remain under constant stress.

Despite this difficult economic environment, the CDFI banking sector continued to grow during 2010 and CDFI banks continued to provide the access to credit that is crucial within low- and moderate- income communities. At the end of 2009, there were 62 CDFI banks operating in the US. However, at the end of 2010 there were 85 CDFI banks operating. This was mainly due to the U.S. Department of Treasury's Community Development Capital Initiative. This program made capital available to certified CDFIs for the expressed purpose of increasing lending to small businesses and community development. The favorable terms of this capital incentivized many community development banks that were not yet certified CDFIs to learn about and apply for certification, thus growing the number of CDFI banks. These banks were already located in financially distressed communities and serving low-income populations, but had not felt the need to become certified CDFIs. Often located in rural areas, these new CDFI banks continue to serve their communities with tailored financial services, yet now have the added benefit of access to the resources of the CDFI fund to pursue their objectives.

As the following trend statistics will show, the CDFI banking sector has improved its median performance from 2009 in many statistical categories, and continues to grow on an absolute basis both with the addition of new banks and as the old banks stabilize after a difficult couple of years.

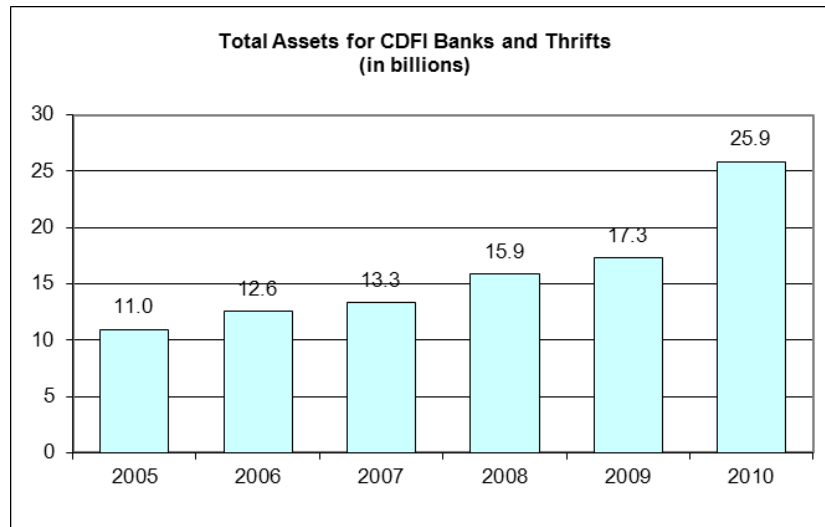
Following are trends in statistics on:

1. Total Assets
2. Total Loans
3. Total Deposits
4. Total Equity
5. Net Income
6. Net Interest Margin
7. Return on Assets
8. Return on Equity
9. Efficiency Ratio
10. Tier 1 Leverage Ratio
11. Non-Current Loans to Total Loans Ratio
12. Net Charge Offs to Net Loans Ratio
13. Loan Loss Reserves to Total Loans Ratio

Balance Sheet and Income Statement

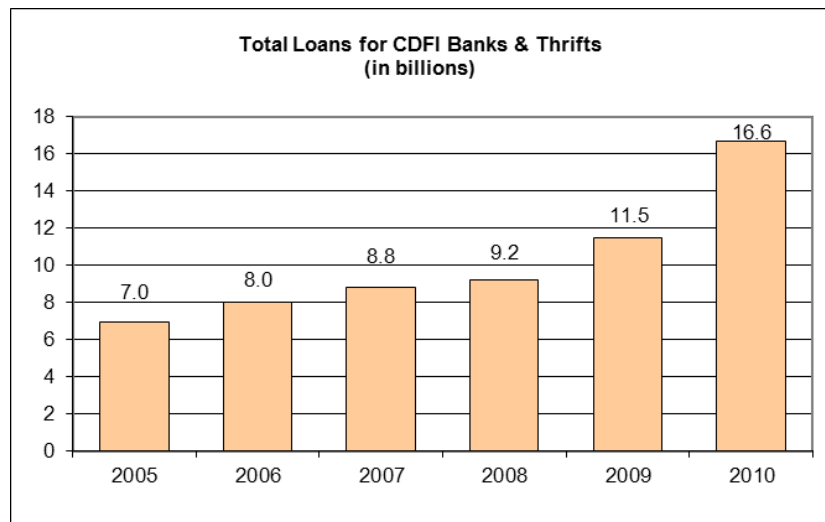
1. Total Assets

- In 2010, driven largely by the increase in newly certified CDFI banks, the sector grew total assets from \$17.3 billion to \$25.9 billion, an increase of 49.3%. The compound annual growth rate from 2005 to 2010 for the 85 CDFI Banks certified as of 12/31/2010 is 6.70%. This rate normalizes the asset growth of the sector despite the varying number of certified CDFI Banks.
- CDFI banks ranged from \$7.4 million to \$2.3 billion in asset size.
- The asset size of the average CDFI bank was \$304.2 million, and increase from the 2009 average of \$279.3 million. The median asset size was \$180.3 up from \$163.7 million.



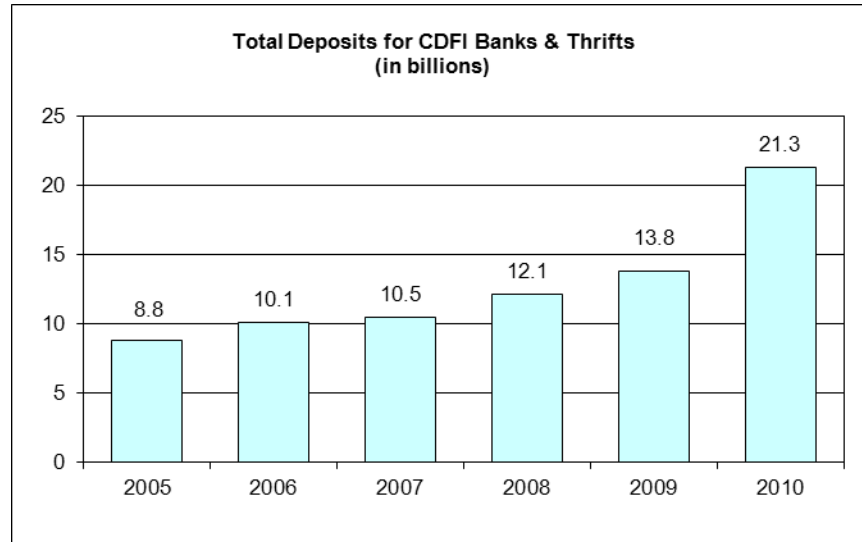
2. Total Loans

- In 2010, total loans within the sector grew from \$11.5 billion to \$16.6 billion, an increase of 45.1%, which again, is partly due to the increase in CDFI certified banks. The compound annual growth rate from 2005 to 2010 for the 85 CDFI Banks certified as of 12/31/2010 is 5.89%.
- The maximum amount of loans outstanding for a bank was \$1.5 billion. The smallest portfolio was \$3.5 million.
- On average, each CDFI bank has \$195.7 million in loans outstanding, up from \$184.9 million as of YE2009. The median level of loans outstanding was \$114.8 up from \$110.4 million.



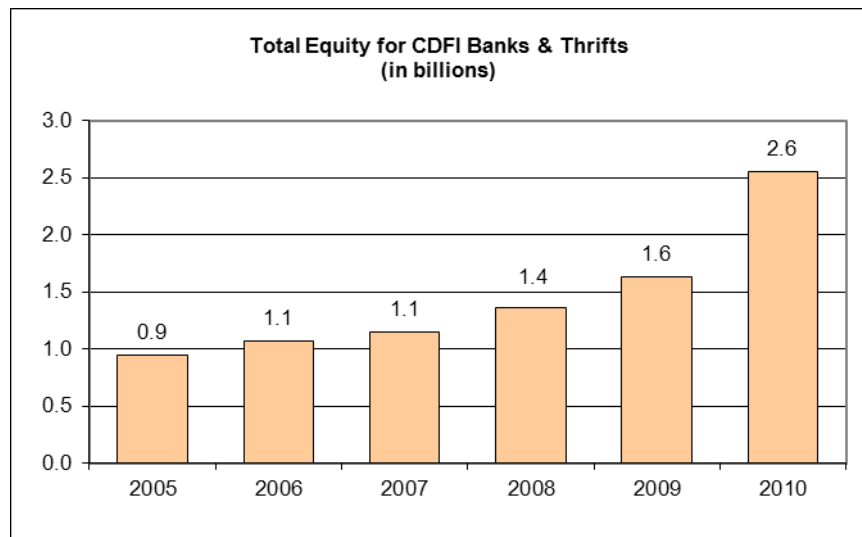
3. Total Deposits

- In 2010, deposits held at CDFI banks grew from \$13.8 billion to \$21.3 billion, an increase of 54.2%. The compound annual growth rate from 2005 to 2010 for the 85 CDFI Banks certified as of 12/31/2010 is 7.20%.
- The largest deposit level with an individual bank was \$1.9 billion; the smallest level was \$6.6 million.
- On average, each CDFI bank held \$250.4 million in deposits an increase over the 2009 figure of \$222.6 million in deposits. The median bank held \$155.1 million, up from \$136.7 million.



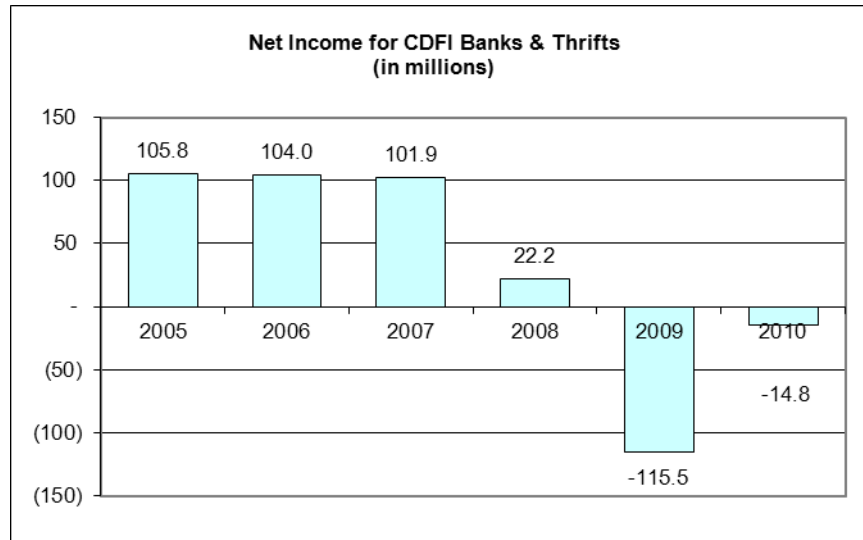
4. Total Equity

- In 2010, total equity within the CDFI banking sector grew from \$1.6 billion to \$2.6 billion, an increase of 56.6%. The compound annual growth rate from 2005 to 2010 for the 85 CDFI Banks certified as of 12/31/2010 is 8.48%.
- The largest CDFI bank had \$396.6 million in equity, while the smallest bank had \$0.84 million.
- The average equity in the sector was \$30.0 million, up from \$26.3 million as of YE2009. The 2010 median for equity was \$16.3 million, down from \$16.6 million.



5. Net Income

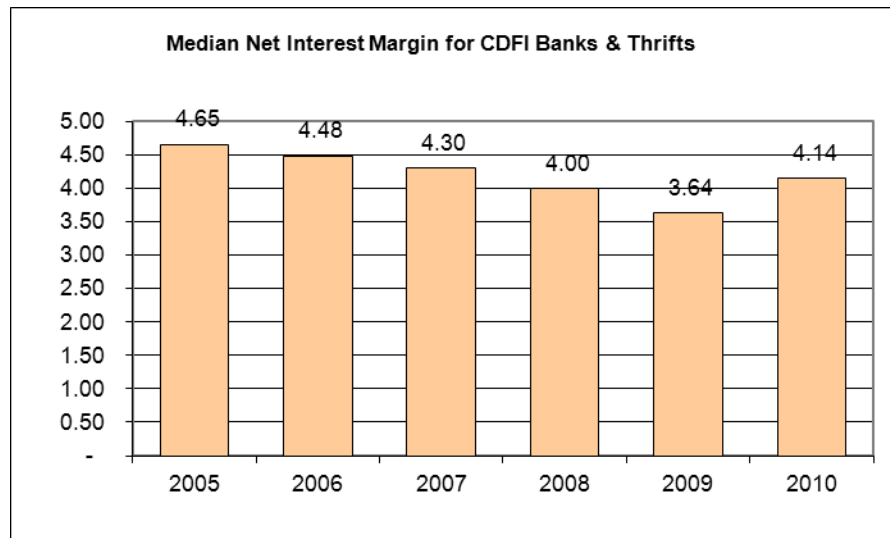
- In 2010, the 85 CDFI banks and thrifts lost \$14.8 million in net income. This sector-wide loss was driven by large loan losses in several institutions.
- The average CDFI bank lost \$174,000 in net income during 2010, an improvement over the \$1.9 million average loss during 2009.



Performance & Condition Ratios

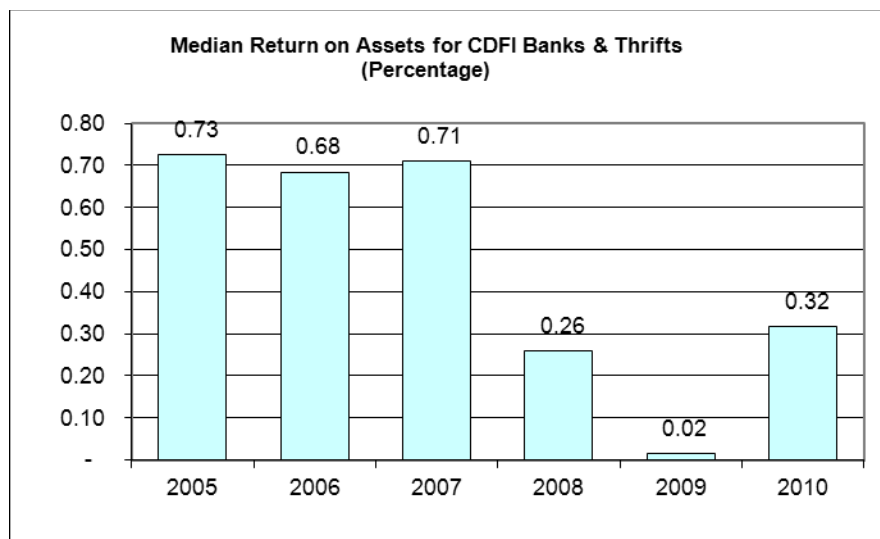
6. Net Interest Margin

- In 2010, the CDFI median net interest margin increased from 3.64% to 4.14%. This is 31 bps above the all bank median of 3.83%.
- The highest net interest margin within the CDFI bank sector at YE 2010 was 5.63%; while the lowest was 1.95%.
- The median net interest margin for the CDFI banking sector has declined from the 2004 high of 4.74% to 4.14%.



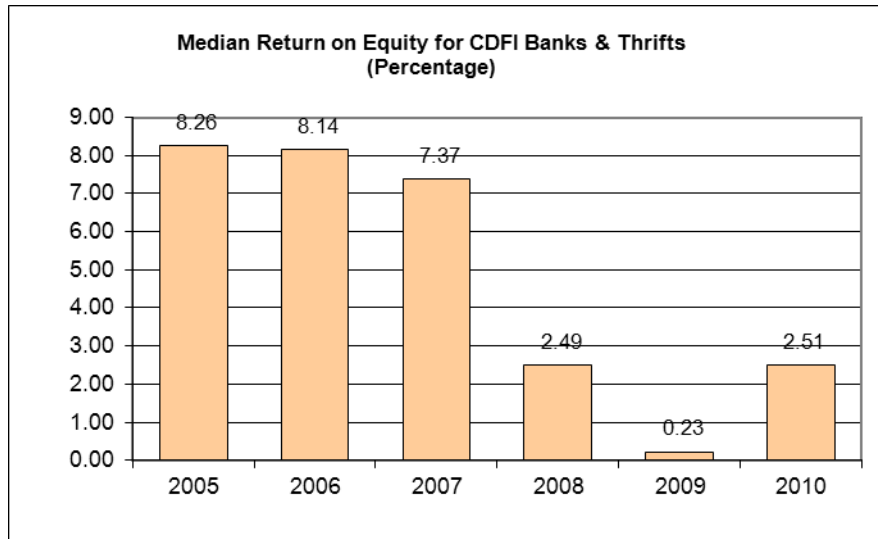
7. Return on Assets

- On the earnings side, the CDFI banks showed an improvement over 2009 as the median return on assets increased 30 bps, from 0.02% to 0.32%. This is below the “All Bank” median of 0.61%.
- Despite the increase in return on assets, the median for CDFI banks is still well off the 2004 high of 0.90%.



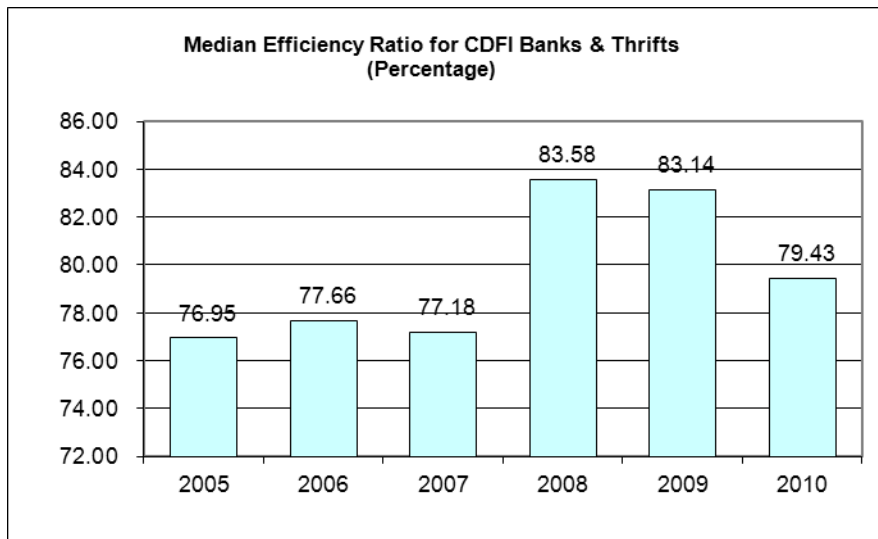
8. Return on Equity

- Median return on equity increased from .23% to 2.51%. As of 12/31/2010, the median return on equity for all banks was 5.59%.
- Since the 2004 high of 10.67%, the median return on equity has fallen 76.4%.



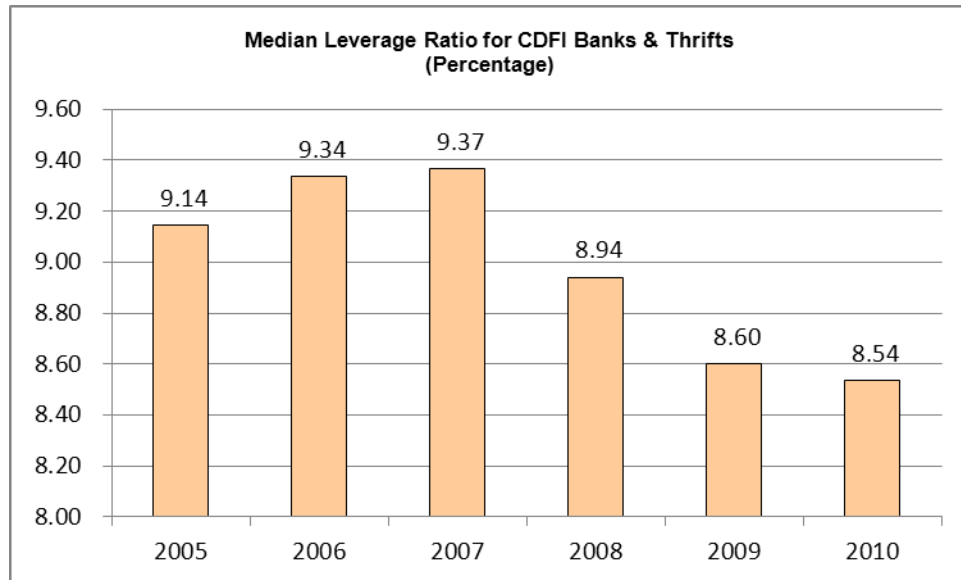
9. Efficiency Ratio

- The median efficiency ratio ended 2010 at 79.43%, an improvement from the 2009 figure of 83.14%.
- The “All Bank” median efficiency ratio was 70.4% as of year-end 2010.



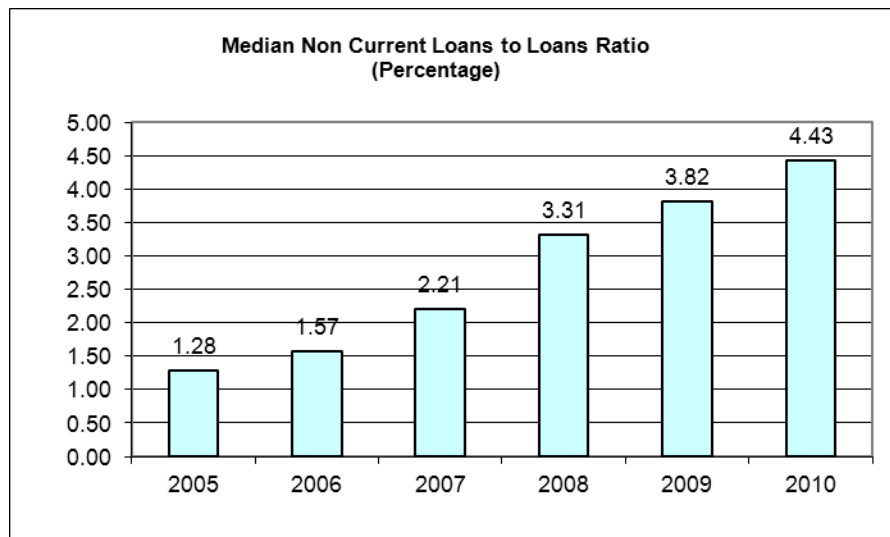
10. Tier 1 Leverage Ratio

- The median leverage ratio decreased from 2009, from 8.60% to 8.54%. The median ratio for all banks was 9.44%.
- The median leverage ratio had increased each year since 2005 to a high of 9.37% in 2007, before decreasing in 2009 and falling further in 2010 to 8.54%.



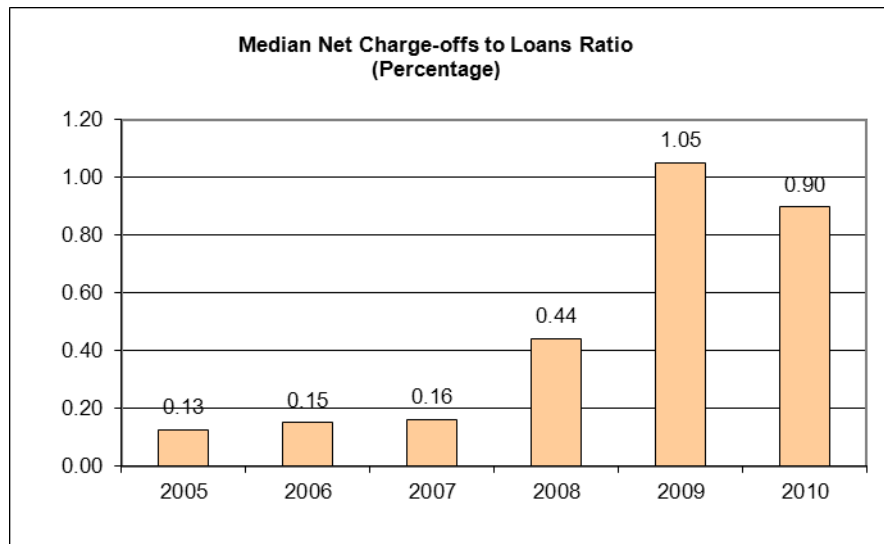
11. Non-Current Loans to Total Loans Ratio

- At the end of 2010, the CDFI Banks exhibited a median non-current loans to total loans ratio of 4.43%. This represents deterioration over the 2009 year-end median of 3.82%.
- The lowest non-current loans to total loans ratio within the CDFI industry was 0.00%; the highest ratio was 25.8%.
- For all banks, the median non-current loans to total loans ratio was 1.8%.



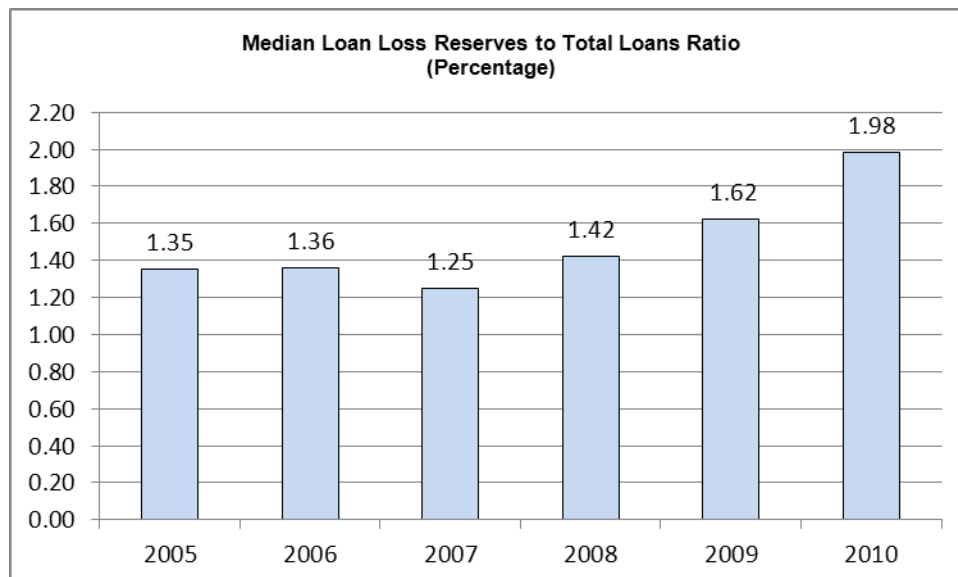
12. Net Charge-offs to Average Loans Ratio

- The net charge-offs for CDFI banks showed a slight improvement in 2010, moving from 1.05% to 0.90%.
- The lowest net charge-offs to average loans ratio was 0.00%; the highest ratio was 6.9%.
- This is above the median net charge-offs to average loans ratio for all banks of 0.44%.



13. Loan Loss Reserves to Total Loans Ratio

- The 85 CDFI Banks raised the median loan loss reserves to total loans ratio to 1.96%. This represents a 34 bps, or 16%, increase in the median ratio from YE 2009 (1.62%).
- The lowest loan loss reserves to total loans ratio was 0.64%; the highest ratio was 12.95%.
- The CDFI Bank ratio is 45 bp above the median loan loss reserves to total loans ratio for all banks of 1.53%.



IV. Social Performance of CDFI Banks & Thrifts

Overview

To fully demonstrate the impact that CDFIs have in their community, it is necessary to measure and communicate the ongoing work of these banks both quantitatively and qualitatively. By successfully doing so, CDFIs will be able to raise capital and support from stakeholders, thereby continuing to route resources to the most vulnerable communities.

To measure the impact of CDFIs, NCIF uses two primary tools:

- A. *The NCIF Social Performance Metrics*
- B. *NCIF Model CDBI Framework*

A summary of these tools is available in Appendix D. NCIF believes that by using these tools, it is possible to evaluate and communicate the level of activity that every bank has in underserved, low income communities. NCIF has also set up a Social Performance Metrics Working Group of CDFI bank CEOs to help standardize the reporting by the sector.

A. NCIF Social Performance Metrics

Using the two *Core Metrics* (DLI-HMDA and DDI – see Appendix D), NCIF performed an analysis of the median CDFI bank's scores relative to the median scores for several peer groups;

- (1) All Domestic Banks ("All Banks" peer group);
- (2) Top 10 Bank by assets –YE 2010 ("Top-Ten" peer group);
- (3) Banks with total assets \leq \$2 billion – YE 2010 (the majority of CDFI banks have an asset level that falls into this range);
- (4) Minority Depository Institutions ("MDI" peer group)
- (5) NCIF Portfolio

As the data in Table 1 illuminates CDFI banks strongly outperform the first four peer groups though they underperform the NCIF Portfolio (DLI-HMDA of 57.40% and DDI of 78.89%), which consists of the some of the highest performing CDFI banks in the country from a social performance perspective.

The median CDFI bank has a DLI-HMDA score of 49.72%. This means that for every \$100 of home lending generated by the bank, almost \$50 dollars is being lent to a resident of a low- and moderate- income community. For the "All Bank" peer group, the median DLI-HMDA would result in just over \$16 of lending being provided to a lower income area. The 49.72% DLI-HMDA median for CDFI banks is over 3 times greater than the median for the "Top-Ten" peer group and the "All Bank" peer group.

Similarly for DDI, the median CDFI bank has a score of 66.67%, which is over 2 times greater than the median for the "Top-Ten" peer group and almost 5 times the median for the "All Bank" peer group. For CDFIs, the vast majority of branch locations are located in low- and moderate- income communities, providing the residents of distressed communities the sustainable banking products and services that are a necessary alternative to the irresponsible and predatory financial service providers located throughout these neighborhoods.

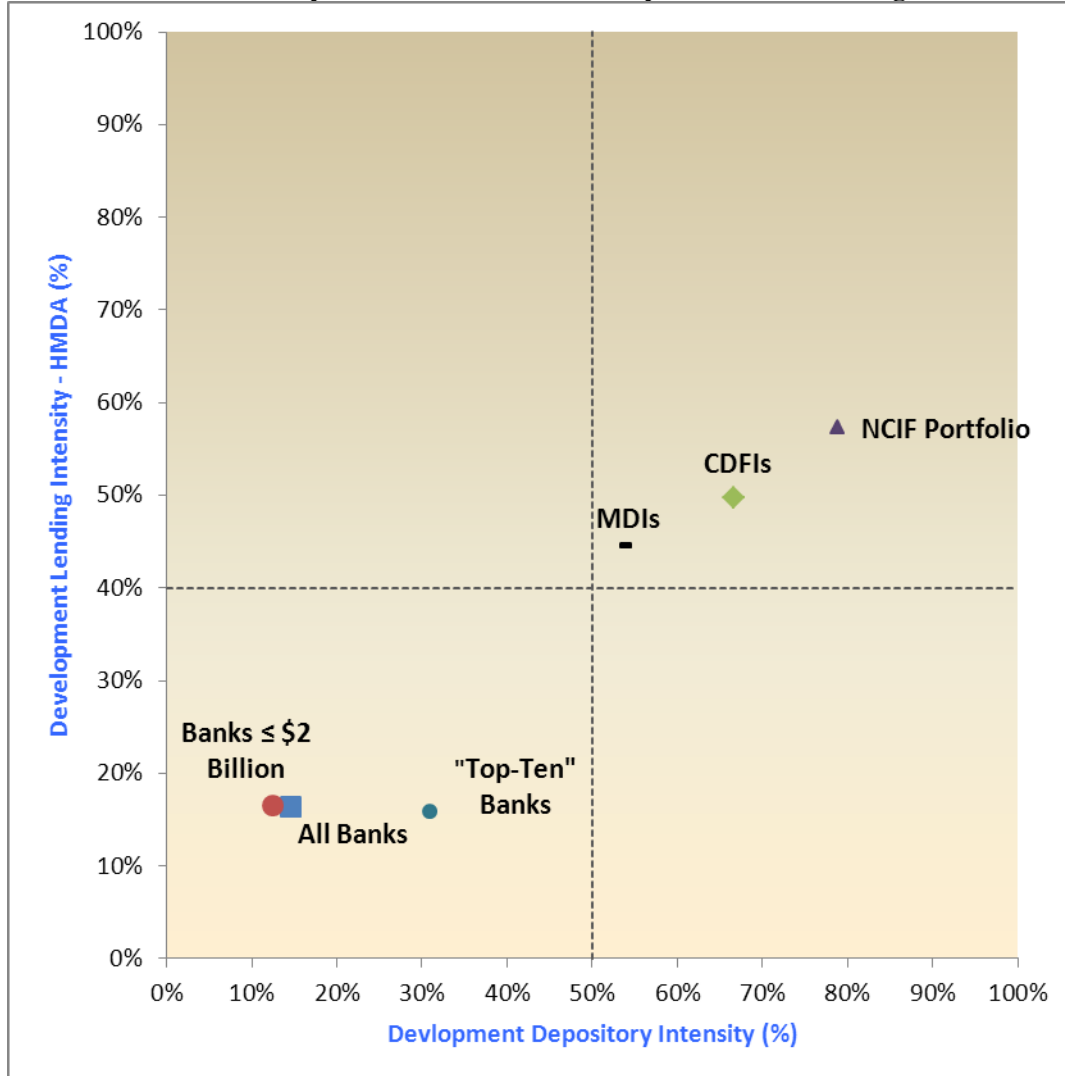
Table 1: FY2009 NCIF Social Performance Metrics for Bank Subsectors (Median)

	Peer Group	#	DLI-HMDA	DDI
	CDFI Banks	85	49.72%	66.67%
1	All Domestic Banks	7,666	16.38%	14.55%
2	"Top-Ten" Banks by Assets	10	15.81%	30.97%
3	Banks \leq \$2 Billion	7,312	16.49%	12.50%
4	Minority Depository Institutions	199	44.63%	53.33%
5	NCIF Portfolio	20	57.30%	78.89%

Table 1 illustrates the relative ease with which the NCIF Social Performance Metrics can be used to compare institutions or peer groups to determine which banks are more focused on low income areas. In addition, NCIF created threshold levels for both DLI-HMDA and DDI that separate individual “high” performers from “low” performers. NCIF has proposed a DLI-HMDA threshold level of 40% to indicate a ‘high-performer.’ This number is approximately 2.5 times the median DLI-HMDA for all banks in the country (16.38%). 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 has proposed a threshold level of 50% to indicate “High DDI” and therefore make 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 values 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. Finally, Quadrant 4 is composed of those institutions that fall below both thresholds.

Chart 1: CDFI Bank Median Compared to All Bank and “Top-Ten” Bank Average



As Chart 1 illustrates, the CDFI peer group is squarely in high-performing Quadrant 1, while the All Bank, “Top-Ten” and Banks with ≤ \$2 Billion in Assets peer groups are located in the underperforming Quadrant 4. In fact, of the 65 CDFI banks that have both a DLI-HMDA and DDI score, 38 (58%) are located in the high-performing Quadrant 1 (please see Appendix C for 2009 Social Performance MetricsSM).

Simply put, CDFI banks are much more focused on meeting the needs of the consumers and businesses located in low- and moderate- income communities.

NCIF is able to analyze the performance of any institution as of a point in time, over a period of time since 1996 and compared to any peer group – standardized or customized by geography, size or nature of lending.

B. Model CDBI Framework

While the NCIF Social Performance Metrics and Development Impact of NCIF Investees Report are powerful quantitative tools for measuring the community development impact of a bank's lending, NCIF complements this with a qualitative analysis to fully ascertain whether or not an institution has a community development orientation. We want to make sure that a bank is located in and lends to economically disadvantaged communities and does so in a responsible manner.

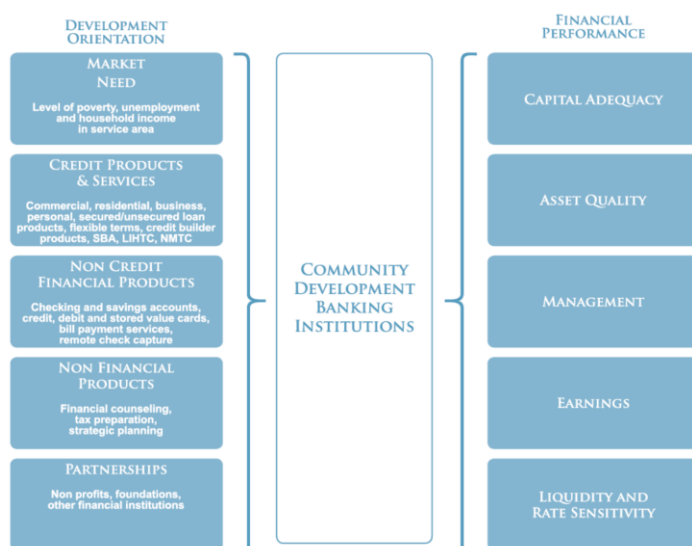
To determine if a bank is truly mission focused, we use the **NCIF Model CDBI Framework** to evaluate the economic development orientation of an institution. The framework (provided below) examines the market need of the community that the bank serves as well as the products and services the bank offers and the partnerships in which the bank is engaged. This analysis determines if the bank is simply located in a low income area, or if they are going beyond to create and implement the innovative tools and programs that low-income customers and businesses need to survive and thrive.

By performing this Model CDBI Analysis, NCIF is able to get past the numbers and to truly understand the operation of an institution. By doing so, we can determine if the bank truly has a double "bottom-line mission" orientation.

Chart #5 – The Model CDBI Framework

What is the **Market Need** in the institution's service area? Does the area have elevated poverty and unemployment rates?

What are the **Credit Products and Services** the institution provide its customers? As an example, NCIF Investee *City First Bank of DC* in Washington, DC offers a wide range of loan structures to enable mission oriented borrowers to engage in development of affordable housing, health clinics and services, charters schools and other education providers.



What **Non Credit Financial Products** are being offered? NCIF investee *Carver Federal Savings Bank* in New York has recently rolled out a suite of products that are alternatives to check cashers and money service businesses. These products are more sustainably priced, and build strong bank relationships for the currently unbanked and underbanked.

What are the **Non-Financial Products** that the institution is providing? *Carver Federal Savings Bank* in New York established a formal Financial Empowerment Workshop Series with the support of a U.S. Treasury CDFI Fund Financial Assistance (FA) grant. Over 10,000 attendees benefited from over 450 Carver-sponsored seminars and events centered on such critical issues as credit and money management, affordable homeownership, predatory lending, the benefits of traditional banking accounts and services versus the relative expense of check cashing services.

Finally, is the institution involved in **Partnerships** with non-profit groups, government and other organizations that serve to bring assistance to the community? NCIF investee *Broadway Federal Savings Bank in Los Angeles* participates in several public-private partnerships as part of its delivery and outreach strategy including the City of Los Angeles' Bank on LA Program and Banking District Development (BDD) Program, and the City of Los Angeles Mayor's Office of Economic and Business Policy Small Business Advisory Council.

V. Appendix: Financial Performance & Social Performance Background Material

Appendix A: CDFI Peer Group Financial Summary

2010 Summary	Average	Median	Maximum	Minimum	Total
Total Assets	\$ 308,210	\$ 180,329	\$ 2,262,442	\$ 35,549	\$ 24,348,593
Total Deposits	\$ 253,934	\$ 155,104	\$ 1,861,312	\$ 30,720	\$ 20,060,778
Total Equity	\$ 30,832	\$ 16,298	\$ 396,615	\$ 1,271	\$ 2,435,707
Net Income	\$ 216	\$ 391	\$ 12,009	\$ (12,687)	\$ 17,037
Tier 1 Leverage	9.0%	8.6%	19.2%	2.2%	
Net Interest Margin	4.0%	4.1%	5.6%	2.0%	
Return on Assets	-0.1%	0.3%	1.5%	-3.9%	
Return on Equity	-2.5%	2.5%	20.7%	-79.0%	
Efficiency Ratio	84.5%	79.4%	214.1%	47.1%	
Noncurrent Loan Ratio	5.7%	4.4%	23.4%	0.0%	
Net Chargeoff Ratio	1.2%	0.9%	6.9%	0.0%	

* Data based on middle 93% of certified CDFI institutions (79 total banks and thrifts). Top and bottom 3 institutions discarded based on Return on Assets.

2009 Summary	Average	Median	Maximum	Minimum	Total
Total Assets	\$ 287,645	\$ 163,706	\$ 2,246,737	\$ 24,990	\$ 16,108,095
Total Deposits	\$ 228,402	\$ 136,718	\$ 1,715,645	\$ 18,155	\$ 12,790,487
Total Loans & Leases	\$ 190,318	\$ 111,910	\$ 1,396,228	\$ 8,432	\$ 10,657,829
Total Equity	\$ 27,016	\$ 17,198	\$ 404,672	\$ 2,361	\$ 1,512,882
Net Income	\$ (2,148)	\$ 59	\$ 7,339	\$ (105,306)	\$ (120,269)
Tier 1 Leverage	10.25%	8.90%			
Net Interest Margin	3.51%	3.57%	4.91%	1.93%	
Return on Assets	-0.47%	0.02%	1.36%	-4.27%	
Return on Equity	-5.54%	0.23%	17.86%	-78.77%	
Efficiency Ratio	86.56%	83.14%	178.93%	48.00%	
Noncurrent Loan Ratio	5.96%	3.92%	30.42%	0.00%	
Net Chargeoff Ratio	1.44%	0.96%	6.18%	0.00%	

* Data based on middle 90% of certified CDFI institutions (56 total banks and thrifts). Top and bottom 3 institutions discarded based on Return on Assets.

Appendix B: CDFI Banks with Financials – Sorted by Assets

#	Institution	State	Assets (\$000)	Deposits (\$000)	Total Loans (\$000)	Equity (\$000)	Income (\$000)	NIM (%)	ROA (%)	ROE (%)	Efficiency Ratio (%)	NCL (%)	NCO (%)
1	Inter National Bank	TX	\$ 2,262,442	\$ 1,861,312	\$ 990,910	\$ 396,615	\$ (2,142)	3.28	-0.10	-0.53	81.59	12.22	1.49
2	BankPlus	MS	\$ 2,228,772	\$ 1,713,760	\$ 1,493,682	\$ 203,038	\$ 12,009	4.67	0.54	5.95	69.68	1.71	1.03
3	Merchants and Farmers Bank	MS	\$ 1,599,283	\$ 1,378,310	\$ 1,066,388	\$ 133,947	\$ 5,415	3.51	0.34	4.05	78.23	3.20	1.63
4	Southern Bancorp Bank	AR	\$ 1,078,662	\$ 918,005	\$ 613,227	\$ 111,098	\$ 9,061	4.32	0.88	8.78	68.00	2.31	0.61
5	Security Federal Bank	SC	\$ 930,084	\$ 695,347	\$ 529,516	\$ 81,562	\$ 1,879	3.13	0.20	2.37	69.78	4.25	1.08
6	State Bank & Trust Company	MS	\$ 916,922	\$ 734,366	\$ 627,615	\$ 108,526	\$ 5,005	4.27	0.55	4.55	72.32	1.03	0.90
7	Carver Federal Savings Bank	NY	\$ 743,604	\$ 592,207	\$ 601,981	\$ 40,105	\$ (32,287)	3.93	-4.12	-51.47	84.84	14.98	2.67
8	BankFirst Financial Services	MS	\$ 697,128	\$ 580,550	\$ 505,214	\$ 54,663	\$ 4,094	3.42	0.56	7.68	63.04	0.47	0.71
9	First American International Bank	NY	\$ 587,979	\$ 504,208	\$ 510,025	\$ 57,690	\$ (7,388)	4.81	-1.19	-11.96	67.02	10.37	2.42
10	OneUnited Bank	MA	\$ 522,899	\$ 288,367	\$ 322,347	\$ 35,121	\$ 729	2.46	0.14	1.97	111.78	4.91	0.46
11	Seaway Bank and Trust Company	IL	\$ 516,584	\$ 464,520	\$ 262,638	\$ 35,729	\$ 5,459	3.34	1.28	15.16	68.73	15.60	1.70
12	The First, A National Banking Association	MS	\$ 502,277	\$ 394,157	\$ 332,574	\$ 54,659	\$ 3,017	3.64	0.61	5.61	73.53	1.59	0.34
13	First Security Bank	MS	\$ 499,114	\$ 410,100	\$ 245,639	\$ 56,834	\$ 2,040	3.61	0.41	3.57	80.42	3.45	0.86
14	Guaranty Bank and Trust Company	MS	\$ 491,067	\$ 420,271	\$ 338,832	\$ 51,846	\$ 3,812	4.64	0.75	7.40	60.46	2.14	1.33
15	Broadway Federal Bank, f.s.b	CA	\$ 484,592	\$ 350,053	\$ 429,043	\$ 43,506	\$ (1,971)	4.30	-0.38	-4.69	61.44	8.67	0.79
16	The Peoples State Bank	LA	\$ 467,735	\$ 394,380	\$ 223,260	\$ 43,793	\$ 2,983	3.63	0.66	6.63	83.36	0.96	0.47
17	Liberty Bank and Trust Company	LA	\$ 463,847	\$ 422,841	\$ 196,334	\$ 32,750	\$ 2,243	4.73	0.52	6.49	88.70	3.05	0.54
18	Citizens Trust Bank	GA	\$ 387,731	\$ 338,960	\$ 196,182	\$ 44,436	\$ 780	4.34	0.20	1.81	88.78	6.75	1.19
19	City National Bank of New Jersey	NJ	\$ 387,522	\$ 338,284	\$ 245,336	\$ 32,686	\$ (7,195)	3.11	-1.60	-20.70	98.74	14.44	2.73
20	Industrial Bank	DC	\$ 382,063	\$ 296,808	\$ 237,692	\$ 30,772	\$ 304	4.71	0.08	1.00	88.15	5.69	0.40
21	Community Commerce Bank	CA	\$ 360,803	\$ 271,780	\$ 279,385	\$ 37,641	\$ 276	4.62	0.07	0.76	66.67	4.06	0.53
22	First Eagle Bank	IL	\$ 332,337	\$ 260,627	\$ 219,046	\$ 44,701	\$ 6,314	4.18	1.93	14.88	45.74	1.57	0.45
23	PlantersFIRST	GA	\$ 315,661	\$ 300,288	\$ 219,387	\$ 10,355	\$ (5,555)	3.75	-1.71	-45.13	90.24	12.49	6.88
24	Mechanics & Farmers Bank	NC	\$ 312,190	\$ 272,270	\$ 201,771	\$ 33,301	\$ 922	4.14	0.32	2.78	86.00	8.09	0.11
25	Austin Bank of Chicago	IL	\$ 308,090	\$ 250,770	\$ 235,988	\$ 29,887	\$ 2,840	4.34	0.91	9.73	75.17	1.14	0.43
26	Capitol City Bank & Trust Company	GA	\$ 295,074	\$ 275,331	\$ 237,212	\$ 12,891	\$ 249	2.94	0.08	1.86	97.28	13.42	0.10
27	OneCalifornia Bank, FSB	CA	\$ 294,945	\$ 233,726	\$ 154,438	\$ 32,839	\$ (2,169)	2.61	-1.52	-13.50	128.27	8.40	1.05
28	Premier Bank	IL	\$ 290,264	\$ 207,919	\$ 181,329	\$ 11,458	\$ (12,687)	2.12	-3.86	-58.35	94.47	11.61	5.64
29	Park Midway Bank, National Association	MN	\$ 261,332	\$ 212,832	\$ 211,971	\$ 26,987	\$ 2,479	4.58	0.94	9.26	65.90	5.03	1.01
30	Mission Valley Bank	CA	\$ 254,499	\$ 193,820	\$ 191,735	\$ 33,149	\$ 1,148	4.86	0.45	3.82	72.74	3.36	1.62
31	Landmark Community Bank	TN	\$ 252,593	\$ 203,741	\$ 189,560	\$ 23,082	\$ 1,278	3.59	0.56	6.10	79.43	1.63	0.34
32	The Harbor Bank of Maryland	MD	\$ 249,555	\$ 217,198	\$ 194,768	\$ 24,557	\$ (4,110)	4.24	-1.43	-15.52	93.75	5.06	1.76
33	International Bank of Chicago	IL	\$ 239,697	\$ 205,839	\$ 173,568	\$ 24,381	\$ 1,785	3.75	0.77	7.84	57.63	1.10	0.48
34	The Union Bank	LA	\$ 236,066	\$ 203,343	\$ 150,481	\$ 16,897	\$ 1,719	3.99	0.70	10.53	64.06	8.58	2.39
35	Magnolia State Bank	MS	\$ 233,636	\$ 211,747	\$ 168,118	\$ 19,612	\$ 2,502	5.15	1.09	13.11	71.33	0.03	0.05
36	Second Federal Savings and Loan Association of Chicago	IL	\$ 210,861	\$ 178,098	\$ 169,083	\$ 10,592	\$ (6,643)	3.63	-3.00	-48.61	124.00	9.43	3.11
37	Pan American Bank	IL	\$ 205,467	\$ 189,531	\$ 120,940	\$ 13,593	\$ 1,532	2.96	0.84	13.50	75.16	0.54	0.02
38	First Choice Bank	CA	\$ 201,964	\$ 174,001	\$ 93,435	\$ 16,298	\$ 1,006	3.03	0.58	6.21	77.90	2.06	0.53
39	Mission Community Bank	CA	\$ 199,369	\$ 177,976	\$ 105,111	\$ 19,533	\$ (5,550)	3.77	-2.86	-27.25	103.07	1.90	6.89
40	University National Bank	MN	\$ 194,762	\$ 162,673	\$ 114,770	\$ 25,561	\$ 2,326	5.14	1.29	12.67	51.51	4.00	1.21
41	Legacy Bank	WI	\$ 190,418	\$ 183,309	\$ 157,896	\$ 2,427	\$ (9,281)	3.45	-4.32	-126.55	118.01	25.81	0.97
42	First Independence Bank	MI	\$ 183,846	\$ 158,127	\$ 108,080	\$ 15,526	\$ (287)	4.09	-0.15	-1.89	88.99	1.89	1.65
43	The Bank of Vernon	AL	\$ 180,329	\$ 155,104	\$ 132,527	\$ 19,464	\$ (2,579)	3.40	-1.42	-13.84	74.12	8.40	1.36
44	Central Bank of Kansas City	MO	\$ 171,335	\$ 126,562	\$ 120,029	\$ 23,645	\$ 3,003	4.70	1.68	13.25	63.12	6.04	1.50
45	Pacific Global Bank	IL	\$ 169,905	\$ 145,285	\$ 136,706	\$ 16,502	\$ (2,157)	4.04	-1.25	-12.41	55.34	7.17	2.63

#	Institution	State	Assets (\$000)	Deposits (\$000)	Total Loans (\$000)	Equity (\$000)	Income (\$000)	NIM (%)	ROA (%)	ROE (%)	Efficiency Ratio (%)	NCL (%)	NCO (%)
46	City First Bank of D.C., National Association	DC	\$ 157,788	\$ 126,505	\$ 105,312	\$ 26,487	\$ 999	4.52	0.65	4.40	77.32	2.94	0.30
47	BankAsiana	NJ	\$ 149,470	\$ 114,152	\$ 111,920	\$ 23,789	\$ 1,268	3.81	0.89	6.37	62.75	3.65	0.34
48	Illinois-Service Federal Savings and Loan Association	IL	\$ 149,284	\$ 103,895	\$ 58,478	\$ 14,779	\$ 78	3.42	0.05	0.51	86.79	6.31	1.55
49	Albina Community Bank	OR	\$ 145,420	\$ 129,828	\$ 116,676	\$ 6,449	\$ (2,802)	3.95	-1.61	-36.85	115.06	4.49	2.26
50	The Commercial Bank	MS	\$ 140,317	\$ 110,811	\$ 98,559	\$ 11,019	\$ (972)	4.30	-0.65	-8.67	79.44	3.25	1.55
51	Neighborhood National Bank	CA	\$ 131,046	\$ 119,548	\$ 97,508	\$ 10,108	\$ (1,154)	3.83	-0.84	-12.22	83.92	4.92	1.81
52	Franklin National Bank of Minneapolis	MN	\$ 130,348	\$ 104,241	\$ 104,289	\$ 19,920	\$ 500	5.63	0.37	2.51	79.88	2.29	0.87
53	Tri-State Bank of Memphis	TN	\$ 117,112	\$ 92,491	\$ 84,942	\$ 17,862	\$ 400	4.94	0.33	2.25	83.66	16.69	0.42
54	PROMERICA Bank	CA	\$ 116,755	\$ 97,757	\$ 81,168	\$ 18,486	\$ (506)	4.36	-0.47	-2.74	109.18	1.48	0.05
55	Community Bank of the Bay	CA	\$ 115,950	\$ 90,831	\$ 84,203	\$ 14,717	\$ (891)	4.18	-0.87	-7.61	100.38	4.99	0.25
56	First National Bank of Decatur County	GA	\$ 115,080	\$ 97,771	\$ 67,231	\$ 11,993	\$ 303	3.41	0.29	3.04	58.71	6.15	2.12
57	Bank of Okolona	MS	\$ 109,929	\$ 96,516	\$ 70,550	\$ 9,856	\$ 1,503	4.30	1.46	15.52	57.94	1.81	0.82
58	Highland Community Bank	IL	\$ 102,103	\$ 91,745	\$ 66,936	\$ 6,846	\$ (1,411)	3.62	-1.23	-17.67	92.47	11.36	4.42
59	Bank of Cherokee County	OK	\$ 96,326	\$ 88,620	\$ 65,446	\$ 7,519	\$ 774	4.90	0.78	10.13	74.28	0.87	0.13
60	American Metro Bank	IL	\$ 94,721	\$ 79,191	\$ 70,511	\$ 7,575	\$ (2,239)	2.80	-2.27	-31.54	141.22	19.80	0.70
61	Oxford University Bank	MS	\$ 91,047	\$ 78,603	\$ 63,848	\$ 9,082	\$ 211	3.85	0.23	2.49	76.74	0.30	0.09
62	Security State Bank of Wewoka, Oklahoma	OK	\$ 90,655	\$ 80,208	\$ 56,908	\$ 10,387	\$ 1,195	5.13	1.49	11.98	61.10	1.40	0.17
63	The First National Bank of Davis	OK	\$ 90,183	\$ 68,331	\$ 58,337	\$ 7,305	\$ 1,184	4.35	1.42	16.05	61.33	1.68	1.14
64	Edgebrook Bank	IL	\$ 89,919	\$ 84,329	\$ 73,181	\$ 5,495	\$ 24	3.37	0.03	0.44	78.44	6.51	0.91
65	North Milwaukee State Bank	WI	\$ 88,837	\$ 76,997	\$ 65,824	\$ 8,194	\$ 451	4.23	0.49	5.66	74.93	8.65	0.13
66	Bank of Kilmichael	MS	\$ 88,050	\$ 80,086	\$ 47,590	\$ 7,123	\$ 484	4.04	0.62	6.88	71.86	2.32	0.11
67	Citizens Savings Bank and Trust Company	TN	\$ 87,277	\$ 75,560	\$ 62,750	\$ 7,974	\$ 401	4.79	0.48	5.04	76.85	3.19	0.19
68	Bank 2	OK	\$ 86,911	\$ 72,173	\$ 62,619	\$ 11,022	\$ 1,024	5.48	1.16	9.67	73.99	0.28	0.25
69	Native American Bank, National Association	CO	\$ 82,931	\$ 75,394	\$ 61,114	\$ 7,067	\$ 1,307	4.38	1.44	20.73	95.40	4.26	0.22
70	South Carolina Community Bank	SC	\$ 81,291	\$ 75,112	\$ 62,478	\$ 5,790	\$ (204)	5.15	-0.24	-3.38	76.95	9.53	1.52
71	Advance Bank	MD	\$ 76,348	\$ 63,386	\$ 57,996	\$ 7,694	\$ (530)	4.82	-0.69	-6.69	106.96	6.83	0.87
72	United Bank of Philadelphia	PA	\$ 74,154	\$ 67,280	\$ 45,612	\$ 6,415	\$ (993)	4.74	-1.38	-14.41	102.08	5.68	1.17
73	First Tuskegee Bank	AL	\$ 72,152	\$ 61,315	\$ 39,401	\$ 5,262	\$ 91	4.65	0.12	1.65	89.10	8.18	1.66
74	Covenant Bank	IL	\$ 68,888	\$ 62,919	\$ 54,409	\$ 4,443	\$ (334)	4.36	-0.46	-7.19	95.81	8.25	0.43
75	Mitchell Bank	WI	\$ 65,386	\$ 49,903	\$ 50,793	\$ 8,328	\$ (664)	4.64	-0.94	-7.45	82.39	13.32	1.85
76	Commonwealth National Bank	AL	\$ 64,174	\$ 58,399	\$ 30,735	\$ 5,406	\$ 285	4.57	0.42	5.05	87.88	4.43	1.17
77	Community Development Bank, FSB	MN	\$ 60,992	\$ 53,064	\$ 32,989	\$ 5,727	\$ 842	3.46	1.56	15.42	57.41	2.12	0.44
78	Fort Gibson State Bank	OK	\$ 56,993	\$ 52,327	\$ 31,397	\$ 4,245	\$ 525	5.21	0.86	12.17	76.77	0.00	0.39
79	Community First Bank - Chicago	IL	\$ 51,083	\$ 49,504	\$ 33,881	\$ 1,271	\$ (1,738)	3.75	-3.05	-79.03	214.10	6.46	1.52
80	Community Capital Bank of Virginia	VA	\$ 50,441	\$ 39,721	\$ 27,269	\$ 9,035	\$ 391	2.98	1.02	4.64	47.11	0.00	0.00
81	The Carver State Bank	GA	\$ 45,275	\$ 38,490	\$ 27,099	\$ 3,153	\$ 202	5.15	0.47	6.60	79.73	2.32	1.33
82	All American Bank	IL	\$ 41,598	\$ 39,367	\$ 28,749	\$ 1,824	\$ (400)	2.87	-1.06	-21.93	142.74	23.44	4.43
83	The Community's Bank	CT	\$ 40,191	\$ 30,754	\$ 24,059	\$ 3,905	\$ (475)	3.90	-1.13	-11.03	153.90	9.78	0.27
84	Louisville Community Development Bank	KY	\$ 35,549	\$ 30,720	\$ 14,137	\$ 4,505	\$ 291	1.95	0.90	6.49	81.52	9.17	0.18
85	American State Bank	OK	\$ 7,414	\$ 6,568	\$ 3,526	\$ 835	\$ (446)	5.37	-4.00	-47.07	146.66	2.75	2.82
	SUM		\$ 25,854,693	\$ 21,283,115	\$ 16,636,199	\$ 2,553,147	\$ (14,818)						
	AVERAGE		\$ 304,173	\$ 250,390	\$ 195,720	\$ 30,037	\$ (174)	4.05	-0.15	-4.50	84.63	5.91	1.26
	MEDIAN		\$ 180,329	\$ 155,104	\$ 114,770	\$ 16,298	\$ 391	4.14	0.32	2.51	79.43	4.43	0.90
	MINIMUM		\$ 7,414	\$ 6,568	\$ 3,526	\$ 835	\$ (32,287)	1.95	-4.32	-126.55	45.74	0.00	0.00
	MAXIMUM		\$ 2,262,442	\$ 1,861,312	\$ 1,493,682	\$ 396,615	\$ 12,009	5.63	1.93	20.73	214.10	25.81	6.89

**Note: Legacy Bank of Milwaukee, WI failed in March, 2011*

Appendix C: List of Certified CDFI Banks & Thrifts with Social Performance Metrics

Part 1: Sorted by DLI-HMDA (2009 HMDA Reporting Banks/Thrifts Only)

#	Institution	St	DLI-HMDA (%)	DDI (%)
1	Native American Bank, National Association	CO	100.00	100.00
2	City First Bank of D.C., National Association	DC	100.00	100.00
3	United Bank of Philadelphia	PA	100.00	100.00
4	The Community's Bank	CT	93.87	100.00
5	Mission Community Bank	CA	92.75	80.00
6	Legacy Bank	WI	89.97	100.00
7	Carver Federal Savings Bank	NY	89.42	66.67
8	Covenant Bank	IL	87.85	100.00
9	Community First Bank - Chicago	IL	84.21	100.00
10	Pacific Global Bank	IL	82.87	66.67
11	Mitchell Bank	WI	80.54	36.36
12	Illinois-Service Federal Savings and Loan Association	IL	78.67	100.00
13	First Eagle Bank	IL	78.49	50.00
14	Franklin National Bank of Minneapolis	MN	77.89	100.00
15	Highland Community Bank	IL	77.12	100.00
16	Community Commerce Bank	CA	73.60	16.67
17	University National Bank	MN	72.87	100.00
18	Austin Bank of Chicago	IL	72.63	60.00
19	American Metro Bank	IL	70.95	66.67
20	Inter National Bank	TX	69.05	65.00
21	The Harbor Bank of Maryland	MD	67.87	71.43
22	Broadway Federal Bank, f.s.b	CA	67.80	60.00
23	PlantersFIRST	GA	67.16	60.00
24	Guaranty Bank and Trust Company	MS	66.83	58.33
25	Neighborhood National Bank	CA	66.26	66.67
26	The Union Bank	LA	63.86	75.00
27	Tri-State Bank of Memphis	TN	57.99	100.00
28	Industrial Bank	DC	57.30	71.43
29	The Peoples State Bank	LA	54.66	58.82
30	Second Federal Savings and Loan Association of Chicago	IL	54.17	100.00
31	South Carolina Community Bank	SC	54.13	100.00
32	City National Bank of New Jersey	NJ	52.26	100.00
33	OneUnited Bank	MA	49.72	80.00
34	Commonwealth National Bank	AL	47.71	100.00
35	Park Midway Bank, National Association	MN	47.67	50.00
36	Central Bank of Kansas City	MO	46.14	42.86
37	Advance Bank	MD	45.57	80.00
38	The First, A National Banking Association	MS	44.74	20.00
39	Liberty Bank and Trust Company	LA	44.67	77.78
40	Seaway Bank and Trust Company	IL	44.58	100.00

**Note: All SPM are FY2009, and Legacy Bank of Milwaukee, WI failed in March, 2011*

Part 1: Sorted by DLI-HMDA (2009 HMDA Reporting Banks/Thriffs Only) Continued

#	Institution	St	DLI-HMDA (%)	DDI (%)
41	First American International Bank	NY	44.53	66.67
42	The Carver State Bank	GA	41.67	50.00
43	Capitol City Bank & Trust Company	GA	41.42	100.00
44	First Security Bank	MS	41.33	70.59
45	State Bank & Trust Company	MS	40.30	58.82
46	International Bank of Chicago	IL	40.06	50.00
47	Citizens Trust Bank	GA	39.45	81.82
48	Southern Bancorp Bank	AR	38.95	22.22
49	BankFirst Financial Services	MS	38.56	53.85
50	OneCalifornia Bank, FSB	CA	36.17	100.00
51	Citizens Savings Bank and Trust Company	TN	33.75	75.00
52	Bank 2	OK	33.15	0.00
53	Merchants and Farmers Bank	MS	31.09	40.82
54	Magnolia State Bank	MS	29.12	16.67
55	Edgebrook Bank	IL	28.86	0.00
56	Security Federal Bank	SC	27.52	61.54
57	Mission Valley Bank	CA	23.81	33.33
58	BankPlus	MS	16.66	39.68
59	Mechanics & Farmers Bank	NC	15.87	70.00
60	Premier Bank	IL	13.69	50.00
61	First Tuskegee Bank	AL	13.31	66.67
62	First Independence Bank	MI	11.22	75.00
63	Landmark Community Bank	TN	7.58	0.00
64	Albina Community Bank	OR	2.75	40.00
65	North Milwaukee State Bank	WI	0.00	100.00

Part 2: Sorted by DDI (2009 HMDA Non-Reporting Banks/Thriffs Only)

#	Institution	St	DLI-HMDA (%)	DDI (%)
66	Community Bank of the Bay	CA	NA	100.00
67	PROMERICA Bank	CA	NA	100.00
68	First National Bank of Decatur County	GA	NA	100.00
69	Louisville Community Development Bank	KY	NA	100.00
70	Community Development Bank, FSB	MN	NA	100.00
71	Bank of Kilmichael	MS	NA	100.00
72	Bank of Okolona	MS	NA	100.00
73	Oxford University Bank	MS	NA	100.00
74	American State Bank	OK	NA	100.00
75	Security State Bank of Wewoka, Oklahoma	OK	NA	100.00
76	Pan American Bank	IL	NA	66.67
77	Bank of Cherokee County	OK	NA	66.67
78	The Commercial Bank	MS	NA	60.00
79	First Choice Bank	CA	NA	50.00
80	BankAsiana	NJ	NA	50.00
81	The Bank of Vernon	AL	NA	0.00
82	All American Bank	IL	NA	0.00
83	Fort Gibson State Bank	OK	NA	0.00
84	The First National Bank of Davis	OK	NA	0.00
85	Community Capital Bank of Virginia	VA	NA	0.00

Appendix D: Social Performance MeasurementSM Methodologies

NCIF has used the following three methodologies for measuring the social outputs and performance of the banking sector in the US.

A. NCIF Social Performance MetricsSM

In 2007, NCIF developed a methodology for identifying depository institutions with a community development mission. The resulting NCIF Social Performance Metrics initially utilized publicly available census data, branch location data and Home Mortgage Disclosure Act (HMDA) lending data to measure the social output and performance of banks and thrifts. Institutions that score highly on the metrics are those banks that are focusing on serving the needs of low- and moderate- income communities. The Social Performance Metrics provide a transparent measure of an institution's level of activity in these economically vulnerable neighborhoods, and NCIF utilizes this tool to highlight these institutions for additional investment and support. NCIF has mined the data on all 7,600+ banks in the country for the last 14 years (since 1996) and is able to analyze institution level performance as of a certain year, over a period of time in the past and against customized peer groups.

NCIF has created a full suite of Social Performance Metrics that have already proven highly valuable to investors. For this presentation, we focus on the two Core Social Performance Metrics defined below. For more information on the NCIF Social Performance Metrics, please visit our website at www.ncif.org.

Core Metrics

a. Development Lending Intensity – Home Mortgage Disclosure Act (DLI-HMDA)

The percentage of an institution's HMDA reported loan originations and purchases, in dollars, that are located in low- and moderate- income census tracts.

b. Development Deposit Intensity (DDI)

The percentage of an institution's physical branch locations that are located in low- and moderate-income census tracts.

In addition to the housing focused DLI-HMDA, NCIF creates DLI – CRE, DLI – Agribusiness, DLI- Small Business etc based on reporting on all loan origination and purchase activity that is provided by CDFI banks. The addition of these DLI metrics allows stakeholders to comprehensively measure and communicate the impact of the banks. NCIF investee banks provide this information and many non-investees are also reporting to distinguish themselves from the rest.

B. NCIF Model CDBI Framework

While the above tools utilize quantitative data, NCIF created the Model CDBI Framework to provide a qualitative reflection of an institution's mission orientation. The NCIF Model CDBI Framework examines an institution's market need, credit products and services, non-credit financial products and services, non-financial products and partnerships to ascertain whether or not the bank is providing the types of products and services that an economically distressed community needs. This final level of analysis communicates the innovative nature of CDFI banks, and shows investors the tangible products and services that are being provided to the community.

C. Development Impact of NCIF Investees

NCIF publishes an annual report detailing the Development Impact of our investees. Since 1998, NCIF has tracked the lending activities of the institutions within its portfolio in an attempt to measure the level of lending that is being directed towards low income areas and borrowers. By analyzing the entire loan portfolio, NCIF is able to communicate the total dollar volume of lending that is reaching the end-user: the borrowers that are located in low- and moderate- income communities and in creating the additional Development Lending Intensities defined above.

D. About the “Community Development Banking Institutions or CDBI” Designation

As of year-end 2010, there were only 85 certified CDFI banks and approximately 199 minority banks out of a total of over 7,600 banks in the US. Given that over 30% of the census tracts in the United States are considered low- and moderate- income census tracts, it is to be expected that there be many more potential CDFI banks; that is banks that are working in these communities with the explicit or implicit mission of economic and community development. Consistent with the mission of the CDFI Fund, NCIF seeks to expand the asset class of certified CDFIs.

To aid in this effort, NCIF created the Social Performance MetricsSM described above. There are over 398 banks in Quadrants 1 and over 1,000 banks in Quadrants 1-3. Given this, NCIF believes that there are over 400 other banks that ‘walk, talk and look’ like certified CDFIs but are not yet be certified. NCIF coined the term *Community Development Banking Institution or CDBI* to identify these banks from the rest.



E. Impact Analysis Going Forward – Social Performance Working Group

During 2009, NCIF convened a Social Performance Working Group composed of CEOs and senior staff from seven prominent CDFI banks throughout the country. The objective of the group is to finalize a format for impact reporting that builds on the work being done with the Social Performance Metrics, the Model CDBI Framework and other formats currently being used by CDBIs. By creating a standard reporting format that is useful to both institutions and funders, NCIF expects that CDFI banks will be better positioned to communicate their high level of impact to supporters throughout the country. This will result in increased investment in the sector and also an increase in the asset class of Community Development Banking Institutions (CDBIs) as designated by NCIF.

NCIF Mission Statement & Overview

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.

NCIF was established in 1996 as a nonprofit, private equity fund that is managed by an independent Board of Trustees composed of bankers, private equity professionals and leading economic development experts. It currently has assets of \$150 million under management, including \$128 million in New Markets Tax Credits. Since inception NCIF has invested in 44 community focused institutions throughout the country.

NCIF Lines of Business

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 garner 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.

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