



THE CDFI BANKING SECTOR:  
2012 ANNUAL REPORT  
*on Financial and Social Performance*

NCIF<sup>SM</sup> [ NATIONAL  
COMMUNITY  
INVESTMENT  
FUND



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## I. The Year in Retrospect

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For the CDFI Banking industry, 2012 was another year spent creating impact in underserved markets across the country. CDFI Banks were drivers of economic growth in some of the most distressed areas. They served as anchor institutions within communities, providing the necessary lending capital to support small businesses and to create jobs. These were the banks that provided wealth-building alternatives to payday lending. These were the banks that sought out opportunities for themselves, that doubled as opportunities for the communities and individuals that they serve.

In addition to providing the essential products and services that strengthen communities, the CDFI Banking industry strengthened itself in 2012, improving both financial and social performance.

### Financial Performance

CDFI Banks have demonstrated their resilience by exhibiting sustained financial performance improvement in the aftermath of the economic downturn. Banks showed continued improvement in both profitability and earnings, reversing the negative trends in ROA and net income caused by the recession. Banks have also improved their asset quality: non-current loans and loan losses are steadily declining from their 2009 peak values. Although these aggregate trends are positive, they do encompass a wide range of performers, including many banks that continue to struggle. Maintaining this progress will require hard work from banks and support from all stakeholders. Nevertheless, the financial performance numbers from 2012 present a hopeful future for CDFI Banks and for the communities that depend on them for financial services and economic development.

- The CDFI Bank sector increased net income by 84.0% over last year.
- The median return on average assets increased 23 basis points, from 0.30% to 0.53%.
- Return on average equity of the median CDFI Bank increased from 3.39% to 4.88%.
- The median non-current loans to total loans ratio was 3.56%, an improvement over both the 2011 year-end median of 3.97% and the 2010 year-end median of 4.43%.
- The median net charge-offs to average loans ratio was 0.52%, a continued improvement over previous years.

This improved financial performance has, however, not come easily. The average CDFI Bank became slightly smaller in 2012, as banks focused inward toward tightening their internal operations. New regulations requiring higher capital ratios may have also played a role in inducing them to constrict. For these reasons the total assets owned by the CDFI Banking industry dropped in the past year.

- Average asset size among CDFI Banks fell 1.41% to \$336.9 million at year-end 2012.
- Total loans within the sector fell from \$18.4 billion to \$17.8 billion, a decrease of 3.63%.
- The average CDFI Bank decreased its deposits by 0.67% in 2012, reversing some of the growth that occurred in the previous year.

### Highlights as of year-end 2012:

- 88 certified CDFI Banks
  - \$29.6 billion in assets held by the CDFI Banking industry
  - 84.0% increase over last year's sector net income
  - 0.53% median ROA, up from 0.30% last year
  - 3.62% decrease in total loans
  - 79.06% median Efficiency Ratio
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## Social Impact

CDFI Banks have a much greater social impact in low-income communities relative to mainstream banks because of the mission that inspires and informs their operations. The following statistics are calculated using Social Performance Metrics, developed by NCIF to quantify impact in a way that resonates with investors and other stakeholders. These metrics powerfully demonstrate the difference between CDFI Banks and mainstream banks:

- CDFI Banks' HMDA lending is 3 times more likely to be in distressed communities relative to other banks.
- CDFI Banks locate 4 times more of their branches in distressed communities than do other banks.

## A Way Forward: Collaboration and Capital

CDFI Banks are still confronted by sizable obstacles, and to sustain growth, the industry and its supporters must work together to foster a new model of mission-oriented banking. As revealed during the strategic planning sessions hosted by NCIF<sup>1</sup>, industry leaders feel a need for increased collaboration among banks as well as an evolution of the business model.

During the year, CDFI Banks engaged in thoughtful explorations of potential *Collaboration* in both back office work and product development. From collaboratively developed product lines sold locally by different banks, to regional consolidation of smaller institutions, a more networked CDFI Banking sector can take advantage of opportunities of scale while preserving and capitalizing upon CDFI Banks' deep connection to their communities. This is the evolution of what NCIF refers to as "CDFI Bank 2.0," in which banks work together to develop shared solutions to common problems.

As the banks themselves continue to improve and innovate, investors must play a critical role in providing the *Capital* needed to position banks for future success. One in four CDFI Banks is below the Tier 1 capital ratio of 8% as proposed by new regulations. Together these banks need a total of \$75.8 million, at a time when private capital is scarce. NCIF is committed to investing capital in high-performing and high-impact CDFI Banks, and encourages other investors to do the same. By supporting this valuable sector, investors will also be supporting distressed communities and the people living in them.

This sector is "too important to fail" in terms of its tremendous, leveraged impact. For this reason, deliberate action needs to be taken to sustain, strengthen, and grow the CDFI Banking sector..

*"The power of the community development banking industry has shown that it is possible to truly change lives with the right financial tools."*

Eugene Ludwig,  
former Comptroller of the Currency,  
during NCIF's 2012 Annual  
Development Banking Conference

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<sup>1</sup> A Probable Future of CDFI Banking – Insights from Strategic Planning, 2012 – please download from [www.ncif.org](http://www.ncif.org)

## II. Introduction: Banks that Revitalize Distressed Communities

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*Positive Growth: Urban Partnership Bank's customer Tess McKenzie is helping to revitalize her neighborhood by expanding her small business and providing quality care for local children.*

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As the weak economic environment continues, there has been more focus than ever before on small businesses and the continued creation of new jobs, especially in the most economically distressed communities. With unemployment remaining stubbornly high (7.7% as of March, 2012 – Bureau of Labor Statistics), CDFI Banks play a critical role in helping small business owners grow their businesses and investors develop new economies in underserved markets.

Urban Partnership Bank is a powerful example of a bank with a mission to revitalize its community. It works together with individuals, small businesses, nonprofits, foundations, and faith-based organizations in distressed and underserved urban communities in Chicago, Cleveland, and Detroit to catalyze economic opportunities that build better lives and vibrant urban neighborhoods.

Tess McKenzie, a customer of the bank, recognized an opportunity to expand her small day-care business. With a five-year \$43,000 loan from Urban Partnership Bank, the newly renovated Lakeshore Learning Academy is on its way to bringing quality care to 43 children and creating 10 new jobs in Ms. McKenzie's neighborhood in the South Side of Chicago. Through a partnership with the nearby Chicago Vocational High School, the center will also provide child-care services and parenting classes for teen mothers.

This is just one of many examples of how community development banks are creating new jobs in the United States, in the most distressed areas. Continued support of these unique financial institutions is critical for the full recovery of the communities they serve.

## III. Financial Performance of CDFI Banks

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### Overview

CDFI Banks' strong connection to the low- and moderate-income communities they serve is invaluable in informing their operations. For this reason, these banks tend to be smaller and work within specific geographical service areas. However, this highly focused scope also makes these banks vulnerable to the full force of financial shocks to their local communities. The recession that began in 2008 continues to afflict the poorest parts of the country and in turn the CDFI Banks working to develop those communities.

In 2012 CDFI Banks demonstrated their resilience by reversing several negative trends caused by the challenging environment of the recession. The CDFI Banking industry is strengthening itself, which will in turn benefit the communities that these institutions serve. Return on average assets and net income have continued their dramatic climb since 2011. In addition, banks have greatly improved the quality of their loan portfolios. However, it appears that the industry's improved profitability may have come with a reduction in total assets. Total assets in the industry fell in 2012, and lending portfolios have declined as well. Rather than expanding in their markets, banks are looking inward to tighten internal mechanisms and maintain higher required capital ratios.

The improvement in industry performance measures presents a hopeful view of the future of the CDFI Banking industry. It should be noted, however, that these numbers represent a wide range of performers. Two CDFI Banks failed in 2012 (Premier Bank of Wilmette, IL and Second Federal Savings and Loan Association of Chicago, IL), while three newly certified banks were added to the ranks (AztecAmerica Bank of Berwyn, IL; CBW Bank of Weir, KS; and Start Community Bank of New Haven, CT). The impressive success stories of high performing CDFI Banks exist alongside the struggles of others. The industry as a whole will need ongoing hard work and support in order to recover fully.

For a complete list of CDFI Banks and their individual financial statistics, please refer to Appendix B.

Following are trends in statistics on:

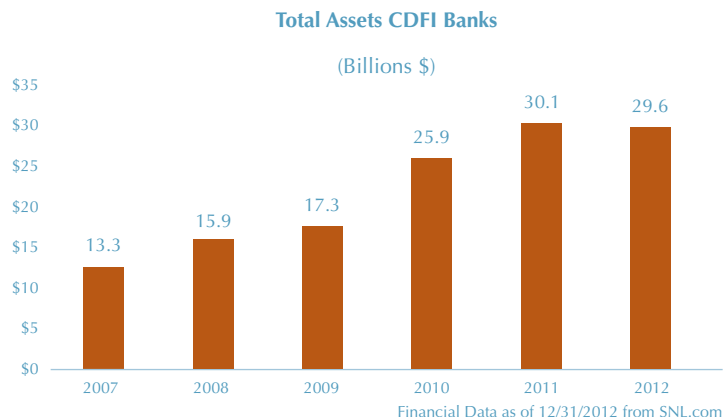
1. **Total Assets**
2. **Total Loans**
3. **Total Deposits**
4. **Total Equity**
5. **Net Income**
6. **Net Interest Margin**
7. **Return on Average Assets**
8. **Return on Average Equity**
9. **Efficiency Ratio**
10. **Tier 1 Leverage Ratio**
11. **Non-Current Loans to Total Loans Ratio**
12. **Net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



## Balance Sheet and Income Statement

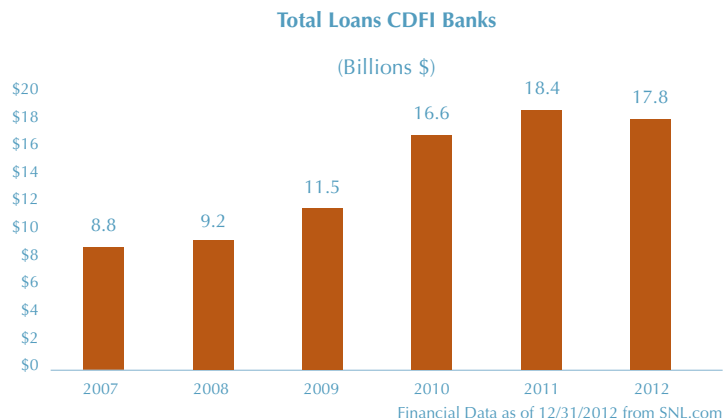
### 1. Total Assets

- In 2012, total assets in the sector fell slightly from \$30.1 billion to \$29.6 billion, a decrease of 1.41%. The compound annual growth rate from 2007 to 2012 for the 88 CDFI Banks certified as of year-end 2012 is 5.3%. This rate normalizes the asset growth of the sector despite the varying number of certified CDFI Banks.
- CDFI Banks ranged from \$13.0 million to \$2.2 billion in asset size, and had an average asset size of \$336.9 million at year-end 2012. The median CDFI Bank had assets of \$212.9 million, just slightly under last year's median of \$231.9.



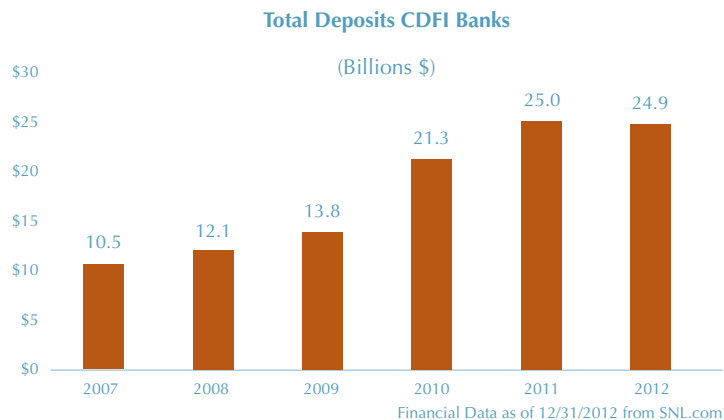
### 2. Total Loans

- In 2012, total loans within the sector fell from \$18.4 billion to \$17.8 billion, a decrease of 3.62%. The compound annual growth rate from 2007 to 2012 for the 88 CDFI Banks certified as of year-end 2012 is 2.1%.
- The maximum amount of loans outstanding for a bank was \$1.2 billion. The smallest portfolio was \$2.9 million.
- On average, each CDFI Bank held \$201.9 million in loans outstanding, down from \$209.5 million as of year-end 2011. The median level of loans outstanding was \$136.2, down from \$141.4 million.



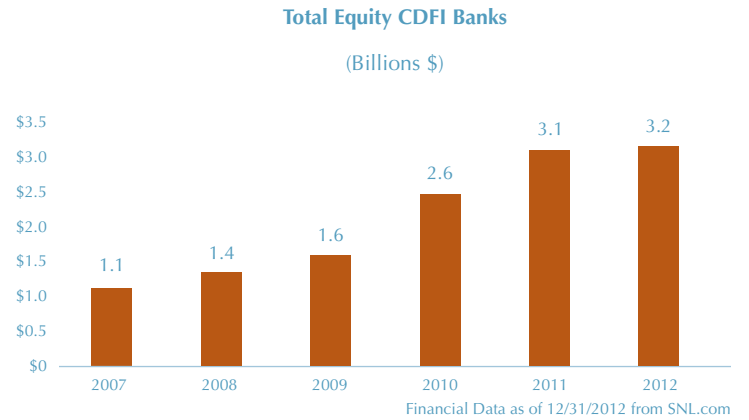
### 3. Total Deposits

- In 2012, deposits held at CDFI Banks fell slightly from \$25.0 billion to \$24.9 billion, a decrease of 0.67%. The compound annual growth rate from 2007 to 2012 for the 88 CDFI Banks certified as of year-end 2012 is 6.3%.
- The largest deposit level with an individual bank was \$1.8 billion; the smallest level was \$11.1 million.
- On average, each CDFI Bank held \$282.5 million in deposits, a decrease from the 2011 figure of \$284.4 million in deposits.
- The median bank held \$171.4 million, down from \$192.4 million.



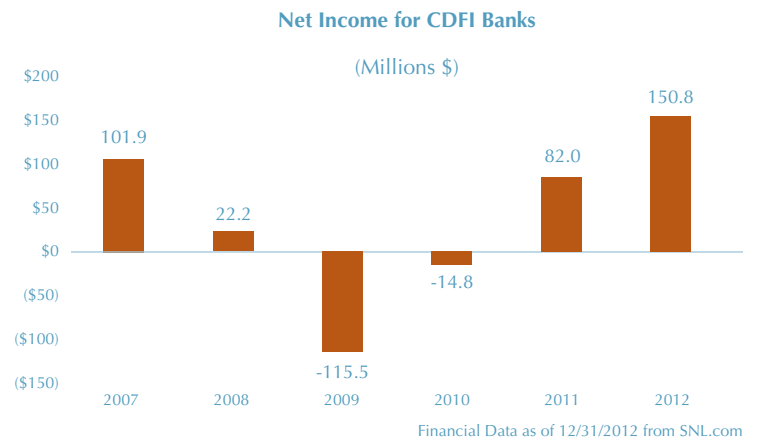
#### 4. Total Equity

- In 2012, total equity within the CDFI Banking sector grew from \$3.1 billion to \$3.2 billion, an increase of 1.76%. The compound annual growth rate from 2007 to 2012 for the 88 CDFI Banks certified as of year-end 2012 is 8.8%.
- The largest CDFI Bank had \$423.9 million in equity, while the smallest bank had \$0.9 million.
- The average equity in the sector was \$36.3 million, up from \$35.7 million as of year-end 2011. The 2012 median for equity was \$20.6 million, down from \$21.4 million.



#### 5. Net Income

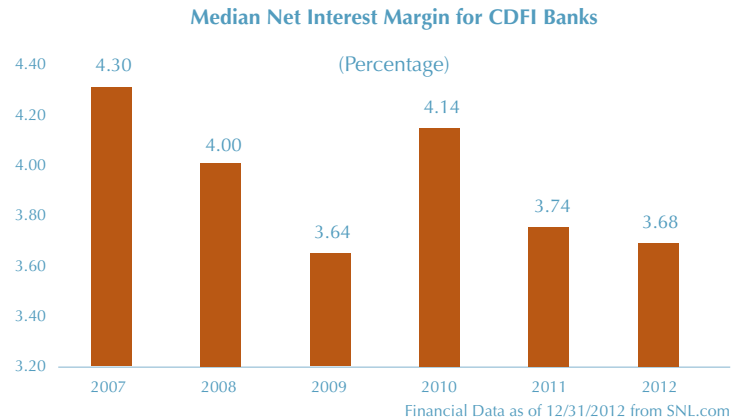
- In 2012, the 88 CDFI Banks earned \$150.8 million in net income. This represents an 84.0% increase from last year's \$82.0 million in total net income, and a turnaround since 2010 when the sector lost \$14.8 million.
- The largest net income for an individual CDFI Bank was \$19.1 million, while the biggest loss was \$24.5 million.
- The average CDFI Bank earned \$1.71 million in net income during 2012, an improvement over the \$0.9 million 2011 income figure. The median CDFI Bank net income was \$1.13 million in 2012, up from \$0.6 million during 2011.



## Performance & Condition Ratios

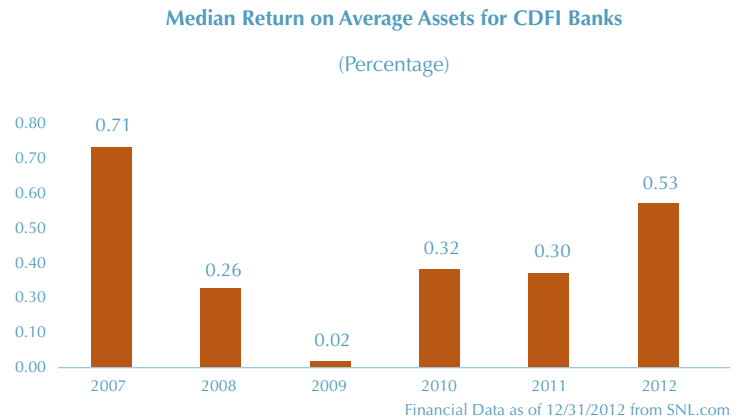
### 6. Net Interest Margin

- In 2012, the CDFI median net interest margin decreased from 3.74% to 3.68%. This is 5 basis points below the "All Banks" peer group median of 3.73%.
- The highest net interest margin within the CDFI Bank sector at year-end 2012 was 4.97%, while the lowest was 1.94%. The average net interest margin for the sector was 3.65%.



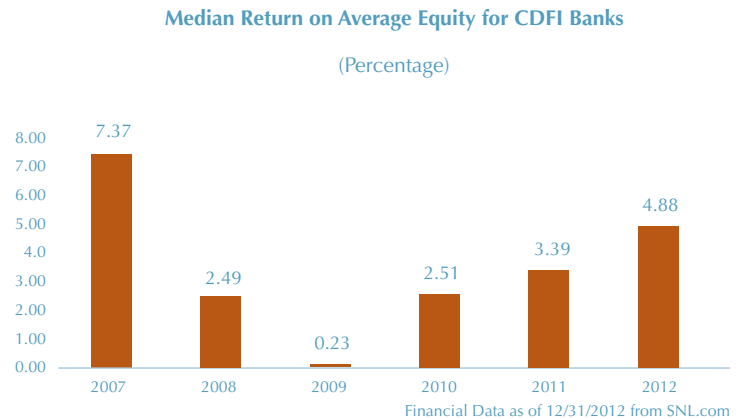
### 7. Return on Average Assets

- On the earnings side, the CDFI Banks showed improvement in 2012 as the median return on average assets increased 23 basis points, from 0.30% to 0.53%. This is 27 basis points below the median return on average assets for the "All Banks" peer group of 0.80%. The median for CDFI Banks is still below the 2007 high of 0.71%, but well above the low of 0.02% in 2009.
- The highest return on average assets in the sector was 4.38%, and the lowest was -8.04%, while the average for 2012 was 0.26%.



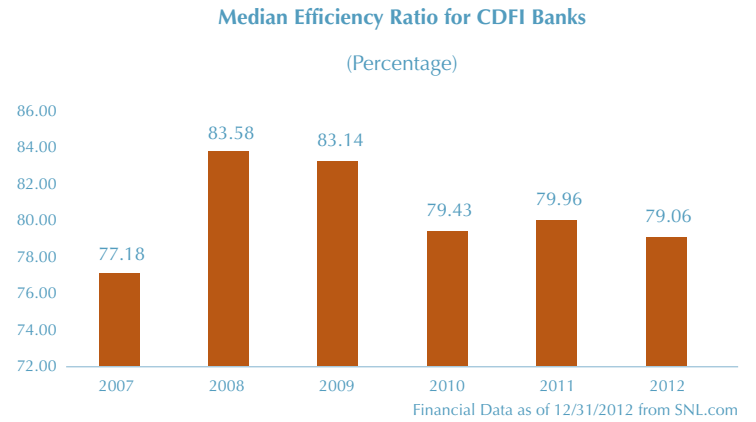
### 8. Return on Average Equity

- Return on average equity of the median CDFI Bank increased from 3.39% to 4.88%. As of year-end 2012, the return on average equity median for the "All Banks" peer group was 7.19%. The return on average equity of the median CDFI Bank dropped to a low of 0.23% in 2009, but has since been increasing each year.
- The highest return on average equity in 2012 was 38.59%, and the lowest was -131.75%. The average value for the sector was 0.07%.



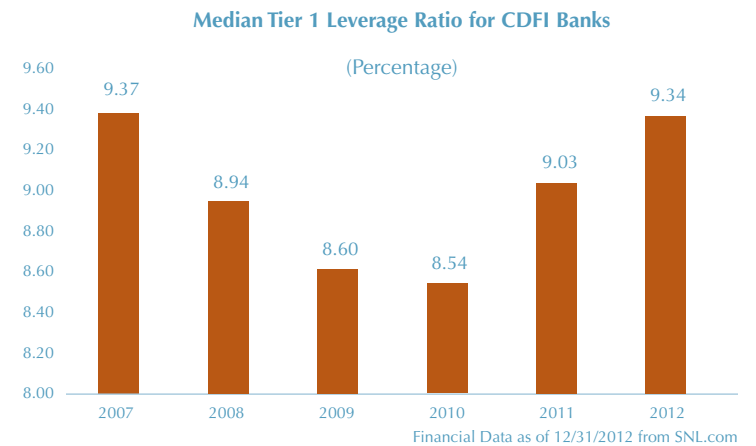
## 9. Efficiency Ratio

- The median CDFI Bank efficiency ratio as of year-end 2012 was 79.06%, a slight improvement from the 2011 figure of 79.96%.
- The lowest efficiency ratio for CDFI Banks was 27.90%, while the highest was 238.39%. The average efficiency ratio for the sector was 84.50%.



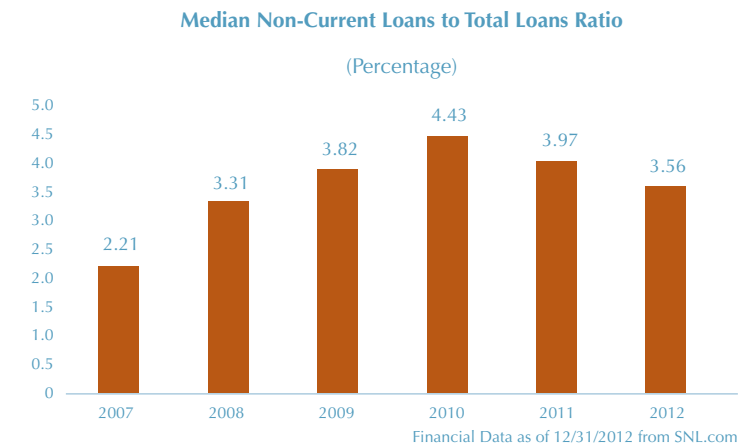
## 10. Tier 1 Leverage Ratio

- The median CDFI Bank Tier 1 leverage ratio increased from 2011, from 9.03% to 9.34%. The median ratio for the "All Banks" peer groups was 9.91%. 2012 continues an upward trend in median CDFI Bank Tier 1 leverage ratio, which experienced a decline during the recession.
- The maximum Tier 1 leverage ratio was 20.48% in 2012, while the lowest was 1.37%. The average value for the sector was 9.56%. It should be pointed out that this represents the ratio at the bank level only and does not take into account the leverage on a consolidated basis.



## 11. Non-Current Loans to Total Loans Ratio

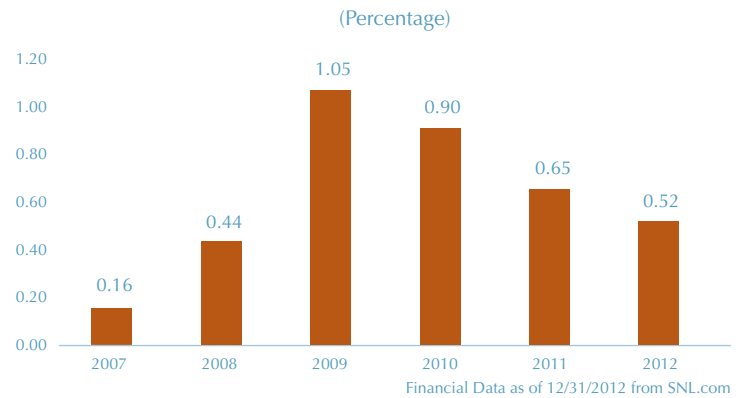
- At the end of 2012, the median CDFI Bank exhibited a non-current loans to total loans ratio of 3.56%. This represents continued improvement over both the 2011 year-end median of 3.97% and the 2010 year-end median of 4.43%, which was the peak value during that decade. For the "All Banks" peer group, the median non-current loans to total loans ratio was 1.4%.
- The lowest non-current loans to total loans ratio within the CDFI industry was 0.00%; the highest ratio was 28.69%. The sector had an average non-current loan ratio of 5.51%.



## 12. Net Charge-offs to Average Loans Ratio

- The net charge-offs to average loans ratio for the median CDFI Bank showed continued improvement in 2012, moving from 0.65% to 0.52%. This is above the median net charge-offs to average loans ratio for the "All Banks" peer group of 0.23%.
- The lowest net charge-offs to average loans ratio was -0.60% and the highest ratio was 6.16%. The average net charge-off ratio for the sector was 0.84%.

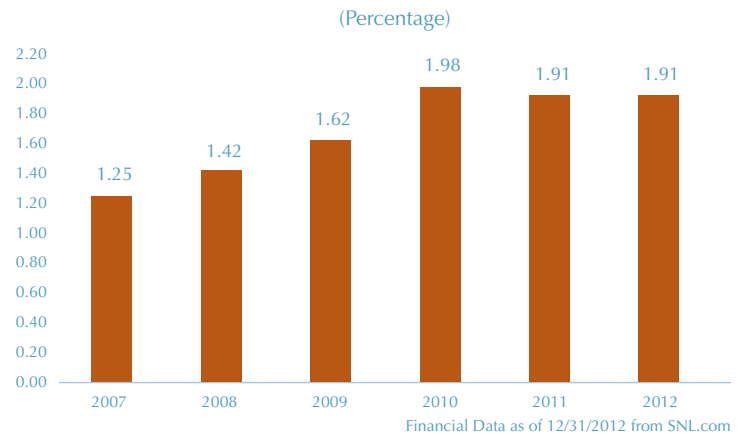
Median Net Charge-offs to Average Loans Ratio



## 13. Loan Loss Reserves to Total Loans Ratio

- The median loan loss reserves to total loans ratio for the 88 CDFI Banks was unchanged from 2011 to 2012, remaining at 1.91%.
- The lowest loan loss reserves to total loans ratio was 0.85%; the highest ratio was 13.20%.
- The average loan loss reserves to total loans ratio for the sector was 2.43%.

Median Loan Loss Reserves to Total Loans Ratio



## IV. Social Performance of CDFI Banks

The Financial Performance highlighted in the previous section tells only one part of the ‘Story of CDFI Banking.’ CDFI Banks are mission-oriented institutions, committed to providing services to low- and moderate-income communities. They have a much greater level of social performance within these underserved populations relative to mainstream banks.

As CDFI Banks reach out to a broader base of supporters, it is more important than ever that they effectively “Tell the Story” of their impact in underserved communities. Compelling impact data is a powerful tool in conversations with investors, regulators, and other industry stakeholders. Social Performance Metrics are especially important in the realm of impact investing, which includes mission-driven investments in sectors like renewables, affordable housing, emerging markets, and community banking. This group of investors is new and growing, and impact metrics are evolving alongside it to fulfill impact investors’ needs.

NCIF actively partners with individual CDFI Banks and with the overall CDFI Banking sector to gather quantitative and qualitative impact data. NCIF’s Social Performance Metrics evaluate and communicate the level of activity that every bank has in underserved low- and moderate-income communities. A complete summary of these tools is available in Appendix D, but this report focuses on the two core Social Performance Metrics:

### 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.

### Development Deposit Intensity (DDI)

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

Using these two core metrics, NCIF performed an analysis of the median CDFI Bank’s scores relative to the median scores for several peer groups:

1. All domestic banks (the “All Banks” peer group)
2. Top 10 banks by assets as of year-end 2012 (the “Top Ten Banks” peer group)
3. Banks with total assets ≤ \$2 billion as of year-end 2012 (the majority of CDFI Banks have an asset level that falls into this range)
4. Minority Depository Institutions (MDIs)
5. Banks in NCIF’s investment portfolio (the “NCIF Portfolio” peer group)

**Table 1: Median NCIF Social Performance Metrics for Bank Peer Groups**

	Peer Group	#	DLI-HMDA	DDI
	<b>CDFI Banks</b>	<b>88</b>	<b>47.10%</b>	<b>66.67%</b>
<b>1</b>	All Banks	7,092	16.30%	16.67%
<b>2</b>	Top Ten Banks by Assets	10	14.40%	30.50%
<b>3</b>	Banks ≤ \$2 Billion	6,687	16.60%	14.30%
<b>4</b>	Minority Depository Institutions	184	44.00%	50.00%
<b>5</b>	NCIF Portfolio	19	48.40%	76.20%

DDI based on 2011 Summary of Deposits and Census 2000 data, available from [fdic.gov](http://fdic.gov) and [ffiec.gov](http://ffiec.gov)  
 DLI-HMDA based on 2011 Home Mortgage Disclosure Act data, available from [ffiec.gov](http://ffiec.gov)  
 FY 2011 is the most recently available data for SPM.

As the data in Table 1 illustrates, CDFI Banks strongly outperform several peer groups, including All Banks, Top Ten Banks, and Banks with ≤ \$2 Billion in Total Assets. CDFI Banks are on par with the NCIF Portfolio, which consists of some of the highest performing CDFI Banks in the country from a social performance perspective.

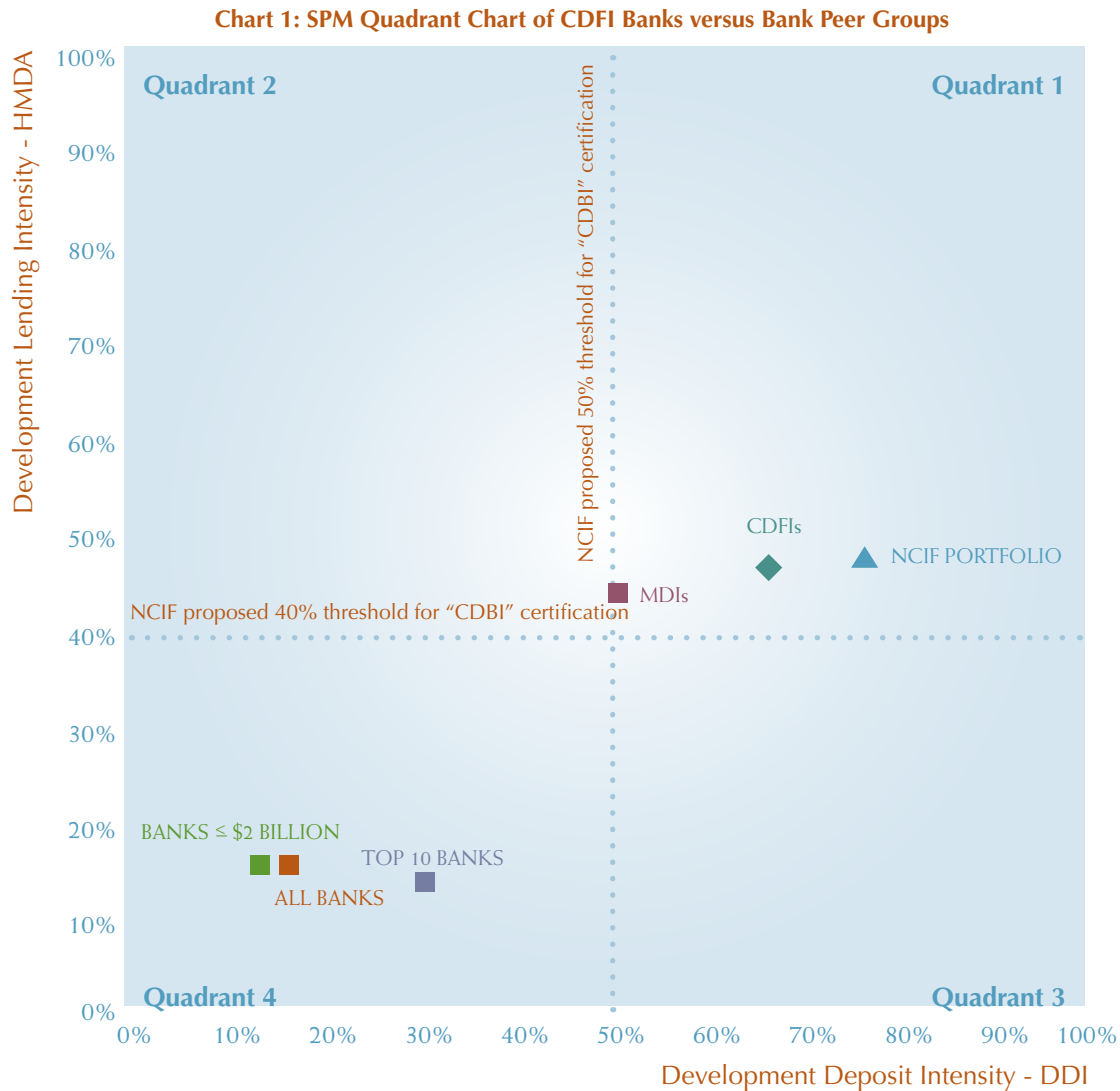
**CDFI Banks’ HMDA lending is nearly 3 times more likely to be in distressed communities relative to other banks.** The median CDFI Bank has a DLI-HMDA score of 47.1%. This means that for every \$100 of home lending generated by the bank, more than \$47 dollars are being lent to a resident of a low-

and moderate-income community. For the “All Banks” peer group, the median DLI-HMDA would result in about \$16 of lending being provided to a lower income area. The DLI-HMDA median for CDFI Banks is over 3 times higher than the median for the “Top Ten” peer group and is nearly 3 times higher than the “All Banks” peer group.

**CDFI Banks locate 4 times more of their branches in distressed communities than other banks.** The median CDFI Bank has a DDI score of 66.67%, which is 4 times higher than the median for the “All Banks” 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.

NCIF created threshold levels for both core Social Performance Metrics to distinguish individual "high performers." NCIF has proposed a DLI-HMDA threshold level of 40% and a DDI threshold level of 50% to indicate high involvement with low- and moderate-income communities.

Chart 1 below represents a plot of DLI-HMDA and DDI. 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, and NCIF calls these institutions "High Performers." 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.



DDI based on 2011 Summary of Deposits and Census 2000 data, available from [fdic.gov](http://fdic.gov) and [ffiec.gov](http://ffiec.gov)  
 DLI-HMDA based on 2011 Home Mortgage Disclosure Act data, available from [ffiec.gov](http://ffiec.gov)  
 FY 2011 is the most recently available data for SPM.

As Chart 1 illustrates, the CDFI peer group is squarely in high-performing Quadrant 1, while the "All Banks", "Top Ten" and Banks with ≤ \$2 Billion in Assets peer groups are located in Quadrant 4. In fact, of the 88 CDFI Banks, there are 64 that have both a DLI-HMDA and DDI score, and 32 of those are located in the high-performing Quadrant 1 (please see Appendix C for each individual CDFI Bank's 2011 Social Performance Metrics).

In short, CDFI Banks are much more focused on meeting the needs of the consumers and businesses located in low- and moderate-income communities.





## V. Appendix: Financial Performance & Social Performance Background Material

### Appendix A: CDFI Peer Group Financial Summary

2012 Summary	Average	Median	Maximum	Minimum	Total
<b>Total Assets (\$000)</b>	\$336,903	\$212,882	\$2,243,098	\$12,994	\$29,647,461
<b>Total Loans &amp; Leases (\$000)</b>	\$201,945	\$136,231	\$1,246,819	\$2,893	\$17,771,149
<b>Total Deposits (\$000)</b>	\$282,458	\$171,362	\$1,767,293	\$11,109	\$24,856,311
<b>Total Equity (\$000)</b>	\$36,345	\$20,559	\$423,895	\$917	\$3,198,372
<b>Net Income (\$000)</b>	\$1,714	\$1,130	\$19,069	\$(24,544)	\$150,833
<b>Net Interest Margin (%)</b>	3.65	3.68	4.97	1.94	
<b>Efficiency Ratio (%)</b>	84.50	79.06	238.39	27.90	
<b>Return on Assets (%)</b>	0.26	0.53	4.38	-8.04	
<b>Return on Equity (%)</b>	0.07	4.88	38.59	-131.75	
<b>Tier 1 Leverage (%)</b>	9.56	9.34	20.48	1.37	
<b>Noncurrent Loan Ratio (%)</b>	5.51	3.56	28.69	0.00	
<b>Net Chargeoff Ratio (%)</b>	0.84	0.52	6.16	-0.60	
<b>LLR to Total Loans Ratio (%)</b>	2.43	1.91	13.20	0.85	

Financial Data as of 12/31/2012 from SNL.com

2011 Summary	Average	Median	Maximum	Minimum	Total
<b>Total Assets (\$000)</b>	\$341,724	\$231,903	\$2,177,006	\$32,374	\$30,071,737
<b>Total Loans &amp; Leases (\$000)</b>	\$209,537	\$141,362	\$1,321,788	\$12,171	\$18,439,214
<b>Total Deposits (\$000)</b>	\$284,364	\$192,420	\$1,696,397	\$27,164	\$25,024,027
<b>Total Equity (\$000)</b>	\$35,716	\$21,446	\$411,296	\$2,993	\$3,143,000
<b>Net Income (\$000)</b>	\$932	\$629	\$19,046	\$(20,588)	\$81,976
<b>Net Interest Margin (%)</b>	3.68	3.74	4.75	1.31	
<b>Efficiency Ratio (%)</b>	82.26	79.96	182.23	33.27	
<b>Return on Assets (%)</b>	0.11	0.30	2.48	-3.69	
<b>Return on Equity (%)</b>	-0.83	3.39	31.87	-84.41	
<b>Tier 1 Leverage (%)</b>	9.21	9.03	17.27	1.41	
<b>Noncurrent Loan Ratio (%)</b>	5.90	3.97	33.56	0.00	
<b>Net Chargeoff Ratio (%)</b>	0.94	0.65	3.62	-0.41	
<b>LLR to Total Loans Ratio (%)</b>	2.43	1.91	10.22	0.68	

Financial Data as of 12/31/2011 from SNL.com

## Appendix B: CDFI Banks with Financials – Sorted by Assets

Institution	ST	Assets (\$000)	Total Loans (\$000)	Deposits (\$000)	Equity (\$000)	Net Income (\$000)	NIM (%)	ROA (%)	ROE (%)	Efficiency Ratio (%)	Tier 1 Leverage Ratio (%)	NCL (%)	NCO (%)	Loan Loss Reserves/Loans (%)
BankPlus	MS	\$2,243,098	\$1,246,819	\$1,767,293	\$219,963	\$19,069	3.53	0.85	8.83	70.66	14.95	1.75	1.26	1.92
Inter National Bank	TX	\$2,132,481	\$706,024	\$1,700,684	\$423,895	\$11,392	2.45	0.53	2.71	72.57	23.26	1.38	1.67	1.99
Merchants and Farmers Bank	MS	\$1,593,402	\$996,487	\$1,404,982	\$144,179	\$7,992	3.36	0.51	5.67	71.82	11.89	0.78	0.59	1.76
Southern Bancorp Bank	AR	\$1,117,585	\$673,448	\$938,082	\$122,551	\$10,822	3.59	0.98	8.95	66.24	11.87	1.05	0.41	1.19
Urban Partnership Bank	IL	\$1,094,531	\$713,421	\$968,105	\$114,358	\$(24,544)	4.47	-2.09	-19.54	76.64	34.96	28.69	3.96	13.2
State Bank & Trust Company	MS	\$943,422	\$678,102	\$761,285	\$106,202	\$5,543	3.50	0.60	5.05	71.53	10.26	1.08	0.38	1.11
Security Federal Bank	SC	\$890,115	\$409,024	\$680,652	\$89,533	\$2,752	2.60	0.31	3.13	74.04	19.47	4.50	1.60	2.77
BankFirst Financial Services	MS	\$747,529	\$538,234	\$636,499	\$70,800	\$6,003	3.77	0.81	8.71	58.96	13.03	1.42	0.37	1.8
First, A National Banking Association	MS	\$718,697	\$413,696	\$589,010	\$74,851	\$4,597	3.12	0.64	6.36	70.62	12.65	0.86	0.26	1.14
Community Bank	MS	\$660,319	\$472,797	\$584,477	\$60,393	\$6,517	3.97	1.04	10.99	60.14	14.72	1.90	0.32	1.25
Community Bank of Mississippi	MS	\$644,190	\$422,092	\$573,553	\$60,739	\$6,159	4.47	0.98	10.16	69.21	14.52	1.69	0.18	1.14
Carver Federal Savings Bank	NY	\$640,482	\$383,444	\$509,399	\$64,765	\$(6,242)	3.10	-0.99	-9.75	106.33	16.56	14.23	2.42	3.78
OneUnited Bank	MA	\$601,776	\$323,130	\$343,041	\$47,556	\$3,007	2.41	0.52	6.65	106.37	9.88	4.00	0.25	1.05
Guaranty Bank and Trust Company	MS	\$568,171	\$390,810	\$489,384	\$62,863	\$9,578	4.06	1.70	16.02	61.08	13.99	1.82	-0.02	1.9
Seaway Bank and Trust Company	IL	\$546,590	\$278,691	\$487,429	\$43,713	\$4,073	3.23	0.69	9.25	71.62	17.93	21.44	0.66	3.28
Liberty Bank and Trust Company	LA	\$536,299	\$254,342	\$483,739	\$43,461	\$3,818	3.52	0.70	8.93	77.54	14.03	2.14	0.79	1.64
First American International Bank	NY	\$526,682	\$370,892	\$442,685	\$69,491	\$9,262	4.88	1.74	14.61	64.16	17.55	7.41	0.14	2.86
First Security Bank	MS	\$519,516	\$229,328	\$441,041	\$59,963	\$2,689	2.96	0.52	4.47	79.06	18.62	1.61	0.69	1.27
Community Bank, North Mississippi	MS	\$481,684	\$298,410	\$425,000	\$48,583	\$1,439	3.11	0.30	3.15	83.61	14.28	1.80	0.26	1.41
United Bank	AL	\$466,653	\$264,856	\$415,427	\$48,340	\$1,413	3.28	0.31	2.96	81.91	14.71	3.78	0.97	1.7
Mission Community Bank	CA	\$432,650	\$243,807	\$389,441	\$41,391	\$2,231	4.07	0.50	5.57	86.09	12.40	3.72	0.03	1.74
International Bank of Chicago	IL	\$426,438	\$286,271	\$371,809	\$50,833	\$17,841	4.29	4.38	38.59	27.90	16.38	0.81	1.26	1.72
Landmark Community Bank	TN	\$415,184	\$341,215	\$333,561	\$39,800	\$2,450	3.90	0.66	6.68	52.87	15.49	1.32	0.74	1.07
Citizens Trust Bank	GA	\$395,375	\$190,999	\$340,797	\$48,834	\$1,035	3.65	0.26	2.16	81.50	17.30	5.66	1.45	1.84
First Eagle Bank	IL	\$387,051	\$206,252	\$303,698	\$59,074	\$7,745	3.62	2.13	13.78	42.87	20.21	0.00	0.21	2.72
Broadway Federal Bank, F. S. B.	CA	\$374,073	\$286,655	\$258,435	\$33,580	\$2,132	3.60	0.54	6.45	73.89	13.21	11.83	0.80	5.54
Community Bank Coast	MS	\$372,638	\$274,809	\$329,088	\$39,537	\$2,165	3.76	0.56	5.65	74.51	13.79	1.62	0.44	1.79
Industrial Bank	DC	\$364,041	\$233,810	\$279,840	\$37,028	\$1,045	4.47	0.29	3.00	89.06	14.96	6.64	0.53	2.11
University National Bank	MN	\$340,889	\$137,810	\$308,918	\$26,368	\$7,706	2.72	2.32	27.57	57.39	16.80	2.12	0.45	1.75
ABC Bank	IL	\$339,146	\$230,258	\$277,002	\$34,403	\$3,730	4.18	1.12	11.18	67.55	13.26	1.96	0.79	2.12
First Choice Bank	CA	\$334,334	\$201,358	\$289,848	\$33,094	\$2,572	3.18	0.94	9.48	52.66	14.39	1.17	0.12	1.62
City National Bank of New Jersey	NJ	\$331,131	\$174,386	\$295,679	\$22,845	\$(5,489)	2.46	-1.59	-20.55	141.13	11.03	21.93	1.34	5.6
Capitol City Bank & Trust Company	GA	\$300,942	\$219,850	\$281,382	\$13,030	\$(951)	3.06	-0.32	-7.43	93.32	5.02	13.93	0.50	2.63
Mechanics and Farmers Bank	NC	\$293,715	\$173,212	\$252,219	\$34,523	\$500	3.56	0.17	1.45	95.99	17.19	6.02	0.29	2.02
PlantersFirst	GA	\$286,097	\$176,186	\$266,955	\$15,758	\$1,401	3.39	0.48	9.07	80.28	8.73	11.02	2.05	3.1
Magnolia State Bank	MS	\$285,129	\$220,244	\$255,791	\$27,156	\$4,293	4.38	1.53	15.60	70.19	12.91	0.21	0.12	0.85
One PacificCoast Bank, FSB	CA	\$282,069	\$181,550	\$229,357	\$31,738	\$(1,926)	3.25	-0.67	-5.85	103.21	16.16	6.16	0.00	1.91
Community Commerce Bank	CA	\$264,283	\$190,215	\$197,835	\$42,855	\$2,685	4.74	0.92	6.55	66.79	16.71	6.88	0.63	5.75
Park Midway Bank, National Assoc.	MN	\$259,118	\$191,799	\$216,642	\$28,818	\$6,082	3.95	2.01	21.44	57.72	16.42	1.37	0.21	1.6
Harbor Bank of Maryland	MD	\$248,897	\$171,780	\$214,127	\$26,897	\$364	3.70	0.14	1.36	90.15	11.47	8.73	1.27	1.9
Mission Valley Bank	CA	\$241,493	\$177,695	\$198,611	\$35,642	\$1,211	4.47	0.48	3.48	77.62	18.12	3.92	0.78	2.93
Union Bank	LA	\$232,971	\$129,760	\$200,357	\$19,755	\$(1,879)	2.98	-0.84	-10.05	86.45	14.18	11.31	3.07	1.35
Pan American Bank	IL	\$225,867	\$141,440	\$208,560	\$17,027	\$1,256	3.31	0.54	7.61	67.87	12.32	1.00	0.89	1.43
City First Bank of D.C., National Assoc.	DC	\$225,796	\$142,888	\$182,975	\$29,502	\$1,826	4.03	0.91	6.39	68.26	17.60	3.89	0.64	3.01
BankAsiana	NJ	\$199,967	\$158,169	\$159,749	\$28,608	\$2,058	4.20	1.06	7.49	53.54	17.40	1.34	0.83	2.04
First Independence Bank	MI	\$184,640	\$134,651	\$147,650	\$17,400	\$2,316	3.88	1.29	14.19	85.89	14.80	0.76	-0.09	1.44
Pacific Global Bank	IL	\$159,161	\$122,125	\$138,749	\$14,223	\$(708)	3.77	-0.44	-5.01	63.93	15.16	2.96	3.02	4.79

Institution	ST	Assets (\$000)	Total Loans (\$000)	Deposits (\$000)	Equity (\$000)	Net Income (\$000)	NIM (%)	ROA (%)	ROE (%)	Efficiency Ratio (%)	Tier 1 Leverage Ratio (%)	NCL (%)	NCO (%)	Loan Loss Reserves/Loans (%)
Community Bank of the Bay	CA	\$155,086	\$109,714	\$130,955	\$16,746	\$1,390	4.10	0.98	8.82	75.85	15.45	2.92	0.39	2.14
ProAmerica Bank	CA	\$154,095	\$96,467	\$130,344	\$22,630	\$1,037	4.14	0.74	4.70	84.08	19.70	5.82	0.20	2.97
Franklin National Bank of Minneapolis	MN	\$152,798	\$111,070	\$124,209	\$20,772	\$2,421	4.02	1.29	11.79	78.41	17.92	0.57	-0.15	1.22
Bank of Vernon	AL	\$146,634	\$115,475	\$124,115	\$20,346	\$1,528	4.07	1.02	7.85	67.99	16.63	10.71	0.80	3.64
Bank of Okolona	MS	\$142,291	\$77,945	\$124,866	\$14,095	\$1,864	4.08	1.56	13.64	59.01	14.76	1.99	0.09	1.69
Illinois-Service Federal Savings and Loan Association	IL	\$136,042	\$59,344	\$107,629	\$13,135	\$(2,436)	2.86	-1.69	-16.93	109.84	18.07	9.75	3.86	2.64
Central Bank of Kansas City	MO	\$135,426	\$91,164	\$110,519	\$24,103	\$1,048	3.64	0.70	4.50	84.25	23.84	4.37	0.90	2.74
First National Bank of Decatur County	GA	\$133,599	\$46,809	\$114,458	\$13,741	\$505	2.76	0.44	3.74	71.35	21.64	4.15	1.57	2.82
Bank of Kilmichael	MS	\$128,622	\$70,159	\$116,366	\$11,118	\$1,561	3.44	1.32	16.07	63.93	13.49	0.71	0.16	1.34
Tri-State Bank of Memphis	TN	\$127,712	\$73,377	\$110,555	\$16,067	\$542	3.73	0.42	3.49	89.04	16.52	8.58	1.09	2.73
Commercial Bank	MS	\$126,431	\$73,233	\$102,972	\$12,925	\$763	3.81	0.58	6.26	99.27	12.47	3.86	1.58	2.01
Albina Community Bank	OR	\$126,094	\$77,170	\$119,040	\$4,982	\$(516)	3.71	-0.40	-8.85	100.97	6.14	3.39	0.29	3.53
Security State Bank of Wewoka, Oklahoma	OK	\$117,422	\$78,757	\$105,156	\$12,158	\$1,701	4.49	1.57	13.72	51.37	15.15	2.15	0.29	1.98
Oxford University Bank	MS	\$117,248	\$69,763	\$104,967	\$9,571	\$740	3.59	0.75	8.04	68.90	13.20	0.15	0.21	0.94
Community Bank, National Assoc.	AL	\$115,634	\$87,801	\$102,280	\$9,579	\$413	3.60	0.39	4.63	85.15	10.63	0.84	0.00	0.89
Neighborhood National Bank	CA	\$110,175	\$68,665	\$102,338	\$6,669	\$(2,130)	3.30	-2.04	-28.78	106.28	10.41	16.44	3.98	5.24
Bank of Cherokee County	OK	\$103,510	\$69,207	\$95,488	\$7,695	\$1,571	4.30	1.54	19.16	65.26	11.60	0.53	0.24	1.74
Bank 2	OK	\$101,634	\$62,136	\$84,212	\$13,263	\$1,397	3.97	1.35	11.29	76.71	19.73	2.46	0.15	1.65
Edgebrook Bank	IL	\$89,819	\$70,665	\$84,844	\$4,571	\$(1,102)	3.72	-1.18	-22.63	113.20	8.33	9.98	0.82	2.85
Citizens Savings Bank and Trust Co.	TN	\$89,160	\$64,551	\$78,171	\$8,542	\$126	4.65	0.14	1.47	91.02	11.99	2.42	0.29	1.51
North Milwaukee State Bank	WI	\$88,557	\$57,580	\$77,961	\$6,753	\$(979)	3.59	-1.08	-12.70	89.56	10.57	12.37	3.33	4.12
Highland Community Bank	IL	\$82,975	\$48,905	\$79,308	\$3,053	\$(2,179)	3.34	-2.38	-53.91	122.36	5.49	10.02	6.16	4.09
AztecAmerica Bank	IL	\$81,144	\$59,101	\$76,692	\$4,114	\$(781)	2.82	-0.93	-17.18	137.26	6.77	15.01	0.53	4.74
South Carolina Community Bank	SC	\$80,604	\$50,744	\$77,194	\$3,095	\$(594)	3.64	-0.71	-20.20	95.02	5.73	12.08	2.10	3.89
American Metro Bank	IL	\$79,529	\$48,259	\$68,131	\$3,678	\$(2,793)	2.67	-3.44	-131.75	238.39	6.93	20.28	0.57	6.27
Peoples Bank of the South	MS	\$78,766	\$57,003	\$69,834	\$7,026	\$172	4.97	0.22	2.43	92.63	12.44	1.48	-0.10	1.09
Community Development Bank, FSB	MN	\$73,265	\$44,670	\$61,107	\$7,499	\$555	4.58	0.78	7.69	67.56	15.26	4.09	0.63	1
United Bank of Philadelphia	PA	\$66,000	\$41,502	\$60,976	\$4,621	\$(615)	4.17	-0.87	-12.87	106.40	10.80	6.73	0.28	2.17
Native American Bank, National Assoc.	CO	\$61,639	\$46,336	\$53,800	\$7,479	\$(848)	3.97	-1.29	-10.65	126.04	28.00	4.93	0.75	2.42
Advance Bank	MD	\$60,902	\$46,119	\$49,599	\$5,960	\$196	4.30	0.31	3.34	89.55	13.30	4.35	0.35	1.61
First Tuskegee Bank	AL	\$60,576	\$35,411	\$54,301	\$5,506	\$(9)	3.77	-0.01	-0.16	103.67	13.34	13.99	0.12	1.49
Commonwealth National Bank	AL	\$58,960	\$27,756	\$52,436	\$5,954	\$114	3.95	0.18	2.07	96.87	14.48	5.42	0.11	2.63
Covenant Bank	IL	\$58,422	\$40,609	\$54,202	\$917	\$(1,498)	3.37	-2.44	-87.09	148.51	2.19	19.13	1.05	3.97
Fort Gibson State Bank	OK	\$58,070	\$35,857	\$53,503	\$4,057	\$441	4.69	0.76	10.24	83.65	9.64	0.25	0.22	1.12
Mitchell Bank	WI	\$56,823	\$33,779	\$47,643	\$8,029	\$747	3.99	1.29	9.75	102.78	21.53	10.97	0.16	2.75
Community Capital Bank of Virginia	VA	\$54,525	\$34,663	\$41,822	\$11,214	\$453	3.58	0.82	4.44	74.02	29.53	0.00	0.76	0.99
Carver State Bank	GA	\$42,723	\$25,670	\$35,245	\$3,800	\$160	4.36	0.38	4.32	89.97	13.26	3.09	-0.60	1.37
Start Community Bank	CT	\$41,403	\$28,587	\$33,539	\$7,178	\$(2,929)	1.94	-8.04	-33.64	NM	29.79	0.00	0.06	1.18
Metro Bank	KY	\$32,725	\$12,417	\$27,087	\$5,290	\$145	1.95	0.45	2.96	91.01	31.28	2.35	0.64	1.85
Community's Bank	CT	\$31,110	\$16,575	\$26,496	\$3,029	\$(509)	3.55	-1.53	-15.53	166.06	6.26	4.99	0.07	1.63
CBW Bank	KS	\$12,994	\$2,893	\$11,109	\$1,494	\$131	2.41	1.12	9.53	85.46	31.30	0.00	0.21	2.83
<b>SUM</b>		<b>\$29,647,461</b>	<b>\$17,771,149</b>	<b>\$24,856,311</b>	<b>\$3,198,372</b>	<b>\$150,833</b>								
<b>AVERAGE</b>		<b>\$336,903</b>	<b>\$201,945</b>	<b>\$282,458</b>	<b>\$36,345</b>	<b>\$1,714</b>	<b>3.65</b>	<b>0.26</b>	<b>0.07</b>	<b>84.50</b>	<b>15.09</b>	<b>5.51</b>	<b>0.84</b>	<b>2.43</b>
<b>MEDIAN</b>		<b>\$212,882</b>	<b>\$136,231</b>	<b>\$171,362</b>	<b>\$20,559</b>	<b>\$1,130</b>	<b>3.68</b>	<b>0.53</b>	<b>4.88</b>	<b>79.06</b>	<b>14.50</b>	<b>3.56</b>	<b>0.52</b>	<b>1.91</b>
<b>MINIMUM</b>		<b>\$12,994</b>	<b>\$2,893</b>	<b>\$11,109</b>	<b>\$917</b>	<b>\$(24,544)</b>	<b>1.94</b>	<b>-8.04</b>	<b>-131.75</b>	<b>27.90</b>	<b>2.19</b>	<b>0.00</b>	<b>-0.60</b>	<b>0.85</b>
<b>MAXIMUM</b>		<b>\$2,243,098</b>	<b>\$1,246,819</b>	<b>\$1,767,293</b>	<b>\$423,895</b>	<b>\$19,069</b>	<b>4.97</b>	<b>4.38</b>	<b>38.59</b>	<b>238.39</b>	<b>34.96</b>	<b>28.69</b>	<b>6.16</b>	<b>13.20</b>

DDI based on 2011 Summary of Deposits and Census 2000 data, available from [www.fdic.gov](http://www.fdic.gov) and [www.ffiec.gov](http://www.ffiec.gov)  
DLI-HMDA based on 2011 Home Mortgage Disclosure Act data, available from [www.ffiec.gov](http://www.ffiec.gov)

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

The following table displays the Social Performance Metrics for all CDFI Banks. 32 of the 88 CDFI Banks are located in the high performing Quadrant 1 due to their focus on distressed communities. An additional 23 fall into Quadrant 2 or Quadrant 3, indicating high HMDA lending or a high percentage of branch locations in low- and moderate-income areas. 18 institutions did not report HMDA lending and fall into Quadrant 1 or 3 because their high DDI scores indicate a significant presence of branches in these communities.

**Table 2: Social Performance Metrics of CDFI Banks, Sorted by Quadrant and State**

Institution	State	Assets (\$000)	DLI-HMDA (%)	DDI (%)	Quadrant
Commonwealth National Bank	AL	58,960	93.81	100.00	1
Southern Bancorp Bank	AR	1,117,585	42.32	70.00	1
Broadway Federal Bank, F.S.B.	CA	374,073	91.03	60.00	1
Neighborhood National Bank	CA	110,175	88.71	66.67	1
City First Bank of D.C., National Association	DC	225,796	100.00	100.00	1
Industrial Bank	DC	364,041	48.38	87.50	1
Carver State Bank	GA	42,723	90.53	50.00	1
ABC Bank	IL	339,146	90.36	80.00	1
AztecAmerica Bank	IL	81,144	100.00	100.00	1
Covenant Bank	IL	58,422	100.00	100.00	1
Highland Community Bank	IL	82,975	82.35	100.00	1
Illinois-Service Federal Savings and Loan Association	IL	136,042	71.09	100.00	1
International Bank of Chicago	IL	426,438	44.07	75.00	1
Pacific Global Bank	IL	159,161	74.29	66.67	1
Seaway Bank and Trust Company	IL	546,590	54.73	75.00	1
Urban Partnership Bank	IL	1,094,531	100.00	90.00	1
Liberty Bank and Trust Company	LA	536,299	40.72	76.19	1
Union Bank	LA	232,971	67.81	62.50	1
OneUnited Bank	MA	601,776	91.85	70.00	1
Franklin National Bank of Minneapolis	MN	152,798	68.77	100.00	1
University National Bank	MN	340,889	55.70	100.00	1
First Security Bank	MS	519,516	54.30	70.59	1
Guaranty Bank and Trust Company	MS	568,171	67.24	69.23	1
State Bank & Trust Company	MS	943,422	52.65	58.82	1
Carver Federal Savings Bank	NY	640,482	100.00	77.78	1
First American International Bank	NY	526,682	43.48	55.56	1
United Bank of Philadelphia	PA	66,000	100.00	100.00	1
South Carolina Community Bank	SC	80,604	81.07	100.00	1
Citizens Savings Bank and Trust Company	TN	89,160	56.33	66.67	1
Tri-State Bank of Memphis	TN	127,712	96.99	100.00	1
Mitchell Bank	WI	56,823	86.26	66.67	1
North Milwaukee State Bank	WI	88,557	65.60	100.00	1
United Bank	AL	466,653	48.35	11.76	2
First Choice Bank	CA	334,334	71.65	0.00	2
PlantersFIRST	GA	286,097	60.48	37.50	2
Edgebrook Bank	IL	89,819	45.84	0.00	2
BankFirst Financial Services	MS	747,529	44.06	46.15	2
First, A National Banking Association	MS	718,697	41.55	30.00	2
Inter National Bank	TX	2,132,481	51.79	45.00	2
Community Bank, National Association	AL	115,634	27.50	50.00	3
First Tuskegee Bank	AL	60,576	10.57	66.67	3

Institution	State	Assets (\$000)	DLI-HMDA (%)	DDI (%)	Quadrant
Capitol City Bank & Trust Company	GA	300,942	37.94	87.50	3
Citizens Trust Bank	GA	395,375	33.89	90.91	3
American Metro Bank	IL	79,529	25.30	66.67	3
First Eagle Bank	IL	387,051	23.99	50.00	3
Pan American Bank	IL	225,867	34.06	50.00	3
Advance Bank	MD	60,902	36.13	75.00	3
Harbor Bank of Maryland	MD	248,897	7.67	66.67	3
First Independence Bank	MI	184,640	7.60	66.67	3
Park Midway Bank, National Association	MN	259,118	29.19	50.00	3
Central Bank of Kansas City	MO	135,426	7.41	66.67	3
Community Bank Coast	MS	372,638	29.00	62.50	3
Mechanics & Farmers Bank	NC	293,715	0.00	75.00	3
Bank 2	OK	101,634	28.40	50.00	3
Security Federal Bank	SC	890,115	25.44	53.85	3
Mission Valley Bank	CA	241,493	0.00	33.33	4
BankPlus	MS	2,243,098	14.71	39.34	4
Community Bank	MS	660,319	35.64	40.00	4
Community Bank of Mississippi	MS	644,190	13.92	16.67	4
Community Bank, North Mississippi	MS	481,684	20.21	12.50	4
Magnolia State Bank	MS	285,129	31.81	28.57	4
Merchants and Farmers Bank	MS	1,593,402	27.13	40.48	4
Landmark Community Bank	TN	415,184	6.61	0.00	4
Community Capital Bank of Virginia	VA	54,525	30.36	0.00	4
Community Bank of the Bay	CA	155,086	NA	100.00	1 or 3
ProAmerica Bank	CA	154,095	NA	100.00	1 or 3
Native American Bank, National Association	CO	61,639	NA	100.00	1 or 3
Community's Bank	CT	31,110	NA	100.00	1 or 3
Start Community Bank	CT	41,403	NA	100.00	1 or 3
First National Bank of Decatur County	GA	133,599	NA	100.00	1 or 3
Metro Bank	KY	32,725	NA	100.00	1 or 3
Community Development Bank, FSB	MN	73,265	NA	50.00	1 or 3
Bank of Kilmichael	MS	128,622	NA	66.67	1 or 3
Bank of Okolona	MS	142,291	NA	100.00	1 or 3
Commercial Bank	MS	126,431	NA	60.00	1 or 3
Oxford University Bank	MS	117,248	NA	66.67	1 or 3
Peoples Bank of the South	MS	78,766	NA	100.00	1 or 3
BankAsiana	NJ	199,967	NA	66.67	1 or 3
City National Bank of New Jersey	NJ	331,131	NA	100.00	1 or 3
Bank of Cherokee County	OK	103,510	NA	66.67	1 or 3
Security State Bank of Wewoka, Oklahoma	OK	117,422	NA	100.00	1 or 3
Albina Community Bank	OR	126,094	NA	60.00	1 or 3
Bank of Vernon	AL	146,634	NA	0.00	2 or 4
Community Commerce Bank	CA	264,283	NA	16.67	2 or 4
Mission Community Bank	CA	432,650	NA	42.86	2 or 4
One PacificCoast Bank, FSB	CA	282,069	NA	33.33	2 or 4
CBW Bank	KS	12,994	NA	0.00	2 or 4
Fort Gibson State Bank	OK	58,070	NA	0.00	2 or 4

DDI based on 2011 Summary of Deposits and Census 2000 data, available from [www.fdic.gov](http://www.fdic.gov) and [www.ffiec.gov](http://www.ffiec.gov)  
DLI-HMDA based on 2011 Home Mortgage Disclosure Act data, available from [www.ffiec.gov](http://www.ffiec.gov)

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## Appendix D: Social Performance Measurement Methodologies

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

### A. NCIF Social Performance Metrics

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 7,300+ 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.

#### Core Metrics

##### 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.

##### Development Deposit Intensity (DDI)

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

NCIF has created an additional full suite of Social Performance Metrics that have already proven highly valuable to investors. These include:

##### Adjusted DLI-HMDA

The percentage of an institution's HMDA reported loan originations and purchases, in dollars, that are located in LMI census tracts, not including loans classified by HMDA as high-rate loans.

##### DLI-HMDA Highly Distressed

The percentage of an institution's HMDA reported loan originations and purchases, in dollars, that are located in census tracts that exhibit a median family income that is 70%, 60%, 50% or 40% of the relevant geographic area.

##### DLI-HMDA Low-Income

The percentage of an institution's HMDA reported loan originations and purchases, in dollars, that are provided to borrowers that have a household income that is below 80% of the relevant geographic area.

##### DLI-HMDA Equity

The ratio of an institution's HMDA reported loan originations and purchases to the institution's total equity.

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. For more information on the NCIF Social Performance Metrics, please visit our website at [www.ncif.org](http://www.ncif.org).

## 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.

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.

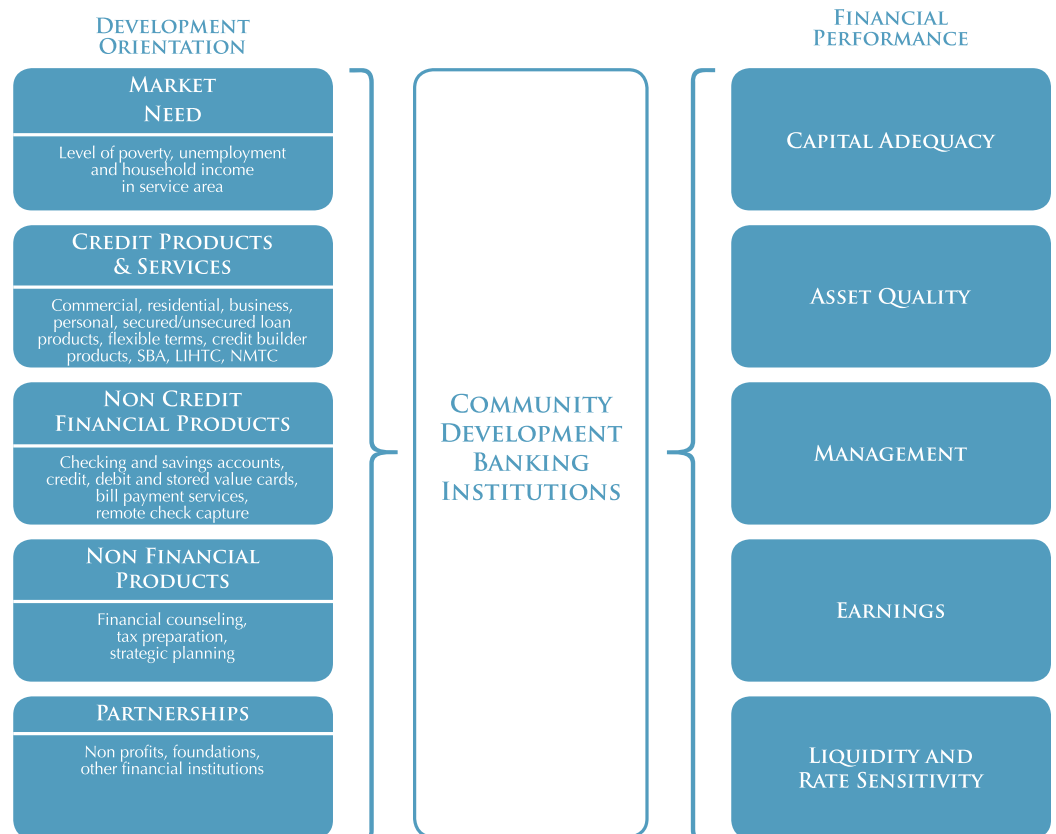
What is the **Market Need** in the institution's service area? Does the area have elevated poverty and unemployment rates?

What are the **Credit Products and Services** the institution provide its customers? As an example, NCIF Investee Industrial Bank is very focused on providing financing to local small businesses. To meet their needs, Industrial Bank offers a variety of commercial loans and lines of credit.

What **Non Credit Financial Products** are being offered? NCIF investee Carver Federal Savings Bank in New York recently launched Carver Community Cash, 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? NCIF investee Liberty Bank & Trust, headquartered in New Orleans, created a foundation to facilitate the bank's philanthropic housing and education initiatives including, but not limited to, assisting in the implementation and support of community-based endeavors that are designed to improve the quality of life, expand access to secondary and higher education, and to increase the availability of affordable housing in the New Orleans and Baton Rouge areas of Louisiana and in Jackson, Mississippi.

Finally, is the institution involved in **Partnerships** with non-profit groups, government and other organizations that serve to bring assistance to the community? Community Capital Bank of Virginia participates in the New River Valley Partnership, a collaboration of over 20 organizations to promote savings throughout the communities the bank serves.



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### C. Development Impact of NCIF 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 2012, there were only 88 certified CDFI Banks and 184 minority banks out of a total of over 7,000 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 Metrics described above. There are 388 banks in Quadrant 1 and over 1,500 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

NCIF is leading an effort of CEOs and senior staff from several 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.

Recent developments around impact measurement have highlighted several other areas that NCIF is encouraging CDFI banks to track and report as part of their impact analysis. In the current economic environment, issues such as job creation, employment, and small business lending have become more important in telling the story of how an institution is having an impact in its community. NCIF collects private data within the NCIF network of CDFI banks on some of these areas such as:

- Jobs created by borrowing businesses
- Small business and commercial lending – both number and dollar amount of loans
- Employees at institution
- Percentage of clients who are:
  - Racial and/or ethnic minorities
  - Women
  - Located in rural populations

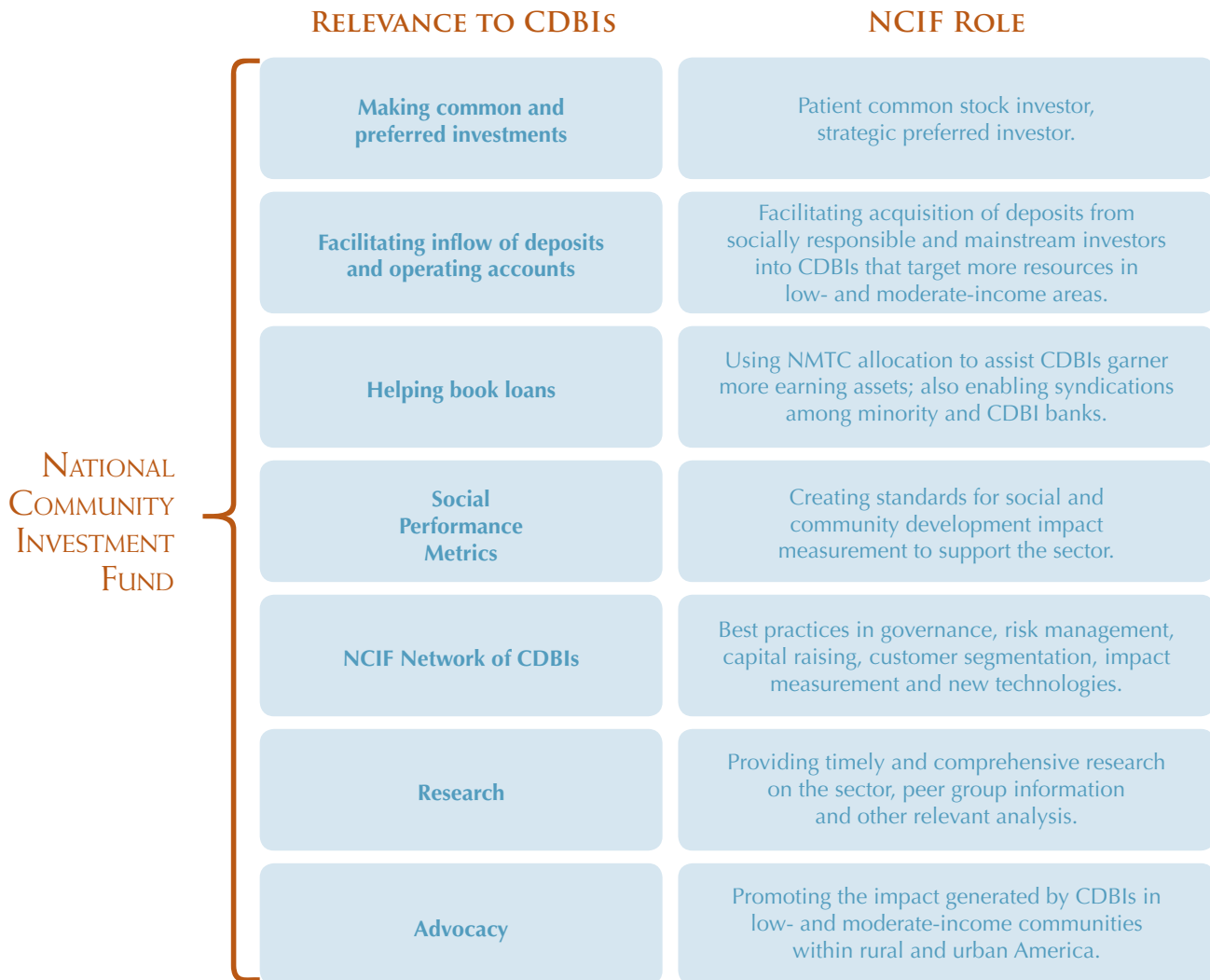
NCIF hopes that by broadening the type of data collected by institutions around these types of issues will create a more compelling story for CDFI banks to communicate the significant impact they have through their lines of business.



# NCIF Mission Statement & Overview

The National Community Investment Fund (NCIF) invests capital into institutions, primarily banks, that increase access to responsible financial products and services in underserved communities. NCIF contributes to their success by aggregating capital and knowledge and leveraging opportunities. NCIF generates reasonable financial, social and environmental returns for its investors and funders. NCIF was established in 1996 as a nonprofit, private equity fund with assets of \$150 million under management, including \$128 million in New Markets Tax Credits. Since inception, NCIF has invested in 44 mission oriented institutions throughout the country that have generated \$5.4 billion in development loans.

## NCIF LINES OF BUSINESS



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

Please visit our website for more information.

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