



CDFI Banking Industry Quarterly Profile

SECOND QUARTER 2015 FINANCIAL PERFORMANCE

NCIFSM NATIONAL
COMMUNITY
INVESTMENT
FUND

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SETTING THE STAGE

The CDFI Banking industry provides sustainable financial products and services to underserved communities throughout the country. These neighborhoods are often overlooked by major investments that build local economies, which limits the ability of local residents and business owners to generate economic growth, create jobs, and build wealth. By understanding and serving these communities, CDFI Banks play an essential role in the health of America's most economically vulnerable communities.

National Community Investment Fund (NCIF) is a nonprofit private equity fund with a mission to invest in and support CDFI Banks and other mission-oriented financial institutions in order to catalyze economic development in low-income and underserved communities. We support the mission-oriented banking industry by investing capital, creating innovative business opportunities, and facilitating the flow of funds from mainstream, philanthropic, socially responsible, and public sources. In addition, we supply research and impact metrics for banks and their investors and encourage collaboration through the NCIF Network.

As part of our work to "Tell the Story" of CDFI Banking, we publish Quarterly Profiles to highlight the financial performance of the industry. Please visit our website at NCIF.org and sign up for our e-newsletter to ensure that you receive future Quarterly Profiles, reports on CDFI Bank social performance, and other NCIF publications.

110

Number of CDFI Banks as of June 30, 2015

\$34.1
Billion

Total Assets of the CDFI Banking industry, in increase from \$31.8 billion at YE 2014

\$22.4
Billion

Total Loans within the industry, an increase from \$18.2 billion at Q2 2014 and \$14.4 billion at YE 2014

\$28.4
Billion

Total Deposits within the industry, an increase from \$26.5 billion at YE 2014

\$129.0
Million

Total Income earned by CDFI Banks through June 30, compared to \$86.7 million at Q2 2014

93

Number of CDFI Banks that were profitable through the second quarter; 88 were profitable at YE 2014

CDFI BANK FINANCIAL PERFORMANCE – SECOND QUARTER 2015

At the end of the second quarter there were 110 CDFI certified banks, with the addition of Mission National Bank in San Francisco and Quontic Bank in Queens, NY. No banks left the industry this quarter.

With the small amount of growth, the CDFI banking industry saw marginal increases in lending, returns and total assets. Still, the industry is substantially stronger than it was at this time in 2014. At quarter end, many of the CDFI Banks ratios neared the median for all U.S. banks with median ROAA of .79% compared to an all bank median of .89% and a median leverage ratio of 10.56% compared to the all bank median of 10.35%. While the CDFI Banks continue to provide needed quality products and services to the communities they serve, are also demonstrating competitive returns.

The following snapshot figures as of the end of the second quarter highlight these and other industry trends of CDFI Banks.

FINANCIAL PERFORMANCE OF CDFI BANKS

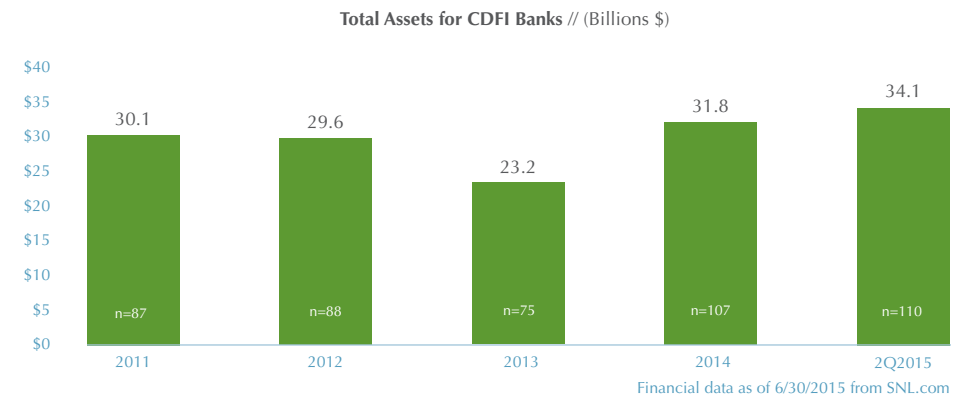
For a complete list of CDFI Banks and their individual financial statistics, please refer to the Appendix.

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. Noncurrent Loans to Total Loans Ratio
12. Net Charge-Offs to Average Loans Ratio
13. Loan Loss Reserves to Total Loans Ratio

1. Total Assets

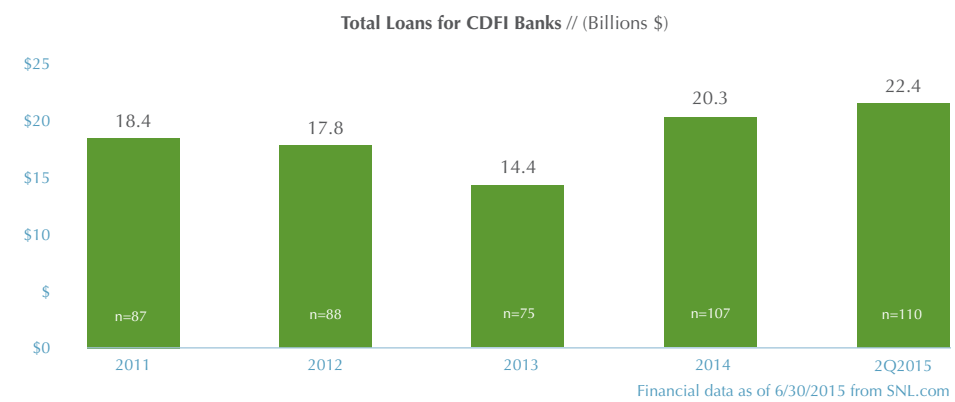
Total assets for the sector increased to \$34.1B, down from \$31.8B at the end of the year.



Total Assets: \$34.1B
 Median Assets: \$207.7M
 Average Assets: \$310.4M
 Highest Assets: \$2.6B
 Lowest Assets: \$16.8M
 Percent change YE 2014 to Q2 2015: 7.3%

2. Total Loans

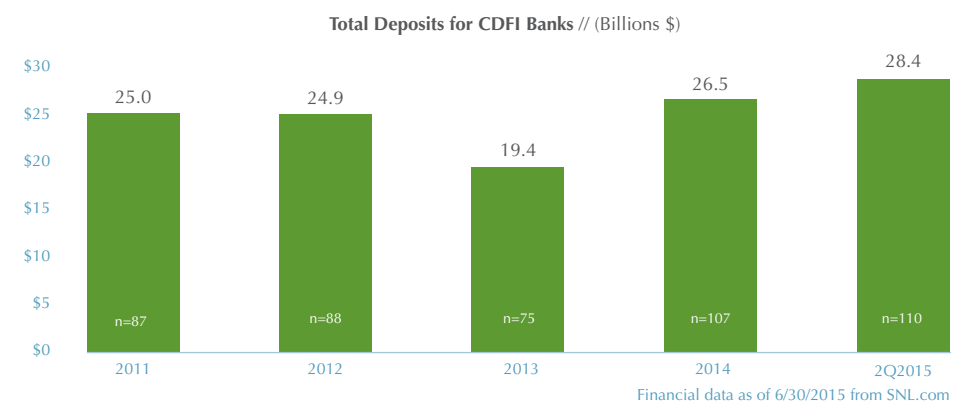
Both total lending increased since year end 2014 and the median CDFI bank's lending, which increased from \$134.2M to \$139.1M.



Total Loans: \$22.4B
 Median Loans: \$139.1M
 Average Loans: \$203.2M
 Largest loan portfolio: \$1.4B
 Smallest loan portfolio: \$2.5M
 Percent change YE 2014 to Q2 2015 10.3%

3. Total Deposits

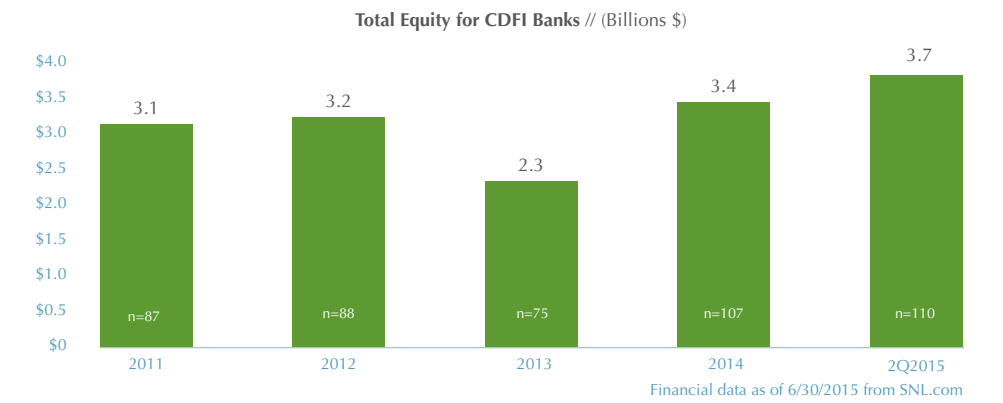
Industry total and median deposits have increased since the year end and remained consistent since Q1.



Total Deposits: \$28.4B
 Median Deposits: \$185.3M
 Average Deposits: \$258.3M
 Largest deposits portfolio: \$2.0B
 Smallest deposits portfolio: \$12.5M
 Percent change YE 2014 to Q1 2015: 7.4%

4. Total Equity

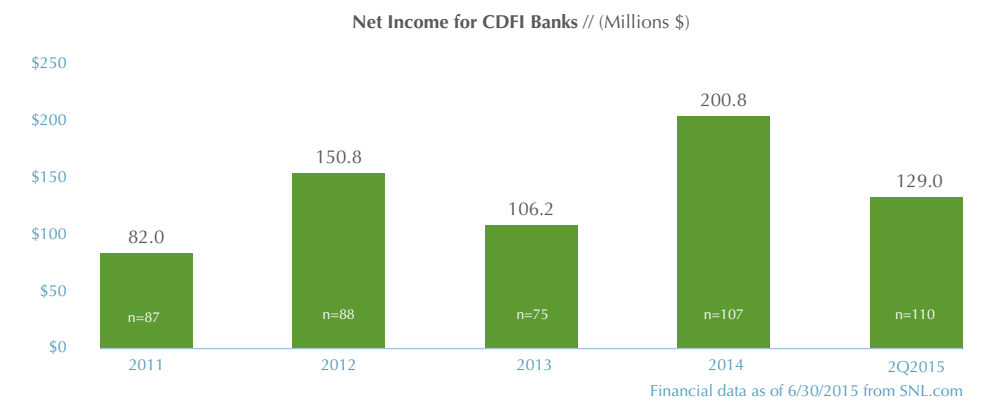
Equity held by CDFI Banks increased slightly to \$3.7B in the second quarter. Median equity held steady.



Total Equity: \$3.7B
 Median Equity: \$22.1M
 Average Equity: \$33.6M
 Highest Equity: \$241.7M
 Lowest Equity: \$1.7M
 Percent change YE 2014 to Q2 2015: 9.6%

5. Net Income*

As of Quarter 2, the CDFI Banking sector is profitable with \$129.0M in net income. 93 of the 110 CDFI banks are profitable.

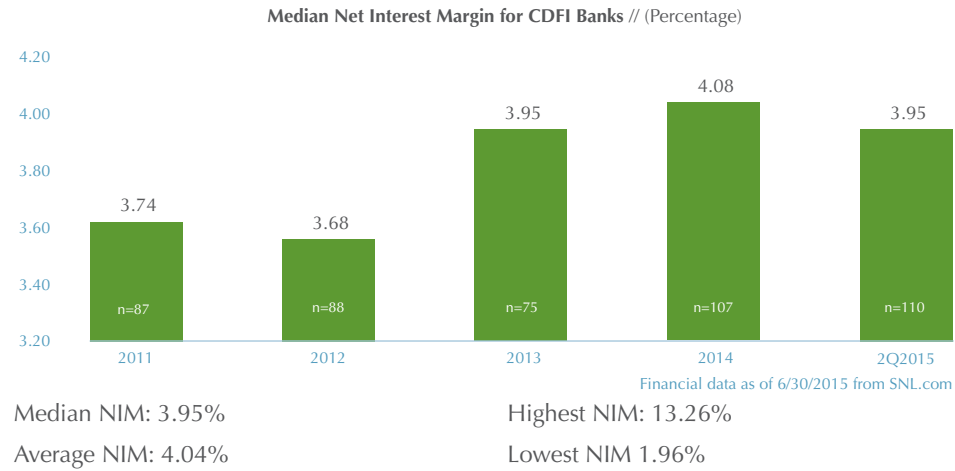


Total Net Income: \$130.0M
 Median Net Income: \$801,000
 Average Net Income: \$1.2M
 Highest Net Income: \$10.7M
 Lowest Net Income: -\$11.2M

*32 of the CDFI banks are S corporations

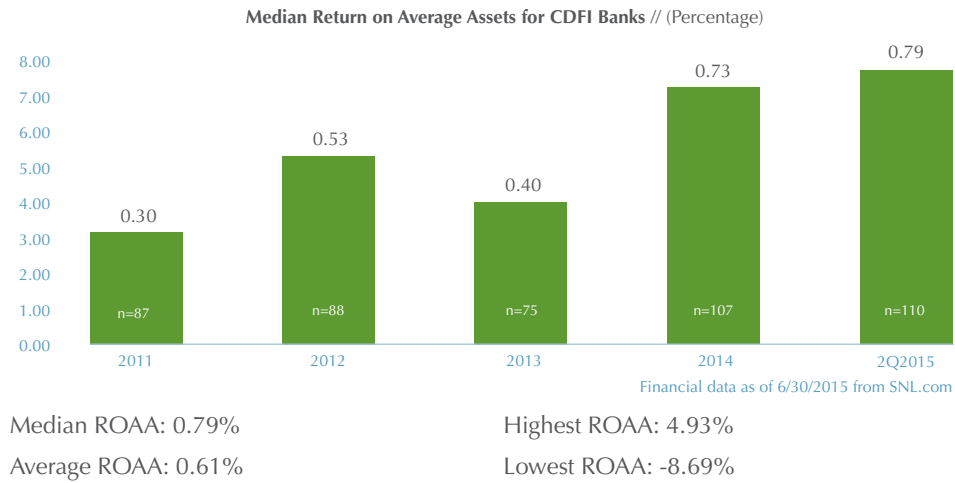
6. Net Interest Margin

The median net interest margin has decreased since YE 2014 and is also lower than at the end of Q2 2014.



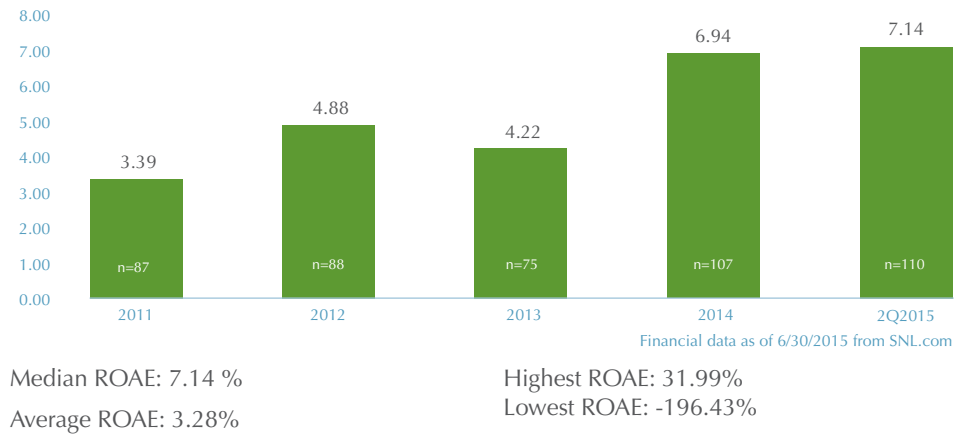
7. Return on Average Assets*

The median CDFI Bank has a ROAA of 0.79% as of the second quarter of 2015, a small increase from first quarter returns, along with year-end. A median ROAA of 0.79% is the highest value since 2004.



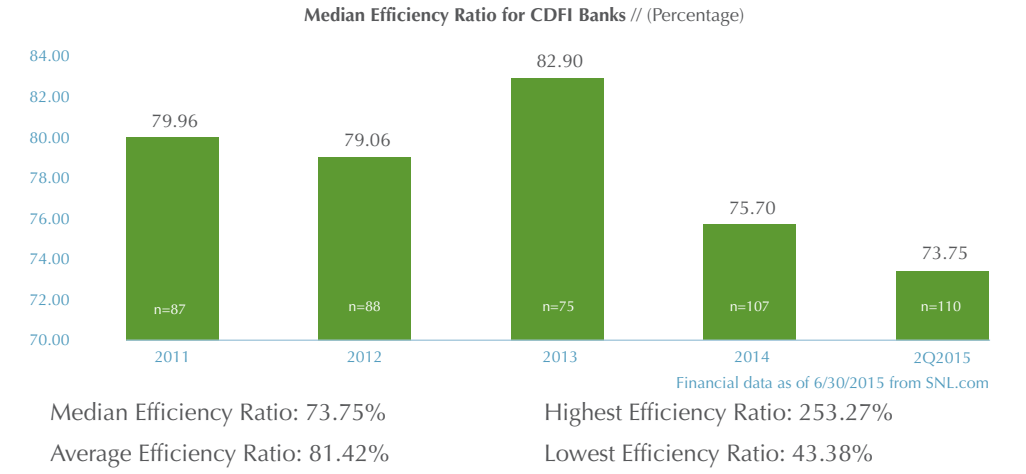
8. Return on Average Equity*

ROAE is up for the median CDFI Bank, from 6.94% at year-end 2014 to 7.14%. Before year-end 2014, the industry had not seen median ROAE above 5% since 2007.



9. Efficiency Ratio

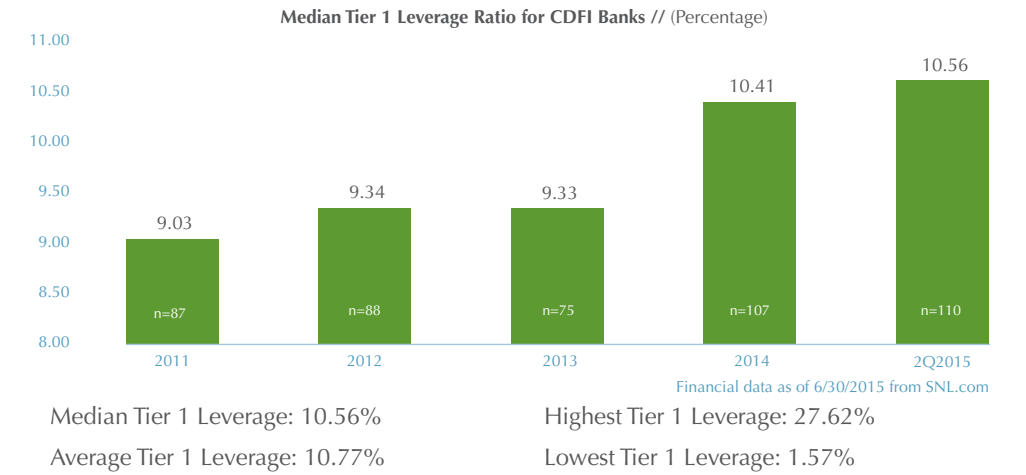
Efficiency ratios for the industry are down from year-end 2014, with a median of 73.75% as of the end of the second quarter.



10. Tier 1 Leverage Ratio

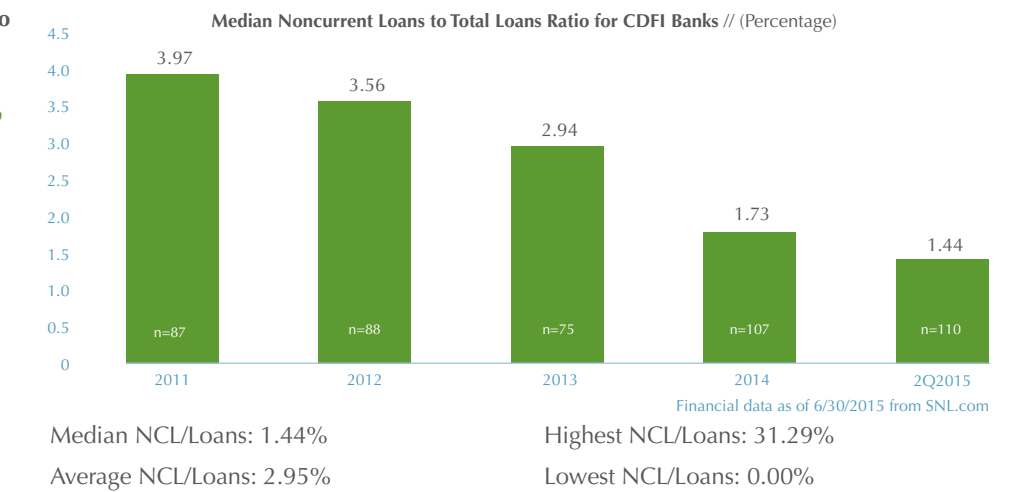
CDFI Banks are steadily increasing their leverage ratios and now have a median Tier 1 Leverage Ratio above 10%. 96 of the 110 CDFI banks also have a leverage ratio of greater than 8%.

These figures represent the ratio at the bank level only and do not take into account the leverage on a consolidated basis.



11. Noncurrent Loans to Total Loans Ratio

The median Noncurrent Loan Ratio continues to fall since hitting a high in 2010.

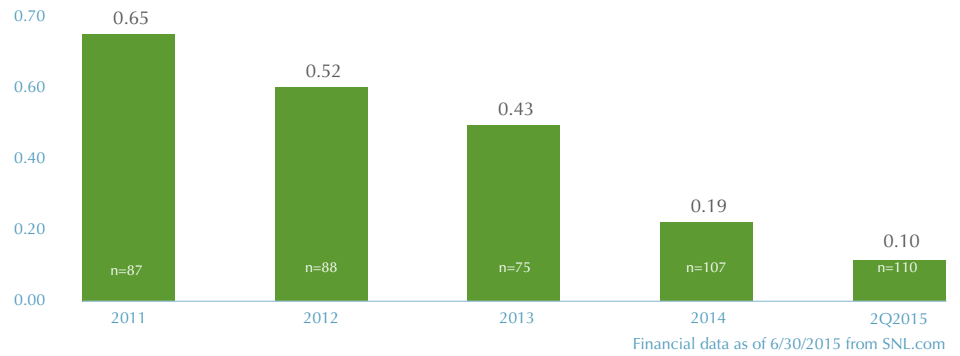


*32 of the CDFI banks are S corporations

12. Net Charge-Offs to Average Loans Ratio

Median Net Charge-Offs to Average Loans Ratio for CDFI Banks // (Percentage)

The median NCO/Loans ratio continues a steady decline since 2009, now at 0.10%.



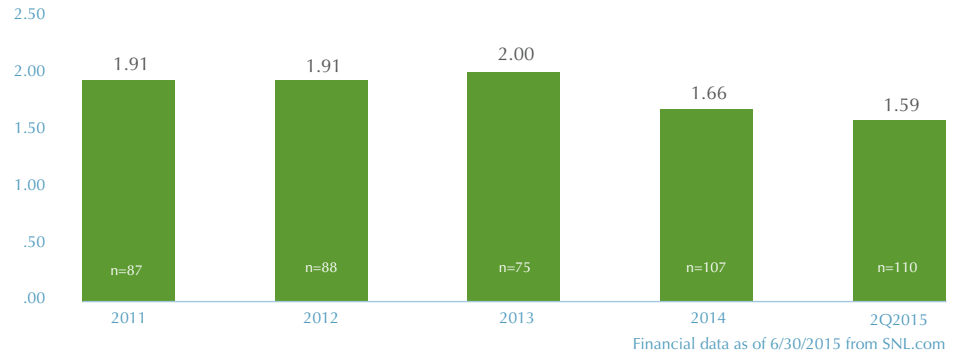
Median NCO/Loans: 0.10%
Average NCO/Loans: 0.35%

Highest NCO/Loans: 9.94%
Lowest NCO/Loans: -1.45%

13. Loan Loss Reserves to Total Loans Ratio

Median Loan Loss Reserves to Total Loans Ratio for CDFI Banks // (Percentage)

The median loan loss reserves ratio has continued to fall since year-end 2014, now at 1.59%, suggesting a general lending base stabilization.



Median LLR/Loans: 1.59%
Average LLR/Loans: 1.91%

Highest LLR/Loans: 7.26%
Lowest LLR/Loans: 0.39%

Institution	ST	Balance Sheet/Income Statement					Earnings					Capitalization	Asset Quality		
		Total Assets (\$000)	Total Loans (\$000)	Total Deposits (\$000)	Total Equity (\$000)	Net Income (\$000)	NIM (%)	ROA (%)	ROE (%)	S Corp	Efficiency Ratio (%)	Tier 1 Leverage Ratio (%)	NCL (%)	NCO (%)	Loan Loss Reserves/Loans (%)
Mission Valley Bank	CA	269,789	182,497	229,832	37,142	1,327	4.48	0.96	7.25	No	70.46	13.27	0.66	0.02	2.25
Mitchell Bank	WI	51,829	23,573	43,684	7,932	47	3.56	0.18	1.19	No	95.68	14.33	7.65	0.81	2.29
Native American Bank, National Assoc	CO	68,021	56,406	61,057	6,544	-155	4.27	-0.48	-4.67	No	109.22	10.12	1.13	-0.46	1.87
Neighborhood National Bank	CA	61,783	30,111	56,208	4,698	296	3.76	0.91	12.76	No	100.22	7.56	1.94	-1.20	7.26
Noah Bank	PA	310,895	254,502	258,454	38,366	1,405	4.53	0.93	8.01	No	75.85	12.00	1.48	0.66	2.04
North Milwaukee State Bank	WI	71,438	46,281	64,713	4,526	-1,097	3.06	-2.89	-41.38	No	142.35	3.42	17.75	5.94	6.12
Northern Hancock Bank and Trust	WV	26,239	19,620	22,319	3,396	68	7.70	0.51	3.99	Yes	88.83	12.80	4.56	0.95	1.33
Beneficial State Bank	CA	403,980	305,907	320,967	42,804	1,119	3.86	0.58	5.30	No	77.83	10.33	1.71	0.05	1.60
OneUnited Bank	MA	634,894	433,349	355,889	45,353	-322	2.18	-0.10	-1.35	No	112.61	6.21	2.72	0.00	0.67
Oxford University Bank	MS	118,839	84,793	104,702	11,141	404	3.68	0.68	7.35	No	72.55	9.29	0.26	0.00	0.93
Pacific Global Bank	IL	168,239	121,016	147,815	18,823	588	3.84	0.73	6.34	No	70.83	11.33	1.09	-0.21	3.53
Pan American Bank	IL	302,736	214,585	275,980	21,138	741	3.71	0.51	6.96	Yes	80.37	7.30	1.69	0.08	1.06
Pan American Bank,	CA	37,230	30,871	32,693	3,980	-1,618	4.49	-8.69	-66.72	No	253.27	10.77	3.99	1.17	2.06
Peoples Bank	MS	244,570	196,205	204,985	23,751	2,232	5.54	1.82	18.51	Yes	63.01	9.36	3.16	0.32	1.40
Priority One Bank	MS	591,263	432,016	488,118	63,829	4,516	4.02	1.55	14.24	Yes	66.74	10.56	1.19	0.17	1.67
ProAmerica Bank	CA	189,108	136,972	159,682	28,242	128	4.22	0.16	0.91	No	93.76	16.64	0.47	-0.05	1.57
Quontic Bank	NY	155,493	136,211	136,030	18,087	1,071	5.18	1.45	12.01	Yes	82.30	10.75	0.08	-0.01	0.79
Richland State Bank	LA	302,187	183,398	245,617	29,165	1,674	4.01	1.15	11.52	Yes	70.35	9.66	0.18	0.04	0.89
Richton Bank and Trust Company	MS	62,818	26,076	53,171	9,336	309	3.99	0.96	6.66	Yes	77.32	13.63	0.69	-0.15	1.83
RiverHills Bank	MS	298,689	181,946	242,956	27,246	1,892	2.86	1.26	14.13	Yes	55.34	8.96	1.39	0.10	2.28
Savoy Bank	NY	154,040	121,070	137,256	16,117	812	4.49	1.17	11.99	No	72.51	10.97	1.58	0.00	1.89
Seaway Bank and Trust Company	IL	393,687	247,726	304,437	40,182	-1,176	4.61	-0.58	-5.60	No	92.83	8.64	21.06	1.55	6.57
Security Federal Bank	SC	802,730	324,343	666,496	91,793	3,222	3.04	0.79	6.89	No	77.40	10.72	2.44	0.39	2.40
Security State Bank of Wewoka, OK	OK	197,163	136,283	180,238	14,961	102	3.98	0.10	1.34	No	59.21	7.17	1.20	2.27	1.65
South Carolina Community Bank	SC	57,282	38,628	53,827	3,241	-317	3.50	-1.10	-20.93	No	115.23	5.67	31.29	2.91	3.53
Southern Bancorp Bank	AR	1,152,642	802,054	929,844	138,778	5,916	4.23	1.03	8.57	No	65.51	9.33	1.17	0.15	1.09
Spring Bank	NY	119,821	96,176	103,921	15,403	1,074	4.71	1.84	14.32	No	65.69	12.78	3.33	0.00	1.08
Start Community Bank	CT	83,350	71,550	59,544	12,377	-490	2.87	-1.24	-8.81	No	130.79	15.37	0.49	0.38	1.30
State Bank & Trust Company	MS	983,545	762,811	781,234	109,985	3,100	3.99	0.63	5.68	No	70.92	8.66	0.96	0.05	1.23
Sunrise Banks, NA	MN	838,237	474,461	735,994	79,420	7,211	3.06	1.45	18.47	Yes	89.82	9.18	0.55	-0.02	1.32
Sycamore Bank	MS	199,305	127,992	178,573	19,453	699	3.77	0.68	7.19	No	74.87	9.25	0.37	0.75	0.86
The Jefferson Bank	MS	117,336	70,913	86,844	17,218	855	4.82	1.60	10.08	No	49.06	15.45	0.03	0.01	2.12
Tri-State Bank of Memphis	TN	125,484	76,365	112,102	12,416	81	4.10	0.13	1.30	No	95.63	8.90	9.40	1.07	2.33
United Bank	AL	516,965	282,732	462,998	51,001	1,263	3.40	0.49	4.97	No	80.51	9.65	1.09	0.08	1.31
United Bank of Philadelphia	PA	58,377	41,100	55,005	3,056	-103	4.57	-0.34	-6.47	No	110.41	5.12	6.14	0.17	1.45
United Mississippi Bank	MS	354,161	248,751	313,816	34,026	1,964	4.17	1.12	11.47	Yes	78.40	9.23	0.63	0.11	0.57
Urban Partnership Bank	IL	713,869	519,595	647,942	54,972	-11,158	5.36	-2.97	-36.17	No	166.51	7.51	8.43	1.12	5.29
West Alabama Bank & Trust	AL	563,671	296,800	452,903	69,809	3,218	3.33	1.14	9.13	No	57.12	11.64	0.57	0.18	1.42
TOTAL		34,148,558	22,354,275	28,412,324	3,699,266	128,996									
MEDIAN		207,664	139,124	185,330	22,143	801	3.95	0.79	7.14		73.75	10.56	1.44	0.10	1.59
AVERAGE		310,441	203,221	258,294	33,630	1,173	4.04	0.61	3.28		81.42	10.77	2.95	0.35	1.91
MAXIMUM		2,564,782	1,452,315	2,048,929	241,723	10,650	13.26	4.93	31.99		253.27	27.62	31.29	5.94	7.26
MINIMUM		16,774	2,544	12,499	1,667	-11,158	1.96	-8.69	-196.43		43.38	1.57	0.00	-1.45	0.39



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