
THE CDFI BANKING SECTOR:
2013 FIRST QUARTER REPORT
on Financial and Social Performance

NCIFSM [NATIONAL
COMMUNITY
INVESTMENT
FUND

Setting the Stage

The CDFI Banking industry provides reasonably-priced, sustainable financial products and services to low- and moderate-income (LMI) communities and underserved communities throughout the country. These neighborhoods are often overlooked by major investments that build local economies. The lack of sustainable financial services in these areas limits the ability of local residents and business owners to generate economic growth, create jobs and build wealth. By serving these communities, CDFI Banks provide an essential ingredient in the health of America's most economically vulnerable communities.

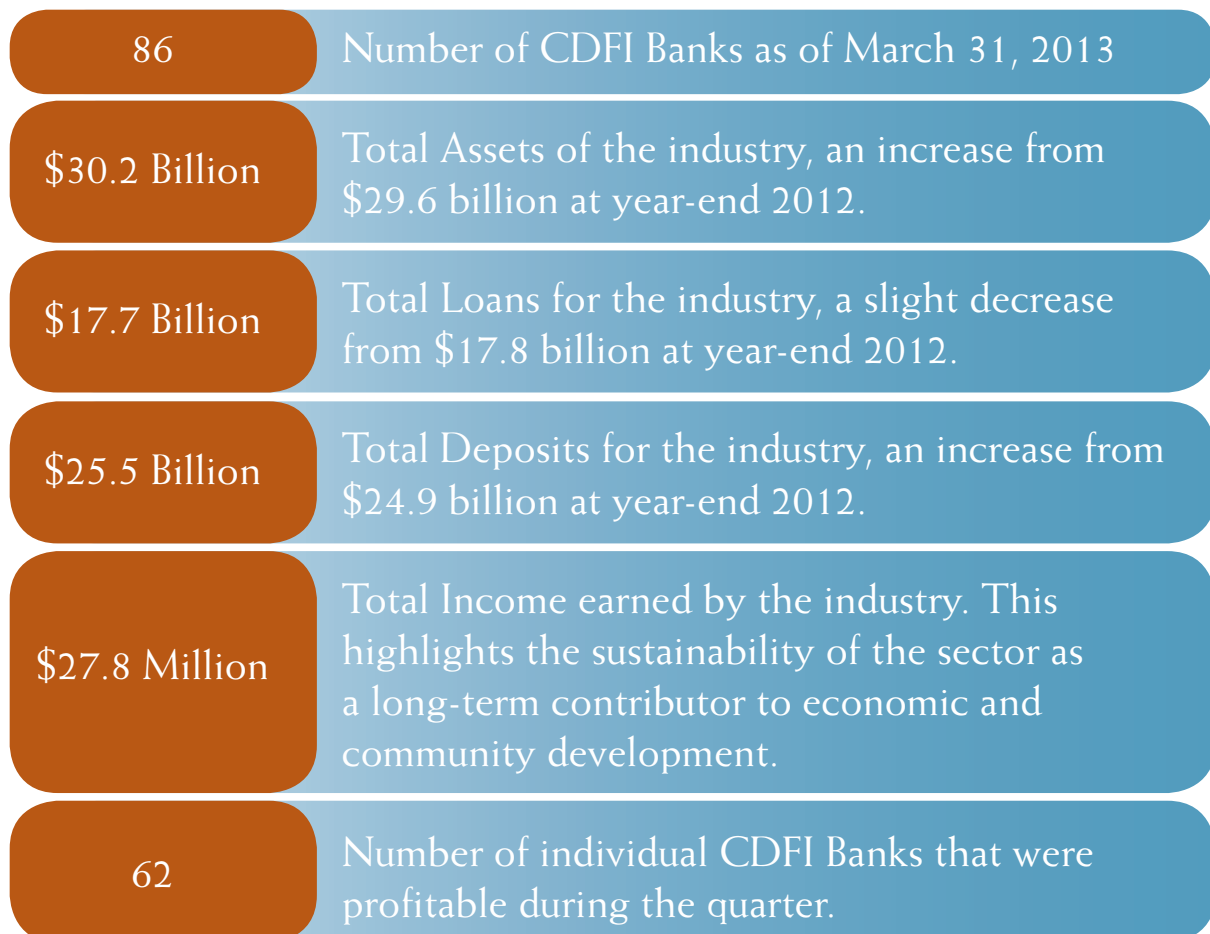
National Community Investment Fund (NCIF) is a nonprofit, private equity fund with a mission to invest in and support CDFI Banks. NCIF is a leader in "Telling the Story" of CDFI Banking, through both financial performance and, as importantly, social performance data and information. Effectively "Telling the Story" is important as the critical support these CDFI Banks provide is often under reported in the media and by society at large.

NCIF is proud to release the first CDFI Banking Quarterly Profile to highlight the financial performance of the industry. Please visit NCIF.org to sign up for our distribution list to ensure that you receive future CDFI Banking Quarterly Profiles as well as all NCIF's publications and news.

CDFI Bank Financial Performance – First Quarter 2013

As of March 31, there were 86 banks certified by the U.S. Treasury as Community Development Financial Institutions (CDFIs), or as subsidiaries of CDFI certified bank holding companies. This represents a decrease from the 88 CDFI Banks as of January 1, 2013, but does not represent a loss of assets or service to communities as one bank, Covenant Bank, was acquired by certified CDFI Liberty Bank, and the other bank, Community Bank, NA was consolidated with another bank under a CDFI certified holding company.

These snapshot figures highlight that the CDFI Banking industry continues to show improvements in performance in the face of a difficult economic environment.



Financial Performance of CDFI Banks

Financial Performance of CDFI Banks

In 2012 CDFI Banks demonstrated their resilience by reversing several negative trends caused by the challenging environment of the recession. The CDFI Banking industry continues to strengthen itself in 2013, which will in turn benefit the communities that these institutions serve.

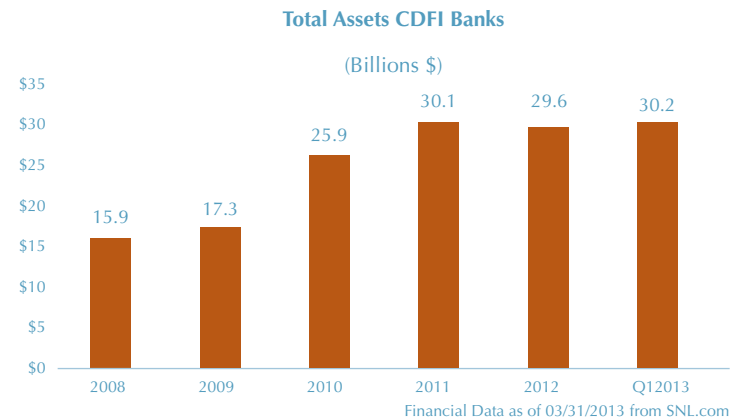
Following are trends in statistics on:

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

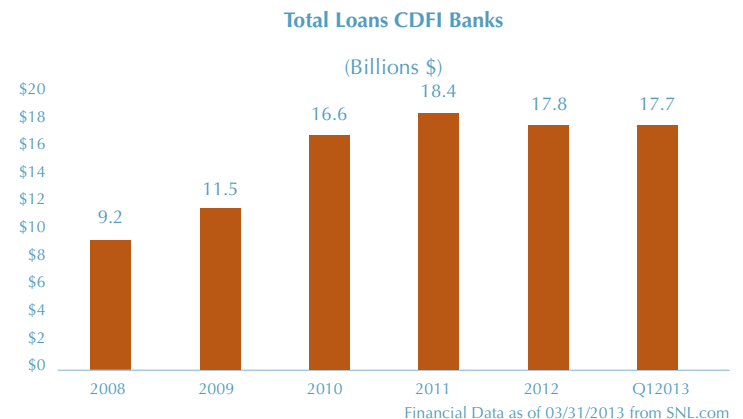
1. Total Assets

- During Q12013, total assets in the sector increased from \$29.6 billion to \$30.2 billion.
- CDFI Banks ranged from \$12.0 million to \$2.4 billion in asset size, and had an average asset size of \$351.7 million at March 31, 2013. The median CDFI Bank had assets of \$219.8 million, larger than last year's median of \$212.9.



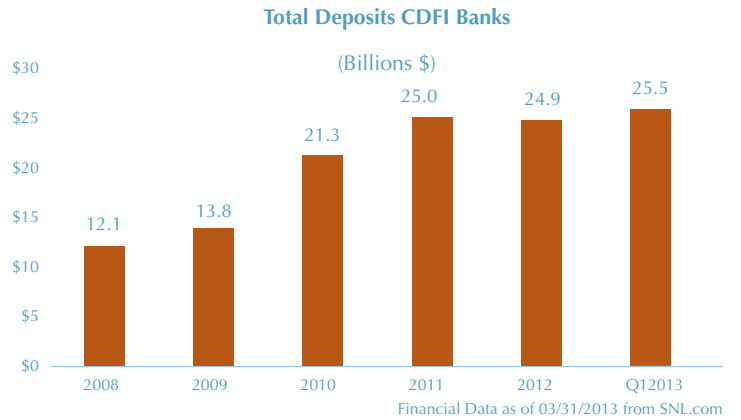
2. Total Loans

- During Q12013, total loans within the sector fell slightly from \$17.8 billion to \$17.7 billion.
- The maximum amount of loans outstanding for a bank was \$1.2 billion. The smallest portfolio was \$2.8 million. On average, each CDFI Bank held \$205.5 million in loans outstanding, up from \$201.9 million as of year-end 2012. The median level of loans outstanding was \$137.5, up from \$136.2 million.



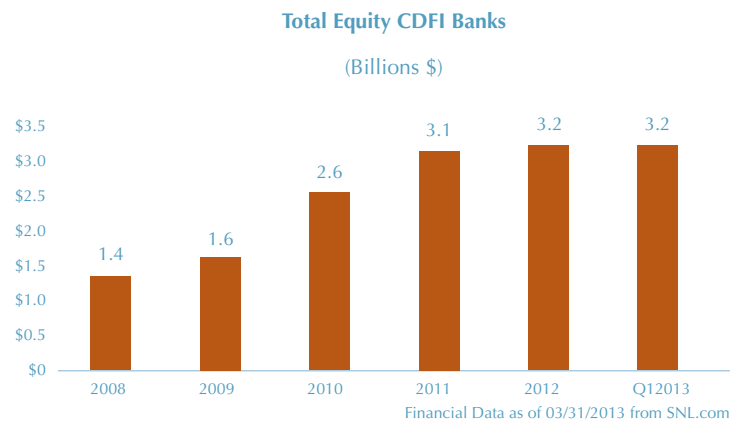
3. Total Deposits

- During Q12013, deposits held at CDFI Banks increased from \$24.9 billion to \$25.5 billion.
- The largest deposit level with an individual bank was \$1.9 billion; the smallest level was \$10.1 million. On average, each CDFI Bank held \$296.8 million in deposits, an increase from the 2012 figure of \$282.5 million in deposits. The median bank held \$182.7 million, up from \$171.4 million.



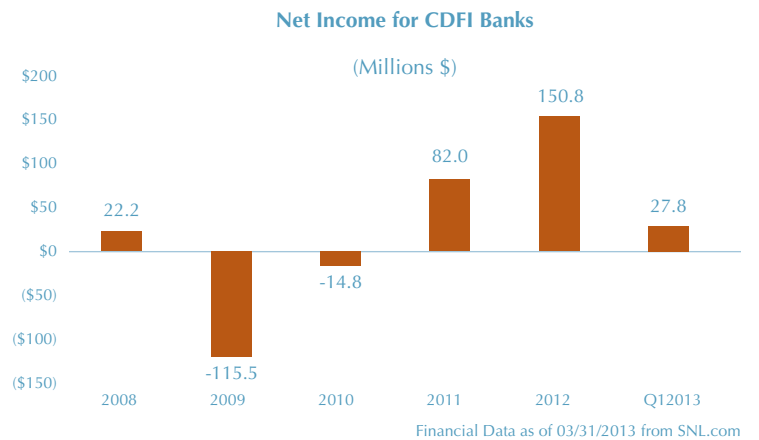
4. Total Equity

- During Q12013, total equity within the CDFI Banking sector held steady at \$3.2 billion.
- The largest CDFI Bank had \$423.5 million in equity, while the smallest bank had \$1.4 million. The average equity in the sector was \$37.5 million, up from \$36.3 million as of year-end 2012. The median for equity was \$20.2 million, down from \$20.6 million.



5. Net Income

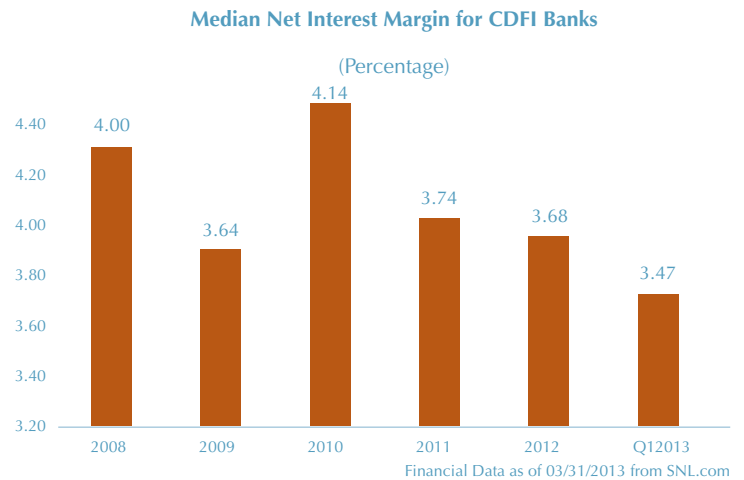
- During Q12013 the 86 CDFI Banks earned \$27.8 million in net income.
- The largest net income for an individual CDFI Bank was \$4.6 million, while the biggest loss was \$10.5 million. The average CDFI Bank earned \$323,000 in net income during the quarter with the median CDFI bank earning \$175,000.



Performance & Condition Ratios

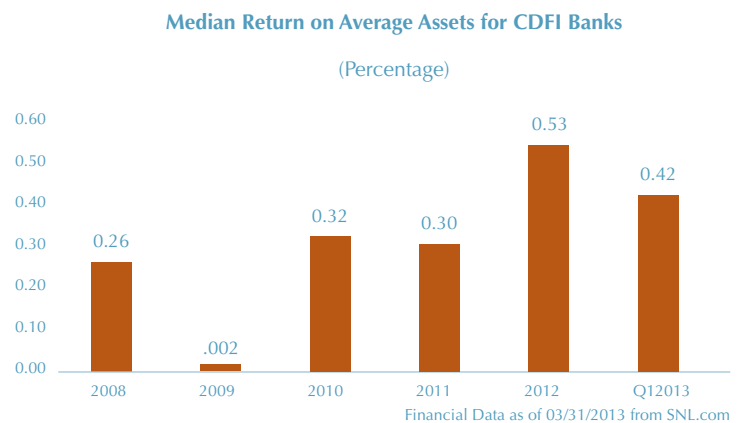
6. Net Interest Margin

- During Q12013, the CDFI median net interest margin decreased from 3.68% to 3.47%.
- The highest net interest margin within the CDFI Bank sector at Q12013 was 5.05%, while the lowest was 1.77%. The average net interest margin for the sector was 3.46%.



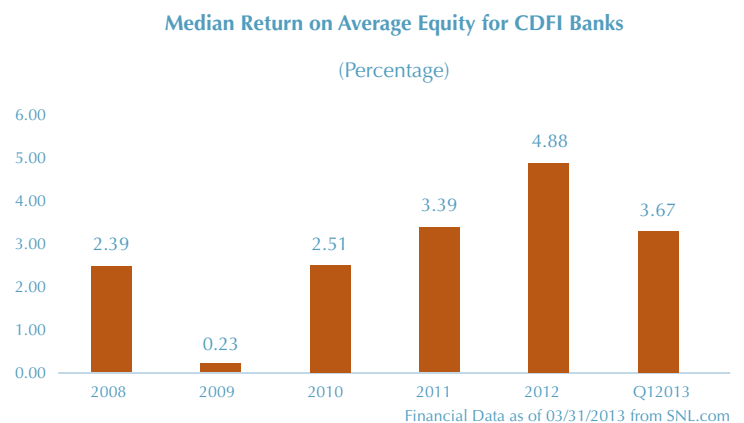
7. Return on Average Assets

- On the earnings side, during Q12013, the median return on average assets fell from 0.53% to 0.42%.
- The highest return on average assets in the sector was 3.54%, and the lowest was -7.35%, while the average for Q12013 was 0.02%.



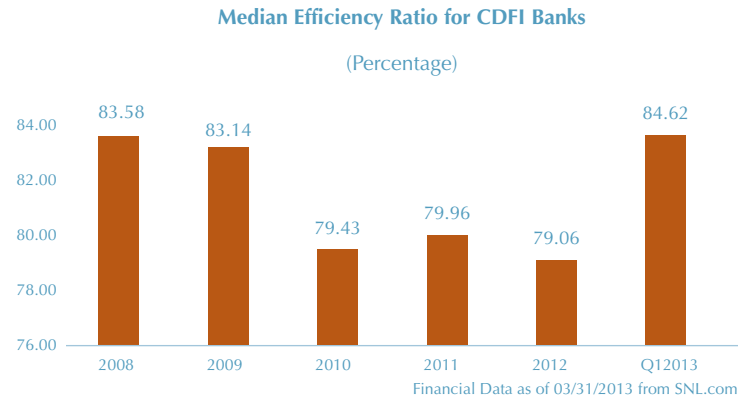
8. Return on Average Equity

- During Q12013, the median return on average equity for CDFI Banks decreased from 4.88% to 3.67%.
- The highest return on average equity at March 31, 2013 was 63.03%, and the lowest was -180.04%. The average value for the sector was -2.45%.



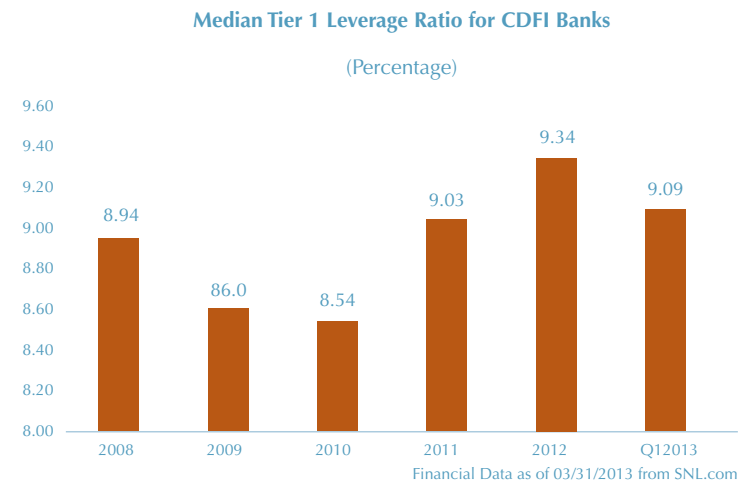
9. Efficiency Ratio

- At Q12013, the median CDFI Bank efficiency ratio was 84.62%, a deterioration from the 2012 figure of 79.06%.
- The lowest efficiency ratio for CDFI Banks was 47.34% , while the highest was 291.91%. The average efficiency ratio for the sector was 84.62%.



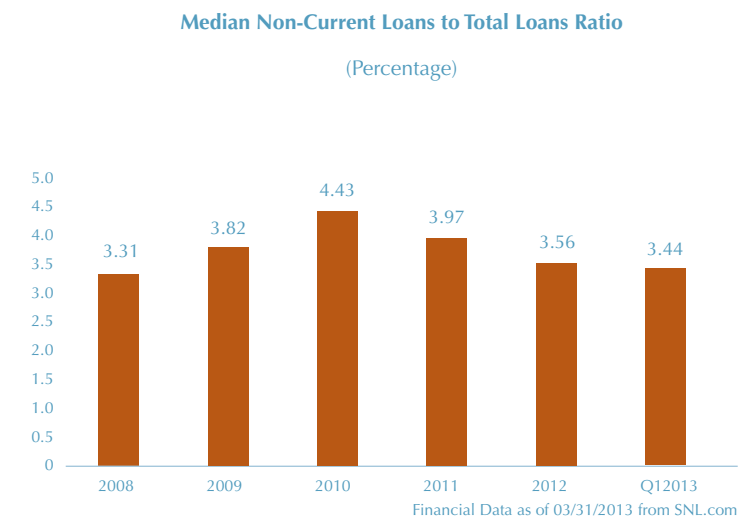
10. Tier 1 Leverage Ratio

- During Q12013, the median CDFI Bank Tier 1 leverage ratio decreased from 9.34% to 9.09%.
- At March 31, 2013 the maximum Tier 1 leverage ratio was 20.59% while the lowest was 2.57%. The average value for the sector was 9.40%. 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

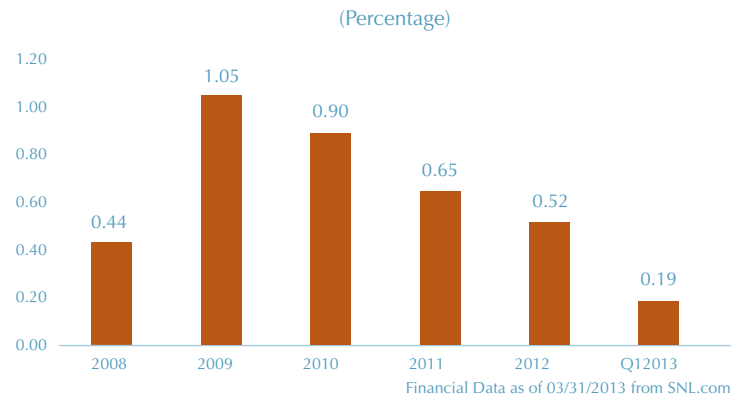
- At Q12013, the median CDFI Bank exhibited a non-current loans to total loans ratio of 3.44%. This represents continued improvement over both the 2011 year-end median of 3.97% and the 2012 year-end median of 3.56%.
- The lowest non-current loans to total loans ratio within the CDFI industry was 0.00%; the highest ratio was 24.68%. The sector had an average non-current loan ratio of 5.35%.



12. Net Charge-offs to Average Loans Ratio

- The net charge-offs to average loans ratio for the median CDFI Bank showed improvement in Q12013, moving from 0.52% to 0.19%.
- The lowest net charge-offs to average loans ratio was -3.26% and the highest ratio was 27.15%. The average net charge-off ratio for the sector was 0.74%.

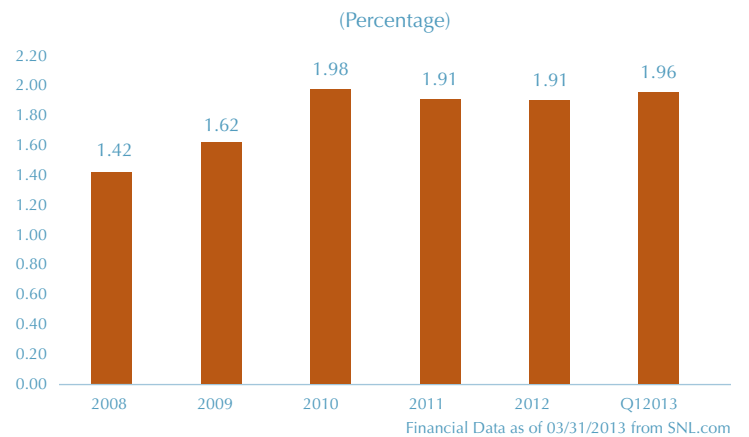
Median Net Charge-offs to Average Loans Ratio



13. Loan Loss Reserves to Total Loans Ratio

- During Q12013, the median loan loss reserves to total loans ratio for the 86 CDFI Banks increased from 1.91% to 1.96%.
- The lowest loan loss reserves to total loans ratio was 0.88%, the highest ratio was 13.19%.
- The average loan loss reserves to total loans ratio for the sector was 2.46%.

Median Loan Loss Reserves to Total Loans Ratio



Appendix: Listing of CDFI Banks – Summary Financial Information

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 (%)
Advance Bank	MD	58,680	44,330	47,728	5,767	-60	4.10	-0.40	-4.14	115.56	8.58	4.50	0.02	1.67
Albina Community Bank	OR	120,947	77,483	114,028	4,971	-34	3.19	-0.11	-2.73	101.84	4.09	3.80	3.86	2.55
American Metro Bank	IL	77,764	43,024	67,440	2,734	-1,443	2.45	-7.35	-180.04	84.54	3.48	16.16	27.15	3.24
Austin Bank of Chicago	IL	334,545	232,931	272,636	34,465	487	3.87	0.58	5.66	74.01	10.15	2.12	0.26	2.22
AztecAmerica Bank	IL	80,876	56,708	76,482	4,120	-397	2.55	-1.96	-38.57	210.22	5.08	19.47	1.06	4.29
Bank 2	OK	101,637	58,325	85,708	13,285	243	3.42	0.97	7.32	81.03	13.73	2.60	0.00	1.81
Bank of Cherokee County	OK	105,880	69,389	97,941	7,660	136	4.21	0.52	7.09	79.71	7.25	0.31	0.99	1.56
Bank of Kilmichael	MS	131,771	69,803	119,604	11,089	281	3.16	0.85	10.12	72.92	8.02	0.59	0.01	1.41
Bank of Okolona	MS	145,663	76,827	128,588	14,095	404	3.67	1.11	11.47	70.14	8.79	2.79	0.04	1.78
Bank of Vernon	AL	150,267	111,683	127,501	20,547	180	4.06	0.48	3.52	76.76	13.47	10.92	0.20	3.75
BankAsiana	NJ	207,330	164,552	166,592	28,989	415	4.17	0.84	5.76	63.78	14.56	1.26	0.21	2.04
BankFirst Financial Services	MS	733,904	527,765	628,562	66,485	1,440	3.49	0.77	8.39	68.51	8.71	1.34	0.27	1.83
BankPlus	MS	2,381,736	1,220,286	1,916,704	221,513	4,628	3.21	0.80	8.39	77.21	9.45	1.99	0.68	1.88
Broadway Federal Bank, F. S. B.	CA	363,352	260,863	248,507	32,988	-282	3.09	-0.30	-3.40	110.66	9.00	10.21	2.07	4.01
Capitol City Bank & Trust Co.	GA	299,011	218,498	278,834	11,575	-779	2.90	-1.03	-25.85	127.83	3.90	12.90	0.81	2.31
Carver Federal Savings Bank	NY	638,927	383,229	502,154	66,116	948	3.14	0.63	5.79	150.07	10.26	11.44	-0.23	2.87
Carver State Bank	GA	42,622	25,575	35,246	3,752	9	4.10	0.08	0.96	98.24	8.79	7.19	-0.06	1.11
CBW Bank	KS	11,952	2,764	10,083	1,494	9	2.22	0.28	2.41	95.34	10.62	0.07	0.00	2.97
Central Bank of Kansas City	MO	133,212	94,624	108,695	23,934	144	3.68	0.43	2.40	90.63	16.08	3.78	-0.75	2.85
Citizens Savings Bank & Trust Co.	TN	91,048	62,930	80,644	8,465	81	4.36	0.36	3.81	101.69	9.39	3.96	0.11	1.57
Citizens Trust Bank	GA	393,991	183,516	339,447	48,967	313	3.12	0.32	2.56	87.56	10.79	6.48	0.69	1.86
City First Bank of D.C., Nat'l Assoc.	DC	212,413	145,458	178,352	30,007	577	3.80	1.03	7.76	61.94	13.24	4.94	-0.09	3.10
City National Bank of New Jersey	NJ	329,979	167,532	298,399	19,523	-2,325	2.18	-2.76	-44.48	195.77	5.93	21.54	0.79	5.72
Commercial Bank	MS	136,517	69,963	112,996	13,010	102	3.56	0.32	3.15	88.93	9.00	3.26	0.99	1.86
Commonwealth National Bank	AL	61,838	26,642	55,485	5,772	-166	4.00	-1.09	-11.28	103.39	9.10	4.27	1.84	2.82
Community Bank	MS	659,129	480,503	585,657	61,055	1,876	3.88	1.18	12.36	55.56	9.40	1.89	0.32	1.21
Community Bank Coast	MS	595,772	429,046	518,280	73,624	1,140	3.72	0.77	8.06	69.68	10.18	0.92	0.24	1.32
Community Bank of Mississippi	MS	655,438	421,010	583,451	60,981	1,621	4.46	1.01	10.65	68.74	9.40	1.69	0.03	1.16
Community Bank of the Bay	CA	163,204	110,905	139,129	17,675	843	4.10	2.24	19.59	88.32	11.70	3.32	0.06	2.10
Community Bank, North Mississippi	MS	485,364	288,062	427,632	49,154	603	3.00	0.50	4.94	80.21	9.39	0.65	0.23	1.42
Community Capital Bank of Virginia	VA	54,527	35,596	41,888	11,251	49	3.06	0.36	1.74	89.68	20.59	0.00	0.00	0.88
Community Commerce Bank	CA	252,215	184,949	185,173	43,536	1,037	5.05	1.61	9.64	59.59	15.05	6.78	0.09	5.68
Community Development Bank, FSB	MN	79,245	42,343	67,662	7,525	77	3.47	0.41	4.10	75.07	8.75	4.22	0.03	1.22
Community's Bank	CT	28,273	16,335	25,758	1,354	-337	3.56	-4.69	-88.16	222.10	2.57	12.08	0.63	1.50
Edgebrook Bank	IL	88,724	73,519	84,595	4,004	-136	3.81	-0.62	-13.68	90.41	4.52	11.09	0.23	3.43
First American International Bank	NY	540,802	360,964	440,186	70,501	1,140	4.52	0.87	6.52	72.38	13.20	6.96	0.29	2.87
First Choice Bank	CA	355,473	211,891	305,188	38,209	462	2.85	0.53	5.18	67.78	10.72	0.69	0.00	1.62
First Eagle Bank	IL	449,345	222,361	365,218	60,128	2,069	3.85	2.22	13.89	47.83	14.53	1.35	0.37	2.47
First Independence Bank	MI	211,826	121,848	173,659	17,514	118	3.78	0.26	2.70	93.32	11.28	0.89	0.01	1.59
First National Bank of Decatur County	GA	115,307	46,865	96,285	13,724	114	2.36	0.38	3.32	70.64	11.21	5.02	-0.09	2.94
First Security Bank	MS	525,918	228,730	446,762	60,312	517	2.76	0.40	3.44	86.51	10.56	1.14	0.16	1.24
First Tuskegee Bank	AL	62,983	33,707	55,877	5,345	-157	3.46	-1.02	-11.57	122.36	8.53	13.84	-0.08	1.59
First, A National Banking Association	MS	787,850	425,368	660,112	76,485	1,551	3.18	0.83	8.20	68.42	8.45	0.77	0.12	1.16
Fort Gibson State Bank	OK	59,727	34,630	55,242	4,064	103	4.53	0.68	10.15	82.74	6.70	0.12	0.18	1.13
Franklin National Bank	MN	207,298	116,842	180,197	19,813	27	2.41	0.04	0.53	98.00	7.09	1.91	0.03	1.15
Guaranty Bank & Trust Company	MS	610,105	371,710	534,136	65,415	2,106	3.66	1.40	13.13	65.39	10.75	2.13	0.15	2.02

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 (%)
Harbor Bank of Maryland	MD	250,822	162,886	217,213	25,952	-901	3.70	-1.41	-13.64	88.89	7.56	7.40	2.79	2.37
Highland Community Bank	IL	81,752	44,327	78,476	2,778	-293	3.23	-1.39	-40.19	129.89	3.09	9.81	0.78	4.46
Illinois-Service Federal Savings & Loan Assoc.	IL	132,650	58,102	109,058	11,342	-685	3.20	-2.03	-23.34	117.77	7.19	7.46	2.18	4.65
Industrial Bank	DC	349,927	233,882	292,438	37,460	406	4.74	0.48	4.36	87.27	10.02	5.02	-0.05	2.19
Inter National Bank	TX	2,132,392	701,709	1,699,689	423,511	3,482	2.15	0.65	3.28	82.65	10.51	1.23	-0.20	2.03
International Bank of Chicago	IL	448,694	284,609	393,996	51,531	1,444	3.99	1.31	11.29	47.34	11.48	1.25	-0.01	2.05
Landmark Community Bank	TN	420,113	334,485	334,953	43,155	938	3.94	0.89	9.05	50.61	10.15	1.13	0.39	1.15
Liberty Bank & Trust Company	LA	579,377	282,408	524,822	44,277	1,664	3.35	1.13	15.17	72.70	7.07	3.24	0.32	1.54
Magnolia State Bank	MS	300,485	221,178	271,690	27,621	1,081	4.81	1.47	15.79	70.75	9.03	0.22	0.06	0.88
Mechanics & Farmers Bank	NC	269,227	179,635	227,902	34,509	54	3.39	0.07	0.63	97.15	11.39	6.84	0.00	1.95
Merchants & Farmers Bank	MS	1,542,114	1,005,230	1,354,420	146,958	2,857	3.22	0.73	7.85	69.21	9.09	0.75	0.20	1.82
Metro Bank	KY	33,485	13,501	27,957	5,251	-30	2.22	-0.36	-2.28	108.20	15.92	1.69	-0.38	1.79
Mission Community Bank	CA	431,164	244,064	387,907	41,489	696	4.29	0.66	6.72	84.70	8.99	3.68	0.17	1.74
Mission Valley Bank	CA	288,350	176,031	249,280	35,939	347	4.17	0.54	3.88	83.40	13.77	3.88	-0.08	2.98
Mitchell Bank	WI	59,059	33,342	49,982	8,073	46	3.58	0.32	2.29	90.08	13.27	9.98	-0.01	2.90
Native American Bank, National Assoc.	CO	58,644	44,630	51,137	7,229	-246	3.82	-1.63	-13.38	136.72	9.88	5.08	-0.83	2.72
Neighborhood National Bank	CA	97,161	64,518	89,626	6,430	-159	2.90	-0.64	-9.77	112.50	6.43	17.44	-3.26	6.42
North Milwaukee State Bank	WI	89,658	58,605	79,162	6,664	-56	3.45	-0.25	-3.34	99.88	7.23	10.51	0.00	4.22
One PacificCoast Bank, FSB	CA	293,785	192,779	240,279	33,294	100	3.48	0.14	1.23	85.68	10.20	5.39	0.06	1.96
OneUnited Bank	MA	610,048	321,887	349,668	47,311	1,003	2.39	0.67	8.46	88.47	5.93	3.56	0.00	1.10
Oxford University Bank	MS	107,141	69,961	94,166	9,728	183	3.18	0.69	7.59	72.71	9.03	2.28	0.21	0.89
Pacific Global Bank	IL	159,166	123,028	139,183	14,368	169	3.70	0.43	4.73	68.40	8.98	2.84	1.34	4.66
Pan American Bank	IL	231,251	148,110	213,967	16,998	236	3.47	0.42	5.55	86.00	7.55	0.73	0.00	1.41
Park Midway	MN	310,284	188,057	269,884	28,652	1,062	2.65	1.11	14.78	64.07	7.48	1.97	0.05	1.63
Peoples Bank of the South	MS	82,029	58,223	73,333	7,008	77	4.87	0.39	4.39	83.94	8.74	1.20	0.00	1.17
PlantersFirst	GA	285,525	179,622	266,305	16,381	387	3.16	0.54	9.59	81.85	5.59	10.86	0.79	2.94
Promerica Bank	CA	156,890	102,298	133,042	22,751	97	3.49	0.26	1.71	114.22	14.98	2.28	-0.02	2.52
Seaway Bank and Trust Company	IL	554,195	280,715	494,528	41,344	-3,123	3.35	-2.19	-28.40	82.91	7.14	20.80	0.95	7.24
Security Federal Bank	SC	875,469	394,122	678,667	89,134	763	2.56	0.35	3.42	74.31	9.38	3.74	1.35	2.82
Security State Bank of Wewoka, OK	OK	122,546	81,607	109,766	12,519	412	4.00	1.39	13.36	55.70	10.17	2.08	0.90	1.77
South Carolina Community Bank	SC	80,786	50,077	77,037	3,426	-122	3.22	-0.61	-16.14	96.86	4.25	16.31	1.11	3.96
Southern Bancorp Bank	AR	1,100,836	677,019	923,741	122,116	1,708	3.49	0.62	5.58	74.10	7.82	0.99	0.56	1.16
Start Community Bank	CT	41,656	32,917	34,224	6,516	-612	2.23	-6.02	-35.75	291.91	15.90	0.00	0.01	1.24
State Bank & Trust Company	MS	925,488	675,376	774,606	106,523	1,073	3.39	0.46	4.04	75.38	8.71	0.75	0.43	1.13
Sunrise Banks, NA	MN	447,063	118,182	412,275	29,330	4,388	1.77	3.54	63.03	50.41	6.06	2.49	0.31	1.97
Tri State Bank of Memphis	TN	145,688	72,611	128,899	15,912	-139	3.32	-0.40	-3.48	121.62	10.14	8.95	0.98	2.55
Union Bank	LA	227,119	129,441	187,019	19,869	151	3.00	0.26	3.05	90.95	8.52	7.79	0.39	1.29
United Bank	AL	489,444	260,586	438,202	48,466	411	3.04	0.34	3.40	82.35	9.08	2.68	0.44	1.70
United Bank of Philadelphia	PA	62,371	40,978	58,157	3,954	-279	4.18	-1.68	-27.24	122.38	5.76	5.91	3.25	2.20
Urban Partnership Bank	IL	1,035,771	681,155	921,427	103,573	-10,543	4.05	-3.94	-38.70	134.85	9.22	24.68	4.13	13.19
TOTAL		30,244,012	17,673,777	25,528,526	3,222,334	27,781								
AVERAGE		351,675	205,509	296,843	37,469	323	3.46	0.02	-2.45	92.93	9.40	5.35	0.74	2.46
MEDIAN		219,766	137,450	182,685	20,208	175	3.47	0.42	3.67	84.62	9.09	3.44	0.19	1.96
MINIMUM		11,952	2,764	10,083	1,354	-10,543	1.77	-7.35	-180.04	47.34	2.57	0.00	-3.26	0.88
MAXIMUM		2,381,736	1,220,286	1,916,704	423,511	4,628	5.05	3.54	63.03	291.91	20.59	24.68	27.15	13.19

Financial Data as of 03/31/2013 from SNL.com

NCIF Team

Saurabh Narain, *Chief Executive*

snarain@ncif.org 312-881-5826

Joe Schmidt, *Vice President, Research and Investments*

jschmidt@ncif.org 312-881-5817

O. Victoria Lakes-Battle, *Vice President, Investments and Lending*

vbattle@ncif.org 312-662-6091

Joe Mroczek, *Manager, Operations and Control*

jmroczek@ncif.org 312-881-5882

Emily Siple, *Senior Analyst, Research and Investments*

esiple@ncif.org 312-662-6089

Alice Gaglio, *Associate, Analysis and Communications*

ageglio@ncif.org 312-881-5841



135 SOUTH LA SALLE STREET, SUITE 2040 · CHICAGO, ILLINOIS 60603 WWW.NCIF.ORG

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