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

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



## Setting the Stage

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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. Effectively demonstrating impact is important, as the critical support these CDFI Banks provide is often under-reported.

As part of our work, we publish Quarterly Profiles on the CDFI Banking industry to highlight the financial performance of the industry. Please visit our website at [NCIF.org](http://NCIF.org) to sign up for the e-newsletter distribution list and ensure that you receive future CDFI Banking Quarterly Profiles as well as other NCIF publications.

### CDFI Bank Financial Performance – Second Quarter 2013

As of June 30, there were 84 banks currently certified by the US Treasury as Community Development Financial Institutions (CDFIs), or as subsidiaries of CDFI-certified bank holding companies. One new CDFI Bank, Pan American Bank in Los Angeles, was added since the first quarter. Mission Community Bank is no longer a certified CDFI.

The following snapshot figures as of the end of the second quarter demonstrate that the CDFI Banking industry continues to show improvements in performance despite a difficult economic environment.



# Financial Performance of CDFI Banks

## Financial Performance of CDFI Banks

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

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

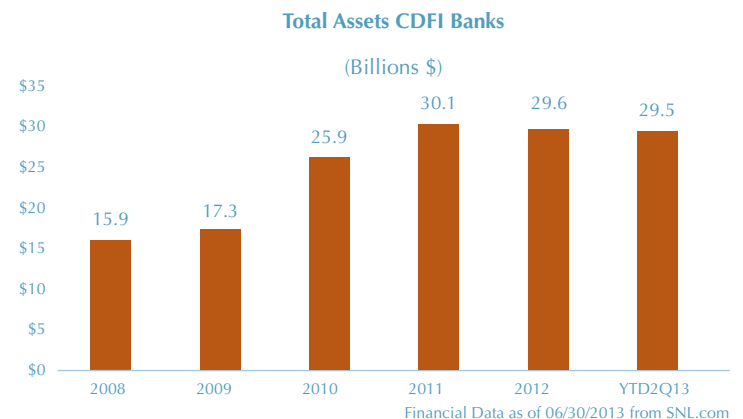
Following are trends in statistics on:

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. 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

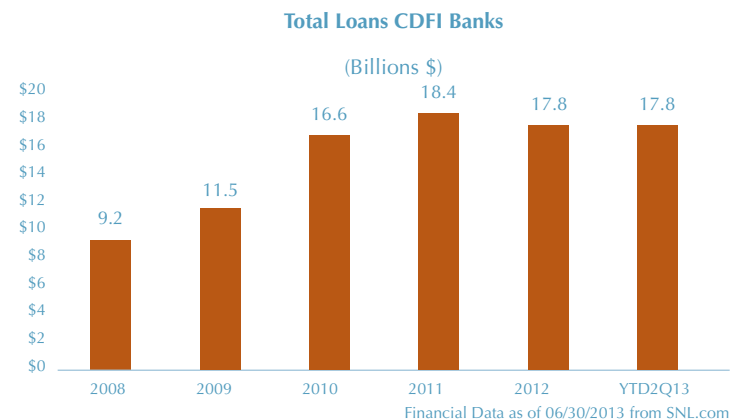
### 1. Total Assets

- Through the second quarter of 2013, total assets among CDFI Banks increased to \$29.5 billion, from \$29.6 billion at year-end 2012.
- CDFI Banks ranged from \$12.0 million to \$2.4 billion in asset size, and had an average asset size of \$351.5 million at June 30, 2013. The median CDFI Bank had assets of \$214.1 million, up from last year's median of \$212.9 million.



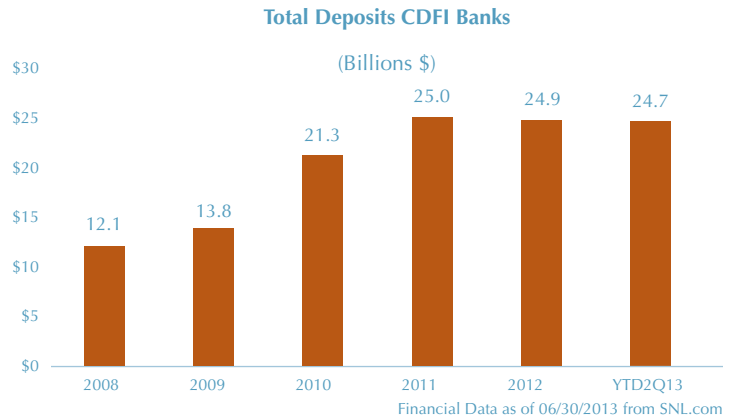
### 2. Total Loans

- Through the second quarter of 2013, total loans within the industry remained at \$17.8 billion from year-end 2012.
- The maximum amount of outstanding loans held by an individual bank was \$1.2 billion. The smallest portfolio was \$2.7 million. On average, each CDFI Bank held \$211.3 million in outstanding loans, up from \$201.9 million as of year-end 2012. The median level of outstanding loans was \$139.8, up from \$136.2 million.



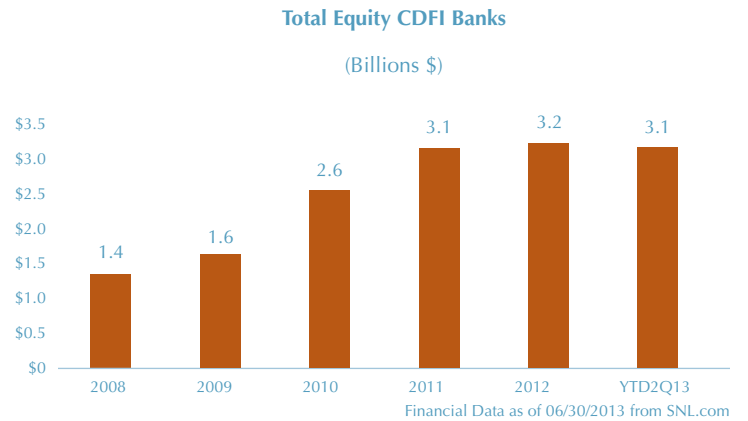
### 3. Total Deposits

- Through the second quarter of 2013, deposits held by CDFI Banks decreased slightly from \$24.9 billion at year-end 2012 to \$24.7 billion.
- The level of deposits held by each individual bank ranged from \$1.9 million to \$10.3 million. On average, each CDFI Bank held \$294.1 million in deposits, an increase from the year-end 2012 figure of \$282.5 million. The median bank held \$172.4 million in deposits, up from \$171.4 million.



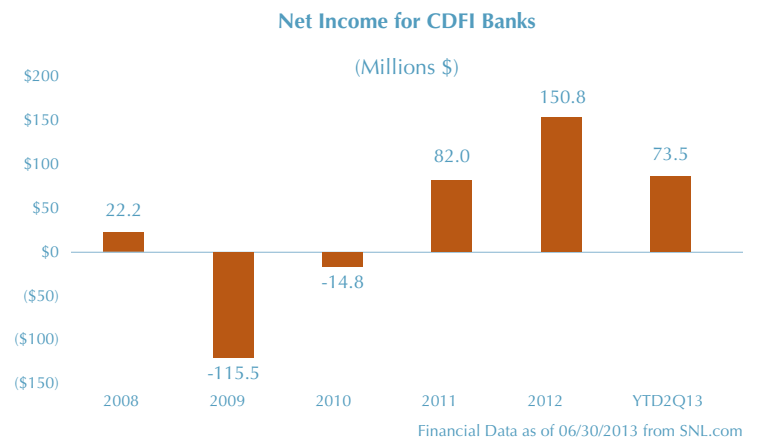
### 4. Total Equity

- As of the second quarter, total equity within the CDFI Banking industry was \$3.1 billion.
- The amounts of equity reported by CDFI Banks at the end of the most recent quarter ranged from \$ -31,000 to \$314.1 million. The average bank held \$36.6 million in equity, up from \$36.3 million as of year-end 2012. The industry median was \$18.6 million in equity, down from \$20.6 million.



### 5. Net Income

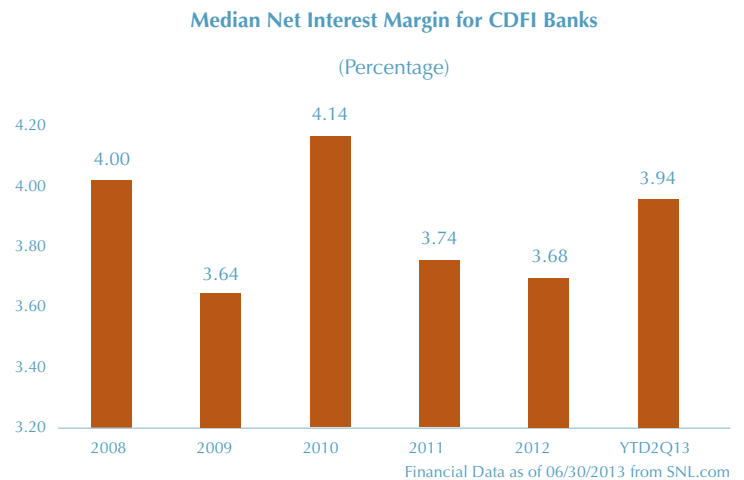
- During the first two quarters of 2013, the 84 CDFI Banks earned a total of \$73.5 million in net income.
- The largest net income reported by an individual CDFI Bank was \$9.7 million through the second quarter, while the biggest loss was \$8.0 million. The average CDFI Bank earned \$875,000 during the first half of 2013 with the median CDFI Bank earning \$476,000.



## Performance & Condition Ratios

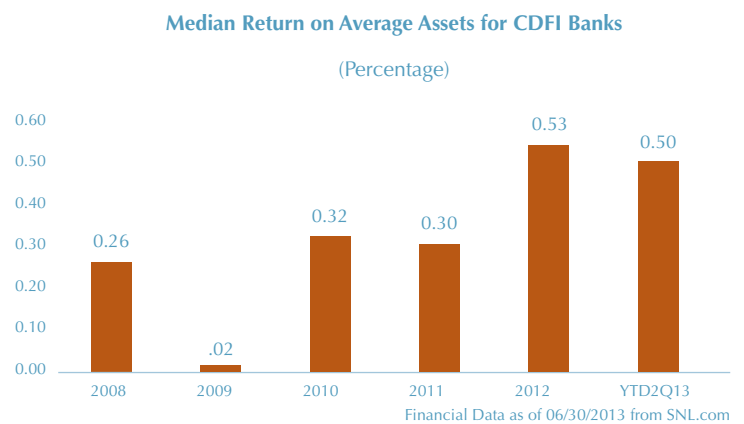
### 6. Net Interest Margin

- The median net interest margin among CDFI Banks increased from 3.47% at the end of the first quarter to 3.94% at the end of the second quarter.
- The highest net interest margin within the CDFI Banking industry was 6.06% as of the end of the second quarter, while the lowest was 2.19%. The average net interest margin for the industry stood at 3.91%.



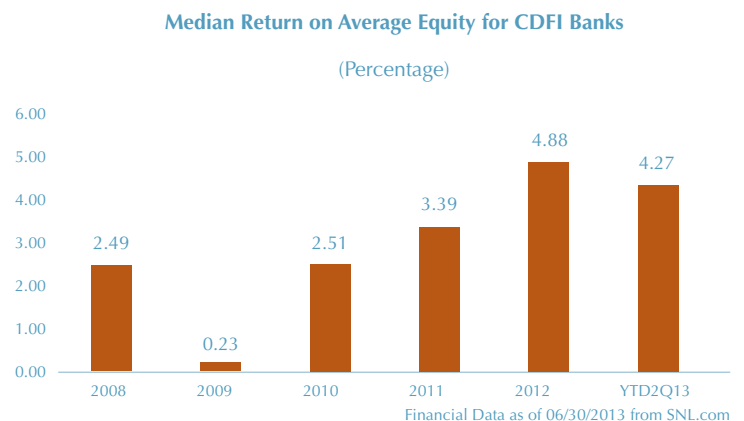
### 7. Return on Average Assets

- The median return on average assets increased from 0.42% at the end of the first quarter to 0.50% at the end of the second quarter.
- The highest return on average assets among CDFI Banks was 2.56% through the end of the second quarter, and the lowest was -9.62%. The industry average was 0.05%.



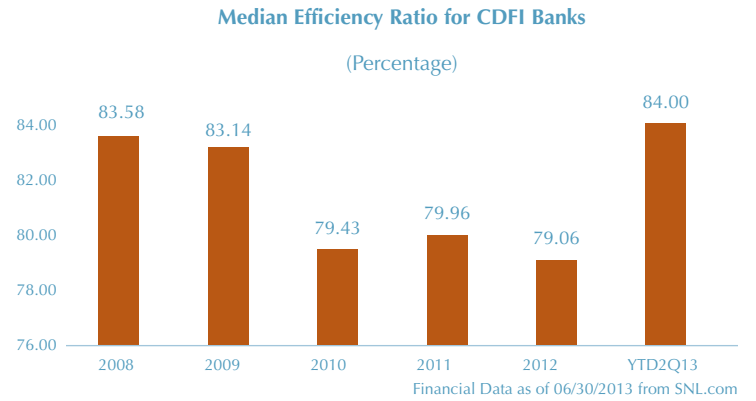
### 8. Return on Average Equity

- The median return on average equity among CDFI Banks increased from 3.67% at the end of the first quarter to 4.27% at the end of the second quarter.
- The highest return on average equity at the end of the second quarter was 41.81%, and the lowest was -247.45%. The average value among CDFI Banks was -3.78%.



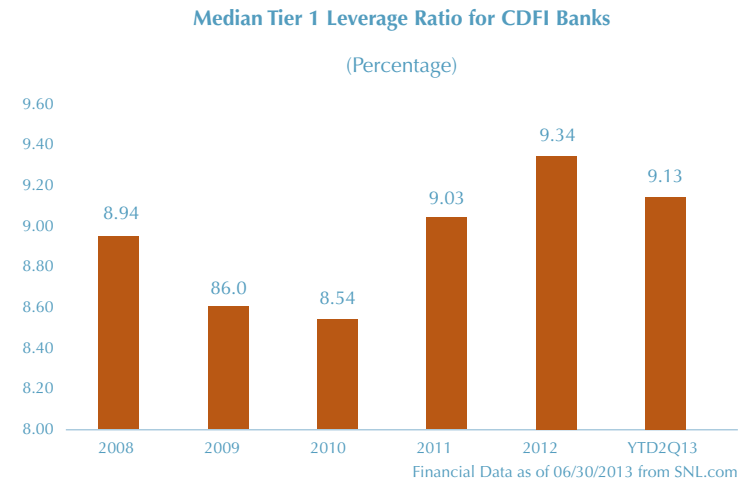
## 9. Efficiency Ratio

- The median CDFI Bank efficiency ratio at the end of the second quarter was 84.00%, an increase from 79.06% at year-end 2012.
- The lowest efficiency ratio among CDFI Banks was 46.75%, and the highest was 279.10%. The average efficiency ratio for the industry was 93.77%.



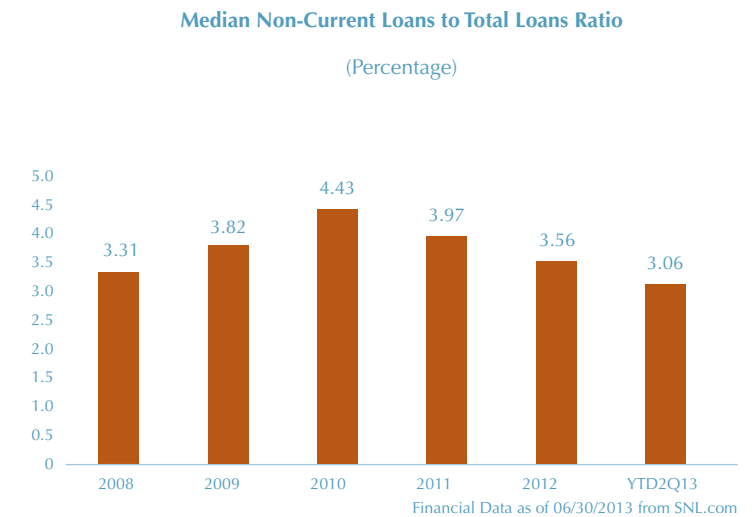
## 10. Tier 1 Leverage Ratio

- The median Tier 1 leverage ratio among CDFI Banks increased slightly from 9.09% at the end of the first quarter to 9.13% at the end of the second quarter.
- As of the end of the second quarter, the highest Tier 1 leverage ratio among CDFI Banks was 19.05%, and the lowest was 1.10%. The industry average was 9.41%. It should be noted that this analysis 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

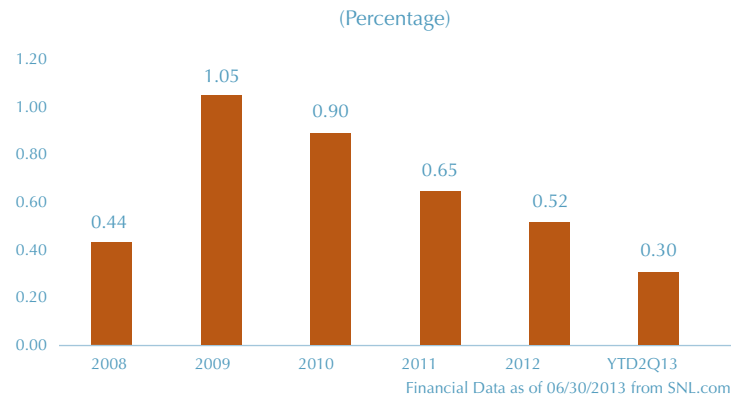
- At the end of the second quarter, the median CDFI Bank exhibited a non-current loans to total loans ratio of 3.06%. This represents continued improvement over the median value of 3.56% as of year-end 2012 and 3.44% as of the first quarter.
- The lowest non-current loans to total loans ratio within the CDFI Banking industry was 0.00% at the end of the second quarter; the highest ratio was 23.85%. The average CDFI Bank's non-current loan ratio was 5.03%, down from 5.35% at the end of the first quarter.



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

- The CDFI Banking industry showed improvement in its median net charge-offs to average loans ratio during the first two quarters of 2013, moving from 0.52% as of year-end 2012 to 0.30% as of the end of the second quarter.
- As of the second quarter, the lowest net charge-offs to average loans ratio among CDFI Banks was -1.25%, and the highest ratio was 14.90%. The average ratio among the industry was 0.71%.

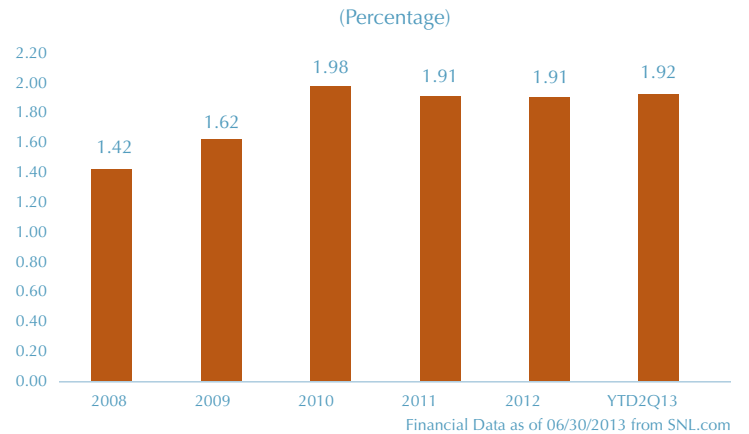
Median Net Charge-offs to Average Loans Ratio



## 13. Loan Loss Reserves to Total Loans Ratio

- The median loan loss reserves to total loans ratio among CDFI Banks was 1.92% at the end of the second quarter, as compared to 1.91% at year-end 2012.
- Among the CDFI Banking industry, values for this ratio ranged from 0.84% to 11.82% as of the second quarter. The average loan loss reserves to total loans ratio was 2.45%.

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	57,255	41,845	46,365	5,646	-76	5.13	-0.26	-2.64	109.42	8.65	4.36	0.14	1.70
Albina Community Bank	OR	120,911	80,888	114,082	4,896	12	3.40	0.02	0.48	99.30	4.10	3.43	2.09	2.36
American Metro Bank	IL	75,055	47,333	63,814	3,687	-2,590	2.64	-6.62	-161.42	276.73	4.73	23.85	14.90	2.40
Austin Bank of Chicago	IL	332,786	239,832	272,201	32,523	1,023	4.05	0.61	6.02	74.10	10.20	2.38	0.13	2.34
AztecAmerica Bank	IL	80,152	56,877	76,679	3,159	-969	2.85	-2.41	-49.96	211.07	4.43	19.25	0.56	4.25
Bank 2	OK	101,680	63,779	85,149	13,397	586	3.87	1.16	8.81	78.24	13.79	1.57	0.03	1.67
Bank of Cherokee County	OK	106,343	69,906	98,500	7,635	288	4.36	0.54	7.52	78.26	7.28	0.31	0.58	1.61
Bank of Kilmichael	MS	132,605	73,175	120,566	10,828	740	3.55	1.12	13.42	66.81	8.17	1.86	0.03	1.40
Bank of Okolona	MS	143,582	82,197	125,106	15,323	747	4.90	1.03	10.37	71.56	10.07	2.53	0.50	1.51
Bank of Vernon	AL	149,927	108,886	127,216	20,629	391	4.23	0.52	3.81	73.09	13.56	8.51	2.47	2.77
BankAsiana	NJ	209,110	168,477	167,554	29,493	1,019	4.48	1.02	7.02	59.45	14.51	1.20	0.12	2.11
BankFirst Financial Services	MS	716,661	516,927	627,647	66,071	2,891	3.76	0.78	8.57	67.53	9.08	2.05	0.30	1.86
BankPlus	MS	2,390,645	1,236,661	1,894,655	216,138	9,661	3.49	0.83	8.79	75.95	9.33	1.67	0.66	1.86
Broadway Federal Bank, F. S. B.	CA	345,481	245,096	230,818	32,934	-212	3.38	-0.12	-1.28	103.60	9.48	7.53	0.98	4.32
Capitol City Bank & Trust Company	GA	291,051	213,809	276,193	8,215	-2,892	3.23	-1.93	-52.71	120.97	3.26	15.84	2.07	2.51
Carver Federal Savings Bank	NY	635,103	365,377	492,236	62,443	1,537	3.35	0.51	4.74	113.18	10.43	7.98	0.69	2.82
Carver State Bank	GA	42,887	25,564	35,574	3,711	18	4.86	0.08	0.96	92.30	8.86	5.23	-0.04	1.37
CBW Bank	KS	12,048	2,695	10,361	1,375	97	2.79	1.55	13.24	77.23	12.09	0.00	0.00	3.04
Central Bank of Kansas City	MO	140,439	92,335	115,559	24,285	517	4.73	0.76	4.30	86.02	16.22	3.10	0.52	2.49
Citizens Savings Bank & Trust Co.	TN	93,174	64,283	83,432	7,814	19	4.65	0.04	0.46	103.03	8.98	3.66	0.05	1.60
Citizens Trust Bank	GA	410,964	180,913	344,891	46,207	637	3.51	0.32	2.64	88.81	10.08	5.49	0.41	1.89
City First Bank of D.C., National Assoc.	DC	219,132	144,054	185,510	30,690	1,791	4.06	1.61	11.92	52.79	13.92	5.39	0.76	2.84
City National Bank of New Jersey	NJ	307,016	162,430	281,388	13,086	-4,577	2.19	-2.79	-49.19	197.70	5.57	20.43	0.63	5.78
Commercial Bank	MS	131,281	66,678	109,551	12,598	290	3.93	0.45	4.50	87.29	9.05	1.95	1.37	1.89
Commonwealth National Bank	AL	64,406	26,306	59,000	5,007	-168	4.75	-0.54	-5.96	97.11	8.70	2.89	0.88	3.11
Community Bank	MS	662,631	485,766	584,818	59,953	3,880	4.17	1.20	12.80	56.00	9.27	1.21	0.24	1.19
Community Bank Coast	MS	597,333	438,714	520,029	73,171	2,361	4.20	0.80	7.27	69.96	10.19	0.80	0.20	1.26
Community Bank of Mississippi	MS	666,741	436,871	595,255	59,611	3,624	4.93	1.12	11.96	68.78	9.27	0.88	0.01	1.14
Community Bank of the Bay	CA	170,458	118,926	148,166	17,939	1,176	4.13	1.50	13.43	88.22	11.04	2.64	0.01	1.97
Community Bank, North Mississippi	MS	481,972	295,934	424,349	49,007	1,466	3.44	0.61	5.99	75.22	9.65	0.38	0.19	1.35
Community Capital Bank of Virginia	VA	60,499	40,884	47,962	11,247	66	3.27	0.23	1.17	86.70	19.05	1.01	0.00	0.90
Community Commerce Bank	CA	245,796	172,582	177,211	44,636	2,137	5.51	1.69	9.81	60.84	16.15	8.27	0.10	5.80
Community Development Bank, FSB	MN	74,682	47,360	63,377	7,513	142	4.13	0.37	3.78	77.70	9.38	3.07	0.00	1.21
Community's Bank	CT	26,368	15,127	25,715	-31	-1,356	4.02	-9.62	-247.45	279.10	1.10	4.14	0.31	1.63
Edgebrook Bank	IL	90,622	75,281	86,179	4,391	-107	3.95	-0.24	-5.23	93.74	4.98	10.62	0.17	3.32
First American International Bank	NY	517,923	351,126	424,428	71,141	2,303	4.74	0.88	6.55	71.92	13.39	5.04	1.13	2.43
First Choice Bank	CA	362,706	241,308	318,877	31,988	1,004	3.17	0.57	5.68	63.90	9.10	0.59	-0.05	1.69
First Eagle Bank	IL	399,530	236,645	301,755	57,162	4,088	3.94	2.10	13.83	46.75	13.39	0.65	0.21	2.33
First Independence Bank	MI	195,122	124,751	157,018	17,558	205	4.65	0.22	2.34	93.88	11.10	0.97	0.30	1.40
First National Bank of Decatur County	GA	104,723	49,876	86,825	11,568	243	2.63	0.41	3.68	69.29	10.67	4.01	0.37	2.81
First Security Bank	MS	496,960	241,094	420,078	59,269	1,186	3.36	0.46	3.96	83.90	10.88	1.04	0.14	1.21
First Tuskegee Bank	AL	60,400	33,357	54,354	4,976	-239	3.94	-0.78	-9.03	117.34	8.41	15.46	0.01	1.58
First, A National Banking Association	MS	963,571	557,770	839,432	91,515	2,788	3.41	0.68	6.98	72.39	8.86	0.40	0.00	0.97
Fort Gibson State Bank	OK	58,817	35,422	54,405	4,049	212	4.97	0.70	10.45	81.40	6.81	0.19	0.15	1.11
Guaranty Bank & Trust Company	MS	589,180	397,129	498,354	64,742	4,726	3.97	1.59	14.63	62.57	10.96	1.95	0.06	1.97

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	247,252	159,635	214,489	25,161	-814	4.20	-0.64	-6.26	91.37	7.72	5.79	2.89	1.65
Highland Community Bank	IL	81,389	40,810	78,914	1,948	-781	3.14	-1.85	-59.17	130.36	2.51	7.38	1.65	4.84
Illinois-Service Federal Savings & Loan Assoc.	IL	130,268	57,327	108,283	9,555	-1,773	3.46	-2.66	-31.96	112.92	6.41	6.42	2.42	4.97
Industrial Bank	DC	350,010	238,880	294,184	35,944	634	4.88	0.37	3.43	87.52	9.85	5.52	0.04	2.21
Inter National Bank	TX	2,021,220	723,189	1,600,948	413,133	6,937	2.69	0.66	3.29	77.89	11.02	1.19	-0.14	1.93
International Bank of Chicago	IL	470,133	294,704	417,869	45,773	2,990	4.00	1.33	11.98	47.15	10.51	2.43	0.77	1.90
Landmark Community Bank	TN	439,003	336,261	343,738	43,335	1,856	3.93	0.88	8.76	53.32	10.18	0.70	0.37	1.15
Liberty Bank & Trust Company	LA	556,023	275,506	476,907	41,047	2,306	3.87	0.80	10.66	75.72	7.36	3.05	0.38	1.70
Magnolia State Bank	MS	297,672	225,120	268,504	27,637	2,010	5.47	1.36	14.61	72.90	9.09	0.26	0.05	0.88
Mechanics & Farmers Bank	NC	282,160	173,837	241,513	34,205	116	3.78	0.08	0.67	96.83	11.93	7.32	0.30	1.86
Merchants & Farmers Bank	MS	1,519,543	969,627	1,367,195	104,726	3,383	3.56	0.44	4.99	74.88	6.81	0.64	0.15	2.00
Metro Bank	KY	33,908	13,797	28,398	5,196	-60	2.34	-0.36	-2.29	108.06	15.52	0.70	-1.25	2.26
Mission Valley Bank	CA	255,363	171,744	216,394	35,900	1,010	4.78	0.78	5.63	77.04	13.88	3.55	0.06	3.00
Mitchell Bank	WI	55,790	33,161	47,022	7,884	-142	4.11	-0.50	-3.54	104.52	13.83	10.46	-0.02	3.03
Native American Bank, National Assoc.	CO	57,001	47,383	46,780	7,046	-395	4.20	-1.35	-10.90	127.74	10.29	4.74	-0.52	2.61
Neighborhood National Bank	CA	96,518	58,448	88,974	6,472	10	3.76	0.02	0.31	99.32	6.80	13.46	1.42	5.37
North Milwaukee State Bank	WI	89,698	57,800	79,956	6,258	-428	3.58	-0.96	-13.00	102.81	6.72	11.15	0.36	5.10
One PacificCoast Bank, FSB	CA	279,694	200,588	227,535	31,770	-631	3.89	-0.44	-3.88	91.79	10.47	5.26	-0.07	2.36
OneUnited Bank	MA	606,184	323,535	348,004	40,216	1,367	2.44	0.45	6.00	94.96	6.02	3.92	0.08	1.10
Oxford University Bank	MS	106,880	73,092	92,862	9,389	383	3.55	0.72	7.98	71.54	9.07	2.23	0.13	0.84
Pacific Global Bank	IL	156,280	119,821	137,120	14,458	393	3.83	0.50	5.48	71.57	9.06	3.58	0.82	4.84
Pan American Bank	IL	230,617	145,813	214,113	16,194	607	3.66	0.52	7.22	84.09	7.27	1.28	0.14	1.39
Pan American Bank	CA	38,402	29,642	35,339	2,883	118	4.06	0.61	7.88	88.40	7.38	10.87	1.09	2.62
Peoples Bank of the South	MS	82,317	53,903	73,072	6,943	468	5.45	1.16	13.38	75.46	8.87	1.11	0.08	1.36
PlantersFirst	GA	279,852	177,792	259,888	17,308	1,440	3.84	1.02	17.46	74.43	6.18	9.53	0.57	2.93
Promerica Bank	CA	157,884	102,043	133,433	23,242	483	4.02	0.64	4.23	94.77	15.25	0.40	-0.02	2.53
Seaway Bank and Trust Company	IL	555,933	276,374	493,615	44,178	3,738	4.03	1.32	17.24	52.72	7.70	20.27	1.83	7.52
Security Federal Bank	SC	867,101	385,056	675,359	85,763	1,734	2.78	0.40	3.92	73.73	9.24	3.17	1.19	2.86
Security State Bank of Wewoka, OK	OK	157,616	100,178	144,773	12,320	513	3.78	0.73	8.29	68.50	7.50	1.28	0.58	1.52
South Carolina Community Bank	SC	74,599	48,218	70,966	3,246	-47	4.23	-0.12	-2.96	88.47	4.51	12.51	0.82	4.24
Southern Bancorp Bank	AR	1,180,337	731,235	906,604	117,429	3,977	4.04	0.71	6.57	74.23	7.73	1.09	0.34	1.14
Start Community Bank	CT	52,561	41,527	45,910	5,801	-1,267	2.55	-5.85	-38.97	269.79	12.63	0.00	0.01	1.29
State Bank & Trust Company	MS	949,473	698,473	767,154	106,299	2,256	4.07	0.49	4.24	74.49	8.85	0.83	0.34	1.15
Sunrise Banks, NA	MN	682,652	433,046	585,920	72,184	8,216	4.79	2.56	41.81	65.73	10.11	2.01	0.10	1.56
Tri State Bank of Memphis	TN	154,240	73,520	138,078	15,242	-247	3.70	-0.35	-3.13	118.22	9.15	8.57	0.51	2.51
Union Bank	LA	218,996	135,597	180,819	19,321	-95	3.58	-0.08	-0.96	86.66	8.63	2.48	1.10	1.26
United Bank	AL	478,347	258,988	428,300	47,015	800	3.36	0.33	3.33	87.80	9.09	3.05	0.46	1.62
United Bank of Philadelphia	PA	61,598	41,853	57,567	3,775	-243	4.52	-0.75	-12.21	128.04	6.27	5.41	2.13	1.86
Urban Partnership Bank	IL	1,033,208	656,342	897,954	112,121	-8,045	6.06	-1.54	-14.84	119.90	10.58	23.04	3.91	11.82
TOTAL		29,523,350	17,756,024	24,707,076	3,077,512	73,462								
AVERAGE		214,053	139,826	172,383	18,630	476	3.94	0.50	4.27	84.00	9.13	3.06	0.30	1.92
MEDIAN		351,468	211,381	294,132	36,637	875	3.91	0.05	-3.78	93.77	9.41	5.03	0.71	2.45
MAXIMUM		2,390,645	1,236,661	1,894,655	413,133	9,661	6.06	2.56	41.81	279.10	19.05	23.85	14.90	11.82
MINIMUM		12,048	2,695	10,361	-31	-8,045	2.19	-9.62	-247.45	46.75	1.10	0.00	-1.25	0.84

Source: SNL.com / As of 6-30-2013 / Sorted Alphabetically

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