



# CDFI Banking Industry Quarterly Profile

THIRD QUARTER 2013 FINANCIAL PERFORMANCE

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

## SETTING THE STAGE

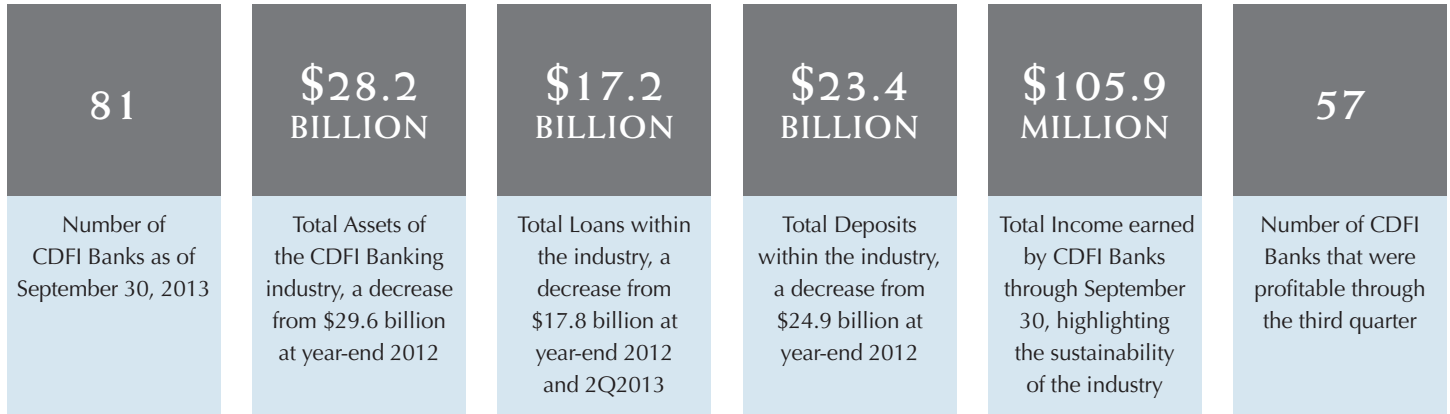
The CDFI Banking industry provides reasonably priced, sustainable financial products and services to low- and moderate-income (LMI) and other underserved communities throughout the country. These neighborhoods are often overlooked by major investments that build local economies. The lack of sustainable 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 and social performance data. Effectively demonstrating social 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) 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.

As of September 30th, 81 banks are certified by the US Treasury as Community Development Financial Institutions (CDFIs), or are subsidiaries of CDFI-certified bank holding companies. During the third quarter The Community's Bank failed and both Merchants and Farmers and Peoples Bank of the South were acquired. A new listing of certified CDFIs is expected to be released shortly from the CDFI Fund as this year's round of recertification draws to a close, so there may soon be updates to this list.

The following snapshot figures provide highlights of the CDFI Banking industry's financial position at the end of the third quarter.



**Financial Performance of CDFI Banks**

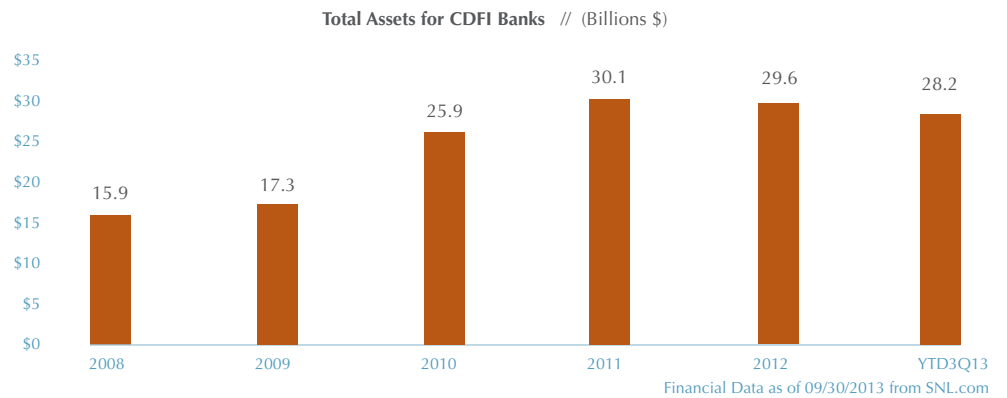
During the third quarter, the CDFI Banking industry decreased in size because of the loss of three banks. As such, total assets, loans, deposits, and equity have decreased. On the other hand, improvements were seen for many of the indicators included in this report, suggesting that while the industry is smaller, it is stronger.

For a complete list of CDFI Banks and their individual financial information, 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

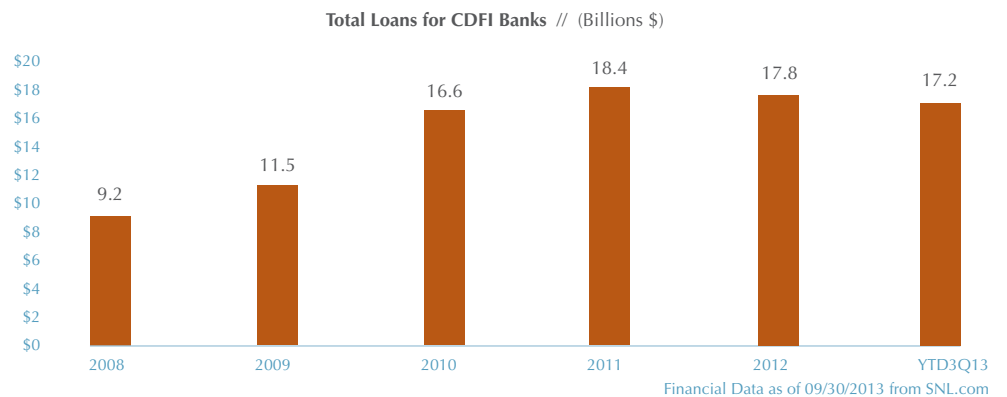
1. Total Assets



Through the third quarter of 2013, total assets among CDFI Banks decreased to \$28.2 billion from \$29.5 billion at the end of the second quarter.

CDFI Banks ranged from \$13.0 million to \$2.4 billion in assets, and had an average asset size of \$347.9 million as of September 30, 2013. The median CDFI Bank had assets of \$227.3 million, an increase over the second quarter median of \$214.1 million.

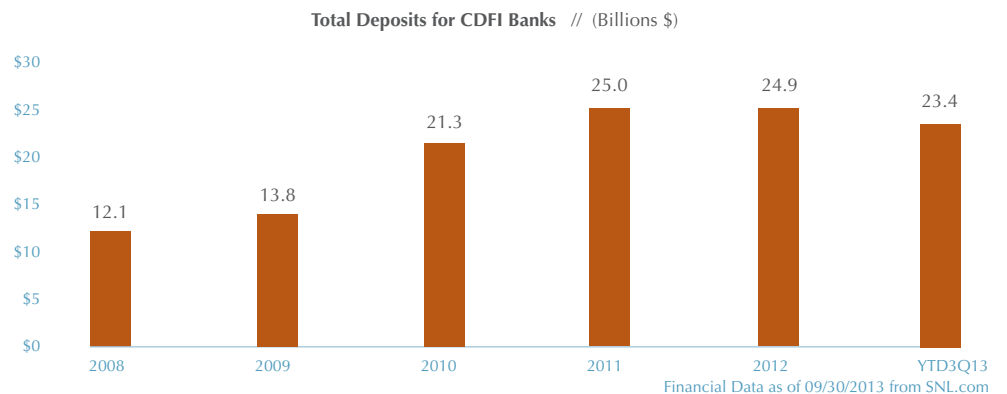
2. Total Loans



Through the third quarter of 2013, total loans within the industry amounted to \$17.2 billion, a decline from the second quarter total of \$17.8 billion.

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 \$212.5 million in outstanding loans, a slight increase from the end of the second quarter's outstanding loan total of \$211.3 million. The median level of outstanding loans was \$146.2 million, up from \$139.8 million at the end of the second quarter.

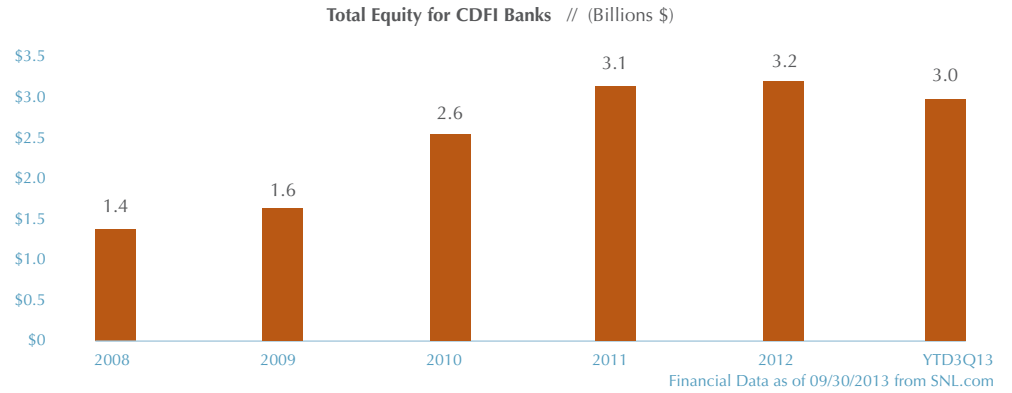
3. Total Deposits



Through the third quarter of 2013, deposits held by CDFI Banks decreased slightly from \$24.7 billion at the end of the second quarter to \$23.4 billion.

The level of deposits held by each individual bank ranged from \$1.9 billion to \$11.0 million. On average, each CDFI Bank held \$288.9 million in deposits, an increase from the second quarter figure of \$282.5 million. The median bank held \$183.5 million in deposits, up from \$172.4 million at the end of the second quarter.

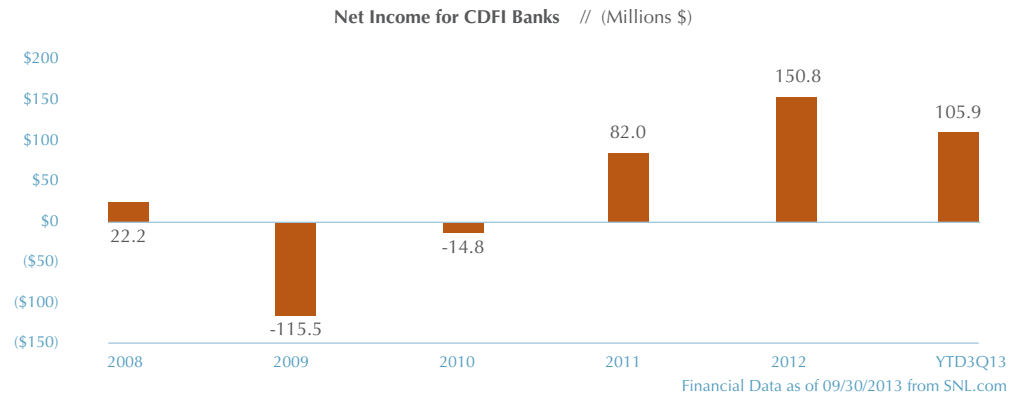
#### 4. Total Equity



As of the third quarter, total equity within the CDFI Banking industry was \$3.0 billion, a slight decline from \$3.1 billion at the end of the second quarter.

The amounts of equity reported by CDFI Banks at the end of the most recent quarter ranged from \$1.3 million to \$409.3 million. The average bank held \$36.8 million in equity, a slight increase from \$36.6 million average equity at the end of the second quarter. The industry median was \$19.6 million in equity, an increase from the second quarter median of \$18.6 million.

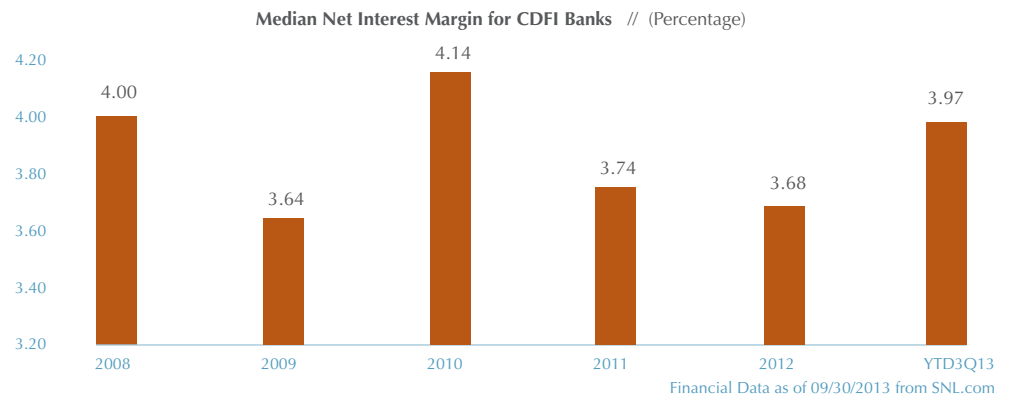
#### 5. Net Income



During the first three quarters of 2013, the 81 CDFI Banks earned a total of \$105.9 million in net income. At the end of the second quarter, net income was \$73.5 million.

The largest net income reported by an individual CDFI Bank was \$14.7 million through the third quarter, while the greatest loss was -\$11.1 million. The average CDFI Bank earned \$1.3 million through the third quarter with the median CDFI Bank earning \$800,000.

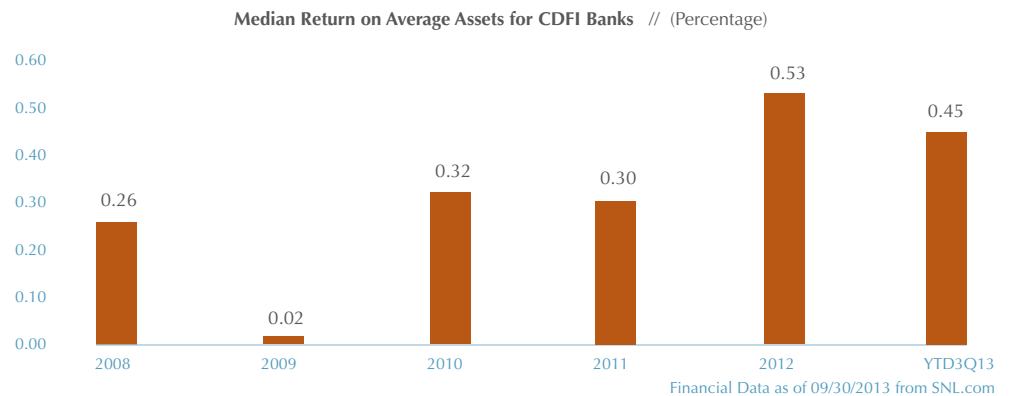
### 6. Net Interest Margin



The median net interest margin among CDFI Banks increased slightly from 3.94% at the end of the second quarter to 3.97% at the end of the third quarter.

The highest net interest margin within the CDFI Banking industry was 5.85% as of the end of the third quarter, while the lowest was 2.18%. The average net interest margin for the industry stood at 3.91%.

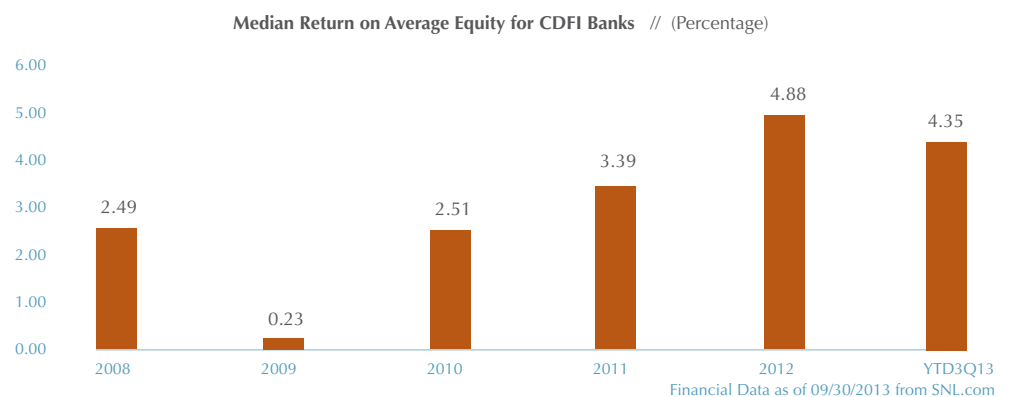
### 7. Return on Average Assets



The median return on average assets declined from 0.50% at the end of the second quarter to 0.45% at the end of the third quarter.

The highest return on average assets among CDFI Banks was 2.14% and the lowest was -6.45%. The industry average was 0.10%.

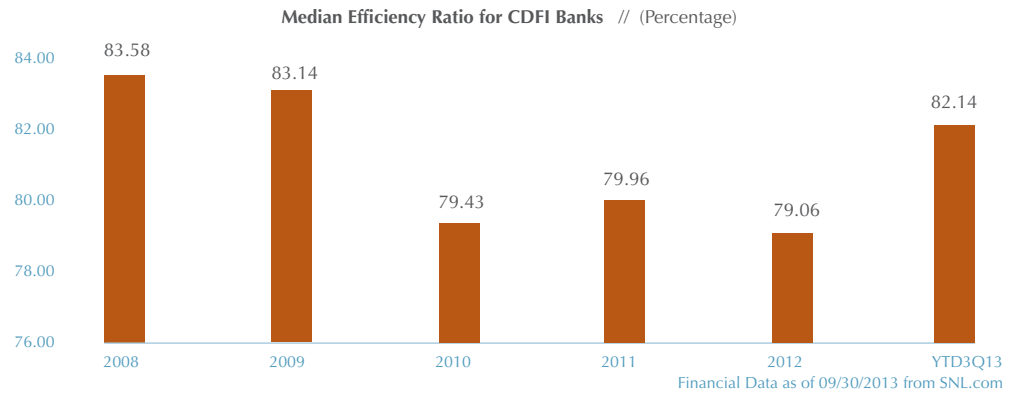
### 8. Return on Average Equity



The median return on average equity among CDFI Banks increased from 4.27% at the end of the second quarter to 4.35% at the end of the third quarter.

The highest return on average equity at the end of the third quarter was 24.63%, and the lowest was -150.51%. The average value among CDFI Banks was -2.66%.

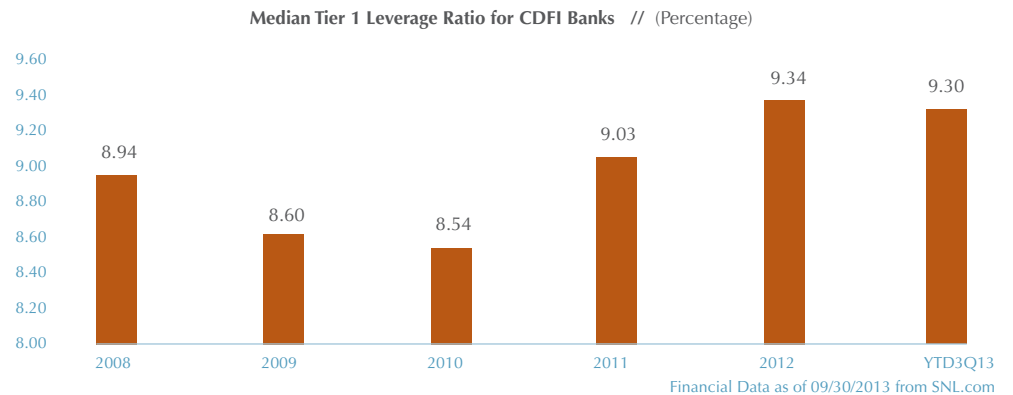
## 9. Efficiency Ratio



The median CDFI Bank efficiency ratio at the end of the third quarter stood at 82.14%, an improvement from 84.00% at the end of the second quarter.

The lowest efficiency ratio among CDFI Banks was 45.62%, and the highest was 258.49%. The average efficiency ratio for the industry was 92.26%.

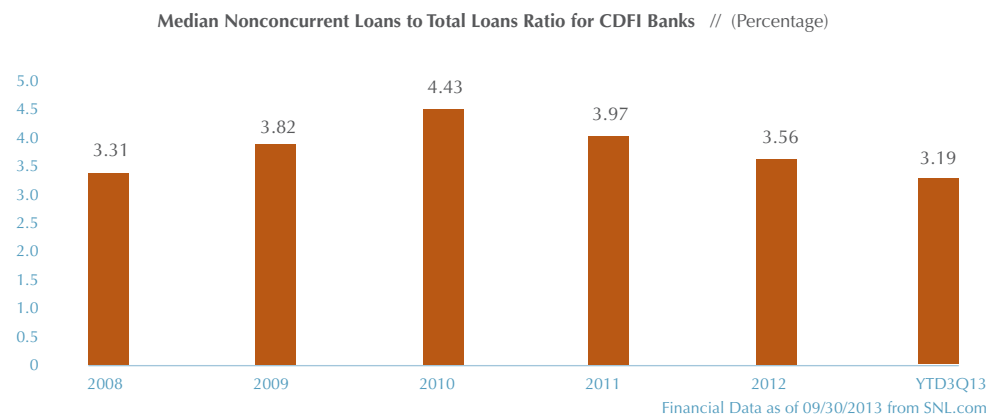
## 10. Tier 1 Leverage Ratio



The median Tier 1 leverage ratio among CDFI Banks increased slightly from 9.13% at the end of the second quarter to 9.30% at the end of the third quarter.

As of the end of the third quarter, the highest Tier 1 leverage ratio among CDFI Banks was 18.15%, and the lowest was 2.04%. The industry average was 9.49%. 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. Noncurrent Loans to Total Loans Ratio

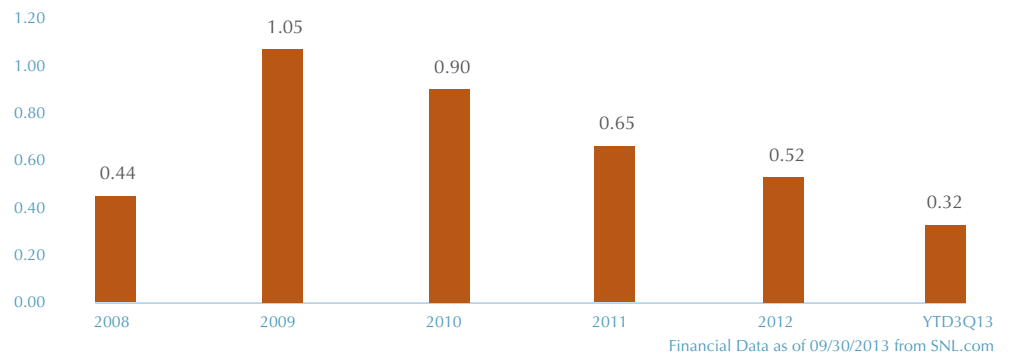


At the end of the third quarter, the median CDFI Bank exhibited a noncurrent loans to total loans ratio of 3.19%. This is a slight increase from 3.06% at the end of the second quarter.

The lowest noncurrent loans to total loans ratio within the CDFI Banking industry was 0.00% at the end of the third quarter; the highest ratio was 24.73%. The average CDFI Bank's noncurrent loan ratio was 4.88% down from 5.03% at the end of the second quarter.

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

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

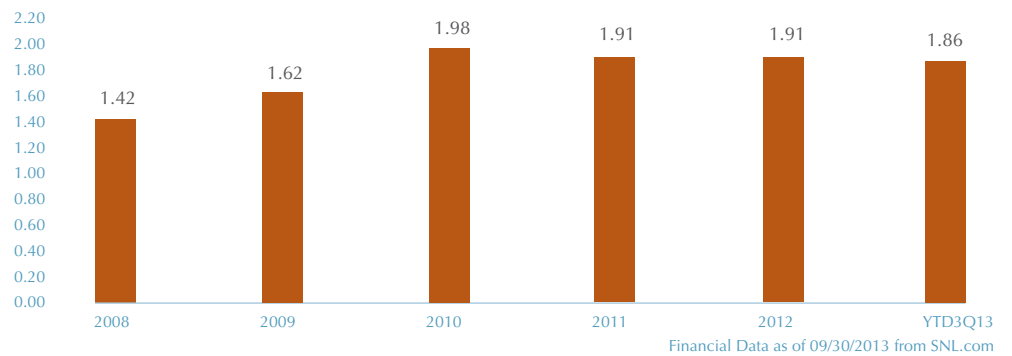


At the end of the third quarter, median net charge-offs to average loans stood at 0.32%, a slight increase over the second quarter median of 0.30%.

As of the third quarter, the lowest net charge-offs to average loans ratio among CDFI Banks was -0.53%, and the highest ratio was 10.05%. The average ratio among the industry was 0.75%.

## 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 to total loans ratio among CDFI Banks was 1.86% at the end of the third quarter, compared to 1.92% at the end of the second quarter.

Among the CDFI Banking industry, third quarter values for this ratio ranged from 0.86% to 10.66%. The average loan loss reserves to total loans ratio was 2.39%.



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	54,193	40,491	43,400	5,545	-70	5.10	-0.16	-1.64	110.01	9.00	4.63	0.22	1.47
Albina Community Bank	OR	123,930	82,070	117,025	4,985	40	3.44	0.04	1.08	98.87	4.10	3.17	1.64	2.14
American Metro Bank	IL	70,553	46,448	59,996	3,088	-3,689	2.71	-6.45	-150.51	235.69	4.28	24.73	10.05	4.03
Austin Bank of Chicago	IL	330,149	233,296	269,596	32,816	1,428	4.07	0.57	5.68	72.91	10.31	3.76	1.06	1.95
AztecAmerica Bank	IL	79,238	54,256	77,667	1,296	-2,023	2.80	-3.37	-121.67	236.88	2.04	20.12	2.68	4.45
Bank 2	OK	108,802	64,013	91,746	13,686	877	3.98	1.14	8.74	82.14	13.65	1.45	0.16	1.61
Bank of Cherokee County	OK	103,247	67,887	96,279	6,791	438	4.30	0.55	7.77	78.04	7.30	0.70	0.49	1.69
Bank of Kilmichael	MS	132,514	72,627	120,105	11,091	1,102	3.66	1.11	13.35	68.10	8.38	0.64	0.05	1.45
Bank of Okolona	MS	143,845	87,882	124,858	15,851	1,480	4.71	1.36	13.34	65.71	10.44	2.32	0.55	1.28
Bank of Vernon	AL	145,564	103,574	123,145	20,425	268	4.23	0.24	1.74	73.31	13.24	9.06	2.25	2.99
BankFirst Financial Services	MS	718,968	518,363	625,874	67,939	4,385	3.78	0.80	8.69	67.68	9.47	1.90	0.25	1.86
BankPlus	MS	2,393,785	1,237,021	1,913,454	217,533	14,699	3.47	0.84	8.96	76.02	9.42	1.61	0.68	1.76
Broadway Federal Bank, F. S. B.	CA	345,574	262,927	221,954	33,779	-501	3.40	-0.19	-2.02	100.88	9.75	7.63	1.00	3.93
Capitol City Bank & Trust Company	GA	291,266	210,931	278,044	6,724	-3,628	3.17	-1.63	-49.33	116.58	3.07	16.32	1.49	2.70
Carver Federal Savings Bank	NY	635,899	406,896	486,258	61,607	2,089	3.47	0.46	4.36	109.40	10.53	6.39	0.61	2.31
Carver State Bank	GA	40,790	25,294	33,480	3,717	10	4.87	0.03	0.36	95.41	8.96	6.70	-0.04	1.39
CBW Bank	KS	12,976	2,736	10,997	1,576	199	2.74	2.14	18.07	75.25	12.95	0.07	0.00	3.00
Central Bank of Kansas City	MO	143,791	93,346	118,448	24,819	1,069	4.69	1.03	5.88	82.37	15.65	3.59	-0.11	2.83
Citizens Savings Bank & Trust Co.	TN	97,201	63,605	87,811	7,524	19	4.69	0.03	0.31	100.33	8.80	4.62	0.05	1.68
Citizens Trust Bank	GA	391,647	184,679	339,859	46,653	1,017	3.54	0.34	2.85	86.93	10.38	3.49	0.62	1.69
City First Bank of D.C., Nat'l Assoc.	DC	213,103	146,205	175,797	31,419	2,432	4.08	1.45	10.67	55.41	13.76	3.48	0.49	2.94
City National Bank of New Jersey	NJ	313,355	165,265	289,811	11,257	-6,115	2.18	-2.54	-49.53	193.98	5.29	17.83	0.54	5.59
Commercial Bank	MS	133,171	67,190	112,603	12,487	390	3.94	0.40	4.07	88.22	9.15	1.95	1.13	1.75
Commonwealth National Bank	AL	59,455	25,552	53,743	5,247	-107	4.66	-0.23	-2.61	101.01	9.13	6.06	0.61	3.35
Community Bank	MS	653,899	484,973	580,082	59,794	5,899	4.20	1.22	13.03	55.57	9.35	1.17	0.21	1.21
Community Bank Coast	MS	603,563	448,957	515,564	73,341	3,641	4.27	0.82	7.17	69.52	10.23	0.58	0.17	1.22
Community Bank of Mississippi	MS	678,072	448,238	605,943	59,410	5,414	4.89	1.11	11.99	68.13	9.15	0.79	0.06	1.07
Community Bank of the Bay	CA	173,326	128,659	150,532	18,367	1,557	4.28	1.31	11.71	84.19	11.36	2.44	-0.01	1.98
Community Bank, North Mississippi	MS	474,803	299,919	416,343	49,624	2,267	3.53	0.63	6.16	73.84	9.96	0.93	0.17	1.31
Community Capital Bank of Virginia	VA	64,556	45,193	50,014	11,289	119	3.24	0.27	1.41	80.86	18.15	1.28	0.00	0.99
Community Commerce Bank	CA	234,290	166,538	164,365	45,683	3,184	5.47	1.71	9.63	63.54	17.26	7.19	0.63	5.11
Community Development Bank, FSB	MN	72,264	45,232	61,615	7,584	233	4.40	0.41	4.13	76.69	9.83	1.54	0.32	1.24
Edgebrook Bank	IL	91,480	74,566	86,781	4,478	-200	4.08	-0.30	-6.34	99.29	5.13	8.77	0.11	3.36
First American International Bank	NY	540,677	360,646	417,507	71,774	2,845	4.64	0.72	5.36	74.83	13.30	5.84	1.08	2.26
First Choice Bank	CA	382,466	305,889	330,070	31,706	1,503	3.44	0.55	5.86	60.75	8.73	0.18	-0.04	1.70
First Eagle Bank	IL	414,293	247,708	303,201	58,640	6,301	3.90	2.12	14.31	45.62	13.57	0.91	0.12	2.26
First Independence Bank	MI	231,547	128,181	191,169	17,591	228	4.56	0.16	1.73	94.66	10.56	1.22	0.20	1.37
First National Bank of Decatur County	GA	109,904	50,717	91,910	11,742	387	2.72	0.45	4.07	69.16	11.13	2.79	0.58	2.57
First Security Bank	MS	488,708	248,290	412,364	59,899	1,975	3.52	0.52	4.40	81.64	11.48	0.94	0.20	1.13
First Tuskegee Bank	AL	59,231	31,657	54,035	4,106	-1,064	3.97	-2.33	-28.13	152.51	7.26	14.03	0.00	1.67
First, A National Banking Assoc.	MS	950,883	572,513	809,727	93,246	4,268	3.50	0.66	6.77	73.09	8.69	0.55	0.02	0.99
Fort Gibson State Bank	OK	59,133	37,752	55,103	3,631	347	4.98	0.76	11.61	79.92	6.91	0.08	0.17	1.01

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 (%)
Guaranty Bank & Trust Company	MS	582,302	395,097	495,257	66,404	7,634	4.06	1.71	15.68	61.17	11.28	1.60	0.08	2.00
Harbor Bank of Maryland	MD	242,628	159,035	209,654	25,368	-533	4.33	-0.28	-2.76	88.20	8.26	4.76	1.89	1.71
Highland Community Bank	IL	73,375	37,275	71,532	1,372	-1,105	3.10	-1.79	-63.70	133.75	2.30	7.26	2.30	4.44
Illinois-Service Federal Savings & Loan Assoc.	IL	117,869	56,346	106,510	7,924	-2,814	3.53	-2.87	-36.39	117.74	6.15	7.80	2.56	4.96
Industrial Bank	DC	353,828	243,312	297,183	35,170	850	4.76	0.33	3.10	89.92	9.85	4.89	0.26	2.00
Inter National Bank	TX	1,861,933	706,685	1,446,382	409,309	10,103	2.82	0.65	3.22	74.98	12.11	1.42	-0.11	2.02
International Bank of Chicago	IL	477,944	302,316	426,817	47,606	4,843	4.10	1.41	13.22	46.47	10.49	3.47	0.56	2.22
Landmark Community Bank	TN	576,823	465,867	408,896	43,888	2,870	3.91	0.85	8.95	51.17	8.75	0.48	0.31	0.98
Liberty Bank & Trust Company	LA	562,046	267,253	461,928	41,057	3,093	4.00	0.72	9.70	78.06	7.62	2.64	0.31	1.84
Magnolia State Bank	MS	295,497	222,309	265,609	28,493	2,845	5.48	1.28	13.70	74.50	9.37	0.22	0.05	0.90
Mechanics & Farmers Bank	NC	291,792	187,156	250,816	34,227	307	3.86	0.14	1.19	93.78	11.41	3.19	0.20	1.73
Metro Bank	KY	34,110	13,633	28,672	5,126	-139	2.33	-0.55	-3.55	108.36	15.05	1.46	1.24	1.11
Mission Community Bank	CA	439,166	276,597	392,076	38,772	1,019	4.55	0.31	3.41	80.59	8.66	2.94	0.08	1.59
Mission Valley Bank	CA	269,201	180,792	230,181	36,153	1,294	4.59	0.66	4.80	79.79	13.58	3.50	0.30	2.66
Mitchell Bank	WI	55,705	31,702	47,220	7,803	-222	4.12	-0.52	-3.72	105.05	13.17	9.61	-0.02	3.29
Native American Bank, Nat'l Assoc.	CO	62,432	49,680	55,226	6,923	-514	4.30	-1.16	-9.57	123.02	9.43	3.73	-0.53	2.63
Neighborhood National Bank	CA	89,119	50,899	82,313	5,889	-546	3.50	-0.75	-11.41	105.78	6.43	8.81	2.65	5.25
North Milwaukee State Bank	WI	86,806	58,404	78,479	6,326	-471	3.64	-0.72	-9.68	100.39	7.19	10.39	2.38	3.63
One PacificCoast Bank, FSB	CA	306,631	214,621	242,721	33,314	-758	3.81	-0.34	-3.11	95.55	10.07	4.25	0.57	1.78
OneUnited Bank	MA	612,376	338,627	349,655	40,999	1,944	2.44	0.43	5.90	90.80	6.10	3.73	0.06	1.05
Oxford University Bank	MS	109,961	72,864	95,733	9,758	533	3.59	0.66	7.41	73.16	9.15	2.13	0.10	0.86
Pacific Global Bank	IL	156,211	118,856	137,356	14,709	670	3.85	0.57	6.19	71.46	9.30	2.63	1.45	4.32
Pan American Bank	IL	227,344	149,274	210,796	16,238	976	3.70	0.56	7.84	83.71	7.57	1.69	0.20	1.27
Pan American Bank	CA	37,743	31,079	35,165	2,342	-423	4.18	-1.48	-19.67	111.53	6.35	11.70	0.70	2.53
PlantersFirst	GA	266,434	177,056	245,643	17,673	2,065	3.88	0.99	16.36	76.17	6.53	10.17	0.92	2.54
Promerica Bank	CA	147,562	108,041	122,718	23,667	800	3.99	0.70	4.63	92.11	15.62	0.36	-0.02	2.30
Seaway Bank and Trust Company	IL	550,720	281,538	492,528	44,520	5,882	3.98	1.37	17.95	54.78	7.86	18.40	1.82	7.57
Security Federal Bank	SC	852,184	375,572	673,666	84,985	2,848	2.83	0.44	4.35	74.09	9.46	3.23	1.13	2.84
Security State Bank of Wewoka, OK	OK	152,328	106,509	136,620	12,553	1,029	3.91	0.95	11.07	65.05	8.33	1.18	0.55	1.53
South Carolina Community Bank	SC	69,613	46,854	65,641	3,300	-48	4.30	-0.08	-1.99	90.99	4.90	8.51	0.58	4.43
Southern Bancorp Bank	AR	1,197,880	759,189	902,089	118,143	6,168	4.08	0.72	6.86	72.13	7.56	0.99	0.44	1.07
Start Community Bank	CT	54,571	43,037	45,566	8,208	-1,848	2.52	-5.27	-36.94	258.49	15.32	0.00	0.01	1.29
State Bank & Trust Company	MS	979,029	705,362	830,648	108,044	4,145	4.12	0.59	5.18	72.54	8.93	0.78	0.26	1.19
Sunrise Banks, NA	MN	687,984	426,988	592,188	70,929	9,245	4.37	1.87	24.63	71.49	11.25	1.74	0.18	1.55
Tri State Bank of Memphis	TN	150,270	75,275	135,319	13,897	-352	3.62	-0.32	-3.28	109.02	7.93	7.07	0.39	2.66
Union Bank	LA	223,926	142,742	183,483	19,641	271	3.78	0.16	1.84	85.60	8.98	5.33	0.80	1.16
United Bank	AL	481,444	259,745	431,127	47,203	1,255	3.41	0.35	3.50	86.19	9.21	2.25	0.34	1.65
United Bank of Philadelphia	PA	62,453	42,326	58,703	3,411	-576	4.62	-1.21	-19.94	128.32	5.83	5.59	1.40	1.92
Urban Partnership Bank	IL	1,013,288	648,336	891,904	109,196	-11,136	5.85	-1.44	-13.60	122.08	10.57	21.96	4.08	10.66
TOTAL		28,178,639	17,216,431	23,402,295	2,980,300	105,917								
AVERAGE		347,884	212,549	288,917	36,794	1,308	3.91	0.10	-2.66	92.26	9.49	4.88	0.75	2.39
MEDIAN		227,344	146,205	183,483	19,641	800	3.97	0.45	4.35	82.14	9.30	3.19	0.32	1.86
MAXIMUM		2,393,785	1,237,021	1,913,454	409,309	14,699	5.85	2.14	24.63	258.49	18.15	24.73	10.05	10.66
MINIMUM		12,976	2,736	10,997	1,296	(11,136)	2.18	-6.45	-150.51	45.62	2.04	0.00	-0.53	0.86

Source: SNL.com / As of 9-30-2013 / Sorted Alphabetically



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