

An aerial photograph of a city, featuring a prominent tall skyscraper on the left side and various residential buildings and green spaces on the right. The image is overlaid with a semi-transparent dark blue filter.

2025 ANNUAL IMPACT REPORT

NCIFSM [NATIONAL
COMMUNITY
INVESTMENT
FUND]

LEVERAGING CAPITAL FOR CHANGESM

Letter from Leadership

NCIF is now in its 30th year of operations and we ask ourselves the question – ‘*Karna Kya Hai*’? i.e. **what do we do next?** What are the few, big and bold initiatives that we undertake in search of impact in underserved communities.

Since 1996, NCIF has worked along with other **Community Development Financial Institutions (CDFIs)**, Minority Depository Institutions (MDIs) and other Mission-Oriented Financial Institutions (MOFIs), investors, public partners, and academics to expand economic opportunity across rural, small-town, and urban America. Over three decades, we have deployed more than \$547 million in capital, supported the creation of more than 17 thousand jobs, and partnered with almost 50 financial institutions in 34 US states and territories, operating in communities too often overlooked by traditional markets. This work is grounded in a simple belief: **finance should serve the real economy, not transactions for their own sake – and who better than MOFIs and other CDFIs.** These institutions are agents of long-term change, know the needs of the local community and use credit and non-credit products to support growth. NCIF Theory of Change focuses on these MOFIs.²

During this period of unprecedented, rapid change in the policy environment, evolving capital markets, and growing expectations around accountability and impact, NCIF strengthened its core business while investing in the tools and partnerships required for the next phase of community finance.

Through our Lending, Equity, and New Markets Tax Credit platforms, we deployed catalytic capital that supports jobs, community infrastructure, and access to essential services. At the same time, we deepened our focus on impact measurement, data discipline, and transparency.

Looking ahead, NCIF has focused on two key initiatives;

- 1) NCIF CEO Perspectives Initiative:** Understand from the “eyes and words” of 24 - MOFI bank CEOs – on their impact in underserved communities and how they look ahead in these times. This Initiative was conducted in partnership with Center for Impact Finance at the University of New Hampshire. Read the profiles at ncif.org/ceo-perspectives.
- 2) NCIF Innovation Labs:** This is leveraging our 20-year focus on data collection and impact measurement to create NCIF.AI – an innovative platform that will use Artificial Intelligence and Machine Learning tools to enable impact investing and community development finance of the next 30 years.

This report reflects both where we have been and where we are headed. It captures the outcomes of our work, the lessons we continue to learn, and our commitment to building financial systems that are inclusive, resilient, and grounded in community realities.

Thank you to our partners, peers, investors, and team members who continue to challenge and support this work. The path forward is complex, but the opportunity to strengthen the real economy through mission-driven finance has never been more important.

Saurabh Narain,
President and CEO



¹While Karna Kya Hai is a generic Indian phrase, it has been used very effectively by Sanjay Khosla, former President of Kraft Foods and faculty member of the Kellogg School of Management in his book “Fewer, Bigger, Bolder: From Mindless Expansion to Focused Growth” co-authored by Prof. Mohanbir Sawhney,

²See NCIF MOFI Framework at ncif.org/mofis

NCIF: Leveraging Capital for Change

Since its founding in 1996, NCIF has worked to address a persistent challenge in the U.S. financial system: the uneven flow of capital across communities. Too many rural areas, small towns, and historically underserved neighborhoods in urban areas have remained outside the reach of responsible financial services. NCIF exists to change that.

Our **Theory of Change** recognizes that meaningful impact occurs at multiple levels and over time. While many approaches focus only on outputs, NCIF takes a broader view that connects immediate results to institutional strength and long-term systems change.

First, **transactional impact** reflects direct outcomes such as jobs created, housing developed, and people served. These results are tracked through NCIF's Bank Impact Metrics and transaction-level data.

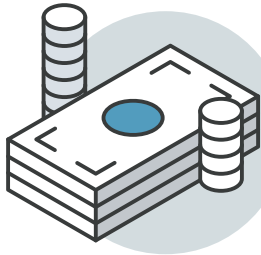
Second, **institutional impact** captures the role of strong, locally rooted financial institutions in sustaining economic activity. Anchor institutions matter. When mission-oriented banks and lenders are stable, well capitalized, and aligned with community needs, they can consistently deliver credit, manage risk, and support inclusive growth.

Third, **catalytic impact** reflects how NCIF's capital products and partnerships contribute to broader improvements in economic conditions and quality of life. This includes how investments crowd in additional capital, strengthen local ecosystems, and generate durable benefits beyond individual projects. NCIF supports this dimension through research partnerships and longitudinal analysis.

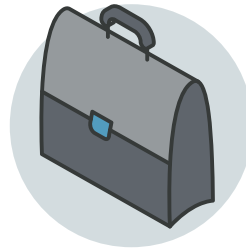
NCIF Cumulative Impact Since 1996

NCIF deploys mission-driven capital through its Equity, Lending, and New Markets Tax Credit platforms. **These investments have historically supported high-impact projects across 34 US states and territories**, strengthening local institutions, expanding access to essential services, and supporting job creation in communities where capital remains constrained. **NCIF has partnered with 50 banks and non-bank institutions to expand access to capital in underserved markets.**

CUMULATIVE IMPACT:



\$547
MILLION
Capital Deployed



17,273
Jobs Created



IMPACT
LOCATIONS

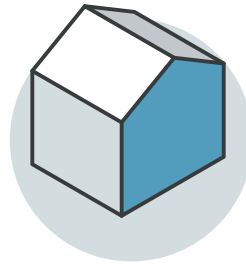
56.4%
High Minority
Population

47.9%
Persistent
Poverty Counties

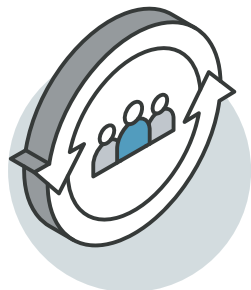
94.4%
Severely
Distressed Areas



\$1.75
BILLION
Total Project Costs



1,100
Housing Units



1,166,844
Beneficiaries

CAPITAL BY
LINE OF BUSINESS



\$37.4
MILLION
Equity

\$99.8
MILLION
Loans

\$410.3
MILLION
New Markets Tax Credits

Our Theory of Change and the Role of MOFIs

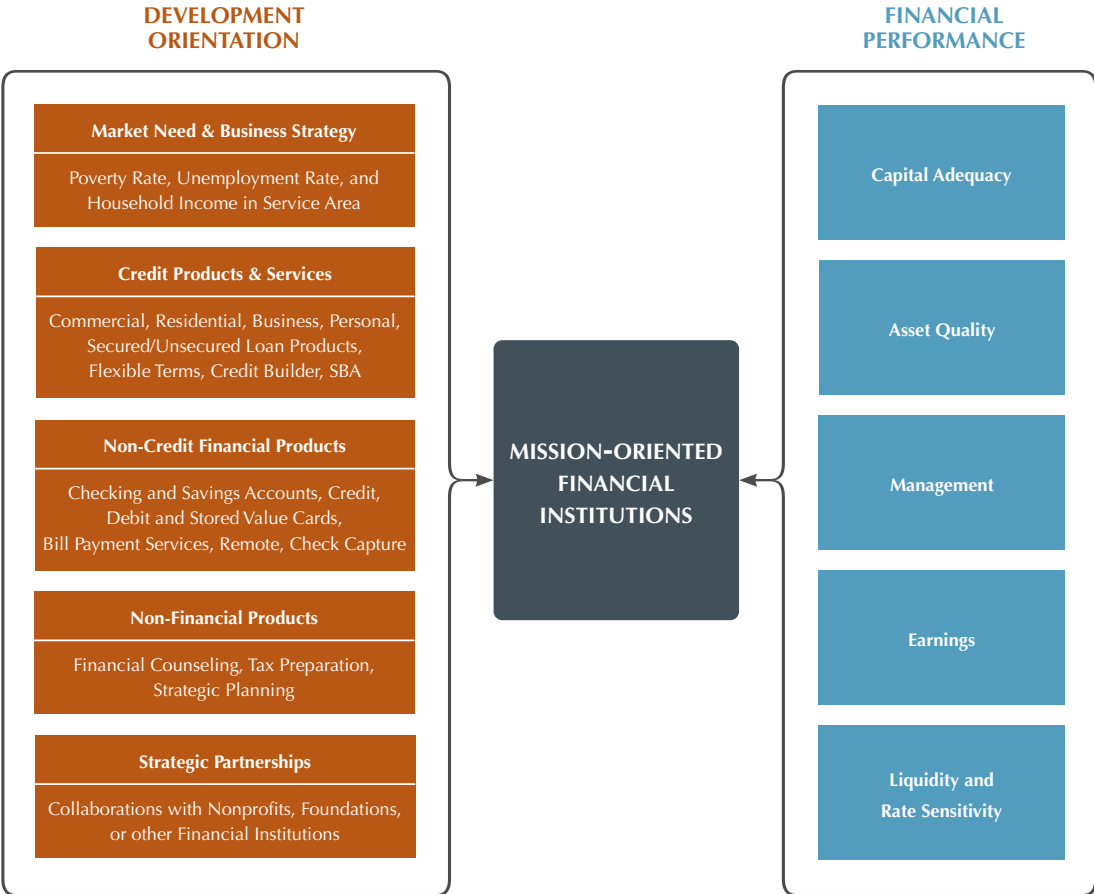
The Importance of Mission-Oriented Financial Institutions

At the center of NCIF’s Theory of Change are **Mission-Oriented Financial Institutions (MOFIs)**, including CDFI Banks, Minority Depository Institutions, and other community-based lenders. These institutions serve as anchors in their markets. They combine deep local knowledge, trusted relationships, and financial discipline to deliver products and services that respond to real community needs.

MOFIs are often the only providers of responsible financial services in their regions. They play a critical role in managing risk, allocating capital efficiently, and supporting borrowers who are overlooked by conventional finance. Their presence determines whether small businesses grow, housing projects move forward, and essential services remain accessible.

NCIF works with MOFIs not only by investing in them, but by investing alongside them. Through equity investments, lending partnerships, and New Markets Tax Credit financing, NCIF strengthens institutional balance sheets while expanding the reach of capital. These efforts are complemented by data, analytics, and development services that help institutions scale responsibly.

THE MOFI FRAMEWORK



Putting Our Theory of Change into Action

NCIF operationalizes its **Theory of Change** through three core **Lines of Business**:

EQUITY INVESTMENTS

Provide long-term capital that supports institutional stability and growth.

LENDING SOLUTIONS

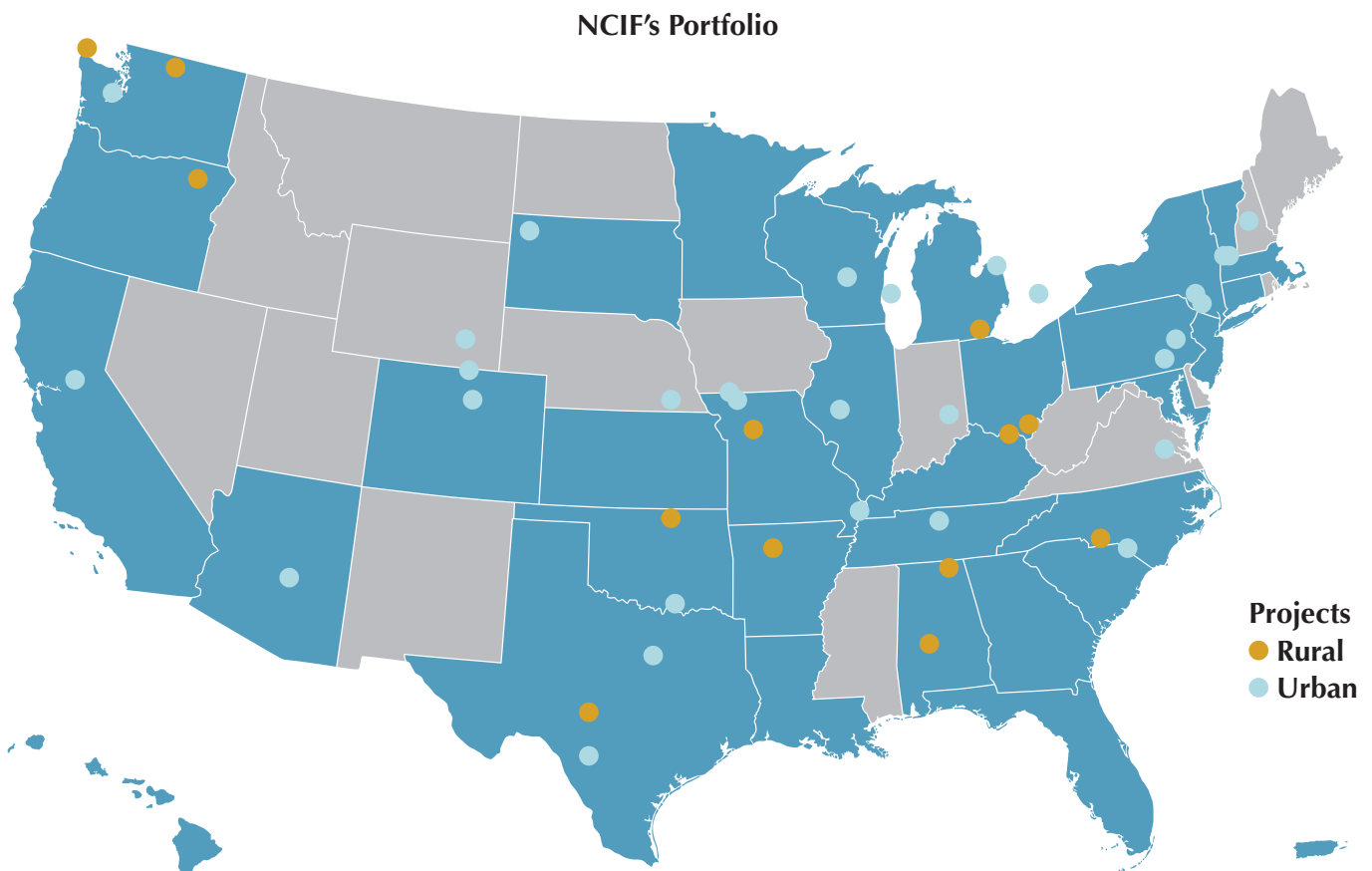
Deliver flexible debt in partnership with MOFIs to support community facilities, housing or small business growth.

NEW MARKETS TAX CREDIT (NMTC) FINANCING

Catalyzes large-scale investments in projects that expand access to services and create jobs.

Supporting these efforts is a fourth, cross-cutting pillar: **Impact Measurement, Analytics, and Development Services**. NCIF is committed to helping our partners grow not just through capital, but through capacity. We provide technical assistance, share data insights, and help strengthen the operational infrastructure of mission-oriented institutions. From pioneering Social Performance Metrics to launching our new AI-powered data platform, NCIF equips the field with tools to move from measuring activity to understanding and scaling impact.

Together, this framework allows NCIF to deliver measurable results today, strengthen institutions for tomorrow, and help create the conditions for lasting economic resilience across rural, small-town, and urban America. The following map illustrates NCIF's presence through its Equity, Lending, and NMTC investments across these communities.



Line of Business Impact: Equity

Role in NCIF's Strategy

NCIF's equity platform is designed to strengthen the institutional foundation of community finance. Through long-term equity investments, NCIF supports mission-driven financial institutions that serve underbanked communities, particularly in rural areas, small towns, and markets with limited access to traditional banking services.

Equity is not transactional or annual in nature. It is patient capital that supports institutional resilience, balance sheet strength, and long-term lending capacity. These investments enable partner institutions to meet regulatory expectations, expand lending, and leverage additional capital through deposits and other funding sources.

2025 and Cumulative Performance

Equity capital is deployed selectively and held over extended periods to maximize institutional impact.

Cumulatively, **NCIF has deployed \$37.4 million in equity capital and invested in approximately 13% of all certified CDFI Banks.** While some investments have exited over time, this reach reflects NCIF's sustained role as one of the most active equity investors in the CDFI banking sector.

Recent equity investments continue to shape institutional capacity and geographic reach. In 2023, NCIF made a \$1.5 million equity investment in Nave Bank, a Puerto Rico-based Minority Depository Institution focused on expanding access to financial services across the island. This investment marked one of NCIF's largest single equity transactions and reinforced the platform's ability to support institutions operating in geographically and economically constrained markets.

NCIF made a small but representative equity investment in REACH Pathways, a mission-aligned enterprise focused on education and workforce development. While distinct from NCIF's traditional banking investments, this transaction reflected a selective expansion of the equity platform into mission-driven nonbank models aligned with long-term impact goals.

Investment Approach

NCIF selects equity partners based on both financial performance and mission consistent with our MOFI Framework. Evaluation criteria include lending and non-lending activities in underserved markets, governance practices, and the institution's role as an anchor provider of financial services.

Equity investments often enable institutions to leverage NCIF's capital eight to ten times through deposits and other funding sources. This multiplier effect significantly expands lending capacity and amplifies community impact well beyond the initial investment.

Long-Term Contribution

Equity capital allows institutions to grow strategically, respond to evolving community needs, and access additional sources of capital. Many NCIF investees continue to use this capital as a foundation for attracting deposits, borrowing from other funders, and participating in public and philanthropic programs.

In a financial system where access to equity remains limited, NCIF's equity platform provides stability and long-term value. It ensures that community-focused institutions can continue serving their markets with strength, discipline, and consistency.

Line of Business Impact: Lending

Role in NCIF's Strategy

Lending is one of NCIF's primary tools for advancing economic opportunity at the local level. Through flexible, mission-aligned debt products, NCIF addresses persistent gaps in capital access, particularly in rural communities, small towns, and markets overlooked by traditional lenders.

NCIF's lending platform supports a range of community-serving projects, including education facilities, mixed-use developments, healthcare, and nonprofit infrastructure. Lending also enables NCIF to partner directly with CDFI Banks and other mission-oriented institutions through co-lending, participations, and bridge loans. These structures allow capital to reach complex projects while strengthening institutional relationships across the community finance ecosystem.

2025 and Cumulative Performance

In 2025, NCIF deployed \$36.5 million in new loans across four transactions, bringing cumulative lending activity to \$99.8 million since inception. Projects financed during the year focused primarily on education and mixed-use development, reflecting NCIF's continued emphasis on foundational community assets.

A defining feature of NCIF's lending model is its ability to structure capital in partnership with other institutions. In many transactions, NCIF serves as a co-lender or lead lender while bringing mission-oriented banks into deals through shared underwriting and risk participation. This approach expands capacity, reduces concentration risk, and allows multiple institutions to participate in high-impact opportunities.

These transactions deepen institutional collaboration and reinforce NCIF's role as a connector of capital, projects, and partners across diverse markets.

Long-Term Contribution

NCIF's lending activities provide more than financing. They help validate projects, unlock additional investment, and support borrower capacity during complex development processes. Lending also expands the reach of NCIF's MOFI partners, many of which participate in transactions through co-lending or participations.

Over time, NCIF's lending and NMTC activity has supported a diverse set of sectors aligned with community needs. Since inception, NCIF has financed projects across healthcare, housing, education, community facilities, arts, small business development, fresh food access, among other assets. This sector diversity reflects the adaptability of NCIF's lending model and its focus on strengthening local economies through foundational assets.

Data and analytics support this work. Through tools such as BankImpact, NCIF helps partners assess local market conditions, identify underserved census tracts, and align lending activity with measurable outcomes.

SPOTLIGHT: Lending

Early Connections Learning Centers Colorado Springs, Colorado



In 2025, NCIF provided a \$3.2 million loan to support the expansion of **Early Connections Learning Centers (ECLC)**, a nonprofit organization serving the Colorado Springs community since 1897. The financing supports the development of the Alice Bemis Taylor Center, a new 17,696-square-foot facility that will expand early childhood education services while establishing a regional professional development hub for early educators.

The project allows ECLC to increase child-care capacity while maintaining uninterrupted services during construction. In addition, the financing supports rehabilitation work at ECLC's historic Day Nursery facility, a 32,300-square-foot building that will receive safety and security upgrades to better serve children and families.

The total project cost is approximately \$14 million. NCIF co-lent alongside Native American Bank, with additional financing provided by mission-aligned philanthropic partners. The project is expected to support 99 jobs and serve approximately 236 children annually. It will also provide Child Development Associate certification and professional training to more than 100 early educators each year, strengthening the regional child-care workforce.

This transaction reflects NCIF's lending strategy in practice. By partnering with CDFIs and mission-oriented lenders, NCIF helps finance projects that expand access to essential services, support workforce development, and strengthen community institutions with long-term impact.

Role in NCIF's Strategy

The New Markets Tax Credit program is a core component of NCIF's capital deployment strategy. It enables the financing of catalytic projects that expand access to essential services, support job creation, and deliver long-term economic value in distressed communities. By combining public subsidy with private investment, NMTCs help close financing gaps for projects that would otherwise struggle to move forward.

NCIF prioritizes NMTC transactions that are rooted in local priorities, located in severely distressed census tracts, and structured to deliver durable community outcomes. Many transactions follow NCIF's three-party partnership approach, bringing together community developers, nonprofit sponsors, and mission-oriented financial institutions as lenders or sub-participants. This model strengthens local financial ecosystems while ensuring capital reaches projects with the greatest potential for long-term impact.

Through its NMTC platform, NCIF supports developments that address urgent community needs. These include access to education, healthcare, healthy food, childcare, and commercial infrastructure. Projects are evaluated based on feasibility, projected job creation, expanded service access, and their contribution to long-term economic revitalization.

2025 and Cumulative Performance

In 2025, NCIF deployed \$19.3 million in NMTC allocations across multiple transactions. These projects reflect the continued diversity of NCIF's NMTC portfolio and its focus on place-based development in both rural and urban markets. In each case, NCIF played a lead or structuring role and worked alongside mission-aligned lenders, including MOFIs.

Since inception, **NCIF has received more than \$431 million in NMTC funds. These investments have supported the creation and retention of over 17,000 jobs** and enabled the development of over 6 million square feet of commercial and community-serving space.

Together, these efforts demonstrate the value of the NMTC platform as a tool for mobilizing capital, strengthening institutional partnerships, and advancing projects that respond directly to local economic needs.

Long-Term Contribution

NCIF's NMTC investments are designed to support more than physical infrastructure. They strengthen community-serving institutions, expand access to essential services, and reinforce local economic resilience.

By prioritizing partnerships with MOFIs and focusing on projects shaped by local priorities, NCIF ensures that NMTC capital is deployed in ways that produce measurable outcomes. The insights gained from structuring, deploying, and monitoring NMTC transactions continue to inform NCIF's approach to impact measurement, pipeline development, and cross-sector collaboration.

SPOTLIGHT: New Markets Tax Credit Financing

Railroad Corner

Orangeburg, South Carolina



Railroad Corner is a catalytic mixed-use redevelopment in the heart of Orangeburg, South Carolina, a small-town home to South Carolina State University and Claflin University. The project transforms a long-vacant site into a new anchor for student housing, local commerce, and cultural preservation, reinforcing downtown Orangeburg’s role as an educational and economic hub.

NCIF structured and led the transaction through a three-party partnership that combined New Markets Tax Credits and debt capital. **The project included \$22 million in NMTC deployment, with \$5 million from NCIF**, \$15 million from South Carolina Community Loan Fund, and \$2 million from U.S. Bank, alongside \$12 million in loan financing sourced through Optus Bank and M&F Bank. This structure reflects NCIF’s ability to coordinate mission-aligned capital with MOFI partners to advance opportunity in rural and small-town communities.

The development will deliver a five-story student housing facility with 122 beds serving South Carolina State University, ground-floor commercial space, and support for the adjacent South Carolina Civil Rights Museum. The project was shaped through a multi-year community engagement process led by the City of Orangeburg in partnership with the University of North Carolina’s Development Finance Initiative.

Railroad Corner addresses a critical barrier to higher education access in the region: student housing shortages. South Carolina State University indicated that limited housing capacity constrained enrollment growth, despite strong demand. With approximately 98% of students receiving Pell Grants, the new housing expands access for low-income students while supporting broader economic activity in the surrounding corridor.

The project is expected to create 114 construction jobs and 74 permanent jobs, for a total of 188 jobs created or retained. Four locally owned businesses will open second locations in the commercial space, bringing new services, employment, and foot traffic to downtown Orangeburg. Together, these outcomes demonstrate NCIF’s role in structuring place-based investments that strengthen institutions, unlock capital, and deliver durable economic value aligned with local priorities.

CEO Perspectives: The Power of Mission-Oriented Financial Institutions

Why This Work, Why Now

Mission-oriented financial institutions are operating at a pivotal moment. In recent years, the sector has faced growing pressure from consolidation and fintech competition, uncertainty around public and philanthropic funding, persistent poverty in rural and urban communities, and rapid advances in technology that are reshaping how financial services are delivered.

In response to these shifts, NCIF partnered with the Center for Impact Finance to launch the **CEO Perspectives on Community Development Finance** initiative. The objective was clear: **capture first-hand insight from institutions that are delivering impact at scale while navigating structural change.**

Through in-depth interviews with 24 high-performing Mission-Oriented Financial Institutions, this initiative documents how community-based banks are adapting business models, deploying capital, and preparing for the future of community finance.

About the 24 participants:

The 24 institutions featured in this series represent diversity across geography, mission, and operating model, while sharing a common commitment to serving markets overlooked by traditional finance.

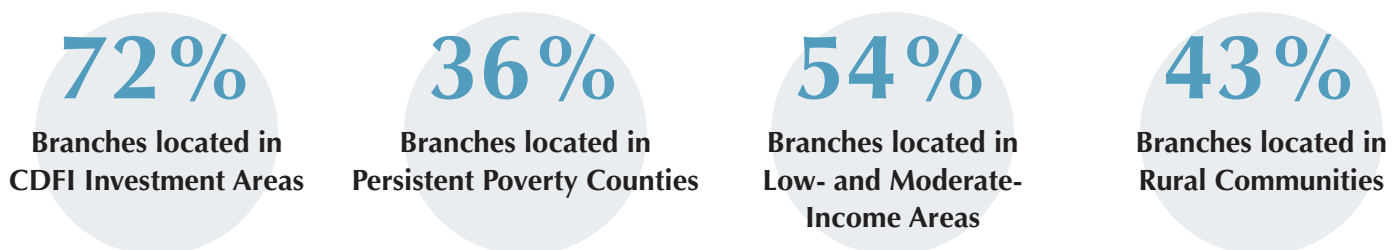
Profile of the 24 Institutions:

- 9 institutions primarily serving rural communities
- 12 institutions focused on urban and immigrant corridors
- 3 institutions serving tribal and Native communities
- 9 institutions operating with national or digital reach
- 18 institutions operating in persistent poverty counties
- 18 institutions with more than 50% of branches in low- and moderate-income areas

A Track Record of Measurable Impact

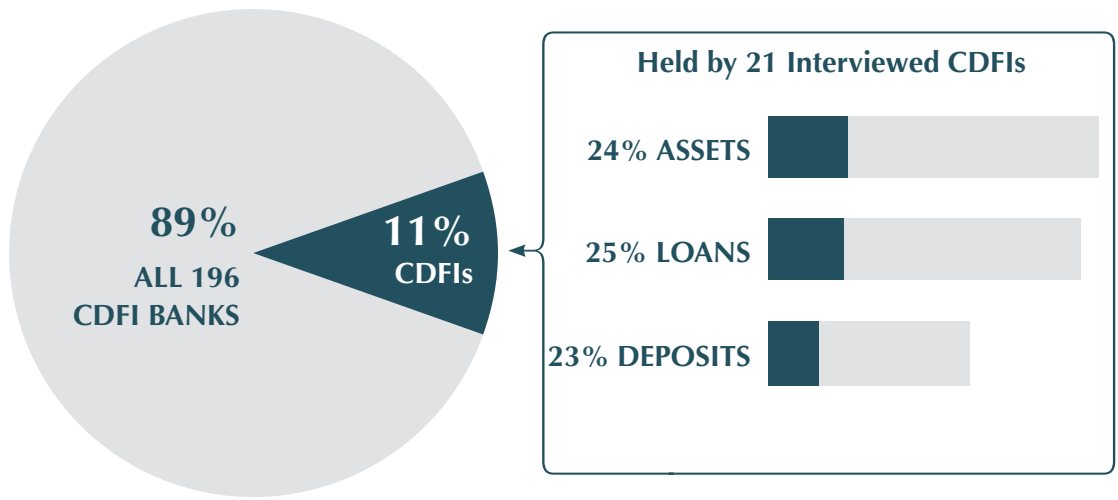
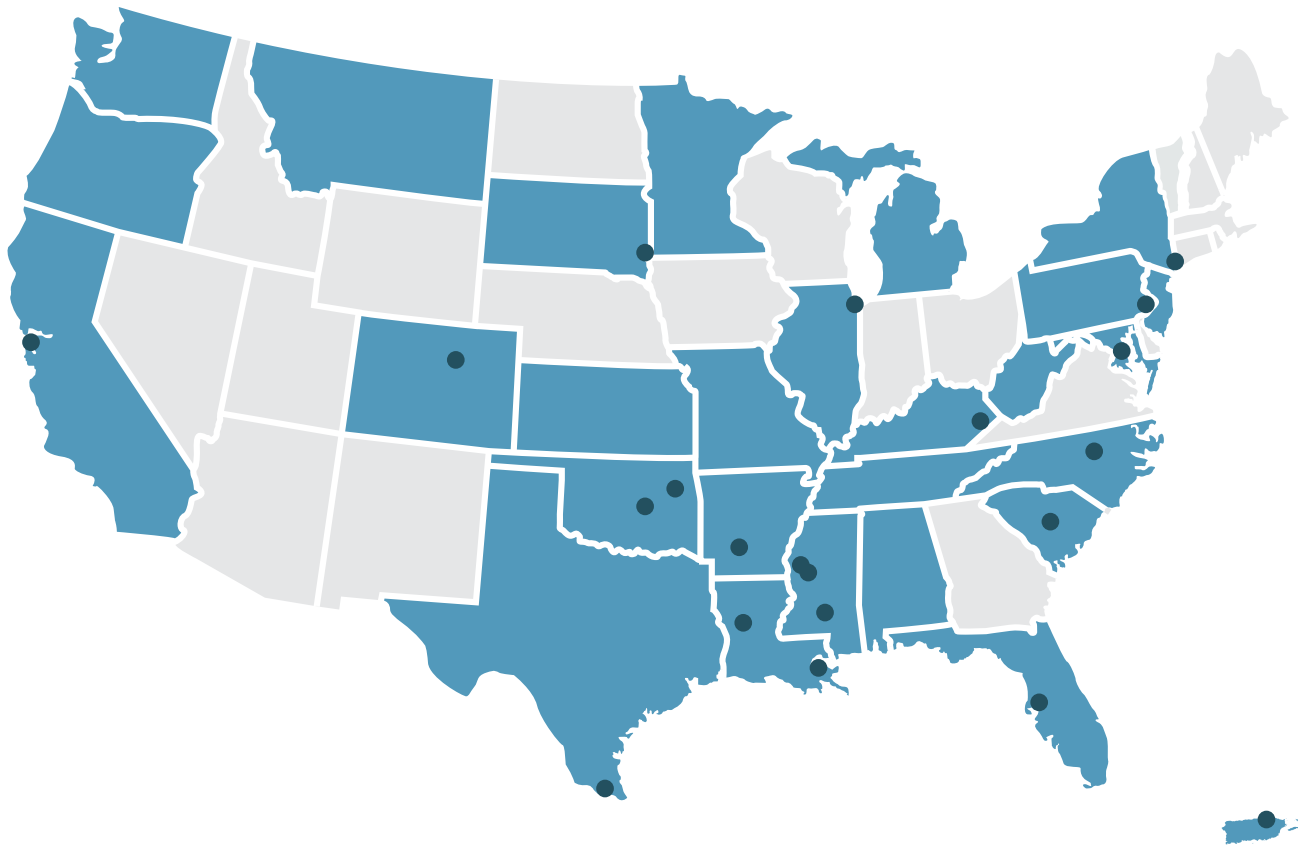
Across the group, these institutions demonstrate consistent, place-based commitment through branch location, lending patterns, and long-term market presence.

Average Branch Distribution Across the 24 Institutions:



These figures reinforce a central finding of the initiative: institutions that lead with mission are not operating at the margins. They are deeply embedded in the communities where access to capital matters most, and they are doing so at a meaningful scale.

US States and Territories served by interviewed 24 Banks and ● Headquarters locations



21 out of the 24 CDFI banks interviewed for the *CEO Perspectives on Community Development Finance*, represent 11% of the total CDFI banks (as of December 2024). **These 21 CDFI banks hold about a quarter of the total CDFI Banks' share of Assets, Loans and Deposits.**

Why These Voices Matter

The CEO Impact Perspectives series elevates leaders whose work is often underrepresented in national finance conversations, despite shaping the economic trajectory of entire regions.

Across red states and blue states, rural towns and urban neighborhoods, the message is consistent. When communities have access to fair credit, patient capital, and trusted financial institutions, they can support small businesses, create jobs, and build pathways to long-term stability.

By documenting the experiences of 24 mission-driven leaders, NCIF contributes field-level insight that informs policy discussions, investor engagement, and strategic planning across the community finance ecosystem.

24 Profiled Institutions



Community Outcomes Across Our Portfolio

In 2025, NCIF continued to focus on outcomes that extend beyond individual transactions. By aligning capital with local priorities and institutional capacity, our work translates financial activity into durable economic value. The following themes reflect how mission-driven capital, when deployed with discipline and intent, shapes real-world outcomes across communities.

Expanding Economic Opportunity

Access to capital remains a structural barrier to economic participation in many communities. Through its Lending and NMTC platforms, NCIF supported projects that created and retained 1,035 jobs in 2025 across sectors including education, housing, and mixed-use development. These investments enabled \$105 million in total project cost, strengthening local economies by supporting employers, service providers, and institutions that anchor and promote economic activity.

In communities such as Davidson, Tennessee, NCIF-supported projects combined job creation with workforce development, reinforcing pathways to employment alongside physical investment. The census tract where NCIF invested faces persistent economic challenges, including an unemployment rate of 15.3%, median household income at 48% of the metropolitan average, and a poverty rate of 49.2%. In this context, NCIF-supported investments expanded access to essential infrastructure such as childcare facilities, health centers, and commercial corridors that support small businesses and local services. The area is home to a predominantly minority population at 84.4%, with African American residents representing the largest share.

These outcomes reflect NCIF's belief that economic opportunity is built through systems, not single transactions. By supporting projects that integrate employment, services, and long-term community infrastructure, NCIF helps create conditions that attract additional investment and support sustained economic growth.

Investing in Rural and Small-Town Communities

Rural and small-town communities continue to face limited access to capital, fewer financing options, and reduced institutional presence. NCIF has long prioritized these markets by partnering with MOFIs and supporting projects that function as foundational economic infrastructure in places where capital constraints are most acute.

Approximately, one out of four of NCIF's Lending and NMTC projects are located in rural census tracts, underscoring our continued focus on communities where traditional markets underserve demand. Two of NCIF's five investments during the year were in rural areas, reflecting a deliberate approach to deploying capital where economic conditions present structural barriers to growth.

In Orangeburg, South Carolina, NCIF supported a project in a rural tract with median family income at 58.6% of area median income, an unemployment rate of 17%, and a poverty rate of 35.3%. In Uvalde, Texas, NCIF invested in a rural community facing an unemployment rate of 37% and a poverty rate of 23.1%, despite median family income exceeding the area benchmark. Together, these indicators point to uneven economic participation and labor market instability that persist even where headline income measures may appear stronger.

In such settings, a single project can have an outsized impact. Investments in housing, education, and mixed-use development help stabilize local economies, expand access to services, and support job creation in communities with limited alternatives. When paired with locally rooted financial institutions, these projects become long-term interventions rather than isolated deployments of capital.

Development Services and Institutional Capacity

NCIF's impact is not limited to capital deployment. Development services and institutional support are integral to how outcomes are achieved and sustained. In 2025, NCIF worked alongside MOFIs and project sponsors through participations, co-lending structures, and transaction-level support that expanded capacity and strengthened execution.

This work helped institutions participate in more complex deals, navigate layered capital stacks, and build credibility with additional lenders and investors. For project sponsors, early-stage capital and ongoing engagement helped move developments from concept to completion, unlocking broader participation and long-term viability.

By pairing capital with expertise, data, and institutional collaboration, NCIF supports outcomes that endure beyond the life of any single investment. Development services are a core part of how NCIF strengthens institutions, improves deal quality, and advances impact at scale.

What's Next: Strengthening the Core and Advancing Innovation

As NCIF prepares for its 30th year, our focus is clear. We will continue to strengthen and scale our core Lines of Business while advancing the tools and ideas needed to support the next phase of community finance.

First, NCIF will prioritize the growth and effectiveness of its core platforms. This includes expanding lending activity, deploying New Markets Tax Credits, and maintaining a disciplined approach to equity investing aligned with institutional readiness and market conditions. Across all Lines of Business, we will deepen partnerships with Mission-Oriented Financial Institutions, refine capital structures, and focus on transactions that deliver durable outcomes in communities where access to capital remains constrained.

Second, NCIF will advance innovation through NCIF Innovation Labs. This work is designed to complement, not replace, our core business. Innovation Labs will focus on developing new approaches to scaling impact investing through existing and emerging tools. Data and analytics are central to this future. BankImpact and NCIF's AI-based data platforms are related but independent tools, each serving a distinct purpose. Together, they aim to improve transparency, strengthen institutional performance, and support better decision-making for investors, lenders, and practitioners. By investing in these capabilities, NCIF seeks to help the field move from measuring activity to understanding catalytic impact.

Recent federal action making the New Markets Tax Credit and Opportunity Zone programs permanent reinforces the importance of this work. With greater certainty around these tools, NCIF is positioned to deepen its pipeline, expand partnerships, and deploy capital with longer-term strategic intent. Our focus will remain on projects that align with local priorities, support institutional capacity, and deliver measurable economic value.

Together, these priorities reflect NCIF's long-term commitment to disciplined growth, institutional partnership, and innovation grounded in real-world application. As the community finance landscape continues to evolve, NCIF will remain focused on strengthening the systems, institutions, and tools that connect capital to creating economic opportunity.



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