MISSION DRIVEN BANK FUND

Progress Report

MISSION DRIVEN
BANK FUND

Message from Our Leadership

The creation of the Mission Driven Bank Fund (MDBF)[1] was rooted in the FDIC's vision to promote a banking system that serves the needs of all Americans and supports Minority Depository Institutions (MDIs) and Community Development Financial Institutions (CDFIs) through traditional and innovative approaches. Mission-driven banks have a meaningful opportunity to expand access to banking and credit in unbanked and underbanked communities to drive a more inclusive, equitable economy, and help reduce the racial wealth gap. However, they have lacked access to flexible growth capital for decades.

To help address this issue, Microsoft and Truist aligned with the FDIC's mission and anchored the Mission Driven Bank Fund in 2021. The core of the mandate supported MDI and CDFI banks with flexible financial capital and technical services through innovative approaches aimed at helping portfolio companies to become more sustainable with greater size, scale, and capacity to amplify their impact in their communities.

At the end of 2022, our firms were honored to be selected to manage the Mission Driven Bank Fund. Throughout 2023, we collaborated closely to develop an innovative, mission-oriented, and supportive solution to help build financial resiliency within the mission-aligned banking sector. We established relationships with industry leaders, gathered market feedback, expanded our network within the mission-driven banking sector, and learned how best to execute the mission by listening to industry participants and banks within our investment universe.

The Mission Driven Bank Fund seeks to foster a stronger and more inclusive banking system by investing capital and providing technical services to FDIC-insured CDFI and MDI banks that target low to moderate income African American, Native American, Asian, Hispanic, and Pacific Islander communities. The Fund's mission is to drive growth and financial resiliency in the mission-driven bank sector translating into progress that helps close the racial wealth gap.

Since the initial capital call in late December 2023, we have successfully deployed capital into eleven mission-aligned banks. And we are just getting started. We will continue to build partnerships and deepen our existing relationships to help them succeed in serving communities in need.

We are grateful for the opportunity to support and collaborate with mission-aligned banks nationwide. None of this would have been possible without the trust and backing of our capital, mission, and technical services partners.

FRED CUMMINGS
President & Founder of
Elizabeth Park Capital Management

JENNIFER PRYCE
President & CEO of Calvert Impact

[1] The Mission Driven Financial Institutions Fund, LP, dba Mission Driven Bank Fund

MDBF Team Overview

The Mission Driven Bank Fund is a collaborative effort between U.S. bank specialist, Elizabeth Park Capital Management, and impact investing pioneer Calvert Impact as members of the General Partner. Elizabeth Park Capital is the lead fund manager, and Calvert Impact and Strategic Value Bank Partners are important sub-advisors with specialist expertise. Microsoft and Truist Financial anchored the Fund as meaningful capital and support partners.

ELIZABETHPARK
CAPITAL MANAGEMENT

ELIZABETH PARK CAPITAL MANAGEMENT

A multi-asset alternative investment firm founded in 2008, specializing in the U.S. banking sector. The firm brings deep vertical expertise in bank capital structures, investing across public equity, private equity, and private credit. The firm supports bank innovation through its venture capital partnership with the Btech Consortium Fund and impact investing through the Mission Driven Bank Fund.

Calvert Impact™

CALVERT IMPACT

A global nonprofit investment firm that helps investors and financial professionals invest in solutions that people and the planet need. During its 30-year history, Calvert Impact has mobilized over $5 billion to grow local community and green finance organizations and structuring services. Calvert Impact uses its unique position to bring the capital markets and communities closer together.

STRATEGIC VALUE
BANK PARTNERS

STRATEGIC VALUE BANK PARTNERS

An investment firm focused exclusively on the community banking industry that leverages over 80 collective years of bank investing and industry operating experience to create a concentrated portfolio of bank investments. Strategic Value Bank Partners offers a private equity approach to community bank investing by combining the experience and perspective of an operator with the rigorous analysis of an institutional investor.

Challenge & Opportunity

CHALLENGE

We believe access to banking is critical to financial health, yet a large portion of communities of color in the United States have been underbanked or unbanked which has contributed to a persistently wide racial wealth gap over time.

OPPORTUNITY

Minority Depository Institutions and Community Development Financial Institutions play a critical role providing access to unbanked and underbanked communities. However, they have lacked access to capital for decades.

SOLUTION

Create a more inclusive and resilient banking system that provides access to wealth-building products & services targeting low and moderate- income African American, Native American, Asian, Hispanic, and Pacific Islander communities.

Mission Driven Bank Fund is an innovative, mission-first investment vehicle deploying private capital and customized technical services that support FDIC-insured MDI and CDFI banks. These banks are best equipped to leverage fund investment to create a catalytic impact to help close the racial wealth gap.

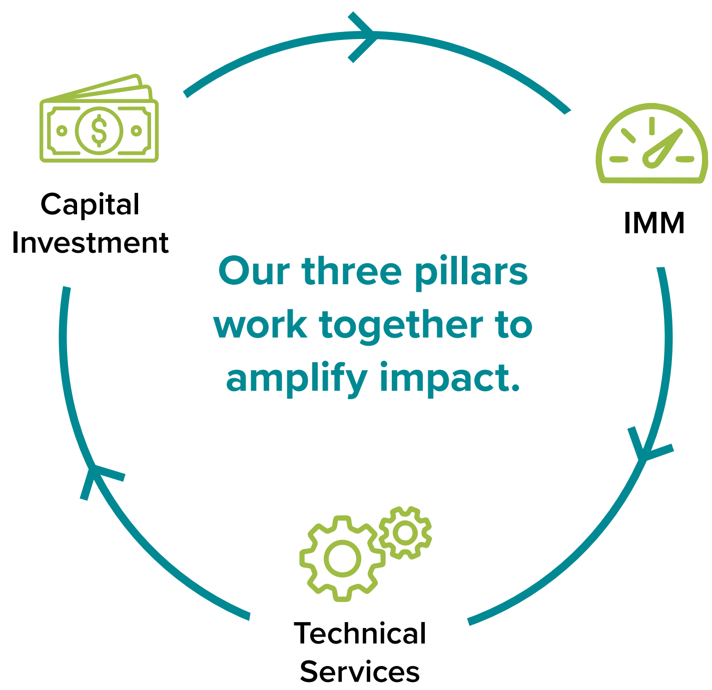
Investing to support MDI and CDFI banks and expand access to financial products and services in communities of need supports the Fund's Theory of Change:

- Tailored growth capital and technical services through the Mission Driven Bank Fund
- Greater access to banking services, credit, and growth capital in un- and under-banked communities
- Asset and wealth building through home ownership, business growth, and quality job creation
- Building a more resilient and diverse banking system

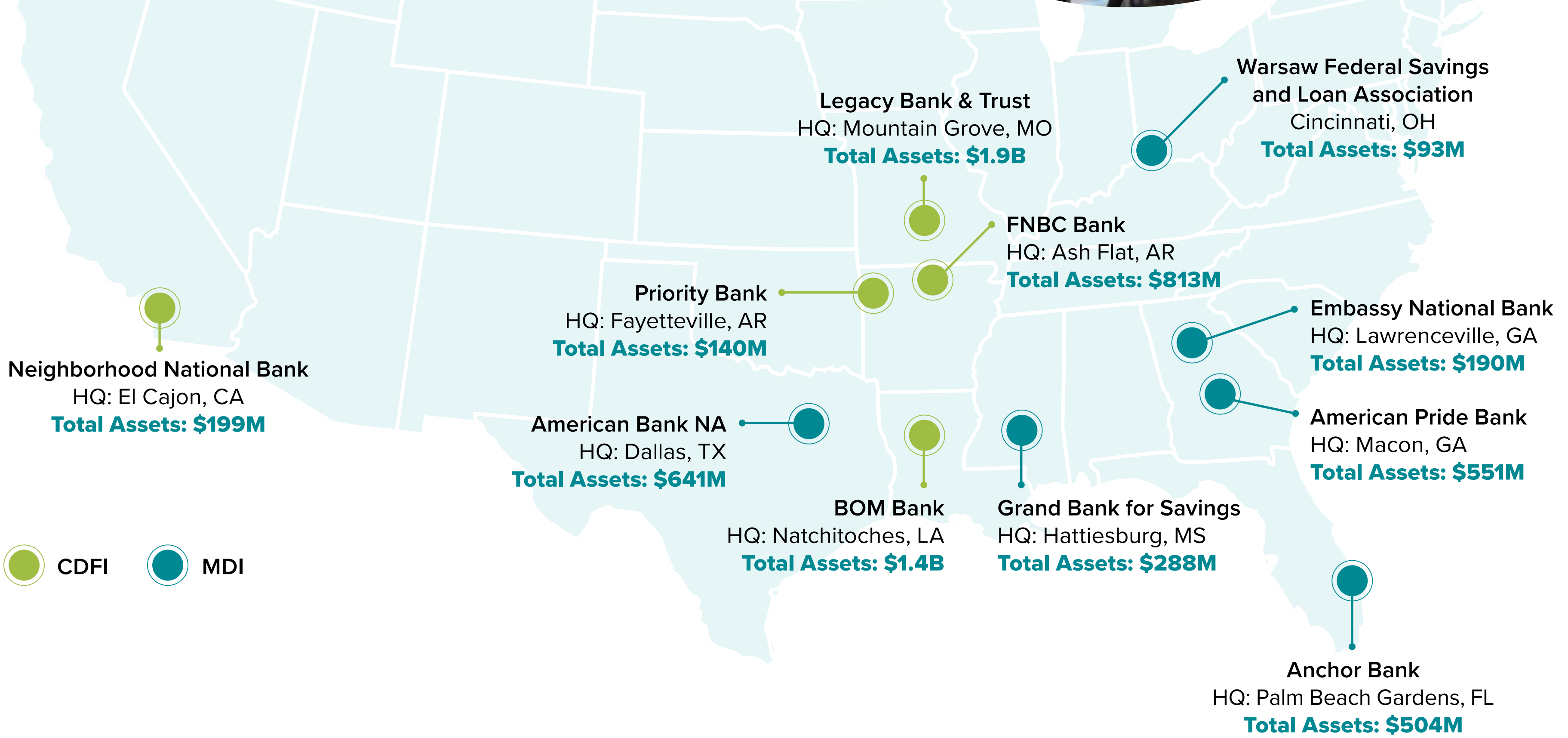
Fund Overview

Capital investments enhanced with technical support and impact measurement.

- Investments into MDI & CDFI banks combined with technical support and impact measurement creates leveraged impact that leads to catalytic change in local communities.
- Flexible investment instrument offerings structured to support each bank's unique mission, including common equity, preferred equity, subordinated debt, purchase of investment securities, and deposits.
- Impact Measurement and Management (IMM) Framework designed using generally accepted industry standards, norms, and best practices, implementing these tools across the investment lifecycle and with feedback from banking industry associations.
- MDBF Technical Services support via financial subsidies, partner introductions, information sharing webinars, and other related resources.



Current MDBF Portfolio Banks[2]



[2] Financial data as of June 30, 2025

MDBF STATISTICS

>35%
of total capital deployed into 5 CDFIs and 6 MDIs

10 states
with portfolio bank branch locations

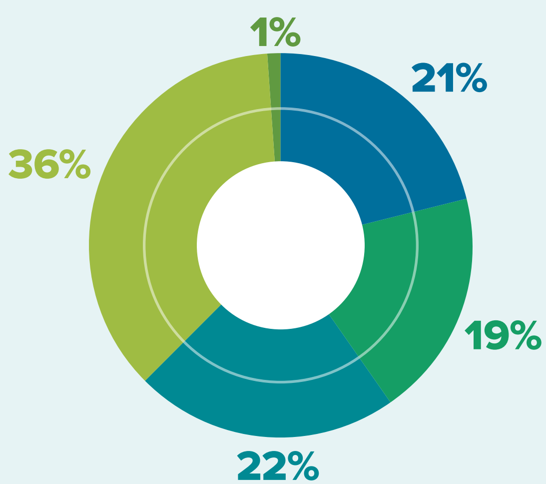
9 banks
with less than $1 billion in total assets

7 banks
that did not receive ECIP capital[3]

2024 PORTFOLIO LENDING[4]

$240M+
in loans to LMI census tracts in 2024

51%[6]
average percentage of loans (by $) to Fund's target communities in 2024



Loan Originations by Type:
- Commercial
- Commercial Real Estate
- Consumer
- Residential Real Estate
- Other

MDBF Portfolio Bank Activity

OVERVIEW OF BANK PRODUCT OFFERINGS

MDBF portfolio banks offer a broad spectrum of responsible financing[5] products and services to their customers that support greater access to banking services including:

- Free access to point of sale for debit card network for point of sale and bill
- Alternative IDs (e.g. municipal, consular, etc.)
- Free and unrestricted in-network ATM
- Credit-building product offerings such as secured credit card or secured personal loan available-First Time Homebuyer / Down payment assistance programs
- Free and unrestricted branch access or access to free ATM network and free remote deposits
- Free check cashing for checks issued by the bank
- No account activation closure, dormancy, inactivity, or low balance
- Technical assistance / capacity building for small business
- No overdraft or non-sufficient fund fees
- Free and unrestricted telephone banking (including live support)
- Youth / Starter deposit savings products
- Competitively priced remittances (international wires)
- Free linked savings accounts and account transfers
- Free online banking, mobile banking, and banking alerts (if offered)
- Free deposit capability for cash and checks in-branch and at ATM (when available), and direct deposit
- Free bill pay if available, or at least four free money orders and/or cashier checks per month
- Monthly maintenance fee of $5 or less if not waivable, or $10 or less if available
- Minimum opening deposit of $25 or less
- Out-of-network ATM fee of $2.50 or less, or up to $3.00 if free access to a partner ATM network also provided
- Account screening - only deny new customers for past incidents of actual fraud
- Free electronic monthly statements, or $2 or less for mailed statements (if offered)

3 Source: U.S. Department of the Treasury, Emergency Capital Investment Program (ECIP)
4 2024 total lending data reflects data as reported to Mission Driven Bank Fund by each portfolio bank (7 of 7 portfolio banks) since the time of MDBF investment
5 Responsible financing practices as defined in CDFI Certification Application guidance
6 As reported by subset of portfolio banks in supplemental annual survey (4 of 7 portfolio banks participated)

CASE STUDY:

Legacy Bank and Trust

Legacy Bank and Trust is a CDFI bank with locations in Missouri, Oklahoma, and Texas. Greene County, MO needed additional housing across various demographics, ranging from youth in the area's foster care system to senior adults in their late stages of life. To address this challenge, Legacy Bank & Trust worked in conjunction with the Low-Income Housing Tax Credit (LIHTC) program to finance Missouri's first intergenerational community to provide a safe housing environment for many stages of life called Generations Village. The project includes the creation of 12 homes for foster families, 32 homes for seniors, and 8 homes for youth aging out of the foster care system.

GENERATIONS VILLAGE

CASE STUDY:

Neighborhood National

Neighborhood National Bank

Neighborhood National, the only CDFI based in San Diego County, focuses on serving underserved communities and providing financial services to minorities in LMI areas. In 2024, the bank financed a loan to a minority-owned business that will be used to transform a motel into transitional housing for children aging out of the foster care system. The motel has been owned and operated by the same family since 1997. Four years ago, San Diego Youth Services approached them to consider leasing part of the motel for transitional housing. The partnership began with four rooms in 2021, and it has since expanded to seven rooms, with a constant waitlist. Thanks to the loan from Neighborhood National, the motel owners will now be able to fully renovate 25 rooms, including new bathrooms, bedrooms, and kitchens, and lease all of them to San Diego Youth Services for transitional housing.

SAN DIEGO YOUTH SERVICES

> **The bank financed a loan to a minority-owned business that will be used to transform a motel into transitional housing for children aging out of the foster care system.**

CASE STUDY:

Embassy National Bank

Embassy National Bank is an MDI serving primarily South Asian communities throughout the state of Georgia. The bank's mission is to be the community partner to small businesses that they want and need. One example of this mission-aligned lending was a loan to a Board-Certified Comprehensive Ophthalmologist & Cataract Surgeon serving the south Atlanta community who expanded her practice with a commercial real estate loan from the bank. In 2024, she decided it was time to purchase her office location after realizing the location she had been leasing since 2020 needed to be bigger for her growing practice. The new location will allow her to serve more patients and is conveniently located within one mile of her original office, so the move will not negatively affect her patients.

The bank's mission is to be a community partner small businesses want and need.

CASE STUDY:

BOM Bank

Established in 1903 in Montgomery, Louisiana, BOM Bank has grown from a local institution with $15,000 in capital to a community-focused bank with over $1 billion in assets. MDBF's role as lead investor in the holding company's capital raise helped support the bank's acquisition of 9 American State Bank branches in Texas in late 2024. As part of its expansion into Texas via its recent branch acquisition, BOM Bank signed up its mobile ATMs to attend several local community festivals, bringing financial access to new communities with no-fee transactions. The Bank also remained an active financial sponsor and participant of a host of community activities and groups, including sponsoring a local softball team, a local restaurant tasting festival, the Louisiana Bankers IMPACT conference, and more.

CASE STUDY:

Priority Bank

Priority Bank is a CDFI bank serving Ozark and Northwest Arkansas communities since 1993. Priority Bank focuses on rural, small business and affordable housing mortgage loans. The bank's mission is to be a high-performing bank providing the highest quality deposit and loan products and customer service through a motivated, dedicated, and experienced staff. MDBF made a capital investment in Priority Bank in 2024 to help support its lending growth and provided technical assistance to the bank to purchase technology that allowed it to reach more customers outside of its traditional branch locations.

A recent example of Priority Bank's community-focused activity was a small business loan to a customer to fund the purchase of a berry farm in the local area. With this loan, the new owner could save more than 285 local jobs in the community and keep the farm in operation. The bank has also been active in working with the City and helping the local police department, fueling continued deposit growth.

The purchase of a berry farm in the local area allowed the new owner to save more than 285 local jobs and keep the farm in operation.

Thank You to our Limited Partners

We would like to thank our limited partners for their support.
Please see Limited Partners | Mission Driven Bank Fund for a selection of our limited partner group.

You can find out more about our portfolio companies by visiting Portfolio | Mission Driven Bank Fund

Investing in a stronger financial system | Mission Driven Bank Fund

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