

Certificate of Deposit (CD) Investment Program

Presenting to Management Committee



Goal of CD Program

- Leverage the Council's Investments to make an equity impact in the communities we serve.
- Use Certificates of Deposits to invest in Metro area financial institutions who have track record of providing loans within the community for:
 - People of color and indigenous people, women-owned or small businesses
 - Affordable housing initiatives
 - Unbanked Programs
 - Community Development

Council Investment Policy

- Minnesota State Statute 118A
 - Quality and Type of investment
- Investment Objectives
 - 1) Compliance
 - 2) Safety
 - 3) Liquidity
 - 4) Diversification
 - 5) Rate of return

Program Solicitation Effort

- Program seeks to invest a \$20-25m in Certificates of Deposit with financial institutions
- Applications went out to 175 Banks / Credit Unions
- Received seven applications from financial institutions ranging in size of assets from \$69m to \$13b
- All seven were approved for the program by the Investment Review Committee
- Initial investment ~\$10m with amounts invested in each ranging \$250K - \$4M

Participating Financial Institutions

Financial Institution	Assets	Capital/ Asset	Loan/ Deposits	CRA Score	# EE's	Diversity
Maple Bank	\$69M	11.7%	102%	Satisfactory	11	M 55%; F 45% Non-White 9%
Riverland Bank	\$142.2M	15.9%	106.9%	Satisfactory	25	M 40%; F 60%
First Resource Bank	\$223.1M	13.3%	103%	Satisfactory	42	Did not report
21 st Century Bank	\$531M	12.5%	99.7%	Satisfactory	67	M 49%; F 51% Non-White 6%
Hwy Fed Credit Union	\$1.1B	11.2%	78%	Exempt	230	M 29%; F 71% Non-White 21%
Merchants Bank	\$2.1B	10.7%	94.3%	Satisfactory	484	M 36%; F 64% Non-White 3%
Bremer Bank	\$12.9B	9.8%	81.3%	Outstanding	1,596	M 32%; F 68% Non-White 9%

Questions?

Rich Koop

Senior Manager, Treasury

richard.koop@metc.state.mn.us, 651-602-1629