

## Credit Update 4/21/21

- When can we expect 2020 financials to be updated and released?
  - Audited Financials will be released before the end of this month. Our board is meeting later this week to approve the audit.
- Can you provide an update on the loan portfolio, asset growth and NPLs since the pandemic started? Have there been any changes in the funding structure over the past year, ie plans to increase equity or debt? Any decrease in grants or federal funding?
  - Loans receivable was up year over year by about 5%. We had a strong origination year which will help increase balances this year as closed loans disburse over time.
  - Loan portfolio continues to hold steady. Classified loans at the end of February were 47 million slightly lower than 12.31.2020 and below our high of 79 million in May of 2020. These classified assets represent 30 projects and are monitored monthly. Only 4 of these are on payment deferral. To date, we have not detected any new areas of stress or performance trends within the portfolio, but we continue to monitor closely for this.
  - Assets increased more quickly than our loan portfolio during 2020 mostly because cash increased when we received substantial grants.
  - Our funding structure was relatively unchanged year over year and we have no near term plans to issue rated debt
  - Large grants included:
    - \$20 million unrestricted grant from an individual donor
    - \$7 million from two foundations to start and emergency relief program for early childhood education
    - \$4.4 million from a foundation for a program to improve health equity in New Jersey
    - \$3.7 million in contributed capital from Pennsylvania as part of a multi-CDFU small business covid relief effort
- Can you provide a corporate governance and/or sustainability strategy?
  - Our corporate governance is managed through our independent board which has the following responsibilities:
    - Governance - monitors and improved governance practices
    - Strategic planning – setting the organizations overall strategy and programmatic objectives
    - Budget and Finances – Reviews and approves the budget and monitors the expenditure of funds against the budget
    - Investments – Oversees the prudent investment of funds; adopts investment policies; approves hiring of investment managers (if applicable)
    - Internal Controls/Legal Compliance – Reviews and oversees compliance with legal and ethical obligations, internal controls, policies and procedures, including selection of auditor and the audit process

- Is TRF an TCFD signatory or has there been any work done to take into consideration carbon emissions or environmental challenges and the impact to your portfolio?
  - We are not a signatory to TCFD. We are monitoring the progress of these types of disclosure practices and are trying to understand which one might be the best fit for us. I would like to highlight for you to the considerable investments we have made in the clean energy space through are lending and investment practices.
- What is TRF's market share or ranking amongst other CDFIs?
  - TRF does not monitor or explicitly track our market share. The CDFI industry is highly fragmented and historically individual CDFI's have served subsectors (housing, health, etc) and localities (Philadelphia or mid-Atlantic). As the sector has matured, more CDFI's have served at the national level without capturing significant market share.
  - We are a top 5 CDFI as ranked by asset size.
- Does the fund have any commitment to rating?
  - The fund does not have a commitment to a particular rating and we have no covenants related to any S&P or other NRSRO rating. However, a pillar of our strategic plan is to maintain a high investment grade rating.