

INCLUSIV/CAPITAL

FOURTH QUARTER 2024

# IMPACT INVESTMENTS REPORT



Photo credit: OnPath Federal Credit Union

**/ inclusiv /**

HELPING LOW-AND MODERATE INCOME PEOPLE AND COMMUNITIES ACHIEVE FINANCIAL INDEPENDENCE THROUGH CREDIT UNIONS

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## ABOUT INCLUSIV/CAPITAL

Inclusiv is the national CDFI intermediary for credit unions. Inclusiv mobilizes capital and invests in mission-driven credit unions to bridge access and credit gaps to strengthen financial inclusion, resiliency and ownership in underinvested communities.

Since the program's inception in 1982, Inclusiv has invested more than \$450 million in CDCUs and cooperativas to provide safe and trusted financial services, asset building and wealth creation through small business lending and affordable homeownership.

## ABOUT THIS REPORT

As a mission-driven organization, Inclusiv reports our impact in terms of both financial and social metrics. Inclusiv is a non-profit membership organization and certified community development financial intermediary and our financial structure is comprised of several activities.

We report our statement of activities as a non-profit corporation, reflecting revenues and expenses in the areas of program, investment, consulting and administrative. The information contained in this report is based on preliminary, unaudited financial statements.



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# COMMUNITY DEVELOPMENT CREDIT UNIONS BRIDGE OPPORTUNITIES, BUILD ASSETS & DRIVE IMPACT



## **INCLUSIV'S MEMBERSHIP INCLUDES:**

- **527 COMMUNITY DEVELOPMENT CREDIT UNIONS**
- **260 MINORITY DEPOSITORY INSTITUTION CREDIT UNIONS & COOPERATIVAS**
- **22.0 MILLION COMMUNITY MEMBERS SERVED**
- **\$327.3 BILLION IN COMMUNITY CONTROLLED ASSETS**

# FINANCIAL OVERVIEW

As of December 31, 2024, Inclusiv held nearly \$2 billion in assets, reflecting a 1839% increase compared to the previous year. Inclusiv's asset growth in 2024 was driven by strong financial performance, program expansion, and namely the \$1.87 billion EPA Clean Communities Investment Accelerator award which will enable credit unions to build and scale green lending programs that serve low-income and disadvantaged communities. The net asset ratio, including the award, was 96.23%. Excluding the award, the ratio stood at 36.81%, reflecting an increase from 31.06% at the end of 2023.

Inclusiv managed \$164.6 million in investments in community development credit unions and cooperativas at year-end. All investments, excluding loan participations and deposits placed through the Inclusiv Social Impact Deposits Platform, are recorded on the balance sheet, with related revenues and expenses separately reported on the income statement. As of December 31, 2024, Inclusiv reported \$12.1 million in unrestricted net income. Net interest income generated by Inclusiv/Capital and Mortgage was \$1.9 million.

# OPERATING RESULTS

## REVENUES

At the end of the fourth quarter, Inclusiv reported \$28.2 million in revenue. Revenue streams align with Inclusiv's organization and impact model as a non-profit organization, CDFI intermediary, and association for mission driven credit unions.

The breakdown of revenue is as follows:

- Grants & Contracts: \$19.2 million
- Inclusiv Capital/ Mortgage Interest Income: \$4.5 million
- Membership Dues: \$1.7 million
- Annual Conference Registration and Sponsorships: \$1.5 million

## OPERATING EXPENSES & PROGRAM INVESTMENTS

Operating expenses encompass all the direct costs of Inclusiv's programs, initiatives, management, and investments in our member CDCUs.

Inclusiv reported total expenses of \$16.1 million, coming in below the year-to-date budget.

# STATEMENT OF POSITION

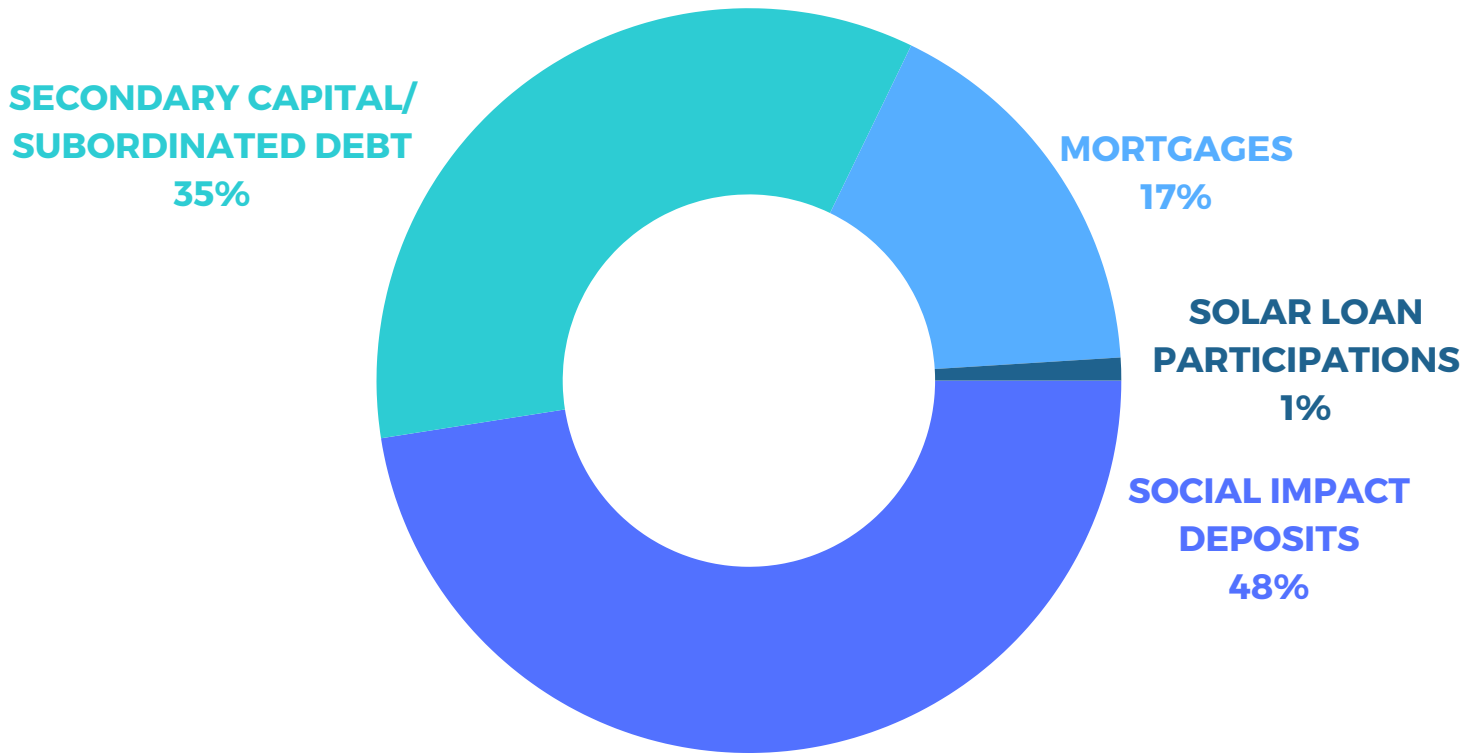
Inclusiv's total assets were \$1.9 billion at the end of December 31, 2024. Of these assets, Inclusiv held the following assets on its balance sheet: \$3.8 million in social impact (nonmember) deposits; \$50.3 million in subordinated debt/ grandfathered secondary capital; \$28.3 million in mortgages; \$1 million in solar loan participations; and \$1.9 billion in cash & cash equivalents.

Inclusiv also managed servicing for the following investments in community development credit unions: \$74.3 million in social impact deposits, \$6.4

million in secondary capital loan participations to National Cooperative Bank, and \$28.5 million in secondary capital through the Inclusiv Secondary Capital Fund LLC of which Inclusiv is the managing member. Inclusiv holds \$5.0 million in preferred equity from the Kresge Foundation related to the aforementioned fund.

Total liabilities at the end of the fourth quarter were \$74.9 million. Net assets at the end of the quarter were \$1.9 billion, including \$33.8 million in unrestricted net assets.

## INCLUSIV/CAPITAL PORTFOLIO AS OF DECEMBER 31, 2024



**\$164.1 MM**

INVESTMENTS  
UNDER  
MANAGEMENT

**492**

INVESTMENTS

**\$90.8 MM**

YEAR-TO-DATE  
INVESTMENTS &  
COMMITMENTS

# SOCIAL IMPACT DEPOSITS

## STRENGTHENING COMMUNITIES AND ECONOMIC OPPORTUNITIES

In 2024, US households paid an estimated \$400 billion in fees and interest for financial services, with low-income earning and historically redlined communities spending a higher percentage of their income for access to credit. With the increased need for inclusive asset building opportunities and growing awareness of CDCUs, Inclusiv credit unions have seen historic levels of impact and growth, with nearly 1 in 11 US adults joining CDCUs for financial services.

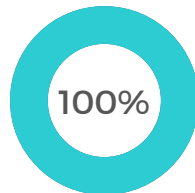
In 2024, celebrating historic new partnerships and investments. Inclusiv invested more than 120 new social impact deposits totaling \$84 million invested in CDCUs to strengthen economic opportunities and prosperity in underinvested communities. Community development credit unions, locally owned and led financial cooperatives, provide safe and affordable access to credit and development services to their members.

By reinvesting deposits and making loans to community members and small businesses, CDCUs support local wealth building by providing affordable financial services to formerly unbanked households, helping people purchase a home, supporting small business growth, or providing financing for energy upgrades that allow people to save money on utility bills.

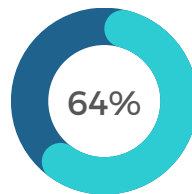
Inclusiv has facilitated \$320.8 million in social impact deposits since inception, providing liquidity to strengthen community-based lending and local economies. With a groundbreaking investment from Kataly Foundation, the Inclusiv Impact Deposits Fund is bridging overlooked market gaps and making history by investing the first social impact deposits in Puerto Rican cooperativas. Longtime partners such as Mercy Investment Services have also joined to invest in economic revitalization and climate resiliency initiatives across the Island.

### SOCIAL IMPACT DEPOSITS PLATFORM: IMPACT AT A GLANCE

**1,952,131**  
MEMBERS SERVED



LOW-INCOME  
EARNING  
COMMUNITIES



LED BY AND SERVE  
COMMUNITIES OF  
COLOR

#### HOW DO SOCIAL IMPACT DEPOSITS IMPACT COMMUNITIES?

CDCUS REINVEST DEPOSITS TO CREATE WEALTH LOCALLY BY MAKING AFFORDABLE LOANS TO EXPAND HOMEOWNERSHIP, SMALL BUSINESSES, ENVIRONMENTAL SUSTAINABILITY AND SAFE AND AFFORDABLE ACCESS TO CREDIT.



**41,347 HOMEOWNERS**  
**\$6.2 BILLION IN MORTGAGES**  
**54% OFFER FIRST-TIME HOMEBUYER PROGRAMS**



**\$2.1 BILLION IN LOANS**  
**4,723 SMALL BUSINESSES AND LOCAL DEVELOPMENT PROJECTS**



**50% OFFERING/ PROCESS OF DEVELOPING GREEN AND RENEWABLE ENERGY LOANS**



# CURRENT PORTFOLIO

## SECONDARY CAPITAL & SUBORDINATED DEBT

### BUILDING EQUITY BY CATALYZING COMMUNITY-CENTERED GROWTH

Inclusiv/Capital manages a total of \$28.2 million in secondary capital and subordinated debt to strengthen CDCU asset and wealth building initiatives for communities that are underserved by mainstream financial institutions. Secondary capital, a form of subordinated debt, is a loan that is treated as equity capital for regulatory purposes. These investments catalyze sustainable growth and inclusive community impact initiatives.

These loans support the capital position of credit unions, enabling them to leverage deposits on a 10:1 basis to increase capital and build stronger, vibrant local economies.

Inclusiv's portfolio includes two funds—the Southern

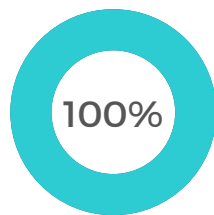
Equity Fund and Racial Equity Investment Fund—and is comprised of investments in 27 CDCUs and cooperativas that represent \$17.0 billion in community-owned assets. One hundred percent of these funds are directly invested into communities earning low incomes: more than 50% of CDCUs and cooperativas engaged in this initiative are minority depository institutions and are led by and/ or serve primarily communities of color.

Members engaging in Inclusiv/Capital subordinated debt initiatives use the funds to sustain growth, expand markets and reach into underinvested communities, and innovate and scale products designed to enable under-resourced communities and small businesses to strengthen their economic mobility.

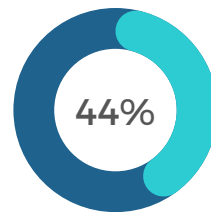
## SUBORDINATED DEBT: IMPACT AT A GLANCE

SUSTAINING GROWTH · EXPANSION INTO UNDERINVESTED COMMUNITIES · INNOVATE AND SCALE SOLUTIONS TO BUILD VIBRANT LOCAL ECONOMIES

**1,310,989**  
MEMBERS SERVED



LOW-INCOME  
EARNING  
COMMUNITIES



LED BY AND SERVE  
COMMUNITIES OF  
COLOR

FOR CDCUS AND COOPERATIVAS, EQUITY IS MORE THAN A LINE ON THE BALANCE SHEET, IT IS CATALYIC CAPITAL THAT CAN DEEPEN COMMUNITY RESILIENCE AND THRIVING.



**29,218 HOMEOWNERS**  
**\$4.2 BILLION IN MORTGAGES**  
**63% OFFER FIRST-TIME HOMEBUYER PROGRAMS**



**\$1.96 BILLION IN LOANS**  
**4,316 SMALL BUSINESSES AND LOCAL DEVELOPMENT PROJECTS**



**52% OFFERING GREEN AND RENEWABLE ENERGY LOANS**

**60X**

**EACH DOLLAR IS REINVESTED IN COMMUNITY LOANS SIXTY TIMES OVER A 5-YEAR PERIOD**

# CDCU IMPACT: ST. LOUIS COMMUNITY CU

## BUILDING VIBRANT COMMUNITIES AND TRANSFORMING OPPORTUNITIES FOR SMALL BUSINESSES AND AFFORDABLE HOUSING



Welcome to the community.\*

Pastor Andre's passion for St. Louis is driving positive change in North St. Louis City. As lead pastor of The Tabernacle and president of the Tabernacle Community Development Corporation (TCDC), he is committed to bringing affordable housing and vital resources to his community.

A pivotal moment for Pastor Andre came one day when he was accidentally locked out of his church building for three hours. "I took advantage of that time to walk the neighborhood," he recalls. "I got to hear what the needs were from people from their perspective." What he heard repeatedly was a need for safe, secure housing. This inspired TCDC to develop a rental program that led to the purchase and rehab of their first property, the Tabernacle Legacy Center. "We've served over 50 families and created over 160 jobs," Pastor Andre says. "We oversee a lot of the construction ourselves."

Today, TCDC owns 59 properties and is developing the first new-construction, for-sale housing project in the area in decades.

Designations: Low-income, MDI

Total Assets: \$409 million

Total Members: 52,914

Location: St. Louis, MO



Their partnership with St. Louis Community Credit Union has been critical to advancing TCDC's goals. When the YouthBridge Community Foundation of Greater St. Louis connected Pastor Andre with the credit union, he was able to secure a line of credit and open checking and savings accounts for TCDC. "It came at a critical time as we needed additional capital to continue moving this affordable housing project forward. The area had not seen housing in decades," Pastor Andre shares.

St. Louis Community Credit Union is playing a vital role in revitalizing the community and advancing affordable housing opportunities. Through their comprehensive services and investment in overlooked community needs, St. Louis Community Credit Union is a trusted partner in the community who is investing in transformational change. "That spills over into the community. People now see their neighborhood being built back up, which increases their confidence and hope."



### COOPERATIVE FINANCIAL INCLUSION:

St. Louis Community Credit Union is rooted in community and belonging. Founded in 1942 to serve African American teachers and school staff, the credit union expanded its commitment and impact in creating economic opportunities across St. Louis and neighboring communities. St. Louis Community CU is an investee in the Inclusiv social impact deposits and subordinated debt funds.



# CURRENT PORTFOLIO

## INCLUSIV/ MORTGAGE:

### BUILDING GENERATIONAL WEALTH AND EQUITY THROUGH HOMEOWNERSHIP

As of December 31, 2024, the Inclusiv/ Mortgage portfolio was comprised of \$28.3 million in mortgages, providing affordable homeownership and wealth building opportunities to 183 households across the country. Launched as the first secondary market designed specifically for community development credit unions, Inclusiv/ Mortgage provides supports the capacity of CDCUs to advance homeownership and opportunities for underserved borrowers and communities.

Credit unions and partners participating in Inclusiv/Mortgage provide equitable homebuyer products and programs, including those designed for low- and moderate-income borrowers and first-time homebuyers by offering flexible program criteria, fair rate structures and reduced mortgage insurance requirements.

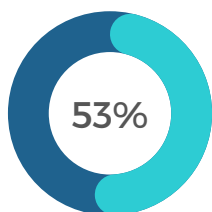
Inclusiv is deeply committed to increasing wealth in under-resourced communities through homeownership. Homeowners with mortgages financed through Inclusiv/Mortgage increased their equity by \$19.8 million, an average of \$108,000 per homeowner, moving households forward on pathways to build generational wealth.

Beyond the secondary market, as a CDFI, Inclusiv/Mortgage provides trainings to credit unions seeking to start or expand mortgage lending, with a focus on high-impact loans to first-time and minority homeowners. In 2024, we launched training sessions and provided technical assistance to more than 75 credit unions. Additionally, we provided direct underwriting support to three credit unions who went on to originate over \$4.3 million in mortgages to low-income earning borrowers.

In 2025 we will be launching a High Impact Mortgage Learning Center to help mission-driven credit unions that want to expand their knowledge and learn how to grow homeownership in low- to middle-income communities by applying effective and compliant loan processing strategies. This course is specifically designed to build sustainable mortgage lending products and programs to meet the needs of low-income earning and overlooked homebuyers. Trainings will include qualified and non-qualified mortgages, risk pricing, alternative credit scoring and underwriting, second look programs, adjustable rate and fixed rate mortgages, loan participations, and more.

## INCLUSIV/ MORTGAGE: IMPACT AT A GLANCE

**\$28.3**  
MILLION



**HOMEOWNERS  
OF COLOR**



**183  
HOMEOWNERS**



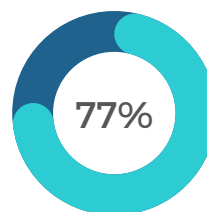
**\$19.9 MILLION  
INCREASE IN EQUITY**



**\$109K AVERAGE  
INCREASE IN EQUITY  
PER HOMEOWNER**



**23 STATES**



**LOW- AND  
MODERATE INCOME  
EARNING  
BORROWERS**

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# ABOUT INCLUSIV



**CONTACT US:**  
[CAPITAL@INCLUSIV.ORG](mailto:CAPITAL@INCLUSIV.ORG)

Inclusiv helps low- and moderate-income people and communities achieve financial independence. Inclusiv is a certified community development financial institution (CDFI) intermediary that provides capital, builds capacity, develops innovative products and services and advocates for the community development credit unions in our network.

With more than 500 credit union members holding over \$314 billion in community-controlled assets, Inclusiv's network serves 21.4 million residents of low-income urban, rural and reservation-based communities across the US.

Founded in 1974, Inclusiv is headquartered in New York, NY, with offices in Madison, WI, Atlanta, GA, and San Juan, PR.

