

INCLUSIV/CAPITAL

FIRST QUARTER 2025

IMPACT INVESTMENTS REPORT



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



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 \$500 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.

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



Photo Credit: Tongass Federal Credit Union

INCLUSIV'S MEMBERSHIP INCLUDES:

- **497 COMMUNITY DEVELOPMENT CREDIT UNIONS**
- **239 MINORITY DEPOSITORY INSTITUTION CREDIT UNIONS & COOPERATIVES**
- **19.6 MILLION COMMUNITY MEMBERS SERVED**
- **\$289.4 BILLION IN COMMUNITY CONTROLLED ASSETS**

/inclusiv /capital

QUARTERLY UPDATES

Dear Inclusiv Partners,

As we step into Inclusiv's fifty-first year of helping low- and moderate-income communities achieve financial independence through credit unions, we are proud to announce that [Inclusiv has surpassed \\$500 million in capital deployed to strengthen communities and create economic opportunity](#). Through our partnerships, we have been able to bring deeply needed capital to underinvested communities throughout urban, rural, and reservation-based areas across the US and Puerto Rico.

This milestone highlights Inclusiv's longstanding commitment to driving capital to reach historically disinvested people and communities with affordable and high-impact financing. As a CDFI and the national intermediary for investing in community development credit unions, our initiatives focus on *going beyond transactions to transforming opportunities*, which we are able to do by investing in and with communities. Our work to provide safe and affordable access to credit and stronger local economies and ecosystems grows with importance as households work through a changing environment.

As our work grows, so do our partnerships to deepen our impact and uplift stories of how CDCUs are successfully working with communities to build stronger ecosystems:

INCLUSIV AWARDED \$5 MILLION TO INCREASE ACCESS TO CAPITAL FOR SMALL BUSINESSES THROUGH CDFI CREDIT UNIONS IN NEW YORK STATE

Small businesses are the backbone to our neighborhoods and national economy. New York State's Empire State Development ("ESD") awarded Inclusiv \$5 million to expand access to small business lending through CDFI credit unions in the state. This is a first-of-its-kind partnership between Inclusiv and ESD that will help increase access to capital for small businesses in low income and underserved communities served by CDFIs throughout the state.

INCLUSIV/INSIGHTS QUARTERLY TRENDS CALL

CDFI and MDI credit unions serve nearly 1 in 11 US adults across the country and now represent now more \$360 million in assets. Inclusiv/Capital leads the industry's only trends and impact analysis on this vital cohort of community lenders. During the Inclusiv/Insights call on Tuesday, April 1, 2025, this session took a detailed look into the fourth quarter 2024 financial trends and impact of Community Development Financial Institution (CDFI) and Minority Depository Institution (MDI) credit unions. The next trends call will take place on Tuesday, July 1 at 10AM Eastern. Sign up to attend the series [here](#).

We look forward to our continued partnerships and work together in building stronger communities and opportunities.

FINANCIAL OVERVIEW

As of March 31, 2025, Inclusiv held just over \$2 billion in assets, reflecting a 0.88% increase compared to the previous quarter. Inclusiv's asset growth thus far in 2025 was driven by strong financial performance, program expansion, and new capital deployment. The net asset ratio, including the EPA Clean Communities Investment Accelerator award, was 96.24%, staying about the same as the previous quarter. Excluding the award, the ratio stood at 39.99%, reflecting an increase from 36.81% at the end of 2024.

Inclusiv managed \$174.4 million in investments in community development credit unions and cooperativas at quarter-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 March 31, 2025, Inclusiv reported \$3.1 million in unrestricted net income. Net interest income generated by Inclusiv/Capital and Mortgage was \$799 thousand.

OPERATING RESULTS

REVENUES

At the end of the first quarter, Inclusiv reported \$10.7 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: \$7.9 million
- Inclusiv Capital/ Mortgage Interest Income: \$1.6 million
- Membership Dues: \$850 thousand.

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 \$7.6 million, coming in below the year-to-date budget as expenses have been managed to the delays in CCIA grant related fundings.

STATEMENT OF POSITION

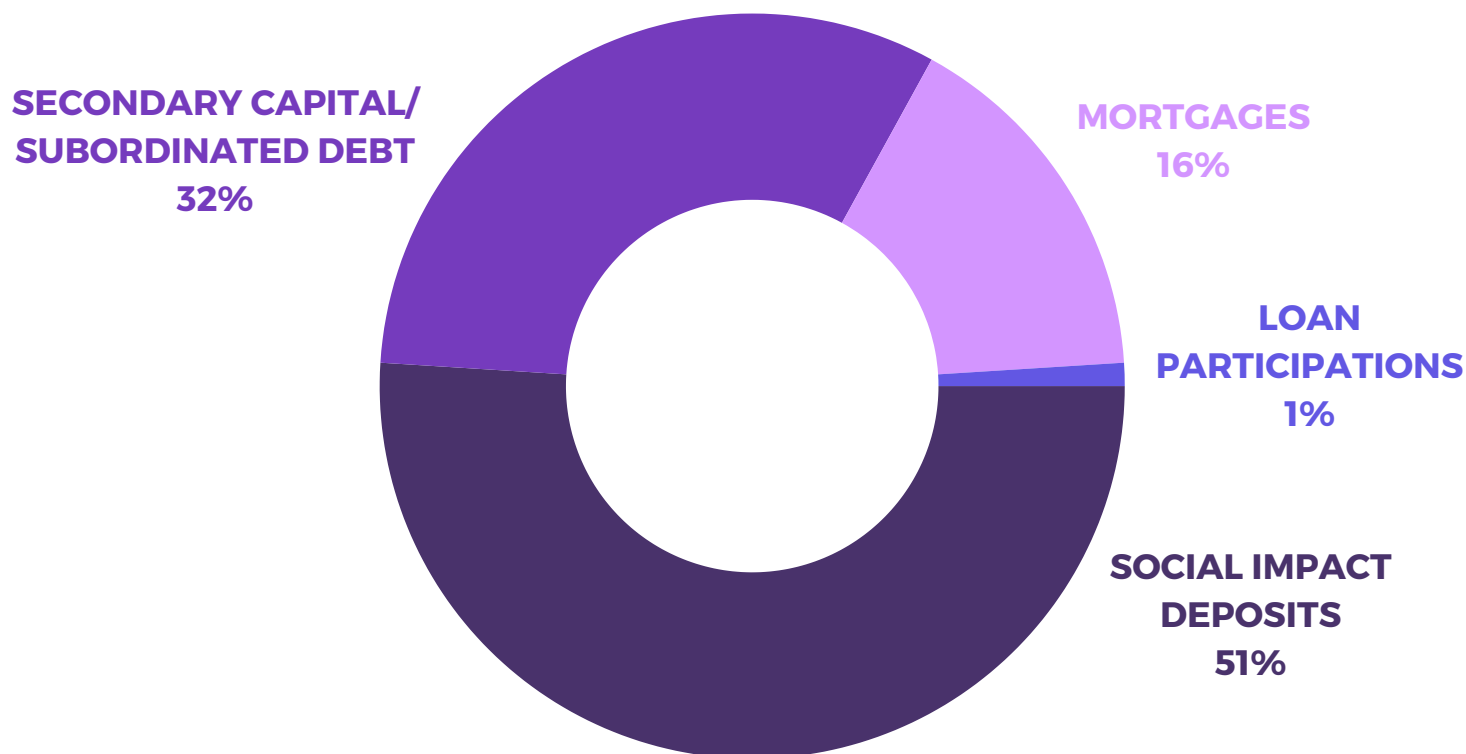
Inclusiv's total assets were \$2.0 billion at the end of March 31, 2025. Of these assets, Inclusiv held the following assets on its balance sheet: \$1.87 billion in grant restricted cash related to Inclusiv's EPA Clean Communities Investment Accelerator Award; \$5.2 million in social impact (nonmember) deposits; \$49.9 million in subordinated debt/ grandfathered secondary capital; \$28.1 million in mortgages; \$1.8 million in loan participations; and \$1.9 billion in cash & cash equivalents.

Inclusiv also managed servicing for the following investments in community development credit

unions: \$83.1 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 first quarter were \$75.5 million. Net assets at the end of the quarter were \$1.9 billion, including \$37.1 million in unrestricted net assets.

INCLUSIV/CAPITAL PORTFOLIO AS OF MARCH 31, 2025



\$174.4 MM

INVESTMENTS
UNDER
MANAGEMENT

498

INVESTMENTS

\$15.1 MM

YEAR-TO-DATE
INVESTMENTS &
COMMITMENTS

SOCIAL IMPACT DEPOSITS

STRENGTHENING COMMUNITIES AND ECONOMIC OPPORTUNITIES

Inclusiv recently celebrated surpassing \$500 million in capital deployed to community development credit unions (CDCUs) throughout Capital Program's history, including over \$300 million in social impact deposits. This milestone highlights Inclusiv's longstanding commitment to driving capital to reach historically disinvested people and communities with affordable and high-impact financing. With rising economic uncertainty to start 2025, CDCUs remain vital in ensuring economic security and access to credit for millions of Americans.

CDCUs, 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.

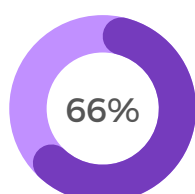
During the first quarter of 2025, Inclusiv facilitated \$11.8 million in new social impact deposits to strengthen economic opportunities and prosperity in underinvested communities. This included a continuation of the Kataly Foundation's groundbreaking, first-ever social impact deposits in Puerto Rican cooperativas, which was also joined by additional deposits from Mercy Investment Services.

SOCIAL IMPACT DEPOSITS PLATFORM: IMPACT AT A GLANCE

1,922,075
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.



40,8198 HOMEOWNERS
\$6.3 BILLION IN MORTGAGES
55% OFFER FIRST-TIME HOMEBUYER PROGRAMS



\$2.1 BILLION IN LOANS
4,907 SMALL BUSINESSES AND LOCAL DEVELOPMENT PROJECTS



55% OFFERING/ PROCESS OF DEVELOPING GREEN AND RENEWABLE ENERGY LOANS

SOCIAL IMPACT DEPOSITS

CATALYZING CHANGE AND BUILDING REGENERATIVE ECOSYSTEMS IN PUERTO RICO

Puerto Rican Cooperativas, like their community development credit union peers on the mainland, have served as financial first responders. They have been at the forefront of disaster relief and recovery efforts in the aftermath of Hurricanes Maria and Fiona, and other times of economic challenges such as the Puerto Rican Bond Crisis. With more than 40% of Puerto Rico lives below the poverty line and estimated 35% unbanked rate, cooperativas are vital to ensuring capital access to flow to local communities. With their demonstrated commitment to working with and serving community needs, cooperativas have fostered strong trust and cultivated a culture of belonging and serve nearly 1/3 of all Puerto Ricans on the Island. Cooperativas have been the largest growing segment of the CDFI sector in recent years and provide safe and affordable access to financial services, loans to support affordable housing and vibrant small businesses. With the household energy costs nearly double the average cost for households in the mainland and an aging power grid, cooperativa led initiative to strengthen affordable access to reliable and clean energy – are a

critical resource for households and local businesses.

In spite of their growth and impact, there has been a misperception of risk that has limited external investment in the cooperativa system, as other community lenders have experienced in the mainland.

The Kataly Foundation's catalytic investment enabled Inclusiv to place the first social impact deposits in cooperativas, to advance economic revitalization and resiliency initiatives in Puerto Rico. Inclusiv has been committed to advancing field building and market transformation to increase private capital flows and investments into Puerto Rico's cooperativas, this segment of the CDFI sector, and the Kataly Foundation's partnership is a major step forward in this work. Kataly Foundation's investment mobilized additional social impact deposits from Mercy Investment Services, who join the Adrian Dominican Sisters and Deutsche Bank Americas Foundation among the first US mainland investors to invest in the thriving Puerto Rican CDFI cooperativa sector.



COOPERATIVE FINANCIAL INCLUSION:

"MocaCoop is proud to be among the first cooperativas in Puerto Rico participating in the Inclusiv Impact Deposits Fund. Inclusiv's investment helps us support our community by protecting our members from high interest rates and economic difficulties. The investment has allowed us to meet our members' needs for clean energy solutions, like solar panels, which led to a 46% increase in our clean energy portfolio. Inclusiv's efforts to bring Capital offerings to Puerto Rico are already supporting MocaCoop in increasing impact in our community and we look forward to continuing to work together to support cooperative community development."

- Yerlyn Barreto, Executive President, MocaCoop.

CDCU IMPACT: KAUAI FCU

STEWARDING A COOPERATIVE ECONOMY THAT HONORS CULTURE, COMMUNITY, AND CLIMATE



In 1947, 12 founding families pooled resources to create Kauai Territory & County Federal Credit Union. Today, as with 7,800 members and \$190 million in assets, Kauai FCU is the only CDFI and MDI credit union on the island and works to reinvest profits back in the community to create a resilient, thriving local economy.

Two years ago, Kauai Federal Credit Union embarked on a journey to build an economic resilience center for Kauai. Its purpose: to steward a cooperative economy that honors culture community, community and climate. Last year, they opened their Economic Resilience Center, Kalukalu at 1624. Kalukalu at 1624 serves as a place that convenes aligned-mission partners to create solutions for community-identified critical needs. For example, Kalukalu at 1624 is developing a small business support hub offering services to entrepreneurs and small businesses in Kapaa and across Kauai.

With expertise in financial education, small business offerings and a focus on community initiatives, the Kalukalu at 1624 Small Business Hub will enable the credit union to foster new partnerships and deliver services to position new and existing small businesses for long-term success.



Designations: Low-income, CDFI, MDI

Total Assets: \$199.2 million

Total Members: 7,716

Location: Lihue, HI



"We come in service to amplify the skill sets of our people. This is not just a business or passion project—we are leveling up, arm in arm, with people who want healing and transformation for the aina and their communities, through the vehicle of entrepreneurship, business and economic development."
— Mahina Paishon, Co-founder, Waiwai Collective

The credit union will be able to expand services to the East Side of the Island and provide vital codesigned tenant and public spaces for local entrepreneurs and community groups to convene. The Center is also home to innovative initiatives such as The Kauai Commons Incubator, a locally driven initiative to amplify the inherent knowledge and leadership of the people of Kauai. The program blends Traditional Ecological Knowledge (TEK) with biomimicry, successful nature-inspired design principles, to empower local businesses to build regenerative, thriving enterprises that sustain the island's people, culture, and environment.

Two partners with space at the Center are Kauai Makerspace, a community-operated 501(c)3 technology and craft lab and space, and Waiwai Collective, a group of Native Hawaiian entrepreneurs who share kuleana (responsibility) and a passion for uplifting the lahui (community), host co-working spaces and events to foster local entrepreneurship and a collaborative networking ecosystem in partnership with Kauai FCU.

COOPERATIVE FINANCIAL INCLUSION:

In the next five years, Kalukalu at 1624 will mobilize community and capital to address urgent priorities in affordable housing, climate change mitigation and adaptation, small business development and non-profit capacity building.

As of March 31, 2025, Kaua'i FCU provided \$12.8 million to 76 local businesses and development projects.

Inclusiv's \$5.75 million in social impact deposits provide liquidity to support the growth of innovative economic resiliency and impact loans to respond to local needs.

CURRENT PORTFOLIO

SECONDARY CAPITAL & SUBORDINATED DEBT

BUILDING EQUITY BY CATALYZING COMMUNITY-CENTERED GROWTH

Inclusiv/Capital manages a total of \$56.2 million in secondary capital and subordinated debt and has \$4.5 million in outstanding commitments 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

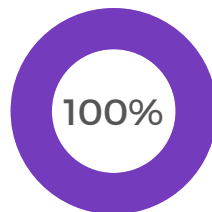
Equity Fund and Racial Equity Investment Fund—and is comprised of investments in 27 CDCUs and cooperativas that represent \$17.2 billion in community-owned assets. One hundred percent of these funds are directly invested into communities earning low incomes: more than 44% of CDCUs and cooperativas engaged 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.

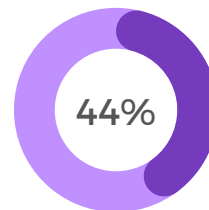
SUBORDINATED DEBT: IMPACT AT A GLANCE

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

1,322,086
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
CATALYTIC CAPITAL THAT
CAN DEEPEN COMMUNITY
RESILIENCE AND
THRIVING.



29,343 HOMEOWNERS
\$4.68 BILLION IN MORTGAGES
**63% OFFER FIRST-TIME
HOMEBUYER PROGRAMS**



\$1.95 BILLION IN LOANS
**4,309 SMALL BUSINESSES AND
LOCAL DEVELOPMENT PROJECTS**

60X

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



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

CURRENT PORTFOLIO

INCLUSIV/ MORTGAGE:

BUILDING GENERATIONAL WEALTH AND EQUITY THROUGH HOMEOWNERSHIP

As of March 31, 2025, the Inclusiv/ Mortgage portfolio was comprised of \$27.2 million in mortgages, providing affordable homeownership and wealth building opportunities to 17983 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 \$19.6 million, an average of \$109,733 per homeowner, moving households forward on pathways to build generational wealth.

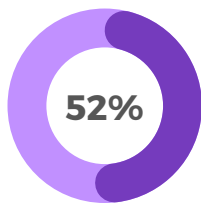
The benefits of homeownership can provide pathways to building generational wealth. However, housing challenges are becoming more pressing, particularly for marginalized groups. According to the Joint Center for Housing Studies at Harvard University's report, Rising Costs of Homeownership Are a Growing Burden, the lowest-income homeowners are facing the largest increases in burdens. "Burden rates were up across the income scale in 2023, but lowest-income

homeowners, who already have the highest rates of burden, saw the largest increases and accounted for a disproportionate share of the growth in homeowners with cost burdens". CDCUs work to bridge the gap and provide mortgage and loan products designed to meet the needs of those who traditionally have not had access to these opportunities and support their path towards homeownership by providing development services such as downpayment and first-time homeownership programs.

As a CDFI intermediary, in addition to access to secondary markets, Inclusiv provides field building training and resources to support community development credit unions in expanding their wealth building and homeownership opportunities to low and moderate-income earning and other underinvested households. 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 homeowners of color. In 2025, Inclusiv will launch 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 moderate-income earning 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 other topics.

INCLUSIV/ MORTGAGE: IMPACT AT A GLANCE

\$27.5
MILLION



**HOMEOWNERS
OF COLOR**



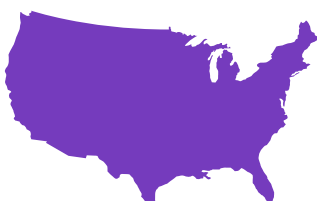
**182
HOMEOWNERS**



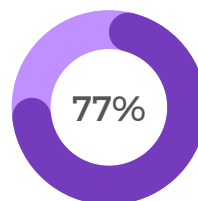
**\$19.6 MILLION
INCREASE IN EQUITY**



**\$110K AVERAGE
INCREASE IN EQUITY
PER HOMEOWNER**



23 STATES



**LOW- AND
MODERATE INCOME
EARNING
BORROWERS**

ABOUT INCLUSIV



CONTACT US:

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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 490 credit union members holding over \$289 billion in community-controlled assets, Inclusiv's network serves 19.6 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.



AERIS
RATED
★★★★★ AA
POLICY PLUS

