inclusiv

INCLUSIV IMPACT INVESTMENTS REPORT

FIRST QUARTER 2026

Helping low-and moderate income people and communities achieve financial independence through credit unions.

INCLUSIV.ORG

ABOUT INCLUSIV

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

INCLUSIV'S MEMBERSHIP INCLUDES:

449 Community Development Credit Unions

244 Minority Depository Institution Credit Unions & Cooperativas

19.2 MILLION Community Members Served

$287.9 BILLION in Community Controlled Assets

FINANCIAL OVERVIEW

As of March 31, 2026, Inclusiv held $2.1 billion in assets, reflecting a year-to-date increase of 4.2% ($85.2 million). Inclusiv's asset growth in the first quarter of 2026 has been supported by expansion of impact investments and capital deployment to strengthen community lending and other mission-driven initiatives. The net asset ratio, including the CCIA award, was 96.3%. Excluding the award, the ratio stood at 40.0%. Inclusiv managed $204.7 million in investments in community dsfdsf 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, 2026, Inclusiv reported $1.1 million in a positive change in net assets. Net interest income generated by Inclusiv/Capital and Mortgage was $452 thousand.

OPERATING RESULTS

REVENUES

As of the end of the first quarter of 2026, Inclusiv reported $5.3 million of year-to-date 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: $1.9 million
- Inclusiv Capital/ Mortgage Interest Income: $1.3 million
- Membership & Conference: $1.7 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 year-to-date total expenses of $4.2 million. Expenses were reduced by 44% ($3.4 million) over the prior year were primarily due to decreases in subgrants activities.

- Grant/Program Expenses: $752 thousand, driven by sub grants and programmatic activities.
- Salaries & Fringe: $2.15 million, to support staffing.
- Administrative & Overhead: $341 thousand, driven by expenses for Rent & Utilities and Office Overhead to support organizational growth.
- Professional Fees: $103 thousand year-to-date.

March 31, 2026				
	3/31/2025	3/31/2026	Change	% Change
Total Assets	2,005,136,190	2,092,343,929	87,207,739	4.3%
Total Liabilities	74,127,996	78,119,343	3,991,347	5.4%
Total Net Assets (including CCIA award)	2,014,224,585	1,931,008,194	83,216,391	4.3%
Net Asset Ratio (including CCIA award)	96.3%	96.3%	--	0.0%
Net Asset Ratio (excluding CCIA Award)	40.1%	40.0%	-0.1%	-0.4%
Change In Unrestricted Net Assets	3,099,137	1,060,504	(2,038,633)	-65.8%

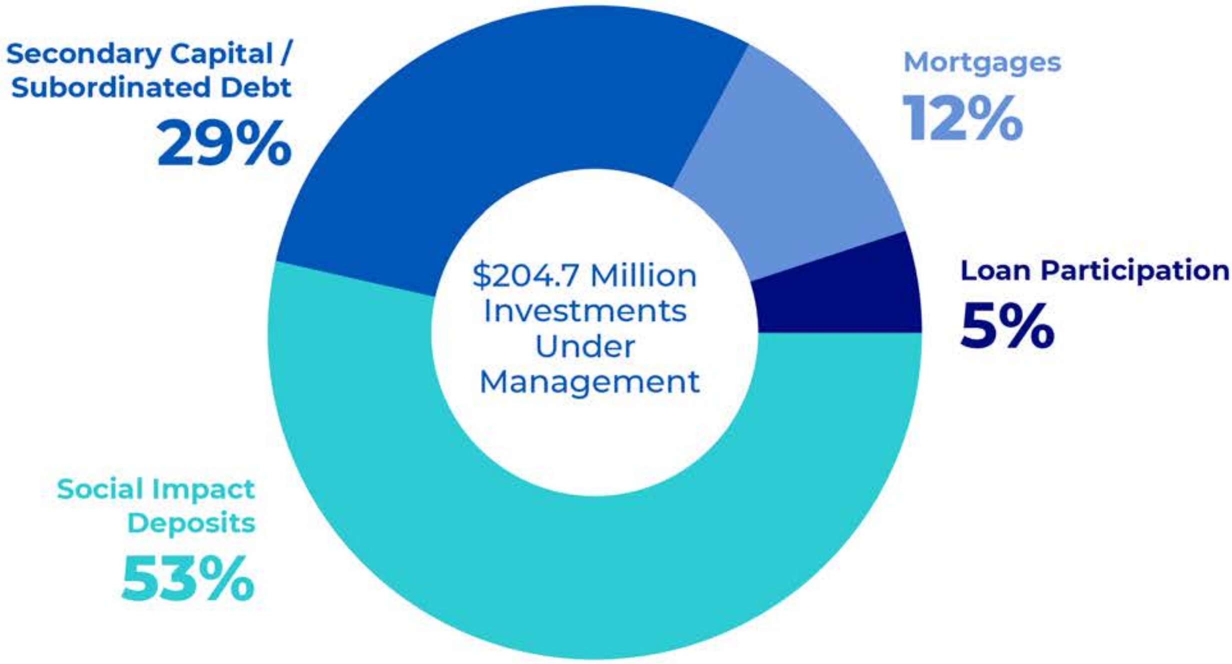
STATEMENT OF POSITION

Inclusiv's total assets were $2.1 billion as of March 31, 2026. Of these assets, Inclusiv held the following assets on its balance sheet: $1.96 billion in grant restricted cash related to Inclusiv's EPA Clean Communities Investment Accelerator award; $1.8 million in social impact deposits; $54.0 million in subordinated debt/ grandfathered secondary capital; $25.5 million in mortgages; and $6.3 million in loan participations.

Inclusiv also managed the following investments in community development credit unions: $106.5 million in social impact deposits, $6.0 million in secondary capital loan participations to National Cooperative Bank, and $26.5 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 $78.1 million. Net assets at the end of the quarter were just over $2.01 billion, including $38.9 million in unrestricted net assets.

INCLUSIV/CAPITAL PORTFOLIO
AS OF MARCH 31, 2026



$204.7
Investments Under Management

678
Investments

$28.9M
Year-to-Date Investments & Commitments

SOCIAL IMPACT DEPOSITS

STRENGTHENING COMMUNITIES AND ECONOMIC OPPORTUNITIES

42% of U.S. households, representing 55 million households, experience financial hardship, according to United Way's 2025 State of ALICE Report. These households cannot cover basic needs and have no savings left over for emergencies, retirement, or leisure.

When households become financially secure, in addition to the individual benefits of decreased stress and lower burden of basic needs, they spend more and increase the tax base, boosting the economy and community benefit. Moreover, when many households become financially secure, communities can pivot their efforts from crisis spending and response to long term community well-being initiatives.

CDCUs share a mission of building members' assets and setting them up for a secure financial future. Beyond basic banking services, CDCUs aim to reach the unbanked and underbanked in their communities with safe and affordable access to credit, financial education, and other innovative products and services that support economic opportunities and asset building.

For example, CDCUs are at the financial front lines when a member's car breaks down and they are unable to get to work. Instead of allowing the member to fall into financial distress, CDCUs will work with them to finance an auto loan that suits their needs. Inclusiv has heard countless stories of CDCUs in this exact position.

CDCUs' auto loans, affordable mortgages, small business loans, payday alternative loans, and other wealth- and asset-building tools are funded with shares and deposits, meaning that one member's financial wellbeing supports another's. Across Inclusiv's deposit portfolio, credit unions lend 90 cents of each dollar on deposit. Social Impact Deposits provide additional liquidity to CDCUs to respond to local needs.

As of March 31, 2026, Inclusiv managed $108.3 million in social impact deposits in CDCUs and cooperativas across the US mainland and Puerto Rico.

CDCUs like Federation of Greene County Employees (FOGCE) FCU use these deposits help members stay afloat during challenging times and build savings towards financial security. Read more about Social Impact Deposits and how mission driven credit unions like FOGCE FCU are using them to build stronger local economies in the CDCU Impact spotlight.

SOCIAL IMPACT DEPOSITS PLATFORM: IMPACT AT A GLANCE

2,678,879
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 business, environmental sustainability and safe affordable access to credit.

- 58,908 Homeowners
- $9.4 Billion in Mortgages
- 50% Offer First-time Homebuyer Programs

- $4.4 Billion in Loans
- 7,395 Small Business and Local Development Projects

- 57% Offering/Process of Developing Clean and Energy Efficiency Loans

Designations: **Low-income, MDI, CDFI**
Total Assets: **$2.18 million**
Total Members: **912**
Location: **Eutaw, AL**

FOGCE FCU: CULTIVATING A LEGACY OF OWNERSHIP AND OPPORTUNITIES IN THE BLACK BELT

Greene County, AL, where the poverty rate is close to 75%, is majority African American. Approximately two-in-five households are unbanked and nearly 50% are underbanked, with residents using expensive check cashing and high-interest predatory loans. Recently celebrating 50 years in operation, Federation of Greene County Employees (FOGCE) FCU provides members with safe, affordable financial services.

FOGCE FCU was organized in 1975 as one of a collective of credit unions as part of the Civil Rights Movement, the credit union has a rich history and legacy. The credit union was founded by Dr. Carol Zippert, eventual longtime president of FOGCE and founding member of the Federation of Southern Cooperatives, which serves rural and urban communities through cooperative economic development, land retention, and advocacy to build collective wealth through the South.

The credit union is still a member of the Federation to this day, working together for a thriving community. They set members up for success with affordable personal and small business lending, financial education, and credit counseling.

One vital product that FOGCE FCU provides is its payday alternative loans. According to the Center for Responsible Lending, despite being the 24th most populated state, Alabama ranked seventh in the country with $359 million in payday loans and fees in 2022. These predatory loans often lead to a cycle of debt that becomes increasingly difficult to escape. Though there are two small community banks in Eutaw, FOGCE FCU is the only financial institution that offers payday alternative loans. Just a few years ago, the credit union drove out the only payday lender operating in Greene County because the community knew that the credit union was the better choice. With a membership of 912 in a town of 2,788, FOGCE FCU reaches deep into the community with its disruptive products and services, serving nearly one-third of the community.

Despite Greene County's high rates of poverty, FOGCE FCU has delinquency rates well below 1 percent, much lower than other credit unions of their asset size. As community organizers, FOGCE staff know what resonates with their members, reminding them that the money they're borrowing is from the community and their neighbors' savings. The credit union provides a level of individualized service that members don't find elsewhere. One member writes, "Even though my member account may be small, I am never treated small."

In addition to its banking and loan products, the credit union is dedicated to educating its members. They regularly conduct workshops to address budgeting, and other financial education topics led by volunteer Financial Planners and other professionals. These have provided valuable professional financial guidance for members of the community. In Zippert's words, a small credit union like FOGCE, teaches "self-determination and self-development of financial skills, thrift and systematic savings in the Black community."

FINANCIAL INCLUSION FOR ALL: At the credit union's 50th birthday celebration, Cornelius Blanding, CEO of the Federation of Southern Cooperatives/Land Assistance Fund, stated, "We are still here after 50 years because you continued to believe in community leadership building community worth, and you would not give up."

CURRENT PORTFOLIO

SECONDARY CAPITAL & SUBORDINATED DEBT
Building Equity by Catalyzing Community-Centered Growth

Inclusiv/Capital manages a total of $60.0 million in secondary capital and subordinated debt and has $1.15 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 is comprised of investments in 27 CDCUs and cooperativas that serve more than 1.4 million members and represent $19.1 billion in community-owned assets,. One hundred percent of these funds are directly invested into low-income communties: 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 reach into underinvested communities, and innovate and scale products designed to enable under-resourced communities to strengthen their economic mobility through ownership. CDCUs like Freedom First use this capital to help communities thrive and prosperity through

SUBORDINATED DEBT: IMPACT AT A GLANCE

Sustaining Growth · Expansion into Underinvested Communities · Innovate and Scale Solutions to Build Vibrant Local Economies

1,410,837
Members Served

Low-Income Earning Communities

Led by and Serve Communities of Color

For CDCUS and cooperativas, equity is more than a line on a balance sheet, it is Catalyic Capital that can deepen community resilience and thriving.

- **30,189 Homeowners**
- **$5.1 Billion in Mortgages**
- **63% Offer First-time Homebuyer Programs**

- **$2.33 Billion in Loans**
- **4,771 Small Businesses and Local Development Projects**

- **63% Offering/Process of Developing Clean and Energy Efficiency Loans**

60X
Each Dollar is Reinvested In Community Loans Sixty Times Over a 5-year Period

Total Assets: **$1.2 billion**
Total Members: **62,952**
Location: **Southwest and Central Virginia**
Designations: **Low-income, Juntos Avanzamos, CDFI**

FreedomFirst
Where people bank for good®

FREEDOM FIRST FCU: ADVANCING COMMUNITY PROSPERITY AND THRIVING THROUGH AFFORDABLE HOUSING

Freedom First Credit Union (FFCU) is a low-income designated Community Development Financial Institution (CDFI) committed to serving all members, with a particular focus on individuals and families of modest means. Like many regions across the country, FFCU's service area faces persistent economic challenges, which the Credit Union continues to address through targeted programs and responsive financial services.

FFCU's mission—"Helping People Prosper, Helping Communities Thrive"—guides its work across consumer, commercial, and mortgage lending. The Credit Union currently serves nearly 65,000 members throughout Southwest Virginia. This Target Market (TM) includes two Persistent Poverty Counties (PPCs), 25 High-Poverty Areas (HPAs), and 13 designated Opportunity Zones (OZs), underscoring the depth and geographic concentration of economic distress within the region.

ADDRESSING ACCESS TO AFFORDABLE HOUSING
One of the most significant challenges facing FFCU's communities is access to affordable homeownership. While there is an abundance of conforming mortgage products in the Roanoke region, many prospective homeowners—particularly those with non-traditional credit profiles or minor underwriting gaps—are denied access to conforming financing. These barriers disproportionately affect low-income households, contributing to sustained housing instability and elevated cost burdens.

To address this market gap, FFCU operates a non-conforming Affordable Housing Program (AHP) designed to responsibly extend mortgage credit to families who are otherwise excluded from traditional home lending. Through this program, FFCU portfolios affordable home loans, allowing for flexible underwriting while maintaining strong risk management and long-term loan performance.

COMMUNITY NEED AND TARGET POPULATION
Community need within Southwest Virginia remains acute. Based on American Community Survey (ACS) data and 2020 ALICE findings, approximately 51% of households in the region struggle to cover basic necessities such as food and housing. Additionally, nearly 20% of jobs statewide are classified as low-wage, limiting income stability for a significant share of working households.

Within FFCU's Target Market:

- 19% of families are Low Income
- 12% are Very Low Income
- 22% are Extremely Low Income

ROLE AND IMPACT OF SUBORDINATED DEBT: Inclusiv's $5 million subordinated debt investment plays a critical role in supporting FFCU's Affordable Housing Program. These funds provide essential liquidity, net worth support, and interest rate risk protection, enabling the Credit Union to continue originating and retaining non-conforming affordable housing loans. This capital is particularly impactful in expanding access to homeownership among low-income households across their footprint, including rural communities.

By strengthening balance-sheet capacity, this capital ensures that FFCU can sustainably meet ongoing demand for affordable home financing while maintaining overall financial soundness. This support is vital to preserving the long-term viability and scale of the AHP, which has a history of successfully placing deserving families into safe, stable, and affordable homes.

FREEDOM FIRST CREDIT UNION

SERVING WOMEN-LED AND LOW-INCOME HOUSEHOLDS

Approximately 70% of FFCU's AHP Target Market consists of female-headed households, many of which are single-parent families. These households face compounded challenges related to income volatility, childcare costs, transportation access, and housing affordability.

In addition to AHP lending, FFCU supports these families through Responsible Rides, its sub-prime auto lending program, ensuring access to reliable transportation that is often essential for employment and childcare. Safe, affordable housing—combined with dependable transportation—allows families to better support their children and participate more fully in the local economy.

These economic realities reinforce the importance of FFCU's mission-driven lending and the critical role that subordinated debt plays in sustaining impactful programs. FFCU continues to advance equitable access to homeownership, strengthen household financial security, and support long-term community vitality across Southwest Virginia.

Through FFCU's non-conforming Affordable Housing Program (AHP), the Credit Union continued to originate and portfolio home loans for families who do not meet traditional underwriting requirements but demonstrate the capacity to sustain homeownership. These loans address a critical market gap by enabling borrowers with non-traditional credit histories or underwriting challenges to access safe and affordable housing. As a result, families who might otherwise remain cost-burdened renters have been able to achieve stable homeownership, contributing to improved household financial security and community stability.

FFCU also continued its consumer and small business lending activity in low-income and high-poverty areas, supporting working families and local entrepreneurs. Consumer lending helped members meet essential needs, manage transportation and healthcare costs, and avoid higher-cost alternative financial services. Commercial and small business loans supported locally owned businesses, preserving jobs and reinforcing economic activity within underserved communities.

INTEGRATED CREDIT BUILDING AND FINANCIAL COUNSELING

FFCU's Affordable Housing Program incorporates a comprehensive Individual Build (IB) service model that supports members throughout their financial journey. Prior to mortgage origination, many households participate in credit-building services, including:

- Micro Loans
- Credit Builder Loans
- Borrow and Save products

These products are paired with individualized financial counseling, which helps members improve credit profiles, address past credit challenges, and build sustainable financial habits. This approach also supports the transition of previously underbanked or unbanked individuals into FFCU's mainstream banking services, including free checking, savings, and bill-pay accounts.

As members' financial readiness improves, FFCU's Affordable Housing Specialist works one-on-one with each household to ensure they secure a safe, affordable home. Mortgage structures are designed to keep monthly housing payments below 30% of household income, supporting long-term stability and reducing the risk of housing cost burden.

DOWN PAYMENT ASSISTANCE AND MANUFACTURED HOUSING SUPPORT

Down payment barriers remain a significant obstacle for low-income families. Through the AHP, at least 90% of participants receive some form of down payment assistance, while still requiring homeowners to contribute a minimum of $500 of their own funds, promoting ownership engagement and financial responsibility.

FFCU also partners with the Federal Home Loan Bank to provide down payment assistance through a dedicated set-aside program. In 2024, FFCU secured $869,500 in down payment assistance for borrowers through partner organizations such as the Federal Home Loan Bank of Atlanta.

The AHP Manufactured Housing Program has been particularly impactful in rural communities where manufactured homes often represent the most attainable path to homeownership. By financing safe, sustainable manufactured housing, FFCU addresses both affordability and quality concerns while expanding homeownership opportunities in geographically isolated communities.

CURRENT PORTFOLIO

INCLUSIV SECONDARY MARKETS AND LOAN PARTICIPATION MARKETPLACE BRIDGING MARKET GAPS TO BUILD STRONGER LOCAL ECONOMIES

Impact lending by community development credit unions continues to grow, increasing by seven percent to $256 billion in 2025 alone. How might we strengthen economic opportunities and wealth building for low-income and underinvested communities? By developing a secondary marketplace for mission driven, community owned and led credit unions, Inclusiv works with CDCUs, cooperativas and partners to create a local multiplier effect, allowing more capital to recirculate in neighborhoods, strengthening local businesses, jobs and wealth building through homeownership.

Inclusiv's Secondary Market empowers credit unions to expand affordable homeownership, small business development, and reduce energy burdens for their members. Through partnerships with CDCUs, we develop and pilot innovative loan products by providing technical assistance designed to meet the needs of underserved consumers and capital resources.

At the end of 2025, Inclusiv became the first mainland CDFI ever to purchase mortgages originated by a Puerto Rican cooperativa after purchasing $3.5 million of a pool of 40 loans from Cooperativa Jesús Obrero and resold $3.1 million to Cooperativa Rodríguez Hidalgo, also located in Puerto Rico. This transaction represents a significant milstone for Puerto Rican cooperativas, expanding access to new liquidity sources outside of the Island and funding sources to expand their homeownership initiatives. The structure "enables participating Cooperativas to acquire high-quality mortgage assets without incurring origination costs, while selling institutions can redeploy liquidity to support continued lending—without relinquishing the member relationship or servicing responsibilities," said Aurelio Arroyo, CEO of Cooperativa Jesús Obrero.

As of March 31, 2026, Inclusiv held $31.3 million in assets related to its secondary markets and loan participations marketplace, which include the following:

Inclusiv/ Mortgage: $25.2 million in mortgages to 170 homeowners, providing an average of $120k increase in equity per homeowner;

Clean Energy and Solar Loan Participations: $0.9 Million supporting 148 resiliency projects in 28 states;

Small Business Loan Participations: $2.6 Million in loans supporting 9 Minority-Owned Small Businesses.

Mortgage Participations: $450k in loans supporting 40 homeowners in Puerto Rico

INCLUSIV SECONDARY MARKETS AND LOAN PARTICIPATION MARKETPLACE

HOMEOWNERSHIP

$25.6 M
IN MORTGAGES

210
HOMEOWNERS

CLEAN ENERGY

$2.8 M
IN LOANS

204
CLEAN & ENERGY EFFICIENCY PROJECTS

SMALL BUSINESS

$2.9 M
IN LOANS

23
BUSINESS OWNERS

INCLUSIV'S IMPACT DESIGNATIONS

CDFI Fund-certified Community Development Financial Institution

Aeris Insights rating of Impact Management and Financial Strength and Performance

Inclusiv's work most directly advances the above United Nations Sustainable Development Goals.