$2 BILLION IN IMPACT
...and counting
At Capital Impact Partners, we work with communities to create a strong fabric of high-quality services that foster good health, job creation, economic growth, and interconnectedness—empowering individuals to improve their lives and livelihoods.

CAPITAL IMPACT PARTNERS
A mission-driven Community Development Financial Institution
+ 30 YEARS = $2 BILLION
experience working in underserved communities
invested in projects that deliver social impact

HEALTHY FOOD
Why we do it:
Kids in communities with safe places to play and access to healthy foods are 56% less likely to be obese.
$132 MILLION + Invested in over 79 stores & 1 MILLION customers

DIGNIFIED AGING
Why we do it:
Green House elders maintain self-care abilities longer, with fewer experiencing decline in late-loss activities of daily living.
$18 MILLION + Invested in over 166 Green House homes + 143 village communities & over 14 THOUSAND elders

AFFORDABLE HOUSING
Why we do it:
Extremely low-income households are more likely to be located in high-crime neighborhoods and structurally inadequate units.
$207 MILLION + Invested in over 229 communities & 35 THOUSAND units

HEALTHCARE
Why we do it:
Improved asthma control for low-income and minority children equals healthier lives and fewer missed days of school.
$752 MILLION + Invested in over 506 clinics & 2 MILLION patients

EDUCATION
Why we do it:
Median weekly earnings of full-time workers with a high school diploma are $180 higher than those without one.
$664 MILLION + Invested in over 219 schools & 228 THOUSAND students

COOPERATIVES
Why we do it:
The average food cooperative stimulates the economy by purchasing nearly 20% of its products from local sources.
$278 MILLION + Invested in over 208 Cooperatives & 863 THOUSAND customers

To view the full info-graphic visit: www.capitalimpact.org/why-we-do-it
2014 was a milestone year for Capital Impact Partners. Among our many achievements is the fact that we crossed the $2 billion line in loan disbursements to projects in underserved communities. Even more impressive is that, while it took 25 years to reach the $1 billion mark, it only took five to reach our second billion. Behind these numbers is what matters most—our ability to work with partners and borrowers and touch the lives of those most in need.

In this report, you will meet Devon, who recently graduated from the Henry Ford Academy in Detroit and is now attending the College for Creative Studies. You will experience a day in the life of one of our Green House homes and witness how this innovative model is helping its residents age with dignity. You will see how San Francisco’s South of Market Health Center is serving as the safety net for patients like Ray Sullivan and Susan Gouveia, who would otherwise have gone without health care.

Confidence in our ability to create impact was again recognized in expanded partnerships with investors like JPMorgan Chase as well as a number of awards given through the U.S. Department of Treasury’s Community Development Financial Institutions Fund. I invite you to go online to read our interview with Aaron Seybert at JPMorgan Chase as well as our full suite of stories.

We also continued to demonstrate our ability to take small innovative models and scale them nationally. Since 2010, our Village-to-Village Network—which allows elders to age in their homes with community support—has increased 200 percent, to 141 villages across 41 states, serving 25,000 seniors. With approximately 100 villages in the development stage, we felt that the organization was well-positioned to transition to an independent group of village leaders for ongoing management.

Lastly, given the dedication to our mission both internally and externally, I am particularly proud that Capital Impact was named a Top Workplace by The Washington Post.

Through our ingenuity and strategic financing, Capital Impact remains a leader in improving the lives of low-income individuals and the communities in which they live. And, as our 2020 strategy begins to take shape, I am excited about the possibilities ahead of us.

The opportunity to build strong, vibrant communities of opportunity in underserved areas is limited only by our imagination.
2014 IMPACT HIGHLIGHTS

$112 MILLION CLOSED

665,000 SERVED

12,000 JOBS CREATED

EDUCATION: 15,000 STUDENTS

HEALTHCARE: 500,000 PATIENTS

HEALTHY FOOD: 75,000 PEOPLE
Although lending is a primary activity at Capital Impact Partners, it is a means to an end: we use capital as a tool to effect positive change in underserved communities across the country.

When we consider a new loan, the first question we ask is whether it will create jobs or provide services and opportunities for the people who live in the communities we serve. It is only after we ascertain whether the financing request achieves a positive social objective that we assess the project’s financial viability.

The projects we finance do not fit a conventional mold, and many of their fundamentals do not fit within the guidelines of regulated financial institutions. Each of our transactions is different and requires our staff to understand the intricacies of layered structures, to utilize creative approaches to risk mitigation and to provide technical assistance to our borrowers.

Our mission-driven approach drives us to provide a higher level of service and support to see that good projects in low-income communities receive the financing they need. This “artisanal” approach to lending takes time and patience, but we have demonstrated year in and year out that we are able to provide capital at a consistent level to achieve significant community impacts.

We saw this through the construction of grocery stores to combat food deserts in California and Michigan; in the expansion of community health centers in New York and North Carolina; in new educational choices in Massachusetts and Florida; and in the skilled nursing care provided in homelike settings in Minnesota and Colorado.

We also sharpened our focus in Detroit. With a substantial investment from JPMorgan Chase, we expanded our work increasing population density, building walkable communities and expanding services in new corners of the city. In the process, we helped to preserve the city’s unique culture by funding projects that saved historic properties.

I am incredibly excited about the opportunities lying before us as we seek new ways to increase our impact in the communities we serve.
Bringing Dignity to Colorado’s Elders
The Green House Homes at Mirasol—Loveland, CO

Witness a day in the life of this community through a photo essay documenting the dignified aging experience of its 70 residents.

"I’m empowered by the Green House philosophies to see each resident as an individual and build relationships... It’s love”
—Desiree Baumeister
Green House Shahbaz

Henry Ford Academy Student Designs His Future
Henry Ford Academy: School for Creative Studies—Detroit, MI

Read how one of Detroit’s most unique charter schools is helping students like Devon literally “design” their own future.

“They talked to me about the importance of hard work and what you can accomplish... I started to see my potential”
—Devon Yancy
Henry Ford Academy Graduate

Affordable Housing SWAT Team
Hello Housing—Novato, CA

Join Hello Housing’s quick thinking team as they race to save a home from foreclosure, ensuring an affordable place to live for a needy family.

“I am thankful that I work with a great team who will jump at a moment’s notice...It is a testament to the passion we all have for ensuring affordable housing for those who need it most.”
—Matt Warner
Hello Housing

A Medical Safety Net for San Francisco’s Vulnerable Residents
South of Market Health Center—San Francisco, Ca

Step inside this innovative health center and hear patients and staff describe how their lives have been transformed.

“I think this clinic saved my life in a lot of ways”
—Susan Gouveia
Patient
Rebuilding Detroit’s “Main Street” Block by Block

Multiple Projects

Walk down Woodward Avenue and see how our financing is helping to support local projects and bring vitality back to Detroit.

“We could have picked up and moved anywhere. Detroit was in a decline, but we decided to be part of its solution”

—Scott Lowell
Business Owner

Big Green Truck Delivers Healthy Bounty

Produce on the Go—Merced, CA

Watch the video on how Don and his big green truck are eliminating a food desert in the midst of California’s agriculturally rich central valley.

“I’m hoping this teaches them that when mom shops healthy, mom feeds us healthy... you break the cycle of bad things, and you start the cycle of good things”

—Maribel Baron
Customer

Co-ops & Capital Impact: Staying True to Our Roots

Interview with Alison Powers

Take a journey with Alison Powers as she reminds us that Capital Impact was born out of the cooperative movement – and how we are just getting started.

“Capital impact is passionate about investing in cooperatives that build strong, vibrant, and sustainable communities”

—Alison Powers
Capital Impact Partners

Teaming Up with JPMorgan Chase for Detroit’s Neighborhoods

Interview with Aaron Seybert

Meet Aaron Seybert as he talks about our partnership, the launch of the Detroit Neighborhoods Fund and what’s next.

“Capital impact is filling the space in Detroit between conventional financing and where the markets are...They’re best-in-class”

—Aaron Seybert
JPMorgan Chase
$8.1 MILLION
Net Asset Growth

$5.3 MILLION
Unrestricted Net Asset Growth

0.2%
Delinquency Ratio

Community Development Financial Institutions Fund Awards:

$55 MILLION
Bond Guarantee Program

$43 MILLION
New Markets Tax Credits Allocation

$2 MILLION
Financial Assistance Award

$2 MILLION
Health Food Financing Initiative Award

LENDING ACTIVITY BY SECTOR

$112 MILLION
2014 Closed Loans
Capital Impact ended 2014 in one of its strongest financial positions to date as both total net assets and unrestricted net assets increased by $8.1 million and $5.3 million respectively.

Our financial results were driven in large part by our lending activities. We ended 2014 with $112 million in loan closings and our credit quality remained strong as we closed the year with a delinquency rate of just 0.2%. The 2014 volume and portfolio statistics highlight a few important themes for Capital Impact and the industry:

- Consistency in loan demand year over year demonstrates that organizations like Capital Impact can provide critical “gap” financing to businesses across the country. It also shows how, through effective collaboration with a number of our partners, we can create products and programs that are absorbed in the markets we serve.

- Our portfolio, like those of many of our colleagues, further demonstrates that lending in low-income communities doesn’t translate into additional portfolio credit risk. In fact, our portfolio performance is on par or superior to the performance of conventional loan portfolios.

- Demand for capital in our markets continues to outstrip supply. The needs in the communities we serve continue to evolve, and flexible, consistent capital is needed for these communities to thrive.

As we look forward to 2015, we continue to explore new and innovative ways of expanding access and furthering our reach while always striving to improve our financial health and sustainability. One of the ways to support innovation in our lending and technical assistance areas is through the expansion and diversification of our capital structure.

Recently, we became a member of the Federal Home Loan Bank of Atlanta and were successful in raising capital through the United States Treasury-sponsored Bond Guarantee Program. Both of these efforts will provide us with the additional flexibility needed to support medium- and long-term projects across asset classes and our geographic footprint.

Our strong financial health and agility further enhances the ability to scale our efforts and better nurture the communities we work in.

Ellis Carr
Chief Financial Officer
Philanthropic Partners

AARP
AARP Foundation
Archstone Foundation
Appleton Foundation
Bill and Melinda Gates Foundation
California Community Foundation
California Healthcare Foundation
Endowment for Health
Ford Foundation
Harry and Jeanette Weinberg Foundation
JP Morgan Chase Foundation
Kaiser Foundation Hospital
Kresge Foundation
Kore Foundation
Living Cities
Max M. & Marjorie S. Fisher Foundation
Ford Foundation
MetLife Foundation
The Mousetrap Foundation
National Housing Institute
Nationwide Foundation
Ohio Community Development Loan Fund
Ohio Community Development Finance Fund
PNC Bank
Rasmuson Foundation
Salesforce.com Foundation
Social Innovation Fund | Corporation for National and Community Service
SCAN Foundation
The Colorado Health Foundation
The Robert Wood Johnson Foundation
W.K. Kellogg Foundation

Deutsche Bank
Dignity Health
EdTec
ExEd
Flagstar Bank
Federal Home Loan Bank
Atlanta Cooperative
IFF
Impact Community Capital
Invest Detroit
JPMorgan Chase
Living Cities
Local Initiatives Support Corporation
Low Income Investment Fund
Metropolitan Life
Merrill Lynch
Morgan Stanley
National Co-op Grocers
Nationwide Insurance
National Cooperative Bank
NCB, FSB
Nonprofit Finance Fund
Northern California Community Loan Fund
PNC
Prudential Insurance
Rural Community Assistance Corporation
Seattle Investment Fund
Self-Help Credit Union
Small Business Lending Fund
The California Endowment
The Reinvestment Fund
U.S. Bank Community Development Corporation
U.S. Department of Treasury CDFI Fund
Wells Fargo Bank
Wespath, a division of the General Board of Pension and Health Benefits of The United Methodist Church

Public Agency & Nonprofit Partners

Alzheimer’s Association
American Health Care Association
American Medical Directors Association
Arkansas Division of Aging & Adult Services
Beacon Hill Village
California Department of Health Services
California Charter Schools Association
California Primary Care Association
California School Finance Authority
Center for Community Progress

Centers for Medicare and Medicaid Services
Chi Partners
CFED
Detroit Economic Growth Corporation
Fannie Mae
Federal Housing Administration
Federal Reserve
Bank of San Francisco
Freddie Mac
Grantmakers for Effective Organizations
Habitat for Humanity International
Housing Partnership Network
Harvard University Initiative for Responsible Investment
ICA Group, Inc.
Michigan Economic Development Corporation
Midtown Detroit, Inc.
Michigan Lending Solutions
Innovative Housing Institute
Kirwan Institute
Leading Age
Ohio Administration on Aging
National Association for County Community and Economic Development
National Association of Housing and Redevelopment Officials
National Association of Local Housing Finance Agencies
National Association of Realtors
National Community Land Trust Network
National Council of State Housing Agencies
National Fair Housing Alliance
National Family Caregivers Association
National Housing Conference & Center for Housing Policy
National Housing Institute
National League of Cities
NeighborWorks America
Opportunity Finance Network
PolicyLink
PHI National
Pioneer Network
ROC USA
The Eden Alternative
The Partnership for Working Families
U.S. Department of Education
U.S. Department of Health and Human Services, Bureau of Primary Health Care, Health Resources, and Services Administration
U.S. Department of Housing and Urban Development
Urban Institute

Financing Partners & Institutional Investors

Axa Equitable Life Insurance
Bank of America
Beneficial State Bank
Calvert Foundation
Capital Link
Citibank
Clearinghouse CDFI
Community Reinvestment Fund
Detroit Development Fund
# Capital Impact Partners and Subsidiaries Consolidated Statements of Financial Position

2014 (As of December 31st) and 2013

<table>
<thead>
<tr>
<th>Assets</th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and Cash Equivalents—Unrestricted</td>
<td>$22,973,465</td>
<td>$16,824,376</td>
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<tr>
<td>Cash and Cash Equivalents—Restricted</td>
<td>$39,260,027</td>
<td>$35,529,139</td>
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<tr>
<td>Accounts and Interest Receivable</td>
<td>$1,990,401</td>
<td>$2,559,694</td>
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<tr>
<td>Contributions Receivable</td>
<td>$12,296,545</td>
<td>$7,714,778</td>
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<tr>
<td>Investments</td>
<td>$4,754,555</td>
<td>$4,623,745</td>
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<tr>
<td>Investment in Joint Venture</td>
<td>$2,660,793</td>
<td>$2,661,129</td>
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<tr>
<td>Loans Receivable</td>
<td>$164,914,807</td>
<td>$159,897,403</td>
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<tr>
<td>Less: allowance for loan losses</td>
<td>($9,177,796)</td>
<td>($8,915,755)</td>
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<tr>
<td>Loans receivable—net</td>
<td>$155,737,011</td>
<td>$150,981,648</td>
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<tr>
<td>Loans receivable—subsidiaries</td>
<td>$35,421,220</td>
<td>$36,709,530</td>
</tr>
<tr>
<td>Other real estate owned, net of valuation allowance</td>
<td>$0</td>
<td>$394,929</td>
</tr>
<tr>
<td>Other assets</td>
<td>$2,715,301</td>
<td>$3,256,266</td>
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<tr>
<td><strong>Total Assets</strong></td>
<td><strong>$277,809,318</strong></td>
<td><strong>$260,715,234</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Liabilities &amp; Net Assets Liabilities</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts payable &amp; accrued expenses</td>
<td>$4,028,078</td>
<td>$2,918,871</td>
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<tr>
<td>Revolving line of credit</td>
<td>$24,950,000</td>
<td>$21,000,000</td>
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<tr>
<td>Notes payable</td>
<td>$67,637,569</td>
<td>$62,363,844</td>
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<tr>
<td>Subordinated debt</td>
<td>$8,218,000</td>
<td>$8,218,000</td>
</tr>
<tr>
<td>Notes payable—subsidiaries</td>
<td>$35,436,546</td>
<td>$36,729,152</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td><strong>$140,270,193</strong></td>
<td><strong>$131,229,867</strong></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Net Assets</th>
<th></th>
<th></th>
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</thead>
<tbody>
<tr>
<td>Unrestricted</td>
<td>$84,554,160</td>
<td>$79,213,421</td>
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<tr>
<td>Temporarily restricted</td>
<td>$51,497,490</td>
<td>$48,784,471</td>
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<tr>
<td>Permanently restricted</td>
<td>$1,487,475</td>
<td>$1,487,475</td>
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<tr>
<td><strong>Total Net Assets</strong></td>
<td><strong>$137,539,125</strong></td>
<td><strong>$129,485,367</strong></td>
</tr>
</tbody>
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TRANSFORMING UNDERSERVED COMMUNITIES INTO STRONG, VIBRANT PLACES OF OPPORTUNITY

www.capitalimpact.org