



justine PETERSEN
BUILDING ASSETS. CHANGING LIVES.

2014 ANNUAL REPORT

On behalf of our Justine PETERSEN Board of Directors, our operations team and our clients, I thank you for being part of our Justine PETERSEN mission throughout 2014.

By all accounts 2014 will remain a most memorable year for our country, for our region and for our Justine PETERSEN Company. The year's defining events poignantly emphasize the dramatic economic and social rifts that burden our culture and our economy—divides that impose limits on access to The American Dream. Promoting and providing access to capital to those financially less-well-served offers impact investing that creates purposeful change in an economy currently hampered by severe income inequality and by growing rates of poverty. Because the concept that is expressed as “redistribution of wealth” may be too politically charged to begin to make most serious change, the notion of allowing “access” cannot be denied as an economic stimulator, just as fairness cannot be denied as a fundamental cultural principle.

Our namesake, the late Justine Petersen, cared most for that result—a principle of fairness to allow each of us access to safe and affordable capital. This access, mixed with some financial capability and on-going support (as needed) often is enough, for then we let the gifts and the motivation of the individual propel her family's economy—which in turn will motivate our larger community's economy. This method has offered thousands of families the opportunity to inspire their potential and build financial assets that create enduring change. This access becomes an empowering event that supports the individual's investment into herself. In short, our Justine PETERSEN client families show that access creates opportunity.

Our annual Justine PETERSEN Legacy Awards remind us that we stand on the shoulders of giants. We celebrate Pat Bannister, Paul Ferber and Jody Raskind, each whose lives were most well-lived, and whose influences offered Justine PETERSEN the opportunity to see further. We are honored to stand on their shoulders. Justine PETERSEN is proud and grateful to be recognized by the SBA as the 2014 Jody Raskind Microlender of the Year for originating the most loans among the SBA's one hundred fifty microlending organizations. The SBA has been a major Justine PETERSEN champion and partner for fifteen years.

In 2014 through our Justine PETERSEN relationship lending model we originated \$14 Million to more than 800 business owners throughout our expanding market that includes Missouri, Eastern Kansas and much

of Illinois. Our partnerships with The Aspen Institute, Local Initiatives Support Corporation (LISC) and Credit Builders Alliance propel the Justine PETERSEN Credit Building “train the trainer” model that is influencing asset building practitioners throughout another fourteen states. A new partnership with Twain Financial Partners, Opportunity Finance Network, Morgan Stanley and Nixon Peabody helped Justine PETERSEN originate an innovative New Market Tax Credit (NMTC) transaction that significantly expanded lending capacity.

I am grateful for our Justine PETERSEN Board Members and to those on our operations team who sustain and expand our innovative and entrepreneurial culture. We are proud to faithfully steward the gifts from our investor partners, and we thank them for their confidence in our mission. This assurance supports our work and gives us our own confidence to expand our capital offerings and to continue to develop meaningful capital sources. In 2014 Justine PETERSEN expanded both its Contractor Loan Fund—an affordable short term loan product—and its faith based impact investing fund through the local UCC Congregation, First Congregational Church of St. Louis. We look forward to a number of capital offerings in the near future.

Thank You again for participating with us as we do our part to create enduring change.

– Rob Boyle, CEO & Founder



FRONT ROW: Allan Ivie IV (Treasurer), Eddie Davis (President), Rochelle Bea (Secretary)
SECOND ROW: Matt Ghio (Great Rivers Community Capital Board), Michelle Hintz (Great Rivers Community Capital Board), Martina Gutierrez, Laurie Peterson, Rob Boyle
BACK ROW: Terry Stark, Keith Willy

IMPACT in the COMMUNITY

\$13.6M

TO

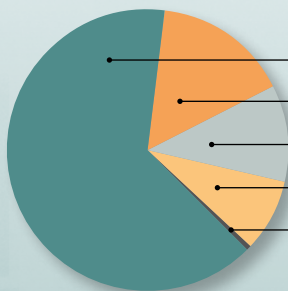
800

MICRO-ENTERPRISES

★ 362 ★

CREDIT-BUILDING LOANS

AREAS SERVED



ST. LOUIS METRO (MO) 64.5%

KANSAS CITY METRO 15.7%

ST. LOUIS METRO (IL) 11.1%

NON-METRO (MO) 8.5%

OUTSTATE .3%

WE'VE SERVED CLIENTS IN **107** COUNTIES AND **14** STATES

Each year, JP participates in the Aspen Institute FIELD Micro-Test Program Performance and Client Outcome Survey, and is consistently categorized as a top performer in performance and outcomes. The Aspen Institute FIELD 2014 outcomes study of JP clients showed:

96%

BUSINESS
SURVIVAL
RATE

67%

BUSINESSES
INCREASED GROSS
REVENUE – 192%
MEDIAN INCREASE

688%

MEDIAN INCREASE
IN OWNER'S DRAW

average of

2.7

WORKERS
PER BUSINESS
(INCLUDING
OWNER)

Justine PETERSEN embraces the philosophy that a good credit score is the most important asset, as it leads to greater access to affordable capital and reduced expenses.

Our Credit Building Counselors meet one-on-one with clients to assess income, debt, credit history and financial goals, and create a Credit Action Plan. We also offer a financial education marathon monthly. The courses are based on the FDIC's Money Smart curriculum and include Saving and Investing, Insurance Needs and Risk Management, and Consumer Rights and Responsibilities.

SUCCESS STORY

Eli Moreno reached out to JP in February 2014 because his lack of a credit score was holding him back from qualifying for credit cards. A Consumer Credit Building Loan was opened the following day, which created an installment and a revolving line of credit for him. By paying on time monthly and maintaining a low secured credit card balance, Eli obtained a 730 credit score within a year. "This was a life changing thing I did with Justine PETERSEN. I was given an opportunity that I wasn't expecting. I wasn't expecting to be able to build credit that fast. All it took was hard work!" Eli has since accessed unsecured credit cards and has even been able to access a low interest car loan. Eli's next goal—home purchase for himself and his daughter in the next couple of years!



Justine PETERSEN meets the credit needs of micro-entrepreneurs that are unable to obtain financing through banks or relatives and who would otherwise turn to high interest credit cards or pay day lenders. We originate micro-loans and small business loans up to \$150,000, (average loan size \$7,500).

JP also provides potential and current borrowers individual counseling and business technical assistance, financial education, business plan development, business training, business mentoring, and post-loan technical assistance.

SUCCESS STORY

Unable to obtain bank financing to fulfill her 20 year dream of opening her own Italian Restaurant, Laura Norris was referred to JP by Lead Bank in Kansas City. Justine PETERSEN provided Laura with a microloan to start Cucina della Ragazza, an Italian deli and wine bar, located in Kansas City's entertainment district, Westport. Partnering with JP, Laura refined her business plan and has worked with her



Laura
NORRIS

JP Counselor to grow her business. Cucina della Ragazza now offers wine dinners, wine tastings, and community events. In 2014, the restaurant was recognized by the Best of Kansas City Awards in the "Instant Neighborhood Classic" category.

Justine PETERSEN provides pre-purchase counseling, homebuyer education, and foreclosure intervention services.

These services include: assisting prospective homebuyers to address credit, debt, and income barriers to accessing an affordable mortgage loan, teaching a homebuyer seminar to instruct potential purchasers on vital information, and assisting clients who struggle with mortgage loan repayment by reviewing options, negotiating with lenders, modifying loans, and in some cases, assisting with refinancing.

SUCCESS STORY

Keky Norman was a St. Louis Housing Authority tenant interested in home ownership. When she initially met with a Justine PETERSEN Credit Building Counselor in June 2013, she had a TransUnion score of 613 with no active lines of credit and some small collections. Following the advice of her JP Counselor, Keky opened a Consumer Credit Builder Loan and a secured credit card. By paying on time, keeping her secured credit card balance low and paying off her collections, Keky was able to raise her score to 710—over a 100 point increase from her initial June 2013 counseling. Through the help of Justine PETERSEN and the St. Louis Housing Authority, Keky bought a home in September 2014.



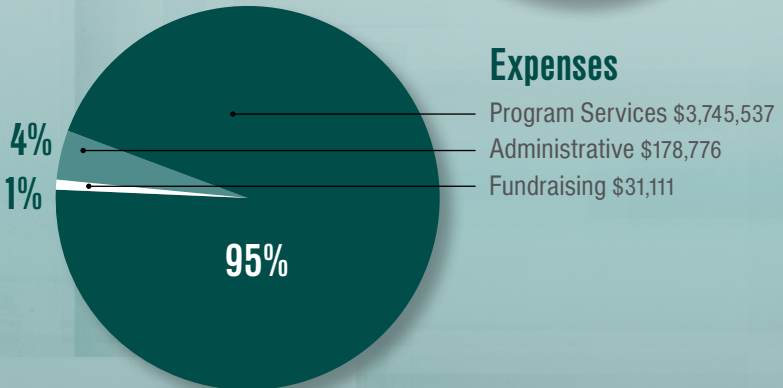
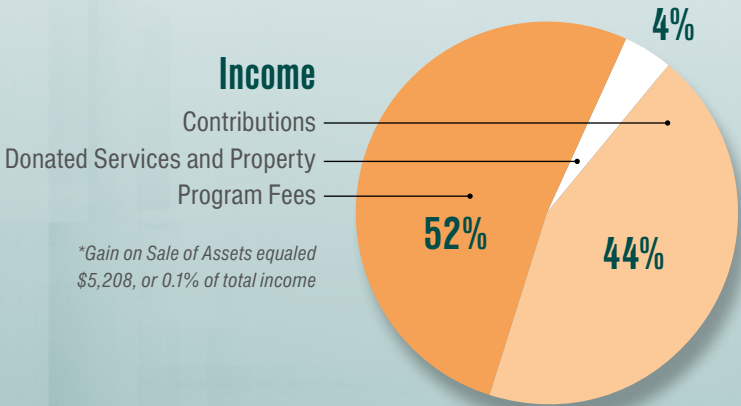
FINANCIALS

Income

Contributions	\$ 1,908,506
Donated Services and Property	190,560
Program Fees	2,239,746
Gain on Sale of Assets	<u>5,208</u>
	\$ 4,344,020

Expenses

Housing	\$ 758,696
Economic Development	2,907,629
Savings (Credit Building)	79,212
Management and General	178,776
Fundraising	<u>31,111</u>
	\$ 3,955,424



FINANCIAL SUPPORT

Loan Fund Partners

Bank of America
TheBANK of Edwardsville
The Business Bank of St. Louis
Calvert Foundation
Carrollton Bank
Citizens National Bank
Community Development
Financial Institution Fund
Deaconess Foundation
First Bank
First Collinsville Bank
First Congregational Church
First County Bank
Guaranty Bank
Illinois Facilities Fund (IFF)
Midwest BankCentre
Montgomery Bank
Morgan Stanley
New Markets LLC
Opportunity Finance Network
PNC Bank
Regions Bank
Reliance Bank
Small Business Administration
Southern Commercial Bank
US Bank
U.S. Department of Agriculture

Contributors

Government

City of Kansas City
City of St. Louis
Illinois Attorney General Office
Illinois Housing Development
Authority
Madison County
Community Development
St. Louis County
U.S. Department of Health
& Human Services

U.S. Department of Housing &
Urban Development
U.S. Small Business
Administration

Foundation

Bank of America
Charitable Foundation
Tides Foundation
Tory Burch Foundation
US Bank Foundation

Corporate

TheBANK of Edwardsville
Central Bank of Kansas City
Local Initiatives
Support Corporation
Montgomery Bank
National Community
Reinvestment Coalition
PNC Bank
Regions Bank

Individuals

Rochelle Bea
Christopher Bohnert
Angela Burrage
Eddie Davis
Filomena Dean
Ryan Drago
Matthew Ghio
Martina Gutierrez
Michele Hintz
Allan Ivie
David Kempa
Lucy Montgomery
Eric Park
Terry Stark
Richard Torack
Jennifer Whittaker
Keith Willy
Pan Zhao



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AWARDS

2014 Justine M. Petersen Awards

Each year, Justine PETERSEN recognizes individuals, companies, and partners that truly live up to the legacy of *the* Justine M. Petersen, who was tirelessly dedicated to helping people build economic assets and transform their lives.

Legacy Awards

Pat Bannister

St. Louis Development Corp.

The face of the SLDC for decades, Pat played an integral role in attracting and keeping businesses in St. Louis. Pat lost his battle to cancer in 2013. He will be remembered for his outgoing personality, pride in the St. Louis Region and his partnership with JP.

Paul Ferber

Attorney at Law

A dear friend, colleague and supporter of Justine PETERSEN, Paul worked tirelessly on behalf of JP and our clients. Offering seasoned legal counsel at affordable rates—and at times pro-bono—Paul personified the JP mission.

Jody Raskind

U.S. Small Business Administration

As Chief of the Microenterprise Development Division at the SBA, Jody founded the agency's Microloan program in 1992. Her work has provided funding for more than 55,000 loans of over \$665 million to small-business entrepreneurs nationally. JP has been honored to receive funding from the SBA since 2001.

Lifetime Achievement Awards

Melanie DiLeo

retiree of Citi

A long-time supporter of the St. Louis Community, Melanie was responsible for creating and maintaining community relations and fundraising activities in her roles at Citi, and was instrumental in securing nearly \$600,000 in Citi donations for Justine PETERSEN.

Tom Holloway

TheBANK of Edwardsville

Tom was president and CEO of TheBANK of Edwardsville, who retired in early 2015. Mr. Holloway and TheBANK of Edwardsville have been supporting Justine PETERSEN with donations and loans for over 10 years.

Community Partner of the Year

Small Business Development Center at SIUE, ESTL

The SBDC at SIUE is a strong referral partner for JP. By assisting entrepreneurs and companies in defining their path to success, the SBDC network positively impacts the Southwestern Illinois Region by strengthening the business community, creating and retaining new jobs, and encouraging new investment.

Community Artist of the Year

Rhoda Graham

Rhoda taught herself how to play the saxophone and has been playing her whole life. She uses art as a form of self-expression and teaches others to do the same. Her music has taken her across St. Louis, the country, and the world. Rhoda is a big advocate for JP, always sharing information about our work with others.

Lending Partner of the Year

Reliance Bank

The funds Reliance Bank has lent to JP over the last three years have helped us provide nearly 200 loans of \$2.4 Million. Since July 2013, Reliance Bank President Allan D. Ivie has extended that partnership by serving as a Justine PETERSEN board member.

JP Awards & Recognition

National Community Reinvestment Coalition (NCRC)

Housing Counseling Network Partner of the Year Award – Midwest Region

Justine PETERSEN received this award for performance in both services and reporting. NCRC is a national housing counseling organization and association of more than 600 community-based organizations that promote access to basic banking services, including credit and savings, to create and sustain affordable housing, job development and vibrant communities for America's working families.

U.S. Small Business Administration

Jody C. Raskind Microlender of the Year Award

Justine PETERSEN was recognized for its superior performance in placing \$2.6 million in microloan capital into underserved markets in Missouri, Illinois and Kansas (390 loans); the most in both dollars and number of loans among all Small Business Administration microlenders in fiscal year 2014. The award is named for Jody C. Raskind, a long-time SBA employee and pioneer in U.S. microlending and a leading force behind the 1992 establishment of the SBA Microloan Program.

FOCUS St. Louis

What's Right with the Region Award

Justine PETERSEN was recognized in the Responding to Community Needs & Entrepreneurs category for developing practical solutions, responding to identified needs, and serving as catalysts for change. Specifically, JP was honored for its work with Reliance Bank and the Small and Minority Contractor Loan Fund.

BOARD OF TRUSTEES

Justine PETERSEN Board of Directors

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Banker, Enterprise Bank

Secretary/Treasurer

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*Attorney at Law,
Ghio & Desilets, LLP*

Directors

Rochelle Bea
Owner, Beginning Futures

Eddie Davis
*Executive Director, Center for
the Acceleration of African
American Businesses*

Martina Gutierrez
*Social Worker, Grace Hill
Settlement House*

Allan Ivie
*President and CEO, Reliance
Bancshares, Inc.*

Terry Stark
Finance Specialist, Trane

Keith A. Willy
*COO/Principal, Twain
Financial Partners*

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Ghio & Desilets, LLP*

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Michelle Hintz
*Vice President and Client
Manager, Bank of America*



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