

Beneficial State Bank



Beneficial State Bank

**Banking belongs to all of us
and is the original and most
important form of....**



...which sustains local communities.



Beneficial State Bank

**In spite of regulatory efforts,
banking has not been serving the
public interest.**

Banking has been dragging a...



TRAIN OF MISERY

Bank-provided U.S. coal financing
in the last 10 years, resulting in
140MM tons of HAZARDOUS WASTE:

\$250 B

Proportion of bank tellers who rely on
some kind of public support:

1 in 3

Number of families who
lost their homes to foreclosure
in the downturn:

49
million

Household wealth reduction in the downturn for **Whites: 16%**

African Americans: 53%

Latinos: 66%

Fines paid by our largest banks
in just the last seven years:

\$321 B



But we can fix banking, together.

- Take back our power of choice.
- Align our banking with our values.
- Pioneer and prove a new model to migrate deposit, equity and human capital.
- Increase the benefit of resiliency of the Banking system.



**We can change the banking
system for good.**



Beneficial State Bank

Click the link for our video!

THEORY OF CHANGE

Step 1: Prove a new bank model that delivers social justice and environmental well-being while remaining financially sustainable.

Step 2: Migrate deposit, equity, and human capital to beneficial banking through a new model.

Premise: The bank must always be safe, sound, and compliant.



Beneficial State Bank

beneficial state bank



Beneficial State Bancorp

Progress to Date

Social enterprise CDFI, Certified B Corp bank founded in 2007.

Grown organically and through aligned acquisition to over \$1 billion in assets, 183 colleagues and 7 locations operating in California, Oregon and Washington.



Beneficial State Bank



beneficial state bank

Commercial Banking Office

Mon - Thurs: 9am - 5pm
Fri: 9am - 4pm

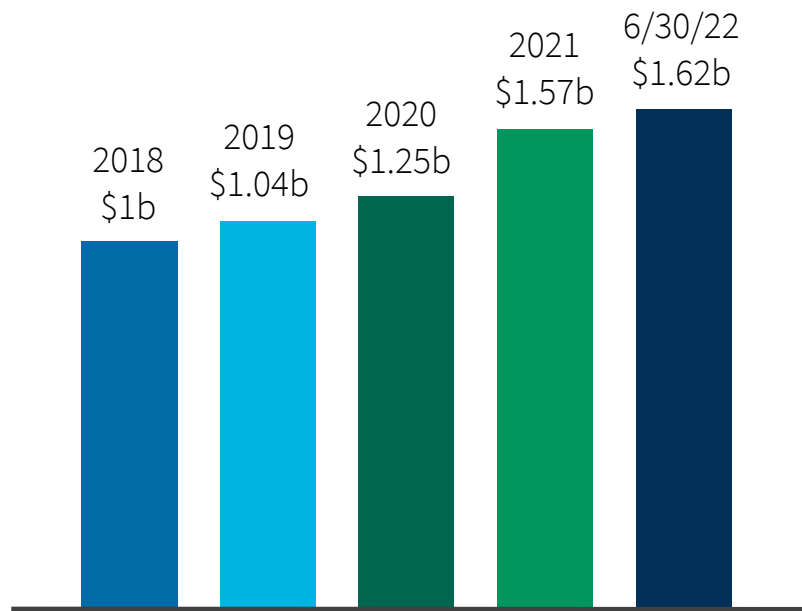
build something beautiful



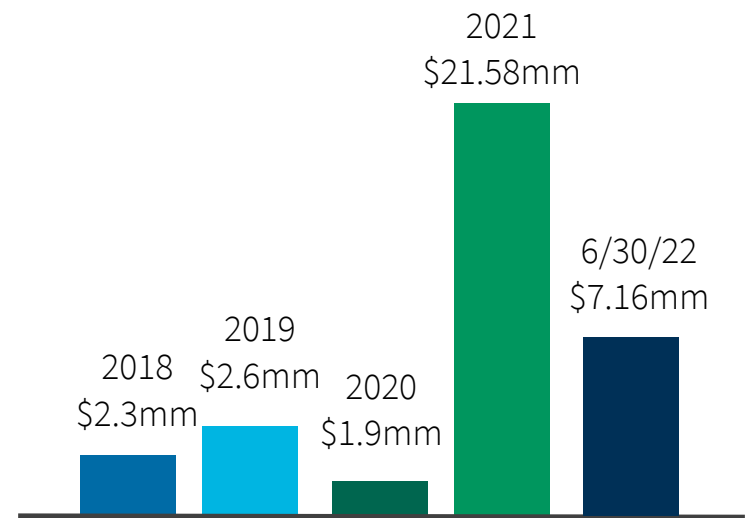
beneficial state bank

FDIC

FINANCIAL HIGHLIGHTS



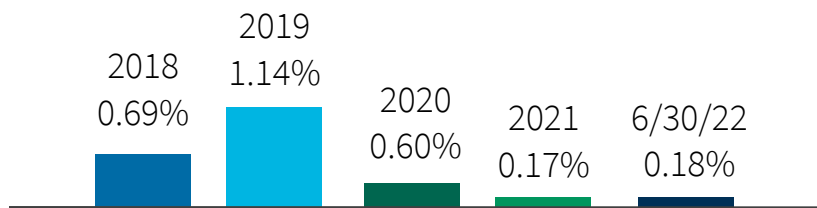
Total Assets



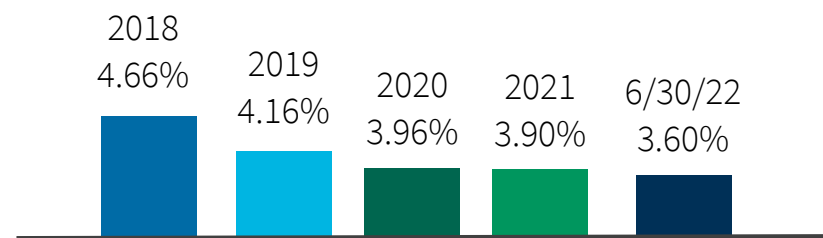
Adjusted
Pre-Tax Income

- 2017 includes a \$4MM positive adjustment related to auto loan losses as an adjustment to their day one fair value and a \$.9MM positive adjustment related to the termination of a contract to consolidate the Bank's Multiple Core platforms into one
- 2018 includes an additional \$.3MM positive adjustment related to that core conversion.
- 2020 excludes \$8.4MM non-cash goodwill impairment charge

FINANCIAL HIGHLIGHTS



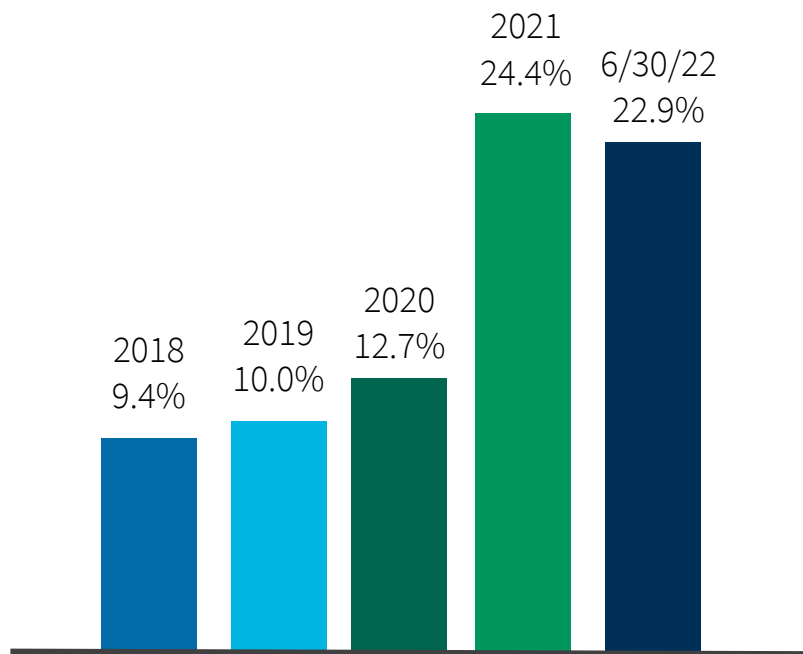
Cost of Funds



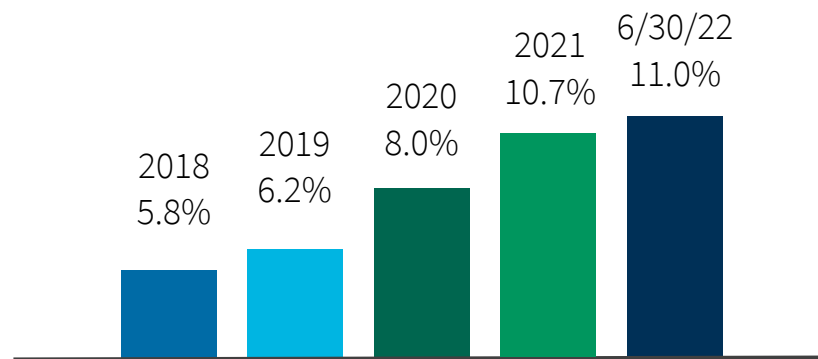
Net Interest Margin

- 2017 includes a \$4MM positive adjustment related to auto loan losses as an adjustment to their day one fair value and a \$.9MM positive adjustment related to the termination of a contract to consolidate the Bank's Multiple Core platforms into one
- 2018 includes an additional \$.3MM positive adjustment related to that core conversion.
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FINANCIAL HIGHLIGHTS



Adverse Assets Ratio



Texas Ratio

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- 2020 excludes \$8.4MM non-cash goodwill impairment charge

MANAGEMENT TEAM



Randell Leach
President & CEO



Jennifer Finger
EVP, Strategy & Development



Mike Fratarcangeli
EVP, Chief Financial Officer



Richard H. Harvey, Jr.
EVP, General Counsel &
Director of Compliance Risk



Angie Podolak
EVP, Human Capital Director



Grant Word
EVP, Commercial & Business
Banking



Lynn Marie Auzenne
SVP, Chief Marketing Officer



Cem Bolkan
SVP, Chief Credit Officer



Leah Caldwell
SVP, Loan Operations Manager



Calvin Coleman
SVP, Head of Branch Banking



Charles Elliott
SVP, Consumer Lending
Manager



Lawrence Henry
SVP, Head of Retail



Monique Johnson
SVP, Director, Client &
Community Partnerships,
CRA Officer



Jon Kacirk
SVP, Director of
Deposit Operations



Emily Olson
SVP, Controller



Doralinda Rangel
SVP, Consumer Loan
Servicing Manager



Tyson Smith
SVP, Chief Technology Officer



Jann Wallach
SVP, Compliance,
BSA Officer

MARKET LEADERS



Michele Button
VP, Team Lead
Client & Treasury Manager



Mayshin Keltner
VP, Regional Manager
& Operations Support



Stacey Krynsky
VP, Team Lead
Client & Treasury Manager



Matt Mylet
VP, Commercial Team Leader
Portland



Tom Vanderheiden
SVP, Regional Manager
Bay Area and Seattle

BOARD OF DIRECTORS



Kat Taylor

Co-Founder & Former CEO, Chair of the Board
Beneficial State Bank



Beatriz Acevedo

CEO and Co-Founder, SUMA Wealth
President, Acevedo Foundation



Surjit Chana

Senior Technology, Digital Transformation, and
Marketing Executive
Harvard Fellow



Randell Leach

CEO, Beneficial State Bank



Jenette Ramos

Retired Senior Vice President, Boeing Company



Dale Walker

Retired President & Chief Operating Officer, Digital
Insight



Tom Steyer

Co-Founder
Galvanize Climate Solutions



Reggie Brown

Lecturer, Rainier Scholars
Former M&A for GE Capital,
VP Finance for NYSWE-traded AH Belo



Andrew B. Fremder

Recovering Financial
Services Professional



Antoinette Malveaux

Managing Director of Strategic Engagement and
Initiatives
Casey Family Programs



Brenda B. Spriggs

Healthcare Consultant
Co-Founder of Newell & Spriggs Consulting, LLC



Robert A. Wilkins Sr.

Retired CEO
YMCA of the East Bay

BUILD A STRONG CULTURE

TRUST

JUSTICE

EMPOWERMENT



Beneficial State Bank

BUILD AN ALIGNED PRODUCT AND SERVICE OFFERING



Fair and transparent
personal banking



Empowered business and
nonprofit banking



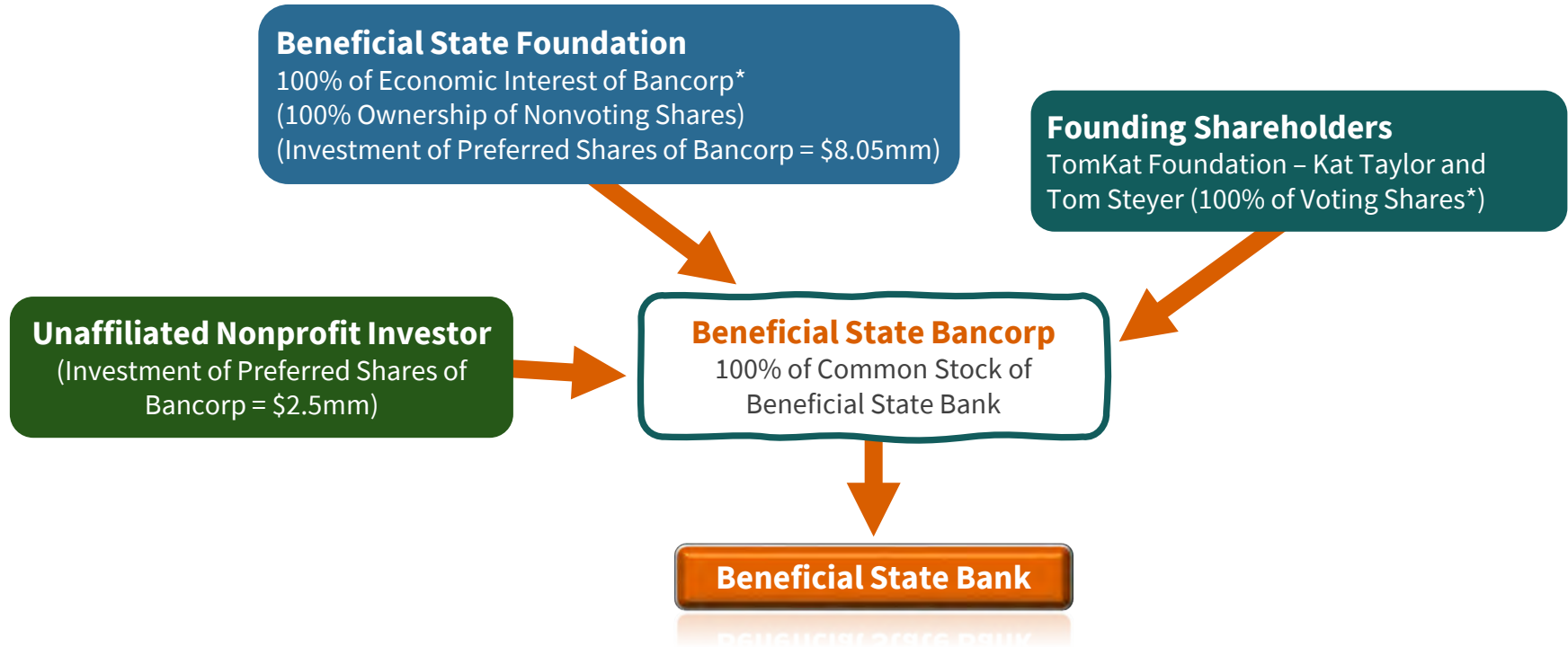
Mission –driven



Beneficial State Bank

KathrinaVerzosa@gmail.com

BENEFICIAL STATE BANK AND BANCORP OWNERSHIP STRUCTURE



- All of the voting common shares of Beneficial State Bancorp, PBC are currently owned by Tom Steyer and Kat Taylor. Beneficial State Foundation currently owns all of the non-voting common shares of Bancorp.
- The non-voting common shares currently have all of the economic rights of Bancorp. Bancorp also has authorized the sale and issuance of up to \$20 million in preferred stock, of which approximately \$8.050 million of preferred stock have been issued to Beneficial State Foundation and \$2.5 million of preferred stock have been issued to an unaffiliated non-profit investor.
- The remaining authorized but unissued preferred shares may be sold and issued only to non-profit entities. The preferred stock is convertible, at the election of the holders, into a new class of voting common shares of Bancorp at any time after the fifth anniversary of its issuance date.
- If Bancorp issues all of its authorized preferred stock and all of those shares are converted into the new class of voting common stock, holders of the preferred stock would own, in the aggregate, approximately 11.4% of the total voting shares and approximately 13.7% of the economic interest.

ALIGN THE LENDING PRACTICE

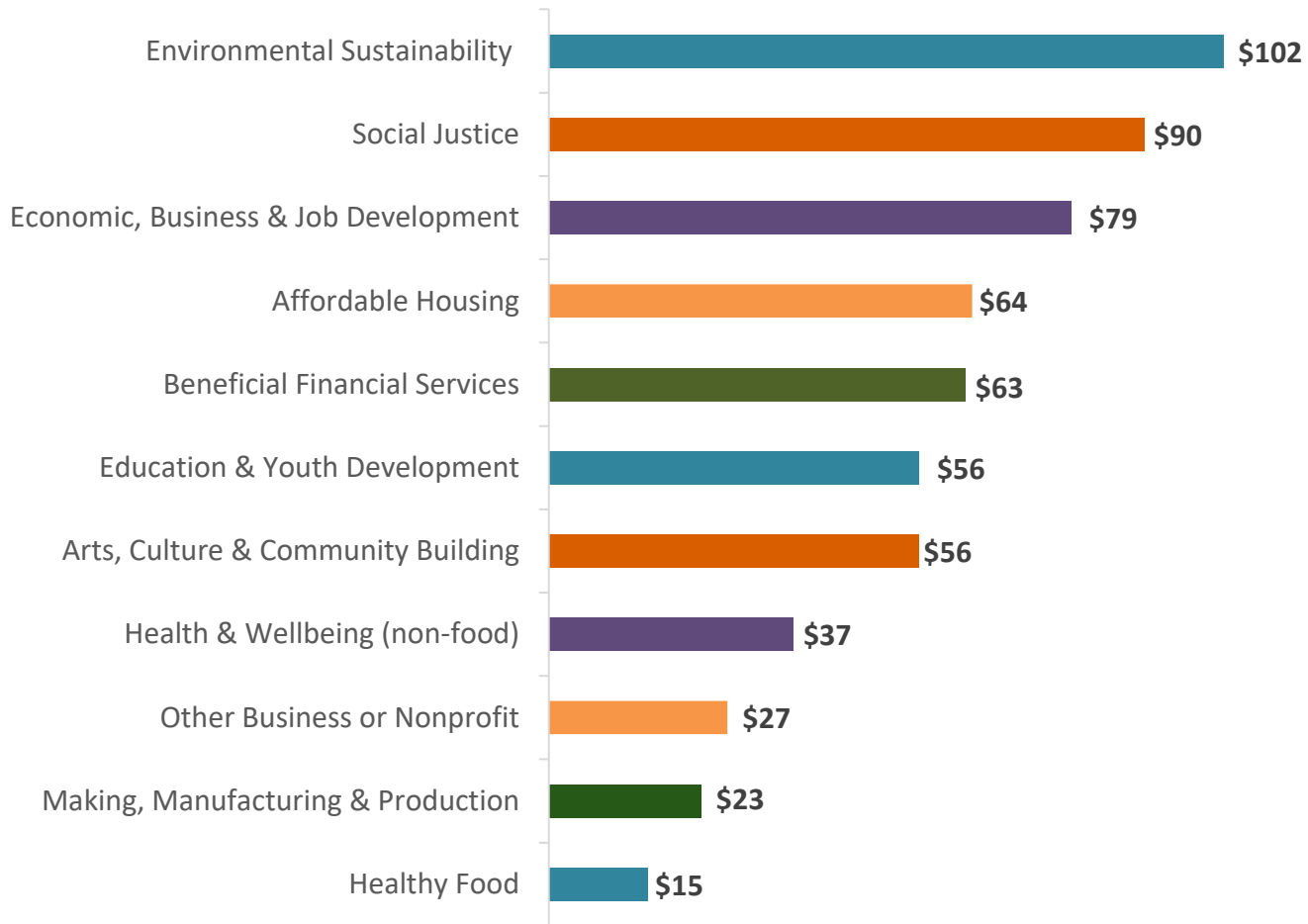
- To ensure **ALL BENEFIT, NO HARM**
- To direct at least **75%** of our loans to **changemakers** – customers healing their communities and the natural world
- To ensure that **none** of our loans are put to use against a better future



MISSION DEPOSITS

IN MILLIONS

March 2020



MISSION LENDING HIGHLIGHTS

\$789 MILLION

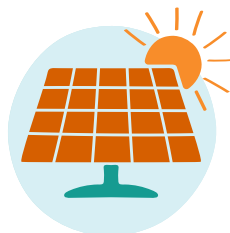
MISSION LOAN COMMITMENTS

December 31, 2021



\$286MM

Affordable Housing



\$94MM

Environmental
Sustainability



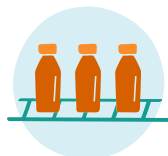
\$73MM

Health & Wellbeing
(Non-Food)



\$68MM

Arts, Culture &
Community Building



\$64MM

Making, Manufacturing
& Production



\$57MM

Education & Youth
Development



\$37MM

Economic, Business
& Job Development



\$36MM

Beneficial
Financial Services



\$28MM

Social Justice



\$27MM

Other Mission
Sectors & Practices



\$23MM

Healthy Food

PERSONAL LENDING HIGHLIGHTS

Auto Lending Highlights

as of December 31, 2019

8,389
borrowers

\$89MM
total loans
outstanding

618
average credit score*

*of borrowers with credit scores; 312
of our borrowers did not have a credit
history when they got their auto loan

\$10,585
average
loan size

Community-Driven Auto Lending

In February 2017, we launched two innovative pilot programs for traditionally underserved individuals: The Second Look Auto Program and the AB-60 Program. The Second Look Auto Program, which ended in November 2019, served individuals who had limited or no credit experience. The AB-60 Program continues to serve individuals who hold AB-60 issued driver's license, which can be obtained without proof of legal residence.

PRACTICE RADICAL TRANSPARENCY



Third Party
Audited



Data Driven



Publish Outcomes



Beneficial State Bank

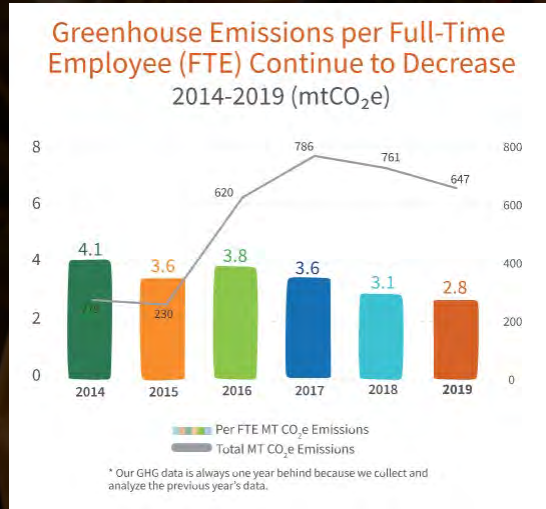
ABOUT OUR INTERNAL PRACTICES

BENEFICIAL EMPLOYMENT

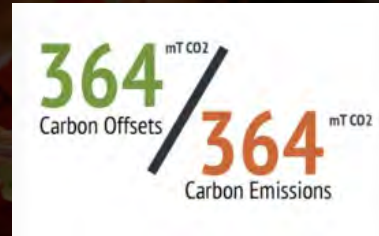
- Living wage policy
- Commitment to gender and ethnic diversity
- Volunteering
- Matching donations
- Sponsorships

SUSTAINABILITY

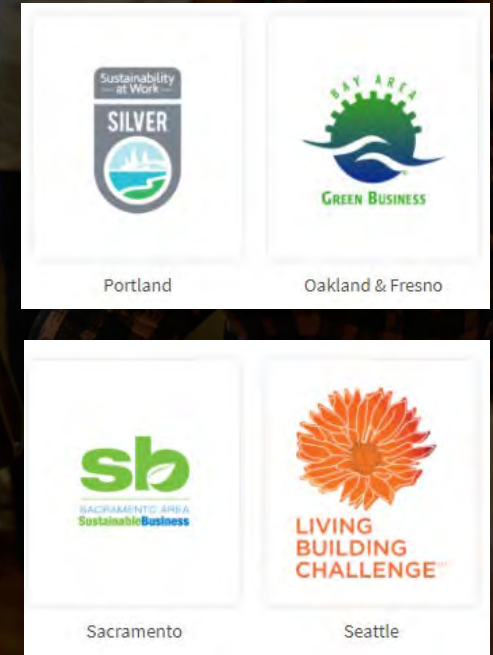
Measuring and Decreasing our Footprint



Being Carbon Balanced

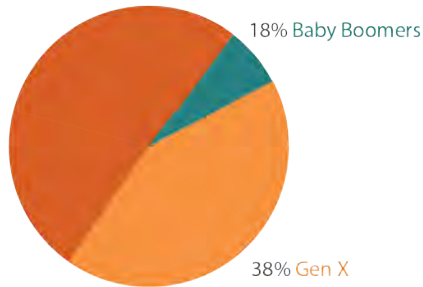


Green Business Certifications



OUR HUMAN CAPITAL STATS

44% Gen Y / Millennials

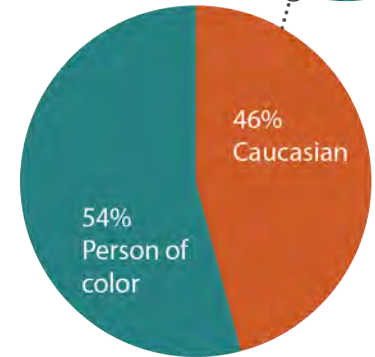


2,050
volunteer
hours



12
internal
promotions

56%
management
diversity
female and people of color

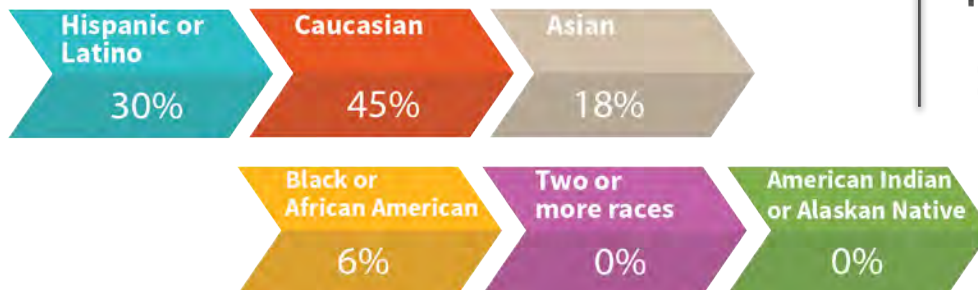


3.6 / 10 About 36% of our new employees are referred by current employees.
About 64% from job boards and agencies combined.

women
67%

men
33%

33 new hires in 2019



Overall
Employee
Favorability
= 94%



ABOUT OUR ACCOUNTABILITY

Certified
B
Corporation

Best For
The World
Since 2013



Founding Signatory of:



PRINCIPLES FOR
RESPONSIBLE
BANKING



150%

of living wage in
all markets



PROUD MEMBER

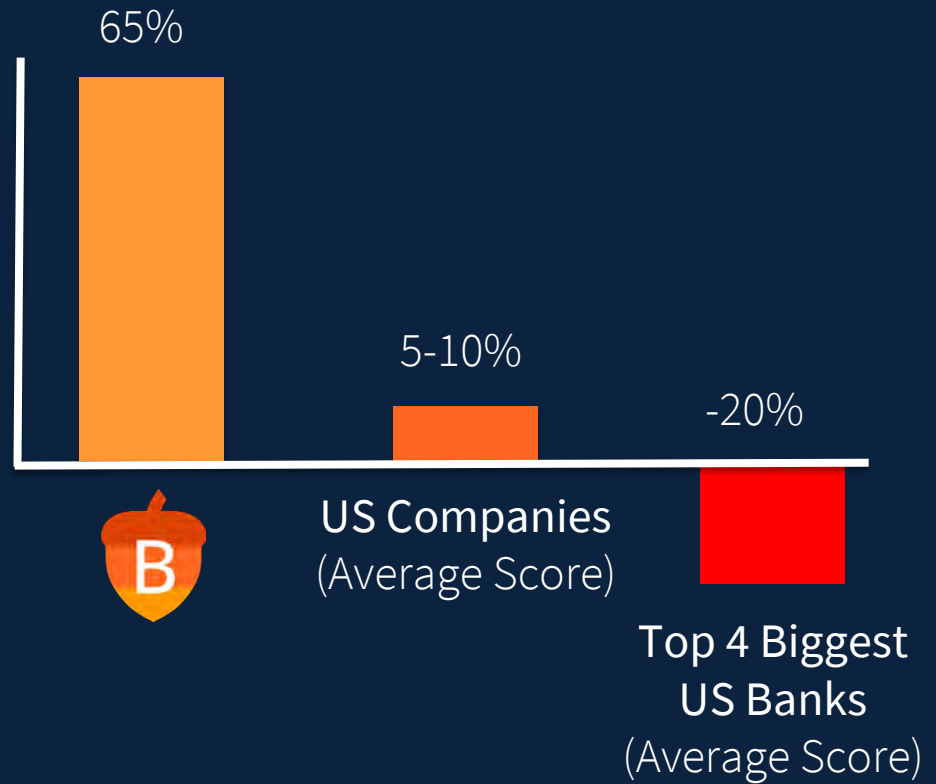


ABOUT OUR STAKEHOLDERS' EXPERIENCE

Our customers are **very likely** to recommend Beneficial State Bank to others.



Beneficial State Bank



* The Net Promoter Score (NPS) is calculated by subtracting the percentage of “detractors” (those unlikely to recommend) from the percentage of “promoters” (those likely to recommend)

JOIN ALLIES FOR STRENGTH

BENEFICIAL STATE ECOSYSTEM



Beneficial State Foundation

A foundation owning the majority of economic interest of the bank and supporting the bank's mission.

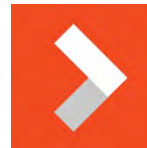
Co-Founded by Tom Steyer & Kat Taylor

radicle**impact**

Radicle Impact

An early stage equity fund pursuing transformational solutions in the areas of good money, good food and good energy.

Co-Founded by Tom Steyer & Kat Taylor



NextGen America

Acts politically to prevent climate disaster, promote prosperity, and protect the fundamental rights of every American.

Co-Founded by Tom Steyer & Kat Taylor



Brightpath Capital Partners

Growth equity fund supporting job creation, wealth creation and sustainable environments.

Co-Founded by Tom Steyer & Kat Taylor



TomKat Ranch Education Foundation

Serves as a learning laboratory for animal agriculture focused on climate stability, nature's benefits, healthy food, biodiversity, and vibrant community.

Co-Founded by Tom Steyer & Kat Taylor



Center for Ecoliteracy

The center supports leaders in cultivating conditions for social impact and sustainable systemic change.

Foundational support by Tom Steyer & Kat Taylor



University Research Institutes

Research institutes at Harvard, Stanford and Yale Universities focused on solutions to climate change.

Funded by Tom Steyer & Kat Taylor



Beneficial State Bank

JOIN ALLIES IN ADVOCACY

VOICES FOR CHANGE

We're not doing this alone!



GABV

Independent network of banks using finance to deliver sustainable development for underserved communities & the environment.

Beneficial State Bank is a founding North America member



CDBA

Voice and champion of banks and thrifts with a mission of serving low and moderate income communities.

Beneficial State Bank is a Board Member



Beneficial State Bank

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