



Beneficial  
State Bank

# Welcome to Beneficial Banking™

---

Member  
FDIC



EQUAL HOUSING  
LENDER

Last updated: 2024-03





For too long, banks have enabled the concentration of wealth and power  
**by investing in and lending to exploitive industries.**



Financing to Black, Indigenous, Latino, and other communities of color **has long been inequitable due to discriminatory practices like predatory lending.**



Over the past seven years, the world's 60 biggest banks have  
**financed fossil fuels to the tune of \$5.5 trillion.**





It's time to  
flip the script.

---

# Beneficial State Bank

We were founded to demonstrate that there is a more viable, equitable, and sustainable model for banking that operates at the intersection of these socioeconomic issues.

**We believe that banks should nourish our communities and planet, not extract from them.**





# Why we exist

Beneficial State Bank exists for people, businesses, and organizations who want to be sure their money is doing good in the world, and for people who want access to fairer, more inclusive financial solutions.



**When you bank with Beneficial State Bank, your deposits support a lending practice that serves our communities and the planet.**





# Our Mission

---

We practice Beneficial Banking™,  
in harmony with nature,  
to help more people and help people more.



# Our vision

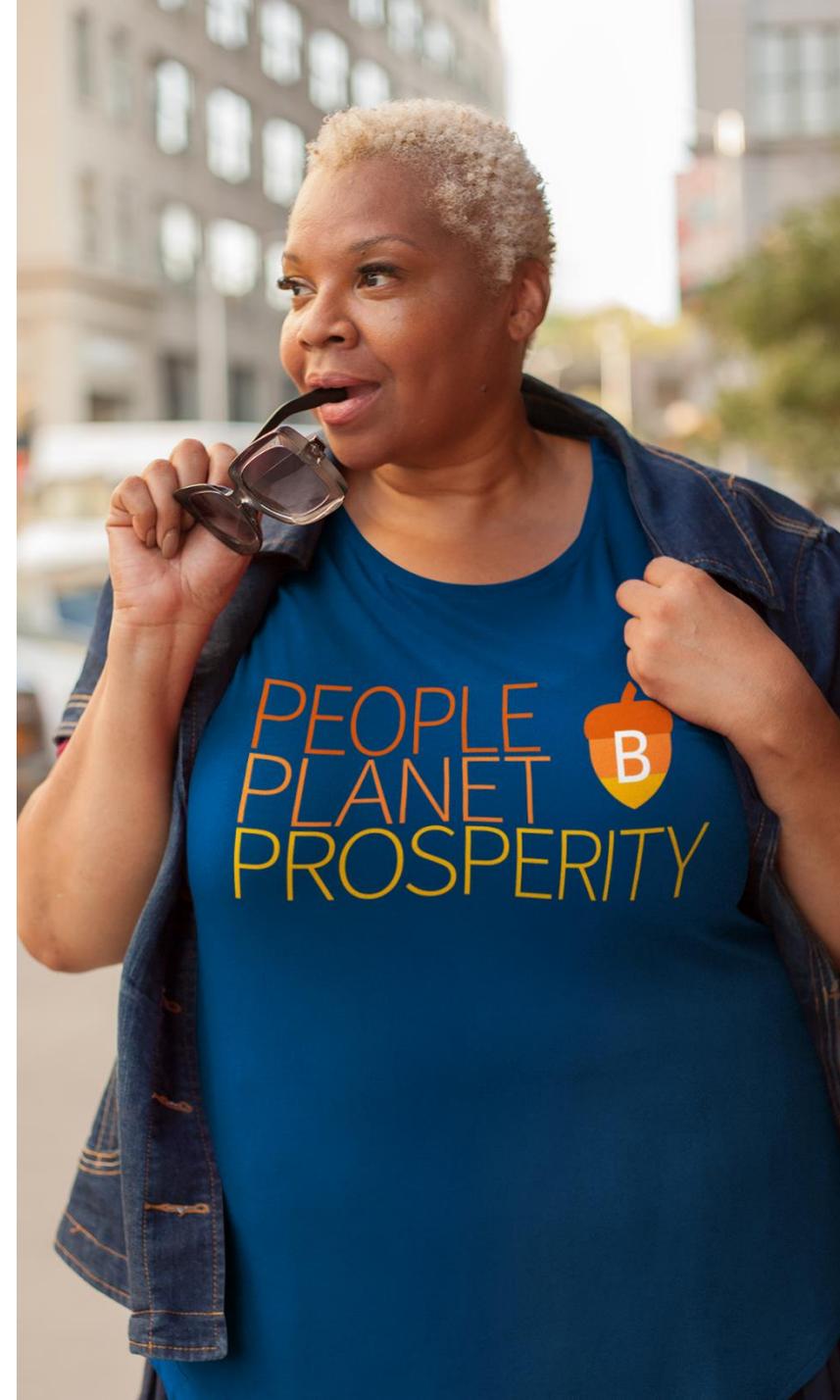
---

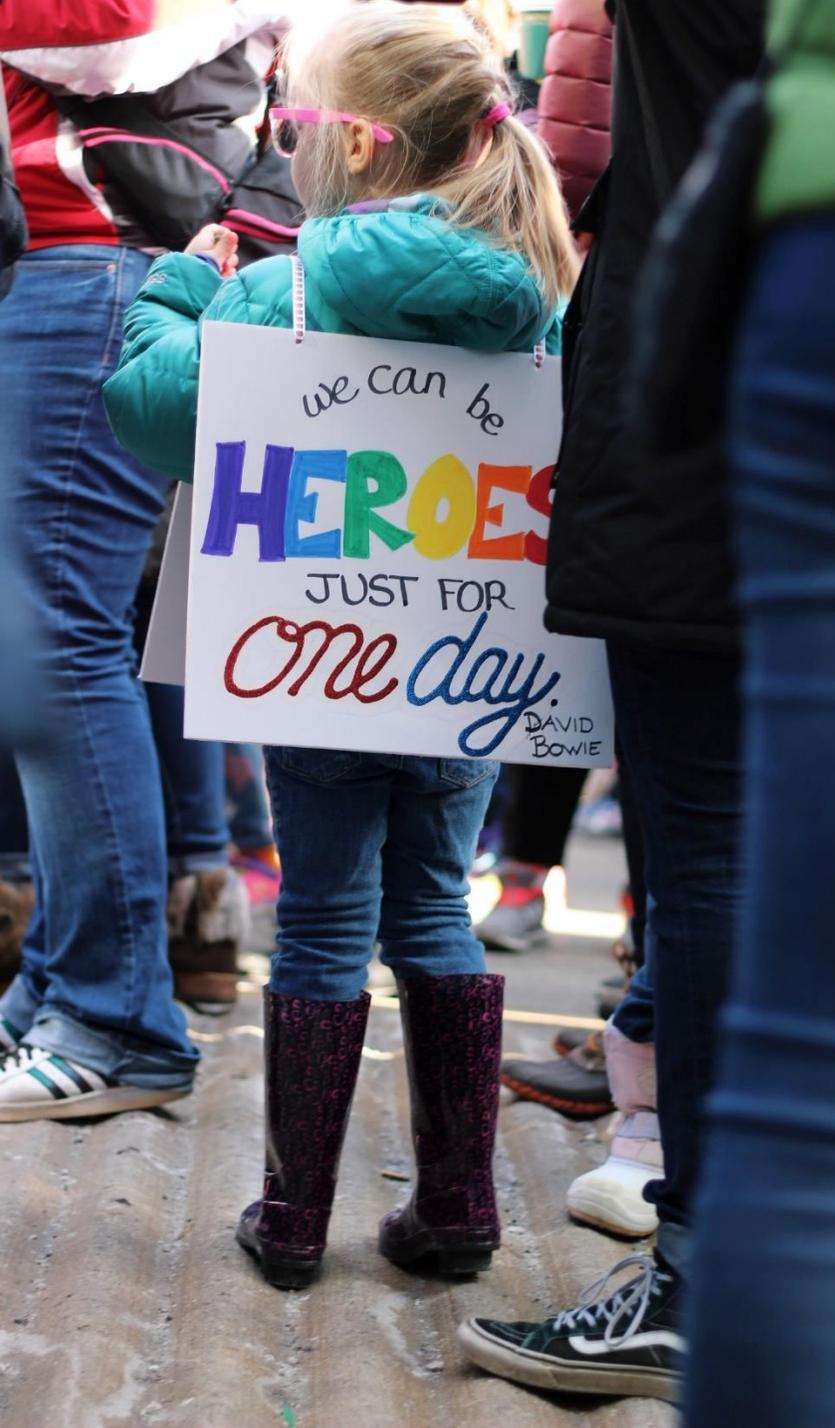
An economy that  
restores our planet and  
extends prosperity to all.

# Our Triple Bottom Line

**Beneficial State Bank is a triple bottom line bank.**

Instead of working to maximize shareholder profits, we design our products and services to serve our communities, support positive environmental outcomes, and achieve long-term financial sustainability.





# Our Affiliations

Beneficial State Bank is Fossil-Free Certified, a proud member of the Global Alliance for Banking on Values, and a Community Development Financial Institution (CDFI).

Beneficial State Bank is also one of the world's top-rated certified B Corporations.



# Our ownership structure

Beneficial State Bank's capital is majority-owned by the nonprofit [Beneficial State Foundation](#), meaning the economic rights of the Bank are fully aligned with, and permanently governed in, the public interest.

## Beneficial State Foundation

501(c)3 nonprofit that works to advance financial justice shaped by learning from Beneficial State Bank. It is the bank's founding investor and owner of its economic interests.



## Beneficial State Bancorp

Public Benefit Corporation and source of financial and management strength. A vehicle for investing in companies to bolster the Bank's offering and raising capital from external philanthropic sources. Owns 100% of the Bank.



## Beneficial State Bank

B Corporation with over \$1.7B in assets across three states: California, Oregon, and Washington.





# Our Lending Practice and Impact



# Our Products & Services

**We design our products and services to optimize positive social and environmental outcomes.**

**Just as important are the activities we avoid.**

Those commitments include no predatory lending, and no investments or lending to fossil fuel, private prisons, or weapons manufacturing industries.





**\$337 Million**

to affordable housing\*



**\$0**

to payday lenders

\*Loan data compiled by Beneficial State Foundation, as of December 2022





**\$100 Million**

to environmental projects\*



**\$0**

fossil fuel extraction

\*Loan data compiled by Beneficial State Foundation, as of December 2022





**\$21 Million**

to social justice\*



**\$0**

to private prisons

\*Loan data compiled by Beneficial State Foundation, as of December 2022





**\$72 Million**

to environmental projects\*



**\$0**

to weapons manufacturers

\*Loan data compiled by Beneficial State Foundation, as of December 2022



# 2022 Outstanding Loan Portfolio

In 2022, 79% of our outstanding loan portfolio directly served our mission, supporting a more just and environmentally sustainable world, and the remaining 21% aligned with our "do no harm" commitment.

## Outstanding Commercial Loans in 2022:

\*Some loans serve multiple mission categories

 <b>\$337MM</b> Affordable Housing	 <b>\$100MM</b> Environmental Sustainability	 <b>\$65MM</b> Education & Youth Development	 <b>\$72MM</b> Health & Wellbeing	 <b>\$60MM</b> Making, Manufacturing & Production	 <b>\$83MM</b> Arts, Culture & Community Building
 <b>\$42MM</b> Beneficial Financial Services	 <b>\$43MM</b> Economic, Business & Job Development	 <b>\$22MM</b> Healthy Food	 <b>\$21MM</b> Social Justice	 <b>\$33MM</b> Other mission business or nonprofit	 <b>Read more about our impact</b>



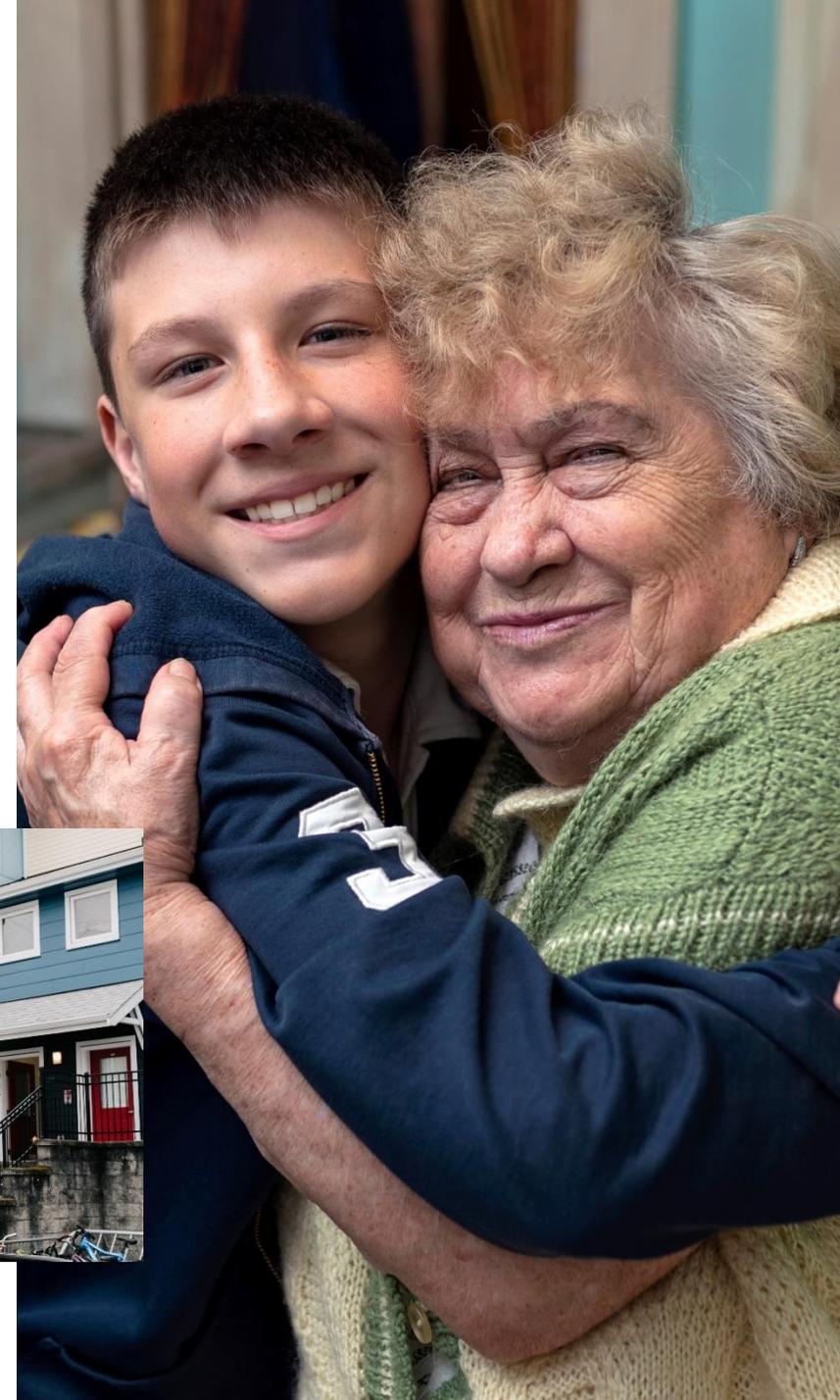
# Our Clients Are Changemakers



# Our clients are innovative problem-solvers.

Housing Hope was founded to provide long-term housing solutions for low-income families and families experiencing homelessness to help them get back on their feet while keeping them together.

**Housing Hope serves the Snohomish County community through its three program areas: homes, jobs, and children.**





# Our clients are making organizations better.

Construct the Present, an Oregon-based B Corp, provides diversity, equity, and inclusion resources, education, coaching, and strategic planning.



**Construct the Present focuses on cultural change and building leadership within governments, nonprofits, and for-profit companies.**



# Our clients are seeking fair banking products.

Alicia, a Bay Area resident, started searching for her first electric vehicle a few years ago. About a year later, Alicia decided to refinance her loan to see if she could get a better rate.

**“Beneficial State is in it to help people, not just trying to make as much money as they can. I regularly recommend Beneficial State Bank to people looking to buy a car,” says Alicia.**





# Our clients are supporting their local communities.

Good Fill in Fresno, CA is a store that provides low-waste home and beauty products and refills. Good Fill offers a variety of products: dental care, skincare, laundry, cleaning, kitchen products, and more.



**“I am excited to be a part of a bank that cares about its impact and is committed to doing good things for people and the planet,” says Alyssa Ndombeson, owner of Good Fill.**



# Our clients are investing in the future.

In much the same way Silicon Valley invested in the information economy 50 years ago, [AltaSea](#) is investing in the Blue economy today, looking to transform many of our systems to be more sustainable.

**This includes ocean sources of food, fuel, pharmaceuticals, and energy, along with innovation in blue technologies like underwater drones and mapping devices.**



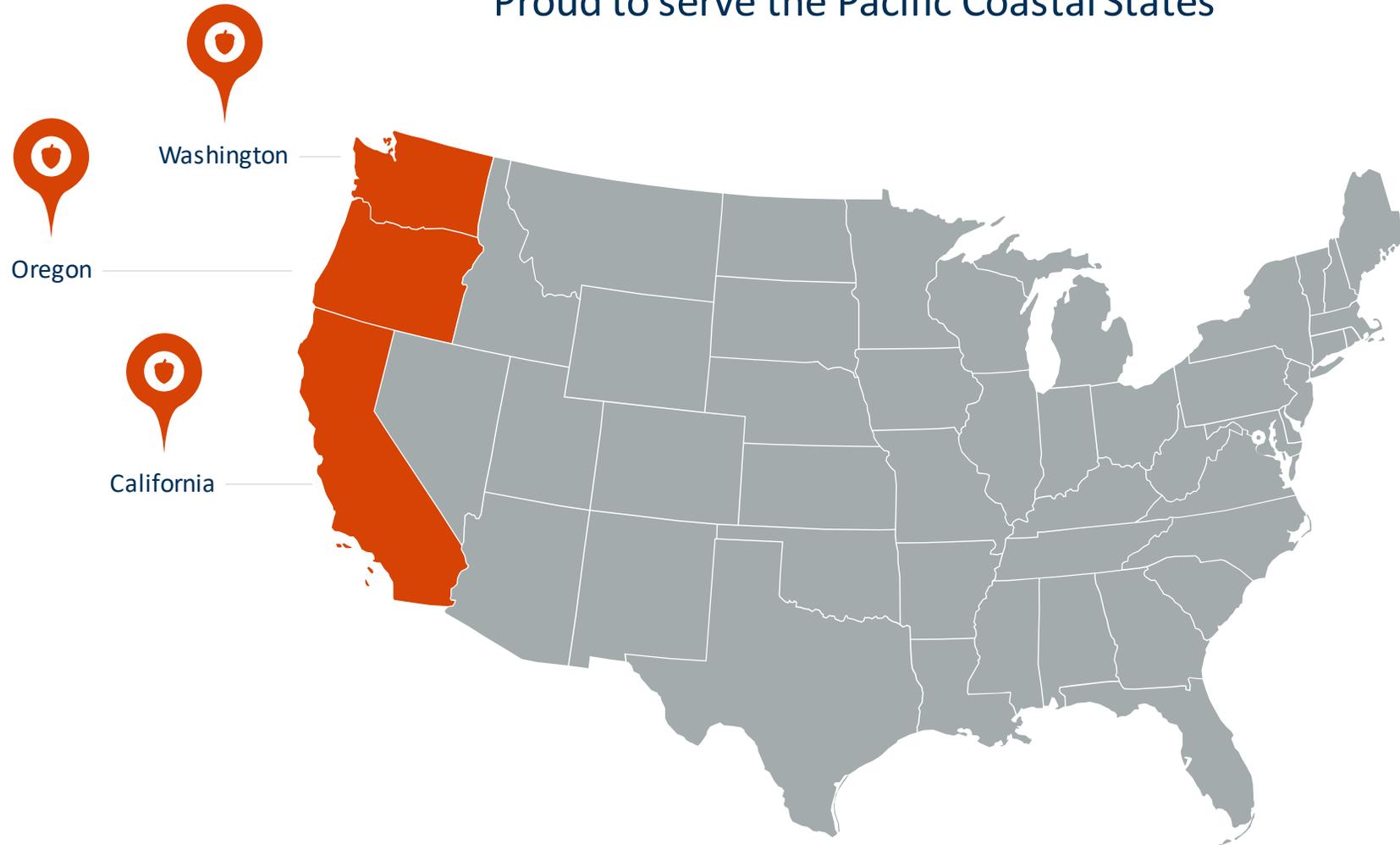


# Our Operations & Team



# Where we operate

Proud to serve the Pacific Coastal States



**7** Branch Locations

**5** Loan Production Offices



# Internal Sustainability Initiatives

**We measure** and work to decrease our operational carbon emissions, and we offset those emissions each year through [Carbon Lighthouse](#).

**We pursue** green procurement – the practice of selecting service and supply chain options with relatively lower environmental impact.

**We improve** the efficiency of our facilities by expanding our green building footprint, including opening our cashless branch in the [Bullitt Center](#) in Seattle, one of the greenest commercial buildings in the world.





# Our internal practices

- **Beneficial Employment**
  - Living wage policy
  - Commitment to gender and ethnic diversity
  - Paid volunteer time
  - Matched donations
  - Pet benefits
  - Incentive & discretionary bonus programs



# About our team

Our impact is directly attributable to the passion, commitment, and achievements of our team members and collaboration with the communities we serve. [Read about our leadership team on our website.](#)

213

Colleagues

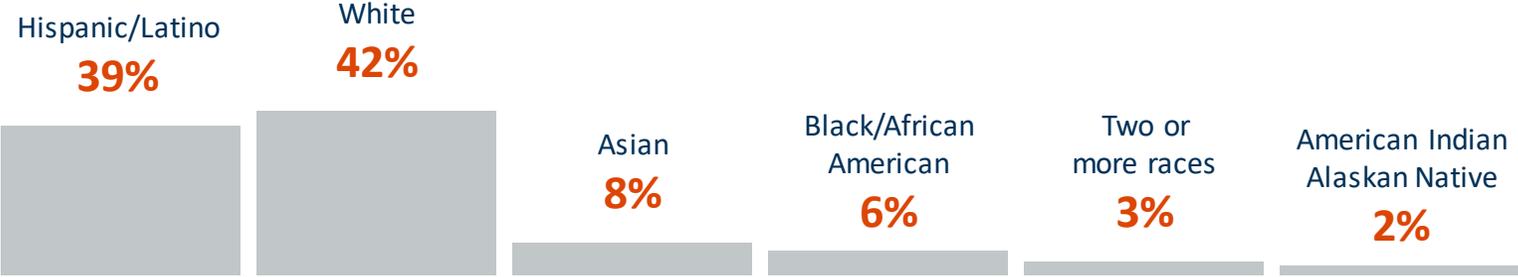
1/3 

of our executive management team is female

17%

of our executive management team are Black, Latino, or Asian

## Team Members at All Levels



62%

Women

38%

Men



# Our Financial Performance



# Financial Highlights

	2018	2019	2020	2021	2022
<b>Total Assets</b>	\$1B	\$1.04B	\$1.25B	\$1.57B	\$1.72B
<b>Adjusted Pre-Tax Income</b>	\$2.3MM	\$2.6MM	\$1.9MM	\$21.58MM	\$8.30MM
<b>Cost of Funds</b>	0.69%	1.14%	0.60%	0.17%	0.29%
<b>Net Interest Margin</b>	4.66%	4.16%	3.96%	3.90%	3.55%
<b>Adverse Assets Ratio</b>	9.4%	10.0%	12.7%	24.4%	19.8%
<b>Texas Ratio</b>	5.8%	6.2%	8.0%	10.7%	7.47%

Notes:

- 2018 includes an additional \$0.3MM positive adjustment related to a core conversion.
- 2020 excludes \$8.4MM non-cash goodwill impairment charge.



# YOU ARE WELCOME HERE

Your spouse or partner  
is welcome here.

Your family is welcome here.

You're welcome to share  
your pronouns with us.

You're welcome to  
teach us your language,  
share your customs,  
and celebrate your traditions.

You're welcome to  
be your authentic self,  
and we're so very glad  
to have you here.

We are here for you.



Together, we can create a new  
banking system that is inclusive,  
racially- and gender-just, and  
environmentally regenerative.



# Start Banking Beneficially Today





## **GENERAL INFORMATION AND LIMITATIONS; SAFE HARBOR**

This presentation, and any oral or video presentation that supplements it, have been developed by and constitute the confidential information of the Company and were prepared exclusively for the benefit and internal use of the recipient solely for discussion purposes to evaluate a possible transaction with the Company. Neither the printed presentation nor the oral or video presentation that may supplement it, nor any of their contents, may be disclosed, reproduced, distributed or used by recipient for any other purpose without the prior written consent of the Company. Except for the recipient's obligations set forth in the immediately preceding sentence, under no circumstance shall this presentation constitute an offer or binding commitment from any party. Each party acknowledges that it is not entering into an, and there is no, agreement, contract or obligation between the parties to negotiate with respect to any transaction.

This presentation may include projections and other forward-looking statements by the Company regarding future events or the future financial performance of the Company (including its subsidiaries). Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include, among others things: the Company's ability to meet the competitive challenges of new markets; general economic and business conditions in those areas in which the Company operates; demographic changes; competition; fluctuations in market conditions, including interest rates; changes in business strategies; changes in governmental regulation; changes in credit quality; and other risks and uncertainties. The Company wishes to caution you that such statements are based on certain assumptions and that actual events or results may differ materially. This presentation may also rely upon information obtained from public sources or the recipient, the accuracy of which has not been verified, and cannot be assured, by the Company.