

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

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

Banking has been dragging a...



TRAIN OF MISERY

- **\$321 billion:** Fines paid by our largest banks in the last seven years.
- **4.9 million:** Number of families who lost their homes to foreclosure in the downturn.
- **16%; 53%; 66%:** Household wealth reduction of Whites; African Americans and Latinos, respectively, in the downturn.
- **One third:** Percent of bank tellers who rely on some kind of public support.
- **\$250 billion:** Bank-provided coal financing in the last 10 years leading to 140mm tons of hazardous waste in the U.S.



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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.



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

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.



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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, 273 colleagues and 17 locations operating in California, Oregon and Washington.



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Commercial Banking Office

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

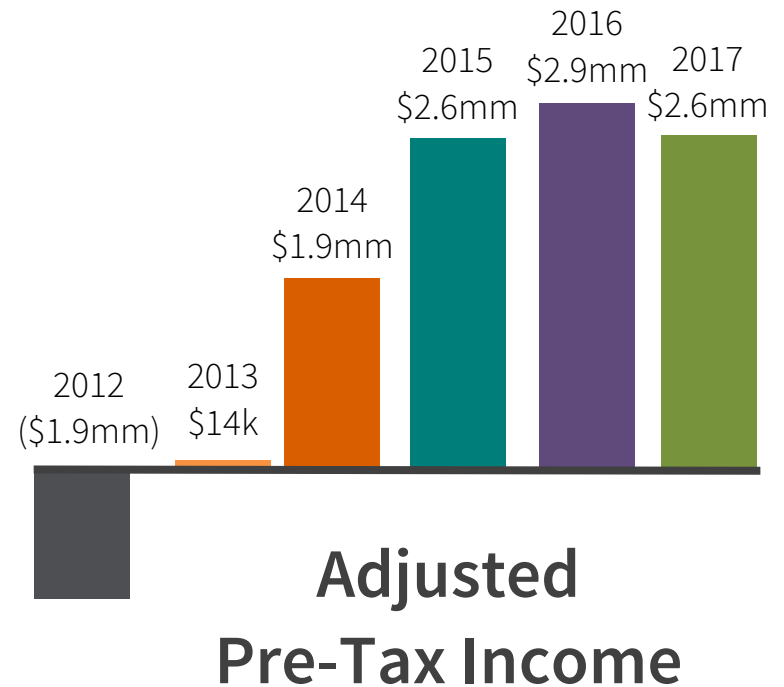
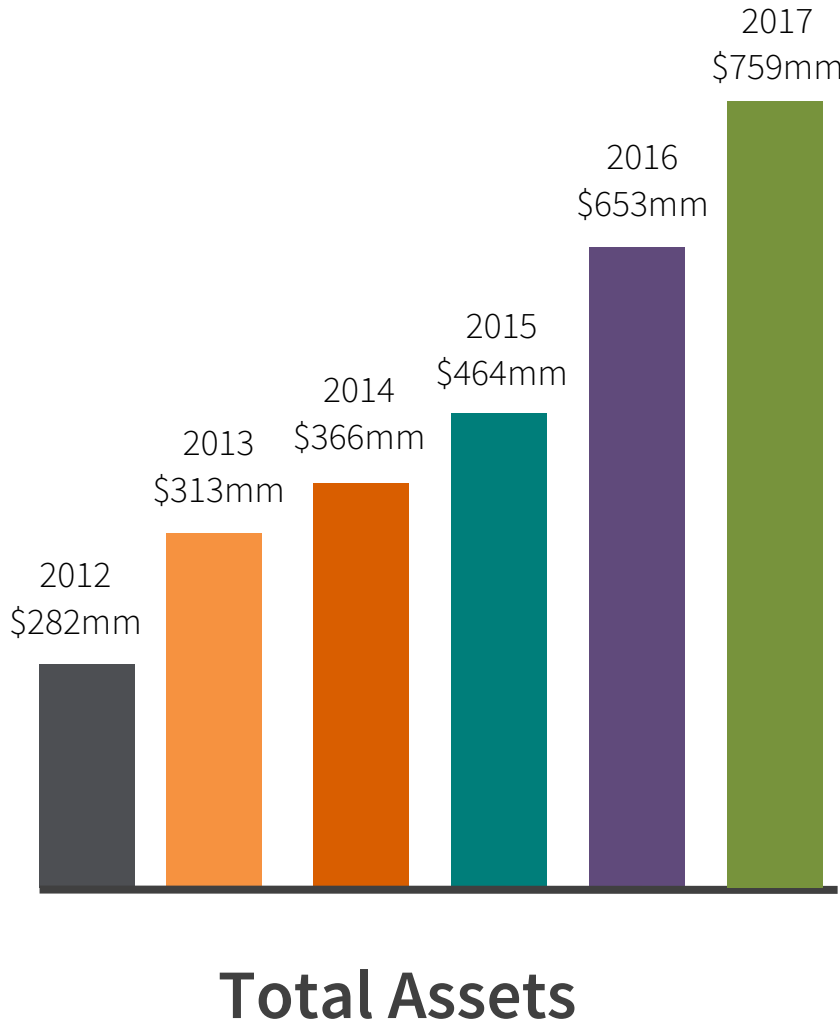
FDIC

build something beautiful.

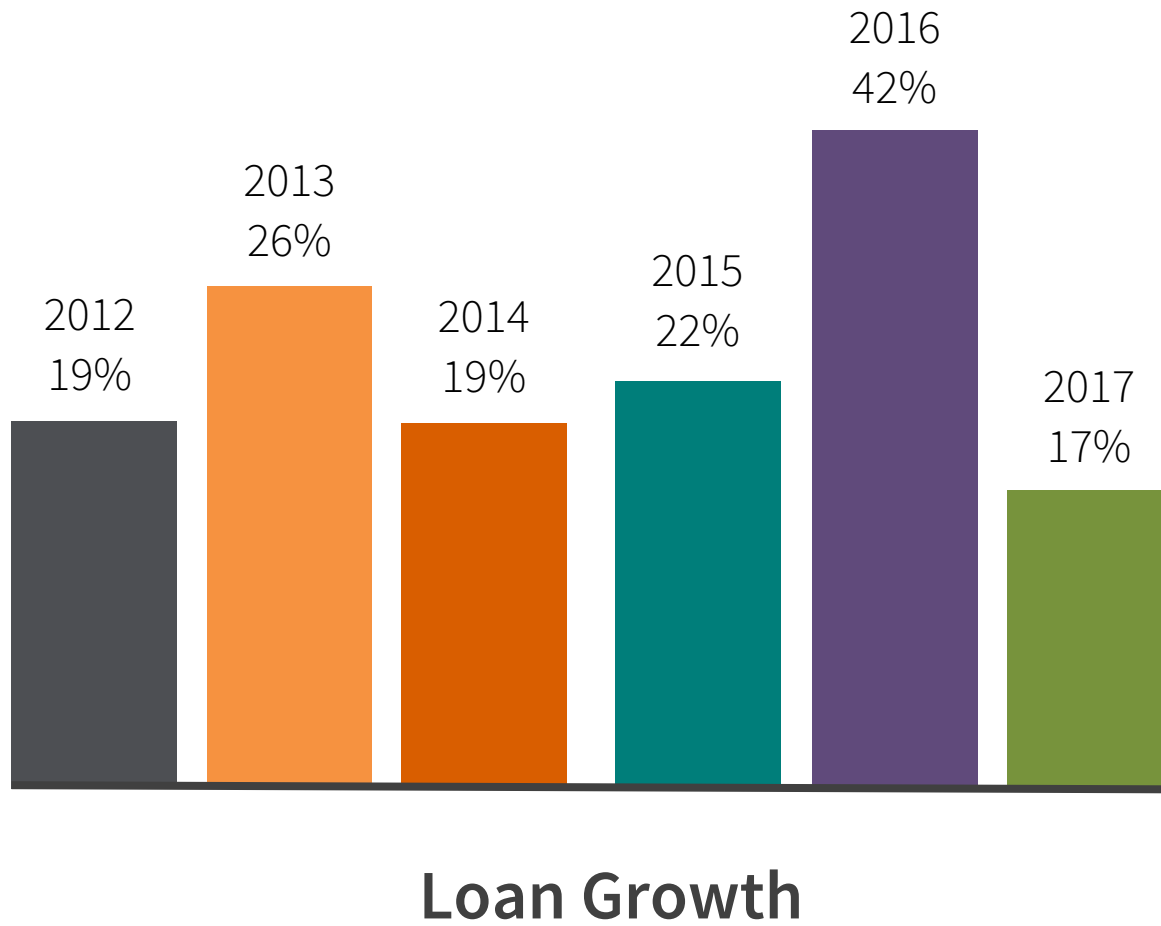


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BENEFICIAL STATE BANK FINANCIAL HIGHLIGHTS

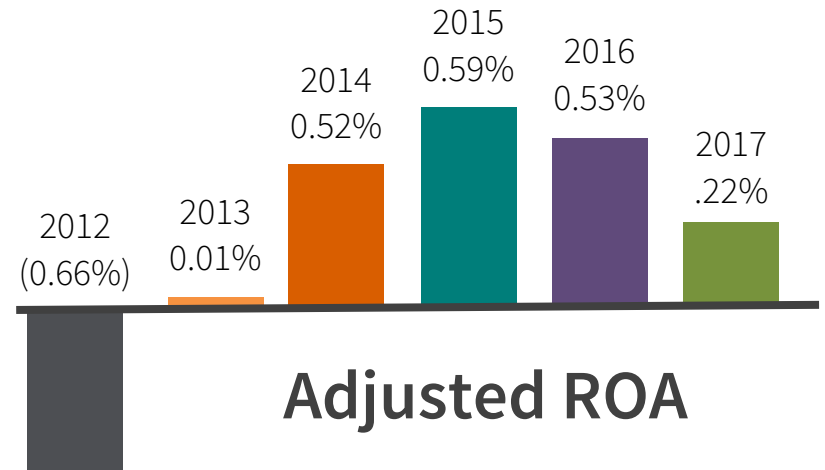
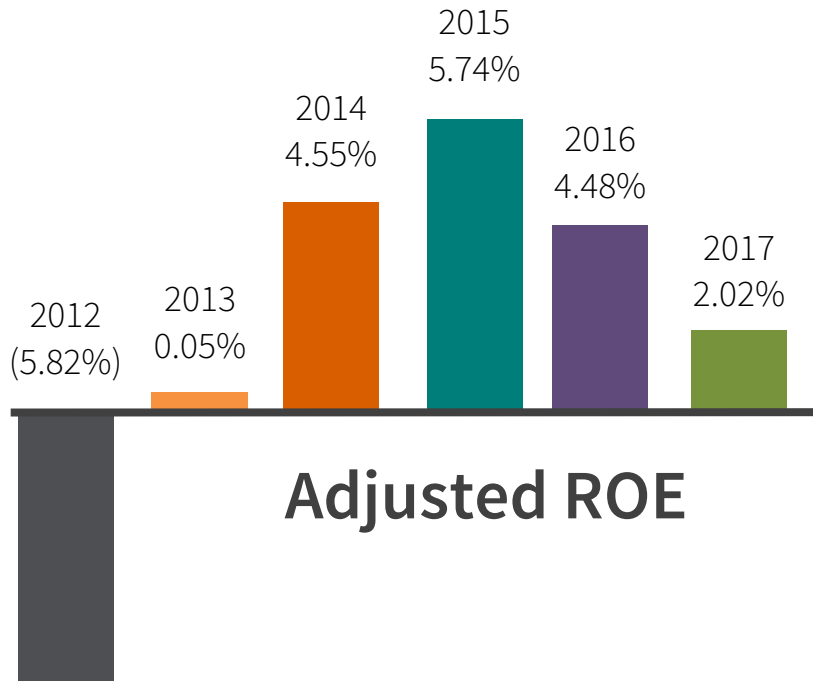


BENEFICIAL STATE BANK FINANCIAL HIGHLIGHTS



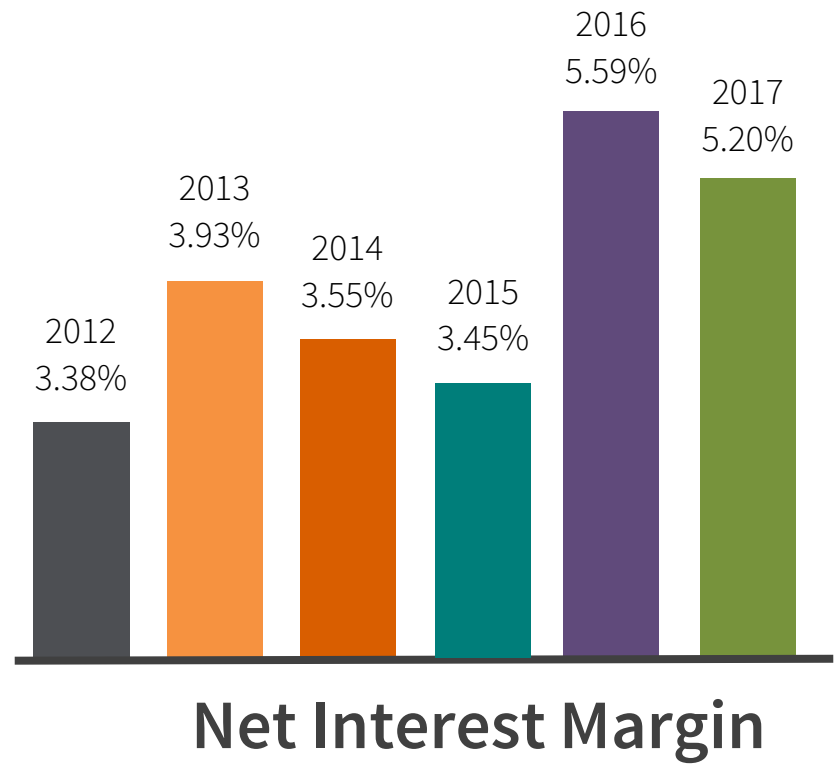
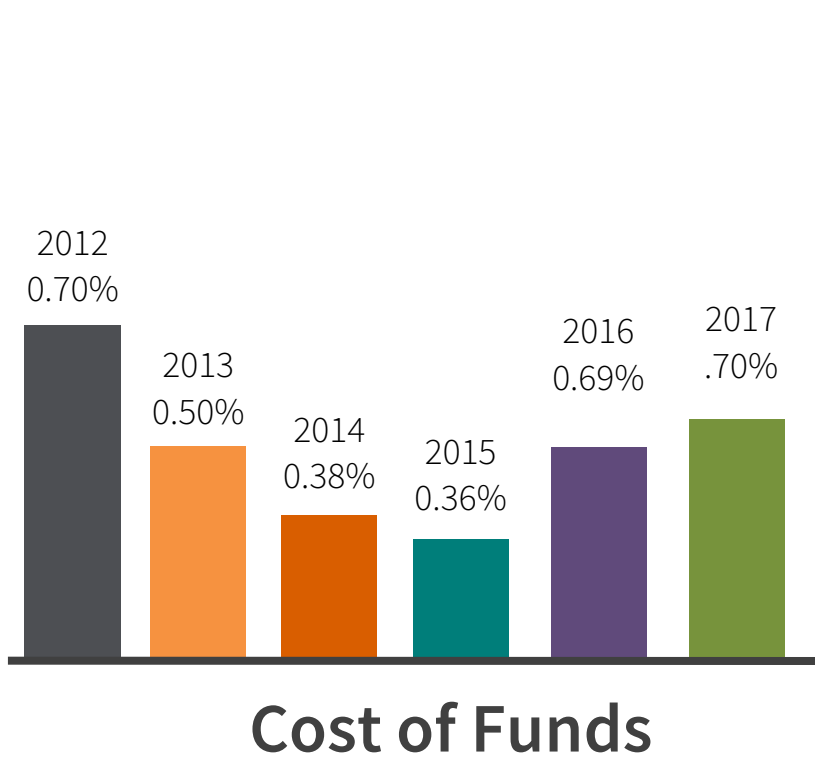
BENEFICIAL STATE BANK

FINANCIAL HIGHLIGHTS

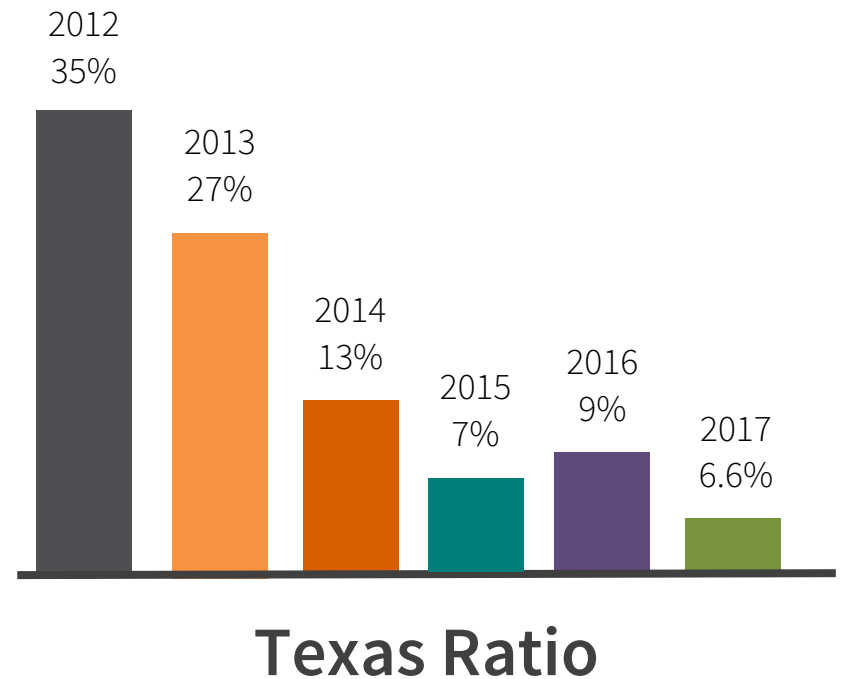
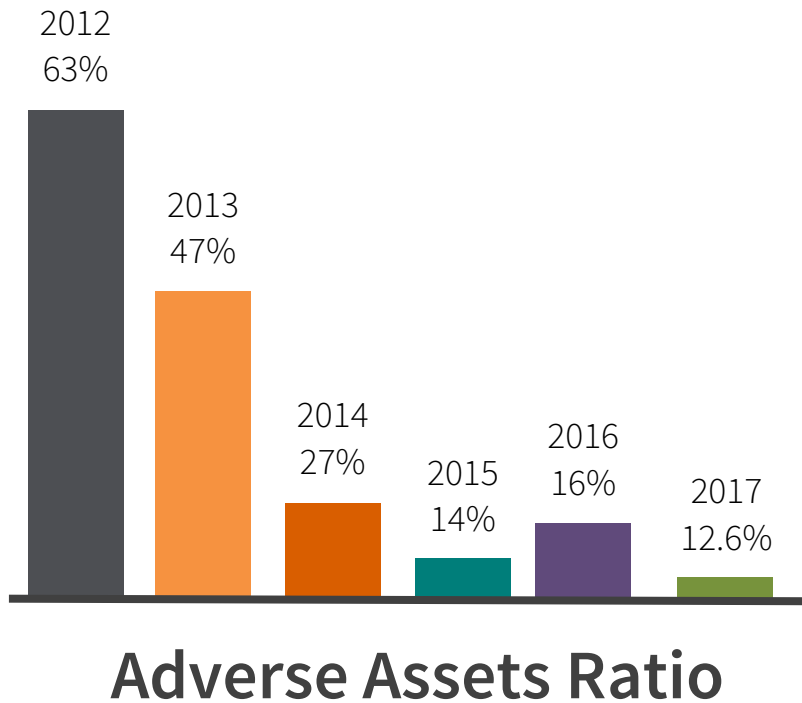


BENEFICIAL STATE BANK

FINANCIAL HIGHLIGHTS



BENEFICIAL STATE BANK FINANCIAL HIGHLIGHTS



MANAGEMENT TEAM



Kat Taylor

Co-Founder & CEO
Good Samaritan Family Resource Center,
TomKat Ranch Education Foundation,
Ecotrust, ProPublica, Harvard Board of
Overseers
Harvard, Stanford



Dan Skaff

Executive Chairman
Marin Community Foundation,
Latino Community Foundation,
SF Federal Reserve
Sienna Ventures, Bankers Trust, BofA
Harvard, Wharton



Madison Le

Chief of Staff
Executive Vice President,
Consumer Banking Services
The Unity Care
Legacy Bank, Presidio Bank
Santa Clara University



Randell Leach

President and COO
Cascadia Green Building Council
Wells Fargo, ShoreBank Pacific
University of San Diego



Tyson Smith

EVP, Chief Technology Officer
Capital Pacific, bank of Northwest
Vanguard University of Southern California



Jennifer Finger

EVP, Strategy & Development
Westamerica, Star Banc
Corporation, BofA
SMU, American Graduate School



Cem Bolkan

SVP, Chief Credit Officer
Mechanics Bank, Wachovia
University of California Davis



Thu Nguyen

SVP, Chief Financial Officer
American Perspective Bank, La Jolla Bank
University of Virginia



Monique Johnson

SVP, Director, Client and Treasury Management
Junior Achievement of Southern California
SunPac, LLC, Wedbush Bank, Alliance Bank,
Imperial Bank
Iowa State University



Sue Campo

EVP, Business Intelligence Officer
The Bank of Oswego
University of Oregon



Steve Goodrich

EVP, Head of Consumer & Microlending
Pan American Bank
UCLA-Anderson School of
Management, Princeton



Jann Wallach

SVP, Compliance, BSA and CRA Officer
California Savings Bank
California State Sacramento



Grant Word

EVP, Director of Commercial and
Business Banking
US Bank, Opus Bank
University of Texas at Austin



Sherri Arnold

SVP, Chief People Officer
Pan American Bank, Gap Inc

BOARD OF DIRECTORS



Tom Steyer
Co-Founder and Co-Chair of
Beneficial State Bank



Dan Skaff
Executive Vice Chairman of
Beneficial State Bank



Andrew B. Fremder
Recovering Financial Services Professional



Robert A. Wilkins Sr.
Retired CEO of
YMCA of the East Bay



Richard B. Fried
Managing Member of Farallon



Heather Redman
VP Business Operations & General
Counsel at Indix Corporation



Kay Toran
President and Chief Executive Officer of
Volunteers of America



Kat Taylor
CEO, Co-Founder and Co-Chair of
Beneficial State Bank



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



Robert Davenport III
Managing Partner of Brightpath Capital Partners, LP



Robert S. Townsend
Chair of Morrison & Foerster's Global M&A Group



Ross Fubini
Managing Partner of XYZ Venture Capital



Dale Walker
Retired President & Chief Operating Officer
of Digital Insight

BUILD A STRONG CULTURE

TRUST

JUSTICE

EMPOWERMENT



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BUILD AN ALIGNED PRODUCT AND SERVICE OFFERING



Fair and transparent
personal banking



Empowered business and
nonprofit banking



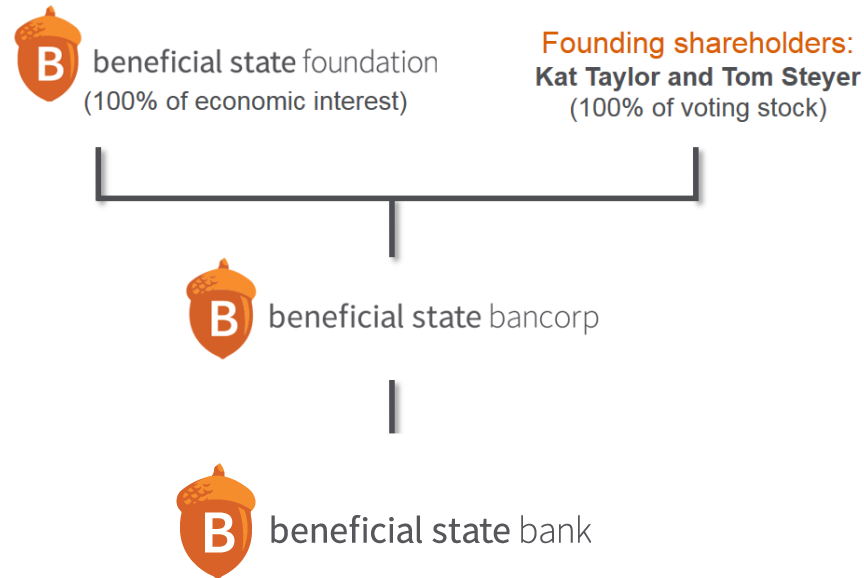
Mission –driven



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KathrinaVerzosa@gmail.com

ALIGN THE OWNERSHIP



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



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LOANS IN MISSION CATEGORIES

December 31, 2017 | \$ Million in Loan Commitments (MM)



\$50MM
Economic, Business
& Job Development



\$5.4MM
Social Justice



\$26MM
Education & Youth
Development



\$76MM
Environmental
Sustainability



\$23MM
Healthy Food



\$84MM
Affordable Mission Housing



\$27MM
Making, Manufacturing
& Production



\$35MM
Beneficial
Financial Services



\$35MM
Arts, Culture &
Community Building



\$36MM
Health & Wellbeing
(Non-Food)

PERSONAL LENDING HIGHLIGHTS

Auto Lending Highlights

as of December 31, 2017

9,105
borrowers

\$75MM
total loans
outstanding

578
average credit score*

*of borrowers with credit scores; 1,200 of our borrowers did not have a credit history when they got their auto loan

Community-Driven Auto Lending

We launched two innovative pilot programs in February 2017 for traditionally underserved individuals that provide fair and transparent access to auto financing. The First Time Buyers program serves individuals who have no credit history and the AB-60 Program serves individuals who hold AB-60 issued driver's licenses, which can be obtained without proof of legal residence.

Individual Development Accounts (IDAs)

IDAs are special-purpose savings accounts that are matched by federal, state or charitable organizations to help low-income individuals accelerate their savings efforts, realize their life-changing savings goals, and encourage people to save more.

In 2017, Beneficial State Bank and CASA of Oregon jointly served (as of December 31, 2017):

148
IDA borrowers

\$625
average savings

\$92,518
total saved in 2017

PRACTICE RADICAL TRANSPARENCY



Third Party
Audited



Data Driven



Publish Outcomes

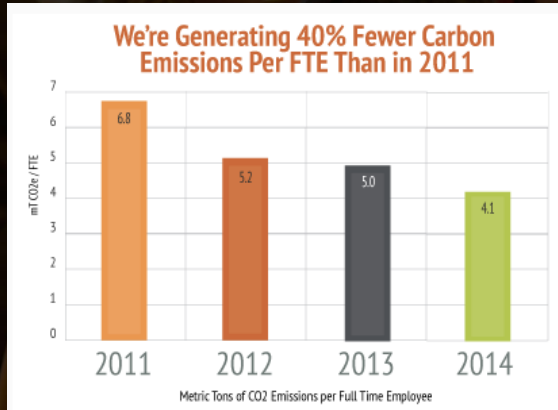
ABOUT OUR INTERNAL PRACTICES

BENEFICIAL EMPLOYMENT

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

SUSTAINABILITY

Measuring and Decreasing our Footprint



Being Carbon Balanced

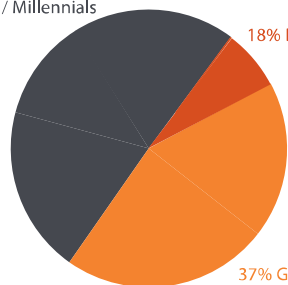


Green Business Certifications



OUR HUMAN CAPITAL STATS

44% Gen Y / Millennials

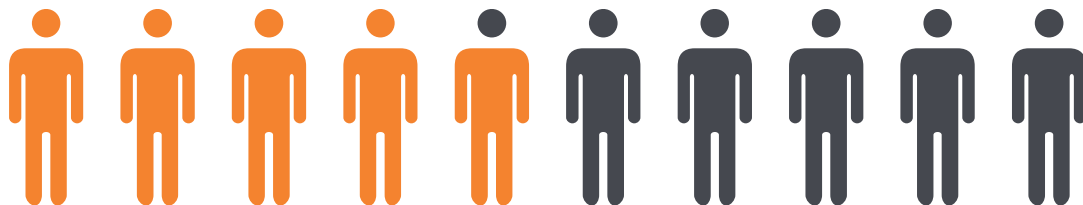
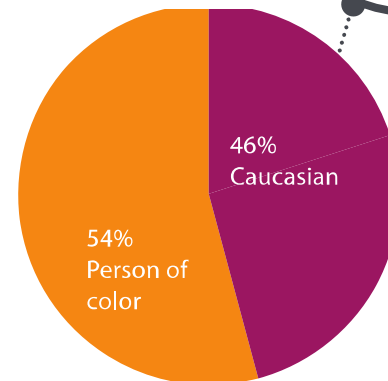


1,071
volunteer
hours



20
internal
promotions

62%
management
diversity
female and people of color



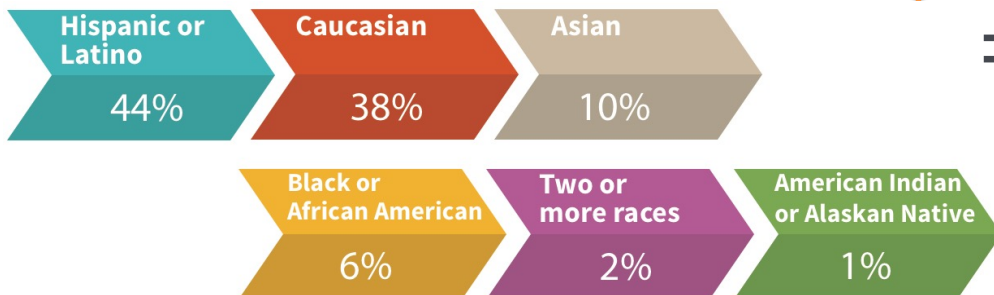
4.7 / 10

About 47% of our new employees are referred by current employees.
About 25% from job boards, and 27% from agencies.

women
60%

men
40%

59 new hires in 2017



Overall
Employee
Favorability
= 94%



ABOUT OUR ACCOUNTABILITY

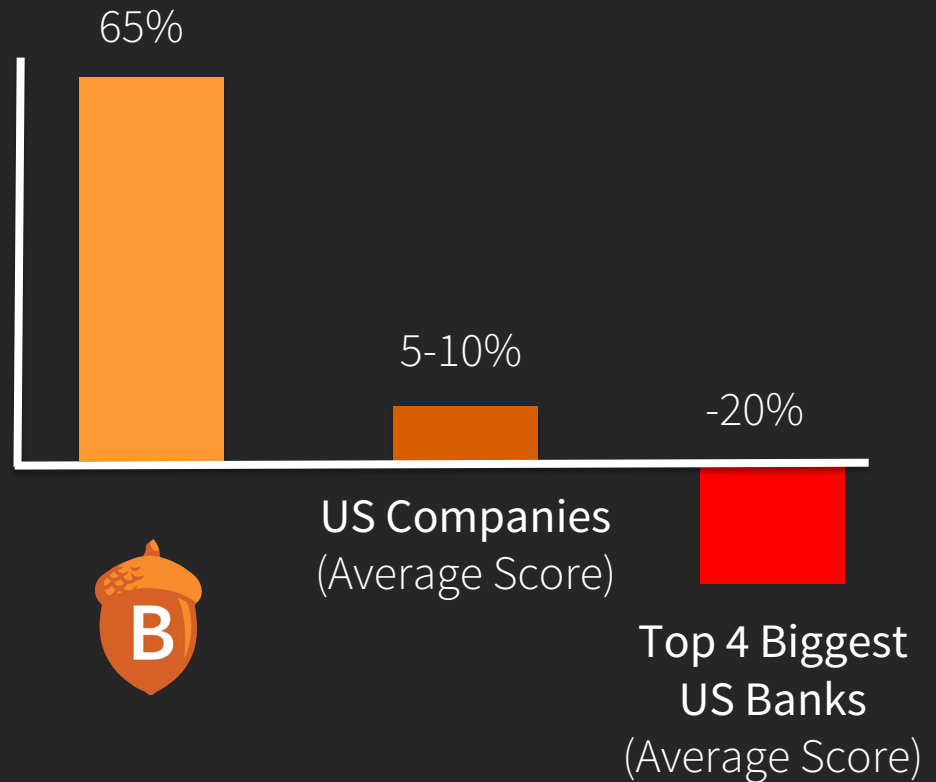
EBALDC 2013

Community Bank of the Year



ABOUT OUR STAKEHOLDERS' EXPERIENCE

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



* 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

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

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



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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



build something beautiful.



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LAUREN CREW PHOTOGRAPHY

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