



2023

IMPACT REPORT





Our assets grew to:
\$1.8 Billion
in 2023
as we expanded our
mission-driven lending

0%
of our lending went toward
contra-mission activities such
as weapons manufacturing,
fossil fuels, extractive finance,
and private prisons.

Dear Beneficial State Bank Community,

As we reflect on a year marked by significant challenges and remarkable resilience, it is our pleasure to present our 2023 Impact Report.

The year held notable economic, social, and political uncertainty. The collapse of several banks and continued affordability challenges threatened the financial stability for so many people across the communities we serve. It is a stark reminder of the critical role banking plays in our economy. We have an important responsibility to demonstrate that banking, one of its largest sectors, can be a force for good.

Throughout the year, we heard time and again from our clients that they were reassured by our model and our values. Our commitment to environmental, social, and economic well-being allows us to invest in people and projects providing enduring value, not only short-term profit. In moments of uncertainty, Beneficial Banking™ is calm amidst the storm. It is not a trend, not hype, but a straightforward way to provide benefit to and keep our communities from harm.

Our major accomplishments this year illustrate our impact:

- Our assets grew to \$1.8 billion in 2023 as we expanded our mission-driven lending
- None of our lending went toward contra-mission activities — no weapons manufacturing, no fossil fuels, no extractive finance, no private prisons.
- We continue to be fossil-free certified, and a bank committed to tackling the climate crisis.

These accomplishments arise from dedication to our guiding values and the collective effort of our exceptional team and clients. And we have the power to do much more.

Beneficial Banking™ is founded on the principle of stakeholder capitalism, which prioritizes the potential impacts to all stakeholders: clients, colleagues, our communities, the public interest, and the planet. This commitment is essential to us, as we continue to raise the bar for how a bank can serve communities it operates in, and it is also important as we work toward systems change throughout the banking sector.

We remain steadfast in our allegiance to a diverse set of stakeholders, particularly those with the least economic power, and will continue to invest in our bank and our people. You, too, have the power to invest in this mission, showing the world that it matters where you bank. We are optimistic that through the collective efforts of individuals and companies who lead with values, we can create a more sustainable and just future. Together, we will continue to champion better banking, support our communities, and drive positive change.

Thank you for being a part of Beneficial Banking™.

Beneficially,

Randell Leach *Kat Taylor*

Randell Leach, CEO

Kat Taylor, Co-Founder and Chair of the Board of Directors



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Land Acknowledgment

We pay respect to the traditions, knowledge, past and present of these Indigenous Peoples.

We recognize that descendants of these and other North American tribes continue to live and work on this land with us. We recognize the tragic legacy of colonization, genocide, and oppression that still impacts Native American lives today. As an organization committed to social and environmental justice, inclusion and diversity, we are committed to defending the rights of all Indigenous peoples to retain their cultural and religious traditions and practices, and to supporting efforts toward justice and healing.

Beneficial State Bank acknowledges its branch in Seattle, Washington sits on Indigenous Coast Salish land, specifically the ancestral land of the **Duwamish, Suquamish, Stillaguamish, and Muckleshoot People**. We would also like to list in full the twenty-nine federally recognized tribes throughout the State of Washington: **Chehalis, Colville, Cowlitz, Hoh, Jamestown S’Klallam, Kalispel, Lower Elwha Klallam, Lummi, Makah, Muckleshoot, Nisqually, Nooksack, Port Gamble S’Klallam, Puyallup, Quileute, Quinault, Samish, Sauk-Suiattle, Shoalwater Bay, Skokomish, Snoqualmie, Spokane, Squaxin Island, Stillaguamish, Suquamish, Swinomish, Tulalip, Upper Skagit, and Yakama**.

In addition, we recognize tribes that are not recognized by the U.S. federal government but have had a long history in present-day Washington: **Duwamish, Wanapum, and Chinook**.

Beneficial State Bank acknowledges its branches in Portland, Oregon sit on the traditional village sites of Indigenous tribes who have lived on this land for more than 10,000 years. These tribes include: the **Multnomah, Wasco, Cowlitz, Kathlamet, Clackamas, Bands of Chinook, Tualatin, Kalapuya, Molalla**, and many other tribes who made their homes along the Columbia River.

Beneficial State Bank acknowledges its headquarters in Oakland, California sits on the ancestral homelands of **xučyun (Huichin)**, the ancestral land of the **Indigenous Ohlone** people. The Ohlone people are the successors of the **Indigenous Verona Band of Alameda County**, and this land continues to be important to the Ohlone people and the descendants of the Verona Band. Our branch in Fresno sits on the traditional lands of the **Indigenous tribes of the Yokuts and Mono** people in California’s Central San Joaquin Valley. Our branch in East Los Angeles sits on land that was originally inhabited and continues to be cared for by the Indigenous peoples of the **Gabrieleño, Tongva, Tataviam, Serrano, Kizh, and Chumash tribes**. The AltaSea campus is located on the traditional lands and waters of the **Tongva People**, more specifically the **aweeshkone xaa Chaawvetam (Village of Chaawvenga)**. We also acknowledge the traditional lands and waters of the **Chumash, Tataviam, Serrano, Cahuilla, Juaneno and Luiseno Peoples** throughout Southern California, where AltaSea partners reside.





“I’m a real optimist in the power of business for good, and we can achieve that by divesting from the harm and investing in the good.”

Kat Taylor
Co-Founder & Board Chair
Beneficial State Bank

Bank with Purpose

Harmful banking models prioritize profit above all else.

Often, in the pursuit of these profits, banks cause harm to people and the planet. The financial services industry is one of the largest in the world. The banking sector has an unparalleled influence on our economy, on the lives of people in our communities, and on the planet.



We are Fossil Free Certified

The world’s 60 biggest banks poured \$6.9 trillion into the fossil fuel industry over the last eight years. However, Beneficial State Bank makes no loans to energy sources that significantly contribute to climate change or pollution.



We Build Financial Well-Being

Our products and services are designed to make people and organizations better off, not extract wealth from people or communities.



We Do Not Lend to Contra-Mission Sectors

This includes predatory lending, resource extraction, fossil fuels, weapons, and incarceration or punishment.

There’s more good news: despite conventional banking practices, better banking alternatives exist — and they are cultivating a brighter future for all.



[Listen to our founder’s interview with Bloomberg](#) on how community banks serve Main Street — not Wall Street.

When it comes to good banking, there isn't one widely accepted standard for what it means to be an "ethical bank".

We recognize the harm that the conventional banking industry has perpetuated in society and in the degradation of our environment. We are heartened by the "new ethical" approach and seek to move beyond that to explore the full potential of a restorative banking system.

Banking and lending models by net impact

Beneficial Banking™ Characteristics

This is a model that strives to be the gold standard by maintaining a high-impact lending portfolio and participating in rigorous third-party certifications.

Ethical Banking

This is a model that seeks fairness and sustainability, considering the welfare of all stakeholders.

Conventional Banking

This is a model that follows traditional capitalist practices, aiming to grow revenue to maximize profits for its shareholders.



Stakeholder Capitalism

We practice stakeholder capitalism. Unlike traditional shareholder capitalism, which prioritizes profit about all else, stakeholder capitalism considers the potential impacts on all stakeholders, including clients, employees, our communities, and the planet. This is also called a "triple bottom line" approach.



High Impact Lending Practice

We follow a disciplined lending and investment practice. We strive for at least 75% of our lending to go towards supporting people and the planet. The remainder of our lending avoids harmful industries.



Transparency & Accountability

We raise the bar for transparency and accountability. Through 3rd party certifications and memberships, we seek to operate as responsibly and impactfully as possible. These include B Corp certification, CDFI certification, Fossil-Free certification, and GABV membership.



Equitable Banking Services & Solutions

We provide equitable and inclusive access to banking and deliver services and solutions that leave those who engage with us better off than they were before.




About
Beneficial State Bank

Structured for Greater Good

Co-Founders Kat Taylor and Tom Steyer founded Beneficial State Bank in 2007 to design a new kind of community bank — one that would equally prioritize people, the planet, and long-term financial prosperity.

Since then, we have increased our asset size, expanded our footprint, and grown the diversity and reach of our customer base across California, Oregon, and Washington.

As a public benefit corporation, we aim to foster social justice and environmental sustainability while maintaining economic stability. In addition, Beneficial State Bank has a unique ownership structure as our economic rights are majority-owned by the nonprofit Beneficial State Foundation — which works to advance financial justice and systemic change in our communities and the banking system.

 [Learn more](#) about the Beneficial State Foundation

We haven't stopped there; alongside our social, environmental, and financial outcomes, we have actively sought out, participated in, and led association groups, pursued certifications, and participated in setting standards to build a movement of bankers committed to better societal outcomes.

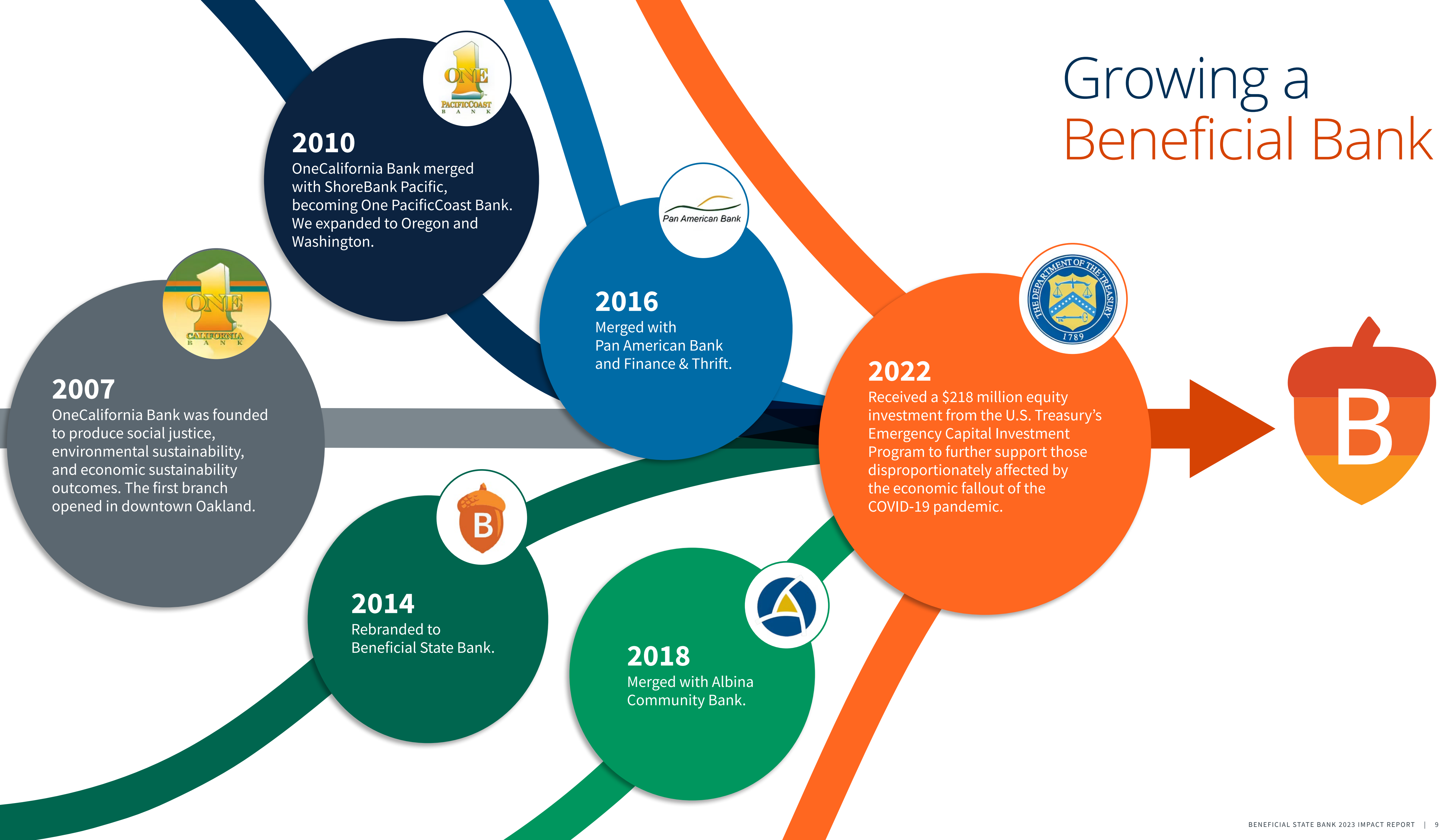


Our Mission:
We practice Beneficial Banking™,
in harmony with nature,
to help more people and help people more.

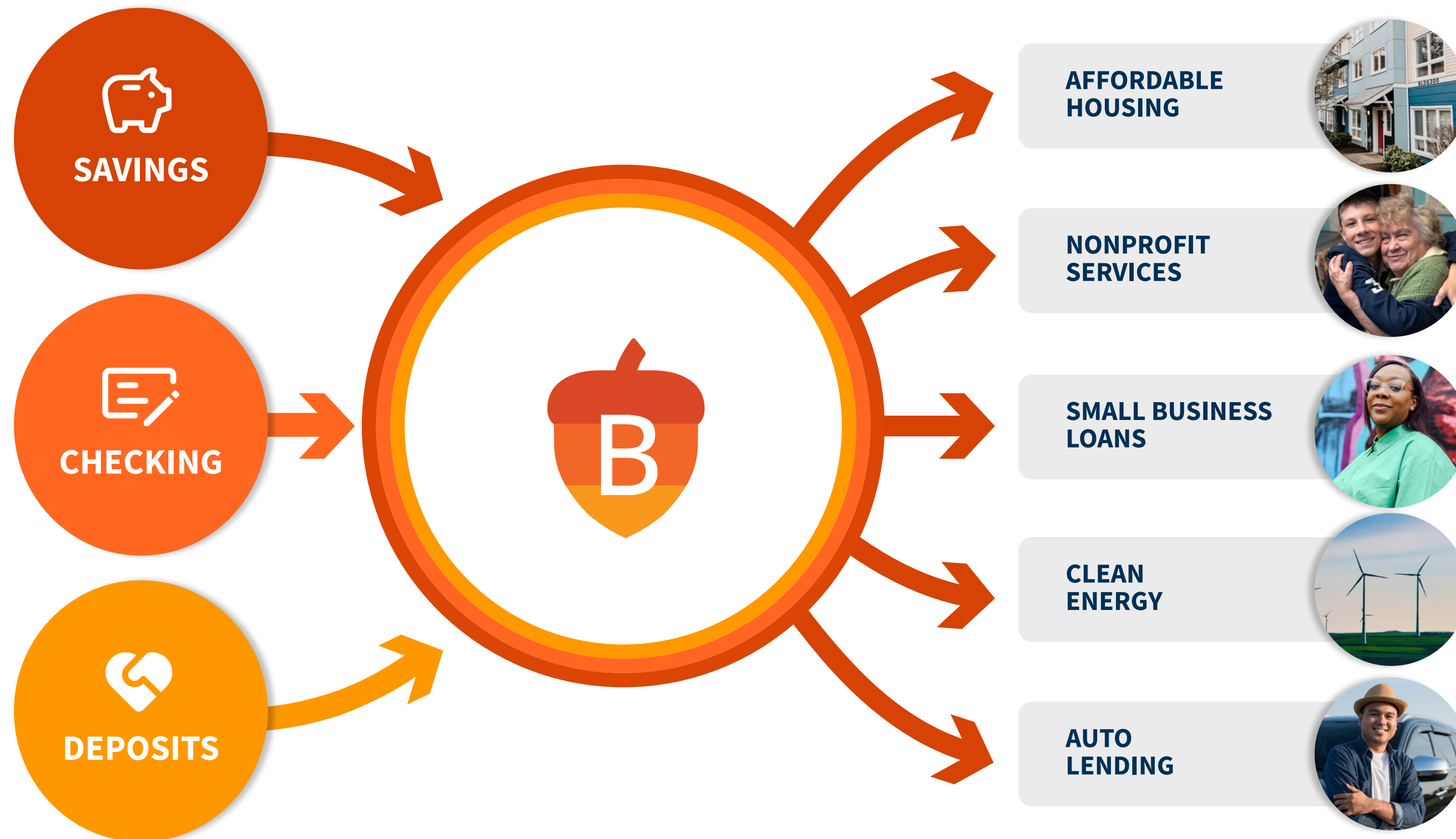


Our Vision:
An economy that restores our planet
and extends prosperity to all.

Growing a Beneficial Bank



How Beneficial State Bank Leverages Your Funds to Create Greater Community Impact



When you deposit at Beneficial State Bank, we lend to nonprofits, small businesses, and organizations that do good in our communities. As their loans get repaid, we make more loans to people and community projects, creating a virtuous cycle of economic growth.

Banks are powerful, but so are you.

When pooled together, your deposits can finance affordable housing, renewable energy, and business cooperatives — a new, inclusive economy. Whether you are an individual or an organization, where you put your money matters.

 [Move your Money](#)

Global Alliance for Banking on Values Conference in Oakland, CA

In 2023, we hosted the North American chapter meeting of the Global Alliance for Banking on Values (GABV) at our Oakland headquarters.

Over the two-day meeting, we hosted CEOs and leaders of values-based member banks from North America. In this urgent moment of accelerating climate change, social injustice, and periods of global economic instability, we are called to challenge the banking system and envision how we can transform it, so that we can contribute positively to our communities and regenerate our planet.



Victor Ramirez Appointed to Consumer Financial Protection Bureau Community Bank Advisory Council

In 2023, Victor Ramirez, Senior Vice President of CRA and Fair & Responsible Banking at Beneficial State Bank, joined the Community Bank Advisory Council of the Consumer Financial Protection Bureau (CFPB). In this role, he advises the CFPB on regulations and policies to protect consumers and shares the unique perspective of a values-based community bank.

Since its establishment, the CFPB has redirected over \$17.5 billion to American consumers, thwarted deceptive practices, and instituted policies to bolster transparency in the financial sector.



[Read more about his appointment here.](#)



“We believe that the financial sector and consumers both benefit from greater transparency, accountability, and equitable practices. The CFPB is an essential partner in that endeavor, and I look forward to contributing to strategies for building fairer, more responsible banking,”

— VICTOR RAMIREZ
SVP OF CRA AND FAIR & RESPONSIBLE
A BENEFICIAL STATE BANK CLIENT

Just.

Organization Name: Beneficial State Bank
Organization Type: Accounting/Finance/Banking
Headquarters: Oakland, California
Number of Employees: 270

Social Justice Indicators:

Diversity & Inclusion

- Gender Diversity
- Ethnic Diversity
- Inclusion
- Engagement

Employee Benefits

- Health Care
- Retirement Provision
- Family/Medical Leave
- Training/Education

Equity

- Full-Time Employment
- Pay-Scale Equity
- Freedom of Association
- Living Wage
- Gender Pay Equity

Stewardship

- Local Communities
- Volunteering
- Animal Welfare
- Charitable Giving
- Positive Products

Employee Health

- Physical Health
- Well-Being

Purchasing & Supply Chain

- Equitable Purchasing
- Supply Chain

THE SOCIAL JUSTICE LABEL 2.0

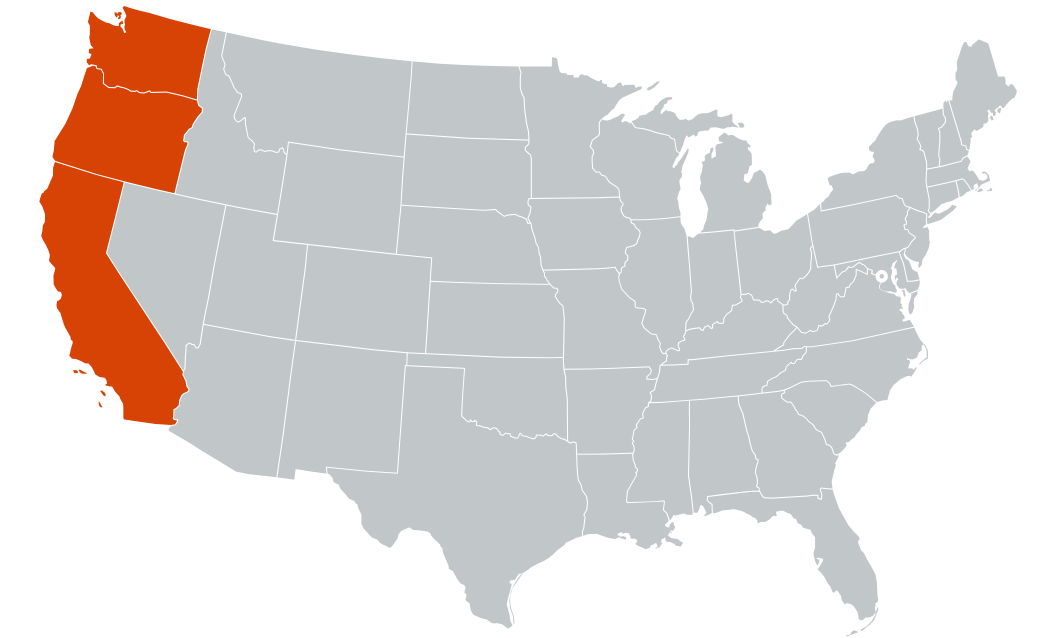
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INTERNATIONAL LIVING FUTURE INSTITUTESM

Where We Operate

Beneficial State Bank has seven branch locations and five loan production offices operating throughout California, Oregon, and Washington, as well as a national network of surcharge-free ATMs.



7 Branch Locations

5 Loan Production Offices

3 State Locations CA, OR, & WA

+4000

There are over 4,000 banks in the U.S. Fewer than 5% of them are Community Development Financial Institutions (CDFIs).

1 of 184

We are one of 184 CDFI banks in the country and one of nine in our region.



1 of 16

We proudly stand as one of 16 B Corp banks in the country, and 'Best for the World' certified!

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.

50%

of our leadership team are female



21%

our leadership team are people of color



We seek to achieve our goals through a culture that fosters social justice, equity, diversity, and inclusion. To this end, we are proud to be an [International Living Future Institute \(ILFI\) Just organization](#). We display our principles of equity and sustainability proudly — publicly committing to practices that exemplify social justice and corporate responsibility while using these measures to drive improvement.

Commitment to Community

Team members actively volunteer, donate, and serve on boards for the communities in which they live.

In 2023, our team:

Volunteered over
3,967 hrs



The bank funded nearly
\$267,000

in sponsorships for local nonprofits



In addition, in 2023 our team members contributed to the strategy, development, and governance of 43 nonprofit organizations through board service and community appointments. Here are just a few examples of the phenomenal organizations our team supports with their time and expertise:

- **B Local** create connections, champions the stakeholder economy, and increases the positive impact of the B Corp Community. Stacey Krynsky (Vice President, Team Leader, Client and Treasury Manager) serves as a founding board member of the Washington B Corp Collective. Katie Taylor (VP, Marketing Operations and Community Engagement Manager) helped launch B Local Bay Area's Climate Justice Action Journey before joining the board and now serves as the Engagement Co-Chair. Manny Barragan-Alcaraz (VP, Client & Treasury Manager) serves as B Local Los Angeles' Treasurer.
- **Clearinghouse CDFI's 'B' BOLD(ER)** internship program invests in tomorrow's leaders in community development, with a special focus on students from low- or moderate-income backgrounds. Victor Ramirez (SVP, CRA and Fair & Responsible Banking) is an Advisory Committee member and helped develop the program.
- **Global Partnerships** is an impact investment fund manager dedicated to expanding opportunity for people living in poverty. Jae Easterbrooks (VP, Earth Services Team Leader) served on the Investment Committee of Global Partnerships and has provided input into their lending.
- **The Marjaree Mason Center** is Fresno County's only dedicated provider of domestic violence shelter and support services. For the last 18 years, Mari Kroigaard (VP, SBA Credit Underwriter) has volunteered on the Marjaree Mason Center Top Ten Professional Women & Leading Business Awards Committee.
- **For 30 years, Portland Community Reinvestment Initiatives** has reinvested in Portland's neighborhoods through providing affordable rental housing to low-income families. Judy Silke (VP, Commercial Relationship Manager) serves on the Board of Directors as its Treasurer, contributing financial and fundraising expertise.



Underwriting for Racial Justice



Banking industry practices for determining credit-worthiness are historically built around the “five C’s of credit”: character, capacity, collateral, capital, and conditions. While race and gender aren’t used directly as criteria for determining credit-worthiness, it remains true that Black and Latino entrepreneurs and homeowners often face inequitable access to credit, receive poorer service, and are offered higher rates, even when controlling for income.

In 2023, Beneficial State Bank became one of the first in a cohort of over 20 banks to examine and address how credit practices implicitly impact borrowers in the communities we serve. This emerging work is led by Beneficial State Foundation and enabled by Stratyfy, a startup which offers AI-powered predictive analytics and decision management for financial institutions. The participating institutions have access to Stratyfy’s credit-risk and decision-optimization solution as part of the program, leveraging the startup’s technology to assess creditworthiness and gauge lending risk more fairly through alternative data. Beneficial State Bank intends to leverage this learning to improve its systems, and through the work of the cohort, advance the industry in improving credit standards for all.



Read [“Changing Underwriting Rules...for Racial Justice”](#) in Non-Profit Quarterly, or [learn more](#) about how Beneficial State Foundation, the owner of Beneficial State Bank’s economic rights, uses insights from Beneficial State Bank and other industry partners to lead toward a more equitable and regenerative banking system. (Beneficial State Bank’s economic rights are majority-owned by Beneficial State Foundation.)

Committed to Diversity, Equity, and Inclusion

Creating workplaces with strong commitments to diversity, equity, and inclusion (DEI) is the right thing to do, and it’s also good for business. We take DEI seriously and are on a journey of continuous learning and growth.

- We integrate DEI best practices and training into our recruiting and hiring processes to ensure consistency and minimize both unconscious and confirmation bias in the hiring process.
- We leverage tools to reduce bias along dimensions such as race, gender, age, orientation, and ethnicity in our communications and job postings.

Two years ago, our employees voted for and provided input on the formation of three Employee Resource Groups (ERGs): the Culture Council Employee Resource Group, the Black Employee Resource Group, and the Beneficial PRIDE Employee Resource Group. Based on high levels of employee engagement, Beneficial State Bank began sponsoring two additional ERGs, which were also identified via employee votes: the Latine Empowerment, Advancement & Development Group (L.E.A.D.), and Women in Banking. These ERGs were created to raise cultural awareness, foster a more diverse and inclusive work environment, reduce barriers to innovation, and establish deeper connection through meaningful dialogues around shared individual experiences.





People & Communities

LOVE YOUR
NEIGHBOR



— EXILIOR COFFEE
A BENEFICIAL STATE BANK CLIENT

Key People and Community Indicators



\$1.8 Billion

Dollar value of deposits at the end of 2023.



\$1.3 Billion

The amount of loans outstanding to 10,919 borrowers at the end of 2023.



18,500+

The amount of people whose deposits fuel our mission-driven lending practice.

Affordable Housing

Housing affects each of us and is foundational to the well-being of people and our communities.

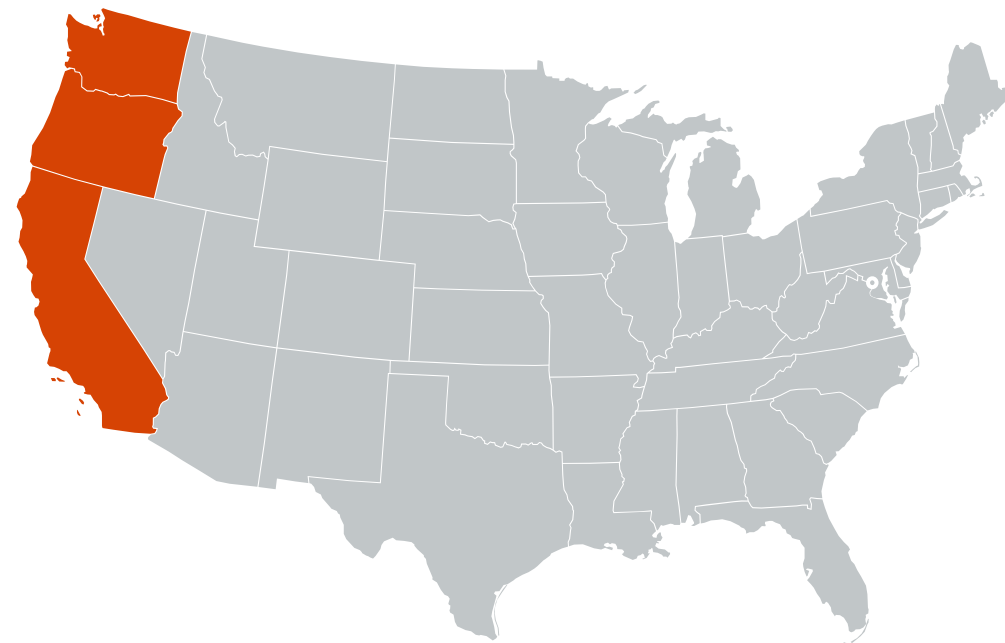
Our Bank's footprint contains some of the highest levels of housing insecurity in the nation. In 2023, we expanded our team of housing finance experts to strengthen our focus on affordable housing, and we also saw rapid growth in project financing to deed-restricted lending due to this investment in the team. In addition to financing, we offer supportive banking services such as property management deposit accounts.

Affordable Housing Impact

Over

\$219 Million

of outstanding loans — creating and preserving affordable housing across California, Oregon, and Washington.



Our current loan portfolio represents
2,970+ Units



We consider a project or development “Affordable Housing” when all units (excluding manager units) are rented to households earning 60% of their area’s median income (AMI) or less, its tenants contribute no more than 30% of their income toward rent and utilities, and the project or property has a regulatory agreement or recorded deed restriction to ensure long-term affordability is preserved.



[Read more about our affordable housing services](#)

“We aim to support the development and preservation of quality, affordable housing for those who need it most by providing banking solutions for property developers, owners, and tenants. We work hard to advance social, racial, and economic justice by creating a future where all individuals and families in our communities have access to safe, secure, and affordable housing.”

— GRANT WORD
EXECUTIVE VICE PRESIDENT
DIRECTOR OF COMMERCIAL
& BUSINESS BANKING
BENEFICIAL STATE BANK



Hope in Housing: Opal Apartments Provides Affordable Homes for LGBTQ+ and Allied Seniors in Cedar Mill, Oregon

Across Washington, Oregon, and California, the housing affordability crisis is acute.

According to the Joint Center for Housing Studies at Harvard University, [over half of Oregonian renters are cost-burdened](#), meaning they spend more than 30% of their income on rent. Across the state, there is a shortage of over 100,000 rental homes available and affordable for extremely low-income renters.

One of the biggest impediments to constructing new affordable housing projects is securing cost-effective financing. It requires multiple sources of financing coming together at the same time: tax credit equity, government programs, in addition to financing from banks, CDFIs, and private parties. In short, it requires dedication and cooperation from community members, funding partners, and the housing developer.

In 2023, we enthusiastically celebrated the grand opening of the Opal Apartments, a 54-unit building with a focus on welcoming seniors 55-years old or older and within the LGBTQ+ community, though non-LGBTQ+ individuals are not excluded.

The \$23.4 million project was constructed with land donated by Christ United Methodist Church and financing from Oregon Housing and Community Services, Washington County, Business Oregon, Red Stone Equity Partners, and Beneficial State Bank.

Half of the one- and two-bedroom apartments will be offered to seniors who earn 30% or less of the area median income (AMI), with rent costing between \$599 and \$762 per month. The other half will be available for people earning 60% or less of the AMI at around \$1,199 per month.



“Consistently, this cohort is saying that housing is their number one concern as they age. They’re concerned about going back into the closet, being discriminated against in their housing communities.”

— MYA CHAMBERLIN
EXECUTIVE DIRECTOR
FRIENDLY HOUSE INC



Nonprofit Services



\$91 Million

The amount the Bank lends to nonprofits.

Nonprofit organizations provide essential services for our communities, centering people’s needs in ways that others can’t or won’t. Nonprofits provide critical health services to those who might otherwise be left behind, offer job training and financial support to help people during tough times, and fight for environmental sustainability to protect our planet for future generations.



\$550 Million

The amount of deposits nonprofits hold with the Bank.

When nonprofits choose to bank with us, they can deepen their impact — a point that we hear time and again from our nonprofit clients. For example, Seeding Justice is an Oregon-based organization that builds collective power by transforming philanthropy and funding movements in the pursuit of justice and liberation for all communities.

“The fact that our deposits are also leveraged to provide loans to small businesses and community-oriented and socially responsible investments aligns with our values”



— SANDEE HUANG
FINANCE AND OPERATIONS DIRECTOR





— RAIN CITY FIT
A BENEFICIAL STATE BANK CLIENT

Small Business Lending

322

Total number of small business loans outstanding in 2023.

\$89 Million

Total value of small business loans outstanding.

\$5 Million

in new small business loans issued in 2023

35%

of which were for less than \$100,000.



Small businesses are the engine of our economy, and we are proud to serve our business clients of all sizes through banking solutions that help them meet their goals. Entrepreneurship is not easy — and we seek to understand the unique needs of our clients, and to partner with them to achieve their business goals.

Our clients are ambitious, and for many, they aim to improve the lives of their employees as well as the customers they serve.

For example, fitness community [Rain City Fit in Seattle, WA](#), was able to purchase a new building with an SBA loan as they built inclusive, safe, and transformational spaces for queer, trans, and BIPOC communities.

[Benson Amps](#) obtained a loan for a small, commercially-zoned home in Portland, in their journey specializing in made-in-the-USA, heirloom quality amps.

[Spanish-immersion preschool, Aprende con Amigos](#), was able to purchase a new building and extend its free, culturally responsive, inclusive preschool after its founder, a single mom, experienced unfair treatment with other institutions.

There is power in lending to people that have been historically marginalized. Every day, we see our small business clients having transformative effects on their communities.

Auto Loans

With over 16,600 active auto loans, we are helping individuals and families refinance existing loans or acquire new vehicles.

In many areas, vehicles are essential for mobility and access to jobs and resources. Because many financial institutions require social security numbers, people without them, such as recent immigrants to the United States, can face barriers to qualifying for the loan they need to purchase a car.

The Bank lends to customers with Individual Taxpayer Identification Numbers (ITINs), providing critical access to credit and expanding financial inclusion. In fact, about 10% of its auto loan portfolio is held by customers using this alternative documentation.



Year-end 2023:

16,000 Auto Loans

10%

10% of our auto loan portfolio is held by customers using Individual Taxpayer Identification Numbers.

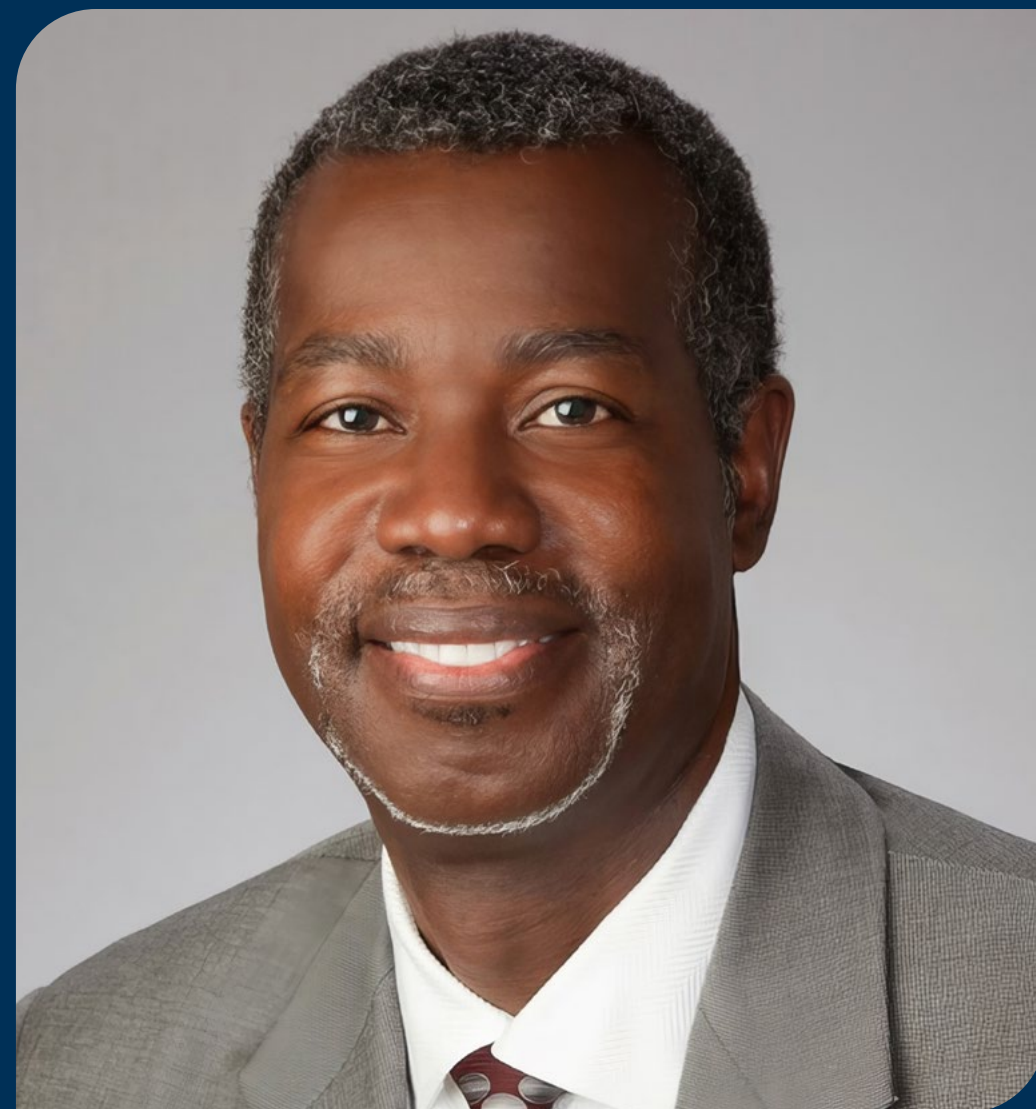


Modernizing the Community Reinvestment Act

The banking industry in the U.S. is responsible for historically inequitable policies and practices, including redlining, discriminatory lending practices, biased underwriting, and unequal access to banking services.

These practices have particularly harmed families of color and low-to-moderate income communities, stripping wealth from marginalized populations and neighborhoods. The Community Reinvestment Act (CRA) was passed in 1977 and was changed in 1995 to address some of these ills. Since its inception, CRA has spurred investments exceeding \$6 trillion in low- and moderate-income communities.

Long-awaited new rules to modernize the CRA were announced in October 2023.



“Since the CRA was enacted in 1977, the financial landscape has changed dramatically, particularly with the rise of online banking. The CRA updates introduce important changes poised to support low-income individuals and communities but stops short of directing support to people and communities of color. We see CRA reform not merely as an obligation but as a valuable opportunity and a crucial step toward a more equitable financial system and we hope it continues to evolve.”

— RICHARD HARVEY
EVP, GENERAL COUNSEL & DIRECTOR OF COMPLIANCE RISK



[Read more](#)

Our Focus on Low- and Moderate-Income Communities

Our clients’ long-term financial wellness is our concern. We believe that our services and solutions should leave our clients better off than they were before. We commit to helping clients build access to credit and credit history and avoid engaging in predatory lending.

As a Community Development Financial Institution (CDFI), we commit at least 60% of our lending to low-income communities and to people who lack access to conventional and empowering financing.



In 2023, We disbursed more than

\$245.1 Million

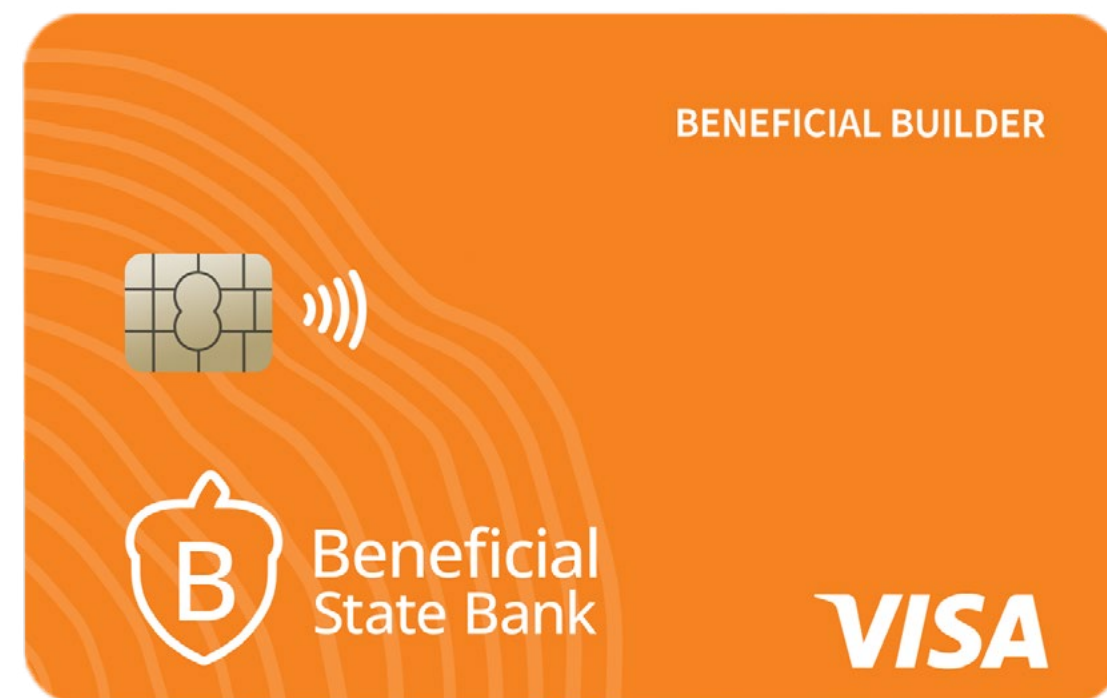
into CDFI Investment Areas.



Products and Services

Serving People & Communities

When we offer products and services designed to improve people’s well-being and environmental sustainability, we practice Beneficial Banking™, in harmony with nature, to help more people and help people more. Here are just some examples.



The Beneficial Builder Credit Card

For nearly one in five people across America, having a credit score high enough to qualify for a credit card is a challenge. The Beneficial Builder Credit Card offers an alternative way to enjoy the features of a credit card while building credit history. The secured credit card allows people who may not qualify for an unsecured credit card to open a credit line by putting down a deposit, which acts as their credit limit. Making on-time payments each month can help build or rebuild the cardholder’s credit history and budget for sound financial practices. In 2023, we saw a 35% increase in new account openings for this product.



Climate Card

With the Climate Card (Beneficial State Bank’s Visa Signature Card), our clients can earn rewards for everyday purchases and support climate-related nonprofits, and in June, Bankrate awarded it “[Best for fighting climate change.](#)”



eCoaching to Achieve Financial Well-Being

Financial health comes about when people’s daily systems help them build resilience and pursue opportunities. Though systems, opportunities, and banking access play a large role in supporting or hindering financial well-being, the Bank works to provide tools, resources, and coaching — alongside banking products — to put more people on a pathway toward financial health.

In partnership with GreenPath, a trusted national nonprofit whose mission is to empower people to lead financially healthy lives, we launched the eCoach Lea, a virtual financial coach for anyone who visits the website. Individuals can receive personalized financial advice about credit, cash flow management, expenses, and savings.





Investing to Restore the Planet



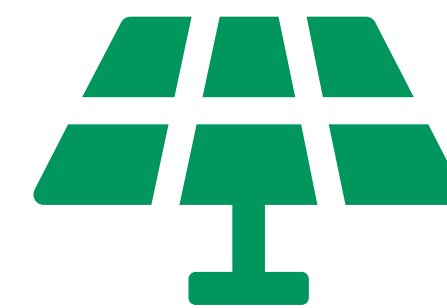


Key Environmental Indicators in 2023



\$26.4 Million

In outstanding loans to environmentally-focused commercial projects.



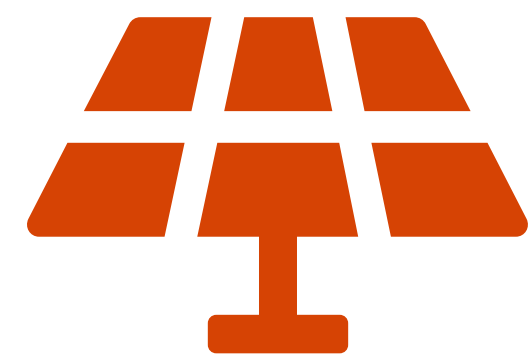
\$106.1 Million

In outstanding residential solar loans.

Divesting from Fossil Fuels, Investing in Clean, Renewable Energy

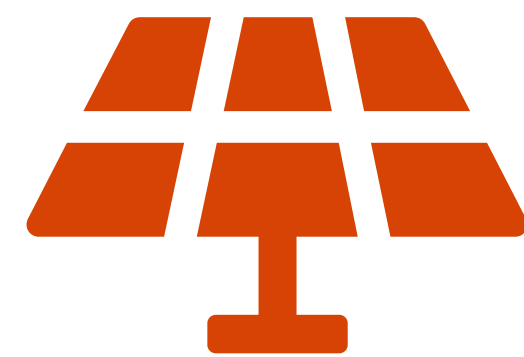
Beneficial State Bank is proud to finance clean energy systems of various sources, and consciously seeks to avoid extractive and dirty energy sources like coal, oil, and gas. Instead, we use our lending power to fund clean, renewable energy as well as the environmental sustainability sector more broadly.

Our clients include environmental advocates, eco-friendly producers, green building professionals, conservation groups, and environmental education programs. Our environmental portfolio includes anaerobic digestion, green building, green construction, green design, hydro, net zero multifamily building, and solar.



In 2023, we closed almost

**\$3 Million for
solar projects**



We continue to work together with a variety of organizations dedicated to regenerating our planet, including through our Green Lending Program.



[Read more about how Banking can Tackle the Climate Crisis](#) from Jay Easterbrooks, VP, Earth Services Team Leader

The Intersection of Climate Solutions and Social Justice

Funding is hard to come by for organizations focusing on climate solutions — and even harder when organizations are dedicated to prioritizing solutions with and for underserved communities.

Hammond Climate Solutions Foundation (HCSF), a nonprofit located in San Diego, does just that. HCSF funds and manages climate projects and programs in what they call “communities of concern”— ones which have historically faced social injustices. With three decades of clean energy industry experience, they team up with local philanthropists, nonprofit organizations, advocates, and elected officials to implement effective solutions toward stopping the climate crisis.

Their bike “ride off” program, designed to reduce fossil-fueled commuting, laid the foundation for a \$10 million statewide, e-bike program. Their Solar Moonshot Program has helped over 130 nonprofits in 28 U.S. states and Puerto Rico afford the switch to solar energy, totaling over \$3.5 million in funding. HCSF also advises philanthropists, nonprofits, and businesses to help them understand how they can work at the intersection of climate solutions and social justice.



“When I launched HCSF, I made the decision to switch our accounts to Beneficial State Bank, and I’m so glad I did,” says Tara Hammond, HCSF Co-Founder & Executive Director.

“I try to be as sustainable and ethical as possible in my personal and professional life. It was important to have a bank that was aligned with my values.”



[Read more about HCSF](#)

Internal Sustainability Initiatives

How do we hold ourselves accountable to our ambitious environmental goals? We engage with [Blue Strike Environmental](#) to measure our operational carbon footprint, including direct emissions (the bank's energy usage) and indirect emissions (employee commutes, business travel, purchased paper).



In addition, we engage with various other certification processes, including B Corp certification and Fossil Free certification.

Investing in Job Training for an Inclusive Green Economy

By combining inclusivity practices with workforce training in green jobs, the Los Angeles Cleantech Incubator (LACI) is helping create an inclusive green economy for LA and beyond. LACI began as an economic development initiative by the City of Los Angeles, and it was so successful it grew into an independent, nonprofit which works with startups to minimize their carbon footprint and build regenerative business practices.

In addition to managing incubation programs to support innovative startups, LACI also offers workforce training to meet the needs of the cleantech industry and match trained candidates to paid, experiential internships — and they design their programs for inclusivity.

LACI's work helps create a pathway for people from diverse backgrounds to participate in the green economy. "Our workforce program participants are 100% low- to moderate-income, and many are under- or unemployed and formerly incarcerated," says Estelle Reyes, LACI SVP Enhancing Community.



"When we approached Beneficial State Bank about sponsorship for our Women in Cleantech program, I was impressed by how mission-aligned our two organizations are. The bank not only sponsors our events, but their staff also attends and supports our community of founders."

— ESTELLE REYES
LACI SVP
ENHANCING COMMUNITY



[Learn more about LACI](#)





Financial Highlights



Financial Highlights in 2023

Beneficial State Bank completed another financially successful year, demonstrating resilience throughout a period of regional banking volatility. Our commitment to sustainable growth is supported by our robust capital base, which ensures continued investments in our communities through both prosperous and challenging times. This strategy enables us to support community development and economic stability regardless of market conditions.



18,500 +

Beneficial State Bank depositor base



Beneficial Banking™ focuses on creating enduring value by mitigating risks by investing in future-looking industries like renewable energy and community-minded businesses. Unlike many regional banks that experienced declines during 2023, we sustained growth by building on loyalty and trust, resulting in a strong liquidity position and a solid value proposition. Our broad depositor base, which exceeds 18,500, reflects the loyalty of our customers who appreciate our mission of fair access to capital. While other banks have exited certain business lines, Beneficial State Bank remains steadfast in its service offerings.



Read [“Why Financial Leaders Should Embrace Values-Based Banking,”](#) by Monique Johnson in Forbes, which addresses our response to U.S. bank collapses this year.





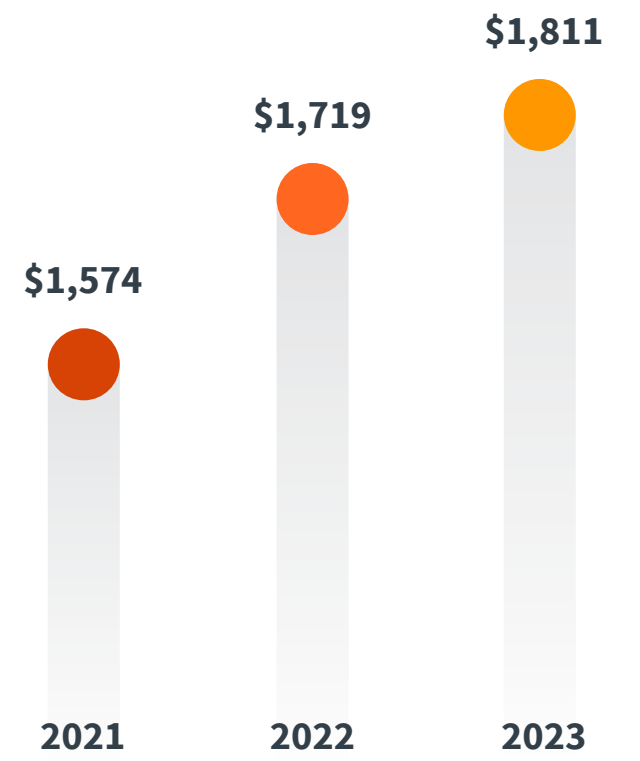
A Bank Built on Fairness and Looking Toward the Future

Guided by our strategic plan, in 2023 we took steps towards investing in our infrastructure, including a core technology conversion which will go live near the end of 2024. This investment positions us to scale our product delivery, improve digital access across our markets, and reach customers beyond our branch footprint.

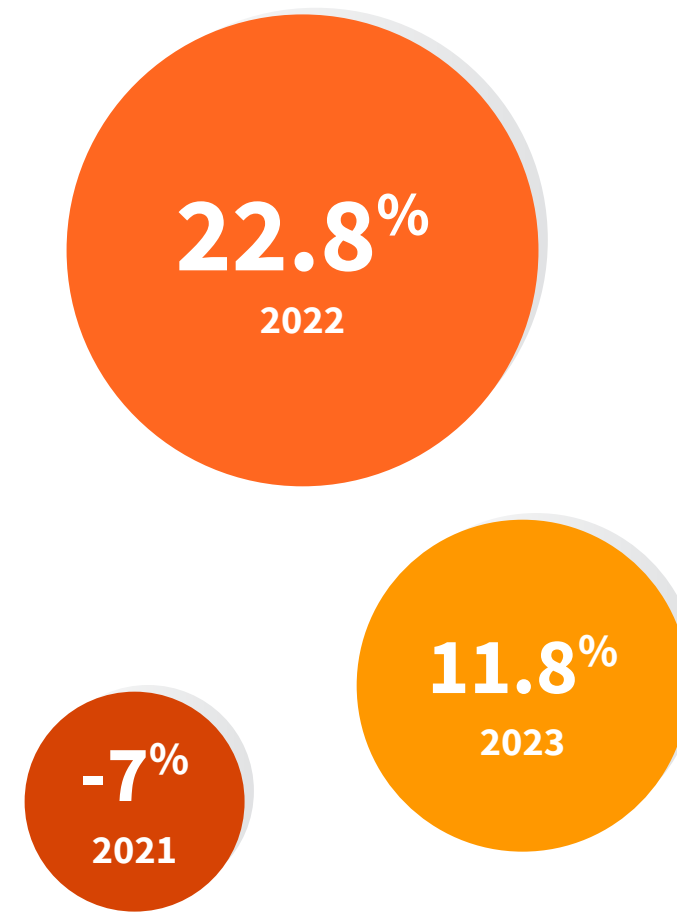
By upgrading our technology, we will improve the customer experience, provide an expanded set of beneficial products, and create fairer access to financial services by making it easier to conduct transactions, particularly for consumer and small business customers. The upgraded platform will equip our team to better serve our customers and set the foundation for growth over the next decade, adapting to emerging financial technologies and competing with fintech advancements.

Our Financials

Financial soundness is foundational for any bank, but particularly for mission-impact banks looking to serve communities over the long term.



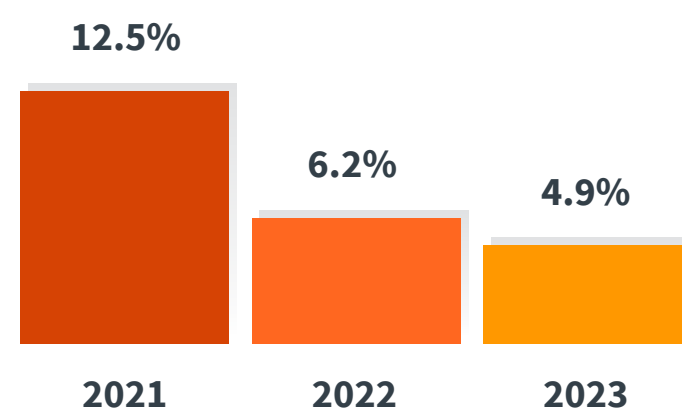
Total Assets
(\$ Billions)



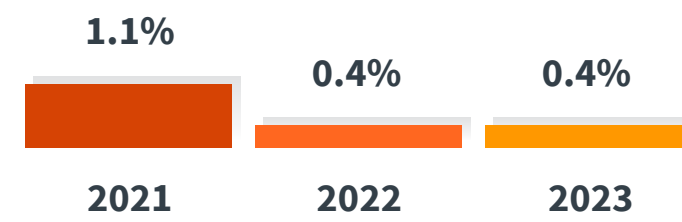
Net Loan
Growth



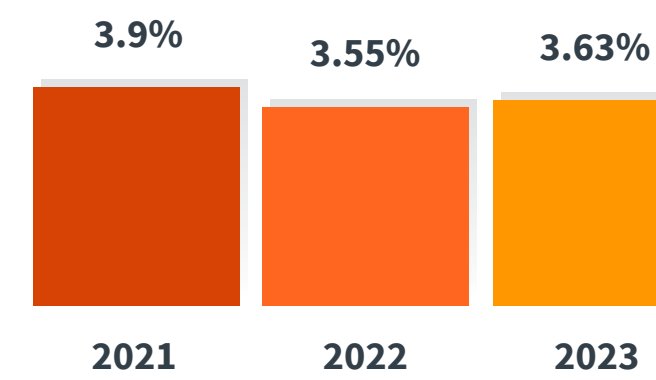
Income
(Adjusted, Pre-Tax, \$ Millions)



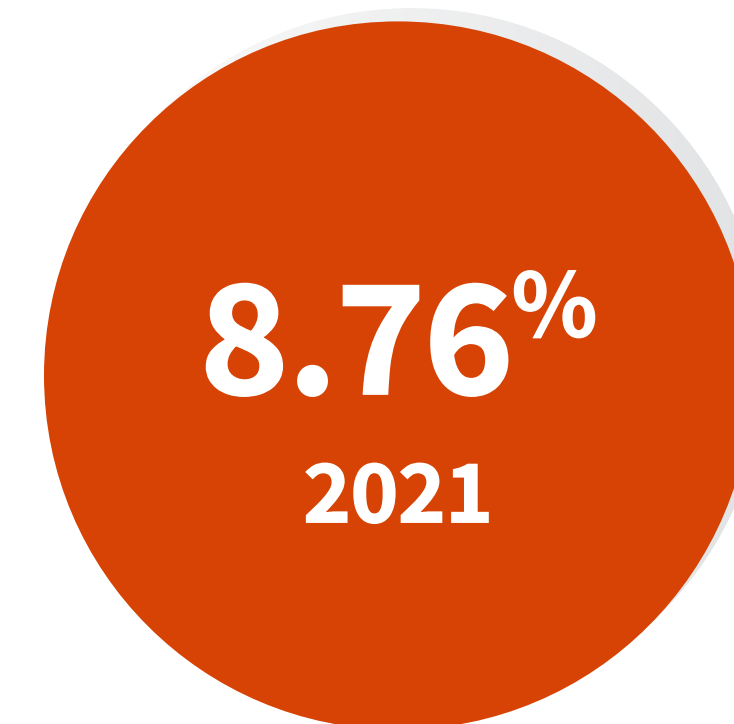
Return
on Equity (ROE)



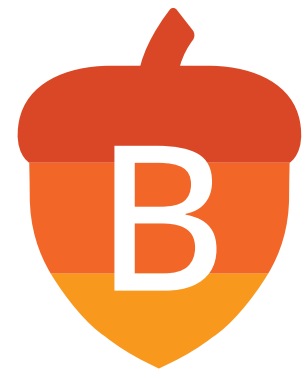
Return
on Assets (ROA)



Net Interest
Margin (NIM)



Tier 1 Leverage Ratio



Banking That Nourishes Our Planet and Communities

2007

OneCalifornia Bank was founded to produce social justice, environmental sustainability, and economic sustainability outcomes. The first branch opened in downtown Oakland.

ASSETS: \$29MM

2010

OneCalifornia Bank merged with ShoreBank Pacific, becoming One PacificCoast Bank. We expanded to Oregon and Washington.

ASSETS: \$295MM



2014

Rebranded to Beneficial State Bank

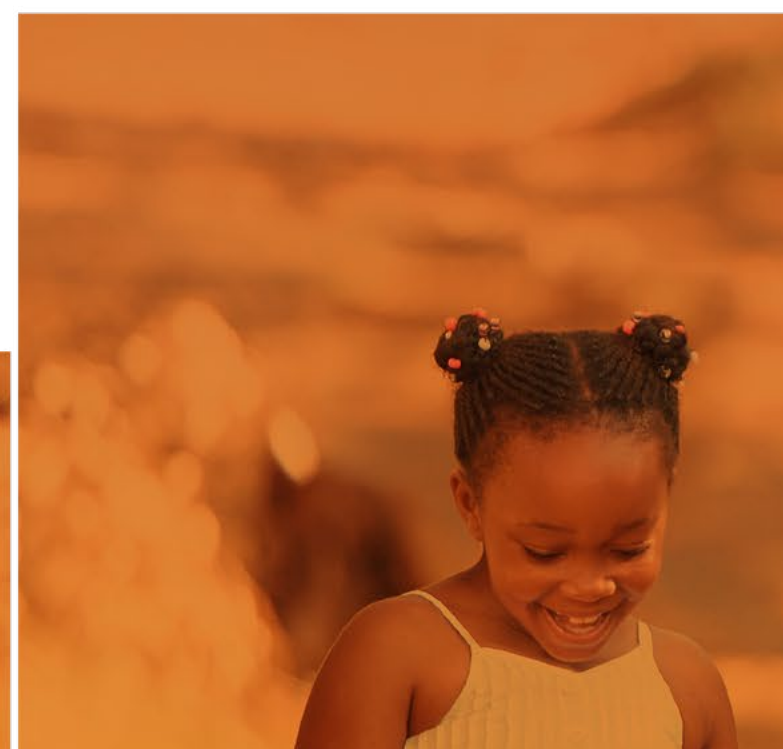
ASSETS: \$366MM



2016

Merged with Pan American Bank and Finance & Thrift.

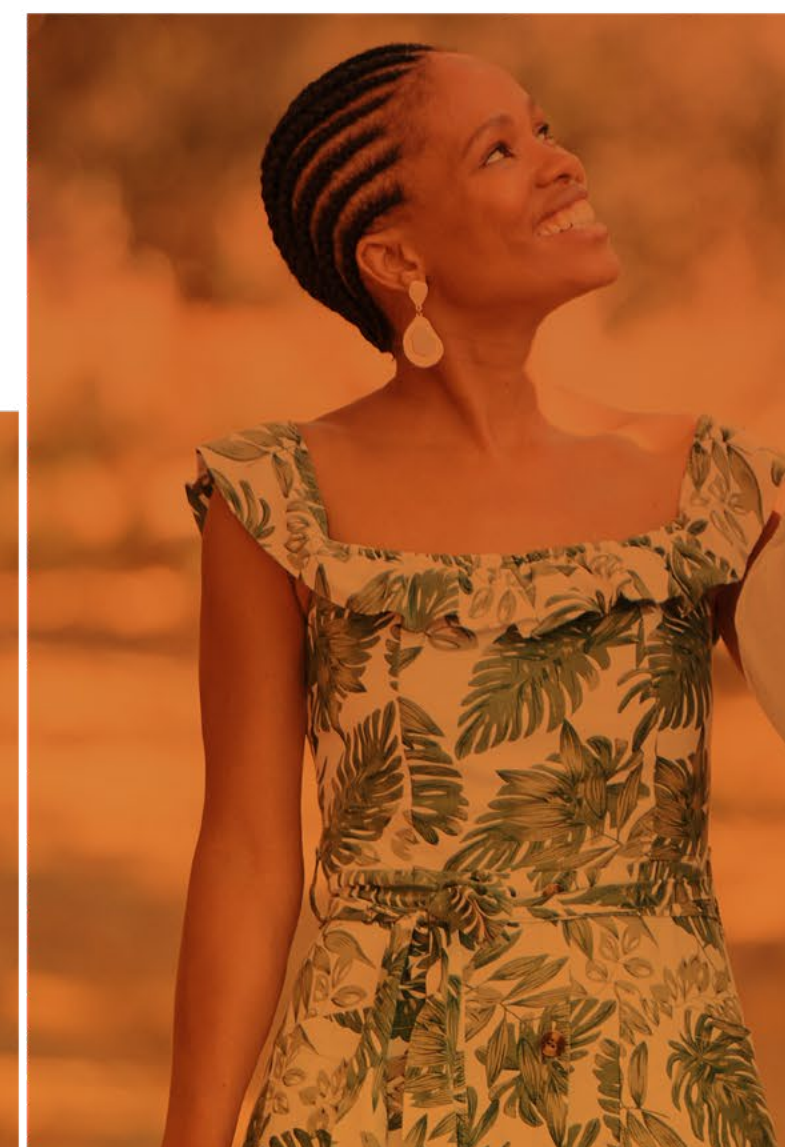
ASSETS: \$653MM



2018

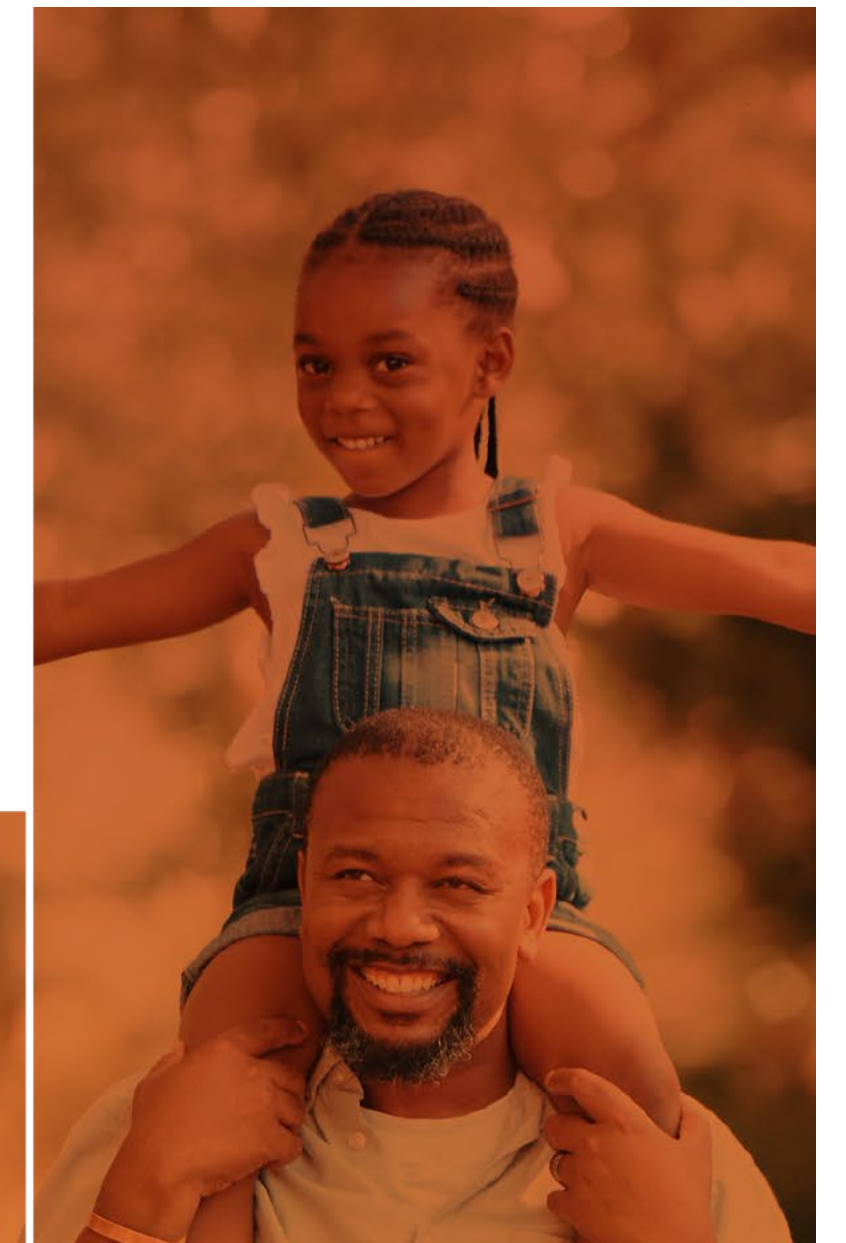
Merged with Albina Community Bank

ASSETS: \$1BILLION



2022

Assets: 1.7B



Received a \$218 million equity investment from the U.S. Treasury's Emergency Capital Investment Program to further support those disproportionately affected by the economic fallout of the COVID-19 pandemic.

A Brighter Tomorrow

As we look forward, we remain confident in the durability of our triple bottom line banking approach, our mission-based lending framework, and the trust and loyalty of our clients and partners. These principles are the foundation of our commitment to positive economic, social, and environmental impact, ensuring that our growth benefits our stakeholders. Our strategic partnerships, including our collaborations with B Corps and initiatives like [Underwriting for Racial Justice with Beneficial State Foundation](#), reinforce our dedication to fostering inclusive and equitable financial opportunities.

Now more than ever, social justice remains at the core of our mission, guiding us along the steady path towards a fairer society. We are optimistic that through the collective efforts of individuals and companies who lead with values, we can create a more sustainable and just future. Together, we hold the power to create a new banking system that is environmentally regenerative and equitable for all.



Bank Leadership Team

Randell Leach

Chief Executive Officer

Mike Fratarcangeli

EVP, Chief Financial Officer

Richard Harvey

EVP, General Counsel & Director of Consumer Compliance

Terra Neilson

EVP, Chief Impact Officer

Angie Podolak

EVP, Director of Human Capital

Grant Word

EVP, Commercial & Business Banking

Cem Bolkan

SVP, Chief Credit Officer

Leah Caldwell

SVP, Loan Operations Manager

Calvin Coleman

SVP, Head of Branch Banking

Monique Johnson

SVP, Director of Client & Community Partnerships

Emily Olson

SVP, Controller

Doralinda Rangel

SVP, Consumer Loan Servicing Manager

Tyson Smith

SVP, Chief Technology Officer

Jann W. Wallach

SVP, Compliance & BSA

Board of Directors

Kat Taylor

Tom Steyer

Beatriz Acevedo

Reggie Brown

Surjit Chana

Roslyn Dickerson

Andrew B. Fremder

Randell Leach

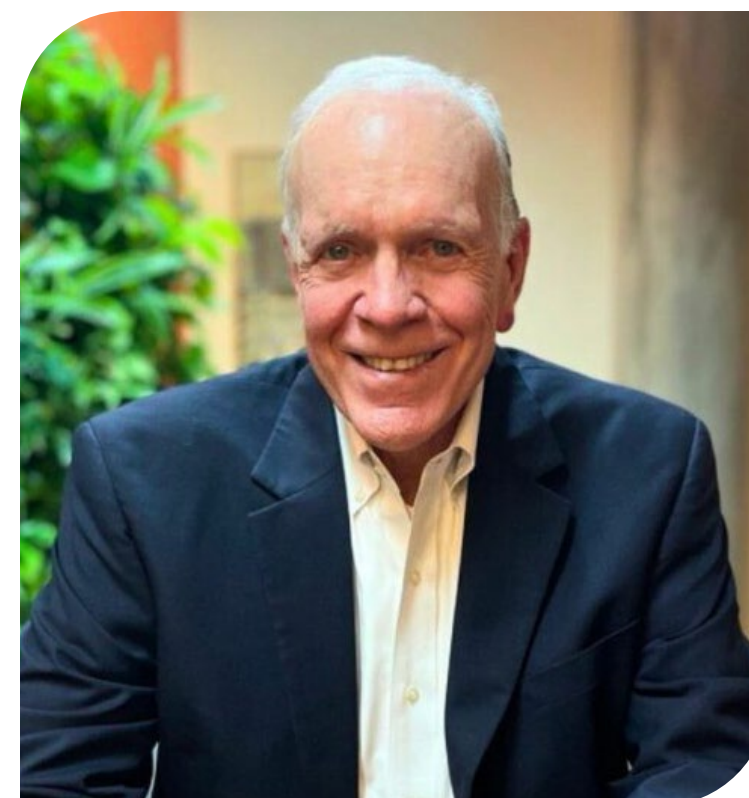
Antoinette Malveaux

Tullus Miller

Jenette Ramos

Brenda B. Spriggs

Robert A. Wilkins Sr.



**We pay tribute to Dale Walker,
who passed away in July of 2023.**

Dale generously contributed his knowledge and expertise to our board for nearly a decade, and his legacy will continue to live on for years to come.



Join the Beneficial Banking™ Movement

 [Find your nearest Beneficial State Bank branch](#)

California

AltaSea: Los Angeles - Loan Production Office
Fresno Branch
LA Cleantech Incubator: Los Angeles
Loan Production Office
East Los Angeles Branch
Oakland Branch, Headquarters and Loan
Production Office
Porterville - Operations Center
Roseville - Loan Production Office

Oregon

Portland, MLK Branch
Portland, Pearl Branch
Portland, Rose City Branch
Portland PAE - Loan Production Office

Washington

Seattle, Bullitt Center Cashless Branch

Member
FDIC



Certified

Corporation