Dear Beneficial State Community,

In 2021, we celebrated many notable milestones in the pursuit of a more equitable banking industry. Beneficial State Bank and Beneficial State Foundation are proud to be key drivers of progress in the movement that is proving Beneficial Banking™ is not only possible, but imperative.

Good news in the banking industry.

We started Beneficial State on the eve of the 2008 financial crisis, a disaster that reconfirmed the need for a more responsible banking industry. In 2021, we celebrated industry-wide progress toward this goal. For example, the U.S. Treasury Department made more funding available to Community Development Financial Institutions (like Beneficial State Bank) to support the communities most impacted by COVID-19. The Consumer Financial Protection Bureau proposed a new rule on the collection of small business loan data that would expand fair lending accountability to businesses owned by women and people of color. Lawmakers listened to the experiences of bank workers as part of an effort to expand the rights of people working in our industry. California’s primary banking regulatory body, the Department of Business Oversight, reorganized into the Department of Financial Protection and Innovation, gaining new regulatory powers to protect consumers from unfair, deceptive, and abusive practices committed by previously unlicensed financial services and products.

These moments give us hope that banking can, and will one day, center racial equity, environmental wellbeing, and true community prosperity.

Throughout 2021, Beneficial State Bank led by example.

Our bank workers formalized the first bank union contract in 40 years. Bank leaders, committed to worker empowerment and self-determination, remained neutral during the process, and then actively participated in the creation of the collective bargaining agreement with the Communication Workers of America (CWA) and our staff.

Our staff continues to provide intentional and fair banking services to our growing number of clients every day, including small businesses, nonprofits, affordable housing developers, and B Corporations. In 2021, we received an “Outstanding” Community Reinvestment Act (CRA) rating, and were recognized as a Best For The World B-Corp for the ninth consecutive year.

Having made over $300 million of Paycheck Protection Program (PPP) loans to companies and nonprofits truly serving our communities, 98% of those clients were able to have their PPP loans forgiven, thanks to our bank staff’s tireless efforts.

Throughout the year, we invested in digital technologies that improved our ability to serve our clients, including implementing online applications for auto loans, credit cards, and some deposit products; video banking; and easier payment tools.

And, we launched and scaled new aligned credit card products that help people in our communities access credit, build economic resiliency, and support the planet.

Meanwhile, Beneficial State Foundation advanced industry-wide progress.

Beneficial State Foundation regularly convened stakeholders with Underwriting for Racial Justice to expand access to credit using alternative underwriting approaches.

Our Clean Vehicle Assistance Program leveraged strong community partnerships to award 4,417 grants to expand access to electric vehicles and affordable financing to the people in California who need it most.

The Foundation presented and published crucial topics, including Community Reinvestment Act (CRA), Diversity, Equity, and Inclusion (DEI), and Environmental, Social, and Governance practices (ESG).

Beneficial State Foundation reached an important milestone with the initial release of the Equitable Bank Standards.

Our collective work is demonstrating that a more ethical banking system is possible.

We work together for Beneficial Banking™.

Our teams come together every day committed to serving our clients, our communities, and the planet. In this report, we share how we are staying accountable to our mission and goals, how banks can lead the way, how we can empower the systemically excluded, nurture and heal our planet, and how together we are establishing a roadmap for better banking.

Since our inception, Beneficial State has demonstrated that a triple-bottom-line model can generate positive outcomes for racial and social justice, environmental sustainability, and financial stability. We are more committed than ever to reversing the harms inflicted by longstanding banking practices and financial services, and changing the banking system for good. Thank you for joining us on this journey.

Kathryn A. Taylor
Board Chair, Co-Founder, Beneficial State Bank

Randell Leach
Chief Executive Officer, Beneficial State Bank

Erin Kilmer Neel
Executive Director and Chief Impact Officer, Beneficial State Foundation
WE PRACTICE BETTER BANKING AND CULTIVATE IT THROUGHOUT SOCIETY.
Beneficial banking is...

Investing in and serving our local community. 08
Contributing to environmental sustainability. 32
Inclusive, fair, and equitable. 44
Nurturing our people. 54
Promoting responsible and transparent practices. 64

This impact report reflects the collective impact of Beneficial State Bank and Beneficial State Foundation.
Investing in and Serving Our Local Community

As Beneficial State Bank and Beneficial State Foundation, we operate with purpose. Our products and services are designed to optimize social and environmental impact first. We listen to our stakeholders, learn from our successes and where we fall short, and adapt to meet our communities’ needs. Our commitment includes no predatory lending, no investments in fossil fuels, private prisons, or weapons, and not granting loans to borrowers we know are not ready to take on more debt. To us, all banks should operate this way.

We continue to strive toward a lofty goal: until everyone in our community reaches their full potential, we haven’t reached ours.
What if the banking industry was governed in the public interest?

We are guided by a simple aspiration: benefit to all, harm to none.

We are committed to changing the banking system for good, and that means operating with purpose.

Our bank exists both for people who want to be sure that their money is doing good in the world, and people who need and create positive change. By coming together, we see a symbiotic relationship that brings access to financial services into communities that need it by leveraging values-aligned depositors’ money. Our borrowers include people and organizations often targeted by predatory lenders, first-time borrowers, and individuals with Individual Tax Payer Identification Numbers (ITINs). Our clients include nonprofits, B Corporations, locally-owned businesses, and individuals who lack full and equal access to fair credit. We work closely with our clients to provide support, including access to financial education, referral partners, and connections in the community, to set them up for success today and in the future. Our values-aligned clients share our goals and want to support banking as a force for good, enabling Beneficial State Bank to make deep impacts in the communities that need it most.

We invest in organizations that contribute to community well-being and focus on serving people from marginalized communities.

For us, evaluating mission impact includes many components. Our business and nonprofit borrowers may operate in a mission-impact sector, such as healthy food, arts and culture, affordable housing, or social justice. They may have impactful practices such as earning mission-based certifications and labels (B Corp, CDFI, Green Certified), paying all workers a living wage, designing products that specifically benefit marginalized groups, intentionally hiring and retaining employees with historical or current barriers to employment, and purchasing locally. They may have a mission-aligned governance structure such as cooperatives, nonprofits, and benefit corporations. They may be owned, led, or governed by people of color, women, LGBTQIA+ people, formerly incarcerated people, disabled people, and others from systemically excluded groups.
Your deposits support our communities and the planet.

By banking with us, our clients know their deposits are invested in impactful loans in their communities.

Our clients know that by banking with us, their deposits are working in support of their values, not against them. Banks use depositors’ money to make loans, but conventional banks do not always act in the public interest when using that money. We design deposit products like checking, savings, and Certificate of Deposit (CD) accounts to be fair to the client. Our relationship bankers are available to answer questions about our clients’ financial journey. In 2021, we saw a national shift of people and organizations moving their money, recognizing that we can advance social justice by moving our money to an institution aligned with our values. Beneficial State Bank saw an increase in deposits in 2021, in no small part because of our mission commitments.

We support mission-aligned businesses and organizations that are changing the world for the better.

We provide certified B Corporations, nonprofits, Community Development Financial Institutions (CDFIs), and environmental changemakers access to interest-bearing business checking accounts with low-to-no monthly services charges. It is our way of supporting mission-aligned businesses and organizations that are changing the world for the better.

Additionally, when organizations bank with us, their employees can access banking services through our Employee Benefit Banking offering. This is just one more way our mission connects to our banking services.

See the impact your deposit dollars could make with our deposit calculator.

Ballard Food Bank takes a holistic approach to serving the community, offering access to healthy food and connection to services.

LEARN MORE.

Ballard Food Bank

18,937
deposit accounts

$1.5 billion
in deposits

1,302
nonprofit deposit accounts (32% of all commercial depositors by dollar amount)
$762 million in mission loan commitments

December 2021

$286MM affordable housing

$73MM health + wellbeing

$94MM environmental sustainability

$64MM manufacturing + production

$67MM economic + business + job development

$36MM beneficial financial services

$68MM arts + culture + community building

$23MM healthy food

$57MM education + youth development

$165MM fair auto loans

$28MM social justice

$27MM other mission sectors + practices

Some loans serve multiple mission categories.
Loans that make a difference.

We strive to ensure that 75% or more of our loan dollars directly serve organizations supporting a more socially just and environmentally sustainable world, and that none of our lending contradicts our mission.

Affordable Housing

We believe housing is a human right and that we all deserve access to safe, quality housing. California, Oregon, and Washington face some of the worst housing affordability and houselessness in the country. As a Community Development Financial Institution (CDFI), we have the responsibility to help find and fund solutions for affordable housing, to help defend these rights and extend access to all.

We provide loans to individuals and organizations that purchase and manage affordable multifamily rental housing—investing in the preservation and maintenance of affordable housing stock for many years to come.

In addition, we participate in housing loan programs with organizations such as Washington Community Reinvestment Association (WCRA), Housing Trust Silicon Valley (HTSV), and Home Forward.

We intentionally avoid supporting the harmful practices sometimes present in the rental housing market. We use our resources as a bank to sustain and grow units with affordable rents. We have prioritized deed-restricted affordable housing (which specifically helps low-to-moderate income (LMI) individuals) and market-rate multifamily housing owned and operated in a responsible and fair manner.

As of December 2021:

- **$201** million in loans to nonprofits
- **280** total loans
- **25%** of our total loan dollars

Nonprofits

Many nonprofits provide essential social services that supplement publicly-funded services, fill gaps left by private industries, safeguard government accountability, foster civic engagement, and organize movements to demand social justice.

Yet, despite all the ways they benefit society and the economy, nonprofits have difficulty getting the funding they need to operate. Many lenders only provide higher-cost loans or don’t serve nonprofits at all. We recognize their community impact, so we take the time to work closely with our nonprofit clients to understand their business structure, financial needs, and the unique challenges that set them apart from traditional for-profit companies. We ensure our underwriting reflects financial realities of nonprofits and offers them specialized services and products, such as discounted rates on interest-bearing checking accounts and select lending products.

We connect our clients to our network of technical assistance providers, strategic consulting, grant programs, and access to capital. Nonprofits are incredible agents of change, and we are proud to partner with them and support them financially. See how we’ve partnered with [501 Commons](#) to tackle social and environmental problems.

As of December 2021:

- **$286** million in loans to mission-aligned affordable housing
- **8733** total deed restricted affordable units supported

Housing Hope

Housing Hope provides affordable housing for families experiencing homelessness and wrap-around services to support their clients.

[LEARN MORE](#)
Small Businesses and B Corps

Small businesses—like sole proprietors and microenterprises—and B Corporations are the fabric and economic lifeblood of our communities, defining the character of a place, providing essential goods and services, and investing in the long-term growth of their communities. Small businesses also represent one of the largest sectors of employment. B Corps deepen their impact by committing to a triple-bottom-line: equally prioritizing people and the planet with profits. As a leading B Corp and the highest rated B Corp bank in the United States, Beneficial State is proud to serve a growing number of B Corp clients in California, Oregon, and Washington.

While more work is needed to direct capital to businesses owned by women and people of color (POC), small business ownership allows people to create livelihoods and build wealth in the face of systemic barriers. Yet, despite their integral role, small businesses face a myriad of obstacles to securing adequate financing.

As a financial institution, our responsibility is to help break down barriers to growth and operating capital for community businesses. We continue to develop our business lending, working closely with our customers to understand their needs and provide banking solutions that help them meet their goals.

As of December 2021:

- $65 million in loans to 304 small businesses
- $13 million in loans to 69 women-owned businesses
- $10 million in loans to 54 BIPOC-owned businesses

We define small business loans as up to $1 million to privately-owned companies, including sole proprietorships and not including nonprofits or commercial real estate entities.
Access to Credit for Individuals

Access to fair and transparent credit options can significantly impact someone’s life, whether they’re looking to repair their credit score or buy a car to get to work. The auto financing and credit card industries are rife with hidden and predatory fees, which cost everyday consumers money they could save or use for necessary expenses. At Beneficial State, we are seeking to change this industry from within by serving as an alternative financing option that is fair and transparent.

Credit Cards
Over the last few decades, credit card usage has increased tremendously, and so have exploitative and deceptive credit card practices. The 2009 CARD Act helped end many of those abuses, though regulations related to implementation continue to be written, and some exclusionary and deceptive practices continue. We are developing ways to provide access to credit that builds resilience and avoids debt traps caused by products like deferred interest promotions.

Individuals with limited or no credit experience and those without social security numbers have great difficulty accessing credit, often leaving them no choice but to use predatory lenders. Our secured credit card (Beneficial Builder) offers customers the opportunity to have an extension of credit secured against a cash deposit. The bank reports balances and payment data to the credit bureaus with the goal of helping our customers establish or improve their credit. Beneficial State Bank also offers credit cards with a positive environmental impact. Read more on page 36.

Auto Lending
Getting a car loan can be confusing and expensive and often occurs at a stressful point in someone’s life when they need a car to get to school or work. Car dealers often unfairly mark up their loan rate (known as “price gouging”) and sell that high-interest loan to conventional lenders to capture more profit. At Beneficial State, we offer fair and transparent financing options to those who need it most.

We serve borrowers who apply directly, and we also leverage partnerships with auto dealers and brokers to meet people where they are, offering affordable loan options. These partnerships allow us to scale our reach and expand our program while supporting our partners in getting more of their clients the financing they need.

For immigrants without a social security number, access to fair financing is even more challenging. Individuals with an ITIN instead of a social security number may not qualify for traditional financing at all. Over the last year, Beneficial State Bank continued to expand the number of borrowers with ITINs we served across California, Oregon, and Washington. In 2021, we supported 466 borrowers with an ITIN (about 10% of our portfolio), an increase of 290% from 2020. We empower buyers to get the vehicle they need with a healthy loan by providing ethical financing options, loan terms, interest rates, and collections processes.

As of December 2021:

653
average credit score
(of borrowers with credit scores)

1,643
refinance borrowers

8.32
percent
average APR savings after refinancing

1Average reported from our refinance partner Caribou.
Beneficial State is committed to building products and services that meet our communities’ needs. Over the last few years, we have seen a growing need for fair and affordable refinancing options to help people with high interest rates and high monthly payments. We adapted our business model to better serve people who need to refinance, reducing their interest rate by an average of 8.32 percentage points. For a customer with a prior rate of 16% APR, this would represent more than 50% savings on their interest. Our customers can use the money they saved toward their other financial goals.

As of December 2021:

$165 million in auto loans

$19,970 average loan

10,545 borrowers

CHECK OUT THE CLEAN VEHICLE ASSISTANCE (CVA) PROGRAM!

Beneficial State Bank is the preferred lender of the CVA Program. We offer fair, transparent, and affordable financing for qualified clean vehicle grant participants! Learn more about the program on page 38 or visit cleanvehiclegrants.org.

Average reported from our refinance partner Caribou.

PAYMENT ACCOMMODATIONS

On-time payments are the most significant factor affecting a credit score, and missing a payment can make it harder to access credit in the future. We offer Skip-a-Pay and Payment ImprovementCourtesy for Loans (PICL or “pickle”)—payment deferral options that we designed to help qualified borrowers weather hard financial times and minimize damage to their credit score.
We are committed to serving our communities.

Paycheck Protection Program (PPP)

During the pandemic, thousands of small businesses and nonprofit organizations were hit hard, forcing them to lay off staff or even close their doors permanently. When Congress approved PPP, we were eager to help deliver much-needed economic relief to small businesses and nonprofits. Thanks to our technology investments in 2020, we supported 778 organizations through Round 2 of PPP, deploying $93 million. We also worked with our clients to process their loan forgiveness applications, resulting in 98% of loans forgiven by December 2021.

We outperformed community banks of our size* by making nearly $200 million in PPP total lending.

| 2,145 | $132,811 |
| PPP Loans | Average PPP Loan Amount |
| 24% | 30% | 19% | 27,190 |
| Nonprofits | Women-Owned | BIPOC-Owned | Employees Supported |

$190 million
Beneficial State Bank PPP Loan Amount

$130 million
Peer Bank PPP Loan Amount

*Assets between $1-$5 Billion as of June 30, 2021. Data provided by the SBA.
Mission-aligned Investments in Beneficial State Bank

In 2021 Beneficial State was awarded mission-aligned funds from the U.S. Treasury that will help us expand and deepen our impact in low-to-moderate income (LMI) communities.

These awards reflect the incredible work our staff is already doing across California, Oregon, and Washington. With these additional resources, we are looking at ways to deepen our impact and expand our services where they are needed most.

**CDFI Fund awarded Beneficial State Bank $1.8 million.**
This grant award supports our lending activities as a CDFI bank, providing fair financing to historically disinvested communities that experienced the worst effects of the pandemic. Beneficial State’s award, leveraged with deposits, enables the bank to make an additional $13 million in loans.

**Beneficial State Bank selected for significant investment from the U.S. Treasury.**
As of December 2021, the U.S. Treasury’s Emergency Capital Investment Program (ECIP) announced major capital investments to Community Development Financial Institutions (CDFIs) and Minority Deposit Institutions (MDIs). These investments will support organizations as they provide critical services to communities disproportionately impacted by the economic distress stemming from the COVID-19 pandemic. We are scheduled to receive the investment in June 2022 and will deploy it over the next five to ten years. Read our announcement.
Thank you to our teams.

Amidst the chaos and strain of a pandemic and financial crisis, our team worked tirelessly to answer the calls for help from clients who needed financial relief. Our front-line staff kept our doors open, ensuring that our clients could get the support they needed. In addition to services provided in our branches, we implemented technological solutions like video banking to serve our clients at their homes and offices, allowing them to choose where and how to engage with us.

We offer creative banking solutions tailored to our clients’ needs.

Our Relationship Bankers conduct client financial needs assessments to clarify financial goals and identify their banking needs. They continued to provide these services throughout the pandemic, supporting our clients as they navigated the challenges of our new reality.

Digital banking services are becoming more common, but many in our communities don’t have experience banking beyond physical branches or ATMs. Our Customer Care teams and branch staff helped close the digital banking divide and get our clients set up with remote tools to make online or mobile payments and access their banking wherever they are, whenever they need it.

Rising bank fees have also posed challenges for people. Fees and penalties hit low-income consumers the hardest, taking money needed for essential costs like childcare, groceries, and housing. By contrast, Beneficial State Bank continued to put people first. Our process mitigates the potential for customers to incur more overdraft fees than necessary. Our staff helps our clients set up access to 24/7 digital banking with our mobile apps, turn on or off debit card controls, and set up online alerts to help avoid overdraft fees. In addition, we keep our overdraft fees low with a daily cap and waive one overdraft charge per year. We are encouraged by the conversation about overdraft fees at large banks. We continue to revisit our policies and procedures regularly, considering how we can best serve our clients and communities.

Our dedicated staff go above and beyond for our clients and communities.

In addition to their regular jobs, our staff give back to the community through volunteer hours and donations to community organizations. Read more about our financial wellness program on page 50.
Banking that serves all.

We support advocates to push for public banking and postal banking legislation.

As we continue to advocate for all banks to be more equitable, we simultaneously support bold solutions like public banking and postal banking. At Beneficial State, we strongly believe that a bank’s true purpose must be to serve the public interest and for us, that means a nonprofit ownership structure. Public and postal banks can also be created to operate with such purpose. Owned by public entities such as a city or state, they will leverage public dollars to serve the community’s needs.

We have contributed to national public banking legislation and California-centered policy to increase public banking options in the state. Today, we support advocates pushing forward legislation supporting public banking in California and postal banking nationally—steps that can help broaden financial services for all.

We support a stronger CRA for consumer rights and financial inclusion.

The Community Reinvestment Act (CRA) is a critical regulatory tool to ensure all banks do what is required to address the local credit, investment, and service needs of the communities they serve. We see this as a minimum standard. We need interagency reforms to strengthen CRA so that it more effectively meets community needs and ensures equitable banking practices. Yet, in recent years, there have been efforts to undermine the existing CRA, proposing changes that would have major negative impacts on low-to-moderate income (LMI) communities and communities of color – the very communities CRA was created to support.

Working with our partners and equity advocates, we are advocating for a more race-conscious CRA. We urge regulators to apply a racial equity lens to CRA, prioritize communities of color per the law’s intent, emphasize community context and input, and meaningfully penalize banks when they cause harm.

Banking is the original and most powerful form of crowdfunding — not that a specific deposit funds a specific loan, but that all deposits fund a lending practice, which should align with our values be they around justice, climate or community. With all their power, banks should be governed in the public interest.

Kat Taylor,
Beneficial State Bank Board Chair and Co-Founder
Contributing to Environmental Sustainability

We are in a climate emergency. The IPCC Sixth Assessment Report notes that the rise in weather and climate extremes has irreversible impacts as natural and human systems are pushed beyond their ability to adapt.

We saw extreme weather across the United States in 2021, from calamitous wildfires in California, deadly heatwaves in the Pacific Northwest, freezing winter storms in Texas, and Hurricane Ida hitting the entire East Coast. The enduring and inequitable harm these severe weather events have brought to our communities is further evidence that reversing climate change is not optional: it is imperative. If we as a global community do not act, the impacts of global climate change will ultimately destroy our economy, our homes, and our livelihoods.

READ MORE Wildfires make the case for investing in environmental and social justice
We provide lending to support the environment and renewable energy.

At Beneficial State, we believe that banks and investors collectively have immense power to guide the resources we use.

Our “benefit to all, harm to none” aspiration applies to our borrowers and extends to our physical environment. 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.

We use our lending power to fund clean, renewable energy and the environmental sustainability sector more broadly. These clients include environmental advocates, eco-friendly producers, green building professionals, conservation groups, and environmental education programs.

As of December 2021, Beneficial State has generated:

- **$94** million in loans to the environmental sustainability sector
- **$144** million in loans to the renewable energy sector
- **688 MWh** of energy produced (megawatt hours)

**Beneficial State Bank’s Earth Services Team**

Prioritizing positive environmental impacts has been central to Beneficial State’s mission for over a decade, and in 2019 we formed a team to do just that. Our Earth Services team was formed to advance the bank’s commitment to the sustainability of the environmental commons through our banking services. We are passionate about finding financing solutions that help our commercial banking clients and mitigate the impacts of climate change. We recognize the important role we can play by providing loans to finance clean energy projects and net-zero building construction and supporting environmentally-focused nonprofit organizations.
Residential Solar Partnerships

Over the past year, the Earth Services team has specifically focused on solar power, providing loans for installation and new solar development for mission-aligned companies and organizations. Since Spring 2020, Beneficial State Bank has purchased consumer renewable energy loans from other specialty lenders (this is called indirect lending) to help expand their reach. Through indirect lending, our partners can better manage their liquidity, credit, and other risks, allowing them to scale and expand their solar financing for more communities.

As of December 2021:

- **2,160** residential solar loans purchased from indirect lender partners
- **15MM MWh** of energy produced (megawatt hours)

Climate Credit Card

Beneficial State Bank offers a Climate Card, a credit card that allows cardholders to use their reward points to benefit nonprofits that work to serve our planet. In addition, we launched a partnership with Aspiration to help us reach even more consumers and empower people across the country to consider their carbon impact. Instead of indirectly supporting extractive and harmful fossil fuel projects, they can choose financial products that steward our environmental resources responsibly.

- **179,485** trees to be planted
- **1,302** kilos of avoided plastics

Banking on Climate Change Reports

We endorsed the Banking on Climate Change 2020 and 2021 reports that revealed banks to be the largest fossil fuel funders – to the tune of $3.8 trillion – between 2016 and 2020. These reports are critical in informing our advocacy to end destructive finance and cut ties between the fossil fuel and banking industries.
The Intersection of Finance, Climate, and Equity

Our collective survival requires an end to the financing of fossil fuels.

Loans from conventional financial institutions can perpetuate ecological destruction. Our collective survival requires an end to the financing of fossil fuels. While rising greenhouse gas levels affect people worldwide, marginalized communities have experienced significantly higher and more adverse health and environmental effects. Capital must be redirected to a new financial system without environmental injustice or harmful industries.

Road to Climate Justice

Francis Janes, Beneficial State Foundation’s Industry Relationships and Partnerships Director, spoke at the Western Bankers Association on how banks need to take action to meet net-zero goals and use a climate justice lens to ensure the needs and voices of those most impacted are at the forefront.

Clean Vehicle Assistance Program

We know that environmental and social well-being are intertwined. For example, certain environmentally-friendly products in the supermarket may be priced out of reach for low-income families. At Beneficial State, we’re continuously looking for solutions that yield benefits for both people and the planet. So, when the California Air Resources Board announced the opportunity to partner to increase access to electric and hybrid vehicles for income-qualified Californians, we jumped at the chance.

Since 2018, Beneficial State Foundation has administered the Clean Vehicle Assistance Program (CVA Program), providing grants and fair loans to income-qualified Californians, particularly from low-income and BIPOC communities that experience significantly more adverse health impacts from pollution. Through a combination of clean vehicle grants, charging station grants, and fair auto loan options, we are proud to help people thrive while advancing environmental and social justice at the same time.

As of December 2021:

- 4,417 grants awarded
- $22 million in grants
- 854 Disadvantaged Community (DAC) grantees (19% of total grants)
- $40,619 average income of recipient

The most rewarding part of this job is collaborating with partner organizations to further expand our reach to marginalized communities to ensure that they are getting the financial support to access a reliable and clean vehicle to get to work or doctor’s appointment.

Michelle Barron
CVA Program Associate, Outreach Lead, Beneficial State Foundation

We partnered to bring clean vehicle options to Indigenous communities.

From 2020 to 2021, the CVA Program partnered with GRID Alternatives Inland Empire (GRID IE) to launch an educational outreach pilot program with the Torres Martinez Desert Cahuilla Indians nation (TMDCI). Staff from GRID IE and CVA Program collaborated with TMDCI leaders to develop informational content about clean vehicles, available grants, and affordable financing options. Despite needing to pivot due to COVID-19, the campaign successfully utilized mailers, social media, and virtual webinars to share information in a way that resonated with many TMDCI community members. As a result of this campaign, a level-2 E.V. charging station was installed to demonstrate the ease of clean vehicle adoption. Some community members even applied for grants and purchased a clean vehicle with help from the CVA Program. Read more.
Learning from Others, Leading on Climate

Climate Safe Lending Fellowship

At this year’s United Nations Climate Change Conference, nations and institutions once again committed to sustainability agreements in efforts to limit the rising global temperature. However, principles and commitments have not been enough. The Climate Safe Lending (CSL) Fellowship is an opportunity for banking professionals to advance the climate agenda now.

The Fellowship Journey

In 2021, Quinn Williams, Beneficial State Foundation’s Associate Director of the Equitable Bank Standards Program, joined the CSL fellowship. He and other climate intrapreneurs – banking professionals advancing the climate agenda from within their institutions – were guided through a cross-disciplinary learning journey. Each fellow reflected on their role as individual systems leaders and the organizational relationships they must navigate to effect change within the system.

Co-learning with Industry Partners

As part of the fellowship’s co-learning process, Beneficial State Foundation helped forward a narrative on banking and climate that more deeply incorporates justice and social impact considerations. We shared our vision for an equitable banking industry, particularly through the Equitable Bank Standards. Moving forward, Quinn and the 23 other climate intrapreneurs will be transitioning to an alumni steering group where they will continue to connect and discuss their progress on how they are individually effecting change within their organizations.

LEARN MORE Climate Safe Lending Network and its fellowship program.
Measuring and Decreasing our Carbon Footprint

Measuring Financed Emissions

Banks indirectly contribute significant amounts of carbon emissions through trillions of dollars invested in coal, oil, and gas financing—but also through many other types of financing. Almost all industries produce carbon emissions, and banks can help lead on climate change by measuring and reducing the emissions produced by their borrowers.

Using the Partnership for Carbon Accounting Financials (PCAF) methodology, we are measuring and disclosing the estimated carbon footprint of our loan portfolio. We can begin setting targets to reduce our financed emissions with the goal of achieving net zero in the future, in accordance with our commitment to UNEP FI’s Collective Commitment to Climate Action (CCCA).

As we continue to hold ourselves accountable, we invite others to do the same. The financed emissions of our loan portfolio as of December 2020 totaled 58,525 tons of carbon dioxide equivalent (CO₂e), or the equivalent of 59 million pounds of burned coal, or 6.5 billion smartphones charged. It would take 65,000 acres of U.S. forest in one year to sequester it. This data underscores why an environmental commitment is crucial not just for our bank, but all banks.

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<th>% of Total CO₂e</th>
<th>$ Loans Outstanding</th>
<th>% of Total Loans</th>
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Data quality is specific to each asset class and ranges from one to five, with five meaning uncertain and one meaning certain. There are many data limitations that all banks face when conducting these calculations, but we are committed to starting with estimates and improving data quality over time. See PCAF’s report to read more about the standardized methodology and data quality definitions.

Carbon Neutral Operations

• Banks also produce emissions through their operations. Every year, we engage with EcoShift Consulting to measure our operational carbon footprint, including direct emissions (the bank’s energy usage) and indirect emissions (employee commutes, business travel, purchased paper). We use this information to become carbon-neutral by purchasing carbon offsets and taking them off the market. In 2020, we emitted and offset 429.5 metric tons of carbon dioxide equivalent (MT CO₂e) through Carbon Lighthouse and Forterra’s Carbon Capture Program. With Forterra, our allowance purchase supports positive local impact through reforestation efforts in our Puget Sound communities. With Carbon Lighthouse, our allowance purchase from regional carbon markets reduces the finite supply of available allowances that utilities, power plants, and other regulated entities can obtain—thereby encouraging further emissions reductions in a macro sense.

• Our greenhouse gas emissions per full-time employee (FTE) have decreased every year since 2016 (when we merged with Pan American Bank and grew in branches and staff, causing a short-term increase in our carbon emissions).
Inclusive, Fair, and Equitable

Banks and other financial institutions have long denied BIPOC communities access to fair financing, using discriminatory practices like redlining. Although laws are now in place to protect against these lending practices, inequity and injustice persist. We are committed to redressing the industry’s wrongs and to providing fair financing for both individuals and organizations. At Beneficial State Bank, we provide financing to businesses and nonprofits that support community development for low-income people and communities of color to create more impactful community outcomes.
Addressing Systemic Racism and Empowering Communities

We aim to empower communities of color and alleviate the financial hardships suffered disproportionately by these communities due to centuries of systemic racism. That means building a fair, inclusive, and prosperous economy for all. Our teams are committed to providing financial security and increasing access to fair and transparent financing for all our customers.

Expanding Our Credit Selection Process for Auto and Credit Card Borrowers

Immigrants can face the challenge of not having a US-based credit history. In 2020, we began using Vantage Scores, a credit model that utilizes more comprehensive forms of debt repayments, as an alternative to FICO scores. We continued this process in 2021. This approach increased the credit data available for more applicants, especially for immigrants, and thus helped us provide access to credit for customers.

Increasing Access to Credit

Some banks won’t lend to individuals without a social security number, but we know that many people in the communities we serve need access to credit. We lend to customers with Individual Taxpayer Identification Numbers (ITINs), which are “valid for work only,” and California’s AB 60 driver’s licenses, which can be obtained without proof of legal residence.

Providing Services to Those Who Need Them Most

We offer two unique products that have a direct impact on marginalized community members. The first is Interest on Lawyer Trust Accounts (IOLTAs). IOLTAs are a type of account where the interest earned is distributed to provide core legal services to especially vulnerable people, such as assisting victims of domestic violence or helping people with disabilities obtain housing.

As of December 2021:

- 68 IOLTA accounts
- $15,389,947 saved in IOLTA accounts
- $2,606.22 in average savings
- $204,911 saved in total

We also offer Individual Development Accounts (IDAs). IDAs are special-purpose savings accounts that help people build financial stability by having federal, state, and/or charitable organizations match the funds in the account, assisting low-income individuals to save more. We believe that incentivized savings programs like IDAs are an effective way for low-income individuals to accelerate their savings and realize their life-changing goals.

As of December 2021:

- 884 IDA savers
- $204,911 saved in total
- $2,606.22 in average savings

LEARN MORE about CROP Organization, our partner in providing IDAs to people impacted by the criminal legal system, on page 50.
Co-Learning and Innovating with Industry Leaders for Racial Justice

Historical and contemporary discrimination and wealth disparities put people of color at a disadvantage in current underwriting models, preventing access to reasonable credit or any credit at all, further exacerbating wealth and ownership inequality.

Underwriting for Racial Justice

In 2021, Beneficial State Foundation launched the Underwriting for Racial Justice (URJ) National Working Group, convening a group of more than 50 bankers, consumer advocates, and leaders in the community development banking sector. Since then, this working group has been exploring how business credit underwriting standards and practices could be re-imagined to increase funding to businesses owned by people of color impacted by long-standing systemic inequities—aimed particularly at benefitting Black and Latinx communities.

Underwriting for Racial Justice has grown in interest. We’re grateful to the 50+ institutions that have shared their insight and needs in this critical area, working to provide more credit access to people who have been intentionally and systemically excluded.

Beyond the National Working Group

We engage with other banking associations and organizations to present and learn from each other on how to best advance racial justice and bring fairness to our financial system. Our staff spoke on numerous panels and at conferences throughout the year to address racial equity and push for innovative ways to remove barriers and increase access to capital, especially for Black business owners. Recent presentations include:

- National Community Reinvestment Coalition (NCRC) Just Economy Conference: Banking for Racial Justice: Racial and Ethnic Representation and Investment Framework and Products and Services for an Equitable World
- Brookings Metro’s webinar: State of Black Businesses: Resilience in the face of a pandemic
- Common Future’s Character-Based Lending Fund (CBL) empowers BIPOC-led organizations to invest in their most trusted BIPOC entrepreneurs using flexible and patient capital.

The cross-disciplinary working group meets approximately once a month to articulate key race-based challenges and opportunities for change in loan underwriting. Through research, presentations, and case studies, the working group shares promising practices and approaches to build more equitable access to credit. Examples of case studies that URJ participants have shared include:

- Berkshire Bank’s Friends and Family Program, powered by The Runway Project, bridges the gap in access to capital by providing early-stage capital to Black and Brown entrepreneurs.
- ICA launched its ICA Impact note, an innovative venture capital investment structure that helps entrepreneurs embed and prioritize social impacts as they grow their businesses.
- ICA launched its ICA Impact note, an innovative venture capital investment structure that helps entrepreneurs embed and prioritize social impacts as they grow their businesses.
- Berkshir...
Empowering Others with Financial Literacy

Our financial education program includes staff volunteers, community partnerships, and a full-time Financial Education Manager, Rafael C. Rogel. As a part of this program, we offer workshops to build financial health in our communities. Despite the COVID-19 pandemic, we remain steadfast in our commitment and have pivoted to providing virtual workshops to middle schools, high schools, colleges, nonprofit organizations, and conferences. We partner with mission-aligned organizations to deepen our collective impact.

Supportive Re-entry Programs

In 2021 we partnered with CROP Organization, leading the financial education component of their Ready 4 Life Program, a re-entry program designed to equip people involved in the criminal legal system with the tools they need to succeed. We are proud to partner with CROP in many ways, including financial education, Individual Development Accounts (IDA matched-savings), and access to banking products for their program participants.

Empowering Young People

We also collaborate with Junior Achievement in Portland, the Bay Area, and Southern California to empower young people to own their economic success and stay in school through financial literacy, entrepreneurship, and work readiness programs. These partnerships help us support people in our communities where they are, with the resources they need to make empowered and informed choices.

Our dedicated staff go above and beyond for our clients and communities.

As part of our financial education program, our staff have the opportunity to lead or co-present financial wellness sessions with partner organizations. These sessions range from middle school students to seniors and include topics from budgeting, building credit, investments, and more. Beneficial State offers paid time off for volunteer opportunities for all of our staff, and Beneficial State Bank matches up to $250 in charitable donations per employee per year.

2,019 volunteer hours reported in 2021
LEARNING FROM RACIAL JUSTICE LEADERS

As part of our Diversity, Equity, and Inclusion (DEI) Educational Enrichment Series, we invited Alicia Garza to be a guest speaker. Alicia is the co-creator of #BlackLivesMatter and founded the Black Futures Lab to make Black communities powerful in every aspect of their lives. Learn more about our internal DEI initiatives on page 60-63.

PROGRESS IN THE INDUSTRY

We support the Consumer Financial Protection Bureau (CFPB) in its proposed rule to collect small business loan data, focusing on small businesses owned by women and people of color. This robust data reporting requirement addresses the disparities in access to loans by people of color and women-owned businesses, opening the door to more fair and equitable lending.

All of my work in the nonprofit space has been a learning experience. The opportunity to work with a bank that was willing to help me learn more, I couldn’t find that at any other institution in town.

Matthew Gillian
Inspiration Transportation
Nurturing Our People

At Beneficial State, we want to build an economy that works for everyone, starting with our own team. We are committed to supporting our staff so that together we can all work to strengthen our communities. We set high standards for our organizations, including paying living wages, offering comprehensive benefits, and empowering staff to advocate for a just and inclusive workplace.

Our team members are fierce changemakers in the beneficial banking movement. As they do their important work, our leadership team works to build trust across the organization, support staff resilience, and ensure that our team composition reflects the inclusiveness we strive to foster in banking.
You are welcome here.

We acknowledge the extensive history of racism, sexism, injustice, and oppression in the United States. We acknowledge the systemic marginalization of Black people, Indigenous people, and all people of color. We acknowledge that inequity is woven into the financial services industry. Just as it manifested in condemned historical practices such as redlining, it continues in many forms today.

As individuals and as our two organizations, we are dedicated to recognizing and continuously addressing how our biases show up. We intentionally work to foster a culture of inclusion where everyone is a valued member of our teams and treated with empathy, respect, and dignity. We commit to dismantling systemic racism today and each day. We commit to hearing feedback when our actions fall short of our intentions. And we firmly believe that to build a more just world, we must demolish white supremacy.

We strive to ensure that those who work and bank with Beneficial State, no matter their identity, truly feel in their hearts the words they experience when they walk into our branches:

YOU ARE WELCOME HERE.

---

**BANK**

**Age/Generation**
- ▶ 65% born between 1981–2000
- ▶ 24% born between 1965–1980
- ▶ 9% born between 1946–1964
- ▶ 2% born after 2000

**Diversity**
- **Board**
  - ▶ 36% Female
  - ▶ 36% POC
- **Staff**
  - ▶ 62% Female
  - ▶ 55% POC
  - ▶ 37% Hispanic or Latinx
  - ▶ 45% White
  - ▶ 8% Asian
  - ▶ 7% Black or African American
  - ▶ 0% Native Hawaiian or Other Pacific Islander
  - ▶ 1% Two or More Races

**Executive Management Team**
- ▶ 33% Female
- ▶ 17% POC

**FOUNDATION**

**Age/Generation**
- ▶ 94% born between 1981–2000
- ▶ 3% born between 1965–1980
- ▶ 3% born between 1946–1964

**Diversity**
- **Board**
  - ▶ 83% Female
  - ▶ 67% POC
- **Staff**
  - ▶ 69% Female
  - ▶ 69% POC
  - ▶ 47% Hispanic or Latinx
  - ▶ 31% White
  - ▶ 11% Asian
  - ▶ 6% Black or African American
  - ▶ 6% Two or More Races
- **Executive Management Team**
  - ▶ 75% Female
  - ▶ 0% POC

---

**Beneficial Employment**

- ▶ 125% Living Wage Policy
- ▶ Full medical benefits with employer contribution
- ▶ 401k plans with generous employer match
- ▶ 32 hours of paid volunteer time/calendar year
- ▶ $250 charitable donation employee match
- ▶ 1.9 highest–lowest salary ratio versus 1.196 average CEO–median salary ratio of top 20 banks

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4 As of January 2021 living wage levels
5 Industry CEO–median salary ratio calculated by taking the simple average of all 20 top banks’ ratios. Source: S&P Global
Supporting Our Staff Through the Pandemic

During the COVID-19 pandemic, our staff served as “financial first responders,” supporting our communities in time of need.

Like any first responder, Beneficial State needed to ensure the safety of all our staff so they could be there to help others. Our leaders responded to regulatory changes to protect our staff, including taking health precautions and pausing our return to office. Both organizations provided paid leave to employees to get themselves, and their family members, vaccinated and boosted. Our Human Capital and Human Resources teams focused on maintaining clear and open communication, providing resources, and supporting our staff’s overall well-being and safety so we can all help each other and others.

Answering the calls for help is both rewarding and immensely challenging. Our staff came together to respond to this crisis together, and our organizations are stronger because of it.

Supporting Worker Power for the Banking Industry

In 2020, Bank employees voted to join the Communications Workers of America union. In 2021, Beneficial State Bank reached an agreement with staff, marking the first time bankers established a union agreement in over 40 years.

Beneficial State is proud to set a strong example for the rest of the banking industry, which has little unionization and often pays workers very low wages. We value our employees and see unionization as an opportunity for our employees to organize and have a collective voice.

At the core of my commitment to unionizing is my belief in our mission and vision: a banking industry that is fair to the person with the least bargaining power. In an industry with little change to the status quo over decades, it felt vital to stand together to show that our vision of beneficial banking isn’t just in our products and services. Beneficial banking is serving our communities and each other. We don’t just say we treat our workers fairly, we have a Collective Bargaining Agreement to prove it! Every colleague in the bank benefited from our negotiations and we have set an example for others on making long overdue change in the banking industry.

Sarah Traglio
Assistant Vice President, Relationship Associate, Beneficial State Bank

LEARN MORE A U.S. Bank has Unionized for the First Time in 40 Years

As part of an effort to expand the rights of those working in financial services, lawmakers within the U.S. Senate Committee on Banking, Housing, and Urban Affairs hosted their first-ever listening session. Financial workers, including staff from Beneficial State, were empowered to share their stories and experiences. Check out how Desiree Jackson, Beneficial State Bank’s Assistant Vice President, Treasury Support, speaks on her experience as a former Wells Fargo call center worker and to being a part of a unionized workforce today.
Diversity, Equity, and Inclusion as Strategic Priorities

A small team at the Foundation launched a pilot program to develop Employee Resource Groups (ERGs) for Beneficial State. This was a key first step in building organizational trust, having safe spaces for connection and candid discussion, and exploring what institutional support looks like for affinity groups of team members.

Employees interested in designing and forming the ERG for Black-identifying employees worked with a diversity, equity, and inclusion consultant to launch this pilot program, which will help inform all employees who would like to create additional affinity groups or ERGs. An identity-based community at work will allow staff to support one another, develop relationships across the organization, share education and professional development opportunities, and create spaces that can be catalysts for organizational change.

Employees with diverse backgrounds bring their own perspectives, ideas, and experiences, helping to create organizations that are dynamic and resilient, and outperform organizations that do not invest in diversity, equity, and inclusion.”

Richard Harvery Jr., Beneficial State Bank
Francis Janes, Beneficial State Foundation,
American Bankers Association, D&I Delivers for Banking
Structured Against Structural Racism

In 2021, we launched a Diversity, Equity, and Inclusion (DEI) Educational Enrichment Series as part of our commitment to embrace diversity and promote equity and social justice within our organization. Through town halls and workshop sessions, guest speakers, and a library of resources, we are educating ourselves in ways that we can support and effectively foster social justice, equity, and diversity within our organization, our communities, and society at large. Some examples of topics we have covered include:

- The Moral, Economic, and Business Case for DEI in Financial Services: An understanding of how diverse workforces and inclusive cultures in banking drives stronger business outcomes and a more productive economy.
- Building a Race Equity Culture: A framework developed by Equity in the Center.
- The Impacts of Institutional and Structural Racism.
- Addressing racial equity in banking products and services.
- Other guest speakers include Camila Chavez, co-founder and Executive Director of Dolores Huerta Foundation, Dr. Stefanie K. Johnson from the University of Colorado Boulder, Dr. Michael McAfee from PolicyLink, and Alicia Garza, co-founder of the Black Lives Matter Global Network, and founder of Black Futures Lab.
Promoting Responsible and Transparent Practices

We believe that the banking system needs greater accountability, and that starts with transparency. At Beneficial State, we share our learnings and our successes and lead by example, holding ourselves accountable to all our stakeholders. As we continue expanding our services and strategy, we keep our mission front and center to ensure we grow responsibly and sustainably.
Financial Resilience

Like all businesses, Beneficial State Bank entered 2021 with continued uncertainty, facing unprecedented challenges. The changes we made in 2020 prepared us to weather the extreme economic and social changes. We adapted our business model and deepened our commitment to our mission, persevering despite the economic realities. Our teams across the bank and foundation pivoted in many ways over the last two years, and our business model is stronger than ever before.

Strengthening our Business Performance

In 2020 we adapted our business model. This restructure was difficult but necessary and put us on solid footing to be a sustainably profitable bank, as reflected in 2021 by our healthy market rate of return on equity and assets. Our net loan growth, which reflects how rapidly our loan portfolio is growing, was down in 2021, but consistent with the industry. This was due to our decision to pivot and prioritize Paycheck Protection Program (PPP) loan forgiveness which has positively impacted both our community’s urgent need, as well as in our business performance. Excluding PPP balances, our net loan growth was 10%. PPP loan balances (net of payoffs from forgiveness) peaked at $250 million in March 2021 and steadily declined to $40 million by the end of the year.

We continue to see strong asset growth, and in 2021, this was largely driven by deposit growth from mission-focused individuals and organizations that believe in our mission.

Proving That Banking Can Be Beneficial and Profitable

As we continue to grow, we see powerful results in our ability to meet our mission, serve our communities, and continue to build a sustainably profitable bank. Since our inception we’ve continued to deepen our impacts on the “people” and “planet” components of our triple bottom line. We are now proving the third piece: “profit.” Profit is critical because it not only demonstrates to other banks and investors that banks can do good and earn a fair and reasonable return, but it also allows Beneficial State Bank to reinvest and grow, furthering our mission.

In 2021, for the first time since the bank’s inception, we paid out dividends to preferred stock shareholders, which are all nonprofits. As we pay dividends on the preferred shares owned by those nonprofits, we help further their missions and community impact.

As a community development bank, our focus has been on building products and pricing models that put communities first. After years of exploring and building a bank that truly operates in the public interest, we are now proving that doing good and being profitable are not mutually exclusive.

Key Financials

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>TOTAL ASSETS ($ MILLIONS)</td>
<td>$1,574</td>
<td>$1,249</td>
<td>$1,037</td>
</tr>
<tr>
<td>NET LOAN GROWTH</td>
<td>-7%</td>
<td>34%</td>
<td>-2%</td>
</tr>
<tr>
<td>INCOME (ADJUSTED, PRE-TAX)</td>
<td>$21.6</td>
<td>-$6.4</td>
<td>$2.6</td>
</tr>
<tr>
<td>RETURN ON EQUITY (ROE)</td>
<td>12.5%</td>
<td>-5.4%</td>
<td>2.2%</td>
</tr>
<tr>
<td>RETURN ON ASSETS (ROA)</td>
<td>1.1%</td>
<td>-0.6%</td>
<td>0.2%</td>
</tr>
<tr>
<td>EQUITY TO TOTAL ASSETS</td>
<td>8.1%</td>
<td>9.4%</td>
<td>11.6%</td>
</tr>
<tr>
<td>NET INTEREST MARGIN (NIM)</td>
<td>3.9%</td>
<td>4.1%</td>
<td>4.3%</td>
</tr>
<tr>
<td>TEXAS RATIO</td>
<td>10.7%</td>
<td>7.8%</td>
<td>6.2%</td>
</tr>
<tr>
<td>REAL ECONOMY REVENUES</td>
<td>82%</td>
<td>79%</td>
<td>92%</td>
</tr>
</tbody>
</table>

What do these data points mean and how do they reflect our mission?
Advancing Systems Change

Equitable Bank Standards

A Roadmap for Better Banks

Combining evolving solutions with proven frameworks, the Equitable Bank Standards were created specifically for banks to increase their social and environmental impact. The Standards provide a measurable, step-by-step pathway for all U.S. banks to foster transformational change within their communities.

The Standards were developed in partnership with community bankers, finance experts, economic justice advocates, and academic researchers. The Equitable Bank Standards are a work in – and for – progress, continually evolving based on industry-wide collaboration and feedback.

The Standards are made up of five key areas to measure social and environmental performance across a bank: governance, lending and investments, products and services, operational practices, and corporate citizenship. The Standards are categorized into three levels to encourage continued improvement over time: Essential, Emerging, and Industry-Leading. We invite all banks to find their own starting point and use the Standards to create their own path.

Developing a Banking-Specific Framework

Beneficial State Foundation envisions a future where all people and our planet thrive. We all depend on a financial system that is aligned with that vision.

We are building on prior standards and practices so that banks have a comprehensive banking-specific framework with clear guidance on how they can drive positive social and environmental impact with community prosperity at its core.

That said, the Standards are not a certification program. This tool will help banks consider where they can focus or expand specific efforts, equipping them with learning and insights from like-minded institutions.

We know that banks can shift to operate more equitably, committing to benefit their many community stakeholders, above and beyond their shareholders. This ambition hinges on collaborating with banks to establish equitable practices, policymakers to make those practices law, and the public to demand banking that serves them.

Learn more about how you can use the Equitable Bank Standards.
Partnering for Accountability

In addition to undergoing third-party examinations from federal and state agencies, we also voluntarily engage with industry-based impact evaluators who help us stay accountable and learn how to continue strengthening our business practices. The organizations we list below are not only accountability luminaries, but they’re also our partners in unleashing the power of business as a force for good.

**B Corporation**
Beneficial State Bank is one of only eight B Corp-certified banks in the U.S. We have been named “Best for the World” every year since 2013. In 2021, we were recertified as a B Corp with a score of 158.9, the highest score among B Corp banks. Our B Impact Score reflects our commitment to social and environmental sustainability and serves as third-party validation that we walk our talk.

**Global Alliance for Banking on Values (GABV) Standards**
As active members of this international network of values-based banks, we not only adhere to GABV Principles of Sustainable Banking but also serve on its committees to participate in initiatives with our fellow members. Our connection to the global community of ethical banks helps broaden our perspectives, so we can be more impactful in our local communities as we learn from practitioners worldwide.

Beneficial State Bank has played a key role in the development of the Global Alliance for Banking on Values Scorecard, a tool that allows banks to self-assess, monitor, and communicate their progress in delivering values-based banking in service of people and planet. Beneficial State has generously contributed astute systems thinking and banking expertise to help raise the bar for banking globally.

Dr. Adriana Kocornik-Mina
Senior Manager of Metrics and Research
Global Alliance for Banking on Values

**Just Label**
In 2021 we successfully completed the JUST 2.0 recertification process. Like B Corp, the JUST certification criteria evolve to continue to raise the bar for company accountability. We use these third-party certifications to keep ourselves accountable and continue learning how we can evolve our business to meet the needs of our employees and our communities.

**United Nations Environment Program Finance Initiative - Principles for Responsible Banking (UNEPFI-PRB)**
As a signatory and endorser of the UNEPFI-PRB, we practice, uphold, and advance banking aligned in the public interest at a global level. As described on page 42, we also participate in UNEPFI-PRB’s CCCA initiative to advance environmental stewardship.

**Community Reinvestment Act (CRA) Rating**
For the second performance evaluation in a row, we received a CRA rating of “Outstanding” from the FDIC for our work meeting the credit needs of communities throughout our footprint, including low- and moderate-income (LMI) neighborhoods. We’re proud of this achievement, and we call for CRA reform so banks will more effectively meet community needs and be held accountable to equitable banking practices. Read more on page 30.
We are Beneficial State. Together as a bank and foundation, we aspire to cultivate a vision of beneficial banking that serves all people and our planet in a way that yields racial equity, environmental well-being, and true community prosperity. At Beneficial State Bank, we safeguard this purpose through our nonprofit ownership, holding ourselves accountable to our mission, not private shareholders.

2021 once again emphasized that we need a new economy built by and for people. It revealed just how interdependent we all are. We must acknowledge that an economy that isn’t working for all of us will not work at all.

Our impact is thanks to our $1.5 billion asset size, enabled by our change-making depositors. But the banking industry is trusted with $27 trillion of our collective dollars. So we have to ask: what if all banks practiced Beneficial Banking™? What social and environmental justice issues would we be able to solve?

At Beneficial State, we believe this is possible. We believe in a future where banks and financial institutions nourish our communities and operate in the public interest.

Let’s create this brighter, more just future together!
California
East Los Angeles
3626 E First Street, Los Angeles, CA 90063
Phone: 323-264-3310

Fresno
170 W Shaw Avenue, Fresno, CA 93704
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Oakland
1438 Webster Street Suite 100, Oakland, CA 94612
Phone: 510-735-3531

Oregon
Portland, MLK
2002 NE Martin Luther King Jr. Boulevard, Portland, OR 97212
Phone: 503-287-7537

Portland, Pearl
430 NW 10th Avenue, Portland, OR 97209
Phone: 503-445-2150

Portland, Rose City
5636 NE Sandy Boulevard, Portland, OR 97213
Phone: 503-445-8700

Washington
Seattle, Bullitt Center
1501 E. Madison Street First Floor, Seattle, WA 98122
Phone: 206-812-8897