

2024 Shield Banker Benchmark Study

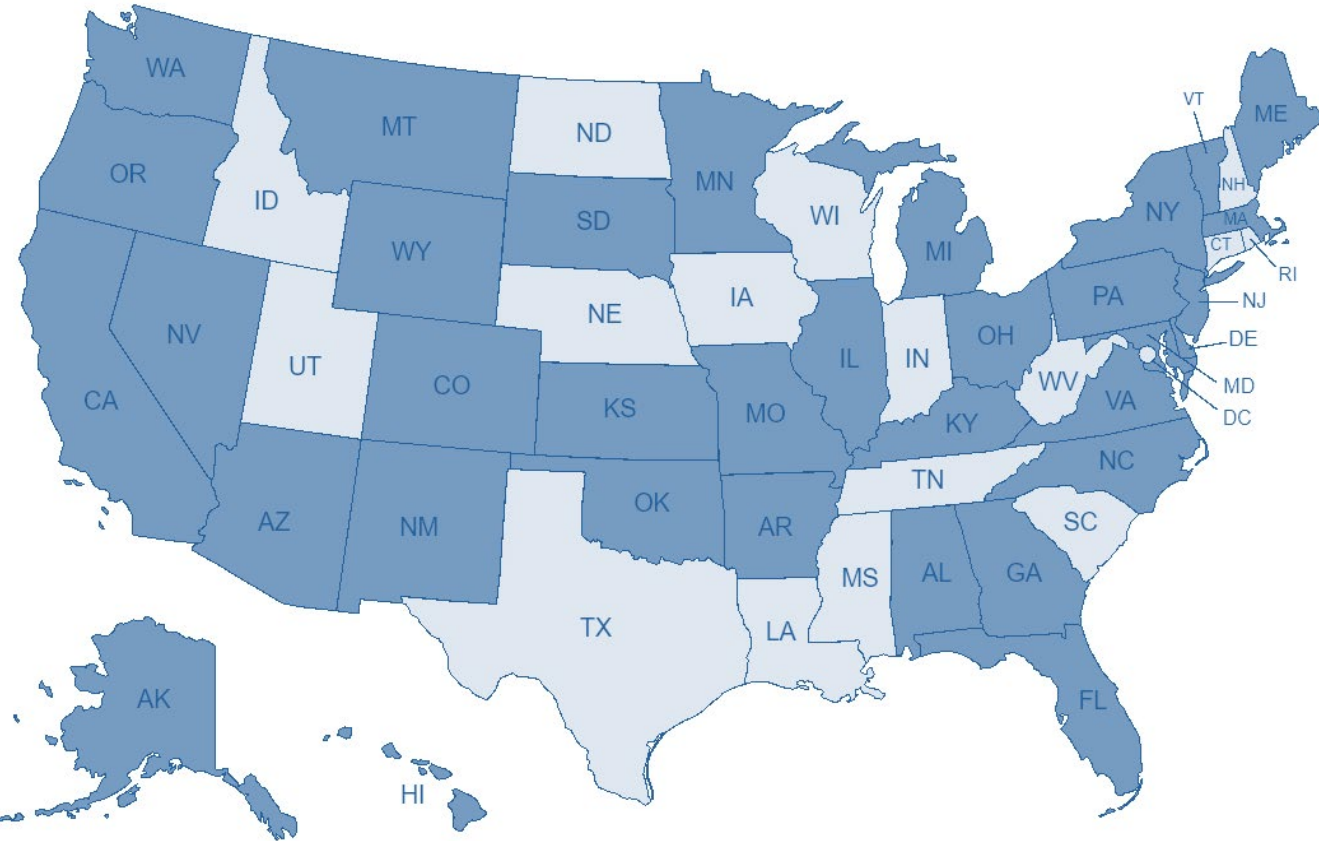
Participation



- Third annual Shield Compliance benchmarking study
 - Qualitative data based on interviews with clients
 - Quantitative data derived from Shield Assure usage
 - Anonymized results
- Interviews were conducted during July and August
- Over 50 financial institutions and financial service providers were contributors

Thank you to all participants!!

Study Coverage



- Participants provide financial services to cannabis businesses in 34 states
- 5,482 depository relationships covered by study
- 1,357 non-depository relationships covered by study
- Participants' portfolios range in size from 1 relationship to over 750
- Average portfolio size is 122 CRBs

Key Portfolio Metrics

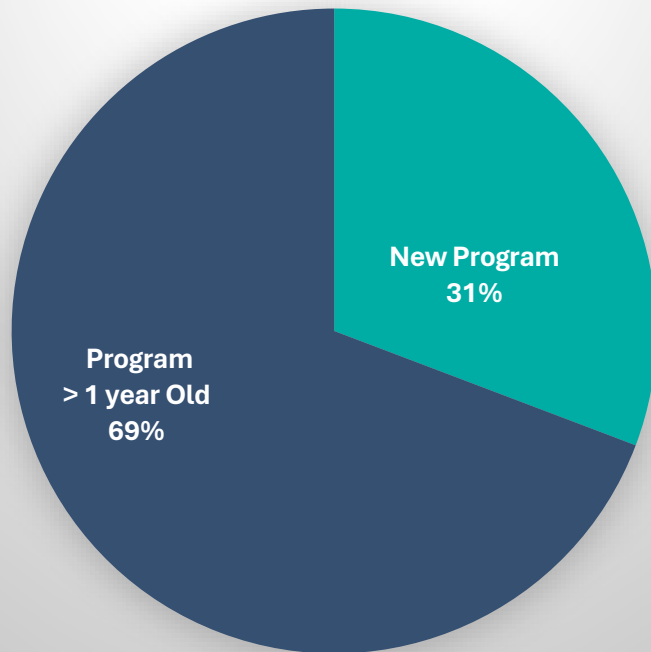


| | Deposit Balances | Loan Balances | MRB Relationship Count | Average Balance Per MRB | Average Monthly Fees Per MRB |
|------------------------------|------------------|---------------|------------------------|-------------------------|------------------------------|
| Deposit Taking Portfolio | \$1,039,526,583 | \$314,489,365 | 5,482 | \$189,625 | \$910 |
| Non-Deposit Taking Portfolio | n/a | \$14,099,545 | 1,357 | n/a | n/a |

Balances as of 8/31/24

Key Portfolio Metrics

Cannabis Program Maturity



Growth of Mature Programs

Mature programs (>1 year) average year over year growth

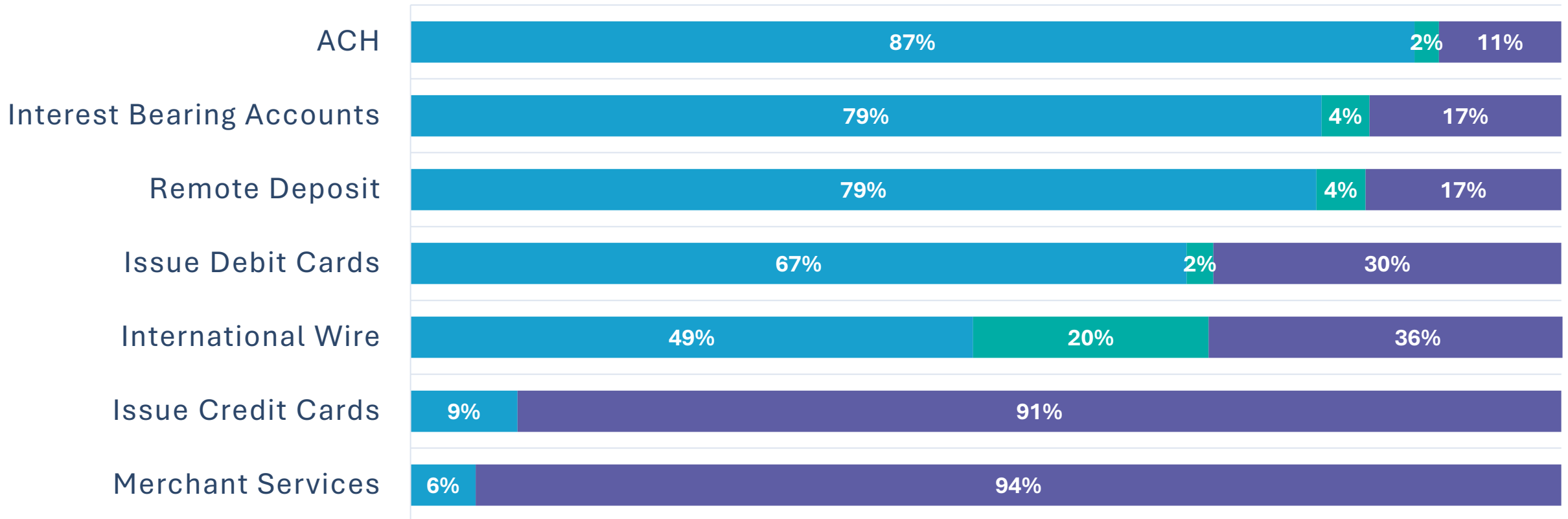
- 8 new MRBs per program
- Loan balance increase of \$4.5 million per program with lending both years
- 1 new state per program

Services Offered



Deposit & Treasury Offerings

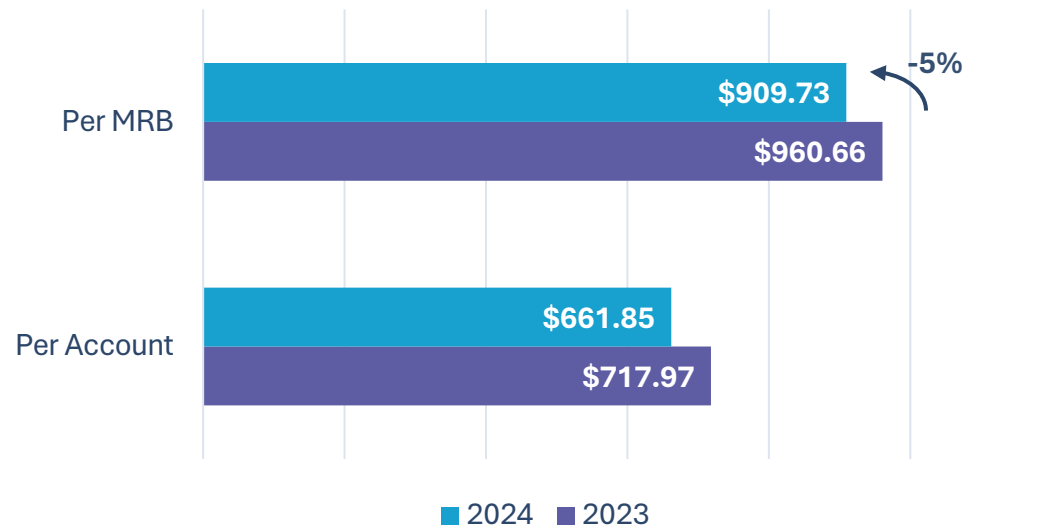
■ Offer ■ Considering ■ Do Not Offer



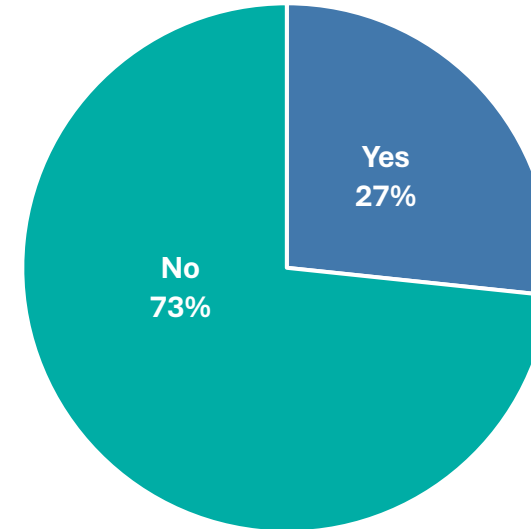
Service Fees

Service Fee Year Over Year

Average Service Fees



Earnings Credit Provided

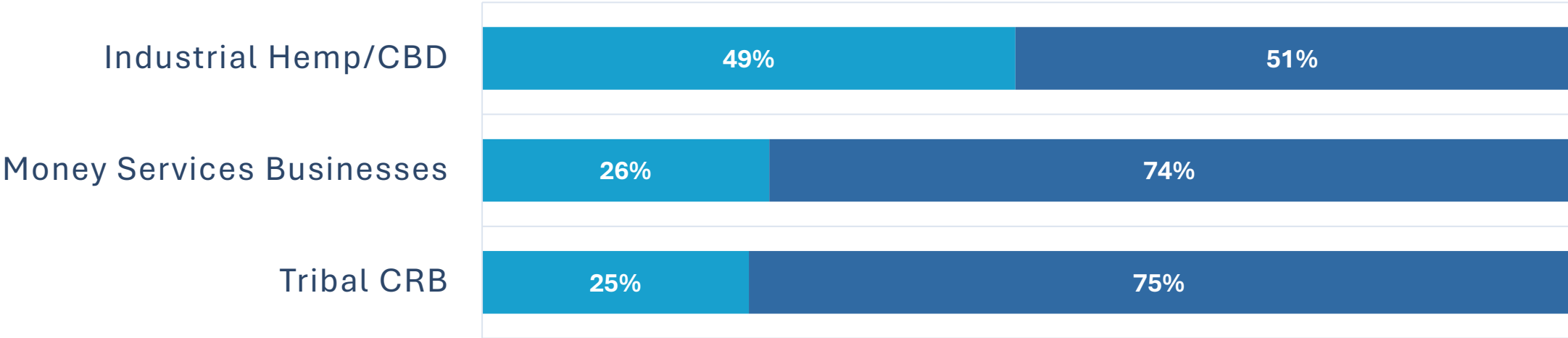


Services Offered



Other Specialty Deposit Accounts Offered

■ Yes ■ No

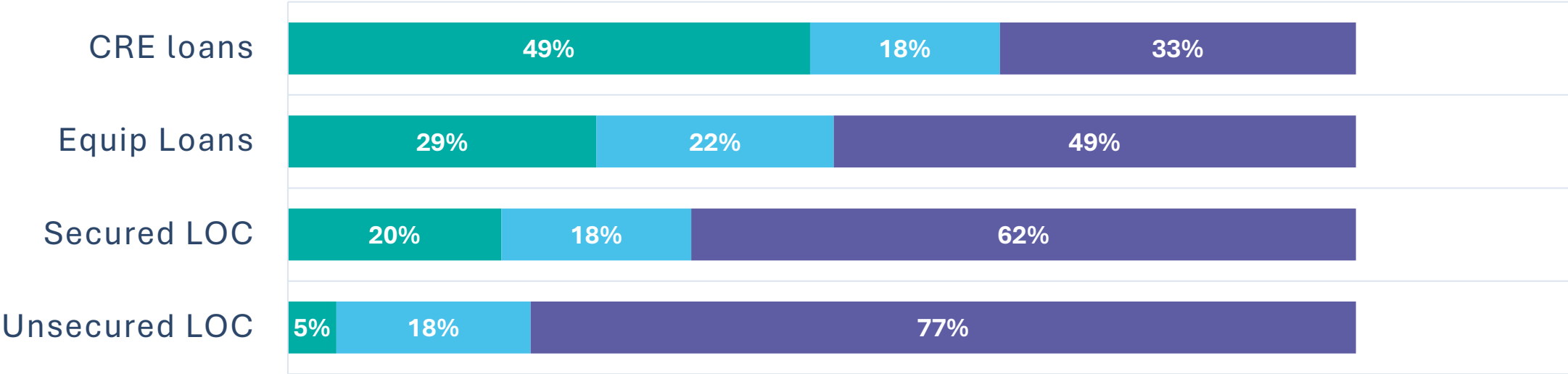


Services Offered



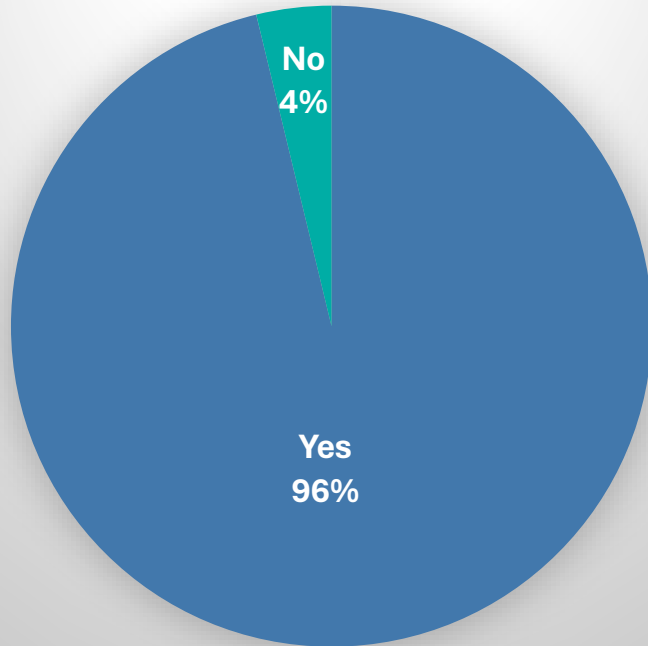
Extension of Credit

■ Offer ■ Considering ■ Do Not Offer

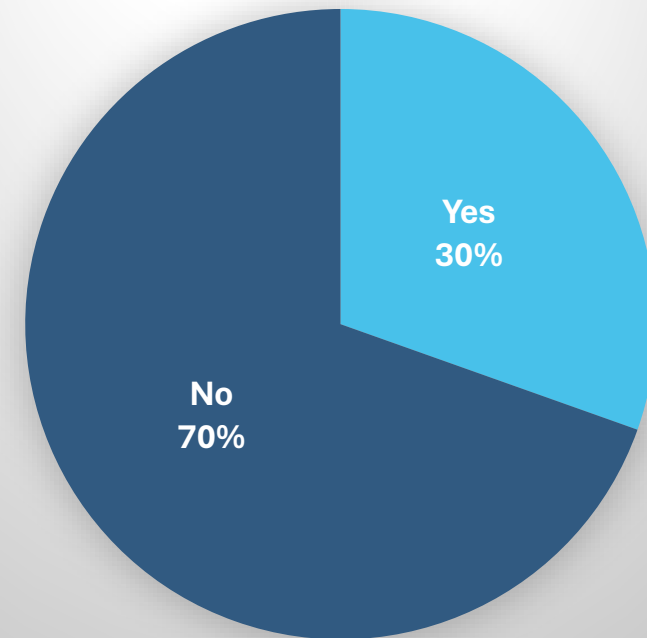


Program Expansion

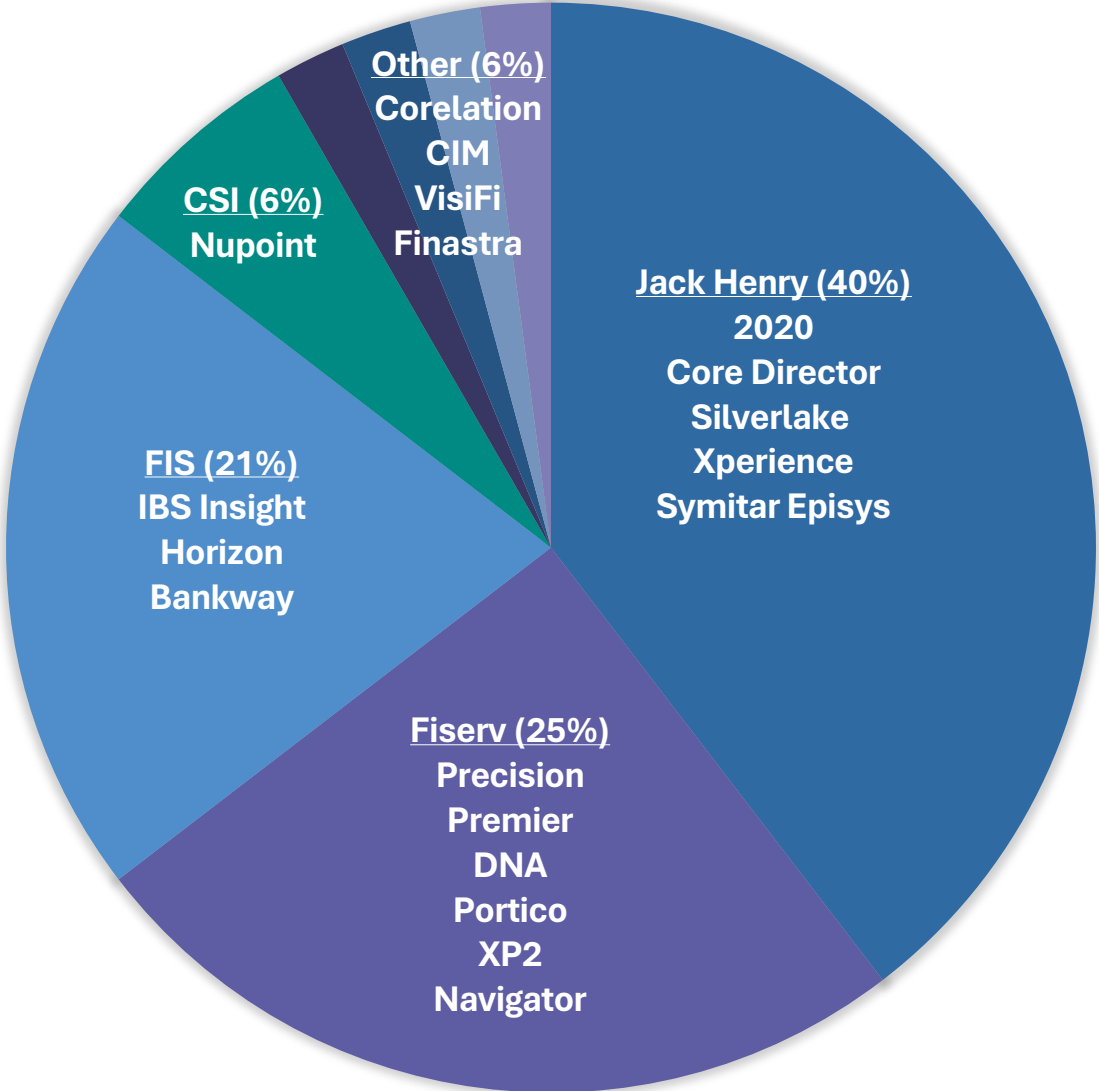
Accepting New Clients



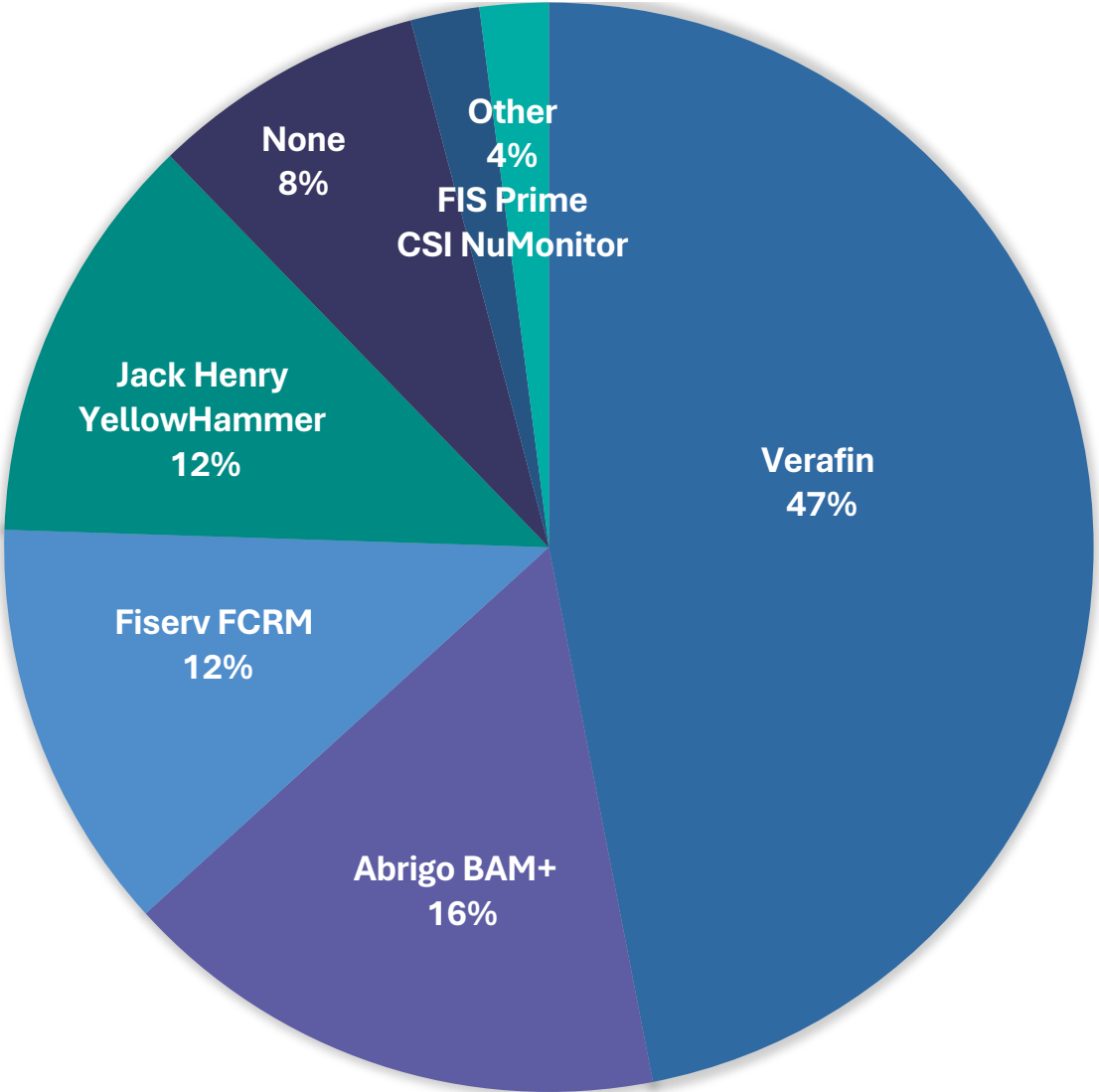
Expanding to New Markets



Core Banking Platform

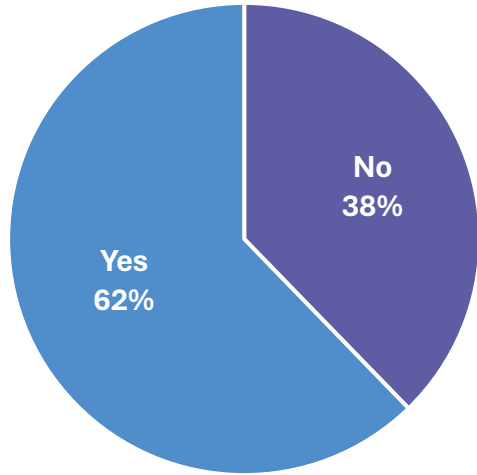


Primary BSA/AML Platform

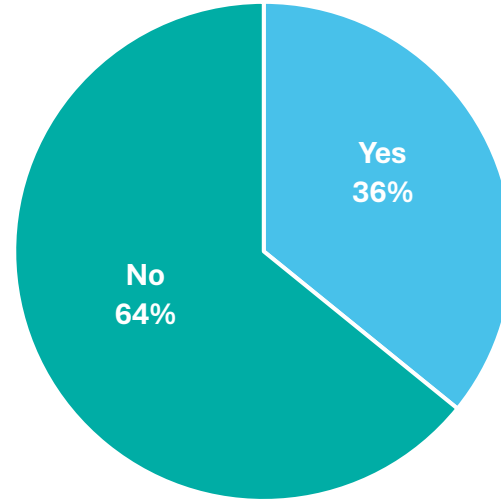


Shield System Utilization

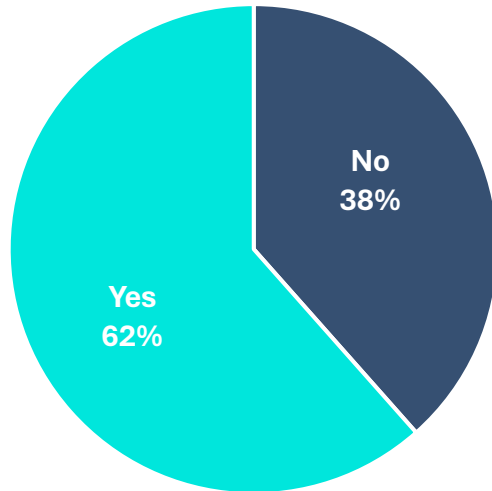
SAR Filing Within Assure



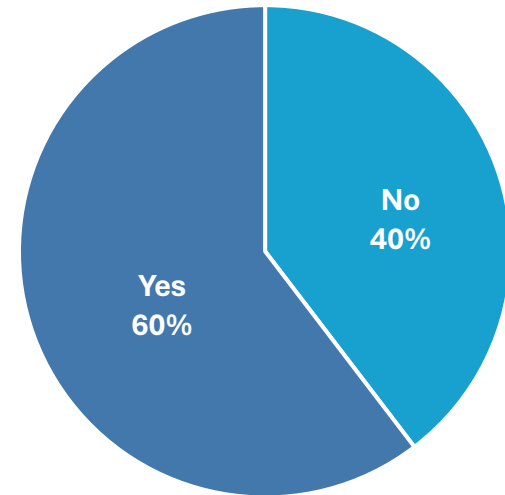
Vendor Management Enabled



Compliance Review Case



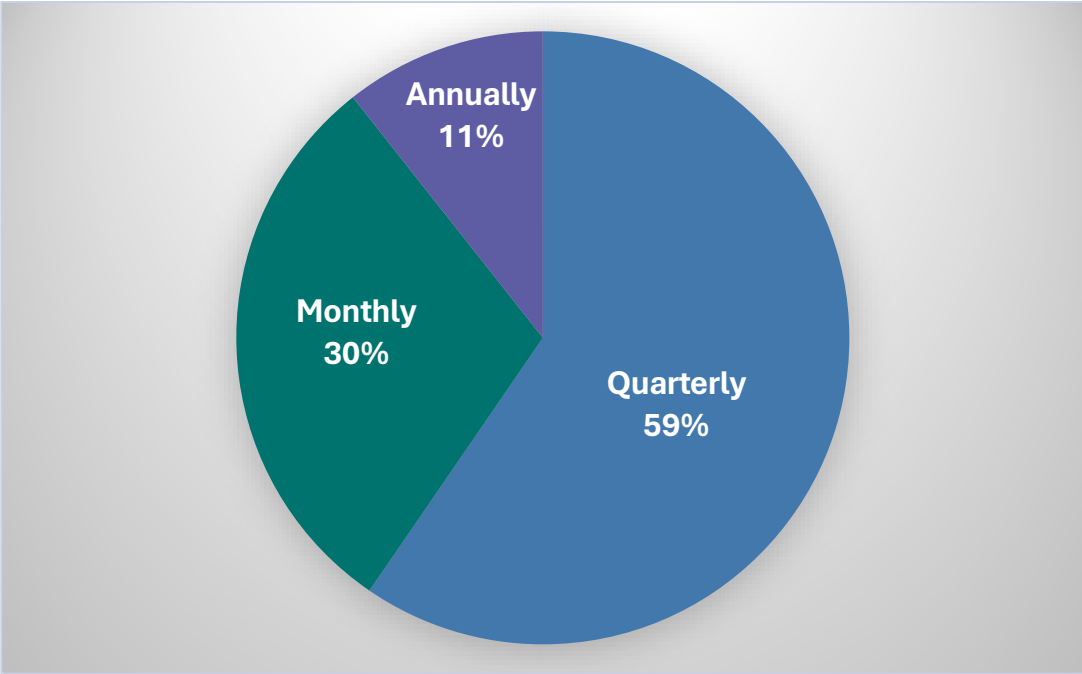
Deposit Validation Case



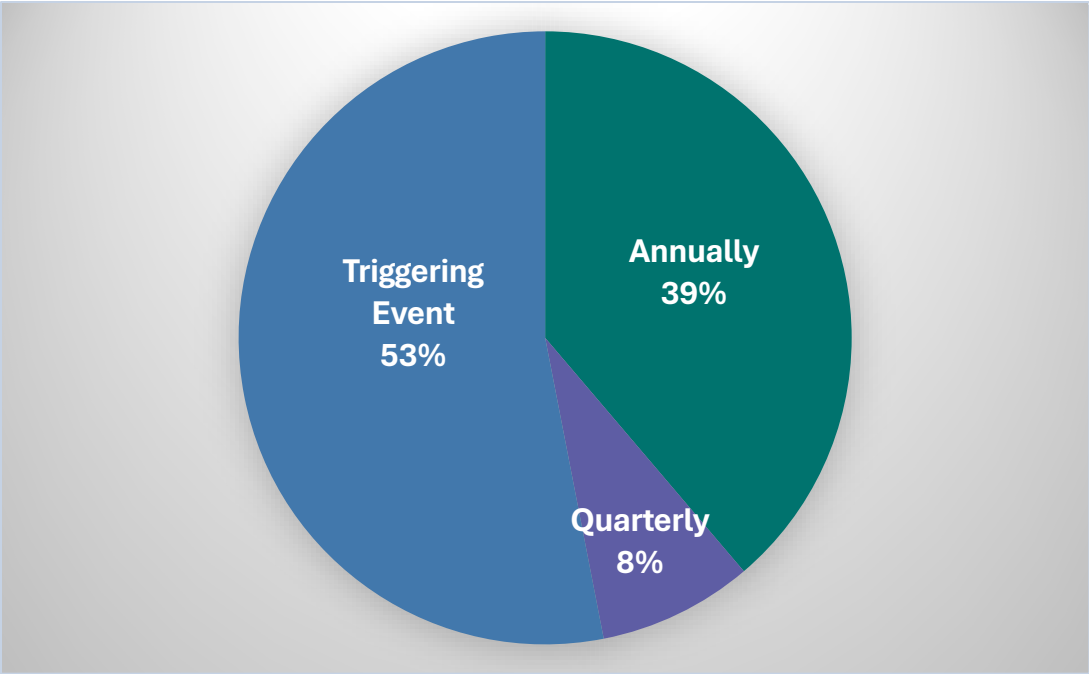
Compliance Requirements



Relationship Review Frequency



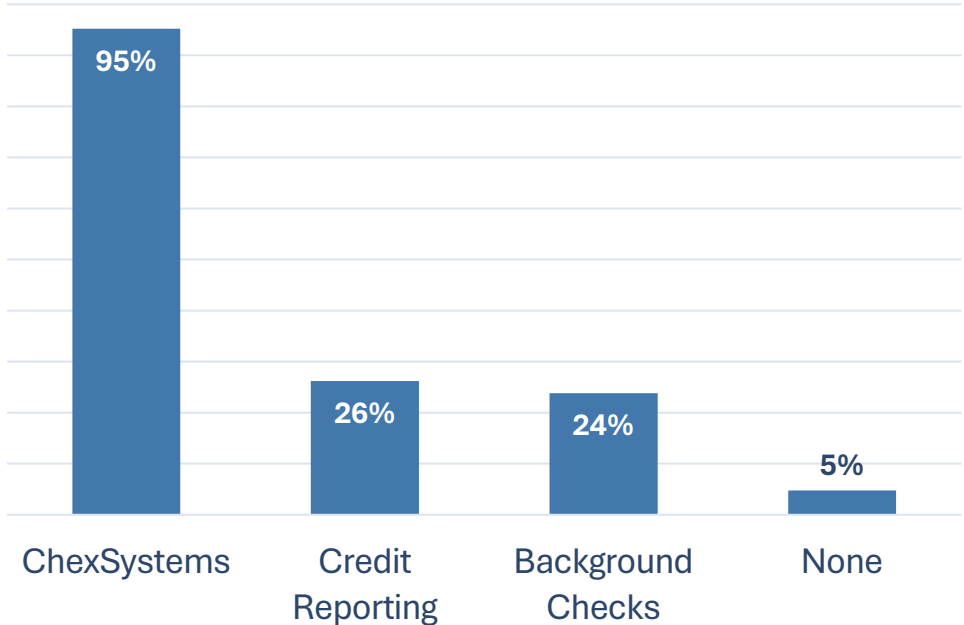
Beneficial Ownership Recertification



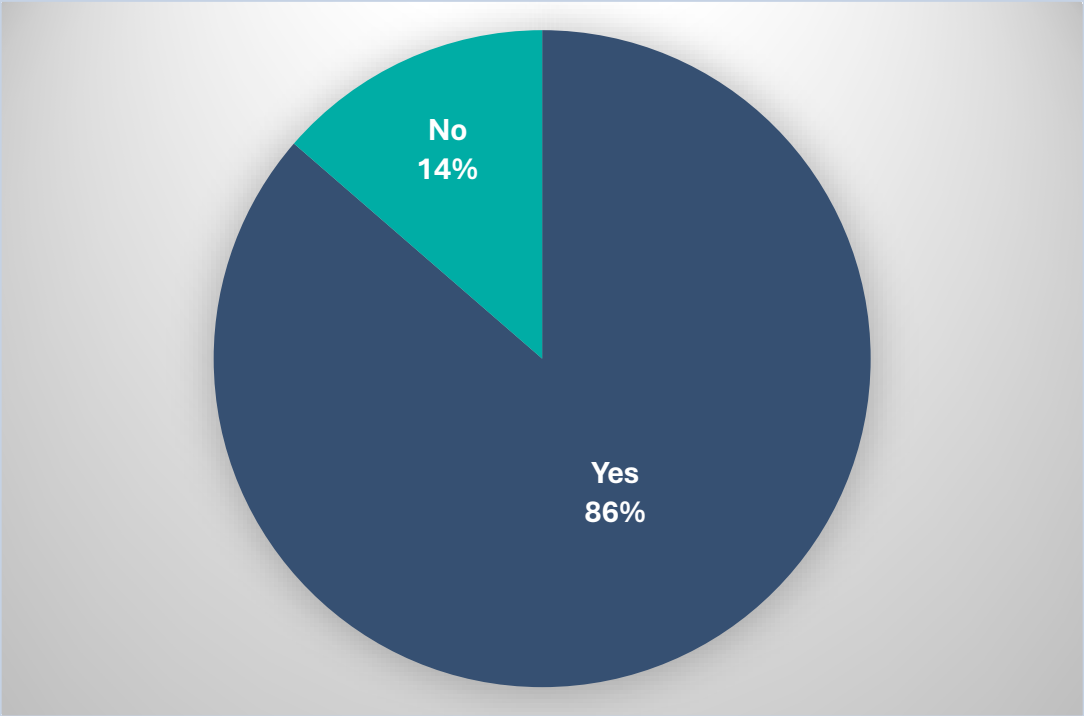
Compliance Requirements



Underwriting Resources

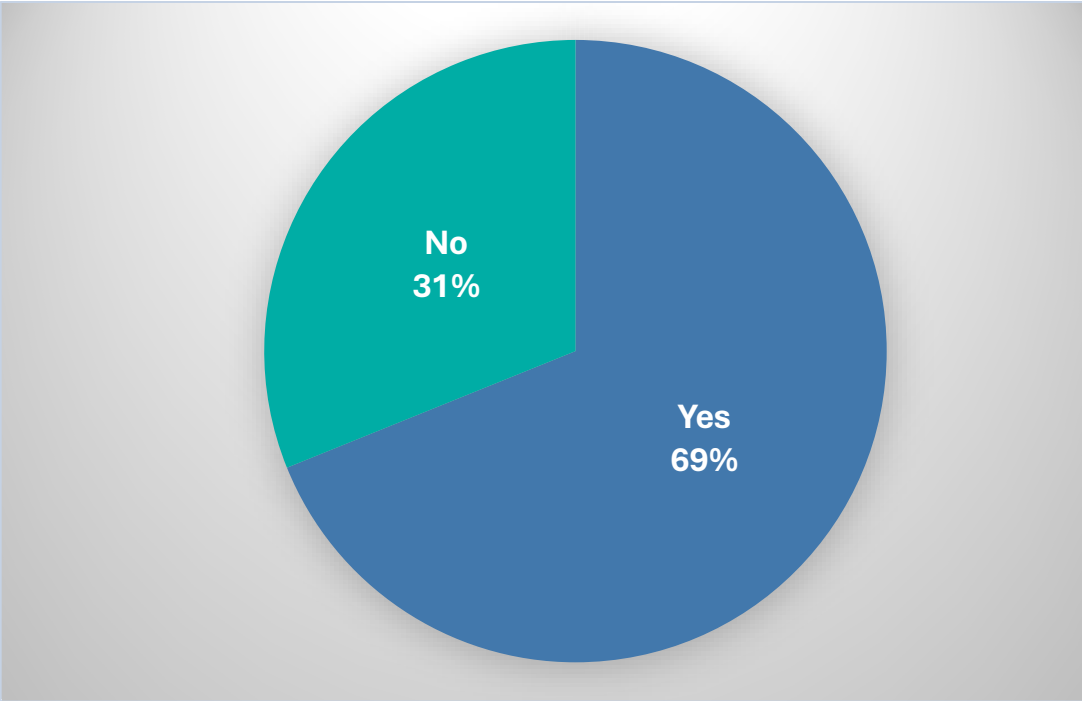


Annual Cannabis Program Audit

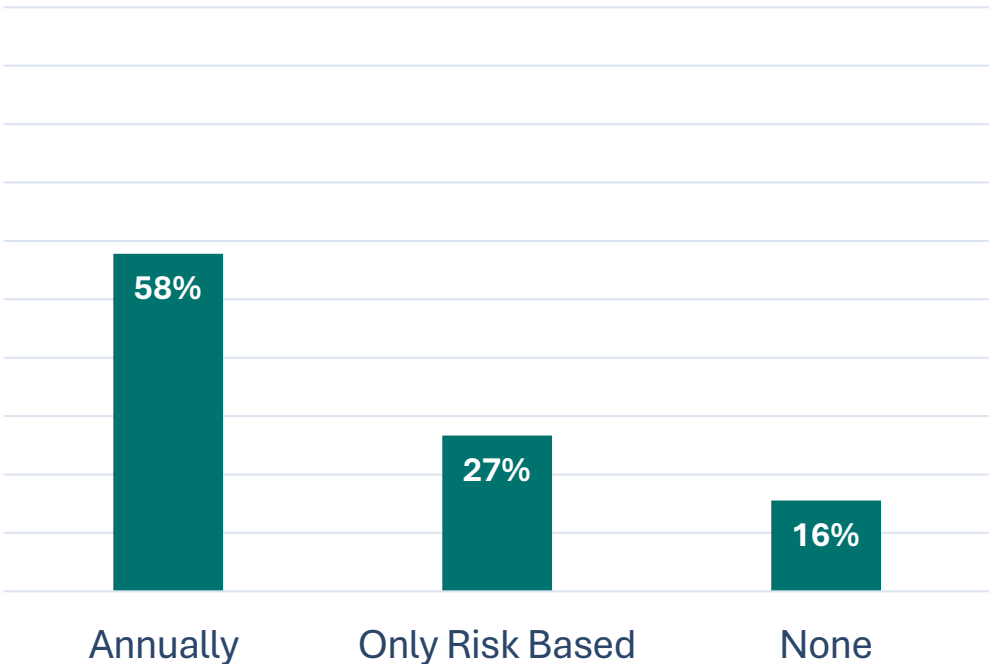


Site Visits

Site Visit Conducted at Account Opening



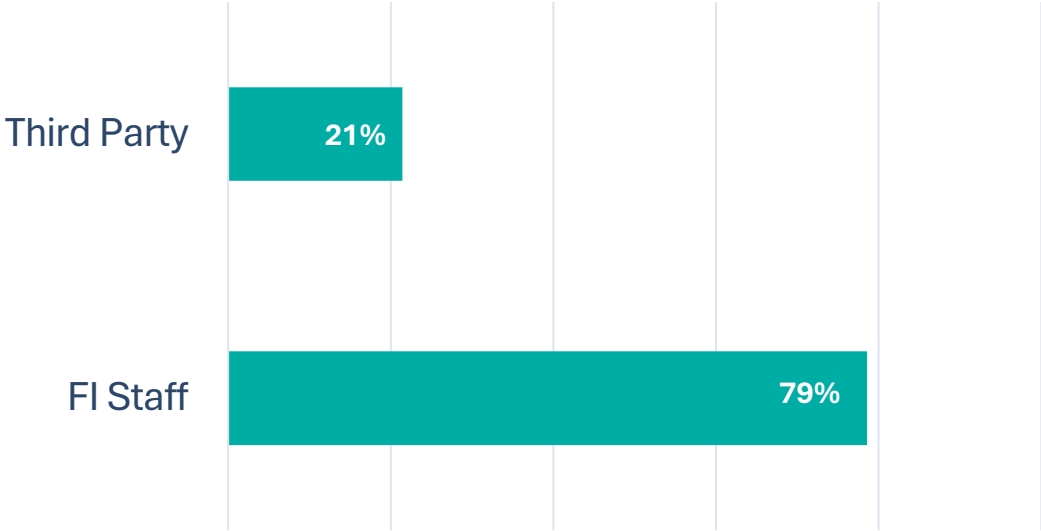
Subsequent Site Visits



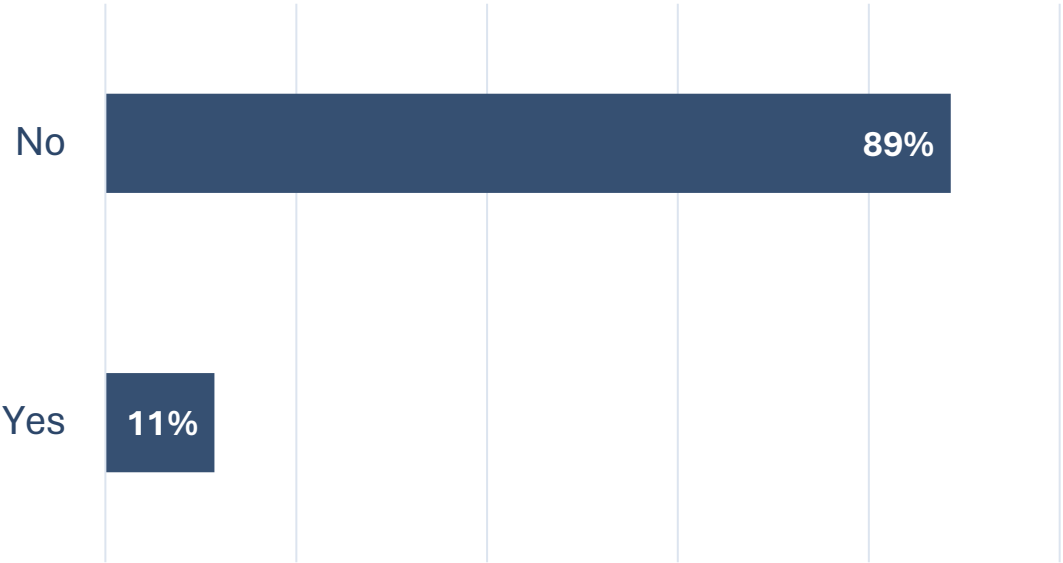
Site Visits



Party Performing Site Visits

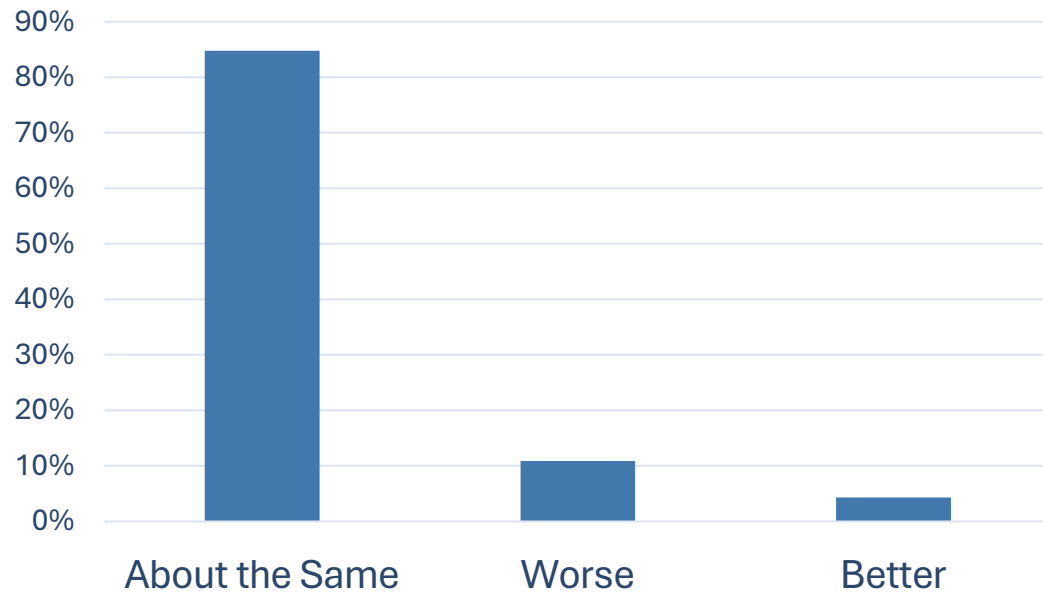


Client Charged for Site Visit

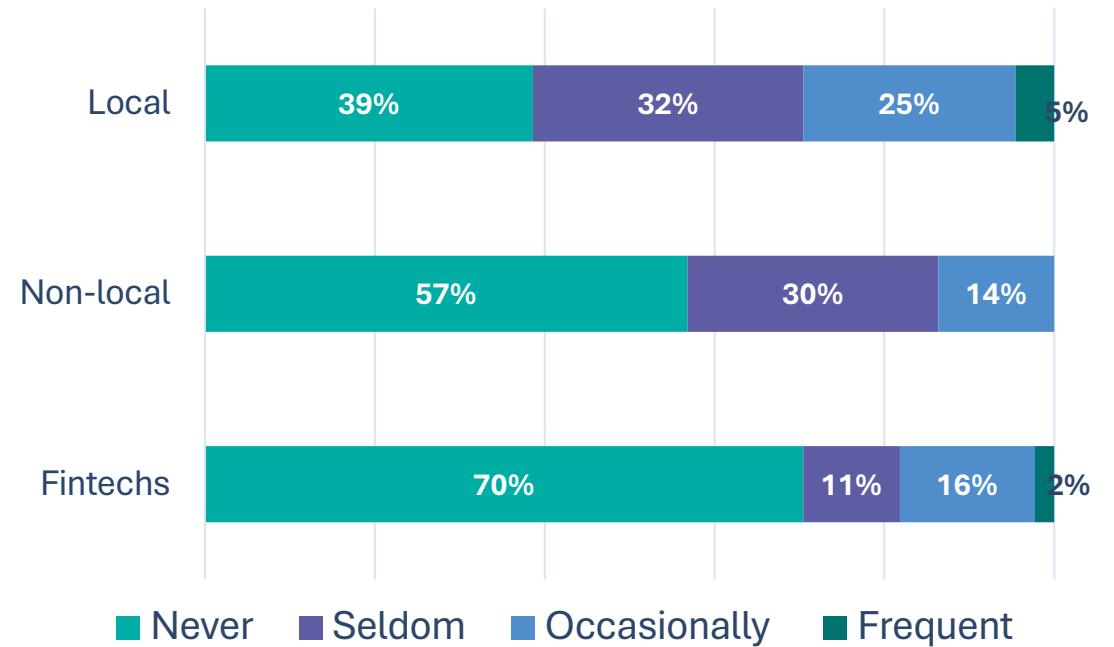


Competitive Market

Service Charges in the Next 12 Months



Source of Competition



Resource Allocation



Key Metrics By Functional Area

Account Management

- Average salary \$58,285
- 2.6 FTE per FI
- 0.1 FTE per MRB

BSA/AML

- Average salary \$57,995
- 2.5 FTE per FI
- 0.2 FTE per MRB

Business Development

- Average salary \$105,430
- 2.0 FTE per FI
- 0.04 FTE per MRB

Staff Utilization



Factors That Drive Efficiency

- Program size (number of MRBs)
- Years in business
- SAR filing within Shield Assure

Top 5 Most Efficient Programs

- 1.3 FTE per 100 MRBs
- Average portfolio size of 414 MRBs

Next 5 Most Efficient Programs

- 2.6 FTE per 100 MRBs
- Average Portfolio Size of 335 MRBs