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Benchmark Survey

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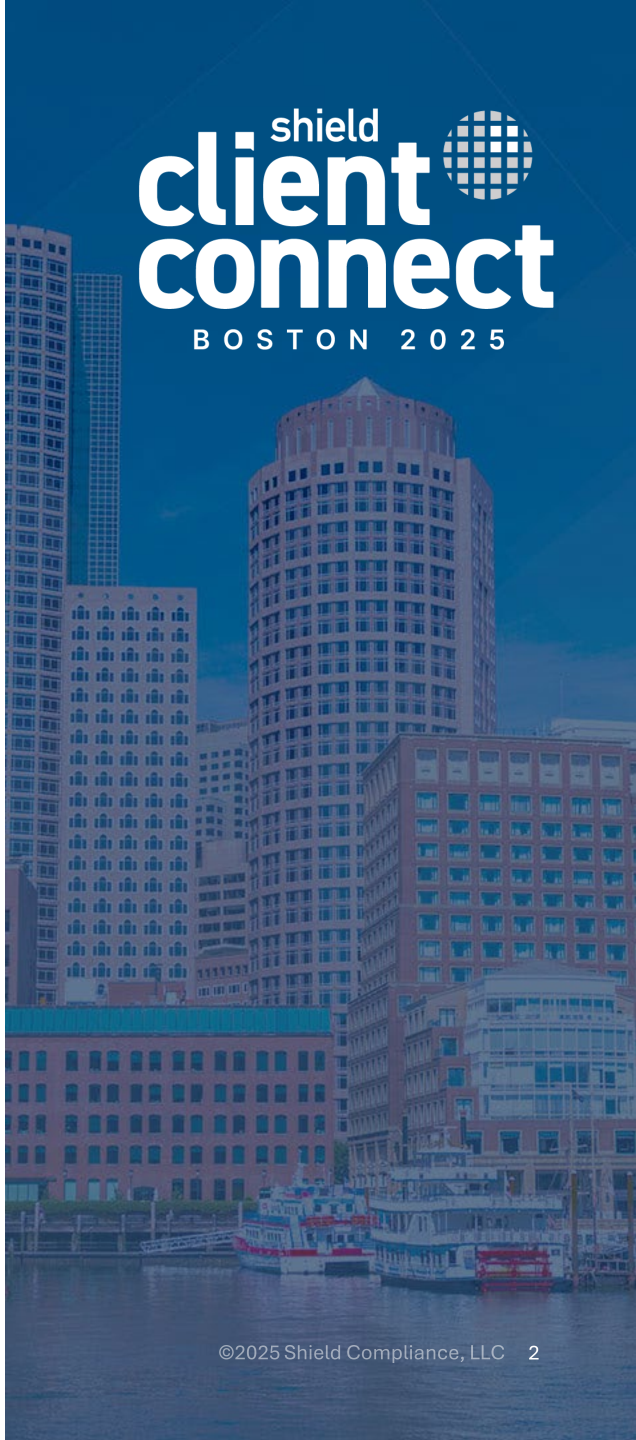
VIEW AGENDA

Scope of the Benchmark Study

- **4th Annual Shield Banker Benchmark Study**
  - In-depth banker interviews
  - Data derived from Shield Assure
  - Confidential, anonymized results
- **34 financial institutions participated in interviews**
- **Data and survey results represent a nationwide perspective**



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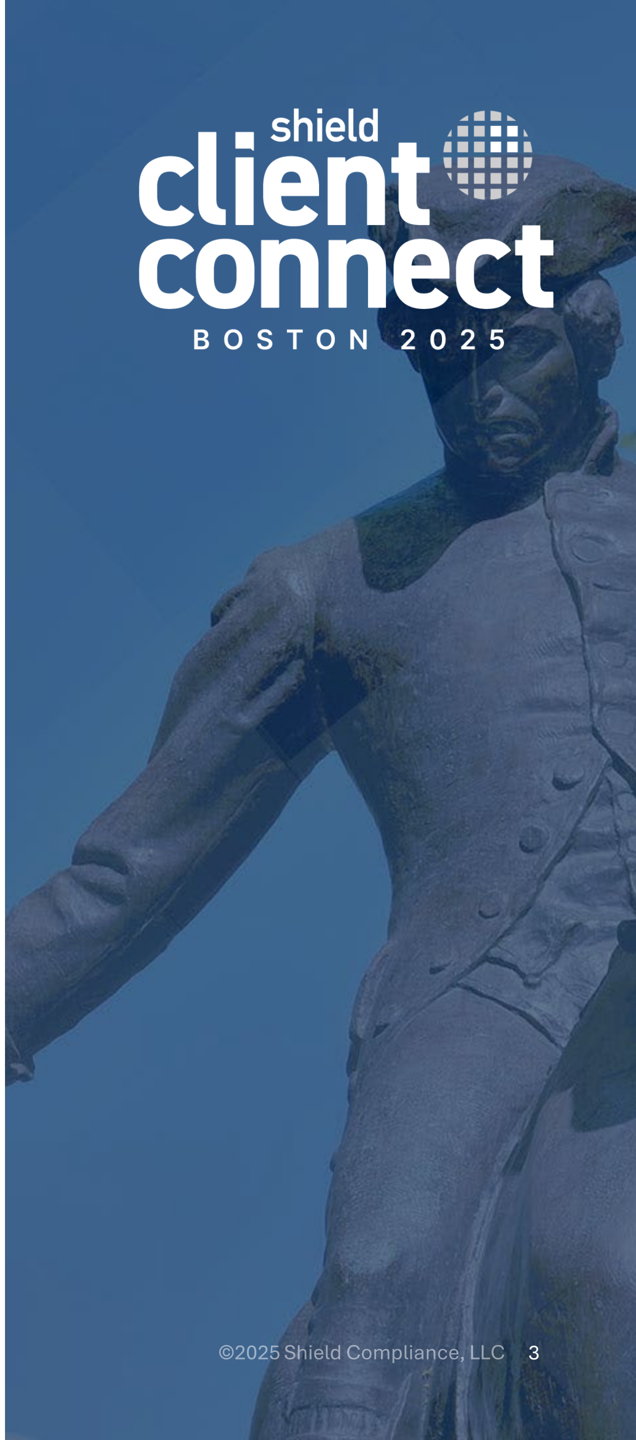
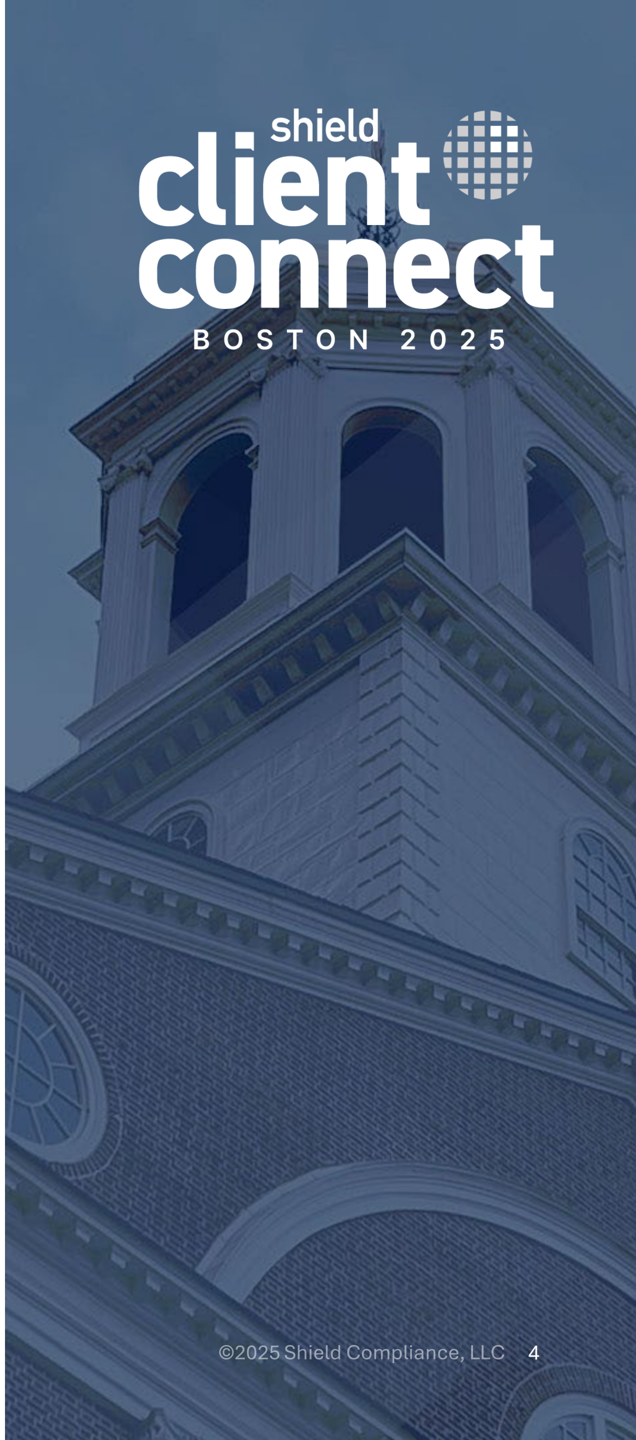
Scope of the Benchmark Study

- The new industry codes offered further insights from Assure
- New data included in the 2025 Benchmark Study covers
  - Hemp
  - Money Services Businesses (MSB)
- In certain instances, MSB metrics are limited due to the monitoring period



Scope of the Benchmark Study

- Data from FIs that provide banking to hemp and cannabis licensees in 47 states, DC, and PR
- Study covers:
  - 5,899 depository relationships (MRB & Hemp)
  - 2,746 non-depository relationships
- Deposit taking portfolio sizes range from less than 10 MRBs to over 1,500
- Average portfolio size is 231 MRBs



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Key Portfolio Metrics

PORTFOLIO	Deposit Balances	Loan Balances	Entity Count[1]	Average Daily Balance	Average Monthly Fees
Cannabis	$1,321,277,162	$324,886,111	6,682	$228,041	$621
Hemp	$17,154,693	<$10,000	131	$155,153	$416
Money Services Businesses	$19,030,239	$200,757	115	$64,617	Not Available

[1] Includes depositors and borrowers

CRB Program Maturity

Survey Participants	
Average Launch Date of Cannabis Banking Program	2020
Oldest Program Started	2013
Most Recent Program Started	2024

- Mature programs defined as actively serving the cannabis industry for more than one year
- Survey respondents all had mature programs

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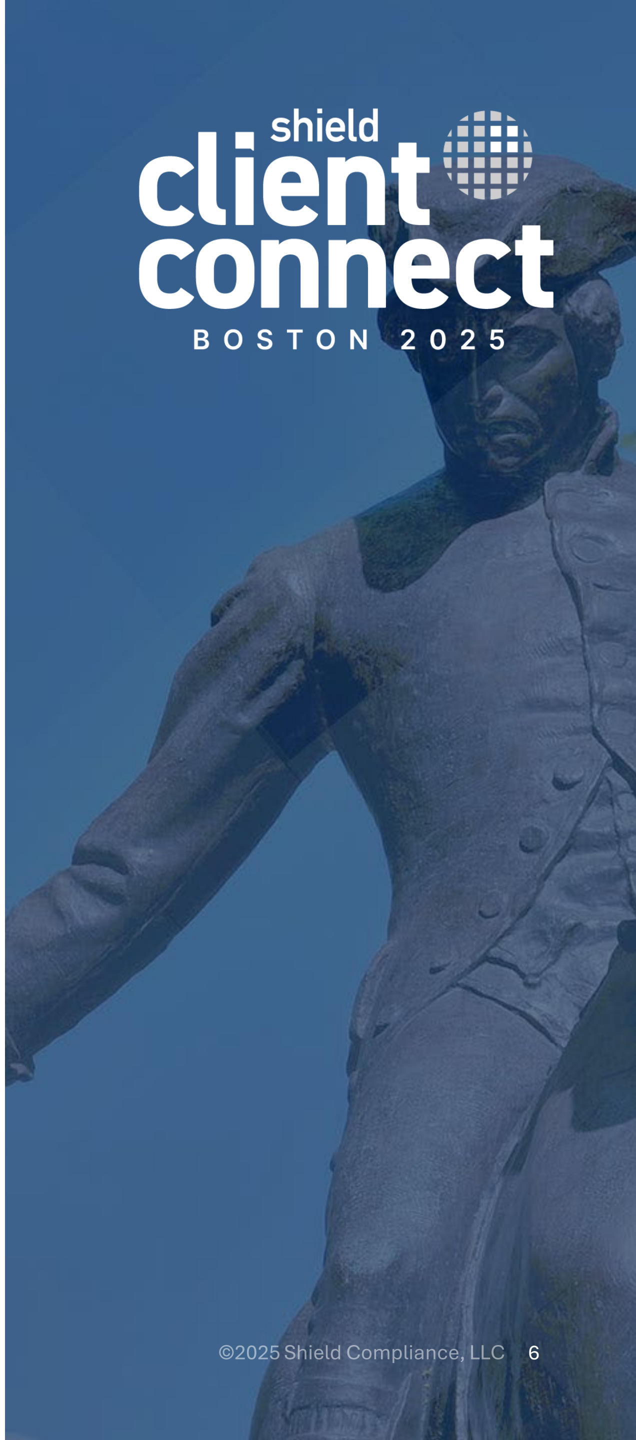

Year Over Year Key Metrics

- On average 16 new CRBs per financial institution
- Deposit balances per CRB relatively flat with increase in average daily balance of $152
- Fee income per CRB decreased by 31%
- Globally, loan balances increased $10,396,746

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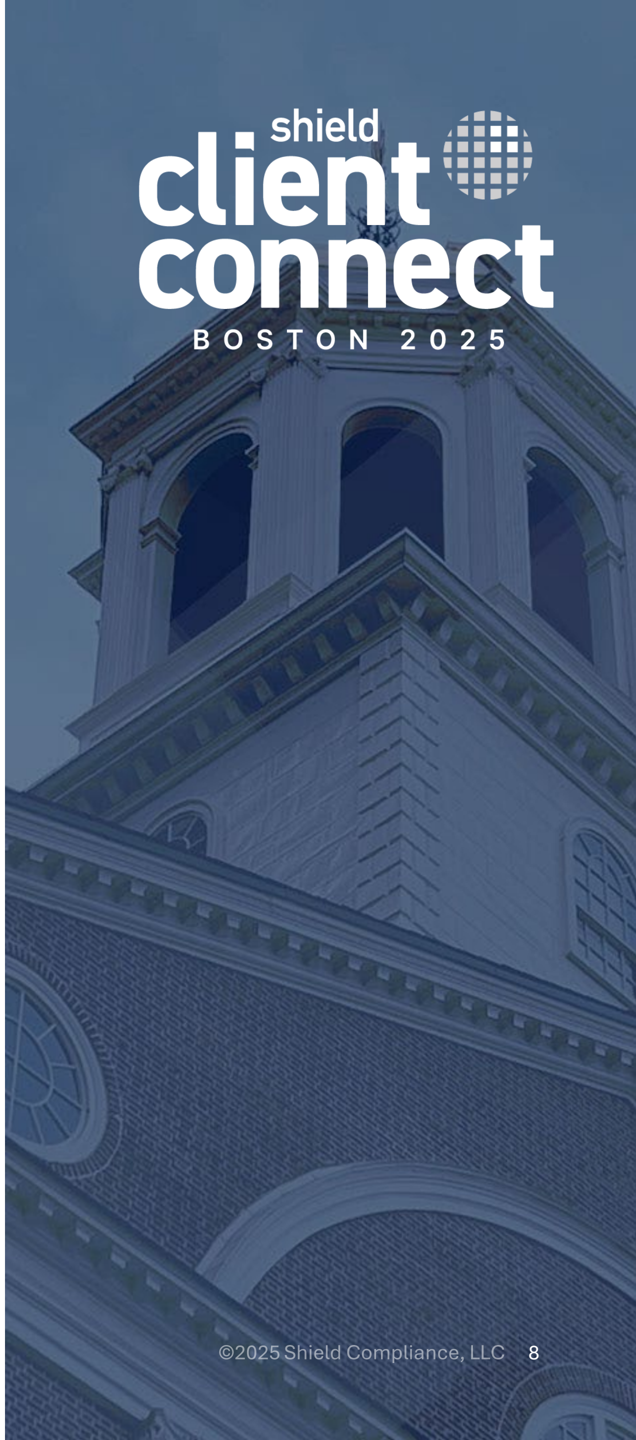
CRB Product Offerings

Product	Offer	Do Not Offer	Considering
Domestic Wires	97%	3%	0%
ACH Origination	94%	3%	3%
Remote Deposit Capture	88%	9%	3%
Business Debit Cards	79%	18%	3%
Interest Bearing Deposits	79%	18%	3%
Same Day ACH Origination	64%	21%	15%
Branch Cash Deposits	64%	27%	9%
International Wires	58%	39%	3%
Business Credit Cards	18%	76%	6%



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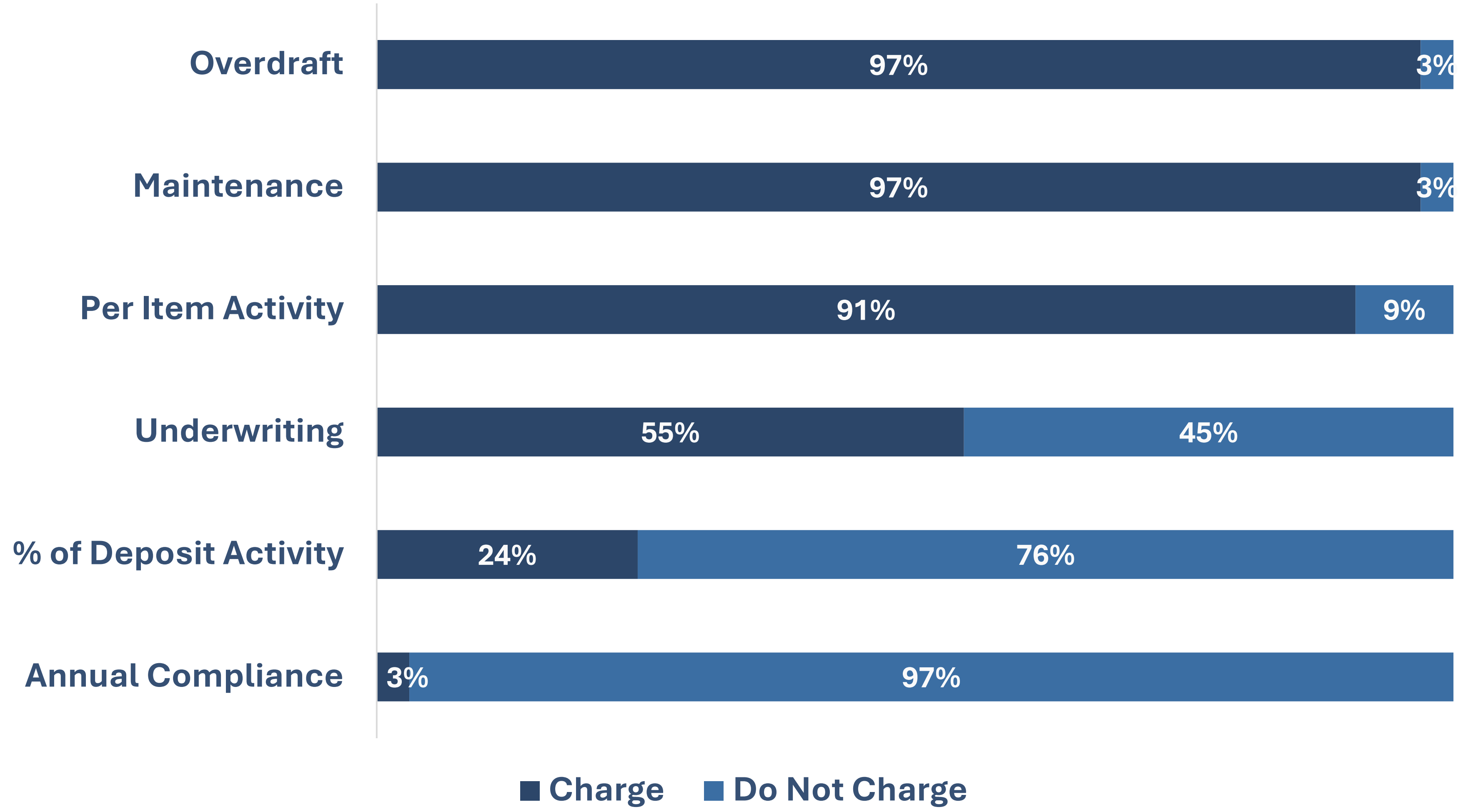
CRB Customer Fees



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CRB Customer Fees

Expected Changes to CRB Fee Schedules in the Next Year

No Change to Fees	76%
Reduce Fees	18%
Introducing New Fee Type	6%

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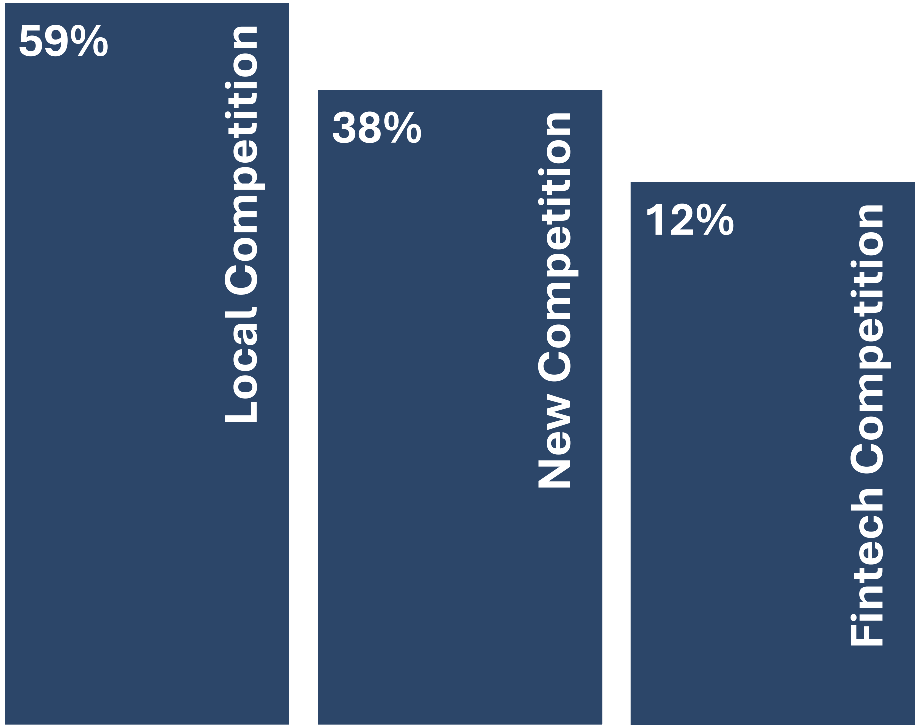
Market Insights

Source of Competitive Pressure

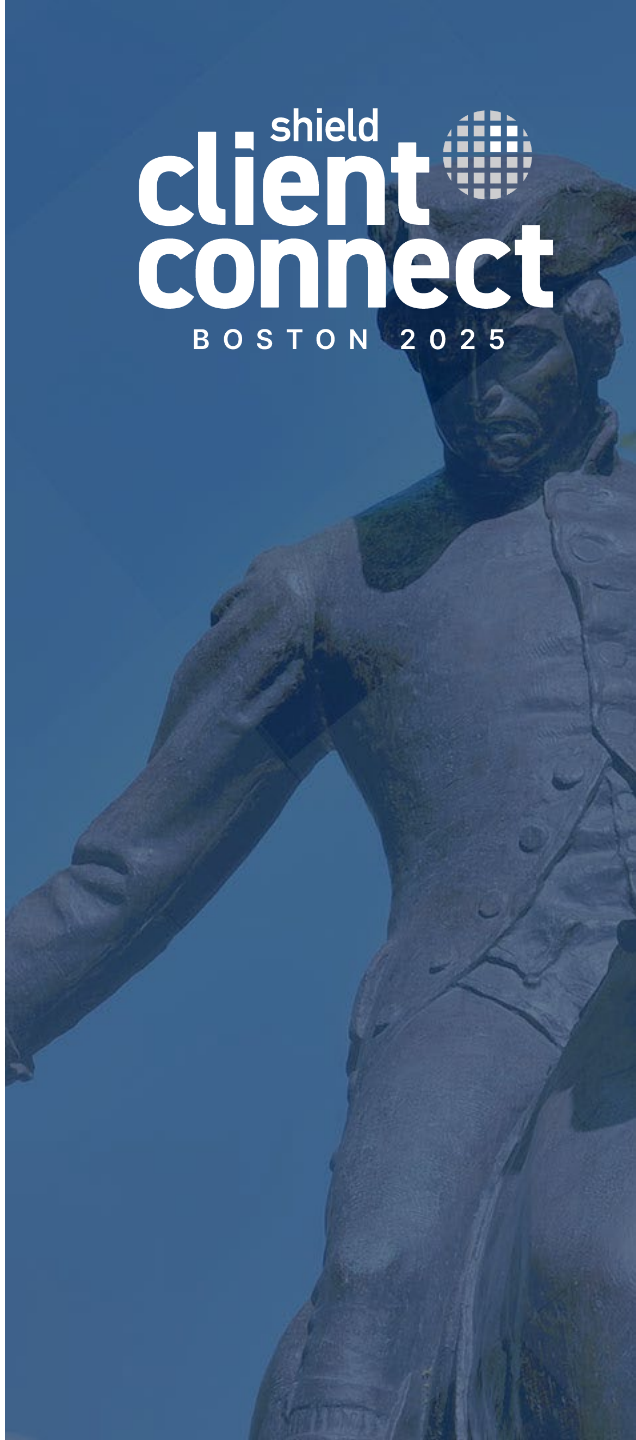


Accepting New Customers

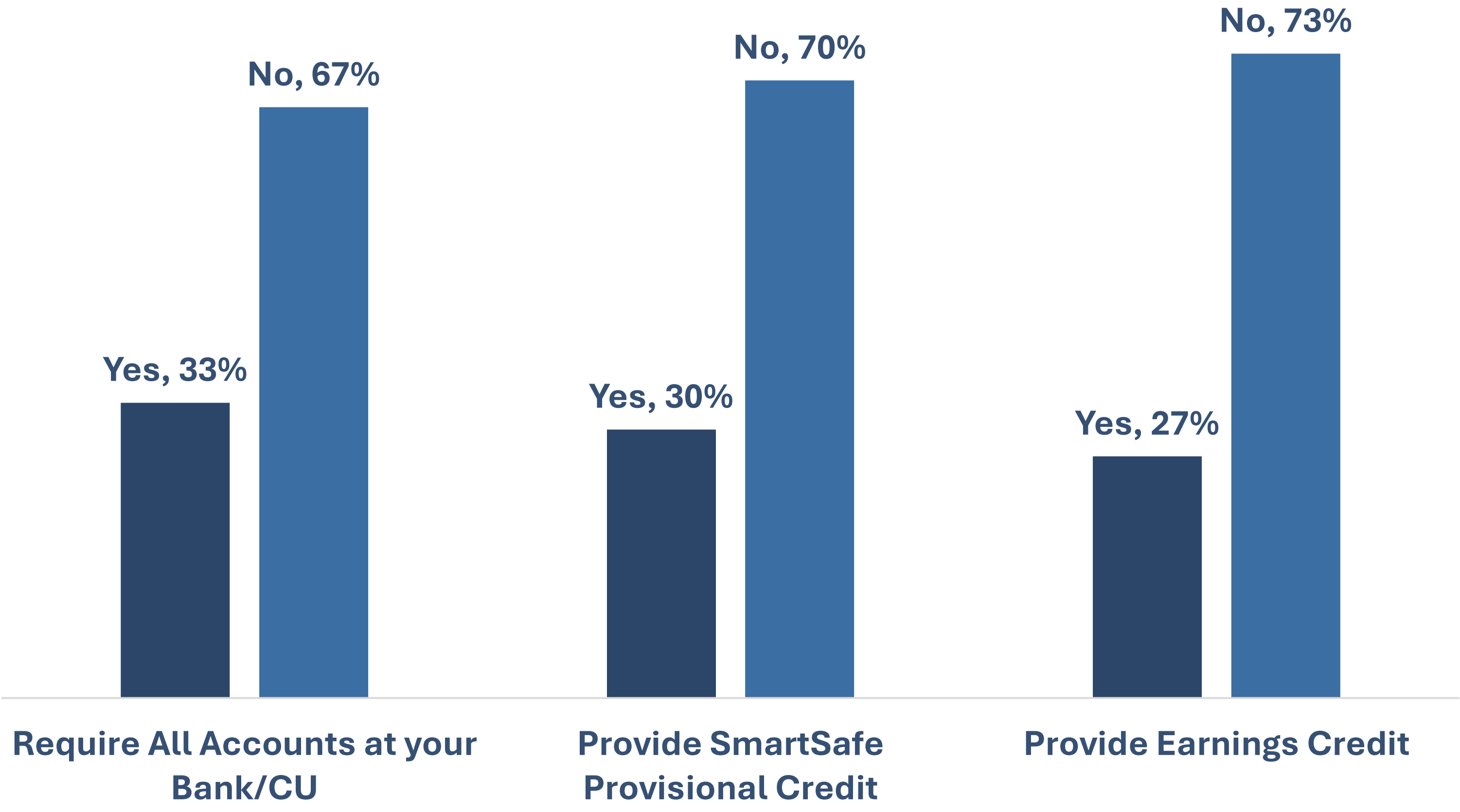
94%

Expanding to New Markets

29%



Other Account Insights



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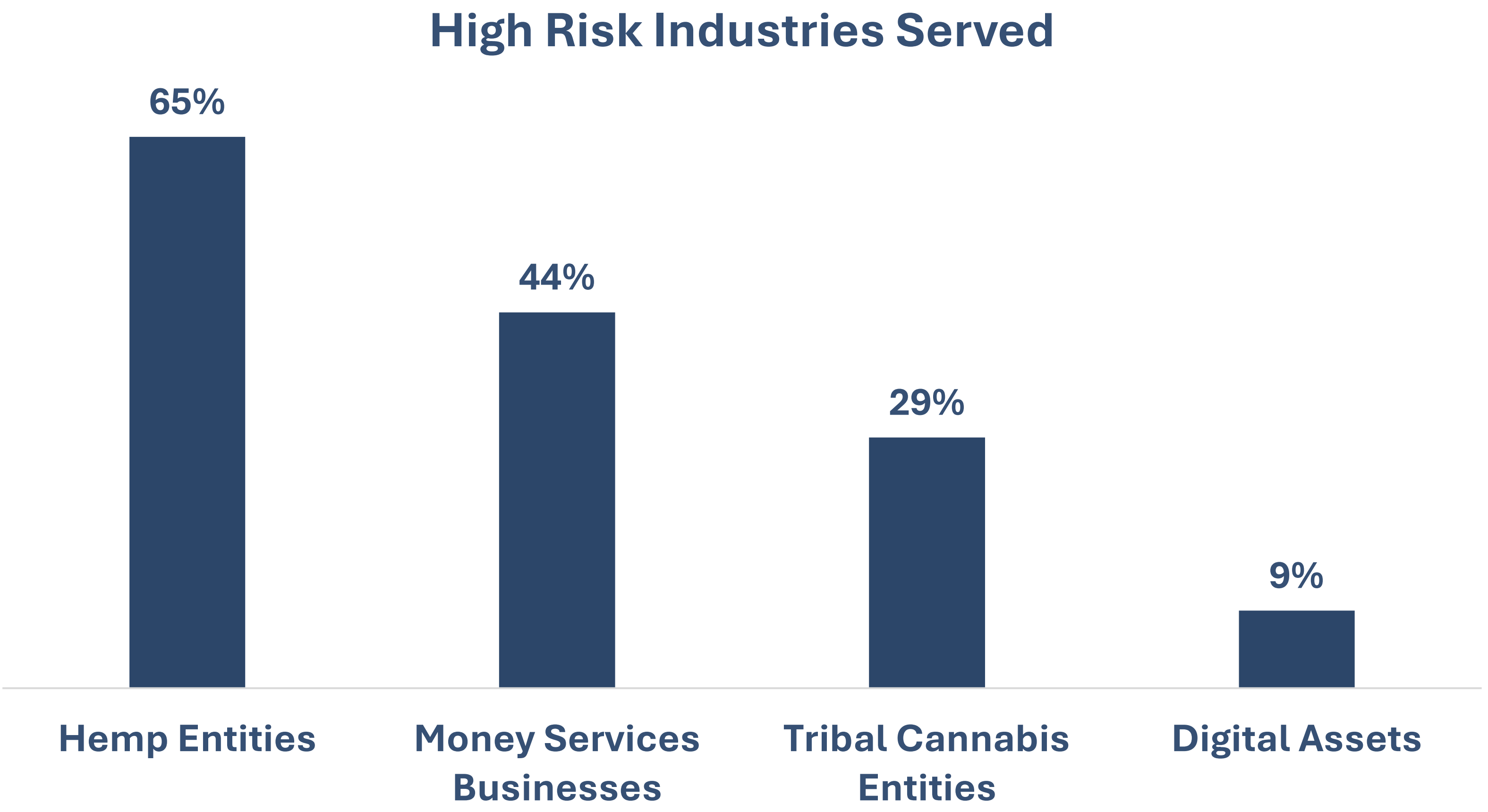

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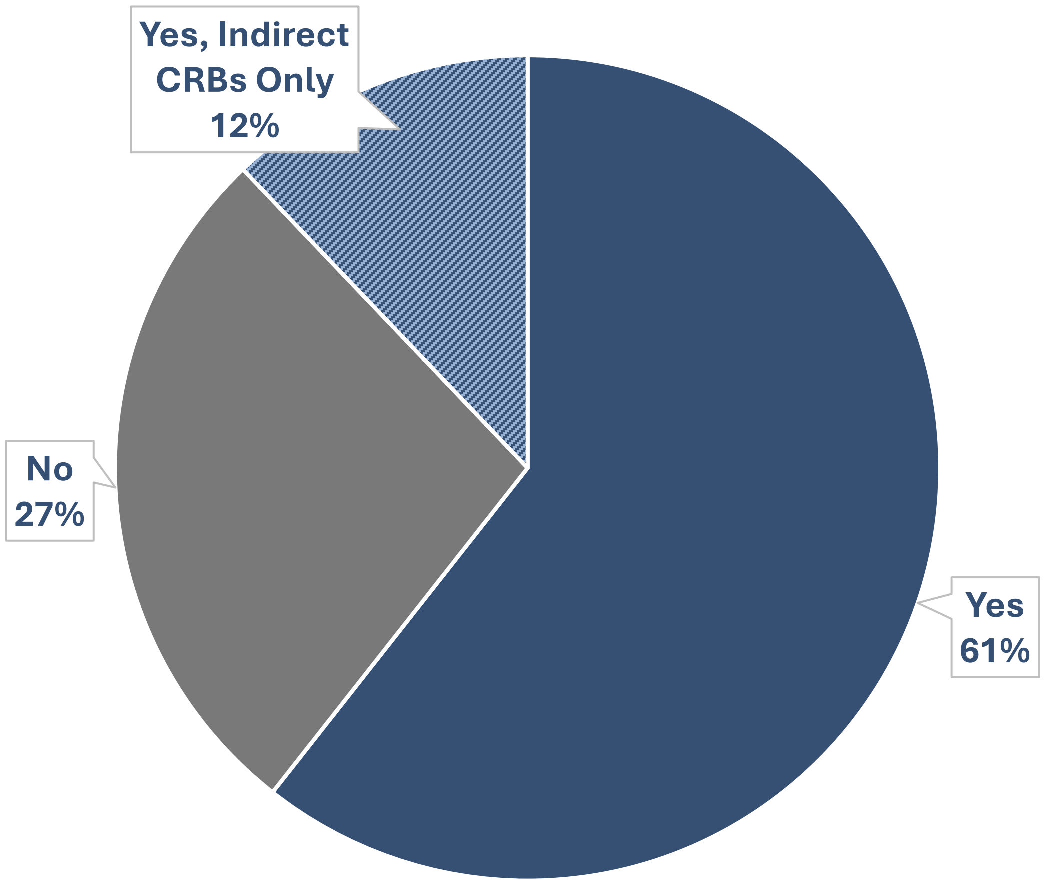
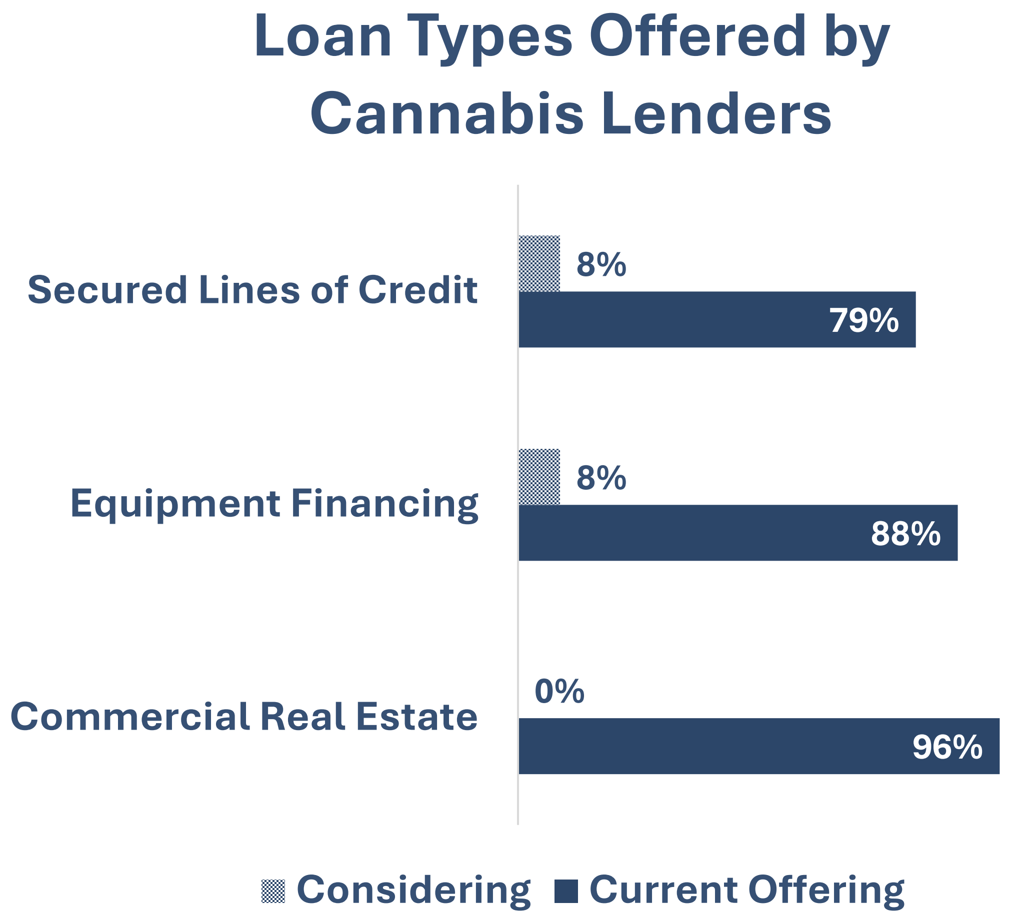
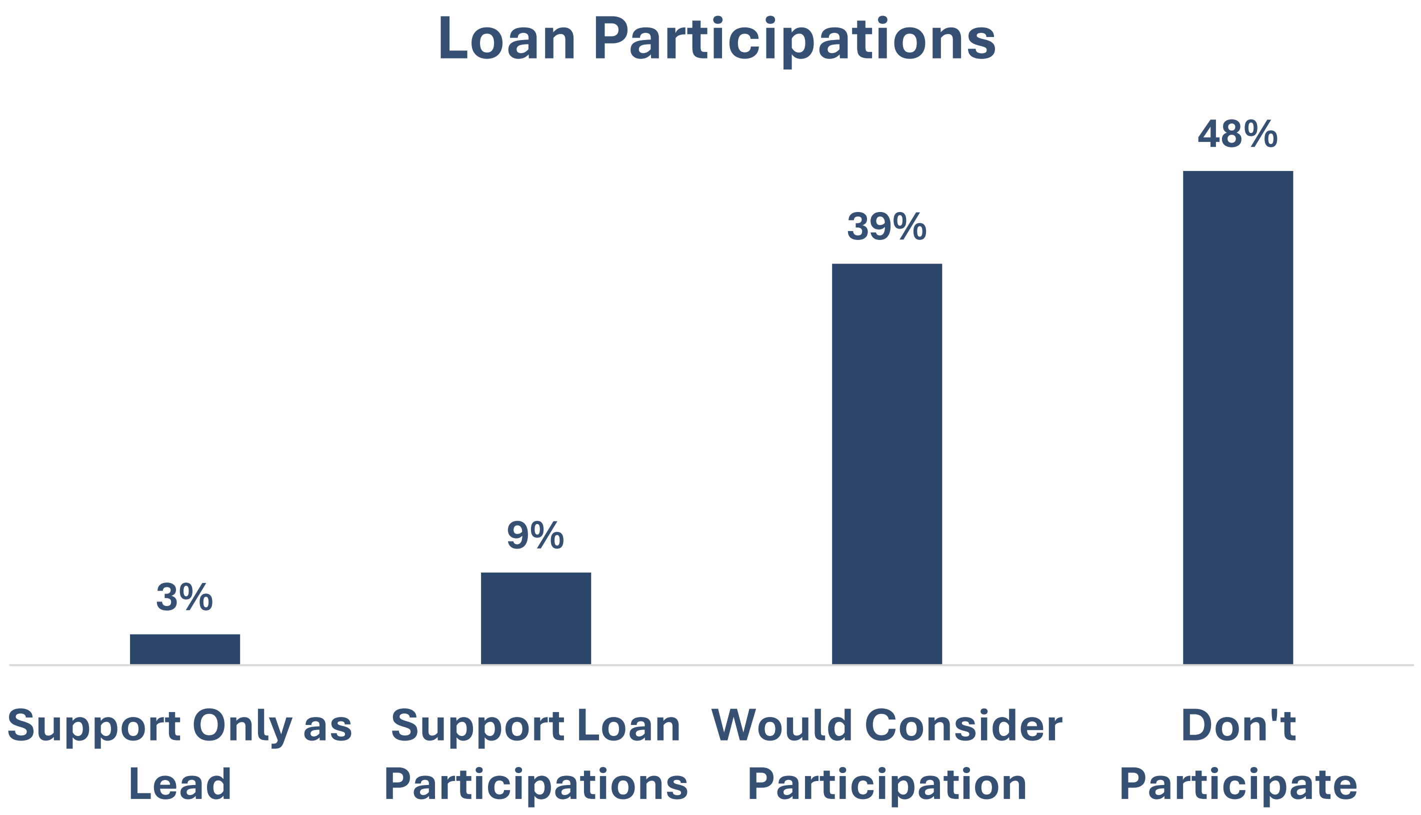
Lending to Cannabis Businesses





Lending to Cannabis Businesses



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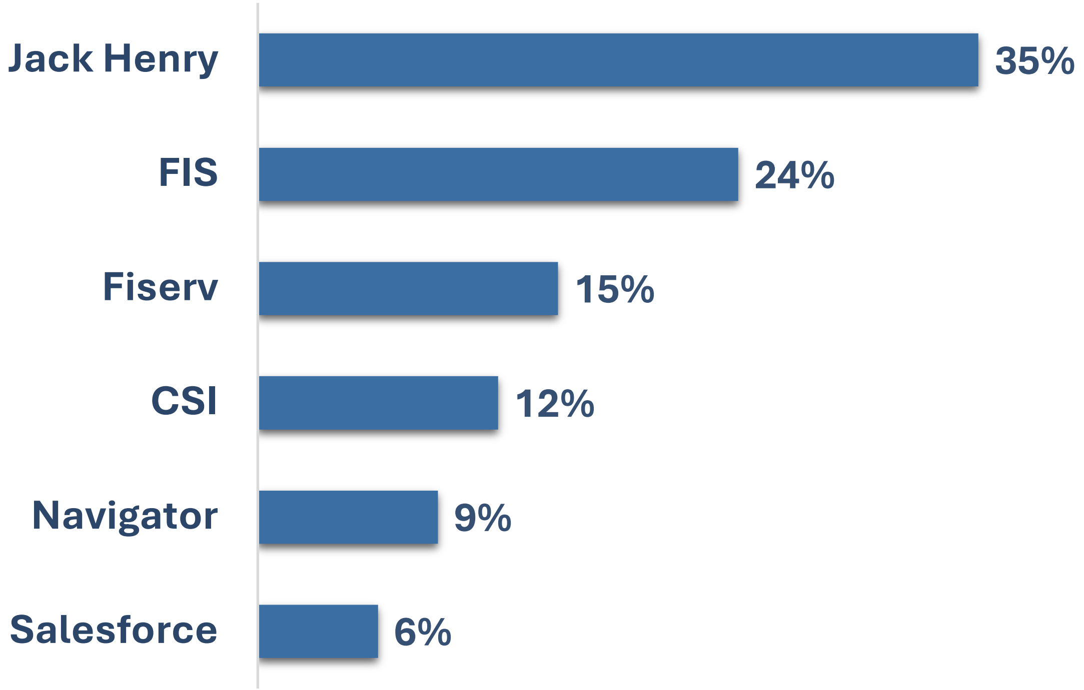
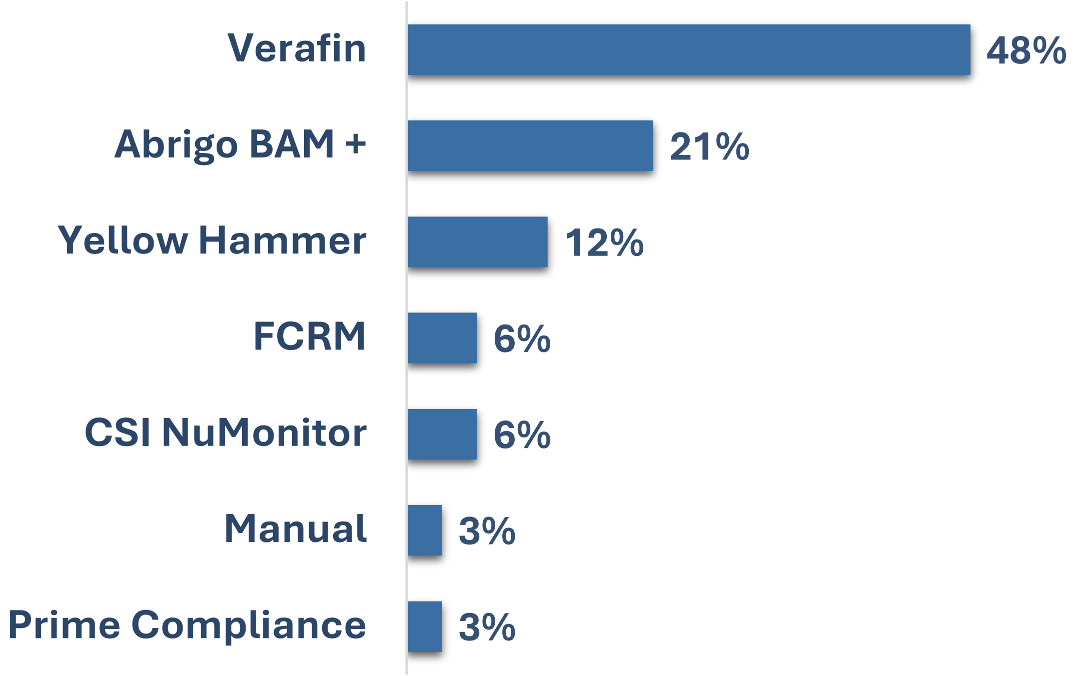
Technology

Core Processing

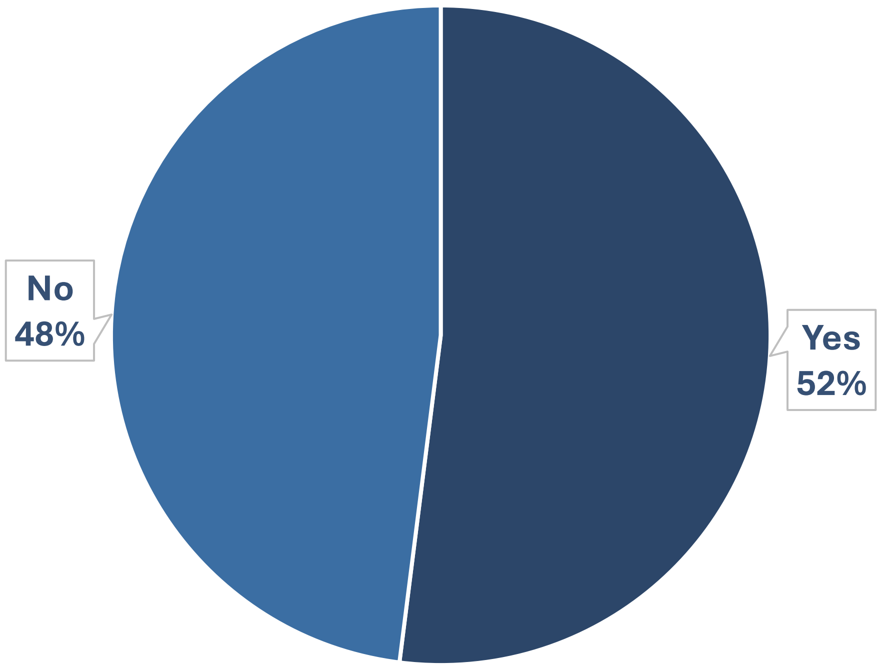


AML Transaction Monitoring

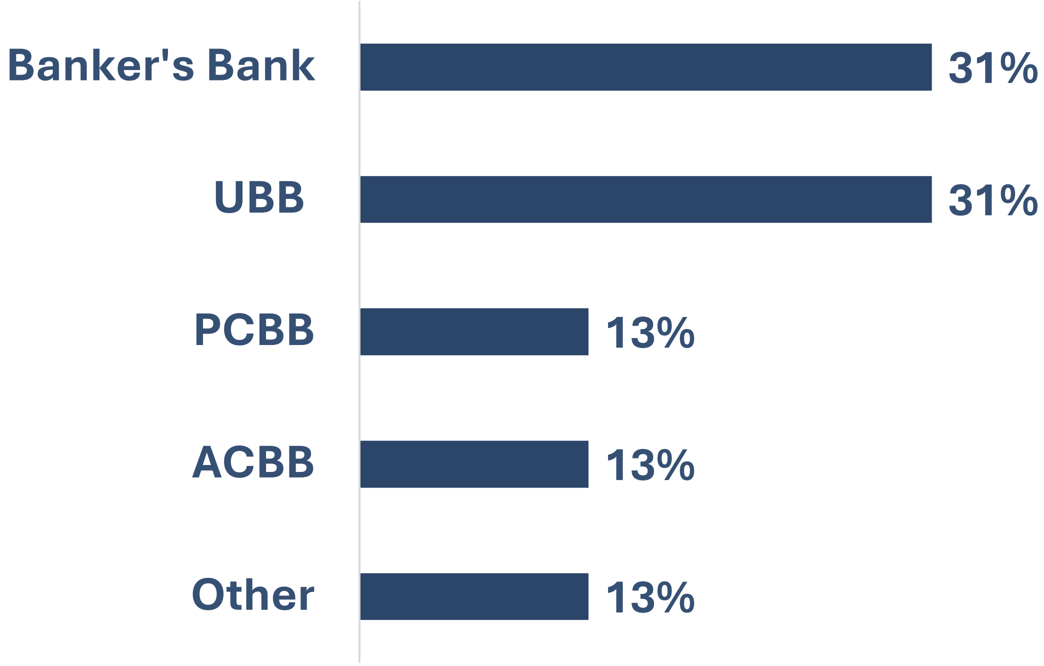


Correspondent Banking

CRB Institutions Using a Correspondent



Correspondent Banks Used



CRB Onboarding

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Underwriting Tools for Onboarding CRBs

Use of Shield Engage	82%
Perform Site Inspection	61%
Credit Reporting	12%

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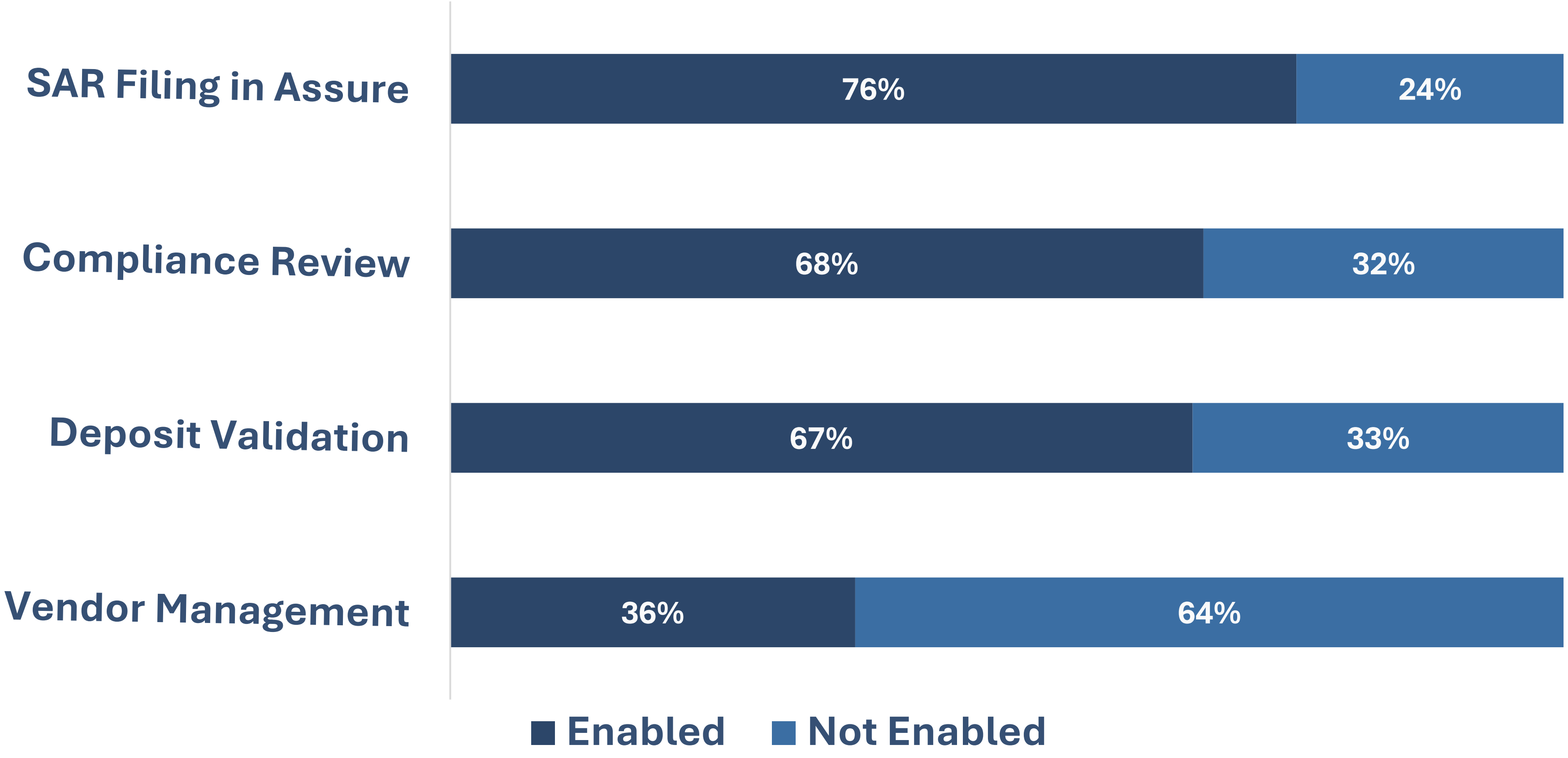
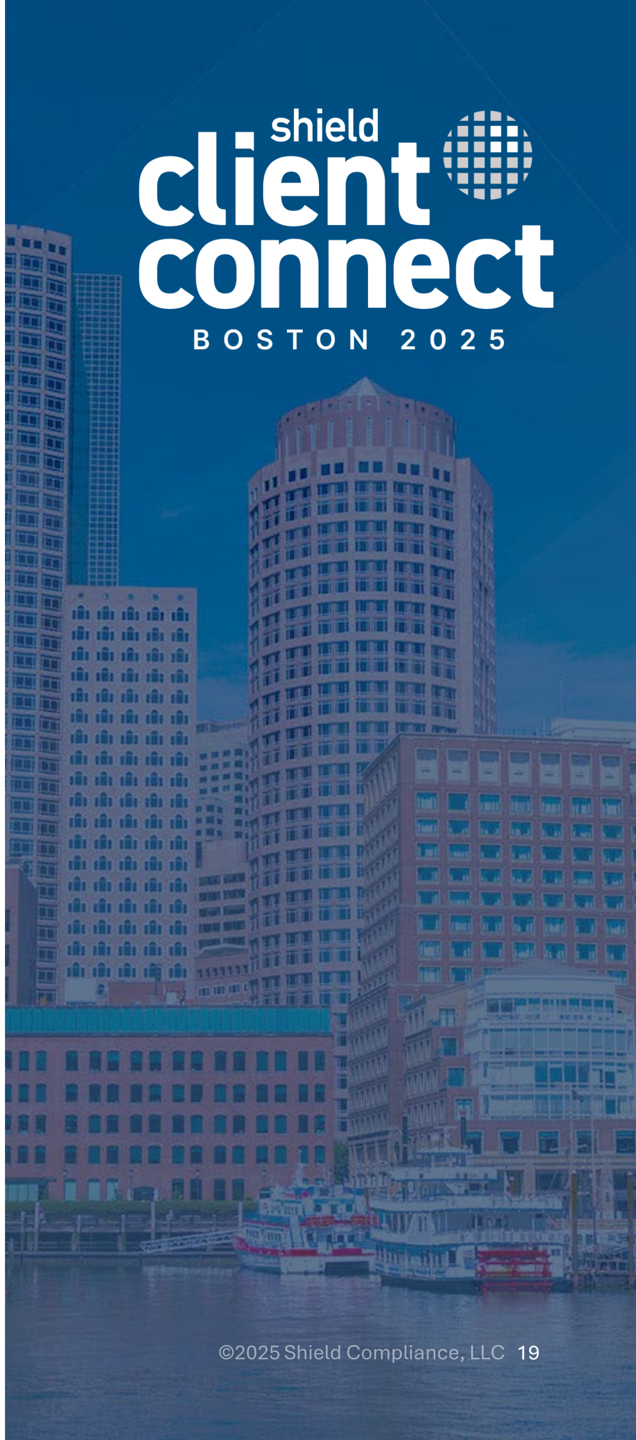
Assure Utilization





On Going Due Diligence

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Monitoring Requirement by License Type

License Type	Accounting	Sales Reconciliation	Vendor List
Retail	55%	76%	42%
Wholesale	58%	52%	42%
Indirect	3%	0%	9%
None	21%	15%	55%

On Going Due Diligence

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Frequency of Monitoring Requirement

Requirement	Monthly	Quarterly	Annually	Event Driven Only
EDD Reviews	15%	74%	12%	0%
UBO Re-certification	0%	12%	41%	47%
Periodic Site Visits	0%	0%	61%	39%

On Going Due Diligence

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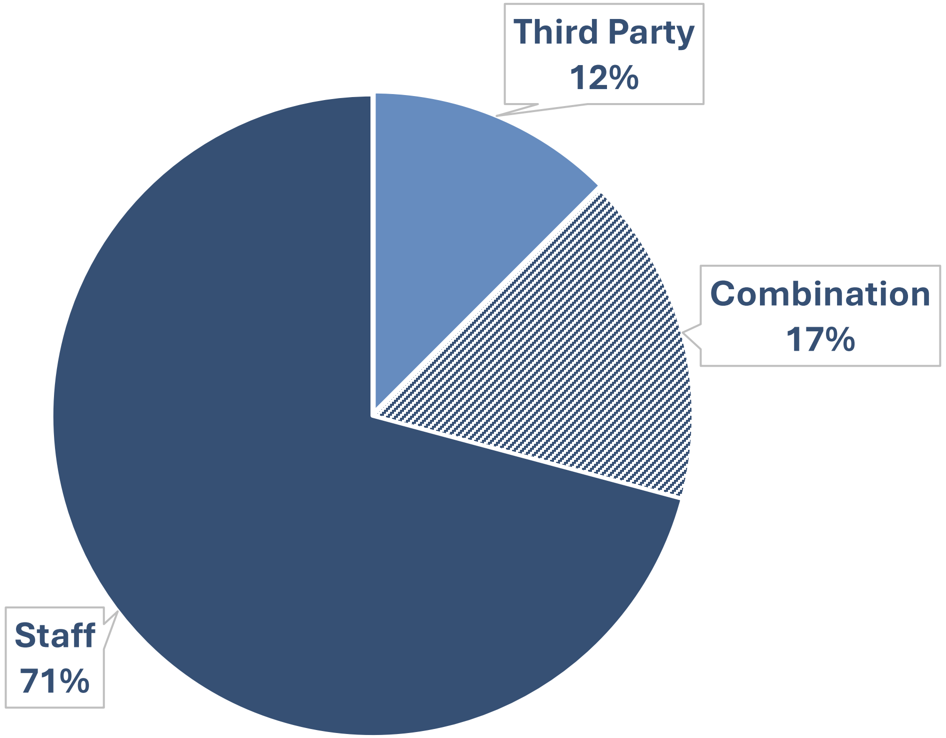
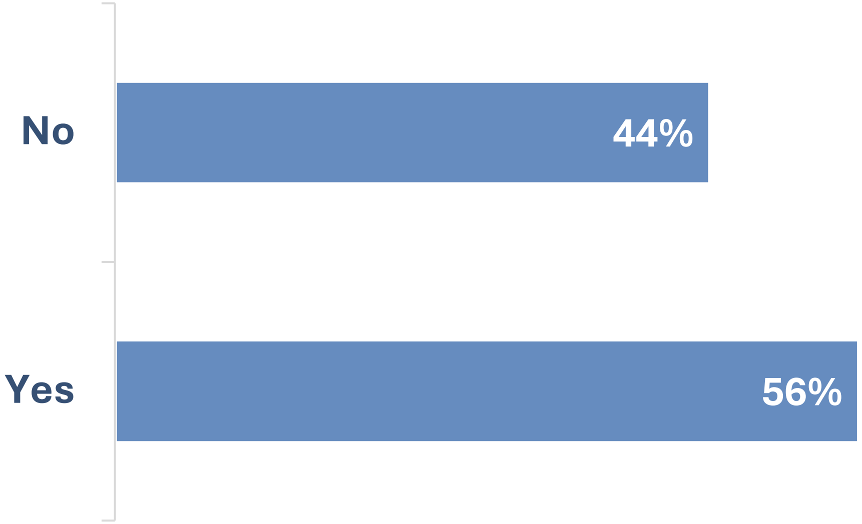
Who Conducts Site Visits



Charge CRB for Site Visits

Of FIs Using Third Parties



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CRB Program Staff Credentials

Cannabis Banking Certification	47%
Certified Anti-Money Laundering Specialist (CAMs)	44%
Other Compliance Certification	26%

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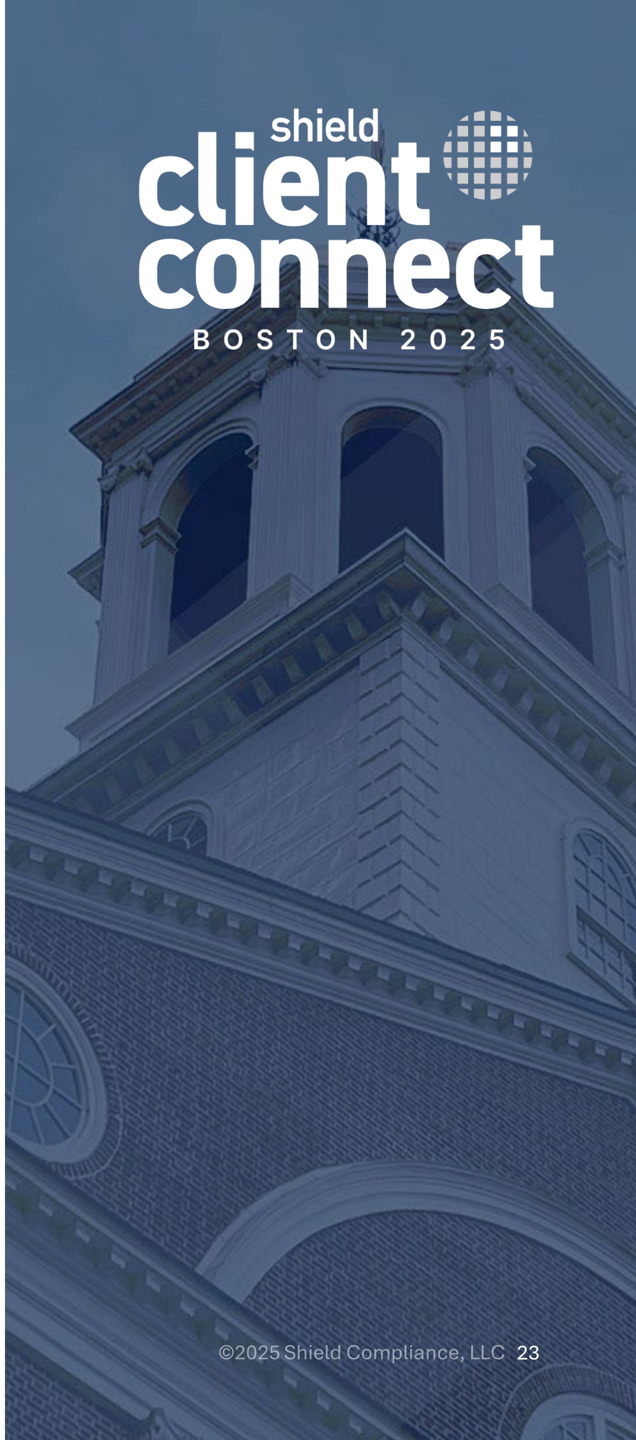
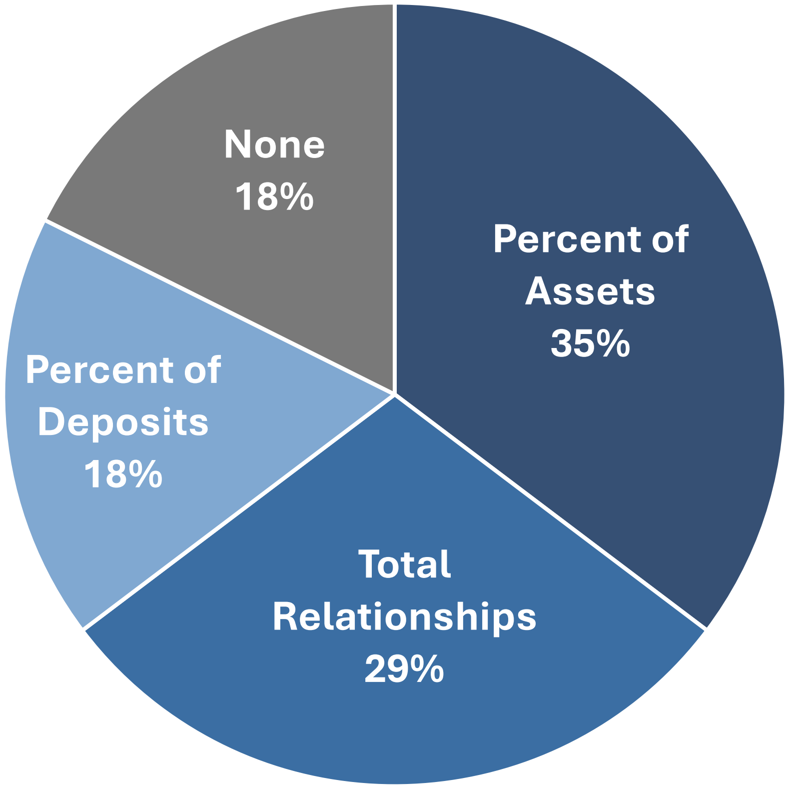
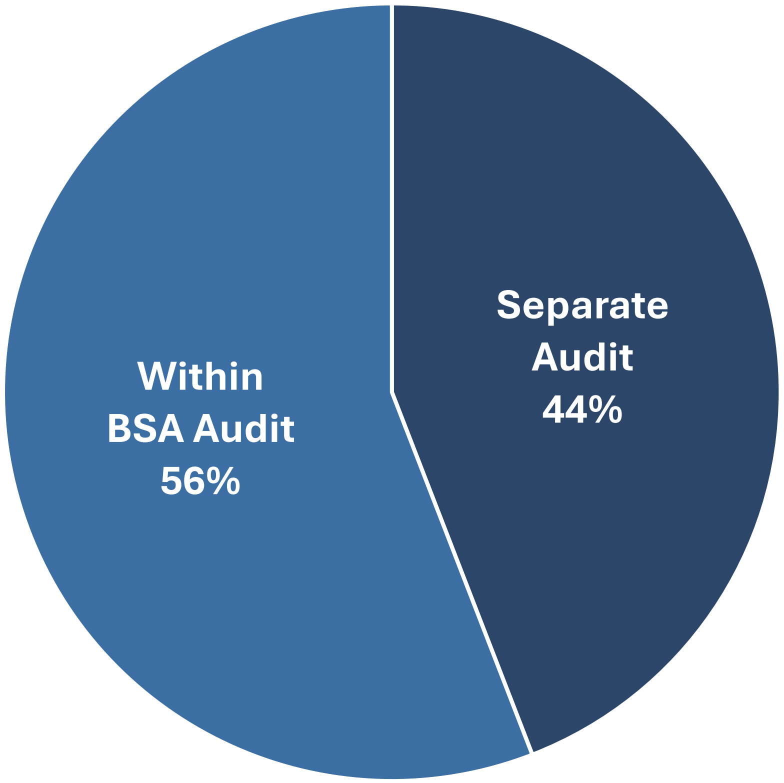


CRB Program Governance

Board Established Concentration Limit



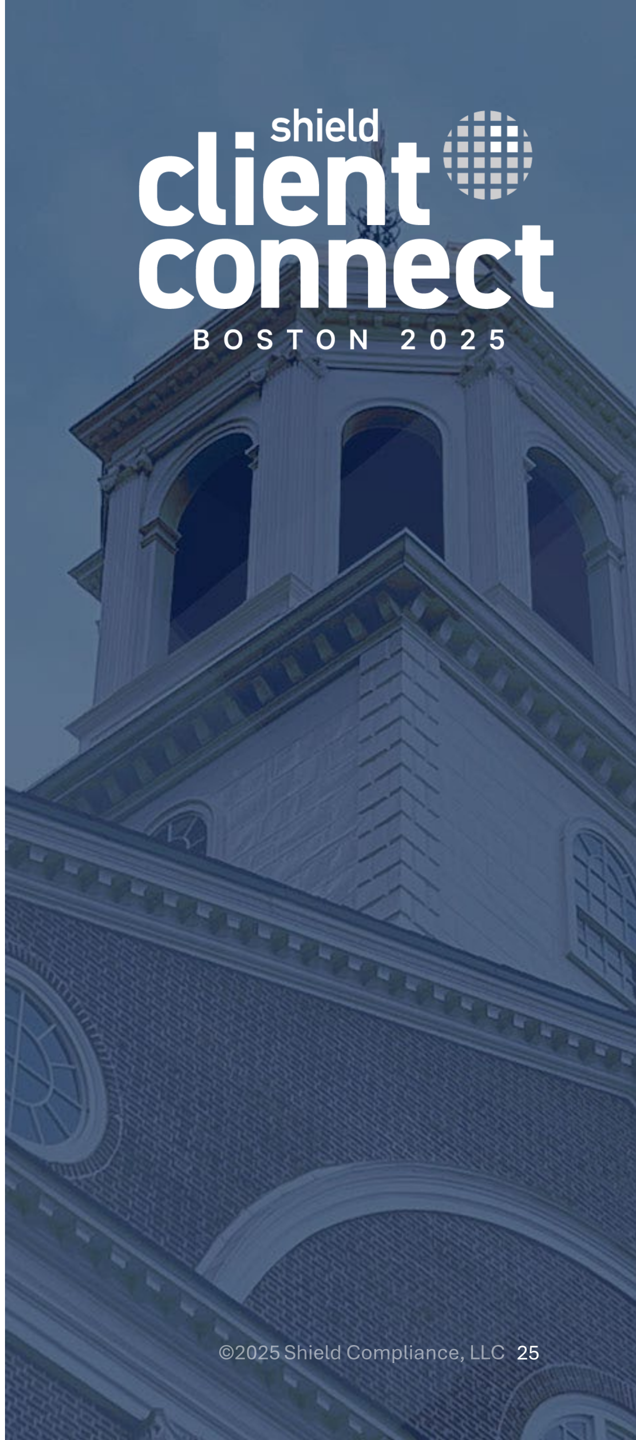
CRB Program Audit



Referrals for CRB Services

Insurance	26%
Payroll/HR	21%
Accounting	21%
Payments	18%

Includes Both Formal and Informal Referral Arrangements



Resource Allocation

- Detailed staffing survey of resource allocation in 5 categories
- Sales, Underwriting, Management, Assure Casework, SARs and CTRs
- Responses from financial institutions with 4,700 MRBs

All Program Sizes	Less Than 50 CRBs	Greater than 50 CRBs
59 Minutes per week per MRB	**201** Minutes per week per MRB	**49** Minutes per week per MRB
147 Average Portfolio Size	**19** Average Portfolio Size	**260** Average Portfolio Size