



LEVERAGING CORPORATIONS TO SUPPORT COMMUNITY IMPACT

Optus Bank, an impact-driven, Black-owned community bank, has been committed to strengthening its community in South Carolina for 100 years. This case study highlights how Optus increased deposits and elevated its visibility through CNote's Impact Cash™ program.

About Optus Bank

Optus Bank is a community development bank, a U.S. Treasury certified CDFI and a Black-owned Minority Depository Institution with an impact-driven purpose. Optus helps strengthen their community by closing the wealth gap created by systemic disparities in the financial industry. By providing loans and banking services to businesses and individuals they serve to turn deposits into direct support for their customers and communities.

Optus was built upon the foundation created 100 years ago by visionary African American leaders who established Victory Savings and Loan (Optus's original name) to provide financial access to individuals and businesses traditionally excluded from the banking system – and their main goal has remained the same – ensuring that wealth building is not just for the wealthy.



About CNote

CNote is a women-led impact platform on a mission to close the wealth gap through financial innovation. Using the power of technology and a community-first framework, CNote enables corporations and individuals to efficiently invest at scale in fixed income and time deposit products that advance economic equality, racial justice, gender equity, and climate change initiatives. As part of its offering, CNote delivers regular reporting on the social impact of deposits and investments made through its platform.

A Certified B Corporation, CNote was a B Lab "Best for the World" honoree in 2019 and was named "Best Women-Owned Business" by the United Nations' Women's Empowerment Principles program in 2020. CNote was also recognized by Inc. Magazine as one of the fastest-growing private companies in America, and by Business Insider as one of the 61 most promising fintechs changing the world of banking, trading, and investing.

THE CHALLENGE

Optus Bank, South Carolina's first and only Black-owned community bank, operates with a purpose of strengthening their community by expanding access to inclusive financial products for under-resourced groups.

To achieve this, Optus almost exclusively serves financially under-resourced communities. Since 1921, most of Optus' loans have gone to "minority businesses, homes, and low-income communities."

Since 2017, Optus has seen the notoriety for their work skyrocket with a seven-fold growth. In 2021, the Black-owned bank received more than \$100M in outside equity investments from corporations including Citi, JP Morgan Chase, Wells Fargo, Regions Community Development Corporation, BNY Mellon and the U.S. Treasury.

These investments allowed Optus to add staff and update their digital presence — allowing them to scale operations to serve under-resourced community members. With the increase of operational resources, Optus saw an opportunity to support even more customers with their growing needs.



To complicate matters further, there were a growing number of bank branches across South Carolina. According to S&P Global Market Intelligence Data, "South Carolina is just one of four states that had positive net bank branches between 2020-2021." This growth in banks left Optus competing for a limited number of deposit opportunities.

This new environment left Optus with two main challenges:

1. The need to increase sustainable deposits
2. Increasing competition for deposits that were previously available

"These equity investments made a world of difference for Optus Bank and our mission," said Dominik Mjartan, Optus Bank's President and CEO. "But they also raised a new challenge — finding a way to sustainably raise deposits to address the rapid rate of opportunities to serve new customers. Most of our customers and communities are cash starved so we have to look to mission driven investors to provide the deposits to fund our lending."

Optus Bank and CNote were introduced through the Community Development Bankers Association (CDBA) in 2019. When the need for deposits rose in 2020, Dominik reached out to CNote, to see what might be possible. CNote was creating a cash management solution, and a conversation with Dominik fast-tracked everything.

Optus put together a program wish list: the structure, functionality, and terms that would be most beneficial for their work. Keeping this list, and the ideas of other community financial partners, front of mind, CNote created Impact Cash™ in 2020.

Optus moved quickly through the Impact Cash onboarding process, which is managed by CNote's in-house team with decades of community finance experience. In less than two months, Optus Bank was ready to receive deposits.

"Impact Cash was exactly what Optus was looking for," said Dominik. "Finding a new source of deposits that came from impact-minded corporations at low cost balanced the equity investments we received and allowed us to turn out more investments into the community to create impact."

Impact Cash is Designed to Work with Banks

CNote Impact Cash connects corporations and other impact investors to community banks that work to affect positive change for their community members. CNote resources are free for financial institutions participating in Impact Cash.

CNote works to support banks like Optus to expand the reach of the impactful work they do, on their terms. With technology that makes scalability simple, we create efficiencies and take the burden off of banks.

Impact Cash benefits include:

- A new source of sticky deposits that prioritize long-term community impact.
- Flexible deposits: banks tell CNote when deposits are needed to access investor funds.
- Direct connections to a network of new impact investors through a single touchpoint.
- Increased visibility: marketing support to highlight the bank, the lending programs, and community entrepreneurs.

CNote Bank Partners



HOW IMPACT CASH BENEFITED OPTUS

Since the initial deposits in 2020, CNote has moved deposits from major corporations into Optus, including Apple, Patagonia, Netflix, and more.

"Reciprocal programs cost us 10 bps and come with additional administrative costs. CNote is intentionally impact driven and actually brings us new investors, for free", said Dominik.

Optus has also benefited from a visibility perspective. The [press release](#) announcing Apple's \$25M investment, for example, mentioned Optus Bank by name and was republished on over 470 websites.

Corporations who invest in CNote, however, are not just partnering for the sake of a press release. Many of them, including Tegna and Apple, have insisted on creating personal relationships with financial institutions like Optus Bank.

Optus has since been able to use the names of these corporations in impact and financial reports and in their campaigns to recruit more customers.

CNote has also committed to shining a spotlight on the impactful work of Optus Bank, publishing profiles on the impact they have on entrepreneurs like [Mellaney Williams](#), owner of American Home and Commercial Services. After publishing the story, Optus bank received full access to the written story and the portfolio of professional photographs captured.

"Working with CNote on different visibility efforts has been a major lift for Optus," said Allison Moore, Director of Communications and Partnerships at Optus Bank. "Their programs allow us to highlight various aspects of our work and impact for free and they have been an invaluable partner on this journey."

CNote and Optus Bank currently have other marketing efforts in the pipeline including webinars, conference panels, op-ed pieces, and more.

"It's been incredibly exciting to see Optus Bank grow and continue their ceaseless work of supporting under-resourced communities," said Barāta Bey, Director of Community Finance at CNote. "Supporting Optus' initiatives through Impact Cash has been a point of pride for both CNote and our corporate impact partners and we look forward to working with them for years to come."



CNote Corporate Partners



patagonia



PayPal

NETFLIX

MERCK

xylem
Let's Solve Water

Learn more about Optus Bank

In 2021, Optus made loans to 928 businesses totaling \$117 million. Of those loans, 60% of them were made to low-income individuals and 65% were to Black community members. Additionally, Optus deployed \$55.4 million in small business loans in under-resourced areas.

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 www.optus.bank



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Learn more about Impact Cash

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Inc. 5000 list of the
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