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## **BENEFICIAL STATE BANK TO MERGE WITH ALBINA COMMUNITY BANK**

*-- Efforts Underway to Merge Mission-Aligned Banks in 2018 and Deliver Strength in Unity --*

**PORTLAND, Ore.** – Oct. 2, 2017 – Mission-driven banking is picking up steam with today’s announcement that Beneficial State Bank (Beneficial State) and fellow Certified B Corporation®, Albina Community Bank (Albina) have signed a definitive agreement and plan of merger pursuant to which Albina will merge with and into Beneficial State. In connection with the signing of the merger agreement, Beneficial State Bancorp, Inc. (Bancorp), the holding company of Beneficial State and Albina, reached an agreement to purchase the remaining 9.9 percent of the stock of Albina not owned by Bancorp. The merger has been approved by the boards of directors of Beneficial State and Albina, and is conditioned upon the closing of Bancorp’s purchase of the Albina stock and receipt of stockholder and regulatory approvals. The merger, currently targeted for Q1 of 2018, will create a powerful organization that combines and amplifies the impact of Albina’s proven community banking model with Beneficial State’s mission to transform the banking industry for good by creating equitable access to financial services.

Bancorp acquired a 90.1 percent share of Albina in 2013, helping to recapitalize and stabilize the respected and fellow community development financial institution (CDFI) following a period of industry turbulence.

“We recognized and wanted very much to help preserve the positive impact and legacy of Albina’s longstanding community banking model, knowing it plays a critical role providing capital to underserved Portland entrepreneurs and individuals,” said Randell Leach, chief credit officer of Albina and president of commercial banking at both Albina and Beneficial State. “It’s a legacy we want to continue building”, added Kat Taylor, co-CEO of Beneficial State and Albina. “We can do so much more together to change the banking system for good. The purchase creates an opportunity for Beneficial State to learn from Albina’s impactful community banking model while bringing the lending and service advantages of a deeply mission-aligned larger bank to Albina customers.” Taylor serves as co-CEO of Beneficial State and Albina with co-CEO Dan Skaff.

With Leach’s Portland-based leadership, Beneficial State expects to formally combine the two banks into one entity under the Beneficial State brand next year. The resulting unified bank will retain all Albina’s staff and five branches and ensure continuing excellent mission-driven customer services and community support. United in their mission to serve market segments which are unique, often-neglected and sometimes exploited, the combined banks will expand services. Albina’s Sue Campo will remain in her role as president of Albina as the two banks prepare to unify and carry on in a leadership role thereafter.

“As a person who was raised in the Albina neighborhood and one who has served on the Albina Community Bank board, I am pleased that this merger will bring a mission and the resources to serve individuals, families and businesses that have not always found open doors in banking communities,” said Kay Toran, a longstanding member of the Albina Community Bank board. “A united Beneficial State and Albina will keep this population as a top priority.”

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The banks' unification strengthens lending opportunities, combining \$770 million in deposits and a loan portfolio of \$656 million, over 80 percent of which is funding mission categories including renewable energy, affordable housing and women and minority-owned businesses. Unification also will pave the way for Albina's exemplary model of personalized small business loans and deep community ties to be further propagated into the California and Washington markets that Beneficial State also serves.

Beneficial State emphasizes it will take great care to preserve Albina's history of breaking down barriers between the traditionally underserved communities and capital. That legacy perfectly complements Beneficial State's pursuit of a triple bottom line mission of social justice, environmental resilience and economic sustainability.

### **About Beneficial State Bank**

Beneficial State Bank is a state-chartered, federally-insured, for-profit bank whose economic rights are owned entirely by the non-profit Beneficial State Foundation, which is in turn permanently governed in the public interest. That ownership allows the bank to prove and maintain an innovative model for banking that generates prosperity for people and the planet and eschews harm to any while being financially safe and sound. Beneficial State Bank entered the Portland marketplace in 2011 with the acquisition of ShoreBank Pacific, a pioneer of environmentally sustainable banking serving Washington and Oregon. In 2013, Beneficial State Bancorp completed a stock purchase transaction of 90.1 percent of Albina Community Bank to provide critical capital for a legendary Portland institution. In June of 2016, Beneficial State Bank acquired Pan American Bank to serve communities in the Central Valley and Los Angeles markets of California. Today, the combination of Beneficial State Bank and Albina Community Bank have \$919 million in assets, 225 colleagues, and 17 locations in California, Oregon, and Washington. Albina Community Bank and Beneficial State Bank are both community development financial institutions (CDFI) as designated by the US Treasury and Certified B Corporations®, with Beneficial State Bank ranking among the world's top B Corps since becoming a Certified B Corporation in 2012. For additional information, visit <http://www.beneficialstate.com>. FDIC Insured, Equal Housing Lender.

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