

**FOR IMMEDIATE RELEASE**

February 1, 2017

## **Neighborhood Bancorp Successfully Completes Recapitalization**

### *\$6.4 Million Raised in Oversubscribed Stock Offering*

**San Diego-** Neighborhood Bancorp, parent of Neighborhood National Bank, today announced the completion of their recapitalization. The oversubscribed offering raised \$6.4 million and exceeded the company's expectations.

"The new capital strengthens the bank and allows us to better serve both new and existing customers," said Dan Yates, Neighborhood National Bank CEO. "We are especially gratified by the commitment shown by our existing institutional shareholders, our customers and the entire team here at Neighborhood."

The investment was led by Stephen Taylor, a noted California bank investor who has led successful recapitalization efforts at numerous institutions in recent years.

"This investment reflects our strong belief in Neighborhood Bancorp as well as San Diego as a growing and dynamic market," said Taylor. "We also appreciate the work of the bank's regulators in making this transaction possible and look forward to growing this bank in a way that reflects both today's heightened oversight standards and the dynamic change occurring in the banking industry."

"This new capital is just the latest step in a turnaround effort started by Bob McGill," said Taylor. "I know he would be happy."

Mr. McGill, who passed away in May, was the former Chairman and Co-Founder of Neighborhood Bancorp.

Neighborhood was the first nationally-chartered bank to be designated a Community Development Financial Institution by the U.S. Treasury Department. It is a mission-focused community bank serving the businesses and people of San Diego and Southern California.

Hovde Group acted as the sole placement agent on the transaction.

### **Forward Looking Information**

Certain statements in this press release are "forward-looking" statements (as such term is defined in the Private Securities Litigation Reform Act of 1995). Such forward-looking statements are subject to risks and uncertainties and therefore the Company's actual results may differ materially from those expressed or implied by such forward-looking statements. The risks and uncertainties that the Company is subject to include, but are not limited to, risks related to the local and national economy, including fluctuations in interest rates and costs and changes in economic policy; the ability of the Company to perform in accordance with its plans; competition; regulatory matters; demand for loan products; deposit flows; its ability to develop and implement new technologies; and other factors. The Company cautions readers not to place undue reliance on any forward-looking statements. The Company does not undertake, and specifically disclaims any obligation, to revise any forward-looking statements to reflect the occurrence of anticipated or unanticipated events or circumstances after the date of such statements.

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