

# Neighborhood Bancorp Announces Definitive Agreement for Recapitalization

\$6 Million Investment Will Double Capital

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**Neighborhood National Bank** →

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SAN DIEGO, Aug. 31, 2016 /PRNewswire/ -- Neighborhood Bancorp, the holding company for Neighborhood National Bank, announced today a definitive agreement that will result in doubling the bank's capital. The investment of \$6 million is led by Stephen Taylor, Chairman of Chicago-based Taylor Asset Management, who is a noted investor in California community banks.

"This agreement represents an important step in recapitalizing and positioning the bank for future growth," said Dan Yates, Neighborhood Bank's President and CEO.

Mr. Taylor is an experienced and successful bank investor and has been instrumental in the turnaround of several California banks. "Steve led significant capital raises at Tri-Valley Bank, Coast National Bank, Pan Pacific Bank and Sierra Vista Bank," said Yates. "He played a key role in strategic planning and Board oversight and direction. His efforts contributed greatly to shareholder value."

"I strongly believe in small and mid-sized community banks. Most of them never got away from the real business of banking," said Taylor. "They make loans to real businesses, in local communities, creating real jobs and growth."

"That's what banking should be all about," said Taylor.

"I applaud the dedication of this Board and its success in getting this bank through the worst economic environment in recent history," said Taylor. "The hard work of the entire Neighborhood team made this bank a survivor. It remains one of the few banks still headquartered in San Diego County."

Neighborhood National Bank is a Community Development Financial Institution (CDFI) and has been a leader in providing banking products and services to San Diego's underserved communities since it was established since 1997. It is the only bank in San Diego to have a CDFI designation.

Neighborhood National Bank recently announced a profit for the quarter ended June 30, 2016 of \$950,000. The bank's level of non-performing loans decreased for the 12th consecutive quarter. The additional capital will enable the bank to raise its Tier 1 Capital Ratio to over 18% and its total risk-based capital to over 38%.

The transaction is expected to close no later than January 31, 2017 and is subject to regulatory approval.

SOURCE Neighborhood National Bank

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