

Neighborhood National Bank  
ANNOUNCES THE TERMINATION OF ITS APRIL 12, 2010 CONSENT ORDER  
AND THE RESTRUCTURING OF ITS  
BANK SECRECY ACT / ANTI-MONEY LAUNDERING PROGRAM

National City, CA. – April 15, 2016- Neighborhood National Bank (“NNB”), the principal subsidiary of Neighborhood Bancorp (“NB”), originally entered into a consent order with the Office of the Comptroller of the Currency on April 12, 2010. Due to NNB’s substantial progress in improving its asset quality, reducing the level of problem loans, and isolating and correcting deficiencies in its risk management and loan portfolio areas; the regulators have terminated the 2010 consent order.

Separately, NNB has consented to a new consent order from the Comptroller of the Currency (OCC) to enhance its Bank Secrecy Act/Anti-Money Laundering practices (BSA/AML) and confront the need for additional capital. The consent order addresses compliance with the Bank Secrecy Act (BSA) and requires the bank to bring its BSA Program into full compliance with applicable Federal law.

The Bank’s President & CEO, Mr. Dan Yates announced today that, in response to the consent order, the Bank’s Board of Directors and management team have taken a series of steps to strengthen the Bank’s BSA/AML Program. The Bank established a BSA Directors' Committee to oversee the Program and the required changes. The Bank hired a new Senior Vice President, BSA/AML Officer with more than 12 years of experience and a successful track record of resolving BSA enforcement actions at other institutions. The Bank has engaged a prominent audit firm to perform independent testing and to make recommendations to address deficiencies.

The Bank's Board of Directors and management team are fully committed to BSA / AML compliance and will take all additional actions required to comply with the consent order and to implement an enhanced, sustainable, and

leading BSA Program capable of supporting the business and future growth of the Bank

Neighborhood National Bank (NNB) was established in 1997 and designated as a Community Development Financial Institution (CDFI) by the US Department of the Treasury's CDFI Fund. CDFIs are specialized financial institutions working in under-served market niches typically overlooked by traditional financial institutions.

Neighborhood National Bank is one of only 118 banks in the nation, as of year-end 2015, to hold a CDFI certification, and sets the bar high in its lending and loan practices. NNB lends in low-moderate income areas at nearly one and a half times the median rate of all other CDFI institutions across the United States.

For more information or to find an NNB branch near you, please call (619) 789-4400 or visit [www.mynnb.com](http://www.mynnb.com).