

**Bank of Napa, N.A. (OTCQB: BNNP; Napa, CA) has agreed to merge with Bank of Marin Bancorp (Nasdaq: BMRC; Novato, CA)**

**Deal Value: Approximately \$51.0 Million**

Sandler O'Neill acted as exclusive financial advisor and rendered a fairness opinion to Bank of Napa, N.A. in this transaction.

Bank of Napa, N.A., with two branch locations, is the only Napa based community bank.

Sandler O'Neill has advised on 29 bank or thrift transactions in the Western Region since January 1, 2014 representing \$10.1 billion in aggregate transaction value, more transactions and transaction value than any other investment bank during that time period.<sup>1</sup>

This transaction represents Sandler O'Neill's 136th bank or thrift transaction since January 1, 2015 representing \$44.4 billion in aggregate transaction value, more transactions and transaction value than any other investment bank during that time period.<sup>1</sup>

NOVATO, Calif.--(BUSINESS WIRE)-- Bank of Marin Bancorp, "BMRC" (NASDAQ:BMRC), parent company of Bank of Marin, "the Bank," and Bank of Napa, N.A., "Bank of Napa" (OTCQB:BNNP), today announced that BMRC has entered into an acquisition agreement with BNNP. Bank of Napa has two branch offices serving Napa County, and had assets of \$246.1 million, total deposits of \$217.7 million, and total loans of \$139.3 million as of June 30, 2017.

The transaction will be immediately accretive to BMRC's earnings, adding to shareholder value. BNNP shareholders will receive a fixed exchange ratio of 0.3070 shares of BMRC common stock for each share of BNNP common stock outstanding. Based on BMRC's closing stock price of \$65.95 on July 28, 2017, the transaction is valued at \$51.0 million, or \$20.25 per share of BNNP common stock. Such value will fluctuate with changes in the stock price of BMRC. The total transaction value includes the value of BNNP options assumed by BMRC.

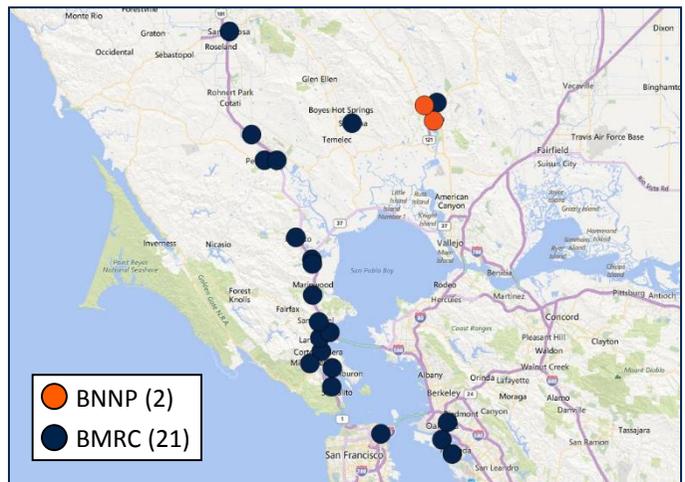
The transaction is expected to close in the fourth quarter of 2017, and upon closing the Bank will have approximately \$2.4 billion in assets and operate twenty-two branches in five counties, including San Francisco, Marin, Sonoma, Napa and Alameda. Upon closing, BMRC will add one board member from Bank of Napa to its board.

**Financial Highlights (\$ millions)<sup>2</sup>**

	<u>BMRC</u>	<u>BNNP</u>
Total Assets	\$2,101	\$246
Gross Loans	\$1,491	\$139
Deposits	\$1,841	\$218
Equity	\$241	\$27
LTM ROAA	1.09%	0.84%
TCE / TA	11.1%	11.0%

1: Excludes terminated transactions and self-advisory roles.  
 2: Data as of June 30, 2017.  
 Source: SNL Financial

**Pro Forma Branch Network**



**Sandler O'Neill Contacts:**

**David Sandler**  
 Principal  
 (415) 978-5006

**Crockett Harper**  
 Analyst  
 (415) 978-5053