



BANK of NAPA

*Welcome to
Bank of Napa*

*Shareholder Meeting
May 17, 2016*

Napa Valley's Home Town Business Bank



BANK of NAPA

OVERVIEW

- **Board & Staff Introductions**
- **Financial Highlights**
- **Deposit Growth**
- **Loan Growth**
- **Financial Ratios and Peer Comparison**
- **Accolades**
- **Questions**

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Forward Looking Statements

- Statements made during this presentation may constitute Forward Looking Statements within the meaning of the Private Securities Litigation Reform Act of 1995 and any such statements are subject to risks and uncertainties that could cause actual results to differ materially. Such risks and uncertainties include those related to the economic environment, particularly in the region where Bank of Napa operates, competitive products and pricing, general interest rate changes and the fiscal and monetary policies of the US Government, credit risk management, regulatory actions, and other risks and uncertainties.

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Financial Highlights

	December 31, 2014 Year End	December 31, 2015 Year End	As of March 31, 2016
Net Income	\$1,246,000	\$1,352,000	\$1,625,000
Diluted earning per common share	\$0.54	\$0.58	\$0.70
Return on Assets (ROA)	0.73%	0.68%	0.74%
Return on Equity (ROE)	5.56%	5.64%	6.49%
Total Assets (In Millions)	\$179	\$212	\$225
Loans (In Millions)	\$103	\$127	\$132
Deposits (In Millions)	\$155	\$187	\$198
Total Risk-based Capital	20.7%	18.2%	17.8%

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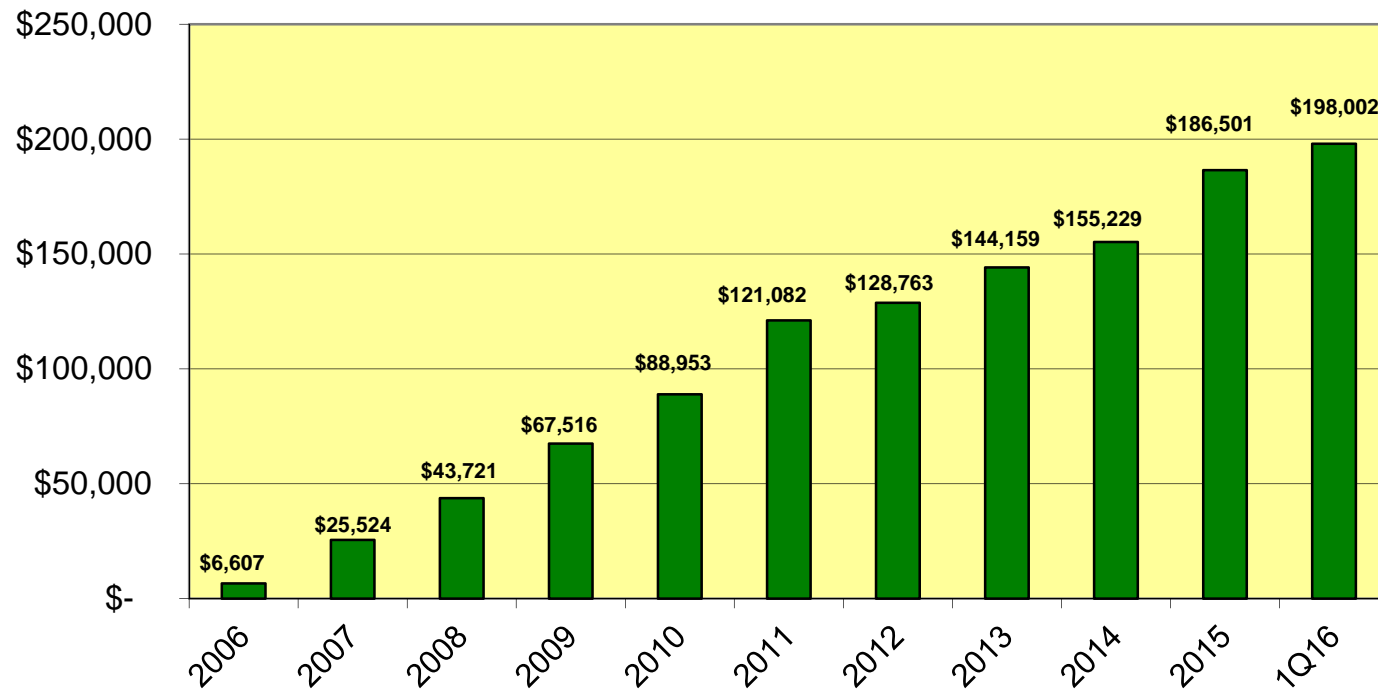


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TOTAL DEPOSITS \$(000)

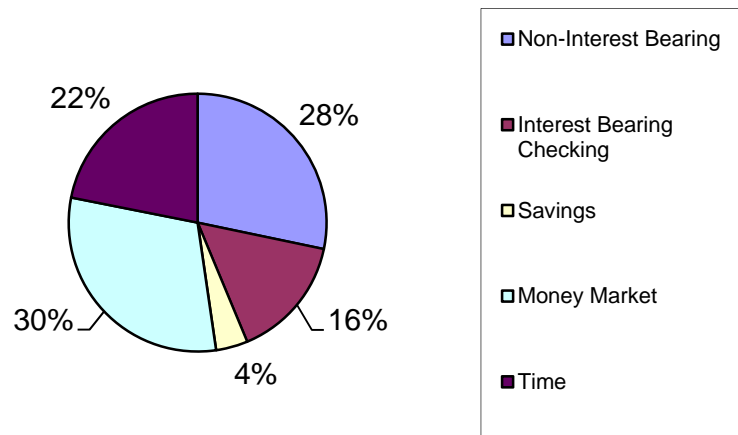


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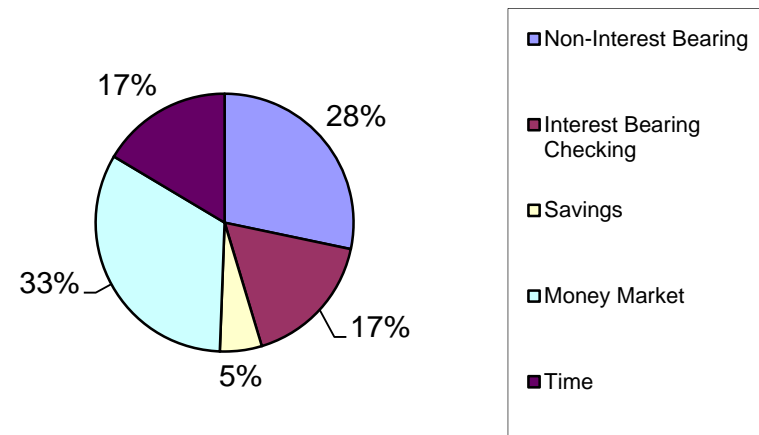


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December 31, 2014 Deposit Composition



December 31, 2015 Deposit Composition

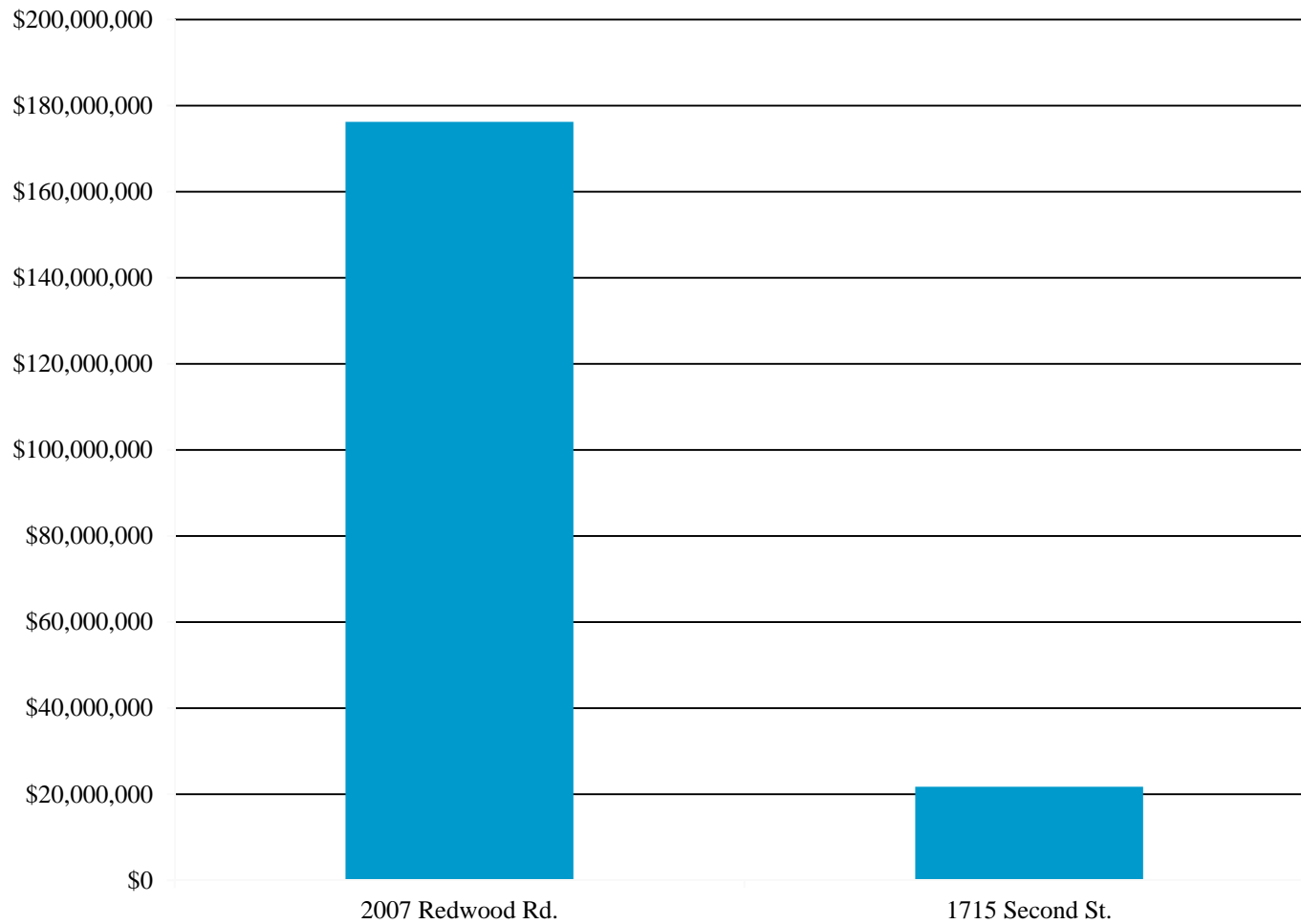


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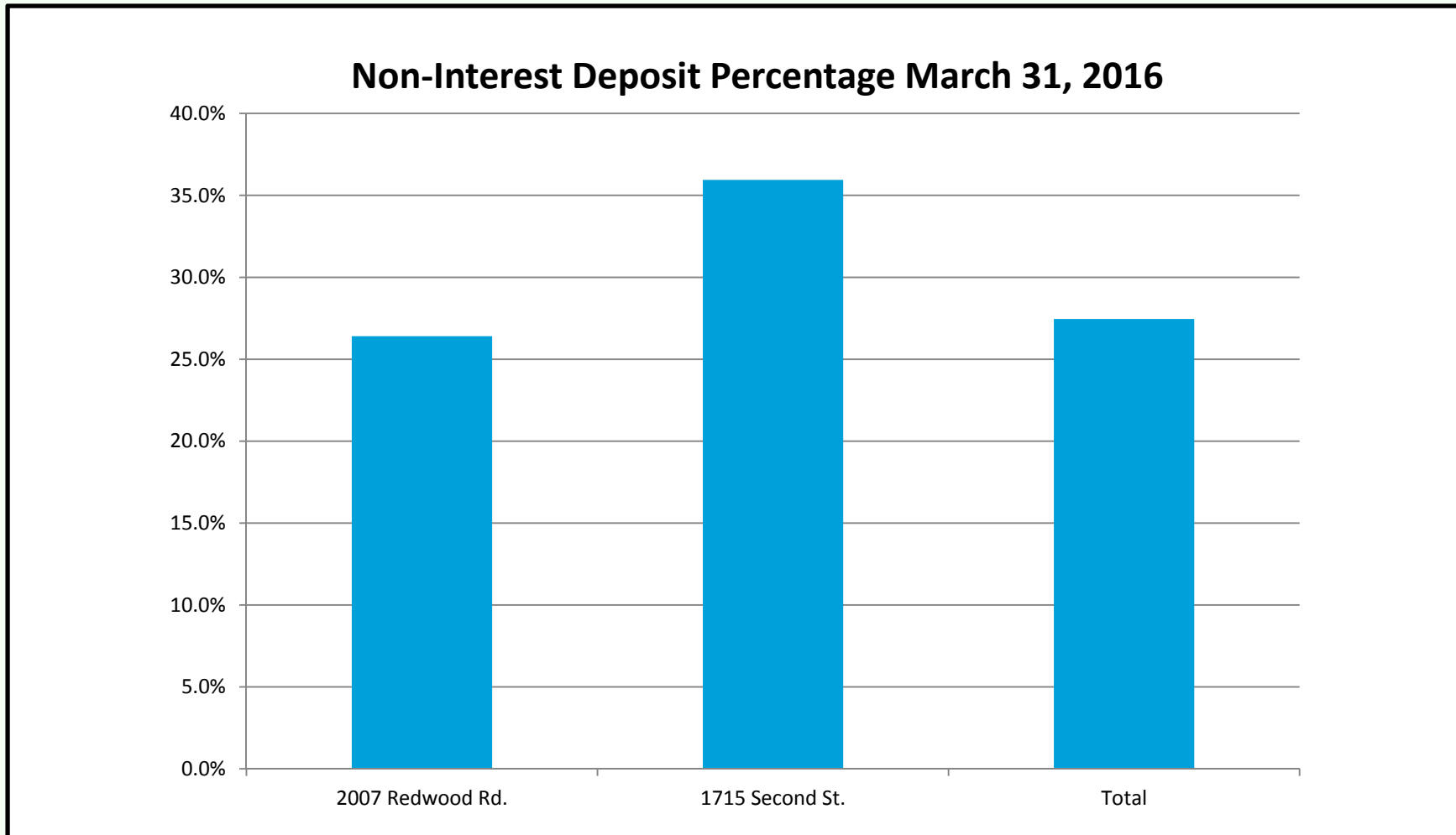
Total Deposits March 31, 2016



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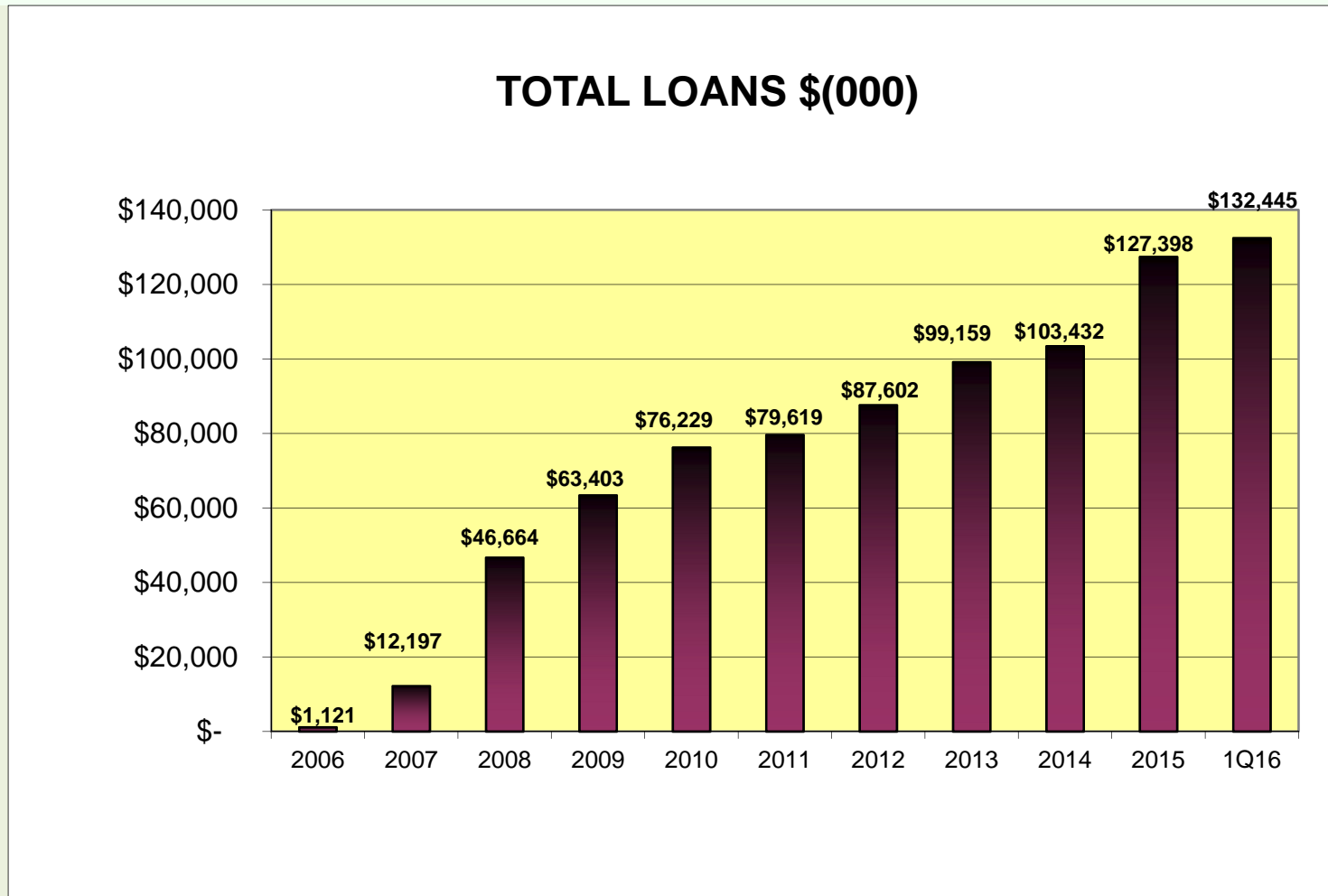
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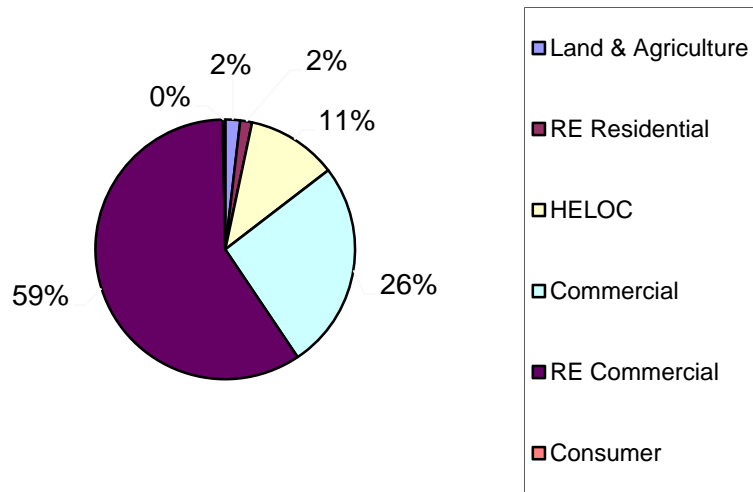


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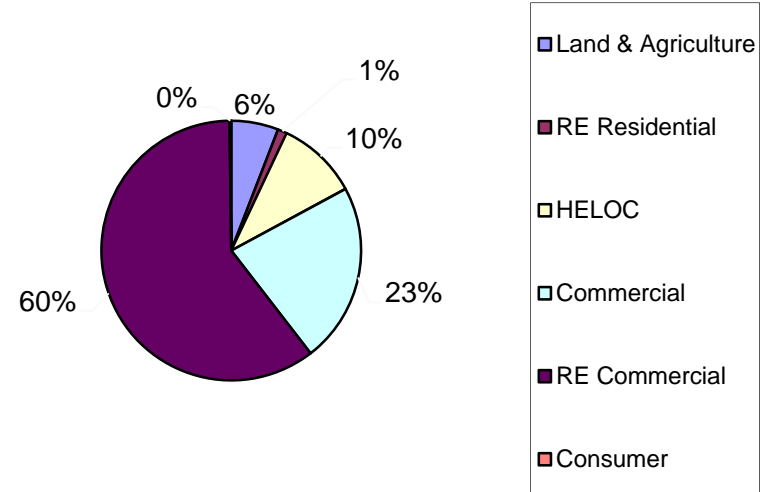


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December 31, 2014 Loan Composition



December 31, 2015 Loan Composition

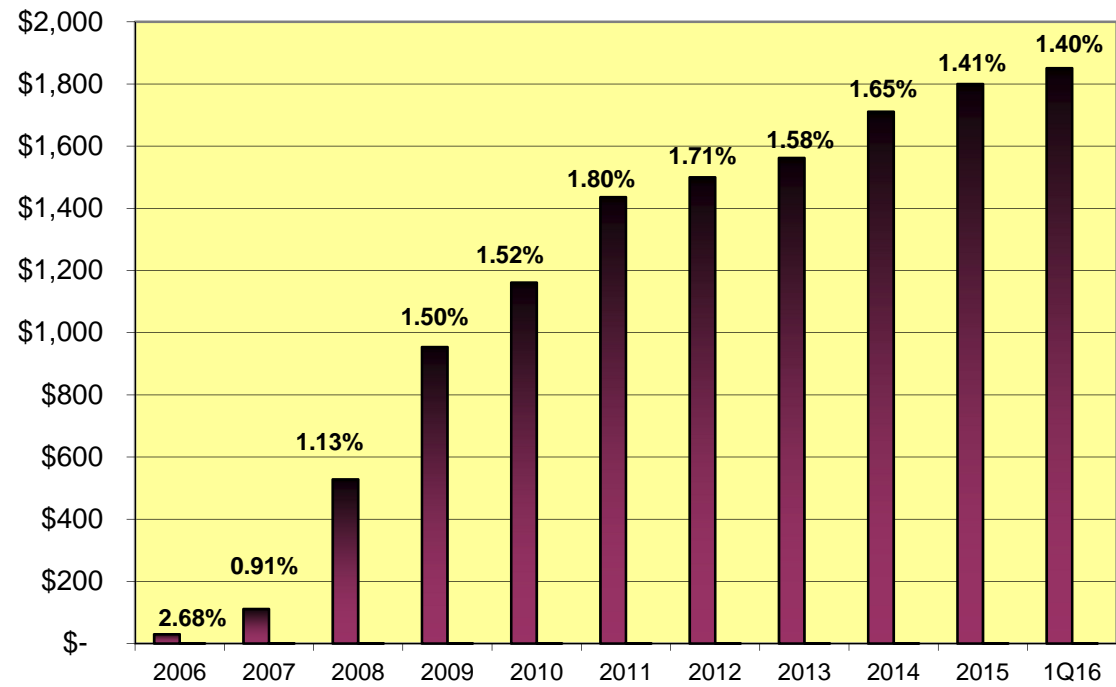


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Allowance for Loan Loss As a Percentage of Gross Loans

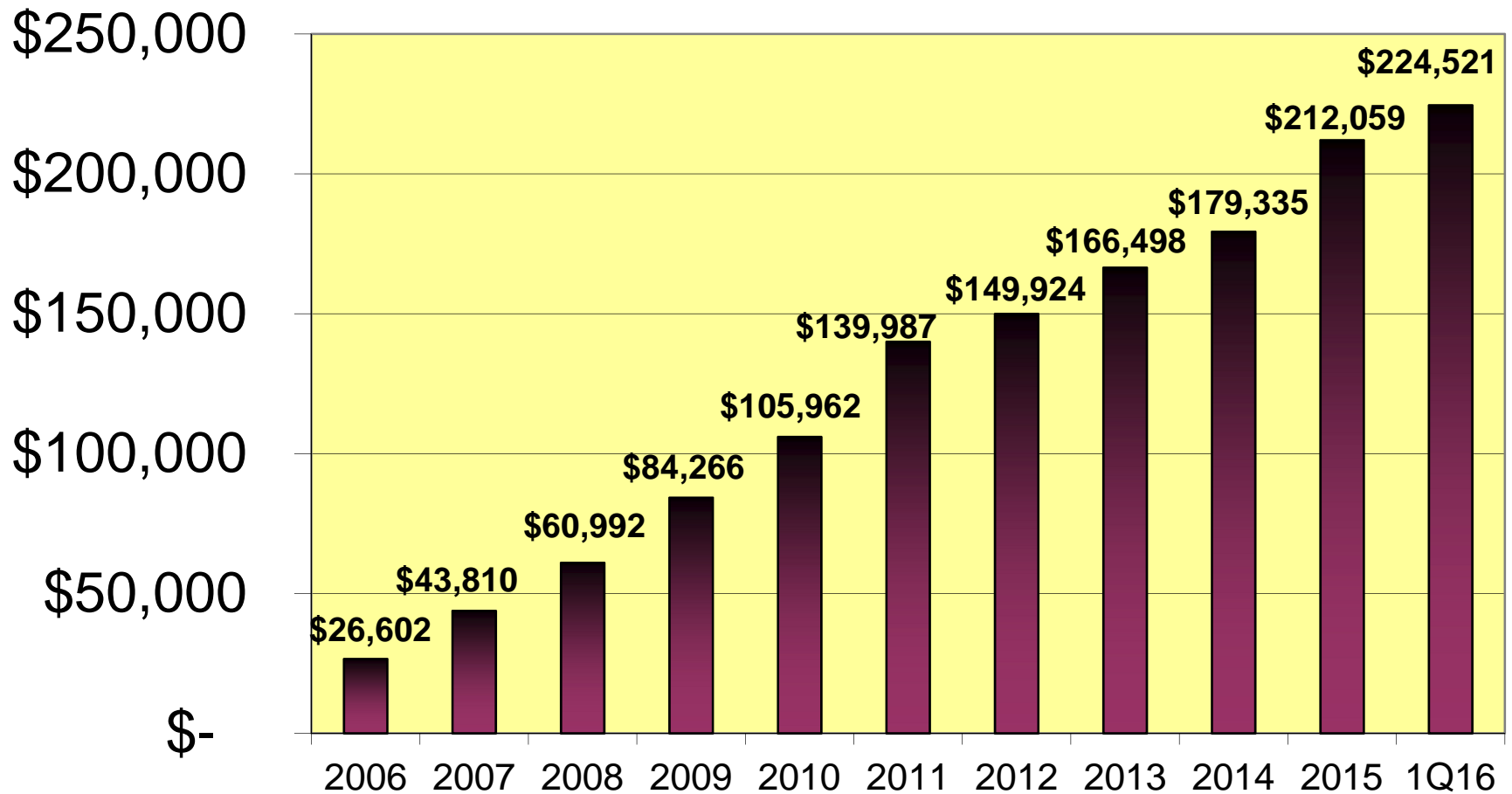


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TOTAL ASSETS \$(000)

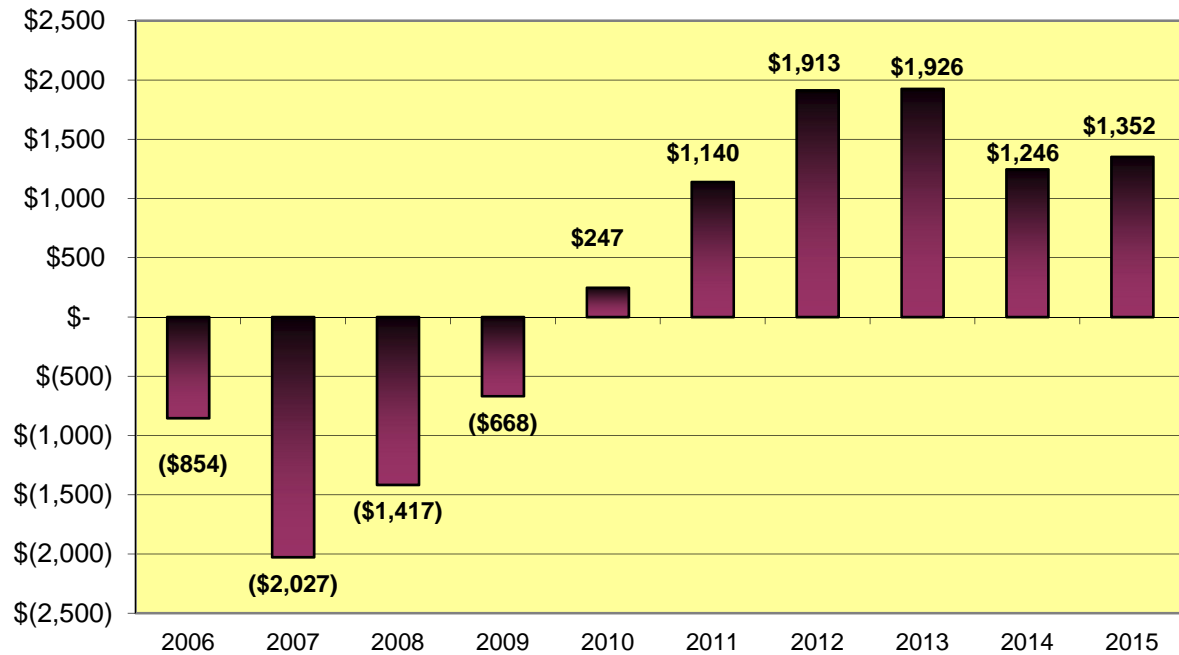


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Net Income as of 12/31 \$(000)



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Bank of Napa Peers 12/31/15			Bank of Napa Peers 12/31/15		
Bank	City	Total Assets (millions)	Bank	City	Total Assets (millions)
Pan American Bank	Los Angeles	162.4	Bank of San Francisco	San Francisco	213.0
International City Bank	Long Beach	162.9	First National Bank Southern CA	Riverside	214.2
Cornerstone Community Bank	Red Bluff	171.4	Balboa Thrift and Loan Assoc	Chula Vista	215.4
Bank of Santa Barbara	Santa Barbara	177.3	Americas United Bank	Glendale	219.9
Folsom Lake Bank	Folsom	178.3	Murphy Bank	Fresno	220.9
Golden Valley Bank	Chico	179.1	Summit Bank	Oakland	228.3
Community Commerce Bank	Claremont	180.7	Uniti Bank	Buena Park	232.4
Lighthouse Bank	Santa Cruz	182.0	Community Bank of Santa Maria	Santa Maria	236.8
ProAmerica Bank	Los Angeles	183.6	River Valley Community Bank	Yuba City	237.3
First Federal Savings and Loan	San Rafael	184.0	Community Bank of the Bay	Oakland	241.3
Orange County Business Bank	Irvine	190.0	EH National Bank	Beverly Hills	247.0
Monterey County Bank	Monterey	191.2	Amercian Riviera Bank	Santa Barbara	248.8
Founders Community Bank	San Luis Obispo	192.2	Community Business Bank	West Sacramento	250.6
Northern California National	Chico	192.3	Pinnacle Bank	Morgan Hill	252.9
American Continental Bank	City of Industry	198.6	Pacific Alliance Bank	Rosemead	256.0
Merchants National Bank	Sacramento	198.8	County Commerce Bank	Oxnard	256.2
Mission National Bank	San Francisco	208.8	Pacific Valley Bank	Salinas	260.5
Bank of Rio Vista	Rio Vista	211.8	Community 1st Bank	Auburn	263.8
Ojai Community Bank	Ojai	211.9	Liberty Bank	South San Francisco	264.7
Bank of Napa	Napa	212.1	Premier Business Bank	Los Angeles	275.0

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2015 Peer Comparison

Bank of Napa compares favorably to peers in key metrics

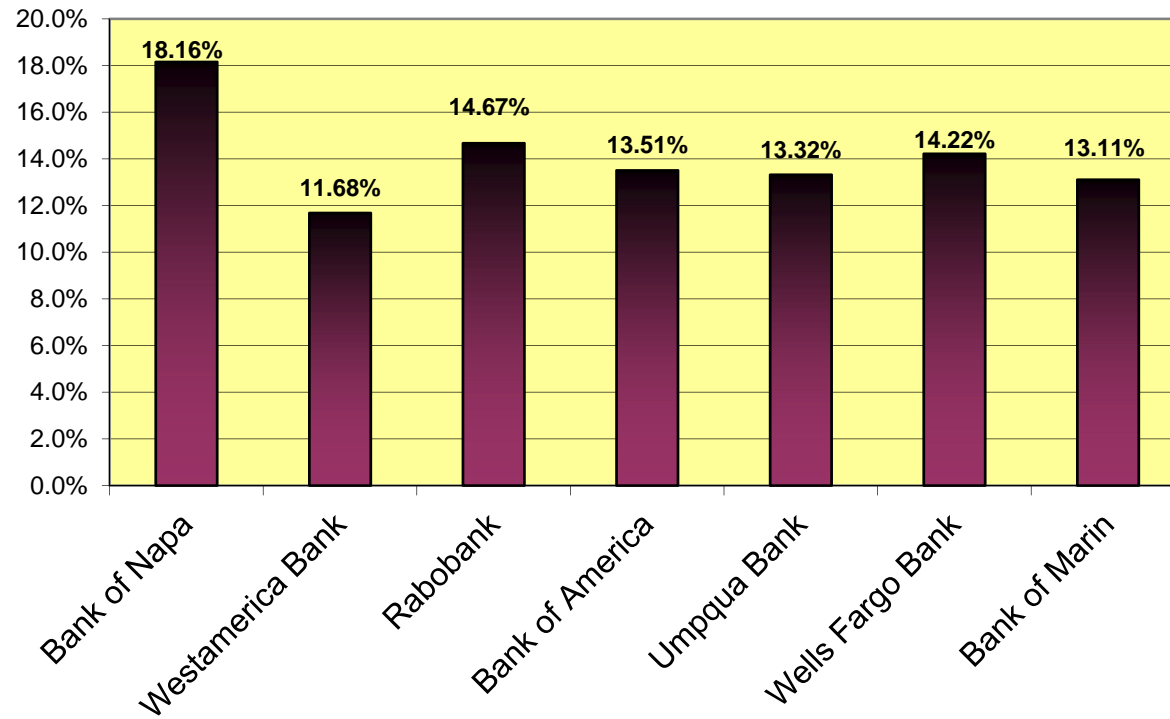
	Year End December 31, 2015	
	Peer Median	BON
Net interest margin	3.86%	3.65%
Efficiency ratio	71.28%	71.01%
Return on assets	0.70%	0.68%
Return on equity	5.96%	5.64%
Tangible common equity/Tangible asset ratio	11.15%	11.48%
Risk based capital ratio	16.22%	18.16%

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Total Risk Based Capital Ratios as of 12/31/2015

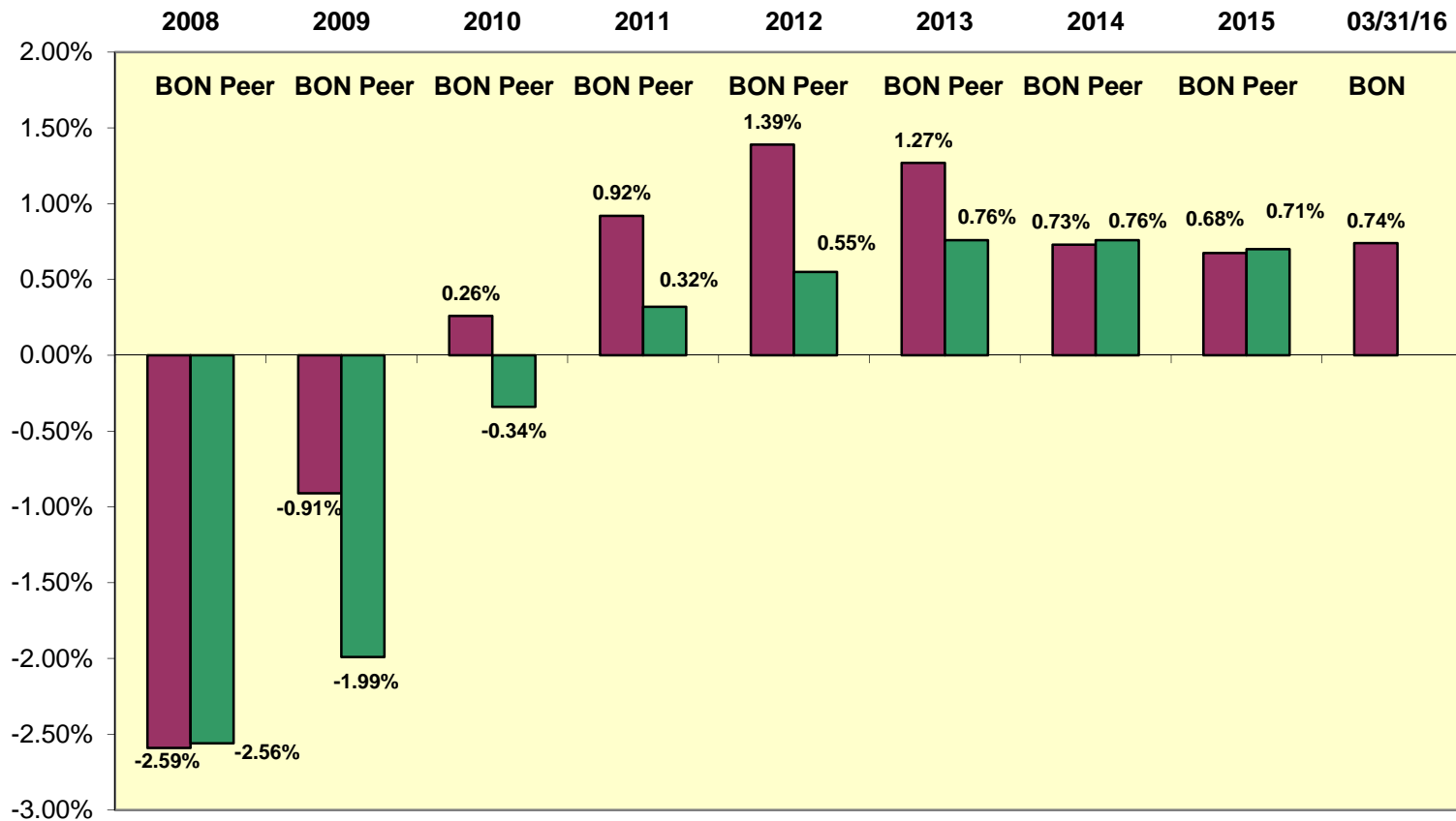


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Return on Assets
Bank of Napa = **Burgundy**
Peer = **Green**



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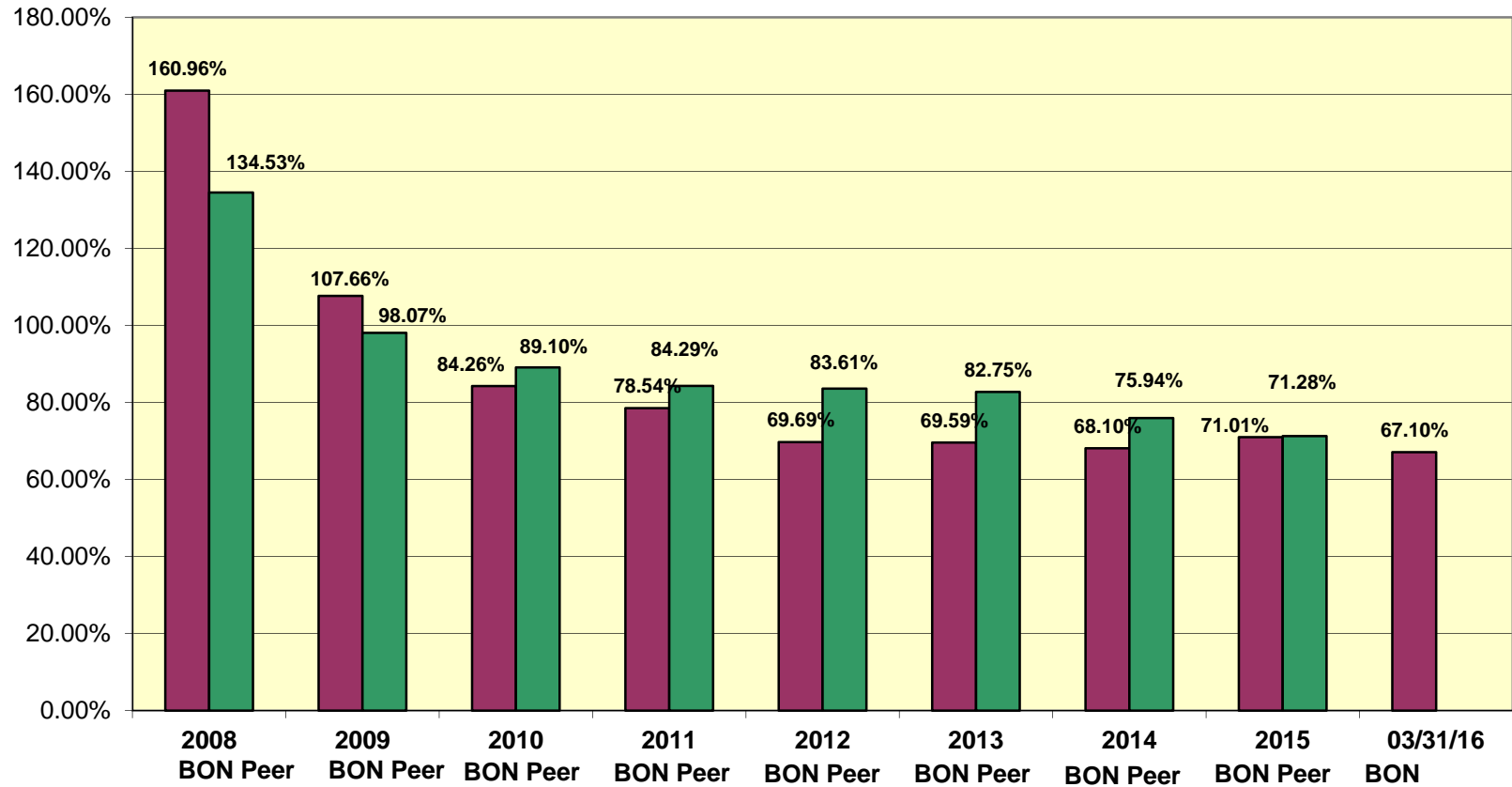


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Efficiency Ratio

Bank of Napa = **Burgundy**

Peer = **Green**



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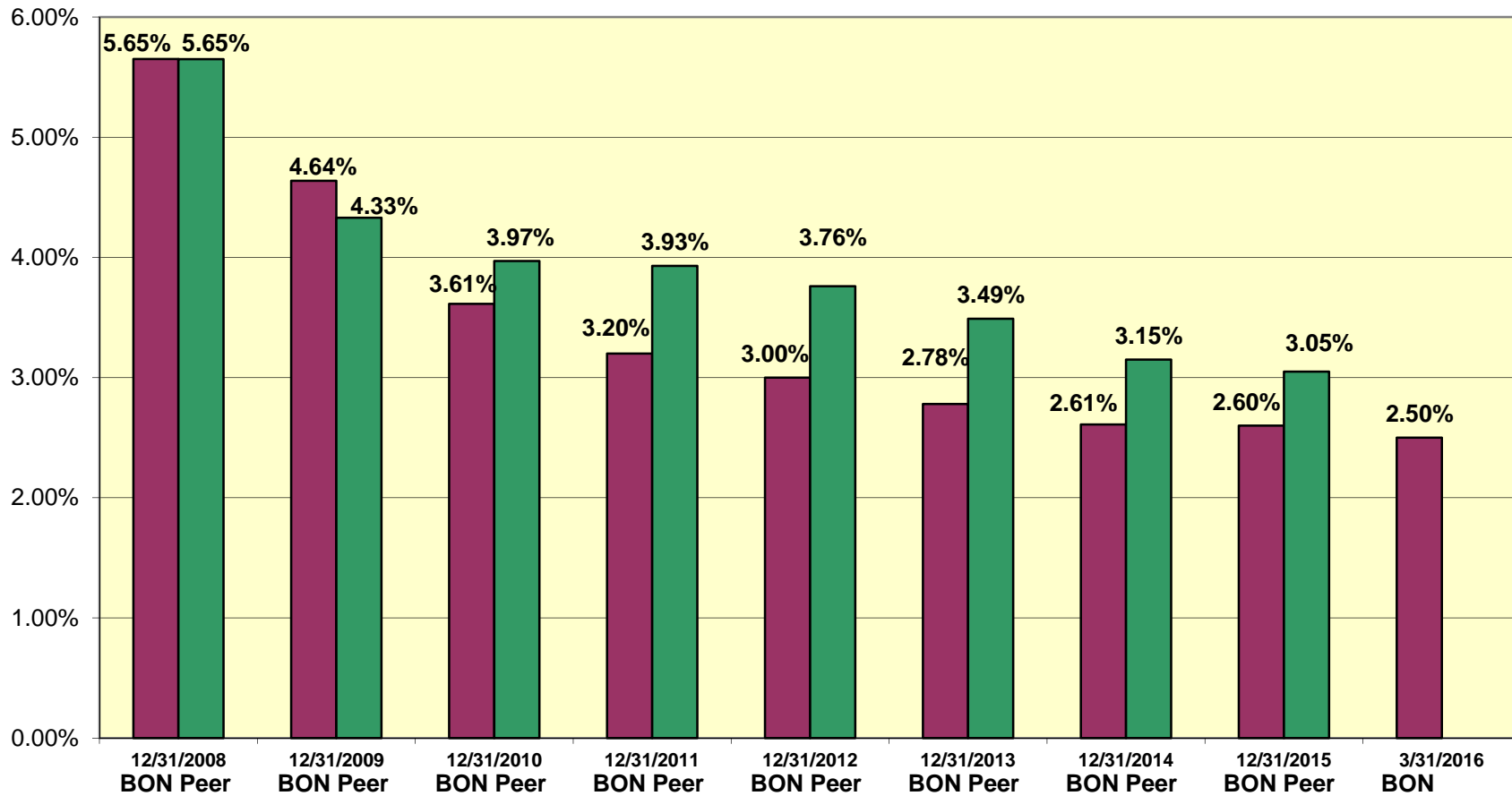


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Non Interest Expense as a Percentage of Average Assets

Bank of Napa = **Burgundy**

Peer = **Green**



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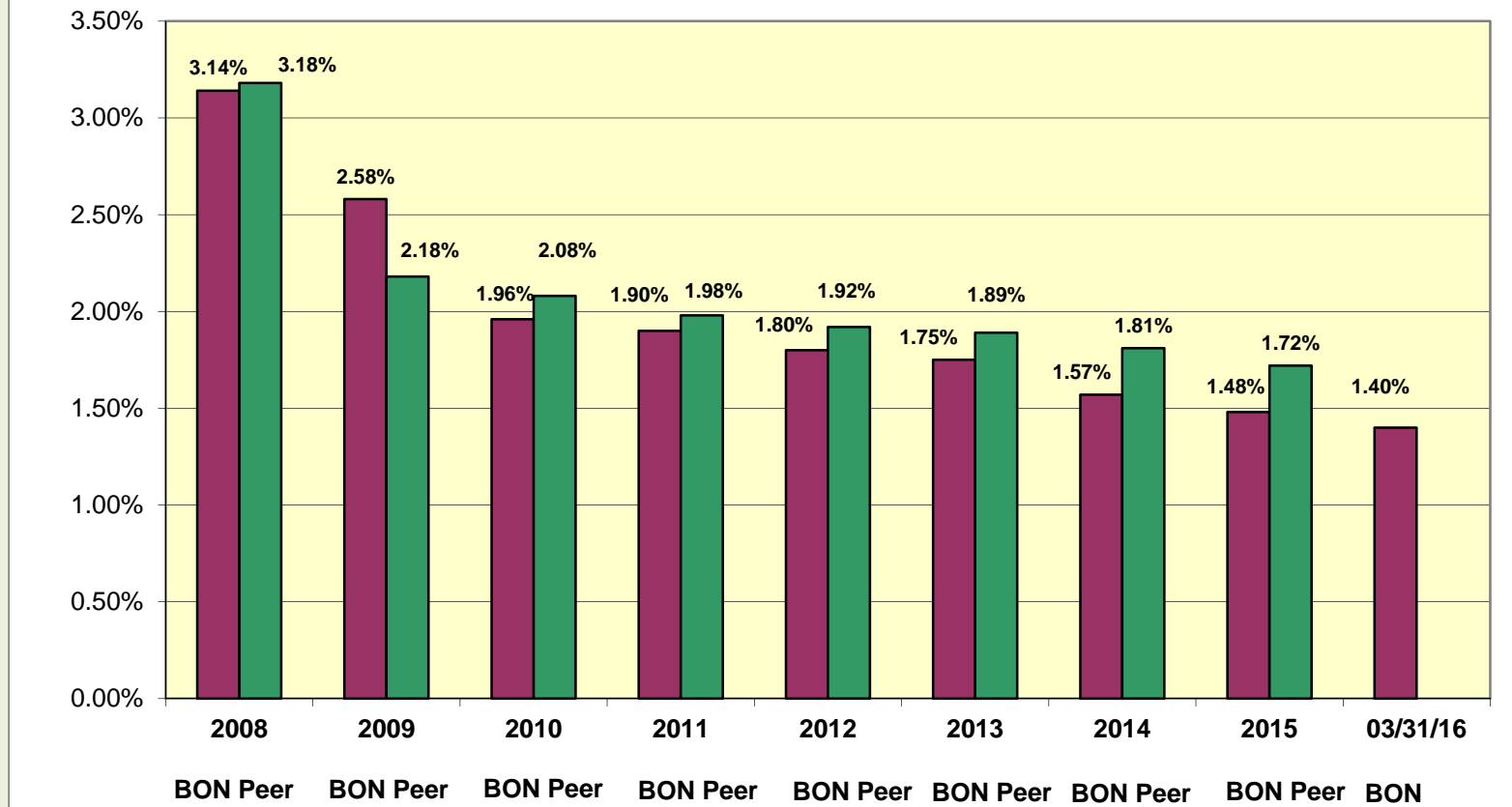


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Salaries and Benefits as a Percentage of Average Assets

Bank of Napa = **Burgundy**

Peer = **Green**



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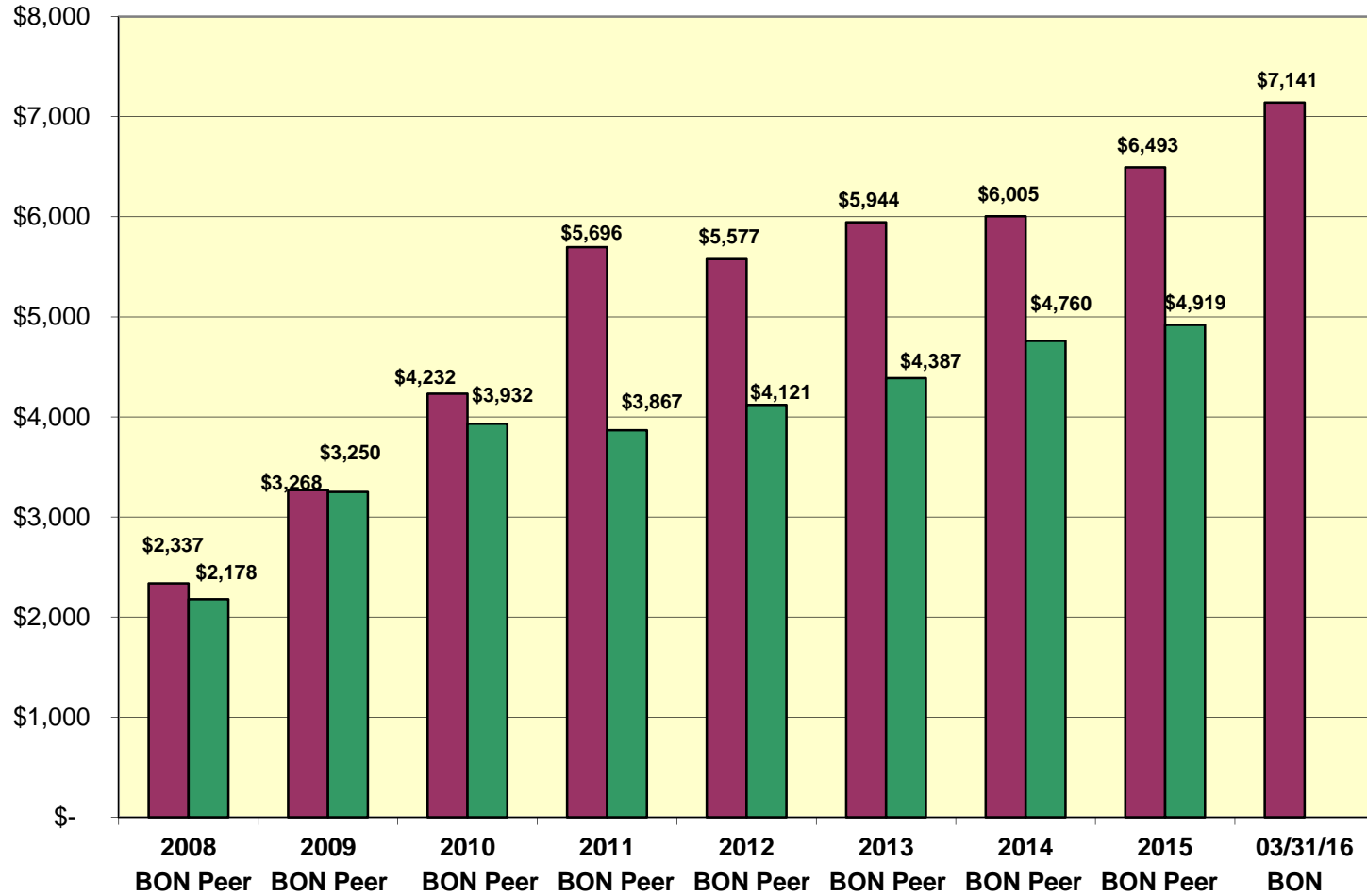


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Deposits per Employee (\$000)

Bank of Napa = **Burgundy**

Peer = **Green**



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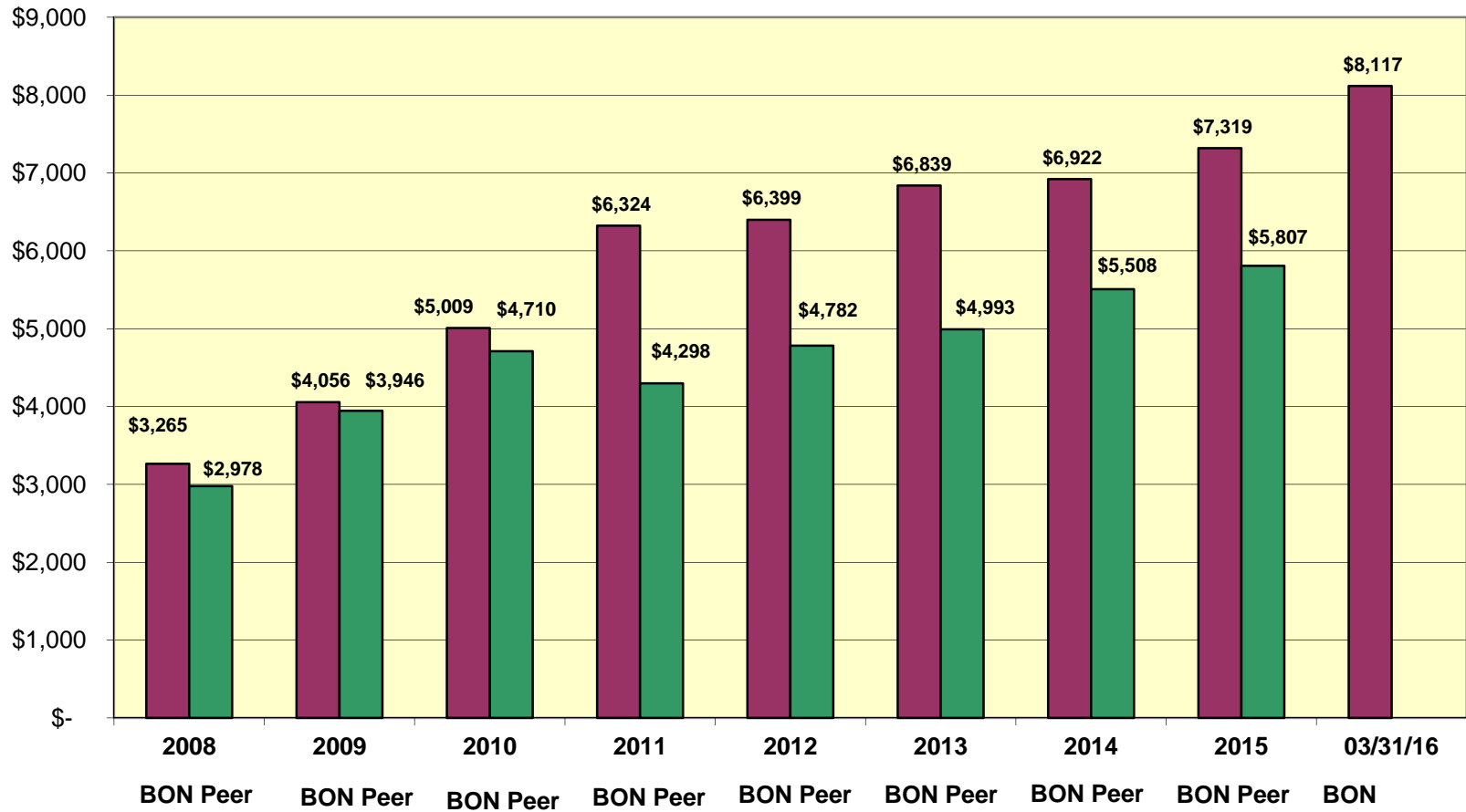


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Assets per Employee (\$000)

Bank of Napa = **Burgundy**

Peer = **Green**

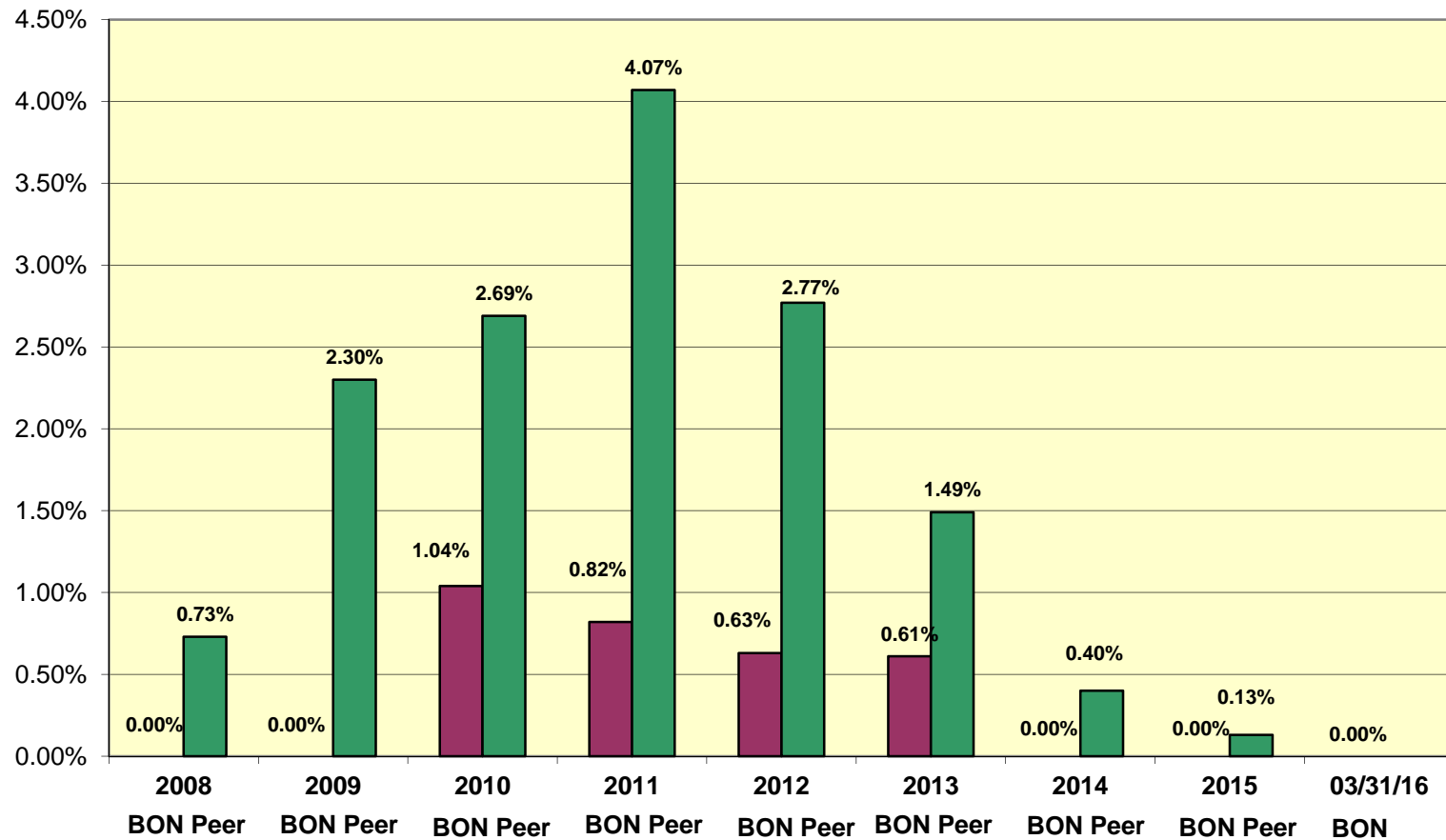


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Credit Quality
Non-performing Loans as a Percentage of Total Loans
Bank of Napa = **Burgundy**
Peer = **Green**



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Volume / Rate Analysis
as of December 31, 2015

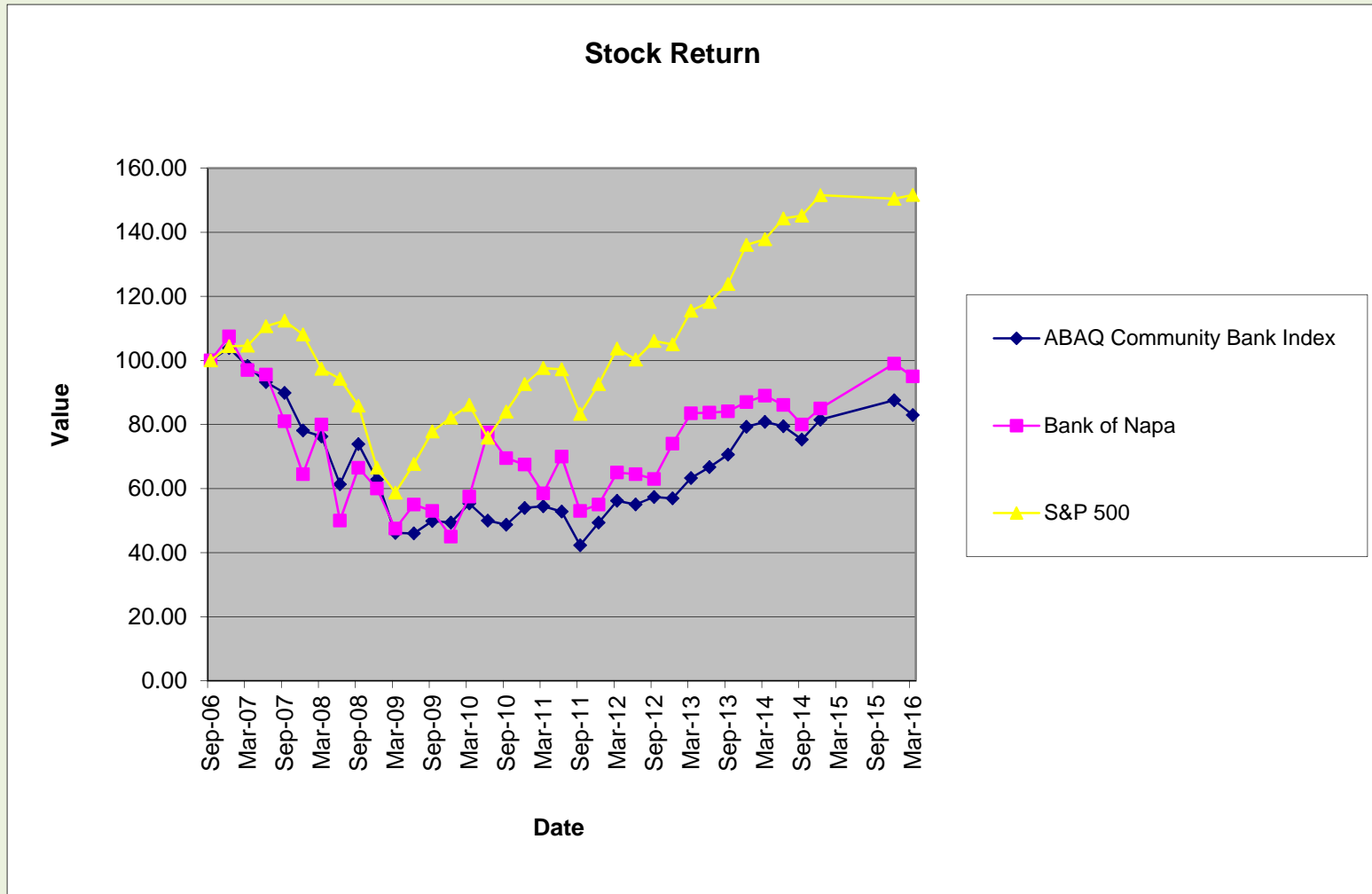
				Twelve Months Ended		
				December 31, 2015 compared to December 31, 2014		
				Increase (decrease) due to change in		
				Average Volume	Average Rate	Total Change
Interest income						
	Loans			\$ 669,558	\$ (226,657)	\$ 442,901
	Federal funds sold			969	41	1,010
	Correspondent banks			2,809	855	3,664
	Investment securities			129,482	15,889	145,371
	Other interest earning assets			9,944	35,403	45,347
	Total interest income			812,761	(174,469)	638,293
Interest expense						
	Interest-bearing demand			\$ 3,173	\$ 1,913	\$ 5,086
	Savings and money market			11,224	2,082	13,306
	Time under \$100,000			(2,621)	(10,462)	(13,083)
	Time deposits \$100,000 or more			(6,188)	(26,291)	(32,480)
	Interest on other borrowings			24	0	25
	Total interest expense			5,613	(32,759)	(27,146)
	Change in net interest income			\$ 807,149	\$ (141,710)	\$ 665,439

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STOCK PERFORMANCE



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Accolades

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THIS IS MY HOMETOWN BUSINESS BANK.



*Oscar Renteria
Renteria Vineyard Management*



*Liz Davis, Owner/CEO
Alkar Human Resources*



*Garret Murphy, Owner
Vintner's Collective*

MAKE IT YOURS!

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**A Bauer Financial Five Star
“Superior” rated bank**

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