Bank of Marin Bancorp

First Quarter 2024 Earnings Presentation

April 29, 2024

Forward-Looking Statements

This discussion of financial results includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, (the "1933 Act") and Section 21E of the Securities Exchange Act of 1934, as amended, (the "1934 Act"). Those sections of the 1933 Act and 1934 Act provide a "safe harbor" for forward-looking statements to encourage companies to provide prospective information about their financial performance so long as they provide meaningful, cautionary statements identifying important factors that could cause actual results to differ significantly from projected results. Our forward-looking statements include descriptions of plans or objectives of management for future operations, products or services, and forecasts of revenues, earnings or other measures of economic performance. Forward-looking statements can be identified by the fact that they do not relate strictly to historical or current facts. They often include the words "believe," "expect," "intend," "estimate" or words of similar meaning, or future or conditional verbs preceded by "will," "would," "should," "could" or "may." Forward-looking statements are based on management's current expectations regarding economic, legislative, and regulatory issues that may affect our earnings in future periods. Factors that could cause future results to vary materially from current management expectations include, but are not limited to, general economic conditions and the economic uncertainty in the United States and abroad, including economic or other disruptions to financial markets caused by acts of terrorism, war or other conflicts such as the war between Russia and Ukraine and more recently the war between Israel and Hamas, impacts from inflation, supply chain disruptions, changes in interest rates (including the actions taken by the Federal Reserve to control inflation), California's unemployment rate, deposit flows, real estate values, and expected future cash flows on loans and securities; the impact of adverse developments at other banks, including bank failures, that impact general sentiment regarding the stability and liquidity of banks; costs or effects of acquisitions; competition; changes in accounting principles, policies or guidelines; changes in legislation or regulation; natural disasters (such as wildfires and earthquakes in our area); adverse weather conditions; interruptions of utility service in our markets for sustained periods; and other economic, competitive, governmental, regulatory and technological factors (including external fraud and cybersecurity threats) affecting our operations, pricing, products and services; and successful integration of acquisitions. Important factors that could cause results or performance to materially differ from those expressed in our prior forward-looking statements are detailed in ITEM 1A, Risk Factors sections of our December 31, 2023 Form 10-K and September 30, 2023 Form 10-Q as filed with the SEC, copies of which are available from us at no charge. Forward-looking statements speak only as of the date they are made. Bancorp undertakes no obligation to release publicly the result of any revisions to these forward-looking statements that may be made to reflect events or circumstances that occur after the date of this press release or to reflect the occurrence of unanticipated events.

GAAP to Non-GAAP Financial Measures

This presentation includes some non-GAAP financial measures as shown in the Appendix of this presentation. Please refer to the reconciliation of GAAP to Non-GAAP financial measures included in our Form 8-K under Item 9 - Financial Statements and Exhibit 99.1 filed with the SEC on April 29, 2024.

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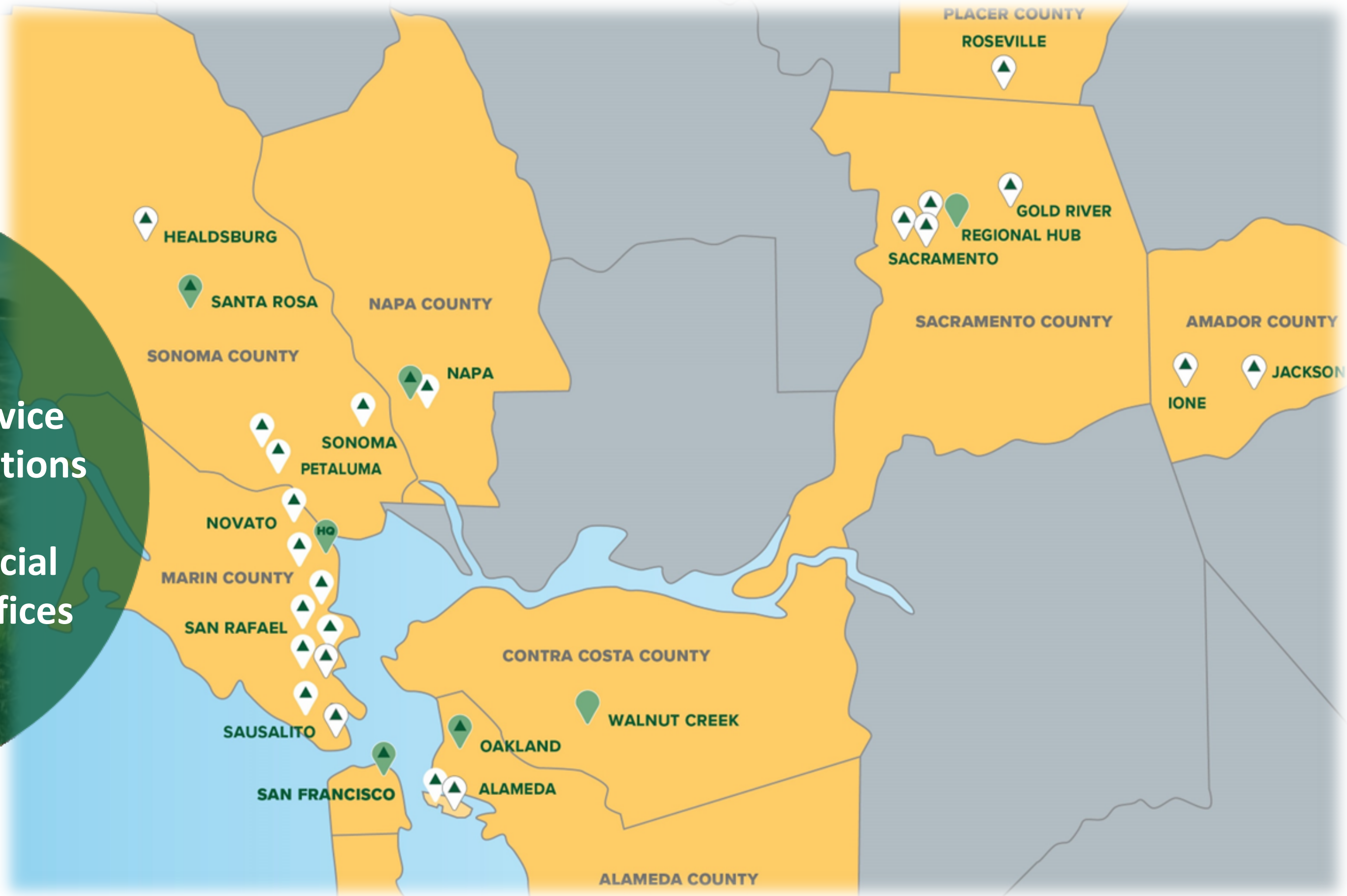
BMRC AT A GLANCE

BMRC NASDAQ	**Novato, CA** Headquarters
$3.8 Billion Total Assets	**$273.1 Million** Market Cap
17.05% Total RBC	**5.96%** Dividend Yield

Data as of March 31, 2024

27 Full-Service Branch Locations

7 Commercial Banking Offices



Relationship Banking
Build strong, long-term customer relationships based on trust, integrity and expertise, inspiring loyalty though exceptional service.

Disciplined Fundamentals
Apply a disciplined business approach with sound banking practices, high quality products, and consistent fundamentals ensuring continued strong results.

Community Commitment
Give back to the communities that we serve through active employee volunteerism, nonprofit board leadership and financial contributions.

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First Quarter 2024 Highlights

Activities

- Originated new loans at an average rate of 8.18%, 266 bps higher than Q1 payoff rates
- Reduced borrowings by $26.0 million costing 5.15%
- Maintained non-interest bearing deposit balances
- Made opportunistic new hires and implemented new compensation plans positively impacting loan pipeline

Capital

- Bancorp total risk-based capital of 17.1%
- Bancorp TCE / TA of 9.8%, 7.7% when adjusted for HTM securities [1]

Key Operating Trends

- Tax-equivalent yield on interest-earning assets of 3.75%, up 7 bps from 4Q23
- Tax-equivalent net interest margin stabilized at 2.50% from 2.53% in 4Q23
- Cost of deposits up 23 bps in 1Q24

Deposits and Liquidity

- Non-interest bearing deposits stay strong at 44% of total deposits
- Total cost of deposits was 1.38% (interest-bearing 2.46%) for Q1 and 1.41% (interest-bearing 2.50%) for the month of March.
- Total deposits decreased 0.2% from 4Q23
- Uninsured deposits estimated to represent 28% of total deposits
- Net available funding $1.9 billion
- Strong liquidity provides 208% coverage of estimated uninsured deposits

Loans and Credit Quality

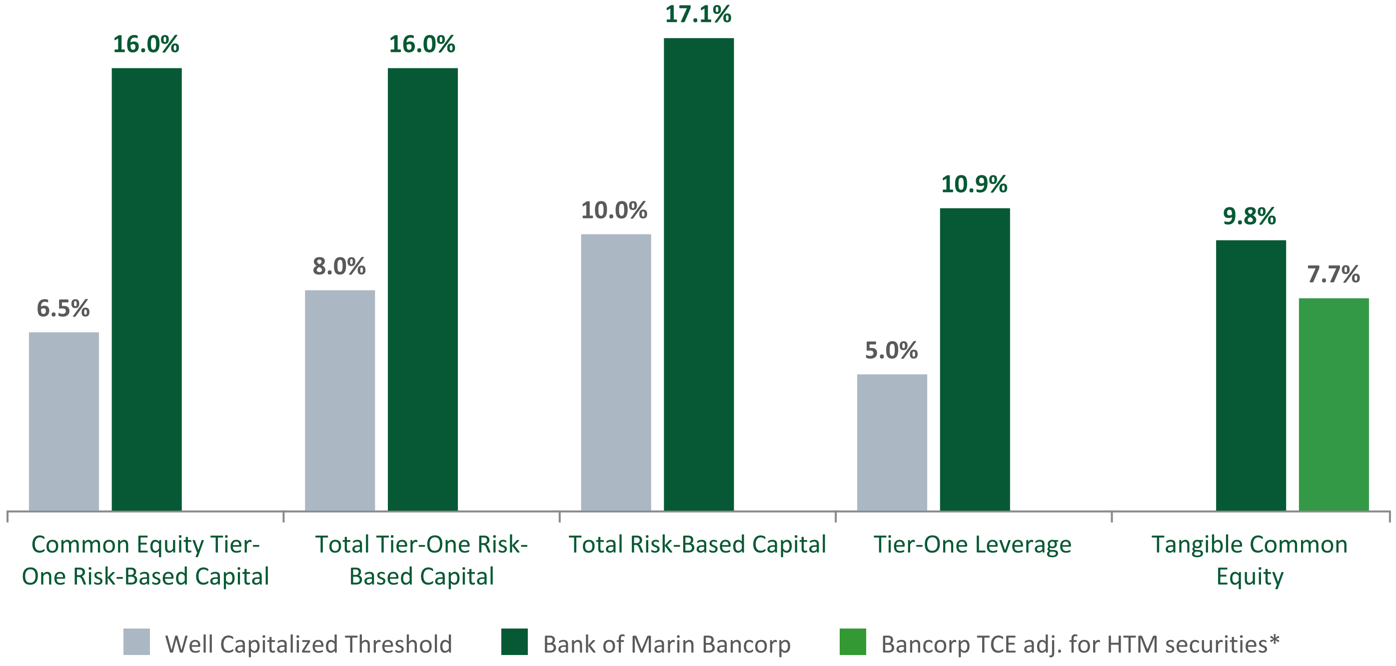
- We are not seeing material formation of new problem credits, just previously identified problem credits continuing through the workout and resolution process.
- Non-accrual loans of 0.31% (from 0.39% at Q423) of total loans, down 21% in balances due largely to payoffs and paydowns
- Classified loans of 2.67% (from 1.56% at Q423) of total loans, evidencing diligent monitoring
- $350 thousand provision for credit losses
- Total portfolio loan balances decreased 0.9% from 4Q23

(1) See Reconciliation of Non-GAAP Financial Measures in the Appendix

Robust Capital Ratios

As of March 31, 2024

- We maintained high capital levels and are in a position of strength
- Total risk-based capital increased 16 basis points in 1Q24 to 17.1%
- Tangible common equity ratio improved 3 basis points in 1Q24 to 9.8%
- No repurchases in 1Q24, as we continue to build upon our strong capital



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* See Reconciliation of Non-GAAP Financial Measures in the Appendix.

Strategic Balance Sheet Repositioning During Last Quarter

- Bank generated $126 million in proceeds from AFS security sales with an average yield of 1.50%.
- Proceeds paid down borrowings and were reinvested into higher yielding assets
- Anticipated benefits to: earnings per share, net interest margin, return on assets, and other metrics
- POST REPOSITIONING, AVERAGE BOOK YIELD OF SECURITIES PORTFOLIO INCREASED 7 BPS AND EFFECTIVE DURATION INCREASED 0.2

(in thousands)	Market Value AFS & HTM Securities	T/E Book Yield	Effective Duration	Pre-Tax Unrealized Gains (Losses)	Pre-Tax Realized Losses	After-Tax Realized Losses[1]	AFS % of Total Investments
Securities Portfolio as of 9/30/2023	$1,442,031	2.24%	4.9	$(248,149)	N/A	N/A	45%
Q4 Securities Sales	$125,955	1.50%	1.5	$5,907	$(5,907)	$(4,160)	
Q4 Change in Pre-Tax Unrealized Losses	N/A	N/A	N/A	$70,423	N/A	N/A	
Securities Portfolio as of 12/31/2023	**$1,366,858**	**2.31%**	**5.1**	**$(171,819)**	**N/A**	**N/A**	**36%**

[1] Applied a blended state and federal statutory rate of 29.56%,

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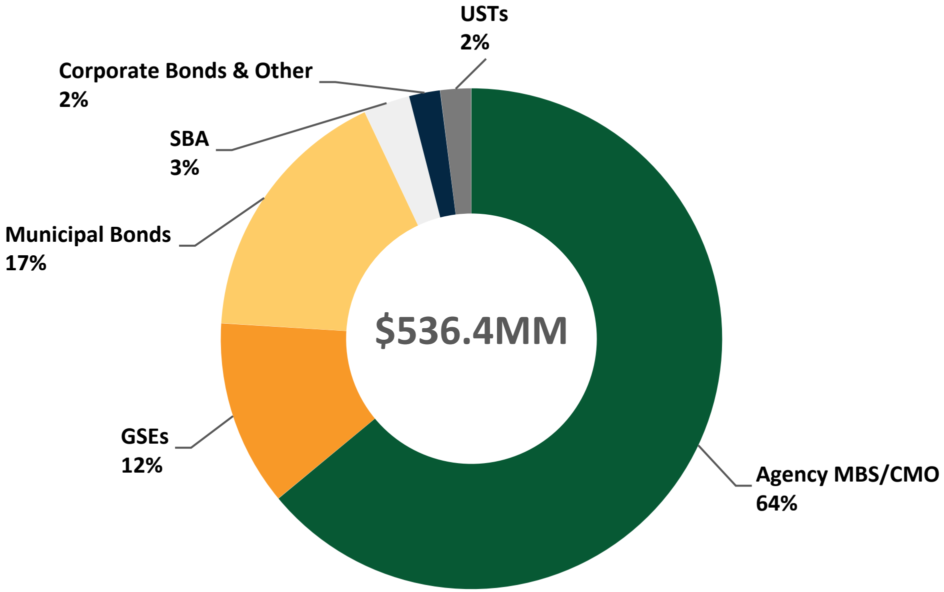
High-Quality Securities Portfolio Generates Cash Flow

Data as of 3/31/24

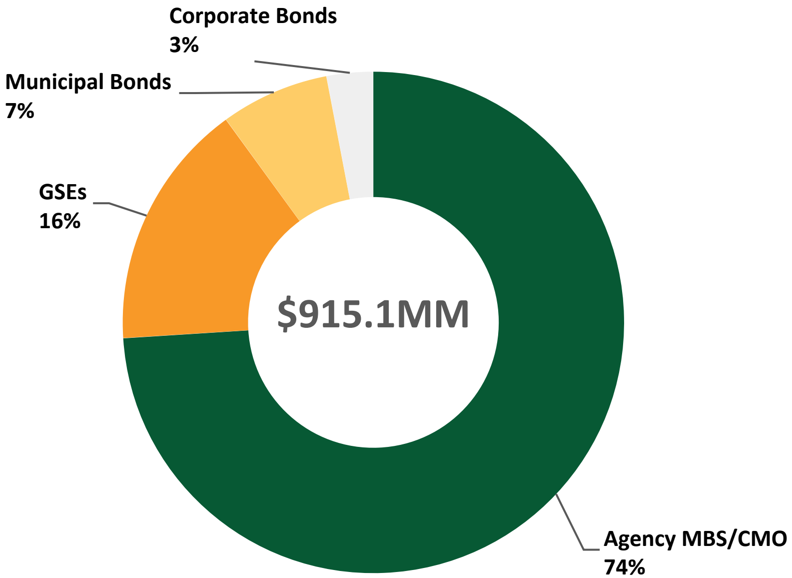
AFS Securities Portfolio



($ in millions at Fair Value)

Average Yield[1] — 2.05%
Approx. Effective Duration — 4.41
Unrealized Losses (after tax) — $46.5 million
TCE Bancorp — 9.8%

HTM Securities Portfolio



($ in millions at Cost)

Average Yield — 2.48%
Approx. Effective Duration — 5.66
Unrealized Losses (after tax) — $83.9 million
TCE Bancorp w/ HTM — 7.7% [2]

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[1] Taxable equivalent.
[2] See Reconciliation of Non-GAAP Financial Measures in the Appendix

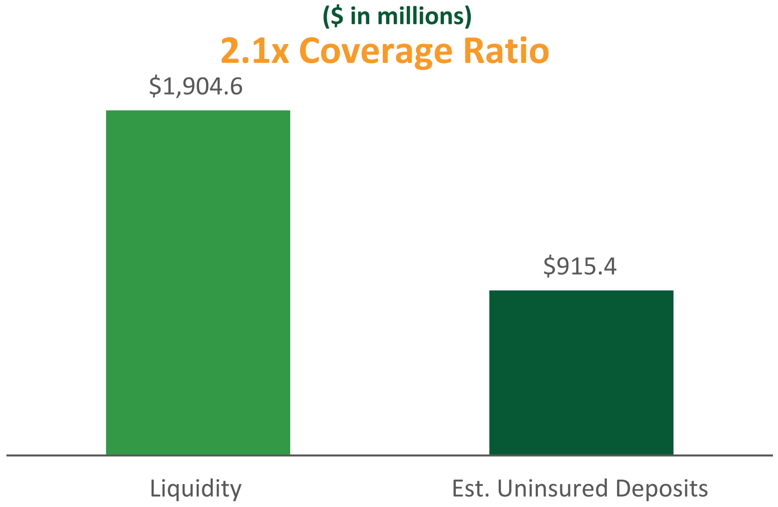
Strong Liquidity: $1.9 Billion in Net Availability

- Immediately available contingent funding represented 208% of 3/31/24 estimated uninsured deposits
- The Bank has long-established minimum liquidity requirements regularly monitored using metrics and tools similar to larger banks, such as the liquidity coverage ratio and multi-scenario, long-horizon stress tests
- Deposit outflow assumptions for liquidity monitoring and stress testing are conservative relative to actual experience
- FRB's temporary emergency BTFP facility ended March 11th. Securities pledged were utilized to increase capacity at the Discount Window.

At March 31, 2024 *($ in millions)*	**Total Available**	**Amount Used**	**Net Availability**
Internal Sources			
Unrestricted Cash [1]	$ 13.4	N/A	$ 13.4
Unencumbered Securities	465.0	N/A	465.0
External Sources			
FHLB line of credit	951.2	$ —	951.2
FRB line of credit	350.0	—	350.0
Lines of credit at correspondent banks	125.0	—	125.0
Total Liquidity	$ 1,904.6	$ —	$ 1,904.6

[1] Excludes cash items in transit
Note: Access to brokered deposit purchases through networks such as Intrafi and Reich & Tang and brokered CD sales not included above.

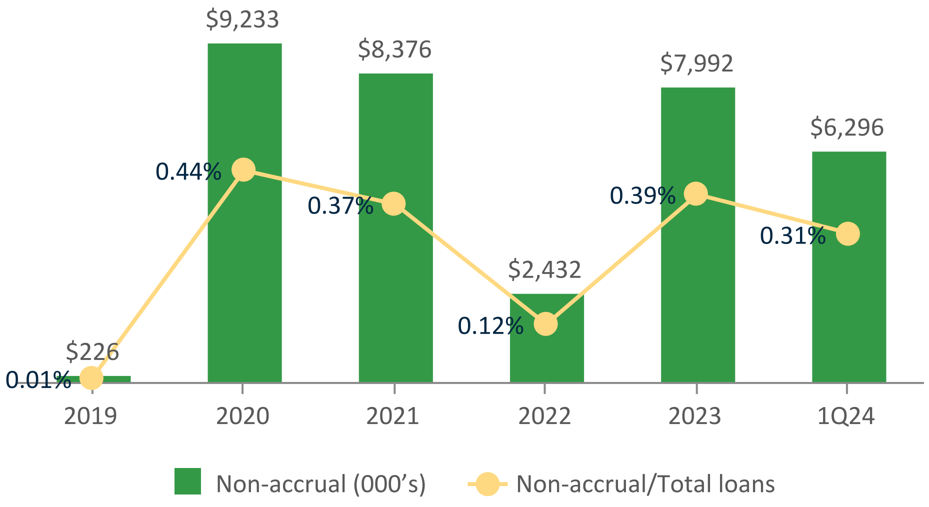
Liquidity & Uninsured Deposits



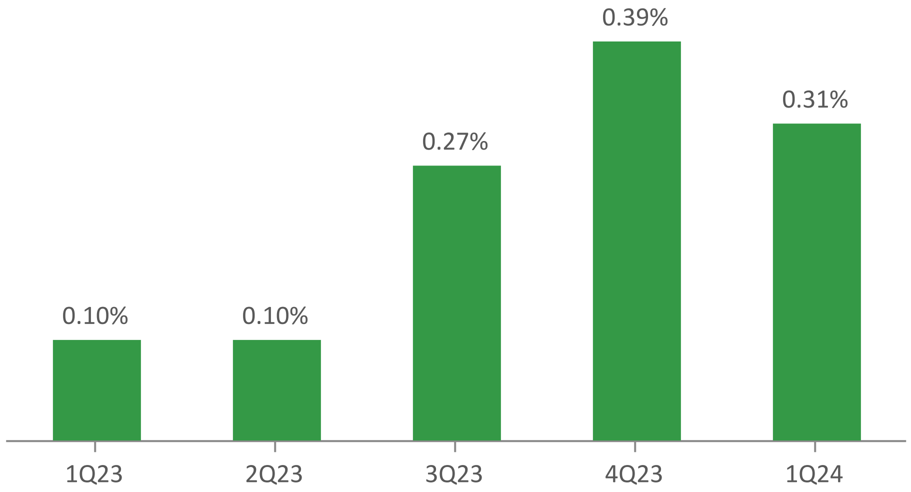
History of Strong Asset Quality

- Upgraded $10.5 million from special mention to pass risk rating and no material downgrades to special mention
- Non-accrual loans continue to remain at low levels
- Consistent, robust credit culture and underwriting principles support strong asset quality
- Net charge-offs have consistently been negligible for the last five years due to strong underwriting fundamentals, except that in Q4 2023 charge-offs included a $406 thousand charged to the allowance due to a loan sale
- Allowance for credit losses to total loans of 1.24%, is marginally up from 1.21% at Q4 2023

Non-accrual Loans / Total Loans



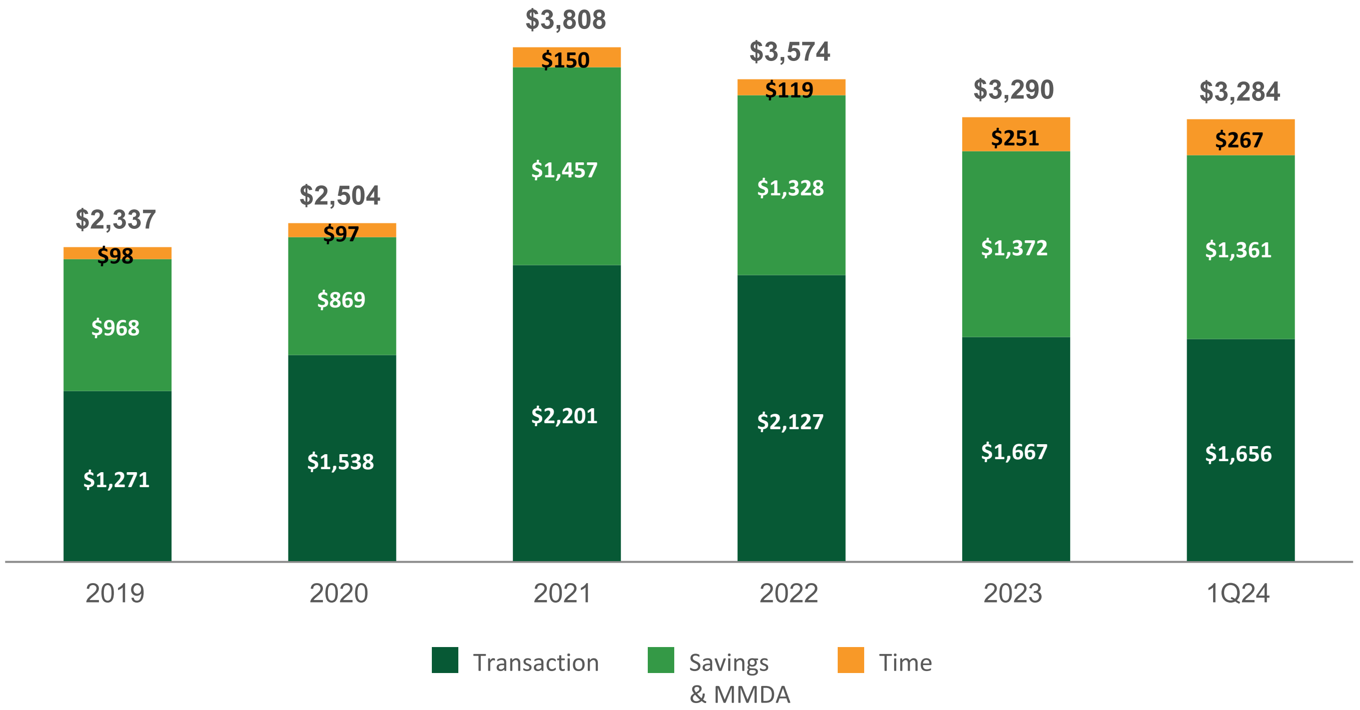
Non-accrual Loans / Total Loans Quarterly Progression



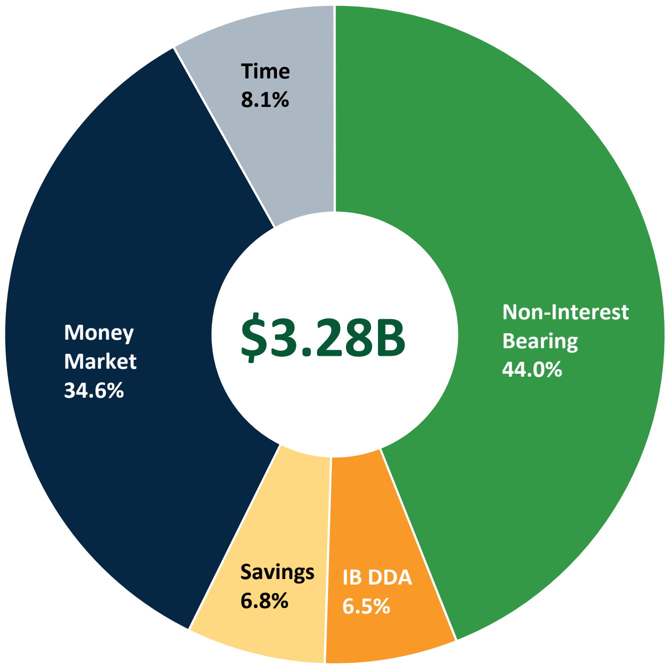
Strong Deposit Franchise

- Deposit mix continues to favor a high percentage of non-interest bearing deposits
- Total cost of deposits was 1.38% (interest-bearing 2.46%) for Q1 and 1.41% (interest-bearing 2.50%) for the month of March
- Time deposit balances grew $16.2 million in Q1 with the total time deposit portfolio average maturity of approximately six months and an average rate of 3.17%. Approximately 93% of time deposits mature within 12 months.
- Our time deposits are not derived from brokered CD markets or advertised CD specials.

Total Deposits ($ in millions)



Total Deposit Mix at 1Q24



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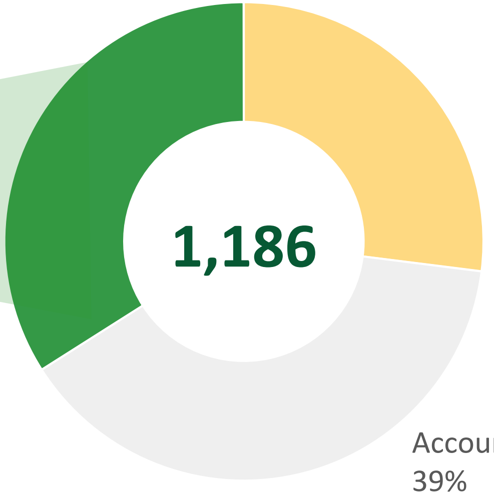
Granular Deposit Account Composition

- 34% of Q1 new accounts consisted of new relationships to the Bank
- 47% of Q1 new accounts were interest-bearing by count
- 70% of Q1 new accounts were interest-bearing in dollars at a weighted average rate of 3.07%
- Reciprocal deposit network program (expanded FDIC insurance products) utilization increased notionally by $5.1 million in Q1

New Accounts Mix (by count) 1Q24



Deposit Accounts Mix - Consumer vs Business 1Q24

(in thousands; except for # of Accounts)	Interest Bearing	Non-Interest	Total
Consumer			
Account Balances	$ 1,017,978	$ 339,538	$ 1,357,516
# of Accounts	15,873	17,497	33,370
Avg Balance Per Account	$ 64	$ 19	$ 41
Business			
Account Balances	$ 818,754	$ 1,097,414	$ 1,916,168
# of Accounts	4,066	11,441	15,507
Avg Balance Per Account	$ 201	$ 96	$ 124

*Excludes internal operating accounts such as holding company cash and deposit settlement accounts totaling $2.7 million.

Prudent, Sustainable Model for Loan Growth

- First quarter 2024 loan originations were at yields significantly higher (266 bps) than those on paid off loans
- Notable pipeline growth and diversification in 1Q24 from key hires and enhanced compensation and calling programs
- Sound underwriting produces a high-quality loan portfolio with low credit costs and stable earnings through cycles
- Extending credit and serving the needs of existing clients while ensuring new opportunities present the appropriate levels of risk and return

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Five-year compound annual loan growth rate: 3.0%[1]

Total Loans ($ in billions)

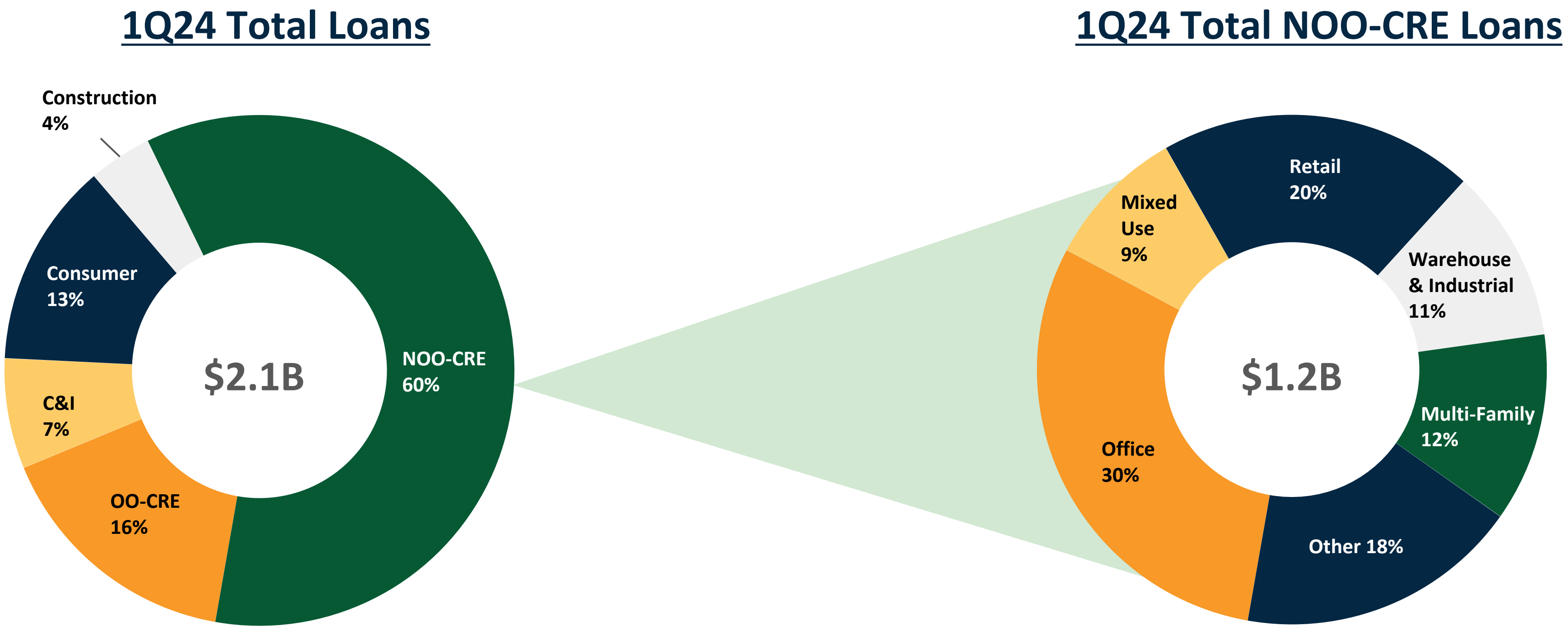
[1] Compounded annual growth rate from March 31, 2019 to March 31, 2024

[2] Includes ARB loans acquired in Q3 2021

Well-diversified Loan Portfolio

As of 3/31/24 - No material changes from Q4 2023

- Loan portfolio is well-diversified across borrowers, industries, loan and property types within our geographic footprint — 86% of all loans and 92% of loans excluding nonprofit organizations are guaranteed by owners of the borrowing entities.
- Non-owner occupied commercial real estate ("NOO-CRE") is well-diversified by property type with 88% of loans (90% of loans excluding nonprofit organizations) being guaranteed by owners of the borrowing entities.
- Minimal exposure to rent-controlled properties within our multi-family portfolio, just 32 loans averaging $1.6 million, or 2.5% of our total loan portfolio
- Since 2001, net charge-offs for all NOO-CRE and OO-CRE totals $1.6 million
- Construction loans represent a small portion of the overall portfolio



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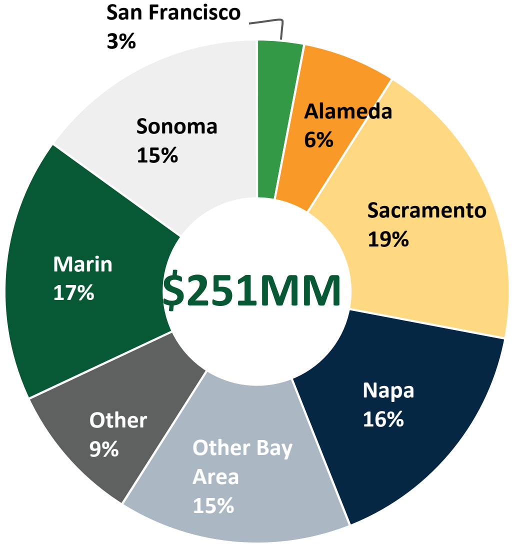
NOO-CRE Portfolio Diversified Across Property Type & County

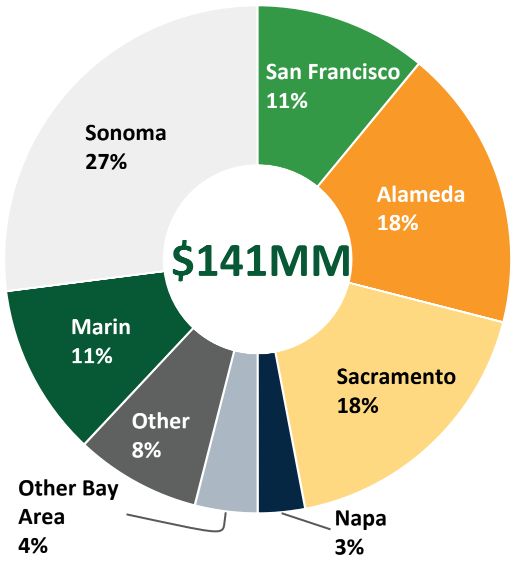
As of 3/31/24 - No material changes from Q4 2023

Retail 1Q24



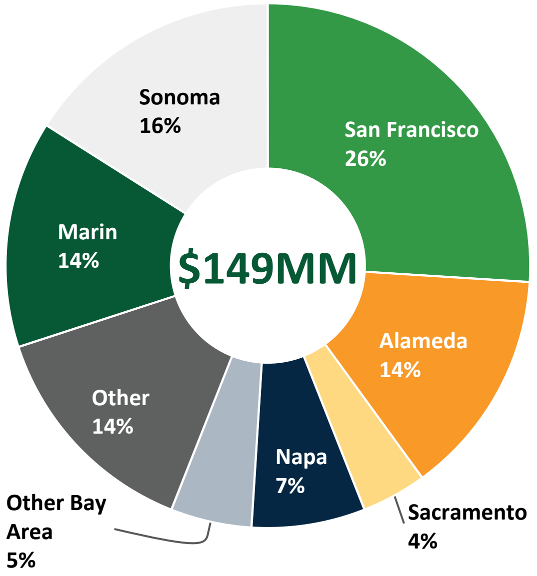
Average Balance: $1.8MM
Largest Balance: $14.0MM
Total # of Loans: 143
Wtd. Avg. LTV*: 56%

Warehouse & Industrial 1Q24



Average Balance: $1.9MM
Largest Balance: $14.8MM
Total # of Loans: 75
Wtd. Avg. LTV*: 52%

Multifamily 1Q24



Average Balance: $1.4MM
Largest Balance: $11.8MM
Total # of Loans: 110
Wtd. Avg. LTV*: 58%

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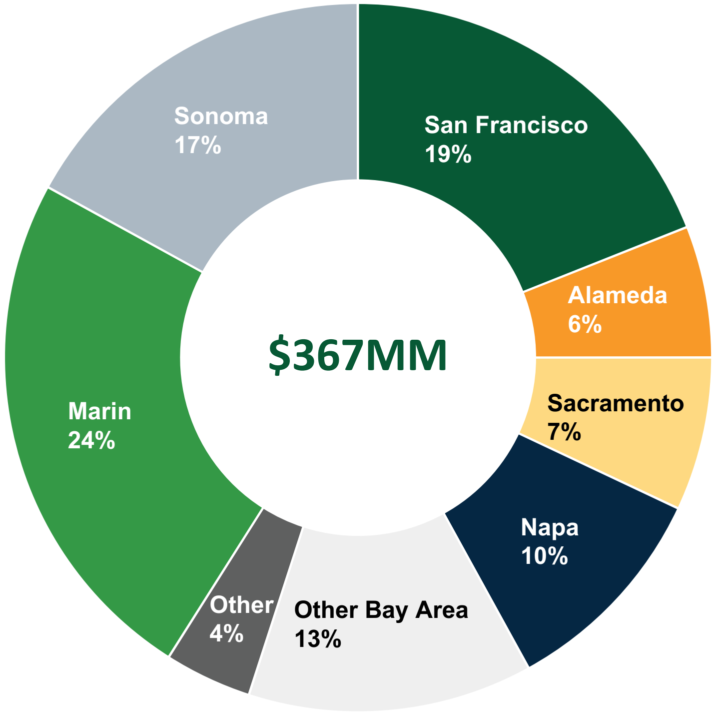
* Calculated for loans exceeding $1 million, based on the most recent annual review process
Note: Sacramento includes surrounding regional counties.

Non-owner Occupied Office Exposure

As of 3/31/24 - No material changes from Q4 2023

- $367 million in credit exposure spread across our lending footprint comprised of 151 loans
- $2.4 million average loan balance – largest loan at $16.8 million
- 60% weighted average loan-to-value and 1.58x weighted average debt-service coverage ratio*
- City of San Francisco NOO-CRE office exposure is 3% of total loan portfolio and 6% of total NOO-CRE loans

NOO-CRE Office Portfolio by County



City of S.F. NOO-CRE Office Portfolio

Total Balance:	$70.5 million
Average Loan Bal:	$5.4 million
Number of Loans:	13 loans
Average LTV*:	70%
Average DCR:	0.99x
Average Occupancy:	78%

12 of the 13 loans are secured by low rise buildings and one loan is secured by a 10 story building.

* Calculated for loans exceeding $1 million, based on the most recent annual review process

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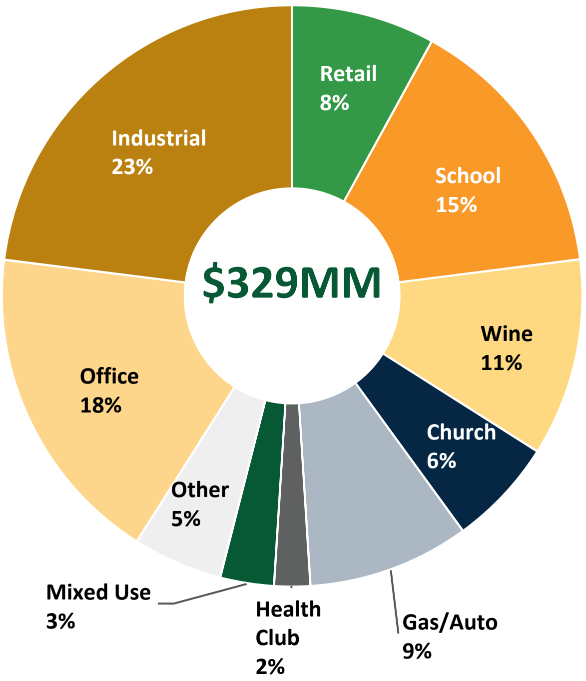
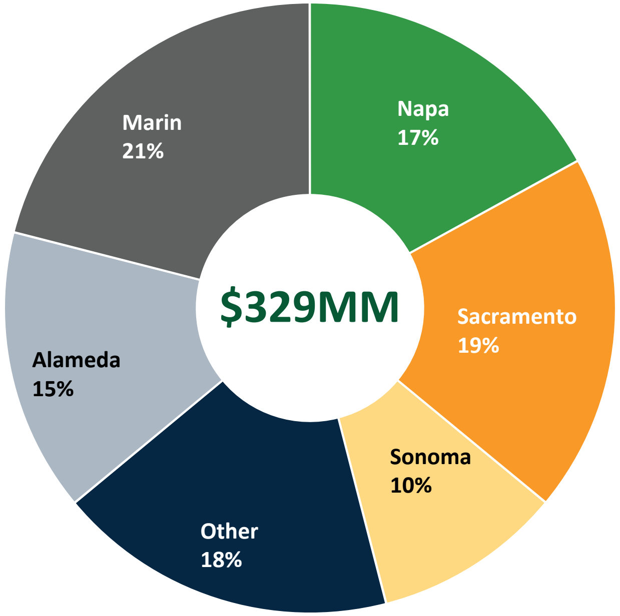
Owner-Occupied CRE Portfolio

As of 3/31/24 - No material changes from Q4 2023

OO CRE by Type 1Q24



OO CRE by County 1Q24



Average Balance:	$1.1MM
Largest Loan:	$15.5MM
Wtd. Ave LTV*:	45%
Total Balance:	$328.6MM
Total Loans:	304

* Loan-to-value largely based on appraised values at origination, or updated appraisals for certain classified loans, and balances as of 3/31/24

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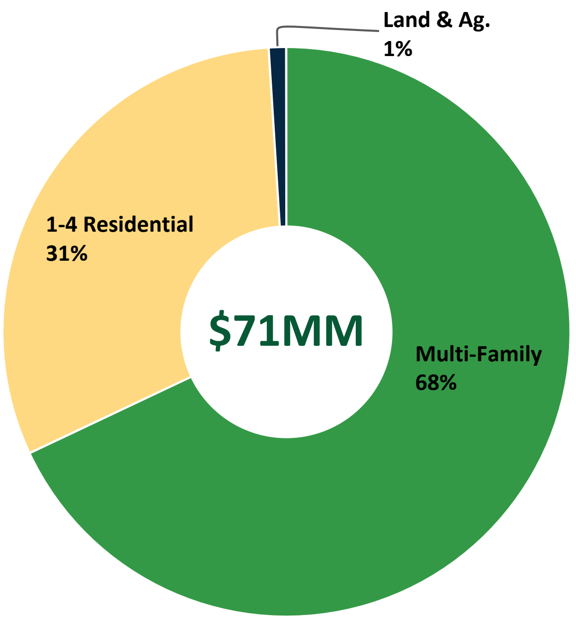
Construction Portfolio Concentrations

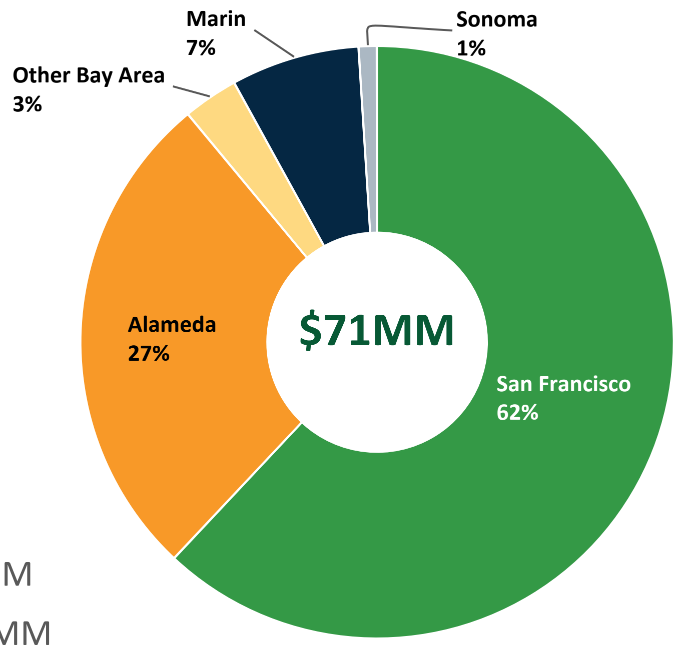
As of 3/31/24

- Construction loans decreased by $27.2 million since 4Q23 from project completions
- Most payoffs were in counties other than San Francisco, increasing the allocation to 62% from 44%, but no additional dollar exposure in San Francisco

Construction by Type 1Q24



Construction by County 1Q24



Average Balance:	$5.5MM
Largest Loan:	$19.4MM
Wtg Ave. LTV*:	72%
Total Balance:	$71.5MM
Unfunded Commitments:	$10.2MM
Total Loans:	13

* Loan-to-value largely based on appraised values at origination, or updated appraisals for certain high dollar or classified loans and, balances as of 3/31/24

Low Refinance Risk in NOO CRE Portfolio through 2025

- We conducted a DEEP DIVE on loans maturing or repricing before year-end 2025 *
- PORTFOLIO IS WELL-POSITIONED TO ABSORB HIGHER RATE ENVIRONMENT AT MATURITY OR REPRICING DATE
- Wtd Avg DSC Assumptions for Maturing Loans: Current market interest rate + spread of 3.00%, fully drawn commercial real estate lines of credit, 25-year amortization
- Wtd Avg DSC Assumptions for Repricing Loans: Current market interest rate + contractual spread, fully drawn commercial real estate lines of credit, remaining amortization on each loan

Maturing Loan Commitments > $1.0MM

	# of loans	Commitment	Outstanding Balance	Wtd. Avg. Rate	Wtd. Avg. DSC
2024	13	$37.9MM	$34.3MM	5.17%	1.59x
2025	27	$91.9MM	$86.7MM	4.98%	1.31x
TOTAL	**40**	**$129.8MM**	**$121.0MM**		

Repricing Loan Commitments > $1.0MM

	# of loans	Commitment	Outstanding Balance	Wtd. Avg. Rate	Wtd. Avg. DSC
2024	10	$22.3MM	$22.3MM	4.25%	1.44x
2025	18	$37.2MM	$37.2MM	4.46%	1.62x
TOTAL	**28**	**$59.5MM**	**$59.5MM**		

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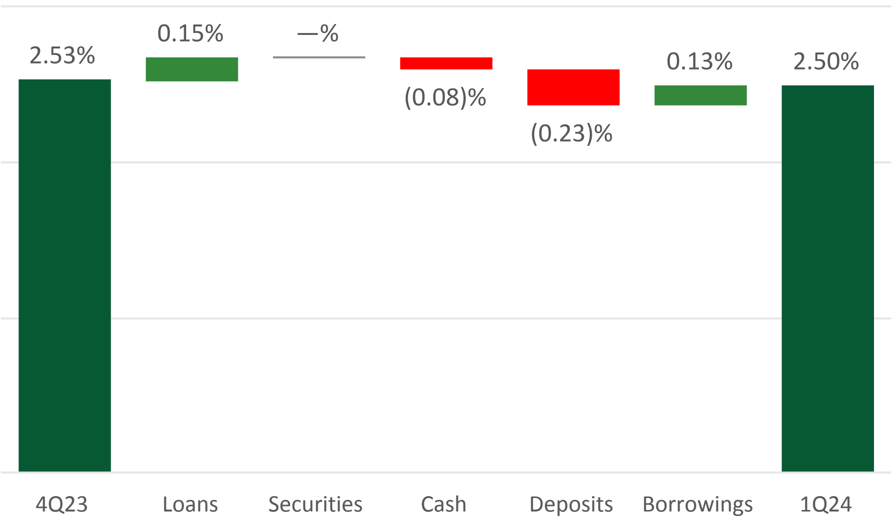
Commitments, outstanding balances and weighted average rates as of March 31, 2024

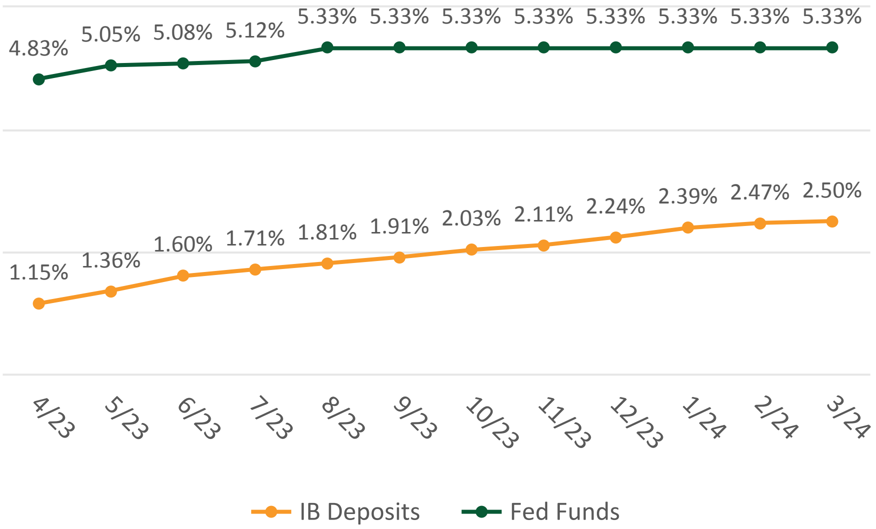
Net Interest Margin Drivers

- Linked-quarter NIM decreased 3 basis points, due primarily to higher deposit rates and reduction in average earning asset balances, partially offset by reduction in borrowings and higher rates on loans and investments
- The cost of deposits increased to 141 basis points in the month of March compared to 123 basis points for the month of December 2023
- Interest rate risk position is well balanced with increased liability sensitivity that should provide benefits in a falling rate environment
- Our practice is to use conservative modeled beta assumptions relative to actuals for both rising and falling environments, and we make adjustments as needed to reflect repricing expectations.

Net Interest Margin Linked-Quarter Change



Average Monthly Cost of IB Deposits vs. Fed Funds



Loans & Securities — Repricing & Maturity

$ in millions, unless otherwise indicated

Total Loans[1]

** at March 31, 2024*

	Repricing Term							Rate Structure			
	3 mo or less	3-12 mos	1-3 years	3-5 years	5-15 years	Over 15 years	Total	Floating Rate	Variable Rate	Variable Rate at Floor or Ceiling	Fixed Rate
C&I	$ 71.3	$ 5.3	$ 14.3	$ 29.2	$ 27.9	$ 2.9	**$ 150.9**	$ 56.2	$ 12.8	$ 7.6	$ 74.3
Real estate:											
Owner-occupied CRE	6.1	5.4	41.2	63.5	205.3	7.1	**328.6**	0.8	35.0	103.2	189.6
Non-owner occupied CRE	50.1	38.5	223.6	256.0	654.0	14.4	**1,236.6**	9.1	99.6	339.0	788.9
Construction	33.8	18.0	0.4	—	19.3	—	**71.5**	3.7	—	12.5	55.3
Home equity	86.1	—	—	—	0.7	—	**86.8**	86.1	—	—	0.7
Other residential	0.4	2.9	—	0.5	1.7	108.0	**113.5**	—	3.7	108.5	1.3
Installment & other consumer	0.5	1.1	8.8	3.2	53.4	0.1	**67.1**	0.1	7.5	8.1	51.4
Total	**$ 248.3**	**$ 71.2**	**$ 288.3**	**$ 352.4**	**$ 962.3**	**$ 132.5**	**$2,055.0**	**$156.0**	**$158.6**	**$578.9**	**$1,161.5**
% of Total	***12 %***	***4 %***	***14 %***	***17 %***	***47 %***	***6 %***	***100 %***	***8 %***	***8 %***	***28 %***	***56 %***
Weighted Average Rate	***7.83 %***	***5.84 %***	***4.57 %***	***5.10 %***	***4.21 %***	***3.90 %***	***4.89 %***				

[1] Amounts represent amortized cost. Based on maturity date for fixed rate loans and variable rate loans at their floors and ceilings and next repricing date for all other variable rate loans. Does not included prepayment assumptions.

Investment Securities[2]

** at March 31, 2024*

	Maturity & Projected Cash Flow Distribution						
	3 mo or less	3-12 mos	1-3 years	3-5 years	5-10 years	Over 10 years	Total
Principal (par) & interest	$ 33.3	$ 122.5	$ 375.1	$ 310.1	$ 598.3	$ 311.7	**$ 1,751.0**
% of Total	2 %	7 %	21 %	18 %	34 %	18 %	**100 %**

[2] Includes both available-for-sale and held-to-maturity investment securities with prepayment assumptions applied.

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Appendix

Reconciliation of GAAP to Non-GAAP Financial Measures

(in thousands, unaudited)			March 31, 2024
Tangible Common Equity - Bancorp			
Total stockholders' equity		$	436,680
Goodwill and core deposit intangible			(76,269)
Total TCE	a		360,411
Unrealized losses on HTM securities, net of tax			(83,931)
TCE, net of unrealized losses on HTM securities (non-GAAP)	b	$	276,480
Total assets		$	3,767,176
Goodwill and core deposit intangible			(76,269)
Total tangible assets	c		3,690,907
Unrealized losses on HTM securities, net of tax			(83,931)
Total tangible assets, net of unrealized losses on HTM securities (non-GAAP)	d	$	3,606,976
Bancorp TCE ratio	a / c		9.8 %
Bancorp TCE ratio, net of unrealized losses on HTM securities (non-GAAP)	b / d		7.7 %

For further discussion about this non-GAAP financial measure, refer to our Form 8-K under Item 9 - Financial Statements and Exhibit 99.1 filed with the SEC on January 29, 2024.

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