



Delivering value through strategic and disciplined growth

D.A. Davidson Western Bank Summit

August 16-17, 2022



Bank of Marin Bancorp

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. A number of factors, many of which are beyond management's control, could cause future results to vary materially from current management expectations. 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 Russia's military action in Ukraine, 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; 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 section of our December 31, 2021 Form 10-K 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. We do not undertake to update forward-looking statements to reflect circumstances or events that occur after the date the forward-looking statements are made or to reflect the occurrence of unanticipated events.

GAAP to Non-GAAP Financial Measures

This presentation includes some non-GAAP financial measures as shown on page 12 of this presentation. Please refer to the reconciliation of GAAP to Non-GAAP financial measures included on page 6 of our Form 8-K Earnings Release filed with the SEC on July 25, 2022.

Bank of Marin Bancorp

Headquarters	Novato, California Marin County, North of San Francisco
Employees, <i>full-time equivalent</i>	290
Assets	\$4.3 billion
Market Capitalization	\$508.8 million
Ticker	BMRC (Nasdaq Capital Markets)
Founded 1989	First branch opened in 1990

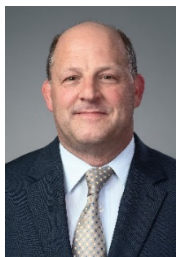
(As of June 30, 2022)

Recent awards:



**Piper Sandler
Sm-All Stars:
Class of 2020**

Over 265 Years of Combined Management Experience Through Various Economic Cycles



Tim Myers

President & Chief Executive Officer

- 26 years in finance and banking
- 15 years with Bank of Marin



Brandi Campbell

EVP, Retail Banking

- 31 years in banking
- Joined Bank of Marin in 2019



Tani Girton

EVP, Chief Financial Officer

- 36 years in financial services
- 8 years with Bank of Marin



Bob Gotelli

EVP, Human Resources

- 27 years of human resources experience
- 21 years with Bank of Marin



Rich Lewis

EVP, Chief Information Officer

- 25 years in financial services
- Joined Bank of Marin in 2020



Nikki Sloan

EVP, Commercial Banking

- 27 years in banking
- Joined Bank of Marin in 2021



Misako Stewart

EVP, Chief Credit Officer

- 30 years in banking
- 8 years with Bank of Marin



Nancy Rinaldi Boatright

SVP, Corporate Secretary

- 50 years in banking
- 19 years with Bank of Marin



Andrea Henderson

SVP, Director of Marketing

- 14 years of marketing experience
- Joined Bank of Marin in 2018

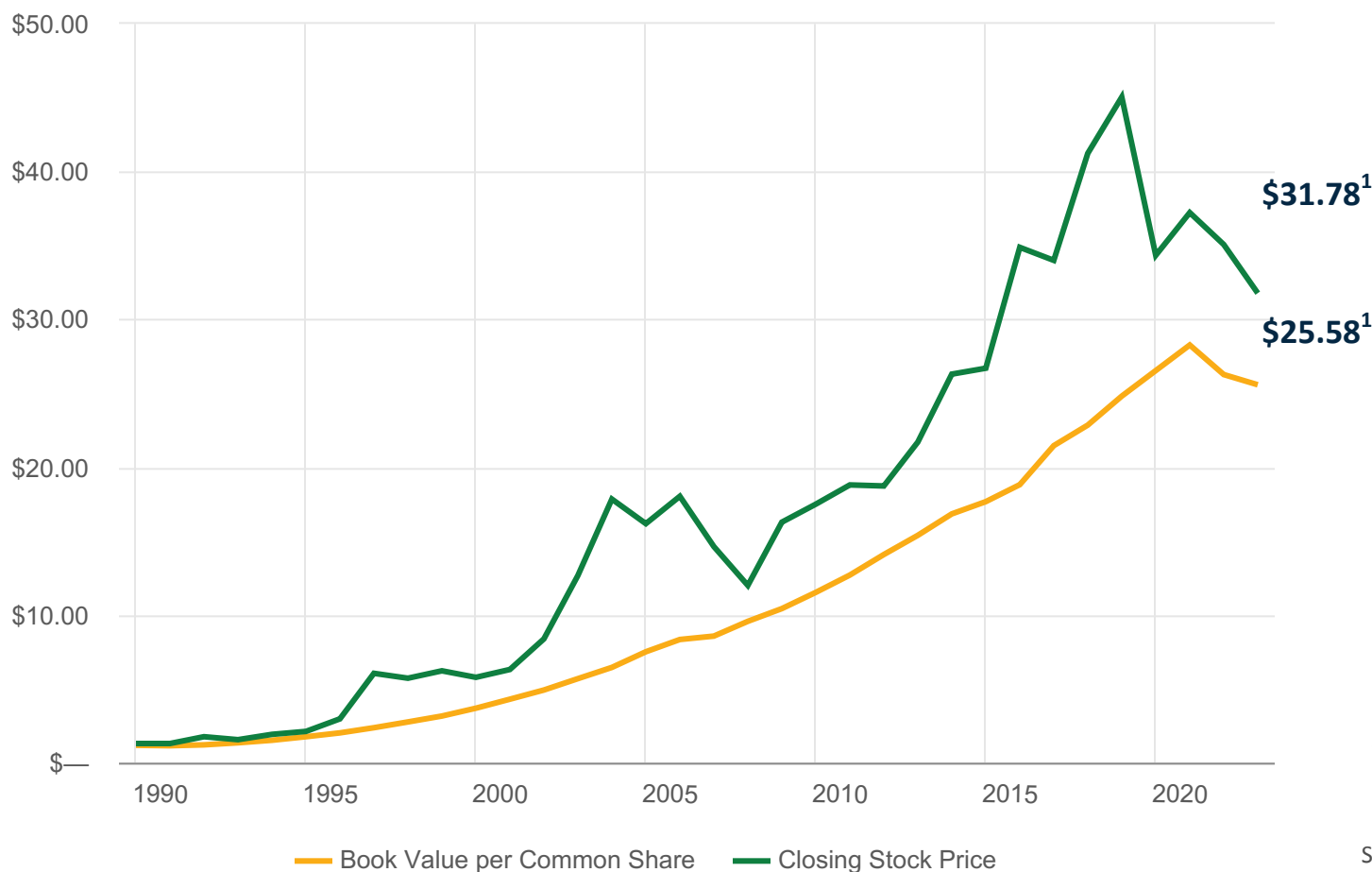
Delivering a relationship and community focused banking model on a regional scale

- 31 retail branches and 8 commercial banking offices located across 10 counties.
- Sound underwriting produces a high-quality loan portfolio with low credit costs and stable earnings.
- Strong deposit base with low-cost funding source for lending activity.



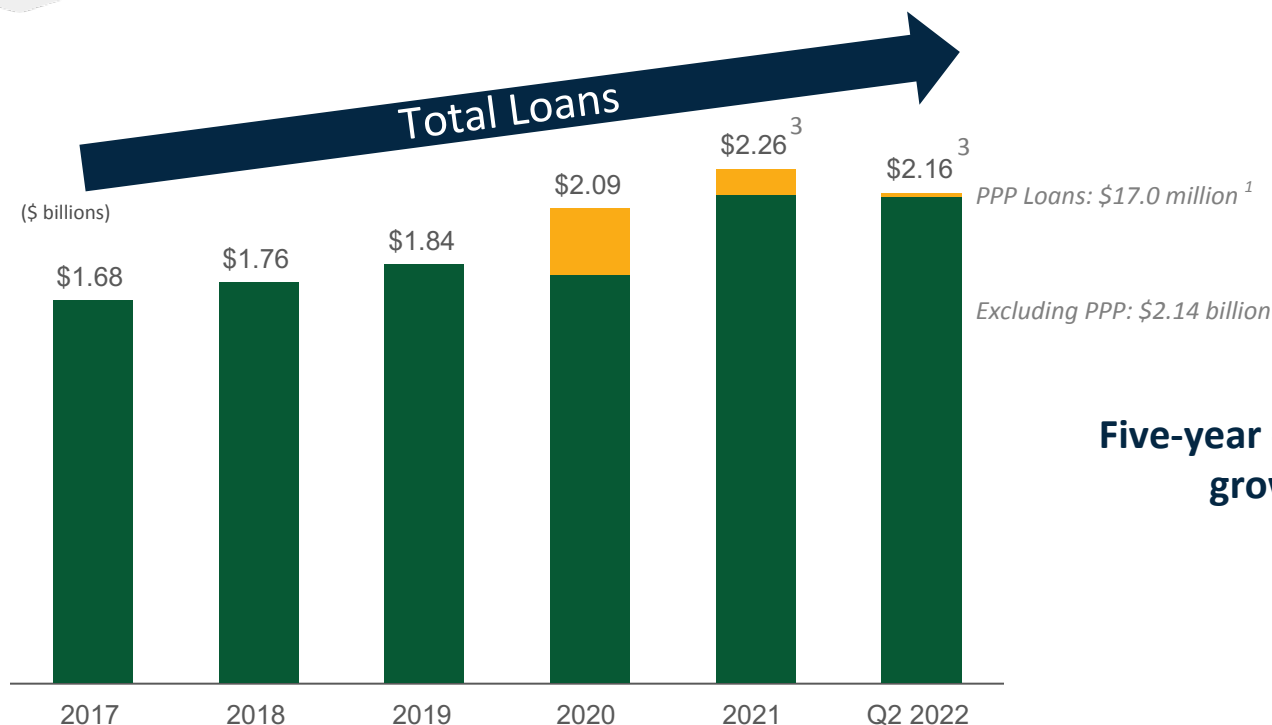
Balanced Approach to Growth Creates Long-Term Value

Total annual shareholder return averages 8.90% over 20 years¹



Share and per share data have been adjusted to reflect the two-for-one stock split effective in 2018.

Prudent, Sustainable Model for Loan Growth



Five-year compound annual loan growth rate: 7.72%²

¹ Net of \$420 thousand in unrecognized PPP loan fees and costs.

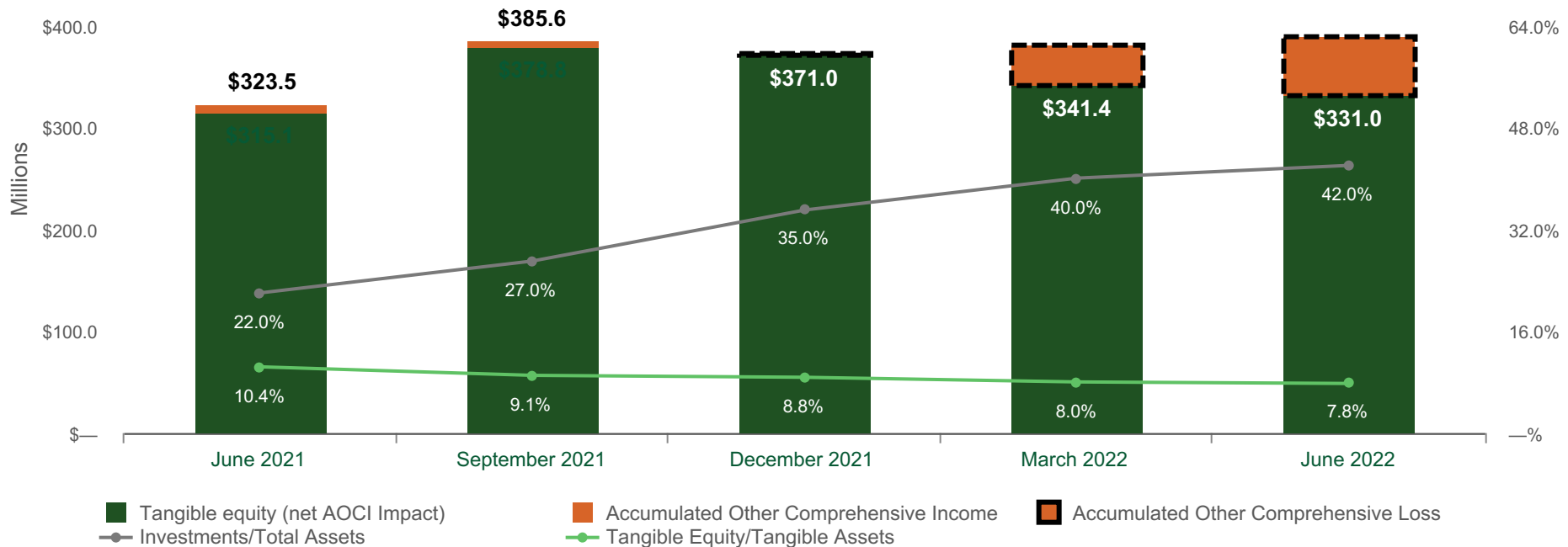
² Compounded annual growth rate from June 30, 2017 to June 30, 2022.

³ Includes ARB loan base acquired in Q3 2021.

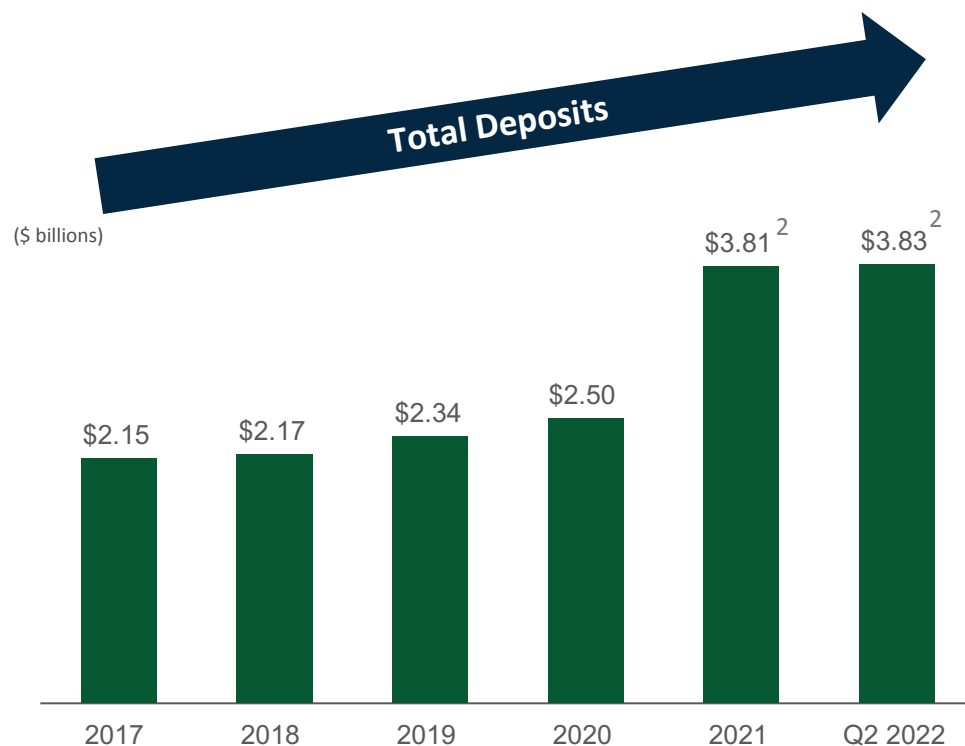
	2017	2018	2019	2020	2021	Q2 2022
NPAs / Total Assets	0.02 %	0.03 %	0.01 %	0.32 %	0.21 %	0.20 %
NCO / Average Loans	0.01 %	— %	— %	— %	— %	— %

Disciplined Underwriting Standards Mitigate Risk and Produce Strong Asset Quality Through Economic Cycles

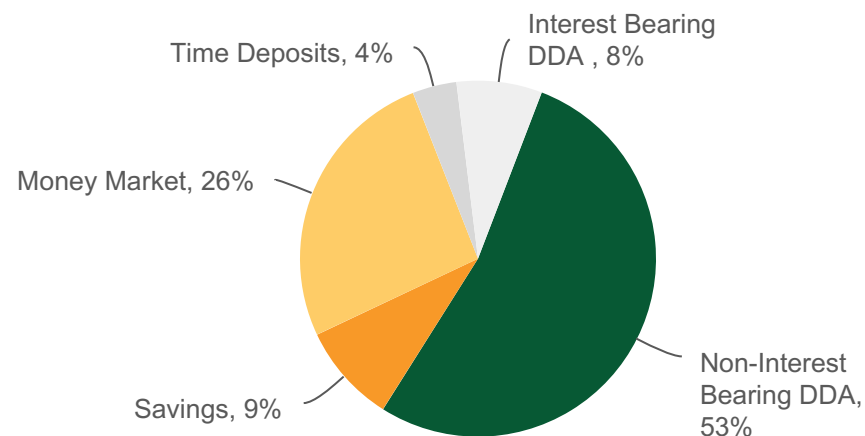
Investment Securities, AOCI and Tangible Equity



Low-Cost Deposit Base: A Key Competitive Advantage



Q2 2022 Cost of Deposits 0.06%

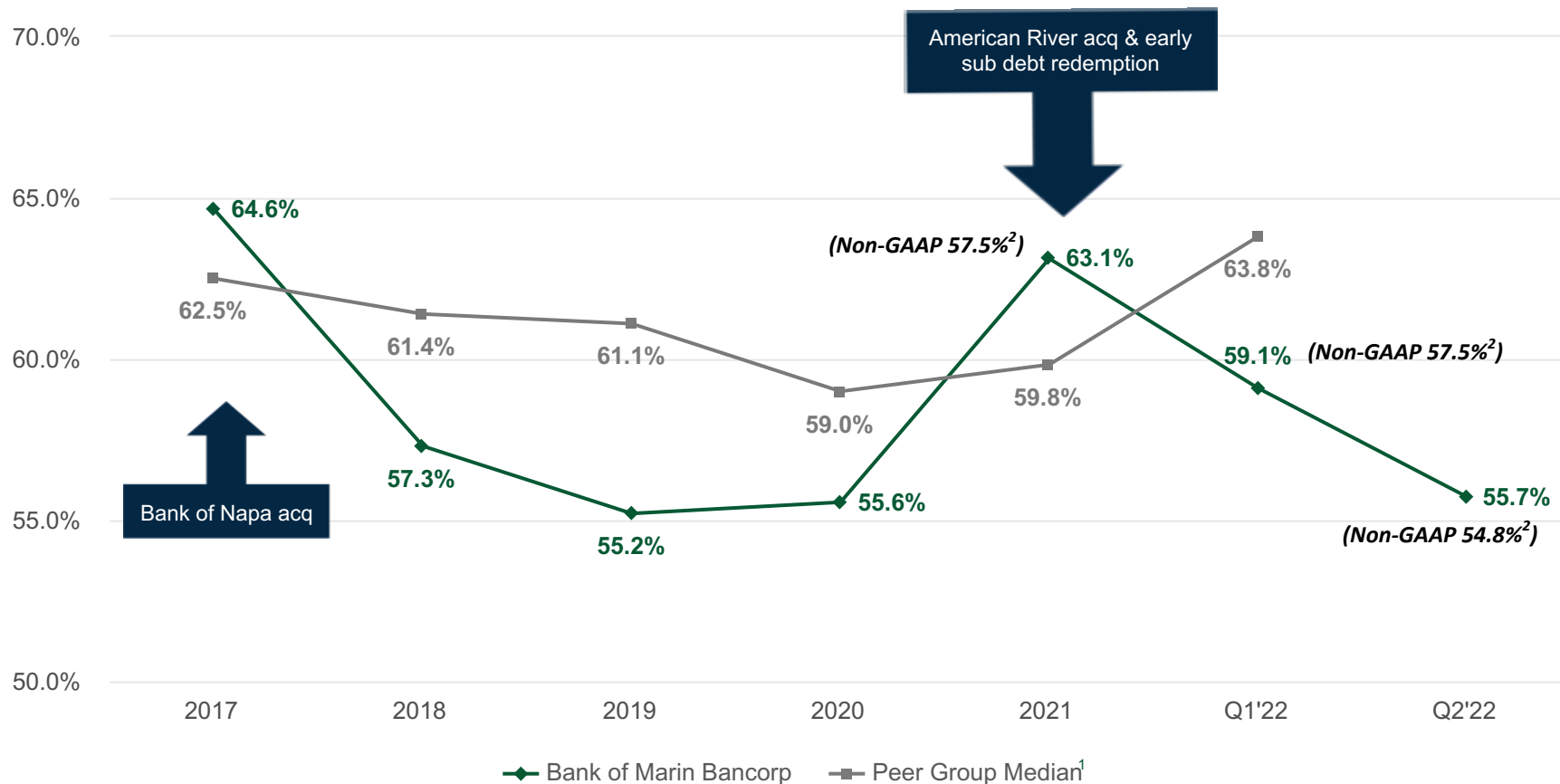


Five-year compound annual deposit growth rate: 15.78%¹

¹ Compounded annual growth rate from June 30, 2017 to June 30, 2022.

² Includes ARB deposit base acquired in Q3 2021.

Low Efficiency Ratio Demonstrates Disciplined Expense Control



¹ Peer group includes major exchange-traded Western region banks with assets of \$1 billion to \$6.5 billion. Latest available peer data as of Q1 2022.

² Non-GAAP adjusted for merger-related expenses. Refer to page 12 for a reconciliation of GAAP to non-GAAP financial measures.

2022 & 2021 Results

(Adjusted for one-time acquisition-related costs)

Performance Measures	Q2'22	Q1'22	△ Q2'22 vs Q1'22	YTD 6.30.22	YTD 6.30.21	△ YTD 2022 vs YTD 2021
Earnings ¹	\$11.3MM	\$10.9MM	\$0.4MM	\$22.1MM	\$18.4MM	\$3.7MM
Diluted EPS ¹	\$0.71	\$0.68	\$0.03	\$1.39	\$1.38	\$0.01
Loan Originations ²	\$102.2MM	\$49.8MM	\$52.4MM	\$152.0MM	\$69.1MM	\$82.9MM
Cost of Deposits	0.06 %	0.06 %	0 bps	0.06 %	0.07 %	1 bps
Tax Equivalent NIM	3.05 %	2.96 %	9 bps	3.01 %	3.28 %	27 bps ³
Efficiency Ratio ¹	54.81 %	57.46 %	265 bps	56.11 %	61.00 %	489 bps
Return on Assets ¹	1.05 %	1.01 %	4 bps	1.03 %	1.22 %	19 bps
Return on Equity ¹	10.95 %	9.96 %	99 bps	10.44 %	10.58 %	14 bps
Dividend	\$0.24	\$0.24	\$0.00	\$0.48	\$0.46	\$0.02

¹ 2022 and 2021 results are non-GAAP adjusted for merger-related expenses. Refer to page 12 for a reconciliation of GAAP to non-GAAP financial measures.

² Excludes SBA PPP loans.

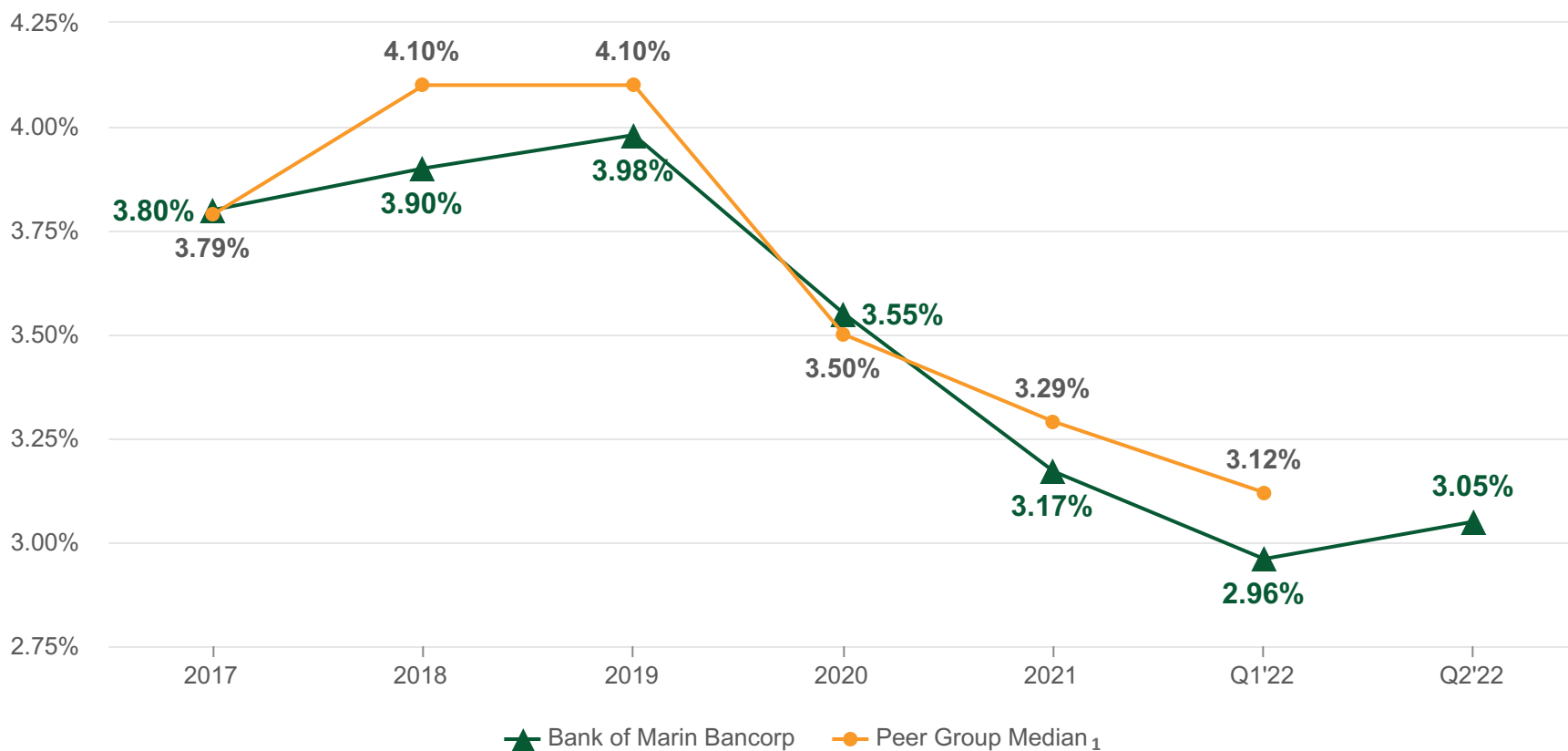
³ Decrease primarily due to a higher proportion of earning assets allocated to investment securities in 2022 as a result of ARB's lower loan-to-deposit ratio and non-merger-related deposit growth.

Reconciliation of GAAP to Non-GAAP Financial Measures

(in thousand, unaudited)

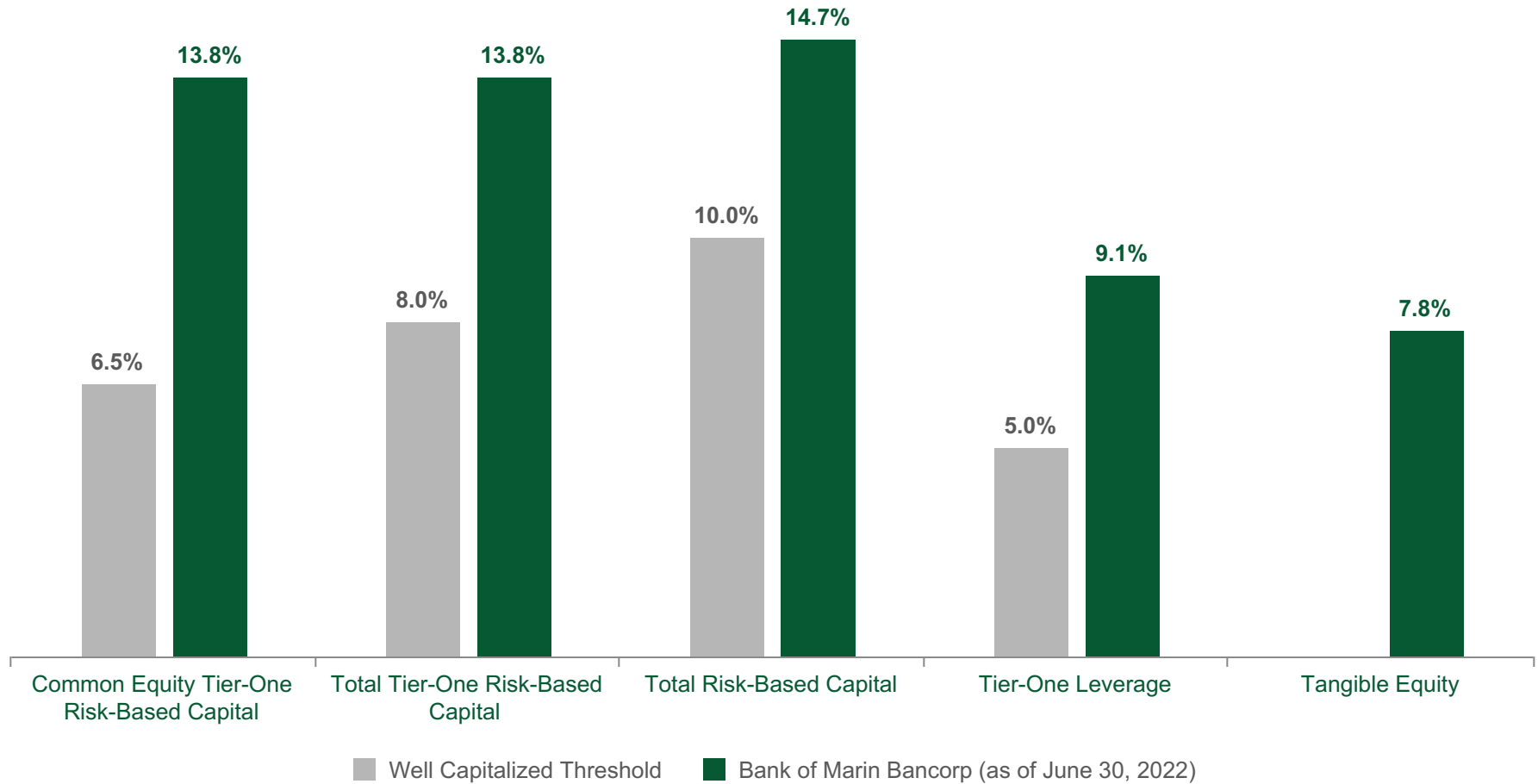
	Three months ended		Six months ended		Year ended
	June 30, 2022	March 31, 2022	June 30, 2022	June 30, 2021	December 31, 2021
Net income					
Net income (GAAP)	\$ 11,066	\$ 10,465	\$ 21,531	\$ 18,232	\$ 33,228
Merger-related one-time and conversion costs	311	547	858	217	6,458
Income tax benefit of merger-related expenses	(92)	(162)	(254)	(17)	(1,547)
Total merger-related one-time and conversion costs, net of tax benefits	219	385	604	200	4,911
Comparable net income (non-GAAP)	\$ 11,285	\$ 10,850	\$ 22,135	\$ 18,432	\$ 38,139
Diluted earnings per share					
Weighted average diluted shares	15,955	15,946	15,950	13,316	14,422
Diluted earnings per share (GAAP)	\$ 0.69	\$ 0.66	\$ 1.35	\$ 1.37	\$ 2.30
Merger-related one-time and conversion costs, net of tax benefits	0.02	0.02	0.04	0.01	0.34
Comparable diluted earnings per share (non-GAAP)	\$ 0.71	\$ 0.68	\$ 1.39	\$ 1.38	\$ 2.64
Return on average assets					
Average assets	\$4,312,919	\$4,345,258	\$4,328,999	\$3,044,933	\$ 3,537,163
Return on average assets (GAAP)	1.03 %	0.98 %	1.00 %	1.21 %	0.94 %
Comparable return on average assets (non-GAAP)	1.05 %	1.01 %	1.03 %	1.22 %	1.08 %
Return on average equity					
Average stockholders' equity	\$413,271	\$441,626	\$427,370	\$351,227	\$ 394,363
Return on average equity (GAAP)	10.74 %	9.61 %	10.16 %	10.47 %	8.43 %
Comparable return on average equity (non-GAAP)	10.95 %	9.96 %	10.44 %	10.58 %	9.67 %
Efficiency ratio					
Non-interest expense (GAAP)	\$ 18,906	\$ 19,375	\$ 38,281	\$ 30,968	\$ 72,638
Merger-related expenses	(311)	(547)	(858)	(217)	(6,458)
Non-interest expense (non-GAAP)	\$ 18,595	\$ 18,828	\$ 37,423	\$ 30,751	\$ 66,180
Net interest income	\$ 31,197	\$ 29,898	\$ 61,095	\$ 46,565	\$ 104,951
Non-interest income	\$ 2,728	\$ 2,867	\$ 5,595	\$ 3,848	\$ 10,132
Efficiency ratio (GAAP)	55.73 %	59.13 %	57.40 %	61.43 %	63.12 %
Comparable efficiency ratio (non-GAAP)	54.81 %	57.46 %	56.11 %	61.00 %	57.51 %

Tax Equivalent Net Interest Margin



¹ Peer group includes major exchange-traded Western region banks with assets of \$1 billion to \$6.5 billion. Latest available peer data as of Q1 2022.

Strong Capital Ratios Support Future Growth Opportunities



Peer Comparison Financial Measures

(Adjusted for one-time acquisition-related costs)

Performance Measures (dollars in thousands)	BMRC Q1 2022	Peer Median Q1 2022	Percentile	BMRC FY 2021	Peer Median FY 2021	Percentile
Non-Interest Bearing/Total Deposits	50.78 %	37.72 %	94.2 %	50.16 %	38.36 %	93.3 %
Gross Loan Growth Rate (year-over-year) ¹	3.80 %	1.4 %	60.4 %	8.00 %	0.70 %	82.2 %
NPAs/Assets	0.20 %	0.12 %	34.8 %	0.21 %	0.14 %	40.9 %
Efficiency Ratio ²	57.46 %	63.8 %	64.7 %	57.51 %	59.83 %	68.1 %
Return on Average Assets ²	1.01 %	1.02 %	49.2 %	1.08 %	1.31 %	28.8 %
Return on Average Equity ²	9.96 %	9.16 %	57.4 %	9.67 %	12.01 %	16.5 %
Tangible Common Equity/ Tangible Assets	8.03 %	8.02 %	52.1 %	8.76 %	8.42 %	62.7 %
Annualized Net Income ² /FTE (312 and 328, respectively)	\$ 139.1	\$ 97.8	74.1 %	\$ 116.3	\$ 105.5	61.4 %

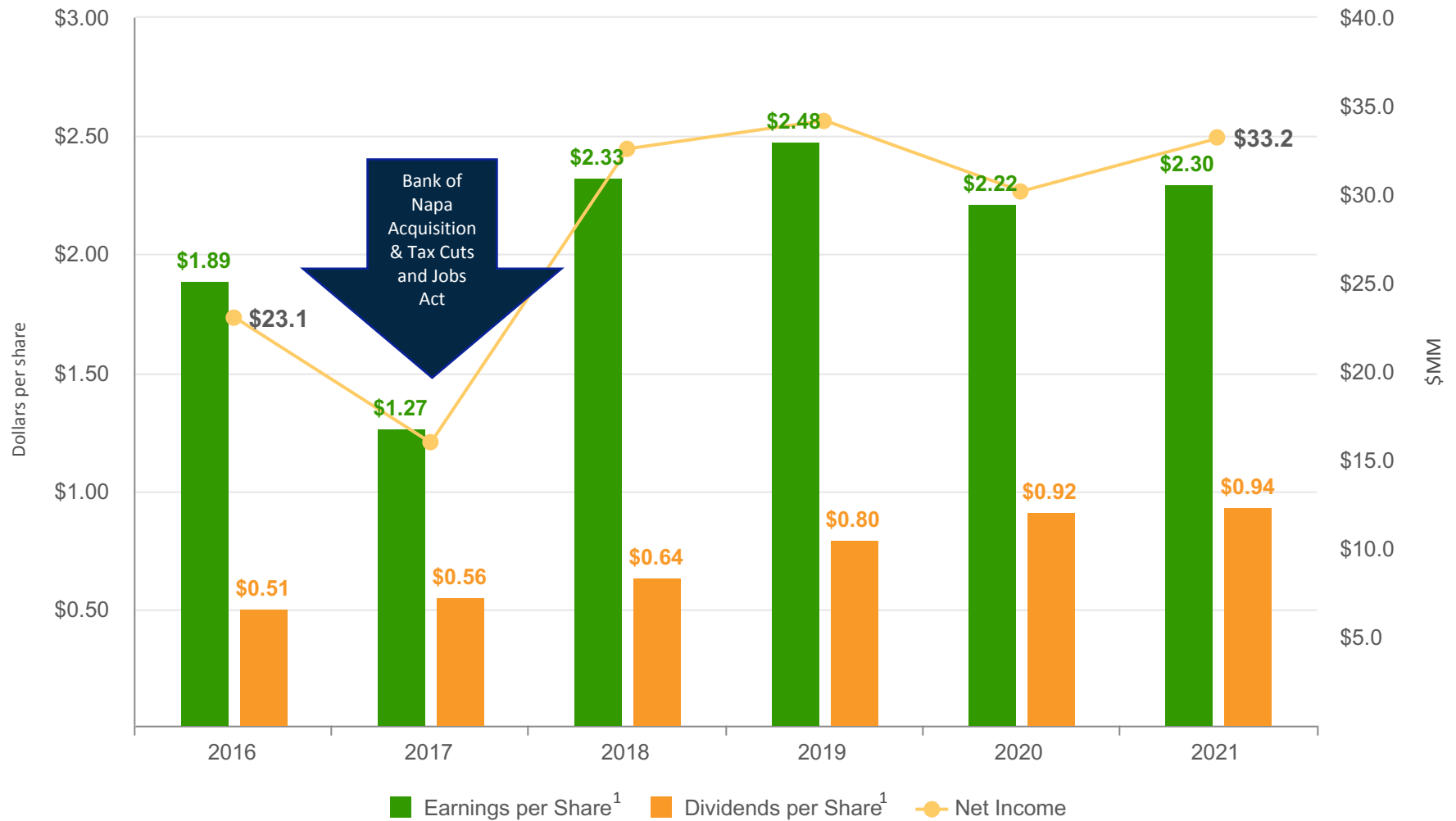
¹ Includes AMRB acquisition-related loan growth.

² Non-GAAP adjusted for merger-related expenses. Refer to page 12 for a reconciliation of GAAP to non-GAAP financial measures.

Peers are major exchange-traded U.S. Western-region banks with \$1 billion to \$6.5 billion in assets. Latest available peer data as of Q1 2022.

Source: Peer Median and Percentile obtained from S&P Global Market Intelligence as of March 31, 2022 and December 31, 2021.

Dependable Earnings and Dividend Growth



¹ Prior period share and per share data have been adjusted to reflect the two-for-one stock split effective in 2018.

AMRB Acquisition Status Update

Systems Conversion:

- In March 2022, the Bank successfully migrated legacy ARB clients and employees onto Bank of Marin systems.

Financial Performance:

- EPS accretion has already exceeded modeled estimates.
- One-time costs were lower than original estimates.
- Expense savings are on track with original 35% estimate and have more to be realized.

Business Development:

- Key strategic hires in place to enhance existing regional teams and expertise.
- Market-specific business plan under development to achieve growth targets.

Driving strategic and disciplined growth

Drive **LOAN GROWTH**

Grow **NON-INTEREST INCOME** and diversify **REVENUE STREAMS**

Scale through **EFFICIENCY GAINS** and **ACQUISITIONS**

Invest in **TALENT** and **TECHNOLOGY**

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