



**Bank of Marin Bancorp**

**Raymond James Small-Cap  
Bank Investor Day**

**December 3, 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, 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. These and other important factors detailed in various securities law filings made periodically by Bancorp, 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 October 28, 2024.



**Bank of Marin Bancorp**

## Franchise Highlights



SECTION

01

# Bank of Marin Bancorp



## BMRC AT A GLANCE

<b>BMRC</b> <small>NASDAQ</small>	<b>Novato, CA</b> <small>Headquarters</small>
<b>\$3.8 Billion</b> <small>Total Assets</small>	<b>\$323.1 Million</b> <small>Market Cap</small>
<b>16.40%</b> <small>Total RBC</small>	<b>4.98%</b> <small>Dividend Yield</small>

*Data as of 9/30/24*



### Relationship Banking

Build strong, long-term customer relationships based on trust, integrity and expertise, inspiring loyalty through 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.

## 231 Years of Combined Experience Through Various Economic Cycles



### Tim Myers

*President and Chief Executive Officer*

- 27 years of finance and banking experience
- Joined Bank of Marin in 2007



### Sathis Arasadi

*EVP, Chief Information Officer*

- 32 years of engineering, technology, and fintech experience
- Joined Bank of Marin in 2023



### David Bloom

*EVP, Head of Commercial Banking*

- 30 years of commercial banking experience
- Joined Bank of Marin in 2023



### Brandi Campbell

*EVP, Head of Retail Banking*

- 37 years of banking experience
- Joined Bank of Marin in 2019



### Tani Girton

*EVP, Chief Financial Officer*

- 40 years of financial services experience
- Joined Bank of Marin in 2013



### Bob Gotelli

*EVP, Human Resources Director*

- 31 years of human resources experience
- Joined Bank of Marin in 2000



### Misako Stewart

*EVP, Chief Credit Officer*

- 34 years of banking experience
- Joined Bank of Marin in 2013

## Long-Term Strategic Priorities

A strategic and disciplined approach to delivering long-term value



## Third Quarter 2024 Highlights



### Activities

- Originated \$28.2 million of new loans
- Acquired \$35.7 million residential real estate loan pool, as previously announced
- Began selected deposit rate reductions mid-August, reducing spot rate on non-deposit-network, interest-bearing deposits 18 bps while balances went up approximately \$10.4 million by September 30<sup>th</sup>
- Purchased \$114.5 million available-for-sale securities with proceeds from Q2 balance sheet repositioning and saw \$7.9 million improvement in unrealized losses on available-for-sale securities



### Capital

- Bancorp total risk-based capital remained strong at 16.4%
- Bancorp TCE / TA of 9.7%, 8.2% when adjusted for HTM securities<sup>1</sup>



### Key Operating Trends

- Tax-equivalent net interest margin increased to 2.70% from 2.52%, reflecting higher average earning asset yields from Q2 balance sheet restructuring
- Tax-equivalent yield on interest-earning assets of 4.04%, up 20 bps
- Total cost of deposits stable at 1.46% (interest-bearing 2.63%) for Q3 and trending down at 1.43% (interest-bearing 2.59%) for the month of September
- Book value per share increased to \$27.17 and tangible book value per share<sup>1</sup> similarly increased to \$22.46 largely due to stock repurchase of 220 thousand shares and improvement in unrealized losses on available-for-sale securities



### Deposits and Liquidity

- Total deposits increased 3.0%
- Non-interest bearing deposits increased by \$55.7 million and remained a strong 44.5% of total deposits
- Uninsured deposits estimated to represent 28% of total deposits
- Immediately available net funding \$1.9 billion representing 208% coverage of estimated uninsured deposits



### Credit Quality

- No provision for credit losses
- Non-accrual loans of 1.91% (from 1.62% last quarter) of total loans, due largely to one relationship totaling \$8.1 million moved to non-accrual status in Q3 due to ongoing renewal negotiations, no actual loss anticipated
- Non-accrual loan payoff of \$1.8 million including all accrued interest and fees
- Classified loans stable with minimal migration and down to 2.51% (from 2.63% last quarter) of total loans due to payoff above
- Subsequent to quarter end, we received a \$4.7 million paydown on an unsecured, non-accrual loan, reducing the relationship balance by 53%.

# Focused on Building Long-Term Shareholder Value



## Strong Core Deposit Franchise

Largest community bank in Marin County with 12.0% market share<sup>1</sup>  
45% non-interest bearing deposits with a 1.46% cost of deposits in 3Q24

## Robust Capital Levels & Liquidity

Regulatory capital ratios remain comfortably above “well-capitalized” thresholds  
\$1.9 billion in available liquidity

## Improving Margin Outlook

Improving asset yield due to:

- weighted average rates on loan originations exceed payoff rates
- Redeployment of \$293 million security sales proceeds in higher yielding loans, securities, and cash
- deceleration in funding costs continue in Q3

## Prudent Loan Growth

Markets with proven track record of organic growth  
Key opportunistic relationship banking talent acquisitions due to market dislocation  
63% loan-to-deposit ratio provides runway for additional growth

## Seasoned Risk Management

Classified loans remain stable  
Low NOO CRE office exposure in the City of San Francisco at 3% of total loans (5% of total NOO-CRE) and a weighted average 65% LTV



<sup>1</sup>Source: S&P Global Market Intelligence - FDIC deposit market share data as of June 30, 2024

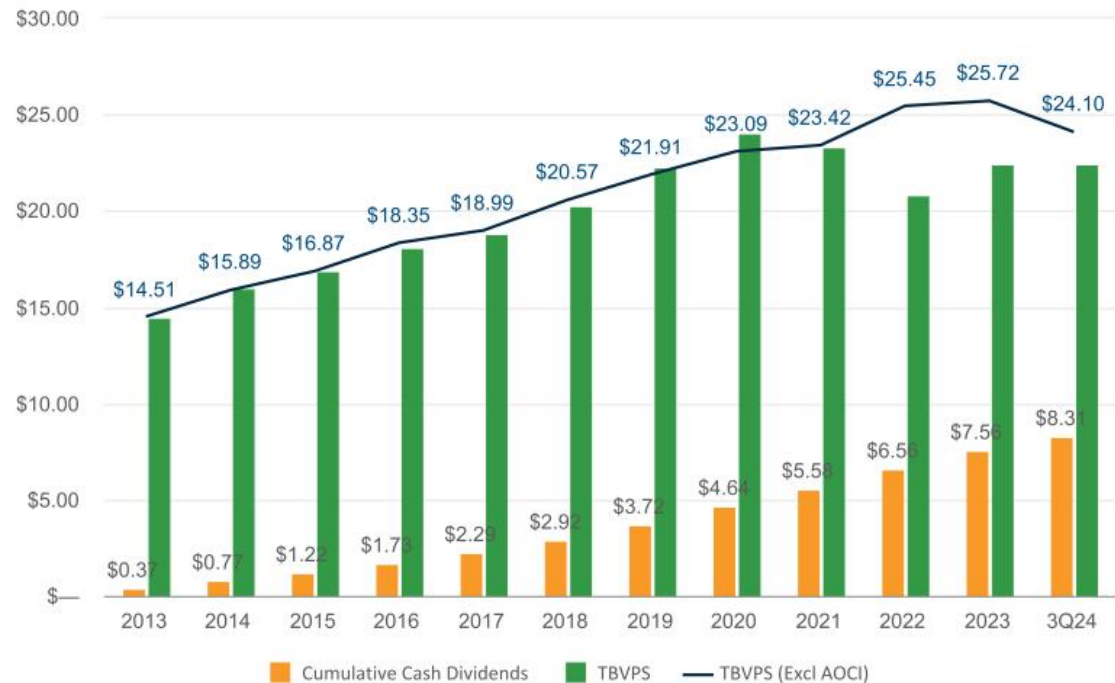


## Focused on delivering Long-Term, Consistent Growth

- Proven ability to grow both organically and through M&A
- Consistent cash dividend provides stable and reliable return for shareholders



Tangible Book Value Per Share and Cumulative Cash Dividends



Note: Tangible book value per share (TBVPS) equals total shareholders' equity, less intangible assets including goodwill and core deposit intangibles, divided by outstanding common shares at period end. Accumulated other comprehensive income (AOCI) represents the unrealized gains (losses) on available-for-sale securities, net of tax. Components of these calculations were derived from our financial reports filed with the SEC for each respective period. Additional information for Q3 2024 can be found in the Reconciliation of Non-GAAP Financial Measures in the Appendix.

# Robust Capital Ratios

As of 9/30/24

- We maintained high capital levels and are in a position of strength
- Total risk-based capital of 16.4%
- Tangible common equity ratio of 9.7%
- Stock repurchases of 220,000 shares totaling \$4.2 million in 3Q24



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



**Bank of Marin Bancorp**

## Balance Sheet Highlights



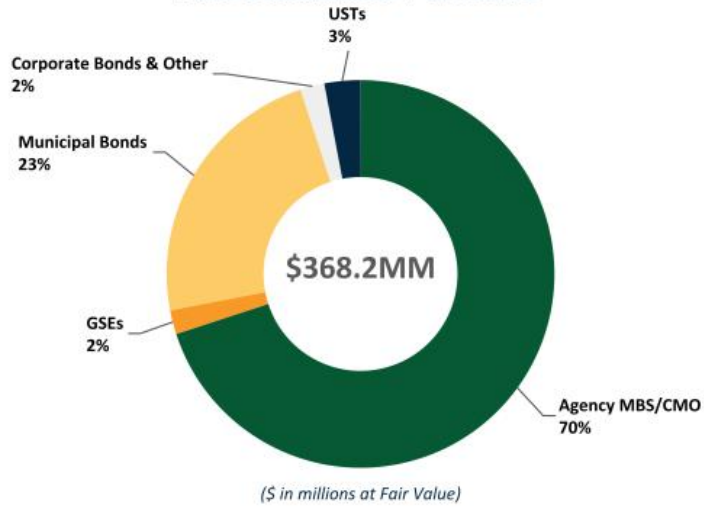
SECTION

02

# High-Quality Securities Portfolio Generates Cash Flow

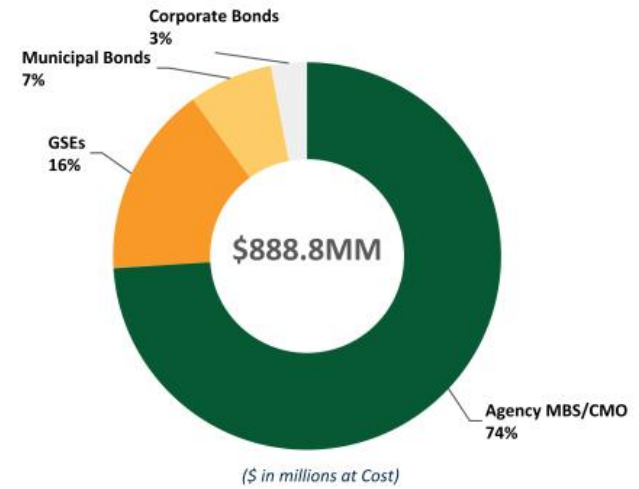
Data as of 9/30/24

## AFS Securities Portfolio



Average Yield<sup>1</sup> — 3.29%  
 Approx. Effective Duration — 3.58  
 Unrealized Losses (after tax) — \$17.5 million  
 TCE Bancorp — 9.7%

## HTM Securities Portfolio



Average Yield — 2.45%  
 Approx. Effective Duration — 5.35  
 Unrealized Losses (after tax) — \$70.8 million  
 TCE Bancorp w/ HTM — 8.2%<sup>2</sup>

<sup>1</sup> Taxable equivalent

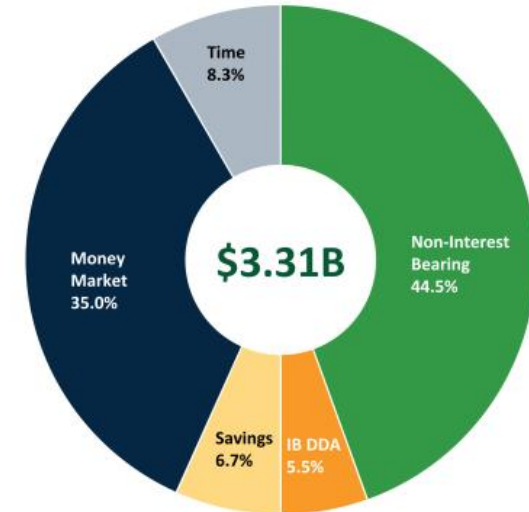
<sup>2</sup> See Reconciliation of Non-GAAP Financial Measures in the Appendix

## Strong Deposit Franchise

- Deposit mix continues to favor a high percentage of non-interest bearing deposits
- Total cost of deposits was 1.46% (interest-bearing 2.63%) for Q3 and 1.43% (interest-bearing 2.59%) for the month of September
- Bank began targeted deposit rate reductions mid-August with insignificant attrition
- Our time deposits are not derived from brokered CD markets or advertised CD specials



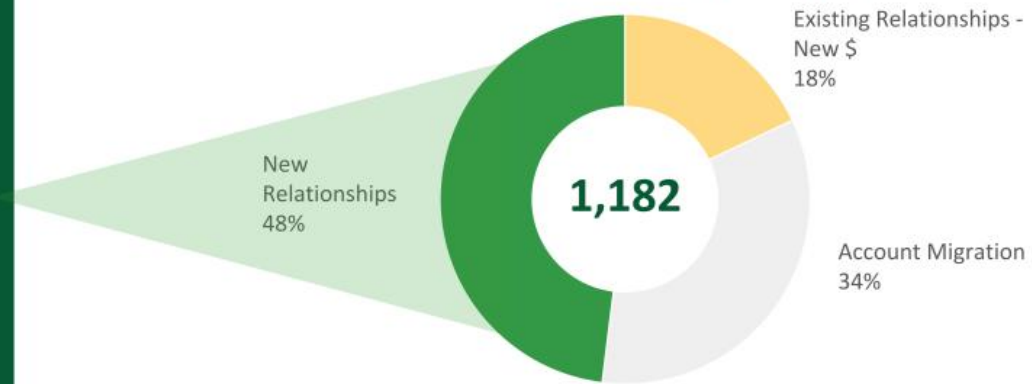
## Total Deposit Mix at 3Q24



## Granular Deposit Account Composition

- 48% of new accounts consisted of new relationships to the Bank
- 59% of new accounts were non-interest bearing by count
- 71% of new accounts were interest-bearing in dollars at a weighted average rate of 2.76%
- Reciprocal deposit network program (expanded FDIC insurance products) utilization increased notionally by \$30.9 million

### New Accounts Mix (by count) 3Q24



### Deposit Accounts Mix - Consumer vs Business 3Q24

(in thousands; except for # of Accounts)	Interest Bearing	Non-Interest	Total
<b>Consumer</b>			
Account Balances	\$ 971,581	\$ 334,178	\$ 1,305,759
# of Accounts	15,363	17,544	32,907
Avg Balance Per Account	\$ 63	\$ 19	\$ 40
<b>Business</b>			
Account Balances	\$ 863,552	\$ 1,133,147	\$ 1,996,699
# of Accounts	3,764	11,465	15,229
Avg Balance Per Account	\$ 229	\$ 99	\$ 131

\*Excludes internal operating accounts such as holding company cash and deposit settlement accounts totaling \$6.8 million

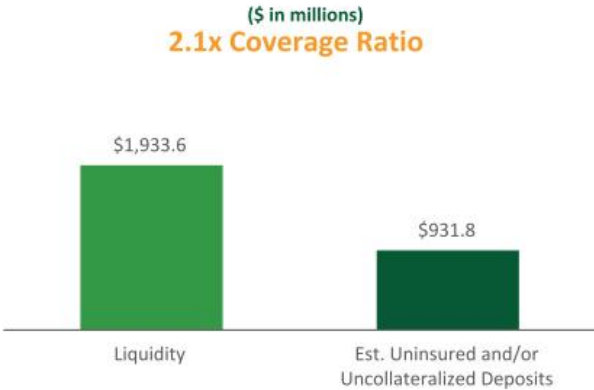
# Strong Liquidity: \$1.9 Billion in Net Availability

- Immediately available contingent funding represented 208% of September 30, 2024 estimated uninsured and/or uncollateralized 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

At September 30, 2024				
(\$ in millions)				
	Total Available	Amount Used	Net Availability	
<b>Internal Sources</b>				
Unrestricted Cash <sup>1</sup>	\$ 204.9	N/A	\$ 204.9	
Unencumbered Securities	302.3	N/A	302.3	
<b>External Sources</b>				
FHLB line of credit	923.6	—	923.6	
FRB line of credit	377.8	—	377.8	
Lines of credit at correspondent banks	125.0	—	125.0	
<b>Total Liquidity</b>	<b>\$ 1,933.6</b>	<b>\$ —</b>	<b>\$ 1,933.6</b>	

<sup>1</sup> 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



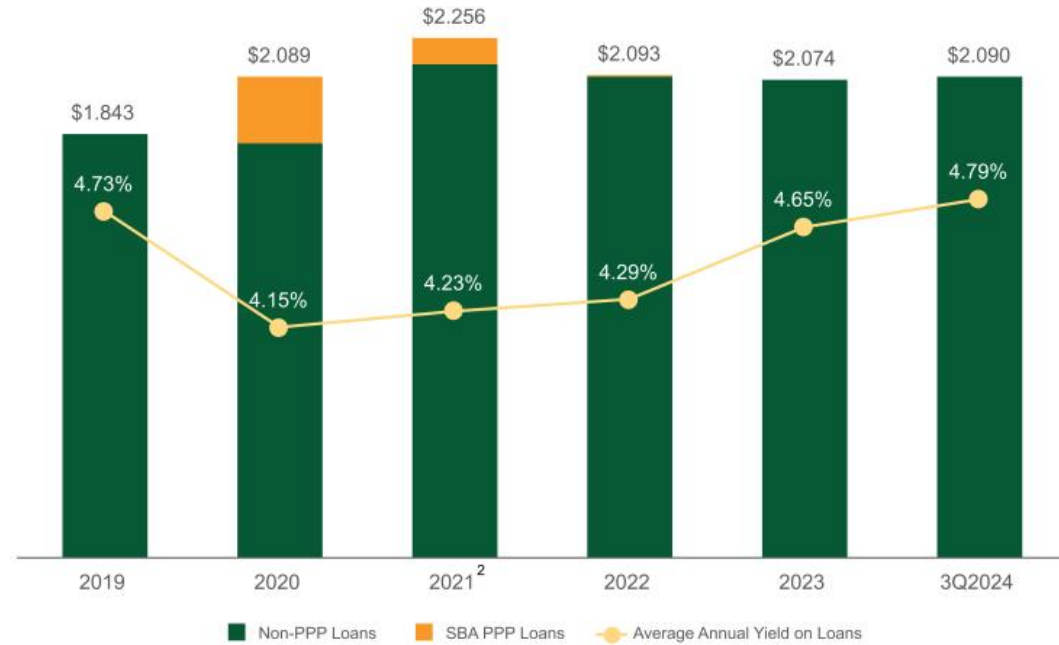
## Prudent, Sustainable Model for Loan Growth

- Loan originations were at yields higher than those on paid off loans
- Notable pipeline growth and diversification from key hires, 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



Five-year compound annual loan growth rate: 3.4%<sup>1</sup>

Total Loans (\$ in billions)



<sup>1</sup> Compounded annual growth rate from September 30, 2019 to September 30, 2024

<sup>2</sup> Includes American River Bank loans acquired in 3Q21

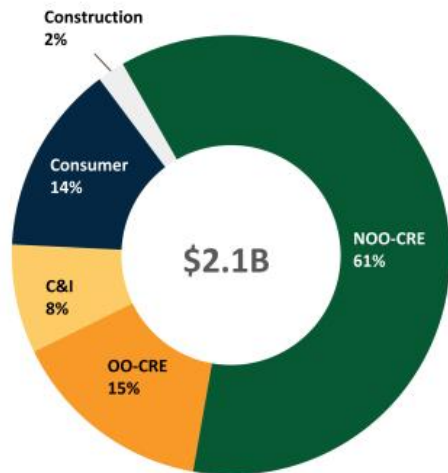


# Well-diversified Loan Portfolio

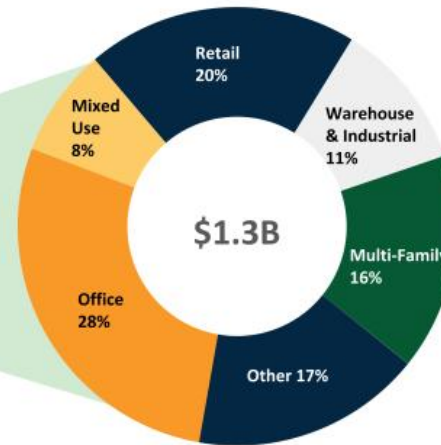
As of 9/30/24 - No material changes from 2Q24

- Loan portfolio is well-diversified across borrowers, industries, loan and property types within our geographic footprint
- 86% of all loans and 93% of loans excluding nonprofit organizations are guaranteed by owners of the borrowing entities
- Non-owner occupied commercial real estate is well-diversified by property type with 88% of loans (90% of loans excluding nonprofit organizations) being guaranteed by owners of the borrowing entities
- 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

**3Q24 Total Loans**



**3Q24 Total NOO-CRE Loans**



## 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	4	\$10.6MM	\$10.6MM	4.32%	2.91x
2025	26	\$84.5MM	\$79.3MM	5.01%	1.44x
<b>TOTAL</b>	<b>30</b>	<b>\$106.3MM</b>	<b>\$99.1MM</b>		

Repricing Loan Commitments > \$1.0MM					
	# of loans	Commitment	Outstanding Balance	Wtd. Avg. Rate	Wtd. Avg. DSC
2024	4	\$12.8MM	\$12.8MM	4.43%	1.35x
2025	17	\$34.5MM	\$34.5MM	4.47%	1.58x
<b>TOTAL</b>	<b>21</b>	<b>\$54.0MM</b>	<b>\$54.0MM</b>		

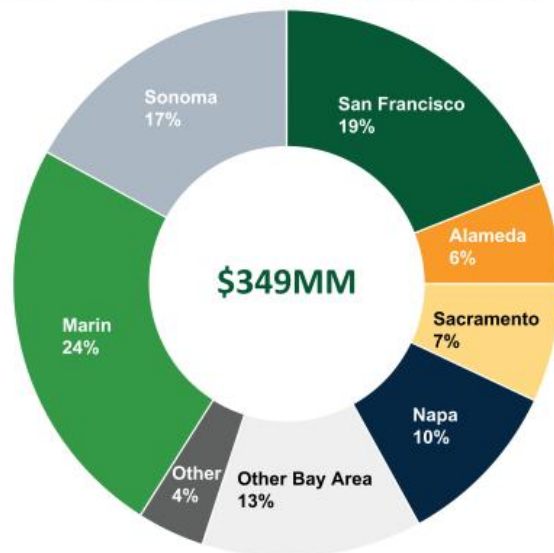
\*Commitments, outstanding balances and weighted average rates as of 9/30/24

# Non-owner Occupied Office Exposure

As of 9/30/24 - No material changes from 2Q24

- \$349 million in credit exposure spread across our lending footprint comprised of 144 loans
- \$2.4 million average loan balance – largest loan at \$16.4 million
- 59% weighted average loan-to-value and 1.60x weighted average debt-service coverage ratio\*
- City of San Francisco NOO CRE office exposure is 3% of total loan portfolio and 5% of total NOO CRE loans

## NOO CRE Office Portfolio by County



## City of S.F. NOO CRE Office Portfolio

Total Balance:	\$62.5 million
Average Loan Bal:	\$5.2 million
Number of Loans:	12 loans
Wtd. Average LTV*:	65%
Wtd. Average DCR:	1.04x
Average Occupancy:	81%

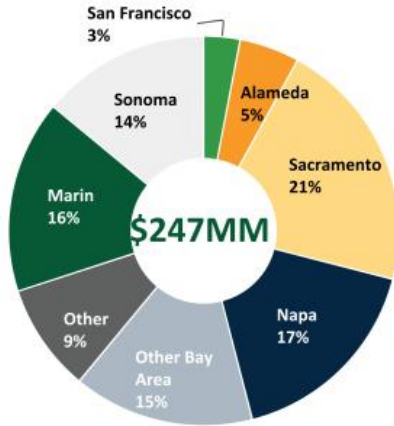
11 of the 12 loans are secured by low rise buildings and one loan is secured by a 10 story building

Note: Shortly after quarter end, one loan for \$7.2 million was reclassified to OO CRE. For the purpose of this presentation, this loan has been moved to the OO CRE category.

# NOO CRE Portfolio Diversified Across Property Type & County

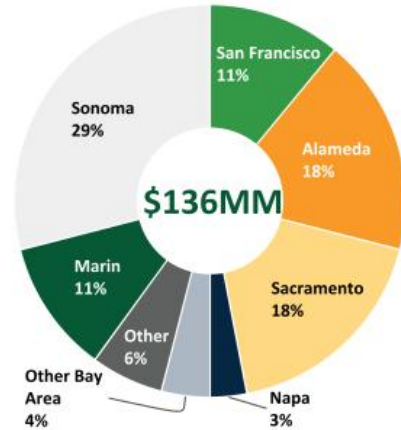
As of 9/30/24 - No material changes from 2Q24

## Retail 3Q24



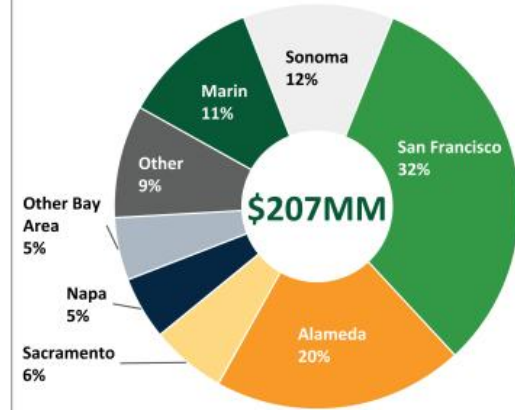
Average Balance: \$1.8MM  
 Largest Balance: \$13.8MM  
 Total # of Loans: 141  
 Wtd. Avg. LTV\*: 58%

## Warehouse & Industrial 3Q24



Average Balance: \$1.9MM  
 Largest Balance: \$14.6MM  
 Total # of Loans: 73  
 Wtd. Avg. LTV\*: 55%

## Multifamily 3Q24



Average Balance: \$1.7MM  
 Largest Balance: \$21.6MM  
 Total # of Loans: 121  
 Wtd. Avg. LTV\*: 63%

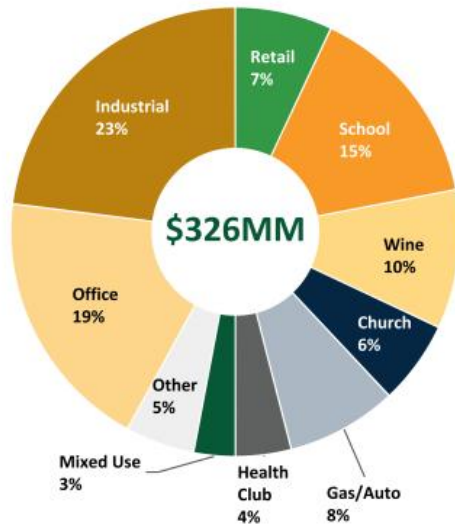


\* Calculated for loans exceeding \$1 million, based on the most recent annual review process  
 Note: Sacramento includes surrounding regional counties

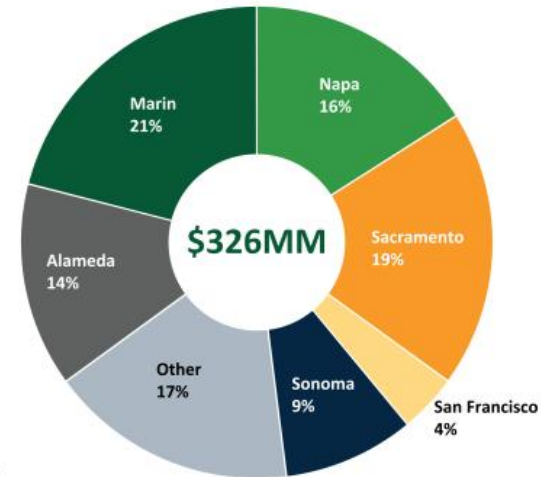
# Owner-Occupied CRE Portfolio

As of 9/30/24 - No material changes from 2Q24

### OO CRE by Type 3Q24



### OO CRE by County 3Q24



Average Balance: \$1.1MM  
 Largest Loan: \$15.2MM  
 Wtd. Avg. LTV\*: 47%  
 Total Balance: \$325.9MM  
 Total Loans: 299

Note: Shortly after quarter end, one loan for \$7.2 million was reclassified from NO OCRE to OO CRE. For the purpose of this presentation, this loan has been included above under the OO CRE category.



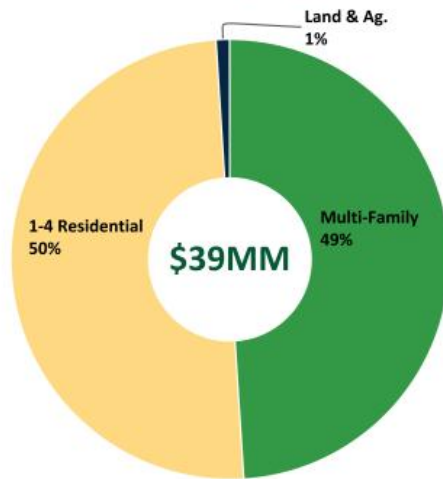
\* Loan-to-value largely based on appraised values at origination, or updated appraisals for certain classified loans, and balances as of 9/30/24

# Construction Portfolio Concentrations

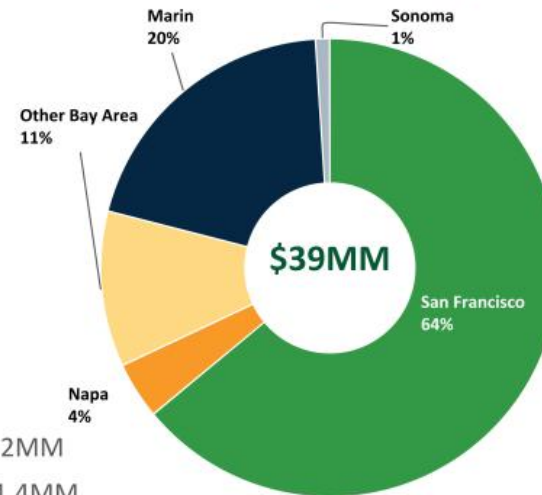
As of 9/30/24

- Construction loans decreased by a net \$11.9 million since 2Q24 primarily from two project completions that converted to NOO CRE
- The completions were in San Francisco County, decreasing the county concentration to 64% from 77%

### Construction by Type 3Q24



### Construction by County 3Q24



Average Balance:	\$3.2MM
Largest Loan:	\$11.4MM
Wtd. Avg. LTV*:	67%
Total Balance:	\$39.3MM
Unfunded Commitments:	\$9.7MM
Total Loans:	12



\* Loan-to-value largely based on appraised values at origination, or updated appraisals for certain high dollar loans and, balances as of 9/30/24



**Bank of Marin Bancorp**

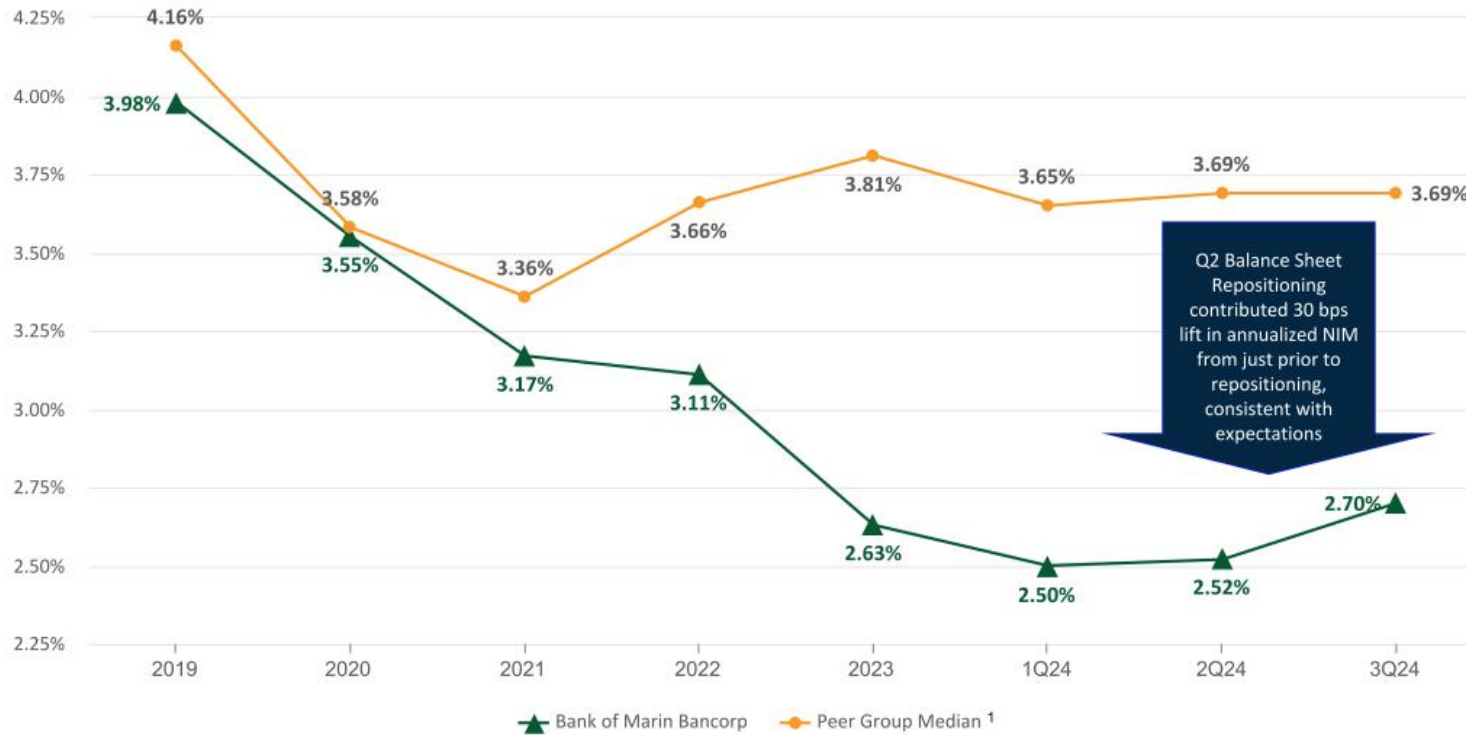
## Income Statement Highlights

SECTION

03



# Tax Equivalent Net Interest Margin



<sup>1</sup> Peer group includes major exchange-traded Western region banks with assets of \$2 billion to \$10 billion. Peer data as of June 30, 2024



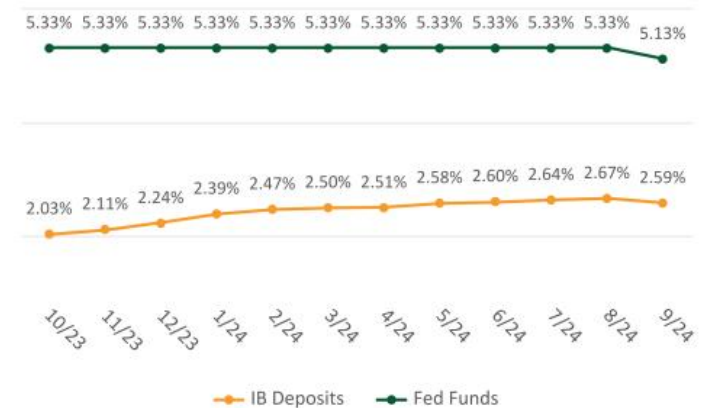
## Net Interest Margin Drivers

- Linked-quarter NIM increased 18 bps due primarily to higher rates on loans and higher interest-bearing cash balances, partially offset by lower securities balances and higher deposit rates
- The Bank began deposit rate cuts in August and accelerated in September
- As a result, the quarter-over-quarter increase in cost of deposits decelerated, increasing only by 1 bp compared to 7 bps last quarter. Linked-month cost of deposits reduced by 5 bps in September
- Over time, we expect these cuts to offset declines in yields of floating rate assets
- 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<sup>1</sup>

\* at 9/30/2024

	Repricing Term						Total	Rate Structure				
	3 mo or less	3-12 mos	1-3 years	3-5 years	5-15 years	Over 15 years		Floating Rate	Variable Rate	Variable Rate at Floor	Variable Rate at Ceiling	Fixed Rate
C&I	\$ 62.2	\$ 24.2	\$ 12.3	\$ 32.6	\$ 26.5	\$ 2.6	\$ 160.4	\$ 54.0	\$ 11.9	\$ 23.4	\$ —	\$ 71.1
Real estate:												
Owner-occupied CRE	0.3	9.3	38.3	61.7	202.1	7.0	318.7	0.2	36.6	97.1	—	184.8
Non-owner occupied CRE	19.0	60.0	214.7	271.5	688.1	13.1	1,266.4	7.8	102.8	347.8	—	808.0
Construction	2.2	31.8	5.3	—	—	—	39.3	2.2	—	2.0	15.3	19.8
Home equity	0.6	85.2	—	—	0.7	—	86.5	85.8	—	—	—	0.7
Other residential	—	7.0	1.0	0.6	1.5	140.5	150.6	—	8.4	106.6	—	35.6
Installment & other consumer	0.3	2.8	7.8	3.1	53.2	1.0	68.2	0.6	8.9	9.3	—	49.4
<b>Total</b>	<b>\$ 84.6</b>	<b>\$ 220.3</b>	<b>\$ 279.4</b>	<b>\$ 369.5</b>	<b>\$ 972.1</b>	<b>\$ 164.2</b>	<b>\$2,090.1</b>	<b>\$150.6</b>	<b>\$168.6</b>	<b>\$586.2</b>	<b>\$ 15.3</b>	<b>\$1,169.4</b>
<b>% of Total</b>	<b>4 %</b>	<b>11 %</b>	<b>13 %</b>	<b>18 %</b>	<b>47 %</b>	<b>7 %</b>	<b>100 %</b>	<b>7 %</b>	<b>8 %</b>	<b>28 %</b>	<b>1 %</b>	<b>56 %</b>
<b>Weighted Average Rate</b>	<b>8.24 %</b>	<b>7.26 %</b>	<b>4.82 %</b>	<b>5.15 %</b>	<b>4.35 %</b>	<b>4.69 %</b>	<b>5.04 %</b>					

<sup>1</sup> 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 include prepayment assumptions.

## Investment Securities<sup>2</sup>

\* at 9/30/24

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	\$ 26.3	\$ 204.2	\$ 254.8	\$ 265.1	\$ 458.8	\$ 269.6	\$ 1,478.8
<b>% of Total</b>	<b>2 %</b>	<b>14 %</b>	<b>17 %</b>	<b>18 %</b>	<b>31 %</b>	<b>18 %</b>	<b>100 %</b>

<sup>2</sup> Includes both available-for-sale and held-to-maturity investment securities with prepayment assumptions applied

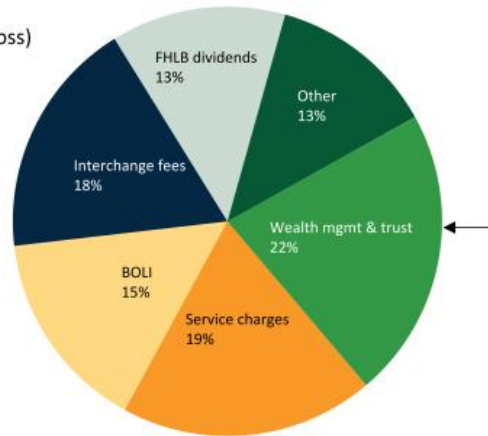
# Total Non-Interest Components

### Non-interest Income (\$ in millions)



### Sources of NII (excluding security sale loss)

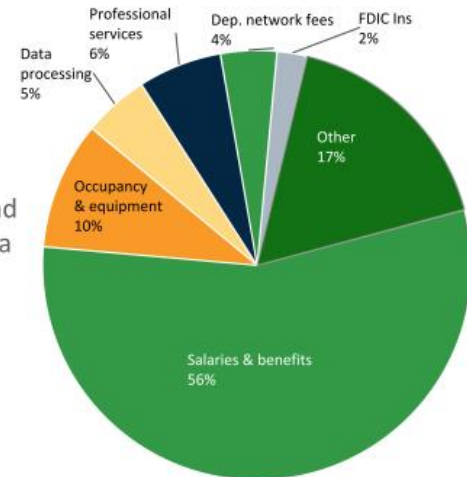
Consistent and diverse sources of non-interest income bolster revenue through cycles



### Non-interest Expense (\$ in millions)



Investment in our people, branches and technology provide a runway for future growth



<sup>1</sup>Nine Months ended September 30, 2024 non-interest income as a percentage of average assets is annualized, excluding the impact of the security sales pre-tax loss of \$32.5 million

<sup>2</sup>See Reconciliation of GAAP to Non-GAAP Financial Measures (Excluding Loss on Sale of Securities)



**Bank of Marin Bancorp**

**Capital & Asset Quality**

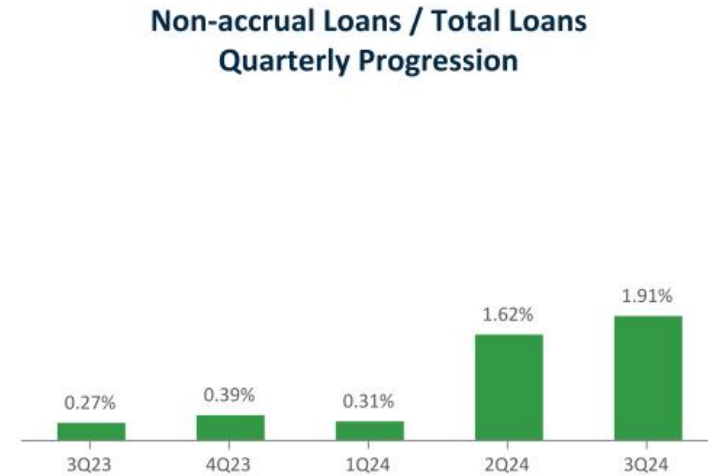
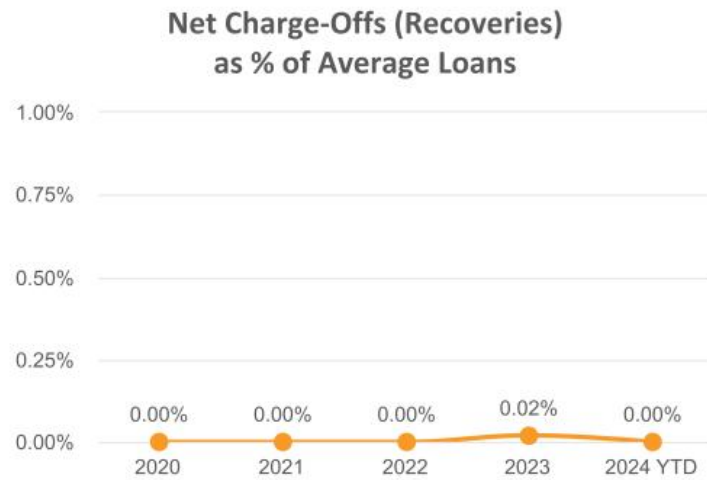
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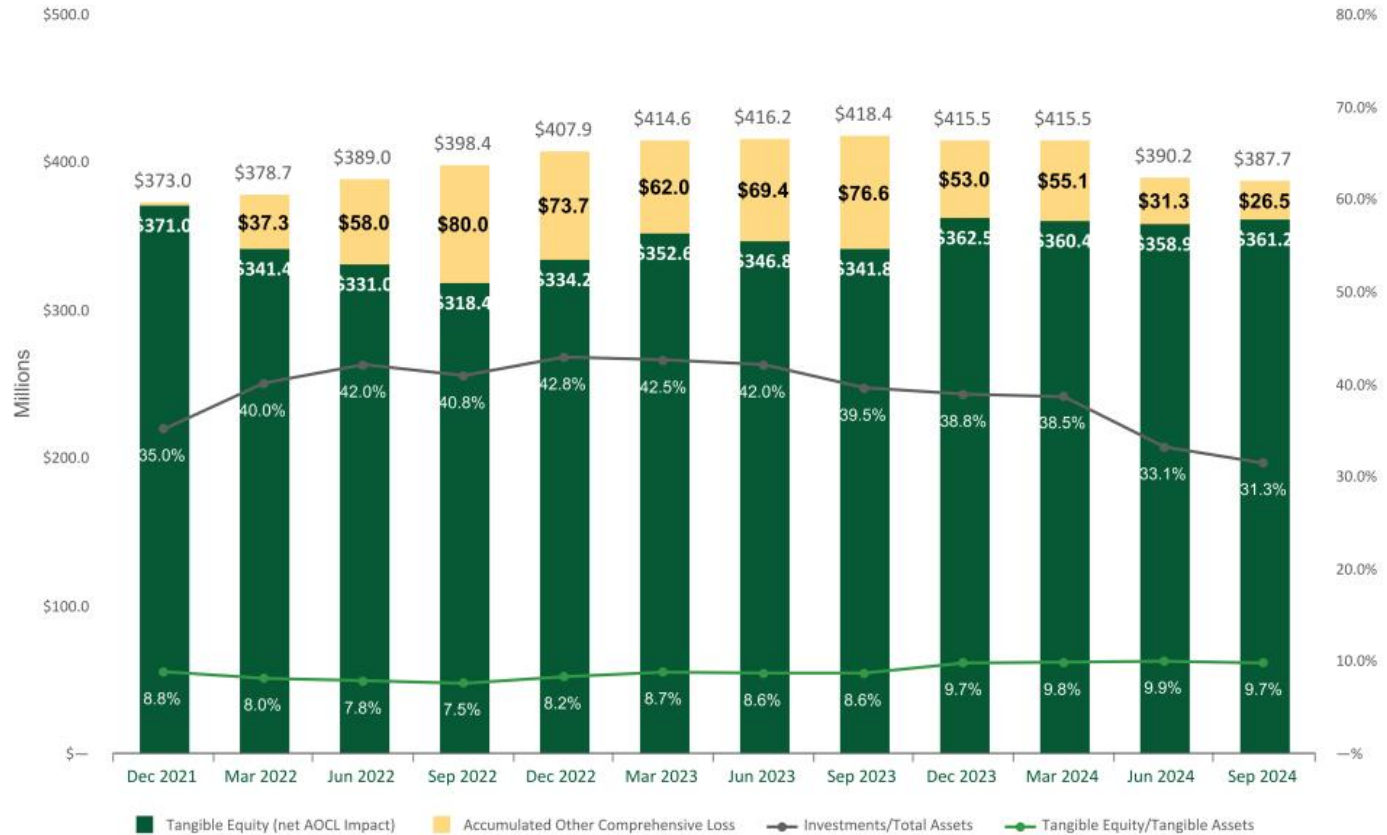


## History of Strong Asset Quality

- Allowance for credit losses to total loans of 1.47%, consistent with prior quarter
- Non-accrual balances increased largely due to one \$8.1 million NOO CRE loan which moved to non-accrual while renewal negotiations remain ongoing. Management believes there is no expectation of actual loss related.
- 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 4Q23 charge-offs included \$406 thousand charged to the allowance due to the sale of an acquired loan.
- Subsequent to quarter end, we received a \$4.7 million paydown on an unsecured, non-accrual loan, reducing the relationship balance by 53%.



# AOCI and Tangible Equity





**Bank of Marin Bancorp**

**Appendix**



## Reconciliation of GAAP to Non-GAAP Financial Measures

(in thousands, except per share amounts; unaudited)	September 30, 2024	
<b>Tangible Common Equity - Bancorp</b>		
Total stockholders' equity	\$	436,960
Goodwill and core deposit intangible		(75,782)
Total TCE	a	361,178
Unrealized losses on HTM securities, net of tax <sup>1</sup>		(70,837)
Unrealized losses on HTM securities included in AOCI, net of tax <sup>2</sup>		7,951
TCE, net of unrealized losses on HTM securities (non-GAAP)	b	\$ 298,292
Total assets	\$	3,792,833
Goodwill and core deposit intangible		(75,782)
Total tangible assets	c	3,717,051
Unrealized losses on HTM securities, net of tax <sup>1</sup>		(70,837)
Unrealized losses on HTM securities included in AOCI, net of tax <sup>2</sup>		7,951
Total tangible assets, net of unrealized losses on HTM securities (non-GAAP)	d	\$ 3,654,165
Bancorp TCE ratio	a / c	9.7 %
Bancorp TCE ratio, net of unrealized losses on HTM securities (non-GAAP)	b / d	8.2 %
<b>Tangible Book Value Per Share</b>		
Common shares outstanding	e	16,083
Book value per share	\$	27.17
Tangible book value per share (non-GAAP)	a / e	\$ 22.46
For further discussion about these non-GAAP financial measures, refer to our Form 8-K under Item 9 - Financial Statements and Exhibit 99.1 filed with the SEC on October 28, 2024.		

<sup>1</sup> Unrealized losses on held-to-maturity securities as of September 30, 2024 of \$100.6 million, including the unrealized losses that resulted from the transfer of securities from AFS to HTM, net of an estimated \$29.8 million in deferred tax benefits based on a blended state and federal statutory tax rate of 29.56%.

<sup>2</sup> The remaining unrealized losses that resulted from the transfer of securities from AFS to HTM, net of an estimated \$3.3 million in deferred tax benefits based on a blended state and federal statutory tax rate of 29.56% are added back as they are already included in AOCI.



## Reconciliation of GAAP to Non-GAAP Financial Measures (Excluding Loss on Sale of Securities)

(in thousands, except per share amounts; unaudited)		Three months ended		Nine months ended	
	September 30, 2024	June 30, 2024	September 30, 2024	September 30, 2023	
<b>Net income (loss)</b>					
Net income (loss) (GAAP)	\$ 4,570	\$ (21,902)	\$ (14,410)	\$ 19,285	
Adjustments:					
Losses on sale of investment securities from portfolio repositioning	—	32,542	32,542	—	
Related income tax benefit	—	(9,620)	(9,620)	—	
Adjustments, net of taxes	—	22,922	22,922	—	
Comparable net income (non-GAAP)	\$ 4,570	\$ 1,020	\$ 8,512	\$ 19,285	
<b>Diluted earnings (loss) per share</b>					
Weighted average diluted shares	16,066	16,108	16,076	16,017	
Diluted earnings (loss) per share (GAAP)	\$ 0.28	\$ (1.36)	\$ (0.90)	\$ 1.20	
Comparable diluted earnings per share (non-GAAP)	\$ 0.28	\$ 0.06	\$ 0.53	\$ 1.20	
<b>Return on average assets</b>					
Average assets	\$ 3,763,660	\$ 3,751,159	\$ 3,775,320	\$ 4,119,130	
Return on average assets (GAAP)	0.48 %	(2.35)%	(0.51)%	0.63 %	
Comparable return on average assets (non-GAAP)	0.48 %	0.11 %	0.30 %	0.63 %	
<b>Return on average equity</b>					
Average stockholders' equity	\$ 435,645	\$ 432,692	\$ 434,773	\$ 424,606	
Return on average equity (GAAP)	4.17 %	(20.36)%	(4.43)%	6.07 %	
Comparable return on average equity (non-GAAP)	4.17 %	0.95 %	2.62 %	6.07 %	
<b>Efficiency ratio</b>					
Non-interest expense	\$ 20,417	\$ 21,894	\$ 63,480	\$ 60,192	
Net interest income	24,269	22,467	69,430	78,497	
Non-interest income (GAAP)	2,888	(29,755)	(24,113)	8,272	
Losses on sale of investment securities from portfolio repositioning	—	32,542	32,542	—	
Non-interest income (non-GAAP)	\$ 2,888	\$ 2,787	\$ 8,429	\$ 8,272	
Efficiency ratio (GAAP)	75.18 %	(300.37)%	140.08 %	69.37 %	
Comparable efficiency ratio (non-GAAP)	75.18 %	86.70 %	81.53 %	69.37 %	

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