



Bank of Marin Bancorp

PO Box 2039
Novato, CA 94948

August 12, 2022

Dear Fellow Shareholders:

It is with great enthusiasm that we share Bank of Marin again produced strong results last quarter, highlighted by robust loan production, increased net interest income, excellent credit quality and record earnings.

We reported record second-quarter net income of \$11.1 million, up from \$10.5 million from the prior quarter. Diluted earnings per share were \$0.69, up \$0.03 from the first quarter. Based on the strength and reliability of our earnings, our Board of Directors declared a quarterly cash dividend of \$0.25 per share. This represented our 69th consecutive quarterly cash dividend and an increase of \$0.01 per share. It was payable to shareholders of record at the close of business on August 5 and will be paid on August 12.

During the second quarter, our banking teams generated strong loan origination activity across our Northern California footprint. Through disciplined client outreach and enhanced business development efforts, our loan production totaled \$102 million and marked an all-time second quarter high for Bank of Marin.

Driven by higher average balances and yields on investment securities, our net interest income grew 4% from the prior quarter to \$31.2 million. Moving forward, we expect rising interest rates will boost our loan yields and further support NII.

As we grow, we remain diligent with our underwriting and selective with our lending. Our nonaccrual loans are extremely low, and our overall credit quality remains pristine.

We are mindful of inflation and increased market concerns about a potential recession. That noted, we continue to see healthy economic activity across our footprint, and we are recruiting and developing talent to help us continue to drive new business and position the bank for long-term growth.

We also have an outstanding low-cost deposit base, as you know, and our strong balance sheet, liquidity, and capital enable us to drive profits across interest rate and economic cycles. We expect to continue delivering favorable returns for our shareholders as we have throughout our more than 30-year history.

As always, we appreciate the support of our shareholders, and the loyalty of our customers and employees.

Sincerely,

Tim Myers
President & CEO

William H. McDevitt
Chairman of the Board