
Bank of Marin Bancorp
First Quarter 2025
Earnings Presentation

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 the Trump administration's approach to tariffs and trade, 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 April 28, 2025.

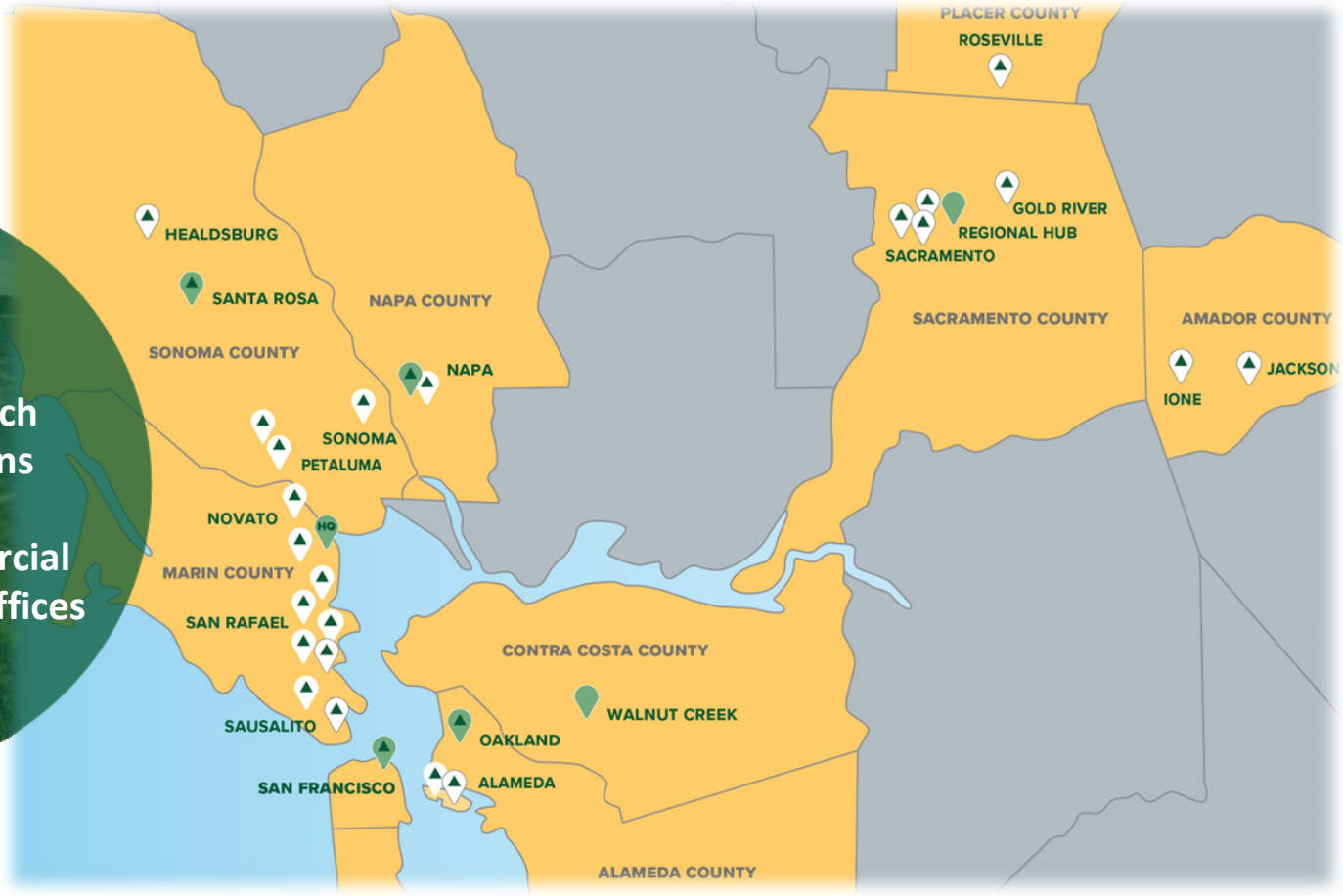
Bank of Marin Bancorp

BMRC AT A GLANCE

BMRC NASDAQ	**Novato, CA** Headquarters
$3.8 Billion Total Assets	**$357.6 Million** Market Cap
16.69% Total RBC	**4.53%** Dividend Yield

Data as of 3/31/25





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.

First Quarter 2025 Overview

Highlights

- Originated $63.6 million in new loans ($47.4 million funded) including $50.2 million in commercial loans ($43.2 million funded). Funded Commercial loans were more than 5x Q1 of last year.
- Continued selected deposit rate reductions dropping the average cost of interest-bearing deposits 17 bps
- Strong deposit inflows despite traditional Q1 headwinds
- Tax-equivalent net interest margin increased to 2.86% from 2.80%, reflecting the reduction in cost of deposits

Capital

- Bancorp total risk-based capital remained strong at 16.69%
- Bancorp TCE / TA of 9.8%, 8.1% when adjusted for HTM securities [1]

Key Operating Trends

- Tax-equivalent yield on interest-earning assets stable at 4.04% despite approx 30bp decline in average federal funds rate during quarter
- Total cost of deposits down 7 bps at 1.29% (interest-bearing 2.27%) for Q1 and trending down at 1.28% (interest-bearing 2.25%) for the month of March. Spot rate 3/31/25 1.26% (interest-bearing 2.22%)
- Book value per share was $27.13 and tangible book value per share[1] was $22.48
- Excluding charitable contributions and salaries and related benefits, Q1'25 non-interest expense declined almost 1% compared to the Q4'24 and almost 3% compared to the Q1'24

Deposits and Liquidity

- Total deposits increased $82.0 million including $26.6 million in non-interest bearing deposits
- Non-interest bearing deposits remained a strong 43.2% of total deposits
- Immediately available net funding of $1.9 billion, representing 203% coverage of estimated uninsured deposits

Credit Quality

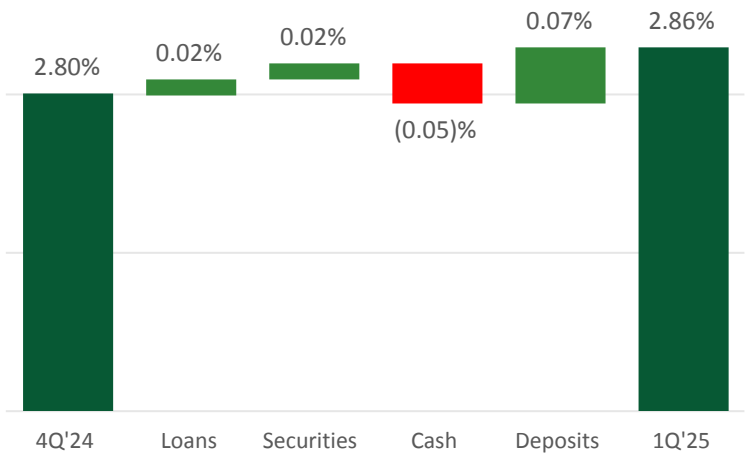
- $75 thousand provision for credit losses
- Non-accrual loans decreased to 1.59% of total loans from 1.63%
- Non-accrual loan reductions included a $2.1 million non-owner occupied real estate loan sale, accounting for $809 thousand charge-off, the majority of which was previously reserved for
- Classified loans increased to 2.77% (from 2.17% last quarter) of total loans due to the downgrade of 3 relationships and the decrease in total loans

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

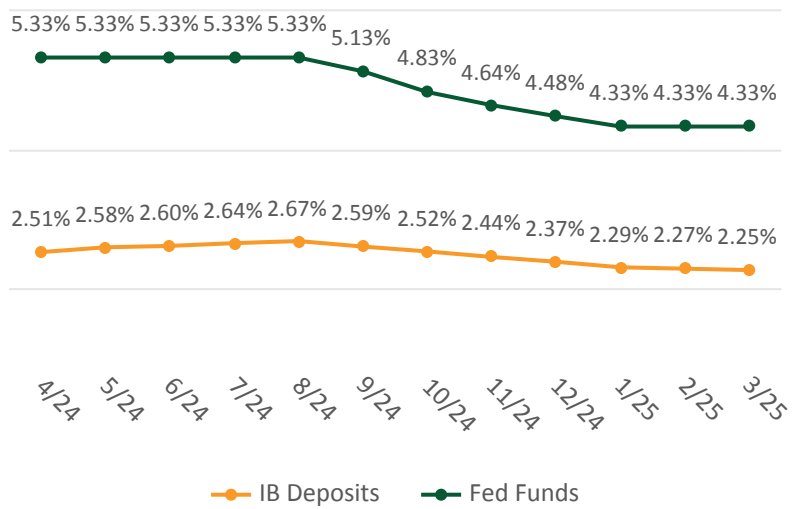
Net Interest Margin Drivers

- Linked-quarter NIM increased 6 bps due primarily to reduction of cost of deposits and minor changes in the loan and investment securities mix, partially offset by lower average balances and lower rates given the Federal Funds rate cut on due from bank accounts
- The Bank began deposit rate cuts in August '24 and continues into April '25.
- As a result, the quarter-over-quarter cost of interest-bearing deposits decreased 17 bps compared to a 19 bps decrease last quarter. Linked-month cost of interest-bearing deposits reduced by 2 bps in March
- 1Q'25 non-maturity deposit modeling assumptions use average betas of 43% for rising rates (no lag) and 35% for falling rates (1-month lag)
- 1Q'25 actual non-maturity interest-bearing deposit beta was 40%
- Based on ALM simulation results* completed in 1Q'25, our Year 1 liability sensitivity increased compared to 4Q'24 due to a one month reduction in the falling rate deposit repricing assumption based on recent experience.

Net Interest Margin Linked-Quarter Change



Avg. Monthly Cost of IB Deposits vs. Fed Funds



Net Interest Income Simulation Q1'25

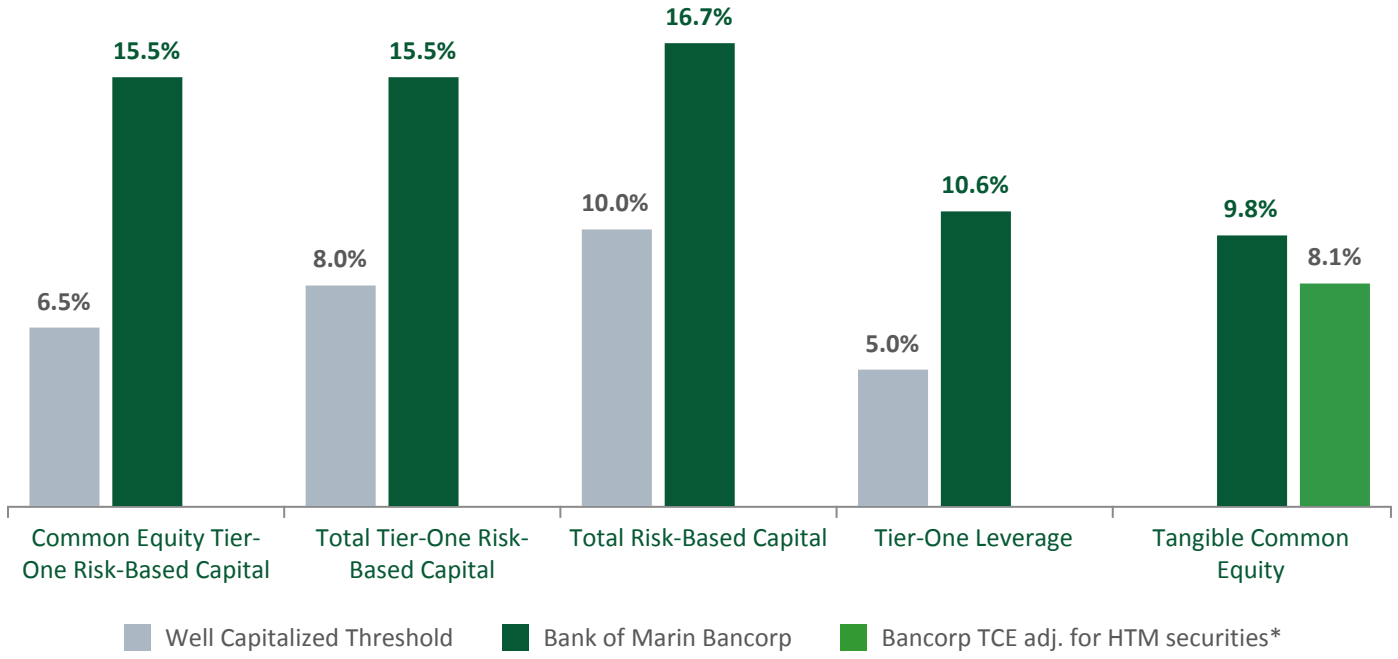
Immediate Change in Interest Rates (in bps)	Est. Change in NII, as %	
	in Year 1	in Year 2
Up 400bp	-6.4%	6.9%
Up 300bp	-4.6%	5.3%
Up 200bp	-2.8%	3.8%
Up 100bp	-1.4%	1.7%
Rates Unch.	—%	—%
Down 100bp	1.5%	0.4%
Down 200bp	3.7%	2.2%
Down 300bp	4.6%	2.4%
Down 400bp	4.4%	2.5%

*Please see our 10-Q's and 10-K's for more information regarding these simulations.

Robust Capital Ratios

As of 3/31/25

- We maintained high capital levels and are in a position of strength
- Total risk-based capital of 16.7%
- Tangible common equity ratio of 9.8%
- No stock repurchases in 1Q'25



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

Strong Liquidity: $1.9 Billion in Net Availability

- Immediately available contingent funding represented 203% of March 31, 2025, 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 March 31, 2025 *($ in millions)*	Total Available	Amount Used	Net Availability
Internal Sources			
Unrestricted Cash [1]	$ 231.4	N/A	$ 231.4
Unencumbered Securities	310.6	N/A	310.6
External Sources			
FHLB line of credit	925.3	—	925.3
FRB line of credit	325.1	—	325.1
Lines of credit at correspondent banks	125.0	—	125.0
Total Liquidity	$ 1,917.4	$ —	$ 1,917.4

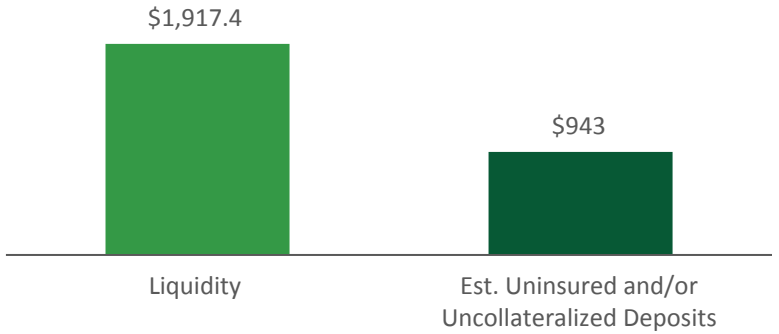
[1] Excludes cash items in transit

Note: Access to brokered deposit purchases through networks such as Intrafi and Reich & Tang and brokered CD sales not included above

Liquidity & Uninsured Deposits

($ in millions)

2.0x Coverage Ratio



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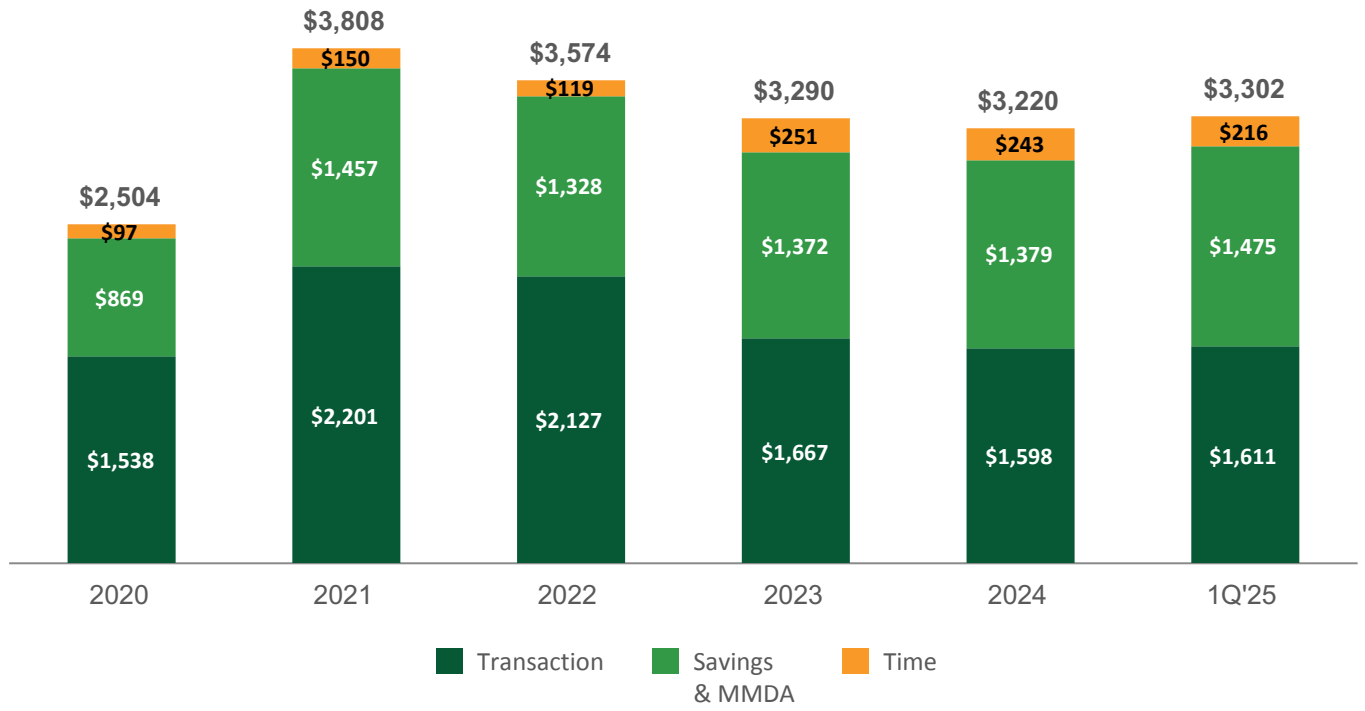
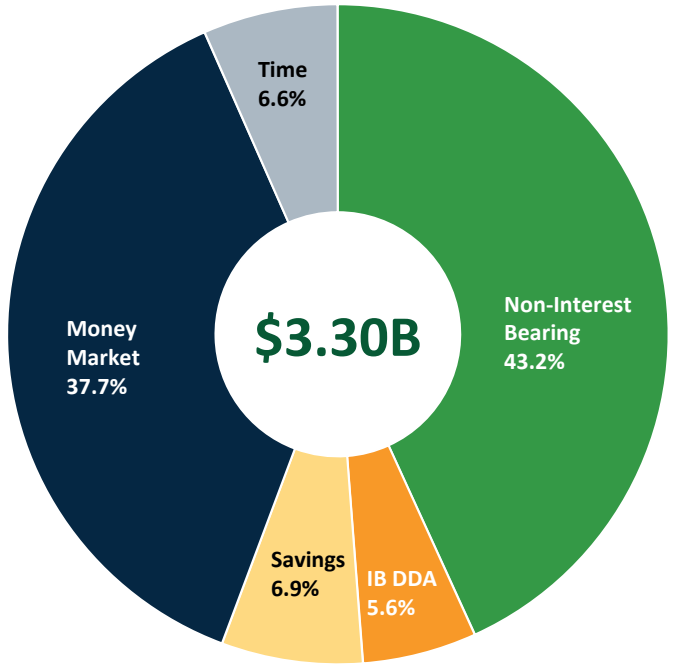
Strong Deposit Franchise

- Deposit mix continues to favor a high percentage of non-interest bearing deposits
- Total cost of deposits was 1.29% (interest-bearing 2.27%) for 1Q'25 and 1.36% (interest-bearing 2.44%) for the prior quarter
- March cost of deposits and spot rate as of March 31, 2025 were 1.28% (interest-bearing 2.25%) and 1.26% (interest-bearing 2.22%), respectively
- Bank continued strategic pricing adjustments with limited rate related outflows
- Overall deposit growth demonstrating the Bank's successful relationship banking model
- Our time deposits are not derived from brokered CD markets or advertised CD specials

Total Deposits ($ in millions)



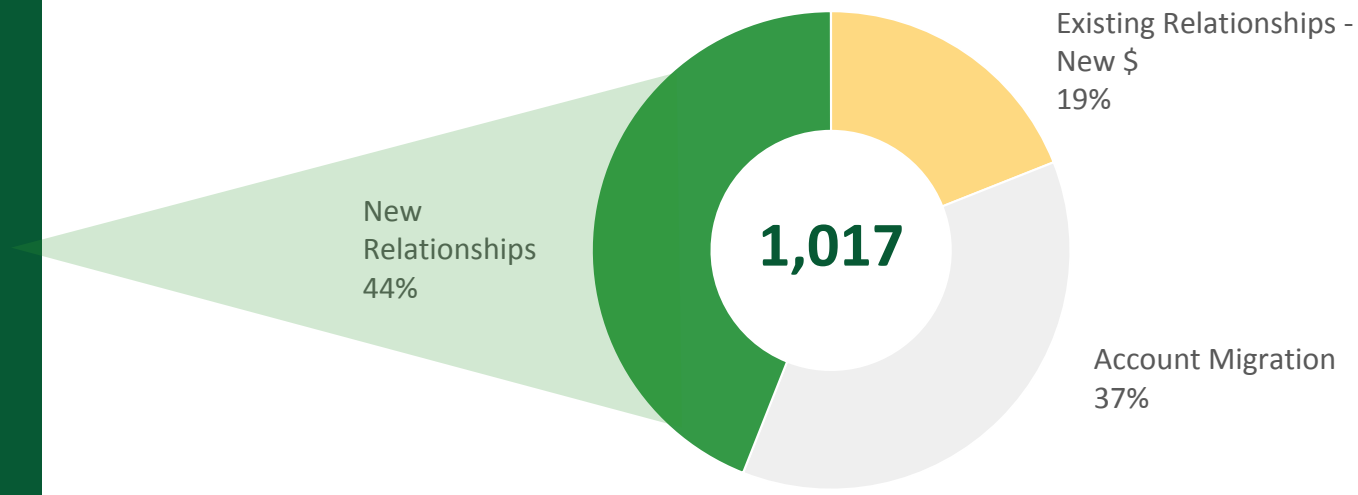
Total Deposit Mix at 1Q'25



Granular Deposit Account Composition

- 44% of new accounts consisted of new relationships to the Bank by count
- 59% of new accounts were non-interest bearing by count
- Average weighted cost for all new accounts at 1.60%
- Reciprocal deposit network program (expanded FDIC insurance products) utilization increased notionally by $31.9 million

New Accounts Mix (by count) 1Q'25



Deposit Accounts Mix - Consumer vs Business 1Q'25

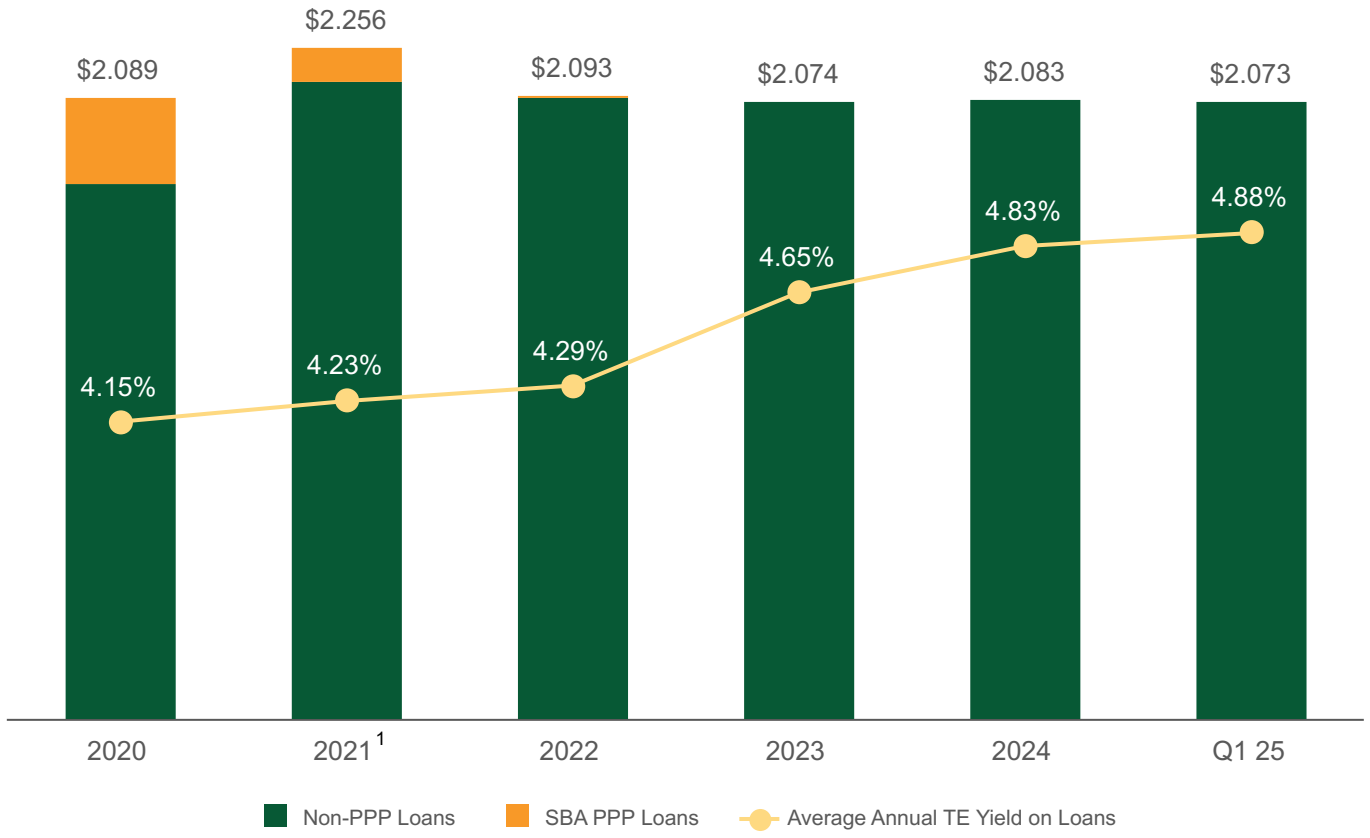
(in thousands; except for # of Accounts)	Interest Bearing	Non-Interest	Total
Consumer			
Account Balances	$ 973,932	$ 337,765	$ 1,311,697
# of Accounts	14,887	17,477	32,364
Avg Balance Per Account	$ 65	$ 19	$ 41
Business			
Account Balances	$ 901,202	$ 1,083,165	$ 1,984,367
# of Accounts	3,650	11,209	14,859
Avg Balance Per Account	$ 247	$ 97	$ 134

*Excludes internal operating accounts such as holding company cash and deposit settlement accounts totaling $5.9 million

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, compensation program enhancements, 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

Total Loans ($ in billions)



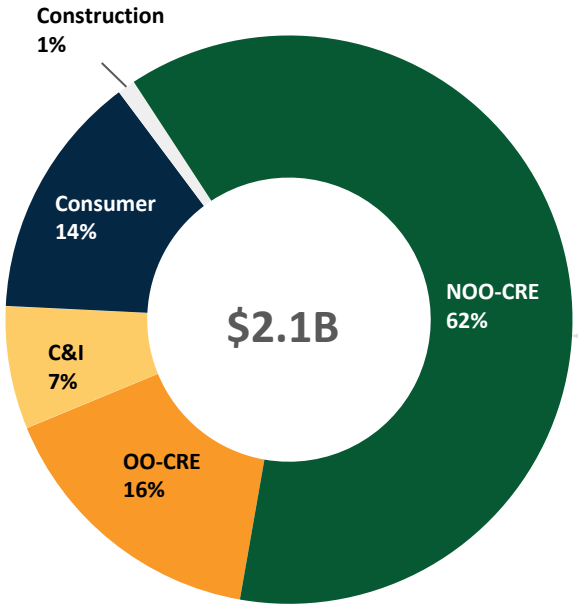
[1] Includes American River Bank loans acquired in 3Q21

Well-diversified Loan Portfolio

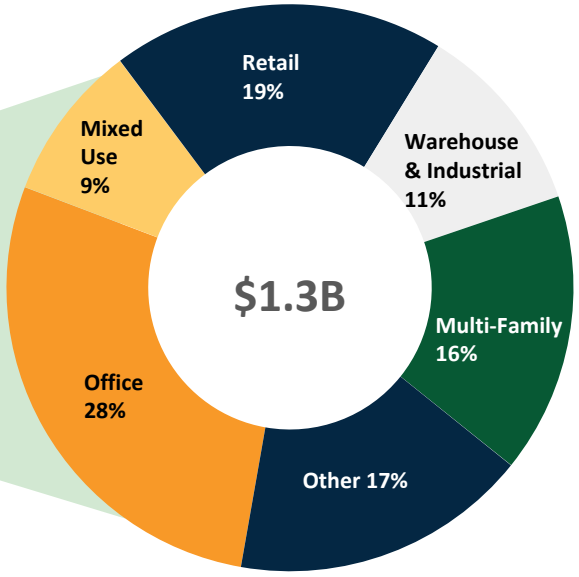
As of 3/31/25 - No material changes from 4Q'24

- Loan portfolio is well-diversified across borrowers, industries, loan and property types within our geographic footprint
- 88% of all loans and 94% 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 89% of loans (91% 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 $2.4 million
- Construction loans represent a small portion of the overall portfolio

1Q'25 Total Loans



1Q'25 Total NOO-CRE Loans



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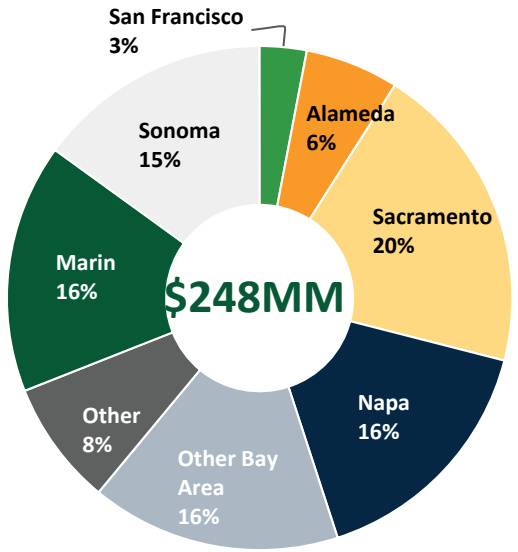
NOO CRE Portfolio Diversified Across Property Type & County

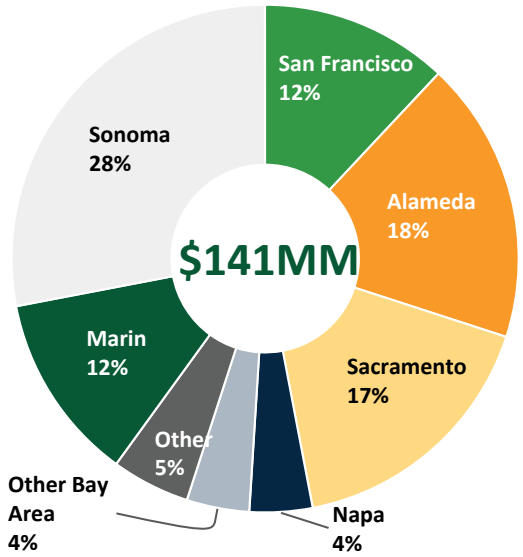
As of 3/31/25 - No material changes from 4Q'24

Retail 1Q'25



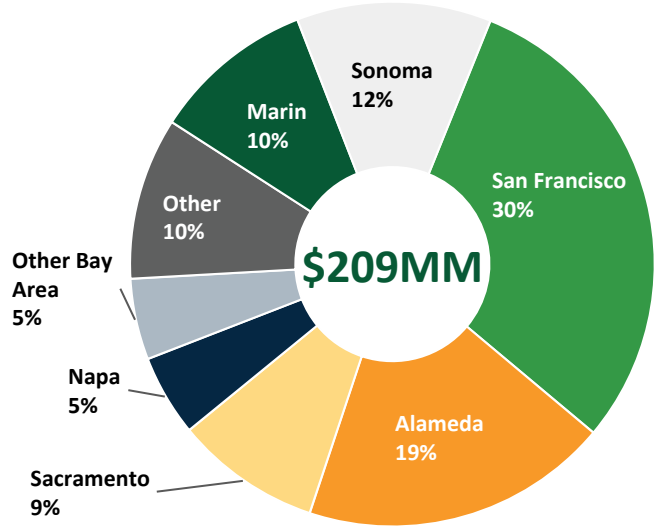
Average Balance:	$1.8MM
Largest Balance:	$13.7MM
Total # of Loans:	140
Wtd. Avg. LTV*:	58%

Warehouse & Industrial 1Q'25



Average Balance:	$1.9MM
Largest Balance:	$14.5MM
Total # of Loans:	76
Wtd. Avg. LTV*:	50%

Multifamily 1Q'25



Average Balance:	$1.7MM
Largest Balance:	$21.4MM
Total # of Loans:	126
Wtd. Avg. LTV*:	59%

Bank of Marin Bancorp

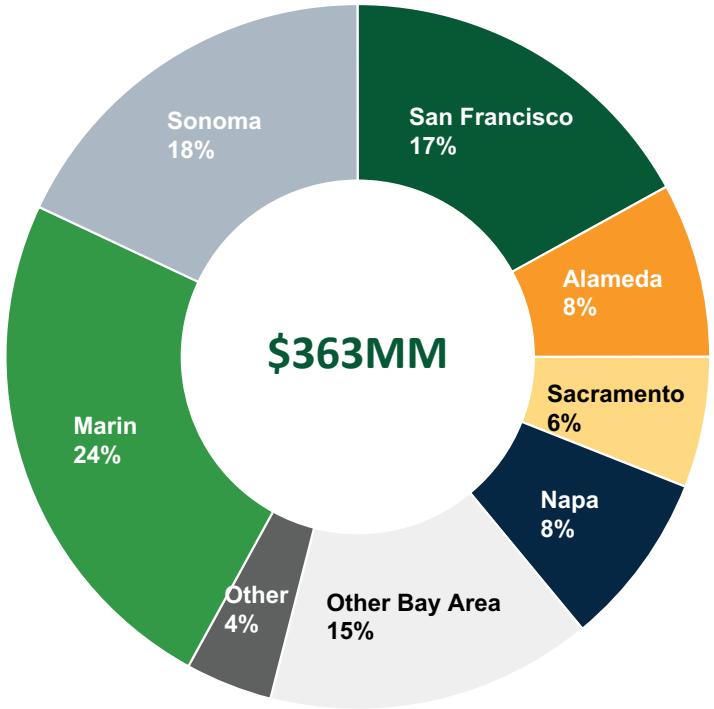
* Calculated for loans exceeding $1 million, based on the most recent annual review process
Note: Sacramento includes surrounding regional counties

Non-owner Occupied Office Exposure

As of 3/31/25 - No material changes from 4Q'24

- $363 million in credit exposure spread across our lending footprint comprised of 147 loans
- $2.5 million average loan balance – largest loan at $15.9 million
- 59% weighted average loan-to-value and 1.61x 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:	$61.6 million
Average Loan Bal:	$5.1 million
Number of Loans:	12 loans
Wtd. Average LTV*:	68%
Wtd. Average DCR:	1.26x
Average Occupancy:	83%

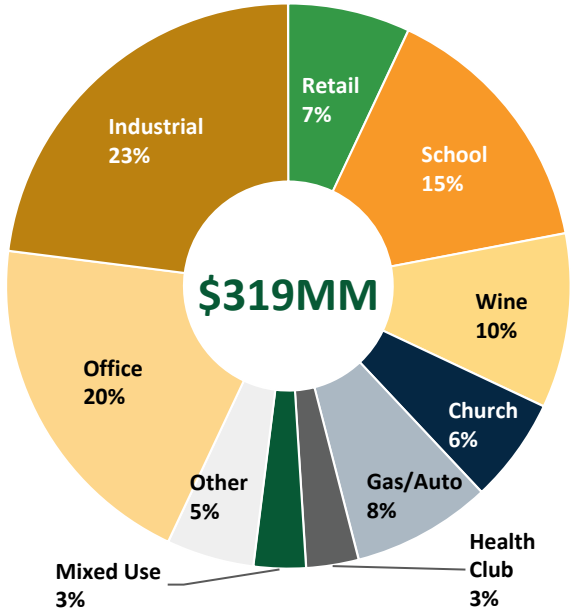
11 of the 12 loans are secured by low rise buildings and one loan is secured by a 10 story building

* Calculated for loans exceeding $1 million, based on the most recent annual review process, and net of individual reserves

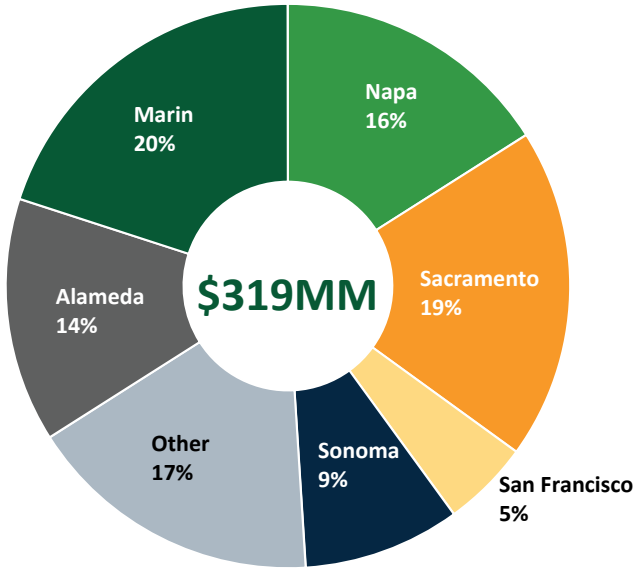
Owner-Occupied CRE Portfolio

As of 3/31/25 - No material changes from 4Q'24

OO CRE by Type 1Q'25

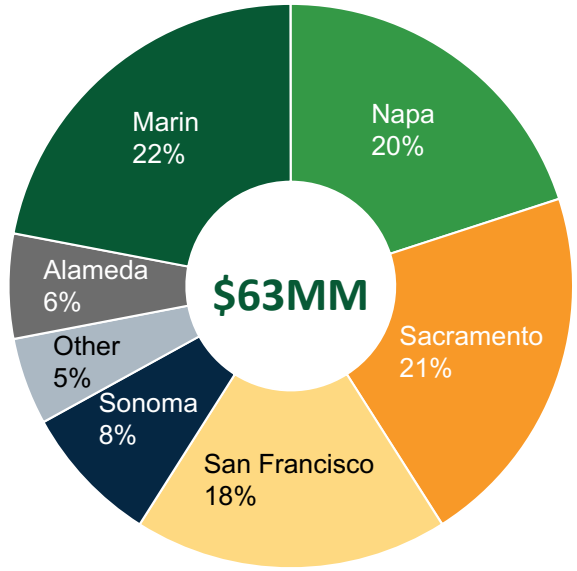


OO CRE by County 1Q'25



Average Balance:	$1.1MM
Largest Loan:	$14.9MM
Wtd. Avg. LTV*:	46%
Total Balance:	$319.1MM
Total Loans:	289

OO CRE Office Portfolio by County 4Q24



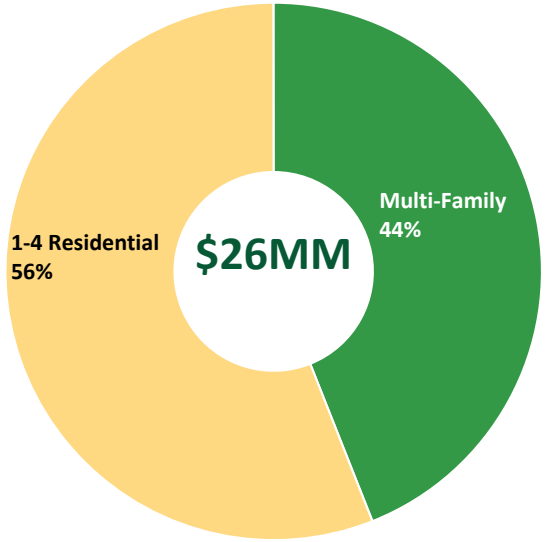
Average Balance:	$0.7MM
Largest Loan:	$7.2MM
Wtd. Avg. LTV*:	56%
Total Balance:	$62.8MM
Total Loans:	90

* Loan-to-value largely based on appraised values at origination, or updated appraisals for certain classified loans, and balances as of 3/31/25

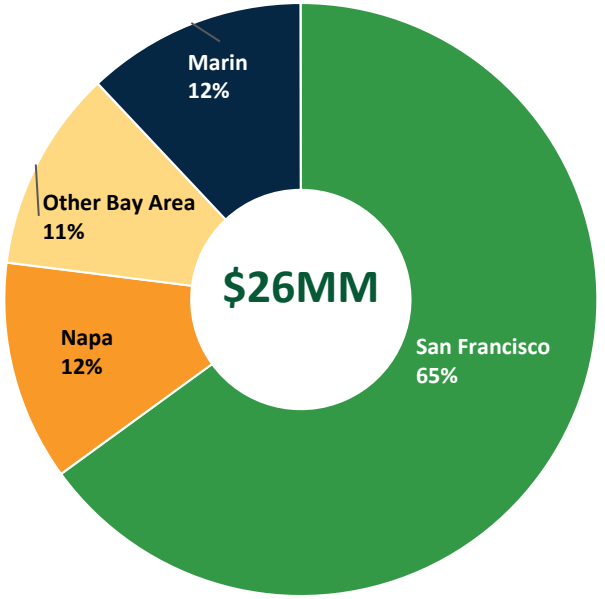
Construction Portfolio Concentrations

As of 3/31/25

Construction by Type 1Q'25



Construction by County 1Q'25

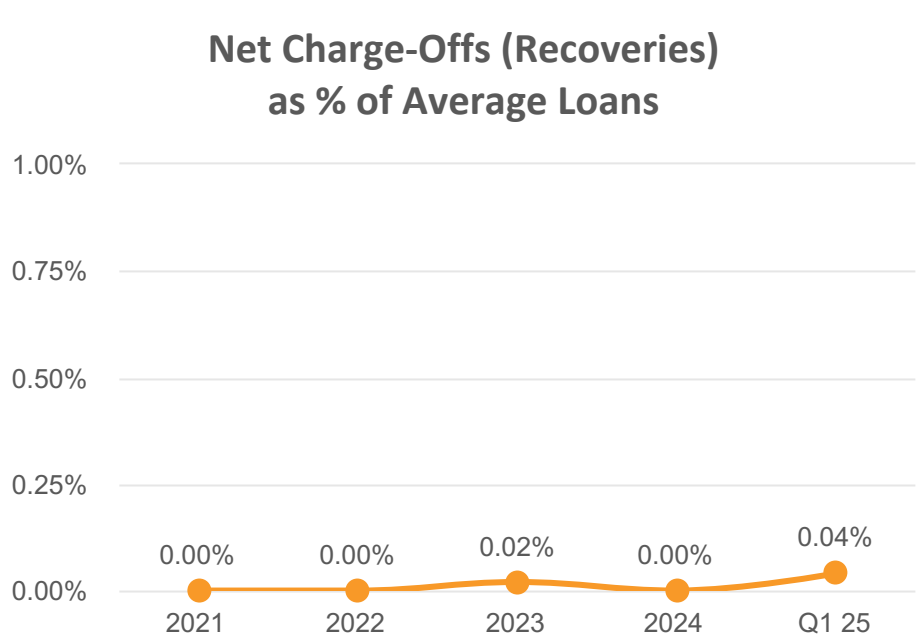


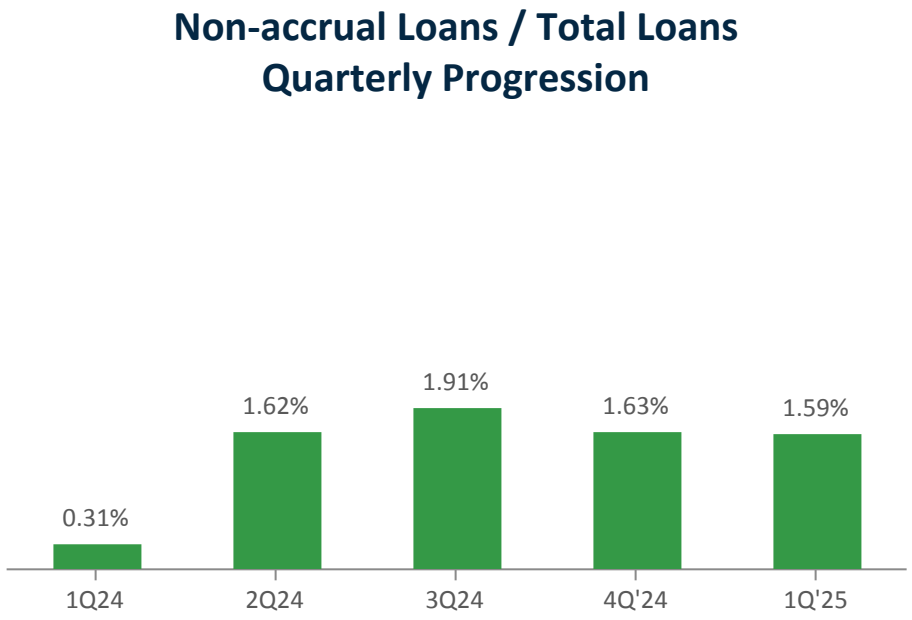
Average Balance:	$2.9MM
Largest Loan:	$6.7MM
Wtd. Avg. LTV*:	60%
Total Balance:	$25.7MM
Unfunded Commitments:	$6.1MM
Total Loans:	9

* Loan-to-value largely based on appraised values at origination, or updated appraisals for certain high dollar loans and, balances as of 3/31/25

History of Strong Asset Quality

- Allowance for credit losses to total loans of 1.44%, consistent with prior quarter
- Proactively sold one non-accrual commercial real estate loan to minimize loss
- 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 4Q'23 and 1Q'25 charge-offs included $406 and $809 thousand charged to the allowance due to the sales of acquired loans.





Low Refinance Risk in NOO CRE Portfolio through 2026

- We conducted a DEEP DIVE on loans maturing or repricing before year-end 2026 *
- 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
2025	24	$84.9MM	$81.3MM	4.93%	1.30x
2026	25	$93.0MM	$86.0MM	4.61%	1.17x
TOTAL	**49**	**$177.9MM**	**$167.3MM**		

Repricing Loan Commitments > $1.0MM

	# of loans	Commitment	Outstanding Balance	Wtd. Avg. Rate	Wtd. Avg. DSC
2025	13	$28.1MM	$28.1MM	4.61%	1.24x
2026	25	$58.8MM	$58.8MM	3.91%	1.41x
TOTAL	**38**	**$86.9MM**	**$86.9MM**		

*Commitments, outstanding balances and weighted average rates as of 3/31/25

Loans & Securities — Repricing & Maturity

$ in millions, unless otherwise indicated

Total Loans[1]

** at 3/31/2025*

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	Floating & Variable Rate at Floor	Floating & Variable Rate at Ceiling	Fixed Rate
C&I	$ 58.5	$ 12.1	$ 21.0	$ 35.7	$ 18.4	$ 1.6	**$ 147.3**	$ 52.6	$ 3.3	$ 25.8	$ —	$ 65.6
Real estate:												
Owner-occupied CRE	5.6	15.0	46.9	62.4	182.3	6.9	**319.1**	0.8	33.4	99.8	—	185.1
Non-owner occupied CRE	55.2	102.9	195.7	340.9	584.7	12.9	**1,292.3**	3.5	128.0	340.6	—	820.2
Construction	8.4	14.9	2.4	—	—	—	**25.7**	5.3	—	—	8.3	12.1
Home equity	88.7	—	—	—	0.5	—	**89.2**	88.7	—	—	—	0.5
Other residential	3.7	3.2	0.1	0.5	1.4	125.0	**133.9**	—	7.3	100.3	—	26.3
Installment & other consumer	2.5	3.1	5.2	2.7	52.4	0.1	**66.0**	0.5	9.1	9.8	—	46.6
Total	**$ 222.6**	**$ 151.2**	**$ 271.3**	**$ 442.2**	**$ 839.7**	**$ 146.5**	**$2,073.5**	**$151.4**	**$181.1**	**$576.3**	**$ 8.3**	**$1,156.4**
% of Total	***11 %***	***7 %***	***13 %***	***21 %***	***40 %***	***8 %***	***100 %***	***7 %***	***9 %***	***28 %***	***— %***	***56 %***
Weighted Average Rate	***7.46 %***	***5.28 %***	***4.74 %***	***5.37 %***	***4.42 %***	***4.55 %***	***5.06 %***					

[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 3/31/25*

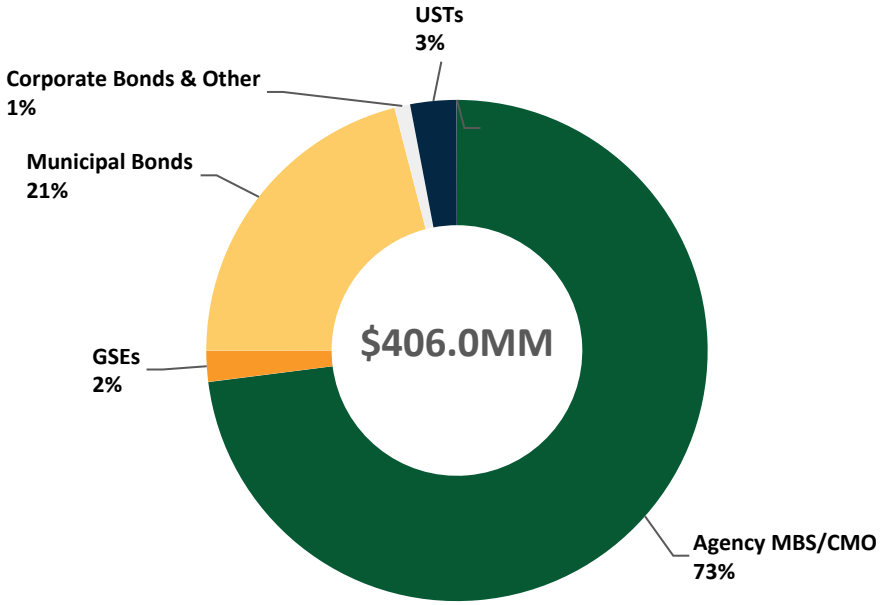
Projected Cash Flow Distribution							
	3 mo or less	3-12 mos	1-3 years	3-5 years	5-10 years	Over 10 years	Total
Principal (par) & interest	$ 84.1	$ 129.2	$ 265.3	$ 272.2	$ 475.9	$ 234.8	**$ 1,461.5**
% of Total	6 %	9 %	18 %	19 %	32 %	16 %	**100 %**

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

High-Quality Securities Portfolio Generates Cash Flow

Data as of 3/31/25

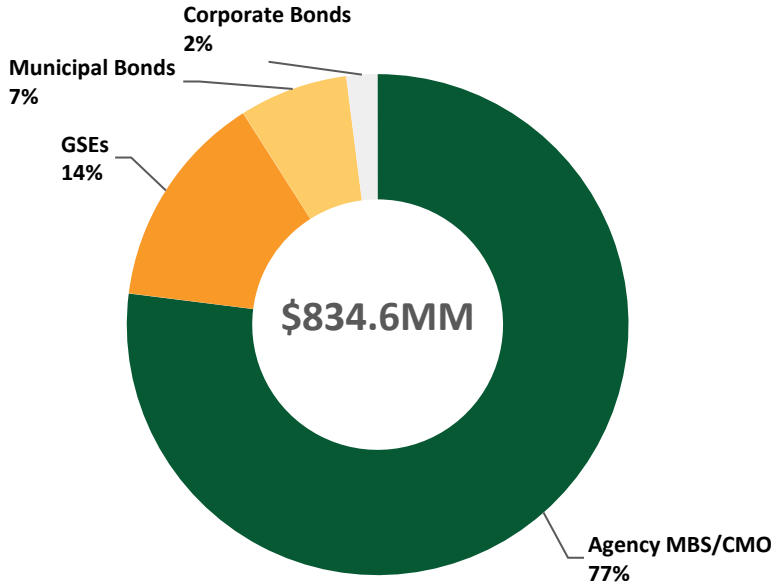
AFS Securities Portfolio



($ in millions at Fair Value)

Average Yield[1] — 3.08%
Approx. Effective Duration — 3.27
Unrealized Losses (after tax) — $20.1 million
TCE Bancorp — 9.8%

HTM Securities Portfolio



($ in millions at Cost)

Average Yield — 2.35%
Approx. Effective Duration — 5.61
Unrealized Losses (after tax) — $77.8 million
TCE Bancorp w/ HTM — 8.1% [2]

Bank of Marin Bancorp

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

Bank of Marin Bancorp



Appendix

Reconciliation of GAAP to Non-GAAP Financial Measures

(in thousands, except per share amounts; unaudited)			March 31, 2025
Tangible Common Equity - Bancorp			
Total stockholders' equity		$	439,566
Goodwill and core deposit intangible			(75,319)
Total TCE	a		364,247
Unrealized losses on HTM securities, net of tax [1]			(77,768)
Unrealized losses on HTM securities included in AOCI, net of tax [2]			7,462
TCE, net of unrealized losses on HTM securities (non-GAAP)	b	$	293,941
Total assets		$	3,784,243
Goodwill and core deposit intangible			(75,319)
Total tangible assets	c		3,708,924
Unrealized losses on HTM securities, net of tax [1]			(77,768)
Unrealized losses on HTM securities included in AOCI, net of tax [2]			7,462
Total tangible assets, net of unrealized losses on HTM securities (non-GAAP)	d	$	3,638,618
Bancorp TCE ratio	a / c		9.8 %
Bancorp TCE ratio, net of unrealized losses on HTM securities (non-GAAP)	b / d		8.1 %
Tangible Book Value Per Share			
Common shares outstanding	e		16,203
Book value per share		$	27.13
Tangible book value per share	a / e	$	22.48
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 April 28, 2025.			

[1] Unrealized losses on held-to-maturity securities as of March 31, 2025 of $110.4 million, including the unrealized losses that resulted from the transfer of securities from AFS to HTM, net of an estimated $32.6 million in deferred tax benefits based on a blended state and federal statutory tax rate of 29.56%.

[2] The remaining unrealized losses that resulted from the transfer of securities from AFS to HTM, net of an estimated $3.1 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.

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