



Banking with discipline and financial strength

D.A. Davidson 2020 West Coast Bank Tour

August 25, 2020



Bank of Marin Bancorp

Forward-Looking Statements

This presentation may contain certain forward-looking statements that are based on management's current expectations regarding economic, legislative, and regulatory issues that may impact Bancorp's earnings in future periods. 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 such as "will," "would," "should," "could" or "may." Factors that could cause future results to vary materially from current management expectations include, but are not limited to, natural disasters (such as wildfires and earthquakes), pandemics such as COVID-19 and the economic impact caused directly by the disease and by government responses thereto, general economic conditions, economic uncertainty in the United States and abroad, changes in interest rates, deposit flows, real estate values, costs or effects of acquisitions, competition, changes in accounting principles, policies or guidelines, legislation or regulation (including the Tax Cuts & Jobs Act of 2017 and the Coronavirus Aid, Relief and Economic Security Act of 2020, as amended), 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 Bancorp's operations, pricing, products and services. These and other important factors are detailed in various securities law filings made periodically by Bancorp, copies of which are available from Bancorp without charge. 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 after the date of this presentation or to reflect the occurrence of unanticipated events.

Bank of Marin Bancorp

Headquarters	Novato, California Marin County, North of San Francisco
Employees, <i>full-time equivalent</i>	295
Assets	\$3.2 billion
Market capitalization	\$453 million
Total loans	\$2.11 billion
Total deposits	\$2.78 billion
Footprint	25 locations in San Francisco Bay Area
Ticker	BMRC (Nasdaq Capital Markets)
Founded 1989	First branch opened in 1990

As of June 30, 2020

Recent awards:



288 Years of Combined Management Experience Through Economic Cycles



Russell A. Colombo
President, Chief Executive Officer

- 45 years in banking
- Comerica Bank, Imperial Bank, Security Pacific, Union Bank



Tani Girton
EVP, Chief Financial Officer

- 34 years in financial services
- Bank of the West, Charles Schwab, CalFed Bank



Tim Myers
EVP, Chief Operating Officer

- 24 years in finance and banking
- U.S. Bank, Comerica Bank, Imperial Bank



James T. Burke
EVP, Chief Information Officer

- 45 years in financial services
- Visa, Irwin Financial Corp., Charles Schwab, Bank of America



Bob Gotelli
EVP, Human Resources

- 26 years experience
- Ralphs Grocery



Beth Reizman
EVP, Chief Credit Officer

- 37 years in banking
- Bank of California, Hibernia Bank, Crocker Bank



Nancy Rinaldi Boatright
SVP, Corporate Secretary

- 47 years in banking
- Business Bank of California, Westamerica Bank

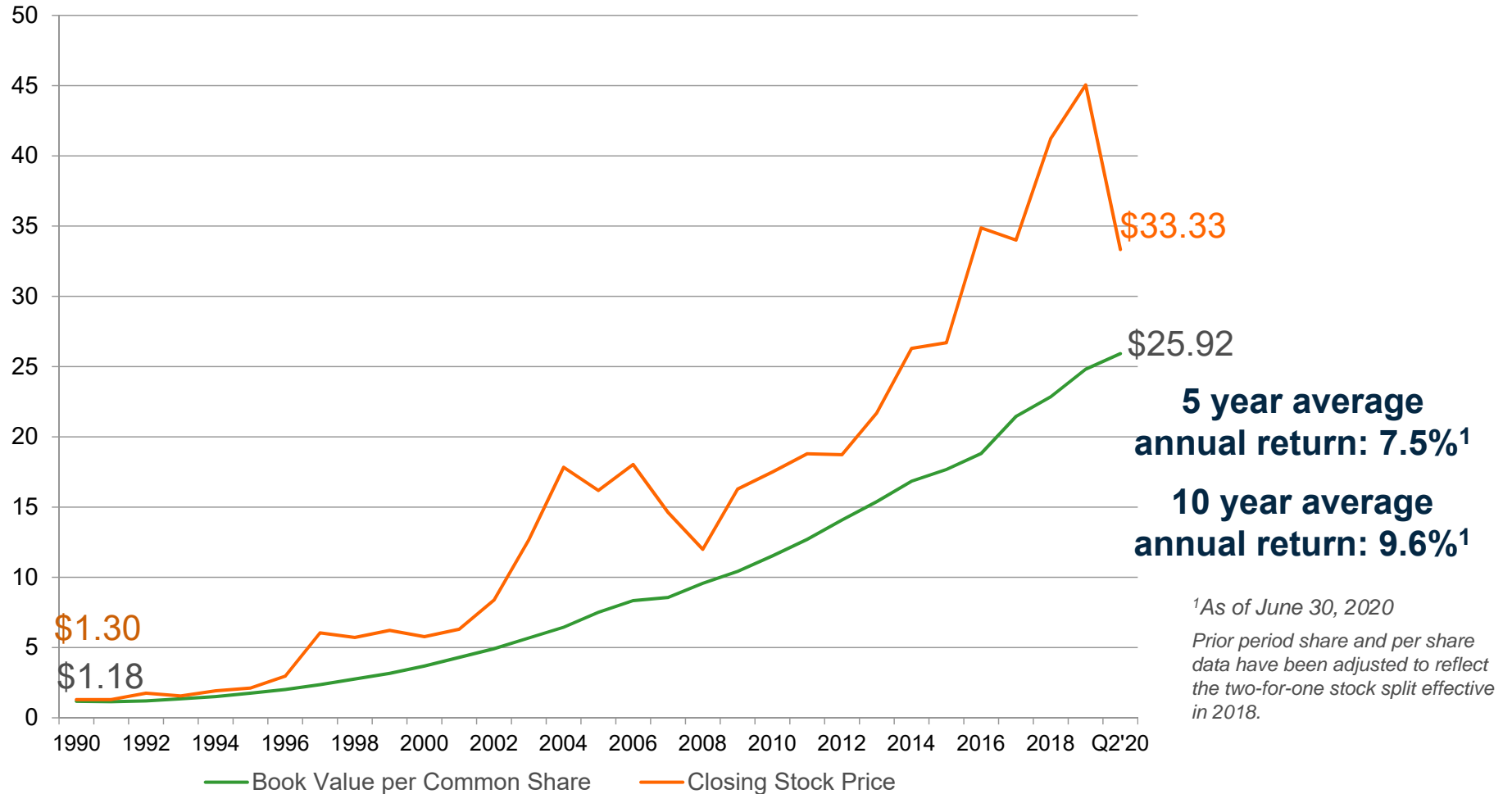


Brandi Campbell
SVP, Retail Banking

- 30 years in banking
- Bank of America

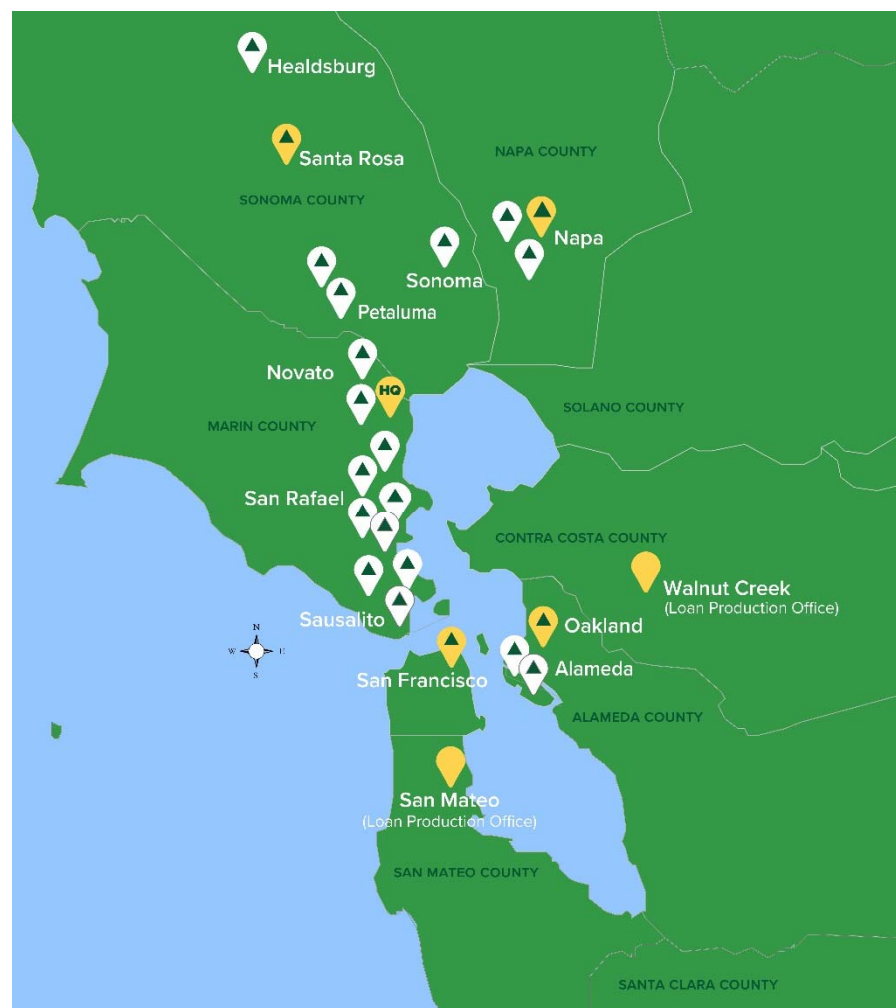
Balanced Approach to Growth Creates Long-Term Value

Total annual shareholder return averages 10.9% over 20 years¹

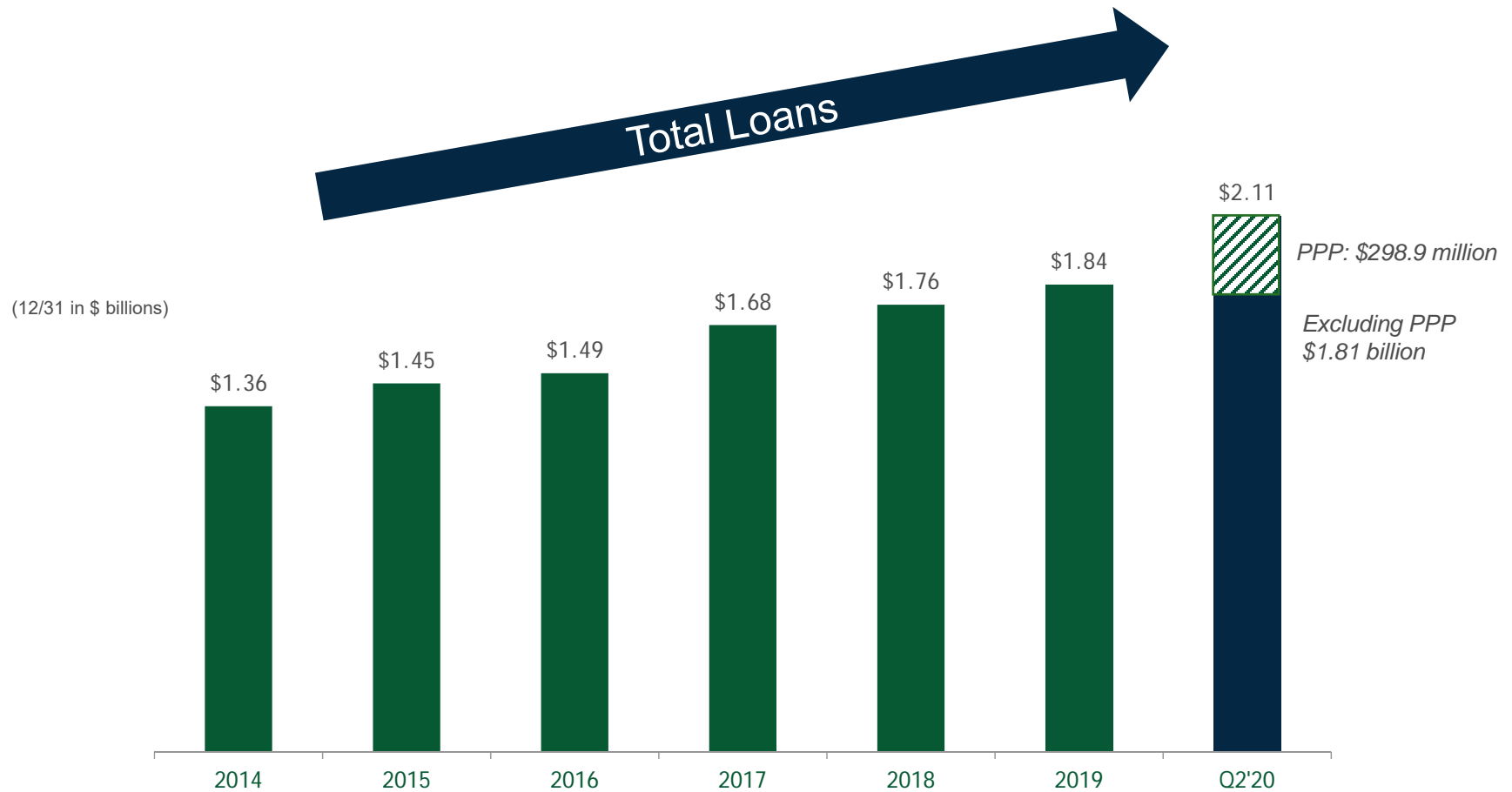


Leading Community and Commercial Bank in Resilient San Francisco Bay Area Economy

- 22 branches, 5 commercial banking offices and 2 loan production offices located across 7 Bay Area counties.
- Sound underwriting produces a high-quality loan portfolio with industry-leading credit metrics even in challenging economic periods.
- Prudent lending paired with low-cost deposit base drives consistent earnings.



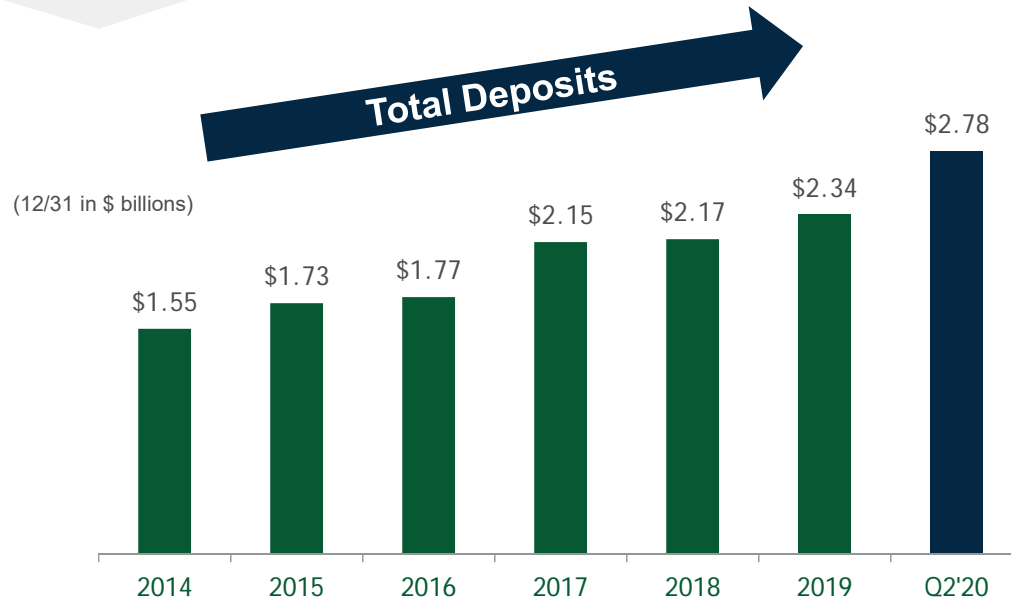
Steady Loan Growth: Prudent, sustainable growth model



Five-year compound annual loan growth rate: 9.52%¹ (6.23% excluding SBA PPP loans)

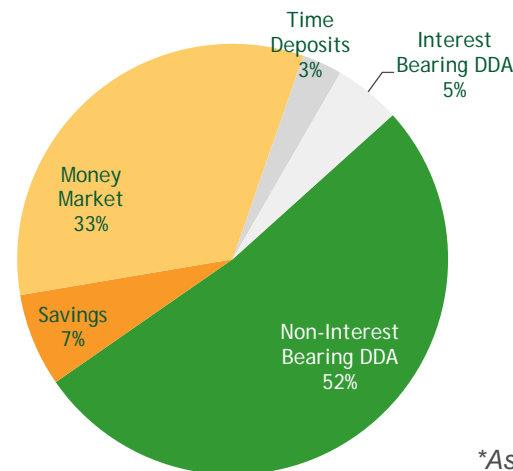
¹ Compounded annual growth rate from June 30, 2015 to June 30, 2020.

Large Low-Cost Deposit Base: A Key Competitive Advantage



Increase in Q2 deposits driven in part by PPP loan proceeds

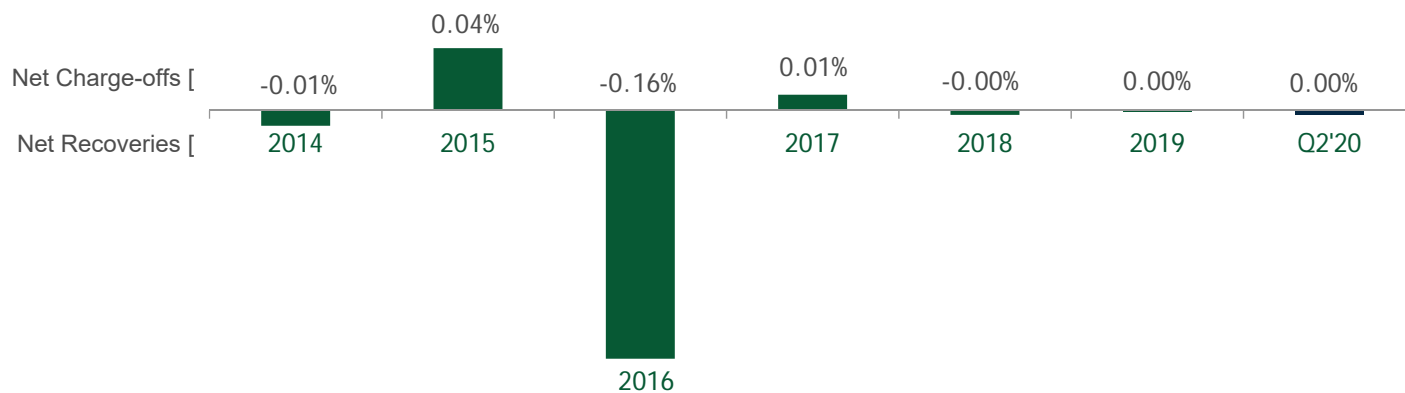
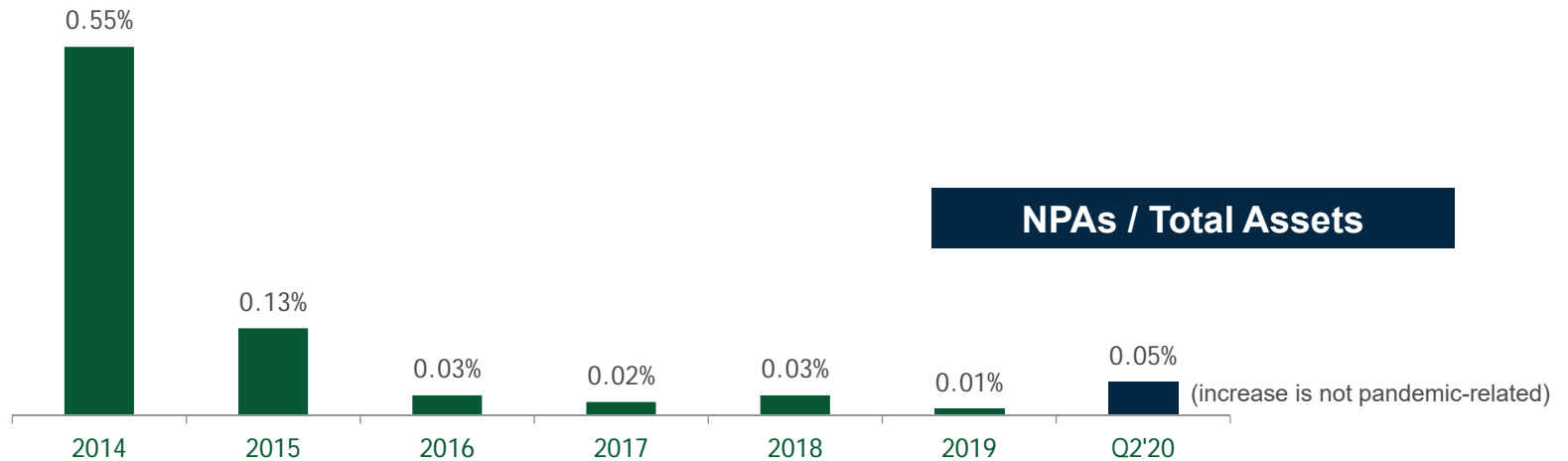
Q2 2020 Cost of Deposits 0.09%



Q2 2020 Non-Interest Bearing DDA of 52%* (up from 46% at 06/30/15)

**As of June 30, 2020*

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



Ongoing COVID-19 Response

- Funded over \$300 million in PPP loans to over 1,800 small businesses, reaching nearly 28,000 employees in our markets
- Contracted with a technology provider and a CPA firm to help our customers successfully navigate the PPP loan forgiveness process
- Approved loan payment relief requests for over 260 loans with balances exceeding \$386 million
- Lowered interest rate floors on commercial Prime Rate-indexed loans
- Waiving ATM and overdraft fees
- Cancelling early withdrawal penalties for certificates of deposit when allowed by law
- Suspended share repurchase program
- Supporting local non-profit organizations through grants in place of events sponsorships

COVID-19 Response - Paycheck Protection Program (PPP)

- Of the 1,800+ loans funded, the majority were made to existing Bank of Marin customers
- Approximately 80% of PPP borrowers did not have loans outstanding with Bank of Marin at the onset of the pandemic
- 178 nonprofit organizations, employing over 6,000 individuals, received \$57.4 million in PPP loans

Tiers	Tier Amount	% of Total	Number of Loans	% of Total Number
\$150M and less	\$60,157,019	19%	1,330	73%
>\$150M - \$350M	\$63,676,515	20%	282	15%
>\$350M - \$1MM	\$89,049,374	28%	164	9%
>\$1MM - \$2MM	\$43,262,638	14%	32	2%
>\$2MM - \$10MM	\$60,170,955	19%	16	1%
Total	\$316,316,500	100%	1,824	100%

PPP information was collected to the best of our ability based on available and known information as of 7/10/2020.

COVID-19 Response - Sensitive Industries Excluding PPP

Industry	Outstanding Balance	% Total Portfolio	% Real Estate Related	Weighted Average LTV
Retail Related CRE	\$184,773,951	9%	100%	39%
Wine Related	\$76,686,179	4%	55%	38%
Education	\$67,360,693	3%	93%	35%
Hospitality	\$48,124,533	2%	94%	38%
Health Clubs/Movie Theaters	\$17,937,959	1%	98%	35%
Retail Businesses	\$13,185,704	1%	<1%	
Medical	\$10,689,726	1%	82%	51%
Dental	\$7,927,310	<1%	54%	43%
Transportation and Energy	\$3,068,240	<1%	<1%	
Industry/Property Subtotals	\$429,754,295	20%¹	85%²	38%

¹ Total loan portfolio balance is \$2,110,200,667

² \$365,693,033 of COVID-19 sensitive industry loan balances are secured by real estate

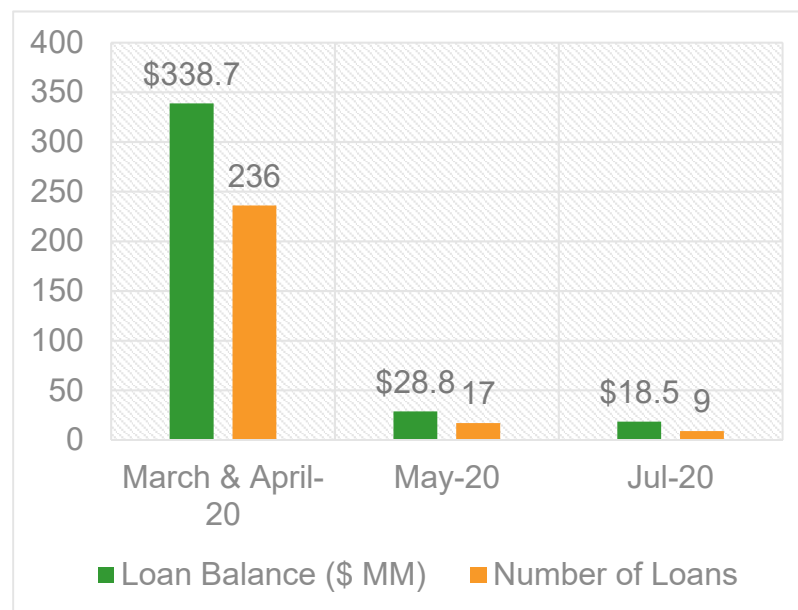
Does not include PPP loans which are guaranteed by the SBA.

Information as of June 30, 2020

COVID-19 Response - Payment Relief Program

- Provided immediate relief to Bank of Marin clients experiencing hardship
- No additional information or underwriting required, streamlined processing for existing clients
- Up to 120 days full deferral of principal and interest payments or up to 120 days interest only payments
- Rolled out on March 18 – First approval on March 20

Payment Relief Granted



Loan Modifications as of 7/10/20	# Loans	Loan Balance	% Secured by Real Estate	Weighted Average LTV
Full Deferral of P&I	166	\$222,912,899	>92%	<48%
Interest only	96	\$163,093,504	>95%	<50%
Total:	262	\$386,006,403	>94%	<49%

Loan Modification information was collected to the best of our ability based on available and known information as of 7/10/2020.

COVID-19 Response - Program Status Update

As of 8/18/2020, based on active discussions with customers as relief periods began to expire, we estimate 58 loans totaling \$96 million or less will require extended payment relief.

Loan Modifications Requiring Extended Payment Relief as of 8/18/20	Loan Balance	% of Total	Weighted Average LTV
Retail Related	\$19,237,865	20%	42%
Education	\$17,534,257	18%	24%
Health Clubs/Movie Theaters	\$13,193,689	14%	59%
Hospitality	\$10,439,251	11%	43%
CRE – Other*	\$32,496,126	34%	42%
Total CRE	\$92,901,188	97%	41%
Total Non-CRE	\$2,915,150	3%	N/A
Total Loan Modifications	\$95,816,338	100%	

*Includes warehouse, mixed-use, office, multi-family and auto-related properties.

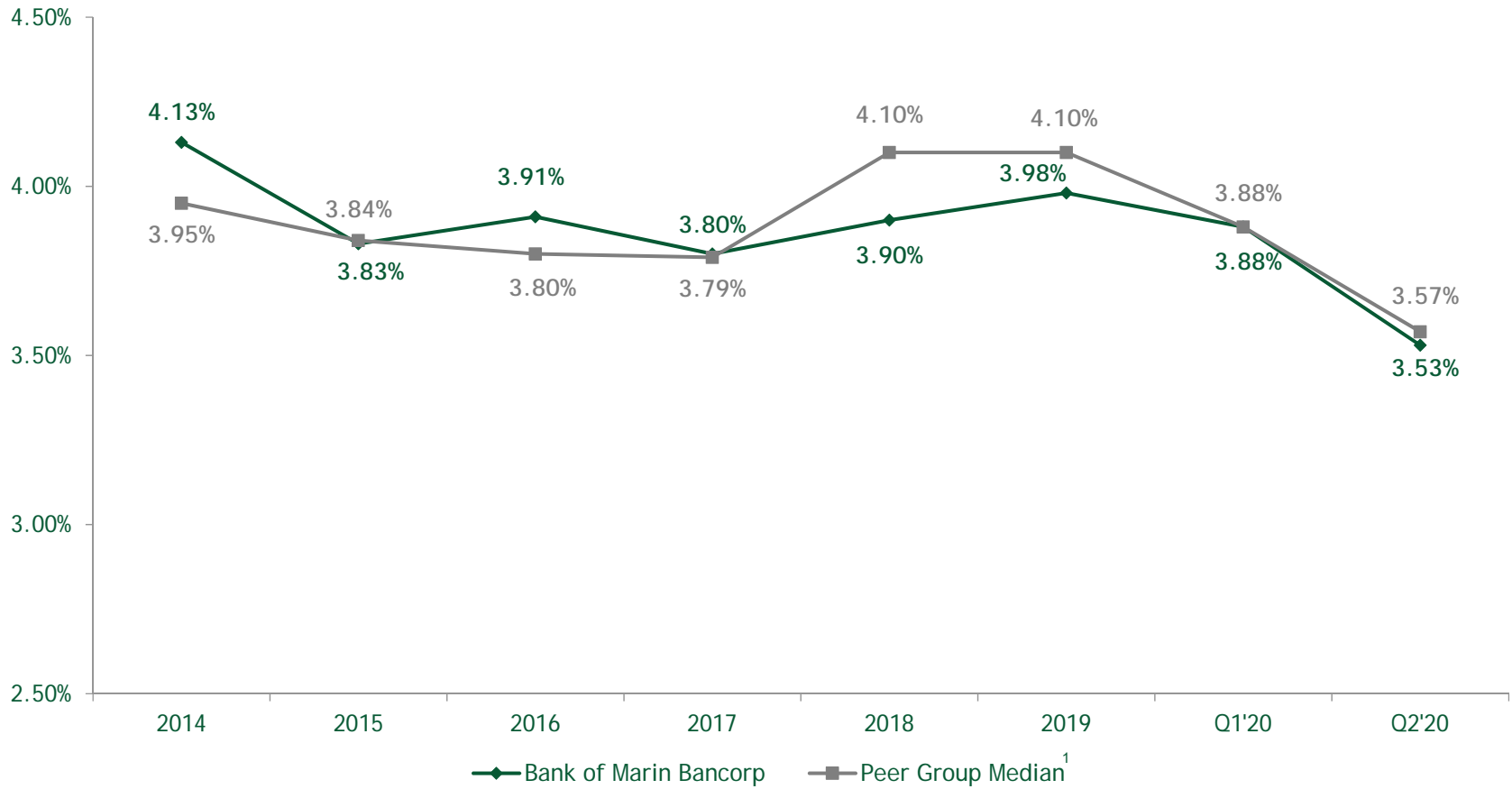
Q2 2020 Results Comparison

	Q2'20	Q2'20 vs Q1'20	1 st half '20	1 st half '20 vs 1 st half '19
Earnings	\$7.4MM	\$178M	\$14.6MM	\$108M
Diluted EPS	\$0.55	\$0.02	\$1.07	\$0.06
Loan Originations (Non-PPP)	\$41.8MM	\$12MM	\$71.6MM	\$4.5MM
PPP Originations	\$298.9MM	\$298.9MM	\$298.9MM	\$298.9MM
Cost of Deposits	0.09%	12bps	0.15%	4bps
Tax Equivalent NIM	3.53%	35bps	3.70%	33bps
Efficiency Ratio	54.00%	279bps	55.42%	349bps
Return on Average Assets	1.01%	8bps	1.05%	21bps
Return on Average Equity	8.52%	2bps	8.53%	137bps
Dividend	\$0.23	\$0.00	\$0.46	\$0.08
Dividend Yield Annualized*	2.76%	31bps	2.76%	89bps

* Dividend yield was calculated based on dividend paid within quarter (annualized) and closing stock price at quarter-end.

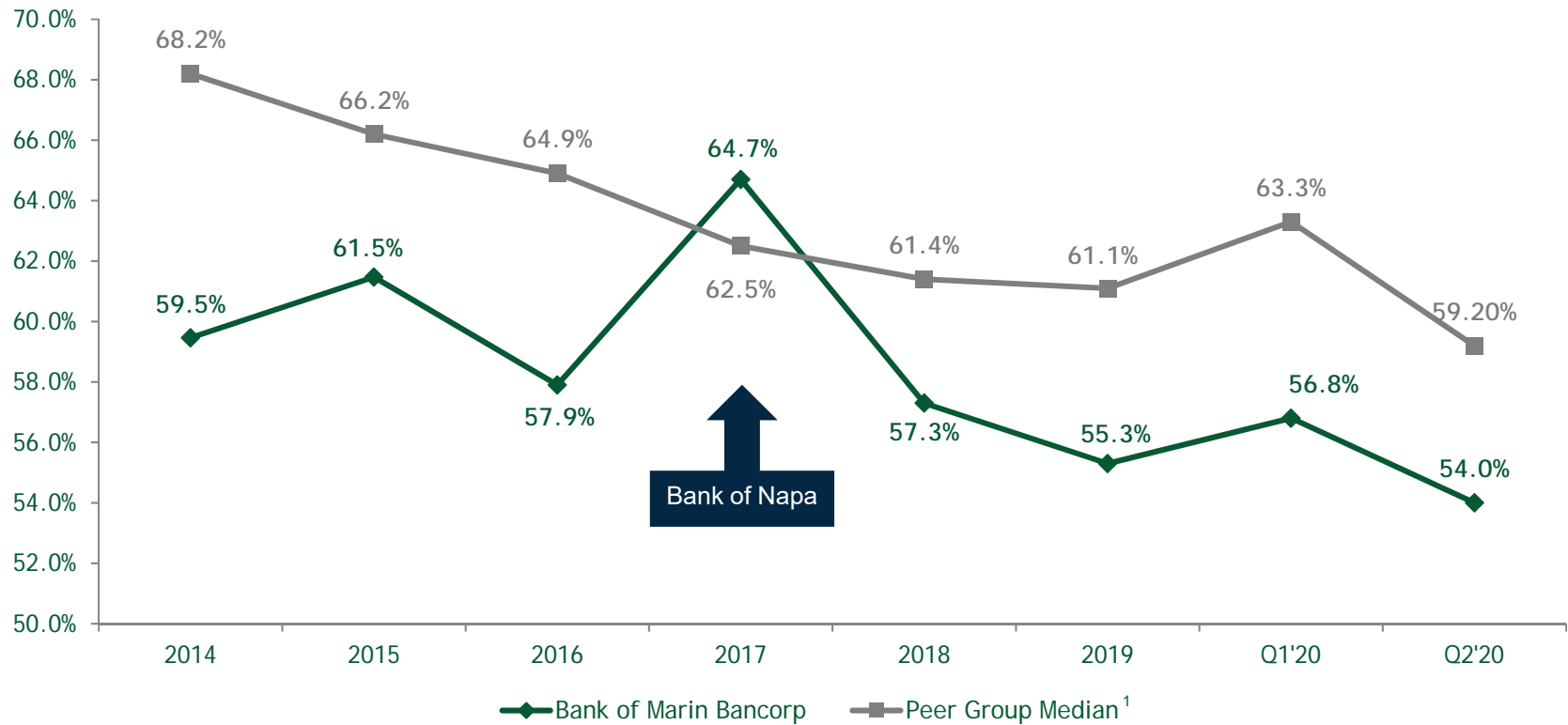
As of June 30, 2020.

Net Interest Margin



¹ Peer group includes major exchange-traded Western region banks with assets of \$1 billion to \$6.5 billion.

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.

Strong Capital Ratios Support Future Growth Opportunities



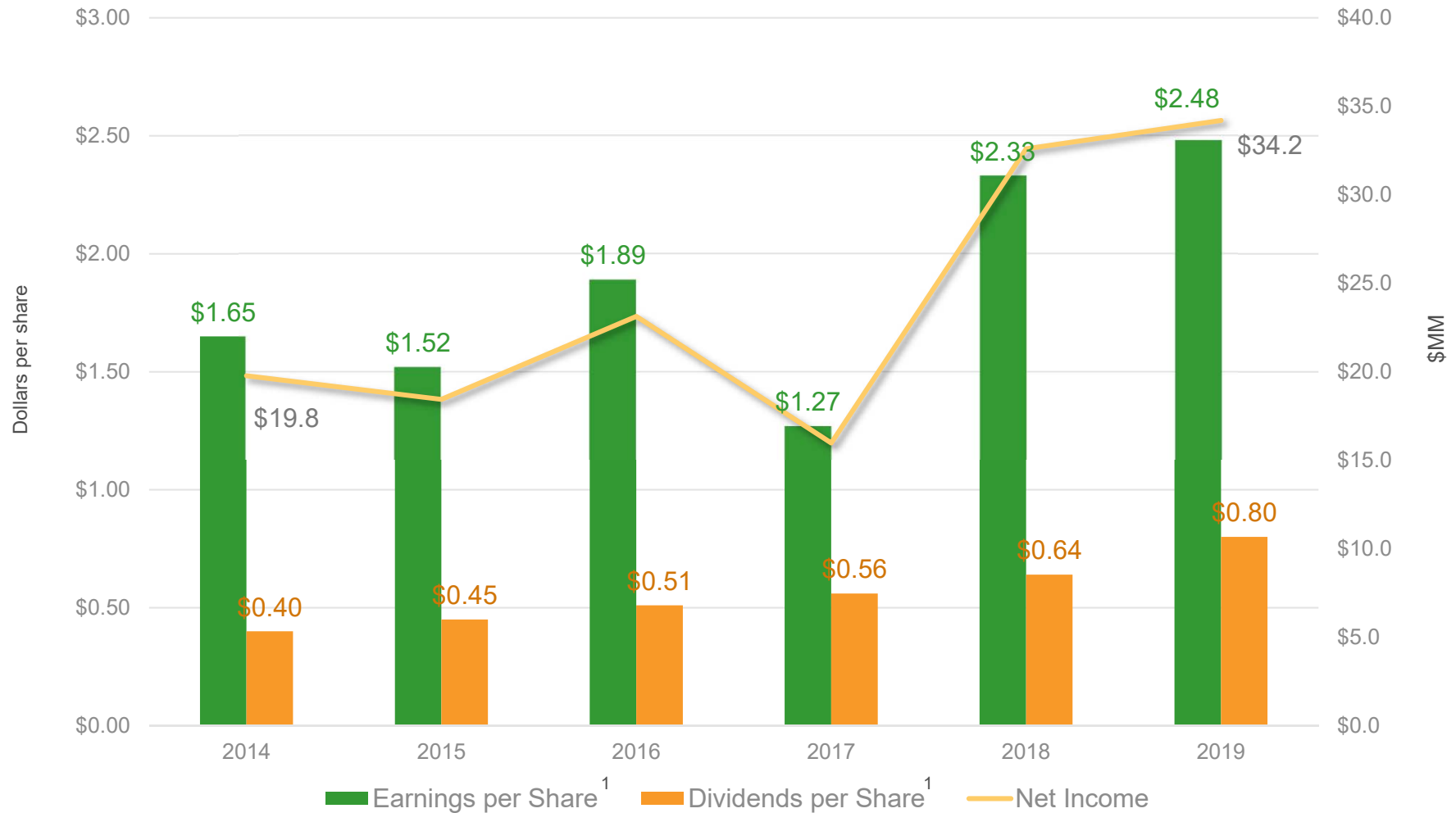
Peer Comparison

Bank of Marin compares favorably to peers in key metrics

	BMRC Q2 2020	Peer Median	Percentile
Non-Interest Bearing/Total Deposits	51.90%	37.70%	100%
Gross Loan Growth Rate (year over year)	19.60%	17.90%	56.60%
NPAs/Assets	0.05%	0.28%	96.40%
Efficiency Ratio	54.00%	59.20%	76.00%
Return on Average Assets	1.01%	0.95%	59.30%
Return on Average Equity	8.52%	8.80%	48.60%
Tangible Common Equity/ Tangible Assets	10.10%	9.05%	83.30%
Net Income/FTE Annualized	\$100.42	\$58.70	76.10%

Peers are major exchange-traded U.S. Western-region banks with \$1 billion to \$6.5 billion in assets.
Source: Peer Median and Percentile obtained from S&P Global Market Intelligence as of Q2 2020.

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.

Executing Bank of Marin's Two-Pronged Growth Strategy

ORGANIC GROWTH

- Capitalize on resilient San Francisco Bay Area economy
- Continue to expand commercial lending in high-growth regions
- Further build our deposit base, among the lowest-cost franchises in the country
- Continue to invest in hiring the best people throughout our footprint
- Focus on growing existing client relationships

STRATEGIC INVESTMENTS

- Ongoing expansion into new markets, with newest office now open in San Mateo
- Proven record of accretive acquisitions in 2011, 2013 and 2017
- M&A strategy focused on expanding market presence in high-growth regions
- Strong capital base supports future acquisitions and organic growth
- Continued focus on creating operational efficiencies

Contact Us

Russell A. Colombo

President & Chief Executive Officer

(415) 763-4521

russcolombo@bankofmarin.com

Tani Girton

EVP, Chief Financial Officer

(415) 884-7781

tanigirton@bankofmarin.com

Tim Myers

EVP, Chief Operating Officer

(415) 763-4970

timmyers@bankofmarin.com

Media Requests:

Beth Drummey

VP, Marketing & Corporate Communications

(415) 328-3063

bethdrummey@bankofmarin.com