



Northrim BanCorp, Inc.

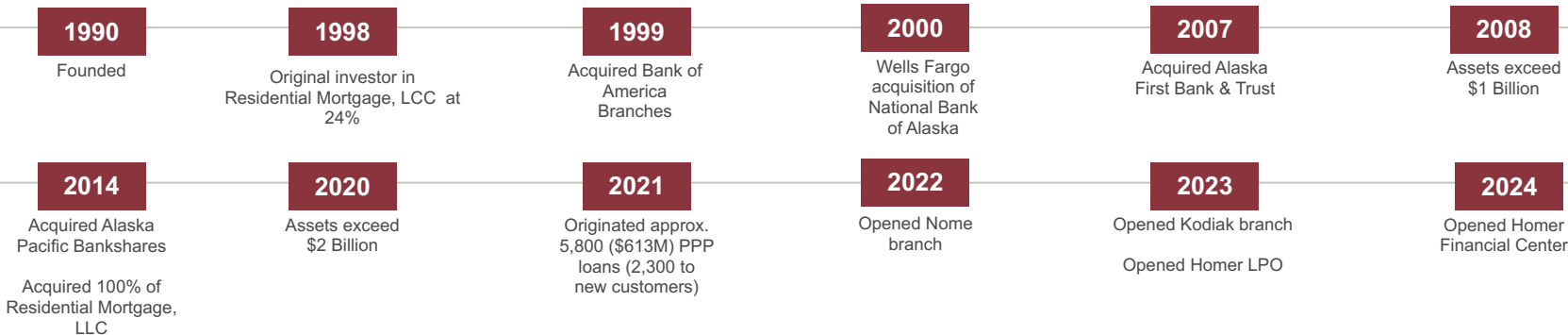
Investor Presentation

Third Quarter 2024
Nasdaq: NRIM

Northrim Overview

\$3.0 billion community bank founded in 1990 to provide financial services to Alaskan residents and businesses

- Superior customer first service
- Strong balance sheet
- Solid net interest margin; pricing reflects quality service
- Focus on asset quality
- Diversified revenue sources
- Leadership to build Alaska's economy



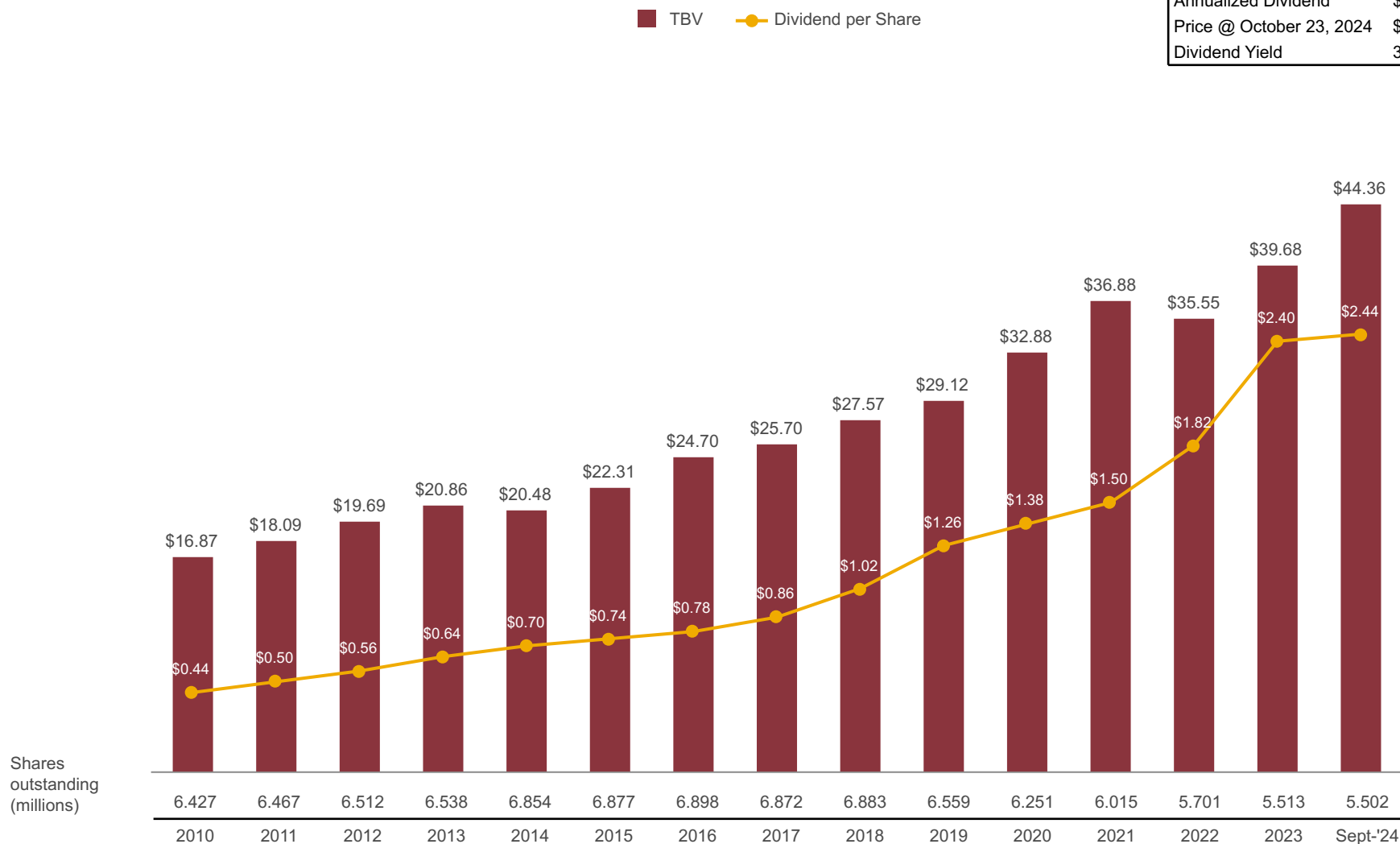
3rd Quarter 2024 | Financial Highlights¹

Earnings & Profitability				Net Income \$8.825 million	EPS \$1.57
	Q3-24	Q2-24	Q3-23		
Earnings per Share	\$1.57	\$1.62	\$1.48		
Net Income (in Thousands)	\$8,825	\$9,020	\$8,374		
Net Interest Margin	4.29%	4.24%	4.15%		
ROAA	1.22%	1.31%	1.22%		
ROAE	13.69%	14.84%	14.67%		
Dividends per Share	\$0.62	\$0.61	\$0.60		
Balance Sheet & Capital				ROAA 1.22%	ROAE 13.69%
Total Loans (in Millions)	\$2,008	\$1,876	\$1,720		
Total Deposits (in Millions)	\$2,626	\$2,464	\$2,428		
Total Capital / Risk Adjusted Assets	12.50%	12.58%	12.58%		
Shareholders' equity / Total assets	8.78%	8.76%	8.07%		
TCE	8.28%	8.24%	7.54%		
Tangible Book Value per Share	\$44.36	\$42.03	\$37.72		
Asset Quality				Loan Growth 16.7% YoY	NIM 4.29%
NPAs / Total Assets, net govt guarantees	0.18%	0.18%	0.19%		
Total Loan ACL/Portfolio Loans	0.97%	0.94%	0.96%		
				Portfolio Loan Yield 6.91%	Cost of IB Deposits 2.24%

¹Non-GAAP financial measures. Refer to Appendix to this presentation for a reconciliation.

Shareholder Value Creation Through TBV¹ Accretion, Dividends² and Buy Backs

Q3 2024 Dividend	\$0.62
Annualized Dividend	\$2.48
Price @ October 23, 2024	\$69.02
Dividend Yield	3.59%



¹Tangible book value per share is a non-GAAP financial measure - see Non-GAAP reconciliations in Appendix

²2024 Dividend per share represents the previous 12 months

Investment Opportunity



Unique Banking Environment Provides Opportunities to Gain Market Share

- Northrim deposit market share has increased by 540 basis points since 2018



Alaska Banking Environment Drives Higher Yields on Loans and Lower Deposit Costs

- Northrim loan yields averaged 5.64% over last 10 years vs 4.95% in the U.S. (as of 12/31/2023)
- Northrim interest-bearing deposits costs averaged 44 bps over last 10 years vs 72 bps in the U.S. (as of 12/31/2023)
- Increasingly diverse economy



Experienced Management Team Delivering Asset and Profitability Growth

- Branch expansion strategy benefiting from competitor pull back
- Adding additional team members has enhanced loan and deposit originations
- Credit culture has positioned bank for potential economic downturn



New and Repricing Loans Will Drive Stable / Improving NIM

- 31% of loans mature or reprice in the next three months, 16% of loans mature or reprice in three to twelve months, and 28% of loans mature or reprice in one to three years
- 29% of deposits are non-interest bearing



Capital Management

- Repurchased ~20% of outstanding shares in last 5 years
- Increased dividend by 100% in last 4 years, currently at \$0.62 / share / quarter

Capital Investment Drives Economic Growth - Partial List of Projects



- \$6 billion in various federal infrastructure projects over the next 5 years
 - \$250 million port of Nome
 - \$170 million Lowell Creek flood diversion in Seward
 - \$88 million Moose Creek dam in North Pole to protect Fairbanks
 - \$46 million UAA Center for Homeland Security Awareness in the Arctic



\$107 million runway extension at JBER in the Defense Authorization Bill



Coast Guard – \$600 million over 5 years for Kodiak, Juneau and Sitka



Juneau land conveyance and \$125 million to finance icebreaker ship



Telecom – GCI & Quintillion fiber optics projects, \$100 million from Feds



Manh Choh gold mine near Tok - 500 mining, 200 transportation jobs



Graphite One - \$37 million Department of Defense grant



\$9.3 million HUD grant for Alaska Native Community housing



Alaska Energy Authority - \$413 million rail belt electric grid update

Oil and Gas Development Drives Economic Growth

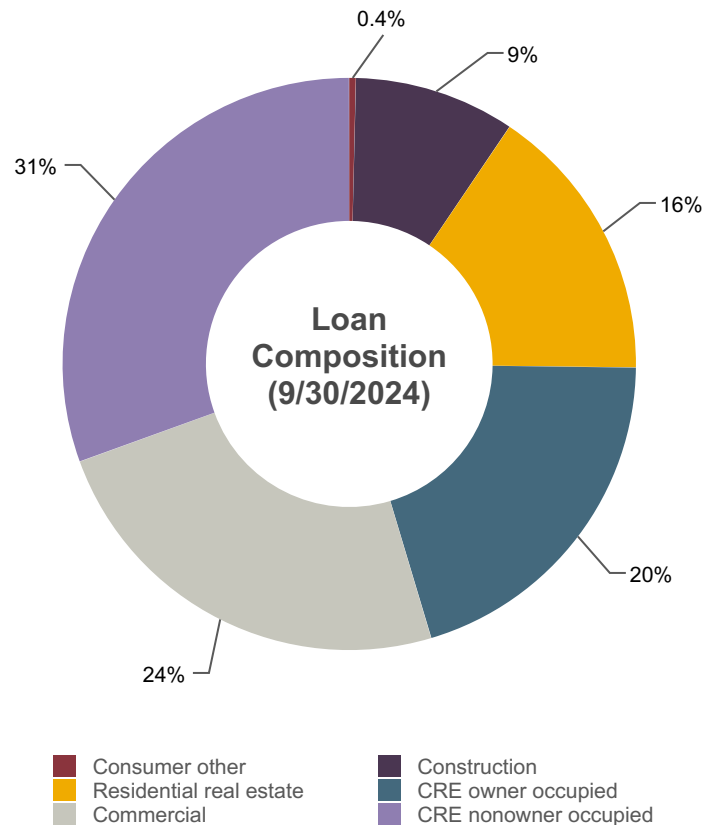
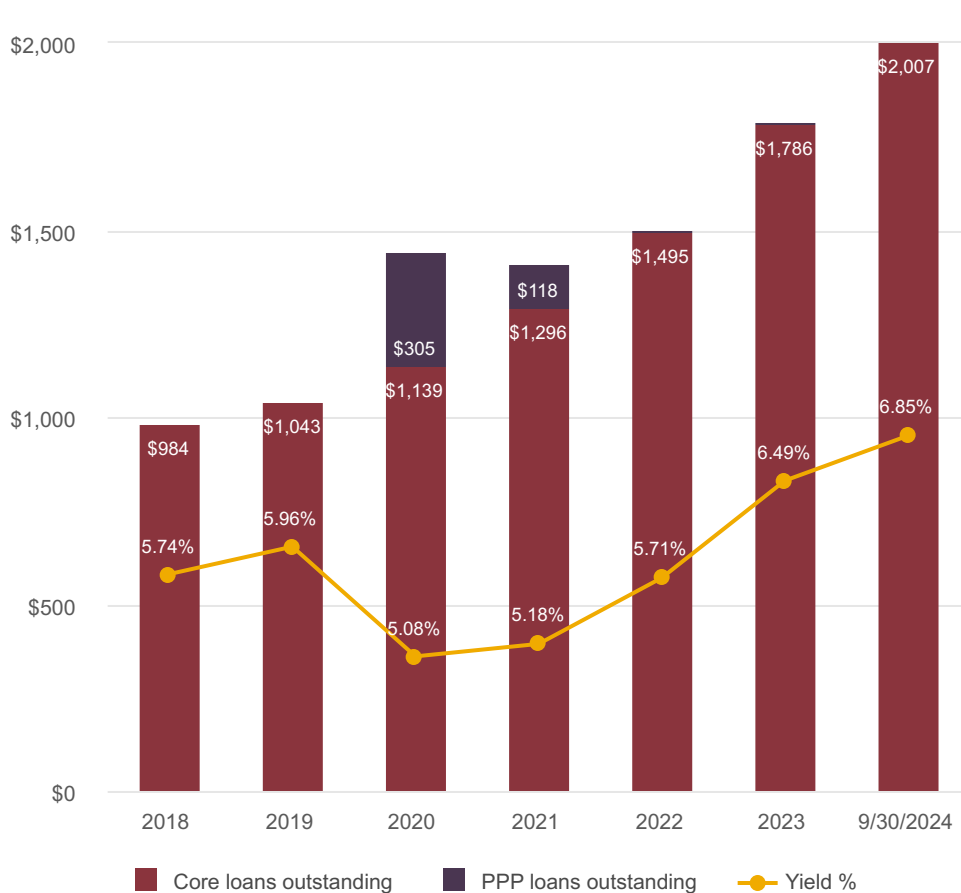


Future Oil Development Projects

- Alaska North Slope oil production averaged 479,000 barrels per day (bpd) in 2023
- Production is projected to increase to 640,200 bpd by 2033
- Santos and Repsol making \$2.6 billion investment in Pikka. 80k bpd, 768 million recoverable barrels, 2,600 construction jobs, 500 permanent jobs
- ConocoPhillips \$8 billion investment in Willow, 180k bpd, 600 million recoverable barrels, 2,500 construction jobs, 300 permanent jobs
- CD5, 2S and NEWS totaled \$2 billion cost, 53k bpd
- Narwhal CD8 (Colville) peak 32k bpd and Nuna-Torok (Kuparuk) peak 20k bpd
- GMT-1&2 \$2.1 billion investment, 50k bpd

Steady Loan Growth Supported by Increasing Market Share

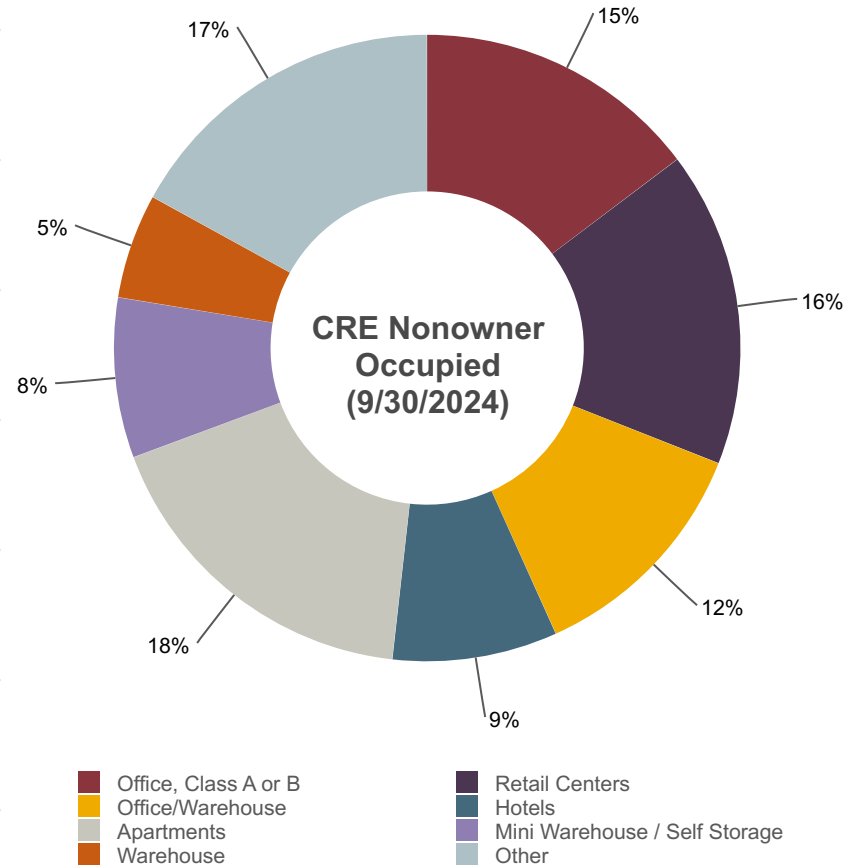
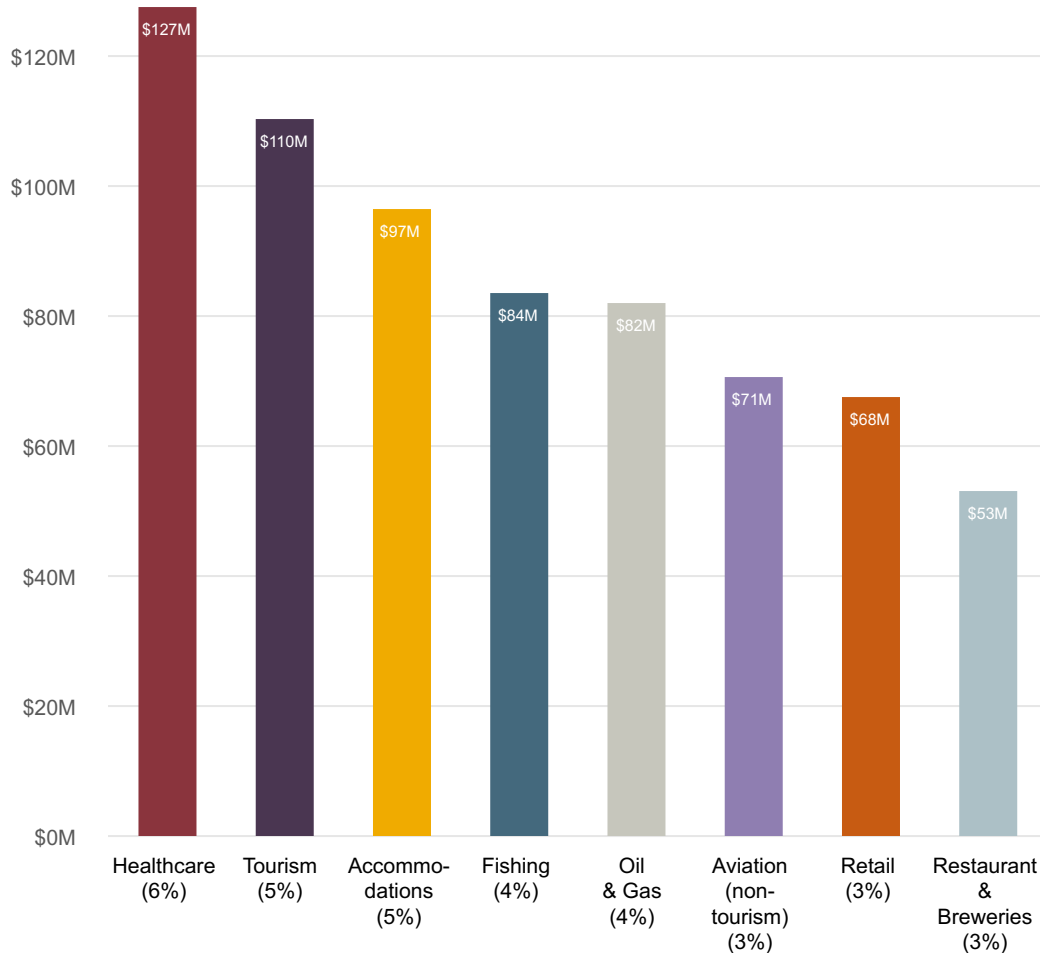
Portfolio Loans Outstanding (\$2.01 billion)



YTD Portfolio Loan Yield: 6.85%

Diversified Loan Portfolio Limits Concentration Risk

Special Industries as Percentage of Total Portfolio Loans (\$2.01 billion)



CRE Nonowner Occupied:
\$584 million

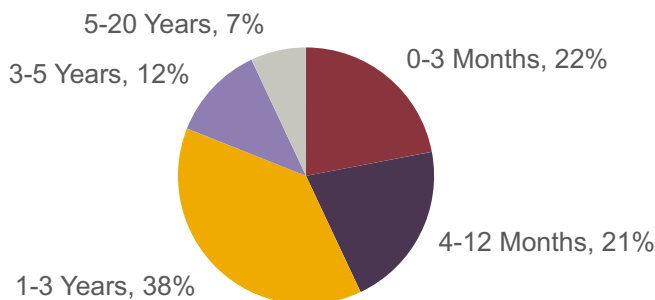
Commercial Real Estate Non-Owner Occupied Portfolio Details

CRE Non-owner Occupied Portfolio Metrics (9/30/2024)

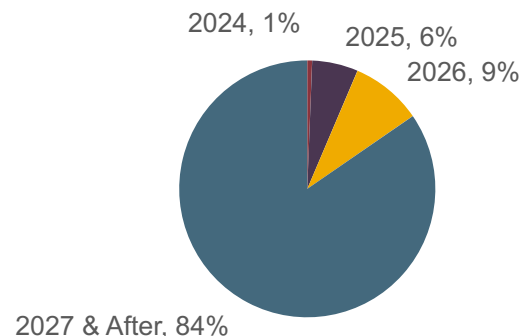
Average Loan Size	\$1.49 million
Nonaccrual	\$0.00 million
Special Mention	\$2.27 million / 0.39% of CRE Non-Owner Occupied
Adversely Classified	\$8.85 million / 1.51% of CRE Non-Owner Occupied

Property Type (\$ millions)	Amount Outstanding	Number of Properties	Avg Balance	% of CRE Non-Owner Occupied Portfolio
Office, Class A or B	\$86.2	51	\$1.7	15 %
Retail Centers	\$95.3	40	\$2.4	16 %
Office / Warehouse	\$71.8	37	\$1.9	12 %
Hotels	\$49.8	21	\$2.4	9 %
Apartments	\$102.8	76	\$1.4	18 %
Mini Warehouse / Self Storage	\$48.4	19	\$2.5	8 %
Warehouse	\$31.6	17	\$1.9	5 %
Other	\$98.4	127	\$0.8	17 %
Total	\$584.3	388	\$1.5	100 %

Repricing or Maturing Schedule



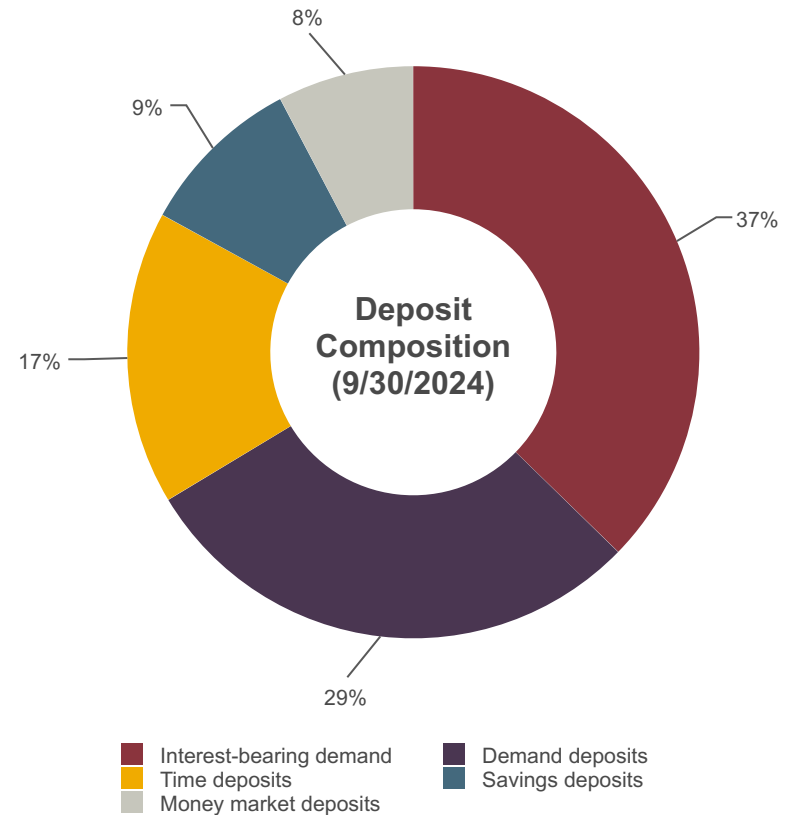
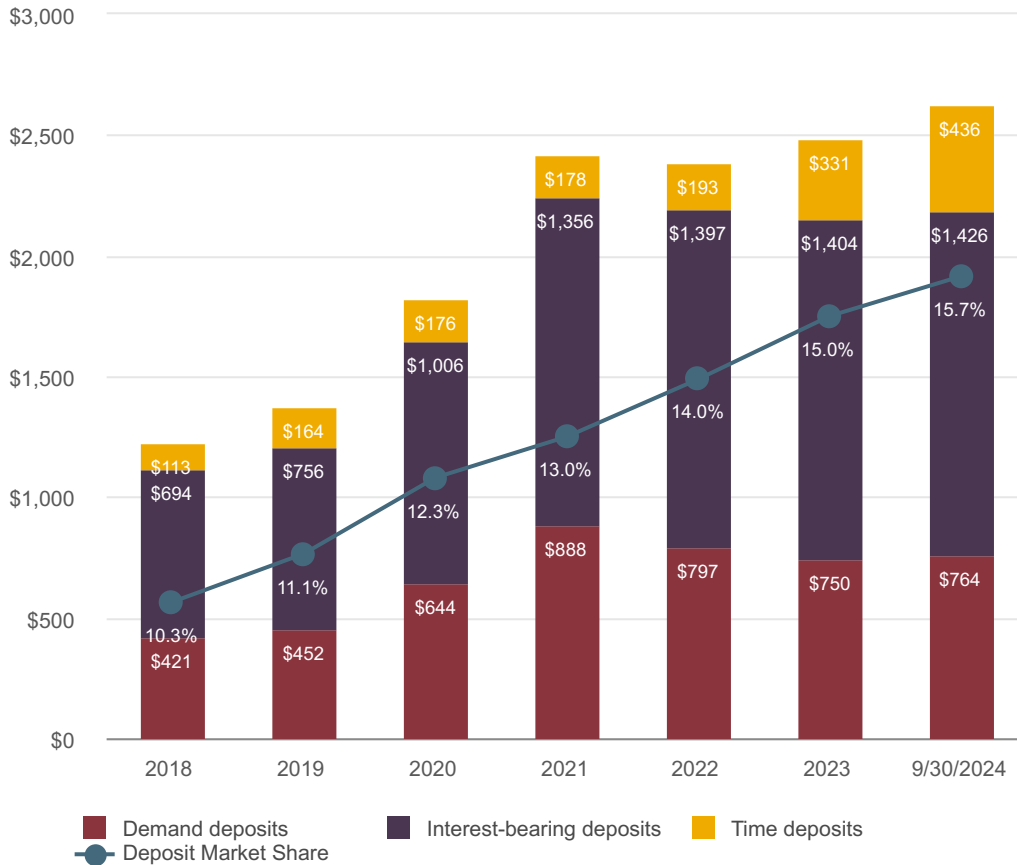
Maturity Schedule



- 15% of Non-Owner Occupied CRE includes 16 properties outside of Alaska
- 22% of Non-Owner Occupied CRE are Fixed Rate loans

Deposit Franchise also Benefiting from Increasing Market Share

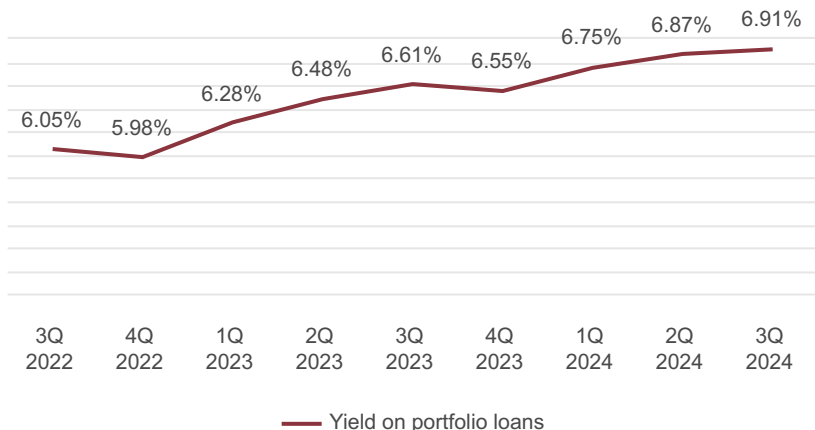
Steady Market Share Growth Driving Deposits



YTD Cost IB Deposits:
2.20%

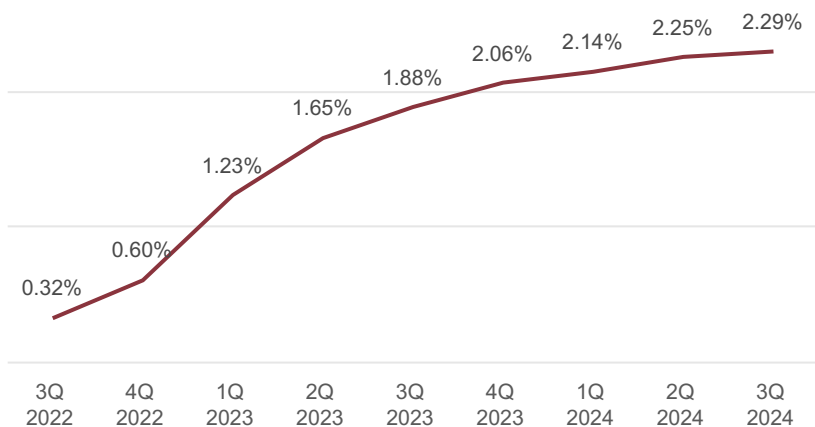
Net Interest Margin Driven by Asset Yields and Low Cost Liabilities

Yield on Portfolio Loans

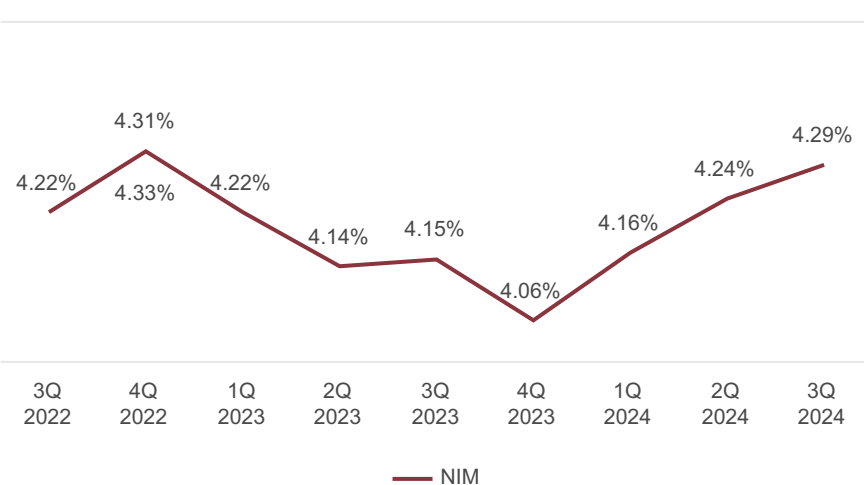


- Increasing loan and portfolio investment yields support increasing asset yields
 - 16 bps increase since Q1 2024
- Deposit franchise provides low cost financing
 - 29% non-interest bearing deposits in Q3 2024
- Stabilizing NIM helps maintain profitability
 - NIM up 14 bps since Q3 2023

Cost of Interest-Bearing Liabilities

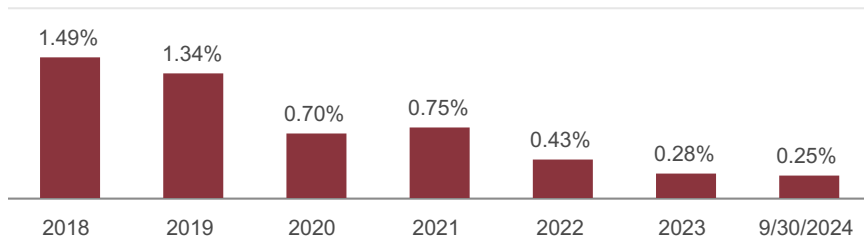


NIM



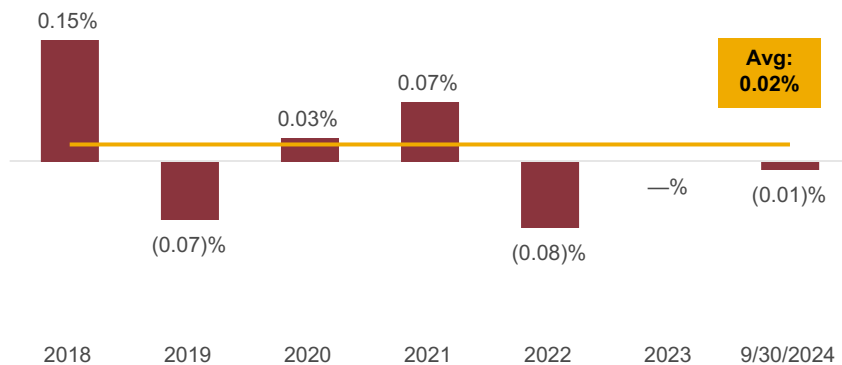
Improving Credit and a History of Low Charge-Offs

Nonperforming loans, net govt. guarantees / Portfolio loans

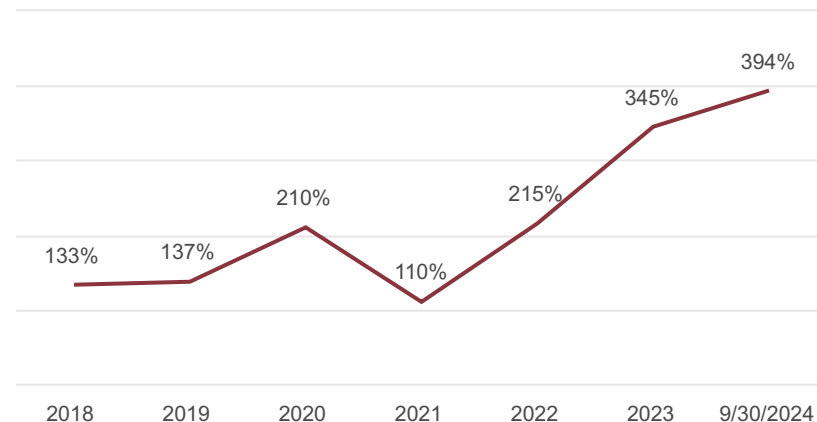


- Nonperforming loans have steadily decreased for past 5 years
- Historically low charge-offs
 - 0.02% Net Charge-offs / Loans 6-year average (2018-2023)
- ACL / Nonperforming loans continues to be at historically low levels
 - 0.08% loans currently 30-89 days past due

Net Charge-offs/YTD Average Loans



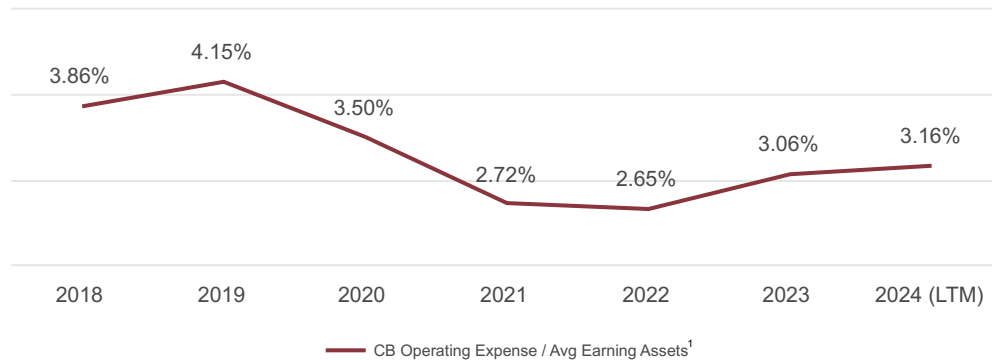
ACL/Nonperforming loans, net govt. guarantees



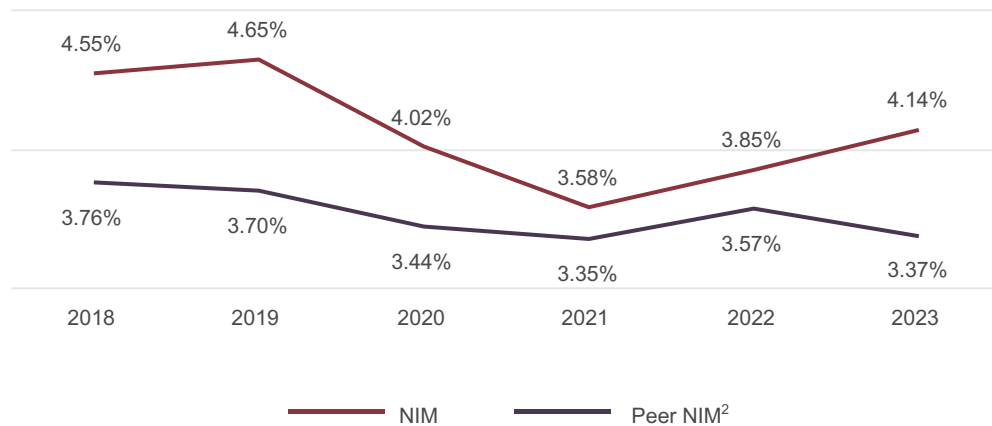
Operating Expenses Mitigated by Attractive Market Dynamics

- Alaskan operating expenses are higher than mainland banks
 - 1,300 miles from Nome to Ketchikan (1,400 miles from New York to Dallas)
 - 6 branches only accessible by boat or plane
- Alaskan loan yields are higher and deposit costs are lower
 - Top 4 banks have 90% deposit market share
 - Last new market entrant was in 2000 when Wells Fargo acquired National Bank of Alaska

Higher Operating Expenses...



...Are Balanced by Higher Loan Yields and Lower Deposit Costs which Drive Attractive NIM



¹ Community Banking Net Operating Expense ratio is a non-GAAP financial measure - see Non-GAAP reconciliations in Appendix

² Peer consists of SNL US Banks with assets between \$1B and \$5B.

Noninterest Income Supported by Multiple Business Lines

Business Line

Description

Operating Income 2024 (\$29.0M)

Treasury Management and Deposit Solutions



- Includes bankcard fees and service charges on deposit accounts
- Payables Automation
- Fraud Mitigation
- Account Reconciliation Tools
- Receivables Automation
- Treasury Tools
- Merchant Fees

YTD 2023	YTD 2024	Q3-23	Q3-24
\$4.9M	\$5.4M	\$1.8M	\$2.0M

Northrim Funding Services



- Purchased receivable income
- Bellevue-based factoring business founded in 2004
- Higher risk-adjusted returns

YTD 2023	YTD 2024	Q3-23	Q3-24
\$3.2M	\$3.6M	\$1.2M	\$1.0M

Home Mortgage Lending and Residential Mortgage, LLC



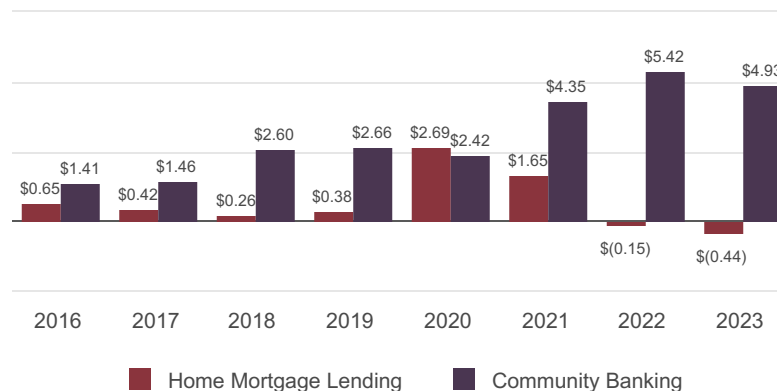
- Includes mortgage servicing
- Largest mortgage originator in AK
- Majority of loans serviced are Alaska Housing Finance Corporation (AHFC) mortgages
- \$1.17B servicing portfolio acts as hedge against origination volume
- Expanding into lower 48 states

YTD 2023	YTD 2024	Q3-23	Q3-24
\$10.3M	\$17.0M	\$4.4M	\$7.0M

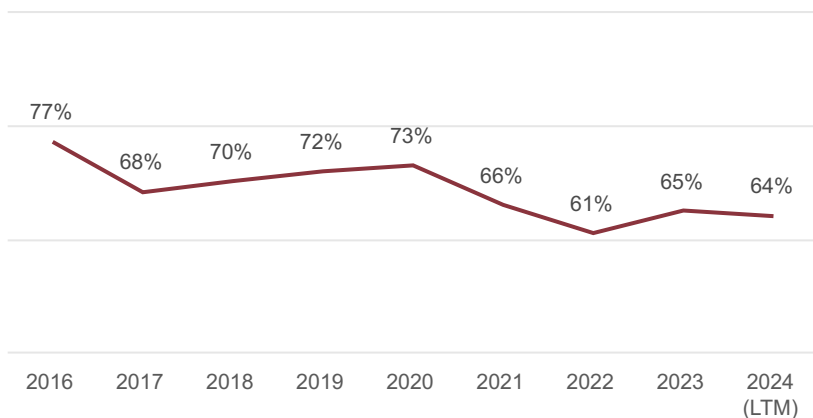
Diversification has Enhanced Results Over the Long Term

- Community Banking earnings have grown due to rising rates and successful expansion strategy
- Mortgage Lending tends to be more cyclical, but has been a strong contributor over the longer term

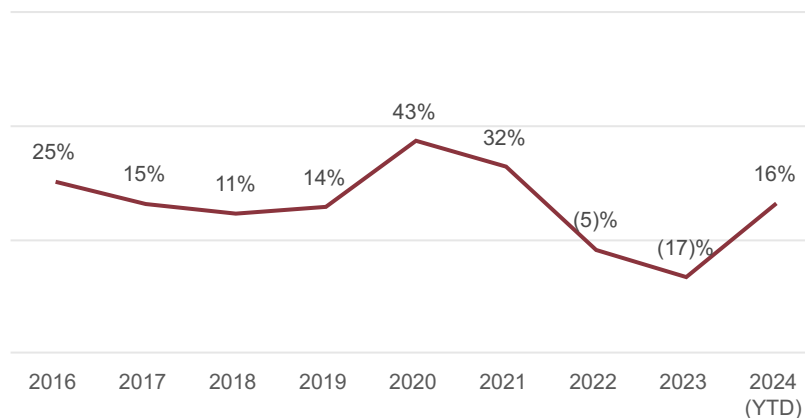
EPS Contribution by Segment



Efficiency Ratio (Community Banking)



Operating Margin (Home Mortgage Lending)





Northrim BanCorp, Inc.



Appendix

Financial Highlights¹

Balance Sheet	2020	2021	2022	2023	2023 Q3	2024 Q3
Total Assets	\$2,121,798	\$2,724,719	\$2,674,318	\$2,807,497	\$2,790,189	\$2,963,392
Portfolio Loans	1,444,050	1,413,886	1,501,785	1,789,497	1,720,091	2,007,565
Deposits	1,824,981	2,421,631	2,387,211	2,485,055	2,427,930	2,625,567
Shareholders' Equity	221,575	237,817	218,629	234,718	225,259	260,050
Common Shares Outstanding (millions)	6.251	6.015	5.701	5.513	5.548	5.502
Consolidated Capital (%)						
Equity / Assets	10.44 %	8.73 %	8.18 %	8.36%	8.07%	8.78%
Tangible Common Equity / Tang. Assets ²	9.76%	8.19%	7.62%	7.84 %	7.54%	8.28%
Book Value per Share	\$35.45	\$39.54	\$38.35	\$42.57	\$40.60	\$47.27
TBV Per Share ²	\$32.88	\$36.88	\$35.55	\$39.68	\$37.72	\$44.36
Asset Quality						
Nonperforming loans, net govt. guarantees	\$10,048	\$10,672	\$6,430	\$5,002	\$5,065	\$4,961
Nonperforming assets, net govt. guarantees	16,289	15,031	6,430	5,810	5,215	5,258
Net charge-offs (recoveries) / average loans	0.03%	0.07%	(0.08)%	— %	(0.01)%	0.00%
ACL / Portfolio loans	1.46%	0.83%	0.92%	0.97 %	0.96%	0.97%
Profitability						
Net Income	\$32,888	\$37,517	\$30,741	\$25,394	\$8,374	\$8,825
ROAA	1.70%	1.54%	1.16%	0.94 %	1.22%	1.22%
ROAE	15.53%	15.68%	13.68%	11.17 %	14.67%	13.69%
Net Interest Margin	4.02%	3.58%	3.85%	4.14 %	4.15%	4.29%
Community Bank Net Operating Expenses / Avg Assets ²	3.50 %	2.72 %	2.65 %	3.06 %		
Diluted EPS	\$5.11	\$6.00	\$5.27	\$4.49	\$1.48	\$1.57

1. In thousands, except per share data and shares outstanding.

2. Non-GAAP financial measures. Refer to Appendix to this presentation for a reconciliation.

Non-GAAP Reconciliation

(In thousands)	2020	2021	2022	2023	2023 Q3	2024 Q3
Shareholders' Equity	\$221,575	\$237,817	\$218,629	\$234,718	\$225,259	\$260,050
Total Assets	2,121,798	2,724,719	2,672,041	2,807,497	2,790,189	2,963,392
Total Shareholders' Equity to Total Assets Ratio	10.44 %	8.73 %	8.18 %	8.36 %	8.07 %	8.78 %
Shareholders' Equity	\$221,575	\$237,817	\$218,629	\$234,718	\$225,259	\$260,050
Less: Goodwill and Other Intangible Assets	16,046	16,009	15,984	15,967	15,973	15,967
Tangible Common Shareholders' Equity	\$205,529	\$221,808	\$202,645	\$218,751	\$209,286	\$244,083
Total Assets	\$2,121,798	\$2,724,719	\$2,674,318	\$2,807,497	\$2,790,189	\$2,963,392
Less: Goodwill and Other Intangible Assets	16,046	16,009	15,984	15,967	15,973	15,967
Tangible assets	\$2,105,752	\$2,708,710	\$2,658,334	\$2,791,530	\$2,774,216	\$2,947,425
Tangible Common Equity to Tangible Assets Ratio	9.76 %	8.19 %	7.62 %	7.84 %	7.54 %	8.28 %

	2018	2019	2020	2021	2022	2023	2024 (LTM)
Operating Expense, Community Banking Segment	\$49,956	\$54,988	\$57,614	\$58,647	\$63,902	\$70,684	\$73,650
Avg Earning Assets, Consolidated	\$1,346,449	\$1,386,557	\$1,758,839	\$2,260,778	\$2,469,383	\$2,491,651	\$2,603,353
Less: Avg Consumer Mortgages						131,810	203,252
Less: Avg Loans Held for Sale	46,089	56,344	105,287	101,752	51,566	41,644	59,290
Less: Avg Interest-bearing Cash, RML	4,600	5,803	5,325	5,435	7,726	6,651	8,266
Avg Earning Assets, Community Banking Segment	\$1,295,760	\$1,324,410	\$1,648,227	\$2,153,591	\$2,410,091	\$2,311,546	\$2,332,545
Community Banking Operating Exp / Avg Earning Assets	3.86 %	4.15 %	3.50 %	2.72 %	2.65 %	3.06 %	3.16 %

Non-GAAP Reconciliation

	2010	2011	2012	2013	2014	2015
Shareholders' Equity	\$117,122	\$125,435	\$136,353	\$144,318	\$164,441	\$177,214
Divided by Common Shares Outstanding	6,427	6,467	6,512	6,538	6,854	6,877
Book Value per Share	\$18.22	\$19.40	\$20.94	\$22.07	\$23.99	\$25.77
Shareholders' Equity	\$117,122	\$125,435	\$136,353	\$144,318	\$164,441	\$177,214
Less: Goodwill and Other Intangible Assets	8,697	8,421	8,170	7,942	24,035	23,776
Tangible Common Shareholders' Equity	\$108,425	\$117,014	\$128,183	\$136,376	\$140,406	\$153,438
Divided by Common Shares Outstanding	6,427	6,467	6,512	6,538	6,854	6,877
Tangible Book Value per Share	\$16.87	\$18.09	\$19.69	\$20.86	\$20.48	\$22.31

	2016	2017	2018	2019	2020	2021
Shareholders' Equity	\$186,712	\$192,802	\$205,947	\$207,117	\$221,575	\$237,817
Divided by Common Shares Outstanding	6,898	6,872	6,883	6,559	6,251	6,015
Book Value per Share	\$27.07	\$28.06	\$29.92	\$31.58	\$35.45	\$39.54
Shareholders' Equity	\$186,712	\$192,802	\$205,947	\$207,117	\$221,575	\$237,817
Less: Goodwill and Other Intangible Assets	16,324	16,224	16,154	16,094	16,046	16,009
Tangible Common Shareholders' Equity	\$170,388	\$176,578	\$189,793	\$191,023	\$205,529	\$221,808
Divided by Common Shares Outstanding	6,898	6,872	6,883	6,559	6,251	6,015
Tangible Book Value per Share	\$24.70	\$25.70	\$27.57	\$29.12	\$32.88	\$36.88

	2022	2023	2023 Q3	2024 Q2	2024 Q3
Shareholders' Equity	\$218,629	\$234,718	\$225,259	\$247,200	\$260,050
Divided by Common Shares Outstanding	5,701	5,513	5,548	5,502	5,502
Book Value per Share	\$38.35	\$42.57	\$40.60	\$44.93	\$47.27
Shareholders' Equity	\$218,629	\$234,718	\$225,259	\$247,200	\$260,050
Less: Goodwill and Other Intangible Assets	15,984	15,967	15,973	15,967	15,967
Tangible Common Shareholders' Equity	\$202,645	\$218,751	\$209,286	\$231,233	\$244,083
Divided by Common Shares Outstanding	5,701	5,513	5,548	5,502	5,502
Tangible Book Value per Share	\$35.55	\$39.68	\$37.72	\$42.03	\$44.36