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SPOTLIGHT

U.S. Banks

June 30, 2026

King of the North

Initiating Coverage of Northrim BanCorp (NRIM)

Rating: Market Perform
Price Target: $30.00



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Northrim BanCorp (NRIM)

Rating	Market Perform
Target Price	$30.00
Price 6/29/2026	$27.88
Upside to Target	10%
Market Cap ($mm)	$622

Source: FactSet & KBW Research.

Earnings per Share Estimates

	KBW	Consensus	% Difference
2026E	$2.45	$2.59	(5.4%)
2027E	$2.65	$2.75	(3.6%)

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All pricing metrics within this report as of June 29, 2026, unless otherwise noted.

Executive Summary

- **Investment Thesis. Northrim BanCorp (NRIM)** has gained remarkable share in Alaska, supported by superior customer service, an entrepreneurial approach, and a product set that competes well against the dominant player in the state. All told, this has enabled **NRIM** to generate superior balance sheet growth in a rationally priced market, which along with an impressive contribution from fees has driven peer-leading returns at the company. With the shares currently trading at 10.5x our 2027E and 2.2x TBV (vs. peers at 10.5x and 1.5x), the considerable P/TBV premium is well-earned, in our view. Nevertheless, we believe shares are fairly valued, particularly as we have more muted EPS growth ahead with NIM tailwinds slowing, with further potential upside to earnings likely necessitating expansion outside of Alaska.

- **EPS Estimates.** We are establishing operating EPS estimates of $2.45 in 2026 and $2.65 in 2027, implying 9% cumulative EPS growth over the next two years. Underpinning this outlook is our assumption that **NRIM** continues on a path of mid- to upper single-digit growth in loans (7% increase in both years) and deposits (5-6% growth), with some additional margin expansion (+9bps in 2026E and +5bps in 2027E) albeit slower than 2025 (+41bps) as yield improvement is supported by some additional back-book repricing. Additionally, we have fees contributing about 30% to revenues and 4-6% expense growth. All told, this enables modest positive operating leverage. Our model assumes some normalization in credit costs (25bps of NCOs for the balance of 2026E and 2027E), which may prove conservative when compared to recent history, but is reasonable to us in light of where we are in the cycle as well as the greater contribution from factoring after the Sallyport acquisition in 4Q24 (higher loss rates, though also much higher yields to drive attractive risk-adjusted returns, in our view).

- **Establishing $30 Price Target; Risk/Reward Fairly Balanced.** We are establishing a price target of $30, which is 11.3x our 2027E and 2.1x one-year forward tangible book value per share (TBVPS). Our base-case valuation represents close to a one-turn premium to where peers currently trade on P/E, which we believe is fair in light of **NRIM**'s excellent profitability (1.7% ROA and 17.5% ROTCE in our 2027E), and holds close to the current 2.2x multiple on one-year forward TBVPS. All told, this offers investors 10% total return upside potential inclusive of the 2.3% dividend yield—ahead of the group (3%), though within the range of MP-rated names. Our bull case scenario ($35 bull case target, or 28% upside) relative to our downside scenario ($22 bear case target, or -19% downside) has a 1.5:1 skew—biased positively, though also consistent with an MP rating.

Exhibit 1: Risk/Reward Skewed Positive, Though Commensurate with MP Rating

NRIM (2027E)	ROTCE	EPS	P/2027E	P/1YTBV	PT	Total Return
Bull Case	19.5%	$3.00	11.7x	2.4x	$35.00	28%
Base Case	17.5%	$2.65	11.3x	2.1x	$30.00	10%
Bear Case	14.2%	$2.10	10.5x	1.5x	$22.00	-19%

Source: KBW Research.

- **Potential Risks.** Potential risks to our outlook would be a pullback in growth (a function of a slowdown in **NRIM**'s ability to take share and/or slower economic growth) and margin headwinds from a less advantageous interest rate outlook and/or competition picking up after years of rational pricing. To support continued growth over the longer term, we believe **NRIM** may look to acquire business lines and/or whole banks in the Lower 48, which comes with potential execution risk as well as near-term pressures that are typically seen for buyers. Fee income represents a greater proportion of revenues (about 30% in KBWe), with the bulk derived from mortgage and specialty finance. We believe mortgage in particular acts as a good hedge in down rates; however, both mortgage and specialty finance are dependent on market conditions and subject to fluctuations. Furthermore, greater normalization in credit costs could weigh on the outlook, as could higher expenses, as operating in Alaska comes with a higher level of operating costs. Finally, multiple compression could be a risk factor in light of **NRIM**'s premium P/TBV multiple. We note our price target is sensitive to changes in our EPS and TBV outlook, which is sensitive to many factors including interest rates, macro credit trends, and company-specific operations. Therefore, an approximate 5% increase or decrease to our EPS and/or TBV estimates would result in a corresponding increase or decrease of approximately 5% to our price target.

Investment Considerations

Attractive Outlook Ahead

- **Market Share Gains Support Continued Balance Sheet Growth. NRIM** has gained 7% deposit market share within the state of Alaska over the past seven years, supporting solid organic growth (about a +13% CAGR in loans and deposits over this period, or about 3x the rate of growth for the industry). Notably, the pace of advancement does not appear to be slowing down, with **NRIM** gaining about 2% share in the most recent data available from the FDIC's Summary of Deposits analysis (as of June 2025). These gains have primarily come from the largest player in the state (Wells Fargo), which has retrenched from investing in the state over the past several years. Based on our conversations with management, we believe that there is a continued pathway for 1-2% share gains over the next 5-10 years with runway towards 30% market share over time (vs. 18% currently) as **NRIM** leverages its more entrepreneurial approach, competitive product set, and customer-centric model to win business from competitors. This should support an attractive growth profile ahead (mid/upper single-digit increase in loans and deposits) that is not contingent on overall economic growth in Alaska.

- **Leading NIM in a Rational Market.** NIM stood at 4.77% as of 1Q26, reflecting attractive pricing for deposits (1.31% total cost at 1Q26) and loans (6.86% at 1Q26, with new production near 7%). Geographical considerations—including the size of the state, relative remoteness and low population density—serve as a natural barrier to entry, and the seven banks in the state operate rationally.

- **Top-Tier Profitability. NRIM** earned a remarkable 22% ROTCE in 2025, supported by strong profitability at the core bank as well as a greater contribution from Specialty Finance following the Sallyport acquisition at the end of 2024. We currently anticipate **NRIM** maintaining a high-teens ROTCE (17.5% in 2027E), with the decline primarily a function of a lower contribution from fee income as we believe some prepays in the Specialty Finance division may have supported an outsized contribution to revenues last year. This still places **NRIM**'s ROTCE outlook in the top quintile of peers, warranting a premium multiple (P/TBV).

- **Excellent Credit Track Record.** Asset quality is the top component of bankers' scorecards, which has kept lenders highly disciplined even as the company has been aggressively taking share in the Alaskan banking landscape. **NRIM**'s track record on credit speaks for itself, having remained profitable through the GFC (peak annual NCOs of 1.00%; maintained a 0.6%+ ROA through the cycle). While it is unrealistic to expect credit losses will remain near zero indefinitely, the emphasis on credit coupled with the historical track record gives us confidence in **NRIM**'s outlook for maintaining strong asset quality as it continues to gain share from peer banks.

Potential Drawbacks

- **Base Case EPS Growth Likely Slowing. NRIM** has generated outsized EPS growth over the past two years (operating increased +42% in 2024 and +48% in 2025), benefitting from an expanding NIM, outsized balance sheet growth, and the highly accretive acquisition of Sallyport (20%+ fully phased EPS accretion). In turn, the stock has been a notable outperformer with the shares up +36% in 2024 (vs. +10% for the KRX) and +37% in 2025 (vs. +3% for the KRX), tracking alongside impressive EPS improvement. That said, even as there is some room for further margin expansion, we believe **NRIM** is nearing peak margin. As such, we see more limited EPS growth over the next two years (+9% for **NRIM** – versus +20% for the group). The idea of encroaching "peak earnings" is not something unique to **NRIM** at this part of the cycle, though is nonetheless a potential headwind to multiple expansion, in our view.

- **Some Quarterly Earnings Variability**. When looking on an annual basis, we find that **NRIM**'s earnings variability (as measured by the coefficient of variation) is relatively lower than peers—notably a positive in terms of valuation. Nevertheless, on a quarterly basis, we do find that there are some greater swings in EPS. We believe this is a function of (i) some larger deposit flows, particularly with some seasonal patterns, and (ii) fluctuations in the specialty finance business, which can vacillate between NII and fee income. Coupled with the fact that this is a somewhat underfollowed name (only one other sell-side analyst), the somewhat greater degree of quarterly earnings variability could be a headwind to multiple expansion, which in the absence of meaningful estimate revisions would be needed for significant share outperformance.

- **Higher-Cost Operating Model.** The vast and remote landscape of Alaska necessitates a higher level of operating costs for banks operating in the state relative to what is typically seen in the Lower 48. In fact, **NRIM**'s expenses to average assets have typically ranged from the mid-3%s to 5%, well above the group (2-2.5% over the past five years for the industry more broadly). Notably, the higher cost to operate in Alaska effectively serves as a barrier to entry, keeping pricing on loans and deposits rational within the state. Higher NIMs have more than made up for higher operating costs for **NRIM**, enabling the company to generate higher profitability even in the face of a higher expense base for a bank of its size. Nevertheless, we acknowledge the higher carrying costs that come with operating in Alaska and the potential headwinds should the revenue outlook become more constrained.

- **Expansion to New Markets Likely Needed to Support Growth Longer Term.** The economy of Alaska has become increasingly diverse, creating a resilient backdrop for banks operating in the state. That said, economic growth has been relatively flat, thus necessitating market share gains in order to grow the balance sheet. We believe **NRIM** has ample runway for continued share gains for the next 5+ years. However, we believe expansion outside the state of Alaska via an acquisition may be needed to drive more substantial growth beyond that time horizon. We would note that **NRIM** already has some exposure to the Lower 48; notably, about 30% of mortgage originations are outside of Alaska, the company participates on some loans in the lower 48 (necessary to build a network for participating out some of their own credits), and the Specialty Finance division is a national business. Therefore, expanding to other states would not be an entirely new venture for **NRIM** and is likely the right thing to do longer term, though nonetheless comes with potential risks associated with acquisitive activity.

Valuation: Premium P/TBV Multiple Justified by Leading Profitability Profile

NRIM currently trades at 10.5x our 2027E and 2.2x TBV. Relative to other banks $1-5 billion in assets under coverage at KBW, **NRIM**'s P/E multiple is about in line with the group (10.5x median for banks $1-5B in assets), even as its 2Y EPS growth of 9% trails the group at 20%. Despite the minimal difference in the P/E multiple, **NRIM**'s P/TBV multiple is at a substantial premium (2.2x vs. 1.5x)—a function of **NRIM**'s leading profitability. For 2027E, we have **NRIM** generating a 17.5% ROTCE—an approximate 500bps advantage relative to the median of banks with $1-5 billion in assets and an approximate 300bps advantage to the KRX.

Exhibit 2: Valuation Comp Table for NRIM

Sorted

												KBW EPS Growth			Price/	Price/ KBW EPS		KBW vs. Cons		KBW 2027E Profitability		
Ticker	State	Mkt Cap ($mm)	Assets ($mm)	Avg. Daily Volume ($mm)	Price 6/29/2026 ($)	YTD Price Change (%)	Price Target ($)	Upside to Target (%)	Div Yield (%)	Rating	2025A (%)	2026E (%)	2027E (%)	TBV (x)	2026E (x)	2027E (x)	2026E (%)	2027E (%)	PPNR (%)	ROA (%)	ROTCE (%)
CCB	PA	1,178	4,789	8.5	76.95	-33%	95.00	23%	0%	OP	-2%	28%	78%	2.3x	18.7x	10.5x	-8%	4%	2.3%	1.7%	18.8%
MCBS	VA	1,028	4,768	3.7	35.69	34%	35.00	1%	3%	MP	11%	18%	1%	2.1x	10.9x	10.8x	0%	0%	2.8%	2.0%	17.1%
FSBC	CA	1,035	4,755	7.4	48.18	35%	43.00	-9%	2%	MP	28%	24%	11%	2.2x	13.3x	12.0x	1%	1%	2.3%	1.5%	15.8%
BHB	ME	654	4,696	5.8	38.35	24%	35.00	-5%	4%	MP	15%	10%	3%	1.8x	10.7x	10.4x	-1%	-4%	1.7%	1.2%	14.3%
HTB	NC	824	4,561	6.8	49.42	15%	50.00	2%	1%	OP	8%	-1%	2%	1.5x	13.5x	13.3x	0%	-1%	1.8%	1.3%	10.1%
SPFI	TX	832	4,491	7.2	43.49	12%	47.00	10%	2%	OP	24%	8%	7%	1.5x	11.2x	10.5x	0%	0%	2.0%	1.4%	12.9%
CCBG	FL	855	4,386	5.6	49.66	17%	50.00	3%	2%	MP	7%	11%	1%	1.8x	13.4x	13.3x	2%	2%	1.9%	1.4%	12.1%
CIVB	OH	596	4,336	4.0	28.43	28%	28.00	1%	2%	OP	36%	2%	-1%	1.4x	10.1x	10.2x	0%	-4%	1.8%	1.3%	12.7%
NBN	ME	1,059	4,279	20.4	133.06	28%	128.00	-4%	0%	MP	30%	20%	20%	2.0x	11.0x	9.2x	0%	0%	3.4%	2.2%	18.7%
RBB	CA	458	4,222	6.5	27.34	32%	27.00	1%	2%	MP	17%	36%	-2%	1.0x	11.9x	12.2x	-1%	-10%	1.5%	0.9%	8.3%
FBIZ	WI	534	4,088	3.1	63.21	16%	64.00	3%	2%	OP	19%	6%	4%	1.5x	10.1x	9.7x	0%	-3%	1.7%	1.1%	13.1%
FRST	VA	414	4,065	5.1	16.56	19%	17.00	5%	2%	OP	-167%	439%	19%	1.2x	11.0x	9.2x	-5%	-6%	1.4%	1.0%	11.9%
BCAL	CA	670	4,045	5.1	20.87	12%	21.00	3%	2%	OP	64%	-15%	10%	1.5x	12.5x	11.3x	0%	-1%	2.0%	1.4%	11.8%
BMRC	CA	450	3,914	3.9	27.59	6%	29.00	9%	4%	OP	82%	28%	6%	1.4x	12.4x	11.7x	1%	-2%	1.3%	0.9%	10.6%
BSRR	CA	537	3,842	2.9	40.66	24%	39.00	-2%	2%	MP	13%	20%	3%	1.6x	10.8x	10.6x	0%	-1%	1.9%	1.3%	13.1%
CWBC	CA	730	3,690	14.2	26.77	19%	26.00	-1%	2%	MP	34%	30%	13%	1.6x	10.0x	8.9x	21%	1%	2.3%	1.6%	17.7%
CBNK	MD	574	3,606	2.9	35.12	25%	34.00	-2%	1%	MP	25%	1%	12%	1.6x	10.3x	9.2x	-1%	2%	2.4%	1.4%	14.5%
BWFG	CT	477	3,365	4.4	59.81	31%	58.00	-2%	1%	OP	294%	16%	4%	1.5x	11.1x	10.7x	0%	0%	1.8%	1.3%	12.4%
MVBF	WV	373	3,324	1.8	29.16	13%	30.00	5%	2%	OP	-38%	264%	50%	1.1x	18.2x	12.2x	-4%	-5%	1.3%	0.9%	8.6%
PCB	CA	400	3,293	1.0	28.03	29%	26.00	-4%	3%	MP	43%	10%	4%	1.2x	9.9x	9.5x	-3%	-5%	1.9%	1.2%	11.5%
BCBP	NJ	182	3,283	2.5	10.72	33%	10.50	1%	3%	MP	-169%	-233%	9%	0.7x	9.7x	8.9x	0%	-3%	1.2%	0.7%	7.1%
MYFW	CO	310	3,165	2.1	32.18	20%	33.00	3%	0%	OP	41%	82%	16%	1.3x	13.2x	11.4x	0%	-1%	1.2%	0.8%	10.1%
UNTY	NJ	598	2,968	4.2	58.70	13%	65.00	12%	1%	OP	26%	15%	10%	1.7x	10.1x	9.2x	0%	1%	2.5%	1.9%	15.4%
USCB	FL	375	2,795	1.3	20.25	10%	21.00	6%	2%	OP	30%	17%	11%	1.7x	10.4x	9.4x	-3%	-2%	1.8%	1.3%	14.9%
CHMG	NY	364	2,710	3.6	74.60	34%	72.00	-2%	2%	MP	19%	29%	9%	1.5x	9.9x	9.1x	6%	9%	1.8%	1.3%	13.4%
OPBK	CA	229	2,654	0.9	14.98	6%	16.00	11%	4%	MP	22%	9%	9%	1.0x	8.1x	7.4x	-2%	1%	1.6%	1.0%	12.5%
ESQ	NY	1,024	2,368	13.5	118.75	16%	120.00	2%	1%	MP	9%	24%	26%	3.4x	17.2x	13.6x	4%	8%	3.2%	2.2%	18.9%
JMSB	VA	310	2,333	1.3	21.87	9%	24.00	11%	2%	OP	25%	21%	13%	1.2x	12.0x	10.7x	-1%	-4%	1.6%	1.1%	9.7%
BSVN	OK	472	1,966	0.8	48.91	19%	52.00	8%	2%	OP	-7%	-3%	3%	1.9x	11.2x	10.9x	-1%	-1%	2.9%	2.1%	14.9%
EFSI	VA	223	1,889	2.5	41.06	3%	43.00	8%	3%	OP	-1%	1%	13%	1.2x	11.7x	10.3x	6%	9%	1.5%	1.1%	10.3%
CBFV	PA	192	1,551	0.4	37.30	7%	39.00	7%	3%	OP	32%	0%	13%	1.3x	13.9x	12.3x	-10%	-7%	1.3%	0.9%	10.1%
NRIM	**AK**	**622**	**3,355**	**4.9**	**27.88**	**5%**	**30.00**	**10%**	**2%**	**MP**	**48%**	**1%**	**8%**	**2.2x**	**11.4x**	**10.5x**	**-5%**	**-4%**	**2.5%**	**1.7%**	**17.5%**
$1-$5B Bank Median*						**19%**		**3%**	**2%**		**22%**	**16%**	**9%**	**1.5x**	**11.1x**	**10.5x**			**1.8%**	**1.3%**	**12.7%**
KRX						**17%**		**7%**	**3%**		**15%**	**12%**	**10%**	**1.8x**	**11.8x**	**10.7x**			**1.9%**	**1.3%**	**14.7%**

Note: OP = Outperform, MP = Market Perform, UP = Underperform.

**Peer assets as of year end.*

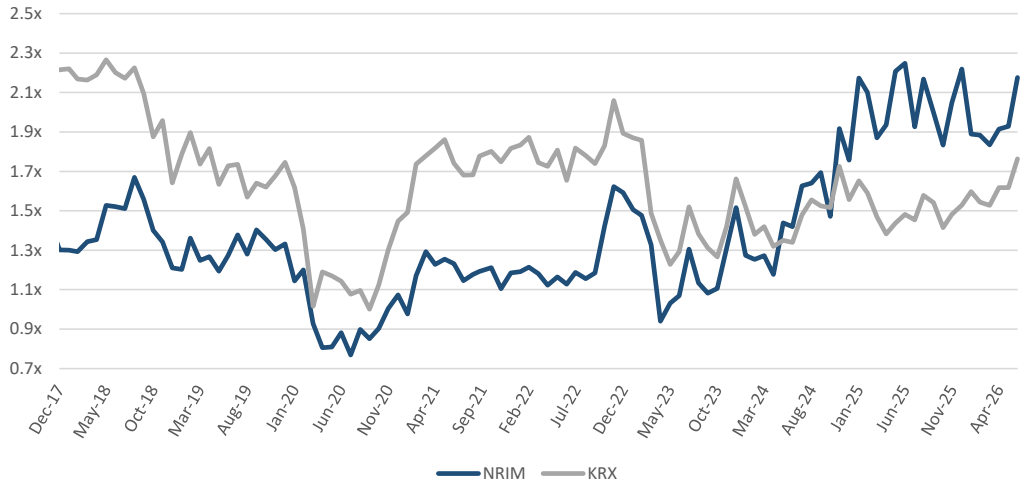
Source: KBW Research, S&P Capital IQ, FactSet.

Looking at stock performance in recent years, **NRIM** was a strong outperformer in both 2024 (shares +36.2%, or 2,700bps of outperformance relative to the KRX +9.6%) and 2025 (shares +36.6%, or 3,300bps of outperformance relative to KRX +3.3%). This massive outperformance was driven by outsized EPS growth for **NRIM** (+42% in 2024 and +48% in

2025 versus -4% and +15%, respectively, for the KRX)—a function of an expanding margin, strong balance sheet growth (+19% increase in loans in 2023 and 2024), and the highly accretive acquisition of Sallyport in 4Q24 (initially projected to be +15% accretive to 2025 and +20% fully phased). With the pace of NIM expansion slowing and our expectation for more moderate growth prospectively (loans +7-7.5% in 2026E and 2027E, similar to the 8% growth in 2025), we see EPS growth slowing to 1% in 2026E and 8% in 2027E, trailing the group a bit (similarly sized banks growing EPS +16% and +9%, respectively, on a median basis). We believe this may be contributing in part to the more recent underperformance (**NRIM** shares are up +5% YTD, or 1,200bps of underperformance relative to the KRX +17%), as prior outperformance was sustained by superior EPS growth.

Historical valuation analysis is complicated by the fact that **NRIM** has been an underfollowed name (covered by 1-2 analysts historically), thereby not providing an adequate dataset for looking at prior P/E multiples. We can, however, look at historical P/TBV as a guide for current valuation. Tracking P/TBV at **NRIM** relative to the KRX index over the past several years, we find that the shares materially re-rated at the end of 2024 with the announcement of the Sallyport acquisition, which makes sense in light of how accretive to EPS that transaction was (+15% to 2025 and +20% fully phased, per announcement).

Exhibit 3: Historical P/TBV Valuation for NRIM versus the KRX

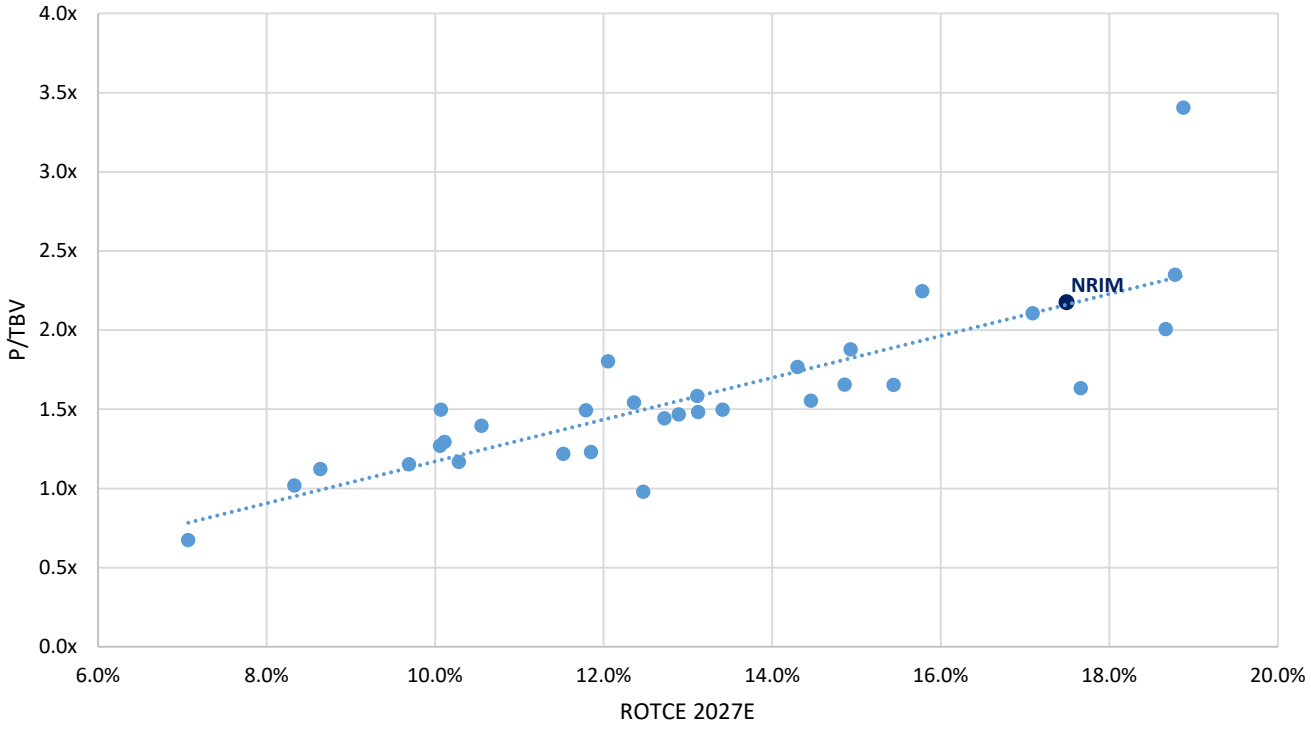


Source: KBW Research, Nasdaq, FactSet, S&P Global Market Intelligence.

Given some underperformance in 2026 to date after a banner two years for **NRIM** stock performance, the relative P/TBV premium has come down relative to peak valuation (**NRIM** traded as high as a 50%+ premium to the KRX in 2025, with a peak P/TBV multiple around 2.25x). Even so, **NRIM** still trades at a nice multiple (2.2x TBV).

When comparing **NRIM**'s current P/TBV relative to the profitability outlook, we find that the shares appear fairly valued, trading right around the valuation implied by their ROTCE outlook. **This analysis implies that the current valuation is justified, albeit not out of line with what we would expect for a bank with high profitability such as NRIM, and thus is consistent with our Market Perform rating.**

Exhibit 4: Premium P/TBV Multiple Commensurate with Peer-Leading Profitability



Note: Peers include banks with assets between $1-$5B under KBW coverage.
Source: KBW Research and FactSet.

Upside/Downside Scenario Analysis

To assess our rating on the stock, we look at the potential impacts to **NRIM**'s earnings, financial performance, and valuation through (i) an upside scenario, in which **NRIM** does better than our base case expectations, and (ii) a downside scenario where we take a more conservative view of the outlook ahead. Overall, the risk/reward is fairly balanced, in our view, with the relative upside for our base case similar to that of the group, and the bull/bear case positively skewed at 1.5 to 1. All told, this generally supports a Market Perform rating. Furthermore, the relative upside for our base case scenario (10% inclusive of the 2.3% annual dividend yield) is within the range for a Market Perform per the KBW relative ratings system.

- **Base Case ($30 Price Target, 10% Total Return).** We have approximately 7% growth in loans in 2026E and 2027E, outpacing deposits (5-6% growth), which pushes the L/D ratio up to 84% next year (approximately 200bps increase from 1Q26). Deposit growth dictates the pace of balance sheet growth (average earning assets similarly up 5-6% annually over the next two years). Additionally, we have some modest margin expansion (4.83% in 2026E and 4.88% in 2027E, up from 4.74% in 2025) driven by some additional back-book repricing with new loans still coming on near 7%, or about 200bps above where we believe roll-off yields are at this stage. Turning to fee income, we model 2026E fee income down slightly as we believe there was some contribution related to prepay penalties in the Specialty Finance segment that positively impacted 2025 results; we model about $6.5mm per quarter of specialty finance fees for the balance of 2026E and about 5% growth in 2027E. As such, we have fees roughly flat in 2026E, contributing about 30% to revenues, with 8% growth in 2027E. On the expense side, we assume growth of 4% in 2026E and 6% in 2027E to support continued strength in both loans and deposits as well as fee income. We model some normalization of credit with NCOs at 25bps prospectively, a pick-up from near zero the past several years, which may prove conservative, albeit reasonable, in our view, given the increased contribution from the Specialty Finance segment post Sallyport. All told, these inputs produce essentially steady EPS in 2026E (+1%) and +8% growth in 2027E, with a peer-leading ROA (1.7%) and ROTCE (17.5%) next year. Holding a 2.1x multiple on forward TBV, this implies a price target of $30. This also represents about 11.3x our 2027E, which is close to a turn ahead of where peers currently trade.

- **Upside Scenario ($35 Price Target, 28% Total Return).** We flex loan and deposit growth up (+9% in both years for loans and +7-9% for deposits) as we assume a greater pace of market share gains in Alaska and stronger loan production, which puts the L/D ratio at about 84% exiting 2027E, similar to our base case. The faster pace of loan growth enables additional margin expansion with a greater proportion of higher-yield assets being added to the balance sheet, with the margin reaching 5.00% next year (+12bps relative to our base case and +23bps relative to 1Q26). All told, this drives NII growth of 11% in 2027E (vs. 7% in our base case). Additionally, we increase fees next year by 4%, keeping the contribution to about 30% of revenues. Furthermore, we lower our credit costs with NCOs at 15bps, or about 10bps better than our base case, though still a step-up from the near-zero rate of loss in recent years. Finally, we assume modestly higher expenses (7% growth in 2027E vs. 6% in our base case) to support the higher level of balance sheet growth and fee income production. All told, the adjustments to our outlook enable EPS to grow by 24% over the next two years (slightly ahead of the 20% pace of the group) to $3.00, and a 19.5% ROTCE in 2027E (200bps higher than our base case). Expanding the multiple to 2.4x forward TBV (around the peak P/TBV the shares traded at in 2025) and 11.7x 2027E (over a turn ahead of the group) implies a $35 price target in this scenario.

- **Downside Scenario ($22 Price Target, -19% Total Return).** In our downside scenario, we cut loan growth to 3% for the remainder of 2026E (5% for the full year given the stronger start in 1Q26) and 2027E, matched by a similar pace of deposit growth (3% increase in both years). Additionally, we reduce our margin expectations to 4.82% in both 2026E/2027E (-6bps relative to 2027E in our base case) as we assume competitive pressures eat into funding costs a bit more (+13bps increase in IBD costs through 4Q27E), with a lower amount of production also reducing the loan yield pick-up on the asset side. We cut our fee outlook by $10mm next year, primarily on lower Specialty Finance fees ($5-5.5mm/quarter for 2027E in this scenario, which compares to $6.7-6.8mm/quarter in our base case and $6.1mm in 1Q26). Reflecting more constrained revenues, we provide an offset in expenses (5% growth in 2027E, or a 1 percentage point cut from our base case growth rate). Additionally, we raise NCOs to 0.35% (10bps higher than our base case). To be clear, we believe this analysis is highly conservative in the context of **NRIM**'s historical performance, and is a method of framing the downside risk rather than representative of a likely outcome near term. All told, even in this much more negative outlook, **NRIM** still earns an impressive 1.4% ROA and 14% ROTCE. Cutting the P/E multiple by a turn to 10.5x (still roughly in line with where the group trades), this implies a downside target of $22, representing about 1.5x forward TBV.

Exhibit 5: Market Perform Rating Justified by Risk/Reward Analysis

Downside Scenario (2026E/2027E)	
Loan Growth	5/3%
Deposit Growth	3/3%
NIM	4.82/4.82%
Fees ($ in mm)	$61/58
Net Charge-Offs	17bps/35bps

Base Case (2026/2027E)	
Loan Growth	7/7%
Deposit Growth	5/6%
NIM	4.83/4.88%
Fees ($ in mm)	$63/67
Net Charge-Offs	17bps/25bps

Upside Scenario (2026E/2027E)	
Loan Growth	9/9%
Deposit Growth	7/9%
NIM	4.84/5.00%
Fees ($ in mm)	$63/70
Net Charge-Offs	17/15bps

Outputs (2027E)	
EPS	$2.10
EPS Growth (2Y)	-13%
ROAA	1.4%
ROTCE	14.2%

Outputs (2027E)	
EPS	$2.65
EPS Growth (2Y)	9%
ROAA	1.7%
ROTCE	17.5%

Outputs (2027E)	
EPS	$3.00
EPS Growth (2Y)	24%
ROAA	1.9%
ROTCE	19.5%

Downside Valuation	
Assumed P/E (2027E)	10.5x
1yr Forward P/TBV	1.5x
Implied Price Target	$22
Total Return Potential	-19%

Base Case Valuation	
Assumed P/E (2027E)	11.3x
1yr Forward P/TBV	2.1x
Implied Price Target	$30
Total Return Potential	10%

Upside Valuation	
Assumed P/E (2027E)	11.7x
1yr Forward P/TBV	2.4x
Implied Price Target	$35
Total Return Potential	28%

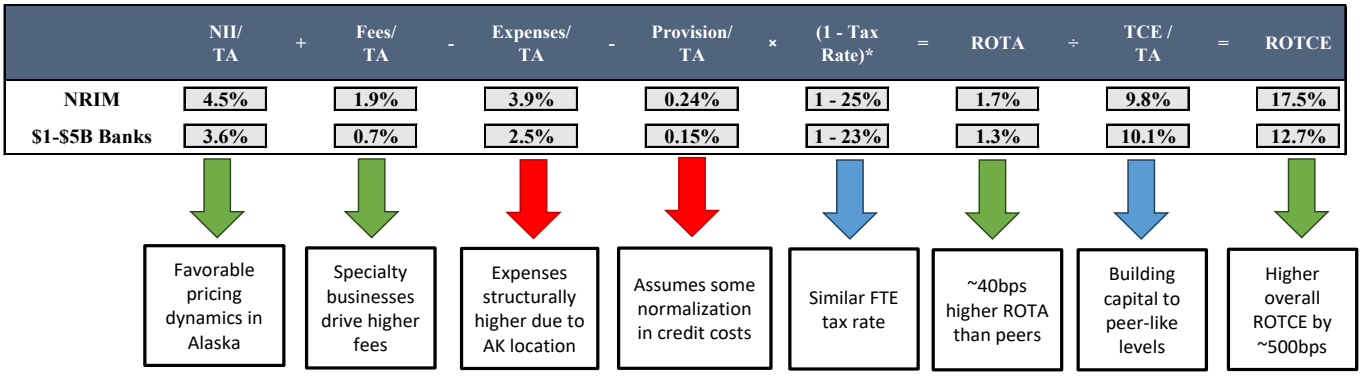
Source: KBW Research.

Earnings Drivers

NRIM is a highly profitable bank, earning a 1.7% ROA and 22.1% ROTCE in 2025 (or about 55bps and 900bps above similarly sized peer banks, respectively). **We anticipate the company maintaining a sizable profitability advantage to the group over the next two years, with our 2027 estimate currently anticipating a 1.7% ROA and 17.5% ROTCE** (or roughly 40bps and 500bps above banks $1-5B in assets), with the slight decline relative to 2025 results reflecting (i) some normalization in credit costs, which we believe is conservative, albeit fair in light of the potential volatility in the specialty finance segment, and (ii) building capital levels, with TCE/TA exiting 2027E near 10% (up from 8.5% at year-end 2025).

To assess the drivers of **NRIM**'s peer-leading returns, we look to the DuPont analysis (Exhibit 6) that breaks down the component of ROTCE into individual factors, comparing our expectation for **NRIM** in 2027 to that of the median $1-5B-in-asset bank under coverage. **We find that the primary factors for NRIM's leading returns are driven by the revenue side, with (i) a stronger margin (4.88% in 2027E vs. 3.75% for peers) as competitive dynamics in Alaska drive favorable pricing, and (ii) a materially higher contribution from fees, reflecting contributions primarily from specialty finance, mortgage, and treasury management.** This more than offsets the impact of structurally higher expenses, a reflection of the capital-intensive nature of operating in a low-density and large state with unique geographic considerations.

Exhibit 6: DuPont Breakdown of Drivers of NRIM's Peer-Leading ROTCE



**Tax rate on an FTE (not GAAP) basis for the purposes of the above analysis.*

Source: KBW Research.

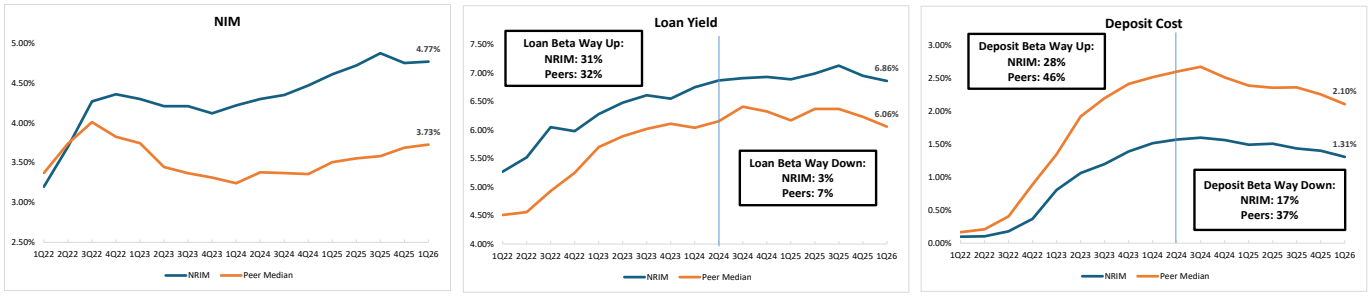
Net Interest Income Supported by Higher NIM

NRIM has consistently generated an above-average NIM, a function of pricing dynamics in the Alaskan banking landscape—a market that requires considerable capital investment to obtain scale (remote landscape with low population density). Consequently there are just seven banks with a physical presence in the state, with the top three commanding an 80% share, thereby keeping pricing more favorable and rational than what is typical of the Lower 48 states.

The company is slightly asset sensitive given the strength of the low-cost core funding base and slight proportion of floating-rate assets (about 2/3 loans variable, though not truly floating as the majority are off the 5-7Y FHLB; of the variable rate loans, we believe about 1/3 are truly linked to prime/SOFR, based on our conversations with management). Additionally, **back-book repricing should serve as a positive NIM tailwind over the next several quarters** with about $250mm of loans repricing within the next year (approximate 200bps+ pick-up on rate with new loan production still near 7%).

Considering our expectation for no changes in fed funds through 2027, we anticipate the NIM to expand modestly to 4.83% in 2026 and 4.88% in 2027 (compares to 4.77% in 1Q26 and 4.74% for 2025) as repricing on loans and securities boosts earning asset yields. We conservatively anticipate a slight drift up in funding costs (total deposit costs +8bps to 1.39% through 4Q27E), though this is not enough to offset the improvement in earning asset yields.

Exhibit 7: NIM Advantage Supported by Higher Loan Yields and Lower Deposit Costs

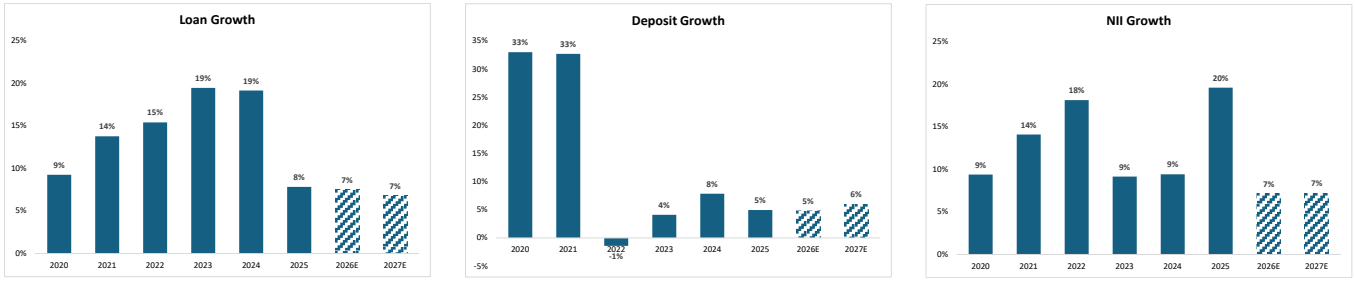


Note: Peers include banks with assets between $1-$5B under KBW coverage.

Source: KBW Research and S&P Capital IQ.

Over the past five years, **NRIM** has generated strong growth in loans and deposits, reflecting success with winning market share within the Alaska landscape. Coupled with a strong and expanding NIM, this has generated above-average NII growth. **We believe NRIM still has some runway for market share gains, driving 7% annual growth in loans and 5-6% in deposits over the next two years. Coupled with our outlook for modestly expanding margin from some tailwinds on back-book repricing, we expect NII growth of 7% for both 2026 and 2027, which compares to peers at 12% and 8%, respectively.**

Exhibit 8: We Expect Continued Balance Sheet and NII Growth



Source: KBW Research.

Fees Driven by Specialty Business Lines

About 30% of NRIM's revenues are derived from non-interest income, about 2x the group at 15%, which is a key contributor to the bank's above-average profitability (as shown in the DuPont analysis in Exhibit 6). Fee income is generated primarily from three business lines: specialty finance, mortgage, and treasury management/deposit solutions.

- **Specialty Finance. NRIM** significantly expanded its existing specialty finance with the acquisition of Sallyport Commercial Finance (a provider of factoring, ABL, and alternative working capital solutions to small and medium-sized enterprises) in 4Q24. Sallyport was a natural extension of an existing line of business at Northrim, which had a specialty finance unit prior to the acquisition, and a familiarity with Sallyport specifically as **NRIM** had participated in a syndicated line of senior credit to Sallyport in 2021 and provided $6mm of subordinated capital in 2023. This business generates higher risk-adjusted returns than the overall banking business, contributing to **NRIM**'s leading profitability metrics. Revenues are primarily in the form of purchased receivables income (through fees), with a portion coming through interest income related to receivables classified as loans. In 2025, purchased receivables fees totalled $26mm (40% of operating non-interest income). All-in and inclusive of a small portion of NII related to on-balance-sheet loans in this segment, Specialty Finance represented about $0.45/share of EPS last year (19% of operating EPS). We currently expect specialty finance fee income to be roughly flat in 2026 at $26mm since 2025 saw benefits from some elevated prepayment related fees that we do not expect to recur, and then growth in 2027 with an approximate 5% increase next year ($27mm). Additionally, we believe management is open to potential bolt-on acquisitions, though this is not currently contemplated in our estimates.

- **Mortgage Banking. NRIM** is the largest mortgage originator in Alaska and has expanded originations into the Lower 48 states. In 2025, mortgage (excluding the MSR adjustment) contributed about $27 million to fee income (about 42% of operating non-interest income), comprised of mortgage production revenue ($17mm) and to a lesser extent servicing (about $8mm excluding the MSR adjustment), with the servicing book standing at about $1.6 billion as of 3/31. **NRIM** also portfolios some production (11% of total loans represent first-lien 1-4 family residential mortgages). Total operating net income for mortgage banking (inclusive of on balance sheet NII) represented about $0.26/share of EPS in 2025 (10% of EPS). We believe mortgage banking should remain a steady contributor with related fees growing +4% in 2026E and +5% growth in 2027E. Worth noting, having a portion of originations in the Lower 48 allows **NRIM** to diversify the model and sustain the current infrastructure when volumes in Alaska are low. Mortgage also serves as a natural hedge in a down rate environment, providing a partial offset to **NRIM**'s modest asset sensitivity.

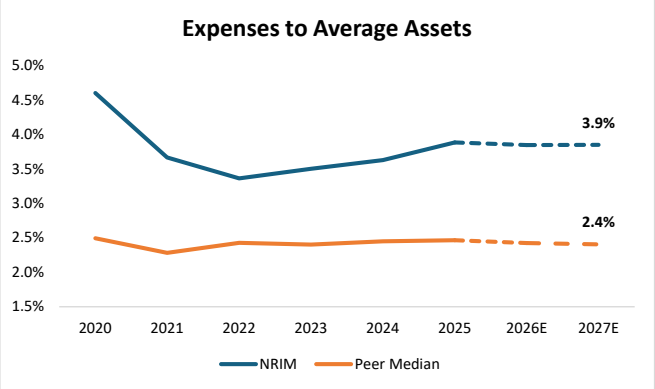
- **Treasury Management and Deposit Solutions.** The remainder of **NRIM**'s fees are more traditional banking fees, primarily in the treasury management and deposit solutions space. These span the gamut from bankcard fees, service charges on deposit accounts, fraud mitigation, account reconciliation, receivables automation, treasury capabilities, and merchant fees. In particular, **NRIM** has invested in building out its treasury management offering to be competitive with larger banks—a key factor that has helped the bank to be successful gaining market share. We expect treasury management will continue to grow steadily as it remains a stable, recurring piece of the fee base.

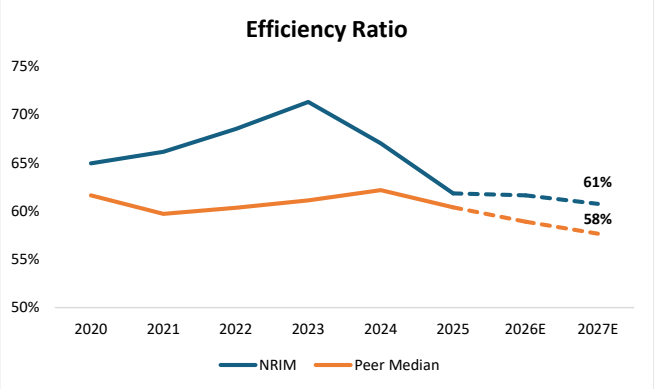
Expenses Are Structurally Higher

Operating expenses for banks operating in Alaska are much higher than in most other areas of the country—a reflection of the massive scope of the state (1,300 miles between Nome and Ketchikan, which compares to the 1,400 miles between NYC and Dallas), low population density, and relative remoteness (e.g., six of **NRIM**'s branches are accessible only by boat or plane). Additionally, **NRIM** runs a high-touch model that has supported impressive market share gains at the company, albeit with commensurate operating costs. **As such, it is perhaps no surprise that expenses to average assets have been running at around 3.9% at NRIM, which is approximately 150bps higher than the broader peer median.**

While efficiency has come down over time, particularly in 2025 from the increased fee revenues after the Sallyport acquisition, expenses remain structurally higher at **NRIM** given its unique Alaska geography**.** We currently forecast expense growth of +4% and +6% in 2026 and 2027 to support continued growth in the balance sheet (mid-/high single-digit growth in loans and deposits ahead) as well as continued investment into the franchise. **All told, our assumptions imply modest positive operating leverage ahead with efficiency improving about 100bps over the next two years to 60.8% for 2027E.**

Exhibit 9: Expenses Are Structurally Higher at NRIM





Note: Peers include banks with assets between $1-$5B under KBW coverage.
Source: KBW Research and company documents.

Credit Outlook

Asset quality is the largest component of a lender's compensation scorecard, highlighting the importance management places on maintaining strong credit standards. Reflecting this emphasis, credit costs at **NRIM** have been incredibly low over the past several years with NCOs averaging just 1bp from 2020 through 2025. Currently, the quality of the book is strong with NPLs remaining manageable at 0.60% of loans (excludes NPLs with government guarantees) and total criticized loans consistent with what we've seen over the past several years (3.5% of the portfolio).

NRIM remains focused on maintaining a consistent approach to lending through cycles, emphasizing prudent LTVs, adequate debt service coverage, and strength of management at the borrower. Additionally, the bank has benefitted from the use of government programs and guarantees where appropriate (for example, **NRIM** is the highest user of SBIC in Alaska, and there are also several initiatives specific to Native populations that the company utilizes). This strategy helps to mitigate potential losses and add protection around credit exposures.

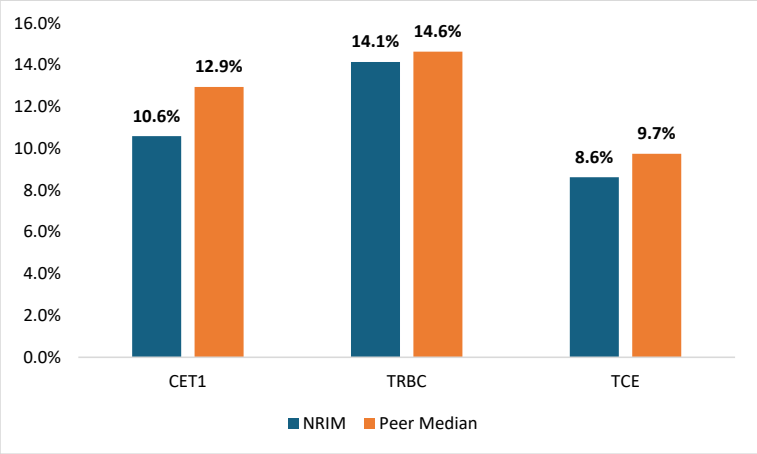
That said, one area that could drive some variability in credit outcomes is the Specialty Finance area, having increased exposure following the acquisition of Sallyport in 2024. Credit expense runs higher on this book (average provision to net funds employed [defined as purchased receivables plus ABL loans outstanding] averaged about 1.7% at Sallyport at the time of acquisition). **However, we would note that this business earns higher risk-adjusted returns, thereby compensating for the higher potential loss content in this area.** Currently, average NFE at **NRIM** stands at about $132mm (about 4% of assets as of 3/31), representing a manageable exposure, in our view.

Reflecting our expectation around some credit normalization as well as some conservatism, we have modeled 25bps of net charge-offs prospectively. Notably, this is above recent years, which have averaged near zero. Therefore, our provision outlook may be on the conservative side. Nevertheless, we recognize that there could be some variability ahead (particularly in Specialty Finance where normalized losses generally run higher), which makes us feel that a step-up in modeled credit losses is appropriate.

Capital Management

Capital is currently well-managed with CET1 at 10.6% and TCE at 8.6%, or roughly 200bps and 100bps below the peer median. Total risk-based capital at **NRIM** is closer to the peer median at 14.1% as of 3/31, supported by a $60mm sub-debt raise in 4Q25. Given the dilution taken as part of the Sallyport transaction in 4Q24 (-14% to TBV given the all-cash consideration) as well as continued strong balance sheet growth, **NRIM** opted for this T2 raise in order to bolster total capital (~230bps improvement in TRBC post raise).

Exhibit 10: Capital Levels Are Currently Well-Optimized



Capital ratios as of 1Q26. Note: Peers include banks with assets between $1-$5B under KBW coverage. Source: KBW Research and FactSet.

Nevertheless, in light of a leading ROTCE, we expect capital to accrete at a meaningful clip over the next two years, with our model currently projecting CET1 at 12.1% and TCE at 9.9% exiting 2027E. This assumes 7% annual loan growth and continuation of the $0.16/share quarterly dividend (maintaining a mid-20% payout ratio). We believe optimized ratios for **NRIM** are similar to peer banks, generally around 11% CET1 ratio and 8% TCE for SMIDs. **Our outlook implies that, absent further capital deployment, the balance sheet will build capital in excess of internal targets. We view NRIM's accumulating excess capital as a source of optionality for future strategic actions.**

Historically, NRIM had been an active repurchaser of the stock, having bought back approximately 20% of the company from 2019 through 2023. That said, **NRIM** paused on the buyback following the acquisition of Sallyport in 4Q24. **NRIM** currently has no plans to repurchase stock for the remainder of 2026, per the most recent company disclosures, and we believe that will remain the case with valuation near current levels (2.2x TBV).

Looking ahead, we believe the company's capital priorities include funding organic balance sheet growth, maintaining the dividend, and potential future acquisitions. With market share gains supporting decent organic growth over the next 5+ years, we do not necessarily believe that there is a degree of urgency when it comes to M&A. Nevertheless, we believe this is something that management will continue to evaluate in order to support longer-term growth prospects.

In terms of potential transactions, we believe that expanding the Specialty Finance line of business is something that could make sense for NRIM. Most recently, in 4Q24 **NRIM** purchased Sallyport Commercial Finance, a provider of factoring, asset-based lending and alternative working capital solutions. **NRIM** was already in this line of business, with Sallyport further expanding the contribution from Specialty Finance. The all-cash deal utilized a decent portion of **NRIM**'s excess capital (initially about -14% dilutive to TBVPS, per company projections at announcement). That said, the deal was highly accretive to EPS (initially projected to be +15% accretive to 2025 and +20% to 2026, with +20bps/+500bps improvement in ROA/ROTCE 2026E), keeping earn-back of tangible book dilution to approximately 3.5 years. Notably, shares performed in line with the KRX on the day of announcement and outperformed by 3,600bps (+35% vs. -1% for the KRX) over the next year.

Additionally, we believe full bank acquisitions could be considered. Historically, **NRIM** had been an acquirer of banks in Alaska, though the most recent deal was over 10 years ago (Alaska Pacific Bankshares in 2014). At this stage, we believe options within the state are limited due to concentration considerations (i.e., Herfindahl-Hirschman Index [HHI]) and/or cultural considerations. **We therefore believe future bank deals would likely extend to the Lower 48, with institutions in the $0.5-1.5B range in the Pacific Northwest or Mountain West making the most sense, in our view.**

Company Background

Northrim BanCorp (**NRIM**) was founded in 1990 to provide financial services to businesses and consumers in Alaska. From humble beginnings operating out of a single trailer in a parking lot in Anchorage, Alaska, the bank has since expanded to a $3.4B-in-asset institution with 20 branches across the state as well as a national mortgage origination platform and specialty finance business. **Currently, NRIM has the third-largest deposit market share in Alaska (17.5% of the market), behind Wells Fargo (42% share) and First National Bank Alaska (22% share).**

Alaska's unique geography serves as a barrier to entry for new players, creating a competitive moat for existing players. The state is massive with approximately 1,300 miles between Nome and Ketchikan (for reference, the distance between New York and Dallas is 1,400 miles), and several areas are difficult to reach (e.g., six of **NRIM**'s branches are accessible only by boat or plane). There are currently seven depositories operating in the state: two large/national banks (**WFC**, **KEY**) and five local banks (in order of deposit market share: First National Bank Alaska, **NRIM**, First Bank, Mt. McKinley Bank, and Denali State Bank). The last market entrant into Alaska was **WFC** in 2000 through the acquisition of National Bank of Alaska.

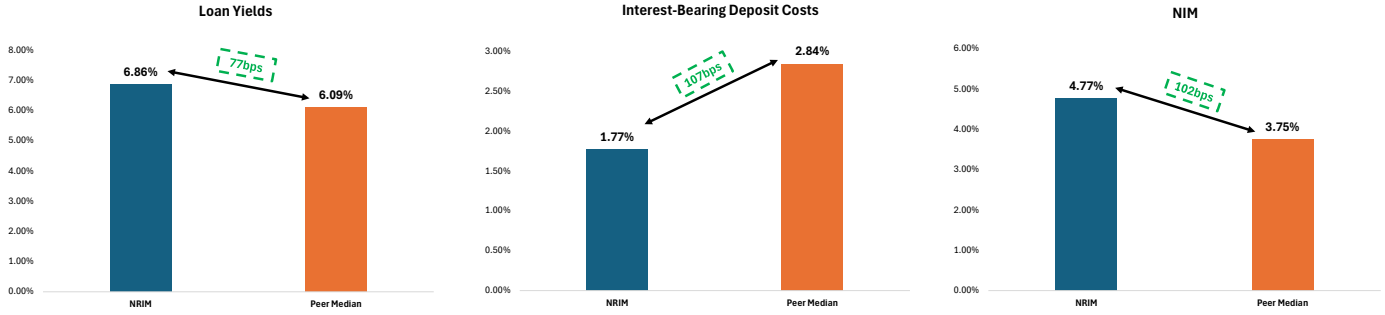
Exhibit 11: NRIM Branch Footprint



Source: Northrim 1Q26 Investor Presentation.

Similar to other geographies where banking activity is concentrated among a handful of banks (e.g., Hawaii, Puerto Rico), pricing in Alaska has been more attractive and rational than the broader banking industry, supporting attractive pricing on both sides of the balance sheet that results in a higher margin at NRIM.

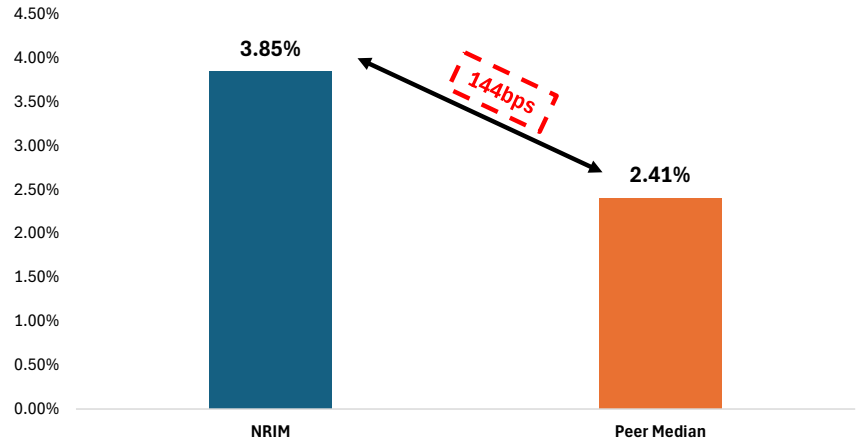
Exhibit 12: More Rational Loan and Deposit Pricing Yields Attractive NIM…



Yields, costs, and margins as of 1Q26. Note: Peers include banks with assets between $1-$5B under KBW coverage.
Source: KBW Research and S&P Capital IQ.

Conversely, the benefit of an outsized NIM is offset in part by higher operating expenses given the cost of operating in a sprawling and remote state.

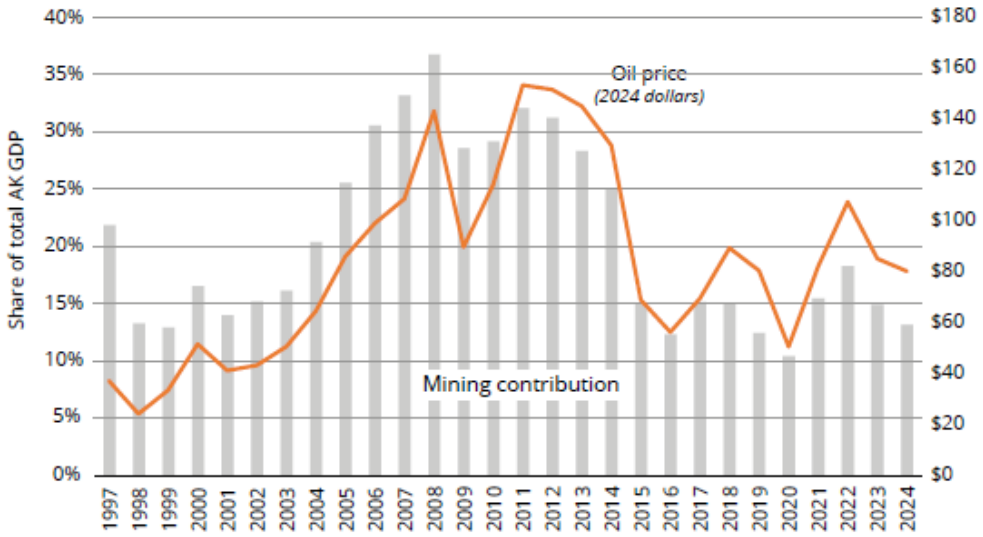
Exhibit 13: …Conversely, Expenses Are Structurally Higher



Expenses to avg. assets projected for 2027E. Peers include banks with assets between $1-$5B under KBW coverage.
Source: KBW research and S&P Capital IQ.

Economic activity in the state is dominated by the Oil & Gas (O&G) industry (representing the bulk of the mining industry), which has historically tracked with the price of oil, as shown in Exhibit 14. However, we would note that the economy of Alaska is increasingly diverse and resilient. There has been a growing contribution from tourism, and mining more broadly is anticipated to be a greater contributor to the outlook ahead. Additionally, Alaska receives billions from the federal government for infrastructure and the military, and the airport in Anchorage is important for international logistics.

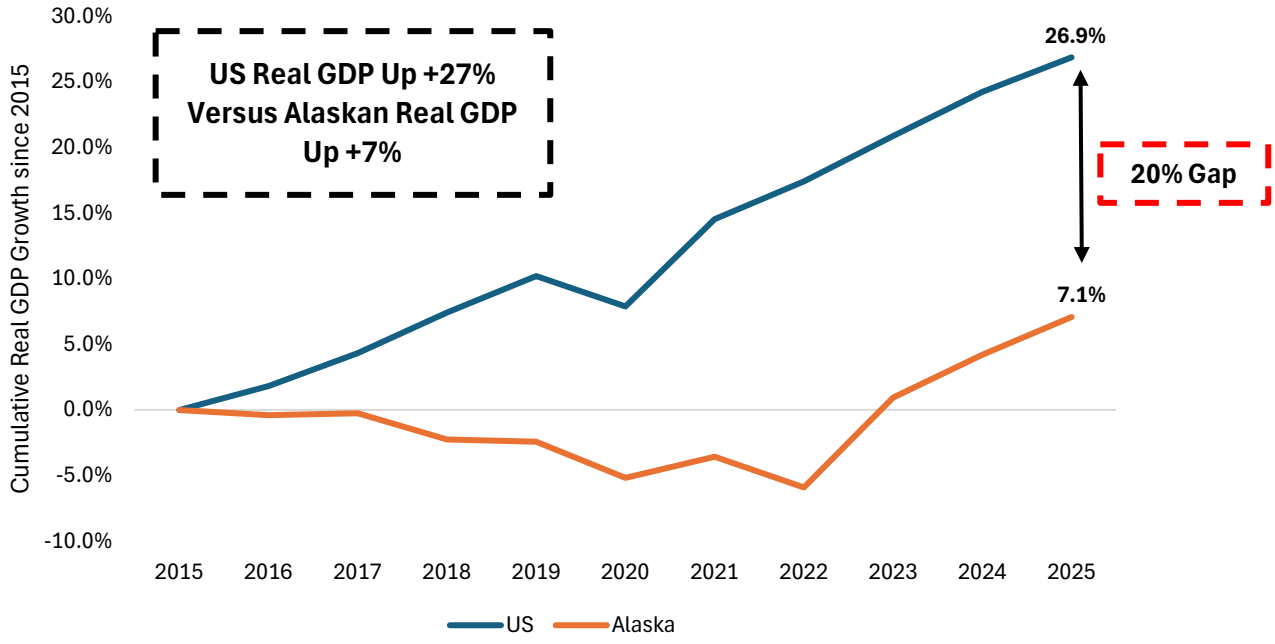
Exhibit 14: Mining (Primarily O&G) the Top Contributor to GDP



Source: Graph is taken from "Alaska Economic Trends" Report, June 2025 (Volume 45, number 6), published by Alaska Department of Labor and Workforce Development. Original graph sourced from U.S. Bureau of Economic Analysis, SAGDP22 GDP by State.

As a result of the variability in O&G contribution related to changes in commodity prices, GDP measurements in a vacuum are not necessarily a full indicator of Alaska's economic trends. With that as a caveat, Alaska has been the second-slowest growing state in terms of GDP growth from 2015-2024 (0.4% annualized growth vs. 2.1% for the United States overall). Looking ahead, our outlook assumes overall growth in the state remains relatively muted, albeit with a more resilient and diverse contribution of industries.

Exhibit 15: Alaska's GDP Growth Has Lagged National Trends

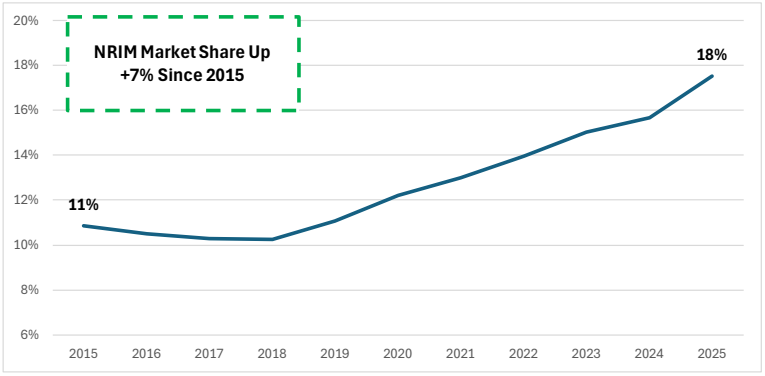


Source: KBW Research and FRED.

Given the growth backdrop in the state of Alaska, NRIM's growth has been primarily a function of gaining market share. Since 2015, NRIM has gained about 7% market share, going from 11% of Alaska's deposits to 18% as of June 2025 (the most recent Summary of Deposits report from the FDIC). Looking at the breakdown of market share changes, **NRIM** took share primarily from **WFC** over the past 10 years, which conversely lost about 11% share over the same period. The retrenchment of Wells was compounded by the asset cap implemented in 2018, which has enabled **NRIM** to gain considerable ground.

NRIM has leaned on its service-based approach and local experience, pairing these attributes with investments into its product offering (particularly on the treasury management side) to be more competitive against larger competitors. Additionally, **NRIM** was the biggest PPP lender in Alaska (despite being the third-largest bank). We believe NRIM's dedication to the businesses of Alaska in this time of need has paid off in its ability to continue gaining share post COVID.

Exhibit 16: NRIM Has Been Gaining Market Share from Competitors



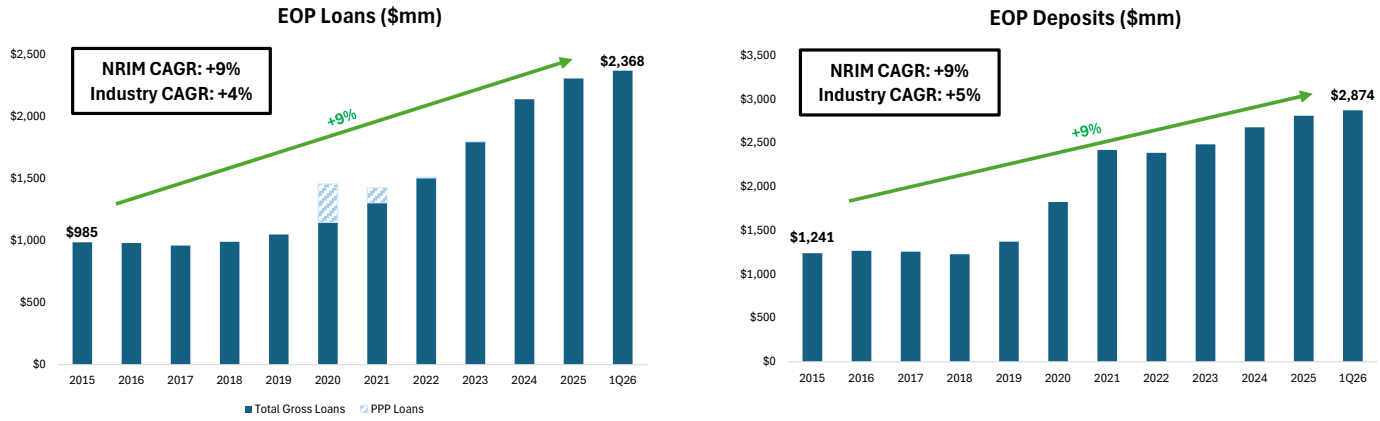
Wells Fargo Bank, National Association	53%	-11%	42%
First National Bank Alaska	20%	0%	20%
Northrim Bank	11%	+7%	18%
KeyBank National Association	8%	-1%	7%
First Bank	4%	+1%	5%
Mt. McKinley Bank	2%	+1%	3%
Denali State Bank	2%	+1%	3%

Source: KBW Research and FDIC.

NRIM's market share gains have driven outsized growth in both loans and deposits, which have both increased at a 9% CAGR since 2015—considerably higher than the industry (4% for loans and 5% for deposits). Barring the acquisition of specialty finance company Sallyport in 4Q24 that added about 1% to the loan book, loan growth has otherwise been organic, with a collection of deals prior to that period (two acquisitions of Alaskan banks in 2007/2014 as well as the purchase of the Bank of America branches in 1999, with the 2014 purchase of a residential mortgage company where **NRIM** already had an existing stake).

Based on our conversations with management, we believe there is runway towards a 30% share for **NRIM**, leveraging its entrepreneurial approach, personal focus, and competitive product set. **All told, we believe continued market share gains within Alaska can support mid- to upper single-digit growth over the next 5+ years even with flatter economic growth in Alaska more broadly.**

Exhibit 17: Organic Loan and Deposit Growth ~2x the Industry



Source: KBW Research, FactSet, and S&P Capital IQ.

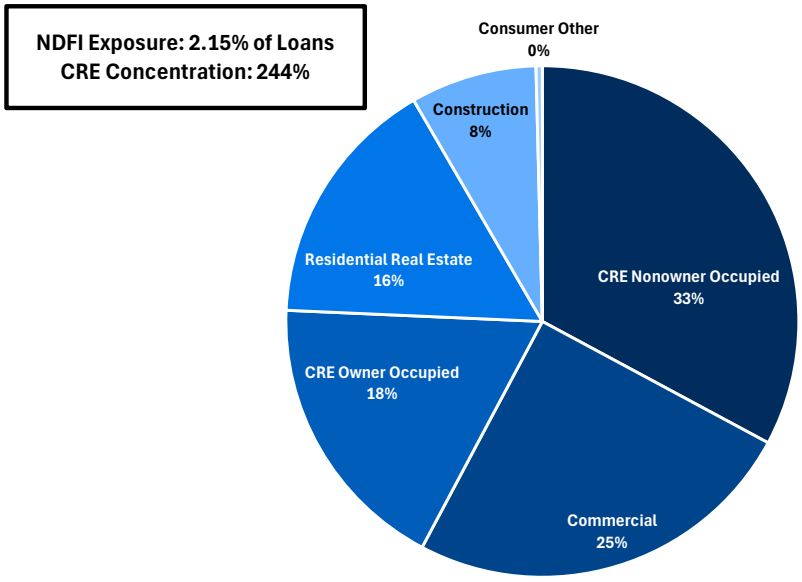
Over the longer term, however, we believe acquisitions may be necessary in order to support future growth beyond that pathway for share gains. Within Alaska, potential targets are likely limited by concentration limits and/or cultural considerations. Therefore, we believe either business line purchases (similar to the Sallyport transaction at the end of 2024) and/or Lower 48 bank acquisitions could be contemplated. We believe banks in the $0.5-1.5B-in-asset range that are geographically close to **NRIM** (e.g., Pacific Northwest) and/or share similarities with Alaska (e.g., Wyoming and Montana, which are both sprawling and less dense) could make sense for the company.

While we recognize that out-of-market transactions may pose additional risks and limit potential cost takeout given lack of overlap, we would also underscore that NRIM already has a presence in the Lower 48 via its mortgage business, Specialty Finance (Sallyport's HQ was in Texas, with a footprint across several states), and a limited book of participations. **Furthermore, expansion outside Alaska helps diversify NRIM's overall exposure, thereby reducing geographic concentration risk.**

Loan Composition and Asset Quality

NRIM's loan book has a commercial bent with 25% C&I and 18% owner-occupied CRE. Commercial real estate (non-owner occupied) is the largest contributor to the loan book at 33% of total loans, with another 8% from commercial construction; however, CRE is still comfortably below the regulatory threshold.

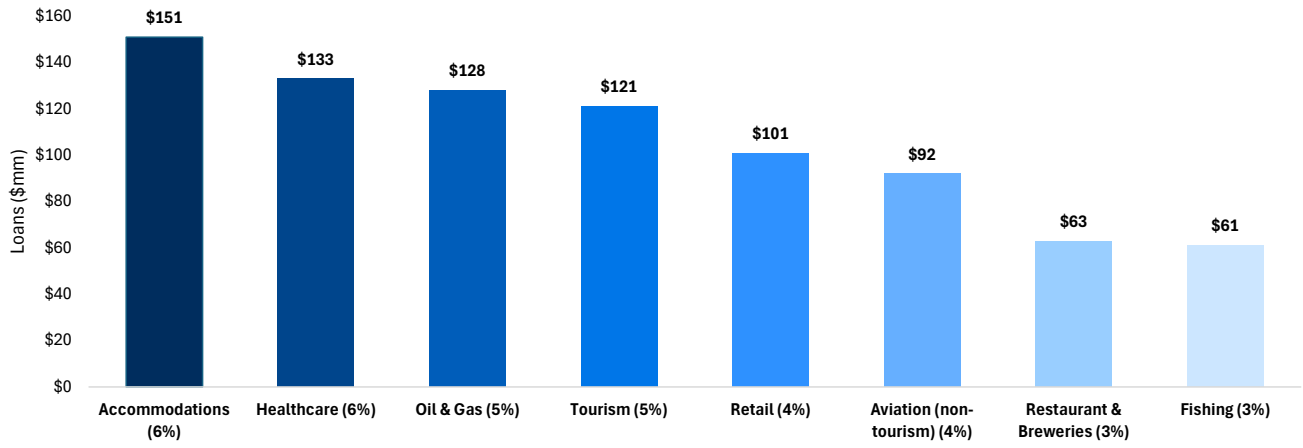
Exhibit 18: Diversified Loan Book



Loan composition as of 3/31/2026.
Source: KBW Research, S&P Capital IQ, and company documents.

In terms of top industry exposures (5%+ of the loan book), these include accommodations (6%), healthcare (6%), oil & gas (5%), and tourism (5%). These exposures reflect Alaska's economy, the largest contributor being O&G, though with increasing diversification. However, as shown in Exhibit 19, **NRIM**'s direct lending to the O&G industry is fairly contained.

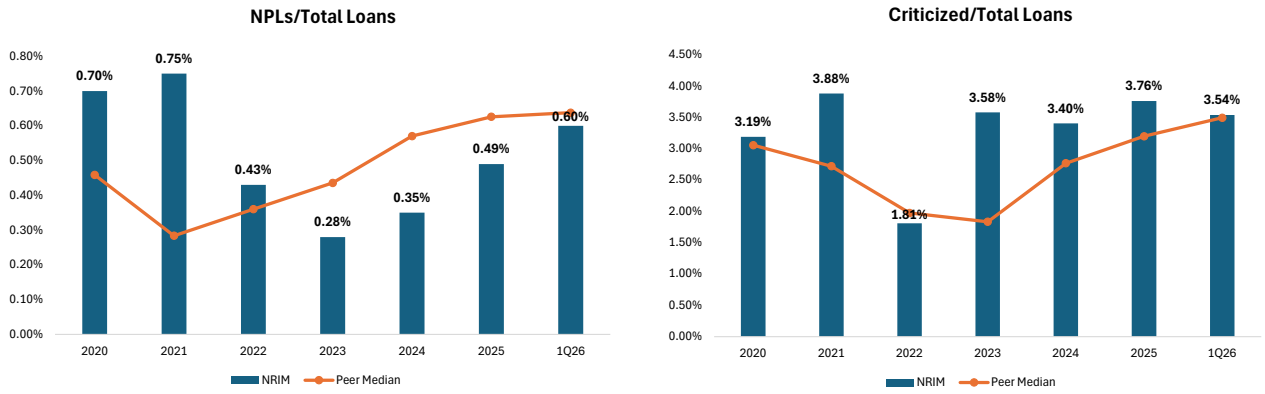
Exhibit 19: Sector-Specific Portfolio Composition ($2.3B Total Base)



Composition as of 3/31/2026.
Source: KBW Research and company documents.

Importantly, asset quality is the top component of lenders' scorecards, emphasizing the importance placed on maintaining strict discipline. This has served **NRIM** well through the cycle. Going back to the GFC, peak annual NCOs were 1.00% of total loans in 2009. As such, **NRIM remained profitable through the crisis, with core ROA bottoming out around 60bps. More recently, NCOs have been minimal, averaging about 1bp since 2020.** At a high level, this reflects a prudent focus on maintaining asset quality while still gaining share from competitors. The legal lending limit was $52.4mm at 1Q26; there are currently 19 relationships totaling $335.8mm (14% of total loans) that have total direct/indirect commitments greater than 50% of this amount. NPLs (net of government guarantees) have remained relatively low. Criticized loans are manageable at 3.5% of the portfolio.

Exhibit 20: Disciplined Credit Management in Line with Peers



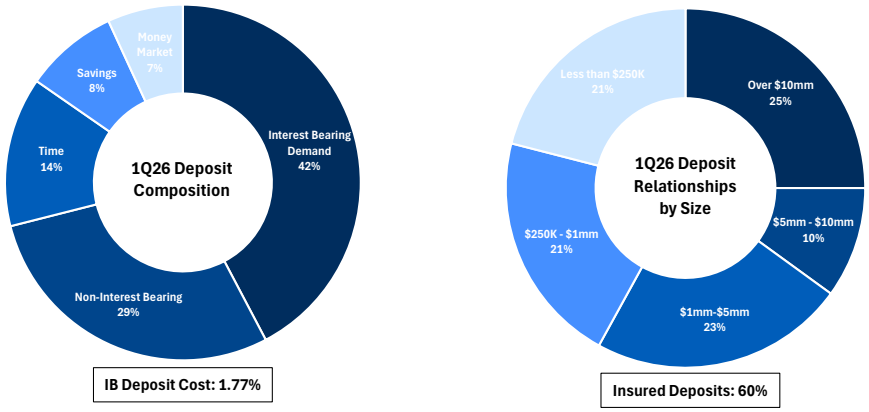
Note: Peers include banks with assets between $1-$5B under KBW coverage.
Source: KBW Research, S&P Capital IQ, and company documents.

Low-Cost Deposit Base

NRIM is nearly entirely core funded, with about 29% of deposits non-interest bearing and another 42% in interest-bearing demand. The overall cost of the book is fairly low (1.31% of total deposits and 1.77% for interest bearing, or about 79bps and 107bps below peers, respectively), and betas have been well-managed (about 28% for total deposits during rising rates and 17% during easing thus far through 3/31), a reflection of favorable competitive dynamics in Alaska that have enabled **NRIM** to grow faster than the broader banking industry while still maintaining attractive pricing.

About 75% of deposit balances are related to business accounts, which includes some larger depositors within the portfolio. To this point, there are 33 deposit customers with balances over $10 million; these depositors comprise 25% of the deposit base. The remaining deposit base is fairly granular with 33,000 customers with an average balance of $64,000. **Nevertheless, the proportion of relatively larger accounts along with seasonal trends can cause some greater fluctuations in the deposit base on a quarterly basis that have implications for NII and margin. Consequently, this could contribute to some quarter-to-quarter variability, although on an annual basis NRIM's results demonstrate greater consistency.**

Exhibit 21: Low-Cost Deposit Base



Source: KBW Research and company documents.

Management Biographies

Michael Huston, Chairman, President, Chief Executive Officer

Mr. Huston joined Northrim in May 2017 as Executive Vice President and Chief Lending Officer before being promoted to President and Chief Lending Officer in 2022. Two years later in 2024 he was promoted to President and CEO of Northrim Bank. Previously, Mr. Huston spent 25 years at First Interstate BancSystem, where he served as Executive Vice President and Chief Banking Officer. He graduated Magna Cum Laude from Arizona State University with a B.S. in Finance and is a graduate of the Pacific Coast Banking School. He remains active on the boards of several Alaskan business and community organizations.

Jed Ballard, Executive Vice President & Chief Financial Officer

Mr. Ballard joined Northrim Bank in 2018 as Executive Vice President and Chief Financial Officer. He previously spent more than 16 years at KPMG, where he served as an Audit Senior Manager. He holds a Bachelor of Business Administration in Accounting from the University of Alaska Fairbanks, is a Certified Public Accountant, and is a shareholder of the Bering Straits Native Corporation. He is currently president of the Bering Straits Foundation and serves on the boards of the Alaska Native Heritage Center and Junior Achievement of Alaska.

Jason Criqui, Executive Vice President & Chief Banking Officer

Mr. Criqui joined Northrim Bank in 2014 as Vice President, Commercial Lending, and was promoted to Senior Vice President and Commercial Loan Manager in 2018. In March 2023 he was further promoted to Executive Vice President and Chief Lending Officer. He currently serves as Executive Vice President and Chief Banking Officer. Mr. Criqui has more than 25 years of banking experience across Alaska and the Lower 48, including nine years at First National Bank Alaska. He holds a bachelor's degree from Emporia State University and is a graduate of the Pacific Coast Banking School. He is an active board member of the Resource Development Council for Alaska and the Providence Alaska Foundation.

Mark Edwards, Executive Vice President, Chief Credit Officer & Bank Economist

Mr. Edwards joined Northrim Bank in 2007 as a Commercial Loan Officer and Bank Economist. He was promoted to Senior Vice President, Commercial Loan Unit Manager and Bank Economist in 2014, and to his current role as Executive Vice President, Chief Credit Officer and Bank Economist in 2019. Mr. Edwards holds a degree in Economics from the University of Virginia and a Master of International Management degree from the Thunderbird School of Global Management.

Nathan Reed, Executive Vice President & Chief Information Officer

Mr. Reed joined Northrim Bank in mid-2024 as Executive Vice President and Chief Information Officer. Prior to joining the Bank, he served as Senior Vice President and Chief Data Officer at Umpqua Bank, headquartered in Oregon. Mr. Reed holds a Bachelor of Science in Computer Science from National American University and is a graduate of the Pacific Coast Banking School at the University of Washington.

Amber Zins, Executive Vice President & Chief Operating Officer

Ms. Zins joined Northrim Bank in 2008 as Internal Audit Manager. She subsequently served as Human Resources Director for more than two years and then as Executive Vice President and Chief Administrative Officer. She was promoted to her current role as Executive Vice President and Chief Operating Officer in 2022. Ms. Zins holds a Bachelor of Business Administration in Accounting from the University of Alaska Fairbanks and is a Certified Public Accountant. She is a graduate of the Pacific Coast Banking School at the University of Washington and volunteers with United Way of Anchorage.

Model Development Process

Our models have been created using reported financial information, supplemented with KBW's assumptions KBW's Economic Baseline, which includes our expectations for GDP growth, interest rates, and employment.

- **Data:** Our model uses data from FactSet, Bloomberg, S&P Global Market Intelligence, company reports, and internal KBW data.
- **Model Processing Steps:** Actual/reported data are updated at each quarter-end and upon significant announcements intra-quarter, such as an acquisition. Analyst inputs are indicated in columns marked E for estimate.
- **Qualitative Overlays and Assumptions:** Our assumptions utilize KBW's Economic Baseline, which provides our expectations for GDP growth, interest rates, and employment.
- **Model Limitations:** Research recommendations, models, and estimates are limited in their accuracy of predicting future results. Model limitations are indicated in the standard disclosures contained in each published research report.

Exhibit 22: NRIM Model

	2021	2022	2023	2024	1Q25	2Q25	3Q25	4Q25	2025	1Q26	2Q26E	3Q26E	4Q26E	2026E	1Q27E	2Q27E	3Q27E	4Q27E	2027E
Income Statement																			
Net Interest Income (FTE)	81.3	96.1	104.8	114.7	31.7	34.0	35.7	35.8	137.2	35.1	36.1	37.4	38.4	147.0	37.8	38.6	40.2	41.0	157.5
Provision For Loan Losses	(4.1)	1.8	3.8	3.3	(1.4)	2.0	1.7	1.6	3.9	1.0	1.6	1.6	2.2	6.3	2.0	2.0	2.2	2.1	8.3
Net Interest Income after PLL	85.4	94.2	101.0	111.4	33.1	32.0	34.0	34.1	133.2	34.1	34.5	35.8	36.2	140.7	35.8	36.6	38.0	38.9	149.2
Non-Interest Income	53.5	33.6	27.2	40.1	13.4	16.9	17.6	16.0	63.9	14.7	15.7	16.3	16.0	62.6	16.4	16.9	17.2	16.9	67.4
Operating Revenues (excl PLL)	134.8	129.6	132.0	154.8	45.1	50.9	53.3	51.8	201.1	49.7	51.8	53.7	54.4	209.6	54.2	55.5	57.4	57.9	224.9
Non-Interest Expense	89.2	88.9	94.2	103.8	28.2	32.5	30.3	33.4	124.4	30.6	32.1	32.9	33.6	129.2	33.9	33.9	34.4	34.5	136.7
Pre Tax Operating Income	49.7	38.9	34.0	47.7	18.3	16.5	21.3	16.7	72.8	18.2	18.1	19.2	18.6	74.1	18.3	19.6	20.8	21.2	79.9
Income Tax	10.8	7.6	6.4	9.8	4.3	4.1	4.3	4.1	16.8	4.2	4.1	4.4	4.2	17.0	4.2	4.5	4.8	4.9	18.4
FTE Adjustment	0.5	0.9	1.6	1.5	0.4	0.4	0.4	0.4	1.5	0.4	0.4	0.4	0.4	1.7	0.4	0.4	0.5	0.5	1.8
Core (Recurring Operating Income)	38.4	30.4	26.0	36.4	13.6	12.0	16.6	12.2	54.5	13.5	13.5	14.4	14.0	55.4	13.7	14.6	15.5	15.9	59.8
Merger/Other Non-Recurring Items (Net)	(0.9)	0.4	(0.6)	0.6	(0.3)	(0.2)	10.5	0.2	10.2	0.2	-	-	-	0.2	-	-	-	-	-
Net Extraordinary Gains (Losses)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Income	37.5	30.7	25.4	37.0	13.3	11.8	27.1	12.4	64.6	13.7	13.5	14.4	14.0	55.6	13.7	14.6	15.5	15.9	59.8
Preferred Dividend	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Income Available to Common	**37.5**	**30.7**	**25.4**	**37.0**	**13.3**	**11.8**	**27.1**	**12.4**	**64.6**	**13.7**	**13.5**	**14.4**	**14.0**	**55.6**	**13.7**	**14.6**	**15.5**	**15.9**	**59.8**
End of Period Shares Outstanding	24.1	22.8	22.1	22.1	22.1	22.1	22.1	22.1	22.1	22.2	22.2	22.2	22.2	22.2	22.2	22.2	22.2	22.2	22.2
Ave. Diluted Shares Outstanding	25.0	23.3	22.6	22.3	22.4	22.4	22.5	22.5	22.5	22.6	22.6	22.6	22.6	22.6	22.6	22.6	22.6	22.6	22.6
Dividend per share	0.38	0.46	0.60	0.62	0.16	0.16	0.16	0.16	0.64	0.16	0.16	0.16	0.16	0.64	0.16	0.16	0.16	0.16	0.64
Reserve Build (Release) per Share	**($0.16)**	**$0.11**	**$0.13**	**$0.12**	($0.05)	$0.06	$0.02	$0.04	**$0.07**	$0.02	$0.01	$0.01	$0.02	**$0.07**	$0.01	$0.01	$0.02	$0.02	**$0.06**
Earnings per Share																			
Reported EPS (diluted)	**$1.50**	**$1.31**	**$1.11**	**$1.66**	$0.60	$0.52	$1.20	$0.55	**$2.88**	$0.61	$0.60	$0.64	$0.62	**$2.46**	$0.61	$0.65	$0.69	$0.70	**$2.65**
Core EPS (diluted)	**$1.54**	**$1.31**	**$1.15**	**$1.63**	**$0.61**	**$0.53**	**$0.74**	**$0.54**	**$2.42**	**$0.60**	**$0.60**	**$0.64**	**$0.62**	**$2.45**	**$0.61**	**$0.65**	**$0.69**	**$0.70**	**$2.65**
Annualized EPS Growth (Linked)	14%	-15%	-12%	42%	97%	-48%	153%	-105%	48%	41%	1%	26%	-13%	1%	-7%	28%	24%	9%	8%
Book Value per Share	$9.88	$9.59	$10.64	$12.10	$12.67	$13.14	$14.29	$14.77	$14.77	$15.10	$15.54	$16.03	$16.49	$16.49	$16.95	$17.44	$17.98	$18.53	$18.53
Tangible Book Value per Share	$9.22	$8.89	$9.92	$9.79	$10.37	$10.84	$11.99	$12.47	$12.47	$12.81	$13.26	$13.74	$14.21	$14.21	$14.66	$15.16	$15.69	$16.24	$16.24
Profitability Ratios (Core)																			
Return on Average Assets	1.58%	1.15%	0.97%	1.27%	1.77%	1.50%	2.06%	1.48%	1.70%	1.65%	1.62%	1.70%	1.63%	1.65%	1.58%	1.66%	1.74%	1.75%	1.68%
Pre-tax, Pre-Provision ROAA	1.88%	1.54%	1.41%	1.78%	2.20%	2.31%	2.85%	2.23%	2.40%	2.33%	2.35%	2.46%	2.43%	2.39%	2.34%	2.46%	2.57%	2.57%	2.49%
Pre-tax, Pre-Provision Earnings	45.6	40.8	37.8	51.0	16.9	18.4	23.0	18.4	76.7	19.1	19.6	20.8	20.8	80.4	20.3	21.6	23.0	23.4	88.3
Return on Average Common Equity	16.1%	13.5%	11.4%	14.5%	19.8%	16.6%	22.1%	15.1%	18.3%	16.2%	15.7%	16.3%	15.3%	15.9%	14.6%	15.2%	15.6%	15.5%	15.2%
Return on Average Tang. Common Equity	17.2%	14.5%	12.3%	16.0%	24.4%	20.2%	26.6%	17.8%	22.1%	19.1%	18.5%	19.0%	17.8%	18.6%	16.9%	17.5%	17.9%	17.7%	17.5%
Net Interest Margin	3.71%	3.81%	4.21%	4.33%	4.62%	4.72%	4.88%	4.75%	4.74%	4.79%	4.78%	4.84%	4.90%	4.83%	4.85%	4.84%	4.90%	4.92%	4.88%
Credit-Adjusted NIM	**3.90%**	**3.74%**	**4.05%**	**4.21%**	**4.82%**	**4.45%**	**4.64%**	**4.54%**	**4.61%**	**4.66%**	**4.57%**	**4.63%**	**4.62%**	**4.62%**	**4.60%**	**4.58%**	**4.63%**	**4.67%**	**4.62%**
Non Interest Income/Operating Revenues	39.7%	25.9%	20.6%	25.9%	29.7%	33.2%	33.0%	31.0%	31.8%	29.5%	30.3%	30.3%	29.4%	29.9%	30.3%	30.5%	29.9%	29.2%	30.0%
Efficiency Ratio	66.2%	68.5%	71.3%	67.0%	62.5%	63.8%	56.8%	64.5%	61.8%	61.6%	62.0%	61.2%	61.7%	61.6%	62.5%	61.1%	60.0%	59.6%	60.8%
Liquidity Ratios																			
Avg Earning Assets/Avg Total Assets	90%	95%	93%	93%	90%	90%	90%	90%	90%	91%	91%	91%	91%	91%	91%	91%	91%	91%	91%
Loans/Deposits	58%	63%	72%	79%	76%	78%	76%	82%	82%	82%	84%	83%	84%	84%	85%	85%	83%	84%	84%
Average Borrowings/Average Liabs	1%	1%	2%	1%	1%	3%	2%	2%	2%	3%	4%	3%	2%	3%	3%	3%	2%	1%	2%
Average Equity/Average Assets	9.8%	8.5%	8.4%	8.8%	8.9%	9.0%	9.3%	9.9%	9.3%	10.2%	10.3%	10.5%	10.7%	10.4%	10.8%	11.0%	11.1%	11.3%	11.1%
Tangible Common Equity/Tangible Assets	8.2%	7.6%	7.8%	7.2%	7.4%	7.5%	8.1%	8.5%	8.5%	8.6%	8.8%	9.0%	9.2%	9.2%	9.3%	9.5%	9.7%	9.9%	9.9%
Sequential Quarter Growth *(annualized)*																			
Average Loans	-5%	4%	12%	16%	21%	0%	6%	11%	15%	7%	14%	6%	6%	9%	6%	7%	7%	7%	7%
Average Earning Assets	15%	15%	-1%	6%	-1%	16%	2%	11%	9%	-2%	8%	6%	5%	5%	6%	5%	7%	7%	6%
Net Interest Income	14%	18%	9%	9%	6%	29%	20%	0%	20%	-8%	12%	15%	10%	7%	-6%	8%	17%	8%	7%
Non-Interest Income	-19%	-37%	-19%	48%	50%	105%	16%	-35%	59%	-34%	27%	15%	-7%	-2%	11%	12%	6%	-7%	8%
Operating Revenues (*ex securities gains*)	-2%	-4%	2%	17%	18%	52%	19%	-11%	30%	-16%	16%	15%	5%	4%	-1%	10%	13%	3%	7%
Non-Interest Expense	0%	0%	6%	10%	-1%	61%	-27%	41%	20%	-34%	20%	9%	9%	4%	4%	0%	6%	1%	6%

Source: Company reports and KBW Research.

Exhibit 22, Continued: NRIM Model

	2021	2022	2023	2024	1Q25	2Q25	3Q25	4Q25	2025	1Q26	2Q26E	3Q26E	4Q26E	2026E	1Q27E	2Q27E	3Q27E	4Q27E	2027E
Credit Quality Ratios																			
Reserve/Loans	0.83%	0.92%	0.97%	1.03%	0.98%	1.03%	1.05%	1.03%	1.03%	1.05%	1.05%	1.05%	1.06%	1.06%	1.06%	1.06%	1.07%	1.07%	1.07%
Non Performing Assets/Loans & OREO	1.22%	0.47%	0.38%	0.54%	0.58%	0.54%	0.54%	0.52%	0.52%	0.67%	0.64%	0.62%	0.60%	0.60%	0.58%	0.57%	0.56%	0.55%	0.55%
Reserve/Non Performing Loans	1.01x	1.96x	2.85x	2.93x	2.59x	2.87x	2.39x	1.98x	1.98x	1.68x	1.70x	1.73x	1.77x	1.77x	1.84x	1.87x	1.91x	1.94x	1.94x
Net Charge Offs/Average Loans	0.08%	-0.10%	0.00%	-0.01%	-0.01%	0.03%	0.22%	0.09%	0.08%	0.04%	0.20%	0.20%	0.25%	0.17%	0.25%	0.25%	0.25%	0.25%	0.25%
Average Balance Sheet																			
Assets																			
Total Loans HFI	1,411	1,467	1,643	1,910	2,173	2,172	2,206	2,268	2,205	2,305	2,386	2,423	2,460	2,394	2,498	2,538	2,581	2,624	2,560
Loans HFS	102	52	42	69	46	174	108	101	107	74	81	81	81	79	81	81	81	81	81
Securities	369	618	715	624	524	516	475	467	495	466	466	471	476	470	486	486	496	506	494
Interest-Bearing Cash	310	385	91	45	38	27	118	150	83	124	94	94	94	101	94	94	94	94	94
Earning Assets	2,191	2,521	2,492	2,647	2,781	2,889	2,907	2,986	2,891	2,969	3,027	3,069	3,111	3,044	3,159	3,200	3,252	3,305	3,229
Non Earning Assets	172	172	198	213	293	306	323	315	309	311	313	315	316	314	318	320	321	323	320
Total Assets	2,431	2,641	2,690	2,860	3,075	3,195	3,230	3,301	3,200	3,281	3,340	3,384	3,427	3,358	3,477	3,519	3,573	3,628	3,549
Liabilities																			
Total Deposits	2,124	2,355	2,364	2,520	2,700	2,766	2,810	2,859	2,784	2,800	2,813	2,875	2,932	2,869	2,949	2,972	3,055	3,121	3,045
Borrowings	25	25	51	34	37	86	52	46	55	82	118	89	65	88	88	96	54	31	67
Other Liabilities	43	37	48	55	63	54	67	71	64	65	65	65	65	52	65	65	65	65	45
Total Liabilities	2,192	2,416	2,462	2,609	2,801	2,907	2,929	2,976	2,903	2,947	2,996	3,029	3,062	3,009	3,102	3,133	3,175	3,218	3,157
Average Common Equity Capital	239	225	227	251	274	289	301	326	297	334	344	355	365	349	375	386	398	410	392
Average TCE	223	209	211	227	223	238	250	275	247	283	293	304	314	299	324	335	347	360	342
Credit Quality Detail																			
Allowance for Credit Losses (ACL)	11.7	13.8	17.3	22.0	20.9	22.6	23.4	23.7	23.7	24.8	25.2	25.6	26.2	26.2	26.6	27.1	27.7	28.1	28.1
As % Loans	0.83%	0.92%	0.97%	1.03%	0.98%	1.03%	1.05%	1.03%	1.03%	1.05%	1.05%	1.05%	1.06%	1.06%	1.06%	1.06%	1.07%	1.07%	1.07%
Net Charge Offs	1.1	(1.5)	(0.0)	(0.2)	(0.0)	0.1	1.2	0.5	1.8	0.2	1.2	1.2	1.5	4.2	1.6	1.6	1.6	1.6	6.4
As % Avg. Loans	0.08%	-0.10%	0.00%	-0.01%	-0.01%	0.03%	0.22%	0.09%	0.08%	0.04%	0.20%	0.20%	0.25%	0.17%	0.25%	0.25%	0.25%	0.25%	0.25%
Provision for Loan Losses	**(4.1)**	**1.8**	**3.8**	**3.3**	**(1.4)**	**2.0**	**1.7**	**1.6**	**3.9**	**1.0**	**1.6**	**1.6**	**2.2**	**6.3**	**2.0**	**2.0**	**2.2**	**2.1**	**8.3**
As % Avg. Loans	**-0.29%**	**0.13%**	**0.23%**	**0.17%**	**-0.26%**	**0.36%**	**0.31%**	**0.29%**	**0.18%**	**0.17%**	**0.26%**	**0.27%**	**0.35%**	**0.26%**	**0.32%**	**0.32%**	**0.34%**	**0.32%**	**0.32%**
Total NPLs	11.7	7.1	6.1	7.5	8.1	7.9	9.8	12.0	12.0	14.8	14.8	14.8	14.8	14.8	14.5	14.5	14.5	14.5	14.5
Repossessed Assets	-	-	0.8	4.1	4.3	4.1	2.3	0.1	0.1	-	-	-	-	-	-	-	-	-	-
Non-Performing Assets	17.3	7.1	6.9	11.6	12.4	11.9	12.1	12.0	12.0	15.8	15.3	15.0	14.8	14.8	14.5	14.5	14.5	14.5	14.5
As % Loans & Repossessed Assets	1.22%	0.47%	0.38%	0.54%	0.58%	0.54%	0.54%	0.52%	0.52%	0.67%	0.64%	0.62%	0.60%	0.60%	0.58%	0.57%	0.56%	0.55%	0.55%
Reserve Coverage: NPL	1.01x	1.96x	2.85x	2.93x	2.59x	2.87x	2.39x	1.98x	1.98x	1.68x	1.70x	1.73x	1.77x	1.77x	1.84x	1.87x	1.91x	1.94x	1.94x
Reserve Coverage: NPA (incl. TDRs)	0.68x	1.96x	2.51x	1.90x	1.69x	1.89x	1.94x	1.97x	1.97x	1.57x	1.65x	1.70x	1.77x	1.77x	1.84x	1.87x	1.91x	1.94x	1.94x
Texas Ratio	7%	3%	3%	5%	5%	5%	4%	4%	4%	5%	5%	5%	4%	4%	4%	4%	4%	4%	4%
Non Interest Income Detail																			
Mortgage Banking Income	42.1	21.6	12.8	24.0	4.3	7.4	7.3	6.3	25.2	6.5	6.6	6.8	6.4	26.3	6.8	7.0	7.1	6.8	27.6
Purchased Receivable Income	2.3	2.0	4.5	7.1	6.2	5.9	7.3	6.5	25.8	6.1	6.4	6.5	6.6	25.7	6.7	6.7	6.8	6.8	27.1
Bankcard Fees	3.4	3.7	3.9	4.4	1.1	1.2	1.2	1.2	4.7	1.1	1.2	1.3	1.3	4.9	1.3	1.4	1.4	1.5	5.6
Service Charges on Deposit Accts	1.3	1.6	2.0	2.3	0.7	0.7	0.8	0.8	3.0	0.8	0.8	0.9	0.9	3.4	0.9	1.1	1.1	1.0	4.1
Unrealized Gain on Equity Securities	(0.1)	(1.1)	0.1	0.5	(0.1)	0.1	0.1	0.1	0.2	(0.3)	-	-	-	-	-	-	-	-	-
Gain on Sale of Securities	0.1	-	-	0.1	-	-	14.2	0.0	14.2	-	-	-	-	-	-	-	-	-	-
Other	3.2	6.3	3.1	3.6	0.9	1.4	0.4	1.4	4.1	0.6	0.6	0.7	0.7	2.8	0.7	0.7	0.7	0.7	3.0
Total Non-Interest Income	**52.3**	**34.1**	**26.4**	**42.0**	**13.0**	**16.6**	**31.2**	**16.3**	**77.2**	**14.9**	**15.7**	**16.3**	**16.0**	**62.8**	**16.4**	**16.9**	**17.2**	**16.9**	**67.4**

Source: Company reports and KBW Research.

Exhibit 22, Continued: NRIM Model

	2021	2022	2023	2024	1Q25	2Q25	3Q25	4Q25	2025	1Q26	2Q26E	3Q26E	4Q26E	2026E	1Q27E	2Q27E	3Q27E	4Q27E	2027E
Non Interest Expense Detail																			
Salaries and Personnel Expense	60.4	58.2	61.7	67.8	17.2	20.9	19.4	20.8	78.3	19.5	20.2	20.8	21.4	81.9	21.4	21.4	21.8	21.8	86.4
Data Processing Expense	8.6	8.9	9.8	11.0	3.1	3.4	3.2	3.4	13.1	3.3	3.5	3.6	3.7	14.1	3.8	3.8	3.8	3.8	15.2
Occupancy Expense	7.1	6.9	7.4	7.6	1.9	2.1	1.9	1.9	7.8	2.1	2.2	2.2	2.2	8.7	2.2	2.2	2.2	2.2	8.8
Professional/Outside Services	2.8	3.0	3.1	4.4	1.1	1.1	1.1	1.3	4.7	1.2	1.3	1.3	1.3	4.9	1.4	1.4	1.4	1.4	5.5
Insurance Expense	1.6	2.1	2.5	3.0	1.0	0.8	0.8	0.6	3.2	0.4	0.5	0.5	0.5	1.9	0.5	0.5	0.5	0.5	2.0
Comp Exp - SCF Acquisition Payments	-	-	-	-	0.6	0.6	0.6	0.5	2.3	0.5	0.5	0.5	0.5	2.0	0.5	0.5	0.5	0.5	2.1
Marketing	2.7	2.7	2.9	3.0	0.7	1.0	0.5	1.5	3.7	0.9	1.0	1.0	1.0	3.9	1.0	1.0	1.0	1.0	4.0
OREO Expense	(0.4)	0.5	(0.8)	(0.4)	0.0	0.0	(0.0)	-	(0.0)	0.0	-	-	-	0.0	-	-	-	-	-
Other	6.4	6.5	7.4	8.5	2.5	2.7	2.7	3.3	11.2	2.7	3.0	3.0	3.0	11.7	3.1	3.1	3.2	3.3	12.7
Total Non-Interest Expenses	**89.2**	**88.9**	**94.2**	**104.9**	**28.2**	**32.5**	**30.3**	**33.4**	**124.4**	**30.6**	**32.1**	**32.9**	**33.6**	**129.2**	**33.9**	**33.9**	**34.4**	**34.5**	**136.7**
Capital Management																			
Beginning Common Equity	221.6	237.8	218.6	234.7	267.1	279.8	290.2	315.7	267.1	326.5	335.8	345.7	356.5	326.5	366.9	377.0	388.0	399.9	366.9
Net Income to Common	37.5	30.7	25.4	37.0	13.3	11.8	27.1	12.4	64.6	13.7	13.5	14.4	14.0	55.6	13.7	14.6	15.5	15.9	59.8
Common Dividends	9.2	10.4	13.4	13.7	3.5	3.5	3.5	3.5	14.1	3.6	3.6	3.6	3.6	14.4	3.6	3.6	3.6	3.6	14.4
Common Repurchases	11.5	14.2	9.0	0.8	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Other	(0.5)	(25.3)	13.1	9.9	2.8	2.2	1.9	2.0	9.0	(0.8)	-	-	-	(0.8)	-	-	-	-	-
Ending Common Equity	237.8	218.6	234.7	267.1	279.8	290.2	315.7	326.5	326.5	335.8	345.7	356.5	366.9	366.9	377.0	388.0	399.9	412.2	412.2
Preferred	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ending Total Equity	237.8	218.6	234.7	267.1	279.8	290.2	315.7	326.5	326.5	335.8	345.7	356.5	366.9	366.9	377.0	388.0	399.9	412.2	412.2
Ending Intangible Assets	16.0	16.0	16.0	51.0	50.8	50.8	50.8	50.8	50.8	50.8	50.8	50.8	50.8	50.8	50.8	50.8	50.8	50.8	50.8
Ending Tangible Common Equity	221.8	202.6	218.8	216.1	228.9	239.4	264.8	275.7	275.7	285.0	294.9	305.7	316.1	316.1	326.1	337.2	349.1	361.4	361.4
Total Capital	765.3	799.2	264.8	261.1	-	-	-	370.3	370.3	380.8	395.2	410.8	425.9	425.9	440.7	456.8	474.0	491.7	491.7
Tier 1 Capital	642.2	676.5	245.1	233.1	-	-	-	285.2	285.2	294.9	305.2	316.4	327.3	327.3	337.9	349.4	361.9	374.7	374.7
Common Equity T1	592.2	626.5	235.4	223.4	-	-	-	275.4	275.4	285.1	295.4	306.6	317.5	317.5	328.1	339.6	352.1	364.9	364.9
Risk-Based Assets	5,568	5,477	2,144	2,386	-	-	-	2,653	2,653	2,693	2,733	2,768	2,839	2,839	2,880	2,915	2,960	3,005	3,005
RWA/Total Assets	204%	205%	76%	78%	0%	0%	0%	81%	81%	80%	80%	80%	81%	81%	81%	81%	81%	81%	81%
Tangible Common Equity/Tangible Assets	8.2%	7.6%	7.8%	7.2%	7.41%	7.50%	8.12%	8.51%	8.5%	8.63%	8.76%	8.97%	9.15%	9.2%	9.31%	9.50%	9.69%	9.88%	9.9%
Common Equity Tier 1 (%)	13.5%	11.4%	11.0%	9.4%	9.37%	9.42%	10.26%	10.38%	10.4%	10.59%	10.81%	11.07%	11.18%	11.2%	11.39%	11.65%	11.89%	12.14%	12.1%
Total Capital to Risk-Based Assets	14.8%	14.6%	12.4%	10.9%	10.6%	10.7%	11.6%	14.0%	14.0%	14.1%	14.5%	14.8%	15.0%	15.0%	15.3%	15.7%	16.0%	16.4%	16.4%
Leverage Ratio	9.0%	9.0%	8.7%	7.7%	8.0%	8.0%	8.7%	8.8%	8.8%	9.1%	9.3%	9.5%	9.7%	9.7%	9.9%	10.1%	10.3%	10.5%	10.5%
Dividend Payout Ratio	24.6%	33.9%	52.8%	36.9%	26.5%	30.0%	13.1%	28.4%	21.9%	26.4%	26.7%	25.1%	25.9%	26.0%	26.4%	24.7%	23.3%	22.7%	24.2%
Ending Balances																			
Loans	1,414	1,502	1,789	2,129	2,124	2,202	2,219	2,295	2,295	2,359	2,395	2,433	2,468	2,468	2,508	2,550	2,593	2,636	2,636
Assets	2,725	2,674	2,807	3,042	3,141	3,244	3,312	3,290	3,290	3,355	3,416	3,461	3,505	3,505	3,556	3,599	3,654	3,710	3,710
Total Deposits	2,422	2,387	2,485	2,680	2,778	2,809	2,906	2,813	2,813	2,874	2,835	2,914	2,950	2,950	2,948	2,995	3,115	3,127	3,127
Long Term Debt	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Borrowings	25	24	24	33	23	73	23	82	82	82	-	-	-	-	-	-	-	-	-
Total Equity	238	219	235	267	280	290	316	327	327	336	346	357	367	367	377	388	400	412	412
Balance Sheet Composition																			
Avg Loans/Avg Assets	61.2%	53.6%	61.1%	66.7%	70.7%	68.0%	68.3%	68.7%	68.9%	70.3%	71.4%	71.6%	71.8%	71.3%	71.8%	72.1%	72.2%	72.3%	72.1%
Avg Earning Assets/Assets	92.9%	93.5%	92.6%	92.6%	90.5%	90.4%	90.0%	90.4%	90.3%	90.5%	90.6%	90.7%	90.8%	90.7%	90.9%	90.9%	91.0%	91.1%	91.0%
Avg Capital Ratio	9.9%	8.5%	8.5%	8.8%	8.9%	9.0%	9.3%	9.9%	9.3%	10.2%	10.3%	10.5%	10.7%	10.4%	10.8%	11.0%	11.1%	11.3%	11.1%
Funding Ratios *(average)*																			
Loans/Deposits (EOP)	58%	63%	72%	79%	76%	78%	76%	82%	82%	82%	84%	83%	84%	84%	85%	85%	83%	84%	84%
Borrowings/Funding (Avg.)	1%	1%	2%	1%	1%	3%	2%	2%	2%	3%	4%	3%	2%	3%	3%	3%	2%	1%	2%
Securities/Earning Assets (Avg.)	17%	25%	29%	24%	19%	18%	16%	16%	17%	16%	15%	15%	15%	15%	15%	15%	15%	15%	15%
Expenses-to- Average Assets (%)	**3.7%**	**3.4%**	**3.5%**	**3.6%**	3.7%	4.1%	3.8%	4.1%	**3.9%**	3.7%	3.8%	3.9%	3.9%	**3.8%**	3.9%	3.9%	3.9%	3.8%	**3.9%**

Source: Company reports and KBW Research.

Companies Mentioned

Company Name	Ticker	Analyst Name	Rating	Price 6/29/2026 ($)	Price Target ($)
Bank of America Corporation	BAC	McGratty, CFA	OP	57.88	64.00
Bank of Marin Bancorp	BMRC	Lay, CFA	OP	27.59	29.00
Bank7 Corp.	BSVN	Lay, CFA	OP	48.91	52.00
Bankwell Financial Group, Inc.	BWFG	Konrad, CFA	OP	59.81	58.00
Bar Harbor Bankshares	BHB	DelMonte	MP	38.35	35.00
BCB Bancorp, Inc.	BCBP	Konrad, CFA	MP	10.72	10.50
California BanCorp	BCAL	Lay, CFA	OP	20.87	21.00
Capital Bancorp, Inc.	CBNK	Mealor	MP	35.12	34.00
Capital City Bank Group, Inc.	CCBG	Lay, CFA	MP	49.66	50.00
CB Financial Services, Inc.	CBFV	Switzer, CFA	OP	37.30	39.00
Chemung Financial Corporation	CHMG	Konrad, CFA	MP	74.60	72.00
Civista Bancshares, Inc.	CIVB	Switzer, CFA	OP	28.43	28.00
Coastal Financial Corporation	CCB	Switzer, CFA	OP	76.95	95.00
Community West Bancshares	CWBC	Lay, CFA	MP	26.77	26.00
Eagle Financial Services, Inc.	EFSI	Lay, CFA	OP	41.06	43.00
Esquire Financial Holdings, Inc.	ESQ	Switzer, CFA	MP	118.75	120.00
First Business Financial Services, Inc.	FBIZ	DelMonte	OP	63.21	64.00
First Western Financial, Inc.	MYFW	Lay, CFA	OP	32.18	33.00
Five Star Bancorp	FSBC	Lay, CFA	MP	48.18	43.00
HomeTrust Bancshares, Inc.	HTB	Lay, CFA	OP	49.42	50.00
John Marshall Bancorp, Inc.	JMSB	Lay, CFA	OP	21.87	24.00
KeyCorp	KEY	McGratty, CFA	OP	23.15	24.00
MetroCity Bankshares, Inc.	MCBS	Motta, CFA	MP	35.69	35.00
MVB Financial Corp.	MVBF	Mealor	OP	29.16	30.00
Northeast Bank	NBN	DelMonte	MP	133.06	128.00
Northrim BanCorp, Inc.	NRIM	Motta, CFA	MP	27.88	30.00
OP Bancorp	OPBK	Motta, CFA	MP	14.98	16.00
PCB Bancorp, Inc.	PCB	Motta, CFA	MP	28.03	26.00
Primis Financial Corp.	FRST	Lay, CFA	OP	16.56	17.00
RBB Bancorp	RBB	Motta, CFA	MP	27.34	27.00
Sierra Bancorp	BSRR	Lay, CFA	MP	40.66	39.00
South Plains Financial, Inc.	SPFI	Lay, CFA	OP	43.49	47.00
Unity Bancorp, Inc.	UNTY	Konrad, CFA	OP	58.70	65.00
USCB Financial Holdings, Inc.	USCB	Lay, CFA	OP	20.25	21.00
Wells Fargo & Company	WFC	McGratty, CFA	MP	83.51	98.00

Note: OP = Outperform, MP = Market Perform, UP = Underperform.

Source: KBW Research, FactSet.

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Northrim BanCorp, Inc. (NRIM)

Target Price: $30.00

Risk Factors: Potential risks to our outlook would be a pullback in growth (a function of a slowdown in NRIM's ability to take share and/or slower economic growth) and margin headwinds from a less advantageous interest rate outlook and/or competition picking up after years of rational pricing. To support continued growth over the longer term, we believe NRIM may look to acquire business lines and/or whole banks in the Lower 48, which comes with potential execution risk as well as near-term pressures that are typically seen for buyers. Fee income represents a greater proportion of revenues (about 30% in KBWe), with the bulk derived from mortgage and specialty finance. We believe mortgage in particular acts as a good hedge in down rates; however, both mortgage and specialty finance are dependent on market conditions and subject to fluctuations. Furthermore, greater normalization in credit costs could weigh on the outlook, as could higher expenses, as operating in Alaska comes with a higher level of operating costs. Finally, multiple compression could be a risk factor in light of NRIM's premium P/TBV multiple.

Rating and Price Target History:



Note: The boxes on the Rating and Price Target History Chart above indicate the date of Report/Note, the rating and price target. Each box represents a date on which an analyst made a change to a rating or price target.

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			**IB Serv./Past 12 Mos.		***M Serv./Past 12 Mos.	
Rating	**Count**	**Percent**	**Count**	**Percent**	**Count**	**Percent**
Outperform	255	44.82	228	89.41	105	41.18
Market Perform	228	40.07	207	90.79	97	42.54
Suspended	48	8.44	40	83.33	16	33.33
Underperform	36	6.33	35	97.22	8	22.22
Restricted	1	0.18	1	100.00	0	0.00
Covered -Not Rated	1	0.18	1	100.00	1	100.00

Ratings Distribution as of June 29, 2026.

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