



Banks & Thrifts

November 4, 2019

Price:	\$39.31
Fair Value Estimate:	\$40.00
52-Week Range:	\$29.66 - \$42.28
Market Cap (MM):	\$256
Shr.O/S-Diluted (mm):	6.5
Average Daily Volume:	15,995
Dividend:	\$1.32
Yield:	3.4%
Tang Book Value:	\$28.74
Tang Comn Equity Ratio:	11.7%
Price/Tangible Book:	1.37x

Northrim BanCorp, Inc. (NRIM) - NEUTRAL

Strong Revenue Diversification Shines in 3Q; Adjust Fwd. EPS to Reflect Lower Rates

FYE: Dec	2018A	2019E	2020E
EPS - non-GAAP	\$2.80A	\$3.11E	\$2.10E
Adjusted: Prior EPS - non-GAAP		\$2.70	\$2.25
P/E non-GAAP Ratio:	14.0x	12.6x	18.7x

Quarterly EPS - non-GAAP Adjusted:

Quarter	2019	2020E	2021E
Q1	\$0.28A	\$0.56A	\$0.44E
Q2	\$0.76A	\$0.71A	\$0.55E
Q3	\$0.83A	\$1.18A	\$0.59E
Q4	\$0.63A	\$0.58E	\$0.52E

PORTFOLIO MANAGER BRIEF

- EPS outlook: \$2.10 in 2020 (-\$0.15), \$0.58 in 4Q19 (-\$0.01). ROAA is ~0.90% in 2020.
- Our 2020 EPS reduction is driven by a lower NIM given our forecast for two(2) additional rate cuts, which is partially offset by better mortgage Inc. MSR valuation allowance recovery is possible in future quarters though not factored in our model (YTD impairment has clipped YTD EPS by ~\$0.23).
- Solid loan growth, strong revenue diversification (>35% Fees/Rev.), a low loan/deposit ratio (<80%), a low cost deposit base, continued focus on expense controls, and strong credit quality are expected to help combat projected NIM pressure.
- Capital levels moderated some given the completion of its 5% share repurchase plan though remains strong with a TCE ~11.75% providing upside to EPS/shares. We would not rule out another repurchase plan after more clarity on CECL (NRIM has option to delay CECL if it files as a small reporting company, which it is eligible to do).

ANALYST NOTES

Loans are up > 5% YTD and pipelines are healthy suggesting a solid finish to the year. The bulk of YTD growth has come from market share gains driven by new talent which has more than offset continued payoffs. Additional talent was added in 3Q19 which supports our mid-single digit growth outlook. The Alaska economy has begun to grow again and add jobs; however, there continues to be concern over the effect of the state government budget cuts.

We expect further NIM compression in the coming quarters given our outlook for two(2) additional rate cuts through June 2020 and some continued lag in repricing deposits. NRIM is asset sensitive with 65% variable rate loans of which ~25% are indexed. The recent uptick in 2-5 year rates should help mitigate NIM pressure as a portion of loans reprice off this part of the curve. COD are expected to moderate in 4Q as NRIM began reducing deposit rates after the September rate cut. We estimate NIM could drop ~5-8bp for each cut.

Our EPS outlook calls for the Bank to earn \$0.47 in 4Q19 with the mortgage unit adding \$0.11. For FY 2020, we forecast \$1.75 for the Bank and \$0.35 for the mortgage unit. We expect a higher E/R in 2020 given revenue headwinds from a projected lower NIM.



Janney Research Rating: "Neutral"

Price Target: \$40.00

Implied Gain/Loss versus Current Price: 1.8%

2020 Outlook			
2020 EPS	\$2.10	16.6x	\$34.88
Cash Dividends	\$1.32	1.0x	\$1.32
Excess TCE	\$3.80	1.0x	<u>\$3.80</u>
			\$40.00
Tangible Book 12/20	\$29.82	1.34x	\$40.00

Source: Research by Janney (FIG Group) & Forward Estimates

Deposit Premium Analysis

	<u>Current</u>	<u>Dec-19</u>	<u>Dec-20</u>
Market-Cap	270.4	278.5	286.9
TCE in \$\$	187.9	189.6	195.0
Total Deposits	1,351.0	1,357.8	1,392.0
CORE Deposits	1,242.9	1,249.2	1,294.6
Premium - Total	6.1%	6.5%	6.6%
Premium - CORE	6.6%	7.1%	7.1%

Reiterate Neutral w/ \$40 FV Est. or ~16.5x 2020 EPS plus excess capital or 134% of Fwd. TBV.

Background and Risks

NRIM, a one-bank holding company and the parent of Anchorage, Alaska-based Northrim Bank, operates with \$1.6 Billion in Assets and 16 branches. Founded in 1990 after a period of dramatic consolidation in the Alaska banking industry, NRIM has grown into the second largest bank based in Alaska, accessible to nearly 90% of the state's population.

We see primary risks to include: (1) Slow or negative deposit growth and lack of increase in core deposit base; (2) Mergers and/or acquisitions which are not integrated properly such that key personnel are not retained and earnings are not expanded from the original base; (3) Adverse earnings impact from poor credit quality; (4) Recent trends have been excellent but may change.

NRIM Quarterly EPS Comparison

EPS Segment Breakdown	1Q18			2Q18			3Q18			4Q18			2018Y		
	Core Bank	Mortgage Operation	Aggregate Earnings	Core Bank	Mortgage Operation	Aggregate Earnings	Core Bank	Mortgage Operation	Aggregate Earnings	Core Bank	Mortgage Operation	Aggregate Earnings	Core Bank	Mortgage Operation	Aggregate Earnings
Net Interest Income	14,036	227	14,263	14,614	375	14,989	15,358	461	15,819	15,719	418	16,137	59,727	1,481	61,208
Loan Loss Provision	0	0	0	(300)	0	(300)	0	0	0	(200)	0	(200)	(500)	0	(500)
Fee Income	2,518	4,944	7,462	2,836	5,478	8,314	2,770	5,903	8,673	3,199	4,519	7,718	11,323	20,844	32,167
Earn Out Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Operating Expense	12,367	4,428	16,795	11,748	4,858	16,606	12,204	5,895	18,099	13,637	4,663	18,300	49,956	19,844	69,800
Pre Tax Income	4,187	743	4,930	6,002	995	6,997	5,924	469	6,393	5,481	274	5,755	21,594	2,481	24,075
Taxes	659	201	860	882	285	1,167	996	131	1,127	824	83	907	3,361	700	4,061
Net Income	3,528	542	4,070	5,120	710	5,830	4,928	338	5,266	4,657	191	4,848	18,233	1,781	20,014
Noncontrolling Interest	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Net Income	3,528	542	4,070	5,120	710	5,830	4,928	338	5,266	4,657	191	4,848	18,233	1,781	20,014
Shares Outstanding	6.968	6.968	6.968	6.977	6.977	6.977	6.991	6.991	6.991	6.990	6.990	6.990	6.982	6.982	6.982
Earnings Per Share	0.51	0.08	0.58	0.73	0.10	0.84	0.70	0.05	0.75	0.67	0.03	0.69	2.61	0.26	2.87
Core Earnings Per Share	0.51	0.08	0.58	0.65	0.10	0.76	0.70	0.13	0.84	0.60	0.03	0.63	2.47	0.34	2.80

EPS Segment Breakdown	1Q19			2Q19			3Q19		
	Core Bank	Mortgage Operation	Aggregate Earnings	Core Bank	Mortgage Operation	Aggregate Earnings	Core Bank	Mortgage Operation	Aggregate Earnings
Net Interest Income	15,488	281	15,769	15,633	324	15,957	16,000	306	16,306
Loan Loss Provision	750	0	750	300	0	300	(2,075)	0	(2,075)
Fee Income	3,235	4,298	7,533	3,619	5,950	9,569	2,944	7,565	10,509
Earn Out Expense	0	0	0	0	0	0	0	0	0
Operating Expense	12,518	4,562	17,080	14,111	5,708	19,819	13,126	6,198	19,324
Pre Tax Income	5,455	17	5,472	4,841	566	5,407	7,893	1,673	9,566
Taxes	1,155	5	1,160	984	162	1,146	1,550	478	2,028
Net Income	4,300	12	4,312	3,857	404	4,261	6,343	1,195	7,538
Noncontrolling Interest	0	0	0	0	0	0	0	0	0
Net Income	4,300	12	4,312	3,857	404	4,261	6,343	1,195	7,538
Shares Outstanding	6.982	6.982	6.982	6.897	6.897	6.897	6.708	6.708	6.708
Earnings Per Share	0.62	0.00	0.62	0.56	0.06	0.62	0.93	0.18	1.11
Core Earnings Per Share	0.56	0.07	0.63	0.56	0.16	0.72	0.93	0.25	1.18

Source: Research by Janney (FIG Group), S&P Global Market Intelligence

NRIM Snapshot

	3Q17A	4Q17A	1Q18A	2Q18A	3Q18A	4Q18A	1Q19A	2Q19A	3Q19A	% Change	
										Y/Y	LQ
Earnings Per Share (EPS)	\$0.79	\$0.03	\$0.58	\$0.84	\$0.75	\$0.69	\$0.62	\$0.62	\$1.11	48.0%	80.4%
Tangible Book Value	\$26.00	\$25.70	\$26.01	\$26.66	\$27.17	\$27.57	\$28.01	\$28.27	\$28.74	5.7%	1.7%
Shares Outstanding EOP	6.85	6.87	6.87	6.87	6.88	6.88	6.88	6.73	6.54	-5.0%	-2.8%
Net Interest Income	\$14.92	\$14.68	\$14.26	\$14.99	\$15.82	\$16.14	\$15.77	\$15.96	\$16.31	3.1%	2.2%
Loan Loss Provision	\$2.50	\$0.00	\$0.00	(\$0.30)	\$0.00	(\$0.20)	\$0.75	\$0.30	(\$2.08)		-791.7%
Total Fee Income	\$13.86	\$7.95	\$7.46	\$8.31	\$8.67	\$7.72	\$7.53	\$9.57	\$10.38	19.7%	8.5%
Gain/Loss on Securities	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00		
Non-Interest Expense	\$17.69	\$18.34	\$16.80	\$16.61	\$18.10	\$18.30	\$17.08	\$19.82	\$19.32	6.8%	-2.5%
Pre-Tax Income	\$8.58	\$4.30	\$4.93	\$7.00	\$6.39	\$5.76	\$5.47	\$5.41	\$9.57	49.6%	76.9%
Taxes	\$2.98	\$4.09	\$0.87	\$1.17	\$1.13	\$0.91	\$1.16	\$1.15	\$2.03	79.6%	77.0%
Tax Rate	35%	95%	18%	17%	18%	16%	21%	21%	21%	20.0%	0.0%
Net Income	\$5.60	\$0.21	\$4.06	\$5.83	\$5.26	\$4.85	\$4.31	\$4.26	\$7.54	43.2%	76.9%
Total Core Revenue	\$24.33	\$22.64	\$21.73	\$23.30	\$24.46	\$22.72	\$23.16	\$25.53	\$26.69	9.1%	4.5%
Total Core Fee Income	\$9.42	\$7.95	\$7.46	\$8.31	\$8.64	\$6.58	\$7.39	\$9.57	\$10.38	20.2%	8.5%
Core Expenses	\$17.74	\$17.72	\$16.69	\$16.60	\$18.06	\$18.20	\$17.40	\$19.65	\$19.36	7.2%	-1.5%
ROAA	1.47%	0.06%	1.09%	1.57%	1.41%	1.28%	1.16%	1.12%	1.91%	35.3%	71.3%
ROAE	11.51%	0.43%	8.31%	11.76%	10.36%	9.38%	8.24%	8.10%	14.57%	40.7%	79.8%
Net Interest Margin	4.34%	4.31%	4.33%	4.56%	4.74%	4.76%	4.89%	4.77%	4.65%	-1.9%	-2.5%
Core Efficiency Ratio	72.1%	77.5%	76.1%	70.6%	73.2%	79.3%	74.5%	76.4%	72.0%	-1.7%	-5.7%
Core Exp. / Avg. Assets	4.65%	4.66%	4.47%	4.48%	4.85%	4.82%	4.68%	5.15%	4.91%	1.3%	-4.7%
Gross Loans	\$989	\$956	\$968	\$968	\$982	\$984	\$982	\$1,016	\$1,037	5.6%	2.1%
Intangibles	\$16.2	\$16.2	\$16.2	\$16.2	\$16.2	\$16.2	\$16.1	\$16.1	\$16.1	-0.4%	-0.1%
Total Deposits	\$1,258	\$1,258	\$1,261	\$1,206	\$1,233	\$1,228	\$1,228	\$1,288	\$1,351	9.5%	4.9%
Total Common Equity	\$194	\$193	\$195	\$199	\$203	\$206	\$209	\$206	\$204	0.4%	-1.1%
Avg Assets	\$1,525	\$1,520	\$1,494	\$1,481	\$1,489	\$1,510	\$1,487	\$1,526	\$1,576	5.9%	3.3%
Avg Loans	\$1,004	\$980	\$956	\$964	\$985	\$981	\$989	\$1,003	\$1,020	3.6%	1.7%
Avg Earning Assets	\$1,383	\$1,372	\$1,352	\$1,335	\$1,338	\$1,360	\$1,325	\$1,359	\$1,406	5.1%	3.5%
Avg Deposits	\$1,263	\$1,255	\$1,234	\$1,218	\$1,224	\$1,233	\$1,195	\$1,239	\$1,308	6.8%	5.5%
Loan / Deposit	78.6%	76.0%	76.7%	80.3%	79.6%	80.2%	80.0%	78.8%	76.7%	-3.6%	-2.7%
TCE Ratio	11.82%	11.75%	11.85%	12.60%	12.58%	12.76%	12.81%	12.38%	11.74%	-6.7%	-5.1%
Net Charge-offs	\$1,097	\$2	\$1,012	\$41	(\$52)	\$441	\$60	(\$9)	(\$694)	1234.6%	7611.1%
NPL's + 90 Days Past	\$32,432	\$29,798	\$28,225	\$25,731	\$20,284	\$18,623	\$22,884	\$19,725	\$18,940	-6.6%	-4.0%
OREO	\$3,505	\$8,651	\$8,815	\$8,959	\$8,707	\$7,962	\$7,043	\$7,043	\$5,995	-31.1%	-14.9%
Total NPA'S	\$33,877	\$36,397	\$35,264	\$33,083	\$27,310	\$26,032	\$28,852	\$25,532	\$21,952	-19.6%	-14.0%
NPA / (Loans + OREO)	3.41%	3.77%	3.61%	3.39%	2.76%	2.62%	2.92%	2.50%	2.11%	-23.6%	-15.7%
NCOs / Avg Loans	0.44%	0.00%	0.42%	0.02%	-0.02%	0.18%	0.02%	0.00%	-0.27%	1188.5%	7481.4%

Source: Research by Janney (FIG Group), S&P Global Market Intelligence

Earnings Model

	Annual			2018 Quarterly				2019 Quarterly				2020 Quarterly			
	2018A	2019E	2020E	1Q18A	2Q18A	3Q18A	4Q18A	1Q19A	2Q19A	3Q19A	4Q19E	1Q20E	2Q20E	3Q20E	4Q20E
<i>Income Data: (\$ in Millions)</i>															
Net Interest Income	\$61.2	\$63.9	\$62.3	\$14.3	\$15.0	\$15.8	\$16.1	\$15.8	\$16.0	\$16.3	\$15.9	\$15.0	\$15.5	\$15.9	\$16.0
Loan Loss Provision	(\$0.5)	(\$0.650)	\$2.2	\$0.0	(\$0.3)	\$0.0	(\$0.2)	\$0.8	\$0.3	(\$2.1)	\$0.4	\$0.3	\$0.5	\$0.7	\$0.7
Non-Interest Income	\$31.6	\$37.8	\$32.9	\$7.5	\$8.3	\$8.7	\$7.2	\$7.650	\$10.5	\$11.0	\$8.6	\$7.8	\$8.4	\$8.8	\$7.9
Gain/Loss on Loan Sales	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Gain/Loss on Securities	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
One-Time Items	\$0.4	(\$1.6)	\$0.0	\$0.0	\$0.7	(\$0.8)	\$0.5	(\$0.1)	(\$1.0)	(\$0.5)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Non-Interest Expense	\$69.7	\$75.4	\$75.2	\$16.8	\$17.3	\$17.3	\$18.3	\$17.1	\$19.8	\$19.3	\$19.2	\$18.7	\$18.7	\$19.0	\$18.7
Pre-Tax Income	\$24.1	\$25.4	\$17.8	\$4.9	\$7.0	\$6.4	\$5.8	\$5.472	\$5.4	\$9.6	\$4.9	\$3.7	\$4.7	\$5.0	\$4.4
Taxes	\$4.1	\$5.375	\$3.8	\$0.9	\$1.2	\$1.1	\$0.9	\$1.2	\$1.1	\$2.0	\$1.0	\$0.8	\$1.0	\$1.1	\$0.9
Extraordinary Items	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Net Income	\$20.0	\$20.0	\$14.0	\$4.1	\$5.8	\$5.3	\$4.8	\$4.3	\$4.3	\$7.5	\$3.9	\$2.9	\$3.7	\$3.9	\$3.5
Noncontrolling segment income	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Net Income Avail. To Common	\$20.0	\$20.0	\$14.0	\$4.1	\$5.8	\$5.3	\$4.8	\$4.3	\$4.3	\$7.5	\$3.9	\$2.9	\$3.7	\$3.9	\$3.5
Avg. Shares O/S	7.0	6.8	6.6	\$7.0	\$7.0	\$7.0	\$7.0	\$7.0	\$6.9	\$6.7	\$6.6	\$6.6	\$6.6	\$6.6	\$6.6
Earnings Per Share (EPS)	\$2.87	\$2.93	\$2.10	\$0.58	\$0.84	\$0.75	\$0.69	\$0.62	\$0.62	\$1.11	\$0.58	\$0.44	\$0.55	\$0.59	\$0.52
<i>Per Share Data:</i>															
Reported Book Value	\$29.92	\$31.46	\$32.28	\$28.37	\$29.02	\$29.52	\$29.92	\$30.36	\$30.66	\$31.20	\$31.46	\$31.58	\$31.81	\$32.08	\$32.28
Tangible Book Value	\$27.57	\$29.00	\$29.82	\$26.01	\$26.66	\$27.17	\$27.57	\$28.01	\$28.27	\$28.74	\$29.00	\$29.12	\$29.35	\$29.61	\$29.82
Dividends	\$1.02	\$1.26	\$1.32	\$0.24	\$0.24	\$0.27	\$0.27	\$0.30	\$0.30	\$0.33	\$0.33	\$0.33	\$0.33	\$0.33	\$0.33
Pre-Tax, Pre-Provision EPS	\$3.32	\$3.86	\$3.00	\$0.722	\$0.961	\$0.921	\$0.809	\$0.845	\$0.851	\$1.112	\$0.81	\$0.61	\$0.80	\$0.85	\$0.78
CORE GAAP EPS	\$2.80	\$3.11	\$2.10	\$0.58	\$0.76	\$0.83	\$0.63	\$0.63	\$0.72	\$1.18	\$0.58	\$0.44	\$0.55	\$0.59	\$0.52
<i>KEY Ratios:</i>															
Net Interest Margin	4.60%	4.71%	4.42%	4.33%	4.56%	4.74%	4.76%	4.89%	4.77%	4.65%	4.53%	4.44%	4.44%	4.40%	4.40%
Return on Avg Assets	1.34%	1.29%	0.86%	1.09%	1.57%	1.41%	1.28%	1.16%	1.12%	1.91%	0.97%	0.74%	0.91%	0.95%	0.84%
Return on Avg Equity	9.95%	9.61%	6.71%	8.31%	11.76%	10.36%	9.38%	8.24%	8.10%	14.57%	7.56%	5.70%	7.06%	7.47%	6.59%
Return on Tang. Common Eq.	10.56%	10.56%	7.18%	9.12%	12.75%	11.28%	10.24%	8.97%	8.98%	16.07%	4.00%	6.19%	7.64%	8.08%	4.00%
Pre-Tax Pre-Provision ROA	1.55%	1.70%	1.23%	1.35%	1.81%	1.73%	1.50%	1.59%	1.54%	1.89%	1.35%	1.02%	1.33%	1.37%	1.26%
Efficiency Ratio	74.97%	74.08%	78.96%	76.62%	73.51%	70.02%	77.76%	72.29%	74.26%	70.15%	77.77%	81.58%	77.68%	76.49%	77.96%
Overhead Ratio	4.67%	4.88%	4.64%	4.50%	4.67%	4.65%	4.85%	4.59%	5.19%	4.90%	4.82%	4.72%	4.66%	4.65%	4.52%
TCE/TA	12.76%	11.73%	11.67%	11.85%	12.60%	12.58%	12.76%	12.81%	12.38%	11.74%	11.73%	11.75%	11.72%	11.71%	11.67%
<i>Period-End Balances: (\$ in Millions)</i>															
Earning Assets	\$1,349	\$1,447	\$1,509	\$1,396	\$1,328	\$1,341	\$1,349	\$1,343	\$1,381	\$1,433	\$1,447	\$1,440	\$1,458	\$1,487	\$1,509
Total Assets	\$1,503	\$1,633	\$1,686	\$1,525	\$1,470	\$1,503	\$1,503	\$1,520	\$1,553	\$1,617	\$1,633	\$1,637	\$1,653	\$1,670	\$1,686
Risk-Weighted Assets	\$1,285	\$1,348	\$1,417	\$1,280	\$1,290	\$1,288	\$1,285	\$1,288	\$1,314	\$1,335	\$1,348	\$1,361	\$1,382	\$1,403	\$1,417
Gross Loans HFI	\$984	\$1,050	\$1,092	\$968	\$968	\$982	\$984	\$982	\$1,016	\$1,037	\$1,050	\$1,044	\$1,057	\$1,076	\$1,092
Total Deposits	\$1,228	\$1,358	\$1,392	\$1,261	\$1,206	\$1,233	\$1,228	\$1,228	\$1,288	\$1,351	\$1,358	\$1,358	\$1,365	\$1,378	\$1,392
Intangibles	\$16	\$16	\$16	\$16	\$16	\$16	\$16	\$16	\$16	\$16	\$16	\$16	\$16	\$16	\$16
Total Common Equity	\$206	\$206	\$211	\$195	\$199	\$203	\$206	\$209	\$206	\$204	\$206	\$207	\$208	\$210	\$211

IMPORTANT DISCLOSURES

Research Analyst Certification

I, Brian Martin, the Primarily Responsible Analyst for this research report, hereby certify that all of the views expressed in this research report accurately reflect my personal views about any and all of the subject securities or issuers. No part of my compensation was, is, or will be, directly or indirectly, related to the specific recommendations or views I expressed in this research report.

Janney Montgomery Scott LLC ("Janney") Equity Research Disclosure Legend

The subject company is a client of Janney and/or its affiliate, FIG.

Janney or its affiliate FIG may act as principal for its own account or as agent for both buyer and seller in connection with the purchase or sale of any security discussed herein.

Data sources for the report are Bloomberg Financial L.P., SNL Financial LC, Stockcharts.com, Thomson Financial and regulatory filings.

The research analyst is compensated based on, in part, Janney Montgomery Scott's and/or its affiliate, FIG's profitability, which includes its investment banking revenues.

Janney Montgomery Scott LLC and/or its affiliate, FIG intends to seek or expects to receive compensation for investment banking services from Northrim BanCorp, Inc. in the next three months.

Janney Montgomery Scott LLC and/or its affiliate, FIG, currently acts as a market-maker in the securities of Northrim BanCorp, Inc.

Janney Montgomery Scott LLC and/or its affiliate, FIG received compensation for products or services other than investment banking services from Northrim BanCorp, Inc. in the past 12 months.

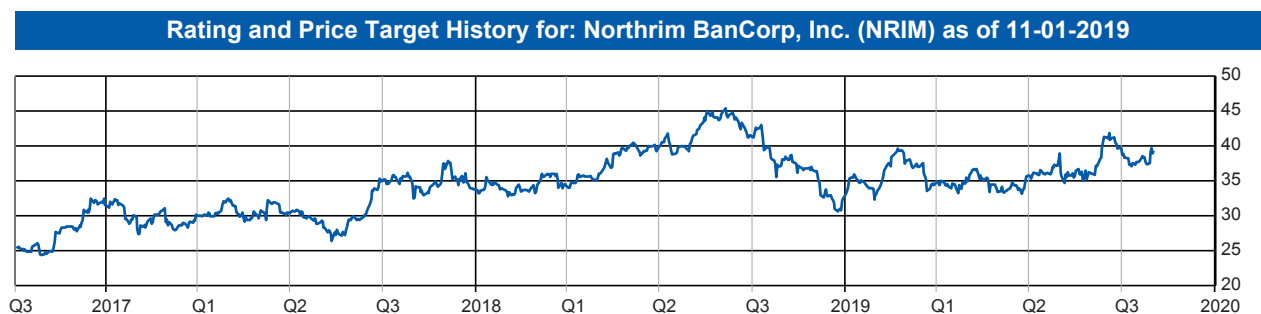
Definition of Ratings

BUY: Janney expects that the subject company will appreciate in value. Additionally, we expect that the subject company will outperform comparable companies within its sector.

NEUTRAL: Janney believes that the subject company is fairly valued and will perform in line with comparable companies within its sector. Investors may add to current positions on short-term weakness and sell on strength as the valuations or fundamentals become more or less attractive.

SELL: Janney expects that the subject company will likely decline in value and will underperform comparable companies within its sector.

Price Charts



Created by: BlueMatrix

Janney Montgomery Scott Ratings Distribution as of 09/30/2019

Rating	Count	Percent	IB Serv./Past 12 Mos.*	
			Count	Percent
BUY [B]	171	52.78	37	21.64
NEUTRAL [N]	151	46.60	20	13.25
SELL [S]	2	0.62	0	0.00

*Percentages of each rating category where Janney has performed Investment Banking services over the past 12 months.

Other Disclosures

Janney Montgomery Scott LLC, is a U.S. broker-dealer registered with the U.S. Securities and Exchange Commission and a member of the New York Stock Exchange, the Financial Industry Regulatory Authority and the Securities Investor Protection Corp.

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