Northrim BanCorp, Inc.

2019 Annual Meeting
May 23, 2019
Executive Officers

Audrey Amundson
EVP, Director of Accounting, Treasury, & Financial Planning

Jed Ballard
EVP, Chief Financial Officer

Ben Craig
EVP, Chief Information Officer

Mark Edwards
EVP, Chief Credit Officer & Bank Economist

Michael Huston
EVP, Chief Lending Officer

Michael Martin
EVP, Chief Operating Officer, General Counsel & Corporate Secretary

Lynn Wolfe
EVP, Chief Administration Officer
Senior Managers

Katie Bates  
SVP, Electronic Delivery Channel Manager

Catherine Claxton  
SVP, Real Estate Lending Manager

Jason Criqui  
SVP, Commercial Lending Manager

Barb Ervin  
SVP, Core Applications Manager

Latosha Frye  
SVP, Corporate Accounting Manager

Todd Greimann  
SVP, Regional Market Manager

Carolyn Jennings  
SVP, Retail Banking Manager
Senior Managers

Dan Lowell  
SVP, Northrim Funding Services Manager

Heidi Moes  
SVP, Deposit & Loan Operations Manager

Kari Skinner  
SVP, Marketing & Communications Director

Linda Uttech  
SVP, Facilities Manager

Suzanne Whittle  
SVP, Compliance & Efficiency Manager

Amber Zins  
SVP, Human Resources Director
BOARD OF DIRECTORS

Joe Schierhorn
Director since 2016

Larry Cash
Director since 1995

Anthony Drabek
Director since 1991

Karl Hanneman
Director since 2014

David Karp
Director since 2015

David McCambridge
Director since 2011
Chairman, Audit Committee

Krystal Nelson
Director since 2015
Chairman, Compensation Committee

Aaron Schutt
Director since 2018

John Swalling
Director since 2002
Lead Director, Chairman, Governance & Nominating Committee

Linda Thomas
Director since 2014

David Wight
Director since 2006

Northrim Bank
Agenda

• Call to Order
• Approval of Minutes of 2018 Annual Meeting
  Approval of 2018 Annual Report
• Alaska Economic Update Mark Edwards
• Shareholder Presentations
  Financial Results Jed Ballard
  Customer Highlights Mike Huston
  Capturing Market Share Michael Martin
• CEO/Chairman’s Remarks Joe Schierhorn
• Results of Shareholder Vote
• Q&A
Approval of Minutes of 2018 Annual Meeting
Approval of 2018 Annual Report
This presentation may contain “forward-looking statements” as that term is defined for purposes of Section 21E of the Securities and Exchange Act. These statements are, in effect, management’s attempt to predict future events, and thus are subject to various risks and uncertainties. Readers should not place undue reliance on forward-looking statements, which reflect management’s views only as of the date hereof. All statements, other than statements of historical fact, regarding our financial position, business strategy and management’s plans and objectives for future operations are forward-looking statements. When used in this report, the words “anticipate,” “believe,” “estimate,” “expect,” and “intend” and words or phrases of similar meaning, as they relate to Northrim and its management are intended to help identify forward-looking statements. Although we believe that management’s expectations as reflected in forward-looking statements are reasonable, we cannot assure readers that those expectations will prove to be correct. Forward looking statements are subject to various risks and uncertainties that may cause our actual results to differ materially and adversely from our expectations as indicated in the forward-looking statements. These risks and uncertainties include: our ability to maintain strong asset quality and to maintain or expand our market share or net interest margins; and our ability to execute our business plan. Further, actual results may be affected by our ability to compete on price and other factors with other financial institutions; customer acceptance of new products and services; the regulatory environment in which we operate; and general trends in the local, regional and national banking industry and economy as those factors relate to our cost of funds and return on assets. In addition, there are risks inherent in the banking industry relating to collectability of loans and changes in interest rates. Many of these risks, as well as other risks that may have a material adverse impact on our operations and business, are identified in the “Risk Factors” section of our Annual Report on Form 10-K for the fiscal year ended December 31, 2018, and from time to time are disclosed in our other filings with the SEC. However, you should be aware that these factors are not an exhaustive list, and you should not assume these are the only factors that may cause our actual results to differ from our expectations. These forward-looking statements are made only as of the date of this presentation, and Northrim does not undertake any obligation to release revisions to these forward-looking statements to reflect events or conditions after the date of presentation.
Leadership for Alaska's Economy

- Investment in economic research through ISER, RDC, and AEDC
- Alaskanomics blog
- Participant in fiscal policy issues
- Mark Edwards, EVP, Chief Credit Officer & Bank Economist, makes regular presentations
- Affiliate engagement
Achieving More
Alaska Economic Update

Mark Edwards

EVP, Chief Credit Officer
Bank Economist, Northrim Bank
Alaska Crude Prices
2004 - 2019

Dollars per Barrel

- High $134 June 2008
- Prices over $100 April 2011 to July 2014
- $80 Oct. 2018
- $37 December 2008
- $30 January 2016

Northrim Bank
Growth of the Permanent Fund

$60\ billion\ Permanent\ Fund\ principal
\times 9\%\ average\ return\ over\ the\ last\ five\ years
$5.4\ billion\ average\ investment\ return
+0.3\ billion\ contribution\ from\ oil\ royalties
$5.7\ billion\ expected\ growth\ next\ year
Growth of the Permanent Fund

$5.7 Billion in Growth

$2.8 Billion continued growth of the Permanent Fund

$2.9 Billion available for dividends and government spending
Oil & Gas Developments

Map provided courtesy of ConocoPhillips
Alaska’s Macro Indicators

- March 2019 jobs +0.3% or +1,000 year-over-year
  - Construction +1,100, Transportation/Warehouse/Utilities +400, Health Care +400, Leisure & Hospitality +300, Oil & Gas +200

- Per capita income $59,687, 10th best of 50 states
  - 11% higher than national average,
  - rose 4.4% in 2018.

- Alaska real Gross State Product $55 billion
  - 2018 1Q -5.7%, 2Q +1.7%, 3Q +2.9%, 4Q +4.9% annualized
Alaska’s Macro Indicators

- Inflation was 3% in 2018 after avg. 0.5% the last 3 years
  - Home, energy and food price increases in 2018

- Average home sales price improved in 2018
  - Anchorage +2.3%, Fairbanks +2.6%

- Alaska Population 736,239, down 1,608 people or -0.2%
U.S. Treasury Rates

- May 10, 2019:
  - 1 mo.: 1.69%
  - 6 mo.: 2.42%
  - 1 year: 2.83%
  - 2 year: 2.26%
  - 5 year: 3.12%
  - 10 year: 2.89%
  - 30 year: 3.12%

- May 10, 2018:
  - 1 mo.: 1.69%
  - 6 mo.: 2.42%
  - 1 year: 2.83%
  - 2 year: 2.26%
  - 5 year: 2.89%
  - 10 year: 3.12%
  - 30 year: 3.12%

Northrim Bank
**Mortgage Foreclosure and Delinquency Rates 2014 - 2018**

1-4 Unit Residential Properties

<table>
<thead>
<tr>
<th>Year End Data</th>
<th>2014</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alaska Delinquencies</td>
<td>2.95%</td>
<td>3.37%</td>
<td>2.92%</td>
</tr>
<tr>
<td>U.S. Delinquencies</td>
<td>5.99%</td>
<td>5.45%</td>
<td>4.32%</td>
</tr>
<tr>
<td>Alaska Foreclosures</td>
<td>0.80%</td>
<td>0.64%</td>
<td>0.66%</td>
</tr>
<tr>
<td>U.S. Foreclosures</td>
<td>2.27%</td>
<td>1.19%</td>
<td>0.95%</td>
</tr>
</tbody>
</table>
Alaska Building Permits
Number of new, privately owned housing, 1-5 units authorized

Improvement since market low in 2011
Financial Results

Jed Ballard
EVP, Chief Financial Officer
Northrim Bank and Northrim BanCorp
Northrim Performance

Annual Net Income and ROAA

<table>
<thead>
<tr>
<th>Year</th>
<th>ROAA</th>
<th>Net Income (000)</th>
<th>Pre-tax Income (000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>0.96%</td>
<td>$14,411</td>
<td>$21,042</td>
</tr>
<tr>
<td>2017</td>
<td>1.40%</td>
<td>$13,151</td>
<td>$23,799</td>
</tr>
<tr>
<td>2018</td>
<td>1.61%</td>
<td>$20,004</td>
<td>$24,075</td>
</tr>
</tbody>
</table>
Northrim Performance

Sequential Quarter Net Income

<table>
<thead>
<tr>
<th>Quarter</th>
<th>2017</th>
<th>2018</th>
<th>2018</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1</td>
<td>$3,825</td>
<td>$5,830</td>
<td>$5,264</td>
<td>$4,848</td>
<td>$4,312</td>
</tr>
<tr>
<td>Q2</td>
<td>$3,589</td>
<td>$4,062</td>
<td>$5,264</td>
<td>$4,848</td>
<td>$4,312</td>
</tr>
<tr>
<td>Q3</td>
<td>$5,523</td>
<td>$5,830</td>
<td>$5,264</td>
<td>$4,848</td>
<td>$4,312</td>
</tr>
<tr>
<td>Q4</td>
<td>$214</td>
<td>$4,062</td>
<td>$5,264</td>
<td>$4,848</td>
<td>$4,312</td>
</tr>
</tbody>
</table>
Strategies for Success

Northrim’s original strategies, and our execution, continue to serve us well today:

• Strong balance sheet
• Solid net interest margin
• Focus on asset quality
• Diversified revenue sources
Strong Balance Sheet:
Total Capital Ratio

Q1 2015: 13.96%
Q1 2016: 14.92%
Q1 2017: 16.44%
Q1 2018: 16.14%
Q1 2019: 16.86%

NRIM: Adequately Capitalized
Well Capitalized
Adequately Capitalized
Northrim BanCorp, Inc.: A history of increasing shareholder value

- **Total Shareholders' Equity**

  - **1990:** $7.5 million
  - **1992:** $1.6 million
  - **1993:** $6.0 million
  - **1999:** $20.3 million
  - **2014:** $7.4 million *(1)*

- **Capital Raises:**
  - **1990:** $9.3 million
  - **1992:** $1.6 million
  - **1993:** $6.0 million
  - **1999:** $20.3 million
  - **2014:** $7.4 million *(1)*

- **3/31/2019**
  - $208.8 million

- **CAGR 12.50%**

(1) 2014 amount included in capital raises above represents stock issued in acquisition of Alaska Pacific Bancshares, Inc. on April 1, 2014.
Core Deposits
As of 3/31/19

Demand, 34%
Interest-bearing demand, 20%
Savings, 19%
Money Market, 17%
CDs over $100,000, 6%
CDs under $100,000, 4%

YTD Average Cost of Deposits: 0.48%
Portfolio Loans

<table>
<thead>
<tr>
<th></th>
<th>Q4 2015</th>
<th>Q4 2016</th>
<th>Q4 2017</th>
<th>Q1 2018</th>
<th>Q2 2018</th>
<th>Q3 2018</th>
<th>Q4 2018</th>
<th>Q1 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Portfolio Loans (000)</td>
<td>$980,787</td>
<td>$975,015</td>
<td>$954,953</td>
<td>$967,575</td>
<td>$967,702</td>
<td>$982,007</td>
<td>$984,346</td>
<td>$982,341</td>
</tr>
</tbody>
</table>

Q1 2019: Up 2% vs Q1 2018
Loan Portfolio
As of 3/31/19

YTD Average Yield on Portfolio Loans: 6.04%

- Non-owner Occupied CRE, 37%
- Commercial, 35%
- Construction, 11%
- Owner Occupied CRE, 13%
- Consumer, 4%
## Net Interest Income / Margin

<table>
<thead>
<tr>
<th>Year</th>
<th>Net Interest Income (000)</th>
<th>NIM TE</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>$44,034</td>
<td>4.29%</td>
</tr>
<tr>
<td>2014</td>
<td>$52,293</td>
<td>4.36%</td>
</tr>
<tr>
<td>2015</td>
<td>$56,909</td>
<td>4.32%</td>
</tr>
<tr>
<td>2016</td>
<td>$56,357</td>
<td>4.20%</td>
</tr>
<tr>
<td>2017</td>
<td>$57,678</td>
<td>4.28%</td>
</tr>
<tr>
<td>2018</td>
<td>$61,208</td>
<td>4.60%</td>
</tr>
<tr>
<td>Q1 2018</td>
<td>$14,263</td>
<td>4.60%</td>
</tr>
<tr>
<td>Q1 2019</td>
<td>$15,769</td>
<td>4.89%</td>
</tr>
</tbody>
</table>
Focus on Asset Quality:
Nonperforming Assets, net

Q4-17:
- NPA, net: $30,000
- NPA, net/Assets: 1.89%

Q1-18:
- NPA, net: $25,000
- NPA, net/Assets: 1.71%

Q2-18:
- NPA, net: $20,000
- NPA, net/Assets: 1.63%

Q3-18:
- NPA, net: $20,000
- NPA, net/Assets: 1.60%

Q4-18:
- NPA, net: $15,000
- NPA, net/Assets: 1.50%

Q1-19:
- NPA, net: $15,000
- NPA, net/Assets: 1.68%
Diversified Revenue

Total Revenue

- Net Interest Income
- Noninterest Income

(millions)

Year | Total Revenue | Noninterest Income | Net Interest Income |
--- | --- | --- | --- |
2014 | $21.1 | $52.3 | $7.1 |
2015 | $44.6 | $56.9 | $5.5 |
2016 | $43.3 | $56.4 | $7.4 |
2017 | $40.5 | $57.7 | $6.6 |
2018 | $32.2 | $61.2 | $6.6 |
Q1 2018 | $7.5 | $14.3 | $6.6 |
Q1 2019 | $7.5 | $15.8 | $6.8 |

Percentage Growth:
- 2014-2015: 116%
- 2015-2016: 103%
- 2016-2017: 105%
- 2017-2018: 107%
- Q1 2018-Q1 2019: 107%
Diversified Other Operating Income
Quarter Ended 3/31/19

- Mortgage Banking Income, 57%
- Deposit Service Charges, 5%
- Gain on marketable equity securities, 7%
- Other, 11%
- Bankcard Fees, 9%
- Purchased Receivable Income, 11%
Home Mortgage Lending: Historical Production

Total Production:
2017: $554 Million
2018: $528 Million
Q1 2018: $109 Million
Q1 2019: $92 Million
NRIM Share Price and Volume

Share Price

Appreciation YTD 5/15/2019: 7.15%

Dividend Yield 5/15/2019: 3.39%

Trade Volume

Northrim Bank
Customer Highlights

Mike Huston
EVP, Chief Lending Officer, Northrim Bank
Investment in Management Teams

Jason Gentry
Lending Branch Manager
Ketchikan

Tammy Kosa
Regional Market Manager
Fairbanks
Loan Origination System

Quicker loan processing, approval and closing

– Integrates with Core Operating and Loan Documentation systems
– Online Application
– Electronic Signatures
Land’s End
Homer, AK
Whispering Winds Senior Apartments
Palmer, AK
49th State Brewing Companies
Anchorage, Denali & Healy, AK
Capturing Market Share

Michael Martin
EVP, General Counsel & Corporate Secretary, Northrim BanCorp
EVP, Chief Operating Officer, General Counsel & Corporate Secretary, Northrim Bank
Investing in Products & Services

Robust Commercial Cash Management Tools

- Positive Pay
- Account Reconciliation
- Treasury Services
- Insured Cash Sweeps
- Master Account Agreements
Investing in Products & Services

Leveraging Technology

- Expanded Call Center Hours 24/7
- Online Account Opening
- Online Loan Applications
Eastside Community Branch
Eastside Community Branch

[Image of the Eastside Community Branch interior]
Soldotna Financial Center
Investing in our People

2018 Customer First Service Award Winners

Superior Customer First Service
Our Pledge

From the front-line employees to those operating behind the scenes, we have an organization full of people who truly care about their colleagues, customers and community. Superior Customer First Service is a core value at Northrim. It's why we started, and why we're growing.

We pledge to...

- Have a sincere appreciation for our customers and each other
- Build lasting customer and coworker relationships through professional, prompt and caring service
- Be engaged with each other, customers and the community
- Be cheerful and responsive with requests
- Be concerned and caring
- Be innovative and problem solving
- Treat each customer as an individual with unique needs
- Be collaborative within teams and departments
- Be efficient, effective and skilled in our delivery
- Be a professional, knowledgeable, informed expert

Today, Achieve More
Each employee promises to do everything they can to meet or exceed Northrim's Superior Customer First Service standards today, and every day. We recognize that each customer has chosen to do business with Northrim. Exceeding customer expectations creates loyalty.

By signing this, each employee takes personal responsibility for providing quality customer service.

Employee Printed Name: __________________________
Employee Signature: ____________________________
Date: __________________________

Management's Commitment
We believe that happy, motivated employees are the key to providing quality service, and therefore the key to a successful company. Management is committed to making Northrim a great place to work to include open communication, and a participative management style which encourages empowering our employees. While employees are asked to be active participants at Northrim, in return, employees can expect that Northrim managers will be fair and will reward them for their hard work and commitment to service and growth. Managers will encourage creative problem solving, provide opportunities to grow, and will keep employees informed. Management is committed to providing quality training, resources, and other support needed for employees to deliver Superior Customer First Service.

Commitment to our Customers

Northrim Bank
Investing in Our People

Celebrating Longevity
Investing in our Communities

3,200 total volunteer hours in 2018
Investing in our Communities

Northrim Bank started with an initial investment of $8 million, we have since given more than $10 million back to the community.

Higher Education Giving totals more than $4 million. School Business Partnerships through majority of branches.
Chairman’s Remarks

Joe Schierhorn
Chairman, President, Chief Executive Officer & Chief Operating Officer, Northrim BanCorp
Chairman, President & Chief Executive Officer, Northrim Bank
Shareholder Vote

Proposal #1:
Election of Directors

Proposal #2:
Advisory Vote on Executive Compensation

Proposal #3:
Ratify Selection of Independent Registered Public Accounting Firm, Moss Adams, for Fiscal Year 2019
Questions
Thank You
Northrim BanCorp, Inc.

2019 Annual Meeting
May 23, 2019