




Northrim BanCorp, Inc.

→ *Achieving New Heights*

2014 ANNUAL REPORT

★★★★



MESSAGE TO SHAREHOLDERS

When it comes to achieving new heights, our 2014 financial figures speak for themselves. Net income was \$17.4 million, or \$2.54 per diluted share, and we ended the year with \$1.4 billion in total assets. Our 2014 net income, asset, portfolio loan and deposit totals ended the year at the highest level we have seen in our 24-year history.

Performance was strong in 2014 partially due to the completion of two acquisitions – our merger with Alaska Pacific Bank on April 1 and our December 1 acquisition of the remaining 76.5% of Residential Mortgage, making it a wholly-owned subsidiary. One-time items such as these increased our net income, however, when we exclude these items, last year still topped our previous historic high in 2006.

In addition to acquisition-related growth, we also experienced growth in our core business. In 2014, portfolio loans increased 20% and deposits increased 18%. Portfolio loans and deposits obtained in our merger with Alaska Pacific Bank represented growth of 17% and

15%, respectively, while core growth in both portfolio loans and deposits was 3%. We ended 2014 with a 0.64% ratio of nonperforming assets to total assets, placing us below the average ratio in our peer group¹. Net recoveries on previously charged-off loans of \$636,000 also contributed to our financial performance. In 2014's low-interest environment, our net interest margin was 4.41%, which is above that of our peers².

By diversifying both our revenue sources and our geographic reach in Alaska through products and affiliates, we grew our noninterest income, which accounted for 27% of total revenues in 2014 and 23% of total revenues excluding one-time items. This diversification strategy decreases our dependency on loans and deposits, and offers greater protection from interest rate risk. Going forward, we expect that the acquisition of Residential Mortgage will significantly increase our noninterest income as a percentage of total revenues.

¹Data from SNL, average 0.91% 9/30/14, median 0.76%.

²Average as of 9/30/14 is 3.86%, median 3.89%, same source/group as NPA data.



We remain highly capitalized, while continuing to make strategic investments in growth opportunities. Our liquidity, combined with our capital position, has allowed us to both weather challenges and to take advantage of the right opportunities at the right times for the benefit of our shareholders, our customers, and the communities we serve.

In short, this was a year of accomplishments that enhanced our franchise value through strategic acquisitions, as well as through organic growth made possible by our financial position, our technology, and, most importantly, our people.

While we are proud of what we have achieved in the past year, we also understand that “new heights” is not a destination – it is an aspirational, continuous journey. Nor is “new heights” limited to our financial results; rather, it’s about the art of navigating the future and offering a sense of security in uncertain times. It’s about providing leadership and expertise to help find solutions to long-standing issues facing Alaska. It’s about caring for our customers – and in fact, all of the businesses, families

and individuals who comprise our state – and helping them to achieve “new heights.” Because, at the end of the day, we cannot measure our success without measuring theirs.



Joe Beedle

*President & CEO, Northrim BanCorp, Inc.
President & CEO, Northrim Bank*



Marc Langland

*Chairman, Northrim BanCorp, Inc.
Chairman, Northrim Bank*



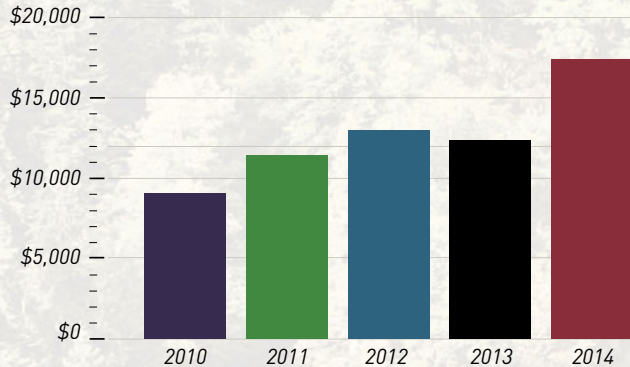
2014 FINANCIAL SNAPSHOT

Unaudited (in thousands except per share amounts)	2014	2013	2012	2011	2010
Net interest income	\$52,905	\$44,034	\$42,223	\$42,364	\$44,213
Provision for loan losses	(636)	(635)	(1,559)	1,999	5,583
Other operating income	20,537	12,886	15,432	13,090	12,377
Other operating expense	49,375	39,866	39,600	36,755	37,624
Income before income taxes	\$24,703	\$17,689	\$19,614	\$16,700	\$13,383
Income taxes	6,836	5,277	6,156	4,873	3,918
Net income	17,867	12,412	13,458	11,827	9,465
Less: Net income attributable to noncontrolling interest	459	87	512	429	399
Net income attributable to Northrim BanCorp, Inc.	\$17,408	\$12,325	\$12,946	\$11,398	\$9,066
Earnings per share:					
Basic	\$2.57	\$1.89	\$2.00	\$1.77	\$1.42
Diluted	2.54	1.87	1.97	1.74	1.40
Cash dividends per share	0.70	0.64	0.56	0.50	0.44
Assets	\$1,449,349	\$1,215,006	\$1,160,107	\$1,085,258	\$1,054,529
Portfolio loans	924,504	770,016	704,213	645,562	671,812
Deposits	1,179,747	1,003,723	970,129	911,248	892,136
Borrowings	26,304	6,527	4,479	4,626	4,766
Junior subordinated debentures	18,558	18,558	18,558	18,558	18,558
Shareholders' equity	164,441	144,318	136,353	125,435	117,122
Book value per share	\$23.99	\$22.07	\$20.94	\$19.40	\$18.22
Tangible book value per share ⁽¹⁾	\$20.48	\$20.86	\$19.69	\$18.09	\$16.87
Net interest margin (tax equivalent) ⁽²⁾	4.41%	4.29%	4.40%	4.59%	4.92%
Efficiency ratio ⁽³⁾	66.84%	69.64%	68.25%	65.78%	65.96%
Return on average assets	1.30%	1.07%	1.19%	1.09%	0.90%
Return on average equity	11.19%	8.75%	9.85%	9.34%	7.87%
Equity/assets	11.35%	11.88%	11.75%	11.56%	11.11%
Dividend payout ratio	27.40%	34.18%	28.39%	28.67%	31.41%
Nonperforming loans/portfolio loans	0.51%	0.24%	0.64%	1.14%	1.70%
Net charge-offs/average loans	(-0.12%)	(-0.07%)	(-0.21%)	(-0.01%)	0.66%
Allowance for loan losses/portfolio loans	1.81%	2.11%	2.33%	2.56%	2.14%
Nonperforming assets/assets	0.64%	0.35%	0.78%	1.16%	2.07%
Tax rate	28%	30%	31%	29%	29%
Number of banking offices ⁽⁴⁾	14	10	10	10	10
Number of employees (FTE) ⁽⁵⁾	426	269	252	269	276

Financial Snapshot Footnotes on page 22

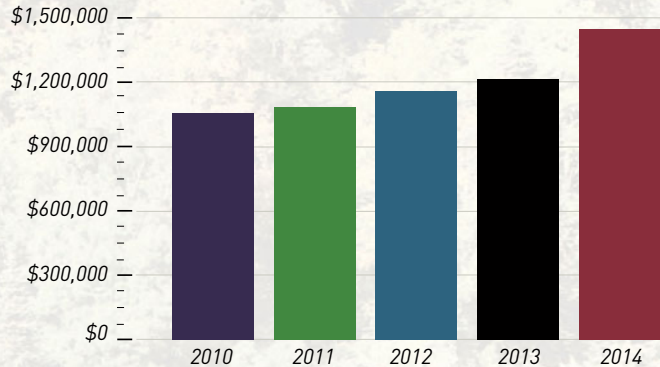
NET INCOME ATTRIBUTABLE TO NORTHRIM BANCORP, INC.

in thousands



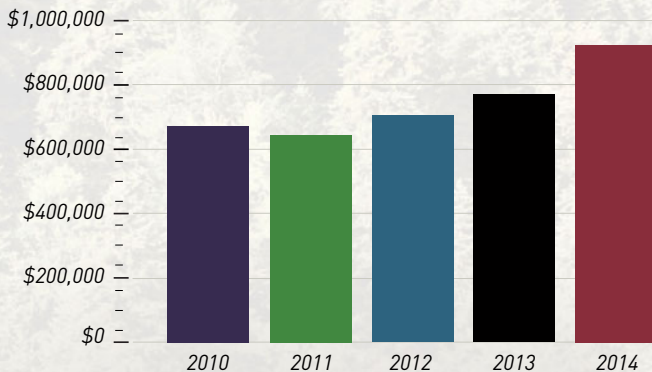
TOTAL ASSETS

in thousands

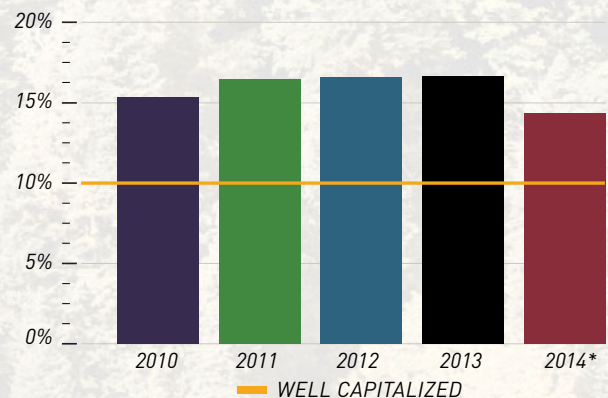


PORTFOLIO LOANS

in thousands



TOTAL CAPITAL RATIO



*Decrease reflects increase in goodwill due to the acquisition of Residential Mortgage, LLC.

OPPORTUNITIES TO SOAR

In 2014, Northrim achieved two long-term goals – our expansion into Southeast Alaska with the Alaska Pacific Bank merger, and our increased presence in the home lending market through our acquisition of Residential Mortgage as a wholly-owned subsidiary, making 2014 the most active year for mergers and acquisitions in Northrim’s 24-year history. This growth expanded our footprint so that we now serve the major population centers of the state, and also provided the opportunity to strategically deploy our capital to grow our community banking business and noninterest income.

Alaska Pacific Bank

Our expansion into Southeast Alaska through the merger with Alaska Pacific Bank marked the achievement of a long-held vision, as well as the culmination of the hard work and talent of our dedicated team, many of whom hold personal and professional ties to the region.

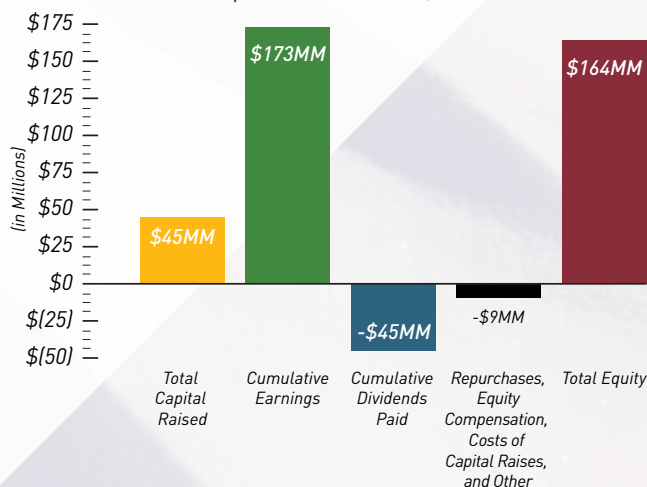
A tremendous amount of effort went into the integration of Alaska Pacific Bank’s people, systems and customers with ours. The result of the six-month, in-house team effort was a successful conversion, with minimal attrition and no disruption of service.

We credit this seamless transition to the fact that customers saw their service enhanced, enjoying the best of two well-respected Alaska community banks. We retained regional management and front-line staff, ensuring continuity of local knowledge and relationships, and offered additional benefits including increased loan limits and access to additional products and services through the Northrim family of companies.

We are also proud of the successful combination of our two company’s employees and cultures. Early on, we identified similarities in our company cultures, which played a significant role in the smooth, successful integration. Now, we turn our focus to growing from the strong base already established in Southeast Alaska with existing customers and the community at large.

COMPOSITION OF NORTHRIM BANCORP

Capital as of December 31, 2014





Residential Mortgage, LLC

Northrim expanded our reach in the residential mortgage lending market with the acquisition of Residential Mortgage in 2014. We have a long, successful history of working together, having held approximately 24% of Residential Mortgage since its inception in 1998. Northrim is now the 100% owner of this well-respected mortgage origination company, which is one of the largest in Alaska.

This purchase has been a goal in our long-term strategic plan as it presents another opportunity to advance our vision to be Alaska's premier financial institution, deploy capital strategically, and increase our ability to provide financial services to our customers.

As a wholly-owned subsidiary, there is now an even greater opportunity to be more aligned, strategic partners. It also complements Northrim's emphasis on construction and land development lending, offers a new source of customers, and expands our presence through Residential Mortgage's 11 statewide offices.

→ *Nuiqsut airport*

PLANNING OUR APPROACH

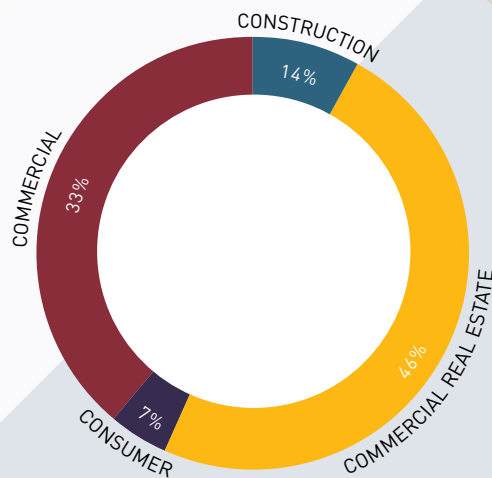
Our portfolio loans grew in 2014, both organically and due to the merger with Alaska Pacific Bank, resulting in the highest net income in Northrim's history. Our nonperforming assets, which include nonaccrual loans and other real estate owned, increased in part due to the purchase of Alaska Pacific Bank. We continued to maintain strong loan loss reserves in relation to our nonperforming loans.

We stay committed to our goal of growing wisely, which requires a balance between loan growth and credit quality. And as a full-service, community bank, we continue to search for and take advantage of lending and investment

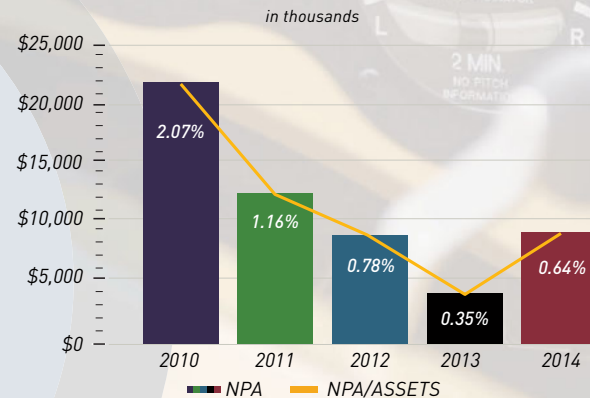
opportunities in the communities in which we do business, including areas of low to moderate income.

Underscoring all we do is the culture of regulatory compliance throughout our organization and our devotion of financial and human resources to the development of policies and procedures expected of publicly traded, SEC-registered companies like Northrim.

LOAN PORTFOLIO



NONPERFORMING ASSETS (NPA)



PROPELLING COMMUNITY SUCCESS

At Northrim, we know a strong community means a strong community bank. That's why we are constantly focused on how to help our customers and community achieve new heights.

We do that by investing in projects that provide long-term community benefits, such as affordable housing and critical infrastructure development. By engaging in discussions and helping develop solutions to long-standing issues that affect us all. By supporting research that provides valuable insights into Alaska's economy – and sharing that information with our customers and communities online, at events and one-on-one. By encouraging our employees to be active and accessible, and providing continuing education opportunities, so they can offer sound financial advice. And by developing electronic and mobile banking solutions, and helping our customers minimize their information security risks.

Fundraising and volunteer efforts are another way we propel community success. In 2014, we saw our highest-ever United Way contribution, with \$148,000 raised company-wide through our generous employee giving as well as unique special fundraising events organized by employees in each of our markets. Of special note was the excitement and effort of our new Southeast team, who significantly exceeded their fundraising goal. In addition, our annual White Elephant Auction raised nearly \$12,000 for local nonprofits across the state. We also continued our financial support

of the University of Alaska, the Institute of Social and Economic Research, and the Alaska Small Business Development Center, along with many other nonprofits in Alaska.

Our employees continue to be actively engaged in the community, giving their time to NeighborWorks® Paint the Town, Salvation Army McKinnell House basic financial literacy training, Teach Kids to Save national program, and Junior Achievement. We hosted our annual economic luncheon in Fairbanks and Anchorage, and added a Juneau event in 2014, at which attendees heard from well-known experts on the national economy, as well as Northrim leaders who offered a state and local perspective.



▲ Kicking off Northrim's annual United Way employee fundraising campaign.

NAVIGATING THE FUTURE

As an institution, Northrim has more than 24 years of experience with the Alaska economy. When you consider the combined experience of our people, that number increases exponentially. We're proud to bring that longevity and knowledge to the table for the benefit of our customers and state.

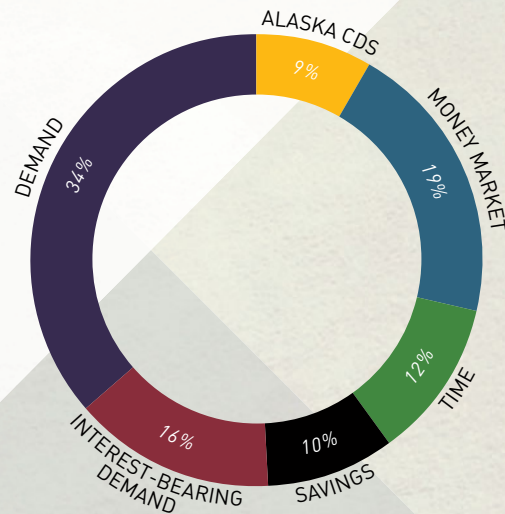
We took an active leadership role in the effort to support Alaska's oil tax reform last year, and we're equally committed to being part of the discussion about finding solutions to Alaska's current fiscal challenges, brought on by the steep drop in oil prices combined with the decrease in oil production.

While of concern, the state's fiscal situation is not new. The state and its citizens have felt the impact of this issue in the past; Alaska is a resource state, and price volatility is, and always has been, part of living and doing business in Alaska. The events of last fall brought this issue back to light with a renewed sense of urgency.

In true Alaska spirit, we choose to see this as an opportunity to work together to solve a long-standing problem and arrive on the other side a stronger, more resilient state. We intend to be actively engaged in conversations about fiscal solutions, at the state, local and customer level, sharing our expertise, supporting research and education on the issue, and offering our viewpoint on how to keep our economy healthy.

As we navigate the future, we as a bank will watch our costs, manage our risk, and modify our strategies

DEPOSITS



as appropriate. We will continue to serve our core industry focus areas, including resources, Alaska Native Corporations and health care, as well as commercial real estate and residential construction, but also strengthen the bank through continued diversification, exploring opportunities in consumer lending and in the tourism industry, and leveraging our relationships with our affiliates.

Through it all, Northrim remains 100% 907, committed to serving and investing in Alaska. We'll add value to our customers and our state by taking a leadership role, and knowing and understanding the challenges and opportunities of our state. When there are storms on the horizon, we have the vision, the people, the tools and the expertise to navigate them.

OUR STATEWIDE FOOTPRINT



KEEPING A STABLE COURSE

Despite the varying conditions, Northrim has kept a stable course, consistently investing in systems, products, services, people and infrastructure, which diversify and sustain us, allowing us to remain competitive.

As part of our multi-year plan, we continued to implement technology upgrades in order to enhance our security, our efficiency, and our ability to offer relevant, secure tools to our customers. The integration of Alaska Pacific Bank's network with ours was one example of efforts in this area.

Our investments in technology and infrastructure are further showcased by the improvements to the lower level of our Anchorage main office in 2014. Through upgrades to this area, we enhanced the capability and efficiency of our disaster recovery operations, communications and training programs. Specifically, the technology upgrades to our training rooms helped connect us to our employees statewide and improve our ability to offer remote training to our outer markets, some of which are accessible only by air or water.

On the customer side, we launched our mobile app, which included electronic check deposit capture – the next step in mobile banking. The percentage of online banking customers actively using our app currently approaches 30% and continues to increase. In 2014, we also added another level of security to our online banking. Providing secure, convenient electronic and mobile banking continues to be an important emphasis area, especially for our customers in remote locations.

In consumer products, we enhanced our already popular Jump-Up CD with special terms and highly competitive promotional rates, and executed a concentrated marketing campaign to promote it, resulting in both core deposit growth and more extensive customer relationships.

Our customer referral and acquisition program continued to gain altitude last year, as referrals increased 43% from 505 in 2013 – when we launched the program – to 720 referrals in 2014. Through the program, our loyal customers receive 500 Alaska Airlines miles each time a friend or family member joins Northrim as a new customer – up to 20,000 miles per calendar year.

We are in the process of relocating our Anchorage 36th Avenue branch to a more strategic location in the UMed (University/Medical) district. In addition to better serving this high-growth area, our new location will be a prototype for our “branch of the future.” We are also committed to opening a new financial center in Ketchikan.

Our “branch of the future” extends beyond the look and feel of our physical locations to encompass our people and how they work with our customers. Part of our bank transformation process focuses on empowering our employees to be universal bankers. In line with our mission, vision and values, this initiative will focus on developing employees who are knowledgeable and capable in all aspects of bank operations, and who are also active and engaged in the community.



ASCENDING VALUE

Through Northrim's related companies and divisions, we create noninterest income and protect against interest rate volatility. We also seek to continually improve the value we offer our customers by providing a full suite of services, including health benefits, wealth management and investment services, mortgages and asset-based lending.



Through our 50.1% ownership of Northrim Benefits Group, LLC (Northrim Benefits Group), we help businesses develop competitive employee health benefit programs, including medical, vision, dental and long-term care plans. Enroll Alaska, a new division established in 2013, continues to offer education and help individual Alaskans and families enroll in health insurance plans to meet new requirements under the Affordable Care Act. The company experienced year-over-year growth in 2014, as we started to see the potential impacts of Enroll Alaska. While the division has not yet met its full potential, we are still proud of the valuable service it offers the community.

Northrim's share of net income from Northrim Benefits Group increased to \$459,000 in 2014 from \$87,000 in 2013.



PACIFIC PORTFOLIO

We own a 23% interest in Pacific Wealth Advisors, LLC, the holding company for Pacific Portfolio Consulting, LLC and Pacific Portfolio Trust Company (Pacific Portfolio). Part of the Northrim family since 2006, Pacific Portfolio serves high-net-worth individuals, families and institutions. With more than 100 years of combined experience, Pacific Portfolio brings a long history of expertise to our customers. Now with office space in the Northrim Anchorage main office, Pacific Portfolio continues to expand its presence in Alaska. The company, which saw its assets under advisement reach \$3 billion in 2014, contributed \$200,000 to other operating income in 2014, compared to \$25,000 in 2013.



Through Northrim Investment Services, we also own a 43% interest in Elliott Cove Capital Management LLC, a registered investment advisor specializing in helping financial institutions create or expand investment programs and retirement plans for their customers. The company, which has been a Northrim affiliate since 2002, increased both its assets under management and accounts under management in 2014. Elliott Cove contributed \$401,000 to other operating income in 2014, compared to \$291,000 in 2013.

Northrim also owns a 43% interest in Elliott Cove Insurance Agency LLC, which sells annuity investment products. The company contributed \$17,000 to our other operating income in 2014, compared to \$19,000 in 2013.

*Investment and insurance products are:
Not insured by the FDIC or any other federal
government agency. Not a deposit of or guaranteed
by Northrim Bank. May lose value.*



Now a wholly-owned subsidiary of Northrim, Residential Mortgage is a market leader in Alaska's mortgage origination industry. With offices in Anchorage, Juneau, Sitka, Kodiak, Soldotna, Eagle River and Fairbanks, as well as in the state of Washington, the company expands our statewide footprint and the services available to customers.

The company contributed \$2.5 million to Northrim's other operating income in 2014, compared to \$1.2 million in 2013. In addition, Northrim recognized a one-time gain of \$3 million on the purchase of the remaining 76.5% of Residential Mortgage through fair value adjustments in connection with our step up in basis on our existing 23.5% interest in Residential.



Northrim Funding Services, our wholly-owned factoring division, offers asset-based lending to assist undercapitalized or minimally capitalized companies increase their cash flow to take advantage of growth opportunities or increase their liquidity. As a limited number of banks feature factoring divisions, we see this as a unique opportunity to serve our customers, while adding to our diversification.

ACHIEVING NEW HEIGHTS

While Grounded in our Mission, Vision, Values

MISSION

TO BE ALASKA'S MOST TRUSTED FINANCIAL INSTITUTION

We are committed to adding value for our customers, communities, and shareholders.

VISION

TO BE ALASKA'S PREMIER BANK AND EMPLOYER OF CHOICE

We will be a leader in financial expertise, products and services, focused on continuous improvement and market growth.

VALUES

PROUD TO BE ALASKAN

We are Alaskan managed. We embody Alaska's frontier spirit and values, and strongly support our communities.

SUPERIOR CUSTOMER FIRST SERVICE

We have a sincere appreciation for our customers. We want to build lasting customer relationships through professional, prompt, and caring service.

GROWTH

We look for growth opportunities for our customers, our institution and our employees. We strive to be better, personally and professionally.

INTEGRITY

We are trustworthy, reliable, and ethical, and provide our customers with secure, confidential services. We do what is right.

WE ARE

ENGAGED

We achieve more because we are dynamic, proactive, and innovative.

ACCOUNTABLE

We take personal responsibility. We do what we say we will do.

ALIGNED

We value alignment within teams and across departments. Together we are stronger.



Our Customer First Service Award winners in the newly remodeled lower level of our Anchorage headquarters building.

Georg Wheeler
Human Resources

Cheryl Fellman
Branch Administration - Southeast

Kelvin Tjon
Information Technology

Aimee Hinthner
SouthSide Financial Center

Melanie Hall
Customer Service Center

Margaret Cunningham
Commercial Loans

Michele Bear
Electronic Business Services

Mary Castro
Electronic Business Services

AIMING HIGH

Superior Customer First Service

Just as a pilot relies on a host of others – air traffic control, ground maintenance, passenger service and others – for the safe and efficient operation of a flight, so does Northrim count on all of our employees to provide superior customer first service. It's a core value at Northrim – it's why we started and why we've grown over the past 24 years.

From the front-line employees to those operating behind the scenes, we have an organization full of

people who truly care about our customers, and who provide friendly, creative, flexible service to meet their needs.

Our quarterly Customer First Service Awards honor those employees who go above and beyond. We thank the team members who received these awards in 2014, and look forward to celebrating more in the coming year.





Larry Cooper ▶

SVP, Commercial Lending Manager

Joe Beedle

President & CEO

Audrey Amundson

*ASVP, Planning &
Organizational Development*

Michael Martin

*SVP, Business and Community Development Officer
& In-House Legal Counsel*

Catherine Claxton

*SVP, Commercial Real Estate
Lending Manager*

Mark Edwards

*SVP, Commercial Loan Unit Manager
& Bank Economist*



Suzanne Whittle

*SVP, Information Services &
Compliance Manager*

Latosha Frye

SVP, Chief Financial Officer

Jay Blury

*VP, Marketing &
Communications Director*

EYES ON THE HORIZON

Alaska is one of the toughest places to fly – but also one of the most rewarding. And Alaska’s aviation history is filled with brave, smart, innovative pilots. These pilots knew they wouldn’t get to their destination if the conditions weren’t right. But at the same time, they understood they would never arrive if they didn’t take off.

We believe this same spirit runs through the veins of our leadership. Since our founders laid the framework of Northrim, this spirit has stayed with us and has helped us to successfully navigate that delicate balance between risk and return. We are proud of the longevity and loyal service of our employees, especially our leadership team. With their involvement and expertise, we have come so far and achieved so much.

Like any good pilot, we take the time to enjoy the view, but we always keep an eye on the horizon. For us, that means planning for the future. Just as Northrim wants to be the bank of choice for our customers, we also want to be the employer of choice. We strive to attract the best talent, educate them, give them opportunities and encourage them to innovate and grow so that our next generation of leaders can continue the legacy of achieving new heights.



◀ **Amber Zins**
SVP, Internal Audit Manager

Joe Schierhorn
EVP, Chief Operating Officer &
Corporate Secretary

Dan Lowell
SVP, Northrim Funding Services Division Manager

Lynn Wolfe
ASVP, Operations &
Branch Administration

Jim Miller
ASVP, Senior Credit Officer

▶ **Ellen Izer**
SVP, Human Resources Director



▲ **Carolyn Jennings**
SVP, Branch & Electronic
Channel Delivery Manager

Ben Craig
ASVP, Chief Technology Officer

Steve Hartung
EVP, Chief Credit Officer



BOARD OF DIRECTORS



Marc Langland
Director since 1990
Chairman



Joe Beedle
Director since 2011
President & CEO



Larry Cash
Director since 1995



Mark Copeland
Director since 1990
Chairman, Audit
Committee



Ronald Davis
Director since 1997
Chairman, Compensation
Committee



Anthony Drabek
Director since 1991



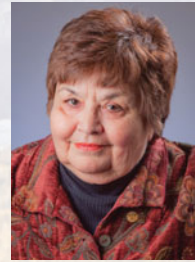
Karl Hanneman
Director since 2014



Richard Lowell*
Director since 1990



David McCambridge
Director since 2011



Irene Sparks Rowan
Director since 1991



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



Linda Thomas
Director since 2014



David Wight
Director since 2006

Marc Langland
Chairman, Northrim BanCorp, Inc.
Chairman, Northrim Bank

Joe Beedle
President & CEO, Northrim BanCorp, Inc.
President & CEO, Northrim Bank

Larry Cash
President & CEO, RIM Architects, LLC
since 1986

Mark Copeland
Owner of Strategic Analysis, LLC, a
management consulting firm, since 1999
Member of Copeland, Landye, Bennett
and Wolf, LLP, a law firm, for 30 years prior
to that time

Ronald Davis
CEO and Administrator, Tanana Valley
Clinic until his retirement in 1998
Secretary/Treasurer, Canoe Alaska,
from 1996 to 1999
Vice President, Acordia of Alaska Insurance,
from 1999 to 2003

Anthony Drabek
President and CEO, Natives of Kodiak, Inc.,
an Alaska Native corporation, from 1989
to 2010
Chairman and President, Koncor Forest
Products Company, from 1986 to 2011

Karl Hanneman
Alaska General Manager, Livengood Gold
Project since 2010
Director, Fairbanks Chamber of Commerce
since 2011
Director, Usibelli Coal Mine, Inc.
since 2011

Richard Lowell
President, Ribelin Lowell and Company,
an insurance brokerage firm, from 1985
to 2004

David McCambridge
Audit Partner, KPMG LLP, from
1991 until retirement in 2010
Director, The Tanaka Foundation
since 1985
Director, Great Alaska Council Boy
Scouts of America, from 1993 to 2012
Director, Alaska Kidney Foundation
since 1999

Irene Sparks Rowan
Director, Klukwan, Inc., an Alaska Native
corporation, from 1988 to 2000, and 2009
to 2010
Director, Alaska Moving Image Preservation
Association since 2011

John Swalling
President and Director, Swalling &
Associates, PC, an accounting firm,
since 1991
Director, Swalling Construction Co. Inc.
since 1975

Linda Thomas
Vice President & COO Alaskan Brewing
Company since 1994
Bartlett Regional Hospital Board of
Directors, Past President
Juneau Chamber of Commerce,
Past President

David Wight
President and CEO, Alyeska Pipeline
Service Company from 2000 to 2005,
following a 40-year career with the Amoco
Corporation, which became BP in 1998
Director, Storm Cat Energy,
from 2006 to 2011

*Director Lowell passed away on February 10, 2015. He was with the bank since day one and his leadership and guidance will be greatly missed.

NORTHRIM BANK OFFICERS

Executive Officers

Marc Langland, *Chairman*****
Joe Beedle, *President & Chief Executive Officer**
Joe Schierhorn, *Chief Operating Officer & Corporate Secretary*****
Latosha Frye, *Chief Financial Officer**
Steve Hartung, *Chief Credit Officer**

Administrative Senior Vice Presidents

Audrey Amundson, *Planning & Organizational Development*****
Ben Craig, *Chief Technology Officer**
Jim Miller, *Senior Credit Officer*****
Lynn Wolfe, *Operations & Branch Administration*****

Senior Vice Presidents

Amber Zins, *Internal Audit Manager**
Carolyn Jennings, *Branch & Electronic Channel Delivery Manager*****
Catherine Claxton, *Commercial Real Estate Lending Manager*****
Dan Lowell, *Northrim Funding Services Division Manager***
Ellen Izer, *Human Resources Director*
Larry Cooper, *Commercial Lending Manager*
Mark Edwards, *Commercial Loan Unit Manager & Bank Economist**
Michael Martin, *Business & Community Development Officer & In-House Counsel*
Suzanne Whittle, *Information Services & Compliance Manager****

Vice Presidents

Allen Hippler, *Construction Loan Officer V*
Annette DeLong, *Construction Loan Unit Manager*
Barb Ervin, *Core Applications Group Manager***
Bill Staley, *Commercial Loan Officer V*
Bradley Kiefer, *Commercial Loan Officer IV*
Cheryl Fellman, *Regional Sales & Service Manager*
Darci Ornellas, *Regional Sales & Service Manager****
Daryl Lowe, *Commercial Loan Officer V*
Glenna Hartman, *Credit Administration Officer III*****
Heidi Moes, *Item Processing Operations Manager***
Heidi Roesler, *Human Resources Talent Manager***
Janet Holland, *Project Manager****
Jason Criqui, *Commercial Loan Officer V*
Jay Blury, *Marketing & Communications Director**
Jeanine Lillo, *Controller***
Jim Culley, *Commercial Loan Unit Manager*
John Blasco, *Commercial Loan Officer IV*
Josh King, *Northrim Funding Services Assistant Division Manager**
Kathy Martin, *Construction Loan Officer IV****
Katie Bates, *Electronic Channel Delivery Manager***
Kelly Lykins-Longlet, *Risk Manager***
Kelly McCormack, *Commercial Loan Officer IV**
Kim Farrell Brewington, *Commercial Cash Management Officer*****
Linda Uttech, *Facility Manager*

Lisa Adams, *Northrim Funding Services Operations Manager**
Mhay Sy, *Credit Officer**
Missie Yost, *Branch Administration Operations Manager*
Paula Grau, *Commercial Lending Administrative Support Manager***
Ray Dinger, *Commercial Real Estate Loan Officer V*****
Sharon Wright, *Loan Support Services Manager****
Sue Wolfe, *Commercial Real Estate Loan Officer V*
Tammy Kosa, *Regional Sales & Service Manager***
Tom Sullivan, *Commercial Loan Unit Manager*
Zac Hays, *Commercial Loan Officer V*

Assistant Vice Presidents

Adam Baxter, *Loan Quality Assurance Officer*
Amanda Jensen, *Loan Support Services Manager*
Amanda LeDesma, *Branch Manager*
Anita DeVore, *Branch Manager II***
Aracelis Bell, *Northrim Investment Services Relationship Manager***
Barb Snell, *Electronic Banking Operations Manager*
Ben Schulman, *Small Business Loan Officer*
Bill Simpson, *Special Credits Officer II****
Brigitte Lampert, *Branch Manager**
Chris Chambos, *Branch Manager*
Dawn Hoxie, *Branch Manager*****
Delores Siah, *Branch Manager*
Erin Gage, *Branch Administration Assistant Operations Manager****
Esther Fouts, *Accounting Supervisor*****
Fran Ponge, *Call Center Supervisor***
Gerlie Monta-Guevarra, *Branch Manager*
Holly Burns, *Northrim Funding Services Relationship Manager***
Jessica Podolinsky, *Training & Development Manager*
Josie Thayer, *Electronic Business Services Manager**
Judy Schnese, *Audit Supervisor**
Karen Kreider, *Construction Loan Officer III***
Lisa Orndorff, *Electronic Business Services Manager*
Lynn Akers, *Northrim Investment Services Relationship Banker***
Marc Guevarra, *Lending Branch Manager I*
Maria Kirksey, *Deposit Compliance Officer**
Marsha Fry, *Commercial Real Estate Loan Officer III*****
Nancy Wilson, *Community Development, Information Security & Compliance Manager***
Oziel Villasenor, *Branch Manager**
Reynold Udarbe, *Branch Manager*
Rick Pinkerton, *Loan Review Officer***
Rodlynn Smallwood, *Call Center Manager**
Sean Christian, *Strategic & Planning Manager**
Sherilee Keopuhiwa, *Branch Manager*
Tammi Whistler, *Loan Administrative Officer*
Teressa Saaiman, *Branch Manager*
Tina Hohnstein, *Special Credits Officer II****
Tori Brandon, *Credit Administration Officer II*****
Trevor Bradford, *Consumer & Small Business Loan Manager*
Willy Dodd, *Commercial Loan Officer III*

AVP and above as of 1/22/15: * Five-year employee, ** Ten-year employee, *** Fifteen-year employee, **** Twenty-year employee



→ *Ketchikan*

LOCATION

→ *Achieving New Heights*

INFORMATION AND ADDRESSES

Annual Meeting:

May 28, 2015, 9:00 am
Hilton Anchorage Hotel - 500 W. 3rd Avenue
Anchorage, AK

Stock Symbol:

Northrim BanCorp, Inc. (NASDAQ: NRIIM)

Auditor:

Moss Adams LLP

Transfer Agent & Registrar:

American Stock Transfer & Trust Company LLC
(800) 937-5449, info@amstock.com

Legal Counsel:

Davis Wright Tremaine LLP

Investor Requests:

For stock information and SEC filings, copies of earnings & dividend releases, click on "Investor Relations" section at northrim.com

Investor Information:

Call our Corporate Secretary at (907) 562-0062 or write Corporate Secretary, Northrim Bank
PO Box 241489, Anchorage, AK 99524-1489

This report has not been approved or disapproved for accuracy or adequacy by the Federal Deposit Insurance Corporation, Federal Reserve Bank, Securities and Exchange Commission, or any other regulatory authority.



Equal Opportunity Employer

Cautionary note regarding forward-looking statements

This report may include "forward-looking statements," within the meaning of the Private Securities Litigation Reform Act of 1995, as amended, which are not historical facts. These forward-looking statements describe management's expectations about future events and developments such as future operating results, growth in loans and deposits, continued success of the Northrim BanCorp Inc.'s style of banking, and the strength of the local economy. All statements other than statements of historical fact, including statements regarding industry prospects and future results of operations or financial position, made in this report are forward-looking. We use words such as "anticipate," "believe," "expect," "intend" and similar expressions in part to help identify forward-looking statements. Forward-looking statements reflect management's current plans and expectations and are inherently uncertain. Our actual results may differ significantly from management's expectations, and those variations may be both material and adverse. 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: the general condition of, and changes in, the Alaska economy; factors that impact our net interest margin; and our ability to maintain asset quality our ability to implement our marketing and growth strategies; our expected cost savings, synergies, and other financial benefits from the merger of Northrim with Alaska Pacific might not be realized within the expected time frames and costs or difficulties relating to integration matters might be greater than expected; our expected cost savings, synergies and other financial benefits from the acquisition of Residential Mortgage Holding Company, LLC might not be realized within the expected time frames and costs or difficulties relating to integration matters might be greater than expected; and our ability to execute our business plan. Further, actual results may be affected by competition 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 Item 1A, Risk Factors, and in our filings with the Securities and Exchange Commission. 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. In addition, you should note that we do not intend to update any of the forward-looking statements or the uncertainties that may adversely impact those statements, other than as required by law.

Financial Snapshot Footnotes:

- (1) Tangible book value per share is a non-GAAP ratio that represents shareholder's equity, less intangible assets, divided by common stock outstanding.
- (2) Tax-equivalent net interest margin is a non-GAAP performance measurement in which interest income on non-taxable investments and loans is presented on a tax-equivalent basis using a combined federal and state statutory rate of 41.11% in all years presented.
- (3) In managing our business, we review the efficiency ratio exclusive of intangible asset amortization, which is not defined in accounting principles generally accepted in the United States ("GAAP"). The efficiency ratio is calculated by dividing noninterest expense, exclusive of intangible asset amortization, by the sum of net interest income and noninterest income. Other companies may define or calculate this data differently. We believe this presentation provides investors with a more accurate picture of our operating efficiency. In this presentation, noninterest expense is adjusted for intangible asset amortization.
- (4) Number of banking offices does not include Northrim Benefits Group or Residential Mortgage, LLC locations.
- (5) FTE includes employees of Northrim Bank, Northrim Benefits Group, and Residential Mortgage, LLC.

Refer to the company's Annual Report on Form 10k available in the "Investor Relations" section of northrim.com, for reconciliations of non-GAAP financial ratios to comparable GAAP measurements.

ANCHORAGE**Northrim Headquarters**

PO Box 241489
Anchorage, AK 99524
(907) 562-0062
(800) 478-2265 outside Anchorage
northrim.com

Midtown Financial Center

3111 C Street

EAGLE RIVER**Eagle River Branch**

12812 Old Glenn Highway, Suite CO3

JUNEAU**Juneau Financial Center**

2094 Jordan Avenue

Juneau Downtown Branch

301 North Franklin

BELLEVUE, WASHINGTON**Northrim Funding Services**

170 120th Avenue N.E., Suite 202
PO Box 50245
Bellevue, WA 98015
(425) 453-1105

AFFILIATED COMPANIES**Elliott Cove Capital
Management LLC**

1000 2nd Avenue, Suite 1440
Seattle, WA 98104
(206) 267-2683
elliottcove.com

Elliott Cove Insurance Agency LLC

1000 2nd Avenue, Suite 1440
Seattle, WA 98104
(206) 267-2683
elliottcove.com

Huffman Branch

1501 E. Huffman Road

Jewel Lake Branch

9170 Jewel Lake Road

SouthSide Financial Center

8730 Old Seward Highway

FAIRBANKS**Fairbanks Financial Center**

360 Merhar Avenue

KETCHIKAN**Tongass Branch**

2442 Tongass Avenue

**West Anchorage Branch &
Small Business Center**

2709 Spenard Road

Seventh Avenue Branch

517 W. 7th Avenue, Suite 300

36th Avenue Branch

811 E. 36th Avenue

WASILLA**Wasilla Financial Center**

850 E. USA Circle, Suite A

SITKA**Sitka Financial Center**

315 Lincoln Street, Suite 206

Northrim Benefits Group, LLC

3111 C Street, Suite 500
Anchorage, AK 99503
(907) 263-1401
northrimbenefits.com

Enroll Alaska

3111 C Street, Suite 500
Anchorage, AK 99503
(907) 770-5100
enrollingalaska.com

Residential Mortgage, LLC

Headquarters
100 Calais Drive
Anchorage, AK 99503
(907) 222-8800
residentialmtg.com

**Pacific Portfolio Consulting, LLC
and Pacific Portfolio
Trust Company**

Two Union Square
601 Union Street, Suite 4343
Seattle, WA 98101
(206) 623-6641
pacific-portfolio.com



Northrim BanCorp, Inc.

northrim.com