

2019 ANNUAL REPORT



PROUD TO BE ALASKAN

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100% 907

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Northrim BanCorp, Inc.

MESSAGE TO *SHAREHOLDERS*



Over the past several years, we have invested time and capital to build capacity in our infrastructure, people, services and technology. In 2019, we began to leverage this expanded capacity, and our performance reflects the successful execution of our business plan.

Northrim ended 2019 with record earnings of \$20.7 million, an increase of 3% from 2018. Total revenue for 2019 increased 9% to \$102.0 million, and total assets increased to \$1.64 billion, up 9% from a year ago. Improved asset quality, including net loan recoveries for the year; higher production in our mortgage banking division; and loan and deposit growth were key drivers of this record profitability.

Through the leadership and expertise of our credit administration and lending teams, the Bank's loan portfolio quality improved and net recoveries provided a \$1.2 million benefit to the loan loss provision in 2019. Portfolio loans increased 6% to \$1.04 billion at the end of 2019, while average portfolio loans were up 5% from a year ago.

While interest rate decreases challenged the Bank's net interest margin, lower rates supported mortgage purchase and refinance activity at our wholly-owned subsidiary, Residential Mortgage. This was a significant contributor to other operating income in 2019.

At year-end, net interest income increased 5% to \$64.4 million, and our net interest margin remained above our peer average. Favorable cost of funds and growth in deposits continued to support our net interest margin. Total deposits increased 12% to \$1.37 billion at year-end, with Alaskans accounting for nearly all of Northrim's deposit base, underscoring the Bank's continued commitment to serving the state.

We expanded our Alaska market presence in 2019, with investments in new branches and people, contributing to our progress with both loans and deposits. Our new Soldotna Financial Center, serving the Kenai Peninsula, and several significant additions to the lending teams

A C R O S S A L A S K A



supported our community banking operating results and led to increased statewide market share in 2019. We will continue to look for other opportunities to expand within our Alaska footprint.

Northrim continues to have strong capital, maintaining levels above the regulatory requirements to be categorized as *well-capitalized*. In 2019, Northrim completed its authorized share repurchase plan, buying a total of 347,676 shares. We also increased our shareholder dividend by 24% in 2019. We intend to continue to use our share repurchase and dividend programs to enhance value to our shareholders.

There were noticeable positive shifts in the state economy in 2019, including modest job growth and increased activity in resource development, transportation, military and tourism. As a bank, we advocate for a long-term, stable and sustainable fiscal plan for the state. We also encourage the state to make investments that will foster economic development.

We remain committed to our customers, community and employees. We are focused on attracting and retaining customers, using a consultative, active and relationship-based approach and providing superior personalized service. Through a culture of teamwork and development of relevant services, we

are increasingly able to meet all of our customers' financial needs.

Our support of the community remains strong, demonstrated in diverse sponsorships from the iconic Iditarod Trail Sled Dog Race, to our regional school-business partnerships and support of the University of Alaska system, as well as participation with United Way.

As part of our vision to be an employer of choice, we remain committed to providing our employees with meaningful benefits, competitive salaries and opportunities to advance.

We are pleased with our progress in 2019 and appreciate all of our employees who connect with customers throughout the state. As we continue to grow, Northrim is proud to be Alaskan, and we remain focused on helping all achieve more.

A handwritten signature in black ink, reading "Joe Schierhorn".

JOE SCHIERHORN

Chairman, President, CEO and COO, Northrim Bancorp, Inc.

Chairman, President and CEO, Northrim Bank

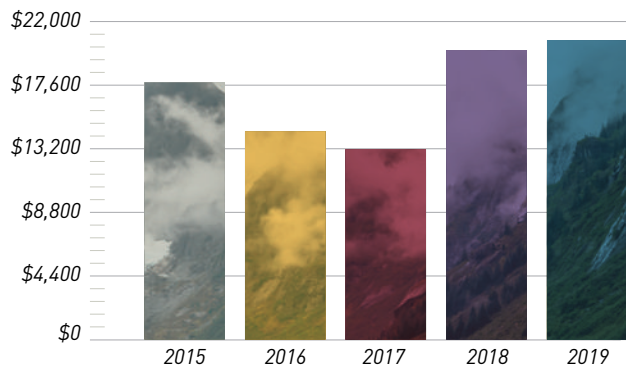
2019 FINANCIAL SNAPSHOT^[1]*

(In thousands, except Share Data)	2019	2018	2017	2016	2015	2014	Five-Year Compound Growth Rate
Net interest income	\$64,442	\$61,208	\$57,678	\$56,357	\$56,909	\$52,293	4 %
Provision (benefit) for loan losses	(1,175)	(500)	3,200	2,298	1,754	(636)	NM
Other operating income	37,346	32,167	40,474	43,263	44,608	20,034	13 %
Compensation expense, RML acquisition payments	468	—	130	4,775	4,094	—	NM
Other operating expense	76,370	69,800	71,023	71,505	68,551	46,923	10 %
Income before provision for income taxes	\$26,125	\$24,075	\$23,799	\$21,042	\$27,118	\$26,040	0 %
Provision for income taxes	5,434	4,071	10,321	6,052	8,784	8,173	(8)%
Net income	20,691	20,004	13,478	14,990	18,334	17,867	3 %
Less: Net income attributable to noncontrolling interest	—	—	327	579	551	459	NM
Net income attributable to Northrim BanCorp, Inc.	\$20,691	\$20,004	\$13,151	\$14,411	\$17,783	\$17,408	4 %
Year-End Balance Sheet							
Assets	\$1,643,996	\$1,502,988	\$1,518,596	\$1,525,851	\$1,498,691	\$1,448,327	3 %
Portfolio loans	1,043,371	984,346	954,953	974,074	979,682	923,122	2 %
Deposits	1,372,351	1,228,088	1,258,283	1,267,653	1,240,792	1,179,747	3 %
Shareholders' equity	207,117	205,947	192,802	186,712	177,214	164,441	5 %
Common shares outstanding	6,558,809	6,883,216	6,871,963	6,897,890	6,877,140	6,854,189	(1)%
Average Balance Sheet							
Assets	\$1,555,707	\$1,493,385	\$1,511,052	\$1,506,522	\$1,480,913	\$1,335,929	3 %
Earning assets	1,386,557	1,346,449	1,367,203	1,361,913	1,334,102	1,212,291	3 %
Portfolio loans	1,010,098	971,548	981,001	976,613	968,752	893,031	2 %
Deposits	1,276,407	1,227,272	1,248,333	1,250,243	1,219,445	1,111,594	3 %
Diluted common shares outstanding	6,808,209	6,981,557	6,977,910	6,974,864	6,948,474	6,852,267	(0)%
Per Common Share Data							
Basic earnings	\$3.08	\$2.91	\$1.91	\$2.09	\$2.59	\$2.57	4 %
Diluted earnings	\$3.04	\$2.86	\$1.88	\$2.06	\$2.56	\$2.54	4 %
Book value per share	\$31.58	\$29.92	\$28.06	\$27.07	\$25.77	\$23.99	6 %
Tangible book value per share ^{(2)†}	\$29.12	\$27.57	\$25.70	\$24.70	\$22.31	\$20.48	7 %
Cash dividends per share	\$1.26	\$1.02	\$0.86	\$0.78	\$0.74	\$0.70	12 %
Performance Ratios							
Return on average assets	1.33 %	1.34 %	0.87 %	0.96 %	1.20 %	1.30 %	0 %
Return on average equity	9.92 %	9.95 %	6.81 %	7.93 %	10.47 %	11.19 %	(2)%
Equity/assets	12.60 %	13.70 %	12.70 %	12.24 %	11.82 %	11.35 %	2 %
Tangible common equity/tangible assets ^{(3)†}	11.73 %	12.76 %	11.75 %	11.29 %	10.40 %	9.86 %	4 %
Net interest margin	4.65 %	4.55 %	4.22 %	4.14 %	4.27 %	4.31 %	2 %
Net interest margin (tax equivalent) ^{(4)†}	4.70 %	4.60 %	4.28 %	4.20 %	4.32 %	4.36 %	2 %
Non-interest income/total revenue	36.69 %	34.45 %	41.24 %	43.43 %	43.94 %	27.70 %	6 %
Efficiency ratio ^{(5)†}	75.43 %	74.68 %	72.39 %	76.44 %	71.31 %	64.48 %	3 %
Dividend payout ratio	40.79 %	35.08 %	45.44 %	37.59 %	28.81 %	27.40 %	8 %
Asset Quality							
Nonperforming assets, net of government guarantees	\$19,946	\$22,619	\$28,729	\$19,315	\$5,178	\$7,231	22 %
Nonperforming assets/assets, net of government guarantees	1.21 %	1.50 %	1.89 %	1.27 %	0.35 %	0.50 %	19 %
Nonperforming loans/portfolio loans, net of government guarantees	1.34 %	1.49 %	2.24 %	1.33 %	0.22 %	0.38 %	29 %
Net charge-offs (recoveries)/average loans	(0.07)%	0.15 %	0.15 %	0.08 %	0.03 %	(0.12)%	NM
Allowance for loan losses/portfolio loans	1.83 %	1.98 %	2.25 %	2.02 %	1.85 %	1.81 %	0 %
Other Data							
Number of banking offices ⁽⁶⁾	16	16	14	14	14	14	3 %
Number of employees (FTE) ⁽⁷⁾	431	430	429	451	441	426	0 %

Financial Snapshot endnotes on page 22.

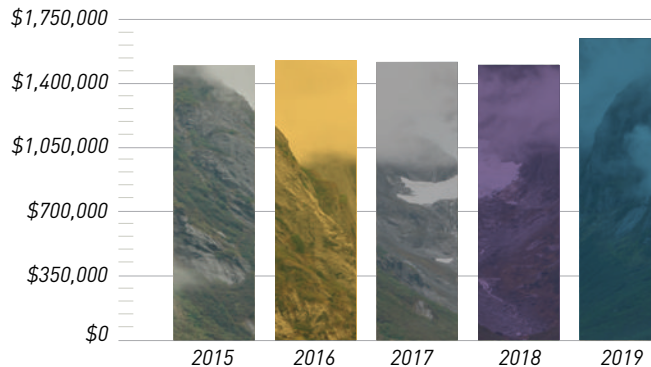
Net Income Attributable to Northrim BanCorp, Inc.

(in thousands)



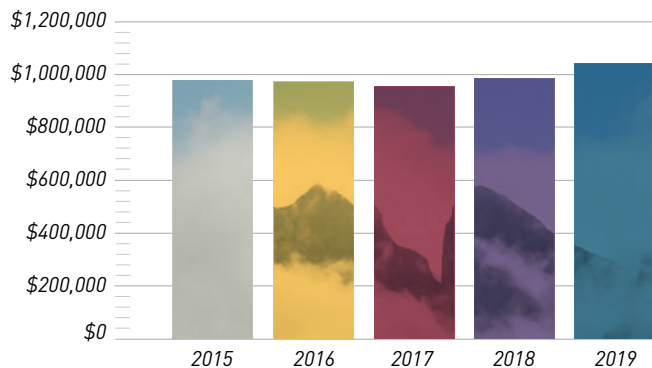
Total Assets

(in thousands)



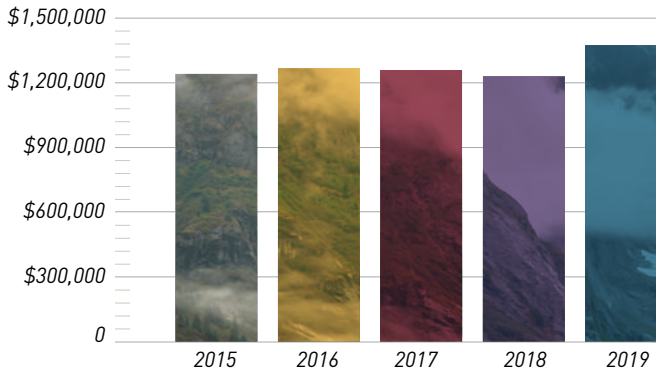
Portfolio Loans

(in thousands)

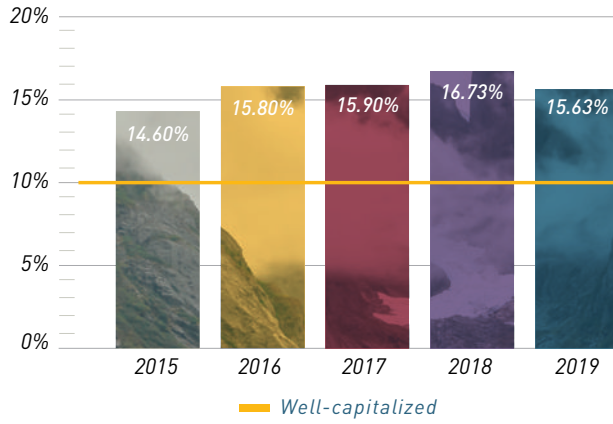


Total Deposits

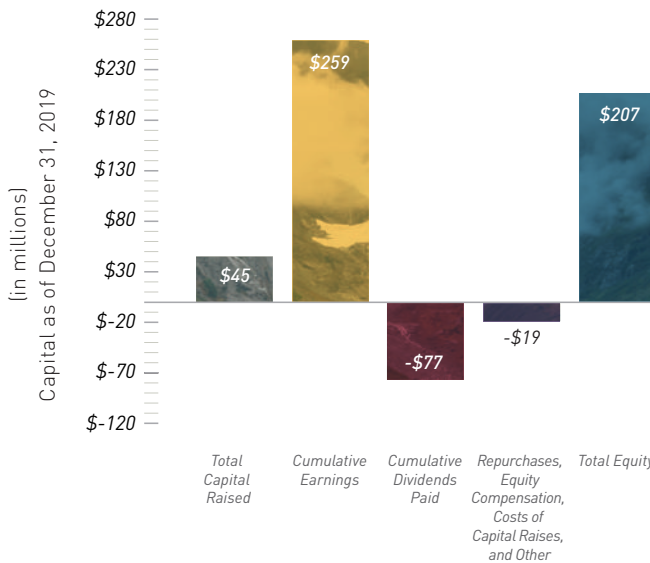
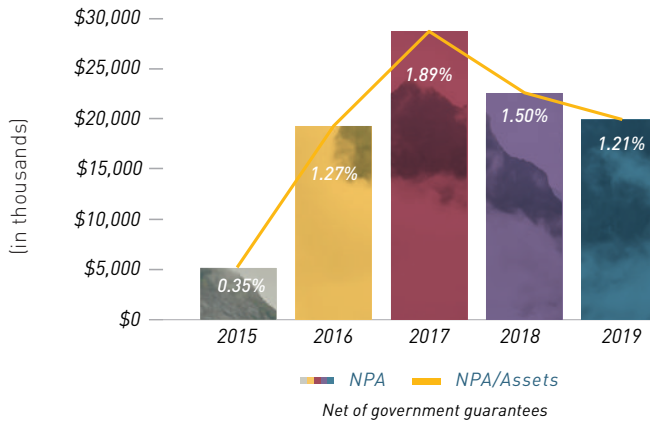
(in thousands)



Total Capital Ratio

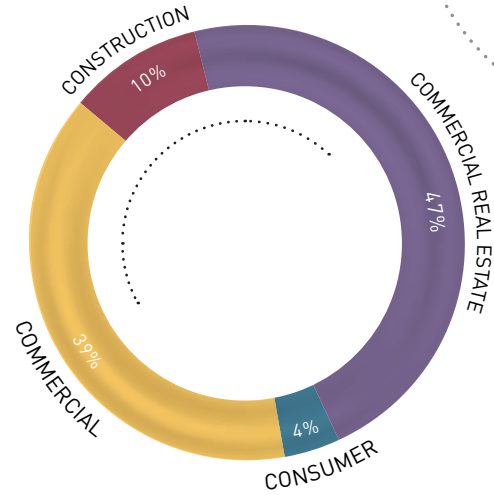


Composition of Northrim Bancorp Equity Nonperforming Assets (NPA)



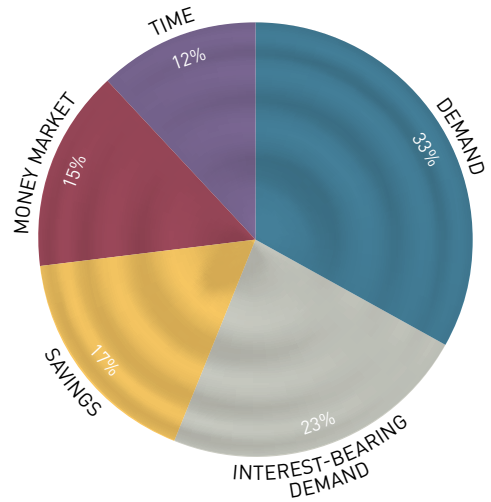
Loan Portfolio

As of December 31, 2019



Deposits

As of December 31, 2019



COMMUNITY

ALLEN MARINE TOURS



When Bob and Betty Allen took passengers on their first sightseeing cruise in 1970, they had no idea they were embarking on a journey that would make them the largest, most experienced day-cruise company in Alaska.

Since that maiden voyage 50 years ago, Allen Marine has expanded exponentially, now with operations in Sitka, Juneau and Ketchikan, a fleet of nearly 50 vessels, and 150 full-time and 550 seasonal employees.

"It's an exciting time in the cruise and visitor industry in Southeast Alaska. It's growing steadily and providing employment opportunities for local Southeast residents," says Zak Kirkpatrick, Allen Marine's Chief Marketing Officer.

Supporting the local economy is at the heart of Allen Marine, which is Alaska family-owned and operated, with three generations active in the company. "We support businesses by being in business," Zak says.

Allen Marine's desire to work with Alaska businesses extends to banking. "As a locally owned, family-owned company, we like working with fellow Alaskans," Zak shares. "We are pleased to be aligned with a local entity like Northrim."

Northrim has played a role in several significant expansion projects in recent years, including financing the construction of the Fin Island Lodge and the St. Theodosius, a 78-foot catamaran for a new Hubbard Glacier tour. "Northrim provided the necessary capital for us to expand and respond to the growing industry in a timely manner," Zak says.

The relationship extends beyond lending to include succession planning endeavors, as well as deposit accounts, internet banking, merchant services and corporate credit cards, notes Todd Greimann, Northrim Senior Vice President, Southeast Regional Market Manager. "We look forward to continuing to serve Allen Marine, as an Alaska bank and Alaska company working together for a positive Alaska business environment," he says.

SOUTH EAST





STRATEGIC EXPANSION & POSITIVE MOMENTUM

We realized a long-term goal in 2019 with the opening of our new financial center in Soldotna, on Alaska's Kenai Peninsula. Soldotna brings our total number of branches in Alaska to 16, the latest in a continuing demonstration of investment in the state. We look forward to future strategic expansion throughout Alaska.

Positive momentum on the Kenai Peninsula and in other markets is already being generated, due in part to our ability to recruit and retain experienced, talented bankers. In the past year, we have welcomed several bankers with deep community and business connections and a wealth of experience in the financial industry. Two key examples include our new Soldotna

branch manager, a third-generation Kenai Peninsula resident and accomplished banker, and the promotion of a lifelong Alaskan and long-time Northrim employee to regional market manager in Fairbanks. We are pleased with this momentum and are optimistic about growth in these and other markets.

As part of our vision to be an employer of choice, and recruit and retain top talent, we continued to make improvements to compensation and employee benefits in 2019. We look forward to realizing the return on these investments, as our high-performing employees drive growth, develop new relationships and create new opportunities.

COMMUNITY

OPA ORTHOPEDIC PHYSICIANS ALASKA

In a state where health care access can be difficult and expensive, Orthopedic Physicians Alaska (OPA) is taking an innovative approach that is making a difference.

OPA's pioneering orthopedic injury walk-in clinics have saved patients with non-life threatening injuries hundreds of thousands of dollars in unnecessary emergency room expenses. And by providing athletic training services to high schools at no charge, OPA prevents approximately 4,500 athletic injuries each year.

"The founders' collective vision to provide high-quality, low-cost orthopedic care, accessible to insured and non-insured patients in an independent private practice setting, has always been OPA's driving force," says Rick Watson, OPA's Chief Executive Officer.

OPA is the largest, most comprehensive orthopedic practice in Alaska – and they are continuing to grow. Most recently, OPA partnered with Alaska Heart & Vascular Institute and Gagnon Plastic & Reconstructive Surgery to construct a new building in Wasilla.

OPA chose to work with Northrim on the construction financing for the state-of-the-art facility, slated to open this fall. The relationship has since expanded, with Northrim now providing a full suite of services.

"Northrim sought to understand our business needs holistically," says Eric Olson, OPA's Chief Financial Officer. "Northrim is playing a very important role in the growth and development of how we serve patients in the Valley."

Northrim also entered into a preferred provider relationship, which offers Bank employees a reduced rate through their insurance for receiving care at OPA.

"Doing business with those who do business with us is extremely important," Eric says. "We feel like Northrim's approach to servicing our needs is the same approach we strive for in serving our patients – top-notch, genuine, individualized care."



SOUTH  CENTRAL

Seamless Service, Complete Solutions

We continue to encourage cross-departmental teamwork that allows us to seamlessly provide complete banking solutions to our customers, from retail banking to lending and cash management services. This commitment to working in concert and providing Superior Customer First Service has been significant as recent new customers have come to Northrim first as deposit customers, then expanded into loan relationships as their borrowing needs arose.

Listening carefully to the needs of the market enables us to continually improve and develop relevant services. Over the past year, these efforts have proven effective in attracting new customers and growing our banking relationships, positioning us to effectively compete with other financial institutions and successfully gain market share.

Navigating an Ever-Changing Landscape

Our continued significant investment in technology and the talent to leverage that technology allows us to nimbly evolve and remain at the forefront of the ever-changing landscape of electronic banking, while improving efficiency and the customer experience. Our new branches, with smaller footprints and robust technology, exemplify our skillful navigation of the transition between traditional branch banking and electronic banking. Through our 16 statewide branches and electronic banking services, we are proud to serve approximately 90% of Alaska's population.

Conversion to a new loan origination system in 2019 was also a substantial investment of time and resources, which will result in a faster, more responsive, more efficient loan approval, funding and booking process for both our customers and our team.

Quality Growth

A highlight of our year was the overall improvement in asset quality. We saw improvements in various qualitative loan factors, including loan portfolio quality, nonperforming loans, nonperforming assets, net adversely classified loans and net loan recoveries, and recorded a benefit for loan losses.

This accomplishment is attributable to several factors, including the work of our credit administration team, under the leadership of Chief Credit Officer Mark Edwards. We were pleased to expand the executive team in 2019 to include Mr. Edwards, a lifelong Alaskan and long-time Northrim employee, who also serves as Bank Economist.

Consistent with our vision of continual improvement, our lending team is also becoming increasingly experienced, with a focus on intimately understanding our customers' operations, challenges and opportunities and providing flexible, customized solutions. The result is high-quality loans that help our customers achieve their goals. This level of expertise and service has also led to new valuable customer relationships with some of the state's oldest and most respected companies, and we are proud to earn their business and referrals.

COMMUNITY

THE SHOPPES AT SUN MOUNTAIN

Developer Cameron Johnson called Wasilla home for most of his growing-up years, and still considers it his hometown. "I want to see the Valley continue to prosper and grow responsibly. I believe I can help in both those areas," he says.

His latest development, The Shoppes at Sun Mountain, is a significant stride in that direction. The 32-acre property in Wasilla had previously been foreclosed and languished vacant for years. "I have always had an interest in developing the Sun Mountain property," Cameron says.

Once completed, Sun Mountain is expected to create hundreds of new jobs and provide Mat-Su residents with new restaurant options, retail choices,

entertainment, banking, lodging, health and wellness care, housing and business opportunities. The development has already signed leases with popular chains including Sonic Drive-In, Planet Fitness and Krispy Kreme.

Northrim Bank has provided financing solutions for Cameron's businesses and developments since 2012. "In 2019, I transferred all of my business banking services from a national institution to Northrim and I couldn't be happier with that decision. Their commitment to providing excellent customer service, business solutions and an aligned vision of seeing Alaska continue to thrive and grow has made Northrim an incredible partner in my many business ventures in the state," Cameron says.

"Cameron and his partners have been important customers for a long time. We're pleased to have earned more of his business," says Sue Wolfe, Northrim Vice President, Commercial Real Estate Loan Officer.

"Northrim's vision, innovative thinking, work ethic and dedication in providing the most competitive financing solutions for Sun Mountain played a vital role in its success," Cameron says. "Northrim took a chance on me as a developer when other banks wouldn't and that's something I won't forget."



SOUTH  CENTRAL



COMPLEMENTING COMMUNITY BANKING

In addition to community banking, Northrim has interests in other lines of business, including home mortgage lending, purchased receivables financing and wealth management. These subsidiaries, affiliates and divisions complement our core community banking activity, strengthen the diversity of our income streams, and enable us to offer complete financial services to meet our customers' needs.



Northrim Investment Services

Northrim Investment Services provides investment services through Elliott Cove Capital Management and insurance products via Elliott Cove Insurance Agency. Northrim Investment Services enables the Bank to offer a range of relevant, best-in-class financial products and services to meet the needs of our business and individual customers.



Northrim Funding Services

Northrim Funding Services, a division of the Bank, purchases the accounts receivable of capital-constrained small to mid-size businesses, as well as businesses experiencing rapid growth or change. The division also offers financial solutions to transition customers back to conventional bank lending programs.

Despite increased competition, Northrim Funding Services saw substantial growth in 2019, and continued to grow its customer base in Alaska and the Western United States.

Northrim Funding Services contributed \$3.3 million to other operating income in both 2019 and 2018.



PACIFIC PORTFOLIO

Northrim holds a 24% interest in Pacific Wealth Advisors, LLC, the holding company for Pacific Portfolio Consulting, LLC and Pacific Portfolio Trust Company (collectively, "Pacific Portfolio"). Founded in 1992 and part of the Northrim family since 2006, Pacific Portfolio provides comprehensive financial guidance to individuals, families and institutions.

Pacific Portfolio is led by founder, president and CEO Larry Hood, who once again was included in Barron's prestigious annual ranking of Top 100 Independent Financial Advisors, moving up seven spots to No. 61 in 2019. Pacific Portfolio continues to grow its assets under advisement, ending the year at \$4.0 billion, one-third of which are in Alaska.

The company contributed \$305,000 to Northrim's other operating income in 2019, compared to \$231,000 in 2018.



RESIDENTIAL MORTGAGE, LLC

NMLS #167729

Residential Mortgage has been a Northrim affiliate since 1998, and became a wholly-owned subsidiary in 2014. The company, which is the leading mortgage loan originator in the state, has a significant footprint across Alaska, with offices in Anchorage, Juneau, Kodiak, Soldotna, Eagle River, Fairbanks and the Mat-Su Region.

After flat performance over the past several years, and coinciding efforts to reduce expenses and improve efficiency, Residential Mortgage operations increased substantially in 2019, driven in part by lower mortgage interest rates. While a part of the mortgage demand was due to an increase in refinancing, purchase activity was also up, increasing 7% year over year. In 2019, Northrim serviced 2,643 loans in our \$659.0 million home-mortgage-servicing portfolio, which is an 18% increase over the prior year.

Mortgage banking operations contributed \$24.2 million to Northrim's other operating income in 2019, compared to \$20.8 million in 2018.

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COMMUNITY ENGAGEMENT

As a community bank in Alaska, we believe it is our responsibility to be good community stewards, actively vested in the communities where we live and work. This engagement is modeled at the top level of the Bank. From the boardroom to the local branch, our employees are encouraged to actively support issues, organizations and events for which they are passionate.

Just as we take the time to understand the financial needs of our customers, we take the time to discern what is meaningful in each of our communities, and our support and engagement takes many forms. In 2019, we continued our Lead Dog sponsorship of the Iditarod Trail Sled Dog Race, an iconic Alaska event and a point of pride for many Alaskans. We support the efforts of United Way, both as an organization and as individuals. Believing in the critical importance of our state's university system, we remain

steadfast supporters of University of Alaska campuses across the state.

We spend time with local students through our school-business partnerships. We share expertise and encouragement through financial literacy workshops at local shelters. We devote time to serving on boards and committees for a diverse array of nonprofit and industry organizations throughout Alaska.

We are leaders in addressing issues of importance to our state, from developing the next generation of IT professionals, to influencing the economy through efforts such as ongoing advocacy, and educating Alaskans via our annual economic luncheons and Alaskanomics blog.

SET APART BY SUPERIOR SERVICE

Superior Customer First Service is a core Northrim value, and through it, we strive to differentiate ourselves from other financial institutions. Building a reputation for this high level of service requires the daily dedicated performance of each individual employee within our Bank family. Our success is directly attributable to the positive attitude, skills and service of employees throughout the company, from the branches to behind the scenes.

We believe it is essential to emphasize the importance of Superior Customer First Service, share how it's making a difference and celebrate those employees who have gone above and beyond in providing it. Our Customer First Service Award celebrates a select group of employees who have exemplified this value in 2019. We honor them and thank the many other employees who are dedicated to providing Superior Customer First Service.



*Back Row,
L to R*

Jayne Griffin
Universal Banker,
Eagle River Branch

Bronte Howard
Universal Banker,
Wasilla Financial Center

Bill Kurtz
AVP, Branch Manager,
Midtown Financial Center

Angela Mercurief
Bank Applications
Supervisor

*Front Row,
L to R*

**Kimberly Farrell
Brewington**
VP, Commercial Cash
Management Officer

Aiko Willborg
Compensation Analyst

Meliza Maluto
Electronic Banking
Operations Administrator

Sue Wolfe
VP, Commercial Real
Estate Loan Officer

Photo taken at Eastside Community Branch in Anchorage

LEADERSHIP

*LEADERSHIP.
LONGEVITY.
LEVEL OF SERVICE.*

Each day, our executive and senior management teams offer a breadth of talent from diverse fields, a deep level of expertise and strong commitment to service. The Bank, along with our customers, directly benefit from their longevity at Northrim, experience in the industry, and connections in the community.

We are also grateful for the leadership and expertise our board members bring from many different sectors in order to provide trusted guidance and direction for the future of the Bank.

EXECUTIVE TEAM



Mark Edwards
*EVP, Chief Credit Officer
& Bank Economist*

Mike Huston
*EVP, Chief Lending
Officer*

Joe Schierhorn
*Chairman, President &
Chief Executive Officer*

Jed Ballard
*EVP, Chief Financial
Officer*

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

Lynn Wolfe
*EVP, Chief
Administration Officer*

Mike Martin
*EVP, Chief Operating
Officer, General
Counsel & Corporate
Secretary*

Benjamin Craig
*EVP, Chief
Information Officer*

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SENIOR MANAGEMENT TEAM



From
L to R:

Suzanne Whittle
SVP, Compliance
Manager

Todd Greimann
SVP, Regional
Market Manager

Catherine Claxton
SVP, Real Estate
Lending Manager

Linda Uttech
SVP, Facilities
Manager

Dan Lowell
SVP, Northrim
Funding Services
Manager

Barb Ervin
SVP, Director of
Business Applications

Cindy Fields
VP, Internal Audit
Manager

Katie Bates
SVP, Director of
Electronic Channels

Kari Skinner
SVP, Marketing &
Communications
Director

Latosha Frye
SVP, Corporate
Accounting Manager

Jason Criqui
SVP, Commercial
Lending Manager

Carolyn Jennings
SVP, Retail Banking
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

Joe Schierhorn
Chairman, President, CEO and COO,
Northrim Bancorp, Inc.
Chairman, President and CEO,
Northrim Bank

Larry Cash
CEO RIM Architects, LLC since 2017
(President from 1986-2016)
Executive Committee/Director
Anchorage Economic Development
Corporation (Emeritus)
Member/Manager of RIM Investments,
LLC
Board Trustee of Alaska Pacific
University (Emeritus)

Anthony Drabek
Director, Koniag, Inc., an Alaska Native
Corporation, since 2019
President and CEO, Natives of Kodiak,
Inc., an Alaska Native Corporation,
from 1989-2010
Chairman, Koncor Forest Products
Company, from 1986-2010 and President
from 2001-2010

Karl Hanneman
CEO and Director, International Tower
Hill Mines Ltd. (COO from 2015-2016,
Alaska General Manager from 2010-
2015)
Director, Fairbanks Chamber of
Commerce since 2010
Director, Usibeli Coal Mine, Inc. since
2011
Director, Sunshine Silver Mining &
Refining Corp. since 2018

David Karp
SVP, Managing Director, Alaska Saltchuk,
since 2019
President and CEO, Northern Aviation
Services, Inc. from 2011-2018
Director, Alaska Communications
Systems, Inc. since 2011
Member, National Air Carriers Association

David McCambridge
Audit Partner, KPMG LLP, from
1978-2010
Director and Treasurer of the Tanaka
Foundation from 1985-2015
Director, Great Alaska Council Boy
Scouts of America, from 1993-2012
Director Alaska Kidney Foundation
(since 1999) and President

Krystal Nelson
SVP and COO, Bering Straits Native
Corporation since 2014
SVP and COO, Ahtna Engineering
Services from 2007-2014
Recipient of Alaska Top 40 under
40 Award in 2004

Aaron Schutt
President and CEO, Doyon Limited,
an Alaska Native Corporation
since 2011 (COO from 2008-2011
and SVP from 2006-2011)
Director, Akeela, Inc., since 2001 and
Chair since 2018
Director, Alaska Native Heritage Center
from 2012-2019
Director, ANCSA Regional Association
and Chair since 2018
Board of Managers for Doyon Utilities,
LLC since 2007

John Swalling
President and Director, Swalling &
Associates, PCC, an accounting firm,
from 1991-2019
Director of Swalling Construction Co.,
Inc., from 1975-2018
Ernst & Young LLP, Partner from 1984-
1991

Director and past Chairman, Providence
Health & Services Alaska, from 1998-2019
Director and past Chairman, Visit
Anchorage, from 1986-2019
Director and Vice Chairman, CIVIC
Ventures, from 2005-2019

Linda Thomas
CEO, VP and Director, Alaskan Brewing &
Bottling Co. and its subsidiaries
since 2016 (CFO from 1994-1996,
COO from 1996-2016)
Director and Past President, Bartlett
Regional Hospital
Director and Past President, Juneau
Chamber of Commerce

David Wight
President and CEO, Alyeska Pipeline
Service Company from 2000-2005,
following a 41-year career with the
Amoco Corporation, which became
BP in 1999
Director, Storm Cat Energy from 2006-
2010
Director, Alaska Gasline Development
Corporation since 2016

N O R T H R I M B A N K O F F I C E R S

EXECUTIVE VICE PRESIDENTS

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

Benjamin Craig, *Chief Information Officer***

Jed Ballard, *Chief Financial Officer*

Joseph Schierhorn, *Chairman, President & Chief Executive Officer******

Lynn Wolfe, *Chief Administration Officer******

Mark Edwards, *Chief Credit Officer & Bank Economist***

Michael Huston, *Chief Lending Officer*

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

SENIOR VICE PRESIDENTS

Amber Zins, *Human Resources Director***

Barbara Ervin, *Director of Business Applications****

Carolyn Jennings, *Retail Banking Manager*****

Catherine Claxton, *Real Estate Lending Manager******

Daniel Lowell, *NFS Division Manager****

Jason Criqui, *Commercial Lending Manager**

Kari Skinner, *Marketing & Communications Director*

Kathleen Bates, *Director of Electronic Channels****

Latosha Frye, *Corporate Accounting Manager***

Linda Uttech, *Director of Facilities Operations**

Suzanne Whittle, *Compliance Manager*****

Todd Greimann, *Regional Market Manager II*

VICE PRESIDENTS

Adam Baxter, *Commercial Loan Officer V**

Aili Peyton-Jalbert, *Commercial Cash Management Officer*

Allen Hippler, *Commercial Loan Officer V**

Anita DeVore, *Regional Sales & Service Manager****

Annette Delong, *Construction Loan Unit Manager**

Bruce Tretzen, *NFS Relationship Manager*

Cynthia Fields, *Internal Audit Director*

Cynthia EL-Khoury Hanna, *Loan Documentation Manager*

Darci Ornellas, *Regional Sales & Consumer Lending Manager*****

Douglas Frey, *Security & Business Continuity Manager*

Erick Stoockle, *Enterprise Architecture Manager**

Gerlie Monta-Guevarra, *Branch Manager II**

Jaime Kissner, *Commercial Loan Officer IV*

James Beasley, *Electronic Banking Manager*

James Richards, *Business Development Officer-Relationship Manager II**

Jason Gentry, *Lending Branch Manager*

Jeanine Lillo, *Controller****

Joann Thayer, *Commercial Cash Management Officer***

John Damjanovich, *Commercial Real Estate Loan Officer V*

Jonathan Tibbs, *Commercial Loan Officer IV*

Joseph Gelione, *Commercial Loan Unit Manager*

Josh King, *NFS Assistant Division Manager***

Jyah Gitomer, *Call Center Manager*

Kathleen Martin, *Construction Loan Officer V*****

Kelly Lykins-Longlet, *Risk Manager****

Kelly McCormack, *Lending Team Lead***

Kimberly Farrell Brewington, *Commercial Cash*

*Management Officer*****

Lisa Adams, *NFS Operations Manager***

Marc Guevarra, *Commercial Loan Officer IV**

Michael Dye, *Lending Branch Manager II*

Mildred Sy, *Special Credits & Loan Servicing Manager***

Nathaniel Olmstead, *Data Analytics Manager*

Phillip Reid, *Commercial Loan Officer V*

Ryan Caldwell, *Systems & Network Manager*

Scotty Watkins, *Lending Team Lead*

Sean Christian, *Strategic & Planning Manager***

Sue Wolfe, *Commercial Real Estate Loan Officer V**

Tammy Kosa, *Regional Market Manager I*****

Timothy Breeden, *Commercial Loan Officer IV*

William Simpson, *Collections Supervisor***

ASSISTANT VICE PRESIDENTS

Angela Bradford, *Community Development & Loan Compliance Manager**
Annie Her, *Branch Manager I**
Aracelis Bell, *NIS Relationship Banker****
Benjamin Schulman, *Loan Officer III**
Bessie Paraoan, *Special Credits Officer I***
Christopher Chambos, *Retail & Investment Services Manager**
Danicia Shirayayev, *Loan Officer III*
Dawn Hoxie, *Branch Manager II******
Delores Siah, *Branch Manager II**
Diana Soliday, *Branch Manager II***
Eileen Kehoe, *Mortgage Servicing Manager*
Erika Bills, *Business Banker III******
Erin Gage, *Retail Banking Operations Manager******
Esther Fouts, *Accounting Supervisor******
James Larson, *Special Credits Officer II*
Jill Milham, *Retail Banking Operations Assistant Manager**
Joseph Moran, *Construction Loan Officer III**
Judith Schnese, *Audit Manager***
Katherine Bender, *Community & Public Relations Manager**
Kathleen Stilwell, *Card Services Manager*
Kelly Reynolds, *Security Manager***
Kristi Dent, *Consumer Lender II*
Lawrence Gluck, *Loan QA Officer*
Maia Hernandez, *Branch Manager I**
Marsha Fry, *Commercial Real Estate Loan Officer III******
Maureen Swartwood, *Branch Manager II*
Micah Scott, *BSA & Deposit Compliance Manager***
Nicole Pintsch, *Assistant Controller***
Reynold Thomas Udarbe, *Branch Manager I**
Rick Pinkerton, *Loan Review Officer****
Rodlynn Smallwood, *Operations Support Manager***
Seane English, *Credit Administration Operations Manager**
Susan Kurtz, *Branch Manager I*
Susan Stenstrom, *Assistant Corporate Secretary***
Tammi Whistler, *Loan Administrative Officer**
Teresa Saaiman, *Branch Manager I**
William Kurtz, *Branch Manager II*
Leary David, *Branch Manager I***
Yana Milette, *Electronic Banking Operations Manager*

OFFICERS

Astrid Erdman, *Business Banker I*
Blake Rod, *Assistant Branch Manager*
Brian Leonard, *Assistant Branch Manager II**
Brigitte Lampert, *Assistant Branch Manager***
Christina Clayton, *Assistant Branch Manager*
Christina Lawrence, *Assistant Branch Manager II*****
Cindy Cheely, *Business Banker II***
Criselda Parrocha, *Business Banker I*****
Dagmar Sanchez, *Senior Training Specialist******
Daisy Arce, *Assistant Branch Manager**
Deatrice Swazer, *Senior Real Estate Valuation Officer****
Deborah Bolton, *Assistant Branch Manager***
Ervin Hetemi, *Loan Officer II*
Fejie Monta-Carandang, *Assistant Branch Manager**
Heidi Hurben, *Assistant Branch Manager*
Jay Gilling, *Security Officer**
Joohee Ok, *Call Center Assistant Manager**
Justin Jay, *Assistant Branch Manager*
Katreena Little, *Assistant Branch Manager II***
Lillian Owens, *Loan Officer II**
Lindsay Atkins, *Assistant Branch Manager**
Maricel Bratcher, *Assistant Branch Manager****
Mary Fox, *Special Credits Associate Officer****
Megan Liska, *Corporate Training Manager*
Milagros Castiglione, *Business Banker I****
Neddie Manabat, *Assistant Branch Manager II**
Nicole Shook, *Operations Support Assistant Manager*****
Pamela Oberts, *Assistant Branch Manager*
Paula Duracinski, *Facilities Manager******
Rosemarie Yadao, *Assistant Branch Manager**
Sarah Maycock, *Electronic Banking Support Manager*
Sathiane Sikeo, *Assistant Branch Manager***
Stephanie Love, *Marketing & Sales Manager*
Susan Peach, *Real Estate Valuation Officer**
Terre Lefebvre, *Merchant Relationship Manager****
Tiana Allen, *Special Credits Associate Officer*

*AVP and above as of 1/30/2020: * ≥ Five-year employee, ** ≥ Ten-year employee, *** ≥ Fifteen-year employee, **** ≥ Twenty-year employee, ***** ≥ Twenty-five-year employee*

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.

Annual Meeting:

May 28, 2020, 9:00 am
Hilton Anchorage Hotel, 500 W. 3rd Avenue
Anchorage, AK

Stock Symbol:

Northrim BanCorp, Inc. (NASDAQ: NRIM)

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 Information:

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

Investor Requests:

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.

An Equal Opportunity and Affirmative Action Employer. Qualified applicants and employees receive consideration for employment without regard to race, color, religion, sex, sexual orientation, gender identity, age, national origin, physical or mental disability, protected veteran status, pregnancy, parenthood, marital status, changes in marital status, genetic information or any other status protected by federal, state or local law.

Financial Snapshot Endnotes:

() Refer to the Company's Form 10-K at northrim.com for further discussion of non-GAAP ratios.*

(1) These unaudited schedules provide selected financial information concerning the Company's Form 10-K.

(2) Tangible book value per share is a non-GAAP ratio defined as shareholders' equity, less intangible assets, divided by common shares outstanding.

(3) Tangible common equity to tangible assets is a non-GAAP ratio that represents total equity less goodwill and intangible assets divided by total assets less goodwill and intangible assets.

(4) 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 28.43% in 2019 and 2018 and 41.11% in all other years presented.

(5) In managing our business, we review the efficiency ratio exclusive of intangible asset amortization, which is a non-GAAP performance measurement. The efficiency ratio is calculated by dividing other operating expense, exclusive of intangible asset amortization, by the sum of net interest income and other operating income.

(6) Number of banking offices does not include Residential Mortgage Lending locations. 2018 number includes 15 full service branches and one loan production office.

(7) FTE includes 311, 320, 314, 321, 317, and 309 Community Banking employees in 2019, 2018, 2017, 2016, 2015 and 2014, respectively. FTE includes 120, 110, 115, 130, 124, and 117 Home Mortgage Lending employees in 2019, 2018, 2017, 2016, 2015 and 2014, respectively.

Cautionary note regarding forward-looking statements

This report contains 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 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. When used herein, the words "anticipate," "believe," "estimate," "expect," and "intend" and words or phrases of similar meaning 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 as 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. Many of these risks, as well as other risks that may have a material adverse impact on our operations and business, are identified in our filings with the Securities and Exchange Commission. Forward-looking statements contained herein are made only as of the date of this report, and Northrim does not undertake any obligation to release revisions to these forward-looking statements to reflect events or conditions after the date of this report.

ANCHORAGE**Northrim Headquarters**

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

Eastside Community Branch

7905 Creekside Center Drive,
Suite 100

Huffman Branch

1501 E. Huffman Road

Jewel Lake Branch

9170 Jewel Lake Road

Lake Otis Community Branch

2270 E. 37th Avenue

Midtown Financial Center

3111 C Street

Seventh Avenue Branch

517 W. 7th Avenue, Suite 300

Southside Financial Center

8730 Old Seward Highway

West Anchorage Branch

2709 Spenard Road

EAGLE RIVER**Eagle River Branch**

12812 Old Glenn Highway, Suite C03

WASILLA**Wasilla Financial Center**

850 E. USA Circle, Suite A
(907) 376-0357

FAIRBANKS**Fairbanks Financial Center**

360 Merhar Avenue
(907) 455-1111

SOLDOTNA**Soldotna Financial Center**

44384 Sterling Highway, Suite 101
(907) 260-7669

JUNEAU**Juneau Financial Center**

2094 Jordan Avenue
(907) 789-4844

Juneau Downtown Branch

301 N. Franklin Street
(907) 789-4844

SITKA**Sitka Financial Center**

315 Lincoln Street, Suite 206
(907) 747-8688

KETCHIKAN**Ketchikan Financial Center**

2491 Tongass Avenue
(907) 225-4545

BELLEVUE, WASHINGTON**Northrim Funding Services**

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

HOME MORTGAGE LENDING**Residential Mortgage, LLC**

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

AFFILIATED COMPANIES**Northrim Investment Services**

3111 C Street
Anchorage, AK 99503
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**Pacific Portfolio Consulting, LLC
and Pacific Portfolio Trust Company**

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