Northrim BanCorp, Inc. (NRIM)

Updated December 30th, 2025, by Yiannis Zourmpanos

Key Metrics

Current Price:	$27	**5 Year Annual Expected Total Return:**	8.6%	**Market Cap:**	$599 M
Fair Value Price:	$23	**5 Year Growth Estimate:**	10.0%	**Ex-Dividend Date:**	03/06/26[1]
% Fair Value:	120%	**5 Year Valuation Multiple Estimate:**	-3.6%	**Dividend Payment Date:**	03/13/26[2]
Dividend Yield:	2.4%	**5 Year Price Target**	$36	**Years Of Dividend Growth:**	16
Dividend Risk Score:	A	**Sector:**	Financials	**Rating:**	Hold

Overview & Current Events

Northrim BanCorp, Inc. (NRIM) is a financial services company headquartered in Anchorage, Alaska, that operates in two segments: Community Banking and Home Mortgage Lending. Founded in 1990 by a group of Alaskans who wanted to establish a strong, independent, local bank that prioritized community and customer service, Northrim BanCorp has grown to employ 451 individuals and generated $125.3 million or revenue last year. Northrim Bank has a significant presence in Alaska, serving individuals, small businesses, and corporations, and its strong competitive position in the industry is driven by its focus on delivering high-quality customer service and its local presence, which allows it to have a deep understanding of the unique financial needs of Alaskans. While the company has faced challenges due to Alaska's economic volatility, its revenue segments have remained strong, with its Community Banking segment being the primary source of income.

On October 22nd, 2025, the company announced results for the third quarter of 2025. NRIM reported Q3 non-GAAP EPS of $0.72, beating analysts' estimates by $0.14, and revenue of $35.72 million.

Northrim BanCorp, Inc. reported a strong quarter, highlighted by net income of $27.1 million, which was a sharp increase from both the prior quarter and the same period last year. Results were driven largely by a $14.2 million pre-tax gain from the sale of certain Pacific Wealth Advisors assets, alongside solid organic performance. Net interest income continued to climb as earning asset balances expanded, funding costs eased, and asset yields improved. Purchased receivable income also rose meaningfully, reflecting the ongoing contribution from Sallyport Commercial Finance, acquired in late 2024, which broadened Northrim's factoring and asset-based lending footprint across North America and the UK.

Balance sheet momentum remained steady during the quarter. Net interest income increased 5% sequentially and 23% year over year, while net interest margin expanded to 4.88%. Loans reached $2.22 billion, supported by new relationships and market share gains, and deposits grew to $2.91 billion, with non-interest-bearing deposits representing a healthy 30% of total balances. The company also completed a 4-for-1 forward stock split in September to enhance liquidity and accessibility for investors. Dividends held steady at $0.16 per share, underscoring management's confidence in earnings durability and capital strength.

Growth on a Per-Share Basis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
EPS	$0.64	$0.52	$0.47	$0.71	$0.76	$1.28	$1.50	$1.32	$1.12	$1.65	***$2.50***	***$4.03***
DPS	$0.19	$0.20	$0.22	$0.27	$0.33	$0.35	$0.39	$0.50	$0.60	$0.62	***$0.64***	***$1.13***
Shares[3]	27.8	27.9	27.9	27.9	27.2	25.7	25.0	23.3	22.6	22.3	***21.8***	***21.2***

Looking ahead, Northrim expects continued momentum in 2025, supported by stable net interest margins, disciplined expense management, and contributions from the recently acquired Sallyport platform. Management anticipates steady

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[1] The ex-dividend date is estimated based on historical data.

[2] The dividend payment date is estimated based on historical data.

[3] In millions of shares

Disclosure: This analyst has no position in the security discussed in this research report, and no plans to initiate one in the next 72 hours.

loan demand, particularly in commercial and construction segments, as the reallocation of residential loans enhances balance sheet flexibility. With easing deposit costs and strong capital levels, the bank is well-positioned to navigate macroeconomic uncertainties. Additionally, the Company remains focused on scaling specialty finance and wealth management operations, which are expected to drive noninterest income growth. Barring unforeseen economic disruptions, Northrim anticipates maintaining strong profitability and sustainable dividend growth through the remainder of 2025. Considering the expected declining interest rate environment, we revised our EPS estimate for 2025 to $2.50, which matches the midpoint of analysts' estimates. We have maintained the annual EPS growth of 10.0% for the following years, lower than the company's 5-year CAGR of 14.3%, leading to NRIM's EPS of $4.03 by 2030. In addition, the bank's DPS had a 9-year and 5-year CAGR of 14.0% and 12.8%, respectively, and has consistently increased the dividend payments over the last 16 years.

Valuation Analysis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Now	2030
Avg. P/E	40.2	50.3	66.9	52.8	48.2	22.2	27.5	33.9	41.1	38.0	***10.8***	***9.0***
Avg. Yld.	0.7%	0.8%	0.7%	0.7%	0.9%	1.2%	0.9%	1.1%	1.3%	1.0%	***2.4%***	***3.1%***

Northrim BanCorp trades at a forward P/E of 10.8, in line with its 10-year and five-year average P/E of 10.8 and 9.0, respectively. Considering the bank's resiliency, we have assumed a stable P/E of 9.0 to value the company in 2030, which is just above its medium-term average, suggesting a target price of $36.

Safety, Quality, Competitive Advantage, & Recession Resiliency

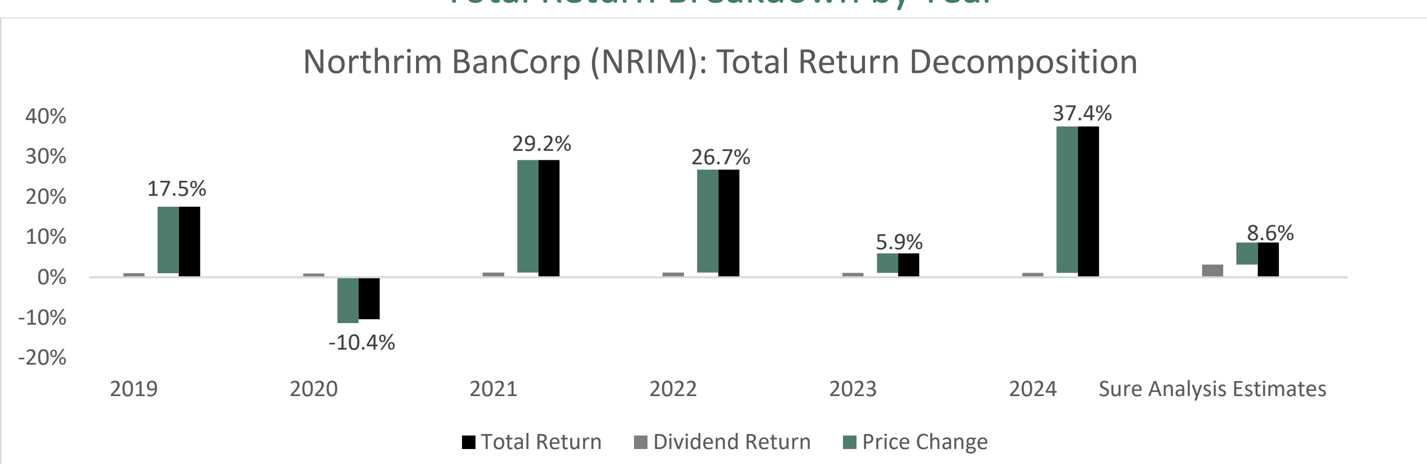
Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
Payout	30%	38%	47%	38%	43%	27%	26%	38%	54%	38%	***26%***	***28%***

Northrim BanCorp, has a competitive advantage through its strong local presence, which enables it to deliver high-quality customer service tailored to Alaskans' unique financial needs. Northrim BanCorp's financial performance during recessions has varied, as it was founded from the ashes of the recession in 1990.

Final Thoughts & Recommendation

The bank is well-positioned to benefit from a declining interest rate environment. Shares are expected to produce 8.6% annualized total returns for the medium-term, derived from the forecasted earnings-per-share growth of 10.0%, 2.4% dividend yield, and the valuation headwind. We maintain our hold rating on the stock as it trades ahead of our fair value target.

Total Return Breakdown by Year



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Income Statement Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenue	102	100	94	93	102	134	133	129	130	155
SG&A Exp.	52	55	54	54	61	65	65	63	67	74
D&A Exp.	3	3	4	3	4	4	4	4	4.5	3.6
Net Profit	18	14	13	20	21	33	38	31	25	37
Net Margin	17.5%	14.5%	14.0%	21.4%	20.3%	24.5%	28.2%	23.8%	19.2%	23.9%
Free Cash Flow	3	17	12	21	(4)	(40)	109	74	33	(9.35)
Income Tax	9	6	10	4	5	10	10	8	6.2	10

Balance Sheet Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total Assets	1,499	1,527	1,519	1,503	1,644	2,122	2,725	2,674	2,807	3,042
Cash & Equivalents	59	51	78	78	95	116	646	259	119	63
Acc. Receivable	4		4	5	5	8	7	10	12	12
Goodwill & Int.	25	20	29	33	34	32	34	38	38	80
Total Liabilities	1,322	1,340	1,326	1,297	1,437	1,900	2,487	2,456	2,573	2,775
Long-Term Debt	21	23	18	18	19	25	25	24	24	33
Total Equity	177	187	193	206	207	222	238	219	235	267
LTD/E Ratio	0.12	0.12	0.09	0.09	0.09	0.11	0.10	0.11	0.10	0.12

Profitability & Per Share Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Return on Assets	1.2%	1.0%	0.9%	1.3%	1.3%	1.7%	1.5%	1.1%	0.9%	1.3%
Return on Equity	10.4%	7.9%	6.9%	10.0%	10.0%	15.3%	16.3%	13.5%	11.2%	14.7%
ROIC	8.7%	7.1%	6.3%	9.2%	9.2%	13.9%	14.7%	12.2%	10.1%	13.2%
Shares Out.	6.9	6.9	6.9	6.9	6.7	6.4	6.2	5.8	5.7	5.6
Revenue/Share	14.61	14.28	13.43	13.37	14.95	20.83	21.30	22.16	22.90	27.80
FCF/Share	0.50	2.41	1.73	3.03	(0.57)	(6.18)	17.52	12.74	5.76	(1.67)

Note: All figures in millions of U.S. Dollars unless per share or indicated otherwise.

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