Northrim BanCorp, Inc. (NRIM)

Updated June 1st, 2026, by Yiannis Zourmpanos

Key Metrics

Current Price:	$24	**5 Year Annual Expected Total Return:**	12.0%	**Market Cap:**	$549.7 M
Fair Value Price:	$23	**5 Year Growth Estimate:**	10.0%	**Ex-Dividend Date:**	06/11/26
% Fair Value:	103%	**5 Year Valuation Multiple Estimate:**	-0.5%	**Dividend Payment Date:**	06/18/26
Dividend Yield:	2.7%	**5 Year Price Target**	$38	**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 April 22nd, 2026, the company announced results for the first quarter of 2026. NRIM reported Q1 non-GAAP EPS of $0.61 beating analysts' estimates by $0.08.

Northrim BanCorp reported first-quarter 2026 net income of $13.7 million, which was up 2.6% from $13.3 million in the prior-year period, driven by higher net interest income and stronger mortgage banking revenue. Return on average assets was 1.69%, while return on average equity reached 16.6%, reflecting continued profitability despite higher operating expenses and an increased provision for credit losses. Net interest income increased 11% year-over-year to $34.7 million, supported by balance sheet growth and improved earning asset yields. Management highlighted another quarter of core loan and deposit growth, underscoring the company's ability to execute its long-term growth strategy while strengthening its market position across Alaska.

Balance sheet trends remained favorable, with total portfolio loans increasing 11% year over year to $2.36 billion, driven by new customer relationships, expanding market share, and retained residential mortgages. Core loans, excluding consumer mortgages, grew 8% from a year earlier, while total deposits increased 3% to $2.87 billion. Notably, non-interest-bearing demand deposits rose 11% year over year to $826.4 million and represented 29% of total deposits, supporting funding costs. Net interest margin on a tax-equivalent basis expanded 16 basis points from the prior year to 4.77%, while the average cost of interest-bearing deposits declined to 1.77%. Management cited continued investments in people, technology, and customer relationships as key drivers of profitable growth and long-term shareholder value creation.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
EPS	$0.52	$0.47	$0.71	$0.76	$1.28	$1.50	$1.32	$1.12	$1.65	$2.87	***$2.60***	***$4.19***
DPS	$0.20	$0.22	$0.27	$0.33	$0.35	$0.39	$0.50	$0.60	$0.62	$0.64	***$0.64***	***$1.13***
Shares[1]	27.9	27.9	27.9	27.2	25.7	25.0	23.3	22.6	22.3	22.5	***22.0***	***21.5***

Looking ahead, Northrim expects continued momentum in 2026, supported by stable net interest margins, disciplined expense management, and contributions from the recently acquired Sallyport platform. Management anticipates steady

[1] In millions of shares

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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 2026. Considering the expected declining interest rate environment, we revised our EPS estimate for 2026 to $2.60, 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 11.6%, leading to NRIM's EPS of $4.19 by 2031. In addition, the bank's DPS had a 10-year and 5-year CAGR of 13.8% and 10.4%, respectively. The bank has consistently increased the dividend payments over the last 16 years.

Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
Avg. P/E	56.4	69.4	46.0	42.1	22.2	6.9	8.8	10.1	9.5	7.7	***9.2***	***9.0***
Avg. Yld.	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	4.1%	***2.7%***	***3.0%***

Northrim BanCorp trades at a forward P/E of 9.2, which compares to its 10-year and five-year average P/E of 27.9 and 8.5, respectively. Considering the bank's resiliency, we have assumed a stable P/E of 9.0 to value the company in 2031, which is just above its medium-term average, suggesting a target price of $38.

Safety, Quality, Competitive Advantage, & Recession Resiliency

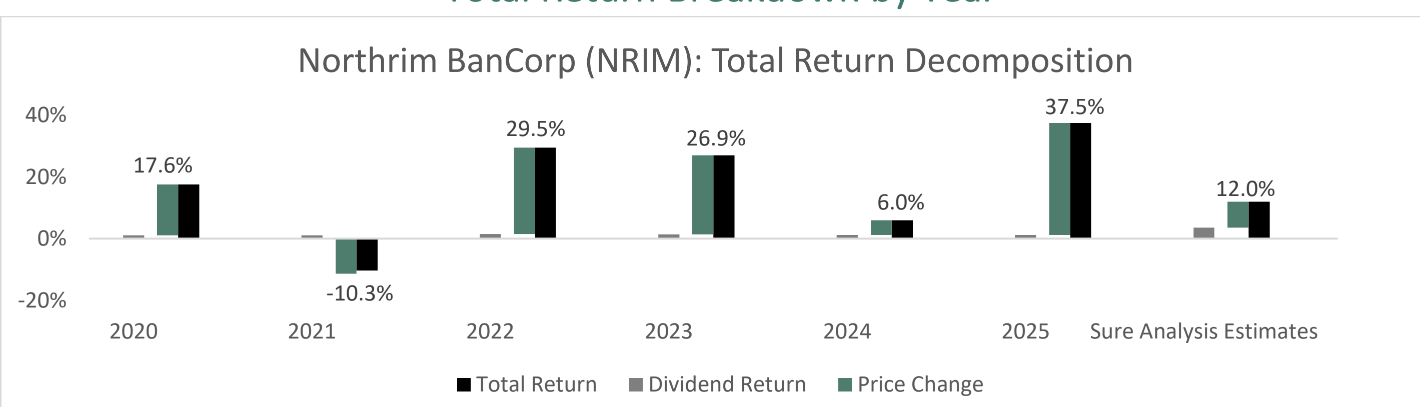
Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	38%	47%	38%	43%	27%	26%	38%	54%	38%	22%	***25%***	***27%***

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. NRIM continued to return capital to shareholders during Q1, maintaining its quarterly dividend at $0.16 per share while supporting long-term shareholder value creation through disciplined capital management.

Final Thoughts & Recommendation

The bank is well-positioned to benefit from a declining interest rate environment. Shares are expected to produce 12.0% annualized total returns for the medium-term, derived from the forecasted earnings-per-share growth of 10.0%, 2.7% 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	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenue	100	94	93	102	134	133	129	130	155	256
SG&A Exp.	55	54	54	61	65	65	63	67	74	-
D&A Exp.	3	4	3	4	4	4	4	4.5	3.6	3.5
Net Profit	14	13	20	21	33	38	31	25	37	65
Net Margin	14.5%	14.0%	21.4%	20.3%	24.5%	28.2%	23.8%	19.2%	23.9%	25.4%
Free Cash Flow	17	12	21	(4)	(40)	109	74	33	(9.35)	148
Income Tax	6	10	4	5	10	10	8	6.2	10	20

Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets	1,527	1,519	1,503	1,644	2,122	2,725	2,674	2,807	3,042	3,290
Cash & Equivalents	51	78	78	95	116	646	259	119	63	36
Acc. Receivable		4	5	5	8	7	10	12	12	-
Goodwill & Int.	20	29	33	34	32	34	38	38	80	51
Total Liabilities	1,340	1,326	1,297	1,437	1,900	2,487	2,456	2,573	2,775	2,964
Long-Term Debt	23	18	18	19	25	25	24	24	33	87
Total Equity	187	193	206	207	222	238	219	235	267	327
LTD/E Ratio	0.12	0.09	0.09	0.09	0.11	0.10	0.11	0.10	0.12	0.27

Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Return on Assets	1.0%	0.9%	1.3%	1.3%	1.7%	1.5%	1.1%	0.9%	1.3%	2.0%
Return on Equity	7.9%	6.9%	10.0%	10.0%	15.3%	16.3%	13.5%	11.2%	14.7%	21.8%
ROIC	7.1%	6.3%	9.2%	9.2%	13.9%	14.7%	12.2%	10.1%	13.2%	17.9%
Shares Out.	6.9	6.9	6.9	6.7	6.4	6.2	5.8	5.7	5.6	22.5
Revenue/Share	14.28	13.43	13.37	14.95	20.83	21.30	22.16	22.90	27.80	11.37
FCF/Share	2.41	1.73	3.03	(0.57)	(6.18)	17.52	12.74	5.76	(1.67)	6.60

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