

NORTHRIM BANCORP INC
Form 10-Q
August 10, 2015

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549
FORM 10-Q

(Mark One)

Quarterly report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
For the quarterly period ended June 30, 2015

Transition report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
For the transition period from _____ to _____

Commission File Number 000-33501

NORTHRIM BANCORP, INC.

(Exact name of registrant as specified in its charter)

Alaska

92-0175752

(State or other jurisdiction of incorporation or
organization)

(I.R.S. Employer Identification No.)

3111 C Street

Anchorage, Alaska 99503

(Address of principal executive offices) (Zip Code)

(907) 562-0062

(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act:

Large Accelerated Filer Accelerated Filer Non-accelerated Filer Smaller Reporting Company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

The number of shares of the issuer's Common Stock, par value \$1 per share, outstanding at August 10, 2015 was 6,854,413.

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PART I. FINANCIAL INFORMATION

These consolidated financial statements should be read in conjunction with the financial statements, accompanying notes and other relevant information included in Northrim BanCorp, Inc.'s Annual Report on Form 10-K for the year ended December 31, 2014.

ITEM 1. FINANCIAL STATEMENTS

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CONSOLIDATED FINANCIAL STATEMENTS

NORTHRIM BANCORP, INC.

Consolidated Balance Sheets

(Unaudited)

(In Thousands, Except Share Data)	June 30, 2015	December 31, 2014
ASSETS		
Cash and due from banks	\$44,017	\$36,036
Interest bearing deposits in other banks	60,054	36,020
Investment securities available for sale	225,868	281,730
Investment securities held to maturity	2,197	2,201
Total portfolio investments	228,065	283,931
Investment in Federal Home Loan Bank stock	1,817	3,404
Loans held for sale	73,593	43,866
Loans	974,849	924,504
Allowance for loan losses	(17,418)	(16,723)
Net loans	957,431	907,781
Purchased receivables, net	14,048	15,254
Accrued interest receivable	3,399	3,373
Other real estate owned, net	2,807	4,607
Premises and equipment, net	37,942	35,643
Goodwill	22,334	22,334
Other intangible assets, net	1,555	1,701
Other assets	53,269	55,399
Total assets	\$1,500,331	\$1,449,349
LIABILITIES		
Deposits:		
Demand	\$455,358	\$403,523
Interest-bearing demand	173,952	185,114
Savings	129,938	122,588
Alaska CDs	97,592	99,736
Money market	232,877	226,574
Certificates of deposit less than \$100,000	57,390	58,249
Certificates of deposit greater than \$100,000	91,610	83,963
Total deposits	1,238,717	1,179,747
Securities sold under repurchase agreements	17,895	19,843
Borrowings	22,309	26,304
Junior subordinated debentures	18,558	18,558
Other liabilities	31,770	40,456
Total liabilities	1,329,249	1,284,908
SHAREHOLDERS' EQUITY		
Preferred stock, \$1 par value, 2,500,000 shares authorized, none issued or outstanding	—	—
Common stock, \$1 par value, 10,000,000 shares authorized, 6,854,413 and 6,854,189 shares issued and outstanding at June 30, 2015 and December 31, 2014, respectively	6,854	6,854
Additional paid-in capital	61,965	61,729

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Retained earnings	101,343	95,493
Accumulated other comprehensive income	643	247
Total Northrim BanCorp shareholders' equity	170,805	164,323
Noncontrolling interest	277	118
Total shareholders' equity	171,082	164,441
Total liabilities and shareholders' equity	\$1,500,331	\$1,449,349
See notes to consolidated financial statements		

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NORTHRIM BANCORP, INC.
 Consolidated Statements of Income
 (Unaudited)

(In Thousands, Except Per Share Data)	Three Months Ended		Six Months Ended	
	June 30, 2015	2014	June 30, 2015	2014
Interest Income				
Interest and fees on loans	\$14,135	\$13,082	\$27,602	\$23,953
Interest on investment securities available for sale	759	750	1,644	1,480
Interest on investment securities held to maturity	25	22	48	45
Interest on deposits in other banks	24	41	35	90
Total Interest Income	14,943	13,895	29,329	25,568
Interest Expense				
Interest expense on deposits, borrowings and junior subordinated debentures	748	484	1,502	924
Net Interest Income	14,195	13,411	27,827	24,644
Provision for loan losses	376	(1,136))702	(1,136)
Net Interest Income After Provision for Loan Losses	13,819	14,547	27,125	25,780
Other Operating Income				