

ALASKA PACIFIC BANCSHARES INC  
Form 425  
February 06, 2014

Filed by Northrim BanCorp, Inc.

Pursuant to Rule 425 under the Securities Act of 1933

Subject Company: Alaska Pacific Bancshares, Inc.

Commission File No.: 000-26003

The following document is filed herewith pursuant to Rule 425 under the Securities Act of 1933:

Investor presentation made by Northrim BanCorp, Inc. on February 5, 2014.

*This communication contains forward-looking statements that are subject to risks and uncertainties. All statements, other than statements of historical fact, regarding the financial position, business strategy and respective management's plans and objectives for future operations of each of Northrim BanCorp, Inc. ( Northrim ) and Alaska Pacific Bancshares, Inc. ( Alaska Pacific ) are forward-looking statements. Readers should not place undue reliance on forward-looking statements, which reflect management's views only as of the date hereof. When used in this communication, the words anticipate, believe, estimate, expect, and intend and words or phrases of similar meaning as they relate to Northrim, Northrim's management, Alaska Pacific, or Alaska Pacific's management are intended to help identify forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Although we believe that management's respective expectations as reflected in forward-looking statements are reasonable, we cannot assure readers that those expectations will prove to be correct. Forward-looking statements are subject to various risks and uncertainties that may cause actual results to differ materially and adversely from expectations as indicated in the forward-looking statements. These risks and uncertainties include: expected cost savings, synergies and other financial benefits from the proposed merger 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; the requisite shareholder and regulatory approvals for the proposed merger might not be obtained; and the ability of Northrim and Alaska Pacific to execute their respective business plans (including the proposed merger). Further, actual results may be affected by the ability to compete 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 the cost of funds and return on assets. In addition, there are risks inherent in the banking industry relating to collectibility 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 other filings of Northrim and Alaska Pacific made with the Securities and Exchange Commission (the SEC ). 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. These forward-looking statements*

*are made only as of the date of this current report, and neither Northrim nor Alaska Pacific undertakes an obligation to release revisions to these forward-looking statements to reflect events or conditions after the date of this current communication.*

This communication does not constitute an offer to sell or the solicitation of an offer to buy any securities or a solicitation of any vote or approval. This communication relates to a transaction which is subject to a registration statement filed with the SEC. In connection with the proposed merger transaction, Northrim has filed with the SEC a registration statement on Form S-4 (File No. 333-192718) that includes a proxy statement of Alaska Pacific, and a prospectus of Northrim, as well as other relevant documents concerning the proposed merger transaction. Alaska Pacific has mailed the proxy statement to its shareholders on or about February 3, 2014. This communication is not a substitute for the registration statement Northrim has filed with the SEC regarding the proposed merger transaction or for any other document Northrim may file with the SEC. **INVESTORS AND SECURITY HOLDERS ARE URGED TO READ THE REGISTRATION STATEMENT AND THE PROXY STATEMENT/PROSPECTUS REGARDING THE MERGER AND ANY OTHER RELEVANT DOCUMENTS FILED WITH THE SEC, AS WELL AS ANY AMENDMENTS OR SUPPLEMENTS TO THOSE DOCUMENTS, CAREFULLY IN THEIR ENTIRETY BECAUSE THEY CONTAIN IMPORTANT INFORMATION ABOUT THE PROPOSED MERGER TRANSACTION.** Such documents are available free of charge through the website maintained by the SEC at [www.sec.gov](http://www.sec.gov) or by calling the SEC at telephone number 800-SEC-0330. The proxy statement/prospectus and other material documents related to the proposed merger transaction may also be obtained for free on Northrim's website at [www.northrim.com](http://www.northrim.com).

Northrim and Alaska Pacific and certain of their directors and executive officers may be deemed to be participants in the solicitation of proxies from the shareholders of Alaska Pacific in connection with the proposed merger. Information about the directors and executive officers of Northrim is set forth in the proxy statement for Northrim's 2013 annual meeting of shareholders, as filed with the SEC on a Schedule 14A on March 15, 2013. Information about the directors and executive officers of Alaska Pacific is set forth in the proxy statement for Alaska Pacific's 2013 annual meeting of shareholders, as filed with the SEC on a Schedule 14A on April 9, 2013. Additional information regarding the interests of those participants and other persons who may be deemed participants in the transaction may be obtained by reading the above referenced proxy statement/prospectus and other relevant materials filed with the SEC. Free copies of these documents may be obtained as described in the preceding paragraph.

NORTHRIM BANCORP, INC.  
NASDAQ: NRIM  
JANUARY 2014

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future  
operations  
of  
each  
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( Northrim )  
and  
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Pacific  
Bancshares,  
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results may be affected by the ability to compete 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 the cost of funds and return on assets.

In addition, there are risks inherent in the banking industry relating to collectibility 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 the Risk Factors

section of our Annual Report on Form 10-K for the fiscal year ended

December 31, 2012, and from time to time are disclosed in our other 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. These forward-looking statements are made only as of the date of this presentation, and Northrim undertakes no obligation to release revisions to these forward-looking statements to reflect events or conditions after the date of this presentation.

**FORWARD LOOKING STATEMENTS**

Price @ January 21, 2014

\$25.62

Market Cap @ January 21, 2014

\$168M

Net Interest Margin Q4 2013

4.24%

Tangible Book Value Q4 2013

\$20.83

Price/Tangible Book

1.23x

EPS (ttm)

\$1.87

P/E Ratio

13.7x

Dividend Yield

2.65%

NORTHRIM: SOLID VALUE

Q4 net  
income \$2.6  
million

2013 income  
\$12.3 million

\$-

\$500

\$1,000

\$1,500

\$2,000

\$2,500

\$3,000

\$3,500

\$4,000

\$4,500

Net Income

NORTHRIM: STRONG PERFORMANCE

Opened for  
business;  
original  
offering  
\$8.2 million  
Invested in  
startup of

Residential  
Mortgage  
Invested in  
Elliott Cove  
Capital  
Management  
Invested  
in  
Northrim  
Benefits  
Group  
Acquired  
Alaska First  
Bank &  
Trust  
Invested  
in Elliott  
Cove  
Insurance  
Company  
First  
Alaska  
bank to  
launch a  
website  
Acquired  
eight Bank  
of America  
branches  
Established  
Northrim  
Funding  
Services  
Invested in  
Pacific  
Wealth  
Advisors  
Total  
assets  
crossed the  
\$1 billion  
mark  
Affiliate  
Northrim  
Benefits  
Group  
established  
Enroll  
Alaska;  
Announced

merger with  
Alaska  
Pacific Bank

1990

1995

1998

1999

2002

2004

2005

2006

2007

2008

2011

2013

**NORTHRIM HISTORY**

Northrim's original strategies, and our execution, continue to serve us well today

Strong balance sheet

Solid net interest margin

Focus on asset quality

Diversified income sources

Strategic Investments

Leadership to build Alaska's  
economy

**STRATEGIES FOR SUCCESS**

15.24%  
15.33%  
16.46%  
16.60%  
16.61%  
0.00%  
2.00%

4.00%

6.00%

8.00%

10.00%

12.00%

14.00%

16.00%

18.00%

20.00%

Q4 2009

Q4 2010

Q4 2011

Q4 2012

Q4 2013

NRIM

Well Capitalized

STRONG BALANCE SHEET:

TOTAL CAPITAL RATIO

12/31/1990

\$7.5 million

Capital Raises:

1990: \$ 9.3 million

1992: \$ 1.6 million

1993: \$ 6.0 million

1999: \$20.3 million

-  
20,000,000  
40,000,000  
60,000,000  
80,000,000  
100,000,000  
120,000,000  
140,000,000  
160,000,000

1990  
1995  
2000  
2005  
2010

Total Shareholders' Equity

12/31/2013

\$144.3 million

NORTHRIM BANCORP, INC.: A HISTORY OF  
INCREASING SHAREHOLDER VALUE

CAGR 13.72%

As of 12/31/13  
YTD Average Cost of  
Deposits: 0.20%  
Demand, 36%  
Interest-  
bearing  
demand, 14%

Savings, 10%  
Alaska CD,  
11%  
Money Market,  
20%  
CDs over  
\$100,000, 5%  
CDs under  
\$100,000, 4%  
CORE DEPOSITS

As of 12/31/13  
YTD Average  
Yield on Loans:  
5.81%  
Owner  
Occupied CRE  
12%

Non-owner  
Occupied CRE  
37%  
Commercial  
39%  
Construction  
8%  
Consumer  
4%  
LOAN PORTFOLIO

\$629,664  
\$671,644  
\$721,609  
\$718,157  
\$754,355  
\$770,016  
\$0

\$100,000  
\$200,000  
\$300,000  
\$400,000  
\$500,000  
\$600,000  
\$700,000  
\$800,000  
\$900,000

Q3 -

11

Q3 -

12

Q1-13

Q2

Q3

Q4

Portfolio Loans

LOAN VOLUME

1.25%  
1.16%  
0.94%  
0.78%  
0.77%  
0.70%  
0.56%

0.35%

\$0

\$2,000

\$4,000

\$6,000

\$8,000

\$10,000

\$12,000

\$14,000

\$16,000

Q1-12

Q2

Q3

Q4

Q1-13

Q2

Q3

Q4

NPA

NPA/Assets

FOCUS ON ASSET QUALITY:

NONPERFORMING ASSETS

Net Interest

Income

80%

Other Income

20%

Quarter ended 12/31/13

HIGH NON INTEREST INCOME

Purchased Receivable  
Income  
Benefit Plan Income  
Deposit Service Charges  
Electronic Banking Income  
Residential Mortgage  
Gain on Sale of Securities

Other Income

22%

18%

16%

17%

9%

3%

15%

DIVERSIFIED OTHER OPERATING INCOME

YTD 9/30/13

AFFILIATES AND DIVERSIFICATION

Petroleum

31%

Federal

35%

All Other

34%

Source: Alaska Institute of Social

and Economic Research, 2010

ALASKA'S RESOURCE-BASED ECONOMY

LEADERSHIP TO BUILD ALASKA'S  
ECONOMY

Overview

Headquarters: Juneau, Alaska

Branches: 5

Date Established: 1935

Balance Sheet (September 30, 2013)

Assets

\$183,054,000

Total Deposits

\$161,281,000  
 Loans held for sale  
 Portfolio loans  
 \$150,292,000  
 Allowance for loan losses  
 \$ 1,942,000  
 \$ 16,049,000  
 Net Loans  
 \$148,350,000  
 \$ 20,811,000  
 YTD Sept 30, 2013  
 LTM Sept 30, 2013  
 ROAA 0.21%  
 0.34%  
 ROAE 1.80%  
 2.90%  
 Net interest margin 4.56%  
 4.60%  
 Efficiency ratio 86.85%  
 85.97%

(1)

TARP will be repaid prior to closing the transaction.

OVERVIEW OF ALASKA PACIFIC BANCSHARES, INC.

(OTCQB: AKPB)

Common Equity

Total Equity

\$ 105,000

\$

4,762,000

(1)

Preferred

Equity/TARP

NORTHRIM S  
ALASKA  
FOOTPRINT,  
POST  
ACQUISITION

Photo courtesy of Joe Beedle: Juneau, Alaska Marine Highway  
SOUTHEAST ALASKA

Southeast Alaska-  
Based Banking  
Company  
Founded in 1935  
Photo courtesy of Joe Beedle:  
John O Connell Bridge and Mount  
Edgecumbe, Sitka Alaska

Population in Southeast Alaska reached a new record of 74,423 in 2012 and between 2010 and 2012 was the fastest-growing region of the state with a population gain of 2,800.

The regional labor force increased by 1,800 and total labor force reached 46,000.

The 2013 salmon season has turned out to be the best ever for Southeast Alaska in terms of harvests.

Tourism has increased after recession-caused dips in 2010-2011.

And while there were some job losses in government and retail in Juneau, total wages remained up.

Mining is doing well, with the Kensington gold mine on Berners Bay producing at expected levels and output up sharply at the Greens Creek multi-metals mine on northern Admiralty Island, both near Juneau.

#### SOUTHEAST ALASKA

Creates a significant community banking presence for Northrim in Southeast Alaska

Financially  
Attractive

Opportunity for significant operational efficiencies and cost synergies

Accretive to earnings within one year with cost save assumptions  
(1)

Attractive tangible book value payback period

Strong IRR (>12%)

(1)

Excludes impact of transaction costs as they are factored into tangible book value dilution

Photo courtesy of Joe Beedle

Opportunities for  
Additional Growth

Penetration into a  
diverse market

New product  
offerings and  
higher lending  
limits to existing  
Alaska Pacific  
customers

Affiliates  
opportunities  
SOUTHEAST ALASKA



QUESTIONS?