

ALASKA PACIFIC BANCSHARES INC
Form 425
March 12, 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 March 11, 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 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.

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 proxy statement/prospectus regarding the proposed merger when it becomes available. Free copies of this document may be obtained as described in the preceding paragraph.

This presentation 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

presentation, the words anticipate,
believe,
estimate,
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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 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.

Price @ February 28, 2014

\$24.57

Market Cap @ February 28, 2014

\$161M

Net Interest Margin Q4 2013

4.24%

Tangible Book Value Q4 2013

\$20.83

Price/Tangible Book

1.18x

EPS (ttm)

\$1.87

P/E Ratio

13.1x

Dividend Yield

2.77%

Q4 net
income \$2.6
million

2013 income
\$12.3 million

Net Income

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'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

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

12/31/2013

\$144.3 million

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

-

CAGR 13.72%

\$(50)
\$(25)
\$-
\$25
\$50
\$75
\$100

\$125
\$150
\$175
Total Capital Raised
Cumulative
Earnings
Cumulative
Dividends Paid
Repurchases,
Equity
Compensation,
Costs of Capital
Raises, and Other
Total Equity
\$37
\$155
(\$40)
(\$8)
\$144

Demand, 36%
Interest-
bearing
demand,
Savings, 10%
Money Market,
20%

CDs over
\$100,000, 5%
CDs under
\$100,000,
4%
14%
Alaska CD,
11%

YTD Average
Yield on Loans:
5.81%
Owner
12%
owner
Occupied CRE

37%

Commercial

39%

8%

Consumer

4%

Non

-

Occupied CRE

Construction

\$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

\$629,664

\$671,644

\$721,609

\$718,157

\$754,355

\$770,016

Portfolio Loans

\$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
1.25%
1.16%
0.94%
0.78%
0.77%
0.70%
0.56%
0.35%
NPA
NPA/Assets

Other Income
20%
Quarter ended 12/31/13
Net Interest
Income
80%

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%

Petroleum

31%

Federal

35%

All Other

34%

Source: Alaska Institute of Social

and Economic Research, 2010

Overview

Headquarters:

Juneau, Alaska

Branches:

Date Established:

Balance Sheet (September 30, 2013)

Assets

\$183,054,000

\$161,281,000

\$ 105,000

Portfolio loans

Preferred Equity/TARP

\$ 4,762,000

(1)

Allowance for loan losses

\$ 1,942,000

Common Equity

\$ 16,049,000

Net Loans

\$148,350,000

Total Equity

\$ 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%

Efficiency ratio 86.85%

(1)

TARP will be repaid prior to closing the transaction.

Total Deposits

Loans held for sale

\$150,292,000

4.60%

85.97%

1935

5

Photo courtesy of Joe Beedle: Juneau, Alaska Marine Highway

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

Creates a significant community banking presence for Northrim in Southeast 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.

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

