

NORTHRIM BANCORP INC  
Form 424B3  
January 31, 2014  
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**Filed Pursuant to Rule 424(b)(3)**  
**Registration No. 333-192718**

**MERGER PROPOSED YOUR VOTE IS VERY IMPORTANT**

Dear Shareholder:

On October 21, 2013, Alaska Pacific Bancshares, Inc. ( Alaska Pacific ) and Northrim BanCorp, Inc. ( Northrim ) agreed to a strategic business combination in which through a series of transactions, Alaska Pacific will be merged into Northrim. Under the terms of the Agreement and Plan of Merger entered into between Northrim, Northrim Merger Sub, Inc., Northrim Bank, Alaska Pacific and Alaska Pacific Bank, dated as of October 21, 2013 (the merger agreement ), Alaska Pacific will initially merge with a wholly owned subsidiary of Northrim, Northrim Merger Sub, Inc., with Alaska Pacific as the surviving corporation (the merger ).

We are sending you this proxy statement/prospectus to notify you of and invite you to attend the special meeting of Alaska Pacific shareholders being held to consider the merger agreement, as it may be amended from time to time, and related matters and to ask you to vote at the special meeting in favor of the approval of the merger agreement.

The special meeting of Alaska Pacific shareholders will be held on March 11, 2014 at 10:00 a.m. local time.

At the special meeting, you will also be asked to approve the advisory (non-binding) proposal on specified compensation payable to Alaska Pacific s executive officers in connection with the merger as well as the adjournment of the special meeting, if necessary or appropriate, to solicit additional proxies in favor of the approval of the merger agreement.

If the merger agreement is approved by Alaska Pacific shareholders, subject to the terms and subject to the conditions described in the merger agreement, upon the effectiveness of the merger, Alaska Pacific shareholders will receive merger consideration for their shares of Alaska Pacific common stock based on the trading volume weighted average closing price of Northrim s common stock for the 15 trading days ending on the fifth trading day before the completion of the merger. The maximum merger consideration payable by Northrim in the merger is \$13,869,274, while the minimum amount of merger consideration to be paid by Northrim is \$12,513,666. An Alaska Pacific shareholder who prefers to receive the merger consideration in either cash or shares must submit a properly completed election form prior to the deadline as described in this proxy statement/prospectus. The number of shares of Northrim s common stock that you receive as a result of your stock election, or the amount of cash you receive as a result of your cash election, may be less than the number of shares or cash you requested, as the allocation of the merger consideration between stock and cash are subject to proration to ensure that the maximum amount of cash Northrim will pay in the merger does not exceed \$6,418,000.

The market value of the merger consideration will fluctuate with the market price of Northrim s common stock. The following table shows the closing sale prices of Northrim s common stock as reported on the NASDAQ Global Select Market and shares of Alaska Pacific s common stock as reported on the Over-the-Counter Bulletin Board, on October 21, 2013, the last trading day before public announcement of the merger, and on January 27, 2014, the last

practicable trading day before the distribution of this proxy statement/prospectus. **We urge you to obtain current market quotations for Northrim and Alaska Pacific common stock.**

	<b>NORTHRIM Common Stock (NASDAQ: NRI)</b>	<b>ALASKA PACIFIC Common Stock (OTCBB: AKPB)</b>
At October 21, 2013	\$ 23.64	\$ 11.65
At January 27, 2014	\$ 24.25	\$ 17.70

If \$24.25 were the Northrim volume weighted average closing price, an Alaska Pacific shareholder would have the option to elect to receive \$17.49 in cash or 0.7213 shares of Northrim common stock per share of Alaska Pacific common stock, subject to the proration provisions discussed above. **Shareholders who neither elect to receive stock nor to receive cash will not have a choice as to the type of consideration they will**

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receive in the merger and consequently will be issued either cash or shares of Northrim common stock depending on the amount of cash or stock issued to other Alaska Pacific shareholders in the merger. In order for your election to receive cash or stock consideration to be valid, you must submit a properly completed election form by the election deadline. The election form and instruction for its completion will be mailed no later than 35 days prior to the closing of the merger. None of Northrim (or any of its subsidiaries), Alaska Pacific (or any of its subsidiaries) or the Alaska Pacific board of directors is making any recommendation as to whether any Alaska Pacific shareholder should make an election to receive cash or Northrim common stock or, no election. Your vote in favor of the approval of the merger agreement does not constitute an election to receive stock or cash in the merger, and an election to receive stock or cash in the merger does not constitute a vote in favor of the approval of the merger agreement.

**Your vote is important.** We cannot complete the merger unless Alaska Pacific's shareholders approve the merger agreement. In order for the merger to be approved, the holders of at least two-thirds of the shares of Alaska Pacific common stock outstanding and entitled to vote must vote in favor of approval of the merger agreement. Regardless of whether you plan to attend the special meeting, please take the time to vote your shares in accordance with the instructions contained in this proxy statement/prospectus. Failing to vote will have the same effect as voting against the merger.

**Alaska Pacific's board of directors recommends that Alaska Pacific shareholders vote FOR approval of the merger agreement, FOR approval of the advisory (non-binding) proposal on specified compensation payable to Alaska Pacific's executive officers in connection with the merger, and FOR the approval of the adjournment of the special meeting, if necessary or appropriate, to solicit additional proxies in favor of the approval of the merger agreement.**

This proxy statement/prospectus describes the special meeting, the merger, the documents related to the merger and other related matters. **Please carefully read this entire document, including Risk Factors beginning on page 21 for a discussion of the risks relating to the proposed merger.** You also can obtain information about our companies from documents that each of us has filed with the Securities and Exchange Commission.

If you have any questions concerning the merger, please contact Alaska Pacific's proxy solicitor, Georgeson Inc. at (877) 507-1756.

Craig E. Dahl  
President and Chief Executive Officer  
Alaska Pacific Bancshares, Inc.

**Neither the Securities and Exchange Commission nor any state securities commission or bank regulatory agency has approved or disapproved the securities to be issued in the merger or determined if this proxy statement/prospectus is accurate or adequate. Any representation to the contrary is a criminal offense.**

**The securities to be issued in the merger are not savings or deposit accounts or other obligations of any bank or non-bank subsidiary of either Northrim or Alaska Pacific, and they are not insured by the Federal Deposit Insurance Corporation or any other governmental agency.**

The date of this proxy statement/prospectus is January 31, 2014, and it is first being mailed or otherwise delivered to Alaska Pacific shareholders on or about February 3, 2014.

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**ALASKA PACIFIC BANCSHARES, INC.**

**NOTICE OF SPECIAL MEETING OF SHAREHOLDERS**

To the Shareholders of Alaska Pacific Bancshares, Inc.:

Alaska Pacific Bancshares, Inc. ( Alaska Pacific ) will hold a special meeting of shareholders (the special meeting ) at 10:00 a.m. local time, on March 11, 2014, in the Treadwell Room, Baranof Hotel, 127 N. Franklin Street, Juneau, Alaska to consider and vote upon the following matters:

a proposal to approve the Agreement and Plan of Merger, dated as of October 21, 2013 (the merger agreement ), by and between Northrim BanCorp, Inc. ( Northrim ), Northrim Merger Sub, Inc. (the Merger Sub ), Northrim Bank, Alaska Pacific and Alaska Pacific Bank pursuant to which Alaska Pacific will merge with the Merger Sub (the merger ), as more fully described in the attached proxy statement/prospectus;

a proposal to approve, on an advisory (non-binding) basis, specified compensation that may become payable to the executive officers of Alaska Pacific in connection with the merger; and

a proposal to approve the adjournment of the special meeting, if necessary or appropriate, to solicit additional proxies in favor of the approval of the merger agreement.

We have fixed the close of business on January 27, 2014, as the record date for the special meeting. Only Alaska Pacific shareholders of record at that time are entitled to notice of, and to vote at, the special meeting, or any adjournment or postponement of the special meeting. In order for the merger to be approved, the holders of at least two-thirds of the shares of Alaska Pacific common stock outstanding and entitled to vote must vote in favor of approval of the merger agreement.

**Your vote is very important.** We cannot complete the merger unless Alaska Pacific's common shareholders approve the merger agreement. Failure to vote will have the same effect as voting against the merger.

**Regardless of whether you plan to attend the special meeting, please vote as soon as possible. If you hold stock in your name as a shareholder of record, please complete, sign, date and return the accompanying proxy card in the enclosed postage-paid return envelope, or call the toll-free telephone number or use the Internet as described in the instructions included with your proxy card or voting instruction card. If you hold your stock in street name through a bank or broker, please follow the instructions on the voting instruction card furnished by the record holder.**

The enclosed proxy statement/prospectus provides a detailed description of the merger, the merger agreement and related matters. We urge you to read the proxy statement/prospectus, including any documents incorporated in the proxy statement/prospectus by reference, and its annexes carefully and in their entirety. If you have any questions concerning the merger or the proxy statement/prospectus, would like additional copies of the proxy statement/prospectus or need help voting your shares of Alaska Pacific common stock, please contact Alaska Pacific's proxy solicitor, Georgeson Inc.

**Under Alaska law, holders of Alaska Pacific common stock who submit a written demand and who perfect their dissenters' rights by complying with the other applicable statutory procedures under Alaska law will be entitled to receive a cash payment for the fair value of their shares in lieu of the merger consideration provided for under the merger agreement. A summary of the applicable requirements of Alaska law is contained in the enclosed joint proxy statement/prospectus under The Merger Dissenters' Rights, and the text of the applicable provisions of Alaska law is attached to that document as Annex C.**

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**Alaska Pacific's board of directors has determined that the merger agreement is in the best interests of Alaska Pacific and its shareholders and unanimously recommends that Alaska Pacific shareholders vote FOR approval of the merger agreement, FOR approval of the advisory (non-binding) proposal on specified compensation payable to Alaska Pacific's executive officers in connection with the merger, and FOR the approval of the adjournment of the special meeting, if necessary or appropriate, to solicit additional proxies in favor of such approval.**

BY ORDER OF THE BOARD OF

DIRECTORS,

Julie M. Pierce

*Secretary*

Juneau, Alaska

January 31, 2014

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**ADDITIONAL INFORMATION**

This proxy statement/prospectus incorporates important business and financial information about Northrim and Alaska Pacific from documents filed with or furnished to the Securities and Exchange Commission ( SEC ) that are not included in or delivered with this proxy statement/prospectus. You can obtain any of the documents filed with or furnished to the SEC by Northrim or Alaska Pacific, as the case may be, at no cost from the SEC 's website at <http://www.sec.gov>. You may also request copies of these documents, including documents incorporated by reference in this proxy statement/prospectus, at no cost by contacting either Northrim or Alaska Pacific, as the case may be, in writing at the following addresses or by telephone as indicated below:

**Northrim BanCorp, Inc.**

3111 C Street

Anchorage, Alaska 99503

Attention: Corporate Secretary

Telephone: (907) 562-0062

**Alaska Pacific Bancshares, Inc.**

2094 Jordan Avenue

Juneau, Alaska 99801

Attention: Corporate Secretary

Telephone: (907) 789-4844

**We will provide promptly without charge to you, upon request, a copy of any document incorporated by reference into this proxy statement/ prospectus, other than exhibits to these documents unless exhibits are specifically incorporated by reference into these documents. In order to ensure timely delivery of the documents in advance of the special meeting, any request should be made at least five (5) business days before the special meeting, or March 4, 2014. See the section titled Where You Can Find More Information for additional details about where you can find more information about Northrim, Alaska Pacific and the merger.**

You should rely only on the information contained in, or incorporated by reference into, this document. No one has been authorized to provide you with information that is different from that contained in, or incorporated by reference into, this document. This document is dated January 31, 2014, and you should assume that the information in this document is accurate only as of such date. You should assume that the information incorporated by reference into this document is accurate as of the date of such document. Neither the mailing of this document to Alaska Pacific shareholders nor the issuance by Northrim of shares of Northrim common stock in connection with the merger will create any implication to the contrary.

Information on the websites of Northrim or Alaska Pacific, or any subsidiary of Northrim or Alaska Pacific, is not part of this document or incorporated by reference herein. You should not rely on that information in deciding how to vote.

This document does not constitute an offer to sell, or a solicitation of an offer to buy, any securities, or the solicitation of a proxy, in any jurisdiction to or from any person to whom it is unlawful to make any such offer or solicitation in such jurisdiction. Except where the context otherwise indicates, information contained in this document regarding Northrim has been provided by Northrim and information contained in this document regarding Alaska Pacific has been provided by Alaska Pacific.

In addition, if you have questions about the merger or the Alaska Pacific special meeting, need additional copies of this proxy statement/prospectus or need to obtain proxy cards or other information related to the proxy solicitation, you may contact Georgeson Inc., Alaska Pacific 's proxy solicitor, at the following address and telephone numbers:

Edgar Filing: NORTHRIM BANCORP INC - Form 424B3

480 Washington Boulevard, 26<sup>th</sup> Floor

Jersey City, NJ 07310

Shareholders Call Toll Free (877) 507-1756

Banks and Brokers Call Toll Free (800) 223-2064

See Where You Can Find More Information beginning on page 92 for more details.



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*In this proxy statement/prospectus please note the following:*

*references to Northrim refer to Northrim BanCorp, Inc., an Alaska corporation, and, unless the context otherwise requires, to all of its subsidiaries and affiliates.*

*references to Merger Sub refer to Northrim Merger Sub, Inc., an Alaska corporation and wholly-owned subsidiary of Northrim.*

*references to Northrim Bank refer to Northrim Bank, an Alaska state chartered bank and a wholly-owned subsidiary of Northrim.*

*references to Alaska Pacific refer to Alaska Pacific Bancshares, Inc., an Alaska corporation, and, unless the context otherwise requires, to all of its subsidiaries and affiliates.*

*references to Alaska Pacific Bank refer to Alaska Pacific Bank, a federally-chartered savings bank and wholly-owned subsidiary of Alaska Pacific.*

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**QUESTIONS AND ANSWERS ABOUT THE MERGER  
AND THE ALASKA PACIFIC SPECIAL MEETING**

*The following provides answers to certain anticipated questions that you may have regarding the merger and the Alaska Pacific special meeting. We urge you to read carefully the remainder of this proxy statement/prospectus because the information in this section does not provide all the information that might be important to you with respect to the merger and the Alaska Pacific special meeting. Additional important information is also contained in the documents incorporated by reference into this proxy statement/prospectus. See *Where You Can Find More Information* beginning on page 92.*

**Q. What am I being asked to vote on at the Alaska Pacific special meeting?**

A: Northrim and Alaska Pacific have entered into an Agreement and Plan of Merger, dated as of October 21, 2013 (the merger agreement), pursuant to which Northrim has agreed to acquire Alaska Pacific through the Merger Sub, a wholly-owned subsidiary of Northrim formed solely for the purposes of giving effect to the merger. Under the terms of the merger agreement, Alaska Pacific will merge with the Merger Sub (the merger), with Alaska Pacific continuing as the surviving entity and wholly-owned subsidiary of Northrim. Immediately following the merger, Northrim will merge Alaska Pacific into Northrim (the subsidiary merger). Immediately following the subsidiary merger, Alaska Pacific Bank will be merged into Northrim Bank, with Northrim Bank as the surviving bank (the bank merger). Alaska Pacific shareholders are being asked to approve the merger agreement and the transactions it contemplates, including the merger.

Alaska Pacific shareholders are also being asked to approve, on an advisory (non-binding) basis, such specified compensation that may become payable to the executive officers of Alaska Pacific in connection with the merger, which is referred to as the compensation proposal.

Finally, Alaska Pacific shareholders are being asked to approve the adjournment of the special meeting, if necessary or appropriate, to solicit additional proxies in favor of the approval of the merger agreement, which is referred to as the adjournment proposal.

**Q: Who is entitled to vote?**

A. Holders of record of Alaska Pacific common stock at the close of business on January 27, 2014, which is the date that the Alaska Pacific board of directors has fixed as the record date for the Alaska Pacific special meeting, are entitled to vote at the Alaska Pacific special meeting.

**Q. How does Alaska Pacific's board of directors recommend that I vote at the special meeting?**

A: Alaska Pacific's board of directors recommends that you vote **FOR** the proposal to approve the merger agreement, **FOR** the compensation proposal, and **FOR** the adjournment proposal. As described in this proxy

statement/prospectus, the directors and executive officers of Alaska Pacific have agreed to vote their shares in favor of the merger agreement and such persons own 10.4% of the outstanding shares of Alaska Pacific common stock.

**Q. When and where is the Alaska Pacific special meeting?**

A: The Alaska Pacific special meeting will be held in the Treadwell Room, Baranof Hotel, 127 N. Franklin Street, Juneau, Alaska on March 11, 2014, at 10:00 a.m. Alaska time.

**Q. What do I need to do now?**

A: After you have carefully read this proxy statement/prospectus and have decided how you wish to vote your shares, please vote your shares promptly so that your shares are represented and voted at the special meeting. If you hold stock in your name as a shareholder of record, you must complete, sign, date and mail your proxy card in the enclosed postage-paid return envelope as soon as possible, or call the toll-free

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telephone number or use the Internet as described in the instructions included with your proxy card or voting instruction card. If you hold your stock in street name through a bank or broker, you must direct your bank or broker to vote in accordance with the instructions you have received from your bank or broker. Street name shareholders who wish to vote at the special meeting will need to obtain a proxy form from the institution that holds their shares.

### **Q. What constitutes a quorum for the special meeting?**

A: The presence at the special meeting, in person or by proxy, of holders of a majority of the outstanding shares of Alaska Pacific common stock entitled to vote at the special meeting will constitute a quorum for the transaction of business. Abstentions and broker non-votes will be included in determining the number of shares present at the special meeting for the purpose of determining the presence of a quorum. A broker non-vote occurs when a broker is not permitted to vote on a matter without instructions from the beneficial owner of the shares and no instruction is given.

### **Q. What is the vote required to approve each proposal at the Alaska Pacific special meeting?**

A: Approval of the merger agreement requires the affirmative vote of the holders of two-thirds of the outstanding shares of Alaska Pacific common stock as of the close of business on January 27, 2014, the record date for the special meeting.

Approval of the compensation proposal requires the affirmative vote of a majority of the shares of Alaska Pacific common stock represented in person or by proxy at the Alaska Pacific special meeting and entitled to vote on the compensation proposal.

Approval of the adjournment proposal requires the affirmative vote of the holders of a majority of shares of Alaska Pacific common stock represented in person or by proxy at the Alaska Pacific special meeting and entitled to vote on such proposal at the special meeting.

### **Q. Why is my vote important?**

A: If you do not vote, it will be more difficult for us to obtain the necessary quorum to hold our special meeting. In addition, your failure to vote or failure to instruct your bank or broker how to vote will have the same effect as a vote against approval of the merger agreement. The merger agreement must be approved by the holders of two-thirds of the outstanding shares of Alaska Pacific common stock entitled to vote at the special meeting. Alaska Pacific's board of directors unanimously recommends that you vote to approve the compensation proposal.

### **Q. If my shares of common stock are held in street name by my bank or broker, will my bank or broker automatically vote my shares for me?**

A: No. Your bank or broker cannot vote your shares without instructions from you. If your shares are held in street name through a bank, broker or other nominee, you must provide your bank, broker or other nominee with instructions on how to vote your shares. Please follow the voting instruction form provided by your bank, broker or other nominee. The effects of failing to instruct your bank, broker or other nominee how to vote your shares of Alaska Pacific common stock on each of the proposals to be considered at the special meeting are described below.

**Q. What if I abstain from voting or fail to instruct my bank or broker?**

A: If you fail to vote or mark **ABSTAIN** on your proxy, or fail to instruct your bank or broker with respect to the proposal to approve the merger agreement, it will have the same effect as a vote **AGAINST** the proposal.



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If you mark **ABSTAIN** on your proxy with respect to either the compensation proposal or the adjournment proposal, fail to vote or fail to instruct your bank or broker with respect to either the compensation proposal or the adjournment proposal, it will have no effect on either proposal.

**Q. Can I attend the special meeting and vote my shares in person?**

A: Yes. All shareholders, including shareholders of record and shareholders who hold their shares through banks, brokers, nominees or any other holder of record, are invited to attend the special meeting. Holders of record of Alaska Pacific common stock can vote in person at the special meeting. If you are not a shareholder of record, you must obtain a proxy, executed in your favor, from the record holder of your shares, such as a broker, bank or other nominee, to be able to vote in person at the special meeting. If you plan to attend the special meeting, you must hold your shares in your own name or have a letter from the record holder of your shares confirming your ownership.

**Q. Can I change my vote?**

A: Yes. You may revoke any proxy at any time before it is voted by (1) signing and returning a proxy card with a later date, (2) delivering a written revocation letter to Alaska Pacific's corporate secretary, (3) voting again by telephone or the Internet or (4) attending the special meeting in person, notifying the corporate secretary and voting by ballot at the special meeting. Attendance at the special meeting will not automatically revoke your proxy. A revocation or later-dated proxy received by Alaska Pacific after the vote will not affect the vote. The Alaska Pacific corporate secretary's mailing address is Corporate Secretary, Alaska Pacific Bancshares, Inc., 2094 Jordan Avenue, Juneau, Alaska 99801. If you hold your stock in street name through a bank or broker, you should contact your bank or broker to revoke your proxy.

**Q. What will happen if the Alaska Pacific shareholders do not approve the advisory (non-binding) proposal on compensation?**

A: The vote to approve the compensation proposal is a vote separate and apart from the vote to approve the merger agreement and other related proposal. You may vote for this proposal and against the merger agreement and other related proposal, or vice versa. Because the vote on this proposal is advisory only, it will not be binding on Northrim or Alaska Pacific and will have no impact on whether the merger is consummated or on whether any contractually obligated payments are made to Alaska Pacific's named executive officers. We are seeking your approval of these payments, on an advisory (non-binding) basis, in order to comply with the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 and related SEC requirements.

**Q. If I am an Alaska Pacific shareholder, should I send in my Alaska Pacific stock certificates now?**

A: No. Please do not send in your Alaska Pacific stock certificates with your proxy. You will receive instructions from Northrim's exchange agent as to how to exchange your common stock certificate for merger consideration. See The Merger Agreement Conversion of Shares; Exchange Procedures beginning on page 58.

**Q. Who may I contact if I cannot locate my Alaska Pacific stock certificate(s)?**

A: If you are unable to locate your original Alaska Pacific stock certificate(s), you should contact Computershare Investor Services Inc. at 1-800-962-4284.

**Q. What risks should I consider in deciding how to vote?**

A: You should carefully read this entire proxy statement/prospectus, including the annexes, and pay specific attention to the section entitled Risk Factors, which sets forth certain risks and uncertainties related to the merger and the business of Northrim.

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**About the Merger**

**Q. What will Alaska Pacific Shareholders receive in the merger?**

A: Upon consummation of the merger, Alaska Pacific shareholders will receive consideration for their shares of Alaska Pacific common stock in either cash or Northrim common stock, based on the trading volume weighted average closing price of Northrim's common stock for the 15 trading days ending on the fifth trading day before the completion of the merger (the Northrim Average Share Price). The maximum consideration payable by Northrim in the merger is \$13,869,274, while the minimum amount of consideration to be paid by Northrim is \$12,513,666. The terms of the merger agreement allow Alaska Pacific's shareholders to elect to receive the merger consideration in the form of either cash or shares of Northrim's common stock, subject to proration provisions in the merger agreement, which will ensure that the maximum amount of cash paid by Northrim in the merger does not exceed \$6,418,000 and the number of shares of Northrim's common stock issued in the merger does not exceed 322,522 shares. However, in the event that the Northrim Average Share Price is less than \$18.90 per share, the merger agreement provides that Northrim may, in its sole discretion, adjust the ratio of cash and shares of Northrim's common stock to be issued in the merger such that the aggregate merger consideration is not less than \$12,513,666 or terminate the merger.

**Q. What will each Alaska Pacific Shareholder receive in the merger?**

A: Each Alaska Pacific shareholder may elect to receive either cash or shares of Northrim common stock in exchange for their shares of Alaska Pacific common stock. However, if too many shareholders elect one form of consideration over the other, in order to ensure that the cash merger consideration or the share merger consideration do not exceed their respective maximum amounts outlined in the merger agreement, such elections may be subject to the proration procedures described in this proxy statement/prospectus. As a result, Alaska Pacific's shareholders who elect to receive cash as merger consideration may receive shares of Northrim's common stock and shareholders who elect to receive shares of Northrim common stock may receive cash based on the elections of other Alaska Pacific shareholders. See The Merger Agreement Conversion of Shares; Exchange Procedures Proration Procedures beginning on page 58.

**Q. What amount of cash or number of shares of Northrim common stock will each shareholder of Alaska Pacific receive for his or her shares of Alaska Pacific's common stock?**

A. The actual number of shares of Northrim's common stock or cash to be received by Alaska Pacific's shareholders in the merger will not be determined until the fifth trading day prior to the completion of the merger, and will be based on the Northrim Average Share Price for the 15-trading day period prior to such date.

For illustration purposes only, based on the 15-trading day weighted closing price of Northrim's common stock as of December 3, 2013, of \$25.30, per share, if the merger were to close five trading days after such date, an Alaska Pacific shareholder holding 100 shares of Alaska Pacific common stock would have the option to elect to receive \$1,756.82 in cash or 69 shares of Northrim's common stock (plus \$11.12 in lieu of fractional shares), subject to the proration provisions discussed above.

**Q. Is there a maximum number of Northrim shares that can be issued in the merger?**

- A. No. Under the terms of the merger agreement, if the Northrim Average Share Price is \$18.90, the maximum aggregate share consideration will be 322,522 shares of Northrim common stock. However, in the event that the Northrim Average Share Price is less than \$18.90 per share, the merger agreement provides that Northrim may, in its sole discretion, adjust the ratio of cash and shares of Northrim's common stock to be issued in the merger such that the aggregate merger consideration is not less than \$12,513,666 or terminate the merger. As a result, if the Northrim Average Share Price is less than \$18.90, the number of shares of Northrim common stock issued in connection with the merger may be greater than 322,522 shares.

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**Q. When and how does an Alaska Pacific shareholder elect the form of consideration he or she prefers to receive?**

- A. No less than 35 days prior to the anticipated effective time of the merger, an election form and other transmittal materials will be mailed by American Stock Transfer & Trust Company, LLC, Northrim's exchange agent for the merger (the Exchange Agent), to each Alaska Pacific shareholder of record on the date that is five (5) business days prior to such mailing date, which shall permit such shareholders to elect to receive either cash or stock as merger consideration. To make an election, an Alaska Pacific shareholder must submit a properly completed election form, along with one or more share certificates (for shares held in certificate form) or a book-entry transfer confirmation (for shares held in book-entry form) representing all shares covered by such election form, together with duly executed transmittal materials included in or required by the election form, to the Exchange Agent before 5:00 p.m., Alaska Time, on March 21, 2014 (the Election Deadline). Once you have made a valid election, you will not be able to transfer your shares of Alaska Pacific common stock subject to such election unless and until you have validly revoked your election. Any transferee of such shares (if the Election Deadline has not occurred) must make a new election with respect to such shares if such transferee does not wish the shares to be considered undesignated shares. If you have made a valid election (that has not been revoked prior to the Election Deadline) with respect to shares of Alaska Pacific common stock, after the Election Deadline you will not be able to revoke such election or transfer your shares prior to the effective time of the merger. Election choices and election procedures are described more fully under The Merger Agreement Conversion of Shares; Exchange Procedures commencing on page 58.

**Q. What happens if an election is not made prior to the Election Deadline?**

- A. If an Alaska Pacific shareholder fails to submit a properly completed election form to the Exchange Agent or revokes a properly completed election form prior to the Election Deadline, then the Alaska Pacific shares held by such shareholder will be deemed to be undesignated shares and the Alaska Pacific shareholder will not have a choice as to the type of consideration they will receive in the merger and consequently will be issued either cash or shares of Northrim common stock depending on the amount of cash or stock issued to other Alaska Pacific shareholders in the merger.

Each Alaska Pacific shareholder who did not submit a properly completed election form or who revoked a properly completed election form prior to Election Deadline will receive, after the effective time of the merger, a separate transmittal form with instructions on how to exchange their Alaska Pacific stock certificates or transfer their shares held in book-entry form for the merger consideration.

**Q. May an Alaska Pacific shareholder change his or her election once it has been submitted?**

- A. Yes. An Alaska Pacific shareholder may revoke or change any previously submitted election form at or prior to the Election Deadline. In the event that an election form is revoked prior to the Election Deadline, the Alaska Pacific shares represented by such election form will automatically become undesignated shares until a new election form is properly completed and made with respect to such shares on or before the Election Deadline. Alaska Pacific shareholders who have revoked a previously submitted election form also, upon written request to the Exchange Agent, are entitled to have the share certificates representing their previously submitted shares, as

well as any shares held in book-entry form previously transferred the Exchange Agent, promptly returned to them without charge.

**Q. Is the value of the per share consideration that an Alaska Pacific shareholder receives in the merger substantially equivalent regardless of which election he or she makes?**

A. Yes. Alaska Pacific will receive the same value of merger consideration whether they elect to receive cash or shares of Northrim's common stock in the merger. The formula used to calculate the amount of cash or Northrim common stock issued per share of Alaska Pacific common stock is intended to substantially

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equalize the value of the consideration to be received for each share of Alaska Pacific common stock that is exchanged in the merger, regardless of whether an Alaska Pacific shareholder elects to receive cash or stock. However, since the value of Northrim's shares of common stock fluctuates with its trading price, the value of the stock that an Alaska Pacific shareholder receives in the merger will likely not be the same as the cash received in the merger on any given day after the merger.

**Q. Do I have dissenters' rights in connection with the merger?**

A: Yes. Under Alaska law, holders of Alaska Pacific common stock are entitled to dissenters' rights under the Alaska Corporations Code in connection with the merger. In order to exercise such dissenters' rights, Alaska Pacific's shareholders must generally notify Alaska Pacific of their intent to dissent, at or prior to the special meeting, and must not vote in favor of the proposal to approve the merger agreement at the special meeting. Note that if you return a signed proxy card without voting instructions or with instructions to vote FOR the merger agreement, your shares will be automatically voted in favor of the merger agreement and you will lose all dissenters' rights available under Alaska law. See The Merger Dissenters' Rights on page 53 for further information.

**Q. What are the U.S. federal income tax consequences of the merger to Alaska Pacific shareholders?**

A: The merger and subsidiary merger are intended to be treated as a single integrated transaction qualifying as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended. Assuming such treatment applies, a holder of Alaska Pacific common stock generally will recognize gain, if any, in the merger in an amount equal to the lesser of the gain realized in the merger or the amount of cash received in the merger. A holder of Alaska Pacific common stock generally will recognize a loss in the merger only if the holder receives only cash in the merger. See Material U.S. Federal Income Tax Consequences of the Merger on page 76 for further information.

**Q. Who will be the directors of Northrim following the merger?**

A: The current directors of Northrim intend to remain on the Northrim board of directors following the merger. Additionally, at the effective time of the merger, Northrim intends to appoint one current member of the Alaska Pacific board of directors to serve as a director on the Northrim board of directors until the next annual meeting of Northrim's shareholders, at which time such appointee will stand for election for a term equal to the term of the other Northrim directors.

**Q. What will happen to Alaska Pacific's Series A preferred stock issued to the U.S. Treasury Department as part of the Troubled Asset Relief Program (TARP)?**

A: Under the terms of the merger agreement, Alaska Pacific has agreed to either repurchase or redeem all of its outstanding series A preferred stock originally issued to the U.S. Treasury Department under TARP (the TARP Stock) prior to the consummation of the merger.

**Q. What will happen to outstanding stock options to acquire or receive Alaska Pacific's common shares?**

A: Since the per share exercise price of each outstanding option to acquire shares of Alaska Pacific's common stock is greater than the highest potential per share merger consideration in the merger, under the terms of the merger agreement, each such option shall be cancelled and terminated at the effective time of the merger and the holders of such stock options shall not be entitled to receive any consideration in the merger.

**Q. What will happen to Alaska Pacific's Outstanding Warrant issued to the Department of Treasury?**

A. Under the terms of the merger agreement, Northrim is not obligated to complete the merger unless the warrant to acquire 175,772 shares of Alaska Pacific's common stock issued to the U.S. Department of



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Treasury on February 6, 2009 under TARP (the TARP Warrant ) is converted into shares of Alaska Pacific common stock prior to the effective date of the merger or the terms of the warrant agreement are amended to ensure that the TARP Warrant is converted solely into cash in connection with the merger.

**Q. When do you expect to complete the merger?**

A: We currently expect to complete the merger in the first quarter of 2014. However, we cannot assure you when or if the merger will occur. Prior to the closing of the merger, we must obtain the approval of the merger agreement by the Alaska Pacific shareholders at the special meeting, the necessary regulatory approvals, and the other closing conditions must be satisfied or waived.

**Q. How soon after the merger is completed can I expect to receive my cash or shares of Northrim common stock?**

A: Northrim will work with the Exchange Agent to distribute the consideration payable in the merger as promptly as practicable following the completion of the merger.

**Q. Will the shares of Northrim that I receive in the merger be registered and listed on an exchange?**

A: Yes. The shares of Northrim common stock issued in the merger will be registered under the Securities Act of 1933, as amended (the Securities Act ) and upon completion of the merger are expected to be listed on the NASDAQ Global Select Market under the symbol NRIM .

**Q. What happens if the merger is not completed?**

A. If the merger is not completed, holders of Alaska Pacific common stock will not receive any consideration for their shares in connection with the merger. Instead, Alaska Pacific will remain an independent public company and its common stock will continue to be listed and traded on the Over-the Counter Bulletin Board. In addition, if the merger agreement is terminated under certain circumstances, including circumstances involving a change in recommendation by Alaska Pacific's board of directors, Alaska Pacific will be required to pay Northrim a termination fee of \$600,000. See The Merger Agreement Termination Fee on page 74 for a complete discussion of the circumstances under which termination fees will be required to be paid.

**Q. Whom should I call with questions?**

A: If you have any questions concerning the merger or this proxy statement/prospectus, would like additional copies of this proxy statement/prospectus or need help voting your shares of Alaska Pacific common stock, please contact:

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Alaska Pacific Bancshares, Inc.

2094 Jordan Avenue

Juneau, Alaska 99801

Attention: Corporate Secretary

Telephone: (907) 789-4844

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**SUMMARY**

*This summary highlights selected information from this proxy statement/prospectus. It may not contain all of the information that is important to you. We urge you to carefully read the entire proxy statement/prospectus, including the annexes, and the other documents to which we refer in order to fully understand the merger. See *Where You Can Find More Information* on page 92. Each item in this summary refers to the page of this proxy statement/prospectus on which that subject is discussed in more detail.*

**Information About the Companies (page 30)**

***Northrim BanCorp, Inc.***

**Northrim BanCorp, Inc.**

3111 C Street

Anchorage, Alaska 99503

Northrim BanCorp, Inc. is a publicly traded bank holding company headquartered in Anchorage, Alaska. Northrim's common stock trades on the NASDAQ Global Select Stock Market under the symbol, NRIM. Northrim is regulated by the Federal Reserve Bank of San Francisco. Northrim Bank began banking operations in Anchorage in December 1990, and Northrim was formed as an Alaska corporation in connection with the reorganization into a holding company structure; that reorganization was completed effective December 31, 2001. Northrim has grown to be the third largest commercial bank in Alaska and in Anchorage in terms of deposits, with approximately \$968 million in total deposits and approximately \$1.2 billion in total assets at September 30, 2013.

Northrim's principal executive office is located at 3111 C Street in Anchorage, Alaska, 99503, and its telephone number is (907) 562-0062. Northrim's website can be accessed at [www.northrim.com](http://www.northrim.com). Information contained in Northrim's website does not constitute part of, and is not incorporated into, this proxy statement/prospectus.

Additional information about Northrim and its subsidiaries is included in documents incorporated by reference in this proxy statement/prospectus. See *Where You Can Find More Information* on page 92.

***Northrim Merger Sub, Inc.***

**Northrim Merger Sub, Inc.**

3111 C Street

Anchorage, Alaska 99503

Northrim Merger Sub, Inc. is a corporation incorporated under the laws of the State of Alaska and is a wholly-owned subsidiary of Northrim. Merger Sub was organized solely for the purpose of completing the merger and the other transactions contemplated under the merger agreement and has not conducted, and will not conduct, any other business.

***Alaska Pacific Bancshares, Inc.***

**Alaska Pacific Bancshares, Inc.**

2094 Jordan Avenue

Juneau, Alaska 99801

Alaska Pacific Bancshares, Inc., an Alaska corporation, was organized on March 19, 1999 for the purpose of becoming the holding company for Alaska Pacific Bank upon Alaska Pacific Bank's conversion from a federal mutual to a federal stock savings bank. This conversion was completed on July 1, 1999. At September 30, 2013,

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Alaska Pacific had total assets of \$183.0 million, total deposits of \$161.3 million and shareholders' equity of \$20.8 million. Alaska Pacific has not engaged in any significant activity other than holding the stock of Alaska Pacific Bank.

Alaska Pacific's principal executive office is located at 2094 Jordan Avenue, Juneau, Alaska, 99801, and its telephone number is (907) 789-4844. Alaska Pacific's website can be accessed at [www.alaskapacificbank.com](http://www.alaskapacificbank.com). Information contained in Alaska Pacific's website does not constitute part of, and is not incorporated into, this proxy statement/prospectus.

Additional information about Alaska Pacific and its subsidiaries is included in documents incorporated by reference in this proxy statement/prospectus. See "Where You Can Find More Information" on page 92.

**The Merger (page 32)**

The merger agreement provides that, upon the terms and subject to the conditions set forth therein, the Merger Sub will merge with and into Alaska Pacific, with Alaska Pacific continuing as the surviving entity and a wholly-owned subsidiary of Northrim. Immediately following the merger, Alaska Pacific will be merged into Northrim, followed by the merger of Alaska Pacific Bank into Northrim Bank. The merger agreement and the consummation of the transactions contemplated thereby, including the merger, have been approved unanimously by the boards of directors of Northrim and Alaska Pacific. No shareholder approval of the merger is required to be obtained by Northrim. The merger agreement governs the merger. The merger agreement is included in this proxy statement/prospectus as Annex A. Please read the merger agreement carefully. All descriptions in this summary and elsewhere in this proxy statement/prospectus of the terms and conditions of the merger are qualified by reference to the merger agreement.

Pursuant to the terms and conditions of the merger agreement, the total consideration to be paid by Northrim for all of the outstanding shares of Alaska Pacific common stock (including shares subject to the TARP Warrant) will be based on the Northrim Average Share Price. The maximum aggregate consideration to be paid by Northrim in connection with the merger is \$13,869,274 while the minimum aggregate consideration payable is \$12,513,666. Shareholders of Alaska Pacific will be able to elect to receive the merger consideration for their shares of Alaska Pacific common stock in the form of either cash or shares of Northrim's common stock, subject to the proration procedures under the merger agreement. According to the merger agreement, the maximum aggregate cash consideration will be \$6,418,000 and the maximum aggregate share consideration will be 322,522. However, in the event that Northrim Average Share Price is less than \$18.90 per share, the merger agreement provides that Northrim may, in its sole discretion, adjust the ratio of cash and/or shares of Northrim common stock to be issued in the merger such that the aggregate merger consideration is not less than \$12,513,666 or terminate the merger.

The market value of the merger consideration will fluctuate with the market price of the shares of Northrim common stock. The following table shows the closing sale prices of the shares of Northrim common stock as reported on the NASDAQ Global Select Market and shares of Alaska Pacific's common stock as reported on the Over-the-Counter Bulletin Board, on October 21, 2013, the last trading day before public announcement of the merger, and on January 27, 2014, the last practicable trading day before the distribution of this proxy statement/prospectus. **We urge you to obtain current market quotations for Northrim and Alaska Pacific.**

	<b>NORTHRIM Common Stock (NASDAQ: NRIM)</b>	<b>ALASKA PACIFIC Common Stock (OTCBB: AKPB)</b>
At October 21, 2013	\$ 23.64	\$ 11.65

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At January 27, 2014	\$	24.25	\$	17.70
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For illustration purposes only, if the Northrim Average Share Price were \$24.25 per share (the closing price of Northrim common stock on the last practicable trading day prior to the date of this proxy statement/prospectus), an Alaska Pacific shareholder holding 100 shares of Alaska Pacific common stock would have the option to elect to receive \$1,749.23 in cash or 72 shares of Northrim's common stock (plus \$3.23 in lieu of a fractional share), subject to the proration provisions contained in the merger agreement.

### **Alaska Pacific's Board of Directors Unanimously Recommends that Alaska Pacific Shareholders Vote FOR Approval of the Merger Agreement (page 38)**

Alaska Pacific's board of directors determined that the merger, the merger agreement and the transactions contemplated by the merger agreement are advisable and in the best interests of Alaska Pacific and its shareholders and has unanimously approved the merger and the merger agreement. Alaska Pacific's board of directors recommends that Alaska Pacific shareholders vote FOR approval of the merger agreement. For the factors considered by Alaska Pacific's board of directors in reaching its decision to approve the merger agreement, see the section entitled The Merger Alaska Pacific's Reasons for the Merger; Recommendation of the Alaska Pacific Board of Directors beginning on page 38.

### **Keefe, Bruyette & Woods, Inc. Has Provided an Opinion to Alaska Pacific's Board of Directors Regarding the Merger Consideration (page 40 and Annex B)**

On October 21, 2013, Keefe, Bruyette & Woods, Inc., or KBW, Alaska Pacific's financial advisor in connection with the merger, rendered an opinion to Alaska Pacific's board of directors, that as of such date and based upon and subject to the assumptions, procedures, considerations, qualifications and limitations set forth in such opinion, the merger consideration payable to Alaska Pacific's shareholders pursuant to the merger agreement was fair, from a financial point of view, to the holders of shares of Alaska Pacific common stock.

The full text of KBW's opinion, dated October 21, 2013, is attached as Annex B to this proxy statement/prospectus. You should read the opinion in its entirety for a discussion of the assumptions made, procedures followed, factors considered and limitations upon the review undertaken by KBW in rendering its opinion.

KBW's opinion is directed to Alaska Pacific's board of directors, addresses only the fairness of the merger consideration payable to Alaska Pacific's shareholders pursuant to the merger agreement from a financial point of view to the holders of shares of Alaska Pacific common stock, and does not address any other aspect of the merger or constitute a recommendation as to how any shareholders of Alaska Pacific should vote at the special meeting held in connection with the merger.

For further information, please see the discussion under the caption The Merger Opinion of Keefe, Bruyette & Woods, Inc., commencing on Page 40.

### **Treatment of Alaska Pacific's TARP Stock and TARP Warrant (page 61)**

Under the terms of the merger agreement, Alaska Pacific has agreed to either repurchase or redeem all of its TARP Stock prior to consummation of the merger. In addition, under the terms of the merger agreement, Northrim is not obligated to complete the merger unless the TARP warrant is converted into shares of Alaska Pacific common stock prior to the effective date of the merger or the terms of the warrant agreement are amended to ensure that the TARP warrant is converted solely into cash in connection with the merger.

For further information, please see the discussion under the caption The Merger Agreement Treatment of Options, the TARP Warrant and TARP Stock commencing on Page 61.



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**Alaska Pacific will Hold its Special Meeting on March 11, 2014 (page 26)**

The special meeting will be held on March 11, 2014, at 10:00 a.m. local time, in the Treadwell Room, Baranof Hotel, 127 N Franklin Street, Juneau, Alaska. At the special meeting, Alaska Pacific shareholders will be asked to:

approve the merger agreement;

approve the advisory (non-binding) proposal on specified compensation; and

approve the adjournment of the special meeting, if necessary or appropriate, to solicit additional proxies in favor of the approval of the merger agreement.

Only holders of record of Alaska Pacific common stock at the close of business on January 27, 2014, will be entitled to vote at the special meeting. Each share of Alaska Pacific common stock is entitled to one vote on each proposal to be considered at the special meeting. As of the record date, there were 654,486 shares of Alaska Pacific common stock entitled to vote at the special meeting. As of the record date, directors and executive officers of Alaska Pacific and their affiliates owned and were entitled to vote 80,899 shares of Alaska Pacific common stock, representing 12.36% of the shares of Alaska Pacific common stock outstanding on that date. Each director and executive officer has entered into a voting support agreement with Northrim, whereby each such director or executive officer has agreed to, among other things, vote all of their shares in favor of the merger agreement and the adjournment proposal. As of December 6, 2013, Northrim and its subsidiaries held no shares of Alaska Pacific common stock and its directors and executive officers or their affiliates held no shares of Alaska Pacific common stock.

To approve the merger agreement, holders of two-thirds of the outstanding shares of Alaska Pacific common stock entitled to vote at the special meeting must vote in favor of approving the merger agreement. Because approval is based on the affirmative vote of two-thirds of the shares outstanding, your failure to vote, failure to instruct your bank or broker with respect to the proposal to approve the merger agreement, or abstention will have the same effect as a vote against approval of the merger agreement.

Approval of the compensation proposal requires the affirmative vote of a majority of the shares of Alaska Pacific common stock represented in person or by proxy at the Alaska Pacific special meeting and entitled to vote on the compensation proposal.

Approval of the adjournment proposal requires the affirmative vote of the holders of a majority of shares of Alaska Pacific common stock represented in person or by proxy at the Alaska Pacific special meeting and entitled to vote on such proposal at the special meeting.

Because approval of both the compensation proposal and the adjournment proposal is based on the affirmative vote of a majority of shares voting at the special meeting, abstentions, the failure to vote or failure to instruct your bank or broker with respect to either the compensation proposal or the adjournment proposal will have no effect on the outcome of either proposal.

**The Merger Is Intended to Be Tax-Free to Holders of Alaska Pacific Common Stock as to the Shares of Northrim Common Stock They Receive (page 76)**

The merger and subsidiary merger are intended to be treated as a single integrated transaction qualifying as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended. Assuming such treatment applies, a holder of Alaska Pacific common stock who receives only Northrim common stock in the merger generally will not recognize gain in the merger. A holder of Alaska Pacific common stock who receives cash in the merger will recognize gain up to the amount of cash received. In addition, a holder of

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Alaska Pacific common stock may recognize gain or loss from the receipt of cash instead of fractional shares of Northrim common stock that such holder of Alaska Pacific common stock would otherwise be entitled to receive. See Material U.S. Federal Income Tax Consequences of the Merger.

*The United States federal income tax consequences described above may not apply to all holders of Alaska Pacific common stock. Your tax consequences will depend on your individual situation. Accordingly, we strongly urge you to consult your tax advisor for a full understanding of the particular tax consequences of the merger to you.*

## **Alaska Pacific's Officers and Directors Have Financial Interests in the Merger That Differ from Your Interests (page 50)**

Alaska Pacific shareholders should be aware that some of Alaska Pacific's directors and executive officers have interests in the merger and have arrangements that are different from, or in addition to, those of Alaska Pacific shareholders generally.

The merger agreement provides that at the effective time of the merger, Northrim will terminate the employment of Alaska Pacific's executive officers who have change in control severance agreements and will pay them at such time the change in control benefits owed to each such executive officer under the terms of his or her change-in control severance agreement. In addition to receiving severance benefits in connection with the completion of the merger, most of the executive officers of Alaska Pacific have entered into retention agreements with Northrim whereby such executive officers will work for Northrim for a specified period of time after the completion of the merger at their current salary.

Northrim has also agreed, for a period of four years, to indemnify and hold harmless each present and former director and officer of Alaska Pacific against all liabilities arising out of actions or omissions occurring at or prior to the effective time of the merger. Northrim has also agreed to use its commercially reasonable efforts to maintain Alaska Pacific's directors' and officers' liability insurance for a period two years after the closing of the merger, subject to certain conditions.

These interests and arrangements may create potential conflicts of interest. The Alaska Pacific board of directors was aware of these interests and considered these interests, among other matters, when making its decision to approve the merger agreement and the merger, and in recommending that Alaska Pacific's shareholders vote in favor of approval of the merger agreement.

For a more complete description of these interests, see "The Merger - Interests of Alaska Pacific's Directors and Executive Officers in the Merger" beginning on page 50.

## **Alaska Pacific's Shareholders Have Dissenters' Rights in the merger (page 53)**

Dissenters' rights are statutory rights that, if applicable under law, enable shareholders to dissent from a fundamental business transaction, such as a merger, and demand that the corporation pay the fair value for their shares as determined by a court in a judicial proceeding instead of receiving the consideration offered to shareholders in connection with the fundamental business transaction. Dissenters' rights are available under the Alaska Corporations Code, and upon complying with the procedures described in the Alaska Corporations Code, Alaska Pacific shareholders are entitled to such rights in connection with the merger. For more information on dissenters' rights in connection with the merger and the procedures required under the Alaska Corporations Code, see "The Merger - Dissenters' Rights." The relevant portions of the Alaska Corporations Code are also attached to this Proxy Statement/Prospectus as Annex C.



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**Conditions That Must Be Satisfied or Waived for the Merger to Occur (page 71)**

Currently, we expect to complete the merger by the first quarter of 2014. As more fully described in this proxy statement/prospectus and in the merger agreement, the completion of the merger depends on a number of conditions being satisfied or, where legally permissible, waived. These conditions include, among others, approval of the merger agreement by Alaska Pacific's shareholders, redemption of the TARP Stock, exercise of the TARP Warrant or its conversion to a right to receive solely cash in the merger, receipt of required regulatory approvals, receipt of a tax opinion relating to the merger and the subsidiary merger taken together qualifying as a reorganization for federal income tax purposes, and the satisfaction of specific financial conditions by Alaska Pacific.

We cannot be certain when, or if, the conditions to the merger will be satisfied or waived, or that the merger will be completed.

**Termination of the Merger Agreement (page 73)**

The merger agreement contains certain termination rights for Northrim and Alaska Pacific, as the case may be, applicable upon:

the parties mutual agreement to terminate the merger agreement in writing;

April 28, 2014, if the merger has not been completed by that date;

any required governmental approvals shall have been denied without further action on the part of the terminating party;

Alaska Pacific's shareholders fail to approve the merger agreement;

the board of directors of Alaska Pacific fails to recommend the merger to its shareholders or fails to reconfirm its favorable recommendation or supports another acquisition proposal, or Alaska Pacific breaches its non-solicitation obligations, or its obligations to call and hold its special shareholder meeting to vote on the merger agreement;

the Northrim Average Share Price is less than \$18.90 per share and Northrim does not agree to increase the aggregate merger consideration to a minimum amount of \$12,513,666; and

the election by one party when representations and warranties of the other party have become inaccurate in any material respect or the other party has failed to comply with its covenants in any material respect.

**Termination Fee (page 74)**

If the merger agreement is terminated under certain circumstances, including circumstances involving a change in recommendation by Alaska Pacific's board of directors, Alaska Pacific will be required to pay Northrim a termination fee of \$600,000. The termination fee could discourage other companies from seeking to acquire or merge with Alaska Pacific.

**NASDAQ Listing (page 71)**

Pursuant to the terms of the merger agreement, Northrim will use its reasonable best efforts to cause the newly issued shares of Northrim common stock issuable in the merger to be listed on the NASDAQ Global Select Market upon completion of the merger.

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**Regulatory Approvals Required for the Merger (page 55)**

We have agreed to use our reasonable best efforts to obtain all regulatory approvals required to complete the transactions contemplated by the merger agreement. These approvals include approval from the Federal Deposit Insurance Corporation, the Office of the Comptroller of the Currency, the Federal Reserve Bank of San Francisco and the Alaska Division of Banking and Securities, among others. Northrim and Alaska Pacific have filed, or are in the process of filing, applications and notifications to obtain the required regulatory approvals.

Although we do not know of any reason why we cannot obtain these regulatory approvals in a timely manner, we cannot be certain when or if we will obtain them.

**Board of Directors and Executive Officers of Northrim following Completion of the Merger (page 49)**

The directors of Alaska Pacific and its subsidiaries will resign as of the effective time of the merger. At the effective time of the merger, Northrim has agreed to appoint Linda C. Thomas, a current director and vice chair of the Alaska Pacific board of directors to serve on the Northrim board of directors until the next annual meeting of Northrim's shareholders, where Ms. Thomas shall stand for re-election to the Northrim board of directors. With the exception of the addition of Ms. Thomas to the Northrim board of directors at the effective time of the merger, the composition of Northrim's board of directors and executive officers is not anticipated to change in connection with the completion of the merger.

**The Rights of Alaska Pacific Shareholders will Change as a Result of the Merger (page 83)**

Since both Northrim and Alaska Pacific are incorporated under the Alaska Corporations Code, such statute will continue to govern Alaska Pacific shareholders after the completion of the merger. However, shareholder rights under the Articles of Incorporation and bylaws of Northrim, differ from those in Alaska Pacific's governing documents. This proxy statement/prospectus contains descriptions of the material differences in shareholder rights under each of the Northrim and Alaska Pacific governing documents.

**Risk Factors (page 21)**

You should consider all the information contained in or incorporated by reference into this proxy statement/prospectus in deciding how to vote for the proposals presented in the proxy statement/prospectus. In particular, you should consider the factors under Risk Factors.

**Table of Contents****SELECTED CONSOLIDATED HISTORICAL FINANCIAL DATA OF NORTHRIM**

The following table summarizes Northrim's financial results for the periods and at the dates indicated and should be read in conjunction with Northrim's consolidated financial statements and the notes to the consolidated financial statements contained in reports that Northrim has previously filed with the Securities and Exchange Commission (the SEC). Historical financial information for Northrim can be found in its Annual Report on Form 10-K for the year ended December 31, 2012 and its Quarterly Report on Form 10-Q for the quarter ended September 30, 2013, both of which are incorporated by reference into this proxy statement/prospectus. See "Where You Can Find More Information" on page 92 for instructions on how to obtain the information that has been incorporated by reference.

	As of or for the Year Ended December 31,					As of or for the Nine Months Ended Sept. 30,	
	2012	2011	2010	2009	2008	2013	2012
	(in thousands, except per share data)						
<b>Summarized Income Statement Data:</b>							
Net interest income	\$ 42,223	\$ 42,364	\$ 44,213	\$ 46,421	\$ 45,814	\$ 32,513	\$ 31,433
Provision (benefit) for loan losses	(1,559)	1,999	5,583	7,066	7,199	(635)	(1,259)
Other operating income	15,432	13,090	12,377	13,084	11,354	10,084	11,089
Other operating expenses	39,600	36,755	37,624	41,357	40,394	29,164	29,045
Income before provision for income taxes	19,614	16,700	13,383	11,082	9,575	14,068	14,746
Provision for income taxes	6,156	4,873	3,918	2,967	3,122	4,235	4,568
Net income	\$ 13,458	\$ 11,827	\$ 9,465	\$ 8,115	\$ 6,453	\$ 9,833	\$ 10,178
Less: net income attributable to noncontrolling interest	512	429	399	388	370	189	394
Net income attributable to Northrim BanCorp	\$ 12,946	\$ 11,398	\$ 9,066	\$ 7,727	\$ 6,083	\$ 9,644	\$ 9,784
<b>Balance Sheet Data:</b>							
Total assets	\$ 1,160,107	\$ 1,085,258	\$ 1,054,520	\$ 1,003,029	\$ 1,006,392	\$ 1,179,137	\$ 1,133,798
Portfolio loans	704,213	645,562	671,812	655,039	711,286	754,355	671,644



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Deposits	970,129	911,248	892,136	853,108	843,252	968,229	944,944
Borrowings	4,479	4,626	4,766	4,897	15,986	6,578	4,517
Junior subordinated debentures	18,558	18,558	18,558	18,558	18,558	18,558	18,558
Total shareholders equity	136,353	125,435	117,122	111,020	104,648	142,603	134,111
<b>Per Common Share Data:</b>							
Basic earnings per share	\$ 2.00	\$ 1.77	\$ 1.42	\$ 1.22	\$ 0.96	\$ 1.48	\$ 1.51
Diluted earnings per share	1.97	1.74	1.40	1.20	0.95	1.46	1.49
Book value at end of period	20.93	19.39	18.21	17.42	16.53	21.89	20.70
Tangible book value <sup>1</sup>	19.67	18.09	16.86	16.01	15.06	20.66	19.43
Cash dividends declared	0.56	0.50	0.44	0.40	0.66	0.47	0.41
<b>Ratios</b>							
Net interest margin (tax equivalent) <sup>2</sup>	4.40%	4.59%	4.92%	5.33%	5.26%	4.30%	4.46%
Efficiency Ratio <sup>3</sup>	68.25%	65.78%	65.96%	68.96%	70.05%	68.05%	67.31%
Return on assets	1.19%	1.09%	0.90%	0.79%	0.62%	1.13%	1.22%
Return on equity	9.85%	9.34%	7.87%	7.08%	5.85%	9.23%	10.10%
Equity/assets	11.75%	11.56%	11.11%	11.07%	10.40%	12.09%	11.83%
Dividend payout ratio	28.39%	28.67%	31.41%	33.18%	68.93%	32.07%	27.43%
Nonperforming loans/portfolio loans	0.64%	1.14%	1.70%	2.10%	3.66%	0.38%	0.73%
Net charge-offs (recoveries)/average loans	(0.03%)	(0.01%)	0.66%	1.00%	0.86%	(0.14%)	(0.24%)
Nonperforming assets/assets	0.78%	1.16%	2.07%	3.10%	3.84%	0.56%	0.94%
Allowance for loan losses/portfolio loans	2.33%	2.56%	2.14%	2.00%	1.81%	2.19%	2.46%
<b>Other Information</b>							
Effective tax rate	31%	29%	29%	27%	34%	30%	31%
Number of banking offices	10	10	10	11	11	10	10
Number of employees	245	260	268	295	290	255	249

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- 1 Tangible book value per share is a non-GAAP ratio that represents shareholders equity, less intangible assets, divided by common stock outstanding. Northrim's management believes tangible book value is a useful measurement of the value of Northrim's equity. See reconciliation to comparable GAAP measurement below.
- 2 Tax-equivalent net interest margin is a non-GAAP performance measurement in which interest income on non-taxable investments and loans is presented on a tax-equivalent basis using a combined federal and state statutory rate of 41.11% in all years presented. Northrim's management believes that tax-equivalent net interest margin is a useful financial measure because it enables investors to evaluate net interest margin excluding tax expense in order to monitor our effectiveness in growing higher interest yielding assets and managing Northrim's costs of interest bearing liabilities over time on a fully tax equivalent basis. See reconciliation to comparable GAAP measurement below.
- 3 In managing Northrim's business, Northrim's management reviews the efficiency ratio exclusive of intangible asset amortization, which is a non-GAAP performance measurement. Management believes that this is a useful financial measurement because management believes this presentation provides investors with a more accurate picture of Northrim's operating efficiency. The efficiency ratio is calculated by dividing other operating expense, exclusive of intangible asset amortization, by the sum of net interest income and other operating income. Other companies may define or calculate this data differently. For additional information see the "Other Operating Expense" section in Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations of Northrim's Annual Report on Form 10-K for the year ended December 31, 2012, and in Item 2 Management's Discussion and Analysis of Financial Condition and Results of Operations of Northrim's Quarterly Report on Form 10-Q for the quarter ended September 30, 2013 which are both incorporated by reference into this proxy statement/prospectus. See reconciliation to comparable GAAP measurement below.

**Reconciliation of Selected Financial Data to Generally Accepted Accounting Principles ( GAAP ) Financial Measures**

These unaudited schedules provide selected financial information concerning Northrim that should be read in conjunction with Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations in Northrim's Annual Report on Form 10-K for the year ended December 31, 2012, and in Item 2 Management's Discussion and Analysis of Financial Condition and Results of Operations of Northrim's Quarterly Report on Form 10-Q for the quarter ended September 30, 2013 which are both incorporated by reference into this proxy statement/prospectus. See "Where You Can Find More Information" on page 92 for instructions on how to obtain the information that has been incorporated by reference.

*Reconciliation of tangible book value per share to book value per share*

(In Thousands, except per share data)	December 31,					September 30,	
	2012	2011	2010	2009	2008	2013	2012
Shareholders' equity	\$ 136,260	\$ 125,383	\$ 117,072	\$ 110,972	\$ 104,648	\$ 142,603	\$ 134,111
Divided by common shares outstanding	6,512	6,467	6,427	6,371	6,331	6,516	6,474
Book value per share	\$ 20.93	\$ 19.39	\$ 18.21	\$ 17.42	\$ 16.53	\$ 21.89	\$ 20.70

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(In Thousands, except per share data)	December 31,					September 30,	
	2012	2011	2010	2009	2008	2013	2012
Shareholders equity	\$ 136,260	\$ 125,383	\$ 117,072	\$ 110,972	\$ 104,648	\$ 142,603	\$ 134,111
Less: goodwill and intangible assets, net	8,170	8,421	8,697	8,996	9,320	7,994	8,228
Tangible book value	\$ 128,090	\$ 116,962	\$ 108,375	\$ 101,976	\$ 95,328	\$ 134,609	\$ 125,883
Divided by common shares outstanding	6,512	6,467	6,427	6,371	6,331	6,516	6,474
Tangible book value per share	\$ 19.67	\$ 18.09	\$ 16.86	\$ 16.01	\$ 15.06	\$ 20.66	\$ 19.43

**Table of Contents***Reconciliation of tax-equivalent net interest margin to net interest margin*

(In Thousands)	<b>For the Year Ended December 31,</b>					<b>For the Nine Months Ended September 30,</b>	
	2012	2011	2010	2009	2008	2013	2012
Net interest income (4)	\$ 42,223	\$ 42,364	\$ 44,213	\$ 46,421	\$ 45,814	\$ 32,513	\$ 31,443
Divided by average interest-bearing assets	973,741	934,732	904,168	876,101	876,904	1,024,591	957,203
Net interest margin	4.34%	4.53%	4.89%	5.30%	5.22%	4.23%	4.38%

(In Thousands)	<b>For the Year Ended December 31,</b>					<b>For the Nine Months Ended September 30,</b>	
	2012	2011	2010	2009	2008	2013	2012
Net interest income (4)	\$ 42,223	\$ 42,364	\$ 44,213	\$ 46,421	\$ 45,814	\$ 32,513	\$ 31,443
Plus: reduction in tax expense related to tax-exempt interest income	626	580	315	300	280	492	540
	\$ 42,849	\$ 42,944	\$ 44,528	\$ 46,721	\$ 46,094	\$ 33,005	\$ 31,983
Divided by average interest-bearing assets	973,741	934,732	904,168	876,101	876,904	1,024,591	957,203
Tax-equivalent net interest margin	4.40%	4.59%	4.92%	5.33%	5.26%	4.30%	4.46%

*Calculation of efficiency ratio*

	<b>For the Year Ended December 31,</b>	<b>For the Nine Months Ended September 30,</b>
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(In Thousands)	2012	2011	2010	2009	2008	2013	2012
Net interest income (4)	\$ 42,223	\$ 42,364	\$ 44,213	\$ 46,421	\$ 45,814	\$ 32,513	\$ 31,443
Other operating income	15,432	13,090	12,377	13,084	11,354	10,084	11,089
Total revenue	57,655	55,454	56,590	59,505	57,168	42,597	42,532
Other operating expense	39,600	36,755	37,624	41,357	40,394	29,164	29,045
Less intangible asset amortization	252	275	299	323	347	175	193
Adjusted other operating expense	\$ 39,348	\$ 36,480	\$ 37,325	\$ 41,034	\$ 40,047	\$ 28,989	\$ 28,852
Efficiency ratio	68.25%	65.78%	65.96%	68.96%	70.05%	68.05%	67.84%

(4) Amount represents net interest income before provision for loan losses.

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*Reconciliation of total shareholders equity to tangible common shareholders equity and total assets to tangible assets*

(In Thousands)	2012	2011	December 31, 2010	2009	2008	September 30, 2013	2012
Shareholders equity	\$ 136,353	\$ 125,435	\$ 117,122	\$ 111,020	\$ 104,648	\$ 142,603	\$ 134,111
Less: goodwill and other intangible assets, net	8,170	8,421	8,697	8,996	9,320	7,994	8,228
Tangible common shareholders equity	\$ 128,183	\$ 117,014	\$ 108,425	\$ 102,024	\$ 95,328	\$ 134,609	\$ 125,883
Total assets	\$ 1,160,107	\$ 1,085,258	\$ 1,054,529	\$ 1,003,029	\$ 1,006,392	\$ 1,179,137	\$ 1,133,798
Less: goodwill and other intangible assets, net	8,170	8,421	8,697	8,996	9,320	7,994	8,228
Tangible assets	\$ 1,151,937	\$ 1,076,837	\$ 1,045,832	\$ 994,033	\$ 997,072	\$ 1,171,143	\$ 1,125,570
Tangible common equity ratio	11.12%	10.86%	10.37%	10.26%	9.56%	11.49%	11.17%

Non-GAAP financial measures have inherent limitations, are not required to be uniformly applied, and are not audited. Although Northrim's management acknowledges that these non-GAAP financial measures are frequently used by stakeholders in the evaluation of a company, they have limitations as analytical tools and should not be considered in isolation or as a substitute for analyses of results as reported under GAAP.

**Table of Contents****SELECTED CONSOLIDATED HISTORICAL FINANCIAL DATA OF ALASKA PACIFIC**

The following table summarizes financial results achieved by Alaska Pacific for the periods and at the dates indicated and should be read in conjunction with Alaska Pacific's consolidated financial statements and the notes to the consolidated financial statements contained in reports that Alaska Pacific has previously filed with the SEC. Historical financial information for Alaska Pacific can be found in its Annual Report on Form 10-K for the year ended December 31, 2012 and its Quarterly Report on Form 10-Q for the quarter ended September 30, 2013, both of which are incorporated by reference into this proxy statement/prospectus. See "Where You Can Find More Information" on page 92 for instructions on how to obtain the information that has been incorporated by reference.

	As of or for the Year Ended December 31,					As of or for the Nine Months Ended Sept. 30,	
	2012	2011	2010	2009	2008	2013	2012
	(in thousands, except per share data)						
<b>Summarized Income Statement Data:</b>							
Net interest income	\$ 7,892	\$ 7,891	\$ 8,482	\$ 8,322	\$ 8,760	\$ 5,856	\$ 5,899
Provision for loan losses	300	373	899	2,947	5,034	180	240
Noninterest income	1,796	1,400	1,786	1,884	1,342	1,612	1,183
Noninterest expense	8,757	7,977	8,781	9,432	8,791	6,486	6,582
Income (loss) before provision for income taxes	631	941	588	(2,173)	3,723	802	260
Provision (benefit) for income taxes	152		(255)	18	(1,405)	521	104
Net income/(loss)	\$ 479	\$ 941	\$ 843	\$ (2,191)	\$ (2,318)	\$ 281	\$ 156
Net income/(loss) available to common equity	\$ 166	\$ 631	\$ 539	\$ (2,462)	\$ (2,318)	\$ 44	\$ (78)
<b>Per Common Share Data:</b>							
Basic net income/(loss)	\$ 0.25	\$ 0.96	\$ 0.82	\$ (3.76)	\$ (3.54)	\$ 0.07	\$ (0.12)
Diluted net income/(loss)	0.22	0.87	0.76	(3.76)	(3.54)	0.06	(0.12)
<b>Balance Sheet Data:</b>							
Total assets	\$ 182,077	\$ 172,057	\$ 174,369	\$ 178,308	\$ 190,851	\$ 183,054	\$ 180,114
Total deposits	156,481	147,201	147,548	148,217	162,175	161,281	155,381
FHLB advances	3,000	3,000	5,000	9,834	10,320		3,000
Total liabilities	161,277	151,515	154,590	159,628	174,568	162,243	159,564
Stockholders' equity	20,800	20,542	19,779	18,680	16,283	20,811	20,550





**Table of Contents****COMPARATIVE PER SHARE DATA****(Unaudited)**

Presented below for Northrim and Alaska Pacific is historical, unaudited pro forma combined and pro forma equivalent per share financial data as of and for the year ended December 31, 2012 as well as for the nine months ended September 30, 2013. The information presented below should be read together with the historical consolidated financial statements of Northrim and Alaska Pacific, including the related notes, filed by each of them with the SEC and incorporated by reference into this proxy statement/prospectus, and with the consolidated historical financial data for Northrim and Alaska Pacific appearing elsewhere in this proxy statement/prospectus. See **Where You Can Find More Information** on page 92.

The pro forma and pro forma per equivalent share information give effect to the merger as if the merger had been effective on December 31, 2012 and September 30, 2013, respectively, in the case of the book value data, and as if the merger had been effective as of January 1, 2012 and January 1, 2013, respectively, in the case of the earnings per share and the cash dividends data. The pro forma data combine the historical results of Alaska Pacific into Northrim's consolidated statement of income and are not indicative of what could have occurred had the acquisition taken place on January 1, 2012 or January 1, 2013.

The pro forma data, while helpful in illustrating the financial characteristics of the combined company under one set of assumptions, does not reflect the impact of factors, including the estimated impact of certain fair value adjustments and other acquisition related-activities that may result as a consequence of the merger or consider any potential impacts of current market conditions or the merger on revenues, expense efficiencies, asset dispositions, and share repurchases, among other factors, nor the impact of possible business model changes. As a result, pro forma data is presented for illustrative purposes only and does not represent an attempt to predict or suggest future results. Additionally, the Alaska Pacific pro forma equivalent per share data is based on the 15-trading day weighted average closing price of Northrim's common stock, as of December 3, 2013, which will likely be different from the Northrim Average Share Price, used to calculate the actual per share common stock exchange ratio.

	<b>Historical</b>		<b>Northrim Pro Forma Combined</b>	<b>Alaska Pacific Pro Forma Equivalent Per Share<sup>(3)</sup></b>
	<b>Northrim</b>	<b>Alaska Pacific</b>		
<b>Basic Net Income</b>				
For the year ended December 31, 2012	\$ 2.00	\$ 0.25	\$ 1.94	\$ 1.35
For the nine months ended September 30, 2013	\$ 1.48	\$ 0.07	\$ 1.42	\$ 0.99
<b>Diluted Net Income</b>				
For the year ended December 31, 2012	\$ 1.97	\$ 0.22	\$ 1.91	\$ 1.33
For the nine months ended September 30, 2013	\$ 1.46	\$ 0.06	\$ 1.41	\$ 0.98
<b>Cash Dividends (1)</b>				
For the year ended December 31, 2012	\$ 0.56		\$ 0.56	\$ 0.39

For the nine months ended September 30, 2013	\$ 0.47		\$ 0.47	\$ 0.33
<b>Book Value</b>				
As of December 31, 2012	\$ 20.93	\$ 31.78	\$ 21.08	\$ 14.64
For the nine months ended September 30, 2013	\$ 21.89	\$ 31.79	\$ 21.99	\$ 15.27
<b>Market Value</b>				
As of October 21, 2013 (2)	\$ 23.69	\$ 11.65	N/A	N/A

- (1) Pro forma combined cash dividend amounts are the same as historical because no change in Northrim's dividend policy is expected as a result of the merger.
- (2) Business day immediately preceding announcement of proposed transaction.
- (3) The Alaska Pacific unaudited pro forma equivalent per share financial information is computed by multiplying the Northrim pro forma combined amounts by a per share common stock exchange ratio of 0.6944, based on the 15-trading day weighted average closing price of Northrim's common stock as of December 3, 2013, subject to the price collars set forth in the merger agreement. Additionally, these calculations assume that the TARP Warrant is converted into the right of the holder to receive an amount in cash equal to the Per Share Common Stock Cash Amount, less \$4.08 per share for each share of Alaska Pacific common stock underlying the TARP Warrant.

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**RISK FACTORS**

*This information should be read in conjunction with Northrim's annual report on Form 10-K for the year ended December 31, 2012, and its quarterly reports on Form 10-Q filed subsequent thereto and the other documents which are incorporated by reference into this proxy statement/prospectus. Upon completion of the merger, in exchange for your shares of Alaska Pacific's common stock, you may elect to receive shares of Northrim common stock. Prior to deciding whether or not to approve the merger agreement, you should be aware of and consider the following risks and uncertainties that are applicable to the merger and Northrim, in addition to the other information contained in or incorporated by reference into this Proxy Statement/Prospectus, including the matters addressed under the heading **Cautionary Statement Regarding Forward-Looking Statements**, beginning on page 25.*

**Risk Factors Relating to the Merger**

*The merger consideration will fluctuate prior to the completion of the merger and Alaska Pacific shareholders cannot be sure of the value of the merger consideration they will receive.*

Because the consideration to be received by Alaska Pacific's shareholders in the merger is based on the Northrim Average Share Price, the actual amount of consideration you will receive in the merger will vary based on the market price of Northrim's shares of common stock. As a consequence, the total amount of consideration you will receive in the merger is not known as of the date of this proxy statement/prospectus and will not be known at the date of the special meeting. Since the merger consideration will vary due to various factors that are beyond the control of Northrim and Alaska Pacific, including but not limited to general market and economic conditions, changes in our respective businesses, operations and prospects, and regulatory considerations, there is no guarantee that the price per share of Northrim common stock will not drop prior to the completion of the merger, resulting in Alaska Pacific shareholders receiving the minimum amount of consideration in the merger.

*The market price of Northrim common stock after the merger may be affected by factors different from those affecting the shares of Alaska Pacific or Northrim currently.*

Upon completion of the merger, holders of Alaska Pacific common stock who receive shares of Northrim common stock in the merger will become shareholders of Northrim. Northrim's business differs from that of Alaska Pacific, and, accordingly, the results of operations of the combined company and the market price of the combined company's shares of common stock may be affected by factors different from those currently affecting the independent results of operations of each of Northrim and Alaska Pacific. For a discussion of the businesses of Northrim and Alaska Pacific and of certain factors to consider in connection with those businesses, see the documents incorporated by reference in this proxy statement/prospectus and referred to under **Where You Can Find More Information** beginning on page 92.

*Alaska Pacific shareholders may receive a form of consideration different from what they elected.*

Although each Alaska Pacific shareholder may elect to receive either cash or shares of Northrim's common stock in the merger as consideration for their shares of Alaska Pacific common stock, the terms of the merger agreement limit the total amount of either cash or shares of Northrim common stock that are payable to Alaska Pacific's shareholders. As a result, if either the aggregate cash or stock elections exceed the maximum available under the merger agreement, and you choose the consideration election that exceeds the maximum available, your merger consideration will be in a form that you did not choose.

*Regulatory approvals may not be received, may take longer than expected or impose conditions that are not presently anticipated.*

Before the merger may be completed, we must obtain various approvals or consents from the Federal Deposit Insurance Corporation, the Office of the Comptroller of the Currency the Alaska Division of Banking and Securities, the Federal Reserve Bank of San Francisco and various other bank regulatory and other

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authorities. These authorities may impose conditions on the completion of the merger or require changes to the terms of the merger. Such conditions or changes could have the effect of delaying completion of the merger or imposing additional costs on or limiting the revenues of Northrim following the merger. See *The Merger Regulatory Approvals Required for the Merger* beginning on page 55.

***Alaska Pacific may not be able to repurchase or redeem the TARP Stock or convert the TARP Warrant into either shares of Alaska Pacific common stock or into the right to receive solely cash in connection with the merger.***

The merger agreement requires that Alaska Pacific use its reasonable best efforts to cause or facilitate the repurchase or redemption of all of the issued and outstanding shares of TARP Stock from the holders thereof before the effective time of the merger on terms deemed satisfactory by Alaska Pacific and Northrim. Further, it is a condition to the closing of the merger agreement that Alaska Pacific shall have caused either the TARP Warrant to be converted into shares of Alaska Pacific common stock or have caused the terms of the TARP Warrant to be amended to provide for the TARP Warrant to be converted solely into cash. Northrim cannot assure you that that Alaska Pacific will be able to satisfy these conditions. If the conditions are not satisfied by Alaska Pacific or waived by Northrim, the merger may not be completed or will be delayed, which would result in the loss of some or all of the expected benefits of the merger.

***If the conditions contained in the merger agreement are not met or waived the merger cannot be completed.***

Even if the merger agreement is approved by the shareholders of Alaska Pacific, specified conditions must be satisfied or waived to complete the merger. These conditions are described in the merger agreement. Northrim cannot assure you that all of the conditions will be satisfied. If the conditions are not satisfied or waived, the merger may not be completed or will be delayed, which would result in the loss of some or all of the expected benefits of the merger.

***The fairness opinion obtained by Alaska Pacific from its financial advisor will not reflect changes in circumstances between signing the merger agreement and the completion of the merger.***

Alaska Pacific has not obtained an updated fairness opinion as of the date of this proxy statement/prospectus from Keefe Bruyette & Woods, Inc., Alaska Pacific's financial advisor. Changes in the operations and prospects of Alaska Pacific or Northrim, general market and economic conditions and other factors that may be beyond the control of Alaska Pacific and Northrim, and on which the fairness opinion was based, may alter the value of Alaska Pacific or Northrim or the prices of shares of Alaska Pacific common stock or Northrim common stock by the time the merger is completed. The opinion does not speak as of the time the merger will be completed or as of any date other than the date of such opinion. Because Alaska Pacific does not anticipate asking its financial advisor to update its opinion, the October 21, 2013 opinion does not address the fairness of the merger consideration, from a financial point of view, at the time the merger is completed. The opinion is included as Annex B to this proxy statement/prospectus. For a description of the opinion that Alaska Pacific received from its financial advisor, please refer to *The Merger Opinion of Keefe Bruyette & Woods, Inc.* on page 40. For a description of the other factors considered by Alaska Pacific's board of directors in determining to approve the merger, please refer to *The Merger Alaska Pacific's Reasons for the merger; Recommendation of the Alaska Pacific Board of Directors* on page 38.