

PUBLIC DISCLOSURE

July 7, 2025

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Northwest Bank
Certificate Number: 58752

1750 West Front Street
Boise, Idaho 83702

Federal Deposit Insurance Corporation
Division of Depositor and Consumer Protection
San Francisco Regional Office

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San Francisco, California 94105

This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

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INSTITUTION RATING

INSTITUTION'S CRA RATING: This institution is rated **Satisfactory.**

An institution in this group has a satisfactory record of helping to meet the credit needs of its assessment area, including low- and moderate-income neighborhoods, in a manner consistent with its resources and capabilities.

The Lending Test is rated Satisfactory.

- The loan-to-deposit (LTD) ratio is reasonable given the institution's size, financial condition, and assessment area (AA) credit needs.
- A majority of loans were made within the institution's AAs.
- The geographic distribution of loans reflects reasonable dispersion throughout the AAs.
- The distribution of borrowers reflects, given the demographics of the AAs, poor penetration among businesses of different revenue sizes.
- The institution did not receive any CRA-related complaints since the previous evaluation; therefore, this factor did not affect the Lending Test rating.

The Community Development Test is rated Satisfactory.

The institution's community development (CD) performance demonstrates adequate responsiveness to CD needs in its AAs through CD loans, qualified investments, and CD services, as appropriate, considering the institution's capacity and the need and availability of such opportunities for CD in the institution's AAs.

DESCRIPTION OF INSTITUTION

Northwest Bank (NB) is a state-chartered institution headquartered in Boise, Idaho. NB is a wholly-owned subsidiary of Western Capital Corporation located in Boise, Idaho, which is a wholly-owned subsidiary of GWY, LLC, a one-bank holding company located in Bellevue, Washington. NB has no affiliates, and all lending activity presented in this evaluation was provided by the bank. No merger or acquisition activity has occurred since the previous evaluation.

NB offers a range of products and services via five full-service branches throughout Oregon, Idaho, Washington, and Utah. As of May 1, 2024, the institution's operations expanded to include the state of Utah, when the bank converted a loan production office into a full-service branch in Salt Lake City. No branches were closed since the previous evaluation.

The institution remains primarily focused on commercial lending. Products include term loans, credit lines, operating lines, and letters of credit, among others. NB also continues to provide loans through the Small Business Association (SBA). Deposit products include personal and business checking, savings, and money market accounts, as well as certificates of deposit. Alternative banking services include online and mobile banking, electronic bill pay, and automated teller machines.

As of March 31, 2025, NB reported \$1.5 billion in total assets, \$924.9 million in total loans, and total deposits of \$1.2 billion. There have been no material changes to the financial condition since the previous evaluation. The following table details the banks' loan portfolio distribution by loan category.

Loan Portfolio Distribution as of 3/31/2025		
Loan Category	\$(000s)	%
Construction, Land Development, and Other Land Loans	100,950	10.9
Secured by Farmland	90	0.0
Secured by 1-4 Family Residential Properties	4,180	0.5
Secured by Multifamily (5 or more) Residential Properties	10,353	1.1
Secured by Nonfarm Nonresidential Properties	419,150	45.3
Total Real Estate Loans	534,723	57.8
Commercial and Industrial Loans	388,419	42.0
Agricultural Production and Other Loans to Farmers	1,366	0.1
Consumer Loans	-	-
Obligations of State and Political Subdivisions in the U.S.	-	-
Other Loans	407	-
Lease Financing Receivable (net of unearned income)	-	-
Less: Unearned Income	-	-
Total Loans	924,915	100.0
<i>Source: Reports of Condition and Income</i>		

The institution received a “Satisfactory” rating at the previous CRA Performance Evaluation dated July 18, 2022, based on Interagency Intermediate Small Examination Procedures. Examiners did not identify any financial, legal, or other impediments that affect the institution’s ability to meet AA credit needs.

DESCRIPTION OF ASSESSMENT AREAS

NB's delineated AA consists of four rated areas and five individual AAs; see the following table for details. Refer to each AA for additional information.

Description of Assessment Areas			
Assessment Area	Counties in Assessment Area	# of CTs	# of Branches
Oregon			
Portland AA	Clackamas, Multnomah, Washington	418	1
Idaho			
Boise City MSA	Ada, Canyon	183	1
Coeur d'Alene MSA	Kootenai	39	1
Washington			
Seattle AA	King	495	1
Utah			
Salt Lake City AA	Salt Lake	251	1
<i>Source: Bank Data</i>			

As of May 1, 2024, the bank converted a loan production office in Salt Lake City, Utah, to a full-service branch. As a result, the bank's AA was expanded to include all 251 tracts in Salt Lake County and the state of Utah represents a new rated area. Examiners did not conduct a full-scope review for this area as there is not a full year of lending activity; however, the bank's CD activities during the evaluation period were included in the conclusions for the Community Development Test. Refer to the overall Community Development Test for additional information.

SCOPE OF EVALUATION

General Information

Interagency Intermediate Small Institution CRA Examination Procedures were utilized to evaluate NB's performance from the previous evaluation dated July 18, 2022, to the current evaluation, dated July 7, 2025.

Based on the distribution of branches, deposits and reported loans, Oregon contributes the greatest weight to overall conclusions, followed by Idaho and Washington. Each rated area had one AA selected for a full-scope review; refer to each for complete details. The weight for full- and limited-scope reviews follow the same criteria as those noted for the rated areas.

Activities Reviewed

Based upon the bank's business strategy, and the number and dollar volume of originations on the bank's CRA loan application register, examiners determined that NB's major product line is small business loans. Home mortgage lending is not included in this evaluation as it does not represent a major product line or provide material weight for overall conclusions. In 2024, NB originated two home mortgage loans totaling approximately \$2.0 million. Small farm lending is also not included in this evaluation because the bank does not offer this product.

As an Intermediate Small Institution, NB collects, but does not report, nor is it required to report small business loan data. Examiners validated the bank's collected small business loan data for 2024. Due to data integrity issues, additional years of loan data could not be relied upon, so examiners limited the analysis and presentation of small business loans to those originated in 2024. In 2024, NB originated 146 small business loans totaling \$63.9 million. Management confirmed the bank's performance in 2024 is representative of the review period. Demographic comparisons for small business lending performance are based on 2024 D&B data. Although the evaluation presents both the number and dollar volume of small business lending, examiners emphasized performance by number of loans, as it is a better indicator of businesses served.

Examiners considered all CD lending, investment and service activity from the date of the previous evaluation through the date of the current evaluation in forming CD conclusions.

CONCLUSIONS ON PERFORMANCE CRITERIA

LENDING TEST

NB's Lending Test performance is rated "Satisfactory." Performance in each rated area is consistent with this conclusion.

Loan-to-Deposit Ratio

The LTD ratio is reasonable given the institution's size, financial condition, and AA credit needs. The bank's net LTD ratio, calculated from Call Report data, averaged 72.4 percent over the previous 12 calendar quarters from June 30, 2022, to March 31, 2025. The ratio ranged from a high of 84.1 percent as of June 30, 2022, to a low of 64.5 as of September 31, 2023.

Examiners compared the bank's average net LTD ratio to three similarly situated institutions which were selected based on asset size, geographic location, and lending focus. The table below shows the bank's net LTD ratio is below peers. However, the bank utilized conservative lending practices to maintain a higher level of balance sheet liquidity than many of its peer institutions due to the interest rate environment which contributed to the lower net LTD ratio. Considering these factors, the bank's LTD ratio is reasonable.

Loan-to-Deposit Ratio Comparison		
Institution	Total Assets as of (\$000s)	Average Net LTD Ratio (%)
Northwest Bank	1,495,006	72.3
Similarly Situated Institution #1	961,640	88.2
Similarly Situated Institution #2	1,282,770	90.4
Similarly Situated Institution #3	1,932,097	80.0
<i>Source: Reports of Condition and Income 6/30/2022 - 3/31/2025</i>		

Assessment Area Concentration

A majority of loans are made in the bank's AA as depicted in the following table.

Lending Inside and Outside of the Assessment Area										
Loan Category	Number of Loans				Total #	Dollar Amount of Loans \$(000)				Total \$(000)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Small Business										
2024	99	67.8	47	32.2	146	42,755	66.9	21,165	33.1	63,920
Total	99	67.8	47	32.2	146	42,755	66.9	21,165	33.1	63,920
Source: Bank Data, as reported Due to rounding, totals may not equal 100.0%.										

Geographic Distribution

Overall, the geographic distribution of loans reflects reasonable dispersion throughout the AAs. The bank's performance is consistent in each of the rated areas.

Borrower Profile

Overall, the distribution of borrowers reflects, given the demographics of the AAs, poor penetration among businesses of different revenue sizes. The performance is consistent in each of the rated areas.

Response to Complaints

NB has not received any CRA-related complaints since the previous CRA evaluation; therefore, this criterion did not affect the Lending Test rating.

COMMUNITY DEVELOPMENT TEST

The Community Development Test is rated “Satisfactory.” The institution’s CD performance demonstrates adequate responsiveness to CD needs in its AAs through CD loans, qualified investments, and services, as appropriate, considering the institution’s capacity and the need and availability of such opportunities. NB’s performance is consistent among each rated area and is comparable to other similarly-situated institutions.

Community Development Loans

During the evaluation period, NB originated 48 CD loans totaling approximately \$36.8 million. This level of activity represents 2.8 percent of average total assets and 4.8 percent of average total loans. This is a 12.2 percent increase by dollar and 6.7 percent increase by number of loans from the prior evaluation, when NB originated 45 CD loans totaling \$32.8 million, which represented 3.4 percent of average total assets and 4.9 percent of average total loans.

Although the bulk of CD lending dollars provided funding for revitalization or stabilization efforts, the total number of CD loans targeted to providing support for affordable housing initiatives and demonstrates responsiveness to opportunities for CD needs. This conclusion is supported by economic and demographic data. NB’s performance is comparable to other similarly situated institutions. The following table provides further detail on the bank’s CD loans by year and CD purpose.

Community Development Lending										
Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Total	
	#	\$	#	\$	#	\$	#	\$	#	\$
2022	6	8,224	1	750	-	-	1	18,000	8	26,974
2023	18	425	-	-	3	1,383	-	-	21	1,808
2024	7	2,920	3	879	-	-	-	-	10	3,799
YTD 2025	4	80	-	-	5	4,118	-	-	9	4,198
Total	35	11,649	4	1,629	8	5,501	1	18,000	48	36,779
<i>Source: Bank Data</i>										

The preceding table includes 2 SBA 504 loans originated in 2025, totaling approximately \$2.2 million, that were made in a larger, statewide area that includes the bank’s Utah AA, and are not

discussed elsewhere in this evaluation. These loans were originated in a “CRA desert”, an area known to lack credit support and limited retail banking branches.

Qualified Investments

CD investments, which include new and prior period investments, combined with grants and donations, total approximately \$11.0 million. NB invested approximately \$2.8 million in 1 new qualified investment, and 6 qualified grants and donations totaling \$74,000 during the review period. The institution also maintains approximately \$8.2 million in 3 prior period investments. Total qualified investments represent 0.8 percent of average total assets and 3.2 percent of average total securities as of the March 31, 2025, Call Report.

The number and total dollar amount of qualified CD investments increased significantly from the previous evaluation when NB had 6 qualified investments totaling \$7.5 million. Total qualified investments declined as a percentage of total average investments from the previous evaluation when total qualified investments represented 8.4 percent of total average securities. However, total qualified investments as a percentage of average total assets remained the same as the previous evaluation. The bank’s performance is slightly below similarly situated institutions. NB’s responsiveness to qualified investment needs is reasonable, as affordable housing and economic development are both credit needs in all of its AAs.

Qualified Investments										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Prior Period	1	3,563	0	0	2	4,649	0	0	3	8,212
2022	0	0	0	0	0	0	0	0	0	0
2023	0	0	0	0	0	0	0	0	0	0
2024	1	2,763	0	0	0	0	0	0	1	2,763
YTD 2025	0	0	0	0	0	0	0	0	0	0
Subtotal	2	6,326	0	0	2	4,649	0	0	4	10,975
Qualified Grants & Donations	0	0	3	63	3	11	0	0	6	74
Total	2	6,326	3	63	5	4,660	0	0	10	11,049
<i>Source: Bank Data</i>										

The preceding table includes a \$2.8 million investment in a mortgage-backed security that supports affordable housing initiatives for low- moderate-income (LMI) borrowers in the Boise, Seattle, and Portland AAs. This includes \$1.2 million in Boise, \$727,354 in Seattle, and \$701,354 in Portland.

Community Development Services

NB employees provided a total of 996 CD service hours across all rated areas. CD service hours increased from the prior evaluation when bank employees provided a total of 652 CD service hours. This performance is comparable to peer institutions. Most CD service hours were targeted at providing various services for LMI individuals and families, followed by economic development activities that demonstrate responsiveness to identified CD needs.

In addition to the provision of qualified CD service hours, NB has a branch located in a moderate-income CT in the Coeur d'Alene MSA, which increases the accessibility of the bank's retail banking services to LMI individuals. Refer to the following table for a total of qualified CD hours provided by year and purpose.

Community Development Services					
Activity Year	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
2022	10	73	26	0	109
2023	0	259	110	0	369
2024	56	217	130	0	403
YTD 2025	8	77	30	0	115
Total	74	626	296	0	996
<i>Source: Bank Data</i>					

The preceding table includes service hours provided in the Salt Lake City AA, that benefitted the larger rated area that are not discussed elsewhere in this evaluation. The following are examples of the institution's service hours provided in the Utah rated area.

- In 2024, bank employees provided 13 hours of financial education and technical expertise to small businesses.
- In 2024, a bank employee provided 9 hours of service on the board of an organization that provides scholarships to LMI students.
- In 2024, a bank employee provided 7 hours of service on a financial services committee of an organization that provides health services to LMI seniors.

DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

Examiners reviewed the bank's compliance with the laws relating to discrimination and other illegal credit practices, including the Fair Housing Act and the Equal Credit Opportunity Act, and did not identify any discriminatory or illegal credit practices.

OREGON

CRA RATING FOR OREGON: SATISFACTORY

The Lending Test is rated: Satisfactory

The Community Development Test is rated: Satisfactory

DESCRIPTION OF INSTITUTION’S OPERATIONS IN OREGON

NB operates one full-service branch in the Portland AA. The AA is located in the northwest portion of Oregon and consists of all 87 CTs in Clackamas, 197 CTs in Multnomah and all 134 CTs in Washington Counties in Oregon. Together, these form a portion of the Portland-Vancouver-Hillsboro Multistate MSA. No changes were made to this AA since the previous evaluation.

Economic and Demographic Data

According to 2020 U.S. Census Data, the Portland AA contained 11 low-, 86 moderate-, 180 middle-, and 140 upper-income tracts. One tract has no income designation. The following table provides key demographic information for the AA.

Demographic Information of the Assessment Area Portland AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	N/A* % of #
Geographies (Census Tracts)	418	2.6	20.6	43.1	33.0	0.7
Population by Geography	1,837,201	2.7	21.8	44.4	31.0	0.1
Housing Units by Geography	754,595	2.8	21.0	44.8	31.2	0.2
Owner-Occupied Units by Geography	431,794	1.5	17.2	45.5	35.7	0.1
Occupied Rental Units by Geography	285,425	4.6	26.8	43.5	24.8	0.3
Vacant Units by Geography	37,376	3.0	20.9	47.0	28.9	0.3
Businesses by Geography	227,542	2.1	19.5	43.2	35.0	0.3
Farms by Geography	3,622	0.6	8.7	64.2	26.4	0.1
Family Distribution by Income Level	438,308	19.8	17.5	20.8	41.9	0.0
Household Distribution by Income Level	717,219	23.3	16.1	18.1	42.5	0.0
Median Family Income MSA - 38900 Portland-Vancouver-Hillsboro, OR-WA MSA		\$94,727	Median Housing Value			\$ 434,566
			Median Gross Rent			\$1,370
			Families Below Poverty Level			6.4%
Source: 2020 Census And 2024 D&B Data (*) The NA category consists of geographies that have Not been assigned an income classification. Due to rounding, totals may not equal 100%.						

According to 2024 D&B data, service industries represented the largest portion of businesses at 31.8 percent; followed by non-classifiable establishments at 25.3 percent, construction at 6.5 percent, and retail trade at 6.4 percent. In addition, 66.0 percent of area businesses have 4 or fewer employees, and 94.3 percent operate from a single location.

According to Moody's Analytics, the high-tech industry, logistics and manufacturing industries are key strengths in the AA economy. However, there have been significant layoffs at Intel Corporation and Nike, Inc. two of the largest employers in the AA. Providence Health Systems, Oregon Health & Science University and Legacy Health System are also among the largest local employers. The area is noted as having a high quality of living and a low poverty rate. Although housing prices are flat, they are expensive and remain substantially above the median income level making affordable housing challenging for individuals and families.

The unemployment rates varied among each county during the evaluation period and were similar to the state and national averages. See the table on the following page.

Unemployment Rates			
Area	2022	2023	2024
	%	%	%
Clackamas County	3.6	3.4	3.9
Multnomah County	3.7	3.5	4.0
Washington County	3.3	3.2	3.7
State of Oregon	3.9	3.8	4.2
National Average	3.6	3.6	4.0
Source: Bureau of Labor Statistics			

Competition

The Portland AA is highly competitive in the market for financial services. According to the FDIC Deposit Market Share data as of June 30, 2025, 27 FDIC-insured financial institutions operated 290 offices within the AA. NB ranked 12th among these institutions with 0.7 percent of the total deposit market share. The top three financial institutions consist of large, national associations that have a combined market share of 61.8 percent.

Community Contact

Examiners reviewed an existing community contact interview with an organization that supports small businesses in the AA. The contact stated the area has good support from local government sources for small businesses, and that regional banks have been helpful in supporting their mission. The contact stated that some small businesses experience funding gaps that conventional lending cannot fill, and that others have a weakness when it comes to obtaining financing or understanding the pathway to bankability.

Credit and Community Development Needs and Opportunities

Considering information from the community contact and key economic and demographic data, examiners determined that small business lending represents a primary credit need for the AA. There are also opportunities to provide financial education for entrepreneurs and small business

startups. The high cost of housing in the AA, and the shortage of available housing stock also indicate a credit need for affordable housing programs. Demographic and economic data support these conclusions.

SCOPE OF EVALUATION – OREGON

Examiners conducted a full-scope review of the Portland AA in the state of Oregon.

CONCLUSIONS ON PERFORMANCE CRITERIA IN OREGON

LENDING TEST

NB is rated “Satisfactory” in the Lending Test for the state of Oregon. The institution’s reasonable performance under the geographic distribution criteria and poor performance under the borrower profile criteria supports this conclusion.

Geographic Distribution

The geographic distribution of loans reflects reasonable dispersion throughout the AA. Lending performance in low-income CTs is significantly higher than demographic data. Lending in moderate-income CTs was comparable to demographic data. These factors reflect reasonable performance.

Geographic Distribution of Small Business Loans Portland AA					
Tract Income Level	% of Businesses	#	%	\$(000s)	%
Low					
2024	2.1	3	7.1	880	6.6
Moderate					
2024	19.5	8	19.1	1,415	10.6
Middle					
2024	43.2	15	35.7	3,942	29.5
Upper					
2024	35.0	14	33.3	6,275	47.0
NA					
2024	0.3	2	4.8	850	6.4
Total					
2024	100.0	42	100.0	13,362	100.0
Source: 2024 D&B Data; Bank Data Due to rounding, totals may not equal 100.0%.					

Borrower Profile

The distribution of borrowers reflects, given the demographics of the AA, poor penetration among businesses of different revenue sizes. Lending to businesses with gross annual revenues (GARs) of \$1 million or less significantly trailed demographic data. Management attributed the bank’s performance in part to the highly competitive market in the AA. NB’s operations are limited to one

branch and the institution's total deposit market share is less than 1.0 percent. In addition, the bank's business growth is primarily from referrals and existing clients. Considering all of these factors, the bank's performance is poor.

Distribution of Small Business Loans by Gross Annual Revenue Category Portland AA					
Gross Revenue Level	% of Businesses	#	%	\$(000s)	%
<= \$1,000,000					
2024	91.6	9	21.4	4,166	31.2
> \$1,000,000					
2024	2.2	33	78.6	9,196	68.8
Revenue Not Available					
2024	6.2	0	0.0	0	0.0
Total					
2024	100.0	42	100.0	13,362	100.0
Source: 2024 D&B Data; Bank Data Due to rounding, totals may not equal 100.0%.					

COMMUNITY DEVELOPMENT TEST

The institution's CD performance demonstrated adequate responsiveness to the CD needs in the Portland AA through CD loans, qualified investments, and CD services, as appropriate, considering the bank's capacity and resources and the need and availability of such opportunities for CD in the institution's AAs.

Community Development Loans

NB's number and dollar volume of CD loans declined from the prior evaluation when the bank made 41 CD loans totaling \$14.0 million. However, NB's advances to an affordable housing organization demonstrate the bank's responsiveness to primary credit needs of the area, specifically affordable housing due to high housing prices. The following table provides details for CD loans by purpose and amount.

Community Development Lending by Assessment Area										
Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Portland	1	5,000	2	1,500	1	660	0	0	4	7,160
Statewide Activities	31	609	0	0	0	0	0	0	31	609
Total	32	5,609	2	1,500	1	660	0	0	35	7,769
Source: Bank Data										

Examples of CD loan activity include the following:

- In 2022, NB originated a \$5.0 million loan to finance the rehabilitation of a deteriorating condominium building that provides affordable housing for LMI seniors.
- In 2023, NB provided \$750,000 in a working line of credit to a community organization that provides services to homeless individuals and families.
- The bank maintains a \$2.0 million line of credit through a consortium loan that provides financing for affordable housing statewide, of which the bank advanced \$609,000 in 31 advances throughout the evaluation period.

Qualified Investments

Qualified investments and grants totaled \$763,912. The total is comprised of \$701,354 in the portion of the mortgage-backed security supporting affordable housing discussed at the bank-wide level, and \$62,558 in grants to the Oregon Law Foundation in the form of Interest on Lawyers' Trust Accounts (IOLTAs). IOLTAs are owned by lawyers who have client money, and higher-than market rate interest is paid on those accounts. The interest from all Oregon IOLTAs is granted to the Oregon Law Foundation, which uses the funds to provide civil legal help for low-income families and individuals. NB provided \$16,303 in 2022, \$19,182 in 2023, and \$27,073 in 2024 under this program.

Oregon's total qualified investments do not reflect prior period investments, which consist of portions of two regional investments. One investment supports affordable housing initiatives that include the Portland AA and has a balance of approximately \$3.6 million outstanding. The other investment is in a small business investment company that targets economic development initiatives that include the Portland AA and has a balance of \$4.6 million still outstanding. This performance is below the prior evaluation, when NB made \$2.9 million in total qualified investments and grants.

Community Development Services

NB employees provided 119 service hours during the evaluation period. The hours provided represent a decrease from the 238 hours reported at the prior evaluation. The following table provides details of CD services by purpose and the number of hours provided.

Community Development Services					
Activity Year	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
2022	-	40	-	-	40
2023	-	-	-	-	-
2024	44	33	2	-	79
YTD 2025	-	-	-	-	-
Total	44	73	2	-	119
<i>Source: Bank Data</i>					

The following are examples of CD services provided by bank employees:

- In 2022, a market president of the bank provided 36 hours of community services, serving on the board of a non-profit organization that provides services to LMI individuals. Services include assistance with finding temporary or permanent housing and obtaining healthcare.
- In 2024, a chief executive of the bank provided 21 hours of community services, serving on the board of directors of a non-profit organization that provides services to youth in foster care and going through the adoption process.
- In 2024, several employees of the bank provided a total of 40 hours of affordable housing services, serving a non-profit organization that provides affordable housing to LMI individuals.

IDAHO

CRA RATING FOR IDAHO: SATISFACTORY

The Lending Test is rated: Satisfactory

The Community Development Test is rated: Satisfactory

DESCRIPTION OF INSTITUTION'S OPERATIONS IN IDAHO

The Idaho rated area consists of two AAs that are comprised of the Boise City MSA AA, which is located in the southwestern part of the state and the Coeur d'Alene MSA AA, which is located in the northern part of the state in the Idaho Panhandle. Refer to each full- and limited-scope review for complete details for each AA. No changes occurred to the Idaho AAs since the prior evaluation.

SCOPE OF EVALUATION - IDAHO

Based on lending activity, deposit volume and branch distribution, the Boise City MSA AA was reviewed using full-scope procedures and contributes the greatest weight to overall conclusions. The Coeur d'Alene MSA AA was reviewed using limited-scope procedures.

CONCLUSIONS ON PERFORMANCE CRITERIA IN IDAHO

LENDING TEST

NB is rated "Satisfactory" in the Lending Test for the state of Idaho. Reasonable performance under the geographic distribution criteria and poor performance under the borrower profile criteria in the Boise City MSA AA supports this conclusion. NB did not originate any loans in the Coeur d'Alene MSA in 2024. The bank's overall performance in the Coeur d'Alene MSA AA is below the Idaho rated area. However, it did not alter the overall conclusions and rating for the state of Idaho. Refer to each full- and limited-scope review for additional details.

Geographic Distribution

The geographic distribution of loans reflects reasonable dispersion throughout the AAs. The bank's performance in the Boise City MSA AA is consistent with this conclusion. The bank's performance in the Coeur d'Alene MSA AA is below the overall conclusion for the Idaho rated area.

Borrower Profile

The distribution of borrowers reflects, given the demographics of the AAs, poor penetration among businesses of different sizes. NB's performance in each AA is consistent with this conclusion.

COMMUNITY DEVELOPMENT TEST

The institution's CD performance demonstrated adequate responsiveness to the CD needs in the state of Idaho through CD loans, qualified investments, and CD services, as appropriate, considering the bank's capacity and resources and the need and availability of such opportunities for CD in the institution's AAs. The institution's performance in the Boise City MSA received the greatest weight and is consistent with the overall conclusion for the state of Idaho, while the performance in the Coeur d'Alene MSA is below the overall conclusion. Refer to each full- and limited-scope review for details.

Community Development Loans

NB's number of CD loans increased, while the dollar volume decreased from the prior evaluation where the bank made one CD loan totaling \$15.0 million. Due to NB's participation in a CD loan consortium, both AAs received the benefits of CD lending activity.

Community Development Lending by Assessment Area										
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Boise City MSA	-	-	2	129	2	723	-	-	4	852
Coeur d'Alene MSA	-	-	-	-	-	-	-	-	-	-
Statewide Activities	1	96	-	-	-	-	-	-	1	96
Total	1	96	2	129	2	723	-	-	5	948
<i>Source: Bank Data</i>										

The following is an example of statewide CD loan activity:

- In 2023, NB participated in a CD loan consortium, providing \$96,250 to multi-family affordable housing projects statewide in Idaho, which includes each of the bank's Idaho AAs.

Qualified Investments

NB reported 4 qualified investments, grants and donations totaling \$1.2 million. This total does not include a portion of a prior period investment with a balance of approximately \$3.6 million still outstanding that supports affordable housing initiatives in a regional area, including the Boise City MSA. This performance is significantly above the prior evaluation, when NB made 1 qualified investment totaling \$458,000.

Qualified Investments and Donations by Assessment Area										
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Boise City MSA	1	1,200	-	-	3	11	-	-	4	1,211
Coeur d'Alene MSA	-	-	-	-	-	-	-	-	-	-
Total	1	1,200	-	-	3	11	-	-	4	1,211
<i>Source: Bank Data</i>										

Community Development Services

NB staff provided 553 hours of CD service hours during the evaluation period. This performance level is above the prior evaluation's total of 368 hours. Refer to each full- and limited-scope review for additional details.

Community Development Services by Assessment Area					
Assessment Area	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
Boise City MSA	12	215	22	-	249
Coeur d'Alene MSA	-	227	56	-	283
Statewide Activities	21	-	-	-	21
Total	33	442	78	-	553
<i>Source: Bank Data</i>					

The following is an example of service hours the bank provided at a statewide level:

- In 2022, 2023, and 2025, bank staff provided a combined 21 hours of board service to an organization that serves LMI individuals with affordable housing needs in both Idaho AAs.

BOISE CITY MSA – Full-Scope Review

DESCRIPTION OF INSTITUTION’S OPERATIONS IN THE BOISE CITY MSA ASSESSMENT AREA

The AA is in the northwestern portion of Idaho and consists of all 129 CTs in Ada County and all 54 CTs in Canyon County, which together form a portion of the Boise City, ID MSA. There were no changes to this AA since the previous evaluation.

Economic and Demographic Data

According to 2020 U.S. Census Data, the Boise City MSA contained 4 low-, 33 moderate-, 88 middle- and 57 upper-income CTs. One CT has no income designation. The following table provides key demographic data for the AA.

Demographic Information of the Assessment Area Boise City MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	N/A* % of #
Geographies (Census Tracts)	183	2.2	18.0	48.1	31.2	0.6
Population by Geography	726,072	2.3	18.0	49.0	30.5	0.3
Housing Units by Geography	265,439	2.1	18.7	48.9	30.0	0.4
Owner-Occupied Units by Geography	180,553	0.6	15.0	51.1	33.3	0.0
Occupied Rental Units by Geography	74,649	5.4	27.0	44.2	22.2	1.2
Vacant Units by Geography	10,237	4.1	21.8	44.6	29.2	0.4
Businesses by Geography	83,425	2.0	18.1	47.0	32.9	0.1
Farms by Geography	1,466	0.6	15.0	42.9	41.5	0.0
Family Distribution by Income Level	170,224	16.8	19.0	22.9	41.3	0.0
Household Distribution by Income Level	255,202	21.0	17.0	21.1	41.0	0.0
Median Family Income MSA - 14260 Boise City, ID MSA		\$77,090	Median Housing Value			\$ 279,993
			Median Gross Rent			\$998
			Families Below Poverty Level			6.5%
Source: 2020 Census And 2024 D&B Data (*) The NA category consists of geographies that have Not been assigned an income classification. Due to rounding, totals may not equal 100%.						

According to 2024 D&B data, service industries represented the largest portion of businesses at 30.3 percent, followed by non-classifiable establishments at 24.7 percent, construction at 8.9

percent, and retail trade at 6.4 percent. In addition, 68.9 percent of area businesses have four or fewer employees, and 94.7 percent operate from a single location.

According to Moody’s Analytics, manufacturing, construction, and healthcare are the main economic drivers. St. Luke’s Regional Medical Center, Ltd., Micron Technology, Inc. (Micron), Saint Alphonsus Regional Medical Center, Inc., and Boise State University are the AA’s largest employers. Boise is one of the fastest growing metros in the nation, spurred by migration and investments from tech companies like Micron and Meta Platforms, Inc.. Boise State University set a record for enrollment in 2024, which maintains a pipeline of highly skilled workers to the healthcare and tech industries. Housing prices have also risen above the national average, leading to issues with affordable homeownership.

Unemployment rates varied slightly between the two counties. The average rates of unemployment for each county were generally comparable to those for the state of Idaho and trended lower than those for the rest of the nation. See the following table for the AA’s unemployment rates.

Unemployment Rates			
Area	2022	2023	2024
	%	%	%
Ada County	2.5	2.9	3.3
Canyon County	2.9	3.2	3.8
State of Idaho	2.9	3.2	3.7
National Average	3.6	3.6	4.0
<i>Source: Bureau of Labor Statistics</i>			

Competition

The Boise City MSA AA is highly competitive in the market for financial services. According to the FDIC Deposit Market Share data as of June 30, 2025, 23 FDIC-insured financial institutions operated 143 branches within the AA. Of these institutions, NB ranked 12th with a 2.1 percent deposit market share. The top three financial institutions are comprised of large, national associations that have a combined market share of 51.7 percent.

Community Contact

Examiners reviewed an existing community contact interview with an organization that serves the AA. The organization provides resources for programs that support home improvement and affordable housing within the AA. The contact noted that there has been an influx of population and a housing shortage due to little to no construction of homes. The contact noted that acquiring capital to develop projects can be a struggle, for both single-family and multi-family projects.

Credit and Community Development Needs and Opportunities

Considering information from the community contact and key economic demographic data, examiners determined that construction of affordable single- and multi-family projects represents a primary credit need for the AA. In addition, the median housing value is relatively high in comparison to the median family income, further indicating a need for affordable housing.

CONCLUSIONS ON PERFORMANCE CRITERIA IN BOISE CITY

LENDING TEST

Lending Test performance in the Boise City MSA is consistent with the state of Idaho's conclusions.

Geographic Distribution

The geographic distribution of loans reflects reasonable dispersion throughout the AA. NB's lending performance in low-income CTs exceeded demographic data by a wide margin. In moderate-income tracts, the bank's performance trailed demographic data slightly, but not by an unreasonable amount. Considering these factors, NB's performance is reasonable.

Geographic Distribution of Small Business Loans Boise City MSA					
Tract Income Level	% of Businesses	#	%	\$(000s)	%
Low					
2024	2.0	2	6.3	1,250	6.5
Moderate					
2024	18.1	5	15.6	1,649	8.6
Middle					
2024	47.0	16	50.0	12,370	64.2
Upper					
2024	32.9	9	28.1	4,008	20.8
NA					
2024	0.1	0	0.0	0	0.0
Total					
2024	100.0	32	100.0	19,277	100.0
Source: 2024 D&B Data; Bank Data Due to rounding, totals may not equal 100.0%.					

Borrower Profile

The distribution of borrowers reflects, given the demographics of the AA, poor penetration among businesses of different revenue sizes. NB's performance of lending to businesses with GARs of \$1 million or less significantly trailed 2024 demographic data. Bank management attributed the lagging performance to challenges in the highly competitive Boise MSA AA, where the bank operates a single branch and maintains only 2.0 percent of the total deposit market share. Considering these factors, NB's performance is poor.

Distribution of Small Business Loans by Gross Annual Revenue Category Boise City MSA					
Gross Revenue Level	% of Businesses	#	%	\$(000s)	%
<= \$1,000,000					
2024	90.7	5	15.6	3,043	15.8
> \$1,000,000					
2024	2.0	26	81.3	15,895	82.5
Revenue Not Available					
2024	7.4	1	3.1	339	1.8
Total					
2024	100.0	32	100.0	19,277	100.0
Source: 2024 D&B Data; Bank Data Due to rounding, totals may not equal 100.0%.					

COMMUNITY DEVELOPMENT TEST

The institution's CD performance demonstrated adequate responsiveness to the CD needs in the Boise City MSA through CD loans, qualified investments, and CD services, as appropriate, considering the bank's capacity and resources and the need and availability of such opportunities for CD in the institution's AAs.

Community Development Loans

NB originated 4 CD loans totaling \$851,451 in the Boise City MSA. This total does not include the statewide investment discussed at the rated area level. Although the dollar volume decreased from the prior evaluation period when NB made 1 CD loan totaling \$15.0 million, the number of CD loans increased, showing a broader impact to small businesses.

Examples of CD lending include:

- In 2023, NB made 2 SBA 504 loans totaling \$722,500 to a small business to support job growth and to purchase a building for operations.
- In 2024, NB extended a line of credit for \$100,000 to a non-profit organization that provides LMI families and individuals with basic services, including food and shelter.
- In 2024, NB originated a loan totaling \$28,951 to a non-profit organization to refinance a vehicle for an organization that provides various services to LMI families and individuals.

Qualified Investments

NB made 4 qualified investments and donations during the evaluation period totaling \$1.2 million. Included in this amount is the portion of the bank's regional investment in mortgage-backed securities which are discussed at the bank-wide level that benefited the Boise City MSA. This total does not include a portion of a prior period investment with a balance of approximately \$3.6 million

still outstanding that supports affordable housing initiatives in a regional area, including the Boise City MSA. The total performance level is above the prior evaluation, when NB made \$458,000 in qualified investments.

The following are examples of NB's CD donations:

- In 2023, the bank made 1 donation to a Community Development Financial Institution for \$1,000.
- In 2023 and 2024, the bank made 2 donations for a total of \$10,000 to an organization that supports small businesses by offering technical assistance and resources for business expansion activities.

Community Development Services

NB staff provided 249 hours of CD services over the evaluation period. The number of hours represents a decrease from 314 hours at the prior evaluation.

The following are examples of CD services:

- In 2023, an officer of the bank provided 34 hours of community service by serving on the board of a foundation that raises, manages, and provides scholarships to underprivileged individuals for higher education.
- In 2023, an officer of the bank provided 19 hours of community service by providing financial education to small business owners, entrepreneurs, and LMI individuals.
- In 2024, an officer of the bank provided 12 hours of affordable housing services by serving on the board and finance committee of an organization that builds low-income and rent controlled housing for LMI individuals.

COEUR D'ALENE MSA – Limited-Scope Review

DESCRIPTION OF INSTITUTION'S OPERATIONS IN THE COEUR D'ALENE MSA ASSESSMENT AREA

This AA is located in the northern Panhandle of Idaho and consists of all 39 CTs in Kootenai County, which forms the Coeur d'Alene MSA. There were no changes to this AA since the previous evaluation.

Economic and Demographic Data

According to 2020 U.S. Census Data, the Coeur d'Alene MSA contained 8 moderate-, 20 middle, and 11 upper-income CTs. The AA has no low-income CTs. The following table provides the demographic data for the AA.

Demographic Information of the Assessment Area Coeur d'Alene MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	N/A* % of #
Geographies (Census Tracts)	39	0.0	20.5	51.3	28.2	0.0
Population by Geography	171,362	0.0	16.1	63.1	20.8	0.0
Housing Units by Geography	72,799	0.0	20.0	55.9	24.2	0.0
Owner-Occupied Units by Geography	45,958	0.0	14.1	60.9	25.0	0.0
Occupied Rental Units by Geography	18,517	0.0	30.5	55.6	13.9	0.0
Vacant Units by Geography	8,324	0.0	29.1	28.4	42.6	0.0
Businesses by Geography	25,268	0.0	17.2	56.7	26.1	0.0
Farms by Geography	455	0.0	13.2	48.6	38.2	0.0
Family Distribution by Income Level	44,873	19.2	19.2	22.1	39.6	0.0
Household Distribution by Income Level	64,475	21.0	17.9	21.7	39.4	0.0
Median Family Income MSA - 17660 Coeur d'Alene, ID MSA		\$72,376	Median Housing Value		\$ 303,446	
			Median Gross Rent		\$1,032	
			Families Below Poverty Level		7.4%	
Source: 2020 Census And 2024 D&B Data (*) The NA category consists of geographies that have Not been assigned an income classification. Due to rounding, totals may not equal 100%.						

According to 2024 D&B data, service industries represented the largest portion of businesses at 28.3 percent, followed by non-classifiable establishments at 28.1 percent, construction at 10.0 percent, rental real estate and leasing at 6.1 percent, and retail trade at 5.6 percent. In addition, 65.9 percent of area businesses have four or fewer employees, and 96.5 percent of businesses operate from a single location. These factors indicate that the majority of businesses in the AA are very small.

According to Moody's Analytics, tourism drives the local economy. The metro area's location on Coeur d'Alene Lake and its ski resorts and casinos make it a popular year-round destination. The area is specifically expanding large resorts, and several new hotels are in the building pipeline. These projects help support construction payrolls. The cost of living is above average; however, a high quality of life has made the AA a popular destination for domestic migration in the west, particularly retirees. Limited inventory, higher mortgage interest rates, and an overpriced housing market create limited availability for affordable housing. The top employers are Kootenai Health, Inc., Walmart Inc., North Idaho College, Buck Knives, Inc., and Avista Corporation.

The average rates of unemployment in the AA were generally above both the state and national levels. See the following table for the AA's unemployment rates.

Unemployment Rates			
Area	2022	2023	2024
	%	%	%
Kootenai County	3.5	3.7	4.4
State of Idaho	2.9	3.2	3.7
National Average	3.6	3.6	4.0
<i>Source: Bureau of Labor Statistics</i>			

CONCLUSIONS ON PERFORMANCE CRITERIA IN COEUR D'ALENE

LENDING TEST

The institution's lending performance in the Coeur d'Alene MSA is below the lending performance in the Boise City MSA that was reviewed using full-scope examination procedures; however, due to the weighting for the overall performance conclusions, it does not change the overall conclusions for the rated area.

The bank did not originate any loans in the Coeur d'Alene MSA in 2024. According to management, the AA remains a competitive market due to the low population compared to the bank's Boise AA. NB has less than one percent of the AA's total deposit market share. In 2024, management made a key hire of a relationship manager to address the lack of lending in the AA. The strategic effort is targeted to improve small business lending in the geography through the employee's extensive knowledge of the local area and connections to existing small businesses. In 2025, management reported two small business loans in the geography.

COMMUNITY DEVELOPMENT TEST

The institution's CD performance in the Coeur d'Alene MSA is below the CD performance in the Boise City MSA that was reviewed using full-scope examination procedures; however, it does not change the conclusion for the rated area.

The bank did not originate CD loans in the Coeur d'Alene MSA during the evaluation period; however, the AA benefited from NB's CD loan activity made in the broader, state-wide area, which is discussed at the rated area level. This performance is similar to the prior evaluation period. NB did not make any qualified investments or donations in this AA during the evaluation period. Bank staff provided 283 hours of CD services, comprised of 227 hours of community service and 56 hours of economic development, which is an increase from the 54 hours reported at the prior evaluation. The performance overall is consistent with the prior evaluation.

WASHINGTON

CRA RATING FOR WASHINGTON: SATISFACTORY

The Lending Test is rated: Satisfactory

The Community Development Test is rated: Satisfactory

DESCRIPTION OF INSTITUTION'S OPERATIONS IN WASHINGTON

The Washington rated area consists of one AA. NB operates one full-service branch in the Seattle AA which is located along Puget Sound in the northwestern portion of Washington and consists of all 495 CTs in King County in Washington. King County represents a portion of the Seattle-Bellevue-Kent, WA MSA. No changes were made to this AA since the previous evaluation.

Economic and Demographic Data

According to the 2020 U.S. Census Data, the AA contained 34 low-, 101 moderate-, 188 middle-, 158 upper-income tracts. Fourteen tracts have no income designation. The following table provides key demographic information for the AA.

Demographic Information of the Assessment Area Seattle AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	N/A* % of #
Geographies (Census Tracts)	495	6.9	20.4	38.0	31.9	2.8
Population by Geography	2,269,675	6.9	21.0	38.2	31.9	2.1
Housing Units by Geography	952,344	6.9	19.2	39.0	32.7	2.2
Owner-Occupied Units by Geography	508,346	3.7	17.6	41.3	36.7	0.7
Occupied Rental Units by Geography	391,715	11.0	21.2	36.1	27.5	4.2
Vacant Units by Geography	52,283	7.5	18.8	38.5	32.5	2.8
Businesses by Geography	286,465	7.7	17.8	39.1	34.3	1.2
Farms by Geography	1,930	3.4	11.6	49.8	34.6	0.6
Family Distribution by Income Level	534,762	21.7	17.6	20.5	40.3	0.0
Household Distribution by Income Level	900,061	24.2	16.3	17.7	41.7	0.0
Median Family Income MD - 42644 Seattle-Bellevue-Kent, WA MD		\$123,939	Median Housing Value			\$ 627,268
			Median Gross Rent			\$1,705
			Families Below Poverty Level			5.1%
Source: 2020 Census And 2024 D&B Data (*) The NA category consists of geographies that have Not been assigned an income classification. Due to rounding, totals may not equal 100%.						

According to 2024 D&B data, service industries represented the largest portion of businesses at 30.6 percent, followed by non-classifiable establishments at 29.2 percent, healthcare and social assistance at 7.0 percent, and construction at 5.9 percent. In addition, 61.9 percent of area businesses have four or fewer employees, and 94.6 percent operate from a single location. These factors indicate that the majority of businesses in the AA are very small.

According to Moody's Analytics, the AA's main economic drivers are manufacturing, high-tech, and logistics. Tacoma also benefits from a nearby military base. The metropolitan area is a global center for cloud computing and software development, having a highly trained and well-educated workforce, and a relatively high per capita income. However, weaknesses such as the tech industry's exposure to discretionary spending and high business costs compared to emerging tech hubs limit growth. The top employers are Amazon.com, Inc., The Boeing Company, Microsoft Corporation, University of Washington, and Providence Health & Services. Housing costs are very high in comparison to median family incomes and shortages in stock continue to be an issue for affordable homeownership.

King County's average unemployment rates were lower than the average rates for the state and varied compared to those for the nation. See the following table for the AA's unemployment rates.

Unemployment Rates			
Area	2022	2023	2024
	%	%	%
King County	3.5	3.9	4.1
State of Washington	4.1	4.2	4.5
National Average	3.6	3.6	4.0
<i>Source: Bureau of Labor Statistics</i>			

Competition

The Seattle AA is highly competitive in the market for financial services. According to the FDIC Deposit Market Share data as of June 30, 2025, 41 FDIC-insured financial institutions operated 444 offices within the AA. NB ranked 19th among all institutions with 0.3 percent of the deposit market share. Large, national associations claim the top three spots with a combined market share of 58.6 percent.

Community Contact

Examiners reviewed an existing community contact interview with an organization that promotes business growth among underbanked small businesses. The contact stated that the primary credit needs are start-up capital, as well as working capital, especially for small businesses that struggle with cash flows.

Credit and Community Development Needs and Opportunities

Considering information from the community contact and key economic and demographic data, examiners determined that small business lending; particularly small dollar business lending, represents a primary credit need for the AA. The high cost of housing in the AA, and the shortage of available housing stock also indicate a credit need for affordable housing programs. Demographic and economic data support this conclusion.

SCOPE OF EVALUATION – WASHINGTON

Examiners conducted a full-scope review of the Seattle AA in the state of Washington.

CONCLUSIONS ON PERFORMANCE CRITERIA IN WASHINGTON

LENDING TEST

NB's Lending Test performance is rated "Satisfactory" for the state of Washington. The bank's reasonable lending performance under the geographic distribution criteria and poor lending performance under the borrower profile criteria supports this conclusion.

Geographic Distribution

The geographic distribution of loans reflects reasonable dispersion throughout the AA. Lending in low-income CTs by number of loans was below demographic data; however, lending by dollar volume exceeded demographic data. Lending in moderate income CTs by number of loans was below demographic data but was more closely aligned with demographic data by dollar volume of loans. In addition, the bank has identified small business lending opportunities within LMI geographies and is actively conducting outreach efforts. Considering these factors, the bank's performance is reasonable.

Geographic Distribution of Small Business Loans Seattle AA					
Tract Income Level	% of Businesses	#	%	\$(000s)	%
Low					
2024	7.7	1	4.0	1,000	9.9
Moderate					
2024	17.8	3	12.0	1,440	14.2
Middle					
2024	39.1	12	48.0	4,886	48.3
Upper					
2024	34.3	8	32.0	2,290	22.6
NA					
2024	1.2	1	4.0	500	4.9
Total					
2024	100.0	25	100.0	10,116	100.0
Source: 2024 D&B Data; Bank Data Due to rounding, totals may not equal 100.0%.					

Borrower Profile

The distribution of borrowers reflects, given the demographics of the AA, poor penetration among businesses of different sizes. The bank's performance of lending to businesses with GARs of \$1 million or less significantly trailed demographic data. NB operates from a single branch and has limited market share in the AA. Loan growth is also dependent on referrals and lending to existing customers, which hampered lending performance. According to management, these factors present challenges for lending to small businesses. Considering these factors, the bank's performance is poor.

Distribution of Small Business Loans by Gross Annual Revenue Category Seattle AA					
Gross Revenue Level	% of Businesses	#	%	\$(000s)	%
<= \$1,000,000					
2024	91.9	4	16.0	850	8.4
> \$1,000,000					
2024	2.4	21	84.0	9,266	91.6
Revenue Not Available					
2024	5.7	0	0.0	0	0.0
Total					
2024	100.0	25	100.0	10,116	100.0
<i>Source: 2024 D&B Data; Bank Data Due to rounding, totals may not equal 100.0%.</i>					

COMMUNITY DEVELOPMENT TEST

The institution's CD performance demonstrated adequate responsiveness to the CD needs in the Seattle AA through CD loans, qualified investments, and CD services, as appropriate, considering the bank's capacity and resources and the need and availability of such opportunities for CD in the institution's AAs.

Community Development Loans

NB originated 6 CD loans totaling approximately \$25.8 million in the AA during the evaluation period. This level represents a substantial increase in the number and dollar volume from the prior evaluation when the bank made 1 CD loan totaling \$3.7 million. The following table details the breakdown of CD loans by purpose.

Community Development Lending by Assessment Area										
Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Seattle	2	5,944	0	0	1	1,260	0	0	3	7,204
Statewide Activities	0	0	0	0	2	689	1	18,000	3	18,689
Total	2	5,944	0	0	3	1,949	1	18,000	6	25,853
<i>Source: Bank Data</i>										

The following are examples of the bank's CD loans:

- In 2022, NB originated a \$18.0 million loan for the revitalization of a deteriorating office building in an opportunity zone, an economically distressed community where new investment provides economic development and job creation.
- In 2022, NB originated a \$15.7 million construction loan. Of that loan, \$3.1 million was allocated for the construction of 27 affordable housing units. The building is located in a low-income CT.
- In 2024, NB originated a \$2.8 million loan for the construction of 17 affordable housing units through a non-profit organization.

Qualified Investments

During the evaluation period, NB made 1 new qualified investment that benefited the Seattle AA. The investment is a portion of the bank's regional investment in mortgage backed securities discussed at the bank-wide level. Of this investment, \$727,354 was applied to the Seattle AA, and provides affordable housing to LMI individuals and families.

The total qualified investments do not reflect prior period investments, which consist of portions of two regional investments. One investment supports affordable housing initiatives that include the Seattle AA and has a balance of approximately \$3.6 million outstanding. The other investment is in a small business investment company that targets economic development initiatives that include the Seattle AA and has a balance of \$4.6 million still outstanding. This performance is consistent with the prior evaluation.

Community Development Services

NB staff provided 290 hours of CD services, which is a significant increase from the prior evaluation when bank employees provided 46 hours of service. The following table details CD services by year and purpose.

Community Development Services					
Activity Year	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
2022	5	-	22	-	27
2023	-	40	60	-	100
2024	-	37	93	-	130
YTD 2025	-	3	30	-	33
Total	5	80	205	-	290
<i>Source: Bank Data</i>					

The following are examples of CD services:

- In 2023, a relationship manager at the bank provided 34 hours of economic development services by serving on the board and loan committee of a community organization focused on financial training and economic development lending for minority-owned businesses, entrepreneurs, and LMI individuals.
- In 2023 and 2024, bank employees provided a total of 48 hours of community service by providing financial education to LMI youths through a non-profit organization.
- In 2025, a bank officer provided 30 hours of board service for an organization that promotes small business development.

APPENDICES

INTERMEDIATE SMALL BANK PERFORMANCE CRITERIA

Lending Test

The Lending Test evaluates the bank's record of helping to meet the credit needs of its assessment area(s) by considering the following criteria:

- 1) The bank's loan-to-deposit ratio, adjusted for seasonal variation, and, as appropriate, other lending-related activities, such as loan originations for sale to the secondary markets, community development loans, or qualified investments;
- 2) The percentage of loans, and as appropriate, other lending-related activities located in the bank's assessment area(s);
- 3) The geographic distribution of the bank's loans;
- 4) The bank's record of lending to and, as appropriate, engaging in other lending-related activities for borrowers of different income levels and businesses and farms of different sizes; and
- 5) The bank's record of taking action, if warranted, in response to written complaints about its performance in helping to meet credit needs in its assessment area(s).

Community Development Test

The Community Development Test considers the following criteria:

- 1) The number and amount of community development loans;
- 2) The number and amount of qualified investments;
- 3) The extent to which the bank provides community development services; and
- 4) The bank's responsiveness through such activities to community development lending, investment, and service needs.

SUMMARY OF RATINGS FOR RATED AREAS

Rated Area	Lending Test	Community Development Test	Rating
OREGON	Satisfactory	Satisfactory	Satisfactory
IDAHO	Satisfactory	Satisfactory	Satisfactory
WASHINGTON	Satisfactory	Satisfactory	Satisfactory

GLOSSARY

Aggregate Lending: The number of loans originated and purchased by all reporting lenders in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/assessment area.

American Community Survey (ACS): A nationwide United States Census survey that produces demographic, social, housing, and economic estimates in the form of five year estimates based on population thresholds.

Area Median Income: The median family income for the MSA, if a person or geography is located in an MSA; or the statewide nonmetropolitan median family income, if a person or geography is located outside an MSA.

Assessment Area: A geographic area delineated by the bank under the requirements of the Community Reinvestment Act.

Census Tract: A small, relatively permanent statistical subdivision of a county or equivalent entity. The primary purpose of census tracts is to provide a stable set of geographic units for the presentation of statistical data. Census tracts generally have a population size between 1,200 and 8,000 people, with an optimum size of 4,000 people. Census tract boundaries generally follow visible and identifiable features, but they may follow nonvisible legal boundaries in some instances. State and county boundaries always are census tract boundaries.

Combined Statistical Area (CSA): A combination of several adjacent metropolitan statistical areas or micropolitan statistical areas or a mix of the two, which are linked by economic ties.

Community Development: For loans, investments, and services to qualify as community development activities, their primary purpose must:

- (1) Support affordable housing for low- and moderate-income individuals;
- (2) Target community services toward low- and moderate-income individuals;
- (3) Promote economic development by financing small businesses or farms; or
- (4) Provide activities that revitalize or stabilize low- and moderate-income geographies, designated disaster areas, or distressed or underserved nonmetropolitan middle-income geographies.

Community Development Corporation (CDC): A CDC allows banks and holding companies to make equity type of investments in community development projects. Bank CDCs can develop innovative debt instruments or provide near-equity investments tailored to the development needs of the community. Bank CDCs are also tailored to their financial and marketing needs. A CDC may purchase, own, rehabilitate, construct, manage, and sell real property. Also, it may make equity or debt investments in development projects and in local businesses. The CDC activities are expected to directly benefit low- and moderate-income groups, and the investment dollars should not represent an undue risk on the banking organization.

Community Development Financial Institutions (CDFIs): CDFIs are private intermediaries (either for profit or nonprofit) with community development as their primary mission. A CDFI facilitates the flow of lending and investment capital into distressed communities and to individuals who have been unable to take advantage of the services offered by traditional financial institutions. Some basic types of CDFIs include community development banks, community development loan funds, community development credit unions, micro enterprise funds, and community development venture capital funds.

A certified CDFI must meet eligibility requirements. These requirements include the following:

- Having a primary mission of promoting community development;
- Serving an investment area or target population;
- Providing development services;
- Maintaining accountability to residents of its investment area or targeted population through representation on its governing board of directors, or by other means;
- Not constituting an agency or instrumentality of the United States, of any state or political subdivision of a state.

Community Development Loan: A loan that:

- (1) Has as its primary purpose community development; and
- (2) Except in the case of a wholesale or limited purpose bank:
 - (i) Has not been reported or collected by the bank or an affiliate for consideration in the bank's assessment area as a home mortgage, small business, small farm, or consumer loan, unless it is a multifamily dwelling loan (as described in Appendix A to Part 203 of this title); and
 - (ii) Benefits the bank's assessment area(s) or a broader statewide or regional area including the bank's assessment area(s).

Community Development Service: A service that:

- (1) Has as its primary purpose community development;
- (2) Is related to the provision of financial services; and
- (3) Has not been considered in the evaluation of the bank's retail banking services under § 345.24(d).

Consumer Loan(s): A loan(s) to one or more individuals for household, family, or other personal expenditures. A consumer loan does not include a home mortgage, small business, or small farm loan. This definition includes the following categories: motor vehicle loans, credit card loans, home equity loans, other secured consumer loans, and other unsecured consumer loans.

Core Based Statistical Area (CBSA): The county or counties or equivalent entities associated with at least one core (urbanized area or urban cluster) of at least 10,000 population, plus adjacent counties having a high degree of social and economic integration with the core as measured through commuting ties with the counties associated with the core. Metropolitan and Micropolitan Statistical Areas are the two categories of CBSAs.

Distressed Middle-Income Nonmetropolitan Geographies: A nonmetropolitan middle-income geography will be designated as distressed if it is in a county that meets one or more of the following triggers:

- (1) An unemployment rate of at least 1.5 times the national average;
- (2) A poverty rate of 20 percent or more; or
- (3) A population loss of 10 percent or more between the previous and most recent decennial census or a net migration loss of 5 percent or more over the 5-year period preceding the most recent census.

Family: Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also include non-relatives living with the family. Families are classified by type as either a married-couple family or other family. Other family is further classified into “male householder” (a family with a male householder and no wife present) or “female householder” (a family with a female householder and no husband present).

FFIEC-Estimated Income Data: The Federal Financial Institutions Examination Council (FFIEC) issues annual estimates which update median family income from the metropolitan and nonmetropolitan areas. The FFIEC uses American Community Survey data and factors in information from other sources to arrive at an annual estimate that more closely reflects current economic conditions.

Full-Scope Review: A full-scope review is accomplished when examiners complete all applicable interagency examination procedures for an assessment area. Performance under applicable tests is analyzed considering performance context, quantitative factors (e.g., geographic distribution, borrower profile, and total number and dollar amount of investments), and qualitative factors (e.g., innovativeness, complexity, and responsiveness).

Geography: A census tract delineated by the United States Bureau of the Census in the most recent decennial census.

Home Mortgage Disclosure Act (HMDA): The statute that requires certain mortgage lenders that do business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applicants; the amount of loan requested; and the disposition of the application (approved, denied, and withdrawn).

Home Mortgage Loans: Includes closed-end mortgage loans or open-end line of credits as defined in the HMDA regulation that are not an excluded transaction per the HMDA regulation.

Housing Unit: Includes a house, an apartment, a mobile home, a group of rooms, or a single room that is occupied as separate living quarters.

Limited-Scope Review: A limited-scope review is accomplished when examiners do not complete all applicable interagency examination procedures for an assessment area.

Performance under applicable tests is often analyzed using only quantitative factors (e.g., geographic distribution, borrower profile, total number and dollar amount of investments, and branch distribution).

Low-Income: Individual income that is less than 50 percent of the area median income, or a median family income that is less than 50 percent in the case of a geography.

Low Income Housing Tax Credit: The Low-Income Housing Tax Credit Program is a housing program contained within the Internal Revenue Code of 1986, as amended. It is administered by the U.S. Department of the Treasury and the Internal Revenue Service. The U.S. Treasury Department distributes low-income housing tax credits to housing credit agencies through the Internal Revenue Service. The housing agencies allocate tax credits on a competitive basis.

Developers who acquire, rehabilitate, or construct low-income rental housing may keep their tax credits. Or, they may sell them to corporations or investor groups, who, as owners of these properties, will be able to reduce their own federal tax payments. The credit can be claimed annually for ten consecutive years. For a project to be eligible, the developer must set aside a specific percentage of units for occupancy by low-income residents. The set-aside requirement remains throughout the compliance period, usually 30 years.

Market Share: The number of loans originated and purchased by the institution as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/assessment area.

Median Income: The median income divides the income distribution into two equal parts, one having incomes above the median and other having incomes below the median.

Metropolitan Division (MD): A county or group of counties within a CBSA that contain(s) an urbanized area with a population of at least 2.5 million. A MD is one or more main/secondary counties representing an employment center or centers, plus adjacent counties associated with the main/secondary county or counties through commuting ties.

Metropolitan Statistical Area (MSA): CBSA associated with at least one urbanized area having a population of at least 50,000. The MSA comprises the central county or counties or equivalent entities containing the core, plus adjacent outlying counties having a high degree of social and economic integration with the central county or counties as measured through commuting.

Middle-Income: Individual income that is at least 80 percent and less than 120 percent of the area median income, or a median family income that is at least 80 and less than 120 percent in the case of a geography.

Moderate-Income: Individual income that is at least 50 percent and less than 80 percent of the area median income, or a median family income that is at least 50 and less than 80 percent in the case of a geography.

Multi-family: Refers to a residential structure that contains five or more units.

Nonmetropolitan Area (also known as **non-MSA**): All areas outside of metropolitan areas. The definition of nonmetropolitan area is not consistent with the definition of rural areas. Urban and rural classifications cut across the other hierarchies. For example, there is generally urban and rural territory within metropolitan and nonmetropolitan areas.

Owner-Occupied Units: Includes units occupied by the owner or co-owner, even if the unit has not been fully paid for or is mortgaged.

Qualified Investment: A lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

Rated Area: A rated area is a state or multistate metropolitan area. For an institution with domestic branches in only one state, the institution's CRA rating would be the state rating. If an institution maintains domestic branches in more than one state, the institution will receive a rating for each state in which those branches are located. If an institution maintains domestic branches in two or more states within a multistate metropolitan area, the institution will receive a rating for the multistate metropolitan area.

Rural Area: Territories, populations, and housing units that are not classified as urban.

Small Business Investment Company (SBIC): SBICs are privately-owned investment companies which are licensed and regulated by the Small Business Administration (SBA). SBICs provide long-term loans and/or venture capital to small firms. Because money for venture or risk investments is difficult for small firms to obtain, SBA provides assistance to SBICs to stimulate and supplement the flow of private equity and long-term loan funds to small companies. Venture capitalists participate in the SBIC program to supplement their own private capital with funds borrowed at favorable rates through SBA's guarantee of SBIC debentures. These SBIC debentures are then sold to private investors. An SBIC's success is linked to the growth and profitability of the companies that it finances. Therefore, some SBICs primarily assist businesses with significant growth potential, such as new firms in innovative industries. SBICs finance small firms by providing straight loans and/or equity-type investments. This kind of financing gives them partial ownership of those businesses and the possibility of sharing in the companies' profits as they grow and prosper.

Small Business Loan: A loan included in "loans to small businesses" as defined in the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$1 million or less and are either secured by nonfarm nonresidential properties or are classified as commercial and industrial loans.

Small Farm Loan: A loan included in "loans to small farms" as defined in the instructions for preparation of the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$500,000 or less and are either secured by farmland, including farm residential and other improvements, or are classified as loans to finance agricultural production and other loans to farmers.

Underserved Middle-Income Nonmetropolitan Geographies: A nonmetropolitan middle-income geography will be designated as underserved if it meets criteria for population size, density, and dispersion indicating the area's population is sufficiently small, thin, and distant from a population center that the tract is likely to have difficulty financing the fixed costs of meeting essential community needs.

Upper-Income: Individual income that is 120 percent or more of the area median income, or a median family income that is 120 percent or more in the case of a geography.

Urban Area: All territories, populations, and housing units in urbanized areas and in places of 2,500 or more persons outside urbanized areas. More specifically, "urban" consists of territory, persons, and housing units in places of 2,500 or more persons incorporated as cities, villages, boroughs (except in Alaska and New York), and towns (except in the New England states, New York, and Wisconsin).

"Urban" excludes the rural portions of "extended cities"; census designated place of 2,500 or more persons; and other territory, incorporated or unincorporated, including in urbanized areas.