



PUBLIC DISCLOSURE

March 20, 2023

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Goldwater Bank, National Association
Charter Number: 24671

2525 East Camelback Road, Suite 1100
Phoenix, AZ 85016

Office of the Comptroller of the Currency

Santa Ana Office
1551 North Tustin Avenue, Suite 1050
Santa Ana, CA 92705

NOTE: 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, and should not 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.

Table of Contents

Overall CRA Rating.....	1
Description of Institution	2
Scope of the Evaluation	3
Discriminatory or Other Illegal Credit Practices Review	4
State Rating.....	5
State of Arizona	5
Appendix A: Scope of Examination	A-1
Appendix B: Summary of MMSA and State Ratings.....	B-1
Appendix C: Definitions and Common Abbreviations.....	C-1
Appendix D: Tables of Performance Data.....	D-1

Overall CRA Rating

Institution's CRA Rating: This institution is rated **Satisfactory**.

The lending test is rated: Satisfactory.

Goldwater Bank, National Association's (GBNA or bank) lending performance reflects satisfactory responsiveness to community credit needs. The major factors that support this rating include:

- The bank's loan-to-deposit (LTD) ratio is more than reasonable given the bank's size, financial condition, business strategy, and credit needs of the assessment area (AA).
- The bank originated a substantial majority of loans outside its AA.
- The geographic distribution of loans reflects excellent distribution throughout the bank's AA.
- Lending activities represent a reasonable distribution of loans to individuals of different income levels.

Loan-to-Deposit Ratio

Considering the bank's size, financial condition, and credit needs of the AA, the bank's loan-to-deposit ratio is more than reasonable.

OCC examiners analyzed the bank's quarterly average LTD ratio for the 12 quarters since the prior Community Reinvestment Act (CRA) examination through December 31, 2022. GBNA's average LTD ratio substantially exceeded the combined quarterly average of competitor banks in the AA. The bank's average LTD ratio was 117.42 percent, and ranged from a low of 103.29 percent to a high of 142.27 percent. The combined quarterly average LTD ratio of four banks GBNA considers direct competitors for loans and deposits in their AA was 79.20 percent, and ranged from a low of 68.79 percent to a high of 94.99 percent. The bank's high LTD ratio was the result of the purchase and refinancing boom caused by low interest rates experienced in 2020 and 2021, prior to interest rates rising during 2022.

Lending in Assessment Area

A substantial majority of the bank's loans are outside its AA.

The bank originated and purchased 3.4 percent of the number and 5.3 percent of the dollar volume of loans inside the bank's AA during the evaluation period and does not meet the standard for satisfactory performance. However, this is not unreasonable given the bank's business strategy of originating home mortgage loans throughout the country using a network of approximately 58 loan production offices (LPOs) that were open during the evaluation period. This skewed the inside/outside ratio. The bank originated or purchased 650 mortgage loans totaling \$281.7 million in the Maricopa County AA. In addition to home mortgages, the bank originated commercial and consumer loans in the AA which are not reflected in the table as they are not considered primary loan products.

This analysis is performed at the bank, rather than the AA, level. This percentage does not include extensions of credit by affiliates that may be considered under the other performance criteria. Lending Test conclusions are based upon loans originated and purchased inside the bank's AA. This performance factor had a neutral impact on the overall assessment of the bank's geographical distribution of loans.

Lending Inside and Outside of the Assessment Area										
Loan Category	Number of Loans				Total #	Dollar Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Home Mortgage										
2020	291	3.2	8,869	96.8	9,160	111,277	4.6	2,298,502	95.4	2,409,779
2021	245	3.4	7,003	96.6	7,248	115,648	5.6	1,943,396	94.4	2,059,044
2022	114	3.9	2,838	96.1	2,952	54,757	6.2	832,056	93.8	886,813
Total	650	3.4	18,710	96.6	19,360	281,682	5.3	5,073,954	94.7	5,355,636

Source: Evaluation Period: 1/1/2020 - 12/31/2022 Bank Data. Due to rounding, totals may not equal 100.0.

Description of Institution

Goldwater Bank is an independent, full-service community bank headquartered in Phoenix, Arizona. The bank was established in April 2007 in Scottsdale, Arizona, and moved to Phoenix in 2016. Due to a reorganization in July 2021, the bank became a wholly owned subsidiary of Goldwater Bancorp, Inc., a one bank holding company, on October 1, 2021. GBNA is affiliated by ownership with Weststar Mortgage Corporation, located in Albuquerque, New Mexico.

GBNA has designated Maricopa County, Arizona, as its sole AA. The county makes up a portion of the Phoenix-Mesa-Chandler, AZ Metropolitan Statistical Area (MSA). The bank operates the main office as a full-service branch in an upper-income CT. No branches were opened or closed during the evaluation period.

The bank's primary lending focus is offering mortgage loan products to borrowers across the country. As of December 31, 2022, the bank had 16 LPOs which originated home mortgage loans. The LPOs were located in Arizona, Florida, Georgia, Minnesota, New Mexico, South Dakota, Texas, and Utah. During the evaluation period, the bank opened six LPOs and closed 42 LPOs. Currently, there is one LPO located in the bank's AA.

The bank offers traditional deposit products including personal and business checking, savings, money market, and Certificates of Deposit (CDs). Loan products include traditional home mortgage products such as home purchase, home construction and remodel, home refinance, conforming conventional and jumbo loans. Additional loan products offered to meet the needs of business customers include commercial real estate, commercial construction, commercial and industrial, and Small Business Administration (SBA) lending; however, commercial loans are not considered a primary product of the bank. GNBA offers a variety of alternative banking services including online and mobile banking, wire transfers, bill payment, cash management, and merchant services. The bank does not offer drive-up teller access or operate any deposit taking automated teller machines (ATM). However, the bank refunds all ATM fees to customers who utilize that service through other institutions.

As of December 31, 2022, GBNA reported total assets of \$435.8 million, total deposits of \$266.9 million, total loans of \$383.9 million, and tier 1 capital of \$49.7 million. Total loans represented 88.1 percent of total assets. During the review period, an average of approximately 28.8 percent and 24.3 percent of the bank's deposits consisted of internet sourced QwickRate CDs and home mortgage loan escrow deposits, respectively, which were used to fund LPO activities.

Goldwater Bank, N.A.		
Loan Portfolio by Major Product Type		
as of December 31, 2022		
Loan Type	(\$000's)	% of Portfolio
1-4 Family Residential Real Estate	244,485	63.7
Construction	79,274	20.7
Commercial Real Estate	45,911	12.0
Commercial & Industrial	10,757	2.8
Multifamily	2,708	0.7
Farmland	458	0.1
Consumer	276	0.1
Total	383,869	100.0

There are no known legal, financial, or other factors that impede the bank's ability to help meet the credit needs of its AA. GBNA received a "Satisfactory" rating under the small bank (SB) CRA procedures at the April 27, 2020 CRA examination.

Scope of the Evaluation

Evaluation Period/Products Evaluated

This performance evaluation (PE) assesses the CRA performance of Goldwater Bank, National Association, using SB CRA examination procedures. We performed a full-scope examination of the bank's sole AA. Refer to appendix A for detailed information.

Consistent with GBNA's business strategy, OCC examiners reviewed the bank's primary product of home mortgage loans. The evaluation period for the lending test was January 1, 2020, through December 31, 2022.

With an evaluation period end date of December 31, 2022, bank activities performed in response to the significant impact the COVID-19 pandemic had on economies across the United States are addressed in this evaluation.

Due to the Census data changing during the evaluation period, we compared 2015 American Community Survey (ACS) Census data to loans originated from January 1, 2020, through December 31, 2021, and 2020 U.S. Census data to loans originated from January 1, 2022, through December 31, 2022.

Selection of Areas for Full-Scope Review

In each state where the bank has an office, one or more AA within that state was selected for a full-scope review. For purposes of this evaluation, bank delineated AAs located within the same MSA, multistate metropolitan statistical area (MMSA), or combined statistical area (CSA) are combined and evaluated as a single AA. Similarly, bank delineated non-MSA AAs within the same state are combined and evaluated as a single area. These combined AAs may be evaluated as full- or limited-scope. Refer to

the “Scope” section under each State Rating for details regarding how full-scope AAs were selected. Refer to appendix A, Scope of Examination, for a list of full- and limited-scope AAs.

Ratings

The bank’s overall rating is a blend of the state ratings, and where applicable, multistate ratings.

GBNA has only one AA. All weighting for the evaluation is placed on the Maricopa County AA.

The MMSA rating and state ratings are based on performance in all bank AAs. Refer to the “Scope” section under each state and MMSA Rating section for details regarding how the areas were weighted in arriving at the respective ratings.

Discriminatory or Other Illegal Credit Practices Review

Pursuant to 12 CFR 25.28(c) or 195.28(c), respectively, in determining a national bank’s or federal savings association’s (collectively, bank) CRA rating, the OCC considers evidence of discriminatory or other illegal credit practices in any geography by the bank, or in any AA by an affiliate whose loans have been considered as part of the bank’s lending performance. As part of this evaluation process, the OCC consults with other federal agencies with responsibility for compliance with the relevant laws and regulations, including the U.S. Department of Justice, the U.S. Department of Housing and Urban Development, and the Bureau of Consumer Financial Protection, as applicable.

The OCC has not identified that this institution has engaged in discriminatory or other illegal credit practices that require consideration in this evaluation.

The OCC will consider any information that this institution engaged in discriminatory or other illegal credit practices, identified by or provided to the OCC before the end of the institution’s next performance evaluation in that subsequent evaluation, even if the information concerns activities that occurred during the evaluation period addressed in this performance evaluation.

State Rating

State of Arizona

CRA rating for the State of Arizona: Satisfactory

The Lending Test is rated: Satisfactory

The major factors that support this rating include:

- The geographic distribution of loans reflects an excellent distribution throughout the bank's AA.
- Lending activities represent a reasonable distribution of loans to individuals of different income levels.

Description of Institution's Operations in Arizona

Maricopa County Assessment Area

GBNA has designated Maricopa County, AZ as its AA. The county makes up a portion of the Phoenix-Mesa-Chandler, AZ MSA and includes 1,009 CTs: 64 are low-income; 259 are moderate-income; 314 are middle-income; and 348 are upper-income. In addition, 24 CTs do not report data and are listed as unknown. The AA meets the requirements of the regulation and does not arbitrarily exclude low- and moderate-income (LMI) geographies.

GBNA is an independent, full-service community bank headquartered in Phoenix, Arizona. The bank operates the main office as a full-service branch in an upper-income census tract (CT). The bank's business strategy consists of providing banking activities to consumers and small- to mid-sized businesses. The bank does not offer drive-up teller access or operate any deposit taking ATMs; however, the bank refunds all ATM fees to customers who utilize that service through other institutions.

Competition in the Maricopa County AA is strong. The Federal Deposit Insurance Corporation (FDIC) Deposit Market Share report as of June 30, 2022, indicated GBNA's deposits inside the AA totaled \$264.8 million and ranked 33rd in deposit market share with 0.15 percent. A total of 61 financial institutions, with a combined 674 branches, competed for over \$178.3 billion of insured deposits in Maricopa County. This included three nationwide mega-banks with 317 branches that account for 61.9 percent of the deposit market share, representing \$110.4 billion in deposits.

The bank assisted the community during the COVID-19 pandemic by offering PPE to employees and customers beginning in early April 2020. The bank offered loan payment forbearance for government and conventional residential real estate loan customers as well as commercial loan customers. Customers had the ability to schedule in-person appointments to transact banking needs. If employees tested positive for COVID-19, the bank would disinfect and sterilize the office immediately using a third-party cleaning service. In addition, the bank issued laptops for all employees to ensure business operations continued in the event that working from home was necessary.

To assess community needs in the AA, we utilized two recent community contacts that were performed with two nonprofit organizations serving the Maricopa County AA. Additionally, we attended a Phoenix MSA Interagency Community Listening Session co-sponsored by the FDIC and the Federal Reserve

Bank of San Francisco, which included representatives from five nonprofit organizations serving Maricopa County. The contacts, as well as the representatives in the listening session, all communicated a need for affordable housing for rental or purchase; however, the current housing inventory is limited and expensive. Housing appreciation has outpaced income increases, limiting LMI rentals and purchases. Further, many of the affordable homes require significant rehabilitation and/or are located on the outskirts of town and require significant commuting to and from work. In addition, the city is nearly built out and affordable land for new development is not available.

The contacts communicated that down payment assistance, small mortgage loans, business micro loans, and financial education courses would significantly benefit the LMI community. Contacts also communicated that the profile of banks in the area has changed from small local community banks to larger banks. The contacts stated that banks are receptive to the communities’ needs and donate when they can, but donations are limited to individual bank employees who volunteer, join boards, or meet with leadership when requested. Some banks have made substantial contributions but significant funding gaps in the LMI community have not been fully met.

The information in the following table provides Riverside-San Bernardino AA demographic information for 2021.

Table A – Demographic Information of the Assessment Area						
Assessment Area: Maricopa County AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	1,009	6.3	25.7	31.1	34.5	2.4
Population by Geography	4,420,568	5.8	25.6	32.6	35.4	0.6
Housing Units by Geography	1,765,880	5.4	26.5	33.5	34.3	0.4
Owner-Occupied Units by Geography	1,008,487	2.6	20.6	34.7	41.9	0.1
Occupied Rental Units by Geography	588,297	10.0	35.6	31.6	22.1	0.7
Vacant Units by Geography	169,096	5.6	29.3	32.5	32.0	0.6
Businesses by Geography	936,819	4.0	18.3	28.2	48.9	0.6
Farms by Geography	14,841	4.4	20.3	29.9	44.7	0.7
Family Distribution by Income Level	1,047,899	20.4	17.9	20.0	41.7	0.0
Household Distribution by Income Level	1,596,784	22.3	16.9	18.5	42.3	0.0
Median Family Income MSA - 38060 Phoenix-Mesa-Chandler, AZ MSA		\$78,930	Median Housing Value			\$292,183
					Median Gross Rent	\$1,221
					Families Below Poverty Level	9.1%

*Source: 2020 U.S. Census and 2022 D&B Data. Due to rounding, totals may not equal 100.0.
 (*) The NA category consists of geographies that have not been assigned an income classification.*

Scope of Evaluation in Arizona

The CRA evaluation determines the bank's record of meeting community credit needs. OCC examiners used a combination of bank and examiner generated loan and demographic reports to assess the bank's CRA performance. Consistent with GBNA's business strategy, the primary lending product by number and dollar is home mortgage loans. The evaluation period for the lending test is January 1, 2020, through December 31, 2022.

In concluding on the bank's performance relative to the distribution of home mortgage loans to LMI geographies and families, we placed more weight on the bank's performance compared to the aggregate and less weight on performance compared to the demographics. This is due to the high cost of housing within the AA, which impacted the availability of affordable homes for LMI borrowers and reduced the opportunities for home purchase lending for all lenders during the evaluation period.

LENDING TEST

The bank's performance under the Lending Test in Arizona is rated Satisfactory.

Conclusions for Area Receiving a Full-Scope Review

Based on a full-scope review, the bank's performance in the Maricopa County AA is good.

Distribution of Loans by Income Level of the Geography

The bank exhibits excellent geographic distribution of loans in the State.

Home Mortgage Loans

Refer to Table O in the state of Arizona section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations and purchases.

Overall, the bank's geographic distribution of home mortgage loans in LMI CTs in the Maricopa County AA reflects excellent distribution.

During 2020-2021, the bank originated or purchased 3.5 percent of home mortgage loans in low-income CTs. This was near to the 4.6 demographic percentage and very near to the 3.6 peer aggregate percentage, reflecting reasonable distribution. In 2022, the bank originated or purchased 2.6 percent of home mortgage loans in low-income CTs. This met the 2.6 demographic distribution, reflecting excellent distribution. Please note that there is no 2022 peer aggregate percentage available for comparison. The peer aggregate data will not be released until later in 2023. As the bank's CRA examination could not be postponed or rescheduled due to schedule conflicts, the bank's 2022 loan data is being reviewed without benefit of the peer aggregate data.

During 2020-2021, the bank originated or purchased 13.2 percent of home mortgage loans in moderate-income CTs. This was lower than the 18.8 demographic percentage, but near to the 14.4 peer aggregate percentage, reflecting reasonable distribution. In 2022, the bank originated or purchased 34.2 percent of home mortgage loans in moderate-income CTs. This exceeded the 20.6 demographic distribution, reflecting excellent distribution.

In addition to originating home mortgage loans, the bank facilitated in lending in LMI geographies by originating lines of credit, one for \$4.5 million and one for \$2 million, to two local businesses that fund short-term rehabilitation loans. During the evaluation period, these businesses funded 102 rehabilitation loans in LMI geographies totaling \$22.4 million.

Lending Gap Analysis

OCC examiners reviewed summary reports and maps and analyzed the bank's home mortgage lending activity over the evaluation period to identify any gaps in the geographic distribution of loans. The examiners did not identify any unexplained conspicuous gaps in the bank's AAs.

Distribution of Loans by Income Level of the Borrower

The bank exhibits a reasonable distribution of loans to individuals of different income levels and businesses and farms of different sizes, given the product lines offered by the bank.

Home Mortgage Loans

Refer to Table P in the state of Arizona section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

GBNA's overall distribution of home mortgage loans to LMI borrowers in the Maricopa County AA is reasonable.

During 2020-2021, the bank originated or purchased 1.7 percent of home mortgage loans in low-income CTs. This was significantly lower than the 21.8 demographic percentage and the 5.2 peer aggregate percentage, reflecting poor distribution. In 2022, the bank originated or purchased 1.8 percent of home mortgage loans in low-income CTs. This was significantly lower than the 20.4 demographic distribution, reflecting poor distribution. Please note that there is no 2022 peer aggregate percentage available for comparison. The peer aggregate data will not be released until later in 2023. As the bank's CRA examination could not be postponed or rescheduled due to schedule conflicts, the bank's 2022 loan data is being reviewed without benefit of the peer aggregate data.

During 2020-2021, the bank originated or purchased 8.6 percent of home mortgage loans in moderate-income CTs. This was lower than the 16.9 demographic percentage and the 16.0 peer aggregate percentage but reflects reasonable distribution. In 2022, the bank originated or purchased 6.1 percent of home mortgage loans in moderate-income CTs. This was lower than the 17.9 demographic distribution, reflecting reasonable distribution.

The lower aggregate lending percentages reflect the challenging mortgage lending opportunities in the AA, particularly for low-income families. Assuming a 30-year mortgage with a five percent interest rate, and not accounting for down payment, homeowners insurance, real estate taxes, or any additional monthly expenses, a low-income borrower making \$44,400 per year (or less than 50 percent of the 2022 FFIEC adjusted median family income in the AA) could afford a \$206,773 mortgage with a payment of \$1,110 per month. A moderate-income borrower making \$71,040 per year (or less than 80 percent of the 2022 FFIEC adjusted median family income in the AA) could afford a \$330,836 mortgage with a payment of \$1,776 per month. This illustrates that low- and moderate-income borrowers would be challenged to qualify for a mortgage loan in the AA with an estimated payment of \$2,549. The median

listing price in the AA was \$396,495 in 2020 and \$474,900 in 2022, reflecting a 19.8 percent change from 2020 to 2022 according to Realtor.com data. This is significantly greater than the 2022 median housing value of \$292,183 for the AA.

Responses to Complaints

The bank did not receive any CRA related complaints during the evaluation period.

Appendix A: Scope of Examination

The following table identifies the time period covered in this evaluation, affiliate activities that were reviewed, and loan products considered. The table also reflects the MSAs and non-MSAs that received comprehensive examination review, designated by the term “full-scope,” and those that received a less comprehensive review, designated by the term “limited-scope”.

Time Period Reviewed:	January 1, 2020 to December 31, 2022	
Bank Products Reviewed:	Home mortgage loans	
Affiliate(s)	Affiliate Relationship	Products Reviewed
N/A		
List of Assessment Areas and Type of Examination		
Rating and Assessment Areas	Type of Exam	Other Information
Arizona		
Maricopa County	Full-scope	

Appendix B: Summary of MMSA and State Ratings

RATINGS	Goldwater Bank
Overall Bank:	Lending Test Rating
Goldwater Bank, NA	Satisfactory
State:	
Arizona	Satisfactory

Appendix C: Definitions and Common Abbreviations

The following terms and abbreviations are used in this performance evaluation, including the CRA tables. The definitions are intended to provide the reader with a general understanding of the terms, not a strict legal definition.

Affiliate: Any company that controls, is controlled by, or is under common control with another company. A company is under common control with another company if the same company directly or indirectly controls both companies. For example, a bank subsidiary is controlled by the bank and is, therefore, an affiliate.

Aggregate Lending (Aggt.): The number of loans originated and purchased by all reporting lenders (HMDA or CRA) in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the state/assessment area.

Census Tract (CT): A small, relatively permanent statistical subdivision of a county delineated by a local committee of census data users for the purpose of presenting data. Census tracts nest within counties, and their boundaries normally follow visible features, but may follow legal geography boundaries and other non-visible features in some instances, Census tracts ideally contain about 4,000 people and 1,600 housing units.

Combined Statistical Area (CSA): A geographic entity consisting of two or more adjacent Core Based Statistical Areas with employment interchange measures of at least 15. An employment interchange measure is a measure of ties between two adjacent entities. The employment interchange measure is the sum of the percentage of workers living in the smaller entity who work in the larger entity and the percentage of employment in the smaller entity that is accounted for by workers who reside in the larger entity.

Community Development (CD): Affordable housing (including multifamily rental housing) for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals; activities that promote economic development by financing businesses or farms that meet Small Business Administration Development Company or Small Business Investment Company programs size eligibility standards or have gross annual revenues of \$1 million or less; or activities that revitalize or stabilize low- or moderate-income geographies, distressed or underserved nonmetropolitan middle-income geographies, or designated disaster areas.

Community Reinvestment Act (CRA): The statute that requires the OCC to evaluate a bank's record of meeting the credit needs of its entire community, including LMI areas, consistent with the safe and sound operation of the bank, and to take this record into account when evaluating certain corporate applications filed by the bank.

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, other secured consumer loans, and other unsecured consumer loans.

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, which 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).

Full-Scope Review: Performance under the Lending, Investment, and Service Tests is analyzed considering performance context, quantitative factors (e.g., geographic distribution, borrower distribution, 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 conduct 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, the disposition of the application (e.g., approved, denied, and withdrawn), the lien status of the collateral, any requests for preapproval, and loans for manufactured housing.

Home Mortgage Loans: A closed-end mortgage loan or an open-end line of credit as these terms are defined under 12 CFR 1003.2, and that is not an excluded transaction under 12 CFR 1003.3(c)(1) through (c)(10) and (c)(13).

Household: Includes all persons occupying a housing unit. Persons not living in households are classified as living in group quarters. In 100 percent tabulations, the count of households always equals the count of occupied housing units.

Limited-Scope Review: Performance under the Lending, Investment, and Service Tests is analyzed using only quantitative factors (e.g., geographic distribution, borrower distribution, total number and dollar amount of investments, and branch distribution).

Low-Income Individual: Individual income that is less than 50 percent of the area median income.

Low Income Geography: A census tract with a median family income that is less than 50 percent.

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 state/assessment area.

Median Family Income (MFI): The median income determined by the U.S. Census Bureau every five years and used to determine the income level category of geographies. The median is the point at which half of the families have income above, and half below, a range of incomes. Also, the median income determined by the Federal Financial Institutions Examination Council (FFIEC) annually that is used to determine the income level category of individuals. For any given area, the median is the point at which half of the families have income above, and half below, a range of incomes.

Metropolitan Division: As defined by Office of Management and Budget, a county or group of counties within a Core Based Statistical Area that contains an urbanized population of at least 2.5 million. A Metropolitan Division consists of one or more main/secondary counties that represent an employment center or centers, plus adjacent counties associated with the main/secondary county or counties through commuting ties.

Metropolitan Statistical Area: An area, defined by the Office of Management and Budget, as a core based statistical area associated with at least one urbanized area that has a population of at least 50,000. The Metropolitan Statistical Area comprises the central county or counties 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 percent 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 percent and less than 80 percent, in the case of a geography.

Multifamily: Refers to a residential structure that contains five or more units.

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 qualified investment is defined as any lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

Rating Area: A rated area is a state or multi-state metropolitan statistical 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 multi-state metropolitan statistical area, the institution will receive a rating for the multi-state metropolitan statistical area.

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

Small Loan(s) to Farm(s): 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, or are classified as loans to finance agricultural production and other loans to farmers.

Tier 1 Capital: The total of common shareholders' equity, perpetual preferred shareholders' equity with non-cumulative dividends, retained earnings and minority interests in the equity accounts of consolidated subsidiaries.

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

Appendix D: Tables of Performance Data

Content of Standardized Tables

A separate set of tables is provided for each state. All multistate metropolitan statistical areas, if applicable, are presented in one set of tables. References to the “bank” include activities of any affiliates that the bank provided for consideration (refer to appendix A: Scope of the Examination). For purposes of reviewing the Lending Test tables, the following are applicable: (1) purchased are treated as originations; and (2) “aggregate” is the percentage of the aggregate number of reportable loans originated and purchased by all HMDA or CRA-reporting lenders in the MMSA/assessment area. Deposit data are compiled by the FDIC and are available as of June 30th of each year. Tables without data are not included in this PE.

The following is a listing and brief description of the tables included in this set:

Table O. Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography - Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of owner-occupied housing units throughout those geographies. The table also presents aggregate peer data for the years the data is available.

Table P. Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower - Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of families by income level in each MMSA/assessment area. The table also presents aggregate peer data for the years the data is available.

The total loan amount presented in the tables for each assessment area may differ from the total loan amount reported in the aggregate table due to how the underlying loan data is rounded in each table.

Table O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography																			2020-2021		
Assessment Area:	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts				
	#	\$	% of Total	Overall Market	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate		
Maricopa County AA	536	226,925	100.0	383,108	4.6	3.5	3.6	18.8	13.2	14.4	34.7	27.2	34.9	41.9	55.8	46.6	0.0	0.2	0.5		

Source: 2015 ACS; 01/01/2020 - 12/31/2021 Bank Data; 2021 HMDA Aggregate Data; "--" data not available.
 Due to rounding, totals may not equal 100.0.
 Goldwater Bank N.A. (10000024671) excluded from Aggregate

Table O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography																			2022		
Assessment Area:	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts				
	#	\$	% of Total	Overall Market	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate		
Maricopa County AA	114	54,757	100.0	--	2.6	2.6	--	20.6	34.2	--	34.7	24.6	--	41.9	38.6	--	0.1	0.0	--		

Source: 2020 U.S. Census; 01/01/2022 - 12/31/2022 Bank Data; "--" data not available.
 Due to rounding, totals may not equal 100.0.
 Goldwater Bank N.A. (10000024671) excluded from Aggregate

The total loan amount presented in the tables for each assessment area may differ from the total loan amount reported in the aggregate table due to how the underlying loan data is rounded in each table.

Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower																		2020-2021		
Assessment Area:	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers			
	#	\$	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	
Maricopa County AA	536	226,925	100.0	383,108	21.8	1.7	5.2	16.9	8.6	16.0	19.2	18.1	20.1	42.2	51.5	40.2	0.0	20.1	18.5	

*Source: 2015 ACS; 01/01/2020 - 12/31/2021 Bank Data; 2021 HMDA Aggregate Data; "--" data not available.
Due to rounding, totals may not equal 100.0.*

Goldwater Bank N.A. (10000024671) excluded from Aggregate

Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower																		2022		
Assessment Area:	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers			
	#	\$	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	
Maricopa County AA	114	54,757	100.0	--	20.4	1.8	--	17.9	6.1	--	20.0	8.8	--	41.7	45.6	--	0.0	37.7	--	

*Source: 2020 U.S. Census; 01/01/2022 - 12/31/2022 Bank Data; "--" data not available.
Due to rounding, totals may not equal 100.0.*

Goldwater Bank N.A. (10000024671) excluded from Aggregate

The total loan amount presented in the tables for each assessment area may differ from the total loan amount reported in the aggregate table due to how the underlying loan data is rounded in each table.