Office of the
Comptroller of the Currency
Washington, DC 20219

LIMITED PURPOSE BANK

PUBLIC DISCLOSURE

June 20, 2022

COMMUNITY REINVESTMENT ACT
PERFORMANCE EVALUATION

American Express National Bank
Charter Number: 25151

115 West Towne Ridge Parkway
Sandy, UT 84070

Office of the Comptroller of the Currency

Large Bank Supervision
400 7th Street SW
Washington, DC 20219

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, 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.

Table of Contents

Overall CRA Rating……..…………………………………………………………..1
Description of Institution………..…………………………………………………… 2
Scope of the Evaluation…………………………………………………………... 5
Discriminatory or Other Illegal Credit Practices Review……………………..………. 5
Description of Assessment Area ……………………..………………………………...6
Conclusions about Performance ……………………..………………………………9
Appendix A: Definitions and Common Abbreviations……………………………………A1

Overall CRA Rating

Institution's CRA Rating: This institution is rated Outstanding.

The major factors that support this rating include:

- The institution demonstrates a high level of qualified investment activity, including some investments that are not routinely provided by private investors, and community development (CD) loans and services.

- The institution demonstrates extensive use of innovative or complex qualified investments.

- The institution exhibits excellent responsiveness to credit and CD needs in its assessment area (AA).

Description of Institution

American Express National Bank (AENB) is headquartered in Sandy, Utah. The bank is a wholly owned subsidiary of American Express Travel Related Services Company, Inc. (TRS), a second tier holding company. TRS is a wholly owned subsidiary of top tier holding company, American Express Company (AXP). TRS and AXP are headquartered in New York, New York.

AENB maintains a single corporate office in Sandy, Utah, and does not operate any retail branches. AENB operates primarily as a nationwide credit and charge card lender, but offers limited savings, checking, and loan products via its online platform. The bank's sole assessment area (AA) is the Salt Lake City, Utah, Metropolitan Statistical Area (MSA), which includes Salt Lake and Tooele Counties.

AENB is designated as a limited purpose institution for CRA purposes due to its narrow product line. Therefore, the bank strives to meet performance goals set forth under the community development (CD) test, which assesses the bank's record of helping to meet community needs through its qualified investments, CD lending, and CD services. AENB's total assets were $126 billion as of December 31, 2021. The following table details the bank's financial information. Of note, AENB deferred issuing dividends to its parent company for the first two quarters of 2020 to strengthen its capital position in response to the uncertain impact of the COVID-19 pandemic. This capital management decision increased Tier 1 capital for 2020 and lowered AENB's percentage of CRA qualified investments and CD lending to Tier 1 capital. AXP's total assets were $189 billion as of year-end 2021.

Table 1: Financial Information (000s)

	Year-end 2019	Year-end 2020	Year-end 2021	Average for Evaluation Period
Tier 1 Capital	$13,599,844	$14,616,678	$13,084,886	$13,767,136
Total Income	$27,694,339	$24,944,870	$27,627,791	$26,755,667
Net Operating Income	$7,625,254	$6,645,229	$9,384,185	$7,884,889
Total Assets	$121,931,159	$132,754,617	$126,330,139	$127,005,305

Source: Consolidated Report of Condition and Income and bank reported data. The Average for Evaluation Period is the average of the numbers in the three columns.

TRS is AXP's principal operating subsidiary. TRS provides charge and credit cards to mid-sized companies and large corporations, operates the global payments network that processes and settles American Express card transactions, and acquires and manages merchant relationships. The bank requested consideration of certain CD activities performed by TRS during the evaluation period, including its subsidiary, American Express Ventures SBIC, LP.

AENB's CRA program is administered by its Center for Community Development (CCD), which collaborates with various business units across the company. The CCD generates CD lending, qualified investment, and CD service activities through partnerships with community organizations, government agencies, tribal entities, and other financial institutions. These activities promote and facilitate affordable housing, support small business growth, and meet the needs of low- and moderate-income (LMI) individuals and geographies.

AENB's annual CRA Plan, which is approved by its board of directors, outlines measurable goals and objectives for qualified investments, and CD grants, loans, and services. There are no known legal, financial, or other constraints that impede the bank's ability to help meet the credit and CD needs of its AA.

In response to the COVID-19 pandemic, AENB and its parent companies helped to meet the needs of its small business and consumer customers, including certain efforts that do not qualify for CRA credit. The responses included, but were not limited to:

- AENB's equity-equivalent (EQ2) investments to several certified Community Development Financial Institutions (CDFI) that can be more flexible and responsive in originating CD loans and providing technical assistance to the communities that they serve.
- AENB's participation in the Small Business Administration's (SBA) Paycheck Protection Program (PPP), a federal program that was introduced to help businesses keep their workforce employed during the early stages of the COVID-19 crisis. AENB originated nearly 7,000 PPP loans totaling $685 million nationwide; of these, over 1,400 loans totaling $154 million were made to low- or moderate-income census tracts.
- Offering payment relief and flexibility for AENB customers that were adversely impacted by the pandemic through the bank's short-term Customer Pandemic Response (CPR) program and its longer-term Financial Relief Program (FRP). CPR provided relief for one billing cycle, with one additional billing cycle upon request, by not requiring payment for that month, waiving all fees and finance charges, and providing protection from negative credit bureau impacts while enrolled. CPR served a total of 460,000 customers holding 868,000 accounts. FRP is a twelve-month program that provides customers with reduced interest rates, a lower fixed monthly payment, and fee waivers. While this program existed prior to the pandemic, impacted customers increasingly used it; FRP enrollment peaked in May 2020 with nearly 111,000 accounts owing balances that exceeded $1.2 billion.
- Providing CRA-qualifying and non-qualifying grants and in-kind donations to the bank's AA or at the state, regional or national levels. American Express along with AENB worked with its various partners to provide relevant and responsive support to its communities throughout the crisis. Examples include:
  - AENB provided $260,000 in grants to Wasatch Homeless Health Care Inc DBA Fourth Street Clinic in support of providing health-related services that include medical, specialty care, behavioral and mental health services, substance abuse treatment, dental care, and COVID-19 emergency needs to individuals experiencing homelessness or transitioning out of homelessness in Salt Lake City.
  - American Express donated over 20,000 N95 masks that were valued at nearly $100,000 to Intermountain Foundation. This donation supported hospitals and clinics in Utah and southeastern Idaho as they served the needs of patients affect by the pandemic. American Express initially acquired the masks for colleagues, but as return to office plans evolved,

donated the masks to better serve the immediate needs of the local communities where American Express has employment centers.

- A $250,000 grant to Black Entertainment Television's (BET) "Saving Our Selves COVID-19 Relief Effort" that provided financial, employment, food and health assistance to African-American communities impacted by the pandemic; and a $250,000 grant to the Hispanic Federation's efforts to support frontline, healthcare workers and provide food for vulnerable people in the Latino community.
- American Express and Hilton partnered on an initiative to donate up to 1 million hotel rooms across the United States for the frontline medical professionals who led the fight against COVID-19. These rooms were open to doctors, nurses, emergency medical technicians, and frontline medical staff who needed a place to stay, recharge, or isolate from their families during this crisis. Additionally, American Express provided a $1 million contribution to José Andrés' World Central Kitchen to provide healthy and fresh prepared meals to the frontline healthcare professionals staying at the participating Hilton properties in Los Angeles, New York, and Washington, D.C.
- American Express' newly created "Stand for Small" program to support the 30 million small businesses in the United States that play a vital role in local communities and the overall economy.

Scope of the Examination

Evaluation Period/Products Evaluated

In evaluating the bank's performance under the CRA, the OCC reviewed CD activities from January 1, 2019, through December 31, 2021. The OCC reviewed the level and nature of qualified investments, CD lending, and CD services. At the bank's request, the OCC also considered qualified investments and CD services provided by its affiliates. At the prior examination dated April 15, 2019, the OCC rated the bank Outstanding.

For purposes of this evaluation, bank delineated assessment areas located within the same metropolitan statistical area (MSA), multistate metropolitan statistical area (MMSA), or combined statistical area (CSA) are combined and evaluated as a single assessment area. Similarly, bank delineated non-MSA assessment areas within the same state are combined and evaluated as a single area.

The bank adequately addressed the needs of its assessment area. Therefore, outside of assessment area-qualified investments and CD services were considered in evaluating its performance.

Discriminatory or Other Illegal Credit Practices Review

Pursuant to 12 C.F.R. §25.28(c) 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 assessment area 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 Consumer Financial Protection Bureau, as applicable.

The OCC has not identified that this institution or any affiliate whose loans have been considered as part of the institution's lending performance 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.

Description of Salt Lake City MSA

AENB's delineated AA consists of the Salt Lake City, Utah MSA (41620), which is comprised of Salt Lake and Tooele Counties. Tooele County is located in northern Utah and is primarily rural. Salt Lake County is adjacent to and east of Tooele County. Salt Lake City is the largest city in the MSA and the capital of Utah. The AA meets the requirements of the regulation and does not arbitrarily exclude LMI geographies. Table 2 below provides a summary of demographics for the Salt Lake City MSA.

Table 2: Salt Lake City Metropolitan Statistical Area Description

	Number	Low	Moderate	Middle	Upper	NA***
Tracts	223	3.6%	23.8%	41.7%	29.1%	1.8%
Families	262,544	19.7%*	17.8%*	22.2%*	40.2%*	0.0%
Businesses	122,781	2.8%**	20.9%**	40.4%**	35.0%**	0.9%

Source: Demographic Data - 2015 American Community Survey and 2020 Dun & Bradstreet Data. *Represents families by income level. **Represents businesses by income level of census tract. Does not add to 100% due to rounding. *** Represents the geographies that have not been assigned an income classification.

The U.S. Census Bureau (Census) estimated the population in the AA to be 1,263,061 in 2021, a nearly 11 percent increase since the 2010 Census. According to Moody's Analytics, population growth was about two times the national average prior to the pandemic, making this area one of the fastest growing in the country. However, the metro area's 2020 population gains slipped below the national average for the first time in nearly two decades as the pandemic halted most relocations. The distribution of families by income level was 19.7 percent low-, 17.8 percent moderate-, 22.2 percent middle-, and 40.2 percent upper-income. According to the Census, 27.4 percent of the AA's census tracts were LMI. The median household income was approximately $65,000 with about 11 percent of households in the AA living below the poverty level. In low- and moderate-income geographies, 32.6 and 18.4 percent of households were below the poverty level, respectively.

During the evaluation period, the Salt Lake City MSA generally maintained a low unemployment rate with the exception of the early months of the COVID-19 pandemic when the unemployment rate increased to 10.9 percent, but gradually declined over time. The average annual unemployment rate increased from 2.5 percent in 2019 to 2.8 percent in 2021 according to the Bureau of Labor Statistics (BLS) and was comparable to the state annual averages of 2.6 percent and 2.7 percent for the same period. Additionally, the MSA's average annual unemployment rates were much lower than the national average annual unemployment rates of 3.7 percent for 2019 and 5.3 percent in 2021. According to Moody's Analytics, the area was in the mid-cycle phase of its expansion. Employment was more than three percent above its pre-pandemic peak. The services industry led the way for job creation, while government also increased. The largest industries in the Salt Lake City metro area were professional and business services; government; education and health services; retail trade; and financial activities. The top five employers in the area included the University of Utah, Intermountain Health Care, Walmart, Zions Bancorporation, and Delta Air Lines.

Utah's housing market is experiencing record price increases for homeowners. The Census's Five-Year (2016-2020) American Community Survey (ACS) estimated affordability ratios of 4.4 and 3.1 in Salt Lake and Toole Counties, respectively, compared to 4.1 for Utah overall. The affordability ratio measures homeownership opportunity by dividing the median value of owner-occupied housing by the median household income of the area. The ACS indicated home ownership in Salt Lake and Tooele Counties were 67.5 percent and 80.7 percent, respectively, compared to the state at 70.5 percent.

The median home values in the AA's low- and moderate-income (LMI) tracts were $128,299 and $168,148, respectively. The Census reported that 63 percent of the total housing units in the AA were owner-occupied, 31 percent were rental-occupied, and 6 percent were vacant. Owner-occupied housing in LMI geographies in the AA represented 19 percent of the total owner-occupied housing units. LMI geographies in the AA had much higher levels of rentals than middle- and upper-income geographies. Rental units accounted for 64 percent of the housing units in low-income geographies, and 47 percent of the housing units in moderate-income geographies.

The COVID-19 pandemic created unprecedented conditions in the housing market across the U.S. The pandemic caused disruptions in the supply chain for building materials as well as the availability of labor. On the demand side, lower mortgage interest rates created higher rates of demand, which in turn pushed up housing prices to record-breaking levels. The path to homeownership narrowed further for renters. Rental vacancies dropped to record levels and rent rates increased dramatically in the large Wasatch Front counties, which includes Salt Lake County.

The Salt Lake City MSA is a highly competitive banking market for CRA activities. According to the FDIC's June 30, 2021, Deposit Market Share Report, there were 44 FDIC-insured financial institutions operating 205 offices with $730.2 billion in deposits. The top six institutions in the AA were Morgan Stanley Bank, NA, Ally Bank, UBS Bank USA, American Express National Bank, Goldman Sachs Bank USA, and Synchrony Bank. These institutions controlled more than 82 percent of the deposit market share with a combined $601 billion in deposits. AENB ranked fourth in the AA with $85 billion in deposits or 11.7 percent of the market share.

For CRA purposes, AENB's primary competition involves those financial institutions that serve the Salt Lake City MSA and are evaluated under the community development test. Therefore, AENB's primary competitors, all with a presence in Salt Lake City, are Morgan Stanley Bank, Ally Bank, Goldman Sachs Bank, and Synchrony Bank. Like AENB, Synchrony Bank and Goldman Sachs Bank are designated Limited Purpose or Wholesale for CRA purposes, respectively.

A review of information from two existing community contacts conducted during the evaluation period for organizations serving the Salt Lake City MSA was conducted for this evaluation. One contact is an economic development organization with a mission that includes attracting, retaining, and expanding businesses. The additional organization is a non-partisan league of governments that serves the state of Utah by providing training and technical assistance to local officials on municipal issues. Challenges in the area include limited affordable housing for LMI individuals and access to capital and education for small businesses. Opportunities for financial institution participation include funding affordable housing initiatives and providing or funding small business loans. These needs and opportunities are consistent with AENB-reported CD needs. The bank also identified the need to increase job skills benefiting LMI individuals; provide essential community services targeted to LMI individuals; and revitalize and stabilize LMI areas in the bank's AA, distressed or underserved areas in Utah and the broader regional area, and designated disaster areas.

The OCC met with seven CD organizations that maintained CRA relationships with AENB during the evaluation period. These entities included providers of affordable housing; youth educational programs; reintegration programs to prevent recidivism; homeless and substance abuse transition support; and workforce development housing and services for individuals with disabilities. In all cases, the organizations provided a range of products and services to meet the needs of LMI individuals and geographies. Each of the representatives confirmed how AENB's contributions positively impacted the organizations and helped them meet their goals.

Conclusions About Performance

Summary

During this three-year performance evaluation period, AENB and its affiliates provided an excellent level of qualified investments and CD grants, loans, and services within its AA, and the broader state-wide and regional area that includes the AA, relative to the bank's capacity and CD opportunities within this highly competitive AA. AENB and its affiliates made a total of $332 million in qualified investments and CD grants, and originated a total of $170 million of CD loans during the evaluation period that benefitted its AA, or the broader statewide or regional area that includes the AA. AENB and its affiliates also provided a total of 3,096 hours of CD services that supported 50 different organizations serving the bank's AA, or broader statewide or regional area that includes the AA. CD service opportunities were significantly limited by the COVID-19 pandemic, which prevented in-person volunteer work. AENB and its affiliates also completed CRA-qualifying and non-qualifying activities that benefitted areas outside of its AA, including some in response to the COVID-19 pandemic.

AENB and its affiliates' current evaluation period CD activities, including CD lending, along with the bank's prior period investment balances that remained outstanding as of December 31, 2021, represented over 13 percent of the bank's average tier 1 capital during the evaluation period. Although lower than the 14.6 percent from the prior performance evaluation, this was due in part to the bank's pandemic-related capital preservation strategy in 2020, and the adoption of an accounting method for its Low-Income Housing Tax Credits (LIHTC), which is discussed further in the next section.

AENB made extensive use of innovative or complex qualified investments, including making investments that are not routinely provided by private investors. For example, AENB took a leadership role in addressing affordable housing on tribal land, which presents additional complexities due to tribal sovereignty. AENB is a participant on the Native American Homeownership subcommittee of the OCC's Roundtable for Economic Access and Change (Project REACh), highlighting the bank's LIHTC program and how AENB has been successful in utilizing this type of investment on tribal land.

AENB funded 40 percent of Utah's LIHTC market during the three-year evaluation period. The bank invested in 35 of 87 available projects, while six of its competitors shared the remaining 60 percent. The LIHTC investments are complex. AENB demonstrated innovativeness through its grant making and employee volunteerism, which supported CD organizations' delivery of essential "wraparound" CD services to residents of the affordable housing created by some of the bank's LIHTC investments. "Wraparound" service delivery is a team-based, collaborative case management approach. AENB also utilized different LIHTC combinations, i.e. 4 percent and 9 percent, as well as New Market Tax Credits (NMTC) on certain affordable housing projects.

AENB and its affiliates exhibited excellent responsiveness to the CD needs of its AA, especially toward the area's affordable housing and economic development needs. AENB reported that its CRA activities created 6,433 affordable housing units and 1,754 jobs. AENB and affiliates also supported CD organizations that provide essential services to LMI individuals and families within the AA and the state of Utah. Bank and affiliate employees volunteered their time by performing certain qualifying CD services at some of these same CD organizations in addition to others in the AA and statewide.

Qualified Investments

During the evaluation period, AENB originated 89 qualified investments totaling $322 million in the AA and in the broader statewide or regional area that includes the AA. Since the bank adequately addressed the needs of its AA, the OCC considered an additional 70 qualified investments totaling $503 million that were made outside of its AA when evaluating the bank's performance. This included a $100 million investment by AENB's affiliate, American Express Ventures SBIC, whose objective is to promote economic development by financing businesses that meet the eligibility standards of the SBA's Small Business Investment Company (SBIC) program. SBICs are privately-owned and managed investment funds that are SBA-licensed and regulated. AENB and its affiliates' qualifying investments represented 11.7 percent of average tier 1 capital for the evaluation period.

AENB remains committed to address the need for affordable housing in the AA as demonstrated by its large volume of LIHTC investments, and its investments in preservation funds and housing bonds totaling $263 million. Included in this total are over $70 million in LIHTCs to address affordable housing needs on tribal land that AENB invested in during this evaluation period. AENB also addressed the AA's need for economic development opportunities through its NMTC, innovative Equity Equivalent (EQ2) investments, and other types of qualifying investments, which totaled approximately $104 million. An EQ2 investment is a long-term, fully subordinated debt to CDFIs with features that make it function like equity. During 2021, AENB invested $32 million in EQ2 investments to eight different CDFIs. These CDFIs support low-income communities in the bank's AA, as well as outside of the AA through access to financial products and services.

AENB and its affiliates provided over 400 qualified grants totaling $9 million to non-profit CD organizations and programs that benefitted the AA. These grants supported affordable housing organizations that provide rental, mortgage down payment, and home repair assistance; and homebuyer's education and counseling to LMI individuals. In addition, grants supported essential community services targeted to LMI individuals and families such as financial literacy, job training and placement, health care, and childcare. AENB and its affiliates provided an additional $9.3 million in grants outside of the bank's AA.

AENB held 121 investments totaling $770 million from prior evaluation periods that remained outstanding as of December 31, 2021. Investments include $605 million in LIHTCs, $33 million in housing bonds, $18 million in mortgage-backed security pools, $15 million in NMTCs, and $13 million in SBA-related investments. These LIHTC and other qualifying investments continue to meet the needs of the community by providing affordable housing and by supporting economic development efforts. Additionally, AENB has $1.7 million in unfunded commitments that are expected to benefit its AA, and another $5.4 million that will benefit areas outside of its AA.

In January 2021, AENB adopted the Proportional Amortization Method (PAM) for accounting for LIHTC investments in accordance with U.S. GAAP guidance. The guidance allows AENB to recognize LIHTC investment operating losses in proportion to the tax credits received. AENB's adoption of the PAM resulted in a one-time book value reduction to the LIHTC's prior period balance of $73 million. The accounting change required retrospective adoption and resulted in a one-time cumulative effect. The bank recorded the adjustment in first quarter of 2021 to the deferred tax asset and LIHTC investment balance to reflect carrying values as if PAM were in effect throughout the entire life of the investments.

The following table summarizes the bank's investments; grants; prior-period investments that remained outstanding as of December 31, 2021; and unfunded commitments inside and outside the AA:

Table 3: Qualified Investment Activity (000s)

	Benefits AA**	Outside AA	Totals
Originated Investments	$322,937	$503,353	$826,290
Originated Grants	$9,018	$9,995	$19,013
Prior-Period Investments that Remain Outstanding	$721,985	$48,295	$770,280
Total Qualified Investments	$1,053,940	$561,643	$1,615,583
Unfunded Commitments*	$123,512	$208,615	$332,127

* "Unfunded Commitments" means legally binding investment commitments that are tracked and recorded by the bank's financial reporting system. ** Investments included in the Benefits AA column are located in the AA or in the broader statewide or regional area that includes the AA.

The following table measures the total level of qualified investment activity in terms of average tier 1 capital and average total income over the evaluation period:

Table 4: Qualified Investment Percentages

	Benefits AA*	Outside AA	Total
Total Investments/Average Tier 1 Capital	7.66%	4.08%	11.74%
Total Investments/Average Total Income	3.94%	2.10%	6.04%

* Investments included in the Benefits AA column are located in the AA or in the broader statewide or regional area that includes the AA.

Highlighted below are some of AENB's most significant qualified investments and community development grants.

In December 2020, AENB provided $35.3 million in equity to 255 State, LLC and 255 State 4, LLC, a combined 4 percent and 9 percent LIHTC project in Salt Lake City, Utah. The project, known as 255 State Street Apartments, will be a 190 unit mixed-use and mixed-income development. Of the 190 units, 168 units will be affordable and set aside for tenants earning between 20 percent and 80 percent of the area median income (AMI), including 36 units that will operate with Section 8 vouchers. Also, nine units will be set aside for physically handicapped persons, five for persons with disabilities, and five for homeless or near-homeless individuals.

255 State Street Apartments is a high-profile project that received financial and political support from the county and city during the development phase. The Salt Lake City Redevelopment Agency (RDA) initially purchased the former building at the site in the early 2000s and demolished the building in 2012. After the previous redevelopment failed, the site was left with complicated financing, questionable engineering, and misled promises. RDA partnered with AENB to finally arrange the equity financing necessary to develop the site. The project involved the restoration of the historic Cramer House, and commercial space that will be used by the Salt Lake Film Festival Society and a national non-profit, Harmony Project. AENB's investment in this project is considered complex and responsive to its AA's affordable housing needs.

In January 2019, AENB provided gap funding with a $1.2 million equity investment using state LIHTCs for The Hub of Opportunity project in Salt Lake City. This was the first project in Utah to combine 4 percent and 9 percent federal LIHTCs in addition to New Market Tax Credits. The Hub of Opportunity is an innovative transit-oriented development that combines community services, workforce development opportunities, and affordable housing for individuals with disabilities. This project provided 156 residential units with 129 designated as affordable for tenants with incomes between 25 percent and 60 percent of the AMI. The hallmark of this project is the NextWork Autism Center and Transition Academy, a first of its kind program in the state of Utah for young adults with autism spectrum disorder (ASD). AENB also provided the Columbus Foundation with a $120,000 CD grant to support its NextWork program, which is housed at The Hub of Opportunity. NextWork provides a live/learn environment where 16 apartments and a vocational training space will give young adults with autism a safe environment to transition to community living and employment by providing a continuum of services that include assessments, classes in digital literacy, social skills, and employment skills. Without support, it is estimated that many of these individuals with ASD would end up unemployed and dependent on family or state assistance, but with proper training and support from programs like NextWork, it is estimated that unemployment for this group can be reduced from 80 percent to 12 percent. AENB's investments and grants for this combined project are considered innovative, complex, and responsive to its AA's affordable housing, economic development, and essential community service needs.

In November 2019, AENB invested $9.4 million into 426 Apartments, which is also known as Medina Place. This LIHTC project provided permanent, supportive housing in Salt Lake City. The building consists of 40 units for tenants with incomes at or under 25 percent of AMI and who are homeless, including four units set aside for those with a disability, particularly those with a substance abuse disorder. The units also benefit from a minimum 15-year Project-Based Section 8 contract and a Veterans Affairs Supportive Housing contract. 426 Apartments partnered with First Step House to provide CD services to its tenants. AENB provided its support to First Step House with a $211,000 CD grant towards their delivery of permanent supportive housing, medical services, mental and behavioral health treatment, job training and employment placement for individuals, veterans, and families experiencing substance use disorders, homelessness, mental health conditions, justice system involvement, and primary health concerns. AENB's investments and grants for this combined project are considered innovative, complex, and responsive to its AA affordable housing, economic development, and essential community service needs.

During the three-year evaluation period, AENB took a leadership role in addressing affordable housing on Native American reservations, including making over $70 million in LIHTC investments to address affordable housing needs on tribal land. These investments resulted in the development of 176 affordable housing units for the Pascua Yaqui, Pueblo of Acoma, Mescalero, and Tohono O'odham Ki:ki tribes. The two Pascua Yaqui projects will result in homeownership opportunities for tenants at the end of the 15-year compliance period. This is an innovative investment for the bank. AENB's LIHTC investments on tribal land are considered complex and responsive. AENB is actively engaged in the OCC's Project REACh initiative, which has a specific goal of promoting financial inclusion through greater access to credit and community development capital. AENB has several employees who actively participate in Project REACh workstreams, including one that served on the Native American Homeownership sub-committee and was part of a national panel to help educate bankers about lending on Native American reservations. This employee highlighted AENB's successful use of the LIHTC program on tribal land, including its innovativeness on the Pascua Yaqui Homes VII and Pascua Yaqui Homes VIII projects that provided 50 single family homes and 27 townhome affordable housing units, respectively, on Native American reservations that will be designated for eventual tenant ownership.

AENB introduced a new and innovative product during 2021 through its use of EQ2s to certified CDFIs that support low-income communities through access to financial products and services. These EQ2s expand opportunities for economic development in the state of Utah and broader regional area by providing long-term, fully subordinated debt instruments to CDFIs and include features such as rolling terms that allow them to function in a manner similar to equity. The bank's introduction to EQ2s was well-timed as the COVID-19 pandemic presented the urgent need for more access to affordable credit products in lower wealth communities. During 2021, AENB invested $32 million in EQ2 capital to eight different CDFIs that specifically support minority- and women-owned small businesses, or Native American and rural communities. Some of AENB's notable EQ2 investments include $20 million to the Accion Opportunity Fund, a CDFI that provides capital for their small business loan program that supports entrepreneurs in under-served and under-represented communities; $1 million to DreamSpring, a CDFI that provides technical assistance and loans to minority-owned small businesses throughout Utah and the broader regional area; and $2 million to Grameen America, a national CDFI that provides affordable loan capital, credit- and asset-building, financial education, and peer support to enable minority women to boost their income, enter the mainstream financial system, and create jobs in their communities through entrepreneurship.

Among the $19 million in grants provided to various organizations during the evaluation period, AENB also provided $260,000 in grants to Wasatch Homeless Health Care Inc., dba Fourth Street Clinic, to support a comprehensive array of health-related services including medical, specialty care, behavioral and mental health services, substance abuse treatment, dental care, and COVID-19 emergency needs for individuals experiencing homelessness or transitioning out of homelessness in Salt Lake City. The bank also provided a $10,000 grant to The Other Side Academy (TOSA) to support its Graduate Student Transitional Savings Match Program. TOSA operates a reintegration program to help address the issue of criminal recidivism. Once students graduate from TOSA, they enter a 12-month transitional phase that includes subsidized housing, work placement, community support, mentoring, financial literacy courses, and a savings match program. During the transition, graduates live in TOSA-owned and managed apartment buildings with fully subsidized housing costs for the first three months. For the remaining nine months, graduates pay a relatively low cost for rent compared to market rates. In addition, TOSA provides financial literacy classes and ensures that 100 percent of its graduates are employed by reputable, local companies. AENB's support of the organization also includes one of its employees serving on TOSA's Development Committee and providing technical assistance.

CD Lending

AENB originated five CD loans totaling $170 million that benefitted the broader statewide area that includes the AA during the evaluation period. Consideration was also given to an additional $5 million loan made outside of the AA to a nationwide loan fund because AENB adequately addressed the identified needs of the AA. The bank reported $30 million of unfunded lending commitments for two of these CD loans. Each of these CD loans were responsive towards the need for affordable housing resulting in the creation of nearly 1,900 affordable housing units collectively.

The following table measures the level of total CD loan activity in terms of average tier 1 capital and average total income over the evaluation period:

Table 5: CD Lending Percentages

	Benefits AA*	Outside AA	Total
Total CD Lending/Average Tier 1 Capital	1.23%	0.04%	1.27%
Total CD Lending/Average Total Income	0.64%	0.02%	0.66%

* CD loans included in the Benefits AA column are located in the AA or in the broader statewide or regional area that includes the AA

The following are highlights of AENB's CD lending activities:

AENB continues to provide an annually renewed lending commitment to the Rocky Mountain Community Reinvestment Corporation (RMCRC). The bank's latest renewal was in September 2021, for a $40 million commitment in the $230 million loan pool that is funded by a consortium of 30 Utah financial institutions as of year-end 2021. AENB's commitment over the three-year evaluation period totaled $115 million. American Express was a founding member in the creation of the loan pool with an original commitment of $8 million in the initial $40 million pool. This loan pool provides RMCRC with access to the capital needed to provide gap financing for affordable housing projects in Salt Lake County and the Rocky Mountain region, which it would otherwise be unable to secure elsewhere. This consortium lending arrangement allows each participant to share the risks, while helping to address the affordable housing needs. A total of 1,749 affordable housing units were created throughout Utah and the broader regional area during the evaluation period.

AENB also renewed its lending relationship with the Utah Housing Corporation (UHC) during the evaluation period. AENB provided $50 million to purchase participation interests in pools of first-lien mortgage loans from UHC's Single-Family Mortgage Program. This program purchases FHA or VA mortgage loans that were originated by participating lenders to borrowers in Utah. AENB's loan replenishes UHC's liquidity for purchasing eligible mortgages and helps to address affordable housing needs throughout Utah. Through this mortgage participation loan, AENB helped fund 108 mortgage loans to LMI borrowers residing in Utah.

AENB provided a $5 million loan to Enterprise Community Partners, Inc., which is focused on promoting an Equitable Path Forward (EPF) for black, indigenous, people of color, and other historically marginalized developers in the real estate and community development industry. The money will provide unsecured working capital and predevelopment funding to underserved affordable housing developers. EPF is a five-year, $3.5 billion nationwide initiative that Enterprise Community Partners, Inc. launched in December of 2020 to address the historical inequities in the real estate industry. In addition to being responsive, this loan is considered complex as the bank needed to collaborate with a number of affiliated business units to address all regulatory, financial, and tax issues, and to understand the unique structure of the underlying loans that provide unsecured working capital funding to underserved affordable housing developers.

To assist its small business customers during the COVID-19 crisis, AENB originated nearly 7,000 PPP loans totaling $685 million nationwide. This included over 1,400 loans totaling $154 million made to LMI census tracts. Pursuant to the Federal Financial Institution Regulators' May 2020 guidance titled "CRA Consideration for Activities in Response to the Coronavirus Pandemic," PPP loans that are over $1 million and are in low- or moderate-income geographies will be considered an eligible community development activity. AENB made 15 PPP loans totaling almost $30 million that met these criteria. Although this total is not included in Table 5 as management elected to discuss its PPP participation as part of the bank's overall performance context, its pro-forma inclusion increases AENB's total CD lending to 1.45 percent of average tier one capital.

CD Services

AENB and its affiliates' ability to provide CD services during this evaluation period was adversely impacted by the COVID-19 pandemic. This included a firmwide decision to cancel all in-person, company-sponsored events for most of 2020. AENB was also impacted by community organizations suspending operations or shifting to virtual delivery of CD services, which limited in-person volunteer opportunities. Although CD service hours for 2020 declined from the prior year due to these pandemic impacts, there was a slight recovery in 2021.

AENB provided a high level of CD service hours to its partner community organizations, which include those that received loans or grants from the bank. This included 127 AENB employees providing 2,255 hours of CD services to 45 organizations and programs that benefit LMI individuals, youths, families, and communities. In addition, 44 employees of AENB's affiliates provided 841 hours of CD services to 19 organizations and programs that benefitted LMI individuals, youths, families, and communities in areas such as health, education, and housing.

AENB collaborates with local school districts, nonprofit organizations, and government agencies to develop opportunities for employees to volunteer and address the needs of its AA and broader statewide and regional areas. As a result, the services provided by AENB employees were highly responsive to CD needs and consistent with the bank's capacity and expertise to conduct such activities. The bank's volunteer program includes youth and adult financial education, technical assistance and consultation, and job skills training. In addition, AENB and affiliate employees demonstrated leadership and responsiveness by serving in leadership positions on the board of directors and/or committees for numerous affordable housing, economic development, and community service organizations, with approximately 50 employees serving over 50 CD organizations.

Youth credit education targets children from grades K-12 by providing financial literacy training in a number of forums, including Junior Achievement, Kids Marketplace, Reality Town, Teach Children to Save Day, and through Get Smart about Credit training. This training is targeted to Title I schools and youth correctional facilities to ensure the skills reach students from LMI families. A significant portion of employee service hours were spent on financial literacy to LMI youths. Adult credit education and financial services include financial literacy training for the immigrant and refugee communities, small business management skills, budget and saving basic tenets, and assistance with high school and college graduation.

The following table summarizes the bank and its affiliate CD service activities inside and outside the AA:

Table 6: CD Service Activities

CD Service	Benefits AA*	Outside AA**
Community Services	2,574	3,213
Economic Development	329	107
Affordable Housing	194	238
Total Community Development Service Hours	3,096	3,558

** CD services included in the Benefits AA column are located in the AA or in the broader statewide or regional area that includes the AA. ** CD services with no potential to benefit the AA.*

The following are highlights of AENB's CD services:

AENB continues to demonstrate leadership and responsiveness on providing financial literacy education to LMI youths in its AA. During the evaluation period, 80 AENB employees delivered 577 hours of service benefitting the AA in collaboration with Junior Achievement of Utah on a variety of programs, including a virtual career fair, JA Inspire Virtual. With many Utah schools still limiting outside volunteers, JA Inspire Virtual brought the experience of a traditional career fair to students in a new and innovative way. Participating companies, including American Express, designed booths, provided links to career information, and interacted with students through a Q&A platform. AENB colleagues served as booth managers available to respond to student's questions about banking and careers. In addition, 46 AENB employees delivered a total of 362 hours of financial education during the evaluation period to students from the Granite School District, which serves Salt Lake County and where a large majority of the student population is eligible for free and reduced-priced lunch.

During the evaluation period, 19 AENB colleagues delivered 202 hours of CD services by providing various technical assistance on matters such as employment coaching, mentoring and employment "know-how" workshops to clients of People Helping People (PHP). PHP is an organization dedicated to helping low-income women and single moms in the AA to break the cycle of poverty. PHP provides programs that support clients in reaching their full potential in the workplace as they transition from welfare to becoming employed and earning a living wage. One AENB colleague served on PHP's board of directors and provided additional technical assistance and expertise on financial matters. This included reviewing the organization's balance sheet and profit and loss statements with the board, and discussing current programming needs, expansion of resources, fundraising, and grant application timelines.

AENB employees continue to provide their leadership and technical expertise to CD organizations within the bank's AA. During the evaluation period, 25 employees served a total of 944 hours on the boards of directors and/or committees of 36 different partner organizations that focus on affordable housing, community services, and economic development. One organization is the Community Development Corporation of Utah (CDCU), which provides homebuyer education, foreclosure prevention counseling, down payment assistance, and mortgage lending to LMI families. Other organizations include Utah Partners for Health and the Economic Development Revolving Loan Fund of Salt Lake County. Utah Partners for Health provides comprehensive health care to underserved individuals and families within the AA through its multiple locations and mobile clinic. The Economic Development Revolving Loan Fund of Salt Lake County provides economic opportunities to low-income citizens located within the AA, and also encourages businesses to expand to create employment opportunities.

Appendix A: Definitions and Common Abbreviations

The following terms and abbreviations may be 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 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 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 §1003.2 of this title, and that is not an excluded transaction under §1003.3(c)(1) through (10) and (13) of this title.

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 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 CD.

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.