Office of the
Comptroller of the Currency
Washington, DC 20219

LIMITED PURPOSE BANK

PUBLIC DISCLOSURE

April 15, 2019

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

American Express National Bank
Charter # 25151

4315 South 2700 West
Salt Lake City, UT 84184

Office of the Comptroller of the Currency

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

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Overall CRA Rating:

This institution is rated Outstanding.

The conclusions for the three rating criteria are:

- The bank demonstrates a high level of community development lending, community development services, and qualified investment activity, including investments that are not routinely provided by private investors.
- The bank demonstrates extensive use of innovative or complex qualified investments.
- The bank demonstrates excellent responsiveness to credit and community development needs in its assessment area.

Definitions and Common Abbreviations

The following terms and abbreviations are used throughout this performance evaluation. 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 both companies are directly or indirectly controlled by the same company. A bank subsidiary is controlled by the bank and is, therefore, an affiliate.

Assessment Area (AA): A geographic area that consists generally of one or more MSAs (using the MSA boundaries that were in effect as of January 1 of the calendar year in which the delineation is made) or one or more contiguous political subdivisions, such as counties, cities, or towns, in which the bank has its main office, branches, and deposit-taking ATMs.

Benefit to Assessment Area: The OCC considers all qualified investments, community development loans, and community development services that benefit areas within the bank's assessment area(s) or a broader statewide or regional area that includes the bank's assessment area(s).

Benefit Outside Assessment Area: The OCC considers the qualified investments, community development loans, and community development services that benefit areas outside the bank's assessment area(s), if the bank has adequately addressed the needs of its assessment area(s).

Census Tract (CT): A small subdivision of metropolitan and other densely populated counties. Census tract boundaries do not cross county lines; however, they may cross the boundaries of metropolitan areas. Census tracts generally have a population between 1,200 and 8,000 people, with an optimal size of 4,000 people. Their physical size varies widely depending upon population density. Census tracts are designed to be homogeneous with respect to population characteristics, economic status, and living conditions to allow for statistical comparisons.

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; activities that revitalize or stabilize low- or moderate-income geographies, distressed or underserved nonmetropolitan middle-income geographies, or designated disaster areas; or loans, investments, and services that support, enable or facilitate projects or activities under HUD Neighborhood Stabilization Program criteria that benefit low-, moderate-, and middle-income individuals and geographies in the bank's assessment area(s) or outside the assessment area(s) provided the bank has adequately addressed the community development needs of its assessment area(s).

Community Reinvestment Act (CRA): The statute that requires the OCC to evaluate a bank's record of meeting the credit needs of its local community, 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.

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

Limited Purpose Institution: An institution that offers only a narrow product line (such as credit cards or automobile loans) to a regional or broader market and for which a designation as limited purpose bank is in effect.

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. 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 it and half below it.

Metropolitan Area (MA): Any metropolitan statistical area or metropolitan division, as defined by the Office of Management and Budget, and any other area designated as such by the appropriate federal financial supervisory agency.

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 (MSA): 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.

Net Operating Income: As listed in the Consolidated Report of Condition and Income: Income before income taxes and extraordinary items and other adjustments.

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

Total Assets: Total bank assets as listed in the Consolidated Report of Condition and Income.

Total Income: From the Consolidated Report of Condition and Income – Total Interest income plus Total Noninterest income.

Description of Institution

American Express National Bank (AENB) was formed on April 1, 2018, as a result of the simultaneous conversion of the Utah-chartered American Express Centurion Bank (AECB) to a national bank charter and merger with the federally chartered American Express Bank, FSB (FSB).

AENB is a wholly owned subsidiary of American Express Travel Related Services Company, Inc. (TRS), a second-tier holding company wholly owned by American Express Company (AXP), a top-tier holding company. TRS is AXP's principal operating subsidiary. AENB is headquartered in Salt Lake City, Utah, while TRS and AXP are headquartered in New York City, New York. AENB has 110 employees based in Salt Lake City.

AENB maintains a single office in Salt Lake City and operates primarily as a nationwide credit card and charge lender, including co-branded and small business cards. AENB does not have any retail branches, but it does offer limited personal savings deposit products exclusively via its internet platform.

AENB continued to be designated a Limited Purpose Bank, due to its narrow product line following the charter conversion/merger. The legacy sister banks both offered charge and credit cards and were comparable in terms of total assets. AENB had total assets of $117 billion as of December 31, 2018. The following table details AENB's financial information:

Table 1: Financial Information ($000s)

	Year-end CY2016	Year-end CY2017	Year-end CY2018	Average for Evaluation Period
Tier 1 Capital	12,814,831	12,071,281	11,564,109	12,150,074
Total Income	19,609,252	20,959,030	24,992,039	21,853,440
Net Operating Income	7,399,535	6,164,119	6,983,825	6,849,160
Total Assets	81,395,388	110,145,685	116,653,380	102,731,484

Source: Consolidated Report of Condition and Income and bank reported data. Note that 2016 and 2017 figures are presented on a pro forma basis. These CY2016 and CY2017 amounts reflect the combined figures as reported by AECB and FSB, but eliminate intercompany accounts/transactions.

AXP had total assets of $189 billion as of year-end 2018. TRS specifically provides charge and credit cards to mid-sized companies and large corporations. TRS also 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 community development (CD) activities performed by TRS during the evaluation period.

AENB's Center for Community Development administers the bank's CRA program with support from various functions across the company. On an annual basis, AENB's Board of Directors approves measurable goals and objectives for CD loans, investments, and services in a CRA Plan. The Plan outlines levels and types of CRA loans, investments, grants, and services for execution in AENB's CRA AA and broader region.

The Center for Community Development provides CD lending, qualifying investments, grants, 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 families. There are no known legal, financial, or other constraints that limit AENB's ability to meet the CD needs of its AA.

Scope of the Evaluation

In evaluating the bank's performance under the CRA, the OCC reviewed CD activities from January 1, 2016, through December 31, 2018. In addition to AENB's CD activities, the OCC reviewed pre-merger CD activities completed by AECB and FSB. For AECB, this included CD activities since the FDIC's September 14, 2015 Performance Evaluation for AECB. For FSB, this included CD activities since the OCC's December 31, 2015 Performance Evaluation. The OCC reviewed the level and nature of qualified investments and grants, CD lending, and CD services.

At the bank's request, the OCC also considered qualified investments and CD services provided by its affiliates during the evaluation period. This included prior period investment balances that remain outstanding, qualified grants, and CD services. This is AENB's first CRA Performance Evaluation following the April 1, 2018 AECB-FSB consolidation.

The bank has adequately addressed the needs of its AA, and therefore, the OCC considered qualified investments, CD loans, and CD services outside of the AA 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 (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 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 Assessment Area

AENB's AA in the Salt Lake City MSA consists of Salt Lake and Tooele Counties, which wholly constitute the MSA. The AA meets the requirements of the regulation and does not arbitrarily exclude LMI geographies. The table below provides a summary of demographics for the Salt Lake City MSA.

Table 2: Assessment Area Description

	Number	Low	Moderate	Middle	Upper	NA*
Tracts	223	3.6%	23.8%	41.7%	29.1%	1.8%
Families	262,544	19.72%	17.84%	22.22%	40.22%	0.0%
Businesses	84,821	3.0%	22.2%	40.5%	33.4%	0.9%

Source: 2015 ACS US Census, 2017 Dun & Bradstreet Data. Percentages represent families by income level and businesses by income level of census tract.
(*) The NA category consists of geographies that have not been assigned an income classification.

The US Census Bureau (Census) estimated the population in the AA to be 1,203,105 in 2017, a 5.5 percent increase since the 2010 Census. According to Moody's Analytics, the metro area's robust population growth was more than double the national average in 2017. 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. Approximately 10.97 percent of households in the AA were living below the poverty level. In LMI geographies, 32.61 percent of low-income households and 18.38 percent of moderate-income households were below the poverty level.

The Salt Lake City MSA is a highly competitive banking market. According to the FDIC's June 30, 2018 Deposit Market Share Report, there were 38 FDIC-insured financial institutions operating 214 offices, with $501.2 billion in deposits. The top three institutions in the AA were Morgan Stanley Bank, NA, Ally Bank, and AENB. These institutions controlled approximately 56.9 percent of the deposit market share, with a combined $285.3 billion in deposits. AENB ranked third in the AA, with one office and $67.2 billion in deposits, or 13.4 percent of the market share. AENB also considers Synchrony Bank and Goldman Sachs Bank as similarly situated competitors because they are also designated Limited Purpose or Wholesale for CRA purposes, respectively, and would be competing for CRA-qualifying CD activities in the Salt Lake City MSA.

During the review period, the Salt Lake City MSA maintained a very low unemployment rate. Per the Bureau of Labor Statistics, the average annual unemployment rate decreased from 3.2 percent in 2016 to 3.0 percent in 2018. This was slightly less than the state annual averages of 3.4 percent and 3.1 percent, for the same period. Additionally, the MSA's average annual unemployment rates were much lower than the national annual average unemployment rates of 4.9 percent in 2016, and 3.9 percent in 2018.

According to Moody's Analytics, the area was in the late-cycle phase of its expansion. Job growth was steady with state government, finance, and transportation industries being robust year-over-year performers. However, transportation, hospitality, and construction had slowed in recent months. The largest industries in the Salt Lake City metro area were professional and business services; government; education and health services; retail trade; and leisure and hospitality services. The top five employers in the area included the University of Utah, Intermountain Health Care Inc., Wal-Mart Stores Inc., Delta Airlines, and Smith's Food & Drug.

The Census' 5-Year (2013-2017) American Community Survey (ACS) estimated affordability ratios of 3.84 and 2.95 in Salt Lake and Tooele Counties, respectively. The affordability ratio for Utah was 3.65. 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 was 66.5 percent and 79.2 percent, respectively, compared to the state at 69.6 percent.

The median home values in the AA's LMI tracts were $128,299 in low-income tracts and $168,148 moderate-income tracts. The Census reported 62.94 percent of the total housing units in the AA as owner-occupied, with rental-occupied units at 31.31 percent and vacant units at 5.75 percent. Owner-occupied housing in LMI geographies in the AA represented 19.22 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 64.0 percent of the housing units in low-income geographies, and 47.2 percent of the housing units in moderate-income geographies.

A review of information from two existing community contacts for organizations serving the Salt Lake City MSA was conducted for this evaluation. Challenges in the area included limited affordable housing for LMI; homelessness; predatory lending; access to capital and education for small businesses; and a lack of financial literacy for LMI individuals. Opportunities for financial institution participation: fund affordable housing initiatives and community services for LMI individuals; provide or fund micro-loan products and small business loans for entrepreneurs; and fund or offer comprehensive financial education programs.

Conclusions about Performance

Summary

AENB provided an excellent level of qualified investments, CD loans, and CD services in relation to its capacity and opportunities. The bank provided qualifying investments and CD loans that were responsive to the identified needs of affordable housing and economic development. AENB and its affiliates made qualifying grants to CD organizations that provide essential services to LMI individuals and families within the AA and the state of Utah. Employees of the bank and its affiliates also volunteered at some of these same organizations in addition to others in the AA and statewide. AENB and its affiliates provided a total of 4,333 hours of CD services that supported organizations serving the bank's AA or broader statewide area.

AENB and its affiliates achieved a high level of qualifying investments and CD lending by providing $574 million in qualified investments, grants, and CD loans to the AA and broader statewide or regional area that included the AA during the evaluation period. Despite the competitive landscape in the Salt Lake City MSA and state of Utah, AENB led its competitors in Low Income Housing Tax Credit (LIHTCs) projects with a 51 percent market share of Utah tax credit projects during the evaluation period. AENB and its affiliates also made an additional $609 million in qualified investments and CD loans outside of its AA. The bank had $589 million in prior period investments that remain outstanding on December 31, 2018.

AENB demonstrates extensive use of innovative or complex qualified investments by investing in LIHTCs, New Market Tax Credits (NMTCs), and equity investment funds. These investments include the: Preservation Opportunities Fund IV, the bank's first proprietary real estate fund designed to purchase and preserve rental properties that are affordable to LMI families; US Bank NMTC 2017 Fund, the bank's first hybrid NMTC/LIHTC fund that supports economic development and affordable housing; and Pueblo of Acoma Housing Authority (PAHA) project, the bank's first project to be located on Native American tribal land, which is subject to tribal sovereign law.

AENB's qualified investments and grants, and CD loans and services exhibited excellent responsiveness to the credit and CD needs within the AA. A significant percentage of the bank's investments and loans, in terms of numbers and dollars, were for affordable housing and economic development purposes, which were the AA's highest identified needs. In addition, the bank's grants and services also supported affordable housing and economic development as well as financial literacy and community services targeting LMI individuals.

AENB has taken a leadership role in promoting, supporting, and providing financial education opportunities for CD organizations. This included facilitating CD forums; serving on non-profit organizations' Boards of Directors and/or committees; and publishing financial education materials, which AENB provides to nonprofit organizations for distribution as well as directly to the community free of charge. AENB continues to be responsive to the needs of the homeless population, refugees, and regional Native American communities.

Qualified Investments

AENB originated 32 qualified investments totaling $296 million in the AA and broader statewide area or regional area during the evaluation period. Since the bank at least adequately addressed the needs of its AA, examiners considered an additional $562 million in 70 qualified investments made outside of its AA when evaluating the bank's performance.

AENB also provided 397 qualified grants totaling $10 million to non-profit CD organizations and programs that benefitted the AA. These grants supported affordable housing organizations that provide rental housing, homeownership, 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. The bank and its affiliates provided an additional $5 million in grants outside of its AA.

AENB has 133 outstanding investments totaling $589 million from AECB or FSB's prior evaluation periods. Investments include $404 million in LIHTCs, $67 million in CRA mutual funds, $62 million in housing bonds, $45 million in mortgage-backed security pools, $5 million in venture capital investments, and $1.3 million in Small Business Administration investment pools. 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.

The following table summarizes the bank's investments, grants, and unfunded commitments inside and outside the AA:

Table 3: Qualified Investment Activity ($000s)

	Benefits AA	Outside AA	Totals
Originated Investments	295,748	561,589	857,337
Originated Grants	10,437	5,226	15,663
Prior-Period Investments that Remain Outstanding	588,568	655	589,224
Total Qualified Investments	894,753	567,470	1,462,223
Unfunded Commitments*	1,741	5,357	7,098

(*) Unfunded Commitments means legally binding investment commitments that are tracked and recorded by the bank's financial reporting system.

The following table measures the level of total 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	7.36%	4.67%	12.03%
Total Investments/Average Total Income	4.09%	2.60%	6.69%

AENB's affiliates allocated 499 grants totaling $5.2 million during the evaluation period for CRA purposes that benefitted the bank's AA and outside of the AA. One affiliate allocated a prior period LIHTC investment with a $655 thousand balance, which continues to benefit geographies outside of the Salt Lake City MSA. These affiliate activities are included in the figures previously presented in Tables 3 and 4.

AENB continues its focus on LIHTC investments, as evidenced by its 51 percent market share during the evaluation period. The bank made $704 million LIHTC investments during the evaluation period. These LIHTC investments are complex and responsive to the identified affordable housing need by creating about 5,600 affordable housing units.

AENB demonstrated innovativeness with some of its LIHTC investments, including a project that combined a LIHTC with a NMTC and another project that combined a 9 percent and 4 percent LIHTC. AENB also used LIHTCs for its first projects located on Native American tribal land and invested in LIHTC projects that were combined with permanent supportive services to assist those residents with individual needs. Additionally, AENB invested in a much needed affordable housing preservation fund, which was its first ever proprietary preservation fund.

Described below are some of the most significant qualified investments and grants:

AENB's investment in the US Bank NMTC 2017 Fund is the first time it combined the use of a NMTC with a LIHTC for a private-public partnership project that invests in both affordable housing and economic development benefiting low-income communities. AENB was the first bank to apply this combination of NMTC and LIHTC with their partner US Bank. The bank's use of the different tax credits is innovative and complex as well as responsive to the identified needs of its AA. The capital supports development of communities, educational facilities, and mixed-use projects, including capital for the revitalization of a 13-year vacant hotel, which provides a strong economic impact, and capital to 11 small business who otherwise would not receive conventional financing, which helped create 323 permanent jobs in that community.

AENB's Madison Palms investment is innovative and complex. It combined the use of 9 percent LIHTC and a 4 percent LIHTC to finance a single building project with vertically subdivided properties. This was the first vertically subdivided project in Nevada. In addition to being innovative, this project is also complex due to its separate construction contracts and multiple financing sources. The 9 percent phase reserves 72 two-bedroom units for LMI seniors, while the 4 percent phase, which was developed at the same time, consists of 126 age restricted (55+) units. The separation of the 9 percent project from the 4 percent project was based upon the Nevada Common Element structure. This is similar to a condominium development, but without a separate association. All amenities and site features are owned separately and are shared with a mutual use agreement. The 9 percent project units are located on the first floor and part of the second floor. The 4 percent project units are on part of the second floor and the entire third floor. In addition, a local non-profit provides free perishable and non-perishable foods for the residents weekly, which would be similar to an onsite food pantry.

AENB's PAHA Housing project is an innovative LIHTC project located on Native American tribal land in Pueblo of Acoma, New Mexico and was the bank's first Indian country project. This project also represents the first affordable housing project for the Pueblo of Acoma Tribe. The site consists of 30 units set aside at 30 to 60 percent of Area Median Income (AMI).

Additionally, six units have a set-aside for special needs households. The bank invested $8.2 million in this project, which also included stipulations for sub-contractors to employ tribal members. The project operates with rental assistance through the PAHA, which allows tenants to pay 30 percent of gross monthly income toward rent. AENB also invested in Tohono O'odham Ki:Ki Association (TOKA) Homes III, which is a new construction project of a 38-unit affordable housing development located on the Tohono O'odham Reservation in Tucson, Arizona. The developer, sponsor, and property manager of the project is the TOKA, which is the tribally designated housing entity of the Tohono O'odham Nation. This project has 26 residential buildings comprised of 24 one-story single-family homes and 2 attached single-story townhomes containing 14 units. All 38 units are LIHTC-eligible and serve families earning between 40 and 60 percent of AMI.

AENB invested in Journeys to Home, which is a new LIHTC development that targets individuals and families that were formerly homeless or on the verge of homelessness. It was the first rural homeless complex built in the state of Colorado. This development provides 30 units for family households earning 30 to 60 percent of AMI with a soft preference for homeless households, and all units receiving Project-Based Section 8 rental assistance. The site was previously used as a homeless camp. Using the Housing First Model, the approach is to offer permanent, affordable housing as quickly as possible to individuals and families experiencing homelessness, and then provide supportive services and connections to the community-based resources that residents need to maintain their housing. Supportive services are provided to all tenants with specific emphasis based upon their individual needs. A non-profit service provider, which maintains an onsite presence, offers permanent wrap-around services by assisting residents in connecting them to voluntary supportive service providers such as the Department of Human Services and the Colorado Workforce Center.

AENB continues to be responsive in meeting affordable housing needs in rural Utah and helping to revitalize existing urban neighborhoods in Utah by making additional CRedit-to-OWN (CROWN) investments during this evaluation period. This investment is not routinely provided by any other Utah financial institution. AENB is the only bank in Utah that invests in CROWN. These new investments resulted in the development of 41 single family homes located in the AA and broader statewide area. CROWN utilizes LIHTCs to provide lease-to-own affordable housing opportunities. The bank reported that private investors do not routinely provide these investments. LMI residents may purchase the home at a reduced price at the end of the 15-year compliance/lease period through this CROWN program. This project targets LMI families/individuals earning less than 50 percent of AMI.

In addition to being responsive to affordable housing needs through LIHTC investments, AENB also invested $30 million in housing bonds and $9 million in mortgage backed securities during the evaluation period, which created 490 affordable units in the AA. This is in addition to the $63 million and $45 million, respectively, in prior period investments that remain outstanding.

AENB invested $30 million and formed its first proprietary real estate fund, Preservation Opportunities Fund IV. This fund was designed to be responsive to the growing need for preservation of LIHTC units that will reach the end of their compliance period by purchasing and preserving rental properties at rents that are affordable to LMI families earning 60 percent or below AMI. The fund targets Year 15 LIHTC, subsidized and unsubsidized properties, which are vulnerable to deteriorating physical condition, poor property management, and investor flipping. The new partnership utilizes time-proven management methods to increase efficiency allowing the properties to remain affordable. To date, the fund has preserved 358 units. In addition to being innovative, this investment is complex as it involves multiple stakeholders for the purchase of eligible properties.

AENB has $589 million in outstanding qualified investments from prior evaluation periods. The majority of investments support the provision of affordable housing and economic revitalization and stabilization benefitting the bank's AA. AENB is still participating in nine prior period LIHTC investment funds totaling $404 million outstanding. The tax credits assisted in the construction or rehabilitation of affordable housing units located in Utah and the contiguous states as well as designated disaster areas.

AENB provided $160 thousand in grants to the Community Development Corporation of Utah to support its homebuyer education and housing counseling services, including pre- and post-purchase counseling, foreclosure mitigation counseling, and case management to an estimated 450 low-income clients.

AENB provided $165 thousand in grants in support of the International Rescue Committee's Economic Opportunity for New Americans project to support refugees in gaining the critical knowledge and skills needed to manage their finances and make appropriate use of financial products in order to help them thrive financially in the U.S.

Community Development Lending

During the evaluation period, AENB extended 18 CD loans totaling approximately $268 million that benefitted its Salt Lake City AA or a broader statewide or regional area that includes the AA. Consideration was also given to an additional $42 million in loans made outside of the AA because AENB had adequately addressed the identified needs of the AA. The bank also reported $25 million in unfunded loan commitments for five of these loans.

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: Community Development Lending Percentages

	Benefits AA	Outside AA	Total
Total CD Lending/Average Tier 1 Capital	2.20%	0.35%	2.55%
Total CD Lending/Average Total Income	1.22%	0.19%	1.42%

A significant majority of the bank's CD lending supported affordable housing with the remainder for economic development and community services, all of which are responsive to the identified needs of the AA. The following are examples of the bank's CD lending activities:

AENB is a member of the Rocky Mountain Community Reinvestment Corporation (RMCRC), a Utah-based community development financial institution (CDFI) that finances new construction or the rehabilitation of multifamily projects in Utah. RMCRC is a collaboration of twenty-seven banks helping to finance affordable housing through a $250 million loan consortium. AENB's current commitment is $30 million. A total of 1,790 affordable housing units were created throughout Utah and the broader regional area during the evaluation period.

The Affordable Housing and Mission Investment III (AHMI III) Fund was created to provide medium term, below-market rate loans to empower non-profit and for-profit organizations to expand or enhance development or services that benefit low-income and targeted populations and communities. The AHMI III Fund is structured using a participation model, and is managed by a CDFI, NeighborWorks Salt Lake. AENB committed $10 million to this fund.

AENB committed $3 million towards a participation line of credit to the Salt Lake County Economic Development Revolving Loan Fund that provides financing to small businesses that are not currently able to borrow from traditional banking sources. The fund also provides technical assistance to the small businesses. This program requires one new LMI job created for every $35 thousand in loans to the business.

AENB committed $10 million in 2016 and 2018 to the Utah Equitable Transit Oriented Development (TOD) Loan Fund, which was created in response to the Wasatch Front's need for transit-oriented development by providing flexible financing to allow non-profit and for-profit affordable housing developers to purchase and/or develop property near public transportation throughout the Wasatch Front Region. The TOD Fund's objective is to promote the development of affordable housing located within a half mile of high capacity transit and/or high frequency transit that meets housing needs for households earning less than 80 percent of AMI. A priority is given to developers targeting 50 percent or below of AMI. The fund is structured using a participation model and managed by the Utah Center for Neighborhood Stabilization.

AENB continued its partnership with the Utah Housing Corporation (UHC) to provide financing for first-time LMI homebuyers by purchasing 100 percent of mortgage participation pools from UHC's Single Family Mortgage Program. AENB committed $50 million to the UHC program in 2016 and 2017. The bank's investment in UHC's federally taxable bonds multiplies the scarce tax-exempt bonding resource, which is a major capital source and backbone of UHC's Single Family Bond Programs. UHC could do little to help first time home buyers get into homes without this affordable capital from investors such as AENB to make mortgage loans.

Community Development Services

AENB employees actively provided 4,025 hours of service to over 68 CD organizations and programs that benefit LMI individuals, youths, families, and communities. Nearly all of the services provided to these organizations benefited its AA.

AENB has developed and maintained strong relationships with community organizations to meet CD needs and support small businesses. The bank collaborates with local school districts, nonprofit organizations, and government agencies to develop opportunities for employees to volunteer and address the needs of the community. 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 employees' activities included serving in leadership roles on Boards of Directors and/or committees of affordable housing and community service organizations; delivering financial literacy seminars and credit counseling to LMI individuals; and providing other financial services. Community services provided by these organizations include financial literacy training, homelessness prevention, substance abuse and healthcare support, employment training and counseling, and other financial services. A significant portion of employees' service hours were spent on financial literacy to LMI youths.

AENB employees also facilitated ten CD forums and published free financial education resources for distribution to the public during the evaluation period. A majority of service activities were provided in conjunction with grants and/or CD loans that supported community needs.

In addition, employees of AENB's affiliates provided 6,794 hours of qualified services to 54 CD organizations in areas such as health, education, housing, and nutrition. The majority of these services provided by affiliate employees to these organizations benefitted outside the AA.

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

Table 6: Community Development Service Activities (in hours)

CD Service Category	Benefits AA	Outside AA
Community Services	3,788	6,374
Economic Development	296	22
Affordable Housing	249	90
Total Community Development Service Hours	4,333	6,486

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

AENB has demonstrated leadership and responsiveness by providing financial literacy classes and programs to LMI youths in the AA. AENB conducted 17 financial literacy classes at 12 Title I schools in the AA during the evaluation period. AENB employees served on the board and volunteered with Junior Achievement of Utah to provide LMI youths with hands-on programs for financial planning and entrepreneurship. In addition, AENB employees served on the board of Big Brothers Big Sisters, which provides LMI youths with a mentor to spend time during non-school hours as an alternative to being on the streets or being home alone. Bank employees provided over 1,600 hours directly offering financial education to LMI students and over 200 hours of board service for organizations focused on serving the needs of LMI youths.

AENB has demonstrated leadership and responsiveness by hosting internal and external CD forums which consist of community leaders, Executive Directors of nonprofits, state and local government officials, representatives from universities, and financial institution leaders. These forums serve as a platform for listening to the needs of the community, keeping abreast of the latest projects, and continuous learning opportunities for forum participants.

A bank vice president served on the Board of Directors of a private, nonprofit, multi-bank CDFI in the AA for a total of 173 hours. The CDFI's mission is to provide financing and management support to entrepreneurs in start-up and existing firms that do not have access to conventional lending products and services.

A vice president and director are committee members for a revolving loan fund that fills a gap in economic development by lending to high-tech and manufacturing businesses that would not otherwise be eligible for a traditional bank loans yet have a strong potential for growth. Loans are considered bridge financing and not meant to be long-term credit. Loan fund program requirements include job creation, job availability to individuals that are LMI, and economic benefit in targeted service areas.

AENB employees served on the Board of Directors and on committees of organizations that serve the homeless within the AA. For example, the missions of these organizations include helping families experiencing homelessness find lasting independence and security by providing transitional and long-term housing for families, protecting children, strengthening families and prevent child abuse, and provide comprehensive primary health services to homeless individuals and families in the AA.

Finally, AXP initiated and supported several programs that benefit small businesses nationally during the evaluation period. For example, “Small Business Saturday” encourages shoppers to support local small businesses. AXP enlists the help of volunteers and non-profits to educate small businesses and communities about the benefits of shopping small. AXP provided grants to preserve historic features in small business shopping districts nationally to attract visitors and propel commerce. AXP also offered temporary incremental credit line increases and loan support in 2017 to small business customers in Florida and Texas that were impacted by Hurricanes Harvey and Irma.