



SPEAKERS:

- Veronica Lane – Host
 - Native American Bank Vice President and Business Development Officer
- Tom Ogaard – Moderator
 - Board Member: Native American Bancorporation Co. and Native American Bank N.A.; Native American Bank N.A. President and CEO
- Cristina Danforth – Panelist
 - Shareholder: Oneida Tribe of Indians of Wisconsin; Board Member: Native American Bancorporation Co. and Native American Bank N.A.
- Lance Morgan – Panelist
 - Shareholder: Ho-Chunk, Inc.; Board Member: Native American Bancorporation Co. and Native American Bank N.A.
- Derrick Watchman – Panelist
 - Shareholder: Navajo Nation; Board Member: Native American Bancorporation Co.

TRANSCRIPT STARTS AT 46:20 OF
[THE NATIVE AMERICAN BANK'S 20TH ANNIVERSARY VIRTUAL PANEL VIDEO](#)

OGAARD

We are going to turn it back over to Veronica. I think, Veronica, there are some questions.

LANE

That is correct. Our first question is: How do tribes invest in a native owned bank? And a follow up question to that is does: NAB accept additional tribes to join as investors?

Inaudible/overlap.

DANFORTH

We very much welcome the opportunity to get more investors in Native American bank. If you put your money where your mouth is, and you want to help tribal communities this is the best opportunity to do so. But you also get the opportunity to participate as a shareholder to discuss what our options are as far as our goals going forward. And we welcome new investors. We have from time to time put out a PPM, a private placement memorandum, which people can, or tribes can, invest their money into Native American Bank. So ya, we welcome any opportunity and if you want to invest get ahold of Tom. I'm sure his information will be on the website. So, thank you for that question. Tom you might want to elaborate.

OGAARD

I think you did it. I think you did it just fine. There is that opportunity from time to time. Next question, Veronica

LANE

How important are loan guarantee programs to the current loan mix? How do you foresee this evolving in the future?

MORGAN

I'll answer. The BIA loan guarantee program is absolutely critical. How many 55 million acres of tribal land is in trust, and you can't leverage it or use it as collateral. So, it is a super big problem. So, you have to use the BIA loan guarantee program. The problem you have is there is a cap on how much you can do annually now on that. So, we utilize that program but it's only going to get us so far. You know the bank could possibly expand into SBA small business loans and those kinds of things with guarantees to help leverage it up or we can do things that don't require some of the loans. And I think as tribal entities grow and as native entrepreneurship develops, we will be able to develop along with that but right now those loan programs are absolutely critical to what is going on.

OGAARD

Next question Veronica.

LANE

The next question is recent studies indicate that there is a high percentage of natives who are unbanked. How can we close this gap by using digital tools?

DANFORTH

I think native people being unbanked continues to be an issue in Indian country but again it starts with education. The need to have a bank account. The need to have a credit card. The need to provide consumer lending. But all of that goes with opportunity for people to learn how to use wealth. Use credit. Become credit worthy. It all goes back to an education process. Derrick did you want to say something as well?

WATCHMAN

Ya. I struggle with the word 'unbanked'. Here on Navajo, we have different banking systems. We have, unfortunately, pawn shops. And so that is a form of financial services. So, I agree with tina, we have to figure out how to provide education to say, 'okay you can get a better process by not pawning your vehicle or pawning your jewelry'. That seems to be... or the payday loans. And so, if you can improve your overall ability to get credit, I think that will help. But I do see a lot of our native vendors moving into internet technology. You go to the conferences, or you go to, we have a lot of flea markets here on Navajo, a lot of them have basically a handheld system where they can take your credit card. That whole process is growing. To me that is an opportunity for Native American Bank to get into some type of venture, I mean, with a credit card processor. I think Lance mentioned some of the countries that they don't have land lines. Internet broadband hopefully it takes effect, and we have more services out to Indian country. But I think that is going to be the future for Native American Bank is how do we help many of our native, traditional vendors. Right now, we have a big economy in Indian country. It's just not formal, I will just use the word formal. So how do we tap into that? Internet technology, I think, will be one of our vehicles to get into that. But to get there, some training and I see a lot of local entities working on that front. I am excited about that. Especially for our young Indian entrepreneurs. I know here on Navajo we a lot of coffee shops that are in the startup phase. They are very excited to get into commerce. So, we have to be there to help them manage and be their bank of choice. It gets back to being a great financial partner. Sometimes people forget that a bank just doesn't lend money, but a bank is here especially a team to offer insight on how to deal with credit, how to open up a DDA or what does points mean, things like that. That's

why we are here. We need to be, and we are improving our ability to be a financial partner. With more staff and more outreach that's happening.

MORGAN

I would like to add, when I was a kid, I would go with my grandma to get money orders. And then we would go down and we would pay the power bill. You know, she didn't have a checking account. It was cash and everything. When I started Ho Chunk Inc., the tribe gave us the grocery store, which was not a gift. It was losing quite a bit of money. But we were the bank on every other Friday for the whole town. Because we would have to have huge amounts of cash. They would go three times a day to get cash because we were the bank. No one had it. I think it is sort of a legacy of poverty. The lack of banking, the lack of trust, not feeling....and racism really and not feeling welcome in that environment. It's like you don't want to be the one getting watched when you walk into Walmart, right, by the security guard? But that's what it always felt like. But as we grew economically in jobs both in the tribe and Ho Chunk, we started pushing people towards direct deposit. And we made an investment in a bank, and I said, "Assume every Indian who walks in the door is the tribal chairman's nephew, right, and you'll be okay." And so now we have a place where we can get, we can feel comfortable, because we own an interest in it, and welcome. And that has led, then we started pushing 401Ks and all these other things. And it slowly gravitated to the point that we have a banking relationship. But I do think that we have a chance, if we can figure out how to turn it into a banking on the phone, then we can get all the young native people in it. Some people aren't going to change. My kids make fun of me for driving to the bank on Saturday to deposit a check because they can just do it on their phone. But I like doing it because I go to Starbucks and get some coffee, you know! It's just kinda like something I do, and I've done for 20 years and its part of my routine, but they wouldn't dream of doing something like that. So, we have a chance to shortcut all of Indian country using some of the technology platforms that we are developing and that is pretty exciting.

OGAARD

I'll just add that the board has supported our investment in that type of technology on the website, as Tina mentioned on our banking mobile app, and then we have invested in ITMs which the technology will be that we can put them remotely and you can have a video chat with someone in a call center. We are not there yet but that is some of the technology that we can use in some of the more remote places where branching just is not practical. Veronica, the next question?

LANE

This question is directly for Lance. They said, Lance, I love hearing 'mission-driven'. How do you reconcile a predator growth economy with a mission-driven financial institution? We're seeking low-return investments as one way to personally reconcile it – any more suggestions?

MORGAN

I'm not sure what they mean by the predator economy. I don't know. May be that is the internet lending or the payday loans or something I don't know. But I think in general everyone is out for themselves to make as much money as possible. I mean, we do business all over the world and it is a predator/prey situation, and you better show up. I teach my interns...I say second place in business is usually last. So, you've got to be aggressive. But Ho Chunk Inc. has two faces. Off reservation we're killers, right? But in our community, we're a little bit different. We want to build some more houses; we don't care, you know, maybe we don't make any profit on it. That's

all right. We don't have to make money off grandmother's house, right? And so, as a tribal entity you have a different mindset. We're not looking to beat Wells Fargo at their game or Bank of America at their game. We just have to be the best...Ho Chunk Inc. just has to be the best tribal company and Native American Bank just has to be the best native American bank. I think if you look at the makeup of the company and the makeup of the board, we automatically are going to do things that we think are right and good for Indian country because we all have a seat at the table and we're setting the policy and we're setting the strategy. The natives are. And so, I think that we don't really have to overthink it because we wouldn't do it if it was going to hurt native people.

LANE

Great. Thank you. And this might be the last question, and it is: how are tribes banking cannabis/marijuana today? Especially in terms of tribal versus federal regulation?

OGAARD

Anybody have any thoughts on that?

MORGAN

Well, I have been pushing us to do more of that anyway. But I'm always getting in trouble, right? You have to understand, banks are so regulated. They're maybe the most regulated entities in the country and maybe in the world even. So, it's really hard to go out on a limb. The feds have done a funny thing. They said we won't prosecute it so it's up to the states. So, in Colorado you can buy marijuana but the feds, they took a cowardly sort of approach to it. They said we won't do anything about it, but they have all these rules where it's still illegal. So, the regulators don't know quite what to do. They know it's not a (unintelligible) no one's going to do about it but it's on the books that they can't do anything about it. So, they are never going to tell you yes, don't worry about it. So, you have to find ways to navigate that. And I've pushed for being aggressive but we're not some giant bank that can fight for all of Indian country and so we are trying to find that balance. But I think we've taken the steps to enter into that market and why not? It's actually a lot safer than those people carrying around just cash. I think that everybody needs services and we're trying to find a way to do it.

WATCHMAN

It's almost like gaming. Gaming twenty years [ago] had the same challenges. Where is the money coming from? And so, banks were reluctant to touch Indian country. Cannabis is following that same line. The more we do, I agree with Lance, the better we will get. I think at least we opened the door and we as a board are looking at that. Hats off to all of us for considering that because there is an opportunity and it's a safer way to conduct commerce out there. Especially for tribes, you know, we don't want them to be exposed and put themselves in harm's way. We are offering actually, not only banking them but offering them a safe way to manage and control their funds. So that is important.

DANFORTH

Right. And, you know, tribes have their own regulation. Tribes are not in a situation where they can create their own regulation around anything that is a schedule 1[a] or cannabis, so the tribes still have to have a relationship with their financial institutions. There are some tribes out there that have cannabis industries and cannabis stores, but they have a relationship with their financial institute so as Lance and Derrick were both saying the two most regulated industries

are gaming and banking. The feds and the states need to step up to help us, collectively, address how we are going to bank the cannabis industry. And we want to do it in the safest way possible. We want our businesses to have safe retail and manufacturing and growth opportunities and they have the same consideration around being banked. That's a true unbanked need. We want to move forward as progressively as possible but do it securely as well.

OGAARD

All right. I think that is going to wrap it up for us. I want to thank you Christina, Derrick and Lance for your time today. It's not easy getting the three of you together but we did it. So, thank you very much.

MORGAN

Tom, can I make a suggestion? When we get that cannabis banking going, let's do a tie-dyed shirt with the Native American Bank logo on it.

(laughter)