



ANNUAL REPORT



2023

OUR SHAREHOLDERS



Alaska

- Akhiok-Kaguyak, Inc.
- Arctic Slope Regional Corporation
- Association of Village Council Presidents
- The Eyak Corporation
- Old Harbor Native Corporation Settlement Trust
- Sealaska Corporation
- United Companies, Inc.

Arizona

- The Navajo Nation
- Salt River Pima-Maricopa Indian Community

California

- Table Mountain Rancheria

Colorado

- Ute Mountain Ute Tribe

Connecticut

- Mashantucket Pequot Tribal Nation
- The Mohegan Tribe

Florida

- Seminole Tribe of Florida

Idaho

- Shoshone-Bannock Tribes

Iowa

- Sac and Fox Tribe of the Mississippi in Iowa

Louisiana

- Tunica Biloxi Tribe EDC

Michigan

- Grand Traverse Band EDC
- Sault Ste. Marie Tribe

Minnesota

- Mille Lacs Band of Ojibwe Indians

Montana

- Blackfeet Indian Nation
- Chippewa Cree Tribe
- Fort Belknap Planning & Development Corp. DBA
- Island Mountain Development Group

Nebraska

- Ho-Chunk, Inc.

New Mexico

- AMERIND Risk Management Corporation

North Dakota

- Three Affiliated Tribes

South Dakota

- Cheyenne River Sioux Tribe

Washington

- Colville Tribal Enterprise Corporation
- Marine View Ventures, Inc.

Wisconsin

- Oneida Nation

Wyoming

- Eastern Shoshone Tribe

Non-Tribal:

- Banc of America Strategic Investment Corporation
- ClearingHouse CDFI
- The F.B. Heron Foundation
- The Ford Foundation
- U.S. Department of the Treasury (preferred shares)
- Wells Fargo Community Development Corporation



Sacred Keepers, Gregg Deal (Pyramid Lake Paiute Tribe)
Commissioned by Native American Bank
Mural located at Denver, Colorado Corporate Office

OUR COMMITMENT TO INDIAN COUNTRY

Native American Bank, N.A. (NAB) continued to provide access to capital for Tribes, Tribal Enterprises, Alaska Native Corporations, and Native American individuals in 2023. We have seen growth in every sector of our loan channels, which have already provided more than \$350 million throughout Indian Country, including more than \$170 million in on-reservation lending, since inception of the Bank. We are committed to our vision, mission, and engaging new opportunities to provide sustainable economic growth in the communities we serve.

THE VISION

To be the trusted Native-owned national bank committed to meeting your financial needs, as well as the financial needs of your business and your nation.

THE MISSION

Through collaboration, provide access to financial services for Alaska Native and Native American communities, creating economic independence, development, and sustainability.



FROM THE PRESIDENT

We welcome you to take in the many facets of our Bank through this annual report. It features the many behind-the-scenes activities that make Native American Bank (NAB) the bank it is today. Like the many Native communities we serve, we have relied on our resiliency to continue our growth.

The significance of the forward momentum for The Native American Bancorporation Co. (NABC) in 2023 cannot be overstated. At both the holding company and bank levels, the performance and results were the best ever! Our investment in staff, technology and other resources has been instrumental in our ability to provide growth, manage change and create new opportunities. As I said in my letter a year ago, it exemplifies the focus and drive to create opportunity, impact and access for our customers.

Our company has demonstrated the resiliency necessary to compete in a very crowded market. Not that long ago, the Bank and holding company were in a “troubled institution” phase with our regulators. Today, our assets at year-end were \$288 million, our operating income higher than ever and our outlook for the future as bright as ever.

We were able to leverage our capital to open a new office in the Pacific Northwest. Located in Issaquah, WA, our team will create deeper relationships with existing customers and build new relationships through direct interaction with Tribal leaders. It is the first of what we expect to be several regional offices around the country in the coming years. While growing the company on a de novo basis is important, we are also open to acquiring another institution to further deploy the outstanding capital we have available.

Our advocacy is at work to raise the profile of the immense needs in Indian Country. Leadership and staff are actively involved in several ways to create awareness of the needs that we see every day. It is important to note our efforts at both the Bank and holding company levels opened the doors to grants and other funding for every application we submitted through the CDFI Fund of the U.S. Treasury Department. Those dollars are being put to work to support economic development throughout Indian Country.

As I do every year, I want to take this opportunity to thank you for your support. The staff, management and Board are working to make the bank a primary source for business and personal financial services.

On behalf of them, we remain committed to the ideals of Native American Bank’s mission among Native American and Alaska Native communities and look forward to serving our shareholders and customers long into the future.

Sincerely,

Thomas D. Ogaard
Chairman, President and CEO
The Native American Bancorporation
President and CEO
Native American Bank, N.A.



FROM THE CHAIRMAN

This annual report embodies the deep resilience of the communities we serve as a bank. You will see the commitment we are making to ensure access to capital, financial stability and independence in Native communities throughout the U.S.

As I reflect on the challenges, opportunities and threats that faced Native American Bank (NAB) historically and in 2023, the old saying “If at first you do not succeed, try again” comes to mind. We are definitely a bank with fortitude and resilience. After years of struggle with economic downturns, pandemics, political instability, increasing regulation and risk capital requirements, NAB has emerged as one of the top banks for our size (under \$500 million in assets). Our risk capital and balance sheet has never been stronger and our management team never better, which has strengthened our ability to provide much needed lending and financial services to Indian Country. 2023 saw NAB grow dramatically in net earnings, giving the bank the capability to provide dividends to our shareholders in the future – an important step in rewarding our investors for their continued support.



Indian Country and the Bank have both benefited from significant improvement in our risk capital and core deposits - the life blood of lending. This access expands our effort to support Indigenous people and their business enterprises in the Pacific Northwest and continues to provide banking services to the ever-growing niche of medical and recreational cannabis sales. With more State and Tribal governments adopting cannabis consumption laws, federal banking regulators are more receptive to allowing banks and financial institutions to offer banking services to the cannabis industry. Native American Bank has proven to be a leader in establishing excellent cannabis banking policies.

Net earnings, capital and deposit growth, community outreach and lending were the stalwart metrics for 2023. Although we are as strong as ever, the Board of Directors and management team continue to focus on our growth, profitability and community outreach. We have grown shareholder equity and desire to attract additional shareholders to support the Bank's Vision and Mission in Native American and Alaska Native communities. Native American Bank will continue its advocacy encouraging Tribes, Tribal Enterprises and Alaska Native Corporations to strengthen their resolve to secure financial independence and access to capital for Indian Country.

The Board of Directors are committed to the Bank's Vision and Mission in improving access to capital and financial services for the communities we serve. Our bank cannot grow and prosper without the support and encouragement of our Shareholders, customers and banking team. For this we are grateful. Our future as a bank is bright, and we look forward to continued growth and prosperity for all whom we serve.

Sincerely,

Kent E. Paul, ARM, AU, AM
Chairman of the Board
Native American Bank, N.A.





Members of NAB and Denver Indian Center staff pictured at the bike giveaway event.

HONORING COMMUNITY

Community: The Core of Our Mission

Remaining true to our roots, Native American Bank (NAB) staff embodied our commitment to community in 2023 by participating in local activities, providing industry leadership that will further the economic growth in Indian Country and sponsoring events for others to care for the wellbeing of their stakeholders.

COMMUNITY EVENTS

Several local community events gave NAB the opportunity to take part in giving back to our community. These longstanding initiatives have created lasting bonds with community members, Tribal entities and local organizations.

- **Coat Drive** – More than 180 clothing items were collected at the Browning and Denver branches, which were distributed to several local organizations in Browning to help warm those in need.
- **Denver Elder Luncheon** – The Denver Indian Center hosted a free lunch, where Denver NAB staff volunteered to serve local elders. A special lunch of frybread, bison stew, blue corn mush and wojape brought the flavors of their Nations to many attendees. Our Deposit Relationship Manager, Brent Truttman, is pictured right with two local Native elders.

- **Browning Customer Appreciation Day** – More than 500 Indian tacos were made for customers from the Blackfeet community at the Browning Branch Customer Appreciation Day. It was a full day at the park with entertainment for individuals and families who took in the music, games and the chance to commune together once again.
- **Denver School Supply Drive** – Markers, crayons, notepads, folders, paper, rulers, pencil boxes and more were collected by the Denver Branch staff for children at the Denver Indian Family Resource Center. The children were stocked and ready to return to school with all the supplies they needed.



DENVER BIKE CHALLENGE

The Denver staff challenged each other to build 25 bikes through Wish for Wheels, a local nonprofit, as part of a team exercise that provided bikes for children at the Denver Indian Center. A special presentation was made to children in the Honoring Fatherhood Program by the Denver staff.



Various pictures of NAB staff and participants in the Honoring Fatherhood program at the bike giveaway event.

- **Browning Toy Drive** – Santa was probably jealous from the outpouring of community support for this much anticipated annual Toy Drive. More than 300 toys were gifted to children on the Blackfeet reservation through this special gathering that has become a mainstay of community connection.
- **Red Ribbon Week** – We're not sure who had more fun – the kids or our staff. The Browning Branch put together more than 500 goodie bags for Halloween to distribute to local children as part of a drug use prevention program. The parade of costumes and annual gathering of the community has become a festive connection for all.

NATIVE OWNED. COMMUNITY DRIVEN.

COMMUNITY SPONSORSHIPS

Ongoing support of local Native events and industry programming is also a part of Native American Bank's (NAB) community outreach. These supporting roles give NAB a presence among community leaders, Tribal entities and across local communities where we do business.

This year, the Bank sponsored the following programs:

- Denver Art Museum Powwow
- Rocky Mountain Indian Chamber of Commerce Gala
- BIPOC Entrepreneur Business Panel
- Coalition to Stop Violence Against Native Women- Tribal Leaders Summit
- Chief Seattle Club Luncheon
- Center for Health Progress-Grassroots Assembly
- Colorado Children Campaign-Connection Reception
- NICWA Conference
- Transformative Leadership for Change - Wealth Reclamation Summit
- Nourish Colorado



Drummers accompanying dancers at the 35th Denver Art Museum Friendship Powwow.

NAB had an exciting year with many activities that engaged communities, businesses and had a lasting impact on Indian Country. We saw growth and greater engagement on many levels. All of these activities and projects are a testament to the resilience of Native communities and our commitment to continue to support the economic and cultural sovereignty of Tribal Nations.

We are mission-aligned with community at the core of all that we do. From our Tribal lending, community engagement, and providing financial resources to Native business owners, NAB embraces this resilient energy that can be witnessed in the opening of a new business venture or access to local healthcare and affordable housing.

With an investment of nearly \$50 thousand into the community, NAB has been an active partner to many organizations for a variety of events, educational programs, local celebrations and industry programming. The presence of the Bank in these activities is a testament to the commitment to our community banking philosophy. It is a mindset of being present, actively engaged and a part of the communities we serve and work within.

There is a strong sense of identity and a legacy of cultural tradition that embodies Native communities. Whether rural or urban, these same traits permeate the surrounding communities and bring together a collective connectedness. We are proud of the work we do to foster these relationships and infuse critical financial capital to ensure Native communities remain resilient long into the future. You'll see how these attributes were achieved in this year's annual report.

2023 NATIVE SCHOLARS PROGRAM

As a financial institution, Native American Bank (NAB) recognizes the importance of higher education and the role it plays in strengthening communities. That is why this year, NAB invested in the future of two well-deserving Native high school students and one Native college student by granting scholarships as part of the Bank's Native Scholars program.

This year's scholars, Tyson Rutherford-Gobert (Blackfeet) and Brayds Vielle (Blackfeet) each received a \$1,000 scholarship. Both Rutherford-Gobert and Vielle were presented their awards at Browning High School awards ceremony on the Blackfeet Reservation. Nevaeh Peters (Blackfeet) received her scholarship award at the Rocky Mountain Indian Chamber of Commerce (RMICC) Achievement Awards Gala, an event that NAB has sponsored for several years. Our scholarships are flexible, and unlike most, they can be used for either direct expenses, such as tuition and textbooks, or living costs, such as rent and groceries.

With Native staff who grew up on or near their reservations, NAB understands the financial challenges of Native youth pursuing higher education. Financial obstacles aside, there is a cultural challenge Native youth face transitioning from home on the reservation to college life away from their family and traditions. The future of Indian Country relies on the success of its community members; thus, we aim to support college students any way we can. We wish Tyson, Brayds, and Nevaeh great success on their academic journey, and hope this scholarship helps them transition into their new academic environments.



Top Left: Tyson pictured with NAB Browning Branch Manager, Jaime Bechel. Top Right: Brayds pictured with Jaime. Bottom Center: Members of NAB Denver staff pictured with Nevaeh at the 2023 RMICC Gala.

HONORING RESILIENCE



Native American Bank Honors Resilience with Commissioned Star Quilts

In a tribute to the enduring resilience of Native communities, Native American Bank (NAB) unveiled two star quilts commissioned from renowned Oglala Lakota quilter, Christina Conquering Bear (pictured right). These stunning creations embody the rich cultural heritage of her people and serve as powerful symbols of the strength and resilience found in our Native communities.

While quilts are a relatively modern addition to Native crafts, the star motif holds deep significance among the Lakota, stretching back to time immemorial. Before the advent of quilting, the star adorned animal skins used for tipis, clothing and shields. They were depicted in hide paintings, porcupine-quilled moccasins and clothing. With the introduction of beads and colored fabrics by traders, the star took on new forms, becoming a hallmark of Plains Indian quilting.

For Christina Conquering Bear, a fifth-generation descendant of Chief Conquering Bear, the creation of star quilts is not just an artistic endeavor, but a sacred practice deeply rooted in tradition. Christina's journey as an artist is intertwined with the resilience of her people, forged throughout centuries of genocide and adversity. The blankets NAB commissioned honor two issues close to Christina's heart: the epidemic of Missing and Murdered Indigenous Women (MMIW), and the forcible removal of Native children to government-sanctioned boarding schools designed to eradicate Native culture.



The "MMIW" quilt, which is featured on the cover of this year's annual report, honors the strength and resilience of Native women, who continue to lead and strengthen Indigenous communities, even in the face of great hardship. The blanket features the symbol of a woman in the center of the star. The diamond pattern intersects her body, representing the ambiguity of not knowing if a loved one has passed, or if they might someday return home. In 2020 alone, more than 5,000 Indigenous women and girls were reported missing, a sobering reality that inspired Christina to design "MMIW," a quilt that seeks to mourn and honor Native women.



MMIW

MMIW Quilt

Artist: Christina Conquering Bear (Oglala Lakota)

Christina pictured with NAB Denver staff: Veronica Lane (left) and Desmond Bruguier (right)



Now We Are Found

Artist: Christina Conquering Bear (Oglala Lakota)
Commissioned by Native American Bank
Quilt located in Denver Corporate Office

The second quilt, entitled “Now We Are Found,” memorializes the children who never returned home from the boarding school system. It draws on Christina Conquering Bear’s experiences as a survivor of the Holy Rosary Mission School on the Pine Ridge Reservation. At the school, Christina endured the trauma of forced assimilation, including the prohibition of her Lakota language and cutting of her braids. As a 7-year-old child, she was forced to contend with racism, abuse and death as she watched some of her classmates mysteriously disappear. “Now We Are Found,” poignantly captures the pain and healing of Native communities and is inspired by the recent discoveries of unmarked graves containing the remains of Indigenous children who never returned home.

The moccasins and handprints along the border of the quilt memorialize those children. The scene on the lower left corner depicts the pain that generations of lost children inflicted on Native families. The center of the quilt depicts a scene where children hold hands in unity. This image of peace and innocence represents those

who have finally been identified and returned to their communities to be laid to rest. This powerful imagery speaks to the importance of acknowledging past atrocities and honoring the sovereignty of Indigenous nations in their efforts to heal the wound left by the boarding school system. Christina’s work embodies the resilience and strength of Native peoples in the face of historical trauma and shows the power and importance of restitution in the healing process.

Despite decades of government-sponsored efforts to erase her culture and identity, Christina Conquering Bear remains a proud Lakota woman. She speaks her language, shares her talents and honors the traditions of her ancestors. She teaches Lakota language, passes on traditional foraging knowledge to youth and is an active member of the Native American community in Denver. Native American Bank is honored to count her among our valued customers and proudly displays her work in our corporate offices as a testament to the enduring spirit of Indigenous resilience.



“Everything I do, I do for my culture.”

*Christina Conquering Bear
Oglala Lakota*



Breaking ground on the Pawnee Behavioral Health Center in Pawnee, OK.

IMPACT LENDING



Strong Communities. Strong Economies.

Native American Bank's (NAB) mission focuses on building strong relationships with Tribal governments to ensure its communities – rural and urban – have access to financial resources. Our institutional knowledge of Native communities, their economic development and the ability to collaborate with Federal and various funding sources, enables us to support generational change to Indian Country.

In the past year, NAB partnered with numerous Tribes by providing financing solutions for projects specifically targeting behavioral health and energy. These two issues have been urgent and relevant to Tribal members and their surrounding communities. We were honored to participate in these projects and grateful to be able to highlight two of them here:

FUNDING HEALTHCARE ACCESS WITH THE PAWNEE NATION

The risk of mental health disorders is disproportionately higher in Native American and Alaska Native communities compared to the rest of the U.S. population. In a recent study, 19% of Native Americans reported having a mental illness in the past year. However, most are not receiving proper care, according to Mental Health America. Oklahoma, ranks fifth in the nation with some of the highest rates for mental illness and substance abuse disorders.

2,000+

patients to receive treatment

22

thousand square feet of treatment facilities

47

new construction jobs created

53

full-time jobs created (25+% Native)



“This project means so much to Pawnee Nation and the local community because for several years you heard and sadly saw the need. Now, we have a final product where our Tribal and community members’ voices were heard about behavioral health issues that we were experiencing. This project is a prime example of that and for us to head in the right direction.”

Brian (Wabjejak) Kirk, MPH
Executive Affairs Director
Pawnee Nation

The Pawnee Nation of Oklahoma is one of many Native Nations that sees the need for mental health services in their community. They estimate approximately 1,500 people (90% Native) on and near their community need treatment. Currently, access to treatment can take weeks to book with the nearest facility an hour drive away. Their solution is to build their own treatment facility, Pawnee Nation Behavioral Health Center.

The facility will bring critical services to the Pawnee Nation of Oklahoma and is a key part of the Pawnee Nation Comprehensive Economic Development Plan. The center will be nearly 22,000 square feet for clinical treatment, include 26 treatment rooms, therapy rooms and office space. The project will create 47 construction jobs and 53 permanent jobs, where many of the workers will be Native American.

Financing this project would present challenges. The Pawnee Nation would need \$30.4 million for construction. Funding required a combination of

New Markets Tax Credit capital, bridge financing for grants received, and a USDA loan guarantee on the permanent loan.

Through a collaborative effort NAB partnered with two Native CDFIs – Citizen Potawatomi and Oweesta Corporation – to provide the loans; NAB contributed \$16.4 million in total loans. In addition, Clearinghouse CDFI provided the New Markets Tax Credit allocation, which was leveraged to finance the project that will provide behavioral health resources to Tribal and non-Tribal members. It is rare for a loan to come from multiple sources, but NAB has proven successful coupling resources and is emerging as a thought leader in these kinds of collaborative loan structuring.

The Pawnee Behavioral Health Center will be a catalyst in the management of mental health issues, which will help local community members receive the care they need to help them lead a higher quality of life.



METLAKATLA POWER & LIGHT

Empowering Indigenous-owned Utilities



Power and light are something most of us take for granted. That isn't the case for our relatives in Alaska where, according to the Alaska Village Electric Cooperative, 15% of all Alaskans live in 200 rural communities spread across more than 500,000 square miles. In these areas residents must rely on diesel-fueled electric generators and costly electricity for their power and light. Rural households spend 27% of their annual income on home energy, compared with less than 7% in urban Alaska. With harsh winters that require an immense amount of energy, providers are challenged with supplying utilities at an affordable cost to local communities.

Metlakatla Power & Light (MP&L) received a \$5.3 million loan from Native American Bank (NAB) to upgrade the electrical infrastructure of the Metlakatla Indian Community on the Annette Island Reserve, which is the only Indian Reserve in Alaska. Located off the mainland, this Native community, like many rural areas in Alaska, is limited in its access to roadways and traditional infrastructure.

MP&L is the 22nd largest electric utility supplier out of 54 providers in Alaska. Located in the southernmost community, residents pay approximately 47% more for their average monthly bill. The Tribal utility is unique in its stand-alone service area that includes two hydro-generation plants, a diesel generator and battery energy storage systems. The funding capital from NAB's loan will enable MP&L to obtain the necessary equipment that will provide reliable power and light to the community for the next 40 years. These new systems will add fuel flexibility and income potential for the utility, while meeting the needs of its community.

A Tsimshian craftsman from the Metlakatla community works on a traditional wood carving. These techniques date back thousands of years and remain a staple in Alaska Native communities.



COMMUNITY DEVELOPMENT DIVISION

Announcing our New Division

Much of Native American Bank's (NAB) growth in recent years can be attributed to the array of tools, programs and initiatives used to provide access to financial resources in Indian Country. Living up to its mission, the Bank remains committed to these endeavors and has created a new department – the Community Development Division – to streamline its focus on deployment, compliance, certifications and reporting to ensure NAB's impact is accurately reflected.

Joel Smith, senior vice president and chief credit officer, has been named to head the Division. As president of the Division, he will oversee these specialized programs that provide capital to Native communities. His background brings a depth of knowledge to the position that will bring together collaborative financial resources and organizations to bring potential projects to fruition across Indian Country.



Our AVP, Business Development Officer, Desmond Bruguier, presented sage bundles to members of the Lac Courte Oreilles Tribal Council during his in-person visit.

With several awards, grants and all the work associated with the New Markets Tax Credit Program, the Division will be able to assess and monitor projects in ways that will better demonstrate the Bank's mission intensity within these native communities to our stakeholders, partners and customers. This data gathering and impact metrics will enable NAB to apply for further annual funding, which will expand our ability to fund additional loans in Indian Country. The potential growth in these funds will make more resources available to Native entrepreneurs, Tribal projects and collaborative arrangements.

The Division will manage several awards and grants including the New Markets Tax Credit allocation and Capital Magnet Fund award. The Division creates a place for innovative solutions where providing access to capital in Indian Country can be fostered. A large focus will be in the allocation of tax credits to help fund project costs for Native healthcare and childcare projects.

Having the Division in-house gives NAB the opportunity to collaborate across projects that can have lasting and meaningful impact in the many communities where financing is needed. The Division is a commitment to the core of the Bank's mission-centric approach, which is devoted to providing access to financial services to Indian Country.

SMALL BUSINESS LENDING

Unlocking Capital for Indigenous Entrepreneurs

While Tribal Nations provide critical services to its community, entrepreneurship is just as important to cultivating economic development in Tribal communities. Native American Bank (NAB) has long been committed to helping local Native entrepreneurs achieve their business dreams with access to capital to establish retail outlets, convenience stores, restaurants, specialty stores and local services.

Last year, NAB continued to unlock capital with \$1.9 million borrowed to Native-owned businesses. These loans helped business owners purchase needed equipment, provide local jobs and ultimately create greater opportunity for individuals and families in Indian Country. All elements that lead to stronger communities. The following are two such business owners that received small business loans to bring their business dreams to life.

Frost Cupcake Shop LLC

Wasilla, Alaska

Denali Gets a Cupcake Delight!

The locals and tourists near Denali National Park in Alaska now have a tasty treat option. Frost Cupcake Shop LLC, is a 100% Alaska Native women-owned business in Wasilla, Alaska. Rayann Kroening is a mother who has been perfecting her cupcake recipe for more than 20 years. After her daughter, Alexa Prosser, suggested they open a bakery, they approached NAB for a loan to open the shop located on the way to Denali National Park.

The start-up nature of the business made access to capital a challenge. NAB financed an \$80 thousand Small Business Administration 7(a) loan guarantee to help the business purchase equipment, renovate their leased space, and provided working capital. This type of SBA loan provides financial help to fund all aspects of a start-up. From acquiring or improving real estate to purchasing and installing equipment, a 7(a) loan aids entrepreneurs, such as Alexa and Rayann, to launch a thriving business.

With the loan, the owners have been able to evaluate their business plan and expand their product lines. Most famous for their frosting, Frost Cupcake Shop offers a variety of tasty items on the menu. Customers can indulge in unique cupcake flavors such as sweet chai, peppermint patty and Swiss orange. The bakery also has cookies and cake pops. To bring the cookie decorating experience to a customer's home, the bakery also sells DYO (Decorate Your Own) Cookie Frost Kits with its beloved frosting.



Collaborating with Native American Bank was truly exceptional. Each interaction with their team was marked by kindness, assistance, and expertise. I felt a genuine sense of trust and encouragement from every individual I engaged with regarding my loan, reaffirming their belief in my vision.

Alexa Prosser
Sitka Tribe of Alaska
www.frostcupcake.com

Bluebird Cabins

Cherokee, North Carolina

Enriching the Tribal Land Experience

Cherokee, North Carolina is lush with greenery, where outdoor enthusiasts can immerse in the natural beauty thanks to the Bluebird Cabins rental retreat. The cabins are located along the Oconaluftee River near the Great Smoky Mountains National Park and in the heart of the Eastern Band of Cherokee Indians' boundary. Visitors can fish, hike trails along rivers and waterfalls, and experience the Cherokee community creating a unique natural and cultural vacation experience.

Native American Bank (NAB) helped bring this opportunity to life for Chris and Cheri McCoy. Chris is a member of the Eastern Band of Cherokee Indians. The \$686 thousand loan provided the necessary capital to acquire five rental cabins, make necessary upgrades and prepare for ongoing maintenance. The cabins are located on the Boundary, which can make the lending process challenging because the real estate property cannot be pledged as collateral.

By working in tandem with the Office of Indian Economic Development (OIED), NAB was able to secure the financial resources for a guaranteed loan. NAB's long standing relationship and experience working with OIED, opens access to financial resources that can often be difficult to obtain for a business located on trust status land. By being well versed in the OIED's guaranteed loan program, NAB works with small business owners to overcome these unique financing barriers.



"It was important to find an experienced lender to facilitate the process of providing financing on a commercial loan because of the complexities that come with our unique Tribal land status laws.

Our experience working with Native American Bank was very positive as we were supported through every step of the process to get our loan approved."

Chris McCoy
Eastern Band Cherokee
www.bluebirdcabingsnc.com





EXPANDING OUR IMPACT

Putting Down Roots in the Pacific Northwest

Several foundational steps were made in 2023 to establish Native American Bank (NAB) in the Pacific Northwest region. A new location in Issaquah, Washington and the naming of Ed Davis as SVP Market Leader has quickly begun to forge NAB's presence among the communities in the Pacific Northwest and Alaska.

Davis is a Tlingit Alaskan Native from Southeast Alaska and from the Hoonah community. In his 30-year career, Davis has a mix of professional and community commitments to Indigenous communities. He has been quick to bring NAB to the area and has added Sean Mears as the new Commercial Relationship Manager. Like Davis, Mears brings a strong network among financial experts and Native communities in the area.

In late 2023, NAB was able to provide in total a \$10 million loan to Circle Seafoods to purchase and refabricate a commercial freight barge. This project also included a New Markets Tax Credit loan structure where the NAB loans provided bridge and permanent funding. The project will also generate nearly 100 jobs.

In the past, NAB funded several projects in the Pacific Northwest that included a \$1 million revolving line of credit to the Chief Seattle Club for housing assistance to unhoused relatives in the Seattle area. The Bank also provided a Paycheck Protection Program (PPP) loan to Eighth Generation, a Seattle based Tribally-owned art and lifestyle brand retailer.

NAB is excited to establish a permanent presence in this region given the vast Indigenous communities in need of financial resources.



Ed Davis
*Senior Vice President
Market Leader*

INDUSTRY LEADERSHIP

Representation in the financial industry is critical for Indian Country. Native American Bank (NAB) is recognized as a thought leader among CDFI banks. NAB actively supports key industry conferences and various staff members are often called upon by the banking industry to share their knowledge and expertise. These opportunities further partnerships and keep NAB aware of emerging opportunities and shifts that can impact Indian Country's access to financial resources.

NAB is especially proud that President Tom Ogaard has been selected to serve as the 2024 president of the Independent Community Bankers of Colorado. It is the association's 50th year of service to the banking community. Tom has been actively involved in the organization and its board for several years, leading to this top leadership role. The visibility for the Bank and the Native communities we represent will be elevated to new levels.

Staff actively participates in major industry conferences, which included the following in 2023:

- NCAIED Reservation Economic Summit (RES)
- NAFOA Annual and Fall Conference
- NAIHC Annual Convention
- Independent Community Bankers of Colorado Capital Summit
- Northwest Economic Summit
- Travois Annual Conference



Jamie Yancy, COO (second from the left) at the Denver Business Journal C-Suite awards where he was recognized for his outstanding leadership.

Staff Leadership Achievements

- **Joel Smith**, president, Community Development Division, presented insights on the New Markets Tax Credit program at the Native CDFI Summit
- **Ed Davis**, president, Pacific Northwest market, served on the Echo Trust and Wells Fargo Community Development advisory boards
- **Tom Ogaard**, president, was a keynote presenter at the Rocky Mountain Indian Chamber of Commerce Gala, where he was able to further share the Bank's latest accomplishments and impact on Indian Country
- **Shannon Ward**, senior vice president, chief lending officer, met with federal, state and tribal officials at the Flathead Indian Reservation to discuss banking issues in Native American communities
- **Tom Ogaard** was featured on the FDIC Podcast in an episode devoted to banking in Indian Country and efforts to ensure inclusion and access to resources
- **Jamie Yancy**, chief operating officer, was named one of Denver's "C-Suite Award" winners by the Denver Business Journal for his leadership, company contributions and community involvement



GRANTS AND AWARDS

Securing Resources for Native American Communities

Native American Bank (NAB) has a long history of impact, which is reflected in the number of awards and grants received annually. This held true in 2023 with grants and awards that targeted housing, childcare and healthcare challenges in Indian Country.

These funds increase NAB's capacity to finance projects that will provide critical services and economic growth to Native communities.

The grants and awards were highly competitive, some of which call for the development of new programs that extend beyond traditional financing. Joel Smith, president, Community Development Division, manages the allocation, development and execution of a few of these programs. Highlights of the grants and awards, and the opportunities they represent to Tribal communities are highlighted below.

New Markets Tax Credit (NMTC)

Through an award from the U.S. Department of the Treasury, NAB received authority to raise \$50 million in financing for low-income Native American communities. The Bank was one of

102 Community Development Entities to receive the award.

The Bank anticipates funding five major projects with these resources, which will cover about 20% of project costs. NMTCs are a critical source of funding for projects in underserved or low-income areas. Without it, long-term funding into essential community needs such as access to healthcare may not be viable. In the past year, NAB was able to participate in NMTC opportunities by providing gap financing. In partnership with other CDFIs and Native-owned banks, NAB helped build a healthcare center in Hayward, Wisconsin; a behavioral health center in Pawnee, Oklahoma; and a barge acquisition for a fish processing plant in Crystal Bay, Alaska.

With the \$50 million NMTC award, NAB can now provide the much needed gap financing to Tribes and Native focused non-profits located on or off trust status lands and other Federal Indian areas. This is the type of creative solution the Division aims to provide; access to financial resources in Indian Country where typical lending may not be enough.

Equitable Recovery Program (ERP)

While the concern of COVID-19 has waned, many businesses and communities in Indian Country are still recovering from the impact of the pandemic. NAB was the recipient of a nearly \$5 million Equitable Recovery Program Award from the CDFI Fund. This is a one-time award to strengthen the ability of Minority Lending Institutions to help low-and moderate-income communities recover by investing in long-term prosperity.

The distribution of funds can help businesses build capacity, improve technology and acquire staff among other operational needs. Specifically targeted to minority populations and those with limited access to financial resources, ERP opens the door of opportunity to equalize the negative impact of the pandemic on a business' ability to recover and thrive. The funds are part of \$1.73 billion awarded by the U.S. Department of the Treasury to more than 600 CDFIs.

Bank Enterprise Award Program

NAB has again been selected to receive approximately \$451 thousand through the Bank Enterprise Award Program. This is the ninth straight round NAB has been chosen to receive funds. The Bank has managed funds over multiple years to provide financial capital in distressed communities.

Holding true to the Bank's mission, funds are focused on improving the overall community with support of local businesses, affordable housing projects, and access to building daycare and healthcare clinics. The projects also have further local impact through the jobs created and long-term stability.

In addition to the grants and awards the Bank secured, additional revenues were received through NAB's holding company, Native American Bancorporation. These awards will ensure long-term support of the Bank's projects managed by the Community Development Division.

Capital Magnet Fund (CMF)

For the first time, Native American Bancorp received a Capital Magnet Fund Award of \$3 million. This grant focuses on financing housing units for low- and moderate-income families. NAB's previous projects and successful track record with Tribes and Tribal housing authorities were key factors in the award selection process. These funds will be used exclusively for the same purpose. The holding company will inject the grant into the Bank to provide low-cost capital to Tribes or Tribal Housing Authorities developing affordable housing for their Tribal members.

Native American CDFI Assistance (NACA)

Exclusive to Native CDFIs, the Native American CDFI Assistance Program is designed to provide financial access to Tribes, Native American borrowers and Native American - owned businesses. This aligns directly with the Bank, as 95% of the Bank's lending directly supports Indian Country. In 2023, Native American Bancorp was the recipient of a \$1.1 million NACA award. This is the second straight round of selection for the holding company. As with the Capital Magnet Fund, these funds are targeted for lending to Tribal Housing Projects by the Bank.

Native American Bank is committed to acquiring and utilizing grants and awards to the benefit of Native American interests and communities.



FINANCIAL SUMMARY



Native American Bank (NAB) had a banner year regarding its financial performance in 2023. Contributing to the positive outcome was a favorable interest rate environment for the Bank, organic growth and grants/awards received to further our mission of serving Indian Country.

The last four years were a period of dynamic change starting with interest rates that continued to rise until the start of the COVID-19 pandemic in early 2020. Interest rates then started to decrease and remained low through February 2022. During this time period, we also experienced a supply chain disruption. In March 2022, interest rates started to rise dramatically with a 5.0% increase by the end of 2023 due to an inflationary economic environment. Changes in interest rates impact earning asset yields and the cost of interest-bearing liabilities. As a result of the pandemic, various government assistance programs were initiated along with temporary changes to some regulations that govern banking as outlined in the Coronavirus Aid, Relief and Economic Security Act.

One result of the temporary changes in regulation was to lower the minimum Community Bank Leverage Ratio to 8.5% through 2021 then reverting back to the normal minimum of 9.0% at the beginning of 2022. The Bank was in compliance with this ratio for all periods measured and the ratio for the fourth quarter of 2023 was 13.77%.

The tangible book value of our Holding Company common stock increased \$41.61 per share to \$175.41 as of December 31, 2023 when compared to the same period in 2022. The increase is due to organic earnings in 2023 and grants received of \$5.4 million.

In 2023, net loans increased \$26.0 million year-over-year compared to 2022. Loans originated or purchased totaled \$85.0 million of which \$55.3 million funded at closing offset by regular loan amortization and large loan payoffs of \$20.0 million.

A large portion of our loan portfolio is government guaranteed which reduces our risk exposure. Our unguaranteed portion of classified loans increased from \$758 thousand in 2022 to \$1.3 million in 2023 and was attributable to four loans. The percentage of these loans to our total loans was 0.89% as of December 31, 2023.

Net interest income was \$10.7 million in 2023, a \$2.7 million increase compared to 2022. Our net interest margin was 4.78% in 2023, an increase of 53 basis points compared to 2022. Positively impacting our net interest income was the higher interest rate environment and growth in earning assets compared to 2022, offset by the growth in interest-bearing deposits and the higher cost of these deposits. The cost of interest-bearing deposits increased 43 basis points to 1.27% in 2023 compared to 2022.

Non-interest income increased \$5.4 million in 2023 compared to 2022. The primary driver for the increase were two CDFI awards received in 2023. The Bank received a \$5.0 million Equitable Recovery Program award and a Bank Enterprise award of \$451 thousand.

Operating expenses of \$8.5 million increased \$1.4 million in 2023 compared to 2022. The increase is primarily due to higher personnel costs, marketing expenses, travel expenses, loan related expenses and software costs.



FINANCIALS



STATEMENTS OF FINANCIAL CONDITION (\$ in Thousands)

Assets	2023	2022	2021	2020
Cash and Due from banks	\$ 90,122	\$ 60,396	\$ 37,335	\$ 28,155
Securities and Federal Funds Sold	41,786	35,119	21,910	10,336
Net Loans	145,963	119,994	122,738	147,245
Bank Premises and Equipment, Net	6,378	6,573	6,593	6,793
Deferred tax asset	995	2,061	2,438	2,219
Other Assets	3,053	3,063	1,834	3,751
Total Assets	\$ 288,297	\$ 227,206	\$ 192,848	\$ 198,499
Liabilities and Shareholders' Equity				
Total Deposits	\$ 251,273	\$ 194,167	\$ 165,112	\$ 135,173
Federal Funds Purchases and Overnight Borrowings	--	5,000	5,000	45,818
Other Liabilities	2,942	1,913	1,546	1,494
Total Liabilities	254,215	201,080	171,658	182,485
Shareholders' Equity	34,082	26,126	21,190	16,014
Total Liabilities and Shareholders' Equity	\$ 288,297	\$ 227,206	\$ 192,848	\$ 198,499

STATEMENTS OF OPERATIONS (\$ in Thousands)

	2023	2022	2021	2020
Interest Income	\$ 12,602	\$ 9,109	\$ 8,065	\$ 8,065
Interest Expense	1,879	1,055	1,476	2,036
Net Interest Income	10,723	8,054	7,129	6,029
Provision for Loan Losses	288	90	45	176
Net Interest Income After Provision for Loan Losses	10,435	7,964	7,084	5,853
Non-Interest Income	6,104	739	2,381	781
Salaries and Employee Benefits	5,197	4,207	3,431	3,251
Premises and Equipment Expenses	694	673	661	591
Other Non-Interest Expenses	2,610	2,254	2,011	1,724
Total Other Expenses	8,501	7,134	6,103	5,566
Net Income/(Loss) Before Income Taxes	8,038	1,569	3,362	1,068
Income Tax Expense/(Benefit)	1,460	371	(190)	-
Net Income/(Loss)	\$ 6,578	\$ 1,198	\$ 3,552	\$ 1,068

Financial Trends	2023	2022	2021	2020
Unguaranteed portion of classified loans	635	758	1021	1,213
Classified loans	2,353	2,320	2,665	2,926
Net interest margin	4.78%	4.25%	4.08%	3.57%
Cost of funds	0.94%	0.60%	0.89%	1.25%
Leverage ratio (point in time 12/31)	12.33%	11.58%	9.91%	8.44%
Leverage ratio from call report	13.77%	11.41%	10.17%	8.37%

NATIVE AMERICAN BANK, N.A.

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CEO, The Eyak Corporation

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Branch Manager

Johnathan Booth
Credit Analyst II

Desmond Bruguier
AVP, Business Development Officer

Karen Clark
Senior Accountant

Allemreh Daniels
Fraud Specialist

Tracie Davis
EVP, Chief Financial Officer

Theresa Duncan
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Nicholas Fioretto
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Diana Granados
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Wyatt Henderson
Deposit Operations Specialist I

Barb Keto
Deposit Operations Specialist I

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Branch Manager

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John O'Connell
AVP, Controller

Tom Ogaard
President, Chief Executive Officer

Kylie Peterson
Commercial Lender

Cristian Reyes
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Elliot Rogoff
IT Operations Officer

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Community Development Division

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Hayley Makes Cold Weather
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Teller I

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