

CUSTOMER FOCUS

ACCOUNTABILITY

COLLABORATION

EMPOWERMENT



2020 MISSION REPORT

CONCERN FOR COMMUNITY

COOPERATION AMONG COOPERATIVES

EDUCATION, TRAINING AND INFORMATION

AUTONOMY AND INDEPENDENCE

MEMBERS' ECONOMIC PARTICIPATION

DEMOCRATIC MEMBER CONTROL

VOLUNTARY AND OPEN MEMBERSHIP

ABOUT US

WORKING TOGETHER. BUILDING COMMUNITY.

National Cooperative Bank is the only bank in the United States dedicated to delivering nationwide banking products and solutions to cooperatives and other member-owned organizations to help communities thrive.

We operate for the benefit of our cooperative members—not outside investors. This allows us to focus on our commitment to support affordable housing, healthy food, renewable energy, small businesses, community-driven health care and non-profit organizations.



NCB serves a variety of cooperatives and like-minded, socially responsible organizations throughout the United States. These include

- Community-owned housing such as co-ops and community associations
- Community-driven healthcare solutions
- Retailer-owned grocers and consumer-owned food cooperatives
- Small business cooperatives
- Consumer-owned credit unions and credit union service organizations
- Community Development Financial Institutions

Our cooperative and community development mission has guided us for 40 years and is a critical component of what defines our institution. As part of its enabling legislation, NCB has an uncommon mandate to ensure our efforts benefit those most in need, supporting low-and moderate-income communities and cooperative expansion initiatives.

YOUR CHOICES REFLECT YOUR VALUES. YOUR BANK SHOULD, TOO.



MISSION BANKING

In 2020 NCB made loans and investments of \$399 million to benefit low-and moderate-income families and communities.

37.7% of NCB's portfolio is comprised of loans serving low-and moderate-income communities and co-op development.



2020 National Cooperative Bank Mission Related Activities

Co-op & community development loans	\$344,910,406
Low/moderate income mortgage loans	\$50,110,433
Small Farm/ Business	\$1,426,000
Investments & Grants	\$2,633,577
Grand Total	\$399,080,416

2020 Co-op & Community Development Sectors

Affordable Housing	\$147,308,331
Alaska/ Native	\$18,099,326
Credit Union	\$21,158,098
Food	\$59,673,650
Hardware	\$19,096,131
Health Care	\$25,685,000
Non-Profit/Community Development	\$16,670,159
Renewable Energy/ Tax Credit	\$20,934,959
Small Business	\$16,284,752
Grand Total	\$344,910,406



AWARDS

The Co-op Innovation Award aims to increase co-op development in communities with low-income and/or communities of color.

2020 CO-OP INNOVATION AWARDS

The cooperative development model creates opportunities for economic mobility and for financial and community resilience, including during times of crisis. Three cooperative organizations were chosen to receive the Co-op Innovation Award, which aimed to increase co-op development in communities with low incomes and/or communities of color. In partnership with Capital Impact Partners, the 2020 awardees – ChiFresh, The Guild, and the Bronx Cooperative Development Initiative – received a total of \$100,000.

CHIFRESH KITCHEN

ChiFresh Kitchen was awarded \$50,000 to expand its commercial kitchen, owned and determined by formerly incarcerated Chicagoans, primarily Black women. ChiFresh pushed forward its intended launch in response to the COVID-19 crisis and its impact on Chicagoans of color and low-income residents. ChiFresh is now delivering prepared meals that are freshly cooked, healthy, delicious, and rooted in the culture and traditions of the people being served.

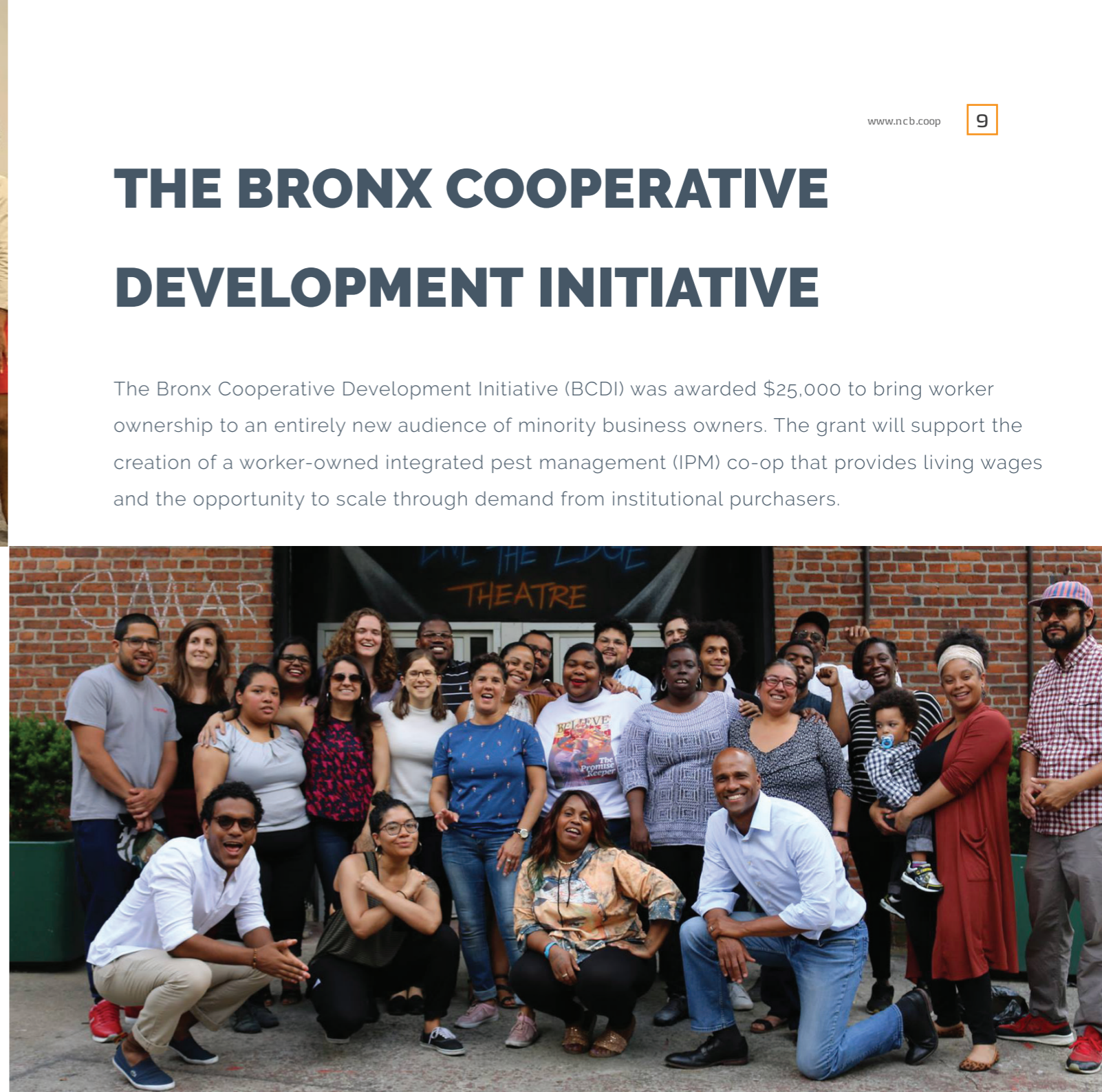


CHIFRESH KITCHEN



THE GUILD

The Guild in Atlanta was awarded \$25,000 to support its mission of building community wealth through real estate, entrepreneurship programs, and access to capital, creating equitable and sustainable communities by addressing the root causes of economic inequality.



THE BRONX COOPERATIVE DEVELOPMENT INITIATIVE

The Bronx Cooperative Development Initiative (BCDI) was awarded \$25,000 to bring worker ownership to an entirely new audience of minority business owners. The grant will support the creation of a worker-owned integrated pest management (IPM) co-op that provides living wages and the opportunity to scale through demand from institutional purchasers.

ADVOCACY

NCB is a strong advocate of co-ops and Federal Government programs that can benefit co-op organizations. These include working with the Department of Agriculture and the rural cooperative development centers for grant funding for co-op organizations, advocating for worker and food co-ops to access the Small Business Administration (SBA) loan programs and enabling co-op eligibility for Paycheck Protection Program (PPP) loans during the pandemic.

Prior to 2020, no food co-ops or worker co-ops were able to access the SBA loan programs. In 2020, NCB testified to change the regulation as part of the Main Street Ownership Act.

By working directly with SBA, NCB was able to persuade agency officials to change this regulation – that was in place for over 40 years. With this change, NCB was able to make a \$1.4 million loan to the Fredericksburg Food Co-op, located in Fredericksburg, VA, a start-up that will open in 2021 and provide much needed access to healthy food in that community. This is the first food co-op loan using the SBA lending programs in the 57-year history of the agency.



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SBA

NCB will continue to work with United States Congress and the SBA to level the playing field for cooperatives. In 2020, NCB closed a \$1.4 million SBA 7(a) loan to Fredericksburg Food Cooperative, part of the \$4.1 million project for the development of a new 10,000 square foot full-service natural and organic retail food store located in the Lee Plaza Center in Fredericksburg, VA. "We are so excited to be teaming up with this great cooperative lending organization to continue spreading the co-op business movement and bring cooperative groceries to the Fredericksburg community," stated Chris Roland, General Manager of Fredericksburg Food Co-op.

"We are grateful to NCB's staff and board for their support of our Fredericksburg Food Co-op", stated Board Member Richard Larochelle. "We appreciate NCB's talented team who worked tirelessly with us to make this loan approval possible. And we appreciate that the Small Business Administration provided a guarantee of this loan — the first of its kind to a food cooperative. Thanks to NCB's loan and the \$2.7 million that is coming from our co-op owners, this dream of a community-owned food co-op is now becoming a reality for Fredericksburg, Virginia."

PPP LOANS

PAYCHECK PROTECTION PROGRAM

NCB was also able to ensure that food, worker and housing co-ops were eligible for the Covid Relief legislative packages that were passed by Congress. Without NCB's efforts and a few key co-op organizations, co-ops would not have been able to access these essential programs that saved jobs and kept small businesses open during the pandemic. These efforts paid off for co-op businesses. Over 1,800 co-op businesses received Covid loans of \$150,000 or greater that preserved an estimated 93,000 jobs.

As a preferred SBA lender, NCB was proud to approve **246 loans totaling \$107.4 million** for the Paycheck Protection Program in 2020. With thousands of lenders and funds running out quickly, we knew we had to act fast for our customers and co-op organizations nationwide. These loans were critical in the survival of small businesses across America. Of the **246 PPP loans approved, 109 loans totaling \$43 million** were provided to cooperatives and co-op related organizations and co-op development.

TESTIMONIALS

1

Randy Ment
Ment Brothers Iron Works
New York, NY

"NCB was the absolute example of the right way for a bank to play an essential role in supporting their clients through an economic crisis.

Our PPP loan is making the difference between severe economic hardship and recovery from what we have experienced. You played an essential role in saving this company."

2

Chris Millette
Oxbow Design Build
Cooperative, Inc.

"We reached out to NCB and asked for their assistance. With our normal business operations still shut down, we used those funds to maintain our entire workforce, paying our co-op members and employees to produce face shields which we donated to healthcare and essential workers on the front lines of the pandemic response. Thanks to NCB, we've weathered the pandemic thus far, and are confident in our future as a worker-owned cooperative."



TESTIMONIALS

3

Green Wayland-Llewellyn,
The Vital Compass
Cooperative

"Our PPP loan will provide relief to our business and stabilize our small and wonderful staff. This experience also reinforces my appreciation and beliefs in cooperatives, where NCB was able to act and react faster than the 3 other banks that I was trying to get started with that didn't even get out of the starting blocks."



4

Mechell Frost
Executive Director,
Highland County Senior
Citizens Center

"We were fortunate to have NCB assist us to receive a PPE loan during the COVID-19 health crisis. Due to the pandemic, our senior center has been closed for daily activities, however we have been able to continue our meals on wheels program and offer drive-thru events for our membership. The loan has greatly helped with our operational expenses so that we may continue our mission to our senior citizens. We appreciate NCB's support."





SUSTAINABILITY

NCB has been committed to renewable energy since 2008 with a focus on financing energy projects with creditworthy off-takers, such as utilities, municipalities and established commercial businesses. In 2020, National Cooperative Bank provided over \$42 million in renewable energy lending.



EDUCATION

Financial Education & Student Savings Programs

Online Financial Literacy

101 Students

NCB provides free online financial education to high school students. The 101 students who participated in NCB's program took 258 hours of learning.

To promote youth savings, NCB offers a Money Matters Student Saving and Checking account. As of December 31, 2020, NCB had 826 student bank accounts totaling \$1,487,053.21.

Adult Financial Literacy Training Programs

3,711 Adults

NCB offers a free online adult financial education program. In 2020, 3,711 adults accessed the online platform and completed 2,859 courses.

WHO WE ARE

MISSION

NCB's mission is to support and be an advocate for America's cooperatives and their members, especially in low-income communities, by providing innovative financial and related services.



CORE VALUES

CUSTOMER FOCUS
ACCOUNTABILITY
COLLABORATION
EMPOWERMENT
DIVERSITY
INSPIRATION
INTEGRITY



Employee Demographics

331 Total
62% Female
29% Minority

COMMITMENT

NCB's Commitment to Diversity, Equity and Inclusion (DEI)

Our People. Our Work. Our Community.

We are dedicated to attracting, developing, and retaining the most diverse talent. We offer an inclusive environment where employees are respected, challenged, and rewarded for their contributions to our success. We integrate the diversity of experiences, opinions, thoughts, and skills into our business decisions to ensure that we are reaching all communities where we live and work. Our commitment to cooperatives and community development has guided us since our inception and is critical to building stronger links among our customers to help all communities accumulate wealth, fuel local economies, and provide homeownership.

In 2020 NCB launched a DEI Fellowship program that includes 12 employees from across the organization. The Fellows serve as NCB's DEI Ambassadors and are charged with the design and implementation of the Bank's overall DEI strategy with input from senior leadership.

In 2020, the DEI Fellows organized a town hall meeting and learning labs for NCB employees, attended several DEI training sessions and adopted a DEI Fellowship Program Charter.



DIVERSITY, EQUITY AND INCLUSION (DEI)

In 2020, NCB provided \$125,000 in scholarship funds to Thurgood Marshall College Fund, United Negro College Fund and Southern State Community College (Hillsboro, OH) for their new Minority Excellence Scholarship.

"National Cooperative Bank has established these scholarships to demonstrate NCB's commitment to diversity, equity and inclusion to support the pursuit of education for all people," states John Holdsclaw, NCB Executive Vice President, Strategic Initiatives.

In addition to the scholarship funds, NCB made \$10,000 grants to Campaign Zero and The Leadership Conference on Civil and Human Rights.



UNCF
A mind is a terrible
thing to waste®





COMPANY AWARDS



The Washington Post Top Workplaces
for Mid-Sized Companies

The Society for Human Resource
Management, Best Employers in Ohio

**TOP
WORK
PLACES
2020**

The Washington Post

CONTRIBUTIONS

Corporate Contributions

In 2020, NCB made investments, grants, and donations totaling \$2,633,577 to support local non-profits and co-op organizations expand their work in low-and moderate-income communities.

NCB's employee-driven corporate contributions committee distributed \$120,000 to 52 non-profit organizations. Funds for this committee are made possible by a dollar-for-dollar match from NCB's employee-giving campaign.



GLOBAL ALLIANCE FOR BANKING ON VALUES

National Cooperative Bank is a member of the Global Alliance for Banking on Values (GABV). GABV is a network of the world's leading banks and credit unions with a shared mission: To use finance to develop sustainable economic, social and environmental development, with a focus on helping individuals fulfill their potential and build stronger communities.



**Global Alliance for
Banking on Values**

