



**THE NATIVE AMERICAN
BANCORPORATION CO.**

and

NATIVE AMERICAN BANK, N.A.

2010 ANNUAL REPORT



VISION

**A nationwide Native American owned high performing
financial services organization**

MISSION STATEMENT

**Provide access to high quality financial services
for Alaska Native and Native American
communities to enhance their economic independence,
development and sustainability**



ORGANIZATIONAL HISTORY

The Native American Bancorporation Co. was founded in 1998 and is owned by twenty six shareholders consisting of six Alaska Native Corporations, nineteen Native American Tribes and one Native American owned enterprise. The organization has a national presence with shareholders located in sixteen states.

2001 - Acquired the Blackfeet National Bank in Browning, Montana, as a wholly owned subsidiary and changed the name of the bank to Native American Bank.

2002 – Established a non-profit affiliate, Native American Community Development Corporation to focus on individual and community capacity building

2004 - Opened a loan production office on the Chippewa Cree Tribe's Rocky Boy reservation in Box Elder, Montana.

2007 - Established the headquarters of the bank in Denver, Colorado, where all administrative functions and nationwide commercial lending activities are performed. The Browning, Montana, location is a full service branch providing financial services for consumers, small businesses and agricultural enterprises in that market.

2008 - The Board of Directors hired a new management team to resolve issues required by the regulatory agencies. Significant progress has been made in addressing these issues and the bank is now positioned to grow and pursue its mission to serve Native America while providing an acceptable return to its shareholders.

FINANCIAL HISTORY

The bank grew to \$99.7 Million and generated a net profit of \$1.3 Million for the year ended 2007.

Due primarily to the economy and problems in the loan portfolio the bank incurred losses of \$2.9 Million and \$6.5 Million in 2008 and 2009, respectively.

In 2010, the bank generated a net profit of \$1.4 Million, a \$7.9 Million improvement compared to 2009.

To offset the losses incurred in 2008 and 2009 and to provide a base for future growth and the pursuit of its mission to serve Native America, the bank is engaged in a continuing initiative to raise capital and increase the number of shareholders.



FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL CONDITION

(\$ in thousands)

Assets	2010	2009	2008	2007
Cash and Due from Banks	\$ 1,614	\$ 2,384	\$ 3,564	\$ 3,467
Securities and Federal Funds Sold	19,106	26,325	7,359	4,673
Net Loans	58,797	66,576	82,079	87,387
Bank Premises and Equipment, Net	344	460	517	556
Intangible Assets, Net	1,345	1,345	1,345	1,345
Other Assets	1,725	1,978	1,669	2,322
Total Assets	<u>\$82,931</u>	<u>\$99,068</u>	<u>\$96,533</u>	<u>\$99,750</u>
Liabilities and Shareholders' Equity				
Total Deposits	\$ 75,394	\$ 92,952	\$ 83,889	\$ 87,078
Federal Funds Purchased and Overnight Borrowings	-	-	-	-
Other Liabilities	470	368	598	940
Total Liabilities	<u>75,864</u>	<u>93,320</u>	<u>84,487</u>	<u>88,018</u>
Shareholders' Equity	7,067	5,748	12,046	11,732
Total Liabilities and Shareholders' Equity	<u>\$82,931</u>	<u>\$99,068</u>	<u>\$96,533</u>	<u>\$99,750</u>

STATEMENT OF OPERATIONS

(\$ in thousands)

Interest Income	\$ 4,685	\$ 5,470	\$ 7,187	\$ 7,568
Interest Expense	1,041	2,008	2,837	3,128
Net Interest Income	3,644	3,462	4,350	4,440
Provision for Loan Losses	(1,081)	4,748	2,907	108
Net Interest Income after Provision for Loan Losses	<u>4,725</u>	<u>(1,286)</u>	<u>1,443</u>	<u>4,332</u>
Non-Interest Income	1,289	817	512	682
Salaries and Employee Benefits	2,318	3,054	2,605	2,125
Premises and Equipment Expenses	462	475	491	446
Other Non-Interest Expenses	1,975	2,612	1,945	1,130
Total Other Expenses	<u>4,755</u>	<u>6,141</u>	<u>5,041</u>	<u>3,701</u>
Net Income	<u>\$ 1,259</u>	<u>\$ (6,610)</u>	<u>\$ (3,086)</u>	<u>\$ 1,313</u>

COMMITMENT TO NATIVE AMERICA

The organization's national presence is also reflected in the fact that loans have been made in twenty two states and include significant projects such as a justice center, water treatment plant, grocery store and travel center.

94% of the loan portfolio is to Native American individuals, tribes and enterprises including 1,069 loans to individuals totaling \$15.5 Million and 42 loans to tribes and enterprises totaling \$42 Million.

67% of our employees are Native Americans and include members of six Native American Nations.

THE FUTURE

As the only Native American owned nationwide financial institution, the future holds great promise for the organization as it pursues its mission to serve Native America.

Enhanced shareholder value as a result of a well managed, profitable organization.

Branches can be established on reservations and near other Native American communities to make financial services easily accessible.

Properly underwritten lending activities to enhance economic development and produce employment on reservations and in other Native American communities.

Increased capital generated from earnings and ongoing capital campaigns to provide support for the growth necessary to pursue the mission.

SHAREHOLDERS

Alaska

Akhiok-Kaguyak, Inc.
Arctic Slope Regional Corporation
Association of Village Council Presidents
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 Tribe

Connecticut

Mashantucket Pequot Nation
Mohegan Tribe

Florida

Seminole Tribe of Florida

Idaho

Shoshone-Bannock Tribes

Michigan

Grand Traverse Band EDC

Sault Ste. Marie Tribe

Minnesota

Mille Lacs Band of Ojibwe Indians

Montana

Blackfeet Indian Nation

Chippewa Cree Tribe

New Mexico

Amerind Risk Management Corp.

North Dakota

Three Affiliated Tribes

South Dakota

Cheyenne River Sioux Tribe

Washington

Colville Tribal Enterprises Corporation
Marine View Ventures, Inc.

Wisconsin

Oneida Tribe of Indians of Wisconsin

Wyoming

Eastern Shoshone Tribe

BOARDS OF DIRECTORS

Native American Bancorporation Co.

Directors

Lewis Anderson
Wilson Barber, Jr.
Tino Batt
Emil Christiansen, Jr.
Elouise Cobell
David Cottrell
Cristina Danforth
David Gilman
David Goade
Byron Mallott
Willie Noseep
Kenneth Reels
Bruce Sunchild
Derrick Watchman

Representing

Mille Lacs Band of Ojibwe Indians
Navajo Nation
Shoshone-Bannock Tribes
Old Harbor Native Corporation Settlement Trust
Blackfeet Indian Nation
United Companies, Inc.
Oneida Tribe of Indians of Wisconsin
Native American Bank
Akhiok-Kaguyak, Inc.
Sealaska Corporation
Eastern Shoshone Tribe
Mashantucket Pequot Tribe
Chippewa Cree Tribe
Navajo Nation

Native American Bank, N.A.

Directors

Lewis Anderson
Elouise Cobell
David Cottrell
Cristina Danforth
David Gilman
David Jarrett
Byron Mallott
Kent Paul

Representing

Mille Lacs Band of Ojibwe Indians
Blackfeet Indian Nation
United Companies, Inc.
Oneida Tribe of Indians of Wisconsin
Native American Bank, N.A.
Old Harbor Native Corporation Settlement Trust
Sealaska Corporation
Amerind Risk Management Corp.

OFFICERS

Denver, Colorado

David Gilman	President and CEO
Lindsay Sandham	Senior Vice President and Chief Credit Officer
Tracie Davis	Senior Vice President and Chief Financial Officer
Debbie Sankey	Vice President - Human Resources and Community Relations
Jamie Santistevan	Vice President - Operations
Sundown Means	Vice President – Senior Relationship Manager
Tommy Wang	Vice President – Special Assets
Jeremy Carr	Assistant Vice President – Credit Administration
Tim Charles	Information Technology Manager

Browning, Montana

Erik Nelson	Vice President – Relationship Manager
Melanie Wall	Operations Manager
Zita Bremner	Consumer Loan Officer

***"Native People Investing
in Native Communities"***



CONTACT INFORMATION

Denver, Colorado

999 – 18th Street, Suite 2460

Denver, Colorado 80202

Phone: (800) 368-8894

Fax: (303) 988-5533

Website: www.nabna.com

Browning, Montana Branch

125 North Public Square

Browning, Montana 59417

Phone: (800) 307-9199

Fax: (406) 338-7008

Rocky Boy Office

613 Sundance Road

Box Elder, Montana 59521

Phone: (406) 395-4355

Fax: (406) 395-4356

