We Are ANCSA

ANCSA Regional Corporations, as unique as the people we represent.
2016 ANCSA Economic Report

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ALASKA REGIONAL CORPORATIONS · MISSION AND
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Today, 45 years after the passage of Alaska Native Claims Settlement Act (ANCSA), we are pleased to report that not only has the corporate model worked well for Alaska Native people, it has also worked well for Alaska. This year’s ANCSA Regional Economic Impact Report summarizes the 2015 financial performance for the 12 Regional Corporations created under ANCSA.

From an overall financial performance standpoint, ANCSA Regional Corporations earned total revenue of $8.7 billion and net income of $240.8 million, in line with our five-year averages. And, we have been able to maintain this stable profitability at the same time 8(a) revenues have declined almost 30 percent since 2011 due to increased company graduation rates and changes to federal 8(a) rules.

ANCSA Regional Corporations are measured in terms of the real economic benefits they return to their shareholders and descendants. These benefits come in the form of employment, dividends, scholarships, and contributions to Native non-profit corporations. Overall in Alaska, we have been successful in growing our Native employment to 27.6 percent. However, when we look at our worldwide Native employment, we have not been as successful as we would like, at just 10.7 percent.

We have made great progress at building up the qualified Alaska Native workforce through substantial and long-term investments in scholarships. On average for the last five years, we have invested $7.1 million in scholarships each year – in 2015 this equated to 3,790 scholarships totaling $7.1 million. Most of our companies’ top management teams, many of whom were not yet born at the time of ANCSA, are products of this investment in scholarships.

Another way ANCSA Regional Corporations deliver benefits to our shareholders is through our substantive contributions to Native non-profit corporations. In many cases, federal programs are delivered to Alaska Native people through non-profits more efficiently and at a lower cost than they could through the federal government; and they often help bring tribal governments and Native Corporations closer together.

Programs can vary from the delivery of medical and dental care through health centers in the Y/K Delta, Northwest, Southeast, Interior, and Southcentral Alaska, and the North Slope to new low-income housing in various key locations in Anchorage and Fairbanks. All of the non-profit programs supported benefit Alaska Native people directly. And, ANCSA Corporate contributions to these non-profits help leverage available federal funds significantly. On average over the last five years, ANCSA Regionals have contributed $18.8 million each year, and in 2015 we contributed $15.7 million.

Dividends, which are of vital importance to our shareholders, enable savings for education, needed cash in rural Alaska, small business investment, supplementary revenue to household income, or reinvestment, are the direct benefits to the shareholder. Our corporations are deeply committed to maintaining shareholder dividends and have at times done so even when the corporate income wasn’t there to support them. On average over the last five years, our annual dividends have been over $171.3 million per year, 70.2 percent of net income. In 2015, we paid out $167.3 million or 69.5 percent of net income.

When combined, ANCSA Regional Corporations paid out on average 80.7 percent of net income each year in the form of dividends, scholarships, and contributions to Native non-profit corporations. In 2015, our corporations paid out 79.6 percent of net income for a total of $191.6 million in line with our five-year average. Unlike most for-profit corporations, Alaska Native Corporations (ANCs) dedicate the majority of their annual earnings to shareholders each year. When combined with the substantial long-term employment and professional development opportunities ANCSA Corporations provide to shareholders, we believe we are delivering upon the original intent of ANCSA – to return tangible benefits to our Alaska Native shareholders and descendants.

Thank you for taking the time to review our financial performance for 2015. The 12 ANCSA Regional Corporations have grown substantially over the last 45 years, and we look forward to the opportunity to work toward mutual success in the coming years.

Sincerely,

Gabe Kompkoff
Board Chair

Kim Reitmeier
Executive Director
Forty-five years ago, when settling long standing land claims with the United States, Alaska Native people took a decidedly different direction than had many Native American tribes previously – we rejected traditional Native reservations for a corporate model. In truth, no one involved with the passage of the Alaska Native Land Claims Settlement Act (ANCSA) knew whether the corporate model would work. There were solid reasons behind the corporate model – most notably were the built-in governance structure of a state-chartered corporation, and the free mobility within American society that corporations would provide Alaska Native people. But in 1971, at the passage of the ANCSA settlement, we were literally asking our people to step out of the umiaq, canoe, or kayak and into the corporate boardroom.

45 years of ANCSA have not only benefited our shareholders and descendants; the law has also benefited all of Alaska. Since many Alaskans arrived to the state long after ANCSA (1971) and the related Alaska National Interest Land Conservation Act (ANILCA) (1980) were passed, many have a fuzzy understanding of these two critical federal laws.

For instance, an often quoted fact about Alaska is that less than one percent of the state is privately owned. In fact, after the passage of ANCSA in 1971, that figure catapulted 1,300 percent to nearly 13 percent of Alaska’s land mass. With the passage of ANCSA, Regional and Village Corporations received 44 million acres, or roughly 12 percent of Alaska.

Wrapped within the revenue and net income picture of our companies is a unique aspect of ANCSA in which Regional Corporations who are producing revenue from natural resources on their land must share 70 percent of their net 7(i)-revenue with the other ANCSA Regional Corporations. The 7(i)-revenues received by each Regional Corporation are then shared 50 percent with their respective Village Corporations. Distributions related to the 7(i) provision in 2015 were $131.8 million, 55 percent of total net income for the 12 Regional Corporations. This provision plays a critical balancing function between the resource-haves and have-nots within ANCSA.

Even if you own the land resource, development is an expensive and risky proposition for any company. Regional Corporations invest considerably in resource development on their land – lands available for private development should it be in the corporate shareholders’ best interest. The Tikahtnu Commons development owned by CIRI in Anchorage, NANA’s Red Dog mine, Sealaska’s silva culture program, and the Donlin Creek mining development by Calista are great examples of the level of land development and management skills our companies now have internally.

ANCSA Regional Corporations are also a significant economic driver within the state. Unlike LLCs that are not legally required to pay taxes in Alaska, ANCs are for-profit corporations that pay income and property taxes to the federal, state, and borough governments. In some cases, such as the Red Dog Mine in the Northwest Arctic Borough, ANC operations are the primary tax payer.
One of the most visible ways ANCSA Corporations positively affect Alaska is through the employment we provide. An example of excellent long-term success in our employment goal can be seen through the Red Dog Mine owned by NANA and operated by Teck Resources. Over 50 percent of the mine’s 715 employees are NANA shareholders, representing now three generations of Inupiat people, and 60 percent of contractors to the mine are Native employees.

While we are very proud of our qualified Native workforce, our companies are quite large enterprises and can only operate with a diversified workforce. Since our Native employment in Alaska is at 27.6 percent, that means 72.4 percent of our employees in Alaska are not Native—we are a very large employer to all Alaskans. And, we are an even bigger employer to the rest of America.

With all ANCSA Regional Corporations headquartered in Alaska, yet doing business around the world, we have another very positive affect on Alaska—economic diversification. One of the things that makes Alaska a great place to live is our relatively low population, but that fact also makes Alaska a tough place for all of our companies to compete for profitable business opportunities. In response, ANCSA Regional Corporations do business all over the world, but return the profits and dividends, along with a large number of administrative and corporate level jobs, to Alaska.

Doing business outside of Alaska has the added advantage of bringing economic diversification to Alaska’s economy. For instance, while Alaska state government revenue is directly pegged to the price of oil, ANCSA Regional Corporation portfolios are considerably more diversified. Our oil industry investments are certainly feeling the pain many of our partners in the industry are experiencing, but we have the benefit of investment holdings spanning a number of other industries that are relatively unaffected, or that may actually be benefitting from a low oil price.

The Alaska economy has been challenged by low oil prices four times in its history: 1986, 1991, 2001, and 2015. The two most sustained periods of low oil prices were 1986 and today. Yet, while Alaska is starting to feel the pinch in capital projects and other government spending, and the oil industry has experienced layoffs, the economic diversification added to the Alaska economy by ANCSA Corporations in 2016 is an important difference between the 1986 downturn and how Alaska is experiencing the current one. Since our corporate offices, many subsidiaries, and shareholders are all in Alaska, we are contributing to an economic smoothing effect in Alaska through Outside diversification.

ANCSA Regional Corporations are also injecting investment capital into the local economy by investing in well-established small businesses across Alaska. While small businesses are more likely to feel the adverse trickle-down effects of a slowing economy, ANCs are increasingly acquiring these companies and securing their continued operations, and in turn the valuable employment and economic benefits they provide to Alaska.

In fact, Alaska’s recent economic history has been closely tied to the development of ANCSA Regional Corporations. When ANCSA was passed in 1971, the typical business model involved out-of-state companies coming to Alaska to extract a resource, converting that resource into cash as quickly as possible, and taking that money home with them. ANCSA companies have in many ways reversed that economic model. Today, ANCSA Regional Corporations are all headquartered in Alaska, but conduct business all over the world, and return those profits to Alaska as dividends, corporate salaries, and investment capital.

ANCSA Regional Corporations are proud of the daily contributions we make to the fabric of life in Alaska. We are Alaskans, and as we move forward in our history, we look forward to making even greater contributions to the future of our people and our home, Alaska.
Alaska’s Native Corporations are employers to all Alaskans. ANCSA Corporations on the 2016 Alaska Business Monthly Top 49ers list account for 15,316 in-state employees – 68.8 percent of the Alaska jobs, and 62,455 total employees – 86.0 percent of all jobs provided by the Top 49 Alaskan-owned companies.

ANCSA Corporations have dramatically diversified Alaska’s economy, causing a reversing effect on Alaska’s historical resource extraction economy. ANCSA Corporations account for 74.5 percent of the revenues earned by the Top 49 Alaskan-owned companies. The majority of these earnings come from business activities occurring outside of Alaska. Profits are returned to Alaska, where centralized management functions are based.

ANCSA increased private land ownership in Alaska. An often quoted complaint of economic development organizations in Alaska is that less than 1 percent of Alaska is privately owned. But in truth, over 12 percent of Alaska’s 365 million acres is privately owned. Alaska Native Corporations received 44 million acres of Alaska. The 12 originally established Regional Corporations own subsurface rights to all 44 million acres. The over 200 Village Corporations originally established in ANCSA received surface rights to 22 million of the 44 million acres.

ANCSA Corporations offer very real benefits to Alaska Native people. Over the last five years, the 12 ANCSA Regional Corporations contributed on average 80.7 percent of total net income annually to scholarships, contributions to Native non-profit organizations, and shareholder dividends. A recent U.S. Government Accountability Office Report found that the companies provide shareholders and descendents:

- Employment opportunities
- Dividends
- Scholarships
- Cultural preservation
- Land management
- Economic development
- Advocacy for Alaska Native people and communities

ANCSA was an act to settle long standing Alaska Native land claims. In each of the major federal laws affecting Alaska, beginning with the Treaty of Cession through the Alaska Statehood Act, existing Native land claims and rights were recognized in writing and specifically reserved for Congress to eventually resolve. Passage of ANCSA resolved those Native land claims.

It took a perfect “land storm” to make ANCSA possible in 1971. After the Alaska Statehood Act was signed in 1959, the new State of Alaska began to select 105 million acres for eventual transfer to the State. Native land claims were also beginning to be filed with the U.S. Department of Interior. By the late 1960s, the U.S. was experiencing its first Arab oil embargo creating gas lines in many of America’s largest cities. In 1968, Humble Oil discovered the Prudhoe Bay oil field, while searching on newly selected Alaska state lands, but it required an 800-mile pipeline. An emerging environmental movement was also pushing to preserve much of Alaska and keep it out of Native hands. In response, Secretary of Interior Stewart Udall placed a “hard freeze” on land selections until Alaska Native land claims could be resolved. It took two major acts of Congress to settle the storm – ANCSA in 1971, and the Alaska National Interest Lands Conservation Act (ANILCA) in 1980.
What Everyone Should Know (Cont.)

ANCSA did not transfer federal responsibility for the social and health needs of Alaska Native people, it was a settlement of legitimate land claims only. That said, all ANCSA Regional Corporations and some Village Corporations have non-profit organizations. ANCSA non-profits have been a very successful channel to efficiently and effectively deliver federal programs to Alaska Native people across Alaska. ANCs contribute millions annually to their non-profit operations. State-of-the-art health and social service delivery organizations have been created in every region of Alaska.

ANCSA was both a cash and land settlement. In addition to eventually receiving fee simple title to 44 million acres of Alaska, ANCSA Corporations received $962.5 million to be paid over the course of 11 years, giving it a discounted value closer to $525 million. However, contrary to popular belief today, these funds were not start-up funds for the ANCSA Corporations. The cash payments were compensation for land that could not be selected because it had already been transferred from federal ownership, sold or used for other purposes including U.S. military bases in Alaska, and lands granted to the University of Alaska and for mental health.

ANCSA created 13 Regional Corporations and over 200 Village Corporations. Twelve of the Regional Corporations are located in Alaska, and the 13th was later created to address claims of Alaska Native people who were not living in Alaska at the time of ANCSA passage. The 13th Regional Corporation did not receive any land distribution, but did receive a cash distribution from the ANCSA proceeds. Not all Alaska Native people are ANC shareholders. Only people who were 25 percent Alaska Native, as determined by the Bureau of Indian Affairs, and who were alive on December 18, 1971, received 100 shares to either the Regional Corporation in the region they were from, or to the Regional Corporation where they were living. These same people were eligible to receive 100 shares to their Village Corporation where they were from or to choose to be “at large.” If a Native person was born after this date they could only receive shares through inheritance. Since ANCs want involvement from descendents, many Regional Corporations are now offering other classes of stock to enable all Alaska Native people in their region to participate. Currently there are about 121,300 Regional Corporation shareholders.

BUILDING SHAREHOLDER CAPACITY
Stock cannot be traded. Ownership in an ANCSA Corporation cannot be bought or sold. When ANCSA was passed in 1971, shares were intentionally restricted to Alaska Native people of one quarter Native blood quantum and alive on December 18, 1971. On a preset review of ANCSA in 1991, stockholders voted to continue the prohibition on trading ANCSA Corporations shares. While the key concern was to prevent control of the companies from being eroded away from Alaska Native people, the rule has had another important consequence –

Total Revenues

(in billions)

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Revenue</th>
<th>8(a) Contract Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>64.3%</td>
<td>35.7%</td>
</tr>
<tr>
<td>2012</td>
<td>65.0%</td>
<td>35.0%</td>
</tr>
<tr>
<td>2013</td>
<td>69.2%</td>
<td>30.8%</td>
</tr>
<tr>
<td>2014</td>
<td>71.5%</td>
<td>28.5%</td>
</tr>
<tr>
<td>2015</td>
<td>75.1%</td>
<td>24.9%</td>
</tr>
</tbody>
</table>

ANCSA Corporations can take a long-term view to their businesses as opposed to the quarterly view many publicly traded companies are forced to take.

Alaska Native Corporations have been in business for 45 years, but have not always been the success story they are today. ANCSA was an entirely new concept. It took time for Alaska Native people to adapt to a new corporate model, and the new law had to be fine tuned as the companies moved forward. Two programs were implemented to help ANCs become sustainable enterprises. Between 1986 and 1988, ANCs were allowed to sell company net operating losses to enable profitable companies to reduce tax liabilities as a way to provide about $450 million in new cash injections into the ANCs. In the 1990s, minority federal contracting was opened to ANCs under modified rules, so called 8(a), that recognized the unique nature of its shareholders.

No casinos here. ANCSA Regional Corporations don’t own Indian casinos. ANCs have owned a resort complex in Las Vegas that included gaming, but this was done under the same rules and regulations all companies would be required to meet.

The land is part of who we are. Most ANCSA shareholders see gaining fee simple title to 44 million acres of Alaska as the most important accomplishment of ANCSA. Therefore, unless developed, ANCSA Corporations do not carry the value of the land on their company’s balance sheets. However, this also significantly limits the borrowing power of ANCSA Corporations. If each acre was valued at a low $1,000, the total value of the land would be roughly worth $44 billion. For any corporation to intentionally reduce its assets by billions is a very strong commitment to protecting the real accomplishment of ANCSA, resolving bonafide Alaska Native land claims.
• **Total Revenue** for 2015 of $8.7 billion was up 1.6 percent from 2014 and was 100.8 percent of the five-year average revenue, now $8.6 billion for the 12 Corporations. Revenue over the last five years has been steadily increasing over the last five years with a five-year revenue high in 2012 of $9 billion. While the change in revenue from 2012 to 2013 was significant, in general the total Regional Corporation Revenue has been quite consistent but relatively flat with a five-year growth rate of 3.1 percent.

• **8(a) Revenue** has been on a steady and significant decline over the last five years due to increased 8(a) graduation rates and to federal government changes in the rules surrounding 8(a) contracting. 2015 8(a) revenue of $2.2 billion was 11 percent less than it was in 2014; and is now at 81.3 percent of the five-year average for 8(a) revenue. Between 2011 and 2015, 8(a) revenue received by ANCSA Regional Corporations declined by 27.9 percent. As a percentage of total revenue, 8(a) revenue represents just 25 percent down significantly from 35.7 percent in 2011. Total revenue has remained relatively consistent over the last five years even as 8(a) revenue has declined significantly.

• **Net income** has tended to be a bit more volatile than has revenue. 2015 net income for the 12 ANCSA Regional Corporations was $240.8 million, well in line with the five-year average at 98.6 percent of the five-year average net income of $244.2 million. Unfortunately, 2015 net income was down 21 percent from 2014’s net income of $305 million. Still, 2015 is on track as an average-income year. And 2015’s profit margin, 2.8 percent, was in line with the five-year average of 2.8 percent, but down 22.3 percent from 2014’s 3.6 percent profit margin.

• **Assets and Shareholder’s Equity** have both grown significantly over the last five years. Corporate assets have increased almost 10 percent over the five-year period, and shareholder equity grew more quickly at 13.2 percent over the five years being reported. Between 2014 and 2015, assets increased by .5 percent and equity dropped by .6 percent. However, from a five-year perspective, 2015 assets are 104.6 percent of the five-year average and 2015 shareholder equity is 105.1 percent of the five-year average. Return on equity for 2015 was 5.9 percent down from 2014’s 7.4 percent return, which was the high for the five-year period. 2015 return
on shareholder equity was in line with the five-year average of 6.3 percent. And the 2015 equity multiplier, indicating the level at which assets are effectively deployed on behalf of the shareholders, of 1.6 is well in line with the five-year average for this ratio of 1.7.

- **7(i) Distributions** measure the amount of income stemming from natural resource development that is redistributed among the other Regional Corporations. And, since Regional Corporations hold the subsurface rights to all Village Corporation land, 50 percent of this 7(i) distribution is provided to the Village Corporations within each region. Provision 7(i) of ANCSA is a unique agreement among all ANCSA Corporations to share in the earnings from natural resource development. We have just begun gathering this data, but will continue in future reports. Distributions related to the 7(i) provision in 2015 were $131.8 million, 54.7 percent of total net income for the 12 Regional Corporations. These distributions often represent a very important source of revenue for many of the ANCSA Village Corporations.

- **Return to ANCSA Shareholders and Descendants** is a unique measure of ANCSA Regional Corporations that considers the percentage of net income each year that goes directly into funding dividends to shareholders, scholarships and contributions to Native non-profit corporations. These returns are measured in both real dollar terms and as a percentage of net income. On average for the last five years, ANCSA Regional Corporations have paid out 80.6 percent of net income to shareholders and descendants in the form of direct dividends, scholarships and contributions to Native non-profit corporations, which deliver the bulk of social services in their regions. In 2015, 78.4 percent of net income went to these three categories, roughly 97 percent of the five-year average. The return to shareholders in 2015 represents a 34 percent increase from the previous year and a return to the five-year average. Arguably, no other corporation, or group of corporations anywhere in the world, returns as large a percentage of net income directly back to its shareholders as do ANCSA Regional Corporations.
Observations About ANCSA Corporations


• ANCSA Regional Corporations make up 61.9 percent of the Alaska jobs generated by the Top 49 Alaskan-owned companies, 62.3 percent of all jobs created and 57.0 percent of all the revenue generated by Alaska’s top 49 companies.

• All ANCSA Regional Corporations are on the Top 49ers list as they have been for well over a decade and nine top performing ANCSA Village Corporations are on the list of the Top 49ers.

• When the impact of ANCSA Regional Corporations are added to the nine ANCSA Village Corporations on the list, Alaska Native Corporations make up 68.8 percent of all the Alaska jobs generated by the top 49 Alaskan-owned companies, 86.0 percent of all jobs created, and 74.5 percent of all the revenue earned.

• From a year-to-year perspective, ANCSA corporations are continuing to have a large impact among Alaska’s Top 49 companies. In the 2015 Top 49ers report, ANCSA Regional Corporations accounted for 63.3 percent of the Alaska jobs generated, in 2016 that number had moved to 61.9 percent. All ANCSA Corporations on the list generated 85.2 percent of all the jobs provided by companies in the 2015 Top 49ers list, by 2016 the percentage had risen to 86.0 percent. Revenue generated by ANCSA Regional Corporations on the Top 49ers list in 2015 represented 73.6 percent of the total, and in 2016 this figure had increased to 74.5 percent.

• ANCSA Corporations, both Regional and Village Corporations, are important employers of all Alaska residents (15,316). And ANCSA Corporations contribute significant employment in states all over the U.S., as well as internationally (62,455).

Impact of ANCSA Corps

<table>
<thead>
<tr>
<th></th>
<th>Top 49ers Gross Revenue $14.8 billion</th>
<th>Top 49ers All Jobs 72,639</th>
<th>Top 49ers AK Jobs 22,271</th>
</tr>
</thead>
<tbody>
<tr>
<td>AK Regional Corporations</td>
<td>57.0%</td>
<td>62.3%</td>
<td>61.9%</td>
</tr>
<tr>
<td>AK Native Corporations</td>
<td>74.5%</td>
<td>86.0%</td>
<td>68.8%</td>
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2016
## AncsA Regional Corporations 2011-2015 Financial Analysis

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<tbody>
<tr>
<td>Total Revenue</td>
<td>$ 8,455,926,848</td>
<td>$ 8,972,864,816</td>
<td>$ 8,498,897,183</td>
<td>$ 8,575,078,089</td>
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<tr>
<td>8(a) Contract Revenue</td>
<td>$ 3,020,641,783</td>
<td>$ 3,139,378,700</td>
<td>$ 2,614,078,317</td>
<td>$ 2,443,185,620</td>
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<td>8(a) Revenue as per cent of Total Revenue</td>
<td>35.7%</td>
<td>35.0%</td>
<td>30.8%</td>
<td>28.5%</td>
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<tr>
<td>Total Net Income</td>
<td>$ 250,811,171</td>
<td>$ 270,879,859</td>
<td>$ 153,695,975</td>
<td>$ 304,953,947</td>
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<tr>
<td>Profit Margin</td>
<td>3.0%</td>
<td>3.0%</td>
<td>1.8%</td>
<td>3.6%</td>
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<tr>
<td>Total Assets</td>
<td>$ 6,108,481,052</td>
<td>$ 6,426,656,335</td>
<td>$ 6,175,478,080</td>
<td>$ 6,680,563,275</td>
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<tr>
<td>Return on Assets</td>
<td>4.1%</td>
<td>4.2%</td>
<td>2.5%</td>
<td>4.6%</td>
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<tr>
<td>Total Asset Turnover</td>
<td>1.4</td>
<td>1.4</td>
<td>1.4</td>
<td>1.3</td>
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<tr>
<td>Total Shareholder Equity</td>
<td>$ 3,613,403,930</td>
<td>$ 3,845,123,091</td>
<td>$ 3,790,890,072</td>
<td>$ 4,116,887,086</td>
</tr>
<tr>
<td>Shareholder Equity as per cent of Total Assets</td>
<td>59.2%</td>
<td>59.8%</td>
<td>61.4%</td>
<td>61.6%</td>
</tr>
<tr>
<td>Return on Equity</td>
<td>6.9%</td>
<td>7.0%</td>
<td>4.1%</td>
<td>7.4%</td>
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<tr>
<td>Total Debt Ratio</td>
<td>40.9%</td>
<td>40.2%</td>
<td>38.6%</td>
<td>38.4%</td>
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<tr>
<td>Debt to Equity Ratio</td>
<td>69.1%</td>
<td>67.1%</td>
<td>62.9%</td>
<td>62.3%</td>
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<tr>
<td>Equity Multiplier</td>
<td>1.7</td>
<td>1.7</td>
<td>1.6</td>
<td>1.6</td>
</tr>
<tr>
<td>Total 7 (i) Distributions Paid</td>
<td></td>
<td></td>
<td></td>
<td>$ 93,587,000</td>
</tr>
<tr>
<td>Total Dividends Paid to Shareholders</td>
<td>$ 162,597,825</td>
<td>$ 165,862,349</td>
<td>$ 204,997,354</td>
<td>$ 155,779,801</td>
</tr>
<tr>
<td>Total Dividends as per cent of Net Income</td>
<td>64.8%</td>
<td>61.2%</td>
<td>133.4%</td>
<td>51.1%</td>
</tr>
<tr>
<td>Total Scholarship Funds Awarded</td>
<td>$ 6,619,757</td>
<td>$ 7,652,528</td>
<td>$ 7,656,962</td>
<td>$ 6,365,679</td>
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<tr>
<td>Scholarships as a per cent of Net Income</td>
<td>2.6%</td>
<td>2.8%</td>
<td>5.0%</td>
<td>2.1%</td>
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<tr>
<td>Donations to Native non profit efforts</td>
<td>$ 18,692,168</td>
<td>$ 22,871,882</td>
<td>$ 20,436,642</td>
<td>$ 16,281,172</td>
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<tr>
<td>Donations to Native non profit efforts as per cent of Net Income</td>
<td>7.5%</td>
<td>8.4%</td>
<td>13.3%</td>
<td>5.3%</td>
</tr>
<tr>
<td>Donations to non-Native Charities</td>
<td>$ 1,904,229</td>
<td>$ 1,837,829</td>
<td>$ 1,491,683</td>
<td>$ 1,946,658</td>
</tr>
<tr>
<td>non-Native Charitable Giving as per cent of Net Income</td>
<td>0.8%</td>
<td>0.7%</td>
<td>1.0%</td>
<td>0.6%</td>
</tr>
<tr>
<td>Percent of Net Income Paid Out in Dividends, Scholarships and Non-Profit Contributions</td>
<td>75.7%</td>
<td>73.2%</td>
<td>152.6%</td>
<td>59.2%</td>
</tr>
<tr>
<td>2015</td>
<td>Percentage Change from 2014</td>
<td>Averages 2011 - 2015</td>
<td>2015 as percentage of Average</td>
<td>Percentage Change over 5 years</td>
</tr>
<tr>
<td>------------</td>
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<tr>
<td>$ 8,714,490,866</td>
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</tbody>
</table>
Introducing the ANCSA Regional Native Corporations
VISION
Our Culture Unites Us; Our Land Sustains Us; Our People are Prosperous.

MISSION
Ahtna, Inc., an Alaskan Native Corporation, is a global company providing exceptional construction and integrated services to both government and private sector clients.

NUMBER OF SHAREHOLDERS
1,945

LANDHOLDINGS
Along with regional entitlements, Ahtna manages a total land area of approximately 1.5 million acres. In addition, Ahtna, Inc. owns 622,000 acres within Denali National Park and the Wrangell-St. Elias National Park and Preserve.

GEOGRAPHY OF REGION
The Ahtna region encompasses the Copper River Basin and the Wrangell Mountains and is bordered by the Mentasta and Nutzotin Mountains to the northeast, the Alaska Range to the north, the Talkeetna Mountains to the west, and the Chugach Mountains to the south. The Ahtna region is considered to be one of the most beautiful places in Alaska. The region includes eight villages: Cantwell, Chistochina, Chitina, Copper Center (Klutì-Kaah), Gakona, Gulkana, Mentasta, and Tazlina.

BUSINESS ACTIVITIES
Construction and Engineering Services • Facilities Support Services • Environmental Remediation • Janitorial Services • Detention and Security Guard Services • Oil and Gas Services • Marine/Dredging • Food Services • Property Management • Natural Resource Development
Vision
The Corporation is committed to promoting economic, cultural, and social growth for its shareholders through its subsidiaries, partnerships and foundation.

Mission
The Aleut Corporation’s mission is to maximize dividends and choices for our shareholders.

Number of Shareholders
3,927

Landholdings
The Aleut Region starts in the east at Sand Point and stretches over a thousand miles along the Aleutian Chain to Attu in the west and to the Pribilofs to the north. The Aleut Corporation manages 66,000 acres of surface lands and 1.572 million acres of subsurface estate.

Geography of Region
The Aleut people live and subsist in one of the harshest and most beautiful parts of the world. Centered in the Ring of Fire with over 45 volcanoes, the region encompasses over 167 named islands in the five major island groups, which are the Fox Islands, Islands of Four Mountains, Andreanof Islands, Rat Islands, Near Islands and the Eastern Islands, south of the Alaska Peninsula. Unimak Island is the eighth largest island in the United States, with Unalaska Island being the 13th largest.

Business Activities
Government Contracting • Fuel/Energy Sales and Operations • Real Estate Investment • Commercial Property Rentals • Finance, Investments, and Joint Ventures • Transportation Services • Commercial Fisheries • Environmental Laboratory Services • Water Testing • Hazardous Waste Remediation • Mechanical Engineering • Oil Drilling Testing
MISSION
ASRC’s mission is to actively manage our businesses, our lands and resources, our investments and our relationships to enhance Iñupiaq cultural and economic freedom - with continuity, responsibility and integrity.

NUMBER OF SHAREHOLDERS
12,265

LANDHOLDINGS
ASRC owns title to nearly 5 million acres of land on Alaska’s North Slope. A majority of the Corporation’s Iñupiat Eskimo shareholders live in the villages of Point Hope, Point Lay, Wainwright, Atqasuk, Barrow, Nuiqsut, Kaktovik and Anaktuvuk Pass.

GEOGRAPHY OF REGION
ASRC shareholders live primarily in eight villages on Alaska’s North Slope, above the Arctic Circle. This is one of the most isolated and challenging environments in the United States.

BUSINESS ACTIVITIES
Petroleum Refining and Marketing  •  Energy Support Services  •  Government Services  •  Construction  •  Resource Development  •  Industrial Services  •  Financial and Lending Services  •  Local Services  •  Tourism
VISION
On the edge of tomorrow, we cast our vision to the future. We strive to empower our people as leaders in the development and protection of the Arctic region.

MISSION
Our mission is to improve the quality of life of our people through economic development while protecting our land and preserving our culture and heritage.

NUMBER OF SHAREHOLDERS
7,605

LANDHOLDINGS
BSNC’s lands are comprised of nearly 2 million acres of tundra and alpine tundra. Within the region, seventeen Alaska Native Village Corporations own the surface estate of BSNC’s subsurface interest and BSNC holds an additional 145,000 acres of fee simple (surface and subsurface) land throughout the area.

GEOGRAPHY OF REGION
The Bering Straits region encompasses the majority of Alaska’s Seward Peninsula and the coastal lands of eastern Norton Sound. This region forms the eastern border of Bering Strait, the 50-mile-wide body of water separating North America from eastern Eurasia and is the gateway to the Northern Sea Route and the Northwest Passage. Just miles from the International Date Line, BSNC is geographically situated on the edge of tomorrow.

BUSINESS ACTIVITIES
Base Operations Support • Logistics and Procurement • Information Technology • Professional Support • Security Training • Government Services • Arctic Development and Commerce • Construction And Construction Hardware • Tourism
VISION
To protect the land in the Bristol Bay region, celebrate the legacy of its people, and enhance the lives of BBNC Shareholders.

MISSION
Enriching our Native way of life.

NUMBER OF SHAREHOLDERS
10,119

LANDHOLDINGS
The Bristol Bay region is equal in size to the state of Oklahoma. BBNC manages more than three million acres of surface and subsurface estate on behalf of its shareholders.

GEOGRAPHY OF REGION
The region is home to three Native cultures – Eskimo, Indian and Aleut – each with its own distinct cultural traditions. The geography features spectacular landscapes, a fascinating and complex history, volcanoes, unspoiled wilderness, and diverse state and national parks and refuges. In addition to approximately 7,400 residents, Bristol Bay is home to abundant wildlife: 10,000 brown bears, 25,000 walrus, and 25 million salmon, plus fresh water seals, ospreys, eagles, and many other species.

Among the wide-open spaces are black sand beaches, mountain ranges, lowland tundra, wetlands, abundant flora and fauna, and many wild and scenic rivers. Iliamna Lake, located in the north of the region, is the largest freshwater lake in Alaska. The Bristol Bay villages are situated in the watersheds of the world-renowned Bristol Bay salmon fishery.

BUSINESS ACTIVITIES
Industrial Services • Construction • Government Services • Petroleum Distribution • Tourism
Vision
An Alaska Native Corporation that is the standard for economic success and corporate responsibility.

Mission
Increase shareholder benefits and economic opportunities through innovation, growth, leadership, execution and financial discipline.

Number of Shareholders
13,000

Landholdings
Calista Corporation’s land entitlement is made up of approximately 6.5 million acres in the Yukon Kuskokwim River Delta and the Kuskokwim Mountains regions of Southwestern Alaska. The area’s 56 villages selected the bulk of their entitlement based on the importance of the land to their subsistence economies, both in terms of the available resources and in preserving access to those resources. Nearly 5 million acres of the total entitlement has been conveyed to Calista and villages in the region.

Geography of Region
The Calista region includes the villages of the Lower Yukon River, the Central and Lower Kuskokwim River, Nunivak Island and the coast of the Bering Sea from the mouth of the Yukon River to Cape Newenham. The entire area encompasses over 58,000 square miles. No roads connect the region with the rest of Alaska, making it only accessible by boat or plane.

Business Activities
Construction and Heavy Equipment • Environmental Services • Oil Field Services • Fiber Optic Services • Real Estate Holdings • Federal Contracting • Professional Services
MISSION
Committed to profitability, celebration of our heritage, and ownership of our lands.

NUMBER OF SHAREHOLDERS
2,600

LANDHOLDINGS
The Chugach region comprises one million acres in southcentral Alaska. Chugach is entitled to 928,000 acres, of which 378,000 acres are full fee entitlement, and 550,000 acres are subsurface estate.

GEOGRAPHY OF REGION
The Chugach region includes the communities of Cordova (Eyak), Seward, Valdez, Port Graham, Chenega Bay, Nanwalek (English Bay) and Tatitlek. Our region includes more than 5,000 miles of coastline along the southern tip of the Kenai Peninsula, through the Kenai Fjords, Prince William Sound and Gulf of Alaska.

The lands of our region are rich in timber, minerals and wildlife. The majestic fjords, bays and waterways are home to a diverse population of fish, birds and marine mammals, and the diverse landscape ranges from mountains and glaciers to dense forests of hemlock and spruce. Spectacular scenery and recreational activities are the focus of tourism opportunities.

BUSINESS ACTIVITIES
Government Services • Facilities Services • Energy Services
Vision
A corporation rooted in the heritage and cultures of our shareholders, working toward a future where Alaska Native people thrive.

Mission
The mission of CIRI is to promote the economic and social well-being and Alaska Native heritage of our shareholders, now and into the future, through prudent stewardship of the company’s resources, while furthering self-sufficiency among CIRI shareholders and their families.

Number of Shareholders
8,700

Landholdings
As the largest private landowner in Southcentral Alaska with 600,000 surface acres and approximately 1.3 million acres of subsurface estate, CIRI seeks to responsibly harness the economic benefits of the region’s resources while ensuring those benefits help enrich future generations of CIRI shareholders. CIRI’s prospective oil and gas acreage is currently under lease or exploration agreements, and CIRI works with companies exploring potential mineral resources throughout the region.

Geography of Region
The Cook Inlet region approximates the traditional homeland of the Dena’ina Athabascan people who lived along the shores of the Cook Inlet, or Tikhahtnu as the Dena’ina knew it, taking advantage of abundant salmon runs and other resources offered by land, river and sea. The region includes the following villages: Chickaloon, Eklutna, Knik, Ninilchik, Salamatof, Seldovia and Tyonek.

Business Activities
Real Estate • Oilfield & Construction Services • Land & Natural Resources • Energy & Infrastructure • Environmental Services • Government Services
VISION
Leader in All We Do

MISSION
Doyon’s mission is to continually enhance our position as a financially strong Native corporation in order to promote the economic and social well-being of our shareholders and future shareholders, to strengthen our Native way of life and to protect and enhance our land and resources.

NUMBER OF SHAREHOLDERS
19,015

LANDHOULDINGS
With a land entitlement of 12.5 million acres, Doyon, Limited is the largest private landowner in Alaska and one of the largest private landowners in North America.

GEOGRAPHY OF REGION
The Doyon region encompasses a vast region in Interior Alaska, from the Brooks Range in the north to the Alaska Range, and from Alaska’s border with Canada in the east extending westward nearly to the shores of Norton Sound. As of October 2013, about 11.5 million acres have been conveyed, including 7.9 million acres in surface and subsurface estate (fee Owned) and 3.6 million acres of subsurface estate corresponding to surface estate owned by village corporations in the Doyon region.

BUSINESS ACTIVITIES
Oilfield Services • Utility Management • Security • Engineering Management • Land and Natural Resource Development • Facility Management • Construction • Tourism
VISION
Cultural Pride, Corporate Excellence.

MISSION
To sustain growth and provide increasing dividends while celebrating community and culture.

NUMBER OF SHAREHOLDERS
3,853

LANDHOLDINGS
Koniag holds title to approximately 144,000 acres of surfaces estate and 990,000 acres of subsurface estate. Most of Koniag’s surface estate is on the west side of Kodiak Island, near the Sturgeon and Karluk Rivers. The Kodiak Island village corporations also received title to surface estate through ANCSA, scattered throughout Kodiak and Afognak Islands, and much of Koniag’s subsurface holdings are for those lands.

GEOGRAPHY OF REGION
The Koniag region encompasses Kodiak Island, the Kodiak Archipelago and an area of land on the southern coast on the Alaska Peninsula. Kodiak, nicknamed the “Emerald Isle,” is the second largest island in the United States. The lands of the Koniag region offer a stunning abundance of natural resources that have sustained the Alutiiq people for centuries.

BUSINESS ACTIVITIES
- Government Services
- Information Technology Services
- Technical Services
- Oilfield Services
- Natural Resources
- Tourism
- Real Estate
- Technology Business Solutions
MISSION
We improve the quality of life for our people by maximizing economic growth, protecting and enhancing our lands, and promoting healthy communities with decisions, actions, and behaviors inspired by our Iñupiat Ilitquiat values consistent with our core principles.

NUMBER OF SHAREHOLDERS
Approximately 14,000

LANDHOLDINGS
Vast and beautiful, the NANA region is roughly the size of Indiana and encompasses eleven villages: Ambler, Buckland, Deering, Kiana, Kivalina, Kobuk, Kotzebue, Noatak, Noorvik, Selawik and Shungnak. NANA owns 2.28 million acres, or approximately 9.4 percent of the 24.3 million acres that comprise the region.

GEOGRAPHY OF REGION
The NANA region encompasses 38,000 square miles located in Northwest Alaska, most of which is above the Arctic Circle and is considered “arctic desert.” Winter lasts nine months of the year, and temperatures often stay well below freezing for months. Rivers wind through the landscape and the terrain varies dramatically from mountains and sand dunes to tundra and boreal forests. Much of the region is designated as National Park land.

BUSINESS ACTIVITIES
Land Management • Natural Resource Development • Engineering and Construction • IT and Telecom • Facilities Management and Logistics • Real Estate and Hotel Development
PURPOSE
To strengthen our people, culture and homelands.

SEALASKA WAY
Utilizing our Values In Action to increase profitability and build Alaska Native capacity.

NUMBER OF SHAREHOLDERS
22,000

LANDHOLDINGS
Sealaska owns approximately 362,000 acres of surface estate and subsurface estate. In addition, Sealaska owns an additional 560,000 acres of only subsurface estate beneath village and urban corporation land.

GEOGRAPHY OF REGION
The traditional homelands of the Tlingit, Haida and Tsimshian people are the forests and coastline of Southeast Alaska, extending from Yakutat on the north to the Queen Charlotte Islands of British Columbia on the south. These traditional homelands represent approximately 22 million acres.

BUSINESS ACTIVITIES
Sealaska Government Services: Sealaska Environmental Services • Sealaska Technical Services • Sealaska Constructors • Sealaska Construction Solutions • Managed Business Solutions

Natural Resources: Aggregate Supply • Timber • Minerals • Haa Aaní Economic Development • Land Management

Seafood and Natural Foods: Independent Packers Corporation (IPC)
ACKNOWLEDGMENTS

The ANCSA Regional Association exists to promote and foster the continued growth and economic strength of the Alaska Native Regional Corporations on behalf of their shareholders. The Board of Directors includes one representative from each of the 12 Alaska-based Native Regional Corporations as well as the Alaska Federation of Natives. These members represent the highest level of each corporation’s management.

AUTHOR

Bob Poe is a partner at ICS Universal Consulting, a business leader and assistant professor of business strategy at the University of Alaska Anchorage. Poe was a consulting manager for global financial firms, led large economic development organizations, negotiated mergers and acquisitions and held top leadership roles in state government in his 30-year career in the private-public sectors. His focus is building a sustainable future for Alaska, its people and the corporations that do business in the 49th state. Poe holds a BS and an MBA in finance from the University of Missouri-St. Louis.

PHOTOGRAPHY

We would like to thank the 12 Regional Corporations that provided photographs for this report.

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Strategy + Communications