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**NEWS RELEASE**

FOR IMMEDIATE RELEASE

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## **First Nations Bank of Canada Leadership Looks Ahead to 2013**

Saskatoon, SK – March 12, 2013 – First Nations Bank of Canada (the “Bank”) - On March 12, 2013, the Board of Directors of First Nations Bank of Canada approved the annual management proxy circular and announced that the Annual Shareholders Meeting will be held on Thursday April 11, 2013, in Yellowknife, Northwest Territories. At the Annual Shareholders Meeting the results of the fiscal year ended October 31, 2012 will be presented, the nominees for the Board of Directors and the appointment of Auditors will be put forward for approval by the Shareholders of the Bank.

Fiscal 2012 was a significant year in the development of the Bank with the transition to a new bank operating system and the required changes to internal processes. Despite this internal focus, the Bank continued to support its customers and expand its business in the regions already served by existing branches. This transition to a fully independent, Aboriginal controlled Bank slowed asset growth from that experienced in past years, but prepares the Bank for the next stage of development and expansion.

“I want to personally thank our customers for their support during transition,” said Keith Martell, CEO of the Bank. “Any changes to a bank system can be difficult, but our loyal customers worked with our dedicated staff to make the conversion a success.”

Operating results for the fiscal year ended October 31, 2012 recorded a net income of \$1.24 million compared to a net income of \$1.27 million in 2011. The 2012 income was positively impacted by a net reversal of credit losses and an increase in net interest income, primarily due to loan growth of \$11.0 million. These increases to income were offset by an increase in expenses over fiscal 2011. Expense increases were primarily related to the systems transition and the additional employees to manage the new operating system.

Total assets at the year ended October 31, 2012, decreased \$26.2 million from the prior year end. This decrease was due to a \$27.4 million decrease in the total customer deposits at October 31, 2012, as a result of the timing of cash transactions by some large customers. The total number of customer accounts, both commercial and personal, continued to grow in fiscal 2012. The decrease in deposits, as well as the \$11.0 million growth in loans and a \$2.8 million

capital investment in bank operating systems, resulted in a \$41.6 million decrease in cash balances at October 31, 2012. Despite this decrease the Bank remains in a strong liquid position.

As of October 31, 2012, the Bank had regulatory capital ratios in excess of 'well capitalized' regulatory benchmarks.

"Fiscal 2012 was a time of transition for the First Nations Bank," said Keith Martell. "When the Bank was formed in 1996, we had a long term plan to grow and develop as a truly independent, successful, Aboriginal owned and controlled Bank. For many years we operated and grew successfully, while using the operating systems of TD Bank, our strategic partner in establishing the Bank. This year was the point when we took the last step toward full independence, through the development and implementation of our own operating system. This prepares us to more fully meet the financial services needs of the Aboriginal Market in Canada during the next stage of our growth and expansion" he added.

According to Martell, the Bank's experienced lenders, who remained focused throughout the systems transition, as well as supportive shareholders and loyal customers are the reasons for the financially successful fiscal year. Despite spending a significant amount of time and effort on the systems transition, the Bank accomplished positive financial results and continued to grow loan and mortgage assets.

"Our team looks forward to fiscal 2013, when we can put our new systems to work and continue to focus on growth and expansion. Our Annual Shareholders Meeting in Yellowknife will include an announcement on our planned expansion into Northwest Territories, as well as the development of small market branches in Nunavut," said Martell.

"First Nations Bank is focused on the success and development of the Aboriginal economy and remains confident in the long term potential of the Aboriginal communities we serve."

More information about the First Nations Bank of Canada operations and performance during 2012, including financial statements, can be found on the website at [www.fnbc.ca](http://www.fnbc.ca).

## **About First Nations Bank of Canada**

First Nations Bank of Canada is a domestic, federally chartered bank with branches in Saskatchewan, Ontario, Manitoba, Yukon, Nunavut and Quebec, and executive offices in Saskatoon, Saskatchewan. The Bank offers a full range of personal and business banking services with a primary focus on Aboriginal customers. First Nations Bank was founded in 1996.

The Bank's Aboriginal shareholders include groups from Nunavut, Northwest Territories, Yukon, Saskatchewan, Manitoba and Quebec who together own 80.1% of the Bank. Our Aboriginal shareholders are progressive like-minded organizations, culturally and linguistically diverse and are all respected leaders in their regional economies.

With the support of its Aboriginal shareholders, the Bank has demonstrated consistent growth and profitability. Bank services are available through electronic banking and a network of seven full service branches (three on reserve) and two community banking centres.

The Bank is a member of the Canada Deposit Insurance Corporation, the Canadian Payments Association and is an approved lender with Canada Mortgage and Housing Corporation.

## **FORWARD LOOKING STATEMENTS**

*This release contains "forward-looking statements" related to First Nations Bank of Canada's future events. These statements include, but are not limited to, our plans, objectives, expectations, and intentions and are not statements of historical fact. When used in this report, the word "expects," "believes," "anticipates," "could," "may," "will," "should," "plan," "predicts," "projections," "continue" and other similar expressions constitute forward-looking statements, as do any other statements that expressly or implicitly predict future events, results or performance. Certain risks and uncertainties could cause actual results to differ materially from those projected. These forward-looking statements speak only as of the date of this release. First Nations Bank of Canada undertakes no obligation to publish revised forward-looking statements to reflect the occurrence of unanticipated events or circumstances after the date hereof. Readers should carefully review all disclosures filed by First Nations Bank of Canada's from time to time.*

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