The Value of Partnership

“We depend upon Us”

2002 Annual Report
As one year comes to a close, another one filled with new challenges and opportunities fast approaches us. As with recent years, 2003 will undoubtedly be marked by events that may test the faith and resolve of each and every one of us — but with the grace of God, and the help of one another — we will rise to meet and overcome each new challenge.

As leaders in creating both intellectual and economic wealth for African Americans, the National Black MBA Association is once again up to the task of helping our members achieve great success. My commitment to you reflects the heart and soul of NBMBAA’s mission. We will continue to cultivate business opportunities, to educate and nurture the members of our community, and to share our wisdom and our dreams with others, so that our future generations may enjoy a greater legacy.

There is a simple, but powerful phrase I devoutly believe in. It is, “we are what we make of ourselves.” If we believe in ourselves, success is obtainable. If we are disciplined and work hard, we can reach new and greater heights. If we unite together, our shared power and wisdom will help us reap countless opportunities for ourselves and for our children. By joining forces we can more effectively change lives for the better.

During this next year, the leadership of NBMBAA will focus on helping each and every one of its members capture a piece of the pie they are seeking. We will do this by increasing member knowledge by offering more comprehensive training seminars; by providing our entrepreneurs with greater access to capital and credit; helping our senior MBA members move up in corporate America; by partnering with even more corporations that recognize the value of a diversified workforce; and by making our presence better known in the world.

As we accept this great challenge, we take this vision and focus our energies forward, determined to see past those who might discourage us. We will take great care to monitor and nurture our young ones who are our future leaders of tomorrow. We will be vigilant in our work ethic, we will be accountable for our actions, and we will be proactive in creating opportunities and success stories.

The future is unfolding before us. The National Black MBA Association is ready for this challenge as we look forward to joining hands with you and working together to achieve all that is possible in this new millennium.

Alvin Brown
National Chair
Helping Our Members Find Value in Membership

We all know that the country has been in an economic downturn for the past 18 to 24 months. This state of affairs has not left the NBMBAA untouched. For the first time in over a decade our numbers have dropped appreciably, down almost 9% from 2001 to 2002. While we have maintained a 70% retention rate over the years, we need to be improving on that figure. If we are losing 30% of our membership from year to year, we have to overcome that hurdle before new members become significant to our overall number.

The economic impact has also been felt by our members, many of whom are without jobs. The irony is that this is exactly when they should be turning to the organization for support, encouragement, programs and the contacts that can assist them through their struggle. However it can be difficult to justify spending membership dollars when there are not many dollars coming in.

To that end we have been trying to help members make the connection to understand the true value of their memberships. Number one, members need to understand the value proposition of membership. The proposition is plain:

The NBMBAA utilizes its thirty plus years of experience to bring members together:

· with companies for job opportunities
· with industry experts to create career and professional growth opportunities
· with the business community to create economic development opportunities
· with the philanthropic community to create scholarship opportunities
· with each other to form a solid network of forward thinking individuals all made stronger as part of the whole

Number two is for members to truly understand how much power is in their hands and how to utilize their memberships. This means getting connected to their chapters and embracing the programs that are available to them. An example is that we often hear from members who are looking for work but who have not used the Employment Network, a tool that is available year round. For each of the programs or services we offer, there are members who could be benefiting if they would only utilize them.

Lastly, the organization must do a better job of making sure members and prospects understand points one and two. That means nationally and locally touting our program offerings and keeping everyone abreast of new programs and improvements to old ones. There is great value in our membership programs and services, especially when they are adequately serving our members.

“There is so much value here that many members miss because they focus on the cost of the conference and don’t register. They need to look past the cost and focus on the opportunity.”  “I want other members to realize the same kind of value I have found in my membership.”

Paul Edwards, NBMBAA Member since 1998
<table>
<thead>
<tr>
<th>Message From the National Chair: <em>Building Our Future</em></th>
<th>2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Helping Our Members Find Value In Membership</td>
<td>3</td>
</tr>
<tr>
<td>24th Annual Conference &amp; Exposition: <em>Bridging The Gap To The Untapped Frontier</em></td>
<td>5</td>
</tr>
<tr>
<td>Economic Empowerment:</td>
<td>6</td>
</tr>
<tr>
<td>- Entrepreneurial Expos</td>
<td></td>
</tr>
<tr>
<td>- Wall Street Projects</td>
<td></td>
</tr>
<tr>
<td>- International Initiatives</td>
<td></td>
</tr>
<tr>
<td>NBMBAA Programs Serve the Community:</td>
<td>7</td>
</tr>
<tr>
<td>- Leaders of TomorrowSM</td>
<td></td>
</tr>
<tr>
<td>- Annual Scholarships</td>
<td></td>
</tr>
<tr>
<td>- National Student Case CompetitionSM</td>
<td></td>
</tr>
<tr>
<td>- NBMBAA Employment NetworkSM</td>
<td></td>
</tr>
<tr>
<td>- NBMBAA Executive Development InstituteSM</td>
<td></td>
</tr>
<tr>
<td>- NBMBAA Management Development InstituteSM</td>
<td></td>
</tr>
<tr>
<td>Financial Reports</td>
<td>8</td>
</tr>
<tr>
<td>NBMBAA Board of Directors &amp; Organization Profile</td>
<td>10</td>
</tr>
<tr>
<td>NBMBAA Locations</td>
<td>11</td>
</tr>
<tr>
<td>NBMBAA Partners</td>
<td>Back Cover</td>
</tr>
</tbody>
</table>
24th Annual Conference & Exposition

Bridging The Gap
To The Untapped Frontier

More than 10,000 MBA students, professionals and entrepreneurs attended the National Black MBA Association's Annual Conference in Nashville during the week of September 17 – 22, 2002. The event was one of the largest and most successful gatherings for African American business leaders, corporations, entrepreneurs and business students in the nation. The itinerary featured a two-day Career Fair, and attracted nearly 400 corporations hoping to recruit talented and diverse employees.

In addition to the Career Fair, the conference offered seminars and workshops on critical business issues, employment policy and skill enhancement opportunities.

Keynote speakers included Dell Computer Chairman & CEO, Michael Dell; the Reverend Bishop T.D. Jakes; Deputy Housing and Urban Development Secretary Alphonso Jackson; motivational speaker and author Herman Cain; and former Labor Secretary Alexis Herman.

The group selected Nashville to host the conference because of its rich history in the education of black Americans. Tennessee houses five of the nation's Historically Black Colleges and Universities, three of them located in the city of Nashville.

Corporate ethics was a key theme at the week-long event, at which Chairman Alvin Brown announced plans to convene an ethics summit in Washington, D.C. that would bring scholars, elected officials, corporate executives and students together to strategize on rebuilding faith in American businesses. Brown also called on all colleges and business schools to make ethics training a mandatory part of their curriculum. In addition, Dell CEO, Michael Dell discussed the ethical demands of business during his "Visionary Dialogue" session.

The Association gave out its most important awards on the final evening of the conference, when it awarded more than three dozen scholarships to high school students, MBA students and PhD students looking to further their education. The organization awards nearly $200,000 annually in scholarships. Other prestigious awards presented during the conference included the following recognitions:

- DaimlerChrysler won the Silver Torch award for their efforts to develop, maintain and nurture a diverse workforce.
- South Carolina Congressman James E. Clyburn (D-SC) was the recipient of the Association’s prominent Chairman’s Award for his leadership and commitment to key issues affecting the African American community.
- Outstanding Educational Institution of the Year award went to the University of Michigan for a second straight year. The University was honored for its court fight to consider an applicant’s race or ethnicity when making admission decisions for its law school.
The facts tell the story. The number of African-American business owners increased by 31 percent from 1997 to 2000, according to an analysis by an economics professor at the University of California, Santa Cruz (UCSC). For African-American women, this number increased by an even more substantial rate - 50 percent. 8 percent of African-Americans were business owners in 2000, a jump of almost a full percentage point since 1997. One of the National Black MBA Association’s newest programs is geared towards this rapidly increasing group of individuals. Therefore, in 2001 the NBMBAA partnered with the Ewing Marion Kauffman Foundation to host expos in Atlanta, Boston and Kansas City. And in 2002, this initiative expanded to host an expo and workshops at the Annual Conference. The event provided current and emerging entrepreneurs an opportunity to hear from successful business owners, and to discuss franchise opportunities with some of the best corporations in the country.

**Economic Empowerment**

**Entrepreneurial Expos**

The facts tell the story. The number of African-American business owners increased by 31 percent from 1997 to 2000, according to an analysis by an economics professor at the University of California, Santa Cruz (UCSC). For African-American women, this number increased by an even more substantial rate - 50 percent. 8 percent of African-Americans were business owners in 2000, a jump of almost a full percentage point since 1997. One of the National Black MBA Association’s newest programs is geared towards this rapidly increasing group of individuals. Therefore, in 2001 the NBMBAA partnered with the Ewing Marion Kauffman Foundation to host expos in Atlanta, Boston and Kansas City. And in 2002, this initiative expanded to host an expo and workshops at the Annual Conference. The event provided current and emerging entrepreneurs an opportunity to hear from successful business owners, and to discuss franchise opportunities with some of the best corporations in the country.

**International Initiatives**

**Wall Street Projects**

Launched in 1997 by the Reverend Jesse Jackson and sponsored by the Rainbow/PUSH Coalition, the Wall Street Project seeks to promote inclusion, opportunity and economic growth. Program and activities help to change the climate in which underserved populations engage in economic life by encouraging public and private industries to practice diversity in the following key areas:

- Employment & Retention
- Corporate Governance
- Procurement

The National Black MBA Association became a partner in this successful project, and in 2002 this partnership focused on continuing an annual study to include topics such as advancement of middle managers, the best companies for Blacks in Corporate America, and Blacks on corporate boards. Our chapters supported the various Wall Street Project conferences held locally throughout the U.S. by marketing and attending the events.

**Black MBA UK, Ltd.**

As the NBMBAA deepens its commitment to the economic development of the Black community, we realize that our responsibility extends well beyond the shores of the U.S. Through our development and support of Black MBA UK, we are able to work in partnership with European and British government departments, business schools, corporations and other organizations in the following key areas:

- Education and Recruitment
- Sharing the Wealth

The NBMBAA hosted a tour for an international delegation lead by Trevor Hall, the most senior black civil servant in the United Kingdom. The week-long journey began in Atlanta and continued through the U.S. providing the delegates with exposure and possible solutions to shared challenges faced by the U.K.’s growing communities of color.
Leaders of Tomorrow™

Since inception of the Leaders of Tomorrow program in 1991, hundreds of high school students have received scholarships for college through our national and local efforts, and thousands have received mentoring and career guidance. Thus, more minority students are attending and graduating from college and even better, some are continuing on to graduate school. In 2002, the program included 20 chapters sponsoring the attendance of 137 students at the Annual Conference, in addition to the international contingent from the U.K.

Annual Scholarships

For 20 years, this annual program has distributed millions of dollars in funds and awards to PhD, MBA, and undergraduate students. This year alone, the organization provided nearly $200,000 to scholarship recipients through our national and local chapter efforts. Funding was provided by our corporate partners, including the following Named Corporate Sponsors who each contributed $50,000 over a two-year period: Ariel Capital Management, The Coca-Cola Company, Coors Brewing Company, Cracker Barrel Old Country Store Inc., Delphi Corporation, Ford Motor Company, General Motors Corporation, Marriott Corporation and Mercedes-Benz USA, LLC.

"Thank you National Black MBA Association, and thank you Leaders of Tomorrow program, for allowing me to rise into places, things, circumstances and situations that I never knew were possible."

Corliss Allen, High School Senior South Florida Chapter

"... working with our good friends at the National Black MBA Association, we have underwritten the Case Competition since 1995."

Frank Fountain, Sr. Vice President DaimlerChrysler Corporation

National Student Case Competition™

Celebrating 10 Years of Success. Since its inception in 1992, approximately 1,500 students from 70+ schools have participated in this extraordinary event, which has resulted in the distribution of nearly $400,000 in scholarship awards. In 2002 alone, $27,000 in scholarships were awarded to students. This program allows graduate programs from all over the U.S. to sponsor a team of three students to present a business case analysis before a panel of corporate judges. The judges select the top three teams as winners, and evaluate the students’ talent for employment.

"Due to my attendance at the national conference last September in Nashville, I was recently extended an offer with Johnson Controls Inc., that I was more than happy to accept."

Cozette Carter, 2002 Conference Participant

NBMBAA Employment Network™

175 companies posted jobs on-line through the NBMBAA Employment Network service. Approximately 5,500 qualified applicants responded to the 432 jobs listed. Interviews were conducted at our Annual Conference, allowing companies face-to-face contact with these prospects. In addition, another 3,000 professionals and students attended the 2-day Career Fair engaging in productive discussions with corporate recruiters from more than 300 companies.

NBMBAA Executive Development Institute™

NBMBAA Management Development Institute™

More than 300 members transitioning to the executive and management levels of their careers attended these specialized workshops at our Annual Conference. Taught by internationally known experts, this essential program focuses on strategic thinking in a global economy, improving communication skills and exposing executives to the cultural differences they will face.

"Due to my attendance at the National Black MBA Association, and thank you Leaders of Tomorrow program, for allowing me to rise into places, things, circumstances and situations that I never knew were possible."

Corliss Allen, High School Senior South Florida Chapter

The Coca-Cola Company made the first deposit to the National Black MBA scholarship fund 17 years ago, ... they are still today a valued and respected partner in our shared tradition of supporting community development and education.

Charlene Crusoe-Ingram – Sr. V.P., Organization and People Strategy Coca-Cola North America
### STATEMENT of ACTIVITIES

#### YEAR ENDED DECEMBER 31, 2002

<table>
<thead>
<tr>
<th>Revenues and Support:</th>
<th>Unrestricted</th>
<th>Temporarily Restricted</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contributions &amp; Conference Revenue</td>
<td>$4,796,418</td>
<td>$393,875</td>
<td>$5,190,293</td>
</tr>
<tr>
<td>Membership Revenue</td>
<td>289,941</td>
<td>289,941</td>
<td></td>
</tr>
<tr>
<td>Publication Revenue</td>
<td>40,937</td>
<td>40,937</td>
<td></td>
</tr>
<tr>
<td>Program Fees</td>
<td>24,369</td>
<td>24,369</td>
<td></td>
</tr>
<tr>
<td>Other Revenue</td>
<td>678,085</td>
<td>678,085</td>
<td></td>
</tr>
<tr>
<td>Net Assets Released from Restrictions</td>
<td>414,100 (411,100)</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td><strong>Total Revenues and Support</strong></td>
<td>6,243,850 (20,225)</td>
<td>6,223,625</td>
<td></td>
</tr>
</tbody>
</table>

| Expenses: | |
| Program Services: | |
| Conference | 2,996,763 | 2,996,763 |
| Chapter and Membership | 600,990 | 600,990 |
| Other Programs | 1,274,912 | 1,274,912 |
| **Total Program Expenses** | 4,872,665 | 4,872,665 |

| Supporting Services: | |
| Management and General | 1,327,716 | 1,327,716 |
| **Total Expenses** | 6,200,381 | 6,200,381 |

| Change in Net Assets (Deficit) before extraordinary item | 43,469 (20,225) | 23,244 |
| Extraordinary Item (Note 15) | 310,000 | 310,000 |
| Change in Net Assets (Deficit) | 352,383 (20,225) | 332,144 |
| Net Assets, at Beginning of Year, Restated | 1,427,491 | 414,100 | 1,013,391 |
| **Net Assets (Deficit), at End of Year** | $1,074,022 | $393,875 | $680,147 |
STATEMENT of FINANCIAL POSITION

YEAR ENDED DECEMBER 31, 2002

Statement from the Chief Financial Officer

Over the past 24 years, the National Black MBA Association, Inc. (NBMBAA) has hosted one of the premier conferences in the world for Black business professionals. In recent years, the five-day conference and exposition has attracted an average of 400 of the world’s top corporations and business schools and close to 15,000 attendees. The annual conference is the organization’s primary source of revenue, and the organization remains annually funded.

The association ended its fiscal year 2001 with a net loss of $2,782,215 and a working capital deficiency of $1,649,860 with a negative net worth of $1,013,391 which raised a substantial doubt about its ability to continue as a going concern. This loss was due to the effects of the recession of 2001 and the direct impact of 9/11. Our annual conference was held just two weeks after 9/11, which had a tremendous financial impact, due to the diminished attendance and participation. The organization’s revenue from conference was off $2.4 million.

The association immediately began to take corrective measures. A recovery plan was put in place with the objective of restoring the organization’s fiscal health. The plan included 1) a focus on managing cash, 2) more realistically reflecting receivables 3) strategically repositioning organization resources, including streamlining operations and outsourcing specific functions, 4) pursuing major gifts and donations to the organization, and 5) repositioning the conference going forward.

This year’s audit reflects the results of this very aggressive recovery program. We have ended the fiscal year with a working capital deficiency of $1,075,071 and a negative net worth of $680,147. The total net worth of the association in 2002 has improved by $333,244 over 2001, with continued improvement in 2003.

A successful cash management program was implemented in 2002 which enabled the association to reduce prior year debt by 80%, and effectively manage current year expenses. The challenge of effectively accomplishing this was made harder by the fact that the organization’s credit rating had deteriorated as a result of its financial situation at 2001 year-end. Credit for future conference was unobtainable, and substantial prepayments required, including $600,000 from the host hotel of the organization’s 2002 annual conference. All 2002 annual conference expenses have been successfully satisfied. However we are faced with the same prepayment challenge for the 2003 annual conference.

In fiscal year 2002 the organization’s financial management has been effective. Cash management is strong. The operation is streamlined and more cost efficient. We are well on our way to restoring the credit worthiness and financial viability of the organization. With a continued focus on recovery, a keen eye on expense management and revenue diversification, our goal for fiscal year 2003 of break-even will be achieved.
Executive Committee

Alvin Brown
National Chair
The Staubach Company
Jacksonville, FL

Angela D. Eason
National Treasurer
Manager
Deloitte Consulting
Palo Alto, CA

Lee W. Richardson
Vice-Chair of Development
Executive Director
WSSU Foundation
Winston-Salem State University
Winston-Salem, NC

Sandra P. Thompkins
National Secretary
Executive Director
Human Resource Management
Delphi Corporation
Troy, MI

Marc S. Wallace
Vice-Chair of Programs
President
Strategic Alliances Division of the Novations Group
Atlanta, GA

Board Members

Amy Billingsley
President
Amistad Associates
Washington, DC

William C. Campbell
Campbell & Company
Atlanta, GA

Billy Dexter
V.P. of Diversity Initiatives
TMP Worldwide
Chicago, IL

Thomas Flewellyn
Vice President
EYESEEIMAGES
Orlando, FL

Dimitrius M. Hutcherson, Sr.
Sr. Vice President, Corp IT
GMAC Commercial Mortgage Corp.
Horsham, PA

Karen D. Marshall-Hudson
Director of Government Affairs and Community Outreach
Metropolitan Transit Authority
Houston, TX

Dr. dt ogilvie
Associate Provost of IT Strategy
Rutgers University
Newark, NJ

Kevin Pitts
Partner
Sales and Performance Group
Philadelphia, PA

NBMBAA Profile
Conceptualized............1970
Incorporated.................1972
Status................501(c)3 Non-Profit
Headquartered........Chicago, IL
Scope................International
Chapters......................39
Members....................5,500
Corporate Partners........343
NBMBAA LOCATIONS

Atlanta
Jannet Thoms
P. O. Box 54065
Atlanta, GA 30308-0566
(404) 572-8001
www.atlanta-blackmba.com

Birmingham
Robert Hagler
P. O. Box 370132
Birmingham, AL 35237-0132

Boston
Norman Shakespeare
P. O. Box 22839
Alton Tinker
Cleveland
Cincinnati, OH 45250-1185
P. O. Box 141185
Eric L. Lenard
Cincinnati
(614) 470-1683
Columbus
David E. Harrison
P. O. Box 163575
Columbus, OH 43216-3575
(614) 470-1683
www.columbus-blackmba.org

Dallas
Ingra Conley
P. O. Box 797174
Dallas, TX 75237-7174
(214) 853-4497
www.dallas-blackmba.org

Dayton
Roxanne D. Ferguson
P. O. Box 372487
Dayton, OH 45401-3709
(937) 285-0113

Denver
Dennis Deas
P. O. Box 23322
Denver, CO 80237
(303) 628-7507
www.denver-blackmba.org

Detroit
Yewande Odusowo
P. O. Box 22986
Detroit, MI 48202
(313) 972-4832
www.detblackmba.org

Ft. Lauderdale
Cheryl Clemons
P. O. Box 2332
Ft. Lauderdale, FL 33302
(954) 566-7525
www.fortlauderdale-blackmba.org

Indianapolis
Hortense White
P. O. Box 2325
Indiana, IN 46206-2325
www.indianapolis-blackmba.org

Kansas City
Fred J. Phillips III
P. O. Box 414661
Kansas City, MO 64141
(800) 470-6821
www.kansascity-blackmba.org

Los Angeles
Loren A. House
2711 S. Robertson Blvd.
Los Angeles, CA 90034
www.la-blackmba.org

Louisville
Crawford W. Owens, Jr.
P. O. Box 2953
Louisville, KY 40201
(502) 540-5946

Memphis
Ann Strong Jenkins
P. O. Box 181099
Memphis, TN 38118-1099
(901) 725-4166
www.memphis-blackmba.org

Milwaukee
Brenda Pegues
P. O. Box 1472
Milwaukee, WI 53201

New Jersey
Sheila Daniels
P. O. Box 28023
Newark, NJ 07101
(732) 246-2978
www.newjersey-blackmba.org

New York
Frank A. Planes
P. O. Box 8138
New York, NY 10116
(212) 439-5100
www.ny-blackmba.org

New Orleans
Darryl Ward
P. O. Box 57978
New Orleans, LA 70157-7978
www.nonblackmba.org

Phoenix
Kathy J. Andrews
P. O. Box 27601
Tempe, AZ 85285-7601
(602) 735-3958
www.phoenix-blackmba.org

Piedmont - Triad
Charles H. Horton, Jr.
P. O. Box 10105
(336) 472-2622
www.piedmont-blackmba.org

Pittsburgh
Tracey M. Gist-Freeman
P. O. Box 3502
Pittsburgh, PA 15230
(412) 402-2622
www.pittsburgh-blackmba.com

Richmond
Jeanette S. Barnes
P. O. Box 15492
Richmond, VA 23227-5492
www.richmond-blackmba.org

Saint Louis
Dr. Kelyn A. Moore
P. O. Box 193683
St. Louis, MO 63115
(314) 869-2716
www.saintlouis-blackmba.org

San Francisco
Bernard R. Walker
P. O. Box 5296
San Francisco, CA 94119-3683
(510) 540-5946
www.sf-blackmba.org

Seattle/Portland
Sean Augustine
P. O. Box 11316
Portland, OR 97275
(503) 736-3010
www.seattle-blackmba.org

South Florida
T.C. Adderley
P. O. Box 692250
Miami, FL 33169-3250
(305) 261-9100
www.miami-blackmba.org

Twin Cities
Terry Tief
P. O. Box 2709
Minneapolis, MN 55402
(651) 223-7373
www.twincities-blackmba.org

Washington, D.C.
Anthony Pollard
P. O. Box 14042
Washington, DC 20044
(202) 628-0138
www.dc-blackmba.org

Westchester/Greater NY
D. Dayneen Preston
P. O. Box 552
White Plains, NY 10602
(914) 882-7510
www.nationalblackmba.org

Western New York
Marie Phillips
P. O. Box 20581
Rochester, NY 14627
(716) 234-4412
www.wny-blackmba.org

- 11 -
<table>
<thead>
<tr>
<th>Strategic Partners</th>
<th>Corporate Partners</th>
</tr>
</thead>
<tbody>
<tr>
<td>American Airlines</td>
<td>Adelphi University</td>
</tr>
<tr>
<td>Citigroup</td>
<td>Armbruster, Inc.</td>
</tr>
<tr>
<td>The Coca-Cola Company</td>
<td>Astor &amp; Black</td>
</tr>
</tbody>
</table>