



THE FSMDB NEWSLETTER

YOUR PARTNER IN BUSINESS

Tuesday, December 31, 2013

Volume 2, Issue 4.

FSMDB President/CEO elected ADFIP Chairman

Board of Directors

John Sohl, Chairman; Pohnpei State.

Hilary Tacheliol, Vice-Chairman; Yap State.

Sisinio Willy, member; Chuuk State.

Juliet Jimmy, member; FSM National Government.

Gillian Doone, member; FSM National Government.

Lipar George, member, Kosrae State Government

Anna Mendiola, member; Ex-officio.



President/CEO Anna Mendiola posed with members and delegates of the 28th ADFIP Meeting in Rarotonga, Cook Islands

At the 28th ADFIP Annual General Meeting from October 28 to November 1, 2013 in Rarotonga, Cook Islands, President/CEO Mendiola was elected Chairperson for the ADFIP association, the first female chairperson since the establishment of ADFIP. She will also serve as the chairperson for the Management Committee, which oversees the operation and activities of the association.

Inside this issue:

At the opening of the meeting, the newly appointed chairman, President/CEO Mendiola welcomed and addressed members and delegates that it is time ADFIP reevaluate or reassess its roles and how its members can become part of the larger effort for financial inclusion. She also stressed the need to find influential partners with financial

...continue on page 3

FSMDB attends COMFSM Job fair



Student Body Assoc. President Gasma Hadley welcomes participants and students

FSMDB SVP/COO Ignacio Stephen and HR & Facilities Manager Lover Haimin attended the COM-FSM-sponsored Job fair held at the COM-FSM Library on Friday, November 1, 2013.

The event provided a great opportunity for representatives of the various participating businesses and government offices to meet students as prospective job seekers. Job opportunities and related information about participating companies and government offices were displayed. Representatives spent time discussing with students about their respective businesses and future opportunities.

Along with the FSMDB, companies and government agency and offices like

Pohnpei State Government Division of Personnel and Labor, FSM National Government Office of Personnel, Bank of Guam, Bank of the FSM, FSM Telecommunication Corporation, FSM Tuna Commission, Social Security Administration, Peace Corps Micronesia, Conservation Society of Pohnpei, Etscheit Enterprises, Pohnpei Port Authority, International Organization for Migration (IOM) and United Airlines also made the effort and participated in the event.

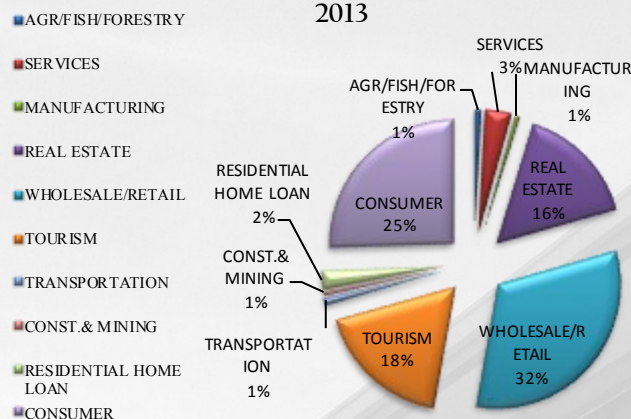
The event was organized and presented by the Student Body Association (SBA) COM-FSM, Counseling Office and the COM-FSM Human Resources Office.

◆ President/CEO elected Chairman of ADFIP	1
◆ FSMDB attends COMFSM Job fair	
◆ Performance Highlights as of December 31, 2013	2
◆ President/CEO elected to Micro-finance Pasifika, Executive Committee	
◆ FSMDB mourns passing Yoster	3
◆ Robert retires	
◆ FSMDB hired Arthur for Loan Officer, Kosrae Branch	
◆ Augustine promoted to Loan Analyst	
◆ Board of Directors 4th quarter meeting	4-5
◆ President/CEO and CFO attend APAFS	
◆ Board held regular meeting	
◆ Christmas & New year celebration	
◆ FSMDB outreach program in Chuuk	

Performance Highlights as of December 31, 2013

As of December 31, 2013, FSMDB has approved and booked 344 new loans for a total of \$9.6 million. The pie graph below shows the total new loans allocated by economic sectors.

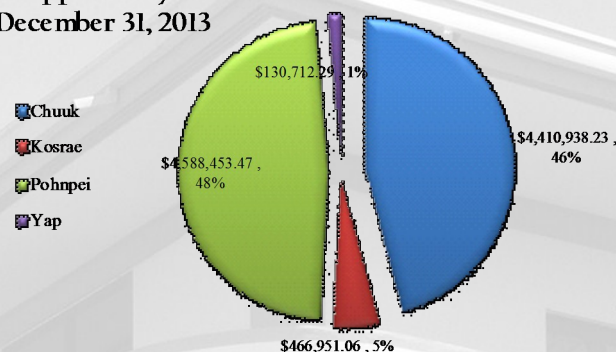
I. Loan Approval by Sectors December 31, 2013



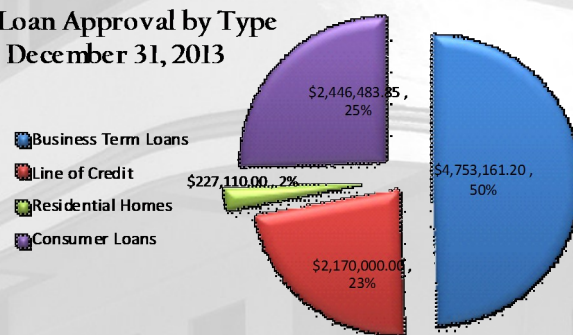
32% of the overall total loan approval amounting to a little over \$3 million was approved to fund various projects related to Wholesale and Retail businesses across the FSM states. Consumer loan and Tourism loan were approved for \$2.4 million (25%) and \$1.7million (18%), respectively. The other seven sectors including Real Estate, Services, Residential Home, Transportation, Agriculture/Fishery/Forestry, Manufacturing and Construction and Mining accounted for a combined total of \$2.3millions (24%).

The following pie charts below show additional information on location and type of loans as approved:

II. Loan Approval by Location December 31, 2013



III. Loan Approval by Type December 31, 2013



In detail, 48% of the bank funded projects were located in Pohnpei and 46% were in Chuuk, a combined dollar value of \$8.9 millions. Most of these new loans were business term loans, which accounted for 50% of the total new approved loans.

President/CEO serves on Executive Committee, Micro Finance Pasifika



Anna Mendiola,
President/CEO

During the 4th Pacific Microfinance Week held in Nadi, Fiji from October 21-25, 2013 President/CEO Mendiola was elected to serve on the Executive Committee for the Micro-Finance Pasifika Network (MFPN). The committee is the network governing body and responsible to oversee the overall operation of the regional organization.

MFPN is an alliance of financial institutions committed to supporting disadvantaged people in the Pacific. Its primary purpose is to improve quality of life through the provision of inclusive and sustainable financial services such as savings, credit, remittances and payment services and insurance. Currently the membership base consists of 22 financial members. Members include microfinance institutions, central banks, development banks, financial service providers, NGOs and commercial banks. Countries represented within the membership are: Australia, Federated States of Micronesia, Fiji, New Zealand, Papua New Guinea, Samoa, Tonga and Vanuatu.

The Network was formally launched on the 16th and 17th of June 2006 in Port Vila, Vanuatu following over a year of consultations led by the Australian-based Foundation for Development Cooperation (FDC). It was formed in response to key constraints facing practitioners at the time, including small, dispersed and isolated populations and a relatively young industry with limited experience of microfinance practice elsewhere in the world.

In this context, one of the primary objectives of the Network is the dissemination of relevant information to assist practitioners and supporters of microfinance operations to increase outreach and enhance performance.

The Microfinance Pasifika Network is distinct from other networks for three main reasons:

- It is an exclusively Pacific-based network;
- It capitalizes on the diversity represented within the membership; and
- It acts as an information hub for all stakeholder groups

For more information visit <http://www.microfinance-pasifika.org/>

FSMDB mourns untimely passing of Yoster Johnny



Yoster Johnny

FSMDB mourned the untimely passing of Loan Analyst, Yoster Johnny who had died at the Pohnpei State Hospital on Monday, December 16, 2013.

Yoster began his employment on January 21, 2002 as a Loan Officer at the former Pohnpei Branch office, and later promoted to Loan Analyst in 2011 when the branch office was merged with the Headquarters. He was known among his colleagues and clients as a humble and generous person.

Management and staff at the Headquarters joined family members and friends who had gathered to pay the final farewell and respect to the late Yoster Johnny at the burial service at his home in Temwen, Madolenihmw on December 17, 2013.

Augustine Loyola promoted to Loan Analyst



Augustine Loyola

On December 23, 2013, Augustine Loyola was promoted to Loan Analyst to fill the vacant position after the untimely passing of the late Yoster Johnny.

Previously, Augustine had held a loan officer position at the Headquarters since his appointment on March 28, 2006. Having served in the previous capacity as a loan

officer for over seven years, Augustine gained the prerequisite experience, knowledge and skills to take on the higher position and accepted to serve the needs of the bank and customers as his new job requires.

Augustine holds a Bachelors Degree in Economics from the Tarkio College in Missouri.

Robert Finnginam, Loan Officer at Yap Branch retires



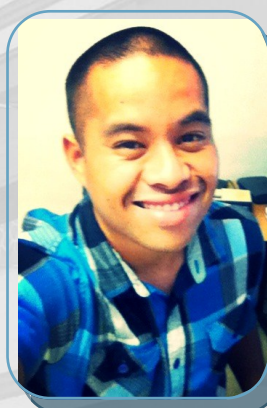
Robert Finnginam

On November 08, 2013, Robert Finnginam was retired from being an active employee of the bank due to medical conditions.

Robert had been with the bank for almost 12 years. He joined the bank as a loan officer at the Yap Branch on November 19, 2001.

In her letter to notify Robert, President/CEO Mendiola also extends great thanks and appreciation on behalf of the staff members and management of the bank for his positive contributions during his long tenure as a loan officer. She also wished Robert a speedy recovery.

FSMDB hires New Loan Officer Arthur Sigrah



Arthur Sigrah

Arthur Sigrah was hired to fill the vacant Loan Officer position at the Kosrae branch office after the departure of Ruben Charley in August 2013. Arthur officially began his employment on November 05, 2013.

Arthur earned a Bachelors of Arts degree in Economics and Political science from the University of Hawaii, Hilo in May 2011. He attended and completed Kosrae High School in 2005.

Prior to joining the bank, Arthur was employed by Kosrae State Legislature as Fiscal/Administrative Officer from May of 2013. Previously, he had served at the Kosrae State Legislature as a Legal aide from November of 2011 until he became the Fiscal/Administrative Officer.

Management warmly welcomed Arthur as he transitioned into his new position and assumes the various assignments at the Branch office. In addition management believes that Arthur will make a good loan officer.

...continued from front page (FSMDB President/CEO elected ADFIP Chairman)

resources to help the association. The ADFIP has been around for 28 years and it needs to be outward looking. To survive change and stay relevant, members should be strong and respected. The organization needs to review the resources and allocate funding to make it a strong stand-alone organization that would be capable of presenting its case to the larger development partners.

The meeting resulted in the adoption of the new ADFIP 5-year Strategic Plan and a declaration for implementation by members.

ADFIP is the focal point for development banking in the Pacific region. Its primary aim is to provide the highest standard of

recognized professional services to its members. It will also anticipate and effectively respond to changes and create opportunities for the future advancement of each DFI. The increased prosperity will enhance the economic development of Pacific Island nations.

Board of Directors holds 4th Quarter regular meeting

The bank's Board of Directors held its 4th Quarter regular meeting at the High Tide Conference room, in Weno, Chuuk November 27-28, 2013.

Among other things, the Board reviewed and approved additional funding for the bank's Home Loan program, three new loans in the tourism sectors and 2014 operational budget.

The meeting was officially adjourned at 4:30 pm, November 28, 2013. Board agreed to have the next board meeting in Guam on January 29-30, 2013.

FSMDB conducts outreach program in Chuuk

FSMDB SVP/COO Ignacio Stephen and Chuuk Branch Manager Masashi Mori conducted an outreach program in Chuuk in November, 2013. In addition to Weno, the team also visited the islands of Tol, Fefan and Uman

The outreach program aims to help the local business owners, farmers, and fishermen understand the services and products being offered by the bank. In addition, the program is not only to proactively disseminate information pertaining to the available services and products of the bank, it also creates an opportunity to hear concerns and issues from the local farmers, fishermen and citizens at the grassroots level.

During the outreach, on the island of Fefan, the well-known island for agriculture in Chuuk, people were happy to learn about the available services offered by the bank for their local produces. However, the team also received comments including discouraged farmers who said to produce good crops but only to see them wasted and not purchased. People from the three islands also mentioned that this is the first time they see employees of the development bank to come out to meet with them in the remote areas. Several applications were received at Chuuk Branch as a result of the outreach activities.

FSMDB President/CEO and CFO attend APAFS 13th Regional Conference



From November 4 to 8, 2013, President/CEO Mendiola and CFO Lawrence attended the the APAFS Fiduciary Essential (FE) Certificate Training program and the 13th Annual Pacific Regional Investment Conference in Manila, Philippines. The participation was part of the continuing education (CE) requirement for the AIF designation, which both President/CEO and CFO have earned. Both will received CE credits for participation.



Participants, APAFS Fiduciary Essential Certificate Training Program

President/CEO also participated in the APAFS Board of Directors meeting. During the board meeting, President/CEO was selected to sit on the APAFS Investment Committee.

FSMDB celebrates Christmas & New Year



On December 13, 2013, FSMDB staff members and their families gathered to celebrate the Christmas and New Year Holidays season at the Ocean view Plaza Restaurant with great food, fun and friends.

President/CEO Mendiola congratulated management and staff members for completing yet another successful year. She also acknowledged and thanked the Chairman and members of

the Board of Directors for their continued support and commitment to ensure good performance for the bank.

In his closing remarks, Mr. John Sohl, the Chairman of the Board expressed on behalf of all the directors appreciations to all staff members and management for their efforts and hard work during the year. He said that the bank would have not achieved another great year of performance without the hardworking staff members and management. Furthermore, he encouraged management and staff to continue the good work and wished that the year 2014 brings more opportunities and success for the bank.



Visit us @ www.fsmdb.fm

ABOUT LOANS

Business Loans:

FSMDB offers business term loans that are fully termed out to at least a year or more with payment schedules set on a weekly, monthly and sometimes quarterly basis. Term loans are the most common type of financing the Bank has had extended since its establishment.

Business Lines of Credit:

FSMDB has made business lines of credit available since 2007. The main intent of this loan facility is to finance the working capital needs of companies that have been operating for at least two years. It's a 1-year loan facility on a revolving basis, with 30 to 120-day maturities depending on the needs of the business.

Consumer Loans:

The FSMDB personal/consumer loan program has been designed to assist FSM citizens with the demonstrated ability to repay loans. A loan can be requested for: purchase of furniture and fixtures, purchase of vehicles, purchase of boats and engines, personal and family purposes, educational expenses, other purposes acceptable to FSMDB. Eligible applicants must be FSM citizens, or residents of five years, permanently employed, have a good credit record, and be at least 18 years of age. The minimum loan amount is \$1,000, and the maximum loan amount is \$30,000.

Housing Loans:

The FSMDB Housing Loan program is aiming to help FSM citizens who demonstrate the ability to pay and to own a decent home. The program aims to help first time home owners, construct new home, or help improvements and other related needs.



FSMDB

Federated States of Micronesia
Development Bank

Your Partner in Business

FSM DEVELOPMENT BANK

VISION

The FSM DEVELOPMENT BANK is a key player in the development of the private sector in the Federated States of Micronesia that enjoys the confidence of the national and state leaders, its customers, regulators and stakeholders. FSMDB services and performance are comparable to the best-managed development financial institutions in the Pacific region.

MISSION

FSM Development Bank actively promotes the growth of micro, small and medium enterprises in the Federated States of Micronesia and supports programs designed to help business achieve greater efficiency in their operations.