



THE FSMDB NEWSLETTER

YOUR PARTNER IN BUSINESS

Monday, March 31, 2014
Volume 3, Issue 1.

FSMDB hosts training for Executives

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.



Participants for the FSMDB-ABC Training for Executives, February 10-14, 2014

FSMDB hosted back-to-back training courses *Executive Decision Making and Trainers Training* from February 10-14, in Kolonia, Pohnpei.

The training was conducted by the President of Asia Business Consultants (ABC), Mr. Orlando Pena who is well known in the region as a distinguished trainer.

The training courses were attended by 21 participants from various organizations

including Bank of FSM, FSMDB, FSM Vital-PetroCorp, Pohnpei Utilities Corporation, Mesenieng Credit Union

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For more info: visit us at www.fsmbd.fm

FSMDB participates in Kosrae State Fair

The FSMDB Kosrae Branch staff supported and participated in the Kosrae State Annual Fair which lasted two days from March 27 to 28, 2014 at Kosrae High School and the Kosrae Gymnasium.

The event was held to promote local productivity, trade and cultural

awareness. One of few annual events that provide such opportunities to bring the locals together to showcase their skills. Locals also displayed talents in local produce from the land and the sea—such as fishing (as shown in the photo above). Other activities displayed ranges from carving of handicrafts, weaving, sewing, cooking and etc., In essence, the event promotes entrepreneurship and mainly the use of local resources, talents and



Kosrae Fishermen and their catches at the Annual State fair, March 27, 2014

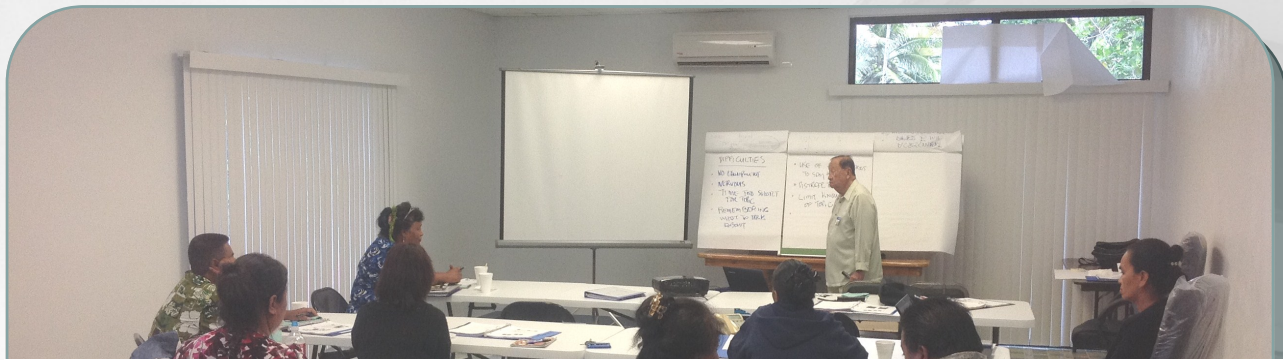
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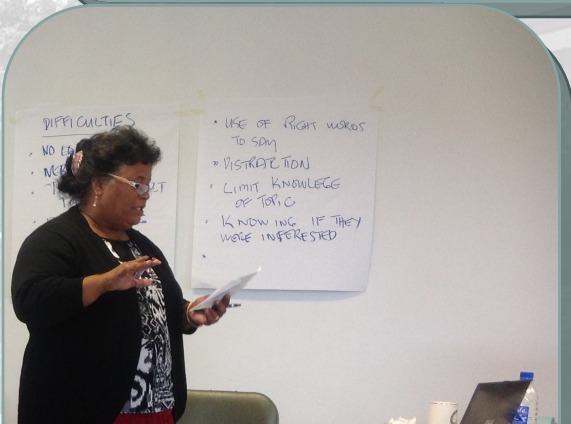
and Social Security Administration.

During the five days, the first course, *Decision Making for Executives* provided the participants with the tools and knowledge to systematically analyze and solve managerial problems. The second course, *Trainers Training* the participants were given practical settings to actually learn and demonstrate how knowledge and skills could be effectively transferred from one manager to subordinate employees.

At the end of the training, participants acknowledged the benefits of coming to the training including increased level of confidence to make managerial decision. One of the hardest job or role of an executive is to make a decision in fear of failure. According to Mr. Peña, the systematic analysis will guide an executive as to not make a wrong decision by establishing the purpose of the decision as the ultimate



Mr. Peña asking questions after a brief discussion.



FSMDB CFO Sihna Lawrence presenting a topic on bank reconciliation.



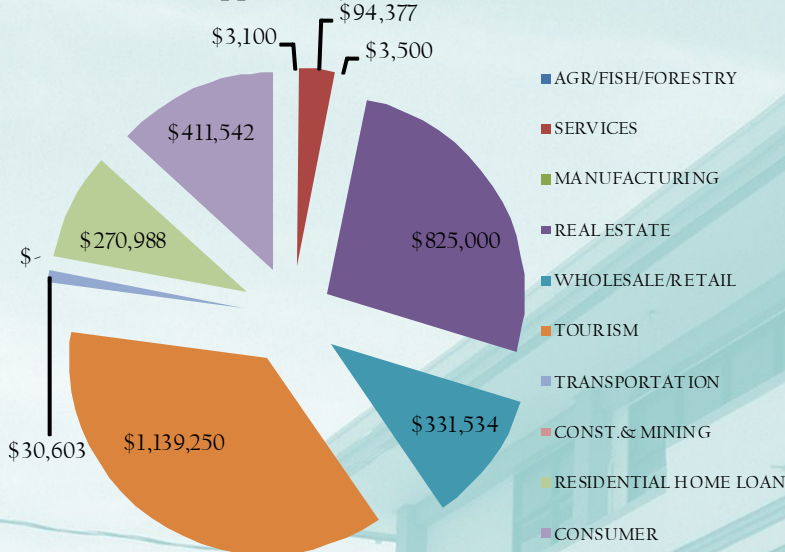
FSMDB Kosrae Branch Manager Andriet Tilfas conducting a sample training on loan application processing.

mate criteria. In its application, the process clearly identifies the needs from the wants and the best balance choice before a decision can be made.

Performance Highlights

As of March 31, 2014, FSMDB has approved and booked 79 new loans for a total of \$3.1 million. The pie graph below shows the total new loans allocated by economic sectors.

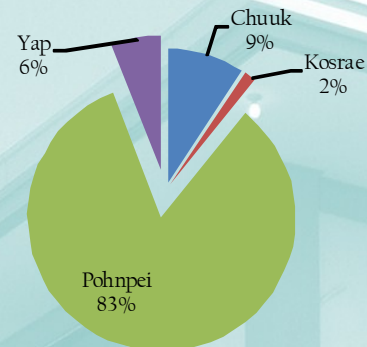
I. Loan Approval by Sectors



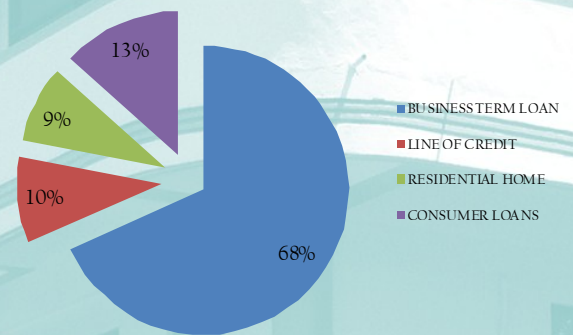
About 37% (\$1.1 million) of the new loans was approved for tourism related projects—one of the priority sectors of the bank. 27% (\$825,000) was approved for Real estate loans.

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

II. Loan Approval by Location



III. Loans by Product Types



By the end of the 1st quarter, 83% of the bank overall new loans or funded projects were located in Pohnpei. 68% of the total new loans were business term loans. A combined dollar value of \$2.6 million and \$2.1 million were for loans located in Pohnpei and business term loans, respectively.

Continue from front page (Kosrae State fair...)

skills for small scale production and trade. It is a great opportunity for the locals to find potential markets for their crops as well as the locally made hand-icrafts. Additionally, since it involves different organizations, including businesses, governments, and the locals, the bank continued to search for poten-tial businesses, which include extending services and products to assisting the local entrepreneurs as a partner especially in the agriculture and fishery sectors. For the locals, such events provide good opportunity to find potential projects from the financial institutions.



Women showcasing their weaving skills and talents at the Kosrae State fair



More showcase of handcrafts and locally made materials at the Kosrae State fair

FSMDB welcomes new staff members



Joyleen Charley joined the bank's Loan Division at the Headquarters in Kolonia as a Loan Officer on April 01, 2014. She previously worked with the Mesenieng Credit Union as a Loan Officer for more than 3 years.

Joyleen completed her studies in Business at the University of Hawaii—Hilo with a Bachelors Degree. She is a

native of Pohnpei.



Zenica Yiftheg joined the Accounting Division as a bookkeeper on April 07, 2014. Previously, Zenica worked at the College of Micronesia-FSM, specifically with the Business Office in Palikir for several years.

Zenica attended the College of Micronesia, FSM in 1998 and graduated

with an AS degree in Business/Accounting. She also completed 3rd year certificate program in Business Administration in 2005.

Management believes that the newly hired staff members have the potential to contribute and help move the bank forward.

FSMDB bids farewell to departing staff members



Dahlia Phillip resigned from her position as Loan clerk on January 10, 2014 after over 16 years with the bank.

She was initially hired as a secretary clerk and later transferred to become the loan clerk at the former Pohnpei Branch office. Management expressed much appreciation for all the positive contributions and wish her the best in her future endeavors.



Lleonor Hulguin had resigned from her position as an Accountant on February 28, 2014 for personal reasons. She was hired in May of 2013 on a two year contract, however, she decided to resign and move back to the Philippines to join her family.

Management would like to thank her for her contribution to the bank.

FSMDB attends IAC-FSM Group Insurance Meeting

On January 29-30, 2014, representatives of the National, Pohnpei and Yap State governments and other organizations of the FSM as members of the FSM Group Life Insurance Board met with IAC to review the loss experience for the insurance program.



As part of the agreement, the parties should meet annually for the duration of the contract to review the programs and negotiate changes if any.

During the meeting, IAC Representative Mr. Scott Dumbauld presented a more than 90% loss ratio of the GLI program for 2013. In addition, IAC claimed to have incurred a loss and proposed an increase of premium from the current premium rate of .45 cent per \$1,000 coverage to .53 cent.

During the meeting, the FSM Group deliberated on the proposal and requested to lower the rate to 0.49 cent. The new rate, if passed will be implemented starting April 1, 2014. The meeting adjourned on January 30, 2014.

Board of Directors holds 1st Quarter regular meeting

The FSMDB Board of Directors held its 1st quarter regular meeting at the FSM Consulate office in Guam on January 28-29, 2014.

Among others, the President/CEO presented her management report as of December 31, 2013 indicating a favorable overall performance of the bank. Pacific Island Development Bank also presented reports on its loan program made for FSM citizens under FSMDB loan. Morgan Stanley Smith Barney presented the investment report to the Board. The Board further reviewed and approved two loans with combined total of \$1.8 million.

The Board meeting was adjourned on January 29, 2014.

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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.