



THE FSMDB NEWSLETTER

YOUR PARTNER IN BUSINESS

Sunday, March 31, 2013
Volume 2, Issue 1.

Board of Directors

John Sohl, Chairman;
Pohnpei State.

Hilary Tacheliol, Vice-
Chairman; Yap State.

Sisinio Willy, member;
Chuuk State.

Gillian Doone, member;
FSM National Government.

Juliet Jimmy, member; FSM
National Government.

Lipar George, member,
Kosrae State Government

Anna Mendiola, member;
Ex-officio.

Inside this issue:

1ST QTR FSMDB BOARD MEETING	1
New Office Space for FSMDB HQ	1
Chat resigns from	2
Sardis resigns from FSMDB, Chuuk	2
Investment Opportunity in Yap	2
Kosrae Branch receives Close-up Students	3
FSMDB Performance at 1st quarter end	3
FSM Group Life insurance effective January '13	4

FSMDB Board meets on January 28-29, 2013

The FSMDB Board of Directors held its 1st Regular meeting on January 28-29, 2013 in Colonia, Yap.

The Board of directors welcomed its newest member Mr. Lipar George to fill the vacant seat on the board representing the State of Kosrae.

The Board reviewed and noted the fiscal year 2013 management operational targets MBO. Other decision made included approval of Legal Counsel's request for assistance to be provided

for internal audits on real property mortgages, approval of write-off of eight (8) loans, six of which were under the PDLF funds.

Attending the meeting were John Sohl, Chairman; Hilary Tacheliol, Vice-Chairman; Sisinio Willy, member; Gillian Doone, member; Juliet Jimmy, member; Lipar George, member and Anna Mendiola, Ex-officio member.

The meeting was successful and covered two days and adjourned as scheduled. The 2nd quarter regular Board meeting is set for May 1-2, 2013 in Colonia, Pohnpei.

New Office space for FSMDB Headquarters

In February of this year, construction began at the Town Plaza Commercial Building, which will become the new office space for FSMDB Headquarters (HQ). This construction project marks an important milestone to relocate the HQ. Board and Management had approved a plan to renovate and move the HQ office to the former Town Plaza Commercial Center, which is now owned by FSMDB.

The new location of the bank will be in the middle of Kolonia, near the Bank of the FSM and Palm Terrace Store.

Pohnpei Island Architect and Construction (PIAC) accepted an offer to provide labor services and assisted FSMDB to complete the renovation project. Among others, the work include remodeling of the 1st floor and 2nd floor of the building and completion of the 3rd floor. The new space will be able to accommodate the entire FSMDB HQ.

The project is expected to complete by end of June, 2013. All FSMDB HQ personnel will be at the new location beginning July, 2013.



Construction of the new FSMDB HQ Office building underway, (debris on the 3rd floor, Board room.)



An abstract view of the FSMDB Headquarters, drawn by Designer and Engineer, Emerciano Canama.

Charito resigns from FSMDB HQ



Charito Soriano

Charito Soriano has rendered her resignation from FSMDB to be effective on May 17, 2013. Management acknowledged her great contributions to the bank and extended a "big thank you"

to her in the management response letter to accept her decision to resign.

Charito, best known as Chat, has been working with the bank since October of 2010 as one of two accountants assisting the CFO at FSMDB. Her contract was recently renewed last October however, seven months into her new 2- year contract, Chat decided to move on.

While Chat awaits her final day to arrive, Management hopes to

bring on board the replacement as soon as possible prior to her departure to provide training session and ensure a smooth transition as she leaves the position to the new accountant.

Chat is scheduled to leave the country and repatriated back to her home country. On behalf of the bank, Management extends much gratitude and appreciations for all her good work and wishes Chat success in her future endeavors.

Sardis resigns from FSMDB Chuuk



Sardis Betwell

Sardis Betwell resigned from his position as Loan Officer at the FSMDB Chuuk

branch on January 31, 2013. In his resignation letter, Sardis de-

"While Sardis permanently left his position at the FSMDB office in Chuuk as a loan officer, he viewed his new job as an extension of the FSMDB services in helping the people of Chuuk"

cided to leave FSMDB to take up yet another challenging position at the Small Business Development Center, in Chuuk.

While Sardis permanently left his position at the FSMDB office in Chuuk as a loan officer, he viewed his new job as

an extension of the FSMDB services in helping the people of Chuuk develop economically. Sardis joined FSMDB on March 23, 1998.

On behalf of the bank, management took the opportunity to extend great thanks to Sardis for all the support and contribution he had provided over the period of his tenure. In addition, management wishes him all the best in his new job.

Investment Opportunities in Yap



SavWay in Colonia, Yap.

The FSM Development Bank offers the following for long term lease and sale of business/

land premises located in the State of Yap:

1. In Balebat Village, a 5 minute drive from Colonia, Yap State. A portion of the store premises formerly known as SavWay Mart and attached pool room, with furnishings, equipment and shelving are available for lease to FSM citizens and non-citizens through January 2033 (see photo above). Total interi-

or space is approximately 1100 square feet.

2. For a sale fee simple ownership to parcel no. 021-E-01, TO-GOGOW NI LAY, situated in Atliw Village, Fanif Municipality, Yap State, as shown on cadastral plat no. 021-E-00. The parcel contains an approximate area of 517 square meters, and is adjacent to the public road and has access to the ocean at the rear of the parcel.
3. For lease private hotel and restaurant/bar business in Colonia, Yap State, Federated States of

Kosrae Branch office visited by Close-up

On March 20, 2013, FSMDB Kosrae branch received a group of students participating in the local close-up program. The theme this year was "Decrement and changes in Compact funding".

While the close-up program's primary purpose is to provide an on-the site observation of government operations and experience to selected high school students from all over the FSM, the visit to the FSMDB office afforded a chance for the staff to interact with the

students. According to a communication received from Director of Kosrae State

program.



Department of Education, the visit was coordinated well and further acknowledged efforts by FSMDB staff in supporting the

The FSMDB Kosrae branch staff members provided session for questions and answers for the students on the various services provided by the bank. Not only that the students realized the important role the bank plays in the economic development of the nation, it broadens the students understanding of the bank. In fact, some of the students have expressed interests in the field to contribute to the future development of the private sector.

...continue from previous page...Investment opportunities

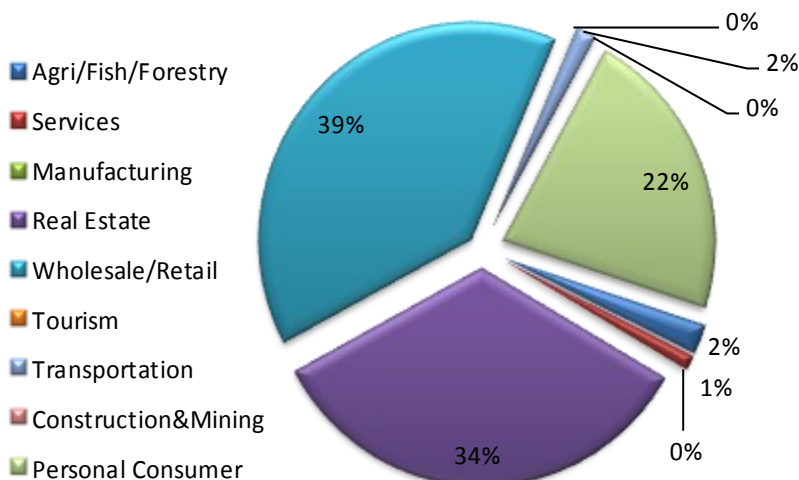
Micronesia. The business includes 9 eco-bungalows built from traditional materials, set on the hillside overlooking Chamorro Lagoon, and a restaurant/bar that has been in operation since 1991. Scuba diving and fishing are prime watersports that may be enjoyed around Yap Island. The hotel is minutes away from Yap Airport.

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A glance at the Bank performance at the end of first quarter.

At the end of the 1st quarter, FSMDB has approved and booked 51 new loans for a total of \$1.4 m. Of that total, \$827,819 (61%) was approved for business term loans. About \$731,771 (88%) of the business term loans went to projects in Pohnpei. In terms of sectors, about \$531,500 (39%) of new loans was approved for wholesale/retail business sector. The pie chart below shows the sector distribution for all the FSM states:

LOAN APPROVALS OF MARCH 2013



Revised FSM GLI begins January 01, 2013

With the efforts of the Micronesian Executive Insurance Board (MIEB), the renewed FSM Group Life insurance program became effective on January 1, 2013. The MEIB has signed a 3-year contract with the Individual Assurance Company (IAC) to provide life insurance coverage services for eligible employees and their dependents of the FSM Group, which FSM Development Bank is a member. The following is a summary of the revised GLI program:

1. Basic life insurance

- ⇒ provides insurance benefits for active employees only based on annual salary and employer elected plan. For example, FSMDB elected 4 times employees salary. The premium rate remain at .45 ¢ per \$1,000 coverage. Minimum benefit of \$5,000 and maximum of \$100,000. Benefits will be reduced by 25%, 50% and 75% at age 65, 70 and 75, respectively.
- ⇒ Accidental death benefit is included at no additional premium and payable in addition to basic life benefit.
- ⇒ Waiver of premium benefit included if age less than 60 at the onset of total and permanent disability and meeting other requirements.

2. Optional Benefits for active employees include:

- ⇒ **Dependent's term life insurance rider**, which provides coverage for spouse and children 15 days through 18 years of age (up to 24 if full-time students). The plan provides three options at different premium and benefits as shown in the following table:

<i>Dependent's Term Life Insurance Rider</i>	<i>Option A</i>	<i>Option B</i>	<i>Option C</i>
<i>Biweekly premium</i>	<i>\$9.75</i>	<i>\$6.45</i>	<i>\$6.50</i>
<i>Spouse coverage</i>	<i>\$10,000</i>	<i>\$10,000</i>	<i>None</i>
<i>Children coverage</i>	<i>\$3,000</i>	<i>None</i>	<i>\$3,000</i>

- ⇒ **Supplemental Group life insurance plan** which is now called Death Graded Benefit (DGB) plan. The DGB plan allows eligible employees to enroll for additional coverage beyond the basic life. The plan provides a flat premium of four options but benefits decline as the insured person ages. Eligibility depends on two health questions provided in the application forms to be answered.

Biweekly Premiums				
Age	\$ 10	\$ 15	\$20	\$25
< 30	\$60,000	\$90,000	\$120,000	\$150,000
31-40	\$45,000	\$67,500	\$90,000	\$112,500
41-50	\$30,000	\$45,000	\$60,000	\$75,000
51-60	\$15,000	\$22,000	\$30,000	\$37,500
61-69	\$10,000	\$12,500	\$15,000	\$20,000

For more information, see the *Human Resources & Facilities Manager* for a complete and detail description of the entire program.

FSMDB Location & Information



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FSMDB

Federated States of Micronesia
Development Bank

Your Partner in Business

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 Federates States of Micronesia and supports programs designed to help business achieve greater efficiency in their operations.

FSMDB LENDING PROGRAMS

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.