



Development Bank of American Samoa

FY2024-2030 Strategic Plan



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Executive Summary



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This plan addresses DBAS (Development Bank of American Samoa)' fundamental problem, which is its lack of sustainability. The primary benefit of this plan is that it can be implemented in DBAS' current financial position and does not require a large infusion of funds to come into fruition. DBAS will have to look inward for new sources of funding in this new economic climate as it cannot rely on either the Federal or the Territorial governments going forward. This plan will ensure that DBAS remains a vital, independent organization and helps create, within the Territory, the business environment that can more readily generate new economic opportunities.

This strategic plan is not intended to be an all-encompassing remedy for the problems facing DBAS. It is a continuation of the 2010 plan and will, itself, need to be revisited within two years' time. The costs of implementing this plan are not significant. Successful implementation will require outlays in time and effort from not just the plan's champions, but those they manage as well. The financial burden, however, is minimal and any expenditure(s) should provide a return on DBAS' investment. The benefits, on the other hand, are potentially limitless. A healthier and more proactive DBAS could lead the American Samoa business community on to the kind of success that reaches all the residents of the Territory.

As outlined in the plan, DBAS will continue its success in bringing affordable housing to the Territory, expand its role in cultivating new businesses, and undertake measures to ensure its own sustainability, all the while becoming more operationally efficient and transparent.

Vision:

The Development Bank of American Samoa's (DBAS) current vision is, *"Be the best community bank in the Pacific serving the underserved in American Samoa while becoming sustainable and self-sufficient."* DBAS holds itself accountable to ensure that this vision is met.

Context:

The next few years will be an uncertain period in the territory of American Samoa. DBAS can exert its influence in the community to help the Territory choose the path that will provide the greatest benefit for all the residents of the Territory. DBAS can and should continue the excellent work it has done in promotion of residential development in the territory while continuing to influence the economic development opportunities in the Territory.



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Role and Program Services:

The Development Bank of American Samoa is, and will continue to be, the “lender of the last resort” for the people of the Territory. This role should be expanded only as far as the result is the increased ability to provide funding to the underserved in the territory. Being the only other financial institution in the territory, DBAS remains the provider of affordable home loans in the territory.

Specifically, DBAS:

- ❖ Will continue Federal housing lending programs such as VA, HUD (Housing & Urban Development), DBAS MALP (Maota Affordable Loan Program) and USDA housing rehabilitations to help the maximum number of people in the territory.
- ❖ Will seek ways to increase its Direct Lending Programs to both stimulate economic development and provide sustainability for DBAS model.
- ❖ Will seek alternative income streams allowable under DBAS charter and within its realm of competence. These could include property development, property management and venture capitalism.

Furthermore, DBAS:

- ❖ Will continue to secure further funding to help alleviate the need for affordable housing.
- ❖ Will continue to secure grant funding for very low and low income for the special needs community that includes elderly and veterans.
- ❖ Will continue community service programs and examine benefits a non-profit partner would provide to the community.

In summary, DBAS will need to continue the programs that have made it the institution it is today, but also expand its breadth of operations to better perform its mission and realize its vision.

Funding Sources:

While government grants and operation profit will still be a significant source of funding for DBAS, it has expanded to seek additional revenue streams as allowable under the charter. DBAS was able to secure funding from American Rescue Plan Act under the American Samoa Government, USDA housing preservations grant, USDA rural business development grant, and Office of Interior Insular Affairs Technical Assistance grants to help sustain operation funding. These new sources of income serve the dual purpose of contributing to the economic development of the Territory and moving DBAS toward a more economically sustainable model, which is less subject to the uncertainty of the availability of grants.



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Mission:

DBAS Mission is “to serve the economic and development needs of the community of American Samoa through affordable financial services and strategic investment. Strategic investment allows DBAS to pursue ventures allowable under the charter that will provide DBAS with both assistance in the service portion of its mission and sustainability overall.

Customers

DBAS exists to serve the people of the Territory of American Samoa. Customers can be divided into primary and supporting customers. The primary customers, the customers whose lives DBAS wants to impact the most are the underserved of American Samoa, both personal and commercial; those customers who typically have no other lending options. The identification of the primary customer helps DBAS with its priorities and gives a reference point for important decisions. The supporting customers are those individuals or organizations who must be satisfied with DBAS to succeed in its mission. These include Federal Agencies such as the United States Department of Agriculture, The United States Economic Development Administration, and the United States Department of Interior. Territorial organizations such as the American Samoa Government, American Samoa Community College, and the American Samoa Visitors Bureau in addition to civic organizations such as the American Samoa Chamber of Commerce and numerous private and non-customer businesses and their leaders are important to DBAS as well. However, DBAS is willing to assist any customers that come by its doors.

SWOT ANALYSIS

This SWOT analysis highlights internal strengths and weaknesses of Development Bank of American Samoa and potential opportunities and threats in the external environment. By capitalizing on strengths and opportunities, addressing weaknesses, and mitigate threats by developing a strategic plan for sustainability and success.

Strengths

- ❖ Capable management team with forward looking vision.
- ❖ The accuracy of its financial reporting.
- ❖ The ability of the employees to work together as a team.
- ❖ DBAS’ ability to relate to the community.
- ❖ DBAS capability to provide low-cost loans to those most underserved in the community, the bank’s core competence, and the most fundamental portion of its mission.
- ❖ Active monitoring of loan funding and project disbursements.



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- ❖ Upgraded network software that allows employees to work efficiently in carrying out different programs available for the community.
- ❖ Low interest rates for home and business loans.

Weaknesses

- ❖ Limited resources for funding.
- ❖ Lack of support from local government by duplicating services already provided by DBAS.
- ❖ Lack of software to centralize organization management and core business processes to minimize manual inputting and human error.

Opportunities

- ❖ Portfolio diversification, which would assist in building a sustainable economic infrastructure through direct investment or loans made under new loan product offerings.
- ❖ Availability of small loans for businesses for farming, fishing, and seasonal markets.
- ❖ Increase grant funding opportunities freeing up DBAS funds to be used in other development areas.
- ❖ Increased cooperation with outside agencies, both governmental and non-governmental. The US Department of Agriculture, The US Department of Interior, Federal Home Loan Bank of Des Moines, Housing Urban Development, and American Rescue Plan Act American Samoa Government Office collaboration continues for possibility of more funding.
- ❖ Re-establish a relationship with American Samoa Community College through potential work-study program through which DBAS could have the opportunity to develop and cultivate “on island” talent in American Samoa. The partnership could assist in training staff and educating customers and potential customers through financial education workshops.
- ❖ Marketing and advertising opportunities that effectively communicate to the community the product offerings of DBAS.

Threats

- ❖ Past reputation of DBAS.
- ❖ Political influence in the territory
- ❖ The loss of the remaining tuna cannery if no substitute industry materializes.
- ❖ The possibility of a reduction in the amount of federal and local government funding caused by future austerity measures.
- ❖ Duplication of services with the only other financial institution TBAS.



Strategic Direction

Based on DBAS' vision, mission, the needs of the primary customer and the SWOT analysis, DBAS will need to continue the positive development it has undertaken. DBAS will also need to escalate the exploration of new ways of doing business so that it can ensure the satisfaction of its vision and mission. The 4 main points of the Strategic Direction are briefly outlined below, and each will be dealt with more thoroughly in the two subsequent sections entitled Goal Areas and Strategic Action Plan Focus.

- ❖ Given the uncertainties in both Federal and ASG funding, DBAS must start moving towards internal sustainability and less reliance on grant funds as a source of capitalization. This movement will help DBAS towards its vision. While it is recognized that complete sustainability for the Bank is unfeasible within the limited time range of this plan, this ideal should remain a goal.
- ❖ DBAS, as an arm of the ASG, needs to continue its ongoing mission to assist in the housing needs of the underserved in the Territory. This mission has long been a primary purpose of the DBAS and will continue to be if there is a noticeable gap between the housing lending needs of the community and the supply provided by the market.
- ❖ DBAS, as an arm of the ASG, but also as an extension of the tax-paying businesses and residents of the Territory, needs to increase its presence and leadership in local business development. This expanded presence will become increasingly important as the Territory searches for a new defining "face" for its economy.
- ❖ DBAS will continue its trend of the last 5 years of increasing its transparency and operational efficiency to fulfill the above three directives more easily.

Goal Areas/Action Plan

To pursue the strategic direction above, DBAS will complete the following goals and objectives. The goals and objectives outlined below are grouped according to their corresponding strategic direction points, but to avoid redundancy, have been assigned the point most applicable.

1. Sustainability (Goal: Become Sustainable through Operations)

- ❖ Initiative: Seek new opportunities to strengthen DBAS' Financial Position (Finance Manager and Research & Grants Team)
- ❖ Establish collaboration with a non-profit partner, such as a community organization or credit union, able to assist in the DBAS' mission. (President's Office)
- ❖ Investigate the feasibility of revenue-providing investment opportunities for DBAS. (Research & Grants Team)



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- ❖ Initiative: Increase the health of the DBAS' loan portfolio. (Loans Manager and Staff)
- ❖ Perform a review of current underwriting guidelines. (President & Executive Assistant)
- ❖ Clean the balance sheet by reducing delinquent accounts. (Collections & Loans Recovery Manager and staff)
- ❖ Increase interest income on cash portfolio. (Loans Manager & staff)
- ❖ Increase compliance with both internal guidelines and other governmental entities' guidelines. (President & Executive Assistant)

2. Housing needs (Goal: Fulfill the territory's housing needs).

- ❖ Initiative: Increase the service level of DBAS' housing programs (Loans Manager & Staff)
- ❖ Implement online payments, electronic statements, and online loan applications for personal customers. (Finance Manager & Staff)
- ❖ Conduct cost/benefit analysis of the use of tradesmen vs. contractors for construction projects. (Building Inspections Manager & Staff)
- ❖ Strengthen relationships with other governmental agencies. (President & Executive Assistant)
- ❖ Increase the value of grants received by DBAS. (Research & Grants Team)
- ❖ Execute more partnerships with non-profit organizations and investors. (President & Executive Assistant)

3. Business/Economic Development (Goal: Fulfill the Territory's business needs)

- ❖ Investigate the feasibility of additional areas for commercial lending and actively seek potential customers for those areas. (Loans Manager & Staff)
- ❖ Establish bimonthly meetings with other agencies to promote a mutually beneficial relationship and increase small business customers. (Executive Assistant)
- ❖ Conduct a small business mixers inviting small business community to participate and hear their opinions on their needs to promote small business in American Samoa. (Loans Manager & staff)
- ❖ Business loans are available here at the bank. (Loans Manager & Staff).

Implementation and Monitoring

DBAS holds itself to a high standard and aims to achieve the strategic planning laid out for the next six years. DBAS continues to serve American Samoa community and diligently strive to develop innovative programs under local or federal funding to further assist the people of American Samoa to address their economic, social, and financial needs. DBAS looks forward to serving Tutuila and Manu'a community with deeper commitment to implementing effective



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programs and providing efficient and equitable services in partnership with the private sector and other ASG agencies.