



**TWENTY SECOND ANNUAL REPORT**

**OF THE**

**DIRECTOR OF BANKING**

**FOR CALENDAR YEAR**

**ENDING DECEMBER 31, 2009**

**Prepared by the Banking and Insurance Staff  
Economic Development Division  
DEPARTMENT OF COMMERCE**

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The Honorable Benigno R. Fitial  
and  
The Honorable Members of the Legislature

I am pleased to present the 2009 Annual Report of the Director of Banking as required by 4 CMC Division 6 Section 6116.


This report contains 2009 balance sheets of all licensed banks, quarterly reports of banks, remittance companies and currency exchange dealers, and a directory of all of the Banking Section's licensees.

As we have mentioned in prior reports, the CNMI's Banking Code needs to be updated since it has remained relatively unchanged since 1992. We continue to appeal to the Legislature for their support in helping the department draft a comprehensive banking bill. To ensure a truly comprehensive legislation is drafted, we recommend acquiring the services of a financial regulation expert. The continuing decline in resources has made it ever more difficult to accomplish this task. We are hopeful that we will soon be able to source the funds required to fulfill this very important task.

Likewise, we aim to see the enactment of laws that allow for stricter licensing and regulation of money transmitters and currency exchangers to ensure consistency and compliance with the Bank Secrecy Act.

As a final note, in order to properly carry out the duties and responsibilities of the office as mandated by statute, the Department continues to request for the necessary funding to hire and retain qualified examiners. The Office of the Director of Banking has yet to have adequate staffing to fully carry out the mandates of the banking code.

Sincerely,

  
SIXTO K. IGISOMAR  
Acting Secretary of Commerce /  
Acting Director of Banking

2009 DIRECTORY OF FINANCIAL INSTITUTIONS

**BANKS**

**1. Bank of Guam**

Saipan Branch  
P.O. Box 500678  
Saipan, MP 96950

VP/CNMI Regional Manager  
Telephone  
Location

Ms. Marcie Tomokane  
236-2700  
San Jose, Garapan, Afetnas  
Songsong (Rota), San Jose (Tinian)

Insurance  
Commencement  
Auditor

FDIC  
1980  
Deloitte Touche Tohmatsu

**2. Bank of Hawaii**

Saipan Branch  
P.O. Box 500566  
Saipan, MP 96950

Vice President/District Manager  
Telephone  
Location

Mr. Jon Sheather  
322-4200  
Garapan, Chalan Kanoa

Insurance  
Commencement  
Auditor

FDIC  
1968  
Ernst & Young

**3. Bank Pacific, Ltd.**

Saipan Branch  
P.O. Box 503201  
Saipan, MP 96950

Branch Manager  
Telephone  
Location

Mr. Fred F. Camacho  
233-4752  
Garapan

Insurance  
Commencement  
Auditor

FDIC  
1990  
Deloitte Touche Tohmatsu

**4. Bank of Saipan**  
P.O. Box 500690  
Saipan, MP 96950

President/CEO  
Telephone  
Location

Mr. Jon Bargfrede  
235-6260  
Garapan, Chalan Kanoa  
San Jose (Tinian), Songsong (Rota)

Insurance  
Commencement  
Auditor

Uninsured  
1981  
Grant Thornton LLP

**5. City Trust Bank**  
P.O. Box 501867  
Saipan, MP 96950

AVP/Acting Manager  
Telephone  
Location

Ms. Maria Lourdes Johnson  
235-7701/4 235-7903/5  
Gualo Rai, Afetnas

Insurance  
Commencement  
Auditor

Uninsured  
1981  
Lourdes S. Tiongson, CPA

**6. First Hawaiian Bank**  
Saipan Branch  
P.O. Box 500625  
Saipan, MP 96950

VP/ Saipan Area Manager  
Telephone  
Location

Juan SN. Lizama  
235-3090/234-6559  
Gualo Rai, Oleai

Insurance  
Commencement  
Auditor

FDIC  
1996  
Price Waterhouse Coopers

**DEPOSIT AND LOAN TRENDS OF LICENSED CNMI FINANCIAL INSTITUTIONS  
SINCE 1985  
(IN MILLIONS)**

<u>Year</u>	<u>Number of Banks in Operation</u>	<u>Amount of Deposits</u>	<u>Increase/ (Decrease) in Deposits</u>	<u>Amount of Loans</u>	<u>Increase/ (Decrease) in Loans</u>
1985	7	112.5		59.9	
1986	7	124.3	12	65.1	5
1987	7	161.4	37	78.2	13
1988	7	223.1	62	88.0	10
1989	7	326.8	104	106.6	19
1990	7	473.0	146	121.5	15
1991	7	480.4	7	147.7	26
1992	7	429.5	(51)	160.6	13
1993	7	386.1	(43)	186.7	26
1994	7	411.2	25	200.2	14
1995	7	425.2	14	216.3	16
1996	8	463.0	38	280.2	64
1997	9	481.0	18	279.9	(0)
1998	9	522.8	42	304.7	25
1999	8	570.4	48	288.4	(16)
2000	8	595.7	25	325.0	37
2001	7	599.8	4	276.2	(49)
2002	6	549.3	(51)	253.1	(23)
2003	6	553.7	4	212.0	(41)
2004	6	559.7	6	203.8	(8)
2005	6	523.7	(36)	193.8	(10)
2006	6	518.1	(6)	180.8	(13)
2007	6	531.2	13	161.6	(19)
2008	6	450.6	(81)	141.2	(20)
2009	6	445.4	(5)	127.7	(14)

**CONSOLIDATED FIGURES OF RETAIL BANKS**  
**FROM 2000 TO 2009**  
**(IN MILLIONS)**

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
<b>DEPOSITS</b>										
Demand	144.0	146.6	133.2	157.8	177.6	178.3	143.0	156.8	135.6	144.4
Regular Savings	176.2	195.6	223.4	217.1	224.9	175.4	159.8	143.2	117.9	151.8
Time Certificates of Deposit	275.5	257.7	192.4	178.8	157.2	169.7	215.1	231.1	197.1	149.2
<b>TOTAL</b>	<b>595.7</b>	<b>599.8</b>	<b>549.0</b>	<b>553.7</b>	<b>559.7</b>	<b>523.4</b>	<b>517.9</b>	<b>531.1</b>	<b>450.6</b>	<b>445.4</b>
<b>LOANS</b>										
Consumer	70.8	75.8	60.9	67.2	82.7	81.6	74.1	65.3	56.1	50
Commercial	209.6	119.4	126.4	45.7	75.3	65.0	60.8	54.0	39.5	36.5
Real Estate	41.9	46.6	65.8	99.1	45.8	47.3	45.9	42.3	45.6	41.2
Non-Local										
Government Agencies	2.8	2.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
<b>TOTAL</b>	<b>325.0</b>	<b>244.6</b>	<b>253.1</b>	<b>212.0</b>	<b>203.8</b>	<b>193.9</b>	<b>180.8</b>	<b>161.6</b>	<b>141.2</b>	<b>127.7</b>
Loan to Deposit Ratio	54.6%	40.8%	46.1%	38.3%	36.4%	37.0%	34.9%	30.4%	31.3%	28.7%
Interest paid on all deposit accounts	18.6	13.9	6.6	4.2	3.0	5.0	8.2	10.6	6.0	3.7
Interest received from loans	25.7	21.2	16.8	15.1	13.6	14.4	14.5	13.6	10.5	7.2

Note: Based on quarterly reports submitted to the Director of Banking.

**CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION OF ALL BANKS**  
**COMPARISON FROM 2000 - 2009**  
(IN THOUSANDS)

ASSETS	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Cash & cash items in process of collection	17,946	12,075	8,552	8,932	8,108	11,099	11,303	10,102	8,696	9,242
Securities:										
a) U.S. Treasury	5,240	8,510	1,989	6,234	5,606	4,960	3,626	2,495	955	1,019
b) U.S. Government Agencies	-	-	106	1,239	448	492	291	490	1,448	1,132
c) Other	2,270	106	106	7,468	8,948	6,232	4,716	6,774	4,994	6,204
Balances with other banks	11,197	14,916	10,619							
Loans										
a) Government	2,769	2,883								
b) Commercial	209,570	119,355	126,391	99,049	75,281	64,972	60,801	53,972	45,643	41,166
c) Consumer	70,790	75,815	60,864	67,197	82,699	81,540	74,075	65,616	56,286	50,253
d) Real Estate	41,903	46,591	65,848	45,743	45,781	47,328	45,922	42,334	39,547	36,476
e) Other	-	-	-	-	-	-	-	(313)	(227)	(216)
Premises and Equipment	8,037	7,369	5,895	5,310	4,815	4,417	4,949	4,690	4,425	4,163
Due from banks: Head Office or Branch	299,603	331,054	324,820	334,850	349,320	314,646	319,769	354,190	299,044	305,726
Other	-	-	-	-	-	-	-	-	-	-
Other Real Estate Owned	410	320	544	296	248	299	127	219	175	179
Provision for losses/unearned income	(4,761)	(4,238)	(7,800)	(5,744)	(4,728)	(3,560)	(3,197)	(2,684)	(2,585)	(2,617)
Other Assets	7,640	6,087	9,904	6,206	5,707	5,625	5,320	3,787	4,352	3,713
Total Assets	672,459	620,843	607,732	576,780	582,233	538,050	527,702	541,672	462,753	456,460
Interest received from borrowers	25,652	21,222	16,755	15,110	13,565	14,446	14,516	13,640	10,593	7,208
LIABILITIES AND CAPITAL										
Deposits:										
a) Demand deposits--Gov't. & Agencies	18,316	13,528	15,870	15,201	21,861	15,386	18,092	26,660	19,534	20,093
b) Other	125,634	133,069	117,332	142,560	155,704	162,893	125,013	130,048	115,993	124,291
c) Regular savings--Gov't. & Agencies	33,292	18,529	23,428	20,632	34,353	35,196	45,199	32,844	13,460	13,616
d) Other	142,909	177,033	200,335	196,493	190,581	140,181	114,584	110,405	104,398	138,232
e) TCD--Gov't. & Agencies	57,237	59,268	60,500	54,665	34,868	39,375	34,709	37,392	49,508	35,390
f) Other	218,272	198,395	131,853	124,111	122,337	130,302	180,429	193,709	147,676	113,766
Cashier's checks, BEC & PMO					427	334	104	140	32	31
Due to other banks: Head Office or Branch	8,016	8,040	48,532	18,573	13,918	5,154			2,817	1,756
Other	-	-	-	-	-	-	-	-	-	-
Liabilities on acceptances executed	-	-	-	-	-	-	-	-	-	-
Accrued interest payable & other liabilities	5,213	5,000	5,336	2,413	1,371	2,623	3,290	3,687	2,464	2,108
CAPITAL										
Capital stock	2,488	2,488	2,530	4,535	5,935	5,886	5,886	5,886	5,889	5,889
Treasury Stock		(3,044)	(2,556)	(2,556)	(2,556)	(2,556)	(2,556)	(2,556)	(2,556)	(2,556)
Capital surplus	6,573	7,107	5,750	5,273	5,223	5,272	4,846	4,867	4,885	4,913
Undivided profits	2,734	1,430	(1,178)	(5,120)	(1,789)	(1,996)	(1,894)	(1,410)	(1,347)	(1,069)
Total capital	11,795	7,981	4,546	2,132	6,813	6,606	6,282	6,787	6,871	7,177
Total Liabilities and Capital	620,684	620,843	607,732	576,780	582,233	538,050	527,702	541,672	462,753	456,460
Convertible subordinated debis	-	-	-	-	-	-	-	-	-	-
Interest paid to depositors	18,579	13,874	6,600	4,187	3,023	4,660	8,156	10,624	6,075	3,732



2009 QUARTERLY REPORTS OF BANKS (IN THOUSANDS)				
	1ST QTR	2ND QTR	3RD QTR	4TH QTR
<b>Deposits</b>				
Demand--Gov't & Agencies	21,897	19,888	16,293	20,124
Demand--Private	113,087	111,904	114,348	124,291
Total demand	134,984	131,792	130,641	144,415
<b>Savings</b>				
Savings--Gov't & Agencies	10,970	12,519	14,343	13,616
Savings--Private	118,129	126,882	133,889	138,232
Total savings	129,099	139,401	148,232	151,848
<b>TCDs</b>				
TCD--Gov't & Agencies	52,843	68,209	55,730	35,390
TCD--Private	133,307	128,339	126,517	113,766
Total TCDs	186,150	196,548	182,247	149,156
Total Deposits	450,233	467,741	461,120	445,419
<b>Loans</b>				
Government		-	-	
Consumer	53,770	51,934	50,292	50,037
Real Estate	38,584	37,987	36,694	36,476
Commercial	44,064	44,116	42,077	41,186
Total Loans	136,418	134,037	129,063	127,699
Loan to deposit ratio	30.3%	28.7%	28.0%	28.7%
Interest income	2,740	4,261	6,618	7,208
Interest expense	1,285	1,938	3,064	3,732
<b>TOTAL ASSETS</b>	<b>462,678</b>	<b>480,407</b>	<b>473,004</b>	<b>456,460</b>

**CONSOLIDATED REPORTS OF CONDITION  
STATE BANK BRANCHES DOING BUSINESS IN THE CNMI  
IN THOUSANDS**

	2009	2008	2007	2006	2005
<b>ASSETS</b>					
Cash and due from banks	6,727	7,107	7,769	9,194	9,059
Loans					
a) Commercial	35,206	39,574	43,287	47,778	47,430
b) Consumer	40,051	46,087	55,595	65,306	73,168
c) Real Estate	36,379	39,439	42,205	45,726	46,661
d) Government					
e) Other					
Total Loans	111,636	125,100	141,087	158,810	167,259
Premises and equipment	3,819	4,135	4,327	4,545	4,164
Due from Head Office	305,726	299,044	354,190	319,769	314,646
Provision for loan losses/Unearned discount	(668)	(699)	(610)	(653)	(480)
Other assets	2,109	2,491	2,641	4,241	4,557
Total Assets	429,349	437,178	509,404	495,906	499,205
<b>LIABILITIES</b>					
Deposits					
Demand - Gov't. & Agencies	20,093	19,534	26,643	18,058	15,361
Demand - Other	119,047	111,175	124,254	120,193	157,793
Savings - Gov't. & Agencies	10,067	10,137	27,045	35,941	22,903
Savings - Other	133,532	99,881	104,368	109,424	133,897
TCD - Gov't. & Agencies	35,390	49,508	37,392	34,709	39,375
TCD - Other	107,666	142,129	186,729	174,672	124,912
Total Deposits	425,795	432,364	506,431	492,997	494,241
Due to other Head Office/other banks	1,756	2,817			2,542
Accrued interest payable & other liabilities	1,582	1,846	2,759	2,647	2,046
Capital Stock					
Capital Surplus					
Undivided profits	216	151	214	262	376
Total Liabilities & Stockholder's Equity	429,349	437,178	509,404	495,906	499,205
Interest received from borrowers	6,397	9,762	12,613	13,499	12,802
Interest paid to depositors	3,565	5,926	10,448	7,969	4,515