



TWENTY THIRD ANNUAL REPORT

OF THE

DIRECTOR OF BANKING

FOR CALENDAR YEAR

ENDING DECEMBER 31, 2010

**Prepared by the Banking Staff
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 2010 Annual Report of the Director of Banking as required by 4 CMC Division 6 Section 6116.

This report contains 2010 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
Director of Banking/
Secretary of Commerce /

2010 DIRECTORY OF FINANCIAL INSTITUTIONS

BANK

1. Bank of Guam

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

VP/CNMI Regional Manager
Telephone
Location

Email: marci.tomokane@bankofguam.com

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

Senior Vice President &
Deputy Division Manager
Telephone
Location
Email: john.sheather@boh.com

Mr. John 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

VP/Senior CNMI Officer
Telephone
Location
Email: fredc@bankpacific.com

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

Email: jon.bargfrede@bankofsaipan.com

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

Email: citytrustbank@ctbsaipan.com

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
Email: jlizama@fhb.com

Mr. 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	244.6	(80)
2002	6	549.0	(51)	253.1	9
2003	6	553.7	5	212.0	(41)
2004	6	559.7	6	203.8	(8)
2005	6	523.4	(36)	193.9	(10)
2006	6	517.9	(6)	180.8	(13)
2007	6	531.1	13	161.6	(19)
2008	6	450.6	(81)	141.2	(20)
2009	6	445.4	(5)	127.7	(14)
2010	6	454.5	9	117.0	(11)

**CONSOLIDATED FIGURES OF RETAIL BANKS
FROM 2001 TO 2010
(IN MILLIONS)**

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
DEPOSITS										
Demand	146.6	133.2	157.8	177.6	178.3	143.0	156.8	135.6	144.4	174.1
Regular Savings	195.6	223.4	217.1	224.9	175.4	159.8	143.2	117.9	151.8	157.2
Time Certificates of Deposit	257.7	192.4	178.8	157.2	169.7	215.1	231.1	197.1	149.2	123.2
TOTAL	599.8	549.0	553.7	559.7	523.4	517.9	531.1	450.6	445.4	454.5
LOANS										
Consumer	75.8	60.9	67.2	82.7	81.6	74.1	65.3	56.1	50.0	44.0
Commercial	119.4	126.4	45.7	75.3	65.0	60.8	54.0	39.5	36.5	40.0
Real Estate	46.6	65.8	99.1	45.8	47.3	45.9	42.3	45.6	41.2	33.0
Non-Local										
Government Agencies	2.9	0.0	0.0	0.0	0.0	0.0	0.0			
TOTAL	244.6	253.1	212.0	203.8	193.9	180.8	161.6	141.2	127.7	117.0
Loan to Deposit Ratio	40.8%	46.1%	38.3%	36.4%	37.0%	34.9%	30.4%	31.3%	28.7%	25.7%
Interest paid on all deposit accounts	9.7	5.6	3.9	2.8	4.5	8.0	10.4	6.0	3.6	2.1
Interest received from loans	13.6	12.0	12.1	11.7	12.8	13.5	12.6	9.8	6.4	7.2

**CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION OF ALL BANKS
COMPARISON FROM 2001 - 2010
(IN THOUSANDS)**

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
ASSETS										
Cash & cash items in process of collection	12,075	8,552	8,932	8,108	11,099	11,303	10,102	8,656	9,242	7,680
Securities:										
a) U.S. Treasury	8,510	1,989	6,234	5,606	4,960	3,626	2,495	955	1,019	1,392
b) U.S. Government Agencies	-	-	-	-	-	-	-	-	-	-
c) Other	106	106	1,239	448	492	291	490	1,448	1,132	-
Balances with other banks	14,916	10,619	7,468	8,948	6,232	4,716	6,774	4,994	6,204	5,992
Loans										
a) Government	2,883									
b) Commercial	119,355	126,391	99,049	75,281	64,972	60,801	53,972	45,643	41,186	40,037
c) Consumer	75,815	60,864	67,197	82,699	81,540	74,075	65,616	56,286	50,253	48,399
d) Real Estate	46,591	65,848	45,743	45,781	47,328	45,922	42,334	39,547	36,476	32,974
e) Other	-	-	-	-	-	-	(313)	(227)	(216)	(4,384)
Premises and Equipment	7,369	5,895	5,310	4,815	4,417	4,949	4,690	4,425	4,163	3,742
Due from banks: Head Office or Branch	331,054	324,820	334,850	349,320	314,646	319,769	354,190	299,044	305,726	323,826
Other	-	-	-	-	-	-	-	-	-	-
Other Real Estate Owned	320	544	296	248	299	127	219	175	179	162
Provision for losses/unearned income	(4,238)	(7,800)	(5,744)	(4,728)	(3,560)	(3,197)	(2,684)	(2,585)	(2,617)	(2,651)
Other Assets	6,087	9,904	6,206	5,707	5,625	5,320	3,787	4,352	3,713	3,504
Total Assets	620,843	607,732	576,780	582,233	538,050	527,702	541,672	462,753	456,460	460,673
Interest received from borrowers	21,222	16,735	15,110	13,565	14,446	14,516	13,640	10,593	7,208	7,898
LIABILITIES AND CAPITAL										
Deposits:										
a) Demand deposits--Gov't. & Agencies	13,528	15,870	15,201	21,861	15,366	18,092	26,660	19,534	20,093	25,030
b) Other	133,069	117,332	142,660	155,704	162,893	125,013	130,048	115,953	124,291	149,040
c) Regular savings--Gov't. & Agencies	18,529	23,428	20,632	34,353	35,196	45,199	32,844	13,460	13,616	16,399
d) Other	177,033	200,335	196,493	190,581	140,181	114,584	110,405	104,368	138,232	140,774
e) TCD--Gov't. & Agencies	59,268	60,500	54,665	34,868	39,375	34,709	37,392	49,508	35,390	25,003
f) Other	198,395	131,853	124,111	122,337	130,302	180,429	193,709	147,676	113,766	98,245
Cashier's checks, BEC & PMO				427	334	104	140	32	31	53
Due to other banks: Head Office or Branch	8,040	48,532	18,573	13,918	5,154			2,817	1,756	1,970
Other	-	-	-	-	-	-	-	-	-	-
Liabilities on acceptances executed	-	-	-	-	-	-	-	-	-	-
Accrued interest payable & other liabilities	5,000	5,336	2,413	1,371	2,623	3,290	3,687	2,464	2,108	(2,781)
CAPITAL										
Capital stock	2,488	2,530	4,535	5,935	5,886	5,886	5,886	5,889	5,889	5,802
Treasury Stock	(3,044)	(2,556)	(2,556)	(2,556)	(2,556)	(2,556)	(2,556)	(2,556)	(2,556)	(2,556)
Capital surplus	7,107	5,750	5,273	5,223	5,272	4,846	4,867	4,885	4,913	4,921
Undivided profits	1,430	(1,178)	(5,120)	(1,789)	(1,996)	(1,894)	(1,410)	(1,347)	(1,069)	(1,227)
Total capital	7,981	4,546	2,132	6,813	6,606	6,282	6,787	6,871	7,177	6,940
Total Liabilities and Capital	620,843	607,732	576,780	582,233	538,050	527,702	541,672	462,753	456,460	460,673
Convertible subordinated debts	-	-	-	-	-	-	-	-	-	-
Interest paid to depositors	13,874	6,600	4,187	3,023	4,680	8,156	10,624	6,075	3,732	2,238

2010 QUARTERLY REPORTS OF BANKS				
(IN THOUSANDS)				
	1ST QTR	2ND QTR	3RD QTR	4TH QTR
Deposits				
Demand--Gov't & Agencies	18,196	17,878	21,475	25,083
Demand--Private	133,106	132,314	142,006	149,040
Total demand	151,302	150,192	163,481	174,123
Savings--Gov't & Agencies	14,977	13,372	15,523	16,399
Savings--Private	142,751	136,561	142,824	140,774
Total savings	157,728	149,933	158,347	157,173
TCD--Gov't & Agencies	38,580	43,910	28,365	25,003
TCD--Private	112,495	110,633	102,502	98,245
Total TCDs	151,075	154,543	130,867	123,248
Total Deposits	460,105	454,668	452,695	454,544
Loans				
Government	-	-	-	-
Consumer	49,476	50,166	48,744	44,015
Real Estate	35,501	33,771	33,566	32,974
Commercial	40,297	40,932	39,835	40,037
Total Loans	125,274	124,869	122,145	117,026
Loan to deposit ratio	27.2%	27.5%	27.0%	25.7%
Interest income	2,679	4,182	6,085	7,898
Interest expense	834	1,264	1,768	2,238
TOTAL ASSETS	470,486	465,096	464,241	460,673

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

	2010	2009	2008	2007	2006
ASSETS					
Cash and due from banks	5,424	6,727	7,107	7,769	9,194
Loans					
a) Commercial	34,285	35,206	39,574	43,287	47,778
b) Consumer	37,967	40,051	46,087	55,595	65,306
c) Real Estate	32,890	36,379	39,439	42,205	45,726
d) Government					
e) Other	(4,247)				
Total Loans	100,895	111,636	125,100	141,087	158,810
Premises and equipment	3,431	3,819	4,135	4,327	4,545
Due from Head Office	323,826	305,726	299,044	354,190	319,769
Provision for loan losses/Unearned discount	(323)	(668)	(699)	(610)	(653)
Other assets	1,982	2,109	2,491	2,641	4,241
Total Assets	435,235	429,349	437,178	509,404	495,906
LIABILITIES					
Deposits					
Demand - Gov't. & Agencies	25,030	20,093	19,534	26,643	18,058
Demand - Other	143,595	119,047	111,175	124,254	120,193
Savings - Gov't. & Agencies	13,809	10,067	10,137	27,045	35,941
Savings - Other	136,304	133,532	99,881	104,368	109,424
TCD - Gov't. & Agencies	25,003	35,390	49,508	37,392	34,709
TCD - Other	92,802	107,666	142,129	186,729	174,672
Total Deposits	436,543	425,795	432,364	506,431	492,997
Due to other Head Office/other banks	1,970	1,756	2,817		
Accrued interest payable & other liabilities	(3,460)	1,582	1,846	2,759	2,647
Capital Stock					
Capital Surplus					
Undivided profits	182	216	151	214	262
Total Liabilities & Stockholder's Equity	435,235	429,349	437,178	509,404	495,906
Interest received from borrowers	7,151	6,397	9,762	12,613	13,499
Interest paid to depositors	2,109	3,565	5,926	10,448	7,969