



**TWENTY FOURTH ANNUAL REPORT**

**OF THE**

**DIRECTOR OF BANKING**

**FOR CALENDAR YEAR**

**ENDING DECEMBER 31, 2011**

**DEPARTMENT OF COMMERCE**  
**Prepared by Banking Staff**

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The Honorable Benigno R. Fitial

And

The Honorable Members of the Legislature

I am pleased to present the 2011 Annual Report of the Director of Banking as required by 4 CMC Division 6 Section 6116.

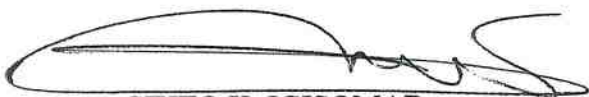
This report contains 2011 balance sheets of all licensed banks, quarterly reports of banks, remittance companies and currency exchange dealers, and a directory of all of the Banking Section's licensees.

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  
Secretary of Commerce /  
Director of Banking

## 2011 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](mailto:marci.tomokane@bankofguam.com)

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

Insurance  
Commencement  
Auditor

FDIC  
1980  
Squar Milner LLP

**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](mailto:john.sheather@boh.com)

Mr. John Sheather  
  
322-4200  
Garapan, Chalan Kanoa (Saipan)

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](mailto:fredc@bankpacific.com)

Mr. Fred F. Camacho  
233-4752  
Garapan (Saipan)

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 (Saipan)  
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: mljsaipan@gmail.com

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

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 (Saipan)

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)
2010	6	454.5	9	117.0	(11)
2011	6	461.8	7	137.2	20

**CONSOLIDATED FIGURES OF RETAIL BANKS  
FROM 2002 TO 2011  
(IN MILLIONS)**

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>DEPOSITS</b>										
Demand	133.2	157.8	177.6	178.3	143.0	156.8	135.6	144.4	174.1	171.2
Regular Savings	223.4	217.1	224.9	175.4	159.8	143.2	117.9	151.8	157.1	179.7
Time Certificates of Deposit	192.4	178.8	157.2	169.7	215.1	231.1	197.1	149.2	123.2	110.8
<b>TOTAL</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>454.4</b>	<b>461.7</b>
<b>LOANS</b>										
Consumer	60.9	67.2	82.7	81.6	74.1	65.3	56.1	50	44	45
Commercial	126.4	45.7	75.3	65.0	60.8	54.0	39.5	36.5	40	36
Real Estate	65.8	99.1	45.8	47.3	45.9	42.3	45.6	41.2	33	55
Non-Local Government Agencies	0.0	0.0	0.0	0.0	0.0	0.0				
<b>TOTAL</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>	<b>117.0</b>	<b>136.0</b>
<b>Loan to Deposit Ratio</b>	<b>46.1%</b>	<b>38.3%</b>	<b>36.4%</b>	<b>37.0%</b>	<b>34.9%</b>	<b>30.4%</b>	<b>31.3%</b>	<b>28.7%</b>	<b>25.7%</b>	<b>29.5%</b>
Interest paid on all deposit accounts	6.6	4.2	3.0	5.0	8.2	10.6	6.0	3.7	2.2	1.8
Interest received from loans	16.8	15.1	13.6	14.4	14.5	13.6	10.5	7.2	7.9	7.2

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

**CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION OF ALL BANKS  
COMPARISON FROM 2002 - 2011  
(IN THOUSANDS)**

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>ASSETS</b>										
Cash & cash items in process of collection	8,552	8,932	8,108	11,099	11,303	10,102	8,696	9,242	7,680	9,054
Securities:										
a) U.S. Treasury	1,989	6,234	5,606	4,960	3,626	2,495	955	1,019	1,392	1,385
b) U.S. Government Agencies										
c) Other	106	1,239	448	492	291	490	1,448	1,132		4,706
Balances with other banks	10,619	7,468	8,948	6,232	4,716	6,774	4,994	6,204	5,992	1,021
Loans										
a) Government										
b) Commercial	126,391	99,049	75,281	64,972	60,801	53,972	45,643	41,186	40,037	36,142
c) Consumer	60,864	67,197	82,699	81,540	74,075	65,616	56,286	50,253	48,399	50,814
d) Real Estate	65,848	45,743	45,781	47,328	45,922	42,334	39,547	36,476	32,974	55,087
e) Other						(313)	(227)	-216	(4,384)	(4,823)
Premises and Equipment	5,895	5,310	4,815	4,417	4,949	4,690	4,425	4,163	3,742	3,575
Due from banks: Head Office or Branch	324,820	334,850	349,320	314,646	319,769	354,190	299,044	305,726	323,826	340,320
Other										
Other Real Estate Owned	544	296	248	299	127	219	175	179	162	112
Provision for losses/unearned income	(7,800)	(5,744)	(4,728)	(3,560)	(3,197)	(2,684)	(2,585)	-2617	(2,651)	(2,351)
Other Assets	9,904	6,206	5,707	5,625	5,320	3,787	4,352	3,713	3,504	(24,536)
Total Assets	607,732	576,780	582,233	538,050	527,702	541,672	462,753	456,460	460,673	470,506
Interest received from borrowers	16,755	15,110	13,565	14,446	14,516	13,640	10,593	7,208	7,898	7,261
<b>LIABILITIES AND CAPITAL</b>										
Deposits:										
a) Demand deposits--Gov't. & Agencies	15,870	15,201	21,861	15,386	18,092	26,660	19,534	20,093	25,030	32,165
b) Other	117,332	142,560	155,704	162,893	125,013	130,048	115,993	124,291	149,040	139,074
c) Regular savings--Gov't. & Agencies	23,428	20,632	34,353	35,196	45,199	32,844	13,460	13,616	16,399	18,996
d) Other	200,335	196,493	190,581	140,181	114,584	110,405	104,398	138,232	140,774	160,791
e) TCD--Gov't. & Agencies	60,500	54,665	34,868	39,375	34,709	37,392	49,508	35,390	25,003	20,237
f) Other	131,853	124,111	122,337	130,302	180,429	193,709	147,676	113,766	98,245	90,618
Cashier's checks, BEC & PMO	48,532	18,573	13,918	334	104	140	32	31	53	16
Due to other banks: Head Office or Branch										
Other										
Liabilities on acceptances executed										
Accrued interest payable & other liabilities	5,336	2,413	1,371	2,623	3,290	3,687	2,464	2,108	(2,781)	1,490
<b>CAPITAL</b>										
Capital stock	2,530	4,535	5,935	5,886	5,886	5,886	5,889	5,889	5,802	5,802
Treasury Stock	(2,556)	(2,556)	(2,556)	(2,556)	(2,556)	(2,556)	(2,556)	(2,556)	(2,556)	(2,556)
Capital surplus	5,750	5,273	5,223	5,272	4,846	4,867	4,885	4,913	4,921	4,937
Undivided profits	(1,178)	(5,120)	(1,789)	(1,996)	(1,894)	(1,410)	(1,347)	(1,069)	(1,227)	(1,064)
Total capital	4,546	2,132	6,813	6,606	6,282	6,787	6,871	7,177	6,940	7,119
Total Liabilities and Capital	607,732	576,780	582,233	538,050	527,702	541,672	462,753	456,460	460,673	470,506
Convertible subordinated debts										
Interest paid to depositors	6,600	4,187	3,023	4,680	8,156	10,624	6,075	3,732	2,238	1,862

NOTE: BASED ON 4TH QUARTER REPORTS SUBMITTED TO THE DIRECTOR OF BANKING.



<b>2011 QUARTERLY REPORTS OF BANKS</b>				
<b>(IN THOUSANDS)</b>				
	<b>1ST QTR</b>	<b>2ND QTR</b>	<b>3RD QTR</b>	<b>4TH QTR</b>
<b>Deposits</b>				
Demand--Gov't & Agencies	28,597	28,258	34,106	32,181
Demand--Private	149,016	140,313	142,006	139,074
Total demand	177,613	168,571	176,112	171,255
Savings--Gov't & Agencies	19,000	19,346	18,383	18,996
Savings--Private	142,527	140,056	158,519	160,791
Total savings	161,527	159,402	176,902	179,787
TCD--Gov't & Agencies	26,435	23,589	24,714	20,237
TCD--Private	98,852	95,250	96,179	90,618
Total TCDs	125,287	118,839	120,893	110,855
Total Deposits	464,427	446,812	473,907	461,897
<b>Loans</b>				
Government		-	-	
Consumer	43,379	41,851	41,890	45,991
Real Estate	32,333	31,319	30,486	55,087
Commercial	39,583	38,517	38,390	36,142
Total Loans	115,295	111,687	110,766	137,220
Loan to deposit ratio	24.8%	25.0%	23.4%	29.7%
Interest income	1,896	3,910	5,621	7,261
Interest expense	453	959	1,408	1,862
<b>TOTAL ASSETS</b>	<b>474,725</b>	<b>456,249</b>	<b>484,040</b>	<b>470,506</b>

CONSOLIDATED REPORTS OF CONDITION STATE BANK BRANCHES DOING BUSINESS IN THE CNMI IN THOUSANDS						
ASSETS	2011	2010	2009	2008	2007	2006
Cash and due from banks	6,618	5,424	6,727	7,107	7,769	9,194
Loans						
a) Commercial	30,912	34,285	34,346	39,574	43,287	47,778
b) Consumer	40,506	37,967	40,051	46,087	55,595	65,306
c) Real Estate	55,015	32,890	36,379	39,439	42,205	45,726
d) Government						
e) Other	(4,773)	(4,247)				
Total Loans	121,660	100,895	110,776	125,100	141,087	158,810
Premises and equipment	3,184	3,431	3,819	4,135	4,327	4,545
Due from Head Office	340,320	323,826	305,726	299,044	354,190	319,769
Provision for loan losses/Unearned discount	(300)	(323)	(668)	(699)	(610)	(653)
Other assets			2,109	2,491	2,641	4,241
Total Assets	471,482	433,253	428,489	437,178	509,404	495,906
LIABILITIES						
Deposits						
Demand - Gov't. & Agencies	32,165	25,030	20,093	19,534	26,643	18,058
Demand - Other	132,990	143,595	119,047	111,175	124,254	120,193
Savings - Gov't. & Agencies	17,130	13,809	10,067	10,137	27,045	35,941
Savings - Other	156,511	136,304	133,532	99,881	104,368	109,424
TCD - Gov't. & Agencies	20,237	25,003	35,390	49,508	37,392	34,709
TCD - Other	85,385	92,802	107,666	142,129	186,729	174,672
Total Deposits	444,418	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	1,164	(3,460)	1,582	1,846	2,759	2,647
Capital Stock						
Capital Surplus						
Undivided profits	77	182	216	151	214	262
Total Liabilities & Stockholder's Equity	445,659	435,235	429,349	437,178	509,404	495,906
Interest received from borrowers	6,544	7,151	6,397	9,762	12,613	13,499
Interest paid to depositors	1,759	2,109	3,565	5,926	10,448	7,969

Note: Based on 4th Quarter Reports submitted to the Director of Banking.