



TWENTY NINTH ANNUAL REPORT

OF THE

DIRECTOR OF BANKING

FOR CALENDAR YEAR

ENDING DECEMBER 31, 2016

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

TABLE OF CONTENTS

Description	Page
Cover Letter.....	2
Directory of Financial Institutions: Retail Banks.....	3-4
Deposit and Loan Trends.....	5
Consolidated Figure of Retail Banks, (2003 to 2016).....	6
Consolidated Statements of Financial Condition, (2003 to 2016).....	7
Quarterly Report of Retail Banks.....	8
Consolidated Report of Condition of State Bank Branches licensed in the CNMI	9
Consolidated Statement of Condition, CNMI Chartered Banks licensed in the CNMI	10
Statement of Financial Condition of each Bank:	
Bank of Saipan.....	11
City Trust Bank.....	12
Bank of Guam.....	13-14
Bank of Hawaii.....	15-16
First Hawaiian Bank.....	17-18
BankPacific, Ltd.....	19-20
Foreign Currency Exchange:	
Total Funds remitted in 2016.....	21
Directory of Remittance Companies.....	22-23
Total Foreign Currency Exchange 2016.....	24
Directory of Currency Transaction Companies.....	25-27
Directory of Finance Companies.....	28-30
Directory of Investment Agents & Broker Dealer of Securities.....	31-36
Directory of Pawnbroker Companies.....	37-38
Appendixes – Graph of Remittances	39



The Honorable Ralph DLG. Torres
and
The Honorable Members of the Legislature

I am pleased to present the 2016 Annual Report of the Director of Banking as required by 4 CMC Division 6 Section 6116.

This report contains 2016 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. With the assistance of a legal person, we hope to achieve this very urgent project.

During the year, the Department of Commerce together with the Legislature worked towards a workable legislation, addressing the concerns of the banking industry on the Dormant, Inactive and Unclaimed Funds. This piece of legislation repeals Public Law 17-69, and will be re-enacting as "The Escheat Act of 2013."

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 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.

Olomwaay,

A handwritten signature in blue ink, appearing to read "Mark O. Rabauliman".

MARK O. RABAULIMAN
Secretary of Commerce /
Director of Banking

2016 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
Garapan, Afetnas
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

Vice President &
Island Manager
Telephone
Location
Email: hobbs.lowson@boh.com

Mr. Hobbs Lowson

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

AVP/Saipan Branch Manager
Telephone
Location
Email: marvindg@bankpacific.com

Mr. Marvin Guerrero
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: jarroyo@bankofsaipan.com

Mr. John Z. Arroyo
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: mljsaipan@gmail.com

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

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	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
2012	6	512.3	50	142.7	6
2013	6	583.3	71	151.9	9
2014	6	632.9	50	164.8	13
2015	6	714.3	81	183.1	18
2016	6	867.8	154	199.7	17

CONSOLIDATED FIGURES OF RETAIL BANKS
FROM 2003 TO 2016
(IN MILLIONS)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
DEPOSITS														
Demand	157.8	177.6	178.3	143.0	156.8	135.6	144.4	174.1	171.2	198.1	227.5	259.1	334.6	411.1
Regular Savings	217.1	224.9	175.4	159.8	143.2	117.9	151.8	157.1	179.7	201.3	227.4	253.7	270.9	311
Time Certificates of Deposit	178.8	157.2	169.7	215.1	231.1	197.1	149.2	123.2	110.8	112.9	128.4	120.1	108.8	145.7
TOTAL	553.7	559.7	523.4	517.9	531.1	450.6	445.4	454.4	461.7	512.3	583.3	632.9	714.3	867.8
LOANS														
Consumer	67.2	82.7	81.6	74.1	65.3	56.1	50	44	45	52	64	81	104	125
Commercial	45.7	75.3	65.0	60.8	54.0	39.5	36.5	40	36	38	41	41	41	40
Real Estate	99.1	45.8	47.3	45.9	42.3	45.6	41.2	33	55	52	46	42	38	34
Non-Local														
Government Agencies	0.0	0.0	0.0	0.0	0.0	0.0								
TOTAL	212.0	203.8	193.9	180.8	161.6	141.2	127.7	117.0	136.0	142.0	151.0	164.0	183.0	199.0
Loan to Deposit Ratio	38.3%	36.4%	37.0%	34.9%	30.4%	31.3%	28.7%	25.7%	29.5%	27.7%	25.9%	25.9%	25.6%	22.9%
Interest paid on all deposit accounts	4.2	3.0	5.0	8.2	10.6	6.0	3.7	2.2	1.8	1.9	1.4	1.2	936	914
Interest received from loans	15.1	13.6	14.4	14.5	13.6	10.5	7.2	7.9	7.2	10.9	9.3	9.3	9.9	11.1

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

**CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION OF ALL BANKS
COMPARISON FROM 2003 - 2016
(IN THOUSANDS)**

ASSETS	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Cash & cash items in process of collection	8,932	8,108	11,099	11,303	10,102	8,696	9,242	7,680	9,054	10,253	9,564	11,332	11,303	12,565
Securities:														
a) U.S. Treasury	6,234	5,606	4,960	3,626	2,495	955	1,019	1,392	1,385	955	804	853	905	2,072
b) U.S. Government Agencies	1,239	448	492	291	490	1,448	1,132	1,132	4,706	6,337	6,900	12082	15,870	3,300
c) Other	7,468	8,948	6,232	4,716	6,774	4,994	6,204	5,992	1,021	1,121	1,509	1939	3,747	14,900
Balances with other banks														
Loans														
a) Government	99,049	75,281	64,972	60,801	53,972	45,643	41,186	40,037	36,142	38,034	41,231	41,402	40,795	40,431
b) Commercial	67,197	82,699	81,540	74,075	65,616	56,286	50,253	48,399	50,814	52,650	64,029	80,577	103,738	124,777
c) Consumer	45,743	45,781	47,328	45,922	42,334	39,547	36,476	32,974	55,087	52,101	46,644	42,885	38,581	34,500
d) Real Estate					(313)	(227)	(216)	(4,384)	(4,823)					
e) Other	5,310	4,815	4,417	4,949	4,690	4,425	4,163	3,742	3,575	3,437	3,199	3,084	3,782	3,500
Premises and Equipment	334,850	349,320	314,646	319,769	354,190	299,044	305,726	323,826	340,320	359,876	421,488	450,082	502,776	642,800
Due from banks: Head Office or Branch														
Other	296	248	299	127	219	175	179	162	112	192	385	986	1,957	420
Other Real Estate Owned	(5,744)	(4,728)	(3,560)	(3,197)	(2,684)	(2,585)	(2,617)	(2,651)	(2,351)	(7,168)	(7,072)	(6,566)	(2,912)	(4,227)
Provision for losses/unearned income	6,206	5,707	5,625	5,320	3,787	4,352	3,713	3,504	(24,536)	2,533	2,459	2,450	2,360	2,300
Other Assets	576,780	582,233	538,050	527,702	541,672	462,753	456,460	460,673	470,506	520,321	591,140	641,106	723,322	876,372
Total Assets	15,110	13,565	14,446	14,516	13,640	10,593	7,208	7,898	7,261	10,929	9,369	9,335	9,945	11,000
LIABILITIES AND CAPITAL														
Deposits:														
a) Demand deposits--Govt. & Agencies	15,201	21,861	15,386	18,092	26,660	19,534	20,093	25,030	32,165	37,032	39,132	45,914	40,992	64,200
b) Other	142,560	155,704	162,893	125,013	130,048	115,993	124,291	149,040	139,074	161,043	188,414	212,935	293,618	346,600
c) Regular savings--Govt. & Agencies	20,632	34,353	35,196	45,199	32,844	13,460	13,616	16,399	18,996	21,427	26,251	28,265	36,430	55,700
d) Other	196,493	190,581	140,181	114,584	110,405	104,398	138,232	140,774	160,791	179,921	201,128	225,440	234,506	255,200
e) TCD--Govt. & Agencies	54,665	34,868	39,375	34,709	37,392	49,508	38,390	25,003	20,237	30,554	31,950	41,326	32,582	63,200
f) Other	124,111	122,337	130,302	180,429	193,709	147,676	113,766	98,245	90,618	82,315	96,417	78,869	76,181	82,400
Cashier's checks: BEC & PMO		427	334	104	140	32	31	53	16	27	32	222	23	100
Due to other banks: Head Office or Branch	18,573	13,918	5,154			2,817	1756	1,970				17		
Other											158			
Liabilities on acceptances executed											485			
Accrued interest payable & other liabilities	2,413	1,371	2,623	3,290	3,687	2,464	2,108	(2,781)	1,490	942		799	1,399	500
CAPITAL														
Capital stock	4,535	5,935	5,886	5,886	5,886	5,889	5,889	5,802	5,802	5,802	5,802	5,820	6,012	5,800
Treasury Stock	(2,556)	(2,556)	(2,556)	(2,556)	(2,556)	(2,556)	(2,556)	(2,556)	(2,556)	(2,556)	(2,556)	(2,556)	(2,556)	(2,556)
Capital surplus	5,273	5,223	5,272	4,846	4,867	4,885	4,913	4,921	4,937	4,944	4,898	4,934	4,769	5,000
Undivided profits	(5,120)	(1,789)	(1,996)	(1,894)	(1,410)	(1,347)	(1,069)	(1,227)	(1,064)	(1,130)	(971)	(879)	(634)	(500)
Total capital	2,132	6,813	6,606	6,282	6,787	6,871	7,177	6,940	7,119	7,060	7,173	7,319	7,591	8,000
Total Liabilities and Capital	576,780	582,233	538,050	527,702	541,672	462,753	456,460	460,673	470,506	520,321	591,140	641,106	723,322	876,372
Convertible subordinated debts														
Interest paid to depositors	4,187	3,023	4,680	8,156	10,624	6,075	3,732	2,238	1,862	1,971	1,429	1,233	936	500

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

2016 QUARTERLY REPORTS OF BANKS				
(IN THOUSANDS)				
	1ST QTR	2ND QTR	3RD QTR	4TH QTR
Deposits				
Demand--Gov't & Agencies	43,485	59,843	60,290	64,241
Demand--Private	307,049	329,315	355,593	346,826
Total demand	350,534	389,158	415,883	411,067
Savings--Gov't & Agencies	40,398	46,900	50,452	55,773
Savings--Private	254,403	256,454	265,545	255,258
Total savings	294,801	303,354	315,997	311,031
TCD--Gov't & Agencies	38,901	36,711	60,568	63,208
TCD--Private	79,627	78,150	81,385	82,495
Total TCDs	118,528	114,861	141,953	145,703
Total Deposits	763,863	807,373	873,833	867,801
Loans				
Government		-	-	
Consumer	109,592	114,239	119,395	124,716
Real Estate	37,177	36,370	35,262	34,516
Commercial	39,611	41,039	39,414	40,434
Total Loans	186,380	191,648	194,071	199,666
Loan to deposit ratio	24.4%	23.7%	22.2%	23.0%
Interest income	3,131	5,835	8,346	11,069
Interest expense	233	454	676	914
TOTAL ASSETS	773,363	816,112	882,652	876,374