

Commonwealth of the Northern Mariana Islands (CNMI)

Director of Banking 2019 Annual Report



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The Honorable David M. Apatang
and
The Honorable Members of the Legislature

Pursuant to 4 CMC Division 6, Section 6116, I am pleased to present the 2019 Annual Report of the Director of Banking.

This report contains 2019 consolidated statements of financial conditions, quarterly reports, balance sheets of each bank (Commonwealth branches and consolidated), and the trends of loans from 1985 if all licensed banks in the Commonwealth. The report also includes remittance and foreign exchange reports for the same time period. All reports include historical data as well as comparisons year over year.

We are actively engaged in catching up on the annual reporting process and will update the website accordingly as years are completed.

Sincerely,



Remedio C. Mafnas
Secretary of Commerce/
Director of Banking

**DEPOSIT AND LOAN TRENDS OF RETAIL BANKS
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
2017	6	928.4	61	211.0	11
2018	6	913.0	(15)	236.9	26
2019	6	878.4	(35)	269.6	33

CONSOLIDATED FIGURES OF RETAIL BANKS										
FROM 2010 TO 2019										
(IN MILLIONS)										
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Deposits:										
Demand	174.1	171.2	198.1	227.5	259.1	334.6	411.1	429.9	461.8	413.8
Regular Savings	157.1	179.7	201.3	227.4	253.7	270.9	311	347.5	323.3	309.8
Time Certificates of Deposit	123.2	110.8	112.9	128.4	120.1	108.8	145.7	151	127.9	154.8
Total	454.4	461.7	512.3	583.3	632.9	714.3	867.8	928.4	913.0	878.4
Loans:										
Government									0.0	0.0
Consumer	44	45	52	64	81	104	125	140	150.7	156.1
Real Estate	33	55	52	46	42	38	34	30	27.6	25.4
Commercial	40	36	38	41	41	41	40	41	58.6	88.1
Non-Local Real Estate										
Total	117.0	136.0	142.0	151.0	164.0	183.0	199.0	211.0	236.9	269.6
Loan to Deposit Ratio	25.7%	29.5%	27.7%	25.9%	25.9%	25.6%	22.9%	22.7%	25.9%	30.7%
Interest Received from Loans	7.9	7.2	10.9	9.3	9.3	9.9	11.1	11.5	12.4	12.6
Interest Paid on all Deposit Accounts	2.2	1.8	1.9	1.4	1.2	936	914	1.1	1.4	1.7

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

CONSOLIDATED STATEMENTS OF CONDITION OF RETAIL BANKS
COMPARISON FROM 2010 - 2019
(IN THOUSANDS)

Assets	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Cash and Due from Banks	7,680	9,054	10,253	9,564	11,332	11,303	12,568	20,364	21,045	20,170
Securities:										
U.S. Treasury	1,392	1,385	955	804	853	905	2,025	5,235	4,223	2,207
U.S. Government Agencies	-	-	-	-	-	-	-	-	-	-
Other	-	4,706	6,337	6,900	12,082	15,870	358	444	2,786	1,367
Total Securities	1,392	6,091	7,292	7,704	12,935	16,775	2,383	5,679	7,009	3,574
Balances with Other Banks	5,992	1,021	1,121	1,509	1,939	3,747	14,939	17,462	13,033	10,400
Loans:										
Government	-	-	-	-	-	-	-	-	-	-
Consumer	48,399	50,814	52,650	64,029	80,577	103,738	124,716	139,573	150,735	159,326
Real Estate	32,974	55,087	52,101	46,644	42,885	38,581	34,516	30,261	27,593	24,585
Commercial	40,037	36,142	38,034	41,231	41,402	40,795	40,434	41,201	58,581	88,116
Non-Local Real Estate	-	-	-	-	-	-	-	-	-	-
Reserve for Loan Losses	(4,384)	(4,823)	-	-	-	-	-	-	(1,056)	(1,563)
Total Loans	117,026	137,220	142,785	151,904	164,864	183,114	199,666	211,035	235,853	270,464
Premises and Equipment	3,742	3,575	3,437	3,199	3,084	3,782	3,548	3,434	3,236	3,522
Other Real Estate Owned	162	112	192	385	986	1,957	1,909	1,909	1,896	1,881
Due from Banks:										
Head Office or Branches	323,826	340,320	359,876	421,488	450,082	502,776	642,818	682,800	639,408	573,350
Other	-	-	-	-	-	420	408	277	272	212
Provision for Losses/Unearned Discount	(2,651)	(2,351)	(7,168)	(7,072)	(6,566)	(2,912)	(4,227)	(3,578)	(3,123)	(3,441)
Other Assets	3,504	(24,536)	2,533	2,459	2,450	2,360	2,362	2,578	3,678	3,941
Total Assets	460,673	470,506	520,321	591,140	641,106	723,322	876,374	941,960	922,307	884,073
Liabilities & Stockholder's Equity										
Deposits:										
Demand - Gov't. & Agencies	25,030	32,165	37,032	39,132	45,914	40,992	64,241	68,185	102,711	70,119
Demand - Other	149,040	139,074	161,043	188,414	212,935	293,618	346,670	361,636	359,107	344,409
Savings - Gov't. & Agencies	16,399	18,996	21,427	26,251	28,265	36,430	55,773	65,008	58,362	46,484
Savings - Other	140,774	160,791	179,921	201,128	225,440	234,506	255,258	282,501	264,969	258,123
TCD - Gov't. & Agencies	25,003	20,237	30,554	31,950	41,326	32,582	63,208	57,743	30,352	26,716
TCD - Other	98,245	90,618	82,315	96,417	78,869	76,181	82,495	93,235	97,399	127,400
Cashier's Checks, BEC & PMO	53	16	27	32	222	23	156	78	106	23
Total Deposits	454,544	461,897	512,319	583,324	632,971	714,332	867,801	928,386	913,006	873,274
Due to Other Banks:										
Head Office or Branches	1,970	-	-	-	17	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Liabilities on Acceptances Executed & Outstanding	-	-	-	158	-	-	-	-	-	-
Accrued Interest Payable & Other Liabilities	(2,781)	1,490	942	485	799	1,399	564	5,301	1,198	2,392
Total Liabilities	(811)	1,490	942	643	816	1,399	564	5,301	1,198	2,392
Capital Stock	5,802	5,802	5,802	5,802	5,820	6,012	5,821	5,223	4,622	4,485
Capital Surplus	4,921	4,937	4,944	4,898	4,934	4,769	5,061	5,382	5,507	6,085
Treasury Stock	(2,556)	(2,556)	(2,556)	(2,556)	(2,556)	(2,556)	(2,556)	(2,556)	(2,556)	(2,556)
Undivided Profits	(1,227)	(1,064)	(1,130)	(971)	(879)	(634)	(317)	224	530	393
Convertible Subordinated Debts	-	-	-	-	-	-	-	-	-	-
Total Stockholders' Equity	6,940	7,119	7,060	7,173	7,319	7,591	8,009	8,273	8,103	8,407
Total Liabilities & Stockholders' Equity	460,673	470,506	520,321	591,140	641,106	723,322	876,374	941,960	922,307	884,073
Interest Received from Borrowers	7,898	7,261	10,929	9,369	9,335	9,945	11,069	11,450	8,217	14,320
Interest Paid to Depositors	2,238	1,862	1,971	1,429	1,233	936	914	1,070	1,051	1,864

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

2019 QUARTERLY REPORTS OF RETAIL BANKS				
(IN THOUSANDS)				
	1ST QTR	2ND QTR	3RD QTR	4TH QTR
Deposits:				
Demand - Gov't & Agencies	69,696	64,215	65,058	70,402
Demand - Other	363,596	368,644	353,736	343,390
Total Demand	433,292	432,859	418,794	413,792
Savings - Gov't & Agencies	62,941	66,401	47,127	46,484
Savings - Other	306,861	298,440	264,539	263,297
Total Savings	369,802	364,841	311,666	309,781
TCD - Gov't & Agencies	28,987	30,006	36,521	26,716
TCD - Other	96,854	101,839	130,768	128,081
Total TCD's	125,841	131,845	167,289	154,797
Total Deposits	928,935	929,545	897,749	878,370
Loans:				
Government	-	-	-	-
Consumer	161,571	157,293	157,166	156,100
Real Estate	25,598	25,375	25,394	25,398
Commercial	68,226	76,553	80,649	88,125
Non-Local Real Estate				
Total Loans	255,395	259,221	263,209	269,623
Loan to Deposit Ratio	27.5%	27.9%	29.3%	30.7%
Interest Income	5,424	7,965	10,202	12,645
Interest Expense	635	942	1,267	1,675

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

CONSOLIDATED STATEMENTS OF CONDITION OF FOREIGN BANKS
COMPARISON FROM 2010 - 2019
(IN THOUSANDS)

Assets	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Cash and Due from Banks	5,424	6,618	8,321	6,459	6,714	5,273	5,456	6,903	7,590	7,580
Loans:										
Government	-	-	-	-	-	-	-	-	-	-
Consumer	37,967	40,506	42,314	53,352	68,658	90,891	110,421	125,587	137,651	144,672
Real Estate	32,890	55,015	52,040	46,615	42,871	38,581	34,516	30,261	27,593	24,585
Commercial	34,285	30,912	33,445	36,660	36,930	37,865	36,958	36,884	48,846	77,171
Non-Local Real Estate	-	-	-	-	-	-	-	-	-	-
Reserve for Loan Losses	(4,247)	(4,773)	-	-	-	-	-	-	(1,056)	(1,563)
Total Loans	100,895	121,660	127,799	136,627	148,459	167,337	181,895	192,732	213,034	244,865
Premises and Equipment	3,431	3,184	3,096	2,875	2,828	3,243	3,051	2,871	2,643	2,788
Other Real Estate Owned	-	-	-	228	267	145	148	148	135	120
Due from Banks:										
Head Office or Branches	323,826	340,320	359,876	421,488	450,082	502,776	642,818	682,800	639,408	573,350
Other	-	-	-	-	-	-	-	-	-	-
Provision for Losses/Unearned Discount	(323)	(300)	(5,222)	(5,431)	(5,001)	(2,032)	(2,680)	(2,720)	(2,205)	(2,372)
Other assets	1,982	(25,823)	1,260	1,259	1,417	1,616	1,748	1,991	3,095	3,283
Total Assets	435,235	445,659	495,130	563,505	604,766	678,358	832,436	884,725	863,700	829,614
Liabilities and Stockholders' Equity										
Deposits:										
Demand - Gov't. & Agencies	25,030	32,165	37,032	39,132	45,914	40,992	64,241	68,185	102,711	70,119
Demand - Other	143,595	132,990	154,228	179,768	197,738	269,362	326,018	331,290	327,358	315,787
Savings - Gov't. & Agencies	13,809	17,130	19,557	24,465	26,976	35,538	55,773	65,008	58,362	46,484
Savings - Other	136,304	156,511	175,819	196,787	219,654	229,442	248,064	273,356	256,256	250,005
TCD - Gov't. & Agencies	25,003	20,237	30,554	31,950	41,326	32,582	63,208	57,743	30,352	26,716
TCD - Other	92,802	85,385	77,197	90,956	72,734	69,404	74,839	84,504	87,872	118,496
Total Deposits	436,543	444,418	494,387	563,058	604,342	677,320	832,143	880,086	862,911	827,607
Due to Other Banks:										
Head Office or Branches	1,970	-	-	-	17	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Accrued Interest Payable & Other Liabilities	(3,460)	1,164	696	368	358	1,018	268	4,619	827	1,985
Total Liabilities	(1,490)	1,164	696	368	375	1,018	268	4,619	827	1,985
Capital Stock	-	-	-	-	-	-	-	-	-	-
Capital Surplus	-	-	-	-	-	-	-	-	-	-
Undivided Profits	182	77	47	79	49	20	25	20	(38)	22
Total Stockholders' Equity	182	77	47	79	49	20	25	20	(38)	22
Total Liabilities & Stockholders' Equity	435,235	445,659	495,130	563,505	604,766	678,358	832,436	884,725	863,700	829,614
Interest Received from Borrowers	7,151	6,544	10,258	8,678	8,662	9,262	10,295	10,702	7,401	13,365
Interest Paid to Depositors	2,109	1,759	1,881	1,364	1,168	810	831	976	936	1,768

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

CONSOLIDATED STATEMENTS OF CONDITION OF COMMONWEALTH BANKS										
COMPARISON FROM 2010 - 2019										
(IN THOUSANDS)										
Assets	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Cash and Due from Banks	2,256	2,436	1,932	3,105	4,618	6,030	7,112	13,461	13,455	12,590
Securities:										
U.S. Treasury	1,392	1,385	955	804	853	905	2,025	5,235	4,223	2,207
U.S. Government Agencies	-	-	-	-	-	-	-	-	-	-
Other		4,706	6,337	6,900	12,082	15,870	358	444	2,786	1,367
Total Securities	7,384	7,112	8,413	9,213	14,874	20,522	17,322	23,141	7,009	3,574
Balances with Other Banks	5,992	1,021	1,121	1,509	1,939	3,747	14,939	17,462	13,033	10,400
Loans:										
Government	-	-	-	-	-	-	-	-	-	-
Consumer	10,432	10,308	10,336	10,677	11,919	12,847	14,295	13,986	13,084	14,654
Real Estate	84	72	61	29	14				-	-
Commercial	5,752	5,230	4,589	4,571	4,472	2,930	3,476	4,317	9,735	10,945
Non-Local Real Estate	(137)	(50)				420	408	277	-	-
Total Loans	16,131	15,560	14,986	15,277	16,405	16,197	18,179	18,580	22,819	25,599
Premises and Equipment	311	391	341	324	256	539	497	563	593	734
Other Real Estate Owned	162	112	192	157	719	1,812	1,761	1,761	1,761	1,761
Due from Banks:										
Head Office or Branches	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	272	212
Provision for Losses/Unearned Discount	(2,328)	(2,051)	(1,946)	(1,641)	(1,565)	(880)	(1,547)	(858)	(918)	(1,069)
Other Assets	1,522	1,287	1,273	1,200	1,033	744	614	587	583	658
Total Assets	25,438	24,847	25,191	27,635	36,340	44,964	43,938	57,235	58,607	54,459
Liabilities & Stockholder's Equity										
Deposits:										
Demand - Gov't. & Agencies	-	-	-	-	-	-	-	-	-	-
Demand - Other	5,445	6,084	6,815	8,646	15,197	24,256	20,652	30,346	31,749	28,622
Savings - Gov't. & Agencies	2,590	1,866	1,870	1,786	1,289	892				
Savings - Other	4,470	4,280	4,102	4,341	5,786	5,064	7,194	9,145	8,713	8,118
TCD - Gov't. & Agencies	-	5,233	-	-	-	-	-	-	-	-
TCD - Other	5,443		5,118	5,461	6,135	6,777	7,656	8,731	9,527	8,904
Cashier's Checks, BEC & PMO	53	16	27	32	222	23	156	78	106	23
Total Deposits	18,001	17,479	17,932	20,266	28,629	37,012	35,658	48,300	50,095	45,667
Accrued Interest Payable & Other Liabilities	679	326	246	275	441	381	296	682	371	407
Total Liabilities	18,680	17,805	18,178	20,541	29,070	37,393	35,954	48,982	50,466	46,074
Capital Stock	5,802	5,802	5,802	5,802	5,820	6,012	5,821	5,223	4,622	4,485
Capital Surplus	4,921	4,937	4,944	4,898	4,934	4,769	5,061	5,382	5,507	6,085
Treasury Stock	(2,556)	(2,556)	(2,556)	(2,556)	(2,556)	(2,556)	(2,556)	(2,556)	(2,556)	(2,556)
Undivided Profits	(1,409)	(1,141)	(1,177)	(1,050)	(928)	(654)	(342)	204	568	371
Total Stockholders' Equity	6,758	7,042	7,013	7,094	7,270	7,571	7,984	8,253	8,141	8,385
Total Liabilities & Stockholders' Equity	25,438	24,847	25,191	27,635	36,340	44,964	43,938	57,235	58,607	54,459
Interest Received from Borrowers	747	717	671	691	673	683	774	748	816	955
Interest Paid to Depositors	129	103	90	65	65	126	83	94	115	96

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

THE BANK OF SAIPAN, INC.
Statements of Financial Condition
December 31, 2019 and 2018
(in thousands)

	2019	2018
Assets		
Cash and Due from Banks	\$ 12,996	\$ 14,696
Interest-Bearing Deposits with Banks	700	1,920
Securities Held to Maturity	1,983	3,976
Loans Receivable, Net	15,931	15,115
Foreclosed Real Estate	8	8
Accrued Interest Receivable	165	175
Premises and Equipment, Net	731	550
Other Assets	254	332
	Total Assets	Total Assets
	\$ 32,767	\$ 36,771
Liabilities and Stockholders' Equity		
Liabilities:		
Demand Deposits	\$ 17,889	\$ 20,101
Savings Deposits	4,937	6,033
Time Deposits	3,173	3,977
Total Deposits	25,999	30,111
Accrued Interest Payable	32	63
Accounts Payable and Other Accrued Expenses	237	208
Total Liabilities	26,269	30,381
Stockholders' Equity:		
Common Stock, \$1 Par Value, 3,500,000 Shares		
Authorized	2,514	2,514
Additional Paid-In Capital	6,085	6,085
Retained Earnings	456	347
	9,055	8,946
Treasury Stock, at Cost (175,176 Shares)	(2,556)	(2,556)
Total Stockholders' Equity	6,499	6,390
Total Liabilities and Stockholders' Equity	\$ 32,767	\$ 36,771

Note: Based on Audited Financial Figures.

CITY TRUST BANK, INC.
Statements of Financial Condition
December 31, 2019 and 2018
(in thousands)

	2019	2018
Assets		
Cash and Due from Banks	\$ 7,641	\$ 9,052
Interest Bearing Deposits with Banks	3,035	3,662
Debt Securities Held to Maturity	224	223
Loans, Net	8,681	7,111
Accrued Interest Receivable	61	31
Premises and Equipment, Net	136	32
Foreclosed Assets	2,280	2,280
Deferred Tax Asset, Net	33	29
Other Assets	95	9
	Total Assets	Total Assets
	\$ 22,186	\$ 22,428
Liabilities and Shareholders' Equity		
Liabilities:		
Deposits:		
Noninterest Bearing	\$ 10,572	\$ 11,683
Interest Bearing	8,912	8,229
	Total Deposits	Total Deposits
	19,484	19,912
Accrued Expenses and Other Liabilities	218	176
Unearned Loan Fees	119	83
Secured Borrowings	94	115
Deferred Lease Revenue	338	345
	Total Liabilities	Total Liabilities
	20,253	20,631
Shareholders' Equity:		
Common Stock, \$1 Par Value, 3,500,000 Shares		
Authorized	3,500	3,500
Retained Earnings (Deficit)	(304)	(525)
Treasury Stock, at Cost	(1,529)	(1,392)
Noncontrolling Interest	265	213
	Total Stockholders' Equity	Total Stockholders' Equity
	1,933	1,797
Total Liabilities and Shareholders' Equity	\$ 22,186	\$ 22,428

Note: Based on Audited Financial Figures.

**Bank of Hawaii
Saipan Branch
Statements of Financial Condition
December 31, 2019 and 2018
(in thousands)**

	2019	2018
Assets		
Cash	\$ 713	\$ 1,646
Loans	33,529	29,729
Allowance for Loan Losses	(631)	(708)
Net Loans	32,898	29,021
Operating Lease Right-of-Use Assets	30	-
Accrued Interest Receivable	122	187
Due from Head Office	150,619	166,564
Premises and Equipment, Net	587	631
Other Assets	822	698
Total Assets	\$ 185,791	\$ 198,747
Liabilities		
Deposits	\$ 185,594	\$ 198,616
Operating Lease Liabilities	30	-
Accrued Interest Payable	142	101
Other Liabilities	25	30
Total liabilities	\$ 185,791	\$ 198,747

Note: Based on Audited Financial Figures.

Bank of Hawaii
Corporation and Subsidiaries
Consolidated Statements of Financial Condition
December 31, 2019 and 2018
(in thousands)

	2019	2018
Assets		
Interest-Bearing Deposits in Other Banks	\$ 4,979	\$ 3,028
Investment Securities	5,661,297	5,490,034
Funds Sold	254,574	198,860
Loans Held for Sale	39,062	10,987
Loans and Leases	10,990,892	10,448,774
Allowance for Loan and Lease Losses	(110,027)	(106,693)
Net Loans and Leases	10,880,865	10,342,081
Total Earning Assets	16,840,777	16,044,990
Cash and Due from Banks	299,105	324,081
Premises and Equipment, Net	188,388	151,837
Operating Lease Right-of-Use Assets	100,838	-
Accrued Interest Receivable	46,476	51,230
Foreclosed Real Estate	2,737	1,356
Mortgage Servicing Rights	25,022	24,310
Goodwill	31,517	31,517
Bank-Owned Life Insurance	287,962	283,771
Other Assets	272,674	230,882
Total Assets	\$ 18,095,496	\$ 17,143,974
Liabilities and Shareholders' Equity		
Deposits	\$ 15,784,482	\$ 15,027,242
Short-Term Borrowings	-	199
Securities Sold Under Agreements to Repurchase	604,306	504,296
Operating Lease Liabilities	108,210	-
Retirement Benefits Payable	44,504	40,494
Accrued Interest Payable	8,040	8,253
Taxes Payable and Deferred Taxes	16,085	19,736
Other Liabilities	157,472	139,911
Other Debt	85,565	135,643
Total Liabilities	16,808,664	15,875,774
Shareholders' Equity		
Common Stock	579	577
Capital Surplus	582,566	571,704
Accumulated Other Comprehensive Loss	(31,112)	(51,043)
Retained Earnings	1,761,415	1,641,314
Treasury Stock, at Cost	(1,026,616)	(894,352)
Total Shareholders' Equity	1,286,832	1,268,200
Total Liabilities and Shareholders' Equity	\$ 18,095,496	\$ 17,143,974

Note: Based on Audited Financial Figures.

**Bank of Guam
CNMI Branches
Statements of Financial Condition
December 31, 2019 and 2018
(in thousands)**

	2019	2018
Assets		
Cash and Due from Banks	\$ 3,951	\$ 3,485
Loans, Net of Allowance for Loan Losses	114,962	88,955
Premises and Equipment, Net	2,535	2,461
Accrued Interest Receivable	329	382
Other Assets	1,979	1,246
Due from Home Office or Holdings	165,431	239,040
Total Assets	\$ 289,187	\$ 335,569
Liabilities		
Deposits:		
Non-Interest Bearing	76,648	89,546
Interest-Bearing	211,285	245,699
Total Deposits	287,933	335,245
Accrued Interest Payable	24	26
Other Liabilities	1,230	298
Total Liabilities	\$ 289,187	\$ 335,569

Note: Based on Audited Financial Figures.

Bank of Guam
Holding Company and Subsidiaries
Consolidated Statements of Financial Condition
December 31, 2019 and 2018
(in thousands)

	2019	2018
Assets		
Cash and Due from Banks	\$ 37,870	\$ 33,279
Interest-Bearing Deposits in Banks	93,846	121,816
Total Cash and Cash Equivalents	131,716	155,095
Restricted Cash	400	400
Investment Securities	434,557	452,421
Federal Home Loan Bank Stock, at Cost	2,267	2,356
Loans, Net	1,275,272	1,212,141
Accrued Interest Receivable	5,581	6,221
Premises and Equipment	19,754	18,471
Other Assets	83,515	44,597
Total Assets	\$ 1,953,062	\$ 1,891,702
Liabilities and Stockholders' Equity		
Liabilities:		
Deposits:		
Non-Interest Bearing	\$ 582,967	\$ 538,168
Interest bearing	1,146,939	1,190,655
Total Deposits	1,729,906	1,728,823
Accrued Interest Payable	118	137
Subordinated Debt, Net	14,751	-
Other Liabilities	44,044	14,447
Total Liabilities	1,788,819	1,743,407
Stockholders' Equity:		
Common Stock	2,023	2,017
Preferred Stock	980	980
Additional Paid-In Capital, Common Stock	24,478	24,214
Additional Paid-In Capital, Preferred Stock	8,803	8,803
Retained Earnings	129,576	117,339
Accumulated Other Comprehensive Loss	(1,327)	(4,768)
Common Stock in Treasury, at Cost	(290)	(290)
Total Stockholders' Equity	164,243	148,295
Total Liabilities and Stockholders' Equity	\$ 1,953,062	\$ 1,891,702

Note: Based on Audited Financial Figures.

**First Hawaiian Bank
CNMI Branches
Statements of Financial Condition
December 31, 2019 and 2018
(in thousands)**

	2019	2018
Assets		
Cash	\$ 2,735	\$ 2,329
Loans:		
Consumer	78,286	77,105
Commercial	6,175	6,337
Real Estate	6,349	6,173
Total Loans	90,810	89,615
Less Allowance for Loan Losses	(1,580)	(1,835)
Net Loans	89,230	87,780
Premises and Equipment, Net	151	155
Accrued Interest Receivable	313	582
Other Assets	871	265
Total Assets	\$ 93,300	\$ 91,111
Liabilities		
Deposits:		
Interest-Bearing	195,899	158,038
Noninterest-Bearing	149,581	160,057
Total Deposits	345,480	318,095
Accrued Interest Payable	342	111
Other Liabilities	1,718	53
Total Liabilities	347,540	318,259
Due from Head Office	(254,240)	(227,148)
Total Liabilities and Due from Head Office	\$ 93,300	\$ 91,111

Note: Based on Audited Financial Figures.

**First Hawaiian Bank
Holding Company and Subsidiaries
Consolidated Statements of Financial Condition
December 31, 2019 and 2018
(in thousands)**

	2019	2018
Assets		
Cash and Due from Banks	\$ 360,375	\$ 396,836
Interest-Bearing Deposits in Other Banks	333,642	606,801
Investment Securities	4,075,644	4,498,342
Loans and Leases	13,212,554	13,076,623
Less Allowance for Loan and Lease Losses	(130,530)	(141,718)
Net Loans and Leases	13,082,024	12,934,905
Premises and Equipment, Net	316,885	304,996
Other Real Estate Owned and Repossessed Personal Property	319	751
Accrued Interest Receivable	45,239	48,920
Bank-Owned Life Insurance	453,873	446,076
Goodwill	995,492	995,492
Mortgage Servicing Rights	12,668	16,155
Other Assets	490,573	446,404
Total Assets	\$ 20,166,734	\$ 20,695,678
Liabilities and Stockholders' Equity		
Deposits		
Interest-Bearing	10,564,922	11,142,127
Noninterest-Bearing	5,880,072	6,007,941
Total Deposits	16,444,994	17,150,068
Short-Term Borrowings	400,000	-
Long-Term Borrowings	200,019	600,026
Retirement Benefits Payable	138,222	127,909
Other Liabilities	343,241	292,836
Total Liabilities	17,526,476	18,170,839
Stockholders' Equity		
Common Stock	1,399	1,397
Additional Paid-In Capital	2,503,677	2,495,853
Retained Earnings	437,072	291,919
Accumulated other Comprehensive Loss, Net	(31,749)	(132,195)
Treasury Stock	(270,141)	(132,135)
Total Stockholders' Equity	2,640,258	2,524,839
Total Liabilities and Stockholders' Equity	\$ 20,166,734	\$ 20,695,678

Note: Based on Audited Financial Figures.

BANK PACIFIC, LTD.
Saipan Branch
Statements of Financial Condition
June 30, 2019 and 2018
(in thousands)

	2019	2018
Assets		
Cash and Due from Banks	\$ 126	\$ 93
Loans, Net	4,396	3,946
Accrued Interest Receivable	41	33
Due from Other Branches	3,630	5,159
Foreclosed Real Estate, Net	96	96
Premises and Equipment, Net	39	30
Total Assets	\$ 8,327	\$ 9,356
Liabilities and (Deficit)		
Deposits	\$ 8,317	\$ 9,420
Accrued Expenses and Other Liabilities	28	15
Total Liabilities	8,346	9,435
Home Office (Deficit)	(18)	(79)
Total Liabilities and (Deficit)	\$ 8,327	\$ 9,356

Note: Based on Audited Financial Figures.

BANK PACIFIC, LTD.
Holding Corporation and Subsidiaries
Consolidated Statements of Financial Condition
June 30, 2019 and 2018
(in thousands)

	2019	2018
Assets		
Cash and Due from Banks	\$ 2,837	\$ 2,943
Interest-Bearing Deposits in Banks	9,681	17,401
Cash and Cash Equivalents	12,517	20,344
Investment Securities	1,076	1,098
Federal Home Loan Bank Stock, at Cost	412	174
Loans, Net	121,146	110,538
Accrued Interest Receivable	508	430
Real Estate Held for Investment	498	413
Foreclosed Real Estate, Net	96	96
Mortgage Servicing Rights, Net	1,198	1,289
Deferred Tax Assets	54	82
Other Assets	1,076	1,156
Premises and Equipment, Net	5,766	6,060
Total Assets	\$ 144,348	\$ 141,679
Liabilities and Stockholders' Equity		
Liabilities:		
Deposits	\$ 120,569	\$ 122,164
Borrowed Funds	4,100	0
Guam Income Tax Payable	189	195
Accrued Expenses and Other Liabilities	2,374	2,700
Total Liabilities	127,232	125,059
Stockholders' Equity:		
Common Stock, \$1 Par Value, 1,000,000 Shares		
Authorized	640	640
Additional Paid-in Capital	525	525
Retained Earnings	16,307	15,811
Common Stock in Treasury, at Cost (45,866 Shares)	(356)	(356)
Total Stockholders' Equity	17,116	16,620
Total Liabilities and Stockholders' Equity	\$ 144,348	\$ 141,679

Note: Based on Audited Financial Figures.



David M. Apatang, Governor
Dennis James C. Mendiola, Lt. Governor

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Remedio C. Mafnas, Secretary

Remittances Annual Report
Reporting Period: 2018 - 2022

I. OVERVIEW

Remittances represent funds transmitted by workers in the Commonwealth of the Northern Mariana Islands (CNMI) to family members and dependents abroad through licensed money transmitters under Title 4 CMC Division 6. These transfers form a major channel of financial outflow, reflecting the CNMI’s labor composition and household spending behavior.

Between 2018 and 2022, total remittances out of the CNMI reached \$535.84 million, indicating a consistent pattern of capital outflow despite economic disruptions caused by Typhoon Yutu (2018) and the COVID-19 pandemic (2020–2021).

II. ANNUAL REMITTANCE FLOW SUMMARY

Year	Q1	Q2	Q3	Q4	Annual	% Change
2018	\$19.79M	\$22.54M	\$27.11M	\$25.55M	\$94.98M	-1.90%
2019	\$24.43M	\$23.82M	\$24.98M	\$23.53M	\$97.76M	1.87%
2020	\$21.08M	\$20.85M	\$28.69M	\$29.66M	\$100.28M	3.64%
2021	\$28.30M	\$35.76M	\$31.18M	\$31.46M	\$126.69M	26.34%
2022	\$30.91M	\$30.47M	\$28.75M	\$27.00M	\$117.13M	-7.54%
Total Cash Outflow					\$535.84M	

III. TREND ANALYSIS

- Pre-COVID Stability (2018–2019): Remittance outflows during this period averaged around \$96 million annually. Employment in tourism, construction, and services supported steady income levels among both resident and foreign workers. Despite Typhoon Yutu’s effects in late 2018, remittance levels remained stable, showing that the obligation to support families abroad continued even amid local disruptions.
- COVID-19 Shock and Worker Commitment (2020): When the pandemic caused major shutdowns and job reductions, remittances rose slightly to \$100.28 million. This increase reflects that sending money home was a non-negotiable household duty. Even as local spending contracted, workers continued prioritizing family obligations abroad, highlighting the resilience and social importance of remittances to overseas households.

3. Peak Recovery (2021): As economic activity resumed, total remittances jumped 26.34% to \$126.69 million, the highest in five years. This surge indicates a “catch-up” phase, as families compensated for reduced support during lockdown periods. The increase also mirrors the gradual restoration of tourism and employment, leading to improved earnings and liquidity in the workforce.
4. Market Adjustment (2022): Remittance volume eased to \$117.13 million, reflecting a stabilization phase rather than a downturn. GDP growth during 2022 (+16.7%) confirmed broader recovery, while remittance levels remained historically high. This suggests that remittance patterns are structural and not merely tied to temporary economic shocks.

IV. OBSERVATIONS AND INSIGHTS

1. Resilient Household Behavior: Remittances remained consistently high across all five years, proving to be income-inelastic. Workers continued to remit even during times of reduced income or uncertainty.
2. Labor Force Composition: The CNMI’s reliance on non-resident contract workers creates a consistent outward flow of earnings. These workers routinely send fixed portions of their wages to dependents overseas.
3. Limited Local Circulation: Funds sent abroad bypass local businesses, utilities, and service providers. This reduces the domestic spending multiplier and slows recovery in retail and consumption-based sectors.
4. Foreign Exchange and Transfer Costs: The per-transaction fees and FX charges incurred on remittances further reduce the amount of money retained in the CNMI economy.
5. Post-Pandemic Continuity: Even as tourism and employment rebounded, the persistence of high outflows into 2022 indicates that remittance behavior has become a permanent economic feature, influenced by household priorities rather than short-term trends.

V. ECONOMIC INTERPRETATION

Over the five-year span, remittance activity in the CNMI reflects a stable yet outward-oriented cash flow pattern. The total of \$535.84 million transferred abroad underscores both the earning capacity of the workforce and the limited retention of liquidity within the islands.

While the pandemic temporarily affected earnings, remittance behavior proved resilient. The strong rebound in 2021 and sustained high levels in 2022 highlight a dependable remittance stream that supports overseas households but constrains domestic consumption growth.

VI. CONCLUSION

From 2018 through 2022, remittances in the CNMI have remained a significant economic outflow, averaging over \$107 million per year. Despite global disruptions,

workers maintained consistent support to families overseas, confirming remittance payments as a core component of CNMI's financial structure.

This trend illustrates both the strength of household financial responsibility and the economic reality of a workforce heavily composed of non-resident labor. The data collectively show that remittance flows are resilient, predictable, and closely tied to employment levels, with long-term implications for local economic circulation and spending capacity.



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Remedio C. Mafnas, Secretary

FOREIGN EXCHANGE REPORT
Reporting Period: 2018 – 2022

I. INTRODUCTION

Pursuant to 4 CMC Division 6, the Banking Division regulates all licensed foreign currency exchange (FX) entities operating within the CNMI. Each entity is required to submit quarterly reports reflecting total currency conversions and related activities. This Annual Report consolidates five years of submissions (2018-2022) for supervisory reference, trend monitoring, and policy evaluation.

This report also aligns with NMIAC Title 20-20.1 (Foreign Currency Exchange Rules and Regulations), which authorizes the Division to collect, verify, and analyze FX transactional data from all registered operators.

II. TOTAL FOREIGN EXCHANGE TRANSACTIONS (in USD)

YEAR	Q1	Q2	Q3	Q4	Total	% of Change from Previous Year
2018	\$ 2,315,747.00	\$ 1,696,443.00	\$ 585,680.00	\$ 267,590.00	\$ 4,865,460.00	-
2019	\$ (29,417.67)	\$ 80,958.53	\$ 235,630.81	\$ 10,354.00	\$ 297,525.67	-94%
2020	\$ 93,221.48	\$ 121.95	\$ -	\$ -	\$ 93,343.43	-69%
2021	\$ 121.95	\$ 121.95	\$ 209.06	\$ 219.76	\$ 672.72	-99%
2022	\$ 317.71	\$ 287.75	\$ 3,651.28	\$ 5,554.20	\$ 9,810.94	1358%

III. FIVE-YEAR PERFORMANCE SUMMARY

2018 – Highest recorded activity

The total foreign currency exchange volume reached \$4.86 million, dominated by hotel-based exchange counters and casino-related transactions. Primary contributors included the Imperial Pacific Internation (CNMI) LLC, Hyatt Regency Saipan, Grandvrio Resort, Fiesta Resort, and Kanoa Resort. This year reflected robust pre-pandemic and pre-typhoon economic conditions.

2019 – Contraction Phase

Activity dropped drastically to \$297,525.67, a 94% decline. This collapse was strongly influenced by the aftermath of Super Typhoon Yutu, which struck the CNMI in late October 2019 and caused extensive damage to Saipan and Tinian’s major hotels and resorts. Many licensed FX operators temporarily closed or operated at reduced capacity due to infrastructure damage, power loss, and decreased tourist arrivals. The Imperial Pacific account also recorded a negative adjustment (-\$7,322.00), reflecting financial reversals and business disruption.

2020-2021 COVID-19 Pandemic Disruption

Foreign exchange activity continued to deteriorate during the global pandemic, as borders closed and tourism ceased. Total volumes declined from \$93,343 in 2020 to \$673 in 2021, marking the lowest levels ever recorded. Nearly all licensed FX operators reported “No Activity” during these years, consistent with government emergency directives and international travel restrictions.

2022 Gradual Post-Pandemic Rebound

Partial recovery occurred with the reopening of international borders. FX activity rose to \$9,810.94, driven by limited hotel-based exchanges such as Kensington Hotel, Grandvrio, and Hyatt Regency. However, transactions remain more than 98% below 2018 levels, underscoring a slow and uneven recovery from both Typhoon Yutu and the COVID-19 crisis.

IV. REGULATORY FINDINGS AND ACTIONS

1. Reporting Compliance: Several quarters from 2020-2021 reflect “No Report” or zero activity. The Division will verify whether these represent verified business suspensions, late filings, or closures under Typhoon Yutu recovery and COVID-19 restrictions.
2. License Verification: All reported FX activity must correspond with a valid license under NMIAC Title 20-20.1. Entities reporting transactions without a valid license period will be reviewed for administrative compliance.
3. Disaster and Emergency Impacts: The Banking Division recognizes Super Typhoon Yutu (2018) and COVID-19 (2020-2021) as major external shocks affecting reporting continuity, financial performance, and liquidity of FX operators. These events will be noted in the Division’s historical performance log for long-term economic analysis and audit tracking.

V. ANALYSIS AND CONCLUSION

The five-year trend (2018-2022) illustrates the CNMI’s economic sensitivity to catastrophic events. The sharp contraction following Super Typhoon Yutu disrupted the

tourism-dependent FX sector, while the subsequent COVID-19 pandemic nearly erased all foreign exchange transactions for two consecutive years.

Although 2022 shows modest recovery as travel reopened, the sector has yet to regain pre-Yutu and pre-pandemic stability. This dual-impact period highlights the necessity for:

- Strengthened business continuity planning among licensees,
- Improved data submission timelines even during disasters, and
- Enhanced coordination between the Banking Division, hotel operators, and tourism agencies for economic resilience tracking.

The Division will continue to monitor quarterly filings, verify reactivation of suspended licenses, and uphold compliance with 4 CMC Division 6 to ensure accuracy, stability, and public confidence in CNMI's financial reporting framework.