The Virgin Islands Consortium

First Bank Christiansted To Close On January 9, Employees Face Layoffs

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The First Bank branch in Christiansted will permanently close its doors on January 9, 2015 and staff members have been given notice that they may be laid off if the bank is not able to place them elsewhere, the *VI Consortium* has learned.

Speaking to the *VI Consortium* under condition of anonymity because the discussions were private, people familiar with the matter said the bank had been considering the closure for some time, saying that because the St. Croix economy has deteriorated, it made little business sense to keep the Christiansted branch open. There are currently eight employees who work at the First Bank in Christiansted.

It will not be the first time First Bank shutters a branch in Christiansted, as the company closed a small branch near the Christiansted dock several years ago. The impending closure on Jan. 9, however, is not reflective of the company's overall health. On Oct. 2, First Bank Puerto Rico purchased Doral Bank, a community bank on the island, for approximately $192.7 million in cash. According to a blurb on Doral Banks's website, it is "the only community bank in Puerto Rico with a firm commitment to the families, individuals and businesses in our communities."

The Doral Bank deal appears to be mainly a Mortgage Loan Purchase and Sale and Interim Servicing Agreement, giving First Bank "all rights, title and interests in certain performing residential mortgage loans with approximately $192.6 million in outstanding unpaid principal balance as of August 29, 2014 and approximately $47,000 of certain

premiums, related to the

Now-shuttered Scotia Bank in Christiansted.

Across from the First Bank in Christiansted stands a now-shuttered Scotia Bank branch, where business was once bustling. The shuttering of businesses -- even banks, is a new reality in the Virgin Islands, more pointedly on St. Croix, where the closing of the HOVENSA refinery in 2012 and high cost of energy continue to affect the economy.

There is Hope

In the midst of despair, there appears to be hope for the island's flailing economy, as WAPA is projected to pass on to residents savings of 30 percent once its propane initiative, dubbed 'Operation Game Changer', is complete in the first quarter of 2015, and a sale of the HOVENSA refinery that would see the massive plant coming back online draws closer.