The Virgin Islands Consortium

VI Banking Board Approves Permit And Transfer Requests For Scotia Bank To OFG Bancorp At Meeting

Business / **Published On July 17, 2019 10:30 PM /**

Staff July 17, 2019

A permit for Oriental Bank, a subsidiary of OFG Bancorp (NYSE: OFG), which recently acquired Scotia Bank operations in the U.S. Virgin Islands and Puerto Rico, was approved to organize a bank in the territory subject to three special conditions as considerations of the permit approval, announced the Lieutenant Governor's Office Wednesday.

As part of the conditions of the permit, Oriental Bank must: 1) Preserve the severance benefits of the bank's employees up to one year into its operations; 2) Adhere to standards set by the Community Reinvestment Act and maintain a satisfactory rating; 3) Include the island of St. John in consideration of expanding services in the bank's growth initiatives, Mr. Roach's office said.

The permit approval for Oriental Bank is the first step in a multi-step process, according to the release. In order to assume Scotia Bank's operations and start serving customers, Oriental Bank will need to obtain a license and approval from the Banking Board, approval from the federal regulators at the FDIC, and approval from the Puerto Rico Commissioner of Banking.

“The Board was pleased with Oriental Bank's presentation and its overall positive view of the economic impact its presence will have in the territory,” Mr. Roach said.

He added, “Oriental's acquisition of the Puerto Rico and U.S. Virgin Islands Scotia branches will make the FDIC insured bank, the second largest in Puerto Rico, where it is headquartered."

Board members Rosalie Javois, Richard Grant, and Finance Commissioner Kirk Callwood also voted on and approved a request for the transfer of ownership of Generation Holdings, LLC from the CL USVI Trust to ASH Bank Trust.

The board received a state of the bank report for the Economic Development Bank. Board members shared concerns about the potentially underserved industries of farming, fishing, and agriculture. Questions were raised regarding how the Economic Development Bank can better support those areas and grow the economic development of the territory, according to the release.

For additional information, please contact the Division of Banking and Insurance at (340) 773-6459 on St. Croix and (340) 774-7166 on St. Thomas.