

Image not found or type unknown

Banks in USVI are Safe, Lt. Governor Says Following Collapse of SVB - the 16th Largest Bank in U.S.

Business / **Published On March 14, 2023 11:17 AM /**

Ernice Gilbert **March 14, 2023**

Image not found or type unknown



The dramatic and swift collapse of the Silicon Valley Bank (SVB) in California on March 10 has led the lieutenant governor of the Virgin Islands, who also holds the role of chairman of the Division of Banking, Insurance and Financial Regulation, to issue a statement reassuring residents that banks doing business in the USVI are safe.

Large banks operating in the U.S. Virgin Islands include Oriental Bank, Firstbank, Popular — the three largest, all of which are headquartered in Puerto Rico – followed by Bank of St. Croix and Merchant's Commercial Bank.

“There is no concern that we are faced with or expect regarding the Silicon Valley Bank being closed and any trickle-down effect. The Territory’s banks are stable,” Lt. Governor Tregenza

Roach said Tuesday morning. "In April of last year, senior representatives of each bank met with the VI Banking Board and provided comprehensive reports on the state of each banks' finances. Since then, we have received updates and additional reports that provide a strong financial outlook."

SVB, which was the 16th largest bank in all of the U.S. once boasting assets of \$209 billion, and the second-largest bank failure in U.S. history, on Sunday saw U.S. regulators take control of the failed institution while announcing emergency measures aimed at stemming losses and calming fears so that depositors don't pull their money from smaller lenders en masse.

The collapse was caused by a run on deposits —when a large number of customers of a financial institution withdraw their deposits at the same time over fears about the bank's solvency — after the bank's liquidity crisis caused by failed investments surfaced.

Also on Sunday, U.S. regulators also took control of Signature Bank in New York, one of the main banking institutions of cryptocurrency companies. Officials reassured that the bank's depositors will be made whole.

To further calm fears, Mr. Roach said that the banks in the USVI, during the last Banking Board meeting on Dec. 8, reported that they had increased profits. He said the next board meeting is scheduled for April 19 and 20 this year.

For depositors with concerns, the lieutenant governor encouraged individuals to get in contact with their banks, or reach the Division of Banking, Insurance and Financial Regulation at 340-773-6449 on St. Croix and 340-774-2991 on St. Thomas.

Along with its responsibility of oversight in banking and insurance, the division also has a consumer protection mandate, according to the Office of the Lieutenant Governor.