

Public Apology On Banking Upgrade

Dear Valued Customers,

As the largest bank in the South Pacific, BSP is committed to digital growth and innovation to support the future banking needs of our customers. In April this year, BSP upgraded to a new Oracle FLEXCUBE banking system with the objective of providing our customers with a better banking service.

Oracle FLEXCUBE is operating in 140 countries, with over 26 billion customer transactions a year globally and provides leading edge technology to modernise core banking systems.

Our recent core banking upgrade to the Oracle FLEXCUBE system has helped BSP to operate more efficiently and now sets us up to transform the future of BSP banking for greater digital connectivity.

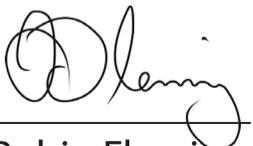
BSP took every precaution to avoid system errors in the lead up to, and during the transition from our old banking system to the new Oracle FLEXCUBE System, including deploying additional PNG staff in Vanuatu to provide a seamless handover. We acknowledge that despite this in country and extended support from PNG and support from Oracle FLEXCUBE since April, this transition has not resulted in the best customer experience for many of our customers. We acknowledge many customers have experienced problems since the new system was introduced.

We sincerely apologise to our customers whose experience of our new banking system or level of customer support has not met their expectations. Whilst we have encountered some technical issues with our new banking system upgrade, all monies and customer information is and continues to remain safe and secure.

We are aware that descriptions on BSP transaction documents and statements, including ATM and EFTPoS transactions, are different from previous BSP documentation and this was not clearly explained to customers. We also understand that, for a small number of customers, some fees may have been incorrectly applied to accounts. We also know that the internet banking experience has changed and that this has meant longer loading times or delays in alert messages being received. At the time of moving to our new banking system, BSP changed some of the structures for collecting fees to align to the processing requirements of our new system. Previously, customers were charged one fee for multiple transactions. In the new system fees are now charged for each individual transaction. BSP did not introduce any new fees and in some cases certain fees were reduced. A full list and comparison of BSP fees can be found on the BSP website: [About > Rates and Fees](#) then click View Rates.

BSP has been working actively with our implementation partners to resolve the various problems customers have experienced. Resolving these issues is our highest priority and we are working toward the following timeframes for this remediation. For issues with Loan Balances and Internet Banking Platform Approvals, we are working to remediate issues by December 2021. We will be making further refinements to EFTPoS / ATM and Statements narrations, Loan Service Fees, all statement narrations, the Internet Banking Platform and Cheque related issues from January to February 2022.

We value all customer feedback and invite customers to contact us via one of the below dedicated customer care channels for any unresolved banking issues, or questions about the fee changes.



Robin Fleming CSM

Group CEO

BSP Financial Group Limited