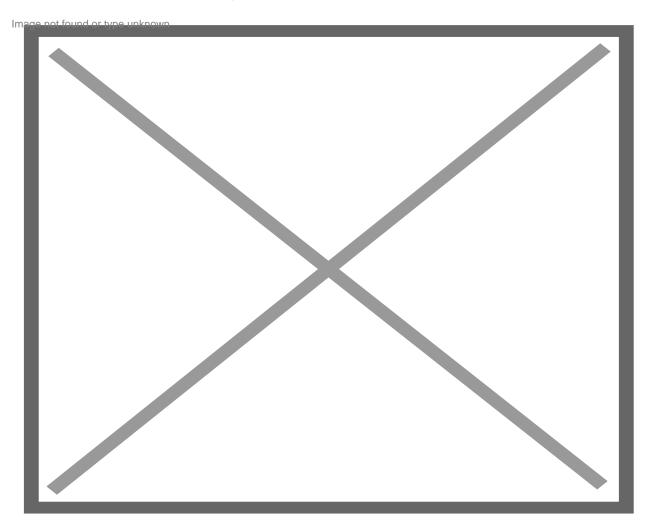
Oriental Bank Says it Has Fixed All Major Issues Arising From Transition; V.I. Banking Board Accepts Report

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Frustrated customers waited in line for hours outside the Oriental Bank in Sunny Isle on Wed. Aug. 26, 2020. Covid-19 has exacerbated the waiting process as only a few people are allowed in the bank at a time By. ERNICE GILBERT FOR VI CONSORTIUM

The Virgin Islands Banking Board, chaired by Lieutenant Governor Tregenza Roach, on Monday during a meeting accepted Oriental Bank's report that it has addressed all of the board's requirements following the bank's recent conversion challenges — including reimbursements to clients who suffered a financial hardship.

After a Consortium report <u>detailed a crisis</u> at the bank following its transition from Scotia Bank's system to its own, the Banking Board ordered Oriental to compensate customers and take immediate steps to rectify the matter. Those steps included:

- Providing the board with a report that identifies customers who suffered a financial hardship
 or were assessed any fees as a consequence of not having access to their funds during the
 conversion period.
- Reimbursing customers for costs expended on fees, resources, and banking products such as
 deposit slips, checks drawn on the former bank, and other items should these products be
 rendered obsolete.
- Demonstrating compliance of COVID-19 health measures for staff and customers or be faced with fines for being in violation of these mandated steps.
- Providing the Board with a report of staffing to include new hires and indications of personnel action in terms of a loss of staff from the start period of Oriental Bank's acquisition on December 31, 2019 to present.
- Reporting to the Board by September 30, 2020 how they have addressed all outstanding issues related to Phase One of the conversion.

Elsewhere, the board entered orders regarding the use of cryptocurrency in the territory and accepted Firstbank's report on actions taken to protect customers following a <u>recent cybersecurity</u> event.

After learning of Firstbank's cybersecurity event, Mr. Roach requested information on the incident which impacted customers throughout the entire territory. Representatives from Firstbank were required to provide an incident report and share an update on steps taken to address the problem, according to the release.

"Upon receiving an update on corrective actions undertaken by Firstbank, the Virgin Islands Banking Board is satisfied that Firstbank has taken the steps necessary to protect access to customer data," said the lieutenant governor. "We look forward to additional reports resulting from an ongoing investigation and hope to use this experience to strengthen our inquiries on cybersecurity, particularly when we conduct the annual State of the Bank report."

The Banking Board also received a presentation from representatives of PayPal, a licensed money transmitter in the territory, which desires to provide cryptocurrency -- digital currency, for use in financial transactions.

"At this time, cryptocurrency is not authorized for use in the territory and the Board wanted to ensure that PayPal, as a licensed money transmitter, acknowledges to its customers the benefits and risks that are associated with the use of cryptocurrency, and make it clear to customers that this currency type is not currently authorized for use," Mr. Roach said.