

Habib Overseas Bank Limited (in curatorship) press release

9 June 2023

The curator of Habib Overseas Bank outlines details for eligible depositors to access funds of up to R100 000 each

The representative of the curator of Habib Overseas Bank Limited ('Habib Overseas or the Bank'), Craig Du Plessis is pleased to outline the details for eligible Habib Overseas depositors to access their determined amounts.

This follows on from 26 March 2023, when Habib Overseas was placed into curatorship as per recommendation of the South African Reserve Bank ('the SARB'). The curator subsequently placed a moratorium on the operational aspects and closed the branches of the Bank on 27 March 2023, to allow the curator's team to conduct a financial and operational assessment given the compliance, governance and operational failures.

On 8 June 2023, the SARB communicated that it will pay up to R100 000 to each eligible Habib Overseas depositor. Depositors, who are not eligible for this payment, include the following:

- Depositors who have a balance of R100 or less in their account. These depositors will, nonetheless, retain their claim against Habib Overseas; or
- Depositors who have not met the First National Bank ('FNB') on-boarding requirements (further detailed below).

In addition, any Habib Overseas deposit account held by a depositor that has been provided as security to any party will not be included in the payment.

The payment will be in full and final settlement of any and all claims against Habib Overseas where an eligible depositor's account balance(s) is more than R100 and less than or equal to R100 000.

Habib Overseas eligible depositors who have more than R100 000 in their accounts

A depositor with more than R100 000 in their account, shall continue to have a claim against the Bank for the remaining balance after the payment of R100 000. The current moratorium in relation to this outstanding balance remains in place until further notice.

How will eligible Habib Overseas depositors access their funds of up to R100 000 through FNB?

The SARB, Habib Overseas, and the curator concluded an agreement with FirstRand Bank Limited's retail and commercial bank division, FNB to facilitate the payment process. FNB offers the best geographical fit to the existing Habib Overseas branch network as well as a wide range of banking products, including Islamic Banking, which may be suitable for some of the eligible depositors. FNB has received the funds from the SARB to process such payments to eligible depositors.

Of the total depositors of approximately 1900, an estimated 70% of eligible depositors will receive all their money, once payments of up to R100 000 have been received.

- FNB will contact eligible depositors through email and/or telephone from 12 June 2023.

- Payments above R100 and up to R500 will be made via FNB eWallet to the eligible depositor's mobile number.
- Eligible depositors that hold an existing FNB account, have an email address on record, and are deemed FICA compliant will receive an email explaining the next steps.
- All other eligible depositors will be contacted via email and/or telephone to guide them regarding the next steps and requirements.
- All Habib Overseas branches remain closed until further notice.

Customers who have credit facilities from the Bank are legally obliged to continue to pay their monthly instalments in accordance with the terms of their agreements with the Bank.

Curatorship update

The curator has made good progress with the financial and operational assessment of Habib Overseas and is in the process of finalizing the assessment. The current moratorium in place and ultimate resolution of Habib Overseas are therefore still under consideration.

Craig Du Plessis, the representative of the curator noted: *"We recognize the anxiety, stress and financial burden placed on depositors given that they have not been able access their bank accounts during curatorship, and are delighted that the SARB has agreed to make such payments which will go a long way to provide some relief to eligible depositors."*

ENDS

Louise Brugman 083 5041186 on behalf of the curator of Habib Overseas