



21 July 2023

Dear Habib Overseas Bank Customer

We inform you that the Prudential Authority (“PA”) and the South African Reserve Bank (“SARB”) have today issued an application in the High Court in Pretoria, Gauteng, for the winding up of Habib Overseas Bank (“the Bank” or “Habib Overseas”) under Section 68 of the Banks Act. The basis of their application for liquidation is that curatorship is no longer viable for the Bank due to the fact that the Bank is both factually and commercially insolvent in that its liabilities significantly exceeds its assets, and it cannot pay its debt. Habib Overseas should therefore be wound up as per Section 345 of the 1973 Companies Act.

Against the background of non-compliance, poor governance, operational failures, and concerns raised by the auditors of the Bank in respect of completeness, accuracy and reliability of financial information, the PA and SARB are requesting the Court to grant an order of winding up in the interests of the creditors (primarily comprising depositors) of the Bank as a matter of urgency.

Currently however, the Bank remains in curatorship until such time as the court opines on the liquidation application, with the moratorium in place.

Habib Overseas eligible depositors

Notwithstanding the SARB and PA’s application, eligible depositors can withdraw up to R100 000 each from a designated FNB branch.

The outcome of the application for liquidation of Habib Overseas by the SARB and PA does not affect the status of these deposits of up to R100 000, so please contact FNB on +2787 030 4561 or hob@fnb.co.za if you have not heard from them.

As previously communicated, a depositor with more than R100 000 in their account, will continue to have a claim against Habib Overseas for the remaining balance after the payment of R100 000.

All customers, including depositors, are reminded to manage their financial affairs accordingly. This includes making alternative banking arrangements with regards to money coming into Habib Overseas (salaries, payments from suppliers etc.) and money going out of Habib Overseas (debit orders for medical aid, staff salaries, point of sale devices etc.).

We further remind you that customers who have credit facilities from Habib Overseas are legally obliged to continue to pay their monthly instalments in accordance with the terms of their agreements with Habib Overseas.

Please also refer to <https://www.habiboverseas.co.za> for further information.

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Regards

The Curatorship Team