

PRELUDE TEXTILES & RALMA TEXTILES
UNION & OVERSEAS AGENCIES
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TO: KEITH WEEKS **FROM: RALPH ISRAEL**

REF: BANK CHARGES
DATE:09/05/2006

Dear Mr Weeks

RE: Public Enquiry to be held into Fees charged by the country's 4 big banks.

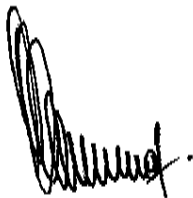
With regard to the above article that appeared in the Cape Argus concerning comments, which should be submitted to the Competitions Commission, I attach herewith a summary of fees charged by F.N.B. on only 1 of our business cheque account (Prelude Textiles) over the past 12 months.

You will note that we paid FNB an amount of R6825,28 during the past 12 months, which includes all service fees, levied by FNB. It is interesting to note that they have charged us R2351,98 to draw our own cash. This is an average of R67,20 per cheque.

Over and above this we have been charged various other service fees totalling R3912.45 + Account fee R300,00 (R25.00 pm)

I sincerely hope that this will be of some help when the enquiry starts.

Yours truly,



Mr R. Israel

FNB CHEQUE ACCOUNT BANK CHARGES

Statement Date	Cheq. No.	Cheques Cashied					Other					TOTAL
		Amount	Handling Fee	Service Fee	Facility Fee	Service Fees	Monthly Account Fee	Unpaid Cheq. Fee	Deposit Book Fee	Special Clearance	Cash Deposit Fee	
12/04/2005	884	9,173.20	87.15	16.00		316.60	25.00	50.00			5.55	500.30
12/05/2005	890	5,847.56	55.55	16.00		266.55	25.00		13.00			376.10
14/06/2005	896	3,000.00	28.50	16.00		251.45	25.00	50.00				370.95
30/07/2005	903	2,000.00	19.00	16.00		407.10	25.00					467.10
31/08/2005	908	2,000.00	19.00	16.00								35.00
	912	3,500.00	33.25	16.00								49.25
	914	2,000.00	19.00	16.00								35.00
	917	4,847.60	46.05	16.00								62.05
	923	2,500.00	23.75	16.00		401.50	25.00					466.25
30/09/2005	924	7,500.00	71.25	16.00								87.25
	925	3,000.00	28.50	16.00								44.50
	928	6,173.25	58.65	16.00								74.65
	930	3,000.00	28.50	16.00	114.00	261.05	25.00					444.55
31/10/2005	931	2,500.00	23.75	16.00								39.75
	936	1,000.00	9.50	16.00								25.50
	938	5,847.50	55.55	16.00								71.55
	935	1,200.00	11.40	16.00								27.40
	940	20,000.00	190.00	16.00								206.00
	933	2,500.00	23.75	16.00		347.40	25.00				40.72	412.15
30/11/2005	942	2,000.00	19.00	16.00								35.00
	945	3,000.00	28.50	16.00								44.50
	946	3,000.00	28.50	16.00								44.50
	947	4,847.60	46.05	16.00		293.20	25.00					420.97
31/12/2005	950	5,000.00	47.50	16.00								63.50
	951	8,800.00	83.60	16.00								99.60
	952	8,227.50	78.16	16.00								94.16
	953	2,000.00	19.00	16.00		290.80	25.00				6.58	357.38
31/01/2006	958	6,000.00	57.00	16.00								73.00
	966	11,133.00	105.76	16.00		402.40	25.00					549.16
28/02/2006	972	5,777.20	54.88	16.00								70.88
	974	2,000.00	19.00	16.00								35.00
	975	3,277.20	31.13	16.00								423.93
31/03/2006	981	4,850.00	46.08	16.00		351.80	25.00					62.08
	982	3,000.00	28.50	16.00								44.50
	983	4,128.25	39.22	16.00		322.60	25.00	50.00				611.82
TOTALS		164,629.85	1,563.98	560.00	228.00	3,912.45	300.00	150.00	13.00	45.00	52.85	6,825.25

1,563.98
560.00
228.00
2,351.98

35 Cheques Cashied 67.20 Average per cheque cashied

BANKING CHARGES

Public probe into high bank charges

By Reuters and Sapa

Pretoria: The Competition Commission is to hold a public inquiry into fees charged by the country's four big banks, which consumer groups say are way too high.

The Competition Commission, which will seek comment from the public, banks and regulators, may follow the inquiry with a formal investigation into bank charges and the national payment system (NPS).

The NPS - the accounting and transaction system between banks and other financial institutions - which is dominated by Standard Bank, Nedbank, FirstRand and Absa, processes electronic card and cheque transactions and includes the banks' approximately 14 000 automated teller machines (ATMs).

"The main competition concerns arising ... are related to bank charges and access to the national payment system," Shan Ramburath, acting commissioner of the Competition Commission, said in a statement.

The commission yesterday released a research report on competition in the banking industry, which found that the national payment system was highly efficient and sound but lacked transparency.

"An efficient and sound system may nevertheless lack features which would make it also fair to consumers," the report said, adding that bank pricing was often difficult to evaluate because of bundled offerings.

Consumer groups and bank industry groups agree that bank charges are perceived to be much higher in South Africa than in comparable countries and that fees are levied on more transactions than in other nations.

The main author of the report, researcher Penelope Hawkins, said that based on 2004 figures, the four main banks earned 38%, or R29 billion of their total income and 69% of non-interest income from fees related to the NPS.

"In an environment where only four entities make up the bulk of the payments activity and through their vertical holdings command much of the revenue generated by such activity, the current consumer pressure and disquiet regarding bank fees may be justified," the report said.

Absa - a unit of Britain's Barclays Plc - said it still had to study the report.

The Banking Association of SA welcomed the report and the recommendation of improved access to the NPS.

"As indicated in the report, this needs to be done in a responsible and regulated manner to maintain the efficiency and sustainability of the system to the ultimate benefit of the customer," said the association's managing director, Cas Coovadia.

The role of the NPS is crucial for the safe and sound exchange of transactions, he said. The Banking Association was committed to work with the inquiry.

The commission has invited reaction to the report - available on www.compcom.co.za.

Submissions should be made to Keith Weeks via e-mail on bankingenquiry@compcom.co.za or by fax on 012-394-4258.