



**Department of Economic
Development
Umnyango Wezokuthuthukiswa
Komnotho**

KWAZULU - NATAL

ANNEXURES

**Case File in Chronological Order for Reference
Mr Spencers inquiry into miscalculation of
interest dated 4 October 2005 and 6 July
2006.**

D Pillay
24 August 2006.



Cnr West &
Gardiner Street
Durban 4001
PO Box 965
Durban 4000
Republic of South Africa
Telephone (031) 360-9550
Telex 6-20254
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Natal Bank Branch

11 May 2004

Mr S Spencer
P O Box 10693
MARINE PARADE
4056

Dear Mr Spencer

INVESTMENT ACCOUNTS : OPERATIONS POLICY

Your letter dated 15 March 2004 refers.

I will try to explain in the same order as your summary list.

1. Dates

The screenprint of the account summary does reflect a lot of dates, all of which might not be applicable to a particular account, as we use the same screen layout for Notice, Fixed and Prime Linked Deposits.

Opening date - The date of the actual account opening.

Accrual date - This is not FNB terminology used on the system and I will refrain from commenting.

Maturity date - This date reflects the date that the deposit matures and therefore becomes available to the customer provided that it is a banking business day (not a Sunday or Public holiday).

Repayment or renewal date - Maturity date

The confusion regarding dates seems to be with the bank staff and specifically Mr G H Harris as we do not pay interest for the day on which an investment matures.

The interest calculation is based on the funds reflected in the account at the close of transaction processing at the end of a business day. Therefore if a withdrawal is made during the day, the bank does not have the funds at the end of the day and no interest is paid for that day.

I do apologise for the confusion caused by Mr Harris and will see to it that the necessary training is done.

2/.....

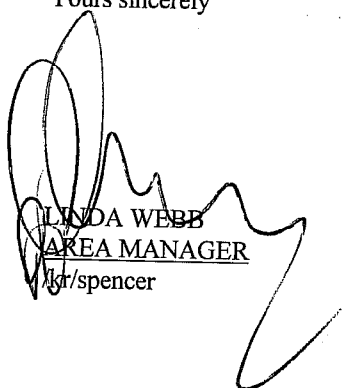
2. The branch did indeed not act on your instruction and you did not receive interest for the 1 July 2002. Your Prime Linked account was closed on the 1 July 2002 and the Fixed Deposit and the renewal of the Prime Linked deposit only happened 1 day later on the 2 July 2002. The bank therefore owes you 1 days interest - $R192\,963.08 \times 11.25\% \times 1 \text{ day} \div 365 \text{ days} = R59.47$

Once again I apologise for the inefficiency on our part.

3. As explained in point 1 above, Mr Harris did indeed give you an incorrect directive as the maturity date is the date on which funds become available and the bank does not pay interest for that day on that account unless it is renewed.
4. As explained the bank acted 1 day late.
5. The same directive does not apply to the notice for withdrawal. As the bank (and indeed the industry) does not operate on Sundays or Public holidays, any instruction falling on such a day can only be executed on the first banking day thereafter. Interest is paid on the full amount for the additional days the funds were still with bank on the day. In your example the 11 August 2002 was indeed a Sunday but if it were a normal Banking business day the instruction would have been processed on the day.
6. As explained before, this should have happened on the 1 July 2002 as well.
7. The same dates and principles would apply at FNB as the Maturity/Notice date did not fall on a Sunday.
8. Example 1 - FNB's mistake and 1 days' interest due to you.
Example 2 - Sunday and not clearance can be done.
Example 3 - The way it should happen
9. The Saambou accounts and conversion had no effect on your accounts and no faults had been rectified, as the only 'fault' involved was indeed that you account was not renewed in time.

I once again apologise for the inconvenience caused and as a goodwill payment refund you R500 to cover the lost interest and expenses incurred by you.

Yours sincerely



LINDA WEBB
AREA MANAGER
lwr/spencer

First National Bank H.Q
Thro Natal Branch, Durban.

1 of 5

41 Bel-Avis
DBN. Noth 4001

15th MARCH 2004

Dear Sirs

INVESTMENT ACCOUNTS: OPERATIONS POLICY

RATIONALE

The intricacies of this matter are such that its presentation has been time-consuming & tedious in its analysis & compilation. It may become apparent that due to a number of circumstances my disposition is somewhat tenuous yet I hope you will agree that constructively there is legitimate need to bring important detail to your attention.

I am a Naambou investor casualty having forfeited R25000 (2000 shares) during the contrived cannibalisation of that bank's superlative assets. Your limited offer of preferential rates on certain investments appealed to me as an opportunity for claw-back of some of that loss. The two investment transactions in question are:-

a) 32 day account commencing 30th May, 2002 for R19,219.84 for 32 day term.

b) Renewal of the above with proceeds, less R150,000 to 12 months fixed at on 1.7.02

The documentation as proof thereof is attached as follows:- Annexures

Page 1. Confirmation of Deposit dated 30th May, 2002 for R19,219.84

Page 2. " " " " " " " " 2nd July, 2002 for R44022.55 (32 day account)

Page 3. " " " " " " " " 2nd July, 2002 for R150000 (12 months fixed, maturity date 2nd July 2003)

The additional corroborative statements pertaining are:-

Page 4. Transaction History Report showing posting date as 30th May, 2002 and the maturity date as 1st July 2002 for R19,219.84 plus interest record.

Page 5. Account Summary showing "date opened" as 30th May, 2002: "Notice due" 1st July 2002 and "Maturity date" as 1st July 2002.

My only comment so far is that confirmation of correctness of my terminology of definitions used in your operations is necessary first i.e. DATE-WISE

OPENING DATE = ACCRUAL DATE = MATURITY DATE = REPAYMENT OR RENEWAL DATE(??)

Applying this criteria to my personal accounts, on page 3 (renewal) Confirmation of Deposit the date 2nd July, 2002 does not correlate with Page 4 "maturity date." In fact 2nd July 2002 does not correlate with any other (prior) transaction dates. It is invented. I was actually made aware of this on 27th June 2002 in that the renewal date for my investment could not and would not be 1st July, 2002; this due to "operational requirements", presumably a reference to "overnight clearance."

By way of illustration, If I were to loan money to someone on a Monday for 1 week I would expect repayment on the following Monday. Likewise, applying the same logic to my 12 months fixed investment with FNB commencing 1st July 2002 I should expect repayment on 1st July, 2003. By paying

investment term elsewhere. [Without wishing to complicate matters I am sure that funds can never be paid out on maturity date - see following paragraphs - in which case actual payment in this case was 3rd July 2003 otherwise your directive at Annex. 6 was not applied.]

Page 6. Adverting to Mr. Harris's letter of 2nd July, 2002 I take for granted that the statement, quote, "interest is paid up to and including the date that the funds mature. Therefore your capital is only available on the following day" is a FNB policy directive and is an embodiment of the system and its corresponding computer programme (software).

Applying this directive to my initial 32 day account transaction 74035009759 the date the funds matured is undisputably 1st July, 2002 (see Annex. 5) for which day I should have received interest according to Mr. Harris. But 32 days from 30th May 2002 is complete at midnight on 30th June 2002 by my reckoning, working on the fundamental that I shall always receive interest for the day of deposit but not for the day of withdrawal/repayment. Mr. Harris's directive also contradicts FNB's general principles of contract as contained in the Confirmation of Deposit form which states, quote, "The amount of.... for a period of.... months bearing interest at the Bank's current rate of.... p.a. and payable on Maturity Date.... when interest will cease."

However, Mr. Harris may well be correct in relating what is actually transpiring if the spreadsheet on Annexure 7 is taken literally (which would require expostulation by a senior systems engineer). If the first day of accrual, 31st May, 2002 for R53.70 is taken as day one of 32 because quote endorsement, "interest only reflect (sic) @ 12.00 midnight" instead of the footnote instruction quote, "calculate from the day the acct was opened" (30th May 2002) then naturally it follows that by the time 30th June, 2002 is reached only 31 days are in the equation requiring borrowing the shortfall of one day's interest from the maturity date as shown, on 1st July 2002. Once that happens the interest for 1st July 2002 requires midnight clearance which perpetuates the irregularity (??)

I request that you apply the same principle to the notice of withdrawal of R11625 I placed on 32 day account 74035009759 on 11th July 2002 - Annex 7 - 32 days is complete on 11th August, 2002 at midnight thereon if 11th July is taken as the first day of the notice period. Therefore, I should have received payment on 12th August, 2002. I was actually paid on 13th August as anticipated by the endorsement - Annex. 10 - made by your consultant, "13th". Did I lose a day's interest in consequence? If your answer is "no" please elucidate using the same explanative reasoning as I have done. It will need to be established if your stated policy is being perpetuated throughout FNB's accounts as in the examples that have been my personal experience.

2063

For the correct application of a notice of withdrawal which virtually parallels the foregoing example, please compare NEDBANK'S calculation on Annex. 8 and 9. Notice was given on 1st July, 2002 which was counted as day one of 32 days in the equation. The 32nd day was complete at midnight on 1st. August, 2002 and I received payment on 2nd August, 2002. As these are both actual examples, in the light of Mr. Harris's stated policy I would like your analysis and comment as they cannot both be correct. Please note the preparatory explicit endorsement on page 8 quote, "Please pay out to BOC on 1st August 2002" to ensure that maturity date and payment date are synonymous. Compare this with the endorsement equivalent "13th" at Annex 10.!

On technical matters, the logistics of Annex 4 would be difficult to explain away without applying the directive in question. The main point is that it naturally mirrors the spreadsheet at Annex 7. Because apparently the first day of accrued interest only shows up on day two requiring midnight clearance then, if this operational requirement is projected, by 30th June 2002 the entry shows R1743.24 accrued interest. An additional R59.47 is added on 1st July 2002, all of which required midnight clearance before repayment.

To further illustrate my one-day shortfall concept by actual experience please examine the Certificate of Balance FNB provided SARS for the tax year ended 28th February, 2003 in respect of my 12 months fixed investment account number 71036056599 @ 12.4% p.a. Annex 12. Thereon I have superimposed the calculation which I am maintaining is the correct one. I understand this was the document you singled out, out of all available examples as the basis for your concurrence and payment of one day's supplementary interest payment.

Much of the aforementioned is hindsight. The gist was put verbally to various staff members including Mr. Robins to whom a resumé of my motivational points was provided as an endorsement sheet on 28th July, 2002. After a reasonable time I was verbally informed that your H.Q. concurred. I was given to understand that my assessment + findings triggered an awareness which would translate into rectification, quote, "when the remaining Saambou accounts (client deposits) are amalgamated into FNB at the end of August, 2002" as part of the wind-up of Saambou." I assumed this would involve simplification / adaptations to bring the operation and reporting in part to a level that would be on a par with NEDBANK, as indicated: that the complete portfolio of affected accounts might be audited and supplementary interest payments made to other clients for whom I predated.

* see ANNEX 11(d)

I did not consider the matter further until I received my Certificate of Balance for 28th February, 2003. and had mind to review it some time later during tax considerations. Taking the document as a yardstick it became apparent that FNB would have welcomed the opportunity of maximising reparation for ex

Scambo clients especially since asset acquisition has been so lucrative for FNB as expected according to the past 2 years profit figure releases for the HomeLoans book.

In case the time lapse causes consternation this can be explained. I can provide chronology details if you so wish. Presumably the product and legal teams you call on to investigate these issues will be the same ones as those which considered the matter in 2003. If so my delay should not present any difficulty and the foreknowledge they have should enable them to input the explicit detail I have now provided to ensure early wrap-up + reply.

I should mention at the outset that during discussions with Consumer Affairs over an unrelated matter I briefly sought procedural advice on this matter as well as a second opinion should it be placing unnecessary or avoidable obligations on you. I am therefore sending a copy of this letter to them for information only as a courtesy and to fulfill the interest they have shown in my initiative.

In the meantime if your experts determine that your systems are faultless; that no-one has had entitlements withheld and that my unsophisticated conclusions based on logic rather than knowledge are unfounded I would accept a misguidance verdict - in which case my supplementary interest award is "ex-gratia" or I should expect a reversal of the same amount!

[Queries attached, Page 5.]

Yours sincerely,



S. SPENCER

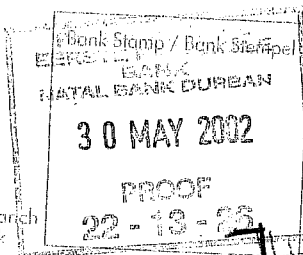
c.c. Mr. D. Pillay
 Assistant Director
 Consumer Affairs Division (Dept of E. D. + T.)
 Marine Building
 Gardenier / Coplanade
Durban

For information only.

15th MARCH 2004

Hopefully, this matter can be resolved in one exercise. This list identifies the queries to be cleared for my satisfaction. I should be grateful if you would provide the same explanative reasoning that I have used for each query. This will avoid becoming embroiled in supplementary correspondence which would not be welcome.

1. Is my terminology of definitions for dates correct?
2. After examining the hard evidence per documentation is it accepted that my 12 months fixed investment account was opened a day later than it should have been? If so, what was the reason for this? "Overnight Clearance" is not an acceptable answer.
3. Mr. Harris's directive, "interest is paid up to and including the date that the funds mature. Therefore your capital is only available on the following working day." Is this correct statement of FNB policy?
4. This directive was applied to my 12 months fixed account with the opening date of 2nd July, 2002, obviously so because Mr. Harris's confirmatory letter was dated 2nd July, 2002. Was that application of standard policy? If not, why was this?
5. The same directive was applied to my 32 days notice of withdrawal for R11625 i.e. I was paid on the first working day after maturity date i.e. 13th not on maturity date documented clearly as 12th. [The fact that 11th August 2002 was a Sunday is not relevant in the equation. To involve that in your reasoning would be rejected.] Is this chronology and application correct for this example?
6. Since writing the body of my letter BTM's documents show I was paid out by electronic transfer for my 12 months fixed account on 2/7/03 which was the wrong date but at least not 3/7/03 that I originally feared. Was this a special dispensation because of my earlier wave-making protests? This did not conform to the directive, the same directive which was applied to the same account but to my detriment on its opening on 2/7/02. Why was this? Why was this especially since I had raised my doubts about the integrity of the system in June 2002 resulting in the need for Mr. Harris to write to me in the first place? Why was this not rectified then lest there was nothing considered amiss?
7. The NEDBANK e.g. I gave you was for withdrawal of R3892.42. Are you satisfied that the policy and back-up software at that bank are correct? It differs from yours in accord with the examples provided, and Mr. Harris specifically. What is the explanation as one system must be seriously wrong.
 - 8) Of the 3 FNB e.g.s 2 apply Mr. H's directive, one does not. Is it general practice to vary company policy to suit whatever circumstance & to permit varying of computer software systems. Is subjectivity possible at all once audit has approved/verified systems for specific solutions? Can operations be overridden by intervention as documentation herein indicates? *9) "the faults will be rectified when the remaining Saambou a/c.s are amalgamated." To what degree was this pledge met & to what extent did any faults applying to my accounts carry over to other ex Saambou accounts? Why was no further mention of this endeavour on the part of FNB forthcoming either to myself, the initiator of the "fault" possibility, or as a general announcement?



Natal Bank

I/Ws (Mr, Mrs., Miss) **Mr Sydney Spencer**
Ek/Ons (Mr., Mev., Mej.)

035009759
I.D. No. 4104165516184
I.D. No.

or Van **Parade Hotel Room 101, 111 Marine Parade, Durban 4001**
(Full Name & Address in block letters / Volle Naam & Adres in drukletters)

Details of Deposit as follows/Besonderhede van Deposito soos volg:

Tick applicable box (✓) / Merk beirokka blok (✓)

Days Notice Deposit **Prime Linked** Call Deposit
Dae Kennis Deposito **Prime Linked** Aanvraag Deposito

The amount of: **One hundred + ninety-one thousand two hundred + nineteen rand + eighty-four cents only**
Die bedrag van: **One hundred + ninety-one thousand two hundred + nineteen rand + eighty-four cents only**
(Amount in words/Bedrag in woorde)

191217-84

Terms and Conditions / Terme en Voorwaardes

1. Funds in this account are subject to **30** days' notice or withdrawal on notice and shall earn interest calculated on a daily basis at a rate determined by the Bank from time to time, the amount payable to the depositor in the event of withdrawal in each period shall be as follows:
 2. Cheques etc. for collection to be available on each when paid, while nothing in good faith and exercising reasonable care, the Bank will accept responsibility for ensuring that depositors'/account holders have lawful title to cheques, etc. collected.
 3. Call deposits must be for amounts of R1 000 or more and may be increased or drawn upon, in amounts of not less than R1 000.
 4. Should the balance drop below R1 000, interest will cease.

1. Fondse in die rekening is onderworpe aan **30** dae kennisgewing van uitbetaling deur uitgewis van R1 000 of meer en sal daaglikse rente bereken word op 'n daaglikse basis, die bedrag wat betaal word op elke tydperk sal soos volg wees:
 2. Inligting omtrent die beskikbaarheid van kontant geld op die rekening moet in alle tye beskikbaar wees.
 3. Cheques ens. ingehoude om te betaal moet beskikbaar wees op die rekening op die tyd dat hulle aangebied word, terwyl die Bank aanspreeklikheid aanvaar dat depositoërs'/rekeninghouers wettige titel het op oesende inligting.
 4. Aanvraag Deposito's moet vir bedrae van R1 000 of meer wees. Rekenings kan vermeerder of onttrek word, in bedrae nie minder as R1 000 nie.
 5. As die balans minder as R1 000 word, sal die rente ophou.



A Division of **FIRSTSTRAND Bank Limited**
 Registered Bank. Reg. No. 1905/01225/06

Bank Stamp / Bank Stempel
FNB
NATAL BANK DURBAN
02 JUL 2002
PROOF
221 - 326

ANNEX 2.
Confirmation of Deposit
Bevestiging van Deposito

NATAL

Branch
 Tak

I/We (Mr., Mrs., Miss)
 Ek/Ons (Mnr., Mev., Mej.)

SYDNEY SPENKER

74035009759

Of
 Van

P. O. Box 10693

I.D. No.
 I.D.-nr.

410A165516184

(Full Name & Address in block letters / Volle Naam & Adres in drukletters)

Marine Parade, 4056

Details of Deposit as follows: / Besonderhede van Deposito soos volg:

Tick applicable box (✓) / Merk beïroekte blok (✓)

Days Notice Deposit
 Dae kennis Deposito

Call Deposit
 Aanvraag Deposito

The amount of:
 Die bedrag van:

forty four Thousand and

twenty two Rand and fifty

five Cents

RA4022-SS

(Amount in words / Bedrag in woorde)

Terms and Conditions / Terms en Voorwaardes

1. Funds in the account are subject to _____ days notice of withdrawal on call or cheques and shall earn interest, calculated on a daily basis, at a rate determined by the Bank from time to time, the amount paid to be ascertained by reference to the number of days in each period between payments.
2. Cheques, etc. for collection to be available as cash when paid. While acting in good faith and exercising reasonable care, the Bank will not accept responsibility for ensuring that depositors/account holders have lawful title to cheques, etc. collected.
3. Notice Deposits must be for amounts of R1 000 or more, and accounts may be increased or drawn upon in amounts of not less than R1 000.
4. Should the balance drop below R1 000 interest will cease.
5. 31 day notice deposits require a minimum balance of R1 000 and the minimum balance may not exceed R99 999,99.

Days Deposits:

1. Fondse in die rekening is onderworpe aan _____ dae kennisgewing van onttrekking en sal rente verdien, bereken op 'n daaglikse basis, teen 'n koers wat van tyd tot tyd deur die Bank bepaal word, en die bedrag wat betaal word, moet bepaal word met inagneming van die aantal dae in elke tydperk tussen betalings.
2. Tjeks ens. ingehandig vir invordering sal slegs na betaling as kontant beskikbaar wees. Alhoewel die Bank in goeie trou handel en alle redelike voorsorgmaatreëls neef, sal die Bank nie die verantwoordelikeheid aanvaar om te verseker dat deposante/rekeninghouders regmatige titel op ingevorderde tjeks, ens. het nie.
3. kennis Deposite moet vir 'n bedrag van R1 000 of meer wees. Rekeninge kan vermeerder of onttrek word met bedrae nie minder as R1 000 nie.
4. As die balans minder as R1 000 word, sal die rente ophou.
5. 'n Minimum saldo van R2 000 word vir 'n 31 dae-verlangingsrekening vereis en die maksimum saldo mag nie R99 999,99 te bowe gaan nie.

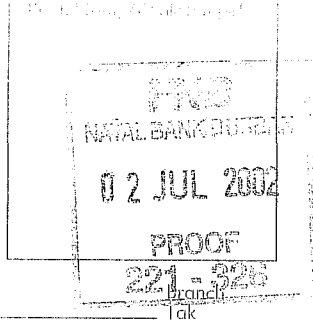
Call Deposits:

1. Call Deposits shall earn interest, calculated on a daily basis, at a rate determined by the Bank from time to time, the amount paid to be ascertained by reference to the number of days in each period between payments.
2. Cheques etc. for collection to be available as cash when paid. While acting in good faith and exercising reasonable care, the Bank will not accept responsibility for ensuring that depositors/account holders have lawful title to cheques, etc. collected.
3. Call deposits must be for amounts of R1 000 or more and may be increased or drawn upon, in amounts of not less than R1 000.
4. Should the balance drop below R1 000, interest will cease.

Aanvraag Deposite:

1. Onmiddellike opvraagbare deposito's sal rente verdien, bereken op 'n daaglikse basis, teen 'n koers wat van tyd tot tyd deur die Bank bepaal word, en die bedrag wat betaal word, moet bepaal word met inagneming van die aantal dae in elke tydperk tussen betalings.
2. Tjeks ens. ingehandig vir invordering sal slegs na betaling as kontant beskikbaar wees. Invorderings word te goeder trou gedoen en die Bank kan nie aanspreeklikheid aanvaar oor deposito's 'n wettige titel het op sodanige invorderings nie.
3. Aanvraag Deposite moet vir bedrae van R1 000 of meer wees. Rekeninge kan vermeerder of onttrek word met bedrae nie minder as R1 000 nie.
4. As die balans minder as R1 000 word, sal die rente ophou.

of Southern Africa Ltd./van Suidelike Afrika Bpk.
Registered Bank/Geregistreerde Bank
Reg. No./Reg.-nr. 05/01225/06



Investigating van Deposite

3

NATAL

71036056599

I/We (Mr., Mrs., Miss) **SHARLET PEACER**
 Ek/Ons (Mnr., Mev., Mej.)
 I.D. No. **4104165516184** Of (Full Name and Address in Block letters)
 I.D.-nr. **0 Box 10693, Marine Parade, 4056**
 Van (Volle Naam en Adres in Drukletters)

Hereby apply for a Deposit as follows:
 Doen hiermee aansoek om 'n Deposito soos volg:

The amount of (in words) **One hundred and fifty**
 Die bedrag van (in woorde) **1 thousand Rand Only**

For a period of **12** months bearing interest at the Bank's current rate of **5.40%**
 Vir 'n tydperk van **12** maande teen die Bank se heersende rentekoerse van **5.40%**

per annum and payable on Maturity date
 per jaar en terugbetaalbaar op vervaldatum

Fixed Vaste %
 Floating Flooi %
 Prime Prima %

when interest will cease
 wanneer rente sal ophou

per annum and payable on Maturity date
 per jaar en terugbetaalbaar op vervaldatum

Quarterly Kwartaal
 Half-yearly Half-jaarlik
 Yearly Jaarlik
 Maturity Vervaldatum

(A) We make a solemn and explicit declaration that the title to the deposit is held in trust for the depositor and that the deposit will be used to finance the business of the depositor.

(B) The depositor hereby declares that the deposit is not to be used for the purpose of financing the business of the depositor.

(C) The depositor hereby declares that the deposit is not to be used for the purpose of financing the business of the depositor.

(D) The depositor hereby declares that the deposit is not to be used for the purpose of financing the business of the depositor.

(E) The depositor hereby declares that the deposit is not to be used for the purpose of financing the business of the depositor.

(F) The depositor hereby declares that the deposit is not to be used for the purpose of financing the business of the depositor.

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(K) The depositor hereby declares that the deposit is not to be used for the purpose of financing the business of the depositor.

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(M) The depositor hereby declares that the deposit is not to be used for the purpose of financing the business of the depositor.

(N) The depositor hereby declares that the deposit is not to be used for the purpose of financing the business of the depositor.

(O) The depositor hereby declares that the deposit is not to be used for the purpose of financing the business of the depositor.

(P) The depositor hereby declares that the deposit is not to be used for the purpose of financing the business of the depositor.

(Q) The depositor hereby declares that the deposit is not to be used for the purpose of financing the business of the depositor.

(R) The depositor hereby declares that the deposit is not to be used for the purpose of financing the business of the depositor.

(S) The depositor hereby declares that the deposit is not to be used for the purpose of financing the business of the depositor.

(T) The depositor hereby declares that the deposit is not to be used for the purpose of financing the business of the depositor.

(U) The depositor hereby declares that the deposit is not to be used for the purpose of financing the business of the depositor.

(V) The depositor hereby declares that the deposit is not to be used for the purpose of financing the business of the depositor.

THFT THTI 6 THF TDA TRANSACTION HISTORY 20020710 12.12.54
 MENU CO 15 OP 007070 MS 50861 LAST PAGE OF TRANSACTIONS
 ACTION COID 15 ACCT COND RISK = 2 ICARE - REFER
 PROD CODE TOA ACCT 74035009759 SHORT NAME MR S SPENCER

ACTN	EFF DATE	T/C	TYPE	ORIG AMOUNT	REM AMOUNT	FLAGS
	POST DATE	MAT DATE		INT RATE	ACCRD INT	INT PAID
	2002/05/30	3003	C	191,219.84		NYNNNNYN
	2002/05/30					
	2002/06/30	3218	✓ C	1,743.24		NYNNNNYY
	2002/06/29					
	2002/07/01	3021	✓ C	192,963.08		YNNNNNY
	2002/07/01					
	2002/07/01	3218	C	59.47		NYNNNNYY
	2002/07/01					
	2002/07/01	3314	D	193,022.55		NYNNNNYY
	2002/07/01					
	2002/07/02	3003	C	44,022.55	44,022.55	NYNNYYYN
	2002/07/02					

Handwritten notes:
 33 DAD (circled)
 32 (circled)
 300 (circled)
 A (circled)

FLAGS: 1-PSBK/2-STMT/3-MTCH REV/4-STMT REV/5-ACCR/6-PEN/7-ELG REV/8-INT GEN
 PF: 1-HELP 3-PLVL 6-INO 7-SB 8-SF 9-ASUM

Handwritten: 1807-4
 1802

THFT THTI 1 THF TDA TRANSACTION HISTORY 20020812 11.38.42
 ACPR CO 15 OP 006464 MS 50852 ACTION COMPLETE
 ACTION COID 15 ACCT COND RISK = 2 ICARE - REFER
 PROD CODE TOA ACCT 74035009759 SHORT NAME MR S SPENCER

ACTN	EFF DATE	T/C	TYPE	ORIG AMOUNT	REM AMOUNT	FLAGS
	POST DATE	MAT DATE		INT RATE	ACCRD INT	INT PAID
	2002/07/01	3021	C	192,963.08		YNNNNNY
	2002/07/01					
	2002/07/01	3218	C	59.47		NYNNNNYY
	2002/07/01					
	2002/07/01	3314	D	193,022.55		NYNNNNYY
	2002/07/01					
	2002/07/02	3003	C	44,022.55		NYNNNNYN
	2002/07/02					
	2002/08/02	3218	C	420.62		NYNNNNYY
	2002/08/02					
	2002/08/03	3218	C	13.70		NYNNNNYY
	2002/08/03					
	2002/08/03	3021	C	44,456.87	44,456.87	YNNMYNY
	2002/08/03					

FLAGS: 1-PSBK/2-STMT/3-MTCH REV/4-STMT REV/5-ACCR/6-PEN/7-ELG REV/8-INT GEN
 PF: 1-HELP 3-PLVL 6-INO 7-SB 8-SF 9-ASUM

1419.32

5

Qinings

IDST ASUM 1 IDS TOA ACCOUNT SUMMARY 20020627 13.04.08
 ACPR 15 OP 006464 MS ACTION SUCCESSFUL
 ACTION INO COID 15 ACCT COND RISK = 2 ICARE - REFER
 PROD CODE TOA ACCT 74035009759 SHORT NAME MR S SPENCER
 BRANCH 85 SUB-PRODUCT 13 OFFICER CODES: ONE MANOJ TWO SUPOL

LANGUAGE ENU DATE OPENED 2002/05/30 CURRENT BAL 191,219.84
 ACCT STATUS 99 DATE LAST DEP 2002/05/30 AMT LAST DEP 191,219.84
 WITHHOLD CODE DATE LAST W/D AMT LAST W/D
 INT PAY METH TA NO OF NOTICES 1 PLEDGED AMT .00
 INT CYCLE CD IM NICE DUE 2002/07/01 MATURITY DATE 2002/07/01
 TERM 32 CDE D NICE AMT 00 ACCT RESTRAINT HH 1 PL 0
 STMT MAIL CD 18 STMT CYCLE CODE IO 2799/12/31
 INT RATE ON MATRIX . INT ACCRUED 1,556.431007
 INT CODE 58

***** INT PAID INFO *****

INT PD PRIOR CYCLE
 INT PD PRIOR YEAR
 INT PD CURR YEAR
 INT WH PRIOR CYCLE
 INT WH PRIOR YEAR
 INT WH CURR YEAR

PF: 3-PLVL 6-INO 10-TRNH



Cnr West &
Gardiner Streets
Durban 4001
PO Box 965
Durban 4000
Republic of South Africa
Telephone (031) 304-9221
Telex 6-20254
Telefax (031) 304-3009
E-Mail natb085@fnb.co.za
Swift FIRNZAJJ762

Natal Bank Branch
Our Ref: Shantel Naidoo
2 July 2002

Mr S Spencer
P O Box 10693
MARINE PARADE
4056

Dear Mr Spencer

RE : INVESTMENTS

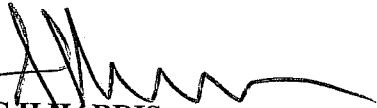
We enclose confirmation of your Fixed Deposit and 32 Day Account in our books for your records.

We wish to bring to your attention that interest is paid up to and including the date that funds mature. Therefore your capital is only available on the following working day.

We look forward to a long and happy association with you.

Thank you for banking with FNB Natal Bank Branch.

Yours sincerely


G H HARRIS
SENIOR SALES MANAGER
/kr/spencer.man

A/C 74035009759

ATT: AFRIDA

Interest only reflect @ 12.00 midnight.

date	transaction balance	rate	int	accrual
31-May	191,219.84	10.25	53.69872	53.70
1-Jun	191,219.84	10.25	53.69872	107.40
2-Jun	191,219.84	10.25	53.69872	161.10
3-Jun	191,219.84	10.25	53.69872	214.79
4-Jun	191,219.84	10.25	53.69872	268.49
5-Jun	191,219.84	10.25	53.69872	322.19
6-Jun	191,219.84	10.25	53.69872	375.89
7-Jun	191,219.84	10.25	53.69872	429.59
8-Jun	191,219.84	10.25	53.69872	483.29
9-Jun	191,219.84	10.25	53.69872	536.99
10-Jun	191,219.84	10.25	53.69872	590.69
11-Jun	191,219.84	10.25	53.69872	644.38
12-Jun	191,219.84	10.25	53.69872	698.08
13-Jun	191,219.84	10.25	53.69872	751.78
14-Jun	191,219.84	10.25	53.69872	805.48
15-Jun	191,219.84	10.25	53.69872	859.18
16-Jun	191,219.84	11.25	58.93762	918.12
17-Jun	191,219.84	11.25	58.93762	977.05
18-Jun	191,219.84	11.25	58.93762	1035.99
19-Jun	191,219.84	11.25	58.93762	1094.93
20-Jun	191,219.84	11.25	58.93762	1153.87
21-Jun	191,219.84	11.25	58.93762	1212.81
22-Jun	191,219.84	11.25	58.93762	1271.74
23-Jun	191,219.84	11.25	58.93762	1330.68
24-Jun	191,219.84	11.25	58.93762	1389.62
25-Jun	191,219.84	11.25	58.93762	1448.56
26-Jun	191,219.84	11.25	58.93762	1507.49
27-Jun	191,219.84	11.25	58.93762	1566.43
28-Jun	191,219.84	11.25	58.93762	1625.37
29-Jun	191,219.84	11.25	58.93762	1684.31
30-Jun	191,219.84	11.25	58.93762	1743.24

16

16

CALCULATE FROM THE DAY THE ACCT WAS OPENED.

1-Jan	192,963.08	11.25	59.47492	59.47
-------	------------	-------	----------	-------

M.P. S. SPENCER

859.17
 943.00

 1802.17

12.00 1910712000.
 spoke to stella asking about getting
 date reflecting 31 may s/b 30 may
 Lorato to get back to me with
 explanation

Branch name **SMITH STREET, DURBAN**
Branch address **DURBAN, 4001**
Branch tel no **(031) 300-5912**
Date **01 July 2002**

Personal details

Surname **SPENCER** Title **MR**
First name(s) **S**
Statement address **C/O PARADE HOTEL-ROOM 101 PO BOX 10693 MARINE PARADE** Postcode **4056**

Withdrawal type **Notice**
Investor number **07283165** Investment number **9985**
Notice period **32 Days** Penalty fee (if applicable) R

Repayment date **02/08/2002** Withdrawal amount **R 3 892.42**

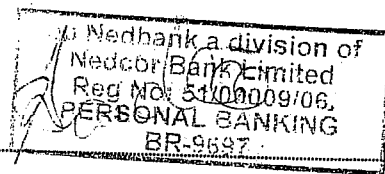
Payment instruction

Disposal method
At bank (if applicable)
To branch (if applicable)
Branch ACB Code (if applicable)
Account number

Bank Cheque

Date 01-07-02

Client's signature



ANNEX 9.

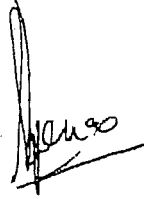
INVESTMENT DETAILS

01/07/2002

#6656

INVESTMENT TYPE	INVESTMENT	9985
SPENCER		
NEDPLAN	PERIOD	32
3 892.42	PRIME RATE	0.000
RATE N	INTEREST RATE	8.000
18.74	BONUS DUE	0.00
M	INTEREST DATE	08/07/2002
00	LAST INT PAID DATE	08/06/2002
4	INTEREST ACCOUNT	0000000000000000
0	INTEREST SORT CODE	000000
5	CAPITAL ACCOUNT	0000000000000000
0	CAPITAL SORT CODE	000000
08/03/2002	EXPIRY DATE	00/00/0000
92.45	PLEGED TO	
08/03/2002	ACCOUNT CONV/CLOSED	00/00/0000

Please pay out to BOC
on 1/8/2002.



Att: K. Mudaly

ACTION NXT COTD OPTION TTE CAT NTCE
 CUS #TOA000074035009759 TTF
 CUSTOMER TO #TOA000074035009759 TTF
 CATEGORY NTCE DEL APPL/ACCT
 ACTION: (A)DD OR (D)ELETE
 PROD: TOA ACCOUNT NUMBER: 74035009759 BRANCH: 85

TYPE: NW
 DATE NTCE GIVEN: 20020711
 DATE NTCE EFFECTIVE: 20020812
 PAYMENT METHOD: TT
 NOTICE AMOUNT: 11625.00
 CLOSING REASON:
 TRANSFER DETAILS:
 BENEFICIARY PROD: DDA
 BENEFICIARY ACCT NO: 50859000008

13th

RESULT:

NOTICE TYPES: NW - NORMAL WITHDRAWAL/NC - NORMAL CLOSURE
 PF: 3-PLVL 7-SB 8-SF ..-CHG ..-ADD

221-828

Date 13.08.2002
Datum

NATAL BANK

NOT NEGOTIABLE
NIE VERHANDLBAAR NIE

Pay Betaal ABSA BANK or Order of Order

the sum of die bedrag van Eleven thousand six hundred & twenty five Rand R11 625.00

FOR: FIRST NATIONAL BANK

A division of FirstRand Bank Limited, Registration No. 1929/001225/08

Bank Cheque Ref. [Signature] [Signature]
 Authorised Signatory Authorised Signatory

⑈003395 ⑈221328⑈ 50859000008⑈ 03

Ref. FNB's letter dated 11th May 2004 (Area Manager, Natal, Linda Webb.)

These documents provide evidence that:-

- 1) payment of R11,625 was due as available funds on Monday 12th August, 2002 according to DATE NTCE EFFECTIVE computerised & in accord with notice placed on 11th July 2002
- 2) R11,625 was actually made available on Tuesday 13th August 2002 which action was anticipated in accord with FNB's consultant's handwritten endorsement "13th" [day 34]
- 3) See FNB's directive para 8 example 2, "Sunday and not clearance can be done." (in answer to question 8 of my letter of 15th March 2004) This cannot be reconciled because Mon. was effective date, not Sun. therefore this misinterprets their own policy. This obscurity requires examining ^{* ALSO} PARA. 5
- 4) operatives are able to manipulate, making funds available on a date other than the effective date computerised. This subjectivity constitutes unfair practice
- 5) "normal withdrawal" means that FNB's standard procedure was used in my case. ∴ a forensic audit is warranted in order to determine how system instructions can be overridden and the motive for this; also why FNB did not detect these flaws themselves and why they were not more diligent in their enquiries once I challenged the implications on 15/3/04

FNB

A/c S. SPENCER : 71036056599.

MAY 2003.

(for 1st Sept 03)

Ref. letter to Mr. Robins of 28.7.02:

Interest should have been:

To 30th JUNE payable 1st JULY 02

17,96.94 claimed

17,43.24 actually paid.

 $53.70 \times 12.4\% = 6.66$ 6.6660.36 Due

Mr. Robins,

We were told that the software would be corrected when the Saambou accounts were amalgamated at end of August '02. This does not seem to have been done as the short-payment of one day's interest is reflected in the balance of account certificate [for tax purposes] for tax year ending 28/02/03.

PROVING: "Balance of Account Statement as at 28/2/03 FOR TAX PURPOSES:

JUL 31 AUG 31 SEP 30 OCT 31 NOV 30 DEC 31 JAN 31 FEB 28 = 243

$150,000 \times 12.4\% = 18600 \div 365 \times 243 = 12383$ claimed

1233251 Due.]

elsewhere to which I am entitled. The date 29/6 is superfluous and would suggest an operational intervention in the programme requiring elucidation(?) The entry overrides the projection in hand in the current transaction account summary of 27/6 i.e. the change occurs on the historical transaction summary called for after renewal dated 10th July.


My evaluation and comment on content discussed so far are as follows:

1. The directive in paragraph 2 of Mr. Harris' letter dated 2/7 that "interest is paid up to and including the date that the funds mature" is at variance with
 a) the principle that interest is paid for the date of deposit but not the date of withdrawal b) your confirmation of deposit which states "For a period of... months bearing interest at the Bank's current rate of...% and payable on Maturity date... when interest will cease."

2. If my terminology is correct that MATURITY date = REPAYMENT date = NEW ACCRUAL date on REINVESTMENT then the final date attracting interest will be the day before (*see footnote) ending at midnight thereon. There should ∴ be no difficulty for the computer to report the position of a matured account on MATURITY date to enable the administrator to repay on that day: neither should the method of repayment as cash, cheque or electronic transfer impact preferentially on the programme's ability to deliver. All of the above is demonstrated by NEDBANK'S facility of which I have provided you with an actual example.

3. I am assuming that the error lies in what is presented at the opening date for my account initially. If there is a logistical programme fault this will show up on Monday 12th August 2002 when I have called for R11625 in the context of what has been discussed. In the meantime I would appreciate ^{what} your own conclusion is, at your convenience.

Yours sincerely,

 S. SPENCER

FOOTNOTE * If the last day attracting interest falls on a Sunday or public holiday this will not affect the programme's ability to deliver on the next day being maturity date. However there would be an implication if that last interest date fell on a Saturday as the bank is closed on Sunday, maturity date; thereby Monday being the alternative.

Copies of all relevant papers attached for reference.

- 1) Letter of 2.7.02 (Mr. Harris)
- 2) 3 x Confirmation of Deposit 3) Transaction Account Summary 27.6.02
- 4) Transaction History printout dated 10.7.2002

28th JULY, 2002INVESTMENT ACCOUNTS 740350009759 : 71036056599

I spoke with your operations manager (PAUL) on 23rd July, 2002 following which I promised this resumé for your guidance. At the time there had been no feedback on the spreadsheet endorsement "spoke to Stella asking about going date reflecting 31st May 5/6 30th May..." which would seem to be the key issue.

On 30th May, 2002 I deposited the sum of R191219.84 and put 32 day notice of withdrawal on it. 30th May. ∴ became the DATE ACCOUNT OPENED and the first day of ACCRUAL of interest.

The computer programme also accepted that the MATURITY date of REPAYMENT date would be 1st July, on which date interest would cease and the funds would be available for RENEWAL or negotiable elsewhere. This is stated on your account summary dated 27th June. N.B. Counting from the day the account was opened based on the documentation so far the 32 days cycle was complete at midnight on 30th June. The Confirmation of Deposit was date-stamped as 30th May also.

The interest should ∴ have been reported as follows:-

191219.84 @ 10.25% @ 53.69872 x 17 days 30/5 to 15/6 inclusive =	912.87827
@ 11.25% @ 58.93762 x 15 days 16/6 to 30/6 -" - =	<u>884.06432</u>
	<u>1796.94259</u>

Repayment 191219.84

1796.94

193016.78

150000.00

43016.78

1000.00 add Saambou cheque

44016.78 to prime linked 32 day notice deposit account.

to fixed 12 months a/c @ 12.4% MATURITY DATE 1st JULY 2003

The spreadsheet dated 19/7 states "Calculate from the date the account was opened" as a footnote to the first set of calculations. This was not done as the first ACCRUAL date 31st May (for R53.70) is actually the 2nd day of accrual. 30/6 ∴ represents the 31st day of accrual according to this spreadsheet. Consequently the programme was obliged to add 1st July for R59.47 in order to meet its operational requirements (for effective rate i.e. from R58.93) as well as the 32 day notice instruction placed. The 59.47 was subject to "midnight clearance" payable on 2nd July and this drew with it the accrued interest for 31 days from 31/5 to 30/6 referred to above.

The comment "Interest only reflect at 12.00 midnight" applies to the shown 31st day of May & is irrelevant in respect of 30/5 as this date is nowhere reflected here as the opening date.

The transaction history report dated 10/7 shows the correct posting of opening date as 30/5 but gets lost in 4th line which backtracks to 29/6 then kicks up to 1/7 in order to rectify the shortfall in the required 32 day notice equation and in order to accommodate my re-investment instructions scheduled for 1/7. For the same reasons as comment on the spreadsheet (above) the result was for the opening date for both of my new accounts to be 2/7 instead of 1/7. Were I to be repaid on 2/7/03 I would lose 1st July interest on renewal or negotiation

FR\H\

FNB A DIVISION OF FIRSTRAND BANK LIMITED
 REGISTERED BANK. REG. NO. 1929/001225/06

CERTIFICATE OF BALANCE

SYDNEY SPENCER

HEREBY CERTIFY THAT THE BALANCES OF THE ACCOUNTS AS LISTED BELOW
 ARE THE BALANCES OF YOUR ACCOUNTS AS AT TAX YEAR-END 20030228

AGER: _____

BRANCH: _____

AL ACCRUED CR INTEREST :	12,555.22
AL ACCRUED DR INTEREST :	.00
AL CREDIT INTEREST :	4,003.80
AL DEBIT INTEREST :	.00

ACCOUNT NUMBER	BALANCE	INTEREST	ACCRUED INTEREST
OPENING DATE 30 MAR 2002 1 ST JUL 2002			
000071036056599	150,000.00	.00	12,332.05
000074035009759	26,598.64	4,003.80	223.17

*Calculation to evidence Mr. Spencer's suggestion that on any given day
 FNB's reporting is in arrears by one day's interest.*

MONTH	NO DAYS ACCRUED	
JUL	31	$R 150,000 \times 12.4\% = 18600 \div 365 \times 243$
AUG	31	<i>effective</i> = R 12383
SEP	30	= 51 SHORT
OCT	31	= 1 DAY'S INTEREST
NOV	30	
DEC	31	
JAN	31	
FEB	<u>28</u>	
	243	