

Bank CEO
ABSA, FNB, Standard, Ned, Investec

Dear Mike etc

DELAYED SAA BUSINESS RESCUE PLAN

I refer to the decision by creditors of South African Airways (SAA) at a meeting called by the Business Rescue Practitioners earlier today to provide more time for the Government to meet the condition as laid out in paragraph 42.1 of the proposed SAA Business Rescue Plan.

It is my understanding from information supplied to parliament that your bank is owed a considerable amount of money by SAA and that you hold SA Government Guarantees as security for the repayment of this loan together with interest and penalties where relevant.

I previously wrote to you early in 2019 to point out the immorality of the loans that you had provided to SAA at that time. A time when you were fully aware of the bankruptcy and maladministration of SAA. I asked you please to desist from continuing to loan funds to SAA despite the clear indication that SAA was highly unlikely to ever be able to repay these loans and that you would inevitably have to recover your banks money by calling in the government guarantees.

I earnestly put the following request to you in my letter in January 2019:

"I would urge you, if your bank is considering lending SAA money, to consider very carefully the morality of indirectly using taxpayer funds to prop up a bankrupt airline instead of such taxpayer funds being used to stimulate the economy and for the associated creation of jobs for the nearly ten million unemployed South Africans."

Sadly, you chose to reject my plea to you and instead lent even more money to SAA presumably on the basis that there were good returns to be made and there was no risk involved unless the South African government were to run out of taxpayer and borrowed money.

Since I wrote my letter to you the much touted most recent SAA CEO, Vuyani Jarana, admitted defeat and resigned.

More recently South Africa and the Planet have been hit by the Covid-19 pandemic lockdown, particularly in South Africa, which has done damage to the economy, placed an enormous burden on state expenditure and resulted in a massive decrease in government revenue.

It seems to me given today's 95% vote in favour of the amendment of the SAA Business Rescue Plan and despite all the clear stupidity of "investing" any more money in SAA or any other State-owned airline, your bank probably voted in favour of the amendment to the Plan.

I beg of you, please reconsider your position with regard to the continued existence of SAA in its current or any other state-owned form and:

- Reject the SAA Business Rescue Plan at the very next opportunity that you have to do so,
- Commit publicly to not provide any more funding for SAA in any form nor for any other State-Owned Entity/Company that performs or would perform any business that is already provided by private enterprises very much like your bank does.

Yours sincerely