

Finbond Group Limited
(Incorporated in the Republic of South Africa)
(Registration number: 2001/015761/06)
Share code: FGL
ISIN: ZAE000138095
("Finbond" or "the Company")

UNDERWRITTEN RIGHTS OFFER DECLARATION AND FINALISATION DATA ANNOUNCEMENT
WITH REGARDS TO FINBOND GROUP LIMITED'S NORTH AMERICAN EXPANSION

1. INTRODUCTION AND TERMS OF THE RIGHTS OFFER

Shareholders are advised that the Board of Directors of Finbond have resolved to implement a capital raising of approximately R412 million by way of a partially underwritten rights offer ("the Rights Offer") in order to partially repay the loans that were extended to Finbond during the course of September 2016 that allowed Finbond to conclude the Americash Holding LLC and Creditbox.com LLC acquisitions.

In terms of the Rights Offer, 172 609 725 new Finbond ordinary shares of 0.0001 cents each, in the authorised but unissued share capital of the Company ("the Rights Offer shares"), will be offered for subscription to Finbond shareholders recorded in the register at the close of trade on Friday, 6 April 2018 who will receive rights to subscribe for the rights offer shares on the basis of 22.18391 Rights Offer shares for every 100 Finbond ordinary shares held, at 239 cents per Rights Offer share.

2. RATIONALE FOR THE RIGHTS OFFER

The rationale for the Rights Offer is to raise funds to repay loans that were extended to Finbond during the course of September 2016 that allowed Finbond to conclude the Americash Holding LLC and Creditbox.com LLC acquisitions. Riskowitz Value Fund LP ("RVF"), Net 1 Finance Holdings Pty Ltd ("Net 1") and Kings Reign International Ltd ("KRI") ("the Lenders") have advanced a total of \$37.5 million (R545.25 million) to Finbond on condition that Finbond proposes a Rights Offer to all shareholders and that the Lenders be afforded the option to utilise these loans in accepting their rights in respect of the Rights Offer for any portion of their loan that remains outstanding at the repayment date.

The Lenders now have the option to accept their rights by converting their loans to shares for any portion of their respective loan that remains outstanding at the repayment date. Instead of subscribing for cash, they will then instruct the Company to debit their loan accounts and credit share capital. If any of the Lenders elect not to

accept their rights, the relevant shareholder loan(s) will remain in effect and those Lender(s) will be afforded the opportunity to convert the loan(s) into shares by way of a future Rights Offer.

The loan amounts of the loans extended are as follows:

- RVF \$17.5 million (R254.45 million)
- Net 1 \$10 million (R145.4 million)
- KRI \$10 million (R145.4 million)

Should any of the Lenders elect to accept their rights and any portion of their loan remains unsettled, that amount will be repaid in cash after the Rights Offer is concluded by the funds raised by the Rights Offer. RVF and Net 1 intend on accepting their rights in terms of the Rights Offer.

The initial loan agreement and any subsequent amendments will be available for inspection at the registered office of Finbond.

The Rights Offer allows all shareholders registered as such on the record date an equal opportunity to participate in the capital raising on a pari passu basis.

3. UNDERWRITING

Pursuant to the underwriting agreement between Finbond Group Limited, RVF and Net 1, RVF agreed to partially underwrite the Rights Offer to a maximum of R232 486 411 and Net 1 agreed to partially underwrite the Rights Offer to a maximum of R132 849 378.

In terms of the Underwriting Agreement, an underwriting fee of 2.5% of the additional amount underwritten over and above the amount for full subscription of their own rights, is payable by Finbond to the Underwriters in consideration for the commitments provided in terms of the Underwriting Agreement.

4. EXCESS APPLICATIONS

Finbond shareholders will not be permitted to apply for new Finbond shares in excess of their entitlement.

5. FRACTIONS

The whole number of rights to subscribe for Rights Offer shares to which qualifying shareholders will become entitled will be determined by the ratio of entitlement. Only whole numbers of new Finbond shares will be issued and Finbond shareholders will be entitled to rounded numbers of shares once the ratio has been applied, using the rounding principle where allocations will be rounded up or down, as appropriate with fractions of 0.5 and above being rounded up and fractions below 0.5 being rounded down to the nearest whole number

resulting in allocations of whole numbers of rights offer shares, in accordance with the Listings Requirements.

6. IMPORTANT DATES AND TIMES

	2018
Rights Offer Declaration and Finalisation Data announcement released on SENS	Friday, 23 March
Last day to trade in Finbond Shares in order to participate in the Rights Offer (<i>cum entitlement</i>)	Tuesday, 3 April
Circular (and Form of Instruction) posted to (Certificated) Shareholders and made available on the website	Tuesday, 3 April
Listing of and trading in the Letters of Allocation on the JSE under JSE code FGLN and commences at 09:00	Wednesday, 4 April
Finbond Shares commence trading <i>ex-Rights</i> on the JSE at 09:00	Wednesday, 4 April
Record Date for the Rights Offer for purposes of determining the Finbond Shareholders entitled to participate in the Rights Offer at the close of business on	Friday, 6 April
Rights Offer opens at 09:00	Tuesday, 10 April
Certificated Shareholders will have their Letters of Allocation credited to an electronic account held at the Transfer Secretaries at 09:00 on	Tuesday, 10 April
Dematerialised Shareholders will have their Letters of Allocation credited to their accounts held at their CSDP or broker at 09:00 on	Tuesday, 10 April
Circular, where applicable, posted to Qualifying Dematerialised Shareholders	Tuesday, 17 April
Last day for trading Letters of Allocation on the JSE	Tuesday, 17 April
In respect of Qualifying Certificated Shareholders wishing to sell all or some of their Letters of Allocation, Forms of Instruction to be lodged with the Transfer Secretaries by 12:00 on	Tuesday, 17 April
Listing of Rights Offer Shares and trading therein on the JSE commences at 09:00	Wednesday, 18 April
Rights Offer closes at 12:00. Payment to be made and Form of Instruction lodged by Certificated Shareholders at the Transfer Secretaries	Friday, 20 April
Record Date for Letters of Allocation	Friday, 20 April
Rights Offer Shares issued and posted to Shareholders in certificated form on or about	Monday, 23 April
CSDP or Broker accounts in respect of Dematerialised Shareholders will be updated with Rights Offer Shares and	Monday, 23 April

Notes:

- 6.1. All references to dates and times are to local dates and times in South Africa.
- 6.2. Holders of dematerialised Finbond shares are required to notify their CSDP or Broker of the action they wish to take in respect of the rights offer in the manner and by the time stipulated in the agreement governing the relationship between the dematerialised shareholder and his CSDP or Broker.
- 6.3. Finbond Share certificates may not be dematerialised or rematerialised between Wednesday, 4 April 2018 and Friday, 20 April 2018, both days inclusive.
- 6.4. CSDPs effect payment in respect of holders of dematerialised rights offer shares on a delivery versus payment basis.
- 6.5. Dematerialised shareholders will have their accounts at their CSDP or Broker automatically credited with their rights and certificated shareholders will have their rights credited to an account at the transfer secretaries.
- 6.6. Rights offer share certificates to be issued in terms of the rights offer will be posted to persons entitled thereto, by registered post, at the risk of the certificated shareholders concerned.
- 6.7. Any material changes to the dates and times above will be announced on SENS.

7. DOCUMENTATION

A circular to Finbond shareholders, setting out full details of the rights offer, will be posted to shareholders on or about Tuesday, 3 April 2018. A form of instruction in respect of the letters of allotment will be enclosed with the circular for use by Finbond shareholders who have not dematerialised their Finbond shares. The circular will also be available on the Company's website (www.finbondlimited.co.za) from Thursday, 22 March 2018.

8. RESTRICTIONS

Jurisdiction

The distribution of the circular, the Rights Offer, the Form of Instruction and the transfer of the Rights Offer Shares and/or the Rights to subscribe for the Rights Offer shares in jurisdictions other than South Africa may be restricted by law and failure to comply with any of those restrictions may constitute a violation of the laws of any such jurisdiction. Neither the circular, nor any Form of Instruction, may be regarded as an offer in any jurisdiction in which it is illegal to make such an offer. In those circumstances,

the circular and any Form of Instruction are sent for information purposes only.

It is the responsibility of any person outside South Africa (including, without limitation, nominees, agents and trustees for such persons) receiving this Circular and wishing to take up Rights under the Rights Offer, to satisfy himself as to the full observance of the applicable laws of any relevant territory, including obtaining any requisite governmental or other consents, observing any other requisite formalities and paying any issue, transfer or other taxes due in such territories.

Non-Residents

The Shares issued in terms of the Rights Offer will not be registered for purposes of the Rights Offer with the Securities and Exchange Commission, Washington, D.C., the Canadian Provincial Securities Commission, or the Australian Securities Commission under the Australian Corporation Law, as amended. Accordingly, the Rights Offer will not be made to or be open for acceptance by persons with registered addresses in the United States of America or any of its territories, dependencies, possessions or commonwealths or in the District of Columbia or in the Dominion of Canada or in the Commonwealth of Australia, its states, territories or possessions. The CSDP or Broker will ensure that where such persons are holding Finbond Shares in dematerialised form that the CSDP or Broker adheres to the above restrictions.

Johannesburg
23 March 2018

Corporate Advisor and JSE Sponsor
Grindrod Bank Limited