

FINBOND GROUP LIMITED
(Incorporated in the Republic of South Africa)
(Registration number 2001/015761/06)
JSE code: FGL
ISIN: ZAE000138095
("Finbond" or "the Company")

FRACTION RATE ANNOUNCEMENT

Shareholders are referred to the company's announcement on the Stock Exchange News Service ("SENS") dated 15 June 2018, in which the company declared a gross cash dividend of 9.91 cents per share ("cash dividend") for the year ended 28 February 2018. Shareholders will, however, be entitled to elect to receive a capitalisation share issue alternative of 2.52904 for every 100 ordinary shares, to ordinary shareholders recorded in the Finbond register on the record date, being Friday, 13 July 2018 ("capitalisation share issue award").

The ratio of entitlement is based on the volume weighted average traded price per Finbond ordinary share on the JSE Limited over the five trading days up to and including 13 June 2018, of 391.84864 cents per share, which will be the issue price per Finbond share ("the issue price").

Shareholders were advised that where a shareholder's entitlement to new ordinary shares calculated in accordance with the capitalisation issue share award formula gives rise to a fraction of a new ordinary share, such entitlement will be rounded down to the nearest whole number resulting in allocations of whole securities and a cash payment to the shareholder for the fraction. Any fractional entitlement payment will also be subject to 20% dividend withholding tax.

The fraction rate is 326.80800 cents per share and has been calculated at 363.12000 cents per share, the volume weighted average price of a Finbond share traded on the JSE on Wednesday, 11 July 2017 (being the day on which the Finbond share began trading 'ex' the entitlement to receive the capitalisation share issue award or cash dividend alternative), discounted by 10% in accordance with schedule 18 of the JSE listings requirements. The net fraction rate paid will be 261.44640 cents per share, unless dividend withholding tax exemptions apply.

Example of fractional entitlement

Assuming a shareholder holds 100 Finbond shares on Tuesday 10 July 2018 (Last day to trade), unless the shareholder elects to receive cash dividends, the shareholder will receive $100 * 2.52904 / 100 = 2.52904$ shares. This is rounded down to 2 shares. The fraction of 0.52904 shares is paid at the fraction rate 326.80800 cents per share = 172.89450 cents per share before a deduction for any dividend withholding tax is applicable.

Pretoria

12 July 2018

Sponsor: Grindrod Bank Limited