

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

DECLARATION OF CASH DIVIDEND AND CAPITALISATION SHARE ISSUE ALTERNATIVE

Further to the company's annual results announcement dated 29 May 2017, the board of the company has declared a gross cash dividend of 7.28 cents per share ("cash dividend") for the year ended 28 February 2017. Shareholders will, however, be entitled to elect to receive a capitalisation share issue alternative of 2.20812 for every 100 ordinary shares, to ordinary shareholders recorded in the Finbond register on the record date, being Friday, 14 July 2017 ("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 26 May 2017, of 329.69200 cents per share, which will be the issue price per Finbond share ("the issue price").

Shareholders are required to notify their duly appointed participant or broker of their election in terms of the Capitalisation Issue Alternative. For the avoidance of doubt, if no action is taken by shareholders, they will receive the Cash Dividend.

The last day to trade in the company's shares cum the cash dividend and capitalisation share issue awards is Tuesday, 11 July 2017. Consequently no dematerialisation or rematerialisation of the company's shares may take place over the period from Wednesday, 13 July 2017 to Friday, 14 July 2017, both days inclusive. Trading in the company's shares ex the capitalisation share issue award and cash dividend alternative will commence on Wednesday, 12 July 2017.

The new ordinary shares to be allotted pursuant to the capitalisation share issue award will be issued as fully paid ordinary shares, the value of which will be capitalised from income reserves of the company. At the date of declaration, the company has 762 210 879 ordinary shares in issue.

The cash dividend is scheduled to be payable in South African Rand (ZAR) on Monday, 17 July 2017 from the company's retained earnings. Such dividend is subject to and will be paid net of dividends tax of 20%, to be withheld and paid to the South African Revenue Service. Such tax must be withheld unless beneficial owners of such dividend have provided the necessary documentary proof to the relevant regulated intermediary (being a broker, CSD participant, nominee company or the company's transfer secretaries, Link Market Services (Pty) Ltd, PO Box 4844, Johannesburg, 2000 South Africa) that they are exempt therefrom, or entitled to a reduced rate, as a result of a double taxation agreement between South Africa and the country of tax domicile of such owner.

The withholding tax, if applicable at the rate of 20%, will result in a net cash dividend per share of 5.824 cents per share, applicable to the cash dividend. As the capitalisation share issue award does not constitute a dividend as defined in the Income Tax Act, no withholding tax is applicable thereon. However, there are possible tax implications of electing to receive shares under the Capitalisation Issue Alternative and shareholders are advised to obtain their own professional advice in this regard.

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% withholding tax.

The salient dates and times relating to the capitalisation share issue award and cash dividend alternative are as follows:

	2017
Record date in order to receive the election circular	Thursday, 15 June
Declaration and Finalisation announcement for cash dividend and capitalisation issue share award on SENS	Friday, 23 June
Circular and form of election posted to shareholders	Friday, 23 June
Last day to trade in order to be eligible for cash dividend/capitalisation issue share award	Tuesday, 11 July
Shares trade ex-entitlement	Wednesday, 12 July
Provisional listing of maximum number of shares for the capitalisation issue	
share award at commencement of trade on the JSE Limited SENS announcement in respect of the cash payment applicable to fractional entitlements, based on the volume weighted average price on Wednesday, 12 July 2017, discounted by 10%, by no later than 09:00	Wednesday, 12 July
Last day to elect to receive capitalisation issue share award, forms of election to reach the Transfer Secretaries by 12:00	Thursday, 13 July
Record date	Friday, 14 July
Share certificates posted and Cash Dividend payments made, CSDP/broker accounts updated/credited, as applicable on	Friday, 14 July
Announcement of the results of the cash dividend/capitalisation issue share award on SENS	Monday, 17 July
Announcement of the results of the cash dividend/capitalization issue share award in the press	Monday, 17 July
Adjustment of number of new shares listed on or about	Tuesday, 18 July
	Wednesday, 19 July

Notes:

1. No shares will be dematerialised or rematerialised between Wednesday 12 July 2017 and Friday, 14 July 2017 (both days inclusive). All times quoted in this circular are South African times.

2. Finbond shareholders who have already dematerialised their shares through a CSDP or broker must not complete the Form of Election but should instruct their CSDP or broker as to their capitalisation issue share award election. Dematerialised shareholders are required to notify their duly appointed CSDP or broker of their capitalisation issue share award election in the manner and time stipulated in the agreement governing the relationship between the shareholder and his/her/its CSDP or broker.

A circular setting out full details of the cash dividend and capitalisation share issue award alternative and containing a form of election was distributed to shareholders today, Friday, 23 June 2017 and will be available on the company's website hosted at www.finbondlimited.co.za.

Pretoria

23 June 2017

Sponsor: Grindrod Bank Limited