

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

TRADING STATEMENT

The global lockdowns caused by the COVID-19 pandemic have significantly and adversely impacted the world economy. The further relaxation of lockdown restrictions enabling increased business activity is essential to facilitate economic recovery.

While we cannot yet predict the full impact it is expected that the government ordered lockdowns and COVID-19 related restrictions on economic activity in Finbond's various countries of operations will have a significant adverse short-term impact on the results for the year ending 28 February 2021. Over the period of the lockdowns, beginning in March 2020, Finbond's cash granted, payments received, new contracts, new clients and profitability have been negatively affected. As a result, various measures have been introduced to reduce expenses.

Stress tests (updated and monitored monthly) continue to show that we remain sufficiently capitalised with appropriate liquidity levels in both mild and severe stress scenarios. We remain confident that the benefits of our geographically diversified business, strong balance sheet relative to the size and scope of our operations and cash generating ability will stand us in good stead, in what is anticipated to be a very difficult year ahead. The size of the impact on operations will vary from country to country. Finbond will continue to invest in its businesses to position them for future recovery and growth.

Importantly, Finbond believes that it faces this challenging period from a position of relative financial strength, with sufficient liquidity to both navigate the changing environment and seek out new opportunities.

It is not possible at this stage to specifically quantify the impact on results for the six months ending 31 August 2020 ("the interim reporting period"). However, due to the impact of the various lockdowns within our countries of operation to date, there is a reasonable degree of certainty that Finbond's headline earnings per share and earnings per share will decline by more than 20% or more than 1.0 cent and 1.0 cent respectively, compared to the headline earnings per share of 5.0 cents and earnings per share of 5.0 cents reported for the six months ended 31 August 2019.

A specific range will be provided once there is reasonable certainty of the impact on headline earnings and earnings.

The financial information on which this trading statement is based has not been reviewed and reported on by Finbond's auditors. The financial results for interim reporting period are expected to be published on or about 30 October 2020.

By order of the Board
Pretoria
26 June 2020