

Finbond Group Limited
(Incorporated in the Republic of South Africa)
(Registration number: 2001/015761/06)
Share code: FGL ISIN: ZAE00013895
("Finbond" or "the Company" or "the Group")

TRADING UPDATE – YEAR ENDING 28 FEBRUARY 2021

In terms of the Listings Requirements of the JSE Limited, companies are required to publish a trading statement as soon as they become reasonably certain that the financial results for the next period to be reported on will differ by more than 20% from that of the previous corresponding period.

The Board is satisfied that it has the reasonable degree of certainty required to provide the following guidance with regard to the financial results of the Group for the period under review:

- Earnings per share is expected to decrease to at most 0.0 cents per share, representing a percentage decrease of at least 100% compared to the 10.6 cents per share reported for the prior year; and
- Headline Earnings per share is expected to decrease to at most 0.0 cents per share, representing a percentage decrease of at least 100% compared to the 10.3 cents per share reported for the prior year.

As reported in Finbond's SENS announcement on 23 October 2020, global lockdowns caused by the COVID-19 pandemic have – and continue to – significantly and adversely impact the world economy, as well as the Group's results. Although the recovery has begun, the further relaxation of lockdown restrictions enabling increased business activity is essential to facilitate economic recovery.

While we cannot yet predict the full impact on the full year ending 28 February 2021, it is expected that the government ordered lockdowns and COVID-19 related restrictions on economic activity in Finbond's various countries of operations will continue to have a significant adverse impact on results. The recovery is underway, although it is highly uncertain how long it will take for consumer spending and credit markets to return to more "normal" or "new normal" levels. Volumes have been recovering, albeit inconsistently.

We continue to monitor this extremely fluid situation daily and adjust our response accordingly.

Stress testing (updated and monitored monthly) continues 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 operations, as well as cash generating ability will continue to stand us in good stead. Finbond will continue to invest in its businesses to position them for the continued recovery period and growth beyond.

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.

A further trading statement quantifying the expected earnings per share and headline earnings per share, will be released as soon as reasonable certainty has been obtained.

The financial information on which this trading statement is based has not been reviewed or reported on by Finbond's auditors. Finbond's audited results for the period ended 28 February 2021 are expected to be released on SENS on or before 31 May 2021.

Pretoria
26 February 2021

Sponsor:
Grindrod Bank Limited