Confidential

The Land and Agricultural Development Bank of South Africa
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LAND BANK
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11 November 2025

Dear Lenders

PERFORMANCE IN RESPECT OF FINANCIAL COVENANTS FOR THE MEASUREMENT PERIOD ENDING 30 SEPTEMBER 2025 - UNAUDITED

As per 13.2 of the LBK42U Placing Document issued September 2024, 17.2 of the KfW Amendment Agreement No. 2 dated September 2024 and 18.2 of the Amendment and Restatement MIGA Supported Facility Agreement dated September 2024.

The liability solution financial covenants tracker is being monitored monthly, and the Bank has maintained compliance except for the NPL ratio, however, the remedial strategy is underway to address the non-compliance.

Financial Covenant	**Undertaking**	**Actual**
1. Net Debt/Net Loan Ratio	*No greater than 50%*	19.27%
2. Leverage Ratio	*No greater than 100%*	79.86%
3. Cost to Income Ratio	*No greater than 95%*	49.86%
4. NPL Ratio	*No greater than 52%*	52.67%
5. Credit Loss Ratio	*No greater than 4%*	2.09%
6. ECL Coverage Ratio	*No greater than 26%*	24.30%

1. Net Debt/Net Loan Ratio: 19.27%

R'000	Sep-25
Net Loans & Advances	11 259 369
Funding Liabilities	8 605 056
Cash & Cash Equiv	6 435 064

2. Leverage Ratio: 79.86%

R'000	Sep-25
Funding Liabilities	8 605 056
Equity	10 775 609

3. Cost to Income Ratio: 49.86%

R'000	Sep-25
Operating expenses	(301 445)
Net interest income	590 052
Non-interest income / (expense)	14 565

4. NPL Ratio: 52.67%

R'000	**Sep-25**
Stage 1	5 343 117
Stage 2	1 696 484
Stage 3	7 832 654
Gross loans and advances	14 872 255

5. Credit Loss Ratio: 2.09%

R'000	**Sep-25**
Suspended interest (charged)/released	3 512
Net impairment (charge) / recoveries	(164 614)
Average Gross loan book	15 376 836
Number of days	183

6. ECL Coverage Ratio: 24.3%

R'000	**Sep-25**
Gross loans and advances	14 872 255
Expected Credit Loss (ECL)	(3 613 337)

Abridged Statement of Financial Position September 2025

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	Sep-25 Actual Rm	Mar-25 Actual Rm	Var Rm	Var %	Mar-24 Actual Rm
Cash and cash equivalents	6 435.06	7 389.35	(954.28)	(12.9%)	14 396.19
Net loans and advances	11 259.37	11 574.20	(314.83)	(2.7%)	13 331.94
Other*	2 264.13	2 238.38	25.75	1.2%	2 475.51
Total Assets	**19 958.56**	**21 201.93**	**(1 243.36)**	**(5.9%)**	**30 203.63**
Distributable Reserves	10 775.61	10 642.11	133.50	(1.3%)	4 540.29
Liabilities	9 182.95	10 559.82	(1 376.87)	13.0%	25 663.34
Funding liabilities	*8 605.06*	*9 931.86*	(1 326.81)	13.4%	*17 258.09*
Other Liabilities**	577.90	627.96	(50.06)	8%	8 405.25
Total equity and liabilities	**19 958.56**	**21 201.93**	**(1 243.36)**	**5.9%**	**30 203.63**

- *The decrease in Net Loans and advances between FY25-24 was driven by client settlements, collections, limited disbursements and the bulk write offs during the year. The decrease from March 25 to September 25 is attributable to recoveries and write offs.*
- *The decrease in the Bank's funding liabilities between March 25 and September 25 is due to the capital repayment*

- **Other Assets include: Trade and other receivables, Investments, PPE, Investment property, Right of use- Leases, Non-Current Assets Held for Sale*
- ***Other liabilities include: Trade payables, ,lease provisions, post retirement obligations and provisions*

Abridged Statement of P&L and OCI September 2025

	Sep-25 FY Actual Rm	Mar-25 FY Actual Rm	Var Rm	Var %	Mar-24 FY Actual Rm
Net interest income	**590.05**	**1 785.55**	**(1 195.50)**	**(67.0%)**	**704.75**
Interest income	1 150.29	3 345.26	(2 194.98)	(65.6%)	2 580.79
Interest expense	(560.23)	(1 559.71)	999.48	(64.1%)	(1 876.04)
Net impairment release /(charges)	**(164.61)**	**(878.00)**	**713.39**	**(81.3%)**	**(114.05)**
Non interest Income /(expense)	14.56	47.35	(32.79)	(69.2%)	61.07
Operating income from banking activities	**440.00**	**954.90**	**(514.90)**	**(53.9%)**	**651.77**
Operating expenses	(301.45)	(794.10)	492.65	(62.0%)	(585.06)
Other	55.54	289.82	(234.28)	(80.8%)	(20.74)
Net Operating Income	**194.09**	**450.62**	**(256.53)**	**(56.9%)**	**45.97**
Other Comprehensive Income	(16.30)	54.95	(71.25)	(+100%)	88.59
Total YTD Comprehensive Income	**177.79**	**505.57**	**(327.78)**	**(64.8%)**	**134.56**

YTD ECL (charge)/ Release Composition	Sep-25 FY Actual Rm	Mar-25 FY Actual Rm	Var Rm	Var %	Mar-24 FY Actual Rm
Net impairment (charge) / recoveries	**(164.61)**	**(878.00)**	**713.39**	**(81.3%)**	**(114.05)**
Impairment (charges) / releases	194.65	346.90	(152.24)	(+100%)	254.21
Impairment (charge) / releases relating to bad debt written	-	(19.86)	19.86	(100.0%)	(152.08)
Bad debts written off	(367.71)	(1 294.60)	926.88	(71.6%)	(245.21)
Bad debts recovered	8.45	89.55	(81.11)	(90.6%)	29.03

Khensani Mukhari

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Khensani Mukhari

Chief Financial Officer