Confidential

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Registered credit provider: Reg. Number NCRCP18

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Dear Lenders

Find below responses to queries received.

Queries relating to the JIBAR ZARONIA transition:

1. We refer to the bilateral Bond transaction listed in the table below and seek clarification on the next steps to transition from the Johannesburg Interbank Average Rate ("JIBAR") to the South African Rand Overnight Index Average ("ZARONIA"). We are comfortable to switch to ZARONIA based on the MPG market conventions for bonds. We prefer Active transition using the MPG published benchmark discontinuation. In the event that a Passive or Legislative transition is being considered by Land Bank: For the former, please direct us to the specific applicable fallback provisions in the agreement, with a copy thereof; For the latter, please promptly inform us of the proposed legislative approach and kindly advise how the effective Rate Switch Date will be documented.

Land Bank response:
Affected Instruments for Transitioning to ZARONIA Rate: *LBK42U bond, KfW amended agreement.*
Defined Transition*: Land Bank is at advance stages of engagement with their legal counsel to determine whether to drive an active transition or implement a passive transition.*
Type of ZARONIA to adopt: Compounded *in arrears (Backward looking overnight rate).*
Governance and Accountability: *Land Bank uses MPG's benchmark discontinuation riders to facilitate necessary contractual amendments smoothly and effectively for existing JIBAR-linked contracts. There is currently no requirement to submit documentation or perform manual elections, as standard fallback provisions embedded in legacy agreements will facilitate an automatic transition to ZARONIA plus a Credit Adjustment Spread (CAS) upon JIBAR transitioning date.*
Benchmark Reform, Not Repricing: *The transition is designed to be economically neutral, ensuring no transfer of value and no repricing benefit or disadvantage to any party (Zero Floor).*
Credit Adjusted Spread (CAS): *3M JIBAR = ZARONIA (ACFR) + CAS. Existing contractual credit spreads remain unchanged, ensuring the transition does not reprice*
External Legal Advisors: *ENS Africa has been appointed*
Fallback Provision: Under Condition 1.1.100, Condition1.1.131.2, Condition 6.4.7. Condition 25.1.1.4.

Query:

2. We are currently reviewing our JIBAR-linked exposures in light of the transition to ZARONIA and would like to understand the process required to migrate LBK42U from JIBAR to ZARONIA. Could you please advise on the following: The recommended approach for transitioning LBK42U. Any documentation or elections required from our side?

The expected timeline and effective date of the switch? We assume this would be on a reset date. Any operational or settlement impacts we should be aware of?

Land Bank response:
As per the response to question 1

Query:

3. Please provide forensic report in connection with cyber incident asap. Are costs triggered by the incident already included in Corporate Plan ? If not and sum of costs is substantial – please update cash flow forecast.

Land Bank response: *Land Bank is working on a summary report for lenders that will cover the crux of the cyber incident, and we will share it with all lenders in due course. As you can expect, given the sensitivity of a matter such as this one, we are not able to share the full report.*
The recovery costs incurred in FY2026 are included in the management accounts provided with the March 2026 credit pack. The total recovery costs cannot be confirmed at this stage; however it is not expected to exceed R11 million. The expected resilience measures that will be implemented are included in the FY2027 corporate plan and the approved budget which is the basis for the cash flow forecast.

Query:

4. Looking at reduced amounts for asset solution in cash flow forecast: has Silo Co loan divestment been abandoned for good (and if so, why?) or is this something that would be (re-)activated und could be executed and financially closed during current FY27 in case projected new funding does not materialize?

Land Bank response: *The SiloCo disposal did not occur as planned, but we are still in engagements with a buyer who will also, as part of the acquisition of our shares and shareholder loan accounts, commit to refinancing the term loan which now has an outstanding balance of approx. R1.55bn. A proposal is being considered, and if approved by the Land Bank Board, it is anticipated the share disposal will be implemented by 31 March 2027, and the buyer will drive refinance of term loan of R1.55m to close by 30 June 2027.*

Query:

5. If one were to believe your cash flow forecast without new funding (actual cash per 31.03.26 seems to be approx. 1 bn ZAR higher than shown in this forecast), then Land Bank would run out of cash during current FY27. This is new to us. What would you do if new funding does not materialize?

Land Bank response: *The request for GFA has been approved by National Treasury, This approval represents a significant milestone in advancing Land Bank's funding strategy and strengthening the foundation for potential sovereign-backed financing arrangements underway, optimising the timelines as the funding is required by end of this calendar year.*

There is also a cascading accelerated funding plan that caters for plan b and C should the DFI funding delay. These include international funding via local DFIs that are already assessed, bridging facilities and potential roll overs which will be the last resort.

Query:

6. Please explain new funding from other parties than government in more detail than in Corporate Plan. Indicate parties, have internal credit approvals been obtained at these potential investors, did the completed financial analysis of one potential investor yield a positive or a negative result, will such funding / disbursements be conditional upon new equity (and if so – how / what are relevant milestones ?) and/or government guarantees, including timelines. Would you enter into several of these contracts to diversify your funding sources or just one ? Some individual loan amounts appear to be unusually high, up to Land Bank's current total assets, if I am not mistaken.

Land Bank response: *Engagements are at various stages of approval from different lenders, financial analysis has been completed by some with the result of under-capitalisation hence the request for re-capitalisation. We will diversify the funding from sustainable sources, the R18bn (approx. $1bn) is our current funding requirement. Theres also expression of interest willing to offer the full R18bn with guarantees. The Bank prefer to meet the funding requirement using both debt and recap. Guarantees are approved and the Bank is also applying for recapitalisation via the Mtef process*

Query:

7. If Land Bank has received a formal reply from FinMin / National Treasury to their earlier (2024?) request for additional funding (my previous info was there had been no such formal reply) - please provide a copy or at least list the main arguments used in such reply – and explain if these arguments still hold for your most recent re-submissions or why they do not.

Land Bank response: *Formal reply on the FY2024 application was received and the Bank will submit an application by the end of June 2026 for FY2027 MTEF, the intention to apply for recapitalisation was tabled with the Minister and on the GFA application.*

Query:

8. Please provide more insight into most recent applications for new guarantees (10 bn ZAR) and equity (10 bn ZAR) (+ x as per some press articles), probability of obtaining such guarantees and funding and echoes received from government to date and interdependencies with new funding from other parties. Again, timelines are of particular importance. Is the following correct or are there shortcuts or other: if new equity were included in MTEF in approx. Oct 26, then it would need to be included in FY28 budget in approx. 02/27 and could be paid in in Q3/27 at the earliest after final adoption of budget ?! What are the timelines and processes for guarantees ? Is government decision (and budget approval) for new equity a prerequisite for obtaining guarantees, because it is assumed that Land Bank may not be viable / sustainable without new equity – and hence no guarantees can be issued?

Land Bank response: *The guarantee framework application has been approved, the MTEF application is due at the end of June 2026. Response to the MTEF application is expected between January and March 2027.*

Query:

9. Securing of grant funding: what are the amounts (including annual amounts) that have been contractually / legally fully secured at this stage ? Including sources of grant funds. How does this match planned BFS disbursements?

Land Bank response: *The Department of Agriculture annual grant allocation for the blended finance scheme is received every year and the funds are matched accordingly with our own funds, however these allocations are insufficient to meet demand, as a result additional grant funding initiatives are underway to augment BFS, that includes fiscal and non-fiscal (DFIs and climate agents).*

Query:

10. ZARONIA transition: Will it be necessary for the current contracts, what are the chances new funds will be obtained to fully repay current financing during current calendar year ? What is your proposed procedure ? Who are your new legal advisors (i.a. for this issue)?

Land Bank response: *The Bank is planning to transition all JIBAR-linked contracts to meet the SARB deadline of 31 December 2026. As drawdowns from new funding will only be available in the new year, the existing contracts will be transitioned. ENS has been appointed as legal advisers.*

Query:

11. Have vetting processes for all Board Members appointed in 2025 been finalized ? Results ? If some are still open: why ? When are they expected to be finalized? Any issues identified / candidates rejected ? Had this vetting process been finalized with a positive outcome for the director who has resigned (Basil Maseko), as per your notice of resignation dated 20 May 2026, or had any issues come up?

Land Bank response: *All Board Members appointed during 2025 were subjected to the required vetting processes in accordance with the applicable governance requirements. The vetting processes have been finalised for the majority of the Board Members, with no adverse findings identified. In respect of two Board Members, the vetting process remains open solely due to the outstanding verification of international qualifications by the relevant external verification authorities. These delays are outside the control of the Bank and relate to the turnaround times associated with obtaining confirmation from foreign institutions. No concerns or irregularities have been identified in relation to these individuals to date.*

The outstanding verifications are being actively followed up, and the processes will be concluded once the required confirmations have been received from the relevant authorities. No candidates were rejected, and no issues were identified through the vetting *processes that would have precluded the appointment of any of the Board Members appointed during 2025.*

Regarding Mr Basil Maseko, who resigned from the Board as communicated in the notice of resignation dated 20 May 2026, the vetting process applicable to him had been finalised with a positive outcome. No adverse findings or concerns arose from the vetting process. Mr Maseko resigned following his acceptance of a permanent position at National Treasury, which would have given rise to a potential conflict of interest in relation to his continued service on the Board. His resignation was therefore unrelated to any vetting matter.

Query relating to the FY2027 corporate plan:

12. Is it LB's forecast or strategy to breach the gearing ratio as shown in the corporate plan.

I know lenders are expected to be settled by end of FY28. So possibly LS5 covenants would not exist for FY28 and FY29.

1.4 KEY RATIOS

Even though the Bank uses multiple financial ratios to measure its performance, only financial ratios linked to the Liability Solution are included below.

Figure 18: Ratios

	Consolidated				
	FY 2027 Budget	FY 2028 Budget	FY 2029 Budget	LS5 Covenants	LS5 Targets Achieved Y/N?
Cost to Income	86,9%	79,6%	70,9%	<90%	Y
NPL ratio	34,3%	27,9%	22,8%	<50%	Y
ECL Coverage Ratio	17,0%	14,6%	12,8%	<26%	Y
Credit Loss Ratio	-1,5%	0,9%	1,1%	<4%	Y
Bank Gearing/Leverage Ratio	69,1%	87,0%	103,7%	<80%	Y
Net debt/Net Loan	31%	40%	46%	< 50%	Y

The cash flow forecast shows that it is LB intention to settle lenders in FY27.

Land Bank response: *The LS5 leverage ratio target for FY2028 is <75% and the forecast is 87% as per the Board approved budget. The budget was prepared on the basis of raising R20 billion debt with refinancing the LS5 debt: the expected increase in the liabilities raising the leverage ratio from FY2028 onwards. However, the budget did not take into account the recapitalisation process underway which will reduce the need for high debt reflected. The*

Bank is in the process of applying for R10 billion in recapitalisation by end of June 2026 and must still undergo due process as part of the plan and engagements with NT. This will significantly reduce the Bank's gearing.

Queries relating to the March 2026 credit pack:

13. We were (more unpleasantly than not) surprised to see the list of new approvals for loans etc. to High Risk PEPs, including the volume of some individual amounts (up to more than three times the concentration limit). Please provide more insight and rationales for this, including amounts actually contracted and disbursements done (generously rounded) and whether you intend to maintain such approval levels going forward. We note that for instance for BFS there is a long list of Exclusions (on p. 61), i.a. for PEPs.

Land Bank response:
High risk PEP; contracting and status of disbursement:
The definition of a PEP is wide-ranging and according to FATF1, the term PEP: Is used for an individual who is or has in the past been entrusted with prominent public functions in a particular country; and would include people closely related or with close association to a PEP."
The Bank follows a risk-based approach to assess the AML and PEP risk. Individuals who are no longer active in public office continue to be flagged as PEP for our own internal assessment and enhanced DD. The identified PEP relationships among the eleven customers did not relate to active politicians in public office The Bank has strictly managed this process even more robust BFS and as such would only consider applicants that are eligible and in accordance with the BFS conditions and applies all exclusions as stipulated in the agreement as below.
Customers on the exceptions list-above single obligor: contracted on the approved amounts
Customer 1 – disbursed-existing customer with the Bank since resumption of BFS programme with relatively strong performance to-date.
Customer 2 - not disbursed undergoing CP fulfilment
Customer 3 – not disbursed – Customer looking at changing the approved structure and reduce exposure with the Bank-work underway
Customer 4 – Not disbursed and accepted offer from another commercial bank at subprime rate
Customer 5 - did not accept offer, prefer not to raise external debt at this point. Will contact Bank again towards end of 2026 calendar year

The above indicates the relatively good quality of some customers approved, i.e. one already been poached by commercial bank and one customer declining offer (possible deferring) until next year. The Board has since revised the single concentration limits to allow for similar limits, with stringent risk matrix going forward to improve its loan book quality and on-board good asset classes, presenting low default risk to the Bank and provide financial sustainability, while continuing to support small medium size growers.
On exclusions: Under the BFS rules, government officials and politicians currently holding public office are excluded from participation and are subject to a 12-month cooling-off period after leaving office. The Land Bank complies with these exclusions and does not grant BFS facilities if not meeting eligibility criteria as defined in BFS.

<u>On the higher exposure approved by the Bank representing three times the concentration limit</u>
One of the larger exposures approved facility of R237 million, with intended disbursement planned over two years, this has not been disbursed yet and customer indicated possible changes in the approved structure and consider reducing the exposure amount. This process is underway and will be reconsidered once presented to the Bank.
The transaction was structured as a broad-based beneficiary initiative that would benefit approximately 59 previously disadvantaged employees who would now become shareholders of one of the biggest fruit exporting businesses in the county. However, the customer did not accept the approved structure, and the approval remains untaken and is expected to lapse on 30 June 2026, while alternative proposals are being explored. A new approval process will be undertaken post expiry or as a result of any changes required.

Query:

14. P. 42 of the presentation, second bullet point (non-compliance of SLA partners): this is a long-standing issue and I do remember quite impressive explanations from Themba about complexities around it in one bilateral call in 2025 (in connection with i.a. Silo Co group). But I do not recall Land Bank ever having reported some numbers (e.g. total number of cases, financial volume), probability of gaining cause (and cash), timelines and/or actual outcomes / cash received - and be it by way of settlement agreements containing concessions from both sides. We would request you to provide such missing information as the NPL ratios of the insourced SLAs are extremely high and some insourced volumes significant, suggesting material amounts could be at stake (cf. also p. 53).

Land Bank response:

Legal Book SLA Recoveries FY25/26

FY25/26 Granular Detail

Legal Book	FY25/26 Opening Balance (Apr '25)	FY25/26 Closing Balance (Mar '26)	FY25/26 Volume per account (Mar '26)	Recoveries FY25/26 (Mar '26)
SLA Partner 1	R0,61bn	R0,47bn	169	R0,11bn
SLA Partner 2	R0,08bn	R0,04bn	14	R0,05bn
SLA Partner 3	R0,98bn	R1,08bn	251	R0,05bn
SLA Partner 4	R1,04bn	R0,98bn	198	R0,19bn
SLA Partner 5	R0,02bn	R0,02bn	35	R0,004bn
Total	**R2,73bn**	**R2,59bn**	**667**	**R0,40bn**

- The increase in balances on SLA Partner 3 is due to new matters that were handed over to the Legal Recoveries Centre during FY25/26.
- Recovery prospects on matters protracted due to defended legal actions, wherein the defence of lack of *locus standi* has been raised. The total volume of matters pertaining to this defence as at Mar '26 was R0,84bn impacting 117 accounts in volume.

Workout and restructuring – SLA matters:

Date	Remaining Capital	Collections since inception	Current status	Prospect of further collections
2026/05/31	7 766 688.64	12 113 722.02	Proposal for Debt Restructure - credit submission. Finalising BF90	R1 559 067 expected by August 2026. Balance payable through the implementation of a restructure.
2026/05/31	2 196 558.35	2 093 023.52	Proposal for Debt Restructure - credit submission. Finalising BF90	R440 932 expected by August 2026. Balance payable through the implementation of a restructure.
2026/05/31	233 388.30	0.00	Restructuring application pending. Await additional information to complete assessment	
2026/05/31	0.00	100 000.00	Restructuring application pending. Await additional information to complete assessment	
2026/05/31	0.00	130 000.00	Restructuring application pending. Await additional information to complete assessment	
2026/05/31	0.01	214 281.20	Business recue - Substatial implementation	Client pay monthly with annual capital reduction
2026/05/31	3 295 204.75	318 690.74	Restructure approved & Implemented	Good - to be settled as per restructure
2026/05/31	4 224 184.55	1 600 000.00	Last payment of R1 000 000 received on 14/10/2023. Client has planted sunflower and busy with harvesting. Promised to pay an amount of R 1 000 000. He has supplied the outstanding information.	Uncertain. Client did not plant during the past years but planted during this season.

			BF90 to be completed for restructuring. If not working then will proceed with handover to legal.	
2026/05/31	42 654 535.49	33 488 303.00	Client is selling a property for R15,8m	All arrears to be settled and then implement restructure
2026/05/31	0.00	13 947 663.80	Restructuring application pending. Await additional information to complete assessment	Good
2026/05/31	1 745 145.10	9 586 468.24	Client is selling 51% of operations, awaiting guarantees	Good - account to be settled
2026/05/31	0.00	4 935 000.00	Client is selling 51% of operations, awaiting guarantees	Good - account to be settled
2026/05/31	6 125 370.60	4 706 523.55	Restructuring application pending. Await additional information to complete assessment	
2026/05/31	7 987 358.02	7 699 710.88	BR process. Farm sold awaiting guarantee from BR	Good - to be settled by 31 August 2026
2026/05/31	0.00	1 954 705.47	Client to settled arrears by 31 August 2026	Good
2026/05/31	1 331 428.06	994 928.60	Client has extension till 31/08/2026, part S&L BR	Good -account not in arrears currently
2026/05/31	0.00	41 858 163.67	Customerdata instructed to clear interest after settlement and write-off	N/A
2026/05/31	4 971 613.21	4 971 613.21	Customerdata instructed to reverse and close account	N/A
2026/05/31	7 262 647.48	8 170 223.12	Client will settle remaining balance before financial year end	Remaining balance to be received before financial year end as agreed with client

2026/05/31	16 325 614.39	5 100 000.00	Restructuring application pending. Await additional information to complete assessment	
2026/05/31	0.00	1 694 095.69	Restructuring application pending. Await additional information to complete assessment	
2026/05/31	0.00	604 997.25	Restructuring application pending. Await additional information to complete assessment	
2026/05/31	0.00	579 759.00	Debt review, client making regular monthly payment. Increased from R10K to R29K over the last 5 years.	Good. Fixed monthly instalment
2026/05/31	0.00	98 593.00	Regular payment of R2 604. Last payment of R545 received on 03/03/2026. A settlement reminder was sent to the Attorney	Good
		156 960 465.96		

Jabu Mphambo

15/06/2026 17:32:00(UTC+02:00) SIGNIFLOW

Jabu Mphambo
Acting Chief Executive Officer