

12 July 2021

The Land and Agricultural Development Bank of South Africa

(JSE Code: BILB)

("Land Bank")

IMPORTANT ANNOUNCEMENT TO ALL FINANCIAL CREDITOR FUNDERS OF LAND BANK, INCLUDING HOLDERS OF NOTES LISTED UNDER THE 2010 DMTN AND THE 2017 DMTN: SECOND PART CAPITAL REDUCTION REPAYMENT

In the SENS announcement dated 14 January 2021, Land Bank provided the market with an update in respect of the Liability Solution and has continued to engage with its lenders, including the holders of listed debt securities issued under its JSE-listed ZAR20 billion DMTN Programme dated 18 October 2010 ("**2010 DMTN**") and its ZAR30 billion DMTN Programme dated 13 March 2017 ("**2017 DMTN**") to progress towards a Liability Solution. Land Bank has, since August 2020, repaid approximately 12% of the capital amount that was owing to its financial creditor funders at the time of default (together with all associated interest).

Land Bank now wishes to facilitate a further payment equivalent to approximately 10% (ten percent) of the *outstanding* capital amount owing to each financial creditor funder (lenders and holders of its debt instruments) pursuant to each such party's debt documents (the "**Second Part Capital Reduction Repayment**") on the basis set in this announcement. Land Bank plans to implement this payment in a manner that is, as far as is reasonably possible, consistent with the INSOL principles.

Interest will be paid on the next contractual interest payment date. Lenders who will be receiving contractual capital amortization payments from Land Bank in August or September 2021 will not be entitled to the Second Part Capital Reduction Payment in addition to such contractual capital amortization payments.

Instrument	Payment Date	Payment Method
Call Bonds; Bank Overdrafts; Loans with local banks; and Loans with local DFIs	19 July 2021	Directly by Land Bank
Unlisted instruments: Promissory Notes and Bills; and Step Rate Notes.	22 July 2021	STRATE
Listed and unlisted 2010 DMTN Notes and 2017 DMTN Notes	As soon as possible, after the amendments to the Applicable Pricing Supplements to facilitate redemption of part of the notes have been approved by the noteholders and the relevant notice periods in relation to a part redemption of notes at the option of the	STRATE

	Issuer have expired (expected towards end September 2021)	
International DFIs and MIGA-guaranteed Lenders	On contractual payment dates or as otherwise agreed	Directly by Land Bank

Funds due to noteholders under the 2010 DMTN and 2017 DMTN and certain of the offshore lenders will be ring fenced in specific bank accounts and kept separate from Land Bank's other operational funds from 19 July 2021 until their respective payment dates.

The listed notes remain suspended until further notice.

Enquiries

Land and Agricultural Development Bank of South Africa

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Debt Sponsor

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