

The Land and Agricultural Development Bank of South Africa
(JSE Code: BILB)
("Land Bank")

Land and Agricultural Development Bank of South Africa: Equity Injection, Part Capital Reduction Repayment and the Provision of financial information

Pursuant to the SENS announcement on 15 September 2020 (and prior announcements in this regard), Land Bank wishes to update noteholders holding listed notes issued under Land Bank's JSE-listed ZAR20 billion DMTN Programme dated 18 October 2010 and its ZAR30 billion DMTN Programme dated 13 March 2017.

Equity Injection and Capital Reduction Repayment

The Land Bank received the first instalment, comprising R1,5bn, of the government equity injection (referred to in the SENS 7 August 2020) on Friday 11 September 2020. Land Bank expects to receive the second tranche of equity by no later than 30 September 2020.

An amount of R500m has been allocated for an upcoming capital amortization payments to an international development finance institution due during September 2020. The remainder of R1bn has been set aside and will be retained exclusively for the purposes of making payment of the capital reduction amount on the basis described below.

Land Bank is pleased to confirm that it expects to pay an amount equal to 5% (five percent) of the total capital amount owing to each of its financial creditor funders (lenders and holders of its debt instruments) pursuant to each such party's debt documents (the "**Part Capital Reduction Repayment**") on the basis set out below. Any lender who receives a capital amortisation payment from Land Bank before 1 October 2020 will not be entitled to the Part Capital Reduction Payment.

The Partial Capital Reduction Repayment calculations have been made and Land Bank will ring-fence the funds necessary to meet the aggregate Part Capital Reduction Repayment (circa R1,8 billion) in specific bank accounts and permitted investments, where the funds will be kept, separate from Land Bank's other operational funds and on the basis that such funds will not be used other than to make the Part Capital Reduction Repayment.

The Part Capital Reduction Repayment will take place as part of the implementation of the Liability Solution (referred to in a SENS issued by Land Bank on 7 August 2020).

If the Liability Solution is not implemented by 30 November 2020, Land Bank will start the processes necessary to enable the Part Capital Reduction Repayment to take place as soon as reasonably possible, but in any event, by no later than 28 February 2021.

Sharing of Financial Information

In an effort to ensure equitable dissemination of information, Land Bank has established a portal ("**Investor Portal**") where market updates and information regarding the Liability Solution will be loaded for access by interested parties. Investors will be informed when new material information is uploaded to the Investor Portal. The Investor Portal can be accessed at <https://landbank.co.za/Investor-Portal> or via the "Investors" tab on the www.landbank.co.za website.

Land Bank released a pack of financial information on the Investor Portal on Tuesday 15 September 2020. A further pack of financial information, focussing on the Liability Solution will be released on the Investor Portal on 22 September 2020.

22 September 2020

Enquiries

Land and Agricultural Development Bank of South Africa

Ayanda Kanana, Chief Executive Officer

Khensani Mukhari, Chief Financial Officer

Rebecca Phalatse, General Manager: Marketing and Communications – Tel: 074 159 6833

Debt Sponsor

The Standard Bank of South Africa Limited, acting through its Corporate and Investment Banking division (registration number: 1962/000738/06)

Contacts

Ms Natalie Di-Sante Email: Natalie.di-sante@standardbank.co.za Tel: +27 (0) 11 721 6125