

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

Land and Agricultural Development Bank of South Africa: update on liquidity and debt restructuring process

Pursuant to the SENS announcement on 24 April 2020 (and subsequent 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 ("Noteholders").

Principles

To facilitate a fair and transparent process, the Land Bank has undertaken to comply with the following principles which typically apply in a distressed restructuring:

1. The Land Bank has undertaken to treat all financial creditors equitably and transparently other than with respect of customary terms for funding being provided under the urgent liquidity facility referred to below;
2. The Land Bank has undertaken not to prefer any financial creditor above another and undertakes not to take any action which might adversely affect the prospective return to the financial creditors as compared with their current position;
3. The Land Bank has undertaken to provide and allow the financial creditors reasonable and timely access to relevant material financial information in order to allow the financial creditors to evaluate the Land Bank's financial position in relation to any proposals (including the Liability Solution) in so far as practical in the circumstances and in compliance with relevant law and regulation, including the Debt Listing requirements.

Appointment of corporate finance advisers

Land Bank has appointed Rand Merchant Bank, a division of FirstRand Bank Limited ("RMB") as corporate finance advisers to advise on the development of:

1. a proposal to raise urgent liquidity from certain of its key funders ("**Urgent Liquidity Facility**");
2. a liability solution to be presented to Land Bank's funders, including the Noteholders, for consideration in due course once further assessment and analysis of the business and its balance sheet has been conducted ("**Liability Solution**"); and
3. a repurpose statement, which will be arrived at by evaluating the Land Bank's business model and strategy, balance sheet structure and wider exogenous factors.

Urgent Liquidity Facility

The Urgent Liquidity Facility comprises a request to provide R3 billion of funding which will be guaranteed by Land Bank's shareholder, National Treasury. It is Land Bank's intention to have the Urgent Liquidity Facility completed and implemented within the next fortnight, with the Liability Solution which is being developed in parallel, to be implemented as soon as possible thereafter. The amount raised pursuant to the Urgent Liquidity Facility will be utilised towards disbursements, operational expenses and payment of interest, but not the repayment of capital amounts outstanding.

Progress on the Liability Solution

The Land Bank's lenders and its Noteholders have formed lender groups and the parties are in the process of entering into negotiations around both the Urgent Liquidity Raise and the Liability Solution. Land Bank's shareholder, National Treasury, is supportive of the process and is actively participating in these discussions.

In an effort to ensure equitable dissemination, 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. Details of the Investor Portal will be published on SENS, and investors will be informed when new 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.

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Enquiries

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Debt Sponsor

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

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