

Confidential

The Land and Agricultural Development Bank of South Africa
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CENTURION



Registered credit provider: Reg. Number NCRCP18

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LAND BANK'S RESPONSE TO SENSATIONAL CLAIMS REGARDING ITS DEBT RECOVERY PROCESSES

Land Bank has noted recent social media posts of claims that the Bank and its legal representatives have been involved in aggressive methods of liquidating clients that have defaulted on their loan repayment obligations.

The Bank reiterates its findings, from an investigation it undertook last month on previous media claims of a similar nature, where there was no evidence to support the allegations that the Bank and/or its legal representatives may have acted illegally, unethically or implemented or used inappropriate or illegal practices or actions in any case involving the Bank and its clients.

The Bank will continue to act in the interest of all its stakeholders, including its clients, to recover debts owed to it in accordance with the applicable laws. The Bank's debt recovery activities and securing of its assets are always undertaken through applicable court processes and are carried out in the interest of maintaining the entity's financial sustainability to ensure the effectiveness of Land Bank for all farmers.

Land Bank's clients are encouraged to make contact with the Bank when they face challenges in meeting their loan repayment obligations to ensure that an assessment of potential solutions may be undertaken to obviate the need for the Bank to resort to the legal processes.

The Bank's debt recovery methods are based on risk mitigating strategies that are intended to work with its clients in finding solutions that will mitigate risk to their business operations, and also provide targeted solutions in instances where farmers experience distress and default on their facilities as a result of such risk factors.

The Bank deploys a range of forbearance solutions to restructure clients' loan facilities and restore them from their default status. The key objective of these forbearance measures is to help clients to get out of their default, and/or to prevent clients who are facing challenges from defaulting on their loan repayment commitments. These measures need to provide sustainable solutions to avoid losses for both the client and the Bank, or to keep the losses at a minimum level.

The Bank therefore strives to assist farmers as a starting point, and will only proceed with legal action against defaulted clients as a last resort.

We call on those clients who may feel that they were unduly treated to make contact with the Bank, and to utilise available avenues to constructively address their matters.

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