

Confidential

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MEDIA STATEMENT : Land Bank Clarifies Deployment of R500 Million Additional Funding for Blended Finance Scheme

Following the recent announcement by the Department of Land Reform and Rural Development (DLRRD) of its R500 million grant funding support for Land Bank's Blended Finance Scheme (BFS), the Bank wishes to provide clarity to farmers, clients and other stakeholders on how the additional funding will be utilised and what it means for existing and prospective applicants.

The additional funding will assist Land Bank in progressing qualifying transactions already within its BFS application and credit assessment pipeline, supporting historically disadvantaged farmers, including land reform beneficiaries, to establish, sustain and grow commercially viable agricultural enterprises.

The DLRRD contribution complements the foundational support provided by the Department of Agriculture, Land Bank's longstanding partner in implementing the BFS. This collaboration reflects the importance of coordinated government support in advancing agricultural transformation, productive land use, food security and rural economic development.

How the Additional Funding Will Be Utilised

The R500 million allocation will be directed towards qualifying transactions already within Land Bank's existing BFS pipeline, with priority consideration given to transactions that have fulfilled disbursement requirements, followed by approved transactions awaiting finalisation of contractual and disbursement requirements, and qualifying applications already undergoing credit assessment.

The Bank is particularly mindful of farmers whose production activities are dependent on seasonal planting cycles. Time-sensitive production financing requirements will therefore receive priority consideration, taking into account the status of individual transactions, applicable eligibility and approval requirements, and the availability of funding.

The allocation and disbursement of the additional grant allocation will be undertaken in accordance with the agreed arrangements between Land Bank and DLRRD, including the applicable beneficiary eligibility criteria and funding conditions.

Land Bank's Relationship Managers will engage affected applicants directly regarding the status of their transactions, outstanding requirements and anticipated funding arrangements. Inclusion in the existing application pipeline does not automatically constitute approval or a guarantee of funding.

Temporary Suspension of New BFS Applications Remains in Place

Directors: Directors: Mr M Skwatsha (Chairperson), Ms KV Rantao (Deputy Chair), Ms S Dlungwane, Ms S Ford, Prof J Kirsten, Ms PH Maseko, Ms TF Matlala, Mr MA Moloto, Ms E Pillay, Ms KH Mukhari (Chief Financial Officer), Mr J Mphambo (Acting Chief Executive Officer)

Ms R Swanepoel (Company Secretary)

While the additional R500 million will provide important relief to qualifying transactions within the existing pipeline, it is not sufficient to address the overall demand for grant funding under the Scheme.

Consequently, the temporary suspension of new BFS applications remains in place. The additional allocation is intended to support applications that have already been received by the Bank, and does not provide for the reopening of new applications at this stage.

Land Bank continues to engage its government partners on longer-term funding arrangements aimed at strengthening the sustainability and scale of the BFS, with a view to resuming new applications when sufficient grant resources become available.

Importantly, **Land Bank remains open for business and continues to offer conventional agricultural financing solutions through 100% loans** to qualifying farmers. Prospective clients seeking agricultural finance are encouraged to engage the Bank regarding available lending products, subject to normal credit assessment and approval requirements.

Strengthening the Sustainability of Developing Farmers

Land Bank recognises that access to finance alone is not sufficient to ensure the long-term success of developing farmers.

Through its Pre- and Post-Finance Support Programme, the Bank works with agricultural sector partners to facilitate technical assistance, mentorship, business development, production support and improved access to agricultural markets.

These interventions are intended to strengthen the commercial viability of financed agricultural enterprises, improve productivity and enable historically disadvantaged farmers to participate more meaningfully in agricultural value chains.

The Bank remains committed to working with the Department of Agriculture, DLRRD, National Treasury and other stakeholders to strengthen the long-term sustainability and developmental impact of blended finance as an important instrument for agricultural transformation.

Information for Existing and Prospective Clients

Existing BFS applicants are encouraged to contact their designated Land Bank Relationship Managers or Provincial Offices for updates on their applications and any outstanding requirements.

Unresolved service-related matters may be escalated to customercomplaints@landbank.co.za.

Farmers seeking conventional agricultural finance may contact their nearest Land Bank office to enquire about available financing solutions.

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