

The Land and Agricultural Development Bank of South Africa
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Registered credit provider: Reg number NCRCP18

Land Bank Integrated Annual Report Launch FY 2017

Press Release: *Profitable Land Bank on track to fulfilling its development mandate*

03 August 2017. The Land and Agricultural Development Bank of South Africa (“Land Bank”) has delivered another strong set of results for the financial year ending 31 March 2017. This despite tough agricultural conditions, including the worst drought in a century and a contracting economy with volatile exchange rates affecting commodity prices.

The Bank has recorded a profit, growing its gross loan book by 11%, while managing to reduce overall costs, and improving its capital, liquidity and funding positions.

Investor confidence continued to improve, with Land Bank managing to conclude two major funding transactions during the year under review. The finalisation of R1.3bn agricultural development facility with the World Bank and the \$300m commercial facility supported by MIGA were two noteworthy achievements. This is especially significant, as the Bank does not receive any direct financial subsidies from government and has to raise money directly from the capital markets to drive its mandate of facilitating economic transformation and social inclusivity in the agricultural sector. The Bank does receive guarantees from government from time-to-time, however approximately 10% of the liabilities of the Bank is guaranteed.

Speaking at the launch of Land Bank’s Integrated Annual Report for the year ended 31 March 2017, Chief Executive Officer TP Nchocho said:

“Following a comprehensive organisational review process initiated in 2014, the Bank has steadily become more fit-for-purpose to deliver against its mandate of facilitating economic transformation and social inclusivity in the agricultural sector. I am incredibly proud of the fact that the Bank is able to better substantiate the development impact resulting from the work being done across the country.”

Mr M A Moloto (Chairman) Mr T P Nchocho (Chief Executive Officer) Prof A S M Karaan Ms S A Lund
Ms T T Ngcobo Ms D Motau Ms N Zwane Ms D Hlatshwayo Adv S J H Coetzee Ms M E Makgatho
Ms G Mtetwa Mr B van Rooy (Chief Financial Officer) Ms K Gugushe (Acting Company Secretary)

With the Bank's sustainable financing strategy beginning to yield positive results, its support for transformative transactions increased during the period under review. Specific highlights include:

- Doubling of its Wholesale Financing Facility that supports emerging farmers through intermediaries to R914-million;
- Support to farmers impacted by the drought to the tune of more than R100-million under its Drought Relief Programme, which is administered in conjunction with the Industrial Development Corporation;
- Increased support to female farmers – 262 female farmers with loans of R161-million now on its books; and
- Support to the implementation of a Black Broker Training Programme by the Land Bank Insurance Company (LBIC), which has produced the first fully accredited Black Crop Insurance Brokers in the country.

Land Bank continues to work with its key stakeholders in government and within the broader agricultural sector to eliminate duplication and align efforts to drive transformation and inclusivity in the sector. During the period under review, Land Bank participated in Operation Phakisa: Agriculture, Land Reform and Rural Development and has been identified as a key role player to implement some of the identified priorities.

The Bank obtained an unqualified audit opinion for the financial year in question, further demonstrating its ongoing commitment to good governance and sound banking principles.

The Land Bank FY2017 Annual Integrated Report and Results Launch Presentation is available on the Land Bank's website at www.landbank.co.za.

Senior Officials of the Bank will embark on a deal specific debt roadshow during the week starting 07 August 2017 to engage with current and potential future investors. This roadshow presentation is also available on our website.

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