

The Land and Agricultural Development Bank of South Africa
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Land Bank Concludes Successful Bond Auction

5 September 2017. Transparency, a commitment to good governance and a clear strategy to transform the agricultural sector are some of the key reasons investors are continuing to support the Land and Agricultural Development Bank of South Africa (“Land Bank”).

Following the release of strong financial results for the year ended 31 March 2017, in early August 2017, the Bank concluded an extremely successful bond auction on 30 August 2017, with its offering being five times oversubscribed and attracting new investors to the Bank.

According to Bennie Van Rooy, Chief Financial Officer at Land Bank, the team went into the auction with a target of raising R750-million, with an option to upsize the issue allocation to R1-billion. “The total value of bids received from investors was R5.1-billion, with bids in excess of 90% being within pricing guidance. The Bank managed to clear all three notes (one, three and five year tenures) below pricing guidance, effectively securing listed debt financing at significantly cheaper rates than six months earlier. In addition, we attracted five new major asset manager investors into the book, three of whom received allocations on the day.”

Land Bank has worked hard to improve corporate governance at the institution over the last 18 months, putting in place the necessary systems and processes as well as capacitating its workforce to be able to deliver consistently against stringent targets. Initiatives have included the implementation of a revised Code of Conduct and Code of Ethics policies, as well as the adoption of a Politically Exposed Persons’ Policy.

Mr M A Moloto (Chairman) Mr T P Nchocho (Chief Executive Officer) 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).

The Bank has since introduced a number of enhancements to its Domestic Medium Term Note Programme to improve transparency, provide additional investor protection mechanisms and raise investor confidence in general.

“We are delighted at the increased appetite for Land Bank credit, which we believe is a clear recognition of the good work being done, particularly around maintaining strong levels of corporate governance. 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 on an unguaranteed basis 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 in support of its funding initiatives. With greater interest from the markets, we are confident that we will be able to make significant strides in the achievement of our objectives,” concludes Van Rooy.

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