



## **Land Bank partners with KfW Development Bank to grow local agricultural sector**

**1 February 2018.** The Land and Agricultural Development Bank (“Land Bank”) today announced the signing of a R900-million term loan facility secured through the German Development Bank, KfW. The facility is set to provide a much needed boost to agricultural development in South Africa.

In a first for KfW, the loan has been priced in local currency with favourable terms to Land Bank. The facility features a 10-year amortising repayment period with a two-year repayment holiday, payable from March 2020 in 17 semi-annual instalments until 2028. This will help to increase the Bank’s long-term liquidity for the benefit of the agricultural sector in South Africa. The funds are earmarked for agricultural development and will supplement Land Bank’s sources of transformational and development funding.

**For Land Bank CEO, TP Nchocho, the facility will enable the Bank to continue supporting Greenfields projects:**

*“We are encouraged by the confidence investors are showing in the important work we are doing to support rural development as well as in our ability to meet all commitments to key stakeholders. With secure lines of funding such as this, Land Bank remains best positioned to drive productivity, growth and job creation as well as promote food security in the country.”*

Land Bank’s partnership with KfW Development Bank represents another significant milestone in its efforts to diversify the Bank’s sources of funding in order to drive its development mandate. During the past year, Land Bank has secured similar funding facilities through the World Bank and its MIGA arm (in support of a long term commercial loan from Standard Chartered Bank and DZ Bank) in addition to Land Bank’s funding efforts in the local capital and debt markets.

**Statement by Dr. Thomas Duve, KfW Director for Sub Saharan Africa:**

*“As KfW Development Bank, we are very excited about our growing partnership with Land Bank. The funding by KfW will be targeted at providing financing solutions to commercial farmers, and end-to-end business support for emerging farmers, specifically with a view to enabling access to long-term finance at competitive conditions. We are convinced that this agreement will contribute significantly*



*to broadening and deepening the financing offer for small and medium-sized enterprises in the agricultural sector of South Africa.”*

**Ends**

**Notes for the Editor**

**About Land Bank**

Land Bank has a proud heritage of serving the needs of both commercial and emerging farmers spanning 105 years. As South Africa’s only specialist agricultural bank, we bring tailor-made financial services to our valued clients. These services enable our farmers to finance land, equipment, agricultural infrastructure as well as the improvement of assets and production credits. Beyond financing, Land Bank is about building lasting relationships and mutually beneficial partnerships. We are working to continuously meet the needs of all of our clients while driving economic transformation and social inclusivity in the agricultural sector. For more information, visit: [www.landbank.co.za](http://www.landbank.co.za) or call 0800 00 52 59

**About KfW Development Bank**

KfW Development Bank has been supporting development in South Africa since 1994. Through various initiatives, the Bank provides financing and technical support to help the country overcome structural problems including inequality, unemployment and poverty. KfW is already working in the areas of energy and climate; health and crime prevention and will now add agricultural development to this mix. Negotiations to conclude the facility to Land Bank occurred over a two-year period during which time KfW developed a strong sense of confidence in Land Bank’s ability to deliver value to all of its key stakeholders.

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