

The Land and Agricultural Development Bank of South Africa  
P O Box 375 Pretoria 0001  
Block D Eco Glades 2 Office Park, 420 Witch Hazel Avenue Eco Park  
CENTURION



Tel: +27 (0)12 686 0500  
Fax: +27 (0)12 686 0682  
[www.landbank.co.za](http://www.landbank.co.za)

Registered credit provider: Reg number NCRCP18

## FOR IMMEDIATE RELEASE

### **Land Bank maintains financial sustainability position and heightened its focus on development effectiveness despite tough external environment**

**20 August 2018.** The Land and Agricultural Development Bank of South Africa (“Land Bank”) has delivered another solid set of results for the financial year ending 31 March 2018. This was achieved, despite a tough external environment characterised by a contracting economy, continuous sovereign credit ratings reviews and further volatile weather conditions affecting the agricultural sector.

Despite these conditions, the Bank remained profitable, cautiously growing its gross loan book while maintaining capital adequacy position at reasonable levels, and significantly strengthening its liquidity and funding positions.

It is pleasing that under these circumstances Land Bank has maintained its National Scale credit rating of Aa1.za during the financial year in question, further demonstrating its ongoing commitment to good governance and sound banking principles.

The Bank has worked to diligently diversify its sources of funding in order to continue supporting the agricultural sector and promoting transformation. During the period under review, work to improve investor confidence yielded positive results, with Land Bank concluding major multilateral transactions with organisations such as the German Development Bank, KfW, as well as the European Investment Bank to the tune of €105-million. This is in addition to growing support from local investors, with strong participation in the Bank’s listed debt bond auctions. These lines of funding are mainly utilised to support new generation farmers.

Continued positive feedback from investors is as a result of the implementation of practical initiatives including the adoption of a Board of Directors Code of Ethics and Business Conduct; the completion of an Ethics Opportunity and Risk Assessment in conjunction with the Ethics Institute, regular investor roadshows and bond auctions, as well as release of regular SENS announcements to enhance transparency and raise investor confidence in general.

With the Bank’s sustainable financing strategy continuing to yield positive results, its support for transformative transactions increased during the period under review. Highlights include:

Mr MA Moloto (Chairperson) Mr TP Nchocho (Chief Executive Officer) Ms SA Lund  
Ms D Hlatshwayo (Deputy Chairperson) Dr ST Cornelius Mr M Makgoba Ms TT Ngcobo Ms D Motau Adv. SJH Coetzee  
Ms ME Makgatho Ms G Mtetwa Mr B van Rooy (Chief Financial Officer) Mr MK Mzaidume (Company Secretary)

- 
- Overall growth in the development portion of its loan book to 12% or R5.4-billion, up from 11% or R4.9-billion in FY2017 whilst the overall loan book grew by 5.7%
  - New disbursements of R1.55-billion to transformational projects during the period;
  - Interest rate subsidies to new generation farmers to the tune of R74-million;
  - Continued support to farmers impacted by drought with a total of R334-million in drought relief loans approved of which R240-million was disbursed by the financial year end; and
  - Continued support to its Black Broker Programme in the crop insurance sector, growing the number of black brokers to 28 from 18 in the previous season.

Speaking at the launch of Land Bank's Integrated Annual Report for the year ended 31 March 2018, Chief Executive Officer TP Nchocho said:

*"Land Bank has continued to demonstrate its ability to create value for its shareholders and deliver on its mandate despite persistent challenges in the external environment. With the strong commitment of our executive management team and employees, we persisted in our endeavours to contribute to the long-term transformation and resilience of the sector. Work to strengthen the Bank's institutional, structural and funding positions continue in anticipation of an accelerated land reform programme that is expected to drive greater inclusivity in the sector."*

With the Parliamentary process initiated by the motion on Expropriation without Compensation adopted in February 2018 is almost completed, Land Bank's departure point has always been to emphasise the importance of meaningful and sustainable land reform. The Bank's mandate and strategy are clearly aligned to the imperatives of development effectiveness and it supports all efforts to advance an effective land reform programme that will achieve transformation in tandem with increased agricultural production, sustainable agricultural enterprises, secured tenure, employment creation and food security.

Through its in-depth participation throughout the Parliamentary process and its subsequent submission to the Review Committee, Land Bank has reiterated this position as well as provided additional recommendations around the implementation of expropriation without compensation. The Bank remains confident in the commitments that have been made to manage the process responsibly and with due consideration to the economy, sustainability of the banking sector and food security.

The Land Bank FY2018 Annual Integrated Report and Results Presentation is available on the Bank's website at [www.landbank.co.za](http://www.landbank.co.za).

Senior officials of the Bank will embark on a deal specific debt roadshow during the week starting 27 August 2018 to engage with current and potential future investors. This roadshow presentation will also be available on the Land Bank website.

**Ends**

**Enquiries**

Rebecca Phalatse – General Manager: Marketing & Communications

Tel: (012) 686 0921

Email: [rphalatse@landbank.co.za](mailto:rphalatse@landbank.co.za)