

## Confidential

The Land and Agricultural Development Bank of South Africa  
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CENTURION



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Registered credit provider: Reg number NCRCP18

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## FOR IMMEDIATE RELEASE

### **Land Bank makes progress to advance its development mandate despite difficult external challenges.**

The Land and Agricultural Development Bank of South Africa (“Land Bank”) continues to maintain financial sustainability according to the results of the financial year ending 31 March 2019. Despite facing sector wide challenges such as climatic changes and inconsistent weather patterns, and as a consequence a late start to the planting season, livestock diseases, and policy uncertainty occasioned by the land reform discourse, the Bank still managed to deliver another solid set of results.

Land Bank maintains a strong balance sheet, evidenced by a solid Capital Adequacy Ratio (16.4%), Liquidity Coverage Ratio (549.8%) and Net Stable Funding Ratio (102%) which enables it to respond effectively to unexpected negative impacts.

Despite a very challenging external environment, the Bank still managed to post a net profit of R130.6m.

The Bank has thus far maintained its credit rating, further demonstrating its ongoing commitment to good governance and sound banking principles.

Land Bank has made significant progress to advance the development mandate. Some of the key highlights in this regard include:

- Substantial growth in transformation transactions, with disbursements of R5.07bn to historically disadvantaged individuals and entities that are majority black owned, and those with BBBEE levels between 1 and 4 with at least 30% black ownership.
- The Bank’s transformation book grew from 12% to 17% of the loan book.
- Disbursements of R103.0 million towards 33 woman owned businesses.
- Provision of interest rate subsidies, from the Bank’s own resources, for development farmers to the value of R58.7 million.
- The establishment of a sinking fund for future debt redemptions, for which funds under management are managed by four black-owned smaller- and emerging asset managers.
- The establishment of the Black Assessor Development Programme in partnership with Walter Sisulu University, to train graduates in crop insurance assessment protocols.

**Directors:** Mr MA Moloto (Chairperson), Ms DR Hlatshwayo (Deputy Chairperson), Ms KM Gugushe (Acting Chief Executive Officer), Ms SA Lund, Ms TT Ngcobo, Ms DN Motau, Adv. SJH Coetzee, Ms ME Makgatho, Ms NV Mtetwa, Dr ST Cornelius; and Mr MS Makgoba.

Mr YA Ramrup (Acting Chief Financial Officer) and Mr MK Mzaidume (Company Secretary)

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- In partnership with the IDC, the Bank has disbursed R356.6 million to support farmers negatively impacted by drought since the inception of the Drought Relief Facility in FY2017.

*“We are pleased to report that we managed to maintain a strong balance sheet and remained profitable in FY2019. We continue to make progress on our development mandate in trying circumstances and balancing this objective with our financial sustainability. Regardless of the challenges experienced in the sector, we continue to forge ahead placing priority on innovation and partnership to continue delivering value for our clients. Our strategy remains as the base on which to build and our focus will shift further towards assisting the development of smallholder farmers. To this end we have partnered with other institutions in the industry to establish Funds aimed at providing loans to Black owned smallholder and medium scale commercial farmers. We are especially proud of our involvement in the creation of the first majority Black owned grain management company in the country which saw one of the largest transformation deals ever concluded in the agricultural sector.”* said Land Bank’s Acting Chief Executive Officer, Kone Gugushe.

Although the external factors still impose natural limitations on what can be achieved by Land Bank in terms of deriving positive impact and good financial performance, the priority going forward is to grow its profit by driving top-line growth. *“For us this means focusing our energies on traversing the length and breadth of South Africa to identify new clients, foster new relations, utilise our balance sheet adequately to increase our value and ultimately forge ahead with our commitment to the transformation of the agricultural sector”*, concluded Gugushe.

Land Bank will continue to support the entire agricultural sector and specifically work to facilitate greater inclusivity and transformation throughout the value chain.

The Land Bank FY2019 Annual Integrated Report is available on the Bank’s website at [www.landbank.co.za](http://www.landbank.co.za).

Following the launch of the FY2019 results, Land Bank will embark on an investor roadshow to engage with current and potential future investors

## **Ends**

## **Enquiries**

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