

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

Investor confidence in Land Bank remains high

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The Land and Agricultural Development Bank of South Africa concluded another successful bond auction on 20 March 2019, raising R1.0 billion from the local debt and capital market. This, despite the backdrop of policy uncertainty regarding land reform, and current unfavourable weather conditions likely to result in a below average Summer Grain harvest.

Following a three day investor roadshow in Johannesburg, Pretoria and Cape Town in February 2019, the Bank embarked on a public bond auction with a target of raising R1.0 billion. The result of the auction was very pleasing with bids received in excess of R3.38 billion, of which 93.4% were within the envisaged terms, effectively securing listed debt financing at better rates compared to 6 months ago.

The R1.0 billion was placed across three different bonds; five year and seven year floating rate notes and a 10 year fixed rate note. Land Bank has not only worked to secure longer term funding to strengthen its Balance Sheet but has also managed to reduce its five and seven year yields by 10 and 13 basis points respectively. Additionally, 19 investors participated in the auction, another indicator of the continued confidence in the Bank and support enjoyed from the investor community.

The continued positive feedback from investors is as a result of the implementation of various initiatives including continued engagements with investors, enhanced investor protection mechanisms offered under the Domestic Medium Term Note Programme, and regular SENS disclosures in respect of market-moving information, and the Bank's solid corporate governance track record.

According to the Acting Chief Financial Officer Konehali Gugushe *"We are delighted with the result of the bond auction. The continued broad-based investor support that the Bank enjoys as a State-owned Entity on an unguaranteed basis is very pleasing."*

The outcome of the bond auction is a demonstration of the investor community's confidence in Land Bank and its ability to support the agricultural sector as a whole.

Mr MA Moloto (Chairperson), Ms DR Hlatshwayo (Deputy Chairperson), Mr BJ van Rooy (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; Mr MS Makgoba, Mr Mashumi K Mzaidume (Company Secretary).

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Enquiries

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