

## **Sens Announcement**

The Land and Agricultural Development Bank of South Africa

(JSE Code: BILB)

("the Land Bank")

### **Land and Agricultural Development Bank of South Africa: Moody's rating update**

On 25 July 2019, Moody's Investors Service, ("Moody's") affirmed the Land and Agricultural Development Bank of South Africa's ("Land Bank") issuer ratings at Baa3/Prime-3 and its national-scale issuer ratings (NSR) at Aa1.za/P-1.za. The issuer outlook is negative.

The affirmation of Land Bank's ratings primarily reflects its government ownership and Moody's assumptions of a high probability of government support in case of need. Operating conditions remain challenging, including developments around South Africa's Land Reforms. Poor implementation could result in (1) loss of investor confidence; (2) increase in problem loans; and (3) the drying up of funding sources, as ZAR9 billion of Land Bank's debt include a market clause on "expropriation" as an Event of Default.

The full credit opinion is available on its website, [www.moody.com](http://www.moody.com).

### **List of affected ratings**

Affirmations:

- LT Issuer Ratings (Local & Foreign Currency), affirmed Baa3
- ST Issuer Rating (Local & Foreign Currency), affirmed P-3
- NSR LT Issuer Rating, affirmed Aa1.za
- NSR ST Issuer Rating, affirmed P-1.za

The issuer outlook is negative

### **26 July 2019**

Enquiries

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