

LAND BANK



INVESTOR ROADSHOW AUG 2017

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1. Business Overview

- Mandate and Strategy
- Governance Matters
- Industry Developments

2. Financial Overview

3. Funding Matters

- Overview
- DMTN Matters
- August 2017 Issuance – Term sheet





BUSINESS OVERVIEW



The Mandate of the Land Bank and the National Development Plan highlights the importance of the Agriculture sector to the country's Development and Transformation agenda

Mandate

The objects, as per the Land Bank Act, No. 15 of 2002, are the promotion, facilitation and support of:

- **Equitable ownership** of agricultural land, in particular increasing ownership of agricultural land by HDI's **Agrarian reform**, land redistribution or development programmes aimed at HDI persons
- **Land access** for agricultural purposes
- **Agricultural entrepreneurship**
- Removal of the legacy of **racial and gender discrimination** in agriculture
- **Enhancing productivity**, profitability, investment and innovation
- **Growth** of the agricultural sector and better use of land
- **Environmental sustainability** of land and related natural resources
- **Rural development and job creation**
- Commercial agriculture
- **Food security**



The NDP views agriculture as central in achieving its inclusiveness and socio-economic goals

“Better land use in communal areas has the potential to **improve the livelihoods¹ of at least 370 000 people.**”

“A further **70 000 livelihood opportunities** are created if land reform beneficiaries are properly supported.”

“**Agriculture has the potential to create close to 1 million new jobs by 2030**, a significant contribution to the overall employment target.”






National Development Plan; Vision 2030

LAND BANK STRATEGY

Strategic Development Objectives and Strategic Pillars



Strategic Development Objectives

-  Transformation
-  Sector growth
-  Employment Quality
-  Food Security
-  Sustainable Development

Strategic Pillars

- 1 Sector growth support**
Prioritise high-potential regions and crops

- 2 Supply chain development**
Increase funding in agro-processing

- 3 Production expansion and intensification**
Support next-generation farming

- 4 Agri. innovation**
Spur agri. innovation

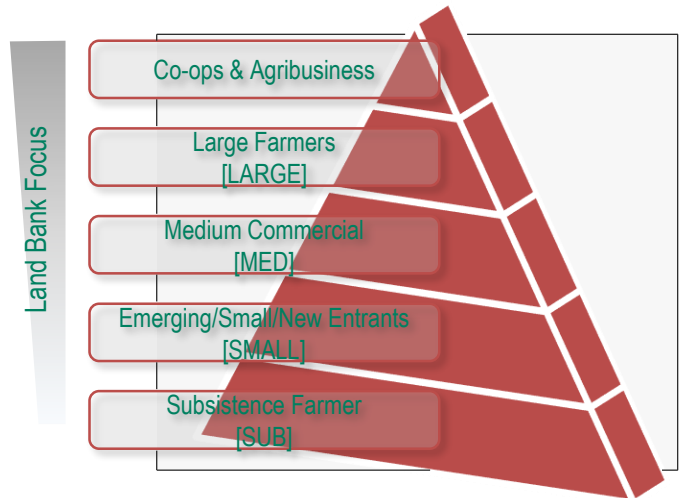

VALUE PROPOSITION & TARGET MARKET



- ### Value Proposition - Key Points
- End-to-end support through value chain progression
 - Meaningful partnership through farmer development phases
 - Comprehensive suite of farmer support through LBIC
 - Detailed on-farm risk analysis and advice
 - Appetite for innovation
 - Integrates – Public/Private/Govt/NGO's
 - Sector specific financing solutions

Target Market Profile

AGBIZ	Provide agri-inputs and services to farmers, use agri-produce as inputs (market for farmers) or on-lending. Includes: Large Agriculture; Corporates; Specialised Agriculture; On-lenders (intermediaries).
LARGE	Operate on large agricultural land; capacity to influence/dominate the market; agro-processing capability. Asset value: >R100m Turnover: >R500m – R1b
MED	Established in commercial farming with skills and access to markets. Asset value: R10m – R100 Turnover: R5m–R500m BBBEE threshold: <R10m turnover (EME); R10m – R50m (QSE)
SMALL	New to commercial farming with some access to markets. Weak financial security (collateral) Asset value: <R10m Turnover: <R5m
SUB	Operate small allotment and own few livestock mainly for own consumption



DEVELOPMENT IMPACT

Committed to growing the sector in a more inclusive and equitable way

Transformation

- Equitable ownership of agricultural land, particularly increasing the ownership of agricultural land by historically disadvantaged persons
- Agrarian reform, land redistribution or development programmes aimed at historically disadvantaged persons
- Removing the legacy of racial, gender and generational discrimination in agriculture

- Commercial Agriculture
- Land access for agricultural purposes
- Growth of the agricultural sector and better use of land

Economic Growth

Employment

- Rural development and job creation
- Agricultural entrepreneurship

- Food security
- Enhancing productivity, profitability, investment and innovation

Economic Growth

Sustainable Development

- Environmental sustainability of land and related natural resources

DEVELOPMENT IMPACT OUTCOMES

Highlights



R4.8bn in new disbursements (excluding Revolving facilities)



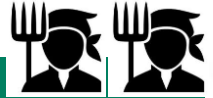
New jobs created: 15 360



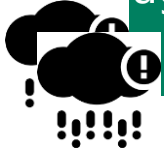
Poultry sector jobs maintained: 3 500

R2.4bn growth in our Loan Book to the Development Sector (Target: R2bn)

Black Brokers Development Programme



R100m disbursed under Drought Relief Facility



Projects to expand irrigated land: 13 000 hectares



Governance Matters

Land Bank is committed to good governance and development mandate



Vision and Mandate	Development Mandate	Governance
<ul style="list-style-type: none"> • Equitable ownership of agricultural land, in particular increasing ownership of agricultural land by HDI persons • Agrarian reform, land redistribution / development programmes aimed at HDI persons • Rural development and job creation • Land access for agricultural purposes • Agricultural entrepreneurship • Removal of the legacy of racial and gender discrimination in agriculture • Enhancing productivity, profitability, investment and innovation • Growth of the agricultural sector and better use of land • Food security 	<ul style="list-style-type: none"> • Alignment to the National Development Plan (“NDP”); a priority sector to reduce poverty, food insecurity and drive sustainable economic growth • Stimulates growth, drives solid performance and spurs innovation • Work with all stakeholders to build an adaptive and competitive agricultural sector • Promote Transformation (Sector Inclusivity) • Increase emphasis on environmental and developmental sustainability 	<ul style="list-style-type: none"> • National Treasury (“NT”) is the Executive Authority of the Bank • An independent Board appointed by NT, consisting of an independent non-executive Chairman and nine individual non-executive members provide independent oversight • The Board has a Code of Conduct which is aligned to best practice • Independent Credit and Investment Committee consisting of an independent non-executive Chairman, with four individual non-executive members supporting the independence of credit granting decisions • Quorum and voting requirements regarding credit decisions has been strengthened to a two thirds majority • A policy on lending to Politically Exposed Persons has been approved by the Board • A strong domestic Aa1.za credit rating assigned by Moody’s • The Bank has received a unqualified audit opinions since FY2012

Mission

To work with all stakeholders to build an adaptive and competitive agricultural sector that drives environmental, social and economic development, and contributes to food security

Governance Matters

Overall Governance Structure



1 – Resigned with effect 31 July 2017

Shareholder
Minister of Finance



{ Executive Authority }

Board of Directors

{ Accounting Authority }

- | | | | | |
|-------------------------------|------------------|----------------|----------------|-------------|
| Mr. MA Moloto | Ms. D Hlatshwayo | Ms G Mtetwa | Ms. DN Motau | Ms. SA Lund |
| Prof. ASM Karaan ¹ | Ms. TT Ngcobo | Adv. S Coetzee | Ms. M Makgatho | Ms. N Zwane |

Board Committees

<p>Risk and Governance Committee</p> <ul style="list-style-type: none"> Enterprise Risk Management Framework, Governance Architecture, Risk Appetite and Tolerance Framework Approve the Bank's Risk Management Plan Review and Monitor the management of all Risks in the organisation 	<p>Audit and Finance Committee</p> <ul style="list-style-type: none"> Internal and External Audit matters Accounting policies and methodologies Financial matters 	<p>Human Resource , Social & Ethics Committee</p> <ul style="list-style-type: none"> Monitor, Review and Oversee all Human Resources, Social, Ethics and Environmental matters 	<p>Credit and Investments Committee</p> <ul style="list-style-type: none"> Review and recommend credit policies, frameworks as well as prudential limits and guidelines Review and approve or recommend credit facilities in line with Delegations of Power Monitoring
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All Board Committees are accountable to the Board

Executive Committee

{ Exco Accountable to Board }

- | | | | | | |
|----------------|----------------|---------------|-----------------|--------------|---------------|
| Mr. TP Nchocho | Mr. B van Rooy | Ms. M Dlamini | Mr. F Stiglingh | Mr. S Soundy | Ms. K Gugushe |
| Mr. W Jacobs | Mr. G Conway | Ms. L Ndlovu | Mr. J Mthembu | Secretary | |

Operating Environment

Tough agricultural conditions characterised by the worst drought in a century...

The Agricultural Economic Landscape

- Domestic GDP growth at 0.3 % for the 2016 financial year (2015: 1.3%)
- Agricultural GDP growth declined by 7.8 %(2015: 6.1% decrease)
- SA agricultural exports to the world were valued at R79 billion in 2016 (R64 billion: 2015)
- Aggregate Farm Income increased by 6.4% for the 2016 financial year (2015: 20.8%)

Drought: A Significant Factor

- Important to note differences in impact by Regions & Access to Irrigation
- Grain Crops: Estimated 21.6% increase in hectares planted during the 2017 calendar year.
- Livestock:
 - A 8% increase in feed costs for the 2016 financial year (2015: 8%)
- Horticulture: Mostly under irrigation & Export oriented
- Average Food Inflation during the 2016 financial year 10.8%
- Drought Relief Funding of > R100mn made available to support the sector

Drought

- Apart from the Western and Eastern Cape weather patterns have vastly improved with the outlook for another good rainfall season in the “summer crop” areas
- Land Bank’s drought related exposure has stabilised around R784.4 million:

Delivery Channel	FY2017
Direct	R75.6 million
Indirect (SLA)	R708.8 million
Total	R784.4 million

- Drought relief support extended to date:

Delivery Channel	FY2017
Loans approved	R207.6 million
Loans disbursed	R117.8 million
Support available	R192.4 million

- The remaining available support under the IDC drought relief facility will be directed to support the Western and Eastern Cape

Fall Army Worm

- Risk emerged during CY2017/Q1 and Land Bank previously suggested no real risk due to SA grain strands being immune
- Recent harvest levels have confirmed this

Avian Flu:

- The recent outbreak of the avian flu brings about new risk to the Land Bank’s loan assets
- The following is a summary of Land Bank’s exposure:

FY2017				
Delivery Channel	# Clients	Distress	Exposure R'm	Arrears R'm
CDB	35	5	276.5	1.4
CB & SI	1	-	101.4	-
Total	36	5	377.9	1.4

- Land Bank is pro-actively engaging and managing the affected exposures

Land Reform:

- The principle of appropriation of land without compensation is receiving heightened attention
- Land reform is currently enshrined in the Constitution of the Republic of South Africa and cannot be without compensation
- A policy change will require a change in the Constitution, which requires a 2/3 majority
- If such a policy should come to fruition, the process of amending the Constitution will be a lengthy process
- In this unlikely event, Land Bank together with all other Commercial Bank’s collateral positions could be affected adversely.



FINANCIAL OVERVIEW



Financial Overview

Salient Features - Group



Salient features	Published basis			Like-for-like basis		
	Var %	FY2017	FY2016	Var %	FY2017	FY2016
Net interest margin	0.3%	3.1%	3.0%	0.3%	3.1%	3.0%
Impairments	9.8%	R 81.5m	R 74.2m	9.8%	R 81.5m	R 74.2m
Operating expenses	(14.4%)	R 595.2m	R 695.5m	5.9%	R 564.1m	R 532.8m
Cost-to-income ratio	(23.1%)	56.8%	73.9%	(5.0%)	53.8%	56.6%
Profit for the year	+100%	R 367.0m	R 182.0m	0.7%	R 398.1m	R 395.5m
- Banking Operations	+100%	R 316.3m	R 94.0m	13.0%	R 347.4m	R 307.5m
- Insurance Operations	(42.4%)	R 50.7m	R 88.0m	(42.4%)	R 50.7m	R 88.0m
Cash	(40%)	R 1.52bn	R 2.5bn	(40%)	R 1.52bn	R 2.5bn
Net loans and advances	12.6%	R 41.0bn	R 36.4bn	12.6%	R 41.0bn	R 36.4bn
Impairment ratio	(19.1%)	5.5%	6.8%	(19.1%)	5.5%	6.8%
Non-performing loans	(19.3%)	7.1%	8.8%	(19.3%)	7.1%	8.8%
NPL coverage ratio	-	77.1%	77.2%	-	77.1%	77.2%
Total assets	9.7 %	R 45.4bn	R 41.4bn	9.7%	R 45.4bn	R 41.4bn

Financial Overview

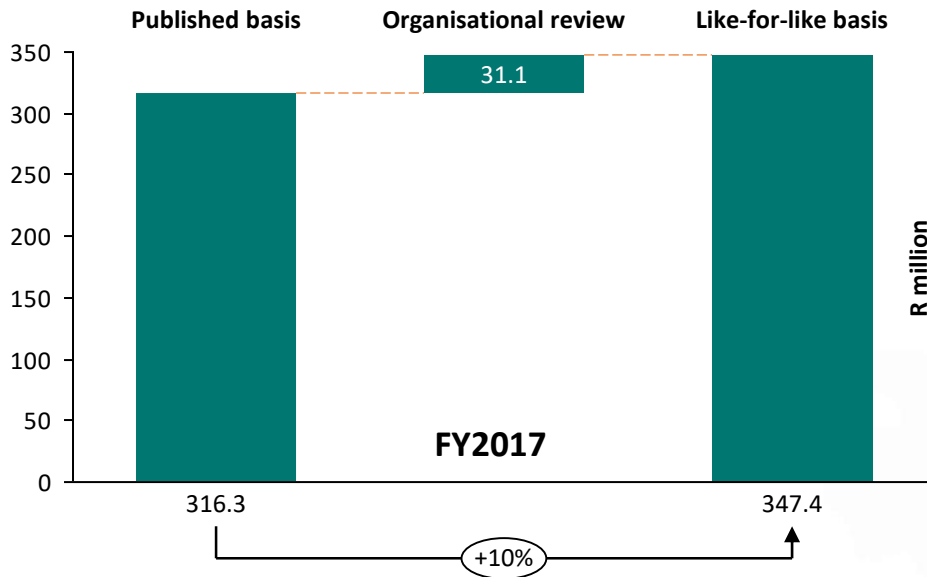
Salient Features - Bank



Salient features	Published basis			Like-for-like basis		
	Var %	FY2017	FY2016	Var %	FY2017	FY2016
Net interest margin	0.3%	3.1%	3.0%	0.3%	3.1%	3.0%
Impairments	9.8%	R 81.5m	R 74.2m	9.8%	R 81.5m	R 74.2m
Operating expenses	(15.9%)	R 570.0m	R 678.0m	4.6%	R 538.9m	R 515.2m
Cost-to-income ratio	(26.1%)	54.4%	73.7%	(8.2%)	51.4%	56.0%
Profit for the year	+100%	R 316.3m	R 94.0m	13.0%	R 347.4m	R 307.5m
Total comprehensive income	+100%	R 305.8m	R 71.8m	11.0%	R 314.6m	R 283.5m
Cash	(42.9%)	R 1.2bn	R 2.1bn	(42.9%)	R 1.2bn	R 2.1bn
Net loans and advances	12.6%	R 41.0bn	R 36.4bn	12.6%	R 41.0bn	R 36.4bn
Impairment ratio	(19.1%)	5.5%	6.8%	(19.1%)	5.5%	6.8%
Non-performing loans	(19.3%)	7.1%	8.8%	(19.3%)	7.1%	8.8%
NPL coverage ratio	-	77.1%	77.2%	-	77.1%	77.2%
Total assets	10.1%	R 43.8bn	R 39.8bn	10.1%	R 43.8bn	R 39.8bn
Total CAR – Basel Standardised Approach	(5.9%)	17.7%	18.8%	(5.9%)	17.7%	18.8%

Statement of Profit and Loss and OCI

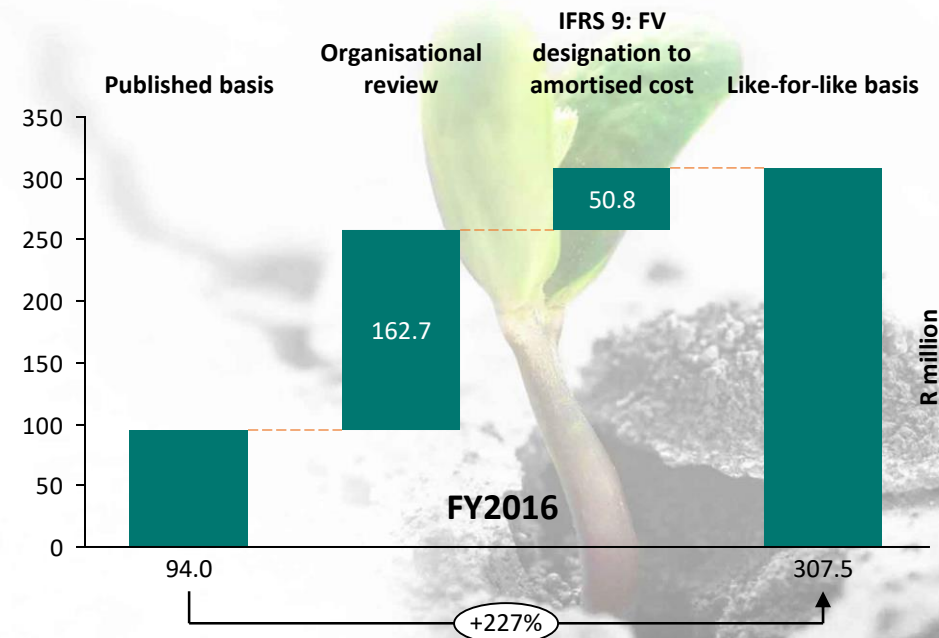
Profit for the year: Published for Like-for-like basis



The Bank's performance during FY2017 was impacted by additional costs incurred in relation to the Organisational Review as undertaken during FY2016.

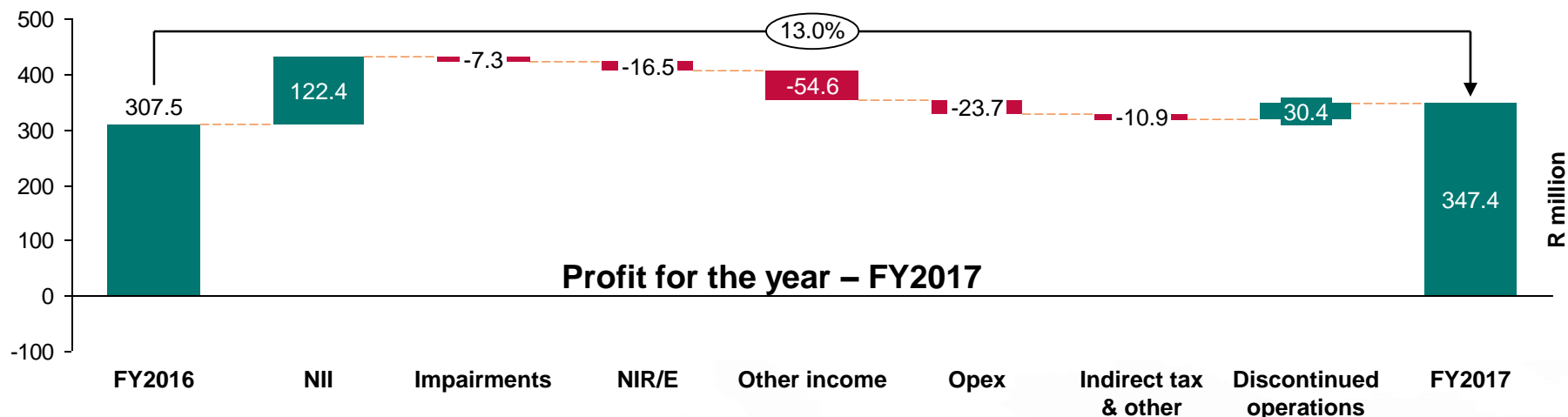
Although these costs are not significant, a "like-for-like" comparison is required to fully appreciate the results achieved in FY2017

Profit for the year	Var %	FY2017	FY2016
Published basis	+100%	316.3	94.0
Organisational review	(80.9%)	31.1	162.7
IRFS 9 – FV designation to amortised cost	(+100%)	-	50.8
Like-for-like basis	13.0%	347.4	307.5



Statement of Profit and Loss and OCI

Profit for the year (like-for-like): Performance analysis



Profit for the year (like for like)	Var %	FY2017	FY2016
Net interest income	10.8%	1,256.9	1,134.51
- Interest Income	19.5%	4,234.8	3,543.7
- Interest Expense	(23.6%)	(2,977.9)	(2,409.2)
Net impairment charges	(9.8%)	(81.5)	(74.2)
Operating expenses	(4.6%)	(538.9)	(515.2)
Profit for the year	13.0%	347.4	307.5
Net interest Margin	0.3%	3.1%	3.0%
Cost-to-income ratio	(8.2%)	51.4%	56.0%

1 – FY2016 amounts have been reclassified to split out PRMA liability interest expense

Net interest income

- Consolidation of the Bank's earnings base resulted in 11% growth of the gross loan book
- This, together with more appropriate risk-based pricing resulted in an increase in net interest income of 10.8%
- In line with expectations, actively lengthening of the Bank's funding profile resulted in increased funding costs
- Net result is an increased in Net interest margin from 3.0% to 3.1%

Impairments

- IFRS 9 models now in place for a 2nd consecutive reporting period
- Impairment charges have stabilised and are more predictable.

Operating expenses

- Excluding R31.1 million as a continuation of once-off costs relating to the organisational review conducted in FY2016, operating expenses marginally increased year-on-year
- Cost-to-income ratio decreased from 56.0% to 51.4% (published basis: 54.4%)

Statement of Financial Position Bank



Like-for-like basis

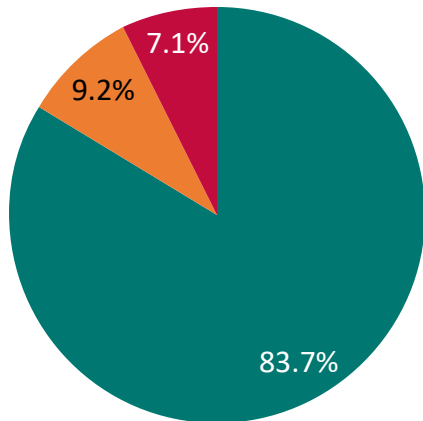
Salient features	Var %	FY2017	FY2016
Cash and cash equivalents	(42.9%)	1,211.3	2,120.6
Net Loans and Advances	12.7%	40,975.6	36,353.4
Investments	76.2%	983.2	557.8
Assets of disposal group classified as held-for-sale	31.8%	197.1	149.6
Other assets	(26.9%)	451.8	618.1
Total assets	10.1%	43,819.0	39,799.5
Capital and reserves	6.0%	5,364.6	5,058.8
Liabilities	10.7%	38,454.4	34,740.7
- <i>Funding liabilities</i>	11.4%	36,918.8	33,156.0
- <i>Provisions</i>	(47.7%)	107.1	204.8
- <i>Liabilities of disposal group classified as held-for-sale</i>	6.1%	920.9	868.1
- <i>Other liabilities</i>	(0.8%)	507.6	511.8
Total equity and liabilities	10.1%	43,819.0	39,799.5

Statement of Financial Position

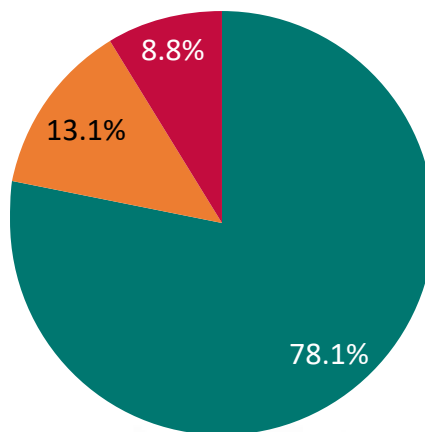
Loan Book: Performance



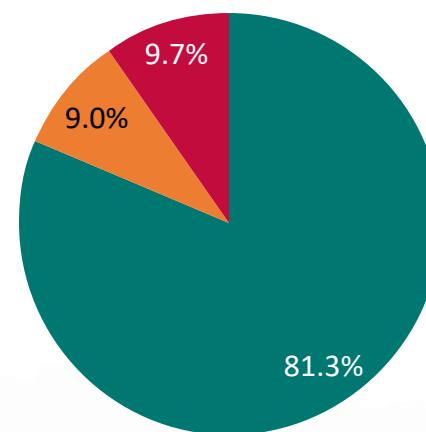
Loan book – FY2017



Loan book – FY2016

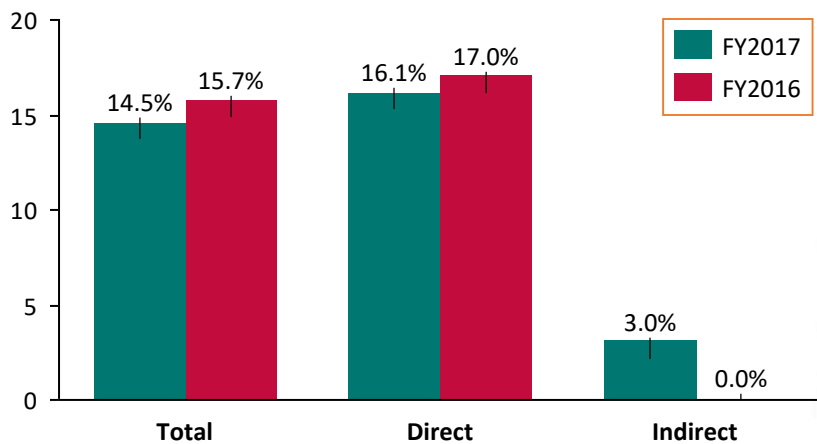


Loan book – FY2015

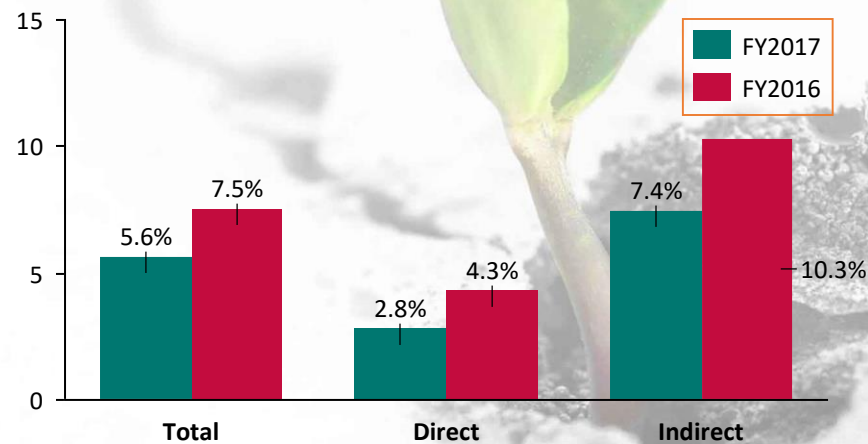


■ Stage 1: Performing loans
 ■ Stage 2: Under-performing loans
 ■ Stage 3: Non-performing loans

NPL by Business Line – CDB (CDB approximates 16,8% of Gross Loans)



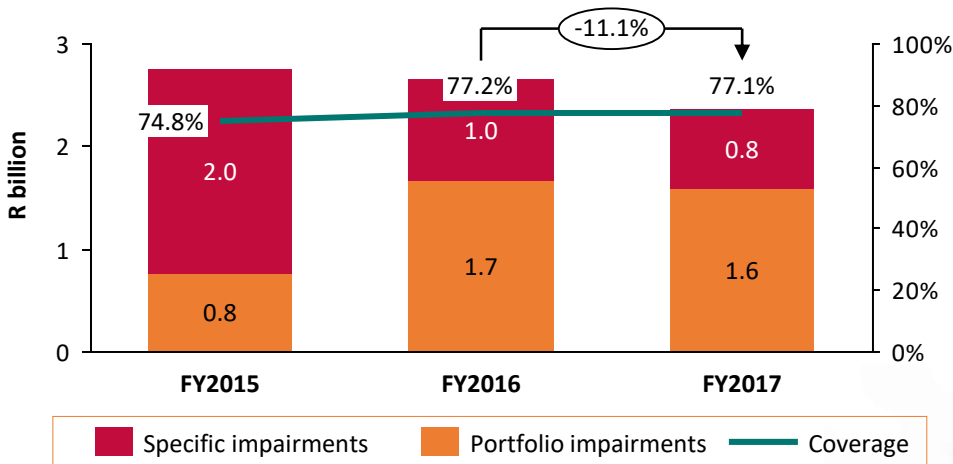
NPL by Business Line – CB (CB approximates 83,2% of Gross Loans)



Statement of Financial Position

Loan Book: Impairment Coverage

Loan Book Impairments and “Coverage”



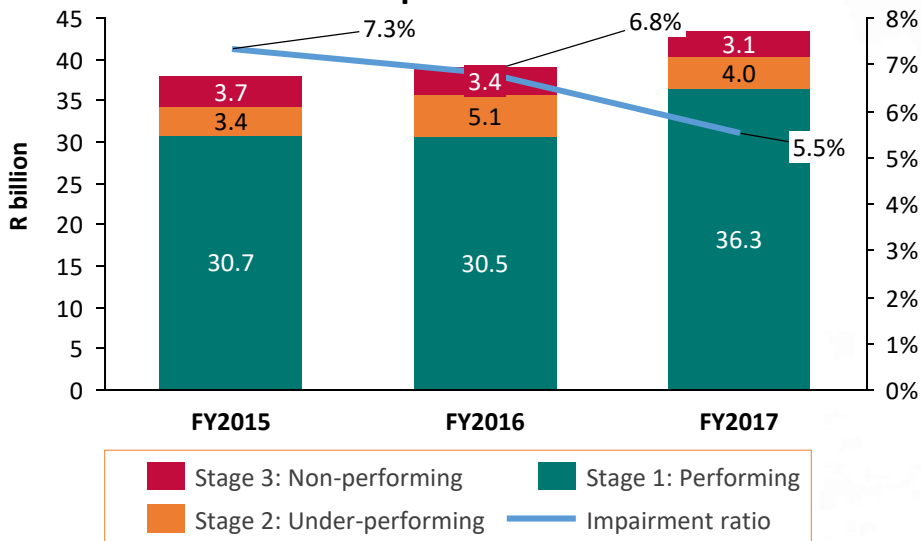
Land Bank’s IFRS 9 models have now been in place for a 2nd consecutive reporting period and Impairment levels have stabilised and are more predictable :

- Impairment ratio of 5.5% (FY2016: 6.8%); and
- NPL coverage ratio of 77.1% (FY2016: 77.2%)

Although total impairment coverage has remained unchanged year-on-year, the Impairment Ratio for FY2017 has reduced to 5.5% as a result of reduced “Specific” Impairments, in line with decrease in the NPL portfolio.

The reduction in the NPL portfolio is largely driven by two successful workout solutions for two previously “legacy distress” clients, as well as more favourable weather conditions during the year which has cushioned the impact of the drought on the Bank’s NPL portfolio.

Loan Book and Impairment ratio

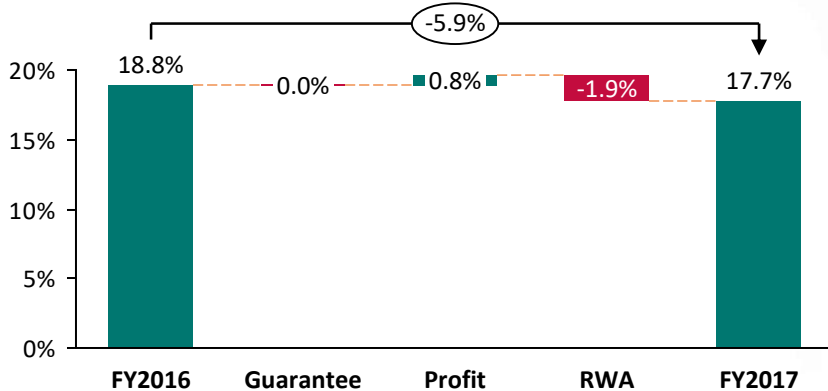
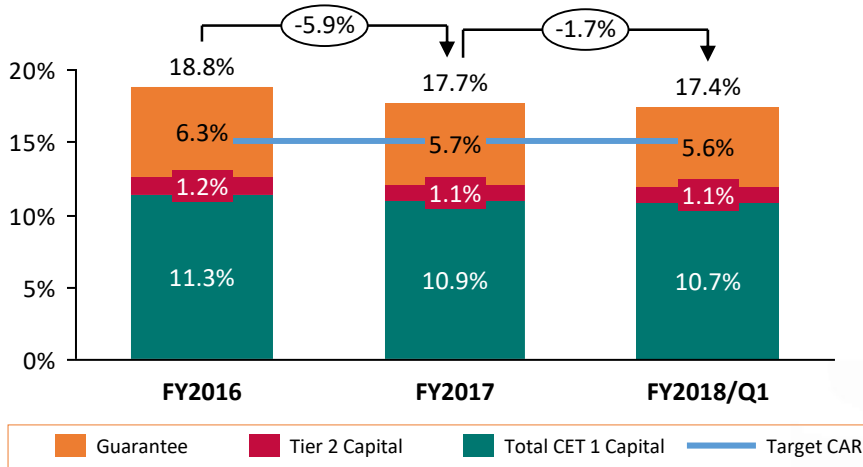


Statement of Financial Position

Capital and Liquidity Management: CAR, LCR, NSFR



Total Capital adequacy ratio



The year-on-year decline in CAR is as a result of increased RWA's

Following the Land Bank's voluntary introduction of a number of the Basel Accord's capital and liquidity risk management practices during FY2016 the Bank's balance sheet has been significantly strengthened.

The Basel-like principles includes:

- Total Capital Adequacy Ratio (TCAR) – Basel II standardised approach
- Liquidity Coverage Ratio (LCR) – Basel III; and
- Net Stable Funding Ratio (NSFR) – Basel III

Approved deviations:

CAR

- Inclusion of Government guarantees as Capital Supply

LCR

- High quality liquid assets
- Roll-over rates

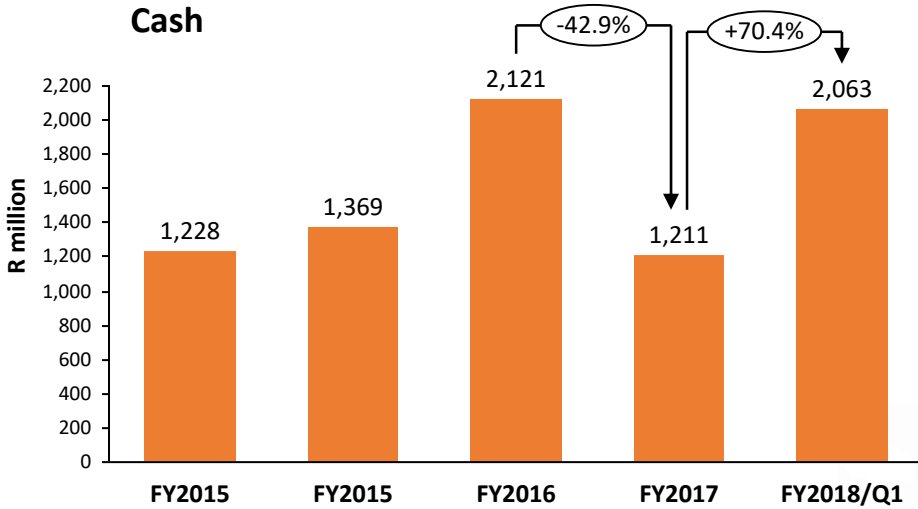


Statement of Financial Position

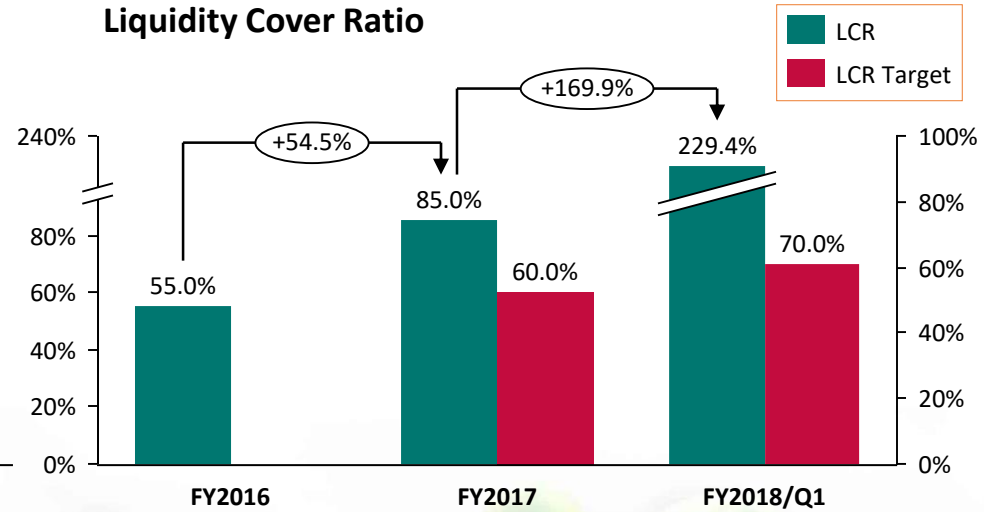
Capital and Liquidity Management: CAR, LCR, NSFR



Cash



Liquidity Cover Ratio



The Bank's cash requirements are driven by LCR.

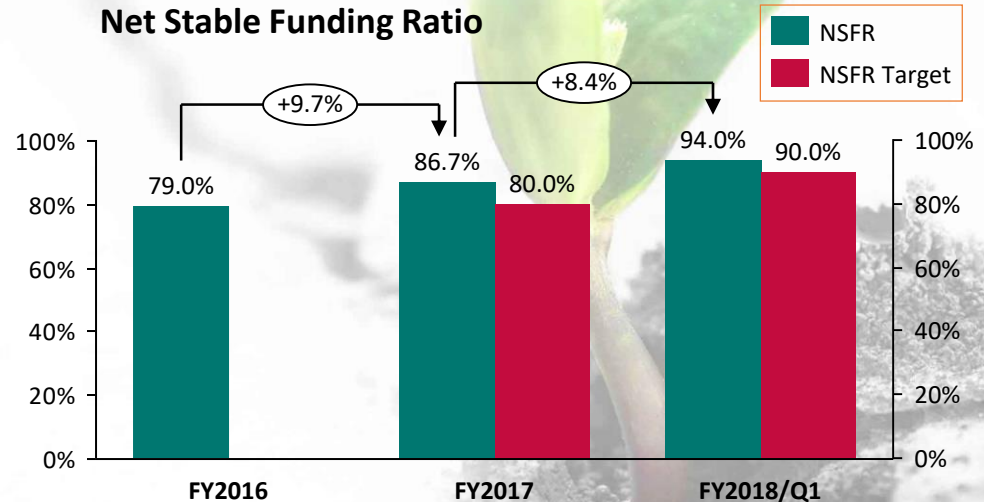
Land Bank has access to a number of liquidity facilities which it taps into from time to time, of which:

- R2.15 billion Committed
- R0.50 billion Uncommitted

At the time of this presentation all committed facilities are undrawn

¹ – LCR for FY2018/Q1 excludes available committed facilities of R2.15bn.

Net Stable Funding Ratio





FUNDING MATTERS



Funding Matters

Background and Overview



- The Land Bank as a Development Finance Institution (DFI) that has limited sources of capital (only one shareholder, the Government) and limited sources of funding (as the Bank is not a deposit-taking institution) is heavily dependent on accessing the volatile debt and capital markets to fund its asset growth, as well as on-going support from Government to strengthen its capital base.
- Land Bank procures funding for two distinct business purposes:
 - ✓ Commercial Operations
 - ✓ Development Operations

Commercial Funding is used to fund:

- Corporate/ wholesale on-lending
- Corporate and Commercial Agribusiness
- Financing “primary” agriculture
- Financing “secondary” agriculture through the value chain
- General working capital

Development Funding is used to fund:

- Agricultural “Sector Growth”
- Sector transformation in terms of ownership
- Emerging farmers

Development funding is ring-fenced and have strict disbursement conditions and reporting requirements

Credit Rating:

- Land Bank is rated by Moody’s
- GSIR: Baa3
- NSIR: Aa1.za

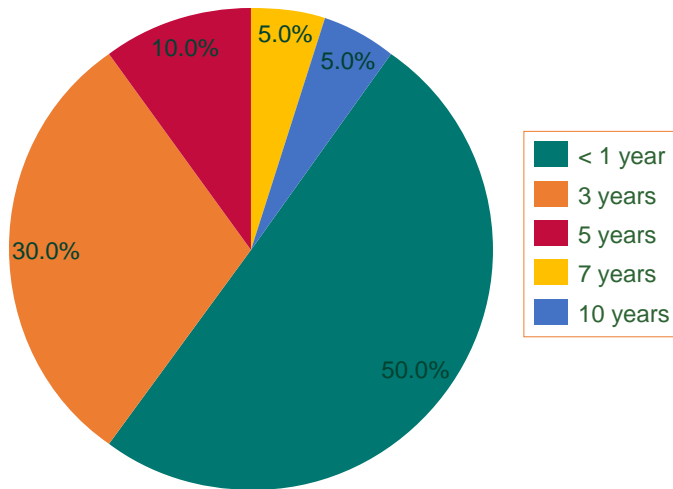
Rating	Development Finance Institutions				Commercial Banks				
	Land Bank	DBSA	IDC	ABSA	First Rand	Investec	Nedbank	SBSA	
GSIR	Baa3	Baa3	Baa3	Baa3	Baa3	Baa3	Baa3	Baa3	
NSIR	Aa1.za	Aa1.za	-	Aa1.za	Aaa.za	Aa1.za	Aa1.za	Aa1.za	

Funding Matters Strategy and Execution



Funding Profile

Medium Term target



Notes on summary of the Bank's funding activities for FY2017

Debt excl. Call Bonds and Facilities	FY2017
Total maturities	R34.8bn
Debt rolled over	R28.6bn
New funding raised	R7.7bn

FY2017 was a good funding year with the Land Bank achieving average roll-over rates as follows:

	FY2017
• Excl. PIC/ CPD:	73%
• PIC/ CPD:	100%
• Total:	85%

Funding Strategy

- Land Bank has made great strides in extending its maturity profile, thereby reducing refinancing risk and improving general liquidity levels of the Bank.
- *The extension of the maturity profile has been done in a well coordinated, responsible and cost-effective manner, protecting the Bank's net interest margins.*
- It is expected that the Bank will achieve its Medium-Term target funding profile by 31 March 2018.

Liquidity position

- The Bank's liquidity position has been vastly improved with introduction of longer-dated funding, reducing call bond exposures, as well as keeping utilisation of committed and uncommitted facilities to a minimum.
- As at 31 March 2017, the Bank had R1.2bn cash on balance sheet with access to a further R0.25bn in committed facilities (subsequently increased to R2,15bn following further pay down of facilities)

Statement of Financial Position

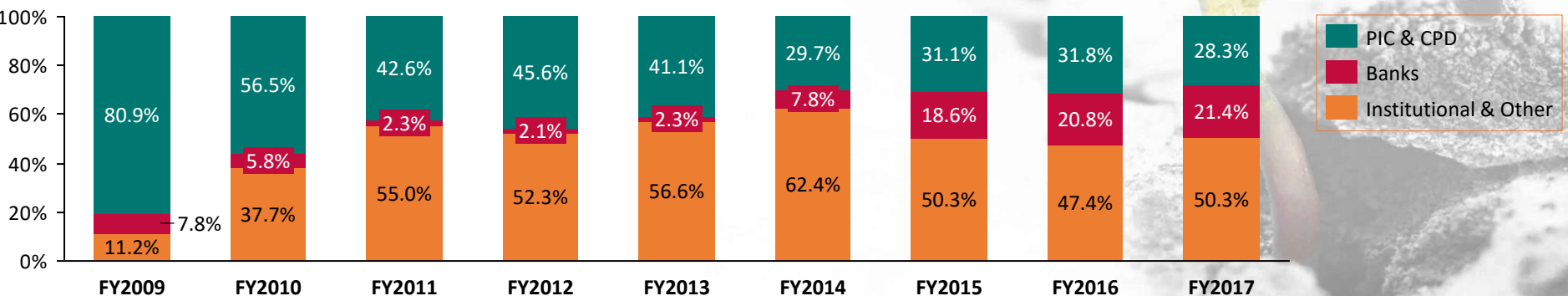
Funding: Investor base



FY2017 @ Nominal	Related Parties	DFI	SOE	Commercial Bank	Foreign Banks	Institutional Investors	Multi-lateral Investors	Agri Companies	Total
Drawn Facilities	-	-	-	2,000	400	500	-	-	2,900
< 1 Year	10,748	450	1,778	2,953	120	4,720	-	906	21,675
1 – 3 Years	-	-	-	1,250	525	6,372	-	-	8,147
3 – 5 Years	-	65	-	375	77	2,760	-	-	3,277
5 – 7 Years	-	-	-	364	71	579	-	-	1,014
7 – 10 Years	-	-	-	-	-	-	-	-	-
> 10 Years	-	77	-	-	-	-	955	-	1,032
Total	10,748	592	1,778	6,942	1,193	14,931	955	906	38,045
% Distribution	28.3%	1.6%	4.7%	18.2%	3.1%	39.2%	2.5%	2.4%	

The Land Bank's investor relations strategy is bearing fruit. Renewed investor confidence is evident with the Bank seeing increased support from existing funders as well as new investors/ funders. Furthermore, the Bank has also managed to lure back investors that had previously left the Bank. *The Bank has a well diversified investor base across local debt and capital markets, as well as foreign funding relationships with Banks and multilaterals.*

Diversification of investor base



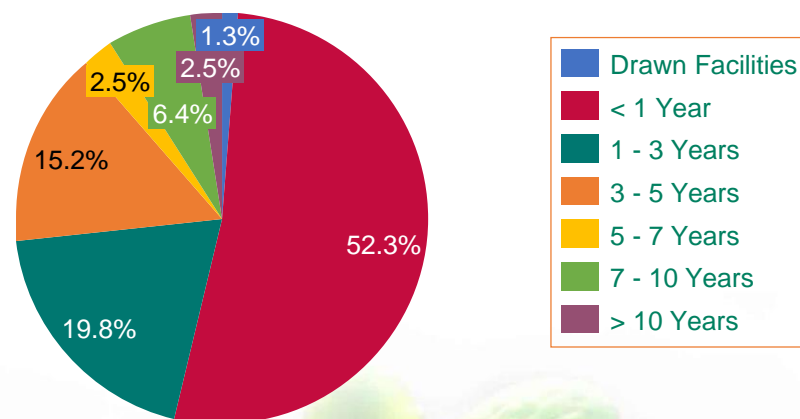
Funding Matters

Profile: Remaining vs. Original time to Maturity FY2018/Q1

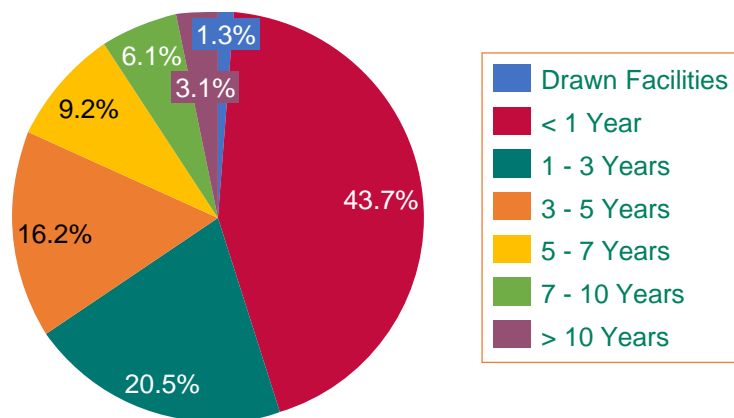


Amortised Cost - RttM	Total		Excl. PIC/ CPD	
FY2018/Q1	R'm	%	R'm	%
Drawn Facilities	500	1.3%	500	1.8%
< 1 Year	20,348	52.3%	9,937	34.8%
1 – 3 Years	7,713	19.8%	7,713	27.0%
3 – 5 Years	5,923	15.2%	5,923	20.8%
5 – 7 Years	990	2.5%	990	3.5%
7 – 10 Years	2,472	6.4%	2,472	8.7%
> 10 Years	985	2.5%	985	3.5%
Total	38,931	100%	28,520	100%

FY2018/Q1 – Remaining time to Maturity “RttM”



FY2018/Q1 – Original time to Maturity “OttM”



Amortised Cost - RttM	Total		Excl. PIC/ CPD	
FY2018/Q1	R'm	%	R'm	%
Drawn Facilities	500	1.3%	500	1.8%
< 1 Year	17,105	43.7%	6,604	23.2%
1 – 3 Years	7,964	20.5%	7,964	27.9%
3 – 5 Years	6,300	16.2%	6,300	22.1%
5 – 7 Years	3,598	9.2%	3,598	12.6%
7 – 10 Years	2,361	6.1%	2,361	8.3%
> 10 Years	1,193	3.1%	1,193	4.2%
Total	38,931	100%	28,520	100%

To enhance transparency, investor protection mechanisms and investor confidence, the following amendments have been introduced into the DMTN Programme – effective 13 March 2017:

Investor transparency/ Information undertakings

- ✓ Documents incorporated by reference enhanced to include:
 - Policy on code of conduct regulating conflicts of interest
 - Code of Ethics and Business Conduct
 - Fraud & Corruption Prevention Plan
 - Fraud & Corruption Prevention Policy
 - Politically Exposed Persons Policy
 - Whistleblowing Policy
- ✓ Notice to investors w.r.t. Changes in Board Members/ Board Committees / Executive Management

Investor protection mechanisms

- ✓ Redemption event in the event of a “Change in Control” entrenching National Treasury’s position as Executive Authority
- ✓ Redemption event in the event of a “Breach of Anti Corruption Laws or Corporate Governance Policies”
- ✓ Redemption event in the event of a “Disposal of all or greater part of the business”
- ✓ Redemption event in the event of a “Change in the Business of the Land Bank” – linked to a change in the Land Bank Act.

All of these redemption events are at the option of noteholders.

Other enhancements

- ✓ Inclusion of Notes that may qualify as “Regulatory Capital”
- ✓ Market standardisation



DMTN Programme Issuance Summary – FY2018/Q1

Notes on the current position of the R20bn DMTN Programme

- Issued under the programme: R11.538bn
- Matured: R 5.158bn
- Currently Outstanding: R 6.380bn (12 bonds)
- Available: R 8.462bn

Summary of significant maturities to 31 March 2019

DMTN Maturities			Bi-lateral maturities		
Instrument	Amount	Date	Instrument	Amount	Date
LBK07 (3YR FRN)	R0.387bn	Sep 2017	Syndicated Loan (3YR)	R1.020bn	Dec 2017
LBK19 (1YR FRN)	R0.755bn	Mar 2018	Syndicated Loan (3YR)	R0.775bn	Aug 2018
LBK14U (2YR FRN)	R0.500bn	Mar 2018			
LBK05 (5YR FRN)	R0.752bn	Feb 2019			
Total	R2.394bn		Total	R1.795bn	

The total refinancing need to 31 Mar 2018 amounts to R2.662bn with a further R1.527bn to 31 Mar 2019

** - Syndicated loans could potentially be refinanced on bi-lateral basis*

Planned DMTN Issuances to 31 March 2018

- FY2018/Q2: R1.0bn
- FY2018/Q3: -
- FY2018/Q4: R1.0bn
- R2.0bn**

Land Bank's allocated SOE Calendar auction dates

- FY2018/Q1: 19 Jun 2017 – Not utilised
- FY2018/Q2: 30 Aug 2017
- FY2018/Q3: 06 Nov 2017
- FY2018/Q4: 19 Feb 2018

DMTN Programme

August 2017 Issuance – Term Sheet



DMTN Programme Details

Issuer	The Land and Agricultural Development Bank of South Africa (“Land Bank”)
Issuer Rating	Moody’s: Aa1.za
DMTN Programme Size	R20 billion listed on the Interest Rate Market of the JSE

Transaction Details

Trade Date	[30] August 2017		
Settlement Date	[04] September 2017		
Targeted Issue Size	R0.75bn across the three Notes (no single note will exceed 50% of total issuance)		
Instrument	Listed Floating Rate Notes		
Stock Code	[LBK21]	[LBK22]	[LBK23]
Maturity Date	[04] September 2018	[04] September 2020	[04] September 2022
Term	1 year	3 years	5 years
Price Guidance	[TBC]bps	[TBC]bps	[TBC]bps
Pricing Benchmark	3m Jibar as at Trade Date		

DMTN Programme

August 2017 Issuance – Term Sheet

Auction Methodology and Allocation process

Auction time 09h00 – 11h00

Auction methodology Dutch Auction - no feedback

Contact details: Nedbank +2711 535 4021

Fixed Income Sales David Needham, Gareth Robertson, Tsikaro Mapena

Benchmark rate to be set as at 11:00 on Trade Date

Allocation across the Notes will be at the Issuers discretion

The issuer reserves the right to upsize the total issue size to R1.0bn if bids received are within guidance

The issuer reserves the right not to issue any notes should the bid spreads received be viewed as excessive

Bids to be submitted at a spread to the relevant benchmark

Bids below the final clearing spread will receive a full allocation at the clearing spread

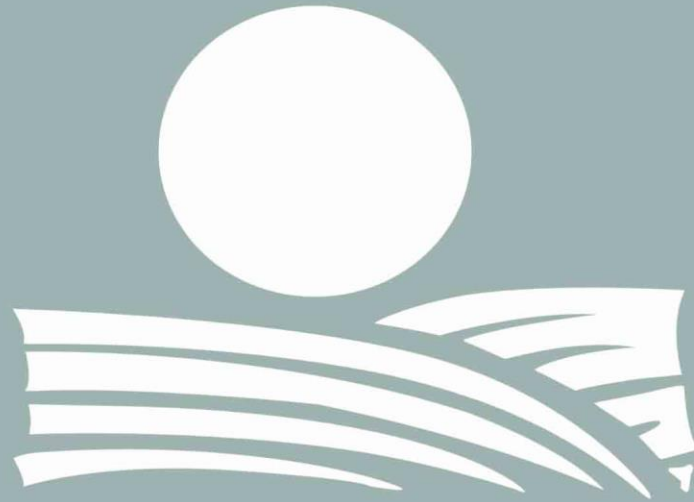
Successful bids at the clearing spread could receive partial allocation should the book be oversubscribed



Land Bank is a sound investment proposition with:

- Strong corporate governance structures
- A well defined strategy that promotes transformation and growth inline with the NDP
- Strong external credit rating
- Well diversified sources of funding – not solely ratings dependent
- Strong financial performance despite a challenging macro-economic environment





LAND BANK

THANK YOU!