

The Land and Agricultural Development Bank of South Africa

(JSE Code: BILB)

(“**Land Bank**” or the “**Issuer**”)

Land and Agricultural Development Bank of South Africa: Moody’s downgrade Land Bank’s Ratings to B3; outlook negative

On 9 June 2020 Moody's Investors Service ("Moody's") announced the credit ratings downgrade of the Land and Agricultural Development Bank of South Africa (“Land Bank”). The downgrade has been described by Moody’s as a consequence of “...the combination of longer than anticipated delays in rectifying the events of default triggered by the bank's failure to make payments when due to its lenders, combined with Moody's expectations that actual economic losses to creditors will be low, as both Land Bank and the government of South Africa (Ba1 negative) as the sole shareholder, appear to remain committed to concluding a viable restructuring and recapitalization plan”.

Moody’s has downgraded Land Bank’s corporate family rating (CFR) and long-term issuer ratings to B3 from B1, and its national scale issuer ratings to Ba2.za/NP.za from Baa2.za/P-2.za. At the same time, the rating agency has downgraded Land Bank's Baseline Credit Assessment (BCA) to caa2 from caa1. The outlook on Land Bank has been changed to negative from ratings under review.

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Enquiries

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