

The Land and Agricultural Development Bank of South Africa
(JSE Code: BILB)
(the “Land Bank”)

Land and Agricultural Development Bank of South Africa: potential Event of Default

The Land and Agricultural Development Bank of South Africa (“Land Bank”) advises note holders holding listed notes issued under Land Bank’s JSE-listed (i) ZAR 20 Billion DMTN Programme dated 18 October 2010 (the “2010 Programme”) and its (ii) ZAR 30 Billion DMTN Programme dated 13 March 2017 (the “2017 Programme”) that a potential Event of Default has occurred under the terms both the 2010 Programme and the 2017 Programme.

The Issuer failed to make a payment when due to a lender under the terms of a revolving credit facility (the “Affected RCF”). The non-payment of this amount constitutes an event of default under the Affected RCF. The amount involved constitutes Material Indebtedness as defined under the terms and conditions of the notes.

Accordingly, Condition 12.1.4 (*Events of Default*) of the terms and conditions of the notes under the 2010 Programme and Condition 16.1.1.4 (*Cross Default*) of the terms and conditions of the notes under the 2017 Programme, has been triggered unless the Event of Default under the Affected RCF is waived by the lender or the Event of Default under the notes is waived by the noteholders in accordance with the terms and conditions of the notes.

A notice in accordance with Condition 12.2 (*Events of Default*) of the terms and conditions of the notes under the 2010 Programme and a notice in accordance with Condition 16.3 (*Notification of Event of Default*) of the terms and conditions of the notes under the 2017 Programme, will be sent to all noteholders, the dealers appointed for the respective notes, and to the JSE.

The Issuer is engaged in discussions with the lender under the Affected RCF and is seeking a waiver of the Event of Default thereunder.

The Land Bank is currently experiencing a liquidity shortfall and the Land Bank is accordingly engaging with various stakeholders with a view to addressing this challenge especially in regard to financial obligations falling due which may need to be deferred.

The Land Bank management team remains committed to a transparent process and undertakes to work with all stakeholders to mitigate risks identified.

Noteholders will be kept apprised of developments.

Copies of the 2010 Programme, the 2017 Programme, and the relevant Applicable Pricing Supplements can be accessed on the Issuer’s Website at the following link: www.landbank.co.za

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Enquiries

Land and Agricultural Development Bank of South Africa
Ayanda Kanana, Chief Executive Officer
Khensani Mukhari, Chief Financial Officer
Rebecca Phalatse, General Manager: Marketing and Communications – Tel: 074 159 6833