

# Land Bank makes another loss, debt plan not yet finalised

By [Alexander Winning](#)

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South Africa's Land Bank made another loss in the year to the end of March and is yet to finalise a debt restructuring plan, the bank said on Tuesday.



Fields of wheat are seen on farmland on the banks of the Orange River near Van der Kloof, South Africa, October 29, 2018. REUTERS/Mike Hutchings

The state-owned agricultural bank, which defaulted on its debt in April 2020 and missed a restructuring deadline in March 2021, is one of a handful of loss-making state firms that are placing huge strains on the country's stretched public finances.

Separately, state arms manufacturer Denel told a different parliamentary committee it had made a net loss of more than R360m (\$24m) in the financial year that started in April, and it owed more than R630m to its employees and R900m to suppliers.

Land Bank lost roughly R1.1bn in the 2020/21 financial year, it disclosed in a presentation to a parliamentary committee, versus a R1.3bn loss the previous year.

The bank said it had sent draft term sheets and commitment agreements to its lenders, but negotiations were still ongoing.

Land Bank received a R3bn government bailout last year and was allocated a further R7bn in this year's February budget.

By March it had made a capital repayment of approximately R4.2bn to lenders, and it plans to make another R3bn payment by September.

Denel makes military equipment including missiles and ammunition for South Africa's armed forces and export customers but has faced a liquidity crisis.

It added that its latest projections for the 2021/22 financial year indicated negative cashflow of R600m if no mitigation action was taken.

The company is in talks with the government about another bailout, as it aims to become profitable under a new business model within the next five years.

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