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GENERAL NOTICE

NOTICE 1977 OF 2001

REPORT

OF THE

AUDITOR-GENERAL

ON THE

**GROUP AND STAND ALONE FINANCIAL STATEMENTS OF THE
LAND AND AGRICULTURAL BANK OF SOUTH AFRICA**

FOR

THE YEAR ENDED 31 DECEMBER 2000

PUBLISHED BY AUTHORITY

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REPORT OF THE AUDITOR-GENERAL ON THE GROUP AND STAND ALONE FINANCIAL STATEMENTS OF THE LAND AND AGRICULTURAL BANK OF SOUTH AFRICA FOR THE YEAR ENDED 31 DECEMBER 2000

1. AUDIT ASSIGNMENT

The group and stand alone financial statements as set out on pages [] to [] for the year ended 31 December 2000, have been audited in terms of section 188 of the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996), read with sections 3 and 5 of the Auditor-General Act, 1995 (Act No. 12 of 1995) and section 68 of the Land Bank Act, 1944 (Act No. 13 of 1944). These group and stand alone financial statements, the maintenance of effective internal control measures and compliance with relevant laws and regulations are the responsibility of the board. My responsibility is to express an opinion on these group and stand alone financial statements and the compliance with relevant laws and regulations, applicable to financial matters, based on the audit.

2. REGULARITY AUDIT

2.1 Nature and scope

2.1.1 Financial audit

The audit was conducted in accordance with generally accepted government auditing standards which incorporate generally accepted auditing standards. These standards require the audit to be planned and performed to obtain reasonable assurance that the financial statements are free of material misstatement. An audit includes:

- examining, on a test basis, evidence supporting the amounts and disclosures in the annual financial statements;
- assessing the accounting principles used and significant estimates made by management; and
- evaluating the overall financial statement presentation.

I believe that the audit provides a reasonable basis for my opinion.

2.1.2 Compliance audit

Furthermore, an audit includes an examination, on a test basis, of evidence supporting compliance in all material respects with the relevant laws and regulations which came to my attention, and are applicable to financial matters.

I believe that the audit provides a reasonable basis for my opinion.

2.2 Audit opinion

2.2.1 Financial audit

In my opinion, the financial statements fairly present, in all material respects, the financial position of the Land Bank at 31 December 2000 and the results of its operations and cash flows for the year then ended in accordance with prescribed accounting practice and in the manner required by the relevant act.

2.2.2 Compliance audit

Based on the audit work performed nothing has come to my attention that causes me to believe that material non-compliance with laws and regulations, applicable to financial matters, have occurred.

3. EMPHASIS OF MATTER

Without qualifying the audit opinion expressed above, attention is drawn to the following matters:

3.1 SOUTH AFRICAN MORTGAGE INSURANCE COMPANY LTD (SAVVEM) consolidation

The Land Bank is the sole shareholder of The South African Mortgage Insurance Company Limited (SAVVEM), which undertakes the insurance of the Land Bank mortgage and charge loans to natural persons. To adhere to changes in South African Statements of generally accepted accounting practice, the results of the wholly-owned subsidiary were consolidated into the results of the Land Bank for the first time in the financial year ended 31 December 2000.

SAVVEM's year-end was on 30 June, which is not in line with that of the Land Bank's. SAVVEM's year-end was changed to be coterminous with that of the Land Bank, and the audited financial statements of SAVVEM for 1999 and 2000 were restated to comparable year-ends to enable consolidation.

3.2 PEOPLESOFT COMPUTER SYSTEM

3.2.1 As a result of the implementation of the PeopleSoft system the 1999 accounting process was completed very late and the processing of the 2000 financial transactions only commenced in September 2000. A foundation project was undertaken by the Land Bank to ensure that system processing would be up to date by December 2000. The

foundation project was completed on time and resulted in timely availability of information during January 2001.

3.2.2 The original project plan had been modified due to delays by the Land Bank and developers but no formal contract was entered into or updated to incorporate the change in requirements. No formal user's and technical information with regards to the modifications was available on the PeopleSoft system. This documentation was to be issued during June of the 2000 financial year but at the time of compiling this report it had not yet realised.

3.2.3 The implementation of the PeopleSoft system has been an ongoing process and the following significant risks and shortcomings in the current system implementation process have been noted:

- Although the original agreement between the Land Bank and ISIS made provision for the system and process documentation, the documentation was not available for review. From discussions with management it was found that system documentation is either outdated or incomplete.
- Critical system functionality was excluded from the initial development process and has now been identified and listed in a GAP analysis as future enhancements.
- An important aspect of the ISIS outsourced relationship was that there would be a transfer of skills to Land Bank staff and that ISIS involvement at the Land Bank would eventually be reduced. As at 31 December 2000 this process had not been completed and the Land Bank was still totally dependent on the services of ISIS.

3.3 SECTION 34 LOANS

Section 34 loans provided the Land Bank with a preferential right over moveable assets pledged as security for the underlying loans. The Land Bank was challenged by a commercial bank regarding the constitutionality of the regulations contained in section 34 of the act, which entails the liquidation of assets taking place without a court order. The Constitutional Court ruled against the Land Bank Act. In terms of the ruling, section 34 loans will have to be amended within two years of the ruling to ensure that the Land Bank complies with the constitution.

Detailed audit tests performed on section 34 loans revealed that various loan account balances were undersecured. The Land Bank has implemented certain measures to obtain alternative forms of security or renew securities. It also increased the provision for potential losses from loan defaults.

3.4 THE PUBLIC FINANCE MANAGEMENT ACT (THE ACT)

The following areas of concern have also been noted:

- The audit committee of the Land Bank was not established as prescribed by section 77(a)(ii).
- In terms of section 55(1)(c) of the act the accounting authority for a public entity must submit the financial statements within two months after the end of the financial year to the auditors of the public entity for auditing. Although the financial statements were presented timeously for audit purposes, it had only been approved and duly signed on 19 March 2001.

3.5 INTERNAL AUDIT

The processing backlog experienced during the past financial year significantly impacted on the timing of the internal audit plan. Internal audits were scheduled but could not be completed due to a lack of current financial information. As branch visits were conducted during October and November 2000 and the internal audit reports were only issued during February 2001, no reliance could be placed on the work performed by internal audit.

3.6 FRAUD

Instances of fraud related to loan applications and approvals were detected by management during the year. The Land Bank has employed the services of a forensic project manager and an internal audit department with outsourcing capabilities will be established to detect and investigate irregularities on a full-time basis. Management have further dismissed employees found guilty of fraud, and are continually liaising with the Office for Serious Economic Offences in investigations and prosecutions in this regard.

4. APPRECIATION

The assistance rendered by the bank during the audit is sincerely appreciated.

A N DZUGUDA
For Auditor-General
PRETORIA
2001- 06 - 26



Report of the Directors

Introduction

The Board of Directors has pleasure in presenting their report and the annual financial statements for the year ended 31 December 2000.

This report, in terms of the Public Finance Management Act, addresses the performance of the Land Bank and its subsidiary and provides relevant statutory information requirements.

These annual financial statements are the responsibility of the Directors, who are also responsible for internal maintenance of adequate controls to prevent fraud and loss of Bank assets, and ensure adherence to policies. These controls have, in the opinion of the Directors, been maintained.

Function and Objectives of the Land Bank.

The Land Bank operates as a development finance institution within the agricultural and agri-business sectors, regulated by the Land Bank Act of 1944. As such, the Land Bank provides a range of financing products to a broad spectrum of clients within the agricultural industries, including wholesale and retail financing to the commercial and developing farmers, co-operatives and other agriculture-related businesses.

The objectives of the Land Bank are defined within its mandate, which requires that the Land Bank should:

1. Design and deliver products which meet the needs of the emerging farmer
2. Continue to support the commercial farmer
3. Contribute towards job creation and rural stability
4. Operate in a cost-effective manner, comparable to commercial sector benchmarks.

Strategies to achieve these objectives were set out in a Business Plan and Budget approved in 1999, giving the strategic direction of the business as well as Key Result objectives. These Key Result objectives have been communicated throughout the organisation, and are embedded in Departmental and individual objectives, which are periodically measured.

Overview of Performance for the Year

An overview of the performance of the Land Bank against its objectives is set out in the table below:

Objectives	Key Performance Indicators	Targets	Performance Results
I. Design and deliver products that meet the needs of the emerging farmer	Grow number of Development Clients of Land Bank	Increase number of clients to 60 000	Target met – number of clients now 70 000

		Increase value of loans by 40%	Target not met – loan value increased by 24,5%
2. Continue to support the commercial farmer	Grow value of loans to commercial farmers by 10,9%	Increase in loan value by 7%.	Target not met – loan value declined by 1,6%
3. Contribute towards job creation and rural stability	Advance funding to identified agricultural development projects	Increase funding value by R60m	Target met – funding value increased by R60m
4. Operate in a cost-effective manner, comparable to commercial sector benchmarks.	Generate surplus on commercial banking activities Deploy resources in a cost-effective manner	Surplus generated of R160m Cost: Income ratio of less than 58%	Target exceeded – actual surplus of R411m Target exceeded – actual cost:income ratio was 34,4%
Ancillary Objectives			
5. Agricultural Impact	Define social impact measures, develop reporting systems to monitor impact	Measures defined Reporting systems implemented	Target met – measures defined Target not met – Reporting systems still in process of implementation
6. Financial sustainability	Operate in a financially sustainable manner that will deliver surpluses to fund development	Surplus of R160m Margin of 2,5% Credit rating of AA Expense : Income ratio of 58%	Target exceeded – actual Surplus was R411 m Target exceeded – actual margin was 4,76% Target met - Credit rating of AA Target exceeded – Expense : Income ratio of 34,4% achieved

Continued

Objectives	Key Performance Indicators	Targets	Performance Results
7. Customer satisfaction	Achieve customer satisfaction levels that will enable growth and result in client retention greater than 3 years with desired profile	<p>Growth of 7% in commercial loan value</p> <p>Growth in number of development loan clients to 60 000</p> <p>Average Retention of customers greater than 3 years</p>	<p>Target not achieved - programmes developed for customer retention</p> <p>Target achieved - number of development loan customers now 70 000</p>

The objectives are discussed in more detail below:

1. Design and deliver products that meet the needs of the emerging farmer

The need of the emerging farmer are to access agricultural finance addressed at retail level by the Step-Up micro-finance products, Bronze, Silver and Special Mortgage product ranges, at project level by specifically tailored project financing arrangements and at wholesale level by specific financing agreements with agricultural co-operatives. These ranges are designed to provide access to finance for the pre-commercial historically disadvantaged farmer client, who is an aspirant or current farmer, characterised by a lack of collateral, little previous farming experience, and no or little previous credit record. The product ranges aimed at the needs of these customers are designed with a higher risk appetite to provide finance access to the commercially unbankable. The funding for the exposure to these products is from a separate fund created within the reserves of the Bank, and is isolated from the commercial investor. Delivery of these products to the customer is via the Bank's retail network, appointed agents and intermediaries, agricultural co-operatives, and the Development Project unit of the Bank. Uptake of these products has met expectations, and is constrained by agricultural and economic realities such as the access to markets, rural infrastructure, and access to arable land.

2. Continue to support the commercial farmer

The needs of the commercial farmer are addressed at retail level by the Gold, Gold Premium and Platinum product ranges, and at wholesale level by financing packages advanced to agricultural co-operatives and agri-businesses. These ranges are differentiated by the risk profile of the client, and are formulated to offer market-related interest rates to each client category. Uptake of these products has been below expectation, due to competitive activity in the commercial agriculture sector by commercial banks. This has resulted in a loss of market share by the Land Bank, a decline in the value of agricultural inventories financed by co-operatives, and a decrease in the volume of fixed investment in agriculture. Further reduction in loan balances has resulted from focussed collection of amounts in arrears due from clients. Products were

revised in the later part of the year, and a sales drive was undertaken to arrest the loss of market share.

Further product revisions and marketing and sales initiatives are planned to maintain support to the commercial farmer in future.

3. Contribute towards job creation and rural stability

The Land Bank farmer clients are located predominantly within the rural areas, where agriculture is a major source of employment. The provision of finance to agricultural enterprises, both established and emerging, is seen as a major contributor to both the creation of, and retention of, employment in rural areas. Further, the increase in level of employment is seen as a contribution towards rural stability, given the positive social impact of gainful employment. A challenge is to develop our capacity to collect data to enable actual measurement.

The product revisions planned together with improved outreach into rural communities will enhance the job creation and rural stability contribution through financing further agricultural ventures.

4. Operate in a cost-effective manner, comparable to commercial sector benchmarks.

The Land Bank, as a Development Finance Institution, has a dual nature, being that of a commercial organisation, as well as a supplier of development finance. Nonetheless, the business efficiency of resource deployment is of paramount importance to the sustainability of the Bank, both in its commercial and its development activities. The cardinal measure of this business efficiency is the expense: income ratio, which is benchmarked against the commercial sector. Performance has exceeded the benchmark, due mainly to sound resource control, and income being higher than budget due to higher margins earned.

The transformation process, including the implementation of the PeopleSoft Information Technology system, has resulted in a high level of input from external consultants being required and this increased level of costs is temporary in nature, which will reduce in future. The benefits of the restructuring process should be reflected in sustainable improvement on efficiencies.

5. Agricultural Impact

The Agricultural impact of the Land Bank results from the increase in agrarian activities facilitated by the financing provided by the Land Bank. This impact can be quantified in terms of economic impact, environmental impact, and impact on society. There is presently no viable system of formally measuring these components of impact, and, accordingly, the Land Bank has embarked upon a process of formulation and implementation of mechanisms to identify stakeholder priorities, set targets and objectives, gather and analyse pertinent data, and provide appropriate information to monitor progress against targets set.

The first phase of this process was the establishment of a research methodology to gather data and formulate the priorities of the identified key stakeholder groups, together with an assessment of the level of satisfaction of Land Bank delivery against these priorities. Preliminary targets and objectives could then be set. This process was completed, and the conclusions

embodied in the Social Accounting Report issued in October 2000. A further interim short survey to monitor progress against targets was performed during the year.

Further development and implementation of reporting systems, which were not implemented in the year under review, will take place in the next year.

6. Financial Sustainability

The overall objective of financial sustainability encompasses the generation of net surplus income to ensure future growth within parameters of acceptable risk, the maintenance of balance sheet strength and credit rating, and the delivery of surpluses to fund development. The Sustainable Development Finance Model, which funds the development mandate loans from a designated fund created from transfer of imputed notional tax and dividends, thereby isolating the risk from commercial investors has been applied. This Model is explained in detail in the Managing Director's Report.

The actual Surplus of R411 m exceeded the Target Surplus of R160m. This was due mainly to actual margins achieved at 4,76% exceeding the target of 2,5%. This margin resulted from sound funding mix selection, and sales pricing at market-driven levels. Expenses at 34,4% of income were lower than target of 58%, resulting from similar absolute value of expenses, with higher income. An exceptional item of expenditure was incurred, being the use of additional skilled resources to assist with the computer system implementation project, for which R12,9 m was paid.

7. Customer Satisfaction

The Land Bank, operating in the agricultural sector, is focussed on meeting the financing needs of the farmer. While the agricultural sector comprises many different types of crop, livestock, fibre and food product, and is in itself diverse, the Bank is sector-concentrated, and must manage its risk by appropriate portfolio exposure mix within rather than across sectors. The commercial farmer finance market is served by the Land Bank as well as other commercial banks and financing institutions, on an open market basis. The Land Bank therefore needs to position its value proposition of customer service, pricing, product and security requirements along with the other participants in the market, in such a way as to further the overall interests of development of the agricultural industry, while still maintaining acceptable risk and profitability profiles for the Land Bank.

There has been progress towards the achievement of this objective. Initiatives including customer dialogue and "Mystery Shopper" programmes indicate that customer satisfaction levels have subjectively improved. A focused marketing drive, aimed at both the premium commercial client and the entry-level development client was launched late in the year, with a view to accelerating delivery, which had fallen behind target due partly to a focus on administrative competencies, competitive pressures in the market, and partly due to declining total market volume. The target growth of 7% in commercial loan value was not met, although the loan book was consolidated, and a sound foundation for future growth established.

The Development Loan Growth objective was to increase the number of Development Loan Clients to 60 000. This objective was met. Further growth in Development Loans is planned for the future.

Other issues:

The Land Bank Act

During the year, two sections of the Land Bank Act were challenged by a commercial bank as being unconstitutional, in that they circumvented the access to court in the event of recovery of assets from defaulting debtors. The High Court held that these sections should be amended, and a two-year grace period was given. The Bank has already implemented suitable alternative security to ensure appropriate risk avoidance in respect of all affected loans. Following this decision, and various other shortcomings in the Land Bank Act, a process of drafting a new Land Bank Act has commenced, and is expected to follow the Parliamentary process during 2001.

The Northern Transvaal Co-Operative

The Northern Transvaal Co-operative (NTK), a long-standing customer of the Land Bank, had been in default of payment for some years. The NTK provides extensive infrastructure supporting agriculture in the Northern Province. In order to address the situation, the Land Bank appointed a consortium of accounting firms to research the opportunities for a business recovery and subsequent preservation of the agricultural infrastructure provided by the NTK. This research concluded that, while there are sustainable business units within the NTK, the overall business model could not be sustained without extensive support from Government, due to the debt burden and cost levels. Accordingly, there was no viable option but to apply to the Court for the liquidation of the NTK, which application was made, and contested by the NTK. The case is in process, and provision has been made for expected losses to the Land Bank arising from shortfall in the realised value of the NTK.

Information Technology

The Land Bank had undertaken the implementation of a new information technology system during 1998. Unexpected complications in the implementation of the system had resulted in a delay of the production of the 1999 Annual Report. These problems were satisfactorily resolved during the year 2000, and the system is now fully operational and live. Adequate internal controls over the custody of assets have been maintained throughout the implementation process.

Alleged Fraud

There have been instances of alleged fraud detected within the Land Bank during the year under review. Three cases involved employees accepting bribes from customers, and these were investigated, following due disciplinary process, which resulted in all three employees being dismissed, and having criminal charges laid against them. Another case involved irregularities in loan approval processes allegedly perpetrated by a Branch Director. Following the due disciplinary processes, the Branch Director was also dismissed and the Serious Economic Offences Unit (Scorpions) of the South African Police Services is investigating the allegations.

Corporate Governance

The Land Bank is controlled by a Board of Directors comprising seven non-executive and two executive directors. Board committees, each chaired by a non-executive Director to ensure that

the requirements of the King recommendations on corporate governance are fulfilled are the following:

Audit Committee	Mr. C van Veijeren (Chair) Mr. J Modise, Ms TBJ Memela-Khambule, Mr. A Toms
Credit Committee	Mr. J Modise (Chair), Ms K Moloto, and Ms TBJ Memela - Khambule, Mr. A Toms
Finance and Economic Committee	Mr. M Mbongwa (Chair), Mr. J Modise, Mr. A Toms
Section 47 Grants Committee	Mr. S Mkhabela (Chair), Ms TBJ Memela Khambule, Mr. M Mbongwa, Mr. S Nkosi,
Human Resources Committee	Mr. S Mkhabela (Chair), Ms S February, Mr. A Toms, Ms TBJ Memela - Khambule
Remuneration Committee	Mr. S Mkhabela, Mr. S Nkosi, Ms TBJ Memela - Khambule, Mr. A Toms

STATEMENT 1

STATEMENT OF ASSETS AND LIABILITIES AS AT 31 DECEMBER 2000

		Land Bank Group		Land Bank	
		2000	1999	2000	1999
Notes		R'000	R'000	R'000	R'000
ASSETS					
Non-current assets		9,445,934	9,745,810	8,969,084	9,250,263
Property and equipment	2	81,398	83,949	81,398	83,949
Loans to farmers	4	7,904,338	8,183,773	7,904,338	8,183,773
Loans to co-operatives	5	440,777	551,714	440,777	551,714
Loans to statutory agricultural institutions	6	319,733	301,213	319,733	301,213
Loans to agri-related companies	7	50,734	27,718	50,734	27,718
Instalment sale medium term loans	8	5,038	-	5,038	-
Emergency flood relief	9	3,068	-	3,068	-
Investments	10	640,850	597,443	164,000	101,886
Current assets		7,156,646	7,137,111	7,156,626	7,185,709
Section 34 short-term loans	4	1,496,235	1,473,474	1,496,235	1,473,474
Loans to co-operatives	5	4,439,704	4,106,451	4,439,704	4,106,451
Loans to agri-related companies	7	70,524	53,007	70,524	53,007
Emergency flood relief	9	427	-	427	-
Sundry debtors	11	646,503	775,034	646,503	783,660
Other assets	12	12,465	14,167	12,465	54,167
Bank balance	13	490,788	714,978	490,788	714,950
Total assets		16,602,580	16,882,921	16,125,710	16,435,972
Equity and liabilities					
Reserves		3,625,315	3,213,641	3,128,371	2,752,993
Capital fund	14	200,955	200,955	200,955	200,955
Reserves	15	3,424,360	3,012,686	2,927,416	2,552,038
Non-current liabilities		5,920,548	4,391,747	5,920,548	4,391,747
Long-term funding	16	3,044,184	2,530,338	3,044,184	2,530,338
Medium-term funding	17	2,876,384	1,861,409	2,876,384	1,861,409
Current liabilities		7,056,717	9,277,533	7,076,791	9,291,232
Promissory notes	18	3,968,187	3,228,046	3,968,187	3,228,046
Bills payable	18	2,029,500	2,781,000	2,029,500	2,781,000
Call bonds	18	454,000	1,215,401	454,000	1,215,401
Deposits	19	301,413	545,961	308,309	549,060
Sundry creditors	20	193,794	1,342,010	208,972	1,352,610
Bank overdraft	13	-	1,683	-	1,683
Provisions	21	109,823	163,432	109,823	163,432
Total equity and liabilities		16,602,580	16,882,921	16,125,710	16,435,972

We hereby certify that these statements have been compiled from the books of the bank and to the best of our knowledge and belief are correct.


T. B. MEMELE KHAMBULE
ACTING MANAGING DIRECTOR.


S. VAN SCHALKWYK,
CHIEF ACCOUNTANT.

Pretoria, 19 March 2001

The Land and Agricultural Bank of South Africa, established in terms of Section 3, of the Land Bank Act, 13 of 1944 (as amended) operating under the style of 'Land Bank'.

Financial statements signed for and on behalf of the Land Bank Board at Pretoria by:


A.R. TOMS


C. VAN NIEKERK

STATEMENT 2

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2000

	Notes	Land Bank Group		Land Bank	
		2000 R'000	1999 R'000	2000 R'000	1999 R'000
Interest income	22	2,296,178	2,444,179	2,305,100	2,447,149
Premium income	23	34,055	21,595	-	-
Interest expense	24	(1,564,223)	(1,661,798)	(1,565,946)	(1,663,072)
Claims paid	25	(24,239)	(18,239)	-	-
Net interest and premium income		741,771	785,737	739,154	784,077
Fee and commission income	26	888	1,764	888	1,764
Other operating income					
- Land Bank	26	1,685	1,270	1,685	1,270
- SAVVEM	26	59,134	66,716	1,047	1,088
Operating income		803,478	855,487	742,774	788,199
Operating expenses					
- Land Bank	27	(234,867)	(218,073)	(234,867)	(218,073)
- SAVVEM	27	(24,408)	(2,123)	-	-
- Exceptional item	27	(12,946)	-	(12,946)	-
Depreciation		(5,863)	(6,126)	(5,863)	(6,126)
Revaluation of assets		-	(441)	-	(441)
Provisions	28	(113,720)	(129,062)	(113,720)	(129,062)
Profit from operations		411,674	499,662	375,378	434,497
Share of post acquisition loss of associated company	10	-	(214)	-	(214)
Net profit for the period	29	411,674	499,448	375,378	434,283

STATEMENT 3

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2000

	NOTES	Land Bank Group		Land Bank	
		2000	1999	2000	1999
		R'000	R'000	R'000	R'000
Cash flows from operating activities					
Cash received from clients		2,520,471	2,447,599	2,445,877	2,447,599
Cash paid to employees and suppliers		(3,174,208)	(1,362,472)	(3,082,706)	(1,362,472)
Increase in income earning assets		(33,228)	(1,673,756)	(33,228)	(1,673,756)
Net cash outflow from operating activities	31.2	(686,965)	(588,629)	(670,057)	(588,629)
Cash flows from investing activities					
Proceeds on disposal of property and equipment	31.3	895	787	895	787
Additions to property & equipment	31.4	(3,971)	(6,858)	(3,971)	(6,858)
New additions		-	-	-	-
Replacement additions		(3,971)	(6,858)	(3,971)	(6,858)
Increase in investments	31.5	(43,959)	(36,049)	(62,656)	(36,049)
Net cash outflow from investing activities		(47,035)	(42,120)	(65,732)	(42,120)
Cash flows from financing activities					
Increase in long-term funding	31.6	513,826	158,641	513,826	158,641
(Decrease)/Increase in short-term funding	31.7	(1,017,308)	797,665	(1,015,511)	797,665
Increase in medium-term funding	31.8	1,014,975	60,874	1,014,975	60,874
Net cash inflow from financing activities		511,493	1,017,180	513,290	1,017,180
Net (decrease)/increase in cash and cash equivalents		(222,507)	386,431	(222,499)	386,431
Cash and cash equivalents at beginning of year		713,295	326,836	713,267	326,836
Cash and cash equivalents at end of year	31.1	490,788	713,267	490,768	713,267

Refer to note 1.1 for and explanation of the cash flow statement for 1999.

STATEMENT 4

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD
ENDED 31 DECEMBER 2000

1. Land Bank Group

	BALANCE 31/12/1998 R'000	MOVEMENTS R'000	BALANCE 31/12/1999 R'000	MOVEMENTS R'000	BALANCE 31/12/2000 R'000
CAPITAL	200,955	-	200,955	-	200,955
DISTRIBUTABLE					
General	1,812,146	223,612	2,035,758	221,600	2,257,358
Balance previously reported	1,812,146		2,038,542		
Change in accounting policy - SAVVEM consolidation	-		(2,784)		
Interest equalisation fund	100,000	-	100,000	-	100,000
Building/Capital expenditure	9,000	13,450	22,450	(22,450)	-
Development fund	100,000	26,347	126,347	124,393	250,740
Silver and bronze development fund	96,609	168,090	264,699	43,589	308,288
Insurance fund	395,483	67,949	463,432	44,542	507,974
Previously reported	336,359		349,153		
Change in accounting policy					
SAVVEM consolidation	11,316		15,128		
Fair value of SAVVEM investments	47,808		99,151		
	2,714,193	499,448	3,213,641	411,674	3,625,315
NON DISTRIBUTABLE					
Asset revaluation	22,792	(22,792)	-	-	-
	2,736,985	476,656	3,213,641	411,674	3,625,315

Refer to note 1.1 and 32 for an explanation of the figures in respect of 1998 and change in accounting policy.

2. Land Bank

	BALANCE 31/12/1998 R'000	MOVEMENTS R'000	BALANCE 31/12/1999 R'000	MOVEMENTS R'000	BALANCE 31/12/2000 R'000
CAPITAL	200,955	-	200,955	-	200,955
DISTRIBUTABLE					
General	1,812,146	226,396	2,038,542	229,846	2,268,388
Interest equalisation fund	100,000	-	100,000	-	100,000
Building/Capital expenditure	9,000	13,450	22,450	(22,450)	-
Development fund	100,000	26,347	126,347	124,393	250,740
Silver and bronze development fund	96,609	168,090	264,699	43,589	308,288
	2,318,710	434,283	2,752,993	375,378	3,128,371
NON DISTRIBUTABLE					
Asset revaluation	22,792	(22,792)	-	-	-
	2,341,502	411,491	2,752,993	375,378	3,128,371

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

SCHEDULE A

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The policies on which the annual financial statements are based conform with South African statements of generally accepted accounting practice.

The most important policy directives which are set out below, are consistent with those of the previous years, except where otherwise disclosed.

1.1 Consolidation

The consolidated financial statements incorporate the financial position of the Land Bank and its subsidiary, The South African Mortgage Insurance Company Limited (SAVEM).

The Land Bank is since 15/07/1964 the sole shareholder of this unlisted company which undertakes the insurance of Land Bank mortgage and charge loans to natural persons on a group basis. Although the Land Bank guarantees the solvency of SAVEM, the company's actuarial value of the surplus as at 30 June 1999 amounted to R96,8 million (1998 – R201 million).

The results of SAVEM were consolidated for the first time in 2000 due to changes in related generally accepted accounting statements and standards. SAVEM's year-end was 30 June which was not in line with that of the Land Bank's and had to be changed to 31 December. As a result, restated audited financial statements for SAVEM for 1999 and 2000 were compiled so that it is in line with that of the Land Bank. These amounts were applied in the consolidation and restatement of the 1999 and 2000 results.

Due to the impracticality of restating the results of SAVEM for 1998, a consolidated cash flow statement for 1999 and statement of changes in equity for 1998 could not be reasonably compiled. The effect of this change in accounting policy has been detailed in the statement of changes in equity (also refer to note 32).

1.2 Financial assets and liabilities

Investments in financial assets are initially recognised at cost. Subsequently, financial assets including fixed maturity investments such as loans to clients, are stated at fair value. Financial liabilities are recognised at the original debt less principal repayments and amortisations, except for money market instruments which are re-measured at fair value. The recognition of a financial instrument on the balance sheet ceases when the contractual relationship between the Land Bank group and the counterparty ends. The result is that the financial instrument no longer represents a financial asset to the enterprise and a financial liability or equity of the counterparty.

A distinction is made between interest earnings, which is the group's main source of income and income from other sources such as insurance premiums and dividends received. All securities held for trading purposes are revalued at balance sheet date and the gains or losses are accounted for in the income statement. Gains or losses on the realisation of hedging instruments are accounted for in the income statement for the period.

1.3 Liquidity Risk

To manage the liquidity risk the Bank arranges standby facilities at other financial institutions and maintains a portfolio of sufficient liquid assets to meet its commitments on time. Regarding SAVEM, funds are available from the portfolio manager's cash component on 30 days notice.

Interest Rate Risk

The interest rate risk is managed by using various funding sources and a number of long, medium and short-term financial instruments with a variety of maturity dates.

Although almost all loans are granted at floating interest rates and the interest rates in respect of short-term credit instruments can also be regarded as floating rates, the rates applicable to debenture loans and medium-term promissory notes are fixed for several years. An Interest equalisation fund was specifically created for this purpose.

SCHEDULE A (continued)

During periods of declining interest rates there might be an exposure to interest rate risks if lending rates are reduced while long and medium-term funding rates are fixed at higher levels. In times of market instability the exposure to interest rate risks is managed by means of financial derivatives in order to convert fixed interest rates into floating interest rates or vice versa. Furthermore, as a result of the falling interest rates during the second half of 1999, the bank refrained from issuing longer-term credit instruments with fixed interest rates but instead issued longer-term floating rate notes and other structured funding instruments with floating interest rates in order to address interest rate risk and liquidity risk simultaneously.

(Full details of the maturity dates of the financial instruments are provided in Annexure B).

Although investment income forms a substantial part of SAVVEM's income, only a small portion is from time to time needed to meet the company's current liabilities. Under normal circumstances the premium income is sufficient to cover all expenses.

1.4 Credit Risk Management*Funding*

The bank limits its counter parties exposures from its money market operations by only dealing with well-established financial institutions of high quality credit standing. The credit exposure to any one counter party is managed by setting transaction/exposure limits, which are reviewed regularly.

The bank is also exposed to credit-related losses in the event of non-performance by counter parties to hedging instruments. The counter parties to these contracts are major financial institutions. The bank continually monitors its positions and the credit ratings of its counter parties and limits the amount of contracts it enters into with any one party.

In assessing credit risk, the impact of master netting agreements is taken into account on an aggregated basis, while the value of collateral is not taken into account.

Due to the fact that SAVVEM is fully funded through its retained reserves, this risk is not applicable.

Lending

Debtors comprise of a large number of customers, dispersed across different geographical areas in South Africa. Ongoing credit evaluations are performed on the financial position of these debtors. At year-end there was no significant concentration of risk for which adequate provision has not been made.

Insurance cover

Although the insurance cover is geographically well spread over the various provinces the fact that all SAVVEM's business is agri-related, increases the credit risk. In addition to this, more than 40% of the cover provided, relates to policy holders in the age group 46 years and older.

In order to safeguard SAVVEM against this risk exposure a more conservative approach is followed by the actuaries during the periodic valuation. This approach ensures that sufficient reserves are available so that the company will also be able to accommodate any extraordinary increase in claims.

1.5 REVENUE

The group's revenue consists mainly of interest and premium income.

SCHEDULE A (continued)

1.5.1 Interest

Interest due to the bank for the period is accounted for in the income statement.

Interest regarded as irrecoverable is excluded from interest received.

1.5.2 Premiums

Insurance premiums as well as accrued premiums for the period are accounted for in the income statement.

1.5.3 Realised capital and interest on investments

This represents SAVVEM's investment income in the form of interest received and gains on the realisation of investments.

1.6 Fair value of financial instruments

At year-end the carrying amounts of cash and short-term deposits, accounts receivable, accounts payable, accrued expenses and short-term borrowings approximated their fair values due to short-term maturities of these assets and liabilities.

The following methods and assumptions were used by the group in establishing fair values.

Financial instruments traded in an organised financial market:

The amounts disclosed in respect of the market making portfolio are stated at fair value. The fair value of these financial instruments represents the positive or negative cash flows which would have occurred if the rights and obligations arising from that instruments were closed out in an orderly market transaction at year-end. Quoted market prices are available for government and semi-government bonds, debentures and options.

Financial instruments not traded in an organised financial market:

The carrying amounts of creditors, accruals and dividends payable reported in the balance sheet approximates their fair value. The fair value in respect of debtors represents the carrying value less provision for bad debt. In previous years provision for bad debt was disclosed as one amount. This provision has now been allocated to the debtor accounts and the 1999 figures have therefore been restated to ensure comparability.

Regarding SAVVEM, the marketable securities traded by the portfolio managers, are shown at fair value.

1.7 Land Bank Debentures*Primary issues*

Land Bank debentures which are unsecured, are stated at cost. Discounts and premiums arising on the issue of stock are amortised over the period of the debt, using the yield-to-maturity basis. Those discounts and premiums are recognised in interest paid.

1.8 Hedging

Investments held in other stock for hedging purposes are stated at cost which is treated on the same basis as the hedged liability. Discounts and premiums are amortised over the life time of the stock using the yield-to-maturity method. Profits and losses are recognised on realisation and disclosed as interest paid, while coupon interest together with discounts and premiums amortised, are transferred to interest received.

SCHEDULE A (continued)**1.9 Secondary market transactions in Land Bank debentures and other institutional stock**

Debentures and other institutional stock repurchased are valued at fair value as at the financial year-end. Profits and losses are accounted for on revaluation. Any surpluses as well as shortfalls arising from market making activities are set off against interest paid.

1.10 Repurchase agreements

Where financial instruments are sold from the hedging or market making portfolio and the Land Bank agrees to repurchase these at future dates, and the risk of ownership remains with the bank, the consideration received is included in current liabilities.

Conversely where financial instruments are purchased subject to commitments to resell these at future dates, and the risk of ownership does not pass to the bank the consideration paid is included in current assets.

1.11 Derivative instruments

The bank is making use of derivative instruments for both funding and hedging purposes. Premiums received or paid in respect of derivatives earmarked for funding and hedging, is amortised over the life time of the derivatives. Profits and losses on these derivatives are included in interest paid. These instruments are exposed to interest rate risk.

1.12 Interest rate swaps

Interest rate swaps are used to convert a percentage of the fixed interest rate borrowed funds to floating interest rates. This derivative instrument is therefore used as a hedging tool against the risk which exists between fixed interest rate borrowed funds and floating lending rates. The profit and/or loss realised by these transactions is regarded as an increase/decrease in the cost of funding and does therefore form part of interest paid in the income statement.

1.13 Property and equipment

Bank premises are independently valued every 5 years on the basis of open market value with current use. The current carrying value is based on the valuation as at 31 December 1999. Unrealised revaluation surpluses and deficits are transferred to a revaluation of property reserve. Valuation surpluses realised on sale are transferred from the revaluation of property reserve to the income statement. Any deficit arising from the professional valuation of property is charged directly against the revaluation of property reserve. Where a permanent diminution in value is identified, the deficit is eliminated against the revaluation of property reserve, with any excess being charged to the income statement. Furniture, office and computer equipment as well as vehicles are included at historical cost less accumulated depreciation.

Other than property, on which depreciation is not provided, depreciation on equipment is calculated on the straight-line basis over their expected useful lives at the following rates:

Furniture and fittings	16.70% to 20.00%
Computer equipment	33.00%
Motor vehicles	20.00%

1.14 Farm property bought in and resold in terms of section 72 of the Land Bank Act, (Act No. 13 of 1944)

These properties are disclosed at the amount of the outstanding debt on date of purchase of the underlying property. In view of adverse agricultural conditions in the past, it was decided to make provision for irrecoverable debt against which realised shortfalls can be written off. All surpluses and shortfalls on the resale of property bought in as well as shortfalls recovered are accounted for against the provision for irrecoverable debt. In accordance with generally accepted accounting practice only realised surpluses are accounted for. The provision is accounted for against the asset disclosed in note 12. Also refer to note 28.1.

SCHEDULE A (continued)

1.15 Provision for bad debt

Although specific provisions are made against identified doubtful debt, general provisions are maintained to cover potential losses which, although not specifically identified, may be present on any portfolio of advances. Accrual of interest on advances is suspended when the recoverability of the advance becomes uncertain. Advances are written off once the probability of recovering any significant amounts becomes remote.

Refer to note 28.1.

1.16 Post employment benefits**1.16.1 Contributions to medical aid fund**

It is the bank's policy to pay the medical fund subscription fees on behalf of all pensioners, in full.

Since this policy creates a contingent liability should there be an actuarial shortfall in the fund, it was decided to fund the actuarially calculated accrued commitment. Actuarial valuations of the bank's liability are conducted on an annual basis. (Refer note 28.3).

According to the latest valuation which was done on 31 December 2000, the total liability for current and future pensioners amounted to R86,4 million (1999 – R116,7 million) of which an amount of R107 million was provided for at 31 December 1999. Although the liability in respect of expired service amounted to R70,2 million on 31 December 1999, it was the bank's policy to fund the total liability of R116 million over a period of time.

As result of the new requirements contained in the proposed AC 116 (Employee benefits: effective for year-ends commencing on or after 1 January 2001) future services can no longer be included in this liability and the total provision was therefore limited to R86,4 million during the current year.

Inter alia, the following actuarial valuation assumptions are applicable:

Assumption	Value
Health care cost inflation	10,5% p.a.
Rate of interest	12,5% p.a.
Average retirement age	60 years
Continuation of membership at retirement	100%

The amount already provided for is currently invested in a separate fund.

1.16.2 Land Bank retirement fund

The Land Bank retirement fund which functions as a defined contribution fund, and which is subject to the provisions of the Pension Fund Act, 1956 (Act No. 24 of 1956) came into operation on 1 November 1994. Membership of the fund is compulsory for all permanent staff members. Statutory actuarial valuations of the fund's commitments are conducted on a triennial basis whilst interim valuations are carried out in other years.

According to the valuation as at 31 December 2000, the fund was in a healthy financial position but steps should be taken to address the increased cost of risk benefits. The total shortfall in respect of risk benefits amounted to R4,0 million (refer note 28.4). The fund does also not have sufficient assets to establish a satisfactory investment reserve and therefore members and pensioners are vulnerable to fluctuations in market values. The actuarially calculated current value in respect of future benefits amounted to R84,3 million. On 31 December 2000, 887 employees were members of the Land Bank retirement fund. The Land Bank's contribution to the retirement fund is expensed as incurred.

Active members:

- SA56 – 62 mortality rates.
- Morbidity rate at a particular age will be equal to 75% of the mortality rate applicable at the same age.

SCHEDULE A (continued)

Pensioners:

- Pensions payable were valued at a 6% interest rate.
- Regarding mortality, the unisex table, derived from a (55) male and a (55) female tables, was employed with a weighting of 67% a (55) male and 33% a (55) female rates.

1.17 Associated company

An associated company is a company which is not a subsidiary and in which the bank holds a long-term investment and exercises significant influence over its financial and operating activities. The results of the associated company is accounted for according to the equity method.

The investment in the associated company is written down when there is considered to be a permanent diminution in value.

1.18 Director's emoluments

The director's emoluments in respect of the Land Bank are disclosed in note 27 to the financial statements. The earnings and perquisites of the executive and non-executive directors were as follows:

Land BankDirectors' emoluments

	Executive Directors		Non-executive Directors	
	2000	1999	2000	1999
	R	R	R	R
Salaries	1,468,845	1,415,326	212,341	224,000
Contributions	220,768	245,143	-	-
Allowances	578,383	528,424	-	-
Bonuses	150,430	183,945	-	-
Expense allowance	39,489	59,758	-	-
	<u>2,457,915</u>	<u>2,432,596</u>	<u>212,341</u>	<u>224,000</u>
Loans to directors	-	-	-	-

SAVEM

Salaries, allowances and contribution to funds

	-	-	-	8,000
	<u>2,457,915</u>	<u>2,432,596</u>	<u>212,341</u>	<u>232,000</u>

1.19 Limitations on disclosure

As result of either the sensitivity or the impracticality thereof, detail information regarding the following aspects are not provided:

- Strike rates of all options
- Interest rates applicable to swaps
- Effective interest rate on zero coupon swaps
- Information regarding terms of swap contracts

1.20 Imputed tax and dividend

In terms of the provisions of section 10 (1) (A) of the Income Tax Act, 1997 (Act 28/1997) the Land Bank as well as SAVEM are exempted from income tax.

The board of the bank however decided to implement an imputed tax deduction of 35% on net profit for the purpose of development funding.

SCHEDULE A (continued)

In the same token it was also decided to calculate an imputed dividend of 15% on "after tax" profits, as no dividends are paid to government which is the bank's sole shareholder. A total amount of R 168 million was allocated to the development reserves as at 31 December 2000 (1999 - R194 million).

The gross income from the above-mentioned sources will in future be allocated to the Development Fund Reserve on an annual basis, for funding of the development loan book.

1.21 Impairment of assets

To eliminate the possibility of impairment losses, provision is made in various ways depending on the type of asset involvement and can be summarised as follows:

- Loans
- Farm property bought in
- Property and equipment
- Investments
- Provision for irrecoverable debt as per notes 1.15 and 28.1
- Revaluation of all properties. Refer to notes 1.14 and 28.1
- Revaluation of property. Refer to notes 1.13 and 2
- Depreciation of other fixed assets as per notes 1.13 and 2
- Market value of medical fund as per note 10.1
- Director's valuation of shares in Rutec. Refer to note 10.4

1.22 General reserve

In terms of section 67(1) of the Land Bank Act, 1944 (Act No. 13 of 1944) the surplus, after allocating to specific reserves, is credited to the general reserve.

	Land Bank Group		Land Bank	
	2000	1999	2000	1999
	R'000	R'000	R'000	R'000
2. PROPERTY AND EQUIPMENT				
2.1 Bank premises				
Valuation	70,698	70,250	70,698	70,250
Carrying value (opening balance)	70,250	93,772	70,250	93,772
Building projects completed	448	-	448	-
Disposals	-	(289)	-	(289)
Revaluation	-	(23,233)	-	(23,233)
Carrying value (closing balance)	70,698	70,250	70,698	70,250

Bank premises were independently valued during December 1999 by Landdata Valuations (Pty) Limited, members of the South African Institute of Valuers, at open market value with current use as basis. The valuation was increased in the interim by additions to establish the value at 31 December 2000.

SCHEDULE A (continued)

(Property and equipment continued)		Land Bank Group		Land Bank	
	2000	1999	2000	1999	
	R'000	R'000	R'000	R'000	
2.2 Furniture and fittings					
Carrying value (opening balance)	4,105	5,303	4,105	5,303	
Additions	2,457	622	2,457	622	
Disposals (carrying value)	(398)	(65)	(398)	(65)	
Depreciation	(1,475)	(1,755)	(1,475)	(1,755)	
Carrying value (closing balance)	<u>4,689</u>	<u>4,105</u>	<u>4,689</u>	<u>4,105</u>	
Cost price	11,656	10,083	11,656	10,083	
Accumulated depreciation	<u>(6,967)</u>	<u>(5,978)</u>	<u>(6,967)</u>	<u>(5,978)</u>	
Carrying value	<u>4,689</u>	<u>4,105</u>	<u>4,689</u>	<u>4,105</u>	
2.3 Computer equipment					
Carrying value (opening balance)	6,685	4,405	6,685	4,405	
Additions	917	5,265	917	5,265	
Disposals (carrying value)	(121)	(22)	(121)	(22)	
Depreciation	(3,215)	(2,963)	(3,215)	(2,963)	
Carrying value (closing balance)	<u>4,266</u>	<u>6,685</u>	<u>4,266</u>	<u>6,685</u>	
Cost price	13,654	14,256	13,654	14,256	
Accumulated depreciation	<u>(9,388)</u>	<u>(7,571)</u>	<u>(9,388)</u>	<u>(7,571)</u>	
Carrying value	<u>4,266</u>	<u>6,685</u>	<u>4,266</u>	<u>6,685</u>	
2.4 Motor vehicles					
Carrying value (opening balance)	2,909	3,643	2,909	3,643	
Additions	149	971	149	971	
Disposals (carrying value)	(142)	(297)	(142)	(297)	
Depreciation	(1,173)	(1,408)	(1,173)	(1,408)	
Carrying value (closing balance)	<u>1,743</u>	<u>2,909</u>	<u>1,743</u>	<u>2,909</u>	
Cost price	6,036	7,707	6,036	7,707	
Accumulated depreciation	<u>(4,293)</u>	<u>(4,798)</u>	<u>(4,293)</u>	<u>(4,798)</u>	
Carrying value	<u>1,743</u>	<u>2,909</u>	<u>1,743</u>	<u>2,909</u>	
Total property and equipment (carrying value)	<u>81,396</u>	<u>83,949</u>	<u>81,396</u>	<u>83,949</u>	

3. GOODWILL

Goodwill on the acquisition of SAVVEM on 1 July 1964 to the value of R171 000 has been fully amortised.

SCHEDULE A (continued)

	Land Bank Group		Land Bank	
	2000	1999	2000	1999
	R'000	R'000	R'000	R'000
4. LOANS TO FARMERS				
4.1 Long and medium-term loans (refer to Annexure A for funding details)				
Long-term mortgage loans	6,174,726	6,300,842	6,174,726	6,300,842
	6,145,718	6,295,882	6,145,718	6,295,882
Gold range	6,224,216	6,311,390	6,224,216	6,311,390
Less: Provision for bad debt	78,498	15,508	78,498	15,508
	29,008	4,960	29,008	4,960
Silver range	29,885	5,398	29,885	5,398
Less: Provision for bad debt	877	438	877	438
4.2 Section 34 medium-term loans (refer to Annexure A for funding details)				
	1,729,612	1,882,931	1,729,612	1,882,931
	1,545,484	1,717,718	1,545,484	1,717,718
Gold range	1,588,568	1,743,930	1,588,568	1,743,930
Less: Provision for bad debt	43,084	26,212	43,084	26,212
	184,128	165,213	184,128	165,213
Silver and bronze range	201,411	179,470	201,411	179,470
Less: Provision for bad debt	17,283	14,257	17,283	14,257
Total long and medium-term loans	7,904,338	8,183,773	7,904,338	8,183,773
4.3 Short-term loans (refer to Annexure A for funding details)				
	1,496,235	1,473,474	1,496,235	1,473,474
	1,448,577	1,427,984	1,448,577	1,427,984
Gold range	1,472,195	1,433,199	1,472,195	1,433,199
Less: Provision for bad debt	23,618	5,215	23,618	5,215
	47,658	45,490	47,658	45,490
Silver and bronze range	52,645	49,163	52,645	49,163
Less: Provision for bad debt	4,987	3,673	4,987	3,673
Section 34 medium-term loans are mainly granted for the purchase of livestock and implements while section 34 short-term loans are used for production credit. (Refer to Annexure B for maturity details)				
5. LOANS TO CO-OPERATIVES	4,880,481	4,658,165	4,880,481	4,658,165
	440,777	551,714	440,777	551,714
Long-term mortgage loans	440,777	551,714	440,777	551,714
	4,439,704	4,106,451	4,439,704	4,106,451
Short-term cash credit	4,747,692	4,311,316	4,747,692	4,311,316
Less: Provision for bad debt	307,988	204,865	307,988	204,865

SCHEDULE A (continued)

		Land Bank Group		Land Bank	
		2000	1999	2000	1999
		R'000	R'000	R'000	R'000
6.	LOANS TO STATUTORY AGRICULTURAL INSTITUTIONS				
		319,733	301,213	319,733	301,213
	Long-term mortgage loans	319,733	301,213	319,733	301,213
7.	LOANS TO AGRI-RELATED COMPANIES				
7.1	Long-term loans				
		39,145	27,718	39,145	27,718
	Gold and silver range	39,710	28,207	39,710	28,207
	Less: Provision for bad debt	565	489	565	489
7.2	Medium-term loans				
		11,589	-	11,589	-
	Gold range	11,679	-	11,679	-
	Less: Provision for bad debt	90	-	90	-
	Total long and medium-term loans	50,734	27,718	50,734	27,718
7.3	Short-term cash credit				
		52,271	43,832	52,271	43,832
		50,544	42,561	50,544	42,561
	Gold range	53,376	42,561	53,376	42,561
	Less: Provision for bad debt	2,832	-	2,832	-
		1,727	1,271	1,727	1,271
	Silver and bronze range	1,727	1,271	1,727	1,271
7.4	Step up loans				
		18,253	9,175	18,253	9,175
		21,841	11,165	21,841	11,165
	Less: Provision for bad debt	3,588	1,990	3,588	1,990
	Total Short-term loans	70,524	53,007	70,524	53,007
8.	INSTALMENT SALE MEDIUM-TERM LOANS				
		5,038	-	5,038	-
		4,563	-	4,563	-
	Gold range	4,633	-	4,633	-
	Less: Provision for bad debt	70	-	70	-
		475	-	475	-
	Silver and bronze range	485	-	485	-
	Less: Provision for bad debt	10	-	10	-

SCHEDULE A (continued)

		Land Bank Group		Land Bank	
		2000	1999	2000	1999
		R'000	R'000	R'000	R'000
9.	EMERGENCY FLOOD RELIEF				
9.1	Medium-term loans	3,068	-	3,068	-
		3,005	-	3,005	-
	Gold range	3,085	-	3,085	-
	Less: Provision for bad debt	80	-	80	-
		63	-	63	-
	Silver and bronze range	66	-	66	-
	Less: Provision for bad debt	3	-	3	-
9.2	Short-term loans	427	-	427	-
		389	-	389	-
	Gold range	399	-	399	-
	Less: Provision for bad debt	10	-	10	-
		38	-	38	-
	Silver and bronze range	40	-	40	-
	Less: Provision for bad debt	2	-	2	-
10.	INVESTMENTS				
10.1	Medical aid fund (managed portfolio)				
	Opening balance	96,764	65,782	96,764	65,782
	Yield on investment	6,796	30,982	6,796	30,982
	Additional contribution	10,978	-	10,978	-
	Closing balance	114,538	96,764	114,538	96,764
	Directors' valuation - R114,5 million (1999 : R96,7 million)				

The amounts transferred to the medical aid fund provision since 31 December 1995, were entrusted to a portfolio manager. The net yield (loss) on this unlisted investment for the relevant year was credited to the provision account and does therefore not form part of the bank's income. The investment is stated at market value and does not include any unlisted shares. This investment is exposed to interest rate and market risk.

SCHEDULE A (continued)

(Investments continued)		Land Bank Group		Land Bank	
		2000	1999	2000	1999
		R'000	R'000	R'000	R'000
10.2	Standard Corporate Merchant Bank	45,440	2,466	45,440	2,466
	Discount on 7 year coupon structure note, amortised on 31/12/2000.				
	Directors' valuation - R45,4 Million (1999 : R2,5 million)				
10.3	SAVVEM (Unlisted)				
	MARKET VALUE	476,880	495,577		
	RMB Asset Management (Pty) Ltd.				
	Market value on 31 December	160,952	184,384		
	Equities	97,405	94,662		
	Bonds	16,347	37,067		
	Cash	15,482	21,038		
	Property	-	3,522		
	International investments	31,718	28,095		
	Coronation Asset Management (Pty) Ltd.				
	Market value on 31 December	163,593	157,791		
	Equities	83,552	88,521		
	Bonds	37,409	37,081		
	Cash	11,746	8,363		
	Property	-	-		
	International investments	30,886	23,826		
	Investec Asset Management (Pty) Ltd.				
	Market value on 31 December	152,335	153,402		
	Equities	86,567	83,727		
	Bonds	32,768	35,436		
	Cash	9,563	12,456		
	Property	-	-		
	International investments	23,437	21,783		
	Shares in SAVVEM	-	-	30	30

SCHEDULE A (continued)

(Investments continued)		Land Bank Group		Land Bank	
		2000	1999	2000	1999
		R'000	R'000	R'000	R'000
10.4 Associated Company					
Unlisted:					
Rutec (Pty) Ltd					
Opening balance		2,615	3,602	2,615	3,602
Additional contribution		1,400	-	1,400	-
		4,015	3,602	4,015	3,602
35% shares at book value 28/02/1999		-	1,172	-	1,172
Goodwill		-	2,430	-	2,430
		-	(987)	-	(987)
Share of current year's shortfall		-	(214)	-	(214)
Dividend received		-	(773)	-	(773)
		4,015	2,615	4,015	2,615
Carrying value		4,015	2,615	4,015	2,615
Write down to net realisable value		(552)	-	(552)	-
		3,463	2,615	3,463	2,615
Loan account		187	-	187	-
		3,650	2,615	3,650	2,615

The main business of Rutec (Pty) Ltd is to provide agricultural training courses and to sell general merchandise.

Although the company's financial year end is 28 February the latest available (unaudited) figures are those of 31 January 2001.

Although this asset was disclosed under associated companies during the 1999 financial year it is not the bank's intention to continue its involvement in the company in the long term and it was therefore decided to regard it as an investment for disclosure purposes as at 31 December 2000.

Due to the fact that sustainable profits are not foreseen in the near future it was also decided to write off 50% instead of 35% of the current years shortfall.

Directors' valuation - R3,7 million
(1999 - R2,6 million)

10.5	SU Management services (service account)	342	21	342	21
	Total group investment	640,850	597,443	164,000	101,896
	Total Land Bank investment				

SCHEDULE A (continued)

	Land Bank Group		Land Bank	
	2000	1999	2000	1999
	R'000	R'000	R'000	R'000
11. SUNDRY DEBTORS				
SAVEM (claims payable)	-	-	-	8,626
Accrued interest (receivable)	38,749	26,365	38,749	26,365
Interest pre-paid	151,116	132,099	151,116	132,099
Housing and vehicle loans to employees	16,548	24,038	16,548	24,038
Sundry amounts receivable	27,825	14,743	27,825	14,743
Other	4,694	2,435	4,694	2,435
Sub total	<u>238,932</u>	<u>199,680</u>	<u>238,932</u>	<u>208,306</u>
Repurchase agreements	407,571	575,354	407,571	575,354
	<u><u>646,503</u></u>	<u><u>775,034</u></u>	<u><u>646,503</u></u>	<u><u>783,660</u></u>
12. OTHER ASSETS				
Landed property	16,992	19,794	16,992	19,794
Properties sold - being transferred	2,700	8,704	2,700	8,704
Unsold properties on hand	14,292	11,090	14,292	11,090
Less: Provision - irrecoverable debt (2000)	(7,139)		(7,139)	
(Refer note 28.1)(1999)		(8,219)		(8,219)
	<u>9,853</u>	<u>11,575</u>	<u>9,853</u>	<u>11,575</u>
Section 34 shortfalls	2,612	2,592	2,612	2,592
	<u>12,465</u>	<u>14,167</u>	<u>12,465</u>	<u>14,167</u>
Dividends due by SAVEM	-	-	-	40,000
	<u>12,465</u>	<u>14,167</u>	<u>12,465</u>	<u>54,167</u>
13. BANK BALANCES				
Debits				
Land Bank	490,768	714,950	490,768	714,950
SAVEM	20	28	-	-
	<u>490,788</u>	<u>714,978</u>	<u>490,768</u>	<u>714,950</u>
Credits				
Land Bank	-	1,683	-	1,683
	<u>-</u>	<u>1,683</u>	<u>-</u>	<u>1,683</u>
14. CAPITAL FUND				

The capital fund consists of appropriations by the state to the Land Bank from 1936 up to 1979 when they were discontinued. Interest thereon, at rates which vary between 3.5% and 4.75% per annum, is payable biannually on 31 March and 30 September. The average effective interest rate amounts to 4.7% for both financial years.

SCHEDULE A (continued)

15. RESERVES	Land Bank Group		Land Bank	
	2000 R'000	1999 R'000	2000 R'000	1999 R'000
Capital fund	<u>200,955</u>	<u>200,955</u>	<u>200,955</u>	<u>200,955</u>
Distributable				
General reserve	2,257,358	2,035,758	2,268,388	2,038,542
Interest equalisation fund	100,000	100,000	100,000	100,000
Capital expenditure	-	22,450	-	22,450
Silver and bronze development fund	308,288	264,699	308,288	264,699
Insurance fund	507,974	463,432	-	-
Reserves earmarked for development funding	250,740	126,347	250,740	126,347
Total distributable reserves (see note 29)	<u>3,424,360</u>	<u>3,012,686</u>	<u>2,927,416</u>	<u>2,552,038</u>

Silver and bronze development fund

In order to separate the funding of poor resourced farmers (silver and bronze range) from the commercial loan book (gold range) an amount of R43,6 million from the 2000 surplus was allocated to the silver and bronze development fund while R124,4 million was transferred to the reserves earmarked for development funding.

Interest equalisation fund

During a period of declining interest rates the bank's long-term funding costs may exceed interest earnings on long and medium-term loan portfolio's.

Capital expenditure

This reserve previously served as an allocation for future capital expenditure regarding bank premises as well as information technology infrastructure but has been re-allocated to the general reserve.

SCHEDULE A (continued)

	Land Bank Group		Land Bank	
	2000	1999	2000	1999
	R'000	R'000	R'000	R'000
16. LONG-TERM FUNDING				
16.1 Debentures				
Funding portfolio (capital)	3,344,650	2,997,274	3,344,650	2,997,274
Discount	114,806	74,728	114,806	74,728
Funding portfolio (at amortised cost)	3,459,456	3,072,002	3,459,456	3,072,002
Hedging portfolio (at amortised cost)	(407,720)	(555,923)	(407,720)	(555,923)
Hedging portfolio (capital)	(396,770)	(544,598)	(396,770)	(544,598)
Nominal value 2000 - R426 million				
1999 - R602 million				
Discount	(10,950)	(11,325)	(10,950)	(11,325)
	3,051,736	2,516,079	3,051,736	2,516,079
Options (at amortized cost)	11,230	10,261	11,230	10,261
Purchased	(45)	(174)	(45)	(174)
Sold	11,275	10,435	11,275	10,435
	3,062,966	2,526,340	3,062,966	2,526,340
Market making portfolio (net at fair value)	(18,802)	3,998	(18,802)	3,998
	3,044,164	2,530,338	3,044,164	2,530,338
Refer to note 1.9 for details of restatement of market making portfolio comparative balance				
Net profit on market making activities and swaps	43,324	37,208	43,324	37,208
16.2 Derivative financial instruments				
	Notional principal	Fair value assets	Fair value liabilities	Net fair value
Options and swaps 2000	1,865,262	91,864	(10,050)	81,814
Options and swaps 1999	2,520,000	52,266	(33,656)	18,610

The zero coupon structured notes include a R200 million interest rate swap (refer note 17.2). This swap is excluded from the valuation.

SCHEDULE A (continued)

		Land Bank Group		Land Bank	
		2000	1999	2000	1999
		R'000	R'000	R'000	R'000
17.	MEDIUM-TERM FUNDING				
17.1	Medium-term promissory notes				
	Nominal value 2000 - R 667,9 million	430,991	-	430,991	-
	1999 - R1 236,9 million	-	996,801	-	996,801
17.2	Zero coupon structured notes	245,440	202,466	245,440	202,466
17.3	Floating rate promissory notes	2,199,953	662,142	2,199,953	662,142
		<u>2,876,384</u>	<u>1,861,409</u>	<u>2,876,384</u>	<u>1,861,409</u>
	The average annual rate of interest on net financial market instruments amounted to	11,87%	12,73%	11,87%	12,73%
18.	PROMISSORY NOTES, BILLS AND CALL BONDS				
18.1	Promissory notes (unsecured) at nominal value				
	Balance at year-end	<u>3,968,187</u>	<u>3,228,046</u>	<u>3,968,187</u>	<u>3,228,046</u>
	Average effective interest rate	<u>10,64%</u>	<u>11,69%</u>	<u>10,64%</u>	<u>11,69%</u>
18.2	Bills (unsecured) at nominal value				
	Balance at year-end	<u>2,029,500</u>	<u>2,781,000</u>	<u>2,029,500</u>	<u>2,781,000</u>
	Average effective interest rate	<u>10,36%</u>	<u>10,99%</u>	<u>10,36%</u>	<u>10,99%</u>
18.3	Call bonds (unsecured) at nominal value				
	Balance at year-end	<u>454,000</u>	<u>1,215,401</u>	<u>454,000</u>	<u>1,215,401</u>
	Average effective interest rate (refer to Annexure B for maturity dates)	<u>10,07%</u>	<u>13,75%</u>	<u>10,07%</u>	<u>13,75%</u>

SCHEDULE A (continued)

	Land Bank Group		Land Bank	
	2000 R'000	1999 R'000	2000 R'000	1999 R'000
19. DEPOSITS				
Development trust	36,008	16,036	36,008	16,036
Co-operatives	48,026	133,208	48,026	133,208
Small institutional deposits	13,933	16,380	18,829	19,479
Forced stock sales	199,355	227,430	199,355	227,430
Retirement fund	136	1,323	136	1,323
Standard Bank deposit	-	150,000	-	150,000
Conditional payments	3,955	1,506	3,955	1,506
Other	-	78	-	78
	<u>301,413</u>	<u>545,961</u>	<u>306,309</u>	<u>549,060</u>
Average effective interest rate	<u>9.83%</u>	<u>11.8%</u>	<u>9.83%</u>	<u>11.8%</u>
20. SUNDRY CREDITORS				
Interest payable on debentures	124,095	101,027	124,095	101,027
Accrued expenses	43,738	66,751	43,738	66,751
Audit fees	1,075	946	1,075	946
Interest received in advance	3,778	3,671	3,778	3,671
Finance leases	187	-	187	-
SAVEM (accounts payable)	1,858	1,744	-	-
SAVEM (premiums outstanding)	-	-	16,536	12,344
Other	19,063	17,102	19,563	17,102
Sub total	<u>193,794</u>	<u>191,241</u>	<u>208,972</u>	<u>201,841</u>
Repurchase agreements	-	1,150,769	-	1,150,769
	<u>193,794</u>	<u>1,342,010</u>	<u>208,972</u>	<u>1,352,610</u>
Refer to note 33 for detailed disclosure of finance leases.				
21. PROVISIONS				
Refer to note 28				
On time bonus	8,878	-	8,878	-
Accrued leave	10,525	8,765	10,525	8,765
Section 47 grants	-	10,681	-	10,681
Upgrading of computer system	-	9,588	-	9,588
Medical fund	86,392	106,764	86,392	106,764
Retrenchment packages	28	24,934	28	24,934
Retirement fund	4,000	2,700	4,000	2,700
	<u>109,823</u>	<u>163,432</u>	<u>109,823</u>	<u>163,432</u>

SCHEDULE A (continued)

	Land Bank Group		Land Bank	
	2000 R'000	1999 R'000	2000 R'000	1999 R'000
22. INTEREST INCOME				
Per loan type				
Mortgage loans	912,147	980,091	912,147	980,091
Section 34 medium-term loans	323,826	338,933	323,826	338,933
Section 34 seasonal loans	244,161	247,736	244,161	247,736
Wholesale	580,591	744,930	580,591	744,930
Other	235,453	132,489	244,375	135,459
	<u>2,296,178</u>	<u>2,444,179</u>	<u>2,305,100</u>	<u>2,447,149</u>
23. PREMIUM INCOME				
Premiums receivable	17,519	9,251		
Premiums accrued	16,536	12,344		
	<u>34,055</u>	<u>21,595</u>		
24. INTEREST EXPENSE				
Capital fund	8,999	8,999	8,999	8,999
Debentures	446,268	349,024	446,268	349,024
Medium-term promissory notes	121,173	122,019	121,173	122,019
Floating rate promissory notes	140,767	37,552	140,767	37,552
Bills	259,229	352,088	259,229	352,088
Promissory notes	460,962	471,327	460,962	471,327
Call bonds	80,308	229,146	80,308	229,146
Deposits and credit balances	23,596	91,055	25,319	92,329
Commercial banks	22,921	588	22,921	588
	<u>1,564,223</u>	<u>1,661,798</u>	<u>1,565,946</u>	<u>1,663,072</u>
25. CLAIMS PAID				
Claims payable to Land Bank	24,239	18,239		
	<u>24,239</u>	<u>18,239</u>		
26. SUNDRY INCOME				
26.1 Land Bank	2,573	3,034	2,573	3,034
Fees and commission income	888	1,764	888	1,764
Application and valuator's fees	614	1,159	614	1,159
Bond fees	175	534	175	534
Commission earned	99	71	99	71
Other operating income	1,685	1,270	1,685	1,270
Rent received	1,449	775	1,449	775
Unclaimed interest on debentures	1	371	1	371
Surplus on sale of property and equipment	234	114	234	114
Other	1	10	1	10

SCHEDULE A (continued)

(Sundry income continued)		Land Bank Group		Land Bank	
		2000	1999	2000	1999
		R'000	R'000	R'000	R'000
26.2	SAVEM				
	Other operating income	59,134	66,716	1,047	1,088
	Revaluation surplus on listed investments	-	51,343	-	-
	Realised capital and interest on portfolios	59,134	15,373	-	-
	Administration costs	-	-	1,047	1,088
		<u>61,707</u>	<u>69,750</u>	<u>3,620</u>	<u>4,122</u>
27.	OPERATING EXPENSES				
27.1	Land Bank				
	Contributions to Land Bank retirement fund	14,217	12,692	14,217	12,692
	Contributions to medical aid fund	13,429	12,910	13,429	12,910
	Personnel costs	133,850	131,526	133,850	131,526
	Operating leases				
	Office premises	1,437	1,013	1,437	1,013
	Equipment	3,506	2,291	3,506	2,291
	Maintenance and transport	8,295	7,367	8,295	7,367
	Repairs and maintenance	7,995	10,235	7,995	10,235
	Professional fees	13,163	10,459	13,163	10,459
	Rates and taxes	7,608	7,726	7,608	7,726
	Stationery	2,484	2,269	2,484	2,269
	Postage, telephone, etc.	9,172	7,395	9,172	7,395
	Printing and advertisements	3,226	3,065	3,226	3,065
	Audit fees (external)				
	For audit	451	791	451	791
	Expenses	1	50	1	50
	Audit fees (internal)	978	414	978	414
	Directors' emoluments (refer note 1.18)	2,670	2,657	2,670	2,657
	Services as directors	212	224	212	224
	Other services	2,458	2,433	2,458	2,433
	Paid by subsidiary company	-	-	-	-
	Commission paid	861	144	861	144
	On time bonus	6,333	2,609	6,333	2,609
	Licence	1,404	22	1,404	22
	Impairment of value of investment	552	-	552	-
	Other	3,235	2,438	3,235	2,438
	Total administration costs	<u>234,867</u>	<u>218,073</u>	<u>234,867</u>	<u>218,073</u>
27.2	SAVEM	24,408	2,123		
	Audit fees (for audit)	27	11		
	Portfolio management costs	1,783	1,615		
	Reduction in value of investment portfolio	22,067	-		
	Other	531	497		

SCHEDULE A (continued)

(Operating expenses continued)		Land Bank Group		Land Bank	
		2000	1999	2000	1999
		R'000	R'000	R'000	R'000
27.3	Exceptional item				
	Additional, high skilled resources were brought in to assist the bank country wide with the computer system implementation project and to implement enhanced control systems.	12,946	-	12,946	-
	Total operating expenses	272,221	220,196	247,813	218,073
28.	MOVEMENT IN PROVISIONS				
	Refer to note 21				
28.1	Irrecoverable debt				
	Opening balance	256,000	172,000	256,000	172,000
	Net shortfalls written off (note 30)	(7,719)	(4,413)	(7,719)	(4,413)
	Transfer from provision for risk fund	11,417		11,417	
	Transfer from profit and loss account	138,038	88,413	138,038	88,413
		397,736	256,000	397,736	256,000
	Provision for shortfalls under landed property account (refer note 12)	-	(8,219)	-	(8,219)
		397,736	247,781	397,736	247,781
	As from the 2000 financial year the provision for shortfalls under landed property account is being disclosed in the same way as under debtor accounts.				
28.2	Accrued leave				
	Opening balance	8,765	7,574	8,765	7,574
	Paid out	(6,850)	(4,804)	(6,850)	(4,804)
		1,915	2,770	1,915	2,770
	Transfer from profit and loss account	8,610	5,995	8,610	5,995
		10,525	8,765	10,525	8,765
28.3	Medical fund provision				
	Opening balance	106,764	65,782	106,764	65,782
	Yield on investment	7,774	30,982	7,774	30,982
	Transfer (to)/from profit and loss account	(28,146)	10,000	(28,146)	10,000
		86,392	106,764	86,392	106,764
28.4	Retirement fund shortfall				
	Opening balance	2,700	-	2,700	-
	Transfer from profit and loss account (refer to note 1.16.2)	1,300	2,700	1,300	2,700
		4,000	2,700	4,000	2,700

SCHEDULE A (continued)

(Movement in provisions continued)		Land Bank Group		Land Bank	
		2000	1999	2000	1999
		R'000	R'000	R'000	R'000
28.5	Retrenchment packages				
	Opening balance	24,934	30,803	24,934	30,803
	Paid out	(22,495)	(14,859)	(22,495)	(14,859)
		2,439	15,944	2,439	15,944
	Transfer (to)/from profit and loss account	(2,411)	8,990	(2,411)	8,990
		28	24,934	28	24,934
28.6	Section 47 grants				
	Opening balance	10,681	8,007	10,681	8,007
	Paid out	(7,010)	(2,326)	(7,010)	(2,326)
		3,671	5,681	3,671	5,681
	Transfer (to)/from profit and loss account	(3,671)	5,000	(3,671)	5,000
		-	10,681	-	10,681
28.7	Risk Fund				
	Opening balance	3,196	-	3,196	-
	Contributions	8,221	3,196	8,221	3,196
		11,417	3,196	11,417	3,196
	Transfer to irrecoverable debt	(11,417)	-	(11,417)	-
		-	3,196	-	3,196
28.8	Upgrading of computer systems				
	Opening balance	9,588	19,834	9,588	19,834
	Paid out	(9,588)	(18,071)	(9,588)	(18,071)
		-	1,763	-	1,763
	Transfer from profit and loss account	-	7,825	-	7,825
		-	9,588	-	9,588
28.9	Transformation costs				
	Opening balance	-	1,550	-	1,550
	Paid out	-	(1,689)	-	(1,689)
		-	(139)	-	(139)
	Transfer from profit and loss account	-	139	-	139
		-	-	-	-
	Total provisions	113,720	129,062	113,720	129,062

SCHEDULE A (continued)

	Land Bank Group		Land Bank	
	2000	1999	2000	1999
	R'000	R'000	R'000	R'000
29. TRANSFERS TO/(FROM) RESERVES				
Opening balance	3,012,686	2,536,030	2,552,038	2,140,547
Revaluation of property	-	(22,792)	-	(22,792)
	<u>3,012,686</u>	<u>2,513,238</u>	<u>2,552,038</u>	<u>2,117,755</u>
Current years transfers to reserves	411,674	499,448	375,378	434,283
Capital expenditure	(22,450)	13,450	(22,450)	13,450
Silver and bronze development fund	43,589	168,090	43,589	168,090
Reserves earmarked for development funding	124,393	26,347	124,393	26,347
Insurance fund	44,542	67,949	-	-
General reserve	<u>221,600</u>	<u>223,612</u>	<u>229,846</u>	<u>226,396</u>
Closing balance (see note 15)	<u>3,424,360</u>	<u>3,012,686</u>	<u>2,927,416</u>	<u>2,552,038</u>
30. SHORTFALLS WRITTEN OFF				
Landed property account	4,752	2,980	4,752	2,980
Mortgage loans	734	-	734	-
Section 34 loans	2,400	1,523	2,400	1,523
Personnel housing loans	-	-	-	-
	<u>7,886</u>	<u>4,503</u>	<u>7,886</u>	<u>4,503</u>
	(167)	(90)	(167)	(90)
Surplusses realised	(143)	(75)	(143)	(75)
Shortfalls recovered	(24)	(14)	(24)	(14)
Sundries	-	(1)	-	(1)
	<u>7,719</u>	<u>4,413</u>	<u>7,719</u>	<u>4,413</u>
Set off against provision - irrecoverable debt (refer note 28.1)	<u>(7,719)</u>	<u>(4,413)</u>	<u>(7,719)</u>	<u>(4,413)</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
31. NOTES TO THE CASH FLOW STATEMENT				
31.1 Cash and cash equivalents				
Cash and cash equivalents consist of cash on hand, demand deposits and high liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk in changes in value.				
Bank balances	490,788	714,950	490,768	714,950
Bank overdraft	-	(1,683)	-	(1,683)
	<u>490,788</u>	<u>713,267</u>	<u>490,768</u>	<u>713,267</u>

SCHEDULE A (continued)

(Notes to cash flow statement continued)		Land Bank Group		Land Bank	
		2000	1999	2000	1999
		R'000	R'000	R'000	R'000
31.2	Cash received from operations				
	Surplus before transfer to reserves	411,674	434,283	375,378	434,283
	Adjusted for:				
	Write down of investment to net realisable value	552		552	-
	Depreciation	5,863	6,126	5,863	6,126
	Surplus on sale of property and equipment	(234)	(114)	(234)	(114)
	Revaluation of property	-	441	-	441
		<u>417,855</u>	<u>440,736</u>	<u>381,559</u>	<u>440,736</u>
	Movement in loans	(33,228)	(1,673,756)	(33,228)	(1,673,756)
	(Increase) in section 34 short-term loans	(22,761)	(380,140)	(22,761)	(380,140)
	Decrease in loans to co-operatives	110,937	21,178	110,937	21,178
	(Increase) in loans to agri-related companies	(40,533)	(12,037)	(40,533)	(12,037)
	Decrease/(Increase) in loans to farmers	279,435	(1,196,571)	279,435	(1,196,571)
	(Increase) in loans to co-operatives	(333,253)	(35,367)	(333,253)	(35,367)
	Decrease in grain-silo loans	-	14	-	14
	(Increase) in instalment sales & flood relief	(8,533)	-	(8,533)	-
	(Increase) in loans to statutory agricultural institutions	(18,520)	(70,833)	(18,520)	(70,833)
	Movement in working capital	(1,071,592)	644,391	(1,018,388)	644,391
	(Increase) in sundry debtors	(39,252)	(41,766)	(30,626)	(41,766)
	Decrease/(Increase) in repurchase agreements	167,783	(351,232)	167,783	(351,232)
	Decrease in other assets	1,702	14,290	41,702	14,290
	Increase in sundry creditors	2,553	111,053	7,131	111,053
	Decrease/(Increase) in repurchase agreements	(1,150,769)	800,354	(1,150,769)	800,354
	(Decrease)/Increase in provisions	(53,609)	111,692	(53,609)	111,692
		<u>(686,965)</u>	<u>(588,629)</u>	<u>(670,057)</u>	<u>(588,629)</u>
31.3	Proceeds on disposal of property and equipment	895	787	895	787
31.4	Additions to property and equipment	(3,971)	(6,858)	(3,971)	(6,858)
	Bank premises	448	-	448	-
	Furniture and fittings, computer equipment and motor vehicles	3,523	6,858	3,523	6,858
31.5	Increase in investments	(43,959)	36,049	(62,656)	36,049
	Medical aid fund	(17,774)	30,982	(17,774)	30,982
	SU management services account	(321)	(14)	(321)	(14)
	Associated company	(1,587)	2,615	(1,587)	2,615
	Standard Corporate Merchant Bank	(42,974)	2,466	(42,974)	2,466
	Listed investments	18,697	-	-	-

SCHEDULE A (continued)

(Notes to cash flow statement continued)		Land Bank Group		Land Bank	
		2000	1999	2000	1999
		R'000	R'000	R'000	R'000
31.6	Increase in long-term funding				
	Debentures	513,826	158,641	513,826	158,641
31.7	(Decrease)/Increase in short-term funding	(1,017,308)	797,665	(1,015,511)	797,665
	Increase in promissory notes	740,141	512,546	740,141	512,546
	(Decrease) in bills payable	(751,500)	(249,000)	(751,500)	(249,000)
	(Decrease) in call bonds	(761,401)	(204,599)	(761,401)	(204,599)
	(Decrease) in deposits	(244,548)	(125,876)	(242,751)	(125,876)
	Decrease in grain-silo loans non-co-operatives	-	(14)	-	(14)
	Increase in floating rate promissory notes	-	662,142	-	662,142
	Increase in zero coupon structured notes	-	202,466	-	202,466
31.8	Increase in medium-term funding	1,014,975	60,874	1,014,975	60,874
	(Decrease)/Increase in medium-term promissory notes	(565,810)	60,874	(565,810)	60,874
	Increase in floating rate promissory notes	1,537,811	-	1,537,811	-
	Increase in zero coupon structured notes	42,974	-	42,974	-

32. CHANGES IN ACCOUNTING POLICIES

During the current year the Land Bank changed its accounting policies to ensure compliance with AC 132 (Consolidated financial statements and subsidiaries). This change results in a restatement of the group's reserves for the current and prior years. The accounting policy for investments of SAVVEM was also changed to ensure that investments are revalued to fair value in line with the Land Bank's accounting policy in this regard.

The results of these changes in accounting policy are detailed in the statement of changes in equity.

32.1 Changes in reserves

	2000	1999	1998
	R'000	R'000	R'000
32.1.1 General reserve			
Opening balance	2,035,758	1,812,146	1,628,742
Transfer to reserve	229,846	226,396	183,404
Change in accounting policy - consolidation	(8,246)	(2,784)	-
	<u>2,257,358</u>	<u>2,035,758</u>	<u>1,812,146</u>

SCHEDULE A (continued)

(Changes in accounting policies continued)

	2000 R'000	1999 R'000	1998 R'000
32.1.2 Insurance fund			
Opening balance	463,432	395,483	336,359
Change in accounting policy			
Fair value of SAVVEM investment	(22,067)	51,343	47,808
SAVVEM consolidation	12,438	3,812	11,316
Allocation of surplus	54,171	12,794	-
	<u>507,974</u>	<u>463,432</u>	<u>395,483</u>

Refer to statements of change in equity, statement 3 for the cumulative effect of change in accounting policies on the opening balances of reserves.

	Land Bank Group		Land Bank	
	2000 R'000	1999 R'000	2000 R'000	1999 R'000
33. FINANCE LEASES				
Minimum lease payments	463	-	463	-
Payable within 1 year	99	-	99	-
1 - 5 years	364	-	364	-
Less interest portion	(267)	-	(267)	-
Present value of lease liability	187	-	187	-
Payable within 1 year	16	-	16	-
1 - 5 years	171	-	171	-
	<u>383</u>	<u>-</u>	<u>383</u>	<u>-</u>

Finance leases are secured over equipment with a book value of R 198 000.

The effective interest rate of the monthly instalments of R8 265 are 3,65% per month.

At 31/12/2000 54 instalments were still outstanding.

34. COMMITMENTS AND CONTINGENT LIABILITIES**34.1 Loans granted but not yet paid out**

Individual farmers	274,240	1,089,068	274,240	1,089,068
Co-operatives	75,950	118,639	75,950	118,639
	<u>350,190</u>	<u>1,207,707</u>	<u>350,190</u>	<u>1,207,707</u>

Although these figures represent the real amount payable, the payment date is not known.

SCHEDULE A (continued)

(Commitments and contingent liabilities continued)	Land Bank Group		Land Bank	
	2000 R'000	1999 R'000	2000 R'000	1999 R'000
34.2 Guarantees in respect of co-operatives	76,147	87,761	76,147	87,761
These are amounts guaranteed in respect of co-operatives but it is unknown when the guarantees will be presented for payment.				
34.3 Secondary market				
Commitments in respect of transactions effected during December 2000, with a settlement date in January 2001.				
34.3.1 Debentures/Stock purchased				
Land Bank debentures				
Nominal value 2000 - R -	-	-	-	-
1999 - R126 million		122,946		122,946
Other institutional stock				
Nominal value 2000 - R 10 million	10,414		10,414	
1999 - R1 075 million		1,082,120		1,082,120
	10,414	1,205,066	10,414	1,205,066
34.3.2 Debentures/Stock sold				
Land Bank debentures				
Nominal value 2000 - R423,5 million	411,533		411,533	
1999 - R539,9 million		514,015		514,015
Other institutional stock				
Nominal value 2000 - R -	-	-	-	-
1999 - R124 million		124,248		124,248
	411,533	638,263	411,533	638,263
34.4 Interest rate swaps				
The Land Bank entered into various interest rate swaps where either the fixed or the floating interest rate is payable by the Land Bank on a predetermined date.				
Amounts reflected are payable or receivable within 3 months. Due to the nature of interest rate swaps, the future floating interest rates cannot be reasonably confirmed to calculate and disclose future interest receivable or payable.				

SCHEDULE A (continued)

(Commitments and contingent liabilities continued)		Land Bank Group		Land Bank	
		2000 R'000	1999 R'000	2000 R'000	1999 R'000
34.4.1	Interest payable				
Fixed					
Nominal value 2000 - R 49 million		-		-	
1999 - R 0,4 million			(5,207)		(5,207)
Floating					
Nominal value 2000 - R 49 million		1,400		1,400	
1999 - R 0,4 million			5,350		5,350
		<u>1,400</u>	<u>143</u>	<u>1,400</u>	<u>143</u>
Floating					
Nominal value 2000 - R200 million		5,544	-	5,544	-
1999 - R200 million		-	5,852	-	5,852
		<u>5,544</u>	<u>5,852</u>	<u>5,544</u>	<u>5,852</u>
34.4.2	Interest receivable				
Fixed					
Nominal value 2000 - R1 201,2 million		(31,356)	(35,385)	(31,356)	(35,385)
1999 - R 1 million					
Receivable		(38,088)	(35,385)	(38,088)	(35,385)
Payable		6,732	-	6,732	-
Floating					
Nominal value 2000 - R1 201,2 million		21,971	28,263	21,971	28,263
1999 - R 1 million					
Receivable		(7,168)	-	(7,168)	-
Payable		29,139	28,263	29,139	28,263
		<u>(9,385)</u>	<u>(7,122)</u>	<u>(9,385)</u>	<u>(7,122)</u>
34.5	Capital projects				
Improvements to head office building		1,585	-	1,585	-
		<u>1,585</u>	<u>-</u>	<u>1,585</u>	<u>-</u>
Completion is expected by 28 February 2001					
34.6	Operating leases and commitments				
Payable within 1 year		1,028	257	1,028	257
1 - 5 years		4,114	946	4,114	946
		<u>5,142</u>	<u>1,203</u>	<u>5,142</u>	<u>1,203</u>
35.	Related parties				
All related party transactions, balances and trading terms are clearly depicted in these financial statements.					

ANNEXURE A

	Land Bank Group		Land Bank	
	2000	1999	2000	1999
	R'000	R'000	R'000	R'000

FUNDING OF THE LOAN BOOKS

In accordance with the Strauss commission report development financing is separated from other financing activities. Although all the bank's financing activities are disclosed in one set of financial statements the following information is provided to indicate how the two loan books are funded. As the undermentioned figures represent only the various loan books and not all the group's assets, the amounts indicated in respect of the financial instruments will not necessarily correlate with the figures provided in the financial statements.

Total loan book	15,214,350	14,969,996	15,214,350	14,969,996
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1. GOLD RANGE

Loan book	14,906,062	14,705,297	14,906,062	14,705,297
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Funded by:

Reserves	2,427,138	2,515,421	2,427,138	2,515,421
Capital fund	200,955	200,955	200,955	200,955
Debentures	3,044,165	2,530,338	3,044,165	2,530,338
Medium-term promissory notes	430,991	996,801	430,991	996,801
Floating rate promissory notes	2,199,953	-	2,199,953	-
Bills	2,029,500	2,781,000	2,029,500	2,781,000
Promissory notes	3,968,187	3,228,046	3,968,187	3,228,046
Call bonds	454,000	1,215,401	454,000	1,215,401
Deposits and credit balances	151,173	1,237,335	151,173	1,237,335
	14,906,062	14,705,297	14,906,062	14,705,297

2. SILVER AND BRONZE RANGE

Loans to farmers	305,441	245,195	305,441	245,195
Loans to agri-related companies	1,914	19,483	1,914	19,483
Instalment sale finance	485	-	485	-
Emergency flood relief	106	-	106	-
Commercial bank (step up loans)	342	21	342	21
	308,288	264,699	308,288	264,699
Funded by reserves	308,288	264,699	308,288	264,699

ANNEXURE B

		Land Bank Group		Land Bank	
		2000	1999	2000	1999
		R'000	R'000	R'000	R'000
1.	FUNDING PORTFOLIO				
	MATURITY AND PORTFOLIO ANALYSIS				
1.1	DEBENTURES				
	(Nominal value)				
	From 1 year to 3 years				
	LB 06 12,50% 15/05/2002	<u>2,007,085</u>	<u>1,803,640</u>	<u>2,007,085</u>	<u>1,803,640</u>
	More than 3 years				
	LB01 11,50% 30/06/2010	<u>1,810,393</u>	<u>1,609,193</u>	<u>1,810,393</u>	<u>1,609,193</u>
1.2	HEDGING PORTFOLIO				
	(Nominal value)				
	From 1 year to 3 years				
	Government stock	-	10,000	-	10,000
	Transnet stock	<u>75,000</u>	<u>280,000</u>	<u>75,000</u>	<u>280,000</u>
		<u>75,000</u>	<u>290,000</u>	<u>75,000</u>	<u>290,000</u>
	More than 3 years				
	Development bank stock	<u>139,000</u>	<u>34,000</u>	<u>139,000</u>	<u>34,000</u>
	Government stock	<u>212,000</u>	<u>278,000</u>	<u>212,000</u>	<u>278,000</u>
		<u>351,000</u>	<u>312,000</u>	<u>351,000</u>	<u>312,000</u>
1.3	OPTIONS				
	(Nominal value)				
	Within 6 months				
	Total calls bought	<u>25,000</u>	<u>65,000</u>	<u>25,000</u>	<u>65,000</u>
	Total calls written	<u>95,000</u>	<u>-</u>	<u>95,000</u>	<u>-</u>
	Total puts written	<u>-</u>	<u>525,000</u>	<u>-</u>	<u>525,000</u>
	From 6 months to 18 months				
	Total calls written	<u>-</u>	<u>230,000</u>	<u>-</u>	<u>230,000</u>
	Total puts written	<u>495,000</u>	<u>300,000</u>	<u>495,000</u>	<u>300,000</u>
1.4	MEDIUM-TERM PROMISSORY NOTES				
	(Nominal value)				
	Within 1 year	<u>43,347</u>	<u>826,111</u>	<u>43,347</u>	<u>826,111</u>
	From 1 year to 3 years	<u>332,604</u>	<u>261,422</u>	<u>332,604</u>	<u>261,422</u>
	More than 3 years	<u>292,034</u>	<u>144,000</u>	<u>292,034</u>	<u>144,000</u>
		<u>667,985</u>	<u>1,231,533</u>	<u>667,985</u>	<u>1,231,533</u>
1.5	PROMISSORY NOTES				
	(Nominal value)				
	Within 3 months	<u>2,912,017</u>	<u>2,432,500</u>	<u>2,912,017</u>	<u>2,432,500</u>
	From 3 to 6 months	<u>1,056,170</u>	<u>795,546</u>	<u>1,056,170</u>	<u>795,546</u>
		<u>3,968,187</u>	<u>3,228,046</u>	<u>3,968,187</u>	<u>3,228,046</u>

		ANNEXURE B (continued)			
(Funding portfolio continued)		Land Bank Group		Land Bank	
		2000	1999	2000	1999
		R'000	R'000	R'000	R'000
1.6	BILLS (Nominal value) Within 91 days	<u>2,029,500</u>	<u>2,781,000</u>	<u>2,029,500</u>	<u>2,781,000</u>
1.7	CALL BONDS (Nominal value) At call	<u>454,000</u>	<u>1,215,401</u>	<u>454,000</u>	<u>1,215,401</u>
1.8	FLOATING RATE PROMISSORY NOTES (Nominal value) Within 3 months From 1 year to 3 years More than 3 years	<u>1,661,335</u> <u>440,000</u> <u>100,000</u> <u>2,201,335</u>	<u>460,000</u> <u>202,142</u> <u>-</u> <u>662,142</u>	<u>1,661,335</u> <u>440,000</u> <u>100,000</u> <u>2,201,335</u>	<u>460,000</u> <u>202,142</u> <u>-</u> <u>662,142</u>
1.9	ZERO COUPON STRUCTURED NOTES (Nominal value) More than 3 years	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>
1.10	SWAPS (Nominal value) Within 1 year From 1 year to 3 years More than 3 years	<u>107,209</u> <u>-</u> <u>1,343,053</u> <u>1,450,262</u>	<u>400,000</u> <u>1,000,000</u> <u>200,000</u> <u>1,600,000</u>	<u>107,209</u> <u>-</u> <u>1,343,053</u> <u>1,450,262</u>	<u>400,000</u> <u>1,000,000</u> <u>200,000</u> <u>1,600,000</u>
2.	LOAN PORTFOLIO				
2.1	LOANS TO FARMERS				
2.1.1.	SECTORIAL ANALYSIS				
	Details of the total loan book are not available but information regarding loans granted during the respective years is provided.				
	Long-term (Gold range)				
	Purchase of land	754,673	711,712	754,673	711,712
	Repayment of bonds	773,212	626,559	773,212	626,559
	Settlement of debts	715,639	621,739	715,639	621,739
	Purchase of stock	10,200	10,141	10,200	10,141
	Purchase of equipment	3,614	3,226	3,614	3,226
	Improvements	25,357	20,228	25,357	20,228
	Working capital	345	200	345	200
		<u>2,283,040</u>	<u>1,993,805</u>	<u>2,283,040</u>	<u>1,993,805</u>

ANNEXURE B (continued)

(Loan portfolio continued)	Land Bank Group		Land Bank	
	2000 R'000	1999 R'000	2000 R'000	1999 R'000
(Silver range)				
Purchase of land	<u>4,254</u>	<u>8,268</u>	<u>4,254</u>	<u>8,268</u>
Section 34 medium-term loans (Gold range)				
Purchase of livestock	276,994	250,418	276,994	250,418
Purchase of implements	<u>203,097</u>	<u>205,026</u>	<u>203,097</u>	<u>205,026</u>
	<u>480,091</u>	<u>455,444</u>	<u>480,091</u>	<u>455,444</u>
Section 34 medium-term loans (Silver and bronze range)				
Purchase of livestock and implements	<u>93,372</u>	<u>85,324</u>	<u>93,372</u>	<u>85,324</u>
Section 34 short-term loans (Gold range)				
Sector				
Wine	170,769	170,622	170,769	170,622
Deciduous fruit	164,056	298,203	164,056	298,203
Sugar cane	13,282	38,803	13,282	38,803
Citrus	10,968	55,450	10,968	55,450
Nuts	663	587	663	587
Hops	-	3,070	-	3,070
Wood	315	5,185	315	5,185
Battening	6,298	19,681	6,298	19,681
Tropical fruit	6,646	22,964	6,646	22,964
Ostriches	417	2,300	417	2,300
Poultry	971	4,956	971	4,956
Herbs	-	4,332	-	4,332
Green houses	11,846	10,706	11,846	10,706
Grain	66,822	191,143	66,822	191,143
Processing	4,435	25,554	4,435	25,554
Vegetables	<u>24,237</u>	<u>56,612</u>	<u>24,237</u>	<u>56,612</u>
	<u>481,725</u>	<u>910,168</u>	<u>481,725</u>	<u>910,168</u>
Section 34 short-term loans (Silver and bronze range)				
Production credit	6,802	23,651	6,802	23,651
Establishment	<u>144</u>	<u>2,447</u>	<u>144</u>	<u>2,447</u>
	<u>6,946</u>	<u>26,098</u>	<u>6,946</u>	<u>26,098</u>
Step up loans				
Micro financing	<u>21,842</u>	<u>11,165</u>	<u>21,842</u>	<u>11,165</u>
	<u>28,788</u>	<u>37,263</u>	<u>28,788</u>	<u>37,263</u>

ANNEXURE B (continued)

(Loan portfolio continued)		Land Bank Group		Land Bank	
		2000	1999	2000	1999
		R'000	R'000	R'000	R'000
2.1.2	MATURITY ANALYSIS				
Long-term loans					
(Gold range)					
Within 5 years	257,710	191,993	257,710	191,993	
From 5 years to 10 years	907,414	1,005,686	907,414	1,005,686	
From 10 years to 15 years	1,121,114	1,258,327	1,121,114	1,258,327	
From 15 years to 20 years	2,146,431	2,144,971	2,146,431	2,144,971	
More than 20 years	1,791,547	1,710,413	1,791,547	1,710,413	
	<u>6,224,216</u>	<u>6,311,390</u>	<u>6,224,216</u>	<u>6,311,390</u>	
(Silver range)					
More than 20 years	<u>29,885</u>	<u>5,398</u>	<u>29,885</u>	<u>5,398</u>	
Section 34 medium-term loans					
(Gold range)					
Within 1 year	29,984	21,593	29,984	21,593	
From 1 year to 5 years	451,856	402,788	451,856	402,788	
From 5 years to 10 years	1,000,446	1,079,494	1,000,446	1,079,494	
More than 10 years	106,282	240,055	106,282	240,055	
	<u>1,588,568</u>	<u>1,743,930</u>	<u>1,588,568</u>	<u>1,743,930</u>	
Section 34 medium-term loans					
(Silver and bronze range)					
From 1 year to 5 years	38,604	21,166	38,604	21,166	
From 5 years to 10 years	153,118	132,933	153,118	132,933	
More than 10 years	9,689	25,371	9,689	25,371	
	<u>201,411</u>	<u>179,470</u>	<u>201,411</u>	<u>179,470</u>	
Section 34 short-term loans					
(Gold range)					
Within 1 year	947,454	985,276	947,454	985,276	
More than 1 year	524,741	447,923	524,741	447,923	
	<u>1,472,195</u>	<u>1,433,199</u>	<u>1,472,195</u>	<u>1,433,199</u>	
Section 34 short-term loans					
(Silver and bronze range)					
Within 1 year	33,087	28,503	33,087	28,503	
More than 1 year	19,558	20,660	19,558	20,660	
	<u>52,645</u>	<u>49,163</u>	<u>52,645</u>	<u>49,163</u>	

The maturity analysis is based on the remaining period from year-end to contractual maturity.

ANNEXURE B (continued)

(Loan portfolio continued)

Land Bank Group

Land Bank

2000
R'0001999
R'0002000
R'0001999
R'000

2.1.3 GEOGRAPHICAL ANALYSIS

Long-term loans

(Gold range)

Province

Eastern Cape	871,220	1,091,783	871,220	1,091,783
Free State	917,175	965,626	917,175	965,626
Gauteng	225,685	70,427	225,685	70,427
Kwa-Zulu Natal	722,399	726,631	722,399	726,631
Mpumalanga	467,916	555,905	467,916	555,905
Northern Cape	450,118	722,406	450,118	722,406
Northern Province	449,377	470,365	449,377	470,365
North West	881,879	689,143	881,879	689,143
Western Cape	1,238,447	1,019,104	1,238,447	1,019,104
	<u>6,224,216</u>	<u>6,311,390</u>	<u>6,224,216</u>	<u>6,311,390</u>

(Silver and bronze range)

Province

Eastern Cape	1,836	1,234	1,836	1,234
Free State	485	212	485	212
Gauteng	1,515	119	1,515	119
Kwa-Zulu Natal	6,476	133	6,476	133
Mpumalanga	693	1,122	693	1,122
Northern Cape	654	646	654	646
Northern Province	8,003	224	8,003	224
North West	1,336	1,272	1,336	1,272
Western Cape	8,887	436	8,887	436
	<u>29,885</u>	<u>5,398</u>	<u>29,885</u>	<u>5,398</u>

Section 34 medium-term loans

(Gold range)

Province

Eastern Cape	136,213	202,212	136,213	202,212
Free State	314,415	362,201	314,415	362,201
Gauteng	107,520	58,072	107,520	58,072
Kwa-Zulu Natal	107,775	114,186	107,775	114,186
Mpumalanga	146,732	173,977	146,732	173,977
Northern Cape	75,376	158,340	75,376	158,340
Northern Province	199,197	220,718	199,197	220,718
North West	347,462	298,418	347,462	298,418
Western Cape	153,878	155,806	153,878	155,806
	<u>1,588,568</u>	<u>1,743,930</u>	<u>1,588,568</u>	<u>1,743,930</u>

ANNEXURE B (continued)

(Loan portfolio continued)	Land Bank Group		Land Bank	
	2000 R'000	1999 R'000	2000 R'000	1999 R'000
Section 34 medium-term loans				
(Silver and bronze range)				
Province				
Eastern Cape	27,697	25,573	27,697	25,573
Free State	14,039	14,356	14,039	14,356
Gauteng	4,379	3,400	4,379	3,400
Kwa-Zulu Natal	5,550	4,856	5,550	4,856
Mpumalanga	7,880	6,672	7,880	6,672
Northern Cape	7,317	34,849	7,317	34,849
Northern Province	42,001	35,123	42,001	35,123
North West	88,607	52,867	88,607	52,867
Western Cape	3,941	1,774	3,941	1,774
	<u>201,411</u>	<u>179,470</u>	<u>201,411</u>	<u>179,470</u>
Section 34 short-term loans				
(Gold range)				
Province				
Eastern Cape	74,397	174,618	74,397	174,618
Free State	105,056	101,217	105,056	101,217
Gauteng	28,327	12,495	28,327	12,495
Kwa-Zulu Natal	130,274	136,715	130,274	136,715
Mpumalanga	158,656	143,902	158,656	143,902
Northern Cape	171,396	153,131	171,396	153,131
Northern Province	97,644	86,600	97,644	86,600
North West	162,708	145,803	162,708	145,803
Western Cape	543,737	478,718	543,737	478,718
	<u>1,472,195</u>	<u>1,433,199</u>	<u>1,472,195</u>	<u>1,433,199</u>
(Silver and bronze range)				
Province				
Eastern Cape	1,314	1,159	1,314	1,159
Free State	1,230	2,429	1,230	2,429
Gauteng	2,967	720	2,967	720
Kwa-Zulu Natal	15,097	12,904	15,097	12,904
Mpumalanga	3,729	1,262	3,729	1,262
Northern Cape	724	8,689	724	8,689
Northern Province	16,719	14,286	16,719	14,286
North West	10,046	7,055	10,046	7,055
Western Cape	819	659	819	659
	<u>52,645</u>	<u>49,163</u>	<u>52,645</u>	<u>49,163</u>

ANNEXURE B (continued)

		Land Bank Group		Land Bank	
		2000	1999	2000	1999
		R'000	R'000	R'000	R'000
2.2	LOANS TO CO-OPERATIVES AND STATUTORY AGRICULTURAL INSTITUTIONS				
2.2.1	SECTORIAL ANALYSIS				
	Including loans to:				
	Co-operatives (note 5)	5,188,469	4,863,030	5,188,469	4,863,030
	Statutory agricultural institutions (note 6)	319,733	301,213	319,733	301,213
		<u>5,508,202</u>	<u>5,164,243</u>	<u>5,508,202</u>	<u>5,164,243</u>
	Sector				
	Citrus	136,013	71,842	136,013	71,842
	Dairy	76,925	47,742	76,925	47,742
	Fruit	323,988	13,326	323,988	13,326
	Grain	3,155,767	3,115,428	3,155,767	3,115,428
	Irrigation boards	319,733	301,213	319,733	301,213
	Manufacture	53,867	108,154	53,867	108,154
	Meat	303,595	211,031	303,595	211,031
	Ostriches	52,595	2,253	52,595	2,253
	Tobacco	122,879	81,935	122,879	81,935
	Trade	318,607	196,805	318,607	196,805
	Wine	337,509	343,847	337,509	343,847
	Sundries	306,724	670,667	306,724	670,667
		<u>5,508,202</u>	<u>5,164,243</u>	<u>5,508,202</u>	<u>5,164,243</u>
2.2.2	MATURITY ANALYSIS				
	Long-term mortgage loans				
	Within 5 years	82,497	61,774	82,497	61,774
	From 5 years to 10 years	300,828	404,729	300,828	404,729
	More than 10 years	377,185	386,424	377,185	386,424
		<u>760,510</u>	<u>852,927</u>	<u>760,510</u>	<u>852,927</u>
	Short-term cash credits				
	Within 1 year	4,606,392	3,281,973	4,606,392	3,281,973
	More than 1 year	141,300	1,029,343	141,300	1,029,343
		<u>4,747,692</u>	<u>4,311,316</u>	<u>4,747,692</u>	<u>4,311,316</u>
2.2.3	GEOGRAPHICAL ANALYSIS				
	Province				
	Eastern Cape	327,366	282,168	327,366	282,168
	Free State	98,916	225,364	98,916	225,364
	Gauteng	353,775	300,167	353,775	300,167
	Kwa-Zulu Natal	508,745	407,761	508,745	407,761
	Mpumalanga	198,107	178,380	198,107	178,380
	Northern Cape	1,217,165	440,771	1,217,165	440,771
	Northern Province	864,488	330,137	864,488	330,137
	North West	437,762	1,811,130	437,762	1,811,130
	Western Cape	1,501,878	1,188,365	1,501,878	1,188,365
		<u>5,508,202</u>	<u>5,164,243</u>	<u>5,508,202</u>	<u>5,164,243</u>

ANNEXURE B (continued)

		Land Bank Group		Land Bank	
		2000	1999	2000	1999
		R'000	R'000	R'000	R'000
2.3	LOANS TO AGRI-RELATED COMPANIES				
2.3.1	SECTORIAL ANALYSIS				
	Long-term				
	(Gold range)				
	Repayment of bonds	7,719	-	7,719	-
	Purchase of equipment	2,888	2,536	2,888	2,536
	Improvements	4,844	2,536	4,844	2,536
	Working capital	6,248	3,756	6,248	3,756
		<u>21,699</u>	<u>8,828</u>	<u>21,699</u>	<u>8,828</u>
	Section 34 medium-term loans				
	(Gold range)				
	Purchase of equipment	323	-	323	-
	Improvements	10,620	10,630	10,620	10,630
		<u>10,943</u>	<u>10,630</u>	<u>10,943</u>	<u>10,630</u>
	Section 34 short-term loans				
	(Gold range)				
	Processing	736	-	736	-
	Spices	8,224	-	8,224	-
	Dairy	61	-	61	-
	Animal feeds	3,516	-	3,516	-
	Transport	420	-	420	-
		<u>12,957</u>	<u>-</u>	<u>12,957</u>	<u>-</u>
2.3.2	MATURITY ANALYSIS				
	Long-term loans				
	(Gold range)				
	From 5 years to 10 years	12,346	3,757	12,346	3,757
	From 10 years to 15 years	5,777	5,071	5,777	5,071
	From 15 years to 20 years	21,587	18,890	21,587	18,890
		<u>39,710</u>	<u>27,718</u>	<u>39,710</u>	<u>27,718</u>
	Section 34 medium-term loans				
	(Gold range)				
	From 1 year to 5 years	11,679	-	11,679	-
		<u>11,679</u>	<u>-</u>	<u>11,679</u>	<u>-</u>

ANNEXURE B (continued)

(Loans to agri-related companies continued)

	Land Bank Group		Land Bank	
	2000	1999	2000	1999
	R'000	R'000	R'000	R'000
Section 34 short-term loans				
(Gold range)				
Within 1 year	49,440	42,561	49,440	42,561
More than 1 year	3,936	-	3,936	-
	<u>53,376</u>	<u>42,561</u>	<u>53,376</u>	<u>42,561</u>

Section 34 short-term loans
(Silver and bronze range)

Within 1 year	<u>1,727</u>	<u>1,271</u>	<u>1,727</u>	<u>1,271</u>
	<u>1,727</u>	<u>1,271</u>	<u>1,727</u>	<u>1,271</u>

The maturity analysis is based on the remaining period from year end to contractual maturity

2.3.3 GEOGRAPHICAL ANALYSIS

Long-term loans

(Gold range)

Province

Gauteng	20,512	10,523	20,512	10,523
Kwa-Zulu Natal	1,000	-	1,000	-
Northern Province	18,198	17,195	18,198	17,195
	<u>39,710</u>	<u>27,718</u>	<u>39,710</u>	<u>27,718</u>

Section 34 medium-term loans

(Gold range)

Province

Kwa-Zulu Natal	121	-	121	-
North West	202	-	202	-
Western Cape	11,356	-	11,356	-
	<u>11,679</u>	<u>-</u>	<u>11,679</u>	<u>-</u>

Section 34 short-term loans

(Gold range)

Province

Eastern Cape	24,361	16,555	24,361	16,555
Gauteng	61	-	61	-
Kwa-Zulu Natal	420	-	420	-
Northern Province	28,534	26,006	28,534	26,006
	<u>53,376</u>	<u>42,561</u>	<u>53,376</u>	<u>42,561</u>

(Silver and bronze range)

Province

Northern Province	<u>1,727</u>	<u>1,271</u>	<u>1,727</u>	<u>1,271</u>
	<u>1,727</u>	<u>1,271</u>	<u>1,727</u>	<u>1,271</u>

ANNEXURE B. (continued)

(Loans to agri-related companies continued)

	Land Bank Group		Land Bank	
	2000 R'000	1999 R'000	2000 R'000	1999 R'000
Step-up loans				
Information regarding maturity and sectorial analysis is currently not available.				
Province				
Eastern Cape	3,552	1,753	3,552	1,753
Free State	2,452	1,375	2,452	1,375
Gauteng	3,398	1,269	3,398	1,269
Kwa-Zulu Natal	2,077	1,026	2,077	1,026
Mpumalanga	2,164	1,190	2,164	1,190
Northern Cape	1,621	1,073	1,621	1,073
Northern Province	2,598	1,499	2,598	1,499
North West	2,028	956	2,028	956
Western Cape	1,951	1,024	1,951	1,024
	<u>21,841</u>	<u>11,165</u>	<u>21,841</u>	<u>11,165</u>

2.4 INSTALMENT SALE MEDIUM-TERM LOANS

2.4.1 SECTORIAL ANALYSIS

Section 34 medium-term loans
(Gold range)

Purchase of implements	4,632	-	4,632	-
	<u>4,632</u>	<u>-</u>	<u>4,632</u>	<u>-</u>

Section 34 medium-term loans
(Silver and bronze range)

Purchase of implements	485	-	485	-
	<u>485</u>	<u>-</u>	<u>485</u>	<u>-</u>

2.4.2 MATURITY ANALYSIS

Section 34 medium-term loans
(Gold range)

From 1 year to 5 years	3,220	-	3,220	-
From 5 years to 10 years	1,412	-	1,412	-
	<u>4,632</u>	<u>-</u>	<u>4,632</u>	<u>-</u>

ANNEXURE B (continued)

(Instalment sale medium-term
loans continued)

Land Bank Group

2000
R'0001999
R'000

Land Bank

2000
R'0001999
R'000Section 34 medium-term loans
(Silver and bronze range)

From 1 year to 5 years

320

-

320

-

From 5 years to 10 years

165

-

165

-

485

-

485

-

The maturity analysis is based on the
remaining period from year end to
contractual maturity

2.4.3

GEOGRAPHICAL ANALYSIS

Section 34 medium-term loans

(Gold range)

Province

Eastern Cape

97

-

97

-

Free State

1,496

-

1,496

-

Gauteng

830

-

830

-

Kwa-Zulu Natal

248

-

248

-

Mpumalanga

187

-

187

-

Northern Cape

319

-

319

-

Northern Province

96

-

96

-

North West

281

-

281

-

Western Cape

1,078

-

1,078

-

4,632

-

4,632

-

(Silver and bronze range)

Province

Eastern Cape

266

-

266

-

Northern Province

127

-

127

-

North West

92

-

92

-

485

-

485

-

2.5

EMERGENCY FLOOD RELIEF

2.5.1

SECTORIAL ANALYSIS

Long-term

(Gold range)

Flood damage

2,469

-

2,469

-

Purchase of implements

616

-

616

-

3,085

-

3,085

-

Medium-term loans

(Gold range)

Flood damage

38

-

38

-

Purchase of implements

28

-

28

-

66

-

66

-

ANNEXURE B (continued)

(Emergency flood relief continued)

	Land Bank Group		Land Bank	
	2000	1999	2000	1999
	R'000	R'000	R'000	R'000

Short-term loans

(Gold range)

Flood damage	313	-	313	-
Purchase of implements	86	-	86	-
	<u>399</u>	<u>-</u>	<u>399</u>	<u>-</u>

Short-term loans

(Silver and bronze range)

Flood damage	40	-	40	-
	<u>40</u>	<u>-</u>	<u>40</u>	<u>-</u>

2.5.2 MATURITY ANALYSIS**Medium-term loans**

(Gold range)

From 1 year to 5 years	808	-	808	-
From 5 years to 10 years	2,277	-	2,277	-
	<u>3,085</u>	<u>-</u>	<u>3,085</u>	<u>-</u>

Medium-term loans

(Silver and bronze range)

From 1 year to 5 years	59	-	59	-
From 5 years to 10 years	7	-	7	-
	<u>66</u>	<u>-</u>	<u>66</u>	<u>-</u>

Short-term loans

(Gold range)

Within 1 year	139	-	139	-
From 1 year to 5 years	187	-	187	-
From 5 years to 10 years	73	-	73	-
	<u>399</u>	<u>-</u>	<u>399</u>	<u>-</u>

Short-term loans

(Silver and bronze range)

From 1 year to 5 years	40	-	40	-
	<u>40</u>	<u>-</u>	<u>40</u>	<u>-</u>

The maturity analysis is based on the remaining period from year end to contractual maturity

ANNEXURE B (continued)

(Emergency flood relief continued)

Land Bank Group

2000

R'000

1999

R'000

Land Bank

2000

R'000

1999

R'000

2.5.3 GEOGRAPHICAL ANALYSIS

Medium-term loans

(Gold range)

Province

Gauteng

238

-

238

-

Mpumalanga

146

-

146

-

Northern Province

2,179

-

2,179

-

North West

522

-

522

-

3,085

-

3,085

-

(Silver and bronze range)

Province

Mpumalanga

25

-

25

-

Northern Province

41

-

41

-

66

-

66

-

Short-term loans

(Gold range)

Province

Gauteng

74

-

74

-

Mpumalanga

73

-

73

-

Northern Province

252

-

252

-

399

-

399

-

(Silver and bronze range)

Province

Northern Province

40

-

40

-

40

-

40

-

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