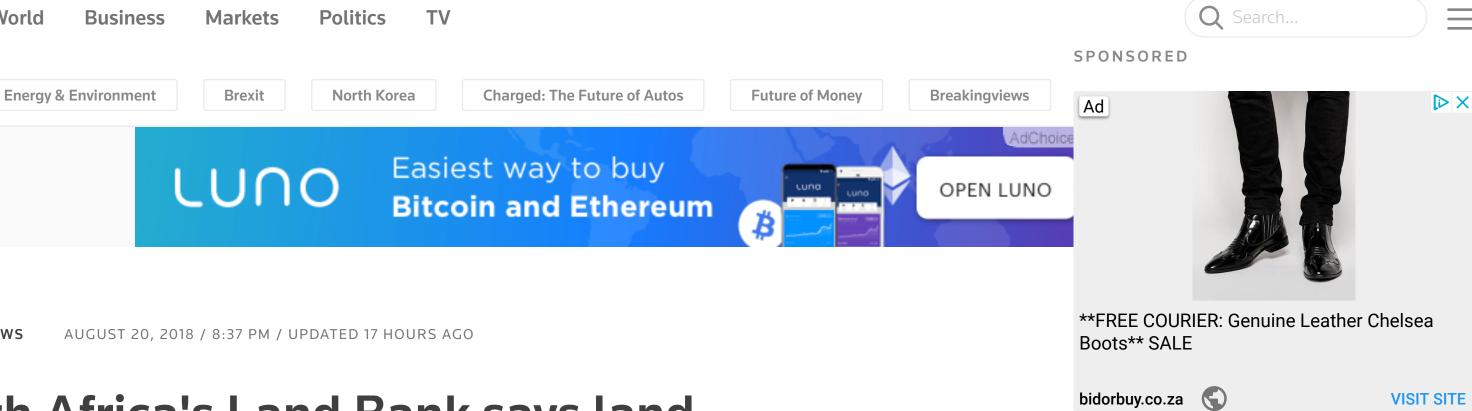
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3 MIN READ

South Africa's Land Bank says land expropriation could trigger default

JOHANNESBURG (Reuters) - South Africa's state-owned Land Bank said on Monday a plan to allow the state to seize land without compensation could trigger defaults that could cost the government 41 billion rand (\$2.8 billion) if the bank's rights as a creditor are not protected.

Land Bank is a specialist bank providing financial services to the commercial farming sector and other agricultural businesses.

President Cyril Ramaphosa announced on Aug. 1 that the ruling African National Congress (ANC) is forging ahead with plans to change the constitution to allow the expropriation of land without compensation, as whites still own most of South Africa's land more than two decades after the end of apartheid.

Land Bank Chairman Arthur Moloto said in the company's 2018 annual report that the bank has approximately 9 billion rand of debt, which includes a standard market clause on "expropriation" as an event of default.

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protection of the bank's rights as a creditor, it would be required to repay 9 billion rand immediately. "A cross default clause would be triggered should we fail to pay when these debts fall

Moloto said if expropriation without compensation were to materialize without

said. "This would make our entire 41 billion rand funding portfolio due and payable

immediately, which we would not be able to settle. Consequently, government

intervention would be required to settle our lenders."

security or economic growth.

due because of inadequate liquidity or lack of alternative sources of funding," Moloto

Moloto said the bank was generally funded by the local debt and capital markets, and more recently international multilateral institutions such as the African Development Bank and World Bank.

"A poorly executed expropriation without compensation could result in the main

Bank in particular, or agriculture in general," he said. Some investors are concerned that the ANC's reforms will result in white farmers being stripped of land to the detriment of the economy, as happened in Zimbabwe, although

sources of funding drying up as investors might not be willing to continue funding Land

Speaking at a farmers' conference on Monday, Ramaphosa said land reform was necessary to "correct a past wrong".

"It has required that we confront the injustices of the past, acknowledge our

President Ramaphosa has repeatedly said any changes will not compromise food

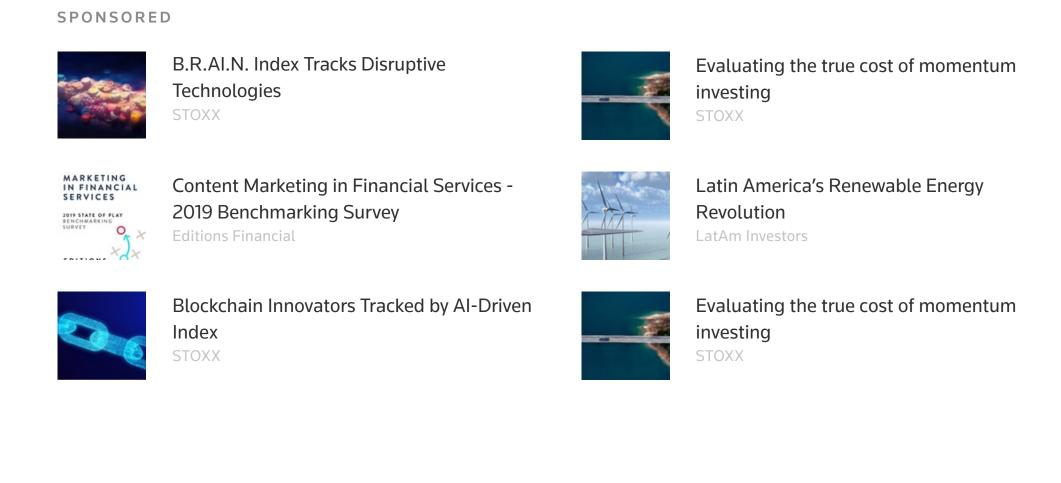
future," Ramaphosa said. "This is the time for South Africans to find each other, not fight each other."

Since the end of apartheid in 1994, the ANC has followed a "willing-seller, willing-

weaknesses and shortcomings, and seek a sustainable path towards a just and inclusive

buyer" model under which the government buys white-owned farms for redistribution

to blacks. Progress has been slow. Reporting by Olivia Kumwenda-Mtambo; editing by David Evans Our Standards: <u>The Thomson Reuters Trust Principles.</u>



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Stanley White, Tetsushi Kajimoto

Kyodo News agency reported on Tuesday.

AUGUST 21, 2018 / 10:59 AM / UPDATED 2 HOURS AGO

sign of warming ties - Kyodo

2 MIN READ TOKYO (Reuters) - Japan and China are in talks to resume a currency swap

arrangement between their central banks worth about 3 trillion yen (£21.3 billion),

Japan, China seek to restart FX swap line in



A Japanese finance ministry official confirmed the two sides were in talks but said the amount had not been decided yet.

territorial disputes and tensions over Japan's wartime history.

expire in September 2013 amid a low point in Sino-Japanese relations.

Chinese Premier Li Keqiang flagged the proposed resumption of the swap agreement with Japan in May.

Previously, Japan and China had a smaller currency swap in place, but it was allowed to

The Kyodo report said a deal would be announced at a financial dialogue to be held in Beijing this month, but the Japanese finance ministry official said it was more likely that it would come at an upcoming Japan-China summit.

Tokyo is trying to arrange a meeting between Prime Minister Shinzo Abe and Chinese President Xi Jinping in October and wants to use the renewed swap agreement as a

symbol of cooperation, Kyodo said, without citing sources. The People's Bank of China did not immediately respond to a faxed request for

comment. In case of financial turmoil, the swap could act as a safety net by providing yuan to

Japanese banks operating in China and yen to Chinese businesses.

The swap was originally launched in March 2002 as part of multilateral currency swap lines known as the Chiang Mai Initiative, which was established in response to the

Additional reporting by Beijing Newsroom; Editing by Sam Holmes and Kim Coghill

Asian financial crisis in the late 1990s.

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All quotes delayed a minimum of 15 minutes. See here for a complete list of exchanges and delays.

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