

Land Bank shows promising turnaround signs, but faces long road to recovery

By [Ray Mahlaka](#)

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Has the Land Bank finally turned a corner? Possibly.



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

The state-owned company, which provides loans to established and emerging farmers, is profitable again after being on a money-losing streak for two years since 2020. The Land Bank pencilled in a profit of R1.39bn for the year to 31 March 2022, from a loss of R711m in 2021, and a loss of R905m in the previous year.

The Land Bank's latest profits were largely driven by crafty but legitimate accounting practices. The Land Bank quickly wrote off soured loans of farmers to ensure that manageable and not large losses were recorded — an exercise that contributed to about 93% of its profits. Also boosting its profits were gains or income it received on its investments and the reduction of company expenses, mainly managing its loan book worth more than R20-billion internally rather than paying fees for someone else to do so.

Read the original article on [Daily Maverick](#).

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