

ABSIP crowns Ms Mthethwa CEO of the Decade

The CEO of the National Empowerment Fund (NEF), Ms Philisiwe Mthethwa, who has led the growth of the development financier into a high-performing organization, was recognised on the evening of the 11th of October 2019 as a gamechanger and as the 2019 CEO of the Decade by the Association of Black Securities and Investment Professionals (ABSIP) at its Awards Gala Dinner at the Sandton Convention Centre.

Among past recipients of the CEO of the Decade award are the likes of Mr Sim Tshabalala (CEO of Standard Bank), Mr Geoffrey Qhena (former CEO of the Industrial Development Corporation) and Mr Phakamani Radebe (past CEO of Eskom and of Corporate and Investment Banking at Barclays Africa). This year marks the first time that the award was conferred on a woman CEO.

On the forefront of a mission

“The ABSIP Awards are a significant annual event on the national transformation calendar. They are an opportunity for the nation to recognise and celebrate leaders who are

at the height of the financial services. Given the scale and depth of South Africa’s problems, the financial services sector should do more to contribute to transformation, growth and development, invest in job intensive sectors, SME financing, cooperative financing, infrastructure and agriculture financing, and other sectors, thus locating the financial services sector at the centre of the strategy for economic growth and poverty alleviation. It is for this reason that we respect and celebrate those who are at the forefront of this historic mission, and Ms Mthethwa is one of South Africa’s finest in this quest,” says ABSIP President, Mr Sibongiseni Mbatha.



Ms Mthethwa receiving the award from Deputy Minister Masondo, ARM executive Mr Thando Mkatshana and ABSIP President Mr Mbatha

Speaking at the event, the Deputy Minister of Finance and ABSIP Patron, Dr David Masondo, said: “I am pleased to be here with you and I want to first of all congratulate the award recipients today. You are an inspiration not only to us here, but also to up-and-coming prospective professionals in the industry. You are a shining light for all of us, and we are very proud of you and wish you the very best in your future endeavors.”

ABSIP crowns Ms Mthethwa CEO of the Decade *...continued.*

Tribute to a journey

In her acceptance remarks Ms Mthethwa said “when such a momentous accolade is bestowed it cannot be for the celebration of one individual. It is an acknowledgment to the passage of time. It is a tribute to a journey, to a village, to a community that sculptors every sinew of your being. I stand here tonight as a product of many, as a servant of the NEF, which is the midwife of hope for black entrepreneurs. This is a development financier that has achieved clean



external audits for the past 16 years in an unbroken record of good governance and pristine financial management acumen. This we have done because the standards that we set for ourselves are the same that we hold our investees to”.

Added Dr Masondo: “It is true that accessing credit through formal financial institutions is a challenge for entrepreneurs who have little collateral or have no proven creditworthiness and therefore a higher-risk profile. We identified that there is a large need for patient capital – with longer dated tenors, lower risk adjusted returns, and higher loan loss tolerance levels and perhaps sculpted amortization schedules.



In addition to the need for ‘patient capital’ there is also the need for higher-risk appetite. As Government does its part in ensuring that regulation is effective, the private sector must also ensure that benefits are shared widely. The benefits of growth must also be passed on to consumers and not only shareholders”.

Under Ms Mthethwa’s stewardship the NEF, whose mandate is to bridge the economic divide by growing black economic participation across the country, has achieved various milestones since operational inception in 2005.



“Having received only R2.4 billion from government in 2005, the NEF has since grown its Net Asset Value to R4.48 billion as at July 2019. Among its many strides has been the approval of close to R10 billion for 1000 black entrepreneurs, who in turn have supported well over 99 000 jobs countrywide. 79% of these entities are still active as a result of the NEF’s vibrant mentorship programme. As a partner trusted by many, over the years the NEF has leveraged third-party funding of R8.8 billion from commercial banks and other DFIs to champion the cause of growing black economic participation across all sectors of the economy,” explains Ms Mthethwa.

Supporting industrialisation

She says the NEF was among the first to implement the black industrialist programme, “having supported the emergence of strategic and industrial projects worth R14 billion, so that our country may manufacture products locally, export them to grow revenue for the country, and to maximise the development of additional sustainable jobs estimated at 86 500 once all the projects have reached financial close”.

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“The obligation that we have is to ensure that when we depart, we do not leave the place as we found it. The obligation that we have, whether in management or in boards, is to ensure that we advance employment equity, preferential procurement, social development, black supplier development, as well as black ownership and control. We must remain forever engaged on the philosophy, the strategy and objective of black ownership and control as the primary instrument for the transformation and growth of our society and our economy”.

The event was funded by African Rainbow Minerals as the platinum sponsor and was attended by close to 1000 professionals from across the spectrum of the financial services sector.

Other ABSIP awardees and gamechangers

Also crowned on the night was Woman of the Year, Ms Mary Vilakazi, a chartered accountant. Ms Vilakazi was appointed FirstRand’s first female executive director and Chief Operating Officer and is one of the most powerful women within the South African banking industry.



Ms Mary Vilakazi



Mr Daniel Mminele

The Lifetime Achiever award was bestowed on former Deputy Governor of the South African Reserve Bank, Mr Daniel Mminele, who retired in June when his second five-year term ended. Among other responsibilities Mr Mminele previously served as the Group of 20 and Brics Central Bank deputy, and as chair of the International Monetary and Financial Committee deputies of the International Monetary Fund.

A word of gratitude to “the people to whom the glory belongs”

In a moving tribute to “the people to whom the glory belongs”, NEF CEO Ms Philisiwe Mthethwa shared her accolade as CEO of the Decade with the NEF village, which includes investees.



Behind a successful leader is a cohort of excellence

“For the many sterling and historic achievements of the NEF, we owe a debt of gratitude to the Chairman of the Board of Trustees, Mr Rakesh Garach, for his wise and visionary stewardship, his dignity and for his peerless counsel. We are grateful too for the visionary leadership of our current and past trustees, who are among the most talented professionals across various spheres. We lead the NEF alongside executives and managers who are among the finest our country has to offer, as well as with a dynamic cohort of young black professionals, most of whom are women. All of them have been blessed with a rare and unique DNA of excellence. They wear their stilettos with grace in Sandton, and are ever-ready to put on their gumboots and All Stars to trudge across the villages of our country, as foot-soldiers of our mandate. As an organisation we owe our existence to the black entrepreneurs whom we serve, and this honour is theirs too”.



NEF investee and Power98.7 founder, Mr Given Mkhari; Trustee Ms Lerato Molefe and Board Chairman Mr Rakesh Garach

A selection of the sectors funded by the NEF

	Government Sector Focus	Examples of NEF Investment Breakthroughs
1	Black industrialists	Create new manufacturing and industrial capacity alongside local and international partners. To date the NEF has invested about R900m in developing projects (with a total of 24 projects currently under development) with a total of 5 operational businesses that have created over 3600 jobs and leveraged over R4.3 billion of third party funding.
2	Support SMEs	A dedicated fund that has supported entrepreneurship, procurement & franchise funding, as well as business planning, incubation, training and mentorship support. To date, NEF disbursed over R1.6 billion into the support of 454 small and medium enterprises.
3	Township & Rural Economy	A dedicated fund that supports businesses in rural areas and townships. The businesses are in various sectors including property (shopping malls), petroleum sector (petrol stations) and tourism. To date the NEF disbursed over R1.7 billion in support of 220 entities in rural and township economies.
4	Tourism	The NEF continues to invest in community-owned hotels and lodges to drive the growth of the tourism sector. This includes investments in tourist attraction projects like the Graskop Gorge Lift, a flagship project that will drive tourism development in the Panorama Tourist Route in Mpumalanga, and is the first of its kind in Africa. To date the NEF has disbursed over R200 million into this sector and continues to identify opportunities in partnership with the Department of Tourism.
5	Property	To respond to the market failures of low ownership of property by black businesses, the NEF introduced the property funding product to contribute to transformation of the sector. To date the NEF has approved over R372 million in the property sector. These investments are expected to contribute in job creation, infrastructure development, addressing the lack of student accommodation and supporting government's economic stimulus and recovery plan. In the past year alone, the NEF approved approximately R158 million in this sector, leveraging close to R600 million in third-party funding.
6	Affordable housing	In partnership with various industry stakeholders, supported the construction of several social housing, student accommodation and related projects. To date, NEF invested over R272 million in this sector.
7	Agro-processing	Supported beneficiation investments across the agricultural value chain such as processing of castor oil, fruit juices, condiments etc. To date, NEF invested over R236 million in this sector.
8	Energy	Invested over R603 million in service stations countrywide, 40% of which are owned and managed by black women.