

MEDIA STATEMENT MINISTER NENE ON THE APPOINTMENT OF THE CHAIRPERSON AND THE CEO OF THE LAND BANK

Mr. Mabotha Arthur Moloto has been appointed the chairperson of the board of directors of the Land Bank and Mr. Tshokolo Petrus Nchocho the bank's Chief Executive Officer and an executive director of its board. Both appointments were approved by Cabinet yesterday (Wednesday, 10 December 2014).

Mr. Moloto is appointed for a term of three years, from January 2015 to December 2017, and Mr. Nchocho for five years, running from January 2015 to December 2019.

Minister Nene said: "Mr. Moloto and Mr. Nchocho bring extensive expertise and experience to the Land Bank, an institution which plays and will continue to play a key role in the development of the agricultural sector. Agriculture is one of the priority areas of government and one which is expected to grow the economy, and create close to one million jobs by 2030."

Minister Nene added that the Land Bank had undergone a remarkable turnaround and growth since 2008 when it was rescued from near-collapse. Between 2008 and 2014 its loan book grew by 180 per cent R12 billion to R33 billion. This growth in the loan book has however far outstripped the growth of the bank's capital base, even after government had injected R3.5 billion new capital and provided the bank with R2.5 billion in guarantees. The faster growth in the loan book has affected the bank's financial strength which needs to be consolidated to prepare for bank's next growth phase.

This is where Mr. Nchocho's experience at the Development Bank of Southern Africa (DBSA) will be most valuable. He previously served as acting CEO of the DBSA for eight months, during which time he initiated the bank's organisational review which prepared the ground for the incoming CEO.

Mr. Nchocho is currently the Group Executive responsible for the DBSA's South African operations. This division covers infrastructure project finance, corporate lending, public sector finance, empowerment finance, private equity investments and project advisory. His portfolio's budget involves loan disbursements and investments of approximately R10 billion a year.

The appointment of the Land Bank's CEO comes after a protracted process of almost a year of deliberation on who will lead the Bank in delivering on its operational mandate whilst ensuring its financial sustainability. Initially, suitable candidates could not be identified, which then forced the Land Bank to appoint a headhunting agency to find potential candidates. A total of nine were interviewed and of these Mr. Nchocho shone.

Mr. Moloto brings a wealth of expertise as a member and leader of the boards of various entities. He was most recently chairperson of the Government Employees Pension Fund (GEPF) and a director on the board of the Pan African Infrastructure Development Fund. He is currently a director of the Development Bank of Southern Africa, Kansai Plascon Africa Limited, and Afhco Holdings Proprietary Limited.

Conclusion

The Minister would like to extend his gratitude to the outgoing Chairperson of the Land Bank, Dr. Ben Ngubane for his stewardship during his tenure as the Chairperson of the Land Bank and wishes him well in whatever future role he gets to play. Furthermore, the Minister would like to thank the acting CEO, Ms. Lindiwe Mdlalose, for ensuring that the Bank continued to deliver on its mandate while the appointment of a permanent CEO was being finalised.

Notwithstanding the appointment of the three (3) new Board members, the Board remains unchanged to ensure continuity and stability within the Land Bank. Furthermore, the Minister would like to emphasise the government's committed support for the Land Bank and wish the new leadership well in their new responsibilities.

Issued on behalf of Ministry of Finance

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