



FINANCING AGRICULTURE & COMMODITY TRADE

Standard Bank Approach

Presented by:
Douglas Joseph Turkson

Outline

Stanbic- who we are

Our footprint locally and globally

Operations in Ghana

What we offer to agribusinesses

Products & Services elaborated



Standard Bank/Stanbic Bank: Who Are We?

Overview

- Standard Bank is **the largest bank in Africa by earnings and assets with a strong balance sheet and a recognised and trusted brand**
- Listed on the **Johannesburg Stock Exchange** - wide range of banking and related financial services
- Representation in **17 African countries**
- **16 countries outside of Africa**
- Over **150 year history of operating in Africa**, one of the **most experienced banks on the continent**.



Partnership with ICBC

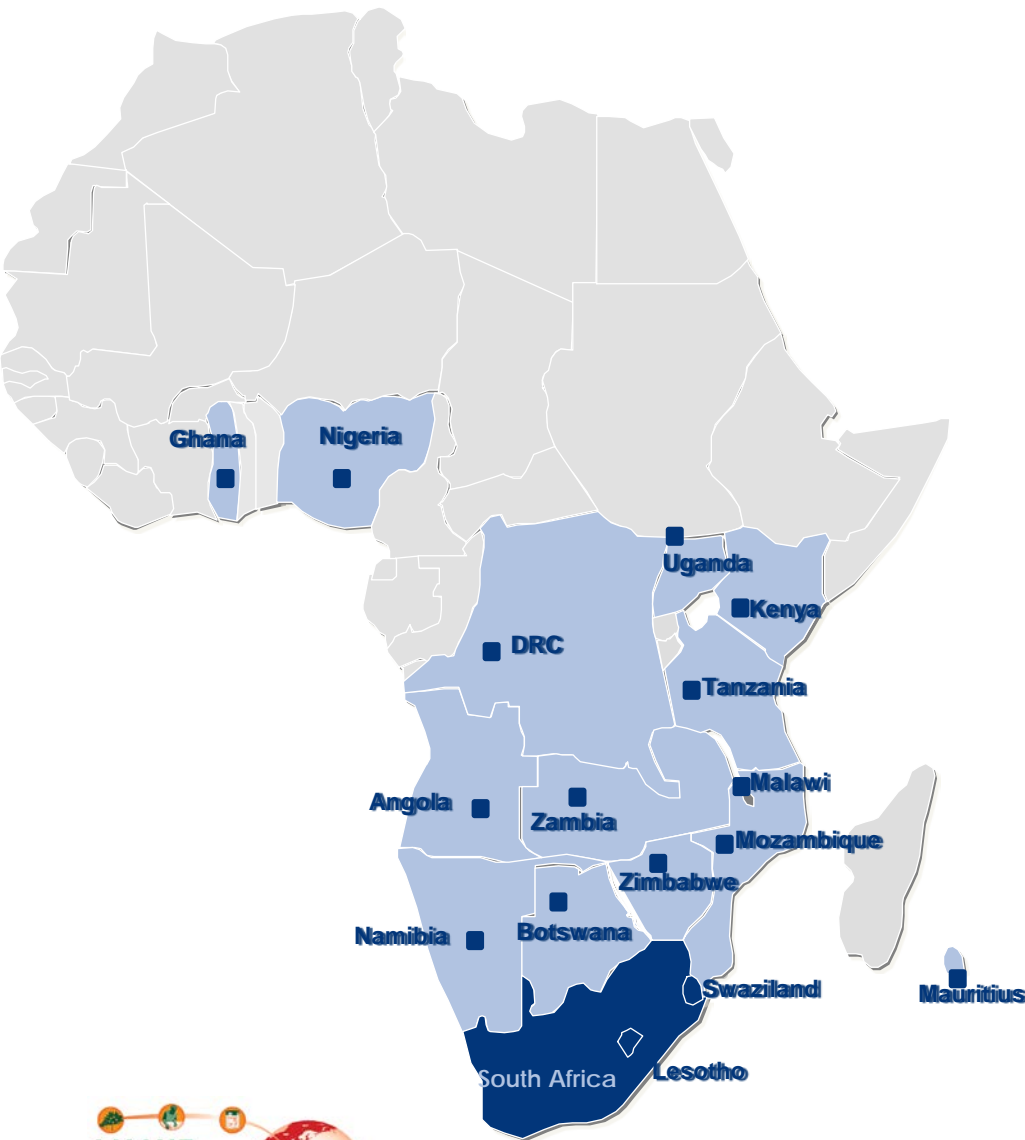
- The Industrial & Commercial Bank (ICBC) the **largest Commercial Bank in China** acquired 20% stake in Standard Bank in 2008
- ICBC has over 16,000 domestic branches and nearly 100 international branches with representation in the major financial centres in the world
- This strategic partnership between ICBC and Standard Bank provides us with further international reach and strengthens Standard Bank's access to the world's largest economy

Standard Bank's Current Network

Africa	Outside Africa	Regional Offices
<ul style="list-style-type: none">▪ 17 Countries▪ 673 Branches in S. Africa▪ 337 Branches outside S.Africa	<ul style="list-style-type: none">▪ 16 Countries▪ 87 Branches in Argentina	<ul style="list-style-type: none">▪ London▪ New York▪ Hong Kong▪ Sydney▪ Dubai

Stanbic - member of the
Standard Bank Group

Our footprint in Africa



African Representation and Capabilities			
Country	Standard Bank's Representation	Corporate Banking	Retail Banking
Angola	1	√	In 2010
Botswana	16	√	√
DRC	2 + 9*	√	√
Ghana	26	√	√
Kenya	12	√	√
Lesotho	20	√	√
Mauritius	1	√	*
Malawi	21	√	√
Mozambique	25	√	√
Namibia	105	√	√
Nigeria	61	√	√
South Africa	768	√	√
Swaziland	13	√	√
Tanzania	9 + 100*	√	√
Uganda	68	√	√
Zambia	10	√	√
Zimbabwe	16	√	√

*Partner banks are used where we have limited in-country representation

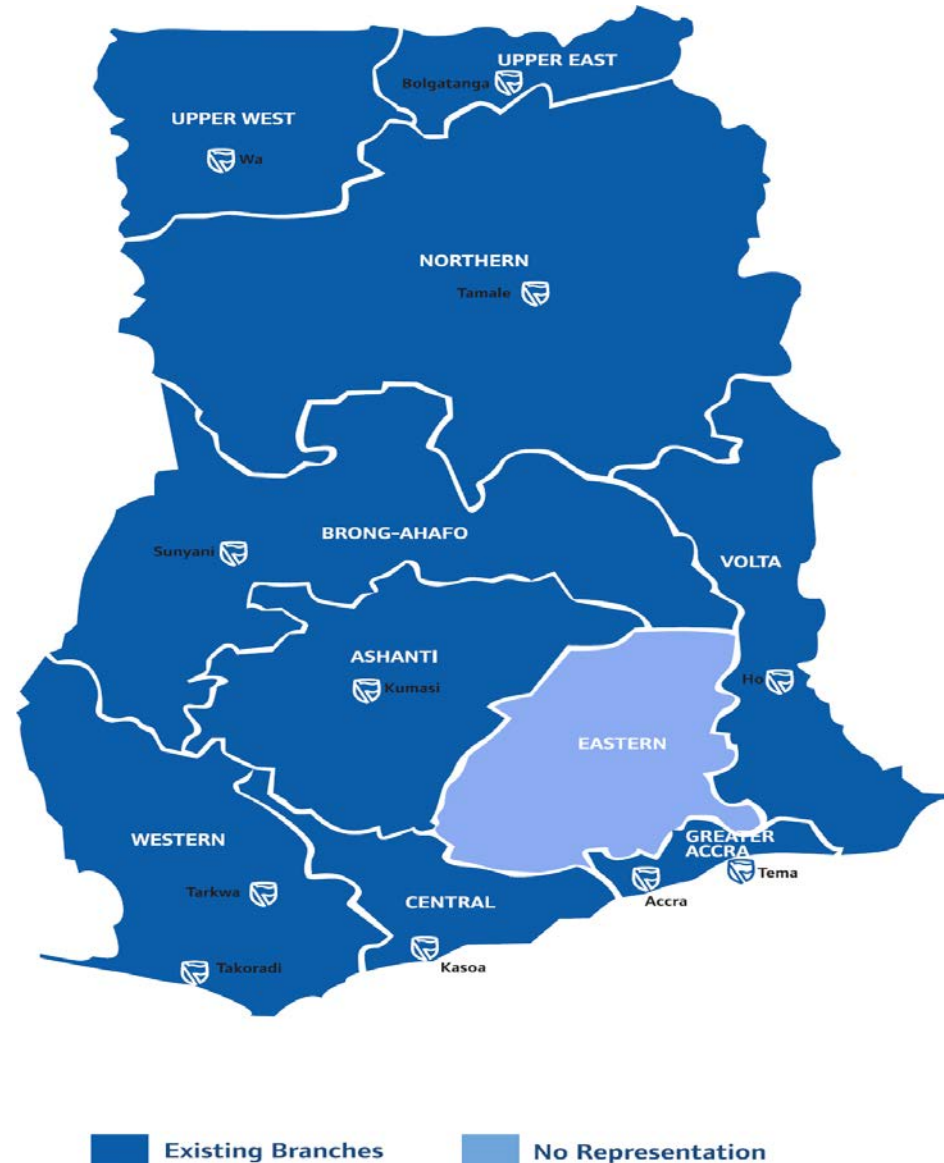
Stanbic Bank Ghana Operations

Overview

- We operate in Ghana under the brand name "Stanbic Bank"
- Tier 1 full service bank in Ghana with branch network of 26 currently
- Offering :
 - **Commercial Banking** – A full suite of commercial banking products and services
 - **Investment Banking** – A dedicated investment banking unit to cater to the long term financing and investment needs of clients.
 - **Investment Management Services** - offers asset management services to clients
- Stanbic Ghana works closely with other members in the Standard Bank Group to deliver seamless services to its clients



Our Presence in Ghana



Our Offer

Stanbic offers the following to customers in the Agricultural environment,



Agricultural Production Loan (APL)

Structured Trade and Commodity Finance (STCF)

Medium Term Loan (MTL)

Debtor Finance (DF)

Vehicle and Asset Finance (VAF)

Business Term Loan (BTL)

Overdraft (OD)

Forward Exchange Contracts

Documentary Letters of Credit

Products & Services Offered to Agribusinesses

Agricultural Production Loan

Farmers' production credit, which is short term credit that enables them to pay for input costs.

Benefits

- The full amount must be repaid at the end of the season. The term of the loan is usually one year, but it can be extended depending on the cropping cycle
- The loan gives the customer access to funds that would traditionally not have been available
- The customer has flexibility in the purchase of supplies as they no longer have to go through co-operatives
- There is reduced risk to the customer with the inclusion of Crop Insurance

Structured Trade & Commodity Finance

The provision of specialized banking services structured to meet a client's specific needs.

- Mainly structured to facilitate the movement and value addition to raw commodities by financing the end to end process.
- STCF offers trade finance solutions on a global basis with the emphasis on emerging markets irrespective of country or underlying product.
- Stanbic STCF specializes in the following sectors: Agribusiness, Energy and Power, telecommunications.



Products & Services Offered to Agribusinesses

Medium Term Loan (MTL) & Business Term Loan (BTL)

Provides businesses and agricultural customers with term finance

- MTL facility is a customized term loan with repayable in accordance with an individualized agreement.
 - BTL for purchase of fixed assets, property equipment, Refurbishments and alterations, Acquiring a new business etc.
- MTL may be granted for a fixed period, usually between 1 and 5 years.
- BTL tenor between 3 to 7 years, The period is not fixed but is determined by the project and repayment ability

Repayment

- ✓ Pre-arranged capital repayments that is, monthly, quarterly, half-yearly or annual installments
- ✓ Combined repayment of capital and interest.

Debtor Finance/ invoice discounting/ receivables financing or factoring

Tailored to improve cash flow by freeing up funds owed our clients

Being a flexible financing option to create working capital by converting unpaid sales invoices into cash,

The bank

- ✓ purchases the company's debtors' book,
- ✓ advances up to 75% of the value of the debts
- ✓ the outstanding 25% paid out to the business once the original invoice is settled



Products & Services Offered to Agribusinesses

Forward Exchange Contracts

We provide foreign currency converted at the current ruling rate of exchange with the bank enters into a contra (swap) contract to buy back (offset) the amount on the maturity date of the original contract.

Advantages

- ✓ cater for a diverse type of commercial and financial transactions which both importers and exporters can make use of.
- ✓ protected against unfavourable exchange rate fluctuations.
- ✓ The exact value of the export and import order can be calculated on the day.
- ✓ Budgeting and costing are accurate.



Documentary Letters of Credit

Written undertaking issued by the bank, at the request of our customer, undertaking to pay for goods, subject to certain terms and conditions, being met.

A line of credit may be approved to facilitate the establishment of the letter of credit.

- ✓ Designed to protect the interests of the exporter and importer.
- ✓ The importer pays only on production of documents of title that conform to the documentary credit terms.
- ✓ The bank guarantee payment independently of the importer if all terms and conditions have been met.
- ✓ Importers are often able to obtain rebates and discounts more easily as the exporter is assured of payment.

Products & Services Offered to Agribusinesses

Vehicle and Asset Finance

- For the acquisition of vehicle and other equipment with payment made by way of installments.
- Ownership is transferred upon completion of the repayment.

Overdraft

An ideal way to manage cash flow. It is linked to a business account and can be used as much as you need, up to your limit.

- **Benefits**
- ☐ quick and easy to arrange.
- ☐ The cash is available when the business needs it.
- ☐ Interest is payable only on what is used of the overdraft



Other Services and Enablers

<p>Transactional</p>	<p>Current Account – Checking account to facilitate payments and other transactions.</p> <p>Call Account – On-demand account with sweeping arrangement between your current account. This is an effective way to manage liquidity as idle funds in call account can be swept to Call Account to attract very competitive rates.</p> <p>New Business Online – User friendly and secure online banking platform on which payments to suppliers or salary payments can be initiated in the comfort of offices anywhere in the world with internet connectivity.</p>
<p>Investment</p>	<p>Fixed Deposits – Fixed term investment for 90, 60 or 180 days. Interest rates are very competitive and dependent on market rates.</p>
<p>Foreign Exchange</p>	<p>Spot Foreign Exchange in major foreign currencies including Chinese Yuan and Rand.</p> <p>Forward Agreements to help in hedging away foreign exchange risks</p>
<p>Dedicated Relationship Manager</p>	<p>Businesses are assigned dedicated Relationship Managers supported by a team of product specialists (Trade, Cash Management, Foreign Exchange etc) and assistants to proactively cater to their needs.</p>
<p>Customer Contact Centre</p>	<p>A dedicated toll-free call centre with well trained staff to act as secondary contact point to your Relationship Manager.</p>
<p>Private Banking & Executive Banking</p>	<p>Private Banking is a personal banking bespoke proposition designed for Chief Executives and business owners</p> <p>Executive Banking is designed for mid-level managers of businesses</p>
<p>Employee Support</p>	<p>Our Work Place Banking proposition brings lending and transactional banking solutions to the doorsteps of your employees.</p>



Thank you

For your attention

