Agricultural Banking Services

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July 2012
Who are we?

“Standard Bank Africa is a division of Standard Bank South Africa and has banks in 17 African countries, excluding South Africa, making it the largest banking operation in the continent.

We have 21 branches countrywide.
Facilitating adoption of new technology

Agricultural Research

Banking services

Adoption of new technology

Creation of Wealth, food security, economic growth etc
Banking Services

- Advisory Services
- Credit facilities
  - Foreign Exchange services
- Transactional services
- Trade Services
Advisory Services

- Economic advisory services (Local & Global)
- Market Information
- Technical services
Crop Loans

- Repayable at the end of the season
- Suitable for maize, wheat, barley
- Perennial crops
- Revolving facility that is renewed annually
- Available in KES and hard currency to match income
- Security – can be crop proceed
Overdrafts

- Renewable annually
- Charged interest based on the usage
- Based on the customer cash flow
- Mainly used to finance working capital
Term Loan

- Repayable over longer period of time depending on the pay back period of the enterprise and cash flow.
- Suitable to financing capital investments.
- Available in currency to match the income.
- Cheaper interest rates when taken in hard currency.
Vehicle & Asset Finance

- Finance: Farm machinery, motor vehicles, pumps etc
- The specific asset financed becomes the security
- Quick and easy to turn around
Foreign Exchange Services

- Spot Exchange Transactions
- Forward Exchange Transactions
- SWAPs

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Transactional Services

- Money transfers
- Payments and collection solutions
Trade Services

- Letters of Credit (Import and Export)
- Invoice discounting
- Guarantees
- Pre-shipment finance
- Bill avalisation
Important to the bank

- Record Keeping
Historical

- Audited Accounts 3 years
- Management Accounts
- Farm records 3 years (sole Proprietor)

- Balance Sheet
- Profit and loss
- Cash flow
Projections

- Balance sheet 3 years
- Profit and Loss 3 years
- Cash flow forecast 3 years
- Monthly cash flow projections for the first 1 year
Cash Flow Projection

- Income
- Assumptions
- Expenditure
  - Direct Costs
  - Fixed costs (overheads)
  - Capital investments
  - Finance costs
- Surplus
CfC Stanbic Bank Strengths

- A specialized agriculture team
- Matching repayment with income
- Availability of foreign currency lending
- Advisory services on forex, economic & market developments etc
- Crop loans
- Support from Head Office on agricultural deals
- Crop Insurance in partnership with Heritage
Questions

SEMIs UoN

Seed Enterprises Management Institute
University of Nairobi