

# ***Financial Support and Solutions- German Desk Kenya/East Africa***

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## Overview

- The idea behind the German Desk
  - The partners involved
- What services does the German Desk provide
  - Trade services we offer
- The cap on the interest rates in Kenya

# ***The idea behind the German Desk***

- 3 strategic partners - I&M Bank, AHK and DEG
- Support trade relations between East Africa and Germany
- New instrument to find solutions for small and mid-sized finance demand (mostly linked to impex)



The GD EA was implemented the 28<sup>th</sup> of September 2017 in Nairobi

# ***THE PARTNERS***

## **DEG:**

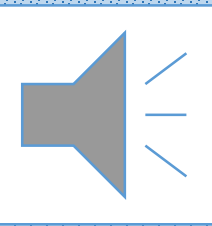
- promoting DEVELOPMENT (in emerging markets)
- **finance** for “high tickets”(from 10 M E) - **private sector**
- offers also **up scaling programs** and **business support** for **local companies**

## **AHK:**

- represents German business interests in a foreign country and promotes Germany as a business location
- local expertise and business connections

# ***THE PARTNERS***

- **I&M Bank Ltd.:** It is a wholly owned subsidiary of I&M Holdings, a listed company on the Nairobi Securities Exchange
- **The institution was founded in 1974 and offers a full range of Corporate and Retail banking services**
  - ✓ ranks among the ten largest banking groups
  - ✓ very innovative bank
  - ✓ adapting to the clients needs
- **I&M is an expert in trade finance and works with many international correspondent banks** including prestigious names such as Commerzbank, Standard Chartered Bank NY, Deutsche Bank AG



**My role: I am the financial point of contact that connects:**

**KFW** DEG

**i&M Bank**  
LIMITED

**AHK** German  
Chambers of Commerce  
Worldwide Network

**GERMAN DESK:**

**Providing financial solutions connected to German business**

German Company

East African Company

Bringing the German exporter and the local buyer together, by closing the gap for financial needs

# Trade services offered by I&M:

- Additionally to all other banking products - at I&M we are experts in trade finance: Letters of Credit, guarantees, bills discounting, etc.
- We offer LC's for 12 months (extendable) and additionally IFC \* supported trade facilities up to 2 years term for international sales transactions (able to discount or create a trade loan based on the amount)
- I&M provides value propositions tailored to your trade requirements
- We have a worldwide network of correspondent banks to allow you to trade around the globe and a highly experienced trade department team at your service
- \*IFC: International Finance Corporation/World Bank Group

# The German Desk – WHAT WE ARE:

- ✓ An anchor with DEG's strong partnership
- ✓ We cover financial gaps
- ✓ A partner for your (trade) finance needs
- We strengthen the business relationships between a well established bank in East Africa and the German (international) +local business community



# Appendix: Interest rate CAP and Floor in Kenya

- Since August 2016
- Cap on lending rates at  $\text{*CBR} + 4\%$
- Floor on deposit rates of 70% of CBR
- CBR at 10%  $\rightarrow$  14% for lending and 7% for deposits
- Idea was to reduce the high interest rate spreads in the sector
- CBK\*\* gave signal that the cap could soon be reversed to allow the market to determine the pricing again (must be approved by parliament)

\*CBR=Central Bank Rate

\*\*CBK=Central Bank of Kenya



KENYA • TANZANIA • RWANDA • MAURITIUS

**Thank you very much for your attention**



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