



**PaninBank**

# German Desk at Panin Bank

## Volker Bromund

**February 2020**

## November 2017: Establishment of the German Desk in Indonesia



# German Desk at Panin Bank

Volker Bromund was working 18 years in various positions for Deutsche Bank AG. He has a vast experience in credit, corporate banking/finance and restructuring and was working for Deutsche Bank in Germany, Malaysia, Hong Kong and in total 11 years in Indonesia. After leaving Deutsche Bank in May 2010 he started his own consultancy business in September 2010 advising clients in all areas of financing and market entry.



Since December 2017 Manager of the “German Desk Indonesia – Financial Support and Solutions” at PaninBank

Education: Diploma in Business Economics, University of the German Armed Forces in Munich, Germany.

Nationality: German

## The “story” of the German Desk: Filling the gap for the products of the German Mittelstand to get financing for their products abroad

The German Desk is a project by:

- **KfW subsidiary DEG**  
Deutsche Investitions- und Entwicklungsgesellschaft



- in cooperation with the **Association of German Chambers of Industry and Commerce,**



Association of German Chambers  
of Commerce and Industry

- with support from the **German Federal Ministry for Economic Cooperation and Development BMZ**



## 6 German Desks worldwide:

- **Accra/Ghana**
- **Lagos/Nigeria**
- **Nairobi/Kenia**
- **Jakarta/Indonesia**
- **Dhaka/Bangladesh**
- **Lima/Peru**

[www.deginvest.de/](http://www.deginvest.de/)

## Partners in the German Desk Project in Indonesia:

### DEG – Deutsche Investitions- und Entwicklungsgesellschaft

For 55 years, DEG has been financing and providing advisory services for private-sector companies operating in emerging markets and developing countries by offering tailor-made solutions, including long-term financing, promotional programmes and individual advice. DEG has maintained a representative office in Indonesia for more than 15 years.



### PaninBank

PaninBank is a publicly listed bank established in 1971. As of September 2017, the Bank's total assets reached USD 15.8 billion making it the 7th largest bank in Indonesia. The Bank has been growing its network to 563 offices across all regions in Indonesia, offering diversified products and services. The Bank's proven business model for financing SMEs business has made it one of the fastest growing retail banks.



**PaninBank**

### German-Indonesian Chamber of Industry and Commerce

The German Indonesian Chamber of Industry and Commerce (EKONID) in Jakarta is part of the worldwide network of German Chambers of Industry and Commerce. EKONID consults German and Indonesian companies exploring new markets and fosters new business relations. Founded in 1924 and re-opened in 1970, EKONID has become a recognized business partner for German and Indonesian companies.



Deutsch-Indonesische  
Industrie- und Handelskammer  
German-Indonesian Chamber  
of Industry and Commerce

# DEG - Deutsche Investitions- und Entwicklungsgesellschaft mbH

- DEG is 100% subsidiary of **KFW (Kreditanstalt für Wiederaufbau)**, the German government-owned development bank. KFW has a credit rating of Aaa (Moody's), AAA (Fitch), AAA (Standard & Poor's).
- DEG provides financing to **private sector companies** in emerging markets and developing countries.
  - having DEG on board, companies will get a **seal of quality** and thus will **send strong positive signals** to peers, investors, and clients
- Offering **financing, advice and technical support**.
  - DEG is supporting companies to **achieve international standards, improving ratings and reducing funding costs**.
- **Investing in 81 countries** throughout Africa, Asia, Latin America, Central and Eastern Europe.
- DEG's global project portfolio in 2019: 9 billion Euros



# DEG in Indonesia

- First financing commitment in 1972; DEG Office Jakarta established since 2001.
- Investing and financing in key sectors of the Indonesian economy, including financial services, manufacturing, logistics, agribusiness, energy etc.
- In cooperation with Panin Bank, established the German Desk in 2017 for providing local financing solutions to medium sized companies

## DEG's financial instruments

- Long term senior loans
- Mezzanine financing
- Equity investment

## Business Support Services

DEG is also a strong **partner beyond financing**, assisting companies to achieve their goals **through development initiatives**.

- Environmental and Social Responsibility
- Corporate Governance
- Employee management
- Resource and Energy Efficiency
- Risk Management





# German Desk at Panin Bank

**Panin Group entities supporting the German Desk:**



# German Desk at Panin Bank

## What services are mainly asked for?

Equipment financing/leasing for mainly Indonesian companies which would like to purchase equipment from Germany/European manufacturers



## 15 of Indonesia's top trading partners

**Countries that imported the most Indonesian shipments by dollar value during 2018.** Also shown is each import country's percentage of total Indonesian exports.

1. China: US\$27.1 billion (15.1% of total Indonesian exports)
2. Japan: \$19.5 billion (10.8%)
3. United States: \$18.5 billion (10.2%)
4. India: \$13.7 billion (7.6%)
5. Singapore: \$13 billion (7.2%)
6. South Korea: \$9.5 billion (5.3%)
7. Malaysia: \$9.4 billion (5.2%)
8. Philippines: \$6.8 billion (3.8%)
9. Thailand: \$6.8 billion (3.8%)
10. Taiwan: \$4.7 billion (2.6%)
11. Vietnam: \$4.6 billion (2.5%)
12. Netherlands: \$3.9 billion (2.2%)
13. Australia: \$2.8 billion (1.6%)
- 14. Germany: \$2.7 billion (1.5%)**
15. Hong Kong: \$2.6 billion (1.4%)

## Indonesia's Imports in 2018

China	45,537,815	24.13
Singapore	21,439,514	11.36
Japan	17,976,711	9.53
Thailand	10,952,798	5.8
United States	10,212,388	5.41
Korea, Rep.	9,088,876	4.82
Malaysia	8,602,839	4.56
Australia	5,825,541	3.09
India	5,016,912	2.66
Saudi Arabia	4,910,728	2.6
<b>Germany</b>	<b>3,972,967</b>	<b>2.11</b>
Vietnam	3,794,630	2.01

## Indonesia's Top 10 Imports

1. Mineral fuels including oil: US\$31.6 billion (16.7% of total imports)
2. Machinery including computers: \$27.2 billion (14.4%)
3. Electrical machinery, equipment: \$21.4 billion (11.4%)
4. Iron, steel: \$10.2 billion (5.4%)
5. Plastics, plastic articles: \$9.2 billion (4.9%)
6. Vehicles: \$8.1 billion (4.3%)
7. Organic chemicals: \$6.9 billion (3.7%)
8. Articles of iron or steel: \$3.9 billion (2.1%)
9. Cereals: \$3.8 billion (2%)
10. Food industry waste, animal fodder: \$3.1 billion (1.6%)

## Indonesia imports from Germany

Value

<u>Machinery, nuclear reactors, boilers</u>	\$1,300M
<u>Electrical, electronic equipment</u>	\$604M
<u>Optical, photo, technical, medical apparatus</u>	\$266M
<u>Vehicles other than railway, tramway</u>	\$251M
<u>Miscellaneous chemical products</u>	\$163M
<u>Plastics</u>	\$158M
<u>Organic chemicals</u>	\$127M
<u>Pharmaceutical products</u>	\$117M
<u>Articles of iron or steel</u>	\$83M
<u>Tanning, dyeing extracts, tannins, derivatives, pigments</u>	\$63M

## How do we identify potential customers?

- Mainly via the introduction by the dealer/agent/manufacturer
- Referrals from other Banks which do not offer this service/products or cover this customer segment
- Referrals from Chambers of Commerce
- Visiting of trade fairs and talking to the exhibitors

# German Desk at Panin Bank

Exhibitions visited and the German Desk introduced to German Manufacturers and its dealers and agents:





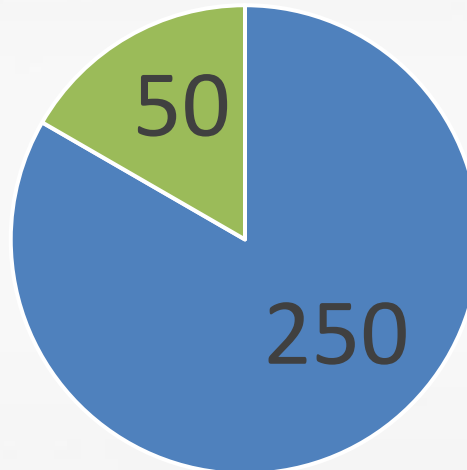
**For which kind of equipment have we made offers or what is in discussion?**

- Heavy equipment for the construction industry
- Textile machinery for the textile industry
- Packaging machinery for the Pulp & Paper Industry
- Logistics/Warehousing equipment
- Machinery for the steel industry
- Medical equipment for hospitals

**In general:**

**We can finance/lease all kind of equipment as long as the borrower/Lessee has acceptable Audited Financials**

**Summary after two years:  
Total Facilities offered about 300 Billion IDR**



■ Financing closed ■ Pending or not accepted ■ ■

## Typically what kind of financing was requested?

- Leasing solutions in IDR and occasionally in US\$
- Tenor 3 – 5 years
- Fixed interest rate
- Typical amount per customer 500,000 US\$ - 3mio US\$

## Main products which have been requested and discussed:

- Finance Lease
- Operational Lease
- Working Capital
- Financing of the dealer rental fleet

## **Support of Dealers / Distributors / Agents of German manufacturers / principals**

### Panin Bank products and services:

- Provision with Bank Account
- Payment services
- Provision of Working Capital facilities
- Payroll
- Trade finance products such as Guarantees, LC's etc.

## **Potential Industries:**

- Construction Industry
- Infrastructure
- Commodities
- Textile Industry
- Food and Beverage industry
- Machinery
- Automotive
- Healthcare
- Renewable Energy

Contact me for more  
information:

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