



Ecobank is a regional commercial bank based in Lomé, Togo with the dual objectives of building a world-class, pan-African bank and contributing to the economic and financial integration and development of the African continent. Its operations span 32 countries across Middle Africa. As of September 2012, Ecobank has 9.1 million customers.<sup>1</sup> It provides wholesale, retail, investment, and transactional banking services to governments, financial institutions, multinational corporations, local companies, small- and medium-size enterprises (SMEs), and individuals.

*“At Ecobank, we understand that providing financial access to unbanked and underbanked, low-income customers is fundamental to unlocking the immense economic potential of Africa.”<sup>2</sup>*

Patrick Akinwuntan,  
Group Executive,  
Domestic Banking

## ECOBANK // UNLOCKING AFRICA’S ECONOMIC POTENTIAL

Currently, only 10 percent of Sub-Saharan Africa’s population has access to formal financial services.<sup>3</sup> Reliance on informal financial channels increases both the transaction costs and risks to low-income consumers. Seeing these challenges as an opportunity, Ecobank has developed innovative financial products targeted to Middle Africa’s unbanked and underbanked populations.

### BUSINESS MODEL

Ecobank’s business model is focused on delivering commercial success while contributing to economic development and financial integration. It has developed and implemented a common sustainability framework that focuses on driving economic transformation, promoting socially-responsible financing, attracting and retaining human capital, and protecting natural resources. Ecobank’s “One Bank” concept—with its uniform technology platform, universal branding, and common policies across branches—enables continued expansion into new markets while providing all customers with a consistent, high level of service.<sup>4</sup>

### KEY IMPACTS

- Ecobank deepened financial access and grew its customer base to 9.1 million through its partnerships with 200 microfinance institutions, mobile banking platforms, and Rapidtransfer offering.
- Ecobank’s \$11 million investment in employee training supports local talent development and helps achieve operational efficiency.

## PERFORMANCE AGAINST FRAMEWORK METRICS

### ACHIEVING GROWTH

By offering targeted products to the unbanked and underbanked populations of Middle Africa through alternative delivery channels, Ecobank expands its market share and customer base while increasing access to financial services. The bank provides innovative loan products to individuals, SMEs, and underserved segments of the agriculture value chain through its relationships with development banks and nonprofits. Recognizing that microfinance was an untapped market opportunity, Ecobank established a strategic partnership with five established microfinance institutions to build a regional platform that met the needs of the target market. In Ghana, Ecobank partnered with microfinance and microlending organization Accion to provide 70,000 previously underserved customers with access to formal banking services through a system of seven branches, two satellite kiosks, 100 ATMs, and a team of 185 roving agents.<sup>5</sup>

Ecobank’s Rapidtransfer and Regional Card products are providing innovative solutions to Africa’s rural and diaspora populations. Rapidtransfer enables diaspora customers to quickly and safely transfer funds to relatives in their home countries. From 2010 to 2011, the new technology increased volumes by 106 percent, from \$385 to \$794 million.<sup>6</sup> Using Ecobank’s Regional Card, customers can affordably access their money at Ecobank branches across 32 countries of operation. Both products help to grow Ecobank’s customer base, while expanding access to financial services for historically-underbanked consumer segments.

Through its commercial business, Ecobank helps drive business growth that indirectly provides jobs and improves livelihoods. For example, in 2012, Ecobank partnered with Nexim Bank to provide nearly \$1 million in working capital loans to cashew processors in Nigeria. This enabled an increase in processing capacity from 8 to 20 tons daily and doubled the workforce.<sup>7</sup> Through its investment banking arm, Ecobank achieves impact by strengthening the region's banking sector. In 2011, it operated as the lead arranger for the issue of a \$216 million, 5-year, 6-percent-coupon sovereign bond on behalf of the Republic of Chad.<sup>8</sup>

#### **ACHIEVING OPERATIONAL EFFICIENCY AND INCREASED PRODUCTIVITY THROUGH THE VALUE CHAIN**

Ecobank has more than 23,000 employees who collectively support over 100,000 people across 32 countries. Prioritizing workforce development, Ecobank invested over \$11 million in training and development, ensuring that all employees receive a minimum of 40 hours of training per year. In addition, leadership programs develop local talent to fill senior management positions within the bank. Such programs contribute to employee effectiveness and loyalty, and enhance operational efficiency.

#### **DOING BUSINESS RESPONSIBLY**

Ecobank strengthens the local business environment and facilitates growth by promoting high standards of transparency and accountability through its Group Corporate Governance Charter and sustainability framework. Ecobank has a significant multiplier effect across its large geographic footprint. In 2011, it redistributed \$295 million to customers through interest paid on savings and other deposit accounts, and a further \$1.01 billion through taxes, salaries, and payments to suppliers, generating local economic growth and benefiting the bank by increasing customer deposits and loans.<sup>9</sup>

#### **ENHANCING THE OPERATING ENVIRONMENT TO SUPPORT BUSINESS GROWTH**

Since 1993, Ecobank has maintained a strategic partnership with the International Finance Corporation (IFC) that leverages both organizations' infrastructure and capital resources to increase the region's access to finance, support small business growth, and, indirectly, strengthen Africa's banking sector. In 2012, IFC invested a further \$100 million in Ecobank to help the company scale up in key markets, strengthen its capital base, and expand its operations across Africa.<sup>10</sup>

#### **SUCCESS STORY**

*In the past five years, Ecobank has successfully leveraged its extensive resources to establish a microfinance network that provides unbanked and underbanked segments with access to formal financial services and the opportunity to improve their livelihoods through increased incomes. The bank partnered with Accion and IFC in Nigeria to establish Accion Microfinance Bank Limited (AMfB), which provided over \$2.3 million in microloans to 12,000 customers in 2009.<sup>11</sup> By 2011, the bank's active portfolio had grown to \$6.6 million.<sup>12</sup> Ecobank further expanded the microfinance network to include subsidiaries and associates in Burkina Faso, Cameroon, and Sierra Leone, while also supporting 200 microfinance institutions through wholesale loans.<sup>13</sup>*