

New Ecobank CEO to pursue stabilisation and profits, says group chairman

By [Bate Felix](#)

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The newly appointed chief executive officer of pan-African bank Ecobank, Jeremy Awori will focus on increasing the bank's profitability, reducing costs and pursuing the bank's stabilisation in Nigeria, its largest single market.



Source: Reuters.

Ecobank, which operates in 33 African countries, appointed the outgoing chief executive officer and managing director of Absa Bank Kenya as its next chief executive officer.

Awori will replace Ade Ayeyemi, who will retire after seven years at the age of 60.

Alain Nkontchou, the bank's group chairman, said that Ayeyemi joined at a "challenging time when the lender was beset by impaired loans, issues at its Nigeria subsidiary, problems with its balance sheet, and an acquisition that was not well digested."

Nkontchou said the bank was on track to be stabilised, costs had been reduced, and profitability increased, enabling it to pay a dividend last year for the first time since 2016.

"The mission hasn't changed, which is to increase the bank's profitability," he said. With the balance sheet rebuild, it aims to reduce the cost-to-income ratio to a target of around 50% or below, he added.

The bank's cost-to-income ratio was at 58.9% in full year 2021, and 62.75% in 2020.

Ecobank reported a 24% increase in profit before tax year-on-year in the first half of 2022 at \$261m, while revenue rose 10% to \$909.8m.

Stabilising Nigeria

Nkontchou said the stabilisation of its operations in Nigeria remains a challenging point that was being addressed.

Although Nigeria is its largest single market which contributed 23% of the group's net revenue in 2021, the business has been hobbled over the years by low profitability, high costs and a burden of non-performing loans.

Nigeria alone accounted for around 67% of the bank's non-performing loans as of the end of 2021.

Nkontchou said a key drive for the new chief executive officer would be to reduce Nigeria's non-performing loans ratio, and provide more capital to the entity.

"Ideally (the capital) will be internally generated and focused on areas where we can be really competitive," he said, adding that the bank would be looking to broaden its customer base, tapping on the strength of its digital platform.

Founded in 1985, Ecobank expanded its footprint rapidly across West, Central and Eastern Africa.

Nkontchou said the time for large expansion across Africa was probably over.

"It is not the priority, it is more about consolidating," he added.

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