

# Financing Agro-Business and Food Processing in Nigeria

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# Outline

- Overview of Agribusiness Value Chain
- Challenges of Agribusiness in Nigeria
- Ecobank Approach
- Ecobank Agribusiness Solution & Value Proposition
- Ecobank Group Overview
  
- Close & Contacts



# Ecobank and Agribusiness

## Aim

- contributing to the higher productivity and profitability of stakeholders through efficient agricultural value-chains financing
- improving effectiveness in the supply chains by matching supply with market demand

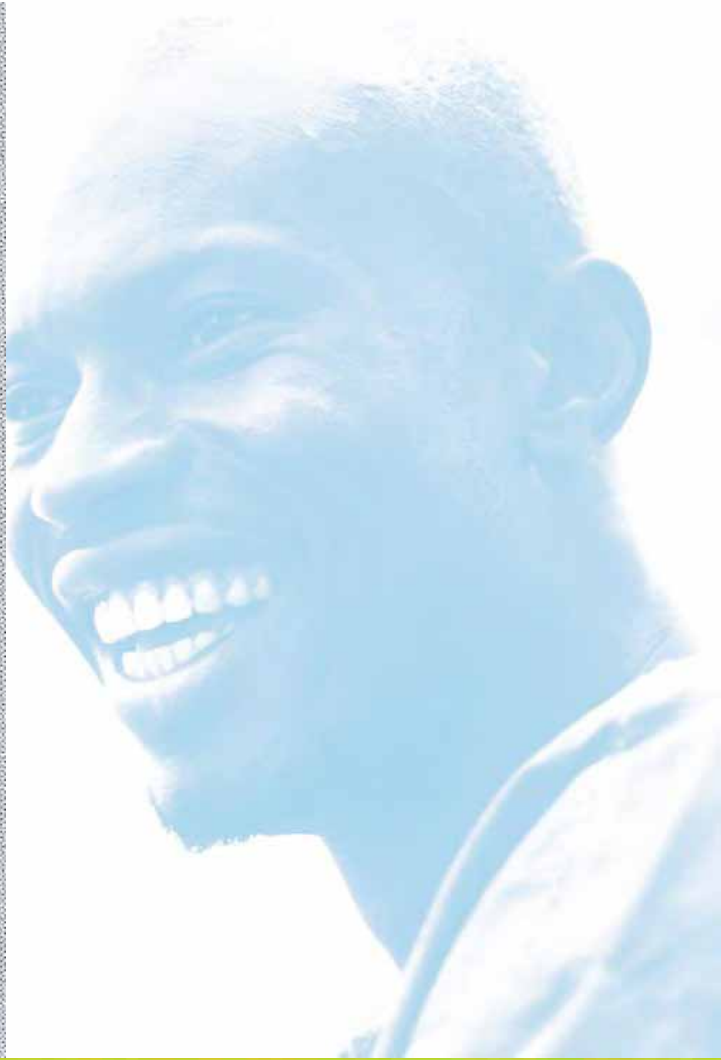
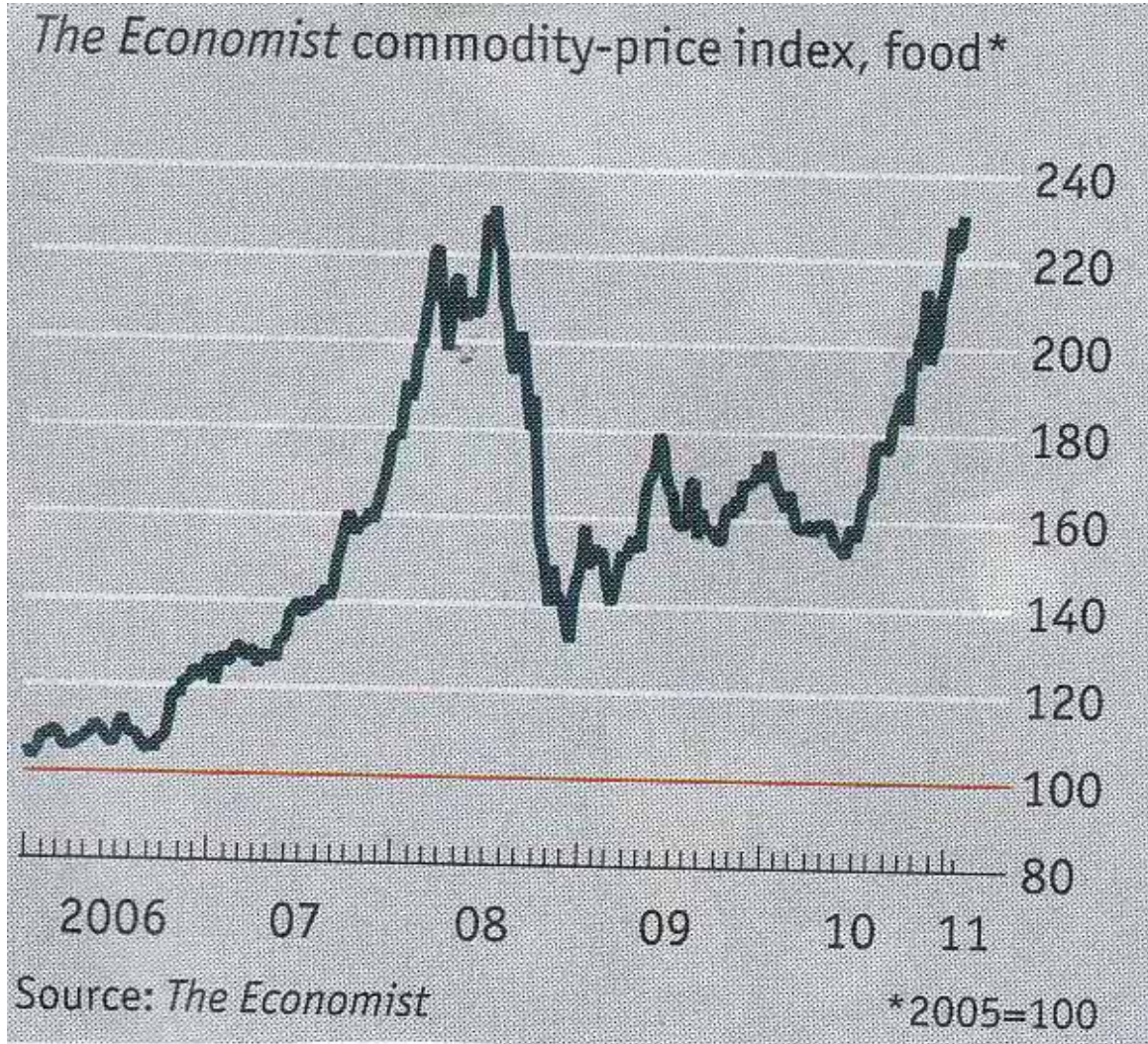
## Interventions

- down stream activities: agro inputs, logistics, ware housing, processing and trading
- structured primary & secondary financing of supply-chains stakeholders

## Strategy

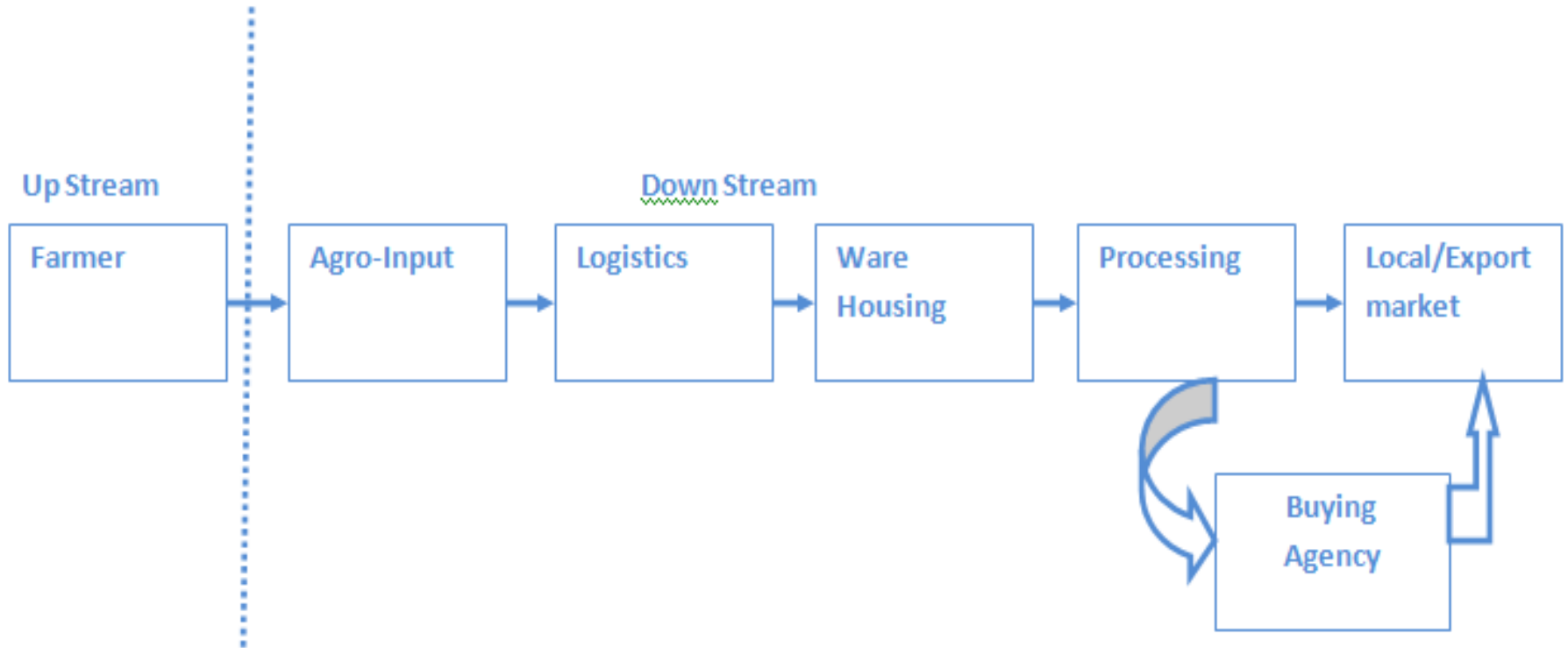
- partnership & collaboration with all stakeholders in the agric value chains & supply chains to impact on farmers income, productivity development & returns to investment

# GROWTH IN FOOD PRICES - RISING

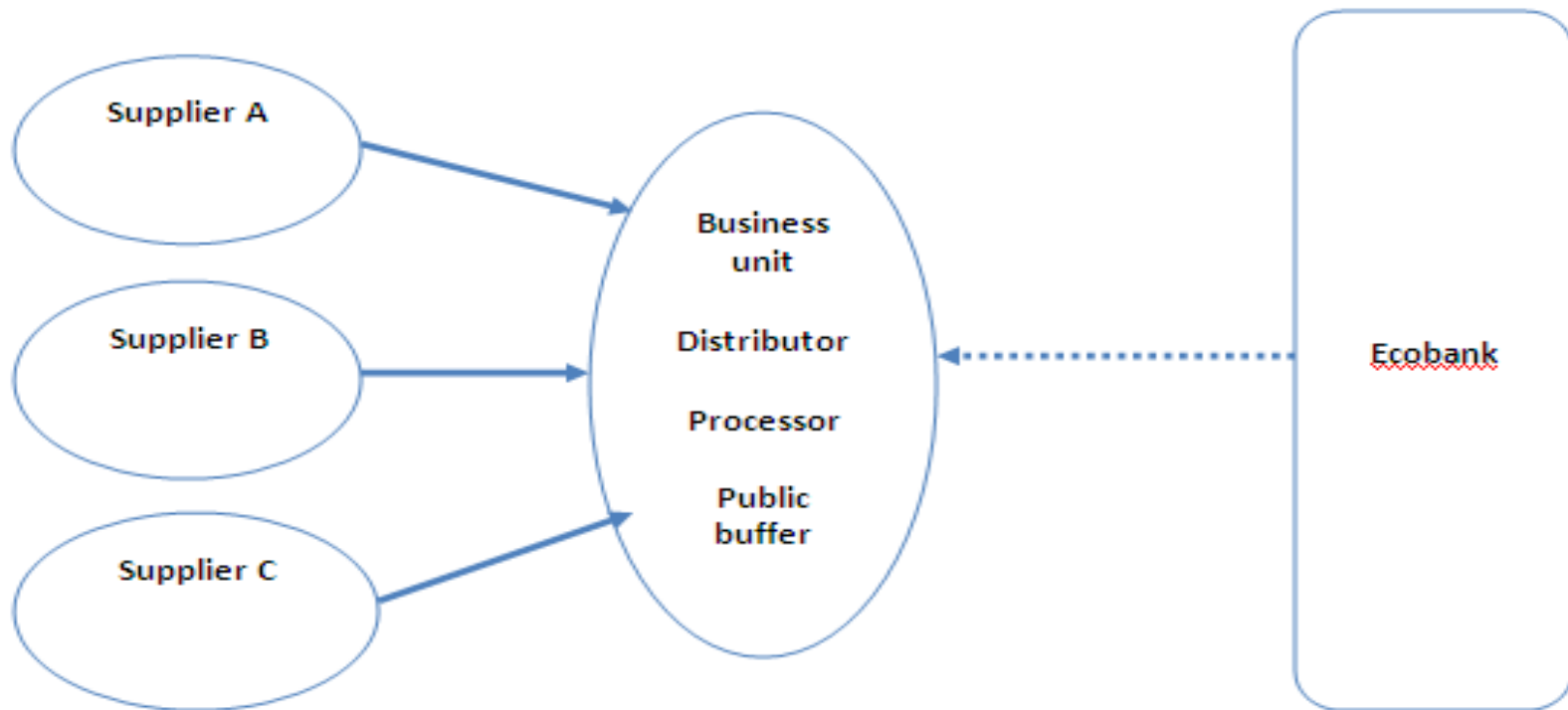


# Agribusiness Value Chains

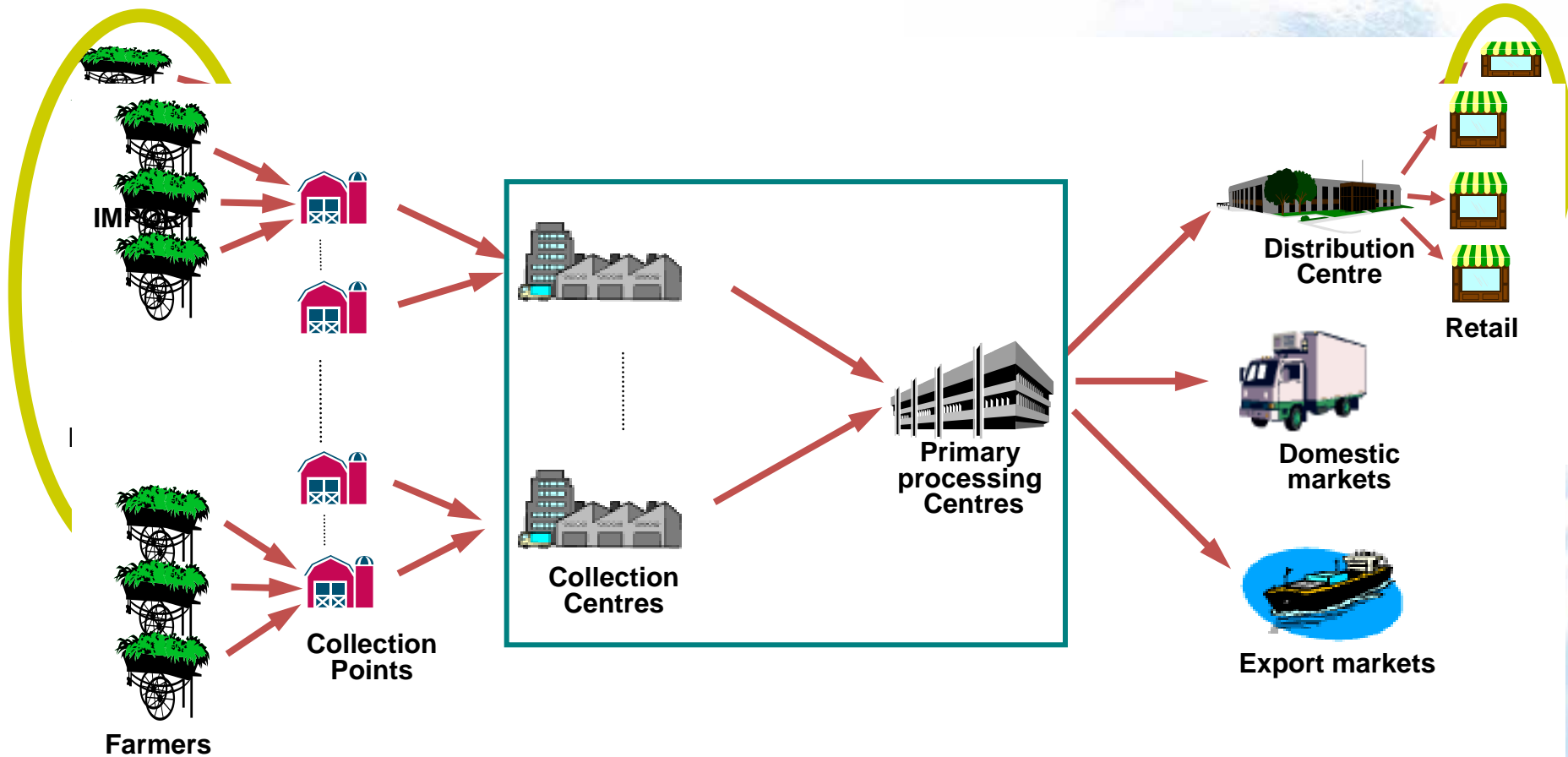
## Agribusiness Value Chain



# Agribusiness Supply-Chains



# Agribusiness Supply-Chains



# Challenges of Agribusiness in Nigeria

- Infrastructure
- Financing
- Sustainability
- Value Chain Management





# Ecobank Approach to Agribusiness financing

- Demand-Driven
- Value-Chain Focused
- Technology-Based
- Impact Oriented
- Sustainability

Agri & Raw  
Mat. Inputs

Prodn. and  
Warehousing

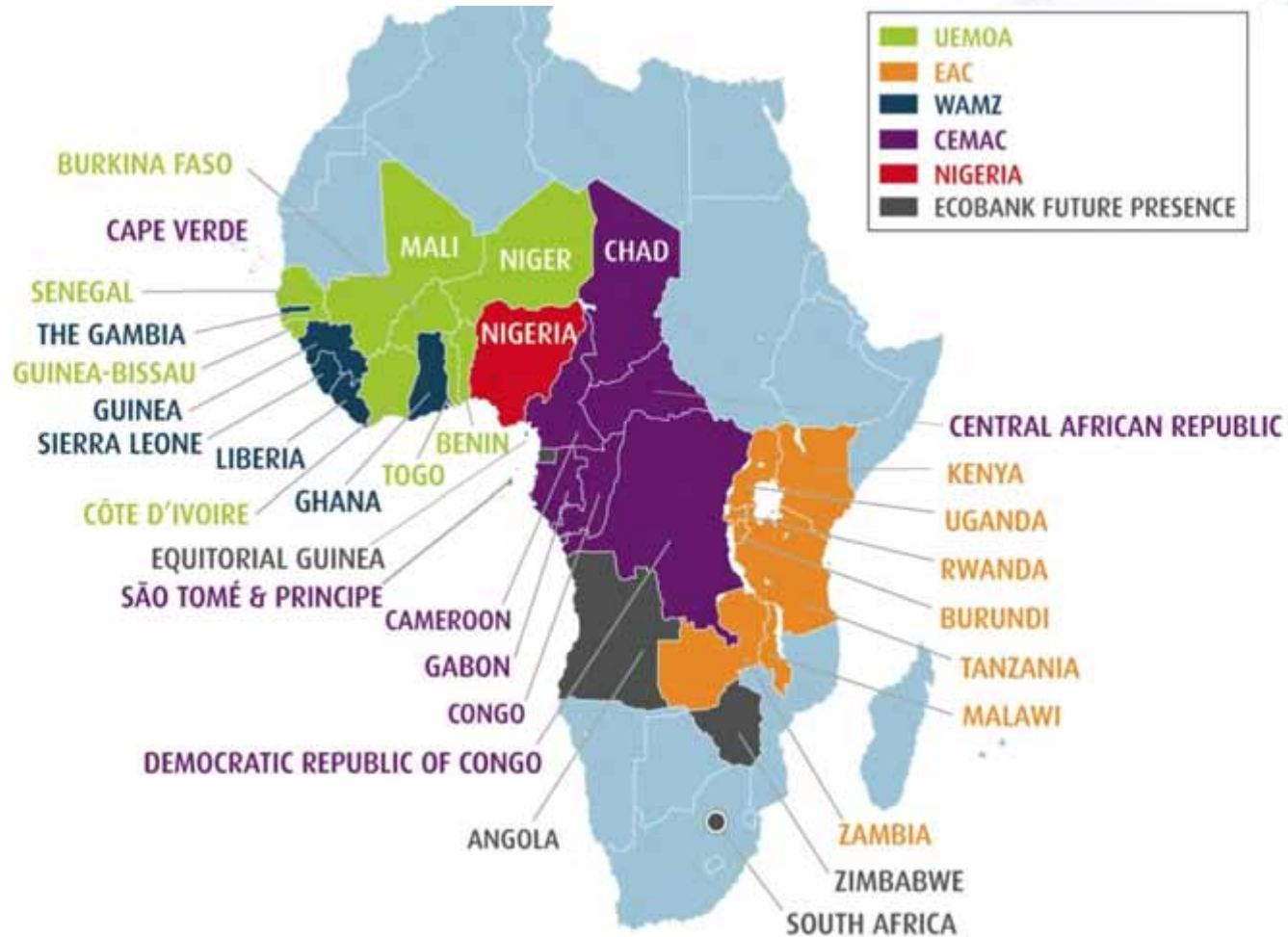
Logistics &  
Distrbn.

Trading

Food Retail &  
Food Service

...right from the “Farm gate” to “Food plate”...

# Ecobank - Present in 30 countries in Africa



# Ecobank Subsidiaries & Active Agribusiness

WAMZ	UEMOA	ECA	SADC	CEMAC	NIGERIA
Ghana	Senegal	Kenya	Malawi	Cameroun	Nigeria
Guinea Conakry	Cote d'Ivoire	Uganda	Zambia	Gabon	
Gambia	Guinea Bissau	Rwanda	Zimbabwe	Congo Braz	
Liberia	Benin	Tanzania	Burundi	Congo DR	
Sierra Leone	Togo	Malawi		CAR	
	Niger			Chad	
	Burkina Faso			Sao Tome & Principe	
	Mali				
	Cape Verde				

# Ecobank Agribusiness Financing Solution

- Equipment Financing:- Leasing or outright purchase
- Letters Of Credit - Confirmed or/and unconfirmed
- Bills for Collection - dependent on buyer/supplier relationship
- Bank Guarantees, Performance Bonds etc
- Invoice/ receivables discounting
- Inventory/Raw Material Finance
- LPO Finance
- Value chain Financing
- Others: GSM 102, SBLC, etc

*Conditions varies from country to country*

# EXTENSIVE INTERNATIONAL TRADE SOLUTIONS

Effective risk management through having a banking partner of global reputation, credit status and wide network footprint:

## Sellers

- **Export Letters of Credit** - supplier may obtain financing against LC issued by Ecobank
- **Pre-shipment Export Financing** - Funds for procurement of goods or raw material to fulfill orders
- **Export Bills for Collection** - Efficient collection service, leveraging on Ecobank's strong regional footprint and correspondent bank network.
- **Export Bill Discounting** - Ecobank advances funds to you against an Export Bill for Collection, which allows a better match with your working capital requirements.

## Buyers

- **Letters of Credit** - payment assurance to your supplier and source of financing
- **Custom Bonds & Guarantees** - importer can clear imports and defer payment of import duties
- **Import Bills for Collection** - use banks to control documents and make payments
- **Import Financing** - pay supplier, and allows client time to convert imported goods to receivables or cash.
- **Shipping Guarantee** - obtain clearance of cargo prior to arrival of the original bill of lading, thus expediting delivery and avoiding demurrage charges.

# TRADE FINANCE SOLUTIONS TO SUPPORT WORKING CAPITAL CYCLE



Ecobank Supply Chain Finance provides customers with the necessary working capital finance to optimize the above cycles, facilitating business growth.



# HIGHLY FLEXIBLE SUPPLY CHAIN SOLUTIONS

End-to-end domestic and cross-border distributor (buyer) and supplier finance solutions with the following benefits:

## Distributor (Buyer) Finance

- Finance is provided for those parts of the buyers' transactions, which have a direct linkage to the Principal and is based in large part on the strength of the underlying Principal-Buyer relationship.
- Greater flexibility for your buyers; lower risk and improved liquidity for you
- Buyers admitted to the programme on the recommendation of Corporate Principal; their limits based on their trading volumes with Principal

## Supplier Finance

- Faster conversion of receivables to cash
- Access to additional working capital on competitive, more flexible terms.
- Receivable purchase programmes that strengthens your balance sheet.
- Insurance backed trade finance can facilitate enhanced terms from the bank.
- Potential access to early settlement discounts from suppliers.

# Current Account Offering

Ecobank offers the following:

- **Current accounts to be managed centrally and in country by a dedicated Account Manager**
- **24 hour transfers into and within Africa**
- **Ability to make cross border payments within Africa**
- **Access to internet based ebanking service to monitor accounts across region**
- **Customized Transaction Banking Solutions**



# INTEGRATED CASH MANAGEMENT SOLUTIONS

The right partner to bring you comprehensive, customized Cash Management Solutions across Africa. Key benefits include:

## Payments

- Reduced collection cycle and improved working capital
- Flexible and efficient reconciliation through our state of the art reports, with data delivered as you want
- Improved processing efficiency
- Minimised errors and delays
- Expedited and efficient reconciliation
- Centralised management of collections and accounts

## Collections

- Reduced collection cycle and improved working capital
- Flexible and efficient reconciliation through our state of the art reports, with data delivered as you want
- Improved processing efficiency
- Minimised errors and delays
- Expedited and efficient reconciliation
- Centralised management of collections and accounts

## Liquidity Management

- Solutions that optimise the value of your capital and surplus funds delivering:
  - Better control of your company's cash
  - Superior reporting for enhanced decision making
  - Automated cash concentration structures that can grow with your business and scale to local, regional or global networks
  - Enhanced management and mitigation of financial risk

# ECOBANK INTERNET BANKING (ECIB) –

## Solutions for Agribusiness companies

- **Web-based transaction initiation and reporting tool**

- Full domestic and cross-border payment capabilities
- Data download into multiple formats (PDF, CSV & Excel)
- Fully customised reports available
- Real-time instruction monitoring
- Complete historical records

- **High level of security**

- Confidential client data processing
- Users are granted access to the system based on the role they perform within the accounts payables function
- Two-factor authentication: RSA Secure ID tokens and passwords are utilized to provide the highest level of security.

The screenshot displays the Ecobank Internet Banking interface. The top navigation bar includes 'Admin', 'Collection', 'Liquidity', 'Payments', and 'Reports'. The 'Payments' section is active, showing a table of transactions. The table has columns for '#', 'Reference', 'My Product', 'Entry Date', 'Count', and 'Amount'. The transactions listed are:

#	Reference	My Product	Entry Date	Count	Amount	Status
1	PIRUPLD043	FCYPAYMENT	19/10/2010	1	1124.00	Sent to Bank
2	FXREJ0012	FCYPAYMENT	19/10/2010	2	1122.00	Sent to Bank
3	test1	MYPROD1	19/10/2010	1	1122.00	Sent to Bank
4	FXREJ0011	FCYPAYMENT	19/10/2010	2	1122.00	Sent to Bank
5	scrap3	MYPROD1	17/10/2010	2	190.00	Deleted
6	scrap2	MYPROD1	17/10/2010	1	130.00	Deleted
7	scrap1	MYPROD1	17/10/2010	1	120.00	Submitted
8	111	IFTBATCH	19/10/2010	2	1120.00	Draft
9	Himani Testing	FCYPAYMENT	19/10/2010	1	11,000.00	For Send
10	FXREJ0010	FCYPAYMENT	19/10/2010	2	1122.00	Sent to Bank
11	IRISTEST1	IFTBATCH	19/10/2010	1	11,000.00	Draft

# Ultimate Contribution from Bank Solutions



Increase crop yield

Improve & better market access

Fair price & higher productivity

Increase farmers' income

# Ecobank Group

- Africa's leading independent Pan African banking group, incorporated in 1985
- Present in 30 countries in Africa; in more countries in Africa than any bank in the world. Additional 2 Representative Offices.
- Group Assets of over USD10Billion and Capital of over USD1.3Billion (June 2010)
- Over 10,000 Professionals
- Ecobank Group is focused on the provision of convenient, accessible and reliable financial products and services

# WORLD CLASS SOLUTIONS

Our leading edge and customer-centric solutions have been recognised by the banking industry:

AFRICAN  
BANKER



- 2010: Most Innovative Bank of the Year (Ecobank Nedbank Alliance)
- 2010: Bank of the Year Awards in:
  - Burkina Faso
  - Cameroon
  - Central African Republic
  - Chad
  - Ghana
  - Guinea
  - Liberia
  - Mali
  - Niger
  - Republic of Congo and
  - Togo

# THANK YOU - ECOBANK CONTACTS

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