

Leaving No One Behind.



Partnerships for Socio-Economic Development in Ghana



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Message from Fidelity Group CEO & Chairman

Fidelity Bank Ghana Ltd. is the largest privately owned Ghanaian bank. Our vision is to become a world class bank in Ghana offering superior banking services. Our aim is to be among the top 3 banks in the country by 2018.

To us, being a top bank in Ghana means providing more than just profit for our shareholders, important as that might be. As an esteemed indigenous institution, we believe that such a position comes with a responsibility to improve our country, making

it a better place for our customers, our business, our staff, our shareholders and all of mother Ghana. Our sustainability efforts are centred on two pivotal streams:

- Strategic Partnerships with Civil Society and Development Agencies
- Staff Engagement/Volunteering

Revolving around the aforementioned are emphases on financial inclusion, small businesses, women, children, the environment, and vulnerable populations, particularly persons living in rural and oft underserved communities. Riding on the unique areas of our strength and resources and that of our partners, we are focusing on the following thematic areas:

- Agriculture
- Financial Technology
- Health
- Financial Inclusion/Financial Education

As a financial institution, we also believe that development needs to be holistic to be impactful. Consequently, even in our core business, beyond our Strategic Partnerships work, we continuously support and invest in housing schemes, the energy sector, roads, hospitals, schools and the agricultural sector, particularly cocoa. Additionally, we are a key

player in the Micro, Small and Medium Enterprises (MSME) Sector, supporting small businesses to stay afloat and go to scale.

In this report, we present some case studies highlighting our strategic alliances, and projects that we are leveraging on, to promote inclusive growth and development in Ghana. By providing easily accessible and usable savings accounts, requisite financial education, low interest and low collateral loans, as well as the needed capacity building, we are striving to make our mark as the go-to Ghanaian institution for all-round private-public solutions to development challenges.

As we celebrate our tenth anniversary, we are proud that our work has received local and international recognition, including most recently, winning the Kalahari Award for Financial Inclusion and the coveted Most Socially Responsible Bank in Ghana in 2014 and 2015. This document was specially produced for you to gain a glimpse into our work in the socio-economic development space in Ghana. We hope you enjoy reading it and also, that you might, perhaps, join us in “Leaving No One Behind”.

Edward Effah



Financial Inclusion

Only about 40% of Ghanaians have access to formal banking services. Fidelity Bank is using its Smart Account and Agency Banking services to provide customer-centric products and service points to expand access. Since 2014, we have opened around 300,000 Smart Accounts and registered over 1000 Fidelity Bank Agents across Ghana.



Scaling-up Financial Inclusion

Banking the unbanked and under-banked is a multi-layered process that requires an acute understanding of the ecosystem within which we operate. In line with this, we partnered with one of the most renowned expert programmes in the field of financial inclusion – the UKAID-funded Financial Sector Deepening Africa (FSDA) – to reorient our pacesetting Inclusive Banking directorate to maximize our presence and reach in a novel programme dubbed 5x5.

With 5x5, we are undertaking targeted capacity building initiatives under structured work

streams revolving around our target market, IT, profitability and operational efficiency. Our end goal is to refine our product offering and implement an impactful, sustainable and scalable business model.

Project Statistics:

- Project Title: Project 5x5
 - Project Partners: FSDA
 - Project Period: 2015-2019
-



The advent of digital financial services in Ghana has resulted in an almost 20% expansion in access to formal financial services.



Linking Savings Groups

The Village Savings and Loans Methodology (VSLA) is an informal savings mechanism which organizes groups of people, usually women, into clusters of about 20-30. Guided by a constitution and led by elected members, VSLA members pool funds weekly in agreed-upon amounts and then lend out of this pool to each other. Recently, there has been a growing trend within the financial inclusion space to digitize these activities, through linkages with banks, so as to draw these women into the formal economy.

Thus, borrowing from East Africa, where VSLA-Bank linkages have been highly beneficial to both groups and financial institutions, CARE Ghana, in 2014 partnered with Fidelity Bank Ghana

Ltd. to pioneer VSLA-Bank linkages in Ghana with funding from the United Nations Capital Development Fund (UNCDF). Using a custom version of the Fidelity Smart Account, which tries to mimic group dynamics, Fidelity and CARE are digitizing activities within VSLA groups to ensure that funds are lodged safely and grow even more. Additionally, we are providing a safe place for extra individual income that can't be saved in groups because of limits on contributions.

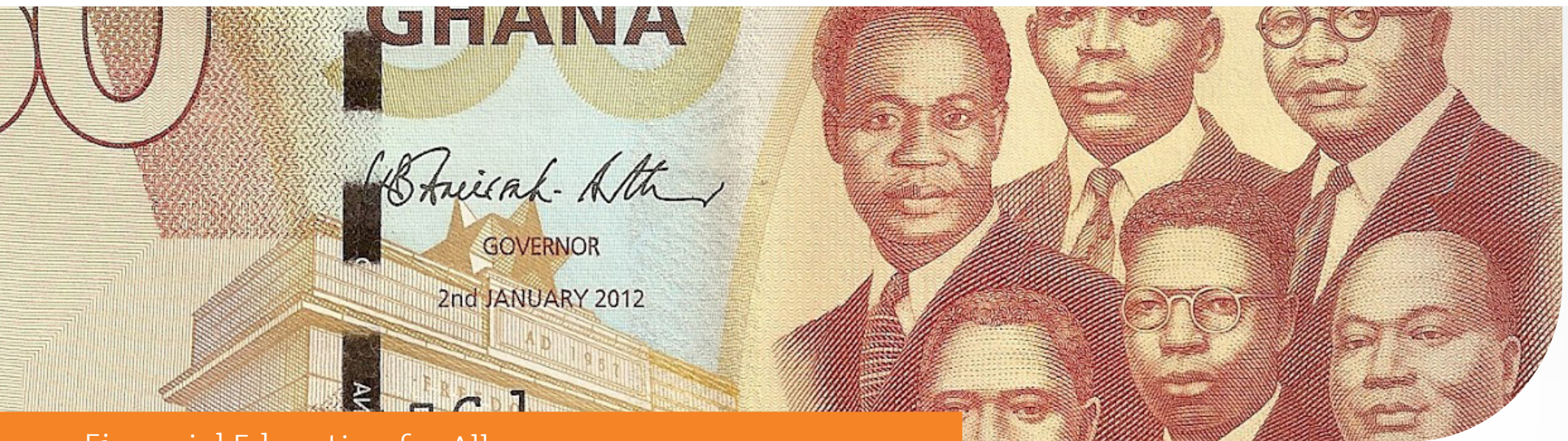
A formerly unbanked beneficiary, Grace Bukari, testified: "My Smart Account will be very helpful because my money will be in a safe and secure location. Before having a bank account, I kept my money in my room, but had problems with

other people in my house stealing it. This created a lot of tension in the household, so the bank account will also keep peace in my home."

Project Statistics:

- Project Title: Pioneering VSLA-Bank Linkages in Ghana
- Project Partners: UNCDF and CARE
- Project Period: 2014-2017

Number of VSLA Members in Africa: 9.7 million
Number of Countries with VSLA Linkage Projects: 27 Countries
Global Potential Deposit of All Unbanked: \$116 billion per year



Financial Education for All

A strong financial literacy program is always an essential component of a robust financial inclusion agenda. Consequently, at the start of Fidelity's Smart Account and Agency Banking campaign, we partnered with GIZ (GmbH) to deploy existing financial literacy tools on savings, insurance, microinsurance, investments and credit, and develop new ones on ATM Usage, Agency Banking, Budgeting and Bookkeeping.

The overall goal was to educate our prospective clients on and inculcate in them responsible financial behaviour. To date, we have distributed over one hundred and forty thousand (140,000) of these financial literacy tools through our Smart Agent network, itinerant Smart Friends, market stalls, and targeted financial inclusion

activities with special interest groups such as traders and disabled persons.

Largely successful and touted as a best-in-class example in Ghana, this project also includes a Trainer of Trainees (TOT) for our Agency Banking staff to fully equip them with financial advice and client-centric service skills.

Project Statistics:

- Project Title: Expanding Financial Inclusion in 4 Regions of Ghana
 - Project Partners: GIZ (GmbH)
 - Project Period: 2013-2016
-



"As a Development Agency, GIZ is glad to be a part of such an initiative to bring relevant banking services and training to the door steps of the unbanked and underbanked population in Ghana." – GIZ E4D Team



Incentivizing Savings

An experimental program being jointly implemented by the World Bank Group's Gender Innovation Lab, Trade and Competitiveness Global Practice and Fidelity Bank Ghana Ltd., this project seeks to investigate the effectiveness of endline incentives to generate and sustain committed, regular savings among female microentrepreneurs between the ages of 20 and 55 in the Accra Metropolitan area.

The program pilot was launched with about 750 women who were offered Fidelity Smart Accounts that are operated by trained Fidelity Bank Smart Friends who visit the women week to week to collect their saving contributions. With the consent of the beneficiaries, the contributions are tracked and the women who will have consistently saved by the end

of the 6 month cycle will be rewarded by having their savings matched to a pre-set amount.

Project Statistics:

- Project Title: Ghana MSME Investment and Gender
 - Project Partners: The World Bank Group
 - Project Period: 2016-2017
-



Technology

Modern technology holds boundless possibilities for creating interoperable ecosystems that address a mix of, or singular, challenges, particularly those affecting underserved and vulnerable persons. Mobile telephony and the boom in the Fintech industry has enabled us to develop and deploy relevant and applicable products and services and take them to scale – Fidelity Smart Account and Agency Banking. Our partnerships have allowed us to offer user-friendly platforms for the illiterate and innumerate, to utilize targeted SMS to analyse clients' reactions to what we offer and to stimulate transactions, particularly savings.



Using Mobile Apps for Rural Development

The very high penetration of mobile phones in Ghana presents a great opportunity for leveraging digital technology as an accessory to solve developmental challenges. It is in this vein that the Smart Account was created – a regular bank account with contemporary features riding on technology to aid accessibility especially for users at the base of the pyramid (BOP). However, as time has progressed, it has become evident that illiteracy, innumeracy and poor communication networks retard utility among many clients, particularly rural persons.

Accordingly, Fidelity launched a secure mobile app with an icon-based interface that will ease banking for customers who neither read or

recognize numbers. Customers can also use encrypted SMS to interact with the app in areas without data coverage. The replacement of point of sale (POS) devices by more affordable mobile phones has also immensely reduced the cost of setting up Fidelity agents.

Project Statistics:

- Project Title: Accelerating Rural and Agricultural Finance – Exploring Technology-Enabled Business Models
 - Project Partners: IFAD/RAFiP
 - Project Period: 2015-2016
-



GHS 3.4 billion is transacted via mobile money each month in Ghana.



Digital Touchpoints and Savings Growth

In today's fast-paced world, rising dormancy is a worrying trend for all banks worldwide, particularly for those that market products utilizing digital technology to reach out to the unbanked and underbanked. After first sentence add "Though many of such products are bridging the gap of access, a new gap of knowledge of utility is unintentionally created as these clients lack access to expert bankers who can ease this transition into the world of banking and digital finance

Here at Fidelity, to reactivate existing dormant accounts within our Smart Account portfolio, and to push back against any increments in inactivity and dormancy, we have partnered with the internationally renowned social development research experts, Innovation for Poverty Action (IPA) and VOTO Mobile to create and disseminate digital touchpoints. With this project, IPA has worked closely with Fidelity

to craft a range of messages targeted at clients at various frequencies to investigate which messages they react to, so as to come up with a robust digital client engagement strategy, leveraging on SMS and voice, to stimulate growth in deposits and savings, impart expert financial literacy tips and rollback dormancy and inactivity. VOTO Mobile and IPA will utilise their superior business analytics platform and skills to track data, identify trends and come up with conclusions to feed into the above-mentioned strategy..

Project Statistics:

- Project Title: Communications for Savings (Comsave)
 - Project Partners: Innovation for Poverty Action (IPA), VOTO Mobile
 - Project Period: 2016-2017
-





Message from the Managing Director

At Fidelity Bank, we believe that the best way we can contribute to our community is by being part of the community. Our colleagues are our most valuable resource, and we ensure that we share that resource with the communities in which we live and work.

Charity @ Work is a stream of our Corporate Social Responsibility that involves staff, either voluntarily or with the support of the Bank, volunteering their time and resources towards various community-building activities in their locales of operation. We take our community engagement very seriously and we encourage our colleagues to share their talents and skills in their communities.

One of our key focus areas is the promotion of financial literacy. As a bank, finance is what we do and finance is what we know. Financial literacy is one of the key strands of our financial inclusion strategy. If people are not educated on how to use financial services properly, they are less likely to use them, and finance will not have any transformative impact on their lives.

Last year, we partnered with Junior Achievement, a non-governmental organisation (NGO) focused on preparing youth with work readiness, entrepreneurship and financial literacy skills, to deliver #financial literacy counts. #Financial literacy counts is an innovation camp where children of Christ the King School spent an afternoon with staff of Fidelity Bank, Prudential and JA to come up with innovative savings products for young people. We have also provided

financial literacy to the disabled, and finance seminars to university students.

We also realise that the needs of many in our communities go beyond the promotion of financial literacy. For that reason, our colleagues also paint schools and donate supplies to hospitals and schools, and they celebrate Christmas at selected orphanages.

Our colleagues understand the basic principle of sharing with the less fortunate in our communities and continue to find ways to improve their community engagement.

We are proud of our Charity @ Work programme and, through it, Fidelity Bank is demonstrating that it cares.

Jim Baiden





Charity@Work ... engaging employees, engaging community





Agriculture

Nearly 60% of land in Ghana is classified as agricultural land by the Ministry of Agriculture. By inference, agriculture is the mainstay of most Ghanaians; however, revenue from agriculture and its contribution to Ghana's GDP has been steadily dwindling. Most Ghanaian farmers, who are mainly smallholders, lack access to the necessary financial tools and skills to commercialize and make their businesses profitable. Leveraging on our financial muscle, we identify linkages with local and international organizations and projects which can help to plug in gaps. Currently, we have developed suitable savings and loans products for entire value chains, particularly at the primary and secondary producer levels, and seek to create more avenues to build the financial capability of our treasured Ghanaian farmers.



Smart Agri-Finance

Strengthening value chain linkages is critical to improving the livelihoods of individual smallholder farmers and their households. Fidelity sees the provision of client-centric financial services and products as one of the key tools to optimize efficiency and build stronger relationships amongst participants in the rural agricultural sector.

Thus, we have partnered with SNV Netherlands Development Organization with funding from USAID, on a project titled Smart Agri-Finance. We aim to build a robust Smart Agent network and provide Smart Accounts to farmers in the three Northern regions under existing SNV projects and USAID's Feed the Future programs. We will be providing savings and investment accounts to lessen dependency on credit; insurance products to assuage the effects of inimical events; innovative credit products, and an easily

accessible, more secure, less expensive payments network to reduce dependency on over-the-counter cash payouts for goods and services. Moreover, we will be providing the needed financial literacy in a region where many of our valued smallholder farmers are either illiterate or innumerate.

Project Statistics:

- Project Title: Smart Money for Agricultural and Rural Transformation (Smart Agri-Finance)
- Project Partners: USAID, SNV Netherlands Development Organization
- Project Period: 2015-2018



USAID is proud to partner with Fidelity Bank to provide financial services to hundreds of thousands of Ghanaians through innovative approaches.

The Smart Agri-Finance project will leverage digital finance to improve livelihoods and communities in Ghana where it is needed most.



Promoting Youth in Cocoa

Ghana's production of cocoa, has steadily dwindled as a result of poor farm practices and maintenance, pests and diseases and increasingly what the government terms the "Generation Gap". Today, the average age of a Ghanaian cocoa farmer is a staggering 55 - shying away from unpredictable crop yields, many of today's youth see the profession as the forte of the poor, rural smallholder farmer and not that of the savvy, more modern young person.

Under the MASO project, (MASO means "I have grabbed/caught"), Solidaridad, as the lead partner, with funding from the MasterCard Foundation, is clustering private and public sector organizations to work towards increasing youth participation in Ghana's cocoa sector. MASO will support young farmers through "CocoAcademies" with training in sustainable cocoa practices. Young entrepreneurs who desire

to establish businesses supporting the cocoa industry will also be taken through some training and mentored via the Cocoa Entrepreneur Development Incubator.

Fidelity will facilitate the training of the youth in financial skills, and provide savings accounts to youth beneficiaries. Fidelity Bank Agents will also be set up where these youths can go and conduct their financial transactions and save income to expand their farming businesses.

Project Statistics:

- Project Title: MASO: Next Generation Youth Cocoa Farmers
 - Project Partners: Solidaridad West Africa; MasterCard Foundation
 - Project Period: 2015-2020
-



Cocoa contributes approximately 8.2% of Ghana's GDP.



Lending in the Agric Value Chain

Ghana's agricultural sector is still evolving from its rain-fed subsistence phase; hence, financial institutions, even when willing, face a lot of risks when lending. Fidelity, wanting to play a pioneering role in lending to participants within and across value chains, has partnered with German institution KfW and the United States Agency for International Development (USAID) under two different agricultural loan portfolios.

The goal of the KfW fund is to provide efficient and sustainable access to loans and other financial services under a rural and agric micro lending scheme. With a nationwide scope, key beneficiaries will be economically active households and MSMEs in the formal and informal sectors in rural (i.e. outside regional capitals) and agric areas.

Meanwhile, the USAID fund seeks to reach MSMEs operating in the rice, maize and soy value chains in the demarcated SADA Region of Ghana, and on-lend to MFIs, Savings and Loans and rural and community banks (RCBs) in target areas.

Project Statistics (Portfolio 1):

- Project Title: DCA/USAID Health Guarantee
 - Project Partners: USAID
 - Project Period: 2014 -2021
-

Project Statistics (Portfolio 2):

- Project Title: Extending Financial Services in Rural Areas
 - Project Partners: IPC and KfW
 - Project Period: 2013 – 2018
-



Between 2007 and 2014, the value of agricultural sector contribution to Ghana's GDP steadily declined from 40% to 22%.



Improved Access to Inputs for Cocoa Farmers

Though cocoa farming is a commercial activity, the majority of Ghanaian smallholder cocoa farmers perceive it as a destiny or way of life and not as a business, therefore getting stuck in a rut of low productivity and low incomes. To enhance their labour productivity and increase their incomes, farmers need to mobilise their own capital and requisite inputs.

This collaboration between Fidelity Bank, Dizengoff and GIZ aims to improve access to innovative financial services and inputs including fertilizer and pesticides for cocoa farmers in selected communities in the Eastern and Western Regions of Ghana.

Fidelity Bank and GIZ SSAB have agreed to jointly develop financial services for Ghanaian cocoa farmers on a pilot basis based on Fidelity's Smart

Agency Banking model, whereas Dizengoff will facilitate the identification and setup of Dizengoff retail input dealers as Smart Agents to serve clients. Beyond just providing banking services, we are hoping to develop a module which would allow customers to also buy inputs. Customers will be incentivized by regular savings promotional campaigns including discounts on their input purchases courtesy of Dizengoff, and financial literacy education by Fidelity.

Project Statistics:

- Project Title: Cocoa Food Link Programme
 - Project Partners: GIZ, Dizengoff Ghana Ltd.
 - Project Period: 2016-2018
-



“Our partnership with Fidelity Bank on this innovative Micro insurance product development for Smart clients will go on to provide a long term financial protection tool for the informal and low income sector.” – GIZ PROMiGH



Health and Sanitation

Diarrhoeal and other sanitation/environmentally-linked diseases including malaria count within the top 10 causes of death in Ghana. As an indigenous institution conscious of the importance of a healthy population to a country's economic outcomes, health and sanitation are two core focus areas in our strategic partnerships stream of work. Currently, we are providing access to affordable loans to improve access to sanitation services and improved health facilities.



P2P: Promoting WASH Enterprises

Approximately, only 13% of Ghanaians have access to improved sanitation.

Concerned by the socio-economic impact of this, Fidelity Bank in 2015 signed an agreement with the Embassy of the Kingdom of Netherlands (EKN) and SNV Netherlands Development Organization to extend credit to MSMEs engaged in the Water, Sanitation and Hygiene (WASH) sector. This aims to boost the availability of WASH products and services from the supply side so as to stimulate demand.

In a study commissioned by EKN under the Ghana Netherlands WASH Programme (GNWP), it was revealed that only 53% of WASH MSMEs have access to credit to support and expand their businesses; the main drawback cited was

prevailing prohibitive interest rates. Accordingly, with funding from EKN, Fidelity and SNV have partnered to manage the WASH P2P (Possible to Profitable) Fund to provide approximately 3000 subsidized interest rate loans to MSMEs and households to boost the provision of and access to WASH products and services.

Project Statistics:

- Project Title: Possible to Profitable
 - Project Partners: Embassy of the Kingdom of Netherlands (EKN) and SNV Netherlands Development Organization
 - Project Period: 2014 - 2019
-



4000 children under 5 in Ghana die yearly as a result of lack of access to improved water and sanitation.

Overall 3 million Ghanaians lack access to clean water.

HOSPITAL

Lending for Health

Wanting to contribute its quota to providing adequate infrastructure in the health sector, Fidelity has partnered with two esteemed funds.

Our first health portfolio is an alliance with USAID under its Development Credit Authority (DCA) to provide affordable finance to healthcare businesses, excluding pharmacies and dental clinics, which have a focus on maternal and child health. Through this seven year partnership, Fidelity, with a guarantee from USAID, will be providing loans to small and medium scale private and non-sovereign healthcare enterprises both accredited by the National Health Insurance Authority (NHIA) and located outside the main metropolitan areas of Greater Accra and Kumasi. Beneficiaries will be supported with technical support by the USAID SHOP (Strengthening Health Outcomes through Private Sector) programme.

Fidelity's second health portfolio is a partnership

with the Medical Credit Fund (MCF). With a non-exclusive nationwide target geographic area, this fund is targeted at local health care providers such as dispensaries, health centres, clinics, private health businesses and active participants within the broad spectrum of the health sector. For this portfolio, technical capacity building will be provided by PharmAccess.

Project Statistics (Portfolio 1):

- Project Title: DCA/USAID Health Guarantee
- Project Partners: USAID
- Project Period: 2014 -2021

Project Statistics (Portfolio 2):

- Project Title: Medical Credit Fund Initiative
 - Project Partners: MCF
 - Project Period: 2014 – 2019
-



Fidelity Bank...Your Strategic Partner in Development.

At Fidelity, we pride ourselves in our products and services tailored to meet the needs of the development partners. Our dedicated strategic partnerships team is focused on becoming the most innovative and preferred financial sector partner for development. Our experienced corporate and investment banking team in addition to our dedicated retail banking team provide a wide range of world class banking services to the sector.

Some of our services include:

- Dedicated relationship managers
- Dedicated and experienced strategic partnership team to help develop development projects
- Easy and competitive transfer fees

- Quick and easy access to forex
- Highly competitive foreign exchange rates
- Internet Banking
- Suite of banking products for staff (Salaried accounts, Salaried Loans and overdrafts, Asset Finance, Mortgages)
- Digitization of payments to beneficiaries, for per diems and other payments to third parties
- Smart Accounts and financial inclusion packages
- Access to over 76 branches, 110 ATMs and 1000 Fidelity Agents across the country to facilitate payments

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for all your needs.**



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1

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2

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3

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