

PRESS RELEASE

8 May 2015

FIVE MILLION GHANAISANS TO BENEFIT FROM FSD AFRICA'S US\$1.2 MILLION RETURNABLE GRANT TO FIDELITY BANK

[FSD Africa](#) (Financial Sector Deepening Africa) is pleased to announce that it has signed a landmark agreement with [Fidelity Bank Ghana](#) to help bring five million underbanked and unbanked Ghanaians into the formal financial sector.

Funded by the UK's Department for International Development, FSD Africa supports financial sector development to help reduce poverty in sub-Saharan Africa. FSD Africa will provide a \$1.2 million returnable grant to Fidelity Bank, which will be repaid in full if the effort to increase financial inclusion proves to be successful and sustainable.

Paul A.M. Musoke, FSD Africa's Director of Change Management and Building Services Markets, said:

"FSD Africa is thrilled to be partnering with Ghana's fastest growing bank. This is the culmination of over a year of detailed design work, which we're now pleased to be scaling up. Fidelity Bank has proven to be a market champion for inclusive banking in Ghana where they have significantly invested into trialling the agency banking concept."

The returnable grant will run until the end of 2019 and will support Fidelity Bank's inclusive banking "Project 5 by 5" which aims to provide banking services to 5 million people in 5 years, primarily through agency banking channels. If successful, "Project 5 by 5" will reach half of the estimated 10 million Ghanaians currently excluded from the formal financial sector. In order to ensure the success of the project, FSD Africa will use its resources and extensive expertise to support the project's implementation.

FSD Africa's grant will support the development of products that meet the needs of the financially excluded. It will also enable Fidelity Bank to build efficient business processes in a way that ensures the bank's operations are scalable to serve a significantly growing customer base. Data management and analytics will be key to enabling the bank to carry out predictive analysis on its target customer base.

Mr. Jim Baiden, the deputy managing director at Fidelity Bank Ghana said

"Fidelity Bank Ghana is pleased to work with FSD Africa to expand financial services to Ghanaians. Being the largest indigenous private sector bank in Ghana, we believe it is our responsibility to promote sustainable financial solutions to all. This support

will enable us expand our already growing agent network, the first of its kind in Ghana and bring many more Ghanaians into banking.”

The grant is returnable. This means that if certain performance conditions are met at the end of the project, Fidelity Bank will be required to make a full repayment of the grant. This ensures that the incentives of FSD Africa and Fidelity Bank are aligned and that the project is implemented on time and within budget.

The parameters that determine the success of the project focus on the profitability of the initiative as well as the number of agents and accounts opened. These parameters will ensure the project supports Fidelity Bank’s business model, as well as FSD Africa’s financial inclusion objectives.

Mr. Musoke also stated that:

“Fidelity Bank’s full commitment to a returnable grant is proof of its determination to build a sustainable business model that will thrive way beyond FSD Africa’s funding. The level of the project’s ambition is significant. This is because financial systems on the continent generally suffer from a lack of scale, which results in inefficiencies and high costs. This consequently leads to a large proportion of the population not able to afford or access formal financial services. FSD Africa hopes this type of project will serve as a blueprint for future investments with similarly progressive financial partners in Africa.”

8 May 2015, Nairobi, Kenya

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About FSD Africa:

Financial Sector Deepening Africa (FSD Africa) - www.fsdafrica.org - is a non-profit company, funded by the UK’s Department for International Development, which promotes financial sector development across sub-Saharan Africa.

FSD Africa sees itself as a catalyst for change, working with partners to build financial markets that are robust, efficient and, above all, inclusive. It uses funding, research and technical expertise to identify market failures and strengthen the capacity of its partners to improve access to financial services and drive economic growth.

FSD Africa is also a regional platform. It fosters collaboration, best practice transfer, economies of scale and coherence between development agencies, donors, financial institutions, practitioners and government entities with a role in financial market development in sub-Saharan Africa. In particular, FSD Africa provides strategic and operational support to the [FSD Network](#).

FSD Africa believes strong and responsive financial markets will be central to Africa’s emerging growth story and the prosperity of its people.