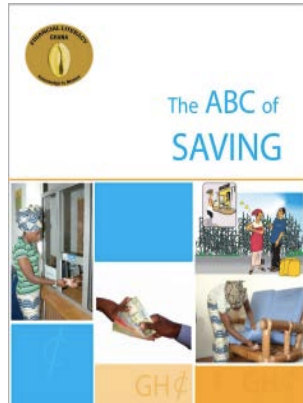


Going Down, Scaling Up: Leveraging Digital Financial Services (DFS) to Serve Ghana's Smallholder Farmers



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Agric players and DFS



DFS in Ghana: Metrics & Opportunities



Fidelity: What DFS Means to Us



Smart Account & Agency Banking: Leaving No One Behind



Serving the Agric Value Chain



Challenges



Questions

Who is the farmer?



More financial needs most not agric related

Access to a Financial Institution

Retirement/ Pensions

Access to loans

Energy

Health needs

Housing

Insurance

School Fees

Savings

Receiving money



Send money to family and friends

Easy repayment of loans

What is DFS – how can it help?

Digital transactions platform



Device

Retail Agents

DFS in Ghana Has Greatly Expanded, Both on the Supply and Demand Side in The Last 5 Years, Largely in the MNO and Digital Payments Space



A few statistics on the mobile money market right now

10m registered MM accounts **3.7m** active MM accounts

40,000 active MM agents **24m** transactions each month

¢3.4b transacted each month **¢380m** MM wallet balances

CGAP Source: Bank of Ghana, Nov 2015. Note: Shows accounts, not users. Excludes non-MM DFS accounts.

48% of Ghanaian adults have registered accounts with a formal financial institution



34% have bank accounts



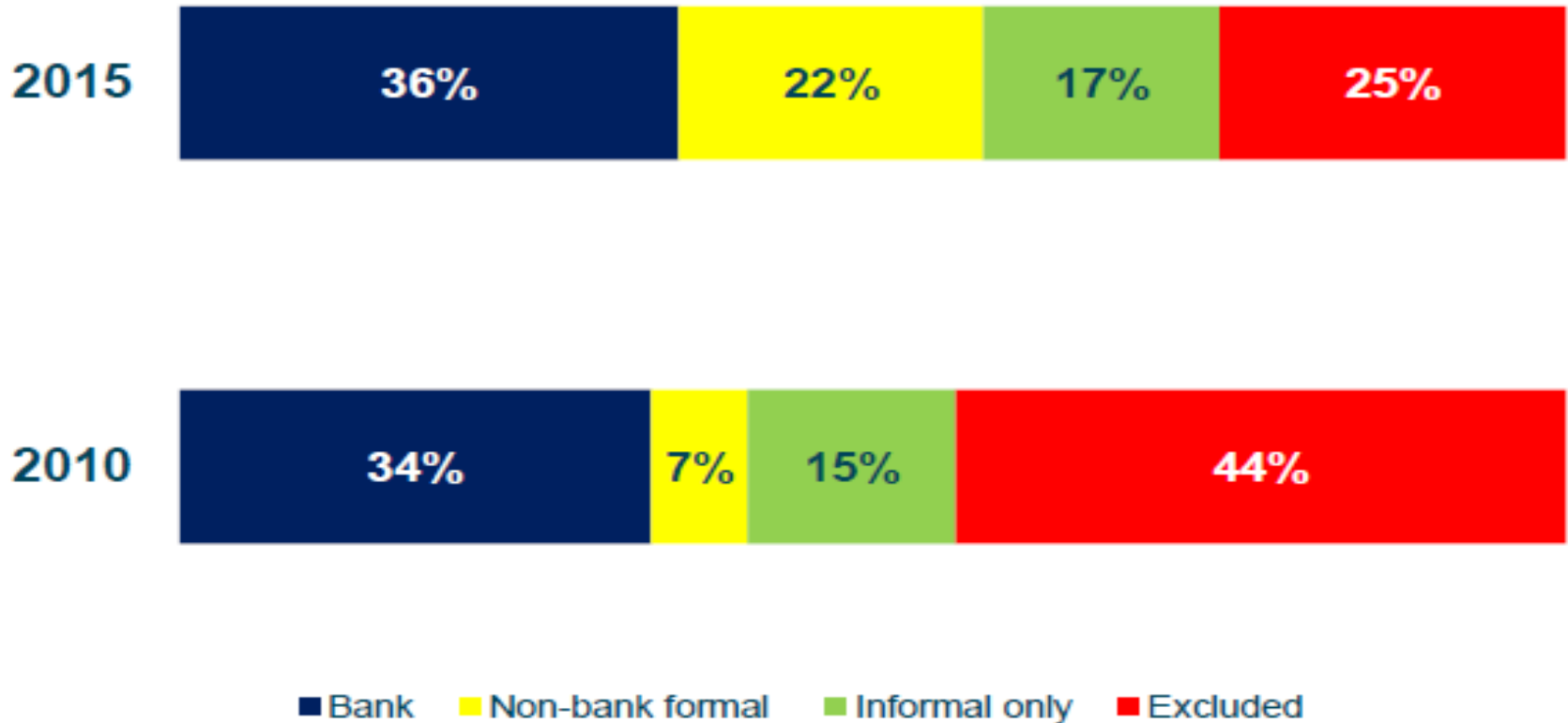
20% have mobile money accounts



8% have nonbank financial institution accounts



Increased Activity in the DFS has improved access to financial services



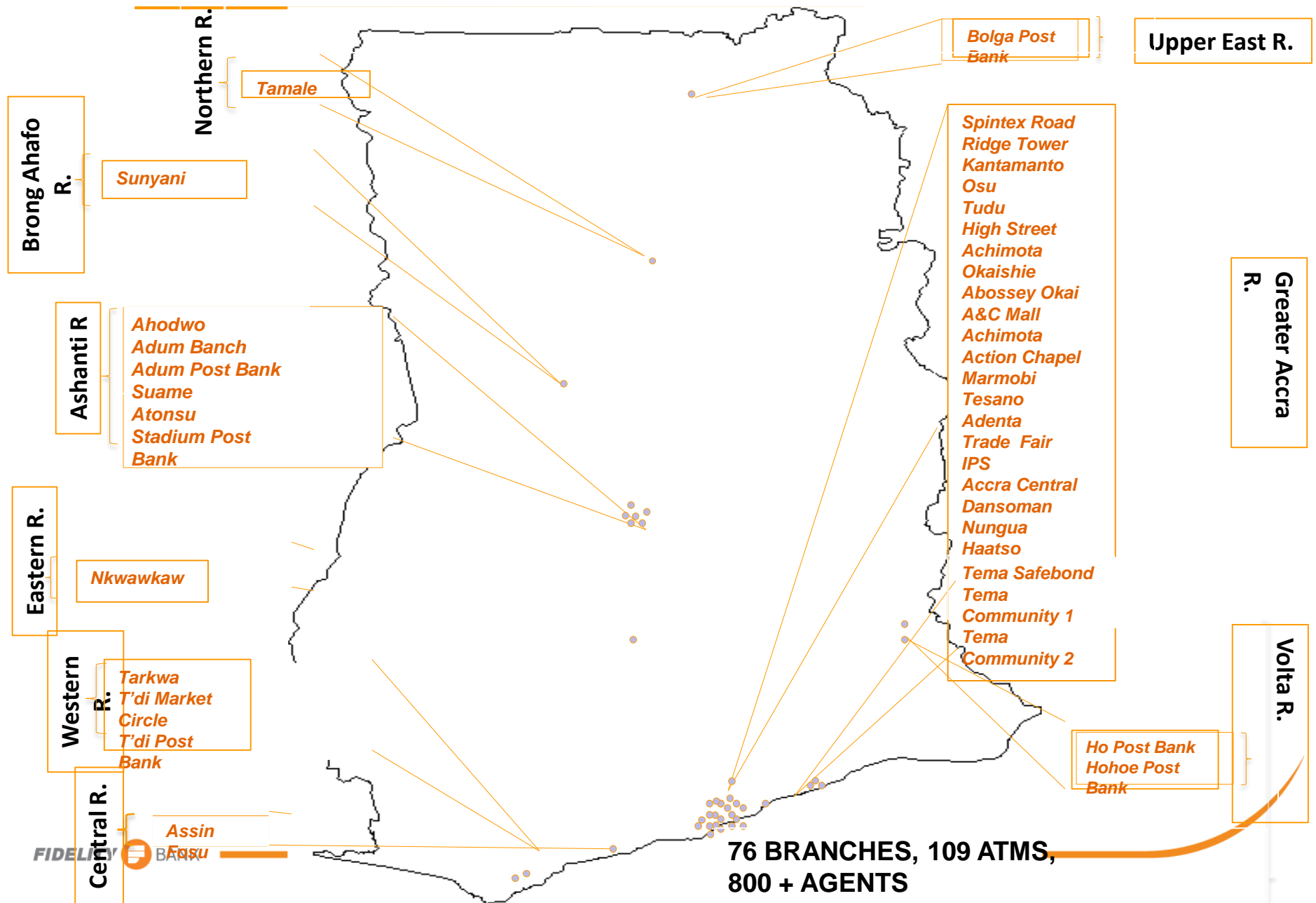
CGAP, 2015

THE FIDELITY BANK STORY

- Established in **June 2006**
 - Formerly Ghana's leading discount house
- **Indigenous bank** owned by Ghanaian and foreign individual and institutional investors and its executives
 - Vision of becoming a **top 3 bank in Ghana**
- Currently **4th in terms of assets, 4th in terms of deposits** out of 30 universal banks
 - **Pioneered Agency Banking** in 2013
 - Commenced **rural expansion** early 2014
- **Acquired ProCredit Ghana Savings and Loans** late 2014
- Serves the **broad spectrum of the market** via its **Retail Banking** and **Wholesale Banking** Groups
- 2000 staff and presence in **all 10 regions of Ghana**
 - 76 branches, 109 ATMS and 823 Agents

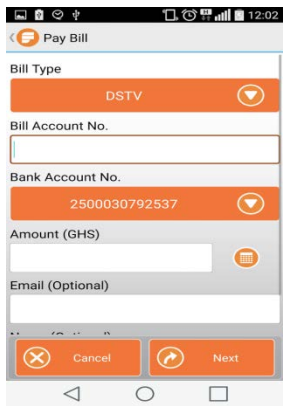


We Have The Largest Banking Network in Ghana



DFS Channels

Usage of digital channels (mobile phones, POS) leveraging on network of Agents to reached unbanked and underbanked



Fidelity Bank Mobile + Internet Banking

Flexible, Convenient, Easily Deployable
Leveraging on vast mobile phone penetration



Fidelity Bank Agent

Community Based Access Point (trust)
Financial Education Hub
POS, M-POS



Fidelity Bank Branch & ATMs

Advisory Services, Bill Pay, Fin. Transactions

Same as CGAP, but including use of ATMs, internet and mobile banking, both for convenience of banked and underbanked



We Mesh DFS and Agriculture With The Guidance of A High Level, Bankwide Committee

Fidelity Agric Committee
Agric Strategy & Agric Policy

Deputy Managing Director

Inclusive Banking

Dedicated Agric and rural development Manager

Strategic Partnerships Manger

Clients

Smallholder Farmers
Blue Collar Workers
VSLAs
Other Agric and Rural persons

Commercial & SME Banking

Dedicated Agric Desk

Clients

Nucleus Farmers
Input Dealers
Small and Medium Agric Companies

Corporate Banking

Dedicated Agric desk

Clients

Produce Buying Companies
Off-takers
Outgrowers
Large Fertilizer Companies

Support

IT – IBM

HR

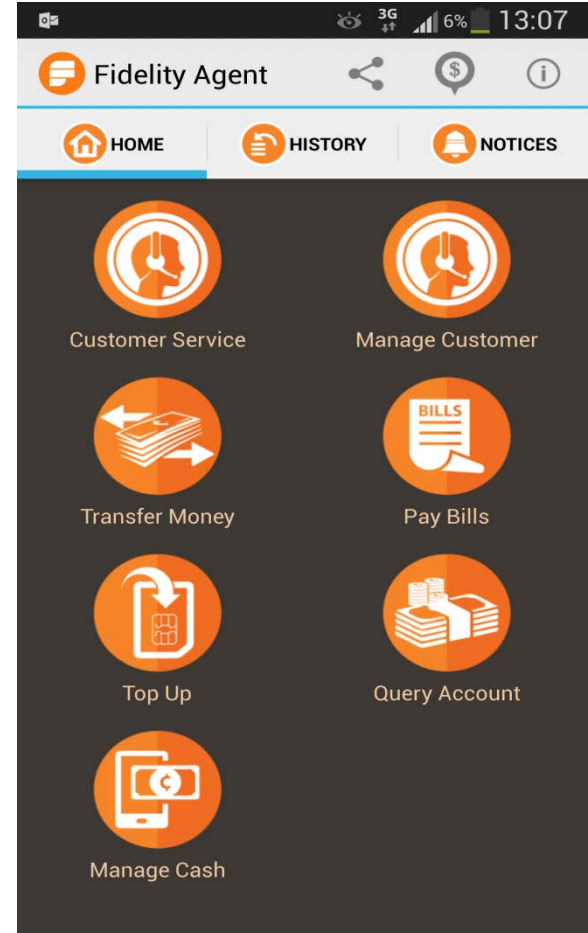
Corporate Services –
Admin &
Procurement

E-banking

Retail Network

Acquisition of Pro Credit bringing experience and knowledge in agriculture financing

Flexible Digital transactions platform



Digitization through easy account opening



Agents provide easy access to financial services



Strategic Partnerships Assist Us Extend Reach to The Very Bottom of the Market and Remote Rural Areas



Partnering With Civil Society, We Reach Out to Rural and Agricultural Communities with Comprehensive Financial Services

Technology (POS, M-POS)

• Outreach – Smart Account



• Sustainability – Agency Banking



• Linkages – Inclusive Banking Partnerships



• Expected Impact
130, 000 smallholder farmers
500 Fidelity Bank Agents

• Products
Savings Accounts
Investments
Linkage to Mobile Money
Credit

• Scalability
• Highly scalable model based on trusted value chain network
• Leveraging existing and potential partnerships – corporate and commercial clients, INGOs e.g. CARE, PLAN, GIZ, ActionAid, CBOs eg PAS GARU

We Ensure That Women And Youth Are a Key Focus Of Our Programming



Women

- VSLA linkage model
- Specialized Smart VSLA accounts
- Financial education and linkage training
- Targeting women FBOs
- Female Rural Agents



Youth

- Youth as Smart Friends - Smart Friends are fresh graduates
- Focus on designing accounts to suit mobile and light cash flow of youth
- Financial education training for youth



SMART!

Smart Money for Agricultural and Rural Transformation

(Sep 2015 – Sep 2018)

Partnering with **SNV (Netherlands Development Organization)** with financing from **USAID** to increase commercial opportunities for **Feed the Future (FTF)** targeted beneficiaries, primarily women, in the Northern, Upper East and Upper West regions of Ghana. Working with partners to extend savings accounts, financial literacy and credit (at the latter stages of the project).

200,000

- Value chain actors reached

100,000

- Smart Accounts to be opened

375

- Fidelity Bank Agents

GOALS

- Link Fidelity Bank to smallholder farmers and other value chain actors in the SADA region with SNV facilitating and co-funded by USAID
- 200,000 people reached with the message and 100,000 opening and using Fidelity Bank Accounts, mobile banking and mobile money



USAID
FROM THE AMERICAN PEOPLE



Challenges to DFS, especially in rural areas

Technology

- Data connectivity, reliable, flexible

Agent Profitability

- Can agents be profitable in rural areas? What is the potential

Big Data

- How can we collect data and analyse this to provide better services?

Marketing to the BOP

- How do we gather people and educate them effectively to understand their pain points?

Cost

- Agency systems can be expensive, we need to check viability

Minimising CASH in agri-value chains

1. How can we take agent points into rural areas in a cost effective manner?
2. How can we ensure there is connectivity in rural areas?
3. How can farmers be paid electronically through the value chain?
4. How can we ensure that most agric actors in the value chain accept electronic value?

Questions??



