

Frontclear concludes a first GMRA documented cross-currency repo in Ghana with Fidelity Bank Ghana and Societe Generale

January 2020. Frontclear, Fidelity Bank Ghana and Societe Generale, completed a USD 40-million repo trade, using Ghanaian Cedi government bond collateral. This trade is the first ever Global Master Repurchase Agreement (GMRA)-documented trade in Ghana and has been made possible thanks to positive regulatory developments such as the recent Bank of Ghana's 'Guidelines for Repurchase Agreements in Ghana' as well as improved capacity within the local market.

The one-year cross-currency repo transaction is documented under standard GMRA 2011, as now mandated by Bank of Ghana (BOG) for any repo trades in Ghana. The successful conclusion of this landmark trade, just one month after the publication of the repo guidelines, demonstrates firsthand the benefits of using internationally accepted documentation and the importance of providing clarity on key aspects such as title transfer of collateral and enforceability of GMRA provisions in a close-out scenario.

"Frontclear is proud to play a role in delivering the first ever true repo trade documented under standard GMRA with our partner banks. Our success in closing this trade is testament to the commendable efforts of the Ghanaian authorities and market participants to develop Ghana's capital markets, efforts which Frontclear has been contributing to via its technical assistance program over the past three years. We hope that this trade sends a strong statement of support that will spur further activity in the repo space." - Hugh Friel, Vice President, Frontclear

"Another first for Fidelity Bank Ghana Limited as we continue to work hand in hand with our global partners, local regulators and the Central Securities Depository to drive local market development. Not only does the new GMRA framework afford us the ability to tap new funding sources (local and offshore) but also more importantly, it achieves this in a timely, cheaper and more predictable manner. This gives leading banks in Ghana like Fidelity Bank Ghana Limited, the needed flexibility to continue to support a number of industries that drive Ghana's real economy. As we continue to build global partnerships, we see the importance of leading the way in providing access to secure and flexible short-term investment opportunities for global partners in Ghana while simultaneously accelerating the widespread adoption of internationally acceptable standards such as the GMRA in Ghana's financial markets." - Sam Kwame Aidoo, Deputy Managing Director, Wholesale Bank, Fidelity Bank Ghana

"Following the first cross-currency total return swap in Ghana closed one year ago, Societe Generale is pleased to extend its capabilities and to be part of this first ever GMRA-documented repo transaction in Ghana with Fidelity Bank Ghana and Frontclear. This cross-currency repo adds to the existing set of collateralised financing solutions proposed by the Bank in this country and illustrates its tailor-made approach to serve its clients with innovative market solutions." - Jérôme Sabah, Global Head of Rates, Credit and Forex Sales for Financial Institutions, Societe Generale

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About Frontclear

Frontclear is a development finance company dedicated to stable and inclusive money markets. Its investors are largely European development financial institutions and governments. Frontclear has unlocked access to global and local interbank markets for EMDC banks by providing credit guarantees to cover counterparty credit risk, on the condition that local currency assets can be used for collateral management purposes. Complementarily, Frontclear offers technical assistance and implements regulator roundtables, advisory projects on legal enforceability, industry training and market infrastructure development – all targeting the development of a healthy money markets. To-date, Frontclear has facilitated USD 980 million in interbank money market transaction in 13 countries. It has trained over 900 obligors and regulators in over 13 countries and signed a near dozen partnerships with central banks and local beneficiaries. For further information, please visit www.frontclear.com.

About Fidelity Ghana

Fidelity Bank Ghana Limited (FBGL) is a privately owned Financial Institution, incorporated in Ghana and issued with a universal banking license in June 2006 in line with Ghana's Banking Act, 2004 (Act 673). The bank is owned by both institutional and individual Ghanaian and foreign investors such as Africa Capital LLC, KTH Africa Investments, Social Security and National Insurance Trust (Ghana's statutory pensions' Trust), ENO International LLC, Amethis Finance Netherlands B. V. and ERES Invest Coöperatief U. A. (Rothschild's Advisers) and Ghana Commercial Bank.

We believe in and are committed to relationship-based banking and we seek long-term partnerships with our clients and partners. We value relationships and constantly seek to maintain and strengthen the trust afforded to us by our clients and society.

FBGL offers a comprehensive range of banking services to meet the banking and financial needs of existing/potential clients across Ghana and beyond through a growing network of branches and automated banking posts.

Fidelity's strategy is based on a value-added full-service banking. This brings to bear our tradition of excellence and the experience of our highly qualified professional staff to each relationship we are involved in. We have over the recent past achieved a track record of raising long-term finances for a wide variety of clients, deepening our Corporate and Investment banking franchise. Fidelity Bank has grown to establish itself as a leading player in the Ghanaian fixed income market. We have shown leadership in driving market participation when the much-needed foreign investor interest in locally issued securities has been unexpectedly low.

About Societe Generale

Societe Generale is one of the leading European financial services groups. Based on a diversified and integrated banking model, the Group combines financial strength and proven expertise in innovation with a strategy of sustainable growth, aiming to be the trusted partner for its clients, committed to the positive transformations of society and the economy.

Active in the real economy for over 150 years, with a solid position in Europe and connected to the rest of the world, Societe Generale has over 147,000 members of staff in 67 countries and supports on a daily basis 31 million individual clients, businesses and institutional investors around the world by offering a wide range of advisory services and tailored financial solutions. The Group is built on three complementary core businesses:

- French Retail Banking, which encompasses the Societe Generale, Crédit du Nord and Boursorama brands. Each offers a full range of financial services with omnichannel products at the cutting edge of digital innovation;
- International Retail Banking, Insurance and Financial Services to Corporates, with networks in Africa, Russia, Central and Eastern Europe and specialised businesses that are leaders in their markets;

- Global Banking and Investor Solutions, which offers recognised expertise, key international locations and integrated solutions.

Societe Generale is included in the principal socially responsible investment indices: DJSI (World and Europe), FTSE4Good (Global and Europe), Euronext Vigeo (World, Europe and Eurozone), four of the STOXX ESG Leaders indices, and the MSCI Low Carbon Leaders Index. For more information, please visit www.societegenerale.com.

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