

Fidelity Bank Investor Presentation

Audited Financial Results for the 12 months ended

December 31, 2019



1. Overview of Fidelity Bank

2. The Operating Environment

3. Financial Highlights

4. Financial Review

5. 2019FY Actual Vs. 2020FY Guidance



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Fidelity FastLoan™



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Overview of Fidelity Bank



Ownership

Total Assets: **N2,114bn**
\$5.8bn

32.0bn Authorized Shares Issued And Fully Paid → **28.96bn**

Listings:

- 28.96bn** Shares
- THE Nigerian STOCK EXCHANGE** (RC: 2321)
- Irish Stock Exchange**
- \$400m** Oct 2022 Eurobond

FMDQ OTC Securities Exchange
7yr N30bn May 2022 NGN Bonds

Operations & Contact Channels

Professional Staff
2,933
Male: 54%
Female: 46%

5.3 Million Accounts

833 ATMs

2.2m Cards

2.5m Mobile Customers

9,798 POS

250 Branches

Governance

15 Board Members
Non-Executives: 8
Executives: 7

5 Board Committees

Executive Management Team **9**

Fitch Ratings B- (Stable)

S&P Global B- (Stable)

GCR GLOBAL CREDIT RATING CO.
Local Expertise • Global Presence

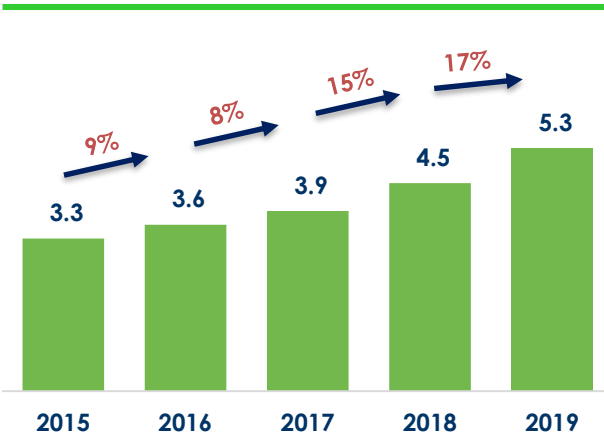
A-NG (Stable)

Overview of Fidelity Bank

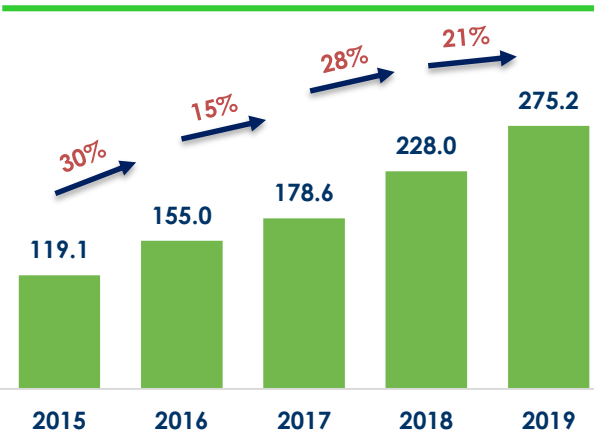


Retail And Digital Banking Evolution / Progress Report

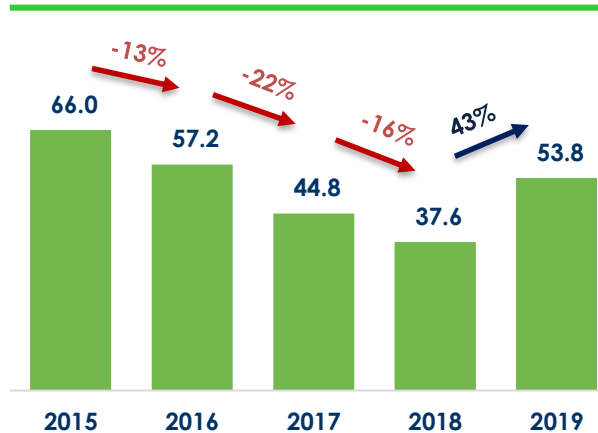
Number of Customer Accounts (#'m)



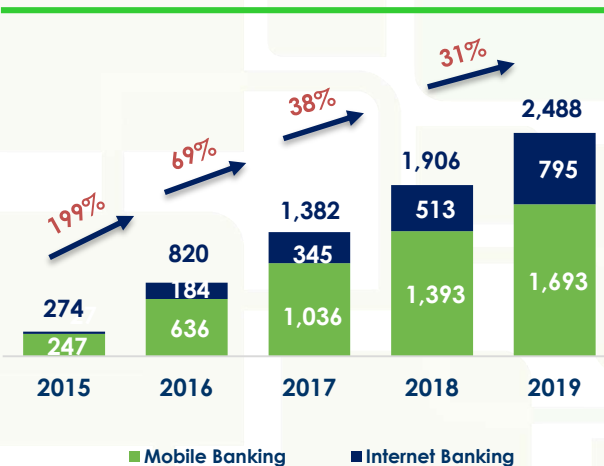
Savings deposits (N'bn)



Retail Risk Assets (N'bn)



Mobile/Internet Banking Cust. (#'000)



Number of Debit Cardholders (#'000)



Commentary

- ▶ We achieved double-digit growth in savings deposits for the 6th consecutive year.
- ▶ Retail loans picked up in 2019 following the launch of our digital lending products (FFL).
- ▶ 47.4% of customers now enrolled on mobile/internet banking products.
- ▶ 82.0% of customers transactions are now done on electronic banking channels.
- ▶ Digital banking now accounts for 31.1% of fee income.

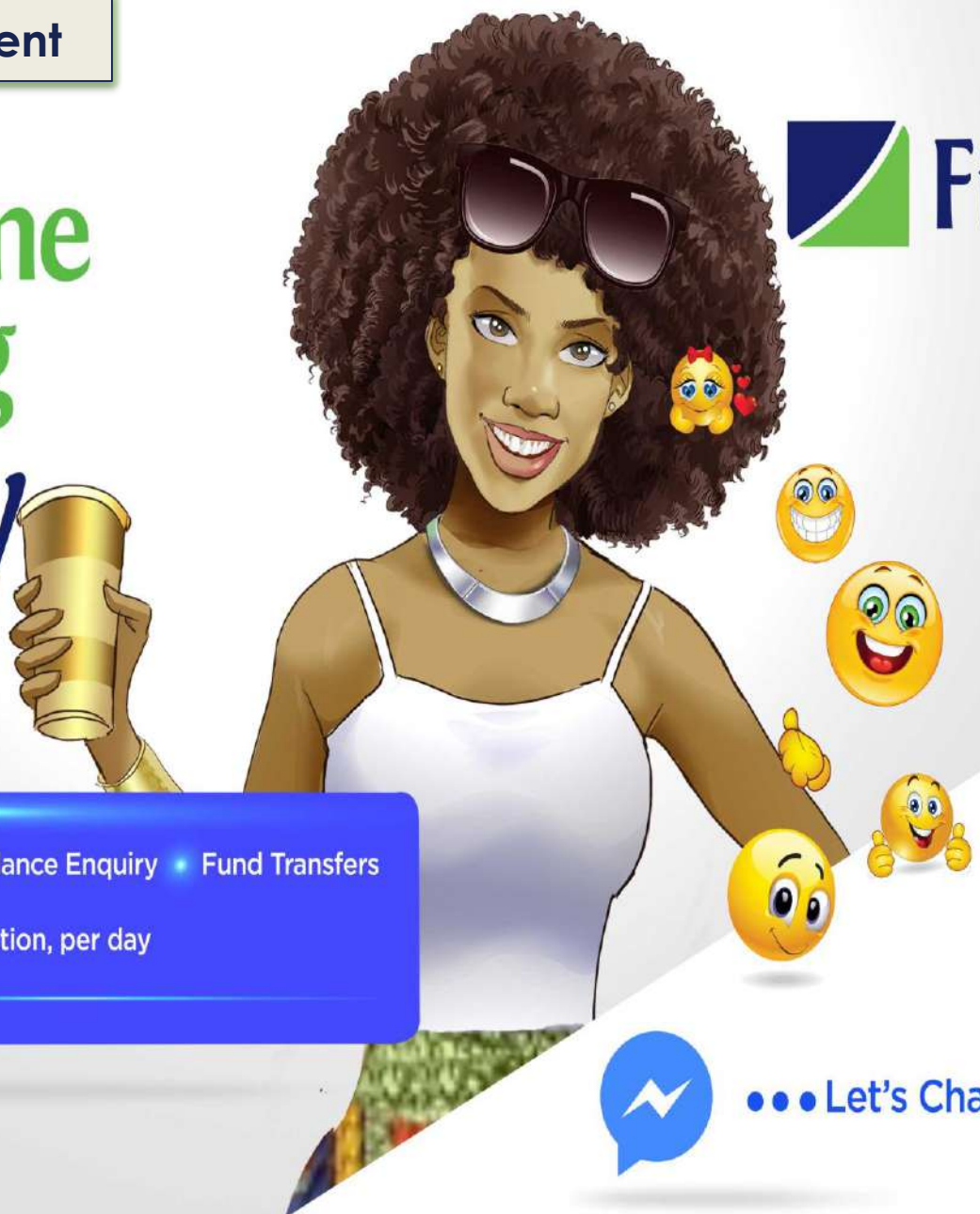
Let's do some softbanking

I am Ivy

Fidelity Bank's Virtual Assistant

I can help with:

- Bill Payments
- Account Opening
- Balance Enquiry
- Fund Transfers
- Forex Rates
- Up to 200K per transaction, per day
- and so much more

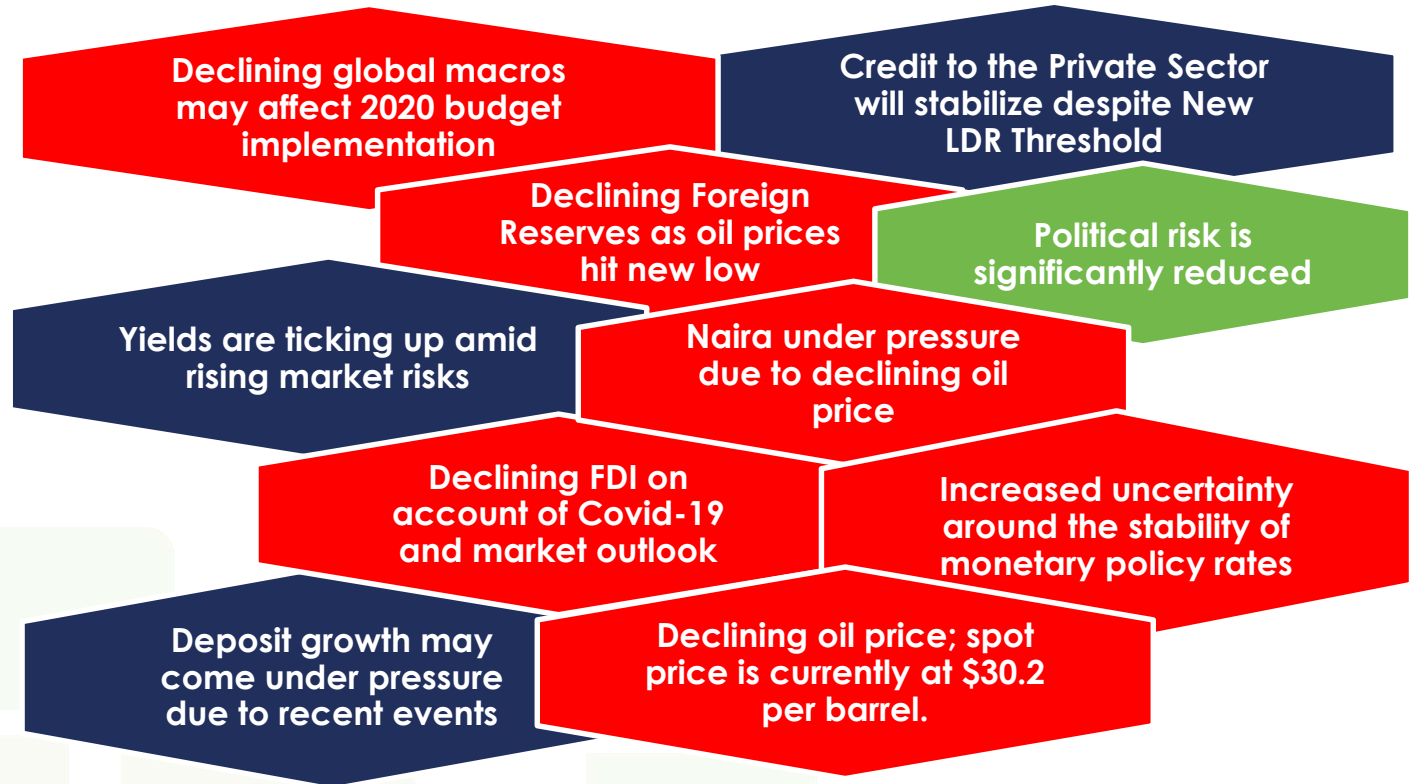


Let's Chat



To chat with IVY, log on to Facebook messenger, type **Fidelity Bank Ivy** under the chat tab

The Operating Environment



Stable -	
Improving -	
Declining -	



At Fidelity, We Believe In Quality

We set the example in implementing #EachForEqual with our Executive Directors consisting of an equal number of men and women. (EDs = 3♀ + 3♂)

Join us as we strive for a world of equality together.
#IWD2020



Performance Highlights



Revenue and Efficiency Ratio

- ❑ Total Interest Income up by 15.8% to ₦182.3 billion in 2019FY (2018FY: ₦157.5 billion)
- ❑ Operating Expenses up by 13.7% to ₦82.0 billion in 2019FY (2018FY: ₦72.1 billion)
- ❑ Cost to Income Ratio increased to 73.4% in 2019FY from 71.1% in 2018FY
- ❑ PBT up by 21.0% to ₦30.4 billion in 2019FY (PAT came in at ₦28.4 billion)

Asset Quality

- ❑ Cost of Risk was down to -0.1% in 2019FY from 0.5% in 2018FY
- ❑ NPL Ratio down to 3.3% in 2019FY from 5.7% in 2018FY
- ❑ Coverage Ratio was up to 169.1% in 2019FY from 110.7% in 2018FY
- ❑ FCY Loans accounted for 41.2% of Loans & Advances from 41.1% in 2018FY

Capital Adequacy and Liquidity

- ❑ Capital Adequacy Ratio of 18.3%, based on Basel II computation
- ❑ Liquidity Ratio of 35.0% compared to regulatory minimum of 30.0%
- ❑ Gross loans to funding ratio stood at 68.2% in 2019FY from 64.2% in 2018FY
- ❑ Total Equity at ₦234.0 billion compared to ₦194.4 billion in 2018FY

Financial Highlights



- ❑ Gross earnings increased by 14.0% YoY to ₦215.5 billion driven largely by a 15.8% growth in interest and similar income which accounted for 84.6% of total earnings.
- ❑ Non-interest income increased by ₦1.6 billion to ₦33.2 billion on account of double-digit growth across key activity-based income: Credit Related Fees (125.2%), Trade Income (19.7%), Account Maintenance Fees (13.6%), and Digital Banking Income (13.3%).
- ❑ Net interest margin (NIM) improved to 6.2% from 5.8% in 2018FY as the increase in the yield on earning assets outpaced the growth in average funding costs. However, since late Q3, average funding cost has consistently trended downward MoM.
- ❑ Total operating income (after impairment) increased by 15.6% to ₦112.3 billion while total operating expenses increased by 13.7% driven largely by NDIC | AMCON | Technology | Advert which accounted for over 63.0% of the total increase in operating expenses.
- ❑ PBT increased by 21.0% to ₦30.4 billion from ₦25.1 billion in 2018FY, while PAT came in at ₦28.4 billion.
- ❑ Total customer deposits increased by 25.1% YTD to ₦1,225.2 billion driven by a combination of 17.1% growth in local currency deposits (LCY) and a strong 60.5% growth in foreign currency deposits (FCY).

Financial Highlights



- ❑ LCY deposits came in at ₦936.6 billion representing 76.4% of total deposits while FCY deposits increased to ₦288.6 billion and now accounts for 23.6% of total deposits from 18.4% in 2018FY.
- ❑ Savings deposits increased by 20.7% YTD to ₦275.2 billion in 2019FY from ₦228.0 billion in 2018FY and now accounts for 22.5% of total deposits.
- ❑ Net loans and advances increased by 32.6% YTD to ₦1,127.0 billion from ₦849.9 billion in 2018FY on account of a combined growth in local currency loans (32.2%) and foreign currency loans (33.1%).
- ❑ Loan to funding ratio is now 68.2% from 64.2% in 2018FY which stood above the new minimum LDR threshold of 65.0%.
- ❑ Non-performing loans (NPL) ratio declined to 3.3% in 2019FY from 5.7% in 2018FY due to 30.0% growth in the loan book and a 25.1% decline in absolute NPL book (Stage 3 Loans) on account of ₦12.3 billion loan write-offs.
- ❑ Capital adequacy ratio (CAR) improved to 18.3% from 16.7% in 2018FY with the capitalization of H2 2019 profit. CAR remains well above of our internal guidance of 16.0% and the regulatory minimum of 15.0%.

Financial Highlights



Summary of Income Statement: YoY Change				
N'million	2018FY	2019FY	VAR	% VAR
Gross Earnings	189,005	215,514	26,509	14.0%
Interest Income Loans	114,711	136,707	21,996	19.2%
Interest Income Liquid Assets	42,740	45,637	2,897	6.8%
Total Interest Income	157,451	182,344	24,893	15.8%
Interest Expense Customer Deposits	(61,353)	(73,634)	12,281	20.0%
Interest Expense Borrowings	(22,742)	(25,655)	2,913	12.8%
Total Interest Expense	(84,095)	(99,289)	15,194	18.1%
Net Interest Income	73,356	83,055	9,699	13.2%
FX Income	12,735	6,542	(6,193)	-48.6%
Digital Income	7,872	8,917	1,044	13.3%
Other Fee Income (Net)	7,469	13,245	5,776	77.3%
Net Fee Income	28,076	28,703	627	2.2%
Operating Income	101,432	111,758	10,326	10.2%
Total Expenses	(72,128)	(81,992)	9,864	13.7%
Net Impairment Losses	(4,215)	587	(4,802)	-113.9%
Profit Before Tax	25,089	30,353	5,264	21.0%

Please note: Gross earnings was calculated based on total fees & commission income

Net fee income includes net gains/ (losses) from financial instruments

Financial Highlights



Summary of Income Statement: QoQ Change						
N'million	Q1 2019	Q2 2019	Q3 2019	Q4 2019	VAR	% VAR
Gross Earnings	48,423	55,232	57,400	54,460	(2,940)	-5.1%
Interest Income Loans	28,400	33,685	36,475	38,147	1,672	4.6%
Interest Income Liquid Assets	11,030	12,715	12,811	9,081	(3,730)	-29.1%
Total Interest Income	39,430	46,400	49,286	47,228	(2,058)	-4.2%
Interest Expense Customer Deposits	(16,521)	(19,151)	(19,862)	(18,100)	(1,761)	-8.9%
Interest Expense Borrowings	(6,379)	(6,880)	(8,078)	(4,318)	(3,760)	-46.5%
Total Interest Expense	(22,900)	(26,031)	(27,939)	(22,419)	(5,521)	-19.8%
Net Interest Income	16,530	20,369	21,347	24,809	3,462	16.2%
FX Income	3,022	1,479	184	1,856	1,672	909.6%
E-banking Income	2,153	2,316	2,622	1,825	(797)	-30.4%
Other Fee Income (Net)	2,695	3,887	4,138	2,524	(1,614)	-39.0%
Net Fee Income	7,871	7,683	6,944	6,206	(738)	-10.6%
Operating Income	24,401	28,052	28,291	31,015	2,724	9.6%
Total Expenses	(16,692)	(21,477)	(19,709)	(24,114)	4,405	22.4%
Net Impairment Losses	(1,035)	1,803	(629)	448	(1,078)	-171.2%
Profit Before Tax	6,674	8,378	7,953	7,350	(603)	-7.6%

Please note: Gross earnings was calculated based on total fees & commission income

Net fee income includes net gains/ (losses) from financial instruments

Financial Highlights



Statement of Financial Position: YTD Change

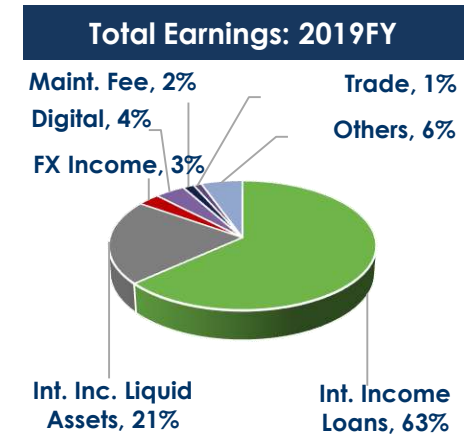
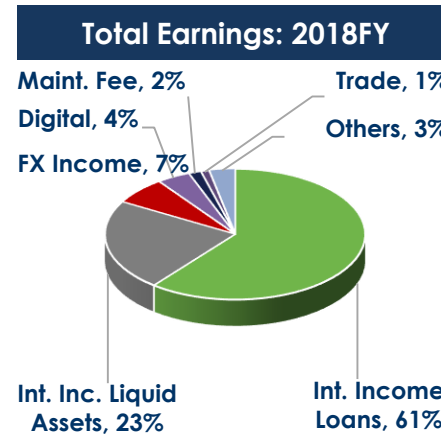
N'million	2018FY	2019FY	VAR	% VAR
Total Assets	1,719,883	2,114,037	394,154	22.9%
Earning Assets	1,198,988	1,474,252	275,264	23.0%
Bank Placements	58,755	55,812	(2,943)	-5.0%
Treasury Bills	189,236	183,363	(5,873)	-3.1%
Bonds	101,117	108,103	6,986	6.9%
Customer Loans (Naira)	500,751	662,214	161,463	32.2%
Customer Loans (FCY)	349,129	464,760	115,631	33.1%
Non-Earning Assets	520,895	639,785	118,890	22.8%
Cash	44,624	31,658	(12,966)	-29.1%
Cash Reserve	249,614	343,346	93,732	37.6%
Bal. with other Banks/Settlement Acct	143,571	179,932	36,361	25.3%
Fixed Assets	36,909	38,392	1,483	4.0%
All Other Assets	46,177	46,457	280	0.6%
Interest Bearing Liabilities	1,411,652	1,726,938	315,286	22.3%
Demand	571,329	691,610	120,281	21.1%
Savings	227,970	275,219	47,249	20.7%
Time Deposits	180,114	258,384	78,270	43.5%
Other Borrowings	67,665	76,308	8,643	12.8%
On-lending Facilities	191,472	250,139	58,667	30.6%
Debt Securities	173,102	175,278	2,176	1.3%
All Other Liabilities	113,815	153,069	39,254	34.5%
Equity	194,416	234,030	39,614	20.4%

Please note: The Balance Sheet was converted at an exchange rate of ₦364.70/USD, being the NAFEX Rate on the reporting date.

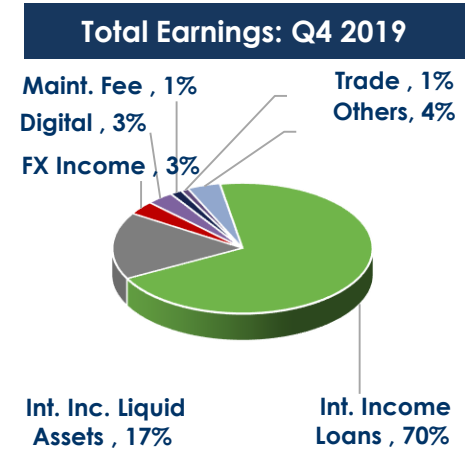
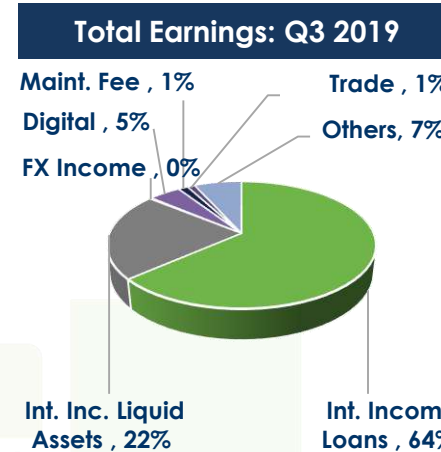
Gross Earnings Analysis



Key Highlights (N'm)	2018FY	2019FY	VAR	% VAR
Total Earnings	189,005	215,514	26,509	14.0%
Interest Income Loans	114,711	136,707	21,996	19.2%
Int. Inc. Liquid Assets	42,740	45,637	2,897	6.8%
FX Income	12,735	6,542	(6,193)	-48.6%
Digital Income	7,872	8,917	1,044	13.3%
A/C Maintenance fee	2,899	3,295	395	13.6%
Trade Income	1,972	2,360	388	19.7%
Other Income	6,076	12,057	5,981	98.4%



Key Highlights (N'm)	Q1 2019	Q2 2019	Q3 2019	Q4 2019
Total Earnings	48,423	55,232	57,400	54,460
Interest Income Loans	28,400	33,685	36,475	38,147
Int. Inc. Liquid Assets	11,030	12,715	12,811	9,081
FX Income	3,022	1,479	184	1,856
Digital Income	2,153	2,316	2,622	1,825
A/C Maintenance fee	799	884	801	810
Trade Income	370	833	624	532
Other Income	2,647	3,320	3,882	2,208



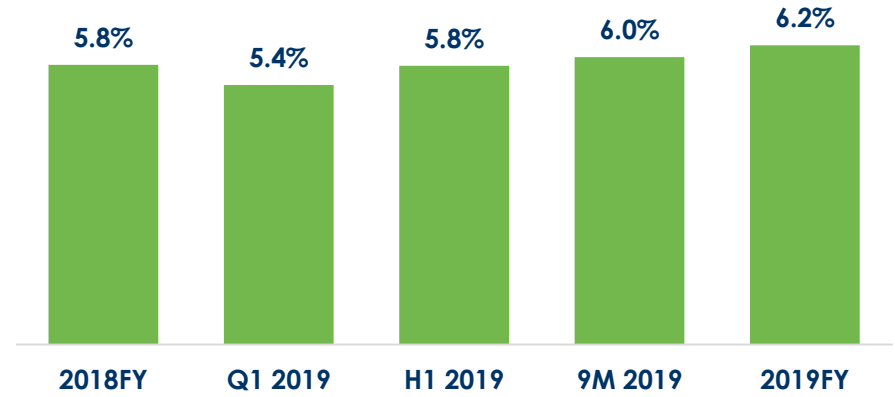
- Gross earnings grew by 14.0% to ₦215.5bn with interest & similar income contributing 84.6% while 14.4% came from non-interest income.
- Interest and similar income was driven largely by 19.2% in interest income on loans on the back of 32.6% expansion in net loans.
- The ₦6.0bn growth in other income was driven by assets disposal gains of ₦2.5bn and a ₦1.2bn growth in dividend income.

Net Interest Margin Analysis

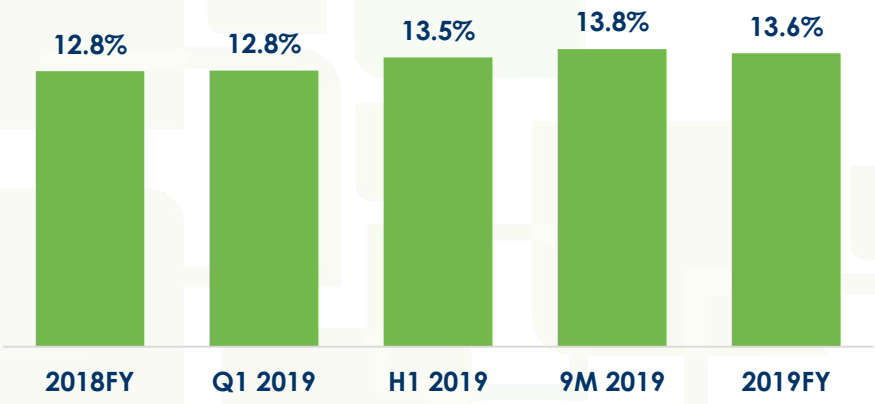


- ▶ NIM improved to 6.2% in 2019FY from 5.8% in 2018FY, as the drop in average funding cost surpassed the moderation in average yields on earning assets.
- ▶ Average funding cost dropped to 6.3% from 6.7% in 9M 2019 due to a combination of lower average cost of deposits and borrowing cost across currencies.
- ▶ Moderation in yield on earning assets was caused by a lower yield on liquid assets and loans.
- ▶ Yields are responding to policy changes led by the CBN.

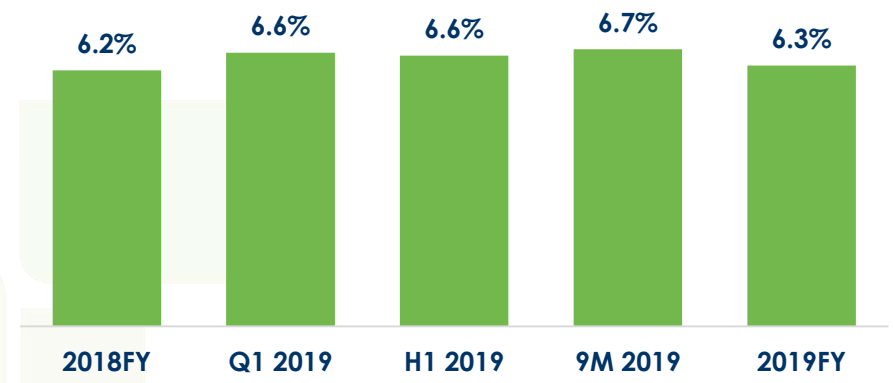
NIM Trend



Yield on Earning Assets



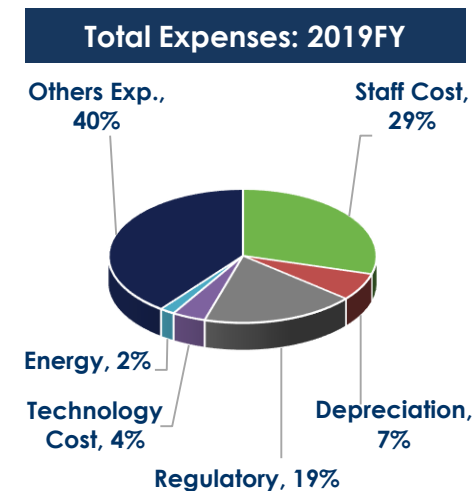
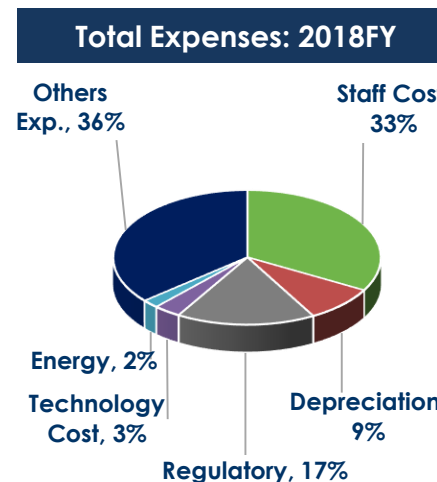
Funding Cost



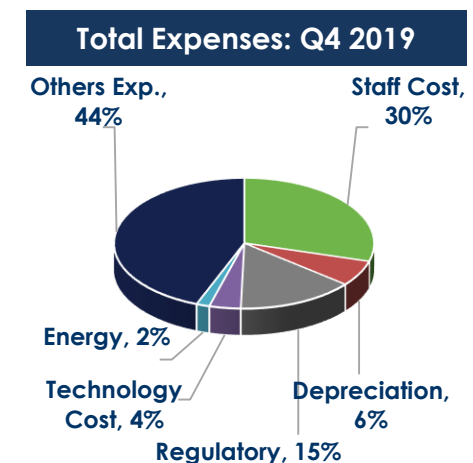
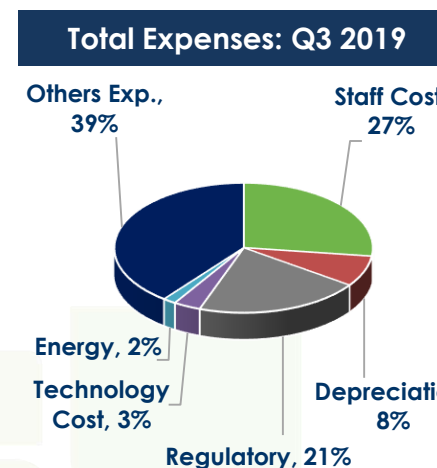
Total Expense Analysis



Key Highlights (N'm)	2018FY	2019FY	VAR	% VAR
Total Expenses	72,128	81,992	9,864	13.7%
Staff Cost	23,910	24,129	219	0.9%
Depreciation	6,247	5,421	(826)	-13.2%
NDIC/AMCON Cost	12,074	15,210	3,136	26.0%
Technology Cost	2,366	3,301	935	39.5%
Energy Cost	1,446	1,462	16	1.1%
Security	1,280	1,149	(131)	-10.2%
Branding & Advert	8,194	10,430	2,236	27.3%
Other Expenses	16,611	20,890	4,279	25.8%



Key Highlights (N'm)	Q1 2019	Q2 2019	Q3 2019	Q4 2019
Total Expenses	16,692	21,477	19,709	24,114
Staff Cost	5,347	6,328	5,338	7,116
Depreciation	993	1,384	1,512	1,532
NDIC/AMCON Cost	3,155	4,450	4,092	3,513
Technology Cost	908	788	666	939
Energy Cost	355	395	321	391
Security	129	324	329	367
Branding & Advert	1,299	3,131	2,673	3,327
Other Expenses	4,507	4,676	4,779	6,928



➤ Rising regulatory charges reflects our growing balance sheet size and customer deposits, a trend that will moderate slightly in 2020 due to the impact of the global scourge and lower crude oil prices on our growth aspiration.

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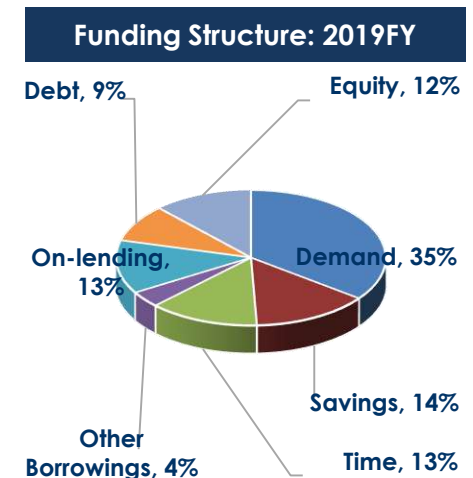
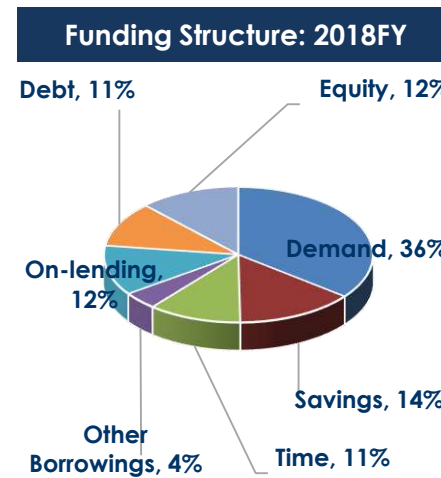


Pay By Link

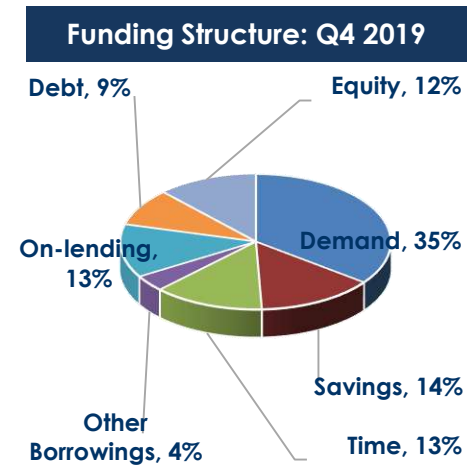
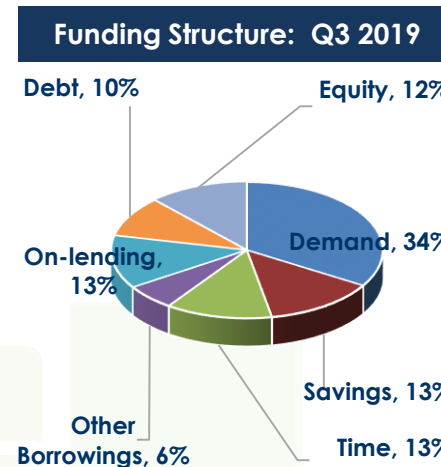
Funding Base Analysis



Key Highlights (N'm)	2018FY	2019FY	VAR	% VAR
Demand Deposits	571,329	691,610	120,281	21.1%
Savings Deposits	227,970	275,219	47,249	20.7%
Tenor Deposits	180,114	258,384	78,270	43.5%
Other Borrowings	67,665	76,308	8,643	12.8%
On-Lending	191,472	250,139	58,667	30.6%
Debt Securities	173,102	175,278	2,176	1.3%
Equity	194,416	234,030	39,614	20.4%
Total	1,606,068	1,960,968	354,900	22.1%



Key Highlights (N'm)	Q1 2019	Q2 2019	Q3 2019	Q4 2019
Demand Deposits	569,986	561,066	630,392	691,610
Savings Deposits	242,080	247,672	248,881	275,219
Tenor Deposits	204,933	288,273	237,143	258,384
Other Borrowings	91,819	89,578	113,626	76,308
On-Lending	230,373	234,903	236,619	250,139
Debt Securities	178,737	173,420	180,775	175,278
Equity	202,030	215,566	221,728	234,030
Total	1,719,958	1,810,478	1,869,164	1,960,968

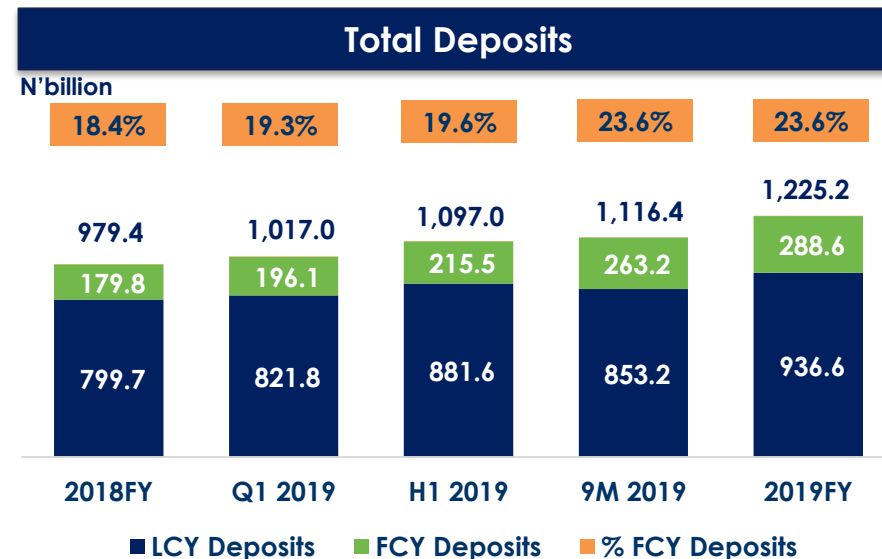


- Overall earnings capacity was boosted by improved and well diversified funding base with total customer deposits accounting for 62.5% of total funding base (2018FY: 61.0%) and 70.9% of interest bearing liabilities.
- Drop in other borrowings in Q4 was due to the reclassification of offshore trade lines to other liabilities carried at face value.

Deposits Analysis



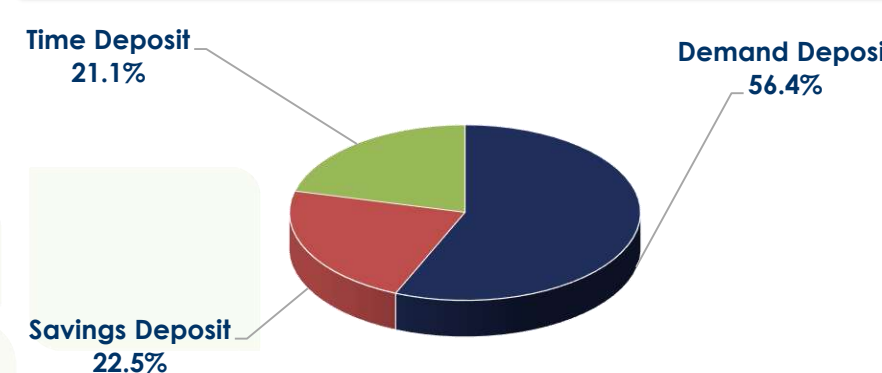
- ▶ Total customer deposits increased by 25.1% to ₦1,225.2bn from ₦979.4bn in 2018FY.
- ▶ LCY deposits grew by 17.1% to ₦936.6bn and accounted for 76.4% of total deposits.
- ▶ FCY deposits increased by 60.5% and was responsible for 44.3% of the absolute growth in total deposits.
- ▶ Low cost deposits now constitute 78.9% of total deposits from 81.6% in 2018FY.
- ▶ However, absolute low cost deposits increased by 12.0% to ₦966.8bn from ₦799.3bn in 2018FY.



Deposits by Products – 2018FY Vs. 2019FY



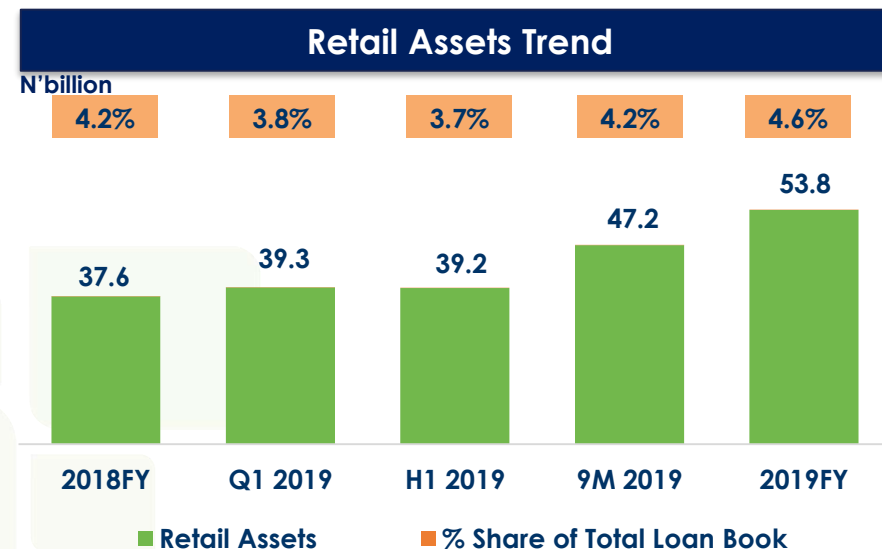
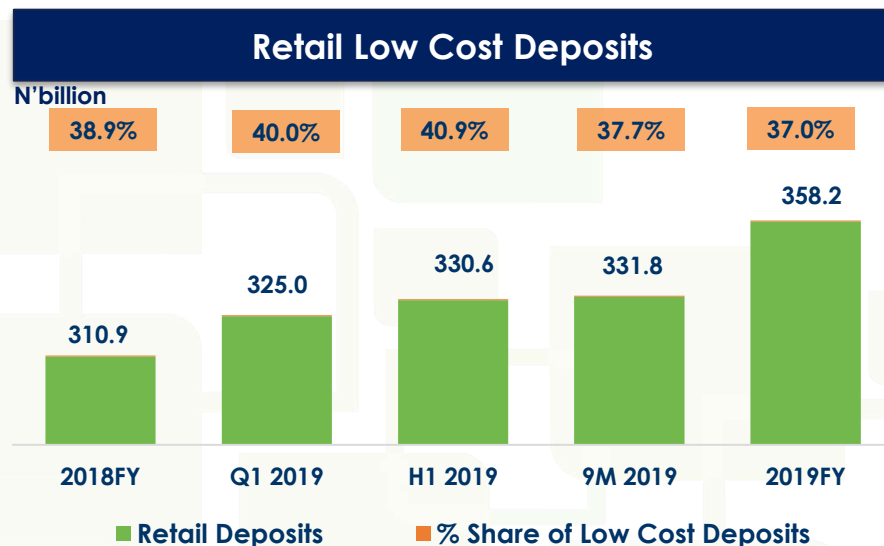
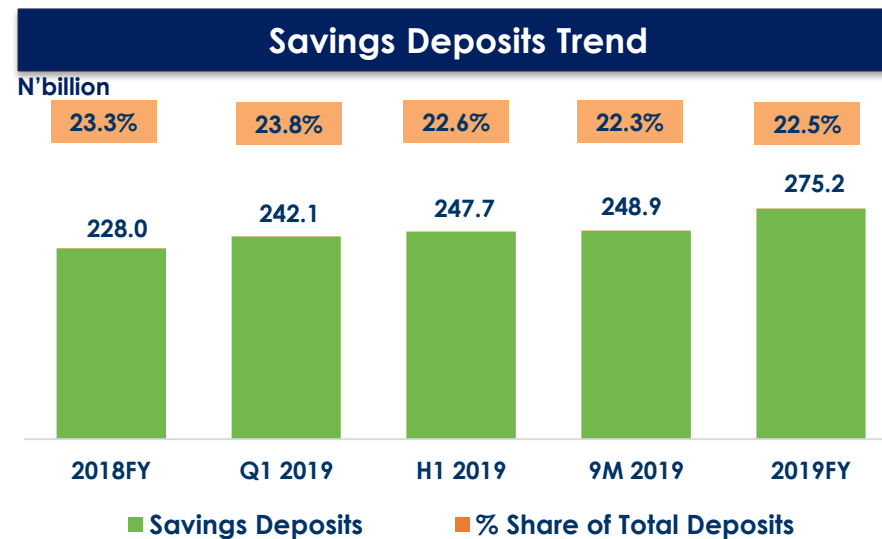
Deposits by Products – 2019FY



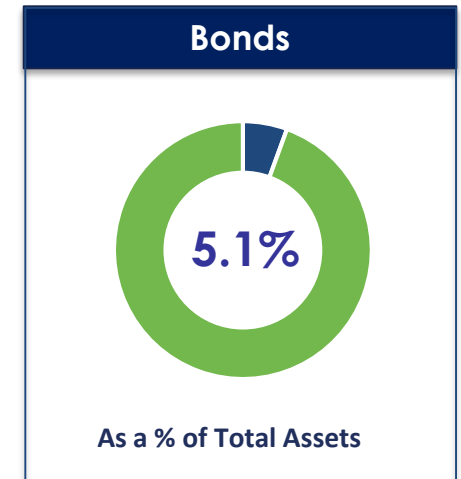
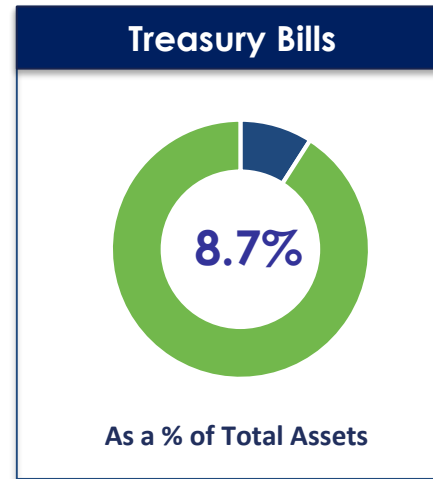
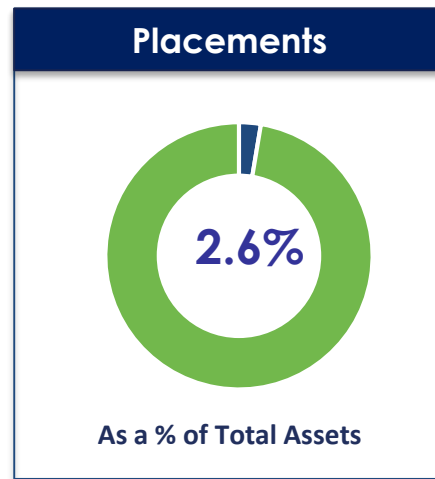
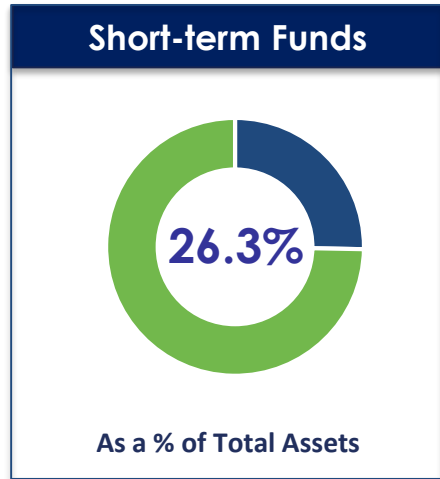
Retail Banking Analysis (Personal Banking)



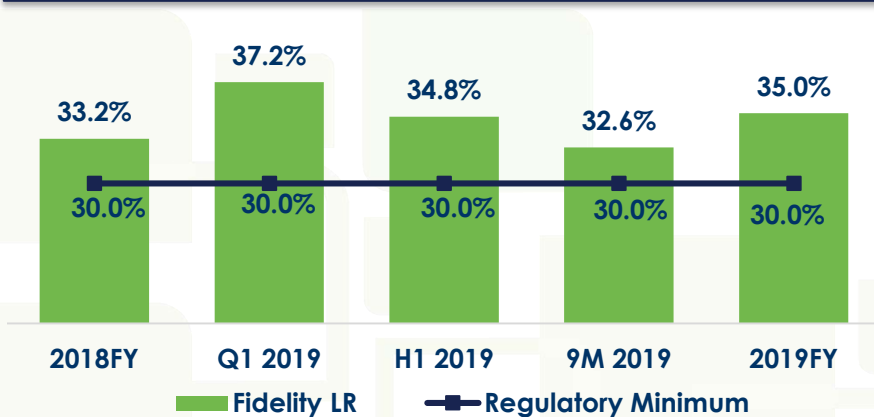
- ▶ Savings deposits grew by 20.7% YTD and now represent 22.5% of total deposits.
- ▶ Growth was as a result of the disciplined execution of our retail banking strategy and improved cross-selling of our digital products.
- ▶ Savings deposits contributed 34.5% of the growth in the local currency deposits in 2019FY.
- ▶ Retail assets growth was led by our mobile lending partnership with Fintechs (over 70,000 micro-loans disbursed in 2019) and the digitization of our existing consumer loan products.



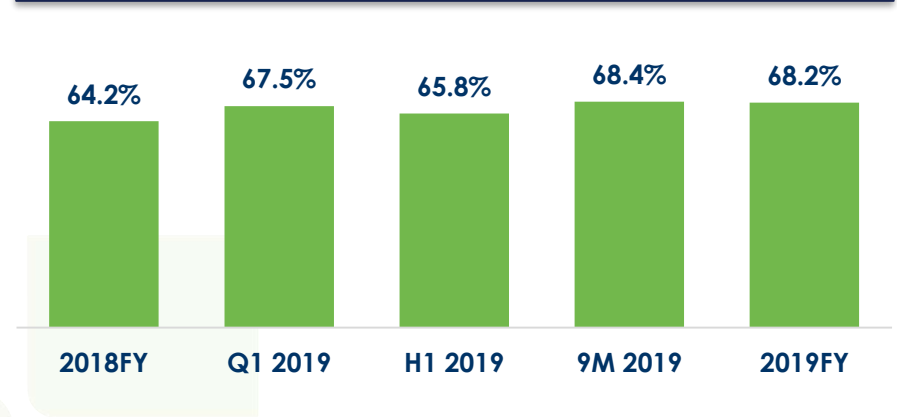
Liquid Assets Position



Liquidity Ratio



Gross Loans to Funding Ratio



- Liquidity Ratio has been sustained well above the regulatory minimum of 30.0%. Improved liquidity has continued to change the structure of the balance sheet with about 60.0% of eligible liquid assets invested in T.bills and FGN Bonds
- Gross loans to funding ratio stood at 68.2% compared to 64.2% in 2018FY, which remains above the new minimum requirement of 65.0%.

Loan Portfolio Analysis



Breakdown of Loans & Advances to Customers: 2018FY Vs. 2019FY

N'million	2018FY	2019FY	VAR	% VAR
Communication	22,463	32,416	9,953	44.3%
Oil and Gas	207,918	244,799	36,881	17.7%
- Upstream	120,489	132,860	12,372	10.3%
- Downstream	32,950	52,203	19,253	58.4%
- Services	54,480	59,735	5,255	9.6%
Power	112,709	118,413	5,704	5.1%
Manufacturing	131,894	215,707	83,813	63.5%
General Commerce	90,089	98,976	8,888	9.9%
Transport	96,757	135,991	39,234	40.5%
Consumer (Individuals)	37,641	53,786	16,145	42.9%
Government	112,595	150,086	37,491	33.3%
Construction	31,154	35,594	4,440	14.3%
Agriculture	17,033	32,931	15,898	93.3%
Real Estate	30,355	26,495	(3,860)	- 12.7%
Education	3,951	5,159	1,208	30.6%
Finance and Insurance	4,944	4,508	(436)	- 8.8%
Others	7,121	23,529	16,407	230.4%
Total	906,624	1,178,389	271,765	30.0%

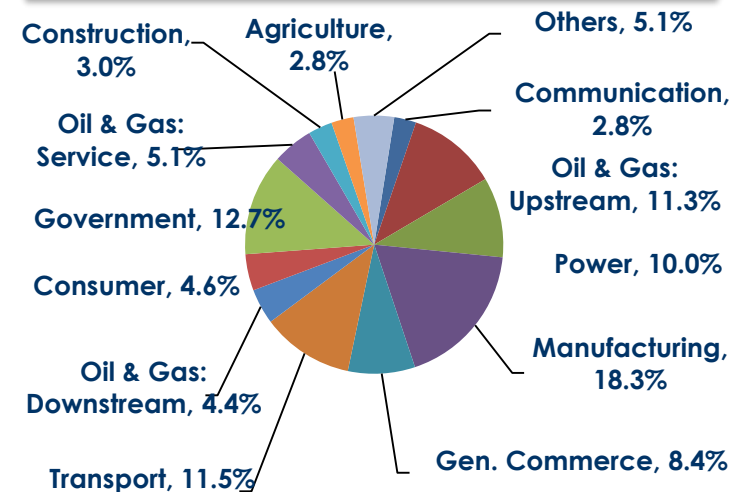
Loan Portfolio Analysis



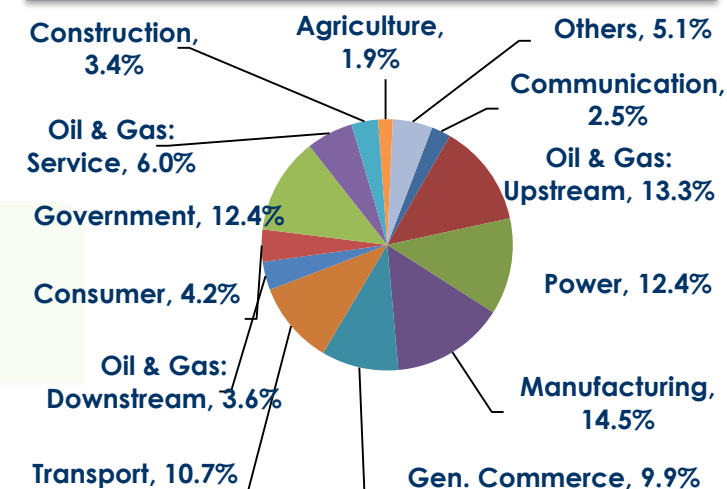
Breakdown of Loans & Advances to Customers

N'million	Q1 2019	Q2 2019	Q3 2019	Q4 2019
Communication	25,972	25,426	29,203	32,416
Oil and Gas	231,061	227,370	254,790	244,799
- Upstream	130,059	118,805	131,307	132,860
- Downstream	45,939	46,489	62,358	52,203
- Services	55,063	62,077	61,125	59,735
Power	113,023	112,875	117,900	118,413
Manufacturing	173,486	204,668	216,710	215,707
Gen. Commerce	101,127	73,562	94,314	98,976
Transport	120,956	127,540	131,777	135,991
Consumer	39,279	39,152	47,185	53,786
Government	109,103	115,900	108,690	150,086
Construction	32,771	36,494	34,995	35,594
Agriculture	32,070	37,007	29,773	32,931
Real Estate	28,749	30,062	28,347	26,495
Education	4,001	5,556	5,082	5,159
Fin. & Insurance	3,714	4,091	4,634	4,508
Others	8,919	10,527	23,061	23,529
Total	1,024,233	1,050,231	1,126,460	1,178,389

Loan Analysis – 2019FY



Loan Analysis – 2018FY

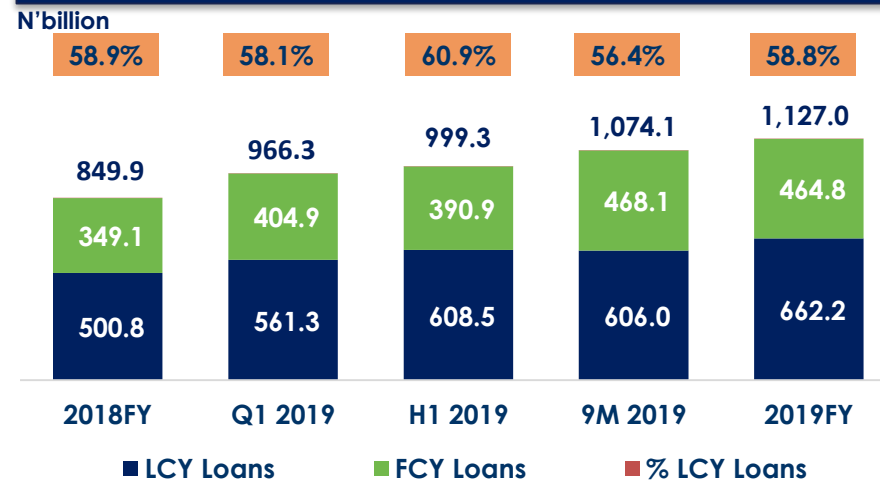


Loan Book Analysis



- ▶ Net loans and advances increased by 32.6% to ₦1,127.0bn driven by 4 sectors (Manufacturing | Transport | Government | Oil & Gas Downstream).
- ▶ In absolute terms, the 4 sectors were responsible for 66.2% of the growth in total loan book.
- ▶ FCY loans grew by 33.1% YTD and now constitute about 41.2% of total loan book.
- ▶ We had a loan write-off of ₦12.3bn for assets that have been fully provisioned.

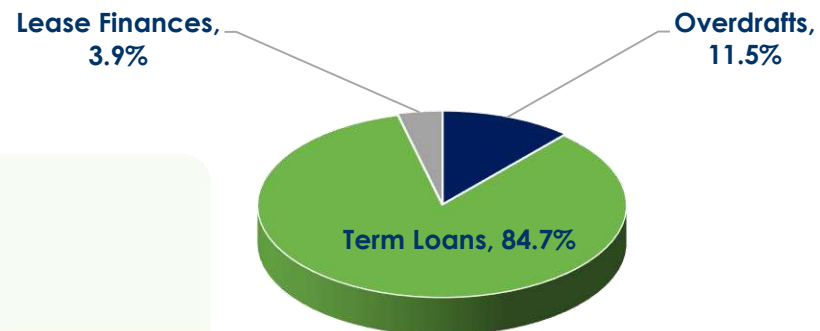
Net Loans and Advances to Customers



Total Loans by Type – 2018FY



Total Loans by Type – 2019FY



Loan Book Breakdown – Stage 1 | 2 | 3



Breakdown of Loans & Advances to Customers				
N'million	Stage 1	Stage 2	Stage 3	Total
Communication	19,578	11,639	1,198	32,416
Oil and Gas	131,549	97,913	15,336	244,799
- Upstream	73,395	59,290	175	132,860
- Downstream	26,655	11,924	13,624	52,203
- Services	31,498	26,699	1,538	59,735
Power	26,951	91,462	-	118,413
Manufacturing	187,929	24,757	3,020	215,707
General Commerce	91,337	5,249	2,391	98,976
Transport	104,405	24,614	6,973	135,991
Consumer (Individuals)	51,099	24	2,663	53,786
Government	150,086	-	-	150,086
Construction	32,507	-	3,087	35,594
Agriculture	30,283	1	2,647	32,931
Real Estate	26,495	-	-	26,495
Education	4,723	1	435	5,159
Finance and Insurance	4,434	66	9	4,508
Others	21,783	872	874	23,529
Total	883,157	256,599	38,633	1,178,389
% Share of Total	74.9%	21.8%	3.3%	100.0%
Coverage Ratio	1.0%	7.5%	60.9%	4.4%

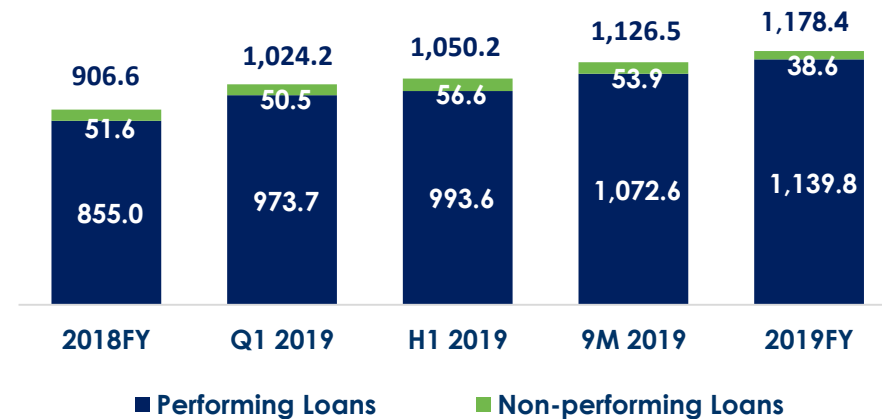
NPL Analysis



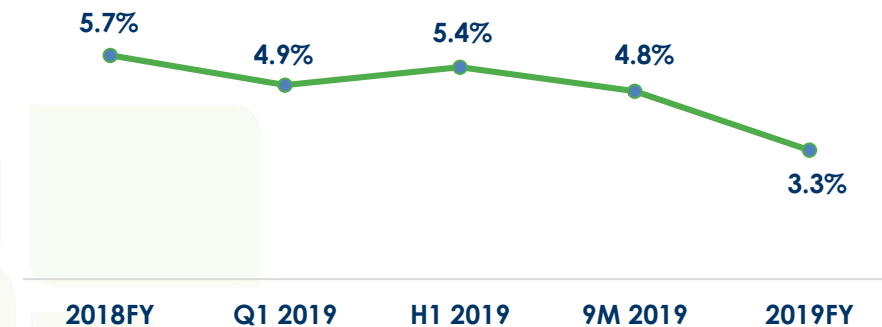
- ▶ NPL ratio (Stage 3 Loans) declined to 3.3% from 5.7% in 2018FY due to a combination of improved assets quality and increased total loan book by about 30.0%.
- ▶ Stage 3 loans declined by 25.1% YTD to ₦38.6bn driven largely by ₦12.3bn write-off in 2019FY.
- ▶ Key pressure NPL sectors are Oil & Gas Downstream and Transport Sector. Both sectors represent 53.3% of the total NPL book.
- ▶ Coverage ratio now stood at 169.1% from 110.7% in 2018FY.

Gross Loans and Advances

N'billion

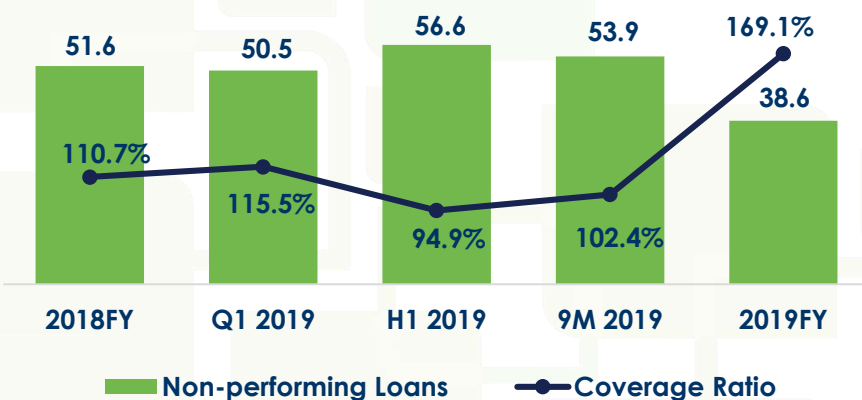


Non-performing Loans



NPL Coverage Ratio

N'billion



NPL Portfolio Analysis



Breakdown of Non-performing Loans: 2018FY Vs. 2019FY

	2018FY N'million	2019FY N'million	VAR N'million	% VAR %	2018FY NPL Ratio	2019FY NPL Ratio
Communication	1,155	1,198	43	3.7%	5.1%	3.7%
Oil and gas	12,374	15,336	2,962	23.9%	6.0%	6.3%
- Oil & Gas Upstream	-	175	175	100.0	0.0%	0.1%
- Oil & Gas Downstream	11,331	13,624	2,293	20.2%	34.4%	26.1%
- Oil & Gas Services	1,043	1,538	494	47.4%	1.9%	2.6%
Power	-	-	-	0.0%	0.0%	0.0%
Manufacturing	9,197	3,020	(6,177)	-67.2%	7.0%	1.4%
General Commerce	4,035	2,391	(1,644)	-40.7%	4.5%	2.4%
Transport	14,791	6,973	(7,819)	-52.9%	15.3%	5.1%
Consumer (Individuals)	3,037	2,663	(374)	-12.3%	8.1%	5.0%
Government	25	0	(25)	-99.5%	0.0%	0.0%
Construction	876	3,087	2,212	252.6%	2.8%	8.7%
Agriculture	2,317	2,647	329	14.2%	13.6%	8.0%
Real Estate	2,307	0	(2,307)	-100.0%	7.6%	0.0%
Education	1,128	435	(693)	-61.5%	28.5%	8.4%
Finance and Insurance	5	9	4	86.8%	0.1%	0.2%
Others	361	874	513	142.0%	5.1%	3.7%
Total	51,608	38,633	(12,975)	-25.1%	5.7%	3.3%

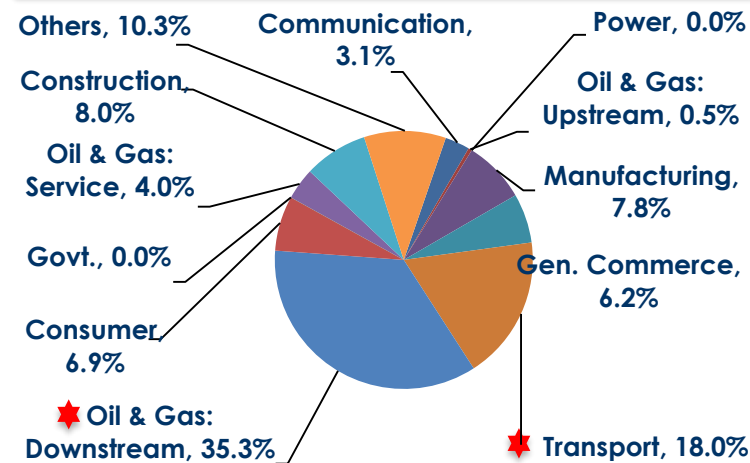
NPL Portfolio Analysis



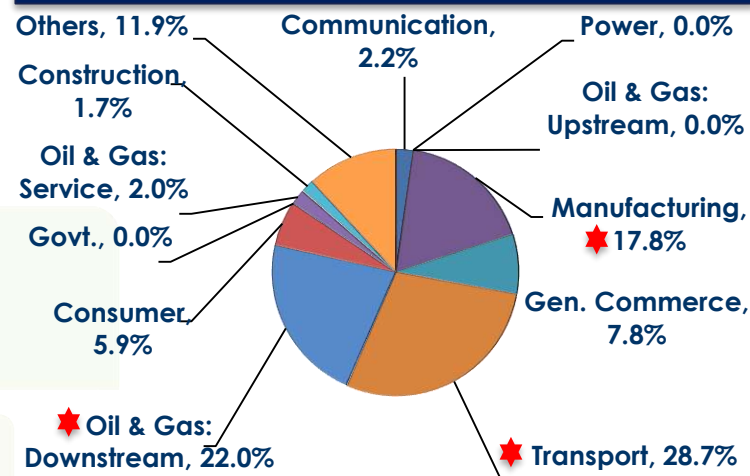
Breakdown of Non-performing Loans

N'million	Q1 2018	H1 2019	9M 2019	2019FY
Communication	1,229	1,722	2,417	1,198
Oil and Gas	12,467	16,859	15,621	15,336
- Upstream	-	-	-	175
- Downstream	11,342	12,932	14,525	13,624
- Services	1,124	3,927	1,096	1,538
Power	0	3	-	-
Manufacturing	9,252	10,996	7,784	3,020
Gen. Commerce	4,121	6,636	7,698	2,391
Transport	13,365	8,602	9,419	6,973
Consumer	2,938	3,115	3,083	2,663
Government	25	25	25	0
Construction	971	1,635	1,087	3,087
Agriculture	2,388	2,718	2,557	2,647
Real Estate	2,260	2,601	1,970	0
Education	1,049	1,003	960	435
Fin. & Insurance	82	12	9	9
Others	388	681	1,223	874
Total	50,535	56,608	53,852	38,633

NPL Analysis – 2019FY



NPL Analysis – 2018FY

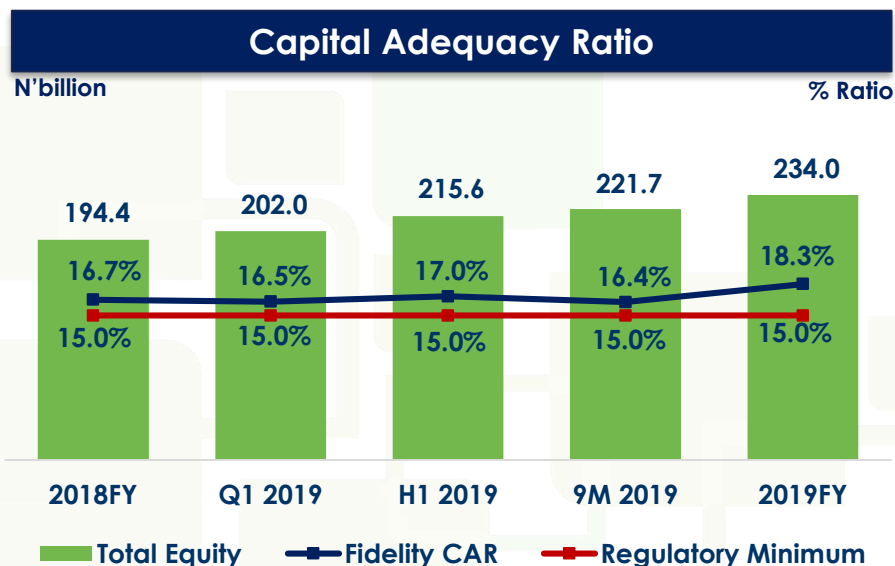


★ Pressure NPL Sectors

Capital Adequacy



- ▶ CAR is now 18.3% which remains well above the regulatory minimum requirement of 15.0%.
- ▶ Regulatory adjustment dropped to ₦10.6bn on account of increased capitalized profit which boosted total equity in 2019FY.
- ▶ Excluding the Regulatory Adjustment, Fidelity CAR would have been 19.2% in 2019FY.
- ▶ Tier 1 CAR is now 15.5% and only 40.0% (₦12.0bn) of our ₦30.0bn local bond is recognized in Tier II Capital.



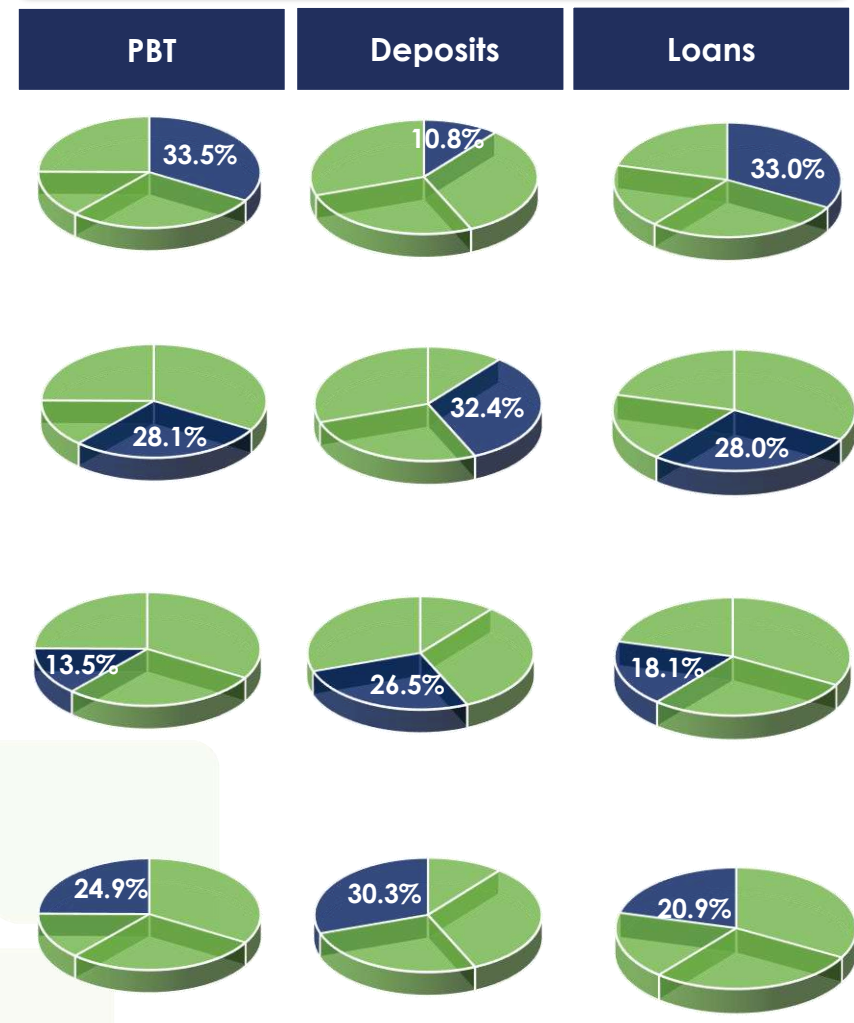
Capital Adequacy Ratio Computation – Basel II			
N'billion	2018FY	2019FY	VAR
Tier 1 Capital	180.1	191.7	11.6
Regulatory Adjustment	(16.3)	(10.6)	-5.7
Adjusted Tier 1 Capital	163.8	181.1	17.3
Tier 2 Capital	25.0	33.0	7.9
Total Qualified Capital	188.9	214.1	25.2
Credit Risk	887.1	920.6	33.5
Market Risk	67.6	64.2	-3.4
Operational Risk	179.4	185.8	6.5
Risk Weighted Assets	1,134.1	1,170.7	36.6
Capital Adequacy Ratio			
Tier 1	14.4%	15.5%	
Tier 2	2.2%	2.8%	
Overall CAR	16.7%	18.3%	

Strategic Business Units Analysis



	Business Description
Corporate & Investment Banking	<ul style="list-style-type: none"> ➤ Handles the bank's institutional clients with turnover in excess of ₦5.0 billion and treasury business ➤ Key focus sectors include: <ul style="list-style-type: none"> ☐ Treasury ☐ Energy (Oil & Gas) ☐ Power ☐ FMCG ☐ Conglomerates ☐ Telecoms ☐ Fintechs ☐ Manufacturing
Lagos & SW Bank	<ul style="list-style-type: none"> ➤ Handles retail, commercial, SME customers, and clients not matching the corporate banking criteria etc. ➤ Drives retail deposits, lending, payroll and e-products etc. ➤ Operates at 101 locations
North Bank	<ul style="list-style-type: none"> ➤ Handles retail, commercial, SME customers, and clients not matching the corporate banking criteria etc. ➤ Drives retail deposits, lending, payroll and e-products etc. ➤ Operates at 59 locations including FCT.
South Bank	<ul style="list-style-type: none"> ➤ Handles retail, commercial, SME customers, and clients not matching the corporate banking criteria etc. ➤ Drives retail deposits, lending, payroll and e-products etc. ➤ Operates at 90 locations

Location Based Analysis

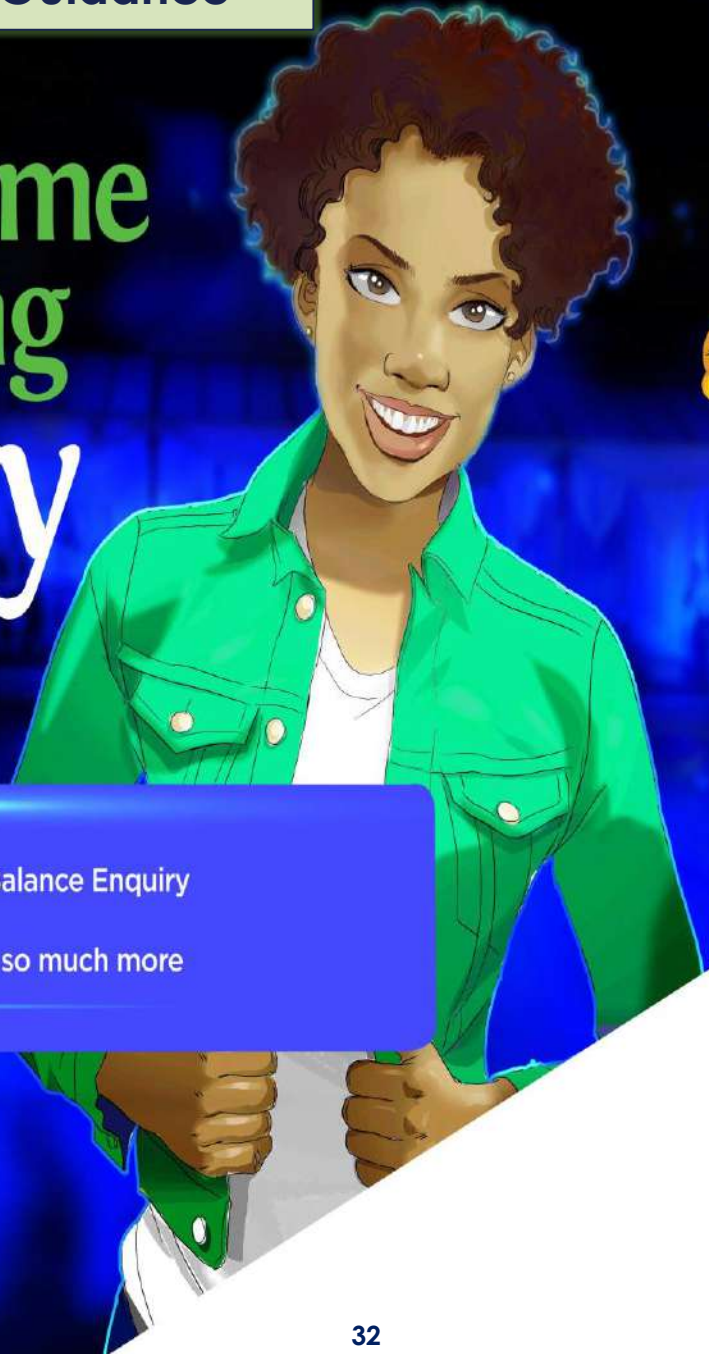


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2019FY Actual Vs. 2020FY Guidance



GROWTH EXPECTATIONS ON KEY INDICATORS					
S/N	Index	2019FY Actual	2019FY Target	Comment	2020FY Target
1	Net Interest Margin	6.2%	6.0% – 6.5%	Achieved	5.5% - 6.0%
2	Tax Rate	6.4%	10.0% – 15.0%	Achieved	10.0% – 15.0%
3	Loan Growth (YTD)	32.6%	7.5% - 10.0%	Achieved	5.0% - 7.5%
4	Deposit Growth (YTD)	25.1%	7.5% - 10.0%	Achieved	5.0% - 10.0%
5	Cost to Income Ratio	73.4%	Below 70.0%	Not Achieved	70.0%
6	Proposed Dividends	20.4%	30-50% (of PAT) band	Not Achieved	30-50% (of PAT) band
7	NPL Ratio	3.3%	Below 6.0%	Achieved	Below 5.0%
8	Cost of Risk	-0.1%	1.25%	Achieved	1.5%
9	ROAE – Post Tax	13.3%	13.0%	Achieved	11.3%

Thank You

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