

Fidelity Bank Investor Presentation

Audited Financial Results for the 6 months ended

June 30, 2018



1. Overview of Fidelity Bank

2. The Operating Environment

3. Financial Highlights

4. Financial Review

5. H1 2018 Actual Vs. 2018FY Guidance

1. Overview of Fidelity Bank

Bank While Chatting?

It's Possible with...

Fidelity Flashkey

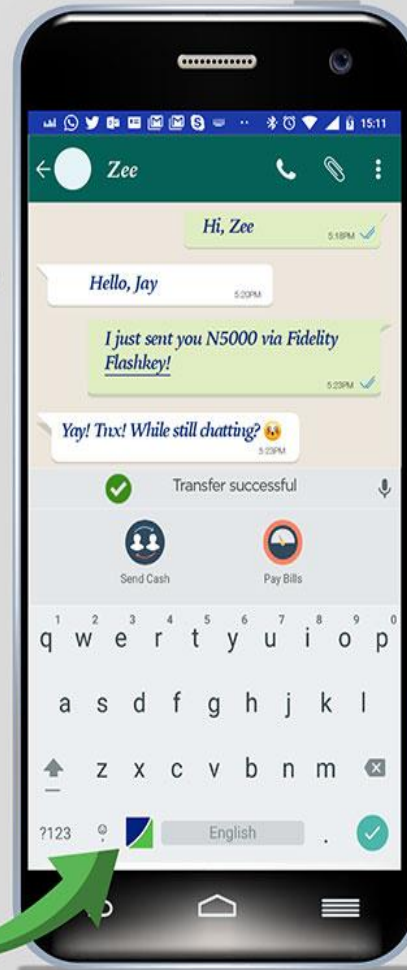
Works on all social media platforms

Try it now!



One Time Set up/Activation

- 1 Download/update Fidelity Online Banking app
- 2 Log into Online Banking app with your Username and Password
- 3 Go to settings & select "Activate Flashkey"
- 4 Enable/set Flashkey as default keyboard
- 5 Enter/save Online Banking username
- 6 Flashkey setup is completed!



How To Transact



- 1 Tap on the Fidelity Bank icon on your keyboard
- 2 Select "Send Cash" option
- 3 Input your Online Banking password
- 4 Select beneficiary bank and saved beneficiary
- 5 Input amount to transfer
- 6 Input your PIN or token
- 7 Send to beneficiary

Overview of Fidelity Bank



Ownership

Total Assets: **N1,567bn**
\$4.7bn

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

FMDO OTC Securities Exchange
7yr N30bn May 2022 NGN Bonds

Operations & Contact Channels

Professional Staff 3,016
Male: 57%
Female: 43%

4.2 Million Accounts

778 ATMs

2m Cards

1.6m Mobile Customers

4,513 POS

240 Branches

Governance

12 Board Members
Non-Executives: 7
Executives: 5

5 Board Committees

Executive Management Team 9

FitchRatings B- (Stable)

S&P Global B- (Stable)

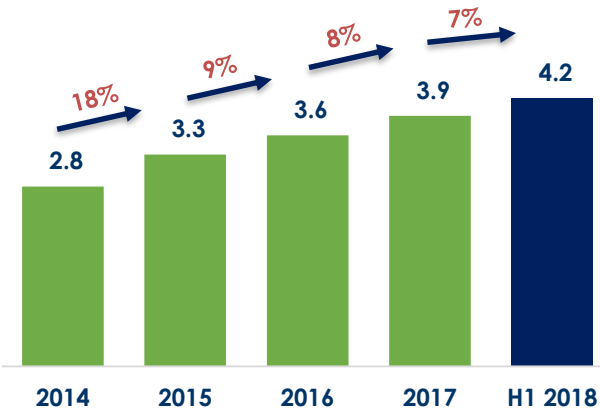
GCR GLOBAL CREDIT RATING CO. A-NG (Stable)
Local Expertise • Global Presence

Overview of Fidelity Bank

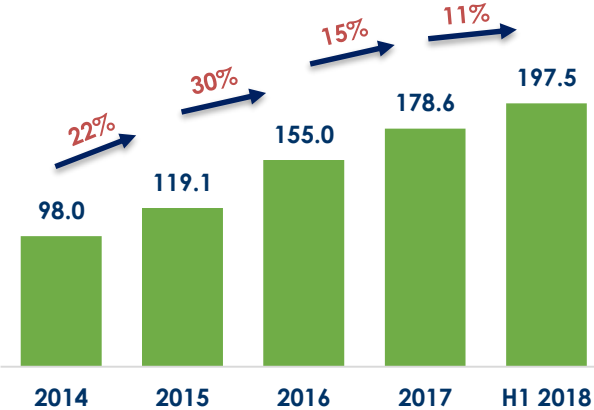


Retail & Digital Banking Evolution & Progress Report

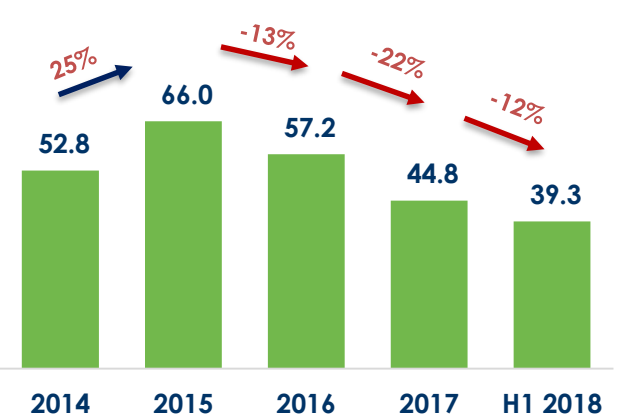
Number of Customer Accounts (#'m)



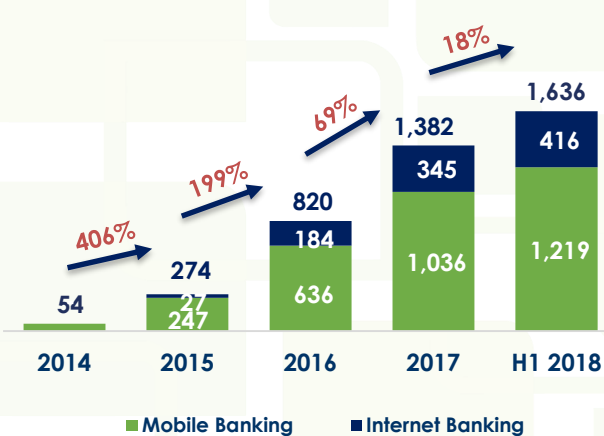
Savings deposits (N'bn)



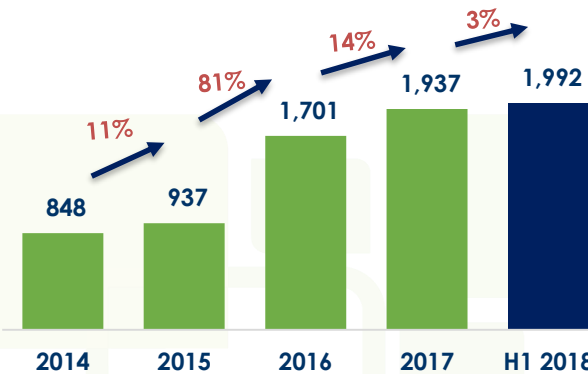
Retail Risk Assets (N'bn)



Mobile/Internet Banking Cust. (#'000)



Number of Debit Cardholders (#'000)



Commentary

- ▶ Savings deposits on track for a 5th consecutive year of double digit growth.
- ▶ About 40% of customers now self enrolled on mobile/internet banking products.
- ▶ Over 80% of customers transactions are now done on electronic banking channels.

You Don't Need A Token

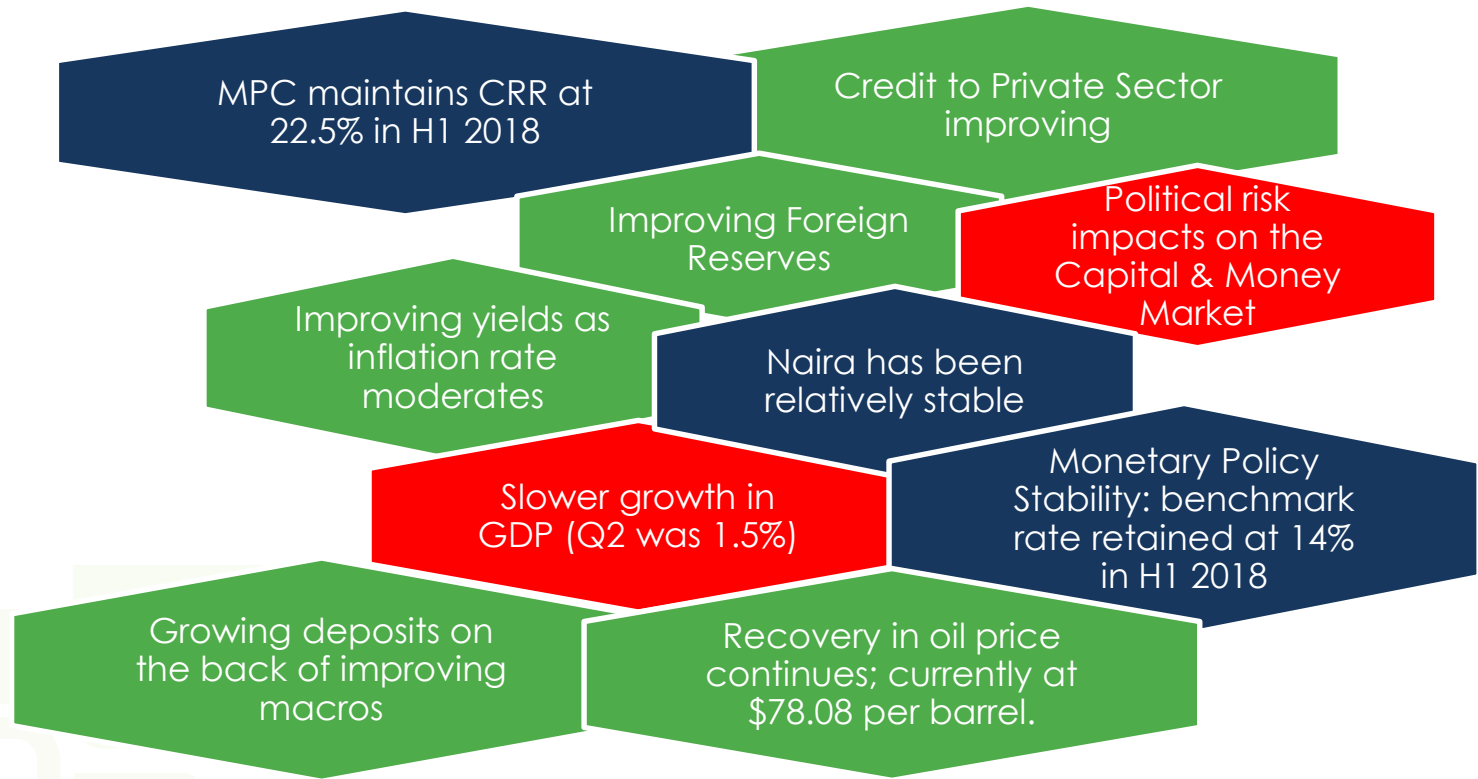


**For Transactions Up To N200,000.
Just Dial *770# To Get Started.
It's That Easy!**

You also don't need data
to use this service



The Operating Environment



Stable-	
Improving-	
Declining-	

3. Financial Highlights



Convenient Forex Transfers From Your Phone

One more reason NOT to visit the branch. Perform foreign currency transactions from your domiciliary account to anywhere in the world with your **Fidelity Online Banking App**.

Available for download via:



We Are Fidelity, We Keep Our Word.

Performance Highlights



Revenue and Efficiency Ratio

- ❑ Total Interest Income up by 2.5% to N72.9 billion in H1 2018 (H1 2017: N71.1 billion)
- ❑ Operating Expenses up by 5.7% to N32.7 billion in H1 2018 (H1 2017: N30.9 billion)
- ❑ Cost to Income Ratio inched up marginally to 67.7% in H1 2018 from 67.3% in H1 2017
- ❑ PBT up by 27.3% to N13.0 billion in H1 2018 (PAT came in at N11.8 billion)

Asset Quality

- ❑ Cost of Risk down to 0.7% in H1 2018, compared to 1.5% in 2017FY
- ❑ NPL Ratio down by 6.1% in H1 2018 from 6.4% in 2017FY
- ❑ Coverage Ratio improved to 112.7% in H1 2018 from 109.4% in 2017FY
- ❑ FCY Loans accounted for 42.1% of Net Loans from 46.0% in 2017FY

Capital Adequacy and Liquidity

- ❑ Capital Adequacy Ratio of 17.0%, based on Basel II computation
- ❑ Liquidity Ratio of 33.2% compared to regulatory minimum of 30.0%
- ❑ Loans to interest bearing liabilities stood at 62.4% in H1 2018 from 69.8% (2017FY)
- ❑ Total Equity at N184.2 billion compared to N203.3 billion in 2017FY

Financial Highlights



- ❑ PBT increased by 27.3% YoY to N13.0 billion as quarterly profits increased by over 60% moving from N5.0bn in Q1 to N8.0bn in Q2: double digit growth in earning assets, deposits and fee income were key drivers.
- ❑ Operating expenses increased by 5.7% YoY driven by increased technology and regulatory charges (NDIC/AMCON). However, cost to income ratio remained relatively stable at 67.7% (2017FY: 67.5%).
- ❑ NIM dropped to 6.5% from 7.0% in H1 2017 (2017FY: 7.3%) as the drop in our average yield on earning assets (0.77% YoY) outpaced the improved funding cost (0.79% YoY). NIM still within guidance for the year.
- ❑ Total deposits grew by 19.7% YTD (N152.7bn) to N927.9 billion from N775.3 billion in December 2017 on account of double digit growth across ALL deposit products whilst funding costs declined.
- ❑ Savings deposits grew by 10.6% YTD from December 2017 which contributed to the drop in average funding cost in H1 2018.
- ❑ Risk assets increased by 3.5% YTD to N795.4 billion from N768.7 billion in December 2017 with cost of risk at about 0.7% and coverage ratio at 112.7%.
- ❑ Key regulatory ratios remain well above the minimum requirements as at June 30, 2018: CAR and liquidity ratio stood at 17.0% and 33.2% respectively.

Financial Highlights



Summary of Income Statement: YoY Change				
N'million	H1 2017	H1 2018	VAR	% VAR
Gross Earnings	85,821	88,917	3,096	3.6%
Interest Income Loans	53,461	50,684	(2,777)	-5.2%
Interest Income Liquid Assets	17,636	22,192	4,556	25.8%
Total Interest Income	71,097	72,876	1,779	2.5%
Interest Expense Customer Deposits	(31,085)	(30,711)	374	-1.2%
Interest Expense Borrowings	(7,068)	(11,278)	(4,210)	59.6%
Total Interest Expense	(38,153)	(41,989)	(3,836)	10.1%
Net Interest Income	32,944	30,887	(2,057)	-6.2%
FX Income	3,422	2,764	(658)	-19.2%
E-banking Income	3,597	3,330	(267)	-7.4%
Other Fee Income (Net)	5,967	11,281	5,314	89.1%
Net Fee Income	12,986	17,375	4,389	33.8%
Operating Income	45,930	48,262	2,332	5.1%
Total Expenses	(30,901)	(32,659)	(1,758)	5.7%
Net Impairment Losses	(4,810)	(2,593)	2,217	-46.1%
Profit Before Tax	10,219	13,010	2,791	27.3%

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 2018	Q2 2018	VAR	% VAR
Gross Earnings	43,680	45,237	1,557	3.6%
Interest Income Loans	28,345	22,339	(6,006)	-21.2%
Interest Income Liquid Assets	10,121	12,071	1,949	19.3%
Total Interest Income	38,466	34,410	(4,056)	-10.5%
Interest Expense Customer Deposits	(15,911)	(14,800)	1,111	-7.0%
Interest Expense Borrowings	(5,588)	(5,690)	(102)	1.8%
Total Interest Expense	(21,499)	(20,490)	1,009	-4.7%
Net Interest Income	16,967	13,920	(3,047)	-18.0%
FX Income	696	2,068	1,373	197.3%
E-banking Income	1,600	1,730	130	8.2%
Other Fee Income (Net)	1,893	9,740	8,199	532.1%
Net Fee Income	4,188	13,539	9,702	252.9%
Operating Income	21,155	27,459	6,655	32.0%
Total Expenses	(15,119)	(17,540)	(2,421)	16.0%
Net Impairment Losses	(702)	(1,891)	(1,188)	169.2%
Profit Before Tax	4,982	8,028	3,046	61.1%

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	2017FY	H1 2018	VAR	% VAR
Total Assets	1,379,214	1,567,562	188,348	13.7%
Earning Assets	977,076	1,075,986	98,910	10.1%
Bank Placements	8,475	39,677	31,202	368.2%
Treasury Bills	90,223	142,189	51,966	57.6%
Bonds	109,641	98,752	(10,889)	-9.9%
Customer Loans (Naira)	414,948	460,534	45,586	11.0%
Customer Loans (FCY)	353,789	334,833	(18,956)	-5.4%
Non-Earning Assets	402,138	491,576	89,438	22.2%
Cash	27,534	24,894	(2,640)	-9.6%
Cash Reserve	181,017	224,139	43,122	23.8%
Bal. with other Banks/Settlement Acct	104,886	149,992	45,106	154.0%
Fixed Assets	38,504	37,166	(1,338)	-3.5%
All Other Assets	50,197	55,385	5,188	10.3%
Interest Bearing Liabilities	1,100,803	1,274,277	173,474	15.8%
Demand	418,472	487,244	68,772	16.4%
Savings	178,570	197,509	18,939	10.6%
Time Deposits	178,234	243,180	64,946	36.4%
Other Borrowings	35,529	46,175	10,646	30.0%
On-lending Facilities	112,294	136,877	24,583	21.9%
Debt Securities	177,704	163,292	(14,412)	-8.1%
All Other Liabilities	75,096	109,120	34,024	45.3%
Equity	203,315	184,165	(19,150)	-9.4%

Financial Highlights









Statement of Financial Position: QoQ Trend

N'million	Q1 - 2018	Q2 - 2018	VAR	% VAR
Total Assets	1,479,665	1,567,562	87,897	5.9%
Earning Assets	1,027,853	1,075,986	48,133	4.7%
Bank Placements	44,125	39,677	(4,448)	-10.1%
Treasury Bills	142,129	142,189	60	0.0%
Bonds	102,872	98,752	(4,120)	-4.0%
Customer Loans (Naira)	396,926	460,534	63,609	16.0%
Customer Loans (FCY)	341,802	334,833	(6,969)	-2.0%
Non-Earning Assets	451,812	491,576	39,764	8.8%
Cash	23,537	24,894	1,357	5.8%
Cash Reserve	200,904	224,139	23,235	11.6%
Bal. with other Banks/Settlement Acct	138,874	149,992	11,118	8.0%
Fixed Assets	36,584	37,166	582	1.6%
All Other Assets	51,914	55,385	3,472	6.7%
Interest Bearing Liabilities	1,179,007	1,274,277	95,270	8.1%
Demand	452,429	487,244	34,815	7.7%
Savings	188,215	197,509	9,294	4.9%
Time Deposits	218,713	243,180	24,467	11.2%
Other Borrowings	28,496	46,175	17,679	62.0%
On-lending Facilities	117,081	136,877	19,796	16.9%
Debt Securities	174,073	163,292	(10,781)	-6.2%
All Other Liabilities	120,995	109,120	(11,875)	-9.8%
Equity	179,662	184,165	4,503	2.5%

4. Financial Review – SCI

Enjoy A Simpler Life With Fidelity Digital Banking Solutions

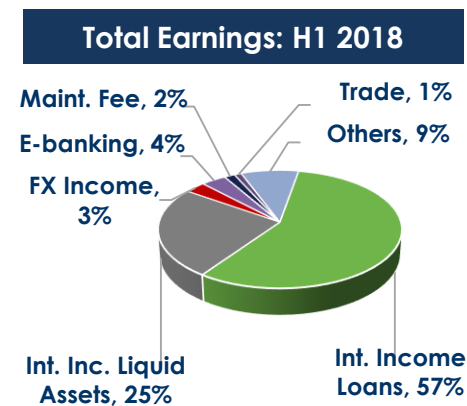
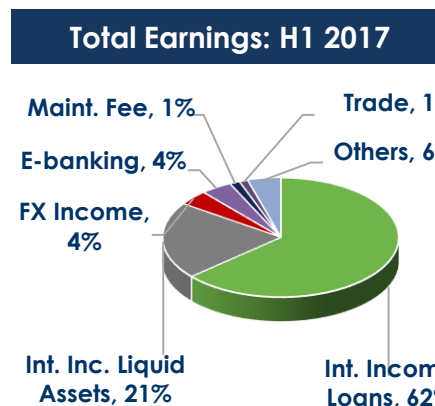
 <p>*770# Instant Banking</p>	 <p>Online Banking</p>	 <p>Cards</p>
 <p>ATM</p>	 <p>POS</p>	 <p>Pay By Link</p>
 <p>MCash</p>		



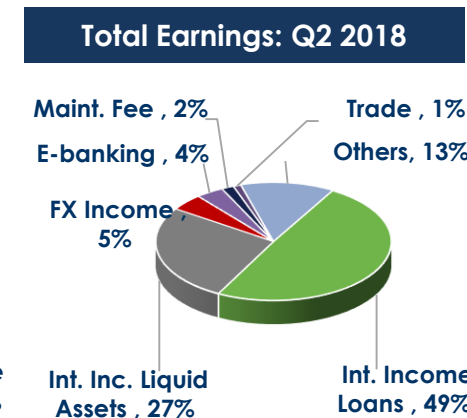
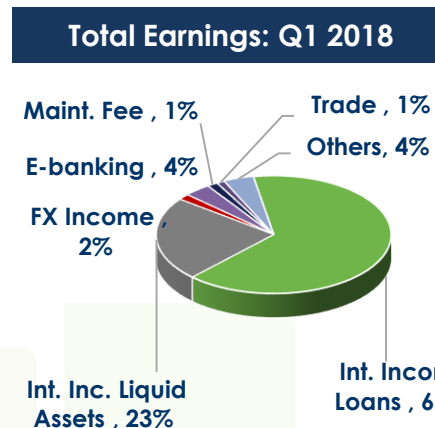
Gross Earnings Analysis



Key Highlights (N'm)	H1 2017	H1 2018	VAR	% VAR
Total Earnings	85,821	88,917	3,096	3.6%
Interest Income Loans	53,461	50,684	(2,777)	-5.2%
Int. Inc. Liquid Assets	17,636	22,192	4,556	25.8%
FX Income	3,422	2,764	(658)	-19.2%
E-banking Income	3,597	3,330	(267)	-7.4%
A/C Maintenance fee	1,159	1,399	240	20.7%
Trade Income	985	955	(30)	-3.0%
Other Income	5,561	7,593	2,032	36.5%



Key Highlights (N'm)	Q1 2018	Q2 2018	VAR	% VAR
Total Earnings	43,680	45,237	1,557	3.6%
Interest Income Loans	28,345	22,339	(6,006)	-21.2%
Int. Inc. Liquid Assets	10,121	12,071	1,949	19.3%
FX Income	696	2,068	1,373	197.3%
E-banking Income	1,600	1,730	130	8.2%
A/C Maintenance fee	637	762	125	19.6%
Trade Income	480	475	(5)	-1.0%
Other Income	1,802	5,791	3,990	221.4%



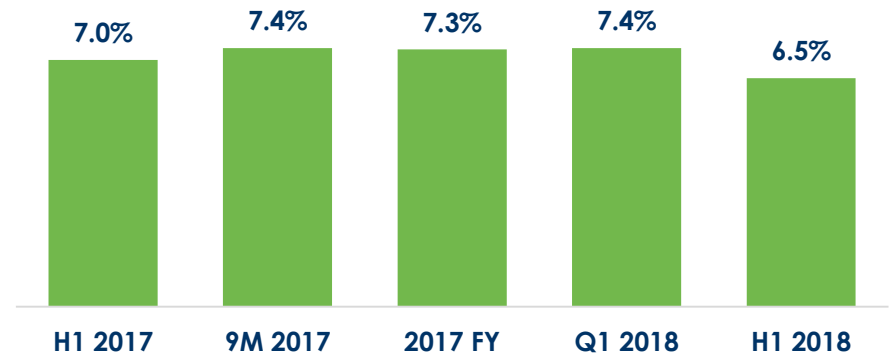
- Gross earnings up by 3.6% YoY on account of a 33.8% increase in fee income and 25.8% growth in interest income on liquid assets.
- Total interest income increased by 2.5%, though interest income on loans moderated as average lending rate decline to 12.9% in H1 2018 from 14.8%.

Net Interest Margin Analysis

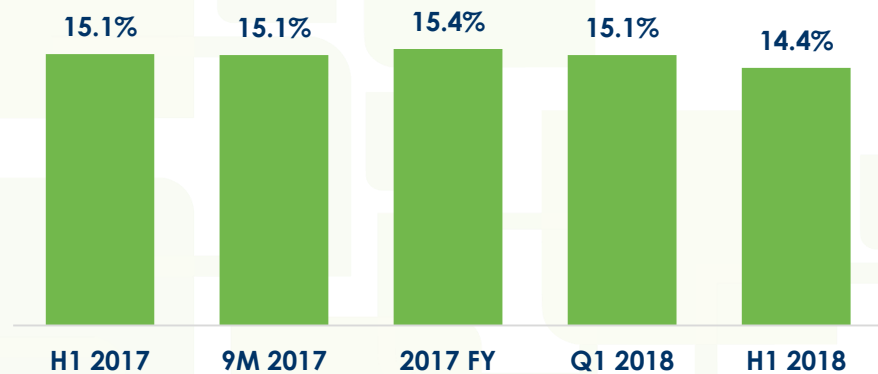


- ▶ NIM dropped to 6.5% from 7.3% in 2017FY as the decline in our average yield on earning assets outpaced the improved funding cost in H1 2018.
- ▶ Average funding costs dropped to 6.6% on account of improved deposit pricing as average cost of deposits dropped to 6.7% from 7.9% in 2017FY.
- ▶ The drop in the yield on earnings assets was due to lower yields on both the loan book and liquid assets

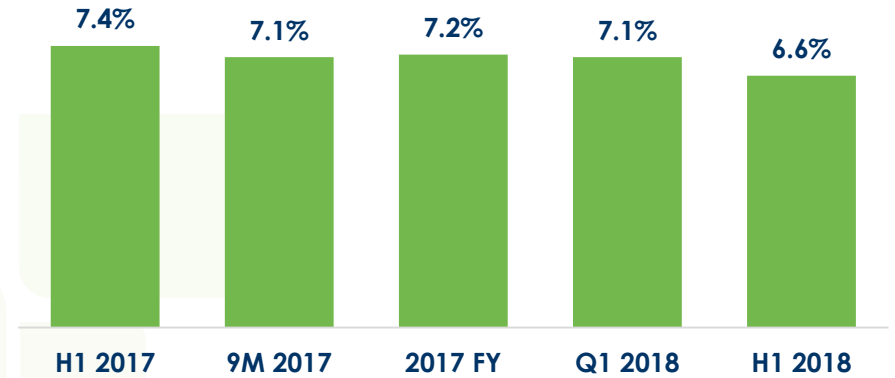
NIM Trend



Yield on Earning Assets



Funding Cost

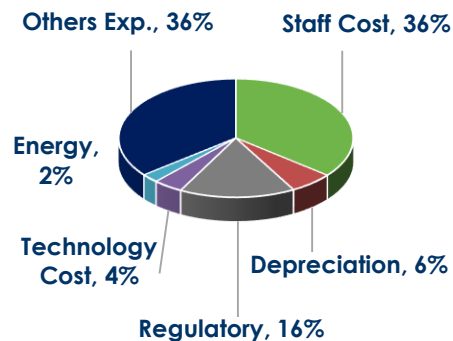


Total Expense Analysis

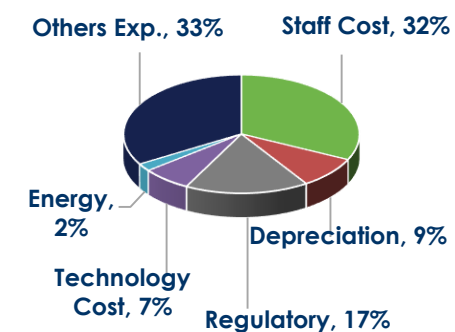


Key Highlights (N'm)	H1 2017	H1 2018	VAR	% VAR
Total Expenses	30,901	32,659	1,758	5.7%
Staff Cost	11,074	10,499	-575	-5.2%
Depreciation	1,855	2,816	961	51.8%
NDIC/AMCON Cost	4,926	5,526	600	12.2%
Technology Cost	1,267	2,196	929	73.3%
Energy Cost	744	682	-62	-8.3%
Security	615	620	5	0.8%
Branding & Advert	4,536	3,396	-1,140	-25.1%
Other Expenses	5,884	6,924	1,040	17.7%

Total Expenses: H1 2017

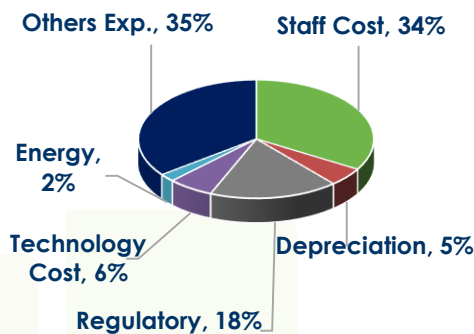


Total Expenses: H1 2018

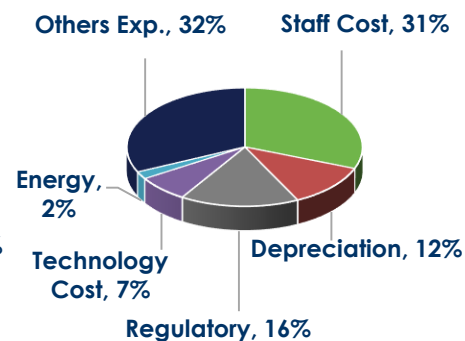


Key Highlights (N'm)	Q1 2018	Q2 2018	VAR	% VAR
Total Expenses	15,119	17,540	2,421	16.0%
Staff Cost	5,072	5,427	356	7.0%
Depreciation	769	2,047	1,278	166.2%
NDIC/AMCON Cost	2,673	2,853	180	6.7%
Technology Cost	944	1,252	308	32.6%
Energy Cost	325	357	31	9.6%
Security	306	314	8	2.5%
Branding & Advert	1,350	2,046	696	51.6%
Other Expenses	3,680	3,244	-436	-11.8%

Total Expenses: Q1 2018



Total Expenses: Q2 2018



- OPEX increased by 5.7% YoY on account of regulatory charges (NDIC/AMCON charge) and technology cost
- The increase in depreciation cost was driven by digital banking and technology related assets
- Technology cost will continue to grow as we invest in digitization to increase market share and improve operational efficiency.

Cost Dynamics – YoY Breakdown



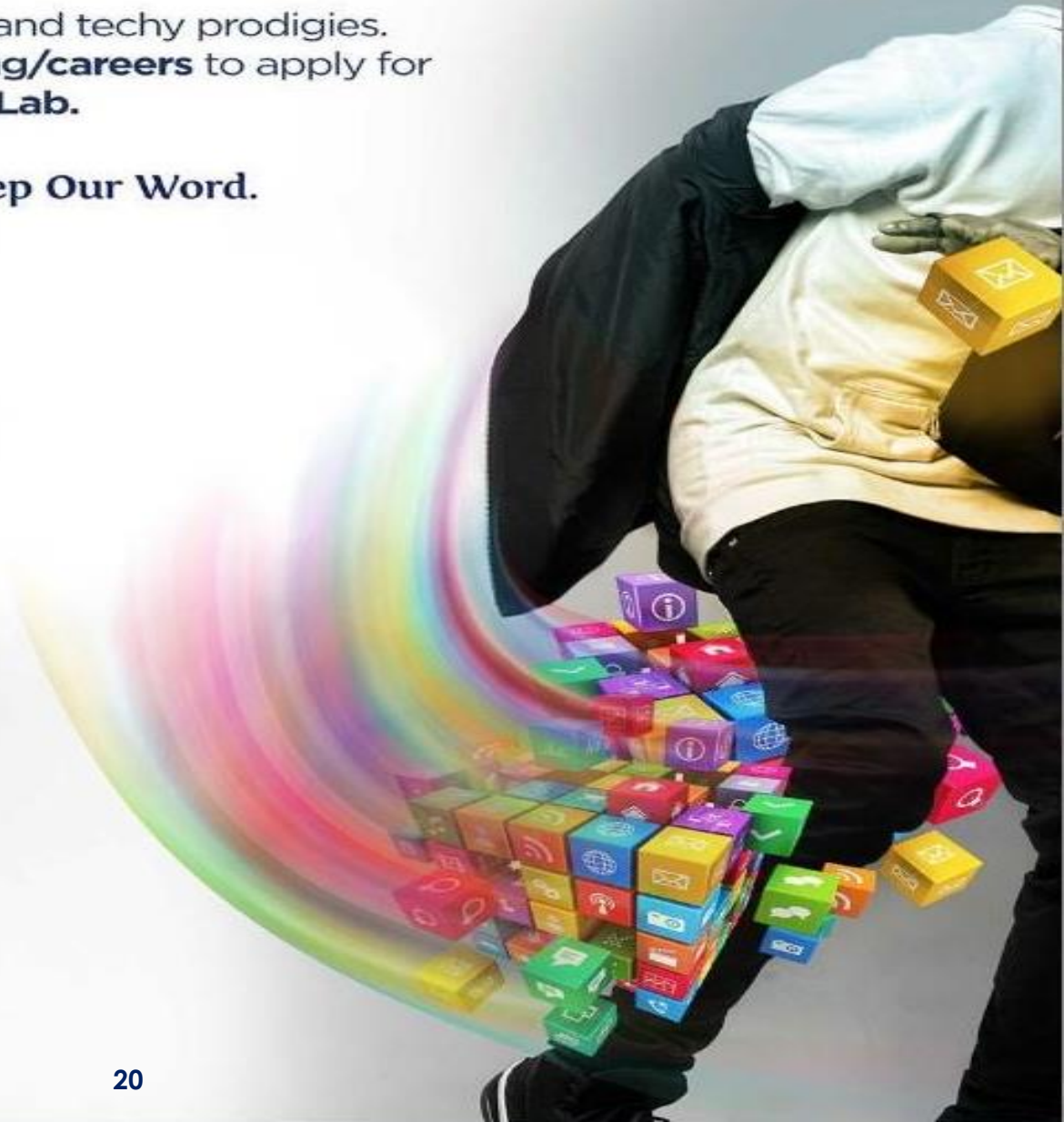
Breakdown of Operating Expenses: 2017 AVG. Vs. H1 2017 Vs. H1 2018

N'million	2017 AVG.	H1 2017	H1 2018	VAR	% VAR
Branding & advert	4,087	4,536	3,396	(1,140)	-25.1%
Staff cost	12,268	11,074	10,499	(575)	-5.2%
Energy (Electricity & Diesel)	692	744	682	(62)	-8.3%
Repairs and maintenance	1,292	1,317	1,295	(22)	-1.7%
Stationery expenses	135	132	129	(3)	-2.3%
Litigations and claims	-	-	-	-	0.0%
Postage & courier expenses	39	35	35	-	0.0%
Auditors' remuneration	100	100	100	-	0.0%
Telephone expenses	54	50	52	2	4.0%
Security expenses	628	615	620	5	0.8%
Consultancy expenses	348	333	354	21	6.3%
Insurance expenses	198	172	194	22	12.8%
Rent and rates	431	394	440	46	11.7%
Directors' emoluments	185	128	196	68	53.1%
Travelling & accommodation	348	289	372	83	28.7%
Cash movement expenses	356	258	390	132	51.2%
Legal expenses	101	93	276	183	196.8%
Bank charges	331	217	430	213	98.2%
Outsourced cost	1,761	1,665	1,935	270	16.2%
Training expenses	111	127	429	302	237.8%
NDIC / AMCON charges	5,065	4,926	5,526	600	12.2%
Technology cost	1,204	1,267	2,196	929	73.3%
Depreciation	2,187	1,855	2,816	961	51.8%
Other expenses	922	574	297	(277)	-48.3%
	32,838	30,901	32,659	1,758	5.7%

Innovate. Disrupt. Deliver.

Join our team of digital and techy prodigies.
Visit www.fidelitybank.ng/careers to apply for
a position in our **Digital Lab**.

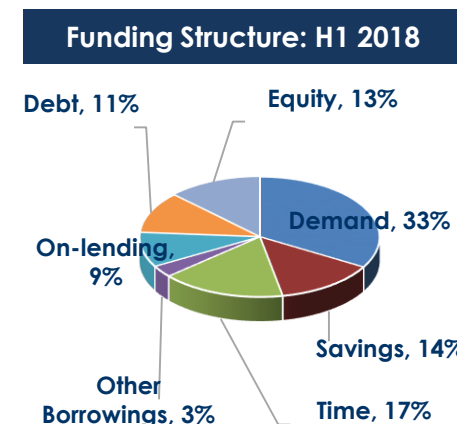
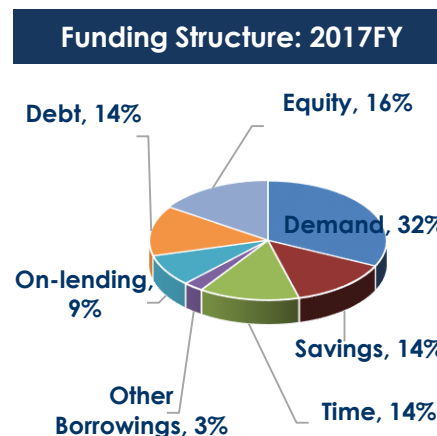
We Are Fidelity, We Keep Our Word.



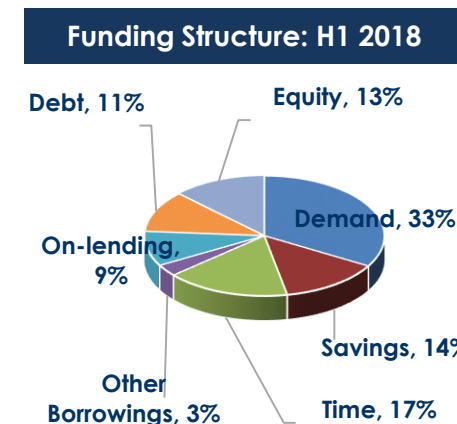
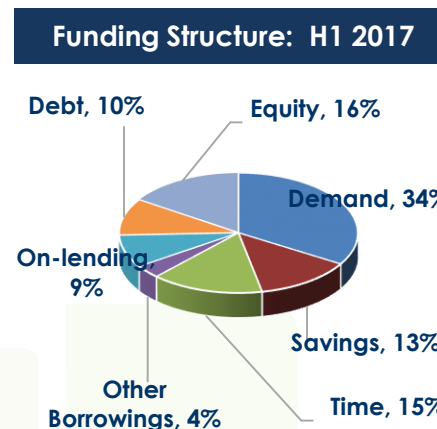
Funding Base Analysis



Key Highlights (N'm)	2017FY	H1 2018	VAR	% VAR
Demand Deposits	418,472	487,244	68,772	16.4%
Savings Deposits	178,570	197,509	18,939	10.6%
Tenor Deposits	178,234	243,180	64,946	36.4%
Other Borrowings	35,529	46,175	10,646	30.0%
On-Lending	112,294	136,877	24,583	21.9%
Debt Securities	177,704	163,292	(14,412)	-8.1%
Equity	203,315	184,165	(19,150)	-9.4%
Total	1,304,118	1,458,442	154,324	11.8%



Key Highlights (N'm)	H1 2017	H1 2018	VAR	% VAR
Demand Deposits	413,619	487,244	73,625	17.8%
Savings Deposits	161,101	197,509	36,408	22.6%
Time Deposits	186,349	243,180	56,831	30.5%
Other Borrowings	43,500	46,175	2,675	6.2%
On-Lending	108,103	136,877	28,774	26.6%
Debt Securities	122,258	163,292	41,034	33.6%
Equity	192,339	184,165	(8,174)	-4.2%
Total	1,227,268	1,458,442	231,174	18.8%



- Total deposits now account for 63.6% of total funding base (2017FY: 59.4%) and 70.4% of interest bearing liabilities.
- Drop in debt securities and total equity was due to the repayment of the outstanding \$44.5m Eurobond in May 2018 and the impact of IFRS 9 first time adoption charge on our total equity respectively.

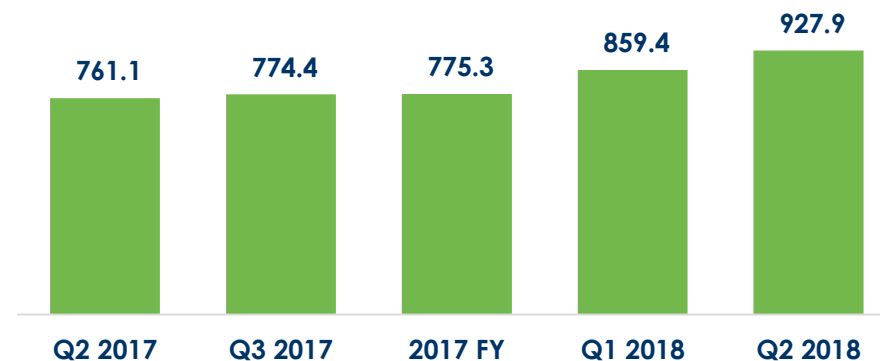
Deposits Analysis



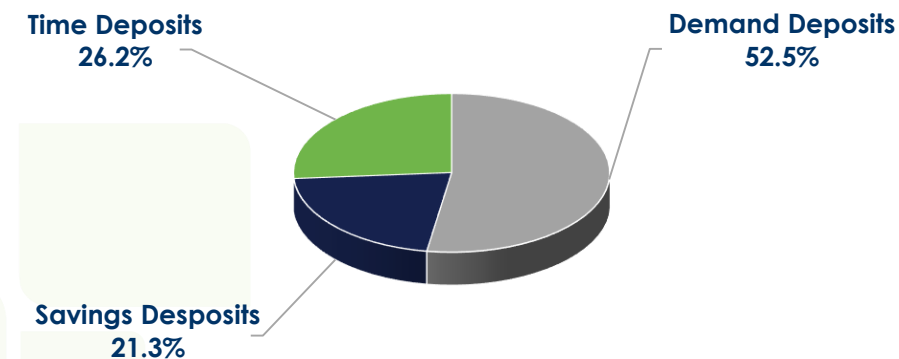
- ▶ Total deposits increased by 19.7% YTD (8.0% QoQ) to N927.9 billion from N775.3 billion in 2017FY.
- ▶ Deposit growth was across ALL products and we have already achieved our guidance for the 2018FY
- ▶ Low cost deposits now constitute 73.8% of total deposits from 77.0% in 2017FY, however, absolute figures increased by 14.7% to N684.8billion from N597.0 billion in 2017FY.
- ▶ The deposits growth creates enough head-room to fund the planned growth in risk assets in 2018FY.

Customer Deposits

N'billion

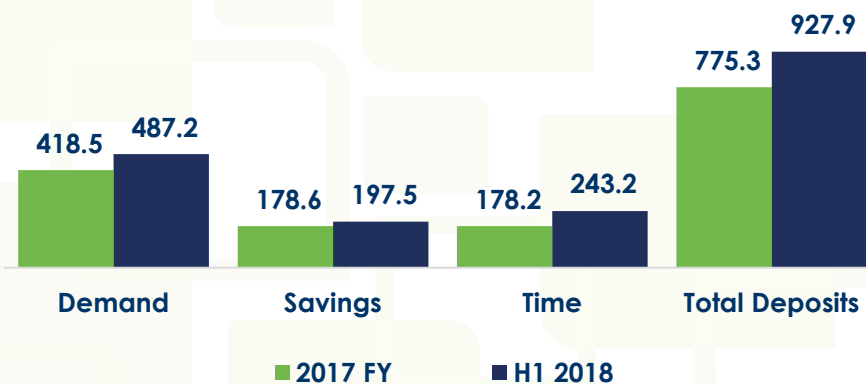


Customer Deposits by Products – H1 2018



Customer Deposits by Products – 2017FY Vs. H1 2018

N'billion

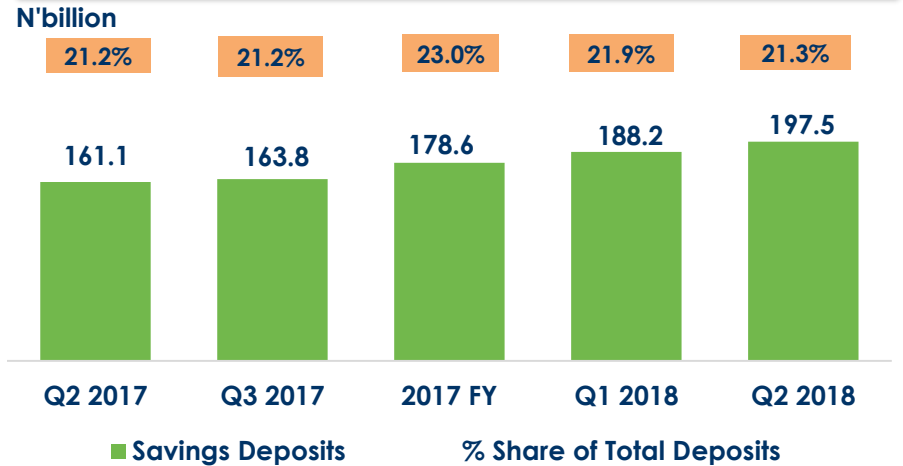


Retail Banking Analysis (Personal Banking)

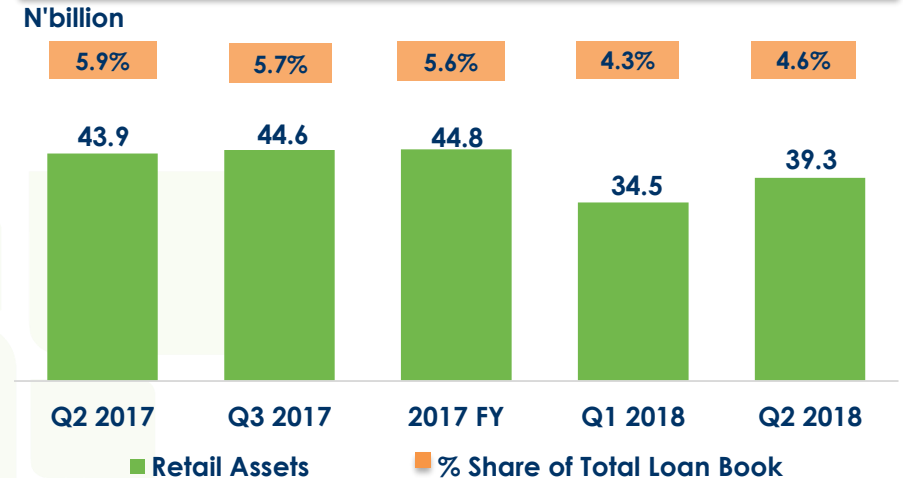


- ▶ Savings deposits grew by 10.6% YTD which contributed to the decline in our funding cost.
- ▶ Growth was as a result of the disciplined execution of our retail banking strategy and improved cross-selling of our digital products.
- ▶ We expect double digit growth in Savings and Retail low cost deposits in the 2018FY.
- ▶ Retail assets is gradually ticking up as we commence our new mobile lending product targeted at salary earners with a maximum repayment cycle of 30 days.

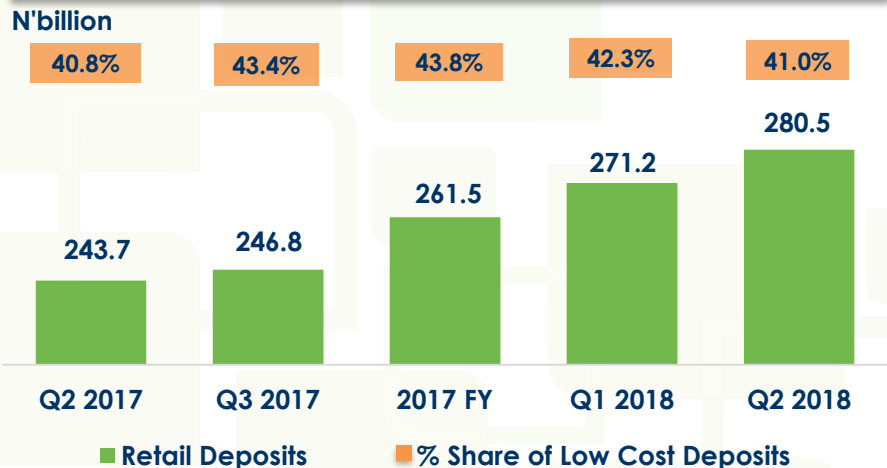
Savings Deposits Trend



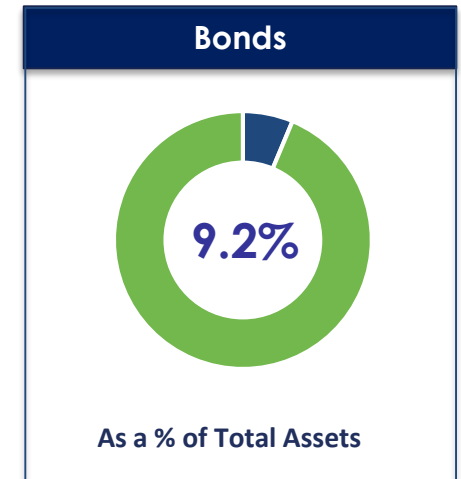
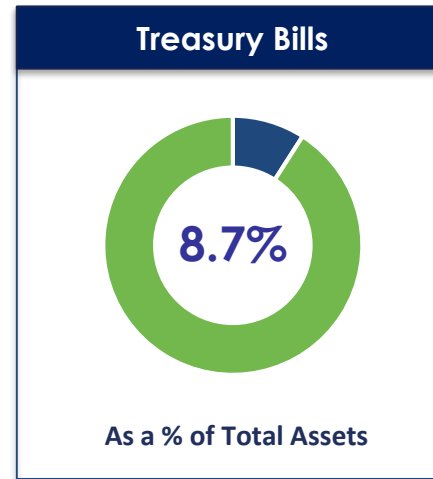
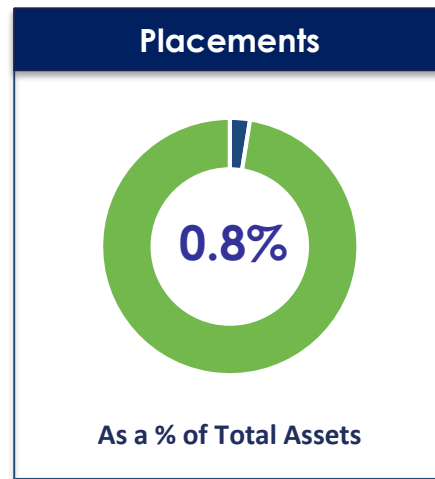
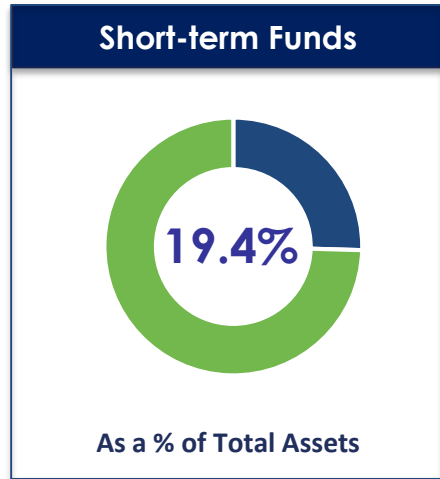
Retail Assets Trend



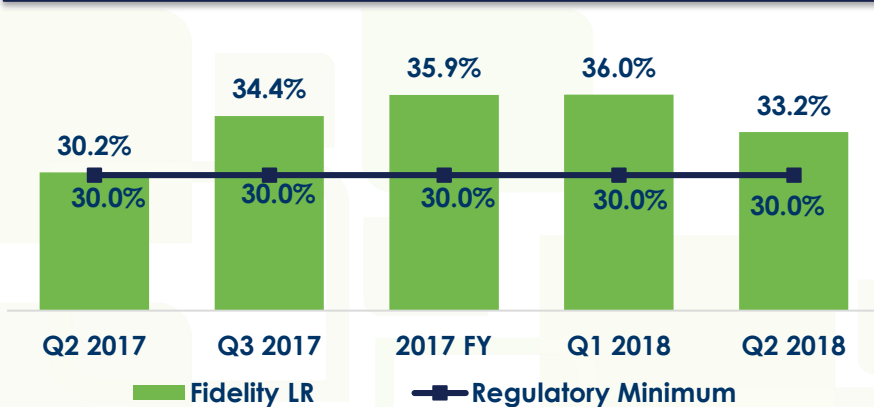
Retail Low Cost Deposits



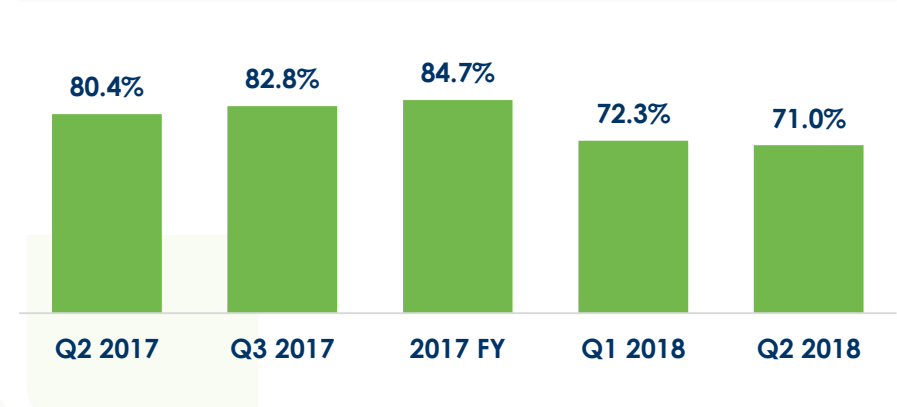
Liquid Assets Position



Liquidity Ratio



% Total Loans to Customer Deposits



- Improved liquidity is changing the structure of our funding base: loans to deposits is now 71.0% from 84.7% in 2017FY *excluding other funding sources e.g. debts.*
- Loans to interest bearing liabilities improved to 62.4% in H1 2018 from 69.8% reported in 2017FY.

Loan Portfolio Analysis



Breakdown of Loans & Advances to Customers: 2017FY Vs. H1 2018

N'million	2017FY	H1 2018	VAR	% VAR
Communication	37,874	40,614	2,740	7.2%
Oil and Gas	204,695	198,294	-6,401	- 3.1%
- Upstream	148,544	134,478	-14,066	- 9.5%
- Downstream	27,362	30,848	3,486	12.7%
- Services	28,790	32,968	4,179	14.5%
Power	102,727	107,672	4,945	4.8%
Manufacturing	77,368	96,935	19,567	25.3%
General Commerce	69,095	86,487	17,392	25.2%
Transport	72,301	86,272	13,971	19.3%
Consumer (Individuals)	44,751	39,261	-5,490	- 12.3%
Government	107,489	116,290	8,801	8.2%
Construction	27,979	29,081	1,102	3.9%
Agriculture	12,657	9,704	-2,953	- 23.3%
Real Estate	24,506	26,528	2,022	8.3%
Education	3,548	3,420	-128	- 3.6%
Finance and Insurance	3,915	3,825	-90	- 2.3%
Others	6,408	7,689	1,280	20.0%
Total	795,315	852,072	56,757	7.1%

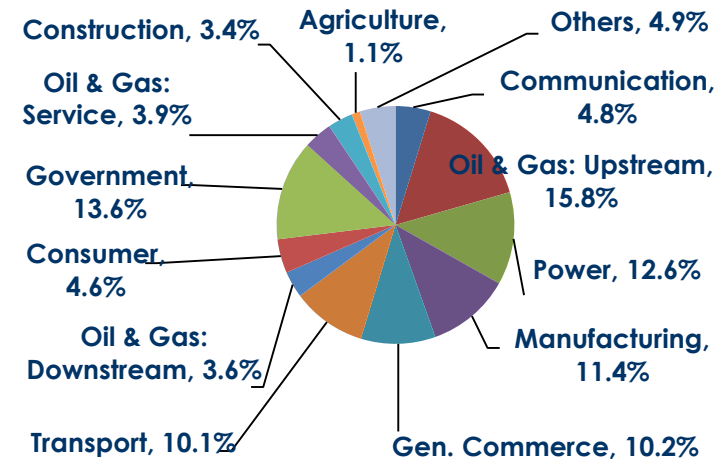
Loan Portfolio Analysis



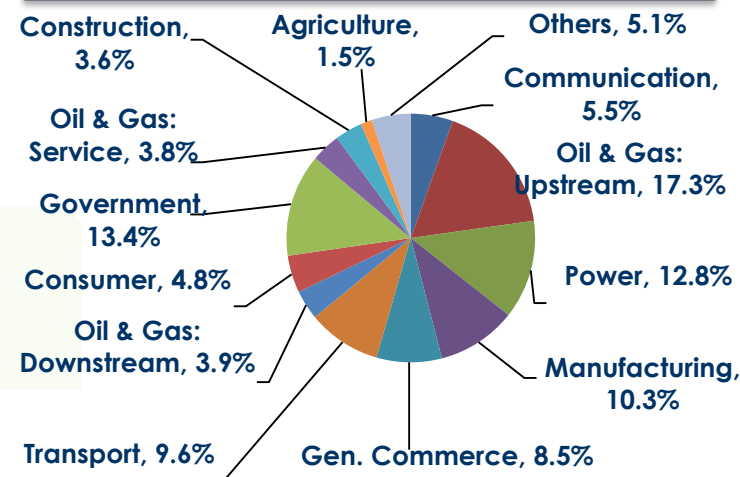
Breakdown of Loans & Advances to Customers

N'million	Q3 2017	Q4 2017	Q1 2018	Q2 2018
Communication	40,953	37,874	43,562	40,614
Oil and Gas	212,551	204,695	198,068	198,294
- Upstream	145,801	148,544	137,401	134,478
- Downstream	27,482	27,362	30,598	30,848
- Services	39,268	28,790	30,068	32,968
Power	98,925	102,727	102,019	107,672
Manufacturing	80,972	77,368	86,087	96,935
Gen. Commerce	55,063	69,095	67,419	86,487
Transport	65,828	72,301	75,980	86,272
Consumer	44,640	44,751	34,511	39,261
Government	106,385	107,489	106,202	116,290
Construction	27,142	27,979	28,318	29,081
Agriculture	11,272	12,657	11,805	9,704
Real Estate	24,595	24,506	26,462	26,528
Education	3,899	3,548	3,165	3,420
Fin. & Insurance	6,374	3,915	4,485	3,825
Others	6,845	6,408	6,231	7,689
Total	785,443	795,315	794,314	852,072

Loan Analysis – H1 2018



Loan Analysis – 2017FY

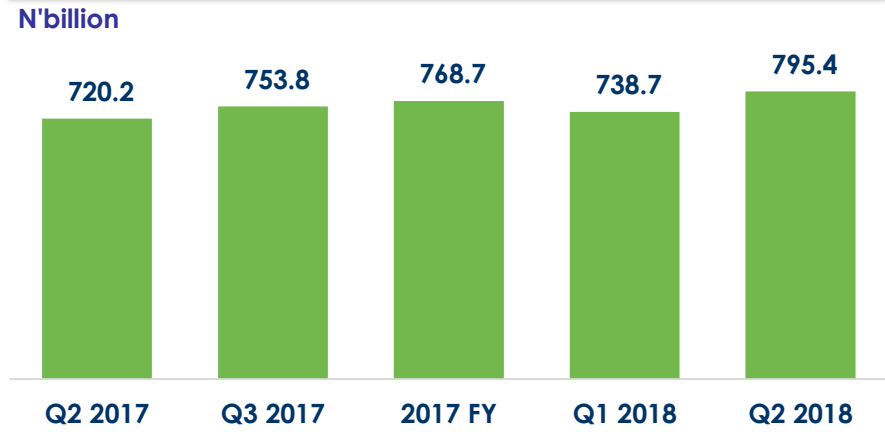


Loan Book Analysis

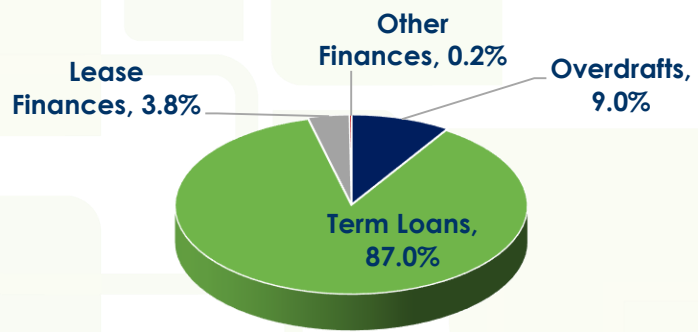


- ▶ Net loans increased by 3.5% YTD (7.7% QoQ) to N795.4 billion, Gross Loan growth in H1 2018 was 7.1%
- ▶ Loan growth was principally driven by 4 sectors: Manufacturing, Gen. Commerce, Transport and Public sector.
- ▶ The 4 sectors represent 75% of the increase in net loans and advances.
- ▶ FCY loans now constitute about 42.1% in H1 2018 from 46.0% in 2017FY.

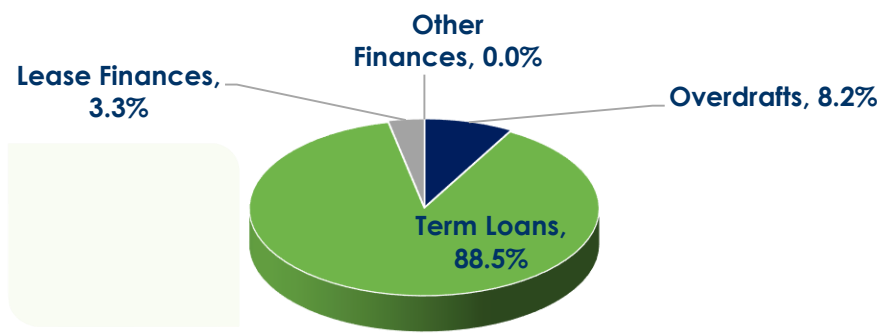
Net Loans and Advances to Customers



Total Loans by Type – 2017FY



Total Loans by Type – H1 2018



NPL Portfolio Analysis



Breakdown of Non-performing Loans: 2017FY Vs. H1 2018

	2017FY N'million	H1 2018 N'million	VAR N'million	% VAR	2017FY NPL Ratio	H1 2018 NPL Ratio
Communication	1,537	1,609	73	4.7%	4.1%	4.0%
Oil and gas	13,624	13,148	(477)	-3.5%	6.7%	6.6%
- Oil & Gas Upstream	-	-	-	0.0%	0.0%	0.0%
- Oil & Gas Downstream	11,191	10,367	(824)	-7.4%	40.9%	33.6%
- Oil & Gas Services	2,433	2,781	348	14.3%	8.5%	8.4%
Power	10	9	(2)	-16.4%	0.0%	0.0%
Manufacturing	7,346	7,354	8	0.1%	9.5%	7.6%
General Commerce	5,773	5,380	(393)	-6.8%	8.4%	6.2%
Transport	13,436	15,285	1,849	13.8%	18.6%	17.7%
Consumer (Individuals)	2,617	2,561	(55)	-2.1%	5.8%	6.5%
Government	25	25	(0)	-0.1%	0.0%	0.0%
Construction	908	381	(527)	-58.0%	3.2%	1.3%
Agriculture	1,263	1,636	373	29.5%	10.0%	16.9%
Real Estate	1,960	2,156	196	10.0%	8.0%	8.1%
Education	501	481	(20)	-4.0%	14.1%	14.1%
Finance and Insurance	94	75	(19)	-20.0%	2.4%	2.0%
Others	1,568	1,586	18	1.2%	24.5%	20.6%
Total	50,662	51,686	1,025	2.0%	6.4%	6.1%

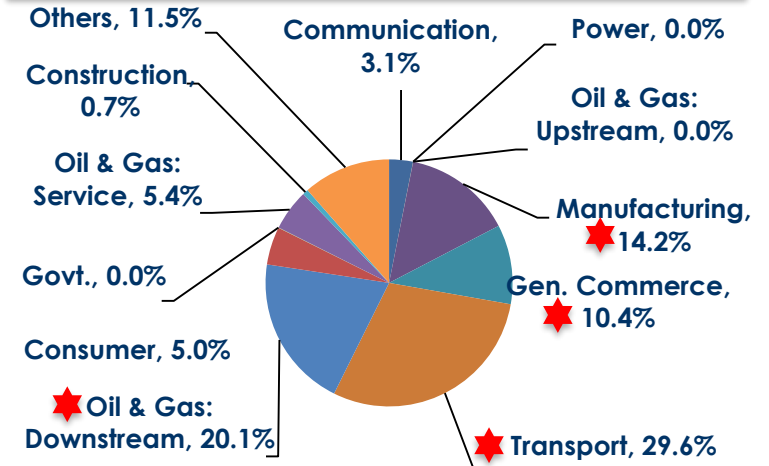
NPL Portfolio Analysis



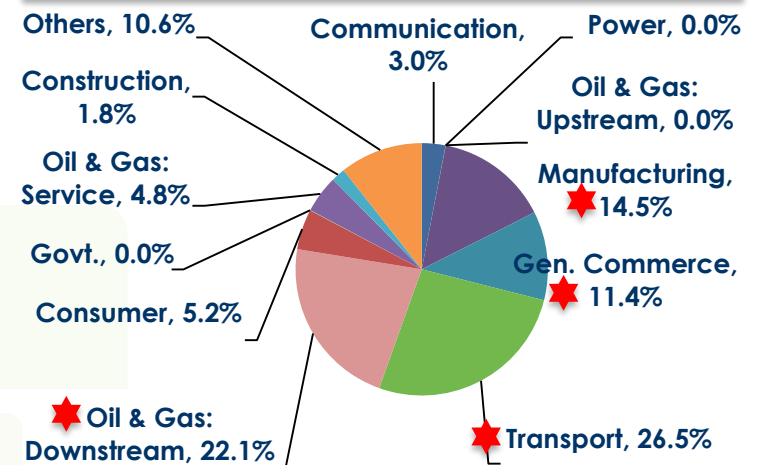
Breakdown of Non-performing Loans

N'million	Q3 2017	Q4 2017	Q1 2018	Q2 2018
Communication	1,713	1,537	1,557	1,609
Oil and Gas	8,468	13,624	12,891	13,148
- Upstream	-	-	-	-
- Downstream	6,613	11,191	10,180	10,367
- Services	1,855	2,433	2,711	2,781
Power	2	10	9	9
Manufacturing	9,869	7,346	7,821	7,354
Gen. Commerce	9,354	5,773	5,562	5,380
Transport	8,532	13,436	13,846	15,285
Consumer	3,637	2,617	2,557	2,561
Government	25	25	25	25
Construction	847	908	368	381
Agriculture	790	1,263	1,450	1,636
Real Estate	706	1,960	2,054	2,156
Education	665	501	489	481
Fin. & Insurance	164	94	117	75
Others	1,719	1,568	1,583	1,586
Total	46,490	50,662	50,329	51,686

NPL Analysis – H1 2018



NPL Analysis – 2017FY



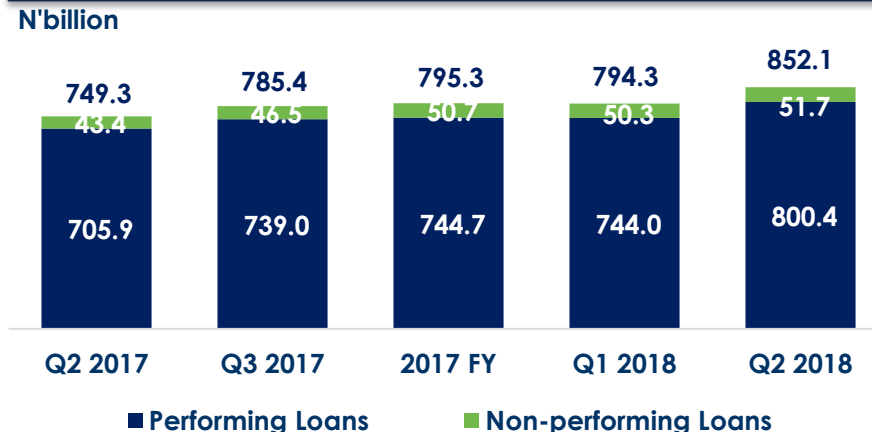
★ Pressure NPL Sectors

NPL Analysis

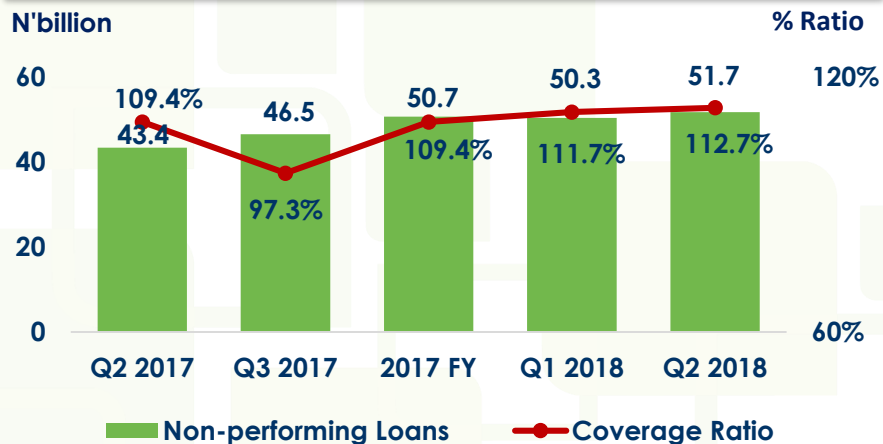


- ▶ NPL ratio declined to 6.1% from 6.4% in 2017FY principally due to the 7.1% YTD increase in gross loan book.
- ▶ Absolute NPLs increased by 2.0% due to N1.8 billion increase in the transport sector. Excluding the transport sector, absolute NPL would have dropped by 1.6% YTD.
- ▶ Coverage ratio improved to 112.7% from 109.4% in 2017FY in line with the implementation of IFRS 9 and increased loan book.

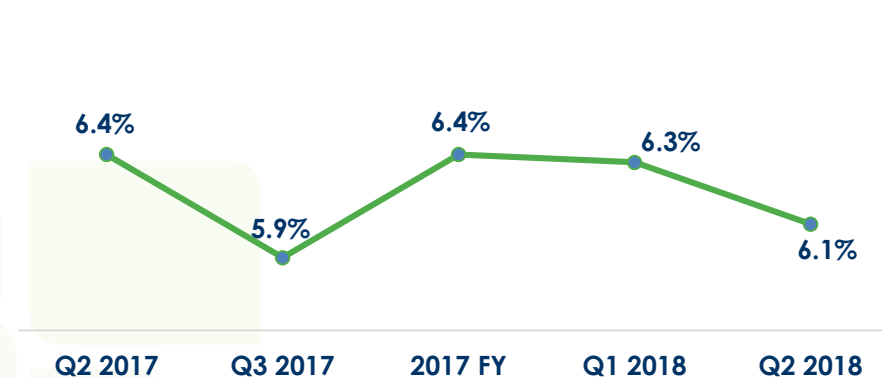
Gross Loans and Advances



NPL Coverage Ratio



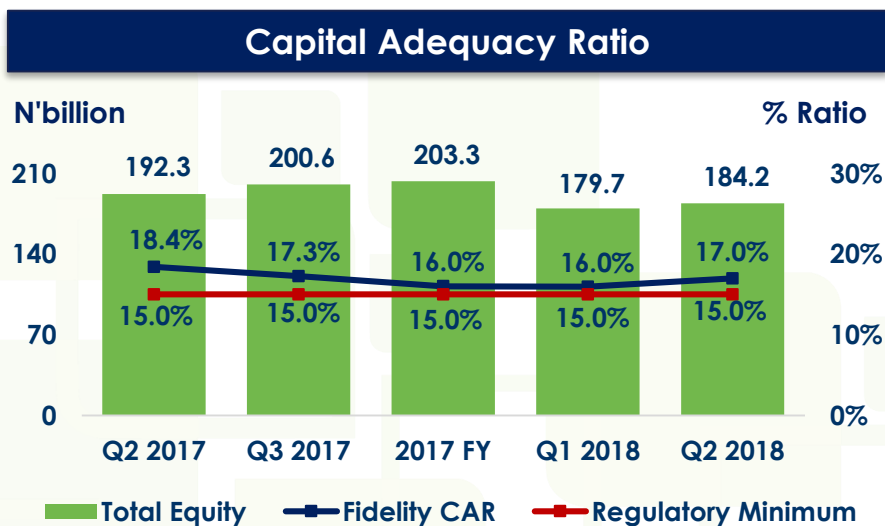
Non-performing Loans



Capital Adequacy



- ▶ Fidelity CAR improved to 17.0% from 16.0% in 2017FY as capitalized profit increased Tier 1 Capital by N10.1 billion.
- ▶ Credit risk dropped by N50.4 billion to N819.0 billion due to increased collaterals on risk assets and contingents
- ▶ The increase in Regulatory Adjustment resulted from the drop in our Single Obligor Limit which is 20% of Total Equity
- ▶ Total Equity declined due to the one-time adoption charge of over N28bn from the implementation of IFRS 9
- ▶ Excluding the Regulatory Adjustment, Fidelity CAR would have been 18.6% in H1 2018.



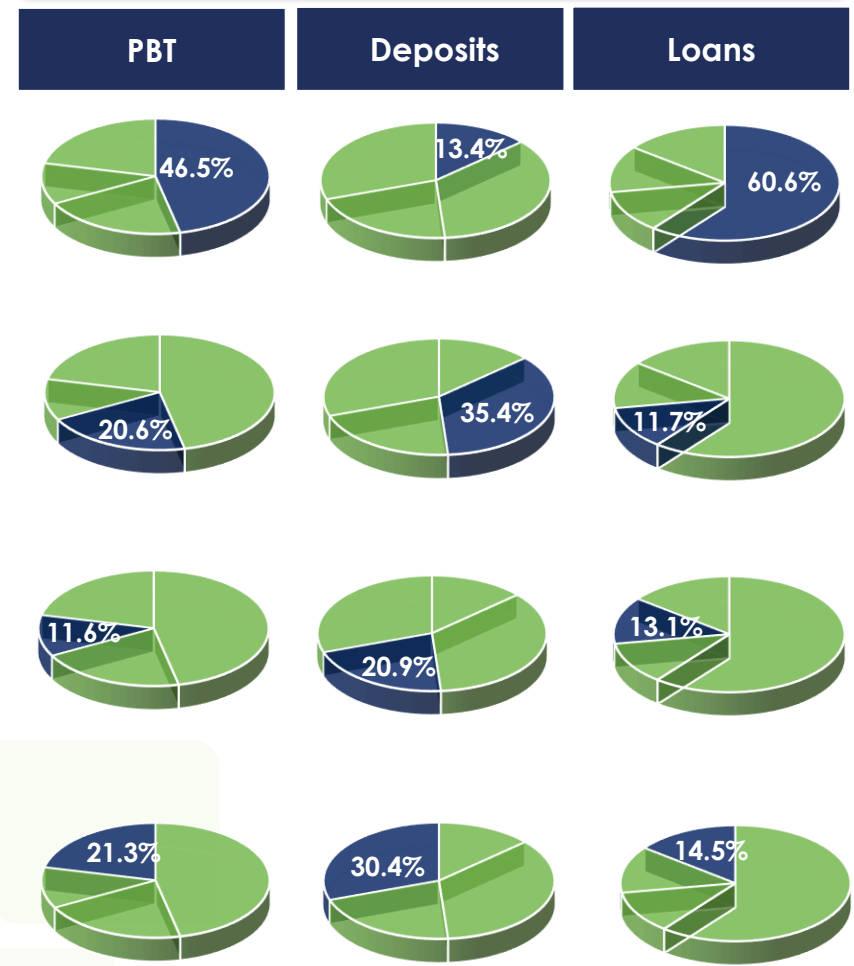
Capital Adequacy Ratio Computation – Basel II			
N'billion	2017FY	H1 2018	VAR
Tier 1 Capital	165.3	175.5	10.1
Regulatory Adjustment	(15.2)	(18.0)	-2.7
Adjusted Tier 1 Capital	150.1	157.5	7.4
Tier 2 Capital	29.2	23.8	-5.4
Total Qualified Capital	179.3	181.3	2.0
Credit Risk	869.3	819.0	-50.4
Market Risk	77.8	76.2	-1.6
Operational Risk	171.7	171.7	0.0
Risk Weighted Assets	1,118.8	1,066.8	-52.0
Capital Adequacy Ratio			
Tier 1	13.4%	14.8%	
Tier 2	2.6%	2.2%	
Overall CAR	16.0%	17.0%	

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 ₦5.0bn. ➤ Key focus sectors include: <ul style="list-style-type: none"> ❑ Oil & gas upstream ❑ Oil & gas downstream ❑ Power & infrastructure ❑ Telecommunication ❑ FMCG ❑ Construction & real est. ❑ Agriculture ❑ Transport & shipping
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 97 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 56 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 87 locations

Location Based Analysis



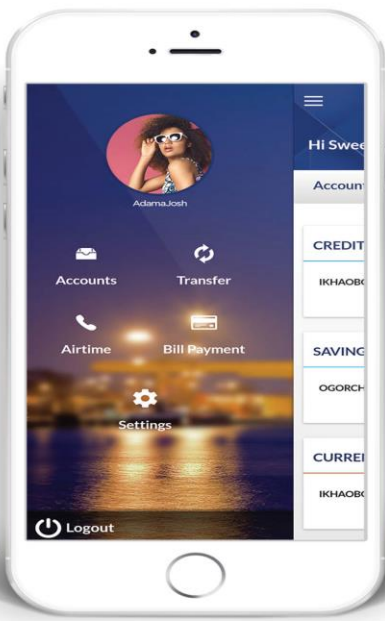


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H1 2018 Vs. 2018FY Guidance



GROWTH EXPECTATIONS ON KEY INDICATORS

S/N	Index	H1 2018 Actual	2018FY Target	Comment
1	Net Interest Margin	6.5%	6.5% - 7.0%	On Track
2	Tax Rate	9.0%	10.0% - 12.0%	On Track
3	Loan Growth (YTD)	3.5%	7.5% - 10.0%	Behind Target
4	Deposit Growth (YTD)	19.7%	10.0% - 15.0%	On Track
5	Cost to Income Ratio	67.7%	Below 70%	On Track
6	Proposed Dividends	N/A	30-50% (of PAT) band	N/A
7	NPL Ratio	6.1%	6.0% - 6.5%	On Track
8	Cost of Risk	0.7%	1.25%	On Track
9	ROE – Post Tax	13.0%	12.5%	On Track

Thank You

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