

Fidelity Bank Investor Presentation

Audited Financial Results for the 12 months ended

December 31, 2018



1. Overview of Fidelity Bank

2. The Operating Environment

3. Financial Highlights

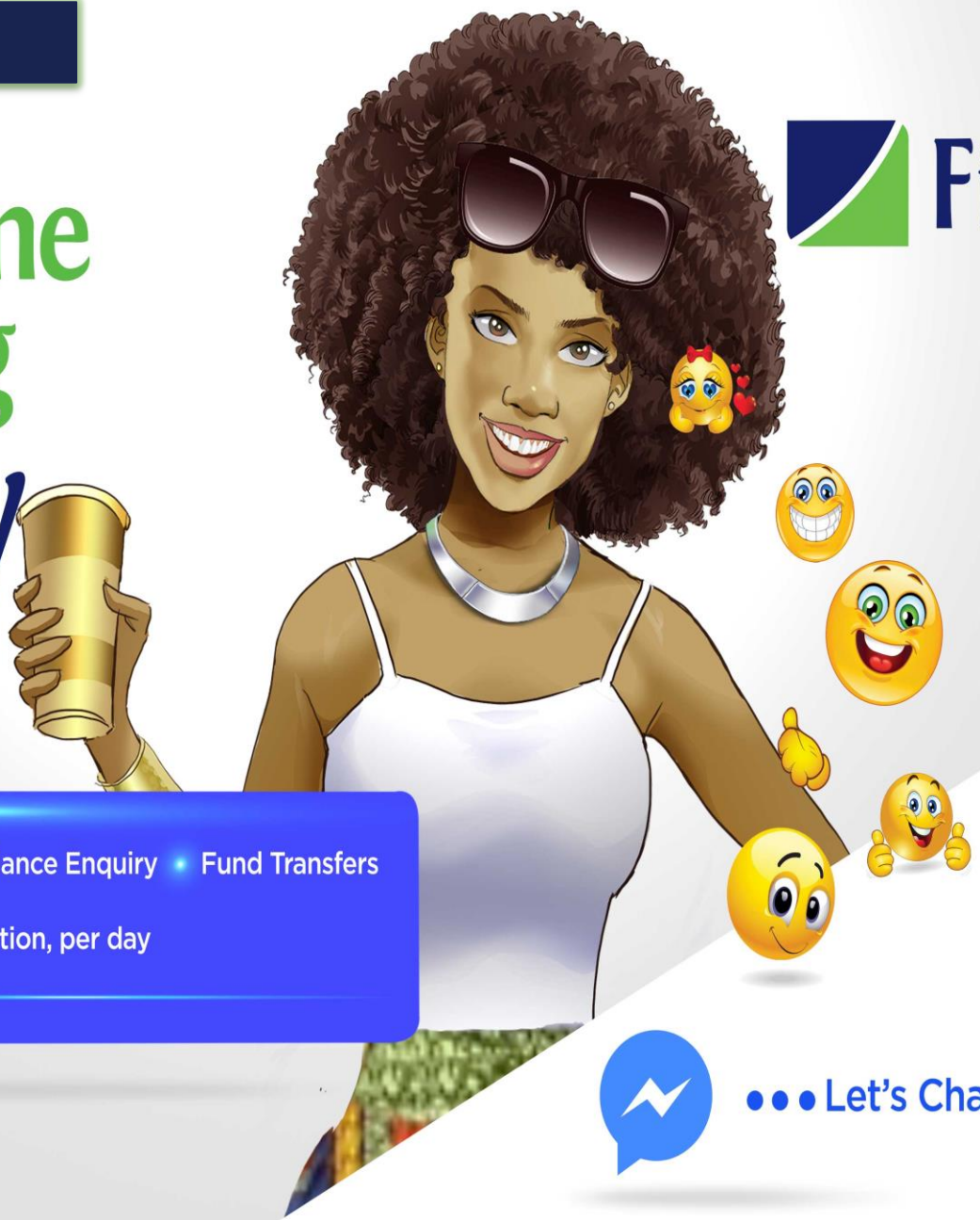
4. Financial Review

5. 2018FY Actual Vs. 2019FY Guidance

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

Overview of Fidelity Bank



Ownership

Total Assets: **N1,720bn**
\$4.8bn

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**

FMDO
OTC Securities Exchange
7yr N30bn May 2022 NGN Bonds

Operations & Contact Channels

Professional Staff
2,926
Male: 56%
Female: 44%

4.5 Million Accounts

808 ATMs

2m Cards

1.9m Mobile Customers

5,930 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)**

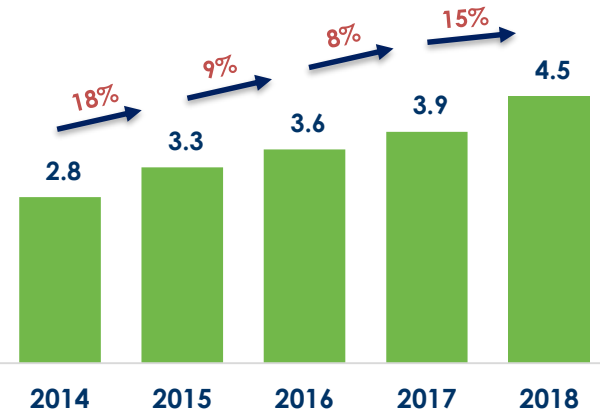
GCR GLOBAL CREDIT RATING CO.
Local Expertise • Global Presence **A-NG (Stable)**

Overview of Fidelity Bank

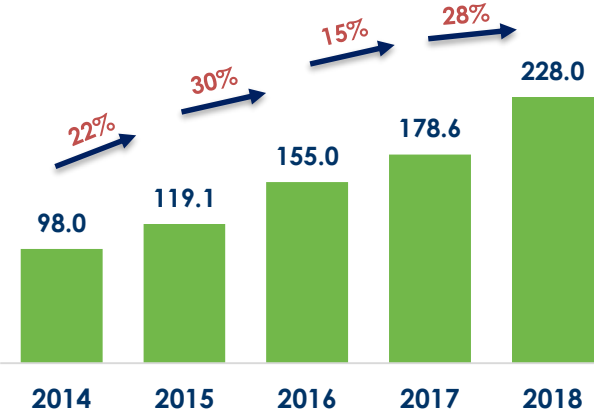


Retail And Digital Banking Evolution / Progress Report

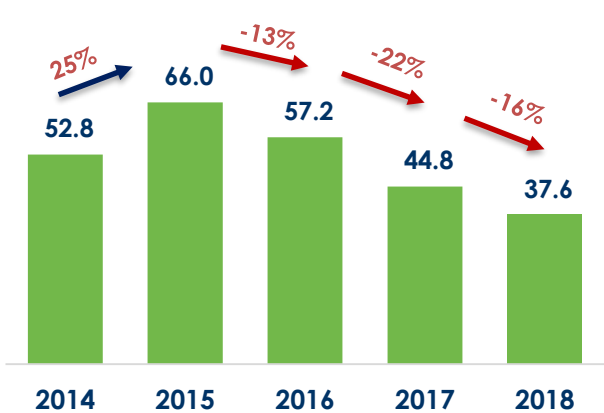
Number of Customer Accounts (#'m)



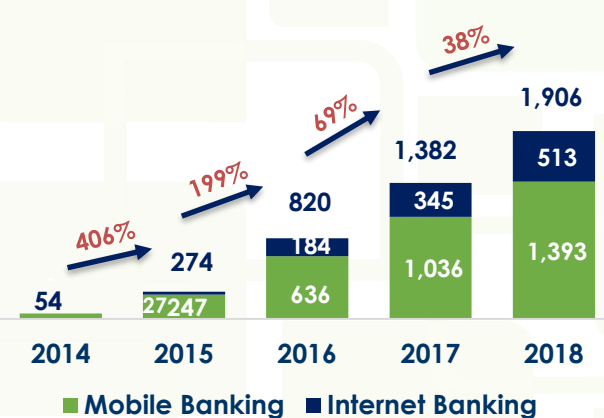
Savings deposits (N'bn)



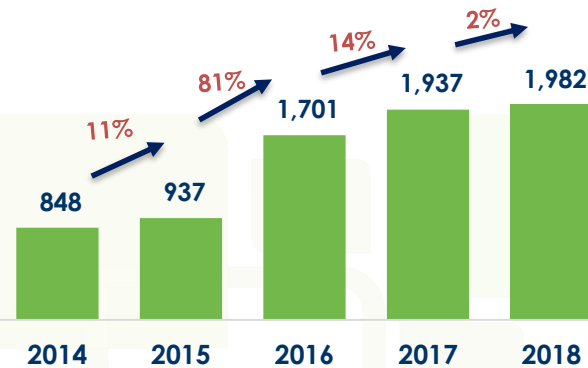
Retail Risk Assets (N'bn)



Mobile/Internet Banking Cust. (#'000)



Number of Debit Cardholders (#'000)



Commentary

- ▶ Savings deposits recorded the 5th consecutive year of double-digit growth from 2013: total savings deposits was N83.3 billion in 2013, a CAGR of 22%.
- ▶ Over 40% of our customers now self-enrolled on mobile/internet banking products.
- ▶ Over 81% of customers transactions are now done on electronic banking channels.
- ▶ Digitized retail lending will drive retail assets growth in 2019FY



Need A *Quick* LOAN?

Dial *770*08# or
Download the App

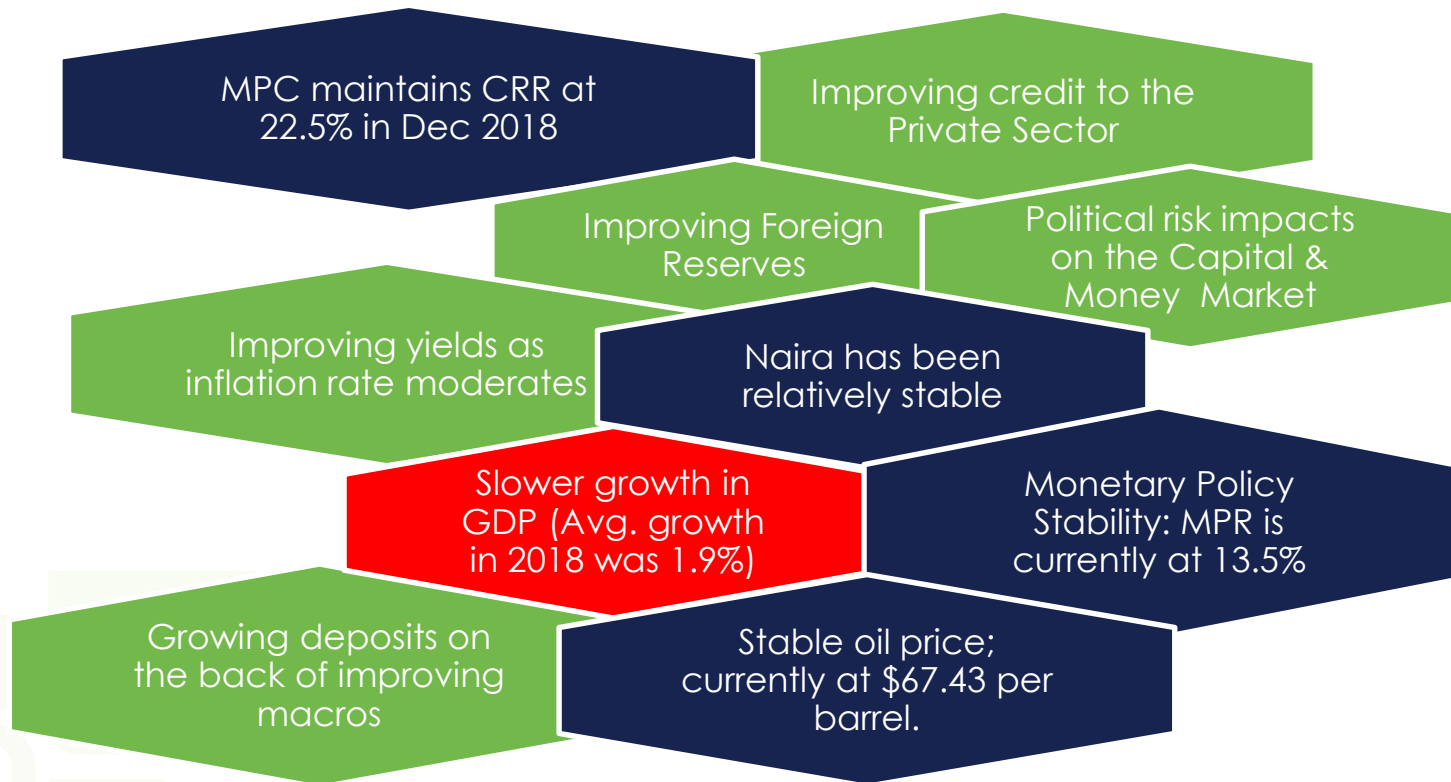


Fidelity
FastLoan™



From Request To Alert in 2 minutes.

The Operating Environment

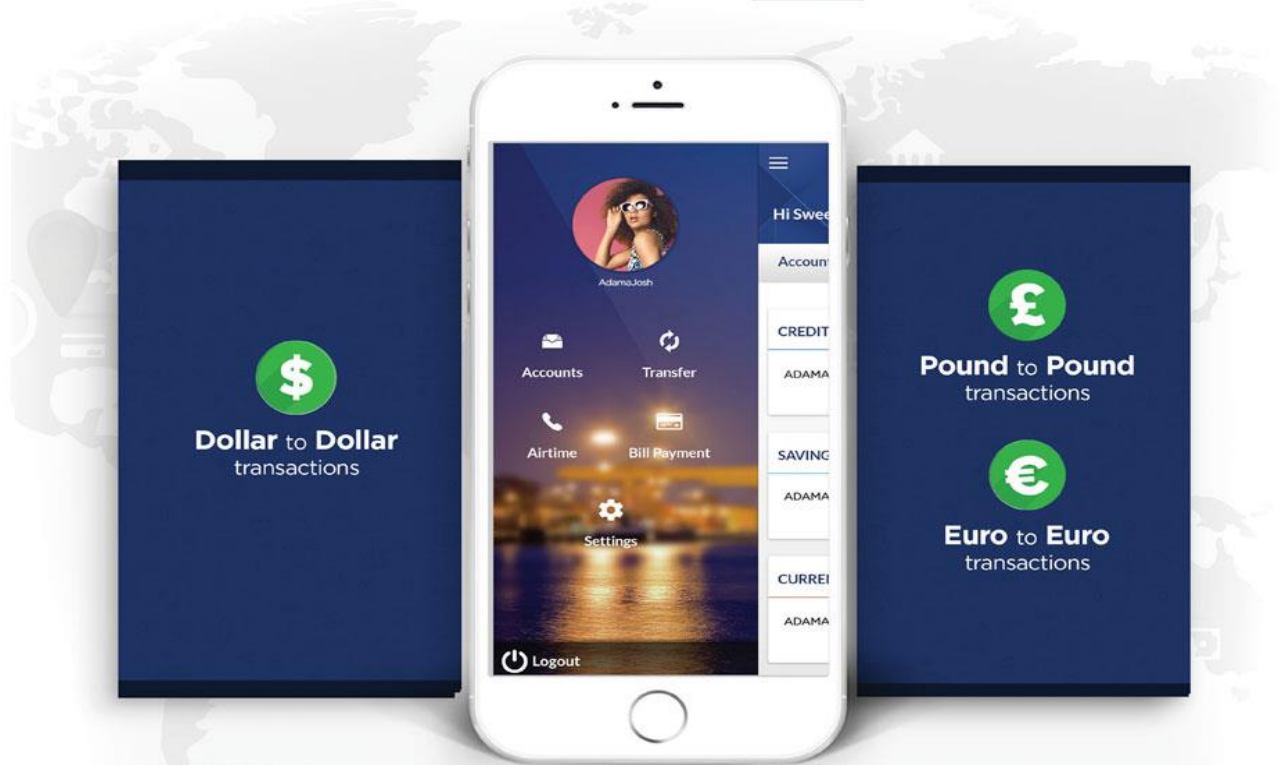




Convenient Forex Transfers From Your Phone

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 4.2% to N153.7 billion in 2018FY (2017FY: N147.4 billion)
- ❑ Operating Expenses up by 8.0% to N72.1 billion in 2018FY (2017FY: N66.8 billion)
- ❑ Cost to Income Ratio inched up to 71.1% in 2018FY from 68.6% in 2017FY
- ❑ PBT up by 30.6% to N25.1 billion in 2018FY (PAT came in at N22.9 billion)

Asset Quality

- ❑ Cost of Risk down to 0.5% in 2018, compared to 1.5% in 2017FY
- ❑ NPL Ratio down to 5.7% in 2018FY from 6.4% in 2017FY
- ❑ Coverage Ratio improved to 110.7% in 2018FY from 109.4% in 2017FY
- ❑ FCY Loans accounted for 41.1% of Net Loans from 46.0% in 2017FY

Capital Adequacy and Liquidity

- ❑ Capital Adequacy Ratio of 16.7%, based on Basel II computation
- ❑ Liquidity Ratio of 39.0% compared to regulatory minimum of 30.0%
- ❑ Loans to interest bearing liabilities stood at 62.8% in 2018FY from 69.8% in 2017FY
- ❑ Total Equity at N194.4 billion compared to N201.4 billion in 2017FY

Financial Highlights



- ❑ Gross earnings increased by 4.8% to N188.9 billion on account of double digit growth across key income lines: interest income on liquid assets (16.9%), electronic banking income (16.4%), FX Income (11.6%) and account maintenance charge (11.4%) etc.
- ❑ Net interest margin (NIM) declined to 5.8% in 2018FY from 7.0% in 2017FY as the drop in the average yield on our earning assets outpaced the decline in average funding cost. Average yield on earning assets dropped to 12.8% from 15.1% while average funding cost moderated to 6.2% from 7.2% in 2017FY.
- ❑ Net fee income increased by 9.2% to N31.8 billion from N29.2 billion anchored on 16.4% growth in digital income and 11.6% increase in FX related income.
- ❑ Operating income increased by 4.3% while total operating expenses increased by 8.0% driven largely by technology related cost, energy cost and regulatory (AMCON/NDIC) charges etc. However, cost growth is still significantly below headline inflation.
- ❑ PBT increased by 30.6% to N25.1 billion from N19.2 billion in 2017FY, while PAT came in at N22.9 billion.
- ❑ We now report our FX balance sheet numbers using a currency conversion rate (CCR) of N358.79/\$USD, being the NIFEX rate in Dec 2018.

Financial Highlights



- ❑ Total customer deposits increased by 26.3% to N979.4 billion from N775.3 billion in December 2017 on account of double-digit growth across ALL low cost deposits which led to the decline in funding costs.
- ❑ Savings deposits increased by 27.7% to N228.0 billion in December 2018 from N178.6 billion in December 2017 which now accounts for 23.3% of total deposits. Low cost deposits now constitute 81.6% of total customer deposits.
- ❑ Net loans and advances increased by 10.6% to N849.9 billion from N768.7 billion in December 2017. However, actual real growth in net loans and advances was 9.3% when the impact of the change in currency conversion rate (CCR) of 3.3% and loan write-off of -2.0% are considered. Cost of risk dropped to 0.5% from 1.5% in 2017FY whilst coverage ratio improved further to 110.7% from 109.4% in 2017FY.
- ❑ NPL ratio declined to 5.7% from 6.4% in December 2017 largely due to an increase in gross loan book, write-offs and recoveries, while absolute NPL declined QoQ by 3.5%.
- ❑ Key regulatory ratios remain well above the minimum requirements as at December 31, 2018: CAR and liquidity ratio stood at 16.7% and 39.0% respectively.

Financial Highlights



Summary of Income Statement: YoY Change				
N'million	2017FY	2018FY	VAR	% VAR
Gross Earnings	180,244	188,873	8,629	4.8%
Interest Income Loans	114,091	114,711	620	0.5%
Interest Income Liquid Assets	33,328	38,971	5,643	16.9%
Total Interest Income	147,419	153,682	6,263	4.2%
Interest Expense Customer Deposits	(61,286)	(61,353)	(67)	0.1%
Interest Expense Borrowings	(17,992)	(22,742)	(4,750)	26.4%
Total Interest Expense	(79,278)	(84,095)	(4,817)	6.1%
Net Interest Income	68,141	69,587	1,446	2.1%
FX Income	11,409	12,735	1,326	11.6%
Digital Income	6,762	7,872	1,110	16.4%
Other Fee Income (Net)	10,980	11,238	258	2.3%
Net Fee Income	29,151	31,845	2,694	9.2%
Operating Income	97,292	101,432	4,140	4.3%
Total Expenses	(66,764)	(72,128)	(5,364)	8.0%
Net Impairment Losses	(11,315)	(4,215)	7,100	-62.7%
Profit Before Tax	19,213	25,089	5,876	30.6%

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

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

Financial Highlights



Summary of Income Statement: QoQ Change						
N'million	Q1 2018	Q2 2018	Q3 2018	Q4 2018	VAR	% VAR
Gross Earnings	43,328	48,682	46,735	50,128	3,393	7.3%
Interest Income Loans	28,345	29,510	30,473	26,383	(4,090)	-13.4%
Interest Income Liquid Assets	10,121	12,071	9,879	6,900	(2,978)	-30.1%
Total Interest Income	38,466	41,581	40,352	33,283	(7,068)	-17.5%
Interest Exp. Customer Deposits	(15,911)	(14,800)	(14,737)	(15,905)	1,168	-7.9%
Interest Expense Borrowings	(5,588)	(5,690)	(5,505)	(5,959)	454	-8.3%
Total Interest Expense	(21,499)	(20,490)	(20,242)	(21,864)	1,622	-8.0%
Net Interest Income	16,967	21,091	20,110	11,419	(8,690)	-43.2%
FX Income	696	2,068	1,646	8,325	6,678	405.6%
Digital Income	1,600	1,730	1,638	2,904	1,266	77.3%
Other Fee Income (Net)	1,541	2,569	2,248	4,880	2,632	117.1%
Net Fee Income	3,836	6,368	5,532	16,109	10,577	191.2%
Operating Income	20,803	27,459	25,642	27,528	1,886	7.4%
Total Expenses	(15,119)	(17,540)	(17,896)	(21,573)	3,676	-20.5%
Net Impairment Losses	(702)	(1,891)	(692)	(930)	238	-34.4%
Profit Before Tax	4,982	8,028	7,054	5,025	(2,029)	-28.8%

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

Q2 Numbers restated with N7.2bn reclassified from fees to Int. Income

Financial Highlights



Statement of Financial Position: YTD Change

N'million	2017FY	2018FY	VAR	% VAR
Total Assets	1,379,214	1,719,883	340,669	24.7%
Earning Assets	977,076	1,198,988	221,912	22.7%
Bank Placements	8,475	58,755	50,280	593.3%
Treasury Bills	90,223	189,236	99,013	109.7%
Bonds	109,641	101,117	(8,524)	-7.8%
Customer Loans (Naira)	414,948	500,751	85,803	20.7%
Customer Loans (FCY)	353,789	349,129	(4,660)	-1.3%
Non-Earning Assets	402,138	520,895	118,757	29.5%
Cash	27,534	44,624	17,090	62.1%
Cash Reserve	181,017	249,614	68,597	37.9%
Bal. with other Banks/Settlement Acct	104,886	143,571	38,685	36.9%
Fixed Assets	38,504	36,909	(1,595)	-4.1%
All Other Assets	50,197	46,177	(4,020)	-8.0%
Interest Bearing Liabilities	1,100,803	1,354,020	253,217	23.0%
Demand	418,472	571,329	152,857	36.5%
Savings	178,570	227,970	49,400	27.7%
Time Deposits	178,234	180,114	1,880	1.1%
Other Borrowings	35,529	67,665	32,136	90.5%
On-lending Facilities	112,294	133,840	21,546	19.2%
Debt Securities	177,704	173,102	(4,602)	-2.6%
All Other Liabilities	77,050	171,447	94,397	122.5%
Equity	201,361	194,416	(6,945)	-3.4%

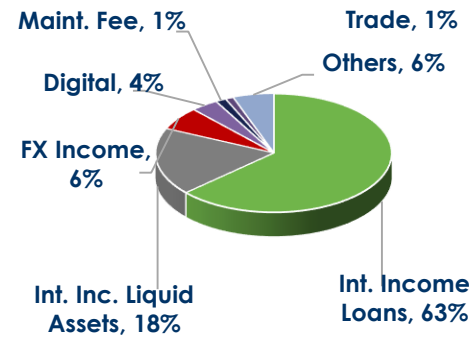
Please note: The Balance Sheet was converted at an exchange rate of N358.79/USD, being the NIFEX Rate in Dec 2018

Gross Earnings Analysis

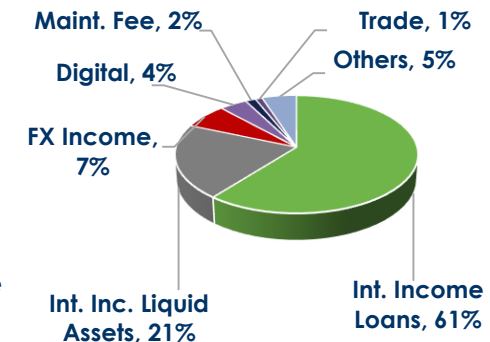


Key Highlights (N'm)	2017FY	2018FY	VAR	% VAR
Total Earnings	180,244	188,873	8,629	4.8%
Interest Income Loans	114,091	114,711	620	0.5%
Int. Inc. Liquid Assets	33,328	38,971	5,643	16.9%
FX Income	11,409	12,735	1,326	11.6%
Digital Income	6,762	7,872	1,110	16.4%
A/C Maintenance fee	2,602	2,899	297	11.4%
Trade Income	1,997	1,972	(25)	-1.3%
Other Income	10,055	9,713	(342)	-3.4%

Total Earnings: 2017FY

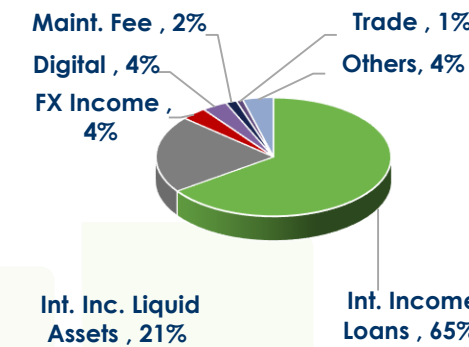


Total Earnings: 2018FY

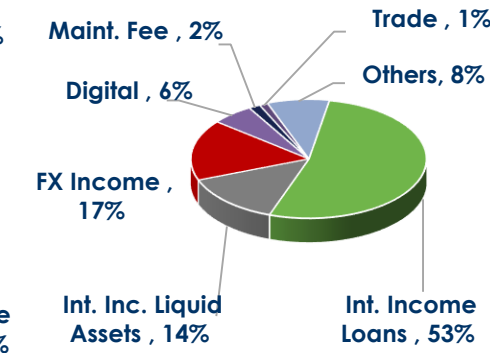


Key Highlights (N'm)	Q1 2018	Q2 2018	Q3 2018	Q4 2018
Total Earnings	43,328	48,682	46,735	50,128
Interest Income Loans	28,345	29,510	30,473	26,383
Int. Inc. Liquid Assets	10,121	12,071	9,879	6,900
FX Income	696	2,068	1,646	8,325
Digital Income	1,600	1,730	1,638	2,904
A/C Maintenance fee	637	762	705	795
Trade Income	480	475	432	585
Other Income	1,450	2,065	1,962	4,236

Total Earnings: Q3 2018



Total Earnings: Q4 2018



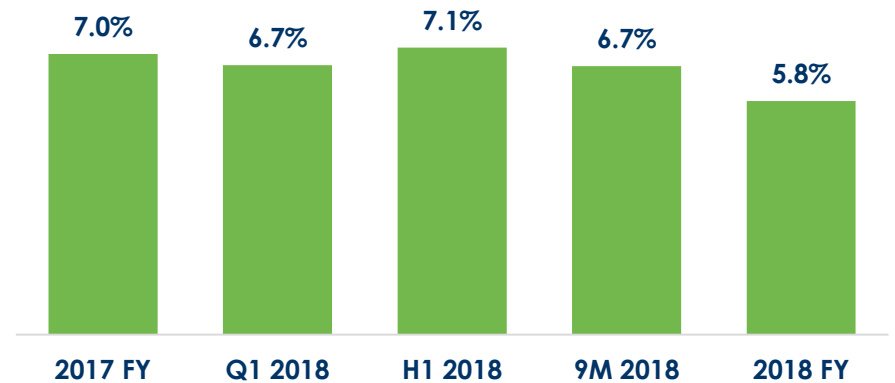
- The increase in FX income in Q4 to N8.3 billion was driven by the change in currency conversion rate to N358.79/\$USD.
- Digital banking income grew by 16.4% YoY largely due to 133% growth in mobile banking income, 59% increase in cards income and increased digital transactions volume.

Net Interest Margin Analysis

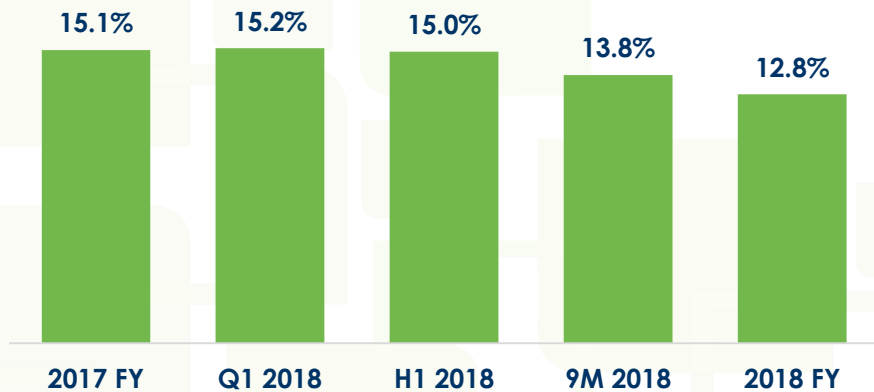


- ▶ NIM dropped to 5.8% from 7.0% in 2017FY as the decline in our average yield on earning assets outpaced the improved funding cost in 2018FY.
- ▶ Average funding costs dropped to 6.2% on account of improved deposit pricing as average cost of customer deposits dropped to 6.3% from 7.9% in 2017FY.
- ▶ The moderation in the yield on earnings assets was caused by relatively lower average lending rate and drop in yields on liquid assets.

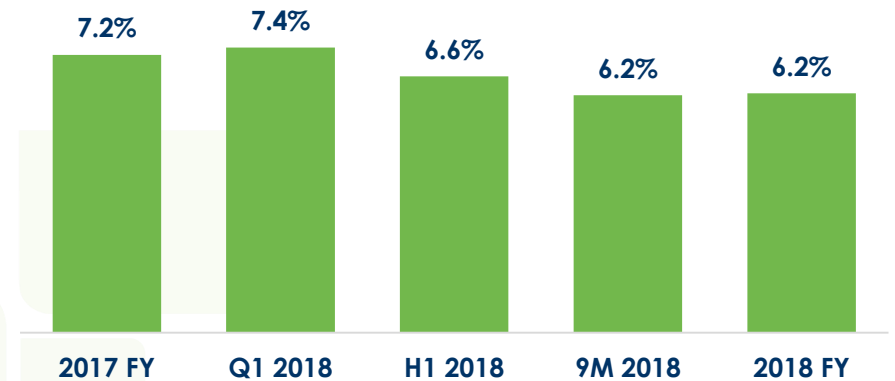
NIM Trend



Yield on Earning Assets



Funding Cost

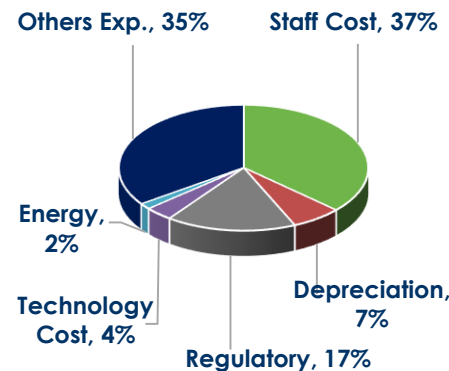


Total Expense Analysis

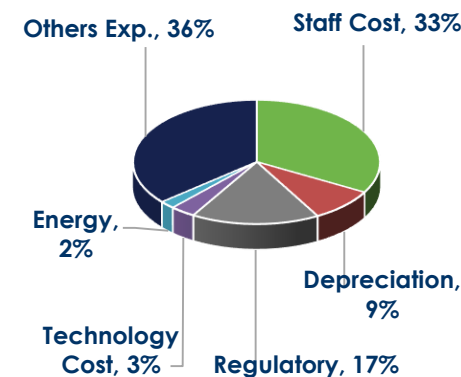


Key Highlights (N'm)	2017FY	2018FY	VAR	% VAR
Total Expenses	66,764	72,128	5,364	8.0%
Staff Cost	24,535	23,910	-625	-2.5%
Depreciation	4,373	6,247	1,874	42.9%
NDIC/AMCON Cost	11,218	12,074	856	7.6%
Technology Cost	2,407	2,366	-41	-1.7%
Energy Cost	1,021	1,446	425	41.6%
Security	1,256	1,280	24	1.9%
Branding & Advert	8,173	8,352	179	2.2%
Other Expenses	13,781	16,453	2,672	19.4%

Total Expenses: 2017FY

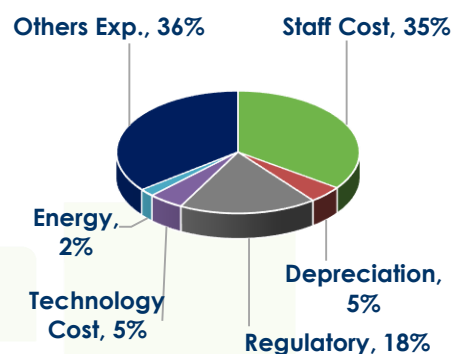


Total Expenses: 2018FY

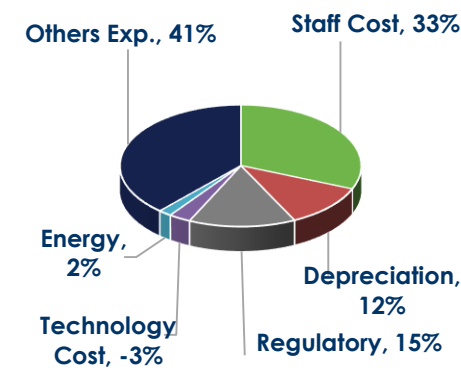


Key Highlights (N'm)	Q1 2018	Q2 2018	Q3 2018	Q4 2018
Total Expenses	15,119	17,540	17,896	21,573
Staff Cost	5,072	5,427	6,248	7,163
Depreciation	769	2,047	816	2,615
NDIC/AMCON Cost	2,673	2,853	3,274	3,274
Technology Cost	944	1,252	840	-670
Energy Cost	325	357	360	405
Security	306	314	312	348
Branding & Advert	1,350	2,046	2,185	2,771
Other Expenses	3,680	3,244	3,862	5,667

Total Expenses: Q3 2018



Total Expenses: Q4 2018



- Total technology related costs (depreciation on intangible assets and technology expenses) increased by N1.9bn to N4.8bn in 2018FY from N2.9bn in 2017FY, a growth of 63.1%.
- The increase in technology related cost constituted about 34.6% of the growth in total operating expenses in 2018FY.

Cost Dynamics – YoY Breakdown



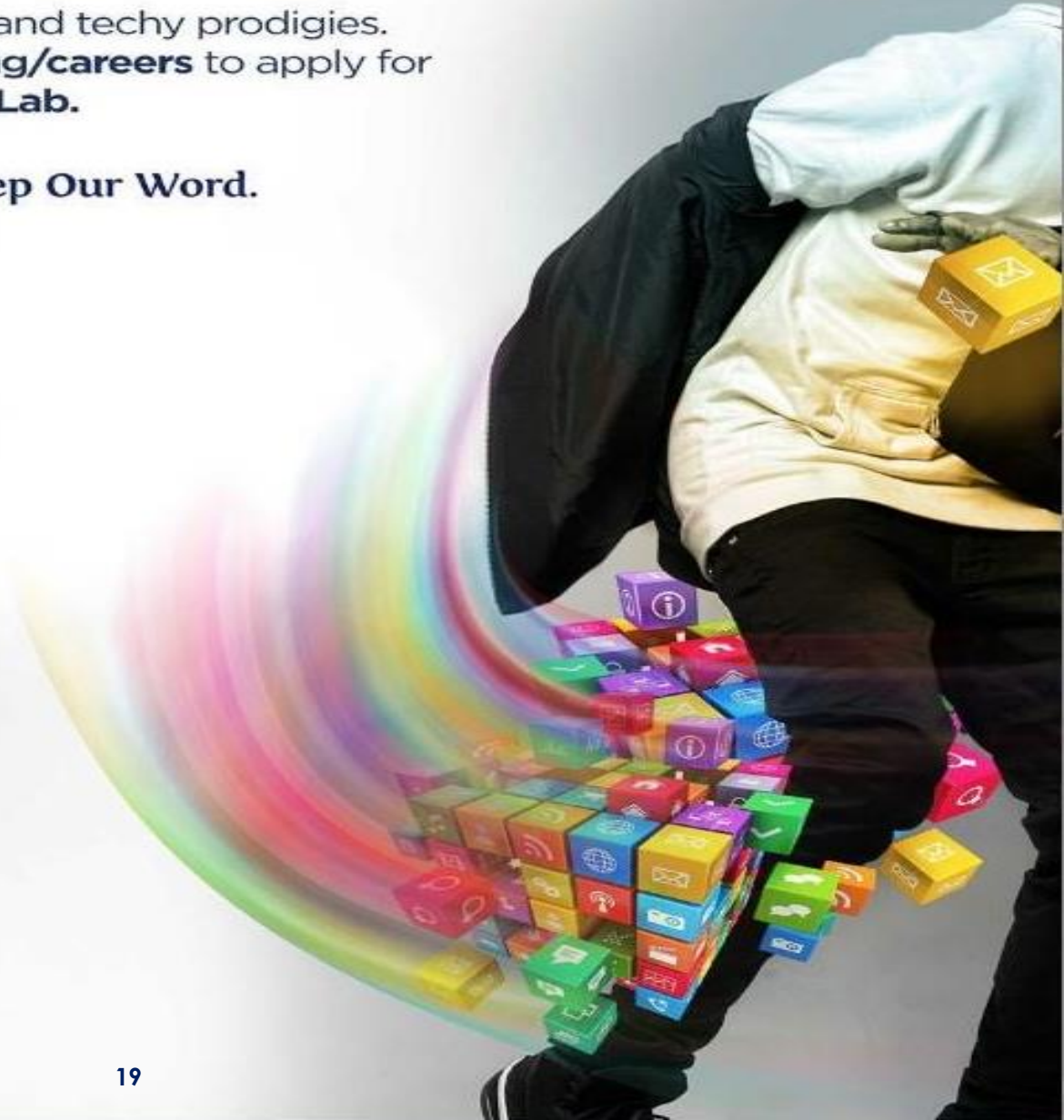
Breakdown of Operating Expenses: 2017FY Vs. 2018FY

N'million	2017FY	2018FY	VAR	% VAR
Staff Cost	24,535	23,910	(625)	-2.5%
Directors' emoluments	370	262	(108)	-29.2%
Technology cost (excl. depreciation)	2,407	2,366	(41)	-1.7%
Insurance expenses	396	379	(17)	-4.3%
Telephone expenses	108	99	(9)	-8.3%
Consultancy expenses	695	687	(8)	-1.2%
Litigations and claims	-	-	-	0.0%
Auditors' remuneration	200	200	-	0.0%
Stationery expenses	269	285	16	5.9%
Security expenses	1,256	1,280	24	1.9%
Postage and courier expenses	78	108	30	38.5%
Rent and rates	861	915	54	6.3%
Travelling and accommodation	695	840	145	20.9%
Branding & advert	8,173	8,352	179	2.2%
Cash movement expenses	711	901	190	26.7%
Legal expenses	202	606	404	200.0%
Training expenses	221	636	415	187.8%
Energy (Electricity & Diesel)	1,021	1,446	425	41.6%
Outsourced Cost	3,522	4,022	500	14.2%
Bank charges	662	1,166	504	76.1%
Repairs and maintenance	2,583	3,114	531	20.6%
NDIC / AMCON charges	11,218	12,074	856	7.6%
Depreciation	4,373	6,247	1,874	42.9%
Other expenses	2,208	2,233	25	1.1%
	66,764	72,128	5,364	8.0%

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.**

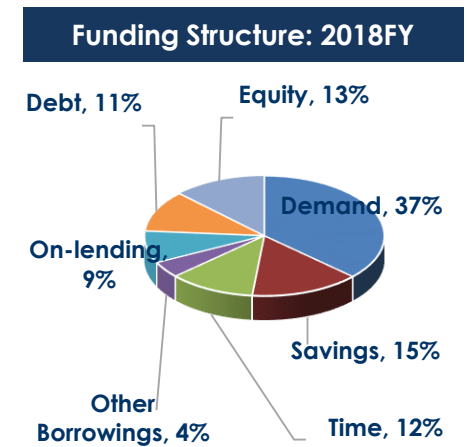
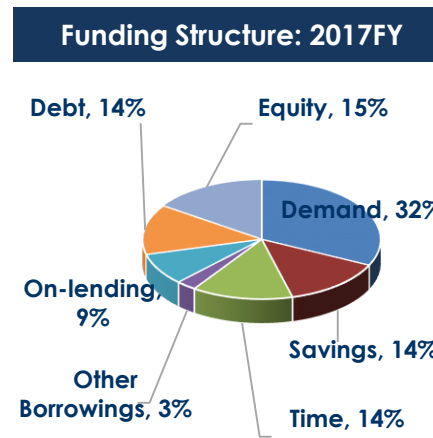
We Are Fidelity, We Keep Our Word.



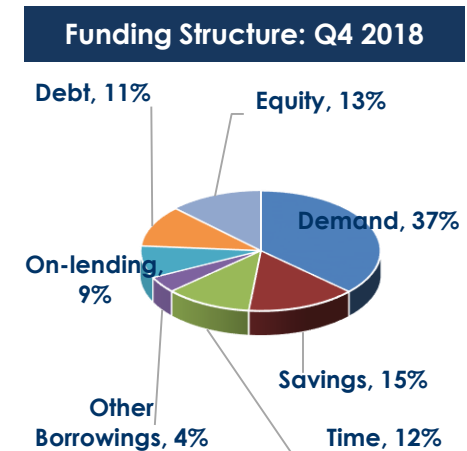
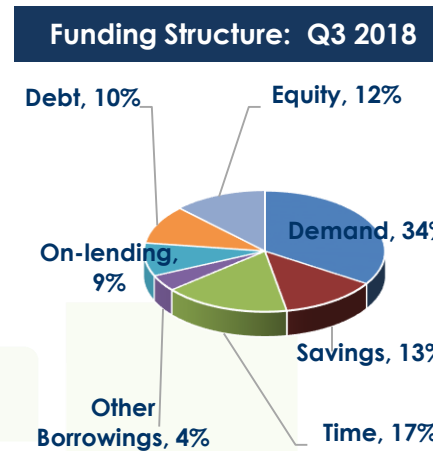
Funding Base Analysis



Key Highlights (N'm)	2017FY	2018FY	VAR	% VAR
Demand Deposits	418,472	571,329	152,857	36.5%
Savings Deposits	178,570	227,970	49,400	27.7%
Tenor Deposits	178,234	180,114	1,880	1.1%
Other Borrowings	35,529	67,665	32,136	90.5%
On-Lending	112,294	133,840	21,546	19.2%
Debt Securities	177,704	173,102	(4,602)	-2.6%
Equity	201,361	194,416	(6,945)	-3.4%
Total	1,302,164	1,548,436	246,272	18.9%



Key Highlights (N'm)	Q1 2018	Q2 2018	Q3 2018	Q4 2018
Demand Deposits	452,429	487,244	525,003	571,329
Savings Deposits	188,215	197,509	201,661	227,970
Time Deposits	218,713	243,180	260,166	180,114
Other Borrowings	28,496	46,175	67,034	67,665
On-Lending	117,081	136,877	136,988	133,840
Debt Securities	174,073	163,292	160,032	173,102
Equity	179,662	184,165	192,386	194,416
Total	1,358,670	1,458,442	1,543,270	1,548,436



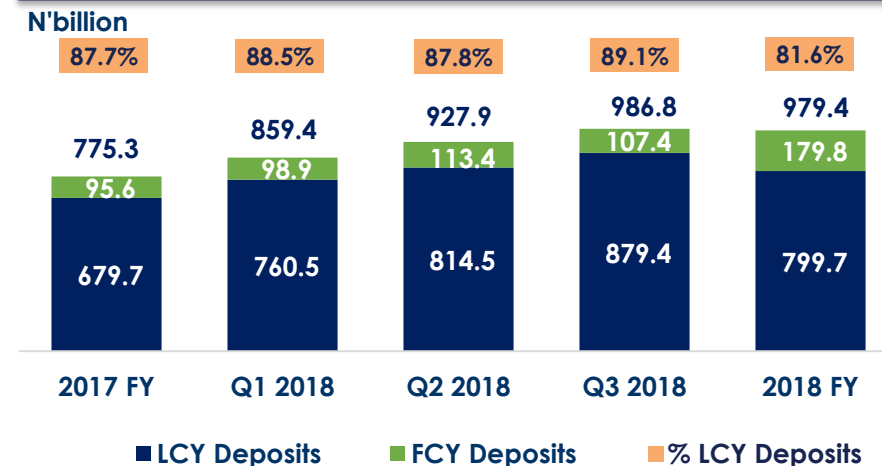
- Total deposits now account for 63.3% of total funding base (2017FY: 59.5%) and 72.3% of interest bearing liabilities.
- Debt securities increased by 8.2% QoQ (N13.1bn) from N160bn in Q3 to to N173.1bn in Q4 due to the change in our CCR.
- Decline in total equity in 2018FY was due to the impact of IFRS 9 first time adoption charge through equity.

Deposits Analysis

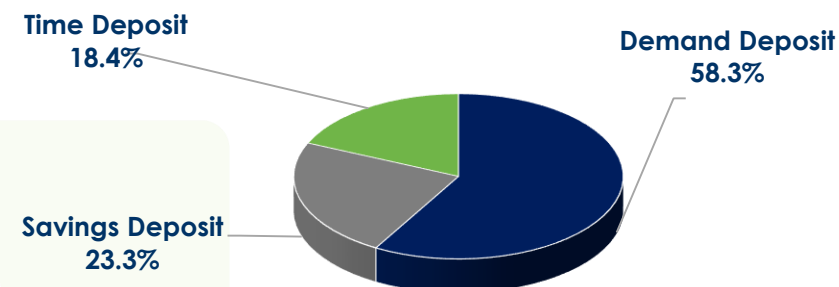


- ▶ Total deposits increased by 26.3% to N979.4 billion from N775.3 billion in 2017FY.
- ▶ Double-digit growth across ALL low deposit products (Demand | Savings | Domiciliary), resulting in higher share of low cost deposits to total deposits of 81.6% from 77.0% in 2017.
- ▶ In absolute terms, low cost deposits grew by 33.9% to N799.3 billion in 2018FY, which explains the drop in cost of deposits to 6.3% from 7.9% in 2017FY.
- ▶ FCY deposits increased by 88.1% to N179.8 billion.

Customer Deposits



Customer Deposits by Products – 2018FY



Customer Deposits by Products – 2017FY Vs. 2018FY

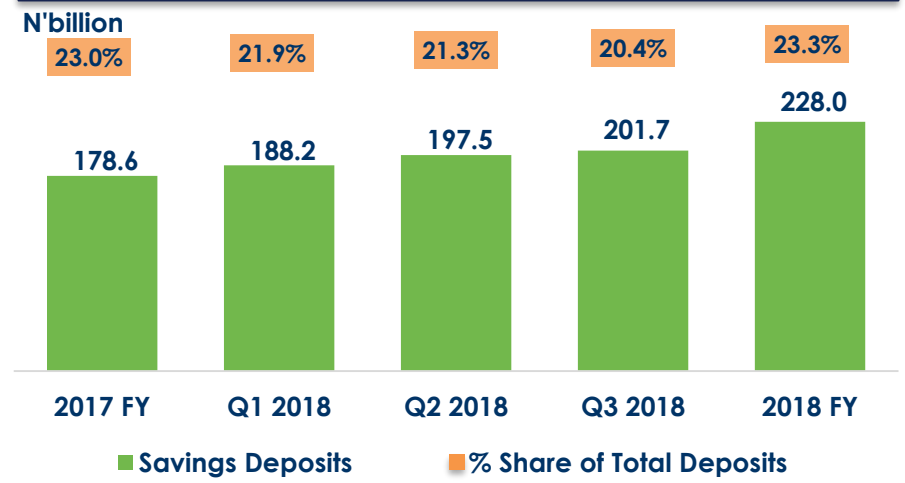


Retail Banking Analysis (Personal Banking)

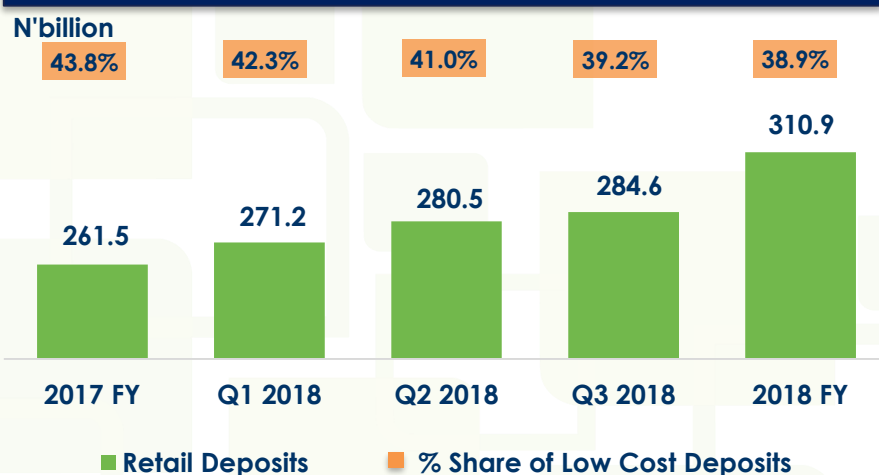


- ▶ Savings deposits grew by 27.7% YTD which contributed to the decline in our funding cost.
- ▶ Growth was as a result of the disciplined execution of our retail banking strategy and improved cross-selling of our digital products.
- ▶ We expect the trend in savings deposits to continue in 2019FY as we deepen our digital drive and increase our retail products bouquet/offerings.
- ▶ Retail assets will tick up further in 2019FY riding on our new mobile lending product.

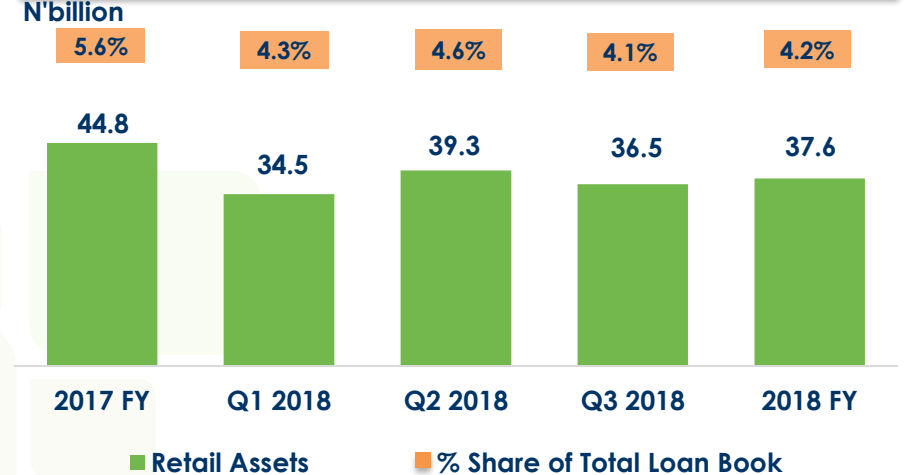
Savings Deposits Trend



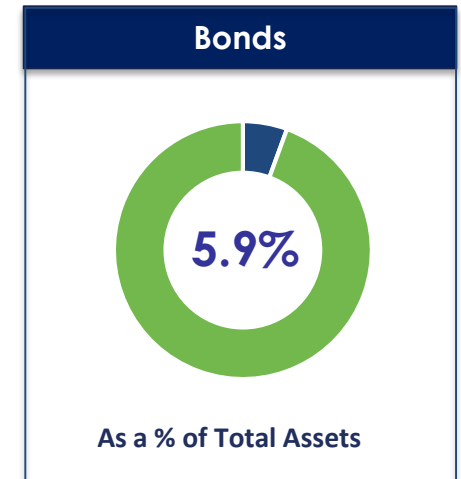
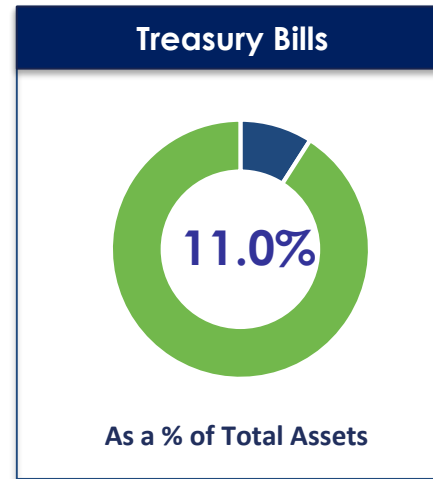
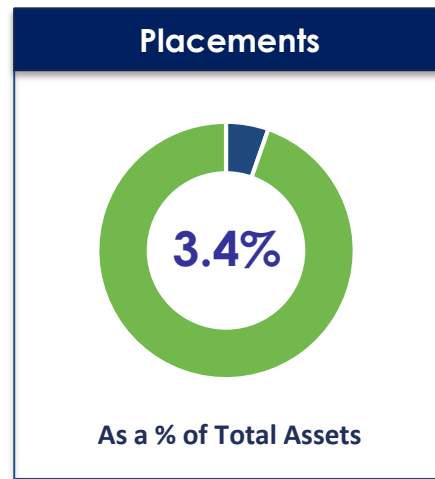
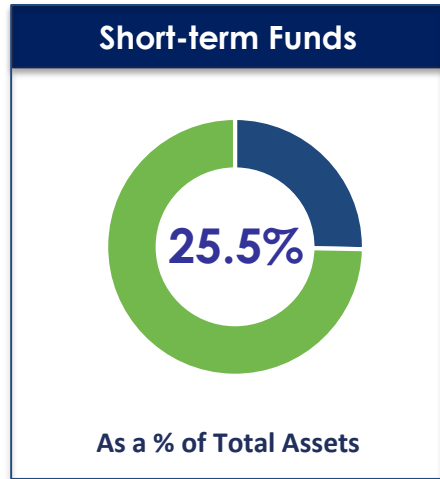
Retail Low Cost Deposits



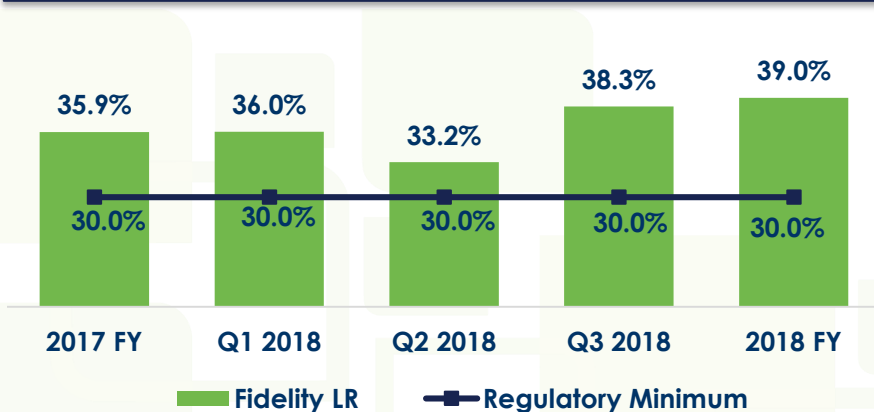
Retail Assets Trend



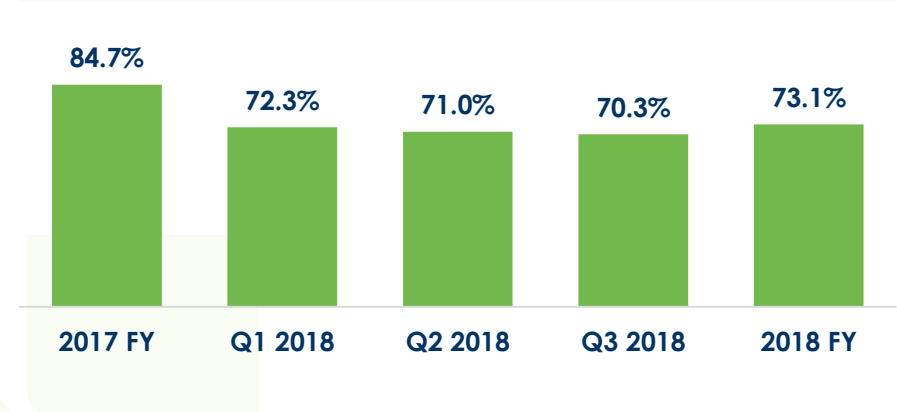
Liquid Assets Position



Liquidity Ratio



% Total Loans to Customer Deposits



- Improved liquidity is changing the structure of our funding base: loans to deposits is now 73.1% from 84.7% in 2017FY *excluding other funding sources e.g. debts.*
- Actual cash reserve ratio (CRR) is 31.2% in 2018FY from 26.6% in 2017FY, putting additional pressure on NIM.

Loan Portfolio Analysis



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

N'million	2017FY	2018FY	VAR	% VAR
Communication	37,874	22,463	(15,411)	-40.7%
Oil and Gas	204,695	207,918	3,223	1.6%
- Upstream	148,544	120,489	(28,055)	-18.9%
- Downstream	27,362	32,950	5,588	20.4%
- Services	28,790	54,480	25,690	89.2%
Power	102,727	112,709	9,982	9.7%
Manufacturing	77,368	131,894	54,526	70.5%
General Commerce	69,095	90,089	20,993	30.4%
Transport	72,301	96,757	24,455	33.8%
Consumer (Individuals)	44,751	37,641	(7,110)	-15.9%
Government	107,489	112,595	5,105	4.7%
Construction	27,979	31,154	3,175	11.3%
Agriculture	12,657	17,033	4,377	34.6%
Real Estate	24,506	30,355	5,849	23.9%
Education	3,548	3,951	402	11.3%
Finance and Insurance	3,915	4,944	1,029	26.3%
Others	6,408	7,121	712	11.1%
Total	795,315	906,623	111,308	14.0%

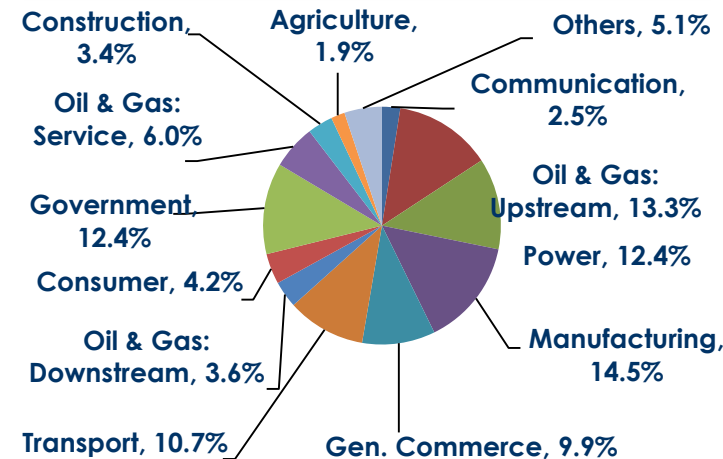
Loan Portfolio Analysis



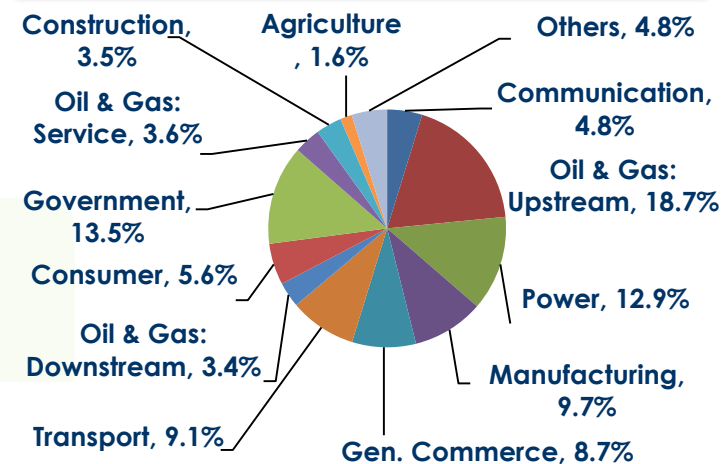
Breakdown of Loans & Advances to Customers

N'million	Q1 2018	Q2 2018	Q3 2018	Q4 2018
Communication	43,562	40,614	36,685	22,463
Oil and Gas	198,068	198,294	219,935	207,918
- Upstream	137,401	134,478	138,524	120,489
- Downstream	30,598	30,848	32,919	32,950
- Services	30,068	32,968	48,493	54,480
Power	102,019	107,672	110,155	112,709
Manufacturing	86,087	96,935	107,462	131,894
Gen. Commerce	67,419	86,487	74,606	90,089
Transport	75,980	86,272	91,788	96,757
Consumer	34,511	39,261	36,479	37,641
Government	106,202	116,290	116,455	112,595
Construction	28,318	29,081	30,938	31,154
Agriculture	11,805	9,704	15,624	17,033
Real Estate	26,462	26,528	31,190	30,355
Education	3,165	3,420	4,035	3,951
Fin. & Insurance	4,485	3,825	3,671	4,944
Others	6,231	7,689	8,527	7,121
Total	794,314	852,072	887,549	906,623

Loan Analysis – 2018FY



Loan Analysis – 2017FY

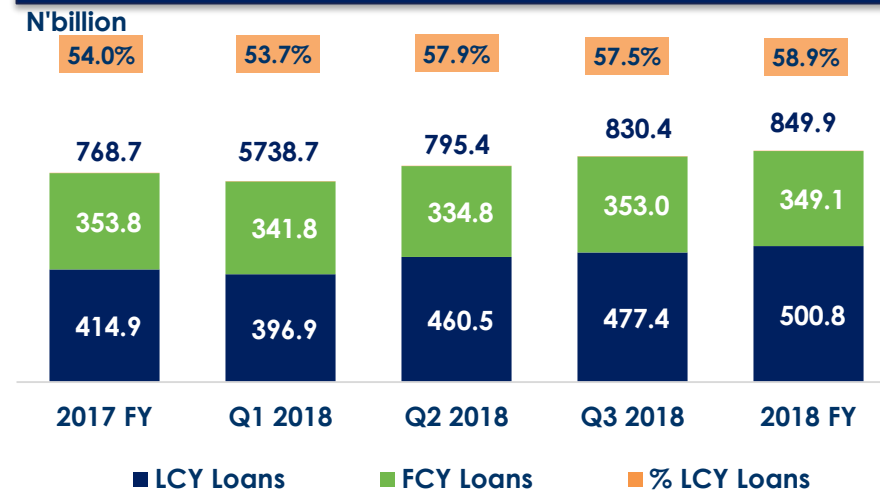


Loan Book Analysis

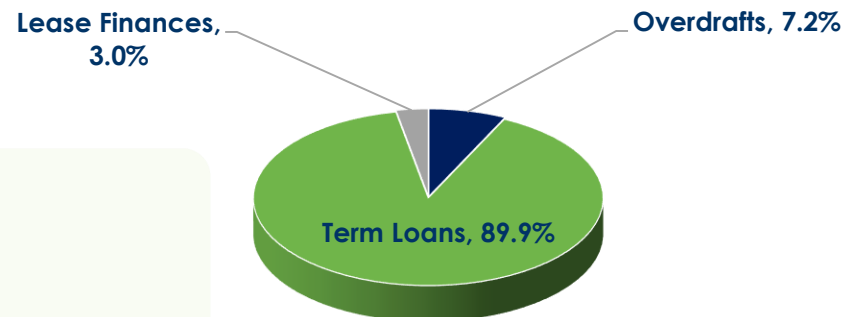


- ▶ Net loans and advances increased by 10.6% to N849.9bn while gross loans increased by 14.0% to N906.6bn in 2018FY.
- ▶ We had a loan write-off of N15.3bn with over 75% coming from Telecoms, General Commerce and Transport Sector.
- ▶ FCY loans now constitute about 41.1% of loans from 46.0% in 2017FY.
- ▶ FCY loans have declined from \$1.06bn in 2017FY to \$0.97bn in 2018FY, a drop of 8.4% on account of improved cashflows and a major pay-down in the upstream sector.

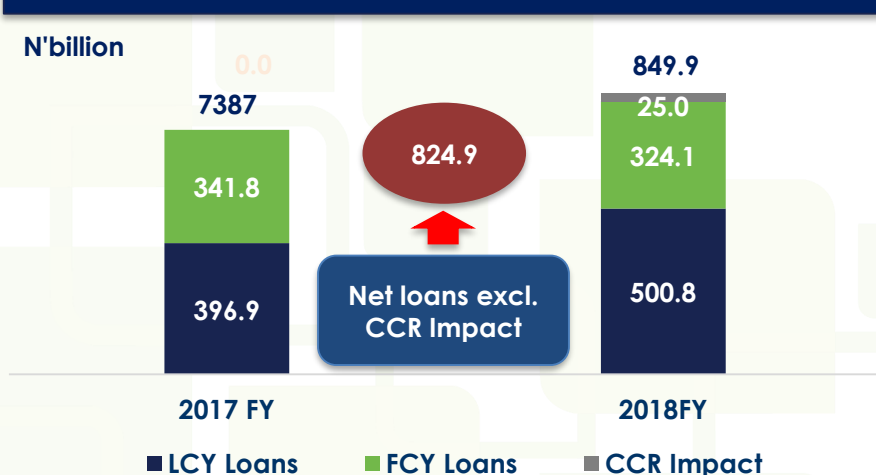
Net Loans and Advances to Customers



Total Loans by Type – 2018FY



Impact of CCR on Net Loans

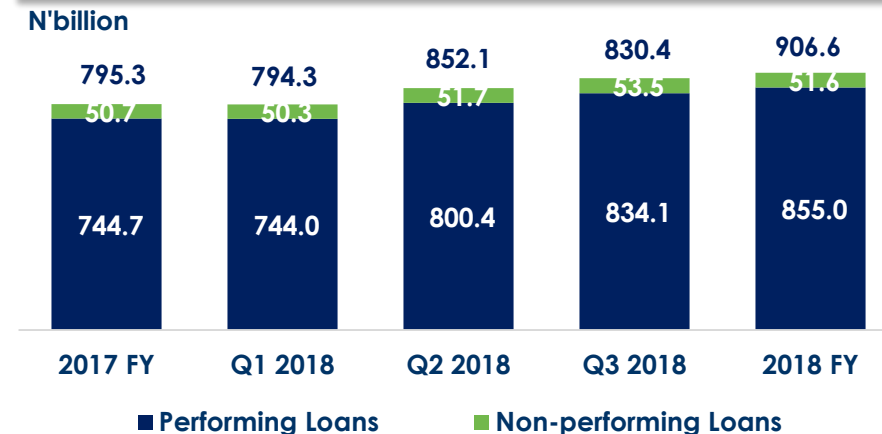


NPL Analysis

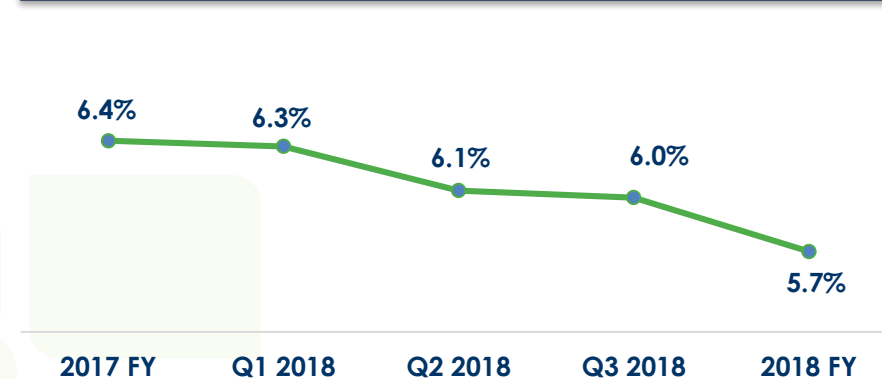


- ▶ NPL ratio declined to 5.7% from 6.4% in 2017FY principally due to 14.0% growth in total loan book, N15.3 billion loan write-off and recoveries in some sectors.
- ▶ Major sectors driving recoveries include Oil & Gas Services, General Commerce, Communication and Construction Sector etc.
- ▶ Overall coverage ratio improved to 110.7% from 109.9% in 2017FY, however, we are still focused on reducing the NPL concentration risk in the key pressure sectors.

Gross Loans and Advances



Non-performing Loans



NPL Coverage Ratio



NPL Portfolio Analysis



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

	2017FY N'million	2018FY N'million	VAR N'million	% VAR %	2017FY NPL Ratio	2018FY NPL Ratio
Communication	1,537	1,155	(381)	-24.8%	4.1%	5.1%
Oil and gas	13,624	12,374	(1,250)	-9.2%	6.7%	6.0%
- Oil & Gas Upstream	-	-	-	0.0%	0.0%	0.0%
- Oil & Gas Downstream	11,191	11,331	140	1.3%	40.9%	34.4%
- Oil & Gas Services	2,433	1,043	(1,390)	-57.1%	8.5%	1.9%
Power	10	-	(10)	-100.0%	0.0%	0.0%
Manufacturing	7,346	9,197	1,850	25.2%	9.5%	7.0%
General Commerce	5,773	4,035	(1,738)	-30.1%	8.4%	4.5%
Transport	13,436	14,791	1,356	10.1%	18.6%	15.3%
Consumer (Individuals)	2,617	3,037	420	16.1%	5.8%	8.1%
Government	25	25	(0)	-0.2%	0.0%	0.0%
Construction	908	876	(33)	-3.6%	3.2%	2.8%
Agriculture	1,263	2,317	1,055	83.5%	10.0%	13.6%
Real Estate	1,960	2,307	348	17.7%	8.0%	7.6%
Education	501	1,128	627	125.3%	14.1%	28.5%
Finance and Insurance	94	5	(90)	-95.1%	2.4%	0.1%
Others	1,568	361	(1,207)	-77.0%	24.5%	5.1%
Total	50,662	51,608	947	1.9%	6.4%	5.7%

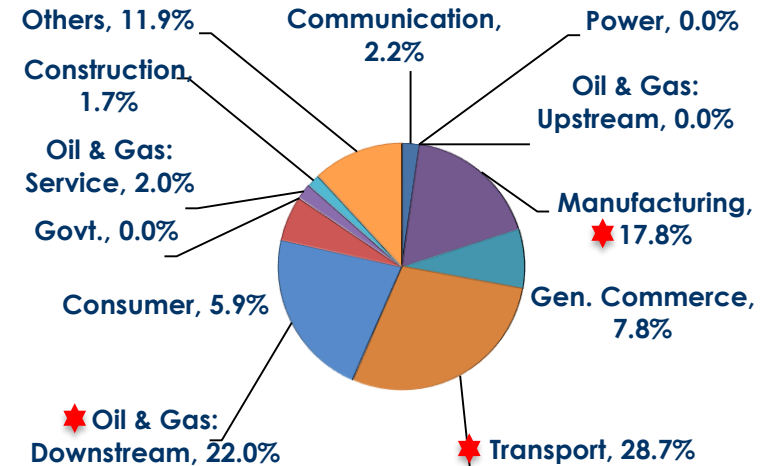
NPL Portfolio Analysis



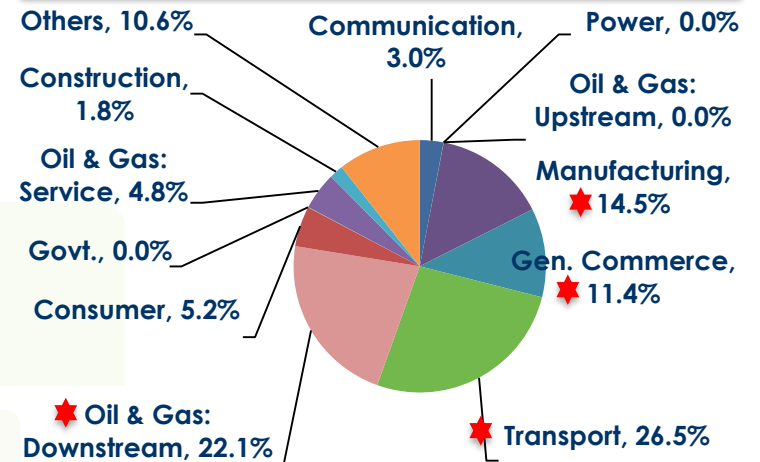
Breakdown of Non-performing Loans

N'million	Q1 2018	Q2 2018	Q3 2018	Q4 2018
Communication	1,557	1,609	1,597	1,155
Oil and Gas	12,891	13,148	13,299	12,374
- Upstream	-	-	-	-
- Downstream	10,180	10,367	10,864	11,331
- Services	2,711	2,781	2,436	1,043
Power	9	9	3	-
Manufacturing	7,821	7,354	8,985	9,197
Gen. Commerce	5,562	5,380	5,194	4,035
Transport	13,846	15,285	15,435	14,791
Consumer	2,557	2,561	2,477	3,037
Government	25	25	25	25
Construction	368	381	383	876
Agriculture	1,450	1,636	1,826	2,317
Real Estate	2,054	2,156	2,116	2,307
Education	489	481	473	1,128
Fin. & Insurance	117	75	67	5
Others	1,583	1,586	1,573	361
Total	50,329	51,686	53,454	51,608

NPL Analysis – 2018FY



NPL Analysis – 2017FY

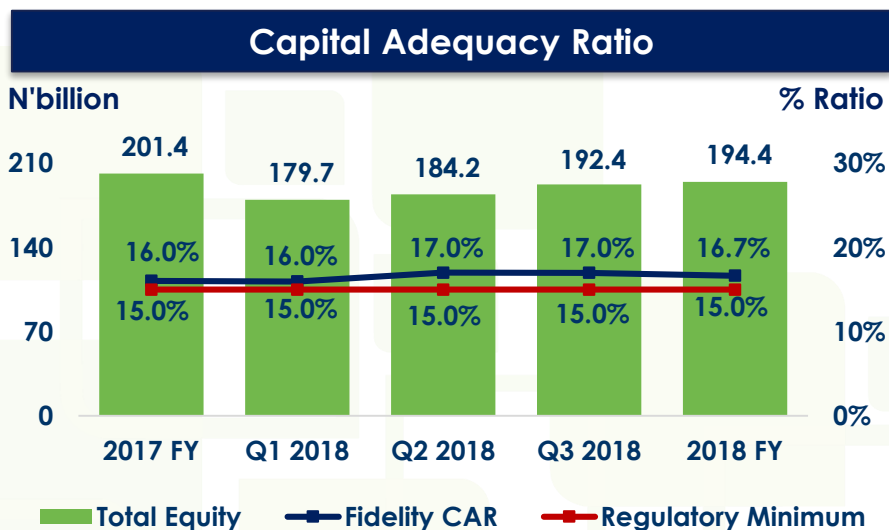


★ Pressure NPL Sectors

Capital Adequacy



- ▶ Fidelity CAR is now 16.7% which is well above the regulatory minimum requirement of 15.0%.
- ▶ Regulatory adjustment increased to N16.3 billion due to the combined impact of the one-time IFRS 9 adoption charge of N28.4bn on equity and the increased CCR to N358.8/\$
- ▶ Excluding the Regulatory Adjustment, Fidelity CAR would have been 18.1% in 2018FY.
- ▶ Our N30.0 billion 7-year local debt is now discounted at 60% which led to the N4.2 billion drop in Tier II Capital.



Capital Adequacy Ratio Computation – Basel II			
N'billion	2017FY	2018FY	VAR
Tier 1 Capital	165.3	180.1	14.8
Regulatory Adjustment	(15.2)	(16.3)	-1.1
Adjusted Tier 1 Capital	150.1	163.8	13.7
Tier 2 Capital	29.2	25.0	-4.2
Total Qualified Capital	179.3	188.9	9.5
Credit Risk	869.3	887.1	17.8
Market Risk	77.8	67.6	-10.1
Operational Risk	171.7	179.4	7.7
Risk Weighted Assets	1,118.8	1,134.1	15.3
Capital Adequacy Ratio			
Tier 1	13.4%	14.4%	
Tier 2	2.6%	2.2%	
Overall CAR	16.0%	16.7%	

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 ❑ Telecom & fintech. ❑ 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



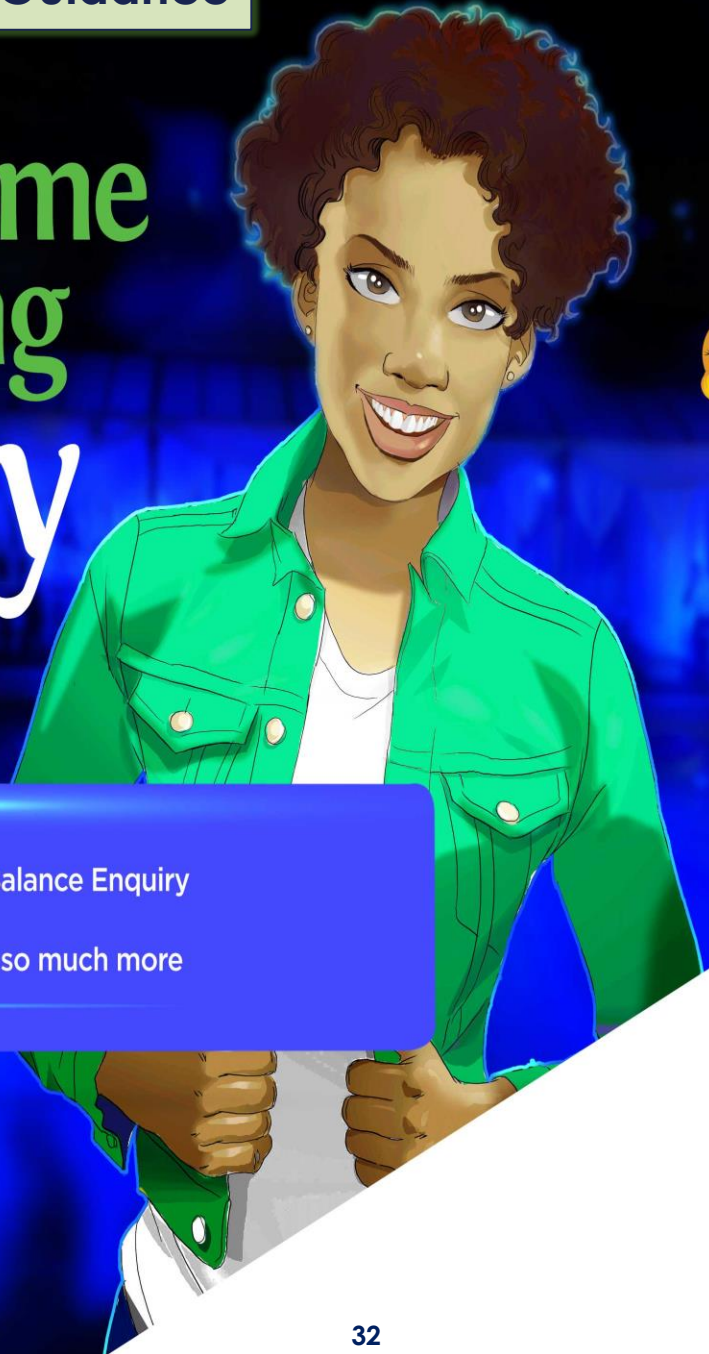
Let's do some softbanking

I am Ivy

Fidelity Bank's Virtual Assistant

I can help with:

- Bill Payments
- Account Opening
- Balance Enquiry
- Fund Transfers
- Forex Rates
- and so much more



Let's Chat

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

2018FY Actual Vs. 2019FY Guidance



GROWTH EXPECTATIONS ON KEY INDICATORS					
S/N	Index	2018FY Actual	2018FY Target	Comment	2019FY Target
1	Net Interest Margin	5.8%	6.5% - 7.0%	Not Achieved	6.0% – 6.5%
2	Tax Rate	8.6%	10.0% - 12.0%	Achieved	10.0% – 15.0%
3	Loan Growth (YTD)	10.6%	7.5% - 10.0%	Achieved	7.5% - 10.0%
4	Deposit Growth (YTD)	26.3%	10.0% - 15.0%	Achieved	7.5% - 10.0%
5	Cost to Income Ratio	71.1%	Below 70.0%	Not Achieved	Below 70.0%
6	Proposed Dividends	13.9%	30-50% (of PAT) band	Not Achieved	30-50% (of PAT) band
7	NPL Ratio	5.7%	6.0% - 6.5%	Achieved	Below 6.0%
8	Cost of Risk	0.5%	1.25%	Achieved	1.25%
9	ROE – Post Tax	11.8%	12.5%	Not Achieved	13.0%

Thank You

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