

Fidelity Bank Investor Presentation

Audited Financial Results for the 6 months ended

June 30, 2019



1. Overview of Fidelity Bank

2. The Operating Environment

3. Financial Highlights

4. Financial Review

5. H1 2019 Actual Vs. 2019FY Guidance



Need A *Quick* LOAN?

Dial ***770*08#** or
Download the App



Fidelity
FastLoan™



From Request To Alert in 2 minutes.

Overview of Fidelity Bank



Ownership

Total Assets: **N1,940bn**
\$5.4bn

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 2,933
Male: 55%
Female: 45%

4.8 Million Accounts

816 ATMs

2.1m Cards

2.2m Mobile Customers

6,321 POS

250 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)

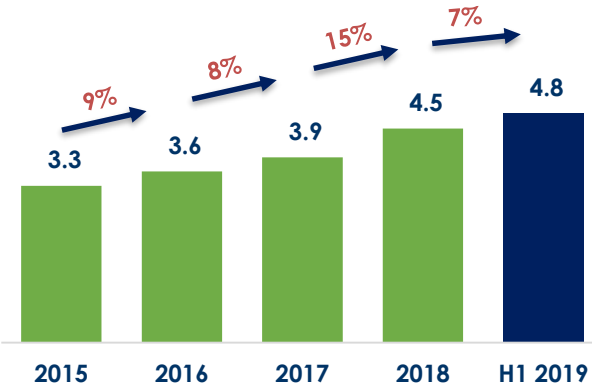
GCR GLOBAL CREDIT RATING CO. A-NG (Stable)
Local Expertise • Global Presence

Overview of Fidelity Bank

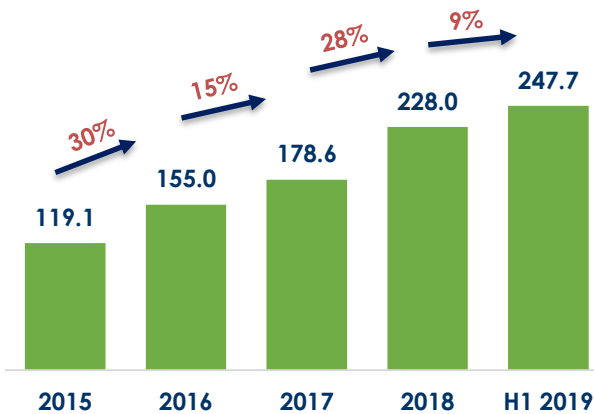


Retail And Digital Banking Evolution / Progress Report

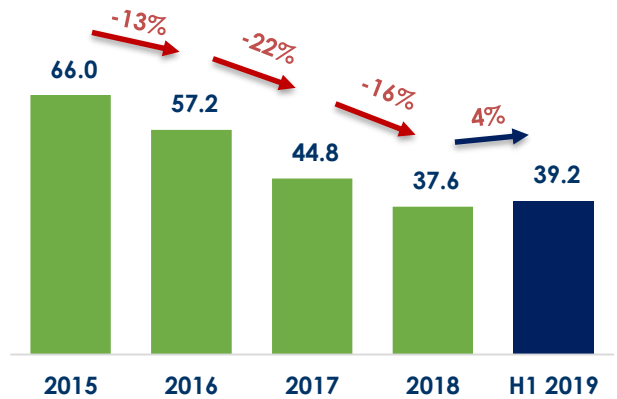
Number of Customer Accounts (#'m)



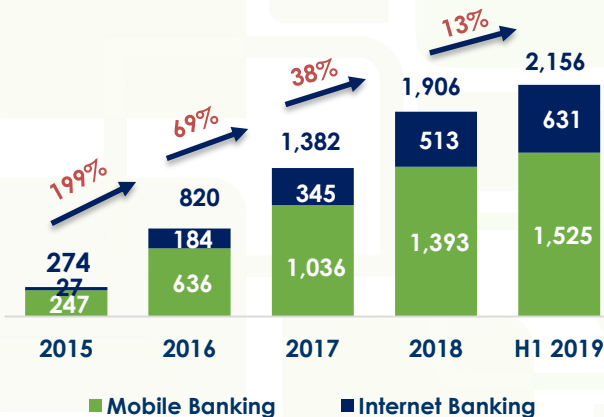
Savings deposits (N'bn)



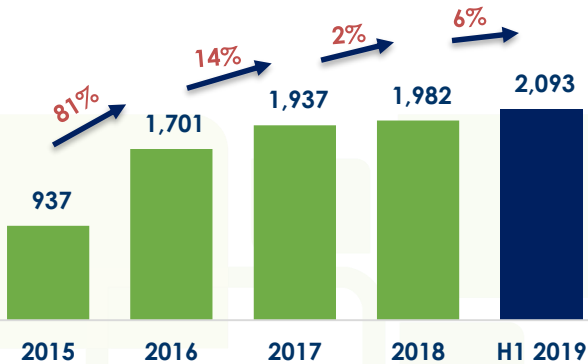
Retail Risk Assets (N'bn)



Mobile/Internet Banking Cust. (#'000)



Number of Debit Cardholders (#'000)



Commentary

- ▶ Savings deposits on track for 6th consecutive year of double digit growth (2013 – 2019).
- ▶ Retail loans gradually picking up with the launch of new digital lending products (FFL)
- ▶ 45.0% of customers now enrolled on mobile/Internet banking products
- ▶ And 82.0% of customers transactions are now done on electronic banking channels.
- ▶ Digital Banking now accounts for 29.0% 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

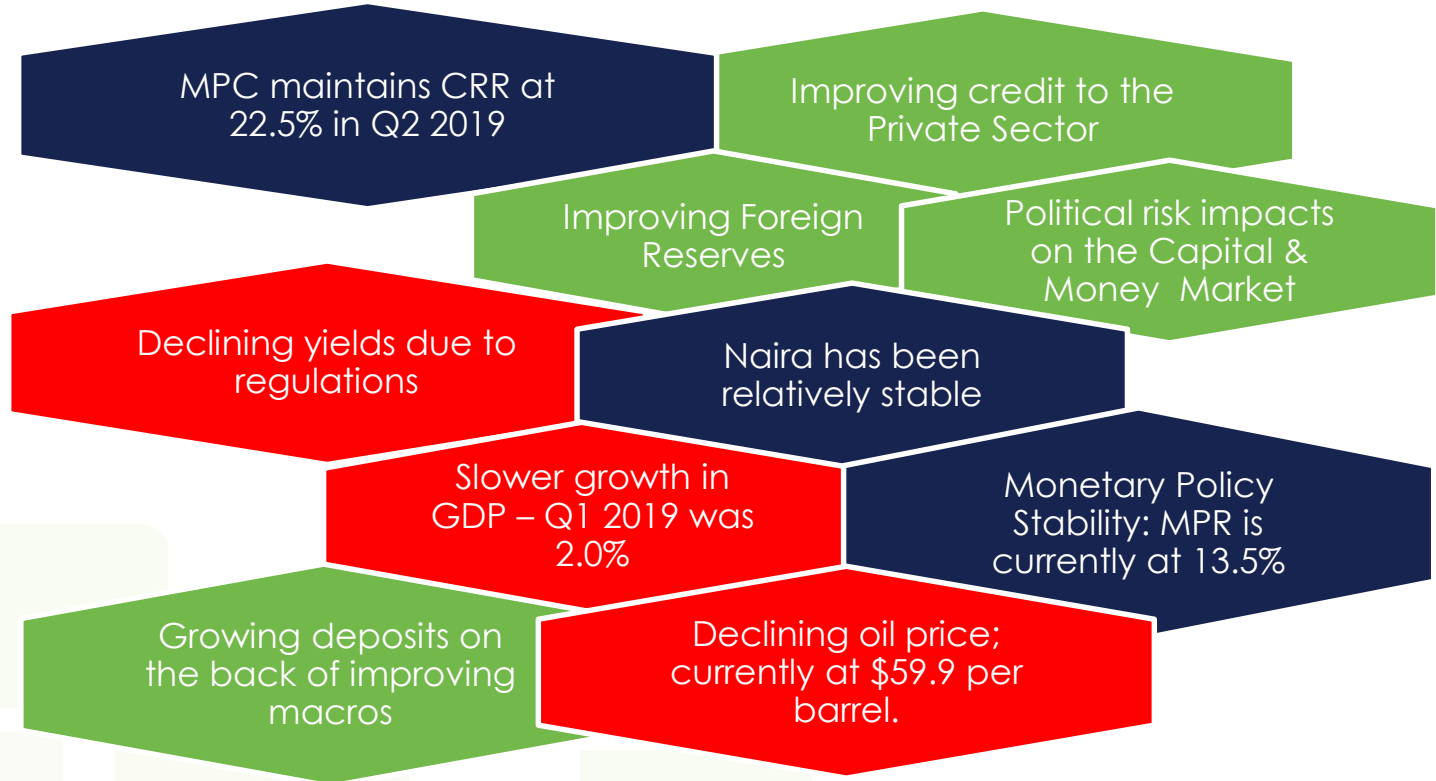


Let's Chat



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

The Operating Environment



Stable -	
Improving -	
Declining -	

Fidelity SME Forum



Please tune in to the next live edition of Fidelity SME Forum as

Dr. Yetunde Ayo-Oyalowo

Founder/Chief Executive Officer, Market Doctors
shares her insights on

TOPIC: Positioning Your Business for Funding: Key Insights from Market Doctors
(Winner of the Maiden Fidelity SME Funding Grants Competition)



Date:
Tuesday, August 13, 2019



Radio Station
Inspiration 92.3FM Lagos



Time
6:30am Prompt

Please do not miss it!

Performance Highlights



Revenue and Efficiency Ratio

- ❑ Total Interest Income up by 7.2% to N85.8 billion in H1 2019 (H1 2018: N80.0 billion)
- ❑ Operating Expenses up by 16.9% to N38.2 billion in H1 2019 (H1 2018: N32.7 billion)
- ❑ Cost to Income Ratio increased to 72.8% in H1 2019 from 67.7% in H1 2018
- ❑ PBT up by 15.7% to N15.1 billion in H1 2019 (PAT came in at N13.7 billion)

Asset Quality

- ❑ Cost of Risk was down at -0.2% in H1 2019 from 0.5% in 2018FY
- ❑ NPL Ratio down to 5.4% in H1 2019 from 5.7% in 2018FY
- ❑ Coverage Ratio was down to 94.9% in H1 2019 from 110.7% in 2018FY
- ❑ FCY Loans accounted for 39.1% of Net Loans from 41.1% in 2018FY

Capital Adequacy and Liquidity

- ❑ Capital Adequacy Ratio of 17.0%, based on Basel II computation
- ❑ Liquidity Ratio of 34.8% compared to regulatory minimum of 30.0%
- ❑ Loans to interest bearing liabilities stood at 65.8% in H1 2019 from 64.2% in 2018FY
- ❑ Total Equity at N215.6 billion compared to N194.4 billion in 2018FY

Financial Highlights



- ❑ Gross earnings increased by 12.3% to N103.7 billion on account of double digit growth across key income lines: credit related fees (238.7%) , FX income (76.1%), trade income (75.7%), digital banking income (26.3%), account maintenance charge (20.3%) and interest income on loans (10.0%) etc.
- ❑ Net interest margin (NIM) was flat at 5.8% in H1 2019, however this was an improvement from the 5.1% recorded in Q1 2019 as the growth in yield on earning assets outpaced the growth in average funding costs in Q2 2019. The improvement in yields on earning assets to 13.5% in H1 2019 was driven by a 21.9% growth in interest income in Q2 2019.
- ❑ Operating income increased by 8.7% while total operating expenses increased by 16.9% driven largely by staff cost | advert | regulatory charges (AMCON/NDIC) etc.
- ❑ Gross impairment write-back was N5.5 billion, however it includes an impairment write-back of N4.0 billion on a specific asset that recorded a modification on its expected cash-flow. A Net loss on de-recognition of financial assets measured at amortized cost of N4.7 billion was subsequently charged on the asset after the impairment write-back above.
- ❑ PBT increased by 15.7% to N15.1 billion from N13.0 billion in H1 2018, while PAT came in at N13.7 billion.

Financial Highlights



- ❑ Total customer deposits increased by 12.0% YTD to N1,097.0 billion from N979.4 billion in 2018FY on the back of an increase in both local and foreign currency deposits.
- ❑ Domiciliary account deposits at N215.5 billion now account for almost 20.0% of total deposits.
- ❑ Savings deposits increased by 8.6% YTD to N247.7 billion in H1 2019 from N228.0 billion in 2018FY and now accounts for 22.6% of total deposits.
- ❑ Risk assets increased by 17.6% YTD to N999.3 billion from N849.9 billion in 2018FY with a growth in both local and foreign currency loans.
- ❑ We are already above the LDR Threshold of 60% that banks are required to achieve by the end of Q3 2019.
- ❑ NPL ratio declined to 5.4% from 5.7% in 2018FY despite the 12.0% growth in absolute NPL numbers primarily due to an increase in total loan book.
- ❑ CAR improved to 17.0% on account of a N11.4 billion growth in Tier 1 Capital, N10.2 billion growth in Fair Value Reserves and a N4.5 billion decline in SOL Charge as Total Equity increased by 10.9%.

Financial Highlights



Summary of Income Statement: YoY Change				
N'million	H1 2018	H1 2019	VAR	% VAR
Gross Earnings	92,295	103,655	11,360	12.3%
Interest Income Loans	57,855	63,625	5,770	10.0%
Interest Income Liquid Assets	22,192	22,205	13	0.1%
Total Interest Income	80,047	85,830	5,783	7.2%
Interest Expense Customer Deposits	(30,711)	(35,672)	4,961	16.2%
Interest Expense Borrowings	(11,278)	(13,259)	1,981	17.6%
Total Interest Expense	(41,989)	(48,931)	6,942	16.5%
Net Interest Income	38,058	36,899	(1,159)	-3.0%
FX Income	2,556	4,501	1,945	76.1%
Digital Income	3,538	4,469	931	26.3%
Other Fee Income (Net)	4,110	6,582	2,472	60.2%
Net Fee Income	10,204	15,553	5,349	52.4%
Operating Income	48,262	52,452	4,190	8.7%
Total Expenses	(32,659)	(38,169)	5,510	16.9%
Net Impairment Losses	(2,593)	768	(3,361)	-129.6%
Profit Before Tax	13,010	15,051	2,041	15.7%

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

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

Financial Highlights



Statement of Financial Position: YTD Change

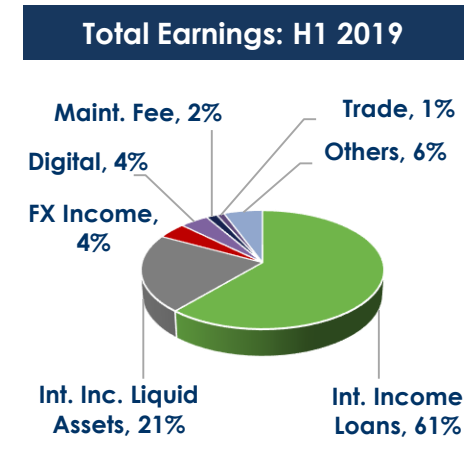
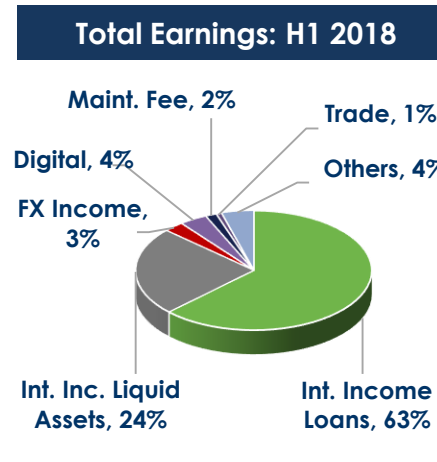
N'million	2018FY	H1 2019	VAR	% VAR
Total Assets	1,719,883	1,940,163	220,280	12.8%
Earning Assets	1,198,988	1,373,011	174,023	14.5%
Bank Placements	58,755	85,113	26,358	44.9%
Treasury Bills	189,236	166,675	(22,561)	-11.9%
Bonds	101,117	121,904	20,787	20.6%
Customer Loans (Naira)	500,751	608,460	107,709	21.5%
Customer Loans (FCY)	349,129	390,859	41,730	12.0%
Non-Earning Assets	520,895	567,152	46,257	8.9%
Cash	44,624	27,647	(16,977)	-38.0%
Cash Reserve	249,614	308,380	58,766	23.5%
Bal. with other Banks/Settlement Acct	143,571	126,922	(16,649)	154.0%
Fixed Assets	36,909	38,011	1,102	3.0%
All Other Assets	46,177	66,192	20,015	43.3%
Interest Bearing Liabilities	1,411,652	1,594,912	183,260	13.0%
Demand	571,329	561,066	(10,263)	-1.8%
Savings	227,970	247,672	19,702	8.6%
Time Deposits	180,114	288,273	108,159	60.1%
Other Borrowings	67,665	89,578	21,913	32.4%
On-lending Facilities	191,472	234,903	43,431	22.7%
Debt Securities	173,102	173,420	318	0.2%
All Other Liabilities	113,815	129,685	15,870	13.9%
Equity	194,416	215,566	21,150	10.9%

Please note: The Balance Sheet was converted at an exchange rate of N360.6/USD, being the NAFEX Rate in H1 2019

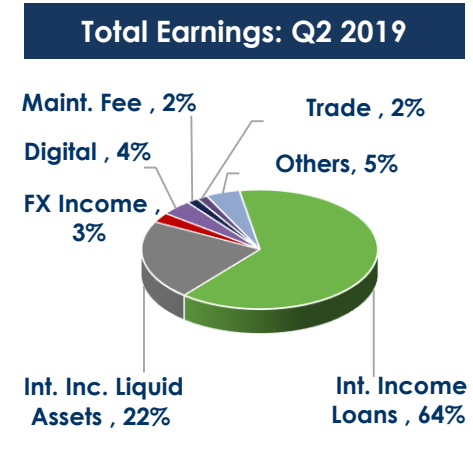
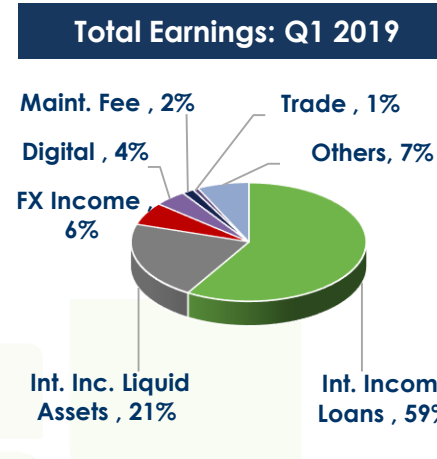
Gross Earnings Analysis



Key Highlights (N'm)	H1 2018	H1 2019	VAR	% VAR
Total Earnings	92,295	103,655	11,360	12.3%
Interest Income Loans	57,855	63,625	5,770	10.0%
Int. Inc. Liquid Assets	22,192	22,205	13	0.1%
FX Income	2,556	4,501	1,945	76.1%
Digital Income	3,538	4,469	931	26.3%
A/C Maintenance fee	1,399	1,683	284	20.3%
Trade Income	685	1,204	519	75.7%
Other Income	4,070	5,967	1,897	46.6%



Key Highlights (N'm)	Q1 2019	Q2 2019	VAR	% VAR
Total Earnings	48,443	55,212	6,768	14.0%
Interest Income Loans	28,400	35,225	6,825	24.0%
Int. Inc. Liquid Assets	10,274	11,931	1,657	16.1%
FX Income	3,022	1,479	(1,543)	-51.1%
Digital Income	2,153	2,316	163	7.6%
A/C Maintenance fee	799	884	84	10.5%
Trade Income	370	833	463	125.0%
Other Income	3,424	2,543	(881)	-25.7%



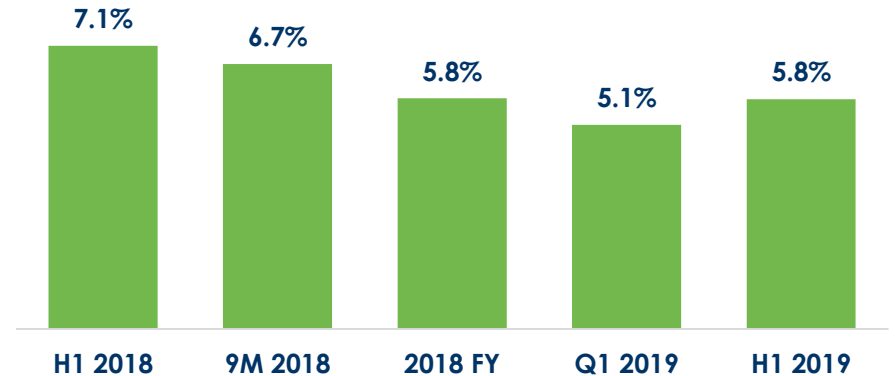
- Sustained double digit growth in key income lines resulted in N11.4 billion (12.3% YoY / 14.0% QoQ) growth in gross earnings.
- In absolute terms, interest income accounted for over 50% of the growth in gross earning.

Net Interest Margin Analysis

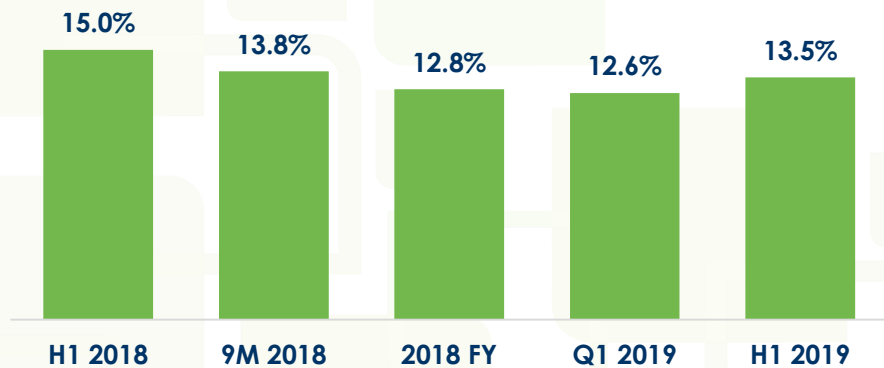


- ▶ NIM improved to 5.8% in H1 2019 driven primarily by the improvement in the yield on earning assets to 13.5%
- ▶ However, funding costs remained unchanged in Q2 2019, which boosted NIM as asset yields increased.
- ▶ We are still behind our NIM guidance of 6.0% - 6.5% and asset yields will be under pressure in Q3 as banks increase lending and compete via pricing to achieve the regulatory LDR threshold.
- ▶ We expect both funding costs and asset yields to rise in Q4 due to the significant Fixed Income Maturities.

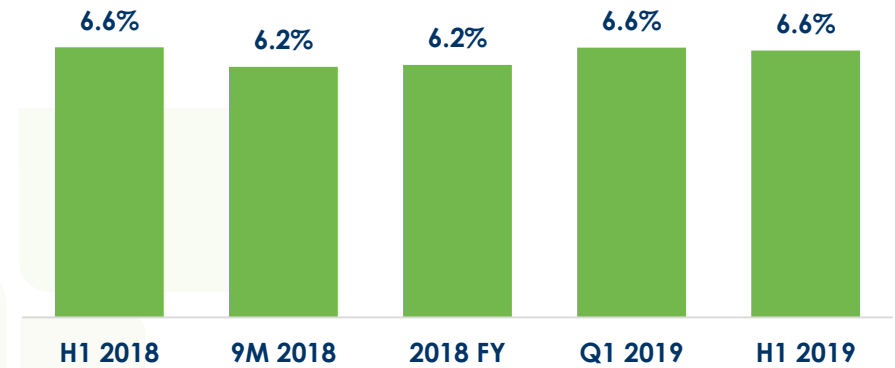
NIM Trend



Yield on Earning Assets



Funding Cost

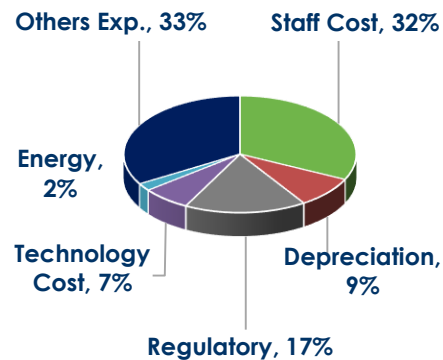


Total Expense Analysis

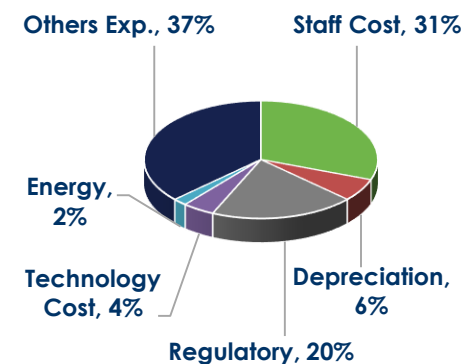


Key Highlights (N'm)	H1 2018	H1 2019	VAR	% VAR
Total Expenses	32,659	38,169	5,510	16.9%
Staff Cost	10,499	11,675	1,176	11.2%
Depreciation	2,816	2,377	-439	-15.6%
NDIC/AMCON Cost	5,526	7,605	2,079	37.6%
Technology Cost	2,196	1,696	-500	-22.8%
Energy Cost	682	750	68	9.9%
Security	620	453	-167	-26.9%
Branding & Advert	3,396	4,430	1,034	30.4%
Other Expenses	6,924	9,183	2,259	32.6%

Total Expenses: H1 2018

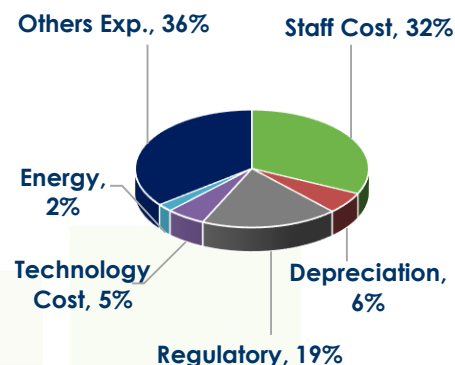


Total Expenses: H1 2019

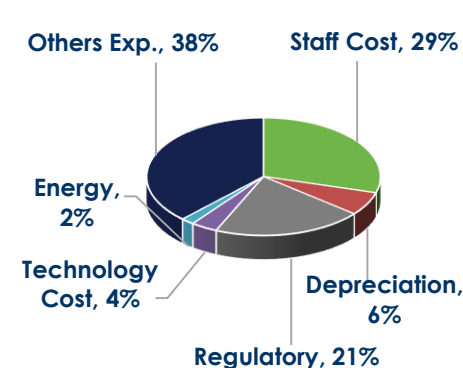


Key Highlights (N'm)	Q1 2019	Q2 2019	VAR	% VAR
Total Expenses	16,692	21,477	4,785	28.7%
Staff Cost	5,347	6,328	982	18.4%
Depreciation	993	1,384	391	39.4%
NDIC/AMCON Cost	3,155	4,450	1,294	41.0%
Technology Cost	908	788	-119	-13.1%
Energy Cost	355	395	41	11.5%
Security	129	324	194	150.3%
Branding & Advert	1,299	3,131	1,832	141.1%
Other Expenses	4,507	4,676	170	3.8%

Total Expenses: Q1 2019



Total Expenses: Q2 2019



- Total operating expenses grew by 16.9% YoY to N38.2 billion.
- Staff | NDIC | AMCON | Advert. were responsible for 77.8% of the growth in total operating expenses.
- The increase in NDIC | AMCON charges reflect the growth in customer deposits and total assets base in the 2018FY

Together We Can Balance Our World

As We Celebrate Fidelity Amazons, Our Female Customers And Women Globally

Gender balance drives positive growth and development. We are “**#balancedforbetter**” with women constituting 60% of our Executive Board.

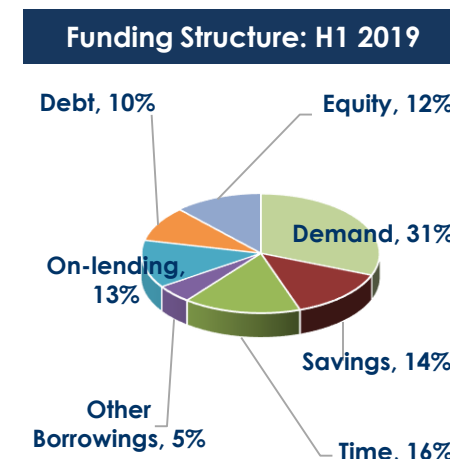
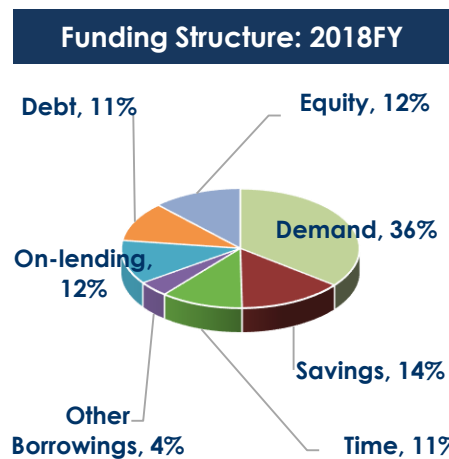


Happy International Women's Day.

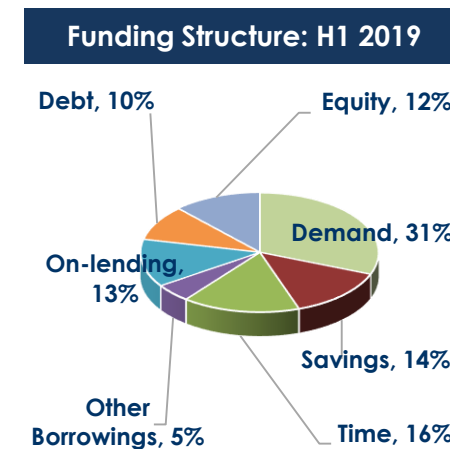
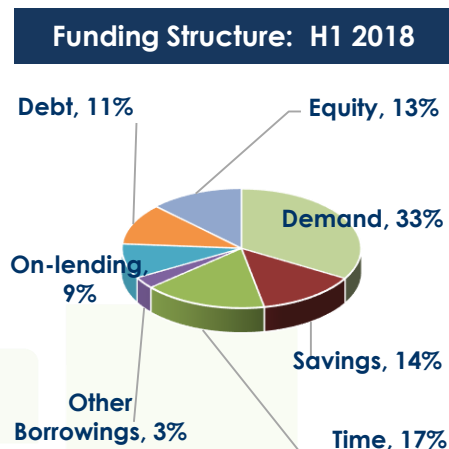
Funding Base Analysis



Key Highlights (N'm)	2018FY	H1 2019	VAR	% VAR
Demand Deposits	571,329	561,066	(10,263)	-1.8%
Savings Deposits	227,970	247,672	19,702	8.6%
Tenor Deposits	180,114	288,273	108,159	60.1%
Other Borrowings	67,665	89,578	21,913	32.4%
On-Lending	191,472	234,903	43,431	22.7%
Debt Securities	173,102	173,420	318	0.2%
Equity	194,416	215,566	21,150	10.9%
Total	1,606,068	1,810,478	204,410	12.7%



Key Highlights (N'm)	H1 2018	H1 2019	VAR	% VAR
Demand Deposits	487,244	561,066	73,822	15.2%
Savings Deposits	197,509	247,672	50,163	25.4%
Tenor Deposits	243,180	288,273	45,093	18.5%
Other Borrowings	46,175	89,578	43,403	94.0%
On-Lending	136,877	234,903	98,026	71.6%
Debt Securities	163,292	173,420	10,128	6.2%
Equity	184,165	215,566	31,401	17.1%
Total	1,458,442	1,810,478	352,036	24.1%

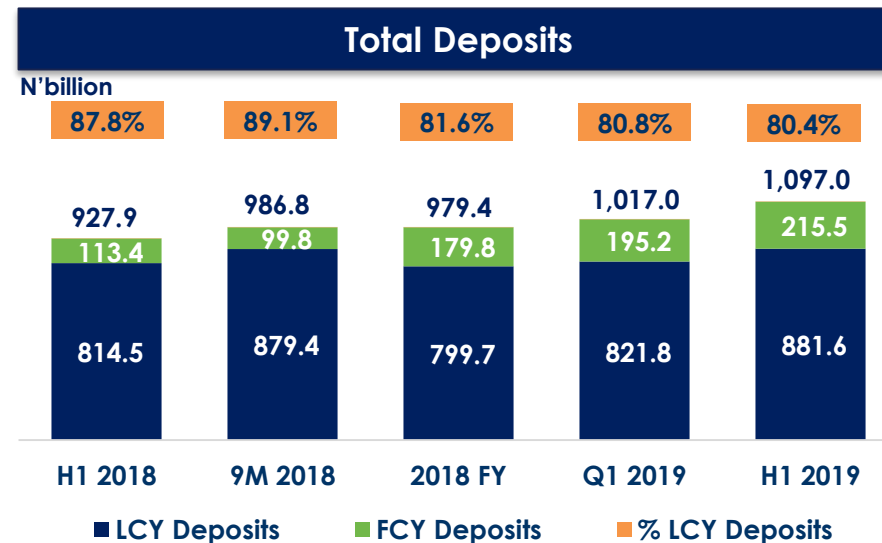


- We recorded a growth on most funding sources excl. demand deposits due to increased trade transactions
- Total deposits now account for 60.6% of total funding base (2018FY: 61.0%) and 68.8% of interest bearing liabilities.

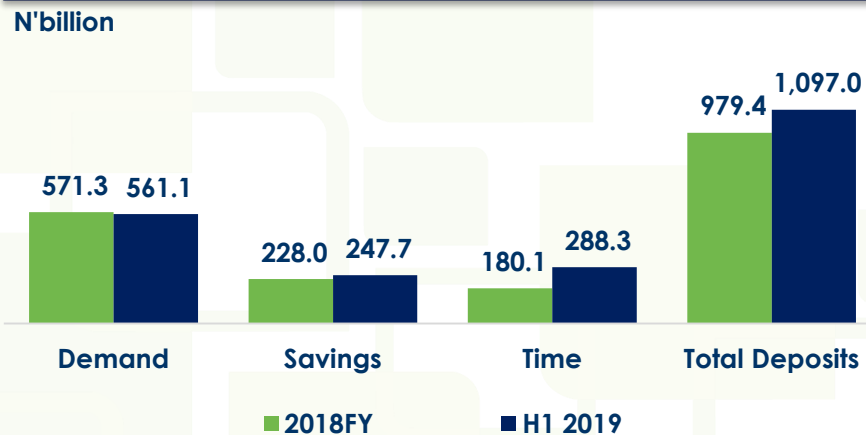
Deposits Analysis



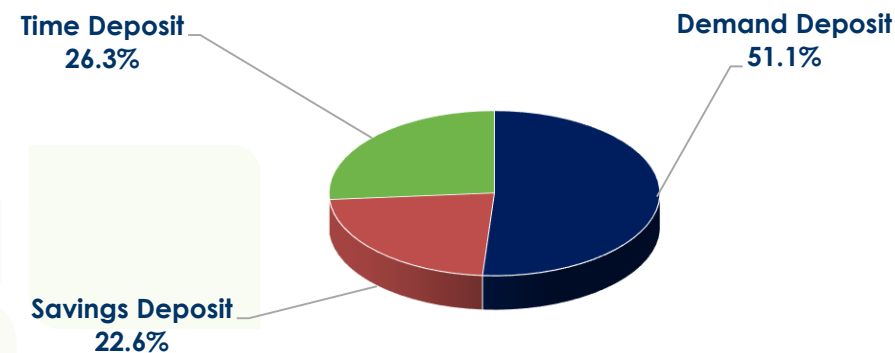
- ▶ Total deposits increased by 12.0% to N1,097.0 billion from N979.4 billion in 2018FY.
- ▶ FCY deposits increased by 19.9% YTD and now accounts for nearly 20.0% of total deposits.
- ▶ Low cost deposits now constitute 73.7% of total deposits from 81.6% in 2018FY.
- ▶ However, absolute low cost deposits increased by 1.2% to N808.7 billion from N799.3 billion in 2018FY.



Deposits by Products – 2018FY Vs. H1 2019



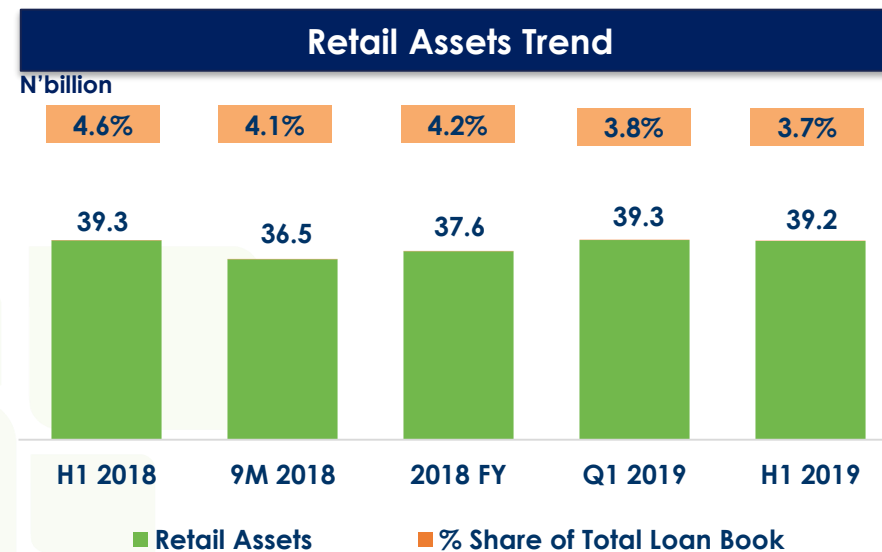
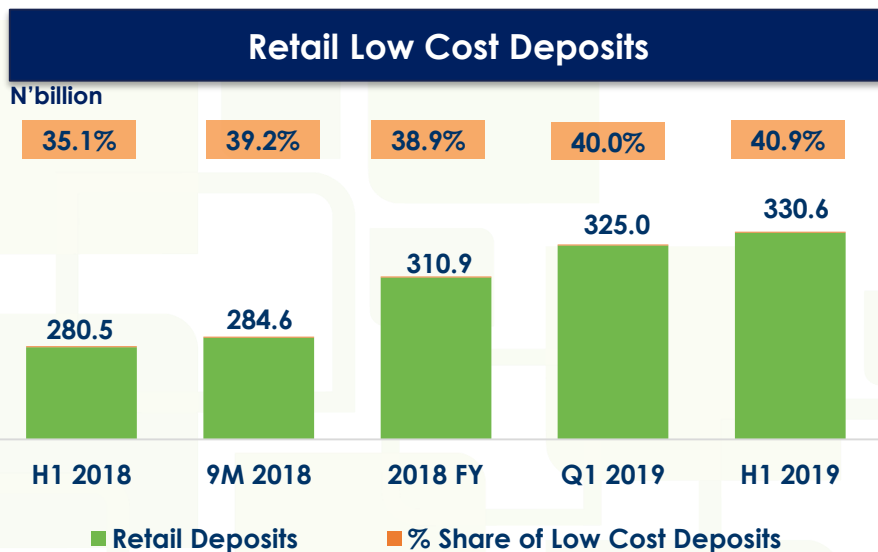
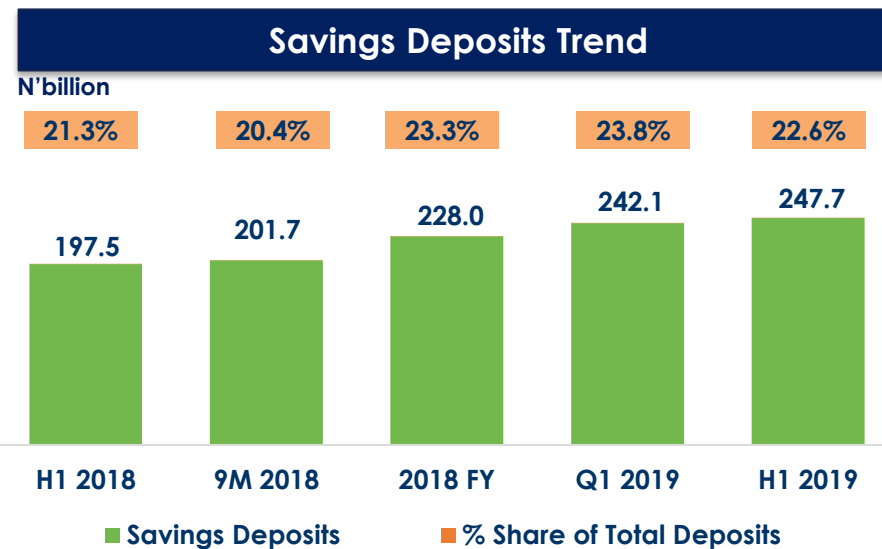
Deposits by Products – H1 2019



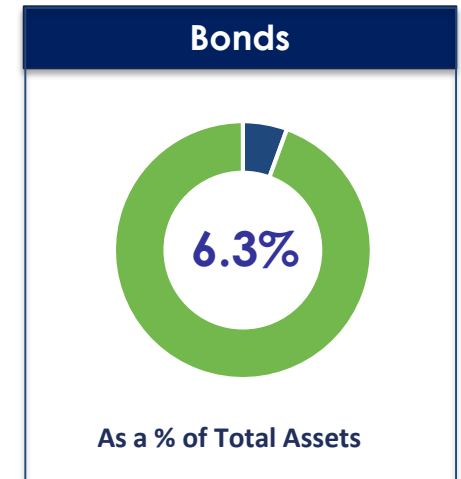
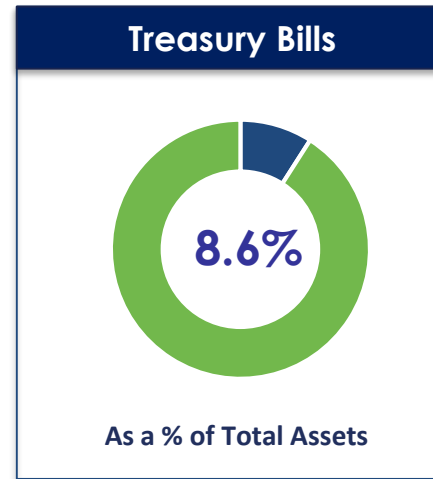
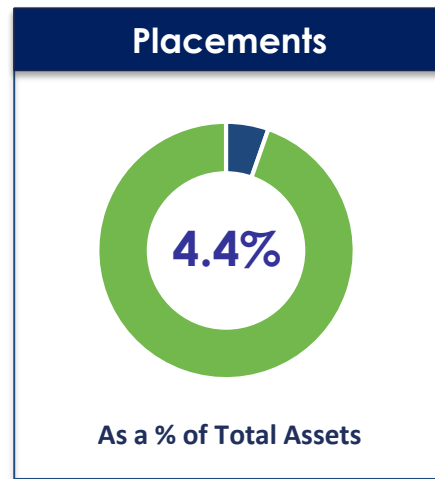
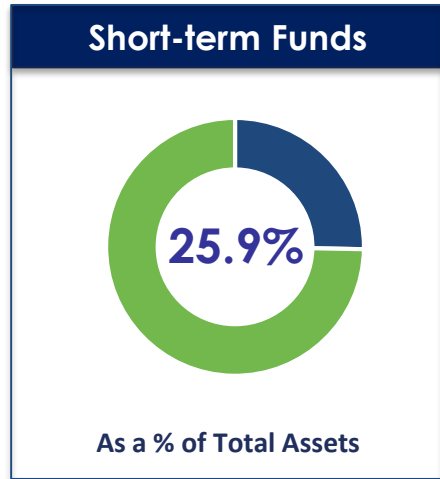
Retail Banking Analysis (Personal Banking)



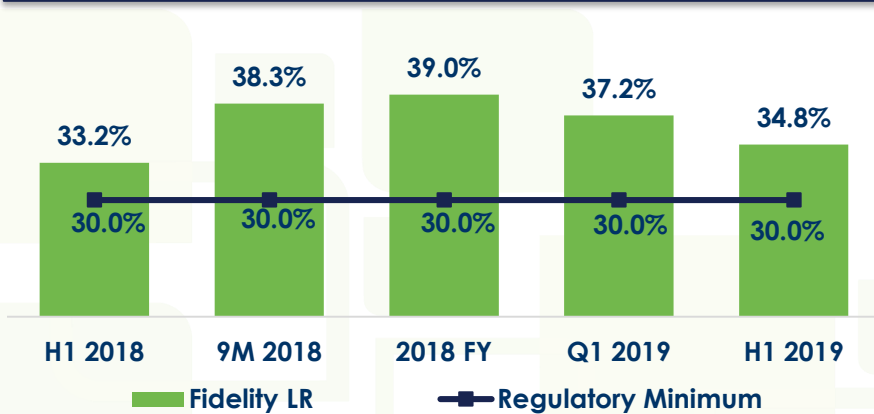
- ▶ Savings deposits grew by 8.6% YTD to N247.7 billion and accounts for 22.6% of total deposits, an attestation of our increasing market share in the retail segment.
- ▶ We expect the trend in savings deposits to continue in H2 2019 especially Q4 as savings growth is normally slower in Q3 being a holiday period.
- ▶ Retail loans are gradually picking up after we launched our new digital lending product (Fidelity FastLoan) and also deepened our lending partnerships with select Fintechs.



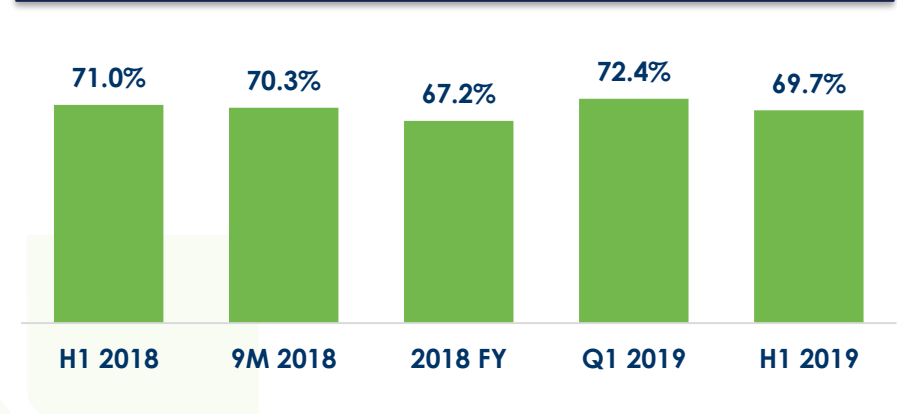
Liquid Assets Position



Liquidity Ratio



% Net Loans to Customer Deposits



- Improved liquidity is changing the structure of our funding base: Net loans to deposits is now 69.7% from 67.2% in 2018FY *excluding other funding sources e.g. debts and intervention funds.*
- Gross loans to interest bearing liabilities stood at 65.8% compared to 64.2% in 2018FY.

Loan Portfolio Analysis



Breakdown of Loans & Advances to Customers: 2018FY Vs. H1 2019

N'million	2018FY	H1 2019	VAR	% VAR
Communication	22,463	25,426	2,963	13.2%
Oil and Gas	207,918	227,370	19,452	9.4%
- Upstream	120,489	118,805	-1,683	- 1.4%
- Downstream	32,950	46,489	13,539	41.1%
- Services	54,480	62,077	7,597	13.9%
Power	112,709	112,875	166	0.1%
Manufacturing	131,894	204,668	72,774	55.2%
General Commerce	90,089	73,562	-16,526	- 18.3%
Transport	96,757	127,540	30,783	31.8%
Consumer (Individuals)	37,641	39,152	1,512	4.0%
Government	112,595	115,900	3,306	2.9%
Construction	31,154	36,494	5,340	17.1%
Agriculture	17,033	37,007	19,974	117.3%
Real Estate	30,355	30,062	-293	- 1.0%
Education	3,951	5,556	1,606	40.6%
Finance and Insurance	4,944	4,091	-853	- 17.2%
Others	7,121	10,527	3,406	47.8%
Total	906,623	1,050,231	143,608	15.8%

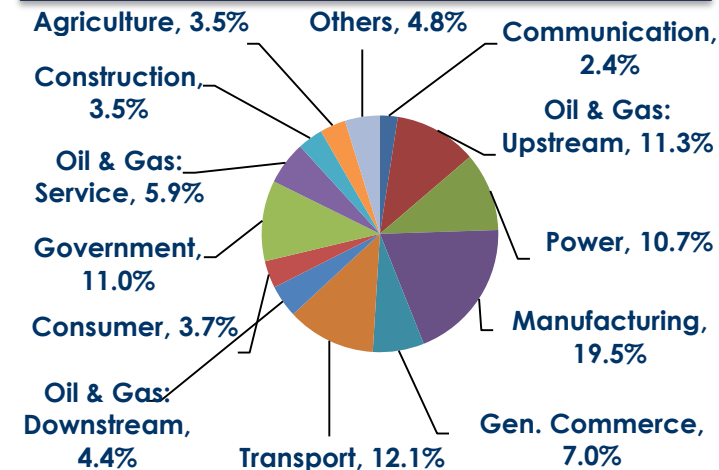
Loan Portfolio Analysis



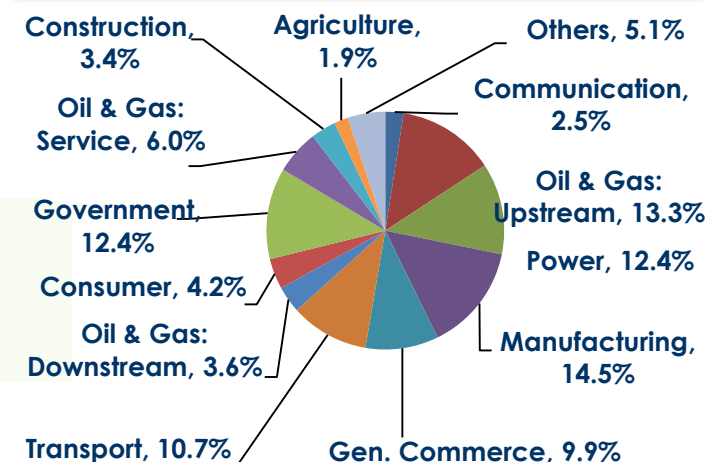
Breakdown of Loans & Advances to Customers

N'million	9M 2018	2018FY	Q1 2019	Q2 2019
Communication	36,685	22,463	25,972	25,426
Oil and Gas	219,935	207,918	231,061	227,370
- Upstream	138,524	120,489	130,059	118,805
- Downstream	32,919	32,950	45,939	46,489
- Services	48,493	54,480	55,063	62,077
Power	110,155	112,709	113,023	112,875
Manufacturing	107,462	131,894	173,486	204,668
Gen. Commerce	74,606	90,089	101,127	73,562
Transport	91,788	96,757	120,956	127,540
Consumer	36,479	37,641	39,279	39,152
Government	116,455	112,595	109,103	115,900
Construction	30,938	31,154	32,771	36,494
Agriculture	15,624	17,033	32,070	37,007
Real Estate	31,190	30,355	28,749	30,062
Education	4,035	3,951	4,001	5,556
Fin. & Insurance	3,671	4,944	3,714	4,091
Others	8,527	7,121	8,919	10,527
Total	887,549	906,623	1,024,233	1,050,231

Loan Analysis – H1 2019



Loan Analysis – 2018FY

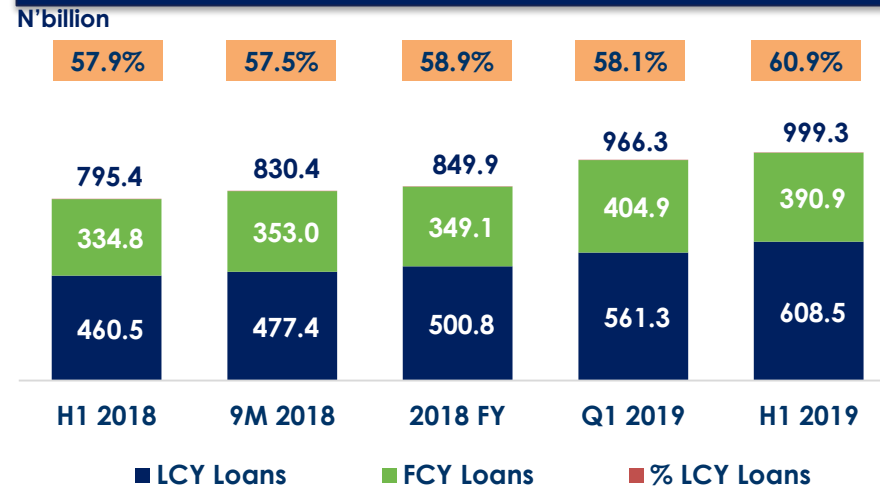


Loan Book Analysis

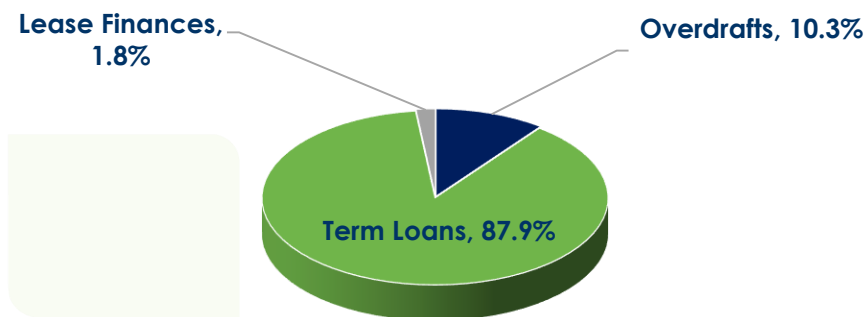


- ▶ Net loans and advances increased by 17.6% YTD to N999.3 billion and this was primarily driven by 4 sectors that accounted for over 95% of the loan growth as follows:
- ▶ Manufacturing (50.7%), Transport (21.4%), Agriculture (13.9%) and Oil & Gas (13.5%).
- ▶ The manufacturing sector is one of the largest beneficiaries of Intervention Funds for On-lending Facilities.
- ▶ FCY loans grew by 12.0% YTD and now constitute about 39.1% of total loan book.

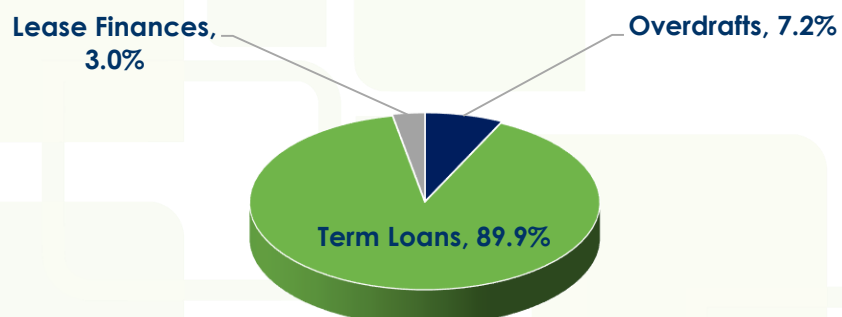
Net Loans and Advances to Customers



Total Loans by Type – H1 2019



Total Loans by Type – 2018FY



Loan Book Breakdown – Stage 1 | 2 | 3



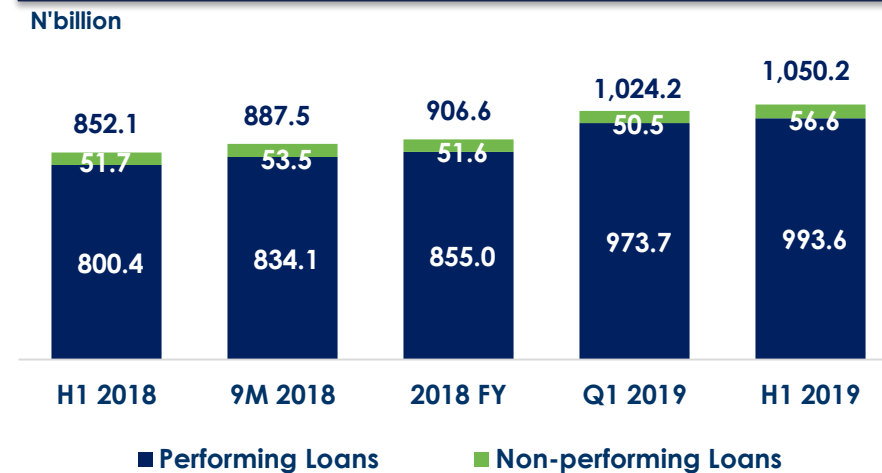
Breakdown of Loans & Advances to Customers				
N'million	Stage 1	Stage 2	Stage 3	Total
Communication	14,090	9,614	1,722	25,426
Oil and Gas	149,014	61,497	16,859	227,370
- Upstream	86,950	31,855	0	118,805
- Downstream	18,024	15,533	12,932	46,489
- Services	44,041	14,109	3,927	62,077
Power	5,031	107,841	3	112,875
Manufacturing	184,559	9,113	10,996	204,668
General Commerce	65,639	1,288	6,636	73,562
Transport	102,145	16,793	8,602	127,540
Consumer (Individuals)	35,935	102	3,115	39,152
Government	115,876	0	25	115,900
Construction	34,841	18	1,635	36,494
Agriculture	32,662	1,627	2,718	37,007
Real Estate	27,244	217	2,601	30,062
Education	4,533	20	1,003	5,556
Finance and Insurance	3,633	446	12	4,091
Others	9,823	22	681	10,527
Total	785,025	208,598	56,608	1,050,231
% Share of Total	74.7%	19.9%	5.4%	100.0%
Coverage Ratio	0.5%	9.3%	48.5%	4.8%

NPL Analysis

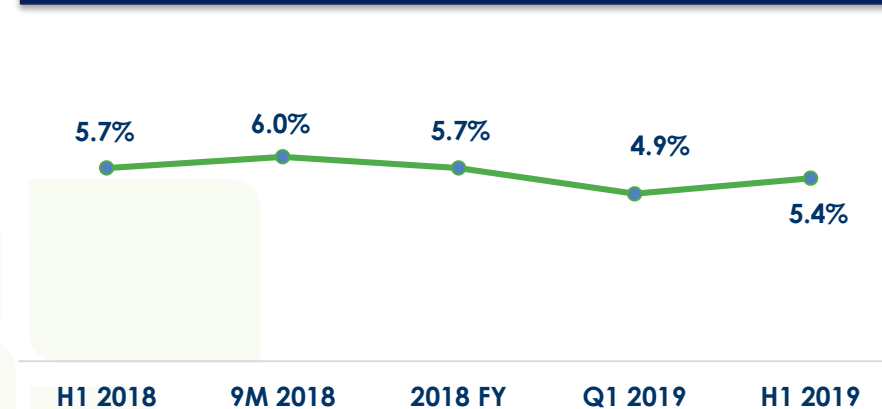


- ▶ NPL ratio (Stage 3 Loans) declined to 5.4% from 5.7% in 2018FY due to an increase in the total loan book by 15.8%
- ▶ Stage 3 Loans increased by 9.7% to N56.6 billion in H1 2019
- ▶ The key sectors responsible for the growth in Stage 3 Loans were Oil & Gas | Manufacturing | General Commerce
- ▶ The Transport and Education Sectors recorded a decline in Stage 3 Loans
- ▶ Our NPL Guidance for the year still remains below 6.0%.

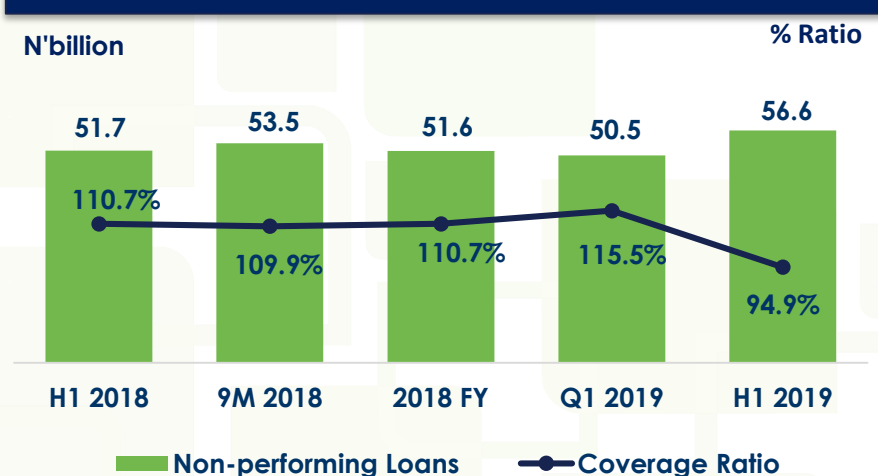
Gross Loans and Advances



Non-performing Loans



NPL Coverage Ratio



NPL Portfolio Analysis



Breakdown of Non-performing Loans: 2018FY Vs. H1 2019

	2018FY N'million	H1 2019 N'million	VAR N'million	% VAR %	2018FY NPL Ratio	H1 2019 NPL Ratio
Communication	1,155	1,722	566	49.0%	5.1%	6.8%
Oil and gas	12,374	16,859	4,485	36.2%	6.0%	7.4%
- Oil & Gas Upstream	-	-	-	0.0%	0.0%	0.0%
- Oil & Gas Downstream	11,331	12,932	1,601	14.1%	34.4%	27.8%
- Oil & Gas Services	1,043	3,927	2,883	276.4%	1.9%	6.3%
Power	-	3	3	0.0%	0.0%	0.0%
Manufacturing	9,197	10,996	1,800	19.6%	7.0%	5.4%
General Commerce	4,035	6,636	2,601	64.5%	4.5%	9.0%
Transport	14,791	8,602	(6,189)	-41.8%	15.3%	6.7%
Consumer (Individuals)	3,037	3,115	78	2.6%	8.1%	8.0%
Government	25	25	0	0.0%	0.0%	0.0%
Construction	876	1,635	759	86.7%	2.8%	4.5%
Agriculture	2,317	2,718	400	17.3%	13.6%	7.3%
Real Estate	2,307	2,601	293	12.7%	7.6%	8.7%
Education	1,128	1,003	(124)	-11.0%	28.5%	18.1%
Finance and Insurance	5	12	8	164.2%	0.1%	0.3%
Others	361	681	320	88.7%	5.1%	6.5%
Total	51,608	56,608	4,999	9.7%	5.7%	5.4%

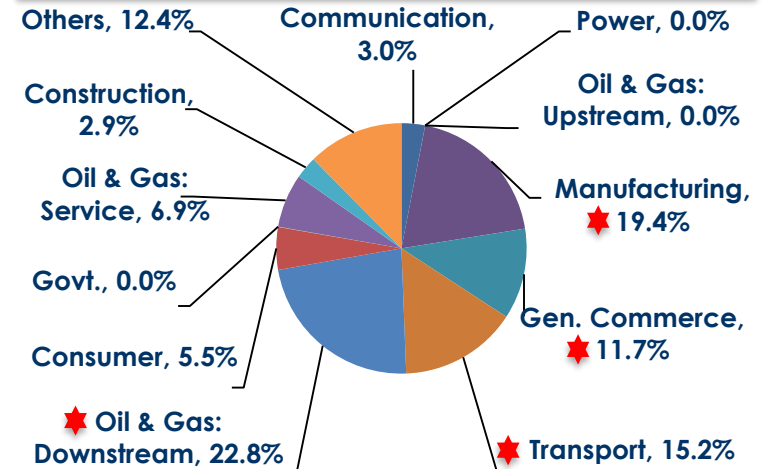
NPL Portfolio Analysis



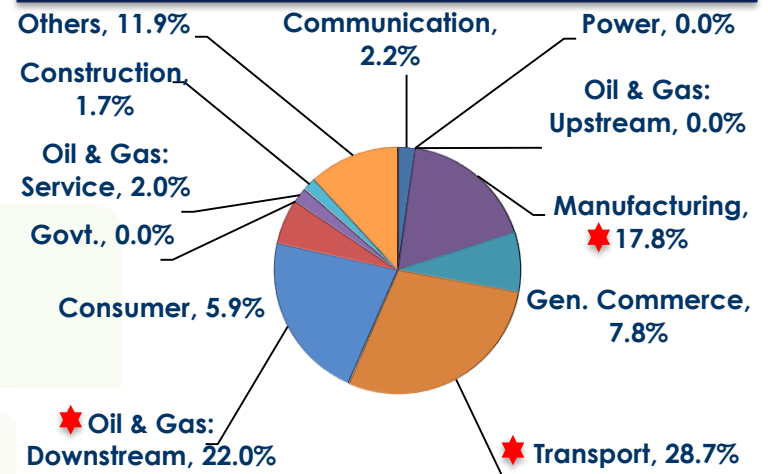
Breakdown of Non-performing Loans

N'million	9M 2018	2018FY	Q1 2018	H1 2019
Communication	1,597	1,155	1,229	1,722
Oil and Gas	13,299	12,374	12,467	16,859
- Upstream	0	0	0	0
- Downstream	10,864	11,331	11,342	12,932
- Services	2,436	1,043	1,124	3,927
Power	3	0	0	3
Manufacturing	8,985	9,197	9,252	10,996
Gen. Commerce	5,194	4,035	4,121	6,636
Transport	15,435	14,791	13,365	8,602
Consumer	2,477	3,037	2,938	3,115
Government	25	25	25	25
Construction	383	876	971	1,635
Agriculture	1,826	2,317	2,388	2,718
Real Estate	2,116	2,307	2,260	2,601
Education	473	1,128	1,049	1,003
Fin. & Insurance	67	5	82	12
Others	1,573	361	388	681
Total	53,454	51,608	50,535	56,608

NPL Analysis – H1 2019



NPL Analysis – 2018FY

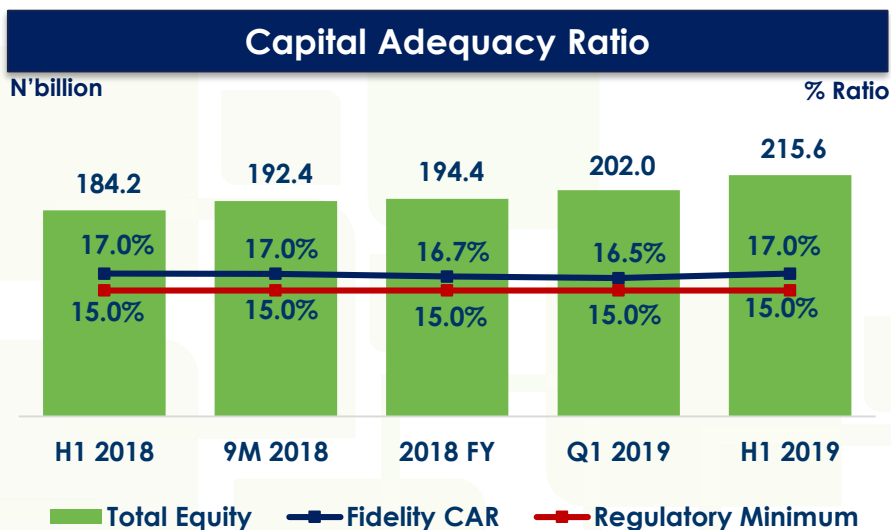


★ Pressure NPL Sectors

Capital Adequacy



- ▶ Fidelity CAR improved to 17.0% from 16.7% in 2018FY as capitalized H1 2019 profits and Fair Value Reserves increased both Tier I and Tier 2 Capital.
- ▶ Regulatory adjustment dropped by N4.5 billion to N11.8 billion due to a combination of increased Single Obligor Limit and a reduction in the customers exposure.
- ▶ Only 40% of our N30.0 billion local debt is now recognized in Tier II Capital.
- ▶ CAR is above both regulatory & our internal guidance.



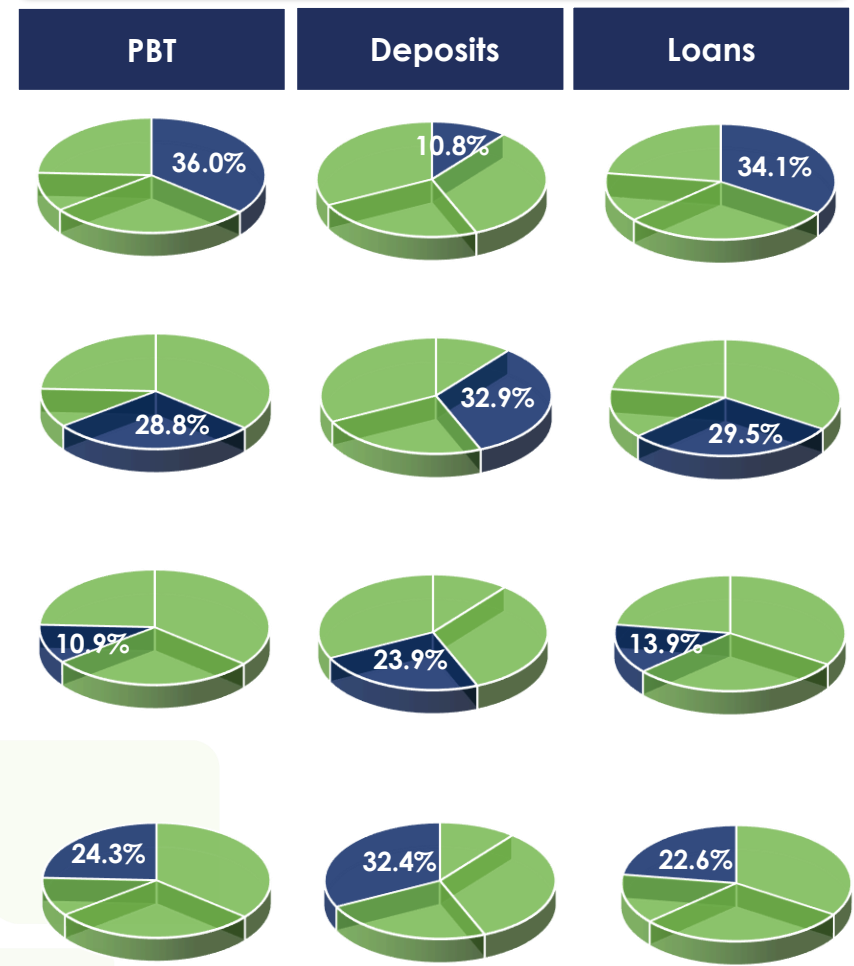
Capital Adequacy Ratio Computation – Basel II			
N'billion	2018FY	H1 2019	VAR
Tier 1 Capital	180.1	191.5	11.4
Regulatory Adjustment	(16.3)	(11.8)	-4.5
Adjusted Tier 1 Capital	163.8	179.7	15.9
Tier 2 Capital	25.0	29.2	4.2
Total Qualified Capital	188.9	209.0	19.8
Credit Risk	887.1	1,024.1	137.0
Market Risk	67.6	30.0	-37.6
Operational Risk	179.4	174.4	-5.0
Risk Weighted Assets	1,134.1	1,228.5	94.4
Capital Adequacy Ratio			
Tier 1	14.4%	14.6%	
Tier 2	2.2%	2.4%	
Overall CAR	16.7%	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 ₦5.0 billion. ➤ 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 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



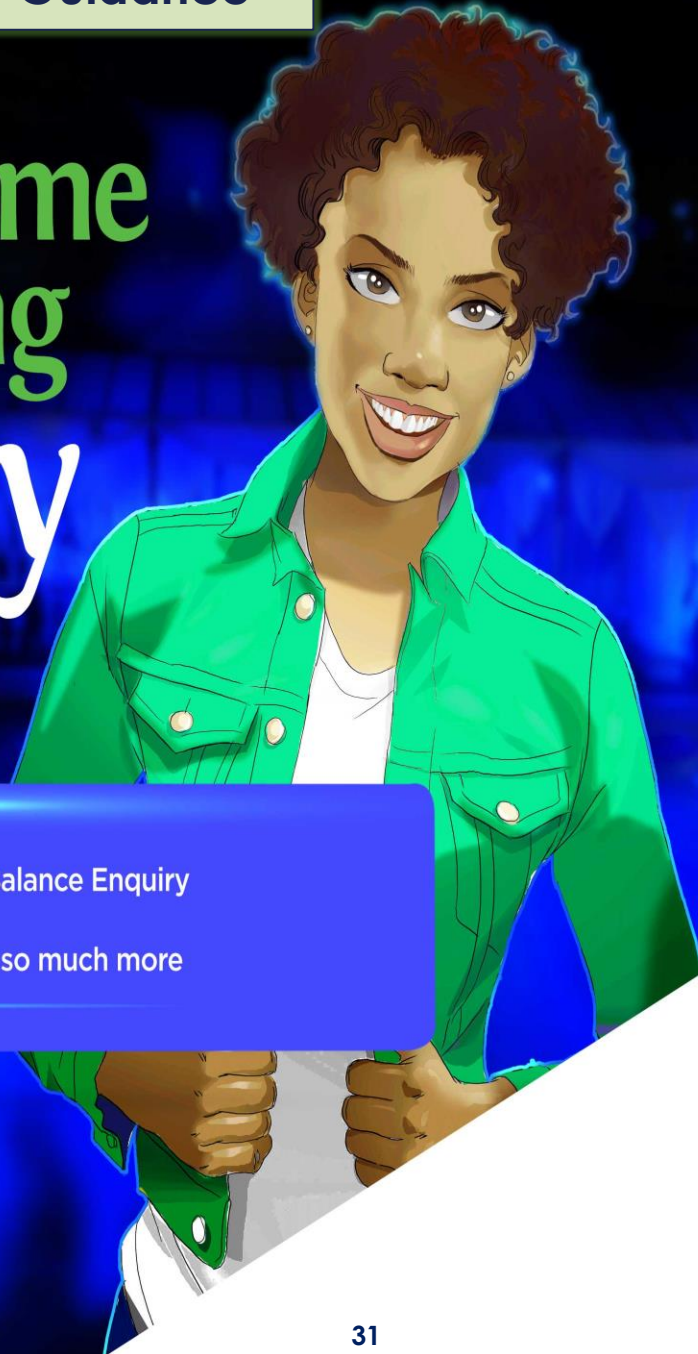
Let's do some softbanking

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

H1 2019 Actual Vs. 2019FY Guidance



GROWTH EXPECTATIONS ON KEY INDICATORS				
S/N	Index	H1 2019 Actual	2019FY Target	Comment
1	Net Interest Margin	5.8%	6.0% – 6.5%	Behind Target
2	Tax Rate	9.1	10.0% – 15.0%	On Track
3	Loan Growth (YTD)	17.6%	7.5% - 10.0%	On Track
4	Deposit Growth (YTD)	12.0%	7.5% - 10.0%	On Track
5	Cost to Income Ratio	72.8%	Below 70.0%	Behind Target
6	Proposed Dividends	N/A	30-50% (of PAT) band	N/A
7	NPL Ratio	5.4%	Below 6.0%	On Track
8	Cost of Risk	-0.2%	1.25%	On Track
9	ROAE – Post Tax	13.5%	13.0%	On Track

Thank You

Fidelity Bank Plc
2 Kofo Abayomi Street,
Victoria Island, Lagos, Nigeria
+234 (01) 4480853
info.investor@fidelitybank.ng

www.fidelitybank.ng