

Fidelity Bank Clarifies Position on Court Judgement Inherited From Defunct FSB International Bank

LAGOS, NIGERIA – May 19, 2025 – Our attention has been drawn to the publication on the Peoples Gazette Titled “EXCLUSIVE: Fidelity faces bankruptcy as Supreme Court orders banking giant to pay N225 billion damages to Nigerian firm”.

By way of a background, we confirm that the issues leading up to the judgment arose from a legacy transaction between the defunct FSB International Bank and Sagecom Concepts Limited. FSB granted a credit facility to G. Cappa Plc in 2002 for the sum of USD3 million. The facility was secured with mortgage on a property located in Ikoyi. G. Cappa defaulted on the repayment of the loan and in a bid to prevent FSB from selling the mortgaged property to repay the loan, G. Cappa commenced an action against FSB at the Federal High Court, Lagos seeking inter-alia to restrain the Bank from selling the property. The Federal High Court in its judgment ruled that the Bank as legal mortgagor rightfully sold the leased interest in the property to Sagecom in 2011.

The Court however declined to order vacant possession of the property and directed the issue of vacant possession to the Lagos State High Court. In the meantime, G. Cappa remained in possession of the property and kept collecting rents therefrom.

Sagecom then instituted an action against the Bank and G. Cappa at the Lagos State High Court in 2011 seeking damages against the Bank for breach of contract and for possession of the property. Sagecom’s claim against the Bank was essentially for liquidated damages calculated as rentals on the several component apartments in the property plus interest on same over different time frames. In 2018, the Lagos High Court awarded judgment in favour of Sagecom against G. Cappa and the Bank which judgment was challenged at the Supreme Court. The Bank is convinced that by remaining in possession of the property and continuing to collect rents therefrom, G. Cappa orchestrated all the losses suffered by Sagecom.

However, having exhausted the appeal process, the Bank is willing to settle the obligation. Unfortunately, there are significant ambiguities in the judgment resulting in difficulties in calculating the actual financial liability to the G.Cappa and the Bank which is about N14billion from our computation based on the exchange rate as of 2005 when the incident and cause of action arose. Meanwhile the Supreme Court in the case of Anibaba v Dana Airlines Limited delivered in January 2025 has clarified that foreign currency judgment debt must be converted to Naira at the exchange rate obtainable at the date of judgment of the trial Court which in this case was 30 January 2018. Even if the 2018 exchange rate supported by the Supreme Court is applied, the judgment debt will just be under N30.7 billion payable by G.Cappa Plc (who delayed delivery of possession of the apartments from 2005 till June 2018 when possession was eventually delivered) with contribution from the Bank.

Consequently, the Bank has applied to the Court for a clarification and inquiry into the proper interpretation of the judgment and the computation of the actual quantum properly and lawfully payable by G.Cappa and the Bank. The Court has accordingly ordered Sagecom to maintain status quo pending the determination of pending motions and restrained Sagecom and all persons from publishing any material in the media as the matter is still pending in court. The implication of this order is that the instant publication by People Gazette and any other media platform or persons, contain false information and is wrongful, unlawful and constitute a contempt of court.

It is unfortunate that the above clear position and injunctive order made by the Court since 7th May 2025 was not adhered to. Rather, this obviously sponsored publication by People Gazette has been orchestrated and syndicated in the media with the aim of embarrassing the bank.

Fidelity Bank remains a very strong and profitable financial institution and amongst the most capitalized banks in Nigeria today with international operations. The Bank is under no bankruptcy and has always been in a position to discharge its proper and lawful obligations and wishes to assure its depositors, customers, investors and the general public that the bank is in a strong financial position as shown in its Q1 2025 financial results which is available to the public.

Meanwhile, the Bank is taking all necessary steps to apprehend and prosecute any persons or platform directly or indirectly responsible for this wicked, malicious and sponsored publication aimed at embarrassing the Bank and causing panic to its stakeholders.



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