

Fidelity Bank Investor Presentation

Unaudited Financial Results for the 3 months ended

March 31, 2019



1. Overview of Fidelity Bank

2. The Operating Environment

3. Financial Highlights

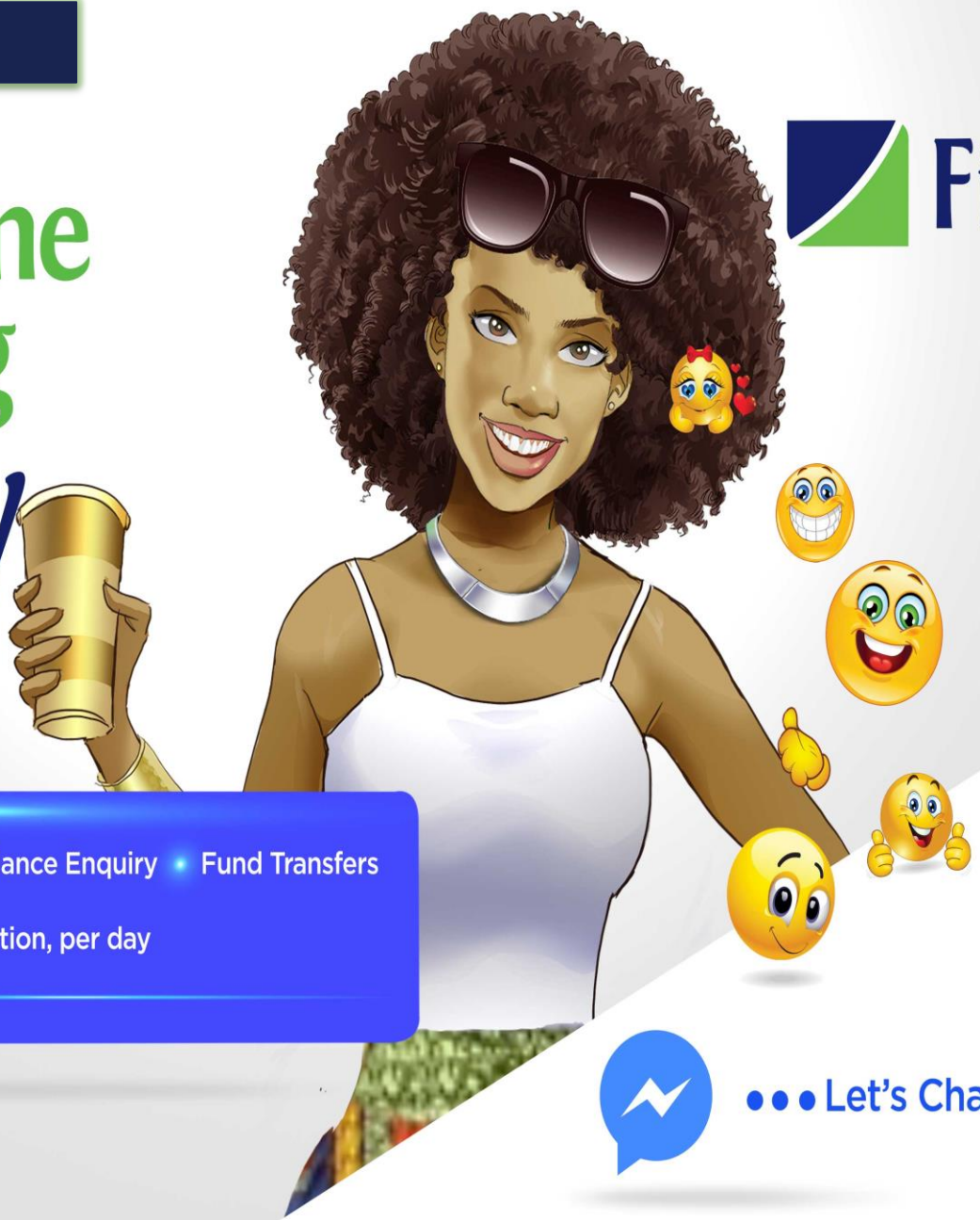
4. Financial Review

5. Q1 2019 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: **N1,870bn**
\$5.2bn

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
2,912
Male: 56%
Female: 44%

4.7 Million Accounts

808 ATMs

2.1m Cards

2m Mobile Customers

5,923 POS

248 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

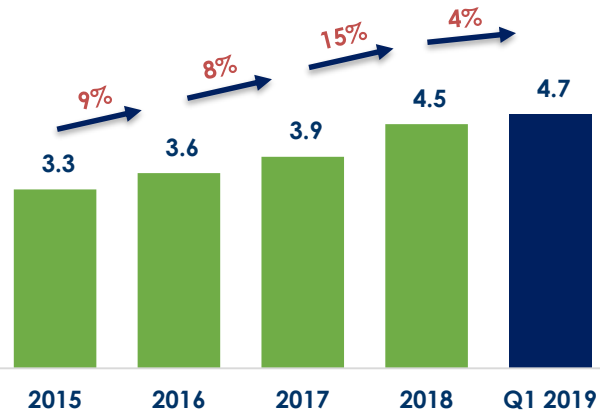
A-NG (Stable)

Overview of Fidelity Bank

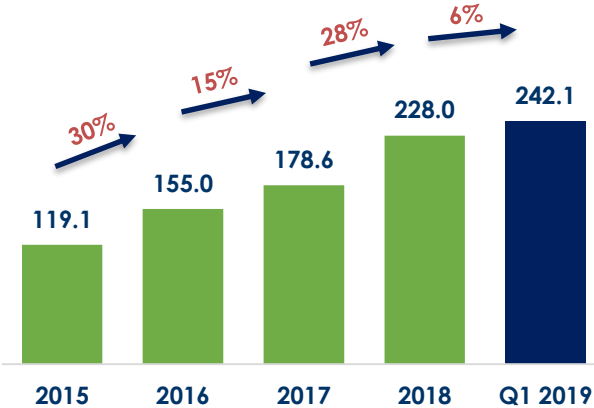


Retail And Digital Banking Evolution / Progress Report

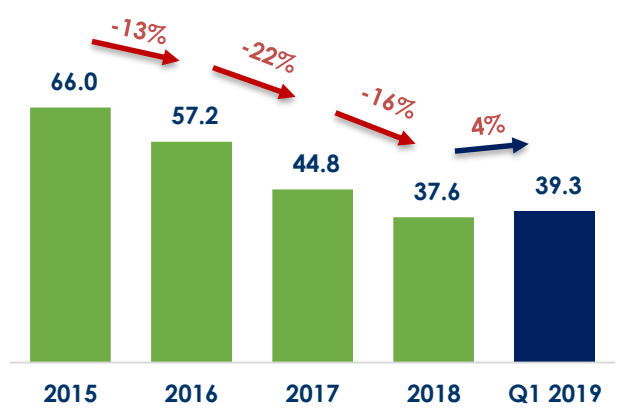
Number of Customer Accounts (#'m)



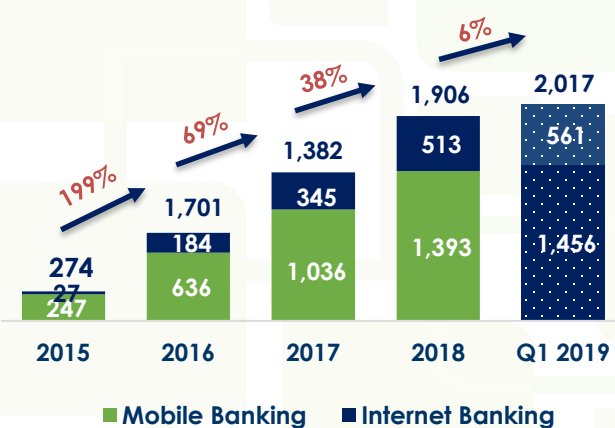
Savings deposits (N'bn)



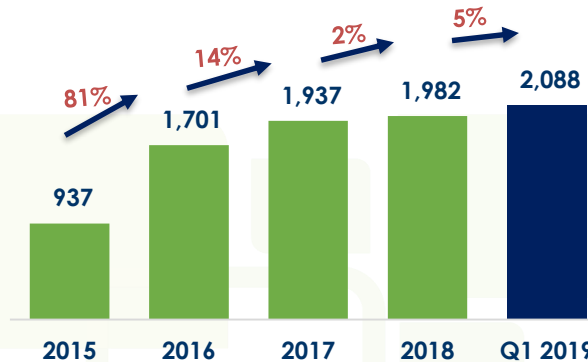
Retail Risk Assets (N'bn)



Mobile/Internet Banking Cust. (#'000)



Number of Debit Cardholders (#'000)



Commentary

- ▶ Consistent growth in savings deposits anchored on increasing customer growth and improved digital penetration at 43%.
- ▶ Over 81% of customers transactions are now done on electronic banking channels.
- ▶ Our virtual assistant, Ivy is improving customer engagements and insights have been very positive.
- ▶ Retail lending is starting to gradually pick up.



Need A *Quick* LOAN?

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

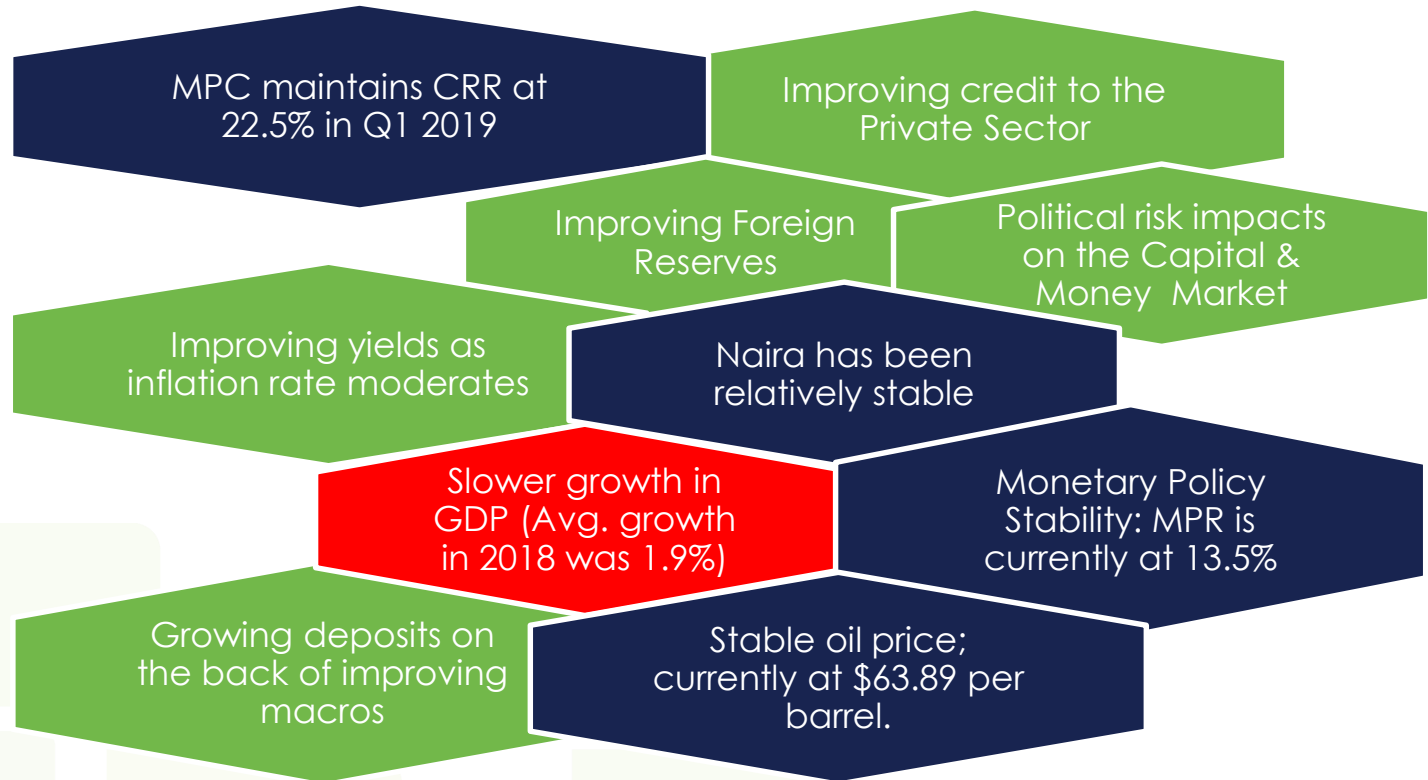


Fidelity
FastLoan™



From Request To Alert in 2 minutes.

The Operating Environment



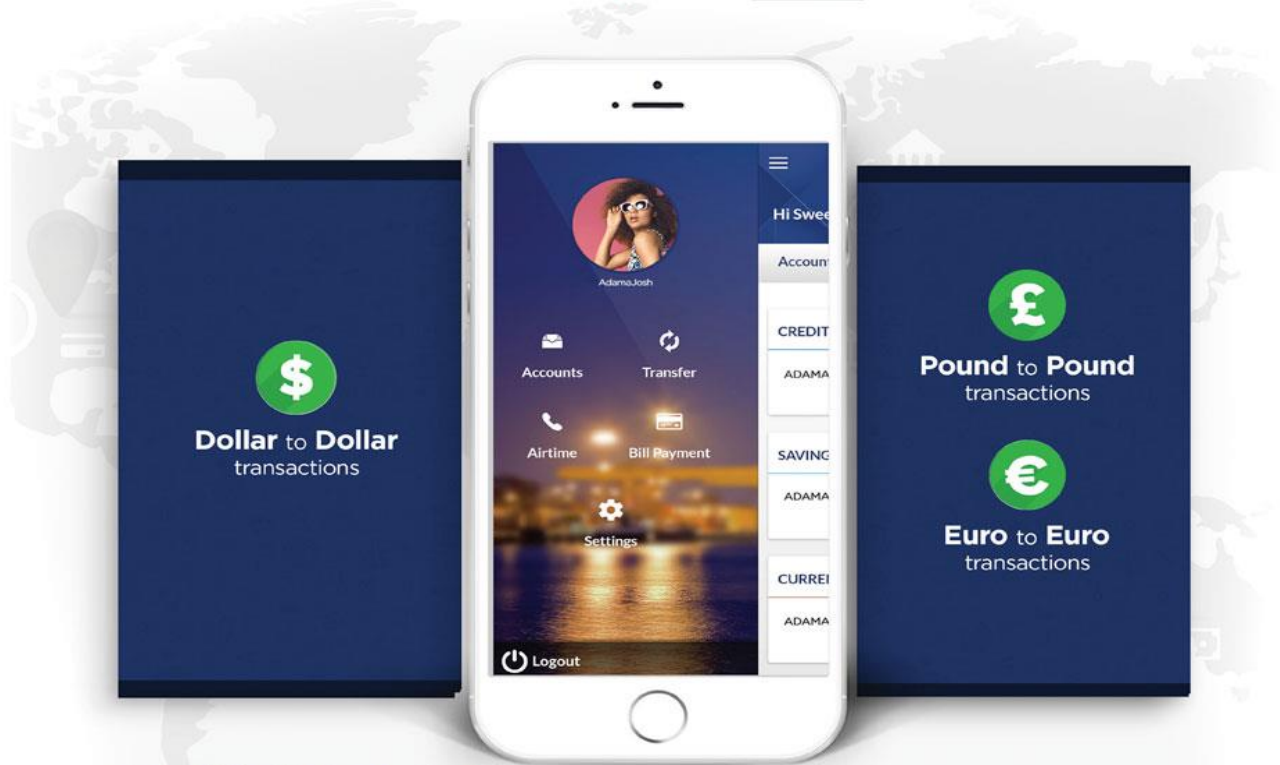
Stable -	
Improving -	
Declining -	



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 2.6% to N38.7 billion in Q1 2019 (Q1 2018: N37.7 billion)
- ❑ Operating Expenses up by 10.4% to N16.7 billion in Q1 2019 (Q1 2018: N15.1 billion)
- ❑ Cost to Income Ratio dropped to 68.4% in Q1 2019 from 72.7% in Q1 2018
- ❑ PBT up by 34.0% to N6.7 billion in Q1 2019 (PAT came in at N5.9 billion)

Asset Quality

- ❑ Cost of Risk was unchanged at 0.5% in Q1 2019, compared to 2018FY
- ❑ NPL Ratio down to 4.9% in Q1 2019 from 5.7% in 2018FY
- ❑ Coverage Ratio improved to 115.5% in Q1 2019 from 110.7% in 2018FY
- ❑ FCY Loans accounted for 41.9% of Net Loans from 41.1% in 2018FY

Capital Adequacy and Liquidity

- ❑ Capital Adequacy Ratio of 16.5%, based on Basel II computation
- ❑ Liquidity Ratio of 37.2% compared to regulatory minimum of 30.0%
- ❑ Loans to interest bearing liabilities stood at 66.8% in Q1 2019 from 62.8% in 2018FY
- ❑ Total Equity at N202.0 billion compared to N194.4 billion in 2018FY

Financial Highlights



- ❑ PBT increased by 34.0% YoY to N6.7 billion from N5.0 billion in Q1 2018 due to N2.3 billion increase in FX Income, interest income on liquid assets (N0.9 billion), and digital banking income (N0.6 billion), and moderate increase in total expenses by N1.6 billion.
- ❑ Growth in total expenses was driven by Staff | NDIC | AMCON | Depreciation which accounted for over 60% of the cost growth. However, cost-to-income ratio declined to 68.4% on account of our digital transformation initiatives.
- ❑ NIM came in at 5.1% due to lower yields on earning assets and an increase in funding costs. Our average yield on earning assets stood at 12.6% compared to an average funding cost of 6.6%.
- ❑ Total deposits grew by 3.8% YTD (N37.6 billion) to N1,017.0 billion from N979.4 billion in December 2018 driven by savings, domiciliary and time deposit products.
- ❑ Savings deposits grew by 6.2% YTD to N242.1 billion from December 2018. Savings deposits contribution to total deposits also improved to 23.8%, an attestation of our increasing market share in the retail segment.
- ❑ Risk assets increased by 13.7% YTD to N966.3 billion from N849.9 billion in December 2018 with cost of risk at 0.5% and coverage ratio at 115.5%. NPL ratio declined to 4.9% due to a combination of decline in absolute NPL numbers and increase in total loan book size.
- ❑ We have continued to convert our FCY balance sheet numbers using the NIFEX rate which was N360/\$ in Q1 2019 compared to N359/\$ as at the end of 2018FY.

Financial Highlights



Summary of Income Statement: YoY Change				
N'million	Q1 2018	Q1 2019	VAR	% VAR
Gross Earnings	43,328	48,443	5,115	11.8%
Interest Income Loans	28,345	28,400	55	0.2%
Interest Income Liquid Assets	9,335	10,274	939	10.1%
Total Interest Income	37,680	38,674	994	2.6%
Interest Expense Customer Deposits	(15,911)	(16,521)	610	3.8%
Interest Expense Borrowings	(5,588)	(6,379)	791	14.2%
Total Interest Expense	(21,499)	(22,900)	1,401	6.5%
Net Interest Income	16,181	15,774	(407)	-2.5%
FX Income	696	3,022	2,327	334.4%
Digital Income	1,600	2,153	553	34.6%
Other Fee Income (Net)	2,327	3,451	1,124	48.3%
Net Fee Income	4,623	8,627	4,004	86.6%
Operating Income	20,804	24,401	3,597	17.3%
Total Expenses	(15,120)	(16,692)	1,572	10.4%
Net Impairment Losses	(702)	(1,035)	333	47.4%
Profit Before Tax	4,982	6,674	1,692	34.0%

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

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

Financial Highlights



Statement of Financial Position: YTD Change

N'million	2018FY	Q1 2019	VAR	% VAR
Total Assets	1,719,883	1,870,124	150,241	8.7%
Earning Assets	1,198,988	1,290,754	91,766	7.7%
Bank Placements	58,755	41,946	(16,809)	-28.6%
Treasury Bills	189,236	182,270	(6,966)	-3.7%
Bonds	101,117	100,284	(833)	-0.8%
Customer Loans (Naira)	500,751	561,349	60,598	12.1%
Customer Loans (FCY)	349,129	404,905	55,776	16.0%
Non-Earning Assets	520,895	579,370	58,475	11.2%
Cash	44,624	32,271	(12,353)	-27.7%
Cash Reserve	249,614	258,010	8,396	3.4%
Bal. with other Banks/Settlement Acct	143,571	193,494	49,923	154.0%
Fixed Assets	36,909	35,980	(929)	-2.5%
All Other Assets	46,177	59,616	13,439	29.1%
Interest Bearing Liabilities	1,354,020	1,446,714	92,694	6.8%
Demand	571,329	569,986	(1,343)	-0.2%
Savings	227,970	242,080	14,110	6.2%
Time Deposits	180,114	204,933	24,819	13.8%
Other Borrowings	67,665	91,819	24,154	35.7%
On-lending Facilities	133,840	159,159	25,319	18.9%
Debt Securities	173,102	178,737	5,635	3.3%
All Other Liabilities	171,447	221,380	49,933	29.1%
Equity	194,416	202,030	7,614	3.9%

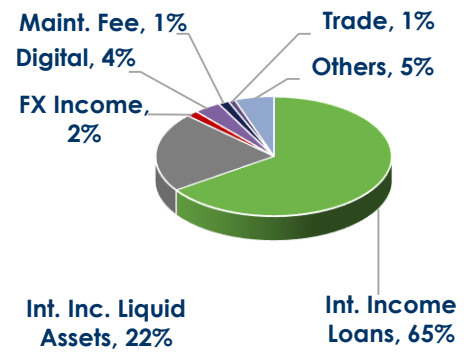
Please note: The Balance Sheet was converted at an exchange rate of N360/USD, being the NIFEX Rate in Q1 2019

Gross Earnings Analysis

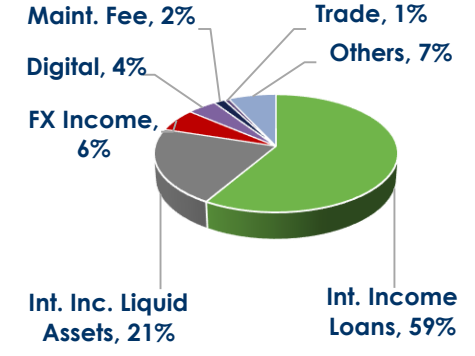


Key Highlights (N'm)	Q1 2018	Q1 2019	VAR	% VAR
Total Earnings	43,328	48,443	5,115	11.8%
Interest Income Loans	28,345	28,400	55	0.2%
Int. Inc. Liquid Assets	9,335	10,274	939	10.1%
FX Income	696	3,022	2,327	334.4%
Digital Income	1,600	2,153	553	34.6%
A/C Maintenance fee	637	799	163	25.5%
Trade Income	395	370	(25)	-6.3%
Other Income	2,321	3,424	1,103	47.5%

Total Earnings: Q1 2018

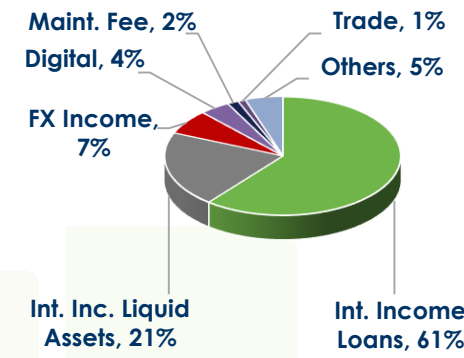


Total Earnings: Q1 2019

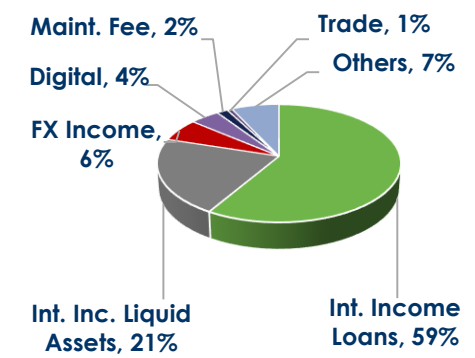


Key Highlights (N'm)	2018 AVG	Q1 2019	VAR	% VAR
Total Earnings	47,218	48,443	1,225	2.6%
Interest Income Loans	28,678	28,400	(278)	-1.0%
Int. Inc. Liquid Assets	9,743	10,274	531	5.5%
FX Income	3,184	3,022	(162)	-5.1%
Digital Income	1,968	2,153	185	9.4%
A/C Maintenance fee	725	799	75	10.3%
Trade Income	493	370	(123)	-24.9%
Other Income	2,428	3,424	996	41.0%

Total Earnings: 2018 AVG.



Total Earnings: Q1 2019



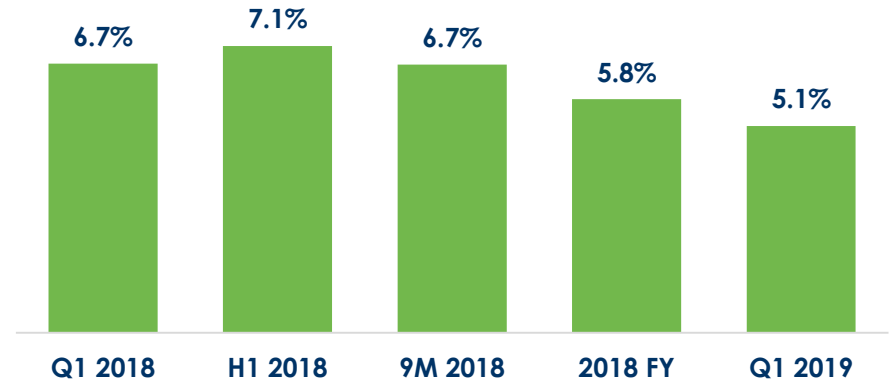
- Double digit growth in key income lines resulted in 11.8% growth in total earnings: FX Income (334.4%), digital banking income (34.6%), account maintenance charge (25.5%) and interest income on liquid assets (10.1%) etc.
- Growth in FX income was largely a combination of FX trading income and revaluation gains.

Net Interest Margin Analysis

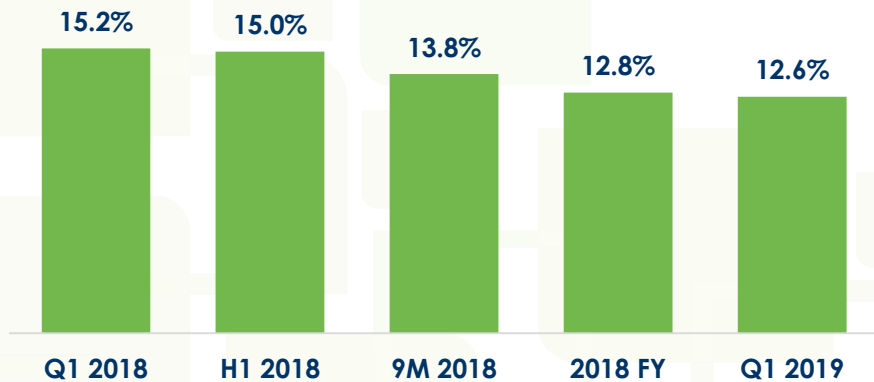


- ▶ NIM dropped to 5.1% from 5.8% in 2018FY due to a decline in average yield on earning assets and an increase in funding cost.
- ▶ The moderation in the yield on earnings assets was due to the lower average lending rate.
- ▶ Average funding costs increased to 6.6% on account of an increase in average cost of deposits to 6.7% from 6.3% in 2018FY as well as an increase in borrowing cost benchmarked on the LIBOR.

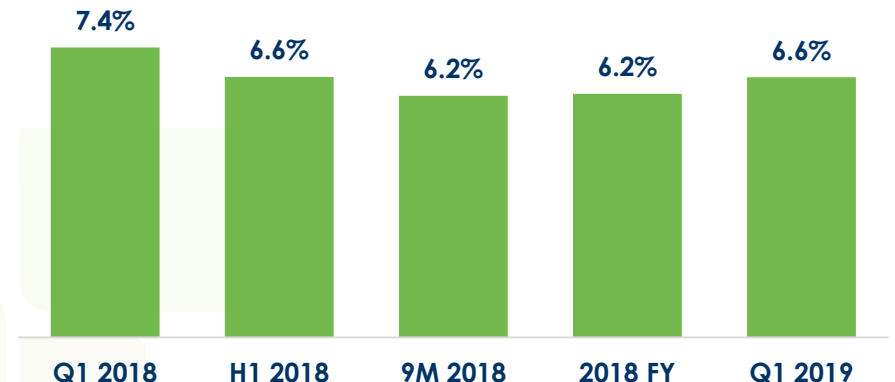
NIM Trend



Yield on Earning Assets



Funding Cost

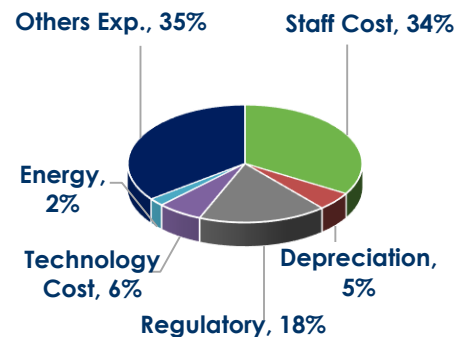


Total Expense Analysis

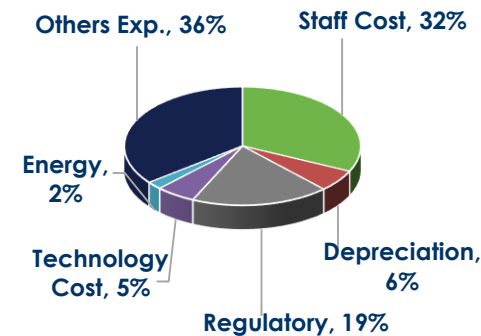


Key Highlights (N'm)	Q1 2018	Q1 2019	VAR	% VAR
Total Expenses	15,120	16,692	1,572	10.4%
Staff Cost	5,072	5,347	275	5.4%
Depreciation	769	993	224	29.1%
NDIC/AMCON Cost	2,673	3,155	483	18.1%
Technology Cost	944	908	-36	-3.9%
Energy Cost	325	355	29	9.0%
Security	306	129	-177	-57.8%
Branding & Advert	1,350	1,299	-51	-3.8%
Other Expenses	3,681	4,507	826	22.4%

Total Expenses: Q1 2018

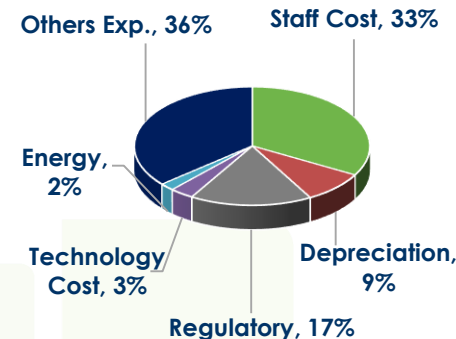


Total Expenses: Q1 2019

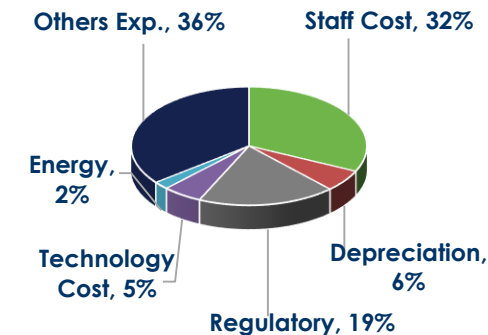


Key Highlights (N'm)	2018 AVG	Q1 2019	VAR	% VAR
Total Expenses	18,032	16,692	-1,340	-7.4%
Staff Cost	5,978	5,347	-631	-10.6%
Depreciation	1,562	993	-569	-36.4%
NDIC/AMCON Cost	3,019	3,155	137	4.5%
Technology Cost	592	908	316	53.4%
Energy Cost	362	355	-7	-1.9%
Security	320	129	-191	-59.6%
Branding & Advert	2,088	1,299	-789	-37.8%
Other Expenses	4,113	4,507	393	9.6%

Total Expenses: 2018 AVG.



Total Expenses: Q1 2019



- Total expenses grew by 10.4% YoY to N16.7 billion, however, compared to 2018 Avg., total expenses dropped by 7.4%.
- Staff | NDIC | AMCON | Depreciation were responsible for 60% of the growth in total expenses.
- Increase in NDIC | AMCON charges reflects growth in customer deposits and total assets base.

Cost Dynamics – YoY Breakdown



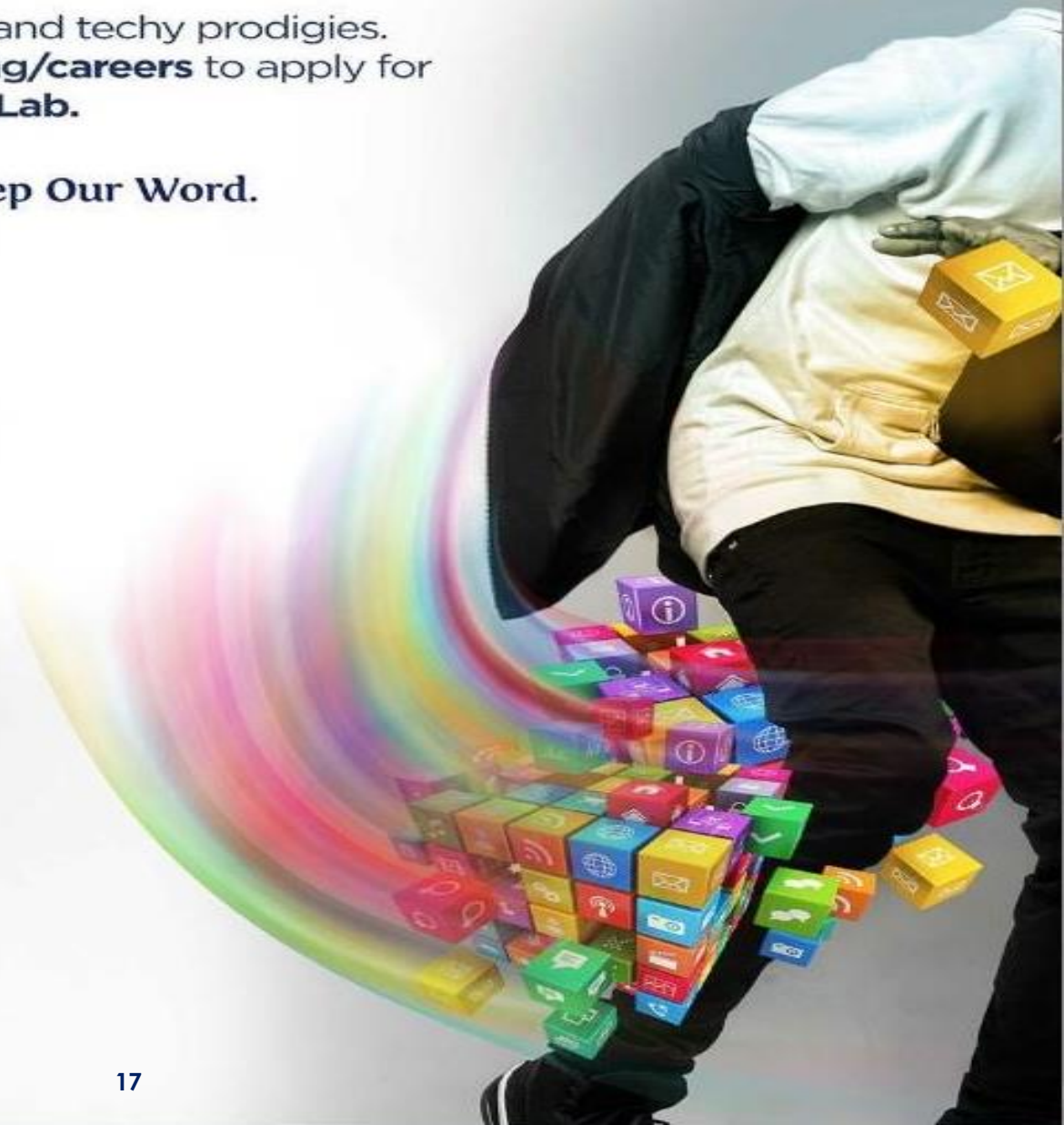
Breakdown of Operating Expenses: 2018 AVG. Vs. Q1 2018 Vs. Q1 2019

N'million	2018 AVG.	Q1 2018	Q1 2019	VAR	% VAR
Security expenses	320	306	129	(177)	-57.8%
Branding & Advert	2,088	1,350	1,299	(51)	-3.8%
Technology Cost	592	944	908	(36)	-3.9%
Telephone expenses	25	26	22	(4)	-15.4%
Auditors' remuneration	50	50	50	(0)	-0.6%
Litigations and claims	-	-	-	-	0.0%
Rent and rates	229	219	221	2	1.1%
Stationery expenses	71	66	71	5	6.8%
Training expenses	159	91	98	7	7.7%
Directors' emoluments	66	96	104	8	8.6%
Postage and courier expenses	27	17	27	9	54.4%
Insurance expenses	95	99	112	13	13.3%
Bank charges	292	235	250	15	6.2%
Energy (Electricity & Diesel)	362	325	355	29	9.0%
Cash movement expenses	225	191	291	100	52.2%
Consultancy expenses	172	184	286	102	55.5%
Legal expenses	152	89	206	116	130.1%
Outsourced Cost	1,006	894	1,048	154	17.2%
Travelling and accommodation	210	155	350	195	125.6%
Repairs and maintenance	779	652	855	202	31.0%
Depreciation	1,562	769	993	224	29.1%
Staff Cost	5,978	5,072	5,347	275	5.4%
NDIC / AMCON Charges	3,019	2,673	3,155	483	18.1%
Other expenses	558	615	516	(98)	-16.0%
Total	18,032	15,120	16,692	1,572	10.4%

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.

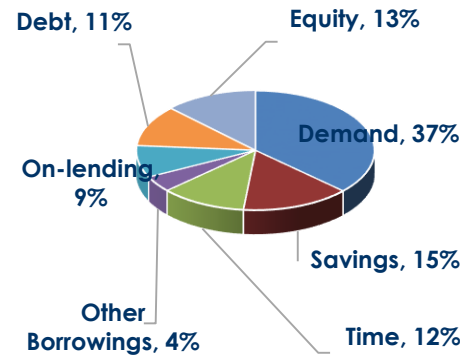


Funding Base Analysis

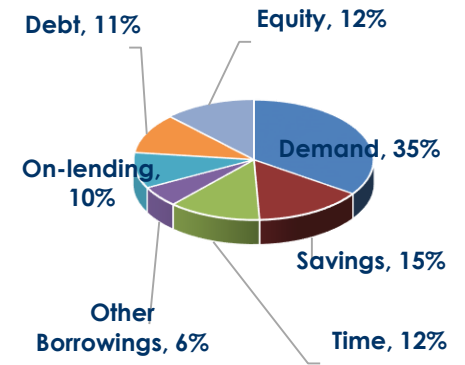


Key Highlights (N'm)	2018FY	Q1 2019	VAR	% VAR
Demand Deposits	571,329	569,986	(1,343)	-0.2%
Savings Deposits	227,970	242,080	14,110	6.2%
Tenor Deposits	180,114	204,933	24,819	13.8%
Other Borrowings	67,665	91,819	24,154	35.7%
On-Lending	133,840	159,159	25,319	18.9%
Debt Securities	173,102	178,737	5,635	3.3%
Equity	194,416	202,030	7,614	3.9%
Total	1,548,436	1,648,744	100,308	6.5%

Funding Structure: 2018FY

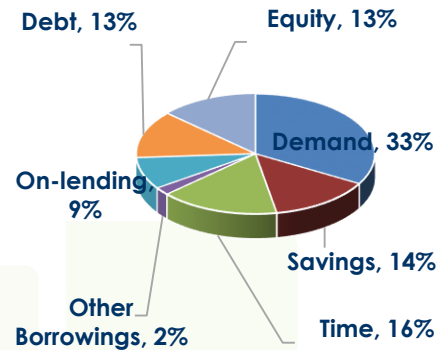


Funding Structure: Q1 2019

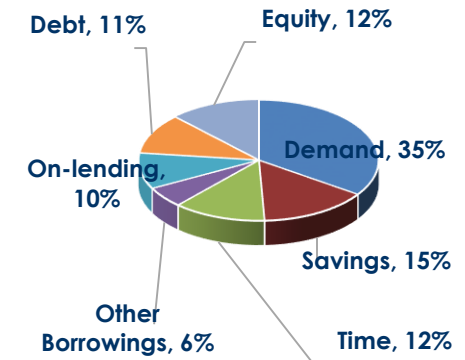


Key Highlights (N'm)	Q1 2018	Q1 2019	VAR	% VAR
Demand Deposits	452,430	569,986	117,556	26.0%
Savings Deposits	188,215	242,080	53,865	28.6%
Tenor Deposits	218,713	204,933	(13,780)	-6.3%
Other Borrowings	28,496	91,819	63,323	222.2%
On-Lending	117,081	159,159	42,078	35.9%
Debt Securities	174,072	178,737	4,665	2.7%
Equity	179,662	202,030	22,368	12.5%
Total	1,358,669	1,648,744	290,075	21.3%

Funding Structure: Q1 2018



Funding Structure: Q1 2019

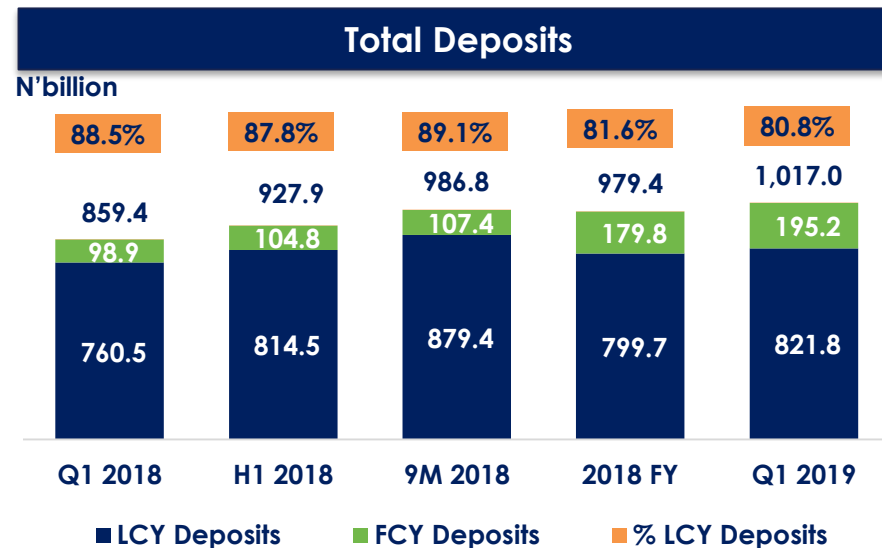


- Total deposits now account for 61.7% of total funding base (2018FY: 63.3%) and 70.3% of interest bearing liabilities.
- Total equity grew by 3.9% YTD to N202.0 billion, back to pre-IFRS 9 implementation position which impacted total equity due to the first - time adoption charge of N28.4 billion.

Deposits Analysis



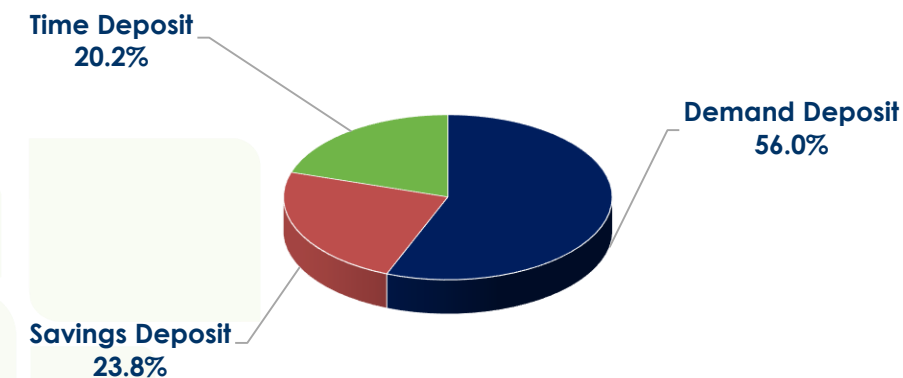
- ▶ Total deposits increased by 3.8% to N1,017.0 billion from N979.4 billion in 2018FY.
- ▶ FCY deposits increased by 8.6% YTD and now accounts for nearly 19.2% of total deposits..
- ▶ Low cost deposits now constitute 79.8% of total deposits from 81.6% in 2018FY, which contributed to the increase in average funding cost to 6.6%.
- ▶ However, absolute low cost deposits increased by 1.6% to N812.1 billion from N799.3 billion in 2018FY.



Deposits by Products – 2018FY Vs. Q1 2019



Deposits by Products – Q1 2019

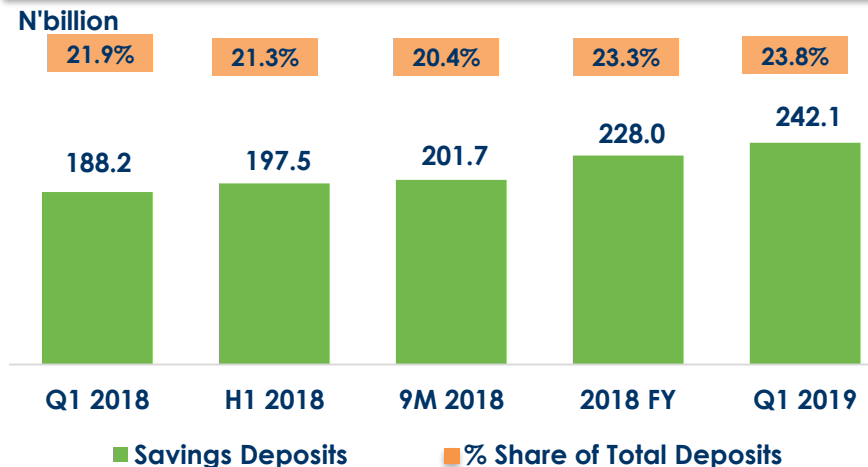


Retail Banking Analysis (Personal Banking)

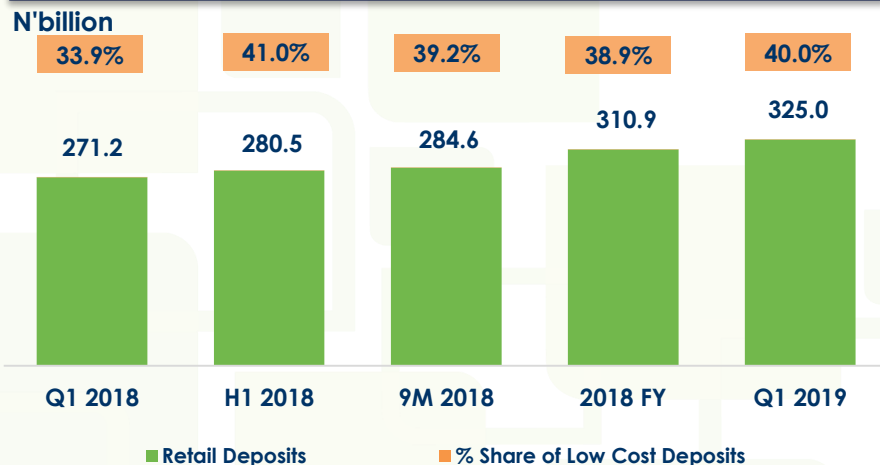


- ▶ Savings deposits on course to achieving the 6th consecutive year of double-digit savings growth.
- ▶ Savings deposits grew by 6.2% YTD to N242.1 billion and accounts for over 23.8% of total deposits, an attestation of our increasing market share in the retail segment.
- ▶ We expect the trend in savings deposits to continue in 2019FY as we deepen our digital drive and increase our retail products bouquet/offerings.
- ▶ Digital lending and improving macros are driving the gradual growth in retail loans.

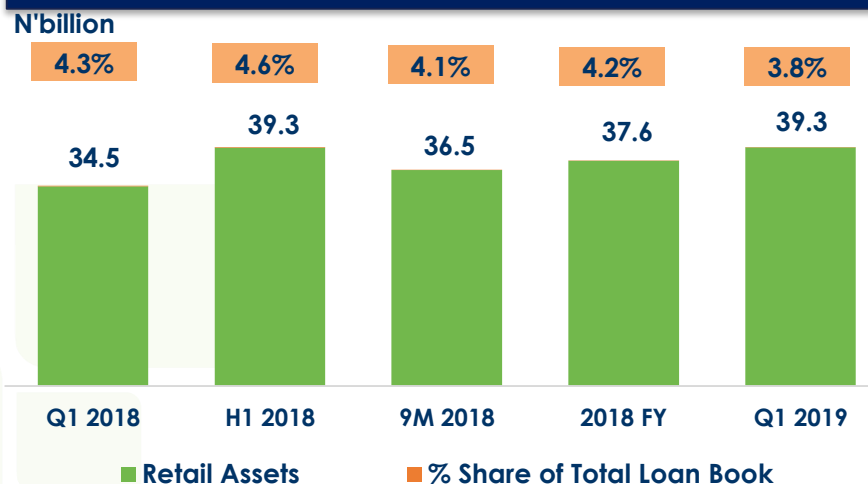
Savings Deposits Trend



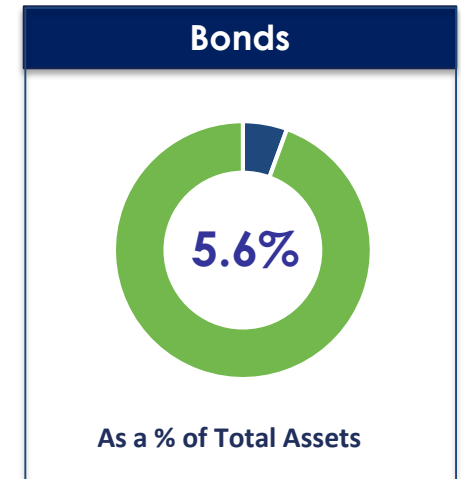
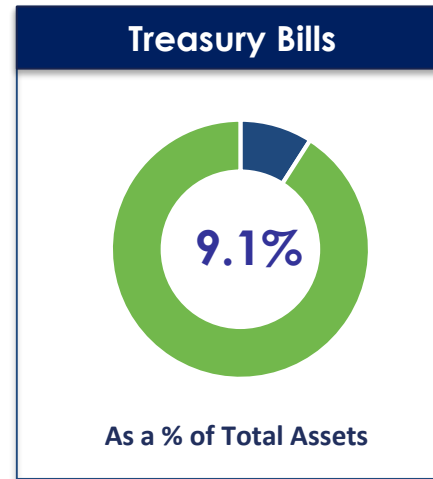
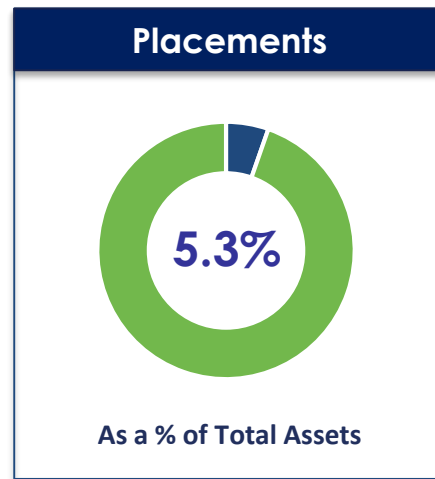
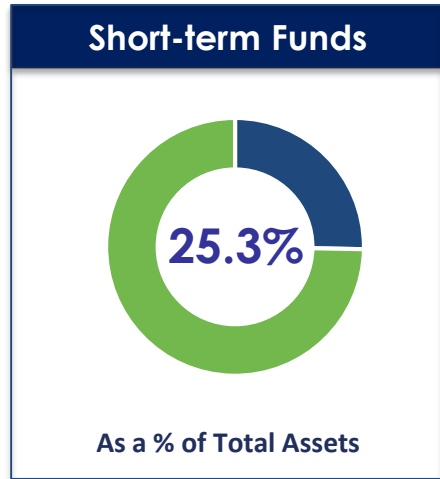
Retail Low Cost Deposits



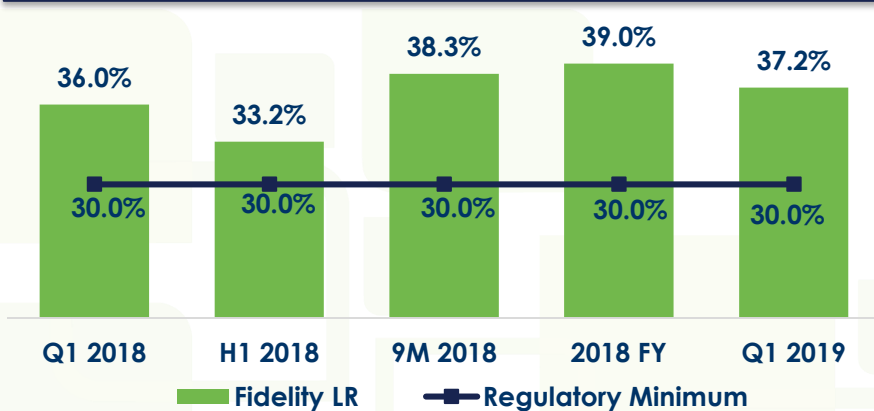
Retail Assets Trend



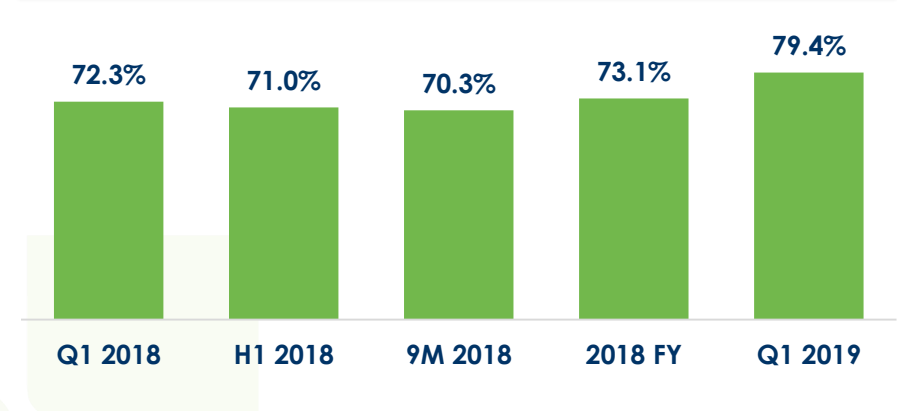
Liquid Assets Position



Liquidity Ratio



% Total Loans to Customer Deposits



- Improved liquidity is changing the structure of our funding base: loans to deposits is now 79.4% from 73.1% in 2018FY *excluding other funding sources e.g. debts.*
- Loans to interest bearing liabilities stood at 66.8% compared to 62.8% in 2018FY.

Loan Portfolio Analysis



Breakdown of Loans & Advances to Customers: 2018FY Vs. Q1 2019

N'million	2018FY	Q1 2019	VAR	% VAR
Communication	22,463	25,972	3,510	15.6%
Oil and Gas	207,918	231,061	23,143	11.1%
- Upstream	120,489	130,059	9,571	7.9%
- Downstream	32,950	45,939	12,989	39.4%
- Services	54,480	55,063	583	1.1%
Power	112,709	113,023	314	0.3%
Manufacturing	131,894	173,486	41,592	31.5%
General Commerce	90,089	101,127	11,038	12.3%
Transport	96,757	120,956	24,199	25.0%
Consumer (Individuals)	37,641	39,279	1,638	4.4%
Government	112,595	109,103	-3,491	- 3.1%
Construction	31,154	32,771	1,617	5.2%
Agriculture	17,033	32,070	15,037	88.3%
Real Estate	30,355	28,749	-1,606	- 5.3%
Education	3,951	4,001	51	1.3%
Finance and Insurance	4,944	3,714	-1,230	- 24.9%
Others	7,121	8,919	1,799	25.3%
Total	906,623	1,024,233	117,610	13.0%

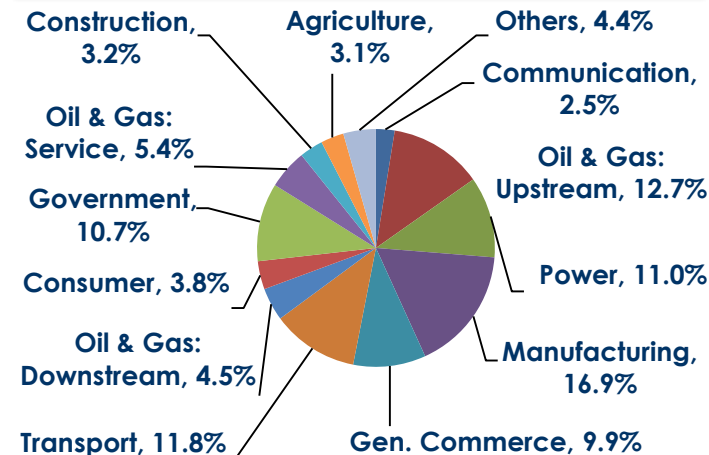
Loan Portfolio Analysis



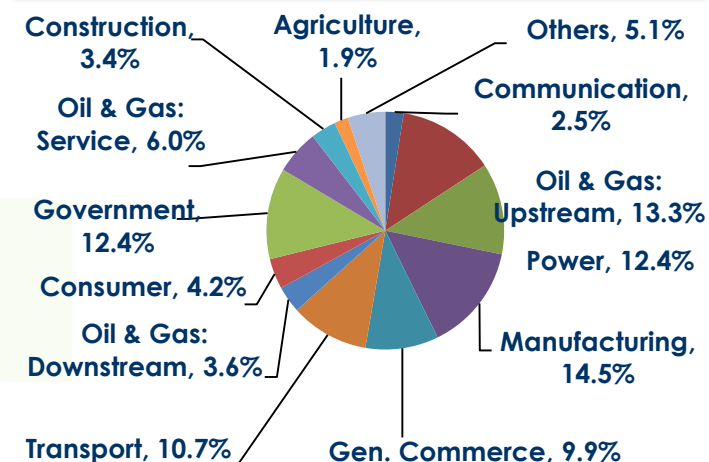
Breakdown of Loans & Advances to Customers

N'million	H1 2018	9M 2018	2018FY	Q1 2019
Communication	40,614	36,685	22,463	25,972
Oil and Gas	198,294	219,935	207,918	231,061
- Upstream	134,478	138,524	120,489	130,059
- Downstream	30,848	32,919	32,950	45,939
- Services	32,968	48,493	54,480	55,063
Power	107,672	110,155	112,709	113,023
Manufacturing	96,935	107,462	131,894	173,486
Gen. Commerce	86,487	74,606	90,089	101,127
Transport	86,272	91,788	96,757	120,956
Consumer	39,261	36,479	37,641	39,279
Government	116,290	116,455	112,595	109,103
Construction	29,081	30,938	31,154	32,771
Agriculture	9,704	15,624	17,033	32,070
Real Estate	26,528	31,190	30,355	28,749
Education	3,420	4,035	3,951	4,001
Fin. & Insurance	3,825	3,671	4,944	3,714
Others	7,689	8,527	7,121	8,919
Total	852,072	887,549	906,623	1,024,233

Loan Analysis – Q1 2019



Loan Analysis – 2018FY

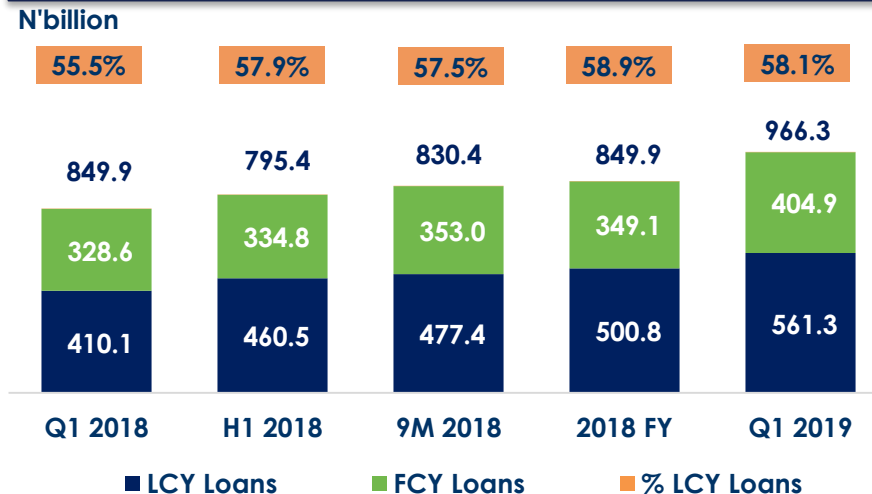


Loan Book Analysis

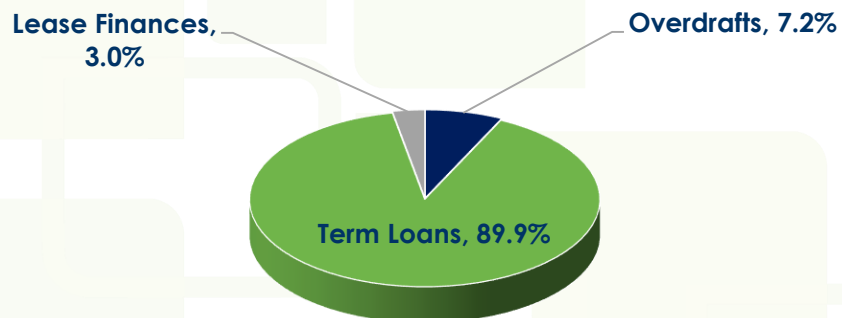


- ▶ Net loans and advances increased by 13.7% YTD to N966.3 billion, with 87.6% of total loan book in term loans.
- ▶ Growth in loans was driven by 4 sectors: Manufacturing, Transport, Agriculture and Oil & Gas Downstream etc.
- ▶ The 4 sectors were responsible for 75.7% of the increase in the loan book.
- ▶ FCY loans grew by 16.0% YTD and now constitute about 41.9% of total loan book. Oil & Gas Downstream and Services were responsible for the growth in FCY Loans.

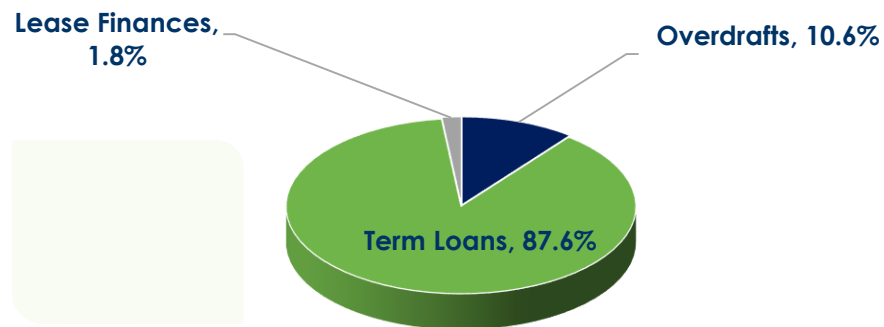
Net Loans and Advances to Customers



Total Loans by Type – 2018FY



Total Loans by Type – Q1 2019

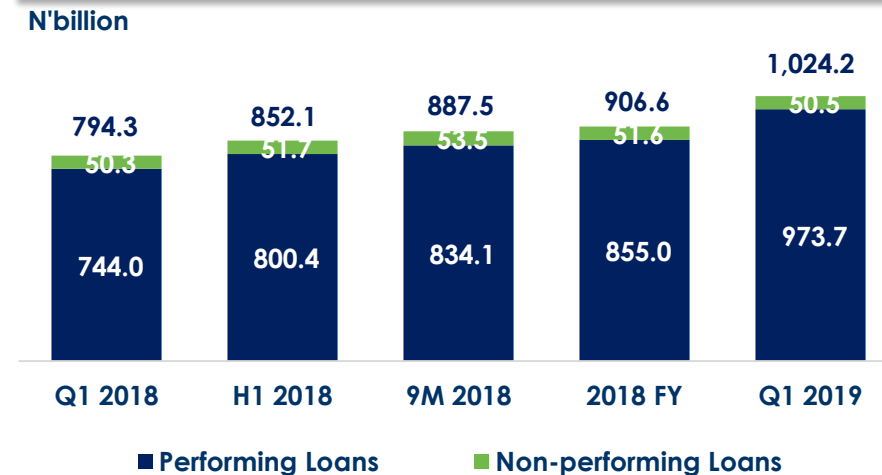


NPL Analysis



- ▶ NPL ratio declined to 4.9% from 5.7% in 2018FY due to a combination of 2.1% decline in absolute NPL book and 13.0% increase in total loan book.
- ▶ Transport sector was largely responsible for the decline in NPL. It dropped by 9.6% (N1.4 billion) to N13.4 billion, contributing 86.3% to the decline in NPL.
- ▶ NPL Guidance for the year still remains below 6.0%
- ▶ Overall coverage ratio improved to 115.5% from 110.7% in 2018FY, however, we are still focused on reducing the NPL.

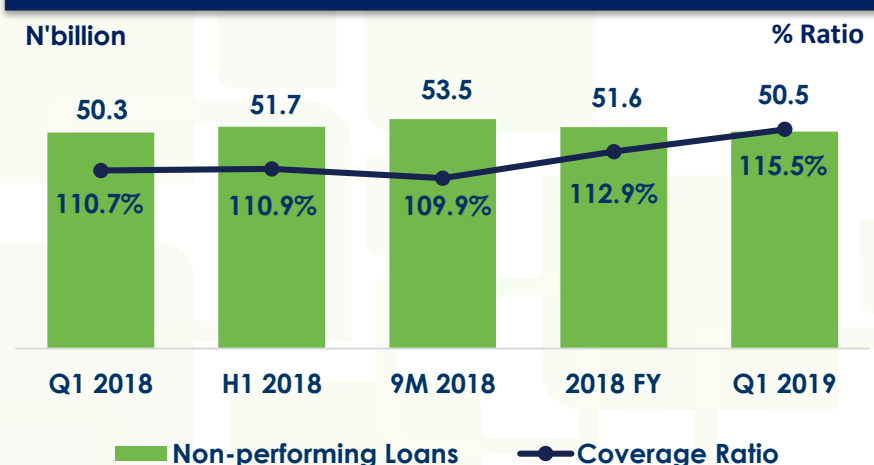
Gross Loans and Advances



Non-performing Loans



NPL Coverage Ratio



NPL Portfolio Analysis



Breakdown of Non-performing Loans: 2018FY Vs. Q1 2019

	2018FY N'million	Q1 2019 N'million	VAR N'million	% VAR %	2018FY NPL Ratio	Q1 2019 NPL Ratio
Communication	1,155	1,229	73	6.4%	5.1%	4.7%
Oil and gas	12,374	12,467	93	0.7%	6.0%	5.4%
- Oil & Gas Upstream	-	-	-	0.0%	0.0%	0.0%
- Oil & Gas Downstream	11,331	11,342	12	0.1%	34.4%	24.7%
- Oil & Gas Services	1,043	1,124	81	7.8%	1.9%	2.0%
Power	-	-	-	0.0%	0.0%	0.0%
Manufacturing	9,197	9,252	56	0.6%	7.0%	5.3%
General Commerce	4,035	4,121	86	2.1%	4.5%	4.1%
Transport	14,791	13,365	(1,426)	-9.6%	15.3%	11.0%
Consumer (Individuals)	3,037	2,938	(99)	-3.3%	8.1%	7.5%
Government	25	25	0	0.0%	0.0%	0.0%
Construction	876	971	95	10.9%	2.8%	3.0%
Agriculture	2,317	2,388	71	3.1%	13.6%	7.4%
Real Estate	2,307	2,260	(48)	-2.1%	7.6%	7.9%
Education	1,128	1,049	(79)	-7.0%	28.5%	26.2%
Finance and Insurance	5	82	78	1688.9%	0.1%	2.2%
Others	361	388	27	7.6%	5.1%	4.4%
Total	51,608	50,535	(1,073)	-2.1%	5.7%	4.9%

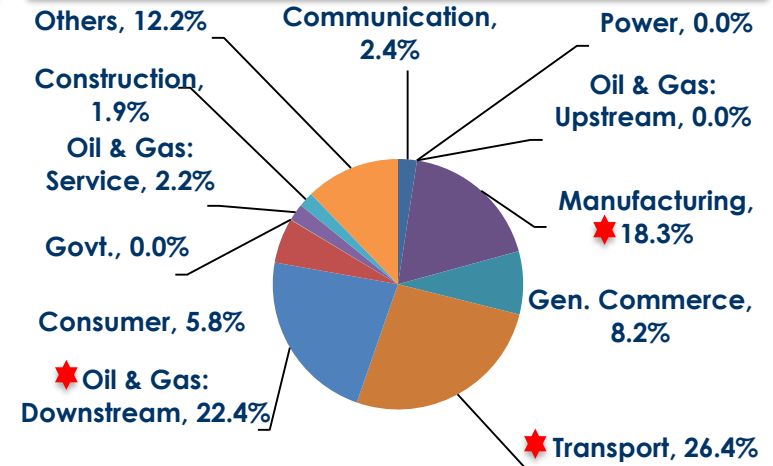
NPL Portfolio Analysis



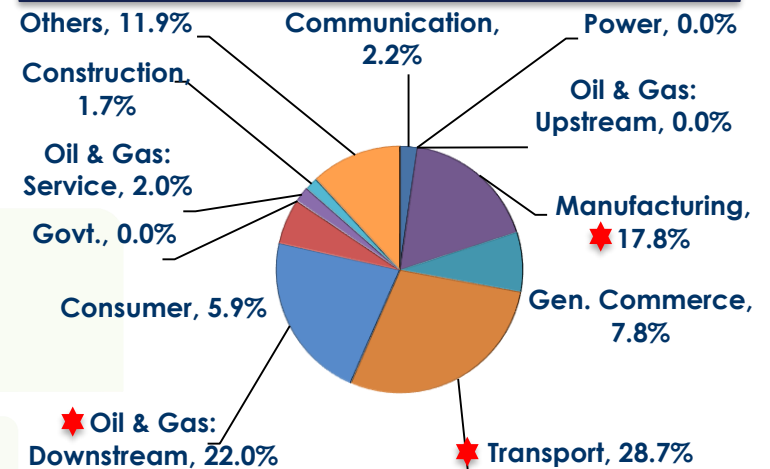
Breakdown of Non-performing Loans

N'million	H1 2018	9M 2018	2018FY	Q1 2019
Communication	1,609	1,597	1,155	1,229
Oil and Gas	13,148	13,299	12,374	12,467
- Upstream	-	-	-	-
- Downstream	10,367	10,864	11,331	11,342
- Services	2,781	2,436	1,043	1,124
Power	9	3	-	-
Manufacturing	7,354	8,985	9,197	9,252
Gen. Commerce	5,380	5,194	4,035	4,121
Transport	15,285	15,435	14,791	13,365
Consumer	2,561	2,477	3,037	2,938
Government	25	25	25	25
Construction	381	383	876	971
Agriculture	1,636	1,826	2,317	2,388
Real Estate	2,156	2,116	2,307	2,260
Education	481	473	1,128	1,049
Fin. & Insurance	75	67	5	82
Others	1,586	1,573	361	388
Total	51,686	53,454	51,608	50,535

NPL Analysis – Q1 2019



NPL Analysis – 2018FY

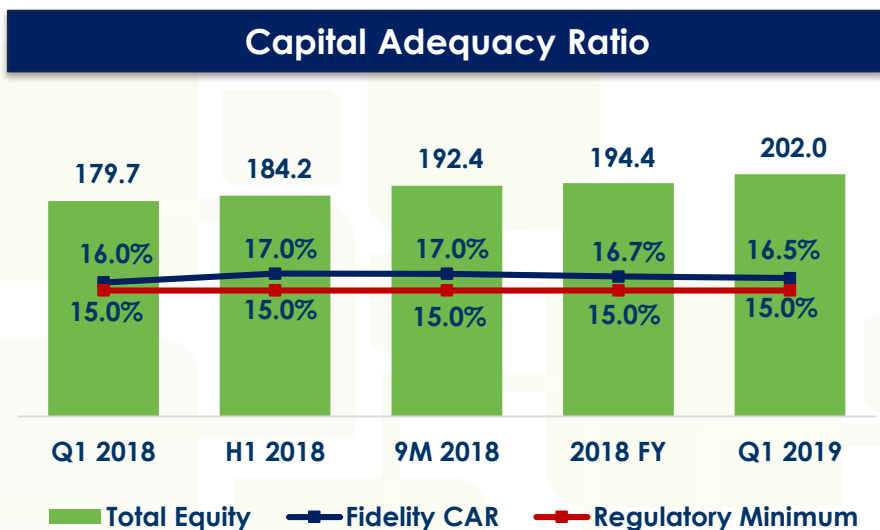


★ Pressure NPL Sectors

Capital Adequacy



- ▶ Fidelity CAR is now 16.5% which remains well above the regulatory minimum requirement of 15.0%.
- ▶ Regulatory adjustment was relatively stable at N16.4 billion. Excluding the Regulatory Adjustment, Fidelity CAR would have been 17.9% in Q1 2019.
- ▶ Only 60% of our N30.0 billion local debt is recognized in Tier II Capital, which will drop to 40% in May 2019. However, capitalization of H1 2019 profit will sufficiently cover for the decline.



Capital Adequacy Ratio Computation – Basel II

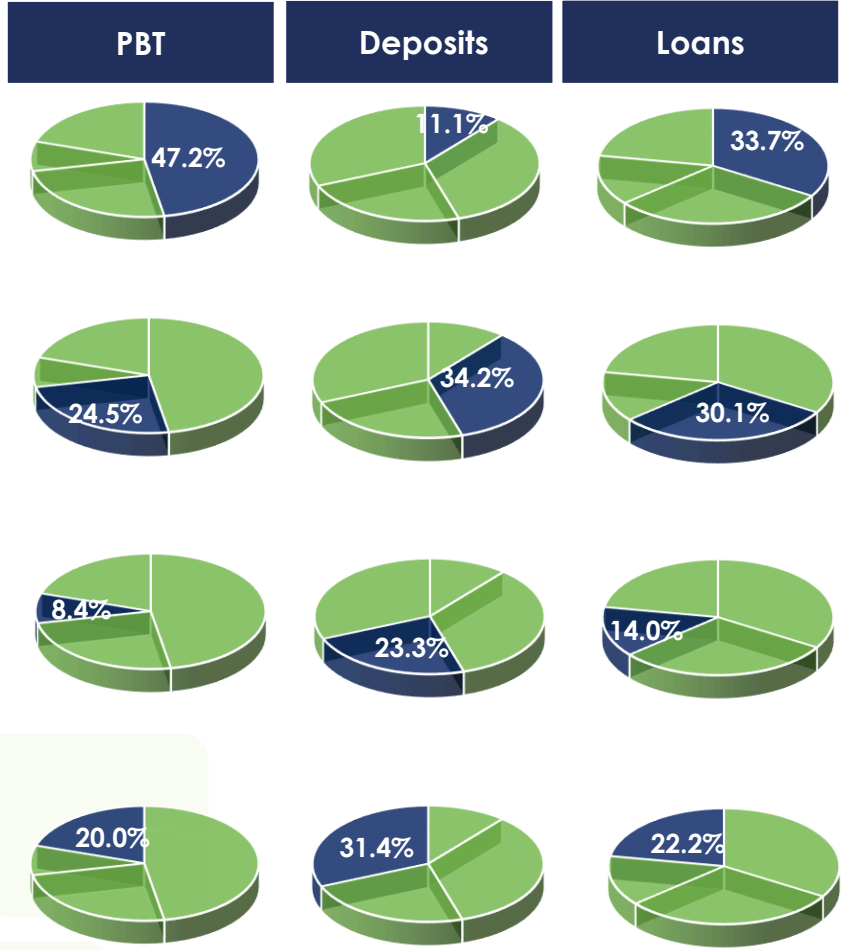
N'billion	2018FY	Q1 2019	VAR
Tier 1 Capital	180.1	180.1	0.0
Regulatory Adjustment	(16.3)	(16.4)	0.1
Adjusted Tier 1 Capital	163.8	163.7	-0.1
Tier 2 Capital	25.0	25.0	0.0
Total Qualified Capital	188.9	188.8	-0.1
Credit Risk	887.1	944.6	57.5
Market Risk	67.6	24.2	-43.4
Operational Risk	179.4	174.4	-5.0
Risk Weighted Assets	1,134.1	1,143.2	9.1
Capital Adequacy Ratio			
Tier 1	14.4%	14.3%	
Tier 2	2.2%	2.2%	
Overall CAR	16.7%	16.5%	

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 100 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 58 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



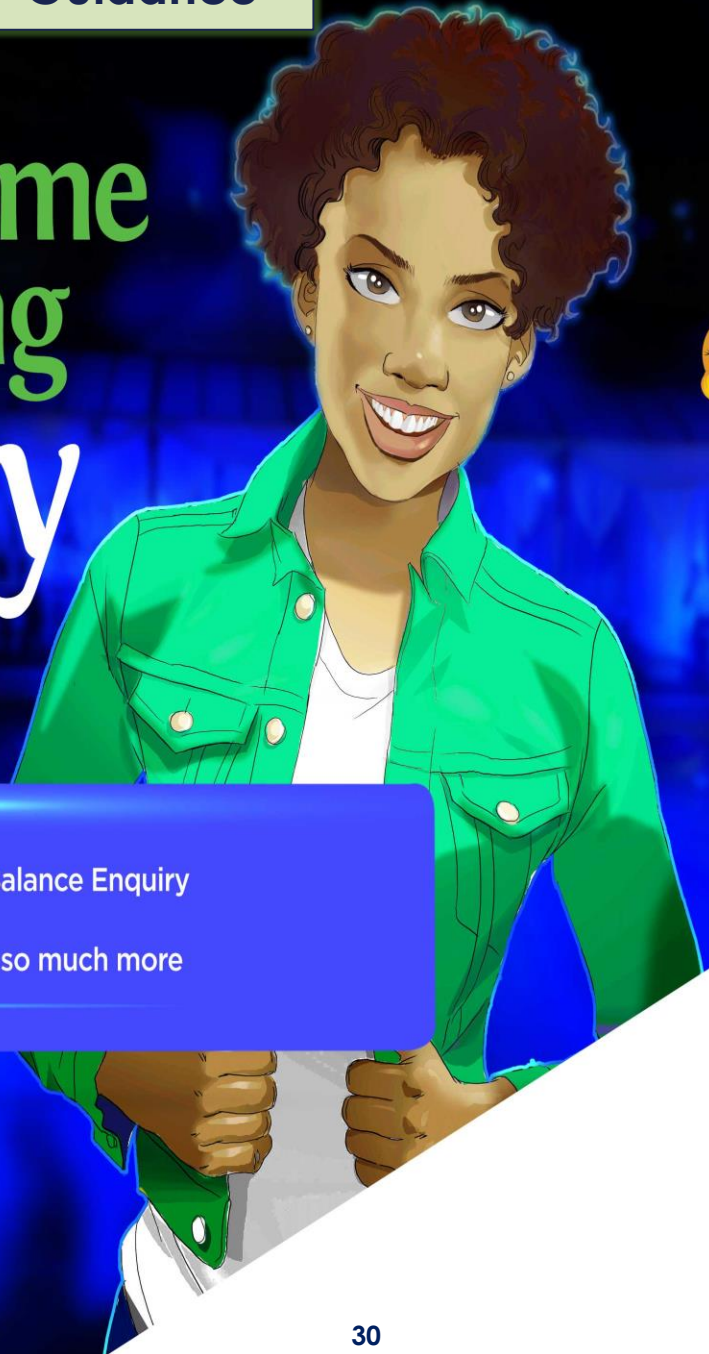


Let's do some softbanking I am Ivy

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

Q1 2019 Actual Vs. 2019FY Guidance



GROWTH EXPECTATIONS ON KEY INDICATORS				
S/N	Index	Q1 2019 Actual	2019FY Target	Comment
1	Net Interest Margin	5.1%	6.0% – 6.5%	Behind Target
2	Tax Rate	11.0	10.0% – 15.0%	On Track
3	Loan Growth (YTD)	13.7%	7.5% - 10.0%	On Track
4	Deposit Growth (YTD)	3.8%	7.5% - 10.0%	On Track
5	Cost to Income Ratio	68.4%	Below 70.0%	On Track
6	Proposed Dividends	N/A	30-50% (of PAT) band	N/A
7	NPL Ratio	4.9%	Below 6.0%	On Track
8	Cost of Risk	0.5%	1.25%	On Track
9	ROAE – Post Tax	12.2%	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