

Fidelity Bank Investor Presentation

Unaudited Financial Results for the 3 months ended

March 31, 2020



1. Overview of Fidelity Bank

2. The Operating Environment

3. Financial Highlights

4. Financial Review

5. Q1 2020 Actual Vs. 2020FY Guidance



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Overview of Fidelity Bank



Ownership

Total Assets: **N2,247bn**

\$5.8bn

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

FMDQ
OTC Securities Exchange
7yr N30bn May 2022 NGN Bonds

Operations & Contact Channels

Professional Staff
2,823

Male: 54%
Female: 46%

5.3 Million
Accounts

833 ATMs

250 Branches

2.6m
Mobile Customers

2.2m Cards

10,951 POS

Governance

14 Board Members
Non-Executives: 8
Executives: 6

5 Board Committees

Executive Management Team **8**

Fitch Ratings B- (Watch)

S&P Global B- (Stable)

GCR GLOBAL CREDIT RATING CO.
Local Expertise • Global Presence

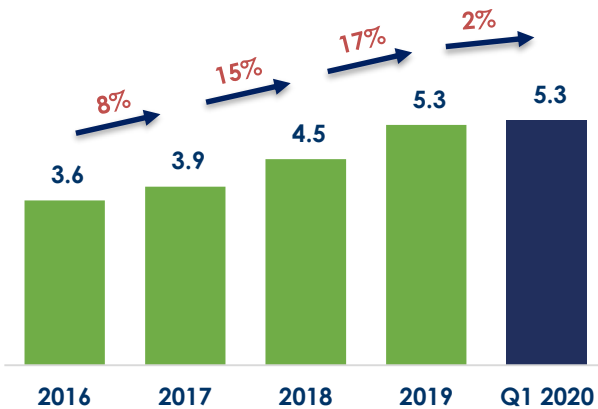
A-NG (Watch)

Overview of Fidelity Bank

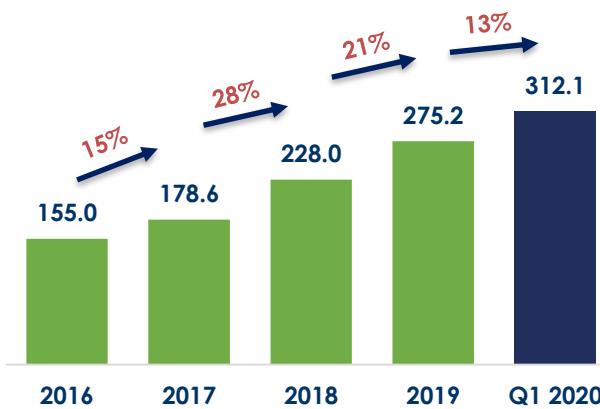


Retail And Digital Banking Evolution / Progress Report

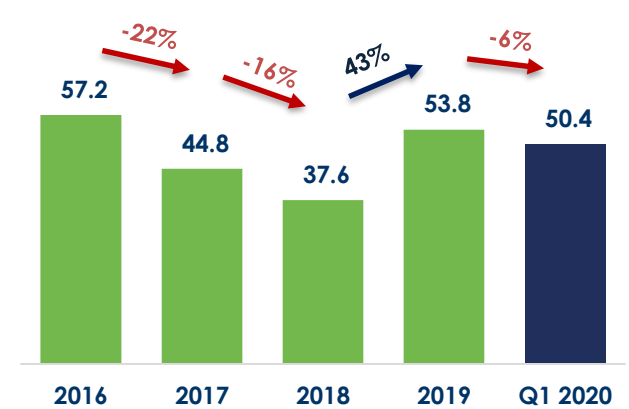
Number of Customer Accounts (#'m)



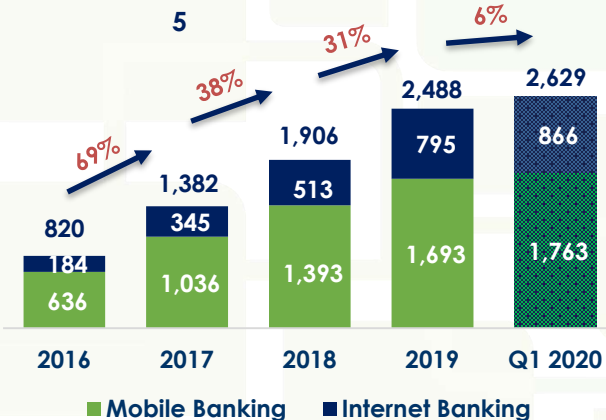
Savings deposits (N'bn)



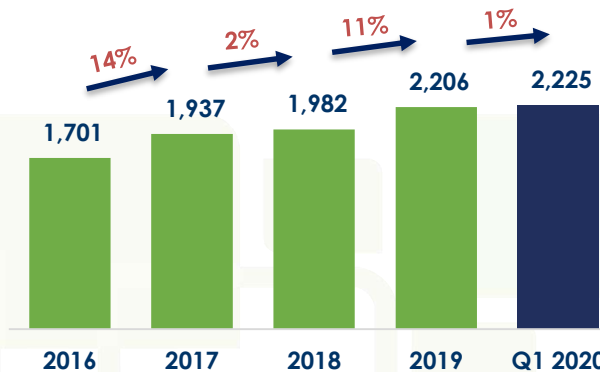
Retail Risk Assets (N'bn)



Mobile/Internet Banking Cust. (#'000)



Number of Debit Cardholders (#'000)



Commentary

- ▶ Sustained double-digit growth in savings deposits on the back of improved digital banking penetration currently at 50%.
- ▶ Retail loan growth moderating as the pandemic increases the sector's risk profile
- ▶ 83.0% of customers transactions are now done on electronic banking channels.
- ▶ Digital banking now accounts for 28.4% of fee income.

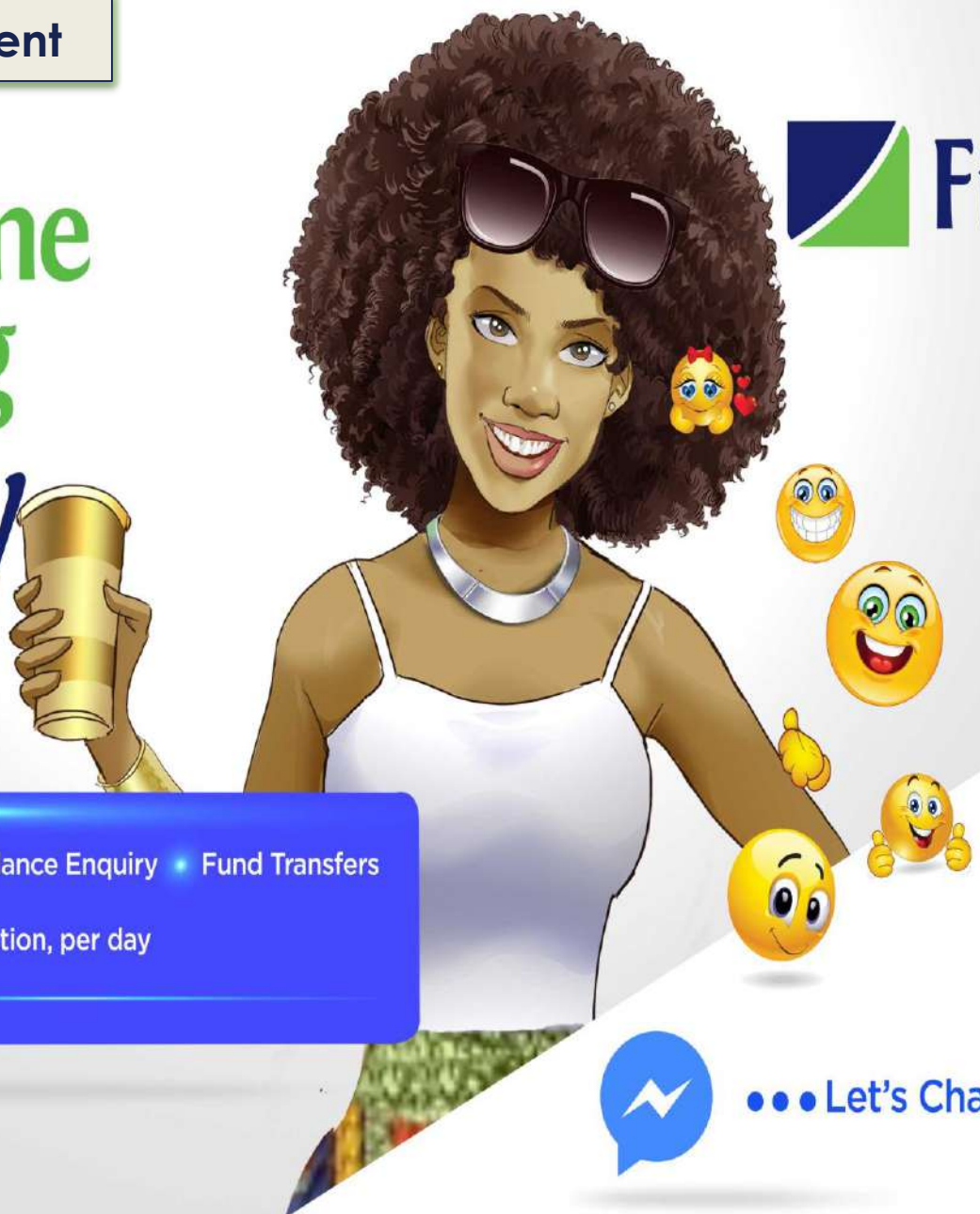
Let's do some softbanking

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

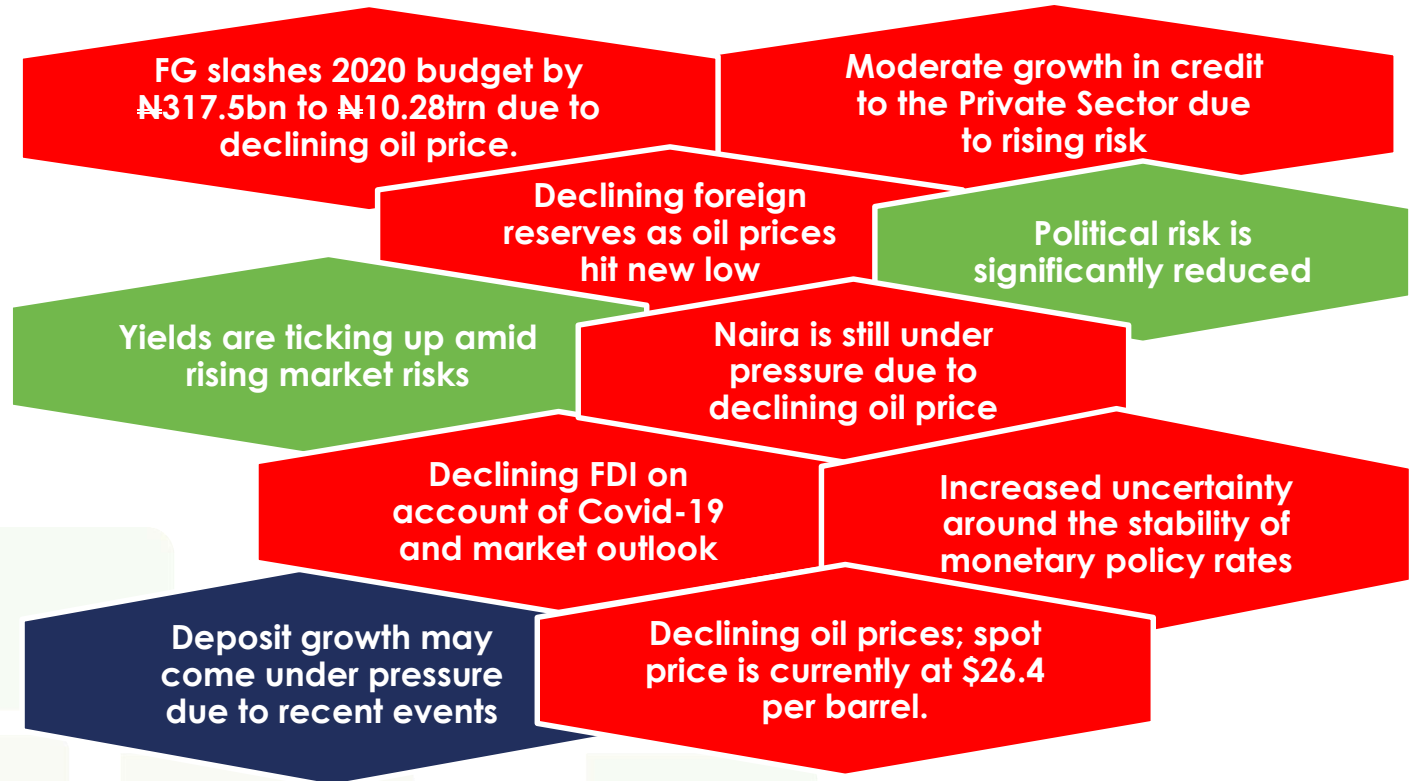


Let's Chat



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

The Operating Environment



Stable -	
Improving -	
Declining -	



At Fidelity, We Believe In Quality

We set the example in implementing #EachForEqual with our Executive Directors consisting of an equal number of men and women. (EDs = 3♀ + 3♂)

Join us as we strive for a world of equality together.
#IWD2020



Performance Highlights



Revenue and Efficiency Ratio

- ❑ Total Interest Income up by 11.4% to ₦43.9 billion in Q1 2020 (Q1 2019: ₦39.4 billion)
- ❑ Operating Expenses up by 29.6% to ₦21.6 billion in Q1 2020 (Q1 2019: ₦16.7 billion)
- ❑ Cost to Income Ratio dropped to 71.3% in Q1 2020 from 73.4% in 2019FY
- ❑ PBT down by 1.4% to ₦6.6 billion in Q1 2020 (PAT came in at ₦5.9 billion)

Asset Quality

- ❑ Cost of Risk was up to 0.7% in Q1 2020 from -0.1% in 2019FY
- ❑ NPL Ratio up to 4.8% in Q1 2020 from 3.3% in 2019FY
- ❑ Coverage Ratio was down to 115.2% in Q1 2020 from 169.1% in 2019FY
- ❑ FCY Loans accounted for 43.1% of Loans & Advances from 41.2% in 2019FY

Capital Adequacy and Liquidity

- ❑ Capital Adequacy Ratio of 17.7%, based on Basel II computation
- ❑ Liquidity Ratio of 31.6% compared to regulatory minimum of 30.0%
- ❑ Gross Loans to Funding Ratio stood at 66.0% (Adj.: 69.9%) in Q1 2020 from 68.2% in 2019FY
- ❑ Total Equity at ₦242.4 billion compared to ₦234.0 billion in 2019FY

Financial Highlights



- ❑ Total operating income increased by 24.2% to ₦30.3bn from ₦24.4bn in Q1 2019, however, PBT dropped by 1.4% YoY to ₦6.6bn due to 103.3% rise in loan loss provisions and 29.6% increase in total operating expenses.
- ❑ Growth in operating expenses was driven by the following cost lines NDIC | AMCON | Advert | Security | Staff which accounted for over 84.5% of the cost growth in Q1 2020. However, operating expenses declined by 10.3% QoQ compared to Q4 2019 which resulted in an improved cost-to-income ratio of 71.3% from 73.4% in 2019FY
- ❑ NIM came in at 6.6% due to significantly lower average funding cost which out-paced the decline in yields on earning assets. Average funding cost dropped to 4.4% from 6.3% in Q1 2019 (2019FY: 6.3%).
- ❑ We now report our FX balance sheet numbers using an FX Rate of N386.5/\$USD, being the NAFEX rate as at the end of March 2020.
- ❑ Total deposits grew by 10.4% YTD to ₦1,352.3bn driven by strong growth across all deposit types. Local currency deposits increased by 10.1% to ₦1,031.4bn while foreign currency deposits increased by 11.2% to ₦320.8bn.
- ❑ Savings deposits grew by 13.4% YTD to ₦312.1bn from ₦275.2 in 2019FY. Savings deposits contribution to total deposits also improved to 23.1% from 22.5%, an attestation of our increasing market share in the retail segment.
- ❑ Risk Assets increased by 3.4% to ₦1,165.8bn from ₦1,127.0bn in 2019FY. However, the actual growth in risk assets was 0.9% while the impact of the currency adjustment accounted for 2.5% growth in the loan book.

Financial Highlights



Summary of Income Statement: YoY Change				
N'million	Q1 2019	Q1 2020	VAR	% VAR
Gross Earnings	48,423	51,159	2,736	5.7%
Interest Income Loans	28,400	32,340	3,940	13.9%
Interest Income Liquid Assets	11,030	11,586	555	5.0%
Total Interest Income	39,430	43,926	4,496	11.4%
Interest Expense Customer Deposits	(16,521)	(12,673)	(3,848)	-23.3%
Interest Expense Borrowings	(6,379)	(6,653)	274	4.3%
Total Interest Expense	(22,900)	(19,326)	(3,574)	-15.6%
Net Interest Income	16,530	24,600	8,070	48.8%
FX Income	3,022	1,965	(1,057)	-35.0%
Digital Income	2,153	1,624	(529)	-24.6%
Other Fee Income (Net)	2,695	2,126	(569)	-21.1%
Net Fee Income	7,870	5,715	(2,155)	-27.4%
Operating Income	24,400	30,315	5,915	24.2%
Total Expenses	(16,692)	(21,628)	4,936	29.6%
Net Impairment Losses	(1,035)	(2,103)	1,069	103.3%
Profit Before Tax	6,674	6,583	(90)	-1.4%

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	Q2 2019	Q3 2019	Q4 2019	Q1 2020	VAR	% VAR
Gross Earnings	55,232	57,400	54,460	51,159	(3,301)	-6.1%
Interest Income Loans	33,685	36,475	38,147	32,340	(5,807)	-15.2%
Interest Income Liquid Assets	12,715	12,811	9,081	11,586	2,505	27.6%
Total Interest Income	46,400	49,286	47,228	43,926	(3,302)	-7.0%
Interest Expense Customer Deposits	(19,151)	(19,862)	(18,100)	(12,673)	(5,427)	-30.0%
Interest Expense Borrowings	(6,880)	(8,078)	(4,318)	(6,653)	2,335	54.1%
Total Interest Expense	(26,031)	(27,939)	(22,419)	(19,326)	(3,093)	-13.8%
Net Interest Income	20,369	21,347	24,809	24,600	(209)	-0.8%
FX Income	1,479	184	1,856	1,965	109	5.9%
E-banking Income	2,316	2,622	1,825	1,624	(201)	-11.0%
Other Fee Income (Net)	3,887	4,138	2,524	2,126	(398)	-15.8%
Net Fee Income	7,683	6,944	6,206	5,715	(491)	-7.9%
Operating Income	28,052	28,291	31,015	30,315	(700)	-2.3%
Total Expenses	(21,477)	(19,709)	(24,114)	(21,628)	(2,486)	-10.3%
Net Impairment Losses	1,803	(629)	448	(2,103)	2,552	-569.2%
Profit Before Tax	8,378	7,953	7,350	6,583	(766)	-10.4%

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

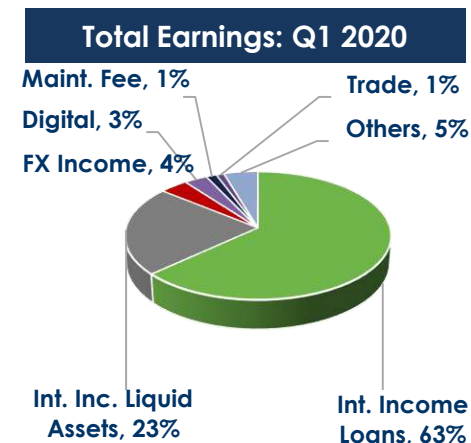
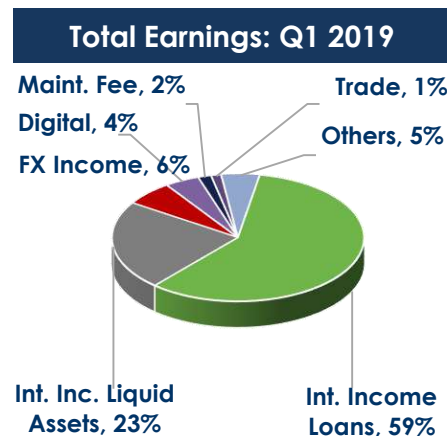
N'million	2019FY	Q1 2020	VAR	% VAR
Total Assets	2,114,037	2,246,788	132,751	6.3%
Earning Assets	1,474,252	1,522,752	48,500	3.3%
Bank Placements	55,812	57,133	1,321	2.4%
Treasury Bills	183,363	210,342	26,979	14.7%
Bonds	108,103	89,450	(18,653)	-17.3%
Customer Loans (Naira)	662,214	664,643	2,430	0.4%
Customer Loans (FCY)	464,760	501,183	36,423	7.8%
Non-Earning Assets	639,785	724,036	84,251	13.2%
Cash	31,658	35,735	4,077	12.9%
Cash Reserve	343,346	408,889	65,543	19.1%
Bal. with other Banks/Settlement Acct	179,932	197,141	17,209	154.0%
Fixed Assets	38,392	38,430	38	0.1%
All Other Assets	46,457	43,841	(2,616)	-5.6%
Interest Bearing Liabilities	1,726,938	1,846,297	119,359	6.9%
Demand	691,610	734,787	43,177	6.2%
Savings	275,219	312,109	36,890	13.4%
Time Deposits	258,384	305,366	46,982	18.2%
Other Borrowings	76,308	50,478	(25,830)	-33.8%
On-lending Facilities	250,139	252,174	2,035	0.8%
Debt Securities	175,278	191,383	16,105	9.2%
All Other Liabilities	153,069	158,106	5,038	3.3%
Equity	234,030	242,384	8,354	3.6%

Please note: The Balance Sheet was converted at an exchange rate of ₦386.5/USD | Cash Reserve excludes Special Cash Reserve held by CBN

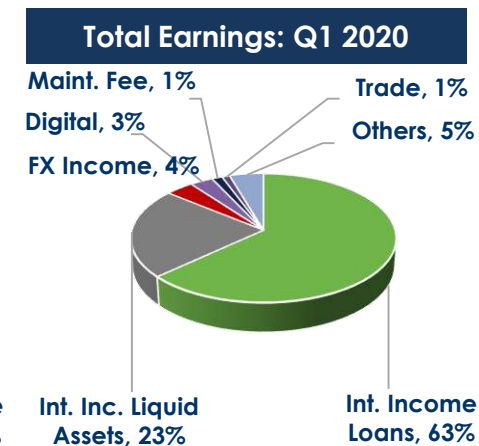
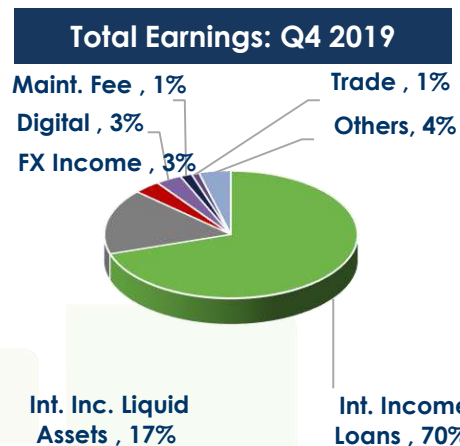
Gross Earnings Analysis



N'million	Q1 2019	Q1 2020	VAR	% VAR
Total Earnings	48,423	51,159	2,736	5.7%
Interest Income Loans	28,400	32,340	3,940	13.9%
Int. Inc. Liquid Assets	11,030	11,586	555	5.0%
FX Income	3,022	1,965	(1,057)	-35.0%
Digital Income	2,153	1,624	(529)	-24.6%
A/C Maintenance fee	815	735	(80)	-9.8%
Trade Income	624	543	(81)	-12.9%
Other Income	2,378	2,366	(12)	-0.5%



N'million	Q4 2019	Q1 2020	VAR	% VAR
Total Earnings	54,460	51,159	(3,301)	-6.1%
Interest Income Loans	38,147	32,340	(5,807)	-15.2%
Int. Inc. Liquid Assets	9,081	11,586	2,505	27.6%
FX Income	1,856	1,965	109	5.9%
Digital Income	1,825	1,624	(201)	-11.0%
A/C Maintenance fee	810	735	(75)	-9.3%
Trade Income	532	543	11	2.1%
Other Income	2,208	2,366	158	7.2%



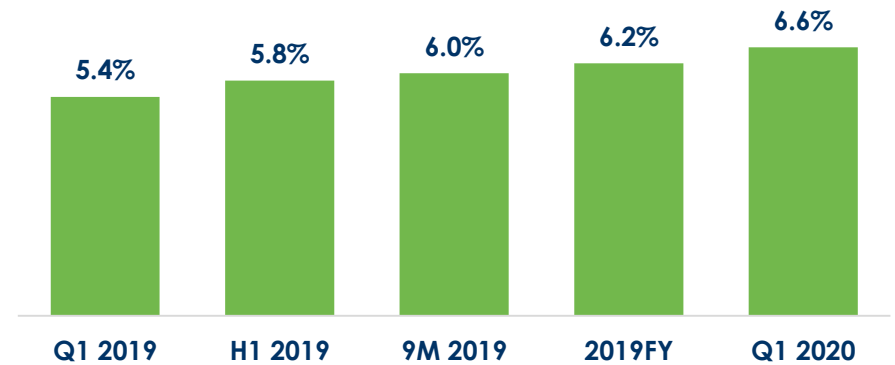
- Gross earnings grew by 5.7% to ₦51.2bn with interest & similar income contributing 85.9% while 14.1% came from non-interest income.
- Total interest & similar income increased by 11.4% to ₦43.9bn driven largely by 13.9% growth in interest income on loans.

Net Interest Margin Analysis

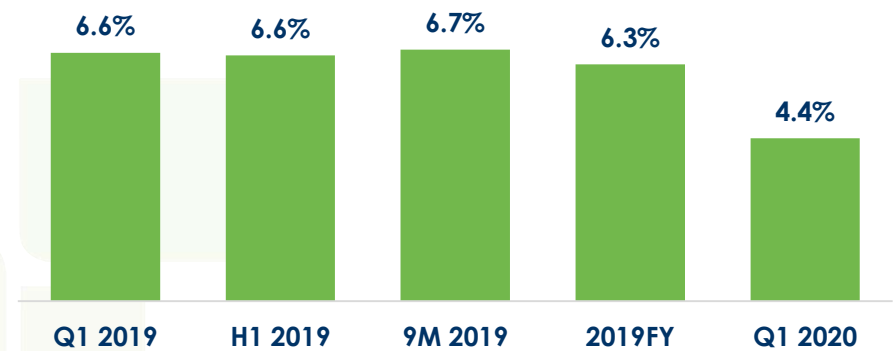


- ▶ NIM improved to 6.6% from 6.2% in 2019FY, as the drop in average funding cost surpassed the moderation in average yields on earning assets.
- ▶ Average funding cost dropped to 4.4% from 6.3% in 2019FY due to a combination of lower average cost of deposits and borrowed funds.
- ▶ Moderation in yields on earning assets was largely caused by a lower average lending rate which stood 11.3%.
- ▶ However, yields on financial instruments are gradually ticking up in response to policy changes / market risks.

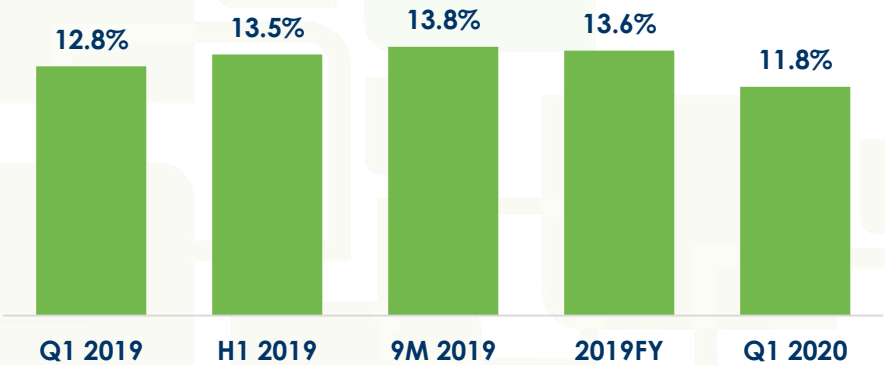
NIM Trend



Funding Cost



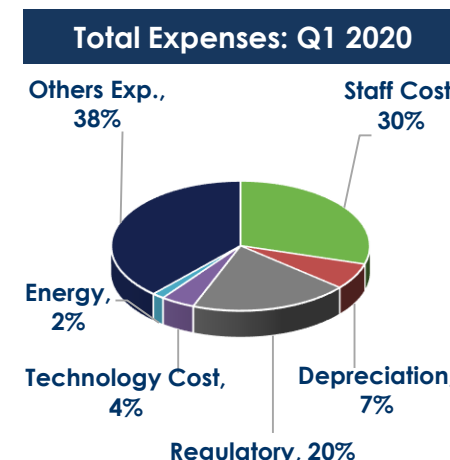
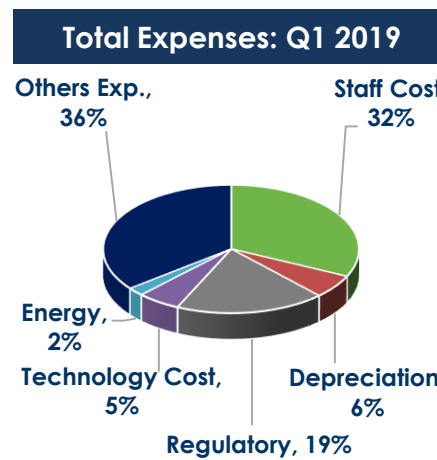
Yield on Earning Assets



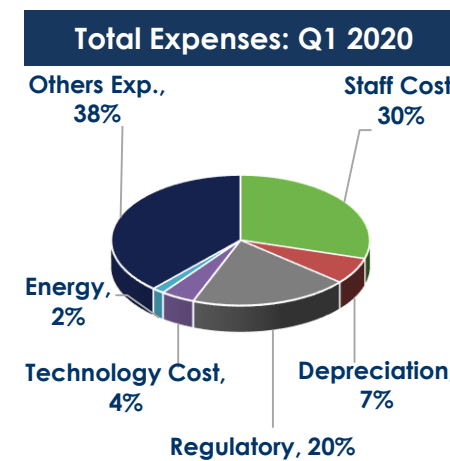
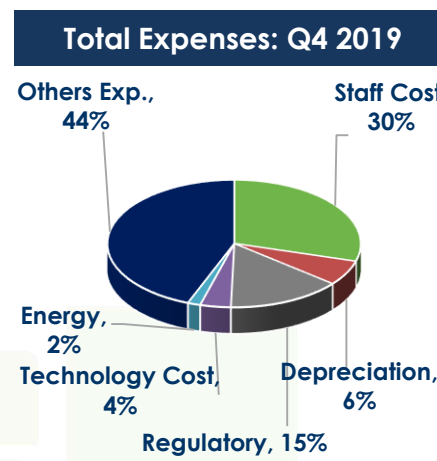
Total Expense Analysis



N'million	Q1 2019	Q1 2020	VAR	% VAR
Total Expenses	16,692	21,628	4,936	29.6%
Staff Cost	5,347	6,398	1,051	19.7%
Depreciation	993	1,415	422	42.5%
NDIC/AMCON Cost	3,155	4,285	1,130	35.8%
Technology Cost	908	920	12	1.4%
Energy Cost	355	330	(24)	-6.8%
Security	129	335	206	159.1%
Branding & Advert	1,299	2,659	1,360	104.7%
Other Expenses	4,507	5,286	779	17.3%



N'million	Q4 2019	Q1 2020	VAR	% VAR
Total Expenses	24,114	21,628	(2,486)	-10.3%
Staff Cost	7,116	6,398	(718)	-10.1%
Depreciation	1,532	1,415	(117)	-7.7%
NDIC/AMCON Cost	3,513	4,285	772	22.0%
Technology Cost	939	920	(19)	-2.0%
Energy Cost	391	330	(61)	-15.5%
Security	367	335	(32)	-8.8%
Branding & Advert	3,327	2,659	(668)	-20.1%
Other Expenses	6,928	5,286	(1,643)	-23.7%



- Though total expenses increased by 29.6% YoY to ₦21.6bn, it came down by 10.3% QoQ which dropped cost-to-income ratio to 71.3%.
- Rising regulatory charges reflects our growing balance sheet size and customer deposits, a trend that will moderate slightly in 2020 due to the pass-through effect of the global pandemic on the macro.

Entrepreneurs Get Paid With Pay By link

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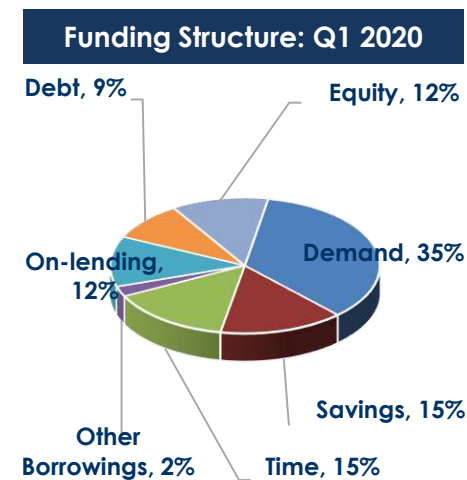
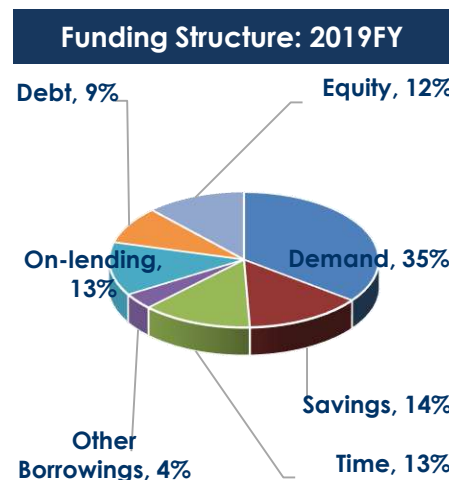


Pay By Link

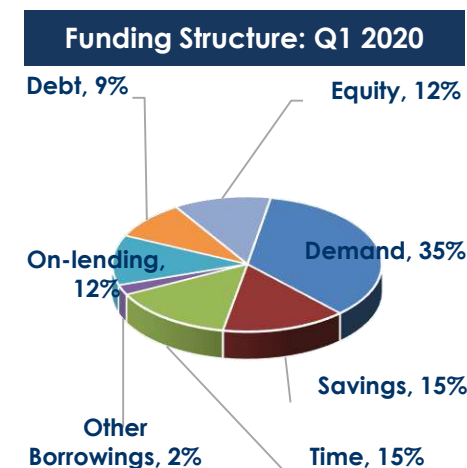
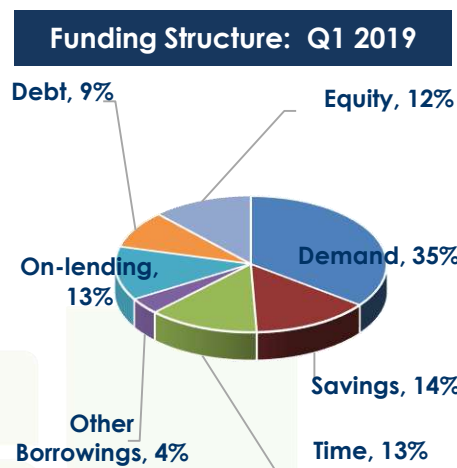
Funding Base Analysis



N'million	2019FY	Q1 2020	VAR	% VAR
Demand Deposits	691,610	734,787	43,177	6.2%
Savings Deposits	275,219	312,109	36,890	13.4%
Tenor Deposits	258,384	305,366	46,982	18.2%
Other Borrowings	76,308	50,478	(25,830)	-33.8%
On-Lending	250,139	252,174	2,035	0.8%
Debt Securities	175,278	191,383	16,105	9.2%
Equity	234,030	242,384	8,354	3.6%
Total	1,960,968	2,088,682	127,713	6.5%



N'million	Q1 2019	Q1 2020	VAR	% VAR
Demand Deposits	569,986	734,787	164,801	28.9%
Savings Deposits	242,080	312,109	70,029	28.9%
Tenor Deposits	204,933	305,366	100,433	49.0%
Other Borrowings	91,819	50,478	(41,341)	-45.0%
On-Lending	230,373	252,174	21,801	9.5%
Debt Securities	178,737	191,383	12,646	7.1%
Equity	202,030	242,384	40,354	20.0%
Total	1,719,958	2,088,682	368,724	21.4%

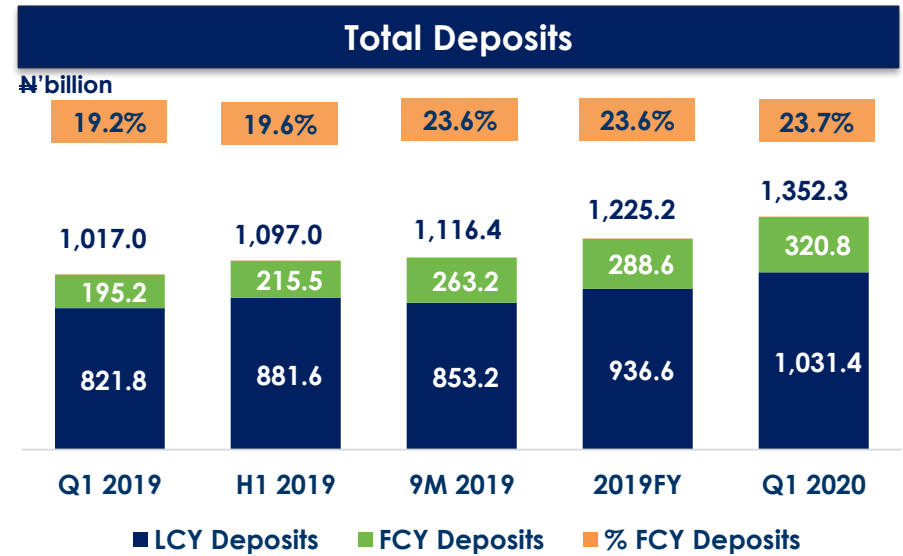


- Total funding base was boosted by 10.4% YTD growth in total deposits; total deposits now account for 64.7% of total funding base (2019FY: 62.5%) and 73.2% of interest-bearing liabilities (2019FY: 70.9%)
- The attraction of credit expansion with on-lending facilities / intervention funds is gradually dwindling due to recent policy changes.

Deposits Analysis



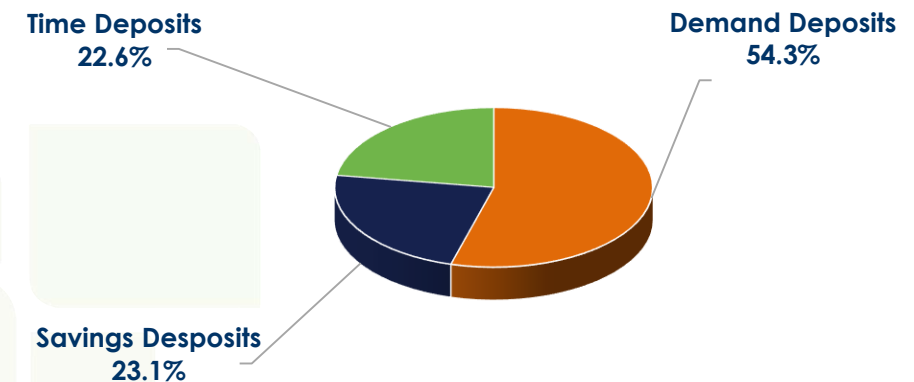
- ▶ Total customer deposits increased by 10.4% to ₦1,352.3bn from ₦1,225.2bn in 2019FY.
- ▶ However, actual growth was 8.9% while the impact of FX rate adjustment accounted for 1.5% growth in deposits.
- ▶ LCY deposits grew by 10.1% to ₦1,031.4bn and now accounts for 76.3% of total deposits.
- ▶ FCY deposits increased by 11.2% and was responsible for 25.4% of the absolute growth in total deposits.
- ▶ Absolute low-cost deposits increased by 8.3% to ₦1,046.9bn and constitutes 77.4% of total deposits.



Deposits by Products – 2019FY Vs. Q1 2020



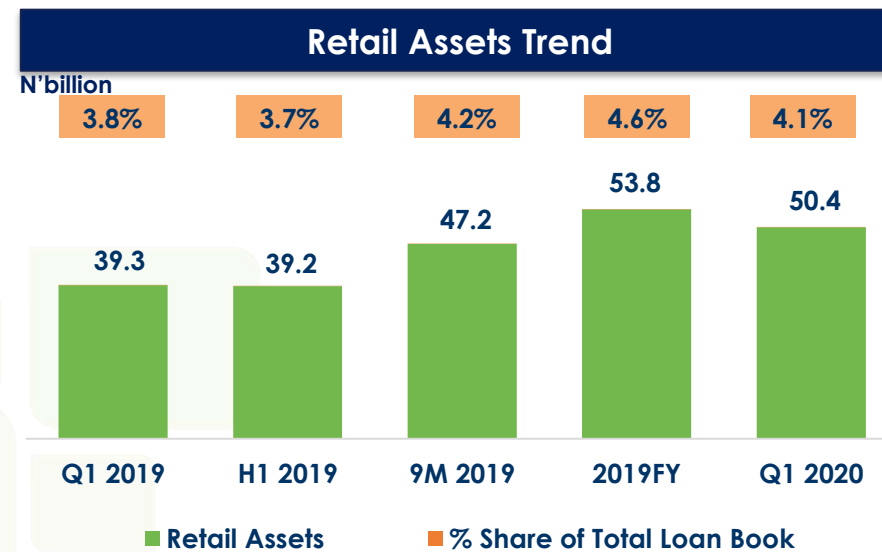
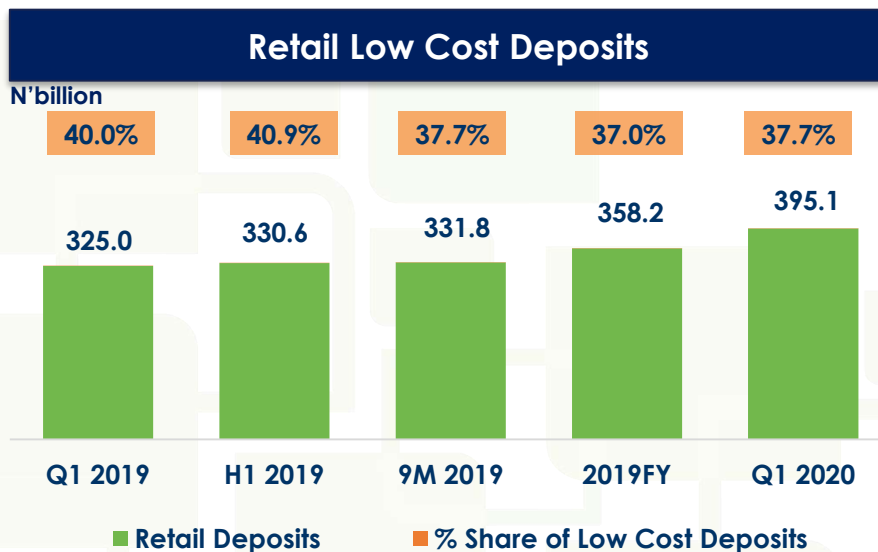
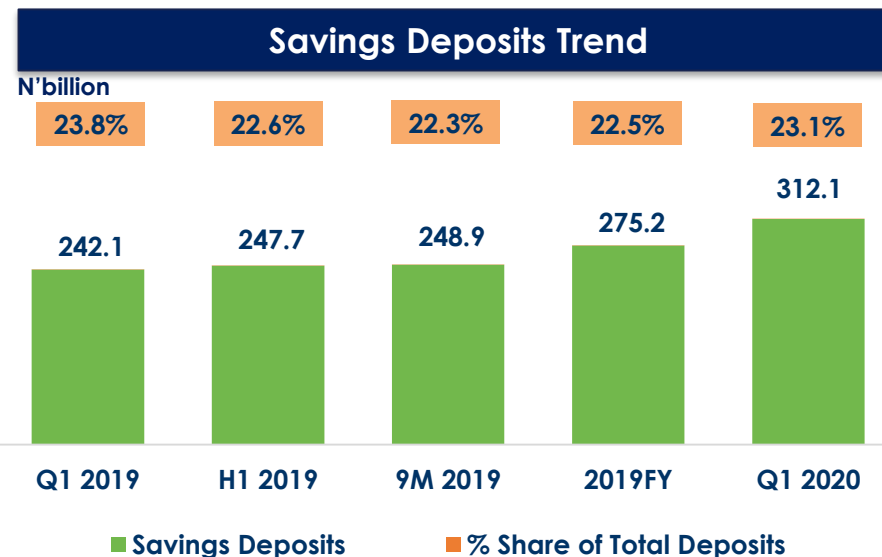
Deposits by Products – Q1 2020



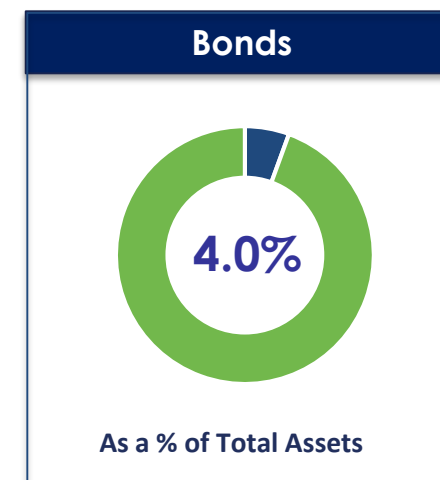
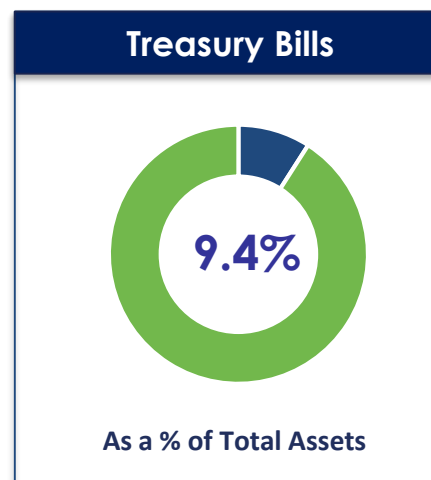
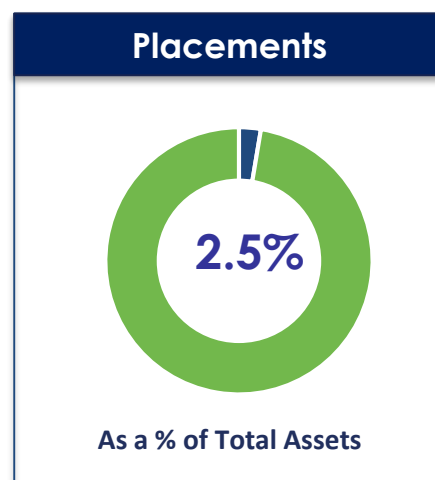
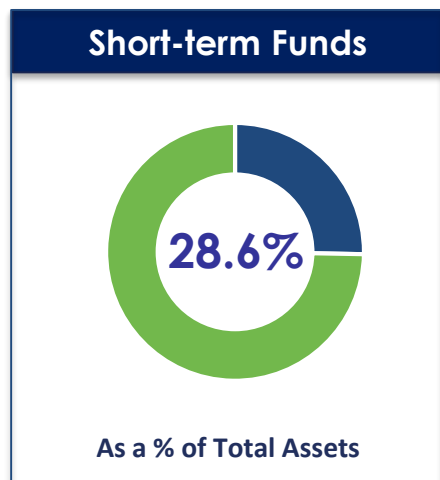
Retail Banking Analysis (Personal Banking)



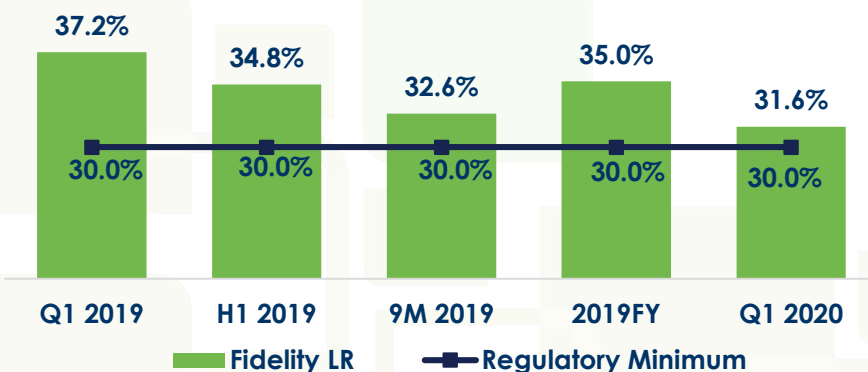
- ▶ Savings deposits grew by 13.4% YTD and now represent 23.1% of total deposits from 22.5% in 2019FY.
- ▶ Growth was as a result of the disciplined execution of our retail banking strategy and improved cross-selling of our digital products.
- ▶ Savings deposits accounted for 38.9% of the growth in the local currency deposits in Q1 2020.
- ▶ Retail assets moderated downward in Q1 2020 as the impact of the Covid-19 pandemic increases the risk profile of the retail lending segment



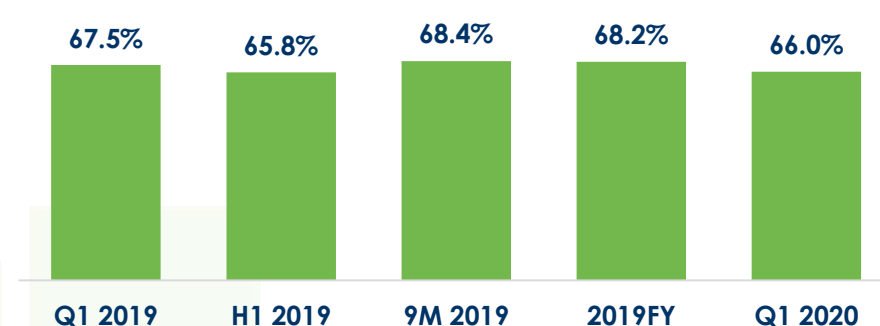
Liquid Assets Position



Liquidity Ratio



Gross Loans to Funding Ratio



- Liquidity Ratio has been sustained above the regulatory minimum of 30.0% with 62.3% of eligible liquid assets invested in T-bills and FGN bonds from 60.0% in 2019FY.
- Gross loans to funding ratio stood at 66.0% while it improved to 69.9% after weighting permissible Mortgage | SME | Consumer loans.

Loan Portfolio Analysis



Breakdown of Loans & Advances to Customers: 2019FY Vs. Q1 2020

N'million	2019FY	Q1 2020	VAR	% VAR
Communication	32,416	30,121	(2,295)	- 7.1%
Oil and Gas	244,799	281,720	36,921	15.1%
- Upstream	132,860	139,742	6,882	5.2%
- Downstream	52,203	68,551	16,348	31.3%
- Services	59,735	73,426	13,692	22.9%
Power	118,413	127,068	8,655	7.3%
Manufacturing	215,707	210,770	(4,938)	- 2.3%
General Commerce	98,976	100,915	1,939	2.0%
Transport	135,991	142,072	6,081	4.5%
Consumer (Individuals)	53,786	50,375	(3,411)	- 6.3%
Government	150,086	137,674	(12,412)	- 8.3%
Construction	35,594	36,736	1,142	3.2%
Agriculture	32,931	35,954	3,023	9.2%
Real Estate	26,495	27,076	582	2.2%
Education	5,159	5,029	(130)	- 2.5%
Finance and Insurance	4,508	1,471	(3,037)	- 67.4%
Others	23,529	31,918	8,389	35.7%
Total	1,178,389	1,218,897	40,508	3.4%

Loan Portfolio Analysis



Breakdown of Loans & Advances to Customers by Currency

N'million	FCY	LCY	Total	% FCY	% LCY
Communication	1,560	28,561	30,121	5.2%	94.8%
Oil and Gas	217,909	63,811	281,720	77.3%	22.7%
- Upstream	139,395	347	139,742	99.8%	0.2%
- Downstream	19,550	49,001	68,551	28.5%	71.5%
- Services	58,964	14,463	73,426	80.3%	19.7%
Power	63,315	63,754	127,068	49.8%	50.2%
Manufacturing	95,484	115,285	210,770	45.3%	54.7%
General Commerce	18,285	82,630	100,915	18.1%	81.9%
Transport	122,210	19,862	142,072	86.0%	14.0%
Consumer (Individuals)	490	49,885	50,375	1.0%	99.0%
Government	0	137,674	137,674	0.0%	100.0%
Construction	1,834	34,902	36,736	5.0%	95.0%
Agriculture	1,313	34,641	35,954	3.7%	96.3%
Real Estate	0	27,076	27,076	0.0%	100.0%
Education	0	5,029	5,029	0.0%	100.0%
Finance and Insurance	0	1,471	1,471	0.0%	100.0%
Others	2,997	28,921	31,918	9.4%	90.6%
Total	525,395	693,502	1,218,897	43.1%	56.9%

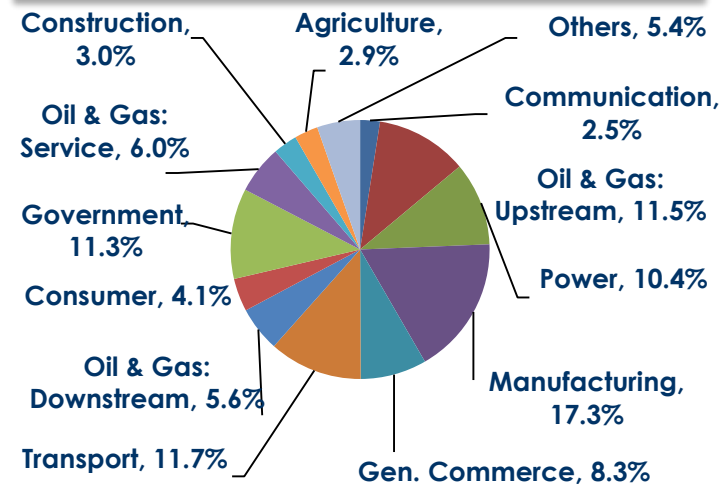
Loan Portfolio Analysis



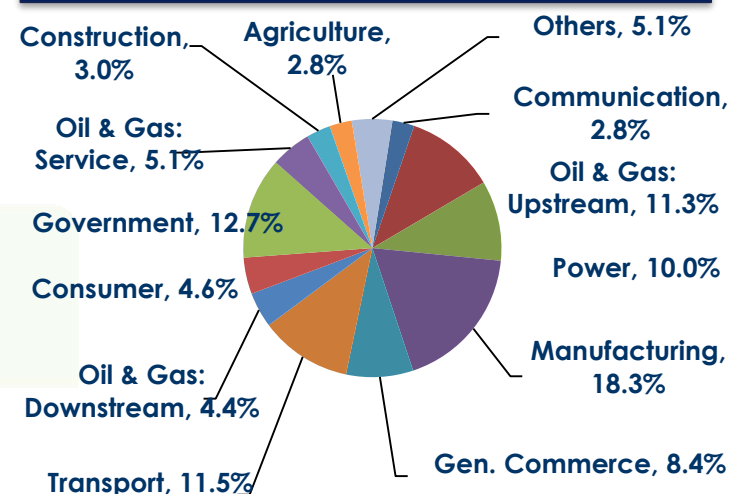
Breakdown of Loans & Advances to Customers

₦'million	Q2 2019	Q3 2019	Q4 2019	Q1 2020
Communication	25,426	29,203	32,416	30,121
Oil and Gas	227,370	254,790	244,799	281,720
- Upstream	118,805	131,307	132,860	139,742
- Downstream	46,489	62,358	52,203	68,551
- Services	62,077	61,125	59,735	73,426
Power	112,875	117,900	118,413	127,068
Manufacturing	204,668	216,710	215,707	210,770
Gen. Commerce	73,562	94,314	98,976	100,915
Transport	127,540	131,777	135,991	142,072
Consumer	39,152	47,185	53,786	50,375
Government	115,900	108,690	150,086	137,674
Construction	36,494	34,995	35,594	36,736
Agriculture	37,007	29,773	32,931	35,954
Real Estate	30,062	28,347	26,495	27,076
Education	5,556	5,082	5,159	5,029
Fin. & Insurance	4,091	4,634	4,508	1,471
Others	10,527	23,061	23,529	31,918
Total	1,050,231	1,126,460	1,178,389	1,218,897

Loan Analysis – Q1 2020



Loan Analysis – 2019FY

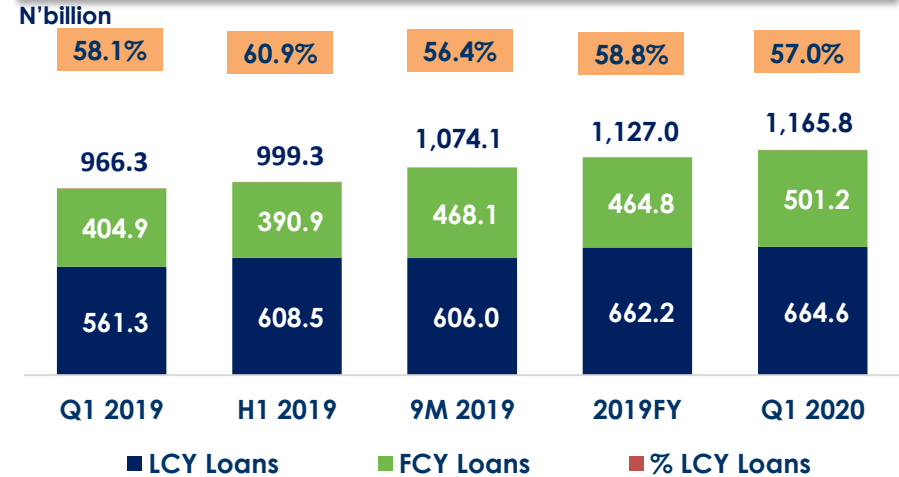


Loan Book Analysis



- ▶ Net loans & advances increased by 3.4% YTD to ₦1,165.8bn, with 85.3% of the loan book in term loans.
- ▶ The adjustment of the exchange rate from N364.7 to N386.5 accounted for over 70% of the loan growth.
- ▶ FCY loans increased by \$22.3m to \$1.30bn from \$1.27bn in 2019FY, a rise of 1.8% YTD.
- ▶ FCY loans now constitute about 43.1% of the loan book from 41.2% in 2019FY.

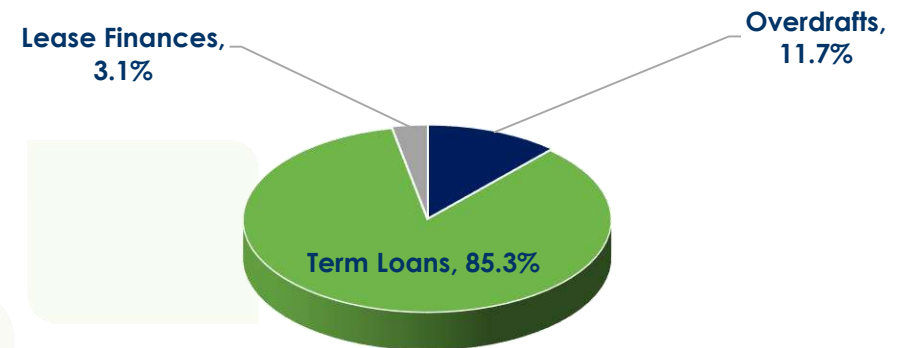
Net Loans and Advances to Customers



Total Loans by Type – 2019FY



Total Loans by Type – Q1 2020



Loan Book Breakdown – Stage 1 | 2 | 3



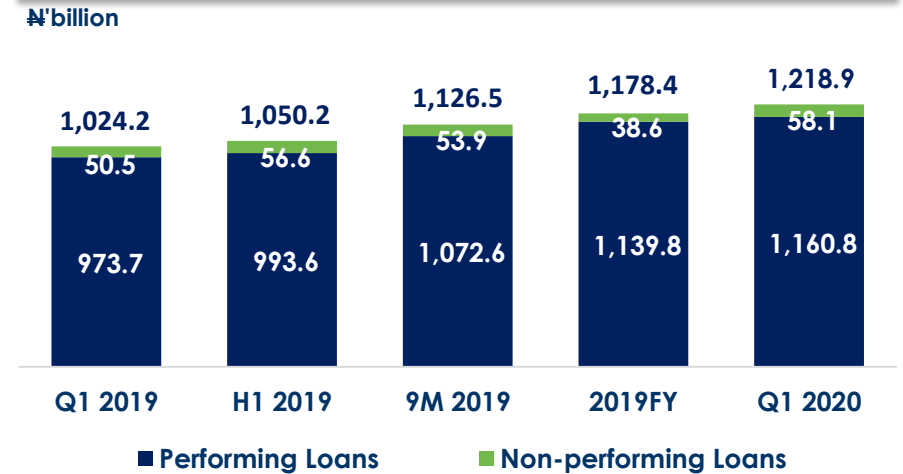
Breakdown of Loans & Advances to Customers				
N'million	Stage 1	Stage 2	Stage 3	Total
Communication	12,989	13,841	3,291	30,121
Oil and Gas	176,410	89,148	16,161	281,720
- Upstream	95,477	43,918	347	139,742
- Downstream	36,607	16,643	15,301	68,551
- Services	44,326	28,587	514	73,426
Power	2,146	124,922	-	127,068
Manufacturing	194,731	6,009	10,029	210,770
General Commerce	93,449	2,617	4,849	100,915
Transport	85,879	41,876	14,317	142,072
Consumer (Individuals)	47,365	218	2,792	50,375
Government	137,674	-	-	137,674
Construction	35,610	269	856	36,736
Agriculture	30,576	1,825	3,553	35,954
Real Estate	-	64	251	27,076
Education	4,502	73	454	5,029
Finance and Insurance	1,463	2	6	1,471
Others	29,387	975	1,556	31,918
Total	878,941	281,840	58,116	1,218,897
% Share of Total	72.1%	23.1%	4.8%	100.0%
Coverage Ratio	0.8%	5.5%	52.8%	4.4%

NPL Analysis

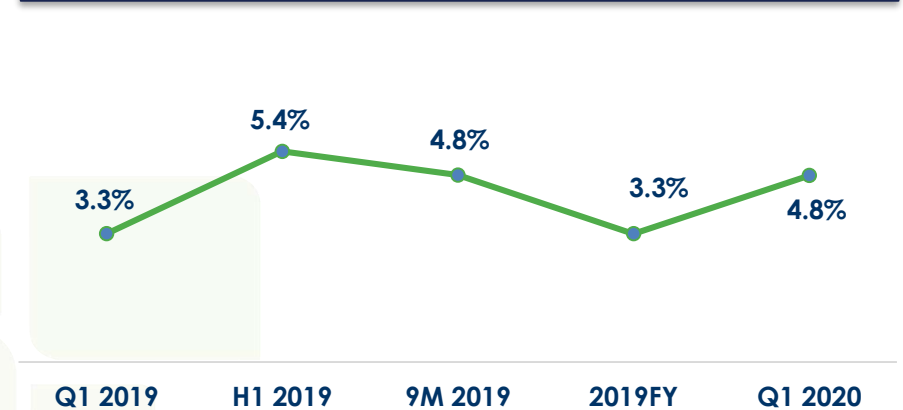


- ▶ NPL ratio (Stage 3 Loans) increased to 4.8% in Q1 2020 from 3.3% in 2019FY due to 50.4% increase in absolute NPL book to ₦58.1bn.
- ▶ NPL growth is primarily due to the early identification of sectors likely to be impacted by the pandemic and economic lockdown
- ▶ Coverage ratio now stood at 115.2% with specific loan loss provisions for Stage 3 Loans currently at 52.8%.

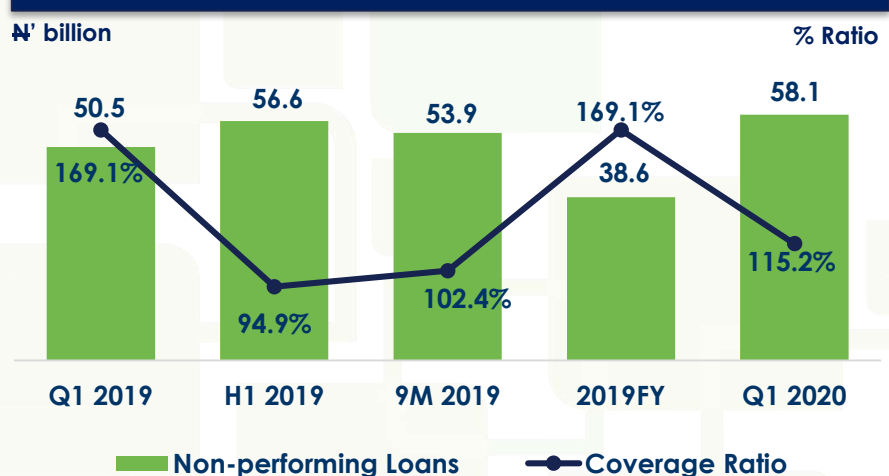
Gross Loans and Advances



Non-performing Loans



NPL Coverage Ratio



NPL Portfolio Analysis



Breakdown of Non-performing Loans: 2019FY Vs. Q1 2020

	2019FY ₦'million	Q1 2020 ₦'million	VAR ₦'million	% VAR %	2019FY NPL Ratio	Q1 2020 NPL Ratio
Communication	1,198	3,291	2,092	174.6%	3.7%	10.9%
Oil and gas	15,336	16,161	825	5.4%	6.3%	5.7%
- Oil & Gas Upstream	175	347	172	98.2%	0.1%	0.2%
- Oil & Gas Downstream	13,624	15,301	1,677	12.3%	26.1%	22.3%
- Oil & Gas Services	1,538	514	(1,024)	-66.6%	2.6%	0.7%
Power	-	-	-	0.0	0.0%	0.0%
Manufacturing	3,020	10,029	7,009	232.1%	1.4%	4.8%
General Commerce	2,391	4,849	2,458	102.8%	2.4%	4.8%
Transport	6,973	14,317	7,345	105.3%	5.1%	10.1%
Consumer (Individuals)	2,663	2,792	129	4.8%	5.0%	5.5%
Government	0	0	0	4.7%	0.0%	0.0%
Construction	3,087	856	(2,231)	-72.3%	8.7%	2.3%
Agriculture	2,647	3,553	906	34.2%	8.0%	9.9%
Real Estate	0	251	251	100.0%	0.0%	0.9%
Education	435	454	19	4.4%	8.4%	9.0%
Finance and Insurance	9	6	(2)	-27.9%	0.2%	0.4%
Others	874	1,556	682	78.0%	3.7%	4.9%
Total	38,633	58,116	19,483	50.4%	3.3%	4.8%

NPL Portfolio Analysis



Breakdown of Non-performing Loans by Currency

N'million	FCY	LCY	Total	% FCY	% LCY
Communication	0	3,291	3,291	0.0%	100.0%
Oil and Gas	0	16,161	16,161	0.0%	100.0%
- Upstream	0	347	347	0.0%	100.0%
- Downstream	0	15,301	15,301	0.0%	100.0%
- Services	0	514	514	0.0%	100.0%
Power	0	0	0	0.0%	0.0%
Manufacturing	0	10,029	10,029	0.0%	100.0%
General Commerce	82	4,767	4,849	1.7%	98.3%
Transport	7,942	6,375	14,317	55.5%	44.5%
Consumer (Individuals)	331	2,461	2,792	11.8%	88.2%
Government	0	0	0	0.0%	100.0%
Construction	0	856	856	0.0%	100.0%
Agriculture	0	3,553	3,553	0.0%	100.0%
Real Estate	0	251	251	0.0%	100.0%
Education	0	454	454	0.0%	100.0%
Finance and Insurance	0	6	6	0.0%	100.0%
Others	24	1,531	1,556	1.6%	98.4%
Total	8,379	49,738	58,116	14.4%	85.6%

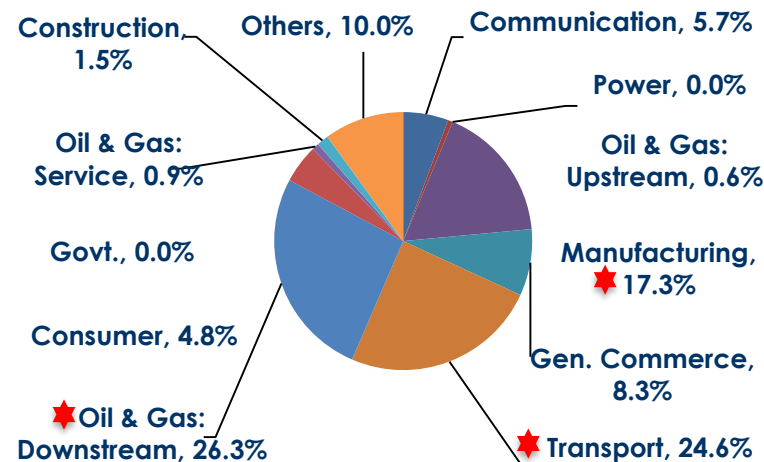
NPL Portfolio Analysis



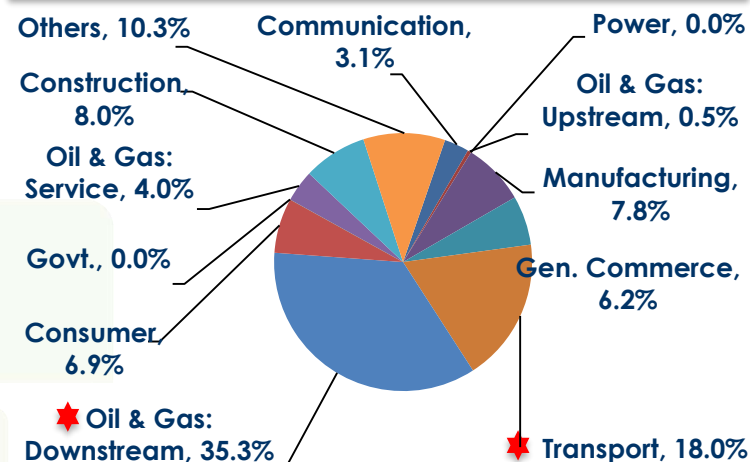
Breakdown of Non-performing Loans

N'million	H1 2019	9M 2019	2019FY	Q1 2020
Communication	1,722	2,417	1,198	3,291
Oil and Gas	16,859	15,621	15,336	16,161
- Upstream	-	-	175	347
- Downstream	12,932	14,525	13,624	15,301
- Services	3,927	1,096	1,538	514
Power	3	-	-	-
Manufacturing	10,996	7,784	3,020	10,029
Gen. Commerce	6,636	7,698	2,391	4,849
Transport	8,602	9,419	6,973	14,317
Consumer	3,115	3,083	2,663	2,792
Government	25	25	0	0
Construction	1,635	1,087	3,087	856
Agriculture	2,718	2,557	2,647	3,553
Real Estate	2,601	1,970	0	251
Education	1,003	960	435	454
Fin. & Insurance	12	9	9	6
Others	681	1,223	874	1,556
Total	56,608	53,852	38,633	58,116

NPL Analysis – Q1 2020



NPL Analysis – 2019FY

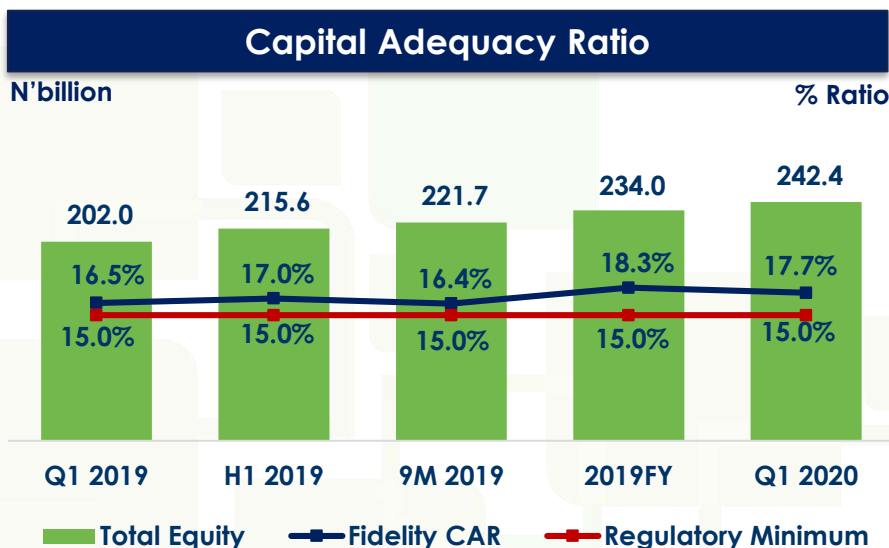


★ Pressure NPL Sectors

Capital Adequacy



- ▶ Fidelity CAR is currently at 17.7% which is well above the regulatory minimum requirement of 15.0%.
- ▶ Regulatory adjustment increased to ₦15.4bn largely due to the currency adjustments. Excluding the regulatory adjustment, CAR would have been 19.0%.
- ▶ Only ₦12.0bn (40.0%) of our ₦30.0bn 7-year local debt is eligible for CAR, which will drop to ₦6.0bn by H1 2020.
- ▶ However, we expect the capitalization of H1 2020 profit to surpass the expected ₦6.0bn drop in Tier II Capital.



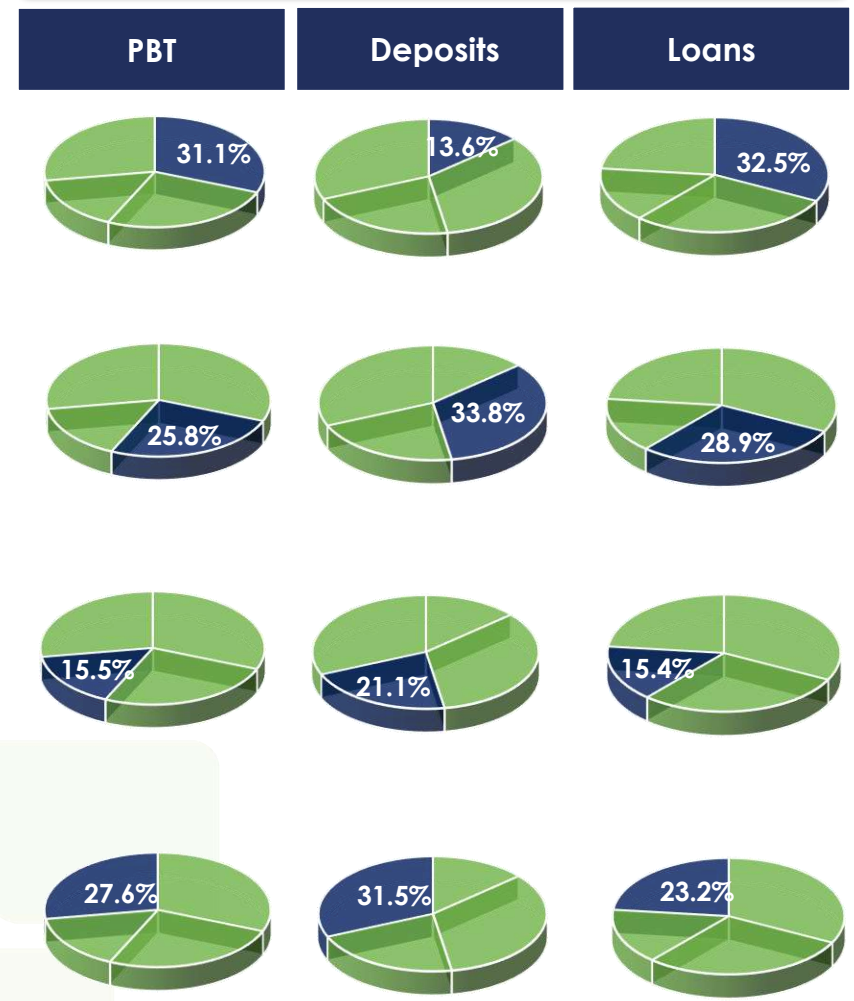
Capital Adequacy Ratio Computation – Basel II			
N'billion	2019FY	Q1 2020	VAR
Tier 1 Capital	191.7	191.7	0.0
Regulatory Adjustment	(10.6)	(15.4)	4.7
Adjusted Tier 1 Capital	181.1	176.4	-4.7
Tier 2 Capital	33.0	33.0	0.0
Total Qualified Capital	214.1	209.4	-4.7
Credit Risk	920.6	928.3	7.6
Market Risk	64.2	70.1	5.9
Operational Risk	185.8	185.8	0.0
Risk Weighted Assets	1,170.7	1,184.2	13.5
Capital Adequacy Ratio			
Tier 1	15.5%	14.9%	
Tier 2	2.8%	2.8%	
Overall CAR	18.3%	17.7%	

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 ₦5.0 billion and treasury business Key focus sectors include: <ul style="list-style-type: none"> Treasury Energy (Oil & Gas) Power FMCG Conglomerates Telecoms Fintechs Manufacturing
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



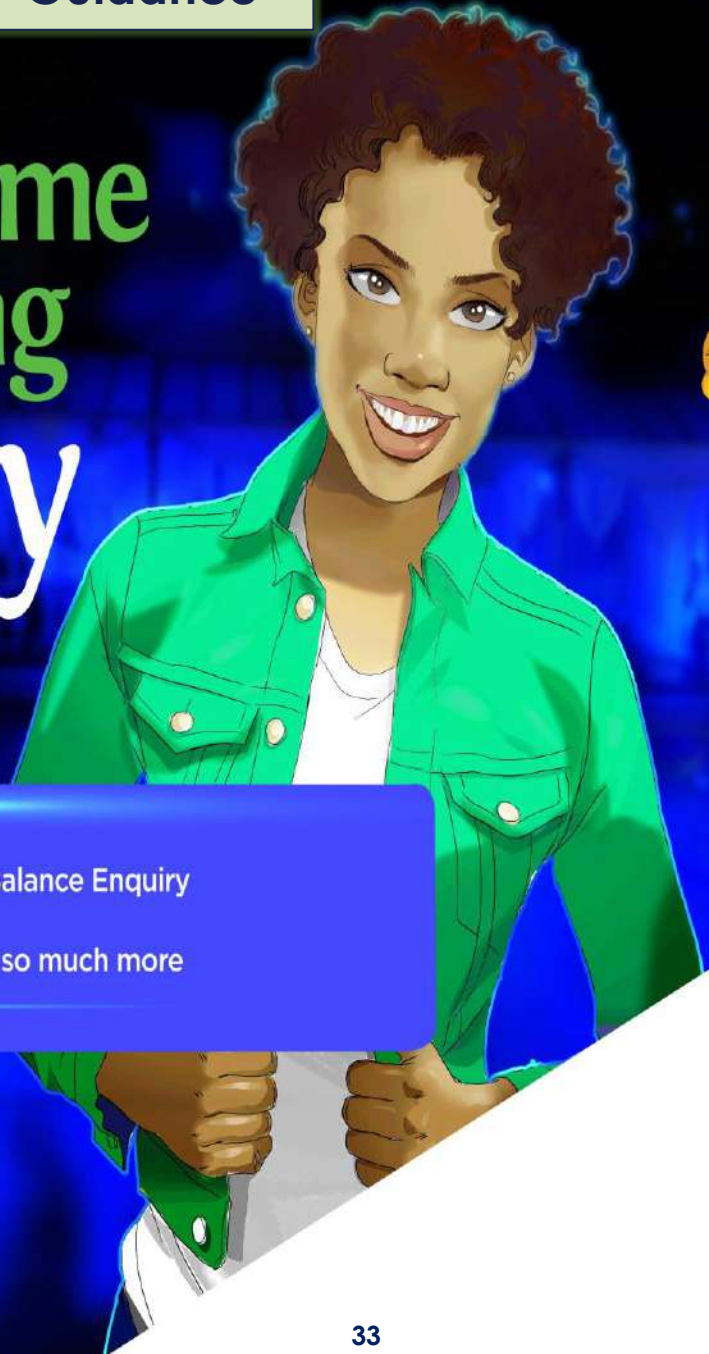
Let's do some softbanking

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

Q1 2020 Actual Vs. 2020FY Guidance



GROWTH EXPECTATIONS ON KEY INDICATORS				
S/N	Index	Q1 2020 Actual	2020FY Target	Comment
1	Net Interest Margin	6.6%	5.5% - 6.0%	On Track
2	Tax Rate	11.0%	10.0% - 15.0%	On Track
3	Loan Growth (YTD)	3.4%	5.0% - 7.5%	On Track
4	Deposit Growth (YTD)	10.4%	5.0% - 10.0%	On Track
5	Cost to Income Ratio	71.3%	70.0%	On Track
6	Proposed Dividends	N/A	30-50% (of PAT) band	N/A
7	NPL Ratio	4.8%	Below 5.0%	On Track
8	Cost of Risk	0.7%	1.5%	On Track
9	ROAE – Post Tax	9.9%	11.3%	Behind Target

Thank You

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