

Fidelity Bank Investor Presentation

Unaudited Financial Results for the 3 months ended

March 31, 2021



1. Overview of Fidelity Bank
2. The Operating Environment
3. Financial Highlights
4. Financial Review
5. Q1 2021 Actual Vs. 2021FY Guidance

1. Overview of Fidelity Bank



Nothing Binds
Us More To You
Than A Promise Kept

We Are Fidelity, We Keep Our Word



Retail Banking | Managed SMEs | Commercial Banking | Corporate Banking | Private Banking

#OurWord

Overview of Fidelity Bank



Ownership

Total Assets: **N2,893bn**

\$7.1bn

32.0bn Authorized Shares
Issued And Fully Paid → **28.96bn**



Listings:



10yr N41.2bn due Jan
2022 NGN Bonds

28.96bn Shares



Irish Stock Exchange

\$400m Oct 2022 Eurobond

Operations & Contact Channels



Professional Staff

3,002

Male: 54%
Female: 46%



5.8 Million
Accounts



828 ATMs



2.4m Cards



250 Branches

3.1m
Mobile
Customers



19,076 POS

Governance



14

Board Members
Non-Executives: 8
Executives: 6

5 Board Committees

Executive
Management
Team

8

Agusto&Co.
Research, Credit Ratings, Credit Risk Management

A_{NG} (Stable)



A-_{NG} (Stable)

Foreign Currency Rating:

Fitch Ratings

B-/Stable/B

S&P Global

B-/Stable/B

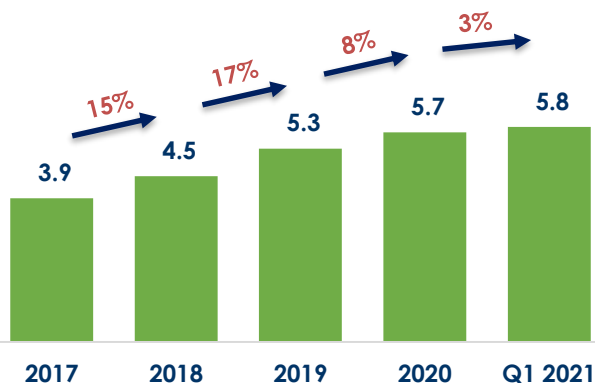
www.fidelitybank.ng

Overview of Fidelity Bank



Retail And Digital Banking Evolution / Progress Report

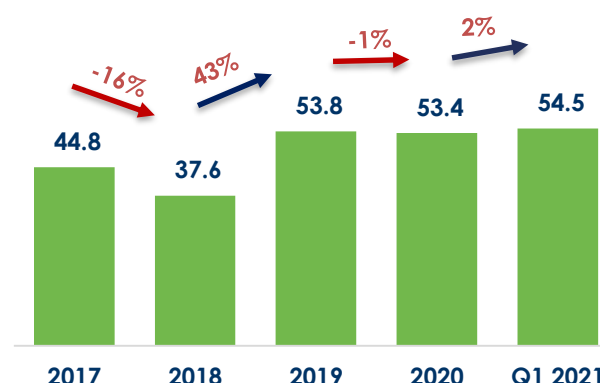
Number of Customer Accounts (#'m)



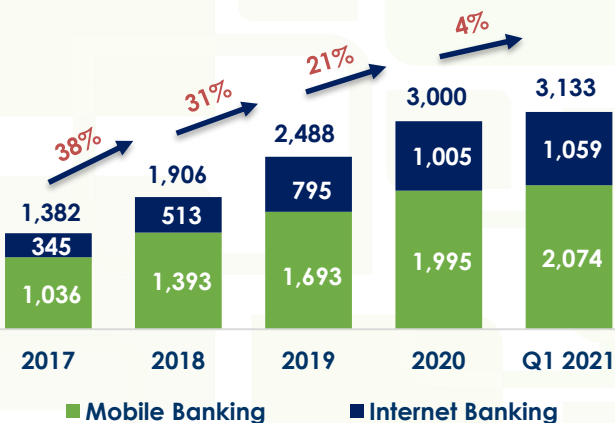
Savings deposits (N'bn)



Retail Risk Assets (N'bn)



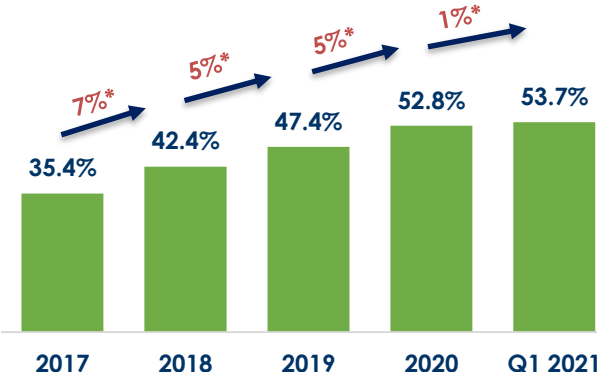
Mobile/Internet Banking Cust. (#'000)



Number of Debit Cardholders (#'000)



Electronic Banking Penetration (%)

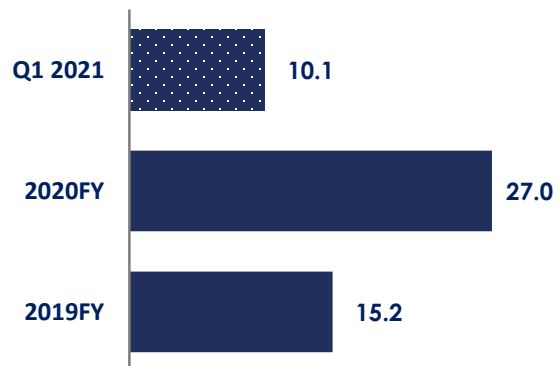


* Approximated difference between 2 values

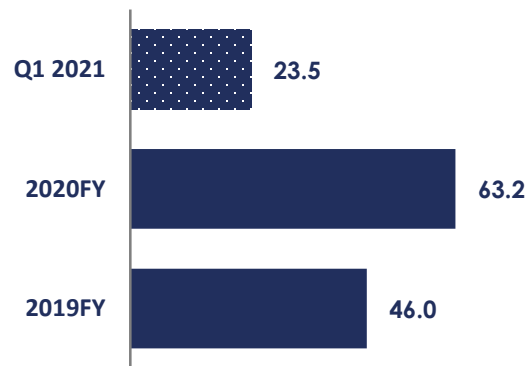
Transaction Volume Statistics



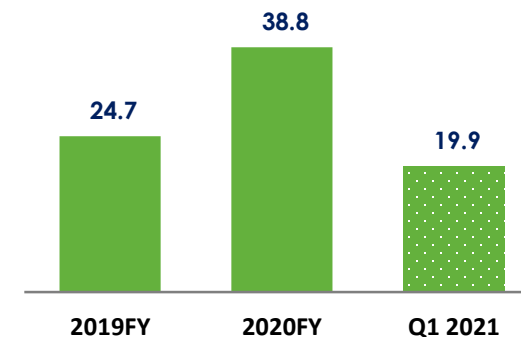
Internet Banking (#' Mn)



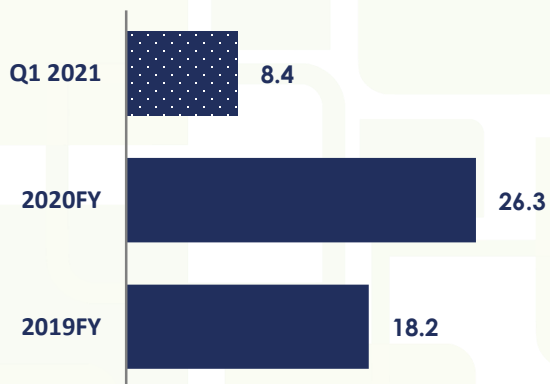
Mobile Banking (#' Mn)



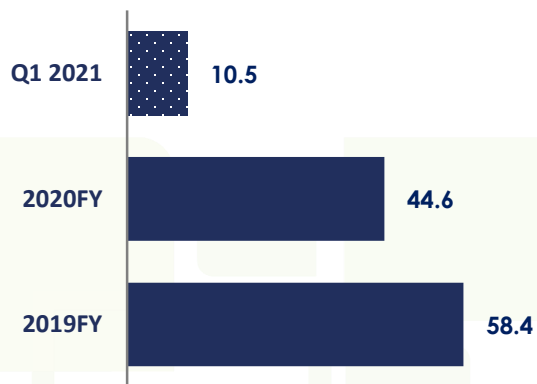
NIP (#' Mn)



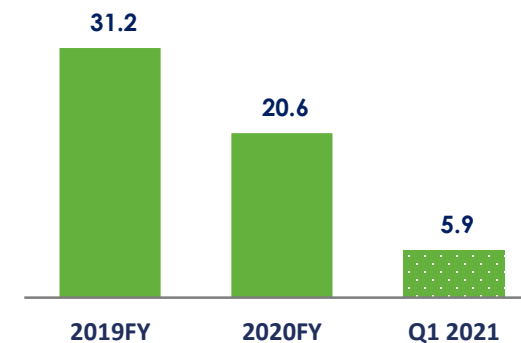
POS (#' Mn)



ATM (#' Mn)



In-Branch (#' Mn)



2. Operating Environment



Grow Your Investment Back Home With Fidelity

Theme: The New CBN FX Policy, Implications and
Positive Impact to Diaspora Investments in Nigeria.



Yemi Osinbajo

Vice President of Nigeria
Special Guest



Godwin Emefiele

Governor, CBN
Chief Host



Nneka Onyeali-Ikpe

Managing Director/CEO
of Fidelity Bank **Host**

Visit <http://bit.ly/DiasporaSeries> to register for the Webinar today



Guest Speakers



Prof. Okey Oramah

Chairman/ President,
Afrexim Bank



Hon. Abike Dabiri Erewa

Chairman, CEO, NIDCOM
(Nigerians In Diaspora Commission)



Prof. Olawale Sulaiman

CEO, RNZ Global



Prof Ndubuisi Ekekwe

Chairman Fasmicro Group



Mr. Alistair Soyode

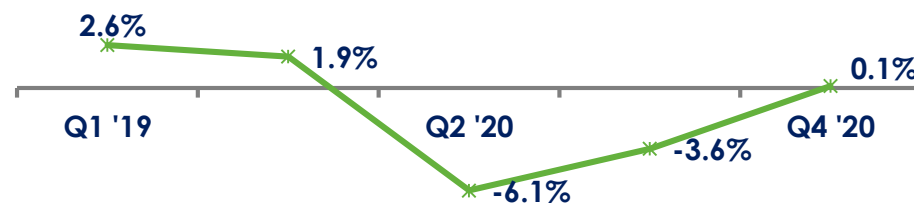
Mentoring Cmdt,
NIDMECORP

The Operating Environment

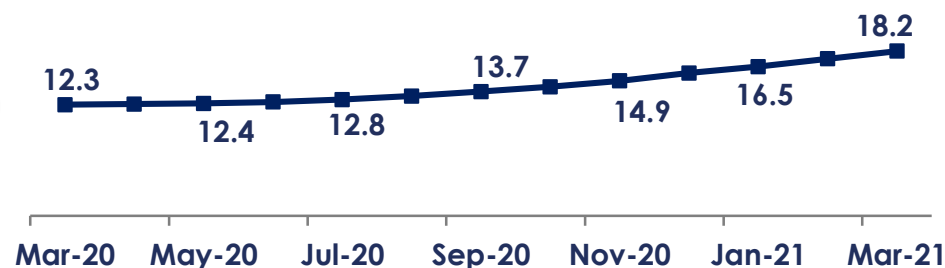


- ❖ IMF revised its 2021 GDP growth forecast for Nigeria to 2.5% from its earlier projection of 1.5%, citing stronger economic recovery as the count of Covid-19 vaccination increase.
- ❖ Headline inflation inched up further for the 19th consecutive months from 11.0% in Aug 2019 to 18.2% in March 2021.
- ❖ High food prices, insecurity and the pass-through effect of the Covid-19 pandemic etc. led to constantly rising inflation rate.
- ❖ Average crude oil prices (Bonny Light) increased by 45.4% to \$61.3pb in Q1 2021 from \$42.1pb in 2020FY with the highest and lowest prices at \$69.4pb in Mar and \$50.7 in Jan 2021 respectively.
- ❖ Crude prices are currently above \$65.0pb while the daily crude oil production averaged 1.48mbpd in Q1 2021.
- ❖ External reserves stood at \$34.8bn on 31 Mar 2021.

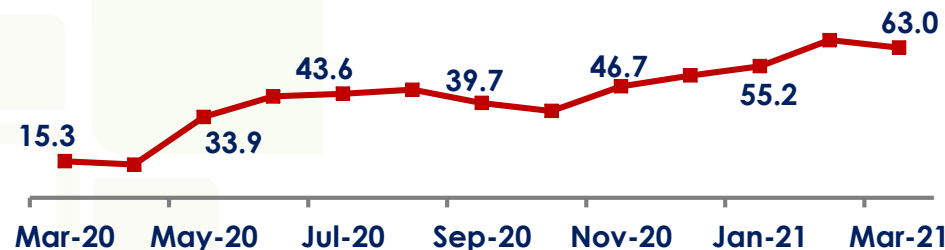
Real GDP Growth



Headline Inflation (%)



Bonny Light (\$ per Barrel)



Key Regulatory & Policy Changes



- MPR retained at 11.5% and the asymmetric corridor remain unchanged at +100/-700bps.
- Also, CRR and Liquidity Ratio were kept at 27.5% and 30.0% respectively.
- The Finance Act 2020 took effect from January 1, 2021.
- 2021 appropriation bill signed off with an increase in aggregate revenue and planned expenditure.



- MPC left all policy rates (MPR, CRR and Liquidity Ratio) unchanged at its March 2021 meeting.
- CBN introduced Naira-for-Dollar Scheme, a N5 per \$ incentive to retail beneficiaries of international money transfers through only the IMTOs.
- Headline Inflation hit 18.17% in March 2021 from 17.33% in Feb 2021, making it the 19th consecutive M-o-M increase and the highest inflation figure since Jan 2017.

JAN 2021

FEB 2021

- CBN issued regulatory framework for Open Banking in Nigeria.
- SEC released general rules for Collective Investment Schemes prescribing that all units / securities of a collective investment scheme shall be registered by the Commission.
- CBN extends regulatory forbearance for restructured loans impacted by Covid-19 for another 12 months.

MAR 2021

2. Financial Review



**GROW
YOUR
EXPORT
BUSINESS
WITH FIDELITY**



Financial Highlights



- ❑ Gross Earnings increased by 7.7% YoY to ₦55.1bn in Q1 2021 on account of 66.7% increase in Non-Interest Revenue to ₦12.1bn from ₦7.2bn in Q1 2020. In absolute figure, the increase in NIR came from FX Related Income, Digital Banking Income and Account Maintenance Charge etc.
- ❑ NIM was unchanged at 6.3% compared to 2020FY, however, we sustained YoY drop in Interest Expenses which translated to 17.1% increase in Net Interest Income despite 4.3% YTD growth in our Interest Bearing Liabilities.
- ❑ Total Operating Income increased by 13.4% to ₦34.4bn while Operating Expenses grew by only 6.2% to ₦23.0bn, resulting in 53.9% YoY increase in PBT to ₦10.1bn from ₦6.6bn in Q1 2020.
- ❑ We converted our FCY Balance Sheet at FX Rate of ₦407.6/\$ compared to ₦400.3/\$ in Dec 2020.
- ❑ Total Deposits grew by 3.1% YTD to ₦1,751.3bn driven by a strong growth in Low Cost Deposit which led to ₦5.1bn (26.2% YoY) decline in Interest Expenses as Avg. Funding Cost dropped to 2.5% from 3.6% in 2020FY. FCY Deposits increased by 7.7% YTD to ₦321.2bn while LCY Deposits increased by 2.1% YTD to ₦1,430.1bn.
- ❑ Savings Deposits grew by 4.1% YTD to ₦441.6bn from ₦424.4 in 2020FY and was responsible for 32.9% of the absolute growth in Total Deposits, an attestation of our increasing market share in the retail segment.
- ❑ Risk Assets increased by 7.6% YTD to ₦1,426.3bn from ₦1,326.1bn in 2020FY. However, the actual growth was 6.8% while the impact of the currency adjustment accounted for 0.8% growth in the loan book.

Financial Highlights



Summary of Income Statement: YoY Change				
N'million	Q1 2020	Q1 2021	VAR	% VAR
Gross Earnings	51,159	55,122	3,963	7.7%
Interest Income Loans	32,340	33,941	1,601	5.0%
Interest Income Liquid Assets	11,586	9,121	(2,465)	-21.3%
Total Interest Income	43,926	43,062	(864)	-2.0%
Interest Expense Customer Deposits	(12,673)	(7,681)	(4,992)	-39.4%
Interest Expense Borrowings	(6,653)	(6,584)	(69)	-1.0%
Total Interest Expense	(19,326)	(14,265)	(5,061)	-26.2%
Net Interest Income	24,600	28,797	4,198	17.1%
FX Income	1,965	5,936	3,971	202.1%
Digital Income	1,624	2,203	579	35.7%
Other Fee Income (Net)	2,126	(2,574)	(4,700)	-221.1%
Net Fee Income	5,715	5,566	(149)	-2.6%
Net Revenue	30,315	34,363	4,048	13.4%
Total Expenses	(21,628)	(22,963)	1,335	6.2%
Operating Profit	8,687	11,400	2,713	31.2%
Net Impairment Losses	(2,103)	(1,266)	-837	-39.8%
Profit Before Tax	6,583	10,134	3,550	53.9%

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

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

Financial Highlights



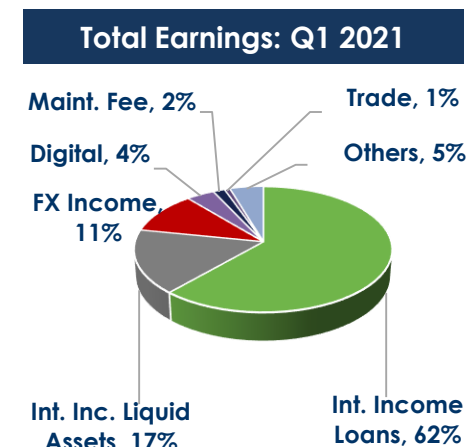
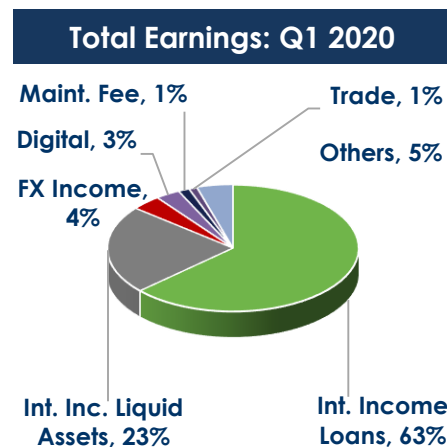
Statement of Financial Position: YTD Change				
N'million	2020FY	Q1 2021	VAR	% VAR
Total Assets	2,758,148	2,893,205	135,057	4.9%
Earning Assets	1,828,807	1,896,527	67,720	3.7%
Bank Placements	51,799	56,320	4,521	8.7%
Treasury Bills	264,032	259,171	(4,861)	-1.8%
Bonds	186,870	154,781	(32,089)	-17.2%
Customer Loans (Naira)	769,401	859,896	90,495	11.8%
Customer Loans (FCY)	556,705	566,360	9,655	1.7%
Non-Earning Assets	929,341	996,678	67,337	7.2%
Cash	44,751	62,605	17,854	39.9%
Cash Reserve	432,741	494,961	62,220	14.4%
Bal. with other Banks/Settlement Acct	339,331	315,506	(23,825)	-7.0%
Fixed Assets	38,446	38,801	355	0.9%
All Other Assets	74,072	84,804	10,732	14.5%
Interest Bearing Liabilities	2,268,094	2,366,474	98,380	4.3%
Demand	883,300	937,695	54,395	6.2%
Savings	424,384	441,572	17,188	4.1%
Time Deposits	391,342	372,070	(19,272)	-4.9%
Other Borrowings	99,055	89,142	(9,913)	-10.0%
On-lending Facilities	308,097	315,388	7,291	2.4%
Debt Securities	161,916	210,608	48,692	30.1%
All Other Liabilities	216,521	262,307	45,786	21.1%
Equity	273,533	264,424	(9,109)	-3.3%

Please note: The Balance Sheet was converted at an exchange rate of ₦407.6 / USD

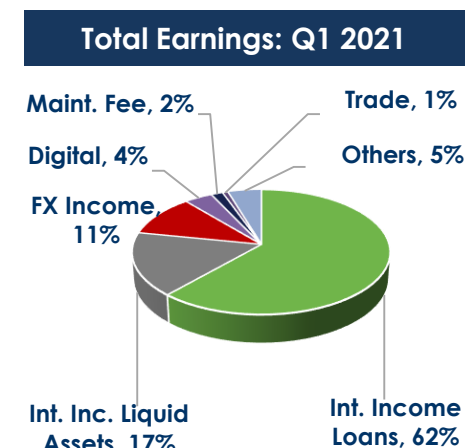
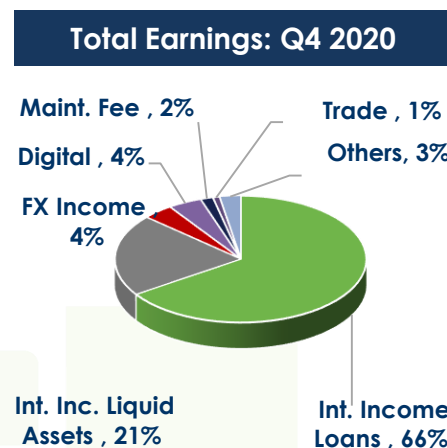
Gross Earnings Analysis



N'million	Q1 2020	Q1 2021	VAR	% VAR
Total Earnings	51,159	55,122	3,963	7.7%
Interest Income Loans	32,340	33,941	1,601	5.0%
Int. Inc. Liquid Assets	11,586	9,121	(2,465)	-21.3%
FX Income	1,965	5,936	3,971	202.1%
Digital Income	1,624	2,203	579	35.7%
A/C Maintenance fee	735	899	164	22.3%
Trade Income	543	432	(111)	-20.5%
Other Income	2,366	2,590	224	9.5%



N'million	Q4 2020	Q1 2021	VAR	% VAR
Total Earnings	51,174	55,122	3,948	7.7%
Interest Income Loans	33,555	33,941	386	1.1%
Int. Inc. Liquid Assets	10,729	9,121	(1,608)	-15.0%
FX Income	2,019	5,936	3,917	194.0%
Digital Income	2,217	2,203	(14)	-0.6%
A/C Maintenance fee	821	899	77	9.4%
Trade Income	440	432	(8)	-1.8%
Other Income	1,392	2,590	1,198	86.0%



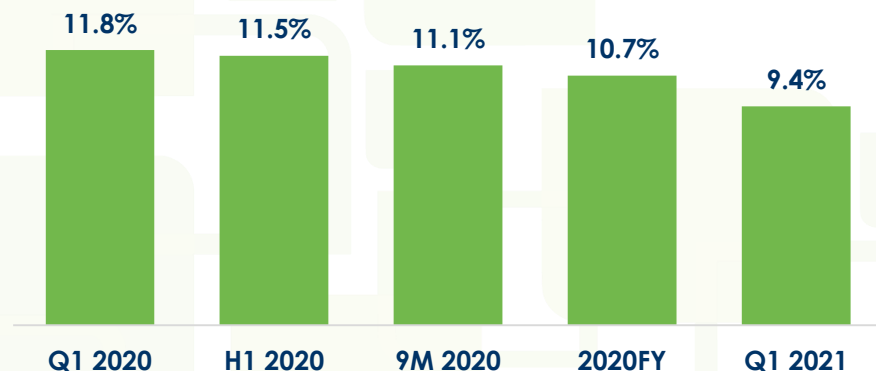
- Gross earnings increased by 7.7% YoY (7.7% QoQ) as economic recovery translate to increased non-interest revenue: total customer induced transactions across all service channels increased by 30.4% YoY and 17.1% QoQ.
- However, total interest income dropped by 2.0% YoY due to lower yields on earning assets in the review period.

Net Interest Margin Analysis

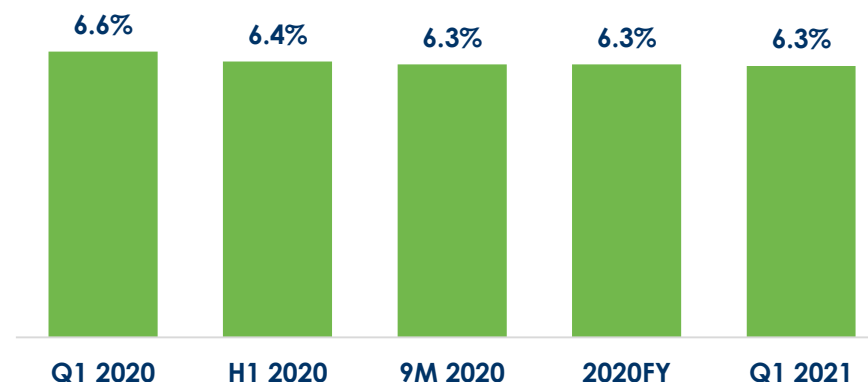


- ▶ NIM remained unchanged at 6.3% compared to 2020FY, as drop in avg. funding cost compensated for the decline in yields on avg. earning assets.
- ▶ The decline in avg. funding cost was led by improved deposit mix: Low cost deposits is now 78.8% of total deposits from 77.0% in 2020FY (Q1 2020: 77.4%).
- ▶ Avg. cost of deposits dropped by 129bpts to 1.8% while the avg. borrowing cost declined by 61bpts to 4.5%.
- ▶ Moderation in yields on earning assets was largely caused by a lower average yields on liquid assets.

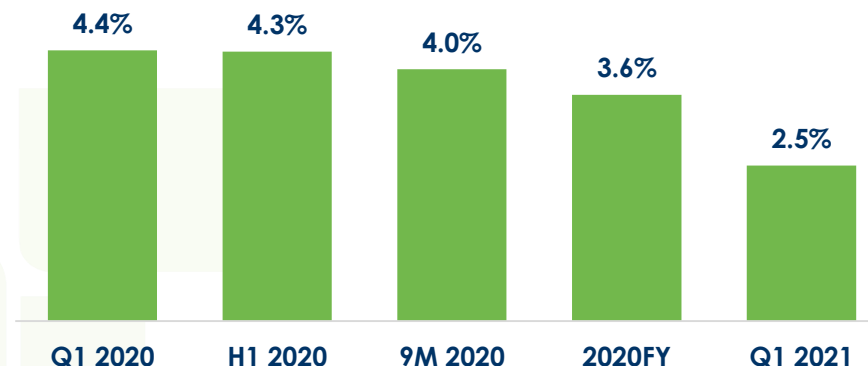
Yield on Earning Assets



NIM Trend



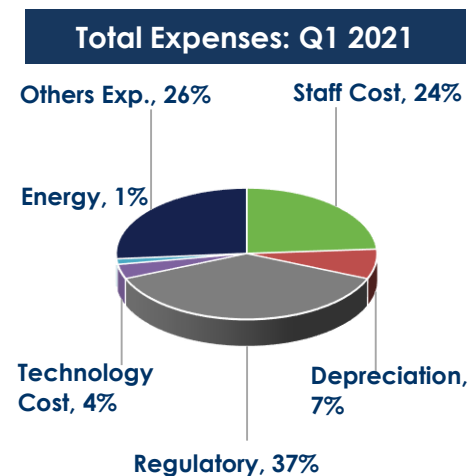
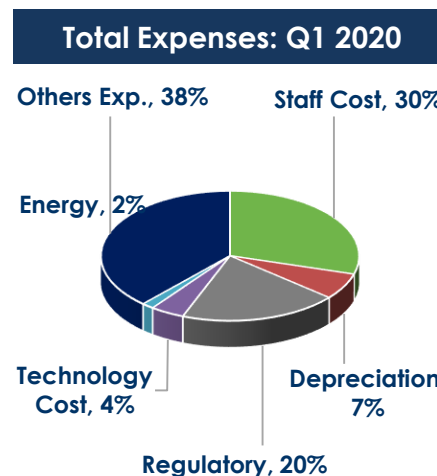
Funding Cost



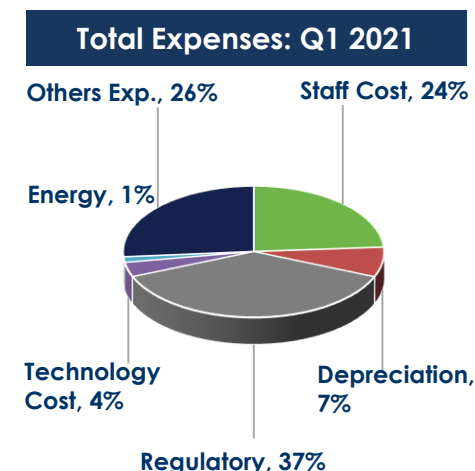
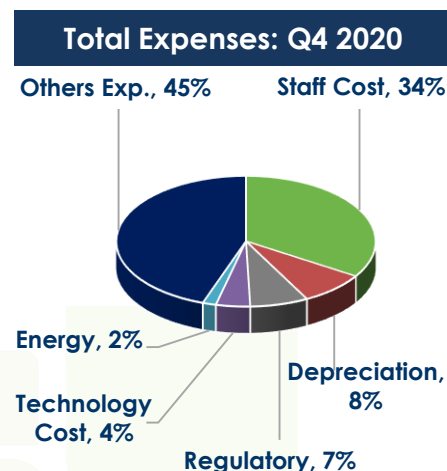
Total Expense Analysis



N'million	Q1 2020	Q1 2021	VAR	% VAR
Total Expenses	21,628	22,963	1,335	6.2%
Staff Cost	6,398	5,494	(904)	-14.1%
Depreciation	1,415	1,686	271	19.2%
NDIC/AMCON Cost	4,285	8,608	4,323	100.9%
Technology Cost	920	823	(97)	-10.5%
Energy Cost	330	314	(17)	-5.1%
Security	335	320	(15)	-4.4%
Branding & Advert	2,659	1,548	(1,111)	-41.8%
Other Expenses	5,286	4,170	(1,116)	-21.1%



N'million	Q4 2020	Q1 2021	VAR	% VAR
Total Expenses	19,843	22,963	3,120	15.7%
Staff Cost	6,747	5,494	(1,253)	-18.6%
Depreciation	1,634	1,686	52	3.2%
NDIC/AMCON Cost	1,437	8,608	7,171	499.0%
Technology Cost	843	823	(20)	-2.3%
Energy Cost	331	314	(17)	-5.1%
Security	374	320	(54)	-14.4%
Branding & Advert	2,769	1,548	(1,221)	-44.1%
Other Expenses	5,708	4,170	(1,538)	-26.9%



- Total operating expenses inched up by 6.2% YoY to N23.0bn, largely due to N4.3bn growth in regulatory charges (AMCON & NDIC).
- We recognized AMCON Charge of N6.7bn in Q1 2021 Vs. N0.0 in Q4 2020 (Q1 2020: N3.0bn) which led to the 15.7% QoQ growth in OPEX.

3. Financial Review - SFP



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*770# | Online Banking | Cards | mVisa



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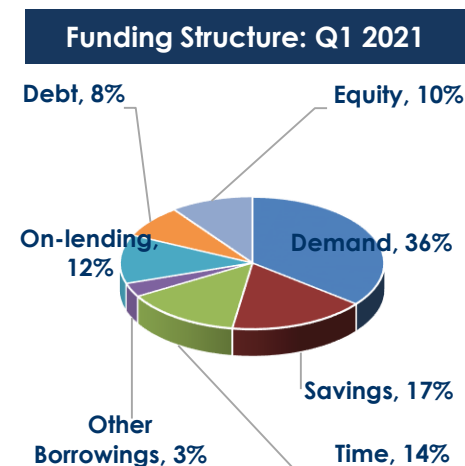
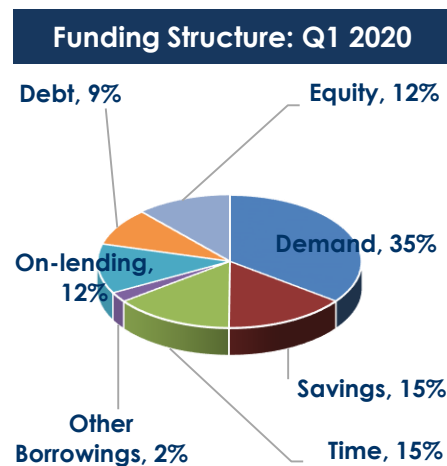


We Are Fidelity, We Keep Our Word

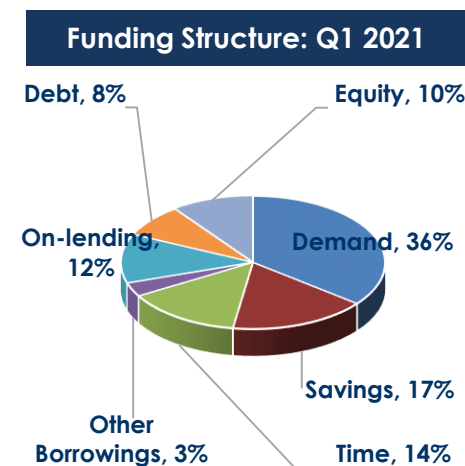
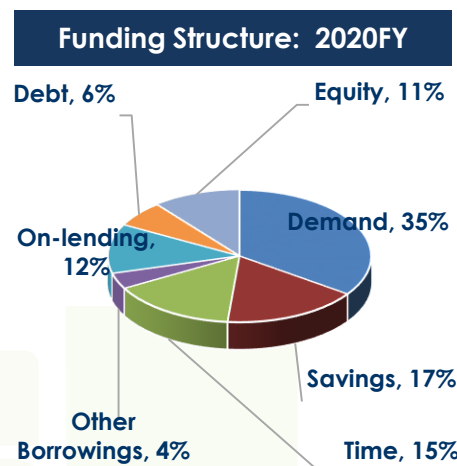
Funding Base Analysis



N'million	Q1 2020	Q1 2021	VAR	% VAR
Demand Deposits	734,787	937,695	202,908	27.6%
Savings Deposits	312,109	441,572	129,463	41.5%
Tenor Deposits	305,366	372,070	66,704	21.8%
Other Borrowings	50,479	89,142	38,663	76.6%
On-Lending	252,174	315,388	63,214	25.1%
Debt Securities	191,383	210,608	19,224	10.0%
Equity	242,384	264,424	22,039	9.1%
Total	2,088,683	2,630,898	542,215	26.0%



N'million	2020FY	Q1 2021	VAR	% VAR
Demand Deposits	883,300	937,695	54,395	6.2%
Savings Deposits	424,384	441,572	17,188	4.1%
Tenor Deposits	391,342	372,070	(19,272)	-4.9%
Other Borrowings	99,055	89,142	(9,913)	-10.0%
On-Lending	308,097	315,388	7,291	2.4%
Debt Securities	161,916	210,608	48,692	30.1%
Equity	273,533	264,424	(9,109)	-3.3%
Total	2,541,627	2,630,898	89,271	3.5%

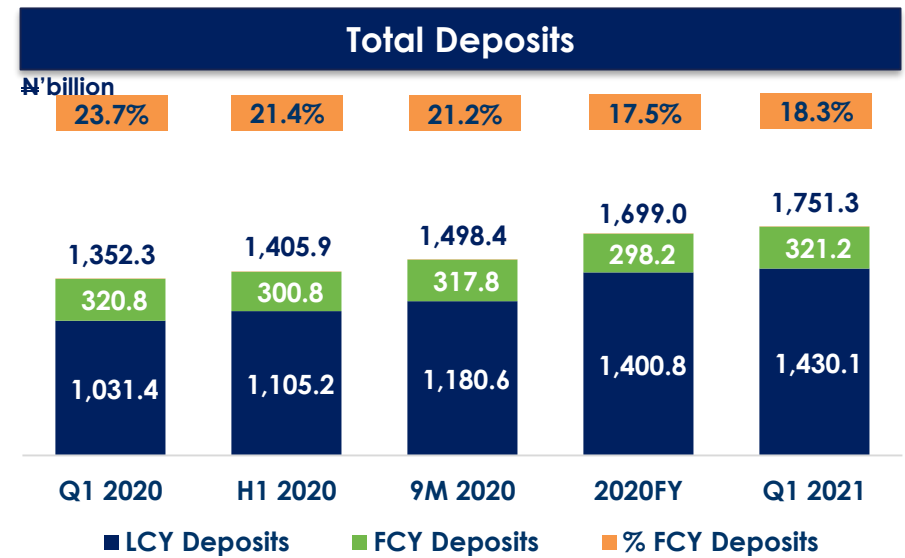


- Deposits still represent a chunk of our funding base, accounting for 66.6% of total funding base and 74.0% of interest-bearing liabilities.
- 30.1% YTD increase in debt securities was due to the 10-Yr N41.2bn Tier II Bonds issued in Jan 2021 @ 8.5% coupon p.a.

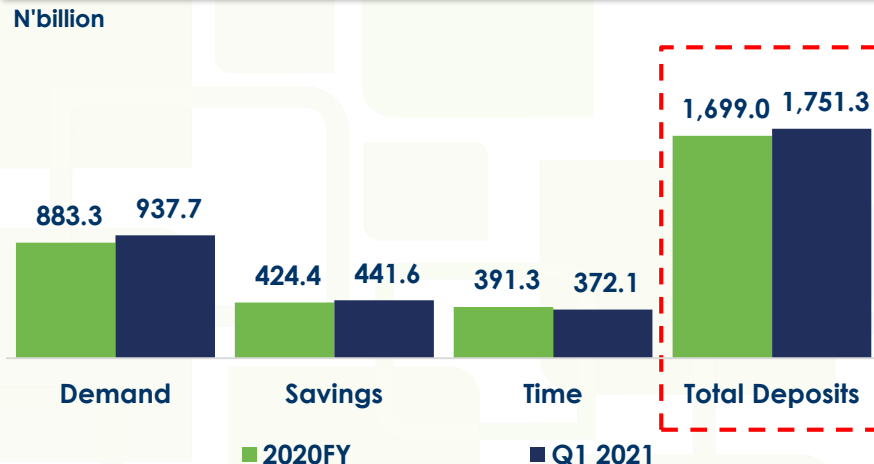
Deposits Analysis



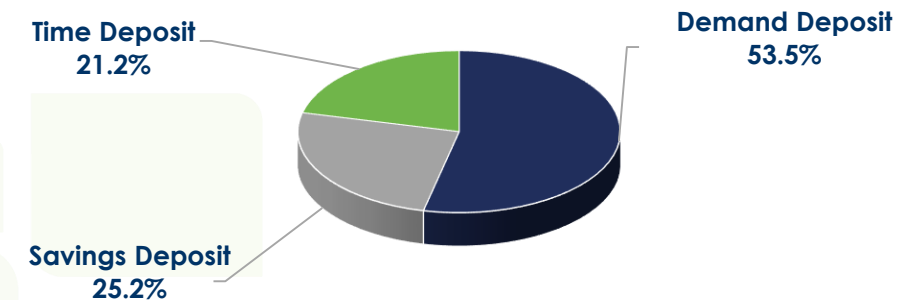
- ▶ Total customer deposits increased by 3.1% YTD to ₦1,751.3bn from ₦1,699.0bn in 2020FY.
- ▶ While actual growth was 2.8%, the impact of FX rate adjustment accounted for only 0.3% growth in deposits.
- ▶ Low-cost deposits grew by 5.5% YTD to ₦1,379.3bn while pricy deposits declined by 4.9% YTD which was responsible for the 26.2% YoY decline in total interest expenses.
- ▶ FCY deposits grew by 7.7% and accounts for 18.3% of total deposits. A combination of our renewed drive in diaspora banking and the CBN remittance incentive led to the growth.



Deposits by Products – 2020FY Vs. Q1 2021



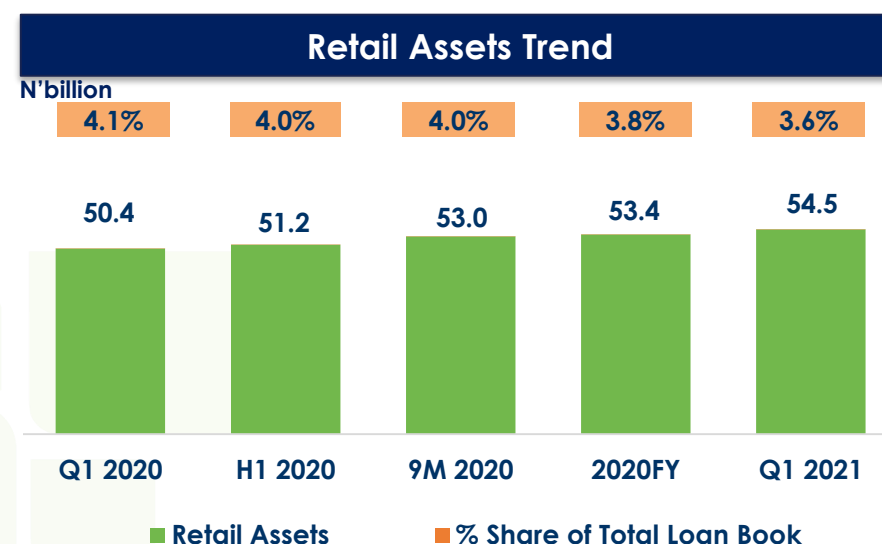
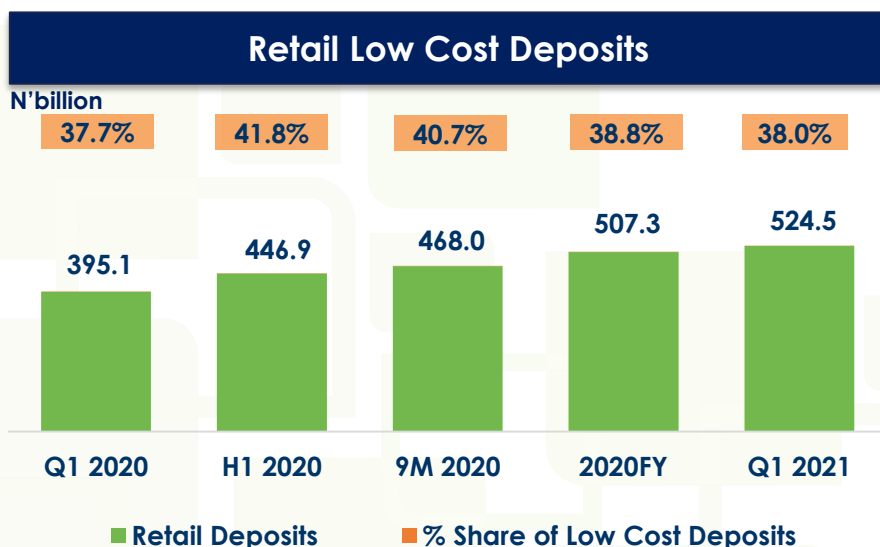
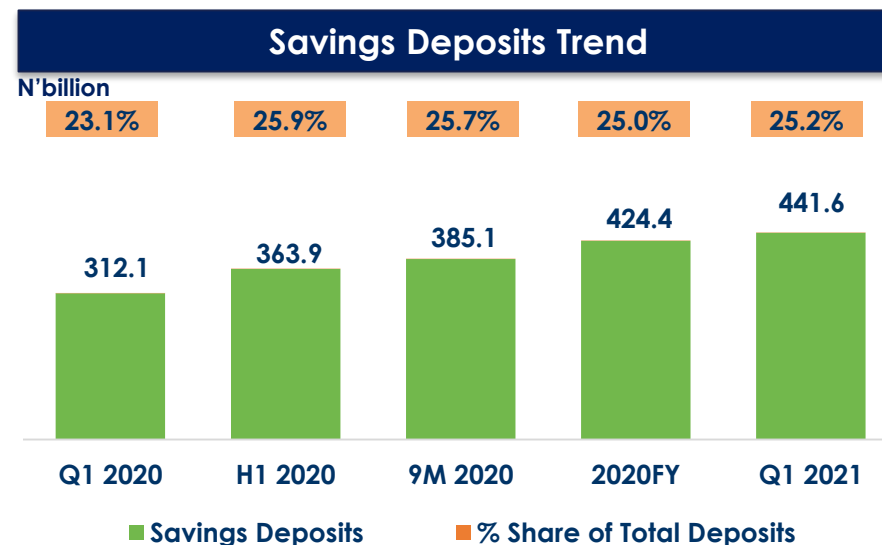
Deposits by Products – Q1 2021



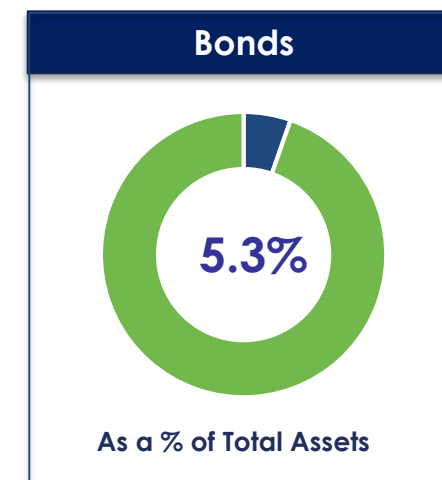
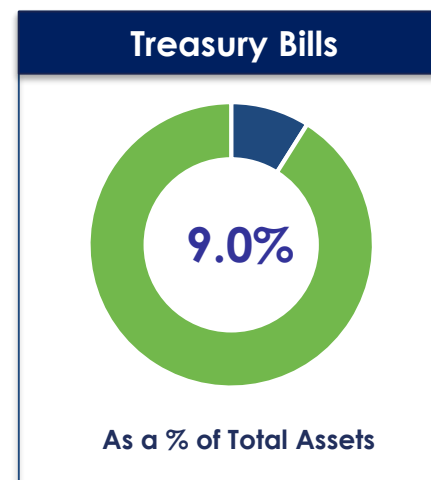
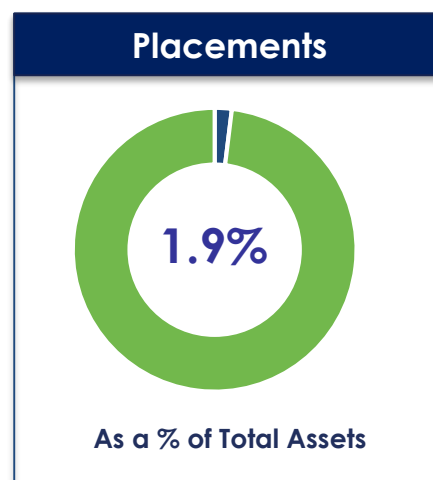
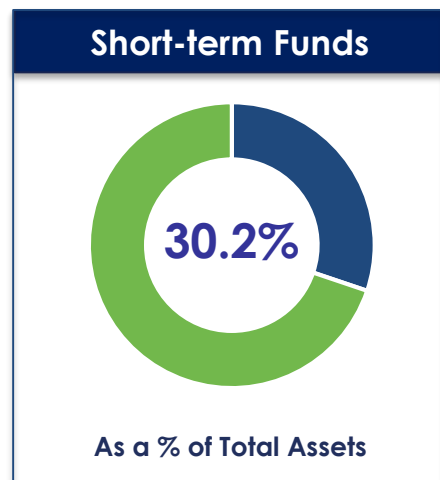
Retail Banking Analysis (Personal Banking)



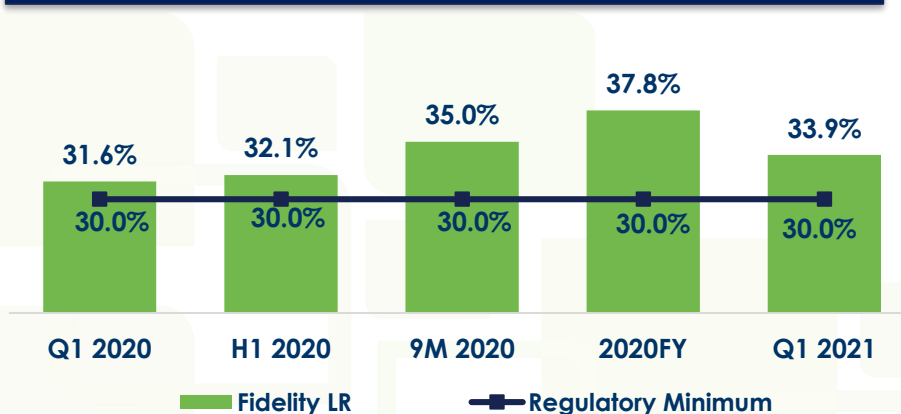
- ▶ Savings deposits grew by 4.1% and now represent 25.2% of total deposits from 25.0% in 2020FY.
- ▶ Savings deposits accounted for 32.9% of the growth in total customer deposits from 25.2% in 2020FY, which has continued to reflect on retail deposits growth.
- ▶ Growth was as a result of the disciplined execution of our retail banking strategy and improved cross-selling of our digital products.
- ▶ Retail assets increased by 2.1% YTD. We expect an increase in subsequent quarters as business activities improve further.



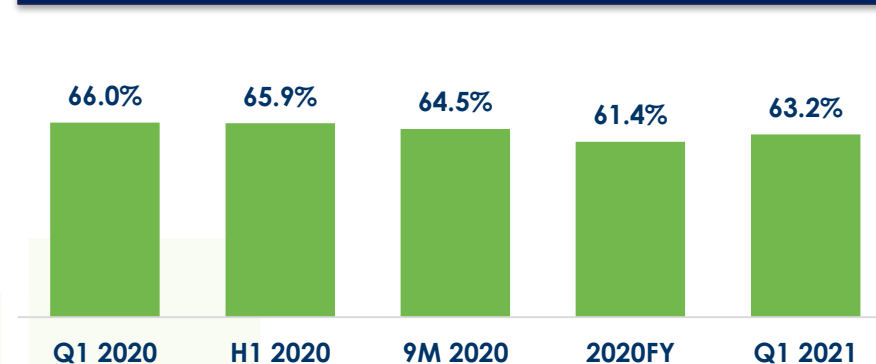
Liquid Assets Position



Liquidity Ratio



Gross Loans to Funding Ratio



- Liquidity Ratio has been sustained above the regulatory minimum of 30.0% with 62.6% of eligible liquid assets invested in T-bills and FGN bonds from 62.0% in 2020FY.
- LDR was 63.2% from 61.4% in 2020FY but stood at 66.5% after weighting all permissible loans: Mortgage | SME | Consumer loans.

Loan Portfolio Analysis



Breakdown of Loans & Advances to Customers: 2020FY Vs. Q1 2021

N'million	2020FY	Q1 2021	VAR	% VAR
Communication	32,217	29,776	-2,441	- 7.6%
Oil and Gas	315,155	374,558	59,403	18.8%
- Upstream	157,939	159,777	1,838	1.2%
- Downstream	71,448	99,096	27,648	38.7%
- Services	85,767	115,685	29,918	34.9%
Power	134,984	137,672	2,688	2.0%
Manufacturing	241,835	207,586	-34,249	- 14.2%
General Commerce	124,925	127,866	2,941	2.4%
Transport	159,080	178,868	19,788	12.4%
Consumer (Individuals)	53,422	54,521	1,099	2.1%
Government	157,449	187,313	29,864	19.0%
Construction	44,544	64,309	19,765	44.4%
Agriculture	46,167	43,262	-2,905	- 6.3%
Real Estate	28,110	29,074	964	3.4%
Education	8,404	6,883	-1,521	- 18.1%
Finance and Insurance	3,668	2,028	-1,640	- 44.7%
Others	43,665	51,387	7,722	17.7%
Total	1,393,624	1,495,102	101,477	7.3%

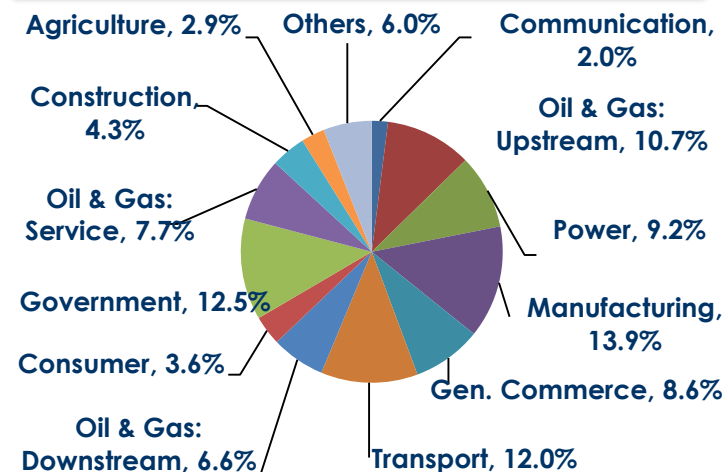
Loan Portfolio Analysis



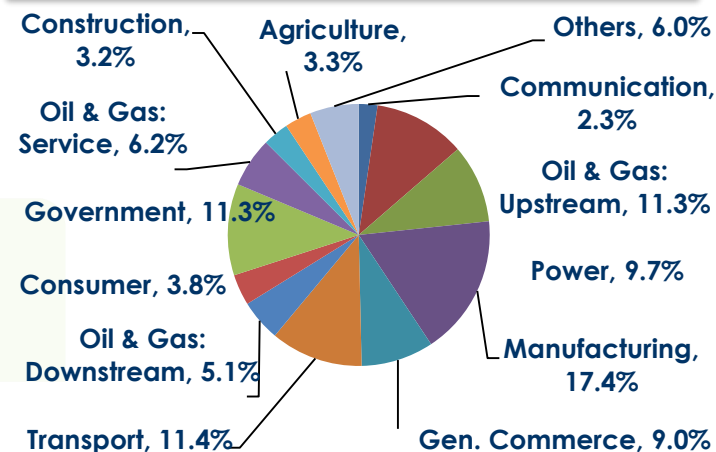
Breakdown of Loans & Advances to Customers

N'million	H1 2020	9M 2020	2020FY	Q1 2021
Communication	31,521	30,548	32,217	29,776
Oil and Gas	309,576	324,884	315,155	374,558
- Upstream	145,864	152,278	157,939	159,777
- Downstream	88,587	92,736	71,448	99,096
- Services	75,126	79,870	85,767	115,685
Power	127,925	131,139	134,984	137,672
Manufacturing	209,632	224,732	241,835	207,586
Gen. Commerce	115,244	117,321	124,925	127,866
Transport	144,476	145,436	159,080	178,868
Consumer	51,197	52,961	53,422	54,521
Government	137,442	159,026	157,449	187,313
Construction	37,000	40,290	44,544	64,309
Agriculture	37,896	39,719	46,167	43,262
Real Estate	26,508	26,747	28,110	29,074
Education	5,644	5,752	8,404	6,883
Fin. & Insurance	1,743	1,123	3,668	2,028
Others	31,483	34,969	43,665	51,387
Total	1,267,289	1,334,648	1,393,624	1,495,102

Loan Analysis – Q1 2021



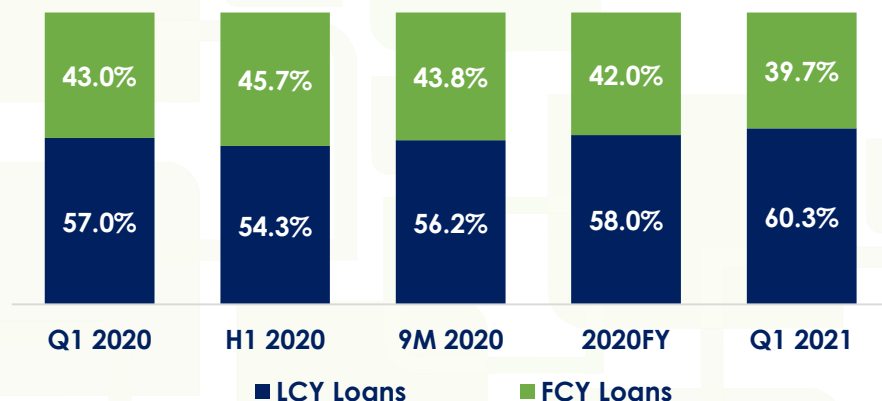
Loan Analysis – 2020FY



Loan Book Analysis

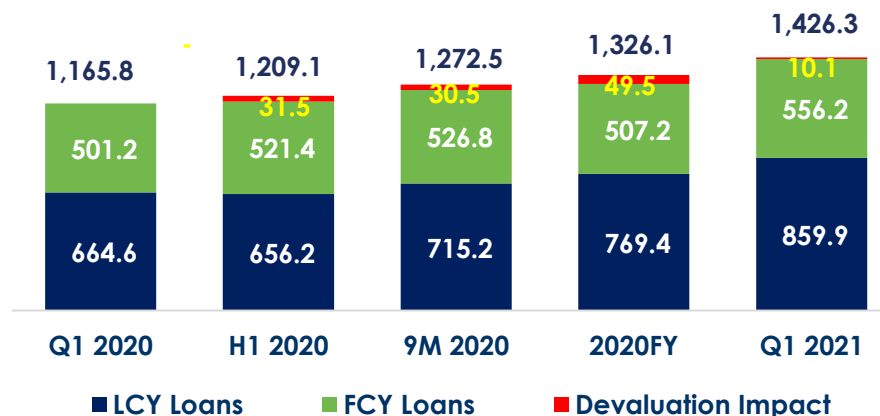
- ▶ Net loans & advances increased by 7.6% to ₦1,426.3bn, with 87.1% of the loan book in term loans.
- ▶ Actual real loan growth was 6.8% while the adjustment in exchange rate from ₦400.3/\$ to ₦407.6/\$ accounted for 0.8% (₦10.1bn).
- ▶ FCY loans now constitute about 39.7% of the net loan book from 42% in 2020FY.
- ▶ Only 8.1% (N7.3bn) of the growth in the LCY loan book were created with on-lending and intervention facilities.

Net Loans & Advances: LCY Vs. FCY

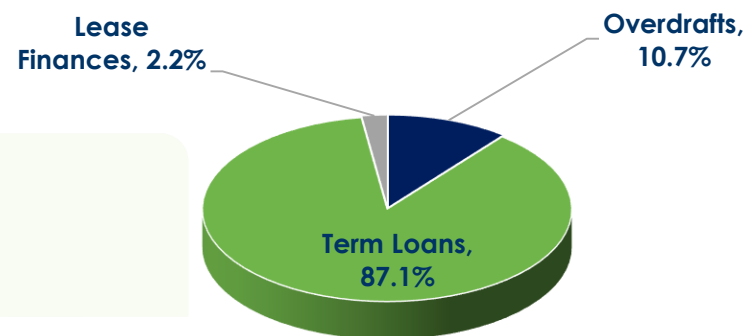


Net Loans and Advances to Customers

N'billion



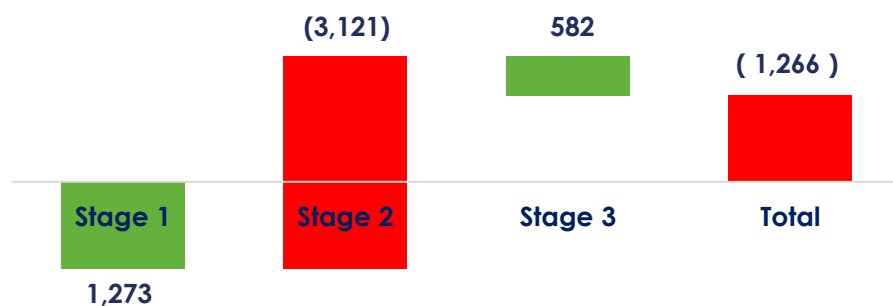
Total Loans by Type – Q1 2021



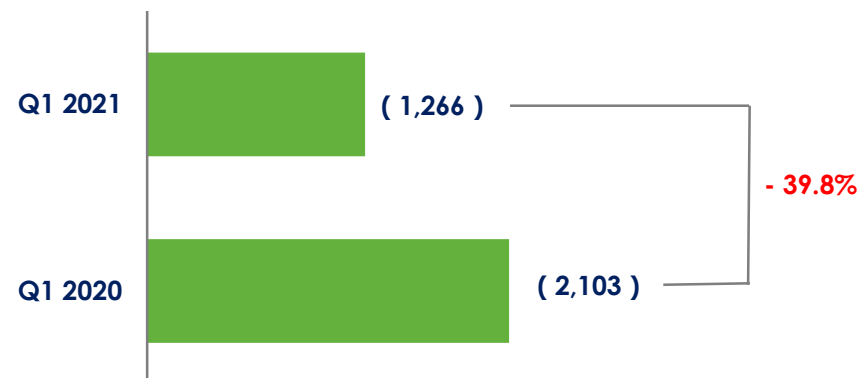
Impairment Analysis



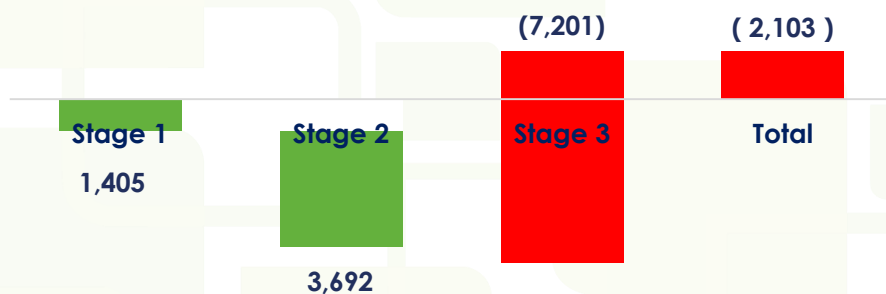
Q1 2021 Impairment Charge



Impairment Charge: Q1 2020 Vs. Q1 2021



Q1 2020 Impairment Charge



Total Impairment

	2020FY	Q1 2021	VAR	% VAR
FCY	16,716	16,231	-485	-2.90%
NGN	50,803	52,616	1,813	3.57%
TOTAL	67,518	68,846	1,327	1.97%

Loan Book Breakdown – Stage 1 | 2 | 3



Breakdown of Loans & Advances to Customers								
N'million	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Communication	16,097	12,088	1,591	29,776	54.1%	40.6%	5.3%	2.0%
Oil and Gas	264,477	106,334	3,747	374,558	70.6%	28.4%	1.0%	25.1%
- Upstream	87,191	72,586	0	159,777	54.6%	45.4%	0.0%	10.7%
- Downstream	93,717	2,453	2,926	99,096	94.6%	2.5%	3.0%	6.6%
- Services	83,569	31,295	821	115,685	72.2%	27.1%	0.7%	7.7%
Power	12,100	125,573	0	137,672	8.8%	91.2%	0.0%	9.2%
Manufacturing	193,018	10,872	3,697	207,586	93.0%	5.2%	1.8%	13.9%
General Commerce	108,233	13,422	6,211	127,866	84.6%	10.5%	4.9%	8.6%
Transport	146,392	15,433	17,043	178,868	81.8%	8.6%	9.5%	12.0%
Consumer	48,232	2,389	3,899	54,521	88.5%	4.4%	7.2%	3.6%
Government	187,013	228	72	187,313	99.8%	0.1%	0.0%	12.5%
Construction	58,466	5,214	628	64,309	90.9%	8.1%	1.0%	4.3%
Agriculture	35,555	3,560	4,147	43,262	82.2%	8.2%	9.6%	2.9%
Real Estate	28,384	103	587	29,074	97.6%	0.4%	2.0%	1.9%
Education	5,876	409	599	6,883	85.4%	5.9%	8.7%	0.5%
Finance & Insurance	1,394	0	633	2,028	68.8%	0.0%	31.2%	0.1%
Others	38,222	1,720	11,445	51,387	74.4%	3.3%	22.3%	3.4%
Total	1,143,459	297,343	54,300	1,495,102	76.5%	19.9%	3.6%	100.0%
% Share of Total	76.5%	19.9%	3.6%	100.0%				
Coverage Ratio	0.7%	8.2%	66.2%	4.6%				

Loan Book Breakdown – Stage 1 | 2 | 3



YTD Change In Loan Book Stages: 2020FY Vs. Q1 2021

N'million	Stage 1	Stage 2	Stage 3	Total
Communication	(2,187)	87	(341)	(2,441)
Oil and Gas	29,207	30,918	(722)	59,403
- Upstream	(322)	2,160	0	1,838
- Downstream	30,581	(2,301)	(633)	27,648
- Services	(1,051)	31,059	(90)	29,918
Power	8,566	(5,877)	0	2,689
Manufacturing	(29,689)	(4,966)	407	(34,249)
General Commerce	(9,646)	12,597	(10)	2,941
Transport	28,202	(8,896)	481	19,788
Consumer (Individuals)	(1,259)	2,095	263	1,099
Government	30,006	(185)	42	29,864
Construction	14,720	5,214	(169)	19,764
Agriculture	(4,710)	1,535	270	(2,905)
Real Estate	354	60	551	964
Education	(1,944)	391	33	(1,520)
Finance and Insurance	(1,675)	(0)	34	(1,640)
Others	6,281	1,031	410	7,722
Total	66,225	34,003	1,249	101,477

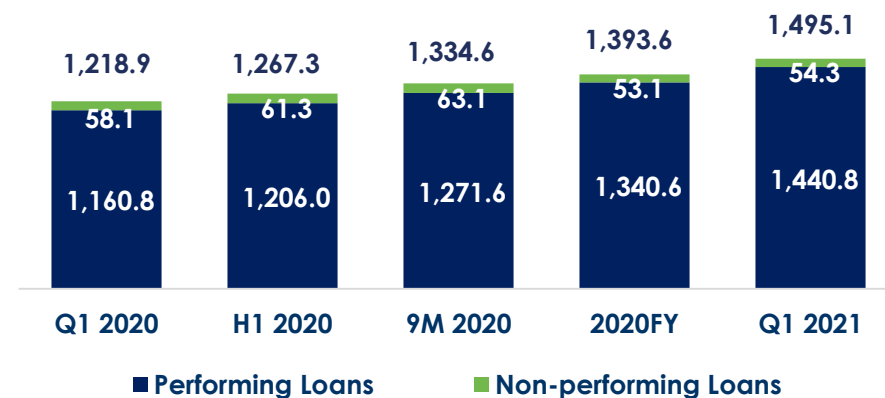
NPL Analysis



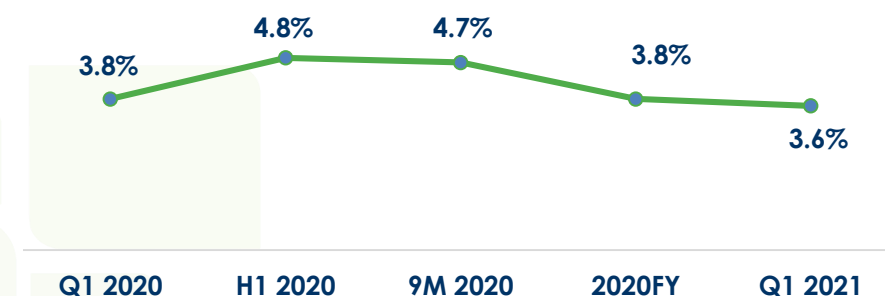
- ▶ NPL ratio (Stage 3 Loans) dropped to 3.6% from 3.8% in 2020FY due to 7.3% increase in absolute Loan Book to ₦1,495.1bn.
- ▶ FCY NPL accounted for 17.2% of total NPL Book and were largely in the Transport sector etc.
- ▶ Coverage remains high at 138.5% with specific provisions on Stage 3 Loans currently at 66.2%.
- ▶ Key sectors: Oil & Gas Downstream, Agriculture and Telecoms etc. have over 90.0% cover.

Gross Loans and Advances

N'billion



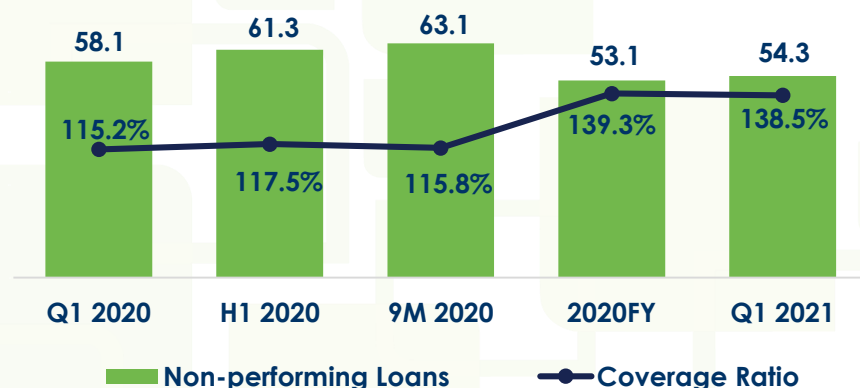
Non-performing Loans



NPL Coverage Ratio

₦' billion

% Ratio



NPL Portfolio Analysis



Breakdown of Non-performing Loans: 2020FY Vs. Q1 2021

	2020FY	Q1 2021	VAR	% VAR	2020FY	Q1 2021
	N'million	N'million	N'million	%	NPL Ratio	NPL Ratio
Communication	1,932	1,591	(341)	-17.7%	6.0%	5.3%
Oil and gas	4,469	3,747	(722)	-16.2%	1.4%	1.0%
- Oil & Gas Upstream	-	-	-	0.0%	0.0%	0.0%
- Oil & Gas Downstream	3,559	2,926	(633)	-17.8%	5.0%	3.0%
- Oil & Gas Services	911	821	(90)	-9.8%	1.1%	0.7%
Power	0	0	0	11.7%	0.0%	0.0%
Manufacturing	3,290	3,697	407	12.4%	1.4%	1.8%
General Commerce	6,221	6,211	(10)	-0.2%	5.0%	4.9%
Transport	16,562	17,043	481	2.9%	10.4%	9.5%
Consumer (Individuals)	3,636	3,899	263	7.2%	6.8%	7.2%
Government	30	72	42	142.0%	0.0%	0.0%
Construction	797	628	(169)	-21.2%	1.8%	1.0%
Agriculture	3,877	4,147	270	7.0%	8.4%	9.6%
Real Estate	36	587	551	1511.6%	0.1%	2.0%
Education	566	599	33	5.8%	6.7%	8.7%
Finance and Insurance	598	633	34	5.7%	16.3%	31.2%
Others	11,035	11,445	410	3.7%	25.3%	22.3%
Total	53,050	54,300	1,249	2.4%	3.8%	3.6%

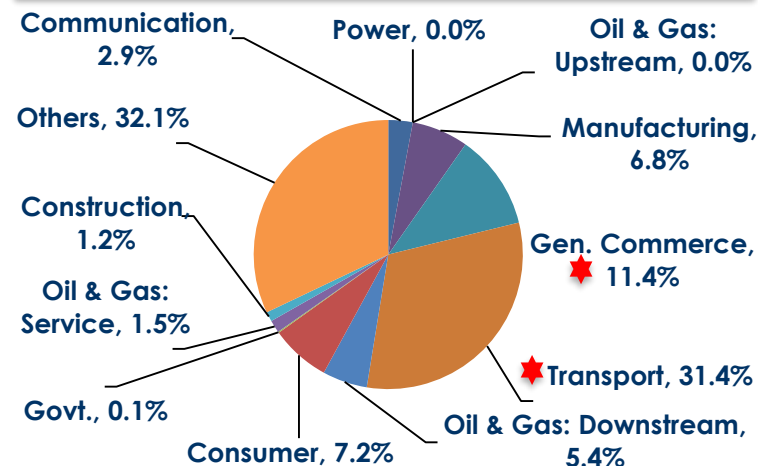
NPL Portfolio Analysis



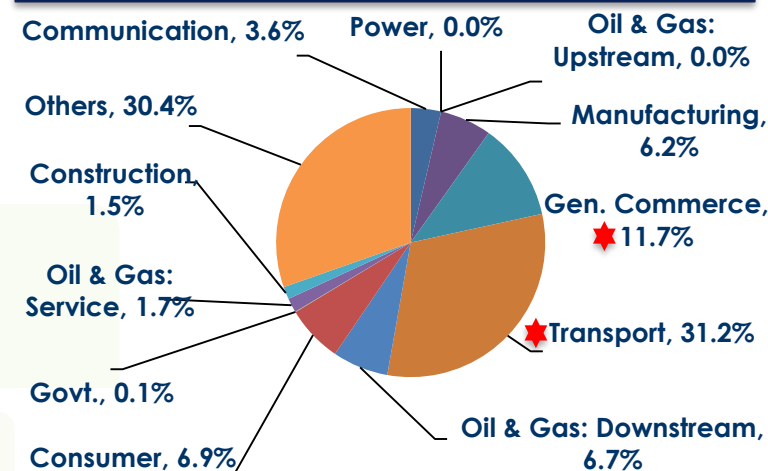
Breakdown of Non-performing Loans

N'million	H1 2020	9M 2020	2020FY	Q1 2021
Communication	4,014	2,982	1,932	1,591
Oil and Gas	19,309	19,852	4,469	3,747
- Upstream	0	0	0	0
- Downstream	18,843	19,116	3,559	2,926
- Services	467	736	911	821
Power	0	0	0	0
Manufacturing	9,606	11,715	3,290	3,697
Gen. Commerce	4,178	4,769	6,221	5,859
Transport	9,949	10,779	16,562	17,043
Consumer	4,012	3,338	3,636	3,899
Government	164	26	30	72
Construction	3,863	1,763	797	628
Agriculture	3,184	3,404	3,877	4,147
Real Estate	383	381	36	587
Education	468	697	566	599
Fin. & Insurance	4	4	598	633
Others	2,198	3,351	11,035	11,445
Total	61,334	63,062	53,050	53,947

NPL Analysis – Q1 2021



NPL Analysis – 2020FY

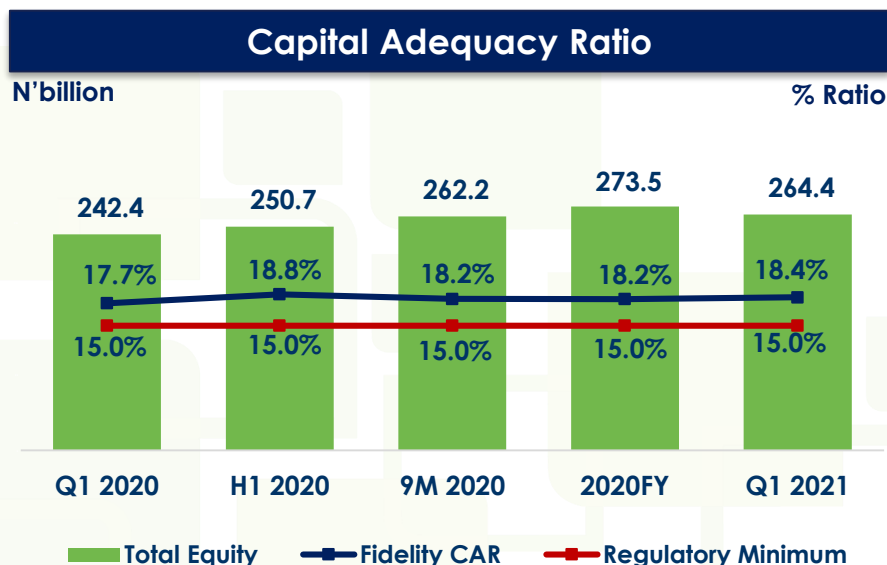


★ Pressure NPL Sectors

Capital Adequacy Ratio

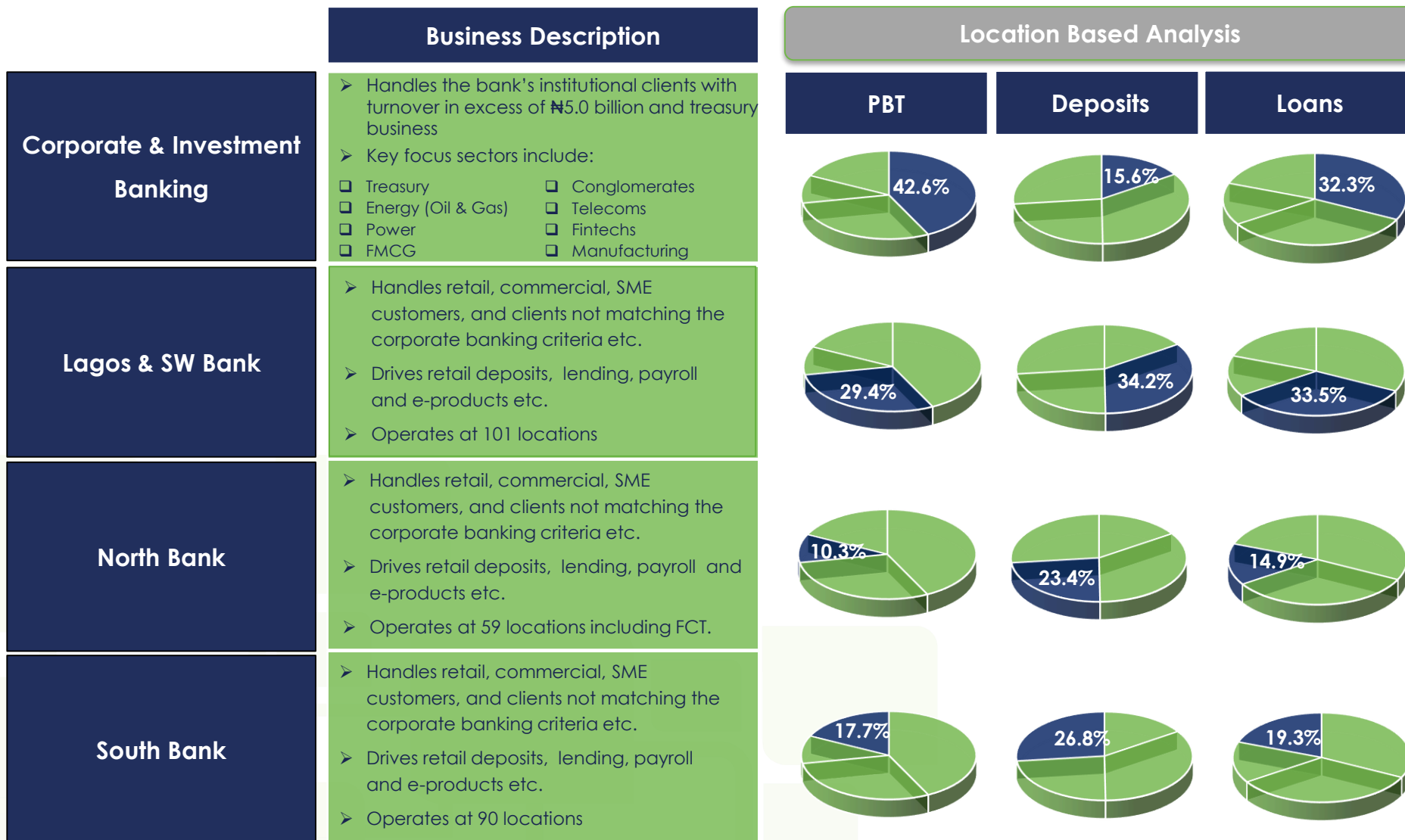


- ▶ CAR stood at 18.4%, well above the regulatory minimum requirement of 15.0%.
- ▶ Excluding the regulatory adjustment, CAR would have come in at 19.6%.
- ▶ Tier II Capital included our 10-Yr ₦41.2bn Bonds issued in Jan 2021 @ 8.5% coupon p.a..
- ▶ Total Equity dropped by 3.3% YTD to ₦264.4bn from ₦273.5bn in 2020FY due to ₦18.7bn (47.2%) decline in Fair Value Reserves to ₦20.9bn.



Capital Adequacy Ratio Computation – Basel II			
N'billion	2020FY	Q1 2021	VAR
Tier 1 Capital	224.3	224.3	0.0
Regulatory Adjustment	(20.2)	(17.8)	(2.3)
Adjusted Tier 1 Capital	204.1	206.4	2.3
Tier 2 Capital	39.6	74.8	35.1
Total Qualified Capital	243.7	281.2	37.5
Credit Risk	1,048.3	1,257.5	209.1
Market Risk	87.6	65.6	(22.1)
Operational Risk	204.3	205.9	1.6
Risk Weighted Assets	1,340.2	1,528.9	188.7
Capital Adequacy Ratio			
Tier 1	15.2%	13.5%	
Tier 2	3.0%	4.9%	
Overall CAR	18.2%	18.4%	

Strategic Business Units Analysis



5. Q1 2021 Actual Vs. 2021FY Guidance



SME Banking Tailor-Made For You

Take your business to greater heights with our range of SME Banking products and services.



FSBA



FPBA



Quick SME Loans



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Business Advisory



Q1 2021 Actual Vs. 2021FY Guidance



GROWTH EXPECTATIONS ON KEY INDICATORS				
S/N	Index	Q1 2021 Actual	2021FY Target	Comment
1	PBT	₦10.1bn	₦35.2bn	On Track
2	Loan Growth	7.6%	10.0% - 15.0%	On Track
3	Deposit Growth	3.1%	15.0% - 20.0%	Behind Target
4	Net Interest Margin	6.3%	6.0% - 6.5%	On Track
5	Cost to Income Ratio	66.8%	Below 65.0%	On Track
6	RoAE – Post Tax	14.5%	12.2%	On Track
7	Cost of Risk	0.4%	1.0% - 1.2%	On Track
8	NPL Ratio	3.6%	Below 5.0%	On Track
9	Tax Rate	5.4%	10.0% - 15.0%	On Track
10	Proposed Dividends	N/A	25 - 40% (of PAT)	N/A

Thank You

Fidelity Bank Plc

2 Kofo Abayomi Street,

Victoria Island, Lagos, Nigeria

+234 (01) 4480853

info.investor@fidelitybank.ng

www.fidelitybank.ng