

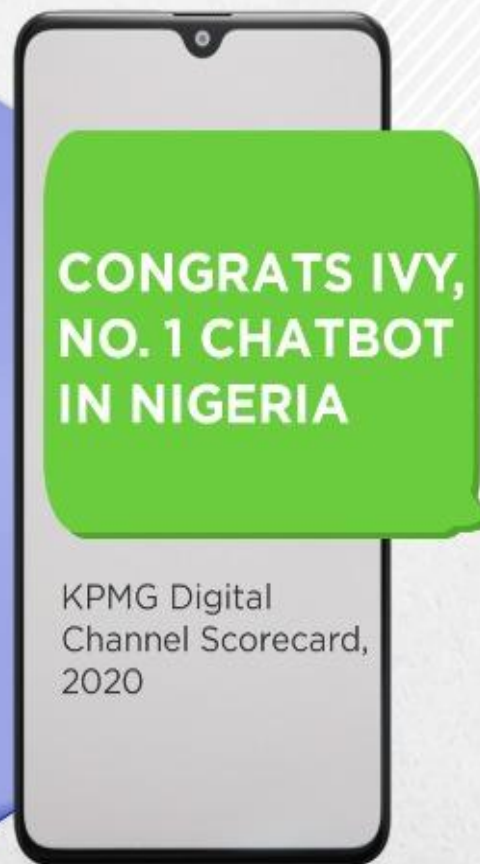
Fidelity Bank Investor Presentation

Audited Financial Results for the 12 months ended

December 31, 2020



1. Overview of Fidelity Bank
2. The Operating Environment
3. Financial Highlights
4. Financial Review
5. 2020FY Actual Vs. 2021FY Guidance



Overview of Fidelity Bank



Ownership

Total Assets: **N2,758bn**

\$6.9bn

32.0bn Authorized Shares

Issued And Fully Paid → **28.96bn**



28.96bn Shares

THE Nigerian STOCK EXCHANGE
RC: 2321

Listings:

Irish Stock Exchange

\$400m Oct 2022 Eurobond

Operations & Contact Channels



Professional Staff

2,945

Male: 54%
Female: 46%



5.7 Million
Accounts



829 ATMs



2.3m Cards



250 Branches

3.0m
Mobile
Customers



14,101 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

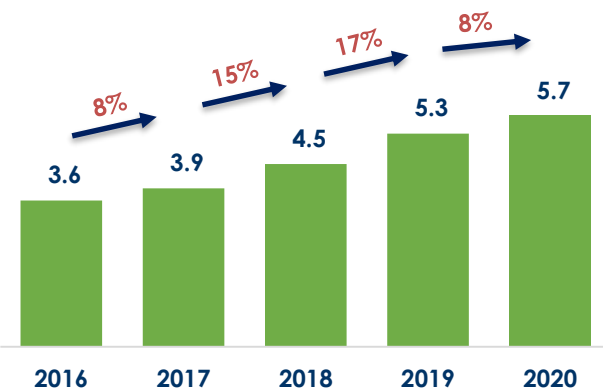
B-/Stable/B

Overview of Fidelity Bank



Retail And Digital Banking Evolution / Progress Report

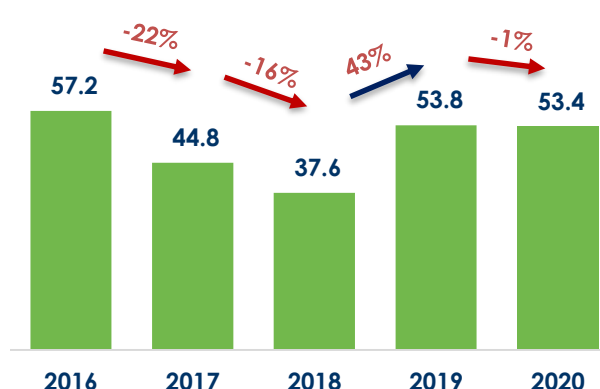
Number of Customer Accounts (#'m)



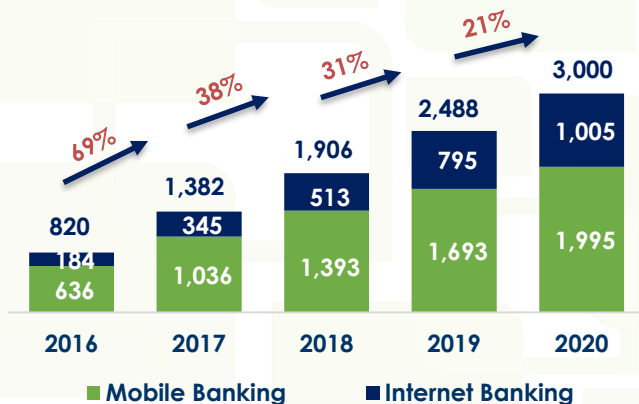
Savings deposits (N'bn)



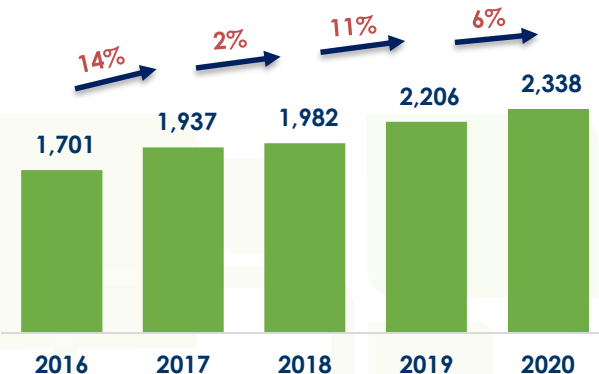
Retail Risk Assets (N'bn)



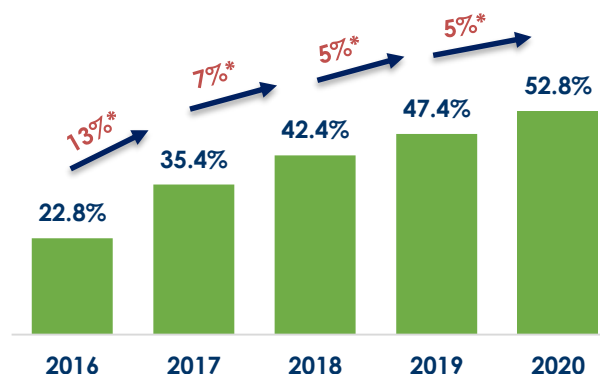
Mobile/Internet Banking Cust. (#'000)



Number of Debit Cardholders (#'000)



Electronic Banking Penetration (%)

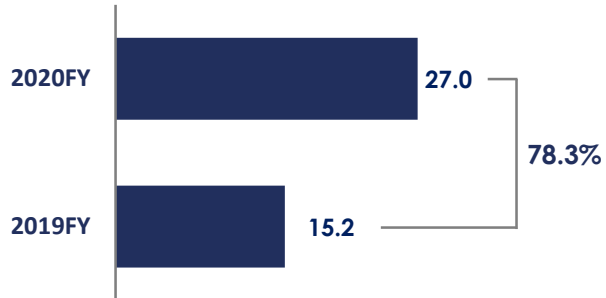


* Approximated difference between 2 values

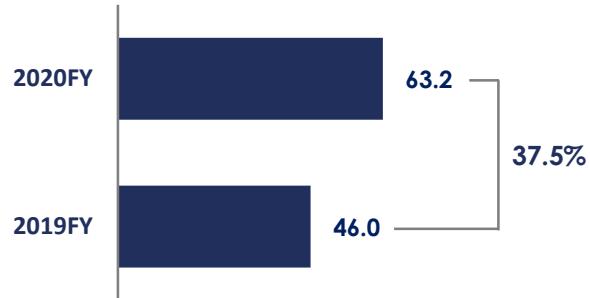
Transaction Volume Statistics



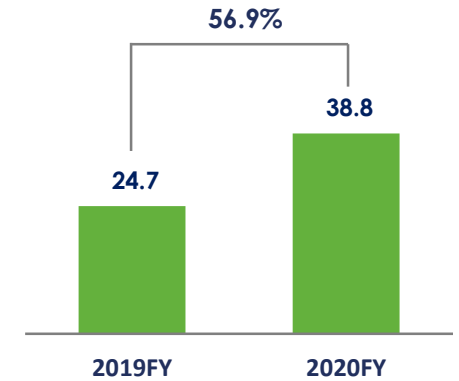
Internet Banking (#' Mn)



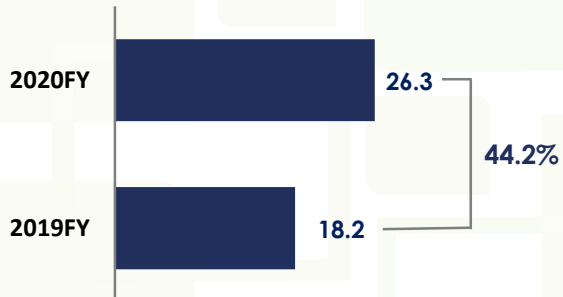
Mobile Banking (#' Mn)



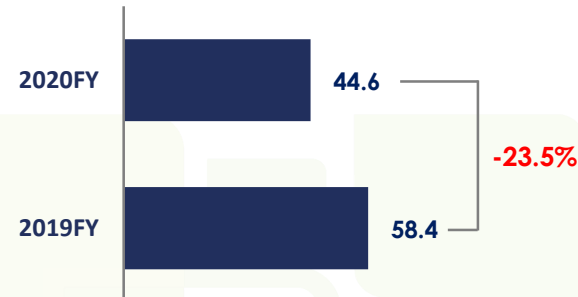
NIP (#' Mn)



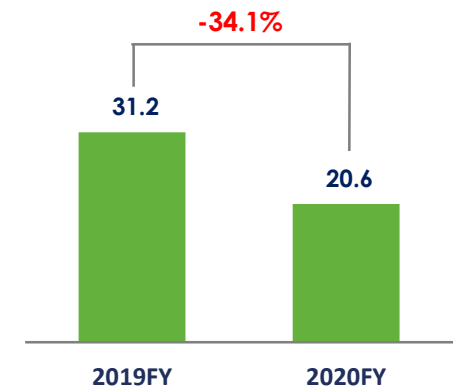
POS (#' Mn)



ATM (#' Mn)



In-Branch (#' Mn)





Sneezing



Sore Throat



Coughing

Corona Virus Symptoms



Fever



Headache



If you have any of these symptoms, please do well to isolate yourself.
Contact Nigerian Center for Disease Control on 0800 970000 (Toll-Free)

The Operating Environment

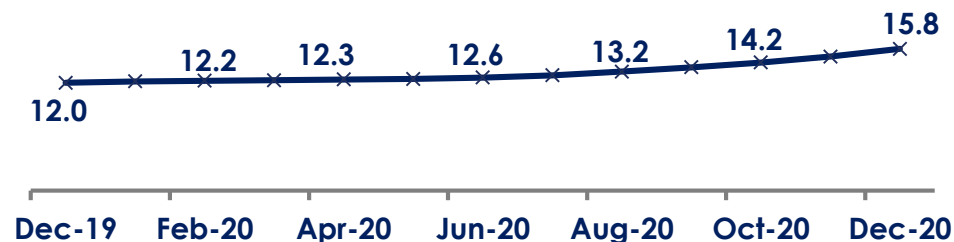


- ❖ The Nigerian economy exited recession in Q4 '20 as growth in Telecoms and Agriculture sectors etc. offset the impact of lower oil prices.
- ❖ GDP growth in Q4 '20 was 0.11% from -3.6% in Q3 '20. However, the full-year 2020 GDP growth came in at -1.92% compared to 2.3% in 2019.
- ❖ Headline inflation inched up for the 16th consecutive month from 11.0% in Aug 2019 to 15.8% in Dec 2020.
- ❖ High food prices, insecurity, upward review of PMS price, and pass-through effect of the pandemic etc. led to rising inflation rate.
- ❖ Average crude oil prices (Bonny Light) in 2020FY dropped by 35.7% to \$42.09pb from \$65.49pb with the highest and lowest prices at \$72.18pb in Jul and \$7.15 in Apr 2020 respectively.
- ❖ Crude prices have since stabilized above \$60pb while the external reserves is now at \$34.8bn.

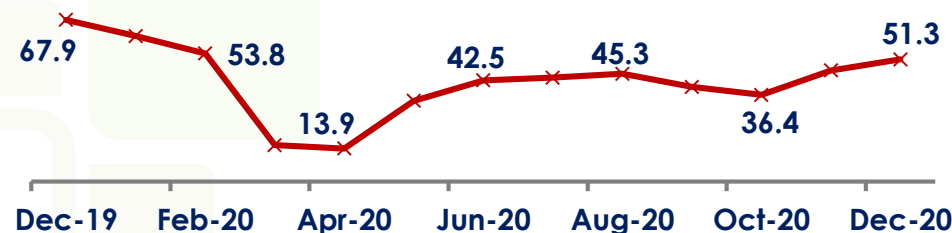
Real GDP Growth



Headline Inflation (%)



Bonny Light (\$ per Barrel)



Key Regulatory & Policy Changes



- MPC retained policy rate at 13.5% but increased CRR by 500bps to 27.5%.
- CBN kept the LDR unchanged at 65.0% for Deposit Money Banks (DMBs).
- CBN approved regulatory forbearance for assets funded with its intervention funds.
- Bankers Committee agreed donation modalities for Covid-19. Tier I = N500m | Tier II = N250m | Others = N100m

Q1

- MPR reviewed downward to 11.5% from 12.5%, while the asymmetric corridor was lowered from +200/-500bps to +100/-700bps.
- Other policy rates retained.
- CBN drops the minimum benchmark for interest rate on savings accounts to 10.0% of MPR from 30% of MPR.
- PMS pump price increased to N151.56 per litre from N145 effective 2nd Sep 2020

Q3

- MPR reduced by 100bps to 12.5% while other policy rates remained unchanged.
- Interest rate on savings deposits dropped to 3.75% from 4.05% due to reduction in MPR.
- CBN resumed FX sale to SMEs and for invisibles including payment of tuition fee.
- FG approves the suspension of interest payment on state government debts.

Q2

Q4

- The Nigerian Electricity Regulatory Commission (NERC) approved service reflected tariffs in the Power Sector effective 12th Oct 2020.
- CBN approved the option of receiving diaspora remittances in NGN or USD
- FG reopens 4 land borders (Seme | Maigatari | Illela | Mfun)
- The Senate passed the N13.6bn appropriation bill.

Covid-19 Pandemic: Our Response



Two Committees headed by Executive Directors were setup to focus on the impact of the pandemic on our Business Strategy and Business Continuity

Business Strategy

- ❖ Conducted early assessment of the pandemic based on 3 scenarios:
 - Base Case: the pandemic is contained within 3M and the economy reopens in July
 - Moderate Case: the pandemic is contained in 6M and the economy reopens in Oct.
 - Worst Case: the pandemic remains above 6M but the economy reopens in 2021.
- ❖ Stress test revealed a 15% - 30% negative impact on PBT from the Base Case to the Worst Case Scenario.
- ❖ Granted moratorium and reviewed lending rate downward for specific sector/customers.
- ❖ Obtained varying palliatives from DFIs on on-lending facilities granted to customers.



Business Continuity

- ❖ Introduced new Covid-19 protocol that limited both staff and customers' footprint at our business locations.
- ❖ Implemented new health and safety measures for staff and customers.
- ❖ Commenced remote working with at least 50% of staff working from home.
 - Prior investment in technology enabled seamless remote working & collaboration.
- ❖ Migrated additional services to the cloud in line with the remote working protocol.
- ❖ Activated new IT Security protocols in view of the changing cyber-risk landscape.

Dial *770#
To Pay Bills



Financial Highlights



- ❑ Net interest margin (NIM) improved to 6.3% from 6.2% in 2019FY on account of a 270bpts drop in average funding cost to 3.6% from 6.3% in 2019FY. This translated to a 28.6% drop in total interest expenses despite a 31.3% increase in interest bearing liabilities. NIM stood above our 2020FY guidance of 5.5% - 6.0%.
- ❑ Net fee income declined by 14.9% YoY but increased by 14.0% QoQ driven by double-digit growth in digital banking income, FX related income, account maintenance charges and trade income etc.
- ❑ The downward review of transaction charges in line with the new bankers' tariff impacted negatively on fees and commission income, however, increased transaction volume post lockdown across states spurred fee income in Q4 2020.
- ❑ Total operating expenses inched up by 2.0% to N83.6bn largely due to N2.2bn growth in regulatory charges. However, growth in operating expenses remains below headline inflation with cost-to-income ratio dropping to 65.1% from 73.4% in 2019FY and below of our 2020 Guidance of 70.0%.
- ❑ Operating profit (i.e. PBT before impairment) increased 50.9% to N44.9bn from N29.8bn in 2019FY. However, PBT declined by 7.6% to N28.1bn from N30.4bn as we proactively increased our provisions on risk assets to N16.9bn from a net write-back of N0.6bn in 2019FY.

Financial Highlights



- ❑ Total deposits increased by 38.7% to ₦1,699.0bn from ₦1,225.2bn in 2019FY as we recorded strong growth across all deposit products. LCY deposits came in at ₦1,400.1bn representing 82.5% of total deposits while FCY deposits increased by 3.3% to ₦298.2bn and now accounts for 17.5% of total deposits.
- ❑ Savings deposits increased by 54.2% to ₦424.4bn from ₦275.2bn in 2019FY and now accounts for 25.0% of total deposits from 22.5% in 2019FY. Savings was responsible for 32.1% growth in total deposits.
- ❑ Net loan book increased by 17.7% to ₦1,326.1bn from ₦1,127.0bn in 2019FY. However, actual growth in net loan book was 13.3% while the impact of naira devaluation resulted in 4.4% growth in loans.
- ❑ We converted our FCY book at FX rate of N400.3 per USD compared to N364.7 per USD in 2019FY.
- ❑ Non-Performing Loans (NPL) ratio is now 3.8% from 3.3% in 2019FY while cost of risk came in at 1.4% as we increased our loan provision buffers against possible headwinds.
- ❑ Regulatory Ratios stood above the required thresholds with liquidity ratio at 37.8% and capital adequacy ratio (IFRS 9 – Full Impact) at 18.2%. Our CAR does not include the newly priced 10yrs N41.2bn Tier II Local Bonds due 2031 at 8.5% p.a.

Financial Highlights



Summary of Income Statement: YoY Change				
N'million	2019FY	2020FY	VAR	% VAR
Gross Earnings	218,011	206,204	(11,807)	-5.4%
Interest Income Loans	139,204	130,476	(8,728)	-6.3%
Interest Income Liquid Assets	45,637	46,277	640	1.4%
Total Interest Income	184,841	176,753	(8,088)	-4.4%
Interest Expense Customer Deposits	(73,634)	(45,223)	(28,411)	-38.6%
Interest Expense Borrowings	(28,152)	(27,407)	(745)	-2.6%
Total Interest Expense	(101,786)	(72,630)	(29,156)	-28.6%
Net Interest Income	83,055	104,123	21,068	25.4%
FX Income	6,542	9,976	3,434	52.5%
Digital Income	8,917	7,242	(1,675)	-18.8%
Other Fee Income (Net)	13,245	7,204	(6,041)	-45.6%
Net Fee Income	28,703	24,422	(4,281)	-14.9%
Net Revenue	111,758	128,545	16,787	15.0%
Total Expenses	(81,992)	(83,633)	1,641	2.0%
Operating Profit	29,766	44,912	15,146	50.9%
Net Impairment Losses	587	(16,858)	17,445	2,971.9%
Profit Before Tax	30,353	28,054	(2,299)	-7.6%

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	Q1 2020	Q2 2020	Q3 2020	Q4 2020	VAR	% VAR
Gross Earnings	51,159	54,596	49,275	51,174	1,898	3.9%
Interest Income Loans	32,340	31,373	33,208	33,555	347	1.0%
Interest Income Liquid Assets	11,586	12,323	11,639	10,729	(910)	-7.8%
Total Interest Income	43,926	43,696	44,847	44,284	(563)	-1.3%
Interest Expense Customer Deposits	(12,673)	(13,595)	(11,130)	(7,825)	(3,305)	-29.7%
Interest Expense Borrowings	(6,653)	(6,381)	(7,037)	(7,336)	299	4.2%
Total Interest Expense	(19,326)	(19,976)	(18,167)	(15,161)	(3,006)	-16.5%
Net Interest Income	24,600	23,720	26,680	29,123	2,444	9.2%
FX Income	1,965	6,354	(362)	2,019	2,381	657.8%
E-banking Income	1,624	1,546	1,855	2,217	363	19.6%
Other Fee Income (Net)	2,126	4,710	1,356	(988)	(2,345)	-172.9%
Net Fee Income	5,715	12,610	2,849	3,248	399	14.0%
Net Revenue	30,315	36,330	29,529	32,371	2,842	9.6%
Total Expenses	(21,628)	(25,213)	(16,949)	(19,843)	2,894	17.1%
Operating Profit	8,687	11,117	12,580	12,528	(52)	-0.4%
Net Impairment Losses	(2,103)	(5,738)	(3,194)	(5,823)	2,628	82.3%
Profit Before Tax	6,583	5,380	9,385	6,706	(2,680)	-28.6%

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	2020FY	VAR	% VAR
Total Assets	2,114,037	2,758,148	644,111	30.5%
Earning Assets	1,474,252	1,828,807	354,555	24.0%
Bank Placements	55,812	51,799	(4,013)	-7.2%
Treasury Bills	183,363	264,032	80,669	44.0%
Bonds	108,103	186,870	78,767	72.9%
Customer Loans (Naira)	662,214	769,401	107,187	16.2%
Customer Loans (FCY)	464,760	556,705	91,945	19.8%
Non-Earning Assets	639,785	929,341	289,556	45.3%
Cash	31,658	44,751	13,093	41.4%
Cash Reserve	304,618	432,741	128,123	42.1%
Bal. with other Banks/Settlement Acct	218,660	339,331	120,671	55.2%
Fixed Assets	38,392	38,446	54	0.1%
All Other Assets	46,457	74,072	27,615	59.4%
Interest Bearing Liabilities	1,726,938	2,268,094	541,156	31.3%
Demand	691,610	883,300	191,690	27.7%
Savings	275,219	424,384	149,165	54.2%
Time Deposits	258,384	391,342	132,958	51.5%
Other Borrowings	76,308	99,055	22,747	29.8%
On-lending Facilities	250,139	308,097	57,958	23.2%
Debt Securities	175,278	161,916	(13,362)	-7.6%
All Other Liabilities	153,069	216,521	63,452	41.5%
Equity	234,030	273,533	39,503	16.9%

Please note: The Balance Sheet was converted at an exchange rate of ₦400.33/USD

Financial Highlights



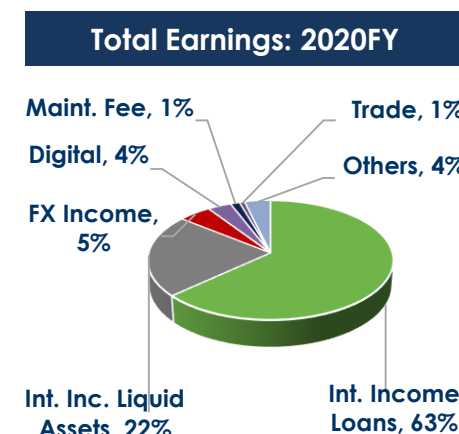
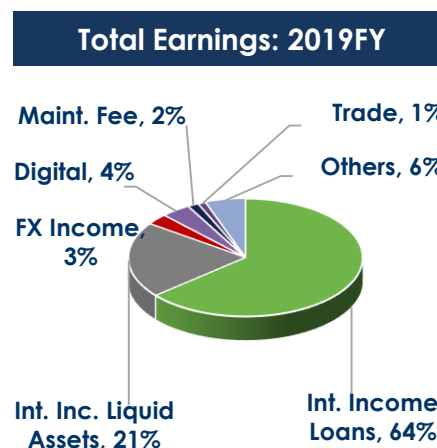
Statement of Financial Position: QoQ Change

N'million	Q1 2020	H1 2020	9M 2020	2020FY	VAR	% VAR
Total Assets	2,246,788	2,403,234	2,575,198	2,758,148	182,950	7.1%
Earning Assets	1,522,752	1,578,092	1,703,347	1,828,807	125,460	7.4%
Bank Placements	57,133	70,443	53,615	51,799	(1,816)	-3.4%
Treasury Bills	210,342	206,816	211,073	264,032	52,959	25.1%
Bonds	89,450	91,731	166,138	186,870	20,732	12.5%
Customer Loans (Naira)	664,643	656,165	715,219	769,401	54,182	7.6%
Customer Loans (FCY)	501,183	552,937	557,301	556,705	(596)	-0.1%
Non-Earning Assets	724,036	825,142	871,851	929,341	57,490	6.6%
Cash	35,735	30,430	28,929	44,751	15,822	54.7%
Cash Reserve	408,889	487,861	484,340	432,741	(51,599)	-10.7%
Bal. with other Banks/Settlement	197,141	217,362	251,254	339,331	88,077	35.1%
Fixed Assets	38,430	38,275	38,738	38,446	(292)	-0.8%
All Other Assets	43,841	51,214	68,591	74,072	5,481	8.0%
Interest Bearing Liabilities	1,846,297	1,923,814	2,070,115	2,268,094	197,979	9.6%
Demand	734,787	706,356	763,743	883,300	119,557	15.7%
Savings	312,109	363,920	385,080	424,384	39,304	10.2%
Time Deposits	305,366	335,669	349,596	391,342	41,746	11.9%
Other Borrowings	50,478	75,788	73,295	99,055	25,760	35.1%
On-lending Facilities	252,174	255,996	306,810	308,097	1,287	0.4%
Debt Securities	191,383	186,085	191,590	161,916	(29,674)	-15.5%
All Other Liabilities	158,106	228,731	242,909	216,521	(26,388)	-10.9%
Equity	242,384	250,689	262,174	273,533	11,359	4.3%

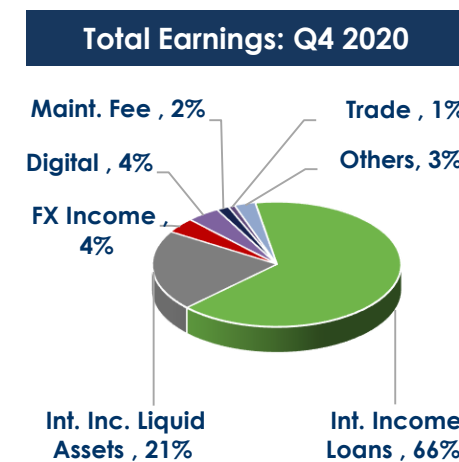
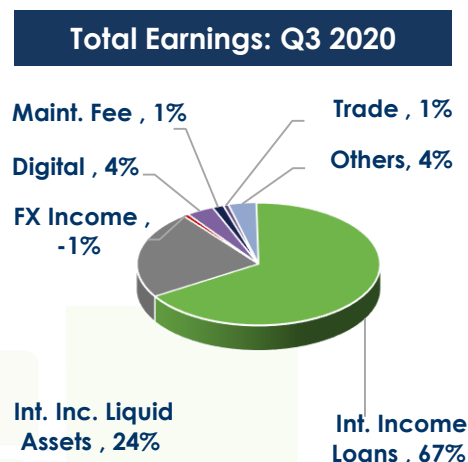
Gross Earnings Analysis



N'million	2019FY	2020FY	VAR	% VAR
Total Earnings	218,011	206,204	(11,807)	-5.4%
Interest Income Loans	139,204	130,476	(8,728)	-6.3%
Int. Inc. Liquid Assets	45,637	46,277	640	1.4%
FX Income	6,542	9,976	3,434	52.5%
Digital Income	8,917	7,242	(1,675)	-18.8%
A/C Maintenance fee	3,295	2,800	(495)	-15.0%
Trade Income	2,360	1,610	(750)	-31.8%
Other Income	12,057	7,823	(4,234)	-35.1%



N'million	Q1 2020	Q2 2020	Q3 2020	Q4 2020
Total Earnings	51,159	54,596	49,275	51,174
Interest Income Loans	32,340	31,373	33,208	33,555
Int. Inc. Liquid Assets	11,586	12,323	11,639	10,729
FX Income	1,965	6,354	(362)	2,019
Digital Income	1,624	1,546	1,855	2,217
A/C Maintenance fee	735	513	731	821
Trade Income	543	240	356	471
Other Income	2,366	2,247	1,849	1,361



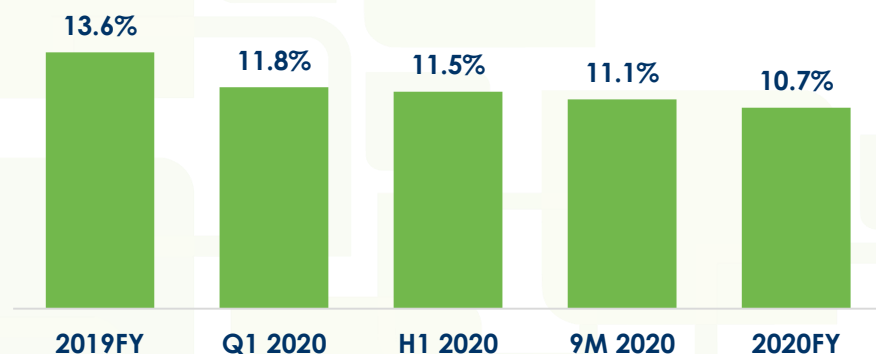
- Gross earnings dropped by 5.4% YoY (increased 3.9% QoQ) due to the pass-through effect of Covid-19 pandemic on the economy.
- Improved business activities post lockdown led to increased revenue in Q4: customer induced transactions across all service channels increased by 7.2% QoQ in Q4 2020.

Net Interest Margin Analysis

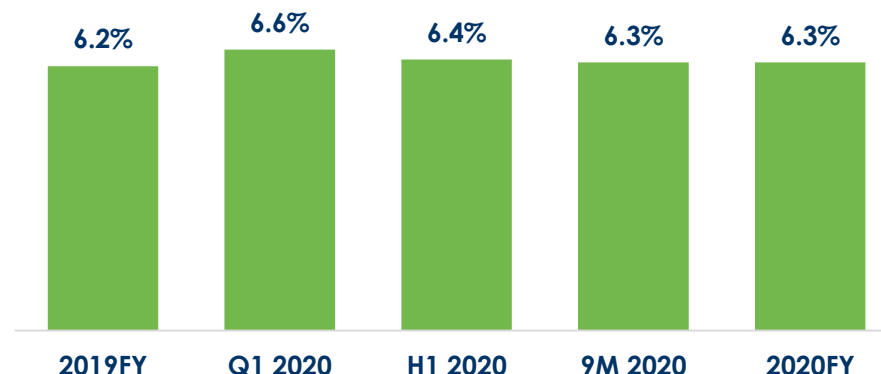


- ▶ NIM improved to 6.3% from 6.2% in 2019FY, largely due to 270bps drop in average funding cost despite a drop in yields on earnings assets.
- ▶ The decline in average funding cost was due to a combination of lower interest rate environment and increased CASA to 60.1% from 57.6% in 2019FY.
- ▶ Avg. cost of deposits dropped by 359bps to 3.1% while the avg. borrowing cost declined by 37bps to 5.1%.
- ▶ Moderation in yields on earning assets was largely caused by a lower average lending rate which stood at 10.6%.

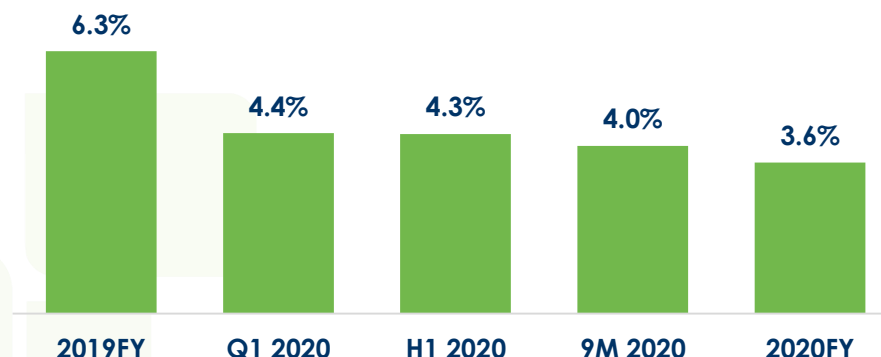
Yield on Earning Assets



NIM Trend



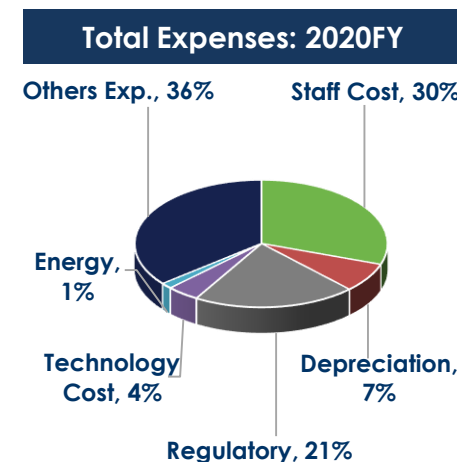
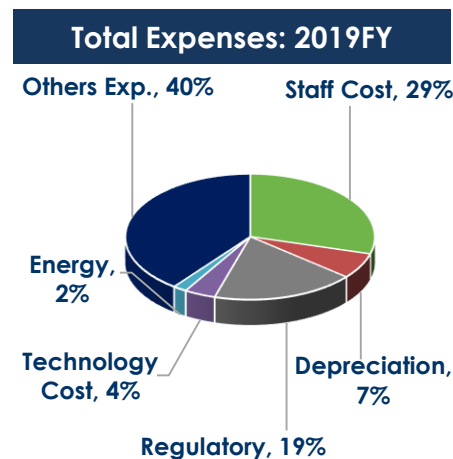
Funding Cost



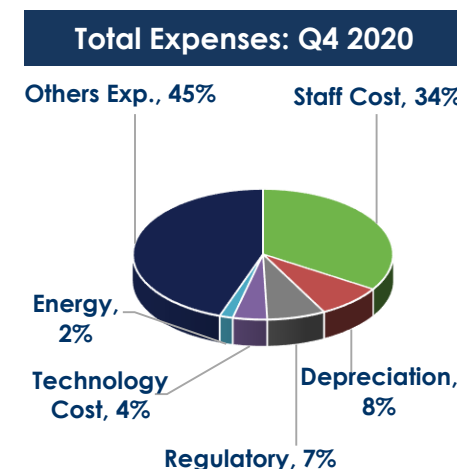
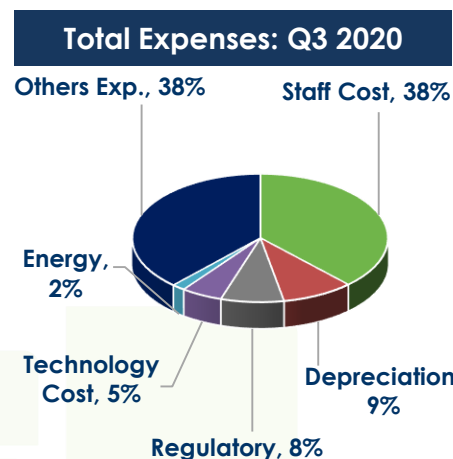
Total Expense Analysis



N'million	2019FY	2020FY	VAR	% VAR
Total Expenses	81,992	83,633	1,641	2.0%
Staff Cost	24,129	25,367	1,238	5.1%
Depreciation	5,421	6,207	786	14.5%
NDIC/AMCON Cost	15,210	17,399	2,189	14.4%
Technology Cost	3,301	3,477	176	5.3%
Energy Cost	1,462	1,225	(237)	-16.2%
Security	1,149	1,378	229	19.9%
Branding & Advert	10,430	9,594	(836)	-8.0%
Other Expenses	20,890	18,986	(1,904)	-9.1%



N'million	Q1 2020	Q2 2020	Q3 2020	Q4 2020
Total Expenses	21,628	25,213	16,949	19,843
Staff Cost	6,398	5,792	6,430	6,747
Depreciation	1,415	1,615	1,543	1,634
NDIC/AMCON Cost	4,285	10,330	1,347	1,437
Technology Cost	920	835	879	843
Energy Cost	330	282	282	331
Security	335	331	338	374
Branding & Advert	2,659	1,986	2,180	2,769
Other Expenses	5,286	4,042	3,950	5,708



- Total operating expenses inched up by 2.0% (N1.6bn) in N83.6bn, largely due to N2.2bn growth in regulatory charges (AMCON & NDIC).
- Over 50.0% of our cost lines declined in 2020FY as we harnessed the benefits of remote working which contributed to the drop in our cost-to-income ratio to 65.1%

FIDELITY WEEKLY

BY FIDELITY BANK

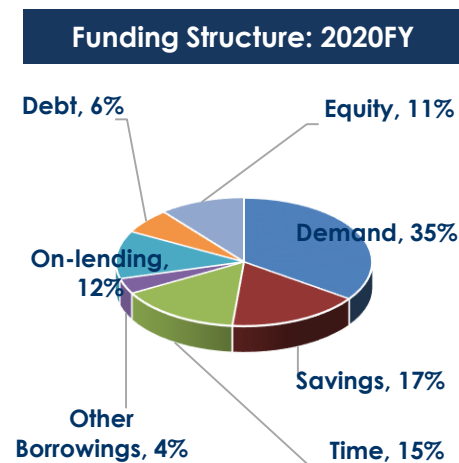
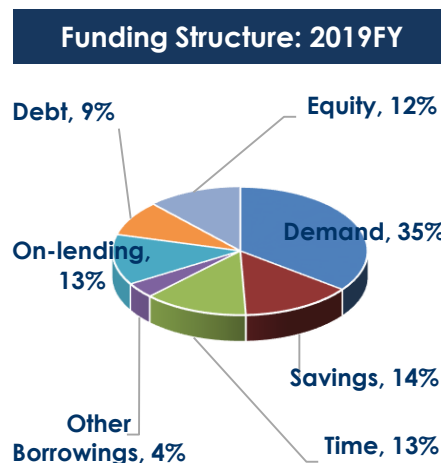


A Weekly Dose of Entertainment

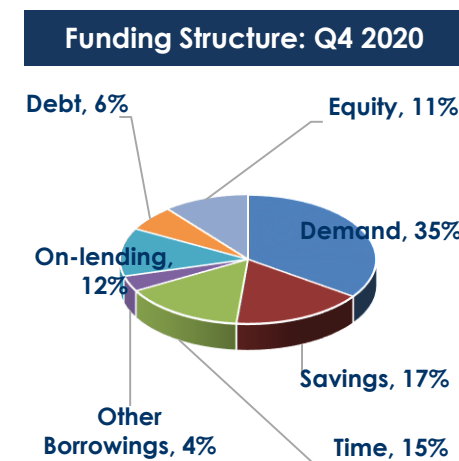
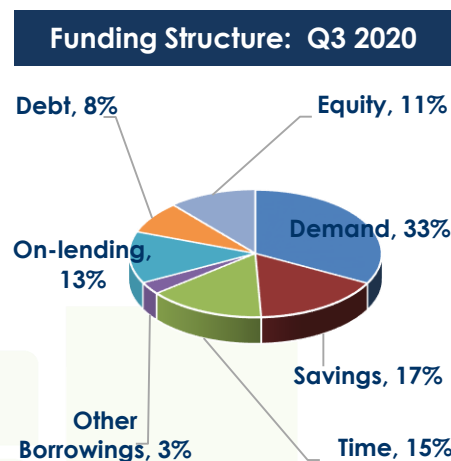
Funding Base Analysis



N'million	2019FY	2020FY	VAR	% VAR
Demand Deposits	691,610	883,300	191,690	27.7%
Savings Deposits	275,219	424,384	149,165	54.2%
Tenor Deposits	258,384	391,342	132,958	51.5%
Other Borrowings	76,308	99,055	22,747	29.8%
On-Lending	250,139	308,097	57,958	23.2%
Debt Securities	175,278	161,916	(13,362)	-7.6%
Equity	234,030	273,533	39,503	16.9%
Total	1,960,968	2,541,627	580,659	29.6%



N'million	Q1 2020	H1 2020	9M 2020	2020FY
Demand Deposits	734,787	706,356	763,743	883,300
Savings Deposits	312,109	363,920	385,080	424,384
Tenor Deposits	305,366	335,669	349,596	391,342
Other Borrowings	50,478	75,788	73,295	99,055
On-Lending	252,174	255,996	306,810	308,097
Debt Securities	191,383	186,085	191,590	161,916
Equity	242,384	250,689	262,174	273,533
Total	2,088,682	2,174,503	2,332,289	2,541,627



- Total funding base was boosted by 38.7% growth in total deposits: Total deposits now represents 66.8% of total funding base (2019FY: 62.5%) and 74.9% of interest-bearing liabilities (2019FY: 70.9%).
- Drop in debt securities in Q4 was due to the repayment of N30bn Tier II Bonds in mid - Nov 2020.

Deposits Analysis

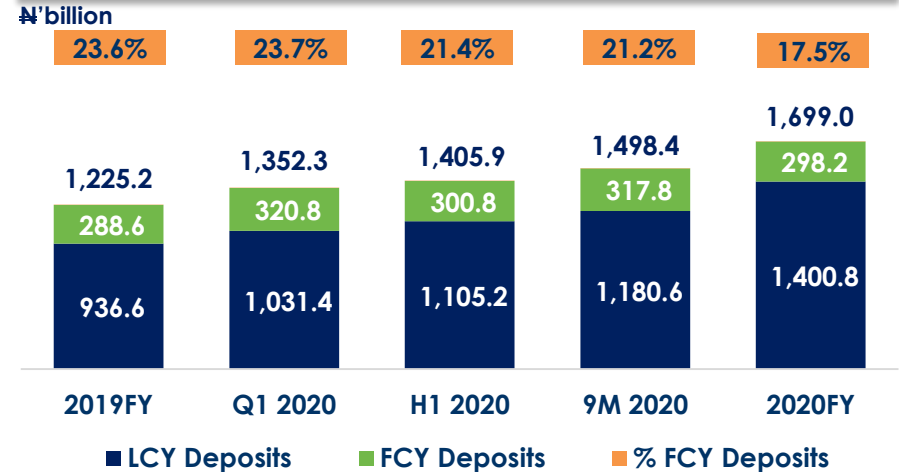


- ▶ Total customer deposits increased by 38.7% to ₦1,699.0bn from ₦1,225.2bn in 2019FY.
- ▶ While actual growth was 36.5%, the impact of FX rate adjustment accounted for only 2.2% growth in deposits.
- ▶ Low-cost deposits grew by 35.3% to ₦1,307.7bn and was responsible for 71.9% of the absolute growth in total deposits.
- ▶ FCY deposits increased by 3.3% and now accounts for 17.5% of total deposits.
- ▶ Total FCY deposit declined to \$745m from \$791m in 2019FY as customers utilize more of their funds for trade purpose.

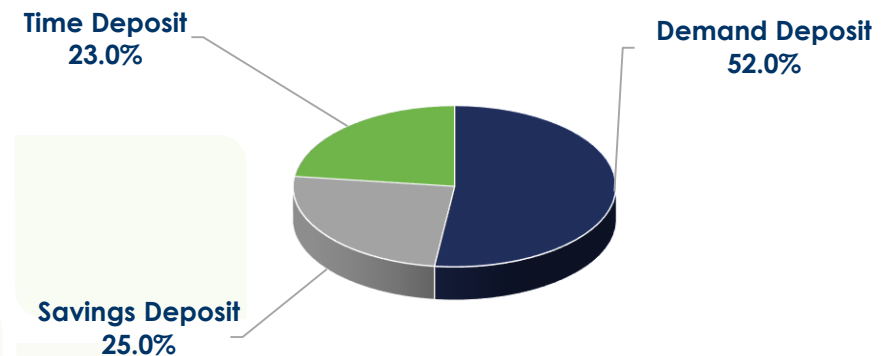
Deposits by Products – 2019FY Vs. 2020FY



Total Deposits



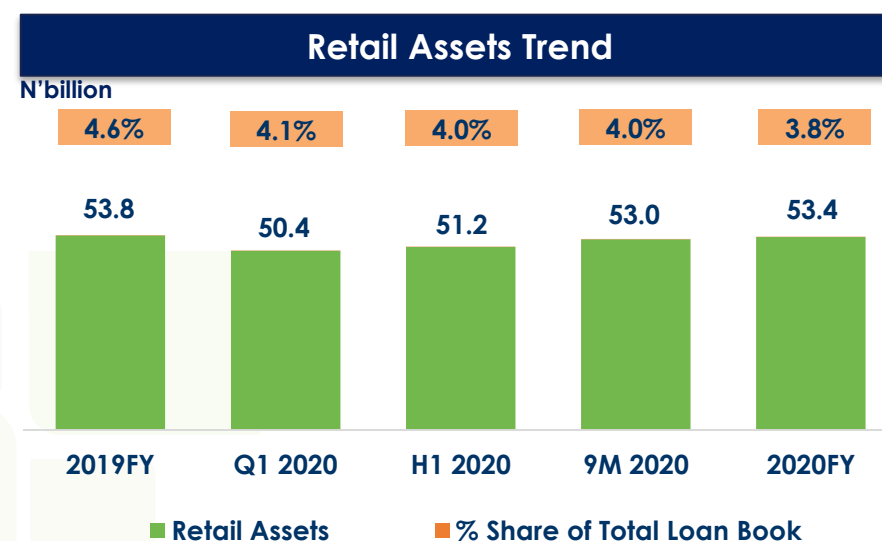
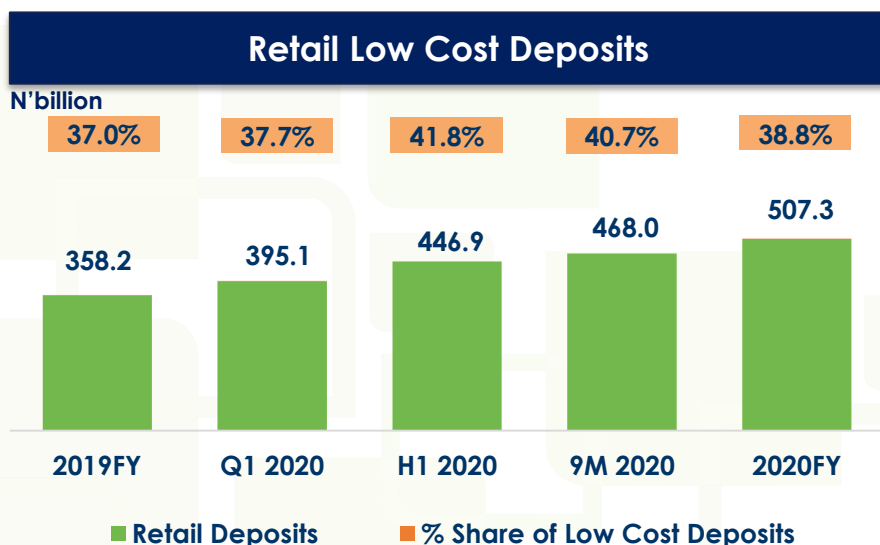
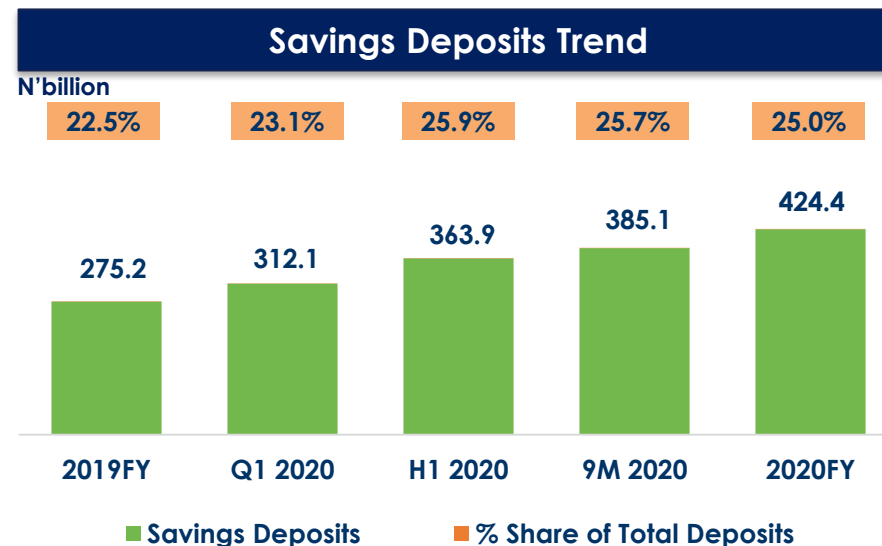
Deposits by Products – 2020FY



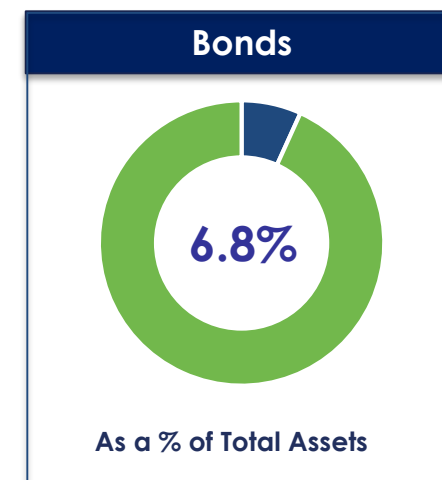
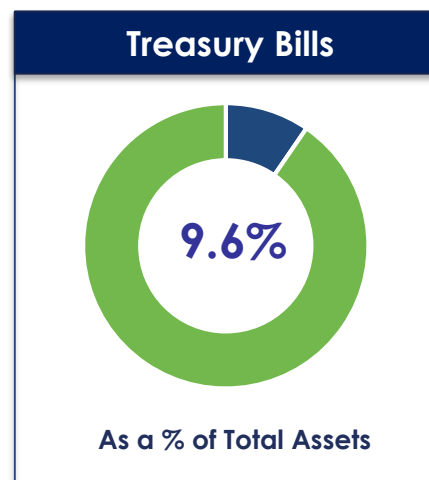
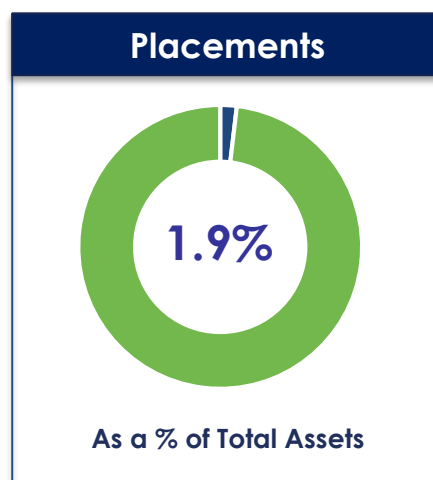
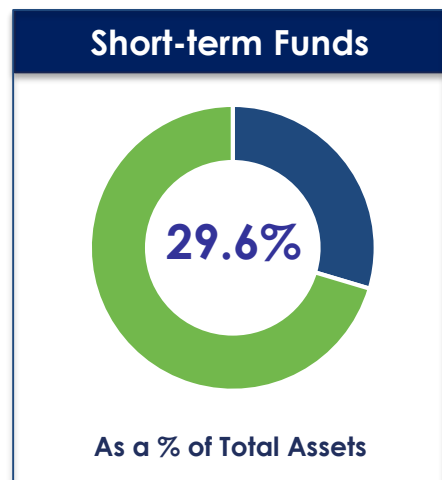
Retail Banking Analysis (Personal Banking)



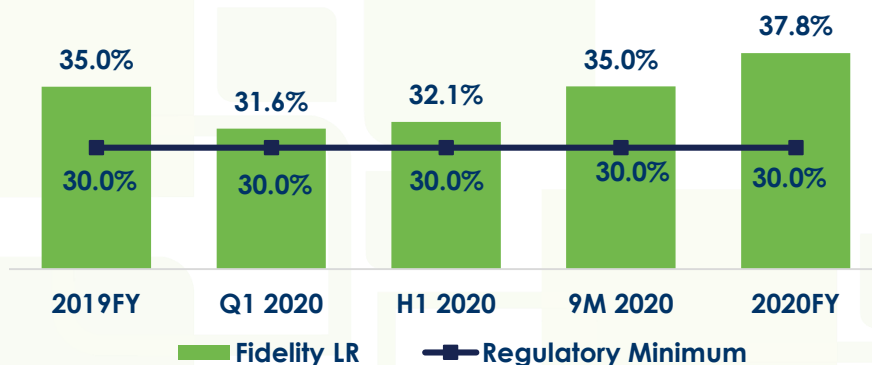
- ▶ Savings deposits grew by 54.2% and now represent 25.0% of total deposits from 22.5% in 2019FY.
- ▶ Savings deposits accounted for 32.1% of the growth in local currency deposits in 2020FY.
- ▶ Retail assets is gradually ticking up as economic activities improve across sectors.
- ▶ Expansion in our retail banking businesses is anchored on increased digital banking penetration currently at 52.8% and collaborations with Fintechs.



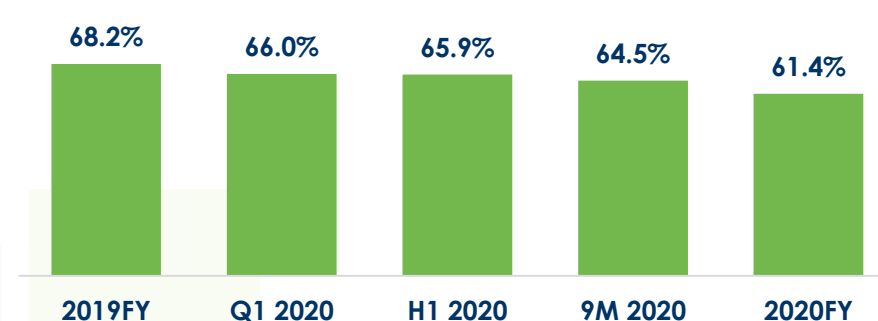
Liquid Assets Position



Liquidity Ratio



Gross Loans to Funding Ratio



- Liquidity Ratio has been sustained above the regulatory minimum at 37.8% with 62.0% of eligible liquid assets invested in T-bills and FGN bonds from 60.0% in 2019FY.
- LDR was 61.4% from 68.2% in 2019FY but stood at 65.1% after weighting all permissible loans: Mortgage | SME | Consumer loans.

Loan Portfolio Analysis



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

N'million	2019FY	2020FY	VAR	% VAR
Communication	32,416	32,217	(199)	-0.6%
Oil and Gas	244,799	315,155	70,356	28.7%
- Upstream	132,860	157,939	25,079	18.9%
- Downstream	52,203	71,448	19,245	36.9%
- Services	59,735	85,767	26,032	43.6%
Power	118,413	134,984	16,571	14.0%
Manufacturing	215,707	241,835	26,128	12.1%
General Commerce	98,976	124,925	25,949	26.2%
Transport	135,991	159,080	23,089	17.0%
Consumer (Individuals)	53,786	53,422	(364)	-0.7%
Government	150,086	157,449	7,363	4.9%
Construction	35,594	44,544	8,950	25.1%
Agriculture	32,931	46,167	13,236	40.2%
Real Estate	26,495	28,110	1,615	6.1%
Education	5,159	8,404	3,245	62.9%
Finance and Insurance	4,508	3,668	(840)	-18.6%
Others	23,529	43,665	20,136	85.6%
Total	1,178,389	1,393,624	215,236	18.3%

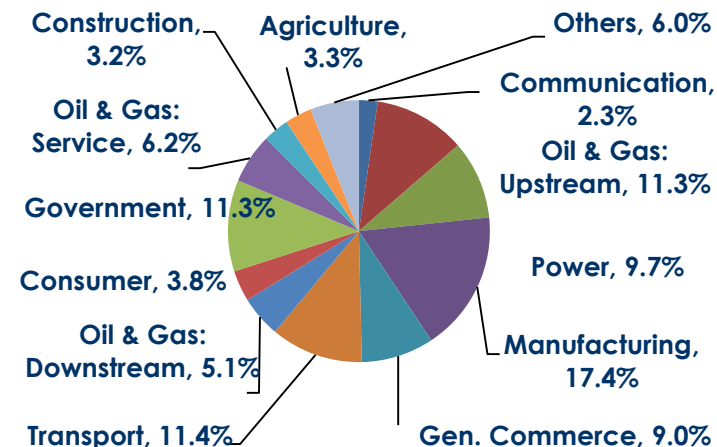
Loan Portfolio Analysis



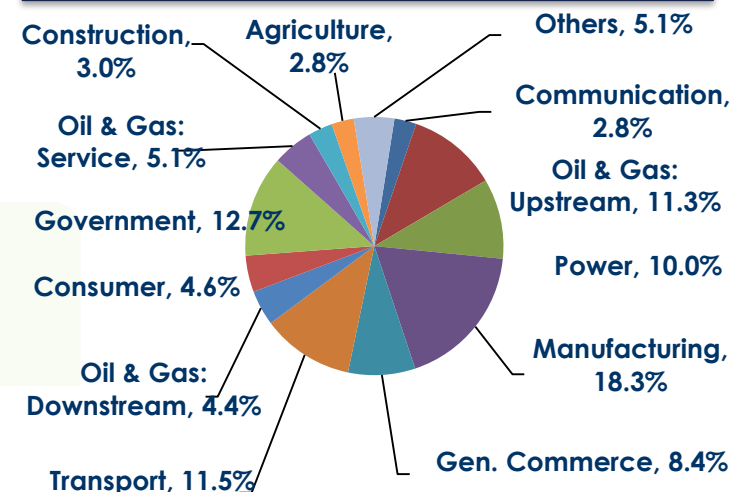
Breakdown of Loans & Advances to Customers

N'million	Q1 2020	H1 2020	9M 2020	2020FY
Communication	30,121	31,521	30,548	32,217
Oil and Gas	281,720	309,576	324,884	315,155
- Upstream	139,742	145,864	152,278	157,939
- Downstream	68,551	88,587	92,736	71,448
- Services	73,426	75,126	79,870	85,767
Power	127,068	127,925	131,139	134,984
Manufacturing	210,770	209,632	224,732	241,835
Gen. Commerce	100,915	115,244	117,321	124,925
Transport	142,072	144,476	145,436	159,080
Consumer	50,375	51,197	52,961	53,422
Government	137,674	137,442	159,026	157,449
Construction	36,736	37,000	40,290	44,544
Agriculture	35,954	37,896	39,719	46,167
Real Estate	27,076	26,508	26,747	28,110
Education	5,029	5,644	5,752	8,404
Fin. & Insurance	1,471	1,743	1,123	3,668
Others	31,918	31,483	34,969	43,665
Total	1,218,897	1,267,289	1,334,648	1,393,624

Loan Analysis – 2020FY



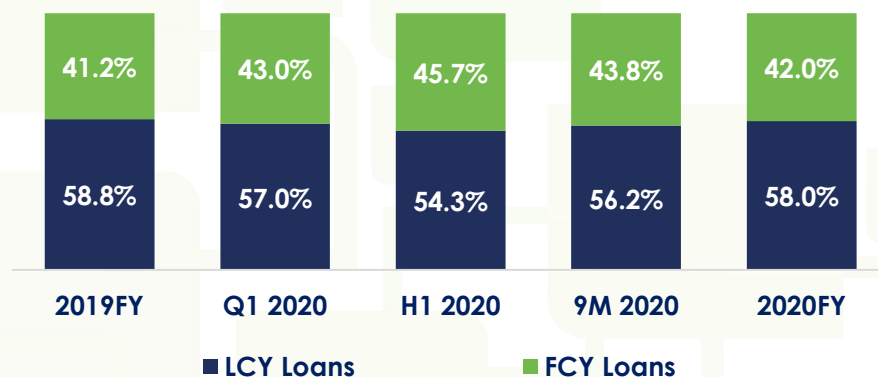
Loan Analysis – 2019FY



Loan Book Analysis

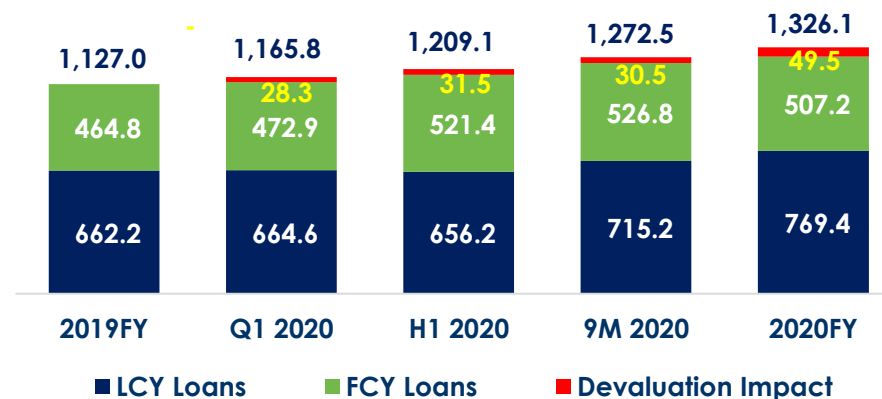
- ▶ Net loans & advances increased by 17.7% to ₦1,326.1bn, with 85.9% of the loan book in term loans.
- ▶ Actual real loan growth was 13.3% while the adjustment in exchange rate from ₦364.7/\$ to ₦400.3/\$ accounted for 4.4% (₦49.5bn).
- ▶ FCY loans now constitute about 42.0% of the net loan book from 41.2% in 2019FY.
- ▶ About 29.1% (₦58.0bn) of the growth in the loan book were created with on-lending and intervention facilities.

Net Loans & Advances: LCY Vs. FCY

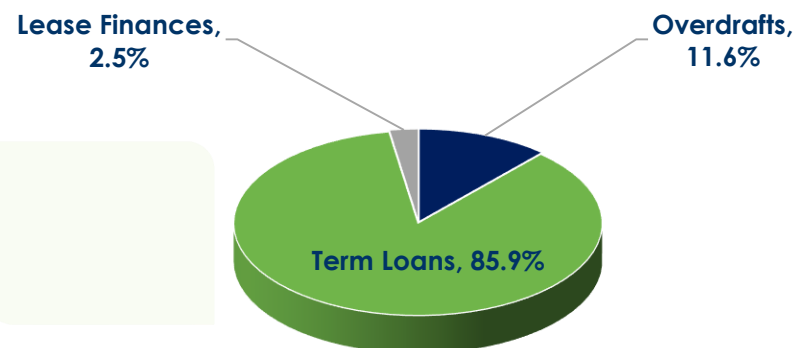


Net Loans and Advances to Customers

N'billion



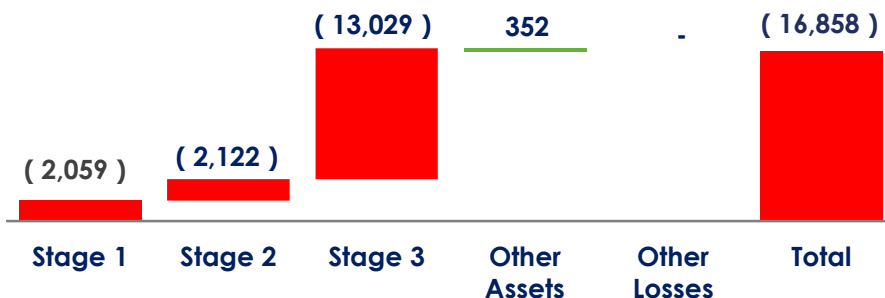
Total Loans by Type – 2020FY



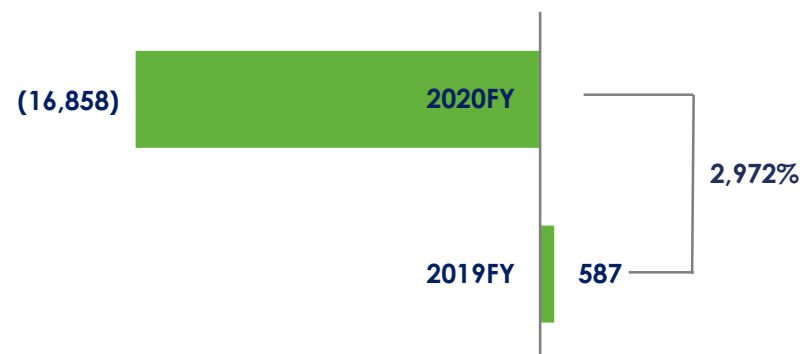
Impairment Analysis



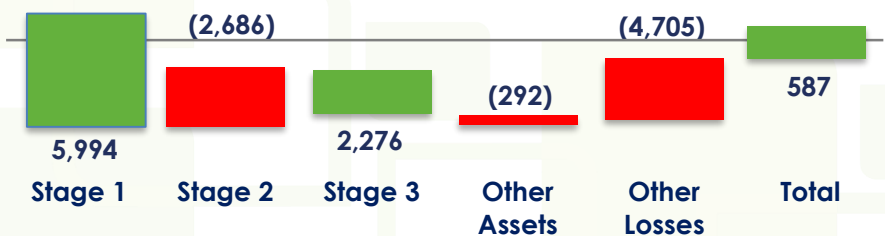
2020FY Impairment Charge



Impairment Charge: 2019FY Vs. 2020FY



2019FY Impairment Charge



Other Losses represent net Losses on de-recognition of financial assets measured at amortised cost.

Total Impairment

	2019FY	2020FY	VAR	% VAR
FCY	8,637	16,716	8,078	93.5%
NGN	42,778	50,803	8,024	18.8%
TOTAL	51,416	67,518	16,103	31.3%

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	18,284	12,000	1,932	32,217	56.8%	37.2%	6.0%	2.3%
Oil and Gas	235,270	75,416	4,469	315,155	74.7%	23.9%	1.4%	22.6%
- Upstream	87,514	70,426	0	157,939	55.4%	44.6%	0.0%	11.3%
- Downstream	63,136	4,754	3,559	71,448	88.4%	6.7%	5.0%	5.1%
- Services	84,620	236	911	85,767	98.7%	0.3%	1.1%	6.2%
Power	3,534	131,450	0	134,984	2.6%	97.4%	0.0%	9.7%
Manufacturing	222,707	15,838	3,290	241,835	92.1%	6.5%	1.4%	17.4%
General Commerce	117,879	825	6,221	124,925	94.4%	0.7%	5.0%	9.0%
Transport	118,190	24,328	16,562	159,080	74.3%	15.3%	10.4%	11.4%
Consumer	49,492	294	3,636	53,422	92.6%	0.6%	6.8%	3.8%
Government	157,007	413	30	157,449	99.7%	0.3%	0.0%	11.3%
Construction	43,747	0	797	44,544	98.2%	0.0%	1.8%	3.2%
Agriculture	40,265	2,025	3,877	46,167	87.2%	4.4%	8.4%	3.3%
Real Estate	28,030	43	36	28,110	99.7%	0.2%	0.1%	2.0%
Education	7,820	17	566	8,404	93.1%	0.2%	6.7%	0.6%
Finance & Insurance	3,069	0	598	3,668	83.7%	0.0%	16.3%	0.3%
Others	31,941	689	11,035	43,665	73.2%	1.6%	25.3%	3.1%
Total	1,077,234	263,340	53,050	1,393,624	77.3%	18.9%	3.8%	100.0%
% Share of Total	77.3%	18.9%	3.8%	100.0%				
Coverage Ratio	0.9%	8.1%	68.9%	4.8%				

Loan Book Breakdown – Stage 1 | 2 | 3



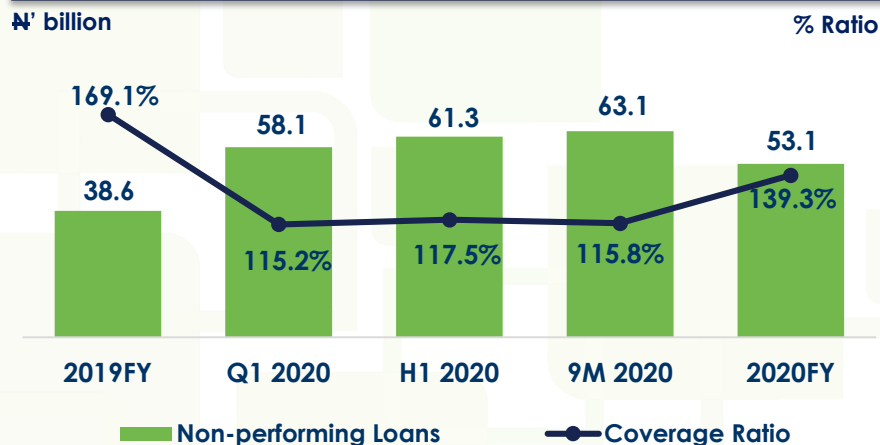
YoY Change In Loan Book Stages: 2019FY Vs. 2020FY

N'million	Stage 1	Stage 2	Stage 3	Total
Communication	(1,294)	361	734	(199)
Oil and Gas	103,721	(22,498)	(10,867)	70,356
- Upstream	14,118	11,136	(175)	25,079
- Downstream	36,480	(7,171)	(10,065)	19,245
- Services	53,122	(26,463)	(627)	26,032
Power	(23,417)	39,988	0	16,571
Manufacturing	34,777	(8,919)	270	26,128
General Commerce	26,542	(4,424)	3,830	25,949
Transport	13,786	(286)	9,589	23,089
Consumer (Individuals)	(1,607)	270	973	(364)
Government	6,921	413	30	7,363
Construction	11,240	0	(2,290)	8,950
Agriculture	9,982	2,024	1,230	13,236
Real Estate	1,536	43	36	1,615
Education	3,098	16	131	3,245
Finance and Insurance	(1,365)	(65)	590	(840)
Others	10,158	(182)	10,161	20,137
Total	194,078	6,741	14,417	215,236

NPL Analysis

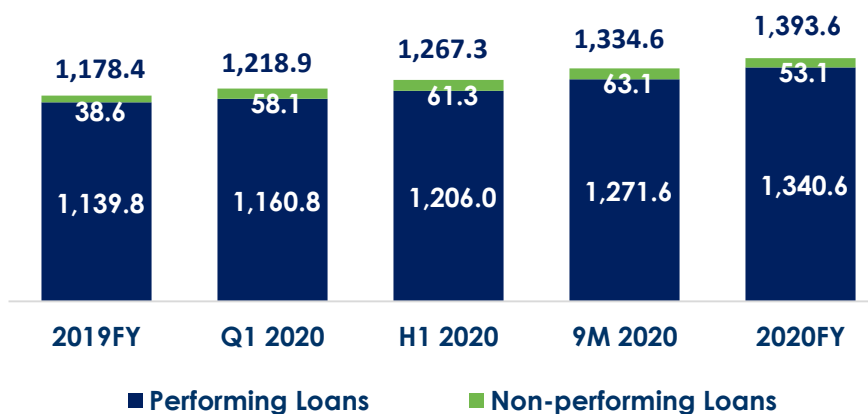
- ▶ NPL ratio (Stage 3 Loans) increased to 3.8% from 3.3% in 2019FY due to 37.3% increase in absolute NPL book to ₦53.1bn.
- ▶ YoY NPL growth is partly due to our conservative stress test on sectors susceptible to the global pandemic and economic lockdown.
- ▶ QoQ drop in NPL figure was due to improving business environment post lockdown.
- ▶ Coverage remains high at 139.3% with specific provisions on Stage 3 Loans currently at 68.9% Vs. 60.9% in 2019FY.

NPL Coverage Ratio

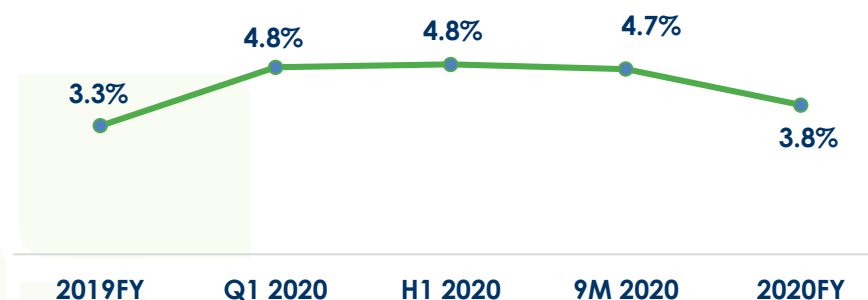


Gross Loans and Advances

N' billion



Non-performing Loans



NPL Portfolio Analysis



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

	2019FY N'million	2020FY N'million	VAR N'million	% VAR %	2019FY NPL Ratio	2020FY NPL Ratio
Communication	1,198	1,932	734	61.3%	3.7%	6.0%
Oil and gas	15,336	4,469	(10,867)	-70.9%	6.3%	1.4%
- Oil & Gas Upstream	175	-	(175)	-100.0%	0.1%	0.0%
- Oil & Gas Downstream	13,624	3,559	(10,065)	-73.9%	26.1%	5.0%
- Oil & Gas Services	1,538	911	(627)	-40.8%	2.6%	1.1%
Power	-	0	0	0.0	0.0%	0.0%
Manufacturing	3,020	3,290	270	8.9%	1.4%	1.4%
General Commerce	2,391	6,221	3,830	160.2%	2.4%	5.0%
Transport	6,973	16,562	9,589	137.5%	5.1%	10.4%
Consumer (Individuals)	2,663	3,636	973	36.6%	5.0%	6.8%
Government	0	30	30	100.0%	0.0%	0.0%
Construction	3,087	797	(2,290)	-74.2%	8.7%	1.8%
Agriculture	2,647	3,877	1,230	46.5%	8.0%	8.4%
Real Estate	0	36	36	100.0%	0.0%	0.1%
Education	435	566	131	30.2%	8.4%	6.7%
Finance and Insurance	9	598	590	6,850.6%	0.2%	16.3%
Others	874	11,035	10,161	1,162.6%	3.7%	25.3%
Total	38,633	53,050	14,417	37.3%	3.3%	3.8%

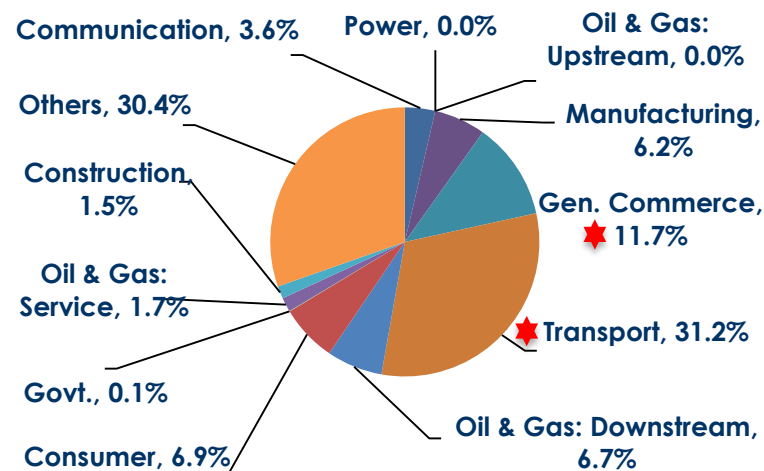
NPL Portfolio Analysis



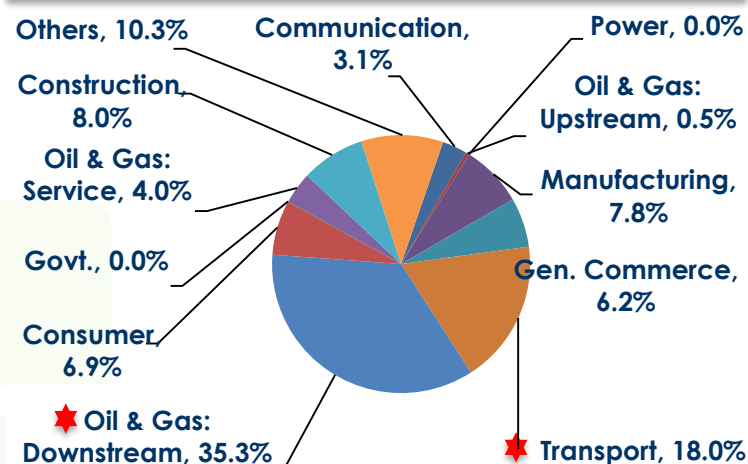
Breakdown of Non-performing Loans

N'million	Q1 2020	H1 2020	9M 2020	2020FY
Communication	3,291	4,014	2,982	1,932
Oil and Gas	16,161	19,309	19,852	4,469
- Upstream	347	0	0	0
- Downstream	15,301	18,843	19,116	3,559
- Services	514	467	736	911
Power	0	0	0	0
Manufacturing	10,029	9,606	11,715	3,290
Gen. Commerce	4,849	4,178	4,769	6,221
Transport	14,317	9,949	10,779	16,562
Consumer	2,792	4,012	3,338	3,636
Government	0	164	26	30
Construction	856	3,863	1,763	797
Agriculture	3,553	3,184	3,404	3,877
Real Estate	251	383	381	36
Education	454	468	697	566
Fin. & Insurance	6	4	4	598
Others	1,556	2,198	3,351	11,035
Total	58,116	61,334	63,062	53,050

NPL Analysis – 2020FY



NPL Analysis – 2019FY

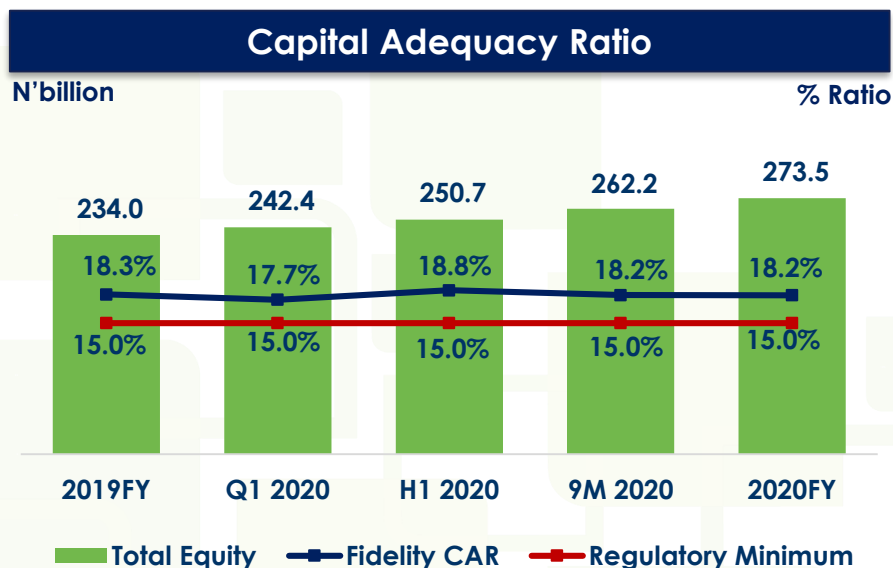


★ Pressure NPL Sectors

Capital Adequacy Ratio



- ▶ Fidelity CAR is well above the regulatory minimum requirement at 18.2% in 2020FY.
- ▶ Excluding the regulatory adjustment, CAR would have come in at 19.7%.
- ▶ Only fair value reserves were recognised as Tier II Capital: the N30bn Tier II Bonds was repaid in Nov 2020.
- ▶ The newly 10yrs N41.2bn Tier II Bonds was priced on 7th Jan 2021 and will qualify as Tier II Capital from H1 2021 AFS. Impact on CAR is estimated at 210bpts.



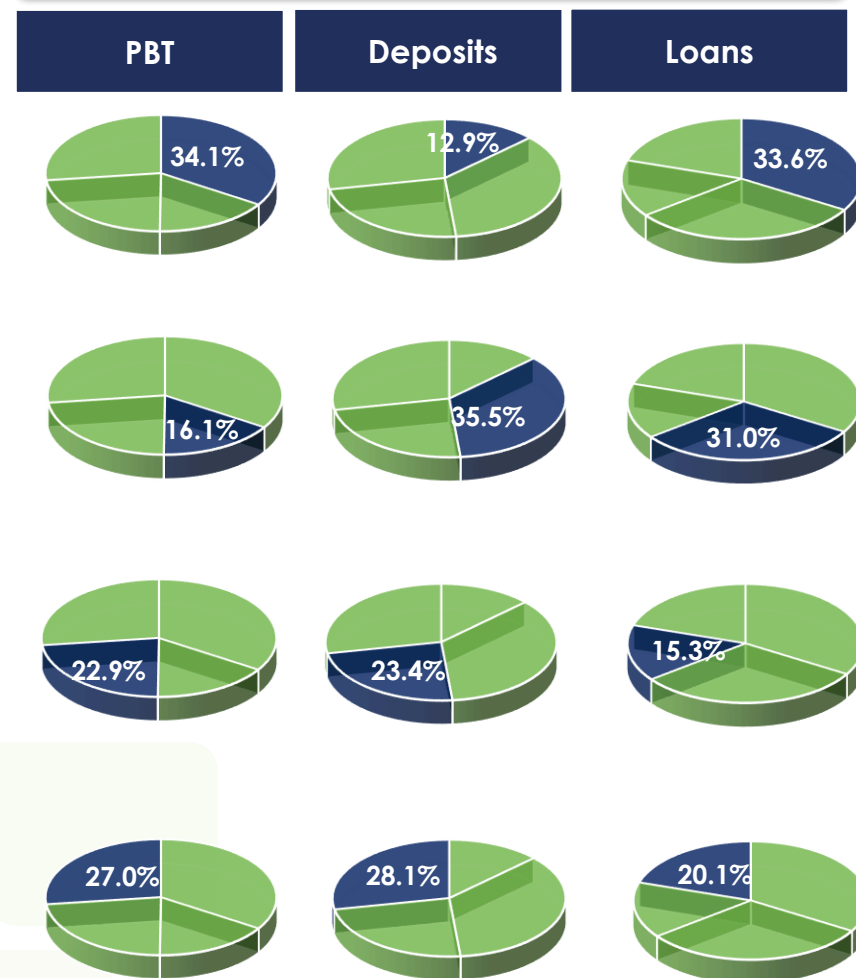
Capital Adequacy Ratio Computation – Basel II			
N'billion	2019FY	2020FY	VAR
Tier 1 Capital	191.7	224.3	32.5
Regulatory Adjustment	(10.6)	(20.2)	9.6
Adjusted Tier 1 Capital	181.1	204.1	23.0
Tier 2 Capital	33.0	39.6	6.6
Total Qualified Capital	214.1	243.7	29.6
Credit Risk	920.6	1,048.3	127.7
Market Risk	64.2	87.6	23.4
Operational Risk	185.8	204.3	18.4
Risk Weighted Assets	1,170.7	1,340.2	169.5
Capital Adequacy Ratio			
Tier 1	15.5%	15.2%	
Tier 2	2.8%	3.0%	
Overall CAR	18.3%	18.2%	

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



Hey It's IVY

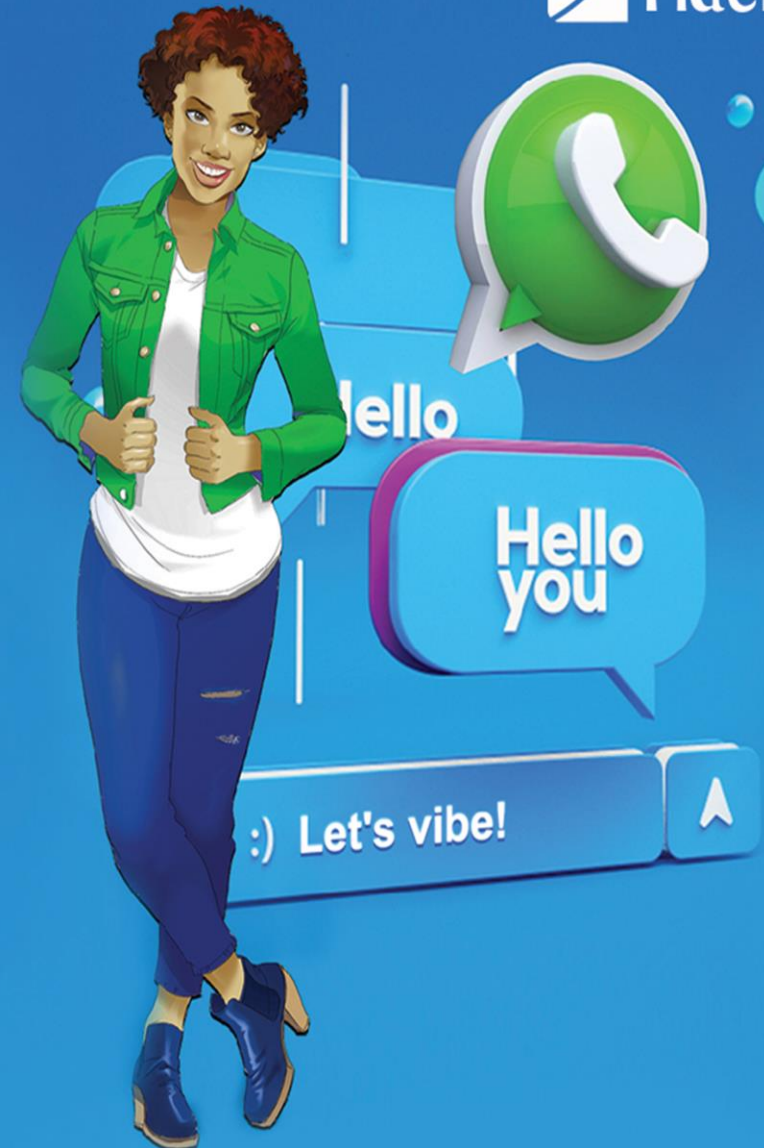
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2020FY Actual Vs. 2021FY Guidance



GROWTH EXPECTATIONS ON KEY INDICATORS					
S/N	Index	2020FY Actual	2020FY Target	Comment	2021FY Target
1	PBT	₦28.0bn	₦25.8bn	Achieved	₦35.2bn
2	Loan Growth	17.7%	5.0% - 7.5%	Achieved	10.0% - 15.0%
3	Deposit Growth	38.7%	5.0% - 10.0%	Achieved	15.0% - 20.0%
4	Net Interest Margin	6.3%	5.5% - 6.0%	Achieved	6.0% - 6.5%
5	Cost to Income Ratio	65.1%	70.0%	Achieved	Below 65.0%
6	RoAE – Post Tax	10.5%	11.3%	Behind Target	12.2%
7	Cost of Risk	1.4%	1.5%	Achieved	1.0% - 1.2%
8	NPL Ratio	3.8%	Below 5.0%	Achieved	Below 5.0%
9	Tax Rate	5.0%	10.0% – 15.0%	Achieved	10.0% - 15.0%
10	Proposed Dividends	23.9%	30 - 50% (of PAT)	Behind Target	25 - 40% (of PAT)

Thank You

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