FIDELITY BANK PLC

RC: 103022

Investors may confirm the clearance of this pricing supplement and registration of the securities with the Securities and Exchange Commission by contacting the Commission on sec@sec.gov.ng or +234(0)94621100; +234(0)94621168

OFFER FOR SUBSCRIPTION OF ₦41,213,000,000 10 YEAR 8.5% SUBORDINATED UNSECURED FIXED RATE SERIES 1 BONDS DUE 2031
UNDER THE ₦100,000,000,000 FIDELITY BANK PLC DEBT ISSUANCE PROGRAMME
ISSUE PRICE: ₦1,000 PER UNIT
PAYABLE IN FULL ON APPLICATION
Book opens: December 7 2020
Book closes: December 23, 2020
Investment in this Bonds is strictly for Qualified Institutional Investors as defined under Rule 321 of the Rules and Regulations of the Securities & Exchange Commission 2013 (as amended)

This pricing supplement or supplemental prospectus ("**Pricing Supplement**") together with documents specified herein have been delivered to the Securities and Exchange Commission (the "**Commission**" or "**SEC**") for registration. This Pricing Supplement is prepared pursuant to Rules 279(3) and 323(5) of the Rules and Regulations of the Securities & Exchange Commission 2013 (as amended) and the listing requirements of The Nigerian Stock Exchange (the "NSE") and the FMDQ Securities Exchange Limited ("FMDQ") in connection with the ₦100,000,000,000 debt issuance programme (the "**Programme**") established by Fidelity Bank PLC (the "**Issuer**" or the "**Bank**"). This Pricing Supplement is supplemental to, and should be read in conjunction with, the shelf prospectus dated May 4, 2020 (the "**Prospectus**") and any other supplements to the Prospectus which may be issued by the Issuer. Terms defined in the Prospectus have the same meaning when used in this Pricing Supplement.

To the extent that there is any conflict or inconsistency between the contents of this Pricing Supplement and the Prospectus, the provisions of this Pricing Supplement shall prevail. This Pricing Supplement may be used to offer and sell the Bonds (as defined below) only if accompanied by the Prospectus. Copies of the executed Prospectus can be obtained from the Issuer and Issuing Houses (as defined below).

The registration of the Prospectus and this Pricing Supplement shall not be taken to indicate that the Commission endorses or recommends the Bonds or assumes responsibility for the correctness of any statements made or opinions or reports expressed in the Prospectus or this Pricing Supplement. No Bonds will be allotted or issued on the basis of the Prospectus, read together with this Pricing Supplement, later than three years after the date of the issue of the Prospectus except as may otherwise be extended by the Commission.

This Pricing Supplement contains particulars in compliance with the requirements of the Commission for the purpose of giving information with regard to the Securities being issued hereunder (the "**Series 1 Bonds**" or the "**Bonds**"). **It is a civil wrong and criminal offence under the Investments and Securities Act No. 29 of 2007 (the "Act" or "ISA") to issue a prospectus which contains false or misleading information.** Application will be made to FMDQ and/or The NSE for admission of the Bonds to their platform(s). The Bonds now being issued will upon admission to the platform(s) qualify as a security in which Trustees may invest under the Trustee Investments Act (Chapter T22) Laws of the Federation of Nigeria, 2004. The Bonds also qualify as a security which Pension Fund Administrators may invest pension funds and assets, under Section 86 of the Pension Reform Act 2014.

Investors are advised to note that liability for false or misleading statements or acts made in connection with the prospectus is provided in sections 85 and 86 of the ISA

The Issuer accepts full responsibility for the accuracy of the information contained in this Pricing Supplement. The Issuer and each of its directors declare that having taken reasonable care to ensure that such is the case, the information contained in this Pricing Supplement is, to the best of its knowledge (having made all reasonable enquiry), in accordance with the facts and does not omit anything likely to affect the import of such information and that save as disclosed herein, no other significant new factor, material mistake or inaccuracy relating to the information included in the Prospectus has arisen or has been noted, as the case may be, since the publication of the Prospectus. Furthermore, information contained herein are true and accurate in all material respects and the Issuer confirms that, having made all reasonable enquiries, to the best of its knowledge and belief, there are no material facts, the omission of which would make any statement contained herein misleading or untrue.

LEAD ISSUING HOUSE / BOOK RUNNER

Planet Capital

Planet Capital Limited

RC: 906761

JOINT ISSUING HOUSES / BOOK RUNNERS

ABSA Capital Market Nigeria Limited RC1383925

Afrinvest West Africa Limited RC:261272

Cordros Capital Limited RC:600461

Cowry Asset Management Ltd RC: 617327

FCMB Capital Market Limited RC: 446561

FSL Securities Limited RC: 139396

Future View Financial Services Limited RC:217005

Kairos Capital Limited RC:1517636

Renaissance Securities (Nigeria) Limited RC: 685973

Stanbic IBTC Capital Limited RC: 1031358

UCML Capital Limited RC: 370890

United Capital Plc RC: 444999

Vetiva Capital Management Limited RC: 485600

Investing in this offer involves risks. For information concerning certain risk factors which should be considered by prospective investors, see "risk factors" commencing on page 10 hereof

This Pricing Supplement is dated January 7 2021

TABLE OF CONTENTS

1. PARTIES TO THE OFFER

Issuer	
Fidelity Bank PLC 2 Kofo Abayomi Street Victoria Island Lagos Website: www.fidelitybank.ng Email: info@fidelitybank.ng Telephone: +234 1 448 5252	
Directors and Company Secretary of the Issuer	
Mustapha Chike-Obi – Chairman 2 Kofo Abayomi Street Victoria Island Lagos	**Nnamdi Okonkwo – Chief Executive Officer** 2 Kofo Abayomi Street Victoria Island Lagos **Retired December 31, 2020
Nneka Onyeali-Ikpe – Executive Director 2 Kofo Abayomi Street Victoria Island, Lagos +Appointed MD/CEO effective January 1, 2021	**Aku P. Odinkemelu – Executive Director** 2 Kofo Abayomi Street Victoria Island, Lagos **Retired December 31, 2020
Obaro Odeghe – Executive Director 2 Kofo Abayomi Street Victoria Island Lagos	**Gbolahan Joshua – Executive Director** 2 Kofo Abayomi Street Victoria Island Lagos
Hassan Imam – Executive Director 2 Kofo Abayomi Street Victoria Island Lagos	**Kevin Ugwuoke – Executive Director** 2 Kofo Abayomi Street Victoria Island Lagos
Alex C. Ojukwu – Non-Executive Director 2 Kofo Abayomi Street Victoria Island **Lagos Retired December 31, 2020	**Michael E. Okeke – Non-Executive Director** 2 Kofo Abayomi Street Victoria Island, Lagos **Retired December 18, 2020
Kings C. Akuma – Non-Executive Director 2 Kofo Abayomi Street Victoria Island Lagos	**Henry Ikem Obih – Non-Executive Director (Independent)** 2 Kofo Abayomi Street Victoria Island, Lagos
Isa Mohammed Inuwa – Non-Executive Director (Independent) 2 Kofo Abayomi Street Victoria Island, Lagos	**Charles C. Umolu – Non-Executive Director** 2 Kofo Abayomi Street Victoria Island, Lagos **Retired December 16, 2020
Chidozie Agbapu – Non-Executive Director 2 Kofo Abayomi Street Victoria Island Lagos	**Ezinwa Unuigboje – Company Secretary** 2 Kofo Abayomi Street Victoria Island Lagos

PARTIES TO THE OFFER

<table>
<tr><th colspan="2">Professional Parties</th></tr>
<tr><th colspan="2">Lead Issuing House/Book Runners</th></tr>
<tr><td colspan="2">Planet Capital Limited
3rd Floor, St. Peters House
3, Ajele Street, Off Broad Street
Lagos Island, Lagos</td></tr>
<tr><th colspan="2">Joint Issuing Houses/Book Runners</th></tr>
<tr><td>Absa Capital Markets Nigeria Limited
1, Muritala Muhamed Drive
Ikoyi, Lagos</td><td>Afrinvest West Africa Limited
27, Gerrard Road
Ikoyi, Lagos</td></tr>
<tr><td>Cordros Capital Limited
70, Norman Williams Street
South-West Ikoyi, Lagos</td><td>Cowry Asset Management Limited
Plot 1319 Karimu Kotun Street
Victoria Island, Lagos</td></tr>
<tr><td>FCMB Capital Markets Limited
First City Plaza (6th Floor)
44 Marina
Lagos</td><td>FSL Securities Limited
Plot 688 Ahmodu Tijani Close
Off Sanusi Fafunwa Street
Victoria Island, Lagos</td></tr>
<tr><td>Future View Financial Services Limited
Futureview Plaza
22, Oju-Olobun Street, Off Idejo Street
Victoria Island, Lagos.</td><td>Kairos Capital Limited
Elephant House (12th Floor)
214 Broad Street
Marina, Lagos</td></tr>
<tr><td>Renaissance Securities (Nigeria) Limited
The Wings Office Complex
East Tower (6th Floor)
17 Ozumba Mbadiwe Avenue
Victoria Island, Lagos</td><td>Stanbic IBTC Capital Limited
I.B.T.C Place
Walter Carrington Crescent
Victoria Island, Lagos</td></tr>
<tr><td>United Capital Plc.
Afriland Towers, 3rd & 4th Floor
97/105 Broad Street, Lagos Island, Lagos</td><td>UCML Capital Limited
7, Fatai Durosinmi Etti Crescent
Victoria Island</td></tr>
<tr><td>Vetiva Capital Management Limited
Plot 266B, Kofo Abayomi Street
Victoria Island, Lagos</td><td></td></tr>
<tr><th colspan="2">Stockbroker/Listing to the Issue</th></tr>
<tr><td>FSL Securities Limited
Plot 688 Ahmodu Tijani Close
Off Sanusi Fafunwa Street
Victoria Island, Lagos</td><td>Planet Capital Limited
3rd Floor, St. Peters House
3, Ajele Street, Off Broad Street
Lagos Island, Lagos</td></tr>
<tr><th>Solicitor to the Issuer</th><th>Solicitor to the Transaction</th></tr>
<tr><td>Templars
5th Floor, The Octagon
13A A.J. Marinho Drive
Victoria Island, Lagos</td><td>Banwo & Ighodalo
48 Awolowo Road
South-West Ikoyi
Lagos</td></tr>
<tr><th colspan="2">Trustees</th></tr>
<tr><td>ARM Trustees Limited
1, Mekunwen Road
Off Oyinkan Abayomi Drive
Ikoyi, Lagos</td><td>Stanbic IBTC Trustees Limited
Wealth House
Plot 1678 Olakunle Bakare
Close Off Sanusi Fafunwa Street
Victoria Island Lagos</td></tr>
<tr><td>FBNQuest Trustees Limited
10 Keffi Street
Off Awolowo Road
South-West Ikoyi, Lagos</td><td>United Capital Trustees Limited
Afriland Towers (3rd and 4th floors)
97/105 Broad Street, Lagos State
Lagos</td></tr>
<tr><th colspan="2">Advised by:</th></tr>
<tr><td>Udo Udoma & Belo-Osagie
St. Nicholas House (12th Floor)
Catholic Mission Street
Lagos Island, Lagos</td><td>Sefton Fross
20B Kingsley Emu Street
Lekki Phase 1
Lagos</td></tr>
</table>

Rating Agencies	
Agusto & Co. UBA House (5th Floor) 57, Marina Lagos Island Lagos	**DataPro Rating Agencies** Foresight House 163/165 Broad Street Lagos Island Lagos Island Lagos
Receiving Banks	
Stanbic IBTC Bank Plc. I.B.T.C Place Walter Carrington Crescent Victoria Island Lagos	**United Bank for Africa Plc.** UBA House 57, Marina Lagos Lagos
Auditor	**Reporting Accountant**
Ernst & Young 10th Floor, UBA House 57, Marin House Lagos	**PricewaterhouseCoopers Nigeria** Landmark Towers 5B Water Corporation Road Victoria Island Lagos
Registrar	
First Registrars & Investor Services Limited No 2, Abebe Village Road Igunmu Lagos	
Issuer's Audit Committee	
Isa Inuwa – Chairman – (Independent Non-Executive Member) 2, Kofo Abayomi Street Vitoria Island Lagos	
Henry Ikem Obih – Independent Non-Executive Member 2, Kofo Abayomi Street Vitoria Island Lagos	
Alex C. Ojukwu – Non-Executive Member 2, Kofo Abayomi Street Vitoria Island Lagos	
Charles C. Umolu – Non-Executive Member 2, Kofo Abayomi Street Vitoria Island Lagos	
Michael E. Okeke – Non-Executive Member 2, Kofo Abayomi Street Vitoria Island Lagos	
Kings C. Akuma – Non-Executive Member 2, Kofo Abayomi Street Vitoria Island Lagos	
Chidozie Agbapu – Non-Executive Member 2, Kofo Abayomi Street Vitoria Island Lagos	

2. SUMMARY OF THE OFFER

The following are the final terms of the Series 1 Bonds that are the subject of this Pricing Supplement. These terms and conditions are only applicable to this Issue.

Final terms of the Series 1 Bond

1.	Issuer:	Fidelity Bank PLC ("**Fidelity Bank**" or the "**Issuer**" or the "**Bank**")
2.	Description of the Bond:	10 year 8.5% subordinated unsecured fixed rate bonds due 2031
3.	Series Number:	1
4	Specified Currency:	Naira ("₦")
5.	Aggregate Nominal:	₦41,213,000,000
6.	Issue Price:	At par. (100%) at ₦1,000 per unit of the Bond
7.	Gross proceeds:	₦41,213,000,000
8.	Net proceeds:	₦ 40,398,745,494.38
9.	Denominations:	Minimum of N10,000,000 (i.e. 10,000 units at ₦ 1,000 per unit) and multiples of 1,000 units thereafter. Bids below this minimum threshold would only be acceptable where the bid forms part of a cumulative bid from the same investor group that is greater than the minimum subscription.
10.	Issue Date:	January 7, 2021
11.	Coupon Commencement Date:	Interest will accrue from the Issue Date. The first Coupon Payment Date shall be on July 7 2021 and the interest shall be due and payable every six months thereafter, in arrears, up to and including the Maturity Date
12.	Tenor:	10 (ten) years
13.	Maturity Date:	January 7 2031
14.	Principal Moratorium:	Not Applicable
15.	Coupon Basis:	Fixed Rate
16.	Coupon:	8.5% per annum payable semi-annually in arrears
17.	Redemption/Payment Basis:	Bullet repayment on maturity or on call, at Par. The Bond can be called partially or wholly by the Issuer at Par after 5 years on any Coupon Payment Date subject to a notice period
18.	Use of Proceeds:	As outlined in Use of Proceeds on page 13 of this Pricing Supplement
19.	Status of the Bond:	The Bonds are direct, unsecured and

		subordinated obligations of the Issuer, which may qualify as Tier 2 regulatory capital, subject to the approval of the Central Bank of Nigeria ("CBN"), and the provisions of Condition 5 of the Programme Trust Deed dated May 4, 2020 will Apply
20.	Event of Default:	See Events of Default set out in Condition 19B of the First Schedule of the Programme Trust Deed dated May 4, 2020.
21.	Listing(s):	FMDQ Securities Exchange Limited and/or The Nigerian Stock Exchange
22.	Offer Period:	As outlined in the Indicative Transaction Timeline on page 12 of this Pricing Supplement

Provisions relating to coupon (if any) payable

23.	Fixed Rate Bond Provisions	
(i)	Coupon Rate:	8.5% per annum
(ii)	Coupon Payment Date(s)/Payment Dates:	Payable in arrears on July 7 and January 7 each year commencing on July 7 2021 until the Maturity Date (each a "Payment Date")
(iii)	Coupon Amount(s):	As applicable for each Interest Period (Interest accumulated between each Coupon payment) using the Actual / Actual Day Count Fraction
(iv)	Day Count Fraction:	Actual / Actual (actual numbers of days in a month / actual number of days in the year)
(v)	Business Day Convention:	Modified Following: Where a Coupon Payment Date or a Redemption Date falls on a day that is not a Business Day, such payment shall be automatically changed to the next Business Day provided that if such Business Day falls into the next calendar month, such Coupon Payment Date shall be changed to the Business Day immediately preceding the Coupon Payment Date
(vi)	Other terms relating to method of calculating Coupon for Fixed Rate Bonds:	N/A

Provisions relating to redemption

24.	Optional Early Redemption	Applicable
(i)	Call Date:	Any date five (5) years after the issuance date provided such payment date shall be a Coupon Payment Date.

(ii) Call Option: The Issuer shall be entitled to exercise a Call Option after five years of the Bond issuance, callable at par, in part or whole, subject to

(a) giving the Trustees not more than 60 days but
(b) not less than 30 days' notice (expiring on a day fixed for the payment of Coupon thereon) of its intention to call the Bond and at the expiration of such notice, the Issuer shall be bounds to redeem the Bonds in respect of which notice has been given and to pay any Coupon that shall have accrued thereon PROVIDED THAT any Bonds redeemed pursuant to this Condition shall be redeemed as between the bondholders on a *pro rata* basis. Notwithstanding the clause above, in relation to any Bonds which form part of the Issuer's Tier II Capital in accordance with Condition [3.5] of the Programme Trust Deed, the Issuer shall not be entitled to redeem the Bonds outstanding prior to the Redemption Date stated in the Series 1 Trust Deed unless:

(i) a minimum of 5 years or such number of years as may be prescribed by the CBN, has lapsed from the Issue Date specified in the Series 1 Trust Deed and the Pricing Supplement;

(ii) the Issuer has obtained the prior approval of the CBN for such early redemption; and

(iii) prior to the exercise of such right to redeem, the Issuer can Demonstrate that its capital position will be well above the minimum capital requirement as prescribed by the CBN.

if a Capital Disqualification Event occurs in accordance with Condition [3.4] (*Redemption of the Subordinated Bonds at the Option of the Issuer following a Capital Disqualification Event*) of the Programme Trust Deed, or (c) at any time, if a Tax Event occurs in accordance with Condition [3.3] (*Redemption for Taxation Reasons*) of the Programme Trust Deed dated May 4, 2020

(iii) Put Option: N/A

25. Scheduled Amortisation: N/A

26. Redemption Amount(s): N/A

27. Scheduled Redemption Dates: N/A

28. Redemption Notice Period:	Not less than thirty (30) and not more than sixty (60) days' notice to the date fixed for redemption, given to the Bondholders in accordance with Condition 20 of the Programme Trust Deed Any notice or other document may be given to or served on any Bondholder either personally or by sending it by electronic mail, by post in a prepaid envelope or delivering it addressed to him at his registered address or (if he desires that notices shall be sent to some other persons or address) to the person at the address supplied by him to the Issuer for the giving of notice to him. In the case of joint registered holders of any Bond a notice given to the Bondholder whose name stands first in the Register shall be sufficient notice to all the joint holders. Any notice or other document duly served on or delivered to any Bondholder under these conditions shall (notwithstanding that such Bondholder is then dead or bankrupt or that any other event has occurred and whether or not the Issuer has notice of the death or the bankruptcy or other event) be deemed to have been duly served or delivered in respect of any Bond registered in the name of such Bondholder as sole or joint holder unless before the day of posting (or if it is not sent by post before the day of service or delivery) of the notice or document his name has been removed from the Register as the holder of the Bond and such service or delivery shall for all purposes be deemed a sufficient service or delivery of such notice or document on all persons interested (whether jointly with or claiming through or under him) in the Bond. Any notice shall be deemed to have been served on the seventh (7^{th}) day following that on which the letter containing the notice is posted and in proving such service it shall be sufficient to prove that the envelope containing the notice or the notice itself was properly addressed, stamped and posted. Any notice given by delivery otherwise than by post shall be deemed given at the time it is delivered to the address specified.

General provisions applicable to the Bonds

29. Form of Bonds:	Electronic registration on the Central Securities Clearing System PLC ("CSCS") platform and/or FMDQ Depository Limited, as applicable
(i) Form of Bonds:	Dematerialised
(ii) Registrar:	First Registrars & Investor Services Limited
30. Trustees:	FBNQuest Trustees Limited, ARM Trustees Limited, Stanbic IBTC Trustees Limited and United Capital Trustees Limited.

31.	Record Date:	No Bondholder may require the transfer of a Bond to be registered during the period of fifteen (15) days ending on the due date for any payment of principal or Coupon on the Bond
32.	Bond Settlement:	Bond purchases will be settled by electronic funds transfers through either CBN Inter-Bank Funds Transfer System (“CIBFTS)”, National Electronic Funds Transfer (“NEFT”) or Real Time Gross Settlement (“RTGS”)

Distribution, clearing and settlement provisions

33.	Method of Distribution:	Book Building to Qualified Institutional Investors and High Net Worth Individuals (subject to status validation)
34.	Selling Restrictions	Strictly to Qualified Institutional Investors and High Net Worth Investors as stipulated in the SEC Rules and Regulations
35.	Underwriting:	Not applicable
36.	Clearing System:	Central Securities Clearing System PLC, or FMDQ Clear Limited, as applicable
37.	Rating: (i) Issuer:	**A-** by Agusto & Co.
	(ii) Issue:	**A-** by Agusto & Co., **A** by DataPro Credit Rating Agency An issue rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency

General

38.	Taxation:	Details of this and other tax considerations are set out on page 33 (Taxation) of the Prospectus dated May 4, 2020. Upon expiration of the exemption period on 2 January 2022, the interest accruing to the Bondholders that are corporate entities would be subject to withholding tax. In the event that the exemption is not extended, the Issuer may be required by law to withhold tax on interest payment on such Bonds.
39.	Risk Factors:	The risk factors associated with the bond issuance are, as outlined on pages 34 to 37 of the Shelf Prospectus dated May 4, 2020. These risk elements have not significantly changed from the time the Shelf Prospectus was issued in May, 2020 except for the increased prevalence of the respiratory disease, Corona Virus. The number of deaths and infections has continued to increase unabated and may remain so for some time into the

future.
The increasing incidence has caused some countries of the world, to shut down their economies a second time, this year. This situation would adversely affect commercial activities and thus banking businesses like Fidelity Bank Plc. though there are indications that a vaccine may have been found for the disease that could possibly reduce the adverse effect in the days ahead.

Governing Law: The Bonds will be governed by and construed in accordance with the laws of the Federal Republic of Nigeria

41. Summary of Claims and Litigation: –

As at October 30, 2020, Fidelity *("the Bank" or "Fidelity")* was, in the ordinary course of business, involved in twenty-eight (28) cases, which fell within the threshold of ₦50,000,000 (Fifty Million Naira) ("Material Litigation"). Of the Material Litigation, Fidelity is a Defendant in twenty (20) cases and a Claimant in four (4) cases. Fidelity is a Counter-Claimant in nine(9) cases of the twenty *(20) cases instituted against it, and a Defendant to counter-claim in* one (1) case out of the four (4) cases instituted by it. Further, Fidelity is Appellant in three (3) cases in which judgement was delivered against it, while it is Respondent in one (1) case in which ruling/judgment was delivered in its favour.

The total monetary claims and potential liability against Fidelity in the Material Litigation, including the counter-claim in which Fidelity is a Defendant and two (2) appeal cases in which Fidelity is the Appellant, is approximately *₦7,907,191,359.01 (Seven Billion, Nine Hundred and* Seven Million, One Hundred and Ninety-One Thousand, Three Hundred and Fifty-Nine Naira, One Kobo); USD$2,003,182 (Two Million, Three Thousand, One Hundred and Eighty-Two United States Dollars); and €19,094.18 (Nineteen Thousand, Ninety-Four Euros, Eighteen Cents) ("Material Contingent Liability Amount").

The total monetary claims by Fidelity, including the nine (9) counter- claims out of the twenty (20) cases instituted against it, is approximately *₦3,422,341,162.50 (Three Billion, Four Hundred and* Twenty-Two Million, Three Hundred and Forty-One Thousand, One Hundred and Sixty-Two Naira, Fifty Kobo), and USD$60,000 (Sixty Thousand United States Dollars).

Please note that the amounts referred to herein do not include interest and costs, which can only be ascertained or determined after the final resolution of the cases. Ultimately, the actual liability of Fidelity including final awards for costs will be as determined by the courts upon conclusion of the relevant suits.

Based on the review of the case files and documentation provided by Fidelity, the Solicitors to the Transaction are of the opinion that, if the matters continue to be diligently prosecuted by Fidelity, Fidelity's liability is not likely to exceed the Material Contingent Liability Amount and would not have a material adverse effect on Fidelity or the Transaction. From the review of the information provided by Fidelity, the Solicitors to the Transaction are not aware of any claim or litigation pending or threatened against the Bank which (i) materially or adversely affects the Bank's ability to fulfil its obligations under the Transaction; and/or; (ii) affects the validity of the Transaction or restricts the proceedings or actions of the Bank with respect to the Transaction

Material Adverse Change Statement

Except as disclosed in this Pricing Supplement and in the Prospectus, there has been no significant change in the financial or trading position of the Issuer since the date of the 2020 half year audited financial statement on June 30, 2020 and no material adverse change in the financial position or prospects of the Issuer since June 30, 2020.

Responsibility

The Issuer accepts responsibility for the information contained in this Pricing Supplement which, when read together with the Prospectus referred to above, contains all information that is material in the context of the issue of the Bonds

Signed at______________________on this 7th day of January 2021

Name:

Designation:

TRANSACTION INDICATIVE TIMELINES

Date	Activity	Responsibility
December 4 2020	Obtain the SEC's clearance of the Pricing Supplement and approval to commence Book Building	Issuing Houses
December 7 2020	Commence Book Building	All Issuing Houses and Bookrunners
December 23 2020	Conclude Book Building	All Issuing Houses and Bookrunners
December 23 2020	Determination of Coupon Rate and aggregate principal amount to be issued	Issuer, All Issuing Houses and Bookrunners
December 24 2020	Dispatch Allotment Confirmation Letters	All Issuing Houses and Bookrunners
December 29 2020	File updated Issue documents with SEC	Issuing Houses
January 5, 2021	Obtain SEC clearance of documents and No Objection to convene Signing Ceremony	Issuing Houses
January 7 2021	Hold Signing Ceremony	All Parties
January 7 2021	Effect payment for allotment to Receiving Banks	Applicants
January 8 2021	Remit net Issue proceeds to the Issuer	Receiving Banks
January 12 2021	File executed offer documents with SEC	Issuing Houses
January 12 2021	File Allotment Proposal and draft newspaper announcement with SEC	Issuing Houses
January 20 2021	Receive SEC's No-Objection to the Allotment Proposal and draft newspaper announcement	Issuing Houses
January 25 2021	Publish Allotment announcement in at least two (2) national dailies	All Issuing Houses and Bookrunners
February 8 2021	Credit CSCS Accounts of Allottees / dispatch Certificates	Registrar
February 17 2021	Listing of the Series 1 Bonds	Issuing Houses and Exchange(s)
February 24 2021	Filing of Post Allotment Report / Post Offer Compliance	Issuing Houses

NB: These dates are indicative and are subject to change

3. Use of Proceeds

The issue proceeds of the Bonds being ₦41,213,000,000.00 will be utilised in accordance with the table provided below.

Use of Proceeds	Amount (N)		Percentage (%)	Duration
SME Lending	₦	21,978,892,900.00	53.33%	24 Months
Retail Lending	₦	8,930,857,100.00	21.67%	24 Months
Retail Infrastructure*	₦	2,114,226,900.00	5.13%	24 Months
Technology Infrastructure**	₦	7,374,768,594.37	**17.89%**	24 Months
Issue Cost	₦	814,254,505.63	1.98%	Immediate
Bond Size	₦	41,213,000,000.00	**100%**	

Retail Infrastructure covers the expansion of Fidelity Agency Banking Network, including investment in account opening process and customized technology for consumer lending, etc.

Information Technology covers investment in Cyber Security Solutions, Data Analytics, Robotic Process Automation (RPA), Cloud Solutions and enhanced digital solutions across all our touchpoints including electronic banking services for corporate and public sector clients etc.

4. DECLARATION BY THE ISSUER

Below is the Issuer's Declaration

Fidelity

CHRISTIAN OGBUEWU NWAGBARA Esq
NOTARY PUBLIC
228, IKORODU ROAD
ANTHONY VILLAGE LAGOS
08038136088, 08028756474

05 November 2020

The Director General

Securities & Exchange Commission
SEC Tower, 272 Samuel Adesoji Ademulegun Street
Central Business District,
Abuja

Dear Sir,

DECLARATION BY FIDELITY BANK PLC

This Pricing Supplement has been prepared by the Issuing Houses on behalf of Fidelity Bank PLC ("Fidelity Bank" or the "Issuer") with a view to providing relevant information as regards this first Series (Series 1) that is being issued under the registered Shelf Prospectus and also provide any update relevant to the Issuer's business since the registration of Shelf Prospectus for the N100 Billion Programme. On behalf of the Board of Directors, we hereby make the following declarations:

1) We confirm that the information contained in the registered Shelf Prospectus and this Pricing Supplement are to the best of our knowledge, in accordance with the facts in all material respects and contain no omission likely to affect its impact.

2) There has been no significant change in the financial condition, or material adverse change in the state of affairs of the Issuer since the publication of the Shelf Prospectus except as contained in this Pricing Supplement.

3) The Issuer is not in breach of any terms and conditions in respect of borrowed funds, which resulted in the occurrence of an event of default and an immediate recall of such borrowed funds during the 12 (twelve) months preceding the date of this Pricing Supplement.

4) No prosecution has been commenced against the Issuer during the preceding 12 (twelve) calendar months in respect of any breach or contravention of any securities or banking laws or the Companies and Allied Matters Act CAP C20 2004 or the listing requirements of a recognized Securities Exchange.

Signed for and on behalf of
Fidelity Bank PLC
By its duly authorized representatives:

Ezinwa Unuigboje	**Victor Abejegah**	**Nnamdi Okonkwo**
Company Secretary	Chief Financial Officer	MD/CEO

www.fidelitybank.ng

Fidelity Bank Plc
2, Kofo Abayomi Street
Victoria Island, Lagos, Nigeria.
P.O.Box 72439, Victoria Island, Lagos
Swift :FIDTNGLA
+234 0(1)4485252
info@fidelitybank.ng

Mr. Mustafa **Chike-Obi** (Chairman), Mr. Alex C. **Ojukwu** (Non-Executive Director), Mr. Michael E. **Diaku** (Non-Executive Director), Chief Charles C. **Umolu** (Non-Executive Director), Pastor Kings C. **Akuma** (Non-Executive Director), Mr. Chidi B. **Agbapu** (Non-Executive Director), Alhaji Isa H. **Inuwa** (Independent Non-Executive Director), Engr. Henry Ikem **Obih** (Independent Non-Executive Director), Mr. Nnamdi **Okonkwo** (Managing Director/CEO), Mrs. Aku **Odinkemelu** (Executive Director), Mrs. Nneka C. **Onyeali-Ikpe** (Executive Director), Mr. Gbolahan **Joshua** (Executive Director), Mr. Ebere **Odoghe** (Executive Director), Mr. Hassan **Imam** (Executive Director), Mr. Kevin **Ugwuoke** (Executive Director).

5. CONFIRMATION OF GOING CONCERN STATUS BY THE DIRECTORS

CHRISTIAN OGBUEWU NWAGBARA ESQ.
NOTARY PUBLIC
328, IKORODU ROAD
ANTHONY VILLAGE LAGOS
08038136080, 08028756474

Fidelity

05 November 2020

The Director General
Securities & Exchange Commission
SEC Tower, 272 Samuel Adesoji Ademulegun Street
Central Business District.
Abuja

Dear Sir,

STATUS OF FIDELITY BANK PLC

We, the undersigned, hereby affirm that Fidelity Bank Plc (the "Company"), a company duly incorporated and existing under the laws of the Federal Republic of Nigeria, is a going concern and that the Company has no pending insolvency proceedings instituted against it. We also confirm that the Company will continue in operations for the foreseeable future and that there are no threats to the operations of the Company.

Signed for and on behalf of

Fidelity Bank PLC

By its duly authorized representatives:

Ezinwa Unuigboje	**Nnamdi Okonkwo**
Company Secretary	MD/CEO

www.fidelitybank.ng

Fidelity Bank Plc
2, Kofo Abayomi Street
Victoria Island, Lagos, Nigeria.
P.O.Box 72439, Victoria Island, Lagos
Swift :FIDTNGLA
+234 (0)1 4485252
info@fidelitybank.ng

Mr. Mustafa **Chike-Obi** (Chairman), Mr. Alex C. **Ojukwu** (Non-Executive Director), Mr. Michael E. **Okeke** (Non-Executive Director), Chief Charles C. **Umolu** (Non-Executive Director), Pastor Kings C. **Akuma** (Non-Executive Director), Mr. Chidi B. **Agbapu** (Non-Executive Director), Alhaji Isa M. **Inuwa** (Independent Non-Executive Director), Engr. Henry Aron **Obih** (Independent Non-Executive Director), Mr. Nnamdi **Okonkwo** (Managing Director/CEO), Mrs. Aku **Odinkemelu** (Executive Director), Mrs. Nneka C. **Onyeali-Ikpe** (Executive Director), Mr. Gbolahan **Joshua** (Executive Director), Mr. Ojone **Odeghe** (Executive Director), Mr. Hassan **Imam** (Executive Director), Mr. Kevin **Ugwuoke** (Executive Director).

7. CONFIRMATION OF GOING CONCERN STATUS BY THE AUDITORS

EY
Building a better working world

Ernst & Young
10th Floor
UBA House
57, Marina
P. O. Box 2442, Marina
Lagos.

Tel: +234 (01) 631 4500
Fax: +234 (01) 463 0481
Email: Services@ng.ey.com
www.ey.com

11 November 2020

The Directors

Fidelity Bank Plc
Fidelity Place
2 Kofo Abayomi Street
Victoria Island
Lagos

11/11/2020
CHRISTIAN OGBUEWU NWAGBARA E
NOTARY PUBLIC
328, IKORODU ROAD
ANTHONY VILLAGE LAGOS
08038136080, 08028756471

NOTARY PUBLIC

To

The Directors

Planet Capital Limited
3rd Floor, St. Peter's House
3, Ajele Street
Off Broad Street
Lagos.

Dear Sir,

Confirmation of Going Concern - Fidelity Bank ("The Bank") up to ₦75 Billion Series 1 Bond Issue Under the Bank's Registered ₦100 Billion Bond Issuance Programme ("Transaction")

We have audited the financial statements of Fidelity Bank Plc for the 6 months ended 30 June 2020 and issued our report dated 24 August 2020. The financial statements were prepared in accordance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Boards (IASB) and the relevant provisions of the Companies and Allied Matters Act, CAP C20, Laws of the Federation of Nigeria 2004, the Banks and Other Financial Institutions Act, CAP B3, Laws of the Federation of Nigeria 2004, the Financial Reporting Council of Nigeria Act No. 6, 2011 and relevant Central Bank of Nigeria circulars.

We conducted our audit in accordance with the International Standards on Auditing (ISA). One of our responsibilities under these standards is to obtain sufficient, appropriate audit evidence regarding and conclude, on the appropriateness of management's use of the going concern basis of accounting in preparation of the financial statements, and to conclude based in the audit evidences obtained. Our Audit Report on the 30 June 2020 financial statements does not contain a modification paragraph in relation to going concern as a material uncertainty.

We note that as described in ISA 200 "Overall Objectives of the Independent Auditor and the Conduct of an Audit in Accordance with International Standards on Auditing" the potential effects of inherent limitations on the auditor's ability to detect material misstatements are greater for future events or conditions that may cause an entity to cease to continue as a going concern. We cannot predict such future events and conditions. Accordingly, the absence of any referral to material uncertainty about the Bank's ability to continue as a going concern in our auditor's report cannot be viewed as a guarantee as to the Bank's ability to continue as a going concern.

The letter is issued solely in relation to the above -mentioned proposed transaction for regulatory filing purposes.

Yours faithfully

Jamiu Olakisan, FCA
FRC/2013/ICAN/00000003918
For: Ernst & Young,
Lagos, Nigeria.

0376345

11/4/2020

CHRISTIAN OGBUEWU NWAGBARA ESQ
NOTARY PUBLIC
328, IKORODU ROAD,
ANTHONY VILLAGE LAGOS,
08038136080, 08028756474

8. COUPON PAYMENT SCHEDULE

The table below indicates the semi-annual coupon payments during the tenor of the issue. The table reflects coupon of 8.5%.

Period	Bond obligation repayment Dates	Semi-annual interest Payment
Interval 1	July 7 2021	₦1,737,156,178.08
Interval 2	January 7 2022	₦1,765,948,821.92
Interval 3	July 7 2022	₦1,737,156,178.08
Interval 4	January 7 2023	₦1,765,948,821.92
Interval 5	July 7 2023	₦1,737,156,178.08
Interval 6	January 7 2024	₦1,765,765,262.26
Interval 7	July 7 2024	₦1,741,981,174.86
Interval 8	January 7 2025	₦1,761,307,384.80
Interval 9	July 7 2025	₦1,737,156,178.08
Interval 10	January 7 2026	₦1,765,948,821.92
Interval 11	July 7 2026	₦1,737,156,178.08
Interval 12	January 7 2027	₦1,765,948,821.92
Interval 13	July 7 2027	₦1,737,156,178.08
Interval 14	January 7 2028	₦1,765,765,262.26
Interval 15	July 7 2028	₦1,741,981,174.86
Interval 16	January 7 2029	₦1,761,307,384.80
Interval 17	July 7 2029	₦1,737,156,178.08
Interval 18	January 7 2030	₦1,765,948,821.92
Interval 19	July 7 2030	₦1,737,156,178.08
Interval 20	January 7 2031	**₦42,978,948,821.92**

Fidelity Bank Plc

Rating Assigned:

A

A financial institution with good financial condition and strong capacity to meet its obligations as and when they fall due

Outlook: Stable
Issue Date: 27 Nov 2020
Expiry Date: 31 Dec 2021
Previous Ratings: N/A

Industry: Banking

Analysts:
Mariam Dabiri, CFA
mariamdabiri@agusto.com

Ayokunle Olubunmi, CFA
kunleolubunmi@agusto.com

Agusto & Co. Limited
UBA House (5th Floor)
57, Marina
Lagos
Nigeria

www.agusto.com

RATING RATIONALE

Agusto & Co. hereby assigns an '**A**' rating to Fidelity Bank Plc ('Fidelity Bank' or 'the Bank'). The rating assigned reflects Fidelity Bank's strong industry position as evidenced by its leading position in the tier 2 banking segment. The rating also considers the Bank's good liquidity position, strong ability to refinance, adequate capitalisation and satisfactory asset quality. We have also factored in Fidelity Bank's good staff productivity and experienced management team. However, constraining the aforementioned positives are the obligor concentration in theloan book and the Bank's high operating cost profile. The assigned rating also reflects the impact of the harsh regulatory environment and prevailing macroeconomic headwinds accentuated by the COVID-19 pandemic.

Fidelity Bank Plc is Nigeria's sixth-largest commercial bank by total assets as at 31 December 2019. The Bank's total assets and contingents stood at ₦2.8 trillion as at 30 June 2020. With a network of 250 branches, 2,300 agents and several digital touchpoints, Fidelity Bank serves over 5 million customers. Core capital stood at ₦218.6 billion as at 30 June 2020 and supported by tier 2 capital of ₦38.1 billion, the Basel II computed capital adequacy ratio of 18.8% was higher than the prescribed minimum of 15% for international banks. In the near term, Fidelity Bank seeks to raise a medium-term bond which if successful should provide additional capital buffer. The Bank's assets were also funded by customer deposits of ₦1.4 trillion as at 30 June 2020 and a diverse pool of borrowings (₦517.9 billion) from multilateral financial institutions, development banks in addition to funds sourced through the local and international debt capital markets.

Fidelity Bank's earnings profile has been predominantly sustained by fund-based income, which accounted for an average 69% of net earnings in the last five years. While earning yields have declined due to CBN's measures directed at lowering interest rates, the Bank gained from a substantial decline in funding costs. As a result, the net interest spread increased to 55.1% in HY 2020 from 43% in HY 2019. While the Bank's NIS has consistently been below the industry average, we expect an improvement on account of prevailing low interest rates and efforts to grow

10. APPENDIX II: EXTRACT FROM ISSUE RATING REPORT

DataPro

Fidelity Bank *Bond Rating Report*

Fidelity Bank Plc

This report is provided by ***DataPro*** subject to the terms & condition stipulated in our ***Terms of Engagement***

BOND RATING REPORT

Up To ₦75, 000,000,000 Series 1 Fixed Rate Bond Issuance under the ₦100Billion Bond Issuance Programme

SUMMARY

- **Rating:**
  A
- **Report Type:**
  Bond Rating
- **Client:**
  Fidelity Bank Plc
- **Date Compiled**
  30-Nov-20

References

Abiodun Adeseyoju, FCA.
Abimbola Adeseyoju
Oladele Adeoye

EVALUATION VALID TILL: October, 2021

DataPro Rating:	**A**
Security Type:	**Up To N75 billion Series 1 under N100billion Issuance Program**
Maturity Date:	**Year 2030**
Rating Outlook:	**Stable**
Currency:	**Naira**
Rating Watch:	**Applicable**

EXECUTIVE SUMMARY

	2020(H1) N'M	2019 N'M	2018 ₦'M	2017 N'M	2016 ₦'M
Gross Earnings	105,755	215,514	189,005	180,244	152,021
Profit Before Tax	11,963	30,353	25,089	19,213	11,061
Shareholders Funds	250,689	234,030	194,416	201,361	184,538
Deposit Liabs	1,405,945	1,225,213	979,413	775,276	792,971
Loans & Adv.	1,209,102	1,126,974	849,880	768,737	718,401
Total Assets	2,403,234	2,114,037	1,719,883	1,379,214	1,298,141

Note: figure quoted above are Issuer's financial highlights

RATING EXPLANATION

The long-term rating of A indicates Low Risk. It shows very good financial strength, operating performance and business profile when compared to the standard established by ***DataPro***. The Issuer, in our opinion, has a very strong ability to meet its ongoing obligations.

……………………………………………………………………………………….

This report does not represent an offer to trade in securities. It is a reference source and not a substitute for your own judgment. As far as we are aware, this report is based on reliable data and information, but we have not verified this or obtained an independent verification to this effect. We provide no guarantee with respect to accuracy or completeness of the data relied upon, and therefore the conclusions derived from the data. This report has been prepared at the request of, and for the purpose of, our client only and neither we nor any of our employees accept any responsibility on any ground whatsoever, including liability in negligence, to any other person. Finally, DataPro and its employees accept no liability whatsoever for any direct or consequential loss of any kind arising from the use of this document in any way whatsoever.

11. APPENDIX III: EXTRACT FROM SERIES 1 TRUST DEED

Below is the extract of the Articles of Association of Fidelity Bank Plc

- Subject to the Banks and Other Financial Institutions Act, the Directors may exercise all the powers of the Company to borrow money, or to mortgage or charge its undertaking, property and uncalled capital.
- The Directors may establish and maintain or procure the establishment of any contributory and non-contributory pension or super-annuation
- The Company may exercise the powers conferred by section 75 of the Act with regards to having an official seal for the use abroad, and such powers shall be vested in the Directors

11. APPENDIX III: EXTRACT FROM SERIES 1 TRUST DEED

The following is the text of the general terms and conditions which, (save for the italicised text), will apply to the Series 1 Bonds.

THE BONDS

Words and expressions defined in the Series 1 Trust Deed (as same may be amended, varied or supplemented from time to time with the consent of the Parties thereto) are expressly and specifically incorporated into and shall apply to these Conditions.

Capitalised terms used but not defined in these Conditions shall have the meanings attributed to them in the Series 1 Trust Deed unless the context otherwise requires or unless otherwise stated.

11. 1. FORM, DENOMINATION AND TITLE

11.1.1 Form and Denomination

The Series 1 Bonds will be issued in dematerialised form, in denominations of ₦1,000.00 (one thousand Naira) which shall be registered with a separate securities identification code with the CSCS and/or FMDQ Depository Limited, as applicable in addition to being registered in the Register.

11.1.2 Title

Title to the Series 1 Bonds shall be effected in accordance with the rules governing transfer of title in securities held in the CSCS and/or FMDQ Depository Limited, as applicable.

In these Conditions, the terms 'Bondholders' and (in relation to a Bond) 'holder' means the person in whose name a Series 1 Bond is registered in the Register in relation to the Series 1 Trust Deed.

11.1.3 Status of the Series 1 Bonds

The Series 1 Bonds are direct, unconditional, subordinated and unsecured obligations of the Issuer as set out in this Condition, which shall, at all times, rank *pari-passu* and without any preference among themselves. The payment obligations of the Issuer under the Series 1 Bonds and in respect of principal and any Coupon thereon, to the extent that the Series 1 Bonds (or any part thereof) constitute part of the Issuer's Tier 2 Capital, shall at all times rank equally with all other subordinated and unsecured obligations of the Issuer, present and future but in the event of insolvency, only to the extent permitted by applicable laws relating to creditors' rights.

11.2 REPAYMENT

11.2.1 Repayment of Principal

The Principal Amount on the Series 1 Bonds will be repaid as a lump sum on the Final Maturity Date from the Issuer's cash flows.

11.2.2 Coupon

11.2.2.1 The rate of the Coupon applicable to the Series 1 Bonds in relation to the Principal Amount shall be a fixed rate of 8.5 %.

11.2.2.2 Coupon shall be payable semi-annually, in arrears on the Coupon Payment Date in each year as stated in the Coupon Payment Schedule set out on page 14 of the Series Trust Deed and on page 18 of this Series 1 Pricing Supplement. The first Coupon Payment Date shall be the date which falls six months after the Issue Date i.e. January 7 2021

11..2.2.3 The Coupon shall be calculated on the basis of the actual number of days elapsed divided by 365 actual number of days in the year.

11..2.3 **Method of Payment of Principal Money, Coupon and Premium**

The provisions of Condition 16 *(Method of Payment of Principal Money, Coupon and Premium)* of the First Schedule to the Programme Trust Deed will apply mutatis mutandis to the Series 1 Bonds.

11..2.4 **Payment Mechanism**

11.2.4.1 The Issuer shall establish the Payment Account no later than [5 (five) Business Days] after the Issue Date which shall be in the name and under the custody and administration of the Trustees.

11..2.4.2 For as long as the Series 1 Bonds remain outstanding, the Issuer shall ensure that the amount to meet any of its payment obligations under this Trust Deed, i.e. Principal Amount and Coupon, as specifically detailed in Schedule 1 (Payment Schedule), shall be paid into the Payment Account at least 5 (five) Business Days before the next Coupon Payment Date or Final Maturity Date as the case may be. The Trustees shall transfer the amount to the Registrar at least 2 (two) Business Days before Coupon Payment Date or Final Maturity Date.

11.3 **REDEMPTION**

11.3.1 Unless previously redeemed in accordance with Conditions 3.3 or 3.4 of the First Schedule to the Programme Trust Deed, the Issuer may redeem the Series 1 Bonds in accordance with Condition 3.2 of this Series 1 Trust Deed.

11.3.2 The Issuer shall redeem the Series 1 Bonds at the Principal Amount outstanding on the Redemption Date. Other than as provided herein, the Issuer shall not redeem the whole or any part of the Series 1 Bonds prior to the Redemption Date unless the Issuer complies with the provisions of Condition 3.2 and 3.5 of the Programme Trust Deed.

Provided that the application of Condition 3.2 of the First Schedule to the Programme Trust Deed to the redemption provisions of this Series Trust Deed shall be qualified as follows:

i. the requisite period, in respect of the notices to be issued to the Bondholders in respect of the redemption of the Bonds, shall be a minimum of 30 (thirty) days and a maximum of 60 (sixty) days;

ii. the notice shall confirm that the prior written approval of the CBN has been obtained; and

iii. the notice shall also confirm that subsequent to the redemption of the Bonds (or any part thereof), the capital adequacy position of the Issuer will comply with the minimum capital requirements as prescribed by the CBN.

11.3.3 Where the Issuer seeks to redeem the whole or any part of the Series 1 Bonds prior to the Redemption Date, it shall notify the relevant Exchange within 24 (twenty-four) hours after the relevant board meeting or after receipt of any required approval from its primary regulator(s) of its intention to redeem. The Issuer shall also make available to the relevant Exchange, copies of all notices of early redemption of the Bonds at least 14 (fourteen) days before such notices are issued to the Bondholders.

11.3.4 Pro rata Redemption

Any redemption of the Series 1 Bonds required to be made under this Deed shall be on a pro rata basis.

11.4 CANCELLATION OF BONDS

Any part of the Series 1 Bonds redeemed shall be cancelled and the Issuer shall not keep such Series 1 Bonds valid for the purpose of re-issue.

11.5 **COVENANTS BY THE ISSUER**

The provisions of Condition 6 *(Covenants by the Issuer)* of the First Schedule to the Programme Trust Deed are hereby incorporated into these Conditions and shall apply *mutatis mutandis* in respect of the Series 1 Bonds.

11.6 TRUSTS

The provisions of Condition 12 (*Trusts*) of the First Schedule to the Programme Trust Deed are hereby incorporated into these Conditions and shall apply mutatis mutandis in respect of the Series 1 Bonds.

11. 7. FREEDOM FROM EQUITIES

The provisions of Condition 13 (*Freedom from Equities*) of the First Schedule to the Programme Trust Deed are hereby incorporated into these Conditions and shall apply mutatis mutandis in respect of the Series 1 Bonds.

11.8 TRANSFERS

11.8.1 The Bond is transferable in amounts or integral multiples of an amount of ₦1,000,000.00 (one million Naira). The Series 1 Bonds shall be transferred on the Exchange in accordance with the rules and regulation of the Exchange. Bondholders who wish to trade the Series 1 Bonds on the Exchange may do so after the Series 1 Bonds have been listed on the Exchange.

11.8.2 Closed Periods: No Bondholder may require the transfer of a Bond to be registered during the period of 15 (fifteen) days ending on the due date for any payment of principal or Coupon on that Bond.

11.9. TRANSMISSION

11.9.1 In the case of the death of a Bondholder, the survivor or survivors where the deceased was a joint holder and the executor or administrator of the deceased where he was a sole or only surviving holder shall be the only person recognised by the Issuer as having any title to such Series 1 Bond.

11.9.2 Any person becoming entitled to any Bond in consequence of the death, bankruptcy or insolvency of any Bondholder or of any other event giving rise to the transmission of such Series 1 Bond by operation of law may upon producing such evidence that he sustains the character in respect of which he proposes to act under this condition or of his title as the Registrar shall think sufficient, may be registered as the holder of such Series 1 Bond or subject to Condition 10 of the First Schedule of the Series Trust Deed may transfer such Series 1 Bond without himself being registered as the holder of such Series 1 Bond.

11.10 RECEIPTS FOR MONEY PAID

If several persons are entered in the Register as joint holders of any Bond, then the receipt of any of such persons of any Coupon or principal or other money payable on or in respect of such Series 1 Bond shall be as effective a discharge to the Issuer as if the person signing such receipt were the sole registered holder of such Series 1 Bond.

11.11 NOTICES

The provision of Condition 20 (*Notices*) of the First Schedule to the Programme Trust Deed will apply to the notices in connection with the Series 1 Bonds.

11.12. MEETINGS OF BONDHOLDERS

The rights and duties of the Bondholders in respect of attendance at meetings of Bondholders are set out in the Second Schedule of the Programme Trust Deed (*Provisions for Meetings of Bondholders*). Provided that the meetings of Bondholders may be held physically or on an electronic platform(s).

11.13 TERMINATION

This Deed shall remain in full force and effect until the discharge by the Issuer of all of its obligations under this Trust Deed and written confirmation of such discharge received from the Trustees.

pwc

12 November 2020

Independent assurance report to:

The Board of Directors
Fidelity Bank Plc
2 Kofo Abayomi Street
Victoria Island
Lagos

and

The Directors
Planet Capital Limited
3rd Floor, St Peter's House
3 Ajele Street
Off Broad Street.
Lagos

Dear Sirs

We have reviewed the accompanying statements of financial position for each of the financial reporting years ended 31 December 2016, 31 December 2017, 31 December 2018, 31 December 2019 and the audited half-year reporting period ended 30 June 2020, the statements of profit or loss and other comprehensive income , the statements of changes in equity, the statements of cash flows for the years or period then ended, the statement of significant accounting policies and other explanatory notes (together "the financial information"). The financial information is based on the audited financial statements of Fidelity Bank Plc (the "Bank").

Directors Responsibility

The Directors are responsible for the preparation and fair presentation of the financial statements on which the financial information is based, in accordance with the basis of accounting described in the statement of significant accounting policies and for such internal control as is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Directors are also responsible for the contents of the prospectus in which this report is included.

Our Responsibility

Our responsibility is to express a conclusion on the accompanying financial information. We conducted our review in accordance with International Standard on Review Engagements (ISRE) 2400 (Revised) which requires us to conclude whether anything has come to our attention that causes us to believe that the financial information is not prepared in all material respects in accordance with the applicable financial reporting framework. This Standard also requires us to comply with relevant ethical requirements.

PricewaterhouseCoopers Chartered Accountants
Landmark Towers, 5B Water Corporation Road, Victoria Island, Lagos, Nigeria
T: +234 1 271 1700, www.pwc.com/ng *TIN: 01556757-0001*

Partners: S Abu, O Adekoya, O Adeola, T Adeleke, W Adelokunbo-Ajayi, A Akingbade, UN Akpata, O Alakhume, C Azobu, E Erhie, K Erikume, U Muoglim, C Obaro, P Obianwa, T Ogundipe, C Ojechi, O Oladipo, W Olowofoyeku, P Omontuemhen, O Osinubi, T Oyedele, AB Rahji, O Ubah, Y Yusuf

A review of financial information in accordance with ISRE 2400(Revised) is a limited assurance engagement. The review primarily consists of making inquiries of management and others as appropriate, applying analytical procedures and evaluating the evidence obtained. The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on this financial information.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying financial information does not present fairly, in all material respects the state of the financial position of the group as at the dates stated and of its profit or loss and cash flows for the periods then ended, in accordance with the Bank's accounting policies.

Basis of Accounting

Without modifying our conclusion, we draw attention to the Statement of significant accounting policies included in the financial information which describes the basis of accounting. The financial information is prepared for inclusion in the prospectus to be issued in connection with the proposed capital raising transaction. As a result, the financial information many not be suitable for another purpose.

Yours faithfully,

For: **PricewaterhouseCoopers**

Chartered Accountants
Lagos, Nigeria

12 November 2020

Engagement Partner: Samuel Abu
FRC/2013/ICAN/00000001495

INSTITUTE OF CHARTERED ACCOUNTANTS OF NIGERIA
36/ICAN
0388932

13. APPENDIX V: FINANCIAL SUMMARY

The financial information set out in this Pricing Supplement has been extracted from the audited annual financial statements of the Issuer and is available at the specified office(s) of the Issuer. This section should be read and construed in conjunction with any audited interim financial statements published subsequently, for the financial years prior to the issuance under this Pricing Supplement.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	6 months ended 30 June 2020 N'million	Year ended 31 December 2019 N'million	31 December 2018 N'million	31 December 2017 N'million	31 December 2016 N'million
Gross earnings		105,755	215,514	189,005	180,244	152,021
Interest revenue calculated using the effective interest rate method	2	87,070	176,994	153,682	147,419	123,153
Other interest and similar income	8.1	552	5,350	3,769	-	-
Interest expense calculated using the effective interest rate method	3	(39,302)	(99,289)	(84,095)	(79,278)	(61,225)
Net interest income		48,320	83,055	73,356	68,141	61,928
Credit loss (expense)/ write back	4	(7,841)	5,292	(4,215)	(11,315)	(8,671)
Net interest income after credit loss expense		40,479	88,347	69,141	56,826	53,257
Fee and commission income	5	9,535	25,262	20,410	18,229	20,557
Fee and commission expense	5	(2,764)	(5,268)	(3,346)	(3,674)	(3,238)
Net losses on derecognition of financial assets measured at amortised cost	6		(4,705)	-	-	-
Other operating income	7	8,598	7,908	11,144	10,925	8,311
Net gains/ (losses) from financial assets at fair value through profit or loss	8	2,056	801	(132)	3,671	(625)
Personnel expenses	9	(12,190)	(24,129)	(23,910)	(24,535)	(27,231)
Depreciation and amortisation	10	(3,030)	(5,421)	(6,247)	(4,373)	(4,308)
Other operating expenses	11	(31,621)	(52,442)	(41,971)	(37,856)	(35,662)
Profit before tax		11,963	30,353	25,089	19,213	11,061
Minimum tax	12	(540)	(525)	(1,912)	(1,242)	(1,216)
Income tax expense	12	(120)	(1,403)	(251)	(203)	(111)
Profit for the year		11,303	28,425	22,926	17,768	9,734
Other comprehensive income						
Items that will not be reclassified subsequently to profit or loss						
Revaluation gains on equity instruments at fair value through other comprehensive income		1,164	7,476	1,612	-	-
Items that will be reclassified subsequently to profit or loss						
Debt instruments at fair value through other comprehensive income:						
Net change in fair value during the period		9,932	4,134	(2,424)	-	-
Changes in allowance for expected credit losses		53	594	277	-	-
Reclassification adjustments to profit or loss	13	-	2,261	(1,671)	-	-
Net losses on debt instruments at fair value through other comprehensive income		9,985	6,899	(3,818)	-	-
Available-for-sale financial assets:						
Unrealised net gains arising during the year		-	-	-	3,732	(2,308)
Net Reclassification adjustments for realised net gains	13	-	-	-	(622)	(906)
Net gains on available-for-sale financial assets		-	-	-	3,110	(3,214)
Total items that will be reclassified subsequently to profit or loss		9,985	6,899	(3,818)	3,110	(3,214)
Other comprehensive income/ (loss) for the year, net of tax		11,149	14,375	(2,206)	3,110	(3,214)
Total comprehensive income for the year net of tax		22,452	42,800	20,720	20,878	6,520
Earnings per share						
Basic and diluted (kobo)	14	39.00	98.00	79.16	61.35	34.00

The accompanying notes form an integral part of these financial information.

Fidelity Bank Plc

Financial information: 2016 - 2020

Statement of financial position

	Note	30 June 2020 N'million	31 December 2019 N'million	31 December 2018 N'million	31 December 2017 N'million	31 December 2016 N'million
Assets						
Cash and balances with central bank	15	601,560	453,392	384,931	269,625	207,061
Due from banks	17	204,536	149,869	111,633	52,287	49,200
Loans and advances to customers	18	1,209,102	1,126,974	849,880	768,737	718,401
Investment securities:						
Financial assets at fair value through profit or loss	19.1	31,648	45,538	14,052	20,639	18,098
Debt instruments at fair value through other comprehensive income	19.2	171,955	134,846	157,639	-	-
Equity instruments at fair value through other comprehensive income	19.3	15,700	14,536	9,977	-	-
Debt instrument at amortised cost	19.4	94,944	118,569	118,662	-	-
Available-for-sale	19.5	-	-	-	76,815	88,586
Held to maturity	19.6	-	-	-	108,784	138,134
Other assets	23	30,482	28,756	35,124	43,194	37,510
Right-of-use assets	24	1,788	1,529	-	-	-
Property, plant and equipment	20	38,275	38,392	36,909	38,504	40,356
Intangible assets	21	3,244	1,636	1,076	629	795
Total assets		2,403,234	2,114,037	1,719,883	1,379,214	1,298,141
Liabilities						
Deposits from customers	25	1,405,945	1,225,213	979,413	775,276	792,971
Current tax payable	12	1,563	2,339	1,609	1,445	1,327
Other liabilities	26	480,428	397,074	300,335	185,154	158,724
Provisions	27	2,736	3,795	3,343	2,745	1,546
Debts issued and other borrowed funds	28	261,873	251,586	240,767	213,233	159,035
Total liabilities		2,152,545	1,880,007	1,525,467	1,177,853	1,113,603
Equity						
Share capital	29	14,481	14,481	14,481	14,481	14,481
Share premium	30	101,272	101,272	101,272	101,272	101,272
Retained earnings	30	49,865	43,642	37,133	23,372	25,054
Other equity reserves						
Statutory reserve	30	36,703	35,008	30,744	27,305	24,476
Small scale investment reserve	30	764	764	764	764	764
Non-distributable regulatory reserve	30	10,923	13,897	408	28,837	16,271
Fair value reserve	30	32,118	20,969	7,038	5,330	2,220
AGSMEIS reserve	30	4,563	3,997	2,576	-	-
Total equity		250,689	234,030	194,416	201,361	184,538
Total equity and liabilities		2,403,234	2,114,037	1,719,883	1,379,214	1,298,141

The accompanying notes form an integral part of these financial information.

APPENDIX V: CONSOLIDATED STATEMENT OF CHANGE IN EQUITY

Fidelity Bank Plc

Financial information: 2016 - 2020

Statement of changes in equity

	Share capital	Share premium	Retained earnings	Statutory reserve	Small scale investment reserve	Non-distributable regulatory reserve	Fair value reserve	AGSMEIS reserve	Re-measurement reserve	Total equity
	N'million	N'million	N'million	N'million	N'million	N'million	N'million	N'million	N'million	N'million
At 1 January 2016	14,481	101,272	8,797	23,016	764	33,480	5,434	-	(3,728)	183,516
Profit for the year	-	-	9,734	-	-	-	-	-	-	9,734
Other comprehensive income:										
Unrealised net losses arising during the year	-	-	-	-	-	-	(2,308)	-	-	(2,308)
Net reclassification adjustment for realised net gains	-	-	-	-	-	-	(906)	-	-	(906)
Total comprehensive income	-	-	9,734	-	-	-	(3,214)	-	-	6,520
Dividends paid	-	-	(4,634)	-	-	-	-	-	-	(4,634)
Transfers between reserves	-	-	12,021	1,460	-	(17,209)	-	-	3,728	-
31 December 2016	14,481	101,272	25,918	24,476	764	16,271	2,220	-	-	185,402
At 1 January 201*	14,481	101,272	25,918	24,476	764	16,271	2,220	-	-	185,402
Correction of error	-	-	(864)	-	-	-	-	-	-	(864)
1 January 201* (31 December 2016, restated)	14,481	101,272	25,054	24,476	764	16,271	2,220	-		184,538
Profit for the year, as restated	-	-	17,768	-	-	-		-	-	17,768
Other comprehensive income:										
Unrealised net gains arising during the year	-	-	-	-	-	-	3,732	-	-	3,732
Net reclassification adjustment for realised net gains	-	-	-	-	-	-	(622)	-	-	(622)
Total comprehensive income	-	-	17,768	-	-	-	3,110	-	-	20,878
Dividends paid	-	-	(4,055)	-	-	-	-	-	-	(4,055)
Transfers between reserves	-	-	(15,395)	2,829	-	12,566	-	-	-	-
31 December 2017, restated	14,481	101,272	23,372	27,305	764	28,837	5,330	-	-	201,361
At 1 January 2018	14,481	101,272	23,372	27,305	764	28,837	5,330	-	-	201,361
Impact of adopting IFRS 9	-	-	(28,393)	-	-	-	3,914	-	-	(24,479)
Transfers between reserves	-	-	28,393	-	-	(28,393)	-	-	-	-
Restated opening balance under IFRS 9	14,481	101,272	23,372	27,305	764	444	9,244	-	-	176,882
Profit for the year	-	-	22,926	-	-	-	-	-	-	22,926
Other comprehensive income:										
Net change in fair value of debt instrument at FVOCI	-	-	-	-	-	-	(2,424)	-	-	(2,424)
Net change in fair value of equity instrument at FVOCI	-	-	-	-	-	-	1,612	-	-	1,612
Changes in allowance for expected credit losses	-	-	-	-	-	-	277	-	-	277
Net reclassification adjustment for realised net gains	-	-	-	-	-	-	(1,671)	-	-	(1,671)
Total comprehensive income	-	-	22,926	-	-	-	(2,206)	-	-	20,720
Dividends paid	-	-	(3,186)	-	-	-	-	-	-	(3,186)
Transfers between reserves	-	-	(5,979)	3,439	-	(36)	-	2,576	-	-
31 December 2018	14,481	101,272	37,133	30,744	764	408	7,038	2,576	-	194,416

7

APPENDIX V: CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Fidelity Bank Plc

Financial information: 2016 - 2020

Statement of changes in equity

	Share capital	Share premium	Retained earnings	Statutory reserve	Small scale investment reserve	Non-distributable regulatory reserve	Fair value reserve	AGSMEIS reserve	Re-measurement reserve	Total equity
	N'million	N'million	N'million	N'million	N'million	N'million	N'million	N'million	N'million	N'million
At 1 January 2019	14,481	101,272	37,133	30,744	764	408	7,038	2,576	-	194,416
Profit for the period	-	-	28,425	-	-	-	-	-		28,425
Other comprehensive income:										
Net change in fair value of debt instrument at FVOCI	-	-	-	-	-	-	4,134	-	-	4,134
Net change in fair value of equity instrument at FVOCI	-	-	-	-	-	-	7,476	-	-	7,476
Changes in allowance for expected credit losses	-	-	-	-	-	-	504	-	-	504
Net reclassification adjustment for realised net gains	-	-	-	-	-	-	2,261	-	-	2,261
Total comprehensive income	-	-	28,425	-	-	-	14,375	-	-	42,800
Dividends paid	-	-	(3,186)	-	-	-	-	-	-	(3,186)
Transfers between reserves	-	-	(18,730)	4,264	-	13,489	(444)	1,421	-	-
At 31 December 2019	14,481	101,272	43,642	35,008	764	13,897	20,969	3,997	-	234,030
At 1 January 2020	14,481	101,272	43,642	35,008	764	13,897	20,969	3,997	-	234,030
Profit for the period	-	-	11,303	-	-	-	-	-		11,303
Other comprehensive income:										
Net change in fair value of debt instrument at FVOCI	-	-	-	-	-	-	9,932	-	-	9,932
Net change in fair value of equity instrument at FVOCI	-	-	-	-	-	-	1,164	-	-	1,164
Changes in allowance for expected credit losses	-	-	-	-	-	-	53	-	-	53
Total comprehensive income	-	-	11,303	-	-	-	11,149	-	-	22,452
Dividends paid	-	-	(5,793)	-	-	-	-	-	-	(5,793)
Transfers between reserves	-	-	713	1,695	-	(2,974)		566	-	-
At 30 June 2020	14,481	101,272	49,865	36,703	764	10,923	32,118	4,563	-	250,689

		6 months ended	Year Ended			
	Note	30 June 2020 N'million	31 December 2019 N'million	31 December 2018 N'million	31 December 2017 N'million	31 December 2016 N'million
Operating activities						
Cash flows (used in)/ from operations	31	(27,544)	(99,598)	116,016	(95,553)	(157,848)
Interest received		84,089	164,200	142,155	139,724	105,595
Interest paid		(33,797)	(89,455)	(81,853)	(77,083)	(59,746)
Retirement benefits paid		-	-	-	-	(10,839)
Paid to staff in respect of staff gratuity		-	-	-	(4,118)	-
Tax paid	12c	(1,436)	(1,198)	(1,053)	(996)	(2,332)
Net cash flow from/ (used in) operating activities		21,312	(26,051)	175,265	(38,026)	(125,170)
Investment activities						
Purchase of property, plant and equipment	20	(1,505)	(5,774)	(2,281)	(2,057)	(4,502)
Proceeds from sale of property, plant and equipment		41	2,939	76	154	180
Purchase of intangible assets	21	(2,683)	(2,183)	(2,879)	(369)	(143)
Purchase of FVTOCI financial assets		(56,971)	(124,560)	(246,754)	(187,625)	(114,625)
Purchase of amortised cost financial assets		(32,497)	(51,409)	(51,373)	-	-
Redemption of HTM financial assets at maturity		-	-	-	87,975	18,637
Proceeds from sale of AFS financial assets		-	-	-	144,504	159,765
Redemption of amortised cost financial assets		58,275	54,556	51,842	-	-
Proceeds from sale of FVTOCI financial assets		30,533	152,922	156,482	-	-
Proceeds from sale of equity instruments at FVOCI		-	2,918	-	-	-
Dividends received		206	1,392	229	891	68
Net cash flows (used in)/ from investing activities		(4,601)	30,801	(94,658)	43,473	59,380
Financing activities						
Dividends paid		(5,793)	(3,186)	(3,186)	(4,055)	(4,634)
Lease payment		(592)	(494)	-	-	-
Proceeds of debts issued and other borrowed funds	28	3,868	64,336	57,498	135,128	40,645
Repayment of long term borrowings	28	(22,330)	(55,842)	(38,986)	(87,318)	(2,502)
Net cash flows (used in)/ from financing activities		(24,847)	4,814	15,326	43,755	33,509
Net (decrease)/ increase in cash and cash equivalents		(8,136)	9,564	95,933	49,202	(32,281)
Net foreign exchange difference on cash and cash equivalents		7,443	3,401	10,122	5,678	4,161
Cash and cash equivalents at the beginning of the period	16	259,915	246,950	140,895	86,015	114,135
Cash and cash equivalents at the end of the period	16	259,222	259,915	246,950	140,895	86,015

The accompanying notes form an integral part of these financial information.

These financial information are for Fidelity Bank Plc (the "Bank"), a company incorporated in Nigeria on 19 November 1987. The registered office address of the Bank is at Fidelity Place, 2 Kofo Abayomi Street, Victoria-Island, Lagos, Nigeria.

The principal activity of the Bank is the provision of banking and other financial services to corporate and individual customers. Fidelity Bank Plc provides a full range of financial services including investment, commercial and retail banking.

2 **Interest revenue calculated using the effective interest rate method**	**30 June 2020 N'million**	**31 December 2019 N'million**	**31 December 2018 N'million**	**31 December 2017 N'million**	**31 December 2016 N'million**
Loans and advances to customers	62,244	132,554	109,322	109,388	88,065
Treasury bills and other investment securities:					
Fair value through other comprehensive income	15,363	22,059	19,547	-	-
Amortised cost	4,264	12,011	16,133	-	-
Held for trading				-	2,685
Available for sale	-	-	-	17,066	12,014
Held to maturity	-	-	-	16,107	15,537
Advances under finance lease	1,469	4,153	5,389	4,703	4,650
Placements and short term funds	3,730	6,217	3,291	155	202
	87,070	176,994	153,682	147,419	123,153

3 **Interest expense calculated using the effective interest rate method**	**30 June 2020 N'million**	**31 December 2019 N'million**	**31 December 2018 N'million**	**31 December 2017 N'million**	**31 December 2016 N'million**
Term deposits	19,742	60,899	51,517	52,230	38,491
Debts issued and other borrowed funds	13,034	25,647	22,741	16,819	15,262
Savings deposits	4,827	8,185	6,170	5,688	5,297
Current deposits	1,699	4,550	3,666	3,368	1,687
Inter-bank takings	-	8	1	1,173	488
	39,302	99,289	84,095	79,278	61,225

4 **Credit loss expense/ (write back)**

The table below shows the ECL charges on financial instruments for the periods recorded in profit or loss:

Credit loss expense/ (reversal) (IFRS 9)	**30 June 2020 N'million**	**31 December 2019 N'million**	**31 December 2018 N'million**	**31 December 2017 N'million**	**31 December 2016 N'million**
Due from banks (Note 17)	545	(497)	806	-	-
Loans and advances to customers (Note 18)	6,772	(5,329)	2,420	-	-
Debt instruments measured at FVOCI	53	504	270	-	-
Debt instruments measured at amortised costs (Note 19.4)	105	(56)	199	-	-
Financial guarantees	-	-	(448)	-	-
Letters of credit	381	(206)	618	-	-
Total impairment charge/ (write back)	7,856	(5,584)	3,865	-	-
Other assets	(15)	292	350		
	7,841	(5,292)	4,215	-	-
Credit loss expense (IAS 39)					
Impairment charge on loans and advances (Note 18):					
Overdrafts	-	-	-	9,689	(1,148)
Term loans	-	-	-	700	7,175
Finance leases	-	-	-	924	1,321
Others	-	-	-	(16)	(12)
	-	-	-	11,297	7,336
Impairment charge on other assets (Note 23)	-	-	-	18	469
Write off on overdraft during the year	-	-	-	-	866
	-	-	-	11,315	8,671

		2020 N'million	2019 N'million	2018 N'million	2017 N'million	2016 N'million
5	**Net fee and commission income**					
	Fee and commission type					
	ATM charges	1,461	4,440	3,588	3,474	2,588
	Accounts maintenance charge	1,248	3,295	2,899	2,602	1,737
	Commission on E-banking activities	1,107	2,947	2,852	1,764	6,661
	Commission on travellers cheque and foreign bills	876	3,141	2,613	1,919	1,662
	Commission on fidelity connect	602	1,529	1,432	1,524	1,441
	Letters of credit commissions and fees	519	1,334	1,251	1,451	852
	Commissions on off balance sheet transactions	1,008	1,351	1,101	839	623
	Other fees and commissions	299	868	772	987	1,124
	Commission and fees on banking services	215	517	487	706	924
	Commission and fees on NXP	326	1,101	700	633	560
	Collection fees	163	334	267	748	590
	Telex fees	264	1,027	721	546	384
	Cheque issue fees	40	166	174	194	204
	Remittance fees	47	205	218	89	220
		8,175	22,255	19,075	17,476	19,570
	Other non-contract fee income:					
	Credit related fees	1,360	3,007	1,335	753	987
	Total fees and commission income	9,535	25,262	20,410	18,229	20,557
	Fee and commission expense	(2,764)	(5,258)	(3,346)	(3,674)	(3,238)
	Net fee and commission income	6,771	19,994	17,064	14,555	17,319

6 **Net losses on derecognition of financial assets measured at amortised cost**

There was no significant modification in June 2020, "all modifications as a result of the impact of Covid-19 for the period ended 30 June 2020 did not result in the derecognition of the related financial assets. However in 2019, a significant modification was carried out on a loan to a customer and the cashflows of the modified assets were substantially different from the contractual cashflows of the original financial assets. Based on this, the rights to the cashflows of the original financial assets were deemed to have expired. The loan was derecognised and a new financial assets was recognised at Fair value, giving rise to a derecognition loss of N4.7billion. The gross carrying amount of the loan before modification was N29 billion. The financial asset is not deemed to be credit impaired.

		30 June 2020 N'million	31 December 2019 N'million	31 December 2018 N'million	31 December 2017 N'million	31 December 2016 N'million
7	**Other operating income**					
	Net foreign exchange gains	7,443	3,401	10,122	9,490	7,772
	Dividend income	792	1,444	229	891	68
	Profit on disposal of property, plant and equipment	41	2,510	15	83	-
	Profit on disposal of unquoted securities			-	-	2
	Other income	322	553	778	461	469
		8,598	7,908	11,144	10,925	8,311

		30 June 2020 N'million	31 December 2019 N'million	31 December 2018 N'million	31 December 2017 N'million	31 December 2016 N'million
8	**Net gains from financial instruments classified as fair value through profit or loss (FVTPL)**					
	Net gains/(losses) arising from:					
	Bonds	1,888	177	(133)	425	47
	Treasury bills	1,068	650	1	(77)	(672)
	Placements	-	(26)	-	-	-
		2,956	801	(132)	348	(625)
	Interest income on financial assets measured at FVTPL (Note 8.1)	552	5,350	3,769	3,323	-
		3,508	6,151	3,637	3,671	(625)

8.1 Interest income on financial assets at FVTPL are not calculated using EIR method and have been presented separately in the statement of profit or loss.

		30 June 2020 N'million	31 December 2019 N'million	31 December 2018 N'million	31 December 2017 N'million	31 December 2016 N'million
9	**Personal expenses**					
	Wages and salaries	10,818	21,129	21,434	21,817	19,125
	End of the year bonus (see note 27)	1,138	2,537	2,000	2,200	1,001
	Pension costs					
	Staff retirement benefit plan	-	-	-	-	1,534
	Staff gratuity plan	-	-	-	-	5,010
	Pension contribution	234	463	476	518	561
		12,190	24,129	23,910	24,535	27,231

		30 June 2020 N'million	31 December 2019 N'million	31 December 2018 N'million	31 December 2017 N'million	31 December 2016 N'million
10	**Depreciation and amortisation**					
	Property, plant and equipment (Note 20)	1,622	3,112	3,815	3,838	4,015
	Intangible asset-computer software (Note 21)	1,075	1,623	2,432	535	293
	Depreciation of ROU asset (Note 24)	333	686	-	-	-
		3,030	5,421	6,247	4,373	4,308

Fidelity Bank Plc

Financial information: 2016 - 2020

Notes to the financial information

		30 June 2020 N'million	31 December 2019 N'million	31 December 2018 N'million	31 December 2017 N'million	31 December 2016 N'million
11	**Other operating expenses**					
	Marketing, communication & entertainment	4,645	10,430	8,194	7,842	9,513
	Banking sector resolution cost	11,866	10,478	8,764	7,591	6,159
	Outsourced cost	2,272	4,333	4,022	3,522	3,428
	Deposit insurance premium	2,749	4,732	3,310	3,627	3,220
	Repairs and maintenance	1386	3,383	3,114	2,583	2,563
	Other expenses	2,467	4,858	2,752	2,399	1,912
	Computer expenses	1,755	3,301	2,366	2,407	1,565
	Security expenses	666	1,149	1,280	1,256	1,345
	Rent and rates	87	370	915	861	285
	Cash movement expenses	386	1,170	901	711	601
	Training expenses	69	538	636	221	407
	Travelling and accommodation	628	1,130	840	695	621
	Consultancy expenses	282	1,960	687	695	577
	Corporate finance expenses	346	601	898	474	402
	Legal expenses (See note 11a)	83	615	606	202	253
	Electricity	213	472	452	440	399
	Office expenses	346	617	475	390	382
	Directors' emoluments	213	443	262	370	249
	Insurance expenses	281	387	379	396	348
	Stationery expenses	115	306	285	269	256
	Bank charges	139	490	268	188	308
	Auditors' remuneration	100	200	200	200	150
	Telephone expenses	51	95	99	108	307
	Donation	429	165	158	331	66
	Postage and courier expenses	47	108	108	78	97
	Litigations and claims (See note 11b)	-	111	-	-	185
	Loss on disposal of property, plant and equipment	-	-	-	-	64
		31,621	52,442	41,971	37,856	35,662
11a	Legal expenses					
	As previously reported	83	726	606	202	253
	Adjustment (see note 35)	-	(111)	-	-	-
		83	615	606	202	253
11b	Litigations and claims					
	As previously reported	-	-	-	-	185
	Adjustment (see note 35)	-	111	-	-	-
		-	111	-	-	185

		30 June 2020 N'million	31 December 2019 N'million	31 December 2018 N'million	31 December 2017 N'million	31 December 2016 N'million
12	**Taxation**					
12a	**Major components of the tax expense**					
	Minimum tax expense (see note i below)	540	525	1,912	1,242	1,216
	Income tax expense					
	Current taxes on income for the year	-	549	-	-	-
	Tertiary education tax	-	358	-	-	-
	Police trust fund	1	2	-	-	-
	Capital gain tax	-	190	-	-	-
	Information Technology levy	119	304	251	203	111
	Income tax expense (see note ii below)	120	1,403	251	203	111
	Total tax expense	660	1,928	2,163	1,445	1,327
i	Minimum tax					
	As previously reported	-	-	-	-	-
	Adjustment (see note 35)	540	525	1,912	1,242	1,216
		540	525	1,912	1,242	1,216
ii	Income tax expense					
	As previously reported	660	1,928	2,163	1,445	1,327
	Adjustment (see note 35)	(540)	(525)	(1,912)	(1,242)	(1,216)
		120	1,403	251	203	111

Fidelity Bank Plc

Financial information: 2016 - 2020

Notes to the financial information

12b	Total tax expense in profit or loss	30 June 2020 N'million	31 December 2019 N'million	31 December 2018 N'million	31 December 2017 N'million	31 December 2016 N'million
	Profit before income tax	11,963	30,353	25,089	19,213	11,061
	Income tax using the domestic corporation tax rate of 30%	3,589	9,106	7,527	5,764	3,318
	Non-deductible expenses	3,173	10,240	5,892	1,577	385
	Tax exempt income	(7,142)	(10,798)	(13,419)	(7,341)	(3,703)
	Utilization of previously unrecognised tax losses	-	(5,394)	-	-	-
	Unrecognised deferred tax assets	380	(2,605)	-	-	-
	Income tax expense based on minimum tax (note 12d)	540	525	1,912	1,242	1,216
	Tertiary education tax	-	358	-	-	-
	Capital gain tax	-	190	-	-	-
	Police trust fund (note 12e)	1	2	-	-	-
	Technology levy (note 12f)	119	304	251	203	111
		660	1,928	2,163	1,445	1,327

The effective income tax rate is 9% (31 December 2019: 13%, 31 December 2018: 9%, 31 December 2017: 12%, 31 December 2016: 12%).

12c	The movement in the current tax payable is as follows:	30 June 2020 N'million	31 December 2019 N'million	31 December 2018 N'million	31 December 2017 N'million	31 December 2016 N'million
	At 1 January	2339	1,609	1,445	1,327	2,332
	Tax paid	(1,436)	(1,198)	(1,053)	(996)	(2,332)
	WHT recovered	-	-	(946)	(331)	-
	Current tax expense	660	1,928	2,163	1,445	1,327
	At 30 June/31 December	1,563	2,339	1,609	1,445	1,327

Reconciliation of effective tax rate

12d The income tax is based on minimum tax assessment as there is no taxable profit to charge tax.

12e The Nigerian Police Trust Fund Act (PTFA) 2019, stipulates that operating business in Nigeria to contribute 0.005% of their net profit to Police Trust Fund. In line with the Act, the Bank has provided for Police Trust Fund at the specified rate and recognised it as part of income tax for the period.

12f The National Information Technology Agency Act (NITDA) 2007, stipulates that specified companies contribute 1% of their profit before tax to National Information Development Agency. In line with the Act, the Bank has provided for Information technology levy at the specified rate and recognised it as part of income tax for the year.

12f Unrecognised deferred tax assets as at 30 June 2020 is N32.2m (31 December 2019: N23.7m, 31 December 2018: 28.5m, 31 December 2017: 28.3m, and 31 December 2016: 23.5m).

13 **Net reclassification adjustments for realised net gains**

The net reclassification adjustments for realised net (gains)/ losses from other comprehensive income to profit or loss are in respect of debt instruments measured at fair value through other comprehensive income (2017 and 2016: available-for-sale financial assets) which were sold during the year.

14 **Earnings per share (EPS)**

Basic and diluted

Basic earnings per share is calculated by dividing the net profit attributable to equity holders of the Bank by the weighted average number of ordinary shares in issue during the year. The diluted earnings per share is the same as basic EPS because there are no potential ordinary shares outstanding during the reporting period.

	30 June 2020 N'million	31 December 2019 N'million	31 December 2018 N'million	31 December 2017 N'million	31 December 2016 N'million
Profit attributable to equity holders of the Bank	11,303	28,425	22,926	17,768	9,734
Weighted average number of ordinary shares in issue	28,963	28,963	28,963	28,963	28,963
Basic & diluted earnings per share (expressed in kobo per share)	39.00	98.00	79.16	61.35	34

15	Cash and balances with central bank	30 June 2020 N'million	31 December 2019 N'million	31 December 2018 N'million	31 December 2017 N'million	31 December 2016 N'million
	Cash	30,430	31,658	44,624	27,534	34,861
	Balances with central bank other than mandatory reserve	24,256	78,388	90,693	61,074	1,954
	Included in cash and cash equivalents (note 16)	54,686	110,046	135,317	88,608	36,815
	Mandatory reserve deposits with central bank (see note 15.1)	487,861	304,618	219,386	150,789	140,018
	Special cash reserve (see note 15.2 below)	59,013	38,728	30,228	30,228	30,228
	Carrying amount	601,560	453,392	384,931	269,625	207,061

15.1 Mandatory reserve deposits are not available for use in the Bank's day-to-day operations. It represents a percentage of the Customers' deposits and are non interest-bearing. The amount, which is based on qualified assets, is determined by the Central Bank of Nigeria from time to time. For the purpose of statement of cash flows, these balances are excluded from the cash and cash equivalents.

15.2 Special cash reserve represents a 5% of weekly average of deposits held with Central Bank of Nigeria as a regulatory requirement.

16 Cash and cash equivalents

Cash and cash equivalents comprise balances with less than three months' maturity from the date of acquisition, including cash on hand, deposits held at call with other banks and other short-term highly liquid investments with original maturities of less than three months.

	30 June 2020 N'million	31 December 2019 N'million	31 December 2018 N'million	31 December 2017 N'million	31 December 2016 N'million
Cash and balances with central bank (Note 15)	54,686	110,046	135,317	88,608	36,815
Due from banks	204,536	149,869	111,633	52,287	49,200
Total cash and cash equivalents	259,222	259,915	246,950	140,895	86,015

17 Due from banks	30 June 2020 N'million	31 December 2019 N'million	31 December 2018 N'million	31 December 2017 N'million	31 December 2016 N'million
Current accounts with foreign banks	134,947	101,853	53,684	43,812	36,189
Placements with other banks and discount houses	70,443	48,325	58,755	8,475	13,011
Sub-total	205,390	150,178	112,439	52,287	49,200
Less: Allowance for impairment losses	(854)	(309)	(806)	-	-
	204,536	149,869	111,633	52,287	49,200

Movement in impairment allowance	30 June 2020 N'million	31 December 2019 N'million	31 December 2018 N'million	31 December 2017 N'million	31 December 2016 N'million
ECL allowance as at 1 January	309	806	-	-	-
ECL allowance recognised during the period:					
New assets originated or purchased	292	37	817	-	-
Unwind of discount	10	15	-	-	-
Assets derecognised or repaid (excluding write offs)	(6)	(560)	(26)	-	-
Foreign exchange adjustments	249	11	15	-	-
	545	(497)	806	-	-
	854	309	806	-	-

18 Loans and advances to customers	30 June 2020 N'million	31 December 2019 N'million	31 December 2018 N'million	31 December 2017 N'million	31 December 2016 N'million
Loans to corporate and other organisations	1,216,092	1,125,000	743,307	751,480	709,876
Loans to individuals	51,197	53,389	163,317	43,835	33,244
	1,267,289	1,178,389	906,624	795,315	743,120
Less: allowance for ECL/ impairment losses (Note 18.1)	(58,187)	(51,415)	(56,744)	(26,578)	(24,719)
	1,209,102	1,126,974	849,880	768,737	718,401
Loans to corporate and other organisations					
Overdrafts	163,312	126,472	57,572	56,000	-
Term loans	1,021,918	953,489	659,101	669,445	-
Advance under finance lease	30,862	45,039	26,634	26,035	-
	1,216,092	1,125,000	743,307	751,480	-
Less: Allowance for ECL/ impairment losses	(56,914)	(47,793)	(42,036)	(23,337)	-
	1,159,178	1,077,207	701,271	728,143	-
Loans to individuals					
Overdrafts	5,877	8,696	7,314	4,045	-
Term loans	44,198	44,145	155,802	39,498	-
Advance under finance lease	1,122	548	201	292	-
	51,197	53,389	163,317	43,835	-
Less: Allowance for ECL/impairment losses	(1,273)	(3,622)	(14,708)	(3,241)	-
	49,924	49,767	148,609	40,594	-
Net loans and advances	1,209,102	1,126,974	849,880	768,737	-
Loans to corporate and individuals					
Overdrafts	169,189	135,168	64,886	60,045	67,246
Term loans	1,066,116	997,634	814,903	708,943	646,541
Advance under finance lease (Note 18.2)	31,984	45,587	26,835	26,327	27,968
Other loans	-	-	-	-	1,365
	1,267,289	1,178,389	906,624	795,315	743,120
Less: Allowance for ECL/impairment losses	(58,187)	(51,415)	(56,744)	(26,578)	(24,719)
	1,209,102	1,126,974	849,880	768,737	718,401

ECL allowance as at 1 January- IFRS 9	51,414	56,744	54,325	-	-
ECL allowance recognised during the period:					
New assets originated or purchased	4,307	10,400	8,615	-	-
Assets derecognised or repaid (excluding write offs)	(10,770)	(34,768)	(8,501)	-	-
Effect of modifications	(88)	-	-	-	-
Impact on period end ECL of exposures transferred between stages during the period	11,268	17,856	8,237	-	-
Foreign exchange adjustments	2,054	1,182	-	-	-
Amounts written off	-	-	(5,932)	-	-
	6,771	(5,330)	2,419	-	-
Impairment allowance at end of the period	58,185	51,414	56,744	-	-
Impairment charge as at 1 January- IAS 39					
Individual impairment	-	-	-	15,027	13,440
Collective impairment	-	-	-	9,692	7,336
	-	-	-	24,719	20,776
Impairment charge during the year					
Individual impairment	-	-	-	5,393	4,980
Collective impairment	-	-	-	5,904	2,356
Total charge to profit or loss (Note 4)	-	-	-	11,297	7,336
Write off during the year					
Individual impairment	-	-	-	(4,343)	(3,393)
Collective impairment	-	-	-	(5,095)	-
	-	-	-	(9,438)	(3,393)
Impairment allowance at end of the period					
Individual impairment	-	-	-	16,077	15,027
Collective impairment	-	-	-	10,501	9,692
	-	-	-	26,578	24,719

		30 June 2020 N'million	31 December 2019 N'million	31 December 2018 N'million	31 December 2017 N'million	31 December 2016 N'million
18.2	**Advances under finance lease may be analysed as follows:**					
	Gross investment					
	No later than 1 year	3,910	1,809	4,003	3,219	2,910
	Later than 1 year and no later than 5 years	27,853	43,549	20,474	21,713	22,567
	Later than 5 years	221	227	2,358	1,770	3,988
		31,984	45,585	26,835	26,702	29,465
	Unearned future finance income on finance leases	(2,857)	(546)	(201)	(375)	(1,497)
	Net investment	29,127	45,039	26,634	26,327	27,968
	The net investment may be analysed as follows:					
	No later than 1 year	3,776	1,775	3,987	3,115	3,256
	Later than 1 year and no later than 5 years	25,130	43,062	19,888	21,529	22,190
	Later than 5 years	221	202	2,759	1,683	2,522
		29,127	45,039	26,634	26,327	27,968

		30 June 2020 N'million	31 December 2019 N'million	31 December 2018 N'million	31 December 2017 N'million	31 December 2016 N'million
18.3	**Nature of security in respect of loans and advances:**					
	Secured against real estate	124,626	210,888	63,635	503,293	337,214
	Secured by shares of quoted companies	31,998	20	-	158,718	114
	Secured others	995,060	913,115	807,582	111,791	382,479
	Advances under finance lease	21,192	45,567	26,835	21,513	22,895
	Unsecured	94,413	8,800	8,571	-	418
	Gross loans and advances to customers	1,267,289	1,178,390	906,623	795,315	743,120

19 Investment securities

		30 June 2020 N'million	31 December 2019 N'million	31 December 2018 N'million	31 December 2017 N'million	31 December 2016 N'million
19.1	**Financial assets at fair value through profit and loss (FVTPL)**					
	Held for trading:					
	Federal Government bonds	7,013	1,875	86	2,302	297
	Treasury bills	24,635	36,176	13,966	18,337	17,801
	Placements	-	7,487	-	-	-
	Total financial assets measured at FVTPL	31,648	45,538	14,052	20,639	18,098

Fidelity Bank Plc

Financial information: 2016 - 2020

Notes to the financial information

19.2	Debt instruments at fair value through other comprehensive income (FVOCI)	30 June 2020 N'million	31 December 2019 N'million	31 December 2018 N'million	31 December 2017 N'million	31 December 2016 N'million
	Treasury bills	138,708	98,939	137,545	-	-
	Federal Government bonds	25,122	18,147	14,131	-	-
	State bonds	6,568	4,353	4,437	-	-
	Corporate bonds	1,557	13,407	1,526	-	-
	Total debt instruments measured at FVOCI	171,955	134,846	157,639	-	-

19.3	Equity instruments at fair value through other comprehensive income (FVOCI)	30 June 2020 N'million	31 December 2019 N'million	31 December 2018 N'million	31 December 2017 N'million	31 December 2016 N'million
	Unquoted equity investments:					
	Mobile Telecommunications Network (MTN)	-	-	2,474	-	-
	African Finance Corporation (AFC)	3,534	2,223	2,377	-	-
	Unified Payment Services Limited (UPSL)	8,162	8,776	1,969	-	-
	Nigerian Inter Bank Settlement System (NIBBS)	1,777	1,697	1,475	-	-
	The Central Securities Clearing System (CSCS)	2,227	1,840	1,682	-	-
	Total equity instruments at FVOCI	15,700	14,536	9,977	-	-

The Bank has designated its equity investments as equity investments at FVOCI on the basis that these are not held for trading. During the period ended 30 June 2020, the Bank recognised dividends of N792 million from its FVOCI equities which was recorded in the profit or loss as other operating income (31 December 2019: N1.44 billion, 31 December 2018: N141 million). The Bank also sold FVOCI equity instruments relating to MTN during the year ended 31 December 2019. The reasons for disposing of the investments was based on CBN's circular issued in 2016, requesting commercial banks to divest their interest in non-permissible investment of which some equity instruments were part. The fair value of the investments at the date of de-recognition amounted to N2.918 billion while the cumulative gain on disposal of the shares is N444 million.

19.4	Debt instruments at amortised cost	30 June 2020 N'million	31 December 2019 N'million	31 December 2018 N'million	31 December 2017 N'million	31 December 2016 N'million
	Treasury bills	43,473	48,248	37,725	-	-
	Federal Government bonds	50,993	69,378	75,146	-	-
	State Government bonds	737	1,097	2,129	-	-
	Corporate bonds	-	-	3,872	-	-
	Sub-total	95,203	118,723	118,872	-	-
	Allowance for impairment	(259)	(154)	(210)	-	-
	Total debt instruments measured at amortised cost	94,944	118,569	118,662	-	-
	Movement in impairment allowance					
	ECL allowance as at 1 January	154	210	11	-	-
	ECL allowance during the period:					
	New assets originated or purchased	39	48	264	-	
	Assets derecognised or repaid (excluding write offs)	(27)	(112)	(65)		
	Unwind of discount		8			
	Changes in ECL during the period	93		-	-	-
		105	(56)	199	-	-
		259	154	210	-	-

19.5	Available for sale	30 June 2020 N'million	31 December 2019 N'million	31 December 2018 N'million	31 December 2017 N'million	31 December 2016 N'million
	Treasury bills	-	-	-	39,570	74,599
	Federal Government bonds	-	-	-	23,538	29
	State bonds	-	-	-	7,333	7,941
	Unquoted equity investments at cost	-	-	-	1,646	1,579
	Unquoted equity investments at fair value	-	-	-	5,124	4,846
		-	-	-	77,211	88,994
	Impairment on unquoted equity investment at cost	-	-	-	(396)	(408)
		-	-	-	76,815	88,586
	Reconciliation of allowance for impairment					
	At beginning of year	-	-	-	408	408
	Provision no longer required	-	-	-	(12)	-
	At end of year	-	-	-	396	408

19.6	Held to maturity	30 June 2020 N'million	31 December 2019 N'million	31 December 2018 N'million	31 December 2017 N'million	31 December 2016 N'million
	Treasury bills	-	-	-	32,316	34,423
	Federal Government bonds	-	-	-	63,430	79,445
	State Government bonds	-	-	-	3,026	5,358
	Corporate bonds	-	-	-	10,012	18,908
	Total held to maturity instruments	-	-	-	108,784	138,134
	Total investments	-	-	-	206,238	244,818

19.7 Pledged assets

Treasury Bills and Bonds are pledged to the Nigerian Inter Bank Settlement System Company Plc (NIBSS) in respect of the Bank's ongoing participation in the Nigerian settlement system. The Bank pledged Treasury bills, Bonds and cash balance in its capacity as collection bank for government taxes and Interswitch electronic card transactions. The Bank also pledged Federal Government bonds and Corporate bonds denominated in foreign currency to Renaissance Capital in respect of its short term borrowings.

The nature and carrying amounts of the assets pledged as collaterals are as follows:

	30 June 2020 N'million	31 December 2019 N'million	31 December 2018 N'million	31 December 2017 N'million	31 December 2016 N'million
Treasury bills - Amortised cost	14,974	26,051	17,727	13,374	18,502
Corporate Bonds - Amortised cost	-	-	3,835	10,012	-
Federal Government bonds - Amortised cost	28,897	51,499	53,666	22,477	9,859

20 **Property, plant and equipment**	30 June 2020 N'million	31 December 2019 N'million	31 December 2018 N'million	31 December 2017 N'million	31 December 2016 N'million
Cost					
At the beginning of the period	72,569	72,291	70,408	69,055	65,037
Additions	1,505	5,774	2,281	2,057	4,502
Transfer to ROU asset		(4,448)	-	-	-
Disposal	(975)	(1,048)	(398)	(704)	(484)
At the end of the period	73,099	72,569	72,291	70,408	69,055
Accumulated depreciation					
At the beginning of the period	(34,177)	(35,382)	(31,904)	(28,699)	(25,052)
Charge for the year	(1,622)	(3,112)	(3,815)	(3,838)	(4,015)
Transfer to ROU asset	-	3,698	-	-	-
Disposal	975	619	337	633	368
At the end of the period	(34,824)	(34,177)	(35,382)	(31,904)	(28,699)
Carrying amount	38,275	38,392	36,909	38,504	40,356

21 **Intangible assets - computer software**	30 June 2020 N'million	31 December 2019 N'million	31 December 2018 N'million	31 December 2017 N'million	31 December 2016 N'million
Cost					
Balance at the beginning of the period	5,846	4,188	3,361	2,992	2,849
Additions	2,683	2,183	2,879	369	143
Disposal during the period	(1,126)	(525)	(2,052)	-	-
Balance at the end of the period	7,403	5,846	4,188	3,361	2,992
Accumulated amortisation					
Balance at the beginning of the period	4,210	3,112	2,732	2,197	1,904
Amortization for the period	1,075	1,623	2,432	535	293
Disposal during the period	(1,126)	(525)	(2,052)	-	-
Balance at the end of the period	4,159	4,210	3,112	2,732	2,197
Carrying amount	3,244	1,636	1,076	629	795

22 Deferred taxation

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority.

Deferred taxes are calculated on all temporary deference under the liability method using a statutory tax rate of 30% or 32% as applicable.

Deferred tax assets and liabilities are attributable to the following items:

22.1 **Deferred tax**	30 June 2020 N'million	31 December 2019 N'million	31 December 2018 N'million	31 December 2017 N'million	31 December 2016 N'million
Accelerated tax depreciation	-	-	(3,884)	(3,243)	(3,102)
Deferred tax assets					
Property, plant and equipment	6,423	5,753	4,818	6,887	5,552
Allowances for loan losses	1,802	1,250	4,240	3,150	2,907
Pension and other post-retirement benefits	-		-	-	1,541
Tax loss carried forward	24,015	16,779	22,173	21,583	16,686
	32,240	23,782	31,231	31,620	26,686
Unrecognised deferred tax assets	(32,240)	(23,782)	(31,231)	28,377	23,584

The Bank has unutilised capital allowance of N35.5billion (31 December 2019: N32.9 billion, 31 December 2018: N27.3 billion, 31 December 2017: N23.0 billion and 31 December 2016: N18.5 billion) unused tax losses carried forward of N88.3 billion (31 December 2019: N55.9 billion, 31 December 2018: N73.9 billion, 31 December 2017: N71.9 billion, 31 December 2016: N55.6 billion) and deductible temporary difference of N7billion (31 December 2019: N9.8 billion, 31 December 2018: N2 billion, 31 December 2017: N309 million and 31 December 2016: N4.5 billion) to be offset against future taxable profits. There is no expiry date for the utilisation of these items.

The Bank has been incurring taxable losses primarily because of the tax exemption on income on government securities. The provisions of the Companies Income Tax (Exemption of Bonds and Short Term Government Securities) Order, 2011 grants exemption to income from bonds and treasury bills from tax for a period of 10 years. The expiry date of the circular will be in the year 2021 and this trend would continue until the expiration of the tax holiday. Thus, the Bank has applied caution by not recognising additional deferred tax which is not considered capable of

		2020	2019	2018	2017	2016
23	**Other assets**	**N'million**	**N'million**	**N'million**	**N'million**	**N'million**
	Financial assets					
	Sundry receivables	21,485	24,163	25,525	30,535	29,254
	Others	685	888	3,515	3,420	3,404
	Investments in SMESIS	3,997	2,575	1,430	-	-
	Shared Agent Network Expansion Facility (SANEF)	50	50	-	-	-
		26,217	27,676	30,470	33,955	32,658
	Less:					
	Specific allowances for impairment	(1,912)	(1,927)	(2,219)	(1,869)	(1,851)
		24,305	25,749	28,251	32,086	30,807
	Non financial assets					
	Prepayments	5,759	2,422	6,564	10,100	6,381
	Other non financial assets	418	585	309	1,008	322
		6,177	3,007	6,873	11,108	6,703
	Total	30,482	28,756	35,124	43,194	37,510
	Reconciliation of allowance for impairment					
	At the beginning of the period	1,927	2,219	1,869	1,851	1,382
	(Write back)/ charge for the period	(15)	(292)	350	18	469
	At the end of the period	1,912	1,927	2,219	1,869	1,851

		30 June 2020	31 December 2019
24	**Right-of-use assets**	**N'million**	**N'million**
	Building		
	Cost		
	Balance at the beginning of period	2,215	-
	Effect of adoption of IFRS 16	-	1,721
	Additions	592	494
		2,807	2,215
	Accumulated depreciation		
	Balance at beginning of year	686	-
	Depreciation for the period	333	686
		1,019	686
	Carrying amount	1,788	1,529

IFRS 16 was adopted by the Bank in 2019. The adoption of IFRS 16 does not give rise to a lease liability as the Bank does not have an enforceable right to renew or extend its leases as at the end of the reporting period and the non-cancellable periods have been fully paid. The expense for low value item and short term lease is N18.9 million (31 December 2019 : N370 million).

		30 June 2020	31 December 2019	31 December 2018	31 December 2017	31 December 2016
25	**Deposits from customers**	**N'million**	**N'million**	**N'million**	**N'million**	**N'million**
	Demand	435,552	430,107	391,576	322,903	314,791
	Savings	363,920	275,219	227,970	178,570	155,019
	Term	326,718	247,564	172,178	171,744	168,599
	Domiciliary	270,804	261,503	179,753	95,569	138,670
	Others	8,951	10,820	7,936	6,490	15,892
		1,405,945	1,225,213	979,413	775,276	792,971
	Current	1,405,945	1,225,213	979,413	775,276	792,971

		30 June 2020	31 December 2019	31 December 2018	31 December 2017	31 December 2016
26	**Other liabilities**	**N'million**	**N'million**	**N'million**	**N'million**	**N'million**
					***Restated**	***Restated**
	Customer deposits for letters of credit	59,517	50,978	69,966	7,768	-
	Accounts payable	149,609	82,170	81,235	46,455	34,837
	Manager's cheque	3,394	3,484	3,961	5,516	3,704
	FGN Intervention fund (Note 26.1)	255,996	250,139	133,840	112,294	100,855
	Payable on E-banking transactions	8,220	8,642	8,282	10,749	8,929
	Payable to staff in respect of staff gratuity (Note 26.2)	-	-	-	-	5,137
	Other liabilities/credit balances	3,692	1,661	3,051	2,372	5,262
		480,428	397,074	300,335	185,154	158,724

26.1 Included in the FGN Intervention fund is CBN Bailout Fund of N89.36 billion (31 December 2019: N92.07 billion, 31 December 2018: N93.39 billion). This represents funds for states in the Federation that are having challenges in meeting up with their domestic obligation including payment of salaries. The loan was routed through the Bank for on-lending to the states. The Bailout fund is for a tenor of 20 years at 7% per annum and availed for the same tenor at 9% per annum. Repayments are deducted at source, by the Accountant General of the Federation (AGF), as a first line charge against each beneficiary state's monthly statutory allocation.

26.2 The staff gratuity scheme was scheme was settled in 2017.

		30 June 2020 N'million	31 December 2019 N'million	31 December 2018 N'million	31 December 2017 N'million	31 December 2016 N'million
27	**Provision**					
	Provisions for year end bonus (Note 27.1)	1,138	2,580	2,000	2,200	1,001
	Provisions for litigations and claims (Note 27.1)	623	623	545	545	545
	Provision for guarantees and letters of credit	975	592	798	-	-
		2,736	3,795	3,343	2,745	1,546

27.1 A provision has been recognised in respect of staff year end bonus, the provision has been recognised based on the fact that there is a constructive and legal obligation on the part of the Bank to pay bonus to staff where profit has been declared. The provision has been calculated as a percentage of the profit after tax.

	30 June 2020 N'million	31 December 2019 N'million	31 December 2018 N'million	31 December 2017 N'million	31 December 2016 N'million
Movement in provision for year end bonus					
At 1 January	2,580	2,000	2,200	1,001	1,400
Arising during the period	1,138	2,537	2,000	2,200	1,001
Utilised	(2,580)	(1,957)	(2,200)	(1,001)	(1,400)
At the end of the period	1,138	2,580	2,000	2,200	1,001
Movement in provision for litigations and claims					
At 1 January	623	545	545	730	545
Arising during the period	-	111	-	-	185
Utilised	-	(33)	-	(185)	-
At the end of the period	623	623	545	545	730

		30 June 2020 N'million	31 December 2019 N'million	31 December 2018 N'million	31 December 2017 N'million	31 December 2016 N'million
28	**Debts issued and other borrowed funds**					
	Long term loan from Proparco Paris (Note 28.1)	2,849	3,979	6,628	8,601	10,151
	Long term loan from African Development Bank (ADB) (Note 28.2	25,712	22,630	13,842	18,000	21,539
	European Investment Bank Luxembourg (Note 28.3)	3,219	3,465	4,480	5,088	5,529
	$300 Million Euro Bond issued (Note 28.4)	-	-	-	14,954	92,774
	$400 Million Euro Bond issued (Note 28.5)	156,124	145,141	143,098	132,872	-
	Local Bond issued (Note 28.6)	29,961	30,137	30,004	29,878	29,042
	Repurchase transaction with Renaissance Capital (Note 28.7)	24,310	23,650	23,088	3,840	-
	Afrexim (Note 28.8)	19,698	22,584	-	-	-
	Loan from Mashreq Bank (Note 28.9)	-	-	19,627	-	-
		261,873	251,586	240,767	213,233	159,035

		30 June 2020 N'million	31 December 2019 N'million	31 December 2018 N'million	31 December 2017 N'million	31 December 2016 N'million
	Reconciliation of borrowings during the year:					
	At 1 January	251,586	240,767	213,233	159,035	141,975
	Additions during the period	3,868	64,336	57,498	135,128	40,645
	Accrued interest	13,034	5,067	11,277	4,408	2,825
	Paid during the year	(22,330)	(55,842)	(38,986)	(87,318)	(2,502)
	Foreign exchange difference	15,715	(2,742)	(2,255)	1,980	(23,908)
	At end of the period	261,873	251,586	240,767	213,233	159,035
	Analysed as follows:					
	Current portion (See note 28a)	39,579	45,796	14,954	14,954	-
	Non-current portion (See note 28b)	222,294	205,790	225,813	198,279	159,035
		261,873	251,586	240,767	213,233	159,035
28a	Current portion					
	As previously reported	27,159	80,826	14,954	14,954	-
	Adjustment (see note 35)	12,420	(35,030)	-	-	-
		39,579	45,796	14,954	14,954	-
28b	Non-current portion					
	As previously reported	234,714	170,760	225,813	198,279	159,035
	Adjustment (see note 35)	(12,420)	35,030	-	-	-
		222,294	205,790	225,813	198,279	159,035

28.1 The amount of N2.849 billion (31 December 2019: N3.979 billion, 31 December 2018: N6.628 billion, 31 December 2017: N8.601 billion and 31 December 2016: N10.151 billion) represents the amortised cost balance on the syndicated on-lending facility of $40million granted to the Bank by Proparco Paris on 4 April 2016 to mature on 4 April 2021 at an interest rate of Libor plus 4.75% per annum. The initial loan matured on 4 April 2016 and was renewed on the same day. The principal and interest are repaid semi-annually. The borrowing is an unsecured borrowing.

28.2 The amount of N25.712 billion (31 December 2019: N22.630 billion, 31 December 2018: N13.842 billion, 31 December 2017: N18.000 billion and 31 December 2016: N21.539 billion) represents the amortised cost balance in two different on-lending facility granted to the Bank by ADB. The first is a $75 million on granted on 6 October 2014 while the second is a $50 million facility granted on 7 May 2019. The $75 million facility was disbursed in two tranches. The first tranche of $40 million was disbursed on 6 October 2014 while the second tranche of $35 million was disbursed on 15 July 2015 both to mature 6 October 2021. The $50 million facility was disbursed two tranches on 27 April 2019 and June 2020 respectively and matures on 27 July 2021. Both facilities are at the interest rate of Libor plus 4.75% (for the $75 million facility) and 4.5% (for the $50 million facility) per annum. Interest is repaid semi-annually, with principal repayment at maturity. The borrowing is an unsecured borrowing.

28.3 The amount of N3.219 billion (31 December 2019: N3.465 billion, 31 December 2018: N4.480 billion, 31 December 2017: N5.088 billion and 31 December 2016: N5.529 billion) represents the amortised cost balance on the on-lending facility of $21.946 million granted to the Bank by European Investment Bank on 13 April 2015 to mature 2 March 2023 at an interest rate of Libor plus 3.99% per annum. Interest is repaid quarterly, with principal repayment at maturity. The borrowing is an unsecured borrowing.

28.4 The 5-year, 6.875% Euro bond issued at 99.48% in May 2013 by the Bank matured in May 2018. The purpose of the debt issuance is to finance foreign currency lending to the Power and Oil sectors of the economy of Nigeria.

28.5 On 11 October 2017, Fidelity Bank PLC issued a $400 million five year Eurobond at a 10.50 percent coupon. The Bond was used to finance the existing bond holders who subscribed to the tender offer of $256 million, while the balance (net of issuance costs) will be used to support the trade finance business of Fidelity Bank. The issuance of the Bond was part of a strategic liability management exercise designed to extend, Fidelity Bank's debt maturity profile and proactively refinance the maturing 2018 Eurobond. The amount of N156.124billion (31 December 2019: N145.141 billion, 31 December 2018: N143.098 billion, 31 December 2017: N132.872 billion and 31 December 2016: Nil) represents the amortised cost of $400 million, 5-year, 10.50% Eurobond issued at 99.48% in October 2017. The principal amount is repayable in October 2022,while the coupon is paid semi annually.

28.6 The amount of N29,961 billion (31 December 2019: N30.137 billion, 31 December 2018: N30.004 billion, 31 December 2017: N29.878 billion and 31 December 2016: N29.042 billion) represents the amortised cost of a N30 billion, 6.5-year, 16.48% local bond issued at 96.5%in May 2015. The principal amount for the local bonds is repayable in Nov 2021. The coupon is paid semi-annually. The purpose of the local bond issuance is to finance the SME business of the economy of Nigeria.

28.7 The amount of N24.310 billion (31 December 2019: N23.650 billion, 31 December 2018:N23.088billion, 31 December 2017:N3.840 billion, 31 December 2016: nil) represents a $33 million dollar borrowing under a repurchase agreement from Renaissance Capital, at an interest rate of Libor plus 3% per annum.

28.8 The amount of N19.698 billion (31 December 2019: N22.584 billion, 31 December 2018: Nil, 31 December 2017: Nil and 31 December 2016: Nil) represents amortised cost balance of $75 million borrowing from AFREXIM due to mature in March 2022. Repayment is semi-annual and the interest rate is six months LIBOR plus 5.75%.

28.9 The amount of Nil billion (31 December 2019: Nil, 31 December 2018:N19.627 billion, 31 December 2017: Nil, 31 December 2016: Nil) represents the amortised cost balance on the Syndicated Trade Finance Facility of $55 million granted to the Bank by Mashreq Bank on the 3rd of August 2018 for a tenor of 12 months, at an interest rate of Libor plus 3.90% per annum. Interest is paid quarterly with principal repayment on maturity or as agreed by the parties to the contract.

		30 June 2020 N'million	31 December 2019 N'million	31 December 2018 N'million	31 December 2017 N'million	31 December 2016 N'million
29	**Share capital**					
	Authorised					
	32 billion ordinary shares of 50k each (2018: 32 billion ordinary shares)	16,000	16,000	16,000	16,000	16,000
	Issued and fully paid	14,481	14,481	14,481	14,481	14,481

There is no movement in the issued and fully paid shares during the year.

30 Other equity accounts

The nature and purpose of the other equity accounts are as follows:

Share premium

Premiums from the issue of shares are reported in share premium

Retained earnings

Retained earnings comprise the undistributed profits from previous years and current year, which have not been reclassified to the other reserves noted below.

Statutory reserve

This represents regulatory appropriation to statutory reserve of 30% of profit after tax if the statutory reserve is less than paid-up share capital and 15% of profit after tax if the statutory reserve is greater than the paid up share capital.

Small scale investment reserve

The small scale investment reserve is maintained to comply with the Central Bank of Nigeria (CBN) requirement that all licensed banks set aside a portion of the profit after tax in a fund to be used to finance equity investment in qualifying small scale industries.

Non- distributable regulatory reserve
The amount at which the loan loss provision under IFRS is less than the loan loss provision under prudential guideline is booked to a non-distributable regulatory reserve.

Fair value reserves
The fair value reserve includes the net cumulative change in the fair value of financial assets measured at fair value through other comprehensive income (2017,2016: available-for sale investments) until the investment is derecognised or impaired.

AGSMEIS reserve
Agri-Business/Small and Medium Enterprises Investment Scheme (AGSMEIS); AGSMEIS reserve is maintained to support the Federal Government's effort at promoting Agricultural businesses and Small and Medium Enterprises. Effective 2017 all Deposit Money Banks (DMBs) are required to set aside 5% of their Profit After Tax for equity investment in permissible activities as stipulated in the scheme guidelines. The fund is domiciled with CBN.

		30 June 2020 N'million	31 December 2019 N'million	31 December 2018 N'million	31 December 2017 N'million	31 December 2016 N'million
31	**Cash flows (used in)/ from operations**					
	Profit before tax	11,963	30,353	25,089	19,213	11,061
	Adjustments for:					
	Depreciation and amortisation	3,030	5,421	6,247	4,373	4,308
	(Profit)/ loss from disposal of property and equipment	(41)	(2,510)	(15)	(83)	64
	Foreign exchange gains on operating activities	-	-	-	(5,678)	(4,161)
	Foreign exchange losses/ (gains) on debts issued and other borrowed funds	-	-	-	1,980	(23,908)
	Foreign exchange gains on loans and advances to customers	-	-	-	(29,454)	(124,525)
	Foreign exchange (gains)/ losses on deposits from customers	-	-	-	(10,994)	75,071
	Net foreign exchange gains	(7,443)	(3,401)	(10,122)	-	-
	Net (gains)/losses from financial assets classified as FVTPL/ held for trading	(2,956)	(801)	132	(348)	(625)
	Impairment charge on loans and advances (IAS 39)	-	-	-	11,297	7,336
	Impairment charge/ (reversal) on financial assets (IFRS 9)	7,856	(5,584)	3,865	-	-
	Impairment (reversal)/ charge on other assets	(15)	292	350	18	469
	Write off (recoveries) of loans and advances	-	-	-	(9,438)	(3,393)
	Defined benefit charge	-	-	-	-	6,544
	(Decrease)/ increase in provisions	(1,059)	452	598	-	-
	Net losses on derecognition of financial assets measured at amortised cost	-	4,705	-	-	-
	Dividend income	(792)	(1,445)	(229)	(891)	(68)
	Gain on debt instruments measured at FVOCI reclassified from equity	-	2,261	(1,671)	(622)	(906)
	Net interest income	(48,320)	(83,055)	(73,356)	(68,141)	(61,928)
		(37,777)	(53,312)	(49,112)	(88,768)	(114,661)
	Changes in operating assets:					
	Cash and balances with the Central Bank (restricted cash)	(203,528)	(93,732)	(68,597)	(10,771)	(19,083)
	Loans and advances to customers	(65,460)	(270,484)	(116,631)	(16,875)	(1,580)
	Financial assets held for trading	16,846	(30,685)	6,455	(2,889)	(13,403)
	Other assets	(1,711)	6,076	6,774	(5,702)	7,920
	Changes in operating liabilities:					
	Deposits from customers	180,732	245,800	221,946	(6,701)	(53,561)
	Other liabilities	83,354	96,739	115,181	26,428	33,686
	Provisions	-	-	-	5,317	9
	Interest payable on debts issued and other borrowed funds	-	-	-	4,408	2,825
	Cash flows (used in)/ from operations	(27,544)	(99,598)	116,016	(95,553)	(157,848)

32 Litigation

As at 30 June 2020, the Bank had several claims against it by parties seeking legal compensation in the sum of N7.26 billion (31 December 2019: N7.74 billion (31 December 2018: N4.244 billion, 31 December 2017: N4.22 billion, 31 December 2016: N3.96 billion). Based on the advice of the Bank's legal team and the case facts, the management of the Bank estimates a potential loss of N623 million (31 December 2019: N623 million, 31 December 2018: N544 million, 31 December 2017: N544.72 million, 31 Dec 2016: 544.72 million) upon conclusion of the cases.

A provision for the potential loss is shown in Note 27.

33 Contingent liabilities and commitments

33.1 Capital commitments

At 30 June 2020, the Bank had capital commitments amounting to N1 billion (31 December 2019: N2.5 billion, 31 December 2018: N1.7 billion, 31 December 2017: N270,151 million and 31 December 2016: N317,751 million).

Fidelity Bank Plc

Financial information: 2016 - 2020

Notes to the financial information

33.2 Confirmed credits and other obligations on behalf of customers

In the normal course of business the Bank is a party to financial instruments with off-statement of financial position risk. These instruments are issued to meet the credit and other financial requirements of customers. The contractual amounts of the off-balance sheet financial instruments are:

	30 June 2020 N'million	31 December 2019 N'million	31 December 2018 N'million	31 December 2017 N'million	31 December 2016 N'million
Performance bonds and guarantees	202,476	204,135	238,443	231,014	169,337
Letters of credit	155,142	134,082	188,641	138,975	44,038
Total (see note i)	357,618	338,217	427,084	369,989	213,375

Included in the performance bonds and guarantees is N69.94 billion (31 December 2019: N79.05 billion, 31 December 2018: N51.39 billion, 31 December 2019:) Bank of industry backed guarantee.

i Confirmed credits and other obligations on behalf of customers

As previously reported	357,655	338,265	427,093	373,680	220,039
Adjustment (see note 35)	(37)	(48)	(9)	(3,691)	(6,664)
	357,618	338,217	427,084	369,989	213,375

34 Events after reporting date

There were no significant events after 30 June 2020 that requires disclosure or adjustment in the financial information that has not been adequately provided for or disclosed in the financial statements. Management has assessed the impact of the Covid-19 on the going concern of the Bank and has concluded that the use of the going concern is appropriate and that the Bank will be able to recover its assets and discharge its liabilities in the foreseeable future for at least the next 12 months.

The Bank has performed a line-by-line analysis of its balance sheet and has done an assessment of whether the current uncertainty may impact any of the amounts presented at 30 June 2020. Management has concluded however that the amounts recognised in the reporting period do not required further adjustment but will continue to monitor the situation as new information becomes available and any necessary adjustments as a result will be reflected in the appropriate reporting period.

Management continues to monitor the Covid-19 situation and will take further actions as necessary and appropriate in response to the economic disruption and other Covid-19 consequences.

35 Summary of reclassification

Listed below are the areas where the numbers presented in this financial information differ from the audited financial statements for the related periods.

(i) Other operating expenses (see Note 11a and Note 11b)

	30 June 2020 N'million	31 December 2019 N'million	31 December 2018 N'million	31 December 2017 N'million	31 December 2016 N'million
Legal expenses	-	(111)	-	-	-
Litigations and claims	-	111	-	-	-

Being reclassification of litigations and claims from other operating expenses.

(ii) Debts issued and other borrowed funds (see Note 28a and 28b)

Current	12,420	(35,030)	-	-	-
Non current	(12,420)	35,030	-	-	-

Being reclassification of current portion from non current portion of debts issued and other borrowed funds.

(iii) Income tax expense (see Note 12a(i) and 12a(ii))

Minimum tax	540	525	1,912	1,242	1,216
Income tax expense	(540)	(525)	(1,912)	(1,242)	(1,216)

Being reclassification of minimum tax from income tax expense.

(iv) Confirmed credits and other obligations on behalf of customers (Note 33.2(i))

Confirmed credits and other obligations on behalf of customers	37	48	9	3,691	6,664
Unsettled transactions	-	-	-	(3,691)	(6,664)
disbursement	(37)	(48)	(9)	-	-

Being adjustments to confirmed credits and other obligations on behalf of customers for AGSMEIS disbursement and unsettled transactions.

The principal accounting policies adopted in the preparation of the financial information of Fidelity Bank Plc ("the Bank") are set out below.

Basis of preparation

These financial information were extracted from the audited financial statements for the period ended 30 June 2020 and for the years ended 31 December 2019, 31 December 2018 and 31 December 2017. The financial information for the year ended 31 December 2016 was extracted from the comparative 31 December 2016 numbers as restated and presented in the audited financial statements for the year ended 31 December 2017 and therefore differs from those contained in the 2016 audited financial statements.

The financial information have been prepared on the historical cost basis, except for financial instruments that are measured at fair value as explained in the accounting policies below. The financial information are presented in Nigerian Naira, which is the Bank's functional and presentation currency. All figures are rounded to the nearest million.

2 Transactions and balances in foreign currency

Foreign currency transactions (i.e. transactions denominated, or that require settlement, in a currency other than the functional currency) are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured.

Monetary items denominated in foreign currency are translated with the closing rate as at the reporting date. Non-monetary items measured at historical cost denominated in a foreign currency are translated with the exchange rate as at the date of initial recognition; non-monetary items in a foreign currency that are measured at fair value are translated using the exchange rates at the date when the fair value was determined. Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss.

In the case of changes in the fair value of monetary assets denominated in foreign currency classified as fair value through other comprehensive income (FVOCI), a distinction is made between translation differences resulting from changes in amortised cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in the amortised cost are recognised in profit or loss, and other changes in the carrying amount, except impairment, are recognised in other comprehensive income.

Translation differences on non-monetary financial instruments, such as equities held at fair value through profit or loss, are reported as part of the fair value gain or loss. Translation differences on non-monetary financial instruments, such as equities classified as FVOCI financial assets, are included in other comprehensive income.

3 Financial instruments

3a Financial instruments (policy applicable from 1 January 2018)

Initial recognition

The Bank initially recognises loans and advances, deposits and debt securities issued on the date on which they are originated. All other financial instruments (including regular way purchases and sales of financial assets) are recognised on the trade date, which is the date on which the Bank becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is measured initially at fair value plus, (for an item not at fair value through profit or loss), transaction costs that are directly attributable to its acquisition or issue. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Day 1 profit or loss

When the transaction price of the instrument differs from the fair value at origination and the fair value is based on a valuation technique using only inputs observable in market transactions, the Bank recognises the difference between the transaction price and fair value in Net gains/(losses) from financial instruments. In those cases where fair value is based on models for which some of the inputs are not observable, the difference between the transaction price and the fair value is deferred and is only recognised in profit or loss when the inputs become observable, or when the instrument is derecognised.

Amortised cost and gross carrying amount

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured on initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initial amount and the maturity amount and, for financial assets, adjusted for any expected credit loss allowance.

The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any expected credit loss allowance.

Effective interest method

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of a financial asset (i.e. its amortised cost before any impairment allowance) or to the amortised cost of a financial liability. The calculation does not consider expected credit losses and includes transaction costs, premiums or discounts and fees and points paid or received that are integral to the effective interest rate, such as origination fees.

For purchased or originated credit-impaired ('POCI') financial assets — assets that are credit-impaired at initial recognition — the Bank calculates the credit-adjusted effective interest rate, which is calculated based on the amortised cost of the financial asset instead of its gross carrying amount and incorporates the impact of expected credit losses in estimated future cash flows.

When the Bank revises the estimates of future cash flows, the carrying amount of the respective financial assets or financial liability is adjusted to reflect the new estimate discounted using the original effective interest rate. Any changes are recognised in profit or loss.

Interest income and expenses are recognised in profit or loss using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:
- The gross carrying amount of the financial asset; or
- The amortised cost of the financial liability.

When calculating the effective interest rate for financial instruments other than credit impaired financial assets, the Bank estimates future cash flows considering all contractual terms of the financial instrument, but not expected credit losses. For credit-impaired financial assets, a credit-adjusted effective interest rate is calculated using estimated future cash flows including expected credit losses.

The calculation of the effective interest rate includes transaction costs and fees and points paid or received that are an integral part of the effective interest rate. Transaction costs include incremental costs that are directly attributable to the acquisition or issue of a financial asset or financial liability.

Financial assets - subsequent measurement
a) Debt instruments

The classification and subsequent measurement of debt instruments depend on the Bank's business model for managing the financial assets and the contractual terms of the cash flows. Based on these factors, the Bank classifies its debt instruments into one of the following measurement categories:

Amortised cost: Financial assets that are held within a business model whose objective is collection of contractual cash flows and where such cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss due to impairment or upon derecognition of a debt investment that is subsequently measured at amortised cost is recognised in profit or loss. Interest income from these financial assets is included in "Interest and similar income" using the effective interest rate method.

Fair value through other comprehensive income (FVOCI): Financial assets that are held within a business model whose objective is achieved both by collection of contractual cash flows and by selling the assets, where those cash flows represent solely payments of principal and interest, and are not designated at fair value through profit or loss, are measured at fair value through other comprehensive income. Movements in the carrying amount are taken through OCI, except for recognition of impairment gains and losses, interest revenue and foreign exchange gains and losses on the instrument's amortised cost which are recognised in profit or loss.

When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in "Other operating income". Interest income from these financial assets is included in "Interest and similar income" using the effective interest rate method.

Fair value through profit or loss (FVTPL): Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss is recognised in profit or loss and presented in the profit or loss statement within "Net gains/(losses) from financial instruments classified as held for trading" in the period in which it arises. Interest income from these financial assets is included in "other nterest and similar income"

Business model assessment

The Bank makes an assessment of the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- The stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realising cash flows through the sale of the assets;
- How the performance of the portfolio is evaluated and reported to the Bank's management;
- The risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- How managers of the business are compensated - e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected.
- The frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Bank's stated objective for managing financial assets is achieved and how cash flows are realized.

Solely payments of principal and interest (SPPI) assessment

Principal is defined as the fair value of the financial asset on initial recognition. Interest is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Bank considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

In making the assessment, the Bank considers:
Contingent events that would change the amount and timing of cash flows;
- Leverage features;
- Prepayment and extension terms;
- Terms that limit the Bank's claim to cash flows from specified assets (e.g. non-recourse asset arrangements); and
- Features that modify consideration of the time value of money - e.g. periodical rate of interest.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payments of principal and interest.

Reclassifications
The Bank reclassifies debt investments when and only when its business model for managing those assets changes.

Modifications
If the terms of a financial asset are modified, the Bank evaluates whether the cash flows of the modified asset are substantially different. If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognised and a new financial asset is recognised at fair value.

If the cash flows of the modified asset carried at amortised cost are not substantially different, then the modification does not result in derecognition of the financial asset.

In this case, the Bank recalculates the gross carrying amount of the financial asset and recognises the amount arising from adjusting the gross carrying amount as a modification gain or loss in profit or loss.

If such a modification is carried out because of financial difficulties of the borrower, then the gain or loss is presented together with impairment losses.

The Bank suspended repayments of certain customers for the period of lock down and the resulting modification loss on these exposures is not considered material for the Bank. In accordance with IASB guidance, the extension of payment relief does not automatically trigger a significant increase in credit risk and a stage migration for the purpose of calculating expected credit losses, as these are measures being made available to assist borrowers affected by Covid-19 outbreak to resume regular payments.

b) Equity instruments
The Bank subsequently measures all unquoted equity investments at fair value through other comprehensive income. Where the Bank has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments continue to be recognised in profit or loss as other income when the right to receive payments is established.

Impairment of financial assets
Overview of the ECL principles
The Bank assesses on a forward looking basis the expected credit losses (ECL) associated with its loans and other debt financial assets not held at FVPL, together with loan commitments and financial guarantee contracts, in this section all referred to as 'financial instruments'. The impairment methodology applied depends on whether there has been a significant increase in credit risk since initial recognition.

The measurement of ECL reflects an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes, time value of money, reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions. Equity instruments are not subject to impairment under IFRS 9.

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss or LTECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss (12mECL). The 12mECL is the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

Both LTECLs and 12mECLs are calculated on either an individual basis or a collective basis, depending on the nature of the underlying portfolio of financial instruments.

The Bank has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering if it is 30 days past due. Based on the above process, the Bank groups its loans into Stage 1, Stage 2 and Stage 3, as described below:

Stage 1: When loans are first recognised, the Bank recognises an allowance based on 12months expected credit losses (12mECLs). Stage 1 loans also include facilities where the credit risk has improved and the loan has been reclassified from Stage 2.

Stage2: When a loan has shown a significant increase in credit risk since origination, the Bank records an allowance for the lifetime expected credit losses (LTECLs). Stage 2 loans also include facilities, where the credit risk has improved and the loan has been reclassified from Stage 3.

Stage 3: These are loans considered as credit-impaired. The bank records an allowance for the LTECLs.

Purchased or originated credit impaired (POCI): POCI assets are financial assets that are credit impaired on initial recognition. POCI assets are recorded at fair value at original recognition and interest income is subsequently recognised based on a credit-adjusted EIR. ECLs are only recognised or released to the extent that there is a subsequent change in the expected credit losses.

The calculations of ECLs
The Bank calculates ECLs based on multiple scenarios to measure the expected cash shortfalls, discounted at an approximation to the EIR. A cash shortfall is the difference between the cashflows that are due to an entity in accordance with the contract and the cashflows that the entity expects to receive.

The mechanics of the ECL calculations are outlined below and the key elements are, as follows:

PD: The Probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio.

EAD: The Exposure at Default is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments.

LGD: The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cashflows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD.

When estimating the ECLs, the Bank considers only a single scenario which is considered to be the most likely scenario. When relevant, the assessment also incorporates how defaulted loans are expected to be recovered, including the probability that the loans will cure and the value of collateral or the amount that might be received for selling the asset.

The maximum period for which the credit losses are determined is the contractual life of a financial instrument unless the Bank has the legal right to call it earlier, with the exception of revolving facilities which could extend beyond the contractual life. Provisions for ECLs for undrawn loan commitments are assessed as set out below.

The mechanics of the ECL method are summarised below:

Stage 1
The 12mECL is calculated as the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The Bank calculates the 12mECL allowance based on the expectation of a default occurring in the 12 months following the reporting date.

These expected 12-month default probabilities are applied to a forecast EAD and multiplied by the expected LGD and discounted by an approximation to the original EIR.

Stage 2
When a financial instruments has shown a significant increase in credit risk since origination, the Bank records an allowance for the LTECLs. The mechanics are similar to those explained above but PDs and LGDs are estimated over the lifetime of the instrument. The expected cash shortfalls are discounted by an approximation to the original EIR.

Stage 3
For financial instruments considered credit-impaired, the Bank recognises the lifetime expected credit losses for these loans. The method is similar to that for Stage 2 assets, with the PD set at 100%.

POCI
POCI assets are financial assets that are credit impaired on initial recognition. The Bank only recognises the cumulative changes in lifetime ECLs since initial recognition, discounted by the credit-adjusted EIR.

Loan commitments and letters of credit
When estimating LTECLs for undrawn loan commitments, the Bank estimates the expected portion of the loan commitment that will be drawn down over its expected life. The ECL is then based on the present value of the expected shortfalls in cashflows if the loan is drawn down. The expected cash shortfalls are discounted at an approximation to the expected EIR on the loan.

For revolving facilities that include both a loan and an undrawn commitment, ECLs are calculated and presented together with the loan. For loan commitments and letters of credit, the ECL is recognised within 'Provisions'.

Fidelity Bank Plc

Financial information: 2016 - 2020

Summary of significant accounting policies

Financial guarantee contracts

The Bank's liability under each guarantee is measured at the higher of the amount initially recognised less cumulative amortisation recognised in the profit or loss, and the ECL provision. For this purpose, the Bank estimates ECLs based on the present value of the expected payments to reimburse the holder for a credit loss that it incurs. The shortfalls are discounted by the risk-adjusted interest rate relevant to the exposure. The ECLs related to financial guarantee contracts are recognised within 'Provisions'.

Bank overdraft and other revolving facilities

The Bank's product offering includes a variety of corporate and retail overdraft and credit cards facilities, in which the Bank has the right to cancel and/or reduce the facilities with one day's notice. The Bank does not limit its exposure to credit losses to the contractual notice period, but, instead calculates ECL over a period that reflects the Bank's expectations of the customer behaviour, its likelihood of default and the Bank's future risk mitigation procedures, which could include reducing or cancelling the facilities.

Restructured financial assets

If the terms of a financial asset are renegotiated or modified or an existing financial asset is replaced with a new one due to financial difficulties of the borrower, then an assessment is made of whether the financial asset should be derecognised and ECL is measured as follows:

- If the expected restructuring will not result in derecognition of the existing asset, then the expected cashflows arising from the modified financial asset are included in calculating cash shortfalls from the existing asset.

If the expected restructuring will result in derecognition of the existing asset, then the expected fair value of the new asset is treated as the final cashflow from the existing financial asset at the time of its derecognition. This amount is included in calculating the cash shortfalls from the existing financial asset that are discounted from the expected date of derecognition to the reporting date using the original effective interest rate of the existing financial asset.

Credit-impaired financial assets

At each reporting date, the Bank assesses whether financial assets carried at amortised cost and debt instruments carried at FVOCI are credit-impaired. Financial assets are credit-impaired when one or more events that have a detrimental impact on the estimated future cashflows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following:

- there is significant financial difficulty of a customer/issuer/obligor (potential bad debt indicator);
- there is a breach of contract, such as a default or delinquency in interest or principal payments;
- the Bank, for economic or legal reasons relating to the borrower's financial difficulty, granting to the borrower a concession that the Bank would not otherwise consider;
- it becomes probable that a counterparty/ borrower may enter bankruptcy or other financial reorganisation;
- there is the disappearance of an active market for a financial asset because of financial difficulties;
- observable data indicates that there is a measurable decrease in the estimated future cash flows from a group of financial assets; or
- the financial asset is 90 days past due.

A loan that has been renegotiated due to a deterioration in the borrower's financial condition is usually considered to be credit- impaired unless there is evidence that the risk of not receiving contractual cash flows has reduced significantly and there are no other indicators of impairment. In addition, a loan that is overdue for 90 days or more is considered impaired.

Collateral valuation

To mitigate its credit risks on financial assets, the Bank seeks to use collateral, where possible. The collateral comes in various forms, such as cash, securities, letters of credit/ guarantees, real estate, receivables, inventories, other non-financial assets and credit enhancements such as netting agreements. The Bank's accounting policy for collateral assigned to it through its lending arrangements under IFRS 9 as the same as it was under IAS39. Collateral, unless repossessed, is not recorded on the Bank's statement of financial position. However, the fair value of collateral affects the calculation of ECLs. It is generally assessed, at a minimum, at inception and re-assessed on a quarterly basis. However, some collateral, for example, cash or securities relating to margining requirements, is valued daily.

To the extent possible, the Bank uses active market data for valuing financial assets held as collateral. Other financial assets which do not have readily determinable market values are valued using models. Non-financial collateral, such as real estate, is valued based on data provided by third parties such as mortgage brokers, or based on housing price indices.

Collateral repossessed

The Bank determines whether repossessed asset can be best used for its internal operations or should be sold. Assets determined to be useful for the internal operations are transferred to the irrelevant asset category at the lower of their repossessed value or the carrying value of the original secured asset. Assets for which selling is determined to be a better option are transferred to assets held for sale at their fair value (if financial assets) and fair value less cost to sell for non-financial assets at the repossession date in, line with the Bank's policy.

In its normal course of business, the Bank does not physically repossess properties or other assets in its retail portfolio, but engages external agents to recover funds, generally at auction, to settle outstanding debt. Any surplus funds are returned to the customers/ obligors. As a result of this practice, the residential properties under legal repossession processes are not recorded on the statement of financial position.

Presentation of allowance for ECL
Loan allowances for ECL are presented in the statement of financial position as follows:
- financial assets measured at amortised cost: as a deduction from the gross carrying amount of the assets;
- loan commitments and financial guarantee contracts: the loss allowance is recognised as a provision;
- where a financial instrument includes both a drawn and an undrawn component, and the Bank cannot identify the ECL on the loan commitment component separately from those on the drawn component: the Bank presents a combined loss allowance for both components.

The combined amount is presented as a deduction from the gross carrying amount of the drawn component. Any excess of the loss allowance over the gross amount of the drawn component is presented as a provision; an

- debt instruments measured at FVOCI: no loss allowance is recognised in the statement of financial position because the carrying amount of these assets is their fair value. However, the loss allowance is disclosed and is recognised in the fair value reserve.

Write-off
The Bank writes off financial assets, in whole or part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include ceasing enforcement activity and where the Bank's recovery method is foreclosing on collateral and the value of the collateral is such that there is no reasonable expectation of recovering in full.

The Bank may write-off financial assets that are still subject to enforcement activity.

Financial liabilities
Initial and subsequent measurement
Financial liabilities are initially measured at their fair value, except in the case of financial liabilities recorded at FVPL, transaction costs are added to, or subtracted from, this amount. Financial liabilities, other than loan commitments and financial guarantees, are measured at amortised cost or at FVPL when they are held for trading and derivative instruments or the fair value designation is applied.

After initial measurement, debt issued and other borrowed funds are subsequently measured at amortised cost. Amortised cost is calculated by taking into account any discount or premium on issue funds, and costs that are an integral part of the EIR. The Bank classifies financial liabilities as held for trading when they have been purchased or issued primarily for short-term profit making through trading activities or form part of a portfolio of financial instruments that are managed together, for which there is evidence of a recent pattern of short-term profit taking. Held-for-trading liabilities are recorded and measured in the statement of financial position at fair

All financial liabilities are classified and subsequently measured at amortised cost.

Derecognition
Financial liabilities are derecognised when they are extinguished i.e. When the obligation specified in the contract is discharged, cancelled or expires.

The exchange between the Bank and its original lenders of debt instruments with substantially different terms, as well as substantial modifications of the terms of existing financial liabilities, is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10% different from the discounted present value of the remaining cash flows of the original financial liability. In addition, other qualitative factors, such as the currency that the instrument is denominated in, changes in the type of interest rate, new conversion features attached to the instrument and change in covenants are also taken into consideration.

If an exchange of debt instruments or modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognised as part of the gain or loss on the extinguishment. If the exchange or modification is not accounted for as an extinguishment, any costs or fees incurred adjust the carrying amount of the liability and are amortised over the remaining term of the modified liability.

Financial guarantee contracts and loan commitments
Financial guarantees contracts are contracts that require the Bank to make specified payments to reimburse the holder for a loss that it incurs because a specified debtor fails to make payment when it is due in accordance with the terms of the debt instrument. Such financial guarantees are given to banks, financial institutions and others on behalf of customers to secure loans, overdrafts and other banking facilities.

Loan commitments are firm commitments to provide credit under pre-specified terms and conditions.

Financial guarantees issued or commitments to provide a loan at below-market interest rate are initially measured at fair value and the initial fair value is amortised over the life of the guarantee or the commitment. Subsequently, they are measured at the higher of the amount of loss allowance and the premium received on initial recognition less income recognised in accordance with the principles of IFRS 15.

For loan commitments and financial guarantee contracts, the loss allowance is recognised as a provision. However, for contracts that include both a loan and an undrawn commitment and the Bank cannot separately identify the expected credit losses on the undrawn commitment component from those on the loan component, the expected credit losses on the undrawn commitment are recognised together with the loss allowance for the loan. To the extent that the combined expected credit losses exceed the gross carrying amount of the loan, the expected credit losses are recognised as a provision.

3b Financial instruments (policy prior to 1 January 2018)

Financial assets and liabilities

In accordance with IAS 39, all financial assets and liabilities - which include derivative financial instruments - have to be recognised in the statement of financial position and measured in accordance with their assigned category.

Initial recognition and measurement

Financial instruments at fair value through profit or loss are initially recognised at fair value while transaction costs, which are directly attributable to the acquisition or issue of the financial instruments, are recognised immediately through profit or loss. Financial instruments that are not carried at fair value through profit or loss are initially measured at fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial instruments.

Subsequent measurement

Subsequent to initial measurement, financial instruments are measured either at fair value or amortised cost depending on their classification.

Classification and related measurement

Management determines the classification of its financial instruments at initial recognition. Reclassification of financial assets are

i) Financial assets

The Bank classifies its financial assets in terms of the following IAS 39 categories: financial assets at fair value through profit or loss; loans and receivables; held-to-maturity financial assets; and available-for-sale financial assets.

Financial assets at fair value through profit or loss

This category comprises two sub-categories: financial assets classified as held for trading, and financial assets designated by the Bank as fair value through profit or loss upon initial recognition (the so-called "fair value option"). At the reporting dates covered by these financial statements, financial assets at fair value through profit or loss comprise financial assets classified as held for trading only. Management did not apply the fair value option to any financial assets existing at these dates.

A financial asset is classified as held for trading if it is acquired or incurred principally for the purpose of selling or repurchasing it in the near term or if it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking.

Financial instruments included in this category are subsequently measured at fair value with gains and losses arising from changes in fair value recognised in 'Net gains/(losses) from financial instruments at fair value' in profit or loss. Interest and similar income and dividend income on financial assets held for trading are included in 'Interest and similar income' and 'Other operating income' respectively.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, other than:

- Those that the Bank intends to sell immediately or in the short term, which are classified as held for trading, and those that the entity upon initial recognition designates as fair value through profit or loss;
- Those that the Bank upon initial recognition designates as available-for-sale; or
- Those for which the holder may not recover substantially all of its initial investment, other than because of credit deterioration.

Loans and receivables are subsequently measured at amortised cost using the effective interest rate method. Interest income is included in 'Interest and similar income" using the effective interest rate method' in the profit or loss.

Held-to-maturity financial assets

Held-to-maturity financial assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Bank's management has the positive intention and ability to hold to maturity, other than:

- Those that the Bank upon initial recognition designates as fair value through profit or loss;
- Those that the Bank upon initial recognition designates as available-for-sale; or
- Those that meet the definition of loans and receivables.

These financial assets are subsequently measured at amortised cost using the effective interest rate method. Interest income is included in 'Interest and similar income" using effective interest rate' in profit or loss.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified as loans and receivables, held-to-maturity financial assets or financial assets at fair value through profit or loss.

Available-for-sale financial assets are subsequently measured at fair value with fair value gains and losses recognised in other comprehensive income. Interest calculated using the effective interest method is recognised in 'Interest and similar income', with dividend income included in 'Other operating income'. When available-for- sale financial assets are sold or impaired, the cumulative gain or loss recognised in a separate reserve in equity are reclassified to profit or loss.

ii) Financial liabilities

Financial liabilities are classified as at fair value through profit or loss (including financial liabilities held for trading and those designated at fair value through profit or loss) and financial liabilities at amortised cost. The Bank only has financial liabilities at amortised cost.

Financial liabilities that are not classified as at fair value through profit or loss are measured at amortised cost using the effective interest method. Interest expense is included in 'Interest expense calculated using the effective interest rate method' in the profit or loss.

Reclassification of financial assets

The Bank may choose to reclassify a non-derivative financial asset held for trading out of the held for trading category if the financial asset is no longer held for the purpose of selling it in the near term. Financial assets other than loans and receivables are permitted to be reclassified out of the held for trading category only in rare circumstances arising from a single event that is unusual and highly unlikely to recur in the near-term. In addition, the Bank may choose to reclassify financial assets that would meet the definition of loans and receivables out of the held for trading or available-for-sale categories if the Bank has the intention and ability to hold these financial assets for the foreseeable future or until maturity at the date of reclassification.

Reclassifications are made at fair value as of the reclassification date. Fair value becomes the new cost or amortised cost as applicable, and no reversals of fair value gains or losses recorded before reclassification date are subsequently made. Effective interest rates for financial assets reclassified to loans and receivables and held- to-maturity categories are determined at the reclassification date. Further increases in estimates of cash flows adjust effective interest rates prospectively.

On reclassification of a financial asset out of the fair value through profit or loss category, all embedded derivatives are re-assessed and, if necessary, separately accounted for.

Derecognition

Financial assets are derecognised when the contractual rights to receive the cash flows from these assets have ceased to exist or the assets have been transferred and substantially all the risks and rewards of ownership of the assets are also transferred (that is, if substantially all the risks and rewards have not been transferred, the Bank tests control to ensure that continuing involvement on the basis of any retained powers of control does not prevent derecognition). Financial liabilities are derecognised when they have been redeemed or otherwise extinguished.

Collateral (shares and bonds) furnished by the Bank under standard repurchase agreements and securities lending and borrowing transactions is not derecognised because the Bank retains substantially all the risks and rewards on the basis of the predetermined repurchase price, and the criteria for derecognition are therefore not met.

Financial assets that are transferred to a third party but do not qualify for derecognition are presented in the Statement of financial position as 'Assets pledged as collateral', if the transferee has the right to sell or repledge them.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

Renegotiated loans

Where possible, the Bank seeks to restructure loans rather than to take possession of collateral. This may involve extending the payment arrangements and the agreement of new loan conditions. Once the terms have been renegotiated, any impairment is measured using the original effective interest rate (EIR) as calculated before the modification of terms and the loan is no longer considered past due. Management continually reviews renegotiated loans to ensure that all criteria are met and that future payments are likely to occur. The loans continue to be subject to an individual or collective impairment assessment, calculated using the loan's original EIR.

Impairment of financial assets

Assets carried at amortised cost

The Bank assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

The criteria that the Bank uses to determine that there is objective evidence of an impairment loss include:

- Delinquency in contractual payments of principal or interest;
- Cash flow difficulties experienced by the borrower (for example, equity ratio, net income percentage of sales);
- Breach of loan covenants or conditions;
- Initiation of bankruptcy proceedings;
- Deterioration of the borrower's competitive position;
- Deterioration in the value of collateral;
- Downgrading below investment grade level;
- Significant financial difficulty of the issuer or obligor;
- A breach of contract, such as a default or delinquency in interest or principal payments;

Fidelity Bank Plc

Financial information: 2016 - 2020

Summary of significant accounting policies

- The lender, for economic or legal reasons relating to the borrower's financial difficulty, granting to the borrower a concession that the lender would not otherwise consider;
- It becomes probable that the borrower will enter bankruptcy or other financial reorganisation;
- The disappearance of an active market for that financial asset because of financial difficulties; and

4 - Observable data indicating that there is an measurable decrease in the estimated future cash flows from a portfolio of financial assets since the initial recognition of those assets although the decrease cannot yet be identified with the individual financial assets in the portfolio, including: adverse changes in the payment status of borrowers in the portfolio; and national or local economic conditions that correlate with defaults on the assets in the portfolio.

Cash and cash equivalents

Cash and cash equivalents comprise balances with less than three months' maturity from the date of acquisition, including cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

For the purposes of the statement of cash flows, cash and cash equivalents include cash and non-restricted balances with central bank.

5 Leases

5a Leases (policy applicable from 1 January 2019)

The Bank as the lessee

Set out below are the new accounting policies of the Bank upon adoption of IFRS 16, which have been applied from the date of initial application (1 January 2019):

(i) Right-of-use assets

The Bank recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Bank is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of- use assets are subject to impairment.

(ii) Lease liabilities

At the commencement date of the lease, the Bank recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Bank and payments of penalties for terminating a lease, if the lease term reflects the Bank exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Bank uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Right of use assets is presented as a separate line on the statement of financial position. The adoption of IFRS 16 does not give rise to a lease liability as the Bank does not have an enforceable right to renew or extend its leases as at the end of the reporting period and the non-cancellable periods have been fully paid.

(iii) Short-term leases and leases of low-value assets

The Bank applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases (i.e., below N1.5million). Lease payments on short term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

The Bank as the lessor

(i) Operating lease

When assets are subject to an operating lease, the assets continue to be recognised as property and equipment based on the nature of the asset. Lease income is recognised on a straight line basis over the lease term.

Lease incentives are recognised as a reduction of rental income on a straight-line basis over the lease term.

(ii) Finance lease

When assets are held subject to a finance lease, the related asset is derecognised and the present value of the lease payments (discounted at the interest rate implicit in the lease) is recognised as a receivable. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income. Lease income is recognised over the term of the lease using the net investment method (before tax), which reflects a constant periodic rate of return.

The Bank is not a lessor in any of it's lease arrangements at the reporting date.

5b Leases (policy prior to 1 January 2019)

The Bank as the lessee

(i) Operating lease

Leases in which a significant portion of the risks and rewards of ownership are retained by another party, the lessor, are classified as operating leases. Payments, including prepayments, made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

(ii) Finance lease

Leases of assets where the Bank has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in 'Deposits from banks' or 'Deposits from customers' depending on the counter party.

The interest element of the finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

6 Property, plant and equipment

Land and buildings comprise mainly branches and offices. All property and equipment used by the Bank is stated at historical cost less accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent expenditures are included in the asset's carrying amount or are recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Bank and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repair and maintenance costs are charged to 'Other operating expenses' during the financial period in which they are incurred.

Land included in leasehold land and buildings is not depreciated. Depreciation of other assets is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:
- Building: 50 years
- Leasehold improvements: The lower of useful life and lease period
- Motor vehicles: 4 years
- Furniture and fittings: 5 years
- Computer equipment: 5 years (2016; 3 years)
- Office equipment: 5 years

The assets' residual values and useful lives are reviewed annually, and adjusted if appropriate.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount. These are included in 'Other operating income or expenses' in profit or loss.

Construction cost and improvements in respect of offices is carried at cost as capital work in progress. On completion of construction or improvements, the related amounts are transferred to the appropriate category of property and equipment. Payments in advance for items of property and equipment are included as Prepayments in "Other Assets" and upon delivery are reclassified as additions in the appropriate category of property and equipment.

7 Intangible assets

Costs associated with maintaining computer software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Bank, are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software product so that it will be available for use;
- management intends to complete the software product and use or sell it;
- there is an ability to use or sell the software product;
- it can be demonstrated how the software product will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
- the expenditure attributable to the software product during its development can be reliably measured.

Subsequent expenditure on computer software is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

Direct computer software costs recognised as intangible assets are amortised on the straight-line basis over the life of the intangible asset and are carried at cost less any accumulated amortisation and any accumulated impairment losses.

8 Impairment of non-financial assets

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows (cash-generating units). The impairment test may also be performed on a single asset when the fair value less cost to sell or the value in use can be determined reliably. Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

The Bank assessed the potential accounting implications of decreased economic activity as a result of Covid-19 pandemic. The uncertainty in the economic environment may decrease there liability of long- term forecasts used in the impairment testing models. Based on the current estimates of expected performance, no impairment needs were identified at the end of the period.

9 Provisions

Provisions for restructuring costs and legal claims are recognised when: the Bank has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. The Bank recognises no provisions for future operating losses.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a

10 Retirement obligations and Employee benefits

The Bank operates the following contribution and benefit schemes for its employees:

Defined contribution pension scheme

The Bank operates a defined contributory pension scheme for eligible employees. Bank contributes 10% of the employees' Basic, Housing and Transport allowances in line with the provisions of the Pension Reform Act 2014. The Bank pays the contributions to a pension fund administrator. The Bank has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefits expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Short-term employee benefits

Wages, salaries, annual leave, bonuses and non-monetary benefits are recognised as employee benefit expenses in the statement of profit or loss and paid in arrears when the associated services are rendered by the employees of the Bank.

11 Share capital

(a) Share issue costs

Incremental costs directly attributable to the issue of new shares or options or to the acquisition of a business are shown in equity as a deduction, net of tax, from the proceeds.

(b) Dividends on ordinary shares

Dividends on ordinary shares are recognised in equity in the period in which they are approved by the Bank's Shareholders.

Dividends for the period that are declared after the reporting date are dealt with in the subsequent events note.

Dividends proposed by the Directors but not yet approved by members are disclosed in the financial statements in accordance with the requirements of the Company and Allied Matters Act.

12 Revenue recognition

Interest income and expense

Interest income and expense for all interest-bearing financial instruments are recognised within 'Interest revenue' and 'Interest expense' in the statement of profit or loss and other comprehensive income using the effective interest method, other interest and similar income and 'interest expense calculated using the effective interest rate method' in the Statement of profit or loss and other comprehensive income using the effective interest method except for those measured at fair value through profit or loss (FVTPL).

Fees and commission income

Fees and commissions are generally recognised on an accrual basis when the service has been provided in line with the requirement of IFRS 15 -Revenue from Contracts with Customers (Prior to 2018: IAS 18- Revenue). Loan commitment fees for loans that are likely to be drawn down are deferred (together with related direct costs) and recognised as an adjustment to the effective interest rate on the loan. Loan syndication fees are recognised as revenue when the syndication has been completed and the Bank has retained no part of the loan package for itself or has retained a part at the same effective interest rate as the other participants. Commission and fees arising from negotiating, or participating in the negotiation of, a transaction for a third party, are recognised on completion of the underlying

Income from bonds or guarantees and letters of credit
Income from bonds or guarantees and letters of credit are recognised on a straight line basis over the life of the bond or guarantee in accordance with the requirement of IFRS 15 (Prior to 2018: IAS 18).

Dividend income
Dividends are recognised in profit or loss in 'other operating income' when the entity's right to receive payment is established.

13 Income taxation
The tax expense for the period comprises current and deferred tax. Tax is recognised in arriving at profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

(a) Current income tax
The current income tax charge is calculated on the basis of the applicable tax laws enacted or substantively enacted at the reporting date in the respective jurisdiction.

(b) Deferred income tax
Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balance on a net basis.

13 Use of estimates and assumptions
The preparation of the Bank's financial statements requires management to make judgemental, estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities and the accompanying disclosure, as well as the disclosure of contingent liability about these assumption and estimates that could result in outcome that require a material adjustment to the carrying amount of assets and liabilities affected in future periods.

Management discusses with the Audit Committee the development, selection and disclosure of the Bank's critical accounting policies and estimates, and the application of these policies and estimates.

14 Fair value measurement
The Bank measures some financial instruments at fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (the exit price). The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Bank. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Bank uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the Bank determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

RC: 103022

Fidelity

THE FEDERAL REPUBLIC OF NIGERIA

COMPANIES AND ALLIED MATTERS ACT, 2020

PUBLIC COMPANY LIMITED BY SHARES

RESOLUTION OF THE BOARD OF DIRECTORS

OF

FIDELITY BANK PLC

At the meeting of the Board of Directors of **FIDELITY BANK PLC** (the "**Bank**") held virtually on the 30th day of October, 2020, the following resolutions were proposed and duly passed by the Directors of the Bank (the "**Directors**"):

1. BACKGROUND

1.1 Pursuant to the resolution of the Board of Directors of the Bank dated 19 March 2019, the Bank authorised the establishment of a ₦100,000,000,000 (One Hundred Billion Naira) bond programme (**"Programme"**) subject to the approval of relevant regulatory authorities.

1.2 The first series of the Programme will comprise of up to ₦75,000,000,000,000 (Seventy-Five Billion Naira) unsecured and subordinated bond issuance to the public.

2. RESOLUTIONS

Having considered the above, the Directors acting in good faith and in the best interest of the Bank resolved that:

2.1 The Bank be and is hereby authorised to issue Bonds of up to ₦75,000,000,000 (Seventy-Five Billion Naira) bonds (the "**Series 1 Bonds**") by way of book building process.

2.2 The Bank be and is hereby authorised to raise the Series 1 Bonds on such terms and conditions as the Management may deem fit in the interest of the Bank, and in the event of over subscription, to issue additional bonds - up to the limit of the Programme and subject to approval by the regulatory authorities.

2.3 The proceeds from the Series 1 Bonds shall be utilized to support the Bank's Small and Medium Scale Enterprises (SME) and Retail Banking Businesses as well as its Information and Technology Infrastructure.

Fidelity Bank Plc
2, Kofo Abayomi Street
Victoria Island, Lagos, Nigeria.
P.O.Box 72439, Victorial Island, Lagos
Swift :FIDTNGLA
+234 0(1)4485252
info@fidelitybank.ng

2.4 Either two Directors or a Director and the Company Secretary be and are hereby authorised to finalize, execute, sign and deliver on behalf of the Bank, all agreements, notices or other documents (together with such amendments) that are required, necessary and advisable in order to facilitate the consummation and enforceability of the above resolutions and the transactions contemplated thereby;

2.5 The Bank hereby appoints financial, legal and other professional and/or other advisers necessary to give effect to the above resolution.

2.6 Management be and is hereby authorised to undertake such other acts in relation to the programme as may be necessary or incidental to, or required for effecting the objectives set out above; and

2.7 The Company Secretary be and is hereby authorised to make any filings at the Corporate Affairs Commission as may be necessary for or incidental to giving effect to the above resolutions.

This resolution may be executed in one or more counterparts, each of which, when read together, shall comprise one and the same instrument.

DATED THE 16TH DAY OF NOVEMBER 2020

BY ORDER OF THE ORDER OF THE BOARD

GBOLA'HAN JOSHUA
Director

EIINWA UNUIGBOJE
Company Secretory

Summary of the Capital Structure of the Issuer

As at June 30, 2020, the capital structure of Fidelity Bank PLC is as follows:

	Items	N'million
i)	Cash and cash equivalent	601,560
ii)	Deposits from customers (Short-term)	1,405,945
iii)	Debts securities issued and other borrowed funds (Long-term)	261,873
iv)	Total shareholders' equity	250,689

1. Material Contracts

The following agreements are considered material to the transaction as at November 13, 2020 :

i. Trust Deed dated October 16, 2017 between the Issuer and Citicorp Trustee Company Limited;

ii. Amendment Agreement dated December 28, 2016 to a Global Master Repurchase Agreement dated August 5, 2018 between Renaissance Securities (Cyprus) Limited and Fidelity Bank PLC;

iii. A Programme Trust Deed dated May 4, 2020 executed between the Issuer and the Trustees, FBNQuest Trustees Limited;

iv. Series 1 Trust Deed dated January 7 2021 between the Issuer and the Trustees, FBNQuest Trustees Limited, ARM Trustees Limited, UBA Trustees Limited and Stanbic IBTC Trustees Limited; and

v. Vending Agreement dated January 7 2021 amongst the Issuer and the Issuing Houses, Planet Capital Limited, Renaissance Securities (Nigeria) Limited, Stanbic IBTC Capital Limited, ABSA Capital Market Nigeria Limited, Afrinvest West Africa Limited, Cordros Capital Limited, Cowry Asset Management Limited, FCMB Capital Markets Limited, FSL Securities Limited, Futureview Financial Services Limited, Kairos Capital Limited, UCML Capital Limited, United Capital Plc., and Vetiva Capital Management Limited.

2. Litigation Opinion –

As at October 30, 2020, Fidelity *("the Bank" or "Fidelity")* was, in the ordinary course of business, involved in twenty-eight (28) cases, which fell within the threshold of ₦50,000,000 (Fifty Million Naira) ("Material Litigation"). Of the Material Litigation, Fidelity is a Defendant in twenty (20) cases and a Claimant in four (4) cases. Fidelity is a Counter-Claimant in nine (9) cases of the twenty *(20) cases instituted against it, and a Defendant to counter-claim in* one (1) case out of the four (4) cases instituted by it. Further, Fidelity is Appellant in three (3) cases in which judgement was delivered against it, while it is Respondent in one (1) case in which ruling/judgment was delivered in its favour.

The total monetary claims and potential liability against Fidelity in the Material Litigation, including the counter-claim in which Fidelity is a Defendant and two (2) appeal cases in which Fidelity is the Appellant, is approximately *₦7,907,191,359.01 (Seven Billion, Nine Hundred and* Seven Million, One Hundred and Ninety-One Thousand, Three Hundred and Fifty-Nine Naira, One Kobo); USD$2,003,182 (Two Million, Three Thousand, One Hundred and Eighty-Two United States Dollars); and €19,094.18 (Nineteen Thousand, Ninety-Four Euros, Eighteen Cents) ("Material Contingent Liability Amount").

The total monetary claims by Fidelity, including the nine (9) counter- claims out of the twenty (20) cases instituted against it, is approximately *₦3,422,341,162.50 (Three Billion, Four Hundred and* Twenty-Two Million, Three Hundred and Forty-One Thousand, One Hundred and Sixty-Two Naira, Fifty Kobo), and USD$60,000 (Sixty Thousand United States Dollars).

Please note that the amounts referred to herein do not include interest and costs, which can only be ascertained or determined after the final resolution of the cases. Ultimately, the actual liability of Fidelity including final awards for costs will be as determined by the courts upon conclusion of the relevant suits.

Based on the review of the case files and documentation provided by Fidelity, the Solicitors to the Transaction are of the opinion that, if the matters continue to be diligently prosecuted by Fidelity, Fidelity's liability is not likely to exceed the Material Contingent Liability Amount and would not have a material adverse effect on Fidelity or the Transaction. From the review of the information provided by Fidelity, the Solicitors to the Transaction are not aware of any claim or litigation pending or threatened against the Bank which (i) materially or adversely affects the Bank's ability to fulfil its obligations under the Transaction; and/or; (ii) affects the validity of the Transaction or restricts the proceedings or actions of the Bank with respect to the Transaction

3. Consents

The following have given and not withdrawn their written consents to the issue of this Pricing Supplement with their names and reports (where applicable) included in the form and context in which they appear:

Directors of the Issuer	Mustapha Chike-Obi Nnamdi Okonkwo Nneka Onyeali-Ikpe Aku P. Odinkemelu Gbolahan Joshua Hassan Imam Obaro Odeghe Kevin Ugwuoke Alex C. Ojukwu Michael E. Okeke Kings C. Akuma Isa Mohammed Inuwa Henry Ikem Obih Charles C. Umolu Chidozie Agbapu
Company Secretary	Ezinwa Unuigboje
Lead Issuing House	Planet Capital Limited
Issuing Houses	ABSA Capital Market Nigeria Limited, Afrinvest West Africa Limited, Cordros Capital Limited, Cowry Asset Management Limited, FCMB Capital Markets Limited, FSL Securities Limited, Futureview Financial Services Limited, Kairos Capital Limited, Renaissance Securities (Nigeria) Limited, Stanbic IBTC Capital Limited, UCML Capital Limited, United Capital Plc., and Vetiva Capital Management Limited
Stockbroker/Listing	FSL Securities Limited Planet Capital Limited
Trustee	ARM Trustees Limited, FBNQuest Trustees Limited, Stanbic IBTC Trustees Limited and United Capital Trustees Limited
Solicitor to the Issuer	Templars
Solicitor to the Transaction	Banwo & Ighodalo
Reporting Accountants	PricewaterhouseCoopers Nigeria
Rating Agency	Agusto & Co. DataPro Credit Rating Agency
Registrars	First Registrars & Investor Services Limited
Receiving Banks	Stanbic IBTC Bank Plc United Bank for Africa Plc

15. APPENDIX VII: DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents may be inspected at the offices of the Issuer and Issuing Houses during normal business hours on any weekday (except public holidays) from the date of issuance of this Pricing Supplement:

i. The Certificate of Incorporation of the Issuer as well as CAC Form 2A and CAC Form 7A;

ii. The Memorandum and Articles of Association of the Issuer;

iii. The Audited Consolidated and Separate Financial Statements of the Issuer for each of the years ended 31 December 2016, 31 December 2017, 31 December 2018, 31 December 2019 and half year ended 30 June 2020;

iv. The Shelf Prospectus dated May 4, 2020;

v. Programme Trust Deed dated May 4, 2020 executed between Fidelity Bank PLC and FBNQuest Trustees Limited in respect of the ₦100,000,000,000 Debt Issuance Programme;

vi. The Series 1 Bond Trust Deed dated January 7 2021;

vii. This Pricing Supplement;

viii. The list of outstanding claims and litigation together with the Opinion of the Solicitors to the Issue prepared thereon;

ix. The material contracts opinion dated November 13, 2020;

x. The written consents of parties referred to on page 62 of this Pricing Supplement;

xi. The Board Resolution of the Issuer dated March 19, 2019 authorising the Programme;

xii. The Board Resolution of the Issuer dated October 30 2020 authorising the Series 1 Bond;

xiii. Letters from the SEC confirming the registration of the Prospectus and approval of the offer; and

xiv. Letter of approval from the NSE / FMDQ.

16. APPENDIX VIII: PROCEDURES FOR APPLICATION AND ALLOTMENT

1. Invitation for participation

Eligible Investors are hereby invited to place orders in respect of the Issue through the Issuing Houses and Bookrunners.

1.1 The book building process opens on December 7, 2020 and closes on December 23, 2020. Orders must be for a minimum of ₦10,000,000 and in integral multiples of 1,000 units thereafter. Orders below this minimum threshold would only be acceptable where the bid forms part of a cumulative bid from the same investor group that is greater than the minimum subscription.

1.2 Orders should be entered in the space provided in the prescribed commitment form in Appendix IX attached to the Pricing Supplement/Supplemental Prospectus.

1.3 By completing the commitment form, each participant hereby agrees that the order is irrevocable and, to the fullest extent permitted by law, the obligations in respect thereof shall not be capable of rescission or termination by any participant.

1.4 Participants may place orders for the Bonds at any price subject to the minimum participation amount and the terms and conditions stated on the commitment form.

1.5 A corporate participant should affix its official seal in the box provided and state its incorporation (RC) Number or, in the case of a corporate foreign subscriber, its appropriate identification/incorporation number in the jurisdiction in which it is constituted.

1.6 Upon the completion and submission of the commitment form, the participant is deemed to have authorised the Issuer and the Issuing Houses to effect the necessary changes in the Pricing Supplement/Supplemental Prospectus as would be required for the purposes of filing an application for the clearance and registration of the Pricing Supplement/Supplemental Prospectus with the SEC. The commitment form shall be considered as the application form for the purposes of registration of the Pricing Supplement/Supplemental Prospectus with the SEC.

1.7 Participants shall not be entitled to withdraw/modify orders after the book building closing date.

1.8 The commitment form presents the participant with the opportunity to indicate up to three optional bid interest rates and to specify the participation amount applicable to each option. The bid coupon rates and the participation amounts submitted by the participant in the commitment form will be treated as optional demands from the participant and will not be aggregated.

1.9 After determination of the interest rate, the maximum participation amount specified by a participant at or below the clearing price will be considered for allocation and the rest of the order(s), irrespective of the corresponding bid interest rate(s), will become automatically invalid.

1.10 The Issuer in consultation with the Issuing Houses and Bookrunners reserves the right not to proceed with the Issue at any time including after the book building opening date but before the allotment date without assigning any reason thereof.

2. Payment instructions

Successful participants should ensure that payment of the participation amounts is received on the day of the Signing Ceremony, via the CBN RTGS or the **NEFT** or into the following designated issue proceeds accounts domiciled with the Receiving Banks:

Bank Name	Account Name	Account Number
Stanbic IBTC Bank Plc	Fidelity Bank Bond Issue	0037037038
United Bank for Africa Plc	Fidelity Bank Bond Issue	1023653408

Allocation / Allotment

3.1. On the pricing date, the Issuing Houses / Book runners will analyse the demand generated at various price levels and, in consultation with the Issuer, finalise the interest rate and the allocations to each participant. Allocation confirmation notices will be sent to successful participants thereafter

3.2. The Directors of Fidelity Bank, the Issuing Houses / Book runners reserve the right to accept or reject any application in whole or in part for not complying with the terms and conditions of the Issue

3.3. Upon clearance of the final Pricing Supplement by the SEC, allotment of Bonds shall be effected in a dematerialised (uncertificated) form. Participants are mandatorily required to specify their CSCS Account Number, the name of their Stock-broking Firm and the Clearing House Number (CHN) in the spaces provided on the Commitment Form. Settlement of Bonds in dematerialised form shall be effected not later than fifteen (15) Business Days from the Allotment Date

4. Bank account details

4.1. Participants are required to indicate their bank account details in the space provided on the Commitment Form for the purposes of future payments of Coupon and the Principal Amount

4.2. Participants are advised to ensure that bank account details stated on the Commitment Form are correct as these bank account details shall be used by the Registrar for all payments indicated in 4.1 above in connection with the Bonds

4.3. Failure to provide correct bank account details could result in delays in credit of such payments or the issuance of cheques/warrants which shall be sent by registered post to the specified addresses of the affected investors. The Issuer, the Issuing Houses / Book runners, the Receiving Bank, the Trustees and the Registrar shall not have any responsibility nor will any of these specified parties undertake any liability for the same

17. APPENDIX IX: COMMITMENT FORM

Book Build Opening Date		Book Build Closing Date
December 7, 2020		December 23, 2020

FIDELITY BANK PLC

RC 103022

Offering By Way of Book Building of

₦41,213,000,000 BILLION 10 YEAR 8.5% SUBORDINATED UNSECURED FIXED RATE SERIES 1
BONDS DUE 2031 UNDER A ₦100 BILLION DEBT ISSUANCE PROGRAMME

LEAD ISSUING HOUSE / BOOK RUNNER

Planet Capital Limited

RC: 906761

JOINT ISSUING HOUSES / BOOK RUNNERS

Orders must be made in accordance with the instructions set out in this Pricing Supplement. Care must be taken to follow these instructions as applications that do not comply may be rejected. If you are in any doubt, please consult your Stockbroker, Accountant, Banker, Solicitor or any professional adviser for guidance.

DECLARATION

☐ I/We confirm that I am/we are eligible to participate in this Issue in accordance with the applicable SEC Rules and Regulations.

☐ I/We confirm that I/we have read the Pricing Supplement dated [●] and that my/our order is made on the terms set out therein.

☐ I/We hereby irrevocably undertake and confirm that my/our order for Bonds equivalent to participation amount set out below at the interest rate to be discovered through the book building process.

☐ I/We authorise you to enter my/our name on the register of holders as a holder(s) of the Bonds that may be allotted to me/us and to register my/our address as given below.

☐ I/We authorise the Issuer to amend the Pricing Supplement as may be required for purposes of filing a final version with the SEC without recourse to me/us and I/we use this commitment form as the application for the Bond Issue.

☐ I/We note that the Issuer and the Issuing House/Bookrunner are entitled in their absolute discretion to accept or reject this order.

☐ I/We agree to accept the participation amount as may be allocated to me/us subject to the terms of the Pricing Supplement

PLEASE COMPLETE ALL RELEVANT SECTIONS OF THIS FORM USING BLOCK LETTERS WHERE APPLICABLE

DATE (DD/MM/YYYY)									CONTROL NO. (FOR REGISTRARS' USE ONLY)						
		/			/	2	0	2	0						

PARTICIPANTS CAN INDICATE UP TO 3 (THREE) OPTIONAL BID MARGINS AND SPECIFY THE PARTICIPATION AMOUNT APPLICABLE TO EACH BID INTEREST RATE. THESE WILL BE TREATED AS OPTIONAL ORDERS AND **WILL NOT BE AGGREGATED**. PLEASE TICK ☐ THE APPLICABLE BOX ON THE RIGHT.

	PFA		Investment/Unit Trusts		Trustee/Custodian
	Fund Managers		HNI		Stockbroker
	Bank		Private Equity Fund		
	Insurance Company		Staff Scheme		

PARTICIPANT DETAILS (The Participation Amount(s) and the Bid Coupon Rate(s) must be stated in the boxes below)

ORDER 1

PARTICIPATION AMOUNT (MINIMUM AMOUNT OF N10 MILLION AND IN MULTIPLES OF N1 MILLION THEREAFTER)	BID COUPON RATE
IN FIGURES ₦	
IN WORDS	

ORDER 2

PARTICIPATION AMOUNT (MINIMUM AMOUNT OF N10 MILLION AND IN MULTIPLES OF N1 MILLION THEREAFTER)	BID COUPON RATE
IN FIGURES ₦	
IN WORDS	

ORDER 3

PARTICIPATION AMOUNT (MINIMUM AMOUNT OF N10 MILLION AND IN MULTIPLES OF N1 MILLION THEREAFTER)	BID COUPON RATE
IN FIGURES ₦	
IN WORDS	

PLEASE TURN OVER TO COMPLETE THIS FORM

COMMITMENT FORM (REVERSE SIDE)

PARTICIPANT DETAILS (INDIVIDUAL/CORPORATE/JOINT) (PLEASE USE ONE BOX FOR ONE ALPHABET LEAVING ONE BOX BLANK BETWEEN FIRST WORD AND SECOND)

SURNAME/CORPORATE NAME	
FIRST NAME (FOR INDIVIDUALS ONLY)	OTHER NAMES (FOR INDIVIDUALS ONLY)
JOINT APPLICANT'S FIRST NAME (IF APPLICABLE)	OTHER NAMES (FOR JOINT APPLICANT ONLY)
CONTACT PERSON (FOR CORPORATE APPLICANT)/ NEXT OF KIN (FOR INDIVIDUAL APPLICANT)	
ADDRESS IN FULL (PLEASE DO NOT REPEAT APPLICANT(S)' NAME). POST BOX NO. ALONE IS NOT SUFFICIENT	
	TEL
CITY	STATE	EMAIL

ALLOTMENT PREFERENCE:

Please tick ☐ in the box to indicate allotment preference – CSCS ☐ FMDQ ☐

ACCOUNT NAME	
ACCOU T NUMBER	

E-ALLOTMENT DETAILS (FOR BOOK-ENTRY ALLOTMENTS ONLY)

Please credit my/our CSCS Account as detailed below to the extent of the Bonds allotted:

PARTICIPANT'S CSCS ACCOUNT NO:		CHN (CLEARING HOUSE NUMBER):	
NAME OF STOCKBROKING FIRM	R		

BANK DETAILS (FOR E-PAYMENTS)

BANK NAME		BRANCH	
ACCOUNT NO:		CITY/STATE	

SIGNATURES

SIGNATURES	2ND SIGNATURE (CORPORATE/JOINT)	OFFICIAL SEAL/RC. NO.
NAME OF AUTHORISED SIGNATORY *(Corporate only)*	NAME OF AUTHORISED SIGNATORY *(Corporate/Joint)*:	
DESIGNATION *(Corporate only)*:	DESIGNATION *(Corporate only)*:	

STAMP OF RECEIVING AGENT

(ISSUER/ISSUING HOUSES/STOCKBROKERS TO THE ISSUE/ PLACEMENT AGENTS ONLY)

18. APPENDIX X: EXTRACT FROM ISSUE RATING REPORT – AGUSTO & CO.

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

Fidelity Bank Plc

₦75 Billion 10-Year Subordinated Unsecured Fixed Rate Series 1 Bond Under the ₦100 Billion Debt Issuance Programme

Rating Assigned:

A-

Outlook: Stable
Issue Date: 16 Nov 2020
Expiry Date: 16 Nov 2021

The rating is valid throughout the life of the instrument but will be subject to annual monitoring and review.

Bond Tenor: 10 years

Industry: Banking

Analysts:
Mariam Dabiri, CFA
mariamdabiri@agusto.com

Ayokunle Olubunmi, CFA
kunleolubunmi@agusto.com

Agusto & Co. Limited
UBA House (5th Floor)
57, Marina
Lagos
Nigeria

www.agusto.com

RATING RATIONALE

Agusto & Co. hereby assigns an '**A-**' rating to Fidelity Bank Plc's ('Fidelity Bank', 'the Bank' or 'the Issuer') 10-year Subordinated Unsecured Fixed Rate Series 1 Bond of up to ₦75 billion ('the Issue' or 'the Bond'). The Issue represents the first series of the ₦100 billion bond issuance programme registered in April 2020 with the Securities and Exchange Commission (SEC). The rating assigned to the Issue reflects Fidelity Bank's position as a leading tier 2 bank in Nigeria. The rating also considers the Bank's good liquidity profile, strong industry position, adequate capitalisation, satisfactory asset quality, good staff productivity and an experienced management team. However, constraining these positives are the obligor concentration in the loan portfolio and the Issuer's high operating cost profile. We have also factored in adverse regulatory constraints and prevailing macroeconomic headwinds accentuated by the COVID-19 pandemic. The rating reflects the Issue's subordinated status as it ranks *pari passu* with all other existing and future subordinated and unsecured obligations of the Issuer.

With total assets and contingents of ₦2.8 trillion as at 30 June 2020, Fidelity Bank Plc is Nigeria's sixth largest bank and a leading player in the tier 2 segment. The Bank serves over five million customers through 250 branches and other digital customer touchpoints. Funding the Issuer's activities are customer deposits of ₦1.4 trillion and borrowings (including a local currency bond, Eurobond and multilateral funding) which stood at ₦517.9 billion as at HY 2020. As at the same date, Fidelity Bank's shareholders' equity stood at ₦218.6 billion with a Basel II computed capital adequacy ratio of 18.8%, which was above the required minimum of 15% for banks with international authorisation. The Bond is expected to qualify as tier 2 capital and should the issuance be successful, we expect it to provide additional capital buffers.

Fidelity Bank's earnings are predominantly sustained by fund-based income, which has accounted for an average 69% of net earnings in the last five years. During HY 2020, the Issuer's pre-tax profits grew by 21.9% to ₦12