You are advised to read and understand the contents of this Rights Circular. If you are in any doubt about the actions to be taken, you should consult your Stockbroker, Accountant, Banker, Solicitor or any other professional adviser for guidance immediately. Investors are advised to note that liability for false or misleading statements or acts made in connection with the Rights Circular is provided in sections 85 and 86 of the Investments and Securities Act No. 29, 2007 (the "ISA")

A copy of this Rights Circular will be available on Fidelity Bank PLC's website: www.fidelitybank.ng, for the duration of the Rights Issue. For information concerning certain risk factors which should be considered by shareholders and prospective investors, see Risk Factors on pages 20 to 23.



# Rights Issue of 3,200,000,000 Ordinary Shares of 50 kobo each at ₩9.25 per Share

on the basis of 1 new Ordinary Share

for every 10 Ordinary Shares held as at the close of business on Friday, 05 January 2024

The rights being offered in this Rights Circular are tradable on the floor of the Nigerian Exchange Limited for the duration of the acceptance period of the Issue.

# Payable in full on Acceptance

ACCEPTANCE LIST OPENS: THURSDAY, 20 JUNE 2024 ACCEPTANCE LIST CLOSES: MONDAY, 29 JULY 2024

#### Lead Issuing House:



# **Joint Issuing Houses:**



















This Rights Circular and the securities which it offers have been cleared and registered by the Securities and Exchange Commission. The ISA provides for civil and criminal liabilities for the issue of a Rights Circular which contains false or misleading information. The clearance and registration of this Rights Circular and the securities which it offers do not relieve the parties of any liability arising under the ISA for false and misleading statements or for any omission of a material fact in this Rights Circular. Shareholders may confirm the clearance of this Rights Circular and the registration of the securities it offers with the Securities and Exchange Commission by contacting the Commission on sec@sec.gov.ng or +234 (0)9 462 1100; +234 (0)9 462 1168.

This Rights Circular contains information about Fidelity Bank PLC (the "Bank", the "Company" or "Fidelity Bank") in connection with the Issue for the purpose of giving information to shareholders and prospective investors in respect of the Rights Issue described therein. The Rights Issue shall be further described as "Fidelity Bank Rights". The Rights Circular and the securities to be issued have been cleared and registered with the Securities and Exchange Commission (the "Commission"). An application was also made to the Nigerian Exchange Limited ("NGX") for the admission of the shares being issued by way of this Rights Circular. The Ordinary Shares of the Bank being issued will rank pari-passu in all respects with all other existing Ordinary Shares issued by the Bank, including the right to receive dividends or other distributions declared, made or paid on the shares after allotment by the Bank. No person has been authorised to give any information or make any representations other than those contained in this Rights Circular and if given or made, such information or representations must not be relied on as having been authorized by the Bank and / or the Issuing Houses. The Bank accepts responsibility for the information contained in this Rights Circular. To the best of the knowledge and belief of the Bank (which has taken all reasonable care to ensure that such is the case) the information contained in this Rights Circular is in accordance with the Investments and Securities Act, No. 29 of 2007 ("ISA") and the Securities and Exchange Commission Rules and Regulations 2013 (as amended from time to time) (the "SEC Rules") and contains no omission to affect its import. The Issuing Houses, which are registered with the SEC in Nigeria, are acting exclusively for the Bank in connection with the Rights Issue. Additional information may be obtained through the Issuing Houses on any Business Day during the Acceptance period, provided the Issuing Houses possess such information or can acquire it without unreasonable effort or expense, as necessary.

# **Third-Party Information**

The Bank has obtained certain statistical and market information that is presented in this Rights Circular from certain government and other third-party sources described herein. The Bank has accurately reproduced such information and, so far as the Bank is aware and is able to ascertain from information published by such third parties, no facts have been omitted that would render the reproduced information inaccurate or misleading. Nevertheless, shareholders and prospective investors are advised to consider this data with caution. Shareholders and prospective investors should note that some of the Bank's estimates are based on such third-party information. Neither of the Bank nor the Issuing Houses have independently verified the figures, market data or other information on which third parties have based their studies.

Certain statistical information reported herein have been derived from official publications of, and information supplied by a number of government agencies and ministries, including the Central Bank of Nigeria ("CBN") and the National Bureau of Statistics ("NBS"). Official data published by the Nigerian government may be substantially less complete or researched than those of more developed countries. Nigeria has attempted to address some inadequacies in its national statistics through the adoption of the Statistics Act of 2007, which established the National Statistical System and created the NBS (which came into existence because of the merger of the Federal Office of Statistics and the National Data Bank) as its coordinator.

# Forward-looking statements

Certain statements in this Rights Circular constitute "forward-looking statements". When used in this Rights Circular, the words "project", "anticipate", "believe", "estimate", "expect" and similar expressions are generally intended to identify forward-looking statements. Such forward-looking statements, including the intended actions and performance objectives of the Rights Issue; involve known and unknown risks, uncertainties, and other important factors that could cause the actual results, performance, or achievements of the Rights Issue to differ materially from any future results, performance or achievements expressed or implied by such forward-looking statements. Investors should determine for themselves what reliance, if any, to place on such forward-looking statements.

In addition to other analytical tools, the Bank will employ the use of financial models to evaluate investment opportunities. The accuracy and effectiveness of such models cannot be guaranteed. In all cases, projections are only estimates of future results which are based upon assumptions made at the time that the projections are developed. Projections are inherently uncertain and subject to factors beyond the control of the Bank. The inaccuracy of certain assumptions, the failure to satisfy certain financial requirements, and the occurrence of unforeseen events could impair the ability of the Bank to realize projected values and / or cash flow in respect of the Rights Issue. Therefore, there can be no assurance that the projected results will be achieved, and actual results may vary significantly from the



### **IMPORTANT NOTICE**

projections. General economic and industry-specific conditions, which are not predictable, can have also an adverse impact on the reliability of projections.

# Rounding

Certain figures included in this Rights Circular have been subject to rounding adjustments. Accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

### Notice to Shareholders outside Nigeria

The distribution of this Rights Circular and the offer of the shares in certain jurisdictions may be restricted by law. No action has been taken by Fidelity Bank or the Issuing Houses that would permit a public offer of shares or possession, publication or distribution of this Rights Circular (or any other offer or publicity material or application form relating to the Issue) in any jurisdiction where action for the purpose is required, other than in Nigeria. Persons into whose possession this Rights Circular comes should inform themselves about and observe such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. This Rights Circular does not constitute an offer of, or an invitation to subscribe or purchase, any shares being offered in any jurisdiction in which such an offer would be unlawful.



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# **DEFINITIONS**

In this document, unless otherwise stated or clearly indicated by the context, the following words have the meanings stated opposite them.

	Period between the Acceptance List Opening Date and		
"Acceptance Period"	Acceptance List Closing Date		
"Allotment"	The process of allotting shares to each investor on the Allotment Date (following acceptance of shares in the Rights Issue)		
"Allotment Date"	The date when the allotment of the shares is approved and cleared by the Commission		
"ATM"	Automated Teller Machine		
"Auditors"	Deloitte & Touche (Chartered Accountants)		
"Board" or "Board of Directors" or "Directors"	Members of the Board of Directors of the Bank who as at the date of this document are those persons whose names are set out on page 15 of this Rights Circular		
"Business Day"	Any day other than Saturdays, Sundays or official public holidays declared by the Federal Government of Nigeria on which banks are open for general banking business in Nigeria		
"BVN"	Bank Verification Number		
"CAC"	Corporate Affairs Commission		
"CAMA"	Companies and Allied Matters Act No.3 of 2020 (as amended)		
"CBN"	Central Bank of Nigeria		
"CHN"	Clearing House Number		
"CSCS"	Central Securities Clearing System, operated by Central Securities Clearing System PLC		
"Daily Official List"  The official list published daily by the NGX containing inform about all equity and debt securities quoted on the floor of the			
"EGM"	Extra-Ordinary General Meeting		
"Fidelity Bank" or the "Bank" or the "Company" or the "Issuer"	Fidelity Bank PLC		
"FRCN"	Financial Reporting Council of Nigeria		
"GDP"	Gross Domestic Product		
"ISA"	Investment and Securities Act No.29, 2007		
"Issue" or "Rights Issue"	The Rights Issue by way of provisionally allotted rights to shareholders whose names appear on the Register of Members of the Company as at the close of business on Friday, 05 January 2024, of 3,200,000,000 ordinary shares of 50 kobo each in the Company, on the basis of 1 new ordinary share for every 10 Ordinary Shares held by them on that date		
Stanbic IBTC Capital Limited, Iron Global Markets Limited, C Asset Management Limited, Afrinvest Capital Limited, FSL  "Issuing Houses" Securities Limited, Futureview Financial Services Limited, Iro Capital Market Advisory Limited, Kairos Capital Limited and I Capital Limited			
"Issue Shares"	The ordinary shares to be issued pursuant to the Rights Issue		
"Joint Issuing Houses"	Iron Global Markets Limited, Cowry Asset Management Limited, Afrinvest Capital Limited, FSL Securities Limited, Futureview Financial Services Limited, Iroko Capital Market Advisory Limited Kairos Capital Limited and Planet Capital Limited		
Joint Issuing Houses			



# **DEFINITIONS**

"Ltd"	Limited
"Listing"	Admission of securities to the Daily List of the NGX
"NAFEM"	Nigerian Autonomous Foreign Exchange Market
"Naira" or "\"	The Naira, or such lawful currency of the government of the Federal Republic of Nigeria, from time to time
"NBS"	National Bureau of Statistics
"NEFT"	NIBSS Electronic Funds Transfer
"NGX" or the "Exchange"	Nigerian Exchange Limited
"NIBSS"	Nigeria Inter-Bank Settlement System
"Nigeria" or the "Country"	The Federal Republic of Nigeria
"Ordinary Shares"	Issued and fully paid-up ordinary shares of 50 kobo each in the share capital of the Bank
"Pari Passu"	Equally
"Participation Form"	Form that must be duly completed by each shareholder in order to participate in the Rights Issue as contained on page 52 of this Rights Circular
"PLC"	Public Limited Company
"POS"	Point-of-Sale
"Qualification Date"	Friday, 05 January 2024.
"Receiving Agents"	Any of the institutions listed on page 51 of this Rights Circular, authorized to receive Application Forms/Monies from shareholders and prospective investors for the Rights Issue
"Receiving Banks"	Access Bank PLC, First Bank of Nigeria Limited, Guaranty Trust Bank Limited, Stanbic IBTC Bank Limited and Zenith Bank PLC
"Register of Members"	The register that records the names and addresses of the ordinary shareholders of the Bank
"Registrar"	First Registrars & Investor Services Limited
"Reporting Accountants"	Mazars Professional Services
"Rights Circular"	This document which is issued in accordance with the SEC Rules
"RIN"	Registrars Identification Number
"SEC" or the "Commission"	Securities and Exchange Commission
"SEC Rules" or "Rules and Regulations"	The rules and regulations of the Commission made pursuant to the ISA, and as may be amended from time to time
"Shareholders"	Holders of the ordinary shares in the capital of the Bank
"Stockbrokers"	APT Securities and Funds Limited, Cashville Investment and Securities Limited, Chartwell Securities Limited, Cordros Securities Limited, Dynamic Portfolio Limited, Greenwich Securities Limited, GTI Securities Limited, Mega Equities Limited, Meristem Stockbrokers Limited, Network Capital Limited and Solid-Rock Securities & Investment PLC
"USD" or "US\$"	United States Dollars, the lawful currency of the United States of America
"WAT"	West African Time
"Y-o-Y"	Year on year



# INDICATIVE TIMETABLE

The dates below, which reflect principal events for the Rights Issue, are indicative only and subject to change without notice.

DATE	ACTIVITY	RESPONSIBILITY
20 June 2024	Acceptance List opens / Trading in Rights begins	Issuing Houses / Stockbrokers
29 July 2024	Acceptance List closes / Trading in Rights closes	Issuing Houses / Stockbrokers
05 August 2024	Receiving Agents forward returns	Issuing Houses / Receiving Agents / Registrars
19 August 2024	File allotment proposal with CBN for Capital Verification process and obtain "no-objection"	Issuer
05 September 2024	File allotment proposal and draft newspaper announcement with SEC	Issuing Houses
19 September 2024	Receive SEC's "no-objection" to the basis of allotment	Issuing Houses
20 September 2024	Remit net Issue proceeds to Fidelity Bank	Receiving Banks
24 September 2024	Credit depository accounts	Registrars
24 September 2024	Forward Declaration of Compliance to the NGX	Stockbrokers
25 September 2024	Publish Allotment announcement	Issuing Houses
26 September 2024	Return surplus / rejected application monies	Issuing Houses / Registrars
26 September 2024	Listing of new Fidelity Bank shares / trading commences	Stockbrokers
11 October 2024	Forward Issue summary report to SEC	Issuing Houses



# 1. Head Office and registered address

Fidelity Place 2, Kofo Abayomi Street Victoria Island, Lagos Nigeria

Website: www.fidelitybank.ng

Telephone: +234 (0)1 270 0530-3

Contact e-mail: info@fidelitybank.ng

Social media:



https://www.facebook.com/FidelityBankplc



https://twitter.com/fidelitybankplc



https://www.instagram.com/fidelitybankplc



https://www.linkedin.com/company/fidelitybankplc

# 2. The addresses of Fidelity Bank's other business locations are as follows:

# Subsidiaries and affiliates

S/N	Subsidiary Name	Address
1.	FidBank UK Limited	1 King's Arms Yard, London, EC2R 7AF

# **Regional Head Offices**

S/N	Branch	Address	Region
1.	Abuja Regional	Plot 267, Tafawa Balewa Road, Central Business District, Abuja	Abuja 1 Region
2.	Adeyemo Alakija	2, Adeyemo Alakija Street, Victoria Island, Lagos State	Ikoyi Region
3.	Admiralty	Block A9, Plot 2B, Admiralty Way, Lekki, Lagos State	Victoria Island Region
4.	Apapa Park Lane	16b, Parklane, Apapa, Lagos State	Apapa Region
5.	Asaba	372, Nnebisi Road, Asaba, Delta State	Mid-West 2 Region
6.	Awka 1 (Zik Avenue)	61, Zik Avenue, Awka, Anambra State	Awka Region

Fidelity Rights Circular

# **CORPORATE DIRECTORY**

S/N	Branch	Address	Region
7.	Bauchi	9, Murtala Mohammed Way, Bauchi State	North-East Region
8.	Broad Street	132, Broad Street, Lagos Island, Lagos State	Lagos Island Region
9.	Calabar	1, Ekong Esu Street, Off Murtala Mohammed Way, Calabar, Cross River State	Cross River Akwa Ibom Region
10.	Challenge Branch	Challenge Roundabout, Adjacent MRS Filling Station, Ring Road, Ibadan, Oyo State	South-West 1 Region
11.	Dopemu	6/8, Debo Plaza, Dopemu Roundabout, Dopemu, Lagos State	Agege Region
12.	Fadeyi	70, Ikorodu Road, Fadeyi, Lagos State	Mainland 2 Region
13.	Festac	Plot K, First Avenue by Canal, Festac Town, Lagos State	Festac Region
14.	Gbagada	27, Diya Street, Gbagada, Lagos State	Mainland 1 Region
15.	llorin	102, Ibrahim Taiwo Road, Opposite Mr. Biggs, Ilorin, Kwara State	South-West 2 Region
16.	Independence Layout	Rangers Avenue, Independence Layout, Enugu State	Enugu Ebonyi Region
17.	Kaduna Main (Ali Akilu Road)	28A/B, Ali Akilu Road, Kaduna North, Kaduna State	North Central Region
18.	Murtala Muhammed Way (Kano 1)	110, Muritala Mohammed Way, Kano State	North-West 1 Region
19.	Onitsha 2 (Kamo Plaza)	88A, Upper New Market Road, Onitsha, Anambra State	Onitsha Region
20.	Oregun	53, Kudirat Abiola Way, Oregun, Ikeja, Lagos State	Ikeja Region
21.	Owerri	Plot 269, Ikenegbu Layout, Owerri, Imo State	Imo Abia Region
22.	Sapele Road Benin	31, Sapele Road, Benin City, Edo state	Mid-West 1 Region
23.	Sokoto	12, Kano Road, Sokoto State	North-West 2 Region
24.	Trans Amadi	2, Trans Amadi Industrial Layout, Port-Harcourt, Rivers Bayelsa Region	
25.	Wuse (Nanka Close)	7, Kabale Close, Wuse Zone 3, Abuja	Abuja 2 Region



A copy of this Rights Circular and the documents specified herein have been delivered to the Commission for clearance and registration.

This Rights Circular is issued in compliance with the provisions of the ISA, the SEC Rules and the listing requirements of the NGX and contains particulars in compliance with the requirements of the Commission and the NGX for the purpose of giving information to the Shareholders and the public with regards to the Rights Issue for 3,200,000,000 Ordinary Shares of 50 kobo each in Fidelity Bank PLC by the Issuing Houses. An application has been made to the Board of the NGX for the admission to the Daily Official List of the 3,200,000,000 Ordinary Shares of 50 kobo each being issued via the Rights Issue.

The Directors individually and collectively accept full responsibility for the accuracy of the information contained in this Rights Circular. The Directors have taken reasonable care to ensure that the facts contained herein are true and accurate in all respects and confirm, having made all reasonable enquiries that to the best of their knowledge and belief, there are no material facts the omission of which would make any statement herein misleading or untrue.

The Ordinary shares to be issued by the Bank pursuant to the Rights Issue will rank pari passu in all respects with the existing issued Ordinary Shares of the Bank.

# Lead Issuing House:



### Joint Issuing Houses:



















on behalf of



are authorised to receive acceptance for the

# **RIGHTS ISSUE OF**

3,200,000,000 ORDINARY SHARES OF 50 KOBO EACH

### AT ¥9.25 PER SHARE

on the basis of 1 new Ordinary Share for every 10 Ordinary Shares held as at the close of business on Friday, 05 January 2024

Payable in full on Acceptance

The Acceptance List for the Ordinary Shares now being offered will open on Thursday, 20 June 2024 and close on Monday, 29 July 2024.

# SHARE CAPITAL OF FIDELITY BANK AS AT 31 DECEMBER 2023

		<b>₩</b> 'million
ISSUED AND FULLY PAID*	32,000,000,000 Ordinary Shares of 50 kobo each	16,000
EQUITY	Share Capital	16,000
	Share Premium	113,705
	Retained Earnings	65,508
	Statutory Reserve	66,270
	Small Scale Investment Reserve	764
	Non-distributable Regulatory Reserve	100,279
	Translation reserve	6,050
	Fair Value Reserve	54,310
	AGSMEIS Reserve	14,422
	Total Equity	437,307

<sup>\*</sup>A resolution has been passed authorising an increase in the share capital of the Bank from \$16,000,000,000 to \$22,600,000,000 by the creation of up to 13,200,000,000 additional Ordinary Shares of 50 kobo each. The resolution was passed at an EGM held on 11 August 2023.



Rights Circular

This summary draws attention to information contained elsewhere in this Rights Circular; it does not contain all of the information you should consider in making your investment decision. You should therefore read this summary together with the more detailed information, including the financial summary elsewhere in this Rights Circular. The following information contains the major highlights of the Rights Circular:

1.	Issuer	Fidelity Bank PLC.					
2.	Lead Issuing House	Stanbic IBTC Capital Limited.					
3.	Joint Issuing Houses	Iron Global Markets Limited, Cowry Asset Management Limited, Afrinvest Capital Limited, FSL Securities Limited, Futureview Financial Services Limited, Iroko Capital Market Advisory Limited, Kairos Capital Limited and Planet Capital Limited.					
4.	Share Capital	Issued	l and fully paid	₩16,000,000,000 divided into 32,000,000,000 Ordinary Shares of 50 kobo each.			
		Now b	eing offered	3,200,000 at <del>N</del> 9.25 p		nary Shares of	f 50 kobo each
5.	Issue Price	<b>₦</b> 9.25	per share.				
6.	Purpose	The Rights Issue is being undertaken in order to increase Fidelity Bank's capital base to enable the Bank achieve its strategic objectives including investment in IT infrastructure, expansion and development of product distribution channels.					
7.	Gross Proceeds	<b>₩</b> 29,60	00,000,000.00.				
8.	Use of Proceeds	The net Issue proceeds estimated at ₹28,840,317,115.26 (after deducting the Issue costs of ₹759,682,884.74 representing 2.57% of the Issue proceeds) will be applied as shown below:					
		S/N	Purpose		<b>₦</b> 'bn	% of net proceeds	Time to completion
		1 Investment in IT infrastructure		Г	5.7	20.00%	48 months
		2	Business and re expansion	egional	20.2	70.00%	48 months
		3	Investment in p		2.9	10.00%	36 months
			Total		28.8	100.00%	
		Details	s on the use of pr	oceeds are	provided o	n page 36.	
9.	Method of Issue	By way	y of rights issue to	o existing sl	hareholder	S.	
10.	Concurrent Transaction		y Bank is also cor kobo each at ₦9.7	•	•		•
11.	Provisional Allotment	1 new ordinary share for every 10 Ordinary Shares of 50 kobo each held as at the close of business on Friday, 05 January 2024 by those shareholders whose names appear on the Register of Members and transfer books of the Bank as at that date.					
12.	Opening Date	20 June 2024.					
13.	Closing Date	29 July 2024.					
14.	Qualification Date	Friday	, 05 January 202	4.			
15.	Payment Terms	In full o	on acceptance.				



16.	Market capitalisation at Rights Issue Price (Pre-Issue)	₩296,000,000,000.
17.	Market capitalisation at Rights Issue Price (Post-Issue)	Upon completion of the Rights Issue, assuming all provisionally allotted Ordinary Shares are fully taken up, the Bank will have a market capitalisation of ₦325,600,000,000.
18.	Underwriting	This Rights Issue is not underwritten at the instance of Fidelity Bank.
19.	Application for Additional Shares	Ordinary shares which are not taken up by close of the Issue will be allotted on a pro-rata (equal) basis to existing shareholders who applied and paid for additional shares over and above their provisional allotment. Shareholders, who do not accept their provisional allotment in full, may have their shareholding in the Bank diluted.
20.	Trading in Rights	The Rights will be tradable on the NGX between Thursday, 20 June 2024 and Monday, 29 July 2024 at the price at which the Rights are quoted on the NGX.
21.	Quotation	Fidelity Bank's entire issued and paid-up share capital is listed on the NGX. An application has been made to the board of the NGX for the admission of the 3,200,000,000 Ordinary Shares being offered by way of Rights Issue.
22.	Status	The Ordinary Shares to be issued pursuant to the Rights Issue will rank <i>pari-passu</i> in all respects with the existing issued Ordinary Shares of the Bank.

# 23. Financial Summary

	Audited					
Figures in #'million, except as stated otherwise	31-Dec	31-Dec	31-Dec	31-Dec	31-Dec	
	2023	2022	2021	2020	2019	
Gross Earnings	555,830	337,050	250,776	206,204	218,011	
Profit before income tax	124,260	53,677	25,215	28,054	30,353	
Profit for the period	99,454	46,724	23,104	26,650	28,425	
Retained earnings	65,508	44,883	55,241	66,700	43,642	
Share capital	16,000	14,481	14,481	14,481	14,481	
Total equity	437,307	314,360	285,294	273,533	234,030	
Total assets	6,234,688	3,989,009	3,280,453	2,758,148	2,114,037	
Total liabilities	5,797,381	3,674,649	2,995,160	2,484,615	1,880,007	
Earnings per share (kobo)	310.79	161.32	79.77	92.00	98.00	

### 24 Indebtedness

As at 31 December 2023, the Bank had a total of ₩577 billion outstanding debts issued and borrowed funds which includes:

S/N	Debts Issued and other borrowed funds	Total amount (₦' million)
1	Long term loan from African Development Bank (ADB)	24,791
2	\$400 Million Euro Bond issued in 2021	382,422
3	₩41.2 billion Subordinated Unsecured Local Bond issued in 2021	42,174
4	Wholesale borrowing from Bank One, Mauritius	22,389
5	Short-term Liability from Rand Merchant Bank	48,810
6	Wholesale borrowing from the Development Bank of Nigeria	20,285
7	Borrowing from African Export-Import Bank	36,157
	Total	577,028

# 25. Claims and Litigation

"Fidelity Bank Plc (the "Bank") is, in its ordinary course of its business, presently involved in Sixty-Eight (68) cases as of 31 January 2024.

In the context of the contemplated Transaction, the Solicitors to the Transaction set a materiality threshold of One Hundred Million Naira (₩100,000,000.00) with regards to monetary claims in cases involving the Bank. Of the Sixty-Eight (68) cases in the Schedule, the Solicitors to the Transaction identified Twenty-Four (24) case files maintained in the Bank (comprising copies of processes filed in court) within and above the Materiality Threshold.

Of the said Twenty-Four (24) cases within and above the Materiality Threshold, the Bank is Claimant in Four (4) cases. In One (1) of the said Four (4) cases, the Bank is a Defendant to Counterclaim. The Bank is Defendant in Seventeen (17) cases instituted against it by various individuals and organizations. Of the said Seventeen (17) cases, the Bank is a Counter-Claimant in Five (5) cases. In addition, the Bank is Appellant in Three (3) cases in which judgment has been delivered against it.

The Solicitors to the Transaction observe that the Seventeen (17) cases instituted against the Bank by various individuals and organizations within and above the Materiality Threshold, represent approximately 82% of the total value of monetary claims against the Bank.

The total value of the monetary claims against the Bank in the Seventeen (17) cases instituted against it, including the one (1) case where it is a Defendant to Counterclaim, is approximately ₹9,583,293,101.90 (Nine Billion, Five Hundred and Eighty-Three Million, Two Hundred and Ninety-Three Thousand, One Hundred and One Naira, Ninety Kobo); and €19,094.18 (Nineteen Thousand, Ninety-Four Euros, Eighteen Cents) while the amount claimed by the Bank in the Four (4) cases instituted by it including the Five (5) cases in which it is a Counter-Claimant is approximately ₩3,418,560,033.93 (Three Billion, Four Hundred and Eighteen Million, Five Hundred and Sixty Thousand, Thirty-Three Naira, Ninety-Three Kobo). The amount referred to herein does not include interest and costs, which can only be ascertained after final resolution of the cases. Ultimately, the Bank's actual liability in these cases, including final awards for costs, will be as determined by the courts upon conclusion of the relevant suits.

The total monetary sum in the Three (3) cases in which judgment was delivered against the Bank is ₩150,000,000.00 (One Hundred and Fifty Million Naira) and USD\$633,750 (Six Hundred and Thirty-Three Thousand, Seven Hundred and Fifty United States Dollars) excluding interests, which may accumulate on the judgment sum until same is finally liquidated.

27.	Group Structure	FidBank UK Limited
26.	Settlement	Save for the foregoing, 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 fulfill its obligations under the Transaction; and/or; (ii) affects the validity of the proposed Transaction or restricts the proceedings or actions of the Bank with respect to the Transaction."  The CSCS accounts of successful applicants will be credited not later than fifteen (15) Business Days from the Allotment Date. Shareholders are hereby advised to state the name of their respective stockbrokers, their CHN and CSCS account numbers in the relevant spaces on the Application Form.  In accordance with the SEC's Directive on Dematerialization of Share Certificates, Shareholders / subscribers who do not provide valid CHN and CSCS account numbers will have their shares credited at the CSCS using a Registrar Identification Number. A Registrar Identification Number is a number allocated to shareholders who do not have valid CHN and CSCS account numbers to warehouse their units of shareholding in public companies under Registrars custody at the CSCS. The allotted shares will be transferred to the stockbroking account of the shareholder once valid CHN and CSCS account numbers are provided. Any investor who does not have a valid CHN and CSCS account number, is advised to open a stockbroking account with a stockbroker and obtain a valid CHN and CSCS account number from the stockbroker.
		The Solicitors to the Transaction are of the opinion that majority of the claims instituted against the Bank are exaggerated, frivolous, and speculative. Most of these cases involve claims by loan defaulters who instituted the suits as pre-emptive actions to delay the Bank's recovery efforts in respect of their outstanding obligations under various loan facilities.  Therefore, the Solicitors to the Transaction are of the view that the contingent liability that may arise from the cases involving the Bank where same are competently and diligently defended, is not likely to have a material adverse effect on the Bank or the Transaction.

### Directors:

Mr. Mustafa Kemal Chike-Obi (Chairman)

2, Kofo Abayomi Street

Victoria Island

Lagos

Mrs. Nneka C. Onyeali-Ikpe (Managing Director)

2, Kofo Abayomi Street

Victoria Island

Lagos

Mr. Stanley Chiedoziem Amuchie (Executive)

2, Kofo Abayomi Street

Victoria Island

Lagos

Dr. Kenneth Onyewuchi Opara (Executive)

2, Kofo Abayomi Street

Victoria Island

Lagos

Mrs. Pamela Iyabo Shodipo (Executive)

2, Kofo Abayomi Street

Victoria Island

Lagos

Mr. Abolore Solebo (Executive)

2, Kofo Abayomi Street

Victoria Island

Lagos

Mr. Kevin Onyekachi Chukwuma Ugwuoke (Executive)

2, Kofo Abayomi Street

Victoria Island

Lagos

Mr. Chidi B. Agbapu

2, Kofo Abayomi Street

Victoria Island

Lagos

Mrs. Morohunke Adenike Bammeke

2, Kofo Abayomi Street

Victoria Island

Lagos

Alhaji Isa Mohammed Inuwa

2, Kofo Abayomi Street

Victoria Island

Lagos

Chief Nelson Chidozie Nweke

2, Kofo Abayomi Street

Victoria Island

Lagos

Engineer Henry Ikemefuna Chukwuma

Obih

2, Kofo Abayomi Street

Victoria Island

Lagos

Mr. Chinedu Eric Okeke

2, Kofo Abayomi Street

Victoria Island

Lagos

Mrs. Nwamaka Theodora Onwughalu

2, Kofo Abayomi Street

Victoria Island

Lagos

# **Company Secretary:**

Mrs. Ezinwa Unuigboje

2, Kofo Abayomi Street

Victoria Island

Lagos

### **Audit Committee:**

Alhaji Isa Mohammed Inuwa (Chairman)

2, Kofo Abayomi Street

Victoria Island

Lagos

Mrs. Morohunke Adenike Bammeke

(Member)

2, Kofo Abayomi Street

Victoria Island

Lagos

Chief Nelson Chidozie Nweke (Member)

2, Kofo Abayomi Street

Victoria Island

Lagos

Mr. Chinedu Eric Okeke (Member)

2, Kofo Abayomi Street

Victoria Island

Lagos

### **PROFESSIONAL PARTIES**

Lead Issuing House:

Stanbic IBTC Capital Limited

I.B.T.C. Place

Walter Carrington Crescent

Victoria Island

Lagos

**Joint Issuing Houses:** 

Iron Global Markets Limited House 6. The Address Homes

5, Banana Island Road

Ikoyi

Lagos

Cowry Asset Management Limited

1319, Karimu Kotun Street

Victoria Island

Lagos

Afrinvest Capital Limited

27 Gerrard Road

Ikoyi

Lagos

**FSL Securities Limited** 

Plot 688, Ahmodu Tijani Close

Victoria Island

Lagos

Futureview Financial Services Limited

Futureview Plaza

Plot 22, Oju-Olobun Close

Victoria Island

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Iroko Capital Market Advisory Limited

4b, Olayinka Omololu Close

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Lagos

Kairos Capital Limited

2nd Floor, Foresight House

163/165, Broad Street

Marina

Lagos

Planet Capital Limited

3rd & 4th Floors, St Peter's House

3, Ajele Street

Marina

Lagos

Stockbrokers:

APT Securities and Funds Limited

29. Marina Street

Lagos

Cashville Investment and Securities Limited

22, Idowu Taylor Street

Victoria Island

Lagos

Chartwell Securities Limited

13. CIPM Avenue

Central Business District, Alausa

Ikeja

Lagos

Cordros Securities Limited

70, Norman Williams Street

lkoyi

Lagos

Dynamic Portfolio Limited

20 Campbell Street

Lagos

Greenwich Securities Limited

Plot 1661 Oyin Jolayemi Street

Victoria Island

Lagos

**GTI Securities Limited** 

GTI House

4, Tinubu Street

Central Business District

Lagos

Mega Equities Limited

4AA, Force Road

Onikan

Lagos

Meristem Stockbrokers Limited

20A, Gerrard Road

Ikoyi

Lagos

**Network Capital Limited** 

13, Maitama Sule Street

South-West

Ikoyi

Lagos

Solid Rock Securities & Investment PLC

3rd Floor, Medife House

58/60, Broad Street

Lagos

# **PROFESSIONAL PARTIES**

### Solicitors to the Bank:

Olaniwun Ajayi LP The Adunola Plot L2, 401 Close Banana Island, Ikoyi Lagos

# Solicitors to the Issue:

Banwo & Ighodalo 48 Awolowo Road South-West Ikovi Lagos

**Detail Commercial Solicitors** 

DCS Place 8, DCS Street Lekki Phase 1 Lagos

# **Receiving Banks:**

Access Bank PLC Oniru Estate Victoria Island Lagos

First Bank of Nigeria Limited Samuel Asabia House 35, Marina Lagos

**Guaranty Trust Bank Limited** 635, Akin Adesola Street Victoria Island Lagos

Stanbic IBTC Bank Limited I.B.T.C. Place. Walter Carrington Crescent Victoria Island Lagos

Zenith Bank PLC

Plot 87, Ajose Adeogun Street

Victoria Island

Lagos

#### **Auditors:**

Deloitte & Touche Civic Towers Plot GA 1, Ozumba Mbadiwe Avenue Victoria Island Lagos

# **Reporting Accountants:**

Mazars Professional Services 18, Oba Akran Avenue Ikeja Lagos

### Registrars:

First Registrars and Investor Services Limited 2, Abebe Village Road Iganmu Lagos



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RC: 103022



April 4, 2024

2, Kofo Abayomi Street Victoria Island Lagos Nigeria www.fidelitybank.ng

To: All Shareholders of Fidelity Bank PLC

Dear Sir/Madam,

RIGHTS ISSUE OF 3,200,000,000 ORDINARY SHARES OF 50 KOBO EACH AT #9.25 PER SHARE IN FIDELITY BANK PLC

#### Introduction

At the Extra-ordinary General Meeting of Fidelity Bank PLC ("Fidelity Bank" or the "Bank") duly convened and held virtually on 11 August 2023, the Shareholders of the Bank (the "Shareholders") authorized, amongst other things, the Bank to undertake a capital raising exercise via a Public Offer of up to 10,000,000,000 Ordinary Shares of 50 kobo each and Rights Issue of up to 3,200,000,000 Ordinary Shares of 50 kobo each representing 1 (one) new share for every ten (10) shares held, to new investors and existing shareholders respectively. Consequently, the Board of Directors (the "Board" or the "Directors") of the Bank appointed professional advisers for the purpose of the capital raising exercise to ensure that all necessary documentations were done and all approvals from the regulators were obtained.

Following your authorization to raise capital and after careful deliberation with the Board, I am pleased to inform you that the Board resolved the following:

- The Public Offer by way of an Offer for Subscription of 10,000,000,000 Ordinary Shares of 50 kobo to be undertaken at an Offer price of ₩9.75 per share; and
- The Rights Issue of 3,200,000,000 Ordinary Shares of 50 kobo each on the basis of 1 (one) new share for every ten (10) shares held on the Rights Issue qualification date, to be undertaken at an Issue price of at ₦9.25 per share.

Requisite approvals have been sought from the Securities and Exchange Commission and the Nigerian Exchange Limited for the registration and subsequent listing of the shares now being issued under the Public Offer and Rights Issue.

The purpose of this letter is to set out the strategic rationale for the Public Offer and Rights Issue, and explains why the Board believes that it is in the best interest of Fidelity Bank, its Shareholders and investors as a whole.

### Rationale for the Public Offer and Rights Issue

Due to the advances in technology, the rapid evolution of the business of banking and changes in the operating landscape, it is imperative that Fidelity Bank remains agile, adaptable, and properly positioned to respond appropriately to developments, whilst remaining a competitive and forward-looking institution. To ensure that the Bank is well positioned to navigate possible headwinds in the economy and take advantage of emerging business opportunities, the Bank's management team seeks to undertake landmark projects and business initiatives that will redefine the Bank's business structure, diversify its earnings base and ultimately grow its market share in the real sector of the economy.

www.fidelitybank.ng

Fidelity Bank Pic 2 Kofo Abayomi Street, Victoria Island, Lagos, Nigeria P.O.Box 72439, Victoria Island, Lagos Swift: FIDTNGLA +234(1)2700530-3, 0(1)4485252 info@fidelitybank.ng

Mr. Mustafa Chike-Obi (Chairman), Mr. Chidi B. Agbapu (Non-Executive Director), Alhaji Mohammed Inuwa (Independent Non-Executive Director), Engr. Henry (Obi (Independent Non-Executive Director), Mrs. Amaka 'Donwaphalu (Non-Executive Director), Mrs. Amaka 'Donwaphalu (Non-Executive Director), Mrs. Amaka 'Donwaphalu (Non-Executive Director), Mrs. Morebunke A. Bammeke (Independent Non-Executive Director), Mrs. Nneka 'Ohyaali-lkpe (Managing Director)/CEO), Mr. Hassalmam (Executive Director), Mrs. Revin 'Ugwuoke (Executive Director), Dr. Ken 'Opara(Executive Director), Mr. Stanley C. Amuchie (Executive Director), Mrs. Pamela Shodipo (Executive Director)





With a view of broadening its focus, the Bank aspires to expand its service touchpoints beyond the Nigerian market to select African countries in the medium to long term, taking a cautious but value driven approach towards foreign market entry. Also, the Bank plans to capitalise on the vast opportunities available in Nigeria and as such considers it imperative to expand its existing domestic business. Lastly, the Bank is committed to its strategic plan of providing straight-through services that meet and exceed the needs of its growing clientele. To this end, the Bank plans to invest further in its information technology infrastructure to enhance and improve its digital capabilities.

As evident by the Bank's financial performance, the Bank is on a strong growth trajectory and intends to continue to execute its growth strategy through the initiatives highlighted. For this reason, the Board and shareholders have approved raising fresh capital through a Public Offer and Rights Issue, for the Bank to increase its long-term capital base required to execute these initiatives.

#### Use of proceeds

The net proceeds of the Public Offer and Rights Issue will be used to (i) invest in and upgrade existing information and technology infrastructure, (ii) expand the business franchise across the Retail, Small and Medium Enterprises and Corporate and Commercial segments of the Bank, as well as acquire banking licenses in select African countries where value adding opportunities exist, and (iii) invest in product distribution channels.

#### Principal Terms of the Rights Issue

The Bank is offering 3,200,000,000 new Ordinary Shares of 50 kobo each at \$\frac{1}{2}\$. Per share by way of a Rights Issue to shareholders whose names appear on the Register of Members of the Company as at the close of business on Friday, 05 January 2024, being the date that the application was submitted to the NGX. The shares will rank pari-passu in all respects with the existing issued Ordinary Shares of the Bank, including the right to receive dividends declared after the date of issue, provided that the qualification date for the dividend (or any other distribution) declared is after the allotment of the shares.

The Rights Circular contains general information relating to our Bank, including our Bank's history, summary historical financial information, details regarding the Bank's strengths as well as future plans. The Rights Circular also contains a provisional allotment letter from the Company Secretary, which provides full instructions for the acceptance, payment and renunciation of your rights to the provisional allotment.

# Conclusion

On a final note, the Board and Management of Fidelity Bank are optimistic that in the absence of unforeseen contingencies, the Bank will continue to record significant growth and improvement in its operations over the coming years and be in compliance with the relevant regulatory requirements subsequent to the closure of this Rights Issue. Consequently, I strongly believe that the future of the Bank remains very bright and filled with opportunities which we will harness. I believe this Rights Issue will create a win-win for both the Bank, the investors, the shareholders and other stakeholders in translating this investment into significant economic benefits and enhanced shareholder value. I, therefore, encourage you to carefully consider the opportunity to exercise your rights in full, to reaffirm your support for our Bank and as a declaration of your continued confidence in its growth potential.

Thank you.

Yours faithfully; For: Fidelity Bank PLC

su In Me

Mr. Mustafa Kemal Chike-Obi

Chairman

www.fidelitybank.ng

RC: 103022

#### **RISK FACTORS**

The business activities of the Bank are subject to risks that may impact the performance of the Bank and the industry in which it operates. The Bank believes that the following factors may affect its ability to fulfil its obligations. Most of these factors are contingencies that may or may not occur and the Bank is not in a position to express a view on the likelihood of any such contingency occurring. In addition, factors that are material for the purpose of assessing the market risks associated with this Rights Issue are also described below. If the risks described below materialize, the Bank's business, result of operations, financial condition, and/or prospects could be materially adversely affected. The Bank believes that the factors described below represent the principal risks inherent in investing in the Bank. This section does not describe all the risks, the risks in this section are provided as general information only. Therefore, shareholders and prospective investors should carefully consider, amongst other things the Bank's business and the industry in which it operates, the following risk factors together with all other information included in this Rights Circular and reach their own views prior to making any investment decision.

The Bank disclaims any responsibility for advising shareholders and prospective investors of such risks as they exist at the date of this Rights Circular or as such risks may change from time to time. Shareholders and prospective investors should consult their own financial and legal advisers about the risks associated with an investment in the Issue Shares.

An investment in the Shares involves certain risks most of which may or may not occur and neither the Bank nor the Issuing Houses are in a position to express a view on the likelihood of any such contingency occurring.

#### **Political Risk**

The Bank is faced with potential changes in government policies and other government actions that can affect the business negatively. Most of the Bank's operations are conducted, and substantially all of its customers are located in Nigeria. As such the Bank's financial position, results of operations and ability to make recoveries on its loans are substantially dependent on the economic and political conditions prevailing in Nigeria and the wider West-African region. In the event of political instability or economic uncertainty in Nigeria or West Africa, the Bank's results of operations are likely to be adversely affected. Nigeria's diverse political, religious and ethnic landscape has led to struggles for power between rival groups. The Nigerian political climate is predominantly controlled by two political parties; the People's Democratic Party ("PDP") and All Progressives Congress ("APC"), with an emerging third force; the Labour Party ("LP").

The country recently concluded the 2023 general elections, and the Presidential election was won by the incumbent party, APC. Bola Ahmed Tinubu, of the APC was declared the winner of the 25 February 2023 election and assumed office on 29 May 2023. Any significant changes in the political climate in Nigeria, including changes affecting the stability of the Nigerian government or involving a rejection, reversal or significant modification of policies, such as President Tinubu's policy on the removal of subsidies on premium motor spirits, may have negative effects on the economy, government revenues or foreign reserves and, as a result, a material adverse effect on the Bank's business, results of operations, financial condition and/or prospects.

There are many layers to the conflicts in Nigeria, involving religion and ethnicity, and competition for power and resources. In recent years, the number of terrorist attacks has increased due to the growth of extremist groups such as Boko Haram, radical Fulani herdsmen and the activities of various separatist groups such as the Indigenous People of Biafra. The consequences are far-reaching and threaten national security and the economy. Increases of such terrorist events and the geographic spread of extremist groups may have a material adverse effect on the Bank's business, results of operations, financial condition and/or prospects.

### **Macroeconomic Risk**

The Bank's operations are predominantly conducted in Nigeria, where most of its customers also reside. Accordingly, the Bank's business, result of operations, financial condition and ability to recover on its loans and other assets, depend significantly on the economic condition prevailing in the country.

In the recent years, Nigeria has experienced periods of slow or negative growth, high inflation and fluctuations in the Naira, including instances of Naira devaluation. In 2023, Nigeria's GDP grew by 2.74% (YoY) in real terms, although slower than the 3.10% recorded in 2022 according to the NBS.



### **RISK FACTORS**

The Nigerian economy is highly dependent on a number of external variables beyond the control of policy makers and domestic agents. Most important among those variables is the price of crude oil, which is highly uncertain and is driven by the vagaries in the international crude oil market. With crude oil accounting for more than 90% of Nigeria's exports, 25% of its GDP and 80% of its public revenue, a fairly small price change can have a significant impact.

# **Regulatory Risk**

The Bank is subject to the risk of being sanctioned by the CBN for non-compliance with applicable regulations. The powers of the CBN under the laws and regulations are extensive. The CBN has recently targeted Nigerian banks who fail to meet minimum capital reserves, taking action directly against senior management. The Bank is also subject to the regulatory purview of other regulators such as the FRCN whose sanctions could have a material adverse effect on the Bank's business, results of operations and financial condition. The FRCN was set up to develop and publish accounting and financial reporting standards to be observed in the preparation of financial statements of public entities in Nigeria including the Bank.

The Bank is not currently facing any actual or threatened penalties by the CBN or other regulators. However, regulators regularly review the business conduct and policies of the Bank, and the Bank may be subject to sanctions for any non-compliance.

In the Nigerian banking sector, there are capital adequacy requirements which must be adhered to by the Banks. There can be no assurance that the CBN will not further amend or raise the capital requirements applicable to the Bank and if the Bank requires additional capital in the future, there can be no assurance that it will be able to obtain this capital on favourable terms, in a timely manner or at all. The Bank's capital adequacy could decline as a result of various factors, such as a decline in the quality of the Bank's credit portfolio or exchange rate movements, or additional loan loss impairment arising from the ongoing risk assets examination by the CBN.

Furthermore, the CBN has begun the implementation of Basel III guidelines in Nigeria. The implementation of the Basel III guidelines could significantly increase the minimum quantity and quality of capital that the Bank is obliged to maintain. Increased capital costs may adversely affect the Bank's ability to implement its strategic plans and may ultimately have a material adverse effect on the Bank's business, results of operations and/or financial condition.

## Foreign Exchange Risk

The Bank is exposed to foreign exchange risk, as a result of adverse movements in exchange rates, primarily through its borrowings, loan and deposit portfolios that are denominated in foreign currencies and through acting as an intermediary in foreign exchange transactions. Following the CBN's free-float measures, which resulted in a significant devaluation in the Naira, the Bank is exposed to increased costs from foreign exchange-related contracts and other operating expenses.

Following the promise of the newly sworn in administration to make changes to the operations of the apex bank, the CBN abolished all segments of the foreign exchange market and collapsed all to the NAFEM. Pursuant to the unification of the foreign exchange rate windows, the CBN announced the reintroduction of the "Willing buyer, Willing seller" model at the NAFEM meaning that market forces shall determine the value of foreign currencies. Following these operational changes set by the CBN, the Naira has depreciated against the dollar by 94.30% since 09 June 2023 to close at US\$1/\text{\text{\text{N}}}899.39 on 29 December 2023.

Fidelity Bank's efforts to keep such costs within planned thresholds by accessing the over-the-counter foreign exchange forwards window proposed by the CBN may not be sufficient. Furthermore, movement in exchange rates that result in the devaluation of the Naira, may affect the value of the Bank's foreign currency denominated assets and liabilities and have a negative impact on the Bank financial condition. The Bank may experience a decline in the value of its assets following the Naira depreciation. As such, any further significant fluctuations in the Naira against such foreign currencies could have a material adverse effect on the Bank's financial condition, liquidity and / or results of operations.

#### **Industry Risk**

The Nigerian banking and financial services market is highly competitive with a wide range of complex challenges such as navigating financial market uncertainties, evolving consumer demands and outpacing digitally savvy new competitors. Similarly, there has been recent surge of foreign direct investments by some of the reputable global names as well as new entrants in the Nigerian banking sector. Foreign entrants are expected to come to the market with experience and capacity that will change the phase of competition in the market. Although the Bank has achieved consistent and profitable growth, it may be unable to improve its market position, especially as the market gets more concentrated due to the entry of more global players.

Against this background, the Bank's growth depends on its ability to retain and grow its market share, extend its distribution network, manage its cost base, access low cost deposits and growth quality risk assets, in order to allow it to maintain strong levels of profitability and returns despite being required to hold higher levels of capital by the CBN, as well as its internal policy of capital ratios in addition to those required by regulations. If the Bank is not able to generate the profitability, economies of scale and financial capacity to enable it to compete with the largest Nigerian banks, the Bank's business, financial condition, results of operations and/or prospects may be materially and adversely affected.

#### Financial / Credit Risk

The Bank is exposed to a range of financial risks through its financial instruments. Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Fidelity Bank is exposed to such risks relating to its loans and receivables, finance lease receivable, statutory deposits and bank balances. The Bank's business, results of operations, financial condition and prospects depends on an accurate assessment of the creditworthiness of its clients, the adequacy of its provisioning levels and the continued management and monitoring of the risks of its loan portfolio.

The financial performance of Nigerian companies is generally more variable, and their credit risks are, on average, less predictable than those of similar companies doing business in more developed economies, which makes assessment more difficult. In addition, an accurate assessment of credit risk may be difficult due to the fact that good quality financial and credit information may not be available. Therefore, notwithstanding the Bank's credit risk evaluation procedures, the Bank may be unable to accurately assess the current financial condition of existing or potential borrowers and to accurately determine the ability of such borrowers to repay the relevant loan or other type of credit. Furthermore, the retail lending market in Nigeria is relatively underdeveloped and limited resources are available to Nigerian banks to ascertain the credit history of individual borrowers. Therefore, the Bank may be unable to evaluate the current condition and prospects of each prospective borrower.

## **Investment Risk**

The Bank's shares may be subject to market price volatility on the secondary market, as a result of sales or a real or perceived possibility of sales of a significant number of the Bank's shares in the secondary market which could adversely affect the prevailing market prices for the Bank's shares. Also, the market price of the Bank's Shares may decline disproportionately in response to adverse economic developments, market forces, changes to the regulatory environment in which the Bank operates or economic conditions that are unrelated to the Banks's performance. Additionally, there may not always be available a liquid market for the secondary trade of the Bank's shares due to the state of the Nigerian equity capital market, when compared to other markets. Thus, investors may not always find a ready buyer for their shares or may not be able to sell their shares at prices that will provide them with a return that is comparable to other developed secondary markets.

Relatedly, by the provisions of the CAMA, dividends on shares are only payable out of distributable profits. As a result, shareholders may not always receive dividends on their investment in the Bank's shares due to certain factors such as where there are no distributable profits available to pay dividends or where dividend payments are restricted by the CBN due to the failure of the Bank to comply with capital adequacy requirements or meet any other requirements of applicable laws or regulations.

# **RISK FACTORS**

# **Operational Risk**

The Bank has devoted significant resources to developing its internal risk management policies and procedures, particularly in connection with operational risks, and expects to continue to do so in the future. Nonetheless, its risk management techniques may not be fully effective in mitigating its risk exposure against all types of risk, including risk of loss resulting from inadequate and/or failed internal processes, people and systems or from external events such as failure of the Bank's internal software, defaults by its vendors and service providers that are unidentified or unanticipated. Such operational issues may negatively impact the business of the Bank and may expose it to potential losses and claims.



RC: 103022

April 2, 2024

The Directors Stanbic IBTC Capital Limited I.B.T.C. Place Walter Carrington Crescent Victoria Island, Lagos

The Directors Afrinvest Capital Limited 27, Gerrard Road Ikoyi Lagos

The Directors Iroko Capital Market Advisory Limited 4b, Olayinka Omololu Close Victoria Island Lagos

Dear Sirs

The Directors Iron Global Markets Limited House 6, The Address Homes 5, Banana Island Road Ikoyi, Lagos

The Directors FSL Securities Limited Plot 688, Ahmodu Tijani Street Victoria Island Lagos

The Directors Kairos Capital Limited 2nd Floor, Foresight House 163/165, Broad Street Marina, Lagos



The Directors Cowry Asset Management Limited 1319, Karimu Kotun Street Victoria Island Lagos

The Directors
Futureview Financial Services Limited
Futureview Plaza
Plot 22, Oju-Olobun Close
Victoria Island, Lagos

The Directors
Planet Capital Limited
3rd & 4th Floors, St Peter's House
3, Ajele Street
Marina, Lagos

Fidelity Bank PLC's Offer for Subscription of 10,000,000,000 Ordinary Shares of 50 kobo each at ₦9.75 per share and Rights Issue of 3,200,000,000 Ordinary Shares of 50 kobo each at ₦9.25 per share (the "Combined Offers")

The Directors of Fidelity Bank Plc ("Fidelity Bank" or the "Bank") are accountable and responsible for the performance and operations of the Bank. Specifically, and in line with the provisions of the Companies and Allied Matters Act, 2020 ("CAMA"), the Directors owe the Bank a duty of care and must, at all times act in the best interest of the Bank's stakeholders.

The Directors are required to prepare financial statements at the end of each financial period, which give a true and fair view of the Bank's state of affairs and of the profit and loss for the relevant accounting period. The Directors are also responsible for ensuring that proper accounting records are maintained and steps are taken to prevent and detect fraud and other irregularities. The Directors are also responsible for selecting suitable accounting policies and applying them on a consistent basis, making judgements and estimates that are prudent and reasonable.

The applicable International Financial Reporting Standards (IFRS) have been followed and Fidelity Bank's financial statements for the years ended 31 December 2018 to 2023 have been prepared using accounting policies, which comply with the IFRS, CAMA, the Financial Reporting Council of Nigeria Act, 2011, the Banks and Other Financial Institutions Act, 2020 and relevant Central Bank of Nigeria's circulars.

The Directors of Fidelity Bank, having made appropriate enquires, reviewed budgets, projected cash flows and other relevant information, consider that the Bank has adequate resources to continue as a going concern in the foreseeable future.

This letter has been prepared and issued only for the purposes of complying with the rules and regulations of Securities and Exchange Commission in relation to the Combined Offers.

STANLEY AMUCHIE

Yours faithfully

Director

www.fidelitybank.ng

ZINWA UNUIGEOJE

Company Secretary

Fidelity Bank Pic 2 Kofo Abayomi Street, Victoria Island, Lagos, Nigeria P.O.Box 72439, Victoria Island, Lagos Swift: FIDTNGLA +234(1):2700530-3, 0(1)4485252 info@fidelitybank.ng

Mr. Mustafa Chike-Obi (Chairman), Mr. Chidi B. Aghapu (Non-Executive Director), Alhaji Mohammed Inuwa (Independent Non-Executive Director), Engr. Henry (Dbih (Independent Non-Executive Director), Mrs. Amaka (Director), Mrs. Amaka (Director), Mrs. Morehunke A. Bammeke (Independent Non-Executive Director), Mrs. Inneka (Director), Mrs. Morehunke A. Bammeke (Independent Non-Executive Director), Mrs. Nineka (Director) (Mrs. Morehunke A. Bammeke (Independent Non-Executive Director), Mrs. Nineka (Director) (Mrs. Amaka (Director), Mrs. Stanley C. Amuchie (Executive Director), Mrs. Pamela Shodipo (Executive Director) (Mrs. Pamela Shodipo (Executive Director))

Rights Circular



P.O. Box 965 Lagos Nigeria

Deloitte & Touche Plot GA 1, Ozumba Mbadiwe Avenue Victoria Island Lagos Nigeria

Kairos Capital Limited (Joint Issuing House)

Futureview Financial Services Limited (Joint

Tel: +234 (1) 904 1700 www.deloitte.com.ng

The Managing Director

163/165, Broad Street

The Managing Director

Plot 22, Oju Olobun Close

Issuing House)

Off Idejo Street

Victoria Island, Lagos

Futureview Plaza,

Marina

Lagos

2nd Floor, Foresight House

24 April, 2024

#### The Board of Directors

Fidelity Bank PLC 2, Kofo Abayomi Street Victoria Island Lagos

### The Managing Director

Ikoyi, Lagos

The Managing Director

Iron Global Markets Limited

House 6. The Address Homes

(Joint Lead Issuing House)

No 5, Banana Island Road

Stanbic IBTC Capital Afrinvest Capital Limited (Joint Issuing House) No 27 Gerrard Road Ikoyi Lagos State

#### The Managing Director

Iroko Capital Market Advisory Limited (Joint Issuing House) 4b Olayinka Omololu Close Off Aj Marino Drive Victoria Island Lagos

#### The Chief Executive Officer

IBTC Place Walter Carrington Crescent Victoria Island Lagos

#### The Managing Director

Planet Capital Limited (Joint Issuing House) 3rd & 4th Floors, St Peter's House 3, Ajele Street P. O. Box 360, Marina Lagos

Dear Sir/Madam,

#### Confirmation of Going Concern Status of Fidelity Bank Plc

Based on our audit of the financial statements of the Issuer for the year ended 31 December 2023, for which we issued our Auditor's Report dated April 12, 2024, we confirm that nothing has come to our attention that causes us to believe that Issuer will not continue as a going concern within the next 12 months from the date of our audit report and therefore, consider it appropriate that the Directors have prepared the financial statements for the year ended 31 December 2023 on a going concern basis.

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 reference to material uncertainty about the Bank's ability to continue as a going concern in our Auditor's Report is not a guarantee as to the Bank's ability to continue as a going concern.

This letter has been prepared only for the purposes of compliance with the rules and regulations of the Securities and Exchange Commission. Therefore, we did not perform additional procedures subsequent to our Auditor's Report dated April 12, 2024.

Yours faithfully

Yodetayo Yetunde Odetayo



Associate of Deloitte Africa, a Member of Deloitte Touche Tohmatsu Limited



Fidelity Rights Circular

### **INCORPORATION BY REFERENCE**

The following documents which have previously been published, and have been filed with the SEC, shall be incorporated in, and form part of, this Rights Circular:

- a) the audited financial statements of Fidelity Bank for the year ended 31 December 2023;
- b) the audited financial statements of Fidelity Bank for the year ended 31 December 2022;
- c) the audited financial statements of Fidelity Bank for the year ended 31 December 2021;
- d) the audited financial statements of Fidelity Bank for the year ended 31 December 2020; and
- e) the audited financial statements of Fidelity Bank for the year ended 31 December 2019.

Copies of the documents incorporated by reference will be available for inspection during normal business hours on any Business Day, from Thursday, 20 June 2024 to Monday, 29 July 2024, at the registered office of Fidelity Bank PLC located at Fidelity Place, 2 Kofo Abayomi Street, Victoria Island, Lagos and its website at www.fidelitybank.ng. The documents would also be available at the offices of the Issuing Houses.



# 1. STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

	Audited					
	31-Dec	31-Dec	31-Dec	31-Dec	31-Dec	
Figures in #'million, except as stated otherwise	2023	2022	2021	2020	2019	
Gross Earnings	555,830	337,050	250,776	206,204	218,011	
Interest and similar income calculated using effective interest rate method	434,008	278,406	186,784	168,551	179,491	
Other interest and similar income	25,522	17,172	16,782	8,202	5,350	
Interest and similar expense calculated using effective interest rate method	(182,165)	(142,883)	(108,687)	(72,630)	(101,786)	
Net interest income	277,366	152,695	94,879	104,123	83,055	
Credit loss expense	(67,436)	(5,443)	(7,034)	(16,858)	5,292	
Net interest income after credit loss expense	209,929	147,252	87,845	87,265	88,347	
Fee and commission income	49,600	34,418	29,407	19,853	25,262	
Fee and commission expense	(11,812)	(12,695)	(8,624)	(6,144)	(5,268)	
Net loss on derecognition of financial assets measured at amortised cost	_	-	-	-	(4,705)	
Other operating income	46,700	7,054	17,803	9,598	7,908	
Net gains/(losses) from financial assets at fair value through profit or loss	24,783	(1,568)	(4,904)	1,115	801	
Personnel expenses	(52,619)	(29,731)	(23,470)	(25,367)	(24,129)	
Depreciation and amortisation	(7,042)	(6,616)	(7,174)	(6,207)	(5,421)	
Other operating expenses	(135,278)	(84,437)	(65,668)	(52,059)	(52,442)	
Profit before income tax	124,260	53,677	25,215	28,054	30,353	
Income tax expense	(24,806)	(6,953)	(2,111)	(1,404)	(1,928)	
Profit for the period	99,454	46,724	23,104	26,650	28,425	
Other comprehensive income: Items that will not be reclassified subsequently to profit or loss Fair value gains on equity	12 001	444	7 017	2 140	7 476	
instruments at fair value through other comprehensive income	13,981	444	7,917	3,149	7,476	
Total items that will not be reclassified subsequently to profit or loss	13,981	444	7,917	3,149	7,476	
Items that will be reclassified subsequently to profit or loss						
Exchange differences on translation of foreign operations	6,050	-	-	-	-	
- Net change in fair value during the period	9,035	(4,403)	(6,777)	19,338	4,134	
- Changes in allowance for expected credit losses	428	24	(617)	2	504	
- Reclassification adjustments to profit or loss	847	(693)	(5,494)	(3,843)	2,261	
Total items that will be reclassified subsequently to profit or loss	16,360	(5,072)	(12,888)	15,497	6,899	
Other comprehensive (loss)/income for the period, net of tax	30,341	(4,628)	(4,971)	18,646	14,375	
Total comprehensive income for the period, net of tax	129,795	42,096	18,133	45,296	42,800	
Basic/diluted earnings per share (in Kobo):						
Earnings/(Loss) per share	310.79	161.32	79.77	92.00	98.00	

<sup>\*</sup> Figures were restated in subsequent audited financial statements and might not correspond to figures stated in the specific financial year.



# 2. STATEMENT OF FINANCIAL POSITION

			Audited		
	31-Dec	31-Dec 2022	31-Dec 2021	31-Dec 2020	31-Dec 2019
Figures in ₦'million, except as stated otherwise	2023				
Assets					
Cash and Cash equivalents	364,177	300,345	219,252	328,493	259,915
Restricted balances with		,			
central bank	1,174,398	863,090	686,097	540,129	343,346
Loans and advances to customers	3,092,419	2,116,212	1,658,412	1,326,106	1,126,974
Derivative financial assets	10,723	4,778	49,574	7,072	_
Investment securities:					
Financial assets at fair value through profit or loss	7,684	2,036	5,207	47,118	45,538
Debt instruments at fair value through other comprehensive income (FVOCI)	227,750	28,696	100,008	265,980	134,846
Equity instruments at fair value through other comprehensive income (FVOCI)	41,550	27,560	26,207	17,685	14,536
Debt instrument at amortised cost	818,803	479,592	441,452	137,804	118,569
Deferred tax assets	22,554	5,306	-	-	_
Other assets	403,763	112,915	49,357	44,380	28,756
Right-of-use assets	3,270	1,799	1,477	1,652	1,52
Property, plant and equipment	47,382	42,657	39,442	38,446	38,39
Goodwill	14,650	-	-	-	
Intangible assets	5,564	4,023	3,968	3,283	1,63
Total assets	6,234,688	3,989,009	3,280,453	2,758,148	2,114,03
Liabilities					
Deposits from customers	4,014,811	2,580,597	2,024,803	1,699,026	1,225,213
Derivative financial liabilities	4,014,011	1,208	425	1,099,020	1,223,21.
Current income tax payable	26,835	8,446	3,523	2,307	2,33
Deferred tax liabilities	22,905	5,629	3,323	2,307	2,33
Other liabilities	1,152,369	815,407	495,597	517,093	397,07
Provision	3,434	1,896	2,399	4,075	3,79
Debts issued and other					
borrowed funds	577,028	261,466	468,413	260,971	251,58
Total liabilities	5,797,381	3,674,649	2,995,160	2,484,615	1,880,00
Equity					
Share capital	16,000	14,481	14,481	14,481	14,48
Share premium	113,705	101,272	101,272	101,272	101,27
Retained earnings	65,508	44,883	55,241	66,700	43,64
Other equity reserves:	,				,-
Statutory reserve	66,270	51,352	44,343	39,006	35,00
Small scale investment reserve	764	764	764	764	76
Non-distributable regulatory reserve	100,279	62,144	27,440	6,365	13,89
Translation reserve	6,050	-	-	-	
Fair value reserve	54,310	30,019	34,644	39,615	20,96
AGSMEIS Reserve	14,422	9,445	7,109	5,330	3,99
Total equity	437,307	314,360	285,294	273,533	234,03
Total liabilities and equity	6,234,688	3,989,009	3,280,454	2,758,148	2,114,03
. J.a. nas.maoo ana oquity	J,207,000	5,555,555	5,200,707	_,. 00, 170	_,.,-,00

# 3. STATEMENT OF CASH FLOWS

			Audited		
	31-Dec	31-Dec	31-Dec	31-Dec	31-Dec
Figures in #'million, except as stated otherwise	2023	2022	2021	2020	2019
Operating Activities					
Cash flows from/(used) in operations	382,187	178,614	(201,894)	143,867	(99,598)
Interest received	330,193	250,701	179,317	150,922	164,200
Interest paid	(182,311)	(130,016)	(84,032)	(50,734)	(89,455)
Income tax paid	(6,277)	(1,707)	(581)	(1,436)	(1,198)
Net cash flows (used in) operating activities	523,792	297,592	(107,190)	242,619	(26,051)
Investing activities					
Purchase of property, plant and equipment	(9,537)	(7,124)	(4,352)	(3,366)	(5,774)
Proceeds from sale of property, plant and equipment	87	118	145	74	2,939
Purchase of intangible assets	(2,851)	(2,246)	(3,901)	(3,994)	(2,183)
Purchase of debt instruments at amortised cost	(173,688)	(27,028)	(89,436)	(86,485)	(51,409)
Purchase of debt instruments at FVOCI	(647,686)	(245,918)	(357,286)	(227,986)	(124,560)
Redemption of financial assets at amortised cost	260,952	241,715	65,812	70,325	54,556
Redemption of debt financial assets at FVOCI	16,824	77,817	214,502	118,111	152,922
Proceeds from sale of equity instruments at FVOCI	-	(909)	(622)	-	2,918
Acquisition of a subsidiary	(40,845)	-	-	-	-
Dividend received	2,018	397	817	855	1,392
Net cash flows (used in)/from investing activities	(594,725)	36,822	(174,321)	(132,466)	30,801
Financing activities					
Dividends paid	(20,800)	(13,033)	(6,372)	(5,793)	(3,186)
Unclaimed dividend payment	1,960	(429)	-	-	-
Lease payment	(532)	(535)	(676)	(796)	(494)
Proceeds of debts issued and other borrowed funds	129,906	-	226,657	36,832	64,336
Payment of interest portion of debts issued and other borrowed funds	(4,804)	(28,625)	(29,299)	(24,903)	(19,567)
Repayment of principal portion of debts issued and other borrowed funds	(15,051)	(213,379)	(29,601)	(50,904)	(36,275)
Net cash flows (used in)/from financing activities	90,679	(256,001)	160,709	(45,564)	4,814
Net increase in cash and cash equivalents	19,745	78,413	(120,802)	64,589	9,564
Net foreign exchange difference on cash and cash equivalents	44,087	2,680	11,562	3,989	3,401
Cash and cash equivalents at 1 January	300,345	219,253	328,493	259,915	246,950
Cash and cash equivalents at 31 December	364,177	300,345	219,253	328,493	259,915

The resolution of the Board of Directors of Fidelity Bank recommending the Rights Issue is as follows:

RC: 103022



#### THE FEDERAL REPUBLIC OF NIGERIA

#### COMPANIES & ALLIED MATTERS ACT, L.F.N. 2020

#### PUBLIC COMPANY LIMITED BY SHARES

## CERTIFICATE NO. 103022

#### **BOARD RESOLUTION**

At the meeting of the Board of Directors of Fidelity Bank Plc, No. 2 Kofo Abayomi Street, Victoria Island, Lagos duly convened and held virtually on July 9, 2023, the underlisted resolutions were proposed and unanimously approved by the Board for shareholders' approval at the Company's Extra-Ordinary General Meeting:

- (A) Ordinary Resolutions:
- (1) "That the issued share capital of the Company currently №16,000,000,000.00 (Sixteen Billion Naira) made up of 32,000,000,000 Ordinary Shares of №0.50 each, be increased up to №22,600,000,000.00 (Twenty-two Billion, Six Hundred Million Naira) by the creation of up to 13,200,000,000 (Thirteen Billion, and Two Hundred Million) additional Ordinary Shares of №0.50 each."
- (2) "That the Company undertakes a capital raising exercise via a Public Offer of up to 10,000,000,000 Ordinary Shares and Rights Issue of up to 3,200,000,000 Ordinary Shares representing 1 (one) new share for every ten (10) shares held, to new and existing shareholders respectively."
- (3) "That the Board of Directors of the Company be and is hereby authorised to allot the shares issued in accordance with resolution (2) above, which shall rank pari-passu with the Company's existing issued shares, subject to the receipt of relevant regulatory approvals."
- (4) "That the Board of Directors be and is hereby authorised to perform all such lawful acts that are necessary to give effect to the above listed resolutions including but not limited to ensuring compliance with all regulatory procedures and requirements, obtaining all required approvals and filing within time, all regulatory returns in relation to the above resolutions."
- (B) Special Resolution:
- (5) "That the Memorandum and Articles of Association (Memart) of the Company be amended to reflect the Company's new issued share capital after the capital raising exercise in Resolution 2 above and that the Board of Directors be and is hereby authorized to file the amended Memart at the Corporate Affairs Commission."

DATED THE 9TH DAY OF JULY 2023

EZINWA UNUIGBOJE Company Secretary

STANLEY AMUCHIE Executive Director

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Fidelity Bank Plc 2 Kofo Abayomi Street, Victoria Island, Lagos, Nigeria P.O.Box 72439, Victoria Island, Lagos Swift: FIDTNGLA +234(1)2700530-3, 0(1)4485252 info@fidelitybank.ng

Mr. Mustafa Chike-Obi (Chairman), Mr. Chidi B. Agbapu (Non-Executive Director), Alhaji Mohammed Ihuwa (Independent Non-Executive Director), Engr. Henry (Dbih (Independent Non-Executive Director), Mrs. Amaka 'Dnwughalu (Non-Executive Director), Chief Nelson CNweke (Non-Executive Director), Mr. Chinedu EOkeke (Non-Executive Director), Mrs. Morohunke A. Bammeke (Independent Non-Executive Director), Mrs. Nneka Cnyeall-Ikpe (Managing Director/CEO), Mr. Hassdmam (Executive Director), Mrs. Revin Ugwuoke/Executive Director), Dr. Ken Opara (Executive Director), Mrs. Stanley C. Amuchie (Executive Director), Mrs. Pamela Shodipo (Executive Director)

The resolution of the Shareholders of Fidelity Bank authorising the Rights Issue is as follows:

RC: 103022



# THE FEDERAL REPUBLIC OF NIGERIA

### COMPANIES & ALLIED MATTERS ACT, L.F.N. 2020

#### PUBLIC COMPANY LIMITED BY SHARES

#### **CERTIFICATE NO. 103022**

# RESOLUTIONS PASSED AT THE EXTRA-ORDINARY GENERAL MEETING OF FIDELITY BANK PLC HELD ON AUGUST 11, 2023

At the Extra-Ordinary General meeting of FIDELITY BANK PLC, duly convened and held virtually via https://www.fidelitybank.ng/egm/ at No. 2 Kofo Abayomi Street, Victoria Island, Lagos by 10:00am on Friday, August 11, 2023 the following Ordinary Resolutions were proposed and duly passed:

- "That the issued share capital of the Company currently \$16,000,000,000.00 (Sixteen Billion (1) Naira) made up of 32,000,000,000 Ordinary Shares of N0.50 each, be increased up to N22,600,000,000.00 (Twenty-two Billion, Six Hundred Million Naira) by the creation of up to 13,200,000,000 (Thirteen Billion, and Two Hundred Million) additional Ordinary Shares of No.50
- "That the Company undertakes a capital raising exercise via a Public Offer of up to 10,000,000,000 Ordinary Shares and Rights Issue of up to 3,200,000,000 Ordinary Shares representing 1 (one) new share for every ten (10) shares held, to new and existing shareholders respectively."
- (3) "That the Board of Directors of the Company be and is hereby authorised to allot the shares issued in accordance with resolution (2) above, which shall rank pari-passu with the Company's existing issued shares, subject to the receipt of relevant regulatory approvals."
- "That the Board of Directors be and is hereby authorised to perform all such lawful acts that (4) are necessary to give effect to the above listed resolutions including but not limited to ensuring compliance with all regulatory procedures and requirements, obtaining all required approvals and filing within time, all regulatory returns in relation to the above resolutions."

The following Special Resolution was also proposed and duly passed:

"That the Memorandum and Articles of Association (Memart) of the Company be (5)amended to reflect the Company's new issued share capital after the capital raising exercise in Resolution 2 above and that the Board of Directors be and is hereby authorized to file the amended Memart at the Corporate Affairs Commission."

DATED THE 11TH DAY OF AUGUST 2023

EZINWA UNUIGBOJE

Company Secretary

STANLEY AMUCHIE **Executive Director** 

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Fidelity Bank Plo

Victoria Island, Lagos, Nigeria PO.Box 72439, Victoria Island, Lagos Swift: FIDTNGLA +234(1)2700530-3, 0(1)4485252 info@fidelitybank.ng

Mr. Mustafa Chike-Obi (Chairman), Mr. Chidi B. Agbapu (Non-Executive Director), Alhaji Isa M. Inuwa (Independent Non-Executive Director), Engr. Henry I. Obih (Independent Non-Executive Director), Mrs. Amaka T. Onwughalu (Non-Executive Director), Chief Nelson C. Nwoke (Non-Executive Director), Mr. Chinedu E. Okeke (Non-Executive Director), Mrs. Morohunke A. Barmeke (Independent Non-Executive Director), Dr. Nreka C. Onyeall-likge (Managing) Director)/CEO, Mr. Kevin Ugwudoke (Executive Director), Dr. Ken Opara (Executive Director), Mrs. Stanley C. Amuchie (Executive Director), Mrs. Pamela Shodipo (Executive Direct Director), Mr. Abolore Solebo (Executive Director)

Rights Circular

The resolution of the Board of Directors of Fidelity Bank approving the Rights Issue price is as follows:





OF FIDELITY BANK PLC RC: 103022

### EXTRACT FROM THE BOARD MINUTES OF JANUARY 19, 2024

At the meeting of the Board of Directors (the **Board**) of Fidelity Bank Plc (the **Company**) duly convened and held at 4.30p.m on the 19<sup>th</sup> day of January 2024, at Kempinski Hotel, Gold Coast City, Accra, Ghana, the following resolutions were considered and duly passed:

- 1. That in furtherance of the Resolution of the Shareholders of the Company dated August 11, 2023 authorizing the raising of additional equity capital by the Company, via a public offer by way of an offer for subscription of 10,000,000,000 Ordinary Shares of 50 kobo each (the Public Offer) and via a Rights Issue to its existing Shareholders of 3,200,000,000 Ordinary Shares of 50 kobo each on the basis of 1 (one) new Ordinary Share for every ten (10) shares held by a shareholder in the share capital of the Company (the Rights Issue) (the Transaction), the Board of Directors hereby resolve as follows;
  - 1.1 That the Public Offer of 10,000,000,000 Ordinary Shares of 50 kobo each at \$\mathbf{\mathbf{49}}.75\$ per share by the Company be and is hereby approved;
  - 1.2 That the Rights Issue of 3,200,000,000 Ordinary Shares of 50 kobo each at \$\mathbb{H}9.25\text{per share on the basis of 1 (one) new share for every ten (10) shares held (the **Rights Issue**), be and is hereby approved;
- 2. That the appointment of the following professional parties in connection with the Transaction, be and is hereby approved:

NO	NAME	ROLE
1	Stanbic IBTC Capital Limited	Lead Issuing House
2	Iron Global Markets Limited	Joint Issuing House
3	Cowry Asset Management Limited	Joint Issuing House
4	Afrinvest Capital Limited	Joint Issuing House
5	FSL Securities Limited	Joint Issuing House
6	Futureview Financial Services Limited	Joint Issuing House
7	Iroko Capital Market Advisory Limited	Joint Issuing House
8	Kairos Capital Limited	Joint Issuing House
9	Planet Capital Limited	Joint Issuing House
10	Deloitte & Touche	Auditors
11	First Registrars and Investor Services Limited	Registrars
12	Olaniwun Ajayi LP	Solicitor to the Issuer



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Mr. Mustafa Chike-Obi (Chairman), Mr. Chidi B. Agbapu (Non-Executive Director), Alhaji Isa M. Inuwa (Independent Non-Executive Director), Engr. Henry I. Obih (Independent Non-Executive Director), Mrs. Amaka T. Onwughalu (Non-Executive Director), Chief Nelson C. Nweke (Non-Executive Director), Mr. Chinedu E. Okeke (Non-Executive Director), Mrs. Morohunke A. Bammeke (Independent Non-Executive Director), Dr. Nneka C. Onyeall-Ikpe (Managing Director/CEO), Mr. Kevin Ugwuoke (Executive Director), Dr. Ken Opara (Executive Director), Mr. Stanley C. Amuchie (Executive Director), Mrs. Pamela Shodipo (Executive Director), Mr. Abolore Solebo (Executive Director).



Rights Circular

A SE		
13	Banwo & Ighodalo	Solicitors to the Transaction
14	Detail Commercial Solicitors	Solicitors to the Transaction
15	APT Securities and Funds Limited	Stockbrokers
16	Cashville Investment and Securities Limited	Stockbrokers
17	Chartwell Securities Limited	Stockbrokers
18	Cordros Securities Limited	Stockbrokers
19	Dynamic Portfolio Limited	Stockbrokers
20	Greenwich Securities Limited	Stockbrokers
21	GTI Securities Limited	Stockbrokers
22	Mega Equities Limited	Stockbrokers
23	Meristem Stockbrokers Limited	Stockbrokers
24	Network Capital Limited	Stockbrokers
25	Solid Rock Securities & Investment PLC	Stockbrokers
26	Mazars Professional Services	Reporting Accountants
27	Access Bank PLC	Receiving Bank
		Receiving Bank
28	First Bank of Nigeria Limited	
29	Guaranty Trust Bank Limited	Receiving Bank
30	Stanbic IBTC Bank Limited	Receiving Bank
31	Zenith Bank PLC	Receiving Bank

- 1. That any two (2) Directors of the Company or a Director and the Company Secretary be and are hereby authorised to consent to, approve, execute all agreements, deeds, or any document and make any statutory or regulatory filings necessary for or incidental to the Transaction; and
- 2. That the Management of the Company is hereby authorized to take all steps and undertake such actions as may be necessary or incidental to give effect to the foregoing resolutions.

Dated this 19th day of January 2024

Name: STANLEY AMUCHIE

Name: EZINWA UNUIGBOJE

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#### 1. INCORPORATION AND SHARE CAPITAL HISTORY

Fidelity Bank PLC was incorporated on 19 November 1987, as a private limited liability company in Nigeria. The bank obtained a merchant banking license on 31 December 1987 and commenced banking operations on 03 June 1988. Fidelity Bank converted to a commercial bank on 16 July 1999 and re-registered as a public limited liability company on 10 August 1999. The Bank's shares were listed on the Daily Official List of the NGX on 17 May 2005. As at the date of this Rights Circular, Fidelity Banks' Issued Share Capital was \$\frac{1}{2}16,000,000,000 comprising 32,000,000,000 ordinary shares of 50 kobo each. The changes in the share capital of the Bank since inception are summarized below:

Year	Author	Authorised (¥)		lly Paid-up (₦)	Consideration
	Increase	Cumulative	Increase	Cumulative	
1988	3,000,000	3,000,000	1,865,000	1,865,000	Cash
1989	9,000,000	12,000,000	5,822,000	7,687,000	Bonus / Cash
1990	3,000,000	15,000,000	1,153,050	8,840,050	Bonus / Cash
1991	25,000,000	40,000,000	4,959,950	13,800,000	Bonus / Cash
1992	20,000,000	60,000,000	13,800,000	27,600,000	Cash
1993	40,000,000	100,000,000	12,703,000	40,303,000	Bonus / Cash
1994	50,000,000	150,000,000	51,830,000	92,133,000	Bonus / Cash
1995	-	150,000,000	21,737,000	113,870,000	Bonus
1997	650,000,000	800,000,000	272,247,000	386,117,000	Bonus / Cash
1998	-	800,000,000	151,472,000	537,589,000	Bonus / Cash
2000	700,000,000	1,500,000,000	6,458,920	544,047,920	Cash
2001	500,000,000	2,000,000,000	272,023,960	816,071,880	Bonus
2002	-	2,000,000,000	36,501,911	852,573,791	Cash
2003	-	2,000,000,000	336,602,981	1,189,176,772	Cash
2004	-	2,000,000,000	344,554,220	1,533,730,992	Bonus / Cash
2004	4,000,000,000	6,000,000,000	519,088,134	2,052,819,126	Bonus
2005	2,000,000,000	8,000,000,000	2,222,101,272	4,274,920,398	Cash
2005	2,000,000,000	10,000,000,000	3,956,922,658	8,231,843,056	Merger / Cash
2007	2,500,000,000	12,500,000,000	249,449,790	8,481,292,846	Rights
2007	3,500,000,000	16,000,000,000	6,000,000,000	14,481,292,846	Public Offer
2023	-	16,000,000,000	1,518,707,154	16,000,000,000	Private Placement

# 2. SHAREHOLDING STRUCTURE

As at the date of this Rights Circular, the Bank's issued share capital was \\ 16,000,000,000 comprising 32,000,000,000 Ordinary Shares of 50 kobo each. The Bank's shares are largely held by Nigerian citizens and corporations with no shareholder holding 5% or more of the Bank's issued share capital.

### 3. DIRECTORS' BENEFICIAL INTERESTS

The interests of the Directors in the issued share capital of the Bank as recorded in the Register of Directors' Interests or as notified by them for the purpose of sections 301 and 302 of CAMA as at 31 December 2023 are as follows:

S/N	Directors	Direct Shareholding	Indirect Shareholding	Total Shareholding	Total No. of Shareholding as % of Issued Share Capital
1	Mustafa Kemal Chike- Obi	39,516,294	NIL	39,516,294	0.12
2	Nneka C. Onyeali-Ikpe	69,644,260	NIL	69,644,260	0.22



S/N	Directors	Direct Shareholding	Indirect Shareholding	Total Shareholding	Total No. of Shareholding as % of Issued Share Capital
3	Stanley Chiedoziem Amuchie	15,727,272	NIL	15,727,272	0.05
4	Kenneth Onyewuchi Opara	32,192,832	NIL	32,192,832	0.10
5	Pamela Iyabo Shodipo	12,727,272	NIL	12,727,272	0.04
6	Abolore Solebo*	NIL	NIL	NIL	NIL
7	Kevin Onyekachi Chukwuma Ugwuoke	39,123,921	NIL	39,123,921	0.12
8	Chidi B. Agbapu	1,724,276	NIL	1,724,276	0.01
9	Mrs. Morohunke Adenike Bammeke	NIL	NIL	NIL	NIL
10	Alhaji Isa Mohammed Inuwa	NIL	NIL	NIL	NIL
11	Nelson Chidozie Nweke	71,847,773	NIL	71,847,773	0.22
12	Engineer Henry Ikemefuna Chukwuma Obih	NIL	NIL	NIL	NIL
13	Chinedu Eric Okeke	1,040,000	NIL	1,040,000	0.003
14	Nwamaka Theodora Onwughalu	4,404,700	NIL	4,404,700	0.01

<sup>\*</sup>Appointed with effect from 02 February 2024.

# 4. SUBSIDIARIES AND ASSOCIATED COMPANIES

As at the date of this Rights Circular, the Bank has only one subsidiary which is wholly owned by the Bank.

Subsidiary Name	Country	% equity stake	Address
FidBank UK Limited	United Kingdom	100%	1 King's Arms Yard. London. EC2R 7AF

# 5. INDEBTEDNESS

As at 31 December 2023, the Bank had a total of \( \frac{\text{\text{\text{\text{\text{P}}}}}{1577} \) billion outstanding debts issued and borrowed funds in the ordinary course of business, which includes:

S/N	Debts Issued and other borrowed funds	Total amount (₦'million)
1	Long term loan from African Development Bank (ADB)	24,791
2	\$400 Million Euro Bond issued in 2021	382,422
3	₦41.2 billion Subordinated Unsecured Local Bond issued in 2021	42,174
4	Wholesale borrowing from Bank One, Mauritius	22,389
5	Short-term Liability from Rand Merchant Bank	48,810
6	Wholesale borrowing from the Development Bank of Nigeria	20,285
7	Borrowing from African Export-Import Bank	36,157
	Total	577,028

#### 6. PURPOSE OF ISSUE AND USE OF PROCEEDS

Due to the advances in technology, the rapid evolution of the business of banking and changes in the operating landscape, it is imperative that Fidelity Bank remains agile, adaptable, and properly positioned to respond appropriately to developments, whilst remaining a competitive and forward-looking institution. To ensure that the Bank is well positioned to navigate possible headwinds in the economy and take advantage of emerging business opportunities, the Bank's management team seeks to undertake landmark projects and business initiatives that will redefine the Bank's business structure, diversify its earnings base and ultimately grow its market share in the real sector of the economy. The Issue Proceeds will be applied towards the following initiatives:

- **Investment in IT infrastructure:** covers overall technology infrastructure upgrades and investment in enhanced cyber security solutions, data analytics, and cloud solutions, etc.
- Business and regional expansion: includes the expansion of the business franchise across
  the Retail, Small & Medium Enterprises, Commercial and Corporate segments of the Bank as
  well as banking license opportunities in select African countries.
- **Investment in product distribution channels:** covers investments in POS machines, ATMs, branch enhancement and construction, increased agency banking network and customized technology for collaboration and partnership with financial technology players.

The net Issue proceeds estimated at ₹28,840,317,115.26 (after deducting the Issue costs of ₹759,682,884.74 representing 2.57% of the Issue proceeds) will be applied as shown below:

S/N	Purpose	Ħ	% of net proceeds	Time to completion
Inve	estment in IT infrastructure			
1	Investment in Cyber Security Capabilities	2,739,830,125.95	9.50%	48 months
2	Software licences & hardwares	2,307,225,369.22	8.00%	48 months
3	Additional investment network infrastructure	721,007,927.88	2.50%	48 months
	Sub-Total	5,768,063,423.05	20.00%	
Bus	iness and regional expansion			
1	Lending to the Retail Business Segment	2,884,031,711.53	10.00%	48 months
2	Lending to the SME Segment	4,326,047,567.29	15.00%	48 months
3	Lending to the Corporate & Commercial Segment	12,257,134,773.99	42.50%	48 months
4	Investment in regional expansion	721,007,927.88	2.50%	48 months
	Sub-Total	20,188,221,980.68	70.00%	
Inve	estment in product distribution channels			
1	Renovation of branches	2,018,822,198.07	7.00%	36 months
2	Investment in ATMs	288,403,171.15	1.00%	36 months
3	Investment in PoSes	576,806,342.31	2.00%	36 months
	Sub-Total	2,884,031,711.53	10.00%	
Tota	al	28,840,317,115.26	100.00%	

#### 7. COSTS AND EXPENSES

The costs, charges and expenses of and incidental to the Issue including fees payable to SEC and the NGX, professional parties, brokerage, and printing and distribution expenses, are estimated at about ₹759,682,884.74, representing 2.57% of the Issue proceeds and are payable by the Bank.

#### 8. CLAIMS AND LITIGATION

The opinion of the Solicitors, Banwo & Ighodalo, in connection with the registration of the Issue, is set out below:

"Fidelity Bank Plc (the "Bank") is, in its ordinary course of its business, presently involved in Sixty-Eight (68) cases as of 31 January 2024.

In the context of the contemplated Transaction, the Solicitors to the Transaction set a materiality threshold of One Hundred Million Naira (\frac{100,000,000.00}{100,000.00}) with regards to monetary claims in cases involving the Bank. Of the Sixty-Eight (68) cases in the Schedule, the Solicitors to the Transaction identified Twenty-Four (24) case files maintained in the Bank (comprising copies of processes filed in court) within and above the Materiality Threshold.

Of the said Twenty-Four (24) cases within and above the Materiality Threshold, the Bank is Claimant in Four (4) cases. In One (1) of the said Four (4) cases, the Bank is a Defendant to Counterclaim. The Bank is Defendant in Seventeen (17) cases instituted against it by various individuals and organizations. Of the said Seventeen (17) cases, the Bank is a Counter-Claimant in Five (5) cases. In addition, the Bank is Appellant in Three (3) cases in which judgment has been delivered against it.

The Solicitors to the Transaction observe that the Seventeen (17) cases instituted against the Bank by various individuals and organizations within and above the Materiality Threshold, represent approximately 82% of the total value of monetary claims against the Bank.

The total value of the monetary claims against the Bank in the Seventeen (17) cases instituted against it, including the one (1) case where it is a Defendant to Counterclaim, is approximately №9,583,293,101.90 (Nine Billion, Five Hundred and Eighty-Three Million, Two Hundred and Ninety-Three Thousand, One Hundred and One Naira, Ninety Kobo); and €19,094.18 (Nineteen Thousand, Ninety-Four Euros, Eighteen Cents) while the amount claimed by the Bank in the Four (4) cases instituted by it including the Five (5) cases in which it is a Counter-Claimant is approximately №3,418,560,033.93 (Three Billion, Four Hundred and Eighteen Million, Five Hundred and Sixty Thousand, Thirty-Three Naira, Ninety-Three Kobo). The amount referred to herein does not include interest and costs, which can only be ascertained after final resolution of the cases. Ultimately, the Bank's actual liability in these cases, including final awards for costs, will be as determined by the courts upon conclusion of the relevant suits.

The total monetary sum in the Three (3) cases in which judgment was delivered against the Bank is ₩150,000,000.00 (One Hundred and Fifty Million Naira) and USD\$633,750 (Six Hundred and Thirty-Three Thousand, Seven Hundred and Fifty United States Dollars) excluding interests, which may accumulate on the judgment sum until same is finally liquidated.

The Solicitors to the Transaction are of the opinion that majority of the claims instituted against the Bank are exaggerated, frivolous, and speculative. Most of these cases involve claims by loan defaulters who instituted the suits as pre-emptive actions to delay the Bank's recovery efforts in respect of their outstanding obligations under various loan facilities.

Therefore, the Solicitors to the Transaction are of the view that the contingent liability that may arise from the cases involving the Bank where same are competently and diligently defended, is not likely to have a material adverse effect on the Bank or the Transaction.

Save for the foregoing, 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 fulfill its obligations under the Transaction; and/or; (ii) affects the validity of the proposed Transaction or restricts the proceedings or actions of the Bank with respect to the Transaction."

#### 9. MATERIAL CONTRACTS

The following agreements have been entered into and is considered material to this Rights Issue:

- A Vending Agreement dated Wednesday, 05 June 2024 under the terms of which the Issuing Houses have agreed, on behalf of the Bank, to offer by way of an Offer for Subscription of 10,000,000,000 ordinary shares of 50 kobo at ₦9.75 per share and a Rights Issue of 3,200,000,000 ordinary shares of 50 kobo each at ₦9.25 per share.
- Programme Trust Deed dated 04 May 2020 between the Issuer and FBNQuest Trustee Limited entered into in relation to a ₦100,000,000,000 bond issuance programme established by the Issuer;
- Series 1 Trust Deed dated 07 January 2021 between the Issuer, ARM Trustees Limited, FBNQuest Trustees Limited, Stanbic IBTC Trustees Limited, United Capital Trustees in connection with the ₩41,213,000,000 10 Year 8.5% Subordinated Unsecured Fixed Rate Series 1 Bonds Due 2031 issued under the Issuer's ₩100,000,000,000 debt issuance programme; and
- Trust Deed dated 28 October 2021 between the Issuer and CitiBank N.A, London Branch constituting the US\$400,000,000 7.625% Notes due 2026.

Other than as stated above, the Bank has not entered into any material contract except in the ordinary course of business.

#### 10. OFF BALANCE SHEET ITEMS

As at 31 December 2023, the Bank had two (2) off balance sheet items summing up ₩1.14 trillion as detailed below:

S/N	Purpose	Ħ'billion
1	Performance Bonds and Guarantees	730.78
2	Letters of Credit	413.36
	Total	1,144.14

## 11. UNCLAIMED DIVIDENDS

The total amount of unclaimed dividends as at 31 December 2023 summed up to ₩8,105,038,841.44. This amount is made up of ₩6,095,661,628.42 which is invested in Treasury Bills, ₩2,009,278,783.68 which is held in custody of First Registrars and Investor Services Limited and a balance of №98,429.34 held in cash with Fidelity Bank.

#### 12. UNPAID DIVIDENDS

As at the date of this Rights Circular, the Bank had no unpaid dividends.

#### 13. RESEARCH AND DEVELOPMENT

The Bank has and will continue to explore ways of improving efficiency in its business, enhancing quality and increasing the returns attributable to shareholders. However, the Bank did not expend any amount on research and development in the last three years.

#### 14. MERGERS AND TAKEOVERS

As at the date of this Rights Circular, Fidelity Bank is not aware of any attempt by any other investor to acquire a majority shareholding in the Bank or by the Bank of any other entity.



## 15. RELATIONSHIP BETWEEN THE BANK AND ITS ADVISERS

As at the date of this Rights Circular, there is no relationship between the Bank and its advisers except in the ordinary course of business.

# 16. RELATED PARTY TRANSACTIONS

The Bank has entered into certain transactions in respect of entities controlled by key management personnel. These related party transactions as at 31 December 2023 are disclosed as follows:

# a. Deposits / interest expenses from related parties

Entity controlled by key		Nature of	Deposits at 31 December	Interest expense 31	Deposits at 31	Interest expense 31
management personnel	Related party	relationship	2023 (₦)	December 2023 (₩)	December 2022 (₦)	December 2022 (₩)
Cy Incorporated Nig Ltd (DSRA)	Insider related	Former Director	56,191	-	31,886	-
Equipment Solutions and Logi	Insider related	Former Director	55,061	-	63,942	-
The Genesis Restaurant Ltd	Insider related	Former Director	94,152,427	-	4,146,727	-
John Holt PLC	Insider related	Former Director	11,288,719		356,686,651	-
Tenderville Limited	Insider related	Former Director	362,675		359,030	-
Genesis Hub Limited	Insider related	Former Director	24,462,347		20,427,560	-
Genesis Deluxe Cinemas	Insider related	Former Director	1,874,612	301	3,526,896	301
Sub total			132,252,032	301	385,242,692	301
A-Z Petroleum Products Ltd	Insider related	Current Director	1,357,832,373	492,784	77,322,045	-
Neconde Energy Limited	Insider related	Current Director	552,750,949	-	258,628,141	-
Dangote Industries Limited	Insider related	Current Director	71,782,429	-	927,721	-
Agric Int'l Tech and Trade	Insider related	Current Director	2,206,541	-	2,983,292	-
Mr. Mustafa Chike-Obi	Insider related	Current Director	67,754,782	-	52,331,219	-
Pastor Kings C. Akuma	Insider related	Former Director	17,758,943	8,883	44,816,681	-
Chief Charles Chidebe Umolu	Insider related	Former Director	103,468,311	11,911	14,830,659	-
Mr. Okeke Ezechukwu Michael	Insider related	Former Director	5,446,237	3,289	1,266,268	-
Alhaji Isa Mohammed Inuwa	Insider related	Current Director	22,416,087	5,702,931	9,811,386	-
Mr. Alex Chinelo Ojukwu	Insider related	Former Directors	72,181	9,336	263,304	-
Mr. Chidi Agbapu	Insider related	Current Director	5,840,004	2,403,177	40,679,192	-
Mr. Chinedu Eric Okeke	Insider related	Current Director	7,216,279	35,126	49,268,305	4,242
Engineer Henry Ikemefuna Chukwuma Obih	Insider related	Current Director	219,652,354	2,692,603	128,090,805	-
Mrs. Nwamaka Theodora		0 15: 1	04 000 000	000.000	40.040.404	7.044
Onwughalu	Insider related	Current Director	24,828,030	362,696	12,942,161	7,844
Chief Nelson Chidozie. Nweke	Insider related	Current Director	147,391,712	816	67,067,335	<del>-</del>
Mrs. Morohunke Adenike Bammeke	Insider related	Current Director	1,801,761	64,407	6,666,010	-
Sub-total			2,608,218,975	11,787,959	767,894,524	12,086
Transactions with key management personnel	Insider related		287,168,331	43,084,309	319,919,876	
Total			3,027,639,339	54,872,569	1,473,057,092	12,387

# b. Loans and Advances/Interest Income from Related Parties

Entity controlled by key management personnel	Related party	Loan amount outstanding December 2023	Interest income June 2023	Loan amount outstanding Dec 2022	Interest income Dec 2022	Facility type	Status	Collateral status
Cy Incorporated Nig Ltd	Mrs. Onome Olaolu	313,087,308	26,811,241.81	286,276,066	-	Finance Lease/Overdraft	Lost	Perfected
Equipment Solutions And L	Mr. IK Mbagwu	767,029,435	-	767,029,435	-	Term Loan/Overdraft	Lost	Perfected
Blancote Oil & Gas Ltd	Ichie Nnaeto Orazulike	-	-	-	-	Term Loan/Overdraft	Performing	Perfected
The Genesis Restaurant Ltd	Ichie Nnaeto Orazulike	-	-	98,999,888	20,577,418	Term Loan/Overdraft	Performing	Perfected
Genesis Deluxe Cinemas	Ichie Nnaeto Orazulike	-	-	154,281,689	19,193,045	Term Loan/Overdraft	Performing	Perfected
Genesis Hub Ltd	Ichie Nnaeto Orazulike	-	-	17,851,522	4,588,399	Term Loan/Overdraft	Performing	Perfected
Genesis Food Nigeria Ltd	Ichie Nnaeto Orazulike	-	-	647,987,746	58,981,475	Term Loan/Overdraft	Performing	Perfected
Genesis F&B Nigeria Ltd	Ichie Nnaeto Orazulike	-	-	312,433,504	20,355,586	Term Loan/Overdraft	Performing	Perfected
Genesis Sojourner Ltd	Ichie Nnaeto Orazulike	-	-	1,031,204,957	73,555,912	Term Loan/Overdraft	Performing	Perfected
Genesis Technical Company Ltd	Ichie Nnaeto Orazulike	-	-	600,000,000	-	Term Loan/Overdraft	Performing	Perfected
Stanchions Nigeria Ltd	Ichie Nnaeto Orazulike	-	-	-	-	Term Loan/Overdraft	Performing	Perfected
A-Z Petroleum Products Ltd	Mr. Alex Ojukwu	-	-	2,575,466,736	413,584,415	Term Loan/Overdraft	Performing	Perfected
Agric Int'l Tech and Trade	Mr. Ernest Ebi	400,000,000	55,405,479.45	800,000,000	62,375,342	Term Loan	Performing	Perfected
Dangote Industries Ltd	Mr. Ernest Ebi	-	-	47,463,109,162	4,194,290,480	Term Loan	Performing	Perfected
Dangote Fertilizer Ltd	Mr. Ernest Ebi	-	-	1,017,518	1,494,738	Term Loan	Performing	Perfected
Dangote Oil Refining Company	Mr. Ernest Ebi	-	-	3,750,000,000	272,465,753	Term Loan/Overdraft	Performing	Perfected
Dangote Cement PLC - Obajana	Mr. Ernest Ebi	-	-	29,504,809,611	2,514,033,399	Term Loan	Performing	Perfected
Dangote Sugar Refinery PLC	Mr. Ernest Ebi	-	-	3,371,600,084	5,754,290	Term Loan	Performing	Perfected
Sub-Total		1,480,116,743	82,216,721	91,382,067,918	7,661,250,252			



# c. Loans and Advances/Interest Income from Related Parties (cont'd)

Related party	Key management personnel	Loan amount outstanding December 2023	Interest income December 2023	Loan amount outstanding Dec 2022	Interest income Dec 2022	Facility type	Status	Collateral status
Onyeali-Ikpe								
Nnekachinwe	Managing Director	104,343,868	3,835,705	137,108,499	4,337,829	Term Loan/Credit Card	Performing	Perfected
Hassan Imam Galadanchi	Executive Director	79,660,508	3,069,792	98,126,107	4,475,974	Term Loan/Credit Card	Performing	Perfected
Kevin Onyekachi Chukwuma Ugwuoke	Executive Director	65,744,966	2,914,160	101,348,758	3,880,819	Term Loan/Credit Card	Performing	Perfected
Kenneth Onyewuchi Opara	Executive Director	80,415,584	4,363,839	109,037,100	4,543,507	Term Loan/Credit Card	Performing	Perfected
Pamela Iyabo Shodipo	Executive Director	67,122,342	1,713,905	-	-	Term Loan	Performing	Perfected
Kings Chukwu Akuma	Non-Executive Director	1,746,787	210,974	684,284	316,003	Credit Card	Performing	Perfected
Chidozie Bethram Agbapu	Non-Executive Director	41,506	4,310	76,246,279	10,471,746	Overdraft	Performing	Perfected
Ikemefuna A. Mbagwu	Former Director	1,481,692	278,781	669,181	54,123	Credit Card	Performing	Perfected
Ichie Nnaeto Orazulike	Former Director	-	-	9,956,970	1,667,467	Credit Card	Performing	Perfected
Chief Charles Chidebe Umo	Former Director	14,322	13,189	752,869	93,523	Credit Card	Performing	Perfected
Okonkwo Nnamdi John	Former Director	100,080,026	2,655,773	85,583,727	3,588,980	Term Loan/Credit Card	Performing	Perfected
Odinkemelu Aku	Former Director	-	1,312,075	77,173,753	2,884,237	Term Loan	Performing	Perfected
Adegbolahan Simisola Joshu	Former Director	-	-	97,714,286	3,810,575	Term Loan	Performing	Perfected
Obaro Alfred Odeghe	Former Director	75,428,572	3,288,906	102,819,445	5,084,627	Term Loan	Performing	Perfected
Yahaya Umar Imam	Former Director	29,401,024	6,437,947	29,213,405	4,671,755	Overdraft/Credit Card	Performing	Perfected
Sub-Total		605,481,197	30,099,354	926,434,663	49,881,165			
Total		2,085,597,940	112,316,075	92,308,502,581	7,711,131,417			

A-Z Petroleum Limited, Dangote Group and Genesis group who were related parties as at 31 December 2022 exited the Related party relationship post 2022 financial year in line with CBN requirement

d. Bank Guarantees in Favour of Key Management Personnel

2023

Beneficiary name	Related entity	Name of related Bank Director	Position in Bank	Amount (₦)
Nil	Nil	Nil	Nil	Nil

2022

Beneficiary name	Related entity	Name of related Bank Director	Position in Bank	Amount (₦)
BOI	Genesis Deluxe Cinemas	Ichie (Dr.) Nnaeto Orazulike	Former Director	144,975,738.00
BOI	Genesis Foods Nigeria Ltd	Ichie (Dr.) Nnaeto Orazulike	Former Director	629,086,327.00
BOI	Genesis Sojourner Ltd	Ichie (Dr.) Nnaeto Orazulike	Former Director	1,004,374,482.00
Ogun State Property and Investment Company Ltd	A-Z Petroleum Products Ltd Operational	Mr. Alex Ojukwu	Former Director	1,000,000,000.00
Trustees Under the Note Issuing Programme	A-Z Petroleum Products Ltd Operational	Mr. Alex Ojukwu	Former Director	5,000,000,000.00
Total				7,778,436,547

# e. Key Management Compensation

<b>∺</b> 'million	31 December 2023	31 December 2022
Salaries and other short-term employee benefits (Executive Directors only)	507	430
Pension cost	30	16
Post-employment benefits paid - Gratuity	-	-
Post-employment benefits paid- Retirement	-	-
Other employment benefits paid	168	139
Total	705	585

# f. Loans and Advances to Staff members

<b>∺</b> 'million	31 December 2023	31 December 2022
At start of the period	6	12,019
Granted during the period	441	2,950
Repayment during the period	2616	(3,192)
At the end of the period	3,063	11,777

Loans to Staff members include mortgage loans and other personal loans. The loans are repayable from various repayment monthly cycles over the tenor and have an average interest rate of 3.5%. Loans granted to staff are performing.

#### 17. DECLARATIONS

Except as otherwise disclosed in this Rights Circular:

- (i) No share of Fidelity Bank is under option or agreed conditionally or unconditionally to be put under option;
- (ii) Save for the SEC approved commissions (by way of the brokerage fee payable to Receiving Agents), no commissions, discounts, brokerages or other special terms have been granted by the Bank to any person in connection with the Rights Issue;
- (iii) Save as disclosed herein, the Directors of Fidelity Bank have not been informed of any holdings representing 5% or more of the issued share capital of the Bank;
- (iv) There are no material service agreements between Fidelity Bank or any of its Directors or employees other than in the ordinary course of business;
- (v) No Director of the Bank has had any interest, direct or indirect, in any property purchased or proposed to be purchased by the Bank in the three years prior to the date of this Rights Circular;
- (vi) No Director or key management staff of the Bank is or has been involved in any of the following:
  - a. A petition under any bankruptcy or insolvency laws filed (and not struck out) against him / her or any partnership in which he / she is or was a partner or any company of which he / she is or was a Director or key personnel;
  - b. A conviction in a criminal proceeding or is named subject of pending criminal proceedings relating to fraud or dishonesty; or
  - c. The subject of any order, judgment or ruling of any court of competent jurisdiction or regulatory body relating to fraud or dishonesty, restraining him/her from acting as an investment adviser, dealer in securities, Director or employee of a financial institution and engaging in any type of business or activity; and
- (vii) There are no amounts or benefits paid or intended to be paid or given to any promoter within the last 2 (two) years preceding the date of this Rights Circular.

# 18. Consents

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

Fidelity Rights Circular

Lead Issuing House	Stanbic IBTC Capital Limited
Joint Issuing Houses	Iron Global Markets Limited Cowry Asset Management Limited Afrinvest Capital Limited FSL Securities Limited Futureview Financial Services Limited Iroko Capital Market Advisory Limited Kairos Capital Limited Planet Capital Limited
APT Securities and Funds Limited Cashville Investment and Securities Limited Chartwell Securities Limited Cordros Securities Limited Dynamic Portfolio Limited  Stockbrokers  Stockbrokers  Greenwich Securities Limited GTI Securities Limited Mega Equities Limited Meristem Stockbrokers Limited Network Capital Limited Solid Rock Securities & Investment PLC	
Solicitors to the Bank	Olaniwun Ajayi LP
Solicitors to the Issue	Banwo & Ighodalo Detail Commercial Solicitors
Auditors	Deloitte & Touche
Reporting Accountants	Mazars Professional Services
Registrars	First Registrars and Investor Services Limited
Receiving Banks	Access Bank PLC First Bank of Nigeria Limited Guaranty Trust Bank Limited Stanbic IBTC Bank Limited Zenith Bank PLC

# 19. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents may be inspected at the offices of Fidelity Bank PLC located at Fidelity Place, Kofo Abayomi Street, Victoria Island, Lagos or Stanbic IBTC Capital Limited's office at I.B.T.C. Place, Walter Carrington Crescent, Victoria Island, or Iron Global Markets Limited's office located at House 6, The Address Homes, Banana Island Road, Ikoyi, Lagos or Cowry Asset Management Limited's office located at 1319, Karimu Kotun Street, Victoria Island Lagos or Afrinvest Capital Limited's office located at 27 Gerrard Road, Ikoyi, Lagos or FSL Securities Limited's office located at Plot 688, Ahmodu Tijani Close, Victoria Island, Lagos or Futureview Financial Services Limited's office located at Plot 22, Oju-Olobun Close, Victoria Island, Lagos or Iroko Capital Market Advisory Limited's office located at 4b, Olayinka Omololu Close, Victoria Island, Lagos or Kairos Capital Limited's office located at 2nd Floor, Foresight House, 163/165, Broad Street, Marina, Lagos or Planet Capital Limited's office located at 3rd & 4th Floors, St Peter's House, 3, Ajele Street, Marina, Lagos, from the date of issuance of this Rights Circular to Monday, 29 July 2024:

- i. The Rights Circular;
- ii. Certificate of Incorporation of the Bank, duly certified by the CAC;
- iii. The Memorandum and Articles of Association of the Bank, duly certified by the CAC;
- iv. The certified Status Report issued by the CAC, which reflects the current directors and shareholding of the Bank;
- v. Shareholders' Resolution of the Bank passed at the extra-ordinary general meeting held on 11 August 2023 authorising the Rights Issue;

- vi. Resolution of the Bank's Board of Directors dated 19 January 2024 approving the terms of the Rights Issue;
- vii. The audited financial statements of the Bank for each of the five years ended 31 December 2019 to 2023;
- viii. The Reporting Accountant's report on the Bank's historical financial statements for the fiveyear period up to the year ended 31 December 2023;
- ix. The letter from the SEC approving the Rights Issue;
- x. The letter from NGX approving the Rights Issue;
- xi. The Letter of "No Objection" to the Rights Issue from the CBN dated 26 October 2023;
- xii. The list of outstanding claims and litigation referred to on page 37 of this Rights Circular;
- xiii. The material contracts referred to on page 38 of this Rights Circular; and
- xiv. The written consents of each of the parties referred to on page 45 of this Rights Circular.



05 June 2024

# RIGHTS ISSUE OF 3,200,000,000 ORDINARY SHARES OF 50 KOBO EACH AT \$\mathbb{H}9.25 PER SHARE IN FIDELITY BANK PLC

Dear Sir/Madam,

#### 1. Provisional Allotment

The letter dated 04 April 2024 from the Chairman, which is provided, on page 18 of the Rights Circular contains particulars of the Rights Issue now being made. The Directors have provisionally allotted to you the number of new shares set out on the first page of the enclosed Participation Form, representing 1 new Ordinary Share for every 10 Ordinary Shares registered in your name at the close of business on Friday, 05 January 2024. The new Ordinary Shares will rank pari passu in all respects with the existing Ordinary Shares of the Bank.

You may accept all or some of the shares allotted to you or renounce your rights to all or some of them. If you are accepting the provisional allotment in full, kindly complete box A of the Participation Form, while if renouncing your rights partially or in full, kindly complete box B of the form. You may also apply for additional shares over and above your provisional allotment as described in paragraph 2(c) of this letter.

# 2. Acceptance and Payment

The receipt of payment with your Participation Form will constitute an acceptance of all or part of this allotment on the terms of this letter, subject to the Memorandum and Articles of Association of the Bank and the clearance of the Securities and Exchange Commission. If payment is not received by the close of the Acceptance Period on 29 July 2024, the provisional allotment will be deemed to have been declined and will be cancelled. You may participate in the Rights Issue through any of the following methods:

## a) Full Acceptance

If you wish to accept this provisional allotment in full, please complete box A of the Participation Form. The completed Participation Form together with a cheque or bank draft for the full amount payable must be submitted to any of the Receiving Agents listed on page 51 of the Rights Circular not later than 29 July 2024. The cheque or draft must be made payable to any of the Receiving Agents, drawn on a bank in the same town or city in which the Receiving Agent is located and crossed "FIDELITY BANK RIGHTS" with your name, address and mobile number written on the back of the cheque or draft. All cheques and drafts will be presented for payment on receipt and all Participation Forms in respect of which cheques are returned unpaid for any reason will be rejected and returned through the registered post.

Shareholders who wish to make payments electronically for their rights, should contact any of the Receiving Agents listed on page 51 of this Rights Circular for the transfer details. Any payment made electronically or with value exceeding \$\mathbb{N}10,000,000.00\$ (Ten Million Naira) should be made via SWIFT, RTGS or NEFT into the designated account provided by any of the Receiving Agent. Such payment must include the following transfer instruction narrative: "[FULL NAME OF SHAREHOLDER]'s PAYMENT FOR FIDELITY BANK RIGHTS".

Fidelity Rights Circular

## b) Partial Acceptance

To accept your provisional allotment partially, please complete box B of the Participation Form and submit the completed Participation Form to any of the Receiving Agents listed on page 51 of the Rights Circular together with full amount payable in respect of the number of shares you wish to accept. Payment should be made in accordance with paragraph 2(a) above.

## c) Applying for Additional Shares

This may be done by completing items (ii) and (iii) of box A of the Participation Form. Payment should be made in accordance with paragraph 2(a) above. Shareholders who apply for additional shares using the Participation Form will be subject to the allotment process and may therefore be allotted less than the number of additional shares applied for (see paragraph 4 below).

## 3. Trading in Rights on the NGX

The approval of the NGX has been obtained for trading in the rights of the Bank. The rights will be tradable between Thursday, 20 June 2024 and Monday, 29 July 2024 at the price at which the rights are quoted on the NGX. If you wish to renounce your rights partially or in full, you may trade such renounced rights on the floor of the NGX between these dates. Please complete item (iii) of box B of the Participation Form and contact your stockbroker for assistance. If you wish to purchase renounced rights, please contact your stockbroker who will guide you regarding payment and the procedure for purchasing Fidelity Bank's rights.

#### 4. Allotment of Shares

Allotment of shares will be made first to shareholders who accepted their rights partially or in full, and to investors who purchased rights on the floor of the NGX. Ordinary Shares which are not taken up by Monday, 29 July 2024 will be allotted on a pro-rata (equal) basis to existing shareholders who applied and paid for additional shares over and above their provisional allotment.

## 5. Subscription Monies

Participation Forms must be accompanied with the full amount due on acceptance in accordance with paragraph 2 above. All subscription monies will be retained in an interest yielding bank account by the Receiving Banks.

## 6. Surplus Application Monies

If any application for additional shares is not accepted or accepted for fewer shares than the number applied for, a cheque for the value of the additional shares not accepted including applicable interest will be sent by registered post or electronic payment will be made into the affected subscriber's account as stated in the Participation Form not later than 5 (five) Working Days after the date of allotment.

#### 7. Rounding Principle

Provisional allotment of shares will be such that shareholders will not be allocated a fraction of a Rights Issue share and as such any shareholding giving rise to a fraction of less than one Rights Issue share will be rounded down to the nearest whole number.

## 8. Settlement

The CSCS accounts of shareholders will be credited not later than fifteen (15) Business days from the date of allotment. Shareholders are hereby advised to state the name of their respective stockbrokers, their CHN and CSCS account numbers in the relevant spaces on the Participation Form.

In accordance with the SEC Directive on Dematerialization of Share Certificates, shareholders who do not provide valid CHN and CSCS account numbers will have their shares credited at the CSCS using a Registrar Identification Number.

# **PROVISIONAL ALLOTMENT LETTER**

A Registrar Identification Number is a number allocated to shareholders who do not have valid CHN and CSCS account numbers to warehouse their units of shareholding in public companies under Registrars custody at the CSCS. The allotted shares will be transferred to the stockbroking account of the shareholder once valid CHN and CSCS account numbers are provided. Any shareholder who does not have a valid CHN and CSCS account number, is advised to open a stockbroking account with a stockbroker and obtain a valid CHN and CSCS account number from the stockbroker to access their units of shareholding directly.

Yours faithfully;

For: Fidelity Bank PLC

Mrs Ezinwa Unuigboje

Company Secretary

## **RECEIVING AGENTS LIST**

A copy of the Rights Circular has been forwarded to each of the shareholders whose names appeared in the Company's Register of Members as at 05 January 2024. A copy of this Rights Circular can also be downloaded from <a href="https://www.fidelitybank.ng/offerdocuments/">https://www.fidelitybank.ng/offerdocuments/</a>. The completed Participation Forms together with a cheque or bank draft for the full amount payable may be returned to any of the Issuing Houses or Receiving Agents listed below, as well as any other institution(s) who are registered as capital market operators by SEC and who have valid SEC clearance to carry out the function of Receiving Agents as at the date of this Rights Circular. A Brokerage Commission at the rate of \$\frac{1}{2}\$0.50 per \$\frac{1}{2}\$100.00 worth of shares allotted will be paid in respect of applications submitted by Receiving Agents.

The Bank and Issuing Houses will not accept responsibility for the conduct of any of the institutions listed below. Shareholders are therefore advised to conduct their own enquiries before choosing an agent to act on their behalf. Evidence of lodgement of funds or Participation Forms at any of the Receiving Agents listed below, in the absence of corresponding evidence of receipt by the Issuing Houses cannot give rise to a liability on the part of the Issuing Houses under any circumstances.

#### **BANKS**

Access Bank PLC	Guaranty Trust Bank Limited	Standard Chartered Bank Nigeria	Unity Bank PLC
Citibank Nigeria Limited	Keystone Bank Limited	Limited	Wema Bank PLC
Ecobank Nigeria Limited	Parallex Bank Limited	Sterling Bank Limited	Zenith Bank PLC
Fidelity Bank PLC	Polaris Bank Limited	SunTrust Bank Nigeria Limited	
First Bank of Nigeria Limited	Premium Trust Bank	Titan Trust Bank Limited	
First City Monument Bank Limited	Providus Bank Limited	Union Bank of Nigeria PLC	
Globus Bank Limited	Stanbic IBTC Bank Limited	United Bank for Africa PLC	

#### **ISSUING HOUSES, STOCKBROKERS AND OTHERS**

Issuing Houses
Stanbic IBTC Capital Limited
Iron Global Markets Limited
Cowry Asset Management Limited
Afrinvest Capital Limited
FSL Securities Limited
Fsutureview Financial Services Limited
Iroko Capital Market Advisory Limited
Kairos Capital Limited
Planet Capital Limited

Stockbrokers and Others
Absa Securities Nigeria Limited
Afrinvest Securities Limited
Alangrange Securities Limited
Anchoria Inv& Securities Limited
Apel Asset Limited
APT Sec. & Funds Limited
ARM Securities Limited
ARM Securities Limited
ARM Securities Limited
Arthur Steven Asset Management Ltd
Associated Asset Managers Limited
Atlass Portfolio Limited

AdVA Securities Limited
Baige Capital Limited
Bancorp Securities Limited
Bancorp Securities Limited
Bestworth Assets & Trust Limited
Calyx Securities Limited
Camys Securities Limited
Capital Asset Limited
Capital Bancorp Limited
Capital Express Securities Limited
Capital Trust Brokers Limited
Cardinal Stone Securities Limited
Cashville Inv. & Sec. Limited

CDL Capital Markets Limited Centre-Point Inv. Limited Century Securities Limited Chapel Hill Denham Securities Limited Chartwell Securities Limited Citi Investment Capital Limited Compass Inv and Sec Limited

Cordros Securities Limited
Core Trust & Investment Limited
Coronation Securities Limited
Covenant Securities & Asset
Management Limited
Cowry Asset Mgt Limited
Crane Securities Limited
Crossworld Securities Limited

Crown Capital Limited

CSL Stockbrokers Limited Deep Trust Investment Limited De-Lords Securities Limited DLM Securities Limited DSU Brokerage Services Limited Dunbell Securities Limited
Dynamic Portfolios Limited EDC Securities Limited EFG Hermes Nigeria Limited Equity Capital Solutions Limited Eurocomm Securities Limited Express Portfolio Services Limited FCSL Asset Management Company Limited Falcon Securities Limited FBC Trust & Securities Limited FBNQuest Securities Limited Fidelity Securities Limited Finmal Finance Company Limited First Integrated Capital Management Limited First Inland Sec. & Asset Mgt Limited FIS Securities Limited Foresight Sec. & Inv Limited Fortress Capital Limited FSDH Securities Limited FSL Securities Limited Fundvine Capital & Securities Limited Future view Financial Services Limited

Future view Securities Limited Gidauniya Inv. & Sec Limited Globalview Capital Limited Greenwich Securities Limited GTI Capital Limited Harmony Securites Limited Harmony Securites Limited Heartbeat Investments Limited Hedge Sec. & Inv. Co. Limited Horizon Stockbrokers Limited ICON Stockbroker Limited Imperial Assets Mqt Limited

Integrated Trust &Inv. Limited Interstate Securities Limited Investment One Financial Services Limited Investment One Stockbrokers International Limited Kapital Care Trust & Sec. Limited

Kedari Securities Limited
Kinley Securities Limited
Kofana Securities & Inv. Limited
Kofana Securities & Inv. Limited
Kundila Finance Services Limited
Lead Securities and Inv. Limited
Lighthouse Capital Limited
Magnartis Fin & Inv Limited
Magnartis Fin & Inv Limited
Mayfield Investment Limited
MBC Securities Limited
Mega Equities Limited
Meristem Stockbrokers Limited
Mission Securities Limited
Morgan Capital Sec Limited
Network Capital Limited
Newdevco Investments & Securities
Co Limited
Nigerian Stockbrokers Limited

Norrenberger Securities Limited NOVAMBL Securities Limited Nova Finance & Securities Limited Options Securities Limited Osborne Capital Markets Limited PAC Securities Limited Parthian Partners Limited Phronesis Sec Limited Pilot Securities Limited Pinefields Inv Serv Limited PIPC Securities Limited Pivot Capital Limited Planet Capital Limited Prominent Securities Limited Pyramid Securities Limited Qualinvest Capital Limited Quantum Zenith Securities Limited Readings Investment Limited Regency Assets Mgt Limited Rencap Securities (Nig.) Limited Reward Investments and Services

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Limited
Standard Union Securities
Limited

StoneX Financial Limited The Bridge Securities Limited Tiddo Securities Limited Tomil Trust Limited Topmost Securities Limited Trade Link Securities Limited Traders Trust & Investment Company Limited

Transworld Investment & Securities Limited Trust Yields Securities Limited Trustbanc Capital Management Limited

Trust House Investments
Limited
TRW Stockbrokers Limited
Tyndale Securities Limited
UCML Capital Limited

UIDC Securities Limited
UNEX Capital Limited
UNIEX Capital Limited
United Capital Securities Limited
Valmon Securities Limited
Valueline Securities &
Investments Limited
Vetiva Securities Limited
WCM Capital Limited
WSTC Financial Services

Limited Zenith Securities Limited Acceptance List Opens . 20 June 2024

#### **Lead Issuing House**



Joint Issuing Houses:

Acceptance List Closes 29 July 2024



















#### on behalf of



# Rights Issue of 3,200,000,000 Ordinary Shares of 50 kobo each at ₩9.25 per share

on the basis of 1 new Ordinary Share for every 10 Ordinary Shares held as at the close of business on Friday, 05 January 2024

#### PAYABLE IN FULL ON ACCEPTANCE

DETAILS OF	Unit No.:	
SHAREHOLDER'S PROVISIONAL	Unit Held:	
ALLOTMENT	Rights Due:	
	Amount (¥)	

#### INSTRUCTIONS FOR COMPLETING THE PARTICIPATION FORM

- Acceptance and/or renunciation must be made on this Participation Form.
- Allottees should complete only **ONE** of the boxes marked A and B on the reverse of this form. Shareholders accepting the provisional allotment in full should complete box A and submit their Participation Forms to any of the Receiving Agents listed on page 51 of the Rights Circular together with a cheque or bank draft made payable to the Receiving Agent for the full amount payable on acceptance. The cheque or draft must be crossed "FIDELITY BANK RIGHTS", with the name, address and mobile number of the shareholder written on the back.

Shareholders who wish to make payments electronically for their rights, should contact any of the Receiving Agents listed on page 51 of the Rights Circular for the transfer details. Any payment made electronically or with value exceeding \$\frac{\text{\text{\text{\text{\text{e}}}}}{10,000,000.00}\$ (Ten Million Naira) should be made via SWIFT, RTGS or NEFT into the designated account provided by the Receiving Agent. Such payment must include the following transfer instruction narrative: "[FULL NAME OF SHAREHOLDER]'s PAYMENT FOR FIDELITY BANK RIGHTS".

Evidence of all electronic transfers must be submitted to the Receiving Agents. If payment is not received by Monday, 29 July 2024, the provisional allotment will be deemed to have been declined and will be cancelled.

- Shareholders accepting their provisional allotment partially should complete box B and submit their Participation Forms to any of the Receiving Agents listed on page 51 of the Rights Circular together with the evidence of payment transfer for the partial acceptance in accordance with 2
- Shareholders renouncing the provisional allotment partially or in full, who also wish to trade their rights on the floor of the Exchange should complete item (iii) of box B. They should obtain a Transfer Form from their stockbroker, complete it in accordance with these instructions, and return it to the stockbroker together with the completed Participation Form and the amount payable/evidence of transfer for any partial acceptance in accordance with 2 above.
- Shareholders who wish to acquire additional shares over and above their provisional allotment should apply for additional shares by completing item (ii) and (iii) of box A.
- 6. All cheques or bank drafts for amounts below \*10 million will be presented for payment on receipt and all acceptances / applications in respect of which cheques are returned unpaid for any reason will be rejected and cancelled. Shareholders are advised to obtain an acknowledgement of the amount paid from the Receiving Agent through which this Participation Form is lodged.
- Joint allottees must sign on separate lines in the appropriate section of the Participation Form. 7.
- Participation Forms of corporate allottees must bear their incorporation numbers and corporate seals and must be completed under the hands of duly authorised officials who should also state their designations.

For Registrar'	S USE ONLY								
Number of Ordinary Shares Provisionall y Allotted	Number of Ordinary Shares Accepted	Number of Additional Ordinary Shares applied for	Number of Ordinary Shares Renounced	Number of Additional Ordinary Shares allotted	Total number of Ordinary Shares Allotted	Total amount payable	Amount paid	Amount to be returned	Bank draft/ cheque number
						₩	₩	₩	

STAMP OF RECEIVING AGENT

Please Turn Over



Rights Circular 52

#### **PARTICIPATION FORM**

Acceptance and/or renunciation must be made in accordance with the instructions set out on the front of this form. Care should be taken to comply with the instructions as application that do not comply may be rejected. If you are in doubt as to what action to take, you should immediately consult your Stockbroker, Accountant, Banker, Solicitor, Independent Investment Adviser or any other professional adviser for guidance. The Company and the Issuing Houses have the discretion to reject any incomplete Participation Form.

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## C. TRADING IN RIGHTS

- i) Shareholders who wish to trade in their rights partially or in full may trade such rights on the floor of the Exchange. The rights will be traded actively on the floor of the Exchange.
- ii) Shareholders who wish to acquire additional shares over and above their provisional allotment should apply for additional shares by completing item (ii) of box A above.
- iii) Shareholders who purchase rights on the floor of the Exchange are guaranteed the number of shares purchased: they will not be subject to the allotment process in respect of shares so purchased. Those that apply for additional shares by completing item (ii) of box A will be subject to the allotment process i.e. they may be allotted a smaller number of additional shares than what they applied for.
- iv) If you wish to purchase renounced rights, please contact your stockbroker who will guide you regarding payment and the procedure for purchasing Fidelity Bank rights.

STAMP OF RECEIVING AGENT



Rights Circular 53