

SUMMARY OF THE RIGHTS ISSUE

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 and fully paid	₦16,000,000,000 divided into 32,000,000,000 Ordinary Shares of 50 kobo each.			
	Now being offered	3,200,000,000 Ordinary Shares of 50 kobo each at ₦9.25 per share.			
5. Issue Price	₦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	₦29,600,000,000.00.				
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	₦'bn	% of net proceeds	Time to completion
	1	Investment in IT infrastructure	5.7	20.00%	48 months
	2	Business and regional expansion	20.2	70.00%	48 months
3	Investment in product distribution channels	2.9	10.00%	36 months	
	Total	28.8	100.00%		
	Details on the use of proceeds are provided on page 36.				
9. Method of Issue	By way of rights issue to existing shareholders.				
10. Concurrent Transaction	Fidelity Bank is also concurrently offering 10,000,000,000 Ordinary Shares of 50 kobo each at ₦9.75 per share by way of a Public Offer.				
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 2024.				
15. Payment Terms	In full on acceptance.				


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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	<table border="1"> <thead> <tr> <th rowspan="3"><i>Figures in ₦million, except as stated otherwise</i></th> <th colspan="5">Audited</th> </tr> <tr> <th>31-Dec</th> <th>31-Dec</th> <th>31-Dec</th> <th>31-Dec</th> <th>31-Dec</th> </tr> <tr> <th>2023</th> <th>2022</th> <th>2021</th> <th>2020</th> <th>2019</th> </tr> </thead> <tbody> <tr> <td>Gross Earnings</td> <td>555,830</td> <td>337,050</td> <td>250,776</td> <td>206,204</td> <td>218,011</td> </tr> <tr> <td>Profit before income tax</td> <td>124,260</td> <td>53,677</td> <td>25,215</td> <td>28,054</td> <td>30,353</td> </tr> <tr> <td>Profit for the period</td> <td>99,454</td> <td>46,724</td> <td>23,104</td> <td>26,650</td> <td>28,425</td> </tr> <tr> <td>Retained earnings</td> <td>65,508</td> <td>44,883</td> <td>55,241</td> <td>66,700</td> <td>43,642</td> </tr> <tr> <td>Share capital</td> <td>16,000</td> <td>14,481</td> <td>14,481</td> <td>14,481</td> <td>14,481</td> </tr> <tr> <td>Total equity</td> <td>437,307</td> <td>314,360</td> <td>285,294</td> <td>273,533</td> <td>234,030</td> </tr> <tr> <td>Total assets</td> <td>6,234,688</td> <td>3,989,009</td> <td>3,280,453</td> <td>2,758,148</td> <td>2,114,037</td> </tr> <tr> <td>Total liabilities</td> <td>5,797,381</td> <td>3,674,649</td> <td>2,995,160</td> <td>2,484,615</td> <td>1,880,007</td> </tr> <tr> <td>Earnings per share (kobo)</td> <td>310.79</td> <td>161.32</td> <td>79.77</td> <td>92.00</td> <td>98.00</td> </tr> </tbody> </table>	<i>Figures in ₦million, except as stated otherwise</i>	Audited					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
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<p>24. Indebtedness</p>	<p>As at 31 December 2023, the Bank had a total of ₦577 billion outstanding debts issued and borrowed funds which includes:</p> <table border="1" data-bbox="565 264 1369 814"> <thead> <tr> <th>S/N</th> <th>Debts Issued and other borrowed funds</th> <th>Total amount (₦ million)</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Long term loan from African Development Bank (ADB)</td> <td>24,791</td> </tr> <tr> <td>2</td> <td>\$400 Million Euro Bond issued in 2021</td> <td>382,422</td> </tr> <tr> <td>3</td> <td>₦41.2 billion Subordinated Unsecured Local Bond issued in 2021</td> <td>42,174</td> </tr> <tr> <td>4</td> <td>Wholesale borrowing from Bank One, Mauritius</td> <td>22,389</td> </tr> <tr> <td>5</td> <td>Short-term Liability from Rand Merchant Bank</td> <td>48,810</td> </tr> <tr> <td>6</td> <td>Wholesale borrowing from the Development Bank of Nigeria</td> <td>20,285</td> </tr> <tr> <td>7</td> <td>Borrowing from African Export-Import Bank</td> <td>36,157</td> </tr> <tr> <td colspan="2">Total</td> <td>577,028</td> </tr> </tbody> </table>	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
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<p>25. Claims and Litigation</p>	<p>“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.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p>																											

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		<p>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.</p> <p>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.</p> <p>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.”</p>
<p>26. Settlement</p>		<p>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.</p> <p>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.</p>
<p>27. Group Structure</p>		 <p>The diagram shows the Fidelity logo at the top. A dashed arrow points downwards from the logo to a blue rectangular box containing the text "FidBank UK Limited". To the right of the arrow, the text "100%" is written, indicating that Fidelity owns 100% of FidBank UK Limited.</p>