



## **Fidelity Bank Successfully Issues \$400 Million Eurobond, Repurchases \$256 Million USD Notes Due May 2018**

### ***Largest combined new issue & liability management offering from Nigeria***

LAGOS, NIGERIA – **16 OCTOBER 2017**: Fidelity Bank Plc (**Bloomberg: Fidelity**)

On October 11, 2017 Fidelity Bank (Fidelity Bank Plc (-/B-/B-)) priced a highly successful US\$400m 5-year Eurobond with a 10.50% coupon in what is the largest combined new issue & liability management offering ever by a Nigerian issuer.

Citigroup Incorporated, Renaissance Capital and Standard Bank Group Limited managed the deal, which included any-and-all cash tender offer for the early redemption of its \$300 million 6.875 per cent Notes due May 9, 2018.

The tender offer was very successful with the repurchase of \$256 million of its \$300 million existing USD notes due in May 2018. This represents a tender hit ratio of 85%, one of the best results recently achieved by peers.

Proceeds from the new US\$400 million issue due 2022 was used to finance the tender offer of \$256 million and the balance (net issuance cost) will be used to support the trade finance business of the Bank.

The Bank conducted a focused marketing campaign, on the back of the strong tender offer & new issue investor feedback. The strong demand for the new issue and the transaction structure favouring existing holders during the new issue allocation led to a high conversion ratio with over 60% of the holders of the old notes subscribing for the new notes.

The landmark Eurobond issue was 2.0x oversubscribed (Order Book of \$630 million), with the final coupon ultimately set at 10.50%. The transaction achieved a wide market distribution with over 100 investors from the UK, US, Continental Europe, Asia and Africa subscribing to the new issue.

Mr. Nnamdi Okonkwo, Managing Director, Fidelity Bank, said: "We are delighted to have successfully completed the offering, and believe the transaction has a big positive signaling effect. It paves the way for other banking institutions, especially the Tier 2 Banks in Nigeria to explore the Eurobond source of funding in the international arena and talk to the global emerging markets investor community as Nigerian market rebounds and we see bigger demand for strong local stories."

Fidelity Bank's \$400 million issue demonstrated strong trading upon entering the market post pricing, cementing the Eurobond's robust position.

Fidelity is a full-fledged commercial bank operating in Nigeria with over 3.8 million customers who are serviced across its 240 offices and various digital banking channels. The Bank is focused on select niche corporate banking sectors, Small and Medium Enterprises (SMEs) and is rapidly implementing a digital based retail banking strategy which has resulted in the following over the last 3.5 years; a 93% growth in savings deposits, 50% customer enrollment on debit cards and 30% of its customers now using its flagship mobile/internet banking products.

Fidelity Bank recently released its Audited H1 2017 results which showed a remarkable improvement on all indices with Gross Earnings increasing by 22% to N86 billion, Expenses declining by 2% to N31 billion and Profit Before Tax (PBT) increasing by 67% to N10 billion.

Fidelity Bank was also recently rated the **4th Best Bank in the Retail Segment** in the 2017 KPMG BICSS, the **Best Bank in Mobile Banking** and the **Most Improved Bank in Corporate/Investment Banking** at the 2017 Businessday Banking Awards.

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