

FIDELITY BANK (BAHAMAS) LIMITED
(A COMPANY INCORPORATED UNDER THE LAWS OF THE COMMONWEALTH OF THE BAHAMAS)
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PROXY STATEMENT

We are providing these proxy materials in connection with the solicitation by the Board of Directors of Fidelity Bank (Bahamas) Limited (the Company) of proxies to be voted at the Company's 2019 Annual General Meeting of Shareholders and at any meeting following adjournment thereof.

Shareholders are advised that no Shareholder proposal has been filed and no action is proposed by the Board of Directors, which would create the possibility of a "dissenting shareholder" under Section 159 of the Companies Act, 1992. The Board of Directors is also not aware of any solicitation of proxies by a person or group adverse to the present management of the Company.

You are cordially invited to attend the Annual General Meeting (the Meeting) on Wednesday, 31 July 2019 beginning at 6:00 p.m. Shareholders will be admitted beginning at 5:30 p.m. The Meeting will be held in the Victoria Room of the British Colonial Hilton Hotel, #1 Bay Street, Nassau, Bahamas.

The financial year of Fidelity Bank (Bahamas) Limited began on 1 January 2018 and ended on 31 December 2018. References in this Proxy Statement to the year 2018 or 2018 financial year refer to this period.

We are mailing this Proxy Statement, accompanying Proxy Form and voting instructions on Tuesday, 9 July 2019 to holders of record of the Company's ordinary shares as at the close of business on Tuesday, 2 July 2019.

PROXIES AND VOTING PROCEDURES

The Board of Directors and the management of the Company do not contemplate the solicitation of proxies otherwise than by mail. The total amount estimated to be spent by the Company in connection with this solicitation of proxies is \$3,000.00.

A Shareholder has the right to appoint a person (who need not be a Shareholder), other than the persons designated by the Board of Directors as proxy holders, in the accompanying Proxy Form as proxy holder to represent the Shareholder at the meeting by striking out the names of the persons so designated and inserting the name of the chosen proxy holder in the blank space provided for that purpose in the Proxy Form, or by completing and signing another proper Proxy Form. A proxy must be in writing and must be executed by the Shareholder(s), or by an attorney authorised in writing, and must be received at the offices of Bahamas Central Securities Depository Limited, 2nd Floor Fort Nassau Centre, British Colonial Hilton Suite #202, P.O. Box N-9307, Nassau, Bahamas not less than twenty-four (24) hours before the time appointed for the holding of the Meeting. A Shareholder who executes and returns the accompanying Proxy Form may revoke it by an instrument in writing executed by such Shareholder, or attorney authorised in writing, and deposited at the offices of Bahamas Central Securities Depository Limited, at any time up to one (1) business day preceding the Meeting, or in any other manner permitted by law.

All shares entitled to vote and represented by properly completed proxies received prior to the meeting and not revoked will be voted at the Meeting in accordance with your instructions. **If you do not indicate how your shares should be voted on a matter, the shares represented by your properly completed Proxy Form will be voted in the affirmative for each of the proposals.**

If any other matters are properly presented at the Meeting for consideration, including, among other things, consideration of a motion to adjourn the Meeting to another time or place, the person named as proxy and acting thereunder will have discretion to vote on those matters according to their best judgement to the same extent as the person delivering the proxy would be entitled to vote. At the date this Proxy Statement went to press, we did not anticipate that any other matters would be raised at the Meeting.

SHAREHOLDERS ENTITLED TO VOTE

Shareholders at the close of business on the record date being 2 July 2019 are entitled to notice of, and to vote at, the Meeting in respect of matters properly brought before the Meeting. On 2 July 2019, there were 28,815,779 ordinary shares of par value \$0.30 each outstanding. Each share is entitled to one (1) vote on each matter properly brought before the meeting.

At close of business on 2 July 2019, Fidelity Bank & Trust International Limited, the majority Shareholder, beneficially owned or controlled, directly or indirectly, 21,490,892 shares of the Company representing 74.58% of the Company's outstanding ordinary shares. There are no other individual Shareholders who own directly 10% or more of the Company's outstanding ordinary shares.

QUORUM AND REQUIRED VOTE

The presence, in person or by proxy, of the holders of not less than 51.00% of the ordinary shares entitled to vote is necessary to constitute a quorum at the Meeting.

As Fidelity Bank & Trust International owns 74.58% of the ordinary shares entitled to vote and will be represented at the Meeting, a quorum will be constituted.

The affirmative vote of the holders of the majority of the ordinary shares present in person, or represented by proxy, and entitled to vote is required to elect a Director and to approve any Shareholder proposals. Abstentions are not counted for the purpose of determining an affirmative majority vote.

APPROVAL OF MINUTES OF LAST ANNUAL GENERAL MEETING

The minutes of the last Annual General Meeting of the Shareholders, held on 26 July 2018 in the Victoria Room of the British Colonial Hilton Hotel, are included in the notice of the Meeting and proxy materials. They may also be read at this Meeting unless waived by the Shareholders at the Meeting. The purpose of this resolution is to allow Shareholders the opportunity to scrutinise the minutes and notify the Company should their recollection of the meeting be different to that which is recorded in the minutes.

RECEIVE AND CONSIDER THE CHAIRMAN'S REPORT AND APPROVE THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

At the Meeting, the Shareholders will be called upon to consider and accept the Chairman's Report and if deemed fit to approve the Audited Consolidated Financial Statements of the Company for the fiscal year ended 31 December 2018 and the report of the Auditors thereon.

ELECTION OF DIRECTORS

The Articles of the Company currently provide that the Board of Directors of the Company shall consist of a minimum of three (3) and a maximum of twelve (12) Directors.

Directors can be either elected annually by the Shareholders at the Annual General Meeting of Shareholders or, subject to the Articles of the Company and applicable law, appointed by the Board of Directors between Annual General Meetings. Each Director shall hold office until the close of the next Annual General Meeting of Shareholders or until he or she ceases to be a Director pursuant to the Articles, or by operation of law, or until his or her resignation becomes effective. All retiring Directors shall be eligible for re-election, subject to meeting any eligibility criteria.

The persons designated as proxy holders in the accompanying Proxy Form will vote ordinary shares represented by such Proxy Form, properly executed, for the election of the nominees whose names are set forth herein, unless specifically directed to withhold a vote.

If any nominee is for any reason unavailable to serve (which management has no reason to believe to be the case), the persons designated as proxy holders in the accompanying Proxy Form shall have the right to exercise their discretion by voting for another qualified nominee.

The following table sets forth the names of all persons proposed to be nominated for election as Directors, their principal occupation or employment and the date on which they became Directors of the Company, together with the number of ordinary shares beneficially owned or controlled directly or indirectly by them.

| Name and Position | Principal Occupation and Entity (Industry) | Director Since | Number of Voting Ordinary Shares Owned in Fidelity Bank (Bahamas) Limited | Number of Voting Ordinary Shares Owned in Fidelity Bank & Trust International Limited |
|----------------------------------|---|-----------------------|--|--|
| Stuart M. Bowe Director | Sr. Vice President/General Manager Atlantis Paradise (Tourism) | 2015 | - | - |
| Jennifer P. Dilbert Director | Retired Information Commissioner | 2012 | - | - |
| Scott Elphinstone Director | Managing Director Five Continents Financial Limited (Financial Services) | 2009 | - | - |
| J. Nicholas Freeland Director | Retired Accountant | 2012 | - | - |
| Thomas F. Hackett Director | Chief Executive Officer Fidelity Bank (Bahamas) Limited & Fidelity Bank & Trust International Limited (Financial Services) | 2017 | 368,296 | 313,951 |
| Alfred H. Stewart Director | Former Director & Executive Vice President of Fidelity Bank (Bahamas) Limited | | - | 741,680 |
| Anwer J. Sunderji Director | Chairman of Fidelity Bank & Trust International Limited (Financial Services) | 1991 | - | 1,500,742 |

SHAREHOLDINGS OF SENIOR OFFICERS

| Name and Position | Number of Voting Ordinary Shares Owned in Fidelity Bank (Bahamas) Limited | Number of Voting Ordinary Shares Owned in Fidelity Bank & Trust International Limited |
|---|---|---|
| Gregory H.J. Bethel President | - | 102,500 |
| Gowon N.G. Bowe Executive Vice President & Chief Financial Officer | - | 37,153 |
| Malvern L. Bain Vice President and Assistant Corporate Secretary | 8,960 | - |
| Crestwell R. Gardiner Vice President, Lending | 149,840 | - |
| Judy A. Higgs Corporate Secretary | - | 38,756 |

REMUNERATION OF DIRECTORS AND SENIOR OFFICERS

During the year 2018 financial year the non-executive Directors were paid \$129,408 in the aggregate for fees and reimbursable expenses. No special remuneration was paid to any Director during the 2018 financial year.

For the 2019 financial year, it is proposed that the fees for Non-Executive Directors including representation on committees be fixed at \$146,000 per annum to be distributed amongst the Directors as they see fit plus reimbursable expenses.

The aggregate remuneration of key management personnel of the Company amounted to \$1,217,742 in the 2018 financial year.

The following table sets forth the aggregate cash remuneration and other cash or non-cash benefits paid to the Directors and Senior Officers of the Company for the past two (2) years and the current year. There are no future commitments for any remuneration.

| | 2018 Remuneration | | | | 2018 Remuneration | | | |
|-------------------------------|----------------------------|------------------|----------------|------------------|----------------------|----------------|----------------|----------------|
| | # of Senior Officers | Cash \$ | Non-Cash \$ | Total \$ | # of Directors | Cash \$ | Non-Cash \$ | Total \$ |
| \$0 to \$499,999 | 6 | 1,217,742 | - | 1,217,742 | 8 | 129,408 | - | 129,408 |
| \$500,000 to \$999,999 | - | - | - | - | - | - | - | - |
| \$1,000,000 to \$1,999,999 | - | - | - | - | - | - | - | - |
| >\$2,000,000 | - | - | - | - | - | - | - | - |
| | <u>6</u> | <u>1,217,742</u> | <u>-</u> | <u>1,217,742</u> | <u>8</u> | <u>129,408</u> | <u>-</u> | <u>129,408</u> |

| | 2017 | | | | 2017 | | | |
|----------------------------|----------------------|------------------|---------------|------------------|----------------|----------------|-------------|----------------|
| | Remuneration | | | | Remuneration | | | |
| | # of Senior Officers | Cash \$ | Non-Cash \$ | Total \$ | # of Directors | Cash \$ | Non-Cash \$ | Total \$ |
| \$0 to \$499,999 | 6 | 1,260,291 | 25,000 | 1,285,291 | 8 | 130,138 | - | 130,138 |
| \$500,000 to \$999,999 | - | - | - | - | - | - | - | - |
| \$1,000,000 to \$1,999,999 | - | - | - | - | - | - | - | - |
| >\$2,000,000 | - | - | - | - | - | - | - | - |
| | 6 | 1,260,291 | 25,000 | 1,285,291 | 8 | 130,138 | - | 130,138 |

| | 2016 | | | | 2016 | | | |
|----------------------------|----------------------|------------------|---------------|------------------|----------------|----------------|-------------|----------------|
| | Remuneration | | | | Remuneration | | | |
| | # of Senior Officers | Cash \$ | Non-Cash \$ | Total \$ | # of Directors | Cash \$ | Non-Cash \$ | Total \$ |
| \$0 to \$499,999 | 6 | 1,055,059 | 44,148 | 1,099,207 | 8 | 107,522 | - | 107,522 |
| \$500,000 to \$999,999 | - | - | - | - | - | - | - | - |
| \$1,000,000 to \$1,999,999 | - | - | - | - | - | - | - | - |
| >\$2,000,000 | - | - | - | - | - | - | - | - |
| | 6 | 1,055,059 | 44,148 | 1,099,207 | 8 | 107,522 | - | 107,522 |

INDEBTEDNESS OF MANAGEMENT

The total indebtedness due to the Company from key management is approximately \$3,409,117 related to mortgage, consumer and other loans.

INTERESTS OF INSIDERS IN MATERIAL TRANSACTIONS

Except as discussed below, no Director, Executive Officer, or Senior Officer of the Company or proposed nominee for election as a Director or significant security holder or associate or affiliate of persons aforementioned has held or currently holds a material interest in any transaction entered into by the Company or its subsidiaries for the 2018 financial year.

J. Nicholas Freeland and Thomas F. Hackett hold material interests in RF Holdings Limited, a company incorporated under the laws of the Commonwealth of The Bahamas, which has entered into a sale and purchase agreement with the Company to acquire its shareholding in its joint venture, Royal Fidelity Merchant Bank & Trust Limited, for \$16,449,000 plus an amount equal to 50.00% of Royal Fidelity Merchant Bank & Trust Limited's undistributed profits and retained earnings at the date of closing. The transaction is subject to approval by the Central Bank of The Bahamas.

APPOINTMENT OF AUDITORS

At the meeting the Shareholders will be called upon to reappoint PricewaterhouseCoopers, Chartered Accountants, Providence House, East Hill Street, P.O. Box N-3910, Nassau, Bahamas, as the Auditors of the Company to serve until the close of the next Annual General Meeting of the Company. PricewaterhouseCoopers and its predecessor firms have acted as the Auditors of the Company since 1978. To be effective, the resolution re-appointing PricewaterhouseCoopers as the Auditors of the Company must be approved by the majority of the votes cast by the holders of ordinary shares present in person, or represented by proxy, at the Meeting.

The audit committee and the management of the Company recommend that the Shareholders vote for the reappointment of PricewaterhouseCoopers.

Arrangements have been made for one (1) or more representatives of PricewaterhouseCoopers to attend the meeting.

RATIFICATION OF PAST ACTS AND INDEMNITY

Directors, Officers and Employees of the Company owe a duty to the Company to act honestly and in good faith with a view to the best interests of the Company.

The Resolution to be approved reads as follows:

“The Company does hereby ratify, approve, sanction and confirm all acts, transactions and proceedings of the Directors, Officers and Employees of the Company from 1 January 2018 to 31 December 2018 and does fully and effectively indemnify and save harmless all Directors, Officers and Employees of the Company otherwise than in respect of fraud, notwithstanding the personal interest of them all. Further, that the Directors be authorised to execute on behalf of the Company an indemnity or indemnities in favour of such Directors, Officers or Employees as and when necessary and in the event of any claim or necessity to defend proceedings brought against the Directors, Officers or Employees or any of them, such defence shall be undertaken by the Company.”

By voting in favour of this resolution, you will be:-

- (a) Approving and adopting all of the acts of the Directors, Officers and Employees of the Company in the past fiscal year of the Company; and
- (b) Agreeing to the Company indemnifying and defending the Directors, Officers and Employees against any claims, actions and proceedings that may be brought against them as a result of any act performed or omitted to be done by any of them, acting in their respective capacities as Directors, Officers or Employees of the Company, except in the case of any fraudulent conduct on their part.

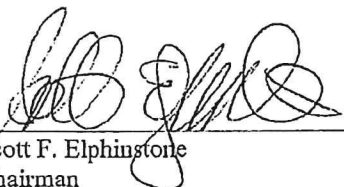
OTHER BUSINESS

The management of the Company knows of no matters to come before the meeting other than the matters referred to in the Notice of Annual General Meeting. However, if any other matters, which are not known to the management of the Company, should properly come before the meeting, Proxy Forms given pursuant to this solicitation by the management of the Company will be voted on such matters in accordance with the recommendations of the Board of Directors in the event that Officers of the Company are the proxy holders. Where Officers of the Company are not the proxy holders, the shares will be voted in accordance with the best judgment of the proxy holder.

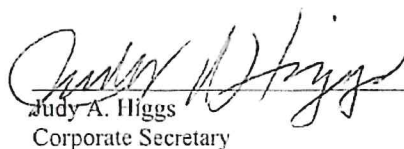
DIRECTORS' APPROVAL AND CERTIFICATE

The Board of Directors of the Company has approved the contents and the sending of this Proxy Statement and Proxy Form. The foregoing contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made.

Dated at the City of Nassau, New Providence Island, in the Commonwealth of The Bahamas this 9th day of July 2019.



Scott F. Elphinstone
Chairman



Judy A. Higgs
Corporate Secretary