



Fidelity Bank Plc.

PRESS RELEASE

UNAUDITED IFRS RESULTS FOR THE HALF YEAR ENDED JUNE 30, 2014

July 25, 2014

Lagos, Nigeria

Fidelity Bank Plc announces Profit Before Tax of N9.43 billion for the Half Year ended June 30, 2014; on track to achieve 2014FY and medium term ROE target.

In his remarks on the result, the MD/CEO, Mr. Nnamdi Okonkwo, said:

"In the Half Year ended June 30, 2014, we have begun to see a gradual impact of some of the transformation initiatives we commenced at the beginning of the financial year with PBT growing by 12% in the second quarter and net interest income improving by 32% between June 2013 and June 2014. We are confident that the profit and efficiency momentum will be sustained in the coming quarters as we implement our newly tested lending structures to grow the loan book in the SME and retail segment while consolidating on our niche corporate banking play".

Financial Highlights

Statement of Comprehensive Income

- Gross Earnings grew by 1% from N62.9 billion recorded in H1 2013 to N63.3 billion in H1 2014.
- Net Interest Income grew by 32% to N24.8 billion in H1 2014 compared to the N18.7 billion recorded in H1 2013. This was driven by a steady growth in the loan book and repricing of deposits and risk assets.
- Non-interest Income declined by 14% to N13.0 billion from N15.1 billion recorded in H1 2013, basically driven by a reduction in foreign exchange earnings.
- Operating Expenses grew by 11% to N26.3 billion in H1 2014 from N23.7 billion recorded in H1 2013. This was driven by an increase in remuneration costs and regulatory related expenses while the growth in the other expense lines was significantly below the inflation rate.

- Profit Before Tax (PBT) was N9.4 billion for the Half year ended June 30, 2014, which represents a drop of 16% from N11.2 billion recorded in the Half Year ended June 30, 2013. However Q2 PBT was N4.97billion which represents a growth of 12% from N4.45 billion recorded in Q1 2014.

Statement of Financial Position

- Total Customer Deposits declined by 5% to N766 billion as at June 30, 2014 from N806 billion as at December 31, 2013 as we rebalance our deposit book on account of high Cash Reserve Requirement on public sector deposits and continuous re-pricing of the deposit book
- On a quarterly basis deposits recorded a marginal growth in Q2 2014 while interest expense remained flat in a period of increased monetary tightening.
- Net Loans and Leases grew by 3% to N438 billion as at June 30, 2014 from N426 billion as at December 31, 2013, loan growth was 19% from June 2013 to June 2014.
- Shareholders' Funds stood at N166.38 billion as at June 30, 2014.

Key Ratios

- Cost to Income ratio increased from 68% in H1 2013 to 73% in H1 2014
- Average cost of customer deposits improved from 7.7% in FYE 2013 to 6.4% in H1 2014
- Average yield on earning assets improved from 12.3% in FYE 2013 to 14.0% in H1 2014
- Capital Adequacy Ratio (CAR), which measures a bank's financial strength and capacity for future expansion, was 27.0%; well above the regulatory threshold of 10%. This provides us the right platform to implement our expansion strategy as well as build capacity to grow shareholders value.
- Liquidity Ratio, which measures a bank's solvency and ability to meet maturing obligations, was 35.3% as at June 30, 2014; well above the regulatory threshold of 30%.

We are primed to build on the successes recorded over the first half of the year and expect to sustain the momentum for the rest of the year. This will ensure we achieve the growth targets set for the 2014FY.

ANALYSTS AND INVESTORS CONFERENCE CALL INVITATION

Fidelity Bank Plc Senior Management would be hosting a Conference Call with Investors/Analysts on financial results for the Half Year ended June 30 2014 on Friday August 22, 2014 at 14.00 hours Lagos time. There will also be opportunity for management to take questions from Investors and Analysts.

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