



Fidelity Bank Plc Announces 14.7% Growth In Profit Before Tax To N23.0bn for the 9 Months Ended September 30, 2019

LAGOS, NIGERIA – **29 OCTOBER 2019**: Fidelity Bank Plc (**Bloomberg: Fidelity**) announced its Unaudited Results, for the 9 months ended 30 September 2019.

Financial Highlights

- Gross Earnings **increased** by **16.3%** to **N161.4bn** from **N138.7bn** in 9M 2018
- Net Interest Income **increased** by **0.1%** to **N58.2bn** from **N58.2bn** in 9M 2018
- Net Operating Income **increased** by **14.5%** to **N80.9bn** from **N70.6bn** in 9M 2018
- Total Expenses **increased** by **14.5%** to **N57.9bn** from **N50.6bn** in 9M 2018
- Net Impairment write-back* was **N0.1bn** compared to a charge of **N3.3bn** in 9M 2018
- Profit before Tax **increased** by **14.7%** to **N23.0bn** from **N20.1bn** in 9M 2018
- Net Loans **increased** by **26.4%** to **N1,074.1bn** from **N849.9bn** in 2018 FY
- Total Deposits **increased** by **14.0%** to **N1,116.4bn** from **N979.4bn** in 2018 FY
- Total Equity **increased** by **14.0%** to **N221.7bn** from **N194.4bn** in 2018 FY
- Total Assets **increased** by **14.6%** to **N1,970.6bn** from **N1,719.9bn** in 2018 FY

N 'million	9M 2018	9M 2019	VAR	% VAR
Gross Earnings	138,745	161,383	22,639	16.3%
Net Interest Income	58,168	58,246	78	0.1%
Impairment Charge*	(3,285)	139	(3,424)	-104.2%
NRFF	54,883	58,384	3,501	6.4%
Net Fee Income	15,736	22,497	6,761	43.0%
Net Operating Inc.	70,619	80,882	10,263	14.5%
Total Expenses	(50,555)	(57,878)	7,323	14.5%
Profit before Tax	20,064	23,004	2,940	14.7%
Profit after Tax	17,857	21,462	3,605	20.2%
	2018FY	9M 2019	VAR	% VAR
Customer Deposits	979,413	1,116,416	137,003	14.0%
Total Equity	194,416	221,728	27,312	14.0%
Net Loans	849,880	1,074,096	224,216	26.4%
Total Assets	1,719,883	1,970,621	250,738	14.6%

Key Ratios	2018FY	9M 2019	VAR
Earning Assets Yield	12.8%	13.8%	1.0%
Cost of Funds	6.2%	6.7%	0.5%
Net interest Margin	5.8%	6.0%	0.2%
NIR/Total Income	22.3%	27.8%	5.5%
Cost to Income Ratio	71.1%	71.7%	0.6%
Cost of Risk	0.5%	0.0%	-0.5%
Loan to Funding Ratio	64.2%	68.4%	4.2%
Low Cost Deposit	81.6%	78.8%	-2.9%
Liquidity Ratio	39.0%	32.6%	-6.5%
CAR	16.7%	16.4%	-0.3%
NPL Ratio	5.7%	4.8%	-0.9%
RoE (post-tax)	11.8%	13.8%	2.0%
BVPS (N)	6.7	7.7	0.9
EPS (N)	0.8	0.7	-0.1

*Impairment Charge includes Net losses on de-recognition of financial assets measured at amortized cost

Nnamdi Okonkwo, MD/CEO of Fidelity Bank Plc commenting on the results, stated that:

“We are delighted with our 9M 2019 Results which showed strong double-digit growth on all key indices below as we sustained our performance trajectory. **Gross Earnings | Fee Income | Profitability | Loans | Deposits | Equity | Total Assets.**

Gross Earnings increased by 16.3% to ₦161.4bn driven by a 43.0% growth in our fee-based income (including a N2.4bn one-off asset disposal gain) and a 12.2% growth in Interest Income. We recorded double digit growth across the following income lines: Credit Related Fees (132.3%), Digital Banking Income (42.7%), Trade Income (31.8%), and Account Maintenance Fees (18.1%).

Digital Banking continued to gain traction driven by our new initiatives in the retail lending segment (Fidelity FastLoan) and increased cross-selling of our digital banking products. We now have 46.4% of our customers enrolled on the mobile/internet banking products, 82.0% of total transactions now done on digital platforms and 31.5% of fee-based income now coming from digital banking.

Net Interest Margin improved further to 6.0% from 5.8% in H1 2019 as the growth in our average yield on earning assets outpaced the increase in our average funding cost. The improvement in the yield on earning assets to 13.8% in 9M 2019 was driven by a 12.2% increase in total interest income.

Operating Expenses grew by 14.5% to ₦57.9bn driven by the following cost lines NDIC | AMCON | Advert which accounted for over 60.3% of the cost growth for 9M 2019. Cost-to-income Ratio was relatively stable at 71.7% though operating expenses declined by 8.2% in Q3 2019.

Total Deposits increased by 14.0% to ₦1,116.4bn from ₦979.4bn driven by a 6.7% growth in local currency deposits and a strong 46.4% growth in foreign currency deposits. Foreign currency deposits at ₦263.2bn accounts for 23.6% of total deposits.

Retail Banking continued to deliver impressive results as savings deposits increased by 9.2% to ₦248.9bn and we are on course to achieving the 6th consecutive year of double-digit savings growth. Savings deposits now accounts for about 22.3% of total deposits, an attestation of our increasing market share in the retail segment.

Net Risk Assets increased by 26.4% to N1,074.1bn from N849.9bn in the 2018FY. Foreign currency loans increased by 34.1% and now accounts for 43.6% of the loan book while local currency loans increased by 20.8% and now represents 56.4% of the loan book. Cost of risk was 0.0% due to the net write-backs (*including net losses on de-recognition of financial assets measured at amortized cost*) we had on our impairment charges.

Non-performing Loans (NPLs) Ratio improved to 4.8% from 5.7% in the 2018FY due to the growth in the loan book and a 4.9% decline in absolute NPLs in Q3 2019.

Regulatory Ratios remained above the required thresholds with Capital Adequacy Ratio (CAR) at 16.4% and Liquidity Ratio at 32.6%.

We remain focused on the execution of our medium-term strategic objectives while we look forward to sustaining the momentum in Q4 2019 towards achieving our set targets for 2019 Financial Year”.

ANALYSTS AND INVESTORS CONFERENCE CALL INVITATION

Fidelity Bank Management would be hosting a conference call with investors/analysts on **Thursday, 31 October 2019 at 14.00 hours Lagos | 13:00 London | 09:00 New York | 15.00 Johannesburg**. There will be a question and answer session after the presentation of the **9M 2019 performance** of the Bank by the management team.

To obtain the dial-in details, kindly pre-register for the call [HERE](#).

For further information, please contact:



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