



Fidelity Bank Plc Announces Impressive H1 2018 Audited Results As Profit Before Tax Grows By Over 27% To N13.0bn

LAGOS, NIGERIA – **26 SEPTEMBER 2018**: Fidelity Bank Plc (**Bloomberg: Fidelity**) announced its Audited Results, for the 6 months ended 30 June 2018.

Financial Highlights

- Gross Earnings **increased** by **3.6%** to **N88.9bn** from **N85.8bn** in H1 2017
- Net Interest Income **decreased** by **6.2%** to **N30.9bn** from **N32.9bn** in H1 2017
- Operating Income **increased** by **11.1%** to **N45.7bn** from **N41.1bn** in H1 2017
- Total Expenses **increased** by **5.7%** to **N32.7bn** from **N30.9bn** in H1 2017
- Impairment Charge **decreased** by **46.1%** to **N2.6bn** from **N4.8bn** in H1 2017
- Profit before Tax **increased** by **27.3%** to **N13.0bn** from **N10.2bn** in H1 2017
- Net Loans **increased** by **3.5%** to **N795.4bn** from **N768.7bn** in 2017 FY
- Total Deposits **increased** by **19.7%** to **N927.9bn** from **N775.3bn** in 2017 FY
- Total Equity **decreased** by **9.4%** to **N184.2bn** from **N203.3bn** in 2017 FY
- Total Assets **increased** by **13.7%** to **N1,567.6bn** from **N1,379.2bn** in 2017 FY

N 'million	H1 2017	H1 2018	VAR	% VAR
Gross Earnings	85,821	88,917	3,096	3.6%
Net Interest Income	32,944	30,887	(2,057)	-6.2%
Impairment Charge	(4,810)	(2,593)	(2,217)	-46.1%
NRFF	28,134	28,294	160	0.6%
Net Fee Income	12,986	17,375	4,389	33.8%
Operating Income	41,120	45,669	4,549	11.1%
Total Expenses	(30,901)	(32,659)	1,758	5.7%
Profit before Tax	10,219	13,010	2,791	27.3%
Profit after Tax	9,036	11,843	2,807	31.1%
	2017FY	H1 2018	VAR	% VAR
Customer Deposits	775,276	927,933	152,657	19.7%
Total Equity	203,315	184,165	(19,150)	-9.4%
Net Loans	768,737	795,367	26,630	3.5%
Total Assets	1,379,214	1,567,562	188,348	13.7%

Key Ratios	2017FY	H1 2018	VAR
Earning Assets Yield	15.4%	14.4%	-1.0%
Cost of Funds	7.2%	6.6%	-0.6%
Net interest Margin	7.3%	6.5%	-0.8%
NIR/Total Income	32.0%	38.0%	6.0%
Cost to Income Ratio	67.5%	67.7%	0.2%
Cost of Risk	1.5%	0.7%	-0.8%
Loan to Deposit	84.7%	71.0%	-13.7%
Low Cost Deposit	77.0%	73.8%	-3.2%
Liquidity Ratio	35.9%	33.2%	-2.7%
CAR	16.0%	17.0%	1.0%
NPL Ratio	6.4%	6.1%	-0.3%
RoE (pre-tax)	10.0%	14.2%	4.2%
BVPS (NGN)	7.0	6.4	-0.6
EPS (NGN)	0.7	0.8	0.1

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

“We are delighted with our H1 2018 Audited Results which showed strong double-digit growth in Earning Assets | Deposits | Revenues, sustained cost discipline with expense growth below the inflation rate and significant traction in our chosen business segments. We were able to improve our performance trend on a quarterly basis through the following: disciplined balance sheet growth, strategic cost containment, increased focus on the Corporate | Commercial | SME segments and continued execution of our retail and digital banking strategy.

Gross earnings increased y-o-y by 3.6% to close at N88.9 billion primarily driven by the following: Growth in earning assets by 10.1% which led to a 2.5% increase in interest income to N72.9 billion and a 33.8% increase in net fee and commission income to N17.4 billion driven primarily by increased transactional activities. Digital Banking continues to gain traction with almost 40% of our customers now enrolled on the mobile/internet banking products and over 80% of total transactions are now done on our digital platforms.

NIM remained resilient at 6.5% despite the reduction in yields on earning assets. Though the decline in yields on earning assets outpaced the drop in funding costs, NIM still remains within our guidance for the year. Our average yield on earning assets stood at 14.4% compared to an average funding cost of 6.6%.

The implementation of the initiatives from our business process review project and digital banking focus continued to impact positively on our operational efficiency though total operating expenses grew by 5.7% to N32.7 billion. Our cost to income ratio remained relatively stable at 67.7% compared to 67.5% in the 2017FY despite the double digit inflationary environment. The strong revenue growth of N4.6 billion (11.1% growth) and the marginal growth in total expenses by N1.8 billion (5.7%) translated to a N2.8 billion (27.3%) increase in Profit Before Tax (PBT) to N13.0 billion from N10.2 billion in H1 2017.

Total deposits increased by 19.7% to N927.9 billion from N775.3 billion as we recorded strong double-digit growth on all the deposit products (Demand | Savings | Time) whilst lowering funding costs. Our retail banking strategy continued to deliver impressive results as savings deposits increased by 10.6% to N197.5 billion and we are now on track to achieving the 5th consecutive year of double-digit savings growth. Low cost deposits now account for 73.8% of total deposits.

Risk assets increased by 3.5% to N795.4 billion from N768.7 billion in the 2017FY. Cost of risk declined to 0.7% from 1.5% in the 2017FY due to impairment charges passed through equity on IFRS 9 adoption and reduced impairment charges in the telecommunications and downstream sectors. Non-performing Loans (NPLs) Ratio improved to 6.1% from 6.4% in the 2017FY despite a 2.0% growth in the absolute NPL numbers with the NPL coverage ratio improving to 112.7%.

Other regulatory ratios remained above the required thresholds with Capital Adequacy Ratio (CAR) at 17.0% and Liquidity Ratio at 33.2%.

We remain focused on the execution of our medium term strategic objectives and targets for the 2018FY while we look forward to sustaining the momentum and delivering another strong set of results in the next quarter”

ANALYSTS AND INVESTORS CONFERENCE CALL INVITATION

Fidelity Bank Management would be hosting a conference call with investors/analysts on the H1 2018 Audited Financial Results on **Friday, September 28th 2018 at 15.00 hours Lagos & London / 10:00 New York / 16.00 Johannesburg**. There will be a question and answer session at the end of the call.

To participate in the call, please dial one of the following numbers:

- (UK) +44 (0)20 7043 4129
- (UK) 0800 327 7280
- (South Africa) 0800 982 759
- (USA) 1-866-840-9752
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Follow the voice prompt and provide the Conference Call ID: **291 213#**

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