



Fidelity Bank Plc Announces 94% Growth In Profit For The 2017FY As Profit Before Tax (PBT) Hits N20.3bn; Proposes Dividend Of 11k Per Share

LAGOS, NIGERIA – **30 APRIL 2018**: Fidelity Bank Plc (**Bloomberg: Fidelity**) announced its Audited Results, for the 12 months ended 31 December 2017.

Financial Highlights

- Gross Earnings **increased** by **18.3%** to **N179.9bn** from **N152.0bn** in 2016 FY
- Net Interest Income **increased** by **15.4%** to **N71.5bn** from **N61.9bn** in 2016 FY
- Net Operating Income **increased** by **9.9%** to **N86.0bn** from **N78.3bn** in 2016 FY
- Total Expenses **declined** by **2.3%** to **N65.7bn** from **N67.2bn** in 2016 FY
- Impairment Charge **increased** by **30.5%** to **N11.3bn** from **N8.7bn** in 2016 FY
- Profit before Tax **increased** by **83.5%** to **N20.3bn** from **N11.1bn** in 2016 FY
- Net Loans **increased** by **7.0%** to **N768.7bn** from **N718.4bn** in 2016 FY
- Total Deposits **declined** by **2.2%** to **N775.3bn** from **N793.0bn** in 2016 FY
- Total Equity **increased** by **9.7%** to **N203.3bn** from **N185.4bn** in 2016 FY
- Total Assets **increased** by **6.2%** to **N1,379.2bn** from **N1,298.1bn** in 2016 FY

N 'million	2016 FY	2017 FY	VAR	% VAR
Gross Earnings	152,021	179,896	27,875	18.3%
Net Interest Income	61,928	71,464	9,536	15.4%
Impairment Charge	(8,671)	(11,315)	2,644	30.5%
NRFF	53,257	60,149	6,892	12.9%
Net Fee Income	25,005	25,828	823	3.3%
Net Operating Income	78,262	85,977	7,715	9.9%
Total Expenses	(67,201)	(65,675)	(1,526)	-2.3%
Profit before Tax	11,061	20,302	9,241	83.5%
Profit after Tax	9,734	18,857	9,123	93.7%
	2016 FY	2017 FY	VAR	% VAR
Customer Deposits	792,971	775,276	(17,695)	-2.2%
Total Equity	185,402	203,315	17,913	9.7%
Net Loans	718,401	768,737	50,336	7.0%
Total Assets	1,298,141	1,379,214	81,073	6.2%

Key Ratios	2016 FY	2017 FY	VAR
Earning Assets Yield	12.7%	15.4%	2.7%
Cost of Funds	5.8%	7.2%	1.4%
Net Interest Margin	6.4%	7.3%	0.9%
NIR/Total Income	32.0%	30.0%	-2.0%
Cost Income Ratio	77.3%	67.5%	-9.8%
Cost of Risk	1.2%	1.5%	0.3%
Loan to Deposit	78.0%	84.7%	6.7%
Low Cost Deposit	76.7%	77.0%	0.3%
Liquidity Ratio	33.2%	35.9%	2.7%
CAR	17.2%	16.0%	-1.2%
NPL Ratio	6.6%	6.4%	-0.2%
RoE (pre-tax)	6.0%	10.0%	4.0%
BVPS (NGN)	6.4	7.0	0.6
EPS (NGN)	0.3	0.7	0.3

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

“The 2017FY was a landmark year for Fidelity Bank as we returned to the international capital markets and issued a very successful \$400 million Eurobond, commenced the interim audit of our financials to improve our governance process and delivered a strong set of results through the disciplined execution of our medium-term strategy.

We are delighted with our 2017FY performance which showed strong growth in key revenue lines, a corresponding decline in our operating expenses (despite the high inflationary environment) and significant traction in our chosen business segments. We were able to sustain our performance trend on a quarterly basis through the following: disciplined balance sheet management, strategic cost reduction, 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 18.3% to N179.9 billion primarily driven by the following: increased yield on earning assets to 15.4% which led to a 22.4% increase in interest income to N150.7bn and a 3.3% increase in net fee and commission income to N25.8 billion driven primarily by the following products: Trade Finance (61.6% growth), Account Maintenance Fees (49.8% growth) and FX Income (20.9% growth). Digital banking now accounts for over 25% of our fee-based income as customers adoption of our mobile/internet platforms improved to 35% in the 2017FY and led to a 21.0% reduction in vault cash holding.

NIM remained strong at 7.3% for the 2017FY despite the reduction in yields on liquid assets from the third quarter. Nonetheless, the growth in the yield on our earning assets has continued to outpace the increase in funding costs; our average yield on earnings assets stood at 15.4% compared to an average funding cost of 7.2%.

The implementation of the initiatives from our Business Process Review Project and Digital Banking focus continued to impact positively on our operational efficiency as total operating expenses declined by 2.3% to N65.7 billion leading to our cost-income ratio dropping to 67.5% from 77.3% in the 2016FY. The combination of the strong net revenue growth of N7.7 billion (9.9% growth) and the decline in total expenses by N1.5 billion (2.3%) translated to a N9.2 billion (83.5%) increase in Profit before Tax (PBT) to N20.3 billion from N11.1 billion in the 2016FY.

Total deposits declined by 2.2% to N775.3 billion from N793.0 billion due to the high yields on fixed income instruments and specific one-off deposit payments. However, our retail banking strategy continued to deliver impressive results as savings deposits increased by 15.2% to N178.6bn and now accounts for 23.0% of total deposits from 19.5% in the 2016FY. This has improved our low-cost deposits ratio to 77.0% of total deposits.

Risk assets increased by 7.0% to N768.7 billion from N718.4 billion in the 2016FY. However, actual real growth in risk assets was 3.0% while the impact of the change in currency conversion rate (N305.9 to N333.1) was 4.0%. Cost of risk increased to 1.5%

based on increased provisioning in the Telecommunications and Downstream Sectors. Non-Performing Loans (NPL) ratio improved to 6.4% from 6.6% in the 2016FY despite a 2.5% growth in the absolute NPL numbers, 2017FY coverage ratio (including regulatory risk reserves) improved to 109.4% compared to 83.0% in the 2016FY.

Other regulatory ratios remained above the required thresholds with Capital Adequacy Ratio (CAR) at 16.0% and Liquidity Ratio at 35.9%.

We estimate the transition to IFRS 9 in 2018 will reduce our shareholders' equity by approximately N28.2 billion, however the impact on our capital adequacy ratio will be very marginal because the bank has over N28.8 billion available in regulatory risk reserves.

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

ANALYSTS AND INVESTORS CONFERENCE CALL INVITATION

Fidelity Bank Management would be hosting a conference call with investors/analysts on **Wednesday, 02 May 2018 at 14.00 hours Lagos & London / 09:00 New York / 15.00 Johannesburg**. There will be a question and answer session after the presentation of the **2017FY and Q1 2018 financial performance** of the Bank by the management team.

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
- (USA) +1-213-375-0471
- (Nigeria) +234 (0)18889001
- (Nigeria) +234 (0)18889090

Follow the voice prompt and provide the Conference Call ID: **997 741#**

For further information, please contact:

Samuel Obioha (Head, Investor Relations)

Telephone +234 1 4480853

E-mail samuel.obioha@fidelitybank.ng
info.investor@fidelitybank.ng

Contact Us: +234(1)448-5252, +234 8003-433-5489 true.serve@fidelitybank.ng

WAYS TO BANK WITH US

 Branch  ATM  Online Banking  Instant Banking  POS  True Serve

Fidelity Bank Plc

RC: 103022

FOLLOW US:     

www.fidelitybank.ng