



Fidelity Bank Plc Announces 24% Growth In Profit Before Tax To N20.1bn for the 9 Months Ended September 30, 2018

LAGOS, NIGERIA – **25 OCTOBER 2018**: Fidelity Bank Plc (**Bloomberg: Fidelity**) announced its Unaudited Results, for the 9 months ended 30 September 2018.

Financial Highlights

- Gross Earnings **increased** by **6.9%** to **N139.0bn** from **N130.1bn** in 9M 2017
- Net Interest Income **increased** by **8.1%** to **N58.2bn** from **N53.8bn** in 9M 2017
- Operating Income **increased** by **10.8%** to **N70.6bn** from **N63.7bn** in 9M 2017
- Total Expenses **increased** by **6.5%** to **N50.6bn** from **N47.5bn** in 9M 2017
- Impairment Charge **decreased** by **55.1%** to **N3.3bn** from **N7.3bn** in 9M 2017
- Profit before Tax **increased** by **23.6%** to **N20.1bn** from **N16.2bn** in 9M 2017
- Net Loans **increased** by **8.0%** to **N830.4bn** from **N768.7bn** in 2017 FY
- Total Deposits **increased** by **27.3%** to **N986.8bn** from **N775.3bn** in 2017 FY
- Total Equity **decreased** by **5.4%** to **N192.4bn** from **N203.3bn** in 2017 FY
- Total Assets **increased** by **21.9%** to **N1,680.8bn** from **N1,379.2bn** in 2017 FY

N 'million	9M 2017	9M 2018	VAR	% VAR
Gross Earnings	130,086	139,001	8,916	6.9%
Net Interest Income	53,805	58,168	4,363	8.1%
Impairment Charge	(7,323)	(3,285)	(4,038)	-55.1%
NRFF	46,481	54,883	8,402	18.1%
Net Fee Income	17,241	15,736	(1,505)	-8.7%
Operating Income	63,723	70,619	6,896	10.8%
Total Expenses	(47,486)	(50,555)	3,069	6.5%
Profit before Tax	16,236	20,064	3,827	23.6%
Profit after Tax	14,450	17,857	3,406	23.6%
	2017FY	9M 2018	VAR	% VAR
Customer Deposits	775,276	986,830	211,554	27.3%
Total Equity	203,315	192,387	(10,929)	-5.4%
Net Loans	768,737	830,375	61,638	8.0%
Total Assets	1,379,214	1,680,804	301,590	21.9%

Key Ratios	2017FY	9M 2018	VAR
Earning Assets Yield	15.4%	13.8%	-1.6%
Cost of Funds	7.2%	6.2%	-1.0%
Net interest Margin	7.3%	6.7%	-0.6%
NIR/Total Income	32.0%	22.3%	-9.7%
Cost to Income Ratio	67.5%	68.4%	0.9%
Cost of Risk	1.5%	0.5%	-1.0%
Loan to Deposit	84.7%	70.3%	-14.4%
Low Cost Deposit	77.0%	73.6%	-3.4%
Liquidity Ratio	35.9%	38.3%	2.4%
CAR	16.0%	17.0%	1.0%
NPL Ratio	6.4%	6.0%	-0.4%
RoE (pre-tax)	10.0%	13.9%	3.9%
BVPS (NGN)	7.0	6.6	-0.4
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 9M 2018 Results which showed strong double-digit growth in Deposits, Revenues and Profitability. We continued to increase our market share driven by significant traction in our chosen business segments. We were able to sustain our performance trend on a y-o-y basis through the following: disciplined balance sheet growth, 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 6.9% to close at N139.0 billion primarily driven by the growth in earning assets by 19.2% which led to a 9.1% increase in interest income to N120.4 billion. Net Fee income declined by 8.7% y-o-y to N15.7 billion. We reclassified N7.2 billion from non-interest income to interest and similar income in Q3 2018 after a review of the underlying transactional income with our Auditors.

Digital Banking continues to gain traction with over 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 6.7% 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 13.8% compared to an average funding cost of 6.2%.

Despite the double digit inflationary environment, expenses grew by 6.5% to N50.6 billion due to increased technology investment and higher AMCON Charges. Our cost to income ratio remained relatively stable at 68.4% compared to 67.5% in the 2017FY. The strong double digit revenue growth of N6.9 billion (10.8% growth) and the moderate growth in total expenses by N3.1 billion (6.5%) translated to a N3.8 billion (23.6%) increase in Profit Before Tax (PBT) to N20.1 billion from N16.2 billion in 9M 2017.

Total deposits increased by over N211.6 billion (27.3%) to N986.8 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 12.9% to N201.7 billion leading to the 5th consecutive year of double-digit savings growth. Low cost deposits now account for 73.6% of total deposits.

Risk assets increased by 8.0% to N830.4 billion from N768.7 billion in the 2017FY. Cost of risk declined to 0.5% 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 6.0% from 6.4% in the 2017FY despite a 3.4% growth in the absolute NPL numbers with the NPL coverage ratio at 109.9%.

Other regulatory ratios remained above the required thresholds with Capital Adequacy Ratio (CAR) at 17.0% and Liquidity Ratio at 38.3%.

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 for the 2018FY”

ANALYSTS AND INVESTORS CONFERENCE CALL INVITATION

Fidelity Bank Management would be hosting a conference call with investors/analysts on the 9M 2018 Financial Results on **Tuesday, October 30th 2018 at 15:00 hours Lagos /14:00 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
- (USA) +1-213-375-0471
- (Nigeria) +234 (0)18889001
- (Nigeria) +234 (0)18889090

Follow the voice prompt and provide the Conference Call ID: **252 249#**

For further information, please contact:

Makuachukwu Eyisi

E-mail: makuachukwu.eyisi@fidelitybank.ng




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

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