

Fidelity Bank Plc Announces 18.8% Growth In Gross Earnings To N40.8bn And 20.5% Growth In Profit Before Tax (PBT) To N4.8bn For The 3 Months Ended March 31, 2017

LAGOS, NIGERIA – 26 APRIL 2017: Fidelity Bank Plc (**Bloomberg: Fidelity**) announced its Unaudited Results, for the 3 months ended 31 March 2017.

Financial Highlights

- Gross Earnings increased by 18.8% to N40.8bn from N34.4bn in Q1 2016
- Net Interest Income increased by 2.8% to N16.6bn from N16.1bn in Q1 2016
- Operating Income declined by 3.5% to N20.0bn from N20.8bn in Q1 2016
- Total Expenses declined by 10.4% to N14.4bn from N16.0bn in Q1 2016
- Impairment Charge increased by 1.5% to N0.8bn from N0.7bn in Q1 2016
- Profit before Tax increased by 20.5% to N4.8bn from N4.0bn in Q1 2016
- Net Loans increased by 1.7% to N730.4bn from N718.1bn in 2016 FY
- Total Deposits increased by 0.9% to N800.2bn from N793.0bn in 2016 FY
- Total Equity increased by 2.1% to N189.2bn from N185.4bn in 2016 FY
- Total Assets increased by 1.0% to N1,310.9bn from N1,298.1bn in 2016 FY

N'million	Q1 2016	Q1 2017	VAR	% VAR	Key Ratios	2016 FY	Q1 2017	VAR
Gross Earnings	34,365	40,842	6,477	18.8%	Earning Assets Yield	12.7%	15.1%	2.4%
Net Interest Income	16,104	16,557	453	2.8%	Net Interest Margin	6.4%	6.9%	0.5%
Net Fee Income	4,666	3,485	(1,181)	-25.3%	Return on Equity	6.0%	10.4%	4.4%
Operating Income	20,770	20,042	(728)	-3.5%	Return on Assets	0.9%	1.5%	0.6%
Total Expenses	(16,041)	(14,365)	1,675	-10.4%	Cost of Funds	5.8%	7.5%	1.7%
Impairment Charge	(739)	(750)	(11)	1.5%	Cost Income Ratio	77.3%	72.0%	-5.3%
Profit before Tax	4,025	4,849	824	20.5%	Cost of Risk	1.2%	0.4%	-0.8%
Profit after Tax	3,583	4,316	733	20.5%	Loan to Deposit	78.0%	78.7%	0.7%
	2016 FY	Q1 2017	VAR	% VAR	Liquidity Ratio	33.2%	33.7%	0.5%
Customer Deposits	792,971	800,247	7,276	0.9%	CAR	17.2%	16.7%	-0.5%
Total Equity	185,402	189,214	3,812	2.1%	NPL Ratio	6.6%	6.1%	-0.5%
Net Loans	718,113	730,448	12,335	1.7%	BVPS (NGN)	6.4	6.5	0.1
Total Assets	1,298,141	1,310,854	12,713	1.0%	EPS (NGN)	0.3	0.6	0.3

Nnamdi Okonkwo, Managing Director and CEO of Fidelity Bank Plc commenting on the results, stated that:

We have started the 2017FY showing impressive double-digit growth on gross earnings and profitability whilst keeping our operating costs under control as our business model continued to enable us deliver improved performance in line with our strategic objectives for the financial year.

Gross earnings increased y-o-y by 18.8% to N40.8 billion driven by a combination of increased yields on earning assets and an absolute growth in the volume of earning assets which led to a 24.1% y-o-y growth in interest income. However net interest income increased by 2.8% as interest expense also inched up in line with the higher interest rate environment. Net fee income declined y-o-y by 25.3% to N3.5 billion due to a 21.2% drop in E-banking income arising from the stoppage of international card transactions.

Our cost optimization initiatives continued to deliver cost savings as total operating expenses declined y-o-y by 10.4% to N14.4 billion, this was driven by a decline in over 60% of our operating expense lines in Q1 2017. We will continue to optimize our cost profile without impacting service delivery through the disciplined execution of the initiatives from our recently completed business optimization project.

Total deposits increased q-o-q by 0.9% to N800.2 billion in March 2017 from N793.0 billion in December 2016 with low cost deposits accounting for 79.4% of total deposits. Our retail banking strategy continued to deliver impressive results as Savings deposits increased q-o-q by 5.6% to N163.7 billion in March 2017.

Risk assets increased q-o-q by 1.7% to N730.4 billion with cost of risk dropping marginally y-o-y to 0.4% while our coverage ratio stood at 90.9% from 83.5% in 2016 FYE. Non-performing loans ratio improved to 6.1% from 6.6% in the 2016 FYE due to a 7.1% drop in absolute NPL figures and the growth in the loan book. The decline in absolute NPL volumes was primarily from the following sectors which accounted for over 85% of the decline; General Commerce, Transport, Retail and Real Estate sector.

We remain focused on the execution of our medium term strategic objectives and targets for the 2017FY whilst we look forward to delivering another positive 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 Q1 2017 Unaudited Financial Results on Wednesday, May 03, 2017 at 15.00 hours Lagos / London / 10:00 New York / 16.00 Johannesburg. There will also be an opportunity for management to respond to questions from investors and analysts.

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

(UK) +44 (0)20 7043 4129
(UK) 0800 327 7280
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Follow the voice prompt and provide the Conference Call ID: **222 560#**

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