



Fidelity Bank Plc Announces 24.0% Growth In Profit After Tax For 2019FY As Profit Before Tax Hits N30.4bn; Proposes Dividend Of 20k Per Share

LAGOS, NIGERIA – **23 MARCH 2020**: Fidelity Bank Plc (**Bloomberg: Fidelity**) announced its Audited Results, for the 12 months ended 31 December 2019.

Financial Highlights

- Gross Earnings **increased** by **14.0%** to **N215.5bn** from **N189.0bn** in 2018FY
- Net Interest Income **increased** by **13.2%** to **N83.1bn** from **N73.4bn** in 2018FY
- Net Operating Income **increased** by **15.6%** to **N112.3bn** from **N97.2bn** in 2018FY
- Total Expenses **increased** by **13.7%** to **N82.0bn** from **N72.1bn** in 2018FY
- Net Impairment write-back* was **N0.6bn** compared to a charge of **N4.2bn** in 2018FY
- Profit before Tax **increased** by **21.0%** to **N30.4bn** from **N25.1bn** in 2018FY
- Net Loans **increased** by **32.6%** to **N1,127.0bn** from **N849.9bn** in 2018 FY
- Total Deposits **increased** by **25.1%** to **N1,225.2bn** from **N979.4bn** in 2018 FY
- Total Equity **increased** by **20.4%** to **N234.0bn** from **N194.4bn** in 2018 FY
- Total Assets **increased** by **22.9%** to **N2,114.0bn** from **N1,719.9bn** in 2018 FY

N *million	2018FY	2019FY	VAR	% VAR
Gross Earnings	189,005	215,514	26,509	14.0%
Net Interest Income	73,356	83,055	9,699	13.2%
Impairment Charge*	(4,215)	587	(4,802)	-113.9%
NRFF	69,141	83,642	14,501	21.0%
Net Fee Income	28,076	28,703	627	2.2%
Net Operating Inc.	97,217	112,345	15,128	15.6%
Total Expenses	(72,128)	(81,992)	9,864	13.7%
Profit before Tax	25,089	30,353	5,264	21.0%
Profit after Tax	22,926	28,425	5,499	24.0%
	2018FY	2019FY	VAR	% VAR
Customer Deposits	979,413	1,225,213	245,800	25.1%
Total Equity	194,416	234,030	39,614	20.4%
Net Loans	849,880	1,126,974	277,094	32.6%
Total Assets	1,719,883	2,114,037	394,154	22.9%

Key Ratios	2018FY	2019FY	VAR
Earning Assets Yield	12.8%	13.6%	0.8%
Cost of Funds	6.2%	6.3%	0.1%
Net interest Margin	5.8%	6.2%	0.4%
NIR/Total Income	28.9%	25.5%	-3.4%
Cost to Income Ratio	71.1%	73.4%	2.3%
Cost of Risk	0.5%	-0.1%	-0.6%
Loan to Funding Ratio	64.2%	68.2%	4.0%
Low Cost Deposit	81.6%	78.9%	-2.7%
Liquidity Ratio	39.0%	35.0%	-4.0%
CAR	16.7%	18.3%	1.6%
NPL Ratio	5.7%	3.3%	-2.4%
RoE (post-tax)	11.8%	13.3%	1.5%
BVPS (N)	6.7	8.1	1.4
EPS (N)	0.8	1.0	0.2

*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 closed the financial year with strong double-digit growth across key income and balance-sheet lines. This clearly showed that we sustained our performance trajectory and continued to increase our market share driven by significant traction in our chosen business segments.

Gross Earnings increased by 14.0% to ₦215.5bn driven largely by a 15.8% growth in interest and similar income which accounted for 84.6% of total earnings. Non-interest income increased by ₦1.6bn to ₦33.2bn on account of double-digit growth across key sectors: Credit Related Fees (125.2%), Trade Income (19.7%), Account Maintenance Fees (13.6%), and Digital Banking Income (13.3%).

Digital Banking continued to gain traction driven by our new initiatives in the retail lending segment and the enhancement of our existing digital products. We now have 47.4% of our customers enrolled on the mobile/internet banking products, 82.0% of total transactions now done on digital platforms and 31.1% of fee-based income now coming from our digital banking business.

Net Interest Margin improved further to 6.2% from 5.8% in 2018FY 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 13.6% in 2019FY was driven by a 19.2% growth in our interest income on loans and 6.8% growth in interest income on liquid assets, which led to a 13.2% increase in net interest income (₦9.7bn).

Operating Expenses increased by 13.7% to ₦82.0bn driven by the following cost lines NDIC | AMCON | Technology | Advert which accounted for over 58.4% of the cost growth in 2019FY. Cost-to-income Ratio inched up to 73.4%.

Total Deposits increased by 25.1% to ₦1,225.2bn from ₦979.4bn driven by double-digit growth across all deposit types. Local currency deposits grew by 17.1% accounting for 55.7% of the increase in total deposit while foreign currency deposits increased by 60.5%, accounting for 44.3% of the increase in total deposits. Foreign currency deposits at ₦288.6bn now constitute 23.6% of total deposits from 18.4% in 2018FY.

Retail Banking continued to deliver impressive results as savings deposits increased by 20.7% to ₦275.2bn making it the 6th consecutive year of double-digit growth. Savings deposits now accounts for about 22.5% of total deposits, an attestation of our increasing market share in the retail segment. Retail loans grew by 42.9% to ₦53.8bn driven by our new digital lending products and partnership with Fintechs. As at December 2019, we had disbursed over 70,000 micro-loans on our flagship digital lending product (Fidelity FastLoan) in partnership with Migo.

Net Risk Assets increased by 32.6% to ₦1,127.0bn from ₦849.9bn in 2018FY. Foreign currency loans increased by 33.1% and now accounts for 41.2% of the loan book while local currency loans increased by 32.1% and now represents 58.8% of the total loan book. Cost of risk was -0.1% 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 3.3% from 5.7% in the 2018FY due to the growth in the loan book and a 25.1% decline in absolute NPLs driven by loan write-offs of over N12bn.

Regulatory Ratios remained above the required thresholds with Capital Adequacy Ratio (CAR) at 18.3% and Liquidity Ratio at 35.0%.

Going into 2020FY, we recognize the negative impact of Covid-19 and the decline in oil prices on the global economy and the pass-through effect on our domestic economy. We will continue to take measures to ensure the safety of our staff, customers and other stakeholders during this period whilst activating our business continuity procedures to meet the unfolding scenarios in our operating environment".

ANALYSTS AND INVESTORS CONFERENCE CALL INVITATION

Fidelity Bank Management would be hosting a conference call on **Wednesday, 25 March 2020 at 15.00 hours Lagos | 14:00 London | 10:00 New York | 16.00 Johannesburg**. There will be a question and answer session after the presentation of the **2019FY 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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