

Fidelity Bank Plc Announces Impressive H1 2019 Audited Results; Records Double Digit Growth In Earnings, Profitability, Deposits and Loans

LAGOS, NIGERIA – **30 AUGUST 2019**: Fidelity Bank Plc (**Bloomberg: Fidelity**) announced its Audited Results, for the 6 months ended 30 June 2019.

Financial Highlights

- Gross Earnings **increased** by **12.3%** to **N103.7bn** from **N92.3bn** in H1 2018
- Net Interest Income **decreased** by **3.0%** to **N36.9bn** from **N38.1bn** in H1 2018
- Operating Income **increased** by **16.5%** to **N53.2bn** from **N45.7bn** in H1 2018
- Total Expenses **increased** by **16.9%** to **N38.2bn** from **N32.7bn** in H1 2018
- Net Impairment write-back* was **N0.8bn** compared to a charge of **N2.6bn** in H1 2018
- Profit before Tax **increased** by **15.7%** to **N15.1bn** from **N13.0bn** in H1 2018
- Net Loans **increased** by **17.6%** to **N999.3bn** from **N849.9bn** in 2018 FY
- Total Deposits **increased** by **12.0%** to **N1,097.0bn** from **N979.4bn** in 2018 FY
- Total Equity **increased** by **10.9%** to **N215.6bn** from **N194.4bn** in 2018 FY
- Total Assets **increased** by **12.8%** to **N1,940.2bn** from **N1,719.9bn** in 2018 FY

N *million	H1 2018	H1 2019	VAR	% VAR
Gross Earnings	92,295	103,655	11,360	12.3%
Net Interest Income	38,058	36,899	(1,159)	-3.0%
Impairment Charge*	(2,593)	768	3,361	129.6%
NRFF	35,465	37,667	2,202	6.2%
Net Fee Income	10,204	15,553	5,349	52.4%
Operating Income	45,669	53,220	7,551	16.5%
Total Expenses	(32,659)	(38,169)	5,510	16.9%
Profit before Tax	13,010	15,051	2,041	15.7%
Profit after Tax	11,843	13,685	1,842	15.6%
	2018FY	H1 2019	VAR	% VAR
Customer Deposits	979,413	1,097,011	117,598	12.0%
Total Equity	194,416	215,566	21,150	10.9%
Net Loans	849,880	999,319	149,439	17.6%
Total Assets	1,719,883	1,940,163	220,280	12.8%

Key Ratios	2018FY	H1 2019	VAR
Earning Assets Yield	12.8%	13.5%	0.7%
Cost of Funds	6.2%	6.6%	0.4%
Net interest Margin	5.8%	5.8%	0.0%
NIR/Total Income	22.3%	29.2%	6.9%
Cost to Income Ratio	71.1%	72.8%	1.7%
Cost of Risk	0.5%	-0.2%	-0.7%
Loan to Deposit	73.1%	69.7%	-3.4%
Low Cost Deposit	81.6%	73.7%	-7.9%
Liquidity Ratio	39.0%	34.8%	-4.2%
CAR	16.7%	17.0%	0.3%
NPL Ratio	5.7%	5.4%	-0.3%
RoE (post-tax)	11.8%	13.5%	1.7%
BVPS (N)	6.7	7.4	0.7
EPS (N)	0.8	0.5	-0.3

*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 are delighted with our H1 2019 Audited Results which showed strong double-digit growth on all key indices below as we sustained our performance trajectory. **Gross Earnings | Fee Income | Profitability | Loans | Deposits | Equity | Total Assets.**

Gross Earnings increased by 12.3% to ₦103.7bn driven by a 52.4% growth in our fee-based income and a 7.2% growth in Interest Income. We recorded double digit growth across the following income lines: Credit Related Fees (238.7%), FX Income (76.1%), Trade Income (75.7%), Digital Banking Income (26.3%) and Account Maintenance Fees (20.3%).

Digital Banking continued to gain traction driven by our new initiatives in retail lending segment (Fidelity FastLoan) and increased cross-selling of our digital banking products. We now have 45.0% of our customers enrolled on the mobile/internet banking products, 82.0% of total transactions now done on digital platforms and 29.0% of fee-based income now coming from digital banking.

Net Interest Margin was sustained at 5.8% after the decline to 5.1% in Q1 2019 on account of improved yield on earning assets and stable average funding costs. The improvement in yield on earning assets to 13.5% in H1 2019 was driven by a 21.9% growth in interest income in Q2 2019.

Operating Expenses grew by 16.9% to ₦38.2bn driven by the following cost lines Staff | NDIC | AMCON | Advert which accounted for over 77.0% of the cost growth for H1 2019. Cost-to-income Ratio increased to 72.8% which is above our guidance for the year, we intend to work the ratio lower in line with our guidance in subsequent quarters.

Total Deposits increased by 12.0% to ₦1,097.0bn from ₦979.4bn driven by double digit growth in both local and foreign currency deposits. Foreign currency deposits grew by 19.9% to ₦215.5bn and now accounts for 19.6% of total deposits while local currency deposits grew by 10.2% to ₦881.6bn and constitutes 80.4% of total deposits.

Retail Banking continued to deliver impressive results as savings deposits increased by 8.6% to ₦247.7bn and we are on course to achieving the 6th consecutive year of double-digit savings growth. Savings deposits now accounts for about 22.6% of total deposits, an attestation of our increasing market share in the retail segment.

Net Risk Assets increased by 17.6% to ₦999.3bn from ₦849.9bn in the 2018FY. Foreign currency loans increased by 12.0% and now accounts for 39.1% of the loan book while local currency loans increased by 21.5% and now represents 60.9% of the loan book. Cost of risk was - 0.2% 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 5.4% from 5.7% in the 2018FY due to the growth in the loan book.

Regulatory Ratios remained above the required thresholds with Capital Adequacy Ratio (CAR) at 17.0% and Liquidity Ratio at 34.8%.

We remain focused on the execution of our medium-term strategic objectives and targets for the 2019FY while we look forward to sustaining the momentum and delivering another strong set of results for the 9M 2019"

ANALYSTS AND INVESTORS CONFERENCE CALL INVITATION

Fidelity Bank Management would be hosting a conference call with investors/analysts on **Monday, 02 September 2019 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 **H1 2019 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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