

Fidelity Bank Plc announces a **34.7%** growth in PBT to **N37.8bn** for the **9 months ended 30 September 2022**

LAGOS, NIGERIA - **27 OCT 2022**: Fidelity Bank (Bloomberg: **FIDELITY:NL** | Reuters: **FIDELIT:LG**) announced its Unaudited Financial Statements for the 9 months ended 30 Sep 2022.

Financial Highlights

N 'million	9M 2021	9M 2022	VAR	% VAR
Gross Earnings	174,354	241,894	67,539	38.7%
Net Interest Income	64,957	111,850	46,893	72.2%
Net Fee Income	25,880	21,291	(4,589)	-17.7%
Net Revenue	90,836	133,141	42,304	46.6%
Operating Expenses	(60,332)	(91,658)	(31,326)	51.9%
Operating Income	30,505	41,483	10,978	36.0%
Impairment Charges	(2,454)	(3,691)	(1,236)	50.4%
Profit before Tax	28,051	37,792	9,742	34.7%
Income tax	(1,539)	(2,833)	(1,294)	84.1%
Profit after Tax	26,512	34,959	8,447	31.9%
	2021FY	9M 2022	VAR	% VAR
Customer Deposits	2,024,806	2,294,670	269,864	13.3%
Total Equity	297,769	319,134	21,365	7.2%
Net Loans & Advances	1,658,412	1,989,288	330,876	20.0%
Total Assets	3,289,479	3,799,779	510,300	15.5%

Key Ratios

- ❖ Return on Avg. Equity (RoAE): **▲ 15.2%** compared to **12.5%** in 2021FY
- ❖ Net Interest Margin (NIM): **▲ 6.2%** compared to **4.7%** in 2021FY
- ❖ Cost of Risk (CoR): **▼ 0.3%** compared to **0.5%** in 2021FY
- ❖ Cost to Income Ratio (CIR): **▲ 68.8%** compared to **64.9%** in 2021FY
- ❖ Non-performing Loans Ratio (NPL): **▲ 3.4%** compared to **2.9%** in 2021FY
- ❖ Capital Adequacy Ratio (CAR): **▼ 19.4%** compared to **20.1%** in 2021FY



Nneka Onyeali-Ikpe, MD/CEO of Fidelity Bank Plc commenting on the results, stated that:

“**Gross Earnings** increased by 38.7% YoY to ₦241.9bn on account of 53.1% growth in interest and similar income to ₦210.4bn from ₦137.4bn in 9M 2021. The increase in Interest Income was driven by improved yield on earnings assets and 16.3% YTD expansion in earnings base to ₦2,579.0bn. However, net fee income declined by ₦4.6bn (17.7% YoY) due to ₦7.3bn (75.5% YoY) drop in foreign exchange gains.

Net Interest Margin improved to 6.2% from 4.7% in 2021FY, due to increased market yields while average funding cost remained unchanged YTD. Average yield on earning assets increased by 166bps to 11.7% while average funding cost stood at 4.3%, which resulted in 72.2% YoY increase in net interest income to ₦111.9bn. Though we have sustained lower funding cost since Q1 2022, the recent upward review of policy rates will translate to higher cost of deposits in Q4 as well as increased market yields.

Operating Expenses increased by 51.9% YoY to ₦91.6bn, however, it dropped by 18.2% QoQ. Regulatory charges (AMCON | NDIC) and staff cost represent 50.8% of our total operating expenses and were responsible for at least 38.0% of the growth in 9M 2022. We have absorbed the full - year AMCON charge of ₦18.3bn and expect a further moderation in operating expenses in Q4.

Total Deposits increased by 13.3% YTD to ₦2,294.7bn from ₦2,024.8bn in 2021FY, driven by double-digit growth in low-cost deposits (Demand | Savings | Domiciliary). Low-cost deposits increased by 24.2% YTD to ₦1,873.6bn and now represents 81.7% of total deposits from 74.5% in 2021FY. FCY deposits increased by \$432m (45.9% YTD) to \$1.4bn and now accounts for 26.2% of total deposits from 19.7% in 2021FY, as we continue to harness the benefits of our renewed drive in the export business and the diaspora banking space.

Net Loans and Advances increased by 20.0% YTD to ₦1,989.3bn from ₦1,658.4bn in 2021FY. However, intervention fund facilities and the impact of naira devaluation were responsible for 33.8% of the absolute YTD growth in risk assets book. Non-performing loans (NPL) ratio increased to 3.4% from 2.9% in 2021FY, while cost of risk came in at 0.3% from 0.2% in Q2 2022 as we increase our loan provision buffers against any headwinds in our environment.

Other Regulatory Ratios were above the required thresholds with liquidity ratio at 41.3% and capital adequacy ratio (CAR) at 19.4% compared to the minimum requirement of 15.0%.

We have successfully redeemed our \$400mn Reg S / 144a Senior Unsecured 5-yr Notes on 17th Oct 2022. Noteholders received a total of \$421mn covering the principal amount and the accrued 6 months coupon in line with the executed Trust Deeds.

We look forward to sustaining the momentum in Q4 towards achieving our set targets for 2022 Financial Year.”



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About Fidelity Bank Plc


Fidelity Bank Plc is a full-fledged commercial bank with over 7.2 million customers who are serviced across its 250 business offices and various digital banking channels. The Bank is focused on select niche corporate banking sectors, small and medium enterprises (SMEs) and has rapidly implemented a digital-led retail banking strategy which led to over 300% growth in savings deposits in the last 6 years, 56.8% customer enrollment on its flagship mobile / internet banking products and 91.0% of customer-induced transactions now done on its digital banking platforms.

Fidelity began operations in 1988, as a merchant bank. In 1999, it converted to commercial banking and then became a universal bank in February 2001. Fidelity Bank is today ranked the 6th largest Nigerian Bank, with presence in every commercial hub and key business centres in Nigeria.

The Bank is led by a stable, experienced, and highly regarded management team. The team has built the bank on sound corporate governance with robust enterprise-risk management at the core of the Bank's operations. It has also voluntarily subjected itself to the NGX Corporate Governance Rating System (CGRS) and compliance.

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