Fidelity Bank Plc.

PRESS RELEASE

IFRS AUDITED RESULT FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2012

April 15, 2013.

Lagos, Nigeria.

Fidelity Bank Plc announces its IFRS Audited result for the year ended December 31, 2012.

In his remark on the result, the MD/CEO, Mr. Reginald Ihejiahi, said that:

We are delighted with our 2012 result which shows a strong rise in profitability compared to 2011, particularly the momentum sustained in the growth in our non interest income, arising from aggressive business acquisition and the linkage effect of a well implemented branch development programme. We have remained focused in the prudent management of our balance sheet without compromising quality or safety, having made good progress in gathering stable and balanced funding base that enables us to continue to exploit the various opportunities that have continued to present themselves in the Nigeria economy. With so many opportunities available in Infrastructure, Power, Oil & Gas, Production Expansion, Agriculture (just to mention a few), the existence of increasing number of well-structured indigenous companies looking to expand market share, and the disciplined implementation of the Import-substitution Policy of the Federal Government, we are seeing increased business volumes and yields particularly from new businesses. In 2013, we will remain focused on growing our balance sheet efficiently and re-allocating resources to more profitable business segments while we seek increased market share".

Income Highlight

- ✓ Gross Earnings grew by 62.3% from N73.6 billion in 2011 to N119.4 billion in 2012

- ✓ Net Interest and Discount Income was N36.8 billion in 2012, an increase of 20.5% from N30.6 billion recorded in 2011. This was driven by prudent balance sheet management that aimed to balance asset prices and low cost deposit mobilization with income growth.

- ✓ Non-interest Income increased by 65.6% to N39.4 billion compared to 2011 figure of N23.8 billion, due to continued increase in customer recruitment, new business acquisition, and the continued linkage effect of a well implemented branch expansion programme.

- ✓ Profit After Tax (PAT) rose by 604% to N18.2 billion in 2012 from N2.6 billion recorded in 2011. In addition to the huge expansion recorded in non interest income and net interest income, the rise in PAT resulted from a significant proportion of income from tax exempt assets and transactions.

Balance Sheet Highlights

- ✓ Total Assets increased by 23.9% to N914.4 billion as at December 31 2012 from N737.9 billion as at December 31, 2011.

- ✓ Total deposit from customers was N716.7 billion. This represents an increase of 27.2% over the N563.7 billion recorded in 2011. The proportion of cheap deposits (demand and savings deposit) to total deposits remained high at 73.9% as at end of December 31 2012.

- ✓ Net Loans and Advances to Customers increased by 23.7% to N345.5 billion from N279.2 billion.

- ✓ Total Equity rose by 10.5% to N161.5 billion from N146.1 billion.

Efficiency Ratios

- ✓ Return on Equity (RoE) improved significantly, from 1.8% to 11.3%, while Return on Assets (RoA) increased from 0.4% in 2011 to 2.0% in 2012 on account of improved balance sheet management and more efficient use of retail infrastructure.

- ✓ Non Performing Loan (NPL) ratio was 3.9% as at December 31, 2012 compared to 7.8% as at December 31, 2011.

- ✓ Cost-Income Ratio decreased to 66.6% for the year ended December 31, 2012 from 68.9% in 2011 despite a 35.5% increase in Operating Expenses; which is driven by continued expansion in business and product distribution outlets

- ✓ Cost of Funds trended upwards from 3.4% in 2011 to 5.9% 2012 on account of tightened monetary policy environment in 2012 compared to 2011.

- ✓ The ability of the Bank to convert revenue to profit was significantly enhanced as PBT/Gross Earnings rose from 0.2% in 2011 to 18.1% in 2012.

Capital Adequacy & Liquidity

- ✓ Capital Adequacy Ratio (CAR) was 29% as at December 31 2012; well above the regulatory minimum of 10%. This shows that the Bank has huge capacity to withstand any adverse operational shock as well as headroom to expand the risk assets base without immediate constraints.
- ✓ Liquidity Ratio was 47% as at December 31 2012; a threshold that is well above the minimum regulatory requirement of 30%.

For further information, please contact:

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