Fidelity Bank Plc announces a 21.6% growth in PBT to ₦25.1bn and proposes interim dividend of 10 kobo per share for the 6 months ended 30 June 2022

LAGOS, NIGERIA - **30 August 2022**: Fidelity Bank (Bloomberg: **FIDELITY:NL** | Reuters: **FIDELIT:LG**) announced its Audited Financial Statements for the 6 months ended 30 June 2022.

Financial Highlights

N 'million	H1 2021	H1 2022	VAR	% VAR
Gross Earnings	112,304	154,843	42,540	37.9%
Net Interest Income	50,297	75,638	25,341	50.4%
Net Fee Income	14,883	13,459	(1,424)	-9.6%
Net Revenue	65,180	89,097	23,917	36.7%
Operating Expenses	(42,247)	(62,028)	(19,781)	46.8%
Operating Income	22,933	27,069	4,136	18.0%
Impairment Charges	(2,305)	(1,990)	315	-13.7%
Profit before Tax	20,628	25,079	4,450	21.6%
Income tax	(1,322)	(1,772)	(449)	34.0%
Profit after Tax	19,306	23,307	4,001	20.7%
Customer Deposits	2,024,806	2,290,127	265,321	13.1%
Total Equity	297,769	311,731	13,962	4.7%
Net Loans & Advances	1,658,412	1,912,687	254,275	15.3%
Total Assets	3,289,479	3,692,763	403,284	12.3%

Key Ratios

- Return on Avg. Equity (RoAE): ▲ **15.4%** compared to **12.5%** in 2021FY
- Net Interest Margin (NIM): ▲ **6.4%** compared to **4.7%** in 2021FY
- Cost of Risk (CoR): ▼ **0.2%** compared to **0.5%** in 2021FY
- Cost to Income Ratio (CIR): ▲ **69.6%** compared to **64.9%** in 2021FY
- Non-performing Loans Ratio (NPL): ▼ **2.7%** compared to **2.9%** in 2021FY
- Capital Adequacy Ratio (CAR): ▼ **19.8%** compared to **20.1%** in 2021FY

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

"We are delighted with our H1 2022 performance which showed strong growth across key performance indices. With improved efficiency and customer experience around our network, customer transactions have grown considerably as we optimize our balance sheet and build up a large stock of stable low-cost deposits.

Gross Earnings increased by 37.9% YoY to ₦154.8bn on account of 52.9% growth in interest income to ₦136.2bn from ₦89.1bn in H1 2021. The increase in Interest Income was driven by improved yield on earnings assets and 14.9% YTD expansion in earnings base to ₦2,546.5bn. However, net fee income declined by ₦1.4bn (9.6%) due to ₦10.0bn (117.9%) drop in foreign exchange gains.

Net Interest Margin improved to 6.4% from 4.7% in 2021FY, due to a combination of improved yields on average earning assets and a decline in average funding cost. Average yields on earning assets increased by 211bps YoY to 11.5% while average funding cost declined by 84bps to 4.0% YoY, which resulted in 50.4% growth in net interest income to ₦75.6bn. Though funding cost has trended downward since Q1, interest rate on deposits is gradually ticking up with the recent upward review of the monetary policy rate and market yields.

Operating Expenses increased by 46.8% to ₦62.0bn with 62.7% of the cost growth coming from regulatory charges (AMCON | NDIC) and staff cost. We have absorbed the full 2021FY AMCON charges of ₦18.3bn and expect a moderation in operating expenses in H2 2022.

Total Deposits increased by 13.1% YTD to ₦2,290.1bn from ₦2,024.8bn in 2021FY, driven by double-digit growth in low-cost deposits (Demand | Savings | Domiciliary). Low-cost deposits increased by 26.1% YTD to ₦1,902.4bn and now represents 83.1% of total deposits from 74.5% in 2021FY, which explains the drop in funding cost. FCY deposits increased by $497m (52.8% YTD) and now accounts for 26.5% of total deposits from 19.5% 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 15.3% YTD to ₦1,912.7bn from ₦1,658.4bn in 2021FY, with intervention funding responsible for over 32.0% of the absolute growth in risk assets book. Non-performing loans (NPL) ratio dropped to 2.7% from 2.9% in 2021FY, which led to a decline in cost of risk to 0.2% from 0.5% in 2021FY as asset quality continue to improve.

Other Regulatory Ratios were above the required thresholds with liquidity ratio at 47.0% and capital adequacy ratio (CAR) at 19.8% compared to the minimum requirement of 15.0%.

We recently executed a binding agreement for the acquisition of 100.0% equity stake in Union Bank UK Plc in line with our strategic objectives and business expansion drive. Union Bank UK offers a compelling synergy we hope to build on, to create a scalable and more sustaining service franchise that will support the wider ecosystem of our trade businesses and diaspora banking services".

ANALYSTS AND INVESTORS CONFERENCE CALL INVITATION

Fidelity Bank Management will hold a conference call on Tuesday, 06 September 2022 at **15.00 hours Lagos | 15:00 London | 10:00 New York | 16.00 Johannesburg** to discuss the H1 2022 Audited Results. There will be a question and answer session after the presentation of the **H1 2022 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:

Samuel Obioha (Head, Investor Relations)

Telephone +234 1 4480853

E-mail samuel.obioha@fidelitybank.ng

info.investor@fidelitybank.ng

About Fidelity Bank Plc

Fidelity Bank Plc is a full-fledged commercial bank with over 7 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, 56.4% customer enrollment on its flagship mobile / internet banking products and 90.0% 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.