

Fidelity Bank Plc announces a 7.9% growth in Gross Earnings to N146.9 billion, Profit Before Tax (PBT) of N14.0 billion and a proposed Dividend of 16k per Share

Financial Highlights

- Gross Earnings increased by **7.9%** to **N146.9bn** from **N136.1bn** in 2014 FY
- Net Interest Income increased by **24.7%** to **N60.9bn** from **N48.8bn** in 2014 FY
- Net Operating Income increased by **12.5%** to **N83.9bn** from **N74.6bn** in 2014 FY
- Total Expenses increased by **17.1%** to **N64.1bn** from **N54.8bn** in 2014 FY
- Profit before Tax declined by **9.6%** to **N14.0bn** from **N15.5bn** in 2014 FY
- Profit after Tax increased by **0.8%** to **N13.9bn** from **N13.8bn** in 2014 FY
- Net Loans increased by **6.7%** to **N578.2bn** from **N541.7bn** in 2014 FY
- Deposits declined by **6.1%** to **N769.6bn** from **N820.0bn** in 2014 FY
- Total Equity increased by **6.0%** to **N183.5bn** from **N173.1bn** in 2014 FY
- Total Assets increased by **3.8%** to **N1,231.7bn** from **N1,187.0bn** in 2014 FY

N 'million	2015 FY	2014 FY	VAR	% VAR
Gross Earnings	146,891	136,094	10,797	7.9%
Net Interest Income	60,864	48,826	12,038	24.7%
Net Fee Income	23,322	29,441	(6,119)	-20.8%
Net Operating Income	83,895	74,574	9,321	12.5%
Total Expenses	(64,107)	(54,753)	(9,354)	17.1%
Impairment Charge	(5,764)	(4,306)	(1,458)	33.9%
Profit before Tax	14,024	15,515	(1,491)	-9.6%
Profit after Tax	13,904	13,796	108	0.8%
Customer Deposits	769,636	820,034	(50,398)	-6.1%
Total Equity	183,516	173,111	10,405	6.0%
Net Loans	578,203	541,685	36,518	6.7%
Earning Assets	879,855	818,993	60,862	7.4%
Total Assets	1,231,720	1,187,025	44,695	3.8%

Key Ratios	2015 FY	2014 FY	VAR
Earning Assets Yield	13.8%	12.7%	1.1%
Net interest Margin	6.9%	6.0%	0.9%
Return on Equity	7.6%	8.0%	-0.4%
Return on Assets	1.1%	1.3%	-0.2%
Cost of Funds	6.6%	5.9%	0.7%
Cost Income Ratio	76.4%	74.2%	2.2%
Cost of Risk	1.0%	0.8%	0.2%
Loan to Deposit	75.1%	66.1%	9.1%
Liquidity Ratio	36.0%	38.0%	-2.0%
CAR	19%	23%	-3.9%
NPL Ratio	4.4%	4.4%	0.1%
BVPS (NGN)	6.3	6.0	0.4
EPS (NGN)	0.5	0.5	0.0

Please note that the net operating income includes net gains/(losses) from financial instruments.

Nnamdi Okonkwo, MD/CEO of Fidelity Bank Plc commenting on the results, stated that:

“Our financial performance for the 2015FY reflects the disciplined execution of our medium term strategy and the resilience of our evolving business model despite the extremely challenging business environment in 2015.

We were able to improve the earnings capacity of our balance sheet despite the decline in fee income (due to a N10.0 billion drop in our foreign exchange income) as gross earnings increased by 7.9%, net interest income by 24.7%, e-banking income by 182% and net operating income increased by 12.5%.

We continued to increase yields on earning assets faster than the growth in funding costs which improved our NIM to 6.9% in 2015, this is a reflection of our continued focus on balance sheet optimization, rebalancing of our loan portfolio in line with our medium term strategy and increased growth in our retail deposit base.

Despite the strong double digit growth of 12.5% in net operating income, PBT declined by 9.6% largely due to two factors;

- The 17.1% increase in total expenses due to strategic investments and costs incurred in 2015 to position the business for further growth in line with our aspirations
- The increase in impairments due to a more prudent approach we adopted in respect of a special regulatory provision which was charged directly to the P & L

However our cost of risk remained within our guidance of 1.0% despite a 6.7% growth in the loan book and weaker macro-economic indices in the 2015FY.

Our NPL ratio remained constant at 4.4% while our regulatory ratios remained well above the set thresholds, our capital adequacy ratio at 19% gives us ample leverage to take advantage of emerging business opportunities.

Total deposits declined due to the implementation of the Treasury Single Account (TSA), however the disciplined execution of our retail strategy continued to deliver strong results as savings deposits grew by 22% YoY in the 2015FY.

In the 2016FY we will focus on; redesigning our systems and processes to enhance service delivery, cost optimization initiatives to reduce expenses by 5%, proactive risk management, increased customer adoption/migration to our digital platforms and increasing our retail banking market share.”

ANALYSTS AND INVESTORS CONFERENCE CALL INVITATION

Fidelity Bank Senior Management would be hosting a conference call with investors/analysts on the 2015 Audited Financials on **Monday, April 04, 2016 at 15.00 hours Lagos & London / 10:00 New York / 16.00 Johannesburg**. There will also be an opportunity for management to take questions from investors and analysts.

The dial-in details for participants are as follows

UK Local	+44 (0)2070434129
UK Toll Free	08003277280
South Africa	0800982759
USA Toll Free	1 866 840 9752
USA Local	+1 213 375 0471
Nigeria Local	+234 1 8889001 / +234 1 8889090

Participants Code: **742099#**

Replay Conference Call:

After the conference call, there would be a digital recording/replay for anyone who missed the call. To access the recording, please dial one of the following dial-in numbers and follow the voice prompt.

UK Local	+44 (0)20 7043 4129 / 0800 327 7280
USA Toll Free	1-866-840-9752 / +1-213-375-0471
Nigeria Local	+234 (0)18889001 / +234 (0)18889090

Playback: **744247#**

For further information, please contact:

Samuel Obioha (Head, Investor Relations)

Telephone: +234 1 448 0853

Email: samuel.obioha@fidelitybank.ng

info.investor@fidelitybank.ng

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