



Fidelity Bank Plc announces a 31.4% growth in PBT to N28.1bn for the 9 months ended 30 September 2021

LAGOS, NIGERIA - **15 NOV 2021**: Fidelity Bank (Bloomberg: **FIDELITY:NL** | Reuters: **FIDELIT:LG**) announced its Unaudited Financial Statements for the 9 months ended 30 Sep 2021.

Financial Highlights

N 'million	9M 2020	9M 2021	VAR	% VAR
Gross Earnings	155,030	174,354	19,324	12.5%
Net Interest Income	75,000	64,957	(10,043)	-13.4%
Net Fee Income	18,191	30,900	12,709	69.9%
Net Revenue	93,191	95,857	2,666	2.9%
Operating Expenses	(63,790)	(60,332)	3,458	-5.4%
Operating Profit	29,401	35,525	6,124	20.8%
Gains/Losses from Fin. Instruments	2,983	(5,020)	(8,004)	-268.3%
Impairment Charges	(11,035)	(2,454)	8,581	-77.8%
Profit before Tax	21,348	28,051	6,702	31.4%
Profit after Tax	20,406	26,512	6,106	29.9%
	2020FY	9M 2021	VAR	% VAR
Customer Deposits	1,699,026	1,972,975	273,949	16.1%
Total Equity	273,533	282,651	9,118	3.3%
Net Loans & Advances	1,326,106	1,612,926	286,820	21.6%
Total Assets	2,758,148	3,182,693	424,545	15.4%

Key Ratios

- ❖ Return on Avg. Equity (RoAE): ▲ **12.7%** compared to **10.5%** in 2020FY
- ❖ Net Interest Margin (NIM): ▼ **4.4%** compared to **6.3%** in 2020FY
- ❖ Cost of Risk (CoR): ▼ **0.2%** compared to **1.4%** in 2020FY
- ❖ Cost to Income Ratio (CIR): ▲ **66.4%** compared to **65.1%** in 2020FY
- ❖ Non-performing Loans Ratio (NPL): ▼ **2.8%** compared to **3.8%** in 2020FY
- ❖ Capital Adequacy Ratio (CAR): ▲ **18.8%** compared to **18.2%** in 2020FY



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

“We were able to sustain our performance trend since the start of 2021 with an impressive double-digit growth in profit driven by 69.9% increase in net fee income which compensated for the decline in net interest income as average yield on liquid assets remain low. Profit before tax grew by 31.4% to ₦28.1bn from ₦21.3bn in 9M 2020 which translated to an increase in RoAE to 12.7% from 10.5% in 2020FY (11.0% in 9M 2020).

Gross Earnings increased by 12.5% YoY to ₦174.4bn on account of 63.7% growth in non-interest revenue (NIR) to ₦36.9bn from ₦22.6bn in 9M 2020. The growth in NIR reflects the significant increase in customer transactions resulting in 76.0% growth in Trade Income, 53.2% increase in Digital Banking income and 48.7% growth in Account Maintenance Charges etc.

Digital Banking Drive continued to gain traction as we now have 56.1% of our customers enrolled on digital banking platforms from 52.8% in 2020FY, 125.9% YoY increase in total NIP transactions and 24.9% of fee-based income now coming from digital banking.

Net Interest Margin came in at 4.4% from 6.3% in 2020FY, as average funding cost inch up with the gradual recovery of business activities while yield on government securities remain low. In absolute terms, total interest income increased by ₦4.9bn while total interest expenses increased by ₦15.0bn, leading to N10.0bn decline in net interest income.

Total Deposits increased by 16.1% YTD to ₦1,973.0bn from ₦1,699.0bn in 2020FY, driven by increased deposit mobilization across all deposits types (Demand | Savings | Tenor). Local currency deposits increased by 15.8% YTD to ₦1,622.6bn while foreign currency deposits increased by 17.5% YTD to ₦350.4bn (\$848.3m).

Net Loans and Advances increased by 21.6% YTD to ₦1,612.9bn from ₦1,326.1bn in 2020FY. However, intervention fund facilities and the impact of foreign exchange rate contributed circa 22.9% and 6.5% of the growth in our Loan Book respectively. Cost of risk came in at 0.2% and the NPL ratio (Stage 3 Loans) dropped to 2.8% from 3.8% in 2020FY. Other regulatory ratios remain well above the minimum requirement: CAR at 18.8% from 18.2% in 2020FY while liquidity ratio came in at 34.5%, well above the regulatory threshold of 30.0%.

We successfully priced a US\$400m Reg S / 144A 5-Year Senior Unsecured Notes with maturity date on 28th October 2026. The offering achieved a 7.625% coupon p.a. and recorded a 1.8x over-subscribed orderbook which peaked at over US\$700 million.

The pricing of the Senior Unsecured Notes, underscores the formidable confidence of a diversified range of global and local investors in Fidelity Bank's growth aspirations and the well-experienced management team.”



About Fidelity Bank Plc

Fidelity Bank Plc is a full-fledged commercial bank with over 6.0 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 178.3% growth in savings deposits in the last 5 years, 56.1% customer enrollment on its flagship mobile / internet banking products and 89.8% 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 has its operations and business focus well diversified in key sectors of the economy.

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

For further information, please contact:

Samuel Obioha (Head, Investor Relations)

Telephone +234 1 4480853

E-mail samuel.obioha@fidelitybank.ng

info.investor@fidelitybank.ng

Contact Us: +234(1)448-5252, +234 8003-433-5489 true.serve@fidelitybank.ng

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