

LAGOS, NIGERIA - 30 OCT 2023: Fidelity Bank Plc (Bloomberg: **FIDELITY:NL** | Reuters: **FIDELIT:LG**) announced its Unaudited Financial Statements for the 9 months ended 30 September 2023.

## Fidelity Bank achieves 193.7% growth in PBT to N111.0bn in 9M 2023

### Financial Highlight

	9M 2022 N'million	9M 2023 N'million	Change N'million	% Change %
<b>Income Statement</b>				
Gross Earnings	241,894	388,794	146,900	60.7%
Net Interest Income	111,850	194,957	83,107	74.3%
Other Income	21,291	73,525	52,235	245.3%
Net Revenue	133,141	268,482	135,341	101.7%
Operating Expenses	(91,658)	(125,308)	33,650	36.7%
Operating Profit	41,483	143,174	101,691	245.1%
Impairment Charges	(3,691)	(32,182)	28,491	772.0%
Profit before Tax	37,792	110,992	73,200	193.7%
Profit after Tax	34,959	91,753	56,795	162.5%
	2022FY	9M 2023	Change	% Change
<b>Balance Sheet</b>				
Customer Deposits	2,580,597	3,439,857	859,260	33.3%
Total Equity	314,360	410,752	96,392	30.7%
Net Loans & Advances	2,116,212	2,654,909	538,697	25.5%
Total Assets	3,989,009	5,413,655	1,424,646	35.7%
<b>Key Ratios</b>				
Return on Equity	15.6%	33.8%	▲	18.3%
Net Interest Margin	6.3%	8.4%	▲	2.1%
Cost of Risk	0.3%	1.8%	▲	1.5%
Cost to Income Ratio	67.1%	46.7%	▼	-20.5%
Non-performing Loan Ratio	2.9%	3.7%	▲	0.7%
Capital Adequacy Ratio	18.1%	16.0%	▼	-2.1%

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**Gross Earnings** grew by 60.7% yoy to ₦388.8bn from ₦241.9bn in 9M 2022. The increase was spurred by both interest income (54.4% yoy) and non-interest income (102.8% yoy). Growth in interest income reflects a higher yield environment and a 35.0% expansion in earning assets, while the increase in non-interest income was anchored on double-digit growth in key income lines (FX Related Income | Dividend Income | Trade | Account Maintenance | Digital Income, etc.) and supported by increased customer transactions.

**Net interest income** increased by 74.3% yoy to ₦195.0bn from ₦111.9bn in 9M 2022, driven by interest and similar income as yield on earning assets improve to 14.0% from 12.2% in 2022FY (9M 2022: 11.7%). However, average funding cost dropped marginally by 10bps ytd to 4.5% as more expensive deposits were replaced with low-cost deposits, leading to an increase in NIM to 8.4% from 6.3% in 2022FY (9M 2022: 6.2%).

**Operating expenses** increased by 36.7% yoy to ₦125.3bn, inflecting high-cost operating environment as the headline inflation rate in Sep 2023 spiked to 26.7%. Staff Cost, Regulatory Charges, and Technology Cost were the key drivers responsible for 62.8% of the absolute growth in operating expenses. However, cost-to-income ratio declined to 46.7% from 67.1% in 2022FY due to strong growth in revenue.

**Total Deposits** increased by 33.3% ytd to ₦3.4tn from ₦2.6tn in 2022FY, driven by 50.5% growth in low-cost deposits (Demand | Savings | Domiciliary). With renewed focus on low-cost deposits, our retail banking business delivered impressive results as savings deposits grew by 28.7% ytd to ₦771.1bn from ₦599.3bn in 2022FY, which explains the 10bps drop in average funding cost to 4.5%.

**Net Loans & Advances** increased by 25.5% ytd to ₦2.7tn from ₦2.1tn in 2022FY. However, actual growth was 2.8% ytd while the impact of Naira depreciation accounted for 22.7% ytd growth in the loan book. Non-performing loan ratio (NPL) inched up to 3.7% from 2.9% 2022FY, while cost of risk increased to 1.8% from 0.3% in 2022FY.

**Regulatory Ratios** stood well above their minimum regulatory thresholds with liquidity ratio at 48.4% from 39.6% in 2022FY and capital adequacy ratio (CAR) at 16.0% compared to the minimum requirement of 15.0%.

We have concluded the acquisition of a 100.0% equity stake in Union Bank UK Plc (now **Fidelity Bank UK**) in line with our business expansion drive. We are confident that the acquisition will unlock significant value for the Fidelity Group and help to create a more sustaining service franchise that supports our diverse customers with trade, corporate and diaspora banking products.



## About Fidelity Bank Plc

Fidelity Bank Plc is a full-fledged commercial bank with over 8 million customers who are serviced across its 251 business offices and various digital banking channels in Nigeria and the United Kingdom. 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 400% growth in savings deposits in the last 7 years, 57.0% 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. In July 2023, it acquired a 100% equity stake in Union Bank UK to enable it tap cross-border opportunities and provide scalable services to its growing clientele. Fidelity Bank is today ranked the 6<sup>th</sup> largest Nigerian Bank, with presence in the City of London and 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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