

LAGOS, NIGERIA - 30 October 2024: Fidelity Bank (Bloomberg: **FIDELITY:NL** | Reuters: **FIDELIT:LG**) announced its Unaudited Financial Statements for the 9 months ended 30 September 2024.

Fidelity Bank records a 153.5% growth in PBT to ₦281.4bn in 9M 2024

Financial Highlight

	9M 2023 N'million	9M 2024 N'million	Change N'million	% Change %
Income Statement				
Gross Earnings	388,794	772,465	383,671	98.7%
Net Interest Income	194,957	470,490	275,533	141.3%
Other Income	73,525	96,603	23,078	31.4%
Net Revenue	268,482	567,093	298,611	111.2%
Operating Expenses	(125,308)	(237,428)	(112,120)	89.5%
Operating Profit	143,174	329,665	186,490	130.3%
Impairment Charges	(32,182)	(48,250)	(16,069)	49.9%
Profit before Tax	110,993	281,414	170,422	153.5%
Profit after Tax	91,753	224,603	132,850	144.8%
	2023FY	9M 2024	Change	% Change
Balance Sheet				
Customer Deposits	4,014,811	6,083,048	2,068,237	51.5%
Total Equity	437,307	688,286	250,979	57.4%
Net Loans & Advances	3,092,419	4,254,789	1,162,370	37.6%
Total Assets	6,234,688	9,536,398	3,301,710	53.0%
Key Ratios				
Return on Equity	26.5%	53.3%	▲	26.8%
Net Interest Margin	8.1%	11.9%	▲	3.7%
Cost of Risk	2.6%	1.8%	▼	-0.8%
Cost to Income Ratio	50.4%	41.9%	▼	-8.6%
Non-performing Loan Ratio	3.5%	2.8%	▼	-0.6%
Capital Adequacy Ratio	16.2%	19.3%	▲	3.2%

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Contact Us: 0700 343 35489

true.serve@fidelitybank.ng



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Gross Earnings increased by 98.7% yoy to ₦772.5bn from ₦388.8bn in 9M 2023. The increase was led by a combination of interest income (117.3% yoy) and net fee income (13.4% yoy). A higher yield environment and strong earning assets base were responsible for the growth in interest income, while the increase in net fee income was led by double-digit growth in account maintenance charges, trade income, and banking service charges etc.

Net interest income grew by 141.3% yoy to ₦470.5bn from ₦195.0bn in 9M 2023, driven by interest and similar income as the yield on financial instruments improved to 21.0% from 11.6% in 9M 2023 (2023FY: 11.6%). In line with the steady rise in interest rates during the period, average funding cost increased by 60bps ytd to 5.0%. However, NIM came in at 11.9% compared to 8.1% in 2023FY, as increased yield on earning assets surpassed funding cost by 315bps.

Operating expenses increased by 89.5% yoy to ₦237.4bn, reflecting the high-cost operating environment and increased regulatory charges due to our larger balance sheet size. Technology cost, AMCON charge, deposit insurance, staff cost, bank charges, and repairs and maintenance were the key drivers and responsible for 67.6% of the absolute growth in operating expenses. However, due to strong revenue growth, cost-to-income ratio declined to 41.9% from 46.7% in 9M 2023 (2023FY: 50.4%).

Total Deposits increased by 51.5% ytd to ₦6.1tn from ₦4.0tn in 2023FY, driven by double-digit growth across all deposit types (demand | savings | term). With premium yields offered on government securities, interest rates on term deposits are ticking up, which explains the hike in average funding costs. However, our retail banking business delivered an impressive result as savings deposits grew by 35.3% yoy to ₦1.04tn.

Net Loans and Advances increased by 37.6% to ₦4.3tn from ₦3.1tn in 2023FY. However, real growth was 4.0%, while the impact of Naira depreciation accounted for 33.6% growth in the loan book. Non-performing loan ratio (NPL) moderated downward to 2.8% from 3.5% in 2023FY, while cost of risk dropped to 1.8% from 2.6% in 2023FY, a reflection of the impairment buffers we built in 2023FY.

Other Regulatory Ratios stood well above their minimum regulatory thresholds, with liquidity ratio at 63.4% and capital adequacy ratio (CAR) at 19.3%, compared to the minimum requirement of 30.0% and 15.0%, respectively.

We look forward to sustaining the momentum in the next quarter by optimizing our balance sheet and lowering our cost-to-serve, which will translate to improved earnings and increased returns to our shareholders.



About Fidelity Bank Plc

Fidelity Bank Plc is a full-fledged commercial bank with over 8.9 million customers 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 484% growth in savings deposits in the last 6 years, 61.0% customer enrollment on its flagship mobile/internet banking products and 86% 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 became a universal bank in February 2001. In July 2023, Fidelity completed the acquisition of 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 6th largest Nigerian Bank, with presence in the City of London and every commercial hub in Nigeria.

Fidelity 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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true.serve@fidelitybank.ng



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