



## Fidelity Bank Plc Announces Impressive H1 2017 Audited Results As Profit Before Tax Grows By Over 66% To N10.2bn

LAGOS, NIGERIA – **29 AUGUST 2017**: Fidelity Bank Plc (**Bloomberg: Fidelity**) announced its Audited Results, for the 6 months ended 30 June 2017.

### Financial Highlights

- Gross Earnings **increased** by **22.1%** to **N85.8bn** from **N70.3bn** in H1 2016
- Net Interest Income **increased** by **11.1%** to **N34.7bn** from **N31.2bn** in H1 2016
- Operating Income **increased** by **9.4%** to **N41.1bn** from **N37.6bn** in H1 2016
- Total Expenses **declined** by **1.8%** to **N30.9bn** from **N31.5bn** in H1 2016
- Impairment Charge **increased** by **0.3%** to **N4.81bn** from **N4.80bn** in H1 2016
- Profit before Tax **increased** by **66.7%** to **N10.2bn** from **N6.1bn** in H1 2016
- Net Loans **increased** by **0.3%** to **N720.2bn** from **N718.1bn** in 2016 FY
- Total Deposits **declined** by **4.0%** to **N761.1bn** from **N793.0bn** in 2016 FY
- Total Equity **increased** by **3.7%** to **N192.3bn** from **N185.4bn** in 2016 FY
- Total Assets **increased** by **0.8%** to **N1,308.7bn** from **N1,298.1bn** in 2016 FY

N 'million	H1 2016	H1 2017	VAR	% VAR
Gross Earnings	70,259	85,821	15,562	22.1%
Net Interest Income	31,231	34,700	3,469	11.1%
Impairment Charge	(4,797)	(4,810)	13	0.3%
NRFF	26,434	29,890	3,456	13.1%
Net Fee Income	11,155	11,230	75	0.7%
Operating Income	37,589	41,120	3,531	9.4%
Total Expenses	(31,458)	(30,901)	(557)	-1.8%
Profit before Tax	6,131	10,219	4,088	66.7%
Profit after Tax	5,457	9,036	3,579	65.6%
	2016 FY	Jun 2017	VAR	% VAR
Customer Deposits	792,971	761,069	(31,902)	-4.0%
Total Equity	185,402	192,339	6,937	3.7%
Net Loans	718,113	720,163	2,050	0.3%
Total Assets	1,298,141	1,308,702	10,561	0.8%

Key Ratios	2016 FY	H1 2017	VAR
Earning Assets Yield	12.7%	15.5%	2.8%
Cost of Funds	5.8%	7.4%	1.6%
Net Interest Margin	6.4%	7.4%	1.0%
NIR/Total Income	29.7%	27.3%	-2.4%
Cost Income Ratio	77.3%	67.3%	-10.0%
Cost of Risk	1.2%	1.3%	0.1%
Loan to Deposit	78.0%	80.4%	2.4%
Low Cost Deposit	76.7%	75.5%	-1.2%
Liquidity Ratio	33.2%	30.2%	-3.0%
CAR	17.2%	18.4%	1.2%
NPL Ratio	6.6%	5.8%	-0.8%
RoE (pre-tax)	6.0%	10.7%	4.7%
BVPS (NGN)	6.4	6.6	0.2
EPS (NGN)	0.3	0.6	0.3

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

“Our strong performance in H1 2017 is a testament to the disciplined execution of our medium term strategy which focused on deepening our market share in the SME, Retail and Digital Banking space whilst simultaneously implementing various process improvement initiatives to reduce our cost to serve. We are pleased with our audited financial performance which showed solid growth in our revenue lines and a corresponding decline in our cost profile.

Gross earnings increased y-o-y by 22.1% to N85.8 billion primarily driven by a 27.8% increase in interest income and a 0.7% growth in net fee income to N11.2 billion. Our balance sheet optimization initiatives continued to deliver improved results as Net Interest Margin (NIM) increased to 7.4% in H1 2017 from 6.4% (2016FY) as the growth in the yield on our earning assets outpaced the increase in funding costs.

Our process improvement and digital banking initiatives continued to optimize our cost profile as total expenses declined by 1.8% (despite the high inflationary environment) leading to a reduction in our Cost to Income Ratio (CIR) to 67.3%.

Total deposits decreased by 4.0% to N761.1 billion in June 2017 from N793.0 billion in December 2016, however low cost deposits continued to account for over 75% of total deposits. Our retail banking strategy continued to deliver impressive results as savings deposits increased by 3.9% to N161.1 billion in June 2017 on the strength of improved cross selling of our digital banking products with about 30% of our customers now enrolled on our flagship mobile (\*770#) and internet banking products.

Net loans increased marginally by 0.3% to N720.2 billion with cost of risk now at 1.3% on the back of increased impairment charges which improved our coverage ratio to 98.6%. Non-performing loans ratio improved to 5.8% from 6.6% in the 2016 FYE due to a 12.2% drop in absolute NPL figures as we focus aggressively on bringing NPLs down below 5.0%.

Other regulatory ratios remained above the required thresholds with Capital Adequacy Ratio (CAR) improving to 18.4% in H1 2017.

We remain focused on the execution of our medium term strategic objectives and targets for the 2017FY while we look forward to sustaining the momentum and delivering another positive set of results in the next quarter”.

## ANALYSTS AND INVESTORS CONFERENCE CALL INVITATION

Fidelity Bank Management would be hosting a conference call with investors/analysts on the H1 2017 Audited Financial Results on **Thursday, Aug 31, 2017 at 15.00 hours Lagos / London / 10:00 New York / 16.00 Johannesburg**. There will be a question and answer session at the end of the call.

To participate in the call, please dial one of the following numbers:

- (UK) +44 (0)20 7043 4129
- (UK) 0800 327 7280
- (South Africa) 0800 982 759
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- (Nigeria) +234 (0)18889090

Follow the voice prompt and provide the Conference Call ID: **576 680#**

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