

LAGOS, NIGERIA – 01 Sep 2023: Fidelity Bank (Bloomberg: **FIDELITY:NL** | Reuters: **FIDELIT:LG**) announced its Audited Financial Statements for the 6 months ended 30 June 2023.

Fidelity records a PBT of N76.3bn and declares an interim dividend of 25K per share.

Financial Highlights

	H1 2022 N'million	H1 2023 N'million	Change N'million	% Change %
Income Statement				
Gross Earnings	154,844	247,100	92,256	59.6%
Net Interest Income	75,638	107,828	32,190	42.6%
Other Income	13,459	72,978	59,519	442.2%
Net Revenue	89,097	180,806	91,709	102.9%
Operating Expenses	-62,028	-84,550	-22,522	36.3%
Operating Profit	27,069	96,256	69,187	255.6%
Impairment Charges	-1,990	-19,922	-17,932	901.0%
Profit before Tax	25,079	76,334	51,255	204.4%
Profit after Tax	23,307	61,995	38,688	166.0%
	2022FY	H1 2023	Change	% Change
Balance Sheet				
Customer Deposits	2,580,597	3,178,789	598,192	23.2%
Total Equity	314,360	402,597	88,237	28.1%
Net Loans & Advances	2,116,212	2,647,714	531,502	25.1%
Total Assets	3,989,009	5,083,985	1,094,976	27.4%
Key Ratios				
Return on Equity	15.6%	34.9%	▲	19.3%
Net Interest Margin	6.3%	7.2%	▲	0.9%
Cost of Risk	0.3%	1.7%	▲	1.4%
Cost to Income Ratio	67.1%	46.8%	▼	-20.4%
Non-performing Loan Ratio	2.9%	3.2%	▲	0.3%
Capital Adequacy Ratio	18.1%	16.1%	▼	-2.0%



Gross Earnings increased by 59.6% to ₦247.1bn, driven by 39.4% growth in interest income and 207.2% increase in non-interest income. Growth in interest income reflects a higher yield environment and 27.6% ytd expansion in earning assets base while the increase in non-interest income was spurred by foreign currency gains and double-digit growth in key income lines: trade (66.6%), digital income (53.6%), banking services (50.2%) and account maintenance (44.2%) etc.

Net interest income increased by 42.6% to ₦107.8bn on the back of higher asset yield which increased by 57bps to 12.7%. Average funding cost dropped by 10bps to 4.5%, reflecting an improved deposit mix as we mobilize low-cost funds to 90.3% of total deposits from 83.6% in 2022FY. The combination of higher asset yield and moderation in funding cost led to an increase in Net Interest Margin (NIM) to 7.2% from 6.3% in 2022FY.

Operating expenses increased by 36.3% to ₦84.6bn. AMCON, deposit insurance, staff cost, communication, and technology were the key drivers and responsible for 72.1% of the absolute growth in operating expenses. However, cost-to-income ratio declined to 46.8% from 67.1% in 2022FY due to strong growth in revenue.

Total Deposits crossed the ₦3tn mark as customer deposits grew by 23.2% ytd to ₦3.2tn from ₦2.6tn in 2022FY. The increase was driven by 33.0% ytd growth in low-cost funds (Demand | Savings | Domiciliary), while tenured funds declined by 27.0% ytd, which resulted in improved margins. FCY deposits increased by 47.3% ytd and now accounts for 32.9% of total deposits from 27.5% in 2022FY, while LCY deposits increased by 14.0% ytd.

Savings deposits was responsible for 20.9% of the absolute growth in customer deposits and represents 22.8% of total deposits.

Net Loans & Advances increased by 25.1% ytd to ₦2.6tn from ₦2.1tn in 2022FY. However, actual growth was 4.2% ytd while the impact of exchange rate adjustment accounted for a 20.9% ytd growth in the loan book. Non-performing loan ratio (NPL) inched up to 3.2% from 2.9% 2022FY while cost of risk increased to 1.7% from 0.3% in 2022FY, as we model the impact of the recent Naira devaluation on loan repayment.

Other Regulatory Ratios stood well above their minimum regulatory thresholds with liquidity ratio at 43.6% compared to the regulatory minimum of 30.0%. Capital adequacy ratio (CAR) came in at 16.1% compared to 18.1% in 2022FY. The compression in CAR is attributable to the recent Naira devaluation which had an estimated 250 – 300 bps negative impact.

We will continue to monitor and pro-actively manage the evolving risks in the economy while ensuring our commitments to our customers and shareholders are fulfilled. The interim dividend of 25kobo per share, a 150% increase compared to 10kobo in 2022FY, attests to the value we place on the unwavering support from our shareholders.



ANALYSTS AND INVESTORS CONFERENCE CALL INVITATION

Fidelity Bank will host a conference call on **Tuesday, 12 Sep 2023** at **15.00 hours Lagos | 15:00 London | 10:00 New York | 16.00 Johannesburg** to discuss the **H1 2023 Audited Results**. There will be a Q&A session after the presentation of the H1 2023 performance by the management team.

To obtain the dial-in details, kindly pre-register for the call [HERE](#) or use the link below:

<https://services.choruscall.za.com/DiamondPassRegistration/register?confirmationNumber=2344280&linkSecurityString=619e6d470>

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About Fidelity Bank Plc

Fidelity Bank Plc is a full-fledged commercial bank with over 8 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 over 400% growth in savings deposits in the last 7 years, 60% customer enrollment on its flagship mobile / internet banking products and over 90.0% 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. Fidelity Bank is today ranked the 6th largest Nigerian Bank, with presence in 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.

We Are Fidelity. We Keep Our Word

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