



Fidelity Bank Plc announces a 53.9% growth in Profit Before Tax to N10.1bn for the 3 months ended 31 March 2021

LAGOS, NIGERIA – **27 APRIL 2021**: Fidelity Bank Plc (Bloomberg: **FIDELITY:NL** | Reuters: **FIDELIT:LG**) announced its Unaudited Financial Statements for the 3 months ended 31 March 2021.

Financial Highlights

- Gross Earnings **increased** by **7.7%** to **N55.1bn** from **N51.2bn** in Q1 2020
- Net Interest Income **increased** by **17.1%** to **N28.8bn** from **N24.6bn** in Q1 2020
- Net Revenue **increased** by **13.4%** to **N34.4bn** from **N30.3bn** in Q1 2020
- Total Expenses **increased** by **6.2%** to **N23.0bn** from **N21.6bn** in Q1 2020
- Operating Profit **increased** by **31.2%** to **N11.4bn** from **N8.7bn** in Q1 2020
- Impairment **decreased** by **39.8%** to **N1.3bn** from **N2.1bn** in Q1 2020
- Profit before Tax **increased** by **53.9%** to **N10.1bn** from **N6.6bn** in Q1 2020
- Net Loans **increased** by **7.6%** to **N1,426.3bn** from **N1,326.1bn** in 2020FY
- Total Deposits **increased** by **3.1%** to **N1,751.3bn** from **N1,699.0bn** in 2020FY

N 'million	Q1 2020	Q1 2021	VAR	% VAR
Gross Earnings	51,159	55,122	3,963	7.7%
Net Interest Income	24,600	28,797	4,198	17.1%
Net Fee Income	5,715	5,566	(149)	-2.6%
Net Revenue	30,315	34,363	4,048	13.4%
Total Expenses	(21,628)	(22,963)	1,335	6.2%
Operating Profit	8,687	11,400	2,713	31.2%
Impairment Charge	(2,103)	(1,266)	(837)	-39.8%
Profit before Tax	6,583	10,134	3,550	53.9%
Profit after Tax	5,859	9,590	3,731	63.7%
	2020FY	Q1 2021	VAR	% VAR
Customer Deposits	1,699,026	1,751,337	52,311	3.1%
Total Equity	273,533	264,424	(9,109)	-3.3%
Net Loans	1,326,106	1,426,255	100,149	7.6%
Total Assets	2,758,148	2,893,205	135,057	4.9%

Key Ratios	2020FY	Q1 2021	VAR
Earning Assets Yield	10.7%	9.4%	-1.3%
Cost of Funds	3.6%	2.5%	-1.1%
Net interest Margin	6.3%	6.3%	-0.0%
Cost Income Ratio	65.1%	66.8%	1.8%
Cost of Risk	1.4%	0.4%	-1.0%
NIR/Total Income	25.5%	16.8%	-8.7%
Loans to Funding Ratio	65.2%	66.5%	1.3%
Low Cost Deposit	77.0%	78.8%	1.8%
Liquidity Ratio	37.8%	33.9%	-3.9%
CAR	18.2%	18.4%	0.2%
NPL Ratio	3.8%	3.6%	-0.2%
RoE (post-tax)	10.5%	14.5%	4.0%
BVPS (Kobo)	944	913	-3.3%
EPS (Kobo)	92	33	-64.0%

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

“We commenced the year showing impressive double-digit growth in profitability and improved performance across key efficiency indices whilst ensuring our business model continued to deliver strong positive results in line with our guidance for the 2021 financial year.

Gross Earnings increased by 7.7% YoY to ₦55.1bn on account of 66.7% growth in non-interest revenue to ₦12.1bn from ₦7.2bn in Q1 2020. In absolute terms, the increase in NIR came from FX related income, digital banking income and account maintenance charge etc. as total customers' induced transactions across all our service channels increased by 30.4% YoY and 17.1% QoQ.

Net Interest Margin remained unchanged at 6.3% compared to 2020FY as the drop in average funding cost offset the decline in average yields on earning assets. Average funding cost dropped to 2.5% from 3.6% in 2020FY due to a combination of improved deposit mix and a slight moderation in average borrowing cost. This led to 26.2% decline in total interest expenses, which translated to 17.1% increase in net interest income to ₦28.8bn despite a 4.3% increase in interest bearing liabilities. We refinanced our 7-Yr ₦30.0bn Tier II Bonds issued in 2015 at 16.48% p.a. with cheaper 10-Yr ₦41.2bn Tier II Bonds priced at 8.5% p.a., which moderated average borrowing cost by 61bpts to 4.5%.

Operating Expenses increased by ₦1.3bn (6.2%) to ₦23.0bn largely driven by ₦4.3bn growth in regulatory charges (NDIC & AMCON Charges). Excluding the increase in regulatory charges, total operating expenses would have dropped by 13.8% (6.1% QoQ) to ₦18.6bn from ₦21.6bn in Q1 2020 (Q4 2020: ₦19.8bn).

Total Deposits increased by 3.1% YTD to ₦1,751.3bn from ₦1,699.0bn in 2020FY, driven by 5.5% increase in low cost deposits (Demand: 6.2% | Savings: 4.1%). Foreign currency deposits increased by 7.7% YTD (₦23.1bn) and now accounts for 18.3% of total deposits from 17.5% in 2020FY, as we harness the benefits of our renewed drive in Diaspora Banking as well as the recent CBN Naira-for-Dollar Incentive Scheme for diaspora remittances to Nigeria.

Retail Banking continued to deliver impressive results as savings deposits increased by 4.1% YTD to ₦441.6bn and we are on course to achieving the 9th consecutive year of double-digit growth in savings deposits. Savings deposits was responsible for 32.9% of the absolute growth in total deposits and now accounts for 25.2% of total deposits compared to 25.0% in 2020.

Net Loans and Advances increased by 7.6% YTD to ₦1,426.3bn from ₦1,326.1bn in 2020FY. However, the actual growth was 6.8% while the impact of the currency adjustment (2020FY: ₦400.3/\$ - Q1 2021: ₦407.6/\$) accounted for a 0.8% YTD growth in the loan book. Cost of risk came in at 0.4% and the NPL ratio dropped to 3.6% from 3.8% in 2020FY.

Other Regulatory Ratios remained above the required thresholds with liquidity ratio at 33.9% and capital adequacy ratio (CAR) at 18.4% from 18.2% in 2020FY.

We are committed to sustaining our growth trajectory and achieving the long-term strategic aspirations of the Bank as we look forward to delivering another set of good results in the next quarter".

ANALYSTS AND INVESTORS CONFERENCE CALL INVITATION

Fidelity Bank Management will hold a conference call on **Thursday, 29 April 2021 at 15.00 hours Lagos | 15:00 London | 10:00 New York | 16.00 Johannesburg** to discuss the Q1 2021 Results. There will be a question and answer session after the presentation of the **Q1 2021 performance** of the Bank by the management team.

To obtain the dial-in details, kindly pre-register for the call [HERE](#).

For further information, please contact:

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