



Fidelity Bank Plc announces a 29.4% growth in Gross Earning to ₦71.3bn and a PBT of ₦10.3bn for the first quarter ended 31 March 2022

LAGOS, NIGERIA - 29 APRIL 2022: Fidelity Bank (Bloomberg: **FIDELITY:NL** | Reuters: **FIDELIT:LG**) announced its Unaudited Financial Statements for the first quarter ended 31 March 2022.

Financial Highlights

₦ 'million	Q1 2021	Q1 2022	VAR	% VAR
Gross Earnings	55,122	71,332	16,210	29.4%
Net Interest Income	28,797	30,045	1,248	4.3%
Net Fee Income	10,229	6,193	(4,036)	-39.5%
Net Revenue	39,026	36,238	(2,788)	-7.1%
Operating Expenses	(22,963)	(25,807)	(2,844)	12.4%
Operating Profit	16,063	10,431	(5,632)	-35.1%
Gains/Losses from Fin. Instruments	(4,663)	98	4,761	-102.1%
Impairment Charges	(1,266)	(205)	1,061	-83.8%
Profit before Tax	10,133	10,324	191	1.9%
Profit after Tax	9,590	9,515	(76)	-0.8%
	2021FY	Q1 2022	VAR	% VAR
Customer Deposits	2,024,806	2,066,164	41,358	2.0%
Total Equity	297,769	308,486	10,718	3.6%
Net Loans & Advances	1,658,412	1,826,000	167,588	10.1%
Total Assets	3,289,479	3,556,796	267,317	8.1%

Key Ratios

- ❖ Return on Avg. Equity (RoAE): ▲ **12.7%** compared to **12.5%** in 2021FY
- ❖ Net Interest Margin (NIM): ▲ **5.3%** compared to **4.7%** in 2021FY
- ❖ Cost of Risk (CoR): ▼ **0.0%** compared to **0.5%** in 2021FY
- ❖ Cost to Income Ratio (CIR): ▲ **71.0%** compared to **64.9%** in 2021FY
- ❖ Non-performing Loans Ratio (NPL): ▼ **2.8%** compared to **2.9%** in 2021FY
- ❖ Capital Adequacy Ratio (CAR): ■ **20.1%** compared to **20.1%** in 2021FY



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

“Our Q1 2022 numbers showed a positive start for the financial year as we continued to sustain our performance trajectory in line with our strategic aspirations.

Gross Earnings increased by 29.4% YoY to ₦71.3bn from ₦55.1bn in Q1 2021. The increase was driven by 44.1% YoY (₦19.0bn) growth in total interest and similar income which was attributable to the expansion in earning assets, improved yields on government securities and increased average lending rate. Non-interest revenue dropped by ₦2.8bn largely due to ₦6.0bn decline in FX income, however, key fees and commission lines (Digital Income | Account Maintenance Charge | Trade Income | Collections etc.) showed strong double-digit growth in line with increased customer transactions.

Digital Banking has continued to gain traction YoY driven by our nimble retail strategy. 56.0% of our customers are enrolled on the mobile/internet banking products and over 90.0% of customer-induced transactions were done on digital platforms with digital banking business contributing 33.2% to non-interest revenue.

Net Interest Margin improved to 5.3% from 4.7% in 2021FY, as the increase in yield on average earning assets outpaced the growth in average funding cost. Yield on average earning assets improved to 11.0% from 10.1% in 2021FY compensating for the 20pbs increase in average funding cost to 4.5%, which resulted in 4.3% growth in net interest income to ₦30.0bn.

Operating Expenses increased by 12.4% to ₦25.8bn largely due to 14.5% YoY growth in regulatory charges (NDIC | AMCON) which was responsible for 43.7% of the absolute growth in operating expenses and the increase in cost-to-income ratio to 71.0%. We expect cost-to-income ratio to trend down to 65.0% in H2 as additional AMCON Cost will not be recognized in line with IFRIC 21 requirement.

Total Deposits increased by 2.0% YTD to ₦2,066.2bn driven by 10.0% YTD growth in low cost deposits to ₦1,659.6bn and now represents 80.3% of total customer deposits from 74.5% in 2021FY. Local currency deposits increased by 0.5% YTD to ₦1,634.2bn while foreign currency deposits increased by 10.3% to \$1.04bn.

Net Risk Assets increased by 10.1% YTD to ₦1,826.0bn from ₦1,658.4bn in 2021FY. However, on-lending and intervention fund facilities was responsible for 34.1% of the absolute growth in the loan book. Non-performing loans (NPL) ratio improved further to 2.8% from 2.9% in 2021FY, which led to a 40bps decline in cost of risk.

Other Regulatory Ratios remained above the required thresholds with liquidity ratio increasing to 41.6% from 40.4% in 2021FY and capital adequacy ratio (CAR) at 20.1%, compared to the regulatory minimum of 15.0%.”



About Fidelity Bank Plc

Fidelity Bank Plc is a full-fledged commercial bank with over 6.8 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 300% growth in savings deposits in the last 6 years, 56.0% customer enrollment on its flagship mobile / internet banking products and 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.

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