

LAGOS, NIGERIA - 02 May 2023: Fidelity Bank (Bloomberg: **FIDELITY:NL** | Reuters: **FIDELIT:LG**) announced its Unaudited Financial Statements for the 3 months ended 31 March 2023.

Fidelity Bank achieves 73.8% growth in PBT to N17.9bn in Q1 2023

Financial Highlight

| | Q1 2022 N'million | Q1 2023 N'million | Change N'million | % Change % |
|----------------------------|----------------------|----------------------|---------------------|---------------|
| Income Statement | | | | |
| Gross Earnings | 71,332 | 101,141 | 29,809 | 41.8% |
| Net Interest Income | 30,045 | 52,571 | 22,526 | 75.0% |
| Other Income | 6,291 | 7,813 | 1,522 | 24.2% |
| Net Revenue | 36,336 | 60,383 | 24,047 | 66.2% |
| Operating Expenses | -25,807 | -38,921 | -13,114 | 50.8% |
| Operating Profit | 10,529 | 21,463 | 10,933 | 103.8% |
| Impairment Charges | -205 | -3,521 | -3,316 | 1617.5% |
| Profit before Tax | 10,324 | 17,942 | 7,618 | 73.8% |
| Profit after Tax | 9,514 | 15,609 | 6,095 | 64.1% |
| Balance Sheet | | | | |
| Customer Deposits | 2,580,597 | 2,667,553 | 86,956 | 3.4% |
| Total Equity | 314,360 | 328,225 | 13,865 | 4.4% |
| Net Loans & Advances | 2,116,212 | 2,161,448 | 45,236 | 2.1% |
| Total Assets | 3,989,009 | 4,142,428 | 153,419 | 3.8% |
| | 2022FY | Q1 2023 | | % Change |
| Key Ratios | | | | |
| Return on Equity | 15.6% | 19.7% | ▲ | 4.1% |
| Net Interest Margin | 6.3% | 7.8% | ▲ | 1.5% |
| Cost of Risk | 0.3% | 0.7% | ▲ | 0.4% |
| Cost to Income Ratio | 67.1% | 64.5% | ▼ | -2.7% |
| Non-performing Loans Ratio | 2.9% | 3.6% | ▲ | 0.7% |
| Capital Adequacy Ratio | 18.1% | 18.1% | ■ | 0.0% |



Gross Earnings grew by 41.8% yoy to ₦101.1bn from ₦71.3bn in Q1 2021. The increase was spurred by both interest income (43.8% yoy) and non-interest income (28.4% yoy). Growth in interest income reflects higher yield environment and strong earning assets base while the increase in non-interest income anchored on double-digit growth across key lines (Digital Income | Account Maintenance | FX Related Income | Trade | Collections etc.) and supported by increased customer transactions.

Net interest income increased by 75.0% yoy to ₦52.6bn from ₦30.0bn in Q1 2021, driven by interest and similar income as yield on earning assets improve to 13.3% from 11.0% (2022FY: 12.2%). However, average funding cost dropped marginally by 20bps ytd to 4.4% as expensive deposits were replaced with low-cost deposits, leading to an increase in NIM to 7.8% from 5.3% in 2021 (2022FY: 6.3%).

Operating expenses increased by 50.8% yoy to ₦38.9bn, inflecting the high-cost operating environment with inflation rate in Q1 averaging 22.0% as well as 44.2% yoy (₦4.4bn) increase in regulatory charges (AMCON and NDIC Premium): regulatory charges were responsible for 33.2% of the absolute increase in operating expenses. However, cost to income ratio declined to 64.5% from 67.1% in 2022FY in line with our guidance for 2023.

Total Deposits increased by 3.4% ytd to ₦2.7tn from ₦2.6tn in 2022FY, driven by 7.6% growth in low-cost deposits (Demand | Savings | Domiciliary). With renewed focus on low-cost deposits, our retail banking business delivered impressive results as savings deposits grew by 15.0% ytd to ₦689.1bn, which explains the 20bps drop in average funding cost to 4.4%.

Savings deposits was responsible for 54.4% of the absolute growth in customer deposits and constitutes 25.8% of total deposits, up from 23.2% in 2022FY.

Net Loans & Advances increased by 2.1% ytd to ₦2.2tn from ₦2.1tn in 2022FY. NPL ratio inched up to 3.6% from 2.9% 2022FY and cost of risk also increased to 0.7% from 0.3% in 2022FY, as we model the impact of high interest rate environment on loan repayment.

Regulatory Ratios stood well-above their minimum regulatory thresholds with liquidity ratio at 44.2% from 39.6% in 2022FY and capital adequacy ratio (CAR) at 18.1% compared to the minimum requirement of 15.0%.

We are committed to our strategic plan for 2023 as we look forward to delivering another set of good results in the next quarter.

We Are Fidelity. We Keep Our Word

Contact Us: 0700 343 35489

true.serve@fidelitybank.ng



Fidelity Bank Plc

HC 103022

FOLLOW US:

www.fidelitybank.ng



About Fidelity Bank Plc

Fidelity Bank Plc is a full-fledged commercial bank with over 7.5 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, 57.0% customer enrollment on its flagship mobile / internet banking products and 91.0% 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

Contact Us: 0700 343 35489

true.serve@fidelitybank.ng



Fidelity Bank Plc

RC 103022

FOLLOW US:

www.fidelitybank.ng