

LAGOS, NIGERIA - 30 April 2024: Fidelity Bank (Bloomberg: **FIDELITY:NL** | Reuters: **FIDELIT:LG**) announced its Unaudited Financial Statements for the 3 months ended 31 March 2024.

Fidelity Bank records a 120.1% growth in PBT to ₦39.5bn in Q1 2024

Financial Highlight

	Q1 2023 ₦'million	Q1 2024 ₦'million	Change ₦'million	% Change %
Income Statement				
Gross Earnings	101,141	192,086	90,945	89.9%
Net Interest Income	52,571	99,634	47,063	89.5%
Other Income	7,812	20,457	12,645	161.9%
Net Revenue	60,383	120,092	59,709	98.9%
Operating Expenses	(38,921)	(68,229)	(29,308)	75.3%
Operating Profit	21,462	51,863	30,401	141.7%
Impairment Charges	(3,521)	(12,365)	(8,844)	251.2%
Profit before Tax	17,942	39,497	21,555	120.1%
Profit after Tax	15,609	31,440	15,831	101.4%
Balance Sheet				
Customer Deposits	4,014,811	4,706,183	691,372	17.2%
Total Equity	437,307	467,106	29,799	6.8%
Net Loans & Advances	3,092,419	3,748,218	655,799	21.2%
Total Assets	6,234,688	7,026,492	791,804	12.7%
	2023FY	Q1 2024	Change	
Key Ratios				
Return on Equity	26.5%	28.0%	1.5%	▲
Net Interest Margin	8.1%	8.8%	0.7%	▲
Cost of Risk	2.6%	1.5%	-1.1%	▼
Cost to Income Ratio	50.4%	56.8%	6.4%	▲
Non-performing Loans Ratio	3.5%	4.1%	0.6%	▲
Capital Adequacy Ratio	16.2%	16.3%	0.1%	▲



Gross Earnings increased by 89.9% yoy to ₦192.1bn from ₦101.1bn in Q1 2023. The increase was led by a combination of interest income (90.7% yoy) and non-interest income (84.0% yoy). Growth in interest income was primarily spurred by a higher yield environment and strong earning assets base, while the increase in non-interest income was led by double-digit growth in account maintenance charges, FX-related income, trade, banking services, and remittances, supported by increased customer transactions.

Net interest income grew by 89.5% yoy to ₦99.6bn from ₦52.6bn in Q1 2023, driven by interest and similar income as the yield on financial instruments improved to 14.7% from 10.1% in Q1 2023 (2023FY: 11.6%). In line with the steady rise in interest rates through the year, average funding cost increased by 80bps ytd to 5.2%. However, NIM came in at 8.8% compared to 8.1% in 2023FY, as increased yield on earning assets surpassed funding cost to 15.1% from 13.3% in Q1 2023 (2023FY: 13.5%).

Operating expenses increased by 75.3% yoy to ₦58.9bn, reflecting the high-cost operating environment, increased regulatory charges (AMCON and NDIC Premium) and staff cost. The headline inflation rate in Q1 2024 averaged 31.6%, while regulatory charges increased by 21.2% yoy (₦3.0bn) in line with 12.7% ytd expansion in the balance sheet. As expected, our cost-to-income ratio increased to 56.8% from 50.4% in 2023FY but remains within our 2024FY guidance.

Total Deposits increased by 17.2% ytd to ₦4.7tn from ₦4.0tn in 2023FY, driven by double-digit growth across all deposit types (demand | savings | term). With premium yields offered on government securities, interest rates on term deposits are ticking up, which explains the hike in average funding costs. However, our retail banking business delivered an impressive result as savings deposits grew by 11.0% ytd to ₦978.1bn, and gradually inching closer to the ₦1 trillion balance mark.

Net Loans and Advances increased by 21.2% to ₦3.7tn from ₦3.1tn in 2023FY. However, real growth was 5.8%, while the impact of Naira depreciation accounted for 15.4% growth in the loan book. Non-performing loan ratio (NPL) inched up to 4.1% from 3.5% in 2023FY, while cost of risk dropped to 1.5% from 2.6% in 2023FY, a reflection of the impairment buffers we built in 2023FY.

Other Regulatory Ratios stood well above their minimum regulatory thresholds, with liquidity ratio at 41.1% and capital adequacy ratio (CAR) at 16.3%, compared to the minimum requirement of 30.0% and 15.0%, respectively.

We are committed to our guidance as we build a more resilient business franchise with a well-diversified earnings base in 2024.

We Are Fidelity. We Keep Our Word

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About Fidelity Bank Plc

Fidelity Bank Plc is a full-fledged commercial bank with over 8.5 million customers serviced across its 251 business offices and various digital banking channels in Nigeria and the United Kingdom. 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 447% growth in savings deposits in the last 7 years, 61.0% 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 became a universal bank in February 2001. In July 2023, Fidelity completed the acquisition of a 100% equity stake in Union Bank UK to enable it tap cross-border opportunities and provide scalable services to its growing clientele. Fidelity Bank is today ranked the 6th largest Nigerian Bank, with presence in the City of London and every commercial hub in Nigeria.

Fidelity 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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