



## Fidelity Bank Plc announces a 72.4% growth in PBT to N20.6bn for H1 2021 Audited Results

LAGOS, NIGERIA - **11 SEP 2021**: Fidelity Bank (Bloomberg: **FIDELITY:NL** | Reuters: **FIDELIT:LG**) announced its Audited Financial Statements for the 6 months ended 30 June 2021.

### Financial Highlights

| N 'million                         | H1 2020   | H1 2021   | VAR     | % VAR   |
|------------------------------------|-----------|-----------|---------|---------|
| Gross Earnings                     | 105,755   | 112,304   | 6,549   | 6.2%    |
| Net Interest Income                | 48,320    | 50,297    | 1,977   | 4.1%    |
| Net Fee Income                     | 15,369    | 19,873    | 4,504   | 29.3%   |
| Net Revenue                        | 63,689    | 70,171    | 6,482   | 10.2%   |
| Operating Expenses                 | (46,841)  | (42,247)  | (4,594) | -9.8%   |
| Operating Profit                   | 16,848    | 27,924    | 11,076  | 65.7%   |
| Gains/Losses from Fin. Instruments | 2,956     | (4,990)   | (7,946) | -268.8% |
| Impairment Charges                 | (7,841)   | (2,305)   | (5,536) | -70.6%  |
| Profit before Tax                  | 11,963    | 20,628    | 8,665   | 72.4%   |
| Profit after Tax                   | 11,303    | 19,306    | 8,003   | 70.8%   |
|                                    | 2020FY    | H1 2021   | VAR     | % VAR   |
| Customer Deposits                  | 1,699,026 | 1,980,187 | 281,161 | 16.5%   |
| Total Equity                       | 273,533   | 273,372   | (161)   | -0.1%   |
| Net Loans & Advances               | 1,326,106 | 1,535,437 | 209,331 | 15.8%   |
| Total Assets                       | 2,758,148 | 3,110,835 | 352,687 | 12.8%   |

### Key Ratios

- ❖ Cost to Income Ratio: ▼ **64.8%** compared to **65.1%** in 2020FY
- ❖ Cost of Risk: ▼ **0.3%** compared to **1.4%** in 2020FY
- ❖ Net Interest Margin: ▼ **5.3%** compared to **6.3%** in 2020FY
- ❖ Return on Equity: ▲ **14.2%** compared to **10.5%** in 2020FY
- ❖ Non-performing Loans Ratio: ▼ **2.8%** compared to **3.8%** in 2020FY
- ❖ Capital Adequacy Ratio: ▲ **18.8%** compared to **18.2%** in 2020FY
- ❖ Liquidity Ratio: ▼ **33.3%** compared to **37.8%** 2020FY



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

“We sustained our impressive financial performance with double-digit growth in profit as increased customer transactions drove non-interest revenue while improved operational efficiency continued to moderate cost - to - serve. This resulted in 72.4% increase in profit before tax to ₦20.6bn from ₦12.0bn in H1 2020.

**Gross Earnings** increased by 6.2% YoY to ₦112.3bn on account of 27.8% growth in non-interest revenue to ₦23.8bn from ₦18.1bn in H1 2020. NIR was driven by strong growth in Commission on Banking Services (57.7%), Account Maintenance Charges (50.6%), Digital Banking Income (49.4%) and Trade Income (33.7%) etc. as total customer induced transactions across all our distribution channels increased by 58.0% YoY and 21.2% QoQ.

**Digital Banking** gained further traction as we now have 55.1% of our customers enrolled on the mobile/internet banking products and 89.3% of customer-induced transactions were done on digital platforms.

**Net Interest Margin** came down to 5.3% as the drop in average yields on earning assets surpassed the decline in average funding cost. Average yields on earning assets dropped by 130bps to 9.4% from 10.7% in 2020FY while average funding cost declined by 43bps to 3.2% from 3.6% in 2020FY. In absolute terms, net interest income increased by 4.1% due to 1.7% YoY increase in total interest income and 1.2% decline in total interest expenses. Though average cost of deposits have remained low at 2.7%, interest rates on deposits are ticking up with the gradual recovery of business activities and market yields.

**Operating Expenses** dropped by ₦4.6bn (9.8% YoY) to ₦42.2bn. We recorded ₦7.2bn drop in key expense lines as we deepen our operational efficiency through process improvement and cost optimization.

**Total Deposits** increased by 16.5% YTD to ₦1,980.2bn from ₦1,699.0bn in 2020FY, driven by increased deposit mobilization across all deposits types (Demand | Savings | Tenor). Foreign currency deposits increased by 23.1% YTD (\$149m) and now accounts for 18.5% of total deposits from 17.5% in 2020FY, as we continue to harness the benefits of our renewed drive in the Diaspora Banking space.

**Net Loans and Advances** increased by 15.8% YTD to ₦1,535.4bn from ₦1,326.1bn in 2020FY. However, the actual growth was 14.7% while the impact of the currency adjustment (2020FY: ₦400.3/\$ - H1 2021: ₦410.6/\$) accounted for a 1.1% YTD growth in the loan book. Cost of risk came in at 0.3% and the NPL ratio (Stage 3 Loans) dropped to 2.8% from 3.8% in 2020FY. Other regulatory ratios remain well above the minimum requirement: CAR at 18.8% from 18.2% in 2020FY.

We look forward to sustaining the current momentum in H2 2021 by optimizing our balance sheet and lowering our cost – to – serve which will translate to improved earnings while we remain committed to our medium to long-term strategic objectives.”



## ANALYSTS AND INVESTORS CONFERENCE CALL INVITATION

Fidelity Bank Management will hold a conference call on **Wednesday, 15 September 2021 at 15.00 hours Lagos | 15:00 London | 10:00 New York | 16.00 Johannesburg** to discuss the H1 2021 Audited Results. There will be a question and answer session after the presentation of the **H1 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:

**Samuel Obioha (Head, Investor Relations)**

**Telephone +234 1 4480853**

**E-mail [samuel.obioha@fidelitybank.ng](mailto:samuel.obioha@fidelitybank.ng)**

**[info.investor@fidelitybank.ng](mailto:info.investor@fidelitybank.ng)**

Contact Us: +234(1)448-5252, +234 8003-433-5489 [true.serve@fidelitybank.ng](mailto:true.serve@fidelitybank.ng)

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