

## Highlights of the Unaudited Results of Fidelity Bank Plc for the 9 Months Ended September 30, 2015

**Fidelity Bank Plc announces 11.0% growth in Gross Earnings to N106.6 billion and a Profit before Tax (PBT) of N13.8 billion.**

### Financial Highlights

- Gross Earnings increased by **11.0%** to **N106.6bn** from **N96.0bn** in 9M 2014
- Net Fee Income increased by **7.7%** to **N21.4bn** from **N19.9bn** in 9M 2014
- Operating Income increased by **9.7%** to **N62.0bn** from **N56.5bn** in 9M 2014
- Total Expenses increased by **10.3%** to **N44.8bn** from **N40.6bn** in 9M 2014
- Profit before Tax increased by **3.0%** to **N13.8bn** from **N13.4bn** in 9M 2014
- Profit after Tax increased by **1.8%** to **N11.4bn** from **N11.2bn** in 9M 2014
- Net Loans increased by **1.1%** to **N547.7bn** from **N541.7bn** in Dec 2014
- Deposits declined by **6.6%** to **N765.8bn** from **N820.0bn** in Dec 2014
- Total Equity increased by **4.2%** to **N180.3bn** from **N173.1bn** in Dec 2014
- Total Assets declined by **2.3%** to **N1,159.2bn** from **N1,187.0bn** in Dec 2014

N 'million	9M 2015	9M 2014	VAR	% VAR
Gross Earnings	106,570	96,023	10,547	11.0%
Net Interest Inc.	40,605	36,658	3,947	10.8%
Net Fee Income	21,383	19,859	1,525	7.7%
Operating Income	61,988	56,517	5,471	9.7%
Total Expenses	(44,756)	(40,577)	(4,179)	10.3%
Impairment Losses	(3,940)	(1,898)	(2,042)	107.6%
Profit before Tax	13,789	13,389	400	3.0%
Profit after Tax	11,445	11,247	198	1.8%
	9M 2015	2014 FY	VAR	% VAR
Deposits	765,785	820,034	(54,249)	-6.6%
Total Equity	180,339	173,111	7,228	4.2%
Net Loans	547,703	541,685	6,018	1.1%
Total Assets	1,159,184	1,187,025	(27,841)	-2.3%

Key Ratios	9M 2015	2014 FY	9M 2014
Earning Assets Yield	14.47%	12.7%	13.3%
Net interest Margin	6.9%	6.0%	6.3%
RoE (pre-tax)	10.2%	9.0%	10.6%
RoA (pre-tax)	1.6%	1.3%	1.6%
Cost of Funds	6.5%	5.9%	6.0%
Cost Income Ratio	71.6%	74.2%	72.6%
Cost of Risk	1.0%	0.8%	0.5%
Loan to Deposit	71.5%	66.1%	60.3%
Liquidity Ratio	33.4%	38.0%	34.7%
CAR	20.6%	23.2%	23.3%
NPL Ratio	3.7%	4.4%	4.4%
BVPS (NGN)	6.2	6.0	5.8
EPS (NGN)	0.5	0.5	0.5



**Nnamdi Okonkwo, Managing Director and CEO of Fidelity Bank Plc commenting on the results, stated that:**

“Business operations during the quarter was challenging due to a number of factors; the difficult operating environment, the tight monetary policy stance, implementation of the Treasury Single Account (TSA) and currency devaluation concerns which culminated into negative earnings headwinds in the banking industry.

Despite these challenges, we continued with the disciplined execution of our medium term strategy. Profit before Tax (PBT) increased to N13.8bn despite the decline in our total assets due to the TSA implementation. We are pleased with the resilience of our business model which resulted in a year-on-year (y-o-y) growth in both fund and fee based income resulting in a 3% growth in profitability.

Net Interest Income increased by 10.8% y-o-y to N40.6 billion but declined by 4.8% q-o-q due to the reduction in our earning assets. We continued to increase yields on earning assets faster than the growth in funding costs, which improved our NIM to 6.9% in Q3, 2015 placing us closer to our 2015 target of 7.0%.

Net Fee Income increased by 7.7% y-o-y to N21.4 billion but declined by 4.2% q-o-q due to lower FX Income on the back of trading restrictions in the market. Our retail strategy continued to deliver increased revenues as electronic banking income increased by 128.4% y-o-y to N4.5 billion and 115.4% q-o-q, this was driven by the deployment of a new online banking application, increased migration of customers to our alternate channels and an increase in international card transactions.

Total Expenses grew by 10.3% y-o-y to N44.8 billion and 6.3% q-o-q driven by the following cost lines; staff remuneration, regulatory costs (NDIC/AMCON) and branding/advertisement costs. Cost-Income Ratio declined to 71.6% in 9M 2015 from 74.2% in the 2014FY as revenue growth outpaced the increase in operating cost.

Net Loans grew marginally by 1.1% YTD to N547.7 billion but declined by 4.4% q-o-q driven by customer pay-downs due to the re-alignment of their business model and a cautious approach to asset creation in line with the weaker macro environment. Cost of Risk is 1.0% while we improved our coverage ratio. NPL Ratio remained within our guidance at 3.7%.

Total Deposits declined by 6.6% YTD to N765.8 billion and 3.9% q-o-q due to regulatory initiatives e.g. the implementation of the Treasury Single Account (TSA) which impacted our deposit base by about N75bn during the quarter.

On September 3, 2015 we unveiled our new corporate identity that portrays our positive personality with a view to helping us stand-out in a very competitive market.

Our new corporate identity is inspired by our past with our eyes set on the future and always staying true to our vision. Our new identity comes with a renewed brand promise “your aspiration may prove to be a tough job but someone’s got to do it”

**Welcome to the new face of service**



## **ANALYSTS AND INVESTORS CONFERENCE CALL INVITATION**

Fidelity Bank Plc Senior Management would be hosting a Conference Call with Investors/Analysts on the 9M 2015 Unaudited Financials on Tuesday November 03, 2015 at 14.00 hours Lagos Time / 13:00 BST / 13:00 GMT. There will also be an opportunity for management to take questions from Investors and Analysts.

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