

Financial Highlights

Statement of Profit or Loss (₦'bn)	Q1:2025	Q1:2024	Y-o-Y Change
Gross Earnings	315.4	192.1	64.2%
Interest Income	281.5	170.1	65.4%
Interest Expense	(90.7)	(70.5)	28.6%
Net Interest Income	190.8	99.6	91.5%
(Impairment)/Write Back	(6.3)	(12.4)	49.2%
Non-Interest Income	37.1	20.5	81.2%
OPEX	(115.8)	(68.2)	69.8%
PBT	105.8	39.5	167.8%
(Taxation)/Tax Credit	(14.7)	(8.1)	82.1%
PAT	91.1	31.4	189.8%
EPS (₦)	1.8	1.0	84.7%
BVPS (₦)	18.6	28.1	(33.8%)
Share Outst (bn)	50.2	32.0	

Statement of Financial Position (₦'bn)	Q1:2025 Unaudited	FY:2024 Audited	
Cash & Bank Balances	1,619.4	707.5	128.9%
Total Loans & Advances	4,604.6	4,387.1	5.0%
Financial Assets	2,138.4	1,813.7	17.9%
Total Assets	10,451.6	8,821.7	18.5%
Total Equities	933.1	897.9	3.9%
Total Deposits	6,599.0	5,937.1	11.1%
Total Borrowings	1,108.4	929.6	19.2%
Total Liabilities	9,518.5	7,923.9	20.1%

Key Performance Ratio

Net Interest Margin	2.5%	
Cost of Funds	1.2%	
Cost to Income Ratio	50.8%	56.8%
Loans to Deposit Ratio	69.8%	73.9%
Cost of Risk	0.1%	0.3%
Net Margin	28.9%	16.4%

Valuation Snapshot

P/E Ratio	11.1x
P/BV Ratio	1.1x
RoAE (Annualised)	36.9%
RoAA (Annualised)	3.5%
Closing Market Price (05/05/2025)	₦20.10
Target Price	₦21.55
Upside (Downside)	7.2%

Corporate Actions

Proposed Dividend (₦'bn)	Nil
Proposed Final Dividend per Share	Nil
Dividend Yield	Nil
Qualification Date	Nil
Closure Date	Nil
Payment Date	Nil
AGM Venue	Nil
AGM Date	Nil

Disclaimer: All reasonable care has been taken to prepare this report and ensure the accuracy of facts stated in it. All Forecasts, Ratings, Estimates, Opinions or Views stated therein reflects the view of the Research Analyst(s). Neither the Research Analyst(s), the Issuer, nor any of its Directors, Officers or Employees, shall be in any way responsible for the contents hereof or any liability whatsoever for any loss howsoever arising from any or the use of this document or its contents or otherwise arising in connection therewith.

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Dear Afrinvestor,

Fidelity Bank PLC ("Fidelity" or "The Bank") recently published its Q1:2025 audited financial statements. See below key takeaways and our take about the business prospect and share price:

Key Takeaways
Income Statement

- ❖ Gross earnings for the period advanced 64.2% y/y to ₦315.4bn. This growth was largely driven by uptick in interest income (up 65.4% to ₦281.5bn).
- ❖ Meanwhile, non-interest income grew by 81.2% y/y to ₦37.1bn, largely driven by advancement in fees and commission income (up 30.1% y/y to ₦23.8bn).
- ❖ Despite elevated OPEX (up 69.8% y/y) and uptick in tax expense (up 82.1%), the bank sustained its solid bottomline as PBT and PAT accentuated 167.8% and 189.8% y/y to ₦105.8bn and ₦91.1, respectively.

Balance Sheet

- ❖ Total Assets grew by 18.5% y/y to ₦10.5tn, largely driven by improved cash reserve (up 128.9% y/y to ₦1.6tn).
- ❖ The bank's deposits from customers grew steadily by 11.1% to ₦6.6tn. As such total liabilities advanced by 20.17% y/y to ₦9.5tn.
- ❖ Shareholders' fund grew by a modest 3.9% to ₦933.1bn), buoyed by uptick in retained earnings (up 15.3% to ₦213.6bn).

What We Think

- ❖ We like that Fidelity drove a strong EPS expansion in the period, despite the 56.9% increase in outstanding shares and a conservative loan book growth. Against the backdrop of a successfully capital raise outing in H2:2024, where oversubscription of 237.9% and 137.7% were recorded, we are optimistic about the bank's timeline to recapitalise.
- ❖ Looking ahead, we expect Fidelity to sustain the upbeat performance in 2025, with gross earnings and PBT estimated to grow by 46.0% and 49.4% to ₦1.5tn and ₦415.4bn in a blue sky scenario. Against these backdrop, we maintain our 12-month target price of ₦21.60 for FIDELITY.