

**Rights Issue
5,888,949,162 Ordinary Shares of
50 Kobo Each at N2.12 Per Share**

July 2013



Important Information

Notice

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- Sterling Bank undertakes no obligation to publicly update or review any forward-looking statement, whether as a result of new information, future developments or otherwise.



Agenda

About Sterling Bank

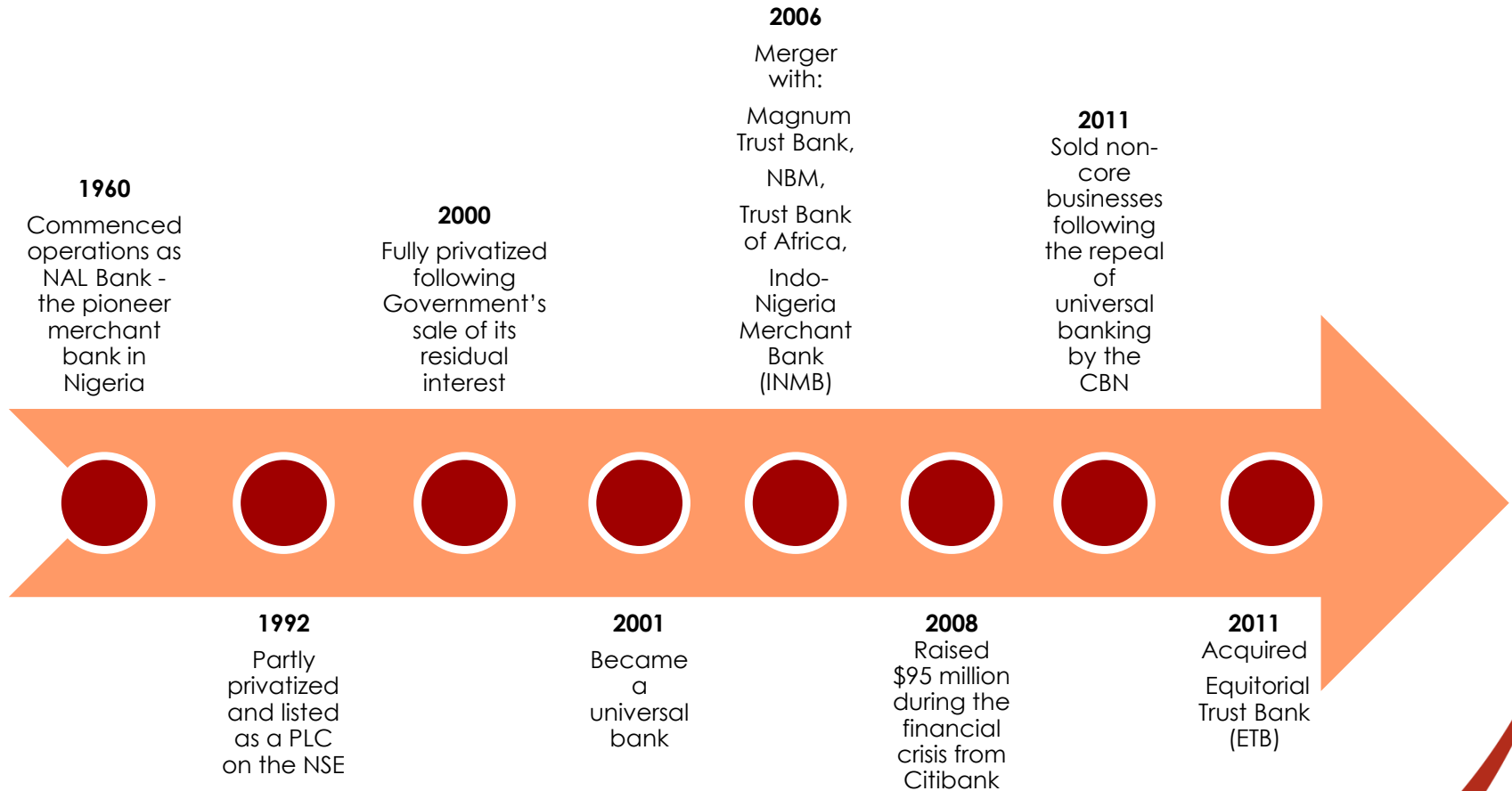
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Timeline



About Sterling Bank

Company	Sterling Bank is licensed by the Central Bank of Nigeria (CBN) as a National Commercial Bank	
Banking license	National Commercial Banking License	
Accounting	International Financial Reporting Standards (IFRS)	
Auditors	Ernst & Young	
Listing	Nigerian Stock Exchange	
Focus segments	Retail, Corporate and Institutional clients	
Headcount	2,672 professional employees	
Channels	>160 business offices; 241 ATMs; 4,648 POS	
Ratings Agency	Short Term	Long Term
GCR	A3	BBB

Senior Management Profile

Mr. Yemi Razack Adeola

Chief Executive Officer/MD

- Over 25 years professional experience spanning banking, finance, law, corporate consulting and the academia.
- Served as Executive Director, Corporate and Commercial Banking between January 2006 and November 2007.
- Worked in various executive management capacities in Citibank Nigeria, and Trust Bank of Africa Ltd.

Mr. Lanre Adesanya **Executive Director South**

Banking career spanning over 21 years, including executive management positions held in Nigbel Merchant Bank Ltd (NBML), and successfully leading strategic business regions in the country.

Mr. Devendra Nath Puri **Executive Director Lagos**

Representative of State Bank of India (SBI) with professional career spanning 27 years. Alumnus of the A.N. College, Patna Associate of the prestigious India Institute of Bankers.

Mr. Abubakar Sule **Executive Director North & Corporate Banking**

Banking career spanning over 22 years Held various supervisory and executive management roles at the Central Bank of Nigeria (CBN), NAL Bank Plc, Sterling Capital Markets Limited and Intercontinental Bank Plc

Senior Management Profile....

Mr. Yemi Odubiyi **Chief Operating Officer**

- Yemi's banking career spans over 17 years. Prior to his current role, he served as Chief Strategist and before that, Head of Structured and Trade Finance. He previously served as Chief Operating Officer at Trust Bank of Africa Limited before its merger into Sterling Bank Plc. in December 2005. He is a graduate of the Citibank Management Associate program and his professional experience spans Strategy & Finance, Corporate & Investment Banking as well as Banking Operations.

Mr. Abubakar Suleiman **Chief Financial Officer**

- Abubakar has over 15 years of core banking experience. Prior to his role as Chief Financial Officer, he successfully led the recent integration of ETB into Sterling Bank. He was previously the Group Treasurer with responsibility for trading and balance sheet management. He started his career as a consultant with Arthur Andersen (now KPMG) and has worked with MBC International Bank (now First Bank Nigeria) and Citibank across the Corporate, Commercial and Institutional Banking functions.

Mr. Mudathir Lawal **General Manager, Lagos Island Division**

- Mudathir has over 20 years professional experience spanning Trade & Manufacturing, Treasury Marketing, Currency Trading, Inspection and Marketing. A fellow of the Institute of Chartered Accountants of Nigeria (ICAN) and an associate member of the Chartered Institute of Taxation of Nigeria (CITN), Kayode was educated at the Yaba College of Technology, Columbia University and Leeds Metropolitan University and holds qualifications in Accountancy, Marketing Management and Corporate Governance.

Mr. Tunde Adeola **General Manager, Lagos Mainland Division**

Tunde has over 23 years professional experience spanning banking and discount house operations. Prior to his current role, he was responsible for the Bank's Lagos Island 2 Regional business. A lawyer by training, he has worked variously at the erstwhile Liberty Bank Plc, Kakawa Discount House Limited and the Trust Bank of Africa, which merged with four other banks to form Sterling Bank Plc.

Strategy Roadmap

2011-2016

2016+

Mid-term

- 5% market share measured by assets
- Leading consumer banking franchise (bank of choice for customers in our target markets)
- Diverse retail funding base
- <3% in non-performing loans
- Diversified income streams with top quartile position in all our operating areas
- Investment grade credit rating
- Double digit revenue growth Y-o-Y

Long-term

- Globally competitive financial services franchise by financial and non-financial measures
- Fully scaled business model with institutionalized processes beyond the stewardship of current owners and managers
- Systemically important operator materially impacting all our sectors of business participation
- Great place to work

Performance Highlights Q2 2013

Total Assets N691 billion up 19%

Total Deposits N565 billion up 21%

Total Capital N54 billion up 8%

Return on Equity 25% (annualized)

NPL ratio 2.7%

Earnings Per Share 76 kobo (annualized)

Customer Base > 860,000

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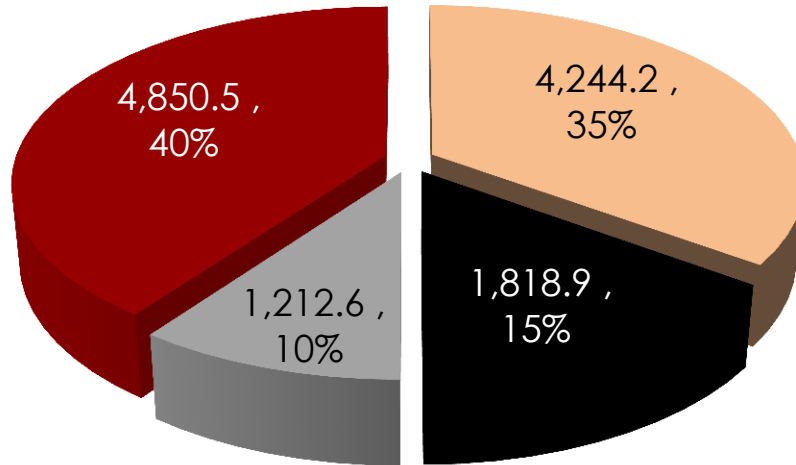
Summary of Terms

Issuer	Sterling Bank Plc
Size	N12.5 billion
Issuing House	Sterling Capital Markets Limited
Share Capital	Authorized: N12,000,000,000 divided into 24,000,000,000 ordinary shares of 50 kobo each; Issued & fully paid: N7,851,932,216 divided into 15,703,864,432 ordinary shares of 50 kobo each
Method of Issue	By way of Rights Issue to existing shareholders of the Bank
Provisional Allotment	Three (3) new Ordinary Shares for every Eight (8) ordinary Shares of 50 kobo each held as at the close of business on May 20, 2013. Rights not taken up (and which have not been traded by shareholders) will be allotted to shareholders who have applied for additional shares above their provisional allotment, on a basis to be determined by the Directors of the Bank.
Issue Price	N2.12 kobo
Payment	In full on acceptance
Offer Open	Monday, June 24, 2013
Offer Close	Wednesday, July 31, 2013
Stockbrokers	CardinalStone Securities Limited



Utilization of Proceeds

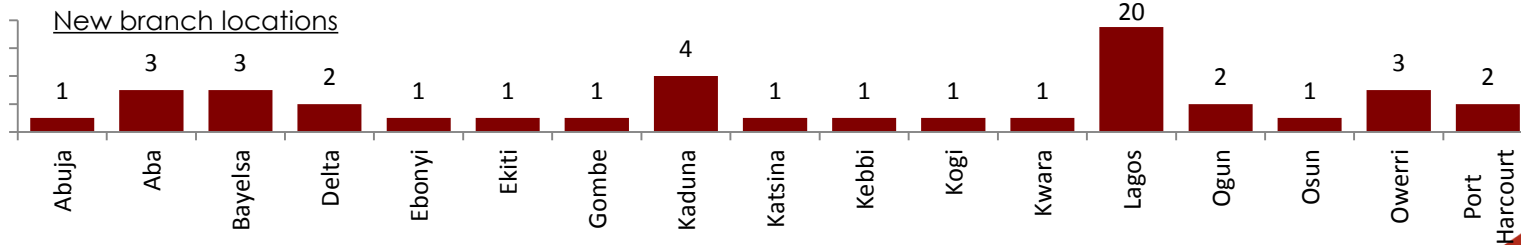
100% = N12,126.3 million (Net Proceeds)



■ Branch Expansion ■ Infrastructure upgrade
■ Information Technology ■ Working Capital

Comments

- Branch expansion: The Bank plans to open 48 new branches over the next 24 months and also remodel existing ones. Ten of the new branches will be completed in 2013
- Infrastructure Upgrade: The Bank will deploy new Automated Teller Machines (ATMs) in the new branches as well as other alternative delivery channels
- IT infrastructure transformation to support our retail expansion drive and the cashless economy initiative
- Working capital required to support loan growth. The additional capital will enhance the Bank's obligor limit and capacity to lend.



N12.13 billion additional capital equates to increasing assets to N121.26 billion by 1:10

Timetable

Date	Activity	Responsibility
24-Jun-13	Acceptance list opens	Sterling Capital/Registrars
31-Jul-13	Acceptance list closes	Sterling Capital/Registrars
15-Aug-13	Receiving Agents make returns	Sterling Capital/Registrars
21-Aug-13	Forward allotment proposal and draft newspaper announcement to SEC	Sterling Capital
4-Sep-13	Receive SEC's clearance of Allotment Proposal	Sterling Capital
6-Sep-13	Payment of net proceeds of the issues to Sterling Bank	Receiving Bank/Sterling Capital
6-Sep-13	Allotment Announcement	Sterling Capital
9-Sep-13	Return rejected application monies	Sterling Capital/Registrars
10-Sep-13	Distribution of share certificates/credit CSCS Registrars accounts	
17-Sep-13	Forward Declaration of Compliance to the Exchange	Stockbrokers
23-Sep-13	Listing of new shares/trading Commences	Stockbrokers
30-Sep-13	Forward summary report of Issue to SEC	Sterling Capital

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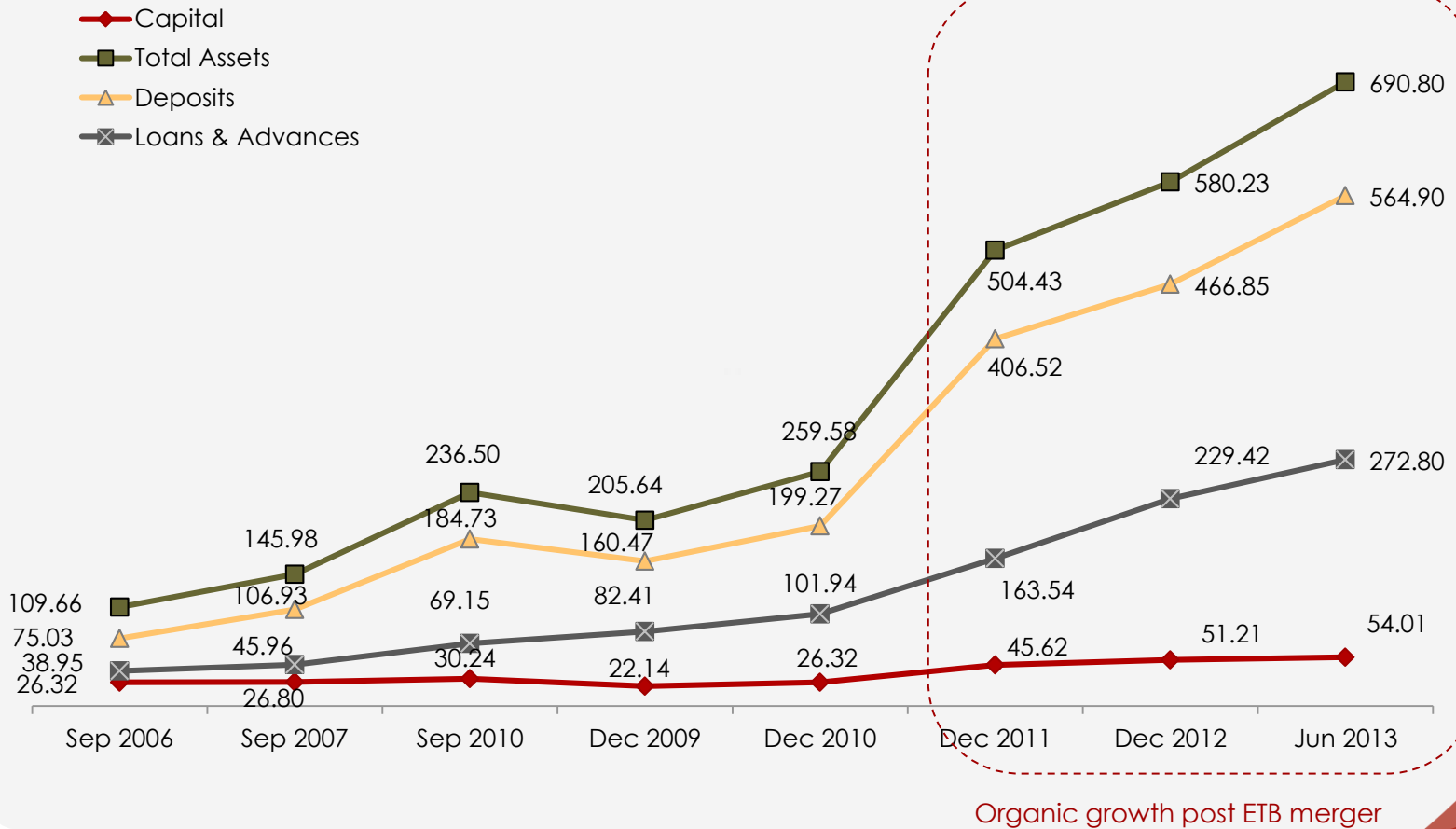
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Sustained growth in balance sheet despite capital constraints

N'B



Very strong upside potential for loan growth with additional capital

48% loan-to-deposit-ratio

2.7% NPL ratio

12% capital adequacy ratio

Comments

- The Bank plans to raise a total of US\$400 million over the next 12 months
- The additional capital raised would give further room to lever our current deposits to generate loans and other earning assets



Offer price at significant discount to book value

Book value of **N3.12** (as at June 2013)

Offer price at **N2.12**

Discount to book **47%**

Comments

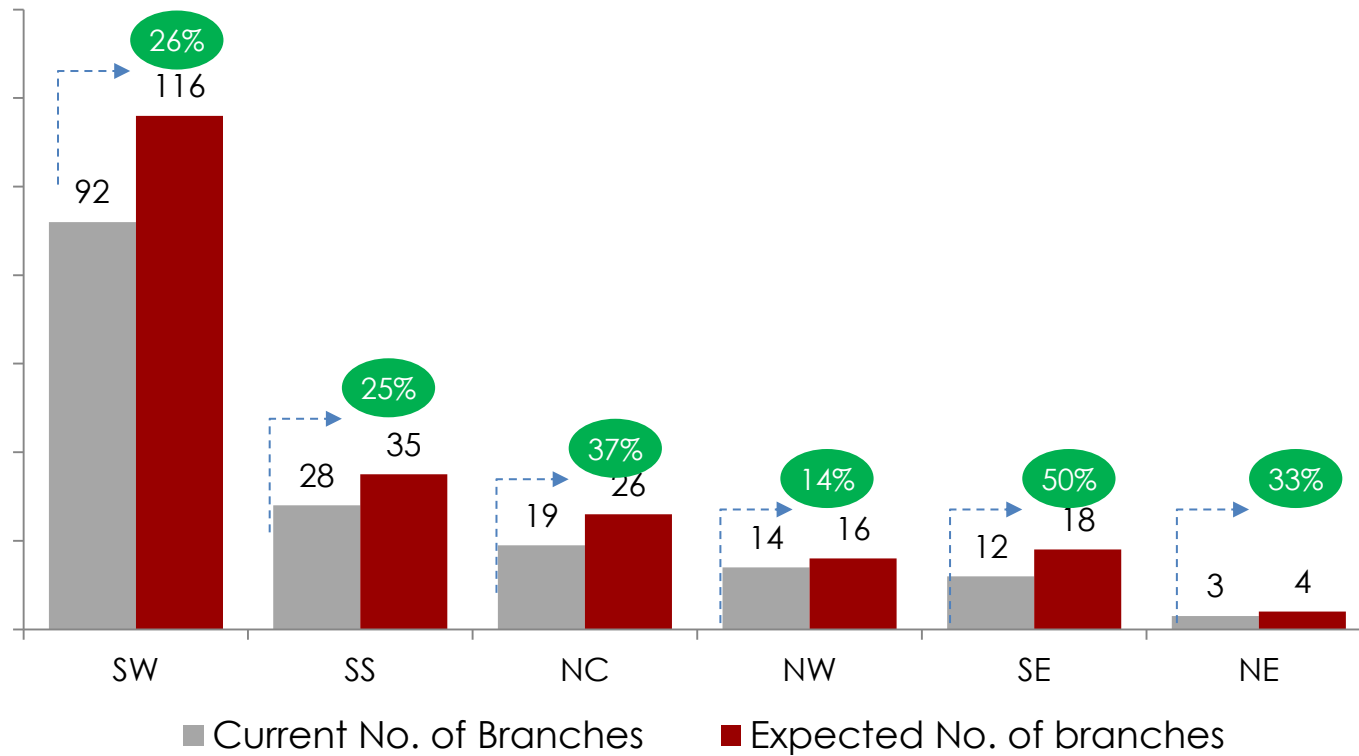
- Current book value of N3.12 as at the end of June 2013
- The Rights Issue offers a 47% discount to book value and a 25% discount to the current market price of N2.65 as at the end of June 2013.

Strong Competitive Advantage

- Strong service culture – rated top ten in the market
- Strong compliance culture and structure
 - Among Nigerian banks with lowest share of risk
 - Risks are tightly managed within an Enterprise Risk Management structure
- Strengths in key sectors
 - Oil & Gas, real estate and agriculture
- Fast growing retail franchise
- Improved retail deposit funding from 39% in 2009 to 65% by 2012

Expanding retail footprint

– 48 additional branches to our network



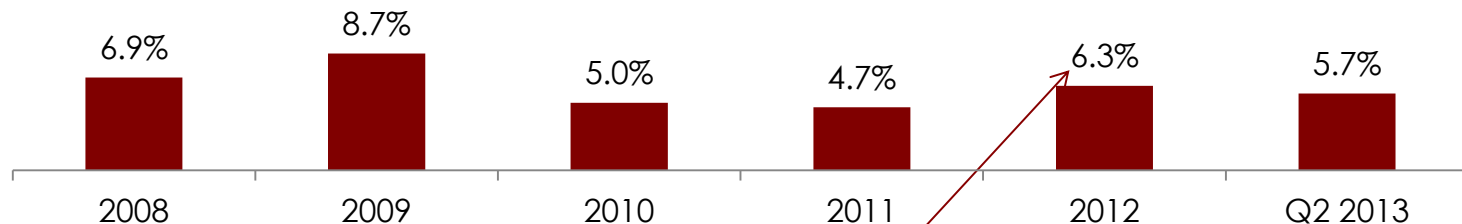
Declining Cost of Funds

- We leveraged our strong customer service appeal to build a retail deposit base - mix of funding is being moved from wholesale to retail.
- Deposit mix from 60/40 Wholesale/Retail funding in 2009 to 35/65 Wholesale/Retail in 2012
- Customer acquisition costs have been brought down significantly from an average of N50,000.00 to an average of N9,500.00 per customer as a result of a number of initiatives implemented and we expect it to drop further:

Sales outsourcing, virtual sales, telemarketing and third party acquirers for low-end customers

Customer acquisition by full time relationship managers limited to high value accounts

Cost of fund trend



MPR rose 175 basis points to 12% in December 2011, CRR rose 400 basis points to 12% in July 2012 driving up cost of funds industry-wide.

Increasing Brand Awareness

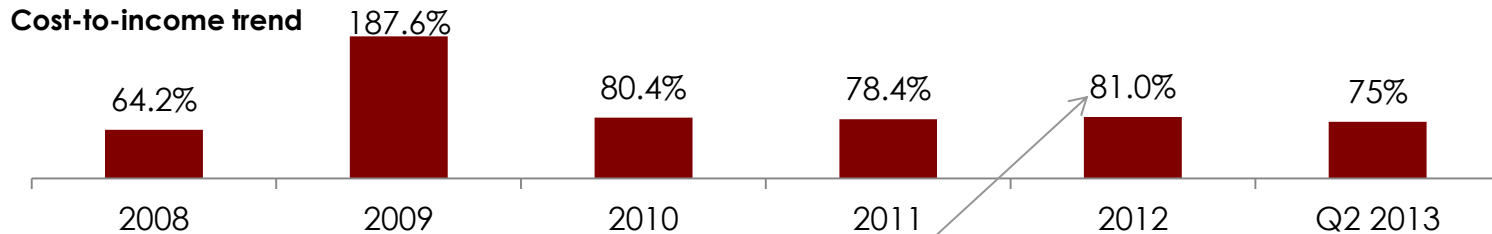
- We focus on providing customers with an easy and seamless interface in dealing with the bank through our various distribution points
- Restructured the service organization to support retail drive
- Deployed an expanded contact centre and virtual sales force to enhance service delivery at the retail end
- Alignment of physical infrastructure with people, processes and systems:
 - Modernization to capture high street retail look and feel
 - Restructuring along the lines of hub (generic) and spoke (targeted) delivery platforms
- Shifting from a traditional organization-centric model to a customer-centric model that is integrated around the customer's needs



Improving Efficiency

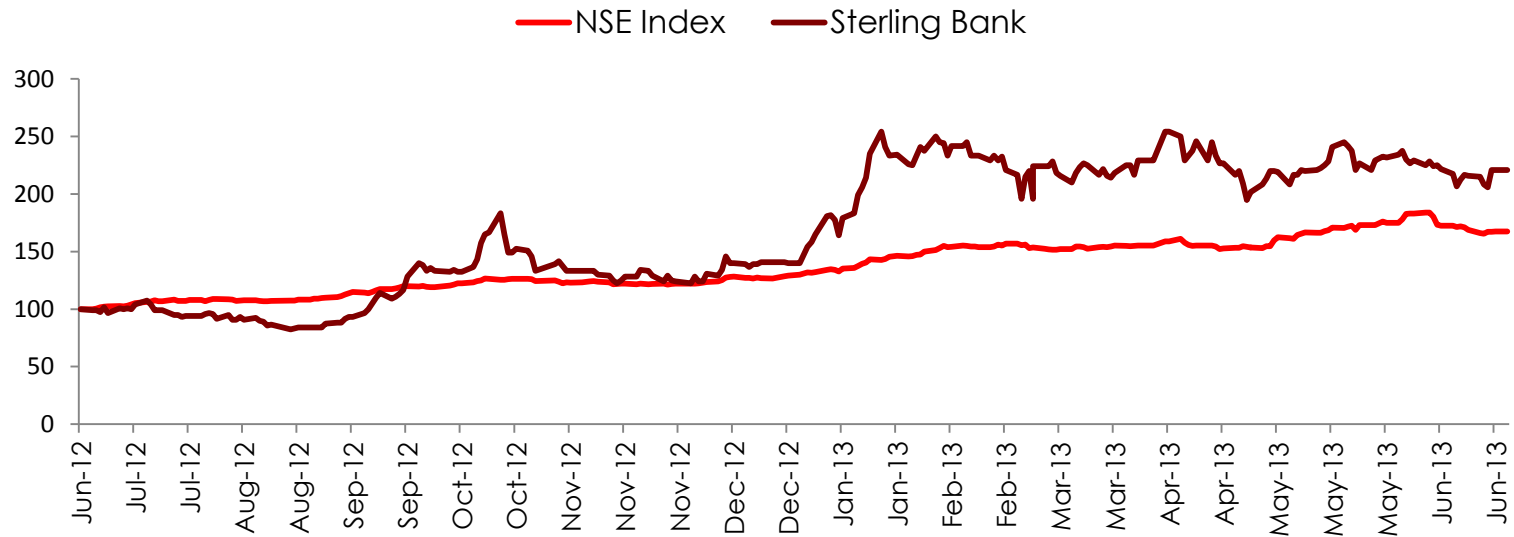
Declining cost-to-income ratio – a reflection of improvements in operating efficiency

- Infrastructure and related costs are high relative to size of bank. With additional capital the Bank will seek to take more deposits and make more loans from existing infrastructure
- We have a unique deposit growth strategy focused on depositor rewards, more efficient execution and better leveraging of existing branch infrastructure with limited new branches
- The focus is on efficient growth and deeper exposure to customers. Additional capital increases operating leverage and immediately makes the business more efficient and more profitable
- Existing manual processes are being automated to enable us free the workforce to focus on value adding, business enhancing tasks



Driven by one-off integration costs

Sterling Bank's stock out-performed the market in the last 52 weeks



- 52 week return **121%** (Market: 67%)
- 6 months return **58%** (Market: 29%)

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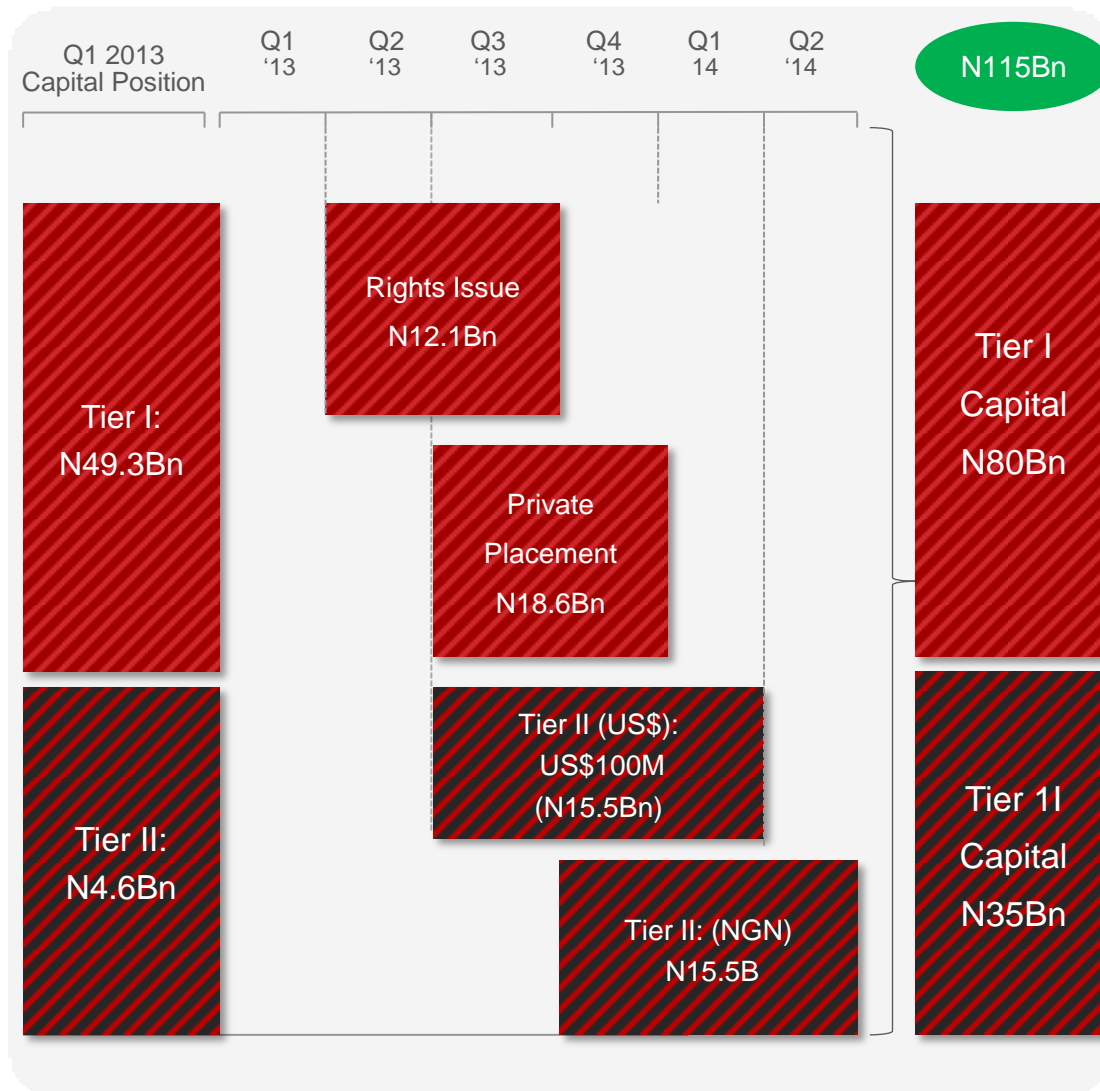
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Capital Raising Plan



Comments

The Bank plans to raise additional capital in 2013 from both domestic and international sources. The capital raising program is phased as follows:

Phase 1 - Tier I capital

- This is expected to be achieved through a Private Placement (US\$120million)
- Rights Issue of US\$80 million
- The process commenced in Q1 2013

Phase 2 - Tier II capital

- The Bank plans to raise subordinated debt of N30 billion (US\$200 million) multi-currency
- The process will commence in Q3 2013 and will be completed by Q2 2014
- At the completion of the exercise, we anticipate a CAR of > 20%

Financial Performance: 2016 Outlook

Market Share by Assets

5%

Total Assets

N1.8 trillion up 153%

Total Deposits

N1.3 trillion up 179%

Cost of Funds

<5%

Return on Equity

>20%

Customer Base

4,000,000

Business Offices

250 optimal spread

Financial Forecasts

Items (N in Millions)	2008A	2009A	2010A	2011A	2012A	2013E	2014E	2015E	2016E
Gross Earnings	32,778	43,464	30,387	47,741	68,857	87,221	115,233	147,199	188,824
Operating income	22,321	23,330	20,384	30,125	39,209	53,900	70,842	92,000	124,055
Profit Before Tax	6,097	(9,072)	3,688	3,598	7,500	12,641	16,094	23,757	37,519
Profit After Tax	6,523	(6,660)	4,178	6,909	6,954	11,857	15,096	22,283	35,193
Total Assets	236,503	205,641	259,580	504,048	580,226	833,894	1,078,001	1,393,567	1,801,508
Deposits	184,730	160,470	199,274	392,050	463,726	643,996	844,870	1,060,931	1,334,322
Tier 2 Capital	-	-	-	4,562	4,564	4,564	29,564	29,564	29,564
Equity	30,239	22,142	26,320	41,057	46,642	58,626	71,350	90,614	121,350
Earnings Per Share	52k	-53k	33k	44k	44k	55k	70k	103k	163k
Dividend Per Share				10k	20k	11k	14k	21k	33k
Return on average equity		-25%	17%	21%	16%	22%	23%	27%	33%

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Rights Circular

Rights Issue Press
Release

2012 Annual Report

Q1 2013 Investor
Presentation

<http://investor.sterlingbankng.com/news/38/>

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Thank you



Sterling Bank
The one-customer bank.