



Sterling Bank PLC

Investor/Creditor Presentation

November 22, 2010

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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.

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Sterling Bank at a Glance

Key Metrics

Description	Sept 2010 (N'B)	Dec 2009 (N'B)
Total Assets	279.3	221.3
Deposits	195.7	161.3
Net Loans	90.5	82.9
Capital Adequacy Ratio	15%	18%
	Q3 2010 (N'B)	Q3 2009 (N'B)
Profit before Tax	5.6	(6.5)
Earnings per Share	49k	(54)k
Cost/Income Ratio	62%	151%
Return on Average Equity (Annualized)	30%	(29)%
Shareholders' Fund	26.4	21.1
Common shares outstanding	12.5	12.5

Our Identity

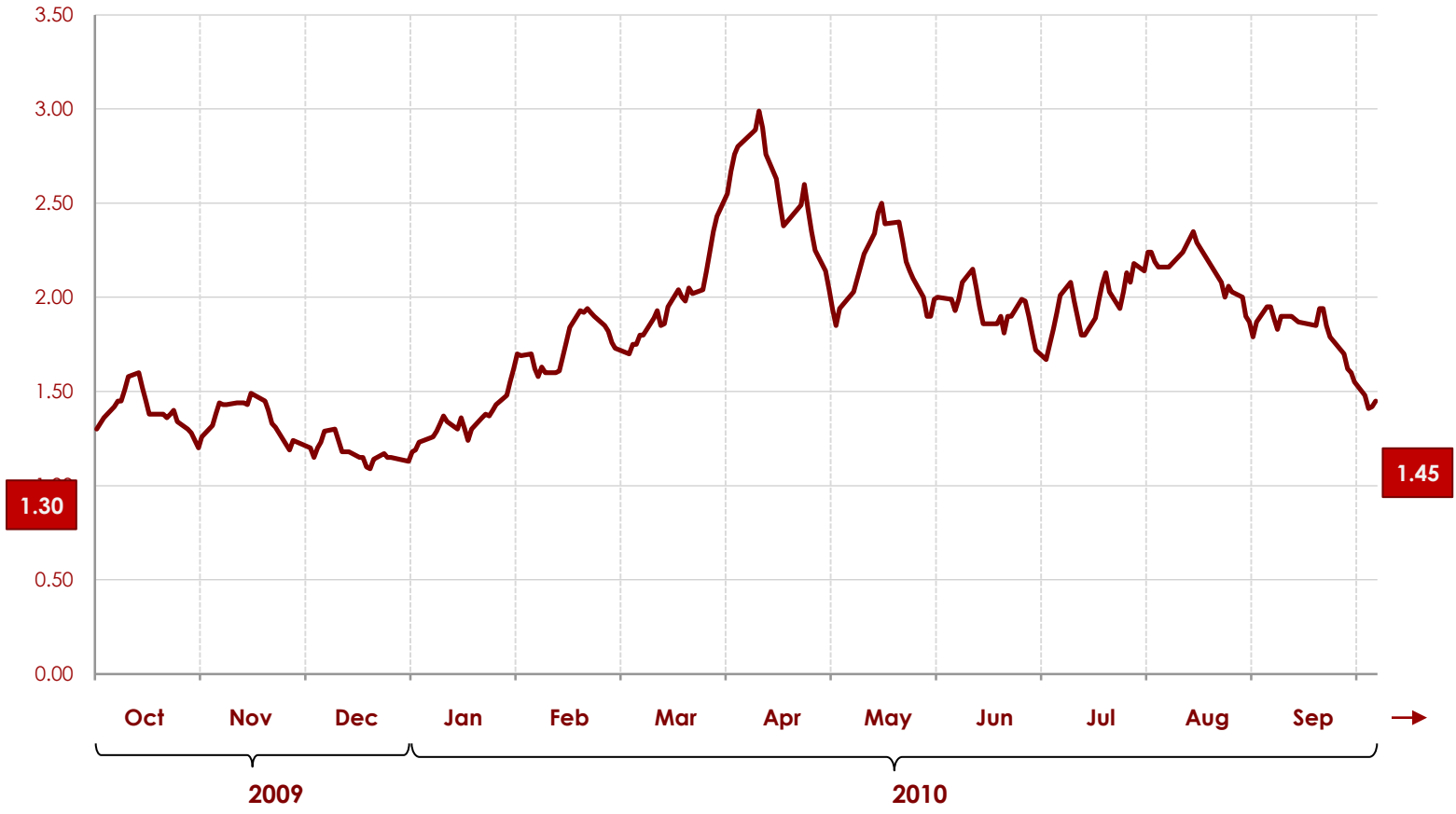
- Nigeria's pre-eminent investment banking franchise
- Growing presence in retail banking
- Strong leadership brands across all financial services segments
- Sound corporate governance
- Excellent technology infrastructure and innovative products
- People-oriented customer-focused institution – 'One Customer' Bank.
- Scale with clear intent. Managed diversification of the business model
- Long-term stable ownership base to support strategy

Performance and Strategic Highlights

- Q3 2010 results were in line with expectations and further affirm Group strategy and superior execution
- Sustained earnings momentum through third quarter 2010
- Steady growth in interest margins and writeback from credit provisions
- Progress in the implementation of cost savings strategies and improved efficiency
- Key ratios remained satisfactory

Share Price

12-Month Share Price Movement: Sept. 30, 2009 – Sept. 30, 2010



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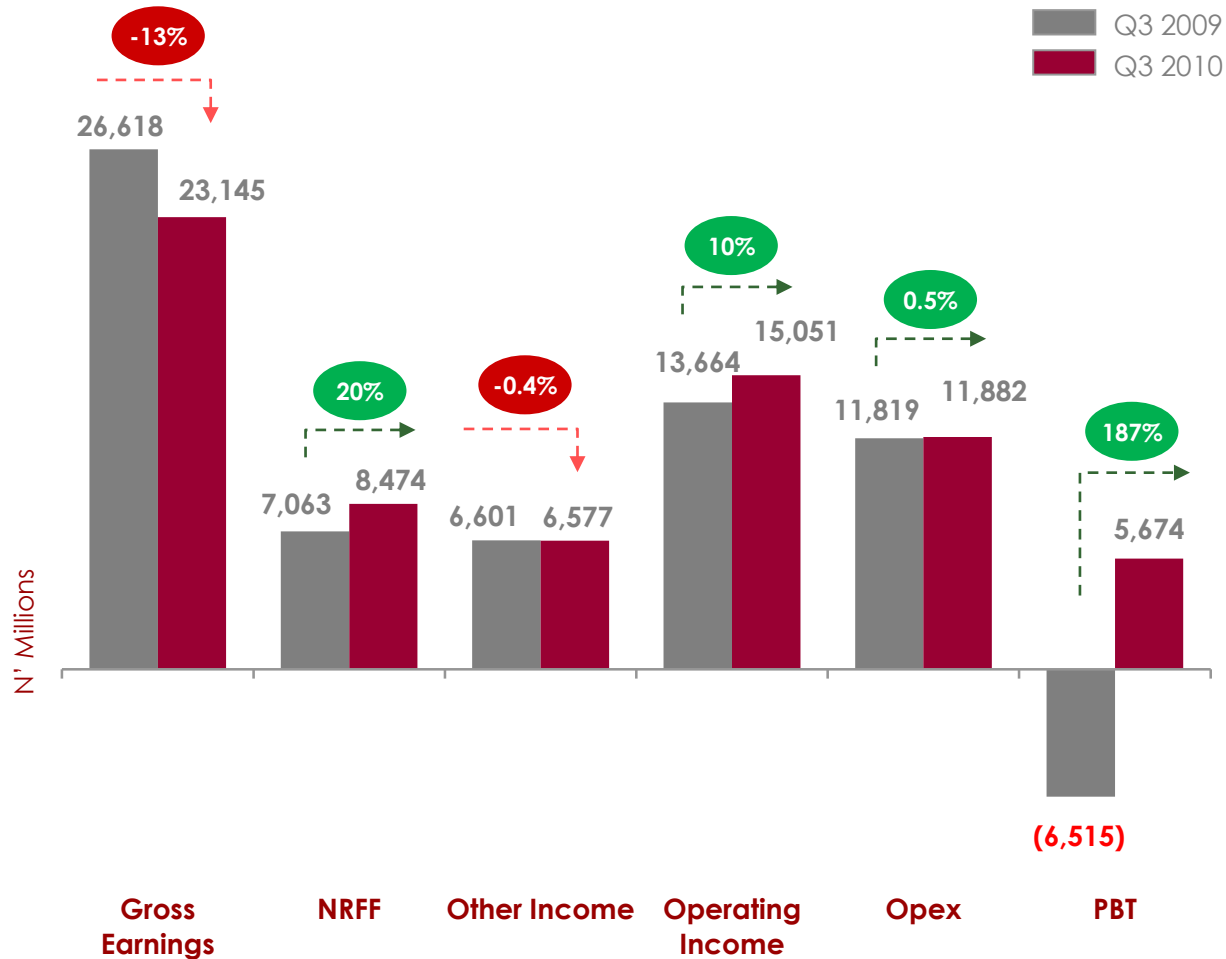
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Strategic Outlook

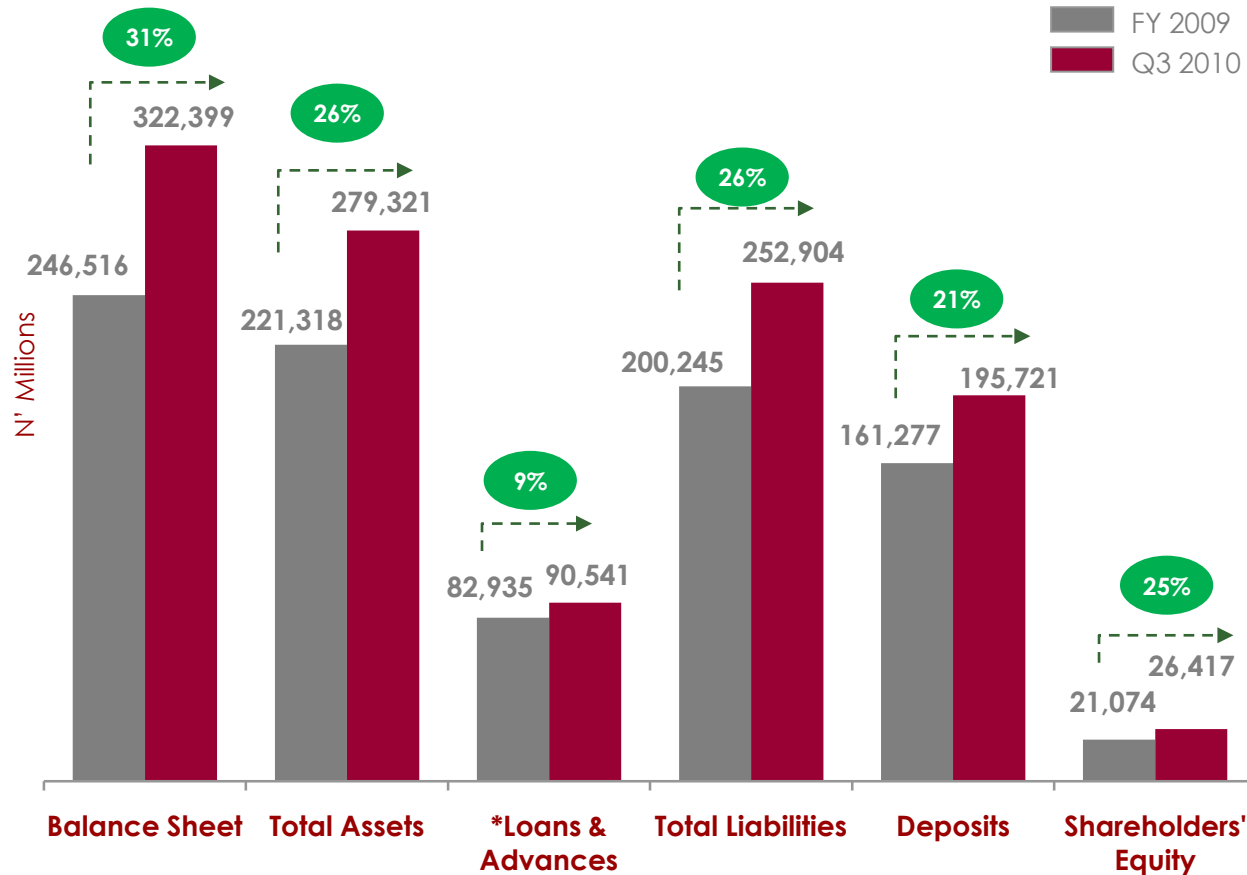
2010 has seen a return to profit



Comments

- Gross earnings declined on the back of lower interest rates
- Growth in net revenue from funds driven by reduction in funding costs
- Operating expenses remained relatively stable
- Sustained growth in profitability driven by improvement in NIM and loan recovery

Solid balance sheet growth

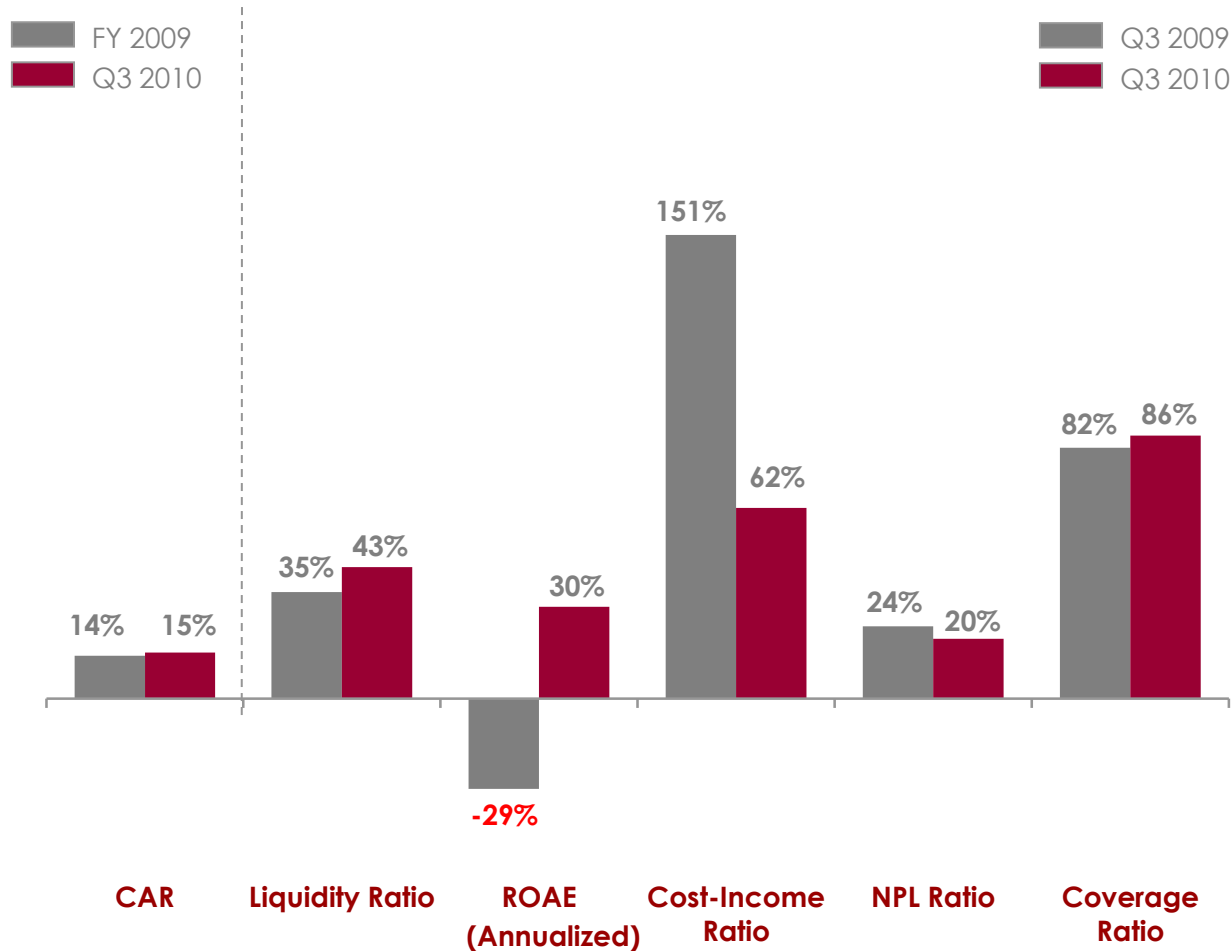


Comments

- Recorded growth on all key balance sheet lines
- Growth in total assets reflects increased build-up of liquid assets
- Growth in deposits achieved concurrently with improvement in net interest margins
- Improvement in shareholders' equity arising from a mixture of profit accretion and write-back of credit provisions

*Including Advances under Finance Lease

Key financial ratios remain satisfactory



Comments

- Satisfactory capital and liquidity cushion to support business growth
- Return on equity consistently above target and higher than industry average
- Drop in cost to income ratio reinforcing improvement in operating efficiency
- Continuous improvement in asset quality

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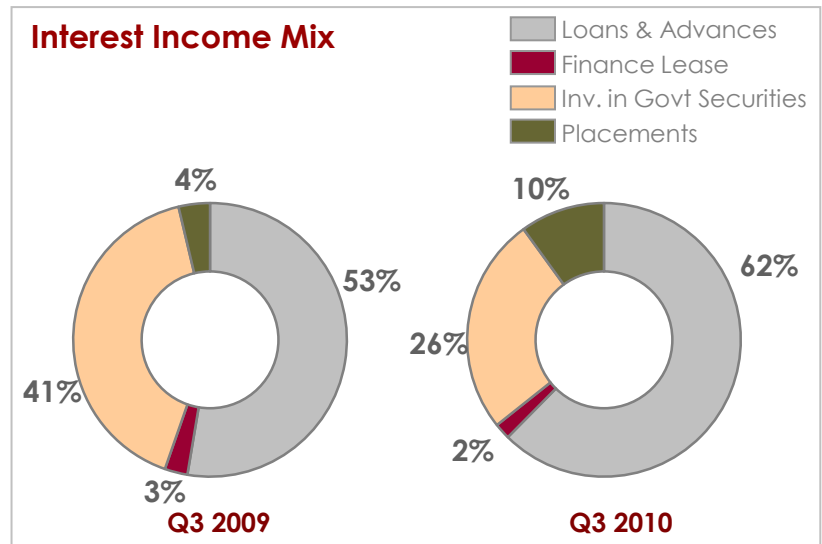
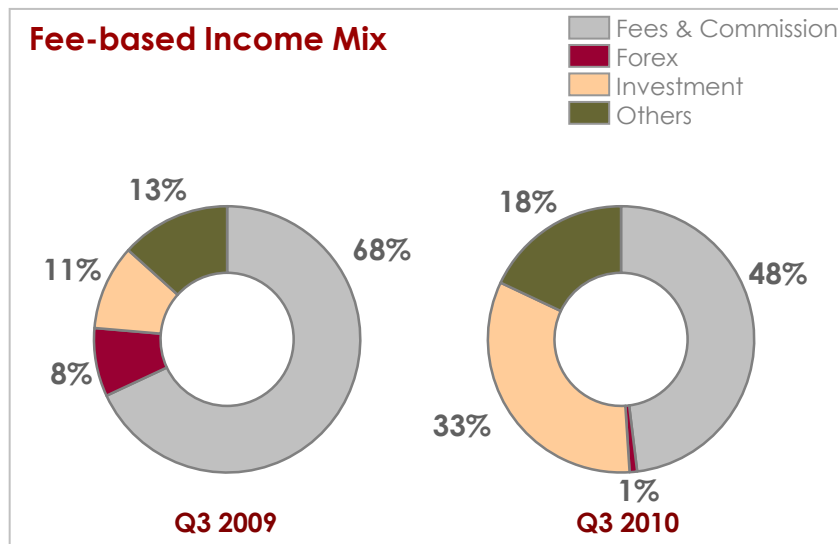
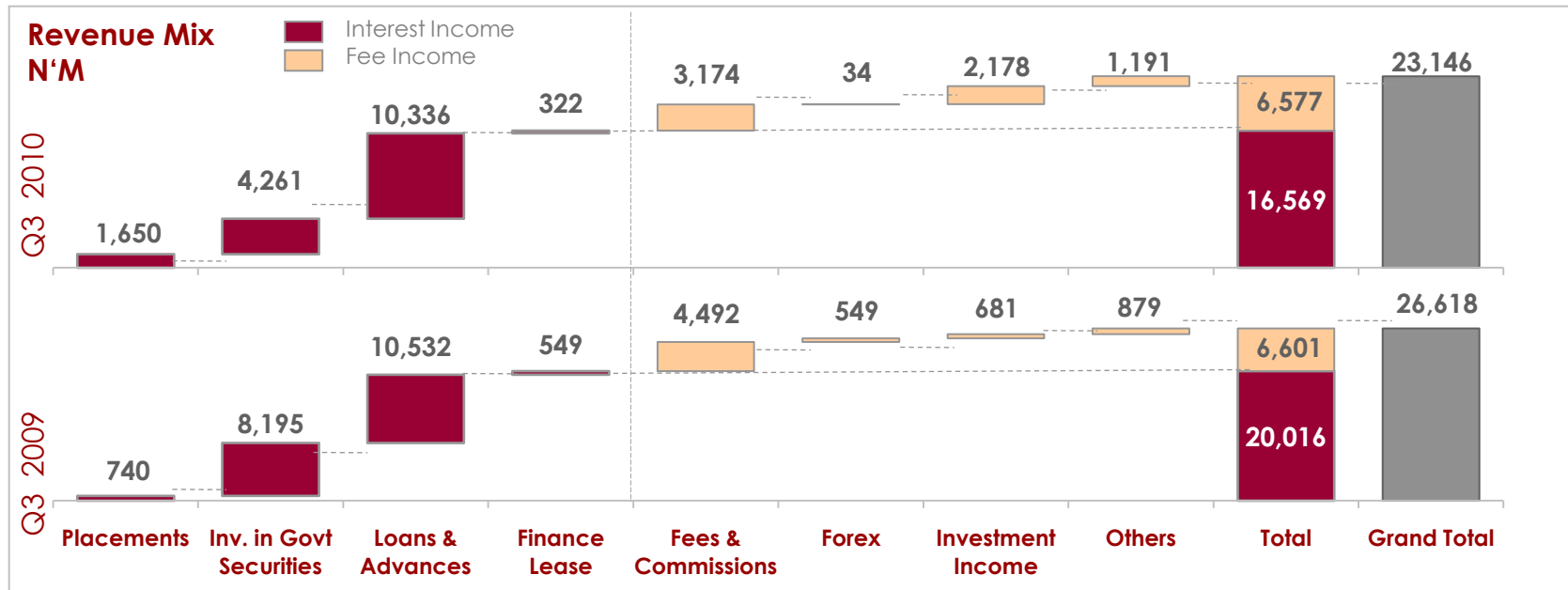
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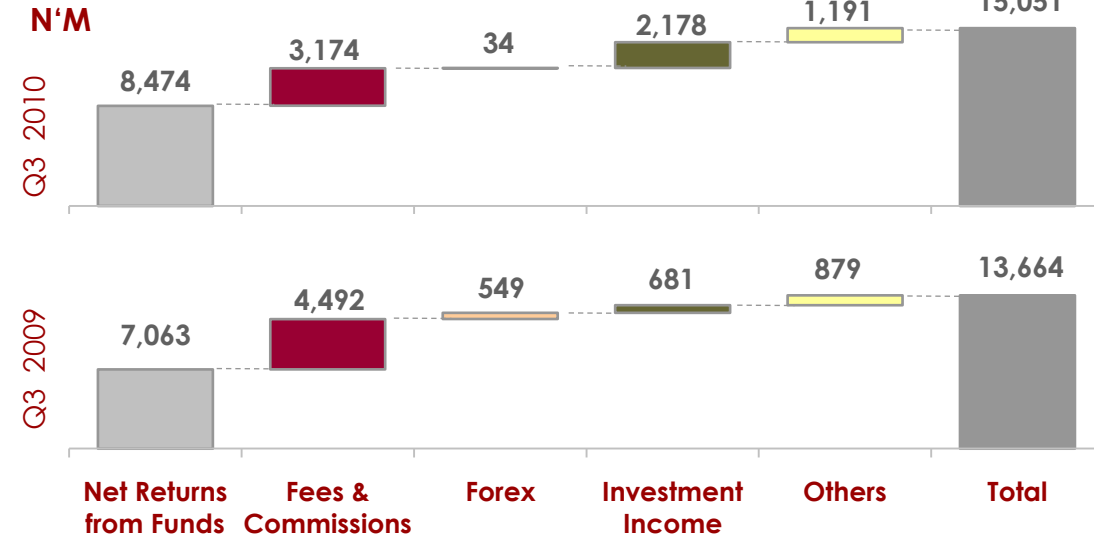
Strategic Outlook

Revenues boosted by interest income ...

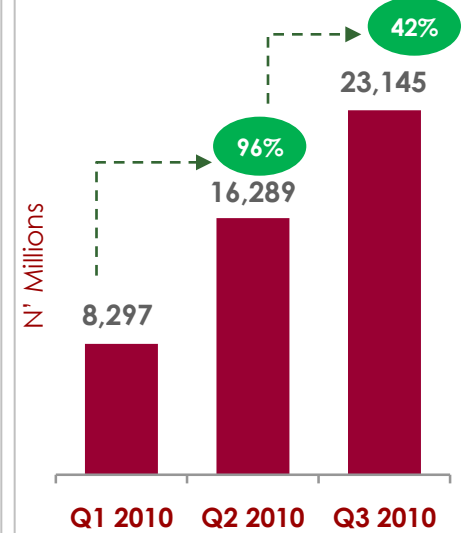


...while the rise in operating income was driven by improvement in NIM

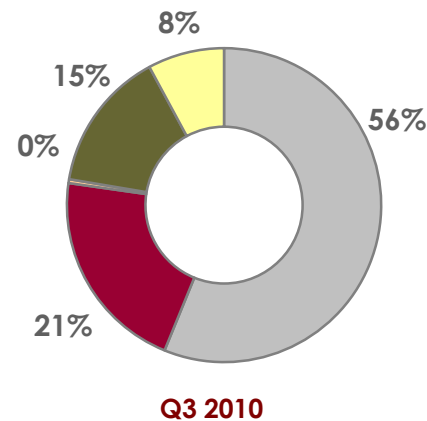
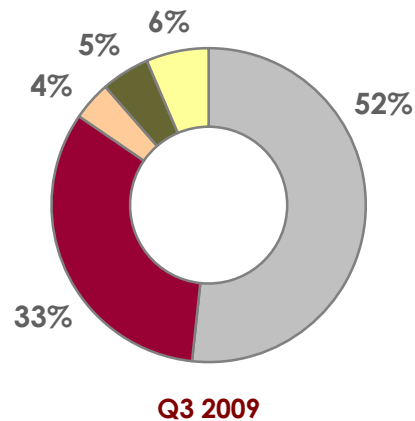
Operating Income



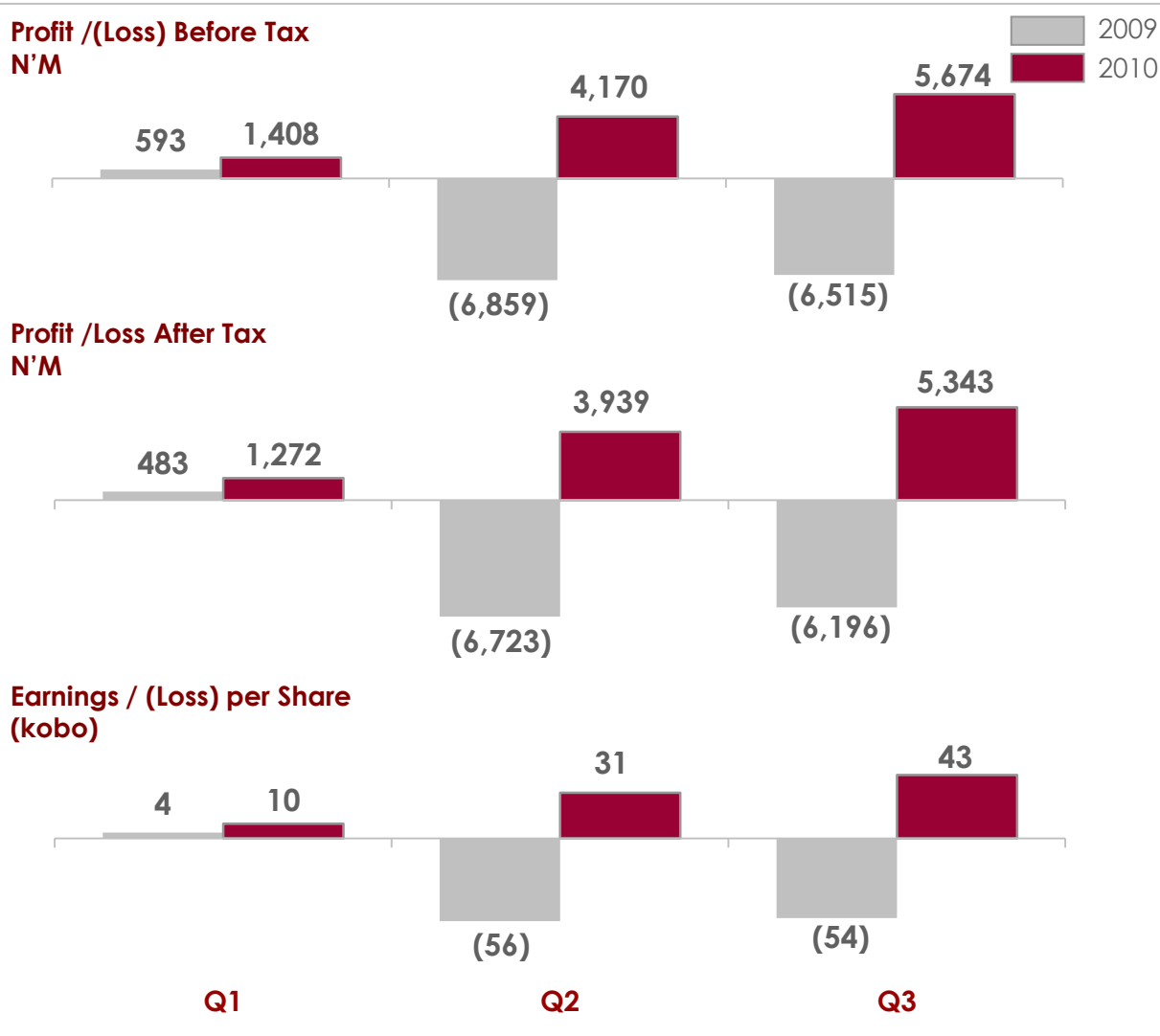
Gross Earnings (Q on Q)



Operating Income Mix



Sustained profitability momentum



Comments

- Recovery from the net loss reported in 2009 has been sustained
- Outlook for Q4 remains positive

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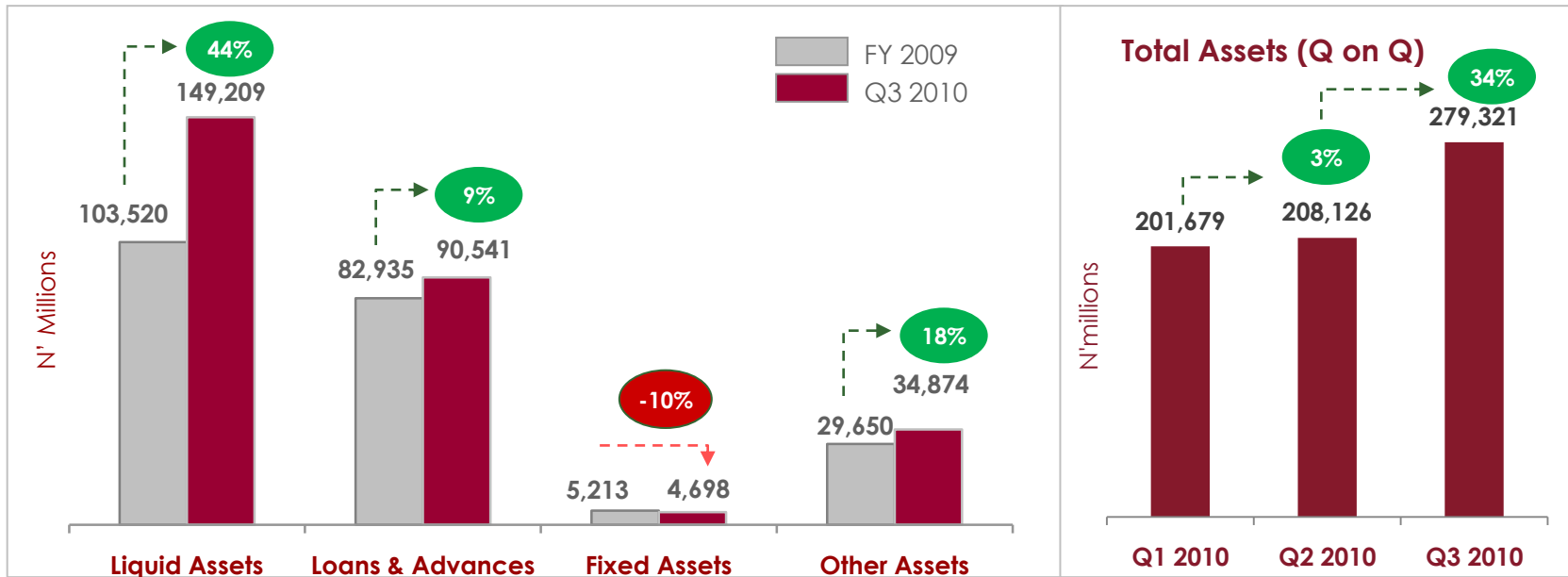
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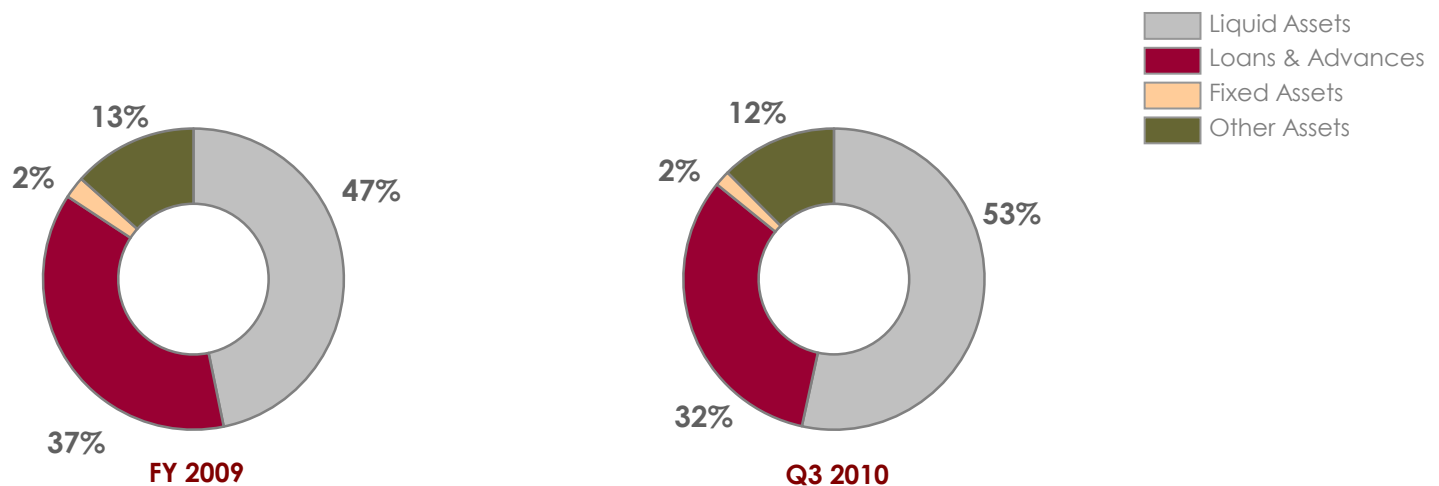
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Strategic Outlook

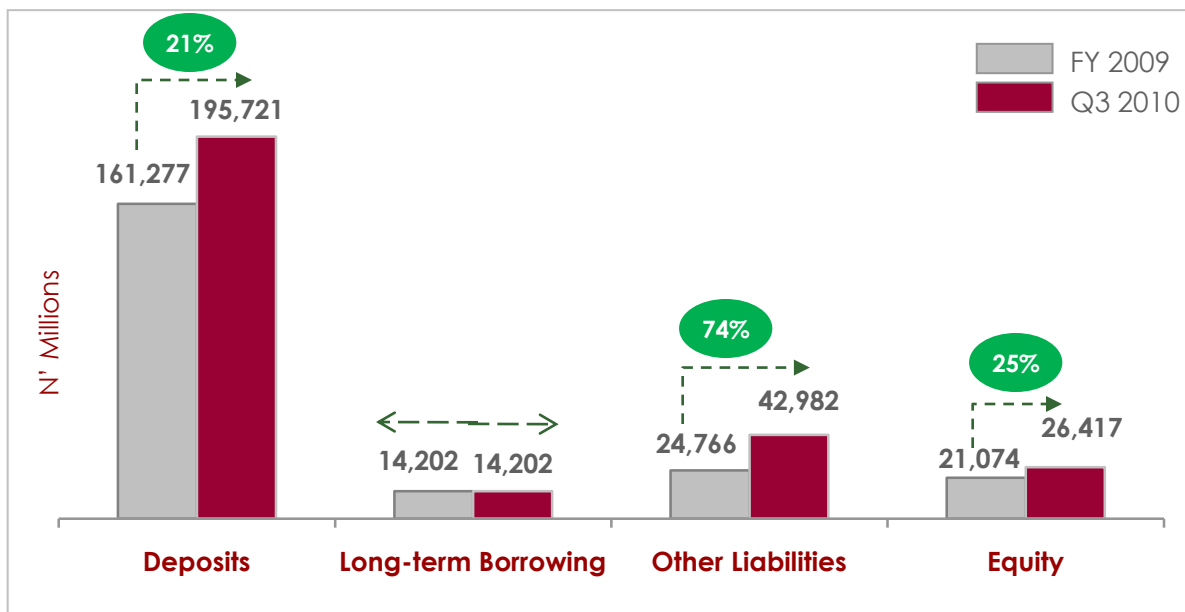
Assets Decomposition



Asset Mix



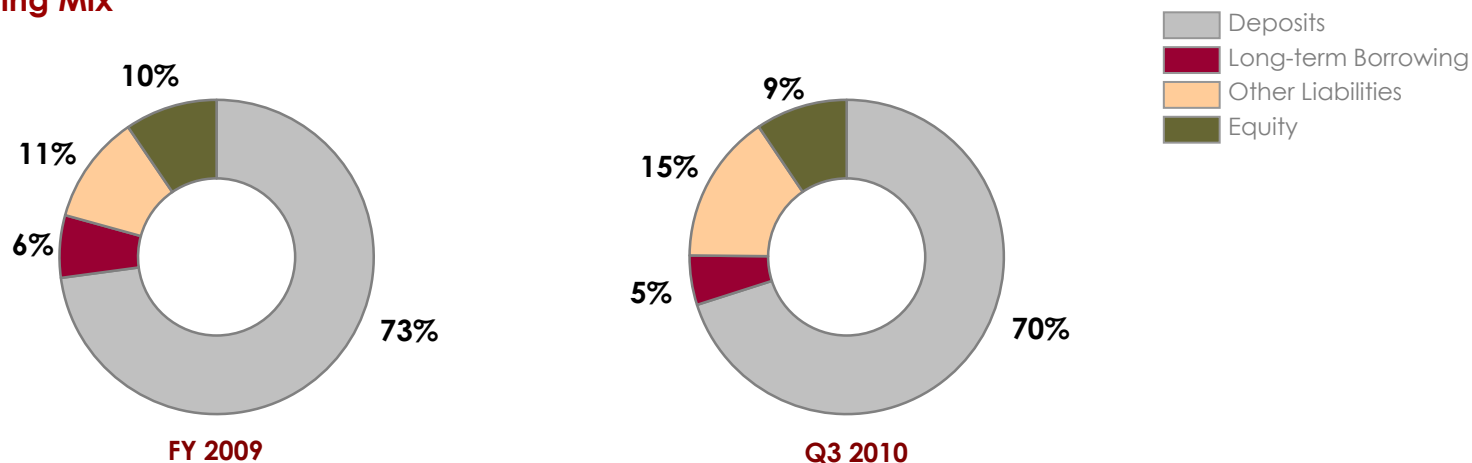
Funding Mix



Comments

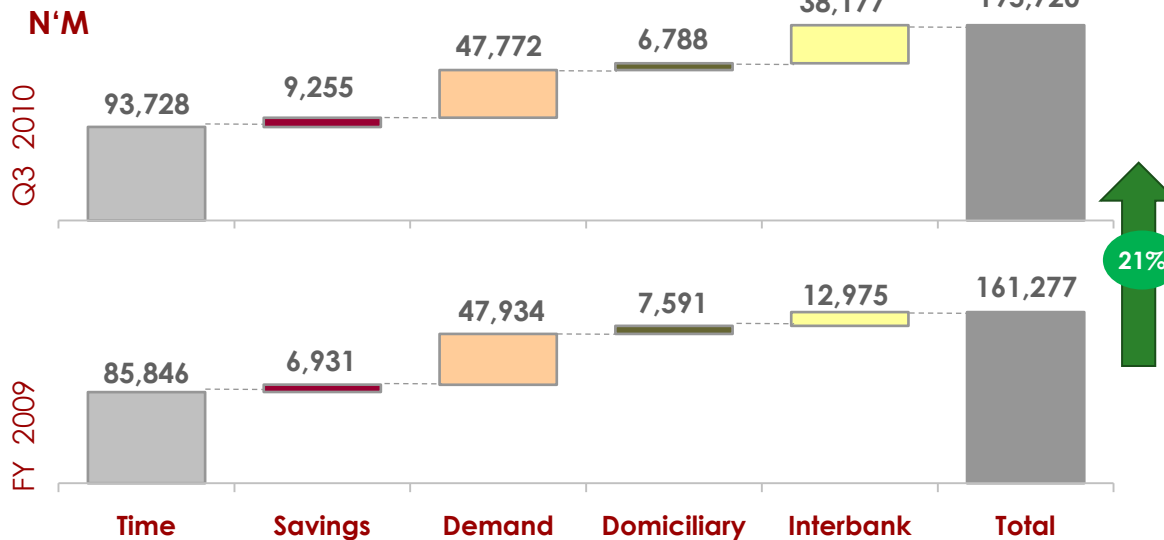
- Well diversified funding base
- Deposits remain a major source of funding
- Low funding cost of 4% driven by reduced dependence on high cost funds.

Asset Funding Mix

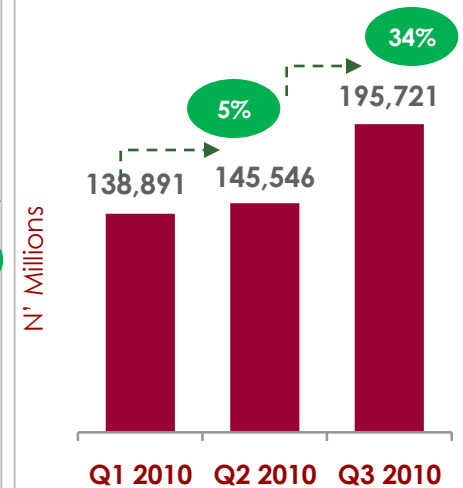


Steady growth in deposits

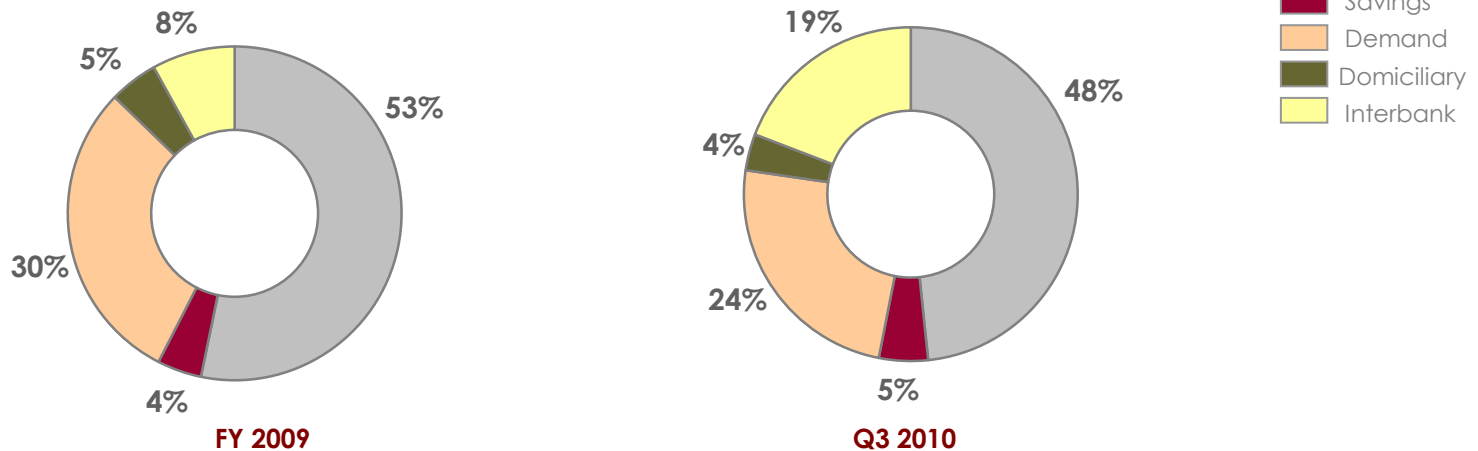
Deposit breakdown



Deposits (Q on Q)

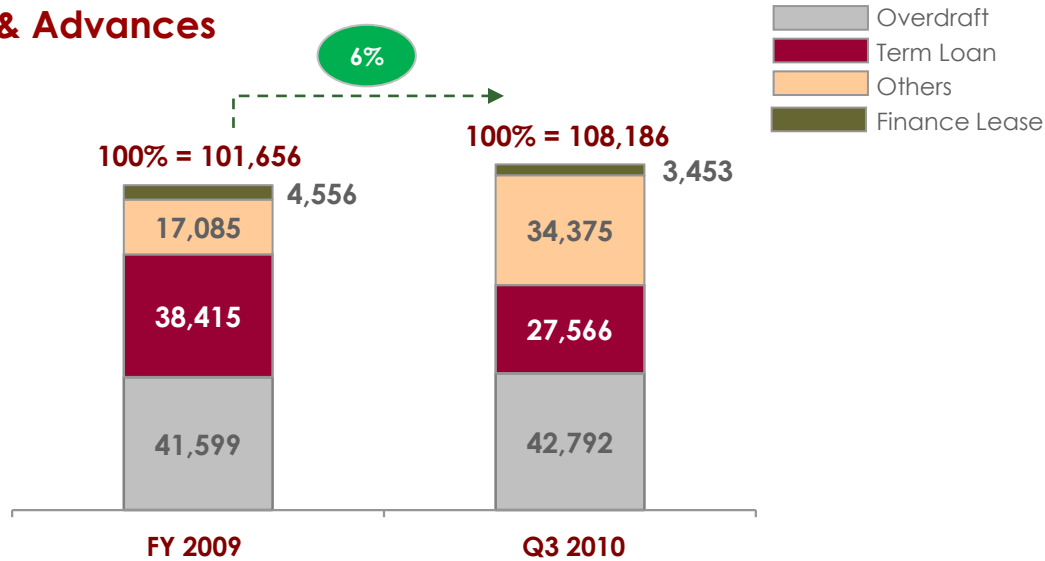


Deposit Mix



Steady growth in loan book

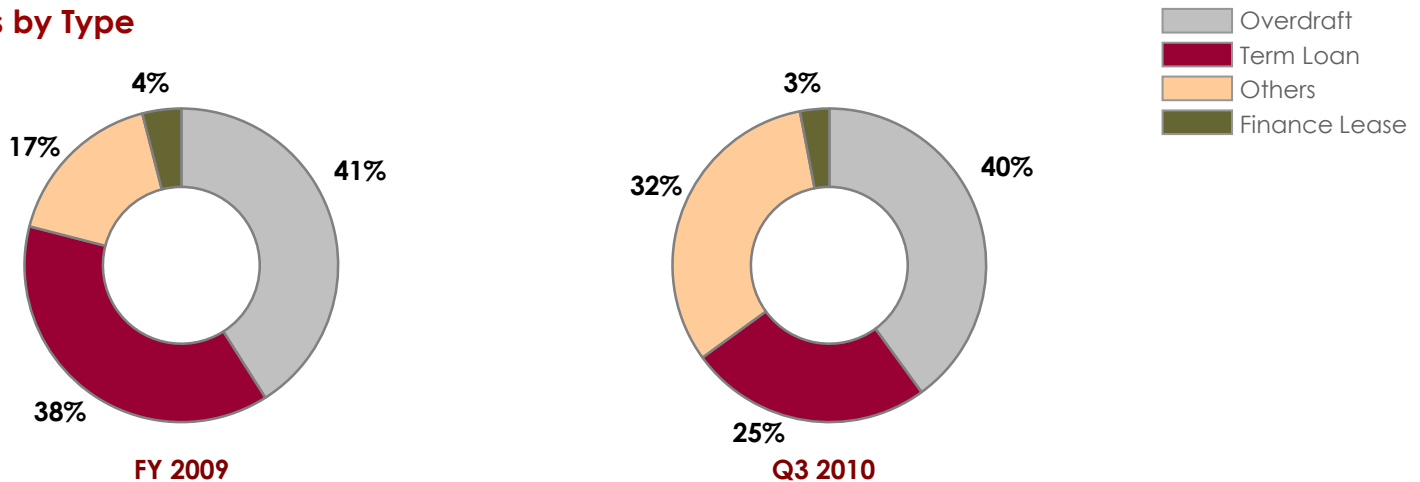
Loans & Advances N'M



Comment

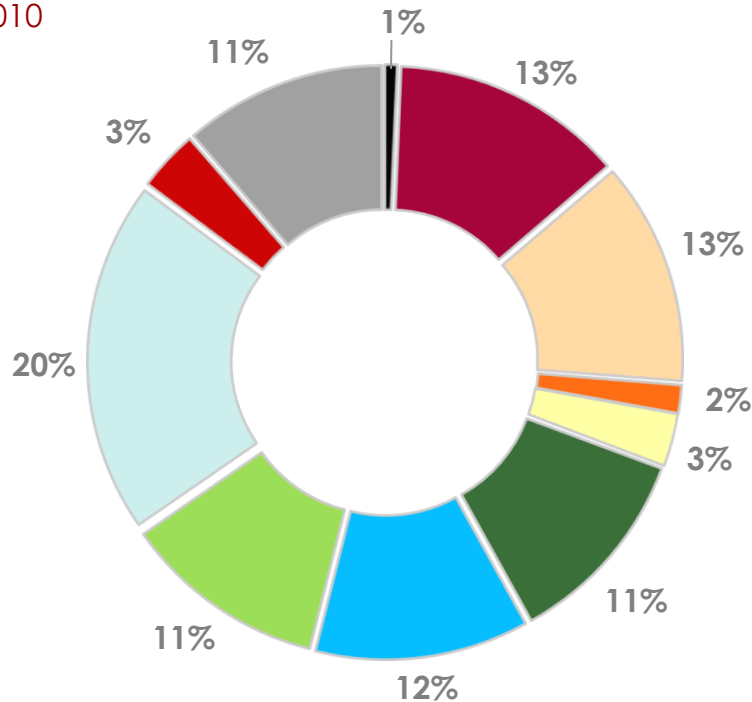
- Expected increase in loan book in Q4 given slight uptick in domestic economy

Loans & Advs by Type



Gross Loans by Industry

Gross Loans
Q3 2010



- Agriculture (FY 2009=1%)
- Capital Market Operators (FY 2009=20%)
- Finance & Insurance (FY 2009=2%)
- General/Others (FY 2009=2%)
- Government & Public Utilities (FY 2009=6%)
- Individuals & Professionals (FY 2009=9%)
- Manufacturing (FY 2009=10%)
- Oil & Gas (FY 2009=9%)
- Real Estate & Construction (FY 2009=24%)
- Telecoms & Transportation (FY 2009=6%)
- Trading & General Commerce (FY 2009=11%)

Comment

- Well diversified loan book

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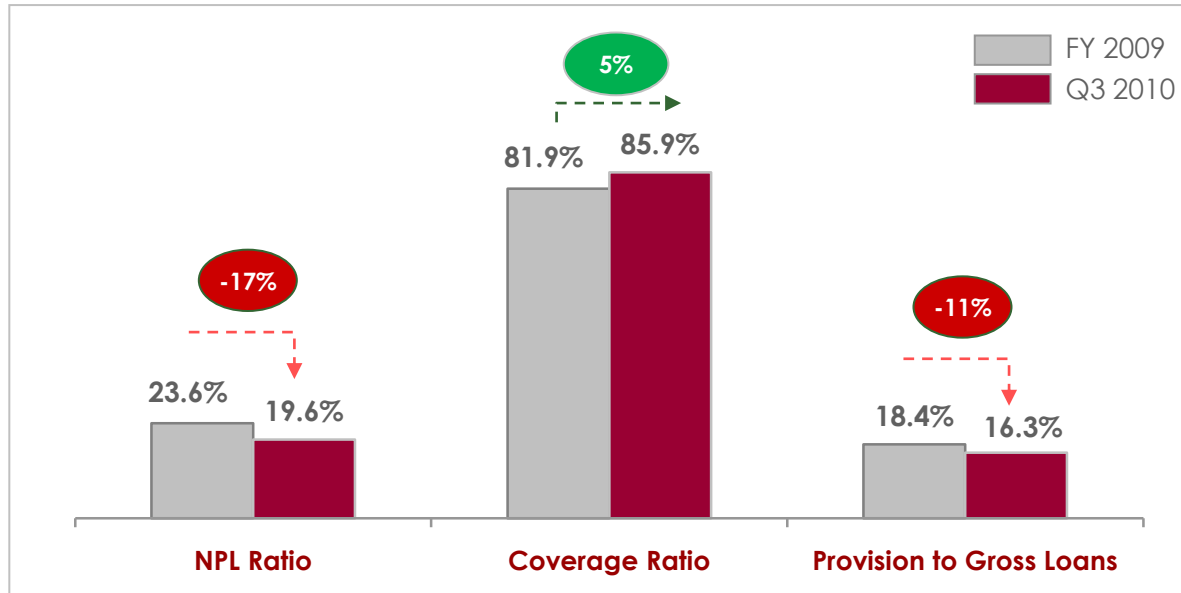
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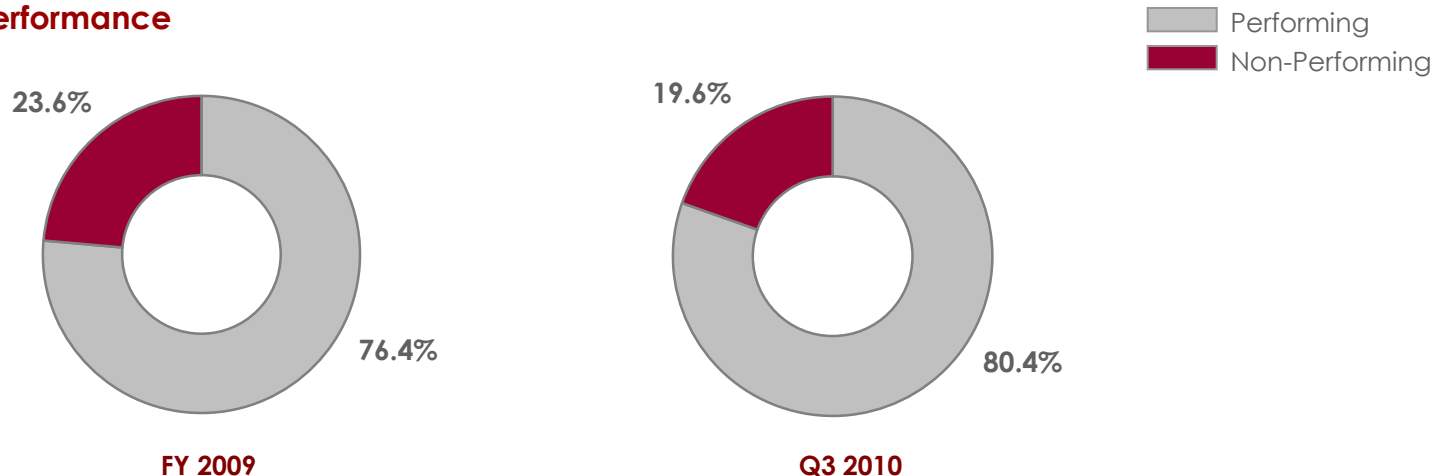
Continuous improvement in asset quality



Comments

- NPLs declined 10% to N20.5b from N22.8b reflecting performance improvement in loan assets
- Provisions for Risk Assets dropped 6% due to progress in loan recovery efforts

Loans by Performance



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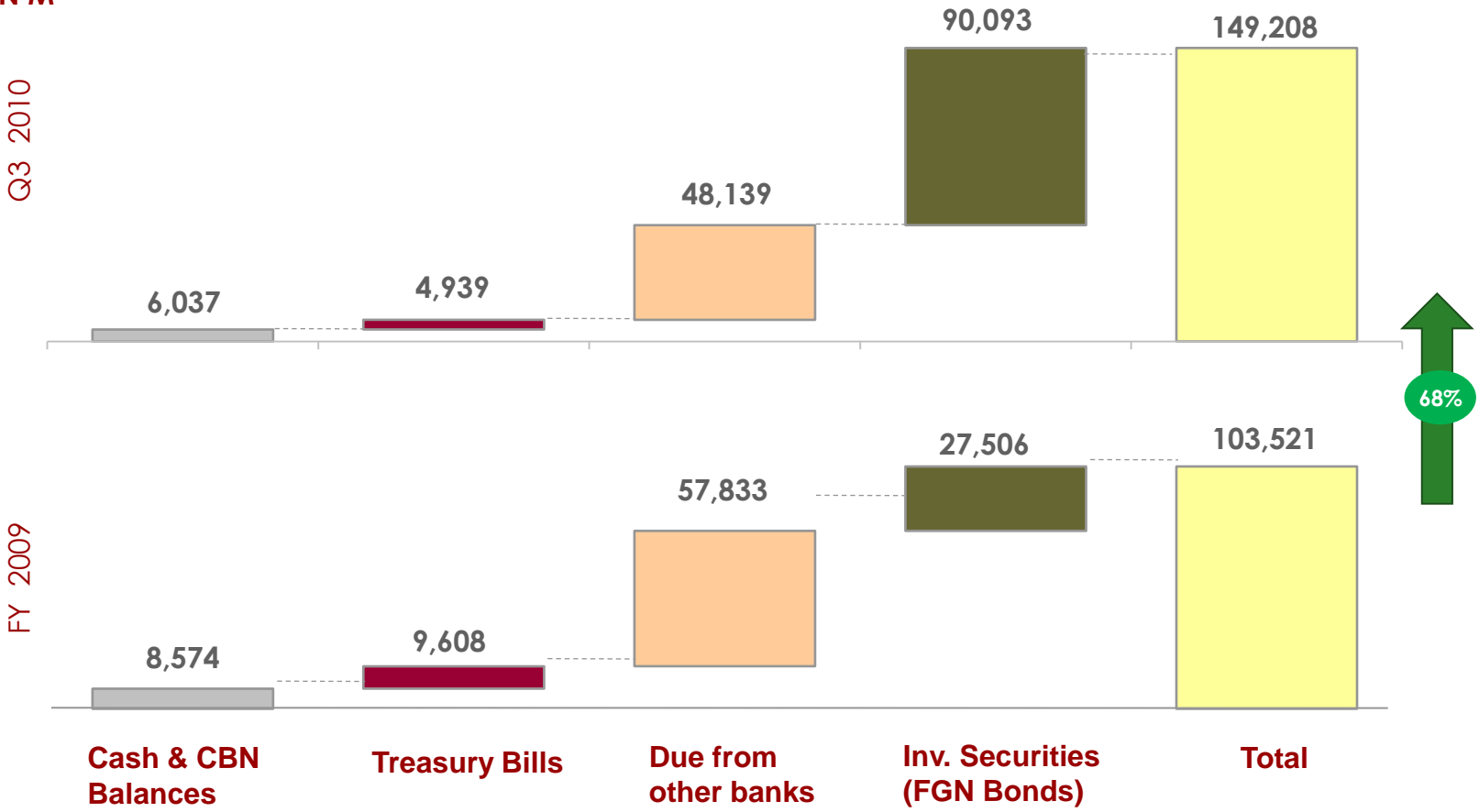
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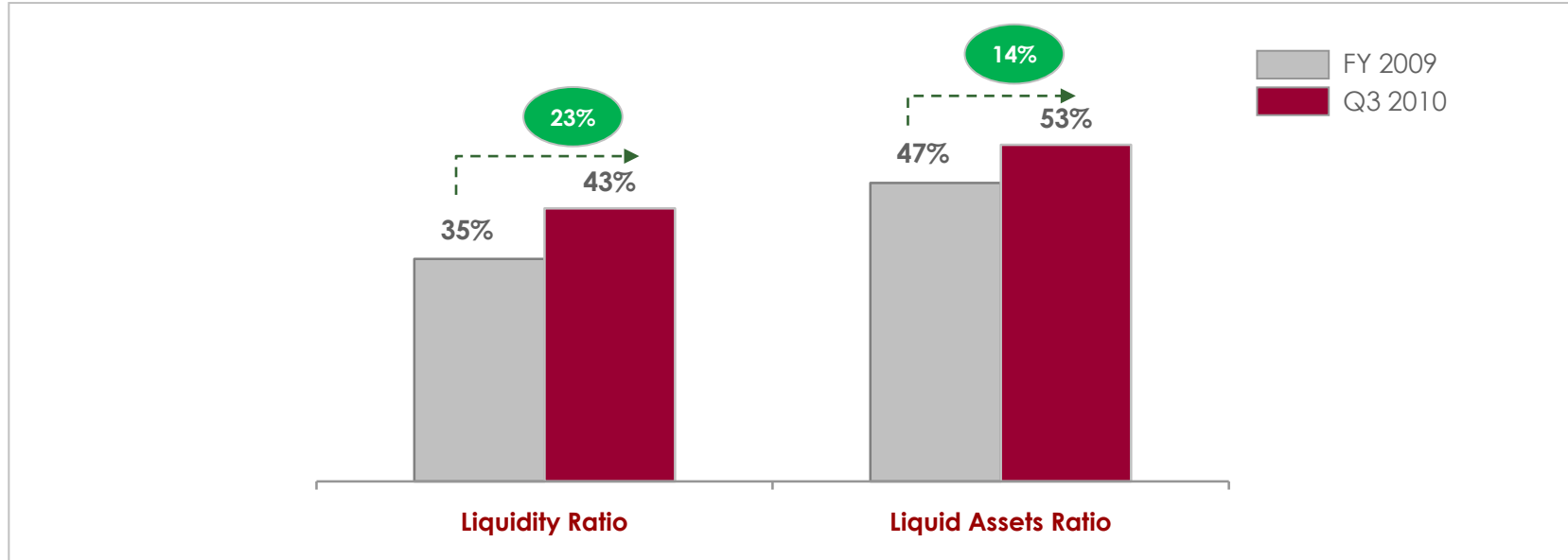
Strategic Outlook

Strong liquid assets position

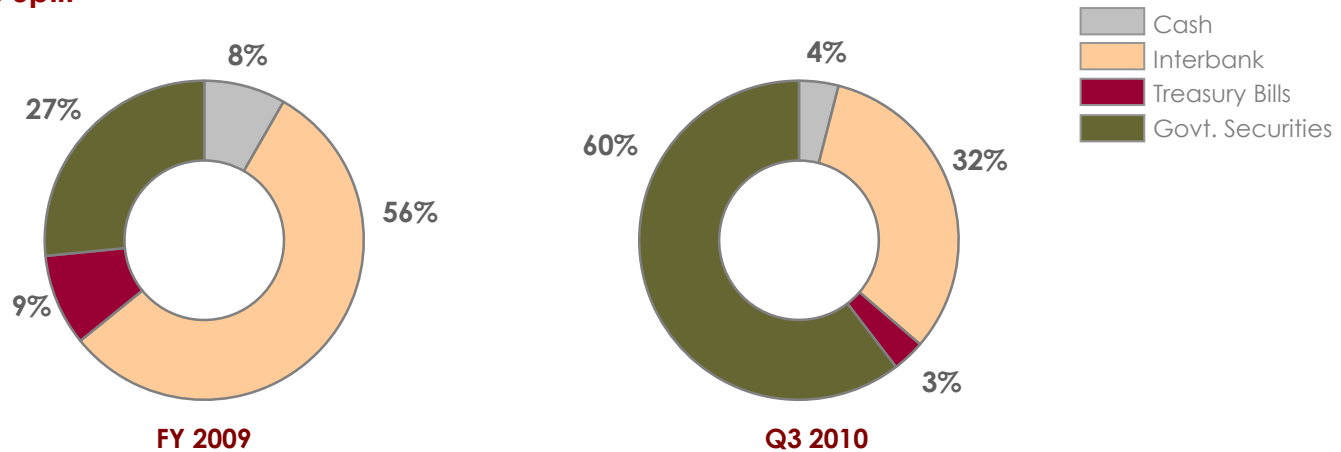
Liquid Assets breakdown
N'M



Liquidity ratio well above regulatory benchmark



Liquid Assets Split



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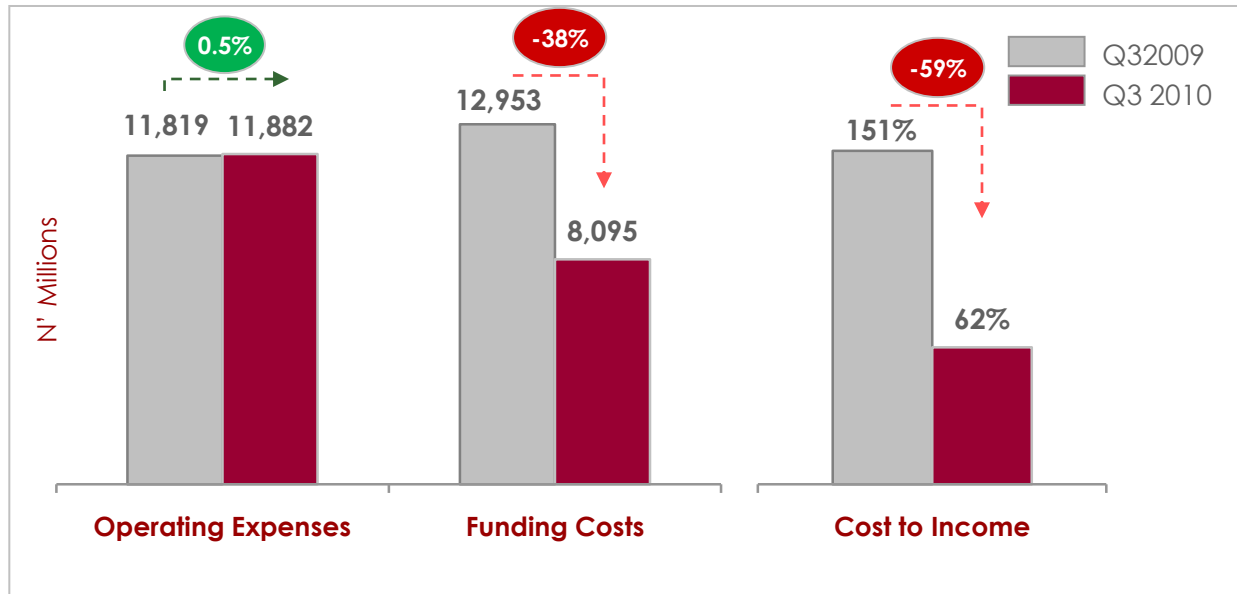
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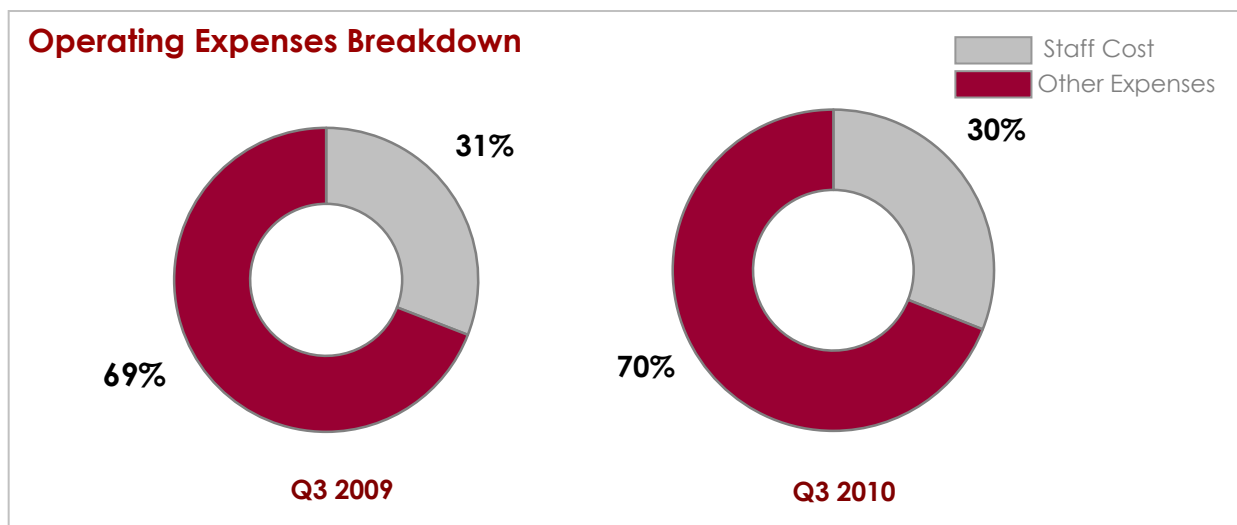
Strategic Outlook

Efficiency underlines strong performance recorded in the third quarter 2010



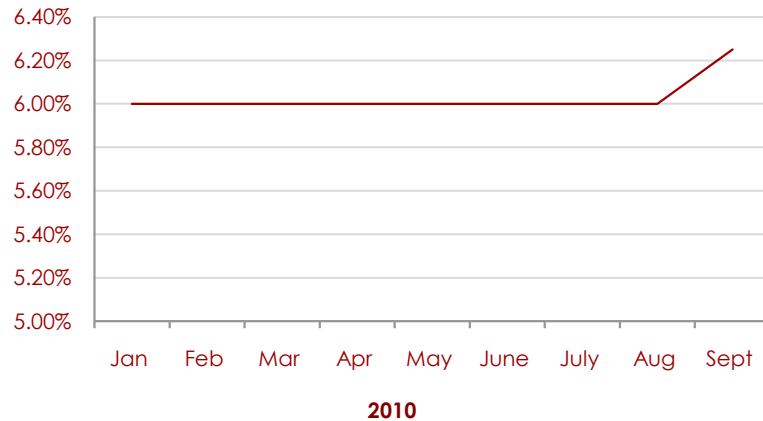
Comment

- Costs remained relatively stable over the period

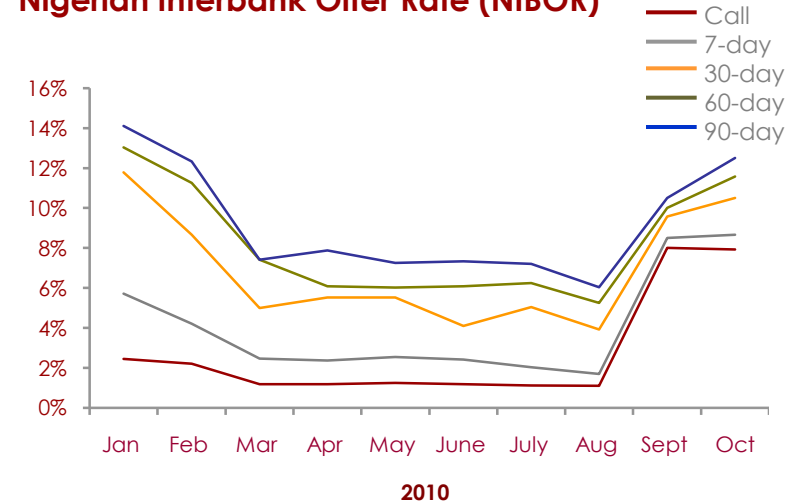


Funding Ecosystem (Industry)

Central Bank of Nigeria Monetary Policy Rate (MPR)



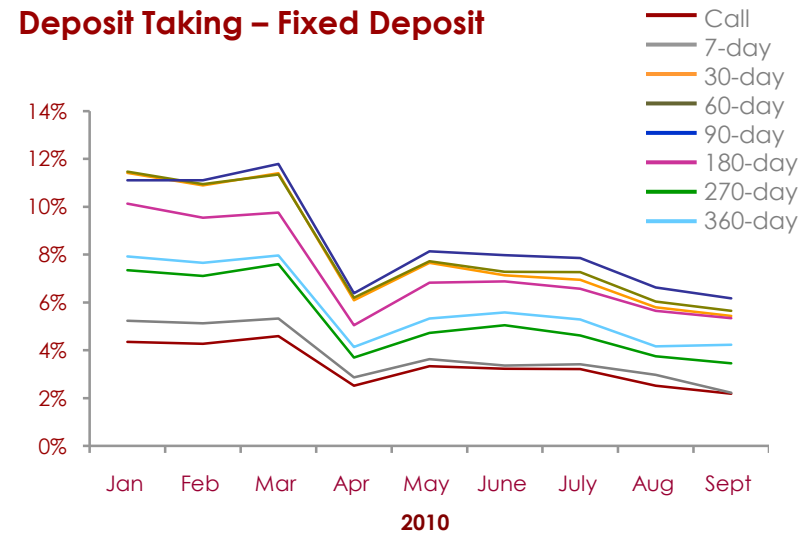
Nigerian Interbank Offer Rate (NIBOR)



Deposit Taking – Savings Accounts



Deposit Taking – Fixed Deposit



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Thank You