

PRESS RELEASE

April 28, 2011

**STERLING BANK PLC RELEASES UNAUDITED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH, 2011**

**Reports Earnings of N9.1 Billion, Declares Profit before Tax of N1.4 Billion**

**Lagos, April 28, 2011** – Sterling Bank Plc (**NSE:** STERLN BANK/ **Reuters:** STBP.LG) – the ‘Bank’ – today released its unaudited results for the first quarter ended 31 March, 2011.

The Bank continues to make steady progress in its strategy built on expanding retail clientele contributions to earnings through customer-focused initiatives; selective asset picking among surplus cash-generative SME customers; and growth of the corporate banking business.

Speaking on the Bank’s results, Yemi Adeola, Group Managing Director said:

*We started 2011 on a positive note having achieved 9% growth in gross earnings driven by strong growth in non-interest income. Despite the high interest rate regime following the review of the Monetary Policy Rate (MPR) by 100 basis points to 7.5%, we achieved 19% reduction in funding costs resulting in improved margins. During the period under review, Management focused on balance sheet efficiency and re-allocation of resources to more profitable activities having achieved 6% growth in net loans and advances (including advances under finance lease).*

*We have embarked on key initiatives to drive stable low cost deposit mobilization in order to improve deposit mix and further enhance margins. We are optimistic that earnings will grow rapidly in the remaining quarters of the year.*



### Financial Highlights for the First Quarter ended 31 March, 2011

#### Income Statement

- **Gross earnings** rose 9% to N9.1 billion from N8.3 billion in the comparable period of 2010
- **Funding costs** declined 19% to N3.2 billion from N3.9 billion in the comparable period of 2010 feeding through a 13% improvement in Net Interest Margins
- **Operating income** rose 35% to N5.9 billion from N4.4 billion in the comparable period of 2010
- **Operating expenses** increased 9% to N4.1 billion from N3.8 billion in the comparable period of 2010
- **Profit before Tax and Provisions** grew 219% to N1.7 billion, while **Profit before Tax** remained stable at N1.4 billion

#### Balance Sheet

- **Total Assets** grew marginally by 1% to N280.8 billion from N277.1 billion in December 2010
- **Deposits** reduced slightly by 1% to N201.7 billion from N203.1 billion in December 2010
- **Net Loans & Advances** (including Advances under Finance Lease) grew 6% to N109.6 billion from N103.8 billion in December 2010

#### Financial Ratios

- **Cost-to-Income ratio** (including allowances for risk assets) of 75% (73% in Q1 2010)
- **Net interest margin** rose to 49% (41% in Q1 2010)
- Annualized **Return on Average Equity** of 18% (24% in Q1 2010)
- **Net Loan-to-deposit** of 67% (63% in December 2010)
- **Liquidity Ratio** stood at 46% (47% in December 2010)



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### About Sterling Bank

Sterling Bank PLC is the preeminent investment banking establishment in Nigeria. It commenced operations as NAL Bank in 1960. Today, with over N280 billion in assets and 95 branches nationwide, Sterling Bank has grown into a major financial supermarket offering investment banking, commercial banking, asset management, stock broking, insurance and registrar services. The Bank prides itself as the 'One Customer Bank' that celebrates each customer a unique individual. For further information, please visit <http://www.sterlingbankng.com>

### Forward-Looking Statements

This release may contain forward-looking statements which reflect Sterling Bank's current views with respect to, among other things, the Bank's operations and financial performance. These forward-looking statements may be identified by the use of words such as "outlook," "believes," "expects," "potential," "continues," "may," "will," "should," "seeks," "approximately," "predicts," "intends," "plans," "estimates," "anticipates" or the negative version of these words or other comparable words. Such forward-looking statements are subject to various risks and uncertainties. Accordingly, there are or will be important factors that could cause actual outcomes or results to differ materially from those indicated in these statements. Sterling Bank believes these factors include but are not limited to those described in its Annual Report for the financial year ended December 31, 2009. These factors should not be construed as exhaustive and should be read in conjunction with the other cautionary statements that are included in this release. 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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## STATEMENT TO THE NIGERIAN STOCK EXCHANGE AND SHAREHOLDERS ON THE UNAUDITED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2011

The Board of Sterling Bank Plc presents the Group's unaudited results for the first quarter ended 31 March 2011.

### BALANCE SHEETS

	Group (Unaudited) March 2011 N'000	Group (Audited) Dec. 2010 N'000	Bank (Unaudited) March 2011 N'000	Bank (Audited) Dec. 2010 N'000
<b>ASSETS</b>				
Cash in hand and balances with CBN	4,924,630	6,660,349	4,924,497	6,660,320
Treasury bills	5,842,764	6,023,587	5,842,764	6,023,587
Due from other banks	26,715,447	25,098,603	21,922,273	21,832,593
Loans and advances to customers	105,851,453	100,641,020	107,965,719	99,312,070
Advances under finance lease	3,796,189	3,112,998	3,252,608	2,624,572
Investment securities	102,715,108	104,322,487	98,468,400	96,593,620
Investment in subsidiaries	-	-	2,467,622	2,467,622
Investment in associates	106,204	106,204	260,093	260,093
Investment properties	6,904,535	5,443,303	-	-
Other assets	14,160,229	15,918,279	12,210,122	14,628,833
Deferred tax assets	5,256,884	5,256,884	4,759,491	4,759,491
Property and equipment	4,482,645	4,527,335	4,356,208	4,416,723
	<b>280,756,088</b>	<b>277,111,049</b>	<b>266,429,797</b>	<b>259,579,524</b>
<b>LIABILITIES</b>				
Customers' deposits	201,667,109	203,074,678	199,381,265	199,274,284
Due to other banks	72,414	195,748	-	-
Current income tax payable	862,392	680,890	515,020	368,489
Other liabilities	25,038,900	21,920,642	13,490,160	8,507,091
Defined contribution obligations	51,147	51,071	51,147	51,071
Deferred tax liabilities	11,820	11,820	-	-
Long-term borrowing	25,765,338	25,058,101	25,765,338	25,058,101
	<b>253,469,120</b>	<b>250,992,950</b>	<b>239,202,930</b>	<b>233,259,036</b>
<b>CAPITAL AND RESERVES</b>				
Ordinary share capital	6,281,545	6,281,545	6,281,545	6,281,545
Reserve	21,005,423	19,836,553	20,945,322	20,038,943
<b>TOTAL EQUITY</b>	<b>27,286,968</b>	<b>26,118,098</b>	<b>27,226,867</b>	<b>26,320,488</b>
Guarantees and other commitments on behalf of customers	67,996,106	48,908,173	67,996,106	48,908,173
<b>PROFIT AND LOSS ACCOUNTS</b>				
	Group (Unaudited) March 2011 N'000	Group (Unaudited) March 2010 N'000	Bank (Unaudited) March 2011 N'000	Bank (Unaudited) March 2010 N'000
<b>GROSS EARNINGS</b>	<b>9,055,234</b>	<b>8,275,090</b>	<b>8,231,118</b>	<b>7,519,246</b>
Interest and similar income	6,259,525	6,649,542	6,006,795	6,330,098
Interest and similar expenses	(3,173,862)	(3,922,357)	(2,821,999)	(3,599,393)
Net interest margin	3,085,663	2,727,185	3,184,796	2,730,705
Other income	2,795,709	1,625,548	2,224,323	1,189,147
Operating expenses	(4,146,744)	(3,809,293)	(3,972,868)	(3,316,765)
Loan loss expenses	(233,341)	864,143	(233,341)	834,143
Diminution in value of other risk assets	(150,000)	-	(150,000)	(249,895)
<b>PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	<b>1,351,287</b>	<b>1,407,583</b>	<b>1,052,910</b>	<b>1,187,335</b>
Taxation	(182,417)	(135,268)	(146,531)	(135,268)
<b>PROFIT/(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION</b>	<b>1,168,870</b>	<b>1,272,315</b>	<b>906,379</b>	<b>1,052,067</b>
Non-controlling interest	-	-	-	-
<b>PROFIT/(LOSS) ATTRIBUTABLE TO EQUITY HOLDERS OF THE BANK</b>	<b>1,168,870</b>	<b>1,272,315</b>	<b>906,379</b>	<b>1,052,067</b>
<b>Key Ratio</b>				
Earnings per share (kobo) - Basic	9k	10k	7k	8k
Earnings per share (kobo) - Diluted	9k	10k	7k	8k