

EARNINGS PRESS RELEASE

APRIL 28, 2017

**STERLING BANK PLC RELEASES UNAUDITED RESULTS FOR THE QUARTER ENDED
MARCH 31, 2017**

Gross Earnings rises by 12.0% to N28.6 Billion

Lagos, April 28, 2017 – Sterling Bank Plc (**NSE:** STERLNBANK / **Reuters:** STERLNB.LG / **Bloomberg:** STERLNBA:NL) – the 'Bank' – a full service national commercial bank releases its unaudited results for the quarter ended March 31, 2017.

In his remarks, **Yemi Adeola**, the Managing Director/ Chief Executive, stated:

Our first quarter performance was in line with expectations, as earnings remained resilient with a double-digit growth despite the macroeconomic headwinds that persisted during the period.

We made significant progress in our efficiency drive through the adoption of strategic cost management initiatives. As a result, we recorded a 3.3% reduction in Operating Expenses and a 190 basis point improvement in Cost-to-Income Ratio. Also, Net Interest Margin improved marginally to 8.2% despite the crowding out effect of sovereign borrowing which kept interest rates high. We retained our cautious stance on lending and continued to strengthen our risk management framework across people, processes and IT systems.

Going into the year, we will continue to explore innovative ways to improve revenue, while simultaneously enhancing the overall efficiency of our business operations.

Financial Highlights

Income Statement

- **Net Interest Income** increased by 18.3% to N13.5 billion (Q1 2016: N11.4 billion) on account of a 26.3% increase in Interest Income;
- **Net Operating Income** of N14.2 billion (Q1 2016: N15.4 billion) impacted by impairment charges;
- **Operating Expenses** of N12.2 billion (Q1 2016: N12.6 billion) driven by our strategic cost control measures in response to inflationary pressures;
- **Profit before Tax** stood at N2.0 billion, while **Profit after Tax** was N1.9 billion.

Financial Position

- **Net Loans & Advances** was relatively flat at N467.4 billion (Dec. 2016: N468.3 billion);
- **Customer Deposits** decreased marginally by 2.5% to N570.2 billion (Dec. 2016: N584.7 billion);
- **Total Assets** (excluding contingent liabilities) increased by 6.8% to N891.3 billion (Dec. 2016: N834.2 billion);
- Overall, **Shareholders' Funds** closed at N87.5 billion arising from organic accretion of profit.

Key Financial Ratios

Indicator	Q1 2017	Q1 2016
Pre Tax Return on Average Equity	9.4%	11.9%
Post Tax Return on Average Equity	8.7%	10.8%
Return on Average Assets	0.9%	1.4%
Earnings per Share	7k	9k
Yield on Earning Assets	14.7%	13.4%
Cost of Funds	6.5%	5.3%
Net Interest Margin	8.2%	8.1%
Cost-to-Income Ratio	72.9%	74.8%
Indicator	Mar. 2017	Dec. 2016
Non-Performing Loan Ratio	12.0%	9.9%
Cost of Risk	2.1%	2.5%
Capital Adequacy Ratio (Basel 2)	10.8%	11.2%
Loan to Deposit Ratio (Net)	82.0%	80.1%

CONTACTS

Primary Contacts:

Chimaobi Nwaokoma

M: +234 803 406 6104

E: chimaobi.nwaokoma@sterlingbankng.com

Shina Atilola

M: +234 802 342 3011

E: shina.atilola@sterlingbankng.com

Secondary Contacts:

Abubakar Suleiman

E: abubakar.suleiman@sterlingbankng.com

Yemi Odubiyi

E: yemi.odubiyi@sterlingbankng.com

Media Contact:

Henry Basse

M: +234 802 301 4282

E: henry.basse@sterlingbankng.com

Investor Relations Team

E: investor.relations@sterlingbankng.com

W: <https://www.sterlingbankng.com/ir-home.php>

About Sterling Bank

Sterling Bank Plc is a leading commercial banking establishment in Nigeria. It commenced operations as NAL Bank in 1960. Today, with over N830 billion in total assets, more than 189 business offices and over 770 ATMs nationwide, Sterling Bank has grown into a major financial institution. The Bank prides itself as the 'One Customer Bank' that celebrates each customer as 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, amongst 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 audited Annual Report for the financial year ended December 31, 2016. 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.

Sterling Bank PLC

Sterling Towers
20 Marina
Lagos

T: + 234 1 2600420-9, 2600850-9

W: <http://www.sterlingbankng.com>