

EARNINGS PRESS RELEASE

AUGUST 20, 2015

STERLING BANK PLC RELEASES AUDITED RESULTS FOR THE QUARTER ENDED JUNE 30, 2015

Top-line Earnings rise 12% to N55 Billion

Lagos, August 20, 2015 – Sterling Bank Plc (**NSE:** STERLN BANK / **Reuters:** STERLN.B.LG / **Bloomberg:** STERLNBA:NL) – the ‘Bank’ – a full service national commercial bank releases its audited results for the quarter ended June 30, 2015.

In the Bank’s quarterly update to investors and analysts, **Yemi Adeola**, the Managing Director/ Chief Executive, stated:

I am pleased to report on the steady progress made by Sterling Bank in the first six months of the year. Our performance further validates our resilience in the face of regulatory and other macroeconomic headwinds. We prioritized performance optimization and operational efficiency leading to a 260-basis points improvement in cost-to-income ratio. We also achieved pre-tax Return on Average Equity of 14% with double-digit growth in top-line earnings. Our capital position remained strong with capital adequacy ratio at 15%, 50% higher than the regulatory benchmark.

Over the remaining half of the year, our goal is to complete the ongoing implementation of a number of technology-led service improvement initiatives across core and subsidiary systems in order to improve operating efficiency and employee productivity. Furthermore, we remain confident that we will complete the final tranche of our capital program in order to build additional resilience in the current difficult macro-economic conditions while also strengthening earnings capacity.

Financial Highlights

Income Statement

- **Net interest income** declined by 11.0% to N19.4 billion (1H 2014: N21.8 billion)
- **Non-interest income** grew by 33.2% to N15.2 billion (1H 2014: N11.4 billion)
- **Net operating income** rose by 0.6% to N30.2 billion (1H 2014: N30.0 billion)
- **Operating expenses** increased marginally 0.4% to N24.2 billion (1H 2014: N24.1 billion)
- **Profit before tax** rose by 1.4% to N6.1 billion (1H 2014: N6.0 billion)
- **Profit after tax** rose by 6.9% to N5.4 billion (1H 2014: N5.1 billion)

Statement of Financial Position

- **Net loans & advances** increased by 2.4% to N380.2 billion (Dec. 2014: N371.2 billion)
- **Customer deposits** declined by 2.7% to N638.3 billion (Dec. 2014: N655.9 billion)
- **Shareholders' funds** increased by 4.4% to N88.4 billion (Dec. 2014: N84.7 billion)
- **Total assets** excluding contingent liabilities increased by 1.2% to N834.0 billion (Dec. 2014: N824.5 billion)

Financial Ratios

Indicator	1H 2015	1H 2014
Pre Tax Return on Average Equity (annualized)	14.0%	18.8%
Post Tax Return on Average Equity (annualized)	12.5%	16.0%
Return on Average Assets (annualized)	1.5%	1.7%
Earnings per Share	19k	23k
Yield on Earning Assets	13.5%	14.1%
Cost of Funds	5.8%	5.2%
Net Interest Margin	7.7%	8.9%
Cost-to-income Ratio (excluding cost of risk)	69.8%	72.4%
	Jun 2015	Dec 2014
NPL Ratio	3.5%	3.1%
Capital Adequacy Ratio (Basel II)	15.0%	14.0%
Liquidity Ratio	35.5%	33.6%
Loan to Deposit Ratio (Net)	59.6%	56.6%

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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 N800 billion in total assets, more than 175 business offices and over 800 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, 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 audited Annual Report for the financial year ended December 31, 2014. 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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