

EARNINGS PRESS RELEASE

JULY 30, 2018

STERLING BANK PLC RELEASES UNAUDITED RESULTS FOR THE HALF YEAR ENDED JUNE 30, 2018

Profit Before Tax grows by 46.8% to N6.3 Billion

Lagos, July 30, 2018 – Sterling Bank Plc (**NSE:** STERLN BANK / **Reuters:** STERLN.B.LG / **Bloomberg:** STERLNBA:NL) – the 'Bank' – a full service national commercial bank releases its unaudited results for the quarter ended June 30, 2018.

CEO'S REMARKS:

We sustained our momentum in the second quarter, delivering solid growth across key financial indices. We achieved a 35.9% growth in gross earnings to N77.6 billion from N57.1 billion in the second quarter of 2017. This was largely driven by a 25.1% growth in interest income and a 56.5% growth in transaction banking revenues, emphasizing our commitment to our retail drive. Our net operating income was up 29.1%, on the back of a 54.8% reduction in impairment charges. We continued to experience significant improvement in asset quality as cost of risk declined further by 86 basis points to 0.8% from 1.6% in June 2017, reflecting the strength of our risk management framework. Overall, Profit after Tax rose by 64.8% to N6.2 billion resulting in a 370 basis point increase in Return on Average Equity to 12.2%.

In line with our digitization drive and our promise to continuously innovate to meet our customers' evolving needs, we launched Sterling One Pay, an upgrade of our mobile and internet banking solution. One Pay is designed to create an omnichannel experience for users by integrating both web-based Internet and mobile banking solutions. Our commitment to partnerships resulted in the deployment of I-invest, an application that allows for retail customers instant access to investment in treasury bills.

We concluded collaborative workshops on three of our five focus sectors with the objective of de-risking the businesses and improving their access to capital. We also commenced intensive trainings on our focus sectors as we look to develop organizational capabilities that will aid business diversification, improve risk management and ultimately lead to sustainable growth.

Going into the second half of the year, we will continue to explore and exploit opportunities we have identified across the growth sectors of the economy while actively supporting special intervention and social investment programmes.

Financial Highlights

Income Statement

- Gross Earnings increased by 35.9% to N77.6billion (H1 2017: N57.1 billion);
- Net Interest Income declined by 5.4% to N25.5 billion (H1 2017: N27.0 billion);
- Non-Interest Income rose by 112.8% to N15.0 billion (H1 2017: N7.0 billion);
- Net operating income rose by 29.1% to N38.7 billion (H1 2017: N30.0 billion);
- Operating Expenses increased by 26.1% to N32.3 billion (H1 2017: N25.6 billion);
- Profit Before Tax grew by 46.8% to N6.3 billion (H1 2017: N4.3 billion);
- Profit After Tax rose by 63.4% to N6.2 billion (Q1 2017: N3.8 billion).

Financial Position

- Net Loans & Advances increased by 5.0% to N628.0 billion (Dec. 2017: N598.0 billion);
- Customer Deposits increased by 1.0% to N690.5 billion (Dec. 2017: N686.8 billion);
- Total Assets (excluding contingent liabilities) was relatively flat at N1.04 trillion (Dec. 2017: N1.07trillion);
- Overall, Shareholders' funds increased by 1.3% to N104.2 billion (Dec. 2017: N102.9billion).

Financial Ratios

Ratios	H1 2018	H1 2017
Pre-Tax Return on Average Equity	12.4%	9.7%
Post-Tax Return on Average Equity	12.1%	8.5%
Return on Average Assets	1.2%	1.0%
Earnings per Share	22k	13k
Yield on Earning Assets	14.4%	13.8%
Cost of Funds	8.2%	6.1%
Net Interest Margin	6.2%	7.7%
Cost-to-Income Ratio	79.8%	75.3%
Non-Performing Loan Ratio	4.9%	7.4%
Cost of Risk	0.8%	1.6%
Capital Adequacy Ratio (Basel 2)	12.1%	11.8%
Loan to Deposit Ratio (Net)	90.9%	86.0%

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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 N1 trillion in total assets, 180 business offices and over 800 ATMs nationwide, Sterling Bank has grown into a major financial institution. The Bank prides itself as 'Your 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, 2017. 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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