

EARNINGS PRESS RELEASE

APRIL 27, 2018

STERLING BANK PLC RELEASES UNAUDITED RESULTS FOR THE QUARTER ENDED MARCH 31, 2018

Gross Earnings Rises by 39.3% to N39.8 Billion

Lagos, April 27, 2018 – 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, 2018.

MANAGING DIRECTOR'S REMARKS:

In the first quarter, we sustained the strong performance delivered in 2017 with growth across key financial indices. Gross earnings grew by 39.3% to N39.8 billion from N28.6 billion in the first quarter of 2017. Improvement in earnings is attributable to measured growth in retail lending as well as a 90% increase in transaction banking revenues. Our net operating income also grew by 34.2%, aided by a 50% reduction in impairment charges. We continued to experience significant improvement in asset quality as cost of risk declined by 140 basis points to 0.8% from 2.2% in 2017. Overall, Profit after Tax rose by 65.2% to N3.1 billion resulting in a 410 basis point increase in Return on Average Equity to 12.8%.

During the period, we successfully launched Farepay, a contactless payment system for the transportation sector, to ensure better efficiency in fare collections which we believe will attract the much-needed capital investment to adequately transform the sector. Our goal is to replicate this nationwide as we remain resolute in our conviction that the sector is an important catalyst for socio-economic growth and sustainable development.

The potential of channeling private sector capital and market-based tools to offer solutions to some of the most pressing social and environmental challenges cannot be underestimated. For this reason, we have aligned our business model to offer financial and non-financial solutions to these key areas which are at the HEART of Sterling Bank – Health, Education, Agriculture, Renewable Energy, and Transportation.



Financial Highlights

Income Statement

- Gross Earnings increased by 39.3% to N39.8 billion (Q1 2017: N28.6 billion);
- Net Interest Income declined by 8.3% to N12.4 billion (Q1 2017: N13.5 billion);
- Non-Interest Income rose by 146.3% to N8.0 billion (Q1 2017: N3.2 billion);
- Net operating income rose by 34.2% to N19.1 billion (Q1 2017: N14.2 billion);
- Operating Expenses increased by 30.5% to N15.9 billion (Q1 2017: N12.2 billion);
- Profit Before Tax grew by 56.3% to N3.2 billion (Q1 2017: N2.0 billion);
- Profit After Tax rose by 65.2% to N3 .1 billion (Q1 2017: N1.9 billion).

Financial Position

- Net Loans & Advances increased by 2.0% to N609.8 billion (Dec. 2017: N598.1 billion);
- Customer Deposits increased by 4.9% to N718.5 billion (Dec. 2017: N684.8 billion);
- Total Assets (excluding contingent liabilities) was relatively flat at N1.05 trillion (Dec. 2017: N1.07trillion);
- Overall, Shareholders' funds declined by 8.7% to N94.0 billion (Dec. 2017: N102.9 billion) resulting from IFRS 9 implementation.

Financial Ratios

Ratios	Q1 2018	Q1 2017
Pre-Tax Return on Average Equity	13.1%	9.1%
Post-Tax Return on Average Equity	12.8%	8.7%
Return on Average Assets	1.2%	0.9%
Earnings per Share	11k	7k
Yield on Earning Assets	14.8%	14.7%
Cost of Funds	8.6%	6.5%
Net Interest Margin	6.2%	8.2%
Cost-to-Income Ratio	78.2%	72.9%
Cost of Risk	0.8%	2.1%
	Mar. 2018	Dec. 2017
Non-Performing Loan Ratio	6.0%	6.2%
Capital Adequacy Ratio (Basel 2)	11.5%	12.2%
Net Loan to Deposit Ratio	84.9%	87.3%



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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, 169 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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