

EARNINGS PRESS RELEASE

APRIL 20, 2015

STERLING BANK PLC RELEASES UNAUDITED RESULTS FOR THE QUARTER ENDED MARCH 31, 2015

Profit After Tax Rises by 25% to N3.9 Billion

Lagos, April 20, 2015 – Sterling Bank Plc (**NSE:** STERLN BANK / **Reuters:** STERLNB.LG / **Bloomberg:** STERLNBA:NL) – the ‘Bank’ – a full service national commercial bank releases its unaudited results for the quarter ended March 31, 2015.

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

Our first quarter performance was in line with expectations having recorded a 25% growth in bottom-line earnings. This was driven by non-interest income which rose by 32% to N8.0 billion on the back of a 51% increase in fees and commission. We recorded a marginal increase in operating expenses which was slower than the growth in net operating income resulting in a 14% improvement in profit before tax. Overall, the Bank achieved a 19% pre-tax return on average equity (annualized).

During the period, we achieved a return on average assets of 2% by prioritizing efficiency in the management of our balance sheet in response to a difficult operating environment. Loan growth will remain steady and disciplined. We are very optimistic that our earnings growth momentum will be sustained in the remaining quarters of the year.

Financial Highlights

Income Statement

- **Net interest income** declined by 10.8% to N9.2 billion (Q1 2014: N10.3 billion) due to an increase in cash reserve requirement which impacted negatively on earnings
- **Non-interest income** grew by 31.9% to N8.0 billion (Q1 2014: N6.1 billion) driven by a 51.0% growth in fees and commission to N5.0 billion
- **Net operating income** rose by 6.1% to N16.2 billion (Q1 2014: N15.3 billion) on the back of a growth in non-interest income and a 10.4% reduction in impairment charges
- **Operating expenses** increased marginally 3.7% to N12.2 billion (Q1 2014: N11.7 billion)
- **Profit before tax** rose by 14.1% to N4.0 billion, while **profit after tax** rose by 24.7% to N3.9 billion due to a 68% reduction in income tax expense

Statement of Financial Position

- **Net loans & advances** increased by 5.7% to N392.4.0 billion (Dec. 2014: N371.2 billion) due to our selective approach to asset creation, while **Customer deposits** declined by 5% to N622.2 billion (Dec. 2014: N655.9 billion)
- **Shareholders' funds** increased marginally by 4.3% to N88.4 billion (Dec. 2014: N84.7 billion) due to profit accretion
- Overall, **total assets** excluding contingent liabilities increased by 2.1% to N841.9 billion (Dec. 2014: N824.5 billion)

Financial Ratios

Indicator	Q1 2015	Q1 2014
Pre Tax Return on Average Equity (annualized)	18.9%	22.1%
Post Tax Return on Average Equity (annualized)	18.3%	19.6%
Return on Average Assets (annualized)	2.0%	2.0%
Earnings per Share	14k	20k
Yield on Earning Assets	13.3%	14.2%
Cost of Funds	5.9%	5.6%
Net Interest Margin	7.4%	8.6%
Cost-to-income Ratio (excluding cost of risk)	71.0%	71.9%
	Mar 2015	Dec 2014
NPL Ratio	3.6%	3.1%
Capital Adequacy Ratio (Basel II)	12.7%	14.0%
Loan to Deposit Ratio (Net)	63.1%	56.6%

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

Investor Relations Team

E: investor.relations@sterlingbankng.com

W: <http://www.sterlingbankng.com/investor-relations>

Twitter: [Sterlingbank IR](#)

**STATEMENT TO THE NIGERIAN STOCK EXCHANGE AND SHAREHOLDERS ON
THE UNAUDITED RESULTS FOR THE PERIOD ENDED 31 MARCH 2015**

The Board of Sterling Bank Plc presents the Bank's unaudited results for the period ended 31 March 2015.

STATEMENT OF FINANCIAL POSITION

In thousands of Naira

	March 2015	December 2014
ASSETS		
Cash and balances	169,915,484	174,759,962
Due from banks	66,429,217	67,330,073
Pledged assets	84,166,865	78,750,860
Loans and advances to Customers	392,406,916	371,246,273
Investment in securities:		
- Held for Trading	4,817,160	1,949,460
- Available for Sale	40,147,210	49,039,378
- Held to Maturity	41,753,184	45,581,835
Other assets	19,851,937	14,136,957
Property, plant and equipment	14,382,287	13,952,027
Intangible assets	1,058,706	821,456
Deferred tax assets	6,971,145	6,971,145
TOTAL ASSETS	841,900,112	824,539,426
LIABILITIES		
Deposits from Customers	622,188,116	655,944,127
Current income tax liabilities	1,931,746	1,802,189
Other borrowed funds	59,988,593	45,371,097
Debt securities in issue	4,707,531	4,563,584
Other liabilities	64,691,566	32,143,144
TOTAL LIABILITIES	753,507,551	739,824,141
CAPITAL AND RESERVES	63.1%	56.6%
Ordinary share capital	14,395,209	14,395,209
Reserves	73,997,352	70,320,076
<i>Attributable to equityholders of the Bank</i>	88,392,561	84,715,285
TOTAL LIABILITIES AND EQUITY	841,900,112	824,539,426

Statement of Comprehensive Income

<i>In thousands of Naira</i>	March 2015	March 2014	December 2014
Gross Earnings	27,226,310	24,714,240	103,679,220
Interest income	19,237,806	18,659,077	77,932,145
Interest expense	(10,087,642)	(8,396,956)	(34,915,362)
Net interest income	9,150,164	10,262,121	43,016,783
Fee and commission	5,006,762	3,315,207	16,132,892
Trading income	2,211,431	2,288,473	6,766,962
Other operating income	770,311	451,483	2,847,221
Operating income	17,138,668	16,317,284	68,763,858
Net impairment charges	(933,748)	(1,042,325)	(7,389,159)
Personnel expenses	(2,978,959)	(2,752,503)	(12,031,026)
Depreciation and amortisation	(936,371)	(712,165)	(3,139,597)
Other operating expenses	(2,896,139)	(3,042,435)	(10,111,507)
General and administrative expenses	(3,985,044)	(3,954,732)	(19,793,634)
Other property, plant and equipment cost	(1,366,540)	(1,271,123)	(5,550,950)
Profit before income tax	4,041,867	3,542,001	10,747,985
Income tax expense	(129,557)	(404,865)	(1,743,012)
Profit after tax	3,912,310	3,137,136	9,004,973
Other comprehensive income			
Fair value (loss)/gain on available for sale investments	(235,033)	(154,463)	(835,808)
Other comprehensive income for the period net of tax	(235,033)	(154,463)	(835,808)
Total comprehensive income	3,677,276	2,982,673	8,169,165
Key Ratio			
Earnings per share-basic (in kobo)	14k	20k	42k
Earnings per share -diluted (in kobo)	14k	20k	42k

The Board of Directors is confident that barring unforeseen circumstances, this trend would be improved upon considerably in the remaining period of the financial year.

Dated : 8 April 2015

BY ORDER OF THE BOARD



Justina Lewa
Company Secretary

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 500 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.

Sterling Bank PLC

Sterling Towers
20, Marina
Lagos

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

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