

**EARNINGS PRESS RELEASE**

**OCTOBER 26, 2017**

**STERLING BANK PLC RELEASES UNAUDITED RESULTS FOR THE QUARTER ENDED  
SEPTEMBER 30, 2017**

## **Gross Earnings Up by 19% to N94.6 Billion**

**Lagos, October 26, 2017** – 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 September 30, 2017.

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

In the third quarter, the Bank sustained its earnings growth momentum with an 18.8% growth in gross earnings boosted by a 48.9% increase in non-interest income. During the year, the Bank's strategy built on efficient operations and sustainable growth of our balance sheet in a cautious but optimistic manner, continued to deliver results. Despite the persistent inflationary pressures, cost-to-income ratio improved by 140 basis points driven by a moderation in operating expenses. We recorded a significant improvement in asset quality with a 380-basis point reduction in the non-performing loan (NPL) ratio. We also continued to diversify our funding base leading to a 147.6% increase in long term funding. Overall, profit before tax rose by 8.1% to N6.6 billion, while annualized pre-tax return on average equity improved by 50 basis points to 9.6%.

As economic recovery gains momentum, we are well positioned to respond to emerging opportunities in education, health and transportation. Our existing collaboration with pioneering technology companies in these sectors has started yielding results and this will provide a springboard for growth in 2018.



## Financial Highlights

### Income Statement

- **Gross Earnings** rose by 18.8% to N94.6 billion (Q3 2016: N79.7 billion);
- **Net Interest Income** declined by 11.0% to ₦36.9 billion (Q3 2016: ₦41.5 billion);
- **Non-interest Income** grew by 48.9% to ₦16.0 billion (Q3 2016: ₦10.8 billion);
- **Net Operating Income** increased by 0.5% to ₦45.3 billion (Q3 2016: ₦45.1 billion);
- **Operating Expenses** moderated by 0.6% to ₦38.8 billion (Q3 2016: ₦39.0 billion);
- **Profit Before Tax** rose by 8.1% to ₦6.6 billion (Q3 2016: ₦6.1 billion), while **Profit After Tax** was ₦5.9 billion (Q3 2016: ₦5.5 billion).

### Statement of Financial Position

- **Net Loans & Advances** increased by 19.0% to ₦557.4 billion (Dec. 2016: ₦468.3 billion);
- **Customer Deposits** decreased by 5.2% to ₦554.5 billion (Dec. 2016: ₦584.7 billion);
- **Shareholders' Funds** rose by 13.6% to ₦97.3 billion (Dec. 2016: ₦85.7 billion);
- Overall, **Total Assets** (excluding contingent liabilities) increased by 15.2% to ₦961.0 billion (Dec. 2016: ₦834.2 billion).

### Financial Ratios

Indicator	Q3 2017	Q3 2016
Pre-Tax Return on Average Equity	9.6%	9.1%
Post Tax Return on Average Equity	8.6%	8.3%
Return on Average Assets	1.0%	1.0%
Earnings per Share	21K	19k
Yield on Earning Assets	14.6%	13.8%
Cost of Funds	7.4%	5.3%
Net Interest Margin	7.2%	8.5%
Cost-to-income Ratio	73.2%	74.6%
Cost of Risk	1.8%	1.8%
Indicator	Q3 2017	DEC 2016
Non-performing Loan Ratio	6.1%	9.9%
Capital Adequacy Ratio (Basel 2)	11.4%	11.2%
Loan to Deposit Ratio (Net)	101%	80.1%



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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 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.

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