

EARNINGS PRESS RELEASE

November 21, 2013

STERLING BANK PLC RELEASES UNAUDITED RESULTS FOR THE THIRD QUARTER ENDED SEPTEMBER 30, 2013

Top-line Earnings remain Strong at 31% Growth Y-o-Y to N65.2 Billion

Lagos, November 21, 2013 – Sterling Bank Plc (**NSE:** STERLNBANK/ **Reuters:** STBP.LG) – the ‘Bank’ – a full service national commercial bank releases its unaudited results for the third quarter ended September 30, 2013.

In his remarks, Yemi Adeola, Managing Director / CEO, said:

I am pleased with the steady progress that our bank has made in the first nine months despite regulatory headwinds arising from tighter monetary policy measures. Top-line revenues remained strong having increased by 31% year-on-year to N65.1 billion. In line with our targets, we grew deposits by 29%, net loans by 36%, while reducing the proportion of non-performing loans to 2%.

In the quarter just ended, we successfully launched a N12.5 billion equity issue by way of rights for which we are currently awaiting final regulatory approval. We are also in the process of concluding a private placement of US\$120 million to further strengthen our capital position.

In the final quarter of the year, we will continue our rollout of conventional and alternative channels to bring our products and services nearer to our target markets and further diversify our income streams. Our capital plan remains on track and we expect to close 2013 with record customer numbers arising from gains made year-to-date in this respect.

Financial Highlights for the Third Quarter Ended September 30, 2013

Income Statement

- **Earnings** rose 31.4% to N65.1 billion (Q3 2012: N49.6 billion)
- **Net interest income** rose 43.3% to N24.2 billion (Q3 2012: N16.9 billion)
- **Non-interest income** increased 44.7% to N15.7 billion (Q3 2012: N10.9 billion)
- **Net operating income** rose 25.9% to N35.1 billion (Q3 2012: N27.9 billion)
- **Operating expenses** increased 25.8% to N29.1 billion (Q3 2012: N23.1 billion)
- **Profit before tax** increased 26.1% to N6.0 billion (Q3 2012: N4.8 billion)

Statement of Financial Position

- **Total assets** increased 23.6% to N717.2 billion (Dec. 2012: N580.2 billion)
- **Total deposits** increased 28.6% to N600.5 billion (Dec. 2012: N466.8 billion)
- **Net loans & advances** grew 36.4% to N312.9 billion (Dec. 2012: N229.4 billion)
- **Shareholders' funds** increased 3.6% to N48.3 billion (Dec. 2012: N46.6 billion)

Financial Ratios

- Annualized **Return on Average Equity** of 14.3% (Q3 2012: 13.9%)
- Annualized **Return on Average Assets** of 1.2% (Q3 2012: 1.2%)
- **Cost-to-income ratio** of 82.8% (Q3 2012: 82.9%)
- **Non-performing loan ratio** of 2.0% (Dec. 2012: 3.8%)
- **Net Loan-to-deposit Ratio** of 56.3% (Dec. 2012: 49.5%)
- **Liquidity Ratio** stood at 59.3% (Dec. 2012: 69.6%)

CONTACTS

Investor Contacts

Abubakar Suleiman
M: +234 803 535 1172
E: abubakar.suleiman@sterlingbankng.com

Yemi Odubiyi
M: +234 803 535 0991
E: yemi.odubiyi@sterlingbankng.com

Chimaobi Nwaokoma
M: +234 803 406 6104
E: chimaobi.nwaokoma@sterlingbankng.com

Media Contact

Shina Atilola
M: +234 802 342 3011
E: shina.atilola@sterlingbankng.com

Investor Relations Team

investor.relations@sterlingbankng.com
<http://www.sterlingbankng.com/investor-relations>
Twitter: [Sterlingbank_IR](#)

**STATEMENT TO THE NIGERIAN STOCK EXCHANGE AND SHAREHOLDERS ON
THE UNAUDITED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2013**

The Board of Sterling Bank Plc presents the Banks's unaudited results for the third quarter ended 30 September 2013.

STATEMENT OF FINANCIAL POSITION

In thousands of Naira

	September 2013	December 2012
ASSETS		
Cash and balances with Central Bank	102,592,111	63,622,016
Due from banks	25,272,678	33,878,671
Pledged assets	101,724,377	57,412,053
Loans and advances to Customers	312,855,345	229,420,874
Investment in securities:		
- Held for Trading	2,853,525	1,998,860
- Available for Sale	14,014,360	16,857,561
- Held to Maturity	126,496,839	155,935,974
Other assets	15,359,377	6,132,005
Property, plant and equipment	8,633,126	7,793,316
Intangible assets	475,555	203,465
Deferred tax assets	6,971,145	6,971,145
TOTAL ASSETS	717,248,438	580,225,940
LIABILITIES		
Deposits from Banks	45,135,737	3,118,775
Deposits from Customers	555,351,986	463,726,325
Current income tax liabilities	1,189,186	803,422
Other borrowed funds	35,240,466	30,356,039
Debt securities in issue	4,717,837	4,563,612
Other liabilities	27,303,619	31,015,373
TOTAL LIABILITIES	668,938,831	533,583,546
CAPITAL AND RESERVES		
Ordinary share capital	7,851,931	7,851,931
Reserves	40,457,676	38,790,463
<i>Attributable to equity holders of the Bank</i>	<i>48,309,607</i>	<i>46,642,394</i>
TOTAL LIABILITIES AND EQUITY	717,248,438	580,225,940

Statement of Comprehensive Income

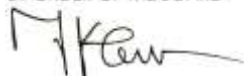
In thousands of Naira

September 2013 September 2012 December 2012

Gross Earnings	65,120,660	49,559,232	68,856,815
Interest income	49,384,941	38,684,127	53,541,994
Interest expense	(25,161,647)	(21,781,997)	(29,648,039)
Net interest income	24,223,294	16,902,130	23,893,955
Net fee and commission	10,567,329	7,934,304	9,957,659
Trading income	3,184,098	818,330	1,552,685
Other operating income	1,984,292	2,122,471	3,804,477
Operating income	39,959,013	27,777,235	39,208,776
Net impairment charges	(4,885,534)	86,098	242,732
Personnel expenses	(7,321,521)	(6,689,778)	(9,392,577)
Depreciation and amortisation	(1,997,019)	(1,984,914)	(2,567,870)
Other operating expenses	(19,738,340)	(14,418,886)	(19,991,410)
Profit before income tax	6,016,599	4,769,755	7,499,651
Income tax expense	(942,232)	(276,529)	(546,112)
Profit after tax	5,074,367	4,493,226	6,953,539
Other comprehensive income			
Fair value (loss)/gain on available for sale investments	(266,382)	100,424.85	247,649
Other comprehensive income for the period net of tax	(266,382)	100,425	247,649
Total comprehensive income	4,807,985	4,593,651	7,201,188
Key Ratio			
Earnings per share (kobo) - Basic	32k	29k	44k
Earnings per share (kobo) - Diluted	32k	29k	44k
NPL Ratio	2.0%	2.4%	3.8%

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.

BY ORDER OF THE BOARD:



Justina Lewa
Company Secretary

Dated : 29 October 2013

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 N717 billion in assets and over 160 business offices nationwide, Sterling Bank has grown into a major financial institution. The Bank prides itself as the 'One Customer Bank' that celebrates each customer 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, 2012. 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>

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