

# Q1 2019 Earnings Release

STERLING BANK PLC RELEASES UNAUDITED RESULTS FOR THE QUARTER ENDED MARCH 31, 2019.

Lagos, April 24, 2019 – 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, 2019.



## CHIEF EXECUTIVE'S REMARKS

"Our performance in the first quarter reflects the resilience of our business model. Despite the slow growth environment, owing to election activities we delivered a strong base for growth in 2019. This we achieved through effective funding optimization and our drive for efficiency.

Overall the Bank delivered a 4.5% growth in profit after tax to N3.2 billion."

Abubakar Suleiman

## REFLECTING ON OUR PERFORMANCE

### Financial performance highlights

- 84.1% dip in trading income led to a decline in earnings, in spite of 29.4% growth in fees and commission income
- Delivered 18.3% decline in interest expense, resulting in a 200 bps drop in cost of funds and, consequently, a 100 bps increase in net interest margin
- Continued drive in low cost funds (up 3.6% y-o-y) delivered a 3.0% growth in customer deposits
- Maintained cautious stance to lending, even as we prioritise reallocation of our loan book to the HEART sectors
- Impairments declined by 32.8%, delivering a 2% growth in net operating income and a 30 bps drop in cost of risk to 0.5%
- Thus we recorded a 2.8% growth in our balance sheet as shareholders funds grew by 10.5% to N108.0 on the back of an increase in retained earnings
- Overall the Bank delivered a 4.5% growth in profit after tax to N3.2 billion

### Other non-financials highlights:

- Sterling Bank was awarded the 'Innovative Bank of the Year' by the Central Bank of Nigeria (CBN) and Nigeria Inter-Bank Settlement System (NIBBS)
- Also, during the quarter, the Bank received the Efficiency Award for e-reference operations
- We launched our annuities investment product 'Double'

Ratios	Q1 2019	Q1 2018
Net Interest Margin	7.4%	6.2%
Cost-to-Income Ratio	80.0%	78.2%
Earnings per Share	11k	11k
Liquidity Ratio	39.4%	38.9%
Cost of Risk	0.5%	0.8%
Cost of Funds	6.6%	8.6%
Yield on Earning Assets	14.0%	14.8%
Return on Average Assets	1.2%	1.2%
Post-Tax Return on Average Equity	12.8%	12.8%
Pre-Tax Return on Average Equity	12.9%	13.1%

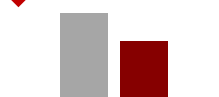
	Mar. 2019	Dec. 2018
Non-Performing Loan Ratio	8.9%	8.7%
Coverage Ratio*	76.0%	75.0%
Capital Adequacy Ratio (Basel 2)	12.9%	13.4%

\*Inclusive of Regulatory Risk Reserve

## FINANCIAL HIGHLIGHTS

### Gross Earnings (N'b)

↓ 8.2%



### Net Int. Income (N'b)

↑ 20.5%



### Non-Int. Income (N'b)

↓ 28.4%



### Net Op. Income (N'b)

↑ 3.6%



### Operating Exp (N'b)

↑ 3.7%



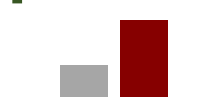
### PBT (N'b)

↑ 3.1%



### PAT (N'b)

↑ 4.5%



### Loans & Adv. (N'b)

↓ 0.5%



### Customer Deps. (N'b)

↑ 3.0%



### Total Assets (N'b)

↑ 2.8%



\*\*All figures based on Group financials

## 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, 179 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.sterling.ng>

## 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, 2018. 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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