

# H1 2019 Earnings Release

STERLING BANK PLC RELEASES UNAUDITED RESULTS FOR THE HALF YEAR ENDED JUNE 30, 2019.

Lagos, July 30, 2019 – Sterling Bank Plc

(NSE: STERLNBANK / Reuters: STERLNB.LG / Bloomberg: STERLNB:A:NL) – the ‘Bank’ – a full service national commercial bank releases its unaudited results for the half year ended June 30, 2019.



## CHIEF EXECUTIVE’S REMARKS

“Underlying our half year performance was a concerted effort in improving the quality of our funding base, increasingly through digital products and initiatives. Though top line earnings were impacted by a selective approach to lending, the Bank remained focused on building a sustainable business model and continued to see considerable improvement across business lines, particularly our retail & consumer and digital & transactional banking businesses.

Overall the Bank recorded a 5.5% improvement in operating income and a profit after tax of N5.66 billion.”

**Abubakar Suleiman**

## REFLECTING ON OUR PERFORMANCE

### Financial performance highlights

- Contracted gross earnings primarily due to a 77% dip in trading income, despite a 41% growth in fees and commission
- While interest income remained flat, we recorded a 14% decline in interest expense. This delivered a 170 bps drop in cost of funds and, consequently, a 131 bps increase in net interest margin
- Achieved a 14.5% growth in low cost funds, delivering a 7.6% growth in customer deposits
- Net operating income grew by 4.3%, despite a 32% growth in credit losses as cost of risk remained relatively stable at 0.7%
- We continued to see a rise in personnel costs (up 14%) owing to commitment to intensify strategy execution. Overall OPEX grew by 6.1%.
- A continuous growth in retained earnings delivered a 12.7% increase in shareholders funds to N110.1 billion
- Overall the Bank grew its balance sheet by 5% to N1.15 trillion and delivered a profit after tax of N5.66 billion in the first half of the year

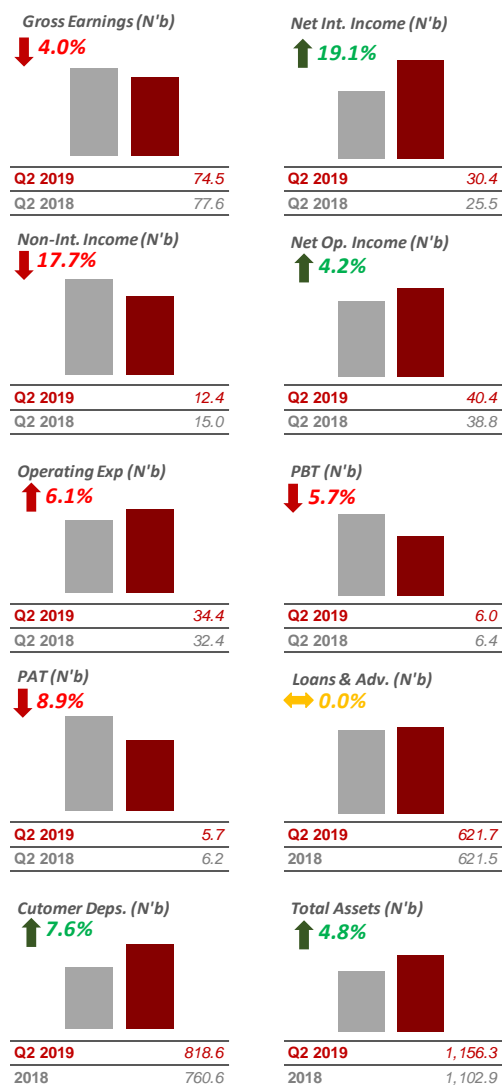
### Other non-financials highlights

- Awarded ‘Best in Leadership’, ‘Best Workplace for the Millennial Generation’ and ‘3rd Best place to work in Africa’ at the 6th Edition of Great Place To Work Institute Awards

Ratios	H1 2019	H1 2018
Net Interest Margin	7.5%	6.2%
Cost-to-Income Ratio	80.3%	79.8%
Earnings per Share	20k	22k
Liquidity Ratio	38.7%	30.6%
Cost of Risk	0.7%	0.8%
Cost of Funds	6.5%	8.2%
Yield on Earning Assets	14.0%	14.4%
Return on Average Assets	1.1%	1.2%
Post-Tax Return on Average Equity	11.0%	12.1%
Pre-Tax Return on Average Equity	11.7%	12.4%
	<b>June. 2019</b>	<b>Dec. 2018</b>
Non-Performing Loan Ratio	8.7%	8.7%
Coverage Ratio*	74.0%	75.0%
Capital Adequacy Ratio (Basel 2)	12.7%	13.3%

\*Inclusive of Regulatory Risk Reserve

## FINANCIAL HIGHLIGHTS\*\*



\*\*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, 182 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.

## CONTACTS

### Investor Relations

Yusuf Agbolahan

☎ +234 811 454 7436

✉ [yusuf.agbolahan@sterling.ng](mailto:yusuf.agbolahan@sterling.ng)

Adetunji Onamusi

☎ +234 810 498 20986

✉ [adetunji.onamusi@sterling.ng](mailto:adetunji.onamusi@sterling.ng)

✉ [investor.relations@sterling.ng](mailto:investor.relations@sterling.ng)

🌐 <https://www.sterling.ng/ir-home.php>

### Communications

Ibidapo Martins

☎ +234 802 666 4566

✉ [ibidapo.martins@sterling.ng](mailto:ibidapo.martins@sterling.ng)