

Q3 2019 Earnings Release

STERLING BANK PLC RELEASES UNAUDITED RESULTS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2019.

Lagos, September 30, 2019 – Sterling Bank Plc

(NSE: STERLNBANK / Reuters: STERLNB.LG / Bloomberg: STERLNB:NL) – the 'Bank' – a full service national commercial bank releases its unaudited results for the nine months ended September 30, 2019.



Chief Executive's Remarks

"Our performance continues to reflect positive results of strategic decisions and investments in our focus areas. We recorded significant improvement in transaction led revenue and our funding base riding on our digital channels. Overall, we delivered a 7.7% increase in operating income and a profit after tax of N7.58 billion.

Going into the final quarter, we will continue to take a customer-centric approach to achieving growth and enhance our digital capacity to further support the business, while remaining focused on exceeding our performance in the previous year."

Abubakar Suleiman

REFLECTING ON OUR PERFORMANCE

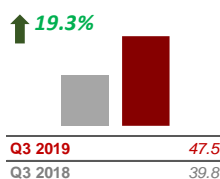
Financial performance highlights

- Marginally suppressed earnings owing to a 66% dip in trading income, despite a 30.2% growth in fees and commission
- Grew retail & consumer loans by over 200% contributing to the 1.6% growth in interest income (Q3'18 – Q3'19). Specifically, our SPECTA product continues to support this growth with volumes averaging N8 billion per month, reaching over 40,000 individuals as at Q3 2019
- Increased traction in the mobilization and retention of low cost deposits resulted in 130 bps decline in cost of funds, and consequently, 11.6% decline in interest expense
- Marginal increase in our cost-to-income ratio riding on growth in personnel cost (up 15%) and continuous investment in technology (Infrastructure and Platforms); outcomes such as c.50% growth in NIP (NIBBS Instant Payment) transaction value and volume respectively justify these investments
- NPL ratio reduced by 130 bps to 7.4% on the back of improved performance in some previously classified loans
- Extended the product offerings on our digital investment platform to include Eurobonds, enabling retail investors and customers build a more diverse portfolio
- Overall, the Bank recorded an 8.9% growth in total assets driven primarily by deposits and achieved a profit after tax of N7.58 billion

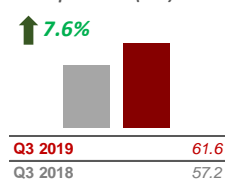
Ratios	Q3 2019	Q3 2018
Net Interest Margin	7.7%	6.2%
Cost-to-Income Ratio	82.3%	80.0%
Earnings per Share	26k	29k
Liquidity Ratio	40.0%	34.4%
Cost of Risk	0.8%	0.8%
Cost of Funds	6.3%	7.7%
Yield on Earning Assets	14.0%	13.9%
Return on Average Assets	0.9%	1.0%
Post-Tax Return on Average Equity	9.8%	10.4%
Pre-Tax Return on Average Equity	9.9%	10.8%
	Sept. 2019	Dec. 2018
Loan to Deposit Ratio	74.4%	81.6%
Non-Performing Loan Ratio	7.4%	8.7%
Coverage Ratio*	89.9%	75.0%
Capital Adequacy Ratio (Basel 2)**	13.9%	13.3%

FINANCIAL HIGHLIGHTS***

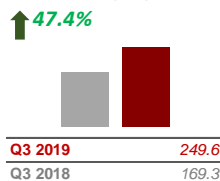
Net Int. Income (N'b)



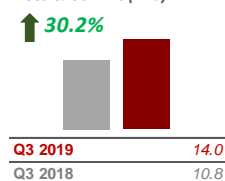
Net Op. Income (N'b)



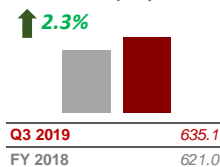
NIP Trx - Val. (N'b)



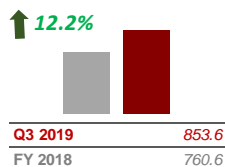
Fees & Comms (N'b)



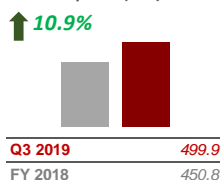
Loans & Adv. (N'b)



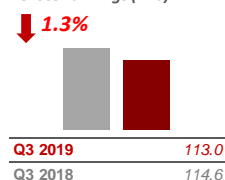
Total Deposits (N'b)



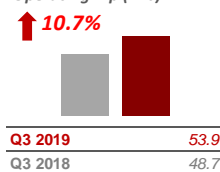
CASA Deposits (N'b)



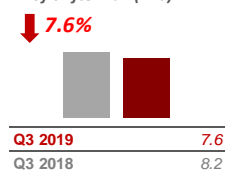
Gross Earnings (N'b)



Operating Exp (N'b)



Profit After Tax (N'b)



*Inclusive of Regulatory Risk Reserve **Inclusive of Profit after Tax

***All figures based on Group financials

About Sterling Bank

Sterling Bank Plc is a leading national commercial banking establishment in Nigeria. It commenced operations as NAL Bank in 1960. Today, with over N1 trillion in total assets, 180 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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