

FY 2019 Earnings Release

STERLING BANK PLC RELEASES AUDITED RESULTS FOR THE YEAR ENDED DECEMBER 31, 2019.

Lagos, December 31, 2019 – Sterling Bank Plc

(NSE: STERLNBANK / Reuters: STERLNB.LG / Bloomberg: STERLNB:A:NL) – the ‘Bank’ – a full service national commercial bank releases its audited results for the year ended December 31, 2019.



Chief Executive's Remarks

"In the final quarter of 2019, our relentless commitment to improving education through microbanking was rewarded with 'The Banker's Award for Banking in the Community' on the global stage by The Financial Times. We were also ranked a top 3 bank in retail by Nigerian consumers in KPMG banking survey, a major accomplishment for a mid-size bank.

Overall, the Bank delivered a 15.0% growth in profit after tax to N10.6 billion as at December 2019,"

Abubakar Suleiman

Reflecting on Our Performance in 2019

Financial performance highlights

- Recorded an increase in gross earnings driven by a growth in net fees & commissions by 24.3%, in spite of a steady loan base and (41.3%) decline in trading income
- Delivered over 200% increase in loans to our retail and consumer segment, with our LDR above the regulatory limit all year round. SPECTA – our digital lending product - continues to set the trend with over N45 billion disbursed, reaching over 50,000 costumers
- Interest expense declined by 10.4%, resulting in a 110 bps drop in cost of funds and, consequently, a 130 bps increase in net interest margin; this is driven by 19.4% y-o-y growth in low-cost customer deposits
- Cost-to-income ratio remained relatively flat y-o-y, even as operating expenses grew on the back of staff salaries & wages and spend on technology infrastructure as well as digital platforms
- Notably, our NIP (NIBBS Instant Payments) transaction volume grew by 86% compared to the previous year
- Achieved a 15.0% growth in profit after taxes to reach N10.6 billion; this underpins the 22.2% growth in shareholders funds recorded as at year end

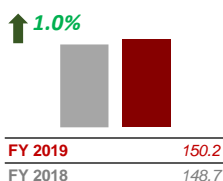
Other non-financials highlights

- Awarded the 'Banker's Award for Banking in the Community' by The Financial Times in recognition for our commitment to the Education sector
- Ranked 3rd best retail banking institution in the 2019 Nigeria Banking Industry Customer Experience Survey by KPMG

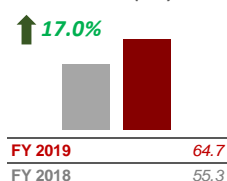
| Ratios | FY 2019 | FY 2018 |
|-----------------------------------|------------------|------------------|
| Net Interest Margin | 7.9% | 6.6% |
| Cost-to-Income Ratio | 81.2% | 81.4% |
| Earnings per Share | 37k | 32k |
| Liquidity Ratio | 39.5% | 42.2% |
| Cost of Risk | 0.9% | 0.9% |
| Cost of Funds | 6.3% | 7.4% |
| Yield on Earning Assets | 14.2% | 14.0% |
| Return on Average Assets | 0.9% | 0.8% |
| Post-Tax Return on Average Equity | 9.8% | 9.2% |
| Pre-Tax Return on Average Equity | 9.8% | 9.5% |
| | Dec. 2019 | Dec. 2018 |
| Loan to Deposit Ratio | 65.5% | 71.0% |
| Non-Performing Loan Ratio | 2.2% | 8.7% |
| Coverage Ratio | 247.0% | 75.0% |
| Capital Adequacy Ratio (Basel 2) | 14.7% | 13.3% |

Financial Highlights*

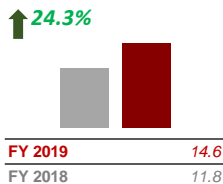
Gross Earnings (N'b)



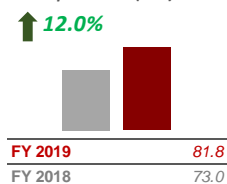
Net Int. Income (N'b)



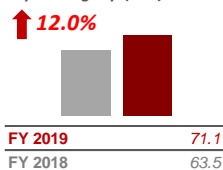
Fees & Comms (N'b)



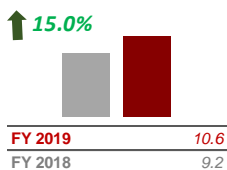
Net Op. Income (N'b)



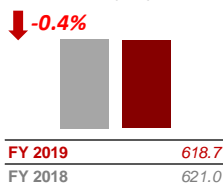
Operating Exp (N'b)



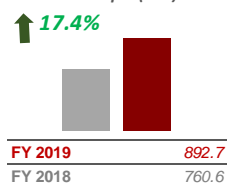
Profit After Tax (N'b)



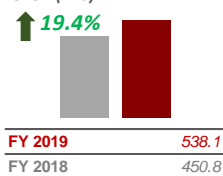
Loans & Adv. (N'b)



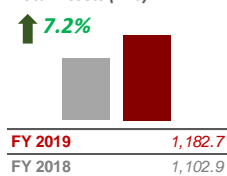
Customer Deps. (N'b)



CASA (N'b)



Total Assets (N'b)



Notes: *All figures based on group audited financial statements, including reclassifications made to the audited financials as at December 2018

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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, 160 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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