

FY 2020 Earnings Release

STERLING BANK PLC RELEASES AUDITED RESULTS FOR THE YEAR ENDED DECEMBER 31, 2020.



Lagos, December 30, 2020 – 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, 2020.

Chief Executive's Remarks

“2020 has been an extraordinary year, defined by the global pandemic and how it disrupted society and severely impacted economic activities. During the year, we channeled our resources towards empowering our stakeholders to respond to the unprecedented disruption while supporting them to adapt to new ways of banking.

The Bank spearheaded efforts to contain the pandemic by encouraging innovation to increase COVID-19 testing capacity, promote social distancing and support healthcare workers on the frontline.

We focused on retooling our employees to perform optimally while enabling a safe and conducive environment, and capped the year with the ‘Overall Best Workplace in Nigeria’ award, a testimony to the effectiveness of our employee welfare initiatives.

Despite a challenging year, the Bank recorded a 15.9% growth in profit before tax to N12.4 billion ”

Abubakar Suleiman

REFLECTING ON OUR PERFORMANCE

Financial performance highlights

- Gross earnings moderated by a 12.4% decline in interest income as yields trended lower.
- Interest expense declined by 21.3%, resulting in a 160 bps drop in cost of funds; this was driven by a 39.5% y-o-y growth in low-cost customer deposits.
- In response to the pandemic and expected credit losses, we proactively increased our cost of risk by 10 bps to 1.0% while moderating NPL ratio downwards by 30bps to 1.9%.
- Cost-to-income ratio declined y-o-y to 77.4% as we recorded a 2.5% drop in operating expenses despite rising inflationary pressures.
- Notably, our NIP (NIBBS Instant Payments) transaction volume grew by 89.4% compared to the previous year on the back of investments made in our digital platforms.
- Achieved a 6.0% growth in profit after taxes to reach N11.2 billion; this underpins the 13.5% growth in shareholders funds recorded as at year end

Other non-financials highlights

- Digital platforms launched during the year include: **OneBank**; our new electronic banking application, **Giving** (www.giving.ng); our crowdfunding platform and **Pay with Specta**; a lending platform for SMEs.
- Awarded 2020 ‘Overall Best Workplace in Nigeria’ in the large corporate category of the Great Place to Work Institute.

FINANCIAL HIGHLIGHTS

Loans & Adv. (N'b)

↓ 3.5%



Customer Deps. (N'b)

↑ 6.5%



CASA (N'b)

↑ 39.5%



Total Assets (N'b)

↑ 9.8%



Gross Earnings (N'b)

↓ 7.5%



Net Int. Income (N'b)

↓ 3.9%



Fees & Comms (N'b)

↓ 10.4%



Trading Income (N'b)

↑ 131.6%



Operating Exp (N'b)

↓ 2.5%



PAT (N'b)

↑ 6.0%



Ratios	FY 2020	FY 2019
Net Interest Margin	6.9%	7.2%
Cost-to-Income Ratio	77.4%	81.2%
Earnings per Share	39k	37k
Liquidity Ratio	34.9%	39.5%
Cost of Risk	1.0%	0.9%
Cost of Funds	4.7%	6.3%
Yield on Earning Assets	12.4%	14.1%
Return on Average Assets	1.0%	0.9%
Post-Tax Return on Average Equity	8.8%	9.8%
Pre-Tax Return on Average Equity	9.7%	9.8%
	Dec. 2020	Dec. 2019
Loan to Deposit Ratio	62.4%	65.5%
Non-Performing Loan Ratio	1.9%	2.2%
Coverage Ratio	236.2%	247.0%
Capital Adequacy Ratio (Basel 2)	18.0%	14.7%

Sterling Bank Plc.

Sterling Towers 20, Marina Lagos, Nigeria

SB: +234 1 2600420-9 | 2600850-9

E: customercare@sterling.ng

www.sterling.ng



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, 157 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, 2020. 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

Ifeoluwa Feyisitan

☎ +234 802 350 5849

✉ ifeoluwa.feyisitan@sterling.ng

Adetunji Onamusi

☎ +234 810 498 2986

✉ adetunji.onamusi@sterling.ng

✉ investor.relations@sterling.ng

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

Finance Controller

Adebimpe Olambiwonnu

☎ +234 802 316 0003

✉ Adebimpe.Olambiwonnu@sterling.ng

Communications

Ibidapo Martins

☎ +234 802 666 4566

✉ ibidapo.martins@sterling.ng

Sterling Bank Plc.

Sterling Towers 20, Marina Lagos, Nigeria

SB: +234 1 2600420-9 | 2600850-9

E: customercare@sterling.ng

www.sterling.ng

