

H1 2021 Earnings Release

STERLING BANK PLC RELEASES UNAUDITED RESULTS FOR THE HALF YEAR ENDED JUNE 30, 2021.



Lagos, June 30, 2021 – 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, 2021.

Chief Executive's Remarks

“The pace of economic recovery in the first half of the year, exceeded expectations and with it, rising consumer and corporate confidence despite looming threats of a third wave of Covid-19. This was evident in the performance of key business lines. Consistent with the last several quarters, we reported meaningful organic deposit growth, improvement in our credit quality, and a stable core expense base.

During the period, a key focus for us was to deliver innovative solutions to support businesses – SME's and Corporates alike. We successfully launched the Beta version of our digital corporate lending platform, Gazelle. This platform is designed to facilitate credit to corporates leveraging digital technology and machine learning functionalities. We also launched SocialPay, an innovative payment platform for SME's.

In the second half of the year, we will continue to enhance our execution capacity to deliver solutions that enable our customers to thrive in a dynamic environment”

Abubakar Suleiman

REFLECTING ON OUR PERFORMANCE

Financial performance highlights

- Growth in earnings supported by growth in non-interest revenue (up 33.4%) particularly from fees & commission (up 57.7%) despite a 34.8% dip in trading income.
- Decline in interest expense by 10.5% delivered an 80 bps drop in cost of funds as yield on earning assets dropped by 130bps. Consequently, net interest margin stood at 7.7%.
- Recorded a 10.0% growth in net operating income as we proactively grew credit loss provisioning.
- Growth in OPEX by 10.5% driven primarily by FX revaluation losses and increase in fixed asset costs.
- Recorded a 12.7% growth in total assets as shareholders funds declined marginally by 4.6% to N129.5 billion.
- Maintained strong regulatory capital and liquidity metrics recording 15.0% and 30.7% respectively above regulatory benchmark.
- Overall the Bank delivered a profit after tax of N5.69 billion in the first half of the year.

Other non-financials highlights

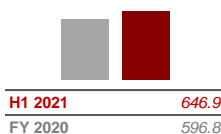
- Awarded 'People First Health & Safety Award' by The Chartered Institute of Personnel Managers of Nigeria (CIPMN).
- Beta launch of our digital corporate lending platform, **Gazelle**. This platform is designed to facilitate credit to corporates leveraging digital technology and machine learning functionalities.

Ratios	H1 2021	H1 2020
Net Interest Margin	7.7%	8.2%
Cost-to-Income Ratio	78.3%	78.4%
Earnings per Share	20k	19k
Liquidity Ratio	30.7%	33.5%
Cost of Risk	0.9%	0.9%
Cost of Funds	4.0%	5.0%
Yield on Earning Assets	11.7%	13.2%
Return on Average Assets	0.8%	0.9%
Post-Tax Return on Average Equity	8.7%	8.8%
Pre-Tax Return on Average Equity	9.2%	9.2%
	Jun. 2021	Dec. 2020
Loan to Deposit Ratio	58.4%	62.4%
Non-Performing Loan Ratio	1.8%	1.9%
Coverage Ratio	243.5%	236.2%
Capital Adequacy Ratio (Basel 2)	15.0%	18.0%

FINANCIAL HIGHLIGHTS

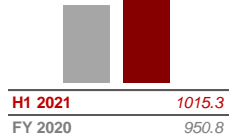
Loans & Adv. (N'b)

↑ 8.4%



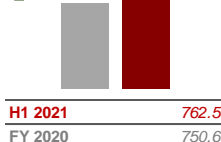
Customer Deps. (N'b)

↑ 6.8%



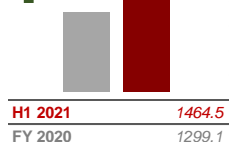
CASA (N'b)

↑ 1.6%



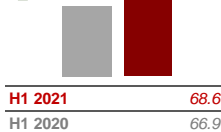
Total Assets (N'b)

↑ 12.7%



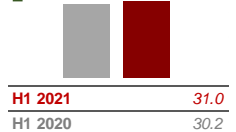
Gross Earnings (N'b)

↑ 2.5%



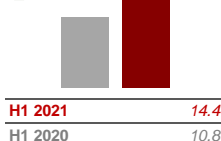
Net Int. Income (N'b)

↑ 2.6%



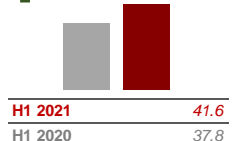
Non-Int. Income (N'b)

↑ 33.4%



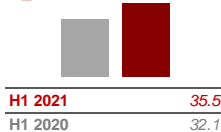
Net Op. Income (N'b)

↑ 10.0%



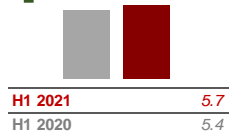
Operating Exp (N'b)

↑ 10.5%



PAT (N'b)

↑ 5.1%



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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, 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.

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