

Q3 2021 Earnings Release

STERLING BANK PLC RELEASES UNAUDITED RESULTS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2021.



Lagos, September 30, 2021 – Sterling Bank Plc

(NSE: STERLNBANK / Reuters: STERLNB.LG /

Bloomberg: STERLNBA:NL) – the 'Bank' – a full service national commercial bank releases its unaudited results for the nine months ended September 30, 2021.

Chief Executive's Remarks

"We sustained our earnings momentum during the nine months period with another quarter of strong revenue growth. We have begun to see improvements in the quality of our earnings driven primarily by our emerging service-oriented business model.

Overall, the Bank delivered a 28.4% growth in profit after tax to N9.47 billion as at September 2021.

Looking ahead, we anticipate our full year performance to be in line with our forecast, laying the foundation for an even better financial outcome in 2022 and beyond."

Abubakar Suleiman

REFLECTING ON OUR PERFORMANCE

Financial performance highlights

- Growth in top-line earnings supported by growth in non-interest revenue (up 52.3%) particularly from fees & commission (up 65.3%). Notably, digital banking income also grew on account of increased customer adoption on our mobile banking application (up 30%) during the period.
- Net Interest Margin moderated slightly by 40 bps despite recording a 120 bps drop in average funding costs while recording a 20.8% growth in customer deposits.
- Net Operating Income grew by 19.4% as we proactively grew credit loss expenses. Despite this we recorded a 100 bps reduction in cost of risk.
- Operating Expenses grew by 18.8% driven primarily by FX revaluation losses and other mandatory regulatory levies.
- Total deposits grew by 20.8% to N1,148 billion in line with our guidance for the year.
- Maintained strong regulatory capital and liquidity metrics recording 14.3% and 37.7% respectively above regulatory benchmark.

Other non-financials highlights

- Organized the third edition of our **African Agriculture Summit: Building The New Agro Order**, aimed at identifying and delivering actionable steps to maximize the potential of The African Continental Free Trade Area (AfCFTA) agreement to Africa's agribusiness industries for sustained long-term growth.

FINANCIAL HIGHLIGHTS

Loans & Adv. (N'b)

↑ 13.4%



Customer Deps. (N'b)

↑ 20.8%



CASA (N'b)

↑ 2.1%



Total Assets (N'b)

↑ 12.7%



Gross Earnings (N'b)

↑ 2.9%



Net Int. Income (N'b)

↓ 3.0%



Non-Int. Income (N'b)

↑ 52.3%



Net Op. Income (N'b)

↑ 19.4%



Operating Exp (N'b)

↑ 18.8%



PAT (N'b)

↑ 28.4%



Ratios	Q3 2021	Q3 2020
Net Interest Margin	7.7%	8.0%
Cost-to-Income Ratio	78.2%	73.4%
Earnings per Share	33k	26k
Liquidity Ratio	37.7%	32.5%
Cost of Risk	0.9%	1.9%
Cost of Funds	3.9%	5.1%
Yield on Earning Assets	11.6%	13.2%
Return on Average Assets	0.9%	0.8%
Post-Tax Return on Average Equity	9.3%	8.0%
Pre-Tax Return on Average Equity	9.7%	8.7%
	Sept. 2021	Dec. 2020
Loan to Deposit Ratio	58.9%	62.8%
Non-Performing Loan Ratio	2.0%	1.9%
Coverage Ratio	222.9%	236.2%
Capital Adequacy Ratio (Basel 2)	14.3%	18.0%

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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, 158 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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