

# FY 2021 Earnings Release

STERLING BANK PLC RELEASES AUDITED RESULTS FOR THE YEAR ENDED DECEMBER 31, 2021



Lagos, December 31, 2021 – 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, 2021.

## Chief Executive's Remarks

“2021 was a year of recovery from the adverse effects of covid-19. The campaign to vaccinate the global population against the virus gained ground, and bolstered consumer and investor confidence. The pace of economic recovery exceeded expectations despite threats of a third wave and the emergence of variants of the virus.

During the period, we were consistent with our strategy to drive financial intermediation in high-impact sectors and deliver innovative solutions that enabled our customers thrive in a dynamic environment. We are unwavering in our commitment to build a forward-thinking organization focused on delivering the best value to our stakeholders.

Overall, the Bank delivered a 20.2% growth in profit after tax to N13.5billion as at December 2021.”

Abubakar Suleiman

## REFLECTING ON OUR PERFORMANCE

### Financial performance highlights

- Gross earnings rose by 4.8% driven by a growth of 28.5% in non-interest income.
- Interest expense declined by 8.3%, resulting in a 21.3% drop in the cost of funds. This was driven by a 27.1% y-o-y growth in customer deposits.
- We continue to strengthen our risk management practices, with NPL moderating from 1.9% in 2020 to 0.7% in 2021.
- Cost-to-income ratio y-o-y declined to 75.0% despite a 9.9% increase in operating expenses arising from inflationary pressures and FX risks.
- Our NIP (NIBSS Instant Payments) transaction volume significantly grew by 51.4% compared to the previous year on the back of investments made in our digital platforms.
- Overall, we achieved a 20.2% growth in profit after taxes to reach N13.5 billion; this underpins the 4.2% growth in shareholders' funds recorded as at year-end.

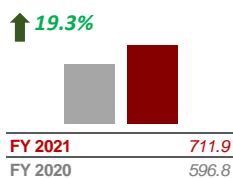
### Other non-financials highlights

- Digital platforms: Pay with Specta; There has been remarkable growth in this digital product. The value of customer transactions grew from 0.35 billion in 2020 to over 36 billion in 2021.
- Awarded 2021 ‘People First Organization’ by the Chartered Institute of Personnel Management of Nigeria (CIPM).

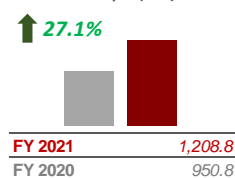
Ratios	FY 2021	FY 2020
Net Interest Margin	8.0%	7.7%
Cost-to-Income Ratio	75.0%	76.6%
Earnings per Share	47k	39k
Liquidity Ratio	37.9%	34.9%
Cost of Risk	1.0%	1.0%
Cost of Funds	3.6%	4.7%
Yield on Earning Assets	11.6%	12.4%
Return on Average Assets (Pre-tax)	1.0%	1.0%
Post-Tax Return on Average Equity	9.7%	8.8%
Pre-Tax Return on Average Equity	10.4%	9.7%
	<b>Dec. 2021</b>	<b>Dec. 2020</b>
Loan to Deposit Ratio	58.5%	62.4%
Non-Performing Loan Ratio	0.7%	1.9%
Coverage Ratio	474.2%	236.2%
Capital Adequacy Ratio (Basel 2)	14.8%	18.0%

## FINANCIAL HIGHLIGHTS

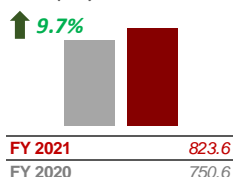
### Loans & Adv. (N'b)



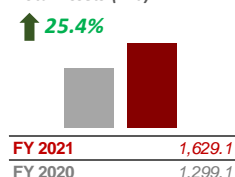
### Customer Deps. (N'b)



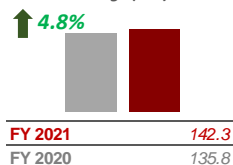
### CASA (N'b)



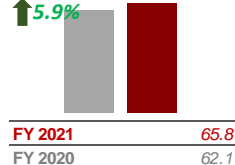
### Total Assets (N'b)



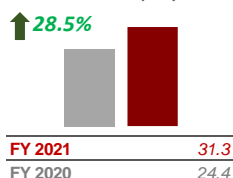
### Gross Earnings (N'b)



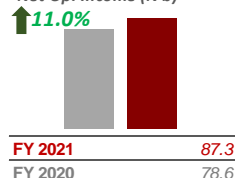
### Net Int. Income (N'b)



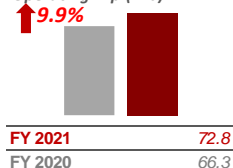
### Non-Int. Income (N'b)



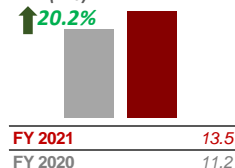
### Net Op. Income (N'b)



### Operating Exp (N'b)



### PAT (N'b)



## 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, 141 business offices, and almost 700 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, 2021. 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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