



Investors & Analysts Presentation

Q1 2022

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Performance
Snapshot (Q1 2022)

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(Q1 2022)
Scorecard

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Operating
Performance
(Q1 2022)

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Appendix

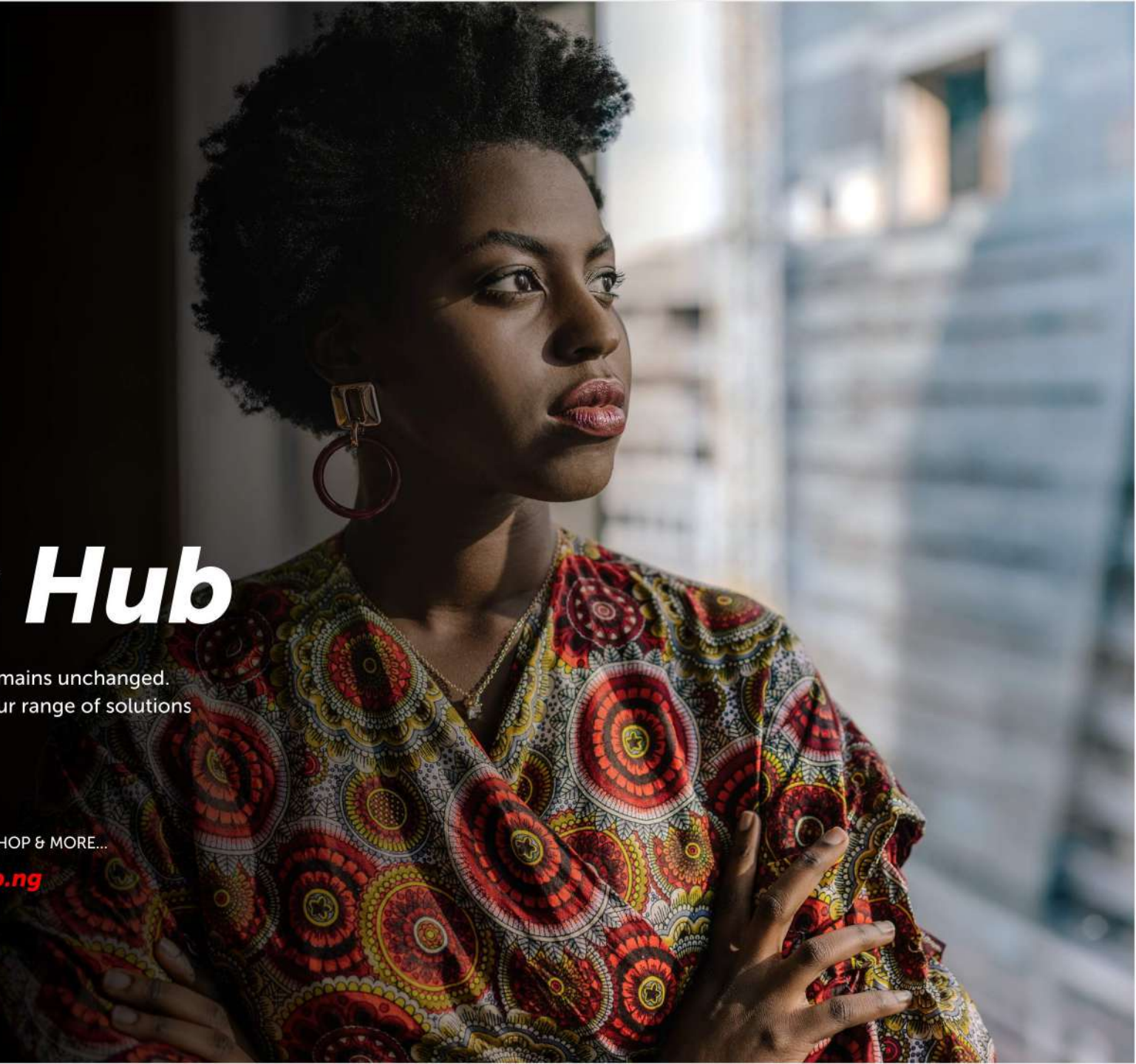


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Strategic Objectives



In line with our business model, we continue to leverage on industry knowledge, advanced technology & ethical financing to empower our stakeholders



Strengthened Balance Sheet

Maintained a resilient balance sheet with adequate liquidity and capital buffers while improving the quality of our funding base.



Strategic Partnerships

Forging strategic relationships and using finance and technology to build capacity and scale businesses across The HEART sectors (Health, Education, Agriculture, Renewable Energy and Transportation).



Workforce Empowerment

In line with our commitment to create a great place to work and institute a knowledge-based culture, we have fully adopted flexible working arrangements enabled by our investments in remote working digital platforms.



Differentiated Digital Platforms

Our digital platforms (i.e. lending, payments, investments and commerce) have allowed all customers self-serve both online and offline.

Strategic Objectives



In line with our business model, we continue to leverage on industry knowledge, advanced technology & ethical financing to empower our stakeholders

Business stability market share gains through Digital Capabilities



Predictable and Sustainable Earnings Return value to Shareholders

Solidify the foundation & calibrate growth (immediate)

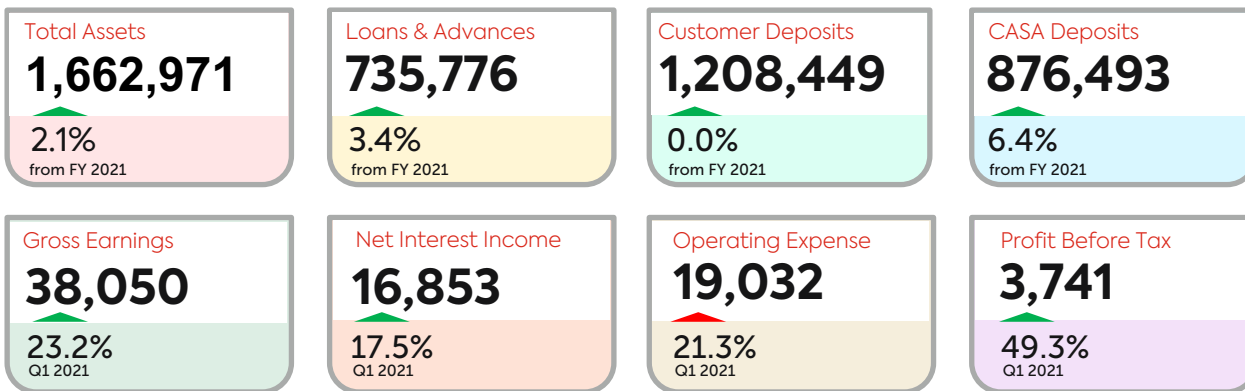
Short – Medium Term Objectives

Financial & Non-Financial Highlights

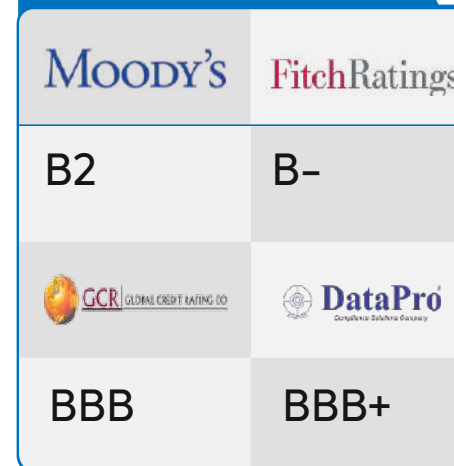


Our performance in the first quarter highlights the progress made in improving the efficiency of our balance sheet

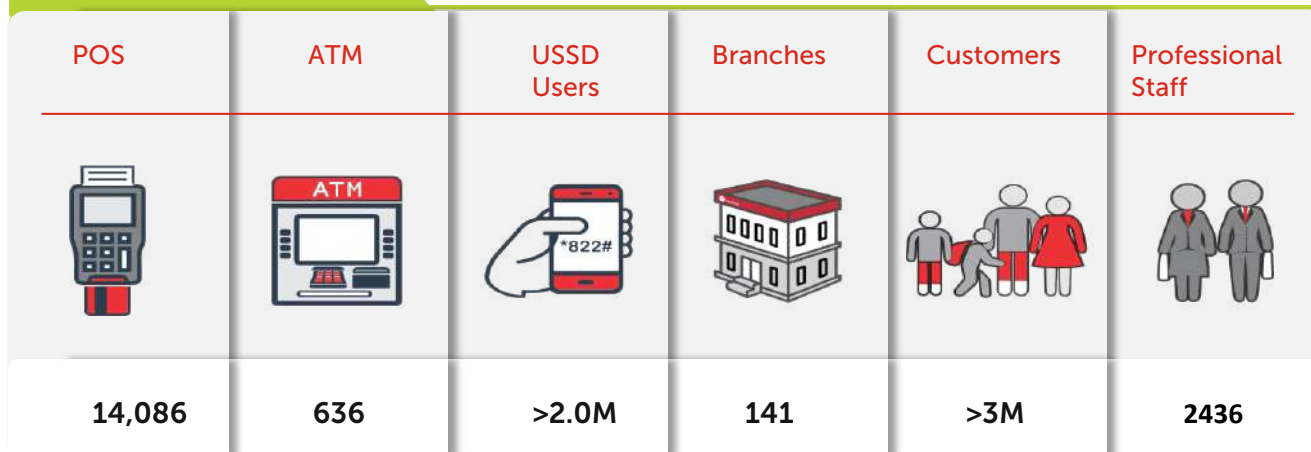
Financials (N' millions)



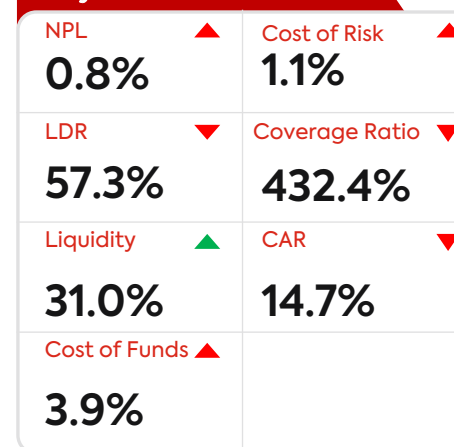
Ratings



Channels



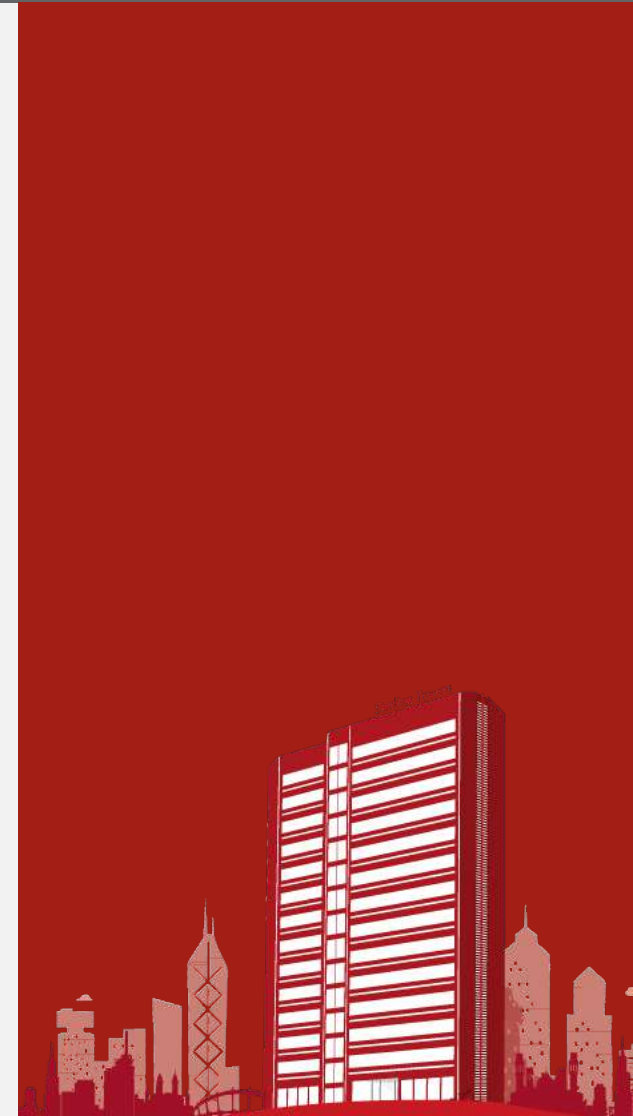
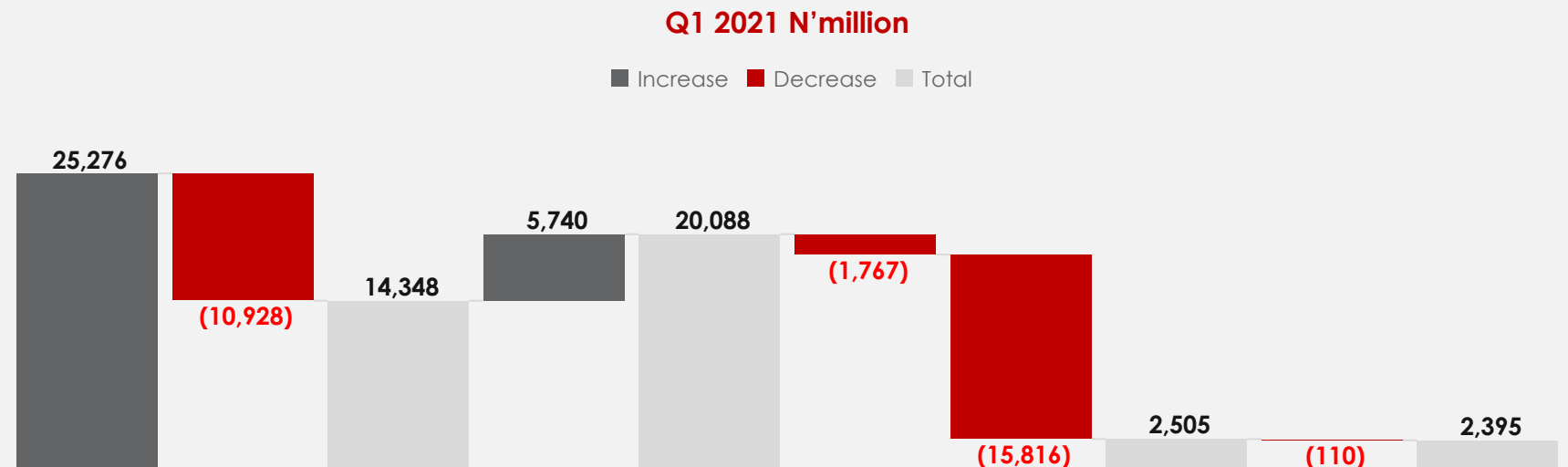
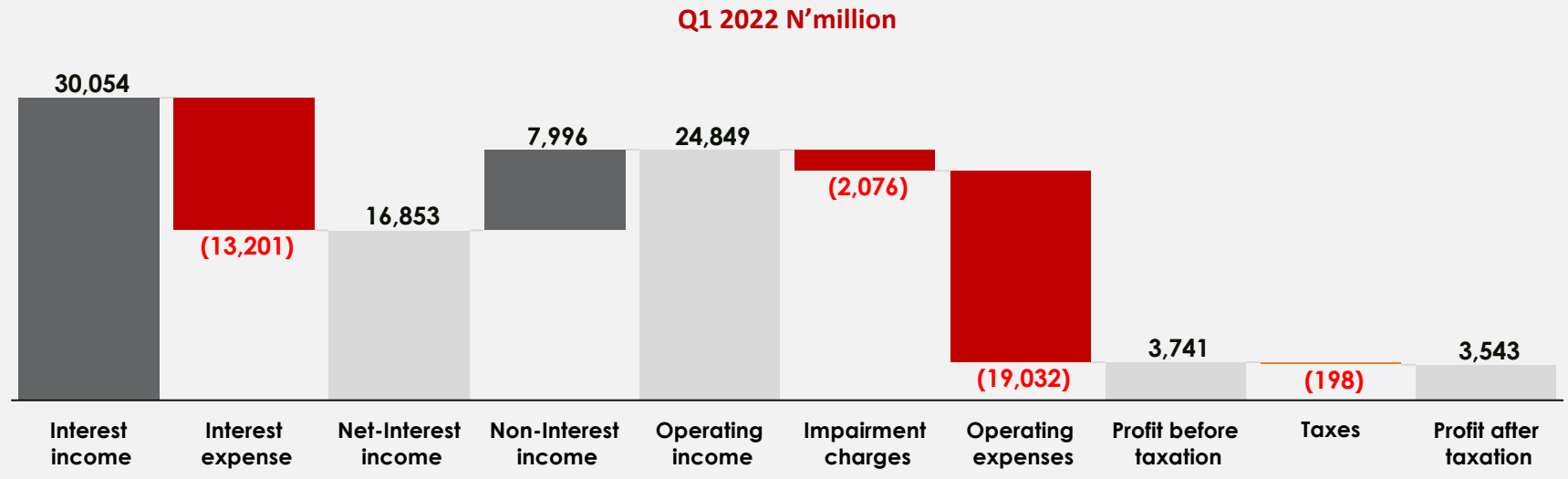
Key Ratios



Performance Snapshot (1/2)



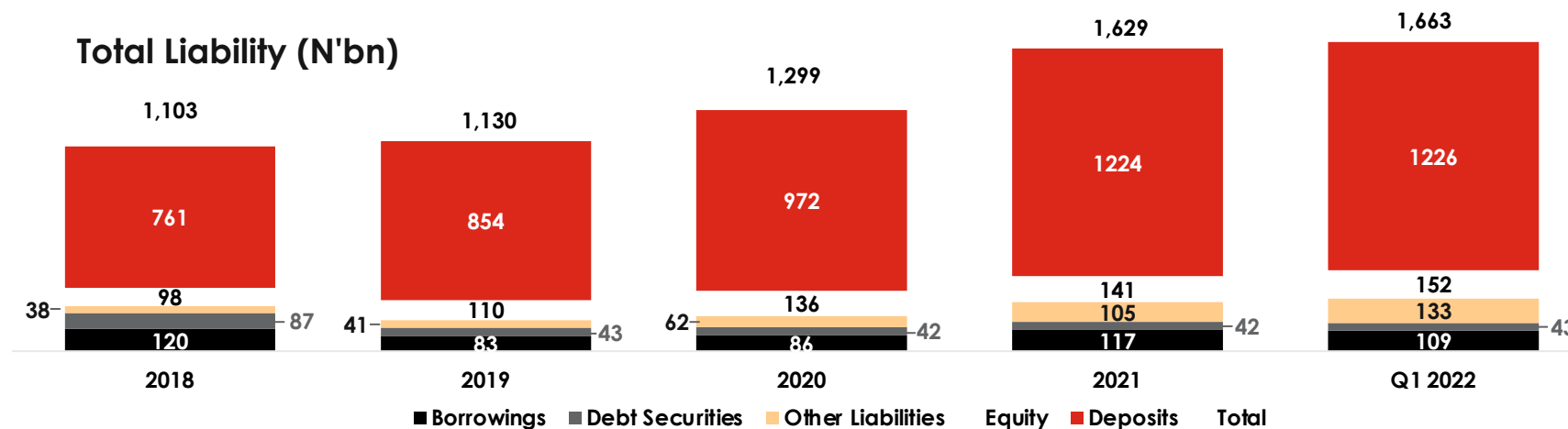
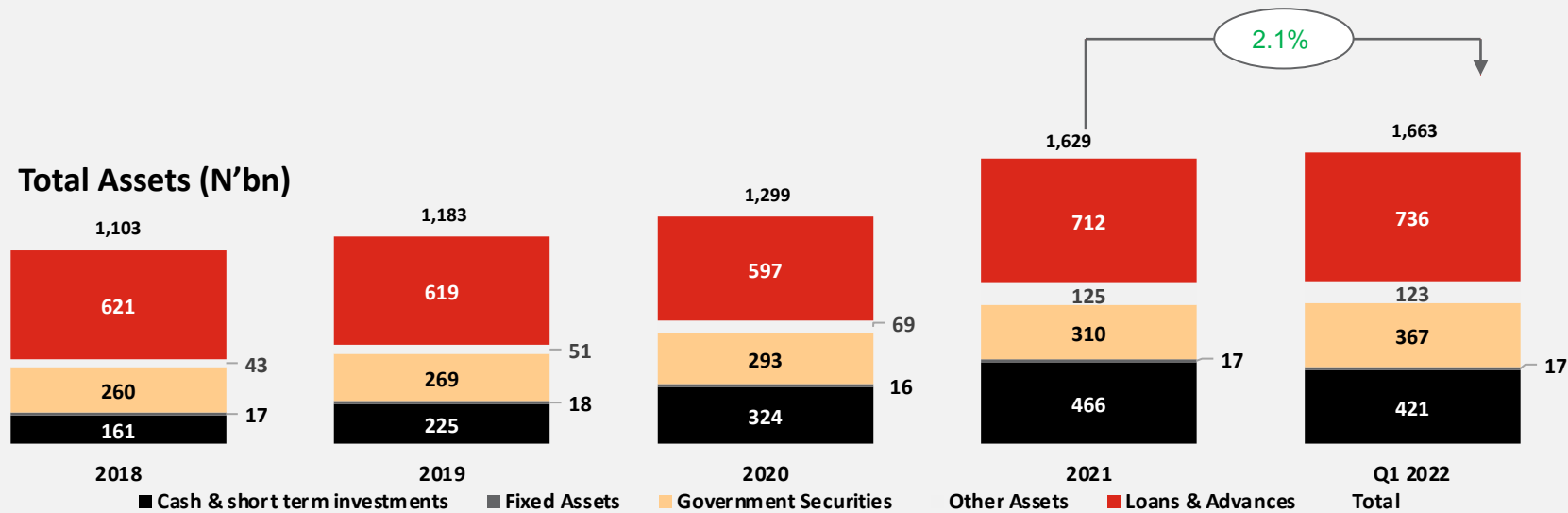
The Bank ended the first quarter of 2022 with a profit after tax of N3.5 billion, a 47.9% improvement on the corresponding period in 2021



Performance Snapshot (2/2)



Improved traction in customer deposits as well as increase in other liabilities continued to drive growth in total assets during the period





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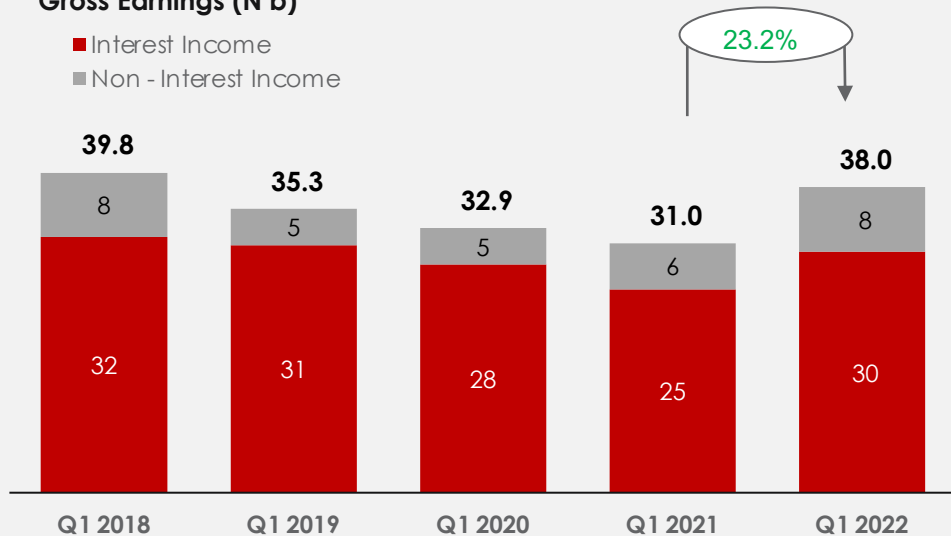
Revenue Evolution



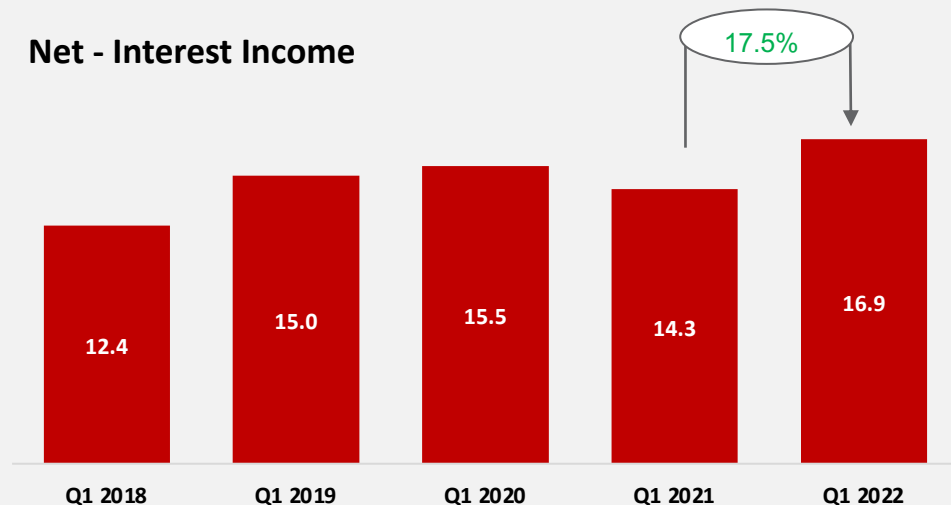
Gross earnings grew Y.O.Y by 23.2% to N38.1 billion driven by a 17.5% and 40.5% improvement in net interest income and fees & commission respectively.

Gross Earnings (N'b)

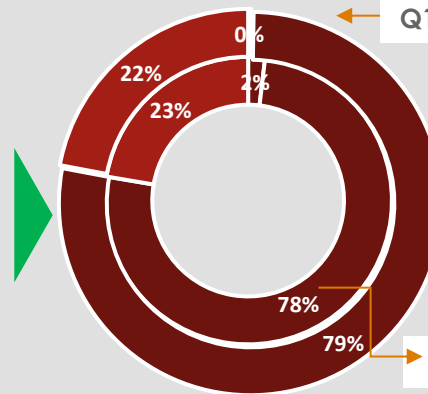
■ Interest Income
■ Non - Interest Income



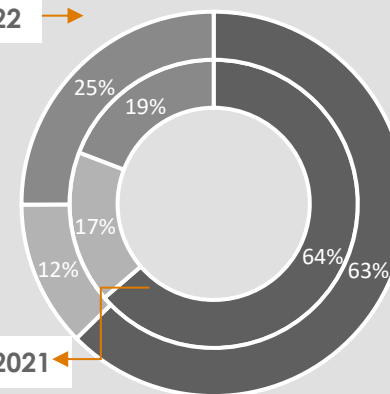
Net - Interest Income



Interest Income



Non- Interest Income



■ Cash & Cash Eqv.
■ Loans & Advances
■ Investment Securities

■ Fees and commission income
■ Net trading income
■ Other operating income

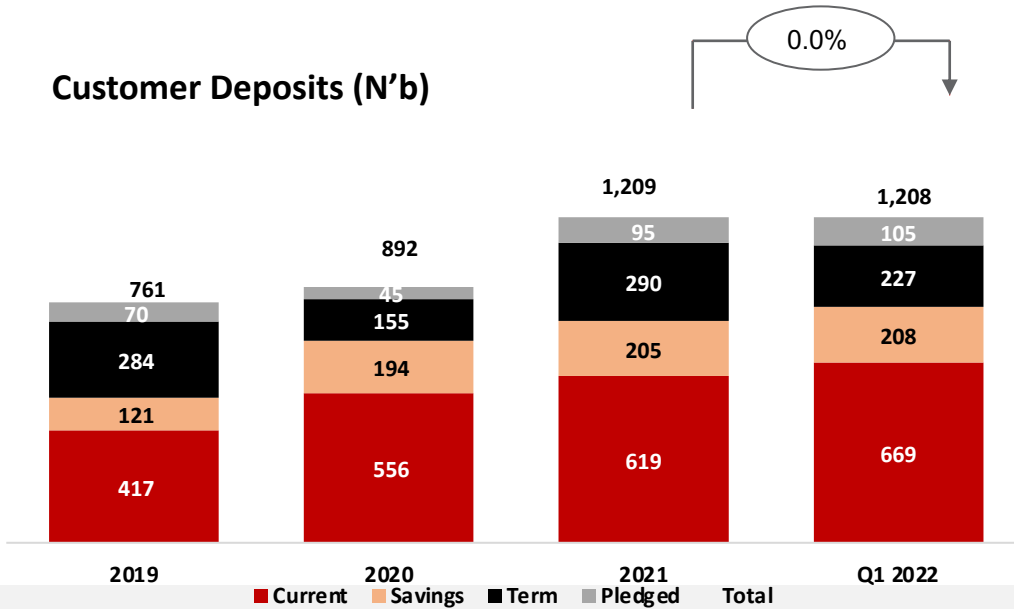
- Gross earnings rose by 23.2% driven by a growth in interest income and increase in fees & commission.
- Non-interest revenue up by 42.4% mainly attributable to fees & commission income, and other operating income.
- Consequently, net operating income grew by 25.2% to N22.8 billion.

Funding & Liquidity

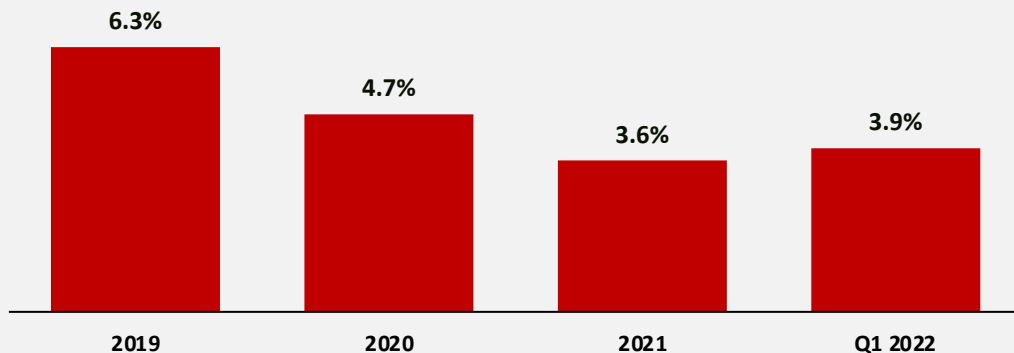


Increased traction in the mobilization and retention of low-cost deposits continues to drive down funding costs.

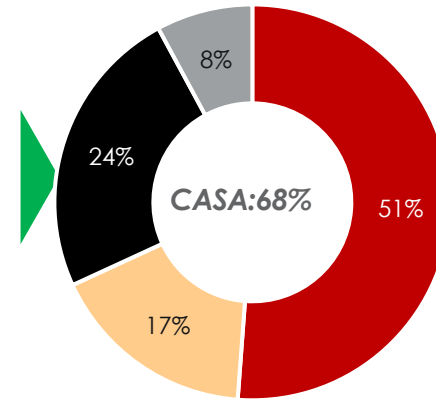
Customer Deposits (N'b)



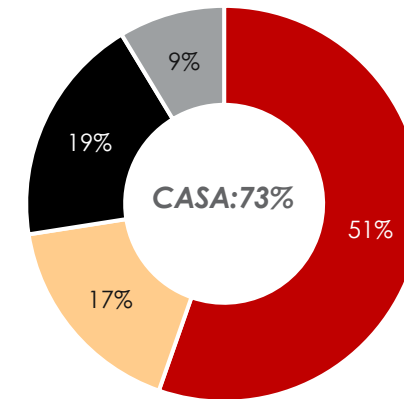
Cost of Funds (%)



FY 2021



Q1 2022

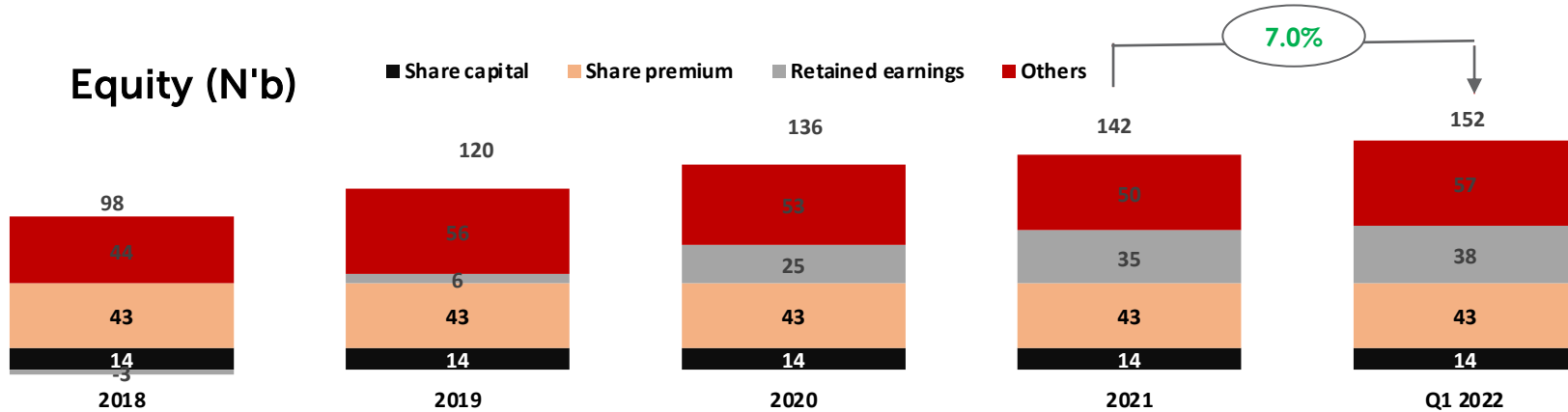


- We continued to improve the quality of our funding base through disciplined execution of our retail banking strategy and improved cross-selling of our digital products. This led to the increase in CASA mix from 68% to 73%.
- Liquidity ratio at 31% well above the minimum regulatory requirement.

Equity and Capital Adequacy

Overall, we maintained a healthy capital position well above regulatory limits

Equity (N'b)



Items (N'mn)	Mar. 2022	Dec. 2021
Tier 1 capital*	120,802	117,154
Tier 2 capital**	24,273	24,273
Total regulatory capital	145,074	141,427
Risk-weighted assets	984,744	951,825
Tier 1 ratio	12.27%	12.31%
Tier 2 ratio	2.46%	2.55%
Capital adequacy ratio	14.7%	14.8%

- Shareholder's funds grew by 7% to N152 billion (FY 2021: N142 billion).
- Overall, the Bank's capital adequacy ratio stood at 14.7% as at March 2022.

Notes: *Tier 1 capital includes ordinary share capital, share premium, retained earnings, and other regulatory adjustments relating to items that are included in equity but are treated differently for capital adequacy purposes. **Tier 2 Capital includes qualifying subordinated debt, and element of the fair value reserve relating to unrealized gains on equity instruments classified as Fair Value Through Other Comprehensive Income.



Loans and Advances by Sector



Growth in gross loans and advances was driven by both the Agricultural and manufacturing sectors.

Gross Loans & Advances by Sector	Mar-2022		Dec-2021		Growth
	N'm	% of total	N'm	% of total	
Agriculture	92,972	12.4%	76,727	10.6%	21.2%
Communication	20,047	2.7%	17,762	2.4%	12.9%
Consumer	95,998	12.8%	91,360	12.6%	5.1%
Education	1,392	0.2%	1,369	0.2%	1.7%
Finance and Insurance	23,088	3.1%	25,132	3.5%	-8.1%
Government	102,804	13.7%	101,375	14.0%	1.4%
Manufacturing	23,055	3.1%	10,438	1.4%	120.9%
Mining & Quarrying	0	0.0%	-	0.0%	0.0%
Mortgage	2,686	0.4%	3,114	0.4%	-13.7%
Oil and Gas	161,938	21.5%	170,576	23.5%	-5.1%
Others	57,911	7.7%	48,437	6.7%	19.6%
Power	33,223	4.4%	36,011	5.0%	-7.7%
Real Estate & Construction	71,159	9.5%	80,940	11.1%	-12.1%
Transportation	29,208	3.9%	28,239	3.9%	3.4%
Non-interest banking	36,077	4.8%	34,600	4.8%	4.3%
TOTAL	751,558	100.0%	726,080	100.0%	3.5%



Loans and Advances by Currency – Q1 2022



...while we continue to effectively manage our FCY loan book to circa 20% of the total Bank's loan portfolio.

Gross Loans & Advances by Currency	FCY		LCY		
	Sector	N'm	% of Total	N'm	% of Total
Agriculture	-	0.0%	92,972	15.5%	0.0%
Communication	-	0.0%	20,047	3.3%	0.0%
Consumer	94	0.1%	95,904	16.0%	0.1%
Education	-	0.0%	1,392	0.2%	0.0%
Finance & Insurance	-	0.0%	23,088	3.9%	0.0%
Government	-	0.0%	102,804	17.1%	0.0%
Manufacturing	14,367	9.5%	8,688	1.4%	62.3%
Mining & Quarrying	-	0.0%	0	0.0%	0.0%
Mortgage	-	0.0%	2,686	0.4%	0.0%
Oil & Gas	97,744	64.3%	64,194	10.7%	60.4%
Others	6,036	4.0%	51,875	8.7%	10.4%
Power	318	0.2%	32,905	5.5%	1.0%
Real Estate & Construction	15,269	10.0%	55,890	9.3%	21.5%
Transportation	6,469	4.3%	22,739	3.8%	22.1%
Non-interest banking	11,654	7.7%	24,423	4.1%	32.3%
TOTAL	151,951	100.0%	599,607	100.0%	20.2%



Loans and Advances by Currency – FY 2021



...while we continue to effectively manage our FCY loan book under a third of the Bank's total loan book

Gross Loans & Advances by Currency	FCY		LCY		% of Sector
	N'm	% of Total	N'm	% of Total	
Agriculture	-	0.0%	76,727	13.3%	0.0%
Communication	-	0.0%	17,762	3.1%	0.0%
Consumer	111	0.1%	91,249	15.8%	0.1%
Education	-	0.0%	1,369	0.2%	0.0%
Finance & Insurance	-	0.0%	25,132	4.4%	0.0%
Government	-	0.0%	101,375	17.5%	0.0%
Manufacturing	4,377	3.0%	6,061	1.0%	41.9%
Mining & Quarrying	-	0.0%	0	0.0%	0.0%
Mortgage	-	0.0%	3,114	0.5%	0.0%
Oil & Gas	104,943	70.7%	65,633	11.4%	61.5%
Others	4,965	3.3%	43,472	7.5%	10.2%
Power	235	0.2%	35,775	6.2%	0.7%
Real Estate & Construction	15,165	10.2%	65,774	11.4%	18.7%
Transportation	6,388	4.3%	21,852	3.8%	22.6%
Non-interest banking	12,169	8.2%	22,431	3.9%	35.2%
TOTAL	148,354	100.0%	577,726	100.0%	20.4%

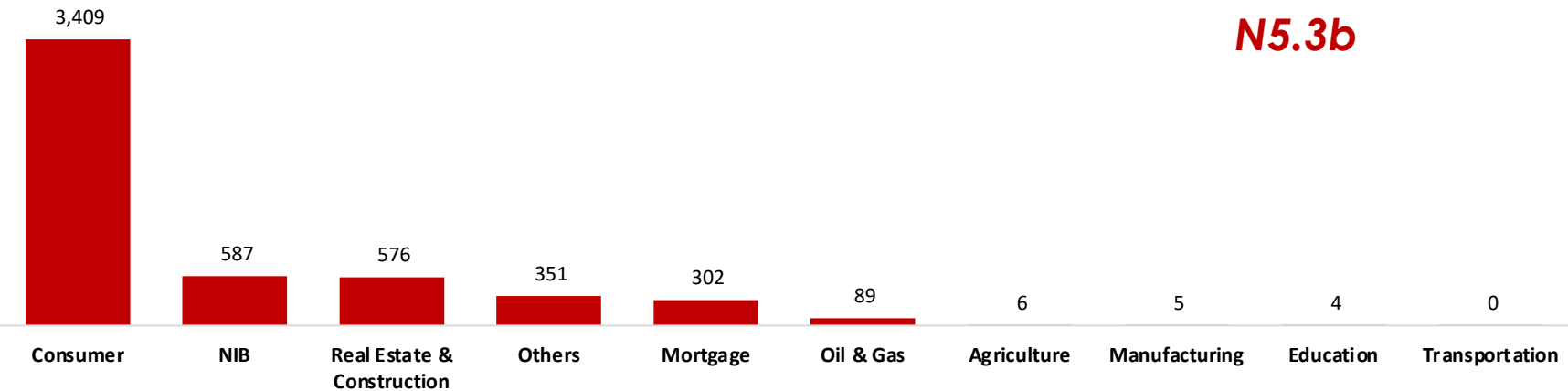


Asset Quality – NPL by Sector



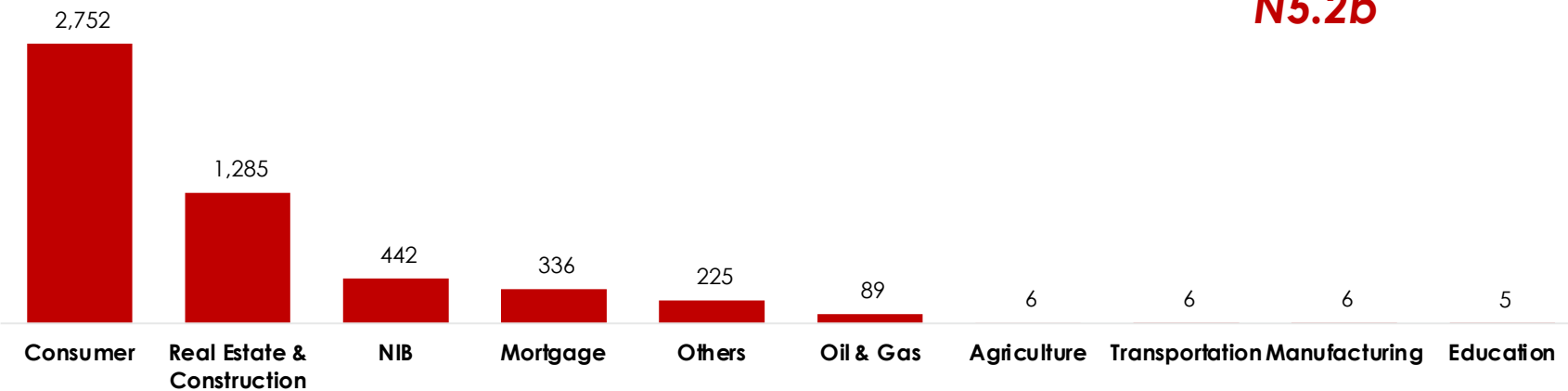
In terms of asset quality, we maintained the non-performing loans during the period under review at N5.3 billion

NPL by Sector (N'm) – Q1 2022



N5.3b

NPL by Sector (N'm) – FY 2021



N5.2b

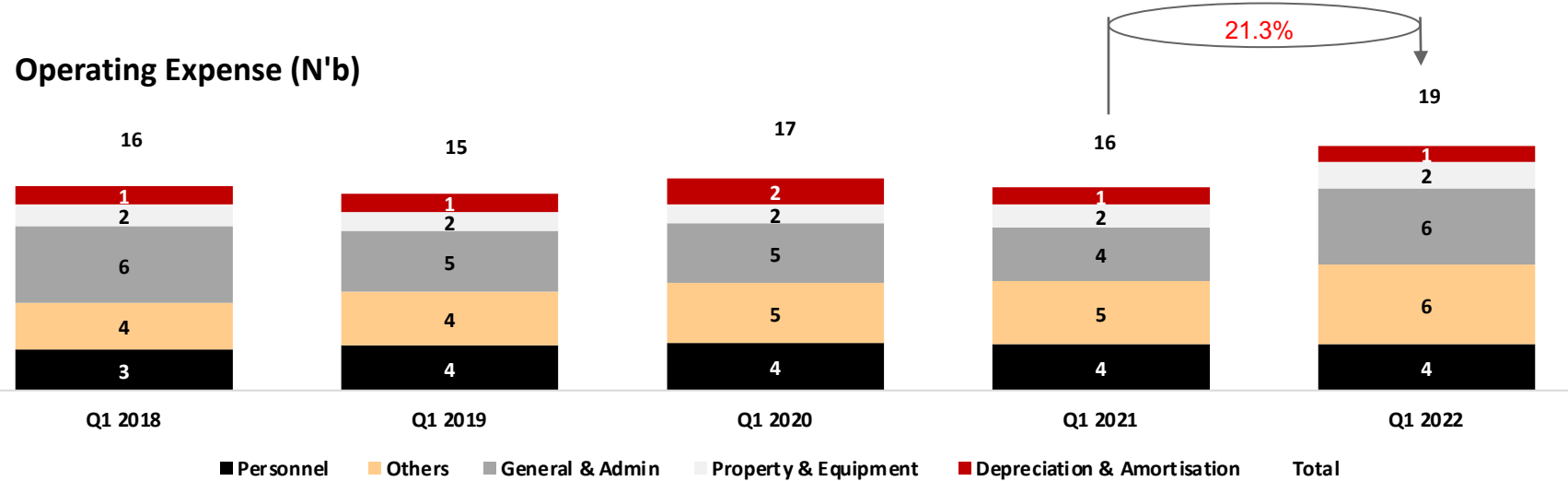


Operating Efficiency

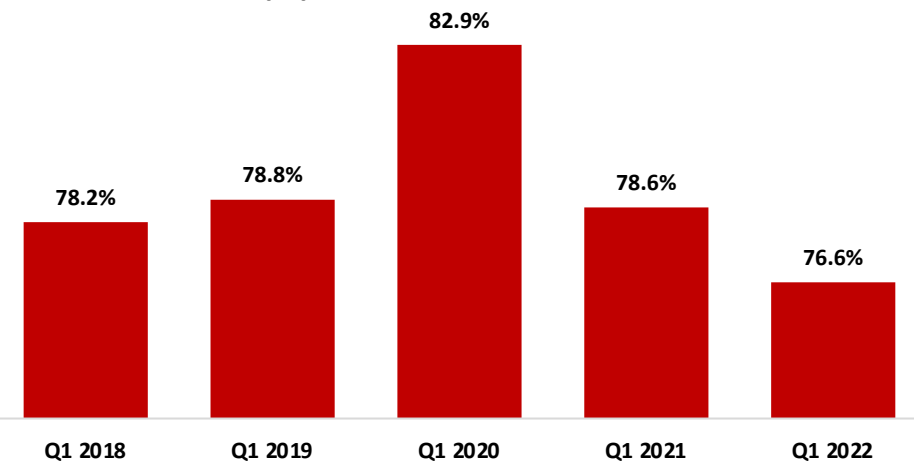


There is an increase in operating expenses particularly from general and administrative expenses and other operating expenses.

Operating Expense (N'b)



Cost-to-Income (%)



- The Bank recorded a 21.3% increase in operating expenses driven by an increase in general and administrative expenses, and other operating expenses such as the AMCON surcharge.
- Notwithstanding the increase in operating expense, the cost-to-income ratio (CIR) moderated to 76.6% as at Q1 2022 aided by an improvement in operating income.

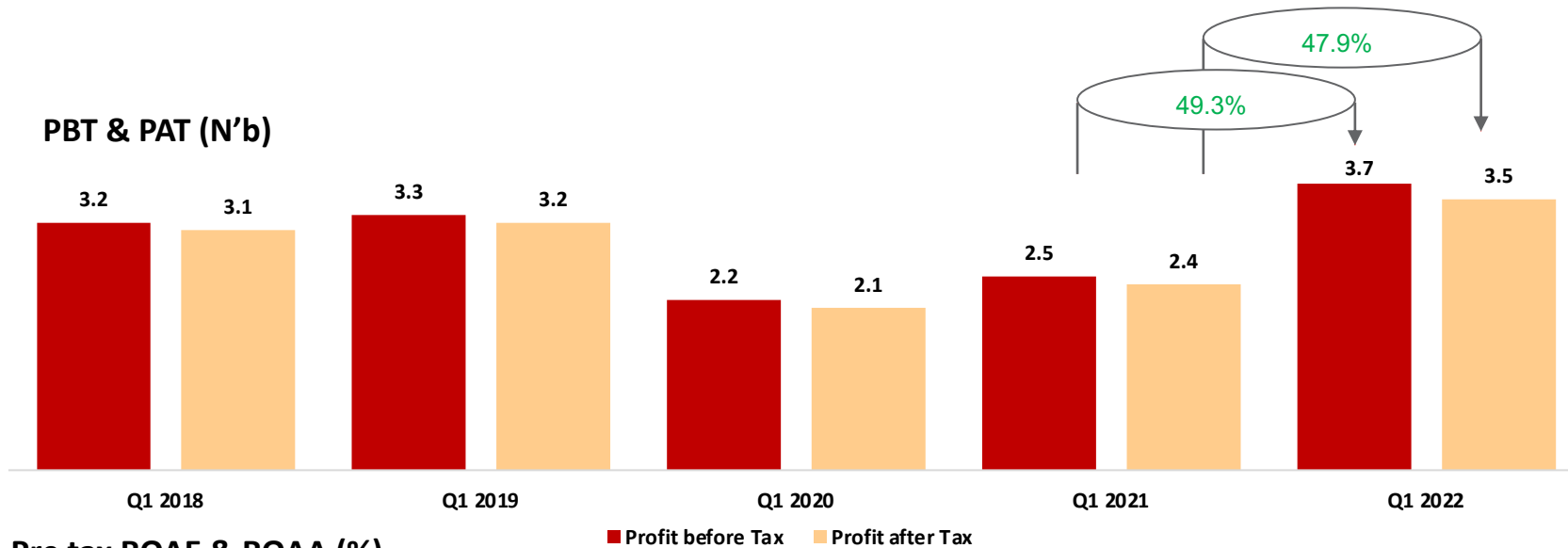


Profitability

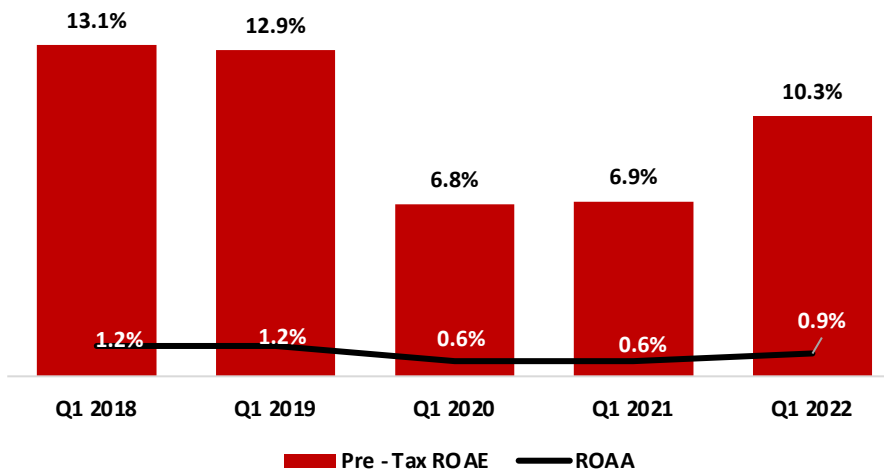


Overall, the Bank recorded a profit after tax to N3.5 billion for the first quarter

PBT & PAT (N'b)



Pre tax ROAE & ROAA (%)



- Profit before and after tax stood at N3.7 billion and N3.5 billion respectively.
- While Pre-tax Return on Average Equity (ROAE) and Return on Assets stood at 10.3% and 0.9% respectively for the period.





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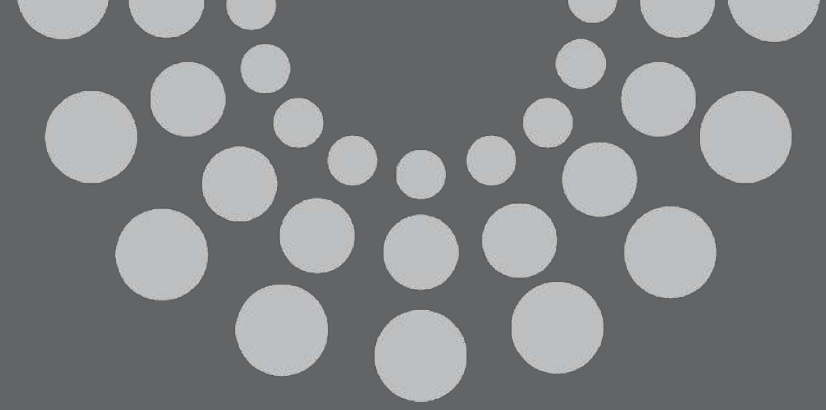
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Key Performance Ratios

Indicator	FY 2020	Q1 2021	FY 2021	Q1 2022
Net Interest Margin	7.7%	6.7%	8.0%	7.4%
Cost to Income	76.6%	78.7%	75%	76.6%
Earnings per Share	39k	8k	47k	12k
Liquidity Ratio	34.9%	30.2%	37.9%	31.0%
Cost of Risk	1.0%	0.9%	1.0%	1.1%
Cost of Funds	4.7%	3.2%	3.6%	3.9%
Yield on Earning Assets	12.4%	9.9%	11.6%	11.3%
Return on Average Assets (Annualized)	1.0%	0.6%	1.0%	0.9%
Post-Tax Return on Average Equity (Annualized)	8.8%	6.6%	9.7%	9.8%
Pre-Tax Return on Average Equity (Annualized)	9.7%	6.9%	10.4%	10.3%
NPL Ratio	1.9%	1.9%	0.7%	0.8%
Coverage Ratio	236.2%	231.2%	474.2%	432.4%
Capital Adequacy Ratio	18.0%	16.8%	14.8%	14.7%
Loans to Deposit Ratio	62.4%	60.9%	58.5%	57.3%





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