

STATEMENT OF FINANCIAL POSITION

In thousands of Naira

	31 December 2012	31 December 2011	1 January 2011
ASSETS			
Cash and balances with Central Bank	63,622,016	36,810,450	6,660,320
Due from banks	33,878,671	53,695,139	20,353,676
Pledged assets	57,412,053	49,700,219	27,210,544
Loans and advances to Customers	229,420,874	162,063,156	102,820,980
Investments in equity accounted investee	-	-	1,852,872
Held for Trading	1,998,860	-	-
Available for Sale	16,857,561	3,233,254	7,355,288
Held to Maturity	155,935,974	169,242,661	75,060,096
Other assets	6,132,005	13,258,260	9,548,675
Property, plant and equipment	7,793,316	8,930,814	4,267,455
Intangible assets	203,465	143,115	149,266
Deferred tax assets	6,971,145	6,971,145	5,414,110
TOTAL ASSETS	580,225,940	504,048,213	260,693,282
LIABILITIES			
Deposits from Banks	3,118,775	17,744,296	38,975,532
Deposits from Customers	463,726,325	392,049,881	160,964,394
Current income tax liabilities	803,422	677,926	368,489
Other borrowed funds	30,356,039	27,301,377	24,975,673
Debt securities in issue	4,563,612	4,562,000	-
Other liabilities	31,015,373	20,655,397	7,885,553
TOTAL LIABILITIES	533,583,546	462,990,877	233,169,641
EQUITY			
Share capital	7,851,931	7,851,931	6,281,545
Share premium	18,689,788	18,689,788	12,314,019
Retained earnings	6,019,078	2,780,714	(2,055,305)
Other components of equity	14,081,597	11,734,903	10,983,382
	46,642,394	41,057,336	27,523,641
TOTAL EQUITY AND LIABILITIES	580,225,940	504,048,213	260,693,282

Abubakar Salami
Chief Financial Officer
FRC/2013/CBN/00000001275

Yemi Adesola
MD/CEO
FRC/2013/CBN/00000001257

Abasi O. S. A. Adesunwa, OFR
Chairman
FRC/2013/ICAN/00000001256

STATEMENT OF COMPREHENSIVE INCOME

In thousands of Naira

	31 December 2012	31 December 2011
Gross Earnings	68,856,815	47,740,668
Profit before taxation	7,499,651	5,640,306
Taxation	(546,112)	1,268,292
Profit after taxation	6,953,539	6,908,598
Other Comprehensive Income		
Fair value loss on available for sale investments	148,935	(102,115)
Reclassification adjustments for gain included in the income statement	98,714	-
Other comprehensive income for the period net of tax	247,649	(102,115)
Profit attributable to:		
Equity holders of the Bank	6,953,539	6,908,598
Total comprehensive income attributable		
Equity holders of the Bank	7,201,188	6,806,483
Earnings per share - basic and diluted (in kobo)	44k	53k
Earnings per share - adjusted (in kobo)	44k	53k
Total non-performing loan as % of gross loan	3.8%	4.8%
Proposed dividend	20k	10k

Sterling Bank Plc (Rc No 2392)

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Customer Care: (01)-4484481-2

The Board

Abasi O. S. A. Adesunwa, OFR, Chairman, Mr. Yemi Adesola, Managing Director/CEO, Mr. Brian Salami, Deputy Managing Director, Mr. M. O. O. O.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF STERLING BANK PLC

Report on the financial statements

We have audited the accompanying financial statements of Sterling Bank Plc, which comprise the Statement of financial position as at 31 December 2012, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Directors' responsibility for the financial statements

The Directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and the provisions of the Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria 2004, the Banks and Other Financial Institutions Act, CAP B3, Laws of the Federation of Nigeria 2004, the Financial Reporting Council Act No. 6, 2011 and relevant Central Bank of Nigeria circulars and for such internal control as Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Sterling Bank Plc as at 31 December 2012, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, provisions of the Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria 2004, Banks and Other Financial Institutions Act, CAP B3 Laws of the Federation of Nigeria 2004, the Financial Reporting Council Act No. 6, 2011 and relevant Central Bank of Nigeria circulars and guidelines.

Report on Other Legal and Regulatory Requirements

In accordance with the requirement of Schedule 6 of the Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria 2004, we confirm that:

We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

In our opinion, proper books of account have been kept by the Bank, so far as appears from our examination of those books;

The Bank's statements of financial position and comprehensive income are in agreement with the books of account.

Report on Compliance with Banking Regulations

We confirm that our examination of the loans and advances was carried out in accordance with the Prudential Guidelines for licensed banks issued by the Central Bank of Nigeria.

Related party transactions and balances are disclosed in the financial statements in compliance with the Central Bank of Nigeria circular BSD/1/2004.

ATM consumer complaints are disclosed in the financial statements in compliance with the Central Bank of Nigeria circular FPR/DIR/CIR/01/020.

	31 December 2012	31 December 2011
Number of complaints received	4,782	715
Number of complaints resolved	4,748	714
Number of complaints not resolved but referred to CBN for intervention	34	1

Contraventions

The Bank contravened certain provisions of Banks and Other Financial Institutions Act, CAP B3 Laws of the Federation of Nigeria 2004.

Kenneth Yang

Lagos, Nigeria

FRC/2013/ICAN/0000000702

5, March 2013

