



2024 ANNUAL REPORT AND FINANCIAL STATEMENTS

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NOTICE OF ANNUAL GENERAL MEETING



NOTICE IS HEREBY GIVEN that the 63rd Annual General Meeting of Sterling Bank Ltd will be held virtually via www.sterling.ng/agm on Monday, 30th June 2025 at 10.00 a.m. to transact the following business:

ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the year ended 31st December 2024, the Reports of the Directors and Auditors thereon
2. To declare a Dividend
3. To elect/ re-elect Directors
 - (a) To elect Prof. Olayinka David-West as an Independent Non-Executive Director
 - (b) To re-elect the following Directors retiring by rotation:
 - Mr. Michael Ajukwu
 - Mrs. Folasade Kilaso
4. To authorize the Directors to fix the remuneration of the Auditors
5. To disclose the remuneration of Managers of the Company in accordance with sections 238 and 257 of the Companies and Allied Matters Act, 2020.

SPECIAL BUSINESS:

To consider and if thought fit, pass the following resolution as an ordinary resolution:

6. That the Directors' Fees for the year ending 31st December 2025 and subsequent years be fixed at N77,600,000 (Seventy-Seven Million, Six Hundred Thousand Naira) for Non-Executive Directors until reviewed by the Company at an Annual General Meeting.

NOTES

1. Proxy

A member of the Company entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote in his/her/its stead. A proxy need not be a member of the Company. To be valid, a completed proxy form must be deposited at the office of the Company Secretary, Sterling Bank Ltd, 10th Floor, Sterling Towers, 20, Marina, Lagos not less than 48 hours before the time of the meeting.

2. Stamping of Proxy

The cost of stamping the instruments of proxy would be borne by the Company.

3. Dividend

If approved, a dividend in the sum of 11 kobo per share will be paid via e-mandate on 30th June 2025 to the sole shareholder.

4. Re-election of Directors

In accordance with the provisions of the Company's Articles of Association, the Directors to retire by rotation at the 63rd Annual General Meeting are Mr. Michael Ajukwu and Mrs. Folasade Kilaso. The retiring Directors, being eligible, offer themselves for re-election.

The profiles of the Directors retiring by rotation are available on the Company's website at www.sterling.ng.

Dated this 24th day of June 2025

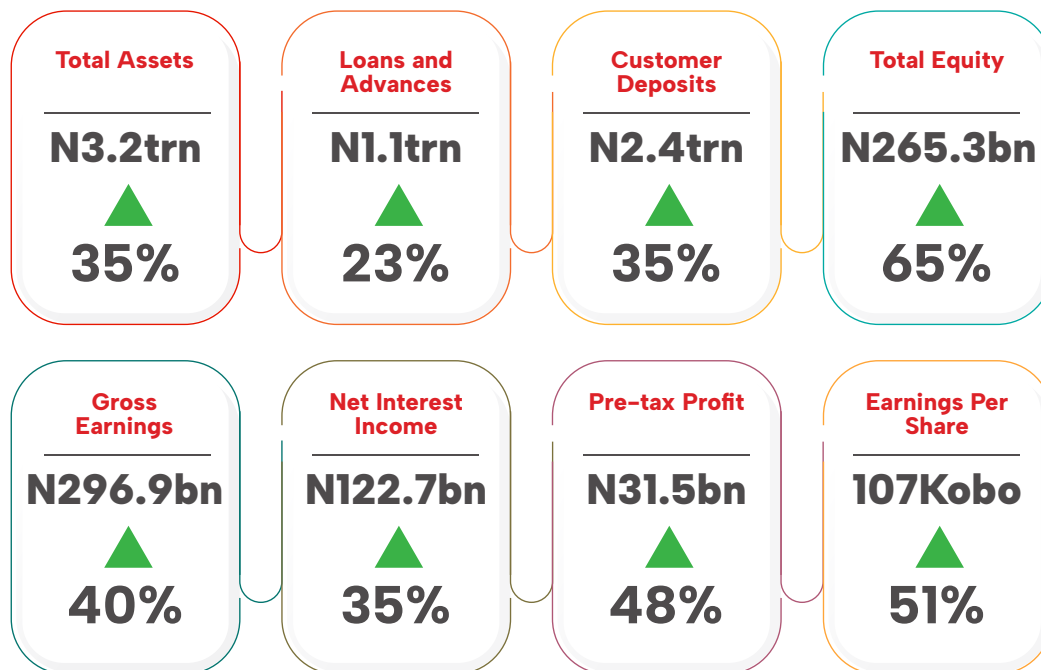
BY ORDER OF THE BOARD

A handwritten signature in dark ink, appearing to read "James E.", written over a horizontal line.

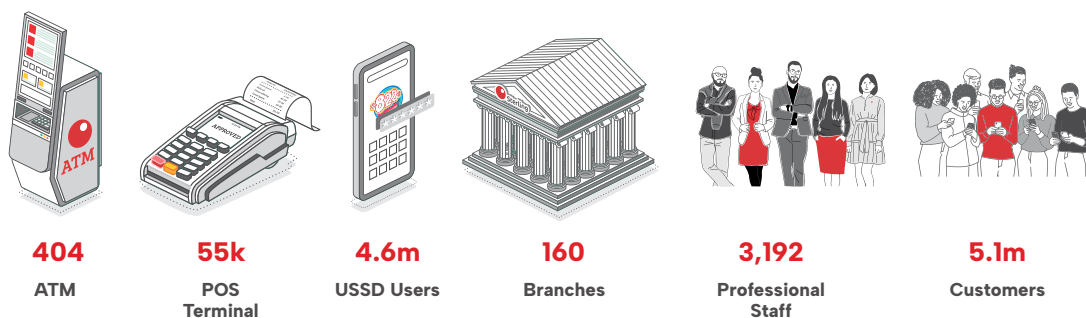
For Company Secretary
20 Marina
Lagos

Performance Highlights

Financials



Channels | Sterling Bank



Ratings | Sterling Bank

B3: Long-term issuer	BBB: Long-term issuer	BBB+: long term issuer
	A3: Short-term issuer	A2: Short term issuer

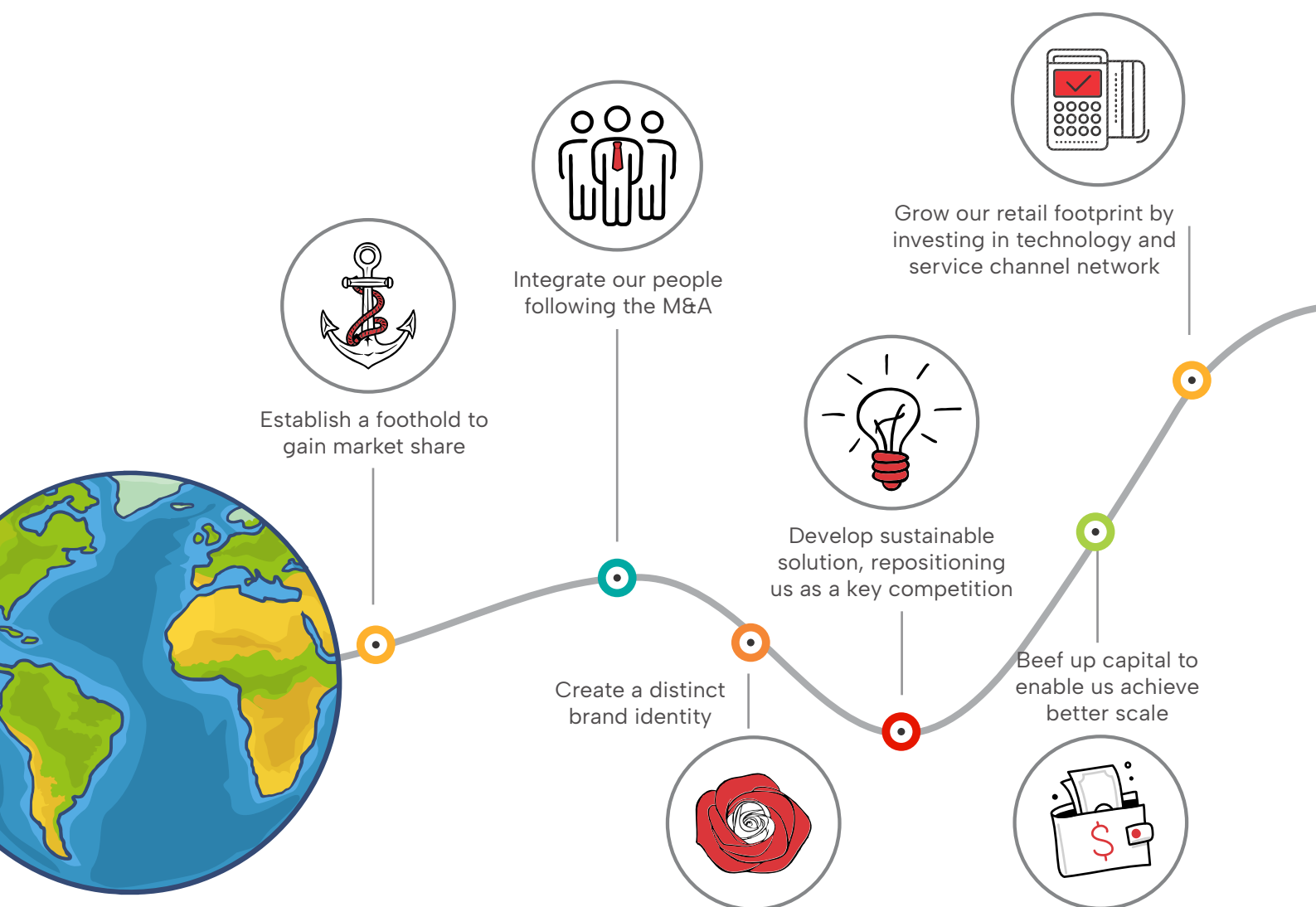
Our Business Model

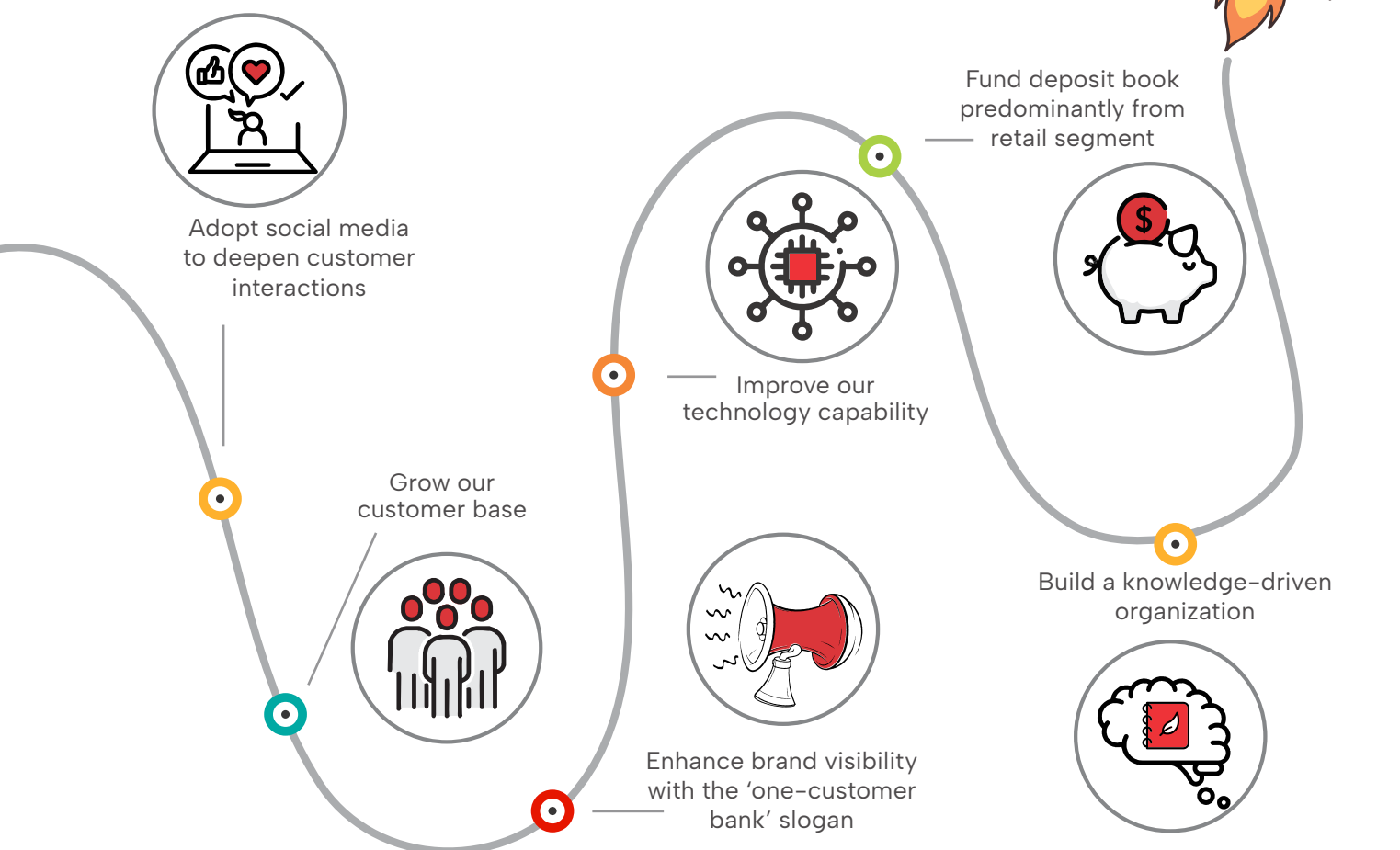
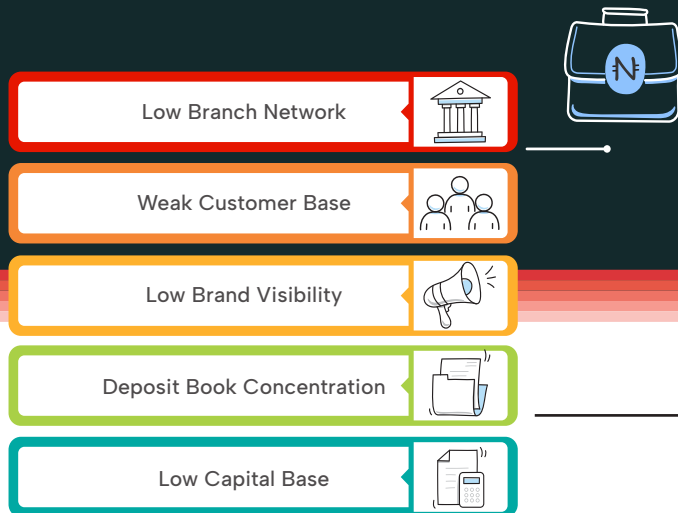
Our Heritage

2006 – 2010 | The Birthing Process



We navigated through these years to:





Our Heritage

2006 – 2010 | The Birthing Process

2011–2012

- Completed the integration of ETB and launched retail banking
- Sold non-core businesses following the repeal of universal banking by CBN
- Acquired Equitorial Trust Bank to scale our business

2016

- Deployed new Core banking application – Temenos T24
- Established Bond & Commercial Paper (CP) issuance programmes
- Launched the Sterling Environmental Makeover (STEM) campaigns

2019

- We ramped up investments across our strategic levers: Specialization, Digitization & Agility
- Ranked 3rd best Retail Bank in Nigeria
- Awarded HR Optimization Award for overall HR best practice
- Launched Go-Money, our mobile wallet solution
- Awarded 'Banking in the Community Award'

2022

- Grew our HEART sector lending portfolio to about 20% of our total risk assets
- Financed the Lagos blue rail project
- Won the 'Great Place to Work' legendary award (5 years in a row)

2013–2014

- Raised N12.1bn via rights issue
- Obtained Non-Interest Banking license
- Launched Agent Banking
- Raised US\$120m (N19.1bn) through private placement

2017

- Completed the implementation work to achieve Basel 2 compliance
- Introduced HEART initiative to further drive sustainability banking
- Launched the AGILE way of working to improve efficiency and speed to market

2020

- Launched additional variant of our digital lending platform including PayWithSpecta and Specta Prime
- Launched our new electronic banking application – Onebank.
- Awarded 'Overall Best Workplace in Nigeria'

2023

- Completed our restructuring into a financial holding company
- Launched The Alternative Bank Limited
- Awarded Most Innovative Bank by Business Day
- Awarded Company Leadership Gender Diversity Award by IFC (International Finance Corporation) & NGX (Nigerian Exchange Group)

2015

- Organisational restructuring along business lines
- Received PCIDSS certification for all our cards
- Received ISO certifications for our information assets

2018

- Launched our digital transformation journey: achieved full launch of Specta, i-invest and Onepay
- For the first time, we achieved over one million monthly NIBSS instant payment transactions
- Ranked no. 26 in top 100 corporates to work in Nigeria

2021

- Received our approval-in-principle for a digital bank to usher in the future of Alternative Finance.
- Completed 50% of our head office solarization project, aimed at introducing more sustainable ways to run our organization
- Designed and digitized the Lagos State Covid-19 testing process. This model has now been adopted at the national level and has facilitated test for over 5 million people

2023

- Attained the IFC Edge Advanced Certification, certifying Sterling Towers as a green building

2024






- Migrated to SeaBaaS, Africa's first core banking platform
- Collaborated with SMEDAN to disburse single-digit interest loans totaling N5bn to support SMEs.
- Awarded the MSME Bank of the Year award at the 2024 Finance Awards.
- Recognized as the Deposit Money Bank (DMB) with the greatest impact on Women-led MSMEs at the Development Bank of Nigeria Service Ambassadors Awards
- Launched the Edge payment collections platform to facilitate and secure payments for businesses.

We believe that the key objectives of financial Institutions in Nigeria centres on:



Our Purpose

"Enriching lives"

 <p>We support and collaborate to improve the lives of the people in communities where we do business</p>	 <p>For our employees, we strive to build an organization that motivates and inspires all to achieve their full potential</p>	 <p>To our customers, we place a premium on value enhancement in our relationships</p>	 <p>With our partners and vendors we prioritize long term relationships and offer fair terms in our dealings</p>	 <p>For our shareholders we compete to be the best without compromising the future</p>
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Our Vision


"To be the financial institution of choice"

We intend to become the financial institution of choice for key stakeholders. Our main focus will be on enhancing technological capability and entrenching a customer-centric business model.



Our Mission





"We deliver solutions that enhance stakeholders' value"

 <p>Employees</p> <p>To provide a motivating, safe work environment and career progression opportunities to our employees</p>	 <p>Customers</p> <p>To improve turnaround time for transactions, enhance the service experience, and increase retail channels to ensure our services are within reach</p>	 <p>Regulators</p> <p>Be responsive to the rules set and contribute to the achievement of a sound and stable financial services sector</p>	 <p>Shareholders</p> <p>Delivering strong ROE to investors without compromising the future</p>	 <p>Community and Vendors</p> <p>Enter responsible business partnerships that help to grow and improve the community and vendors</p>
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Our Core Values

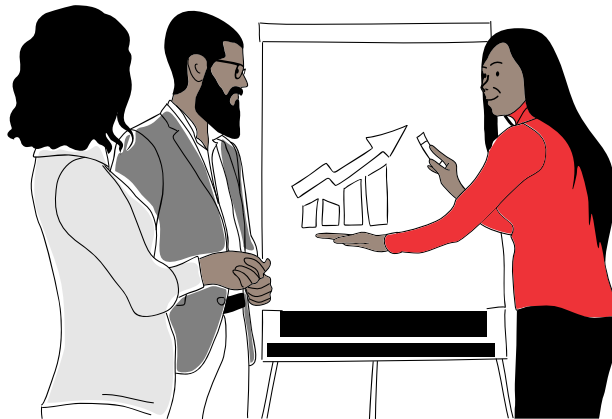
C Customer Focus 	<ul style="list-style-type: none"> • 'The customer is king' • Holistic understanding of the customers' business • Creativity in meeting the customers' needs, both internal and external
I Integrity 	<ul style="list-style-type: none"> • Commitment, dependability, reliability and confidentiality geared towards winning the customers' implicit trust
T Teamwork 	<ul style="list-style-type: none"> • 'The success of one is the success of all' • Seamless interface of all parts of the business
E Excellence 	<ul style="list-style-type: none"> • Commitment to excellence in all our engagements

Our Strategy

 <p>Manage risk, balance sheet and capital to deliver superior returns to shareholders.</p>	 <p>Create a learning organization to optimize productivity.</p>	 <p>Optimize operations and technology to better drive control, manage costs, complexity, and risk.</p>	 <p>Provide excellent customer service while driving efficiency and sales through robust digital and payments capability.</p>
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Our Operating Ethos

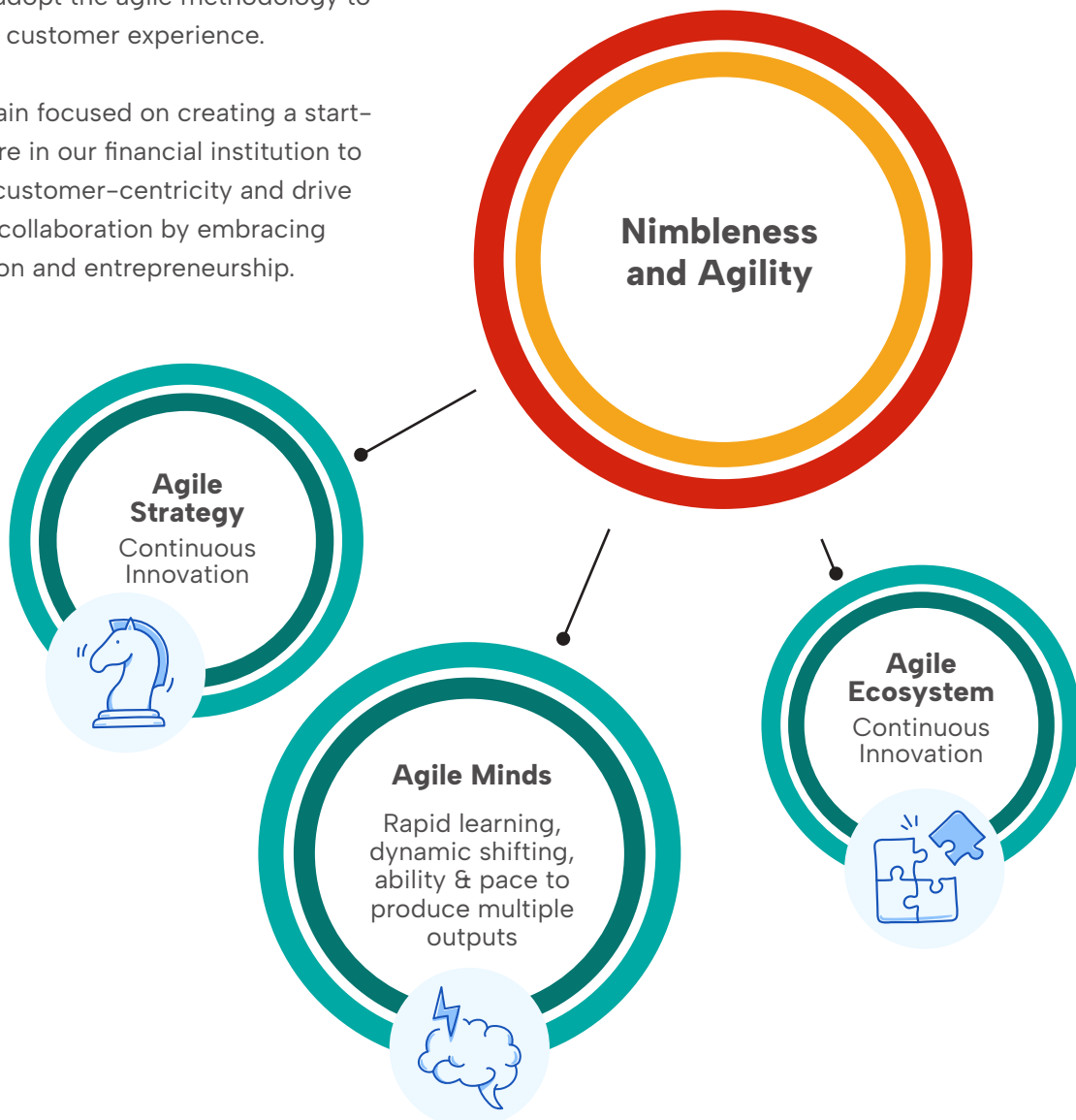
The financial institutions of the future must understand the consumer of the future and address their needs.



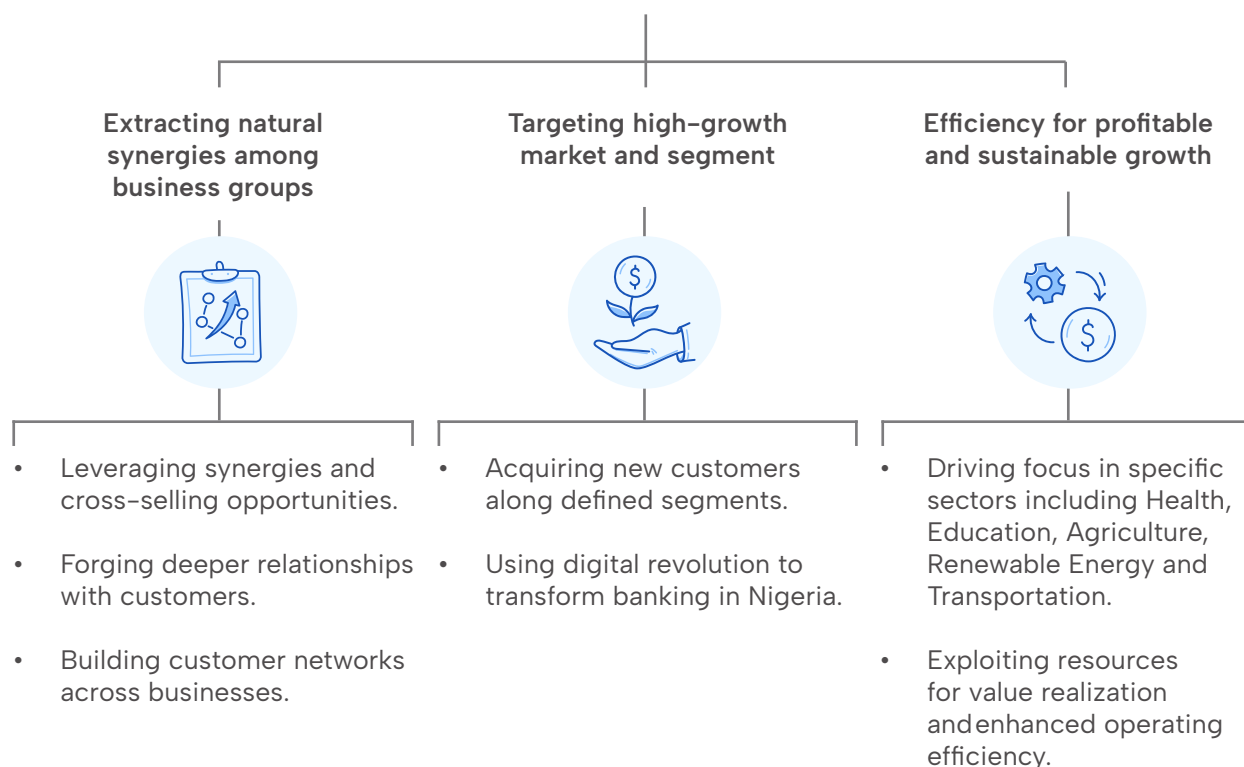
Our Operating Model

We will adopt the agile methodology to improve customer experience.

We remain focused on creating a start-up culture in our financial institution to embed customer-centricity and drive internal collaboration by embracing innovation and entrepreneurship.



How we will create and grow value



Our Roadmap

1. Focus on sustainable business lines:

Building a stable funding foundation and ensuring secure lending

“Smart banking for Nigeria’s future”

Retail Banking provides a sustainable business model for our ambitions. We are building our institution to cater intelligently to the young, growing, and dynamic Nigerian population. We are making significant investments in technological infrastructure that includes smart systems for efficient and prompt processing and marketing communications to make us “**the brand**” to associate with.



“Building for the Future”

We are strengthening our internal processes and capital to enable us to compete effectively and efficiently in this space. Through continuously educating our employees, we are building a knowledgeable institution, able to cater to the complex financial needs of the next frontier in Nigeria’s financial market development. We remain committed to partnering to build our business in different segments.



2. Community Engagement:

“Enriching Lives”

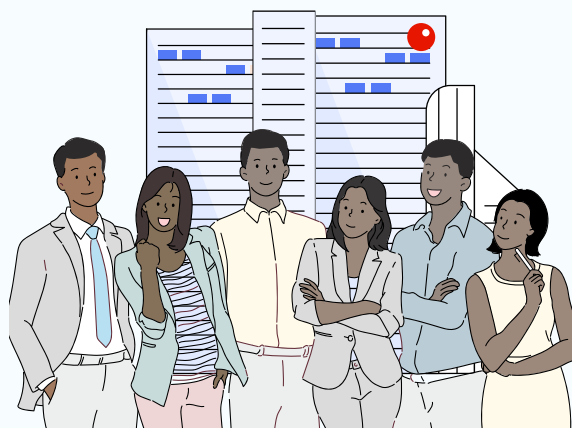
We passionately believe that a wealthy society creates a wealthy financial institution. By involving our community in our business journey, we are poised for continued growth. We will ensure that in our core operations, we improve human capital, encourage economic development and sustainability. We have positioned education and the environment as pivotal components of our corporate responsibility recognizing that the key to human development in Nigeria lies in an informed population.



3. Building Leadership From Within:

“A business that transcends its current owners”

With the goal of being the financial institution of choice, sustainability and the ability for non-owners to take on ownership are important. In view of this, we have designed an internal leadership programme that enables the best in the industry to compete for leadership roles and ownership of financial institutions. This approach ensures that our culture endures and outlives the current owners and leadership of the bank.



Strategic Goals

Drive a digital strategy



Build a trusted financial Institution.



Pursue an efficient financial institution.



Mid-Term

- 5% market share measured by deposits
- Diverse retail funding base
- Non-performing loans below peer group average
- ROAE above peer group average
- Diversified income streams with top quartile positions in all our operating areas
- Investment grade credit rating
- Double digit revenue growth YOY
- Cost of funds <5%

Long-Term

- Globally competitive financial services franchise by financial and non-financial measures
- Fully sustainable business model with institutionalized processes beyond the stewardship of current owners and managers
- Leading consumer banking franchise (financial institution of choice for customers in our target markets)
- A trusted operator materially impacting all our segments of business participation
- Great place to work

The Heart Strategy

As a financial institution, the HEART sectors are at the core of our identity, showcasing our commitment to developing Nigeria, allocating capital to sustainable business sectors. This is because these sectors face a significant capital deficit and to transform these sectors, which are crucial to the nation's development, capital injection is required. We realize that Nigeria has a tremendous opportunity to improve the lives of its citizens and propel economic growth through investment in five key sectors—Health, Education, Agriculture, Renewable Energy, and Transportation (HEART). By prioritizing these sectors, we aim to create a healthier, more skilled population, achieve food security, become more

energy independent, and build a robust and sustainable economy.

Across all five sectors we:

- Provide financing to help innovative businesses in each sector flourish and reach their full potential,
- Drive efficiency and transformation by leveraging technology to create new business models and improve efficiency for us, our partners, and businesses within the HEART sectors, and
- Foster partnerships that create a network for information sharing and business enablement.

Health

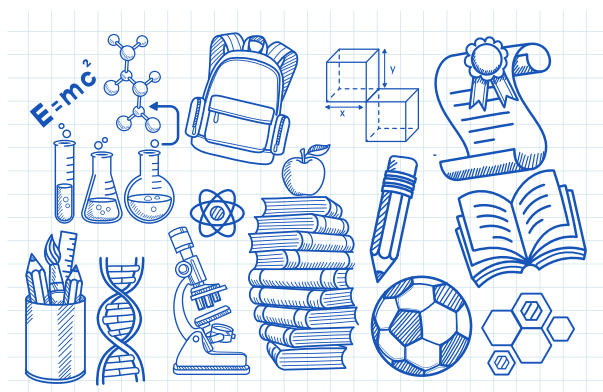


One of the most important steps in the journey of creating a wealthy society is having a healthy population. Nigeria has throughout the years faced significant challenges in healthcare, including a critical shortage of medical personnel due to emigration, inadequate infrastructure, and limited health education, leading to adverse health outcomes. Our focus is on strengthening the healthcare sector to ensure sustainable and accessible healthcare delivery for all Nigerians.

In the last year we:

- Partnered with the Lagos state government to launch the Ilera Eko healthcare booths to provide more accessible and affordable healthcare to residents. Over 300 booths are set to be commissioned across the state through this initiative.
- Provided business financing to over 600 local companies across diverse value chains, including hospitals, pharmaceutical dealers, and medical equipment suppliers, driving growth and competition in the healthcare sector.
- Disbursed over N5bn worth of loans to businesses to strengthen and revitalize the health sector.
- Hosted multiple capacity-building events, bringing together over 300 healthcare practitioners, and adding more than 1,100 new healthcare practitioners and businesses, fostering collaboration, and industry growth.

Education



There is no doubt that Education plays a fundamental role in the development and advancement of a society. In fact, we regard it as the cornerstone of any thriving society. It develops the minds of individuals, fostering skills, attitudes, and positive behaviors that contribute to a nation's well-being. However, despite its crucial role in national development, Nigeria's education system faces challenges that hinder its economic growth, political progress, and social prosperity.

In the last year we:

- Partnered with the Sustainable Development Solutions Network (SDSN) to organize an essay writing competition for secondary school students, attracting more than 1000 participants.
- Partnered to host the maiden Educational Supplies Showcase event to address the education supplies gap across the country.
- Enabled 6,000+ children to stay in school without interruptions through the Edubanc initiative.
- Launched EdPay, providing enhanced access to financial services and streamlined, secure school tuition payments.

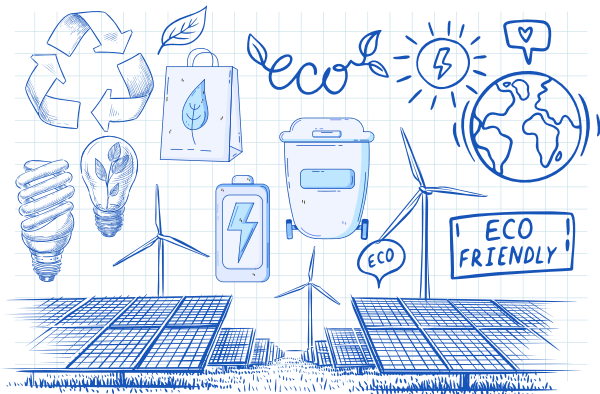
Agriculture



The potential of Nigeria's agricultural sector is undeniable, and our partnerships and investments are fueling this exciting growth. We are actively working towards food security and sustainability by providing critical resources like credit, input, and expert advice to farmers. We also recognize the need to create and promote financial solutions or products that do not just focus on crops or seeds but target the mechanization of agriculture within the country. This means more focus on loans that help purchase machinery like tractors, processing mills and other agriculture optimization technology. In the last year we:

- Increased the bank's agricultural loan portfolio by over 25%.
- Hosted the 7th Agriculture Summit Africa, an Agro-pitch edition focused on empowering agricultural innovation, entrepreneurship, and agribusiness development. This edition attracted over 6,000 registrants, with more than \$100 million sealed in the deal room.
- Provided financing to over 24,000 smallholder farmers across 25 states, totalling N19.43 billion through the SWAY-AGFIN initiative. This initiative covered diverse value chains, with a particular focus on youth and female agribusinesses.
- Collaborated with state governments on agricultural intervention programs, including partnerships with Osun, Kwara, Ondo, Ogun, and Bauchi states, among others.

Renewable Energy

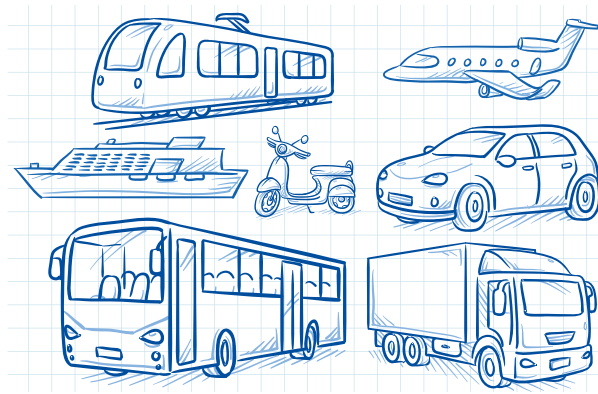


We are committed to being at the forefront in moving towards clean energy adoption in Nigeria. Providing sustainable power options by expanding access to renewable energy for the Nigerian population, we aim to help enhance economic growth.

In the last year we:

- Provided financing of up to N1.8bn to support businesses and individuals adopting renewable energy.
- Honoured with the IFC Edge Advanced plaque for Sterling Towers and Green Bay Estate.
- Expanded the market for Sterling's Renewable Energy products from 13 states to 23 states.

Transportation



Focusing on transportation as a major driver of the nation's economy, we intend to develop and build a robust and efficient system. By implementing technological solutions and financing, we will improve existing systems that connect people and opportunities across the nation.

People Reach

Investing in our People and Winning Together

What does it take to build a great organization that succeeds in a world of constant change? We found the most powerful answer to also be the simplest: People!

In 2024, we didn't just adapt to change, we led it with **PEOPLE REACH**, our impactful strategy that amplified what it means to be a people-first organization.

At the core of our business, we believe our people are our greatest asset, a belief that has shaped us into a great place to work. By always putting our people first, we have unlocked their potential to prioritize our customers and communities. This ripple effect has fueled innovation, driven excellence, and positioned us as one of the most forward-thinking brands in the country. As we reflect on 2024, we celebrate the stories of growth, innovation, resilience, and heart that our **PEOPLE REACH** made possible.

Innovation That Matters: Investing in Nigeria and the Future

For us, innovation is not just about technology, it is also about people.

A Year of Impact: Inclusion in Action

This past year, our commitment to fostering an inclusive, equitable, and dynamic workplace translated into real, meaningful change. Through initiatives like the Sterling Embrace Program and Sterling Momship Program, we did not just talk about inclusion, we lived it by creating meaningful opportunities where they matter most. Our colleagues have shared how these initiatives have impacted their journeys:

Our Diversity, Equity, Inclusion, and Belonging

(DEIB) efforts did not go unnoticed. It earned us recognition, yes, but even more importantly, it changed lives. We were honoured to receive the Award for Excellent Commitment to Disability Inclusion in Nigeria by the National Commission for Persons with Disabilities and the Excellence in HR Communication Strategy from HR Expo Africa. Additionally, we were honoured by Great Place To Work with multiple accolades, including Fun & Friendly Workplace, 2nd Overall Best Workplace in Nigeria (Large Corporates), and Organization with the Highest Trust Index Culture.

Beyond the recognition, we stood by our people. Through our Bereavement Compensation Scheme, over 50 employees felt seen and supported in their most difficult moments. Our Maternity Hub reached 160+ families, while 195 new parents received essential baby kits. We celebrated 228 teammates who reached major work anniversaries, because long service is a gift, and loyalty deserves to be honored.

Thriving Together: Wellness, Mental & Financial Health

"After taking an 18-month career break to focus on my family, I feel truly valued for the opportunity and the positive environment Sterling has created."

Kehinde Oladele

Customer Engagement Officer
(Sterling Momship Program Associate)

"Sterling didn't just accommodate my disability; they embraced it. They created an environment where I can thrive, and that's been transformative. This job is more than just work; it's a place where I truly belong."

Hilda Umeh

Communications and Culture

We know that when our people feel their best, they perform their best. That is why in 2024, we leaned in deeply to support their physical, mental, and financial wellbeing ensuring every colleague had the support they needed to thrive.

From periodic health webinars, 24/7 counseling and mental health resources, to discounted Cervical Cancer screenings and vaccinations, free Prostate Specific Antigen screenings, and vaccination, fitness programs like online and in-gym workout sessions, health walks, and No Elevator Days, we actively promoted a healthier lifestyle. Additionally, we ensured timely responses to critical disease outbreaks in 2024, keeping our people informed and protected.

Beyond physical health, we reinforced our zero-tolerance stance on bullying and harassment by driving year-long awareness programs, group-wide webinars, Bullying and Harassment Week in October 2024, continuous communication of whistleblowing channels, and knowledge-sharing sessions on our Anti-Harassment Policy and Complaint Procedure.

Recognizing the financial challenges faced by employees due to rising costs, we introduced the Cost-of-Living Allowance (COLA), a timely financial support designed to ease economic

strain and reinforce one truth: we care. This was not just about numbers, it was about preserving dignity and helping our people stay focused, safe, and secure.

Investing In Our Talent: Talent Development

Growth is not just encouraged here; it is embedded in our culture. Through Sterling Academy, the driving force behind our learning and development strategy, we provided tailored training programs that supported professional and leadership growth, equipping our people for both present and future opportunities. Building an AI-enabled workforce was equally a top priority to enable us build capabilities that would help us service our customers better.

We made career advancement more accessible with our Reimbursement Program, which provided certificate cost refunds to colleagues who pursued relevant certifications and training. Additionally, our partnerships with Nexford and MIVA University offered financial aid for MBAs and other graduate management degrees, ensuring employees have access to top-tier education. Combined with continuous on-the-job training and self-paced e-learning, these initiatives empowered our people to take ownership of their professional growth.

Through blended learning, micro-courses, mentoring, and self-paced modules, we empowered every Sterling colleague to take ownership of their growth, because when they rise, we rise together.

Looking Ahead: Building on Our Success

Our journey with PEOPLE REACH is more than a HR strategy; it is about legacy, purpose, and a shared promise to always put people first. It reflects the trust, collaboration, and innovation that define our culture. It extends to the communities we serve, leading to the launch of

Project Imagine, a partnership with Great Place to Work. An initiative aimed at helping SMEs and MSMEs across Nigeria build better workplaces. It is about creating ripples of positive change far beyond our walls. Building exceptional workplaces and fostering a more people-centered employment ecosystem.

As we advance with our Vision 2025 – Discipline, Urgency, Excellence (DUE), we remain confident in our people’s ability to deliver exceptional experiences to all stakeholders. Building on our strong foundation, we will continue to find new ways to support, empower, and inspire our employees.

A heartfelt thank you to **#SterlingHumans** for making 2024 a remarkable year, here is to reaching even greater heights in 2025 and beyond!

“Getting reimbursed for a certification I already got value from was a double delight, a real icing on the cake. The Sterling Academy went on to reimburse me more than half of what I paid for the certification.”

Emmanuella Tijani

Head, Card Propositions & Partnerships.

Introduction



Covering the period January to December 2024, this report chronicles our progress, challenges, and aspirations in aligning financial services with the urgent needs of society and the environment. Guided by global frameworks such as the United Nations Sustainable Development Goals (SDGs), Nigerian Sustainable Banking Principles (NSBP), and United Nations Global Compact (UNGC), we adhere to rigorous local and international standards. Our reporting aligns with the Global Reporting Initiative (GRI) Standards, Task Force on Climate-related Financial Disclosures (TCFD), and International Financial Reporting Standards (IFRS S1/S2), ensuring accountability and comparability in disclosing our environmental,

Building on years of progress, our strategic focus remains steadfast on the H.E.A.R.T sectors (Health, Education, Agriculture, Renewable Energy, and Transportation)—pillars that address Nigeria’s most pressing challenges while unlocking opportunities for inclusive growth. Through these sectors, we innovate financial solutions that bridge gaps in access, empower underserved communities, and foster climate resilience. Collaborations with regulators, multilateral institutions, and grassroots organizations amplify this impact, embedding sustainability into every facet of our operations—from risk assessment frameworks to customer-centric product design.

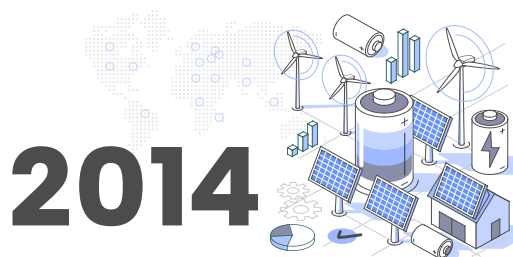
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Looking ahead, Sterling Bank will intensify efforts to harness technology as an enabler of sustainability. We aim to pioneer AI-driven platforms for real-time ESG impact tracking, accelerate the greening of our portfolio through strategic investments in renewable energy and climate-resilient projects, and launch dedicated green impact funds to catalyze scalable solutions in clean energy, sustainable agriculture, and circular economies. By expanding blended-finance models for green infrastructure and fostering partnerships that prioritize low-carbon innovation, we will deepen our role as a driver of Nigeria's transition to a net-zero future.

Concurrently, strengthened stakeholder engagement through participatory governance ensures inclusivity and accountability in decision-making. As climate risks escalate and societal expectations evolve, we remain dedicated to transparency, agility, and innovation—proactively adapting strategies to meet emerging global standards while addressing Nigeria's unique developmental priorities. This report is a testament to our belief that finance, when purposefully directed, can transform challenges into opportunities. We invite our stakeholders to join us in this journey—a shared pursuit of progress where economic vitality, environmental stewardship, and social equity converge to create lasting value for generations to come.

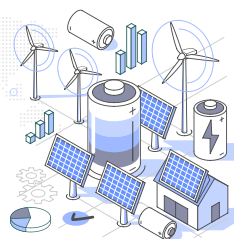
Our Sustainability Journey And Key Achievements

Key Highlights and Achievements



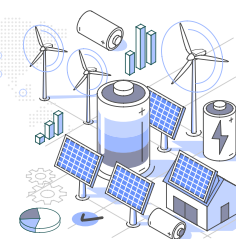
- Establishment of a Sustainable Banking Unit under the Enterprise Risk Management Group to oversee the implementation of the Nigerian Sustainable Banking Principles (NSBPs).
- Establishment of a Sustainability Working Group with representatives from all Strategic Business Units (SBUs) within the Bank.
- Development of a compendium of policies and frameworks to institutionalize the adoption of best-practice sustainability principles.
- Commencement of the Environmental and Social risk assessment of credit transactions under the Agriculture, Oil & Gas, and Power sectors.
- Launched the 1st edition of our Sustainability Stakeholders Summit.
- Established a 5-year Sustainability Implementation Plan.
- Organization of the 1st edition of the Sterling Environmental Makeover Volunteer Program.
- Extension of our Waste Management partnership to six (6) additional states.

2015



- Published our 1st standalone Sustainability Report.
- Established an internal reporting portal (Sustainability Reporting Portal) to capture and analyze sustainability metrics such as energy consumption, paper usage, water usage, waste management etc.
- Deployment of a Compressed Natural Gas Plant at our Sterling Towers location.
- Inclusion of Sustainability Capacity Building in staff recruitment training.
- Commencement of carbon footprint computations and assessments.
- Established an MSME Academy to provide training and financial services to micro, small, and medium enterprises.

2017



- a savings culture and financial literacy for children.
- Commencement of Uber for Business service which reduced the acquisition of company fleet by 27%.
- Established a "Flexi-Plan" and "Flexi-Place" initiative for staff to achieve a desirable work-life balance.
- Launched the "One Woman" proposition – an initiative focused on supporting women in business by granting them access to market and finance.
- Established a Recyclart competition to create further awareness around waste management practices such as recycling and upcycling. In the maiden edition, four (4) winners from the four (4) geo-political zones were awarded NIMn each for creating unique sculptures and artworks from recyclable materials.
- Extension of Waste Management partnership to ten (10) states, providing branded kits for over 10,000 street sweepers as part of the initiative.
- Commemorated World Environment Day by encouraging all staff to plant a tree, and the organization of an event to recognize and award several environmental champions.
- Commenced the implementation of paper consumption reduction strategies such as "Print-as-a-Service".
- Implemented a medical insurance scheme for staff with leading Health Management Organizations (HMOs) to enhance qualitative medical care.
- Awarded the Bank of the Year in Women Economic Empowerment in the 1st edition of

2016



- Commenced the onsite Environmental & Social risk assessment of credit requests.
- Successful adoption of a Waste Recycling initiative at the Head Office, Sterling Towers, in partnership with LAWMA and Wecyclers Limited.
- Launched the Market Women Quick Cash scheme at Kaduna in partnership with Afrigrants where over fifty (50) women were trained on financial literacy.
- Commencement of a Tree Planting Campaign where over 700 trees were planted to help tackle desertification in the northern region of Nigeria.
- Launched the e-Money Box to encourage

the 2017 Nigeria Sustainable Banking Awards organized by the Central Bank of Nigeria (CBN) and the 2017 Nigeria Sustainable Banking Awards for Financial Inclusion organized by SERAS-CSR Awards.



- Expansion of our Environmental and Social (E&S) risk assessment to eight additional sectors.
- Deployment of hybrid power and renewable energy to twenty-five (25) additional branches, bringing the total number of branches on hybrid power and renewable energy to 46.
- Commissioned 130 solar-powered ATMs bank-wide.
- Disbursed N89 billion worth of credit and other financial products to four (4) key sectors that directly contribute to the achievement of the United Nations Sustainable Development Goals (SDGs) – Health, Education, Agriculture, and Transportation.
- Expansion of our waste recycling initiative to our Head Office Annex location where we recorded a 20.66% increase in categorized waste recycling from 6,432kg in 2017 to 7,761kg in 2018.
- Achieved a 1.84% reduction in carbon emissions by reducing the usage of diesel, petrol, and compressed natural gas (CNG) by 8.72%, 2.48%, and 71.78% respectively.
- Provision of over N2.88 billion grants to over 650 micro, small, and medium scale (MSMEs) businesses.
- Disbursed 2,381 retail loans with a value of N2.2 billion to women (MSME, Individual, and Specta), as part of our commitment to

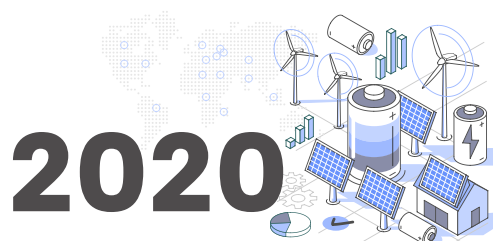
Women Economic Empowerment.

- Expended N764 million on employee capacity building.
- Invested N299.1 million in community development initiatives.
- Established a set of distinct behavioral codes for employees as part of our efforts to drive organizational change.



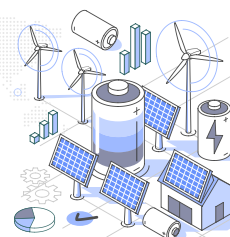
- Allocated 15% (N93 billion) of the entire loan portfolio to the HEART (Health, Education, Agriculture, Renewable Energy, and Transportation) sectors that directly contribute to the achievement of the Sustainable Development Goals.
- Provision of over 13,900 credit facilities to women with a corresponding value surpassing N10.865 billion.
- 67.14% increase in transaction count screened for Environmental and Social Risk.
- Over 7.632 billion credits were granted to over 1,200 Micro, Small, and medium scale (MSME) businesses.
- Expended N827 million on employee capacity building.
- 1480 man-hours devoted to volunteering activities.
- 10.87% increase in the number of female employees in the workforce, increasing the percentages of female employees in the workforce to 42%, with 32% and 25% representation at Senior Management and Board levels, respectively.
- N245.8 expended on community initiatives.
- Over 112% increase in categorized waste recycling from 7,761kg in 2018 to 16,489kg in 2019.

- Commemoration of the World Clean-up Day with environmental clean-up exercises in Lagos, FCT, Oyo, Kwara, Rivers, Plateau, Gombe, Kaduna, Kogi States, amongst others.
- Deployment of Integrated Waste Treatment/Biodigester Systems to additional three (3) locations.
- 17.5% increase in the number of business locations on the hybrid power model.



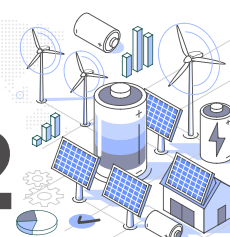
- N93.5 billion invested in the five (5) focus sectors – Health, Education, Agriculture, Renewable Energy, and Transportation (HEART) sectors.
- 6% increase in PAT from 2019.
- N250 million relief funds donation to the Federal Government to fight against COVID-19.
- 54.17% reduction in carbon footprint.
- Establishment of 'The Bloom Network' to support women's empowerment.
- 6.5% increase in customers' deposits from 2019.
- Launched a social impact crowdfunding platform "Giving.ng".
- Implemented a Human Rights Framework within the Bank's Diversity, Equality and Inclusion Policy.

2021



- Over 20% increase in investments from N93.5 billion in 2020 to N116.7 billion in 2021, in the five (5) focus sectors – Health, Education, Agriculture, Renewable Energy, and Transportation (HEART) sectors.
- Launched a Paperless Drive Campaign which has contributed to a 7.8% reduction in paper usage bank-wide.
- Increased female investments which led to our emergence as Nigeria's best company in investments in women as employees and entrepreneurs in Equileap's Gender Gap assessment of the 30 most capitalized companies listed on the Nigerian Exchange.
- Initiated a solarization project at the Sterling Towers that comprises the installation of a 955 kilowatts peak (kWp) Building Integrated Photovoltaic (BIPV) retrofit system which will source cleaner energy from the sun to power the towers.
- Increased the number of branches powered by solar energy to over 40% from 36% in 2020.

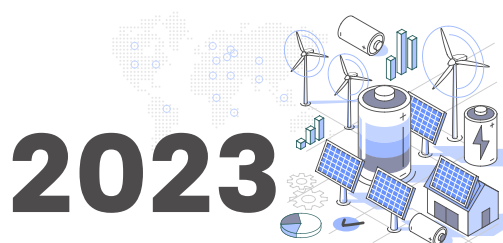
2022



- Obtained Environmental Audit Report and Environmental Management Plan certifications for all Bank locations in line with the National Environmental Standards and Regulations Enforcement Agency (NESREA) mandate.
- Completed the installation of a 955 kilowatts peak (kWp) Building Integrated Photovoltaic (BIPV) solar retrofit system on the Sterling

Towers, which will source cleaner energy from the sun to power the towers, which was billed for commissioning in Q1 2023

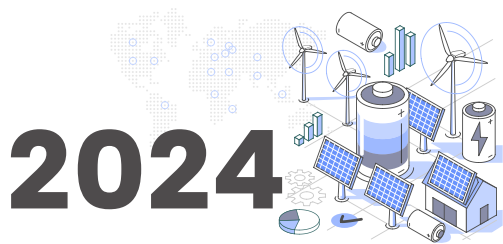
- Attained a 35.4% growth in the deployment of solar-powered ATMs at various locations nationwide.
- Obtained a Certificate of Recycling for the collection and recycling of sixty-eight (68) 12V, 200Ah used Lead Acid Batteries (ULABs) under the Extended Producer Responsibility Programme (EPR) of NESREA, in partnership with the Alliance of Responsible Battery Recycling (ARBR), an accredited Producer Responsibility Organization.
- Commenced the Climate physical and transition risk analysis of the Bank's loan book in alignment with the Task Force for Climate Financial Disclosures (TCFD) recommendations.
- Commenced the development of a robust ESG reporting & monitoring platform project for real-time ESG performance measurement, benchmarking, and reporting.
- Development of an E&S risk categorization model and ESG risk rating tool to assess and improve customer's ESG performance and reduce our loan portfolio exposure to ESG risks.
- Increase in investments by 26%, from N116.7 billion in 2021 to N158.9 billion in 2022, in the five (5) focus sectors – Health, Education, Agriculture, Renewable Energy, and Transportation (HEART) sectors.



- Obtained EDGE Advanced Certification for the Sterling Towers, issued by the IFC – WBG.
- Obtained Certificate of Recycling for the collection and recycling of thirty (30) 12V,

200Ah Used Lead Acid Batteries (ULABs) in partnership with the Alliance of Responsible Battery Recycling (ARBR) an accredited Producer Responsibility Organization, under the Extended Producer Responsibility Programme (EPR) of NESREA.

- Conducted a Climate physical and transition risk analysis of the Bank's loan book in alignment with the Task Force for Climate-related Financial Disclosures (TCFD) recommendations and Partnership for Carbon Accounting Financial (PCAF) methodology.
- Successfully hosted the Nigerian Sustainable Banking Principles (NSBP) champions monthly meeting (October 2023) at the Sterling Towers, with the participation of champions from leading commercial banks, following CBN and the Bankers' committee mandate on Sustainable banking practices.
- Attained a 35% increase in our H.E.A.R.T Sectors investments, following a record of N196.28 billion in 2023 from N145.38 billion in 2022 year-end.
- Collaboration and partnership with Sterling One Foundation and Giving.ng on the execution of Corporate Social Responsibility projects and events, such as hosting the African Social Impact Summit (ASIS) summit, 5km Race-Run for Her campaign, National clean-up day, World Environment Day commemoration and co-host of the beach clean-up activity, among others.
- Deployment of the ESG reporting & monitoring platform targeted at providing real-time data optimization, visualization, ESG performance measurement, benchmarking, and reporting.
- Improvement in the Bank's women's economic empowerment strategies resulting in increased loans to women-owned businesses, and in capacity development programmes for female employees.
- Achieved a 5% increase in the deployment of alternative energy (solar power) at various branch locations.



- Solar energy coverage now spans 68 branches, reflecting an 8% increase from the previous year.
- A total of 196 ATMs are powered by solar, representing 48.3% of our active ATMs network.
- Successfully completed a nationwide Environmental Audit across all branches in compliance with the National Environmental Standards and Regulations Enforcement Agency (NESREA).
- Reduced overall paper consumption by 14% since 2021, actively working with regulators to adopt electronic documentation.
- Launched the Indigenous Multilingual Digital Literacy & Artificial Intelligence Hub (CDIAL AI), training 174 direct beneficiaries and indirectly impacting over 20,000 individuals in digital literacy.
- Achieved 21.4% growth in sustainability-focused investments, with Agriculture and Transportation recording the highest increase (36.4% and 10.6% respectively).
- Reviewed 313 credit transactions for Environmental & Social (E&S) risks, ensuring responsible financing in high-impact sectors—a 228% increase from 2023.
- Supported STEM education and digital literacy through initiatives such as the Accelerated Senior Secondary Education Program (ASSEP), benefitting over 15,000 students across the Northeast.
- 52% female workforce representation, with a 50% increase in female promotions and 11% rise in senior female leadership.
- Collaboration and partnerships on the execution of Corporate Social Responsibility projects and events, such as hosting the African Social Impact Summit (ASIS) summit, Agric Summit Africa (ASA), National clean-up day, World Environment Day commemoration and National Sustainability Week among others.
- Co-hosted the first edition of National Sustainability Week (NSW) 2024 with The Alternative Bank and Sterling One Foundation, engaging over 1,500 participants in discussions on sustainability, innovation, and economic growth.
- NSW 2024 made a nationwide impact with 800+ GIC applications, N4 million in grants, 816 applicants engaged, and 1 million+ social media reach. It trained 189 entrepreneurs, supported 125 social enterprises, educated 1,150 students on climate action with N350,000 in prizes collected 2,600kg of waste across 18 states, and hosted 356 participants in the National Sustainability Lecture.

2024 Sterling Awards



MSME Bank of the Year

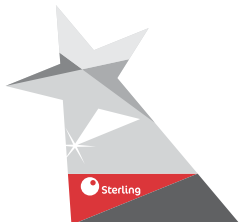
MSME Finance Awards – The Economic Forum
Series and Naira metrics



*Highest Impact on Youth, Highest Impact on
Women MSMEs, and DBN Platinum Service Award*
Development Bank of Nigeria Service Awards



Excellence in HR Communication Strategy
HR Expo Africa Work Festival 2024



*Fun & Friendly Workplace; 2nd Overall Best
Workplace in Nigeria (Large Corporates); High
Trust Culture*
Great Place To Work



*Award for Excellent Commitment to Disability
Inclusion in Nigeria*
National Commission for Persons with Disabilities

Environmental Dimension

Sterling Bank recognizes the importance of emissions reduction in its quest for operational sustainability and commitment to environmental stewardship. As part of its sustainability strategy, the Bank is actively working to reduce its carbon footprint by transitioning to renewable energy sources, optimizing energy efficiency across its branches, and promoting green financing solutions. Sterling Bank supports initiatives such as electric vehicle adoption and renewable energy projects to minimize emissions. Additionally, the Bank is working on setting science-based targets to achieve net-zero emissions. By prioritizing emissions reduction, Sterling Bank not only addresses climate risks but also strengthens its reputation, attracts eco-conscious customers, and drives long-term sustainable growth.

Reducing Overall Footprint at Sterling Bank

Operational Emissions– Scope 1, 2, 3

At COP 26, a global resolution was adopted, urging all participating nations to work toward achieving Net Zero emissions by 2050. This goal aims to limit global temperature rise to 2 degrees Celsius by 2100, with efforts to cap it at 1.5 degrees Celsius. As a responsible corporate entity, we recognize the urgency of this mission and are fully aligning our strategies with this agenda. We are acutely aware of the significant impact that greenhouse gas (GHG) emissions have on our business operations, as highlighted by our materiality assessment. This understanding drives our commitment to reducing emissions to the lowest possible levels.

To achieve this, we are implementing a range of measures across our operations and financed activities. These include:

Reducing operational emissions:

Minimizing diesel usage to address Scope 1 emissions.

Transitioning to renewable energy:

Solarizing energy-intensive branches to tackle Scope 2 emissions.

Promoting sustainable practices:

Encouraging flexible work arrangements, leveraging technology for virtual meetings, lowering business travel, and cutting down on paper consumption and waste/E-waste to address Scope 3 emissions.

Additionally, we plan to assess and manage the carbon footprint of our investment portfolio to further support emission reductions. Currently, we use the “Operational Control Approach”, as defined by the World Resources Institute’s (WRI) GHG Protocol, to establish our organizational boundary. Our operational boundary encompasses various direct and indirect emission sources, including diesel generators, grid electricity, purchased goods, company-owned vehicles, business travel, and emissions from our financed investments. To ensure transparency and accountability, we maintain a detailed inventory of our emissions, categorized under Scope 1, 2, and 3 of the GHG classification.

Our cumulative emissions and gradients broken down into different scopes are as follows.

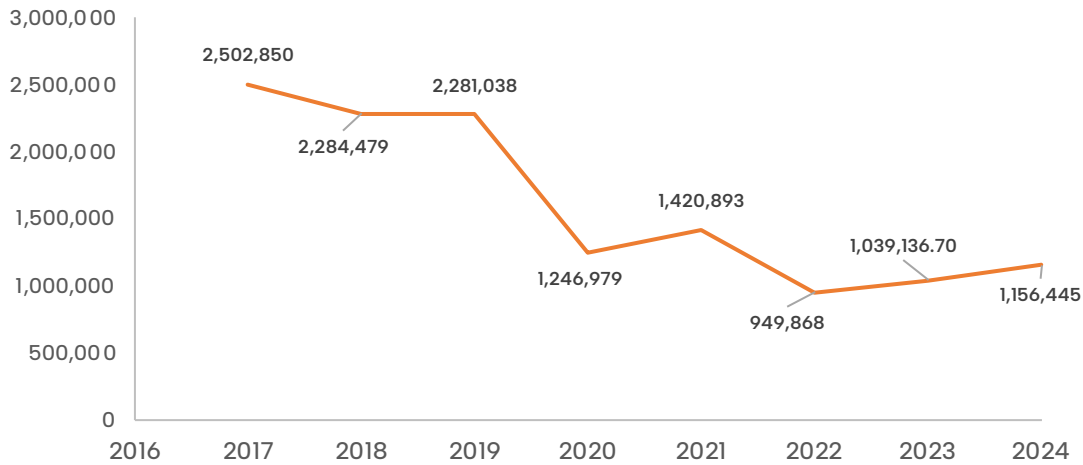
Scope 1 & 2 Emission Trend (in TCO ₂ e)		
Year	GHG Emissions (TCO ₂ e)	Δ
2017	14,607	Base year
2018	14,481	-0.90%
2019	14,854	2.60%
2020	6,788	-54.30%
2021	8,297	22.20%
2022	6,419	-22.60%
2023	6,370	-0.80%
2024	6,333	-0.58%

GHG Scope	Emission Driver	2022 Position	2023 Position	2024 Position	Δ
Scope 1 Direct GHG Emissions	Diesel	2,540,790.30	2,772,001.06	3,084,933.80	11%
Scope 2 Indirect Emissions	Electricity	3,084,392.60	3,096,333.83	2,664,420.37	-14%
Scope 3 Indirect Emissions	All other sources	794,032.56	502,122.03	584,037.31	16.31%
Total		6,419,215.46	6,370,456.92	6,333,391.49	-0.58%

Trend analysis of the Bank's resource consumption is shown in the table and graphs below.

Diesel Consumption		
Year	Diesel Consumption (Litres)	Δ
2017	2,502,850	Base year
2018	2,284,479	-8.7%
2019	2,281,038	-0.2%
2020	1,246,979	-45.3%
2021	1,420,893	13.9%
2022	949,868	-33.1%
2023	1,039,136	9.4%
2024	1,156,445	11.29%

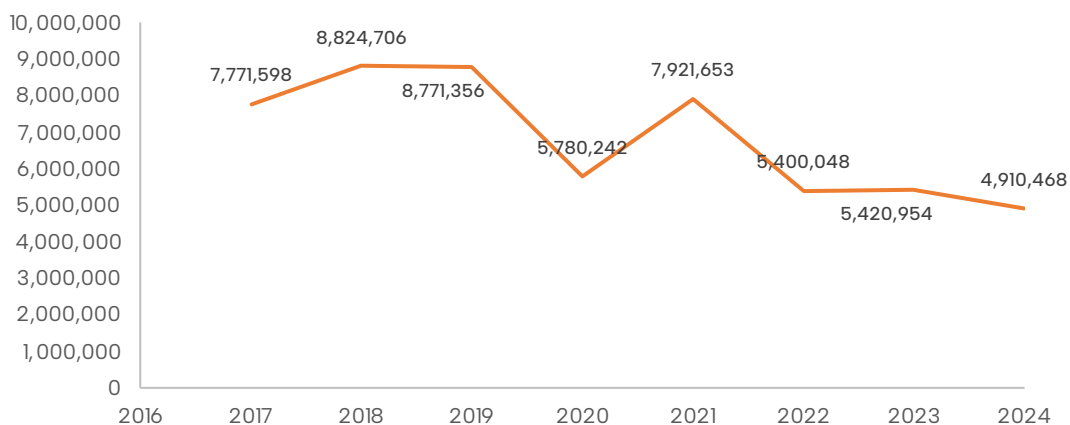
Diesel Consumption (Litres)



Electricity Use

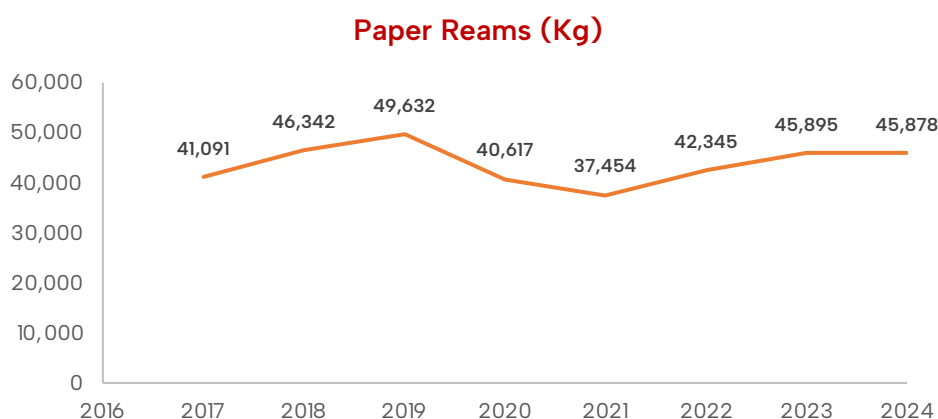
Year	Electricity Use (kWh)	Δ
2017	7,771,598	Base year
2018	8,824,706	13.6%
2019	8,771,356	-0.6%
2020	5,780,242	-34.1%
2021	7,921,653	37.0%
2022	5,400,048	-31.8%
2023	5,420,954	0.4%
2024	4,910,468	-9.42%

Electricity Use (kWh)



This observed reduction in emissions is a testament of our deliberate efforts to reduce general operational emissions. Our branches powered by solar energy, for example had an 8% boost with an increase from 63 to 68. We also boast of very extensive usage of solar energy through our ATM networks at 48.3%.

Paper Use			
Year	Number of Reams of Paper	Total weight of Paper Reams (Kg)	Δ
2017	17,121	41,091	Base year
2018	19,309	46,342	12.8%
2019	20,680	49,632	7.1%
2020	16,924	40,617	-18.2%
2021	15,606	37,454	-7.8%
2022	17,644	42,345	13.1%
2023	19,123	45,895	8.4%
2024	19,116	45,878	3.33%



Water Use		
Year	Number of dispensers consumed	Amount of water consumed (Litres)
2024	106,557	2,024,590

Alternative Energy Use

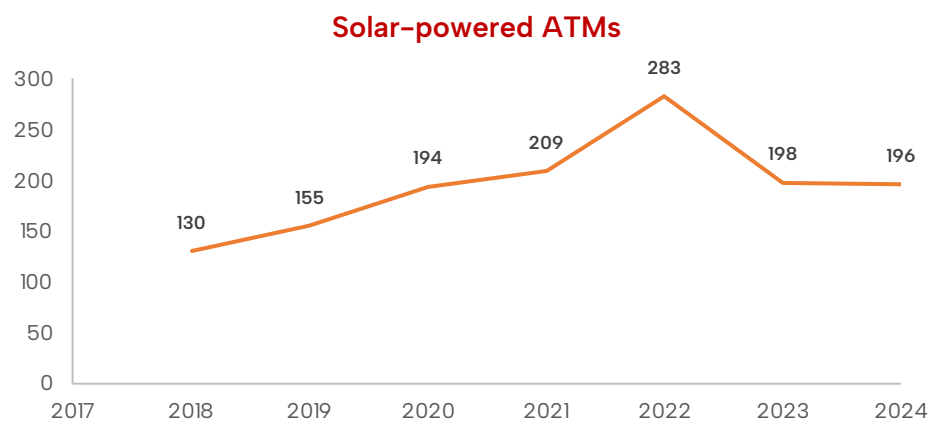
Recognizing the importance of spreading sustainability to all facets of our operations, a major part of our ongoing commitment to reducing greenhouse gas (GHG) emissions is the expansion of our use of solar energy across our network. Currently, we have 68 of our branches powered by renewable energy, reflecting an 8% increase compared to the previous year, reflected in the reduction of our operational emissions. In addition, 196 of our ATMs are now

solar-powered, this accounts for 48.3% of all active ATMs across our network.

At the same time, we have made significant strides in enhancing the energy efficiency of our head office's HVAC system, which earned us the IFC EDGE Advanced certification in 2023, implying at least a 46% reduction in on-site energy consumption. We continue to ensure that this downward trend subsists in our operational emissions, and the use of solar panels at our head office complex, our most energy intensive

building has really helped our case, yielding remarkable results through significantly lowering both overall emissions and emissions intensity.

We also employ a comprehensive monitoring system to track energy usage monthly enabling us to pinpoint locations with higher emissions intensity, thus allowing for proper intensity mapping, letting us know where to channel efforts at retrofitting to improve energy efficiency and enhancing our operational sustainability initiatives.



Solar-powered ATMs		
Year	Solar-powered ATMs	Δ
2018	130	Base Year
2019	155	19.2%
2020	194	25.2%
2021	209	7.7%
2022	283	35.4%
2023	198	30.0%
2024	196	-1.0%

Environmental Audit

The National Environmental Standards and Regulations Enforcement Agency (NESREA), the Federal Ministry of Environment's enforcement arm focused on ensuring environmental regulations, guidelines, policies, and best practice are adhered to by all sectors, including the Banking sector, required the bank to carry out an Environmental Audit for all its branches nationwide in 2024, permitting the bank assess where its operations crossed with environmental concerns and where it does, allow it correct

exceptions that could be corrected immediately while setting up action plans for corrective actions in cases of exceptions requiring longer time for correction.

Six (6) NESREA accredited consultants were hired and were able to successfully carry out this exercise across the bank's network throughout the length and breadth of the country. The exercise largely had the following items covered in its scope:

- GPS coordinates in degrees decimal and elevation in meters above sea level.
- Daytime and nighttime noise levels.

- Source of energy, daytime and nighttime (Grid, Generator, Solar).
- Air quality and vibration containment measures.
- Oil pollution mitigation measures, including bund walls.
- Waste type, volume and handling measures.
- Evidence of registration with PRO (if electrical/electronic equipment is imported).
- Evidence of release of E-waste & used batteries to EPRON & ARBR (PROs) and methods for handling E-waste, Used Batteries and Expired ATM cards.

The outlook showed that for the most part, the bank was compliant as documentations that demonstrated proper governance in environmental risks, were available at our branches, toxic gases and particulate matter were either not detected or within the permissible limits, proper waste management practices were in place and noise levels were within stated limits. We were also able to develop action plans that would see us edge closer to being in an ideal position.

Responsible Paper Use

In 2024, we progressed in our digital transformation journey, further advancing our paperless work environment initiative that began in 2021. This year marked a pivotal milestone as we made automation a core element of our processes.

We pride ourselves as an institution that not only practices innovation as a key value but rewards it. This is manifest in streamlined operations, and elimination of unnecessary bureaucratic steps that traditionally rely on paper. The paperless culture has now become deeply ingrained in our organization, with even new hires inducted early into it through the requirement to submit all pre-employment forms electronically.

To reinforce this initiative, various internal campaigns aimed at reducing paper consumption were made. Educational materials and thought-provoking content were shared via email to help employees understand the purpose of the paperless campaign and its benefits for both the environment and the business. While regulatory requirements sometimes still necessitate paper use, we are actively collaborating with regulators to advocate for the adoption of electronic documentation and reduce our reliance on paper.

This ongoing commitment to a paperless environment reflects our dedication to sustainability, efficiency, and innovation, as we continue to embed these principles into the fabric of our organizational culture.

Waste Management

At Sterling Bank, we are committed to minimizing our environmental impact through effective waste management strategies. In 2024, we reduced our overall waste production by 57%, with a clear focus on reducing, reusing, and recycling materials across all our branches and offices. This approach not only aligns with our sustainability goals but also reflects our broader commitment to corporate social responsibility. Our waste management practices include the segregation of paper, plastic, and electronic waste with properly labelled collectors. We actively encourage digital documentation and promote paperless communication, which allowed us to reduce paper consumption by 3.33% year on year. Additionally, we responsibly manage e-wastes, including permitting staff to acquire decommissioned and obsolete electronic assets for personal use. For wastes emanating from the Head Office, our vendors strip these assets and repurpose their spare parts for other use, thus preventing its disposal into landfills in its entirety. This supports a circular economy where value is gotten from waste and materials are reclaimed and reused.

As part of ongoing efforts, we continue to explore new ways to reduce waste generation, enhance recycling programs, and manage e-waste more effectively. Our goal is to demonstrate that responsible banking can be both economically and environmentally beneficial.

Water Management

We continue to take deliberate steps in minimizing water usage. We had previously obtained The EDGE Advanced Certification to showcase our efficiency with energy and material usage, exemplifying 29% water savings

at the Sterling Towers. We continue to tow this path and are steadily on the quest to reduce our water footprint.

As part of efforts to drive this trend of water conservation throughout our operations, we actively engage staff members about an efficient water management practice through various internal media such as emails, notices and signs, rewards, etc. We also maintain a module on the Bank's internal data reporting tool – Sustainability Pro, for adequate monitoring and reporting on usage of water.

Economic Sustainability

At Sterling Bank, we are committed to providing innovative financial solutions that contribute to the realization of the United Nations Sustainable Development Goals (SDG) and this is heavily reflected in our approach to economic sustainability as we leverage our position as a financial service provider to promote sustainability in the real sector.

The 'H.E.A.R.T' Strategy

Since 2017 when we launched this strategy at Sterling Bank to promote green and social investments in the **H**Health, **E**ducation, **A**griculture, **R**enewable Energy and **T**ransportation sectors with real and measurable impacts in our clime, we haven't rested on our oars in our attempt to foster this agenda through offering a broader range of financial products and services that would create significant positive economic, social, and environmental impacts in the communities we operate.

Therefore, in line with our commitment, the Bank continues to bestow special focus on investments focused on these five (5) sectors,

which coincidentally directly contribute to the achievement of the United Nation's Sustainable Development Goals (UN SDGs), and by extension, helping our clients achieve their own sustainability goals.

Our investment in these sectors directly impacts the following SDGs and indirectly impacts the entire 17 SDGs.

Health: SDG 3

Education: SDG 4

Agriculture: SDG 2

Renewable Energy: SDG 7 and SDG 13

Transportation: SDG 9 and SDG 11



Leading from this, we will continue to drive our strategy across the five HEART sectors with the following objectives:

Partnerships: Building an ecosystem that fosters collaboration which improves the flow of information and business enablement.

Financing: Helping to grow and scale innovative businesses across each sector, and

Technology: Driving efficiency and creating new business models for us, our partner organizations, and sector businesses.

We aim to consistently empower all stakeholders across these spaces, providing them with access to information, and capital to promote their businesses. Over the years, we have intensified our efforts and capability to add significant value in the various HEART sectors. As such, there has been significant growth in our

investments in these sectors with the Agriculture and Transportation sectors having the largest investment record, followed by the health sector while we continue to build our impact across the other sectors.

HEART Sector Investment Trend Analysis – Sterling Bank

Driving the Future of Green Mobility at Sterling Bank

Sterling Bank is making significant strides in promoting sustainability. By integrating environmentally friendly practices into its operations, the Bank is not only reducing its carbon footprint, but also contributing to Nigeria's transition to a low-carbon economy. Below is an overview of our sustainability efforts in the mobility sector, based on its 2024 achievements.

Sector	Value (N' millions) 2023	Value (N' millions) 2024	% Value
Health	14,590.64	13,667.44	-6.3%
Education	9,349.76	6,118.37	-34.6%
Agriculture	105,129.05	143,353.12	36.4%
Renewable Energy	7,865.25	9,462.50	20.3%
Transportation	59,344.74	65,652.59	10.6%
Total	196,279.44	238,254.01	21.4%

Environmental and Social Risk Management at Sterling Bank

During the reporting period, Sterling Bank assessed 313 credit applications for environmental, social, and climate-related risks, in line with our Environmental and Social (E&S) policy, guidelines, and industry best practices. These transactions spanned a wide array of sectors within the Bank's E&S risk

framework, including Agriculture, Education, Health, Renewable Energy, Transportation & Logistics, Manufacturing, Power, Oil & Gas, Real Estate, Mining, and Construction. By thoroughly evaluating the potential risks, we ensure that our investments and financing activities do not exacerbate environmental or social harm, while fostering sustainable growth.

Each credit application was carefully assessed to determine its risk level, ensuring that we maintained responsible lending practices aligned

with global standards. Based on the identified risks, customized action plans and mitigation measures were developed and integrated into loan agreements. These plans address the unique challenges of each sector, ensuring that borrowers implement the necessary steps to mitigate potential negative environmental, social, and climate-related impacts.

In high-risk sectors, we have placed a particular emphasis on conducting due diligence visits to customer facilities. This proactive approach helps us ensure that the Bank's exposure to E&S risks remains within acceptable limits. Additionally, we work closely with our clients to ensure compliance with our E&S guidelines, empowering them to make positive changes that align with our sustainability objectives.

Sterling Bank is deeply committed to continually improving and strengthening its Environmental and Social Management System (ESMS). In the coming years, we plan to further enhance our internal processes to assess, monitor, and manage environmental, social, and climate-related risks. Amongst other action plans for improving our approach to managing environmental and social risks include:

Ongoing Training and Capacity Building:

We will continue to invest in training our employees and building internal capacity to improve E&S risk management practices. By staying informed of the latest industry developments and evolving international standards, we aim to equip our teams with the knowledge and tools needed to effectively evaluate and manage these risks.

Integration of Emerging Risks and Opportunities:

As the landscape for environmental and social risks evolves, we will integrate emerging risks into our assessment processes. This will ensure that our investments remain resilient to future environmental challenges and contribute positively to global sustainability goals.

Enhanced Reporting and Transparency:

We are committed to maintaining transparency in all our E&S activities, providing regular updates on our performance and progress. This includes refining our reporting systems to align with leading global sustainability and climate risk disclosure guidelines, such as the International Financial Reporting Standards (IFRS) S1 and S2 Standards and other emerging regulatory frameworks. This commitment to transparency reinforces our accountability to stakeholders and enhances trust in our sustainable banking practices.

Expanding Sustainable Financing Initiatives:

We aim to increase our focus on financing projects that have a direct positive impact on the environment, such as renewable energy, sustainable agriculture, and climate adaptation. We also plan to explore new avenues for financing green technologies and circular economy solutions.

Incorporating Advanced Risk Management Tools:

Leveraging the latest technology and data analytics, we will continue to refine our risk management processes, ensuring that we are ahead of emerging environmental and social risks. This includes investing in innovative risk-assessment models that incorporate climate change scenarios and the environmental performance of borrowers.

Strengthening Partnerships and Collaborations:

Sterling Bank will continue to collaborate with international organizations, regulators, and industry leaders to foster shared knowledge and practices that advance sustainability. We will enhance our partnerships with organizations like the International Finance Corporation (IFC), the Nigerian Sustainable Banking Principles (NSBPs), and the UN Environment Programme Finance Initiative (UNEP FI) to deepen our collective impact on sustainable development.

Sterling Bank will continue to prioritize the development of economically viable, socially inclusive, and environmentally sustainable practices and we will work to align our operations with the United Nations Sustainable Development Goals (SDGs) and strive to integrate circular economy principles, climate resilience, and sustainable practices across all sectors we serve.

Social Dimension

At Sterling Bank, our vision is to become the financial partner of choice, celebrated for delivering a personalized customer experience. This vision is firmly rooted in our commitment to social sustainability, a core value that shapes our relationships with all stakeholders—customers, employees, and communities.

We believe true success lies in driving positive social change and valuing our people as our most important resource. Our inclusive and collaborative approach to social sustainability ensures benefits for all. We place a strong emphasis on employee well-being and growth, cultivating a supportive workplace that nurtures both personal and professional development. This includes initiatives such as mental wellness programs like our Employee Assistance Program (EAP) and flexible work arrangements. We also harness digital tools like Sterling Virtual monthly check-ins, OneAccess, Bring Your Own Device (BYOD), and other Future Work initiatives to boost efficiency, service quality, and flexibility.

Platforms such as Flex and our Learning Management System (LMS) further support our “Sterling Human” development goals.

Beyond our workforce, we are deeply committed to making a difference in our communities. We actively participate in initiatives that address pressing needs in areas such as education, healthcare, and environmental conservation. We regularly assess the impact of our social sustainability efforts, gathering feedback to continuously refine and improve our strategies. Our dedication to social responsibility, a people-first mindset, inclusive practices, digital innovation, work-life balance, community involvement, and a culture of continuous improvement underscores our commitment to building a brighter future for everyone.

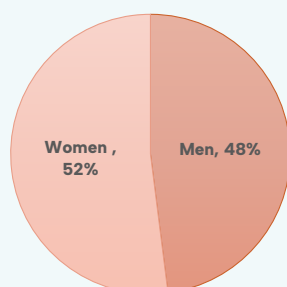
Diversity, Equity, And Inclusion

As part of our unwavering commitment to sustainability, we continuously refine our business operations to promote equality and embrace workplace flexibility. By fostering an inclusive culture, we create an environment where diverse talents thrive, ensuring a gender-balanced workforce that supports holistic work-life integration.

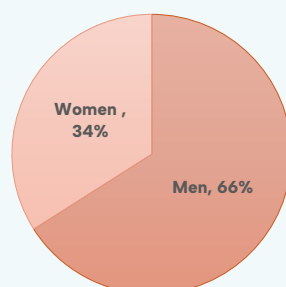
We uphold the principles of equal opportunity in all employment practices, with hiring decisions based strictly on merit, competencies, and alignment with our organizational values.

The female representation of the Bank as of year-end 2024 is shown below.

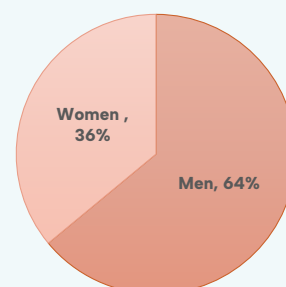
Employee Composition



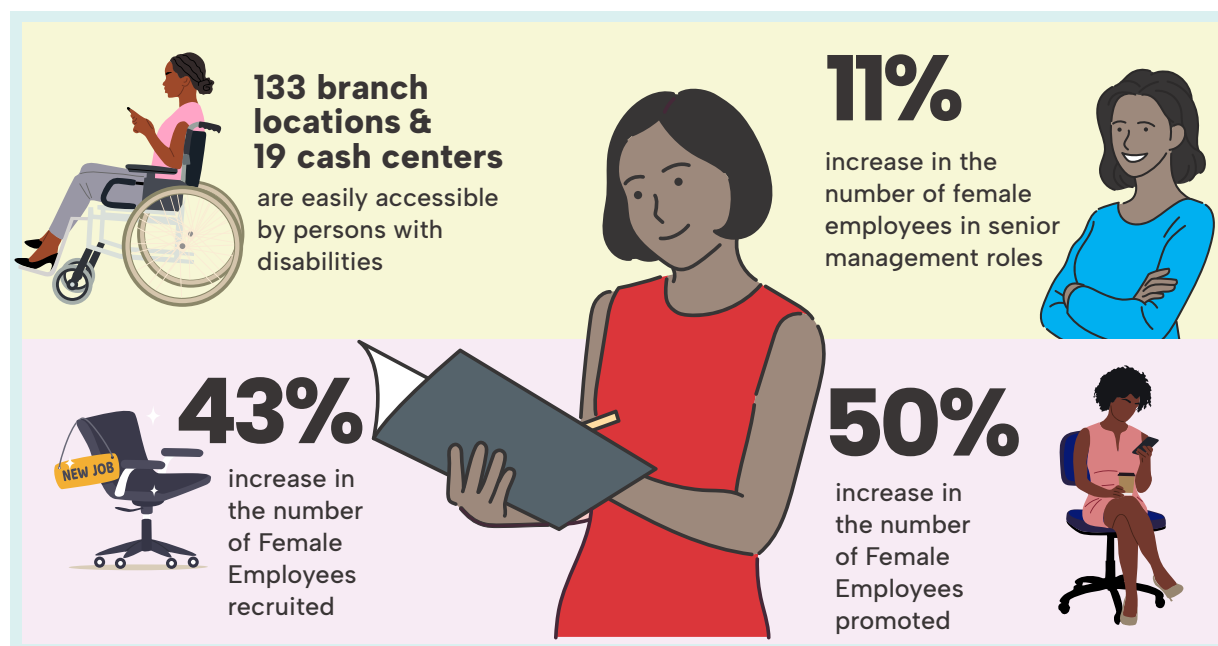
Management Composition



Board of Directors



Key Diversity Highlights



Our recruitment processes remain free from biases related to gender, ethnicity, religion, political affiliations, or physical attributes, reinforcing our dedication to fairness and inclusivity.

The Bloom Network

Since its inception in 2019 as a female-focused Employee Resource Group, The Bloom Network has been instrumental in promoting balanced gender representation across all levels at Sterling Bank, particularly in elevating women to decision-making roles. It has also established a robust support system to help female employees achieve career advancement, maintain work-life balance, and enhance their emotional well-being. Guided by a vision to empower women to excel in both their personal and professional lives, the network is committed to increasing female representation at all decision-making levels within Sterling Bank. The Bloom Network remains dedicated to fostering diversity, equity, and inclusion while ensuring a psychologically safe workplace for all. Additionally, the network actively engages in and supports philanthropic initiatives, contributing to meaningful charitable causes in the society.

National Sustainability Week 2024

Sterling Bank successfully hosted in collaboration with the Alternative Bank and Sterling One Foundation, the first edition of the National Sustainability Week 2024 from October 21 to 26, 2024, under the theme *"Promoting Innovative and Digital Solutions for a Greener Future."* The event brought together over 1,500 participants to drive sustainable development through innovation, education, and collaboration.

Highlights:

Day 1: The virtual lecture "Future Forward Financing" engaged 272 stakeholders in discussions on SDG financing strategies.

Day 2: The Green Innovation Challenge supported 429 participants, including 240 female-led businesses, with insights on business structuring and funding.

Day 3: Over 1,000 students participated in the National Secondary School climate education programs, while a nationwide essay contest engaged 40 schools.

Day 4: The grand finale featured high-level discussions, GIC finalist pitches, and grants of up to N1,000,000 for green projects.

Cleanup Initiative: Volunteers in 18 states collected 2,600 kg of recyclable waste, showcasing community-driven environmental action.

The first edition of National Sustainability Week 2024 marked a significant milestone in Nigeria's sustainability journey. Sterling Bank remains committed to fostering innovation, inclusivity, and environmental stewardship. Together, we can build a greener, more sustainable future.



Corporate Social Responsibility

As a socially responsible organization, we recognize the link between our business and the communities in which we operate, and we have made considerable progress in terms of investing in local communities. During the fiscal year under review, we worked and partnered with a variety of organizations to increase our impact and completed initiatives in sectors such as Education, Agriculture, Sports, Empowerment, Health, Environment and Security.



Environmental Sustainability

The Bank remains committed to minimizing our ecological footprint and subscribe to climate change actions that reduce greenhouse gas emissions. We understand the significance of waste recycling and the reduction of waste we generate. We consistently adopt the "Reduce, Reuse, and Recycle" approach to lessen the quantity of waste deposited in landfills. Below are some of the Environmental initiatives carried out by the Bank in 2024:

1. National Sustainability Week 2024

Sterling Bank, in collaboration with Sterling One Foundation and The Alternative Bank, successfully hosted National Sustainability Week (NSW) 2024, reaffirming its commitment to environmental sustainability, community resilience, and climate action. This initiative engaged key stakeholders, including the United Nations Sustainable Development Solutions Network Nigeria (UN SDSN-Nigeria), government

agencies, private sector partners, and academia, to promote sustainable practices across multiple states.

The objectives of NSW 2024 were designed to drive community action, raise public awareness on sustainability, integrate climate education into schools, engage businesses in sustainability solutions, and promote green financing.

A major highlight was the Annual Beach and Street Cleanup, which was carried out concurrently across 18 states, engaging thousands of volunteers in removing waste and restoring public spaces. In Lagos, Alpha Beach was adopted, and over 2,600kg of solid and recyclable waste was collected, reinforcing Sterling Bank's role in environmental stewardship and sustainable waste management. The participation of the Lagos State Ministry of Environment and Water Resources, Lagos State Waste Management Authority (LAWMA), local community leaders, and private sector partners underscored the significance of public-private partnerships in sustainability efforts.

The School Environmental Sustainability Outreach further strengthened NSW 2024's impact, engaging over 1,000 students in activities designed to enhance their understanding of climate action, waste management, and the interconnections between the Sustainable Development Goals (SDGs). Through drama performances, poetry recitals, and practical waste-sorting exercises, students developed the skills and awareness needed to become advocates for environmental responsibility and sustainability leadership.

The National Secondary School Green Essay Competition, organized in partnership with UN SDSN-Nigeria, encouraged students from 40 schools nationwide to present innovative ideas on balancing economic growth with environmental conservation. The competition encouraged creative thinking and provided a platform for students to contribute solutions to Nigeria's sustainability challenges.

Each initiative within NSW 2024 was structured to complement the others, creating a holistic approach to sustainability engagement. While the cleanup activities showcased practical waste reduction efforts, the school outreach provided students with knowledge and tools to sustain long-term climate advocacy. The essay competition extended the conversation to a broader audience, ensuring that the principles of sustainability were not just practiced but also internalized by future leaders and change-makers.

NSW 2024 also strengthened green financing initiatives, with the Green Innovation Challenge (GIC) highlighting youth and women-led sustainability projects. By providing a platform for innovative ideas to gain visibility, the event created opportunities for increased investments in green technologies and sustainable enterprises.

Sterling Bank remains committed to expanding the reach and impact of National Sustainability Week by ensuring that future editions integrate more stakeholders, innovative climate solutions, and long-term sustainability frameworks to drive environmental action across Nigeria.



1st Prizewinner of the National Secondary School Green Essay Competition, Chukwuma-Okoh Naomi, Queens College, Lagos.



2nd Prizewinner, Adeniyi-Yisa Wariz, Onigbongbo Community Junior Secondary School, Lagos



3rd Prize: Odugbesan Esther, Our Lady of Apostles Secondary School, Ijebu-Ode, Ogun State



A cross section of volunteers, partners, and traditional leaders at the Alpha Beach clean up exercise in Lagos.



Students performing a drama on climate action and responsibility



Cross Section of Participants at the Kaduna Street clean up Exercise



Cross Section of Participants at the Asaba Street clean up Exercise



Cross Section of Participants at the Oyo Street clean up Exercise



Cross Section of Participants at the Enugu Street clean up Exercise

The Beach Adoption Programme

The Beach Adoption Program is an environmental initiative designed to combat plastic pollution, protect marine ecosystems, and promote sustainable waste management along Nigeria's coastline. Through regular cleanup exercises, recycling efforts, and community engagement, the program encourages environmental responsibility while working to restore coastal areas. It brings together volunteers, corporate organizations, and local communities to remove waste, creating cleaner and safer beach environments.

Since its launch in 2021, the initiative has driven impactful cleanup efforts across several beaches, including Alpha Beach, Eleko Beach, Lafaji Beach, Iwerekun Beach, and Okun-Ajah Beach. Over the years, it has successfully removed thousands of kilograms of waste, preventing plastic pollution and protecting marine biodiversity.

In 2024, the Beach Adoption Program expanded to include three additional beaches—Debojo Beach, Eleko; Badore Beach, Ajah; and Okun Mopo Beach, Ajah. This expansion demonstrates a continued commitment to coastal preservation and sustainable environmental practices. While cleanup efforts are yet to commence on these newly adopted beaches, the initiative has already removed over 9,100 kg of waste, including 5,021 kg of recyclable materials, from previously adopted locations.

The continued growth of the program demonstrates the Bank's commitment to long-term environmental preservation. By integrating structured recycling systems and engaging local communities, the initiative is actively contributing to a cleaner coastline, supporting marine life, and promoting sustainable environmental practices for future generations.



A cross-section of volunteers and participants at the Elegushi Beach cleanup exercise.



Education

As part of our commitment to education, we have actively implemented initiatives aimed at improving literacy, numeracy, and overall learning outcomes across Nigeria. Education is a powerful catalyst for personal advancement, social progress, and national development. It provides individuals with the skills, knowledge, and confidence needed to navigate an evolving world, fostering innovation, critical thinking, and informed decision-making. Beyond individual growth, education plays a critical role in reducing poverty, bridging social inequalities, and strengthening community resilience. By equipping learners with essential competencies, it creates opportunities for employment, entrepreneurship, and economic mobility, ensuring a more inclusive and prosperous society.

We recognize education as more than a tool for learning—it is a driver of sustainable development and a fundamental right that empowers individuals to contribute meaningfully to their communities. The Bank has long prioritized education as a cornerstone of its social investment programs, reflecting its long-term commitment to improving access to quality learning. Our initiatives are designed to support students, educators, and policymakers in building a robust and adaptive education system that meets the needs of today while preparing for the challenges of the future.

In 2024, we expanded our efforts by introducing targeted interventions that strengthen foundational learning, enhance teacher capacity, and promote inclusive education. Recognizing the evolving landscape of education, we have integrated AI-driven learning tools and Science, Technology, Engineering, and Mathematics (STEM)-focused programs to equip students with the skills needed for a rapidly advancing world. Below are some of the Educational interventions carried out by the Bank in 2024:

1. Early Child Learning Advancement Project (E-CLAP)

In line with the Bank's strategic focus on education, the Early Child Learning Advancement Project (E-CLAP) has been launched to drive meaningful progress and expand access to quality learning for children in underserved communities. By strengthening foundational literacy and numeracy skills, the project has impacted over 2,000 students across Oyo, Borno, Abia, and Kano states, ensuring that more children receive the education necessary for lifelong success. Through targeted advocacy, policy engagement, and teacher capacity-building initiatives, E-CLAP has contributed to a more structured and inclusive learning environment that addresses key educational challenges.

Advocacy efforts have played a pivotal role in securing institutional support for the project,

leading to strengthened collaboration with education policymakers, School-Based Management Committees (SBMCs), and local government authorities. In Oyo State, engagements with the House Committee on Education have reinforced the importance of integrating mother tongue-based education into early-grade learning, a move that has demonstrated measurable improvements in literacy and numeracy comprehension. Public sensitization campaigns have further deepened awareness among parents, educators, and local stakeholders, ensuring that the value of early-grade learning is recognized and actively supported at the community level.

Through structured teacher training programs, E-CLAP has enhanced the instructional capabilities of over 1000 educators and administrators, equipping them with modern teaching methodologies designed to improve student engagement. In Abia State, 61 teachers and administrators received specialized training on integrating non-formal education approaches into structured literacy and numeracy instruction. These interventions have resulted in more dynamic and effective classroom teaching, enabling students to develop stronger reading, comprehension, and problem-solving skills.

The introduction of safe spaces within schools has provided early-grade pupils with an enriched learning environment, fostering creativity and cognitive development. Over 97 students have participated in structured activities such as storytelling, poetry recitations, and interactive

literacy exercises, all designed to make education more engaging and participatory. These initiatives have contributed to a more stimulating classroom culture, where students feel encouraged to explore learning in innovative and enjoyable ways.

Community engagement remains a key pillar of E-CLAP, with more than 262 parents actively participating in discussions on the role of families in supporting education. In Kano State, advocacy visits to SUBEB officials and the State House Committee on Education have resulted in increased government backing for early-grade learning programs, ensuring continued policy support for structured literacy and numeracy interventions. Similarly, in Borno State, the training of Education Community Volunteers (ECVs) has strengthened school re-enrollment efforts, helping children transition back into formal education and improving access to learning opportunities in conflict-affected areas. Sterling Bank remains committed to ensuring that early-grade children, particularly those in underserved communities, receive the support they need to thrive. Through continued investment in policy advocacy, teacher training, and community engagement, the Bank aims to create a sustainable framework that strengthens early childhood education nationwide. By reinforcing partnerships with education stakeholders and expanding the reach of foundational learning programs, Sterling Bank is helping to shape a future where every child, regardless of background, has the opportunity to build a strong educational foundation.



A cross-section of students, teachers, parents, and community leaders participating in the Early Child Learning Advancement Project (E-CLAP) in Borno State.



Interactive learning session and educational material distribution for early-grade pupils in Oyo State.

2. Accelerated Senior Secondary Education Program (ASSEP)

In line with the Bank's commitment to advancing learning opportunities, the Accelerated Senior Secondary Education Program (ASSEP) is being implemented in partnership with the Office of the Vice President and the Northeast Development Commission (NEDC) to drive rapid improvements in education across the Northeast. Designed as a transformative intervention, ASSEP is equipping students with strong academic foundations, technical competencies, and practical skills that prepare them for both higher education and workforce integration. Through structured academic support, teacher training, and vocational skill development, the program is helping students bridge learning gaps, improve exam preparedness, and gain exposure to career pathways that extend beyond the classroom.

ASSEP has reached over 15,101 students across the six states of the Northeast, providing them with essential learning resources and STEM-focused content that enhance their academic performance. The program's approach includes the provision of past question banks, targeted revision materials, and immersive digital learning experiences using virtual reality (VR) laboratories, allowing students to engage with complex scientific concepts in an interactive and practical manner. By making subjects like Physics, Chemistry, Biology, and Mathematics



E-CLAP sensitization and teacher engagement session in Kano State.

more accessible, ASSEP is strengthening proficiency in STEM disciplines and encouraging a deeper interest in science and technology among secondary school students.

Beyond academic support, ASSEP has prioritized teacher training and development, recognizing the vital role educators play in shaping student success. Over 590 teachers have been trained in modern teaching methodologies, digital classroom integration, and STEM subject mastery. These comprehensive training sessions have provided educators with innovative instructional techniques, including the use of VR systems, online learning platforms, and peer-to-peer mentoring networks that encourage knowledge-sharing among teachers. This investment in professional development is improving the overall quality of education and ensuring that students receive engaging and effective instruction in critical subject areas.

ASSEP also places strong emphasis on student engagement and exam readiness, ensuring that participants are well-prepared for WAEC, NECO, and JAMB examinations. Intensive coaching sessions, quiz competitions, and targeted learning workshops have been integrated into the program, giving students access to structured revision resources and interactive learning opportunities that reinforce classroom instruction. Over 11,581 students have benefitted from intensive coaching sessions, while quiz

competitions have encouraged academic excellence and peer learning in STEM-focused subjects.

In addition to academic preparation, ASSEP is bridging the gap between education and employability by equipping students with technical and vocational skills that provide career opportunities beyond formal education. Through hydroponic farming projects, technical training in robotics and coding, and vocational workshops in carpentry, welding, and tailoring, students are gaining hands-on experience in sustainable agriculture, engineering, and entrepreneurship. The program's introduction of financial literacy and business management modules is further enabling students to explore entrepreneurial pathways, ensuring they have the skills needed for economic self-reliance.

Community engagement has been integral to ASSEP's success, with strong collaborations



Students in Yobe State taking the ASSEP standardized mock assessment for WAEC, NECO, and JAMB preparation.



Teachers receiving certificates at the ASSEP STEMA training for Senior Secondary School educators in Taraba State.

established between schools, policymakers, and industry stakeholders to create an educational ecosystem that extends beyond the classroom. The program's future expansion aims to strengthen academic support, broaden skill development initiatives, and increase student readiness for higher education and workforce integration. By aligning with national education priorities, ASSEP is not only transforming learning experiences but also contributing to the long-term economic and social empowerment of students across the Northeast.

As the program continues to evolve, its commitment to enhancing learning access, improving educational quality, and providing career-oriented skill development remains a driving force in shaping a brighter future for students in Nigeria.

3. The Centre for the Digitization of Indigenous African Languages (CDIAL)

In furtherance of our efforts to improve digital literacy and promote inclusive education, the Indigenous Multilingual Digital Literacy & Artificial Intelligence Hub was launched through a partnership with CDIAL AI. The initiative was designed to equip individuals with essential digital and mathematical literacy skills, ensuring they have the tools to navigate an increasingly technology-driven world.

The project was implemented in Ajegunle, Lagos, a community facing high dropout rates, teenage pregnancy, and limited access to digital education. Over the course of three months (May – July 2024), the initiative provided structured training, engaging 174 direct beneficiaries, surpassing the initial target of 150 individuals by 16%. The program leveraged AI-backed multilingual learning tools, enabling participants to engage with digital content in native African languages, ensuring inclusivity for learners not proficient in English.

A key component of the project was the train-the-trainer approach, which ensured that beyond direct beneficiaries, over 100 individuals gained access to digital literacy education through self-paced learning and peer-to-peer knowledge sharing. Indirectly, the initiative has extended its impact to over 20,000 people, fostering a ripple effect in digital literacy awareness.

The integration of Indigenous AI software, which supports keyboard input and contextual translation in 180 languages, significantly motivated learners. The program's voice-first AI, proficient in 13 languages, played a critical role in bridging the digital divide for non-English speakers, making learning more accessible.

To support implementation, the initiative provided essential digital learning resources, including desktops, headsets, AI-enabled keyboards, and training modules. The program also created 10 new jobs, enabling individuals to work in digital literacy teaching, data annotation, transcription, and quality assurance roles, contributing to local economic empowerment. Throughout the project, a structured evaluation framework was implemented to monitor progress and assess impact. By the final assessment, all participants had advanced from beginner to advanced levels, representing a 100% increase in digital literacy proficiency. Despite challenges such as inconsistent power supply, participants expressed a strong desire for extended learning hours, highlighting the program's effectiveness and the growing demand for AI-driven educational tools.



Yinka Iyinolakan, Co-founder, Centre for the Digitization of Indigenous African Languages (CDIAL) and Olapeju Ibekwe, CEO, Sterling One Foundation, at the launch of the Indigenous facility.

Looking ahead, Indigenous is set to scale its impact through key initiatives, including the launch of an AI-powered multilingual hotline for offline accessibility, expansion of language learning models to 30 additional global and African languages, and replication of the project in other communities. Plans are underway to train over 15 educators and onboard 500 new learners in a second digital literacy hub in Abeokuta, ensuring continued progress in bridging the digital divide.

By integrating artificial intelligence, multilingual education, and digital literacy, the Indigenous project is transforming how underserved communities access knowledge. Through strategic partnerships and sustained investment, the initiative is paving the way for a more inclusive, tech-driven educational landscape in Nigeria.

4. Learning for Lasting Peace Webinar

In alignment with the African Union's 2024 Year of Education agenda, we partnered with the Association for the Development of Education in Africa (ADEA), the British Council, and the Global Partnership for Education (GPE) to host the "Learning for Lasting Peace" thought leadership series. This virtual event, held in commemoration of the International Day of Education, convened policymakers, private sector leaders, education stakeholders, and development experts to address the urgent need for transformative education systems in Africa.



Staff of Giving.Ng at the launch of the Indigenous facility.

The session explored strategies for reforming educational curricula, advancing active citizenship, and promoting peacebuilding among the youth. Discussions emphasized the critical role of investments in education to drive equitable, sustainable development and enhance societal resilience across Africa. This collaboration underscores our unwavering commitment to ensuring inclusive, functional, and secure learning environments for Africa's future leaders.

5. Ake Arts and Book Festival

At Sterling Bank, we are committed to supporting education and cultural enrichment in Nigeria. Our ongoing partnership with the Ake Arts and Book Festival reflects this dedication, as we continue to invest in platforms that encourage learning, creativity, and intellectual exchange.

The 2024 edition of the Ake Festival, themed "Finding Freedom," brought together an incredible lineup of 10 distinguished speakers, 300 attendees, and global thought leaders for three days of insightful discussions. The festival explored how education, literature, and the arts serve as powerful tools for personal and societal transformation, providing a space for meaningful dialogue on the role of knowledge in shaping perspectives, challenging limitations, and creating opportunities for growth.



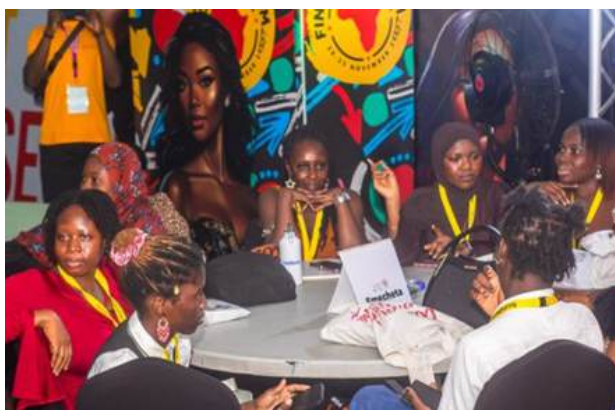
By supporting this platform, we help create an environment where learning extends beyond traditional classrooms, giving individuals access to diverse ideas, cultural narratives, and intellectual discourse. The festival serves as a bridge between education and creative expression, allowing participants to engage with literature, storytelling, and critical thinking in ways that inspire innovation and broaden worldviews.

6. Going Global Conference

In line with our commitment to integrating sustainability into education, we participated in the British Council's "Going Global Conference", held in Abuja, Nigeria. This annual conference brings together leaders in international education to discuss the future of tertiary education and explore collaborative solutions to global challenges.

The 2024 conference, themed "Building Sustainable and Relevant Tertiary Education Institutions and Systems in Africa," focused on establishing sustainable, scalable, and equitable partnerships in tertiary education.

Discussions centered on climate-responsive higher education and its potential to transform Africa's labor market. We shared insights from our Climate Education Initiative, which aims to integrate sustainability principles into curricula



A cross-section of participants, authors, and literary enthusiasts engaging in discussions and activities at the 2024 Ake Arts and Book Festival.



L-R: Wale Samuel, CEO, QNL Consulting; Olapeju Ibekwe, CEO, Sterling One Foundation; Professor Kirk Semple, Lancaster University, UK; Maryam Mohammed Ali, Head, Business Banking, The Alternative Bank; and Nurudeen Lawal, Team Lead and Founder, Quality Education Development Associates (QEDA), at the Going Global Conference.

across Nigerian institutions. To date, this initiative has reached over 1,000 students, equipping them with the knowledge and skills necessary for the emerging green and blue economies.

By advocating for curricula that align with Sustainable Development Goal 13 (Climate Action), we emphasize the importance of preparing youth for roles that contribute to environmental stewardship and sustainable development. Our participation in the Going Global Conference underscores our dedication to empowering communities through education and highlights the critical role of climate-responsive education in building a resilient and sustainable future for Africa.

Health

A strong healthcare system is vital for economic growth, workforce productivity, and social well-being. Access to quality healthcare reduces financial strain on individuals and businesses, supports economic stability, and ensures a more resilient society. As a financial institution, we understand the connection between health and economic prosperity, that healthy individuals contribute to a stronger workforce, reduced medical expenses, and overall economic progress.

Through strategic partnerships and targeted interventions, we continue to strengthen healthcare systems and contribute to the long-term economic stability of the communities we serve. Below are some of the health interventions carried out by the Bank in 2024:

1. MamaBase

In partnership with the Maternal & Reproductive Health Research Collective (MRHRC), we have continued to improve maternal and child health outcomes across 20 Local Government Areas (LGAs) in Lagos State through the MamaBase initiative. In 2024, the program registered 7,883 pregnant women, ensuring they had access to quality antenatal, delivery, and postnatal care. Among these, 2,926 women who previously lacked access to antenatal care (ANC) were successfully enrolled in health facilities, ensuring they received essential medical attention throughout their pregnancies.

The initiative documented 7,367 live births, contributing to a maternal mortality ratio of 122 per 100,000 live births, a marked improvement compared to the Lagos State average of 555 per 100,000. By prioritizing facility-based deliveries and skilled birth attendance, MamaBase has played a crucial role in reducing maternal and neonatal risks.



Beneficiaries of the MamaBase program and staff of One Foundation at a community health outreach in Lagos State.

Beyond clinical support, community outreach programs have extended healthcare access to women in underserved areas, providing medical consultations and linking expectant mothers to primary healthcare facilities for continued care. These outreach efforts have also strengthened awareness of maternal health, encouraged antenatal attendance, and increased trust in healthcare systems.

The initiative continues to build strong partnerships with health agencies, medical professionals, and community leaders to enhance maternal care services and improve access to quality healthcare. Through collaboration with local stakeholders, MamaBase is driving long-term improvements in maternal and neonatal health, ensuring more women receive the care they need for safe pregnancies and childbirth.

Moving forward, the program aims to expand outreach initiatives, strengthen referral linkages, and increase awareness on the importance of antenatal care and facility-based deliveries. With continued investment and strategic partnerships, MamaBase remains a vital force in ensuring safer pregnancies, healthier mothers, and improved birth outcomes for women across Lagos State.

2. Japan International Cooperation Agency (JICA) Health Workers Training

In partnership with the Japan International Cooperation Agency (JICA), specialized training programs were conducted for healthcare providers across Ogun State to strengthen service delivery and improve patient outcomes. These sessions trained over 90 health workers, equipping them with the knowledge and skills needed to provide youth-friendly services that address the unique healthcare needs of adolescents. Additional training efforts focused on neonatal nutrition and postnatal care, ensuring that healthcare workers are prepared to deliver comprehensive, high-quality care to mothers and newborns.

By enhancing the capacity of healthcare providers, this initiative has significantly improved the quality of health services available to underserved populations. The focus on empowering health workers ensures long-term sustainability in healthcare delivery, particularly for vulnerable groups such as adolescents, mothers, and newborns.



A cross section of health workers in Ogun State trained by Sterling One Foundation and JICA to improve youth-friendly services and maternal care.

3. WASH Innovation Challenge

In 2024, the Bank partnered with Self Help Africa, Federal Ministry of Water Resources and Sanitation and the Federal Ministry of Youth Development, to launch the WASH Innovation Challenge, an initiative aimed at addressing Nigeria's critical sanitation and hygiene challenges. The program, held at a National Youth Service Corps (NYSC) orientation camp, engaged over 5,000 Corps members, equipping them with the skills and knowledge to drive community-led sanitation solutions.

Designed to promote innovation and grassroots advocacy, the challenge provided a platform for Corps members to develop and implement scalable hygiene interventions tailored to the needs of their respective communities. Participants collaborated to design affordable, sustainable, and locally adaptable WASH solutions, with top-performing teams receiving support to further expand their initiatives.

Beyond the competition, the initiative focused on capacity building, ensuring Corps members were equipped with practical knowledge on hygiene education, sanitation project design, and water conservation strategies. By integrating behavioral change models and implementation frameworks, the challenge empowered young

leaders to spearhead long-term sanitation improvements at the grassroots level.

This initiative aligns with Sustainable Development Goal 6 (Clean Water and Sanitation), reinforcing efforts to enhance hygiene awareness, improve sanitation access, and prevent waterborne diseases. By leveraging the energy and innovation of young leaders, the challenge creates a lasting impact, ensuring healthier environments and stronger community resilience in Nigeria.

4. Bold Actions Session on Health at ASIS

The Africa Social Impact Summit (ASIS) 2024, themed "Reimagining Progress: A New Blueprint for Sustainable Growth in Africa", convened key stakeholders to address healthcare challenges and explore innovative solutions. As a strategic partner of ASIS for three consecutive editions, the Bank has remained committed to driving impactful discussions that drive meaningful progress in healthcare and other key development sectors.

A key highlight of the summit was the Bold Action on Health Roundtable, which convened over 20 Health Commissioners from across Nigeria, alongside key critical stakeholders in the private sector, public sector, and third sector. The session focused on healthcare



Influencers, Corps members, and key stakeholders at the 2024 WASH Innovation Challenge held at the NYSC camp in Lagos.

financing, digital health expansion, policy-driven interventions, and workforce development as essential components for improving healthcare access and quality.

A significant outcome of the discussions was the commitment of over \$1 billion toward strengthening local pharmaceutical manufacturing, expanding digital health infrastructure, and implementing financing models that improve healthcare access. This investment aims to reduce Nigeria's reliance on imported medicines, enhance the production of essential medical supplies, and drive cost efficiency in healthcare delivery.

Participants examined successful models from countries such as Rwanda, Kenya, and South Africa, where strategic investments in technology, universal health coverage, and regulatory frameworks have yielded measurable improvements in healthcare access and quality. Drawing from these case studies, stakeholders agreed on the need for structured resource allocation and policy reforms that would encourage private sector participation and long-term investment in healthcare infrastructure.

Discussions also underscored the role of telemedicine and AI-driven diagnostics in expanding healthcare access. With digital health solutions proving to be cost-effective and

scalable, the roundtable explored investment opportunities in telehealth platforms, AI-driven patient monitoring, and mobile health applications. These technologies are expected to streamline patient care, reduce healthcare costs, and improve early disease detection in underserved communities.

Beyond technology, the conversation on healthcare financing emphasized impact investing, blended finance models, and public-private partnerships as critical tools for expanding access to affordable healthcare. Stakeholders examined new insurance-based solutions aimed at reducing out-of-pocket expenses for low-income populations, ensuring that healthcare remains accessible to all.

Workforce development and capacity-building initiatives were also prioritized, with discussions on expanding medical training programs, upskilling healthcare professionals, and strengthening retention strategies to build a resilient healthcare workforce. With Africa's healthcare sector facing a shortage of skilled workers, investment in training, recruitment, and continuous learning was identified as a key driver of long-term healthcare improvements.

The Bank's engagement in these discussions aligns with its broader strategy of leveraging financial expertise, strategic investments, and multi-sector partnerships to improve healthcare

systems and strengthen economic resilience. The Bold Action on Health at ASIS 2024 set a strong foundation for policy reforms, technological advancements, and investment commitments that will drive sustainable healthcare transformation across Africa.



A cross section of Nigerian health commissioners, global health leaders, and private and public sector stakeholders at the Bold Actions Session on Health during Africa Social Impact Summit (ASIS) 2024.

5. White Cane Day Partnership

In line with our commitment to inclusivity and supporting persons with disabilities, we partnered with the Nigeria Association of the Blind and SKYDD (formerly HealthInsured) to commemorate International White Cane Day 2024. This initiative, held at Buba Marwa Auditorium, Lagos State University, provided critical support to individuals with visual impairments while promoting awareness of the importance of white canes as mobility aids.

Through this engagement, over 300 visually impaired individuals benefited from various interventions, including health screenings and insurance awareness sessions facilitated in collaboration with SKYDD. Additionally, we

advanced financial inclusion efforts by providing tailored banking solutions, leading to the opening of over 100 individual accounts and 15 business accounts for persons with visual impairments. Recognizing the importance of sustained institutional support, the Nigeria Association of the Blind also initiated discussions on establishing a formal banking relationship with us, a partnership that will be finalized following their leadership transition in December 2024.

Our participation in White Cane Day reflects our broader commitment to social equity and financial accessibility, ensuring that marginalized communities have the tools and resources they need to thrive.



Sterling team and Sterling One team in a group photograph with members of the Nigeria Association of the Blind

Agriculture

Food security remains a major challenge across Africa, where millions continue to face hunger and malnutrition despite the continent's vast agricultural potential. As a financial institution, we recognize that a resilient agricultural sector is essential for economic stability, job creation, and sustainable development. Investing in agriculture goes beyond food production; it is a key driver of financial inclusion, wealth creation, and economic diversification, contributing to broader economic stability and sustainable development.

Our commitment to strengthening agricultural value chains, improving access to finance for smallholder farmers, and supporting agribusiness innovation is central to building sustainable food systems. By providing tailored financial products, funding for climate-smart agriculture, and strategic partnerships, we enable farmers and agribusinesses to scale their operations, increase productivity, and enhance food supply resilience.

Our approach aligns with the broader goals of the United Nations Sustainable Development Goals (SDGs), particularly SDG 2 (Zero Hunger), which aims to end hunger, achieve food security, and improve nutrition. Through structured financing solutions, investment in agri-tech, and capacity-building initiatives, we continue to support Africa's agricultural transformation, ensuring that farming communities and agribusinesses have the financial resources needed to thrive in an evolving economic landscape.

In 2024, we deepened our commitment to agricultural transformation by facilitating significant investments to strengthen food security, enhance agricultural productivity, and expand access to financing for farmers and agribusinesses.

Agriculture Summit Africa (ASA)

The 2024 edition of the Agriculture Summit Africa (ASA) platform, hosted by Sterling Bank in partnership with the Benue State Government, the African Union, the International Finance Corporation (IFC), Leadway Assurance, among other partners, convened key stakeholders across critical sectors to drive impactful conversations and investments aimed at strengthening agricultural systems across Africa.

This year's summit, themed "Transitioning from Scarcity to Security," focused on accelerating sustainable food production, enhancing value chain efficiency, and unlocking financial opportunities for agribusinesses. The discussions emphasized the importance of strategic investments, climate-smart agriculture, and policy-driven solutions to improve food security and economic resilience.

A major highlight of the summit was the Nigeria Feed, Fodder, and Livestock Investment Deal Room, where over \$100 million in investment commitments were secured to expand agricultural production and strengthen supply chains. The deal room provided a structured platform for agribusinesses, financial institutions, and development partners to engage in high-value investment discussions, finalize strategic partnerships, and unlock financing for projects that support sustainable agricultural growth. The commitments made will drive livestock productivity, increase access to quality feed, and enhance Nigeria's ability to meet the growing demand for protein-rich food sources.

Benue State stood out as a key beneficiary of these investment opportunities, leveraging its agricultural capacity and strategic positioning to attract partnerships that will scale up feed production and livestock systems. One of the significant agreements reached was a partnership with South African investors to

support sustainable livestock farming and the development of Nigeria's domestic feed industry. These investments align with broader national objectives to reduce import dependence, improve local production, and create more resilient food systems.

Beyond investment facilitation, ASA 2024 provided a platform for expert-led discussions on innovative financing models, agritech solutions, and market access strategies. Stakeholders examined how digital tools, precision farming technologies, and structured finance mechanisms can improve efficiency in the agricultural value

chain. The role of impact-driven policies and regulatory frameworks was also highlighted, reinforcing the need for collaborative efforts between government and private sector actors to create a more enabling environment for agricultural investments.

With the over \$100 million in investment commitments secured, ASA 2024 has laid a strong foundation for scaling agribusiness opportunities, expanding financial inclusion for farmers, and ensuring the long-term resilience of Africa's food systems.



L-R: Olapeju Ibekwe, CEO, Sterling One Foundation; Abubakar Suleiman, MD/CEO, Sterling Bank; Keynote Speaker and Senior Special Adviser on Industrialisation to the President of the African Development Bank (AFDB), Professor Oyebanji Oyelaran - Oyeyinka; President, Nigerian Women in Agricultural Business Cooperative Society Limited (NIWAB), Lady Gracetiti Fredson; and Representative of Governor of Benue State, Deputy Governor of Benue State, Samuel Ode, during The Agriculture Summit Africa held in Abuja.



Dr. Olushola Obikanye, Group Head, Agric and Solid Mineral Finance Group, Sterling Bank Ltd.

Social Empowerment

Sterling Bank remains committed to social impact and community development, focusing on initiatives that empower vulnerable groups, enhance financial inclusion, and drive sustainable economic growth. Through strategic partnerships and targeted interventions, we continue to create opportunities for women, youth, and displaced populations, ensuring access to resources that promote long-term resilience.

Our efforts extend beyond financial support to include capacity-building, entrepreneurship

development, and advocacy, ensuring that communities are equipped with the tools to thrive. By leveraging cross-sector collaborations, we contribute to building inclusive ecosystems that support innovation, economic stability, and improved livelihoods.

As an active partner in global and regional development conversations, we engage in platforms that advance sustainable growth, economic resilience, and social inclusion. Through these engagements, we continue to play a role in influencing policies, driving strategic investments, and building collaborative

frameworks that address key socio-economic challenges. Our commitment extends beyond participation, as we actively contribute to mobilizing capital, strengthening impact-driven partnerships, and driving long-term solutions that create meaningful change. Our engagement in high-impact platforms reflects our dedication to driving strategic partnerships that unlock opportunities and accelerate progress.

1. Africa Social Impact Summit (ASIS)

The Africa Social Impact Summit (ASIS) is a unique platform that brings together leaders from the private sector, public sector, and the third sector to accelerate efforts toward achieving the Sustainable Development Goals (SDGs) in Africa through collaborative initiatives and impact investments in critical economic sectors. Launched in 2022, the platform has continuously convened key players from government, civil society, international donor organizations, and the private sector to foster regional cooperation and drive meaningful progress toward the SDGs and the African Union's Agenda 2063. Over the past three editions, ASIS has significantly expanded its scope and influence, catalyzing partnerships that address Africa's most pressing social, economic, and environmental challenges.

The 2024 edition of the Africa Social Impact Summit (ASIS), themed "Reimagining Progress: A New Blueprint for Sustainable Growth in Africa," brought together over 2,000 leaders and stakeholders to explore opportunities for accelerating development through strategic investments, policy interventions, and market-led innovations. As a strategic partner since the summit's inception, Sterling Bank has remained actively involved in advancing discussions that

mobilize capital for high-impact projects, scale sustainable solutions, and create collaborative frameworks addressing healthcare, agriculture, education, climate action, and financial inclusion.

The Pre-ASIS Investor Roundtable opened the summit, bringing together over 200 investors in Lagos—one of Africa's fastest-growing economic hubs—to explore opportunities in infrastructure, renewable energy, healthcare, agriculture, and technology innovation. Hosted in partnership with ETK Group and Alitheia Capital, the roundtable reinforced Lagos State's position as a strategic destination for investment, with Governor Babajide Sanwo-Olu highlighting the state's 50% GDP growth over five years, from N27 trillion to N41 trillion.

One of the most significant outcomes of ASIS 2024 was the unlocking of millions of dollars for job creation and livelihood support, directly benefiting African youth, including displaced persons. This funding, secured through ASIS engagement, aligns with SDG 8 (Decent Work and Economic Growth) and SDG 10 (Reduced Inequalities), supporting employment opportunities and economic empowerment across the continent.

The summit also drove key commitments in technology and innovation, with Microsoft Tech for Social Impact awarding a 10-year technology grant to local NGOs. This initiative, facilitated through the NGO Impact Workshop at ASIS, is set to enhance the digital capacity of non-profits, enabling them to scale their impact and leverage technology for sustainable development. This aligns with SDG 9 (Industry, Innovation, and Infrastructure), supporting Africa's transition toward a technology-driven economy.



L-R: Olapeju Ibekwe, CEO, Sterling One Foundation; Jumoke Oduwole, Minister of Industry, Trade, and Investment, Federal Republic of Nigeria; Dr. Kadri Obafemi Hamzat, Deputy Governor, Lagos State, Federal Republic of Nigeria; and Abubakar Suleiman, MD/CEO, Sterling Bank and member of the Board of Trustees, Sterling One Foundation, at the 2024 edition of the Africa Social Impact Summit.



Amina J. Mohammed, Deputy Secretary-General, United Nations, giving a keynote address at the Africa Social Impact Summit.



Kenise Hill, Deputy Political and Economic Chief, US Consulate General Lagos, delivering a goodwill message at the summit.



A cross section of Global leaders, members of the diplomatic community, C-level executives, and other stakeholders at ASIS 2024.



Further reinforcing the summit's impact, over 40% of delegates secured funding, technical assistance, or strategic partnerships as a result of their participation. This demonstrates ASIS' effectiveness in bridging financing gaps, enabling cross-sector collaboration, and driving actionable commitments that address Africa's long-term development needs.

2. United Nations General Assembly (UNGA) 2024

The 79th session of the United Nations General Assembly (UNGA) 2024, held at the UN Headquarters in New York, convened global leaders, policymakers, and private sector actors under the theme: "Leaving no one behind: acting together for the advancement of peace, sustainable development, and human dignity for present and future generations."

As part of our engagement at UNGA 79, we participated in key discussions and high-level forums, reinforcing our commitment to leveraging finance, investment, and partnerships to drive sustainable development across Africa. One such engagement was the CEO Roundtable, convened by the UN Global Compact Network Nigeria in collaboration with the Milken Institute. Focusing on climate action, gender equality, SDG finance, and investment, the roundtable provided a strategic opportunity to deepen cross-sector partnerships, explore scalable investment solutions, and accelerate transformative action. The discussions highlighted the role of all critical stakeholders in driving climate resilience, unlocking capital for impact-driven projects, and ensuring inclusive economic growth.

3. Africa Roundtable on Private Sector Solutions to Internal Displacement

At the 2024 Africa Roundtable on Private Sector Solutions to Internal Displacement, convened by the United Nations High Commissioner for

Refugees (UNHCR) in Lagos, we collaborated with stakeholders from the public sector, humanitarian organizations, and private sector leaders to address the challenges faced by internally displaced persons (IDPs). The event underscored the critical role of private sector investments in transforming displacement-affected communities into resilient, thriving ecosystems.

Discussions centered on creating market-responsive skills, driving entrepreneurship, and enabling access to financing for displaced populations. This collaborative approach aligns with our focus on leveraging innovative partnerships to unlock sustainable economic opportunities for marginalized communities.

Women Empowerment

Sterling Bank strongly believes in empowering women, as this is essential to the health and social development of families, communities, and our country. The Bank believes that when women are living safe, fulfilled, and productive lives, they can reach their full potential, contribute their skills to the workforce and raise happier and healthier children. Below are some of the Empowerment initiatives carried out by the Bank in 2024:

1. Ring the Bell for Gender Equality and Women Empowerment

In commemoration of International Women's Day, we partnered with the Nigerian Exchange Group (NGX), the International Finance Corporation (IFC), UN Women, and the United Nations Global Compact Network Nigeria (UNGCCN) to mark the 10th annual Ring the Bell for Gender Equality ceremony. The event, held under the theme "Invest in Women: Accelerate Progress", emphasized the importance of increasing investment in women to drive economic growth and sustainable development.



L-R: Rev. Fr. Hyacinth Alia, Executive Governor, Benue State; Chioma Afe, Director, External Affairs and Sustainability, Seplat Energy; Olapeju Ibekwe, CEO, Sterling One Foundation; Engr. Abdullahi A. Sule, Executive Governor, Nasarawa State; Naomi Nwokolo, Executive Director, United Nations Global Compact Network Nigeria; H. E Mohammed Umaru Bago, Executive Governor, Niger State; and H. E Dauda Lawal, at the CEO Roundtable, held on the sidelines of UNGA 79, New York.



Global leaders deliberating on collaborative solutions for climate action, gender equality, and SDG financing at the CEO Roundtable, held on the sidelines of UNGA 79.

The ceremony reinforced the role of financial markets in mobilizing capital for gender-focused initiatives, including innovative financial instruments such as gender bonds. Discussions underscored the importance of integrating women into all sectors of the economy, ensuring they have access to leadership opportunities, financial resources, and entrepreneurial support.

Through strategic partnerships and collective action, we continue to champion gender equality as a catalyst for inclusive economic development. By accelerating progress through investments in women, we contribute to a more equitable society where opportunities for growth and success are accessible to all.

2. UNIDO Investment Readiness for Women Entrepreneurs

In line with our commitment to economic empowerment, we partnered with the United Nations Industrial Development Organization (UNIDO) Investment Technology Promotion Office to implement the Investment Readiness Program, equipping women-owned businesses in Nigeria with the knowledge and tools needed to enhance their access to finance and scale their enterprises. Recognizing the structural barriers that limit women entrepreneurs from securing investment and expanding their businesses, the program provided targeted training, mentorship, and practical insights into financial management, business development, and investment negotiation.



Beyond strengthening business capabilities, the initiative focused on building long-term sustainability and resilience. Participants refined their business models, optimized operational efficiency, and gained critical insights into navigating regulatory landscapes that impact growth. By creating a more inclusive entrepreneurial ecosystem, this program contributed to accelerating economic participation for women-led enterprises, driving financial inclusion, and supporting broader sustainable development efforts across Nigeria.



3. Commemorating International Women's Day with NASME

In commemoration of International Women's Day 2024, we joined other stakeholders at the Nigerian Association of Small and Medium Enterprises (NASME) event in Abuja to advocate for increased support and opportunities that promote inclusion and women's empowerment for sustainable growth and development in Nigeria. The event, themed "Empowering Women for Sustainable Success," highlighted the pivotal role women play in contributing to the Nation's



L-R: Hafsat Rufai, Director, Lagos Zone, Securities and Exchange Commission; Irene Robinson-Iyanwale, Divisional Head, Business Support Services and General Counsel, NGX; Olapeju Ibekwe, CEO, Sterling One Foundation; Oluwasoromidayo George, Chair of the UN Global Compact Network Nigeria Board; and Tumi Onamade, Chief Operating Officer, UN Global Compact Network Nigeria, at the Ring the Bell for International Women's Day commemoration at the NGX.

Gross Domestic Product (GDP) and managing resources at both family and national levels.

Discussions underscored the resilience, creativity, and determination demonstrated by women entrepreneurs in establishing and growing their businesses, despite facing barriers such as limited access to finance, markets, and support services. There was a collective call for creating an enabling environment that facilitates the growth and success of women-owned SMEs, recognizing the importance of affordable financing, business development services, and market opportunities to unlock their full potential.

The event also emphasized the strategic importance of empowering women as a means of advancing economic development, social progress, and inclusive prosperity. Stakeholders stressed the need to address challenges such as access to finance, mentorship, and market opportunities to ensure that women can achieve long-term success. Additionally, the role of media in shaping narratives, driving inclusion, and inspiring economic growth and innovation was highlighted as a key factor in creating lasting change.

4. The Bloom Network

The Bloom Network is an initiative committed to advancing gender inclusion by creating opportunities for women to thrive in professional

and personal spaces. It provides access to mentorship, leadership development, and capacity-building programs that equip women with the skills needed to excel across various sectors. Through strategic collaborations, the network extends its impact beyond the workplace, supporting initiatives that empower young girls and women in underserved communities.

In 2024, The Bloom Network led a multi-stakeholder initiative to support over 300 female students at Aje Comprehensive High School in Lagos. Held in commemoration of the International Day of the Girl Child, this engagement focused on providing young girls with essential tools for personal and professional development. The event featured workshops and discussions on goal setting, mental development, financial literacy, and hygiene, ensuring that participants were equipped with critical life skills.

By expanding its reach beyond corporate spaces, The Bloom Network continues to champion programs that drive meaningful change for women and girls. Through partnerships and direct community engagement, it remains committed to equipping the next generation with the knowledge, skills, and confidence to succeed in a rapidly evolving world.



Olapeju Ibekwe, CEO, Sterling One Foundation, with Abimbola Olufore Wycliffe, Head, UNIDO-ITPO Nigeria, at the Investment Readiness Program.





L-R: Ogechi Obiodu, Head, Customer Protection, Sterling Financial Holdings Company; Ladipo Adenrele, Principal, Aje Comprehensive College; Omotola Adedapo, Head, Human Resources, Sterling Financial Holdings Company; and Tiese Aboderin, Employee Engagement and Culture Officer, Sterling Bank, at a recent event held in commemoration of the International Day of the Girl Child, where they empowered over 300 girls from Aje Comprehensive College, Lagos.



The Sterling Bank Team at The Bloom Network's International Day of the Girl Child empowerment outreach

Donations and Charitable Gifts

The Bank donated a total sum of **Three Hundred and Eighty-Five Million, Nine Hundred and Twenty-Eight Thousand, One Hundred and Sixty-Seven Naira** during the year ended 31 December 2024 (2023: N304.6million) to various charitable organizations in Nigeria, details of which are shown below. No donation was made to any political organization.

Details of Donation	Purpose	Amount (N'm)
28th National Economic Summit Sponsorship and Membership commitment	Sponsorship	70,000,000.00
Agriculture Summit Africa Partnership Support	Sponsorship	50,000,000.00
Ake Arts and Book Festival	Sponsorship	48,000,000.00
Financial Literacy and Public Enlightenment Support	Corporate Social Responsibility	35,886,583.48
Afro Flavour Food Festival	Sponsorship	35,886,583.48
Support for Educational Advancement Programmes and Human Capital Development	Corporate Social Responsibility/Sponsorship	28,000,000.00
Support for Youth and Creative Development Initiatives	Corporate Social Responsibility/Sponsorship	26,000,000.00
Support for Environmental Sustainability Initiatives	Corporate Social Responsibility	18,700,000.00
Africa Fashion Week	Sponsorship	15,000,000.00
Africa Social Impact Summit Partnership Support	Sponsorship	14,555,000.00
Sterling Environmental Makeover 2024	Corporate Social Responsibility	14,400,000.00
Institutional Support for Capacity Building and Professional Development	Sponsorship	11,500,000.00
Body of Bank's CEOs Flood Support Contribution	Corporate Social Responsibility	9,250,000.00
Sponsorship for Business and Investment Development Initiatives	Sponsorship	7,300,000.00
One Woman Mentorship Programme	Sponsorship	1,500,000.00
Total		385,928,167.00

Sustainability Governance

Sterling Bank remains steadfast in its commitment to maintaining the highest standards of governance across all business operations and stakeholder engagements. Our well-structured governance framework enables us to efficiently manage our business while continuously adapting to emerging leadership best practices. To align with evolving global and industry standards, we routinely evaluate and refine our internal processes, policies, and controls. At the heart of our corporate philosophy lies a firm commitment to accountability, transparency, and ethical conduct—ensuring a resilient and compliant financial system. By maintaining close collaboration with regulatory bodies, we uphold operational integrity and proactively implement measures to mitigate risks.

Recognizing that a strong governance structure is fundamental to the successful execution of our business strategy, we have designed a governance model that promotes rigorous oversight at both the board and executive management levels. This framework enables the development of policies, procedures, and compliance mechanisms that align with legal, industry, and ethical standards. It also ensures that we have real-time monitoring systems in place to track performance, assess risks, explore opportunities, and make data-driven strategic decisions while maintaining regulatory compliance.

Our corporate governance framework is anchored on an approved Corporate Governance Policy, which integrates governance best practices, industry trends, and regulatory developments. This policy serves as a guiding document for decision-making and is accessible to all employees to foster a culture of responsibility and compliance. Furthermore, our commitment to environmental and social (E&S) governance is embedded within the Enterprise Risk

Management Group, led by the Chief Risk Officer (CRO). Oversight of our sustainability policies and E&S frameworks is provided by the Sustainable Banking Working Group (SWG) and the Board Risk Management Committee (BRMC), ensuring seamless implementation of sustainability initiatives across the organization.

Codes, Standards And Guidelines

To ensure our governance practices are aligned with corporate sustainability goals, we have established a set of codes, standards, and guidelines that drive compliance and responsible business conduct. These principles shape various aspects of our operations, including environmental stewardship, corporate social responsibility (CSR), diversity, equity, and inclusion (DEI), and risk management strategies.

At Sterling, we foster a culture of ethical behavior and compliance by providing ongoing training to employees, equipping them with the necessary knowledge to uphold governance and sustainability principles in their roles. Our training programs instill a strong sense of responsibility among employees, reinforcing the importance of maintaining high ethical standards and sound decision-making in alignment with organizational values.

Behavioral Codes

Our workplace behavioral codes outline the expected conduct for Sterling employees in their daily interactions with stakeholders. These guidelines are essential for fostering a respectful, professional, and productive work environment, ensuring that all employees are aligned with the Bank's corporate culture and performance standards.

Whistleblowing

Sterling Bank encourages employees, contractors, vendors, and customers to report any unethical or irregular activities through a dedicated whistleblowing channel. Our policy ensures that whistleblowers are protected against victimization or harassment, and all reported cases are handled discreetly and objectively. In 2024, we received and resolved over 576,000 stakeholder complaints through our established communication channels. These complaints were primarily through the customer contact center. Our robust grievance redress mechanism effectively addresses concerns from community members, employees, customers, contractors, and third-party service providers, ensuring timely and satisfactory resolutions across all stakeholder groups.

Disciplinary Process: Our disciplinary framework is guided by a structured sanctions grid that safeguards employees against unfair treatment while ensuring adherence to corporate policies. Our disciplinary structure consists of two committees: the Human Capital Disciplinary Committee, which addresses non-ethical and workplace issues, and the Staff Disciplinary Committee, which handles ethical violations and risk-related matters.

Gift Policy

Our gift policy establishes clear guidelines for the acceptance and exchange of gifts, gratuities, or rewards, ensuring that such engagements are conducted professionally, transparently, and without conflicts of interest. This policy applies to all employees, directors, contractors, consultants, and advisors, guiding their interactions with vendors, service providers, government officials, and other stakeholders.

Governance Framework

The Board of Directors plays a pivotal role in setting the strategic direction for the Bank, ensuring compliance with sustainability and risk management policies. The Board Risk Management Committee (BRMC) oversees the implementation of the Environmental and Social Risk Management (ESRM) framework. Supporting the Board are three key committees:

- Board Governance, Nomination and Remuneration Committee
- Board Audit Committee
- Board Risk Management Committee



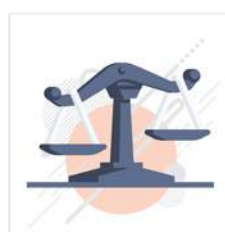
06
Be Responsible



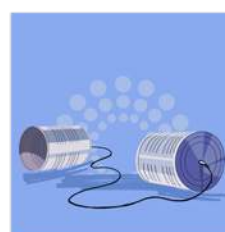
07
Be Tolerant



08
Be of Service



09
Be a Leader



10
Be Agile





Enterprise Risk Management (ERM)

The ERM unit ensures a proactive approach to risk assessment, aligning with global risk management frameworks. The ERM team consistently evaluates business risks, ensuring that sustainability considerations are integrated into the Bank's overall risk strategy.

Environmental & Social (E&S) Governance

Sterling maintains a clear and transparent E&S governance structure by defining roles and responsibilities across the organization. Our dedicated sustainability unit oversees environmental and social (E&S) risk assessments for all investment portfolios, ensuring full compliance with ESRM policies. We also conduct regular internal and external audits to validate our adherence to sustainable banking practices.

In 2024, internal audits of the Sustainable Banking Unit were carried out in January and again in August to review E&S functions. Additionally, an external audit by the Central Bank of Nigeria (CBN) evaluated our compliance with Sustainable Banking standards, further

reinforcing our commitment to responsible business conduct.

Sustainability Working Group (SWG):

The SWG consists of risk champions from key business units, ensuring that sustainability initiatives are effectively communicated and implemented. The Chief Risk Officer, along with SWG members, leads the integration of environmental and social management systems (ESMS), ensuring alignment with the Bank's sustainability goals.

Strategic Business Units Driving Sustainability:

Relationship Managers & Loan Officers

Oversee E&S risk assessments at the transaction level and ensure client compliance with sustainability action plans.

Legal Department

Ensures that E&S clauses are incorporated into legal agreements, with non-compliance constituting a breach of contract.

Human Capital & Internal Services

Promotes gender empowerment, human rights, and employee well-being initiatives.

Brand Marketing & Communications

Drives awareness of the Bank's sustainability achievements among internal and external stakeholders.

Corporate Social Investments (CSI)

Manages the Bank's social investment projects and community engagement initiatives.

Propositions & Products Department

Develops sustainable financial products, focusing on green investments and financial inclusion.

Compliance and Conduct

Ensures high ethical standards and enforces disciplinary measures against policy violations.

Our Approach To Operational Risk Management

The Digital and Operational Risk Management (DORM) Department is responsible for implementing the digital and operational risk management frameworks across the Bank. By proactively managing operational risks, the Bank ensures financial stability, regulatory compliance, brand protection, and customer trust.

Operational risks stem from internal processes, systems, personnel, or external events that could disrupt daily operations and strategic objectives. Therefore, risk management is not merely a compliance requirement—it is a core pillar of our organizational resilience, financial stability, and long-term success.

To proactively mitigate potential disruptions such as technological failures, supply chain constraints,

and human errors, the Bank has implemented strategic risk management measures. The Digital and Operational Risk Management Desk (DORM) oversees these efforts, led by a competent unit head and supported by skilled professionals with well-defined roles, responsibilities, and performance metrics. In alignment with global best practices, DORM ensures the seamless execution of a board-approved digital and operational risk management framework, embedding a strong risk-aware culture across the Bank.

Milestones Achieved in FY2024

1. Enhanced Operational Risk Management Committee (ORMC)

- Management approved the establishment of the Operational Risk Management Committee (ORMC) to oversee the implementation of the operational risk framework.
- The Committee has played a pivotal role in mitigating operational risks, with a notable reduction in risk exposures across the Bank.
- Action items are actively assessed and addressed by Committee members from various business units to enhance risk mitigation.

2. Revamped Risk and Control Self-Assessment Implementation

- The RCSA Framework was reviewed, enhanced, and approved for implementation, incorporating improved controls, stakeholder engagement methodologies, monitoring mechanisms, consequence management, and escalation procedures.
- Business units' leadership are actively involved in risk identification, assessment, mitigation, and compliance monitoring.

3. Establishment of a Comprehensive Risk Register

- A consolidated enterprise risk register was created to identify, assess, and mitigate

inherent and residual risks across the Bank.

- Appropriate control measures were integrated to mitigate risk exposures, ensuring a structured approach to enterprise risk management.
- This initiative has strengthened the holistic approach to risk treatment and management.

4. The Creation and Review of Standard Operating Procedures (SOP)

- SOPs were standardized across the Bank to ensure clarity, consistency, and risk mitigation in all operations.
- A centralized repository was developed for SOP documents, improving information accessibility and reducing keyman risk.
- The standardization process ensures that inherent and residual risks are well managed across the organization.

5. Products and Solutions Assessment

- The DORM team plays an integral role in the product and solutions development lifecycle, ensuring risk assessment and mitigation at every stage.
- Key involvement includes User Acceptance Testing (UAT), product demos, and reviews of Business Requirement Documents (BRD), Standard Work Requests (SWR), and product papers.
- This initiative enhances early identification and mitigation of risks in the product development process.

6. Appointment of Risk Champions

- Risk Champions were appointed across business units to facilitate enterprise risk management.
- They play a key role in risk identification, assessment, mitigation, and reporting, ensuring a proactive approach to risk management.
- This initiative enhances collaboration across the Bank's multiple locations, aligning with the Bank's growing business operations.

7. Operational Risk Awareness

- Training sessions and awareness campaigns were conducted using multiple communication methods, including videos, emails, and physical training sessions.
- This initiative has fostered a stronger risk awareness culture across the organization.
- Employees across various levels have been engaged in enhancing their understanding and proactive management of operational risks.

Sterling Bank's Corporate Integrity And Anti-Corruption Statement

Sterling Bank's Integrity and Anti-Corruption statement outlines our approach to corporate integrity, governance, and anti-corruption compliance in accordance with relevant anti-bribery and anti-corruption laws, such as the Independent Corrupt Practices and Other Related Offences Act (2000), Banks and Other Financial Institutions Act (BOFIA) 2020, the Money Laundering Prevention & Prohibition Act (2022) and drawing guidance from International Anti-Bribery and Corruption (ABC) standards such as the Wolfsberg Anti-Bribery and Corruption Compliance Programme Guidance and ISO 37001 (Anti-bribery management systems — Requirements with guidance for use).

Anti-Corruption Policies and Commitments

Sterling Bank is committed to conducting its business in accordance with the highest ethical standards and in full compliance with all applicable anti-bribery and corruption regulations and laws. We operate a zero-tolerance approach to bribery and corruption in all forms. Any form of bribery, whether direct or indirect, is strictly prohibited. All employees, contractors, and third-party

representatives acting on behalf of Sterling Bank are required to adhere to this policy, and any violation will result in disciplinary action, up to and including termination of employment or third-party contract and prohibition from future business dealings. We encourage reporting of any suspected instances of bribery or corruption, and we will take reasonable steps to ensure that all reports will be investigated promptly and fairly.

Guiding Principles

The management and employees, across all cadres, are entrusted with the responsibility of preventing, detecting, and reporting acts of bribery and corruption. The Bank's management, employees and any other third party engaged are prohibited from making or receiving payments, directly or indirectly, to influence an official act or decision, or for any other improper purpose to obtain or retain business, as well as:

1. Giving or receiving of gifts, meals, and entertainment not proportionate and reasonable for the circumstances, with a view to improperly induce a third party to misuse their position or as a quid pro quo for official action.
2. Making, promising, offering, or authorizing a payment or a gift of anything of value to any customer, vendor, government official, political party, party official, political candidate, and others to influence such recipients to use their positions to help Sterling Bank obtain or retain business, direct business to anyone, or to secure any other improper advantage.
3. Making, promising, offering, or authorizing any payment or gift to an agent, business partner, or any other third party with the knowledge that or reason to know that a customer, vendor, government official, political party, party official, or political candidate will ultimately receive any portion of the payment due to improper action.

4. Making facilitation payments to low-level government employees or officials to facilitate/expedite routine governmental actions or services that involve the exercise of personal judgment or discretion.
5. Providing or accepting kickbacks, which are payments made in return for facilitating a transaction or providing preferential treatment.
6. Engaging in any activity that seeks to circumvent the Bank's internal controls regarding facilitation payments, kickbacks, or any form of bribery, including falsifying records or misrepresenting the nature of a transaction.

In summary, it is an offence:

- to suggest or give bribes to other persons or entities.
- to demand or collect bribe from other persons or entities.
- to fail to prevent and/or report acts of bribery and corruption.

Governance and Risk Management Framework

The following individuals/teams are responsible for the implementation and oversight of the Anti-Bribery and Corruption Policy:

- **The Board of Directors:** The Board is responsible for ensuring that all employees and Board members comply with the provisions of the policy. The Board ensures the Anti-Bribery and Corruption Program (that complies with legal and ethical obligations) are established and reviewed to adequately address the organization's bribery risks.
- **Chief Compliance Officer (CCO):** The CCO is responsible for developing, implementing, and monitoring the ABC Policy and programme. The CCO ensures that the policy is enforced across all levels of the organisation.

- **Conduct & Compliance Division:** The division is responsible for implementing, testing and monitoring of controls that ensure adherence to the Bank's ethics, conduct, ABC requirements and providing guidance to personnel.
- **Financial Crimes Compliance Unit:** It serves as the independent and designated Anti-Bribery & Corruption Compliance (ABCC) function as mandated by ISO 37001, responsible for spearheading the designing, coordination, implementation, and continuous improvement of the Antibribery & Corruption Management Program.
- **Business Unit Heads:** They are responsible for ensuring that their respective teams understand, comply with and adhere to the policy. They are also tasked with identifying any risks within their units and escalating potential issues.
- **Employees:** All employees are responsible for adhering to this policy, operating within the Bank's ethical standards, complying with extant regulations/laws and reporting any actual or suspected violations.
- **Internal Audit:** Routinely tests the effectiveness of the Anti-Bribery & Corruption controls/countermeasures and assess the adequacy of the Anti-Bribery & Corruption Management program.
- **Third Parties and Associated Persons:** They are expected to adhere to the policy, mandate the adherence of their sub-contractors to this policy, comply with the Bank's ethical standards and report any actual or suspected violations.

Internal Controls and Audit Oversight

Risk Assessments, Control Testing, Policy Monitoring and Review

As required by International Standards (Wolfsberg and ISO 37001), the Bank through its annual Enterprise-Wide Financial Crimes Risk Assessments (EWRA) and Control Testing undertakes reviews of the Anti-Bribery and Corruption Compliance programme. This exercise is aimed at:

1. Assessing the Bank's exposure and vulnerability to Bribery & Corruption Risks.
2. Testing and enhancing the effectiveness of the Anti-Bribery and Corruption program in preventing, managing, and detecting bribery and corruption risks, taking into account relevant developments, business strategies, evolving international standards, and industry best practices.
3. Intimating Senior/Executive management of the adequacy and implementation of the anti-bribery management program.

Whistleblowing

The Bank provides directions for all stakeholders to disclose any unusual and excessive conduct which may be or suggest a breach of this Policy through the secured whistleblowing medium. All genuine concerns of any alleged or suspected bribery, corruption, criminal activities, or fundamental breach of this policy can be reported through the Bank's official website: www.sterling.ng.

The Bank takes reasonable steps to protect those who report suspicions of bribery and corruption in good faith from retaliation, and all reports and concerns received through these channels are anonymously and confidentially treated.

Employee Training and Awareness

The Bank is committed to ensuring that the Anti-Bribery and Corruption Policy and associated anti-bribery and corruption procedures are embedded and understood throughout the Bank, through employee training. New employees receive training on this Policy as part of their induction while existing employees receive regular training on implementing and complying with the Policy. Training records are maintained, and the effectiveness of the training are regularly assessed. Employees of the Bank undertake a compulsory e-Learning module on anti-bribery and corruption at least once a year, the module highlights the Bank's ABC policy stance and recent trends.

The training offered is proportionate to the risks of bribery and corruption that the Bank encounters. The training is tailored to the specific bribery and corruption risks and responsibilities faced by employees, directors, or third parties.

The Anti-Bribery and Corruption Policy is shared with all staff annually. Additionally, it is hosted on the Compendium of Policies Portal for easy access and review by all the Bank's employees. The Bank's Anti-bribery and Corruption Policy Statement is accessible to the general public (including but not limited to third parties and stakeholders) via its website at <https://sterling.ng/wp-content/uploads/2024/10/AntiBribery-Corruption-ABC-Program-Policy-Statement-1.pdf>

Management at all levels is responsible for ensuring that relevant employees who directly or indirectly report to them are made aware of this Policy and are given appropriate and regular training on it. It is also the responsibility of Directors and Senior Management to lead by example and to demonstrate the highest standards of integrity in carrying out their duties on behalf of the Bank.

Incidents and Reporting

If any employee discovers or suspects a violation of the Bank's ABC policy, or is offered or asked for a Bribe, the employee must immediately:

- Reject demands for, or offers of bribes.
- Communicate an anti-bribery stance to the offering or demanding person.
- Document the details of any bribery or request or attempted bribery, immediately after the occurrence of the event.
- Report the incident through any of the approved channels within 24 hours.

Employees may anonymously report suspected bribery, corruption, or other wrongdoing in good faith under the Bank's Whistleblowing Policy, by submitting a report of the suspected violation or other complaint or concern. All reports are treated as strictly confidential in line with the Bank's board-approved Whistleblowing Policy and CBN Corporate Governance Guidelines for Banks; relevant control gaps or failures identified are also shared with the Anti-Bribery and Corruption Compliance function for improvements to the Program.

Collaborations and Partnerships

Sterling Bank actively engages in industry collaborations to advance sustainability objectives.

Nigerian Sustainable Banking Principles (NSBP)

As a key member of the NSBP Committee, we collaborate with industry peers to shape and uphold sustainable banking practices. Through capacity-building sessions, policy advocacy, and strategic partnerships, we champion the integration of environmental, social, and governance (ESG) principles across the financial sector, ensuring responsible financing and inclusive growth.

United Nations Global Compact (UNGC)

Since joining the UN Global Compact (UNGC) in 2018, we have methodically embedded its principles—covering human rights, labor standards, environmental responsibility, and anti-corruption into our daily operations. We remain fully compliant with UNGC reporting standards and continue refining our strategies to achieve global sustainability goals. In alignment with these objectives, we leveraged the UNGC Academy as a core platform for capacity-building, reaching 2,049 course enrollments in 2024, a 200% surge compared to previous years. We will intensify this approach to further embed UNGC principles throughout the organization.

Sustainable Development Goals

Sterling Bank weaves the United Nations' SDGs into its core business strategy, driving meaningful impact in financial inclusion, gender equality, and climate resilience through specialized initiatives and strategic investments. We have already aligned our primary focus sectors with the SDGs,

ensuring real, measurable contributions to social, economic, and environmental progress and will continue extending SDG principles across all facets of our operations, from responsible lending and investment policies to community outreach and workforce engagement.

International Finance Corporation

We maintain a robust partnership with IFC that encompasses capacity building, technical assistance, knowledge sharing, and strategic investments. The IFC Performance Standards guide our environmental and social (E&S) risk assessments in credit transactions, ensuring all financed activities meet stringent sustainability criteria. Notably, this collaboration led to our head office achieving IFC EDGE Advanced certification—a testament to our commitment to eco-efficient operations. By continually drawing on IFC's expertise, we reinforce responsible business practices, strengthen stakeholder engagement, and uphold the highest standards of environmental and social governance across our organization.





United Nations
Global Compact



IFC

**International
Finance Corporation**
WORLD BANK GROUP

Creating Markets, Creating Opportunities

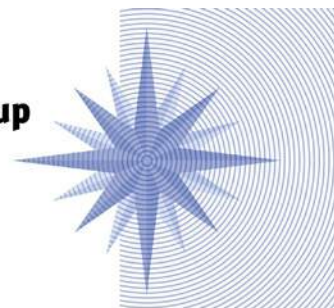


**The Nigerian
Sustainable Banking
Principles**

TCFD

TASK FORCE ON
CLIMATE-RELATED
FINANCIAL
DISCLOSURES

**the
Wolfsberg
Group**



Wolfsberg Group

As part of our anti-money laundering efforts, we comply with Wolfsberg Group standards, implementing rigorous customer due diligence and transaction monitoring measures.

Task Force on Climate-related Financial Disclosures

We integrate TCFD recommendations to assess climate-related risks and opportunities, ensuring our business remains resilient in a low-carbon economy. This approach helps guide strategic decision-making and enhances organizational preparedness for emerging climate challenges.

Stakeholder Engagement

At Sterling Bank, we recognize the importance of strong relationships with our stakeholders. We engage internal and external stakeholders—including employees, shareholders, customers, regulators, and communities through structured interactions, ensuring that their perspectives shape our business strategies. Our commitment to open communication fosters trust and enhances value creation for all stakeholders. Through our governance, risk management, and stakeholder engagement strategies, we continue to embed sustainability into every aspect of our business, ensuring long-term economic, social, and environmental impact.

Our Stakeholders	Reasons for Engagement	Channels of Engagement
Customers	<ul style="list-style-type: none"> To better understand their financial services needs and offer innovative solutions. To gauge the level of satisfaction with products and services and identify areas for improvement. 	<ul style="list-style-type: none"> Branches Contact Centre Mobile and online banking Website Social media channels Customer research Customer Complaint Unit Customer surveys
Employees	<ul style="list-style-type: none"> To ensure adherence to our commitment of providing a safe, conducive work environment which allows for continuous development and work-life balance. To ensure employee adherence to the Bank's vision, mission and strategic goals. 	<ul style="list-style-type: none"> Employee engagement survey Recognition and awards programmes. Regular meetings Microsoft Viva Engage (staff social platform) HR Helpdesk Secure channels for suggestions and feedback Whistleblowing portal.
Shareholders	<ul style="list-style-type: none"> To provide regular information updates on the Bank's performance. 	<ul style="list-style-type: none"> Annual general meeting Board of Directors' Meetings Annual, semi-annual, and quarterly reports
Regulators	<ul style="list-style-type: none"> To ensure compliance with all rules and regulations and the mitigation of non-compliance, which will result in penalties. 	<ul style="list-style-type: none"> Letters/Emails Meetings, Onsite Visits Regulatory Reporting
Suppliers	<ul style="list-style-type: none"> To ensure that goods and services are ethically sourced and are of good quality. 	<ul style="list-style-type: none"> Vendor Management Portal Bids and Tenders
Communities	<ul style="list-style-type: none"> To invest in the development of the communities in which we operate and ensure our continued commitment to managing the impacts of our business operations and activities. 	<ul style="list-style-type: none"> Corporate Social Responsibility Projects Contact Centre Whistleblowing portal

Corporate Governance Report

The Board of Sterling Bank Ltd. (“the Bank”) is pleased to present its Corporate Governance Report for the Financial Year 2024. The Bank ensures compliance with the relevant provisions of the Financial Reporting Council of Nigeria (FRCN), Code of Corporate Governance and the CBN Corporate Governance Guidelines for Commercial, Merchant, Non-Interest and Payment Service Banks in Nigeria. The Board ensures that the Bank’s Corporate Governance Policy and structure are reviewed regularly to align with changes in the industry and extant regulations.

The Board

The Board of Directors is responsible for determining the overall strategy for the Bank, assessing the Bank’s risk appetite, and establishing rules for decision-making, financial reporting and financing, and operations. During the 2024 Financial Year, the CBN approved the appointment of Prof. Olayinka David- West as an Independent Director effective 8th August 2024.

Board Composition

The Board is made up of the Chairman, Non-Executive Directors, Executive Directors, and Independent Directors who ensure that corporate governance practices and standards are maintained in the Bank. The Board members and details of their respective attendance at meetings during the year are as follows:

S/N	Name	Designation	Attendance	No. of Meetings
1.	Mr. Olatunji Mayaki	Chairman	4	4
2.	Mrs. Olusola Oworu	Independent Director	4	4
3.	Prof Olayinka David-West*	Independent Director	1	1
4.	Mr. Michael Ajukwu	Independent Director	4	4
5.	Mr. Olaitan Kajero	Non-Executive Director	4	4
6.	Mrs. Tairat Tijani	Non-Executive Director	4	4
7.	Mr. Michael Jituboh	Non-Executive Director	4	4
8.	Mrs. Folasade Kilaso	Non-Executive Director	4	4
9.	Mr. Manish Singhal **	Non-Executive Director	0	1
10.	Mr. Ashutosh Kumar***	Non-Executive Director	0	1
11.	Mr. Abubakar Suleiman	Managing Director/ CEO	4	4
12.	Mr. Tunde Adeola	Executive Director	4	4
13.	Mr. Raheem Owodeyi	Executive Director	4	4

*Appointed effective 8th August 2024, **Resigned effective 22nd February 2024, ***Resigned effective 27th February 2024

Directors' Appointments, Retirements and Re-Elections

Directors' appointments, retirements, and re-elections are carried out in accordance with the provisions set out in the Company's Memorandum and Articles of Association, the Board Charter, the Companies and Allied Matters Act, Central Bank of Nigeria Corporate Governance Guidelines for Commercial, Merchant, Non-Interest, and Payment Service Banks in Nigeria and other relevant regulations.

The Board Charter sets out the criteria for Board appointments ensuring the selection of individuals with the necessary experience, expertise, and integrity. Candidates are assessed based on objective criteria, including character, integrity, independent judgment, skills, experience, diversity in thinking, gender, age, and other relevant factors.

In line with our commitment to strong corporate governance, the Board of Directors ensure that all directors undergo an evaluation process to determine their eligibility for re-election. The re-election process considers both performance and attendance at meetings, in line with the Company's governance framework.

Board Committees

The Board carries out its oversight functions through its various committees, which have clearly defined terms of reference and charters approved by the Central Bank of Nigeria. The Board has five (5) standing committees, namely: Board Credit Committee, Board Finance & General-Purpose Committee, Board Audit Committee, Board Risk Management Committee and Board Governance, Nomination & Remuneration Committee. Following industry and global best practices, the Chairman of the Board is not a member of any of the Committees. The composition and responsibilities of the committees are set out below:

Board Credit Committee

The Committee acts on behalf of the Board on credit matters and reports to the Board for approval/ratification.

Terms of reference

- Consider credit proposals for approval on the recommendation of the Management Credit Committee (MCC).
- Recommend to the Board, assignment of credit approval authority limits on the recommendation of the Management Credit Committee (MCC).
- Review the Credit Policy Guidelines of the Bank as and when required by the dictates of the market and/or the corporate strategic intent on the recommendation of the MCC.
- Approve credit facility requests above the limits set for Management, within limits defined by the Bank's credit policy, and within the statutory requirements set by the regulatory/supervisory authorities.
- Review periodic credit portfolio reports and assess portfolio performance.
- Ensure that the Bank's Credit Policies comply with statutory and regulatory requirements.
- Recommend credit facility requests above the Committee's limit to the Board.
- Review and recommend to the Board for approval/ratification, Management proposals on full and final settlements of non-performing loans.
- Review and approve the restructuring of credit facilities in line with the Bank's Credit Policy Guidelines.
- Review and approve credit proposals in line with the Bank's Risk Policy Guidelines.
- Review and recommend to the Board for approval proposals on write-offs.
- Periodic review of the recovery process to ensure compliance with the Bank's recovery policies, statutory and regulatory requirements.
- To perform any other duties assigned by the Board from time to time.

The members of the Board Credit Committee and their respective attendance at meetings are as follows:

S/N	Name	Designation	Attendance	No. of Meetings
1.	Mrs. Olusola Oworu	Chairperson	4	4
2.	Mr. Olaitan Kajero	Member	4	4
3.	Mrs. Tairat Tijani	Member	4	4
4.	Mr. Abubakar Suleiman	Member	4	4
5.	Mr. Tunde Adeola	Member	4	4

Board Finance and General-Purpose Committee

The Committee acts on behalf of the Board on all matters relating to financial management and reports to the Board for approval/ratification.

Terms of reference

- Establish the Bank's financial policies in relation to the operational plan, capital budgets, and the reporting of results.
- Monitor the progress and achievement of the Bank's financial targets.
- Review significant corporate financing and liquidity programs and tax plans.
- Recommend major expenditure approvals to the Board.
- Review and consider the financial statements and make appropriate recommendations to the Board.
- Review annually the Bank's financial projections, as well as capital and operating budgets, and review on a quarterly basis with management, the progress of key initiatives including actual financial results against targets and projections.
- Review and recommend for Board approval, the Bank's capital structure, including but

not limited to, allotment of new capital, debt limits, and any changes to the existing capital structure.

- Recommend for Board approval, the Bank's dividend policy, including amount, nature, and timing.
- Review and make recommendations to the Board regarding the Bank's investment strategy, policy, and guidelines, its implementation and compliance with those policies and guidelines and the performance of the Bank's investment portfolio.
- Approve a comprehensive framework for delegation of authority on financial matters and enforce compliance with the Bank's financial manual of authorities.
- Ensure that cost management strategies are developed and implemented to monitor and control costs.
- Review major expense lines periodically and approve expenditure within the limit of the Committee as documented by the Bank.
- Review contract awards for significant expenditure above EXCO limit.
- Review significant transactions and new business initiatives for the Board's approval.
- To perform any other duties assigned by the Board from time to time.

The members of the Board Finance and General-Purpose Committee and their respective attendance at meetings are as follows:

S/N	Name	Designation	Attendance	No. of Meetings
1.	Mrs. Tairat Tijani	Chairperson	4	4
2.	Mr. Michael Jituboh	Member	4	4
3.	Mrs. Folasade Kilaso	Member	4	4
4.	Mr. Abubakar Suleiman	Member	4	4
5.	Mr. Raheem Owodeyi	Member	4	4

Board Risk Management Committee

The Committee is responsible for evaluating and handling matters relating to risk management in the Bank.

Terms of reference

- Review and recommend to the Board, the risk management policy including risk appetite, risk limits, tolerance, and risk strategy.
- Review and recommend to the Board for approval, the Bank's Enterprise-wide Risk Management Policy and other specific risk policies.
- Monitor the Bank's plan and progress in meeting regulatory risk-based supervision requirements.
- Monitor implementation and migration to Basel II, III, and IV and other local and international risk management standards as approved by the regulators.
- Review the organization's risk-reward profiles including credit, market and operational risk-reward profiles and where necessary, recommend strategies for improvement.
- Evaluate the risk profile and risk management plans drafted for major projects, acquisitions, new products and new ventures or services to determine the impact on the risk-reward profile.
- Oversight of management's process for the identification of significant risks and the adequacy of prevention, detection and reporting mechanisms.
- Receive reports on and review the adequacy and effectiveness of the Bank's risk and control processes to support its strategy and objectives.
- Endorse definition of risk and return preferences and target risk portfolio.
- Periodic review of changes in the economic and business environment, including emerging trends and other factors relevant to the Bank's risk profile.
- Ensure compliance with the Bank's credit risk policies, applicable statutory and regulatory requirements.
- Review the effectiveness of the risk management system on an annual basis.
- To perform any other duties assigned by the Board from time to time.

The members of the Board Risk Management Committee and attendance at meetings are as follows:

S/N	Name	Designation	Attendance	No. of Meetings
1.	Mr. Olaitan Kajero	Chairman	4	4
2.	Mr. Michael Ajukwu	Member	4	4
3.	Prof. Olayinka David-West*	Member	1	1
4.	Mrs. Olusola Oworu	Member	4	4
5.	Mrs. Folasade Kilaso	Member	4	4
6.	Mr. Ashutosh Kumar**	Member	1	1
7.	Mr. Abubakar Suleiman	Member	4	4
8.	Mr. Raheem Owodeyi	Member	4	4

*Appointed Committee member effective 11th October 2024, ** Resigned from the Board effective 27th February 2024

Board Audit Committee

The Committee acts on behalf of the Board of Directors on financial reporting, internal control and audit matters. Decisions and actions of the Committee are presented to the Board for approval/ratification.

Terms of reference

- Review the appropriateness of accounting policies.
- Review the appropriateness of assumptions made by Management in preparing the financial statements.
- Review the significant accounting and reporting issues and understand their impact on the financial statements.
- Review the quarterly and annual financial statements and consider whether they are complete and consistent with prescribed accounting and reporting standards.
- Obtain assurance from Management with respect to the accuracy of the financial statements. Review with Management and the External Auditors the results of external audit, including any significant issues identified.
- Review the annual report and related regulatory filings before release and consider the accuracy and completeness of the information.
- Review the adequacy of the internal control system, including information technology security and control. Understand the scope of Internal and External Auditors' review of internal control over financial reporting, and obtain reports on significant findings and recommendations, together with Management's responses.
- Review the relevant policies and procedures in place and ensure they are up to date and are complied with.
- Review and ensure the financial internal controls are operating efficiently and effectively.
- Review the Bank's compliance with the performance management and reporting systems.
- Review and ensure that the performance management and reporting system uses appropriate targets and benchmarks.
- Review the Internal Audit operations manual, budget, activities, staffing, skills and organizational structure of the Internal Audit Department.
- Review and approve the Internal Audit plan, its scope and any major changes to it, ensuring that it covers the key risks and that there is appropriate co-ordination with the Bank's External Auditors.

- Review and concur with the appointment, replacement, or dismissal of the Chief Audit Executive.
- Resolve any difficulties or unjustified restrictions or limitations on the scope of Internal Audit work.
- Resolve any significant disagreements between Auditors and Management.
- Review the significant findings and recommendations by Internal Audit and Management responses.
- Review the implementation of Internal Audit recommendations by Management.
- Review the performance of the Chief Audit Executive.
- Review the effectiveness of the Internal Audit function, including compliance with acceptable International Standards for the Professional Practice of Internal Auditing.
- Review the External Auditors' proposed audit scope, approach and audit fees for the year.
- Review the findings and recommendations by External Auditors and Management responses.
- Review the implementation of External Auditors' recommendations by Management.
- Review the performance of External Auditors.
- Ensure that there is proper coordination of audit efforts between Internal and External Auditors.
- Review the effectiveness of the system for monitoring compliance with laws and regulations.
- Review the findings of any examinations by regulatory agencies, and audit observations.
- Regularly report to the Board of Directors on Committee activities.
- Perform other duties as may be assigned by the Board of Directors.

The members of the Board Audit Committee and their respective attendance at meetings are as follows:

S/N	Name	Designation	Attendance	No. of Meetings
1.	Mr. Michael Ajukwu	Chairman	5	5
2.	Mr. Michael Jituboh	Member	5	5
3.	Mr. Manish Singhal*	Member	0	1
4.	Mrs. Olusola Oworu	Member	5	5
5.	Mr. Olaitan Kajero	Member	5	5
6.	Prof Olayinka David-West**	Member	2	2

*Resigned from the Board effective 22nd February 2024

**Appointed a Committee member, effective 11th October 2024

Board Governance, Nomination and Remuneration Committee

The Committee acts on behalf of the Board on all matters relating to the workforce, Corporate Governance, remuneration, and the appointment and re-election of Directors.

Terms of reference

- Monitor, review and approve employee relations' issues such as compensation, bonus programs and profit-sharing schemes.
- Advise the Board on recruitment, promotions and disciplinary issues affecting senior management staff of the Bank from Assistant General Manager grade and above.
- Appraise the Managing Director & Chief Executive and Executive Directors annually for appropriate recommendation to the Board.
- Approve training programs for Non-Executive Directors.

- Review the need for appointments and note the specific experience and abilities required for each Board Committee, consider candidates for appointment as either Executive or Non-Executive Directors and recommend such appointments to the Board.
- Review the tenure of both Executive and Non-Executive Directors on the Board and Board Committees.
- Recommend any proposed change(s) to the Board.
- Recommend to the Board, renewal of appointment of Executive and Non-Executive Directors based on the outcome of the review of Directors' performance.
- Make recommendations on the level of experience required by Board Committee Members, Committee appointments and removal, reporting, and other Committee operational matters.
- Ensure that the Board evaluation is carried out on an annual basis.
- To review and make recommendations to the Board for approval of the Bank's organizational structure and any proposed amendments.
- Review and make recommendations on the Bank's succession plan for Directors and other senior management staff from Assistant General Manager grade and above.
- Regular monitoring of compliance with the Bank's Code of Ethics and Business Conduct for Directors and Staff.
- Determine the incentive arrangements and benefits of the Executive and Non-Executive Directors of the Bank for recommendation to the Board.
- Review and submit to the Board, recommendations concerning Executive Directors Compensation plans, salaries and perquisites and ensuring that the compensation packages are competitive.
- Review and submit to the Board, recommendations concerning Non-Executive Directors' remuneration.
- Review and recommend for Board approval stock-based compensation, share option, incentive bonus, severance benefits and perquisites for Executive Directors and employees.
- Ensure that the level of remuneration is sufficient to attract, retain and motivate Executive Directors and all employees of the Bank while ensuring that the Bank is not paying excessive remuneration.
- Recommend to the Board, compensation payable to Executive Directors and Senior Management employees for any loss of office or termination of appointment.
- Develop, review and recommend the remuneration policy to the Board for approval.
- To engage a remuneration consultant (where necessary) at the expense of the Bank for the purpose of carrying out its responsibilities. Where such a consultant is engaged by the Committee, the consultant must be independent.
- To perform any other duties assigned by the Board from time to time.

The members of the Board Governance, Nomination, and Remuneration Committee and their respective attendance at meetings are as follows:

S/N	Name	Designation	Attendance	No. of Meetings
1.	Mr. Michael Ajukwu	Chairman	5	5
2.	Mr. Michael Jituboh	Member	5	5
3.	Mrs. Tairat Tijani	Member	5	5
4.	Mrs. Folasade Kilaso	Member	5	5
5.	Mrs. Olusola Oworu	Member	5	5
6.	Prof. Olayinka David-West*	Member	1	1

*Appointed Committee member effective 11th October 2024

Dates for Board and Board Committee meetings held in 2024 financial year

S/N	Meetings	Dates				
1.	Board	27 Feb	16 May	12 Aug	22 Nov	
2.	Board Credit Committee	5 Feb	18 Apr	17 Jul	18 Oct	
3.	Board Finance & General-Purpose Committee	8 Feb	19 Apr	18 Jul	17 Oct	
4.	Board Audit Committee	20 Feb	23 Apr	23 Jul	22 Oct	5 Nov
5.	Board Risk Management Committee	7 Feb	17 Apr	19 Jul	16 Oct	
6.	Board Governance, Nomination & Remuneration Committee	6 Feb	16 Apr	16 Jul	7 Aug	15 Oct

Directors Induction and Training

In recognition of the increasing complexity of the operating environment and the demanding nature of Board roles, the Bank is committed to the continuous development of its directors. To ensure that Directors remain effective and well-equipped to make informed decisions, the Board approves an annual training calendar for Directors, providing regular training, both locally and internationally.

These training programs are designed to enhance the decision-making capabilities of our directors, enabling them to stay current with evolving industry trends, regulatory requirements, and best practices. Additionally, all new directors undergo a comprehensive induction program, which ensures they are well-acquainted with the Company's operations, governance framework, strategic objectives and their fiduciary responsibilities. The induction programme for new directors is conducted within 3 (three) months of their appointment.

During the year under review, an induction programme was conducted for Prof. Olayinka David-West on 11th of October 2024.

Board Evaluation Process

The Board is committed to maintaining the highest standards of corporate governance in line with established Codes of Corporate Governance and best practices. In line with this commitment, the Board has engaged Ernst & Young, an independent consultant, to conduct the annual appraisal of the Board and its directors. This appraisal evaluates the Board composition and structure, directors' qualifications, effectiveness of the Board, and corporate governance practices, identifying areas for improvement and ensuring alignment with global best practices.

The Board Evaluation Report will be presented to the shareholder at the Bank's Annual General Meeting.

Material Transactions approved by the Board under the Company's internal guidelines

The Board is responsible for overseeing the overall direction and governance of the Company. To ensure effective decision-making, certain key matters are reserved exclusively for

Board consideration and approval. These matters include, but are not limited to:

- i. **Strategic Direction:** Approval of the Company's strategic objectives and major business initiatives.
- ii. **Financial Matters:** Approval of the Company's annual budget, financial statements, capital expenditure, and significant investments or divestments.
- iii. **Corporate Governance:** Adoption of the Company's corporate governance framework, policies, and procedures, including compliance with regulatory requirements.
- iv. **Executive Appointments:** Appointment and termination of executive directors and senior management, as well as approval of their compensation.
- v. **Risk Management:** Oversight of the Company's risk management policies and significant risk exposures.
- vi. **Dividends and Capital Returns:** Approval of dividend declarations and the return of capital to shareholders.
- vii. **Mergers and Acquisitions:** Approval of significant mergers, acquisitions, or joint ventures.
- viii. **Major Legal Matters:** Decisions involving material litigation, regulatory matters, or other significant legal issues.

Highlights of the Claw back policy and cases of claw back being pursued by the Company

The Company has implemented a Claw Back Policy, designed to protect its interests by ensuring that compensation paid to executives is aligned with the long-term performance and integrity of the Company. The policy provides for the recovery of incentive-based compensation in the following instances:

- i. Where the Executive Director was involved in any misdemeanor;

- ii. In the event of fraud or material wrongdoing which would have entitled the Board to terminate the Executive Director's employment;
- iii. If the Executive Director participated in or was responsible for conduct which resulted in significant losses to the Company;
- iv. If there was material error in assessing the performance of the Executive Director against the relevant performance conditions at the time that the bonus was paid.

The claw back provision applies to any incentive-based compensation, bonuses, profit sharing, or performance-based rewards paid, awarded, received, or earned in the current period and for up to two years thereafter.

Currently, no claw back cases are being pursued by the Company.

The Company Secretary

The Directors have separate and independent access to the Company Secretary. The Company Secretary is responsible for, among other things, ensuring that Board procedures are observed and that the Company's Memorandum and Articles of Association together with other relevant rules and regulations are complied with. The Company Secretary also assists the Chairman and the Board in implementing and strengthening corporate governance practices and processes, with a view to enhancing long-term shareholder value.

The Company Secretary assists the Chairman in ensuring good information flow within the Board and its committees and between Management and Non-Executive Directors. The Company Secretary also facilitates the orientation of new Directors and coordinates the professional development of Directors.

The Company Secretary is responsible for designing and implementing a framework for the

Bank's compliance with Corporate Governance Guidelines, including advising Management on prompt disclosure of material information.

The Company Secretary attends and prepares the minutes for all Board meetings. As Secretary for all Board Committees, the Company Secretary assists in ensuring coordination and liaison between the Board, the Board Committees, and Management.

The Company Secretary also assists in the development of the agendas for the various Board and Board Committee meetings.

The appointment and removal of the Company Secretary are subject to the Board's approval.

Management Committee

Executive Committee (EXCO)

The Committee provides leadership to the management team and ensures the implementation of strategies approved by the Board. It deliberates and takes decisions on the effective and efficient management of the Bank.

Assets and Liability Committee (ALCO)

The Committee ensures adequate liquidity and the management of interest rate risks within acceptable parameters. It also reviews the economic outlook and its impact on the Bank's strategies.

Management Credit Committee (MCC)

The Committee approves new credit products and initiatives, minimum/prime lending rate and reviews the Credit Policy Guide. It approves exposures up to its maximum limit and the risk asset acceptance criteria.

Management Performance Review Committee (MPR)

The Committee reviews the Bank's monthly performance on set targets and monitors budget

achievement. It also assesses the efficiency of resource deployment in the Bank and re-appraises cost management initiatives.

Criticized Assets Committee (CAC)

The Committee reviews the Bank's credit portfolio and collateral documentation. It reviews the non-performing loan stock and recovery strategies for delinquent loans.

Management Risk Committee (MRC)

The Committee is responsible for planning, management, and control of the Bank's overall risks. Its functions include setting the Bank's risk philosophy, risk appetite, risk limits, and risk policies.

Succession Planning

The Bank has a Succession Planning Policy which is aligned with the Bank's overall organizational development strategy. The policy provides a framework for the identification of key roles and potential candidates as well as the process for nomination of successors.

Successors are nominated based on experience, skills, and competencies through an automated process by current role holders in conjunction with the Human Capital Management Group. Development initiatives have also been put in place to accelerate successors' readiness.

Code of Ethics

The Bank has a Code of Ethics that specifies the minimum acceptable behavior of its staff. It is a requirement that all staff should sign a confirmation that they have read and understood the document upon employment. In addition, employees are required to attest to the Code annually.

The Bank also has a Sanctions Manual which prescribes appropriate sanctions for various offences and violations listed therein. The Chief Human Resource Officer is responsible for the implementation and compliance with the Code of Ethics.

Whistle Blowing Process

The Bank is committed to the highest standards of openness, probity and accountability; hence the need for an effective and efficient whistleblowing process as a key element of good corporate governance and risk management.

The whistleblowing process is a mechanism by which suspected breaches of the Bank's internal policies, processes, procedures, and unethical activities by any stakeholder (including employees and suppliers) are reported for necessary actions. It ensures a high degree of integrity and transparency to achieve efficiency and effectiveness in our operations.

The reputation of the Bank is of utmost importance and every staff of the Bank has a responsibility to protect the Bank from any persons or act that might jeopardize its reputation. Staff are encouraged to speak up when faced with information that would help protect the Bank's reputation.

An essential attribute of the process is the guarantee of confidentiality and protection of the

whistleblower's identity and rights. It should be noted that the aim of the whistleblowing process is to ensure efficient service to the customer, good corporate image, and business continuity in an atmosphere compliant with best industry practice.

The Bank has a dedicated Whistle Blowing channel and an externally managed channel, overseen by Messrs. KPMG. The channels are accessible via the Bank's website, telephone hotlines and e-mail addresses in compliance with Section 17 of the Central Bank of Nigeria Corporate Governance Guidelines for Commercial, Merchant, Non-Interest, and Payment Service Banks in Nigeria and Principle 19 of the Nigerian Code of Corporate Governance.

The Bank's Chief Compliance Officer is responsible for monitoring and reporting on whistle blowing. Further disclosures are stated in Note 45 to the consolidated and separate financial statements.

Complaints Management Policy

In compliance with regulatory requirements, the Bank has in place a Complaints Management Policy that provides a framework for the resolution of disputes with stakeholders on issues relating to the Bank's activities.

Directors, Officers And Professional Advisers

■ Directors

Mr. Olatunji Mayaki	Chairman
Mrs. Olusola Oworu	Independent Director
Mr. Michael Ajukwu	Independent Director
Prof. Olayinka David-West	Independent Director
Mr. Olaitan Kajero	Non-Executive Director
Mrs. Tairat Tijani	Non-Executive Director
Mr. Michael Jituboh	Non-Executive Director
Mrs. Folasade Kilaso	Non-Executive Director
Mr. Abubakar Suleiman	Managing Director/CEO
Mr. Tunde Adeola	Executive Director
Mr. Raheem Owodeyi	Executive Director

*** Professor Olayinka David West was appointed an Independent Director effective 8th August 2024.*

■ Registration Number

2392

■ Registered Office

Sterling Towers

20, Marina, Lagos

Tel: 2702300-8

■ Consultants

Ernst & Young

10th Floor, UBA,

57, Marina,

Lagos, Nigeria

■ Auditors

Deloitte & Touche, Nigeria

Civic Towers

Ozumba Mbadiwe, Road

Victoria Island

Lagos



Olatunji Mayaki
Chairman

Mr. Olatunji Mayaki is an executive management, governance and risk consultant who holds B.Sc. and LLB degrees from the University of Ibadan. He has attended both Harvard and INSEAD business and executive leadership development programs. Called to the Nigerian Bar, he started his career with the law firm then known as Ajumogobia, Okeke, Oyeboade & Aluko honing his skills in commercial law and litigation. He also served in the Banking and Asset Management sector, culminating in the role of pioneer Vice President, Legal & Compliance of Nigeria's leading Asset & Investment Management firm, Asset & Resource Management Company Ltd, ARM.

He joined Shell Petroleum's Nigerian operations in 1996 as Legal Adviser, Contracting & Projects, and was pioneer Legal Adviser & Company Secretary of Shell Exploration & Production Africa Limited, following creation of its African regional office in 2004. He transferred to the Netherlands in 2005 as Senior Legal Counsel supporting Engineering Procurement & Construction (EPC) Contracts for Shell's global Gas & Power Business where he maintained responsibility for supporting Group Engineering Procurement and Construction projects in Africa, China, Western Europe, and South America. He returned to Nigeria in 2009 to assume the role of Country Head of Legal & Group Company Secretary for all the Shell Companies in Nigeria.

In 2012, he joined Addax Petroleum Nigeria, as Deputy Managing Director, overseeing its External, Government & Regulatory Affairs, Human Resources & Admin, Legal, Community Relations, Security & Supply Chain Management Business Groups. He voluntarily retired from Addax in January 2022.

Mr. Mayaki also sits on the Governing Council of a Nigerian private university, Davidson, and a UK based NGO & Charitable Organisation, Chestrad, from where he has championed the establishment of several programs in Nigeria to support health systems, social development, women and the girl child. Mr. Mayaki currently sits on the Board of HSI Energies Ltd as the Vice Chairman of the Company and an Independent Director, and chairs the Board of CFG Africa Ltd.



Mr. Olaitan Kajero holds a Bachelor of Science Degree in Chemistry from the University of Lagos and an MBA in Finance from Olabisi Onabanjo University, Ago Iwoye in Ogun State. He is a Fellow of the Chartered Institute of Bankers of Nigeria.

He started his career as Finance and Admin Manager at Communication Associates of Nigeria Limited in 1997. He went on to serve as General Manager and Group Chief Operating Officer in Aircom Nigeria Limited between 2001 and 2006, where he was responsible for general business development and managing the day-to-day activities of the Company. He is currently the Managing Director of STB Building Society Limited. Mr. Kajero is a Fellow of the Chartered Institute of Bankers of Nigeria (CIBN).



Mrs. Tairat Tijani graduated from Lancaster University with Honours in Accounting, Finance & Economics. She also graduated with a Distinction in MBA, International Business from the University of Birmingham. She is a Fellow of the Association of Chartered Certified Accountants (ACCA) and a member of the Institute of Chartered Secretaries & Administrators of Nigeria. She has garnered significant experience as an operator in the Capital Market, participating in several landmark transactions which have contributed immensely towards the development of the Nigerian Capital Market.

She was formerly the Head, Capital Markets Division of FBN Capital Ltd (a subsidiary of FBN Holdings Plc) where she had oversight responsibility for deal origination and transaction execution. She successfully completed the Financial Times Diploma for Non-Executive Directors in 2016 and has attended several executive education programs with a focus on Leadership and Corporate Governance at leading international institutions including Wharton School, Pennsylvania, USA.

Mrs. Tijani serves as a Non-Executive Director at Central Securities Clearing System Plc (CSCS), where she also chairs the Technical Committee. She was appointed a Non-Executive Director of the Bank in November 2014, and she is currently the Chairperson of the Board Finance and General-Purpose Committee of the Bank.



Michael Jituboh
Non-Executive Director

Mr. Michael Jituboh joined the Board of Sterling Bank in December 2015. He holds a Bachelor of Science (B.Sc.) Degree in Applied Mathematics from the Federal City College (now University of Washington DC), USA and a Master of Arts (MA) Degree in Economic Studies from Stanford University, California, USA. He is an alumnus of the Harvard Business School, Program for Management Development (PMD). He was the Executive Director, Special Projects at Globacom Limited.

He worked for 17 years in the African Development Bank in Ivory Coast where he successfully held the positions of Loan Officer, Senior Executive in charge of International Organizations, Special Assistant to the President and Director, International Co-operation Department. He has extensive background experience in Project Lending and Management. He previously served as Non-Executive Director on the boards of the erstwhile Devcom and Equitorial Trust Banks.

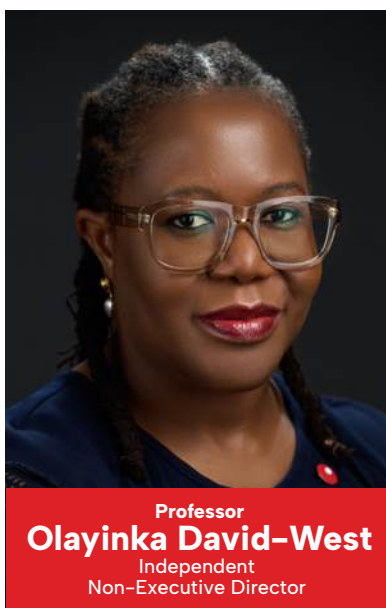
He is an alumnus of the Harvard Business School, Program for Management Development (PMD).



Folashade Kilaso
Non-Executive Director

Mrs. Folashade Kilaso joined the Board of Sterling Bank Ltd as a Non-Executive Director in June 2018. She holds a bachelor's degree in law from the University of Kent and an LLM from the University of Cambridge specializing in International Corporate Law and Finance. Mrs. Kilaso was called to the Nigerian Bar in 1988. She trained with leading international law firm Clifford Chance in the United Kingdom and is a solicitor of the Supreme Court of England and Wales. She is presently the Managing Partner at Berkeley Legal where she specializes in Banking & Corporate Finance, Asset Management, Energy, Real Estate, Insurance, Immigration and Risk Management.

Prior to setting up Berkeley Legal in 2015, she was Executive Director at Standard Chartered Bank, Nigeria. She had a multifunctional career at Standard Chartered during her 11 years with the Bank. Mrs. Kilaso has served on the Board of the Financial Institutions Training Centre (FITC), and on the committees of various institutions such as the Nigeria Inter Bank Settlement Systems (NIBSS), Chartered Institute of Bankers Nigeria (CIBN) and Central Bank of Nigeria (CBN) – Sub Committee for Women Economic Empowerment. Mrs. Kilaso currently sits on the Board of other Companies such as Milford Consultancy Limited, Newhall Training & Recruitment Services Limited, Eistree Farms Limited, Berkeley Technology Services Management Limited, Enza Nigeria Payment Services Limited and Berkeley Digital Services Limited.



Professor
Olayinka David-West
Independent
Non-Executive Director

*Appointed effective
8th August 2024*

Prof. Olayinka David-West was appointed an Independent Director on the Board of Sterling Bank Ltd in August 2024. She is a professor of Information Systems with almost three decades' experience in the IT and financial services industry.

Professor David-West is a Dean at the Lagos Business School (LBS), the premier business school in Nigeria and sits on the school's Management Board. She leads the Sustainable and Inclusive Digital Financial Services (SIDFS) initiative, a research and advocacy initiative dedicated to enhancing financial inclusion in Nigeria.

She holds expert certifications in financial inclusion policy and digital money. She is a member of the governing council of Fintech Association of Nigeria and a member of the African Women in Finance and Payments. She is a Certified Information Systems Auditor (CISA), Certified in the Governance of Enterprise IT (CGEIT), and the academic advocate to the Information Systems Audit and Control Association (ISACA). She is also a qualified practitioner of the Skills Framework for the Information Age (SFIA).

Professor David-West is a member of the Association of Information Systems (AIS), Information Systems Audit and Control Association (ISACA), African Academy of Management (AFAM), Chartered Risk Management Institute (CRMI) and Fintech Association of Nigeria (FTAN). Prof. David-West currently sits on the Board of several organizations such as Stanbic IBTC Asset Management Limited, Business Day Media Limited, Omar Gardens Floral Company, Accion Microfinance Bank and CC Hub Syndicate.



Michael Ajukwu
Independent
Non-Executive Director

Mr. Michael Ajukwu was appointed an Independent Director on the Board of Sterling Bank Ltd in June 2018. He holds a B.sc in Finance from the University of Lagos and an MBA in Accounting & Finance from New York University. He worked for 21 years in the banking industry retiring in 2002 as an executive board member of United Bank for Africa.

Mr. Ajukwu is currently a Non-Executive Director on the Boards of Novotel – A member of ACCOR (a French Hotel Group). He is also an Independent Director on the Board of Tiger Brands SA, MTN Nigeria Communications Plc and International Breweries.



Mrs. Olusola Oworu is a seasoned professional with a strong bias for credit analysis, risk management and marketing. She holds a Bachelor of Arts (Honours) in Accounting and is a fellow of the Institute of the Chartered Accountants of Nigeria. She worked with Coopers and Lybrand (now PricewaterhouseCoopers), NAL Merchant Bank (now Sterling Bank Ltd.) and Citibank Nigeria where she rose to the position of Vice President.

Mrs. Oworu served as a Special Adviser on Commerce & Industry to the erstwhile Governor of Lagos State, Mr. Babatunde Raji Fashola SAN. She was also an Honourable Commissioner for Commerce & Industry with the primary responsibility to develop several green-field projects, initiate schemes to improve the investment climate, and lead the drive to attract new investments to Lagos State.

Mrs. Oworu was an Independent Director of First Bank of Nigeria Limited from January 2016 to April 2021. She is currently the Chairperson, Lekki Concession Company, and a member of the Advisory Board of Landmark Village, Lekki. Mrs. Oworu currently sits on the Board of Lafarge Africa Plc, Guinness Nigeria Plc, Fobisol Ventures and Landmark Africa Limited as an independent director.



Mr. Abubakar Suleiman currently serves as the Managing Director/Chief Executive of Sterling Bank. He was appointed to the Board in April 2014 with responsibility for directly overseeing the Strategy & Innovation, Branding & Communication, and Human Resource Management Departments before assuming the role of the Managing Director.

Mr. Suleiman joined the Sterling Bank family (Trust Bank of Africa) with responsibility for Treasury and Finance. Following the merger in 2006, he was appointed Group Treasurer; a position he held until he assumed the role of Integration Director – tasked with managing and integrating Equitorial Trust Bank (ETB) into Sterling. He began his career as an Experienced Staff Assistant at Arthur Andersen (now KPMG Nigeria), before moving to MBC International Bank (now First Bank) as a Management Associate. He later worked in Citibank Nigeria in roles spanning Treasury and Asset & Liability Management.

Mr. Abubakar Suleiman holds a degree in Economics from the University of Abuja and a Master's degree in Major Programme Management from the University of Oxford. He has attended various executive education programmes at INSEAD, Harvard, Wharton, and Said Business Schools. He currently serves on the Advisory Boards of Lagos Business School (LBS) and the Enterprise Development Centre (EDC) of the Pan Atlantic University, and sits on the Board of other organizations such as Criterion Capital, Black Rising Limited, and Ananse Internet Group.



Tunde Adeola

Executive Director, Commercial and Institutional Banking

Mr. Tunde Adeola serves as the Executive Director, Commercial and Institutional Banking. He was previously the General Manager and the Divisional Head, Commercial Banking Directorate at Sterling Bank where he is responsible for the growth, retainership, sustainability and relationship management of the Bank's commercial banking portfolio.

He had previously served as the Business Executive, Commercial & Institutional Banking Group, Lagos Mainland. Prior to Sterling Bank, Mr. Adeola was the Assistant General Manager (Ikeja Business Area) in Trust Bank of Africa. He had at various times worked in Kakawa Discount House and Liberty Merchant Bank Limited. He holds a Bachelor of Arts degree in English from the Lagos State University. He also holds a Bachelor of Laws degree from the University of Lagos. He is an alumnus of the Wharton School, Pennsylvania. He is an Honorary Member, Chartered Institute of Bankers of Nigeria (HCIB).



Raheem Owodeyi

Executive Director/
Chief Operating Officer

Mr. Raheem Owodeyi serves as the Executive Director, Risk and Compliance. He is a skilled expert with over 28 years experience in the Financial Services Industry. He holds a Bachelor of Science degree in Economics (First Class) from Obafemi Awolowo University. He is a Senior Member of the Chartered Institute of Bankers of Nigeria, a Member of the Institute of Internal Auditors and a Fellow of the Compliance Institute, Nigeria. He is an alumnus of the Wharton School, Pennsylvania.

He previously served as the Chief Compliance Officer of the Sterling Bank. Prior to joining Sterling Bank, he was a General Manager and Chief Inspector at Aso Savings and Loans Plc. He also served as a Deputy General Manager and Head, Compliance & Internal Controls (International) at Access Bank Plc. He worked at BDO Stoy Hayward LLP, United Kingdom, Triumph Bank Plc and Citigroup, Nigeria.

He is an Honorary Member, Chartered Institute of Bankers (HCIB) and a Member of the Association of Certified Anti-Money Laundering Specialists.

Report Of The Directors

For the year ended 31 December 2024

The Directors have pleasure in presenting to the members of Sterling Bank Ltd (“the Bank”) their report together with the audited consolidated and separate financial statements for the year ended 31 December 2024.

Corporate Structure And Business

Principal Activity and Business Review

Sterling Bank Ltd, (formerly NAL Bank Plc) was the pioneer merchant bank in Nigeria, established on 25 November 1960 as a private liability company and was converted to a public limited company in April 1992.

Sterling Bank Ltd (“the Bank”) is engaged in commercial banking services with emphasis on retail, commercial and corporate banking, trade services and investment banking activities. It also provides wholesale banking services including the granting of loans and advances, letter of credit transactions, money market operations, electronic banking products and other banking activities.

Legal Form

Following the consolidation reforms introduced and driven by the Central Bank of Nigeria in 2004, the Bank emerged from the consolidation of NAL Bank Plc, Indo-Nigerian Bank Limited, Magnum Trust Bank Plc, NBM Bank Limited and Trust Bank of Africa Limited. NAL Bank Plc as the surviving bank adopted a new name for the enlarged entity – ‘Sterling Bank Plc’. The enlarged Bank commenced post-merger business operations on 3rd January 2006 and the Bank’s shares were quoted on the Nigerian Exchange (NGX) until April 6, 2023.

In October 2011, the Bank had a business combination with Equitorial Trust Bank Limited to re-position itself to better compete in the market space.

In compliance with the CBN guidelines on the review of the Universal Banking model, the Bank divested from its 4 (four) subsidiaries and one associate company on 30 December 2011.

In 2016, Sterling Bank Ltd registered Sterling Investment Management Plc (the SPV) with the Corporate Affairs Commission as a public limited liability company. The objective of setting up the SPV was to raise or borrow money by the issue of bonds or other debt instruments. The SPV is a subsidiary and is consolidated in the financial statements of the Bank. The Bank and its subsidiary are collectively referred to as “the Group”.

In furtherance of its restructuring into a holding company, the Bank was re-registered as a private limited company in May 2023, and its shares were subsequently delisted from the Nigerian Exchange in April 2023.

On 26 June 2023, the Bank received final approval from the Central Bank of Nigeria (CBN) to restructure its operations by separating its non-interest banking business into a standalone entity, Alternative Bank Limited. This strategic milestone was followed by regulatory approval on 27 June 2023 for the transition to a holding company structure, now operating as Sterling Financial Holdings Company Plc.

The Bank has 160 branches including cash centers as of 31 December 2024.

REPORT OF THE DIRECTORS - Continued

OPERATING RESULTS

Highlights of the Group and the Bank's operating results for the year ended 31 December 2024 are as follows:

<i>In millions of Naira</i>	Group 2024	Group 2023	Bank 2024	Bank 2023
Gross earnings	296,961	211,561	294,945	209,356
Profit before income tax	31,524	21,237	31,343	21,210
Income tax expense	2,918	(839)	2,934	(774)
Profit after income tax	34,442	20,398	34,277	20,436
Profit attributable to equity holders	34,442	20,398	34,277	20,436
Total non-performing loans as % of gross loans	5%	5%	5%	5%
Earnings per share (kobo) – Basic	107k	71k	106k	71k
Earnings per share (kobo) – Diluted	107k	71k	106k	71k

Dividend

In accordance with the provisions of Section 426 of the Companies and Allied Matters Act 2020, the Directors have proposed a dividend of 11k per share (31 December 2023: Nil), translating to a pay-out ratio of 10% (31 December 2023: nil). The proposed dividend will be presented to shareholders for approval at the next Annual General Meeting and paid subsequently subject to withholding tax at an appropriate rate.

REPORT OF THE DIRECTORS - Continued

Directors who served during the year

The following Directors served during the year and as at the date of this report:

Name	Designation	Date appointed/retired
Mr. Olatunji Mayaki	Chairman	Appointed as Chairman effective 01/01/2024
Mr. Michael Ajukwu	Independent Director	
Mr. Olaitan Kajero	Non-Executive Director	
Mrs. Tairat Tijani	Non-Executive Director	
Mr. Michael Jituboh	Non-Executive Director	
Mr. Manish Singhal	Non-Executive Director	Resigned effective 22/02/2024
Mr. Ashutosh Kumar	Non-Executive Director	Resigned effective 27/02/2024
Mrs. Folasade Kilaso	Non-Executive Director	
Mrs. Olusola Oworu	Independent Director	
Prof. Olayinka David-West	Independent Director	Appointed effective 08/08/2024
Mr. Abubakar Suleiman	Managing Director/CEO	
Mr. Tunde Adeola	Executive Director	
Mr. Raheem Owodeyi	Executive Director	

REPORT OF THE DIRECTORS - Continued

Going concern

The Directors assess the Group and the Bank's future performance and financial position on an ongoing basis and have no reason to believe that the Group will not be a going concern in the next twelve months from the date of this report. For this reason, these consolidated and separate financial statements are prepared on a going-concern basis.

Director's interests in contracts

For the purpose of Section 303 of the Companies and Allied Matters Act, 2020, none of the current Directors had direct or indirect interest in contracts or proposed contracts with the Group during the year.

Director's Remuneration

The Bank ensures that remuneration paid to its Directors comply with the provisions of the codes of corporate governance issued by its Regulators.

In compliance with Section 16.8 of the Nigerian Code of Corporate Governance, the Bank hereby disclose the remuneration paid to its Directors as follows:

	Type of Package Fixed	Description	Timing
1	Basic Salary	Part of gross salary package for Executive Directors only, reflects the banking industry competitive salary package and the extent to which the Bank's objectives have been met for the financial year.	Paid monthly during the financial year
2	Other Allowances	Part of gross salary package for Executive Directors only, reflects the banking industry competitive salary package and the extent to which the Bank's objectives have been met for the financial year.	Paid periodically during the financial year
3	Productivity Bonus	Paid to Executive Directors only and tied to performance of their line reports. It is also a function of the extent to which the Bank's objectives have been met for the financial year.	Paid annually in arrears
4	Director Fees	Paid to Non-Executive Directors only.	Paid bi-annually in January and July
5	Sitting Allowances	Allowances paid to Non-Executive Directors only for attending Board and Board Committee meetings	Paid after each meeting

Beneficial ownership

The Bank is solely owned by Sterling Financial Holdings Company Plc.

REPORT OF THE DIRECTORS - Continued

Donations and Charitable Gifts

The Bank donated a total sum of N385.9million during the year ended 31 December 2024 (2023: N304.6million) to various charitable organizations in Nigeria, details of which are shown below. No donation was made to any political organization.

Details of Donation	Purpose	Amount (N'm)
28th National Economic Summit Sponsorship and Membership commitment	Sponsorship	70.0
Agriculture Summit Africa Partnership Support	Sponsorship	50.0
Ake Arts and Book Festival	Sponsorship	48.0
Financial Literacy and Public Enlightenment Support	Corporate Social Responsibility	35.9
Afro Flavour Food Festival	Sponsorship	35.9
Support for Educational Advancement Programmes and Human Capital Development	Corporate Social Responsibility/Sponsorship	28.0
Support for Youth and Creative Development Initiatives	Corporate Social Responsibility/Sponsorship	26.0
Support for Environmental Sustainability Initiatives	Corporate Social Responsibility	18.7
Africa Fashion Week	Sponsorship	15.0
Africa Social Impact Summit Partnership Support	Sponsorship	14.6
Sterling Environmental Makeover 2024	Corporate Social Responsibility	14.4
Institutional Support for Capacity Building and Professional Development	Sponsorship	11.5
Body of Bank's CEOs Flood Support Contribution	Corporate Social Responsibility	9.3
Sponsorship for Business and Investment Development Initiatives	Sponsorship	7.3
One Woman Mentorship Programme	Sponsorship	1.5
		385.9

REPORT OF THE DIRECTORS - Continued

Gender Analysis of Staff

Analysis of staff employed by the Bank during the year ended 31 December 2024

DESCRIPTION	% TO TOTAL	
	NUMBER	STAFF
Female new hire	266	42.4%
Male new hire	362	57.6%
Total new hire	628	100.0%
Female as at 31 December 2024	1,494	46.8%
Male as at 31 December 2024	1,698	53.2%
Total staff	3,192	100.0%

Analysis of top management positions by gender as at 31 December 2024:

GRADE	FEMALE	MALE	TOTAL
Senior Management (AGM –GM)	8	27	35
Middle Management (DM – SM)	205	337	542
TOTAL	213	364	577

Analysis of Executive and Non-Executive positions by gender as at 31 December 2024:

GRADE	FEMALE	MALE	TOTAL
Executive Director	-	2	2
Managing Director	-	1	1
Non-Executive Director	4	4	8
TOTAL	4	7	11

Total remuneration of Senior Management (Assistant General Managers, Deputy General Managers, General Managers and Executive Directors) in 2024 amounted to N426 million (2023: N652million).

Acquisition of own shares

The Bank did not acquire any of its shares during the year ended 31 December 2024 (2023: Nil).

Property, plant and equipment

Information relating to changes in property, plant and equipment is given in Note 24 to the consolidated and separate financial statements.

REPORT OF THE DIRECTORS - Continued

Employment and employees

Employment of disabled persons:

The Group has a non-discriminatory policy on recruitment. Applications would always be welcomed from suitably qualified disabled persons and are reviewed strictly on qualification. The Group's policy is that the highest qualified and most experienced persons are recruited for appropriate job levels irrespective of an applicant's state of origin, ethnicity, religion or physical condition.

Health, safety and welfare of employees:

Health and safety regulations are in force within the Bank's premises and employees are aware of existing regulations. The Group provides subsidies to all levels of employees for medical expenses, transportation, housing, lunch, etc.

Employee training and development

The Group is committed to keeping employees fully informed as much as possible regarding the Group's performance and progress and seeking their opinion where practicable on matters which particularly affect them as employees.

Training is carried out at various levels through both in-house and external courses. Incentive schemes designed to encourage the involvement of employees in the Group's performance are implemented whenever appropriate.

Events after the reporting date

Note 37 to the consolidated and separate financial statements discloses no events after the reporting date, that could have a material effect on the consolidated and separate financial position of the Group and the Bank as at 31 December 2024 or their profit for the year then ended.

Auditors

In accordance with Section 401(2) of the Companies and Allied Matters Act 2020 and Section 20.2 of Nigerian Code of Corporate Governance 2018, Messrs. Deloitte & Touche have indicated their willingness to continue as External Auditors of Sterling Bank Ltd.

BY ORDER OF THE BOARD:



Adeyoola Temple

Group Head, Company Secretariat

FRC/2018/PRO/NBA/002/00000012648

20 Marina, Lagos, Nigeria

15 May, 2025

Statement of Directors' Responsibilities

In relation to the preparation of the Financial Statements

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RELATION TO THE PREPARATION OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

The Directors of Sterling Bank Ltd accept responsibility for the preparation of the consolidated and separate financial statements that give a true and fair view of the financial position of the Bank and its subsidiary as at 31 December 2024, and the results of its operations, cash flows and changes in equity for the year then ended, in compliance with IFRS Accounting Standards as issued by the International Accounting Standards Board and in the manner required by the Companies and Allied Matters Act 2020, Banks and Other Financial Institutions Act and the Financial Reporting Council of Nigeria (Amendment) Act, 2023. In preparing the financial statements, the Directors are responsible for:

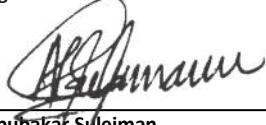
- (a) properly selecting and applying accounting policies;
- (b) presenting information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- (c) providing additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Group's financial position and financial performance.

Going Concern:

The Directors have made an assessment of the Group and Bank's ability to continue as a going concern and have no reason to believe the Group and Bank will not remain a going concern in the year ahead.

The financial statements of the Group for the year ended 31 December 2024 were approved by the directors on 15 May, 2025.

Signed on behalf of the Directors by:



Abubakar Suleiman
Managing Director/CEO
FRC/2013/PRO/DIR/003/00000001275



Olatunji Mayaki
Chairman
FRC/2014/PRO/DIR/003/00000009975

Statement of Corporate Responsibility

For the Financial Statements

STATEMENT OF CORPORATE RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

- (a) In accordance with section 405 of the Companies and Allied Act of Nigeria, the Chief Executive Officer and the Chief Financial Officer certify that the financial statements have been reviewed and based on our knowledge, the
- (i) audited financial statements do not contain any untrue statement of material fact or omit to state a material fact, which would make the statements misleading, in the light of the circumstances under which such statement was made, and
 - (ii) audited financial statements and all other financial information included in the statements fairly present, in all material respects, the financial condition and results of operation of the company as of and for, the periods covered by the audited financial statements;
- (b) We state that management and directors:
- (i) are responsible for establishing and maintaining internal controls and has designed such internal controls to ensure that material information relating to the Group is made known to the officer by other officers of the group and bank, particularly during the period in which the audited financial statement report is being prepared.
 - (ii) has evaluated the effectiveness of the group's internal controls within 90 days prior to the date of its audited financial statements, and
 - (iii) certifies that the group's internal controls are effective as of that date;

The financial statements of the Group and the Bank for the year ended 31 December 2024 were approved by the directors on 15 May, 2025.

Signed by:



Saheed Adegoke
Group Head, Finance & Performance Management
FRC/2012/PRO/ICAN/001/00000000274



Abubakar Suleiman
Managing Director/CEO
FRC/2013/PRO/DIR/003/00000001275

**REPORT OF THE BOARD AUDIT COMMITTEE
FOR THE YEAR ENDED 31 DECEMBER 2024
TO THE MEMBERS OF STERLING BANK LTD**

In accordance with the provision of Section 404 (7) of the Companies and Allied Matters Act 2020, the members of the Board Audit Committee of Sterling Bank Ltd and its subsidiary hereby report as follows:

- We are of the opinion that the accounting and reporting policies of the Group are in accordance with International Financial Reporting Standards and legal requirements and agreed ethical practices.
- We believe that the scope and planning of both the external and internal audits for the year ended 31 December 2024 were satisfactory and reinforce the Group's internal control systems.
- We have deliberated with the External Auditors, who have confirmed that necessary co-operation was received from Management in the course of their audit and we are satisfied with Management's response to the External Auditor's recommendations on accounting and internal control matters.
- The Internal Control and Internal Audit functions were operating effectively.
- We have exercised our statutory functions under Section 404 (7) of the Companies and Allied Matters Act, 2020 and acknowledge the co-operation of Management and staff in the conduct of these responsibilities.

We are satisfied that the Bank has complied with the provision of the Central Bank of Nigeria Circular BSD/1/2004 dated 18 February 2004 on "Disclosure of Directors' related credits in the consolidated and separate financial statements of banks". We have reviewed insider-related credits of the Bank and found them to be as analysed in the consolidated and separate financial statements. The status of performance of these facilities is disclosed in Note 36(b) to the consolidated and separate financial statements.



Michael Ajukwu
Chairman, Board Audit Committee
FRC/2024/PRO/DIR/003/771922

14 May, 2025

Members of the Board Audit Committee are:

1 Mr. Michael Ajukwu	Chairman
2 Mrs. Olusola Oworu	Member
3 Mr. Michael Jituboh	Member
4 Mr. Olaitan Kajero	Member
5 Prof. Olayinka David-West	Member

In attendance:
Adeyoola Temple

Group Head, Company Secretariat



Ernst & Young
UBA House, 10th Floor
57 Marina, Lagos

Tel: (234 -1) 4630479, 4630480
Fax: (234 -1) 4630481
E-mail: services@ng.ey.com

Report of External Consultants on the Board Performance Evaluation of Sterling Bank Limited.

We have performed the evaluation of the Board of Sterling Bank Limited "Sterling Bank", or "Bank" for the year ended 2024 in accordance with the CBN Corporate Governance Guidelines 2023 (CBN CGG 2023) and the FRC Nigerian Code of Corporate Governance 2018 (FRC NCCG 2018).

The FRC NCCG 2018 states that Annual Board Evaluation assesses how each Director, the Committees of the Board and the Board are committed to their roles, work together and continue to contribute effectively to the achievement of the Bank's objectives. Subsection 15.2 of the FRC NCCG states that the summary of the report of this evaluation should be included in the Bank's annual report and on the investors' portal. Our approach included the review of Sterling Bank's Corporate Governance framework, and all relevant policies and procedures. We obtained written representation through online questionnaires administered to the Board members and conducted one on one interviews with the Directors of the Bank.

The appraisal is limited in nature, and as such may not necessarily disclose all significant matters about the Bank or reveal irregularities in the underlying information.

Based on our work, and as noted below, the Board of Sterling Bank Limited has complied with the requirements of Sections 10.1 and 10.3 of the CBN CGG 2023 and Sections 14.1 and 15.1 of FRC NCCG 2018 during the year ended 31st December 2024.

Specific recommendations for the further improvement of Sterling Bank's Corporate Governance practices have been articulated and included in our detailed report to the Board. These recommendations cover the following areas: Strategy, Quality of the Board, Board Operations, Board Risk Management Activities, Relationship with Stakeholders as well as Transparency and Disclosure.

For: Ernst & Young

Abiodun Ogunoiki
Partner and Head, Financial Services Risk Management, West Africa
FRC/2013/PRO/DIR/003/00000000794



MANAGEMENT'S ASSESSMENT OF, AND REPORT ON, STERLING BANK LIMITED'S INTERNAL CONTROL OVER FINANCIAL REPORTING FOR THE YEAR ENDED 31 DECEMBER 2024

In line with Financial Reporting Council's (FRC) guideline and in fulfillment of the FRC (Amendment) Act, 2023, we hereby make the following statements regarding the internal controls of Sterling Bank Limited for the year ended 31 December 2024:

- i. Sterling Bank Limited's management is responsible for establishing and maintaining a system of Internal Control over Financial Reporting ("ICFR") that provides reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with International Financial Reporting Standards.
- ii. Sterling Bank Limited's management used the Committee of Sponsoring Organisation of the Treadway Commission (COSO) Internal Control-Integrated Framework to conduct the required evaluation of the effectiveness of the Bank's ICFR.
- iii. Sterling Bank Limited's management has assessed that the Bank's ICFR as of the end of 31 December 2024 is effective.
- iv. Sterling Bank Limited's external auditor, Messrs. Deloitte & Touche, that audited the financial statements, has issued an attestation report on management's assessment of the Bank's internal control over financial reporting.

The attestation report of Messrs. Deloitte & Touche that audited the financial statements is included as part of Sterling Bank Limited's annual report.

March 28, 2025

Saheed Adegoke

Group Head, Finance and Performance Management
FRC/2012/PRO/ICAN/001/00000000274

Abubakar Suleiman

Managing Director/CEO
FRC/2013/PRO/DIR/003/00000001275

Board of Directors

Chairman
Mr. Olatunji Mayaki

MD/CEO
Mr. Abubakar Suleiman

Executive Directors
Mr. Tunde Adeola
Mr. Raheem Owodeyi

Non-Executive Directors
Mr. Olaitan Kajero
Mrs. Tairat Tijani
Mr. Michael Jituboh
Mrs. Folasade Kilaso

Independent Directors
Mr. Michael Ajukwu
Mrs. Olusola Oworu
Prof. Olayinka David-West

Sterling Bank Ltd. (RC No 2392)

Head Office: 20 Marina, Lagos.
Tel: 01- 0032 0
sterling.ng/bank



**CERTIFICATION OF MANAGEMENT'S ASSESSMENT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING FOR THE YEAR ENDED 31 DECEMBER 2024**

I hereby make the following statements regarding the internal controls of Sterling Bank Limited for the year ended 31 December 2024:

I, **Saheed Adegoke**, certify that:

- a) I have reviewed this Management Assessment on Internal Control over Financial Reporting of Sterling Bank Limited;
- b) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
- c) Based on my knowledge, the financial statements, and other financial information included in this report, faithfully present, in all material respects, the financial condition, results of operations and cash flows of the Bank as of, and for, the periods presented in this report;
- d) The Bank's other certifying officer and I:
 - 1) are responsible for establishing and maintaining internal controls;
 - 2) have designed such internal controls and procedures, or caused such internal controls and procedures to be designed under our supervision, to ensure that material information relating to the Bank is made known to us by others within the Bank, particularly during the period in which this report is being prepared;
 - 3) have designed such internal control system, or caused such internal control system to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with Generally Accepted Accounting Principles (GAAPs);
 - 4) have evaluated the effectiveness of the Bank's internal controls and procedures as of a date within 90 days prior to the report, and presented in this report our conclusions about the effectiveness of the internal controls and procedures, as of the end of the period covered by this report based on such evaluation.

Board of Directors

Chairman
Mr. Olatunji Mayaki

MD/CEO
Mr. Abubakar Suleiman

Executive Directors
Mr. Tunde Adeola
Mr. Raheem Owodeyi

Non-Executive Directors
Mr. Olaitan Kajero
Mrs. Tairat Tijani
Mr. Michael Jituboh
Mrs. Folasade Kilaso

Independent Directors
Mr. Michael Ajukwu
Mrs. Olusola Oworu
Prof. Olayinka David-West

Sterling Bank Ltd. (RC No 2392)

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Tel: 01-0032 0
sterling.ng/bank



- e) The Bank's other certifying officer and I have disclosed, based on our most recent evaluation of the internal control system, to the Bank's auditors and the Board of Directors:
- 1) All significant deficiencies and material weaknesses in the design or operation of the internal control system which are reasonably likely to adversely affect the Bank's ability to record, process, summarise, and report financial information; and
 - 2) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Bank's internal control system.
- f) The Bank's other certifying officer and I have identified, in the report whether or not there were significant changes in internal controls or other facts that could significantly affect internal controls subsequent to the date of their evaluation including any corrective actions with regard to significant deficiencies and material weaknesses.

Saheed Adegoke

Group Head, Finance and Performance Management
FRC/2012/PRO/ICAN/001/00000000274
28 March, 2025

Board of Directors

Chairman
Mr. Olatunji Mayski

MD/CEO
Mr. Abubakar Suleiman

Executive Directors
Mr. Tunde Adeola
Mr. Raheem Owodeyi

Non-Executive Directors
Mr. Olaitan Kajero
Mrs. Tairat Tijani
Mr. Michael Jituboh
Mrs. Folasade Kitaso

Independent Directors
Mr. Michael Ajukwu
Mrs. Olusola Oworu
Prof. Olayinka David-West

Sterling Bank Ltd. (RC No 2392)

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Tel: 01-0032 0
sterling.ng/bank



**CERTIFICATION OF MANAGEMENT'S ASSESSMENT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING FOR THE YEAR ENDED 31 DECEMBER 2024**

I hereby make the following statements regarding the internal controls of Sterling Bank Limited for the year ended 31 December 2024:

I, **Abubakar Suleiman**, certify that:

- a) I have reviewed this Management Assessment on Internal Control over Financial Reporting of Sterling Bank Limited;
- b) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
- c) Based on my knowledge, the financial statements, and other financial information included in this report, faithfully present, in all material respects, the financial condition, results of operations and cash flows of the Bank as of, and for, the periods presented in this report;
- d) The Bank's other certifying officer and I:
 - 1) are responsible for establishing and maintaining internal controls;
 - 2) have designed such internal controls and procedures, or caused such internal controls and procedures to be designed under our supervision, to ensure that material information relating to the Bank is made known to us by others within the Bank, particularly during the period in which this report is being prepared;
 - 3) have designed such internal control system, or caused such internal control system to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with Generally Accepted Accounting Principles (GAAPs);
 - 4) have evaluated the effectiveness of the Bank's internal controls and procedures as of a date within 90 days prior to the report, and presented in this report our conclusions about the effectiveness of the internal controls and procedures, as of the end of the period covered by this report based on such evaluation.

Board of Directors

Chairman
Mr. Olatunji Mayaki

MD/CEO
Mr. Abubakar Suleiman

Executive Directors
Mr. Tunde Adeola
Mr. Raheem Owodeyi

Non-Executive Directors
Mr. Olaitan Kajero
Mrs. Tairat Tijani
Mr. Michael Jituboh
Mrs. Folasade Kilaso

Independent Directors
Mr. Michael Ajukwu
Mrs. Olusola Oworu
Prof. Olayinka David-West

Sterling Bank Ltd. (RC No 2392)

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Tel: 01- 0032 0
sterling.ng/bank



- e) The Bank's other certifying officer and I have disclosed, based on our most recent evaluation of the internal control system, to the Bank's auditors and the Board of Directors:
- 1) All significant deficiencies and material weaknesses in the design or operation of the internal control system which are reasonably likely to adversely affect the Bank's ability to record, process, summarise, and report financial information; and
 - 2) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Bank's internal control system.
- f) The Bank's other certifying officer and I have identified, in the report whether or not there were significant changes in internal controls or other facts that could significantly affect internal controls subsequent to the date of their evaluation including any corrective actions with regard to significant deficiencies and material weaknesses.

Abubakar Suleiman

Managing Director/CEO
FRC/2013/PRO/DIR/003/00000001275
28 March, 2025

Board of Directors

Chairman
Mr. Olatunji Mayaki

MD/CEO
Mr. Abubakar Suleiman

Executive Directors
Mr. Tunde Adeola
Mr. Raheem Owodeyi

Non-Executive Directors
Mr. Olaitan Kajero
Mrs. Tairot Tijani
Mr. Michael Jituboh
Mrs. Folasade Kilaso

Independent Directors
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Prof. Olayinka David-West

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March 2025

The Company Secretary

Sterling Bank Limited
Sterling Towers,
20 Marina,
Lagos Island

Dear Sir,

Report of External Auditors Review on the Extent of Compliance with Corporate Governance Requirements for Sterling Bank Limited

Deloitte & Touche has performed an independent review to determine the extent of Sterling Bank Limited's ("Sterling Bank") compliance with the provisions of the Nigerian Code of Corporate Governance 2018 (NCCG 2018) and CBN Corporate Governance Guidelines for Banks (CBN CG Guidelines for Banks) for the year ended 31 December 2024.

Our review was premised on desk review of relevant governance documents, policies, and procedures. The review was performed leveraging relevant governance guidelines by the Nigerian Code of Corporate Governance (NCCG), CBN Corporate Governance Guidelines for Banks (CBN CG Guidelines for Banks), and other relevant codes of corporate governance.

The result of our review has shown that the Bank generally complies with the provisions of the NCCG and the CBN CG Guidelines for Banks. It should be noted that the matters raised in this report are only those which came to our attention during the review. The report is limited in nature and does not necessarily disclose all significant matters about the company or reveal any irregularities. As such, we do not express any opinion on the activities reported. The report should be read in conjunction with the Audited Financial Statements of the Bank.

Thank you for the opportunity to work with you on this project. We look forward to other opportunities to add value to your business.

Yours faithfully,

For: Deloitte and Touché

Ibukun Beecroft
Partner, Risk Advisory
FRC/2020/ICAN/00000020765



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**Assurance Report of Independent Auditor
To the Shareholders of Sterling Bank Ltd
Assurance Report on management's assessment of controls over financial reporting**

We have performed a limited assurance engagement in respect of the systems of internal control over financial reporting of **Sterling Bank Ltd** as of 31 December 2024, in accordance with the FRC Guidance on assurance engagement report on Internal Control over Financial Reporting and based on criteria established in the Internal Control — Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) ("the ICFR framework"), and the FRC Guidance on Management report on Internal Control over Financial Reporting. **Sterling Bank Ltd's** management is responsible for maintaining effective internal control over financial reporting and for assessing the effectiveness of internal control over financial reporting including the accompanying Management's Report on Internal Control Over Financial Reporting.

We have also audited, in accordance with the International Standards on Auditing, the financial statements of *the Bank* and our report dated 19 June 2025 expressed an *unmodified* opinion.

Limited Assurance Conclusion

Based on the procedures we have performed and the evidence that we have obtained, nothing has come to our attention that causes us to believe that the Bank did not establish and maintain an effective system of internal control over financial reporting, as of the specified date, based on the FRC Guidance on Management report on Internal Control over Financial Reporting.

Definition of internal control over financial reporting

Internal control over financial reporting is a process designed by, or under the supervision of, the entity's principal executive and principal financial officers, or persons performing similar functions, and effected by the entity's board of directors, management, and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. An entity's internal control over financial reporting includes those policies and procedures that:

- I. Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the entity;
- II. Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the bank are being made only in accordance with authorizations of management and directors of the entity; and
- III. Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the entity's assets that could have a material effect on the financial statements.



List of partners and partner equivalents available on the website



Inherent limitations

Our procedures included the examination of historical evidence of the design and implementation of the Bank's system of internal control over financial reporting for the year ended 31 December 2024. Because of its inherent limitations, internal control over financial reporting may not prevent or detect all misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Directors' and Management's Responsibilities

The Directors are responsible for ensuring the integrity of the entity's financial controls and reporting.

Management is responsible for establishing and maintaining a system of internal control over financial reporting that provides reasonable assurance regarding the reliability of financial reporting, and the preparation of financial statements for external purposes in accordance with IFRS Accounting Standards as issued by the International Accounting Standards and the ICFR framework.

Section 7(2f) of the Financial Reporting Council of Nigeria (Amendment) Act 2023 further requires that management perform an assessment of internal controls, including information system controls. Management is responsible for maintaining evidential matters, including documentation, to provide reasonable support for its assessment of internal control over financial reporting.

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behavior.

The firm applies the International Standard on Quality Management 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

Auditor's Responsibility and Approach

Our responsibility is to express a limited assurance opinion on the Bank's internal control over financial reporting based on our Assurance engagement.

We performed our work in accordance with the FRC Guidance on Assurance Engagement Report on Internal Control over Financial Reporting and the International Standard on Assurance Engagements (ISAE) 3000, Assurance Engagements other than the Audits or Reviews of Historical Financial Information (ISAE 3000) revised. That Standard requires that we comply with ethical requirements and plan and perform the limited assurance engagement to obtain limited assurance on whether any matters come to our attention that causes us to believe that the Bank did not establish and maintain an effective system of internal control over financial reporting in accordance with the ICFR framework.



That Guidance requires that we plan and perform the Assurance engagement and provide a limited assurance report on the entity's internal control over financial reporting based on our assurance engagement.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. As a result, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion on whether the Bank established and maintained an effective system of internal control over financial reporting.

As prescribed in the Guidance, the procedures we performed included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our engagement also included performing such other procedures as we considered necessary in the circumstances.

We believe the procedures performed provides a basis for our report on the internal control put in place by management over financial reporting.

Deloitte & Touché
Michael Daudu (FRC/2013/PRO/ICAN/0004/00000000845)



Lagos Nigeria

Date: 19 June 2025

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF STERLING BANK LTD

REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

Opinion

We have audited the consolidated and financial statements of **STERLING BANK LTD** and its subsidiary set out on pages 132 to 266 which comprise the statement of financial position as at 31 December, 2024, the statement of profit or loss and other comprehensive income, the statement of changes in equity, and the statement of cash flows for the year then ended, the notes to the financial statements including material accounting policy information.

In our opinion, the consolidated and separate financial statements give a true and fair view of the financial position of **STERLING BANK LTD** and its subsidiary as at 31 December 2024, and its financial performance and cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, the requirements of the Companies and Allied Matters Act 2020, Banks and Other Financial Institutions Act, 2020 relevant Central Bank of Nigeria guidelines and circulars, and the Financial Reporting Council of Nigeria (Amendment) Act, 2023.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of the financial statements section of our report. We are independent of the Bank in accordance with the requirements of the International Ethics Standards Board for Accountants' (IESBA) International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA code) and other independence requirements applicable to performing audits of financial statements in Nigeria. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and other ethical requirements that are relevant to our audit of the Financial Statements in Nigeria.

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

Key Audit Matter

Key audit matter is the matter that, in our professional judgement, was of most significance in our audit of the financial statements of the current period. The matter was addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter

Identification and measurement of impairment of Financial assets

As disclosed in note 2.2.2 (vii) to the financial statements, in line with the provisions of IFRS 9, The Bank identifies and measures loss allowances based on Expected Credit Loss (ECL) model on the following financial instruments.

- Financial guarantee contracts issued; and
- Loan commitment issued;
- Financial assets that are debt instruments.



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How the matter was addressed in the audit

We evaluated the appropriateness of the Directors' assessment of whether credit risk has increased significantly since initial recognition of financial assets and adequacy of the related disclosures made.

List of partners and partner equivalents available on the website

Associate of Deloitte Africa, a Member of Deloitte Touche Tohmatsu Limited



The Bank applies a three-stage approach to measuring ECL on financial assets issued which migrate through three stages based on changes in credit quality since initial recognition.

At each reporting date, the Directors assess whether there has been a significant increase in credit risk for financial assets since initial recognition by comparing the risk of default occurring over the expected life of the financial asset at initial recognition and risk of default at the reporting date. And in determining whether credit risk has increased significantly since initial recognition, the Directors uses internal credit risk grading system, external risk ratings and forecast macroeconomics information like unemployment rate, interest rate, gross domestic product, inflation and commercial property prices.

Identification and measurement of impairment of financial instruments is of significance to the audit of the financial statements due to the amount of judgement required by the Directors in determining whether the credit risk has increased significantly since initial recognition of financial assets that includes the consideration of current and future macroeconomics information.

Accordingly, for the purposes of our audit, we have identified identification and measurement of impairment of financial assets as a key audit matter.

We evaluated the design and tested the implementation and operating effectiveness of the key controls over the computation of impairment loss.

Our audit procedures also included challenging the Directors on the reasonableness of the financial assets staging categorization based on changes in credit quality and risk of default. We involved our Credit Specialist on the engagement to review and challenge the reasonableness of ECL model logic as well as inputs and assumptions (internal credit risk grading system, external risk ratings and forecast macroeconomics information like unemployment rate, interest rate, gross domestic product, inflation and commercial property prices) used by comparing these with industry trends and Banks's historical performance.

We assessed the adequacy of the disclosures in the financial statements relating to financial assets.

Based on the work performed, we found the Directors key judgements and assumptions to be reasonable. We are satisfied that the related disclosures in the financial statements are appropriate.

Other Information

The Directors are responsible for the other information. The other information comprises the information included in the document titled "Sterling Bank Ltd Consolidated and Separate Financial Statements for the year ended 31 December 2024", which includes the Directors' Report, Corporate Governance Report, Statement of Directors' Responsibilities, the Board Audit and Risk Management Committee's Report, the Report of the External Consultants on the Performance of the Board of Directors, the Statement of Corporate Responsibility for Consolidated and Separate Financial Statements, and Other National Disclosures as required by Companies and Allied Matters Act 2020 and the Financial Reporting Council of Nigeria (Amendment) Act 2023 which we obtained prior to the date of this report. The other information does not include the Consolidated and Separate Financial Statements and our auditor's report thereon.

Our opinion on the Consolidated and Separate Financial Statements does not cover the other information and we do not and will not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Consolidated and Separate Financial Statements

The Directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, the requirements of the Companies and Allied Matters Act 2020, Banks and Other Financial Institutions Act, 2020, relevant Central Bank of Nigeria guidelines and circulars, the Financial Reporting Council of Nigeria (Amendment) Act, 2023, and for



such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group's and Bank's abilities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group and the Bank or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Group's and the Bank's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the Group's and the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the Bank's consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance we determine the matter that was of most significance in the audit of the consolidated and separate financial statements of the current period and is therefore the key audit matter. We describe the matter in our auditor's report unless law or regulation precludes public disclosure about



the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with the fifth Schedule of Companies and Allied Matters Act 2020 we expressly state that:

- i) We have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit.
- ii) The Group has kept proper books of account, so far as appears from our examination of those books.
- iii) The Group and Bank's financial position and its statement of profit or loss and other comprehensive income are in agreement with the books of account and returns.

In accordance with circular BSD/1/2004 issued by the Central Bank of Nigeria, details of insider-related credits are as disclosed in note 36b.

During the year, the bank contravened certain Central Bank of Nigeria (CBN) Guidelines and Circulars. This has been disclosed in Note 42 of the consolidated and separate financial statements.

In accordance with the requirements of the Financial Reporting Council, we performed a limited assurance engagement and reported on management's assessment of the Entity's internal control over financial reporting as of 31 December 2024. The work performed was done in accordance with FRC Guidance on assurance engagement report on Internal Control over Financial Reporting and based on the procedures we have performed, and the evidence obtained, we have issued an Unmodified conclusion in our report dated 19 June 2025. That report is included on page 28 of the consolidated and separate financial statements.

Michael Daudu

FRC/2013/PRO/ICAN/0004/00000000845



For: Deloitte & Touche

Chartered Accountants

Lagos, Nigeria

19 June 2025

Consolidated and Separate Statements of Profit or Loss

and Other Comprehensive Income

In millions of Naira	Note(s)	Group	Group	Bank	Bank
		2024	2023	2024	2023
Interest income using effective interest rate	6	238,703	150,563	236,687	148,358
Interest expense using effective interest rate	7	(115,986)	(70,523)	(114,123)	(68,355)
Net interest income		122,717	80,040	122,564	80,003
Fees and commission income	8	42,484	33,184	42,484	33,184
Fees and commission expense	8	(10,150)	(8,538)	(10,150)	(8,538)
Net fees and commission income		32,334	24,646	32,334	24,646
Net trading income	9	11,619	19,130	11,619	19,130
Other operating income	10	4,155	8,684	4,155	8,684
Credit loss expense	11	(10,770)	(12,166)	(10,807)	(12,161)
Personnel expenses	12	(25,940)	(20,641)	(25,940)	(20,641)
Operating expenses	13.1	(76,017)	(56,005)	(76,008)	(56,000)
Depreciation and amortisation	13.2	(4,955)	(4,581)	(4,955)	(4,581)
Other property, plant and equipment costs	13.3	(21,619)	(17,870)	(21,619)	(17,870)
Profit before windfall and income taxes		31,524	21,237	31,343	21,210
Income tax expense	14a (i)	2,918	(839)	2,934	(774)
Windfall tax	14a (ii)	(3,676)	-	(3,676)	-
Profit after income tax		30,766	20,398	30,601	20,436
Other comprehensive income:					
Items that will not be reclassified to profit or loss in subsequent period:					
Revaluation gains on equity instruments at fair value through other comprehensive income		7,726	5,797	7,726	5,797
Total items that will not be reclassified to profit or loss in subsequent period		7,726	5,797	7,726	5,797
Items that will be reclassified to profit or loss in subsequent period:					
Debt instruments at fair value through other comprehensive income:					
- Net change in fair value during the year		(2,437)	4,481	(2,437)	4,481
Net (losses)/gains on debt instruments at fair value through other comprehensive income		(2,437)	4,481	(2,437)	4,481
Total items that will be reclassified to profit or loss in subsequent period		(2,437)	4,481	(2,437)	4,481
Other comprehensive income for the year, net of tax		5,289	10,278	5,289	10,278
Total comprehensive income for the year, net of tax		36,055	30,676	35,890	30,714
Profit attributable to:					
Equity holders of the Bank		30,766	20,398	30,601	20,436
Total comprehensive income attributable to:					
Equity holders of the Bank		36,055	30,676	35,890	30,714
Earnings per share - basic (in kobo)	15	107k	71k	106k	71k
Earnings per share - diluted (in kobo)	15	107k	71k	106k	71k

The accompanying notes 1 to 47 form part of the consolidated and separate financial statements.


Consolidated and Separate Statements of Financial Position


For the year ended 31 December 2024

AS AT 31 DECEMBER 2024

		Group 31 Dec 2024	Group 31 Dec 2023	Bank 31 Dec 2024	Bank 31 Dec 2023
<i>In millions of Naira</i>	<i>Note(s)</i>				
ASSETS					
Cash and balances with Central Bank of Nigeria	16	803,132	592,566	803,132	592,566
Due from banks	17	569,515	234,954	569,509	234,948
Pledged assets	18	28,675	11,272	28,675	11,272
Derivative financial assets	19	-	276	-	276
Loans and advances to customers	20	1,062,623	862,699	1,062,623	862,699
<i>Investments in securities:</i>					
- Financial assets at fair value through profit or loss	21(a)	27,491	2,112	27,491	2,112
- Debt instruments at fair value through other comprehensive income	21(b)	438,838	284,423	438,838	284,423
- Equity instruments at fair value through other comprehensive income	21(c)	40,622	29,114	40,622	29,114
- Debt instruments at amortised cost	21(d)	61,184	130,730	46,961	116,693
Investment in subsidiary	22	-	-	1	1
Other assets	23	165,350	232,809	165,350	232,809
Property, plant and equipment	24.1	39,873	22,984	39,873	22,984
Right-of-use asset	24.2	8,669	9,103	8,669	9,103
Intangible assets	25	3,105	570	3,105	570
Deferred tax assets	14(i)	13,141	7,757	13,141	7,757
TOTAL ASSETS		3,262,218	2,421,369	3,247,990	2,407,327
LIABILITIES					
Deposits from Banks	27	28,931	-	28,931	-
Deposits from customers	28	2,361,995	1,747,510	2,361,995	1,747,510
Current income tax payable	14(b)	2,199	1,414	2,169	1,316
Other borrowed funds	29	185,269	183,067	185,269	183,067
Debt securities issued	30	34,056	33,959	20,453	20,357
Other liabilities	31.1	384,002	294,346	383,980	294,412
Provisions	31.2	490	718	490	718
TOTAL LIABILITIES		2,996,942	2,261,014	2,983,287	2,247,380
EQUITY					
Share capital	32.1(b)	14,395	14,395	14,395	14,395
Share premium		42,759	42,759	42,759	42,759
Retained earnings		36,457	22,226	35,884	21,818
Other components of equity	34	102,799	80,975	102,799	80,975
Deposit for ordinary share capital		68,866	-	68,866	-
Total equity		265,276	160,355	264,703	159,947
TOTAL LIABILITIES AND EQUITY		3,262,218	2,421,369	3,247,990	2,407,327

The consolidated and separate financial statements were approved by the Board of Directors on 15 May, 2025 and signed on its behalf by:


Abubakar Suleiman
 Managing Director/ Chief Executive Officer
 FRC/2013/PRO/DIR/003/00000001275


Saheed Adegoke
 Group Head, Finance & Performance Management
 FRC/2012/PRO/ICAN/001/00000000274


Olatunji Mayaki
 Chairman
 FRC/2014/PRO/DIR/003/000000009975

The accompanying notes 1 to 47 form part of the consolidated and separate financial statements.

Consolidated and Separate Statements of Changes in Equity

For the year ended 31 December 2024

FOR THE YEAR ENDED 31 DECEMBER 2024

In millions of Naira	EQUITY RESERVES										Retained earnings	Total
	Share capital	Share premium	Deposit for Shares	Fair value reserve	Share capital reserve	Regulatory reserve	SMEEIS reserve	AGSMEIS reserve	Statutory reserve	Total other components of equity		
GROUP												
At 1 January 2024	14,395	42,759	-	16,973	5,276	22,857	235	4,369	31,265	80,975	22,226	160,355
Comprehensive income for the year:												
Profit for the year	-	-	-	-	-	-	-	-	-	-	30,766	30,766
Other comprehensive income for the year, net of tax:												
Net change in fair value of other financial instruments at FVOCI	-	-	-	(2,437)	-	-	-	-	-	(2,437)	-	(2,437)
Net change in fair value of equity instruments at FVOCI	-	-	-	7,726	-	-	-	-	-	7,726	-	7,726
Total comprehensive income	-	-	-	5,289	-	-	-	-	-	5,289	30,766	36,055
Transactions with equity holders, recorded directly in equity:												
Deposit for ordinary shares	-	-	68,866	-	-	-	-	-	-	-	-	68,866
Transfer to regulatory risk reserve (Note 34.1d)	-	-	-	-	-	10,415	-	-	-	10,415	(10,415)	-
Transfer to statutory risk and AGSMEIS reserves (Notes 34.1a & 34.c)	-	-	-	-	-	-	-	1,530	4,590	6,120	(6,120)	-
As at 31 December 2024	14,395	42,759	68,866	22,262	5,276	33,272	235	5,899	35,855	102,799	36,457	265,276

The accompanying notes 1 to 47 form part of the consolidated and separate financial statements.

CONSOLIDATED AND SEPARATE STATEMENTS OF CHANGES IN EQUITY - Continued
FOR THE YEAR ENDED 31 DECEMBER 2023

In millions of Naira	Share capital	Share premium	EQUITY RESERVES							Retained earnings	Total
			Fair value reserve	Share capital reserve	Regulatory risk reserve	SMEES reserve	AGSMEIS reserve	Statutory reserve	PPRA reserve	Total other components of equity	
GROUP											
Balance at 1 January 2023	14,395	42,759	6,695	5,276	10,195	235	3,347	28,200	(2,026)	51,922	153,998
Comprehensive income for the year:											
Profit for the year	-	-	-	-	-	-	-	-	-	-	20,398
Other comprehensive income for the year, net of tax:	-	-	-	-	-	-	-	-	-	-	-
Net change in fair value of other financial instruments at FVOCI	-	-	4,481	-	-	-	-	-	-	4,481	4,481
Net change in fair value of equity instruments at FVOCI	-	-	5,797	-	-	-	-	-	-	5,797	5,797
Total comprehensive income	-	-	10,278	-	-	-	-	-	-	10,278	30,676
Transactions with equity holders, recorded directly in equity:											
Dividends to equity holders (note 33)	-	-	-	-	-	-	-	-	-	-	(4,319)
Unwinding of PPPRA reserve	-	-	-	-	-	-	-	-	2,026	2,026	(2,026)
Transfer to regulatory risk reserve (Note 34.1d)	-	-	-	-	12,662	-	-	-	-	12,662	(12,662)
Transfer to statutory risk and AGSMEIS reserves (Notes 34.1a & 34.c)	-	-	-	-	-	-	1,022	3,065	-	4,087	(4,087)
Distribution to parent company	-	-	-	-	-	-	-	-	-	-	(10,000)
Carve-out of non-interest banking window	-	-	-	-	-	-	-	-	-	-	(10,000)
As at 31 December 2023	14,395	42,759	16,973	5,276	22,857	235	4,369	31,265	-	80,975	160,355

The accompanying notes 1 to 47 form part of the consolidated and separate financial statements.

CONSOLIDATED AND SEPARATE STATEMENTS OF CHANGES IN EQUITY - Continued
FOR THE YEAR ENDED 31 DECEMBER 2024

In millions of Naira	EQUITY RESERVES										
	Share capital	Share premium	Deposit for Shares	Regulatory						Total equity reserves	Retained earnings
				Fair value reserve	Share capital reserve	Regulatory risk reserve	SMEIS reserve	AGSMEIS reserve	Statutory reserve		
BANK											
Balance at 1 January 2024	14,395	42,759	-	16,973	5,276	22,857	235	4,369	31,265	80,975	
Comprehensive income for the year:											
Profit for the year	-	-	-	-	-	-	-	-	-	30,601	
Comprehensive income for the year:											
Net change in fair value of other financial instruments at FVOCI	-	-	-	(2,437)	-	-	-	-	-	(2,437)	
Net change in fair value of equity instrument at FVOCI	-	-	-	7,726	-	-	-	-	-	7,726	
Total comprehensive income	-	-	-	5,289	-	-	-	-	-	5,289	
Transactions with equity holders, recorded directly in equity:											
Dividends to equity holders	-	-	68,866	-	-	-	-	-	-	-	
Transfer to regulatory risk reserve (Note 34.1d)	-	-	-	-	-	10,415	-	-	-	10,415	
Transfer to statutory risk and AGSMEIS reserves (Notes 34.1a & 34.c)	-	-	-	-	-	-	-	1,530	4,590	6,120	
Balance at 31 December 2024	14,395	42,759	68,866	22,262	5,276	33,272	235	5,899	35,855	102,799	
										35,884	

The accompanying notes 1 to 47 form part of the consolidated and separate financial statements.

In millions of Naira	EQUITY RESERVES										Retained earnings	Total
	Share capital	Share premium	Fair value reserve	Share						Total equity reserves		
				capital reserve	Regulatory risk reserve	SMEIS reserve	AGSMEIS reserve	Statutory reserve	PPRA reserve			
BANK												
Balance at 1 January 2023	14,395	42,759	6,695	5,276	10,195	235	3,347	28,200	(2,026)	51,922	44,476	153,552
Comprehensive income for the year:												
Profit for the year	-	-	-	-	-	-	-	-	-	-	20,436	20,436
Comprehensive income for the year:												
Net change in fair value of other financial instruments at FVOCI	-	-	4,481	-	-	-	-	-	-	4,481	-	4,481
Net change in fair value of equity instrument at FVOCI	-	-	5,797	-	-	-	-	-	-	5,797	-	5,797
Total comprehensive income	-	-	10,278	-	-	-	-	-	-	10,278	20,436	30,714
Transactions with equity holders, recorded directly in equity:												
Dividends to equity holders (note 33)	-	-	-	-	-	-	-	-	-	-	(4,319)	(4,319)
Unwinding of PPPRA reserve	-	-	-	-	-	-	-	-	2,026	2,026	(2,026)	-
Transfer to regulatory risk reserve (Note 34.1d)	-	-	-	-	12,662	-	-	-	-	12,662	(12,662)	-
Transfer to statutory risk and AGSMEIS reserves (Notes 34.1a & 34.c)	-	-	-	-	-	-	1,022	3,065	-	4,087	(4,087)	-
Distribution to parent company	-	-	-	-	-	-	-	-	-	-	(10,000)	(10,000)
Carve-out of non-interest banking window	-	-	-	-	-	-	-	-	-	-	(10,000)	(10,000)
Balance at 31 December 2023	14,395	42,759	16,973	5,276	22,857	235	4,369	31,265	-	80,975	21,818	159,947

The accompanying notes 1 to 47 form part of the consolidated and separate financial statements.

Consolidated and Separate Statements of Cash Flows

<i>In millions of Naira</i>	Note(s)	GROUP 2024	GROUP 2023	BANK 2024	BANK 2023
Profit after income tax		30,766	20,398	30,601	20,436
Adjustments for:					
Credit loss expense	11	11,616	12,166	11,653	12,161
Depreciation and amortisation	13.2	4,955	4,581	4,955	4,581
Dividend income	10	(676)	(476)	(676)	(476)
Gain on disposal of property, plant and equipment	10	(1,268)	(80)	(1,268)	(80)
Property, plant and equipment written off		31	25	31	25
Unrealised gain on FVTPL instruments		(979)	398	(979)	398
(Decrease)/Increase in provision		12	(25)	12	(25)
Net interest income		(122,717)	(80,040)	(122,564)	(80,003)
Net foreign exchange loss	9	(1,777)	(4,568)	(1,777)	(4,568)
Income tax	14a (i)	(2,918)	839	(2,934)	774
Windfall tax	14a (ii)	3,676	-	3,676	-
		(79,279)	(46,782)	(79,270)	(46,777)
Changes in operating assets:					
Deposits with the Central Bank of Nigeria		(268,229)	(152,382)	(268,229)	(152,382)
Investment securities at FVTPL		(24,400)	(1,589)	(24,400)	(1,589)
Pledged assets		(17,007)	12,151	(17,007)	12,151
Loans and advances to customers		(142,474)	6,371	(142,474)	6,371
Derivative financial assets		276	531	276	531
Other assets		116,293	2,544	116,293	2,544
		(414,820)	(179,156)	(414,811)	(179,151)
Changes in operating liabilities:					
Deposits from banks		28,931	(37,178)	28,931	(37,178)
Deposits from customers		375,913	232,945	375,913	232,945
Other liabilities		(23,237)	24,501	(23,323)	24,435
Cash generated from operations		(33,213)	41,112	(33,290)	41,051
Interest received		276,182	150,160	274,166	147,955
Interest paid on deposits from banks and customers		(81,879)	(40,216)	(81,879)	(40,216)
Income tax paid		(1,551)	(1,814)	(1,470)	(1,814)
Net cash flows from operating activities		159,539	149,242	157,527	146,976
Investing activities					
Purchase of property, plant and equipment	24.1	(21,085)	(11,551)	(21,085)	(11,551)
Purchase of intangible assets	25	(2,982)	(75)	(2,982)	(75)
Right-of-use-asset		(331)	(1,656)	(331)	(1,656)
Proceeds from sale of property, plant and equipment		1,803	156	1,803	156
Purchase of debt instruments at FVOCI		(339,447)	(146,652)	(339,447)	(146,652)
Proceeds from sale/redemption of debt instruments at FVOCI		203,077	97,081	203,077	97,081
Purchase of debt instruments at amortised cost		(250)	(80,166)	(250)	(80,166)
Redemption of debt instruments at amortised cost		69,751	55,031	69,900	52,056
Dividends received	10	676	476	676	476
Net cash flows used in investing activities		(88,788)	(87,356)	(88,639)	(90,331)
Financing activities:					
Proceeds from other borrowed funds	29	25,800	61,615	25,800	61,615
Repayments of other borrowed funds	29	(70,960)	(48,926)	(70,960)	(48,926)
Lease liabilities paid		(36)	(8)	(36)	(8)
Transfer to holding company		-	(10,000)	-	(10,000)
Repayment of debt & securities issued	30	-	(7,965)	-	(4,779)
Interest paid on other borrowed funds & debt issued		(32,687)	(29,329)	(30,824)	(26,992)
Deposit for ordinary share capital		68,866	-	68,866	-
Dividends paid	33.1	-	(4,319)	-	(4,319)
Net cash flows used in financing activities		(9,017)	(38,932)	(7,154)	(33,409)
Net increase in cash and cash equivalents		61,734	22,954	61,734	23,236
Effect of exchange rate changes on cash and cash equivalents		215,164	134,237	215,164	134,237
Cash and cash equivalents at 1 January		379,843	222,652	379,837	222,364
Cash and cash equivalents at 31 December	38	656,741	379,843	656,735	379,837

The accompanying notes 1 to 47 form part of the consolidated and separate financial statements.

STATEMENT OF PRUDENTIAL ADJUSTMENTS

The regulators, Central Bank of Nigeria and Nigeria Deposit Insurance Corporation, stipulate that impairment allowance for financial assets shall be determined based on the requirements of IFRS. The IFRS allowance should then be compared with the impairment determined under the prudential guidelines as prescribed by CBN and the difference should be treated as follows:

- (i) Prudential provision is greater than IFRS provision - transfer the difference from the Retained Earnings to a non-distributable Regulatory Risk Reserve.
- (ii) Prudential provision is less than IFRS provision - the excess should be transferred from the Regulatory Risk Reserve to the Retained Earnings to the extent of the non-distributable reserve previously recognized.

<i>In millions of Naira</i>	<i>Note(s)</i>	31 Dec 2024	31 Dec 2023
<i>Transfer to Regulatory Risk Reserve</i>			
Prudential provision		81,140	59,961
Total Prudential provision		81,140	59,961
IFRS provision			
Impairment allowance on loans to corporate entities	20.1	13,054	18,366
Impairment allowance on loans to individuals	20.2	23,320	11,151
Allowances for impairment for other assets	23	9,309	5,414
Impairment allowance on debt instruments at amortised cost	21(d)	94	239
Impairment allowance on pledged assets at amortised cost	18.2	14	16
Impairment allowance on pledged assets at FVOCI	18.3.1	4	-
Impairment allowance on debt instruments at FVOCI	21(e)	1,583	1,200
Provisions for litigation, letters of credits and guarantees	31.2	490	718
		47,868	37,104
Difference in impairment provision balances		33,272	22,857
Movement in the Regulatory Risk Reserve:			
Balance at the beginning of the year		22,857	10,195
Transfer to Regulatory Risk Reserve		10,415	12,662
		33,272	22,857

Notes To The Consolidated and Separate Financial Statements

1 Corporate information

Sterling Bank Ltd, (formerly known as NAL Bank Plc) was the pioneer merchant bank in Nigeria, established on 25 November 1960 as a private limited liability company, and was converted to a public limited liability company in Sterling Investment Management Plc (SPV) was established in 2016 to raise money by the issue of bonds and other debt instruments. The SPV is a subsidiary and is consolidated in the financial statements of the Bank.

Sterling Bank Ltd (the "Bank") together with its subsidiary (collectively the "Group") is engaged in commercial banking with emphasis on retail and consumer banking, trade services, corporate, and investment banking activities. It also provides wholesale banking services including the granting of loans and advances, letter of credit transactions, money market operations, electronic and mobile banking products and other banking activities.

The consolidated and separate financial statements of Sterling Bank Ltd and its subsidiary for the year ended 31 December 2024 were authorised for issue in accordance with a resolution of the Board of Directors on 15 May, 2025.

2 Accounting Policies

2.1 Basis of preparation and statement of compliance

The consolidated and separate financial statements of the Bank and its subsidiary have been prepared in accordance with IFRS accounting standards as issued by the International Accounting Standards Board (IASB) and in the manner required by the Companies and Allied Matters Act 2020, The Financial Reporting Council of Nigeria (Amendment) Act 2023, the Banks and Other Financial Institutions Act, and relevant Central Bank of Nigeria circulars.

The consolidated and separate financial statements have been prepared on a historical cost basis, except for financial assets measured at fair value.

(a) Functional and Presentation currency

The consolidated and separate financial statements are presented in Nigerian Naira, the Group's functional currency and all values are rounded to the nearest million (N'million) except when otherwise indicated.

(b) Presentation of financial statements

The Group presents its statement of financial position in order of liquidity. An analysis regarding recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non-current) is presented in Note 39 to the consolidated and separate financial statements.

Financial assets and financial liabilities are offset and the net amount reported in the consolidated and separate statement of financial position only when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liability simultaneously. Income and expenses are not offset in the income statement unless required or permitted by any IFRS accounting standard or interpretation, and as specifically disclosed in the accounting policies of the Group.

(c) Basis of Consolidation

The consolidated and separate financial statements comprise the financial statements of the Bank and its subsidiary as at 31 December 2024. Sterling Bank consolidates a subsidiary when it controls the entity. Control is achieved when the Bank is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Generally, there is a presumption that 51% or more of voting rights results in control. However, under individual circumstances, the Bank may still exercise control with less than 50% shareholding or may not be able to exercise control even with ownership over 50% of an entity's shares. When assessing whether it has power over an investee and therefore controls the variability of its returns, the Bank considers all relevant facts and circumstances, including:

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

2.1 Basis of preparation and statement of compliance - continued

(c) Basis of Consolidation - continued

- The purpose and design of the investee;
- The relevant activities and how decisions about those activities are made and whether the Bank can direct those activities;
- Contractual arrangements such as call rights, put rights and liquidation rights;
- Whether the Bank is exposed, or has rights, to variable returns from its involvement with the investee, and has the power to affect the variability of such returns.

Profit or loss and each component of OCI are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets, liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value. However, in the year under review, the Group did not have any investee company accounted for using equity method.

2.2 Summary of material accounting policies

The following are the material accounting policies applied by the Group in preparing its financial statements:

2.2.1 Taxes

Tax expense comprises current and deferred tax. Current tax and deferred taxes are recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

(i) Current tax

Current tax is the expected tax payable on taxable profit or loss for the period determined in accordance with the Companies Income Tax Act (CITA), using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Tax assessments are recognized when assessed and agreed to by the Group with the Tax Authorities, or when appealed, upon receipt of the results of the appeal.

(ii) Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences:

- the initial recognition of goodwill; and
- the initial recognition of assets or liabilities in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

2.2.1 Taxes

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities against current tax assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

2.2 Summary of material accounting policies - continued

2.2.1 Taxes - continued

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Unrecognised deferred tax assets are reviewed at each reporting date and are recognised to the extent that it is probable that sufficient future taxable profits or sufficient future taxable temporary differences will be available against which can be used.

2.2.2 Financial instruments

Additional income taxes that arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividend is recognised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

(i) Recognition and initial measurement

Regular purchases and sales of financial assets and liabilities are recognised on the trade date. A financial asset or financial liability is measured initially at fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, direct and incremental transaction costs that are directly attributable to its acquisition or issue. Transaction costs of financial assets and financial liabilities carried at fair value through profit or loss are expensed in profit or loss at initial recognition. Financial assets that are transferred to third parties but do not qualify for derecognition are presented in the statement of financial position as "pledged asset", if the transferee has the right to sell or re-pledge them.

(ii) Classification of financial instruments

The Group classified its financial assets under IFRS 9, into the following measurement categories:

- Those to be measured at fair value through other comprehensive income (FVOCI) (either with or without recycling). Included in this classification are debt instruments at FVOCI and equity instruments at FVOCI;
- Those to be measured at fair value through profit or loss (FVTPL); and
- Those to be measured at amortised cost. Included in this classification are debt instruments at amortised cost, loans and advances e.t.c

The classification depends on the Group's business model for managing financial assets and the contractual cashflow characteristics of the financial asset (i.e solely payments of principal and interest- SPPI test). Directors determine the classification of the financial instruments at initial recognition.

The Group classifies its financial liabilities as liabilities at fair value through profit or loss and liabilities at amortised cost.

(iii) Subsequent measurement

Financial assets -

(i) Debt instruments

The subsequent measurement of financial assets depend on its initial classification:

Amortised cost: A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- The financial asset is held within a business model whose objective is to hold financial assets to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

2.2 Summary of material accounting policies - continued

2.2.2 Financial instruments - continued

(iii) Subsequent measurement - continued

The gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is determined using the effective interest method and reported in profit or loss as 'Interest income'.

The amortised cost of a financial asset or liability is the amount at which the financial asset or liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initial amount recognised and the maturity amount, minus any reduction for impairment.

The Group's financial assets at amortised cost include cash and balances with Central Bank of Nigeria, due from banks, loans and advances to customers, and other debt instruments at amortised cost.

Fair value through other comprehensive income (FVOCI): Investment in debt instrument is measured at FVOCI only if it meets both of the following conditions and is not designated as FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The debt instrument is subsequently measured at fair value. Gains and losses arising from changes in fair value are included in other comprehensive income (OCI) and accumulated in a separate component of equity. Impairment gains or losses, interest revenue and foreign exchange gains and losses are recognised in profit and loss. Upon disposal or derecognition, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other operating income. Interest income from these financial assets is determined using the effective interest method and recognised in profit or loss as 'Interest income'.

The measurement of credit impairment is based on the three-stage expected credit loss model as applied to financial assets at amortised cost.

The Group's financial assets at fair value through other comprehensive income include equity instruments at FVOCI, treasury bills, promissory notes, government bonds, corporate bonds and receivables.

Fair value through profit or loss (FVTPL): Financial assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. The gain or loss arising from changes in fair value as well as cash returns on debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is included directly in the profit or loss and reported as 'Net trading income' in the period in which it arises.

The Group's financial assets at fair value through profit or loss include treasury bills and bonds.

(ii) Equity instruments

The Group subsequently measures all equity investments at fair value. For equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in fair value in OCI. This election is made on an investment-by-investment basis. Where the Group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

2.2 Summary of material accounting policies - continued

2.2.2 Financial instruments - continued

(ii) Equity instruments - continued

Dividends from such investments continue to be recognised in profit or loss as other operating income when the Group's right to receive payments is established unless the dividend clearly represents a recovery of part of the cost of the investment. All equity financial assets are classified as measured at FVOCI. The Group presents fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss.

(iv) Business model assessment

The Group makes an assessment of the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- 1) The stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realising cash flows through the sale of the assets;
- 2) How the performance of the portfolio is evaluated and reported to the Group's management;
- 3) The risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- 4) How managers of the business are compensated e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- 5) The frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Group's stated objective for managing the financial assets is achieved and how cash flows are realised.

Financial assets that are held for trading or managed and whose performance is evaluated on a fair value basis are measured at FVTPL because they are neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets.

Assessment of whether contractual cash flows are solely payments of principal and interest on principal

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Group considers:

- contingent events that would change the amount and timing of cash flows;
- leverage features;
- prepayment and extension terms;
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse asset arrangements); and
- Features that modify consideration of the time value of money – e.g. periodical reset of interest rates.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

2.2 Summary of material accounting policies - continued

2.2.2 Financial instruments - continued

The Group holds a portfolio of long-term fixed rate loans for which the Group has the option to revise the interest rate at future dates. These reset rights are limited to the market rate at the time of revision. The right to reset the rates of the loans based on the revision in market rates are part of the contractually agreed terms on inception of the loan agreement, therefore the borrowers are obligated to comply with the reset rates without any option of repayment of the loans at par at any reset date. The Group has determined that the contractual cash flows of these loans are solely payments of principal and interest because the option varies with the interest rate in a way that is considered a consideration for the time value of money, credit risk, other basic lending risks and costs associated with the principal amount outstanding. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

(iv) Business model assessment

Financial liabilities -

The Group classifies financial liabilities into financial liabilities at amortised cost and fair value through profit or loss. Financial liabilities are derecognised when extinguished, ie when the obligation specified in the contract is discharged or cancelled or expires.

(i) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss are financial liabilities held for trading. A financial liability is classified as held for trading if it is acquired or incurred principally for the purpose of selling or repurchasing it in the near term or if it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking.

Derivatives are also categorised as held for trading unless they are designated and effective as hedging instruments. Financial liabilities held for trading also include obligations to deliver financial assets borrowed by the Group.

Gains and losses arising from changes in fair value of financial liabilities classified as fair value through profit or loss are included in the profit or loss and are reported as 'Net trading income on financial instruments classified as fair value through profit or loss'. Interest expenses on financial liabilities held for trading are included in 'Net trading income on financial instruments classified as fair value through profit or loss'.

The group does not have any financial liabilities at fair value through profit or loss.

Where a financial liability is designated at fair value through profit or loss, the movement in fair value attributable to changes in the Group's own credit quality is calculated by determining the changes in credit spreads above observable market interest rates and is presented separately in other comprehensive income.

(ii) Financial liabilities at amortised cost

Financial liabilities that are not classified at fair value through profit or loss fall into this category and are measured at amortised cost. Financial liabilities measured at amortised cost are deposits from banks or customers, debt securities in issue for which the fair value option is not applied, convertible bonds and subordinated debts.

(v) Reclassifications

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Group changes its business model for managing financial assets that are debt instruments. A change in the objective of the Group's business occurs only when the Group either begins or ceases to perform an activity that is significant to its operations (e.g., via acquisition or disposal of a business line).

The following are not considered to be changes in the business model:

- A change in intention related to particular financial assets (even in circumstances of significant changes in market conditions)
- A temporary disappearance of a particular market for financial assets
- A transfer of financial assets between parts of the entity with different business models

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

2.2 Summary of material accounting policies - continued

2.2.2 Financial instruments - continued

When reclassification occurs, the Group reclassifies all affected financial assets in accordance with the new business model. Reclassification is applied prospectively from the 'reclassification date'. Reclassification date is 'the first day of the first reporting period following the change in business model. Gains, losses or interest previously recognised are not restated when reclassification occurs.

The Group may only sell insignificant portion of debt instruments measured at amortised cost frequently without triggering a change in business model. If the Group sells significant portions, this will not be more than twice a year subject to cases of unlikely to reoccur events such as:

- Run on the Bank/stressed liquidity scenarios
- Credit risk event i.e. perceived issuer default
- In the event of merger and takeover, the Bank may sell portion of the portfolio if the security holdings violates set limits
- Other one-off events

Significance is defined to mean 5% of the portfolio value and subject to the policy on frequency above.

The Group may sell debt instruments measured at amortised cost without triggering a change in business model if the sale is due to deterioration in the credit quality of the financial assets or close to maturity. A financial asset is said to be close to maturity if the outstanding tenor of the financial asset from the time of issue is 25% or less of the original tenor.

Sales close to maturity are acceptable if the proceeds from the sales approximate the collection of the remaining contractual cash flows. At the point of sale an assessment will be conducted to determine whether there is more than 10% different from the remaining cash flows.

(vi) Modifications of financial assets and financial liabilities

(i) Financial assets

If the terms of a financial asset are modified, the Group evaluates whether the cash flows of the modified asset are substantially different. If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognised and a new financial asset is recognised at fair value.

Any difference between the amortised cost and the present value of the estimated future cash flows of the modified asset or consideration received on derecognition is recorded in profit or loss as 'gains and losses arising from the derecognition of financial assets measured at amortised cost'. If the cash flows of the modified asset carried at amortised cost are not substantially different, then the modification does not result in derecognition of the financial asset. In this case, the Group recalculates the gross carrying amount of the financial asset and recognises the amount arising from adjusting the gross carrying amount as a modification gain or loss in profit or loss as part of interest income for the year.

In determining when a modification to terms of a financial asset is substantial or not to the existing terms, the Group will consider the following non-exhaustive criteria.

Qualitative criteria

Scenarios where modifications may lead to derecognition of existing loan and recognition of a new loan, i.e. substantial modification, are:

- Conversion of a bullet repayment financial asset to amortising financial asset or vice versa
- Extension of financial asset's tenor
- Reduction in repayment of principal and interest
- Capitalisations of overdue repayments into a new principal amount
- Change in frequency of repayments i.e. change of monthly repayments to quarterly or yearly repayments
- Reduction of financial asset's tenor

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

2.2 Summary of material accounting policies - continued

2.2.2 Financial instruments - continued

On the occurrence of any of the above factors, the Group will perform a 10% test (see below) to determine whether or not the modification is substantial.

Scenarios where modification will not lead to derecognition of existing financial assets are:

- Change in interest rate arising from a change in MPR which is a benchmark rate that drives borrowing rates in Nigeria

Quantitative criteria

A modification would lead to derecognition of existing financial asset and recognition of a new financial asset, i.e. substantial modification, if:

- The discounted present value of the cash flows under the new terms, including any fees received net of any fees paid and discounted using the original effective interest rate, is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial asset.

A modification would not lead to derecognition of existing financial asset if:

- the discounted present value of the cash flows under the new terms, including any fees received net of any fees paid and discounted using the original effective interest rate, is less than 10 per cent different from the discounted present value of the remaining cash flows of the original financial asset.
- If the terms of a financial asset are renegotiated or modified or an existing financial asset is replaced with a new one due to financial difficulties of the borrower, then an assessment is made of whether the financial asset should be derecognised (see below) and Expected credit losses (ECL) are measured as follows:

- if the expected restructuring will not result in derecognition of the existing asset, then the expected cash flows arising from the modified financial asset are included in calculating the cash shortfalls from the existing asset.

- if the expected restructuring will result in derecognition of the existing asset, then the expected fair value of the new asset is treated as the final cash flows from existing financial asset at the time of its derecognition. This amount is included in calculating the cash shortfalls from existing financial asset that are discounted from expected date of derecognition to the reporting date using original effective interest rate of the existing financial asset.

(ii) Financial liabilities

The Group derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different. This occurs when the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10 percent different from the discounted present value of the remaining cash flows of the original financial liability. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss. If an exchange of debt instruments or modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognised as part of the gain or loss on the extinguishment. If the exchange or modification is not accounted for as an extinguishment (i.e the modified liability is not substantially different), any costs or fees incurred adjust the carrying amount of the liability and are amortised over the remaining term of the modified liability.

(vii) Impairment of financial assets

See also Note 37.1 on Credit risk disclosure

The Group recognises loss allowances for ECL on the following financial instruments that are not measured at FVTPL:

- Financial assets that are debt instruments;
- Financial guarantee contracts issued; and
- Loan commitments issued.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

2.2 Summary of material accounting policies - continued

2.2.2 Financial instruments - continued

(vii) Impairment of financial assets- continued

No impairment loss is recognised on equity investments. The Group measures loss allowances at an amount equal to 12-month ECL for the following:

- Risk free and gilt edged debt investment securities that are determined to have low credit risk at the reporting date; and
- Other financial instruments on which credit risk has not increased significantly since their initial recognition.

Otherwise, ECL is measured over the lifetime of instruments with significantly increased credit risk.

The Group considers a risk free and gilt edged debt security to have low credit risk when their credit risk rating is equivalent to the globally understood definition of 'investment grade'.

12-month ECL are the portion of lifetime ECL that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

1. Measurement of Expected Credit loss (ECL)

ECLs are a probability-weighted estimate of credit losses. They are measured as follows:

- Financial assets that are not credit-impaired at the reporting date: ECL is the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the entity expects to receive);
- Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit impaired financial assets) : ECL represents the difference between the gross carrying amount and the amortized costs of the asset;
- Undrawn loan commitments: ECL is the present value of the difference between the contractual cash flows that are due to Group if the commitment is drawn down and the cash flows that the Group expects to receive; and
- Financial guarantee contracts: This is the expected payments to reimburse the holder less any amounts that the Group expects to recover.

2. Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt financial assets carried at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows on the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- Significant financial difficulty of the borrower or issuer;
- A breach of contract such as a default or past due event;
- For economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the Group would not otherwise consider;
- It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- The disappearance of an active market for a security because of financial difficulties.
- The purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.

A loan that has been renegotiated due to a deterioration in the borrower's condition is usually considered to be credit-impaired unless there is evidence that the risk of not receiving contractual cash flows has not reduced significantly and there are no other indicators of impairment. In addition, loans that are more than 90 days overdue are considered impaired except for specialised loans in which the Group has rebutted the 90 days past due presumptions. The specialised loans include:

1. Project financing: >180 days past due backstop
2. Object financing (producing real estate and commercial real estate financing): > 180 days past due backstop;
3. Commodity finance:> 180 days past due backstop
4. Income producing real estate: >180 days past due backstop

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

In making an assessment of whether an investment in sovereign debt is credit-impaired, the Group considers the following factors.

- The market's assessment of creditworthiness as reflected in the bond yields.
- The rating agencies' assessments of creditworthiness.
- The country's ability to access the capital markets for new debt issuance.
- The probability of debt being restructured, resulting in holders suffering losses through voluntary or mandatory debt forgiveness.
- The international support mechanisms in place to provide the necessary support as 'lender of last resort' to that country, as well as the intention, reflected in public statements, of governments and agencies to use those mechanisms. This includes an assessment of the depth of those mechanisms and, irrespective of the political intent, whether there is the capacity to fulfil the required criteria.

3. Presentation of allowance for ECL in the statement of financial position

Loan allowances for ECL are presented in the statement of financial position as follows:

- Financial assets measured at amortised cost: as a deduction from the gross carrying amount of the assets;
- Loan commitments and financial guarantee contracts: generally, as a provision within other liabilities;
- Where a financial instrument includes both a drawn and an undrawn component, and the Group cannot identify the ECL on the loan commitment component separately from those on the drawn component: the Group presents as a combined loss allowance for both components. The combined amount is presented as a deduction from the gross carrying amount of the drawn component. Any excess of the loss allowance over the gross amount of the drawn component is presented as a provision; and
- Debt instruments measured at FVOCI: no loss allowance is recognised in the statement of financial position because the carrying amount of these assets is their fair value. However, the loss allowance is disclosed and is recognised in the "fair value reserve".

4. Write-off

After a full evaluation of a non-performing exposure, in the event that either one or all of the following conditions apply, such exposure is recommended for write-off (either partially or in full):

- continued contact with the customer is impossible;
- recovery cost is expected to be higher than the outstanding debt;
- amount obtained from realisation of credit collateral security leaves a balance of the debt; or
- it is reasonably determined that no further recovery on the facility is possible.

All credit facility write-offs require endorsement at the board level, as defined by the Group. Credit write-off approval is documented in writing and properly initialed by the Credit collection and recoveries.

A write-off constitutes a derecognition event. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amount due. Whenever amounts are recovered on previously written-off credit exposures, such amount recovered is recognised as income on a cash basis only.

(viii) Embedded derivatives

An embedded derivative is a component of a hybrid contract that also includes a non-derivative host—with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative. An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract. A derivative that is attached to a financial instrument but is contractually transferable independently of that instrument, or has a different counterparty, is not an embedded derivative, but a separate financial instrument. Where a hybrid contains a host that is a financial asset in the scope of IFRS 9, the entire hybrid contract, including the embedded features, is assessed for classification under IFRS 9. The embedded derivative in such host contracts that are financial assets are not separated for accounting purposes.

The Group did not have any embedded derivative in the 2024 financial year (2023: nil)

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

2.2 Summary of material accounting policies - continued

2.2.2 Financial instruments - continued

(ix) Offsetting financial instruments -

Financial assets and liabilities are set off and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to set off the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis only when permitted under IFRSs, or for gains and losses arising from a group of similar transactions such as in the Group's trading activity.

(x) Derivative financial instruments:

Derivatives are classified as assets when their fair value is positive or as liabilities when their fair value is negative. Derivative assets and liabilities arising from different transactions are only offset where there is a legal right of offset of the recognised amounts and the parties intend to settle the cash flows on a net basis, or realise the asset and settle the liability simultaneously.

(xi) De-recognition of financial instruments -

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial assets that are transferred to a third party but do not qualify for derecognition are presented in the statement of financial position as 'Assets pledged as collateral', if the transferee has the right to sell or repledge them.

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

(xii) Financial guarantees and loan commitments

The date that the entity becomes a party to the irrevocable commitment is considered to be the date of initial recognition for the purposes of applying the impairment requirements. Financial guarantees issued are initially measured at fair value and the fair value is amortised over the life of the guarantee. Subsequently, the financial guarantees are measured at the higher of this amortised amount and the amount of expected loss allowance (See Note 35(b)). The Group also recognises loss allowance for its loan commitments (See Note 35(b)). The expected loss allowance for the Loan commitment is calculated as the present value of the difference between the contractual cash flows that are due to the Group if the commitment is drawn down and the cash flows that the Group expects to receive.

The Group has issued no loan commitment that is measured at FVTPL.

2.2.3 Revenue recognition

Interest income and expense

Interest income and expenses are recognised in profit or loss using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- The gross carrying amount of the financial asset; or
- The amortised cost of the financial liability.

When calculating the effective interest rate for financial instruments other than credit-impaired assets, the Group estimates future cash flows considering all contractual terms of the financial instrument, but not expected credit losses. For credit-impaired financial assets, a credit-adjusted effective interest rate is calculated using estimated future cash flows including expected credit losses.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

2.2 Summary of material accounting policies - continued

2.2.3 Revenue recognition- continued

The calculation of the effective interest rate includes transaction costs and fees paid or received that are an integral part of the effective interest rate. Transaction costs include incremental costs that are directly attributable to the acquisition or issue of a financial asset or financial liability.

a. Amortised cost and gross carrying amount

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured on initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initial amount and the maturity amount and, for financial assets, adjusted for any expected credit loss allowance.

The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any expected credit loss allowance.

b. Calculation of interest income and expenses

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability.

However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

For financial assets that are credit-impaired on initial recognition, interest income is calculated by applying the credit-adjusted effective interest rate to the amortised cost of the asset. The calculation of interest income does not revert to a gross basis, even if the credit risk of the asset improves.

c. Presentation

Interest income and expense presented in the profit or loss includes:

- interest on financial assets and financial liabilities measured at amortised cost calculated on an effective interest basis;
- interest on debt instruments measured at FVOCI calculated on an effective interest basis;

Interest income and expense on all trading assets and liabilities are considered to be incidental to the Group's trading operations and are presented together with all other changes in the fair value of trading assets and liabilities in Net trading income on financial instruments classified as held for trading.

Interest income and expense on other financial assets and financial liabilities at FVTPL are presented in Net trading income on financial instruments.

d. Fees and commission income and expense

Fees and Commission that are integral to the effective interest rate on a financial asset are included in the measurement of the effective interest rate. Fees, such as processing and management fees charged for assessing the financial position of the borrower, evaluating and reviewing guarantee, collateral and other security, negotiation of instruments' terms, preparing and processing documentation and finalising the transaction are an integral part of the effective interest rate on a financial asset or liability and are included in the measurement of the effective interest rate of financial assets or liabilities.

Other fees and commissions which relates mainly to transaction and service fees, including loan account structuring and service fees are recognised as the related services are performed.

e. Net trading income

Net trading income comprises gains less losses related to trading assets and liabilities, and includes all realised and unrealised fair value changes, interest income on financial assets at fair value through profit or loss, dividends and foreign exchange differences.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

2.2 Summary of material accounting policies - continued

2.2.3 Revenue recognition- continued

f. Dividend income

Dividend income is recognised when the right to receive income is established. Dividends on trading equities are reflected as a component of net trading income. Dividend income on equity instruments classified and measured at fair value through OCI (FVOCI) are recognised as a component of other operating income.

2.2.4 Cash and cash equivalents

Cash and cash equivalents include notes and coins in hand, unrestricted balances held with central banks, operating accounts with other banks, amount due from other banks and highly liquid financial assets with original maturities of three months or less from the acquisition date, which are subject to insignificant risk of changes in their fair value, and are used by the Group in the management of its short-term commitments. Cash and cash equivalents are carried at amortised cost.

For the purposes of the statement of cash flows, cash and cash equivalents include cash and non-restricted balances with central bank, balances held with local banks, balances with foreign banks and money market placements.

2.2.5 Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost include expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located and capitalised borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalised as part of equipment.

When parts of an item of property or equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of the item of property, plant and equipment, and is recognised in other income/other expenses in profit or loss.

(ii) Subsequent costs

The cost of replacing a component of an item of property or equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

(iii) Depreciation

Depreciation is recognised in profit or loss on a straight-line basis to write down the cost of each asset, to their residual values over the estimated useful lives of each part of an item of property, plant and equipment. Leased assets under finance lease are depreciated over the shorter of the lease term and their useful lives.

Depreciation begins when an asset is available for use and ceases at the earlier of the date that the asset is derecognised or classified as held for sale in accordance with IFRS 5 -Noncurrent Assets Held for Sale and Discontinued Operations. A non-current asset or disposal group is not depreciated while it is classified as held for sale. Leasehold land are not depreciated.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

2.2 Summary of material accounting policies - continued

2.2.5 Property, plant and equipment - continued

The estimated useful lives for property, plant and equipment are as follows:

Leasehold buildings	50 years
Leasehold improvements	10 years
Furniture, fittings & equipment	5 years
Computer equipment	5 years
Motor vehicles	4 years
Information technology servers	10 years
Renewable (solar related) assets:	
- Solar PVS	20 years
- Batteries, inverters & charge controllers	10 years

Capital work in progress consists of items of property, plant and equipment that are not yet available for use. Capital work in progress is not depreciated, it is transferred to the relevant asset category upon completion.

Depreciation methods, useful lives and residual values are reassessed at each reporting date and adjusted if applicable.

(iv) De-recognition

An item of property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period the asset is derecognised.

2.2.6 Non-current assets held for sale

Non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Non-current assets are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition, management has committed to the sale, and the sale is expected to have been completed within one year from the date of classification. The group classifies repossessed assets as non-current assets held for sale as it intends to recover these assets primarily through sales transactions.

A non-current asset ceases to be classified as a held for sale if the criteria mentioned above are no longer met. A non-current asset that ceases to be classified as held for sale is measured at the lower of:

- (i) its carrying amount before the asset (or disposal group) was classified as held for sale or for distribution, adjusted for any depreciation, amortisation or revaluations that would have been recognised had the asset (or disposal group) not been so classified; and
- (ii) its recoverable amount at the date of the subsequent decision not to sell or distribute.

2.2.7 Intangible assets

Software

Software acquired by the Group is stated at cost less accumulated amortisation and accumulated impairment. Expenditure on internally developed software is recognised as an asset when the Group is able to demonstrate its intention and ability to complete the development and use the software in a manner that will generate future economic benefits, and can reliably measure the costs to complete the development. The capitalised costs of internally developed software include all costs directly attributable to developing the software, and are amortised over its useful life. Internally developed software is stated at capitalised cost less accumulated amortisation and impairment.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

2.2 Summary of material accounting policies - continued

2.2.7 Intangible assets - continued

Subsequent expenditure on software assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred. Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful life of the software, from the date that it is available for use since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful life of software is five years. Amortisation method, useful lives, and residual values are reviewed at each financial year-end and accounted for prospectively.

2.2.8 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period in exchange for consideration. Leases are accounted for in accordance with IFRS 16.

(i) Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(a) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the lease term.

The right-of-use assets are presented in Note 23.2 and are subject to impairment in line with the Group's policy as described in Note 2.2.9 Impairment of non-financial assets.

(b) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments and in substance fixed payments (less any lease incentives receivable), variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Bank and payments of penalties for terminating the lease, if the lease term reflects exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

(ii) Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

2.2 Summary of material accounting policies - continued

2.2.9 Impairment of non-financial assets

The carrying amounts of the Group's non-financial assets other than deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated.

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable group of assets that generates cash flows that largely are independent from other assets and groups. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

2.2.10 Employee benefits

In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(i) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available. Contributions to a defined contribution plan that is due more than 12 months after the end of the period in which the employees render the service are discounted to their present value at the reporting date.

The Group operates a funded defined contribution retirement benefit scheme for its employees under the provisions of the Pension Reform Act 2014. The employer and the employee contributions are 10% and 8%, respectively of the qualifying employee's monthly basic, housing and transport allowance. Obligations in respect of the Group's contributions to the scheme are recognised as an expense in the profit or loss account on an annual basis.

(ii) Termination benefits

The Group recognises termination benefits as an expense when the Group is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. The Group settles termination benefits within twelve months and are accounted for as short-term benefits.

(iii) Short-term benefits

Short-term employee benefits are employee benefits (other than termination benefits) that are expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service.

2.2 Summary of material accounting policies - continued

2.2.10 Employee benefits - continued

(iii) Short-term benefits - continued

A liability is recognised for the amount expected to be paid under short-term cash bonus or profit sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

2.2.11 Contingencies

(i) Contingent asset

Contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

A contingent asset is disclosed when an inflow of economic benefit is probable. When the realisation of income is virtually certain, then the related asset is not contingent and its recognition is appropriate. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements.

(ii) Contingent liability

Contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability.

Contingent liability is disclosed unless the possibility of an outflow of resources embodying economic benefit is remote. A provision for the part of the obligation for which an outflow of resources embodying economic benefits is probable is recognised, except in the extremely rare circumstances where no reliable estimate can be made.

Contingent liabilities are assessed continually to determine whether an outflow of economic benefit has become probable.

(iii) Provisions

Provisions for restructuring costs and legal claims are recognized when the Group has a present legal or constructive obligation as a result of past events;

It is more probable than not that an outflow of resources will be required to settle the obligation; and the amount can be reliably estimated. The Group recognises no provisions for future operating losses. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small. Provisions are measured at the present value of management's best estimate of the expenditures required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

2.2.12 Share capital

(i) Share issue costs

Incremental costs directly attributable to the issue of an equity instrument are deducted from the proceeds of the equity instruments.

(ii) Share premium

Any excess of the fair value of the consideration received over the par value of shares issued is recognised as share premium.

(iii) Dividend on ordinary shares

Dividends on the Group's ordinary shares are recognised in equity in the period in which they are approved and declared by the Group's shareholders.

2.2 Summary of material accounting policies - continued

2.2.13 Equity reserves

(i) **Fair value reserve**

The fair value reserve includes the net cumulative change in the fair value of financial instruments at fair value through other comprehensive income until the investment is derecognized or impaired.

(ii) **Share capital reserve**

The share capital reserve represents the surplus nominal value of the shares of the Group which were reconstructed in June 2006 after the merger.

(iii) **Regulatory risk reserve**

The regulatory risk reserve warehouses the difference between the impairment on loans and advances computed based on the Central Bank of Nigeria Prudential Guidelines compared with the expected loss model used in calculating the impairment under IFRS.

(iv) **SMEEIS reserve**

The SMEEIS reserve is maintained to comply with the Central Bank of Nigeria (CBN) requirement that all licensed banks set aside 5 percent of the profit after tax in a fund to be used to finance equity investment in qualifying small and medium scale enterprises.

(v) **Statutory reserve**

This represents regulatory appropriation to statutory reserves of 30% of profit after tax if the statutory reserve is less than paid-up share capital and 15% of profit after tax if the statutory reserve is greater than the paid up share capital.

(vi) **AGSMEIS reserve**

The Banker's committee at its 331st meeting held on 9 February 2017 approved the Agric-Business, Small and Medium Investment Scheme (AGSMEIS) to support Federal Government efforts at promoting Agricultural businesses/Small and Medium Enterprises (SMEs). All deposit money banks are required to set aside 5% of Profit After Tax (PAT) annually after their financial statements have been audited by external auditors and approved by Central Bank of Nigeria (CBN) for publication and remit to CBN within 10 working days after the Annual General Meeting.

2.2.14 Earnings per share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

2.2.15 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it can earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components, whose operating results are reviewed regularly by the Group's Management Committee (being the chief operating decision maker) to make decisions about resources allocated to each segment and assess its performance, and for which discrete financial information is available. The Group segment reporting is based on the following operating segments: Retail banking, Commercial banking, Institutional banking, Corporate & Investment banking, Non-Interest Banking and Special Purpose Vehicle (SPV).

2.2.16 Foreign currency translation

The Group's functional and presentation currency is Nigerian Naira ("N"). Transactions in foreign currencies are initially recorded at the spot rate of exchange ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the spot rate of exchange at the reporting date. Differences arising from translation of monetary items are recognised in other operating income in the profit or loss.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

2.2 Summary of material accounting policies - continued

2.2.16 Foreign currency translation - continued

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the spot exchange rates as at the date of recognition. Non-monetary items measured at fair value in a foreign currency are translated using the spot exchange rates at the date when the fair value was determined.

The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in Other Comprehensive Income (OCI) or profit or loss are also recognised in OCI or profit or loss, respectively).

2.2.17 Pledged financial assets

Financial assets pledged as collateral are classified separately from other assets when the counterparty has the right to sell or re-pledge the collateral (by custom or contract) and so debt instruments at FVOCI, and debt instruments at amortised cost are shown separately in the statement of financial position if they can be sold or pledged by the transferee.

Financial investments available for sale pledged as collateral are measured at fair value while financial investments held to maturity are measured at amortised cost.

2.2.18 Fair value definition and measurement

The Group measures financial instruments at fair value at each statement of financial position date. Fair value related disclosures for financial instruments and non-financial assets that are measured at fair value or where fair values are disclosed are summarised in the following notes:

Disclosures for valuation methods, significant estimates and assumptions are in Note 3.

Quantitative disclosures of fair value measurement hierarchy are in Note 39

Financial instruments (including those carried at amortised cost) are in Note 39

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either: In the principal market for the asset or liability and in the absence of a principal market, in the most advantageous market for the asset or liability.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

3 Significant accounting judgements, estimates and assumptions

The preparation of the Group's consolidated and separate financial statements requires management to make judgements, estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities and the accompanying disclosure, as well as the disclosure of contingent liability about these assumptions and estimates that could result in outcome that require a material adjustment to the carrying amount of assets and liabilities affected in future periods.

Management discusses with the Audit Committee the development, selection and disclosure of the Group's critical accounting policies and estimates, and the application of these policies and estimates.

3.1 Estimates and Assumptions

The key assumption concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period, are described below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumption about future developments, however, may change due to market changes or circumstances beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

(i) Depreciation and carrying value of property, plant and equipment

The estimation of the useful lives of assets is based on management's judgement. Any material adjustment to the estimated useful lives of items of property, plant and equipment will have an impact on the carrying value of these assets. See Note 24 for further disclosure on property, plant and equipment.

(ii) Amortisation and carrying value of intangible assets

The estimation of the useful lives of assets is based on management's judgement. Any material adjustment to the estimated useful lives of items of intangible assets will have an impact on the carrying value of these items. See Note 24 for further information disclosure on intangible assets.

(iii) Determination of impairment of property, plant and equipment, and intangible assets

Management is required to make judgements concerning the cause, timing and amount of impairment. In the identification of impairment indicators, management considers the impact of changes in current competitive conditions, cost of capital, availability of funding, technological obsolescence, discontinuance of services and other circumstances that could indicate that impairment exists. The Group applies the impairment assessment to its separate cash generating units. This requires management to make significant judgements and estimates concerning the existence of impairment indicators, separate cash generating units, remaining useful lives of assets, projected cash flows and net realisable values. Management's judgement is also required when assessing whether a previously recognised impairment loss should be reversed.

3 Significant accounting judgements, estimates and assumptions - continued

(iv) Determination of collateral value

Management monitors market value of collateral on a regular basis. Management uses its experienced judgement or independent opinion to adjust the fair value to reflect the current circumstances. The amount and collateral required depend on the assessment of credit risk of the counterparty. The fair value of collateral is generally assessed, at a minimum, at inception and based on the Group's quarterly reporting schedule, however some collateral, for example, cash or securities relating to margin requirements, is valued daily. To the extent possible, the Group uses active market data for valuing financial assets, held as collateral. Other financial assets which do not have a readily determinable market value are valued using models. Non-financial collateral, such as real estate, is valued based on data provided by third parties such as mortgage brokers, housing price indices, audited financial statements, and other independent sources. See Note 37 for further disclosure on collateral value.

(v) Business model assessment

For financial assets that are held for the purpose of collecting contractual cash flows, the Group has assessed whether the contractual terms of these assets are solely payments of principal and interest on the principal amount outstanding.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

Allowances for credit losses

Judgement is required by management in the estimation of the amount and timing of future cash flows when determining an impairment loss for loans and advances. In estimating these cash flows, the Group makes judgements about the borrower's financial situation and the net realizable value of collateral. These estimates are based on assumptions about a number of factors and actual results may differ, resulting in future changes to the impairment allowance.

A collective assessment of impairment takes into account data from the loan portfolio (such as credit quality, levels of arrears, credit utilisation, loan to collateral ratios etc.), and concentrations of risk and economic data (including levels of unemployment, real estate prices indices, country risk and the performance of different individual groups).

Impairment of financial assets

The measurement of impairment losses across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

The Bank's ECL calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include:

- The Bank's internal credit grading model, which assigns PDs to the individual grades
- The Bank's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a Life time Expected credit losses (LTECL) basis and the qualitative assessment
- The segmentation of financial assets when their ECL is assessed on a collective basis
- Development of ECL models, including the various formulas and the choice of inputs
- Determination of associations between macroeconomic scenarios and economic inputs, such as unemployment levels and collateral values, and the effect on PDs, EADs and LGDs
- Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models

(vi) Fair value of financial instruments

The determination of fair value for financial assets and liabilities for which there is no observable market price requires the use of techniques as described in accounting policy Note 2.2.19. For financial instruments that trade infrequently and have little price transparency, fair value is less objective, and requires varying degrees of judgement depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

3 Significant accounting judgements, estimates and assumptions - continued

(vii) Deferred tax assets

Deferred tax assets are recognised in respect of tax losses to the extent that it is probable that the future taxable profit will be available against which the losses can be utilised. Judgement is required to determine the amount of deferred tax that can be recognised, based upon the likely timing and level of future taxable profits, together with future tax-planning strategies. Tax losses can be used indefinitely. See Note 14(i) for further information on judgment and estimates relating to deferred tax assets.

(viii) Estimating the incremental borrowing rate

The Bank cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate ('IBR') to measure lease liabilities. The IBR is the rate of interest that the Bank would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Bank 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Bank estimates the IBR using observable inputs (such as market interest rates for similar transactions) and is required to make certain entity-specific adjustments or to reflect the terms and conditions of the lease.

3.2 Judgments

Judgements are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. In the process of applying the Group's accounting policies, management has made the following judgements, which have significant effect on the amount recognised in the financial statements:

The Group's management has made an assessment of its ability to continue as a going concern and is satisfied that it has the resources to continue in the business for the next 12 months from issuance of this report. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern. Therefore, the consolidated and separate financial statements continue to be prepared on the going concern basis.

The Group's management has made an assessment of its ability to continue as a going concern and is satisfied that it has the resources to continue in the business for the next 12 months from issuance of this report. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern. Therefore, the consolidated and separate financial statements continue to be prepared on the going concern basis.

(ii) Deferred tax asset

Management uses its experienced judgement in not recognizing additional deferred tax assets. The amount of those items that give rise to the unrecognized deferred tax asset are disclosed in Note 14(i) of the financial statements.

(iii) Determination of the lease term for lease contracts with renewal and termination options (Bank as a lessee)

The Bank determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The Bank has several lease contracts that include extension and termination options. The Bank applies judgement in evaluating whether it is reasonably certain if to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive to exercise either the renewal or termination. After the commencement date, the Bank reassesses the lease term if there is a significant event or change in circumstances that is within its control that affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customization of the leased asset).

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Bank's financial statements are disclosed below. The Bank intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

4 New and revised IFRS Accounting Standards

4.1 New and revised IFRS Accounting Standards in issue and effective in the current year

The following amendments and interpretations became effective in the annual period starting from 1 January, 2024. The new reporting requirements as a result of the amendments and interpretations have been considered and their impact or otherwise are presented below:

(i) Amendments to IAS 1 Classification of Liabilities as Current or Non-current

The bank has adopted the amendments to IAS 1, published in January 2020, for the first time in the current year.

The amendments affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.

The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

(ii) Amendments to IAS 1 Presentation of Financial Statements—Non-current Liabilities with Covenants

The bank has adopted the amendments to IAS 1, published in November 2022, for the first time in the current year.

The amendments specify that only covenants that an entity is required to comply with on or before the end of the reporting period affect the entity's right to defer settlement of a liability for at least twelve months after the reporting date (and therefore must be considered in assessing the classification of the liability as current or non-current). Such covenants affect whether the right exists at the end of the reporting period, even if compliance with the covenant is assessed only after the reporting date (e.g. a covenant based on the entity's financial position at the reporting date that is assessed for compliance only after the reporting date).

The IASB also specifies that the right to defer settlement of a liability for at least twelve months after the reporting date is not affected if an entity only has to comply with a covenant after the reporting period.

However, if the entity's right to defer settlement of a liability is subject to the entity complying with covenants within twelve months after the reporting period, an entity discloses information that enables users of financial statements to understand the risk of the liabilities becoming repayable within twelve months after the reporting period. This would include information about the covenants (including the nature of the covenants and when the entity is required to comply with them), the carrying amount of related liabilities and facts and circumstances, if any, that indicate that the entity may have difficulties complying with the covenants.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

4 New and revised IFRS Accounting Standards - continued

4.1 New and revised IFRS Accounting Standards in issue and effective in the current year - continued

(iii) Amendments to IFRS 16 Leases—Lease Liability in a Sale and Leaseback

The bank has adopted the amendments to IFRS 16 for the first time in the current year.

The amendments to IFRS 16 add subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements in IFRS 15 Revenue from Contracts with Customers to be accounted for as a sale. The amendments require the seller-lessee to determine 'lease payments' or 'revised lease payments' such that the seller-lessee does not recognise a gain or loss that relates to the right of use retained by the seller-lessee, after the commencement date.

The amendments do not affect the gain or loss recognised by the seller-lessee relating to the partial or full termination of a lease. Without these new requirements, a seller-lessee may have recognised a gain on the right of use it retains solely because of a remeasurement of the lease liability (for example, following a lease modification or change in the lease term) applying the general requirements in IFRS 16. This could have been particularly the case in a leaseback that includes variable lease payments that do not depend on an index or rate.

As part of the amendments, the IASB amended an Illustrative Example in IFRS 16 and added a new example to illustrate the subsequent measurement of a right-of-use asset and lease liability in a sale and leaseback transaction with variable lease payments that do not depend on an index or rate. The illustrative examples also clarify that the liability that arises from a sale and leaseback transaction that qualifies as a sale applying IFRS 15 is a lease liability.

A seller-lessee applies the amendments retrospectively in accordance with IAS 8 to sale and leaseback transactions entered into after the date of initial application, which is defined as the beginning of the annual reporting period in which the entity first applied IFRS 16.

Amendments to IAS 7 & IFRS 7 – Supplier Finance Arrangements

In May 2023, the Board issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments. The amendments require an entity to provide information about the impact of supplier finance arrangements on liabilities and cash flows, including terms and conditions of those arrangements, quantitative information on liabilities related to those arrangements as at the beginning and end of the reporting period and the type and effect of non-cash changes in the carrying amounts of those arrangements. The information on those arrangements is required to be aggregated unless the individual arrangements have dissimilar or unique terms and conditions.

These amendments, which became on 1 January 2024 did not have significant impact on the consolidated financial statements of the Group.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

4 New and revised IFRS Accounting Standards - continued

4.2 New and revised IFRS Accounting Standards issued but not yet effective

At the date of authorisation of these financial statements, the bank has not applied the following new and revised IFRS Accounting Standards that have been issued but are not yet effective [and [in some cases] have not yet been adopted by the bank:

- Amendments to IAS 21 Lack of Exchangeability
- IFRS 18 Presentation and Disclosures in Financial
- IFRS 19 Subsidiaries without Public Accountability:

The directors do not expect that the adoption of the standards listed above will have a material impact on the financial statements of the bank in future periods, except if indicated below.

Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates titled Lack of Exchangeability

The amendments specify how to assess whether a currency is exchangeable, and how to determine the exchange rate when it is not.

The amendments state that a currency is exchangeable into another currency when an entity is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations.

An entity assesses whether a currency is exchangeable into another currency at a measurement date and for a specified purpose. If an entity is able to obtain no more than an insignificant amount of the other currency at the measurement date for the specified purpose, the currency is not exchangeable into the other currency.

The assessment of whether a currency is exchangeable into another currency depends on an entity's ability to obtain the other currency and not on its intention or decision to do so.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

4 New and revised IFRS Accounting Standards - continued

4.2 New and revised IFRS Accounting Standards issued but not yet effective - continued

When a currency is not exchangeable into another currency at a measurement date, an entity is required to estimate the spot exchange rate at that date. An entity's objective in estimating the spot exchange rate is to reflect the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions.

The amendments do not specify how an entity estimates the spot exchange rate to meet that objective. An entity can use an observable exchange rate without adjustment or another estimation technique. Examples of an observable exchange rate include:

- a spot exchange rate for a purpose other than that for which an entity assesses exchangeability
- the first exchange rate at which an entity is able to obtain the other currency for the specified purpose after exchangeability of the currency is restored (first subsequent exchange rate).

An entity using another estimation technique may use any observable exchange rate—including rates from exchange transactions in markets or exchange mechanisms that do not create enforceable rights and obligations—and adjust that rate, as necessary, to meet the objective as set out above.

When an entity estimates a spot exchange rate because a currency is not exchangeable into another currency, the entity is required to disclose information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

The amendments add a new appendix as an integral part of IAS 21. The appendix includes application guidance on the requirements introduced by the amendments. The amendments also add new Illustrative Examples accompanying IAS 21, which illustrate how an entity might apply some of the requirements in hypothetical situations based on the limited facts presented.

In addition, the IASB made consequential amendments to IFRS 1 to align with and refer to the revised IAS 21 for assessing exchangeability.

The amendments are effective for annual reporting periods beginning on or after 1 January 2025, with earlier application permitted. An entity is not permitted to apply the amendments retrospectively. Instead, an entity is required to apply the specific transition provisions included in the amendments.

The directors of the bank anticipate that the application of these amendments may have an impact on the financial statements in future periods.

IFRS 18 Presentation and Disclosures in Financial Statements

IFRS 18 replaces IAS 1, carrying forward many of the requirements in IAS 1 unchanged and complementing them with new requirements. In addition, some IAS 1 paragraphs have been moved to IAS 8 and IFRS 7. Furthermore, the IASB has made minor amendments to IAS 7 and IAS 33 Earnings per Share.

IFRS 18 introduces new requirements to:

- present specified categories and defined subtotals in the statement of profit or loss
- provide disclosures on management-defined performance measures (MPMs) in the notes to the financial statements
- improve aggregation and disaggregation.

An entity is required to apply IFRS 18 for annual reporting periods beginning on or after 1 January 2027, with earlier application permitted. The amendments to IAS 7 and IAS 33, as well as the revised IAS 8 and IFRS 7, become effective when an entity applies IFRS 18. IFRS 18 requires retrospective application with specific transition provisions.

The directors of the bank anticipate that the application of these amendments may have an impact on the financial statements in future periods.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

4 New and revised IFRS Accounting Standards - continued

4.2 New and revised IFRS Accounting Standards issued but not yet effective - continued

IFRS 19 Subsidiaries without Public Accountability: Disclosures

IFRS 19 permits an eligible subsidiary to provide reduced disclosures when applying IFRS Accounting Standards in its financial statements.

A subsidiary is eligible for the reduced disclosures if it does not have public accountability and its ultimate or any intermediate parent produces consolidated financial statements available for public use that comply with IFRS Accounting Standards.

IFRS 19 is optional for subsidiaries that are eligible and sets out the disclosure requirements for subsidiaries that elect to apply it.

An entity is only permitted to apply IFRS 19 if, at the end of the reporting period:

- it is a subsidiary (this includes an intermediate parent)
- it does not have public accountability, and
- its ultimate or any intermediate parent produces consolidated financial statements available for public use that comply with IFRS Accounting Standards.

A subsidiary has public accountability if:

- its debt or equity instruments are traded in a public market, or it is in the process of issuing such instruments for or
- it holds assets in a fiduciary capacity for a broad group of outsiders as one of its primary businesses (for example, banks, credit unions, insurance entities, securities brokers/dealers, mutual funds and investment banks often meet this second criterion).

Eligible entities can apply IFRS 19 in their consolidated, separate or individual financial statements. An eligible intermediate parent that does not apply IFRS 19 in its consolidated financial statement may do so in its separate financial statements.

The new standard is effective for reporting periods beginning on or after 1 January 2027 with earlier application permitted.

If an entity elects to apply IFRS 19 for a reporting period earlier than the reporting period in which it first applies IFRS 18, it is required to apply a modified set of disclosure requirements set out in an appendix to IFRS 19. If an entity elects to apply IFRS 19 for an annual reporting period before it applied the amendments to IAS 21, it is not required to apply the disclosure requirements in IFRS 19 with regard to Lack of Exchangeability.

The directors of the bank do not anticipate that IFRS 19 will be applied for purposes of the financial statements.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

5 Segment Information

Segment information is presented in respect of the Group's strategic business units which represents the segment reporting format and is based on the Group's management and reporting structure.

(a) All non-current assets are located in the country of domicile and revenues earned are within same country.

(b) *Reportable segment*

The Group has five reportable segments; Retail Banking, Commercial Banking, Institutional Banking, Corporate & Investment Banking, Special Purpose Vehicle (SPV) which are the Bank's strategic business units. The strategic business units offer different products and services, and are managed separately based on the Group's management and internal reporting structure. For each of the strategic business units, the Executive Management Committee reviews internal management reports on a monthly basis.

The following summary describes the operations in each of the Group's reportable segments:

- o Corporate banking provides banking solutions to multinationals companies and other financial institutions.
- o Institutional banking provides banking solutions to government and government agencies and parastatals.
- o Retail and Commercial banking provides banking solutions to individuals, small businesses, partnerships and commercial entities among others.
- o The Special Purpose Vehicle was used to borrow funds through the issue of debt securities.

All transactions between business segments are conducted on an arm's length basis, internal charges and transfer. The Executive Management Committee monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profits or losses and is measured consistently with operating profits or losses in the financial statements.

5 Segment Information - continued

No revenue from transactions with a single external customer or counterparty amounted to 10% or more of the Group's total revenue in 2024 (2023: none). The activity of the segments are centrally financed, thus the cash flow for the Bank is presented in the Statement of cash flows.

31 December 2024 In millions of Naira	Retail Banking	Commercial Banking	Institutional Banking	Corporate & Investment Banking	Non-interest Banking*	SPV	Elimination	Total
Interest income	86,752	41,832	55,411	52,693	-	5,506	(3,491)	238,703
Interest expense	(26,451)	(24,379)	(22,317)	(40,975)	-	(5,355)	3,491	(115,986)
Net interest margin	60,301	17,453	33,094	11,718	-	151	-	122,717
Net fees and commission income	5,156	2,320	553	24,305	-	-	-	32,334
Credit loss expense	(7,354)	(616)	(416)	(2,420)	-	(63)	99	(10,770)
Depreciation and Amortization	(2,293)	(795)	(785)	(1,082)	-	-	-	(4,955)
Operating Expenses	(52,547)	(19,947)	(27,022)	(24,059)	-	(1)	-	(123,576)
Segment profit	7,805	2,363	6,575	14,595	-	87	99	31,524
Total Assets	792,009	689,031	621,867	1,145,083	-	34,260	(20,032)	3,262,218
Total Liabilities	909,824	599,447	622,364	851,653	-	34,204	(20,550)	2,996,942

Non-interest banking segment was carved out in 2023 and transferred to the Alternative Bank Limited.

5 Segment Information - continued

31 December 2023 In millions of Naira	Retail Banking	Commercial Banking	Institutional Banking	Corporate & Investment Banking	Non-interest Banking	SPV	Elimination	Total
Interest and non - interest banking income	51,122	37,705	29,207	25,405	4,919	6,153	(3,948)	150,563
Interest and non - interest banking expense	(17,333)	(17,084)	(11,784)	(20,170)	(1,984)	(6,116)	3,948	(70,523)
Net interest and Non - interest margin	33,789	20,621	17,423	5,235	2,935	37	-	80,040
Net fees and commission income	3,251	1,131	825	19,393	46	-	-	24,646
Credit loss expense	(9,290)	(458)	(493)	(1,891)	(30)	(8)	4	(12,166)
Depreciation and Amortization	(2,061)	(726)	(690)	(779)	(325)	-	-	(4,581)
Operating Expenses	(33,842)	(19,291)	(19,796)	(19,532)	(2,050)	(5)	-	(94,516)
Segment profit	2,818	6,011	1,571	8,750	2,059	24	4	21,237
Total Assets	639,017	524,602	475,557	768,153	-	34,239	(20,199)	2,421,369
Total Liabilities	826,770	463,216	456,149	501,247	-	34,250	(20,618)	2,261,014

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

	Group 2024	Group 2023	Bank 2024	Bank 2023
<i>In millions of Naira</i>				
6 Interest income using effective interest rate				
Loans and advances to customers	175,387	119,402	175,387	119,402
Investment securities	58,696	28,266	56,680	26,061
Cash and cash equivalents	4,620	2,895	4,620	2,895
	238,703	150,563	236,687	148,358

Modification loss of N22million (2023: N611million loss) for Group and Bank has been included in the interest income on loans and advances. This adjustment represents the changes in gross carrying amounts of the financial assets from immediately before, to immediately after modification using the effective interest rate of the initial contract.

	Group 2024	Group 2023	Bank 2024	Bank 2023
<i>In millions of Naira</i>				
Interest from investment securities were derived from:				
Debt instruments at amortised cost	14,720	10,015	12,706	7,810
Debt instruments at fair value through other comprehensive income	43,976	18,251	43,974	18,251
	58,696	28,266	56,680	26,061
7 Interest expense using effective interest rate				
Deposits from customers	58,683	38,702	58,683	38,702
Debt securities issued	5,013	10,146	3,150	7,978
Other borrowed funds	28,058	19,127	28,058	19,127
Deposits from banks	24,222	2,540	24,222	2,540
Interest on lease liability	10	8	10	8
	115,986	70,523	114,123	68,355

8 Net fees and commission income

Fee and commission income is disaggregated below and includes total fees in scope of IFRS 15, Revenues from Contracts with Customers:

	Group 2024	Group 2023	Bank 2024	Bank 2023
<i>In millions of Naira</i>				
E-business commission and fees	8,026	7,972	8,026	7,972
Other fees and commissions (Note 8.1)	7,087	4,307	7,087	4,307
Account maintenance fees	5,401	4,878	5,401	4,878
Commissions and similar income	3,685	5,062	3,685	5,062
Facility management fees	6,274	3,760	6,274	3,760
Total revenue from contracts with customers	30,473	25,979	30,473	25,979
Other non-contract fee income:				
Commission on letter of credit transactions	12,011	7,205	12,011	7,205
Total fees and commission income	42,484	33,184	42,484	33,184
Total fees and commission expense				
Fees and commission expense	(10,150)	(8,538)	(10,150)	(8,538)
Net fees and commission income	32,334	24,646	32,334	24,646

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

8.1 Other fees and commission includes mostly advisory fees, facility agent fees among others.

Fees and commissions above excludes amounts included in determining the effective interest rate on financial assets that are not at fair value through profit or loss.

<i>In millions of Naira</i>	Group 2024	Group 2023	Bank 2024	Bank 2023
9 Net trading income				
Bonds	2,986	1,727	2,986	1,727
Treasury bills	4,140	5,312	4,140	5,312
Foreign exchange trading	2,716	7,523	2,716	7,523
Foreign exchange revaluation gain/(loss)	1,777	4,568	1,777	4,568
	11,619	19,130	11,619	19,130

Foreign exchange trading income includes gains and losses from spot and forward contracts and other currency derivatives. Other foreign exchange differences arising on non-trading activities are presented as foreign exchange revaluation loss.

The Bank did not hold any non-monetary items denominated in foreign currency, nor did it have any foreign operations during the reporting period. Hence, no exchange gains or losses were recognized in other comprehensive income.

<i>In millions of Naira</i>	Group 2024	Group 2023	Bank 2024	Bank 2023
10 Other operating income				
Cash recoveries on previously written off accounts	493	947	493	947
Dividend income from FVOCI equity investments	676	476	676	476
Rental income	179	832	179	832
Gains on disposal of property, plant and equipment	1,268	55	1,268	55
Other sundry income (note 10.1)	1,539	6,374	1,539	6,374
	4,155	8,684	4,155	8,684

10.1 Other sundry income includes income on Financial Advisory, among others.

11 Credit loss expense

The table below shows the ECL charges on financial instruments for the year ended 31 December 2024 recorded in profit or loss:

<i>In millions of Naira</i>	Group 2024	Group 2023	Bank 2024	Bank 2023
11a Credit loss expense (see note 11 b. below for breakdown)				
Loans and advances impairment:				
Impairment on loans to corporate entities	2,227	11,853	2,227	11,853
Impairment on loans to individuals	16,588	7,484	16,588	7,484
Write-offs	548	368	548	368
Reversal of allowances no longer required - corporate entities	(11,237)	(6,799)	(11,237)	(6,799)
Reversal of allowances no longer required - individuals	(1,233)	(2,376)	(1,233)	(2,376)
	6,893	10,530	6,893	10,530
Impairment charge on other assets (note 23ii)	3,913	1,548	3,913	1,548
Impairment charge on investment securities (notes 18.3.1, 18.3.2, 21e and 21f)	204	831	241	826
Impairment (reversal)/charge on letters of credit and guarantees	(240)	(743)	(240)	(743)
	3,877	1,636	3,914	1,631
	10,770	12,166	10,807	12,161

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

11b Credit loss expense

The table below shows the ECL charges on financial instruments for the year 31 December 2024 recorded in profit or loss :

2024				
Group				
<i>In millions of Naira</i>	Stage 1	Stage 2	Stage 3	Total
Loans and advances to customers	1,162	(2,616)	8,347	6,893
Debt instruments measured at FVOCI	387	-	-	387
Debt instruments measured at amortised cost	(183)	-	-	(183)
Other assets	118	-	3,795	3,913
Financial guarantees	(240)	-	-	(240)
Letters of credit	-	-	-	-
Total credit loss expense	1,244	(2,616)	12,142	10,770

2023				
Group				
<i>In millions of Naira</i>	Stage 1	Stage 2	Stage 3	Total
Loans and advances to customers	(2,584)	(558)	13,672	10,530
Debt instruments measured at FVOCI	760	-	-	760
Debt instruments measured at amortised cost	71	-	-	71
Other assets	320	-	1,228	1,548
Financial guarantees	(536)	-	-	(536)
Letters of credit	(207)	-	-	(207)
Total credit loss expense	(2,176)	(558)	14,900	12,166

2024				
Bank				
<i>In millions of Naira</i>	Stage 1	Stage 2	Stage 3	Total
Loans and advances to customers	1,162	(2,616)	8,347	6,893
Debt instruments measured at FVOCI	387	-	-	387
Debt instruments measured at amortised cost	(146)	-	-	(146)
Other assets	118	-	3,795	3,913
Financial guarantees	(240)	-	-	(240)
Letters of credit	-	-	-	-
Total credit loss expense	1,281	(2,616)	12,142	10,807

2023				
Bank				
<i>In millions of Naira</i>	Stage 1	Stage 2	Stage 3	Total
Loans and advances to customers	(2,584)	(558)	13,672	10,530
Debt instruments measured at FVOCI	760	-	-	760
Debt instruments measured at amortised cost	66	-	-	66
Other assets	320	-	1,228	1,548
Financial guarantees	(536)	-	-	(536)
Letters of credit	(207)	-	-	(207)
Total credit loss expense	(2,181)	(558)	14,900	12,161

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

	Group 2024	Group 2023	Bank 2024	Bank 2023
<i>In millions of Naira</i>				
12 Personnel expenses				
Wages and salaries	23,908	18,421	23,908	18,421
Defined contribution plan	2,032	2,220	2,032	2,220
	25,940	20,641	25,940	20,641
13.1 Operating expenses				
Contract services	9,520	8,586	9,520	8,586
AMCON surcharge (see (a) below)	14,054	10,469	14,054	10,469
Insurance	9,400	6,881	9,400	6,881
Other professional fees (see (b) below)	2,638	1,637	2,638	1,637
Administrative expenses	12,262	7,053	12,261	7,052
Office expenses	10,118	7,458	10,118	7,458
Communication cost	2,968	2,421	2,968	2,421
Rents and rates	696	565	696	565
Advertising and business promotion	3,442	2,077	3,442	2,077
Other general expenses (see (c) below)	1,586	963	1,578	963
Branding expenses	1,311	850	1,311	850
Seminar and conferences	1,589	1,639	1,589	1,639
Security	527	486	527	486
Cash handling and cash processing expenses	1,663	1,510	1,663	1,506
Transport, travel, accommodation	1,449	1,096	1,449	1,096
Directors other expenses	988	455	988	455
Annual general meeting expenses	100	242	100	242
Stationery and printing	439	367	439	367
Audit fees*	255	246	255	246
Membership and subscription	285	827	285	827
Directors fee	350	148	350	148
Fines and penalties	377	29	377	29
	76,017	56,005	76,008	56,000

* This relates to audit services only. Please see Note 46 for disclosure on non-audit services.

- (a) AMCON sinking fund contribution
This represents the Bank's contribution to a fund established by the Asset Management Corporation of Nigeria (AMCON) Act. Effective 1 January 2013, the Bank is required to contribute an equivalent of 0.5% of its total assets plus 0.5% of all contingent assets as at the preceding year end to AMCON's sinking fund in line with existing guidelines. This contribution is for a period of 10 years from the effective date of 1 January 2013. It is non-refundable and does not represent any ownership interest.
- (b) Other professional fees include legal charges.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

- (c) Included in other general expenses are loan recovery expenses, custodial services, debt capital expenses, miscellaneous office expenses, etc.

<i>In millions of Naira</i>	Group 2024	Group 2023	Bank 2024	Bank 2023
13.2 Depreciation and amortisation				
Depreciation of property, plant and equipment (see note 24.1)	3,630	3,398	3,630	3,398
Depreciation of right-of-use asset amortisation (see note 24.2)	878	772	878	772
Depreciation investment property (see note 24.3)	-	-	-	-
Amortisation of intangible assets (see note 25)	447	411	447	411
	<u>4,955</u>	<u>4,581</u>	<u>4,955</u>	<u>4,581</u>
13.3 Other property, plant and equipment (PPE) costs				
Repairs and maintenance of PPE	21,619	17,870	21,619	17,870
14 Income tax				
a (i) Current income tax expense:				
Income tax (note 14d(i))	1,501	1,075	1,471	1,044
Education tax (note 14d(ii))	586	216	586	216
	<u>2,087</u>	<u>1,291</u>	<u>2,057</u>	<u>1,260</u>
Information Technology levy (note 14f)	315	212	312	212
Nigeria Police Trust Fund levy (note 14g)	2	1	2	1
National Agency for Science and Engineering Infrastructure levy (note 14h)	79	53	79	53
	<u>2,483</u>	<u>1,557</u>	<u>2,450</u>	<u>1,526</u>
Deferred tax expense:				
Origination of temporary differences (note 14i)	(5,384)	(752)	(5,384)	(752)
Prior period under provision	(17)	34	-	-
Total income tax expense	<u>(2,918)</u>	<u>839</u>	<u>(2,934)</u>	<u>774</u>
a (ii) Windfall tax				
Windfall tax - 2023FY (note 14e)	1,575	-	1,575	-
Windfall tax - 2024FY (note 14e)	2,101	-	2,101	-
	<u>3,676</u>	<u>-</u>	<u>3,676</u>	<u>-</u>
In millions of Naira	Group 31 Dec 2024	Group 31 Dec 2023	Bank 31 Dec 2024	Bank 31 Dec 2023
(b) Current income tax payable				
The movement on this account during the year was as follows:				
Balance, beginning of the year	1,414	1,607	1,316	1,573
Estimated charge for the year (see (14a (i) above)	2,087	1,291	2,057	1,260
Prior period under/(excess) provision	(17)	34	-	-
Payments during the year	(1,285)	(1,518)	(1,204)	(1,517)
Balance, end of the year	<u>2,199</u>	<u>1,414</u>	<u>2,169</u>	<u>1,316</u>

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

<i>In millions of Naira</i>	Group 2024		Group 2023		Bank 2024		Bank 2023	
14 Income tax - continued								
(c) Reconciliation of total tax charge								
Profit before income tax expense	% 100%	31,524	% 100%	21,237	% 100%	31,343	% 100%	21,210
Income payable @ statutory tax rate of 30%	30%	9,457	30%	6,371	30%	9,403	30%	6,363
Tax effect of:								
Non-deductible expenses	27%	8,372	20%	4,289	25%	7,786	19%	4,078
Tax- exempt Income	(53%)	(17,249)	(42%)	(8,986)	(53%)	(16,608)	(40%)	(8,390)
Education tax	2%	589	1%	216	2%	586	1%	216
Capital Gains Tax	0%	-	0%	-	0%	-	0%	-
Nigeria Police Trust Fund	0%	2	0%	1	0%	2	0%	1
National Agency for Science and Engineering Infrastructure Act Levy	0%	79	0%	53	0%	78	0%	53
Information Technology Levy (NITDA)	1%	315	1%	212	1%	313	1%	212
Prior period under/(excess) provision	0%	(17)	0%	34	0%	-	0%	-
Impact of differences in tax rates	(2%)	(581)	(11%)	(2,426)	(2%)	(581)	(13%)	(2,803)
Impact of deferred tax assets	(17%)	(5,384)	0%	-	(17%)	(5,384)	0%	-
Minimum tax	5%	1,499	5%	1,075	5%	1,471	5%	1,044
Effective tax rate/ Income tax expense	(9%)	(2,918)	4%	839	(9%)	(2,934)	4%	774

- d(i) The Companies Income Tax Act (CITA) in Nigeria requires companies with more than N100 Million Naira turnover to pay income tax at the rate of 30% of their taxable profits. Where the company do not have a taxable profit or where the income tax on the taxable profit is lower than the prescribed minimum tax, the minimum tax shall apply. Minimum tax in Nigeria is assessed at the rate of 0.5% of the turnover. Due to unutilized tax losses and unclaimed capital allowance, Sterling Bank has no taxable profit for the year ended 31 December 2024, as a result, was assessed to minimum tax for the year under review. The minimum tax charge for the year was N1.47billion
- d(ii) The basis of the Education Tax is 3% of assessable profit which is N586million (2023: N216million). Education Tax is imposed on all companies incorporated in Nigeria. This tax is viewed as a social obligation placed on all companies in ensuring that they contribute their own quota in developing educational facilities in the country.
- (e) The windfall levy was introduced by Finance (Amendment) Act 2025 signed by the President on 13 August 2024. The levy is applicable to banks that are licensed to carry out foreign exchange transactions. It is payable from 2023 to 2025 financial years based on 70% of realized profits from all foreign exchange transactions. The levy due from the Bank for 2023 and 2024 financial year is N3.68 billion.
- (f) The National Information Technology Development Agency Act (NITDA) 2007 stipulates that specified companies contribute 1% of their profit before tax to the National Information Technology Development Agency. In line with the Act, the Bank has provided for Information technology levy at the specified rate.
- (g) Section 4 of the Nigeria Police Trust Fund (Establishment) Act 2019 stipulates that companies operating in Nigeria shall contribute 0.005% of their profit before tax to the Nigeria Police Trust Fund. The Act establishing the Fund will be in force for 6 years from the year of establishment. In line with the Act, the Bank has provided for Police Trust Fund levy at the specified rate.
- (h) National Agency for Science and Engineering Infrastructure Act (Cap N3 LFN 2004) stipulates that commercial companies and firms with income or turnover of N100million and above are required to contribute 0.25% of their profit before tax (the Levy), into the Fund.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

14 Income tax

(i) Deferred tax assets and liabilities

31 December 2024	Balance at 1 January 2024	Recognised in profit or loss	Balance at 31 December 2024
<i>In millions of Naira</i>			
Property, plant and equipment and software	1,303	4,922	6,225
Unutilised tax credit (capital allowance)	(9,144)	(12,494)	(21,638)
Tax loss	-	-	-
Provisions	84	2,188	2,272
	(7,757)	(5,384)	(13,141)

31 December 2023	Balance at 1 January 2023	Recognised in profit or loss	Balance at 31 December 2023
<i>In millions of Naira</i>			
Property, Plant and Equipment and software	1,097	206	1,303
Unutilised tax credit (capital allowance)	(5,390)	(3,754)	(9,144)
Tax loss	(2,353)	2,353	-
Provisions	(359)	443	84
	(7,005)	(752)	(7,757)

The Bank has unutilized capital allowance of N72,128,075,800 (2023: N68,746,263,076) and no unused tax losses carried forward (2023: Nil) and deductible temporary differences of N75,753,521,393 (2023: N68,746,263,076) to be offset against future taxable profits. The Bank has recognized additional deferred tax asset of N5,384,000,000 for the year (2023: N752million) and there is no expiry date for utilization of the recognized tax assets in Nigeria.

The provisions of the Companies Income Tax (Exemption of Bonds and Short Term Government Securities) Order, 2011 grants exemption to income from bonds and treasury bills from tax for a period of 10 years. This tax holiday expired at the end of 2021 financial year with the exception of Federal Government Bond which remains tax exempt. The income arising from investment in these tax exempt instruments has created the above unutilized tax assets for the Bank and accounts for the Bank's source of deferred tax assets. The management's judgment is that the deferred tax recognized in the book is recoverable after the expiration of exemption granted on Government securities.

15 Earnings per share (basic and diluted)

The calculation of basic earnings per share as at 31 December 2024 was based on the profit attributable to ordinary shareholders and weighted average number of ordinary shares outstanding calculated as follows:

	Group 2024	Group 2023	Bank 2024	Bank 2023
a Issued ordinary shares as at 31 December Unit ('millions)	28,790	28,790	28,790	28,790
Weighted average number of ordinary shares	28,790	28,790	28,790	28,790
Profit for the year attributable to equity holders of the				
b Bank (In million Naira)	30,766	20,398	30,601	20,436
Basic earnings per share (in kobo)	107k	71k	106k	71k
Diluted earnings per share (in kobo)	107k	71k	106k	71k

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

	Group	Group	Bank	Bank
<i>In millions of Naira</i>	31 Dec 2024	31 Dec 2023	31 Dec 2024	31 Dec 2023
16 Cash and balances with Central Bank of Nigeria				
Cash and foreign monies	28,099	31,977	28,099	31,977
Unrestricted balances with Central Bank of Nigeria	59,127	112,912	59,127	112,912
Deposits with the Central Bank of Nigeria	715,906	447,677	715,906	447,677
	803,132	592,566	803,132	592,566

Deposits with the Central Bank of Nigeria represent mandatory reserve deposits and are not available for use in the Bank's day-to-day operations. It does not form part of cash and cash equivalents in the statement of cash flows.

	Group	Group	Bank	Bank
<i>In millions of Naira</i>	31 Dec 2024	31 Dec 2023	31 Dec 2024	31 Dec 2023
17 Due from banks				
Balances held with banks outside Nigeria	557,685	233,411	557,685	233,411
Money market placements	11,824	502	11,824	502
Balances held with local banks	6	1,041	-	1,035
	569,515	234,954	569,509	234,948

Included in balances with banks outside Nigeria is the Naira equivalent of foreign currency balances held on behalf of customers in respect of letters of credit. The corresponding liabilities are included in other liabilities (see Note 31.1).

Money market placements are placement for varying periods between one day to three months, depending on the immediate cash requirements of the Bank and earn interest at the prevailing market rate.

	Group	Group	Bank	Bank
<i>In millions of Naira</i>	31 Dec 2024	31 Dec 2023	31 Dec 2024	31 Dec 2023
18 Pledged assets				
18.1 Debt instruments at Fair value through other comprehensive income (FVOCI)				
Treasury bills FVOCI (see note (a) below)	18,112	-	18,112	-
Total debt instruments measured at FVOCI	18,112	-	18,112	-
18.2 Pledged assets Debt instruments at amortised cost				
Treasury bills at amortised cost (see note (b) below)	9,326	10,430	9,326	10,430
Government bonds at amortised cost (see note (c) below)	229	230	229	230
Other pledged assets (see note (d) below)	1,022	628	1,022	628
Sub-total	10,577	11,288	10,577	11,288
ECL on Pledged asset at amortised cost	(14)	(16)	(14)	(16)
Total debt instruments measured at amortised cost	10,563	11,272	10,563	11,272
Total pledged assets	28,675	11,272	28,675	11,272

The Bank pledges assets that are on its statement of financial position relate to various day-to-day transactions that are conducted under the usual terms and conditions applying to such agreements.

- a) Pledged for interbank transactions.
- b) Pledged for clearing activities, as collection bank for government taxes and Interswitch electronic card transactions.
- c) Pledged as security for loan facility from Bank of Industry.
- d) Included in other pledged assets are cash collateral for visa card transactions. The deposits are not part of the fund used by the Bank for day to day activities.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

18.3 Pledged assets measured at FVOCI

18.3.1 Impairment losses on pledged assets subject to impairment assessment

The table below shows the fair value of the Bank's pledged assets instruments measured at FVOCI by credit risk, based on the Bank's internal credit rating system and year-end stage classification. Details of the Bank's internal grading system are explained in Note 39 and policies on whether ECL allowances are calculated on an individual or collective basis are set out in Note 2.2.2:

2024				
Group and Bank				
In millions of Naira	Stage 1	Stage 2	Stage 3	Total
Internal rating grade				
RR1-RR2	18,112	-	-	18,112
Total	18,112	-	-	18,112

18.3.1 Impairment losses on pledged assets subject to impairment assessment

An analysis of changes in the fair value and the corresponding ECLs is, as follows:

2,024				
Group and Bank				
In millions of Naira	Stage 1	Stage 2	Stage 3	Total
Fair value as at 1 January 2024	-	-	-	-
New assets originated or purchased	18,112	-	-	18,112
Assets derecognised or matured (excluding write-offs)	-	-	-	-
At 31 December 2024	18,112	-	-	18,112

Group and Bank				
In millions of Naira	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at 1 January 2024	-	-	-	-
New assets originated or purchased	4	-	-	4
Assets derecognised or matured (excluding write offs)	-	-	-	-
At 31 December 2024	4	-	-	4

2023				
Group and Bank				
In millions of Naira	Stage 1	Stage 2	Stage 3	Total
Internal rating grade				
RR1-RR2	-	-	-	-
Total	-	-	-	-

An analysis of changes in the fair value and the corresponding ECLs is, as follows:

Group and Bank				
In millions of Naira	Stage 1	Stage 2	Stage 3	Total
Fair value as at 1 January 2023	13,281	-	-	13,281
New assets originated or purchased	-	-	-	-
Assets derecognised or matured (excluding write-offs)	(13,281)	-	-	(13,281)
At 31 December 2023	-	-	-	-

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

18.3.1 Impairment losses on pledged assets subject to impairment assessment

Group and Bank

<i>In millions of Naira</i>	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at 1 January 2023	3	-	-	3
New assets originated or purchased	-	-	-	-
Assets derecognised or matured (excluding write offs)	(3)	-	-	(3)
At 31 December 2023	-	-	-	-

18.3.2 Pledged assets instruments measured at amortised cost

The table below shows the credit quality and the maximum exposure to credit risk based on the Bank's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances. Details of the Bank's internal grading system are explained in Note 39:

<i>Group and Bank</i>	2024			
<i>In millions of Naira</i>	Stage 1	Stage 2	Stage 3	Total
Internal rating grade				
RR1-RR2	10,577	-	-	10,577
Total	10,577	-	-	10,577

<i>Group and Bank</i>	2024			
<i>In millions of Naira</i>	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at 1 January 2024	11,288	-	-	11,288
New assets originated or purchased	9,326	-	-	9,326
Assets derecognised or matured (excluding write-offs)	(10,431)	-	-	(10,431)
Foreign exchange adjustments	394	-	-	394
At 31 December 2024	10,577	-	-	10,577

<i>Group and Bank</i>	2024			
<i>In millions of Naira</i>	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at 1 January 2024	16	-	-	16
New assets purchased	14	-	-	14
Assets derecognised or matured (excluding write offs)	(16)	-	-	(16)
At 31 December 2024	14	-	-	14

<i>Group and Bank</i>	2023			
<i>In millions of Naira</i>	Stage 1	Stage 2	Stage 3	Total
Internal rating grade				
RR1-RR2	11,288	-	-	11,288
Total	11,288	-	-	11,288

18.3.2 Pledged assets instruments measured at amortised cost - continued

<i>Group and Bank</i>				2023
<i>In millions of Naira</i>	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at 1 January 2023	9,834	-	-	9,834
New assets originated or purchased	10,659	-	-	10,659
Assets derecognised or matured (excluding write-offs)	(9,529)	-	-	(9,529)
Foreign exchange adjustments	324	-	-	324
At 31 December 2023	11,288	-	-	11,288

<i>Group and Bank</i>				2023
<i>In millions of Naira</i>	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at 1 January 2023	17	-	-	17
New assets purchased	16	-	-	16
Assets derecognised or matured (excluding write offs)	(17)	-	-	(17)
At 31 December 2023	16	-	-	16

<i>Group and Bank</i>		Fair Value Amount		Notional Contract Amount	
<i>In millions of Naira</i>		31 Dec 2024	31 Dec 2023	31 Dec 2024	31 Dec 2023
19 Derivative financial assets					
Foreign currency swaps		-	276	-	9,518

<i>In millions of Naira</i>		Group 31 Dec 2024	Group 31 Dec 2023	Bank 31 Dec 2024	Bank 31 Dec 2023
20 Loans and advances to customers					
Loans to corporate entities and other organizations		1,003,339	792,985	1,003,339	792,985
Loans to individuals		95,658	99,231	95,658	99,231
		1,098,997	892,216	1,098,997	892,216
Less:					
Impairment allowance on loans to corporate entities		(13,054)	(18,366)	(13,054)	(18,366)
Impairment allowance on loans to individuals		(23,320)	(11,151)	(23,320)	(11,151)
		1,062,623	862,699	1,062,623	862,699

20.1 Loans and advances to corporate customers

The table below shows the credit quality and the maximum exposure to credit risk based on the Bank's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances. Details of the Bank's internal grading system are explained in Note 39 and policies on whether ECL allowances are calculated on an individual or collective basis are set out in Note 2.2.2

<i>Group and Bank</i>		31 December 2024			
<i>In millions of Naira</i>		Stage 1	Stage 2	Stage 3	Total
External rating grade					
RR1-RR2		29,041	-	-	29,041
RR3-RR4		514,696	-	-	514,696
RR5-RR6		29,014	403,885	-	432,899
RR7		-	-	9,314	9,314
RR8		-	-	2,290	2,290
RR9		-	-	15,099	15,099
Total	-	572,751	403,885	26,703	1,003,339

<i>Group and Bank</i>		31 December 2023			
<i>In millions of Naira</i>		Stage 1	Stage 2	Stage 3	Total
External rating grade					
RR1-RR2		12,652	-	-	12,652
RR3-RR4		474,876	-	-	474,876
RR5-RR6		32,573	253,964	-	286,537
RR7		-	-	15,920	15,920
RR8		-	-	164	164
RR9		-	-	2,836	2,836
Total	-	520,101	253,964	18,920	792,985

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

20.1 Loans and advances to corporate customers - continued

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to Corporate lending is, as follows:

Group and Bank	31 December 2024			
<i>In millions of Naira</i>	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at 1 January 2024	520,101	253,964	18,920	792,985
New assets originated or purchased	310,347	236,449	5,828	552,624
Assets derecognised or repaid (excluding write offs)	(270,506)	(173,432)	(1,406)	(445,344)
Transfers to Stage 1	88	(5)	(83)	-
Transfers to Stage 2	(44,871)	44,871	-	-
Transfers to Stage 3	(4,257)	(558)	4,815	-
Changes to contractual cash flows due to modifications not resulting in derecognition	-	142	-	142
Amounts written off	(28)	-	(1,371)	(1,399)
Foreign exchange adjustments	61,877	42,454	-	104,331
At 31 December 2024	572,751	403,885	26,703	1,003,339
	-	-	-	-
Group and Bank	31 December 2023			
<i>In millions of Naira</i>	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at 1 January 2023	503,708	132,196	16,261	652,165
New assets originated or purchased	267,628	132,464	10,188	410,280
Assets derecognised or repaid (excluding write offs)	(304,513)	(61,796)	(12,206)	(378,515)
Transfers to Stage 1	484	(484)	-	-
Transfers to Stage 2	(4,517)	4,517	-	-
Transfers to Stage 3	(5,798)	(459)	6,257	-
Changes to contractual cash flows due to modifications not resulting in derecognition	-	(120)	-	(120)
Amounts written off	(5)	(1)	(1,580)	(1,586)
Foreign exchange adjustments	63,114	47,647	-	110,761
At 31 December 2023	520,101	253,964	18,920	792,985
	-	-	-	-
Group and Bank	31 December 2024			
<i>In millions of Naira</i>	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at 1 January 2024	944	9,428	7,994	18,366
New assets originated or purchased	1,458	3,261	4,241	8,960
Assets derecognised or repaid (excluding write offs)	(130)	(8,560)	(5,143)	(13,833)
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	(15)	15	-	-
Transfers to Stage 3	(6)	(5)	11	-
Impact on year end ECL of exposures transferred between stages during the period	-	-	-	-
Unwind of discount	-	-	-	-
Changes to contractual cash flows due to modifications not resulting in derecognition	-	-	-	-
Changes to models and inputs used for ECL calculations	-	-	-	-
Amounts written off	(28)	-	(1,371)	(1,399)
Foreign exchange adjustments	409	551	-	960
At 31 December 2024	2,632	4,690	5,732	13,054

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

20.1 Loans and advances to corporate customers - continued

Group and Bank	31 December 2023			
<i>In millions of Naira</i>	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at 1 January 2023	3,484	5,580	2,112	11,176
New assets originated or purchased	242	4,316	8,599	13,157
Assets derecognised or repaid (excluding write offs)	(2,757)	(4,810)	(1,159)	(8,726)
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	(6)	6	-	-
Transfers to Stage 3	(14)	(8)	22	-
Impact on year end ECL of exposures transferred between stages during the period	-	-	-	-
Unwind of discount	-	-	-	-
Changes to contractual cash flows due to modifications not resulting in derecognition	-	-	-	-
Changes to models and inputs used for ECL calculations	-	-	-	-
Amounts written off	(5)	(1)	(1,580)	(1,586)
Foreign exchange adjustments	-	4,345	-	4,345
At 31 December 2023	944	9,428	7,994	18,366

The contractual amount outstanding on loans that have been written off, but were still subject to enforcement activity was N5.1 billion at 31 December 2024 (2023: N4.3 billion).

20.2 Loans to Individuals

The table below shows the credit quality and the maximum exposure to credit risk based on the Bank's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances. Details of the Bank's internal grading system are explained in Note 39 and policies on whether ECL allowances are calculated on an individual or collective basis are set out in Note 2.2.2

Group and Bank	31 December 2024			
<i>In millions of Naira</i>	Stage 1	Stage 2	Stage 3	Total
Internal rating grade				
RR1-RR2	1,784	-	-	1,784
RR3-RR4	37,413	-	-	37,413
RR5-RR6	1,377	21,965	-	23,342
RR7	-	-	8,150	8,150
RR8	-	-	13,154	13,154
RR9	-	-	11,815	11,815
Total	40,574	21,965	33,119	95,658

Group and Bank	31 December 2023			
<i>In millions of Naira</i>	Stage 1	Stage 2	Stage 3	Total
Internal rating grade				
RR1-RR2	1,775	-	-	1,775
RR3-RR4	56,985	-	-	56,985
RR5-RR6	3,520	10,546	-	14,066
RR7	-	-	11,706	11,706
RR8	-	-	7,868	7,868
RR9	-	-	6,831	6,831
Total	62,280	10,546	26,405	99,231

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

20.2 Loans to Individuals - continued

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to individual lending is, as follows:

Group and Bank	31 December 2024			
<i>In millions of Naira</i>	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at				
1 January 2024	62,280	10,546	26,405	99,231
New assets originated or purchased	34,947	18,186	6,940	60,073
Assets derecognised or repaid (excluding write offs)	(49,016)	(5,116)	(5,776)	(59,908)
Transfers to Stage 1	52	(38)	(14)	-
Transfers to Stage 2	(3,520)	3,542	(22)	-
Transfers to Stage 3	(3,992)	(4,945)	8,937	-
Changes to contractual cash flows due to modifications not resulting in derecognition	-	-	-	-
Amounts written off	(297)	(210)	(3,351)	(3,858)
Foreign exchange adjustments	120	-	-	120
At 31 December 2024	40,574	21,965	33,119	95,658

Group and Bank	31 December 2023			
<i>In millions of Naira</i>	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at				
1 January 2023	76,138	16,685	13,195	106,018
New assets originated or purchased	53,964	4,172	4,922	63,058
Assets derecognised or repaid (excluding write offs)	(57,333)	(8,335)	(1,546)	(67,214)
Transfers to Stage 1	395	(338)	(57)	-
Transfers to Stage 2	(4,972)	4,973	(1)	-
Transfers to Stage 3	(5,746)	(6,439)	12,185	-
Changes to contractual cash flows due to modifications not resulting in derecognition	-	-	-	-
Amounts written off	(244)	(172)	(2,293)	(2,709)
Foreign exchange adjustments	78	-	-	78
At 31 December 2023	62,280	10,546	26,405	99,231

Group and Bank	31 December 2024			
<i>In millions of Naira</i>	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at 1 January 2024	215	379	10,557	11,151
New assets originated or purchased	1,254	3,672	10,746	15,672
Assets derecognised or repaid (excluding write offs)	(22)	(174)	-	(196)
Transfers to Stage 1	2	(1)	(1)	-
Transfers to Stage 2	(15)	17	(2)	-
Transfers to Stage 3	(13)	(180)	194	1
Impact on year end ECL of exposures transferred between stages during the period	-	-	-	-
Unwind of discount	-	-	-	-
Changes to contractual cash flows due to modifications not resulting in derecognition	-	-	-	-
Changes to models and inputs used for ECL calculations	-	-	-	-
Amounts written off	(297)	(210)	(2,803)	(3,310)
Foreign exchange adjustments	2	-	-	2
At 31 December 2024	1,126	3,503	18,691	23,320

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

20.2 Loans to Individuals - continued

Group and Bank <i>In millions of Naira</i>	31 December 2023			
	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at 1 January 2023	737	796	7,739	9,272
New assets originated or purchased	1,780	239	4,961	6,980
Assets derecognised or repaid (excluding write offs)	(1,986)	(250)	(189)	(2,425)
Transfers to Stage 1	1	(1)	-	-
Transfers to Stage 2	(48)	48	-	-
Transfers to Stage 3	(58)	(281)	339	-
Impact on year end ECL of exposures transferred between stages during the period	-	-	-	-
Unwind of discount	-	-	-	-
Changes to contractual cash flows due to modifications not resulting in derecognition	-	-	-	-
Changes to models and inputs used for ECL calculations	-	-	-	-
Amounts written off	(244)	(172)	(2,293)	(2,709)
Foreign exchange adjustments	33	-	-	33
At 31 December 2023	215	379	10,557	11,151

Loans and advances are granted at different interest rates across the various products.

	Group 31 Dec 2024	Group 31 Dec 2023	Bank 31 Dec 2024	Bank 31 Dec 2023
20.3 Classification of loans and advances by rating				
Rating				
RR1-RR2	30,825	14,427	30,825	14,427
RR3-RR4	552,109	531,861	552,109	531,861
RR5-RR6	456,241	300,603	456,241	300,603
RR7	17,464	27,626	17,464	27,626
RR8	15,444	8,032	15,444	8,032
RR9	26,914	9,667	26,914	9,667
	1,098,997	892,216	1,098,997	892,216
20.4 Classification of loans and advances by security				
Cash	287,942	210,421	287,942	210,421
Real estate	146,908	112,070	146,908	112,070
Stocks/shares	35,063	19,518	35,063	19,518
Debentures	223,948	190,888	223,948	190,888
Other securities	351,520	311,108	351,520	311,108
Unsecured	53,616	48,211	53,616	48,211
	1,098,997	892,216	1,098,997	892,216

Other securities includes domiciliation of proceeds, personal guarantees, negative pledge, etc.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

20 Loans and advances to customers - continued

<i>In millions of Naira</i>		Group 31 Dec 2024	Group 31 Dec 2023	Bank 31 Dec 2024	Bank 31 Dec 2023
20.5	Classification of loans and advances by sector				
	Agriculture	143,648	105,129	143,648	105,129
	Communication	31,334	22,409	31,334	22,409
	Consumer	93,462	93,199	93,462	93,199
	Education	6,094	9,350	6,094	9,350
	Finance and insurance	21,439	22,135	21,439	22,135
	Government	83,010	73,161	83,010	73,161
	Manufacturing	65,495	46,911	65,495	46,911
	Mining & quarrying	6	64	6	64
	Mortgage	2,234	2,271	2,234	2,271
	Oil and gas	367,412	292,035	367,412	292,035
	Others	134,426	117,377	134,426	117,377
	Power	30,662	30,513	30,662	30,513
	Real estate & construction	54,122	18,317	54,122	18,317
	Transportation	65,653	59,345	65,653	59,345
		1,098,997	892,216	1,098,997	892,216
21	Investment in securities:				
(a)	Financial instruments held at fair value through profit or loss (FVTPL)				
	Treasury bills	19,994	912	19,994	912
	Euro bonds	3,641	165	3,641	165
	Bonds	3,764	946	3,764	946
	Promissory notes	92	89	92	89
	Total financial assets measured at FVTPL	27,491	2,112	27,491	2,112
(b)	Debt instruments at fair value through other comprehensive income				
	Treasury bills	240,286	107,577	240,286	107,577
	Government bonds	119,758	86,683	119,758	86,683
	Euro bonds	60,209	67,003	60,209	67,003
	Corporate bonds	18,585	22,945	18,585	22,945
	Promissory notes	-	215	-	215
	Total debt instruments measured at FVOCI	438,838	284,423	438,838	284,423
(c)	Equity instruments at fair value through other comprehensive income				
	Africa Export/Import Bank	4,598	2,353	4,598	2,353
	Nigeria Interbank Settlement System Plc	16,861	15,483	16,861	15,483
	Africa Finance Corporation	13,912	6,354	13,912	6,354
	Unified Payment System	984	657	984	657
	Investment in AGSMEIS	3,855	3,855	3,855	3,855
	Nigeria Mortgage Refinancing Corporation	412	412	412	412
	Total equity instruments at FVOCI	40,622	29,114	40,622	29,114
(d)	Debt instruments at amortised cost				
	Government bonds	61,069	103,252	46,839	89,172
	Treasury Bills	216	2,844	216	2,844
	Promissory notes	-	24,916	-	24,916
		61,285	131,012	47,055	116,932
	Allowance for Impairment losses	(101)	(282)	(94)	(239)
	Total debt instruments measured at amortised cost	61,184	130,730	46,961	116,693

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

(e) Debt instruments measured at FVOCI

The table below shows the fair value of the Bank's debt instruments measured at FVOCI by credit risk, based on the Bank's internal credit rating system and year-end stage classification. Details of the Bank's internal grading system are explained in Note 39 and policies on whether ECL allowances are calculated on an individual or collective basis are set out in Note 2.2.2:

Group and Bank		31 December 2024			
In millions of Naira		Stage 1	Stage 2	Stage 3	Total
Internal rating grade					
RR1-RR2		438,838	-	-	438,838
Total		438,838	-	-	438,838

Group and Bank		31 December 2023			
In millions of Naira		Stage 1	Stage 2	Stage 3	Total
Internal rating grade					
RR1-RR2		284,423	-	-	284,423
Total		284,423	-	-	284,423

An analysis of changes in the fair value and the corresponding ECLs is, as follows:

Group and Bank		31 December 2024			
In millions of Naira		Stage 1	Stage 2	Stage 3	Total
Fair value as at 1 January 2024		284,423	-	-	284,423
New assets originated or purchased*		340,829	-	-	340,829
Assets derecognised or matured (excluding write-offs)		(203,077)	-	-	(203,077)
Change in fair value		(9,636)	-	-	(9,636)
Foreign exchange adjustments		26,299	-	-	26,299
At 31 December 2024		438,838	-	-	438,838

*The analysis of changes in fair value is inclusive of movement in interest of N42.59 billion that has already been received in cash and accrued interest of N43.97 billion.

Group and Bank		31 December 2023			
In millions of Naira		Stage 1	Stage 2	Stage 3	Total
Fair value as at 1 January 2023		230,636	-	-	230,636
New assets originated or purchased		126,717	-	-	126,717
Assets derecognised or matured (excluding write-offs)		(97,081)	-	-	(97,081)
Change in fair value		758	-	-	758
Foreign exchange adjustments		23,393	-	-	23,393
At 31 December 2023		284,423	-	-	284,423

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

(e) Debt instruments measured at FVOCI - continued

An analysis of changes in the fair value and the corresponding ECLs is, as follows:

Group and Bank		31 December 2024			
<i>In millions of Naira</i>		Stage 1	Stage 2	Stage 3	Total
ECL allowance as at 1 January 2024		1,200	-	-	1,200
New assets purchased		627	-	-	627
Assets derecognised or matured (excluding write offs)		(492)	-	-	(492)
Changes to models and inputs used for ECL calculations		248	-	-	248
At 31 December 2024		1,583	-	-	1,583

Group and Bank		31 December 2023			
<i>In millions of Naira</i>		Stage 1	Stage 2	Stage 3	Total
ECL allowance as at 1 January 2023		511	-	-	511
New assets purchased		822	-	-	822
Assets derecognised or matured (excluding write offs)		(59)	-	-	(59)
Transfer to the Alternative Bank		(74)	-	-	(74)
At 31 December 2023		1,200	-	-	1,200

(f) Debt instruments measured at amortised cost

The table below shows the credit quality and the maximum exposure to credit risk based on the Bank's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances. Details of the Bank's internal grading system are explained in Note 39 and policies on whether ECL allowances are calculated on an individual or collective basis are set out in Note 2.2.2:

Group		31 December 2024			
<i>In millions of Naira</i>		Stage 1	Stage 2	Stage 3	Total
Internal rating grade					
RR1-RR2		61,285	-	-	61,285
RR3-RR4		-	-	-	-
RR5-RR6		-	-	-	-
Total		61,285	-	-	61,285

Group		31 December 2023			
<i>In millions of Naira</i>		Stage 1	Stage 2	Stage 3	Total
Internal rating grade					
RR1-RR2		131,012	-	-	131,012
Total		131,012	-	-	131,012

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

(f) Debt instruments measured at amortised cost - continued

<i>Bank</i>	31 December 2024			
<i>In millions of Naira</i>	Stage 1	Stage 2	Stage 3	Total
Internal rating grade				
RR1-RR2	47,055	-	-	47,055
RR3-RR4	-	-	-	-
RR5-RR6	-	-	-	-
Total	47,055	-	-	47,055

<i>Bank</i>	31 December 2023			
<i>In millions of Naira</i>	Stage 1	Stage 2	Stage 3	Total
Internal rating grade				
RR1-RR2	116,932	-	-	116,932
RR3-RR4	-	-	-	-
RR5-RR6	-	-	-	-
Total	116,932	-	-	116,932

<i>Group</i>	31 December 2024			
<i>In millions of Naira</i>	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at 1 January 2024	131,012	-	-	131,012
New assets originated or purchased*	216	-	-	216
Assets derecognised or matured (excluding write-offs)	(69,943)	-	-	(69,943)
At 31 December 2024	61,285	-	-	61,285

* The analysis of changes in gross carrying amount is inclusive of movement in interest of N12.55 billion that has already been received in cash and accrued interest income of N12.7 billion.

<i>Group</i>	31 December 2023			
<i>In millions of Naira</i>	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at 1 January 2023	107,100	-	-	107,100
New assets originated or purchased	48,817	-	-	48,817
Assets derecognised or matured (excluding write-offs)	(24,905)	-	-	(24,905)
At 31 December 2023	131,012	-	-	131,012

<i>Bank</i>	31 December 2024			
<i>In millions of Naira</i>	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at 1 January 2024	116,932	-	-	116,932
New assets originated or purchased	216	-	-	216
Assets derecognised or matured (excluding write-offs)	(70,093)	-	-	(70,093)
At 31 December 2024	47,055	-	-	47,055

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

(f) Debt instruments measured at amortised cost - continued

Bank				
31 December 2023				
In millions of Naira	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at 1 January 2023	89,978	-	-	89,978
New assets originated or purchased	48,817	-	-	48,817
Assets derecognised or matured (excluding write-offs)	(21,863)	-	-	(21,863)
At 31 December 2023	116,932	-	-	116,932

Group				
31 December 2024				
In millions of Naira	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at 1 January 2024	282	-	-	282
New assets purchased	-	-	-	-
Assets derecognised or matured (excluding write offs)	(95)	-	-	(95)
Changes to models and inputs used for ECL calculations	(86)	-	-	(86)
At 31 December 2024	101	-	-	101

Group				
31 December 2023				
In millions of Naira	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at 1 January 2023	211	-	-	211
New assets purchased	148	-	-	148
Assets derecognised or matured (excluding write offs)	(93)	-	-	(93)
Changes to models and inputs used for ECL calculations	16	-	-	16
At 31 December 2023	282	-	-	282

Bank				
31 December 2024				
In millions of Naira	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at 1 January 2024	239	-	-	239
New assets purchased	-	-	-	-
Assets derecognised or matured (excluding write offs)	(95)	-	-	(95)
Changes to models and inputs used for ECL calculations	(50)	-	-	(50)
At 31 December 2024	94	-	-	94

Bank				
31 December 2023				
In millions of Naira	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at 1 January 2023	172	-	-	172
New assets purchased	148	-	-	148
Assets derecognised or matured (excluding write offs)	(81)	-	-	(81)
At 31 December 2023	239	-	-	239

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

22 Investment in Subsidiary

In 2016, Sterling Bank Ltd registered Sterling Investment Management Plc (the SPV) with the Corporate Affairs Commission as a public limited liability company limited by shares with authorised capital of N2,000,000 @ N1.00 per share. Total number of issued share capital is 2,000,000, with 1,999,999 shares held by Sterling Bank Ltd and 1 share held by Mr. Abubakar Suleiman. The main objective of setting up the SPV is to raise or borrow money by the issue of bonds or other debt instruments.

Name of company	Ownership/Percentage interest		N'million	N'million
Sterling Investment Management Plc	99.9 percent		1	1

Condensed Statement of profit or loss for the Year ended 31 December 2024	Group	Elimination Entries	Bank	Sterling SPV
In millions of Naira				
Interest income	238,703	(3,491)	236,687	5,506
Interest expense	(115,986)	3,491	(114,123)	(5,355)
Net interest income	122,717	-	122,564	151
Other income	48,108	-	48,108	-
Operating income	170,825	-	170,672	151
Operating expenses	(128,531)	-	(128,522)	(1)
Credit loss expense	(10,770)	99	(10,807)	(63)
Profit for the year before tax	31,524	99	31,343	87
Income tax expense	2,918	-	2,934	(16)
Windfall tax	(3,676)	-	(3,676)	-
	30,766	99	30,601	71
Condensed statement of financial position As at 31 December 2024				
Assets:				
Cash and balances with Central Bank of Nigeria	803,132	-	803,132	-
Due from banks	569,515	-	569,509	6
Pledged assets	28,675	-	28,675	-
Derivative financial assets	-	-	-	-
Loans and advances to customers	1,062,623	-	1,062,623	-
Investments in securities:				
- Financial assets at fair value through profit or loss	27,491	-	27,491	-
- Debt instruments at fair value through other comprehensive income	438,838	-	438,838	-
- Equity instruments at fair value through other comprehensive income	40,622	-	40,622	-
- Debt instruments at amortised cost	61,184	(20,031)	46,961	34,254
Investment in subsidiary	-	(1)	1	-
Other assets	165,350	-	165,350	-
Property, plant and equipment	39,873	-	39,873	-
Right of use asset	8,669	-	8,669	-
Investment property	-	-	-	-
Intangible assets	3,105	-	3,105	-
Deferred tax assets	13,141	-	13,141	-
TOTAL ASSETS	3,262,218	(20,032)	3,247,990	34,260
LIABILITIES & EQUITY				
Deposits from banks	28,931	-	28,931	-
Deposits from customers	2,361,995	-	2,361,995	-
Current income tax payable	2,199	-	2,169	30
Other borrowed funds	185,269	-	185,269	-
Debt securities issued	34,056	(20,550)	20,453	34,153
Other liabilities	384,002	-	383,980	21
Provisions	490	-	490	-
Share capital	14,395	(1)	14,395	1
Share premium	42,759	-	42,759	-
Retained earnings	36,457	519	35,884	55
Other components of equity	102,799	-	102,799	-
Deposit for ordinary share capital	68,866	-	68,866	-
TOTAL LIABILITIES AND EQUITY	3,262,218	(20,032)	3,247,990	34,260

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

22 Investment in Subsidiary - Continued

Condensed statement of cash flows Year ended 31 December 2024	Group	Elimination Entries	Bank	Sterling SPV
<i>In millions of Naira</i>				
Net cash flows from/(used in) operating activities	159,539	(4,829)	157,527	6,841
Net cash flows (used in)/from in investing activities	(88,788)	-	(88,639)	(149)
Net cash flows used in financing activities	(9,017)	4,829	(7,154)	(6,692)
Net increase in cash and cash equivalents	61,734	-	61,734	-
Exchange rate movements on cash and cash equivalents	215,164	-	215,164	-
Cash and cash equivalents, beginning of the year	379,843	-	379,837	6
Cash and cash equivalents, end of the year	656,741	-	656,735	6
Condensed Statement of profit or loss for the Year ended 31 December 2023				
<i>In millions of Naira</i>				
Interest income	150,563	(3,948)	148,358	6,153
Interest expense	(70,523)	3,948	(68,355)	(6,116)
Net interest income	80,040	-	80,003	37
Other income	52,460	-	52,460	-
Operating income	132,500	-	132,463	37
Operating expenses	(99,097)	-	(99,092)	(5)
Credit loss expense	(12,166)	4	(12,161)	(8)
Profit/(loss) for the year before tax	21,237	4	21,210	24
Income tax expense	(839)	-	(774)	(65)
Profit/(loss) for the year after tax	20,398	4	20,436	(41)
Assets:				
Cash and balances with Central Bank of Nigeria	592,566	-	592,566	-
Due from banks	234,954	-	234,948	6
Pledged assets	11,272	-	11,272	-
Derivative financial assets	276	-	276	-
Loans and advances to customers	862,699	-	862,699	-
Investments in securities:				
- Financial assets at fair value through profit or loss	2,112	-	2,112	-
- Debt instruments at fair value through other comprehensive income	284,423	-	284,423	-
- Equity instruments at fair value through other comprehensive income	29,114	-	29,114	-
- Debt instruments at amortised cost	130,730	(20,123)	116,693	34,158
Investment in subsidiary	-	(1)	1	-
Other assets	232,809	(75)	232,809	75
Property, plant and equipment	22,984	-	22,984	-
Right of use asset	9,103	-	9,103	-
Investment property	-	-	-	-
Intangible assets	570	-	570	-
Deferred tax assets	7,757	-	7,757	-
TOTAL ASSETS	2,421,369	(20,199)	2,407,327	34,239
LIABILITIES & EQUITY				
Deposits from banks	-	-	-	-
Deposits from customers	1,747,510	-	1,747,510	-
Current income tax payable	1,414	-	1,316	98
Other borrowed funds	183,067	-	183,067	-
Debt securities issued	33,959	(20,543)	20,357	34,144
Other liabilities	294,346	(75)	294,412	8
Provisions	718	-	718	-
Share capital	14,395	(1)	14,395	1
Share premium	42,759	-	42,759	-
Retained earnings	22,226	420	21,818	(12)
Other components of equity	80,975	-	80,975	-
TOTAL LIABILITIES AND EQUITY	2,421,369	(20,199)	2,407,327	34,239

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

22 Investment in Subsidiary - Continued

Condensed statement of cash flows Year ended 31 December 2023	Group	Elimination Entries	Bank	Sterling SPV
Net cash flows from/(used in) operating activities	149,242	(1,169)	146,976	3,435
Net cash flows (used in)/from investing activities	(87,356)	-	(90,331)	2,975
Net cash flows used in financing activities	(38,932)	1,169	(33,409)	(6,692)
Net (decrease)/increase in cash and cash equivalents	22,954	-	23,236	(282)
Exchange rate movements on cash and cash equivalents	134,237	-	134,237	-
Cash and cash equivalents, beginning of the year	222,652	-	222,364	288
Cash and cash equivalents, end of the year	379,843	-	379,837	6

In millions of Naira

	Group 31 Dec 2024	Group 31 Dec 2023	Bank 31 Dec 2024	Bank 31 Dec 2023
23 Other assets				
Financial assets				
Accounts receivable (see note (i))	146,929	230,693	146,929	230,693
Non-financial assets				
Prepayments and other debit balances	23,025	5,080	23,025	5,080
Prepaid staff cost	2,596	1,412	2,596	1,412
Stock of cheque books and administrative stationeries	2,109	1,038	2,109	1,038
Gross other assets	174,659	238,223	174,659	238,223
Allowance for impairment on other assets (see note (ii) below)	(9,309)	(5,414)	(9,309)	(5,414)
	165,350	232,809	165,350	232,809

i. Included in accounts receivable are:

- Receivables from Parthian Capitals and SAMTL Properties in respect of loans sold to the companies.
- Forex deliverables due from CBN for the Bank's customers,
- Receivable due from the Alternative Bank (see related party disclosure in note 36e) , among others.

ii.

In millions of Naira	Group 31 Dec 2024	Group 31 Dec 2023	Bank 31 Dec 2024	Bank 31 Dec 2023
Movement of allowance for impairment on other assets				
Balance, beginning of year	5,414	4,507	5,414	4,507
Charge/(reversal) on other assets (note 11)	3,913	1,548	3,913	1,548
Write offs	(18)	(641)	(18)	(641)
Balance, end of year	9,309	5,414	9,309	5,414

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

24.1 Property, plant and equipment

Group and Bank

The movement during the year was as follows:

31 December 2024								
<i>In millions of Naira</i>	Leasehold Land	Leasehold Building	Leasehold Improvement	Furniture, fittings and equipment	Computer equipment	Motor vehicles	Capital work-in-progress	Total
(a) Cost								
As at 1 January 2024	1,990	4,537	3,334	7,355	8,553	5,063	8,759	39,591
Additions	-	49	1,034	4,384	6,051	785	8,782	21,085
Reclassifications	88	288	434	830	4,204	81	(5,925)	-
Disposals	(110)	(16)	(17)	(76)	(22)	(1,133)	-	(1,374)
Written off	-	(13)	(272)	(1,140)	(181)	-	-	(1,606)
As at 31 December 2024	1,968	4,845	4,513	11,353	18,605	4,796	11,616	57,696
(b) Accumulated depreciation and impairment								
As at 1 January 2024	242	833	1,541	4,039	6,631	3,321	-	16,607
Charge for the year	-	94	337	1,125	1,369	705	-	3,630
Written off	-	(13)	(272)	(1,113)	(177)	-	-	(1,575)
Disposals	(6)	(2)	(11)	(63)	(20)	(737)	-	(839)
As at 31 December 2024	236	912	1,595	3,988	7,803	3,289	-	17,823
Net book value								
As at 31 December 2024	1,732	3,933	2,918	7,365	10,802	1,507	11,616	39,873
As at 31 December 2023	1,748	3,704	1,793	3,316	1,922	1,742	8,759	22,984

- i) Included in furniture, fittings and equipment are renewable (solar related) assets with net book value of N3.66 billion as at December 2024 (2023: N20 million).
ii) No item of property, plant and equipment was pledged as security.

24.1 Property, plant and equipment

Group and Bank

The movement on these accounts during the year was as follows:

31 December 2023								
<i>In millions of Naira</i>	Leasehold Land	Leasehold Building	Leasehold Improvement	Furniture, fittings and equipment	Computer equipment	Motor vehicles	Capital work-in-progress	Total
(a) Cost								
As at 1 January 2023	1,990	4,235	4,320	10,745	14,481	5,855	4,571	46,197
Additions	-	256	408	1,913	479	1,115	7,380	11,551
Reclassifications	-	68	340	152	293	16	(869)	-
Disposals	-	-	-	(103)	(3)	(967)	-	(1,073)
Transfer to the Alternative Bank	-	-	(46)	(484)	(200)	(174)	(2,323)	(3,227)
Written off	-	(22)	(1,688)	(4,868)	(6,497)	(782)	-	(13,857)
As at 31 December 2023	1,990	4,537	3,334	7,355	8,553	5,063	8,759	39,591
(b) Accumulated depreciation and impairment								
As at 1 January 2023	242	753	2,944	8,095	11,870	4,380	-	28,284
Charge for the year	-	87	294	955	1,350	712	-	3,398
Transfer to the Alternative Bank	-	-	(13)	(43)	(94)	(96)	-	(246)
Written off	-	(7)	(1,684)	(4,865)	(6,494)	(782)	-	(13,832)
Disposals	-	-	-	(103)	(1)	(893)	-	(997)
As at 31 December 2023	242	833	1,541	4,039	6,631	3,321	-	16,607
Net book value								
As at 31 December 2023	1,748	3,704	1,793	3,316	1,922	1,742	8,759	22,984
As at 31 December 2022	1,748	3,482	1,376	2,650	2,611	1,475	4,571	17,913

- i) The gross carrying amount of fully depreciated property, plant and equipment that is still in use is N6.0 billion.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

		Group 31 Dec 2024	Group 31 Dec 2023	Bank 31 Dec 2024	Bank 31 Dec 2023
	<i>In millions of Naira</i>				
24.2	Right-of-use asset				
	Building				
(a)					
	Balance, beginning of the year	9,103	8,342	9,103	8,342
	Additions during the year	455	1,673	455	1,673
	Reversal*	(11)	(140)	(11)	(140)
	Depreciation charge	(878)	(772)	(878)	(772)
	Balance, end of the year	8,669	9,103	8,669	9,103

* This relates to right-of-use assets that were derecognised during the year either due to discontinuation of lease agreement or outright purchase of the property by the Bank.

24.3	Investment property				
(a)	Cost				
	At 1 January	-	5,822	-	5,822
	Additions	-	-	-	-
	Disposal	-	-	-	-
	Transfer to the Alternative Bank*	-	(5,822)	-	(5,822)
	As at 31 December	-	-	-	-
(b)	Accumulated depreciation and impairment				
	At 1 January	-	238	-	238
	Depreciation	-	-	-	-
	Disposal	-	-	-	-
	Transfer to the Alternative Bank*	-	(238)	-	(238)
	Balance end of year	-	-	-	-
	Balance as at 31 December	-	-	-	-

* Investment properties were held by the erstwhile Non-interest Banking window of the Bank. Following the Group's restructuring, these properties are now with the Alternative Bank.

		Group 31 Dec 2024	Group 31 Dec 2023	Bank 31 Dec 2024	Bank 31 Dec 2023
25	Intangible assets				
(a)	Cost				
	At 1 January	4,868	5,853	4,868	5,853
	Additions	2,982	75	2,982	75
	Transfer to the Alternative Bank*	-	(443)	-	(443)
	Write off	(3,744)	(617)	(3,744)	(617)
	Balance end of year	4,106	4,868	4,106	4,868
(b)	Accumulated amortisation and impairment				
	Beginning of year	4,298	4,903	4,298	4,903
	Amortisation for the year	447	411	447	411
	Transfer to the Alternative Bank*	-	(399)	-	(399)
	Write off	(3,744)	(617)	(3,744)	(617)
	Balance end of year	1,001	4,298	1,001	4,298
	Net book value				
	Balance as at 31 December	3,105	570	3,105	570

* This represents value of the intangible assets transferred to the Alternative Bank Limited as part of the spin-off of the erstwhile Non-interest Banking window in line with the restructuring scheme of arrangement.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

	Group 31 Dec 2024	Group 31 Dec 2023	Bank 31 Dec 2024	Bank 31 Dec 2023
26 Non-current assets held for sale				
At 1 January	-	3,027	-	3,027
Additions	-	-	-	-
Disposal	-	(3,027)	-	(3,027)
At 31 December	-	-	-	-

Non-financial assets acquired in exchange for loans as part of an orderly realization are recorded as assets held for sale, as the carrying amounts of the assets are recovered principally through sale; the assets are available for sale in their present condition; and their sale is highly probable. The asset acquired is recorded at the lower of its fair value less costs to sell and the carrying amount of the loan (net of impairment allowance) at the date of exchange. No depreciation is charged in respect of assets held for sale. Any subsequent write-down of the acquired asset to fair value less costs to sell is recognized in profit or loss, in 'Other operating expenses'. Any subsequent increase in the fair value less costs to sell, to the extent this does not exceed the cumulative write-down, is also recognized in 'Other operating income', together with any realized gains or losses on disposal. Assets that no longer meet the definition of non-current assets held for sale are reclassified to other assets.

	Group 31 Dec 2024	Group 31 Dec 2023	Bank 31 Dec 2024	Bank 31 Dec 2023
<i>In millions of Naira</i>				
27 Deposits from banks				
Money market takings	16,512	-	16,512	-
Due to local banks	12,419	-	12,419	-
	28,931	-	28,931	-
28 Deposits from customers				
Current accounts	1,427,865	989,742	1,427,865	989,742
Savings accounts	376,738	322,976	376,738	322,976
Term deposits	508,889	355,644	508,889	355,644
Pledged deposits	48,503	79,148	48,503	79,148
	2,361,995	1,747,510	2,361,995	1,747,510

Pledged deposits represent contracted cash deposits with the Bank that are held as security for loans granted to customers by the Bank.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

29 Other borrowed funds - continued

<i>In millions of Naira</i>		Group	Group	Bank	Bank
		31 Dec 2024	31 Dec 2023	31 Dec 2024	31 Dec 2023
29	Other borrowed funds				
	Due to CBN-Agric-Fund (see (29(i))	32,334	28,654	32,334	28,654
	Due to Africa Agric and Trade Investment Fund (see (29(ii))	19,323	14,230	19,323	14,230
	Due to CBN-State ECA secured loans (see (29 (iii))	11,679	12,162	11,679	12,162
	Due to Blue Orchard (see (29(iv))	20,410	18,585	20,410	18,585
	Due to ECOWAS Bank for Investment and Development (see (29(v))	48,474	38,350	48,474	38,350
	Due To Nigeria Mortgage Refinance Company (see (29(vi))	1,023	1,138	1,023	1,138
	Due to CBN - ABP (see (29(vii))	-	29,463	-	29,463
	Due to Master Card Foundation (MCF) (see (29(viii))	33,891	20,825	33,891	20,825
	Due to CBN - RSSF Fund (see (29 (ix))	2,753	2,250	2,753	2,250
	Due to CBN - NESF Fund (see(29 (x))	1,011	1,455	1,011	1,455
	Due to BOI (see (29 (xi))	1,647	706	1,647	706
	Due to Development Bank of Nigeria (see (29 (xii))	-	15,249	-	15,249
	Due to Development Bank of Nigeria (see (29 (xiii))	12,724	-	12,724	-
		185,269	183,067	185,269	183,067
	Movement on other borrowed funds:				
	Beginning of year	183,067	133,270	183,067	133,270
	Additions during the year	25,800	61,615	25,800	61,615
	Repayments during the year	(70,960)	(48,926)	(70,960)	(48,926)
	Transferred to the Alternative Bank*	-	(10,833)	-	(10,833)
	Accrued interest	28,058	19,127	28,058	19,127
	Interest paid	(27,770)	(18,719)	(27,770)	(18,719)
	Foreign exchange difference	47,074	47,533	47,074	47,533
		185,269	183,067	185,269	183,067

*This represents borrowed funds with erstwhile Non-interest Banking window that was transferred to the Alternative Bank Limited in line with the Bank's restructuring scheme of arrangement.

29(i) Due to CBN-Agric Fund

Central Bank of Nigeria (CBN) in collaboration with the Federal Government of Nigeria (FGN) represented by the Federal Ministry of Agriculture and Water Resources (FMA & WR) established a Commercial Agricultural Credit Scheme, (CACS) to promote commercial agricultural enterprise in Nigeria. The Bank obtained the loan on behalf of the customers at two (2) percent for on lending to customers at a rate of 9% per annum. Repayment proceeds from CACS projects are repatriated to CBN on quarterly basis. Loans under the agriculture scheme are expected to terminate on 30 September 2025.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

29 Other borrowed funds - continued

29(ii) Africa Agriculture and Trade Investment Fund

This represents the outstanding balance on the \$15 million credit facility granted to Sterling Bank by Africa Agriculture and Trade Investment Fund payable in 6 years in 11 installments commencing September 2023. Interest is payable quarterly at the rate of 7.75%. The facility will mature in March 2029.

29(iii) Due to CBN-State ECA secured loans

This is a facility granted as a result of the decision made during the June 2015 National Economic Council (NEC) meeting for deposit money banks to extend concessionary loans to state governments using the balance in the Excess Crude Account (ECA) as collateral. Osun and Kwara State Governments indicated their willingness to work with Sterling Bank Ltd on the transaction. The Osun State Government applied for N10 billion while Kwara State Government applied for N5 billion. The facility was approved at the June 2015 National Economic Council meeting. The purpose of the loan is for developmental and infrastructure projects in the States. CBN is granting the loan to the States at 9% annually for 20 years.

29(iv) Due to Blue Orchard

This represents Naira equivalent of \$25.5 million multi-credit on-lending facility from BlueOrchard Finance Ltd granted in March 2022. The purpose of the facility is to support and expand the Bank's financial intervention in the HEART (Health, Education, Agriculture, Renewable Energy and Transportation) sectors and MSMEs. The loan is for a period of 5 years and is priced at 6 months SOFR plus a margin of 545 basis points.

29(v) Due to ECOWAS Bank for Investment and Development

This represents Naira equivalent of \$50 million on-lending facility from ECOWAS Bank for Investment and Development granted in December 2022. The purpose of the facility is to support lending to Corporate and SMEs within the Bank's focus HEART (Health, Education, Agriculture, Renewable Energy and Transportation) sectors. The loan is for a period of 5 years and attracts 7% interest rate.

29(vi) Due to Nigeria Mortgage Refinance Company Plc.

This represents a loan agreement between the Bank and Nigeria Mortgage Refinance Company PLC (NMRC) for NMRC to refinance from time to time Mortgage Loans originated by the Bank with full recourse to the Bank on the terms and conditions stated in the agreement. The agreement covers three facilities obtained in 2016 and 2018 at an interest rate of 15.5% & 14.5% per annum to mature on 7 May 2028, 7 August 2031 and 7 August 2034 respectively.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

29 Other borrowed funds - continued

29(vii) Due to Central Bank of Nigeria - Anchor Borrower's Programme (ABP)

Anchor Borrowers Programme (ABP) is an initiative of the Central Bank of Nigeria and was launched by President Muhammadu Buhari in November 2015 in Kebbi State. CBN earmarked N40billion out of N220billion Micro, Small and Medium Enterprises Development Fund (MSMEDF) to be given to farmers in cooperative at a single rate of 9%, and the amount is dependent on the economics of production of each commodity. It is aimed at creating an ecosystem to link small holder farmers (borrowers) and processors (anchor) in the agricultural value chain to achieve job creation, increase domestic production of agricultural commodities/raw materials, improve farmers income and reduce import duty.

The facilities have been fully repaid in 2024.

29(viii) Due to Master Card Foundation (MCF)

This represents Naira equivalent of \$15.5 million from Master Card Foundation (MCF). It is a blended lending programme (MCF 65%, Sterling 35%) to MSMEs to help them withstand and respond to short term impacts of the COVID-19 pandemic, while strengthening resilience in the Agricultural sector. The agreed period for the scheme is 24 months in the first instance but with renewal option/fund utilization for charitable projects by MCF. The facility attracts a margin of 9%.

In October 2021, the Bank received additional disbursement of \$6.4 million from Master Card Foundation (MCF). The agreed period for the scheme is 48 months which is expected to terminate in September 2025.

29(ix) Due to CBN - Real Sector Support Facility (RSSF) Fund

The Central Bank of Nigeria, as part of the efforts to unlock the potential of the real sector to engender output growth, value added productivity and job creation has established a N300 billion Real Sector Support Facility (RSSF). The Facility will be used to support large enterprises for start-ups and expansion financing needs of N500 million up to a maximum of N10.0 billion. The loan tenor is 10 years with moratorium and at all in rate of 9% per annum.

29(x) Due to CBN - Non-Oil Support Export Stimulation Facility (NESF) Fund

Non-Oil Support Export Stimulation Facility (NESF) is designed to redress the declining export credit and reposition the sector to increase its contribution to revenue generation and economic development. It is designed to be accessed by exporters at a single digit of 9% and maximum obligor limit of N5billion. It aims at improving export financing and additional opportunities for exporters to upscale and expand their businesses in improving their competitiveness.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

29(xi) Due to Bank of Industry (BOI).

This represents the outstanding balance on the funding granted by BOI under the Small and Medium Enterprise Refinancing and Restructuring Fund (SMERRF). The SMERRF is administered at an all-in interest rate of 10% per annum payable on a monthly basis, one-off fee 2% and monitoring fee of 0.125% payable on quarterly basis. The tenor of the facilities range between 5 years to 7 years.

In 2023, the Bank received additional disbursements totaling N465 million for on-lending to various customers.

29(xii) Due to Development Bank of Nigeria (DBN).

This represents the carrying amount of the N15 billion facility from DBN granted in November 2023. The purpose of the facility is to support qualifying micro, small and medium enterprises. The loan is for a period of 6 months at an interest rate of 11% per annum. The facility matured in May 2024 and was fully repaid.

29(xiii) Due to Development Bank of Nigeria (DBN).

This represents the carrying amount of the N25 billion facility from DBN granted in May 2024. The purpose of the facility is to support qualifying micro, small and medium enterprises. The loan is for a period of 12 months at an interest rate of 20.5% per annum.

<i>In millions of Naira</i>		Group	Group	Bank	Bank
		31 Dec 2024	31 Dec 2023	31 Dec 2024	31 Dec 2023
30	Debt securities issued				
	17.55% Debt securities carried at amortised cost (See (i) below)	-	-	20,453	20,357
	16.25% Debt securities carried at amortised cost (See (ii) below)	34,056	33,959	-	-
		34,056	33,959	20,453	20,357
	Movements in debt securities issued				
	At 1 January	33,959	42,388	20,357	25,431
	Repayment	-	(7,965)	-	(4,779)
	Accrued interest	5,013	6,116	3,150	3,948
	Interest paid	(4,916)	(6,580)	(3,054)	(4,243)
		34,056	33,959	20,453	20,357

i This represents N19.739 billion 7-year 17.55% fixed rate subordinated notes issued by the Bank and approved on 27 November 2018 and 5 October 2018 by the Central Bank of Nigeria and the Securities & Exchange Commission, respectively. Interest is payable to the Joint Trustees semi-annually while principal is payable at maturity. The note issued was purchased by Sterling Investment Management SPV Plc.

iii This represents a N32.899 billion 7-year 16.25% subordinated unsecured non-convertible debenture stock issued by the SPV, and approved on 27 November 2018 and 5 October 2018 by the Central Bank of Nigeria and the Securities & Exchange Commission, respectively. Interest is payable semi-annually on the non-convertible debenture stock due in 2025. The effective interest rate is 16.887% per annum, and until the entire stock has been redeemed, the Issuer (Sterling Investment Management SPV Plc) is obliged to pay interest to the Trustees on behalf of the bond holders.

	Group	Group	Bank	Bank
<i>In millions of Naira</i>	31 Dec 2024	31 Dec 2023	31 Dec 2024	31 Dec 2023
31.1 Other liabilities				
Other credit balances (see 31.1.1)	63,012	84,272	63,012	84,272
Customers' deposits for foreign trade	266,750	135,060	266,750	135,060
Deposit for additional tier 1 capital	-	47,590	-	47,590
Lease liability (see 31.1.3)	219	134	219	134
Certified cheques	2,199	1,731	2,199	1,731
Creditors and accruals	47,725	25,261	47,706	25,334
Windfall levy	3,676	-	3,676	-
Information technology levy	335	239	332	232
Police trust fund levy	2	1	2	1
National Agency for Science and Engineering				
Infrastructure levy	84	58	84	58
Total Other Liabilities	384,002	294,346	383,980	294,412

31.1.1 Other credit balances includes mostly bond proceed collection, e-payment till and long outstanding draft. It also includes upfront fees on financial guarantee contract such as Advance Payment Guarantee and Bid bond, etc. The upfront fees are amortised using the maturity date of the contracts.

	Group	Group	Bank	Bank
<i>In millions of Naira</i>	31 Dec 2024	31 Dec 2023	31 Dec 2024	31 Dec 2023
31.1.3 Lease liability				
As at 1 January	134	295	134	295
Additions	124	17	124	17
Interest on lease liability*	10	8	10	8
Reversal**	(13)	(178)	(13)	(178)
Payments	(36)	(8)	(36)	(8)
As at 31 December	219	134	219	134

*Interest on lease liability is included in interest expense using effective interest rate (note 7).

** This relates to lease liabilities that were derecognised during the year either due to discontinuation of lease agreement or outright purchase of the property by the Bank.

Maturity analysis of lease liability	Less than 3 months	3-12 months	1 - 5 years	Total
<i>In millions of Naira</i>				
	152	6	103	261

	Group	Group	Bank	Bank
<i>In millions of Naira</i>	31 Dec 2024	31 Dec 2023	31 Dec 2024	31 Dec 2023
31.2 Provisions				
Provisions for litigations and claims*	198	186	198	186
Provision for guarantees and letters of credit	292	532	292	532
	490	718	490	718
At 1 January	718	1,489	718	1,489
Transferred to the Alternative Bank**	-	(3)	-	(3)
Provisions writeback for the year	(228)	(768)	(228)	(768)
At 31 December	490	718	490	718

* Provision for litigations: This is provision for litigations and claims against the Bank as at 31 December 2024. These claims arose in the normal course of business and are being contested by the Bank. The Directors, having sought advice of professional counsels, are of the opinion that this provision is adequate for liability that have crystalized from these claims. There is no expected reimbursement in respect of this provision.

**This represents provision for guarantees and letters of credit for erstwhile Non-interest Banking window that was transferred to the Alternative Bank Limited in line with the Bank's restructuring scheme of arrangement.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

	Group 31 Dec 2024	Group 31 Dec 2023	Bank 31 Dec 2024	Bank 31 Dec 2023
<i>In millions of Naira</i>				
32.1 Share capital and equity reserves				
<i>Share capital</i>				
(a) Authorised: 28,790,418,126 Ordinary shares of 50k each	14,395	14,395	14,395	14,395
(b) Issued and fully-paid: 28.79 billion (2023: 28.79 billion) Ordinary shares of 50k each	14,395	14,395	14,395	14,395

(i) Ordinary shareholding:

The holders of ordinary shares are entitled to receive dividend as declared from time to time and are entitled to vote at meeting of the Bank. All ordinary shares rank pari-passu with the same rights and benefits at meetings of the Bank.

(ii) Movement in issued and fully paid share capital is as follows:

	Group 31 Dec 2024	Group 31 Dec 2023	Bank 31 Dec 2024	Bank 31 Dec 2023
<i>In millions of units</i>				
28.79 billion (2023: 28.79 billion) Ordinary shares of 50k each	14,395	14,395	14,395	14,395
Movement in nominal share capital in units At 31 December	28,790	28,790	28,790	28,790

33.1 Dividends

In respect of 2024, the Directors proposed that a dividend of 11kobo (2023: Nil) for every 50kobo share will be paid to shareholders. This dividend is subject to approval by shareholders at the annual general meeting and has not been included as a liability in this financial statements until approved and declared by the shareholders. The proposed dividend is subject to withholding tax at the appropriate rate and is payable to shareholders whose names appear in the Register of Members at closure date.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

34 Other components of equity

a. Statutory reserve

Nigerian banking regulations require the Bank to make an annual appropriation to a statutory reserve. As stipulated by Section 15(1) of the Banks and Other Financial Institution Act of Nigeria, an appropriation of 30% of profit after tax is made if the statutory reserve is less than paid-up share capital and 15% of profit after tax if the statutory reserve is greater than the paid up share capital. Amount transferred to statutory reserve for the year ended 31 December 2024 was (15% of N30.6billion) N4.59billion (2023: N3.07billion).

b. Share capital reserve

The share capital reserve resulted from the shares reconstruction carried out by the Bank in June 2006. The N5.276 billion in the reserve represents the surplus nominal value of the reconstructed shares.

c. AGSMEIS reserve

The Bankers' committee at its 331st meeting held on 9 February 2017 approved the Agric-Business Small and Medium Investment Scheme (AGSMEIS) to support Federal Government efforts at promoting Agricultural businesses/Small and Medium Enterprises (SMEs). All deposit money banks are required to set aside 5% of Profit After Tax (PAT) annually after their financial statements have been audited by external auditors and approved by Central Bank of Nigeria (CBN) for publication and remit to CBN within 10 working days after the Annual General Meeting.

d. Regulatory risk reserve

The Central Bank of Nigeria stipulates that impairment allowance of financial assets and off balance sheet accounts shall be determined based on the requirements of International Financial Reporting Standards ("IFRS"). The IFRS impairment allowance should be compared with provisions determined under Prudential Guidelines and the difference in Retained Earnings should be treated as follows:

- Where Prudential impairment provision is greater than IFRS impairment provision; transfer the difference from the Retained Earnings to a non-distributable Regulatory Risk Reserve.
- Where Prudential impairment provision is less than IFRS impairment provision; the excess charges resulting should be transferred from the Regulatory Risk Reserve account to the Retained Earnings to the extent of the non-distributable reserve previously recognized.

e. SMEEIS reserve

The SMEEIS reserve is maintained to comply with the Central Bank of Nigeria (CBN) requirement that all licensed banks set aside a portion of the profit after tax in a fund to be used to finance equity investment in qualifying small and medium scale enterprises. Under the terms of the guideline (amended by CBN letter dated 11 July 2006), the contributions will be 10% of profit after tax and shall continue after the first 5 years but banks' contributions shall thereafter reduce to 5% of profit after tax. However, this is no longer mandatory. The Group has suspended further appropriation to SMEEIS (now known as Microcredit Fund) reserve account in line with the decision reached at the Banker's Committee meeting and approved by CBN.

f. PPPRA reserve

This reserve was created to track the regulatory treatment of the Central Bank of Nigeria (CBN) directive on the amortisation the accrued interest on PPPRA facilities over a 5-year period (2019 to 2023). The balance in this reserve represents unamortised portion of the accrued interest which will be transferred to retained earnings over the amortisation period. The balance was fully amortised in December 2023.

g. Deposit for ordinary share capital

This represents N68.9b capital injection from the Sterling Financial Holding Company Plc. The injection is currently undergoing regulatory approval and will be recognised as ordinary share capital and share premium upon the completion of the regulatory approval process.

35 Commitments and Contingencies

a. Litigations and claims

There are 83 (2023: 92) litigations and claims against the Group as at 31 December 2024. The total amount claimed against the Group is N44.5billion (2023: N45.2billion). These claims arose in the normal course of business and are being contested by the Group. The Directors, having sought advice of professional counsels, are of the opinion that no significant liability will crystallise from these claims. Provisions of N198 million at 31 December 2024 (2023: N186 million) have been made in these financial statements on crystallised claims, refer to note 31.2.

We confirm that information regarding our litigation was shared with the external auditors during the audit exercise. The auditors, in turn, independently circularized our lawyers to validate the status of the portfolio. We believe this confirms the status of our disputes.

As of the date of this letter, we have not received any notice of breach of covenants or knowingly or willfully breached covenants in our contracts with third parties.

35 (b) Contingent liabilities and commitments

The Group conducts business involving acceptances, performance bonds and indemnities. The majority of these facilities are offset by corresponding obligations of third parties. Contingent liabilities and commitments comprise performance bonds, acceptances, guarantees and letters of credit.

Nature of instruments:

To meet the financial needs of customers, the Bank enters into various commitments and contingent liabilities. These consist of financial guarantees and letters of credits. These obligations are not recognised on the statement of financial position because the risk has not crystallised and we have not identified any factor to suggest the probability that the risk will crystallise.

Letters of credit and guarantees commit the Bank to make payments on behalf of customers in the event of a specific act, generally related to the import or export of goods. Guarantees and standby letters of credit carry a similar credit risk to loans.

The following tables summarise the nominal principal amount of contingent liabilities and commitments with off- financial position risk:

	Group 31 Dec 2024	Group 31 Dec 2023	Bank 31 Dec 2024	Bank 31 Dec 2023
<i>In millions of Naira</i>				
Bonds, guarantees and indemnities	177,932	165,364	177,932	165,364
Letters of credit	96,101	180,604	96,101	180,604
Performance bonds	66,434	57,433	66,434	57,433
	<u>340,467</u>	<u>403,401</u>	<u>340,467</u>	<u>403,401</u>

Above balances represent contingent liabilities for which the customers have not defaulted. As stated in note 2.2.12, any portion that is due for which the Group has become liable are recognised in Other Liabilities (Note 31).

Impairment losses on guarantees and other commitments

An analysis of changes in the gross carrying amount and the corresponding allowance for impairment losses in relation to guarantees and other commitments is, as follows:

(i) Financial guarantees

The table below shows the credit quality and the maximum exposure to credit risk based on the Bank's internal credit rating system and year-end stage classification.

31 December 2024 (Group and Bank)

<i>In millions of Naira</i>	Stage 1	Stage 2	Stage 3	Total
Internal rating grade				
RR1-RR2	177,932	-	-	177,932
RR3-RR4	-	-	-	-
RR5-RR6	-	-	-	-
RR7	-	-	-	-
Total	<u>177,932</u>	<u>-</u>	<u>-</u>	<u>177,932</u>

31 December 2023 (Group and Bank)

<i>In millions of Naira</i>	Stage 1	Stage 2	Stage 3	Total
Internal rating grade				
RR1-RR2	165,364	-	-	165,364
RR3-RR4	-	-	-	-
RR5-RR6	-	-	-	-
Total	<u>165,364</u>	<u>-</u>	<u>-</u>	<u>165,364</u>

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

31 December 2023 (Group and Bank)

<i>In millions of Naira</i>	Stage 1	Stage 2	Stage 3	Total
Internal rating grade				
RR1-RR2	165,364	-	-	165,364
RR3-RR4	-	-	-	-
RR5-RR6	-	-	-	-
Total	165,364	-	-	165,364

35 (b) Contingent liabilities and commitments - continued

(i) Financial guarantees - continued

An analysis of changes in the outstanding exposures and the corresponding ECLs are, as follows:

<i>In millions of Naira (Group and Bank)</i>	Stage 1	Stage 2	Stage 3	Total
Outstanding exposure as at 1 January 2024	165,364	-	-	165,364
New exposures	117,403	-	-	117,403
Exposure derecognised or matured/lapsed (excluding write offs)	(111,384)	-	-	(111,384)
Foreign exchange adjustments	6,549	-	-	6,549
At 31 December 2024	177,932	-	-	177,932

<i>In millions of Naira (Group and Bank)</i>	Stage 1	Stage 2	Stage 3	Total
Outstanding exposure as at 1 January 2023	116,156	-	-	116,156
New exposures	108,088	-	-	108,088
Exposure derecognised or matured/lapsed (excluding write offs)	(59,703)	-	-	(59,703)
Foreign exchange adjustments	823	-	-	823
At 31 December 2023	165,364	-	-	165,364

<i>In millions of Naira (Group and Bank)</i>	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at 1 January 2024	532	-	-	532
New exposures	62	-	-	62
Exposure derecognised or matured (excluding write offs)	(302)	-	-	(302)
Changes to models and inputs used for ECL calculations	-	-	-	-
At 31 December 2024	292	-	-	292

<i>In millions of Naira (Group and Bank)</i>	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at 1 January 2023	1,071	-	-	1,071
New exposures	28	-	-	28
Exposure derecognised or matured (excluding write offs)	(3)	-	-	(3)
Changes to models and inputs used for ECL calculations	(564)	-	-	(564)
At 31 December 2023	532	-	-	532

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

35 (b) Contingent liabilities and commitments - continued

(ii) Letters of credit

The table below shows the credit quality and the maximum exposure to credit risk based on the Bank's internal credit rating system and year-end stage classification.

<i>In millions of Naira (Group and Bank)</i>	2024			
	Stage 1	Stage 2	Stage 3	Total
Internal rating grade				
RR1-RR2	96,101	-	-	96,101
RR3-RR4	-	-	-	-
Total	96,101	-	-	96,101

<i>In millions of Naira (Group and Bank)</i>	2023			
	Stage 1	Stage 2	Stage 3	Total
Internal rating grade				
RR1-RR2	180,604	-	-	180,604
RR3-RR4	-	-	-	-
Total	180,604	-	-	180,604

An analysis of changes in the outstanding exposures and the corresponding ECLs are, as follows:

<i>In millions of Naira</i>	Stage 1	Stage 2	Stage 3	Total
Outstanding exposure as at 1 January 2024	180,604	-	-	180,604
New exposures	-	-	-	-
Exposure derecognised or matured/lapsed (excluding write offs)	(137,938)	-	-	(137,938)
Foreign exchange adjustments	53,435	-	-	53,435
At 31 December 2024	96,101	-	-	96,101

<i>In millions of Naira</i>	Stage 1	Stage 2	Stage 3	Total
Outstanding exposure as at 1 January 2023	113,786	-	-	113,786
New exposures	85,868	-	-	85,868
Exposure derecognised or matured/lapsed (excluding write offs)	(151,183)	-	-	(151,183)
Foreign exchange adjustments	132,133	-	-	132,133
At 31 December 2023	180,604	-	-	180,604

<i>In millions of Naira</i>	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at 1 January 2024	-	-	-	-
New exposures	-	-	-	-
Exposure derecognised or matured (excluding write offs)	-	-	-	-
At 31 December 2024	-	-	-	-

(ii) Letters of credit - continued

<i>In millions of Naira</i>	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at 1 January 2023	207	-	-	207
New exposures	-	-	-	-
Exposure derecognised or matured (excluding write offs)	(207)	-	-	(207)
At 31 December 2023	-	-	-	-

36 Related party transactions

Parties are considered to be related if one party has the ability to control the other party or exercise influence over the other party in making financial and operational decisions, or one other party controls both. The definition includes directors and key management personnel among others.

<i>In millions of Naira</i>		Group 2024	Group 2023	Bank 2024	Bank 2023
(i)	Transactions with the related parties				
	Loans and advances			-	
a.	Secured loans and advances (see 36b)	771	587	771	587
b.	Contingent liabilities (see 36b)	70	1,370	70	1,370
c.	Transactions and balances with the Bank's subsidiary Sterling Investment Management Plc				
	Debt instruments issued by the Bank	-	-	20,550	20,543
	Other liabilities	-	-	-	75
	Interest expense	-	-	3,491	3,948
d.	Transactions and balances with the Parent Company Sterling Financial Holdings Company Plc				
	Other assets (Account receivable)	508	13	508	13
	Deposit from customer (Current and Fixed Deposit)	14,735	8,696	14,735	8,696
	Other liabilities (Account payable)	-	359	-	359
	Interest expense	1,120	183	1,120	183
	Other expenses	180	359	180	359
e.	Transactions and balances with the Fellow Subsidiary The Alternative Bank Limited				
	Other assets (Account receivable)	6,760	6,971	6,760	6,971
	Deposit from customer (Current and Fixed Deposit)	29,898	4,004	29,898	4,004
	Other liabilities (Other credit balances)	-	43,997	-	43,997
(ii)	Transactions with key management personnel				
	Key management personnel has been defined as the executive directors and non-executive directors of the Group. Key management personnel and their close family members engaged in the following transactions with the Group during the year:				
<i>In millions of Naira</i>		Group 2024	Group 2023	Bank 2024	Bank 2023
	Secured loans and advances	451	213	451	213
	Deposit liabilities (related parties and key management personnel)	37,481	27,580	37,481	27,580

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

36 Related party transactions - continued

(iii) Compensation of key management personnel:

The amounts disclosed in the table below are the amounts recognised as an expense during the year related to key executive directors.

<i>In millions of Naira</i>	Group 2024	Group 2023	Bank 2024	Bank 2023
Short-term benefits (wages and salaries)	107	154	107	154
Post-employment benefits (pension contributions)	10	14	10	14
Termination benefits	-	189	-	189
	117	357	117	357

- (iv) Directors' remuneration below relates to payment made to non-executive directors and charged as expense during the year. The non-executive directors do not receive pension entitlements from the Bank.

<i>In millions of Naira</i>	Group 2024	Group 2023	Bank 2024	Bank 2023
Directors' remuneration				
Fees as directors	350	148	350	148
Other emoluments	135	118	135	118
	485	266	485	266

(v) Terms and conditions of transactions with related parties

The above-mentioned outstanding balances arose from the ordinary course of business. The interest rates charged to and by related parties are at normal commercial rates. Outstanding balances at the year-end are secured. For the year ended 31 December 2024, the related parties facilities are performing and the Group has not made any provision for impairment on the facilities. (2023: Nil).

36b Insider Related Credits

Insider Related Credits are disclosed below in accordance to Central Bank of Nigeria Circular BSD/1/2004

The Group granted various credit facilities meeting the definition of insider related credits at rates and terms comparable to other facilities in the Group's portfolio. An aggregate of N771 million (2023: N587 million) relating to the Directors and some employees were outstanding on these facilities at the end of the period/year.

31 December 2024

NAME OF BORROWERS	RELATIONSHIP TO REPORTING INSTITUTION	NAME OF THE RELATED INTEREST	DATE GRANTED	EXPIRY DATE	FACILITY LIMIT (N'million)	OUTSTANDING CREDIT (N'million)	STATUS	PERFECTED SECURITY/NATURE	FACILITY TYPE
Globalmix Capital Ltd.	Related to An ex-Director	Asue Ighodalo	30-Aug-24	27-Jun-26	683	683	Performing	Legal Mortgage	Term Loan
Michael Onochie Ajukwu	Independent Director	Michael Onochie Ajukwu	7-May-24	31-May-29	62	19	Performing	Otherwise Secured	Credit Card
Commercial Staff Loans of AGIMs a	Employees	Employees	NA	NA	105	69	Performing	Lien on entitlements/indemnity	Term Loan/Other Loans/Overdraft
TOTAL					850	771			

Letter of credit and bond guarantees.

31 December 2024

NAME OF BORROWERS	RELATIONSHIP TO REPORTING INSTITUTION	NAME OF THE RELATED INTEREST	DATE GRANTED	EXPIRY DATE	FACILITY LIMIT (N'million)	OUTSTANDING CREDIT (N'million)	STATUS	PERFECTED SECURITY/NATURE	FACILITY TYPE
Rite Foods Limited	Related to a Director	Tairat Tijani	18-Nov-24	17-Nov-25	70	70	Performing	Otherwise secured	Bank Guarantee
TOTAL - CONTINGENT (Letters of credit and bond guarantees)					70	70			

NAME OF BORROWERS	RELATIONSHIP TO REPORTING INSTITUTION	NAME OF THE RELATED INTEREST	DATE GRANTED	EXPIRY DATE	FACILITY LIMIT (N'million)	OUTSTANDING CREDIT (N'million)	STATUS	PERFECTED SECURITY/NATURE	FACILITY TYPE
Globalmix Capital Ltd.	Related to a Director	Asue Ighodalo	27-May-22	25-Feb-24	520	540	Performing	Secured Against Real Estate	Term Loan
Do li Designs Limited	Related to a Director	Asue Ighodalo	30-Mar-22	30-Mar-25	17	9	Performing	Cash	Term Loan
Do li Designs Limited	Related to a Director	Asue Ighodalo	13-Jan-22	13-Jan-25	17	4	Performing	Cash	Term Loan
Hauwa Mustapha Oturu	Wife to Staff	Mustapha Oturu	18-Apr-23	18-Apr-25	1	1	Performing	Otherwise Secured	Term Loan
Commercial Staff Loan	Employees	Employees	NA	NA	87	33	Performing	Lien on entitlements/indemnity	Other Loans
TOTAL					642	587			

Letter of credit and guarantees

31 December 2023

NAME OF BORROWERS	RELATIONSHIP TO REPORTING INSTITUTION	NAME OF THE RELATED INTEREST	DATE GRANTED	EXPIRY DATE	FACILITY LIMIT (N'million)	OUTSTANDING CREDIT (N'million)	STATUS	PERFECTED SECURITY/NATURE	FACILITY TYPE
Touchdown Travels Ltd	Related to a Director	Tunde Adeola	06-Nov-23	06-Nov-24	1,000	1,000	Performing	Personal Guarantee	Bank Guarantee
Rite Foods Limited	Related to a Director	Tairat Tijani	08-Mar-23	07-Mar-24	300	300	Performing	Personal Guarantee	Bank Guarantee
Rite Foods Limited	Related to a Director	Tairat Tijani	03-Nov-23	02-Nov-24	65	65	Performing	Personal Guarantee	Bank Guarantee
Audeo Clothing Company Ltd	Related to a Director	Tunde Adeola	07-Jan-15	23-Dec-24	5	5	Performing	Personal Guarantee	Bank Guarantee
TOTAL - CONTINGENT (letters of credit and bond guarantees)						1,370			

37 Events after reporting date

There were no events after the reporting date which could have a material effect on the financial position of the Group and the Bank as at 31 December 2024 and profit or loss and other comprehensive income attributable to equity holders on that date which have not been adequately adjusted for or disclosed.

	Group		Bank	
	31 Dec 2024	31 Dec 2023	31 Dec 2024	31 Dec 2023
<i>In millions of Naira</i>				
38 Cash and cash equivalents				
Cash and foreign monies (Note 16)	28,099	31,977	28,099	31,977
Unrestricted balances with Central Bank of Nigeria (Note 16)	59,127	112,912	59,127	112,912
Balances held with local banks (Note 17)	6	1,041	-	1,035
Balances held with banks outside Nigeria (Note 17)	557,685	233,411	557,685	233,411
Money market placements (Note 17)	11,824	502	11,824	502
	656,741	379,843	656,735	379,837

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

39 Financial Risk Management

(a) Introduction and overview

Risks are inherent in the lending, trading and all other intermediation activities of the Group. In managing these risks, the Group has adopted an Enterprise Risk Management philosophy of building a sound, safe and stable financial institution through the efficient management of risks. In achieving this, the Group has adopted a standard template and common methodology for risk identification, measurement, management and control.

The Group is exposed to various risks including Credit Risk, Liquidity Risk, Market Risk and Operational Risk in the trading book and banking book. The Group has put in place approved policies, procedures and guidelines for identifying, measuring, managing and controlling these risks.

Risk management framework

The Group's risk management framework consists of the governance structure, policies, strategy, processes and techniques for the management of risks faced by the Group. The risk governance structure is modelled according to the three lines of defense. The Board and its committees oversee the risk management framework and approve the corresponding risk management policies and strategies. Senior management provides oversight across the Group to ensure that all material risks are properly identified, measured, mitigated and monitored in order to minimize the impact of adverse events. The Chief Risk Officer (CRO) coordinates the process of monitoring and reporting identified risks. The Risk Management division is complemented by Finance and Performance Management Department, Compliance and Strategy Department and the Internal Control Group in the management of strategic, regulatory compliance and reputational risks. Internal Audit department provides assurance to Management and Board that instituted controls are effective in mitigating identified and emerging risks.

To achieve its risk management objectives, the Group has a risk management framework that comprises the following elements:

- Risk management objectives and philosophy
- Governance structure
- Roles and responsibilities for managing risks
- Risk management process

Three Lines of Defense

The philosophy of three lines defense have been adopted in the Group for proactive and efficient identification and management of risks inherent in the Group's activities, processes, system, products and external events as follows:

First line of defence – Strategic Business Functions

This consists of business units and line functions with primary responsibilities for risk management. The first line of defense includes business owners who execute transactions in the Group with the following risk management responsibilities;

- Identify emerging risks at the transaction/business unit level and conduct material risk assessments, at least annually;
- Imbibe risk culture in order to align risk management with business objectives; and
- Implement controls to reduce the likelihood and impact of risks.

Second line of defense – Independent Risk and Control Oversight

This consists of functions responsible for providing independent oversight over key risks like credit, market, liquidity and operational risk and facilitating the implementation of risk controls to ensure that the business and process owners operate within the defined risk appetite and align with approved policies and procedures. They formulate risk management policies, processes and controls, provide guidance and coordination of activities of all other monitoring functions within the Group and identify enterprise trends, synergies and opportunities for change.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

39 Financial risk management - continued

Third line of defense – Independent Assurance

This consists of all functions with primary responsibilities for evaluating and providing independent assurance on the adequacy, appropriateness and effectiveness of the risk management process and policy. This function is performed by internal and external audit.

(b) Risk Management Structure

The responsibility for management of risk exposure of the Group rests with the Board, this responsibility is delegated to various committees of the Board.

The Board Risk Management Committee (BRMC) is designated with the responsibility of managing the overall risk exposure of the Group. The Committee reviews and recommends risk management policies and procedures for Board approval.

The Board Credit Committee (BCC) acts on behalf of the Board of Directors on all credit matters. It considers and approves lending exposures, treasury investments exposures, as well as other credit exposures that exceed the mandated approval limit of the Management.

The Management Risk Committee (MRC) is responsible for planning and management of the Group's overall risk profile; including the determination of the Group's risk philosophy, appetite, limits and policies.

The Management Credit Committee (MCC) is vested with the responsibility of credit policy articulation and credit approval that falls within the mandated approval limit. It reviews and recommends credit policy direction to the BCC.

The Assets and Liability Committee ensures that the Group has adequate liquidity to meet the funding need of the Group, and also manages the interest rate and foreign exchange risk of the Group. The Committee also reviews the economic outlook and its likely impact on the Group's current and future performance.

The Criticised Assets Committee (CAC) reviews the non-performing loans and recommends strategies for recovery of bad loans. The Committee also reviews the Group's loan portfolio and validates collateral documentation.

The Enterprise Risk Management Group is saddled with the responsibility of implementing and supervising all risk management policies, guidelines and procedures.

The Conduct and Compliance Department monitors compliance with risk principles, policies and limits across the Group. Exceptions are reported on a daily basis to the management and appropriate action are taken to address the threats.

The Internal Audit Department as part of its annual audit programme, examines the adequacy and level of compliance with the procedures. Result of assessments, findings and recommendations are discussed with the relevant departments, and reported to the Board Audit Committee.

(c) Risk measurement and reporting systems

Quantitative and qualitative assessment of credit risks is carried out through a rigorous internal ratings system. The Group also carries out scenario analysis as stated in the Group's credit policy guide and stress testing to identify potential exposure under stressed market situations.

Monitoring and controlling of risk is done by ensuring that limits established are strictly complied with and that such limit reflects both the quantitative and qualitative risk appetite of the Group. Particular emphasis is placed on the Risk Acceptance Criteria (RAC). Furthermore, the Group's policy is to measure and monitor the overall risk bearing capacity in relation to the aggregate risk exposure across all risk types and activities.

Risk Information compiled from all business activities of the Group is analyzed and processed on a timely basis for informed management decision. The Management Risk Committee (MRC) and the Board Risk Management Committee (BRMC) which constitute the supervisory body are updated on the risk profile of the Group through regular risk reports.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

39 Financial risk management - continued

(d) Risk Mitigation

The Group has in place a set of management actions to prevent or mitigate the impact of business risks on earnings. Business risk monitoring, through regular reports and oversight, results in corrective actions to plans and ensure reductions in exposures where necessary. Credit control and mitigation policies are also in place. Collateral policies are designed to ensure that the Group's exposure is secured, and to minimize the risk of credit losses to the Group in the event of decline in quality or delinquency of assets.

Guidelines for accepting credit collateral are documented and articulated in the Credit Policy Guidelines (CPG). These include;

- a. Acceptable collateral for each credit product;
- b. Required documentation/perfection of collaterals;
- c. Conditions for waiver of collateral requirement and approval of collateral waiver; and
- d. Acceptance of cash and other forms of collateral denominated in foreign currency.

Finally, master netting arrangements for credit facilities collateralised partly with deposits are settled by set-off based on underlying set-off agreement.

(e) Risk Appetite

The Group's risk appetite is an expression of the maximum level of risk the Group is willing and able to accept in pursuit of its strategic and financial objectives expressed in the strategic plan.

The risk appetite statement expresses the degree of risk acceptable to the group in achieving its strategic plan. The group shall consider the following in defining the Risk Appetite Statement:

- Strategic Objectives
- Management perspective
- Economic conditions
- Stakeholders expectations
- Target benchmarking
- Regulatory threshold

The methodology described below is used in updating the Group's risk appetite framework.



NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

39 Financial risk management - continued

(f) Concentration Risk

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Group's performance to developments affecting a particular industry or geographical location.

In order to avoid concentration risk, credit concentration limits are set and monitored along industries and sectors, geography, collaterals and products. The ultimate objective of managing credit portfolio concentration risk is to ensure proper diversification of the risk assets portfolio. Concentration limits are also in place to manage Investment Portfolio and customer deposit concentration in the management of liquidity risk.

(g) Credit Risk Management

The Group's credit risk management activities are based on certain fundamental principles.

The effectiveness of risk management process throughout the Group is based on a formal governance structure with systemic reporting processes within a well-defined control environment.

The Group's risk policy allows its personnel take initiatives and responsibility towards proactive identification of risks in products and services delivered to the market.

The Group's risk assets are managed to help provide the liquidity to meet deposit withdrawals, cover all expenses, and still make sufficient profit.

Credit risks are examined for all credit-related transactions including investments and trading transactions. Credit risks are examined and managed for unfunded loan commitments in addition to funded loans and leases.

(h) Risk Management Architecture

Risks are managed such that the risk profile and the Group's reputation are aligned with the Group's objective of conservative risk appetite, balanced against a desire for reasonable returns.

(i) Organization Structure

Sterling Bank is a national bank having divested its subsidiaries and affiliates following receipt of its new national commercial banking license in 2011 financial year. Sterling Bank has restructured its business activities along business lines with primary focus on the following market segments:

- Corporate and Investment Banking
- Commercial Banking
- Institutional Banking
- Retail and Consumer Banking
- Non Interest Banking
- Sterling Investment Management Plc

Corporate and Investment Banking – The Corporate and Investment Banking Group provides services to corporate entities with annual turnover greater than N5 billion. The target market covers the following sectors: oil and gas, public sector, manufacturing, power and utilities, telecommunications and financial institutions.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

39 Financial risk management - continued

(i) Organization Structure - continued

Commercial Banking –. The Commercial Banking Group provides services to businesses with turnover above N600 million and below N5 Billion.

Institutional Banking - The Institutional Banking business covers government related institutions which include Federal Government ministries, departments, agencies; states and local governments.

The Retail Banking – Retail Banking Group serves individuals consisting of mass market, affluent, youths and high net worth. The Retail Banking Group customer segmentation consist of:

- High net-worth individuals who earn N30 million (thirty million naira) and above annually or have net investable assets of \$150,000 (one hundred and fifty thousand US dollars) and above
- Mass affluent professionals who earn between N6 million (six million naira) and N30million (thirty million naira) annually
- Mass market professionals who earn less than N6 million (six million naira) annually
- Youth below 25 years of age

The Bank's product include: savings accounts, current accounts, fixed deposit accounts, e-banking, local and international funds transfer, trade finance, project finance, mortgage finance, bankers' acceptances and commercial paper.

In addition to the business segments, the Bank is also supported by the activities of the following Strategic Resource Functions:

- Enterprise Risk Management
- Internal Audit
- Strategy and Innovation
- Brand Marketing & Communication
- Finance and Performance Management
- General Internal Services
- Human Capital Management
- Channel Operations
- Trade Services
- Information Technology
- Customer Experience Management
- Legal and Company Secretariat
- Conduct & Compliance
- Centralised Processing Centre
- Health, Safety and Environment
- Enterprise Quality Assurance

Sterling Investment Management Plc: In 2016, Sterling Bank Ltd registered Sterling Investment Management Plc ("the SPV") with the Corporate Affairs Commission as a public limited liability company limited. The main objective of setting up the SPV was to raise or borrow money by the issuance of bonds or other debt instruments. The SPV is a subsidiary and is consolidated in the financial statements of the Bank. In line with Bank restructuring plan, the non-interest banking business spun-off to become a standalone bank - the Alternative Bank.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

39 Financial risk management - continued

(j) Methodology for Risk Rating

The Group has a credit rating and scoring system developed for rating exposures. They were developed in line with international best practice. Exposures are created by Corporate, Commercial and Retail business segments. The credit risk rating system assigns scores using various risk parameters based on the information provided by the borrower.

The rating is derived by adding the scores from all the risk parameters and the outcome of the rating is important for approval / rejection of the loan request.

Retail Loans:

Retail loans are governed by standard credit product programs and categorized as Consumer & MSME loans. Consumer loans are availed to individuals while MSME loans are granted to unstructured businesses. Unstructured businesses are small and medium scale businesses that rarely keep proper accounting records. Retail and SME scorecards are used for assessing Consumer and MSME loans respectively.

Commercial and Corporate Loans:

Commercial and Corporate Customers are rated using risk rating models. Depending on the underlying business transaction, Specialized Lending Models are also used for assessing specialized loans to Corporate and Commercial Customers. The rating methodology is based on both quantitative and qualitative factors. Quantitative factors are mainly the financial ratios, account conduct among others. Qualitative factors are based on the following risk categories: a. Business Risk b. Industry Risk c. Management Risk.

Credit Scoring System:

The risk rating methodology is based on the following fundamental analyses (financial analysis and non- financial analysis):

Structured Businesses

The factors to be considered are:

Quantitative factors are basically the financial ratios which include:

- a. Leverage ratios
- b. Liquidity ratios
- c. Profitability ratios
- d. Interest Coverage ratios
- e. Activity ratio

Qualitative factors. These include:

- a. Industry
 - i. Size of the business
 - ii. Industry growth
 - iii. Market Competition
 - iv. Entry/Exit barriers
- b. Management:
 - i. Experience of the management team
 - ii. Succession Planning
 - iii. Organizational structure
- c. Security:
 - i. Collateral type
 - ii. Collateral coverage
 - iii. Guarantee i.e. the worth of Personal Guarantee/Corporate Guarantee pledged as support.
- d. Relationship with the Bank:
 - i. Account turnover (efficiency ratio)
 - ii. Account conduct
 - iii. Compliance with covenants/conditions
 - iv. Personal deposits with the bank.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

39 Financial risk management - continued

(j) Methodology for Risk Rating - continued

Unstructured Businesses:

These are customers that rarely keep proper accounting records, hence the maximum limit that can be availed to them is restricted to N20m.

The factors to be considered are:

Quantitative factors. These include:

- i) Contract related transactions
- a) Net Profit Margin
- b) Counterparty – Nature/Financial capacity of the Principals
- ii) Other Facilities
- a) Account turnover
- b) Repayment history

Qualitative factors. These include:

Management:

- i. Experience/Technical competence with evidence
- ii. Succession Planning
- i. Industry
- ii. Industry growth
- iii. Share of the market
- iv. Regulations: Whether the industry is regulated or not
- v. Entry/Exit

In general, the following are considered in assessing facility request

(i) Character

Fundamental to every credit decision is the honesty and integrity of the individuals to whom the Group lends directly or who manage the enterprises to which the Group lends. Character is the single most important factor in the credit decision.

(ii) Capacity

The acceptance of a credit depends upon an objective evaluation of the customer's ability to repay the borrowed funds. To establish this, profitability and liquidity ratios are used as part of the assessment.

(iii) Capital

The borrower must provide capital for anticipated adversity. The index to determine capital should be leverage for overdraft, lease and term loan facilities.

(iv) Cash Collateralised Facilities

Cash collateralised facilities are not to be subjected to this scoring method, unless the character of the customer is questionable, in which case, the application is rejected. For cash collateralised facilities, the key issue is safety margin. Local cash deposits shall provide 110% coverage for the Bank's exposure. Foreign currency deposits pledged shall provide minimum 120% coverage for the Bank's exposure.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

39 Financial risk management - continued

(v) Pricing

The pricing of facilities is done to reflect the inherent risks for accepting the exposure by the Group. The average score computed often determines the minimum level of interest chargeable. This interest rate determined would be a guide. For the purposes of clarity, a prime rate is determined by Asset and Liability Management Department and other rates are either above or below it. The average score computed often determine the minimum level of interest chargeable. This interest rate determined would be a guide.

(vi) Collateral/Security

Collateral, often referred to as credit risk mitigant, gives additional assurance to recovering loans granted to customers. The pledged collateral is documented and continuously reviewed as to its value and marketability.

Collaterals/securities are reviewed and scored based on the following parameters:

- Whether secured or not secured
- If secured, what type of security
- Perfectible legal mortgage
- Equitable mortgage
- Chattel mortgages
- Location of security/collateral
- Loan to value ratio of collateral offered
- Marketability of security/collateral
- Whether collateral is a specialised asset or general purpose - type asset.
- Depreciating or appreciating value over time.

Enterprise risk review

The Group's activities expose it to a variety of financial risks and those activities involve the analysis, evaluation, acceptance and management of some degree of risk or combination of risks. Risks are an inevitable consequence of being in business.

The Group's aim is therefore to achieve an appropriate balance between risk and return and minimise potential adverse effects on the Bank's financial performance. The Group's risk management policies are designed to identify and analyse these risks, to set appropriate risk limits and controls, and to monitor the risks and adherence to limits by means of reliable and up-to-date information systems. The Group regularly reviews its risk management policies and systems to reflect changes in markets, products and emerging best practice.

Risk management is carried out by Enterprise Risk Management Group (ERM) within the policies approved by the Board of Directors. The ERM group identifies, evaluates and manages respective aspects of financial risks in close co-operation with the Bank's operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas, such as liquidity risk, foreign exchange risk, interest rate risk, credit risk, market risk and operational risk. In addition, the Audit Division is responsible for the independent review of risk management and the control environment. The most important types of risk are Credit risk, Liquidity risk, Market risk and Operational risk. Market risk includes currency risk, interest rate and other price risk.

39.1 Credit risk

Credit exposures arise principally in lending activities carried out through loans and advances, debt securities and other instruments in the Group's risk asset portfolio. Credit risk is also inherent in off-balance sheet financial instruments.

The Group manages credit risks, which has been defined as the potential for a counterparty to default on financial obligations leading to financial losses. Credit risk is the principal source of risk to the Group arising from loans and advances extended to customers under the corporate, commercial, and retail business lines.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

39 Financial risk management - continued

There is also credit risk in off-balance sheet financial instruments. Credit risk is managed by the Enterprise Risk Management Group (ERM). They report to the MD/Chief Executive Officer who in turn reports to the Board of Directors.

Main Characteristics and Elements of Credit Risk Management;

(a) Credit Portfolio Planning

In line with the Group's planning cycle, credit portfolio plans are developed and approved at the overall Group and individual business unit level.

Credit portfolio planning entails definition and agreement of target risk asset threshold for different sectors, definition of target markets and criteria for risk acceptance at the corporate level and across each credit creating business unit in the Group.

(b) Exposure Development and Creation

Exposure Development and creation incorporates the procedures for preliminary screening of facility requests, detailed credit risk analysis and risk rating, risk triggered review and approval of facilities, and controlled credit availment of approved facilities, processes and guidelines for developing credit opportunities and creating quality risk assets in line with the Group's risk management policies.

(c) Exposure Management

To minimize the risk and occurrence of loss as a result of decline in quality and non-performance of risk assets, clear guidelines for management of the risk asset portfolio and individual risk exposures are defined. Exposure management entails collateral management, facility performance monitoring, quality reviews, risk asset classification and reporting.

(d) Delinquency Management/Loan Workout

In the undesired event of decline in risk asset quality, prompt identification and management of delinquent loans significantly reduces credit risk losses in the Group. The delinquency management/loan workout module of the integrated risk management framework outlines the approach for identification and management of declining credit quality. This also covers loan workout where all activities are geared towards resuscitating non-performing loans, and the first stage in the process of recognizing possible credit loss.

(e) Credit Recovery

Deliberate actions are taken proactively to minimize the Group's loss on non-performing loans. Directions are provided in the Credit Policy guide for winding down the Group's exposure, waivers, write-offs, etc. In the event of recovery, process for recognizing income and previously written-off amounts is also defined.

The Group's Risk Management Objectives and Policies

The Group's risk management objectives and policies for credit risk include the following:

1. To ensure optimal earnings through high quality risk portfolio.
2. Clear articulation of criteria for decision making.
3. Description of specific activities and tasks with respect to the creation and management of risk assets.
4. Description of specific activities and tasks in respect of the creation and management of risk assets.
4. Definition of non-performing loans as those with interest and principal repayment outstanding for 90 days or more.
5. Other criteria are also defined for determining impaired loans. These include:
 - Borrower's business recording consistent losses which might impair the cash flow, and loan repayment.
 - Borrower's networth being grossly eroded due to some macroeconomic events.
 - Lack of communication from the borrower.
 - Security offered has deteriorated in value and full payment cannot be guaranteed from normal operating sources.
 - Where the Group consents to loan restructuring, resulting in diminished financial obligation.
 - Demonstrated material forgiveness of debt or postponement of scheduled payment.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

39 Financial risk management - continued

Categorization of collaterals to determine the acceptable security for the mitigation of impairment impact on the Income Statement.

(f) Risk Management Architecture

Risks are managed such that the risk profile and the Bank's reputation are aligned with the Group's objective of conservative risk appetite, balanced against a desire for reasonable returns.

(ii) Credit risk measurement

Before a sound and prudent credit decision can be made, the credit risk of the borrower or counterparty must be accurately assessed. Each application is analyzed and assigned one of 9 (nine) grades using a credit rating system developed by the Group for all exposures to credit risk. Each grade corresponds to a borrower's or counterparty's probability of default.

The Group's credit risk management activities are based on certain fundamental principles.

The effectiveness of risk management process throughout the Group is based on a simple formal governance structure with regular reporting processes within a well-defined control environment.

The Group's risk policy allows its personnel take initiatives and responsibility to proactively identify risks in delivering products and services to the market in a value-added manner.

The Group's risk assets are managed to help provide the liquidity to meet deposit withdrawals, cover all expenses, and still earn sufficient profit to make returns which are competitive with other investments.

Credit risks are examined for all credit-related transactions including investments and trading transactions, in addition to loans and leases. Credit risks are examined and managed for unfunded loan commitments in addition to funded loans and leases.

(iii) Credit granting process

Credit granting decisions are based on the results of the risk assessment. In addition, to the client's solvency, credit granting decisions are also influenced by factors such as available collateral, transaction compliance with policies and standards, procedures and the Group's overall risk-adjusted returns objective. Each credit granting decision is made by authorities within the risk management teams and management who are independent of the business units and are at a reporting level commensurate with the size of the proposed credit transaction and the associated risk.

(a) Loans and advances

In measuring credit risk of loans and advances to customers and to banks at a counterparty level, the Group reflects the following components:

- (i) the character and capacity of the client or counterparty to pay down on its contractual obligations;
- (ii) current exposures to the counterparty and its likely future development;
- (iii) credit history of the counterparty; and
- (iv) the likely recovery ratio in case of default obligations -using value of collateral and other ways out.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

39 Financial risk management - continued

The Group's rating scale, which is shown below, reflects the range of scores defined for each rating class. This means that, in principle, exposures migrate between classes as the assessment of their credit risk changes.

The risk rating scale and the external rating equivalent is detailed below:

Risk Rating	External Rating	Score	Remarks
	Equivalent	Range	
RR -1	AAA TO AA-	90-100	Superior
RR -2	A+ TO A-	80-89.99	Strong
RR -3	BBB+ TO BB-	70-79.99	Good
RR -4	BB+ TO BB-	50-69.99	Satisfactory
RR -5	B+ TO B-	40-49.99	High risk
RR -6	CCC+ TO CCC	30-39.99	Watch list
RR -7	CC+ TO C	20-29.99	Substandard
RR -8	D	10-19.99	Doubtful
RR -9	D	<10	Lost

(b) Debt Securities and Other Bills

For debt securities and other bills, external rating such as Agusto rating or their equivalents are used by Treasury Department primarily to manage their liquidity risk exposures.

(iv) Credit Risk Control & Mitigation policy

The Group manages concentration risks to counterparties, groups, sectors and countries. The level of credit risk undertaken is controlled by setting limits on exposures to individuals, groups, geographical and sectoral segments and facilitate continuous monitoring of adherence to set limits. The limits set are reviewed periodically and approved by the Board of Directors.

The Group structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to a single borrower, or groups of borrowers (single obligor limits), and to geographical and sectoral segments. Such risks are monitored on a revolving basis. Limits on the level of credit risk by industry sector and by geography are reviewed and approved quarterly by the Board of Directors.

The exposure to any borrower including banks and brokers is further restricted by sub-limits covering on- and off balance sheet exposures, and daily delivery risk limits in relation to trading items such as forward foreign exchange contracts. Actual exposures against limits are monitored daily.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

39 Financial risk management - continued

Enterprise risk review - continued

(iv) Credit Risk Control & Mitigation policy

The Group also sets internal credit approval limits for various levels in the credit process and is shown in the table

Authority level	Approval limit (Naira)
Full Board	Above 1,500,000,000
Board, Credit Committee	1,500,000,000
Management Credit Committee	750,000,000
Managing Director	500,000,000
Executive Director	150,000,000

Approval limits are set by the Board of Directors and reviewed from time to time as the circumstances demand. Some other specific control and mitigation measures are outlined below:

(a) Collateral Acceptability

The guiding principles behind collateral acceptability are adequacy and marketability. The Group implements guidelines on the acceptability of specific classes of collateral or credit risk mitigation. The principal collateral types for loans and advances are:

- i. Mortgages over residential properties;
- ii. Charges over business assets such as premises, inventory and accounts receivable;
- iii. Charges over financial instruments such as debt securities and equities.

Long-term finance and lending to corporate entities as well as individuals are generally secured. However, in order to minimize losses, the Group will seek additional collateral from the counterparty when there are indicators of devaluation in existing collateral value.

Collateral held as security for financial assets other than loans and advances is determined by the nature of the instrument. Debt securities, treasury and other eligible bills are generally unsecured, with the exception of asset-backed securities and similar instruments, which are secured by portfolios of financial instruments.

The following table shows the maximum exposure to credit risk by class of financial asset. It also shows the total fair value of collateral, any surplus collateral (the extent to which the fair value of collateral held is greater than the exposure to which it relates), and the net exposure to credit risk.

(b) Master Netting Arrangements

The Group further restricts its exposure to credit losses by entering into master netting arrangements with counterparties with which it undertakes a significant volume of transactions. Master netting arrangements do not generally result in an offset of balance sheet assets and liabilities, as transactions are usually settled on a gross basis. However, the credit risk associated with favorable contracts is reduced by a master netting arrangement to the extent that if default occurs, all amounts with the counterparty are settled on net basis.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

39 Financial risk management - continued

<i>In millions of Naira</i>	31 Dec 2024	31 Dec 2023
Financial assets:		
Loans and advances	287,942	210,421
Financial liabilities:		
Collateralised deposits	239,389	159,225

These amounts are currently not presented net on the statement of financial position due to the performing status of the facilities; If the items were to be netted, the following net asset will be presented on the statement of financial position:

<i>In millions of Naira</i>	31 Dec 2024	31 Dec 2023
Net financial assets/ liabilities:		
Loans and advances	48,553	51,196

(c) Credit-related Commitments

The primary purpose of these instruments is to create other avenues for lending. Guarantees and standby letters of credit carry the same credit risk as loans. Documentary and commercial letters of credit - which are written undertakings by the Group on behalf of a customer authorizing a third party to draw drafts on the Group up to a stipulated amount under specific terms and conditions - are collateralized by the underlying shipments of goods to which they relate and therefore, carry less risk than a direct loan.

(d) Credit Concentration

The Group monitors concentrations of credit risk by sector and by geographic location. An analysis of concentrations of credit risk at the reporting date is shown below:

Breakdown of Exposures by Geographic Areas

31 December 2021

S/N	Region	31 Dec 2024	31 Dec 2023
	<i>In millions of Naira</i>		
1	Abuja	43,331	56,355
2	Lagos	788,269	613,050
3	North Central	49,509	37,696
4	North East	7,034	6,257
5	North West	17,370	20,926
6	South East	22,994	14,837
7	South South	69,290	62,383
8	South West	101,200	80,712
	Grand Total	1,098,997	892,216

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

39 Financial risk management - continued

Enterprise risk review - continued

Maximum exposure to credit risk before collateral held or other credit enhancements

The Bank's maximum exposure to credit risk as at 31 December 2024 and 31 December 2023 is represented by the net carrying amounts of the financial assets set out below:

Group

Type of collateral or credit enhancement

31 December 2024

In millions of Naira

Financial assets
Cash and balances with Central Bank of Nigeria
Due from banks
Pledged assets
Loans and advances to customers
- Corporate loans
- Individual/retail loans
Debt instruments at amortised cost
Total financial assets at amortised cost
Derivative financial assets
Debt instruments at fair value through profit or loss
Total financial instruments at fair value through profit or loss
Debt instruments at fair value through other comprehensive income
Total debt instruments at fair value through other comprehensive income
Financial guarantees
Letters of credit for customers

Fair value of collateral and credit enhancements held								
Maximum exposure to credit risk	Cash	Secured against Real Estate	Stocks/ shares	Debenture	Others	Total collateral value	Net exposure	Associated ECLs
803,132	-	-	-	-	-	-	803,132	-
569,515	-	-	-	-	-	-	569,515	-
28,689	-	-	-	-	-	-	28,689	(14)
						-	-	
1,003,339	309,297	174,082	36,427	1,013,650	18,518	1,551,974	-	(13,054)
95,658	530	7,654	-	-	1,286	9,470	86,188	(23,320)
61,285	-	-	-	-	-	-	61,285	(101)
2,561,618	309,827	181,736	36,427	1,013,650	19,804	1,561,444	1,548,809	(36,489)
-							-	-
27,491	-	-	-	-	-	-	27,491	-
27,491	-	-	-	-	-	-	27,491	-
438,838	-	-	-	-	-	-	438,838	(1,583)
438,838	-	-	-	-	-	-	438,838	(1,583)
177,932	-	-	-	-	-	-	177,932	(292)
96,101	-	-	-	-	-	-	96,101	-
3,301,980	309,827	181,736	36,427	1,013,650	19,804	1,561,444	2,289,171	(38,364)

Bank

Type of collateral or credit enhancement

31 December 2024

In millions of Naira

Financial assets
Cash and balances with Central Bank of Nigeria
Due from banks
Pledged assets
Loans and advances to customers
- Corporate loans
- Individual/retail loans
Debt instruments at amortised cost
Total financial assets at amortised cost
Derivative financial assets
Debt instruments at fair value through profit or loss
Total financial instruments at fair value through profit or loss
Debt instruments at fair value through other comprehensive income
Total debt instruments at fair value through other comprehensive income
Financial guarantees
Letters of credit for customers

Fair value of collateral and credit enhancements held								
Maximum exposure to credit risk	Cash	Secured against Real Estate	Stocks/ shares	Debenture	Others	Total collaterals	Net exposure	Associated ECLs
803,132	-	-	-	-	-	-	803,132	-
569,509	-	-	-	-	-	-	569,509	-
28,689	-	-	-	-	-	-	28,689	(14)
1,003,339	309,297	174,082	36,427	1,013,650	18,518	1,551,974	-	(13,054)
95,658	530	7,654	-	-	1,286	9,470	86,188	(23,320)
47,055	-	-	-	-	-	-	47,055	(94)
2,547,382	309,827	181,736	36,427	1,013,650	19,804	1,561,444	1,534,573	(36,482)
-	-	-	-	-	-	-	-	-
27,491	-	-	-	-	-	-	27,491	-
27,491	-	-	-	-	-	-	27,491	-
438,838	-	-	-	-	-	-	438,838	(1,583)
438,838	-	-	-	-	-	-	438,838	(1,583)
177,932	-	-	-	-	-	-	177,932	(292)
96,101	-	-	-	-	-	-	96,101	-
3,287,744	309,827	181,736	36,427	1,013,650	19,804	1,561,444	2,274,935	(38,357)

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

39 Financial risk management - continued

Enterprise risk review - continued

Group

Type of collateral or credit enhancement

31 December 2023

In millions of Naira

Financial assets

Cash and balances with Central Bank of Nigeria

Due from banks

Pledged assets

Loans and advances to customers

- Corporate loans

- Individual/retail loans

Debt instruments at amortised cost

Total financial assets at amortised cost

Derivative financial assets

Debt instruments at fair value through profit or loss

Total financial instruments at fair value through profit or loss

Debt instruments at fair value through other comprehensive income

Total debt instruments at fair value through other comprehensive income

Financial guarantees

Letters of credit for customers

Other commitments

Fair value of collateral and credit enhancements held								
Maximum exposure to credit risk	Cash	Secured against Real Estate	Stocks/ shares	Debenture	Others	Total collaterals	Net exposure	Associated ECLs
592,566	-	-	-	-	-	-	592,566	-
234,954	-	-	-	-	-	-	234,954	-
11,288	-	-	-	-	-	-	11,288	(16)
						-	-	
792,985	191,010	86,188	160,995	1,742,510	153	2,180,857	-	(18,366)
99,231	2,532	7,194	-	-	43,549	53,275	45,956	(11,151)
131,012	-	-	-	-	-	-	131,012	(282)
1,862,036	193,542	93,383	160,995	1,742,510	43,702	2,234,132	1,015,776	(29,815)
276							276	-
2,112	-	-	-	-	-	-	2,112	-
2,388	-	-	-	-	-	-	2,388	-
284,423	-	-	-	-	-	-	284,423	(1,200)
284,423	-	-	-	-	-	-	284,423	(1,200)
165,364	-	-	-	-	-	-	165,364	7
180,604	-	-	-	-	-	-	180,604	(539)
-	-	-	-	-	-	-	-	-
2,494,815	193,542	93,383	160,995	1,742,510	43,702	2,234,132	1,648,555	(31,547)

Bank

Type of collateral or credit enhancement

31 December 2023

In millions of Naira

Financial assets

Cash and balances with Central Bank of Nigeria

Due from banks

Pledged assets

Loans and advances to customers

- Corporate loans

- Individual/retail loans

Debt instruments at amortised cost

Total financial assets at amortised cost

Derivative financial assets

Debt instruments at fair value through profit or loss

Total financial instruments at fair value through profit or loss

Debt instruments at fair value through other comprehensive income

Total debt instruments at fair value through other comprehensive income

Financial guarantees

Letters of credit for customers

Fair value of collateral and credit enhancements held								
Maximum exposure to credit risk	Cash	Secured against Real Estate	Stocks/ shares	Debenture	Others	Total collaterals	Net exposure	Associated ECLs
592,566	-	-	-	-	-	-	592,566	-
234,948	-	-	-	-	-	-	234,948	-
11,288	-	-	-	-	-	-	11,288	(16)
792,985	191,010	86,188	160,995	1,742,510	153	2,180,857	-	(18,366)
99,231	2,532	7,194	-	-	43,549	53,275	45,956	(11,151)
116,932	-	-	-	-	-	-	116,932	(239)
1,847,950	193,542	93,383	160,995	1,742,510	43,702	2,234,132	1,001,690	(29,772)
276	-	-	-	-	-	-	276	-
2,112	-	-	-	-	-	-	2,112	-
2,112	-	-	-	-	-	-	2,112	-
284,423	-	-	-	-	-	-	284,423	(1,200)
284,423	-	-	-	-	-	-	284,423	(1,200)
165,364	-	-	-	-	-	-	165,364	7
180,604	-	-	-	-	-	-	180,604	(539)
2,480,453	193,542	93,383	160,995	1,742,510	43,702	2,234,132	1,634,193	(31,504)

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

39 Financial risk management - continued

Enterprise risk review - continued

Credit concentrations

The Group monitors concentrations of credit risk by sector and by geographical location. An analysis of concentrations of credit risk at 31 December 2024, is set out below:

Group	Cash and bank balances	Due from banks	Pledged assets	Derivative financial assets	Loans and advances	Debt instruments at fair value through profit or loss	Debt instruments at amortised cost	Debt instruments at fair value through OCI	Financial guarantees	Letters of credit for customers	Total
31 December 2024											
In millions of Naira											
<i>Concentration by sector:</i>											
Corporate	-	-	-	-	-	-	-	-	-	-	-
Agriculture	-	-	-	-	142,387	-	-	-	-	3,632	146,019
Capital Market	-	-	-	-	-	-	-	-	-	-	-
Communication	-	-	-	-	30,427	-	-	4,869	-	-	35,296
Consumer	-	-	-	-	70,296	-	-	-	-	-	70,296
Education	-	-	-	-	5,517	-	-	-	-	-	5,517
Finance and Insurance	28,099	569,515	1,022	-	21,396	-	-	3,456	-	-	623,488
Government	775,033	-	27,653	-	82,326	27,491	61,184	420,133	177,640	-	1,571,460
Manufacturing	-	-	-	-	65,435	-	-	247	-	44,215	109,897
Mining & Quarrying	-	-	-	-	6	-	-	-	-	-	6
Mortgage	-	-	-	-	2,214	-	-	-	-	-	2,214
Oil & Gas	-	-	-	-	363,722	-	-	-	-	8,408	372,130
Others	-	-	-	-	131,160	-	-	-	-	39,846	171,006
Power	-	-	-	-	29,179	-	-	287	-	-	29,466
Real Estate & Construction	-	-	-	-	53,811	-	-	-	-	-	53,811
Transportation	-	-	-	-	64,747	-	-	9,846	-	-	74,593
Non-Interest Banking	-	-	-	-	-	-	-	-	-	-	-
	803,132	569,515	28,675	-	1,062,623	27,491	61,184	438,838	177,640	96,101	3,265,199
<i>Concentration by location:</i>											
Nigeria	803,132	11,831	28,675	-	1,062,623	27,491	61,184	438,838	177,640	96,101	2,707,515
America	-	30,196	-	-	-	-	-	-	-	-	30,196
Europe	-	482,920	-	-	-	-	-	-	-	-	482,920
Africa	-	44,568	-	-	-	-	-	-	-	-	44,568
Asia	-	-	-	-	-	-	-	-	-	-	-
	803,132	569,515	28,675	-	1,062,623	27,491	61,184	438,838	177,640	96,101	3,265,199

Enterprise risk review - continued

Bank	Cash and bank balances	Due from banks	Pledged assets	Derivative financial assets	Loans and advances	Debt instruments at fair value through profit or loss	Debt instruments at amortised cost	Debt instruments at fair value through OCI	Financial guarantees	Letters of credit for customers	Total
31 December 2024											
In millions of Naira											
<i>Concentration by sector:</i>											
Corporate	-	-	-	-	-	-	-	-	-	-	-
Agriculture	-	-	-	-	142,387	-	-	-	-	3,632	146,019
Capital Market	-	-	-	-	-	-	-	-	-	-	-
Communication	-	-	-	-	30,427	-	-	4,869	-	-	35,296
Consumer	-	-	-	-	70,296	-	-	-	-	-	70,296
Education	-	-	-	-	5,517	-	-	-	-	-	5,517
Finance and Insurance	28,099	569,509	1,022	-	21,396	-	-	3,456	-	-	623,482
Government	775,033	-	27,653	-	82,326	27,491	46,961	420,133	177,640	-	1,557,237
Manufacturing	-	-	-	-	65,435	-	-	247	-	44,215	109,897
Mining & Quarrying	-	-	-	-	6	-	-	-	-	-	6
Mortgage	-	-	-	-	2,214	-	-	-	-	-	2,214
Oil & Gas	-	-	-	-	363,722	-	-	-	-	8,408	372,130
Others	-	-	-	-	131,160	-	-	-	-	39,846	171,006
Power	-	-	-	-	29,179	-	-	287	-	-	29,466
Real Estate & Construction	-	-	-	-	53,811	-	-	-	-	-	53,811
Transportation	-	-	-	-	64,747	-	-	9,846	-	-	74,593
Non-Interest Banking	-	-	-	-	-	-	-	-	-	-	-
	803,132	569,509	28,675	-	1,062,623	27,491	46,961	438,838	177,640	96,101	3,250,970
<i>Concentration by location:</i>											
Nigeria	803,132	11,825	27,653	-	1,062,623	27,491	46,961	438,838	177,640	96,101	2,692,264
America	-	30,196	1,022	-	-	-	-	-	-	-	31,218
Europe	-	482,920	-	-	-	-	-	-	-	-	482,920
Africa	-	44,568	-	-	-	-	-	-	-	-	44,568
Asia	-	-	-	-	-	-	-	-	-	-	-
	803,132	569,509	28,675	-	1,062,623	27,491	46,961	438,838	177,640	96,101	3,250,970

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

39 Financial risk management - continued

Enterprise risk review - continued

Credit concentrations

The Group monitors concentrations of credit risk by sector and by geographical location. An analysis of concentrations of credit risk at 31 December 2023, is set out below:

Group											
31 December 2023	Cash and bank balances	Due from banks	Pledged assets	Derivative financial assets	Loans and advances	Debt instruments at fair value through profit or loss	Debt instruments at amortised cost	Debt instruments at fair value through OCI	Financial guarantees	Letters of credit for customers	Total
<i>In millions of Naira</i>											
Concentration by sector:											
Corporate	-	-	-	-	-	-	-	-	-	-	-
Agriculture	-	-	-	-	103,719	-	-	-	1,000	190	104,909
Capital Market	-	-	-	-	-	-	-	-	-	-	-
Communication	-	-	-	-	22,387	-	-	4,869	196	-	27,452
Consumer	-	-	-	-	83,616	-	-	-	3	-	83,619
Education	-	-	-	-	9,233	-	-	-	-	-	9,233
Finance and Insurance	31,977	234,954	628	276	15,977	-	-	3,456	500	-	287,768
Government	560,589	-	10,644	-	73,102	2,112	130,730	265,718	12,227	12,421	1,067,543
Manufacturing	-	-	-	-	46,681	-	-	247	6,054	79,983	132,965
Mining & Quarrying	-	-	-	-	64	-	-	-	-	-	64
Mortgage	-	-	-	-	2,249	-	-	-	-	-	2,249
Oil & Gas	-	-	-	-	285,277	-	-	-	48,178	72,792	406,247
Others	-	-	-	-	116,095	-	-	-	18,920	9,879	144,894
Power	-	-	-	-	30,479	-	-	287	859	4,778	36,403
Real Estate & Construction	-	-	-	-	17,869	-	-	-	62,648	22	80,539
Transportation	-	-	-	-	55,951	-	-	9,846	14,786	-	80,583
Non-Interest Banking	-	-	-	-	-	-	-	-	-	-	-
	592,566	234,954	11,272	276	862,699	2,112	130,730	284,423	165,371	180,065	2,464,468
Concentration by location:											
Nigeria	592,566	1,041	11,272	276	862,699	2,112	130,730	284,423	165,371	180,065	2,230,555
America	-	120,890	-	-	-	-	-	-	-	-	120,890
Europe	-	112,934	-	-	-	-	-	-	-	-	112,934
Africa	-	89	-	-	-	-	-	-	-	-	89
	592,566	234,954	11,272	276	862,699	2,112	130,730	284,423	165,371	180,065	2,464,468

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

39 Financial risk management - continued

Enterprise risk review - continued

Exposure to credit risk - continued

Enterprise risk review - continued

Bank											
31 December 2023	Cash and bank balances	Due from banks	Pledged assets	Derivative financial assets	Loans and advances	Debt instruments at fair value through profit or loss	Debt instruments at amortised cost	Debt instruments at fair value through OCI	Financial guarantees	Letters of credit for customers	Total
In millions of Naira											
Concentration by sector:											
Corporate	-	-	-	-	-	-	0	-	-	-	-
Agriculture	-	-	-	-	103,719	-	-	-	1,000	190	104,909
Capital Market	-	-	-	-	-	-	-	-	-	-	-
Communication	-	-	-	-	22,387	-	-	4,869	196	-	27,452
Consumer	-	-	-	-	83,616	-	-	-	3	-	83,619
Education	-	-	-	-	9,233	-	-	-	-	-	9,233
Finance and Insurance	31,977	234,948	628	276	15,977	-	-	3,456	500	-	287,762
Government	560,589	-	10,644	-	73,102	2,112	116,693	265,718	12,227	12,421	1,053,506
Manufacturing	-	-	-	-	46,681	-	-	247	6,054	79,983	132,965
Mining & Quarrying	-	-	-	-	64	-	-	-	-	-	64
Mortgage	-	-	-	-	2,249	-	-	-	-	-	2,249
Oil & Gas	-	-	-	-	285,277	-	-	-	48,178	72,792	406,247
Others	-	-	-	-	116,095	-	-	-	18,920	9,879	144,894
Power	-	-	-	-	30,479	-	-	287	859	4,778	36,403
Real Estate & Construction	-	-	-	-	17,869	-	-	-	62,648	22	80,539
Transportation	-	-	-	-	55,951	-	-	9,846	14,786	-	80,583
Non-Interest Banking	-	-	-	-	-	-	-	-	-	-	-
	592,566	234,948	11,272	276	862,699	2,112	116,693	284,423	165,371	180,065	2,450,425
Concentration by location:											
Nigeria	592,566	1,035	10,644	276	862,699	2,112	116,693	284,423	165,371	180,065	2,215,884
America	-	120,890	628	-	-	-	-	-	-	-	121,518
Europe	-	112,934	-	-	-	-	-	-	-	-	112,934
Africa	-	89	-	-	-	-	-	-	-	-	89
	592,566	234,948	11,272	276	862,699	2,112	116,693	284,423	165,371	180,065	2,450,425

Commitments and Guarantees

To meet the financial needs of customers, the Group enters into various irrevocable commitments and contingent liabilities. Even though these obligations may not be recognised on the statement of financial position, they do contain credit risk and are, therefore, part of the overall risk of the Group.

The table below shows the Group's maximum credit risk exposure for commitments and guarantees. The maximum exposure to credit risk relating to a financial guarantee is the maximum amount the Group could have to pay if the guarantee is called upon. The maximum exposure to credit risk relating to a loan commitment is the full amount of the commitment. In both cases, the maximum risk exposure is significantly greater than the amount recognised as a liability in the statement of financial position.

GROUP & BANK	31 Dec 2024	31 Dec 2023
In millions of Naira		
Bonds, guarantees and indemnities	177,932	165,364
Letters of credit	96,101	180,604
	274,033	345,968

Maturity profile of contingents and commitments

As at 31 December 2024	On demand	Less than 3 months	3-12 months	1-5 years	Over 5 years	Total
In millions of Naira						
Bonds, guarantees and indemnities	-	7,261	69,159	8,189	93,323	177,932
Letters of credit	-	95,619	482	-	-	96,101
Total undiscounted financial assets (A)	-	102,880	69,641	8,189	93,323	274,033

As at 31 December 2023	On demand	Less than 3 months	3-12 months	1-5 years	Over 5 years	Total
In millions of Naira						
Bonds, guarantees and indemnities	-	19,556	53,524	38,139	54,145	165,364
Letters of credit	-	178,067	2,537	-	-	180,604
Total undiscounted financial assets (A)	-	197,623	56,061	38,139	54,145	345,968

Exposure to Credit Risk - continued

CREDIT QUALITY OF FINANCIAL ASSETS - continued

The Standardized Approach has been used in assessing the Bank's capital requirement and all corporate exposures were classified as unrated in line with regulatory guidelines. Credit assessments applied to items in the Group's book and trading book are assigned in accordance with the regulatory guidelines

31 December 2024		carrying values of:					Net values	
Assets		Defaulted exposures	Non defaulted exposures	Allowances/ impairments				
In millions of Naira								
Loans and advances to customers		59,822	1,039,175	-	(36,374)		1,062,623	
Debt securities		-	-	-	-		-	
Off balance sheet exposures		-	274,033	(292)			273,741	
Total		59,822	1,313,208		(36,666)		1,336,364	
In millions of Naira								
		RR1 - RR2	RR3 - RR4	RR5 - RR6	RR7 - RR9	Total	Carrying Amount	
Balances with Central Bank of Nigeria		803,132	-	-	-	803,132	803,132	
Due from banks		569,515	-	-	-	569,515	569,515	
Pledged assets		28,675	-	-	-	28,675	28,675	
Derivative financial assets		-	-	-	-	-	-	
Loans and advances to customers		30,825	552,109	456,241	59,822	1,098,997	1,062,623	
Financial assets at fair value through profit or loss		27,491	-	-	-	27,491	27,491	
Investments securities - FVOCI		438,838	-	-	-	438,838	438,838	
Investments securities - amortised cost		61,285	-	-	-	61,285	61,184	
Other assets		-	146,929	-	-	146,929	146,929	
Total		1,959,761	699,038	456,241	59,822	3,174,862	3,138,387	

Exposure to credit risk - continued

CREDIT QUALITY OF FINANCIAL ASSETS - continued

The Standardized Approach has been used in assessing the Group's capital requirement and all corporate exposures were classified as unrated in line with regulatory guidelines.

31 December 2023						
Assets	carrying values of:				Net values	
	Defaulted exposures	Non defaulted exposures	Allowances/ impairments			
<i>In millions of Naira</i>						
Loans		45,325	846,891	(29,517)	862,699	
Debt Securities		-	0	-	0	
Off Balance sheet exposures		-	345,968	(532)	345,436	
Total		45,325	1,192,859	(30,049)	1,208,135	
<i>In millions of Naira</i>						
	RR1 - RR2	RR3 - RR4	RR5 - RR6	RR7 - RR9	Total	Carrying Amount
Balances with Central Bank of Nigeria						
Due from banks	592,566	-	-	-	592,566	592,566
Pledged assets	234,954	-	-	-	234,954	234,954
Derivative financial assets	11,272	-	-	-	11,272	11,272
Loans and advances to customers	276	-	-	-	276	276
Financial assets at fair value through profit or loss	14,427	531,861	300,603	45,325	892,216	862,699
Investments securities - FVOCI	2,112	-	-	-	2,112	2,112
Investments securities - amortised cost	284,423	-	-	-	284,423	284,423
Other assets	131,012	-	-	-	131,012	130,730
Total	-	230,693	-	-	230,693	230,693
	1,271,042	762,554	300,603	45,325	2,379,524	2,349,725

Exposure to credit risk - continued

Credit Mitigation Techniques

The Group has in place a set of management actions to prevent or mitigate the impact on earnings of business risks. Business risk monitoring, through regular reports and oversight, results in corrective actions to plan and ensure reductions in exposures where necessary. Credit control and mitigation policies are designed to ensure that the Group's exposure is secured, and to minimize the risk of credit losses to the Group in the event of decline in quality or delinquency of assets.

Guidelines for accepting credit collateral are documented and articulated in the Credit Policy Guidelines (CPG). These include;

- Acceptable collateral for each credit product.
- Required documentation/perfection of collaterals
- Conditions for waiver of collateral requirement and approval of collateral waiver.
- Acceptance of cash and other forms of collateral denominated in foreign currency.

31 December 2024

Assets	Total Exposures	Exposures secured by collateral	Exposures secured by financial guarantees	Exposures secured by financial guarantees of which: secured
<i>In millions of Naira</i>				
Loans and advances to customers	1,045,381	991,765	-	-
Debt Securities	-	-	-	-
Total	1,045,381	991,765	-	-
of which defaulted	59,822	-	-	-

Credit Risk Exposure and Credit Risk Mitigation (CRM)

Asset Classes	Exposures pre Credit Conversion Factor and Credit Risk Mitigation		Exposures post Credit Conversion Factor and Credit Risk Mitigation		Risk Weighted Assets (RWA)
	on balance sheet	off- balance sheet	on balance sheet	off- balance sheet	
<i>In millions of Naira</i>					
Sovereigns and their central banks	1,386,566	-	1,386,566	-	-
Non-central government public sector entities	83,762	40,637	1,436	4,218	5,607
Multilateral Development Banks (MDBs)	-	-	-	-	-
Supervised institutions	559,681	-	559,115	-	190,300
Corporates	734,170	273,482	586,681	14,705	601,387
Regulatory retail portfolios	90,621	282	88,364	3	66,275
Secured by residential property	48,694	-	48,663	-	47,945
Secured by commercial real estate	93,635	-	91,929	-	91,929
Past due loans	35,400	-	32,389	-	36,828
Higher –risk categories	40,624	-	40,624	-	60,935
Other assets	158,610	26,065	158,610	12,846	143,356
Total	3,231,763	340,466	2,994,377	31,772	1,244,562

31 December 2023

Assets				Exposure unsecured	Total Exposures	Exposures secured by collateral	Exposures secured by financial guarantees	Exposures secured by financial guarantees of which: secured
<i>In millions of Naira</i>								
Loans and advances to customers				48,211	844,005	795,794	-	-
Debt Securities				-	-	-	-	-
Total				48,211	844,005	795,794	-	-
of which defaulted				-	45,325	-	-	-

Credit Risk Exposure and Credit Risk Mitigation (CRM)

Asset Classes				Exposures pre CCF and CRM		Exposures post CCF and CRM		Risk Weighted Assets (RWA)
				on balance sheet	off- balance sheet	on balance sheet	off- balance sheet	
<i>In millions of Naira</i>								
Sovereigns and their central banks				1,045,814	-	1,045,814	-	-
Non-central government public sector entities				91,673	21,165	41,090	6,695	47,744
Supervised institutions				289,739	-	289,042	-	59,241
Corporates				579,606	281,279	480,483	95,387	519,098
Regulatory retail portfolios				89,773	59,215	88,212	29,600	66,163
Secured by residential property				8,398	-	7,816	-	6,906
Secured by commercial real estate				94,159	-	87,480	-	87,480
Past due loans				26,774	-	26,774	-	19,552
Higher –risk categories				29,115	-	29,115	-	43,672
Other assets				143,920	25,059	143,920	12,501	124,210
Total				2,398,971	386,718	2,239,746	144,183	974,066

Exposure to credit risk - continued

EXPOSURE BY ASSET CLASSES AND RISK WEIGHTS

31 December 2024							Exposure
In millions of Naira							Amount (Post CCF and Post CRM)
Risk weight	0%	20%	50%	75%	100%	150%	
Sovereigns	1,386,566	-	-	-	-	-	1,386,566
Non-central government public sector entities (PSEs)	-	4,276	-	-	1,378	-	5,654
Multilateral Development Banks (MDBs)	-	-	-	-	-	-	-
Supervised Institutions	-	374,187	138,932	-	45,995	1	559,115
Corporates	-	14,705	-	-	586,681	-	601,386
Regulatory Retail Portfolios	-	3	-	88,364	-	-	88,367
Secured by Mortgages on Residential Properties	-	-	-	2,872	45,791	-	48,663
Exposures Secured by Mortgages on Commercial Real Estates	-	-	-	-	91,929	-	91,929
Past due loans	-	-	699	-	22,113	9,577	32,389
Higher –risk categories	-	-	-	-	-	40,624	40,624
Other assets	28,100	-	12,846	-	130,510	-	171,456
Total	1,414,666	393,171	152,477	91,236	924,397	50,202	3,026,149

COUNTERPARTY CREDIT RISK EXPOSURES BY REGULATORY PORTFOLIO AND RISK WEIGHTS

31 December 2024							Total credit exposure amount (Pre CCF and CRM)
In millions of Naira							
Risk weight	0%	20%	50%	75%	100%	150%	
Sovereigns	1,386,566	-	-	-	-	-	1,386,566
Non-central government public sector entities (PSEs)	-	21,148	19,547	-	83,704	-	124,399
Multilateral Development Banks (MDBs)	-	-	-	-	-	-	-
Supervised institutions	-	374,193	138,932	-	46,555	1	559,681
Corporates	-	74,998	198,484	-	734,170	-	1,007,652
Regulatory retail portfolios	-	13	270	90,621	-	-	90,904
Secured by Mortgages on Residential Properties	-	-	-	2,892	45,802	-	48,694
Exposures Secured by Mortgages on Commercial Real Estates	-	-	-	-	93,635	-	93,635
Past due loans	-	-	699	-	23,278	11,424	35,401
Higher –risk categories	-	-	-	-	-	40,624	40,624
Other assets	28,100	-	26,065	-	130,510	-	184,675
Total	1,414,666	470,352	383,997	93,513	1,157,654	52,049	3,572,231

EXPOSURE BY ASSET CLASSES AND RISK WEIGHTS

31 December 2023							Exposure
In millions of Naira							Amount (Post CCF and Post CRM)
Risk weight	0%	20%	50%	75%	100%	150%	
Sovereigns	1,045,814	-	-	-	-	-	1,045,814
Non-central government public sector entities (PSEs)	-	2,644	4,103	-	41,038	-	47,785
Multilateral Development Banks (MDBs)	-	-	-	-	-	-	-
Supervised Institutions	-	287,094	251	-	1,696	-	289,041
Corporates	-	30,168	65,219	-	480,483	-	575,870
Regulatory Retail Portfolios	-	5.00	29,594	88,212	-	-	117,811
Secured by Mortgages on Residential Properties	-	-	-	3,642	4,174	-	7,816
Exposures Secured by Mortgages on Commercial Real Estates	-	-	-	-	87,480	-	87,480
Past due loans	-	-	17,944	-	5,330	3,499	26,773
Higher –risk categories	-	-	-	-	-	29,115	29,115
Other assets	31,977	19	12,482	-	111,944	-	156,422
Total	1,077,791	319,930	129,593	91,854	732,145	32,614	2,383,927

COUNTERPARTY CREDIT RISK EXPOSURES BY REGULATORY PORTFOLIO AND RISK WEIGHTS

31 December 2023							Total credit exposure amount (Pre CCF and CRM)
In millions of Naira							
Risk weight	0%	20%	50%	75%	100%	150%	
Sovereigns	1,045,814	-	-	-	-	-	1,045,814
Non-central government public sector entities (PSEs)	-	13,011	8,206	-	91,621	-	112,838
Multilateral Development Banks (MDBs)	-	-	-	-	-	-	-
Supervised institutions	-	287,791	251	-	1,696	-	289,738
Corporates	-	150,841	130,438	-	579,606	-	860,885
Regulatory retail portfolios	-	26.00	59,189	89,773	-	-	148,988
Secured by Mortgages on Residential Properties	-	-	-	3,824	4,574	-	8,398
Exposures Secured by Mortgages on Commercial Real Estates	-	-	-	-	94,159	-	94,159
Past due loans	-	-	17,944	-	5,330	3,499	26,773
Higher –risk categories	-	-	-	-	-	29,115	29,115
Other assets	31,977	95	24,964	-	111,944	-	168,980
Total	1,077,791	451,764	240,992	93,597	888,930	32,614	2,785,688

39 Financial Risk Management - continued

Exposure to Credit Risk - continued

Impairment assessment

The references below show where the Group's impairment assessment and measurement approach is set out in this report. It should be read in conjunction with the Summary of significant accounting policies.

The Group considers a financial instrument defaulted and therefore Stage 3 (credit-impaired) for ECL calculations in all cases when the borrower becomes 90 days past due on its contractual payments (except for specialised lending facilities where the 90 days past due is rebutted and 180 days past due is used instead). The Group considers treasury and interbank balances defaulted and takes immediate action when the required intra-day payments are not settled by the close of business as outlined in the individual agreements.

As a part of the qualitative assessment of whether a customer is in default, the Group also considers a variety of instances that may indicate unlikelihood to pay. When such events occur, the Group carefully considers whether the event should result in treating the customer as defaulted and therefore assessed as Stage 3 for ECL calculations or whether Stage 2 is appropriate. Such events include:

- Significant financial difficulty of the issuer or the borrower;
- A breach of contract, such as a default (debt service default or technical default) or past due event.
- The Bank, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the Bank would not otherwise consider.
- It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.
- The disappearance of an active market for that financial asset because of financial difficulties.
- The purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.
- Overdrafts will be considered as being past due once the customer has breached an advised limit or been advised of a limit smaller than current outstanding.
- The Bank puts the credit obligation on non-accrued status.
- The Bank consents to a distressed restructuring of the credit obligation where this is likely to result in a diminished financial obligation caused by the material forgiveness, or postponement, of principal, interest or (where relevant) fees.
- The Bank has filed for the obligor's bankruptcy or a similar order in respect of the obligor's credit obligation to the Bank.

It is the Group's policy to consider a financial instrument as 'cured' and therefore re-classified out of Stage 3 when none of the default criteria have been present for at least 90 consecutive days. The decision whether to classify an asset as Stage 2 or Stage 1 once cured, depends on the updated credit grade at the time of the cure, and whether this indicates there has been a significant reduction in credit risk.

The following probationary period is applied in transferring financial asset back to a lower stage following a significant reduction in credit risk:

- When there is evidence of a significant reduction in credit risk for a financial instrument in stage 2, a probationary period of 90 days will be applied to confirm if the risk of default on such financial instrument has decreased sufficiently before upgrading such exposure to stage 1.
- When there is evidence that a financial asset in stage 3 (other than originated or purchased credit impaired financial asset) is no longer credit impaired and also that there is a significant reduction in credit risk for a financial instrument in stage 3, a probationary period of 90 days will be applied to confirm if the risk of default on such financial instrument has decreased sufficiently before upgrading such exposure to stage 2.
- When there is evidence that a financial asset in stage 3 (other than originated or purchased credit impaired financial asset) is no longer credit impaired and also that there is a significant reduction in credit risk for a financial instrument in stage 3, a probationary period of 180 days will be applied to confirm if the risk of default on such financial instrument has decreased sufficiently before upgrading such exposure to stage 1.

The Bank's internal rating and Probability of Default (PD) estimation process

The Group runs separate models for its key portfolios in which its customers are rated from RR-1 to RR-9 using internal grades. The models incorporate both qualitative and quantitative information and, in addition to information specific to the borrower, utilise supplementary external information that could affect the borrower's behaviour. These information sources are first used to determine the ratings within the Bank's risk management framework. The internal credit grades are assigned based on these assessments. PDs is an estimate of the likelihood of default over a given time horizon which is based on the historical default data of the Bank which are then adjusted for IFRS 9 ECL calculations by incorporating forward looking information. This is further assessed based on three economic scenarios (Base, Upturn and Downturn) with appropriate probability weights assigned to derive the probability weighted ECLs.

Treasury, trading and interbank relationships

The Group's treasury, trading and interbank relationships and counterparties comprise financial services institutions, banks, broker-dealers, exchanges and clearing-houses. For these relationships, the Group analyses available information such as financial information and other external data to conduct credit assessments and assign internal ratings.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

39 Financial Risk Management - continued

Corporate lending

For corporate loans, the borrowers are assessed by specialised credit risk employees of the Group. The credit risk assessment is based on a credit rating model that takes into account various historical, current and forward-looking information such as:

- Historical financial information together with forecasts and budgets prepared by the client. This financial information includes realised and expected results, solvency ratios, liquidity ratios and any other relevant ratios to measure the client's financial performance. Some of these indicators are captured in covenants with the clients and are, therefore, measured with greater attention.
- Any publicly available information on the clients from external parties. This includes external rating grades issued by rating agencies, independent analyst reports, publicly traded bond.
- Any macro-economic or geopolitical information, e.g., GDP growth for the specific industry and geographical segments where the client operates. Industry or sector information to assess the competitive position of the obligors with regards to market share.
- Any other objectively supportable information on the quality and abilities of the client's management relevant for the company's performance.

The complexity and granularity of the rating techniques varies based on the exposure of the Group and the complexity and size of the customer. Some of the less complex small business loans are rated within the Group's models for retail products.

Retail/MSME lending

Retail lending comprises, asset finance, unsecured personal loans, credit cards and overdrafts. These products, along with retail mortgages and some of the less complex small business lending are rated by an automated scorecard tool. Key inputs into the models are:

- Consumer/Retail lending products: personal income/salary levels based on records of current accounts, personal indebtedness, demographic information and loan-to-value ratios (mortgages).
- MSMEs: financial, management and industry information. In addition, historical account performance is evaluated.

The Bank's internal credit rating grades

Internal risk rating grade	External rating equivalent	Remarks
RR -1	AAA TO AA-	Superior
RR -2	A+ TO A-	Strong
RR -3	BBB+ TO BB-	Good
RR -4	BB+ TO BB-	Satisfactory
RR -5	B+ TO B-	High Risk
RR -6	CCC+ TO CCC	Watch List
RR -7	CC+ TO C	Substandard
RR -8	D	Doubtful
RR -9	D	Lost

Exposure at default

The exposure at default (EAD) represents the gross carrying amount of the financial instruments subject to the impairment calculation, addressing both the client's ability to increase its exposure while approaching default and potential early repayments too.

To calculate the EAD for a Stage 1 loan, the Group assesses the possible default events within 12 months for the calculation of the 12m ECL. However, if a Stage 1 loan that is expected to default in the 12 months from the reporting date and is also expected to cure and subsequently default again, then all linked default events are taken into account. For Stage 2, Stage 3 and purchased or originated credit impaired (POCI) financial assets, the exposure at default is considered for events over the lifetime of the instruments.

The Group determines EADs by modelling the range of possible exposure outcomes at various points in time, corresponding to multiple scenarios.

Loss given default

LGD is the portion of the loan determined to be irrecoverable at the time of loan default. the Group estimates the general Life Time LGD curves based on an Intensity Matrix, which is built on top of the actual migration of exposure in between the Credit Risk States (buckets). The secured portion of the LGD adjusted for collateral values while recovery data is observed for the unsecured portion of the LGD. The models in calculating the LGD considers in its computation a wider set of transaction characteristics (e.g. product type, collateral, recovery cost, time to recovery e.t.c.).

The Group segments its products into smaller homogeneous portfolios, based on key characteristics that are relevant to the estimation of future cash flows. The applied data is based on historically collected loss data and involves a wider set of transaction characteristics (e.g., product type, wider range of collateral types) as well as borrower characteristics.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

39 Financial Risk Management - continued

Significant increase in credit risk

The Group continuously monitors all assets subject to ECLs. In order to determine whether an instrument or a portfolio of instruments is subject to 12 months ECL or Lifetime (LT) ECL, the Group assesses whether there has been a significant increase in credit risk since initial recognition. The Group considers both qualitative and quantitative factors in assessing whether credit risk has increased significantly on any exposure. Some of these factors include significant increase in PD since initial recognition, expectation of forbearance and restructuring due to financial difficulties.

Regardless of the change in credit grades, if contractual payments are more than 30 days past due, the credit risk is deemed to have increased significantly since initial recognition.

When estimating ECLs on a collective basis for a group of similar assets (as set out in Note 19c), the Group applies the same principles for assessing whether there has been a significant increase in credit risk since initial recognition.

Analysis of inputs to the ECL model under multiple economic scenarios

An overview of the approach to estimating ECLs is set out in Note 2.2 Summary of significant accounting policies and in Note 3.0 Significant accounting judgements, estimates and assumptions. To ensure completeness and accuracy, the Group obtains the data used from third party sources (Central Bank of Nigeria, Nigeria Bureau of Statistics, BMI Research, Trading Economics etc.) and a team of expert within its Enterprise Risk Management Department verifies the accuracy of inputs to the Group's ECL models including determining the weights attributable to the multiple scenarios. The following tables set out the key drivers of expected loss and the assumptions used for the Group's base case estimate, ECLs based on the base case, plus the effect of the use of multiple economic scenarios as at 31 December 2024 and 2023.

The tables show the values of the key forward looking economic variables/assumptions used in each of the economic scenarios for the ECL calculations. The figures for "Subsequent years" represent a long-term average and so are the same for each scenario.

39 Financial Risk Management - continued The Group and Bank

31 December 2024								
Key drivers	ECL Scenario	Assigned probabilities	2024	2025	2026	2027	2028	Subsequent years
GDP growth rate%	Upside	14%	4.00%	4.45%	4.60%	4.75%	4.90%	5.00%
	Base Case	79%	3.50%	3.95%	4.10%	4.25%	4.40%	4.50%
	Downside	8%	3.00%	3.45%	3.60%	3.75%	3.90%	4.00%
Exchange rate	Upside	14%	1,575.00	1,475.00	1,435.00	1,395.00	1,355.00	1,325.00
	Base Case	79%	1,600.00	1,500.00	1,460.00	1,420.00	1,380.00	1,350.00
	Downside	8%	1,675.00	1,575.00	1,535.00	1,495.00	1,455.00	1,425.00
Inflation rate %	Upside	14%	29.00%	25.00%	23.00%	21.00%	19.00%	17.00%
	Base Case	79%	29.50%	25.50%	23.50%	21.50%	19.50%	17.50%
	Downside	8%	30.00%	26.00%	24.00%	22.00%	20.00%	18.00%

Analysis of inputs to the ECL model under multiple economic scenarios - continued								
31 December 2023								
Key drivers	ECL Scenario	Assigned probabilities	2023	2024	2025	2026	2027	Subsequent years
GDP growth rate%	Upside	17%	2.54%	4.25%	4.25%	4.50%	4.50%	4.50%
	Base Case	61%	2.51%	3.75%	3.75%	4.50%	4.50%	4.50%
	Downside	23%	2.31%	3.25%	3.25%	4.00%	4.00%	4.00%
Exchange rate	Upside	17%	756.24	905.00	845.00	800.00	725.00	680.00
	Base Case	61%	776.79	925.00	865.00	805.00	745.00	700.00
	Downside	23%	951.79	945.00	885.00	825.00	765.00	720.00
Inflation rate %	Upside	17%	22.04%	25.25%	24.25%	23.25%	22.25%	21.25%
	Base Case	61%	22.79%	26.00%	25.00%	24.00%	23.00%	22.00%
	Downside	23%	26.72%	26.75%	25.75%	24.75%	23.75%	22.75%

At the beginning of each year, the key economic indicators used in ECL models for the Group are always reassessed to reflect current and accurate data.

The following tables outline the impact of multiple scenarios on the allowance:

Group

31 December 2024

In millions

Upside (12%)

Base (65%)

Downside (23%)

Total

Debt instruments at FVOCI	Debt instruments at amortised cost	Corporate lending	Individual/Retail lending	Financial guarantee	Letter of credit
219	16	1,804	3,222	40	-
1,246	90	10,247	18,306	229	-
122	9	1,003	1,792	23	-
1,587	115	13,054	23,320	292	-

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

39 Financial Risk Management - continued

31 December 2023	Debt instruments at FVOCI	Debt instruments at amortised cost	Corporate lending	Individual/Retail lending	Financial guarantee	Letter of credit
In millions						
Upside (23%)	201	50	3,071	1,864	89	-
Base (50%)	727	181	11,130	6,758	322	-
Downside (27%)	272	67	4,165	2,529	121	-
Total	1,200	298	18,366	11,151	532	-

Bank

31 December 2024	Debt instruments at FVOCI	Debt instruments at amortised cost	Corporate lending	Individual/Retail lending	Financial guarantee	Letter of credit
In millions						
Upside (23%)	219	15	1,804	3,222	40	-
Base (50%)	1,246	85	10,247	18,306	229	-
Downside (27%)	122	8	1,003	1,791	23	-
Total	1,587	108	13,054	23,320	292	-

31 December 2023	Debt instruments at FVOCI	Debt instruments at amortised cost	Corporate lending	Individual/Retail lending	Financial guarantee	Letter of credit
In millions						
Upside (23%)	273	58	4,181	2,539	121	-
Base (50%)	600	128	9,183	5,576	266	-
Downside (27%)	327	69	5,002	3,037	145	-
Total	1,200	255	18,366	11,151	532	-

Overview of modified financial assets

From a risk management point of view, once an asset is forborne or modified, the Group's credit recovery department for distressed assets continues to monitor the exposure until it is completely and ultimately derecognised.

The table below includes Stage 2 and 3 assets that were modified and, therefore, treated as forborne during the period, with the related modification gain earned by the Bank.

	31 Dec 2024	31 Dec 2023
Group		
Loans and advances	5,861	17,788
Net modification (loss)/gain	(22)	(611)
Amortised cost after modification	<u>5,839</u>	<u>17,177</u>
Bank		
Loans and advances	5,861	17,788
Net modification (loss)/gain	(22)	(611)
Amortised cost after modification	<u>5,839</u>	<u>17,177</u>

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

39 Financial risk management - continued

Enterprise risk review - continued

(e) Liquidity risk

Liquidity risk and Funding Management: The Group is exposed to two types of liquidity risk;

- 1 Market/Trading Liquidity Risk is the risk of inability to conduct transaction at current market price because of the size of the transaction. This type of liquidity risk comes to play when certain assets cannot be liquidated at short notice due to market illiquidity.
- 2 Funding Liquidity Risk relates to the inability to raise the necessary cash to roll over its debt; to meet the cash, margin, and collateral requirements of counterparties; and to satisfy capital withdrawals. Funding liquidity risk is managed through holding cash and cash equivalents, setting credit lines in place, and monitoring buying power. (Buying power refers to the amount a trading counterparty can borrow against assets under stressed market conditions).

The Asset & Liability Committee (ALCO) is responsible for managing the liquidity of the Group, this function is delegated to the Asset & Liability Management (ALM) Department that manage the day-to-day liquidity requirements of the Group, and also act as secretariat to ALCO. The Market & Liquidity Risk Team actively manages and monitors liquidity through the framework of limits, behavioural patterns of non-maturing assets and liabilities, among others. Liquidity risk is assessed by comparing the expected outflows with expected inflows, and liquidity risk arises when there is a mismatch arising between the inflow and outflow, also when there is unexpected delay in repayment of loans (term liquidity risk) or unexpectedly high payment outflow (withdrawal/call risk).

In line with the Liquidity Risk Management Framework, the liquidity position is assessed and managed under a variety of scenarios, giving due consideration to stress factors relating to both the market in general and specifically to the Group. The most important of these is to maintain limits on the ratio of net liquid assets to customer liabilities, to reflect market conditions. Net liquid assets consist of cash, short-term bank placements and liquid debt securities available for immediate sale, less deposit for banks and other issued securities and borrowings due to mature within the next month.

Presented below is the process used in managing liquidity:

Day-to-day funding, managed by monitoring future cash flows to ensure that requirements can be met. This includes replenishment of funds as they mature or are borrowed by customers. The Group maintains an active presence in money markets to enable this to happen;

Maintaining a portfolio of highly marketable assets that can easily be liquidated as protection against any unforeseen interruption to cash flow;

Monitoring balance sheets liquidity ratios against internal and regulatory requirements (in conjunction with Financial and Regulatory Reporting Department and market and liquidity risk department).

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

39 Financial risk management - continued

Liquidity risk - continued

(e) Liquidity Risk Measurement Techniques

Liquidity positions are measured by calculating the net liquidity gap and by comparing selected ratios with targets as specified in the liquidity risk management policy.

The key measure used by the Group for managing liquidity risk is the ratio of net liquid assets to deposits from customers. For this purpose, net liquid assets are considered as including cash and cash equivalents and Government Bonds for which there is an active and liquid market less any deposits from banks, debt securities issued, other borrowings and commitment. A similar calculation is used to measure the Group's compliance with the liquidity limit established by the CBN.

The following table reflects the Group's regulatory liquidity ratio for the years indicated.

	As at 31 December 2024	As at 31 December 2023
At end of year	35.18%	32.41%
Average for the year	32.80%	31.83%
Maximum for the year	36.63%	35.34%
Minimum for the year	26.62%	30.25%

In addition to the above, the Group also applies the following metrics in measuring liquidity risk and ensuring that day-to-day funding requirements are met.

- 1 Liquidity Coverage Ratio (LCR)** - The LCR aims to ensure that the Group has sufficient unencumbered high-quality liquid assets ('HQLA') to withstand a stressed 30-day funding scenario. HQLA consist of cash or assets that can easily be converted into cash at little or no loss of value to cover any net outflow. The minimum requirement is 100%.

On a Business-As-Usual (BAU) basis, the Group's LCR as at 31 December 2024 was 123.47%. The LCR indicates that the Group has adequate liquidity to support its current level of growth.

- 2 Net Stable Funding Ratio (NSFR)** – The Net Stable Funding Ratio (NSFR) is a longer-term structural ratio designed to reduce funding risk over a longer time horizon by requiring banks to fund their activities with sufficiently stable sources of funding in order to mitigate the risk of future funding stress.

It measures the amount of available stable funding relative to the required stable funding. This ratio should be equal to at least 100% on an ongoing basis. It is designed to complement the LCR.

The Group's NSFR of 148.11% as at 31 December 2024, was well above the Basel requirement of 100% and internal risk tolerance level.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

39 Financial risk management - continued

Liquidity risk - continued

(e) Liquidity Risk Measurement Techniques - continued

3 Liquidity Gap: Liquidity Gap describe a discrepancy or mismatch in the supply or demand for cash inflows and outflows. The ALM Team use maturity gap analysis to compare cash inflows and outflows daily and over a series of time-bands. The liquidity gap reports are prepared using the projection worksheets created for different scenarios and stress levels. For each scenario, the assumptions used were approved by the ALCO. For liquidity in the normal or ordinary course of business, the minimum levels of projected liquidity shall be maintained. For liquidity in all other scenarios and stress levels, the ALCO establishes minimum guidance levels.

4 Liquidity Ratios: Liquidity ratios describe the structure and shape of the balance sheet in business-as-usual conditions and allow the ALCO to monitor changes in structural liquidity. The Group establishes various liquidity ratios to indicate the business's ability to meet short-term obligations with liquid assets, identify any mismatches between long-term funding sources and uses and review the ability of the banking business to fund loans through customer deposits.

The ALCO sets the internal liquidity ratios targets aimed at ensuring that the Group meets its liquidity needs under going concern and stressed market conditions.

Please find below key liquidity risk metrics as at 31st December 2024.

	As at 31 December 2024	As at 31 December 2023
Liquidity Ratio	35.18%	32.41%
Net Interbank Borrowing / Total Deposit	0.70%	0.00%
Loan/ Deposit Ratio	50.04%	56.25%
Current and Savings Account/Total Deposit	76.40%	75.12%

5 Stress Testing: In addition, stress testing and scenario analysis are used to assess the financial and management capabilities of the Group to continue operating effectively under extreme but still viable trading conditions. A liquidity stress test is conducted, at least monthly, reviewing the impact of an accelerated run-off from funding sources and changes in normal business situation.

The ALCO integrates the results of the stress testing process into the Group's strategic planning process (e.g. Management could adjust its asset-liability composition) and the firm's day-to-day risk management practices (e.g. through monitoring sensitive cash flows or reducing concentration limits).

To ensure that liquidity risk is controlled within the Group, limits and triggers are set. These limits serve to control the overall extent and composition of liquidity risk taken by managing exposure to particular sources of liabilities, asset-liability mismatches and counterparty concentrations.

These limits include liquidity ratio limits (Loan/Deposit, Liquid Assets/Customer Liabilities, Medium Term Funding Ratio, Core Funding Ratio etc.), Maturity Mismatch limits, Cumulative Outflow limit as well as Concentration limits. Furthermore, diversification of the Group's funding profile in terms of investor types, regions, products and instruments is also an important element of controlling liquidity risk.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

39 Financial risk management - continued

Liquidity risk - continued

(e) Liquidity Risk Measurement Techniques - continued

Liquidity Contingency Funding Plan

The Group has an approved liquidity Contingency Funding Plan (CFP or the Plan) for managing unanticipated stressful scenarios that could result in a significant erosion of group-specific or general market liquidity. The Plan details the policies, procedures and actions for responding to contingent liquidity events as well as incorporates early warning indicators to monitor market conditions.

Such early warning indicators include, among others, decline in the liquidity ratio below approved limits for a prescribed period, delays in disbursements of statutory allocations beyond a prescribed period, negative clearing balances for a prescribed period or a branch running out of physical cash.

The Contingency Funding plan covers the available sources of contingent funding to supplement cash flow shortages, the lead times to obtain such funding, the roles and responsibilities of those involved in the contingency plans, and the communication and escalation requirements when early warning indicators signal deteriorating market conditions. Both short term and long-term funding crises are addressed in the Contingency Funding Plan.

In the period between 31 December 2023 and 31 December 2024, the Group's total deposit base grew on a yearly basis by 35% from N1.748billion to N2.362billion. It is instructive to note that 76% of the customer deposits were Demand deposits.

Group

The table below shows the undiscounted cash flows on the Group's financial assets and liabilities and on the basis of their earliest possible contractual maturity. The gross nominal inflow / (outflow) disclosed in the table is the contractual, undiscounted cash flow on the financial liability or commitment.

31 December 2024	Note	Carrying amount	Gross nominal Inflow/outflow	Less than 3 months	3-6 months	6-12 months	1 - 5 years	More than 5 years
In millions of Naira								
Financial assets								
Cash and balances with Central Bank of Nigeria	16	803,132	803,132	87,226	-	715,906	-	-
Due from banks	17	569,515	569,526	569,526	-	-	-	-
Pledged assets	18	28,675	28,760	16,324	2,801	9,321	314	-
Derivative financial assets	19	-	-	-	-	-	-	-
Loans and advances to customers	20	1,062,623	1,332,347	421,451	242,060	149,246	330,065	189,525
Investment securities:								
- Financial assets at fair value through profit or loss	21(a)	27,491	31,241	4,270	7,999	10,253	2,608	6,111
- Debt instruments at fair value through other comprehensive income	21(b)	438,838	677,216	174,954	24,162	105,933	95,611	276,556
- Equity instruments at fair value through other comprehensive income	21(c)	40,622	40,622	-	-	-	-	40,622
- Debt instruments at amortised cost	21(d)	61,184	87,667	19,569	-	11,000	36,305	20,793
Other assets	23	146,929	155,054	109,023	4,250	6,904	34,877	-
		3,179,009	3,725,565	1,402,343	281,272	1,008,563	499,780	533,607
Financial liabilities								
Deposits from Banks	27	28,931	28,931	28,931	-	-	-	-
Deposits from customers	28	2,361,995	2,450,418	1,032,318	247,662	815,034	127,605	227,799
Debt securities issued & other borrowed funds	29&30	219,325	249,063	-	13,811	112,845	105,801	16,607
Other liabilities	31	379,905	379,947	379,838	-	6	103	-
		2,990,156	3,108,359	1,441,087	261,473	927,885	233,509	244,406
Gap (asset - liabilities)		188,853	617,206	(38,744)	19,799	80,678	266,271	289,201
Cumulative liquidity gap				(38,744)	(18,945)	61,734	328,004	617,206

39 Financial Risk Management - continued

Enterprise Risk Review - continued

(e) Liquidity Risk - continued

Group

31 December 2023	Note	Carrying amount	Gross nominal Inflow/outflow	Less than 3 months	3-6 months	6-12 months	1 - 5 years	More than 5 years
<i>In millions of Naira</i>								
Financial assets								
Cash and balances with Central Bank of Nigeria	16	592,566	592,566	144,889	447,677	-	-	-
Due from banks	17	234,954	234,954	234,954	-	-	-	-
Pledged assets	18	11,272	11,598	-	5,600	5,778	-	220
Derivative financial assets	19	276	276	276	-	-	-	-
Loans and advances to customers	20	862,699	894,523	335,772	140,601	98,341	223,105	96,704
Investment securities:				-	-	-	-	-
- Financial assets at fair value through profit or loss	21(a)	2,112	2,198	136	144	693	535	690
- Debt instruments at fair value through other comprehensive income	21(b)	284,423	288,844	49,827	27,529	33,476	67,967	110,045
- Equity instruments at fair value through other comprehensive income	21(c)	29,114	29,114	-	-	-	-	29,114
- Debt instruments at amortised cost	21(d)	130,730	136,513	39,987	8,253	30,336	40,503	17,434
Other assets	23	230,693	239,458	67,971	44,214	70,216	20,318	36,739
		2,378,839	2,430,044	873,812	674,018	238,840	352,428	290,946
Financial liabilities								
Deposits from Banks	27	-	-	-	-	-	-	-
Deposits from customers	28	1,747,510	1,757,044	521,926	123,150	397,707	272,985	441,276
Debt securities issued & other borrowed funds	29&30	217,026	265,018	2,349	10,003	13,486	156,329	82,851
Other liabilities	31	294,048	294,060	66,322	41,635	66,613	30,892	88,598
		2,258,584	2,316,122	590,597	174,788	477,806	460,206	612,725
Gap (asset - liabilities)		120,255	113,922	283,215	499,230	(238,966)	(107,778)	(321,779)
Cumulative liquidity gap				283,215	782,446	543,479	435,701	113,922

Bank

31 December 2024	Note	Carrying amount	Gross nominal Inflow/outflow	Less than 3 months	3-6 months	6-12 months	1 - 5 years	More than 5 years
<i>In millions of Naira</i>								
Financial assets								
Cash and balances with Central Bank of Nigeria	16	803,132	803,132	87,226	-	715,906	-	-
Due from banks	17	569,509	569,509	569,509	-	-	-	-
Pledged assets	18	28,675	28,760	16,324	2,801	9,321	314	-
Derivative financial assets	19	-	-	-	-	-	-	-
Loans and advances to customers	20	1,062,623	1,332,347	421,451	242,060	149,246	330,065	189,525
Investment securities:				-	-	-	-	-
- Financial assets at fair value through profit or loss	21(a)	27,491	31,241	4,270	7,999	10,253	2,608	6,111
- Debt instruments at fair value through other comprehensive income	21(b)	438,838	677,216	174,954	24,162	105,933	95,611	276,556
- Equity instruments at fair value through other comprehensive income	21(c)	40,622	40,622	-	-	-	-	40,622
- Debt instruments at amortised cost	21(d)	46,961	73,436	5,338	-	11,000	36,305	20,793
Other assets		146,929	155,054	109,023	4,250	6,904	34,877	-
		3,164,780	3,711,317	1,388,095	281,272	1,008,563	499,780	533,607
Financial liabilities								
Deposits from Banks	27	28,931	28,931	28,931	-	-	-	-
Deposits from customers	28	2,361,995	2,450,418	1,032,318	247,662	815,034	127,605	227,799
Debt securities issued & other borrowed funds	29&30	205,722	234,524	-	13,811	98,305	105,801	16,607
Other liabilities	31	379,886	379,928	379,819	-	6	103	-
		2,976,534	3,093,801	1,441,068	261,473	913,345	233,509	244,406
Gap (asset - liabilities)		188,246	617,516	(52,973)	19,799	95,218	266,271	289,201
Cumulative liquidity gap				(52,973)	(33,174)	62,044	328,315	617,516

39 Financial Risk Management - continued

Enterprise Risk Review - continued

(e) Liquidity Risk - continued

Bank

31 December 2023	Note	Carrying amount	Gross nominal inflow/outflow	Less than 3 months	3-6 months	6-12 months	1 - 5 years	More than 5 years
In millions of Naira								
Financial assets								
Cash and balances with Central Bank of Nigeria*	16	592,566	592,566	144,889	-	447,677	-	-
Due from banks	17	234,948	234,948	234,948	-	-	-	-
Pledged assets	18	11,272	11,598	-	5,600	5,778	-	220
Derivative financial assets	19	276	276	276	-	-	-	-
Loans and advances to customers	20	862,699	894,523	335,772	140,601	98,341	223,105	96,704
Investment securities:								
- Financial assets at fair value through profit or loss	21(a)	2,112	2,198	136	144	693	535	690
- Debt instruments at fair value through other comprehensive income	21(b)	284,423	288,844	49,827	27,529	33,476	67,967	110,045
- Equity instruments at fair value through other comprehensive income	21(c)	29,114	29,114	-	-	-	-	29,114
- Debt instruments at amortised cost	21(d)	116,693	119,958	39,056	8,253	29,405	25,810	17,434
Other assets	23	230,693	239,458	67,971	44,214	70,216	20,318	36,739
		2,364,796	2,413,483	872,875	226,341	685,586	337,735	290,946
Financial liabilities								
Deposits from Banks	27	-	-	-	-	-	-	-
Deposits from customers	28	1,747,510	1,757,044	521,926	123,150	397,707	272,985	441,276
Debt securities issued & other borrowed funds	29&30	203,424	247,281	2,349	10,003	13,486	156,329	65,114
Other liabilities	31	294,121	294,133	66,344	41,644	66,628	30,899	88,618
		2,245,055	2,298,458	590,619	174,797	477,821	460,213	595,008
Gap (asset - liabilities)		119,741	115,025	282,256	51,544	207,765	(122,478)	(304,062)
Cumulative liquidity gap				282,256	333,800	541,565	419,087	115,025

*In the prior year, cash and balances with the CBN were disclosed under the 'more than 5 years' maturity bucket. These have now been reclassified to the '6-12 months' maturity bucket to align with the current year's presentation, which more accurately reflects the actual maturity pattern. This reclassification has no impact on the bank's financial performance or position for the prior year.

(f) Market Risk

Market risk is the risk that earnings or capital would be adversely affected by changes in the level, correlation or volatility of market factors. Market factors include interest rates, foreign exchange rates, equity prices, and commodity prices. This risk arises mainly from trading activities as well as through non-traded risk in the banking book.

The Group's objective is to control and manage market risk exposures within the acceptable risk appetite approved by the Board while optimizing returns. The Group's ability to effectively identify, assess, monitor and manage market risks involved in its activities is critical to its soundness and profitability. Its strategy is to invest its own capital on a limited and carefully selected basis in transactions, underwritings and other activities that involve market risk.

Central to the Group's market risk management is the deployment of appropriate tools and methodologies tailored towards identifying, measuring, monitoring, controlling and reporting the Group's exposure to each market risk factor.

Market Risk Management and Control Framework

The Group has put in place a robust and clearly defined market risk management framework, which essentially provides the Board and Management with guidance on market risk management processes. All teams involved in the management and control of market risk are required to fully comply with the policy statements to ensure the Group is not exposed to market risk beyond the qualitative and quantitative risk tolerances.

ALCO manages market and liquidity risks across the Group and meets monthly to review, approve and make recommendations concerning the risk profile including limits, utilization and strategy. They also recommend, to the Board, amendments to the market risk policy.

A dedicated market risk team, independent of the trading and business units, is responsible for implementing the market risk control framework and assumes day-to-day responsibility for market risk management. A limit framework is set within the context of the approved market risk appetite while daily market risk dashboard and stress testing reports are generated.

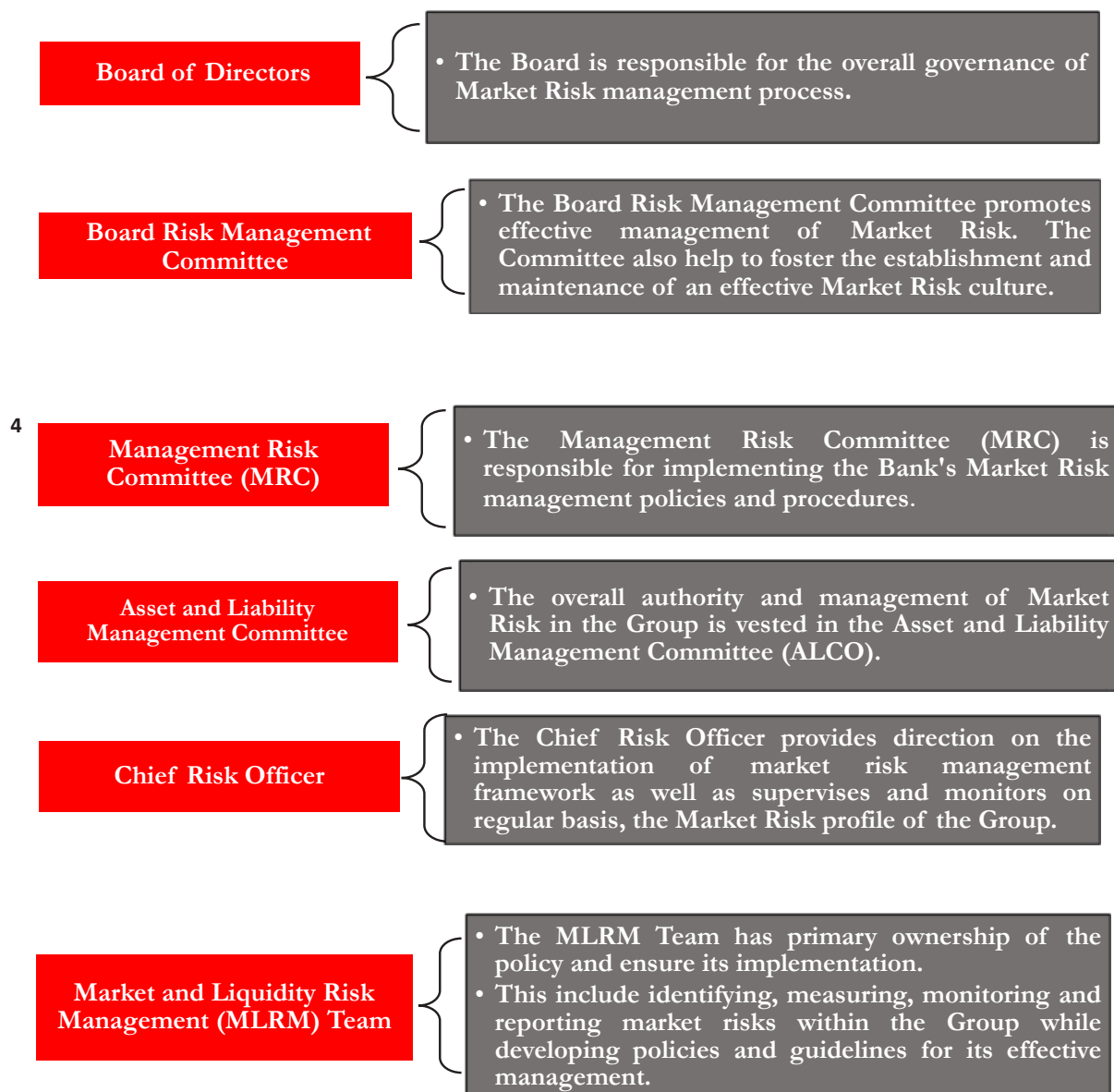
Risk limits, which are monitored daily by the Market Risk team include stop loss limits, unhedged open positions, VaR, duration amongst others. Daily positions of the Group's trading and FVTOCI portfolios are marked-to-market to enable the Group have an accurate view of its trading exposures.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

39 Financial risk management - continued

(f) Market Risk

Market Risk Governance Structure



NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

39 Financial risk management - continued

Market Risk Measurement Techniques

The major measurement techniques used by the Group to monitor and control Market Risk exposures are outlined below.

- 1 Value at Risk (VaR):** Is a technique that produces estimates of the potential change in the market value of a portfolio over a specified time horizon at a given confidence level. In line with the Group's policy, VaR assumes a time horizon of one trading day and a confidence level of 99% for internal risk management purposes bearing in mind present market realities, the Group's level of exposure as well as the composition of its portfolio.

The Group's trading VaR for the financial year is reflected in the table below.

2024 (all figures in N'million)	Interest Rate	Foreign Exchange
VaR as at 31 December 2024	339.96	23.17

Back-testing

In order to verify that the results acquired from VaR calculations are consistent and reliable, the model is always back-tested. Back-testing is an integral part of VaR reporting in the Group's risk management processes. Back-testing is a procedure where actual profits and losses are compared to projected VaR estimates aimed at ensuring that the model yields accurate risk estimates.

We would expect, on average, to see two or three profits and two or three losses in excess of VaR at the 99% confidence level over a one-year period. The actual number of profits or losses in excess of VaR over this period can therefore be used to measure how well the models are performing.

All exceptions generated from the back-testing process are documented with suitable explanation. Based on the exception classification, necessary action is taken on risk models by the Market & Liquidity Risk Management Team with directive from the ALCO.

- 2 Stress Testing:** Due to volatilities in the operating environment, the Group conducts stress tests to evaluate the potential losses originating from impact of market risk factors under extreme market conditions. The stress testing includes the impact of exceptional changes in market rates and prices on the fair value of the Fair Value through P or L (FVPL) and Fair Value through Other Comprehensive Income (FVOCI) portfolios. The Group calculates:

- > risk factor stress testing, where stress movements are applied to each risk ;
- > historical stress tests where shocks based on historical movements are assumed and applied; and
- > ad-hoc stress testing, which includes applying possible stress events to specific positions.

The results of the stress tests are reviewed by the ALCO who may respond by modifying the portfolio and taking other strategic steps to reduce the expected impact in the event that these risks crystallizes. The stress test results may also be presented to the Board.

39 Financial Risk Management - continued

Enterprise Risk Review - continued

f(i) Interest Rate Risk

Interest rate risk in the banking book is the risk of an adverse impact on earnings or capital due to changes in market interest rates. Changes in interest rates affect earnings by changing its net interest income and the level of other interest sensitive income and operating expenses. Changes in interest rates also affect the underlying value of the assets, liabilities, and off-balance-sheet instruments because the present value of future cash flows (and in some cases, the cash flows themselves) change when interest rates change.

The Group's objective for management of interest rate risk in the banking book is to ensure a higher degree of interest rate mismatch margin stability and lower interest rate risk over an interest rate cycle. This is achieved by hedging material exposures with the external market.

The Group's operations are subject to the risk of interest rate fluctuations to the extent that interest-earning assets and interest-bearing liabilities mature or re-price at different times or in differing amounts. In the case of floating rate assets and liabilities, the Group is also exposed to basis risk, which can arise due to the movement in the various floating rate indices, such as the savings rate and the 90-day NIBOR, until maturity. Non-traded interest rate risk arises in the group's book from the provision of retail and wholesale banking products and services, as well as from certain structural exposures within the balance sheet, mainly due to the fact that assets, liabilities and equity may be re-priced at different times. These risks impact both the earnings and the economic value of the Group.

Overall, management of the Group's non-trading interest rate risk positions lies with the ALCO. In addition to various strategies, the ALCO defines the internal transfer pricing framework constructed to ensure that interest rate risk arising from mismatches in the maturity profile of assets and liabilities is managed to achieve a balanced repricing cumulative gap position that is in line with the limits set by the Board. The ALCO also makes judgmental assumptions about the behaviour of assets and liabilities that do not have specific contractual maturity or re-pricing dates.

Measurement of Interest Rate Risk in the Banking Book

Generally, the primary source of interest rate risk is the differences in the timing of the repricing of the assets, liabilities and off-balance sheet instruments. Repricing mismatches generally occur from borrowing short term to fund long term assets or borrowing long term to fund long term assets. These activities can expose an institutions earnings and economic value of equity (EVE) to changes in market interest rate.

The measures applied by the Group in monitoring and controlling interest rate risk in the banking book includes:

Net Interest Income (NII) Sensitivity – An integral part of the Group's management of non-traded interest rate risk is to monitor the sensitivity of expected net interest income while applying different rate scenarios (simulation modelling) where other macro-economic metrics are held constant. This monitoring is undertaken at the ALCO level. The Group applies a combination of scenarios and assumptions relevant to our peculiar businesses in forecasting one-year net interest income sensitivities across a range of interest rate scenarios.

Economic Value of Equity (EVE) - EVE represents the present value of the future banking book cash flows that could be distributed to equity providers under a managed run-off scenario, i.e. the current book value of equity plus the present value of future net interest income in this scenario. This can be used to assess the economic capital required to support interest rate risk in the banking book (IRRB). An EVE sensitivity is the extent to which the EVE value will change due to a pre-specified movement in interest rates, where all other economic variables are held constant. Operating entities are required to monitor EVE sensitivity as a percentage of capital resources.

The following tables provide information on the extent of the Group's interest rate exposure. The assets and liabilities are grouped into brackets defined by their time to maturity or the date of the interest rate adjustment. The difference, or gap, between assets and liabilities in each time bracket makes the Bank sensitive to interest rate fluctuations. The amounts are based on interest rate maturities. However, saving and current accounts have a non-defined interest maturity. A quantitative assessment of the interest rate sensitivity of our saving accounts and current accounts has been executed. The outcome of this assessment is used in the calculations for interest rate risk.

39 Financial Risk Management - continued

(f) Market risks - continued

f(i) Interest Rate Risk - continued

RATE SENSITIVITY OF ASSETS AND LIABILITIES							
Group			Less than	3-6 months	6-12 months	1 - 5 years	More than
In millions of Naira	Notes		3 months				5 years
(a) 31 December 2024							Total
Non-derivative assets:							
Due from banks	17		11,824	-	-	-	11,824
Loans and advances to customers	20		383,863	177,383	164,750	241,320	1,062,623
Investment securities :							
- Financial assets at fair value through profit or loss	21(a)		4,103	7,388	8,590	2,418	27,491
- Debt instruments at fair value through other comprehensive income	21(b)		165,296	21,362	79,749	60,315	438,838
- Debt instruments at amortised cost	21(d)		5,629	-	10,313	31,880	61,184
			570,715	206,133	263,402	335,933	1,601,960
Non-derivative liabilities:							
Deposits from Banks	27		28,931	-	-	-	28,931
Deposits from customers	28		303,132	71,539	231,594	126,102	934,130
Other borrowed funds & Debt securities issued	29&30		-	12,724	105,692	88,207	219,325
			332,063	84,263	337,286	214,309	1,182,386
Total interest sensitivity gap			238,652	121,870	(73,884)	121,624	419,574

Impact of Standardized Interest Rate Shock on Earnings

Time Band	No. of Days	Upward 3%	Downward -3%	Interest Rate Gap (Net Positions)	Impact of upward movement	Impact of Downward movement
Up to 1 month	365	0.03	(0.03)	165,929	4,978	(4,978)
from 1 to 3 months	335	0.03	(0.03)	74,585	2,054	(2,054)
from 3 to 6 months	275	0.03	(0.03)	122,009	2,758	(2,758)
from 6 to 12 months	185	0.03	(0.03)	(73,894)	(1,124)	1,124
Total				288,629	8,666	(8,666)

Impact of Standardized Interest Rate Shock on Equity

Time Band	Weighting factor	Interest Rate Gap (Net Position)	Impact on Equity
Up to 1 month	0.04%	165,929	68
from 1 to 3 months	0.17%	74,585	119
from 3 to 6 months	0.37%	122,009	415
from 6 to 12 months	0.92%	(73,894)	(521)
1 years to 2 years	1.62%	43,847	513
2 years to 3 years	2.47%	62,474	942
3 years to 4 years	3.44%	28,350	483
4 years to 5 years	4.40%	(15,311)	(269)
5 years to 7 years	6.42%	27,564	450
7 years to 10 years	7.06%	1,151	19
10 years to 15 years	11.75%	30,762	372
15 years to 20 years	16.05%	(25,109)	(191)
More than 20 years	22.12%	(22,783)	(66)
Total		419,574	2,334

39 Financial Risk Management - continued

(f) Market Risks - continued

f(i) Interest Rate Risk - continued

Interest Rate Risk - Continued		RATE SENSITIVITY OF ASSETS AND LIABILITIES					
Group	Notes	Less than 3 months	3-6 months	6-12 months	1 - 5 years	More than 5 years	Total
In millions of Naira							
(a)	31 December 2023						
Financial assets							
Due from banks	17	234,954	-	-	-	-	234,954
Loans and advances to customers	20	314,978	139,856	97,229	214,206	96,430	862,699
Investment securities:							
- Financial assets at fair value through profit or loss	21(a)	137	141	635	567	632	2,112
- Debt instruments at fair value through other comprehensive income	21(b)	49,701	27,060	31,695	65,347	110,620	284,423
- Debt instruments at amortised cost	21(d)	44,725	8,431	28,698	29,499	19,377	130,730
		644,495	175,488	158,257	309,619	227,059	1,514,918
Financial Liabilities							
Non-derivative liabilities:							
Deposits from Banks	27	-	-	-	-	-	-
Deposits from Customers	28	248,349	58,611	189,740	100,411	160,657	757,768
Other borrowed funds & Debt securities issued	29&30	-	-	-	155,537	61,489	217,026
		248,349	58,611	189,740	255,948	222,146	974,794
Total interest sensitivity gap		396,146	116,877	(31,483)	53,671	4,913	540,124

Impact of Standardized Interest Rate Shock on Earnings

Time Band	No. of Days	Upward 2%	Downward -2%	Interest Rate Gap (Net Positions)	Impact of upward movement	Impact of Downward movement
Up to 1 month	365	0.02	(0.02)	49,669	993	(993)
from 1 to 3 months	335	0.02	(0.02)	351,393	7,028	(7,028)
from 3 to 6 months	275	0.02	(0.02)	116,878	2,338	(2,338)
from 6 to 12 months	185	0.02	(0.02)	(31,483)	(630)	630
Total				486,457	9,729	(9,729)

Impact of Standardized Interest Rate Shock on Equity

Time Band	Weighting factor	Interest Rate Gap (Net Positions)	Impact on Equity
Up to 1 month	0.08%	49,669	40
from 1 to 3 months	0.31%	351,393	1,082
from 3 to 6 months	0.68%	116,878	800
from 6 to 12 months	1.31%	(31,483)	(413)
1 years to 2 years	2.46%	(109,202)	(2,689)
2 years to 3 years	3.80%	52,251	1,988
3 years to 4 years	5.05%	29,535	1,492
4 years to 5 years	6.41%	43,948	2,818
5 years to 7 years	8.27%	(19,926)	(1,648)
7 years to 10 years	9.06%	54,031	4,895
10 years to 15 years	11.70%	14,242	1,666
15 years to 20 years	11.73%	1,362	160
More than 20 years	12.72%	(11,105)	(1,412)
Total		541,593	8,779

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

39 Financial Risk Management - continued

(f) Market Risks - continued

f(i) Interest Rate Risk - continued

Interest Rate Risk – continued		RATE SENSITIVITY OF ASSETS AND LIABILITIES					
Bank In millions of Naira 31 December 2024	Notes	Less than 3 months N'million	3-6 months N'million	6-12 months N'million	1 - 5 years N'million	More than 5 years N'million	Total N'million
Non-derivative assets:							
Due from banks	17	11,824	-	-	-	-	11,824
Loans and advances to customers	20	383,863	177,383	164,750	241,320	95,307	1,062,623
Investment securities:							
- Financial assets at fair value through profit or loss	21(a)	4,103	7,388	8,590	2,418	4,992	27,491
- Debt instruments at fair value through other comprehensive income	21(b)	165,296	21,362	79,749	60,315	112,116	438,838
- Debt instruments at amortised cost	21(d)	4,321	-	7,916	24,469	10,255	46,961
		569,407	206,133	261,005	328,522	222,670	1,587,737
Non-derivative liabilities:							
Deposits from Banks	27	28,931	-	-	-	-	28,931
Deposits from Customers	28	303,132	71,539	231,594	126,102	201,763	934,130
Other borrowed funds & Debt securities issued	29&30	-	12,724	92,089	88,207	12,702	205,722
		332,063	84,263	323,683	214,309	214,465	1,168,783
Total interest sensitivity gap		237,344	121,870	(62,678)	114,213	8,205	418,954

Impact of Standardized Interest Rate Shock on Earnings

Time Band	No. of Days	Upward 3%	Downward -3%	Interest Rate Gap (Net Position)	Impact of upward movement	Impact of Downward movement
Up to 1 month	365	0.03	(0.03)	162,489	4,875	(4,875)
from 1 to 3 months	335	0.03	(0.03)	73,255	2,017	(2,017)
from 3 to 6 months	275	0.03	(0.03)	121,230	2,740	(2,740)
from 6 to 12 months	185	0.03	(0.03)	(62,951)	(957)	957
Total				294,023	8,675	(8,675)

Impact of Standardized Interest Rate Shock on Equity

Time Band	Weighting factor	Interest Rate Gap (Net Positions)	Impact on Equity
Up to 1 month	0.04%	162,489	66
from 1 to 3 months	0.17%	73,255	117
from 3 to 6 months	0.37%	121,230	413
from 6 to 12 months	0.92%	(62,951)	(446)
1 year to 2 years	1.63%	43,261	508
2 years to 3 years	2.47%	61,888	933
3 years to 4 years	3.44%	27,798	473
4 years to 5 years	4.40%	(16,077)	(282)
5 years to 7 years	6.45%	25,521	416
7 years to 10 years	5.44%	(101)	5
10 years to 15 years	11.75%	30,598	370
15 years to 20 years	16.05%	(25,109)	(191)
More than 20 years	22.12%	(22,849)	(66)
Total		418,953	2,316

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

39 Financial Risk Management - continued

(f) Market Risks - continued

f(i) Interest Rate Risk - continued
Bank

		RATE SENSITIVITY OF ASSETS AND LIABILITIES					Total
		Less than			More than		
As at 31 December 2023		3 months	3-6 months	6-12 months	1 - 5 years	5 years	
In millions of Naira							
Non-derivative assets:							
Due from banks	17	234,948	-	-	-	-	234,948
Loans and advances to customers	20	314,978	139,856	97,229	214,206	96,430	862,699
Investment securities:							
- Financial assets at fair value through profit or loss	21(a)	137	141	635	567	632	2,112
- Debt instruments at fair value through other comprehensive income	21(b)	49,701	27,060	31,695	65,347	110,620	284,423
- Debt instruments at amortised cost	21(d)	38,816	7,629	25,968	26,693	17,587	116,693
		638,580	174,686	155,527	306,813	225,269	1,500,875
Non-derivative liabilities:							
Deposits from Banks	27	-	-	-	-	-	-
Deposits from customers	28	248,349	58,611	189,740	100,411	160,657	757,768
Other borrowed fund & Debt securities issued	29&30	-	-	-	155,537	47,887	203,424
		248,349	58,611	189,740	255,948	208,544	961,192
Total interest sensitivity gap		390,231	116,075	(34,213)	50,865	16,725	539,683

Impact of Standardized Interest Rate Shock on Earnings

Time Band	No. of Days	Upward 2%	Downward -2%	Interest Rate Gap (Net Positions)	Impact of upward movement	Impact of Downward movement
Up to 1 month	365	0.02	-0.02	49,669	993	(993)
from 1 to 3 months	335	0.02	-0.02	345,485	6,910	(6,910)
from 3 to 6 months	275	0.02	-0.02	116,076	2,322	(2,322)
from 6 to 12 months	185	0.02	-0.02	(34,212)	(684)	684
Total				477,018	9,540	(9,540)

Impact of Standardized Interest Rate Shock on Equity

Time Band	Weighting factor	Interest Rate Gap (Net Position)	Impact on Equity
Up to 1 month	0.08%	49,669.00	40
from 1 to 3 months	0.31%	345,485.00	1,064
from 3 to 6 months	0.68%	116,076.00	794
from 6 to 12 months	1.31%	(34,212.00)	(449)
1 year to 2 years	2.46%	(96,118.00)	(2,367)
2 years to 3 years	3.80%	50,769.00	1,931
3 years to 4 years	5.05%	29,535.00	1,492
4 years to 5 years	6.41%	43,142.00	2,767
5 years to 7 years	8.27%	(21,508.00)	(1,779)
7 years to 10 years	9.06%	54,031.00	4,895
10 years to 15 years	11.70%	14,016.00	1,639
15 years to 20 years	11.73%	1,362.00	160
More than 20 years	12.72%	(11,105.00)	(1,412)
Total		541,142	8,776

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

39 Financial Risk Management - continued

f(ii) Foreign Currency Risk

Foreign exchange risk is the risk that fluctuations in the prevailing foreign exchange rates would affect the value of the Group's assets and liabilities as well as off-balance sheet items. This also includes positions in local currency that are indexed to foreign exchange rate. Financial Instruments that are exposed to this risk includes; foreign currency denominated loans and advances, securities, future cash flows in foreign currencies arising from foreign currency transactions. Exposures to foreign exchange risk are consistently monitored by limit structures for overnight and intraday positions.

The ALCO sets limits on the level of exposure by currency and in aggregate for both overnight and intra-day positions, which are monitored daily since an effective overview of such risk is a critical element of the Group's asset/liability risk management. The Board defines the overall risk tolerance levels and expectations for foreign exchange risk management and Management aims to ensure that the risk tolerance is maintained at prudent levels.

Foreign exchange risk is quantified using the net balance of assets and liabilities in each currency, and their total sum. This net open position is measured on a daily basis and is to be kept within set limits. The assets and liabilities include current positions, forward positions, commitments, and the market value of derivatives in a foreign currency.

The table below summarises the Group's exposure to foreign exchange risk at 31st December 2024.

(a) Foreign Currency Concentrations risk as at 31 December 2024

Group						
In millions of Naira	Naira	Dollar	GBP	Euro	Others	Total
Assets						
Cash and balance with Central Bank of Nigeria	782,920	15,067	3,137	2,008	-	803,132
Due from other banks	11,831	375,328	9,972	172,022	362	569,515
Financial assets pledged as collateral	27,653	1,022	-	-	-	28,675
Derivative financial assets	-	-	-	-	-	-
Loans and advances to customer	689,977	372,125	397	124	-	1,062,623
Financial assets at fair value through profit or loss	23,850	3,641	-	-	-	27,491
- Debt instruments at fair value through other comprehensive income	378,629	54,575	-	5,634	-	438,838
- Equity instruments at fair value through other comprehensive income	19,163	21,459	-	-	-	40,622
Debt instruments at amortised cost	61,184	-	-	-	-	61,184
Other assets	47,212	118,221	51	32	-	165,350
Total financial assets (A)	2,042,419	961,438	13,455	179,756	362	3,197,430
Liabilities						
Due to banks	28,931	-	-	-	-	28,931
Due to customers	1,489,479	694,444	13,257	164,815	-	2,361,995
Debts issued and other borrowed funds	97,227	122,098	-	-	-	219,325
Other financial liabilities	101,282	266,428	555	15,411	326	384,002
Total financial liabilities (B)	1,716,919	1,082,970	13,812	180,226	326	2,994,253
Net financial assets/ (liabilities)	325,500	(121,532)	(357)	(470)	36	203,177

SENSITIVITY ANALYSIS OF FOREIGN CURRENCY BALANCE SHEET

Currency	Dollar	GBP	Euro	Total
	N'm	N'm	N'm	N'm
Net On Balance Sheet Position	(121,532)	(357)	(470)	(122,359)
Closing Exchange Rate (Naira/Currency)	1,549	1,939	1,603	
10% Currency Appreciation (-)	1,394	1,745	1,443	
10% Currency Depreciation (+)	1,704	2,133	1,764	
Effect of 10% appreciation on Profit	12,153	36	47	12,236
Effect of 10% depreciation on Profit	(12,153)	(36)	(47)	(12,236)

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

39 Financial risk management - continued

f(ii) Foreign currency risk - continued

Group

31 December 2023

In millions of Naira	Naira	Dollar	GBP	Euro	Others	Total
Assets						
Cash and balance with Central Bank of Nigeria	565,610	24,871	1,140	945	-	592,566
Due from other banks	1,016	182,729	7,991	42,300	918	234,954
Financial assets to maturity pledged as collateral	10,644	628	-	-	-	11,272
Derivative financial assets	-	276	-	-	-	276
Loans and advances to customers	533,369	326,636	1	2,693	-	862,699
Financial assets measured at fair value through profit or loss	1,947	165	-	-	-	2,112
Financial assets at fair value through other comprehensive income	217,420	63,626	-	3,377	-	284,423
Equity instruments at fair value through other comprehensive income	11,278	17,836	-	-	-	29,114
Financial investment at amortized cost	130,730	-	-	-	-	130,730
Other assets	108,951	123,886	(25)	11	8	232,809
Total financial assets (A)	1,580,965	740,653	9,107	49,304	926	2,380,955
Liabilities						
Due to banks	-	-	-	-	-	-
Due to customers	1,262,229	429,192	8,242	47,847	-	1,747,510
Debt issued and other borrowed funds	123,642	93,384	-	-	-	217,026
Other financial liabilities	76,616	215,205	566	1,055	904	294,346
Total financial liabilities (B)	1,462,487	737,781	8,808	48,902	904	2,258,882
Net financial assets/ (liabilities)	118,478	2,872	299	402	22	122,073

SENSITIVITY ANALYSIS OF FOREIGN CURRENCY BALANCE SHEET

Currency	Dollar	GBP	Euro	Total
	N'000	N'000	N'000	N'000
Net On Balance Sheet Position	2,872	299	402	3,573
Closing Exchange Rate(Naira/Currency)	952	1,211	1,052	
1% Currency Appreciation(-)	857	1,090	946	
1% Currency Depreciation(+)	1,047	1,332	1,157	
Effect of 1% appreciation on Profit	(287)	(30)	(41)	(357)
Effect of 1% depreciation on Profit	287	30	41	357

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

39 Financial risk management - continued

f(ii) Foreign currency risk

(a) Foreign Currency Concentrations Risk as at 31 December 2023

Bank

31 December 2024

	Naira	Dollar	GBP	Euro	Others	Total
In millions of Naira						
Cash and balance with Central Bank of Nigeria	782,920	15,067	3,137	2,008	-	803,132
Due from other banks	11,825	375,328	9,972	172,022	362	569,509
Financial assets to maturity pledged as collateral	27,653	1,022	-	-	-	28,675
Derivative financial assets	-	-	-	-	-	-
Loans and advances to customers	689,977	372,125	397	124	-	1,062,623
Financial assets held for trading	23,850	3,641	-	-	-	27,491
- Debt instruments at fair value through other comprehensive income	378,629	54,575	-	5,634	-	438,838
- Equity instruments at fair value through other comprehensive income	19,163	21,459	-	-	-	40,622
Debt instrument at amortised cost	46,961	-	-	-	-	46,961
Other assets	47,212	118,221	(51)	(32)	-	165,350
Total financial assets (A)	2,028,190	961,438	13,455	179,756	362	3,183,201
Liabilities						
Due to banks	28,931	-	-	-	-	28,931
Due to customers	1,489,479	694,444	13,257	164,815	-	2,361,995
Debt issued and other borrowed funds	83,624	122,098	-	-	-	205,722
Other financial liabilities	101,260	266,428	555	15,411	326	383,980
Total financial liabilities (B)	1,703,294	1,082,970	13,812	180,226	326	2,980,628
Net financial assets/ (liabilities)	324,896	(121,532)	(357)	(470)	36	202,573

SENSITIVITY ANALYSIS OF FOREIGN CURRENCY BALANCE SHEET

Currency	Dollar	GBP	Euro	Total
	N'000	N'000	N'000	N'000
Net On Balance Sheet Position	(121,532)	(357)	(470)	(122,359)
Closing Exchange Rate (Naira/Currency)	1,549	1,939	1,603	
10% Currency Appreciation (-)	1,394	1,745	1,443	
10% Currency Depreciation (+)	1,704	2,133	1,764	
Effect of 10% appreciation on Profit	12,153	36	47	12,236
Effect of 10% depreciation on Profit	(12,153)	(36)	(47)	(12,236)

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

39 Financial Risk Management - continued

f(ii) Foreign currency risk

In millions of Naira

31 December 2023

	Naira	Dollar	GBP	Euro	Others	Total
Assets						
Cash and balance with Central Bank of Nigeria	565,610	24,871	1,140	945	-	592,566
Due from other banks	1,010	182,729	7,991	42,300	918	234,948
Financial assets to maturity pledged as collateral	10,644	628	-	-	-	11,272
Derivative financial assets	-	276	-	-	-	276
Loans and advances to customers	533,369	326,636	1	2,693.00	-	862,699
Financial assets held for trading	1,947	165	-	-	-	2,112
- Debt instruments at fair value through other comprehensive income	217,420	63,626	-	3,377	-	284,423
- Debt instruments at fair value through other comprehensive income	11,278	17,836	-	-	-	284,423
Debt instrument at amortised cost	116,693	-	-	-	-	116,693
Other assets	108,951	123,886	(25)	11	8	232,809
Total financial assets (A)	1,566,922	740,653	9,107	49,304	926	2,622,221
Liabilities						
Due to banks	-	-	-	-	-	-
Due to customers	1,262,229	429,192	8,242	47,847	-	1,747,510
Debt issued and other borrowed funds	110,040	93,384	-	-	-	203,424
Other financial liabilities	76,682	215,205	566	1,055	904	294,412
Total financial liabilities (B)	1,448,951	737,781	8,808	48,902	904	2,245,346
Net financial assets/ (liabilities)	117,971	2,872	299	402	22	376,875

SENSITIVITY ANALYSIS OF FOREIGN CURRENCY BALANCE SHEET

Currency	Dollar	GBP	Euro	Total
	N'000	N'000	N'000	N'000
Net On Balance Sheet Position	2,872	299	402	3,573
Closing Exchange Rate (Naira/Currency)	952	1,211	1,052	
1% Currency Appreciation (-)	857	1,090	946	
1% Currency Depreciation (+)	1,047	1,332	1,157	
Effect of 1% appreciation on Profit	(287)	(30)	(41)	(357)
Effect of 1% depreciation on Profit	287	30	41	357

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

39 Financial risk management - continued

(g) Operational Risk Management

Operational risk in the Group is defined as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. This definition includes legal risk but excludes strategic and reputational risks.

Operational risk exists in all activities, processes, products and systems. The Group aims to maintain operational risk within its risk appetite through a strategy anchored on the sustenance of a strong risk culture of individual and collective awareness and understanding of operational risk, accountability and transparency on operational risk issues at all levels, deployment of robust operational risk policies, processes and tools, and collaboration across all the business units and support functions in managing operational risk.

Operational Risk Governance Structure

Operational risk is managed in the Group along three lines of defense. The first line consists of the business units who own and are directly responsible for managing the risk. They identify and report operational risks in their activities and communicate these risks to the second line of defense which includes the independent risk management and control functions. This line formulates the risk management policies, processes and tools, and provides support in enhancing and monitoring the effectiveness of controls in the business units and support functions, while the third line of defense, the Internal Audit department, provides independent assurance on the adequacy, appropriateness and effectiveness of the risk management policies and process on an ongoing basis.

The Group maintains a dedicated Operational Risk Management (ORM) function which formulates the operational risk management strategy, policy and framework. The department, through the Chief Risk Officer, has a reporting line to the Executive Management, Management Risk Committee and Board Risk Management Committee, depicting a robust governance structure. The Board approves the Group's ORM policy and appetite. The Management Risk Committee reviews operational risk management reports quarterly and defines action plans to minimize material risks to acceptable levels. In addition, the ORM department collaborates with the Conduct and Compliance Division to ensure effective implementation of the ORM framework in the business units and support functions. It also works closely with the business units to manage operational risk based on the outcomes of the monitoring activities of the Conduct and Compliance Division. The ORM department is audited regularly by the Group's internal and external auditors.

Operational Risk Management Framework

The Group has a robust framework for managing operational risk. The framework defines the core governing principles and processes for the effective identification, assessment, mitigation, and monitoring of operational risks in line with regulatory requirements and international best practices. The key processes and tools in the ORM framework include the following:

1 Risk and Control Self-Assessment

The Group's Risk and Control Self-Assessment (RCSA) program provides a structured approach for business owners to identify material risks in their business areas, assess the effectiveness of controls in mitigating the risks and implement actions to proactively address the identified vulnerabilities. RCSA helps senior management to assess the overall effectiveness of the control environment, improve risk decision making, and optimize controls to meet business objectives.

The RCSA is also a rich source of information for developing heat maps that highlight the Group's areas of vulnerability, risk concentration and materiality.

The RCSA program was redesigned and enhanced in the third quarter of the year to improve the risk identification and control assessment process, ensure ownership of risks at senior levels within the business, and enhance the monitoring and resolution of issues.

Risk assessments of new and existing products, processes and applications are also conducted to identify material operational risks and ensure adequacy and effectiveness of implemented mitigating controls.

2 Key risk indicators

The Group uses Key Risk Indicators which provide early warning signals of changes in the risk profile to monitor and mitigate key threats to the achievement of strategic goals. Material breaches are reported monthly and quarterly to Management for timely remediation.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

39 Financial risk management - continued

(g) Operational Risk Management - continued

3 Operational Risk Event Data Collection

The Group maintains a comprehensive internal loss database aligned with regulatory and Basel standards for collecting, analyzing and reporting operational risk events and losses. The data on the Group's historical loss experience provides meaningful information for assessing the exposure to operational risk, developing risk scenarios, prioritizing risk decisions, and implementing controls to mitigate risks. Strict reporting requirements are in place to ensure that operational risk incidents are escalated to relevant stakeholders for timely decision making. Adequate risk transfer mechanisms including insurance and outsourcing are in place to minimize the impact of operational risk events on the Group. The lessons learnt from operational risk events and losses are communicated across the Bank and used in improving the control environment.

4 Scenario Analysis

The Operational Risk Management department utilizes scenario analysis of the Group's internal historical losses and material external risk events in modelling tail risk events, determining the potential impact on the organization, and proactively developing action plans to mitigate the risks.

Business Continuity Management

The Group obtained the Business Continuity Management System (BCMS) certification (ISO 22301) within the year in line with international principles and standards. This certification indicates that a comprehensive Business Continuity Plan and robust recovery processes and systems are in place to build resilience, safeguard the Bank's employees and assets, maintain strategic communications, minimize service disruption and losses, and ensure timely recovery and resumption of operations and technology infrastructure in the event of a disaster. The Bank's dedicated Business Continuity Manager coordinates the activities of the BCMS and ensures the development, implementation and testing of the BCP is in line with international standards and best practices.

The Operational Risk Management framework is supported by other departmental policies and procedures that guide the daily activities of the business units and functions and ensure adequate controls are implemented to mitigate risks. The policies and procedures are regularly reviewed and updated, and the processes redesigned or automated where required, to improve operational efficiency and the effectiveness of controls across the Bank.

Periodic reports on the identified operational risks are circulated to the relevant stakeholders for timely remediation of issues, enhancement of controls and to increase awareness of operational risk across the Bank.

Operational Risk Capital Charge

The Bank uses the Basic Indicator Approach for computing the capital charge for operational risk in line with regulatory

31 December 2024

Nature of item	capital charge factor	First year	Second year	Third year	Aggregate Gross Income (years 1 to 3)	Capital charges
In millions of Naira						
Basic Indicator Approach (BIA)						
Gross Income	15%	111,226	132,408	168,770	412,404	61,861
Number of years with positive annual gross income						3
Mean Average of Aggregate Capital						20,620
Calibrated Risk Weighted Amount (BIA)						257,753

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

39 Financial risk management - continued

(g) Operational Risk Management - continued

31 December 2023

Nature of item	capital charge factor	First year	Second year	Third year	Aggregate Gross Income (years 1 to 3)	Capital charges
In millions of Naira						
Basic Indicator Approach (BIA)						
Gross Income	15%	94,228	111,226	132,439	337,893	50,684
Number of years with positive annual gross income						3
Mean Average of Aggregate Capital						16,895
Calibrated Risk Weighted Amount (BIA)						211,183

(h) Capital management

(a) Regulatory capital

The Central Bank of Nigeria, sets and monitors capital requirements for the Bank. The banking operations are directly supervised by the Central Bank of Nigeria. In implementing current capital requirements, the Central Bank of Nigeria requires the Bank to maintain a 10% minimum ratio for total capital to total risk-weighted assets.

The Bank's regulatory capital is analysed into two tiers:

Tier 1 capital, which includes ordinary share capital, share premium, retained earnings, and intangible assets, and other regulatory adjustments relating to items that are included in equity but are treated differently for capital adequacy purposes.

Tier 2 capital, which includes qualifying subordinated liabilities, allowances and the element of the fair value reserve relating to unrealised gains on equity instruments classified as Fair value through other comprehensive income.

Various limits are applied to elements of the capital base. The qualifying Tier 2 capital is limited to 33.3% of Tier 1 capital.

Banking operations are categorised mainly as trading book or banking book, and risk-weighted assets are determined according to specified requirements that seek to reflect the varying levels of risk attached to assets.

(a) Regulatory capital - continued

The CBN in its circular BSD/DIR/GEN/LAB/07/021 effective 5 August 2014 informs banks on the exclusion of the following reserves in the computation of total qualifying capital:

- Regulatory Risk Reserve created pursuant to Section 12.4 (a) of the Prudential Guidelines,
- Collective impairment on loans and receivables and other financial assets,
- Other Comprehensive Income (OCI) Reserves will be recognized as part of Tier 2 capital subject to the limits set in paragraph 3.2 of the CBN Guidance, and Notes on the Calculation of Regulatory Capital

(b) Capital Adequacy Ratio

In accordance with Central Bank of Nigeria regulations, a minimum threshold of 10% is to be maintained when computing the ratio qualifying capital to risk weighted assets.

The capital adequacy computation for the year ended 31 December 2018 is in line with revised guidance notes on implementation and the reporting template for capital adequacy ratio issued by Central Bank of Nigeria, referenced BSD/DIR/GEN/BAS/08/031 and dated 24 June 2015. The computations are consistent with the requirements of Pillar I of Basel II Accord (International Convergence of Capital Measurement and Capital Standards). Although the guidelines comply with the requirements of the Basel II accords, certain sections were adjusted to reflect the peculiarities of the Nigerian environment.

Sterling Bank, in line with the directives from the Central Bank of Nigeria (CBN), has adopted the following approaches for its Pillar 1 capital calculations:

- Credit Risk – Standardised Approach
- Market Risk – Standardised Approach
- Operational Risk – Basic indicator approach, which is 15% of the average gross income for the past 3 year.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

39 Financial risk management - continued

(h) Capital management - continued

(b) Capital Adequacy Ratio - continued

		Group 2024	Group 2023	Bank 2024	Bank 2023
Constituents of Capital					
In millions of Naira					
Tier 1 capital	<i>Note</i>				
Paid-up share capital	32.1	14,395	14,395	14,395	14,395
Share premium		42,759	42,759	42,759	42,759
General reserve (Retained earnings)		36,457	22,226	35,884	21,818
SMEIS reserve		235	235	235	235
AGSMEIS reserve		5,899	4,369	5,899	4,369
Statutory reserve		35,855	31,265	35,855	31,265
Other reserves		5,276	5,276	5,276	5,276
Deposit for ordinary share capital		68,866	-	68,866	-
Tier 1 Capital Before Regulatory Deduction		209,742	120,525	209,169	120,117
Regulatory Deduction					
Deferred tax assets		(13,141)	(7,757)	(13,141)	(7,757)
Other intangible assets		(3,105)	(570)	(3,105)	(570)
Total Regulatory Deduction		(16,246)	(8,327)	(16,246)	(8,327)
Tier 1 Capital after Regulatory Deduction		193,496	112,198	192,923	111,790
Tier 2 capital: Instruments & Reserves					
Sub-ordinated debt *		4,056	8,112	4,056	8,112
Other comprehensive income		22,262	16,973	22,262	16,973
Eligible Tier 2 Capital		26,318	25,085	26,318	25,085
Total regulatory capital		219,814	137,283	219,241	136,875
Risk-weighted assets		1,502,620	1,186,953	1,502,620	1,186,953
Total tier 1 and tier 2 capital expressed as a percentage of risk-weighted assets		14.63%	11.57%	14.59%	11.53%

*Recognition of capital instrument in Tier 2 capital in its final five years to maturity is amortized on a straight-line basis by 20% per annum.

Description of Tier 2 Capital (Sub-ordinated debt)

Particulars	Place	Issue date	Date of maturity	Coupon rate	N'million
Non- convertible debenture stock	Nigeria	5 October 2018	5 October 2025	17.55%	20,453

Internal Capital Adequacy Assessment Process (ICAAP)

The Bank has a capital management process in place to measure, deploy and monitor its available capital and assess its adequacy. The framework includes a comprehensive internal capital adequacy assessment process (ICAAP) conducted annually which determines the adequate level of capitalization for the Bank to meet regulatory requirements for current and future business needs, including under stress scenarios. The framework has been structured in line with CBN requirements to identify the risks inherent in the Bank's business and sets out the Bank's philosophy, processes, and techniques for managing risks across the Bank. Furthermore, it describes the controls management has implemented to reduce the likelihood of occurrence and minimize the impact of risk events on the business and includes information on the Bank's governance structure, and policies that support risk and capital management systems.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

39 Financial risk management - continued

(h) Capital management - continued

(b) Capital Adequacy Ratio - continued

Internal Capital Adequacy Assessment Process (ICAAP)

Risk Weighted Assets and Capital Requirement per Credit Exposure

S/N	Exposure	Risk Weighted Assets	Capital requirements
	In millions of Naira		
1	Credit Risk		
1.01	Sovereign	-	-
1.02	Public Sector Entities	-	-
1.03	State and Local Government	1,389	142
1.04	Multilateral Development Bank	-	-
1.05	Supervised Institutions	190,300	19,404
1.06	Corporate and Other Persons	586,681	59,822
1.07	Regulatory Retail Portfolio	66,273	6,758
1.08	Secured by Mortgages on Residential Properties	47,945	4,889
1.09	Exposures Secured by Mortgages on Commercial Real Estates	91,929	9,374
1.10	Past Due	36,828	3,755
1.11	Higher Risk Exposures	60,935	6,213
1.12	Other Balance Sheet Exposures	130,510	13,308
1.13	Off Balance Sheet Exposures	31,771	3,240
1.14	Regulatory Adjustment	(33,927)	-
2	Market risk		
2.01	Interest Rate Risk	4,977	398
2.02	Foreign Exchange Risk	29,254	2,340
3	Operational risk		
3.01	Basic Indicator Approach	257,753	20,620
4	Capital Adequacy Ratio		
4.01	Tier 1 Capital Adequacy Ratio	12.84%	
4.02	Total Capital Adequacy Ratio	14.59%	

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

39 Financial risk management - continued

(h) Capital management - continued

(iii) Capital allocation

The allocation of capital between specific operations and activities is, to a large extent, driven by optimisation of the return achieved on the capital allocated. The amount of capital allocated to each operation or activity is based primarily upon the regulatory capital, but in some cases the regulatory requirements do not reflect fully the varying degree of risk associated with different activities. In such cases the capital requirements may be flexed to reflect differing risk profiles, subject to the overall level of capital to support a particular operation or activity not falling below the minimum required for regulatory purposes.

Although maximisation of the return on risk-adjusted capital is the principal basis used in determining how capital is allocated within the Bank to particular operations or activities, it is not the sole basis used for decision making. Account also is taken of synergies with other operations and activities, the availability of management and other resources, and the fit of the activity with the Bank's longer term strategic objectives.

40 Maturity Analysis of Assets and Liabilities

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled as at 31 December 2024.

- Group

Maturity analysis of assets and liabilities 31 December 2024	Less than 3 months	3-6 months	6-12 months	1 - 5 years	More than 5 years	Total
Assets						
Cash and balances with Central Bank of Nigeria	87,226	-	-	-	715,906	803,132
Due from banks	569,515	-	-	-	-	569,515
Pledged assets	16,324	2,801	9,321	229	-	28,675
Derivative financial assets	-	-	-	-	-	-
Loans and advances to customers	383,863	177,383	164,750	241,320	95,307	1,062,623
Investment in securities:	-	-	-	-	-	-
- Financial assets at fair value through profit or loss	4,103	7,388	8,590	2,418	4,992	27,491
- Debt instruments at fair value through other comprehensive income	165,295	21,362	79,749	60,315	112,117	438,838
- Equity instruments at fair value through other comprehensive income	-	-	-	-	40,622	40,622
- Debt instruments at amortised cost	5,630	-	10,313	31,880	13,361	61,184
Other assets	99,693	4,250	26,530	34,877	-	165,350
Total	1,331,649	213,184	299,253	371,039	982,305	3,197,430
- Group						
In millions of Naira	Less than 3 months	3-6 months	6-12 months	1 - 5 years	More than 5 years	Total
Liabilities						
Deposits from bank	28,931	-	-	-	-	28,931
Deposits from customers	1,032,318	243,627	788,691	114,369	182,990	2,361,995
Debts issued and other borrowed funds	12,724	105,692	88,207	12,702	-	219,325
Other liabilities	379,905	-	4,097	-	-	384,002
Total	1,453,878	349,319	880,995	127,071	182,990	2,994,253
Net	(122,229)	(136,135)	(581,742)	243,968	799,315	203,177

40 Maturity Analysis of Assets and Liabilities - continued

	Less than 3 months	3-6 months	6-12 months	1 - 5 years	More than 5 years	Total
In millions of Naira						
31 December 2023						
Cash and balances with Central Bank of Nigeria	144,889	-	-	-	447,677	592,566
Due from banks	234,954	-	-	-	-	234,954
Pledged assets	1	5,442	5,599	-	230	11,272
Derivative financial assets	276	-	-	-	-	276
Loans and advances to customers	214,815	134,240	118,190	228,591	166,863	862,699
Investment in securities:	-	-	-	-	-	-
- Financial assets at fair value through profit or loss	137	141	635	567	632	2,112
- Debt instruments at fair value through other comprehensive income	49,604	27,060	31,695	65,347	110,717	284,423
- Equity instruments at fair value through other comprehensive income	-	-	-	-	29,114	29,114
- Debt instruments at amortised cost	45,090	8,431	28,698	29,499	19,012	130,730
Other assets	69,135	43,706	69,927	12,510	37,531	232,809
Total	758,625	219,020	254,744	336,514	811,776	2,380,679
Deposits from bank	-	-	-	-	-	-
Deposits from customers	519,954	122,709	397,244	272,155	435,448	1,747,510
Debts issued and other borrowed funds	(3,180)	-	-	158,717	61,489	217,026
Other liabilities	62,547	41,634	66,613	30,888	92,664	294,346
Total	579,321	164,343	463,857	461,760	589,601	2,258,882
Net	179,304	54,677	(209,113)	(125,246)	222,175	121,797

40 Maturity Analysis of Assets and Liabilities - continued

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled as at 31 December 2024.

- Bank

31 December 2024

Maturity analysis of assets and liabilities

In millions of Naira

	Less than 3 months	3-6 months	6-12 months	1 - 5 years	More than 5 years	Total
Assets						
Cash and balances with Central Bank of Nigeria	87,226	715,906	-	-	-	803,132
Due from banks	569,509	-	-	-	-	569,509
Pledged assets	16,324	2,801	9,321	229	-	28,675
Derivative financial assets	-	-	-	-	-	-
Loans and advances to customers	383,863	177,383	164,750	241,320	95,307	1,062,623
Investment in securities :	-	-	-	-	-	-
- Financial assets at fair value through profit or loss	4,103	7,388	8,590	2,418	4,992	27,491
- Debt instruments at fair value through other comprehensive income	165,295	21,362	79,749	60,315	112,117	438,838
- Equity instruments at fair value through other comprehensive income	-	-	-	-	40,622	40,622
- Debt instruments at amortised cost	4,321	-	7,916	24,469	10,255	46,961
Other assets	99,693	4,250	26,530	34,877	-	165,350
Total	1,330,334	929,090	296,856	363,628	263,293	3,183,201
Deposits from banks	28,931	-	-	-	-	28,931
Deposits from customers	1,032,318	243,627	788,691	114,369	182,990	2,361,995
Debts issued and other borrowed funds	12,724	92,089	88,207	12,702	-	205,722
Other liabilities	379,883	-	4,097	-	-	383,980
Total	1,453,856	335,716	880,995	127,071	182,990	2,980,628
Net	(123,522)	593,374	(584,139)	236,557	80,303	202,573

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

40 Maturity Analysis of Assets and Liabilities - continued

Bank						
31 December 2023						
	Less than 3 months	3-6 months	6-12 months	1 - 5 years	More than 5 years	Total
In millions of Naira						
Maturity analysis of assets and liabilities						
Cash and balances with Central Bank of Nigeria	144,889	-	-	-	447,677	592,566
Due from banks	234,948	-	-	-	-	234,948
Pledged assets	1	5,442	5,599	-	230	11,272
Derivative financial assets	276	-	-	-	-	276
Loans and advances to customers	214,815	134,240	118,190	228,591	166,863	862,699
Investment in securities :	-	-	-	-	-	-
- Financial assets at fair value through profit or loss	137	141	635	567	632	2,112
- Debt instruments at fair value through other comprehensive income	49,604	27,060	31,695	65,347	110,717	284,423
- Equity instruments at fair value through other comprehensive income	-	-	-	-	29,114	29,114
- Debt instruments at amortised cost	39,199	7,629	25,968	26,693	17,204	116,693
Investment in subsidiary	-	-	-	-	-	-
Other assets	69,135	43,706	69,927	12,510	37,531	232,809
Total	752,728	218,218	252,014	333,708	809,968	2,366,636
Deposits from banks	-	-	-	-	-	-
Deposits from customers	519,954	122,709	397,244	272,155	435,448	1,747,510
Debts issued and other borrowed funds	(3,180)	-	-	158,717	47,887	203,424
Other liabilities	62,562	41,643	66,628	30,895	92,684	294,412
Total	579,336	164,352	463,872	461,767	576,019	2,245,346
Net	173,392	53,866	(211,858)	(128,059)	233,949	121,290

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

41 Fair Value of financial instruments

The Group's accounting policy on fair value measurements is discussed under note 2.2.19. The Group measures fair values using the following fair value hierarchy that reflects the nature and process used in making the measurements:

Level 1: Quoted market price (unadjusted) in an active market for an identical instrument.

Level 2: Valuation techniques based on observable inputs, either directly (i.e., as prices) or indirectly (i.e., derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

Level 3: Valuation techniques using inputs that are not based on observable market data, i.e., unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs could have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

Fair value measurement hierarchy for assets & liabilities as at 31 December 2024:

- GROUP

In millions of Naira	Note	Level 1	Level 2	Level 3	Total
Assets measured at fair value					
Pledged assets – FVOCI	18.1	18,112	-	-	18,112
Debt instruments at FVTPL	21(a)	27,491	-	-	27,491
Debt instruments measured at FVOCI	21(b)	438,838	-	-	438,838
Equity instruments at fair value through other comprehensive income	21(c)	-	-	40,622	40,622
Assets for which fair value are disclosed					
Due from banks		569,515	-	-	569,515
Pledged assets at Amortised cost		10,563	-	-	10,563
Loans and advances to customers		-	-	1,048,664	1,048,664
Debt instruments at amortised cost		59,970	-	-	59,970
Liabilities for which fair values are disclosed:					
Deposits from banks		-	-	28,931	28,931
Deposits from customers		-	-	2,361,994	2,361,994
Other borrowed funds		-	-	174,542	174,542
Debt securities issued		31,549	-	-	31,549

- 31 December 2023

Pledged assets – FVOCI	18.1	-	-	-	-
Debt instruments at FVTPL	21(a)	2,112	-	-	2,112
Debt instruments measured at FVOCI	21(b)	284,423	-	-	284,423
Equity instruments at fair value through other comprehensive income	21(c)	-	-	29,114	29,114
Assets for which fair value are disclosed					
Due from banks		234,954	-	-	234,954
Pledged assets at Amortised cost		11,272	-	-	11,272
Loans and advances to customers		-	-	727,837	727,837
Debt instruments at amortised cost		125,768	-	-	125,768
Liabilities for which fair values are disclosed:					
Deposits from banks		-	-	-	-
Deposits from customers		-	-	1,592,980	1,592,980
Other borrowed funds		-	-	156,105	156,105
Debt securities issued		26,878	-	-	26,878

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

41 Fair Value of financial instruments- continued

Fair value measurement hierarchy for assets & liabilities as at 31 December 2024

- BANK

In millions of Naira		Level 1	Level 2	Level 3	Total
Assets measured at fair value					
Pledged assets – FVOCI	18.1	18,112	-	-	18,112
Debt instruments at FVTPL	21(a)	27,491	-	-	27,491
Debt instruments measured at FVOCI	21(b)	438,838	-	-	438,838
Equity instruments at fair value through other comprehensive income	21(c)	-	-	40,622	40,622
Assets for which fair value are disclosed					
Due from banks		569,509	-	-	569,509
Pledged assets at amortised cost		10,563	-	-	10,563
Loans and advances to customers		-	-	1,048,664	1,048,664
Debt instruments at amortised cost		46,150	-	-	46,150
Liabilities for which fair values are disclosed:					
Deposits from banks		-	-	28,931	28,931
Deposits from customers		-	-	2,361,994	2,361,994
Other borrowed funds		-	-	174,542	174,542
Debt securities issued		-	18,948	-	18,948

- 31 December 2023

Assets measured at fair value

Pledged assets – FVOCI	18.1	-	-	-	-
Debt instrument at FVTPL	21(a)	2,112	-	-	2,112
Debt instrument measured at FVOCI	21(b)	284,423	-	-	284,423
- Equity instruments at fair value through other comprehensive income	21(c)	-	-	29,114	29,114

Assets for which fair value are disclosed

Due from banks		234,948	-	-	234,948
Pledged assets at Amortised cost		11,272	-	-	11,272
Loans and advances		-	-	727,837	727,837
Debt instrument at Amortised cost		111,715	-	-	111,715

Liabilities for which fair values are disclosed:

Deposits from banks		-	-	-	-
Deposits from customers		-	-	1,592,980	1,592,980
Other borrowed funds		-	-	156,105	156,105
Debt securities issued		-	15,973	-	15,973

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

41 Fair Value of financial instruments - continued

Group				
In millions of Naira	Carrying amount		Fair value amount	
	2024	2023	2024	2023
Financial assets				
Cash and balances with Central Bank of Nigeria	803,132	592,566	803,132	592,566
Due from banks	569,515	234,954	569,515	234,954
Pledged assets	28,675	11,272	28,588	11,272
Derivative financial assets	-	276	-	276
Loans and advances to customers	1,062,623	862,699	1,048,664	727,837
Investment in securities:				
- Financial assets at fair value through profit or loss	27,491	2,112	27,491	2,112
- Debt instruments at fair value through other comprehensive	438,838	284,423	438,838	284,423
- Equity instruments at fair value through other comprehensive				
income	40,622	29,114	40,622	29,114
- Debt instruments at amortised cost	61,184	130,730	59,970	125,768
Total	3,032,080	2,148,146	3,016,820	2,008,322
Financial liabilities				
Deposits from banks	28,931	-	28,931	-
Deposits from customers	2,361,995	1,747,510	2,361,994	1,592,980
Other borrowed funds	185,269	183,067	174,542	156,105
Debt securities issued	34,056	33,959	31,549	26,878
Customer deposits for foreign trade	266,750	135,060	266,750	135,060
Creditors and accruals	-	47,590	-	47,590
Total	2,877,001	2,147,186	2,863,766	1,958,613
Bank				
In millions of Naira	Carrying amount		Fair value amount	
	2024	2023	2024	2023
Financial assets				
Cash and balances with Central Bank of Nigeria	803,132	592,566	803,132	592,566
Due from banks	569,509	234,948	569,509	234,948
Pledged assets	28,675	11,272	28,588	11,272
Derivative financial assets	-	276	-	276
Loans and advances to customers	1,062,623	862,699	1,048,664	727,837
Investment in securities:				
- Financial assets at fair value through profit or loss	27,491	2,112	27,491	2,112
- Debt instruments at fair value through other comprehensive	438,838	284,423	438,838	284,423
- Equity instruments at fair value through other comprehensive				
income	40,622	29,114	40,622	29,114
- Debt instruments at amortised cost	46,961	116,693	46,150	111,715
Total	3,017,851	2,134,103	3,002,994	1,994,263
Financial liabilities				
Deposits from banks	28,931	-	28,931	-
Deposits from customers	2,361,995	1,747,510	2,361,994	1,592,980
Other borrowed funds	185,269	183,067	174,542	156,105
Debt securities issued	20,453	20,357	18,948	15,973
Customer deposits for foreign trade	266,750	135,060	266,750	135,060
Creditors and accruals	-	47,590	-	47,590
Total	2,863,398	2,133,584	2,851,165	1,947,708

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

41 Fair Value of financial instruments - continued

The following methods and assumptions were used to estimate the fair values:

Assets for which fair value approximates carrying value

The management assessed that cash and balances with Central Bank of Nigeria, creditors & accruals and customer deposit for foreign trade approximate their carrying amounts largely due to the short-term maturities of these instruments. For financial assets and financial liabilities that are without a specific maturity; it is assumed that the carrying amounts approximates their fair value.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The fair values of the quoted bonds and treasury bills are based on price quotations at the reporting date. The fair value of unquoted instruments, loans from banks and other financial liabilities, as well as other non-current financial liabilities is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.

The fair values of the remaining FVOCI financial assets are measured using quoted market prices in active markets which are adjusted for using the accrued interest to date.

The fair values of the Group's interest-bearing borrowings and loans are determined by using the DCF method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The own non-performance risk as at 31 December 2022 was assessed to be insignificant.

For loans and advances, a discounted cash flow model is used based on various fair value of the loan portfolio by discounting the future cash flows on these loans using interest rates on loans and remaining days to maturity of each of the cash flows.

The fair value of fixed rate financial assets and liabilities carried at amortized cost are estimated by comparing market interest rates when they were first recognized with current market rates for similar financial instruments. The estimated fair value of fixed interest bearing deposits and debt issued are based on discounted cash flows using prevailing money-market interest rates for deposits and debts with similar credit risk and maturity.

Unobservable inputs used in measuring fair value

The table below sets out information about significant unobservable inputs used as at 31 December 2024 in measuring financial instruments categorised as Level 3 in the fair value hierarchy:

Type of financial instrument	Fair value as at 31 December 2024 N'million	Fair value as at 31 December 2023 N'million	Valuation technique	Unobservable input	Range of estimates for unobservable inputs (31 December 2024)	Range of estimates for unobservable inputs (31 December 2023)	Relationship of unobservable inputs to fair value
Unquoted Equity	40,622	29,114	P/BV and EV/EBITDA	P/BV multiples	0.78x - 1.46x	0.72x - 2.34x	Significant increases in P/BV, would result in higher fair values. Significant reduction would result in lower fair values
				EV/EBITDA multiples	9.70x - 28.52x	16.27x - 38.73x	Significant increases in EV/EBITDA, would result in higher fair values. Significant reduction would result in lower fair values

Level 3 fair value measurements - Effect of unobservable inputs on fair value measurement

The table below sets out information about significant unobservable inputs used as at 31 December 2024 in measuring financial instruments categorised as Level 3 in the fair value hierarchy:

Key Assumption	Effect on Other Comprehensive Income			
	Dec. 2024		Dec. 2023	
	5% Increase	5% Decrease	5% Increase	5% Decrease
	N'million	N'million	N'million	N'million
P/BV and EV/EBITDA multiples	1,838	(1,838)	1,263	(1,263)

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

42 Compliance with banking regulations

Included in fines and penalties are contraventions with certain Central Bank of Nigeria's guidelines and circulars listed below:

Circular/Letters	Nature of contravention	2024 Penalty N'million
BSD/SCS/CON/CRR/002/051	Late rendition of regulatory returns	20
BSD/MEG/CON/MDL/002/019	Risk Based Supervisory (RBS) Report for October 1, 2022 to September 30, 2023	2
BSD/DIR/CON/STB/018/008	Mystery shopping and spot checks on cash disbursements	150
BSD/MEG/CON/EPLL/003/024	2024 AML/CFT/CPF examination	205
		377

43(a) Customer Complaints

In line with Circular No: FPR/DIR/CIR/GEN/01/020, the returns on customer complaints for the year ended 31 December 2024 is as set out below:

Financial year	NUMBER		AMOUNT CLAIMED		AMOUNT REFUNDED	
	2024	2023	2024	2023	2024	2023
			In millions of Naira		In millions of Naira	
Pending complaints b/f	5,036	7,995	4,329	3,777	N/A	N/A
Complaints received	576,854	587,263	166,090	98,524	127	297
Complaints resolved/Cancelled tickets	575,340	590,222	166,129	97,972	127	297
Unresolved complaints escalated to CBN for intervention	0	0	0	0	N/A	N/A
Unresolved complaints pending with the bank c/f	6,550	5,036	4,290	4,329	N/A	N/A

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

43(b) Report to the CBN on Fraud and Forgeries

In line with Section 5.1.2 (L) of the CBN Code of Corporate Governance, the breakdown of fraud and forgeries for the year is presented below:

	2024	2023
Number of fraud incidents	25	18
Amount involved (N'000)	811,019	1,315,712
Amount involved (\$'000)	0	0
Actual/Expected Loss (N'000)	791,327	647,754
Actual/Expected Loss (\$'000)	0	0

44 Card Usage data

In line with the Central Bank of Nigeria guidelines for card issuance and usage in Nigeria, Section 11.0, the report on card issuance and usage for the year ended 31 December 2024 is set out below:

	31 December 2024		31 December 2023	
Product	Volume	Value N'million	Volume	Value N'million
Visa	914	1,564	468	2,696
Mastercard	86,533	301,491	64,002	206,149
Verve	434,667	2,003,871	391,340	1,443,470

45 Whistle Blowing

The Bank complied with the provisions of CBN circular FPR/DIR/CIR/GEN/01/004, Code of Corporate Governance for Banks and Discount Houses in Nigeria and Guidelines for Whistle Blowing in Nigeria Banking Industry, for the year ended 31 December 2024.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

46 Non-Audit Services

During the year, the Bank's auditor, Deloitte & Touche, provided the following permissible non-audit services to the Bank:

Description of the service	2024 <i>In millions of Naira</i>
i) Independent Assessment of the Risk Management Function	6.0
ii) Independent review of Corporate Governance	2.0
iii) Independent review and attestation of Internal Control over Financial Reporting (ICFR)	44.2

In the Bank's opinion, the provision of these services did not impair the independence and objectivity of the external auditor as adequate safeguard was put in place.

47 Deposit for ordinary share capital

In compliance with the Central Bank of Nigeria's (CBN) recapitalisation directive, Sterling Bank received a N68.9 billion ordinary share capital injection from Sterling Financial Holding Company Plc in 2024. Subsequent to year end, the CBN has approved the capital injection, while other regulator approval is still in progress.

OTHER NATIONAL DISCLOSURES

STATEMENTS OF VALUE ADDED

FOR THE YEAR ENDED 31 DECEMBER 2024

	Group				Bank			
	2024	%	2023	%	2024	%	2023	%
<i>In millions of Naira</i>								
Gross earnings	296,961		211,561		294,945		209,356	
Interest expense	(115,986)		(70,523)		(114,123)		(68,355)	
	180,975		141,038		180,822		141,001	
Net impairment	(10,770)		(12,166)		(10,807)		(12,161)	
Bought-in-materials and services -local	(107,786)		(82,413)		(107,777)		(82,408)	
Value added	62,419	100	46,459	100	62,238	100	46,432	100
Applied to pay:								
Employee as wages, salaries and pensions	25,940	42	20,641	44	25,940	42	20,641	44
Income and windfall taxes	758	1	839	2	742	1	774	2
Retained in business:								
Depreciation and amortisation	4,955	8	4,581	10	4,955	8	4,581	10
Profit for the year	30,766	49	20,398	44	30,601	49	20,436	44
	62,419	100	46,459	100	62,238	100	46,432	100

Value added is the wealth created by the efforts of the Bank and its employees. This statement shows the allocation of that wealth among the employees, shareholders, government and amount re-invested for creation of further wealth.

OTHER NATIONAL DISCLOSURES

FIVE-YEAR FINANCIAL SUMMARY - GROUP

	31 DECEMBER				
	2024	2023	2022	2021	2020
<i>In millions of Naira</i>				Restated*	Restated*
ASSETS					
Cash and balances with Central Bank of Nigeria	803,132	592,566	431,488	370,873	303,314
Due from other banks	569,515	234,954	86,459	94,850	21,084
Pledged assets	28,675	11,272	23,098	10,786	34,860
Derivative financial assets	-	276	807	-	-
Loans and advances to customers	1,062,623	862,699	737,735	711,900	596,827
Investment securities:					
- Financial assets at fair value through profit or loss	27,491	2,112	921	10,237	1,454
- Debt instruments at fair value through other comprehensive income	438,838	284,423	230,636	168,847	135,780
- Equity instruments at fair value through other comprehensive income	40,622	29,114	25,227	17,956	10,745
- Debt instruments at amortised cost	61,184	130,730	106,889	102,225	110,229
- Available for sale	-	-	-	-	-
- Held to maturity	-	-	-	-	-
Other assets	165,350	232,809	171,911	96,554	37,874
Property, plant and equipment	39,873	22,984	17,913	16,939	15,956
Right-of-use asset	8,669	9,103	8,342	8,141	8,319
Investment property	-	-	5,584	6,918	8,004
Intangible assets	3,105	570	950	1,081	1,582
Deferred tax assets	13,141	7,757	7,005	6,971	6,971
	3,262,218	2,421,369	1,854,965	1,624,278	1,292,999
Non-current assets held for sale	-	-	3,027	-	-
TOTAL ASSETS	3,262,218	2,421,369	1,857,992	1,624,278	1,292,999
LIABILITIES					
Deposits from banks	28,931	-	37,178	15,568	21,289
Deposits from customers	2,361,995	1,747,510	1,327,805	1,208,753	950,835
Current income tax liabilities	2,199	1,414	1,607	1,074	551
Other borrowed funds	185,269	183,067	133,270	116,450	86,367
Debt securities issued	34,056	33,959	42,388	42,327	42,274
Other liabilities	384,002	294,346	160,257	102,367	61,552
Provisions	490	718	1,489	1,180	454
TOTAL LIABILITIES	2,996,942	2,261,014	1,703,994	1,487,719	1,163,322
NET ASSETS	265,276	160,355	153,998	136,559	129,677
EQUITY					
Share capital	14,395	14,395	14,395	14,395	14,395
Share premium	42,759	42,759	42,759	42,759	42,759
Retained earnings	36,457	22,226	44,922	34,341	25,278
Other components of equity	102,799	80,975	51,922	45,064	47,245
Attributable to equity holders of the Bank	196,410	160,355	153,998	136,559	129,677
Other Commitments and Contingencies	340,467	403,401	253,220	222,430	175,287
PROFIT OR LOSS ACCOUNT	2024	2023	2022	2021	2020
<i>In millions of Naira</i>				Restated*	
Gross earnings	296,961	211,561	175,140	150,153	135,835
Profit before income tax expense	31,524	21,237	20,757	16,062	12,372
Income tax expense	2,918	(839)	(1,459)	(1,040)	(1,130)
Profit after income tax	30,766	20,398	19,298	15,022	11,242
Earning per share in Kobo (Basic/Diluted)	107k	71k	67k	52k	39k

OTHER NATIONAL DISCLOSURES
FIVE-YEAR FINANCIAL SUMMARY - BANK

	31 DECEMBER				
	2024	2023	2022	2021	2020
<i>In millions of Naira</i>				Restated*	Restated*
ASSETS					
Cash and balances with Central Bank of Nigeria	803,132	592,566	431,488	370,873	303,314
Due from other banks	569,509	234,948	86,171	94,842	21,079
Pledged assets	28,675	11,272	23,098	10,786	34,860
Derivative financial assets	-	276	807	-	-
Loans and advances to customers	1,062,623	862,699	737,735	711,900	596,827
Investment securities:					
- Financial assets at fair value through profit or loss	27,491	2,112	921	10,237	1,454
- Debt instruments at fair value through other comprehensive income	438,838	284,423	230,636	168,847	135,780
- Equity instruments at fair value through other comprehensive income	40,622	29,114	25,227	17,956	10,745
- Debt instruments at amortised cost	46,961	116,693	89,806	84,852	93,234
- Available for sale	-	-	-	-	-
- Held to maturity	-	-	-	-	-
Investment in subsidiary	1	1	1	1	1
Other assets	165,350	232,809	171,911	96,554	37,628
Property, plant and equipment	39,873	22,984	17,913	16,939	15,956
Right-of-use asset	8,669	9,103	8,342	8,141	8,319
Investment property	-	-	5,584	6,918	8,004
Intangible assets	3,105	570	950	1,081	1,582
Deferred tax assets	13,141	7,757	7,005	6,971	6,971
	3,247,990	2,407,327	1,837,595	1,606,898	1,275,754
Non-current assets held for sale	-	-	3,027	-	-
TOTAL ASSETS	3,247,990	2,407,327	1,840,622	1,606,898	1,275,754
LIABILITIES					
Deposits from banks	28,931	-	37,178	15,568	21,289
Deposits from customers	2,361,995	1,747,510	1,327,805	1,208,753	950,835
Derivative financial liabilities	-	-	-	-	-
Current income tax liabilities	2,169	1,316	1,573	1,055	551
Other borrowed funds	185,269	183,067	133,270	116,450	86,367
Debt securities issued	20,453	20,357	25,431	25,373	25,323
Other liabilities	383,980	294,412	160,324	102,435	61,621
Provisions	490	718	1,489	1,180	454
TOTAL LIABILITIES	2,983,287	2,247,380	1,687,070	1,470,814	1,146,440
NET ASSETS	264,703	159,947	153,552	136,084	129,314
EQUITY					
Share capital	14,395	14,395	14,395	14,395	14,395
Share premium	42,759	42,759	42,759	42,759	42,759
Retained earnings	35,884	21,818	44,476	33,866	24,913
Other components of equity	102,799	80,975	51,922	45,064	47,247
Attributable to equity holders of the Bank	195,837	159,947	153,552	136,084	129,314
Other Commitments and Contingencies	340,467	403,401	253,220	222,430	175,287
PROFIT OR LOSS ACCOUNT	2024	2023	2022	2021	2020
<i>In millions of Naira</i>				Restated*	
Gross earnings	294,945	209,356	172,832	147,759	133,413
Profit before income tax expense	31,343	21,210	20,769	15,931	12,240
Income tax expense	2,934	(774)	(1,442)	(1,021)	(1,130)
Profit after income tax	30,601	20,436	19,327	14,910	11,110
Earning per share in Kobo (Basic/Diluted)	106k	71k	67k	52k	39k
Dividend per share	11k	0k	15k	10k	5k

Basic Information

Senior Management

SN	Employee Name	Job Role
1	Abubakar Suleiman	Managing Director
2	Tunde Adeola	ED, Commercial and Institutional Banking
3	Dele Faseemo	Head, Corporate and Investment Banking
4	Raheem Owodeyi	ED, Risk Management and Compliance/Eco
5	Obinna Ukachukwu	Head, Consumer and Business Banking
6	Temitayo Adegoke	COO/ Legal and Corporate Services
7	Olawole Omotosho	Group Head, Engineering
8	Ojiugo Emeruem	Chief Experience Officer
9	Akporee Idenedo	Divisional Head, Commercial Banking
10	Kashetolulope Lawal	Group Head, FMCG, Manufacturing and Telecoms
11	Edward Ogunmekan	Chief Growth Officer
12	Anwuli Femi-Pearse	Group Head, Treasury and ALM
13	Taiwo Adewunmi-Oni	Group Head, Trade Services
14	Oame Airauhi	Group Head, Transaction Banking and Corporate Solutions
15	Taiwo Aluko	Chief Information Officer
16	Olutoye Ambekemo	Acting Chief Risk Officer
17	Mohammed Baba	Group Head, Government Affairs
18	Oyewole Giwa	Group Head, Conduct and Compliance Monitoring
19	Joseph Ikpo	Divisional Head, Institutional Banking
20	Olushola Obikanye	Group Head, Agric Finance and Solid Minerals
21	Bisi Oduba	Group Head, Energy
22	Olumuyiwa Ogunsanya	Group Head, Emerging Corporates
23	Edward Onwubuya	Acting Chief Audit Executive
24	Abubakar Soyemi	Group Head, Channel Operations
25	Olufunke Usalo	Group Head, Asset Growth

Branch List

SN	Branch Name	State	Address
1.	Mamman Kotangora Close – Area 3	Abuja	Plot 450, Mamman Kotangora Close, Area 3
2.	Sterling Boulevard – CBD	Abuja	Plot 1083 Muhammad Buhari Way, CBD
3.	Wuye	Abuja	Plot 1135, Gidado Idris Street, Eternal Oil Filling Station, Finance Junction, Wuye
4.	Seda Close – Area 8	Abuja	17, Sheda Close Area 8, Garki
5.	National Assembly (NASS)	Abuja	SB 67, National Assembly Complex
6.	Conoil – Utako	Abuja	Zitel Plaza, Utako District
7.	Ali Akilu	Kaduna	9, Ali Akilu Road
8.	Kachia Road	Kaduna	236, Kachia Road
9.	Minna	Niger	Federal Mortgage Bank Building, Bosso Road, Minna
10.	Kaduna Refinery	Kaduna	Km 16, Kachia Road, KRPC Staff Co-Operative Commercial Plaza, Kaduna Refinery
11.	Makurdi	Benue	55, Old Otukpo Road High Level, Makurdi
12.	Lokoja	Kogi	4, Murtala Mohammed Way, Lokoja
13.	Kagoro	Kaduna	Along Kagoro Road, Kaduna
14.	Zaria	Kaduna	No 1, River Road, Sabon-Gari, Kaduna
15.	Maiduguri	Borno	39, Kashim Ibrahim Way Maiduguri
16.	Bauchi	Bauchi	Yakubun Bauchi Rd, Beside CBN
17.	Jos Terminus	Plateau	Terminus House, 1, Ahmadu Bello Way, Jos
18.	Jos Jingiri	Plateau	13, Jingiri Road, Opp. Leventis Motors Jos.
19.	Jimeta	Adamawa	Plot 109, Mohammed Mustapha Way, Opp. Bornoma House, Yola North LGA Jimeta
20.	Gombe	Gombe	New Market Road, Gombe
21.	Damaturu	Yobe	5, Ahmadu Bello Way, Potiskum Road, Damaturu
22.	Jalingo	Taraba	26, Hammaruwa Way, Jalingo
23.	Zoo Road	Kano	110 Murtala Mohammed Way
24.	Murtala Mohammed Way	Kano	110, Murtala Mohammed Way
25.	Dutse	Jigawa	Kiyawa Rd, Opp Oando Filling Station, Dutse
26.	Kwari Market	Kano	20, Unity Road (Kwari Market)
27.	Niger Street	Kano	2b, Niger Street, (Gidan Goldie)
28.	Kofar Ruwa	Kano	Aminu Dantata Estate, Kofar Ruwa
29.	Bayero University	Kano	BUK New Campus
30.	Sokoto	Sokoto	Abdullahi Fodio Road, Sokoto South LGA
31.	Katsina	Katsina	34, General Hassan Usman Way, Katsina
32.	Kebbi	Kebbi	31, Sultan Abubakar Road, GRA
33.	Gusau	Zamfara	Zaria Road, Gusau

SN	Branch Name	State	Address
34.	Coker	Lagos	29, Badagry Express Way Coker Orile
35.	ASPAMDA Cash Centre	Lagos	Obi-Austin Plaza, Block Ct2, Aspamda, Tradefair
36.	Tincan	Lagos	10, Tincan Island Port Rd, Apapa
37.	LASU	Lagos	LASU Ojo Lagos
38.	Alaba	Lagos	5, Alaba International Market Road, Alaba
39.	Kirikiri Road	Lagos	100A, Kirikiri Rd., Apapa
40.	26b Creek Road	Lagos	26b Creek Rd., Apapa
41.	Festac	Lagos	21 Road, Festac
42.	Trade Fair	Lagos	57 BBA, Private Plaza, Balogun Business Association, Trade Fair Complex
43.	Mobil Road – Ajegunle	Lagos	66, Mobil Road, Ajegunle
44.	Orile-Iganmu	Lagos	Orile Coker, 97, Baale Street, Coker, Orile
45.	Aromire	Lagos	9, Aromire Avenue, Ikeja
46.	Ilupeju	Lagos	Akintola Williams Delloite Building 235 Ikorodu Rd
47.	Gbagada Hub	Lagos	
48.	Adebola House	Lagos	38, Opebi Road
49.	Medical Road (Formerly Awolowo Way – Ikeja)	Lagos	104, Awolowo Way, Ikeja
50.	68 Opebi	Lagos	68, Opebi Road Ikeja
51.	Ogba	Lagos	38, Ijaiye Rd, Ogba
52.	Airport Road – Ikeja	Lagos	Airport Road, Ikeja
53.	Akute	Ogun	No 22, Ogunlowo Street, Ajuwon. Akute– Alagbole.
54.	Ikorodu	Lagos	43, Lagos-Ikorodu Road
55.	Igbogbo Cash Centre	Lagos	27 Obafemi Awolowo Way, Igbogbo Ikorodu
56.	Caleb University	Lagos	Km 15, Ikorodu-Itoikin Road, Imota
57.	Ketu	Lagos	548, Ikorodu Road, Ketu
58.	Owode Onirin Cash Centre	Lagos	Owode Spare part Market
59.	Ogudu	Lagos	28, Ogudu Road, Ojota
60.	Ogijo	Ogun	1 Bishop Close, Opp Nnpc Filling Station, Ogijo
61.	Oworo	Lagos	10, Adams Street, Oworonshoki
62.	Mosinmi Cash Centre	Ogun	Mosinmi Service Centre, NNPC Depot, Mosinmi, Along Shagamu Road
63.	Magboro	Ogun	Former Fielding Arena, Beside Peace Estate Gate at Ewenla Bus Stop, Magboro
64.	Iju Road – Ifako	Lagos	102, Iju Rd, Ifako
65.	Idimu	Lagos	294, Idimu Rd Isheri
66.	Iyana-Ipaja	Lagos	109, Lagos Abeokuta Exp Way Iyana Ipaja
67.	Shasha Road – Dopemu	Lagos	32, Shasha Rd, Akowonjo
68.	Oshodi	Lagos	Oyetayo Street, Oshodi Local Govt, Oshodi

SN	Branch Name	State	Address
69.	Ota	Ogun	64, Idiroko Rd, Ota
70.	Ijoko	Ogun	Km 4, Ijoko Road,Cele Bus-Stop, Ijoko
71.	Abule Egba	Lagos	Km 585, Lagos-Abeokuta Expressway, Abule-Egba, Lagos
72.	Igando Cash Centre	Lagos	Conoil Filling Station, Km 5, Lasu-Isheri Road College Bus Stop, Igando
73.	Ikotun	Lagos	18, Idimu-Ikotun Road, College B/Stop, Ikotun
74.	Idumota	Lagos	99, Enu -Owa Street, Idumota
75.	Igbosere	Lagos	198, Igbosere Road, Obalende, Lagos Island
76.	Head Office Branch	Lagos	20, Marina
77.	John Street	Lagos	37b, John Street, Oke Arin
78.	Idumagbo	Lagos	106, Iga-Iduganran Street
79.	Sura	Lagos	Blk 11 Suite 3, Sura Shopping Complex
80.	Issa Williams	Lagos	4, Issa Williams Street, Oke Arin
81.	30 Adetokunbo Ademola (Aa1)	Lagos	30, Adetokunbo Ademola Street Victoria Island
82.	Private Banking	Lagos	9b, Wole Olateju Street, Off Admiralty Way, Lekki Phase 1
83.	228a Awolowo Road (Iky 1)	Lagos	228, Awolowo Rd, Ikoyi
84.	Bakky Plaza – Lekki	Lagos	Agungi Bus Stop Bakky Plaza Lekki
85.	Ikota Shopping Complex – Ajah	Lagos	Shop 14/15 Blk F Ikota Shopping Complex Ajah
86.	Awoyaya	Lagos	Mayfair Garden Estate, 105101, Lekki
87.	Langbasa	Lagos	26 Langbasa Ado Road, Ajah, Lagos
88.	Epe	Lagos	Epe LGA Secretariat, Itamarun, Epe
89.	114 Awolowo Road (Iky 2)	Lagos	114, Awolowo Road, Ikoyi
90.	Adeola Odeku	Lagos	Plot 300 Adeola Odeku Street, Victoria Island
91.	Adeniran Ogunsanya	Lagos	74, Adeniran Ogunsanya, Surulere
92.	Willoughby	Lagos	28, Willoughby Street, Ebute Metta
93.	Iddo	Lagos	Railway Terminus, Ebute Metta
94.	Ogunlana	Lagos	141, Ogunlana Drive, Surulere
95.	Herbert Macaulay- Yaba	Lagos	260/262 Herbert Marcaulay Way Yaba
96.	Daleko	Lagos	Plot 8, Blk E Daleko Market, Apapa-Oshodi Express Way
97.	Matori	Lagos	26, Fatai Atere Way, Matori Ind. Est.
98.	Matori Cash	Lagos	26, Fatai Atere Way, Matori Industrial Estate, Mushin
99.	Ire-Akari	Lagos	68, Ire-Akari Estate, Isolo, Lagos
100.	Okota	Lagos	101, Okota Road Isolo, Lagos
101.	Itire	Lagos	Itire Rd By Iyana-Itire Bus Stop, Off Apapa-Oshodi
102.	Ojuwoye	Lagos	9, Dada Iyalode Str Ojuwoye, Mushin
103.	Akpakpava	Edo	49, Akpakpava Street, Benin City

SN	Branch Name	State	Address
104.	Asaba 1	Delta	180, Nnebisi Rd, Asaba
105.	Asaba 2	Delta	290, Nnebisi Road, Asaba
106.	Odibo	Delta	Effurun Sapele Rd Opp Urhobo College, Odibo Housing Estate
107.	Adesuwa Road	Edo	11, Adesuwa Grammar School Road, Gra, Benin City
108.	Sapele Road	Edo	56/58 Sapele Road, Benin
109.	Ikpoba Hill	Edo	40b, Ohovbe Qtrs., Ikpoba Hill, Benin City
110.	Okada	Edo	Igbinedion University, Okada
111.	Warri	Delta	75, Warri/Sapele Road, Warri
112.	Wetheral Rd – Owerri	Imo	71, Douglas Rd, Owerri
113.	Naze Cash Centre	Imo	Naze Timber Market Owerri
114.	Douglas Rd, Owerri	Imo	71, Douglas Road Owerri
115.	Umuahia Branch	Abia	90, Aba Road, Umuahia
116.	Eziukwu Rd (Aba 1)	Abia	Plot 3, Eziukwu Rd, Aba
117.	Cemetery Branch	Abia	Alphareg Park, By Conoil Filling Station, Cemetery Market
118.	Azikiwe Rd (Aba 2)	Abia	107, Nnamdi Azikwe Road, Aba
119.	Oron Rd – Uyo	Akwa Ibom	52, Oron Road, Uyo
120.	UUTH	Akwa Ibom	52, Oron Road, Uyo
121.	Clement Ebri – Calabar	Cross River	1, Clement Ebri Drive, State Housing Estate, Calabar
122.	Calabar Epz Cash Centre	Cross River	2, Clement Ebri Drive, Calabar
123.	Abak Rd – Uyo	Akwa Ibom	25, Atiku Abubakar Road, Uyo
124.	Ekeoha Market Branch	Abia	Kg 18, 19, 20 & 21 (Up) Ekeoha Shopping Centre, Aba
125.	Market Rd – Enugu	Enugu	2a, Market Rd, Enugu
126.	Portharcourt Road Onitsha	Anambra	34, Port-Harcourt Rd, Fegge, Onitsha
127.	Zik Avenue– Awka	Anambra	140, Zik Avenue, Awka
128.	Abakaliki	Ebonyi	39, Ogoja Road Abakaliki
129.	Uga Bridge Head Onitsha Branch	Anambra	45, Uga Street, Fegge, Bridgehead Onitsha
130.	Nottidge – Onitsha	Anambra	23, Nottidge Street, Onitsha
131.	13 Trans Amadi	Rivers	Plot 13, Transamadi, Ind. Layout, Port Harcourt
132.	Mbiama Rd – Yenagoa	Bayelsa	268, Mbiama-Yenagoa Rd, Yenagoa
133.	Olu Obasanjo – PH	Rivers	4, Olu Obasanjo Rd, Port Harcourt
134.	Woji Rd – PH	Rivers	142, Woji Rd, Gra 2, Port Harcourt
135.	UPTH	Rivers	UPTH Permanent Site, Port Harcourt (Saturday Banking)
136.	87 Rumuola	Rivers	87, Rumuola Road, Rumuokara Port-Harcourt
137.	204 Aba Road	Rivers	204 Kalagbor Street, Rumuola, Port-Harcourt
138.	Ogbunabali – PH	Rivers	2a, Aguma Street, Port-Harcourt

SN	Branch Name	State	Address
139.	Aggrey Rd – PH	Rivers	14, Aggrey Road, Port Harcourt
140.	Melford Okilo Road – Yenagoa	Bayelsa	252, Melford Okilo Road, Amarata, Yenagoa
141.	Toro Orua	Bayelsa	Toro Orua, Sagbama
142.	Rumuibekwe	Rivers	Plot 6 and 7, (420, Aba Road, Rumuibekwe , Port Harcourt)
143.	Yenagoa 3	Bayelsa	Sani Abacha Way, Yenagoa
144.	Iwo Road – Ibadan	Oyo	49a, Iwo Road Ibadan
145.	Dugbe	Oyo	3, Obafemi Awolowo Way Dugbe
146.	Abeokuta	Ogun	Abeokuta Sport Club Road, OPIC Roundabout, Oke-Ilewo, Abeokuta(B/W Big Treat & Sweet Sensation)
147.	Ijebu-Ode	Ogun	39, Ibadan Road, Ijebu-Ode
148.	Apata – Ibadan	Ogun	529, Old Abeokuta Rd, Apata Gangan, Ibadan
149.	Ring Road	Oyo	97, Lagos Road, Challenge, Ibadan
150.	Secretariat – Ibadan	Oyo	Oyo State Govt. Secretariat Complex, Ibadan
151.	Oke-Ado – Ibadan	Oyo	2, Ososami Rd, Oke-Ado, Ibadan.
152.	Shagamu	Ogun	Along Akarigbo Road, Shagamu
153.	Ore	Ondo	82, Ondo Rd, Ore
154.	MM Way, Ilorin	Kwara	11, Muritala Mohammed Way, Ilorin
155.	Ibrahim Taiwo – Ilorin	Kwara	Plot 240, Ibrahim Taiwo Road, Ilorin
156.	Oshogbo	Osun	Km 3, Ibadan Gbongan Road, Oshogbo,
157.	Bowen University	Osun	Bowen University, Iwo
158.	Ado Ekiti	Ekiti	Bank Road, By New Iyin Road, Ado Ekiti
159.	Ikere Ekiti Cash Centre	Ekiti	Ikere Ekiti College of Education, Ikere
160.	Akure	Ondo	142, Oba Oyemekun Rd Akure

