



2025 ANNUAL REPORT

AND FINANCIAL STATEMENTS



STERLING BANK LIMITED

RC 2392

2025 ANNUAL REPORT AND FINANCIAL STATEMENTS



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NOTICE OF ANNUAL GENERAL MEETING



NOTICE IS HEREBY GIVEN that the 64th Annual General Meeting of Sterling Bank Ltd will be held at Sterling Towers, 20, Marina, Lagos and virtually via www.sterling.ng/agm on Thursday, the 7th day of May 2026 at 10.00 a.m. to transact the following:

ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the year ended 31st December 2025, the Reports of the Directors and Auditors thereon.
2. To re-elect the following Directors retiring by rotation:
 - **Mr. Michael Jituboh**
 - **Mrs. Tairat Tijani**
3. To authorize the Directors to fix the remuneration of the Auditors.
4. 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:

5. That the Directors' Fees for the year ending 31st December 2026 and subsequent years be fixed at N77,600,000 (Seventy-Seven Million, Six Hundred Thousand Naira) for each 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. Re-election of Directors

In accordance with the provisions of the Company's Articles of Association, the Directors to retire by rotation at the 64th Annual General Meeting are Mr. Michael Jituboh and Mrs. Tairat Tijani. 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 29th day of April 2026

BY ORDER OF THE BOARD

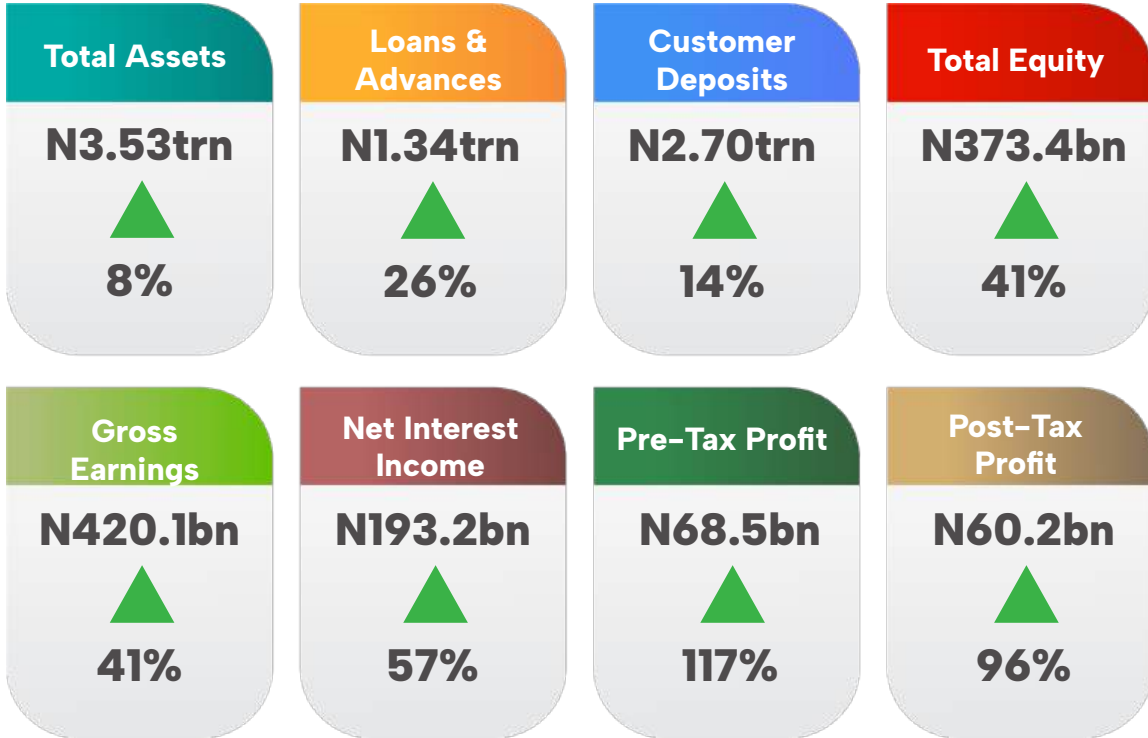
A handwritten signature in black ink, appearing to read "Sunny Kanabe".

Sunny Kanabe
Company Secretary
20 Marina, Lagos



Performance Highlights

Financials



Channels



Ratings



Our Strategy and Business Model

Our Business Model

[2006–2010] Our Heritage and Evolution

Sterling Bank Limited was formed through the consolidation and integration of multiple legacy institutions, including Magnum Trust Bank, NAL Bank Plc, Trust Bank of Africa, Indo-Nigeria Merchant Bank, and NBM Bank. This formative period laid the foundation for scale, resilience, and a distinct market identity.

Post merger, the Bank focused on building capital, integrating talent and systems post-merger, expanding its retail footprint, strengthening technology infrastructure, and developing a customer-centric brand anchored on service excellence. These efforts positioned Sterling as a competitive, knowledge-driven institution with a strong retail deposit base.



[2011–2024] Growth, Transformation, and Strategic Milestones

Between 2011 and 2024, the Bank executed a series of strategic initiatives that reshaped its operating model and market positioning. Key milestones included the completion of a major merger and integration, divestment of non-core businesses following regulatory reforms, and multiple capital raises to support balance sheet growth.

The period also marked Sterling's transition into a digitally enabled institution, with investments in core banking transformation, agent banking, digital lending platforms, mobile wallets, and enterprise payment solutions. The Bank strengthened its governance and risk framework, obtained key international certifications, and embedded sustainability through environmental initiatives and green infrastructure investments.

In 2023, Sterling completed its transition into a financial holding company and launched Alternative Bank Limited, reinforcing its commitment to alternative finance and inclusive banking. By 2024, the Bank had successfully migrated to Africa's first indigenous core banking platform, expanded SME financing partnerships, and received multiple recognitions for MSME impact, innovation, and sustainability leadership.



2025: Strengthening Capital, Performance, and Impact

In 2025, the Bank focused on consolidation, capital strength, and performance optimization. Key highlights included:



Optimization of the Bank's branch network nationwide to enhance efficiency and service delivery across retail, commercial, and institutional banking.



Successful capital injection of N99.97 billion from our parent company, strengthening capital adequacy and supporting regulatory compliance and future growth.



Strong financial performance, with gross earnings of N420.1 billion, profit before tax grew by 117.2% to N68.5 billion, while profit after tax increased by 96% to N60.2 billion



Expanded financing and partnerships across priority economic sectors, with sustained focus on sustainability, food security, and inclusive growth.



Deepened engagement with SMEs and the creative economy through ecosystem partnerships and national-scale sponsorships.

Our Purpose

“Enriching Lives”

Sterling exists to improve lives by enabling economic participation and long-term prosperity. The Bank collaborates with communities, customers, employees, partners, and shareholders to create shared value, foster inclusion, and build a resilient future without compromising long-term sustainability.



Our Strategic Focus

Sterling’s strategy is anchored on:

- Prudent balance sheet, capital, and risk management to deliver sustainable shareholder returns.
- Operational and cost efficiency enabled by technology and process optimization.
- Strong digital and payments capabilities to drive customer acquisition, service excellence, and revenue growth.
- Continuous learning and talent development to enhance productivity and leadership depth.

Our Operating Model

The Bank operates an agile, customer-centric model that combines journey thinking, digital enablement, and collaboration. By fostering a start-up mindset within a regulated financial institution, Sterling promotes innovation, speed, and accountability across its businesses.

Value is created through:

- Extracting synergies across business lines and deepening customer relationships.
- Targeting high-growth customer segments using digital platforms.
- Driving efficiency and scale within focused priority sectors.

The HEART Strategy

Sterling's HEART strategy i.e. Health, Education, Agriculture, Renewable Energy, and Transportation remains central to its identity and growth model. These sectors are critical to Nigeria's development and face significant capital gaps. By prioritizing them, the Bank supports human development, food security, energy transition, and economic resilience.

Across all HEART sectors, Sterling:

- Provides tailored financing to innovative and growth-oriented businesses.
- Leverages technology to improve efficiency and unlock new business models.
- Builds partnerships that enable scale, knowledge sharing, and ecosystem growth.

Strategic Ambition

In the short to medium term, Sterling aims to grow its market share, maintain asset quality above peer averages, deliver above-peer returns, and sustain double-digit revenue growth while maintaining low cost of funds.

Over the long term, the Bank seeks to build a globally competitive, fully sustainable financial services franchise one that is trusted, digitally led, socially relevant, and institutionally resilient beyond current leadership.



HEART in Focus: Enriching Lives, Driving Growth

In 2025, we redefined what HEART truly means to us—a clear commitment to enriching lives while driving sustainable growth for our people, our customers, and the communities we serve.

Guided by our one customer philosophy, we took deliberate steps to transform how we grow, serve, and deliver value. We embarked on a service transformation journey to reimagine our customer experience, invested in AI capacity development to equip our people to deliver greater impact, and disrupted the market with the Sterling Vanguard Initiative, reinforcing our commitment to making banking simple, fair, and human. Every initiative was designed to connect purpose with performance, ensuring that growth was not just measured in numbers, but in lives enriched and trust earned.

Setting the Pace: Growth Through Purpose

To deliver on this ambition, we knew our people strategy had to be just as intentional. Growth would not happen by chance; it had to be enabled, owned, and sustained by our HEART—people.

We began the year by defining six critical people priorities focused on translating our ambition for Growth and Scale into everyday action. These priorities were designed to ensure we attracted the right talent, built future-ready capabilities, and inspired performance that was both purposeful and measurable.

Enterprise goals were clearly articulated and cascaded across the institution, giving employees clarity on what mattered most and how their contributions connected to our broader strategy. Leaders played a central role in this journey, taking greater ownership for alignment, setting clear performance expectations, and creating the right conditions for their teams to succeed.

Through this shared clarity and accountability, we strengthened our performance culture. We laid the foundation for the improved financial outcomes, proving that when purpose and people move together, growth follows.

Sterling Vanguard: Every Employee as a Growth Ambassador

“A great place to work is the input for great work.” – Abubakar Suleiman

One of the most visible outcomes of our people-first approach was the strengthening of our performance culture. In Q2, we launched the Sterling Vanguard Initiative, a growth strategy designed to mobilise our workforce beyond traditional sales roles. By empowering every Sterling Human to actively contribute to customer acquisition and deposit mobilisation, we transformed our people into true growth ambassadors.

The results were tangible: we onboarded a significant number of new-to-bank customers and achieved measurable growth in deposit inflows, while also disrupting the market in a way that directly benefited Nigerians, ensuring they could bank without the burden of transfer charges. This dual impact, for both our people and our customers, demonstrated how engaged, motivated, and purpose-driven teams delivered extraordinary outcomes.



Elevating Talent: Learning, Growth, and Artificial Intelligence

No doubt, meaningful work comes with the tools, skills, and mindset to excel. In 2025, as we accelerated our growth ambitions, we placed a deeper focus on leadership and people empowerment, recognising that our people are the drivers of performance, innovation, and impact.

We continued to invest intentionally in learning and capability building across all levels. From immersive onboarding experiences to targeted skill development programs, learning remained a key driver of performance, engagement, and career growth. Leadership development was central to this effort. Programs such as the Leadership Learning Circuit, Sterling Leadership Visibility Program, and Line Manager Community Workshops equipped managers with the clarity, empathy, and accountability needed to inspire and align their teams. Career pathways and internal mobility were strengthened through initiatives like Sterling Women Development Program (Catch Them Young), the Sterling Graduate Associate Program (SGAP), and the Sterling Phoenix Program, offering structured opportunities for growth, cross-functional exposure, and progression into expanded responsibilities.

Recognizing Performance and Rewarding Growth

Growth is driven not just by strategy, but by the people powering it. We amplified our focus on performance and reward, ensuring every Sterling Human could clearly see how their contributions impacted both personal growth and the Bank's broader ambitions.

Our approach was about creating a culture where impact is celebrated, potential is realised, and careers are elevated. As part of rethinking our performance model, we

innovation through learning remained equally people-centred. The AI Capacity Development initiative was designed not as a technology rollout, but as a people-led program equipping employees with the knowledge, confidence, and skills to responsibly harness AI, enhance decision-making, and create greater value across the enterprise, ultimately enabling improved service delivery and richer experiences for our customers and communities. Over 450 employees participated in a functional workshop on Empowering the Business with AI, supported by curated courses and microlearning modules, preparing them to embrace the Human + AI future.

In parallel, we deepened our service transformation journey. Employees engaged in customer experience immersion sessions and targeted trainings designed to strengthen service mindsets, anticipate customer needs, and deliver exceptional experiences. Our objective was clear: Empower our people to make every interaction meaningful, anticipate customer needs, and drive business impact.

introduced new frameworks to support growth and accountability, which resulted in promotions across all levels, recognition for employees stepping into expanded roles, and spotlighting those who embraced new responsibilities and delivered results that truly mattered. Promotions through Internal Mobility reinforced our commitment to building talent from within, while quarterly spotlight initiatives highlighted exceptional performance through meaningful, non-monetary recognition.

The Sterling Vanguard Reward Scheme became a platform to identify, reward, and accelerate high-performing growth ambassadors. Employees who delivered exceptional impact were not only recognised but also promoted and positioned for future opportunities, proving that excellence and contribution go hand in hand with growth. Leadership review sessions, performance contracts for leaders, and targeted performance interventions provided employees with the guidance, tools, and accountability needed to thrive, ensuring performance became both a personal and organizational driver of success.

Our goal is to always ensure that Sterling Humans see a clear connection between excellence and reward.

Supporting the Whole Person

We recognise that growth and performance are fueled by people who are healthy, supported, and empowered to bring their whole selves to work. Last year, our commitment to wellbeing deepened, reflecting a holistic approach that nurtures physical, emotional, mental, and financial health.

Wellness support was strengthened, and initiatives expanded to improve both physical and mental well-being. With a strong focus on preventive care, employees participated in educational webinars on cardiovascular health, menopausal wellness, domestic violence and trauma, breast cancer, fibroid awareness, and more. These were complemented by practical, on-site interventions, including blood pressure and blood sugar screenings, clinical breast examinations, and HPV vaccinations, making it easier for people to care for themselves while staying at the forefront of health.

Women's health remained a central priority, with the introduction of Bloom After Birth,

a community and support program for mothers navigating the postpartum period. By normalising conversations around wellbeing and making support accessible, we fostered a culture where employees feel empowered to prioritise their health and support one another.

Beyond physical and emotional health, we also invested in financial wellness, introducing upward review of rewards, enhanced perks, and financial webinars to equip our people with the knowledge and tools to make informed financial decisions.

We reinforced our commitment to financial well-being by reviewing rewards upward, enhancing employee perks, and delivering financial empowerment webinars to help our people plan, grow, and thrive with confidence.

When people are supported in all aspects of their lives, their potential is unleashed. And as individuals thrive, so does the organisation too: Fueling innovation, enhancing customer experiences, and driving sustainable growth.

Different Voices, One Sterling

Supporting the whole person means creating a space where everyone can belong, contribute fully, and thrive. We remain committed to building an inclusive environment where differences are celebrated—for our people, our customers, our business, and the society we serve.

Through Sterling Embrace and the Sterling Momship Program, we welcomed new talents, opening pathways for persons with disabilities and working mothers returning from career breaks to reintegrate into impactful roles. Through talent programs like these, along with personalized support, mentorship, and learning opportunities, these employees were able to integrate seamlessly, contribute

meaningfully, and access clear pathways for growth and development.

Our Employee Resource Group (ERG) networks, including Sterling Touch, Bloom, Anchor, Jets, and Efiko continued to drive engagement and social impact beyond the office walls. From commemorating key Diversity, Equity and Inclusion (DEI) milestones to leading community outreach initiatives and strengthening our partnerships, we created tangible impact while reinforcing a culture where every voice matters.

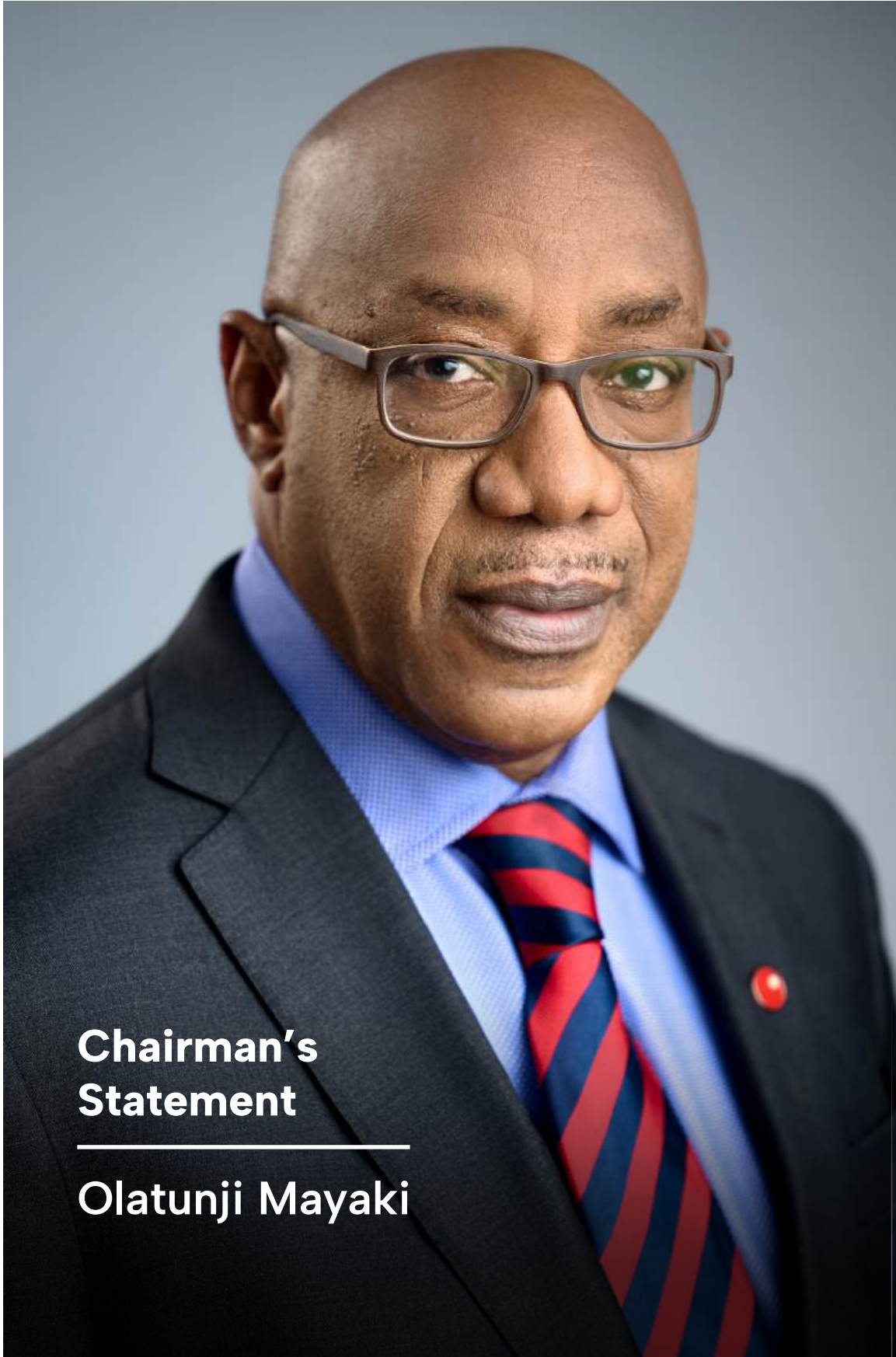
These collective efforts earned recognition at multiple levels: Best Bank in Workplace Excellence (Nigeria) by BII Finance, Best Workplaces in Banking in Nigeria by Great

Place To Work®, and an award for family-responsible workplace practices from the Institute for Work and Family Integration in partnership with Lagos Business School.

The Future is Bright

As we leap forward, our focus remains on continuously building an agile, inclusive, and high-performing workforce. We will continue to empower our people, strengthen the employee experience, and evolve our people practices in alignment with the needs of our business and our Sterling Humans. Our journey continues, with our people at the HEART of Sterling.





**Chairman's
Statement**

Olatunji Mayaki

Introduction

Distinguished Shareholder and Colleagues,

It is my privilege to welcome you to the 64th Annual General Meeting of Sterling Bank Ltd and to present the Annual Report for the year ended 31 December 2025.

The 2025 financial year marked a defining period for the Bank, as disciplined execution, strategic clarity, and sustained investment in our transformation agenda translated into strong and broad-based performance. Despite a complex and evolving operating environment, Sterling Bank delivered a significant improvement in financial outcomes while strengthening the foundations for long-term sustainable value creation.

Macroeconomic and Operating Environment

In 2025, the global economy demonstrated notable resilience in the face of heightened geopolitical tensions, policy uncertainty, and ongoing trade realignments. According to the International Monetary Fund, global output expanded by approximately 3.2%, supported by moderating inflation, continued technological investment, and the adaptability of private-sector activity.

Nigeria's economy recorded steady progress during the year, reflecting a gradual but meaningful macroeconomic reset. Real GDP growth of approximately 3.9% was underpinned by broad-based expansion across both oil and non-oil sectors, with the services sector remaining the primary driver of economic activity.

Monetary conditions remained tight, as the Central Bank of Nigeria sustained a policy stance focused on curbing inflation and supporting macroeconomic stability. While

these constrained liquidity conditions, it also reinforced discipline across the financial system. Encouragingly, inflation moderated significantly during the year, easing to approximately 15.15% by December 2025 following the CPI rebasing exercise, thereby restoring a greater degree of predictability for businesses and households.

The foreign exchange market also recorded improved stability, supported by exchange-rate reforms, stronger FX inflows, and reduced pressure on demand. Increased domestic refining capacity further contributed to easing external imbalances. As a result, external reserves strengthened, and the Naira recorded its first annual appreciation in over a decade, closing the year at approximately N1,429/US\$.

Overall, these developments, while still evolving, signal early progress toward a more stable and balanced macroeconomic environment.

Performance Overview

Against this backdrop, Sterling Bank delivered a strong financial performance in 2025, reflecting the effectiveness of its strategy, the quality of execution, and the strength of its governance framework.

Profitability improved significantly, with profit before tax more than doubling year-on-year, driven by disciplined balance sheet management, improved asset yields, and enhanced operational efficiency. This performance underscores the Bank's ability to convert strategic intent into tangible financial outcomes.

The Bank's balance sheet expanded in a measured and sustainable manner, supported by responsible growth in customer lending and a continued focus on financing priority sectors of the economy. At the same time, asset quality and risk controls were carefully

managed to ensure resilience in a still-evolving operating environment.

Shareholders' funds increased materially during the year, supported by stronger earnings and capital infusion, further enhancing the Bank's capacity to pursue growth opportunities and absorb potential shocks.

Importantly, the Bank's continued investment in digital infrastructure and platform-led capabilities has positioned Sterling as a forward-looking institution, well equipped to scale efficiently, deepen customer engagement, and compete effectively in an increasingly digital financial services landscape.

Outlook for 2026

Looking ahead, the global outlook for 2026 remains moderately positive, but with downside risks, particularly from persistent geopolitical tensions and trade fragmentation. Within this context, Nigeria's economic trajectory remains cautiously optimistic, supported by ongoing fiscal reforms, improving oil production, and encouraging momentum in non-oil exports.

For Sterling Bank, the year ahead presents an opportunity to consolidate recent gains and accelerate progress along its strategic priorities. Your Board remains firmly committed to supporting Management in deepening financial inclusion, scaling innovation, and driving disciplined growth across the franchise.

With a strengthened capital base, improved liquidity position, and a clear strategic direction, the Bank is well-positioned to navigate the evolving environment, capture emerging opportunities, and deliver sustainable returns.

Closing Remarks

On behalf of the Board, I extend my sincere appreciation to our customers for their continued trust, our employees for their dedication and professionalism, and our regulators for their guidance and constructive engagement.

To our shareholder, I thank you for your unwavering confidence and continued support. We remain committed to upholding the highest standards of governance, delivering long-term value, and ensuring that Sterling Bank continues to play a meaningful role in driving economic growth and financial inclusion.



Olatunji Mayaki

Chairman, Board of Directors,
Sterling Bank Limited



**Managing Director's
Statement**

Abubakar Suleiman

Introduction

Dear Shareholder,

I am pleased to present an overview of Sterling Bank Ltd's performance for the financial year ended 31 December 2025. The year under review was marked by strong operational delivery, improved financial performance, and continued progress in embedding disciplined, purpose driven growth across the Bank.

Despite operating within a challenging and evolving macroeconomic environment, Sterling Bank delivered resilient outcomes, reflecting the effectiveness of our strategy, the strength of our execution capabilities, and the dedication of our people.

Operating Environment

The 2025 financial year unfolded against a backdrop of cautious global economic stabilisation, supported by moderating inflation and easing supply side pressures across major economies. While growth remained uneven and geopolitical risks persisted, macroeconomic volatility moderated compared with the previous year.

In Nigeria, economic conditions continued to evolve as structural reforms and policy adjustments took effect. Although inflation moderated during the year, underlying pressures remained, necessitating a sustained tight monetary policy stance by the Central Bank of Nigeria. These conditions translated into tighter liquidity, elevated funding costs, and heightened regulatory scrutiny within the banking sector.

Within this context, competitive intensity increased, particularly across digital channels, while regulatory emphasis on capital adequacy, asset quality, and balance sheet resilience sharpened. Against these realities, Sterling Bank remained steadfast in executing

its strategic priorities, navigating near term pressures while positioning the franchise to capture emerging opportunities.

Strategic Execution and Operational Excellence

The 2025 financial year marked a period of strong and consistent execution of our strategic priorities. Building on the momentum from prior years, we delivered solid performance across both financial and non financial indicators, driven by operational discipline, efficiency improvements, and customer centric innovation.

A core pillar of this progress remains SeaBaas, which continued to serve as the backbone of operational excellence across the franchise. During the year, SeaBaas delivered significant measurable impact, accelerating digital adoption, enhancing processing efficiency and driving cost optimization. Leveraging this platform, we processed over two billion transactions significantly reduced processing times and grew customer adoption by over 150%, all while maintaining zero downtime throughout the year. This underscores the robustness, reliability, and resilience of our technology infrastructure.

To further enhance operational efficiency and elevate customer experience, the Bank commenced the implementation of a channel optimization strategy. This initiative transitions us from a traditional branch-heavy model to a dynamic, multi-channel ecosystem, seamlessly integrating banking, lifestyle, and digital touchpoints into a unified customer experience.

The efficiencies unlocked through these transformations enabled us to deliver tangible value to our customers. In line with our commitment to accessible and inclusive banking, we eliminated transfer fees and account maintenance charges. This

initiative supported the onboarding of over two million new customers during the year, further strengthening trust and deepening engagement with the Sterling brand.

Delivering Impact Through the HEART Sectors

In 2025, we continued to translate our HEART vision (Health, Education, Agriculture, Renewable Energy, and Transportation) into measurable social and economic impact. Financing under the HEART framework grew by 39% to N331.7 billion, reflecting our deliberate focus on priority sectors critical to Nigeria's development.

In Health, we sustained targeted financing and partnerships aimed at expanding access to quality healthcare, with increasing emphasis on digital and community based delivery models. In Education, our Beyond Education initiative advanced meaningfully through a N2 billion commitment towards full tuition scholarships for 600 Nigerian students in collaboration with Miva Open University, while strengthening pathways linking education to internships and employment.

We expanded support for Agribusinesses and smallholder farmers, reinforcing food security and value chain productivity, while our Renewable Energy interventions continued to enable wider adoption of clean and sustainable power solutions for households and businesses. In Transportation, we supported initiatives that improve connectivity, efficiency, and economic inclusion.

Collectively, these interventions have impacted the lives of over 30 million Nigerians, reinforcing HEART as a practical framework guiding our capital allocation, innovation agenda, and purpose driven growth.

Financial Performance

Sterling Bank delivered robust financial performance in 2025, reflecting the strength of our strategy and execution.

Gross earnings increased by 41.5% to N420.1 billion, driven primarily by a 40.5% growth in interest income to N335.4 billion, supported by balance sheet expansion and a sustained high interest rate environment.

Non interest income also recorded strong growth of 42.6% to N68.6 billion, underpinned by increased transaction volumes, higher customer activity across digital platforms, and improved trading performance. Net trading income rose by 87.6% to N21.8 billion, while other operating income increased by 85.0%, further diversifying our revenue base.

Total operating expenses increased by 25.4% to N161.2 billion, reflecting inflationary pressures and strategic investments. However, operating leverage improved materially, with the cost to income ratio declining to 61.2% from 75.2% in the prior year.

As a result, profit before tax rose to N68.5 billion, while profit after tax increased by 95.6% to N60.2 billion, underscoring the strength and sustainability of our earnings profile.

Balance Sheet Strength and Capital Position

Our balance sheet strategy remained focused on sustainable growth, asset quality, and funding efficiency. Total assets increased by 8.2% to N3.53 trillion, driven by growth in customer loans and investment securities.

Loans and advances grew by 25.7% to N1.34 trillion, reflecting continued support for households and businesses across strategic sectors, while investment securities increased by 40.7% to N779.6 billion, driven by proactive treasury positioning. Customer deposits rose

by 14.3% to N2.70 trillion, with low cost deposits growing by 20%, reinforcing the strength of our franchise and customer confidence.

Our capital position strengthened significantly, with shareholders' funds increasing by 40.8% to N373.4 billion, supported by improved earnings and capital injection. Regulatory ratios remained comfortably above minimum thresholds, with a Capital Adequacy Ratio of 14.81%, liquidity ratio of 43.31%, and a non performing loan ratio of 4.72%.

Outlook

As we progress through 2026, we remain guided by a clear strategic vision and a strong foundation. Our priorities include enhancing operational efficiency, deepening digital capability, expanding innovative product offerings, and continuously improving customer experience across all our touchpoints.

With a strengthened balance sheet, resilient capital position, and scalable operating platform, Sterling Bank is well positioned to sustain growth and deliver long term value to all stakeholders.

Appreciation

I extend my sincere appreciation to our shareholder for your confidence, our customers for their loyalty, and our employees for their commitment and professionalism. I am confident that, together, we will continue to build a stronger, more resilient and purpose-driven Bank that creates shared value for society.



Abubakar Suleiman

Managing Director / Chief Executive Officer
Sterling Bank Ltd

Performance Review

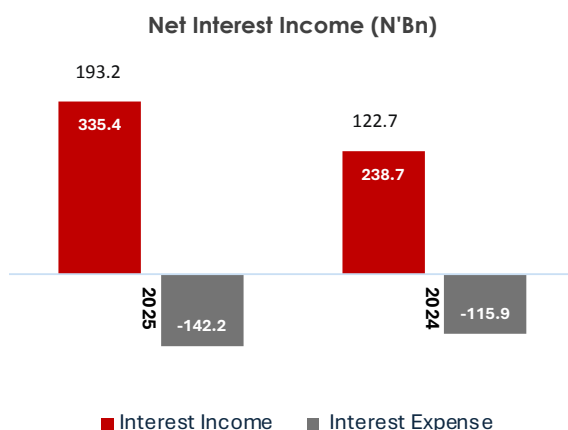
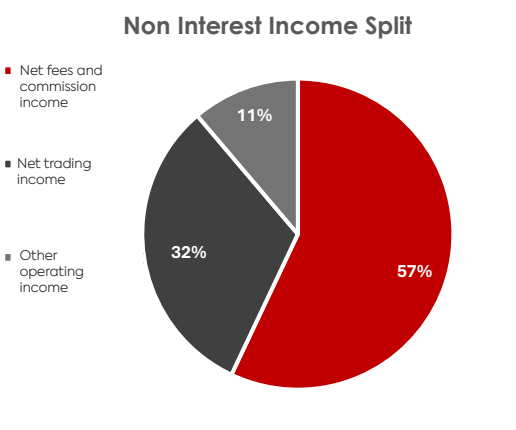
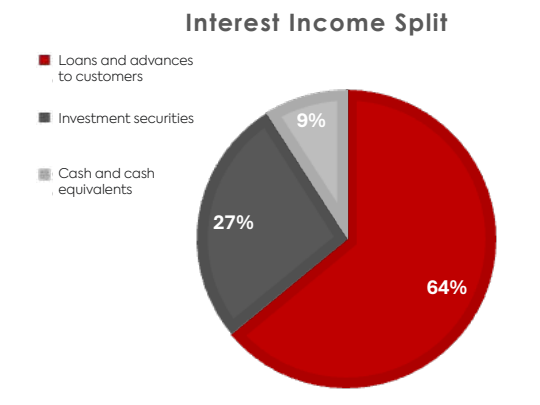
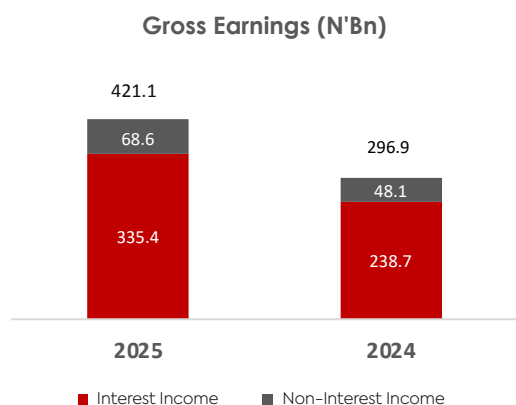
Highlights from the Statement of Comprehensive Income

In millions of Naira	2025 N'M	% of Total	2024 N'M	% of Total	% Growth
Gross Earnings	420,149	100%	296,961	100%	41.5%
Interest income	335,359	80%	238,703	80%	40.5%
Interest expense	(142,152)	(34%)	(115,986)	(39%)	22.6%
Net interest income	193,207	46%	122,717	41%	57.4%
Net fees and commission income	39,120	9%	32,334	11%	21.0%
Net trading income	21,794	5%	11,619	4%	87.6%
Other operating income	7,686	2%	4,155	1%	85.0%
Non-Interest Income	68,600	16%	48,108	16%	42.6%
Operating income	261,807	62%	170,825	58%	53.3%
Credit loss expense	(32,116)	(8%)	(10,770)	(4%)	198.2%
Net operating income after credit loss expense	229,691	55%	160,055	54%	43.5%
Personnel expenses	(39,625)	(9%)	(25,940)	(9%)	52.8%
Operating expenses	(96,867)	(23%)	(76,017)	(26%)	27.4%
Depreciation and amortisation	(6,830)	(2%)	(4,955)	(2%)	37.8%
Other property, plant and equipment costs	(17,893)	(4%)	(21,619)	(7%)	(17.2%)
Total expenses	(161,215)	(38%)	(128,531)	(43%)	25.4%
Profit before windfall and income taxes	68,476	16%	31,524	11%	117.2%
Income tax expense	(7,342)	(2%)	2,918	1%	(351.6%)
Windfall tax	(971)	0%	(3,676)	(1%)	(73.6%)
Profit after tax	60,163	14%	30,766	10%	95.6%

Revenue Growth and Earnings Quality

We sustained our top-line earnings growth momentum in 2025, as gross earnings grew by 41.5% to N420.1 billion. This was supported by an expansion of our business activities in lending, transaction volumes and trading activities thereby further demonstrating the Bank's diversified revenue base. Consequently, interest income rose by 40.5% to N335.4 billion, reflecting improved asset yields and effective assets positioning in a high-interest rate environment.

Similarly, non-interest income grew by 42.6% to N68.6 billion, maintaining its contribution at 16% of gross earnings. This was largely driven by a substantial increase in trading income (+87.6%) and other operating income (+85.0%), highlighting the Bank's ability to capitalize on market opportunities and diversify revenue streams.



Net Interest Income

Net interest income increased significantly by 57.4% to N193.2 billion (2024: N122.7 billion), underscoring a marked improvement in core banking profitability. This reflects the Bank's ability to optimise its balance sheet in a high-interest rate environment and disciplined funding cost management.

Interest income grew by 40.5% to N335.4 billion, supported by higher yields on earning assets, which rose to 17.53% (2024: 16.40%), as well as continued expansion in interest-earning assets. This reflects the Bank's strategic positioning to benefit from prevailing market conditions, while maintaining a focus on quality asset growth.

In contrast, interest expense increased at a more moderate rate of 22.6% to N142.2 billion, demonstrating effective liability management. The Bank's strong low-cost deposit base and

prudent funding strategy helped contain the rise in funding costs, despite sustained upward pressure on interest rates.

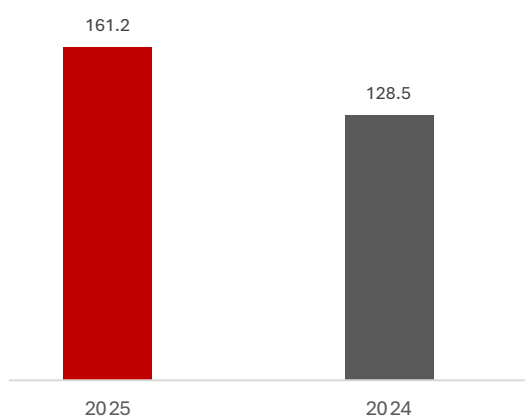
Operating Performance and Efficiency

The Bank's 2025 operating expenses reflect strong cost management and improved efficiency, with expenses growing at a controlled pace relative to income. Total expenses rose by 25.4% to N161.2 billion (2024: N128.5 billion), significantly below the growth in gross earnings (+41.5%) and operating income (+53.3%).

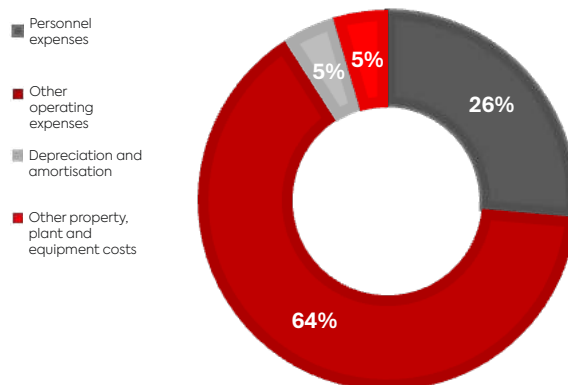
The increase in operating expenses was primarily driven by a 52.8% rise in personnel expenses to N39.6 billion, alongside a 37.8% increase in depreciation and amortisation to N6.8 billion. These cost movements reflect deliberate investments in human capital and digital infrastructure aimed at supporting business expansion. Management believes these strategic investments will enhance long-term operational efficiency, scalability, and the Bank's capacity to sustain future growth.

Despite these investments, overall expense growth remained contained, enabling the Bank to achieve meaningful efficiency gains. Consequently, the cost-to-income ratio improved significantly to 61.6% (2024: 75.2%), highlighting the positive impact of prior investments in technology, infrastructure, and operational scale.

Total Operating Expenses (N'Bn)



Total Operating Expenses Split



Profitability

Overall, the Bank sustained its profit growth momentum with a 117.2% growth in profit before tax to N68.5 billion (2024: N31.5 billion) supported by strong operating income growth and disciplined cost management. As a result, profit after tax increased by 95.6% to N60.2 billion, with net profit margin improving to 14% (2024: 10%) reflecting enhanced earnings and overall business efficiency.

Statement of Financial Position Analysis

In millions of Naira	2025 N'M	% of Total	2024 N'M	% of Total	% Growth
ASSETS					
Cash and balances with Central Bank of Nigeria	677,516	19.2%	803,132	24.6%	(15.6%)
Due from banks	472,238	13.4%	569,515	17.5%	(17.1%)
Pledged assets	16,085	0.5%	28,675	0.9%	(43.9%)
Loans and advances to customers	1,335,738	37.8%	1,062,623	32.6%	25.7%
Investments in securities:					
Debt Instruments at fair value through profit or loss	74,132	2.1%	27,491	0.8%	169.7%
Debt instruments at fair value through other comprehensive income	618,731	17.5%	438,838	13.5%	41.0%
Equity instruments at fair value through other comprehensive income	42,222	1.2%	40,622	1.2%	3.9%
Debt instruments at amortised cost	64,491	1.8%	61,184	1.9%	5.4%
Other assets	160,757	4.6%	165,350	5.1%	(2.8%)
Property, plant and equipment	42,493	1.2%	39,873	1.2%	6.6%
Right-of-use asset	8,813	0.2%	8,669	0.3%	1.7%
Intangible assets	3,103	0.1%	3,105	0.1%	(0.1%)
Deferred tax assets	13,013	0.4%	13,141	0.4%	(1.0%)
TOTAL ASSETS	3,529,331	100.0%	3,262,218	100.0%	8.2%
LIABILITIES					
Deposits from banks			28,931	0.9%	(100.0%)
Deposits from customers	2,698,767	76.5%	2,361,995	72.4%	14.3%
Derivative financial liabilities	1,433	0.0%		0.0%	100.0%
Current income tax payable	6,394	0.2%	2,199	0.1%	190.8%
Other borrowed funds	220,233	6.2%	185,269	5.7%	18.9%
Debt securities issued		0.0%	34,056	1.0%	(100.0%)
Other liabilities	226,828	6.4%	384,002	11.8%	(40.9%)
Provisions	2,283	0.1%	490	0.0%	365.9%
TOTAL LIABILITIES	3,155,938	89.4%	2,996,942	91.9%	5.3%
EQUITY					
Share capital	20,391	0.6%	14,395	0.4%	41.7%
Share premium	136,696	3.9%	42,759	1.3%	219.7%
Retained earnings	33,304	0.9%	36,457	1.1%	(8.6%)
Other components of equity	183,002	5.2%	102,799	3.2%	78.0%
Deposit for ordinary share capital		0.0%	68,866	2.1%	(100.0%)
TOTAL EQUITY	373,393	10.6%	265,276	8.1%	40.8%
TOTAL LIABILITIES AND EQUITY	3,529,331	100.0%	3,262,218	100.0%	8.2%

Assets Composition and Quality

Our financial position in 2025 reflects measured balance sheet expansion, improved asset mix, and a stronger capital base, positioning the Bank for sustainable growth while maintaining resilience in a dynamic operating environment.

Total assets increased by 8.2% to N3.53 trillion (2024: N3.26 trillion), driven primarily by growth in the loan book and investment securities portfolio. Loans and advances to customers increased by 25.7% to N1.34 trillion, constituting 37.8% of total assets. This growth reflects the Bank's continued commitment to financing key sectors of the economy, while strategically increasing exposure to high-yielding risk assets.

In parallel, the Bank expanded its investment securities portfolio, with FVOCI debt instruments rising by 41.0% to N618.7 billion and FVTPL instruments increasing significantly by 169.7% to N74.1 billion. This reflects a proactive and well-balanced treasury strategy, aimed at optimizing yields while maintaining adequate liquidity and managing risk exposures.

On the other hand, cash and balances with the Central Bank of Nigeria and due from banks declined by 15.6% and 17.1% respectively highlighting reallocation of excess liquidity into higher-yielding assets to enhance assets utilization, while pledged assets which represents pledges on clearing activities, interbank transactions and collateral for funding obligations declined by 43.9% to N16.1 billion due to repayments of these obligations.

Liability Structure and Funding Strategy

Customer deposits rose by 14.3% to N2.70 trillion and remained the largest funding source, accounting for 76.5% of total funding (2024: 72.4%). This reflects an increased reliance on stable, low cost customer deposits, strengthening the Bank's funding profile and liquidity position.

Borrowed funds increased by 18.9% to N220.2 billion, providing additional support for asset growth and balance sheet expansion. This was complemented by a full repayment of debt securities (N34.1 billion in 2024), indicating a deliberate shift from relatively higher-cost funding sources. In the same vein, other liabilities declined significantly by 40.9%, reflecting ongoing balance sheet optimisation.

Equity Position

Total equity grew by 40.8% to N373.4 billion, materially strengthening the Bank's capital base. This was driven by a successful capital injection, reflected in higher share capital and share premium, alongside gains in revaluation reserves and other comprehensive income. Capital adequacy and liquidity ratios closed well above regulatory minimums at 14.81% and 43.31% , respectively, supporting balance-sheet resilience and future growth.

Gross Loans by Sector

In millions of Naira	2025 (N 'Mn)	% of Total	2024 (N 'Mn)	% of Total
Agriculture	223,374	16.04%	143,648	13.1%
Communication	29,160	2.09%	31,334	2.9%
Consumer	116,507	8.57%	93,462	8.5%
Education	6,774	0.49%	6,094	0.6%
Finance & Insurance	60,568	4.35%	21,439	2.0%
Government	96,242	6.91%	83,010	7.6%
Manufacturing	39,091	2.81%	65,495	6.0%
Mining & Quarrying	14	0.00%	6	0.0%
Mortgage	2,264	0.16%	2,234	0.2%
Oil & Gas	381,438	27.39%	367,412	33.4%
Others	212,041	15.24%	134,426	12.2%
Power	55,651	4.01%	30,662	2.8%
Real Estate & Construction	94,654	6.80%	54,122	4.9%
Transportation	71,610	5.14%	65,653	6.0%
Grand Total	1,389,388		1,098,997	

The loan portfolio in 2025 reflected a well-diversified and strategically positioned asset base, aligned with both economic development priorities and the Bank's profitability objectives. Asset quality remained sound during the period, underscored by a Non Performing Loan (NPL) ratio of 4.72%.

Performance By Business Segments

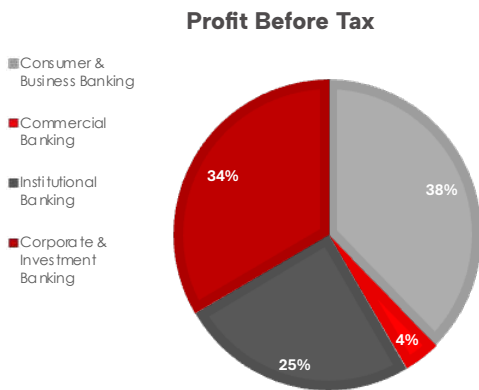
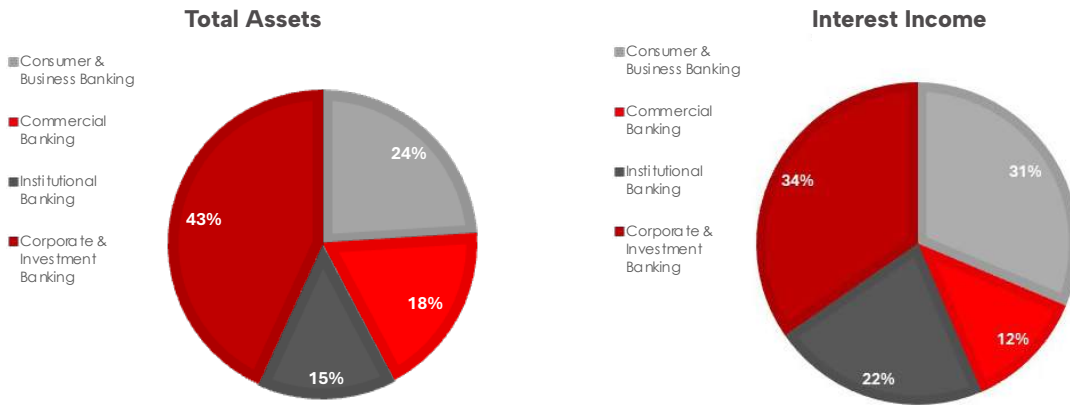
Consumer and Business Banking: The Consumer and Business Banking segment remained the primary earnings driver, contributing 38% of total profit and generating N25.8 billion during the year. Performance was underpinned by strong net interest margins, sustained growth in low-cost deposits, and increased customer activity driven by digital adoption and customer centric initiatives. Key initiatives included the elimination of transfer and account maintenance fees, which supported transaction volumes and deepened customer engagement.

Commercial Banking: Commercial Banking delivered a modest profit contribution of N2.6 billion in profit, reflecting a more constrained operating environment. Performance was impacted by elevated funding costs and operating expenses, although this was partly offset by disciplined lending and contained credit losses.

Institutional Banking: Institutional Banking delivered a solid N17.2 billion in profit, supported by strong fee and transaction income, as well as stable net interest margins. Growth was driven by increased activity in transaction banking, and growth in institutional deposits.

Corporate & Investment Banking: The Corporate & Investment Banking business continued to leverage on our digital banking solutions to deliver services to corporate clients. The segment contributed N22.9 billion to profitability, driven by strong interest income from structured transactions and robust fee generation from advisory and investment banking activities, despite higher credit costs reflective of larger deal sizes.

Contributions by Segment



Sustainability Report

Introduction

As Nigeria's trusted financial partner, sustainability at Sterling Bank is more than a mandate, it is a deliberate commitment to embedding societal progress and environmental resilience into every transaction we undertake. Our 2025 Sustainability Report marks a pivotal milestone in this journey, where transparency converges with tangible action.

We are not merely financing businesses; we are building a future proof economy anchored on People, Planet, Prosperity, and inclusive Economic Growth. In doing so, we ensure that our pursuit of business excellence directly advances environmental stewardship, social impact, and ethical governance. At Sterling Bank, we are bridging the gap between financial services and sustainable development, not just witnessing the green revolution, but actively financing it.

Reporting Scope and Framework

Covering the fiscal year from January to December 2025, this report provides a comprehensive account of our strategic progress and the challenges encountered in advancing our mission to align financial excellence with environmental stewardship. Our disclosure framework has evolved to meet globally recognized standards of accountability and transparency. Accordingly, our 2025 reporting aligns with the Global Reporting Initiative (GRI) Standards and the Task Force on Climate related Financial Disclosures (TCFD) recommendations. In adherence to these frameworks alongside the Nigerian Sustainable Banking Principles (NSBP), we ensure that our Environmental, Social, and Governance (ESG) performance

is not only transparent, but also globally comparable, enabling stakeholders to assess our long term value creation with confidence.

Operational Sustainability and Environmental Performance

Sterling Bank's operational milestones in 2025 underscore our commitment to embedding sustainability into core business operations. Within the year, we successfully solarized 55% of our ATM network and 72 branch locations, significantly reducing our operational carbon footprint. Our Head Office continues to lead as a flagship of efficiency, maintaining its IFC EDGE Advanced Certification.

Beyond energy efficiency, we achieved measurable progress in our digital transformation efforts, recording an 8.69% reduction in paper usage and recycling nearly 50% of total operational waste through WasteBanc, a waste recycling initiative championed by our sister bank.

By leveraging our proprietary SustainabilityPro platform for real time ESG data monitoring, we demonstrate that a low carbon, digitally enabled business model is a powerful driver of shared value for our stakeholders and the environment alike.

Sustainable Finance and Impact Strategy

Building on years of focused impact, Sterling Bank continued to anchor its growth strategy within the H.E.A.R.T sectors - Health, Education, Agriculture, Renewable Energy, and Transportation, which represent the critical pillars of Nigeria's economic resilience.

We deliberately deploy capital where it is needed most, moving beyond traditional banking to innovate and deliver financial solutions that bridge infrastructure gaps, empower underserved communities, and promote climate smart development. Through this approach, sustainability is not a parallel objective but a central driver of our growth and societal relevance.

Governance and Ethical Leadership

Sterling Bank's governance framework ensures that institutional integrity remains

a daily operational reality, where strong business performance is inseparable from ethical responsibility. In 2025, we further institutionalized this culture through a comprehensive suite of policies and codes governing environmental stewardship, social responsibility, and inclusive leadership.

By investing in continuous capacity building for our people, we ensure that every strategic decision and operational action aligns with our long term sustainability commitments—reinforcing trust, accountability, and resilience across the organization.

Our Sustainability Journey and Key Achievements

Key Highlights and Achievements

2023 Impact Highlights



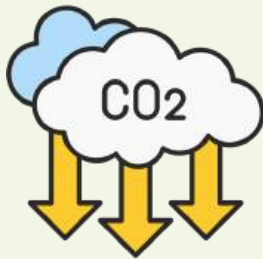
- Obtained EDGE Advanced Certification for the Sterling Towers, issued by the IFC – WBG.
- Obtained Certificate of Recycling for the collection and recycling of thirty (30) 12V, 200Ah Used Lead Acid Batteries (ULABs) in partnership with the Alliance of Responsible Battery Recycling (ARBR) an accredited 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 Africa 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.

2024 Impact Highlights



- Solar energy coverage increased to 68 branches, reflecting an 8% increase from the previous year.
- A total of 196 ATMs were powered by solar, representing 48.3% of our active ATMs network.
- Successfully completed a nationwide Environmental Audit across all our branches in compliance with the National Environmental Standards and Regulations Enforcement Agency (NESREA).
- Reduced overall paper consumption by 14% from 2021, actively worked 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 Africa Social Impact Summit (ASIS), 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 Alternative Bank Limited and Sterling One Foundation, engaging over 1,500 participants in discussions on sustainability, innovation, and economic growth.
- National Sustainability Week 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.

2025 Impact Highlights



- Expanded Renewable Energy Adoption: 72 branches are now powered by solar energy, representing a 5.9% increase from the previous year.
- Greener ATM Network: A total of 202 ATMs were powered by solar, accounting for 55% of our active ATM network.
- Reduced Operational Consumption: Achieved an 8.69% reduction in paper usage compared to the previous year.
- Lower Carbon Emissions: Recorded a 9.98% decrease in overall carbon footprint year-on-year.
- Enhanced Responsible Lending: Reviewed 505 credit transactions for Environmental & Social (E&S) risks, representing an 82.3% increase compared to the previous year, strengthening our commitment to responsible financing in high-impact sectors.
- Growth in Sustainable Investments: Realized 39% growth in sustainability-focused investments, with Agriculture and Renewable Energy showing the highest increases at 56% and 28%, respectively.
- Strengthened Advocacy & Collaboration: Co-hosted the second edition of National Sustainability Week (NSW) 2025 with Alternative Bank Limited and Sterling One Foundation, engaging over 200 participants.
- Deepened Community Impact: Advanced key Corporate Social Responsibility (CSR) initiatives through collaborations and partnerships, including hosting the African Social Impact Summit (ASIS), Agric Summit Africa (ASA), National Clean-up Day, World Environment Day, and other high-impact projects.



2025 Sterling Bank Awards

Sterling Bank was awarded by the Africa Bank (West Africa) as **The Best Bank in Workplace Excellence** (Nigeria).
The Best Workplaces in Banking 2025 Award

Our Abeokuta branch won 4 awards at the CBN dinner:

- (1) **Most Outstanding Bank in Compliance with Cash Withdrawal Requirements**
- (2) **Best Bank on ATM Functionality CBN Spot Check Assessment**
- (3) **Best Bank in Excellent Customer Service Delivery**
- (4) **Overall Best Bank of the Year 2025**

Environmental Dimension

To align with global climate goals, Sterling Bank is actively decarbonizing its value chain through three primary pillars: renewable energy transition, branch-level energy optimization, and the expansion of our green finance portfolio.

We are currently formalizing science-based targets to establish a transparent decarbonization pathway, ensuring a measurable and steady reduction in our operational and financed carbon intensity. These initiatives ranging from financing EV adoption to investing in renewable power allow us to mitigate transition risks, enhance brand equity, ensure resilient, and sustainable growth in an evolving regulatory landscape.

Reducing Overall Footprint At Sterling Bank

Operational Emissions– Scope 1, 2, 3

The global consensus reached at COP26 established a clear mandate for the transition to a Net Zero economy by 2050. At Sterling Bank, we recognize that limiting global warming to 1.5 degree Celsius is not merely an environmental goal, but a prerequisite for global economic stability. As a responsible corporate citizen, we have fully integrated this global agenda into our long-term business strategy.

Our latest materiality assessment identifies greenhouse gas (GHG) emissions as a critical factor impacting our operational resilience and the stability of our credit portfolio. Consequently, we are moving beyond simple mitigation to a proactive commitment: driving our emissions to the lowest technically feasible

levels while catalysing the transition for our clients and communities.

To operationalize our Net Zero ambitions, we are executing a comprehensive decarbonization roadmap that targets emissions across our entire value chain. Our initiatives are categorized by their impact on our carbon inventory:

- **Scope 1 (Direct Operations):**

Progressively reducing our reliance on fossil fuels by minimizing diesel consumption across our corporate facilities and fleet.

- **Scope 2 (Energy Indirect):**

Accelerating our transition to clean energy by solarizing energy-intensive branches, thereby reducing our dependence on carbon-heavy grid electricity.

- **Scope 3 (Value Chain & Financed Emissions):**

Fostering a low-carbon corporate culture through digitized workflows, flexible work arrangements, and reduced business travel. We are simultaneously addressing resource circularity by implementing rigorous e-waste and paper reduction protocols.

Recognizing that our greatest impact lies beyond our physical walls, we are committed to measuring and managing the carbon intensity of our investment portfolio. In accordance with the World Resources Institute (WRI) Green House Gas (GHG) Protocol, we adopt the 'Operational Control Approach' to define our organizational boundaries.

This comprehensive framework captures both direct and indirect emission sources, including facility power (diesel generators and grid electricity), corporate mobility (fleet and business travel), and most significantly, our

financed emissions. Maintaining a granular inventory categorized under Scopes 1, 2, and 3, we ensure a transparent and accountable baseline for our decarbonization journey.

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

Emission:

All emissions were computed using the standard formula recommended by the GHG Protocol

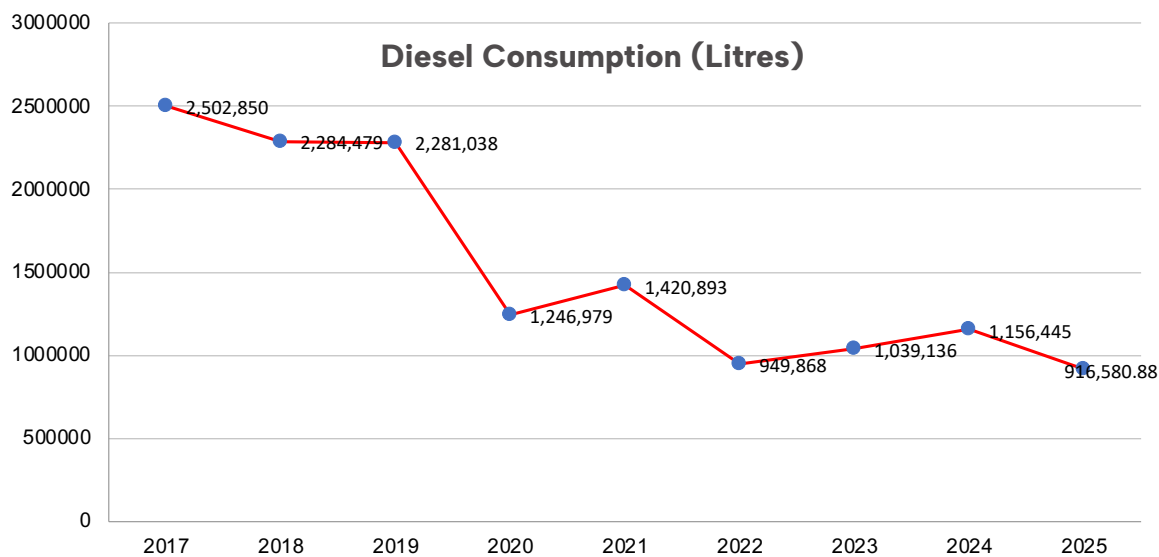
Scope 1 & 2 Emission Trend (in TCO ₂ e)		
Year	GHG Emissions (TCO ₂ e)	Δ
2017	14,607	Base year
2018	14,481	-0.90%
2019	14,854	2.60%
2020	6,788	-54.30%
2021	8,297	22.20%
2022	6,419	-22.60%
2023	6,370	-0.80%
2024	6,333	-0.58%
2025	5,701	-9.98%

GHG Scope	Emission Driver	2022 Position	2023 Position	2024 Position	2025 Position	Δ
Scope 1 Direct GHG Emissions	Diesel	2,540,790.30	2,772,001.06	3,084,933.80	2,683,859.82	-13%
Scope 2 Indirect Emissions	Electricity	3,084,392.60	3,096,333.83	2,664,420.37	3,017,410.55	13%
Scope 3 Indirect Emissions	All other sources	794,032.56	502,122.03	584,037.31	-*	-
Total		6,419,215.46	6,370,456.92	6,333,391.49	5,701,270.37	-9.98%

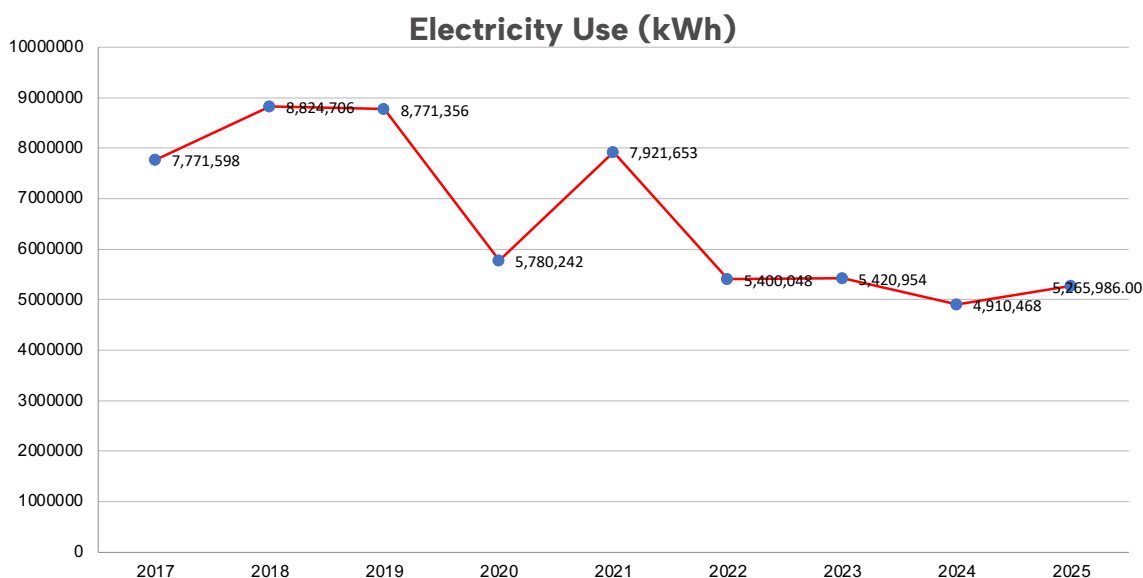
* This figure is calculated at Group level

The 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%
2025	916,580.88	-20.74%



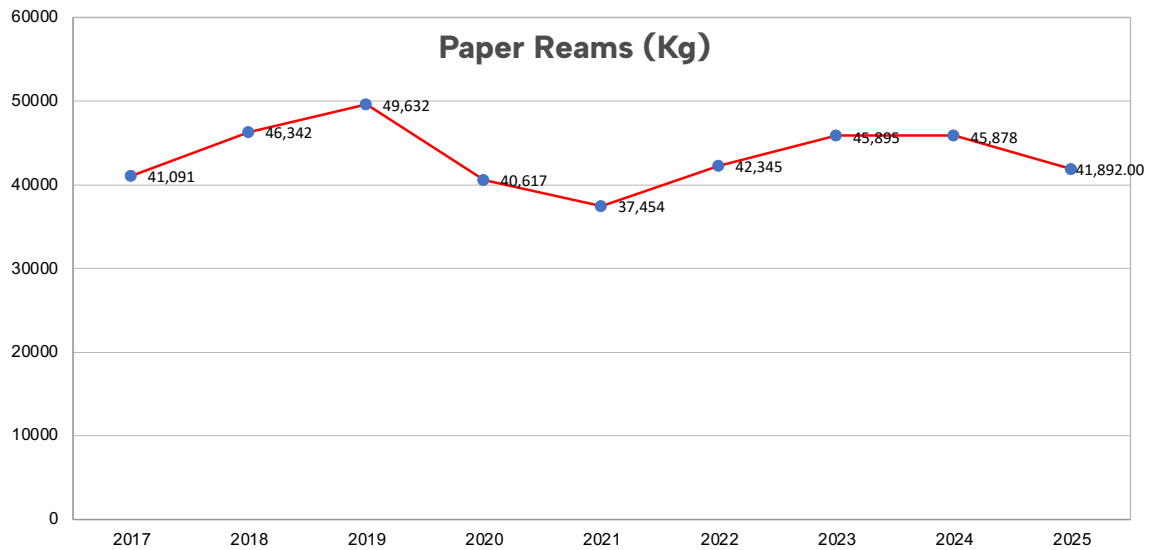
Electricity Use		
Year	Electricity Use (kWh)	Δ
2017	7,771,598	Base year
2018	8,824,706	13.6%
2019	8,771,356	-0.6%
2020	5,780,242	-34.1%
2021	7,921,653	37.0%
2022	5,400,048	-31.8%
2023	5,420,954	0.4%
2024	4,910,468	-9.42%
2025	5,265,986	7.24%



This reduction in emissions underscores our deliberate and sustained efforts to minimize our operational carbon footprint. Having established a three-year mandate to reduce overall emissions by 10%, in 2025, we achieved a remarkable 9.98% reduction compared to 2024. This achievement was driven by the expansion of our renewable energy infrastructure, including a 5.9% increase in solar-powered branches; rising from 68 to 72 locations. Furthermore, our ATM network continued to leverage renewable energy extensively, with 55% of our ATMS currently operating on solar power.

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%
2025	17,455	41,892	-8.69%



Water Use		
Year	Number of dispenser bottles consumed	Amount of water consumed (Litres)
2024	106,557	2,024,590
2025	71,840	1,364,960

Alternative Energy Use

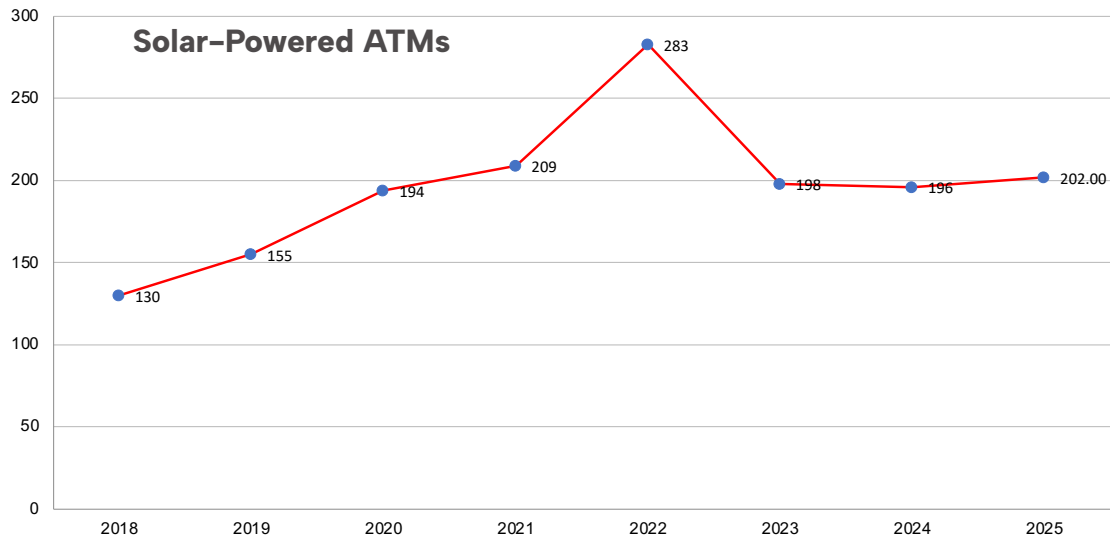
A core pillar of our GHG reduction strategy is the systematic solarization of our network. Currently, 72 branches operate on renewable energy, reflecting our steady progress in curbing operational emissions. Furthermore, we have reached a significant milestone in our self-service channels, with 202 ATMs now Solar-Powered. This represents 55% of our active ATM network. These investments not only reduce our environmental footprint but also optimize operational costs and ensure service continuity in energy-constrained environments.

Our commitment to high-performance infrastructure is exemplified by our Head

Office, which achieved the prestigious IFC EDGE Advanced certification in 2023. As our most energy-intensive asset, the Head Office serves as a flagship for our decarbonization efforts, delivering a substantial decrease in both absolute emissions and emissions intensity.

To sustain these gains, we have institutionalized a rigorous energy monitoring framework. By tracking consumption data monthly, we perform sophisticated intensity mapping across our entire footprint. This analytical approach allows us to identify high-emission hotspots and strategically channel capital toward retrofitting projects, ensuring that our operational sustainability initiatives are both data-driven and impactful.

Solar-Powered ATM		
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%
2025	202	-3.06%



Responsible Paper Use

Since the inception of our paperless mandate in 2021, 2025 served as a landmark year in our digital transformation journey. By embedding automation into our core operational architecture, we have effectively transitioned from manual, paper-dependent workflows to a digitally native environment. This shift is a direct manifestation of our commitment to innovation, streamlining operations, and eliminating bureaucratic redundancies.

Our “Paperless” culture is institutionalized from the point of entry; all new hires engage with digital-only onboarding processes, ensuring operational sustainability is ingrained from day one. To drive behavioural change, we utilize data-driven internal communications that align employees with the dual environmental and economic benefits of reduced paper consumption. While we continue to navigate specific regulatory requirements that mandate physical documentation, we are proactively engaging with industry regulators to advocate for the wider adoption of electronic verification. This evolution reflects our broader mission to synchronize operational efficiency with environmental stewardship.

Waste Management

Sterling Bank is committed to a zero-waste-to-landfill trajectory through the institutionalization of robust circular economy principles. In 2025, we achieved a significant milestone, successfully recycling 49.5% of our total waste volume, including PET bottles, Paper and cardboard. By prioritizing the “Reduce, Reuse, Recycle” hierarchy, we have transformed waste management from a utility function into a core component of our environmental stewardship.

Our operational strategy is anchored in rigorous source segregation of paper, and plastic, waste. Through our “Paperless” initiative, we achieved a reduction in paper consumption by 8.69% year-on-year at 41,892 kg of paper.

A standout feature of our circularity model is our E-waste Management Ecosystem. We have pioneered a dual-track recovery system: first, an internal resale program that allows employees to acquire decommissioned assets for personal reuse, extending the life cycle of our hardware. Second, for obsolete assets, we partner with specialized vendors at our Head Office who dismantle and repurpose spare parts. This ensures that valuable components are reclaimed rather than lost to landfills.

These initiatives demonstrate our belief that responsible banking must be regenerative, delivering both economic efficiency and environmental preservation.

At Sterling Bank, we remain committed to the responsible management of water resources

as a core pillar of our operational sustainability. Building on the success of our IFC EDGE Advanced Certification, which evaluates measures across tap fixtures and central water systems, and overall building performance organization.

Economic Sustainability

At Sterling Bank, we have expanded our role as a financial intermediary beyond the traditional balancing of capital surplus and deficit in the economy. Rather, we deliberately leverage this position to advance sustainable economic outcomes across the sectors and communities in which we operate. Through continuous innovation and the development of purpose-driven financial solutions, we enable efficient capital flow while generating measurable, long-term economic and sustainability impact.

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

The H.E.A.R.T Strategy remains the cornerstone of Sterling Bank's sustainability and development finance approach. As the role of financial intermediation continues to evolve, financing is no longer defined solely by the pursuit of financial returns, but increasingly by its capacity to deliver positive environmental and social outcomes alongside economic value. Since its launch nine years ago, the H.E.A.R.T Strategy has served critically in directing capital toward sectors

that generate long-term, sustainable impact. In the context of a developing economy such as Nigeria, the Health, Education, Agriculture, Renewable Energy, and Transportation sectors are central to inclusive growth, economic resilience, and sustainable development. Through the H.E.A.R.T Strategy, the Bank deliberately channels financing into these priority sectors, enabling broad-based impact that extends across value chains and trickles down to even the most underserved segments of the economy.

Furthermore, as Nigeria works towards the achievement of the Sustainable Development Goals (SDGs) by 2030, investments in these sectors play a direct role in advancing several of these goals while contributing indirectly to progress across all 17 goals. In this way, the H.E.A.R.T Strategy reinforces Sterling Bank's commitment to aligning financial performance with national development priorities and global sustainability objectives.

H.E.A.R.T Sector	Direct SDG Impacted
Health	Good Health and Wellbeing (SDG 3)
Education	Good and Quality Education (SDG 4)
Agriculture	No Hunger (SDG 2)
Renewable Energy	Affordable and Clean Energy (SDG 7) Climate Action (SDG 13)
Transportation	Industry, Innovation and Infrastructure (SDG 9) Sustainable Cities and Communities (SDG 11)

The special focus to which we have bestowed these sectors has led us to the following objectives:

Partnerships:

Building a robust, multi-stakeholder ecosystem that promotes collaboration, capital flows, knowledge sharing, and coordinated action, thereby strengthening information flows, unlocking synergies, and enhancing business enablement across priority sectors.

Sterling Bank continues to strengthen strategic partnerships across a broad spectrum of stakeholders, including multilateral institutions, government agencies, and private sector clients, to enhance the impact of its financial intermediation. Through these collaborations, Sterling Bank is deepening access to capital, technical expertise, and innovative financing solutions that drive sustainable growth.

Notable partnerships established during the year include:

- MSME Fund from a Nigerian Development Bank aimed at supporting small and medium scale businesses.
- An international development foundation providing guarantees for renewable energy assets.
- Fund from an African multilateral entity to provide financing to SMEs and Corporate businesses

In the same vein, we are deepening partnerships with several other international development finance partners.

Innovative Financing:

Providing targeted and scalable financial solutions/products that support the growth, resilience, and long-term viability of innovative enterprises across each sector, while catalyzing inclusive economic development.

Technology:

Technology remains central to the Bank's ability to scale the HEART strategy efficiently and responsibly. By leveraging digital platforms, data analytics, and automation, the Bank has enhanced its capacity to identify opportunities, assess risks, and deploy capital more effectively across priority sectors.

Through digital onboarding, sector-focused platforms, and data-driven credit assessment tools, the Bank has improved access to finance for underserved businesses while maintaining robust risk management standards. Technology has also strengthened monitoring and reporting capabilities, enabling better tracking of environmental and social performance across the portfolio.

In Agriculture, our digital channels and ecosystem platforms have supported value chain financing and improved transparency for smallholders and SME customers. Within Health and Education, technology-driven solutions have streamlined service delivery and financing access. Across all HEART sectors, data analytics has improved decision-making, portfolio allocation, and impact measurement. By embedding technology into its operating model, the Bank continues to enhance scalability, efficiency, and measurable impact.

HEART Sector Investment Trend Analysis

Sector	Value (N' millions) 2024	Value (N' millions) 2025	% Growth
Health	13,667.44	17,887.72	31%
Education	6,118.37	6,774.03	11%
Agriculture	143,353.12	223,374.21	56%
Renewable Energy	9,462.50	12,092.68	28%
Transportation	65,652.59	71,610.00	9%
Total	238,254.01	331,738.65	39%

The comparative performance reflected above demonstrates Sterling Bank's sustained commitment to expanding its HEART sector portfolio in a deliberate and disciplined manner. Growth across these sectors is not incidental, but the outcome of a focused strategy anchored on partnerships, innovative financing structures, and technology-enabled execution.

Above all, we remain committed to empowering stakeholders across the HEART sectors by facilitating access to capital, and tailored financial solutions that support sustainable business growth. Over time, we have strengthened our capacity and deepened our expertise within these priority areas, enabling us to deliver greater value and measurable impact.

This deliberate focus has translated into sustained growth in our sectoral investments, with Agriculture and Transportation representing our largest exposures, followed closely by Health, while we continue to expand our footprint and enhance impact across the other HEART sectors.

Beyond portfolio expansion, Sterling Bank remains intentional about delivering measurable environmental and social value alongside financial returns. By embedding impact considerations into its core financing activities, Sterling Bank continues to strengthen its role as a responsible intermediary, ensuring that capital deployment generates meaningful and trackable outcomes across the broader economy.

Environmental and Social Risk Management in our Business Activities

During the current reporting period, Sterling Bank grew remarkably and also significantly scaled its E&S risk oversight, conducting comprehensive assessments of 505 credit applications. This represents a robust 82.3% year-on-year growth compared to 2024, reflecting both our expanding portfolio and the deepened integration of E&S due diligence into our core credit lifecycle. These assessments were executed in strict alignment with our internal E&S Policy, overarching sustainability guidelines, and international best practices, ensuring that Sterling Bank capital allocation remains a force for responsible development.

Our rigorous evaluation framework was applied across a diverse multi-sectoral landscape, identifying and managing the unique ESG profiles of industries critical to national and regional development. We applied Sector-Specific Risk Filtering in the assessment of credit applications from various sectors including:

Primary & Secondary Production: Agriculture, Manufacturing, and Mining.

Infrastructure & Energy: Power, Renewable Energy, Oil & Gas, and Construction.

Services & Logistics: Health, Education, Real Estate, and Transportation & Logistics.

By applying this granular lens, we moved beyond mere risk avoidance and integrated a high-level management approach. Our objective was two-fold: to ensure that our financing activities do not initiate or exacerbate environmental or social degradation, and to actively identify opportunities, optimizing the commercial benefits inherent in the global transition toward sustainable growth.

In addition, we ensured adherence to Global and National Benchmarks and to maintain institutional integrity; every application underwent a tiered risk-level determination. Most notably, we utilized the IFC Performance Standards as our international benchmark and the Nigerian Sustainable Banking Principles (NSBP) as our local regulatory anchor. This dual-layered approach ensures our lending practices are not only compliant but are benchmarked against the highest global standards of responsible banking.

Our due diligence process is designed to be diagnostic and prescriptive. Where E&S risks were identified, the Bank developed bespoke Environmental and Social Action Plans (ESAPs) and specialized mitigation measures. These were not merely recommendations; they were formally integrated into legal loan agreements as binding covenants, ensuring Customized Mitigation and Actionable Covenants. By doing so, we ensure that borrowers are contractually committed to implementing necessary operational safeguards, effectively neutralizing potential negative impacts at the source.

For sectors classified as high-risk, the Bank adopted an assertive and proactive posture. We prioritized physical due diligence through onsite facility inspections, providing a real-time verification of client operations. This proactive engagement ensures that Sterling Bank's total E&S exposure remains strictly within defined risk appetite limits. Furthermore, this collaborative approach allows us to act as a strategic partner to our clients, empowering them with the technical guidance needed to align their operations with our long-term sustainability objectives.

We recognize that the ESG landscape is dynamic and steadily evolving. As such, the Bank remains dedicated to the iterative improvement of its Environmental and Social Management System (ESMS). Over the past

year, we have successfully completed a comprehensive update on our Environmental and Social Risk Policy. This refinement ensures that our internal governance structures remain resilient, adaptive, and capable of addressing the emerging complexities of the modern financial ecosystem.

Strategic Outlook and Future Commitments

1. Institutionalizing Capacity through Continuous Education

Sterling Bank remains dedicated to fostering a culture of sustainability through comprehensive internal capacity building. Our Sustainability Team serves as a cornerstone of the Bank's human capital development, acting as a core faculty member within the organizational onboarding process. By embedding Environmental and Social (E&S) literacy from the point of initial hire, we ensure that our workforce is equipped with the specialized knowledge and analytical tools necessary to navigate evolving international standards. This commitment to continuous learning ensures that our teams remain at the forefront of industry developments, maintaining a sophisticated posture in risk evaluation.

2. Strategic Integration of Emerging Climate Risks

As the global ESG landscape shifts, Sterling Bank is proactively evolving its assessment frameworks to encompass emerging risks and thematic opportunities. Central to this is the ongoing integration of Climate Risk into the broader Enterprise Risk Management (ERM) framework. This strategic initiative includes the development of a dedicated Climate Risk Policy to ensure robust internal governance, alongside a comprehensive Decarbonization Policy. These frameworks are specifically designed to manage and reduce absolute

and relative emissions, with a primary focus on the complexities of Scope 3, Category 15 (Financed Emissions), ensuring our portfolio remains resilient against climate-related financial shocks.

3. Advancing Reporting Standards and Global Transparency

Transparency is a fundamental pillar of our sustainable banking philosophy. We are committed to an iterative refinement of our reporting ecosystems to ensure seamless alignment with the world's most rigorous disclosure frameworks. This includes the adoption of IFRS S1 (General Requirements for Disclosure of Sustainability-related Financial Information) and IFRS S2 (Climate-related Disclosures). By adhering to these emerging global standards, the Bank enhances its accountability to stakeholders and reinforces the trust essential to our market leadership in sustainable finance.

4. Scaling Sustainable Finance

Sterling Bank is aggressively expanding its strategy by prioritizing capital allocation toward projects with measurable environmental dividends. We are intensifying our focus on Renewable Energy, Sustainable Agriculture, and Climate Adaptation initiatives. Beyond traditional green lending, we are exploring frontier avenues in Green Technology and Circular Economy solutions, positioning the Bank to lead the transition toward a regenerative economic model that minimizes waste and optimizes resource efficiency.

5. Technological Leadership in Risk Management

To maintain a competitive edge, the Bank continues to leverage advanced data analytics and proprietary technology to refine its risk oversight. Our central ESG platform, SustainabilityPro, serves as a sophisticated

engine for data collection, analysis, and real-time reporting. By integrating these advanced risk management tools, we enhance our predictive capabilities, allowing us to stay ahead of emerging E&S trends and ensure data-driven decision-making at every level of the credit lifecycle.

6. Strengthening Global Alliances and Collaborative Impact

Recognizing that systemic change requires collective action, Sterling Bank continues

to deepen its strategic partnerships with international regulators, industry leaders, and development organizations. We remain an active participant in global and local forums, including the International Finance Corporation (IFC), the United Nations Global Compact (UNGC), and the Nigerian Sustainable Banking Principles (NSBP). Through these high-level collaborations, we contribute to the development of shared industry standards and amplify our collective impact on the global sustainable development agenda.

Social Dimension

At Sterling Bank, our ambition is to be the financial partner of choice, recognized for delivering personalized and seamless customer experience. This ambition is anchored in our commitment to social sustainability, which remains fundamental to how we engage with and create value for our stakeholders, customers, employees, and the communities in which we operate and serve.

We understand that sustainable success is measured not only by financial performance but by the positive social impact we generate and the value we place on our people as our most critical asset. Our collaborative and inclusive approach to social sustainability ensures that progress is shared across our ecosystem. We prioritize employee well-being and continuous development, fostering a workplace environment that supports both professional excellence and personal growth.

This commitment is reinforced through structured initiatives such as our Employee Assistance Programme (EAP), flexible work arrangements, and Future Work solutions including Sterling Virtual monthly check-

ins, OneAccess, and Bring Your Own Device (BYOD). Additionally, platforms such as Flex and our Learning Management System (LMS) advance our "Sterling Human" agenda by equipping our people with the tools and capabilities needed to thrive in a dynamic environment.

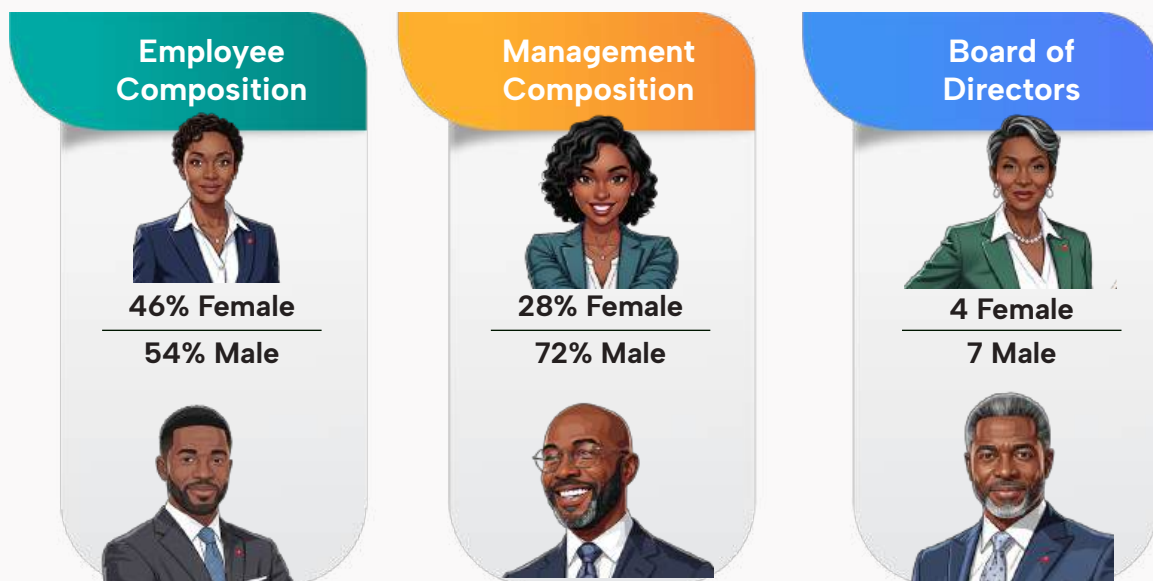
Beyond our internal workforce, we remain committed to delivering meaningful impact across our communities. We actively support initiatives that respond to critical needs in education, healthcare, and environmental stewardship. Through continuous impact assessment and stakeholder feedback, we refine our social sustainability strategy to ensure relevance, effectiveness, and long-term value creation. Our sustained focus on social responsibility; underpinned by a people-centered culture, inclusive practices, digital innovation, work-life integration, and community engagement, reinforces our dedication to shaping a more resilient and inclusive future for all.

Diversity, Equity and Inclusion

As part of our continued sustainability journey, we regularly review and strengthen our business practices to advance equity and enable flexible ways of working. By cultivating an inclusive and supportive culture, we create a workplace where diverse perspectives are valued, and talent can flourish. This commitment contributes to a gender-balanced workforce and promotes healthy work-life integration across the organization.

We remain guided by the principles of equal opportunity and non-discrimination in all employment-related decisions. Recruitment and career advancement are determined solely by merit, demonstrated competencies, and alignment with our organizational values. Our hiring processes are designed to eliminate bias related to gender, ethnicity, religion, political affiliation, or physical attributes, reaffirming our commitment to fairness, transparency, and inclusive growth.

The Gender representation of the Bank as of year-end 2025 is shown below.



Key Diversity Highlights

108 Service Centres and **42 Processing Hubs** are easily accessible by persons with disabilities.

16% increase in the number of **Female Employees** recruited

N66.9 billion disbursed to women to advance financial inclusion and economic empowerment.

Sterling Bank Workforce Strength:
2,900 employees | **46% women**
17 employees with disabilities

24% Female Employees promoted in 2025.

N538,565,389.94 was invested in capacity building and development programmes for female employees.

The Bloom Network

The Bloom Network is Sterling Bank's gender inclusion platform dedicated to advancing opportunities for women across the organization and within the communities we serve. The initiative focuses on strengthening representation, leadership development, mentorship, and capacity-building, equipping women with the skills, exposure, and confidence required to excel in professional and personal spaces. Through strategic partnerships and structured engagement, Bloom extends its impact beyond the workplace to support young girls and women in underserved communities.

In 2025, Bloom deepened its advocacy and community footprint through targeted engagements aligned with global gender observances, including International Women's Day and the International Day of the Girl Child. As part of its youth-focused outreach, the Network delivered school-based engagement initiatives and an essay competition designed to strengthen confidence, goal-setting capacity, financial literacy awareness, and personal development among secondary school girls. These engagements reinforced Bloom's commitment to early empowerment and long-term leadership development for young women.

Internally, Bloom continued to promote inclusive leadership through conference sponsorships, mentorship exposure, and maternal reintegration support initiatives such as the Sterling Momship Programme. The Network also strengthened health and wellness advocacy through campaigns addressing breast cancer awareness, women's health conversations, and work-life integration support.

By sustaining its efforts across advocacy, leadership development, and community

outreach, The Bloom Network continues to drive measurable progress toward gender equity at Sterling Bank. Through deliberate action and inclusive engagement, it remains committed to equipping women and girls with the knowledge, skills, and opportunities needed to thrive in an evolving economic and social landscape.

National Sustainability Week (NSW) 2025

The National Sustainability Week (NSW) 2025 represented a strategic evolution from awareness-building to deeper institutional and ecosystem impact. Anchored on the theme "Turning Climate Risk into Resilient Opportunity: Financing Sustainability, Fueling Innovation, Strengthening Capacity," the initiative was designed as a phased, impact-driven programme to embed sustainability as a lived organisational culture while strengthening external stakeholder engagement.

The 2025 edition focused on three key pillars: youth engagement, internal culture transformation, and ecosystem capacity building. Through the National Essay Competition, over 150 secondary school students across Nigeria were engaged in climate-focused innovation thinking, with N1 million awarded in prizes.

Internally, the Green Practice Challenge and the in-person "Bring Your Bottle Day" activation translated sustainability to a daily behavioural practice. Staff across business units adopted and shared environmentally responsible habits, reinforcing sustainability as a shared responsibility. The initiative stirred internal alignment and practical environmental consciousness.

Externally, the two-day Sustainability Media Practitioners Training convened journalists and media professionals to strengthen solution-oriented climate reporting in

Nigeria. By building capacity within the media ecosystem, we contributed to improving the quality of sustainability narratives, enhancing public awareness, and reinforcing its thought leadership role within Nigeria’s sustainability landscape. Collectively, NSW 2025 deepened cultural integration, amplified youth voices, and strengthened institutional credibility within the broader ESG ecosystem.

Corporate Social Responsibility (CSR)

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 complete 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 to climate change actions that reduce greenhouse gas emissions. We understand the significance of waste recycling and the reduction of waste that 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 Sterling Bank in 2025:

The Sterling Environmental Makeover (STEM) Programme

In 2025, Sterling Bank, alongside Sterling One Foundation, the African Cleanup Initiative (ACI), the Lagos State Ministry of Environment, Rite Foods, Sunbeth, Lagos State Waste Management Authority (LAWMA), and other

partners, successfully implemented the STEM Environmental Makeover and Beach Adoption Cleanup across 18 locations. They include Enugu, Kano, Benue, Cross River, Anambra, Abia, Niger, Sokoto, Kogi, Rivers, Kaduna, Akwa Ibom, Ondo, Bayelsa, Lagos, Imo states and Abuja.



Participants in Lagos and Abuja during the clean-up exercise.

The Sterling Environmental Makeover (STEM) Programme is a high-impact environmental intervention addressing poor waste management, plastic pollution while restoring Nigeria’s urban cities and coastal ecosystems. Through coordinated clean-ups, recycling efforts, and grassroots community engagement, the programme activates multi-stakeholder coalition—volunteers, corporate partners, and local communities to reclaim and protect vulnerable beaches, streets and markets across Nigeria. Since 2021, the initiative has delivered tangible results across multiple markets, streets, Alpha, Eleko, Lafajji, Iwerekun, Okun-Ajah and Elegushi beaches,

removing thousands of kilograms of waste and preventing plastic pollution from entering marine environments.

In 2025, eight beaches in Lagos State: Aivoji, Iberekodo, Obadore, Ebojo, Okun-Mopo, Onijebu, Alpha, and Elegushi beach, were adopted, reaching over 16,000 beneficiaries. Through coordinated cleanup exercises and recycling efforts, the initiative removed 50kg of general waste and 1,000kg of recyclable materials, while empowering local coastal communities to take ownership of their environment and create sustainable income streams through environmental stewardship. The programme's ongoing expansion reflects Sterling Bank's steadfast commitment to long-term environmental preservation. Through the integration of structured recycling systems and meaningful community engagement, the initiative is not only creating cleaner coastlines and safeguarding marine life but also fostering sustainable environmental practices that will benefit generations to come.

Tree Planting Project

As part of our commitment to climate action and environmental stewardship, Sterling Bank partnered with the African Finance Corporation (AFC) and Sterling One Foundation to drive large-scale reforestation and landscape restoration in Kaduna State.

A key milestone of this collaboration is the proposed planting of 10,000 trees at the Nigerian Defence Academy (NDA). This agro-forestry intervention not only enhances carbon sequestration and soil health but also serves as a model for scalable reforestation in future cycles. Through initiatives like this, Sterling Bank continues to demonstrate its commitment to restoring degraded ecosystems, advancing climate resilience, and building a greener, more sustainable future for Nigeria.

Health

Healthy communities are the foundation of a thriving economy. When people have access to quality healthcare, they are more productive, families face less financial pressure, and businesses and society benefit from greater stability. At Sterling Bank, we see the direct link between health and economic prosperity. Investing in wellbeing means investing in stronger communities and a more resilient workforce.

Through strategic partnerships and purposeful initiatives, we are actively strengthening healthcare systems and driving lasting impact in the communities we serve. The health interventions in 2025 include:

MamaBase Project Partnership

In partnership with the Maternal & Reproductive Health Research Collective (MRHRC), we continue to strengthen maternal and child health across 20 Local Government Areas (LGAs) in Lagos State through the MamaBase initiative. In 2025, the programme registered 3,714 pregnant women across 12 interventions,



providing access to quality antenatal, delivery, and postnatal care. Significantly, 2,043 women who previously had no access to antenatal care were successfully enrolled in health facilities, ensuring they received essential medical support throughout their pregnancies.

The initiative documented 1,230 live births, contributing to an improvement in the maternal mortality ratio. Prioritizing facility-based deliveries and skilled birth attendance, MamaBase has played a crucial role in reducing maternal and neonatal risks.

Beyond clinical care, our community outreach programmes have expanded healthcare access for women in underserved areas, offering medical consultations and connecting expectant mothers to primary healthcare facilities for ongoing support. These efforts have also raised awareness of maternal health, promoted antenatal attendance, and fostered greater trust in healthcare systems.

MamaBase continues to strengthen maternal healthcare by building meaningful partnerships with health agencies, medical professionals, and community leaders. Through these collaborations, the initiative is improving access to quality care, enhancing maternal and neonatal health, and ensuring more women experience safe pregnancies and childbirth.

As the programme grows, it is focused on expanding community outreach, reinforcing referral pathways, and increasing awareness about the importance of antenatal care and facility-based deliveries. The ongoing investment and strategic collaboration, MamaBase remains a driving force for healthier mothers, safer pregnancies, and better birth outcomes across Lagos State.

2. The Sterling Bank Water Credit Program

In partnership with international non-governmental organization, Water.org and Sterling One Foundation, Sterling Bank launched the Sterling Water Credit Program, a pioneering initiative aimed at expanding access to safe water and sanitation for households, MSMEs, and organizations across Nigeria. Combining sustainable financing with



L-R: Gilbert Okpono, Snr. Partnership Account Manager, Water.org; Engr. Mukhtaar Temitope Tijani, Managing Director, Lagos State Water Corporation; Mrs. Olapeju Ibe-kwe, CEO, Sterling One Foundation; Akporee Idenedo, Divisional Head Commercial Banking, Sterling Bank, at the Sterling Bank Water Credit Proposition held in Lagos on Monday, 24 November 2025.

strategic partnerships, the program addresses critical gaps in the country's WASH (Water, Sanitation, and Hygiene) sector, creating a model that benefits both communities and businesses.

Over the next three years, the program is set to directly impact 43,500 people, providing access to safe water and improved sanitation services. This initiative highlights how bold partnerships and innovative solutions can deliver tangible, lasting impact on essential resources that sustain lives and livelihoods. In ensuring access to safe and clean water, the program contributed significantly to better health, enhanced quality of life, and stronger communities across Nigeria.

3. Support & Recovery for Substance Abuse Survivors

At Sterling Bank, we understand the challenges survivors face in overcoming substance abuse and addiction. Many talented individuals are held back by these struggles and need holistic support to heal and reintegrate into the society.

In 2025, through our partnership with the Compassionate Care Recovery Initiative (CCRI), we provided essential equipment and resources to care for homes supporting



Presentation of cheque to CCRI in support of substance abuse survivors.

substance abuse survivors. This collaboration enabled survivors to access comprehensive care, therapy, and emotional support, empowering them to recover and rebuild their lives.

Our work with CCRI reflects the Bank’s commitment to partnerships that create

meaningful impact, giving every individual the opportunity to rise stronger, contribute fully to society, and achieve their true potential.

4. Bold Actions Session on Health at Africa Social Impact Summit 2025

The Africa Social Impact Summit (ASIS) 2025, themed “Scaling Action: Bold Solutions for Climate Resilience and Policy Innovation,” brought together key stakeholders to address critical healthcare challenges and explore innovative solutions. As a strategic partner of ASIS for four consecutive editions, the Bank has remained committed to driving



Partners and participants at the Bold Actions Session on Health during ASIS 2025

discussions that translate into meaningful progress across healthcare and other vital development sectors.

A highlight of the summit was the Bold Actions on Health Roundtable, which convened over 10 Health Commissioners from across Nigeria alongside key stakeholders from the public, private, and third sectors. Discussions focused on healthcare financing, digital health

expansion, policy-driven interventions, and workforce development, all essential for improving access and quality of care.

Participants also examined Africa's heavy reliance on imported medical products, which account for over 70% of the continent's healthcare needs. Key strategies explored included boosting local pharmaceutical production, expanding telemedicine and digital health infrastructure, integrating informal healthcare providers into structured systems, and leveraging EdTech to train health workers at scale.

A recurring theme was bridging Africa's "valley of death" between pilot programs and large-scale implementation. Proposed solutions included pooled blended finance, de-risking local investments, and outcome-based approaches to ensure measurable impact and scalability. The session concluded with a clear message: Africa has the talent and capacity to lead in healthcare innovation, but achieving self-sufficiency requires bold investments, strategic partnerships, and a focus on scaling proven solutions.

Sterling Bank's participation aligns with its broader strategy of leveraging financial expertise, strategic investments, and multi-sector partnerships to strengthen healthcare systems and economic resilience. The Bold Actions Session on Health at ASIS 2025 set a strong foundation for policy reforms, technological advancements, and investment commitments that will drive sustainable healthcare transformation across Africa.

Education

As part of our commitment to education, we have implemented initiatives to enhance literacy, numeracy, and overall learning outcomes across Nigeria. Education is a powerful catalyst for personal growth, social

progress, and national development, equipping individuals with the skills, knowledge, and confidence to navigate a rapidly evolving world. It fosters innovation, critical thinking, and informed decision-making, while also reducing poverty, bridging social inequalities, and strengthening community resilience.

By empowering learners with essential competencies, education creates opportunities for employment, entrepreneurship, and economic mobility, driving a more inclusive and prosperous society. Recognizing education as both a fundamental right and a driver of sustainable development, the Bank prioritizes it in its social investment programmes, supporting students, educators, and policymakers to build a robust, adaptive education system capable of meeting today's needs while preparing the youth for tomorrow's challenges.

In 2025, we broadened our educational initiatives through targeted interventions aimed at strengthening foundational learning, enhancing teacher capacity, and promoting inclusive education. In response to the evolving educational landscape, we integrated AI-driven learning tools and STEM-focused programme's to equip students with the skills required for a rapidly advancing world. Below are some of the key educational interventions implemented by Sterling Bank in 2025:

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

Aligned with the Bank's strategic focus on education, the Early Child Learning Advancement Project (E-CLAP) was deepened to expand access to quality learning for children in underserved communities. By strengthening foundational literacy and numeracy, the project has impacted over 3,000 students across Oyo, Borno, Abia, and Kano states, equipping them with the

skills necessary for lifelong success. At the same time, more than 1,500 educators and administrators have been trained in modern teaching methodologies to enhance student engagement. Through targeted advocacy, policy engagement, and capacity-building



initiatives, E-CLAP has cultivated a more structured and inclusive learning environment, addressed critical educational challenges, and promoted equitable opportunities for all learners.

Sterling Bank partnered with communities including the Epe Local Government Education Authority (LGEA) to enhance learning in

five public primary schools. We provided essential learning materials, trained teachers in child-centered and audio-visual methods, and established an ongoing Community of Practice to sustain peer learning. This initiative positively impacted over 500 early-grade learners, improving classroom engagement and learning outcomes, while raising awareness among parents, educators, and local stakeholders about the importance of early-grade education.

Additionally, Sterling Bank supported the Special Foundation by providing scholarships for 50 indigent Nigerian children. We remain dedicated to ensuring that early-grade children, especially those in underserved communities, receive the support they need to thrive. Through sustained investment in policy advocacy, teacher training, and community engagement, Sterling Bank is building a sustainable framework to strengthen early childhood education across Nigeria by deepening partnerships with education stakeholders and expanding the reach of foundational learning programmes. Sterling Bank is helping to shape a future where every child, regardless of background, has the opportunity to establish a strong educational foundation.

2. TrainDTrainer Capacity Building Training for Teachers

Believing that great teachers create great learners, Sterling Bank prioritized teacher capacity building to ensure sustainable improvements in education. Educators were equipped with modern, inclusive teaching methods, practical classroom tools, and strategies to enhance student engagement, enabling them to deliver more effective lessons.

In partnership with TrainDTrainer Ltd., we delivered the Abuja Capacity Building Training for Teachers, engaging 520 in-person and



200 virtual participants. Through interactive sessions, practical demonstrations, and peer learning, the programme positively impacted over 700 teachers, strengthening classroom quality, boosting educator confidence, and enhancing learning outcomes for countless students.

Investing in teachers, Sterling Bank reaffirms its commitment to building a generation of empowered educators who can inspire, guide, and transform the learning experiences of children across Nigeria, laying the foundation for lasting educational change and brighter futures for all learners.

3. Owing My Space Leadership & Life Skills Programme for Male Graduates

As part of our commitment to youth empowerment and economic inclusion, Sterling Bank partnered with the Boys 2 Men Foundation to deliver the Owing My Space: Leadership & Life Skills Programme. Targeting

male graduates of the National Youth Service Corps (NYSC), the initiative provided digital and employability skills, entrepreneurial exposure, and personal development tools to prepare participants for the workforce and beyond.



National Youth Service Corps (NYSC) graduates with the Sterling Bank team at the Owing My Space Leadership Training.

Through the interactive workshops, mentorship, and practical exercises, over 60 young men gained the confidence, knowledge, and hands-on skills needed to secure internships, launch income-generating ventures, and pursue further learning opportunities. Beyond skill acquisition, the programme fostered leadership, resilience, and a proactive mindset, equipping participants to take charge of their personal and professional growth.

By investing in young men, Sterling Bank reinforced its commitment to creating pathways for economic inclusion, empowering the next generation to thrive, and shaping a future where every young person can reach their full potential and contribute meaningfully to society.

4. Technical/Skill Acquisition Training for Students

In line with our dedication to youth empowerment and economic inclusion, Sterling Bank partnered with Foliotech Skills Acquisition Centre and Sterling One Foundation to deliver a six-month intensive

technical and skills development programme. The initiative provided participants with practical, industry-relevant skills, preparing them for further education and professional opportunities. Upon completion, the 10 beneficiaries graduated and successfully transitioned into universities and industry placements, gaining valuable experience to advance their careers.

Implemented in collaboration with Foliotech Institute, this programme underscores Sterling



Bank's dedication to equipping young people with the skills, confidence, and opportunities needed to thrive and achieve long-term economic independence.

5. Sterling 'Beyond Education' Initiative and Leadership Series (SLS)

With over 60% of Nigerian youths aspiring to pursue higher education but facing limited access to quality resources, Sterling Bank launched a groundbreaking initiative designed to fund university education for 600 exceptional young Nigerians and connect



them to future careers in high-impact sectors. The Bank partnered with MIVA University to deliver high quality, flexible, university education, removing barriers to quality learning by investing in Nigeria's greatest asset: its people.

The "Beyond Education" initiative is a demonstration of how Sterling fuels national growth through investing in the HEART sectors: Health, Education, Agriculture, Renewable Energy, and Transportation.

Sterling Bank further partnered with Sterling One Foundation to host the Sterling Leadership Series (SLS), also themed "Beyond Education." The event provided a platform to explore innovative solutions for advancing higher education and promoting inclusivity, connecting visionary leaders with aspiring professionals to unlock their growth potential.

The session brought together over 500 stakeholders from across the education ecosystem, including students, educators, and industry leaders. Achievements of beneficiaries from the previous scholarship cohort were celebrated, and a portal for new scholarship applications was officially launched, expanding opportunities for the next generation of leaders.

Sterling Bank continues to advance access, recognition, and opportunity in higher education, reinforcing its commitment to empowering young people to reach their full potential and drive meaningful societal change.

6. Ake Arts and Book Festival

Ake Arts and Book Festival is one of Africa's biggest celebrations of books, ideas, and creativity. It brings together writers, thinkers, musicians, poets, filmmakers, and dreamers from across the continent and beyond. In its 13th edition, themed "Reclaiming Truth," Ake 2025 was a call to pause the noise, question narratives, and rewrite the stories that define us. From book chats and film screenings to music, art, and fiery conversations, Ake is where curious minds meet. Sterling Bank supported Ake Arts and Book Festival to power the truth and support African creatives.



7. Bold Actions Session on Education at the Africa Social Impact Summit

The Africa Social Impact Summit (ASIS) 2025, themed "Scaling Action: Bold Solutions for Climate Resilience and Policy Innovation," convened leading stakeholders to tackle Nigeria's education crisis and identify actionable solutions. As a strategic partner of ASIS, Sterling Bank continued its commitment to fostering evidence-based, scalable interventions in education and broader human capital development.

A key highlight of ASIS 2025 was the Education Bold Action Session, which convened over 50 leaders from government, civil society, EdTech, finance, and international development agencies. The session focused on strengthening foundational literacy and numeracy for out-of-school children and enhancing outcomes in technical and vocational education (TVET). Panelists examined systemic barriers affecting education, including poverty, gender bias, conflict, inadequate teacher capacity, fragmented data systems, and funding imbalances, where 70% of Universal Basic Education Commission's (UBEC) budget is allocated to infrastructure, while only 2% supports curriculum development and learning



innovations.

The discussions centered on practical, scalable solutions, including evidence-based teaching models, EdTech innovations, gender- and community-focused strategies, and closing gaps in financing and policy. Methodologies such as Teaching at the Right Level (TaRL), mother-tongue instruction, and work-study integration in tertiary education were highlighted as highly effective in improving learning outcomes. The importance of AI-driven teacher training and monitoring tools was also underscored as critical for enhancing teaching quality and scaling interventions.

The session further explored localized challenges, including strategies to keep girls in school in the North-East, emphasizing the importance of community-driven approaches. A recurring theme was the "pilot-to-scale" gap, where small-scale successes often struggle to expand due to funding and policy models that favor startup costs over scaling proven programmes. Panelists stressed that bridging this gap requires robust implementation frameworks, targeted capacity building, and sustainable financing mechanisms.

Sterling Bank's active participation in the session reflects its commitment to leveraging financial expertise, multi-sector partnerships, and innovative solutions to strengthen Nigeria's education system. By providing a platform for collaboration and knowledge exchange, the Education Bold Action Session at ASIS 2025 outlined a roadmap for inclusive, high-quality, and resilient education, ensuring that every child in Nigeria can learn, thrive, and succeed.

Agriculture

Food security remains a critical challenge across Africa, where millions face hunger and malnutrition despite the continent's vast agricultural potential. At Sterling Bank, we recognize that a resilient agricultural sector is essential for economic stability, job creation, and sustainable development. Investing agriculture goes beyond food production; it drives financial inclusion, wealth creation, and economic diversification.

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. Through tailored financial products, funding for climate-smart agriculture, and strategic partnerships, we enable farmers and agribusinesses to scale operations, boost productivity, and enhance food supply resilience.

This approach aligns with the United Nations Sustainable Development Goals, particularly SDG 2 (Zero Hunger), which aims to end hunger, achieve food security, and improve nutrition. By combining structured financing solutions, agri-tech investment, and capacity-building initiatives, we continue to drive Africa's agricultural transformation, ensuring farming communities and agribusinesses have the resources needed to thrive in a dynamic economic landscape.

In 2025, we furthered this commitment by facilitating significant investments to strengthen food security, increase agricultural productivity, and expand access to financing for farmers and agribusinesses across the continent.

Agriculture Summit Africa (ASA) 2025

The 2025 Agriculture Summit Africa (ASA), hosted by Sterling Bank in collaboration with Sunbeth Global Concepts, Mastercard, Saro Agrosiences, Leadway Assurance, and other partners, convened Africa's leading stakeholders to reimagine and transform the continent's agricultural future.

Under the theme "Survival of the Greenest: Reclaiming Africa's Food Destiny," the summit focused on resilient food systems, expanded access to finance, and technology-driven solutions to unlock Africa's agricultural potential. Discussions underscored the urgent need for strategic investments, climate-smart practices, and policy innovations to strengthen food security and drive economic resilience across the continent.



Participants of the "Green Money, Green Fields: Mobilizing Finance for Climate-Smart Agriculture in Africa" session held during ASA 2025

A standout feature of the summit was the Nigeria Feed, Fodder, Livestock, and Agribusiness Investment Deal Room, where 31 high-potential projects sought funding totaling over N90 billion, spotlighting opportunities across agribusiness and livestock sectors. This

platform demonstrated how collaboration, innovation, and targeted investment can accelerate Africa’s agricultural transformation, turning potential into tangible progress for farmers, communities, and economies alike. By fostering strategic partnerships, expanding access to finance, and promoting innovative technologies, ASA 2025 showcased how coordinated action can build resilient and sustainable food systems.

Beyond facilitating investments, the summit provided a platform for expert-led discussions on innovative financing models, agri-tech solutions, and market access strategies. Participants explored how digital tools, precision farming, and structured finance mechanisms can enhance efficiency across the agricultural value chain. The summit also highlighted the importance of impact-driven policies and regulatory frameworks, reinforcing the need for collaboration between government and private sector actors to create an enabling environment for agricultural investment.

Sterling Bank’s active participation in the Deal Room reflects our commitment to placing smallholder farmers at the center of agricultural development, ensuring that investments generate real opportunities, improve livelihoods, and strengthen Nigeria’s food ecosystem.

Social Empowerment

Sterling Bank remains steadfast in its commitment 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 create opportunities for women, youth, and displaced populations, ensuring access to resources that build long-term resilience.

Our support goes beyond finance to include capacity-building, entrepreneurship development, and advocacy, equipping communities with the tools to thrive. By leveraging cross-sector collaborations, we contribute to inclusive ecosystems that foster innovation, economic stability, and improved livelihoods.

As an active participant in global and regional development platforms, Sterling Bank engages in shaping policies, driving strategic investments, and building collaborative frameworks to address pressing socio-economic challenges. Our commitment extends beyond participation: we mobilize capital, strengthen impact-driven partnerships, and deliver sustainable solutions that create meaningful, long-term change. Through these efforts, we continue to unlock opportunities, accelerate progress, and reinforce our role as a catalyst for inclusive growth and social transformation.

Africa Social Impact Summit (ASIS)

The Africa Social Impact Summit (ASIS) is a premier platform that unites leaders from the private, public, and third sectors to accelerate progress toward the Sustainable Development Goals (SDGs) in Africa through collaborative initiatives and impact investments in critical economic sectors. Since its launch in 2022, ASIS has consistently convened government officials, civil society, international donors, and private sector leaders to foster regional cooperation and drive meaningful progress toward the SDGs and the African Union’s Agenda 2063. Over four editions, the summit has expanded its influence, catalyzing partnerships that address Africa’s most pressing social, economic, and environmental challenges.

The 2025 edition, themed “Scaling Action: Bold Solutions for Climate Resilience and Policy Innovation,” brought together over

2,000 leaders and stakeholders to explore opportunities for accelerated development through strategic investments, policy interventions, and market-led innovations. As a strategic partner since the inception of ASIS, Sterling Bank has played an active role in advancing discussions that mobilize capital for high-impact projects, scale sustainable solutions, and build collaborative frameworks across healthcare, agriculture, education, climate action, and financial inclusion.

The summit opened with the Pre-ASIS Investor Roundtable, convening over 300 investors in Lagos, one of Africa's fastest-growing economic hubs, to explore opportunities in infrastructure, renewable energy, healthcare, agriculture, and technology. Hosted in partnership with the Lagos State Government and Sterling Bank, the roundtable reinforced Lagos' position as a strategic investment destination. Deputy Governor Obafemi Hamzat highlighted the state's economic potential and vision for resilience and sustainable development.

The discussions set the stage for significant financial commitments, signaling Africa's readiness to leverage partnerships and innovative financing to bridge infrastructure gaps and drive inclusive, sustainable growth across the continent.

Women Empowerment

Sterling Bank is deeply committed to advancing women's empowerment as a foundation for sustainable social and economic progress. We believe that when women thrive; living secure, meaningful, and productive lives, the ripple effects are transformative: stronger households, resilient communities, and a more prosperous nation. Through this lens, Sterling Bank supported the following empowerment initiatives in 2025:

1. Empowering Women Entrepreneurs Through the Women Investment Readiness Accelerator Program

Sterling Bank's economic inclusion initiatives expanded pathways to growth for women entrepreneurs across Nigeria, equipping them with the skills, resources, and networks required to compete and scale in dynamic markets. Through the Women Investment Readiness Accelerator (WIRA) Program, implemented with the support of the Development Bank of Nigeria (DBN) and Agence Française de Développement (AFD), 100 women-led businesses were prepared for investment and positioned for sustainable growth.



The program delivered tailored capacity-building, expert mentorship, and exposure to the best global practices, culminating in a Demo Day supported by Sterling Bank where semi-finalists pitched their ventures to prospective investors. By translating ambition into access and readiness into results, WIRA empowered women entrepreneurs to build profitable enterprises, strengthen local economies, and drive inclusive economic development across Nigeria.

2. Advancing Gender Equality and Youth Empowerment

In 2025, we strengthened our commitment to gender equality and youth empowerment by convening high-level engagements that elevated young voices and influenced leadership at the highest levels of governance. Through a strategic collaboration with global education and gender equality advocate Zuriel Oduwole, Sterling Bank advanced the call for sustained, systemic action to expand inclusive opportunities for women, girls, and young leaders across Africa.

As part of this engagement, Sterling Bank held a Leadership Session in commemoration of International Women's Day and facilitated a courtesy visit to the Lagos State Governor's Office, bringing together Zuriel Oduwole, Nigeria's youngest female Nobel Peace Prize nominee and one of the world's youngest

global advocates for education and gender inclusion with Governor Babajide Sanwo-Olu. The dialogue focused on strengthening youth's participation in leadership, advancing gender-responsive policies, and accelerating progress through policy-aligned, cross-sector partnerships.

This engagement reflects Sterling Bank's belief that meaningful progress on gender equality is achieved when advocacy intersects with governance and visionary leadership. By creating platforms that move young people particularly women and girls, from the margins to the centre of decision-making, Sterling Bank continues to translate dialogue into action, building inclusive systems that empower the next generation to lead, shape policy, and drive lasting progress toward a more equitable and sustainable Africa.

Sustainability Governance Dimension

Sustainability Governance Strategy and Framework

At Sterling Bank, we view sustainability governance as a fundamental driver of our financial resilience and long-term value creation. For the 2025 financial year, we further refined our corporate governance framework to seamlessly integrate sustainability-related risks and opportunities into the Bank's core decision-making processes. This evolution ensures that our strategic focus on the HEART sectors (Health, Education, Agriculture, Renewable Energy, and Transportation) is supported by rigorous oversight, aligning our commercial objectives with the preservation of the environment and the prosperity of our communities.

This commitment to sustainability is in line with and complements our pursuit of exceptional corporate governance, which recognizes that a foundation of integrity, transparency, and accountability is essential for sustainable value creation. Our governance framework therefore is designed not only to ensure strict compliance with the Nigerian Code of Corporate Governance and relevant regulatory mandates but to foster a culture of ethical leadership that protects the interests of our shareholders and stakeholders. We continuously evolve our internal controls and policy frameworks to navigate the complexities of the global financial landscape, ensuring that our operations remain resilient, compliant, and aligned with the highest standards of professional conduct.

For us, sustainability is not a separate function, but a critical dimension of our broader operational excellence. The Board of Directors, primarily through the Board Risk Management Committee (BRMC), is saddled with exercising rigorous oversight over all material risks whether financial, operational,

or environmental while specific environmental and social (E&S) governance is embedded within the Enterprise Risk Management Group, led by the Chief Risk Officer (CRO) and the Group Chief Risk Officer (GCRO). 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.

Ethical Codes, Standards, and Guidelines

The Sterling Bank governance framework is reinforced by a robust corporate culture that aligns business performance with ethical responsibility. To ensure that our sustainability goals are not merely aspirational but operational, we have established a comprehensive suite of codes, standards, and guidelines that govern daily conduct. These principles covering Environmental Stewardship, Corporate Social Responsibility (CSR), and Diversity, Equity, and Inclusion (DEI); serve as the compass for our risk management strategies and business operations. We actively foster this culture through continuous Employee Capacity Building and engagement initiatives, equipping our workforce with the knowledge required to uphold high ethical standards and make sound, sustainability-aligned decisions.

Furthermore, to operationalize our commitment to transparency and accountability, the Bank maintains specific standalone policies that guide the behavior of every employee. These instruments form the bedrock of our internal control environment:

Workplace Behavioral Codes

These codes outline the non-negotiable standards of conduct for all Sterling Bank employees in their daily interactions. They are essential for fostering a respectful, professional, and productive work environment, ensuring that our corporate culture supports productivity and inclusivity while mitigating reputational risk.

Gift & Policy

To prevent conflicts of interest and maintain the integrity of our decision-making, our Gift Policy establishes clear boundaries regarding the acceptance and exchange of gratuities. This policy applies universally to directors, employees, contractors, and consultants, ensuring that all engagements with vendors, government officials, and stakeholders are conducted with absolute professional transparency.

Whistleblowing Mechanism

We maintain an open culture that encourages accountability. Our Whistleblowing Policy provides a protected, discreet channel for employees, contractors, and customers to report unethical or irregular activities without fear of victimization. This mechanism is vital for early risk detection and the preservation of stakeholder trust.

Grievance Redress Mechanism

Beyond internal reporting, we operate a robust mechanism to address external concerns. In the 2025 financial year, this system effectively resolved over 355,218 stakeholder inquiries and complaints, primarily through our customer contact center, demonstrating our capacity to manage social risks and ensure satisfactory resolutions across all stakeholder groups.

Speak Up With Confidence!

Report concerns safely and confidentially using our internal or updated external whistleblowing channels.

Internal Reporting Channels

Report concerns directly through the Bank's dedicated whistle blowing channels:

The Bank's Hotlines:

- +234 (0) 802 303 7820
- +234 (0) 802 395 4834
- +234 (0) 909 484 4420

Bank's Email: whistleblowing@sterling.ng

External Reporting Channels (Updated)

Report concerns independently using the KPMG Whistleblowing platform.

How to Report (External):

- 1. Download the App.** Get the **KPMG Whistleblowing App** from Google Play or Apple Store. Select Nigeria.
- 2. Choose "Report via Call".** Tap **'Report via Call'** on the home screen.
- 3. Select Online Reporting.** Choose **'Online Reporting'** to continue.
- 4. Click Proceed.** Your call connects instantly to an **Ethics Operator**.

Safe. Confidential. Anonymous.

Disciplinary Framework

Enforcement is central to effective governance. Sterling Bank disciplinary structure is guided by a structured sanctions grid that ensures fairness and consistency. It operates through two distinct committees:

- a. The Human Capital Disciplinary Committee, which addresses general workplace conduct, and
- b. The Staff Disciplinary Committee, which adjudicates ethical violations and risk-related infractions.

This separation ensures that ethical breaches are treated with the specific gravity they require.

Our Approach to Operational Risk Management.

The Digital and Operational Risk Management (DORM) Department is responsible for developing and implementing Sterling Bank's digital and operational risk management frameworks. Through a proactive and structured approach, the Department safeguards financial stability, ensures regulatory compliance, protects Sterling Bank's brand, and sustains customer confidence.

Operational risks arising from people, processes, systems, and external events are actively identified, assessed, and mitigated to support operational continuity, organizational resilience, and the achievement of Sterling Bank's strategic objectives. DORM enhanced its proactive risk management capabilities by implementing advanced strategies that ensure operational resilience, optimize process efficiency, strengthen supply chain effectiveness, and support seamless technological operations. Led by experienced professionals with clearly defined responsibilities and performance metrics, DORM ensures Sterling Bank operates with a heightened risk-aware mindset. All activities are guided by a Board-approved operational and digital risk framework, aligned with the best global practices.

Milestones Achieved in FY2025

Risk and Control Self-Assessment (RCSA) Implementation

The Risk and Control Self-Assessment (RCSA) Framework was further optimized and enhanced to strengthen control effectiveness, stakeholder engagement, monitoring processes, consequence management, and escalation procedures, with continuous reinforcement across all business units. Business Unit leadership is actively involved

in proactive risk identification, assessment, mitigation, and ongoing compliance monitoring, reinforcing clear risk ownership and accountability across Sterling Bank.

Establishment and Continuous Update of a Comprehensive Risk Register

A consolidated Enterprise Risk Register was maintained and continuously updated to serve as a central tool for identifying, assessing, and managing risks across Sterling Bank. By integrating appropriate control measures for each identified risk, the risk register provides a structured and consistent approach to enterprise-wide risk management. This initiative has significantly strengthened Sterling Bank's holistic risk management framework by improving risk visibility, enhancing risk ownership, and supporting more informed and timely decision-making at all levels of the organisation.

Model Risk Management

Sterling Bank's Model Risk Management (MRM) framework continues to provide effective oversight of analytical, financial, and operational models, ensuring that model risk is effectively identified, assessed, and mitigated across the organisation. The DORM team ensures that models are used appropriately and consistently to produce reliable results. Through independent model review, validation, and back-testing, the team plays a critical role in identifying and correcting inconsistencies in model design, data inputs, assumptions, or usage.

Products and Solutions Assessment

The DORM team actively supports the product and solutions development lifecycle by embedding risk assessment and mitigation at every stage.

a. Review of Business Requirement Documents (BRD), Standard Work Requests (SWR), and Product Requirement Documents (PRD) for early risk identification and mitigation.

b. Participation in User Acceptance Testings (UATs) and Pilot Testing, supporting the safe and sustainable deployment of new products and solutions.

c. Quarterly post-deployment testing, highlighting ongoing oversight and continuous assurance. This holistic engagement enables proactive identification of emerging risks, strengthens product governance, enhances controls, and ensures the security and reliability of Sterling Bank's products portfolio.

Appointment of Risk Champions

Risk Champions were appointed across business units to drive the effective implementation of enterprise risk management. They play an integral role in risk identification, assessment, mitigation, and reporting, fostering a proactive, risk-aware culture and embedding risk ownership within businesses throughout the entire Sterling Bank organization. This initiative has strengthened cross-functional collaboration and enhanced risk governance across all functions, supporting the Bank's growth and increasing operational complexity.

Creation and Review of Standard Operating Procedures (SOPs)

Standard Operating Procedures (SOPs) were standardized across Sterling Bank to ensure clarity, consistency, and effective risk mitigation in all operational activities. A centralized SOP repository was established, improving accessibility, governance, and to reduce key-man dependency. The standardization and continuous review of SOPs have strengthened the management of inherent and residual risks, enhancing

operational efficiency, control effectiveness, and overall organizational resilience.

Operational Risk Awareness

Operational risk awareness campaigns and training programs were scaled, incorporating interactive digital content, workshops, and communications across multiple channels to reinforce a consistent understanding of risk management practices across the Bank. These efforts engaged employees at all levels, strengthening their ability to identify, manage, and respond to operational risks, fostering a more proactive, risk-aware culture throughout the organization.

Our Approach to Technology

Our approach to Technology and IT governance is rooted in the idea that Technology is not a support function sitting off to the side. It is part of how the enterprise thinks, decides, and executes.

At an enterprise level, IT governance exists to make sure technology investments actually serve business priorities. Strategy comes first, and technology choices follow, with clear lines of accountability.

Governance is embedded into the overall Enterprise structure rather than being treated as a standalone IT exercise. Major technology decisions are aligned with corporate strategy, risk appetite and financial planning, and are reviewed through the same governance bodies that oversee capital allocation, performance, and compliance. That keeps technology discussions grounded in outcomes and not tools.

Also, we separate ownership from oversight. Business leaders own outcomes and value realization, while IT provides architectural integrity, security and delivery discipline. This balance helps avoid both extremes. Risk

management is a core pillar. Cybersecurity, data protection, resilience, and regulatory compliance are built into governance processes from the start, with clear escalation paths and measurable controls.

Finally, governance is designed to enable speed and not to slow it down. Decision thresholds are explicit, approval layers are proportional to impact, and standards are pragmatic. We try to be firm where consistency matters, and flexible where we need to innovate. In summary, IT governance ensures that technology is seamlessly integrated into the enterprise as a well-structured and reliable function that aligns with strategy, designed with clear accountability, and grounded in effective practical application.

Role of IT in Driving the Entity's Sustainability Strategy

IT plays a key enabling role in delivering the entity's sustainability strategy by turning intent into practical execution. It contributes directly by reducing the organization's operational footprint through more efficient infrastructure, increased digitization, and lower resource consumption. While these changes are incremental, they create meaningful environmental impact over time.

Technology also underpins transparency and accountability. IT enables the capture, analysis, and reporting of sustainability data across the enterprise, supporting ESG measurement and more informed decision-making. In addition, IT enables the business to deliver sustainable and inclusive products and services at scale by providing reliable, secure digital platforms. Strong cybersecurity, data governance, and system resilience further support trust, regulatory compliance, and long-term risk management. Overall, Technology's role has been to embed sustainability into daily operations, making it measurable, scalable, and sustainable over the long term rather

than a standalone initiative, and reporting of sustainability data across the enterprise, supporting ESG measurement and more informed decision-making.

In addition, IT enables the business to deliver sustainable and inclusive products and services at scale by providing reliable, secure digital platforms. Strong cybersecurity, data governance, and system resilience further support trust, regulatory compliance, and long-term risk management.

Overall, Technology's role has been to embed sustainability into daily operations, making it measurable, scalable, and sustainable over the long term rather than a standalone initiative.

Our Adherence To International & Local Standards

Our IT strategy is guided by adherence to relevant international and local standards, ensuring regulatory compliance, sound risk management, and alignment with industry best practice.

We align with recognized international frameworks covering IT governance, information security, risk management, data protection, and service management. These provide consistency, accountability, and resilience across the enterprise.

At the local level, we align with applicable regulatory and supervisory requirements by building them directly into how technology is planned, delivered, and operated, rather than addressing compliance retrospectively.

These external standards are reinforced through internal IT policies that define decision rights, security requirements, architectural principles, and risk thresholds, ensuring technology investments support business objectives in a controlled and responsible manner.

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 domestic/global laws (such as Banks and Other Financial Institutions Act (BOFIA), Independent Corrupt Practices and Other Related Offences Act (ICPORA), UK Bribery Act (UKBA) etc, and draws guidance from International ABC standards such as the Wolfsberg ABC Compliance Programme Guidance, ISO 37301 and ISO 37001.

1. 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.

Guiding Principles

The management and employees, across all cadres, are entrusted with the responsibility of preventing, detecting, and reporting acts of bribery and corruption. Sterling Bank's management, employees and any/all other third parties engaged are prohibited from making or receiving payments, directly or indirectly, to influence an official act or

decision, or for any other improper purpose, or to obtain or retain business. In summary, it is an offence:

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

2. Governance and Risk Management Framework

The following individuals/teams are responsible for the implementation and oversight of the Anti-Bribery and Corruption (ABC) 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 Conduct and Compliance Division is responsible for implementation, 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: The unit 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.

Senior Management: They are responsible for ensuring that respective teams understand, comply with and adhere to the policy. Also tasked with identifying any risks within their units and escalating potential issues.

All Employees: 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.

Independent Assurance Functions: They conduct routine testing of the effectiveness of Anti-Bribery & Corruption controls/countermeasures by Internal Audit and External Assessors.

Third Parties, Contractors 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.

3. Internal Controls and Audit Oversight

Institutional Risk assessments, Control testing, Policy monitoring and Review

As required by International Standards (Wolfsberg and ISO 37001), Sterling Bank through its annual Enterprise-Wide Financial Crimes Risk Assessments (EWRA) and Control Testing undertakes the assessment of bribery and corruption risk, tests the ABC controls and intimate's Senior/Executive Management of the adequacy of the ABC program.

Third Party Due Diligence

Sterling Bank applies a risk-based due diligence process to third parties, including vendors, contractors, and business partners, to assess bribery and corruption risks prior to engagement and on an ongoing basis. Higher-

risk relationships are subject to enhanced due diligence, contractual safeguards, and continuous monitoring in line with the Bank's anti-bribery and anti-corruption framework.

Transaction Monitoring

Sterling Bank applies risk-based monitoring and review of transactions to identify potential bribery and corruption risks. Identified red flags are subject to investigation, & appropriate reporting in line with applicable policy/laws.

Whistleblowing

Sterling 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 channel or via an external ethics line as publicly displayed on our website <https://sterling.ng/support/whistle/>

Sterling 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.

Gifts and Honoraria

Sterling Bank permits the giving and receipt of gifts and honoraria only where such items are modest, proportionate, transparent, and in line with approved internal guidelines. All gifts and honoraria are subject to defined approval of thresholds, mandatory declaration, and centralized record-keeping. Any gift or honorarium intended to improperly influence business decisions or official actions is strictly prohibited.

4. Employee Training and Awareness

Sterling Bank is committed to ensuring that this Policy and associated anti-bribery and corruption procedures are embedded and understood across Sterling 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.

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

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.

Sterling Bank's Anti-bribery and Corruption Policy Statement is accessible to the public (including but not limited to third parties and stakeholders) via its website at:

Sterling Bank's Anti-bribery and Corruption Policy Statement

5. Incidents and Reporting

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

- Reject demands for, or offers of, bribes.
- Communicate an anti-bribery stance to the offering/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 Sterling 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 Sterling Bank's Board-approved Whistleblowing Policy and CBN Corporate Governance Guidelines for Banks; relevant control gaps/failures identified are also shared with the Anti-Bribery and Corruption Compliance function for improvements to the Program.

Sustainability Governance Oversight and Implementation

The Board of Directors retains the overall responsibility for the Bank's sustainability strategy, ensuring it aligns with our long-term financial interests and the 'enriching lives' philosophy. To discharge this duty effectively, the Board relies on three standing committees for oversight support, while specific technical bodies drive the operational implementation of our Environmental and Social Management System (ESMS).

The following Board committees provide the necessary checks, balances, and strategic guidance to institutionalize sustainability:

- Board Governance Committee
- Board Audit and Compliance Committee
- Board Risk Management Committee

While the Board maintains the primary oversight of sustainability issues and environmental stewardship for the enterprise,

the technical implementation of the Environmental and Social Management System (ESMS) is delegated to specialized management functions. These units ensure that sustainability principles and initiatives are applied to daily transaction flows and operational decisions:

Enterprise Risk Management (ERM)

The ERM unit anchors our technical implementation, ensuring a proactive approach to risk assessment that aligns with global risk management frameworks. Rather than treating sustainability as a peripheral issue, the ERM team consistently evaluates business risks through an ESG lens, ensuring that sustainability considerations are fully integrated into the Bank's overall risk strategy and capital planning processes.

Environmental & Social (E&S) Governance Unit

To maintain a clear and transparent governance structure, we established a dedicated Sustainability Unit that defines roles and responsibilities across the organization. This unit oversees the technical Environmental and Social (E&S) risk assessments for all investment portfolios, ensuring strict compliance with our ESRM policies before funds are disbursed. To validate our adherence to these sustainable banking practices, the unit coordinates regular assurance exercises.

This includes biannual internal audits ensuring continuous improvement and external evaluations by regulators. In 2025, internal audits of the Sustainable Banking Unit were carried out in August to review E&S functions. This follows an external audit by the Central Bank of Nigeria (CBN); evaluating our compliance with the Nigerian Sustainable Banking Principles, further reinforcing our commitment to responsible business conduct.

Sustainability Working Group (SWG)

In ensuring that sustainability is embedded across all departments and functions within the enterprise, the SWG is a multi-function body that consists of "Sustainability Risk champions" drawn from key business units, ensuring that sustainability initiatives are effectively communicated and implemented at the operational level. Led by the Chief Risk Officer, the SWG drives the integration of Environmental and Social Management Systems (ESMS), ensuring that every business decision aligns with Sterling Bank's broader sustainability strategy.

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.

Conduct & Compliance:

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

Strategy Team:

Embeds environmental and social considerations in corporate planning cycles, portfolio mix, capital allocation and long-term growth positioning of the bank.

HEART Sector SBUs: Originates investments that enables the channeling of impact capital into the critical sectors of the economy; Health, Education, Agriculture, Renewable Energy and Transport

Service Center Management: Champion resource (energy, water and waste) efficiency across the Bank’s branch locations

Strategic Partnerships and Industry Alignment

To ensure the Bank’s governance framework remains dynamic and aligned with global best practices, Sterling Bank actively leverages strategic alliances with leading development finance institutions and sustainability bodies. These partnerships serve as external validation mechanisms for our internal controls and risk management processes.

Global Standards & Risk Management Frameworks

The International Finance Corporation (IFC)

Our partnership with the IFC is central to our credit risk governance. We utilize the IFC Performance Standards as the benchmark for our Environmental and Social (E&S) risk assessments in credit transactions, ensuring that every project we finance meets stringent global criteria. This collaboration extends

to our operational footprint, evidenced by our headquarters achieving the IFC EDGE Advanced certification, a verifiable metric of our commitment to eco-efficient operations.



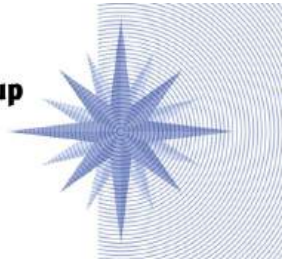
IFRS Sustainability Disclosure Standards

In support of Nigeria’s Nationally Determined Contributions (NDCs) and the broader national transition toward a low-carbon and climate-resilient economy, we have begun preparations to adopt the IFRS Sustainability Disclosure Standards following the Nigerian government’s announcement at COP27 in Sharm El-Sheikh, Egypt. We are putting in place the necessary governance, risk management, and disclosure structures required to meet these global benchmarks. In 2025 we commenced work toward the development of a Board-approved Climate Risk Policy, which will serve as the foundational framework for identifying, assessing, and managing climate-related financial risks in line with IFRS S1 and IFRS S2.

The Wolfsberg Group

As a custodian of financial integrity, we adhere to the Wolfsberg Group standards. This reinforces our anti-money laundering (AML) and combats the financing of terrorism (CFT) frameworks, ensuring that our sustainability agenda is built upon a bedrock of rigorous financial crime compliance.

**the
Wolfsberg
Group**



Ethical Leadership & Capacity Building

United Nations Global Compact (UNGC)

Since joining the UNGC in 2018, we have embedded its Ten Principles covering human rights, labor, and anti-corruption into our operational DNA. Crucially, Sterling Bank utilizes the UNGC not just for reporting, but for competency development a key requirement of IFRS S1. In 2024, we leveraged the UNGC Academy to upskill our workforce, achieving 2,049 course enrollments (a 200% year-on-year increase). This ensures that our staff possesses the technical knowledge required to execute our sustainability mandate.



**United Nations
Global Compact**

Nigerian Sustainable Banking Principles (NSBP)

As a member of the NSBP Steering Committee, Sterling Bank does not merely comply with regulations; we shape them. Sterling Bank actively collaborate with industry peers and the Central Bank of Nigeria to refine sector-wide sustainable banking practices, ensuring the Nigerian financial system remains resilient and inclusive.



**The Nigerian
Sustainable Banking
Principles**



Sustainable Development Goals (SDGs)

Sterling Bank business model is intentionally calibrated to drive the UN SDGs. By aligning our HEART strategy (Health, Education, Agriculture, Renewable Energy, Transportation) with specific SDG targets, we ensure that our commercial success directly translates into measurable social and environmental progress.

Stakeholder Engagement and Materiality

Effective governance requires a continuous feedback loop with those impacted by our operations. At Sterling Bank, stakeholder engagement is not a public relations exercise but a strategic intelligence function. We engage a broad spectrum of stakeholders including shareholders, regulators, customers, employees, and host communities through structured mechanisms designed to capture their concerns and expectations.

These interactions are critical for determining our materiality. By listening to our stakeholders, we identify which sustainability-related risks and opportunities are most significant to our business's value and reputation. This "outside-in" perspective ensures that our Board and Management are not operating in silos, but are making decisions informed by the diverse needs of the ecosystem we serve. Through open communication and the robust grievance redress mechanisms detailed earlier, we foster the trust necessary to create long-term shared value.

The table below highlights our engagement with our various stakeholders:

Our Stakeholders	Reasons for Engagement	Channels of Engagement
Customers	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.	Branches
		Contact Centre
		Mobile and Online Banking
		Website
		Social media channels
Employees	To ensure adherence to our commitment to 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.	Customer research
		Customer Complaint Unit
		Customer surveys
		Employee engagement survey
		Recognition and awards programmes.
Shareholders	To provide regular information updates on the Bank's performance.	Regular meetings
		Microsoft Viva Engage (staff social platform)
		HR Helpdesk
Board of Directors	To provide update on the Bank's overall risk profile and performance relative to approved strategy, risk appetite, and key business objectives.	Secure channels for suggestions and feedback
		Whistleblowing portal.
Regulators	To ensure compliance with all rules and regulations and the mitigation of non-compliance, which will result in penalties.	General Meetings
		Quarterly reports
		Letter and email communications
Suppliers	To ensure that goods and services are ethically sourced and are of good quality.	Meetings and onsite visits
		Regular reporting
Communities	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.	Vendor Management Portal
		Bids and Tenders
		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 2025. The Bank ensures compliance with the relevant provisions of the Nigerian code of Corporate Governance, the Central Bank of Nigeria (CBN) Corporate Governance Guidelines for Commercial, Merchant, Non-Interest and Payment Service Banks in Nigeria, as well as the Bank’s Corporate Governance Policy. 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, financing, and operations.

Directors’ Appointments, Retirements, and Re-Elections

Directors’ appointments, retirements, and re-elections are carried out in accordance with the provisions set out in the Bank’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 ensures 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 Bank’s governance framework.

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	4	4
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. Abubakar Suleiman	Managing Director/CEO	4	4
10.	Mr. Tunde Adeola	Executive Director	4	4
11.	Mr. Raheem Owodeyi	Executive Director	4	4

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 5 (five) 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.
- 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	3	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 Bank's 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 the EXCO limit.
- Review significant transactions and new business initiatives for the Board's approval.
- 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.
- Maintain 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 the 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 risk

policies, and applicable statutory and regulatory requirements.

- Review the effectiveness of the risk management system on an annual basis.
- Perform any other duties assigned by the Board from time to time.

The members of the Board Risk Management Committee and their respective 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	4	4
4	Mrs. Olusola Oworu	Member	4	4
5	Mrs. Folasade Kilaso	Member	4	4
6	Mr. Abubakar Suleiman	Member	4	4
7	Mr. Raheem Owodeyi	Member	4	4

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 reporting and information 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 coordination 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's responses.
- Review the implementation of the External Auditors' recommendations by Management.
- Review the performance of the 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	Mrs. Olusola Oworu	Member	5	5
4	Mr. Olaitan Kajero	Member	5	5
5	Prof Olayinka David-West	Member	5	5

Board Governance, Nomination and Remuneration Committee

The Committee acts on behalf of the Board on all matters relating to the workforce.

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 the renewal of the 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.
- 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 Professional Conduct and Ethics 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.
- The Committee may engage a remuneration consultant 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.
- 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	Prof. Olayinka David-West*	Chairperson	5	5
2	Mr. Michael Ajukwu	Member	4	5
3	Mr. Michael Jituboh	Member	5	5
4	Mrs. Tairat Tijani	Member	5	5
5	Mrs. Folasade Kilaso	Member	5	5
6	Mrs. Olusola Oworu	Member	5	5

*Appointed Chairperson effective 28th April 2025

Dates for Board and Board Committee meetings held in the 2025 financial year:

Meetings	Dates				
Board	25-Feb-25	15-May-25	12-Aug-25	20-Nov-25	
Board Credit Committee	27-Jan-25	14-Apr-25	16-Jul-25	14-Oct-25	
Board Finance & General-Purpose Committee	6-Feb-25	14-Apr-25	22-Jul-25	22-Oct-25	
Board Audit Committee	19-Feb-25	24-Mar-25	25-Apr-25	25-Jul-25	28-Oct-25
Board Risk Management Committee	29-Jan-25	30-Apr-25	14-Jul-25	16-Oct-25	
Board Governance, Nomination & Remuneration Committee	28-Jan-25	28-Apr-25	15-Jul-25	15-Oct-25	2-Dec-25

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 Bank'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.

No induction programme was conducted during the year under review, as no new Director was appointed.

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 shareholder at the Bank's Annual General Meeting.

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

The Board is responsible for overseeing the overall direction and governance of the Bank. 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 Bank's strategic objectives and major business initiatives.
- ii.** Financial Matters: Approval of the Bank's annual budget, financial statements, capital expenditure, and significant investments or divestments.
- iii.** Corporate Governance: Adoption of the Bank'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 Bank'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 Bank

The Bank 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 Bank. The policy provides for the recovery of incentive-based compensation in the following instances:

- i.** Where the Executive Director was involved in any misdemeanour;
- 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 Bank;
- iv.** If there was a 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 Bank.

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 Bank's Memorandum and Articles of Association, together with other relevant rules and regulations, are complied with. He 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, he 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 Committees

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 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 of 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 whistleblowing. Further disclosures are stated in Note 44 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

Company Secretary

Mr. Sunny Kanabe*

**Appointed effective 27th June 2025*

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 joined the Board of Sterling Bank in April 2022. He 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, Oyebode & 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 the pioneer Legal Adviser & Company Secretary of Shell Exploration & Production Africa Limited, following the 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 Arkland Group Ltd, HSI Energies Ltd as the Vice Chairman of the Company and chairs the Board of CFG Africa Ltd. Mr. Mayaki was appointed the Board Chairman effective 1st January 2024.



Olusola Oworu
Independent Director

Mrs. Olusola Oworu was appointed an Independent Director on the Board of Sterling Bank Plc in April 2022. She 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 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 greenfield 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 currently sits on the Board of other organizations such as Lafarge Africa Plc, Guinness Nigeria Plc, Fobisol Ventures, Landmark Africa Limited and Industrial and Medical Gases Nigeria Plc.



Michael Ajukwu
Independent 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 MTN Nigeria Communications Plc and Momo PSB.



Olayinka David-West
Independent Director

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.

Prof. David-West is the Dean of 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).

Prof. 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.



Olaitan Kajero
Non-Executive Director

Mr. Olaitan Kajero joined the Board of Sterling Bank in August 2014. He 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. Mr. Kajero is a Fellow of the Chartered Institute of Bankers of Nigeria (CIBN). 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

currently sits on the Board of other companies including Leyland Motor Company, Lekki Fortune and Fair Limited and Linkgold Nigeria Limited.



Tairat Tijani
Non-Executive Director

Mrs. Tairat Tijani joined the Board of Sterling Bank in November 2014. She 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. (ICSAN)

Mrs. Tijani 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 served as a Non-Executive Director at Central Securities Clearing System Plc (CSCS), where she also chaired the Technical Committee. She sits on the Boards of other organizations such as Ess-ay Holding Ltd, Aqua Green Ltd and SAAF Foundation.



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 at 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 experience in Project Lending and Management. He previously served as Non-Executive Director on the boards of the erstwhile Devcom and Equitorial Trust Bank.



Folasade Kilaso
Non-Executive Director

Mrs. Folasade 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 a 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 an Executive Director at Standard Chartered Bank, Nigeria. Mrs. Kilaso had a multifunctional career at Standard Chartered during her 11 years with the Bank. She 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 of Nigeria (CIBN) and Central Bank of Nigeria (CBN) - Sub Committee for Women Economic Empowerment. Mrs. Kilaso currently sits on the Boards of other companies such as Newhall Training & Recruitment Services Limited, Milford Consultancy Limited, Elstree Farms Limited, Berkeley Technology Services Management Limited, Enza Nigeria Payment Services Limited, and Berkeley Digital Services Limited.



Mr. Abubakar Suleiman currently serves as the Managing Director/Chief Executive Officer of Sterling Bank. He was appointed to the Board in April 2014 with the 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 the 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.

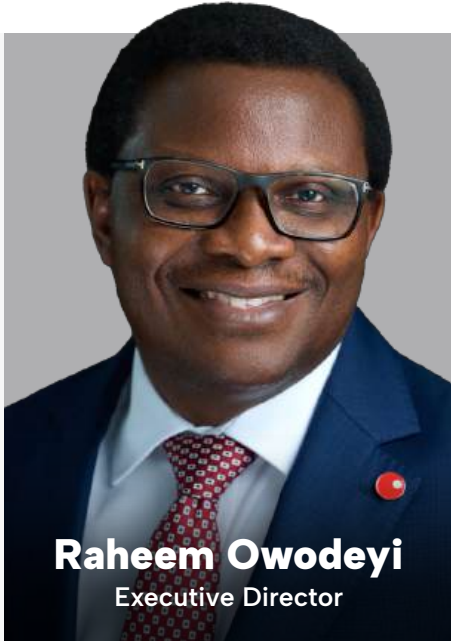
Mr. Abubakar Suleiman holds a degree in Economics from the University of Abuja, a Master's degree in Major Programme Management from the University of Oxford. He has attended various executive education programmes at INSEAD, Harvard, Wharton, and Said Business Schools. He currently serves on the Advisory 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, Ananse Internet Group, Noor Takafu, NESG and Teach for Nigeria.



Mr. Tunde Adeola serves as the Executive Director, Commercial & Institutional Banking. He previously served as the General Manager and the Divisional Head, Commercial Banking Directorate at Sterling Bank where he was responsible for the growth, retention, 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 joining 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.

Mr. Adeola holds a Bachelor of Arts degree in English from the Lagos State University and a Bachelor of Laws degree from the University of Lagos. He is an alumnus of the Wharton School, Pennsylvania, and an Honorary Member, Chartered Institute of Bankers of Nigeria (HCIB).



Raheem Owodeyi
Executive Director

Mr. Raheem Owodeyi serves as the Executive Director, Risk Management and Compliance at Sterling Bank. 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 the 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 Executive Director Operations & Services/Chief Operating Officer, where he was responsible for overseeing the Bank's operations and services

to meet business goals and projections. He had previously served as the Chief Compliance Officer of the Bank.

Prior to joining Sterling Bank, he was a General Manager and Chief Inspector at Aso Savings and Loans Plc. He previously 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 and sits on the Board of other companies such as Primero Transport Services Limited, Rites Foods Limited, and Primal Consult Limited.

Report of The Directors

For the year ended 31 December 2025

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 2025.

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 3 January 2006 and the Bank’s shares were quoted on the Nigerian Exchange (NGX) until 6 April, 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 153 branches including cash centers as of 31 December 2025.

Highlights of the Group and the Company's operating results for the year ended 31 December 2025 are as follows:

<i>In millions of Naira</i>	Group 2025	Group 2024	Bank 2025	Bank 2024
Gross earnings	<u>420,149</u>	<u>296,961</u>	<u>418,734</u>	<u>294,945</u>
Profit before income tax	68,476	31,524	68,457	31,343
Income tax expense	<u>(8,313)</u>	<u>(758)</u>	<u>(8,217)</u>	<u>(740)</u>
Profit after income tax	<u>60,163</u>	<u>30,766</u>	<u>60,170</u>	<u>30,601</u>
Profit attributable to equity holders	<u>60,163</u>	<u>30,766</u>	<u>60,170</u>	<u>30,601</u>
Total non-performing loans as % of gross loans	4.8%	5.4%	4.8%	5.4%
Earnings per share (naira) – Basic	N92.91	N64.12	N92.92	N63.77
Earnings per share (naira) – Diluted	N92.91	N64.12	N92.92	N63.77

Dividend

The Directors did not propose any dividend for the year 2025 (31 December 2024: 11k per share).

Directors who served during the year

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

Name	Designation
Mr. Olatunji Mayaki	Chairman
Mr. Michael Ajukwu	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
Mrs. Olusola Oworu	Independent Director
Prof. Olayinka David-West	Independent Director
Mr. Abubakar Suleiman	Managing Director/CEO
Mr. Tunde Adeola	Executive Director
Mr. Raheem Owodeyi	Executive Director

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.

Directors' 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:

S/N	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.

Donations and Charitable Gifts

The Bank donated a total sum of N712.1million during the year ended 31 December 2025 (2024: N385.9million) 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)
Beyond Education initiative	Corporate Social Responsibility	234.5
Intra-African Trade Fair (IATF)	Sponsorship	77.0
28th National Economic Summit Sponsorship and Membership	Sponsorship	70.0
Support for Health and Social Welfare Initiatives	Corporate Social Responsibility	54.3
Ake Arts and Book Festival	Sponsorship	53.7
18th Annual Banking and Finance Conference	Sponsorship	48.0
MRHR health care services for Nigerian women	Corporate Social Responsibility	30.0
Support for Youth and Creative Development Initiatives	Corporate Social Responsibility/ Sponsorship	24.0
Support for Environmental Sustainability Initiatives	Corporate Social Responsibility/ Sponsorship	24.0
Institutional Support for Capacity Building and Professional Development	Sponsorship	21.8
Sponsorship for Business and Investment Development Initiatives	Sponsorship	20.8
SMFest Abuja	Sponsorship	20.0
Support for Educational Advancement Programmes and Human Capital Development	Corporate Social Responsibility	16.5
Sterling Environmental Makeover 2025	Corporate Social Responsibility	7.6
Oba Ji Festival 2025	Sponsorship	5.0
Support for Women Empowerment Initiatives	Sponsorship	5.0
		712.1

Gender Analysis of Staff

Analysis of staff employed by the Bank during the year ended 31 December 2025

Description		Number	% to Total Staff
Female staff new hire		273	36.8%
Male staff new hire		468	63.2%
Total new hire		741	100.0%
Female staff as at 31 December 2025		1,322	45.6%
Male staff as at 31 December 2025		1,578	54.4%
Total staff		2,900	100.0%

Analysis of top management positions by gender as at 31 December 2025:

Grade	Female	Male	Total
Senior Management (AGM –GM)	6	23	29
Middle Management (DM – SM)	81	154	235
Total	87	177	264

Analysis of Executive and Non-Executive positions by gender as at 31 December 2025:

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 2025 amounted to N403 million (2024: N426million).

Acquisition of own shares

The Bank did not acquire any of its shares during the year ended 31 December 2025 (2024: Nil).

Property, plant and equipment

Information relating to changes in property, plant and equipment is given in Note 23 to the consolidated and separate financial statements.

Employment and Employees

Employment of disabled persons:

The Group has a non-discriminatory policy on recruitment. Applications are always welcomed from suitably qualified disabled persons and are reviewed strictly based on qualifications. The Group's policy is to recruit the most qualified and experienced persons 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 employees at all levels for medical expenses, transportation, housing, lunch, etc.

Employee training and development

The Group is committed to keeping employees fully informed regarding its performance and progress, and seeking their opinions where practicable on matters that particularly affect them as employees. Training is carried out at various levels through both in-house and external courses. Incentive schemes are designed to encourage employee involvement in the Group's performance are implemented whenever appropriate.

Events after the reporting date

Note 36 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 positions of the Group and the Bank as at 31 December 2025 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 the 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:



Sunny Kanabe

Company Secretary

FRC/2025/PRO/NBA/002/099459

20 Marina, Lagos, Nigeria.

11 March, 2026

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 2025, 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.

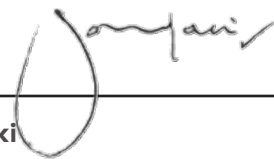
Going Concern

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 2025 were approved by the directors on 11 March, 2026.

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

(a) In accordance with Section 405 of the Companies and Allied Matters 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:

(i) the 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 statements were made; and

(ii) the audited financial statements and all other financial information included therein fairly present, in all material respects, the financial condition and results of operations of the Company as of and for the years covered by the audited financial statements.

(b) We state that Management and Directors:

(i) are responsible for establishing and maintaining internal controls and have designed such internal controls to ensure that material information relating to the Group is made known to management by other officers of the Group and the Bank, particularly during the year in which the audited financial statements are being prepared;

(ii) have evaluated the effectiveness of the Group's internal controls within 90 days prior to the date of the audited financial statements; and

(iii) certify 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 2025 were approved by the Directors on 11 March 2026.



Saheed Adegoke

Group Head, Finance & Performance
Management
FRC/2012/PRO/ICAN/001/0000000274



Abubakar Suleiman

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

Report of the Board Audit Committee

For the year ended 31 December 2025

To the members of Sterling Bank Limited

In accordance with the provisions 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 IFRS Accounting Standards, legal requirements, and generally accepted ethical practices.
- We believe that the scope and planning of both the external and internal audits for the year ended 31 December 2025 were satisfactory and reinforce the Group's internal control systems.
- We have deliberated with the external auditors, who have confirmed that necessary cooperation was received from Management in the course of their audit, and we are satisfied with Management's response to the external auditors' recommendations on accounting and internal control matters.
- The internal control and internal audit functions operated effectively.
- We have exercised our statutory functions under Section 404(7) of the Companies and Allied Matters Act 2020 and acknowledge the cooperation of Management and staff in the conduct of these responsibilities.

We are satisfied that the Bank has complied with the provisions 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 35(b) to the consolidated and separate financial statements.



Michael Ajukwu

11 March 2026

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

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: Sunny Kanabe

Company Secretary



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 2025 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 2025.

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.

For: Ernst & Young

Abiodun Ogunoiki
Partner and Head, Financial Services Risk Management, West Africa
FRC/2013/PRO/DIR/003/0000000794





MANAGEMENT'S ASSESSMENT OF, AND REPORT ON, STERLING BANK LIMITED'S INTERNAL CONTROL OVER FINANCIAL REPORTING FOR THE YEAR ENDED 31 DECEMBER 2025

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 2025:

- 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 2025 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 10, 2026

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. Tairot 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 2025

I hereby make the following statements regarding the internal controls of Sterling Bank Limited for the year ended 31 December 2025:

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)

Head Office: 20 Marina, Lagos.
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
10 March, 2026

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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CERTIFICATION OF MANAGEMENT'S ASSESSMENT ON INTERNAL CONTROL OVER FINANCIAL REPORTING FOR THE YEAR ENDED 31 DECEMBER 2025

I hereby make the following statements regarding the internal controls of Sterling Bank Limited for the year ended 31 December 2025:

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
10 March, 2026

Board of Directors

Chairman
Mr. Olatunji Mayaki

MD/CEO
Mr. Abubakar Suleiman

Executive Directors

Mr. Tunde Adeola
Mr. Raheem Owodeyi

Non-Executive Directors

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Mrs. Tairot Tijani
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Mrs. Folasade Kilaso

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February 2026

Dear Sir,

The Company Secretary

Sterling Bank Limited
Sterling Towers,
20 Marina,
Lagos Island

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 2025.

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, Assurance
FRC/2020/PRO/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 2025*, 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 29 April 2026 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. A bank'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 Bank.
- 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 bank; and
- iii. Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the bank's assets that could have a material effect on the financial statements.



List of partners and partner equivalents available on the website

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



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 2025. 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

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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 provide a basis for our report on the internal control put in place by management over financial reporting.



Deloitte & Touché
Joshua Ojo (FRC/2013/PRO/ICAN/001/00000000849)

Lagos Nigeria
29 April 2026





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INDEPENDENT AUDITOR'S REPORT To the Shareholders of STERLING BANK LIMITED

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated and separate financial statements of **STERLING BANK LIMITED** and its subsidiary (the Group and Bank) set out on pages 119 to 254, which comprise the consolidated and separate statements of financial position as at 31 December 2025, and the consolidated and separate statements of profit or loss and other comprehensive income, the consolidated and separate statements of changes in equity and the consolidated and separate statements of cash flows for the year then ended, the notes to the consolidated and separate financial statements, including material accounting policy information.

In our opinion, the consolidated and separate financial statements give a true and fair view of the consolidated and separate financial position of **STERLING BANK LIMITED** and its subsidiary as at 31 December 2025, and its consolidated and separate financial performance and consolidated and separate 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 consolidated and separate 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), as applicable to audits of financial statements of public interest entities, and other independence requirements applicable to performing audits of financial statements of public interest entities in Nigeria. We have also fulfilled our other ethical responsibilities in accordance with the IESBA Code and other ethical requirements that are relevant to our audit of consolidated and separate 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 Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



List of partners and partner equivalents available on the website

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

Key Audit Matter	How the matter was addressed in the audit
<p data-bbox="212 443 746 495">Identification and measurement of impairment of financial assets</p> <p data-bbox="212 499 746 633">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.</p> <ul data-bbox="212 638 746 719" style="list-style-type: none"> • Financial guarantee contracts issued; and • Loan commitment issued; • Financial assets that are debt instruments. <p data-bbox="212 723 746 835">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.</p> <p data-bbox="212 840 746 1178">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.</p>	<p data-bbox="754 443 1340 607">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.</p> <p data-bbox="754 723 1340 813">We evaluated the design and tested the implementation and operating effectiveness of the key controls over the computation of impairment loss.</p> <p data-bbox="754 840 1340 1122">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.</p>
<p data-bbox="212 1182 746 1406">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.</p> <p data-bbox="212 1411 746 1516">Accordingly, for the purposes of our audit, we have identified identification and measurement of impairment of financial assets as a key audit matter.</p>	<p data-bbox="754 1182 1340 1272">We assessed the adequacy of the disclosures in the financial statements relating to financial assets.</p> <p data-bbox="754 1411 1340 1516">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.</p>

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 2025”, 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 the Companies and Allied Matters Act 2020 and 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 the Bank's ability 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 consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism 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 related 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 the 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 Group and the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the 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.

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We communicate with the those charge 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 the those charged with governance, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current year and are therefore the key audit matters. We describe these matters 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 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.

Details of the related party transactions and balances as defined in Central Bank of Nigeria circular BSD/1/2004 are as reported in the related note to the financial statements,

No contravention of the Banks and Other Financial Institutions Act 2020 and relevant circulars issued by Central Bank of Nigeria came to our knowledge during the audit.

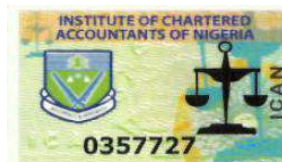
Unmodified

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 2025. 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 same date as audit report. That report is included on page 27 of the consolidated and separate financial statements.

Joshua Ojo, FCA

FRC/2013/PRO/ICAN/001/0000000849

For: Deloitte & Touche
Chartered Accountants
Lagos, Nigeria
29 April 2026



CONSOLIDATED AND SEPARATE STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

<i>In millions of Naira</i>	Note(s)	Group	Group	Bank	Bank
		2025	2024	2025	2024
Interest income using effective interest rate	6	335,359	238,703	334,011	236,687
Interest expense using effective interest rate	7	(142,152)	(115,986)	(140,781)	(114,123)
Net interest income		193,207	122,717	193,230	122,564
Fees and commission income	8	55,310	42,484	55,310	42,484
Fees and commission expense	8	(16,190)	(10,150)	(16,190)	(10,150)
Net fees and commission income		39,120	32,334	39,120	32,334
Net trading income	9	21,794	11,619	21,794	11,619
Other operating income	10	7,686	4,155	7,619	4,155
Credit loss expense	11	(32,116)	(10,770)	(32,116)	(10,807)
Personnel expenses	12	(39,625)	(25,940)	(39,625)	(25,940)
Operating expenses	13.1	(96,867)	(76,017)	(96,842)	(76,008)
Depreciation and amortisation	13.2	(6,830)	(4,955)	(6,830)	(4,955)
Other property, plant and equipment costs	13.3	(17,893)	(21,619)	(17,893)	(21,619)
Profit before windfall and income taxes		68,476	31,524	68,457	31,343
Income tax expense	14a (i)	(7,342)	2,918	(7,316)	2,934
Windfall tax	14a (ii)	(971)	(3,676)	(971)	(3,676)
Profit after tax		60,163	30,766	60,170	30,601
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		803	7,726	803	7,726
Total items that will not be reclassified to profit or loss in subsequent period		803	7,726	803	7,726
Items that will be reclassified to profit or loss in subsequent period:					
Debt instruments and receivables at fair value through other comprehensive income					
- Net change in fair value during the year		19,251	(2,437)	19,251	(2,437)
Total items that will be reclassified to profit or loss in subsequent period		19,251	(2,437)	19,251	(2,437)
Other comprehensive income for the year, net of tax		20,054	5,289	20,054	5,289
Total comprehensive income for the year, net of tax		80,217	36,055	80,224	35,890
Profit attributable to:					
Equity holders of the Bank		60,163	30,766	60,170	30,601
Total comprehensive income attributable to:					
Equity holders of the Bank		80,217	36,055	80,224	35,890
Earnings per share - basic (in naira)	15	₦92.91	₦64.12	₦92.92	₦63.77
Earnings per share - diluted (in naira)	15	₦92.91	₦64.12	₦92.92	₦63.77


The accompanying notes 1 to 46 form part of the consolidated and separate financial statements.


CONSOLIDATED AND SEPARATE STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2025

<i>In millions of Naira</i>	Note(s)	Group 31 Dec 2025	Group 31 Dec 2024	Bank 31 Dec 2025	Bank 31 Dec 2024
ASSETS					
Cash and balances with Central Bank of Nigeria	16	677,516	803,132	677,516	803,132
Due from banks	17	472,238	569,515	472,238	569,509
Pledged assets	18	16,085	28,675	16,085	28,675
Loans and advances to customers	19	1,335,738	1,062,623	1,335,738	1,062,623
<i>Investments in securities:</i>					
- Financial assets at fair value through profit or loss	20(a)	74,131	27,491	74,131	27,491
- Debt instruments at fair value through other comprehensive income	20(b)	618,731	438,838	618,731	438,838
- Equity instruments at fair value through other comprehensive income	20(c)	42,222	40,622	42,222	40,622
- Debt instruments at amortised cost	20(d)	64,491	61,184	64,491	46,961
Investment in subsidiary	21	-	-	1	1
Other assets	22	160,757	165,350	160,757	165,350
Property, plant and equipment	23.1	42,493	39,873	42,493	39,873
Right-of-use asset	23.2	8,813	8,669	8,813	8,669
Intangible assets	24	3,103	3,105	3,103	3,105
Deferred tax assets	14(i)	13,013	13,141	13,013	13,141
TOTAL ASSETS		3,529,331	3,262,218	3,529,332	3,247,990
LIABILITIES					
Deposits from Banks	25	-	28,931	-	28,931
Deposits from customers	26	2,698,767	2,361,995	2,698,767	2,361,995
Derivative financial liabilities	27	1,433	-	1,433	-
Current income tax payable	14(b)	6,394	2,199	6,343	2,169
Other borrowed funds	28	220,233	185,269	220,233	185,269
Debt securities issued	29	-	34,056	-	20,453
Other liabilities	30.1	226,828	384,002	227,446	383,980
Provisions	30.2	2,283	490	2,283	490
TOTAL LIABILITIES		3,155,938	2,996,942	3,156,505	2,983,287
EQUITY					
Share capital	31(b)	20,391	14,395	20,391	14,395
Share premium		136,696	42,759	136,696	42,759
Retained earnings		33,304	36,457	32,738	35,884
Other components of equity	33	183,002	102,799	183,002	102,799
Deposit for ordinary share capital		-	68,866	-	68,866
Total equity		373,393	265,276	372,827	264,703
TOTAL LIABILITIES AND EQUITY		3,529,331	3,262,218	3,529,332	3,247,990

The consolidated and separate financial statements were approved by the Board of Directors on 11 March, 2026 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/003/00000009975

CONSOLIDATED AND SEPARATE STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2025

In millions of Naira	EQUITY RESERVES										Retained earnings	Total	
	Share capital	Share premium	Deposit for Shares	Fair value reserve	Share capital reserve	Regulatory risk reserve	SMEIS reserve	AGSMEIS reserve	Statutory reserve	Total other components of equity			
GROUP													
At 1 January 2025	14,395	42,759	68,866	22,262	5,276	33,272	235	5,899	35,855	102,799	36,457	265,276	
Comprehensive income for the year:													
Profit for the year	-	-	-	-	-	-	-	-	-	-	60,163	60,163	
Other comprehensive income for the year, net of tax:													
Net change in fair value of other financial instruments at FVOCI	-	-	-	19,251	-	-	-	-	-	19,251	-	19,251	
Net change in fair value of equity instruments at FVOCI	-	-	-	803	-	-	-	-	-	803	-	803	
Total comprehensive income	-	-	-	20,054	-	-	-	-	-	20,054	60,163	80,217	
Transactions with equity holders, recorded directly in equity:													
Allotment of deposit for shares	4,132	64,734	(68,866)	-	-	-	-	-	-	-	-	-	
Additional share capital	1,864	29,203	-	-	-	-	-	-	-	-	-	31,067	
Dividends to equity holders (note 32)	-	-	-	-	-	-	-	-	-	-	(3,167)	(3,167)	
Transfer to regulatory risk reserve (Note 33d)	-	-	-	-	-	48,114	-	-	-	48,114	(48,114)	-	
Transfer to statutory risk and AGSMEIS reserves (Notes 33a & 33c)	-	-	-	-	-	-	3,009	9,026	-	12,035	(12,035)	-	
As at 31 December 2025	20,391	136,696	-	42,316	5,276	81,386	235	8,908	44,881	183,002	33,304	373,393	

The accompanying notes 1 to 46 form part of the consolidated and separate financial statements.

For the year ended 31 December 2025

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

<i>In millions of Naira</i>	Share capital	Share premium	Deposit for Shares	Fair value reserve	Share capital reserve	EQUITY RESERVES				Total other components of equity	Retained earnings	Total
						Regulatory risk reserve	SMEEIS reserve	AGSMEIS reserve	Statutory reserve			
GROUP												
Balance 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 33d)	-	-	-	-	-	10,415	-	-	-	10,415	(10,415)	-
Transfer to statutory risk and AGSMEIS reserves (Notes 33a & 33c)	-	-	-	-	-	-	-	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 46 form part of the consolidated and separate financial statements.

CONSOLIDATED AND SEPARATE STATEMENTS OF CHANGES IN EQUITY - Continued
FOR THE YEAR ENDED 31 DECEMBER 2025

In millions of Naira	EQUITY RESERVES								Retained earnings	Total			
	Share capital	Share premium	Deposit for Shares	Fair value reserve	Share capital reserve	Regulatory risk reserve	SMEEIS reserve	AGSMEIS reserve			Statutory reserve	Total equity reserves	
BANK													
At 1 January 2025	14,395	42,759	68,866	22,262	5,276	33,272	235	5,899	35,855	102,799	35,884	264,703	
Comprehensive income for the year:													
Profit for the year	-	-	-	-	-	-	-	-	-	-	60,170	60,170	
Comprehensive income for the year:													
Net change in fair value of other financial instruments at FVOCI	-	-	-	19,251	-	-	-	-	-	19,251	-	19,251	
Net change in fair value of equity instrument at FVOCI	-	-	-	803	-	-	-	-	-	803	-	803	
Total comprehensive income	-	-	-	20,054	-	-	-	-	-	20,054	60,170	80,224	
Transactions with equity holders, recorded directly in equity:													
Allotment of deposit for shares	4,132	64,734	(68,866)	-	-	-	-	-	-	-	-	-	-
Additional share capital	1,864	29,203	-	-	-	-	-	-	-	-	-	31,067	
Dividends to equity holders (note 32)	-	-	-	-	-	-	-	-	-	-	(3,167)	(3,167)	
Transfer to regulatory risk reserve (Note 33d)	-	-	-	-	-	48,114	-	-	-	48,114	(48,114)	-	
Transfer to statutory risk and AGSMEIS reserves (Notes 33a & 33c)	-	-	-	-	-	-	-	3,009	9,026	12,035	(12,035)	-	
As at 31 December 2025	20,391	136,696	-	42,316	5,276	81,386	235	8,908	44,881	183,002	32,738	372,827	

The accompanying notes 1 to 46 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							Retained earnings	Total				
	Share capital	Share premium	Deposit for Shares	Fair value reserve	Share capital reserve	Regulatory reserve	SMEIS reserve			AGSMEIS reserve	Statutory reserve	Total equity reserves	
BANK													
Balance at 1 January 2024	14,395	42,759	-	16,973	5,276	22,857	235	4,369	31,265	80,975	21,818	159,947	
Comprehensive income for the year:													
Profit for the year	-	-	-	-	-	-	-	-	-	-	30,601	30,601	
Comprehensive income for the year:													
Net change in fair value of other financial instruments at FVOCI	-	-	-	(2,437)	-	-	-	-	-	(2,437)	-	(2,437)	
Net change in fair value of equity instrument at FVOCI	-	-	-	7,726	-	-	-	-	-	7,726	-	7,726	
Total comprehensive income	-	-	-	5,289	-	-	-	-	-	5,289	30,601	35,890	
Transactions with equity holders, recorded directly in equity:													
Deposit for ordinary shares	-	-	68,866	-	-	-	-	-	-	-	-	68,866	
Transfer to regulatory risk reserve (Note 33d)	-	-	-	-	-	10,415	-	-	-	10,415	(10,415)	-	
Transfer to statutory risk and AGSMEIS reserves (Notes 33a & 33c)	-	-	-	-	-	-	-	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	35,884	264,703	

The accompanying notes 1 to 46 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	GROUP	BANK	BANK
		2025	2024	2025	2024
Profit after income tax		60,163	30,766	60,170	30,601
Adjustments for:					
Credit loss expense	11	32,116	11,616	32,116	11,653
Depreciation and amortisation	13.2	6,830	4,955	6,830	4,955
Dividend income	10	(1,103)	(676)	(1,103)	(676)
Gain on disposal of property, plant and equipment	10	70	(1,268)	70	(1,268)
Property, plant and equipment written off		44	31	44	31
Unrealised gain on FVTPL instruments		1,217	(979)	1,217	(979)
(Decrease)/Increase in provision		-	12	-	12
Net interest income		(193,207)	(122,717)	(193,230)	(122,564)
Net foreign exchange loss	9	4,107	(1,777)	4,107	(1,777)
Income tax	14a (i)	7,342	(2,918)	7,316	(2,934)
Windfall tax	14a (ii)	971	3,676	971	3,676
		(81,450)	(79,279)	(81,492)	(79,270)
Changes in operating assets:					
Deposits with the Central Bank of Nigeria		77,444	(268,229)	77,444	(268,229)
Investment securities at FVTPL		(47,857)	(24,400)	(47,857)	(24,400)
Pledged assets		12,530	(17,007)	12,530	(17,007)
Loans and advances to customers		(350,255)	(142,474)	(350,255)	(142,474)
Derivative financial assets		-	276	-	276
Other assets		14,161	116,293	14,161	116,293
		(375,427)	(414,820)	(375,469)	(414,811)
Changes in operating liabilities:					
Deposits from banks		(28,931)	28,931	(28,931)	28,931
Deposits from customers		347,322	375,913	347,322	375,913
Other liabilities		(186,651)	(23,237)	(186,007)	(23,323)
Derivative financial liabilities		1,433	-	1,433	-
		(242,255)	(33,213)	(241,652)	(33,290)
Interest received		478,475	276,182	477,127	274,166
Interest paid on deposits from banks and customers		(119,361)	(81,879)	(119,361)	(81,879)
Income tax paid		(6,227)	(1,551)	(6,227)	(1,470)
Net cash flows from operating activities		110,632	159,539	109,887	157,527
Investing activities					
Purchase of property, plant and equipment	23.1	(7,686)	(21,085)	(7,686)	(21,085)
Purchase of intangible assets	24	(892)	(2,982)	(892)	(2,982)
Right-of-use-asset		(1,142)	(331)	(1,142)	(331)
Proceeds from sale of property, plant and equipment		(2)	1,803	(2)	1,803
Purchase of debt instruments at FVOCI		(540,107)	(339,447)	(540,107)	(339,447)
Proceeds from sale/redemption of debt instruments at FVOCI		285,497	203,077	285,497	203,077
Purchase of debt instruments at amortised cost		(40,000)	(250)	(40,000)	(250)
Redemption of debt instruments at amortised cost		19,648	69,751	5,425	69,900
Purchase of equity instrument at FVOCI		(1,472)	-	(1,472)	-
Dividends received	10	1,103	676	1,103	676
Net cash flows used in investing activities		(285,053)	(88,788)	(299,276)	(88,639)
Financing activities:					
Proceeds from other borrowed funds	28	119,914	25,800	119,914	25,800
Repayments of other borrowed funds	28	(45,784)	(70,960)	(45,784)	(70,960)
Lease liabilities paid		-	(36)	-	(36)
Repayment of debt & securities issued	29	(32,899)	-	(19,739)	-
Interest paid on other borrowed funds & debt issued		(23,312)	(32,687)	(21,498)	(30,824)
Ordinary share capital		31,067	68,866	31,067	68,866
Dividends paid	32	(3,167)	-	(3,167)	-
Net cash flows used in financing activities		45,819	(9,017)	60,793	(7,154)
Net increase in cash and cash equivalents		(128,602)	61,734	(128,596)	61,734
Effect of exchange rate changes on cash and cash equivalents		(16,847)	215,164	(16,847)	215,164
Cash and cash equivalents at 1 January		656,741	379,843	656,735	379,837
Cash and cash equivalents at 31 December	37	511,292	656,741	511,292	656,735

The accompanying notes 1 to 46 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>	Note(s)	2025	2024
<i>Transfer to Regulatory Risk Reserve</i>			
Prudential provision		146,219	81,140
Total Prudential provision		146,219	81,140
IFRS provision			
Impairment allowance on loans to corporate entities	19.1	31,152	13,054
Impairment allowance on loans to individuals	19.2	22,498	23,320
Allowances for impairment for other assets	22	7,929	9,309
Impairment allowance on debt instruments at amortised cost	20(d)	16	94
Impairment allowance on pledged assets at amortised cost	18.2	2	14
Impairment allowance on pledged assets at FVOCI	18.3.1	-	4
Impairment allowance on debt instruments at FVOCI	20(e)	953	1,583
Provisions for litigation, letters of credits and guarantees	30.2	2,283	490
		64,833	47,868
Difference in impairment provision balances		81,386	33,272
Movement in the Regulatory Risk Reserve:			
Balance at the beginning of the year		33,272	22,857
Transfer to Regulatory Risk Reserve		48,114	10,415
		81,386	33,272

Notes to the Consolidated and 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 2025 were authorised for issue in accordance with a resolution of the Board of Directors on 11 March 2026.

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 2025. 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:

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.

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 38 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:

- a. 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);
- b. 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;
- c. 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
- d. 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.

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 34(b)). The Group also recognises loss allowance for its loan commitments (See Note 34(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.

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.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

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.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

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.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

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-Buisness, 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. See Note 23.1 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 23.1 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 2.2.18. 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, 2025. The new reporting requirements as a result of the amendments and interpretations have been considered and their impact or otherwise are presented 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.

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.

These amendments, which became on 1 January 2025 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:

- IFRS 18 Presentation and Disclosures in Financial
- IFRS 9 and IFRS 7 – Classification and Measurement of Financial Instruments
- 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.

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.

IFRS 9 and IFRS 7 – Classification and Measurement of Financial Instruments

In 2024, IASB issued Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7). The amendments stipulate:

- that a financial liability should be derecognised on the 'settlement date', i.e., when the related obligation is discharged, cancelled, expires or the liability otherwise qualifies for derecognition. It also introduces an accounting policy option to derecognise financial liabilities that are settled through an electronic payment system before settlement date if certain conditions are met.
- how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features.
- the treatment of non-recourse assets and contractually linked instruments.
- additional disclosures in IFRS 7 for financial assets and liabilities with contractual terms that reference a contingent event (including those that are ESGlinked), and equity instruments classified at fair value through other comprehensive income.

The amendment is not expected to have any significant impact on 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 - 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 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.

NOTES TO THE CONSOLIDATED AND SEPARATE 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 as at 31st December 2025. 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 2025 <i>In millions of Naira</i>	Retail Banking	Commercial Banking	Institutional Banking	Corporate & Investment Banking	SPV	Elimination	Total
Interest income	104,460	40,982	72,999	115,570	4,099	(2,751)	335,359
Interest expense	(21,968)	(24,626)	(30,754)	(63,433)	(4,122)	2,751	(142,152)
Net interest margin	82,492	16,356	42,245	52,137	(23)	-	193,207
Net fees and commission income	7,082	1,734	11,527	18,777	-	-	39,120
Credit loss expense	(5,953)	(640)	(4,252)	(21,271)	519	(519)	(32,116)
Depreciation and Amortization	(4,126)	(220)	(1,464)	(1,020)	-	-	(6,830)
Operating Expenses	(56,526)	(25,517)	(36,673)	(35,643)	(26)	-	(154,385)
Segment profit	25,817	2,585	17,182	22,941	470	(519)	68,476
Total Assets	846,722	645,886	512,044	1,524,680	645	(646)	3,529,331
Total Liabilities	1,077,721	572,386	602,509	903,890	77	(645)	3,155,938

31 December 2024 <i>In millions of Naira</i>	Retail Banking	Commercial Banking	Institutional Banking	Corporate & Investment Banking	SPV	Elimination	Total
Interest and non - interest banking income	86,752	41,832	55,411	52,693	5,506	(3,491)	238,703
Interest and non - interest banking expense	(26,451)	(24,379)	(22,317)	(40,975)	(5,355)	3,491	(115,986)
Net interest and Non - 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
31 December 2024							
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

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

<i>In millions of Naira</i>	Group 2025	Group 2024	Bank 2025	Bank 2024
6 Interest income using effective interest rate				
Loans and advances to customers	214,485	175,387	214,485	175,387
Investment securities	90,858	58,696	89,510	56,680
Cash and cash equivalents	30,016	4,620	30,016	4,620
	335,359	238,703	334,011	236,687

Modification loss of N169million (2024: N22million 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.

<i>In millions of Naira</i>	Group 2025	Group 2024	Bank 2025	Bank 2024
Interest from investment securities were derived from:				
Debt instruments at amortised cost	12,048	14,720	10,700	12,706
Debt instruments at fair value through other comprehensive income	78,810	43,976	78,810	43,974
	90,858	58,696	89,510	56,680
7 Interest expense using effective interest rate				
Deposits from customers	98,055	58,683	98,055	58,683
Debt securities issued	4,122	5,013	2,751	3,150
Other borrowed funds	17,613	28,058	17,613	28,058
Deposits from banks	22,332	24,222	22,332	24,222
Interest on lease liability	30	10	30	10
	142,152	115,986	140,781	114,123

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:

<i>In millions of Naira</i>	Group 2025	Group 2024	Bank 2025	Bank 2024
E-business commission and fees	12,294	8,026	12,294	8,026
Other fees and commissions (Note 8.1)	4,541	7,087	4,541	7,087
Account maintenance fees	7,892	5,401	7,892	5,401
Commissions and similar income	4,011	3,685	4,011	3,685
Facility management fees	11,125	6,274	11,125	6,274
Total revenue from contracts with customers	39,863	30,473	39,863	30,473
Other non-contract fee income:				
Commission on letter of credit transactions	15,447	12,011	15,447	12,011
Total fees and commission income	55,310	42,484	55,310	42,484
Total fees and commission expense				
Fees and commission expense	(16,190)	(10,150)	(16,190)	(10,150)
Net fees and commission income	39,120	32,334	39,120	32,334

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 2025	Group 2024	Bank 2025	Bank 2024
9	Net trading income				
	Bonds	9,097	2,986	9,097	2,986
	Treasury bills	15,416	4,140	15,416	4,140
	Foreign exchange trading	1,388	2,716	1,388	2,716
	Foreign exchange revaluation (loss)/gain	(4,107)	1,777	(4,107)	1,777
		21,794	11,619	21,794	11,619

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 2025	Group 2024	Bank 2025	Bank 2024
10	Other operating income				
	Cash recoveries on previously written off accounts	272	493	272	493
	Dividend income from FVOCI equity investments	1,103	676	1,103	676
	Rental income	452	179	452	179
	Gains on disposal of property, plant and equipment	(70)	1,268	(70)	1,268
	Other sundry income (note 10.1)	5,929	1,539	5,862	1,539
		7,686	4,155	7,619	4,155

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 2025 recorded in profit or loss:

<i>In millions of Naira</i>		Group 2025	Group 2024	Bank 2025	Bank 2024
11a	Credit loss expense (see note 11 b. below for breakdown)				
	Loans and advances impairment:				
	Impairment on loans to corporate entities	26,676	2,227	26,676	2,227
	Impairment on loans to individuals	10,764	16,588	10,764	16,588
	Write-offs	1,028	548	1,028	548
	Reversal of allowances no longer required - corporate entities	(2,953)	(11,237)	(2,953)	(11,237)
	Reversal of allowances no longer required - individuals	(4,080)	(1,233)	(4,080)	(1,233)
		31,435	6,893	31,435	6,893
	Impairment charge on other assets (note 22ii)	(388)	3,913	(388)	3,913
	Impairment charge on investment securities (notes 18.3.1, 18.3.2, 20e and 20g)	(724)	204	(724)	241
	Impairment charge/(reversal) on letters of credit and guarantees	1,793	(240)	1,793	(240)
		681	3,877	681	3,914
		32,116	10,770	32,116	10,807

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 ended 31 December 2025 recorded in profit or loss :

Group <i>In millions of Naira</i>	2025			
	Stage 1	Stage 2	Stage 3	Total
Loans and advances to customers	(670)	13,002	19,103	31,435
Debt instruments measured at FVOCI	(634)	-	-	(634)
Debt instruments measured at amortised cost	(90)	-	-	(90)
Other assets	(163)	-	(225)	(388)
Financial guarantees	1,723	-	-	1,723
Letters of credit	70	-	-	70
Total credit loss expense	236	13,002	18,878	32,116

Group <i>In millions of Naira</i>	2024			
	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

Bank <i>In millions of Naira</i>	2025			
	Stage 1	Stage 2	Stage 3	Total
Loans and advances to customers	(670)	13,002	19,103	31,435
Debt instruments measured at FVOCI	(634)	-	-	(634)
Debt instruments measured at amortised cost	(90)	-	-	(90)
Other assets	(163)	-	(225)	(388)
Financial guarantees	1,723	-	-	1,723
Letters of credit	70	-	-	70
Total credit loss expense	236	13,002	18,878	32,116

Bank <i>In millions of Naira</i>	2024			
	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

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

	Group	Group	Bank	Bank
<i>In millions of Naira</i>	2025	2024	2025	2024
12 Personnel expenses				
Wages and salaries	37,088	23,908	37,088	23,908
Defined contribution plan	2,537	2,032	2,537	2,032
	39,625	25,940	39,625	25,940
13.1 Operating expenses				
Contract services	12,831	9,520	12,831	9,520
AMCON surcharge (see (a) below)	17,942	14,054	17,942	14,054
Insurance	13,271	9,400	13,271	9,400
Other professional fees (see (b) below)	4,649	2,638	4,649	2,638
Administrative expenses	15,327	12,262	15,320	12,261
Office expenses	12,080	10,118	12,080	10,118
Communication cost	4,031	2,968	4,031	2,968
Rents and rates	770	696	770	696
Advertising and business promotion	3,316	3,442	3,316	3,442
Other general expenses (see (c) below)	1,694	1,586	1,689	1,578
Branding expenses	1,366	1,311	1,366	1,311
Seminar and conferences	1,912	1,589	1,912	1,589
Security	684	527	684	527
Cash handling and cash processing expenses	2,958	1,663	2,945	1,663
Transport, travel, accomodation	1,828	1,449	1,828	1,449
Directors other expenses	603	988	603	988
Annual general meeting expenses	-	100	-	100
Stationery and printing	379	439	379	439
Audit fees*	235	255	235	255
Membership and subscription	267	285	267	285
Directors fee	724	350	724	350
Fines and penalties	-	377	-	377
	96,867	76,017	96,842	76,008

* This relates to audit services only. Please see Note 45 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.
- (c) Included in other general expenses are loan recovery expenses, custodial services, debt capital expenses, miscellaneous office expenses, etc.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

	Group	Group	Bank	Bank
<i>In millions of Naira</i>	2025	2024	2025	2024
13.2 Depreciation and amortisation				
Depreciation of property, plant and equipment (see note 23.1)	4,954	3,630	4,954	3,630
Depreciation of right-of-use asset amortisation (see note 23.2)	982	878	982	878
Amortisation of intangible assets (see note 24)	894	447	894	447
	6,830	4,955	6,830	4,955
13.3 Other property, plant and equipment (PPE) costs				
Repairs and maintenance of PPE	17,893	21,619	17,893	21,619
14 Income tax				
a (i) Current income tax expense:				
Income tax (note 14d(i))	4,893	1,501	4,872	1,471
Education tax (note 14d(ii))	1,460	586	1,460	586
	6,353	2,087	6,332	2,057
Information Technology levy (note 14f)	690	315	685	312
Nigeria Police Trust Fund levy (note 14g)	-	2	-	2
National Agency for Science and Engineering Infrastructure levy (note 14h)	171	79	171	79
	7,214	2,483	7,188	2,450
Deferred tax expense:				
Origination of temporary differences (note 14i)	128	(5,384)	128	(5,384)
Prior period under provision	-	(17)	-	-
Total income tax expense	7,342	(2,918)	7,316	(2,934)
a (ii) Windfall tax				
Windfall tax (note 14e)	971	3,676	971	3,676
	971	3,676	971	3,676
	Group	Group	Bank	Bank
<i>In millions of Naira</i>	2025	2024	2025	2024
(b) Current income tax payable				
The movement on this account during the year was as follows:				
Balance, beginning of the year	2,199	1,414	2,169	1,316
Estimated charge for the year (see (14a (i) above)	6,353	2,087	6,332	2,057
Prior period under/(excess) provision	-	(17)	-	-
Payments during the year	(2,158)	(1,285)	(2,158)	(1,204)
Balance, end of the year	6,394	2,199	6,343	2,169

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

<i>In millions of Naira</i>	Group		Group		Bank		Bank	
	2025	2024	2025	2024	2025	2024	2025	2024
14 Income tax - continued								
(c) Reconciliation of total tax charge								
Profit before income tax expense	100%	68,476	100%	31,524	100%	68,457	100%	31,343
Income payable @ statutory tax rate of 30%	30%	20,543	30%	9,457	30%	20,537	30%	9,403
Tax effect of:								
Non-deductible expenses	14%	9,882	27%	8,372	14%	9,882	25%	7,786
Tax- exempt Income	(23%)	(15,866)	(53%)	(17,249)	(23%)	(15,866)	(53%)	(16,608)
Education tax	2%	1,460	2%	589	2%	1,460	2%	586
Nigeria Police Trust Fund	0%	-	0%	2	0%	-	0%	2
National Agency for Science and Engineering Infrastructure Act Levy	0.2%	171	0.3%	79	0.2%	171	0.2%	78
Information Technology Levy (NITDA)	1%	690	1%	315	1%	685	1%	313
Prior period under/(excess) provision	0%	-	0%	(17)	0%	-	0%	-
Impact of differences in tax rates	(14%)	(9,687)	(2%)	(581)	(14%)	(9,681)	(2%)	(581)
Impact of deferred tax assets	0%	128	(17%)	(5,384)	0%	128	(17%)	(5,384)
Minimum tax	0%	21	5%	1,499	0%	-	5%	1,471
Effective tax rate/ Income tax expense	11%	7,342	(9%)	(2,918)	11%	7,316	(9%)	(2,934)

- 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. The Company is exposed to Companies Income tax of N4.87billion for the year under review based on 30% of the Bank's taxable profit.
- d(ii) The basis of the Education Tax is 3% of assessable profit which is N1.45billion (2024: 586million). 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 2025 financial year is N971million. (2024: N3.67billion)
- (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 2025	Balance at 1 January 2025	Recognised in profit or loss	Balance at 31 December 2025
<i>In millions of Naira</i>			
Property, plant and equipment and software	6,225	647	6,872
Unutilised tax credit (capital allowance)	(21,638)	4,783	(16,855)
Provisions	2,272	(5,302)	(3,030)
	<u>(13,141)</u>	<u>128</u>	<u>(13,013)</u>
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)
Provisions	84	2,188	2,272
	<u>(7,757)</u>	<u>(5,384)</u>	<u>(13,141)</u>

The Bank has unutilized capital allowance of N 56,085,816,350 (2024: N72,128,075,800) and no unused tax losses carried forward (2024: Nil) and deductible temporary differences of N56,182,483,017 (2024: N75,753,521,393) to be offset against future taxable profits. The impact of deferred tax on the profit or loss account for the year is a charge of N549,000,000 (2024: N5,384,000,000) and there is no expiry date for utilization of the recognized tax assets in Nigeria.

15 Earnings per share (basic and diluted)

The calculation of basic earnings per share as at 31 December 2025 was based on the profit attributable to ordinary shareholders and weighted average number of ordinary shares outstanding calculated as follows:

	Group 2025	Group 2024	Bank 2025	Bank 2024
a Issued ordinary shares as at 31 December Unit ('millions)*	680	480	680	480
Weighted average number of ordinary shares	<u>648</u>	<u>480</u>	<u>648</u>	<u>480</u>
b Profit for the year attributable to equity holders of the Bank (In million Naira)	60,163	30,766	60,170	30,601
Basic earnings per share (in naira)	₦92.91	₦64.12	₦92.92	₦63.77
Diluted earnings per share (in naira)	₦92.91	₦64.12	₦92.92	₦63.77

* In 2025, the Bank restructured its share capital by consolidating its existing shares through an increase in the nominal value per share from 50 kobo to ₦30. As a result of this share consolidation, the number of outstanding shares was reduced accordingly.

To ensure comparability for users of the financial statements, the earnings per share (EPS) for the Bank and the Group for the year ended 31 December 2024 have been updated to reflect the impact of the share consolidation. The EPS disclosed in the 2024 audited financial statement was 106kobo and 107kobo for the Bank and the Group, respectively.

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<i>In millions of Naira</i>	Group 2025	Group 2024	Bank 2025	Bank 2024
16 Cash and balances with Central Bank of Nigeria				
Cash and foreign monies	30,417	28,099	30,417	28,099
Unrestricted balances with Central Bank of Nigeria	8,637	59,127	8,637	59,127
Deposits with the Central Bank of Nigeria	638,462	715,906	638,462	715,906
	677,516	803,132	677,516	803,132

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.

<i>In millions of Naira</i>	Group 2025	Group 2024	Bank 2025	Bank 2024
17 Due from banks				
Balances held with banks outside Nigeria	442,454	557,685	442,454	557,685
Money market placements	22,199	11,824	22,199	11,824
Balances held with local banks	7,585	6	7,585	-
	472,238	569,515	472,238	569,509

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 30.1).

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.

<i>In millions of Naira</i>	Group 2025	Group 2024	Bank 2025	Bank 2024
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)	14,909	9,326	14,909	9,326
Government bonds at amortised cost (see note (c) below)	228	229	228	229
Other pledged assets (see note (d) below)	950	1,022	950	1,022
Sub-total	16,087	10,577	16,087	10,577
ECL on Pledged asset at amortised cost	(2)	(14)	(2)	(14)
Total debt instruments measured at amortised cost	16,085	10,563	16,085	10,563
Total pledged assets	16,085	28,675	16,085	28,675

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.

- Pledged for interbank transactions.
- Pledged for clearing activities, as collection bank for government taxes and Interswitch electronic card transactions.
- Pledged as security for loan facility from Bank of Industry.
- 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:

2025				
Group and Bank				
<i>In millions of Naira</i>	Stage 1	Stage 2	Stage 3	Total
Internal rating grade				
RR1-RR2	-	-	-	-
Total	-	-	-	-

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:

2025				
Group and Bank				
<i>In millions of Naira</i>	Stage 1	Stage 2	Stage 3	Total
Fair value as at 1 January 2025	18,112			18,112
New assets originated or purchased	-	-	-	-
Assets derecognised or matured (excluding write-offs)	(18,112)	-	-	(18,112)
At 31 December 2025	-	-	-	-

Group and Bank				
<i>In millions of Naira</i>	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at 1 January 2025	4	-	-	4
New assets originated or purchased	-	-	-	-
Assets derecognised or matured (excluding write offs)	(4)	-	-	(4)
At 31 December 2025	-	-	-	-

2024				
Group and Bank				
<i>In millions of Naira</i>	Stage 1	Stage 2	Stage 3	Total
Internal rating grade				
RR1-RR2	18,112	-	-	18,112
Total	18,112	-	-	18,112

An analysis of changes in the fair value and the corresponding ECLs is, as follows:

Group and Bank				
<i>In millions of Naira</i>	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

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

18.3.1 Impairment losses on pledged assets subject to impairment assessment

<i>Group and Bank</i>				
<i>In millions of Naira</i>	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

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>					2025
<i>In millions of Naira</i>	Stage 1	Stage 2	Stage 3	Total	
Internal rating grade					
RR1-RR2	16,087	-	-	16,087	
Total	16,087	-	-	16,087	

<i>Group and Bank</i>					2025
<i>In millions of Naira</i>	Stage 1	Stage 2	Stage 3	Total	
Gross carrying amount as at 1 January 2025	10,577	-	-	10,577	
New assets originated or purchased	14,909	-	-	14,909	
Assets derecognised or matured (excluding write-offs)	(9,327)	-	-	(9,327)	
Foreign exchange adjustments	(72)	-	-	(72)	
At 31 December 2025	16,087	-	-	16,087	

<i>Group and Bank</i>					2025
<i>In millions of Naira</i>	Stage 1	Stage 2	Stage 3	Total	
ECL allowance as at 1 January 2025	14	-	-	14	
New assets purchased	2	-	-	2	
Assets derecognised or matured (excluding write offs)	(14)	-	-	(14)	
At 31 December 2025	2	-	-	2	

<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	

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

18.3.2 Pledged assets instruments measured at amortised cost - continued

<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

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

<i>In millions of Naira</i>	Group 2025	Group 2024	Bank 2025	Bank 2024
19 Loans and advances to customers				
Loans to corporate entities and other organizations	1,273,892	1,003,339	1,273,892	1,003,339
Loans to individuals	115,496	95,658	115,496	95,658
	1,389,388	1,098,997	1,389,388	1,098,997
Less:				
Impairment allowance on loans to corporate entities	(31,152)	(13,054)	(31,152)	(13,054)
Impairment allowance on loans to individuals	(22,498)	(23,320)	(22,498)	(23,320)
	1,335,738	1,062,623	1,335,738	1,062,623

19.1 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 2025			
<i>In millions of Naira</i>	Stage 1	Stage 2	Stage 3	Total
External rating grade				
RR1-RR2	50,975	-	-	50,975
RR3-RR4	844,724	-	-	844,724
RR5-RR6	14,766	329,333	-	344,099
RR7	-	-	7,220	7,220
RR8	-	-	3,202	3,202
RR9	-	-	23,672	23,672
Total	910,465	329,333	34,094	1,273,892

<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

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

19.1 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 2025			
<i>In millions of Naira</i>	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at 1 January 2025	572,751	403,885	26,703	1,003,339
New assets originated or purchased	493,151	46,723	5,730	545,604
Assets derecognised or repaid (excluding write offs)	(194,290)	(68,295)	(454)	(263,039)
Transfers to Stage 1	54,695	(54,685)	(10)	-
Transfers to Stage 2	(5,677)	5,846	(169)	-
Transfers to Stage 3	(4,267)	(2,948)	7,215	-
Changes to contractual cash flows due to modifications not resulting in derecognition	-	-	-	-
Amounts written off	-	(1)	(4,921)	(4,922)
Foreign exchange adjustments	(5,898)	(1,192)	-	(7,090)
At 31 December 2025	910,465	329,333	34,094	1,273,892

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 2025			
<i>In millions of Naira</i>	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at 1 January 2025	2,632	4,690	5,732	13,054
New assets originated or purchased	1,373	15,025	13,409	29,807
Assets derecognised or repaid (excluding write offs)	(2,234)	(3,684)	(167)	(6,085)
Transfers to Stage 1	13	(13)	-	-
Transfers to Stage 2	(52)	73	(21)	-
Transfers to Stage 3	(41)	(37)	78	-
Impact on year end ECL of exposures transferred between stages during the year	-	-	-	-
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	-	(1)	(4,921)	(4,922)
Foreign exchange adjustments	(34)	(24)	(644)	(702)
At 31 December 2025	1,657	16,029	13,466	31,152

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

19.1 Loans and advances to corporate customers - continued

Group and Bank <i>In millions of Naira</i>	31 December 2024			
	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 year	-	-	-	-
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

The contractual amount outstanding on loans that have been written off, but were still subject to enforcement activity was N12.4 billion at 31 December 2025 (2024: N5.1 billion).

19.2 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 <i>In millions of Naira</i>	31 December 2025			
	Stage 1	Stage 2	Stage 3	Total
Internal rating grade				
RR1-RR2	1,600	-	-	1,600
RR3-RR4	58,521	-	-	58,521
RR5-RR6	986	22,883	-	23,869
RR7	-	-	8,079	8,079
RR8	-	-	7,063	7,063
RR9	-	-	16,364	16,364
Total	61,107	22,883	31,506	115,496

Group and Bank <i>In millions of Naira</i>	31 December 2024			
	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

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

19.2 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 <i>In millions of Naira</i>	31 December 2025			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at 1 January 2025	40,574	21,965	33,119	95,658
New assets originated or purchased	47,118	7,300	4,110	58,528
Assets derecognised or repaid (excluding write offs)	(22,270)	(3,958)	(3,908)	(30,136)
Transfers to Stage 1	408	(333)	(75)	-
Transfers to Stage 2	(2,017)	2,039	(22)	-
Transfers to Stage 3	(2,685)	(4,130)	6,815	-
Changes to contractual cash flows due to modifications not resulting in derecognition	-	-	-	-
Amounts written off	(1)	-	(8,533)	(8,534)
Foreign exchange adjustments	(20)	-	-	(20)
At 31 December 2025	61,107	22,883	31,506	115,496

Group and Bank <i>In millions of Naira</i>	31 December 2024			
	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 <i>In millions of Naira</i>	31 December 2025			
	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at 1 January 2025	1,126	3,503	18,691	23,320
New assets originated or purchased	808	3,661	8,305	12,774
Assets derecognised or repaid (excluding write offs)	(825)	(2,638)	(2,626)	(6,089)
Transfers to Stage 1	10	(8)	(2)	-
Transfers to Stage 2	(130)	134	(4)	-
Transfers to Stage 3	(77)	(640)	717	-
Impact on year end ECL of exposures transferred between stages during the year	-	-	-	-
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	(1)	-	(7,505)	(7,506)
Foreign exchange adjustments	(1)	-	-	(1)
At 31 December 2025	910	4,012	17,576	22,498

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

19.2 Loans to Individuals - continued

Group and Bank <i>In millions of Naira</i>	31 December 2024			
	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 year	-	-	-	-
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

Loans and advances are granted at different interest rates across the various products.

<i>In millions of Naira</i>	Group 2025	Group 2024	Bank 2025	Bank 2024
19.3 Classification of loans and advances by rating				
Rating				
RR1-RR2	52,575	30,825	52,575	30,825
RR3-RR4	903,245	552,109	903,245	552,109
RR5-RR6	367,968	456,241	367,968	456,241
RR7	15,299	17,464	15,299	17,464
RR8	10,265	15,444	10,265	15,444
RR9	40,036	26,914	40,036	26,914
	1,389,388	1,098,997	1,389,388	1,098,997
19.4 Classification of loans and advances by security				
Cash	374,939	287,942	374,939	287,942
Real estate	172,114	146,908	172,114	146,908
Stocks/shares	18,755	35,063	18,755	35,063
Debentures	209,505	223,948	209,505	223,948
Other securities	525,685	351,520	525,685	351,520
Unsecured	88,390	53,616	88,390	53,616
	1,389,388	1,098,997	1,389,388	1,098,997

Other securities includes domiciliation of proceeds, personal guarantees, negative pledge, etc.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

19 Loans and advances to customers - continued

<i>In millions of Naira</i>	Group 2025	Group 2024	Bank 2025	Bank 2024
19.5 Classification of loans and advances by sector				
Agriculture	223,374	143,648	223,435	143,648
Communication	29,160	31,334	29,160	31,334
Consumer	116,507	93,462	119,363	93,462
Education	6,774	6,094	6,853	6,094
Finance and insurance	60,568	21,439	60,579	21,439
Government	96,242	83,010	96,242	83,010
Manufacturing	39,091	65,495	39,093	65,495
Mining & quarrying	14	6	14	6
Mortgage	2,264	2,234	2,264	2,234
Oil and gas	381,438	367,412	381,491	367,412
Others	212,041	134,426	208,770	134,426
Power	55,651	30,662	55,855	30,662
Real estate & construction	94,654	54,122	94,654	54,122
Transportation	71,610	65,653	71,615	65,653
	1,389,388	1,098,997	1,389,388	1,098,997

20 Investment in securities:

(a) *Financial instruments held at fair value through profit or loss (FVTPL)*

Treasury bills	61,031	19,994	61,031	19,994
Euro bonds	8,440	3,641	8,440	3,641
Bonds	4,655	3,764	4,655	3,764
Promissory notes	5	92	5	92
Total financial assets measured at FVTPL	74,131	27,491	74,131	27,491

(b) *Debt instruments at fair value through other comprehensive income*

Treasury bills	382,030	240,286	382,030	240,286
Government bonds	119,072	119,758	119,072	119,758
Euro bonds	98,306	60,209	98,306	60,209
Corporate bonds	19,323	18,585	19,323	18,585
Total debt instruments measured at FVOCI	618,731	438,838	618,731	438,838

(c) *Equity instruments at fair value through other comprehensive income*

Africa Export/Import Bank	4,855	4,598	4,855	4,598
Nigeria Interbank Settlement System Plc	12,562	16,861	12,562	16,861
Africa Finance Corporation	17,658	13,912	17,658	13,912
Unified Payment System	1,090	984	1,090	984
Investment in AGSMEIS	4,877	3,855	4,877	3,855
Nigeria Mortgage Refinancing Corporation	1,180	412	1,180	412
Total equity instruments at FVOCI	42,222	40,622	42,222	40,622

(d) *Debt instruments at amortised cost*

Government bonds	41,335	61,069	41,335	46,839
Treasury Bills	23,172	216	23,172	216
	64,507	61,285	64,507	47,055
Allowance for Impairment losses	(16)	(101)	(16)	(94)
Total debt instruments measured at amortised cost	64,491	61,184	64,491	46,961

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 2025			
In millions of Naira	Stage 1	Stage 2	Stage 3	Total	
Internal rating grade					
RR1-RR2	618,731	-	-	618,731	
Total	618,731	-	-	618,731	

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	

An analysis of changes in the fair value and the corresponding ECLs is, as follows:

Group and Bank		31 December 2025			
In millions of Naira	Stage 1	Stage 2	Stage 3	Total	
Fair value as at 1 January 2025	438,838	-	-	438,838	
New assets originated or purchased*	423,430	-	-	423,430	
Assets derecognised or matured (excluding write-offs)	(255,544)	-	-	(255,544)	
Change in fair value	13,662	-	-	13,662	
Foreign exchange adjustments	(1,655)	-	-	(1,655)	
At 31 December 2025	618,731	-	-	618,731	

*The analysis of changes in fair value is inclusive of movement in interest of N80.6 billion that has already been received in cash and accrued interest of N78.8 billion.

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	

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 2025			
<i>In millions of Naira</i>	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at 1 January 2025	1,583	-	-	1,583
New assets purchased	335	-	-	335
Assets derecognised or matured (excluding write offs)	(821)	-	-	(821)
Changes to models and inputs used for ECL calculations	(144)	-	-	(144)
At 31 December 2025	953	-	-	953

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

(f) Equity instruments at fair value through other comprehensive income

An analysis of changes in the fair value is as follows:

Group and Bank	31 December 2025			
<i>In millions of Naira</i>	Stage 1	Stage 2	Stage 3	Total
Fair value as at 1 January 2025	40,622	-	-	40,622
New assets originated or purchased	1,472	-	-	1,472
Change in fair value	803	-	-	803
Foreign exchange adjustments	(675)	-	-	(675)
At 31 December 2025	42,222	-	-	42,222

Group and Bank	31 December 2024			
<i>In millions of Naira</i>	Stage 1	Stage 2	Stage 3	Total
Fair value as at 1 January 2024	29,114	-	-	29,114
New assets originated or purchased	170	-	-	170
Change in fair value	7,726	-	-	7,726
Foreign exchange adjustments	3,612	-	-	3,612
At 31 December 2024	40,622	-	-	40,622

(g) 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 2025			
<i>In millions of Naira</i>	Stage 1	Stage 2	Stage 3	Total
Internal rating grade				
RR1-RR2	64,507	-	-	64,507
RR3-RR4	-	-	-	-
RR5-RR6	-	-	-	-
Total	64,507	-	-	64,507

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
Total	61,285	-	-	61,285

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

(g) Debt instruments measured at amortised cost - continued

<i>Bank</i>		31 December 2025			
<i>In millions of Naira</i>	Stage 1	Stage 2	Stage 3	Total	
Internal rating grade					
RR1-RR2	64,507	-	-	64,507	
RR3-RR4	-	-	-	-	
RR5-RR6	-	-	-	-	
Total	64,507	-	-	64,507	

<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>Group</i>		31 December 2025			
<i>In millions of Naira</i>	Stage 1	Stage 2	Stage 3	Total	
Gross carrying amount as at 1 January 2025	61,285	-	-	61,285	
New assets originated or purchased*	23,172	-	-	23,172	
Assets derecognised or matured (excluding write-offs)	(19,950)	-	-	(19,950)	
At 31 December 2025	64,507	-	-	64,507	

* The analysis of changes in gross carrying amount is inclusive of movement in interest of N10.9 billion that has already been received in cash and accrued interest income of N10.7 billion.

<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	

<i>Bank</i>		31 December 2025			
<i>In millions of Naira</i>	Stage 1	Stage 2	Stage 3	Total	
Gross carrying amount as at 1 January 2025	47,055	-	-	47,055	
New assets originated or purchased	23,172	-	-	23,172	
Assets derecognised or matured (excluding write-offs)	(5,720)	-	-	(5,720)	
At 31 December 2025	64,507	-	-	64,507	

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

(g) Debt instruments measured at amortised cost - continued

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	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	

Group		31 December 2025			
<i>In millions of Naira</i>	Stage 1	Stage 2	Stage 3	Total	
ECL allowance as at 1 January 2025	101	-	-	101	
New assets purchased	2	-	-	2	
Assets derecognised or matured (excluding write offs)	(10)	-	-	(10)	
Changes to models and inputs used for ECL calculations	(77)	-	-	(77)	
At 31 December 2025	16	-	-	16	

Group		31 December 2024			
<i>In millions of Naira</i>	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	

Bank		31 December 2025			
<i>In millions of Naira</i>	Stage 1	Stage 2	Stage 3	Total	
ECL allowance as at 1 January 2025	94	-	-	94	
New assets purchased	2	-	-	2	
Assets derecognised or matured (excluding write offs)	(3)	-	-	(3)	
Changes to models and inputs used for ECL calculations	(77)	-	-	(77)	
At 31 December 2025	16	-	-	16	

Bank		31 December 2024			
<i>In millions of Naira</i>	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	

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

21 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	
		1	1
Sterling Investment Management Plc	99.9 percent	1	1

Condensed Statement of profit or loss for the Year ended 31 December 2025	Group	Elimination		Sterling SPV
		Entries	Bank	
In millions of Naira				
Interest income	335,359	(2,751)	334,011	4,099
Interest expense	(142,152)	2,751	(140,781)	(4,122)
Net interest income	193,207	-	193,230	(23)
Other income	68,600	-	68,533	67
Operating income	261,807	-	261,763	44
Operating expenses	(161,215)	-	(161,190)	(26)
Credit loss expense	(32,116)	(519)	(32,116)	519
Profit for the year before tax	68,476	(519)	68,457	537
Income tax expense	(7,342)	-	(7,316)	(26)
Windfall tax	(971)	-	(971)	-
	60,163	(519)	60,170	511
Condensed statement of financial position As at 31 December 2025				
Assets:				
Cash and balances with Central Bank of Nigeria	677,516	-	677,516	-
Due from banks	472,238	-	472,238	-
Pledged assets	16,085	-	16,085	-
Loans and advances to customers	1,335,738	-	1,335,738	-
Investments in securities:				
- Financial assets at fair value through profit or loss	74,131	-	74,131	-
- Debt instruments at fair value through other comprehensive income	618,731	-	618,731	-
- Equity instruments at fair value through other comprehensive income	42,222	-	42,222	-
- Debt instruments at amortised cost	64,491	-	64,491	-
Investment in subsidiary	-	(1)	1	-
Other assets	160,757	(645)	160,757	645
Property, plant and equipment	42,493	-	42,493	-
Right of use asset	8,813	-	8,813	-
Investment property	-	-	-	-
Intangible assets	3,103	-	3,103	-
Deferred tax assets	13,013	-	13,013	-
TOTAL ASSETS	3,529,331	(646)	3,529,332	645
LIABILITIES & EQUITY				
Deposits from banks	-	-	-	-
Deposits from customers	2,698,767	-	2,698,767	-
Derivative financial liabilities	1,433	-	1,433	-
Current income tax payable	6,394	-	6,343	51
Other borrowed funds	220,233	-	220,233	-
Debt securities issued	-	-	-	-
Other liabilities	226,828	(645)	227,446	26
Provisions	2,283	-	2,283	-
Share capital	20,391	(1)	20,391	1
Share premium	136,696	-	136,696	-
Retained earnings	33,304	-	32,738	568
Other components of equity	183,002	-	183,002	-
Deposit for ordinary share capital	-	-	-	-
TOTAL LIABILITIES AND EQUITY	3,529,331	(646)	3,529,332	646

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

21 Investment in Subsidiary - Continued

Condensed statement of cash flows Year ended 31 December 2025	Group	Elimination Entries	Bank	Sterling SPV
<i>In millions of Naira</i>				
Net cash flows from/(used in) operating activities	110,632	8,282	109,887	(7,537)
Net cash flows (used in)/from in investing activities	(285,053)	-	(299,276)	14,223
Net cash flows used in financing activities	45,819	(8,282)	60,793	(6,692)
Net increase in cash and cash equivalents	(128,602)	-	(128,596)	(6)
Exchange rate movements on cash and cash equivalents	(16,847)	-	(16,847)	-
Cash and cash equivalents, beginning of the year	656,741	-	656,735	6
Cash and cash equivalents, end of the year	511,292	-	511,292	-
Condensed Statement of profit or loss for the Year ended 31 December 2024				
	Group	Elimination Entries	Bank	Sterling SPV
<i>In millions of Naira</i>				
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/(loss) 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)	-
Profit/(loss) for the year after tax	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	-
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

21 Investment in Subsidiary - Continued

Condensed statement of cash flows Year ended 31 December 2024	Group	Elimination Entries	Bank	Sterling SPV
Net cash flows from/(used in) operating activities	159,539	(1,169)	157,527	6,841
Net cash flows (used in)/from investing activities	(88,788)	-	(88,639)	(149)
Net cash flows used in financing activities	(9,017)	1,169	(7,154)	(6,692)
Net (decrease)/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

<i>In millions of Naira</i>	Group 2025	Group 2024	Bank 2025	Bank 2024
22 Other assets				
Financial assets				
Accounts receivable (see note (i))	141,499	146,929	141,499	146,929
Non-financial assets				
Prepayments and other debit balances	20,329	23,025	20,329	23,025
Prepaid staff cost	4,908	2,596	4,908	2,596
Stock of cheque books and administrative stationeries	1,950	2,109	1,950	2,109
Gross other assets	168,686	174,659	168,686	174,659
Allowance for impairment on other assets (see note (ii) below)	(7,929)	(9,309)	(7,929)	(9,309)
	160,757	165,350	160,757	165,350

i. Included in accounts receivable are:

- a. Receivables from Parthian Capitals and SAMTL Properties in respect of loans sold to the companies.
- b. N5.59bn fair value gain on receivables measured at fair value through other comprehensive income.
- c. Receivable due from the Alternative Bank (see related party disclosure in note 35e), among others.

ii.

<i>Group and Bank</i>	31 December 2025			
<i>In millions of Naira</i>	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at 1 January 2025	904	-	8,405	9,309
Charge/(reversal) on other assets (note 11)	(163)	-	(225)	(388)
Write offs	-	-	(992)	(992)
At 31 December 2025	741	-	7,188	7,929

<i>Group and Bank</i>	31 December 2024			
<i>In millions of Naira</i>	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at 1 January 2024	786	-	4,628	5,414
Charge/(reversal) on other assets (note 11)	118	-	3,795	3,913
Write offs	-	-	(18)	(18)
At 31 December 2024	904	-	8,405	9,309

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

23.1 Property, plant and equipment

Group and Bank

The movement during the year was as follows:

31 December 2025								
<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 2025	1,968	4,845	4,513	11,353	18,605	4,796	11,616	57,696
Additions	599	650	129	1,959	2,085	976	1,288	7,686
Reclassifications	-	-	761	1,289	497	-	(2,547)	-
Disposals	-	-	-	(49)	(43)	(243)	-	(335)
Written off	-	(526)	(743)	(5,654)	-	-	-	(6,923)
As at 31 December 2025	2,567	4,969	4,660	8,898	21,144	5,529	10,357	58,124
(b) Accumulated depreciation and impairment								
As at 1 January 2025	236	912	1,595	3,988	7,803	3,289	-	17,823
Charge for the year	-	98	453	1,694	2,020	689	-	4,954
Written off	-	-	(526)	(713)	(5,640)	-	-	(6,879)
Disposals	-	-	-	(7)	(43)	(217)	-	(267)
As at 31 December 2025	236	1,010	1,522	4,962	4,140	3,761	-	15,631
Net book value								
As at 31 December 2025	2,331	3,959	3,138	3,936	17,004	1,768	10,357	42,493
As at 31 December 2024	1,732	3,933	2,918	7,365	10,802	1,507	11,616	39,873

- i) Included in furniture, fittings and equipment are renewable (solar related) assets with net book value of N3.53 billion as at December 2025 (2024: N3.66 billion).
ii) No item of property, plant and equipment was pledged as security.

23.1 Property, plant and equipment

Group and Bank

The movement on these accounts 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

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

<i>In millions of Naira</i>		Group 2025	Group 2024	Bank 2025	Bank 2024
23.2	Right-of-use asset				
	Building				
(a)	Balance, beginning of the year	8,669	9,103	8,669	9,103
	Additions during the year	1,187	455	1,187	455
	Reversal*	(61)	(11)	(61)	(11)
	Depreciation charge	(982)	(878)	(982)	(878)
	Balance, end of the year	8,813	8,669	8,813	8,669

* 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.

		Group 2025	Group 2024	Bank 2025	Bank 2024
24	Intangible assets				
(a)	Cost - Software				
	At 1 January	4,106	4,868	4,106	4,868
	Additions	892	2,982	892	2,982
	Write off	(117)	(3,744)	(117)	(3,744)
	Balance end of year	4,881	4,106	4,881	4,106
(b)	Accumulated amortisation and impairment - Software				
	Beginning of year	1,001	4,298	1,001	4,298
	Amortisation for the year	894	447	894	447
	Write off	(117)	(3,744)	(117)	(3,744)
	Balance end of year	1,778	1,001	1,778	1,001
	Net book value				
	Balance as at 31 December	3,103	3,105	3,103	3,105

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

	Group 2025	Group 2024	Bank 2025	Bank 2024
<i>In millions of Naira</i>				
25	Deposits from banks			
	-	16,512	-	16,512
	-	12,419	-	12,419
	-	28,931	-	28,931
26	Deposits from customers			
	1,724,088	1,427,865	1,724,088	1,427,865
	447,275	376,738	447,275	376,738
	465,321	508,889	465,321	508,889
	62,083	48,503	62,083	48,503
	2,698,767	2,361,995	2,698,767	2,361,995

Pledged deposits represent contracted cash deposits with the Bank that are held as security for loans granted to customers by the Bank.

	Fair Value Amount		Notional Contract Amount	
	2025	2024	2025	2024
<i>In millions of Naira</i>				
27	Derivative financial liabilities			
	1,433	-	71,997	-

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

28 Other borrowed funds

<i>In millions of Naira</i>	Group 2025	Group 2024	Bank 2025	Bank 2024
28 Other borrowed funds				
Due to CBN-Agric-Fund (see (28(i)))	20,005	32,334	20,005	32,334
Due to Africa Agric and Trade Investment Fund (see (28(ii)))	14,369	19,323	14,369	19,323
Due to CBN-State ECA secured loans (see (28 (iii)))	11,293	11,679	11,293	11,679
Due to Blue Orchard (see (28(iv)))	18,491	20,410	18,491	20,410
Due to ECOWAS Bank for Investment and Development (see (28(v)))	31,304	48,474	31,304	48,474
Due to ECOWAS Bank for Investment and Development (see (28(vi)))	74,315	-	74,315	-
Due To Nigeria Mortgage Refinance Company (see (28(vii)))	887	1,023	887	1,023
Due to Master Card Foundation (MCF) (see (28(viii)))	-	33,891	-	33,891
Due to CBN - RSSF Fund (see (28 (ix)))	799	2,753	799	2,753
Due to CBN - NESF Fund (see(28 (x)))	677	1,011	677	1,011
Due to BOI (see (28 (xi)))	1,584	1,647	1,584	1,647
Due to BOI MSME Intervention Fund (see (28 (xii)))	4,848	-	4,848	-
Due to Development Bank of Nigeria (see (28 (xiii)))	-	12,724	-	12,724
Due to Development Bank of Nigeria (see (28 (xiv)))	27,230	-	27,230	-
Due to International Finance Corporation (see (28 (xv)))	14,431	-	14,431	-
	220,233	185,269	220,233	185,269
Movement on other borrowed funds:				
Beginning of year	185,269	183,067	185,269	183,067
Additions during the year	119,914	25,800	119,914	25,800
Repayments during the year	(45,784)	(70,960)	(45,784)	(70,960)
Reclassified to other liabilities	(31,505)	-	(31,505)	-
Accrued interest	17,613	28,058	17,613	28,058
Interest paid	(18,033)	(27,770)	(18,033)	(27,770)
Foreign exchange difference	(7,241)	47,074	(7,241)	47,074
	220,233	185,269	220,233	185,269

28(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.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

28 Other borrowed funds - continued

28(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.

28(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 the States at 9% annually for 20 years.

28(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.

28(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.

28(vi) Due to ECOWAS Bank for Investment and Development

In June 2025, the Bank received additional disbursement of \$50 million from ECOWAS Bank for Investment and Development. The facility is to repaid in 8 equal installment over a period of 5 years and attracts 7.75% interest rate.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

28 Other borrowed funds - continued

28(vii) 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.

28(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 2021, the Bank received additional disbursement of \$6.4 million from Master Card Foundation (MCF). The agreed period for the scheme is 48 months. The programme ended in September 2025.

28(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.

28(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. The loan tenor is 10 years and at all in rate of 9% per annum.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

28(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.

28(xii) Due to Bank of Industry (BOI) - MSME Intervention Fund.

This represents the outstanding balance on the funding granted by BOI under the Federal Government of Nigeria's Micro, Small and Medium Enterprises (MSME) Intervention Fund. The purpose of the facility is to support qualifying micro, small and medium enterprises. The facility is to be repaid in 33 equal installments over a period of 3 years and attracts no interest.

28(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. The facility matured in May 2025 and was fully repaid.

28(xiv) Due to Development Bank of Nigeria (DBN).

This represents the carrying amount of the N20 billion and N8.4 billion facility from DBN granted in May and July 2025 respectively. The purpose of the facility is to support qualifying micro, small and medium enterprises. The loan is for a period of 3 years and 4 years respectively at an interest rate of 18% per annum.

(xv) Due to International Finance Corporation

This represents Naira equivalent of \$10 million Global Warehousing Financing Program facility granted to Sterling Bank by International Finance Corporation in November 2025. The purpose of the facility is to support the Bank's lending program to eligible agribusiness sub-borrowers in Nigeria. The loan is renewable annually for a maximum period of 3 years and attracts interest rate of 6 months SOFR plus 3%.

<i>In millions of Naira</i>	Group 2025	Group 2024	Bank 2025	Bank 2024
29 Debt securities issued				
17.55% Debt securities carried at amortised cost (See (i) below)	-	-	-	20,453
16.25% Debt securities carried at amortised cost (See (ii) below)	-	34,056	-	-
	-	34,056	-	20,453
Movements in debt securities issued				
At 1 January	34,056	33,959	20,453	20,357
Repayment	(32,899)	-	(19,739)	-
Accrued interest	4,122	5,013	2,751	3,150
Interest paid	(5,279)	(4,916)	(3,465)	(3,054)
	-	34,056	-	20,453

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.

The debenture stock matured in October 2025 and has been fully repaid.

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.

The debenture stock matured in October 2025 and has been fully repaid.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

<i>In millions of Naira</i>	Group 2025	Group 2024	Bank 2025	Bank 2024
30.1 Other liabilities				
Creditors and accruals	80,590	47,725	81,214	47,706
Other credit balances (see 31.1.1)	89,353	63,012	89,353	63,012
Customers' deposits for foreign trade	52,143	266,750	52,143	266,750
Lease liability (see 31.1.3)	233	219	233	219
Certified cheques	2,651	2,199	2,651	2,199
Windfall levy	971	3,676	971	3,676
Information technology levy	691	335	710	333
Police trust fund levy	5	2	-	2
National Agency for Science and Engineering Infrastructure levy	191	84	171	83
Total Other Liabilities	226,828	384,002	227,446	383,980

30.1.1 Other credit balances includes bond proceed collection, due to mastercard foundation, 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.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

30.1.3	Group	Group	Bank	Bank
<i>In millions of Naira</i>	2025	2024	2025	2024
Lease liability				
As at 1 January	219	134	219	134
Additions	45	124	45	124
Interest on lease liability*	30	10	30	10
Reversal**	(61)	(13)	(61)	(13)
Payments	-	(36)	-	(36)
As at 31 December	233	219	233	219

*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.

31 December 2025				
Maturity analysis of lease liability	Less than	3-12 months	1 - 5 years	Total
<i>In millions of Naira</i>	3 months			
	87	119	43	249

31 December 2024				
Maturity analysis of lease liability	Less than	3-12 months	1 - 5 years	Total
<i>In millions of Naira</i>	3 months			
	152	6	103	261

30.2	Group	Group	Bank	Bank
<i>In millions of Naira</i>	2025	2024	2025	2024
Provisions				
Provisions for litigations and claims*	198	198	198	198
Provision for guarantees and letters of credit	2,085	292	2,085	292
	2,283	490	2,283	490
At 1 January	490	718	490	718
Provisions charge/(writeback) for the year	1,793	(228)	1,793	(228)
At 31 December	2,283	490	2,283	490

* Provision for litigations: This is provision for litigations and claims against the Bank as at 31 December 2025. 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.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

<i>In millions of Naira</i>	Group 2025	Group 2024	Bank 2025	Bank 2024
31 Share capital and equity reserves				
<i>Share capital</i>				
(a) Authorised:				
679.70 million (2024: 28.79 billion shares of 50k each)				
Ordinary shares of N30 each*	20,391	14,395	20,391	14,395
(b) Issued and fully-paid:				
679.70 million (2024: 28.79 billion shares of 50k each)				
Ordinary shares of N30 each*	20,391	14,395	20,391	14,395

* In 2025, the Bank restructured its existing shares into fewer units through an increase in the nominal share value from 50 kobo to N30 per share.

(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 in million naira

<i>In millions of Naira</i>	Group 2025	Group 2024	Bank 2025	Bank 2024
At beginning of the year	14,395	14,395	14,395	14,395
Ordinary shares issued	5,996	-	5,996	-
	20,391	14,395	20,391	14,395

<i>In millions of Naira</i>	Group 2025	Group 2024	Bank 2025	Bank 2024
(c) Share premium	136,696	42,759	136,696	42,759
Movement in share premium				

<i>In millions of Naira</i>	Group 2025	Group 2024	Bank 2025	Bank 2024
At beginning of the year	42,759	42,759	42,759	42,759
Ordinary shares issued	93,937	-	93,937	-
	136,696	42,759	136,696	42,759

32 Dividends

The Directors did not propose any dividend for 2025 financial year.

In 2025, the Directors declared and paid dividends of N3.17 billion (11k per share) in respect of 2024 results.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

33 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 Institutions 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. The amount transferred to statutory reserve for the year ended 31 December 2025 was (15% of N60.2billion) N9.026billion (2024: N4.59billion).

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 their 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. 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. Ordinary shares have been allotted for the deposit for shares in 2025.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

34 Commitments and Contingencies

a. Litigations and claims

There are 83 (2024: 83) litigations and claims against the Group as at 31 December 2025. The total amount claimed against the Group is N29.0billion (2024: N44.5billion). 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 as at 31 December 2025 (2024: N198 million) have been made in these financial statements on crystallised claims, refer to note 30.2.

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.

34 (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:

<i>In millions of Naira</i>	Group 2025	Group 2024	Bank 2025	Bank 2024
Bonds, guarantees and indemnities	366,959	177,932	366,959	177,932
Letters of credit	136,103	96,101	136,103	96,101
Performance bonds	98,957	66,434	98,957	66,434
	<u>602,019</u>	<u>340,467</u>	<u>602,019</u>	<u>340,467</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 30.2).

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 2025 (Group and Bank)

<i>In millions of Naira</i>	Stage 1	Stage 2	Stage 3	Total
Internal rating grade				
RR1-RR2	366,959	-	-	366,959
Total	<u>366,959</u>	<u>-</u>	<u>-</u>	<u>366,959</u>

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

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	-	-	165,364
Total	177,932	-	-	165,364

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 2025	177,932	-	-	177,932
New exposures	335,185	-	-	335,185
Exposure derecognised or matured/lapsed (excluding write offs)	(145,962)	-	-	(145,962)
Foreign exchange adjustments	(196)	-	-	(196)
At 31 December 2025	366,959	-	-	366,959

<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
ECL allowance as at 1 January 2025	292	-	-	292
New exposures	2,025	-	-	2,025
Exposure derecognised or matured (excluding write offs)	(302)	-	-	(302)
Changes to models and inputs used for ECL calculations	-	-	-	-
At 31 December 2025	2,015	-	-	2,015

<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)
At 31 December 2024	292	-	-	292

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

34 (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>				2025
	Stage 1	Stage 2	Stage 3	Total
Internal rating grade				
RR1-RR2	136,103	-	-	136,103
RR3-RR4	-	-	-	-
Total	136,103	-	-	136,103

<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

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 2025	96,101	-	-	96,101
New exposures	125,091	-	-	125,091
Exposure derecognised or matured/lapsed (excluding write offs)	(85,077)	-	-	(85,077)
Foreign exchange adjustments	(12)	-	-	(12)
At 31 December 2025	136,103	-	-	136,103

<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
ECL allowance as at 1 January 2025	-	-	-	-
New exposures	70	-	-	70
Exposure derecognised or matured (excluding write offs)	-	-	-	-
At 31 December 2025	70	-	-	70

(ii) Letters of credit - continued

<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	-	-	-	-

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

35 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 2025	Group 2024	Bank 2025	Bank 2024
(i) Transactions with the related parties				
Loans and advances				
a. Secured loans and advances (see 36b)	986	771	986	771
b. Contingent liabilities (see 36b)	80	70	80	70
c. Transactions and balances with the Bank's subsidiary Sterling Investment Management Plc				
Debt instruments issued by the Bank	-	-	-	20,550
Other liabilities	-	-	645	-
Interest expense	-	-	2,751	3,491
d. Transactions and balances with the Parent Company Sterling Financial Holdings Company Plc				
Loans and advances	6,798	-	6,798	-
Other assets (Account receivable)	742	508	742	508
Deposit from customer (Current and Fixed Deposit)	8,390	14,735	8,390	14,735
Other liabilities (Account payable)	-	-	-	-
Interest income	257	-	257	-
Interest expense	1,858	1,120	1,858	1,120
Other expenses	489	180	489	180
e. Transactions and balances with the Fellow Subsidiary The Alternative Bank Limited				
Other assets (Account receivable)	16,544	6,760	16,544	6,760
Deposit from customer (Current and Fixed Deposit)	23,246	29,898	23,246	29,898
SterlingFi Wealth Management Ltd				
Deposit from customer (Current and Fixed Deposit)	313	300	313	300

(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 2025	Group 2024	Bank 2025	Bank 2024
Secured loans and advances	459	451	459	451
Deposit liabilities (related parties and key management personnel)	14,880	37,481	14,880	37,481

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

35 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 2025	Group 2024	Bank 2025	Bank 2024
Short-term benefits (wages and salaries)	139	107	139	107
Post-employment benefits (pension contributions)	13	10	13	10
	152	117	152	117

(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 2025	Group 2024	Bank 2025	Bank 2024
Directors' remuneration				
Fees as directors	644	350	644	350
Other emoluments	80	135	80	135
	724	485	724	485

(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 2025, the related parties facilities are performing and the Group has not made any provision for impairment on the facilities. (2024: Nil).

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

35b 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 N986 million (2024: N771 million) relating to the Directors and some employees were outstanding on these facilities at the end of the period/year.

31 December 2025

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-Jun-24	27-Jun-26	955	955	Performing	Legal Mortgage	TERM LOAN
MICHAEL ONOCHIE AJUKWU	Independent Director	MICHAEL ONOCHIE AJUKWU	07-May-24	31-May-29	58	25	Performing	Otherwise Secured	VISA INFINITE CREDIT CARD
ASUE IGHODALO	Independent Director	Asue Ighodalo	02-May-23	31-May-28	108	6	Performing	Otherwise Secured	VISA INFINITE CREDIT CARD
TIJANI TAIRAT BOLANLE	Non-executive Director	Tairat Tijani	12-Aug-25	31-Aug-30		-	Performing	Otherwise Secured	VISA INFINITE CREDIT CARD
TOTAL					1,123	986			

Letter of credit and bond guarantees.

31 December 2025

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	19-Nov-25	18-Nov-26	80	80	Performing	Otherwise secured	Bank Guarantee
TOTAL - CONTINGENT (Letters of credit and bond guarantees)					80	80			

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	07-May-24	31-May-29	62	19	Performing	Otherwise Secured	Credit Card
Commercial Staff Loans of AGMs	Employees	Employees	NA	NA	105	69	Performing	Lien on entitlements/indemnity	Term Loan/Other Loans/Overdraft
TOTAL					850	771			

Letter of credit and 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			

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

36 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 2025 and profit or loss and other comprehensive income attributable to equity holders on that date which have not been adequately adjusted for or disclosed.

<i>In millions of Naira</i>	Group 2025	Group 2024	Bank 2025	Bank 2024
37 Cash and cash equivalents				
Cash and foreign monies (Note 16)	30,417	28,099	30,417	28,099
Unrestricted balances with Central Bank of Nigeria (Note 16)	8,637	59,127	8,637	59,127
Balances held with local banks (Note 17)	7,585	6	7,585	-
Balances held with banks outside Nigeria (Note 17)	442,454	557,685	442,454	557,685
Money market placements (Note 17)	22,199	11,824	22,199	11,824
	<u>511,292</u>	<u>656,741</u>	<u>511,292</u>	<u>656,735</u>

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

38 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

38 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

38 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

38 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

38 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

38 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

38 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

38 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.

38.1 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

38 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 avilment 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 commuication 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

38 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

38 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 Augusto 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

38 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 5,000,000,000
Board, Credit Committee	3,000,000,000
Management Credit Committee	1,500,000,000
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

38 Financial risk management - continued

<i>In millions of Naira</i>	2025	2024
Financial assets:		
Loans and advances	374,939	287,942
Financial liabilities:		
Collateralised deposits	254,005	239,389

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>	2025	2024
Net financial assets/ liabilities:		
Loans and advances	120,934	48,553

(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 2025

S/N	Region	2025	2024
	<i>In millions of Naira</i>		
1	Abuja	119,752	43,331
2	Lagos	944,119	788,269
3	North Central	51,778	49,509
4	North East	7,378	7,034
5	North West	25,812	17,370
6	South East	40,680	22,994
7	South South	39,425	69,290
8	South West	160,444	101,200
	Grand Total	1,389,388	1,098,997

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

38 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 2025 and 31 December 2024 is represented by the net carrying amounts of the financial assets set out below:

Group

Type of collateral or credit enhancement

31 December 2025

	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
In millions of Naira									
Financial assets									
Cash and balances with Central Bank of Nigeria	677,516	-	-	-	-	-	-	677,516	-
Due from banks	472,238	-	-	-	-	-	-	472,238	-
Pledged assets	16,087	-	-	-	-	-	-	16,087	(2)
Loans and advances to customers									
- Corporate loans	1,273,892	264,352	113,127	21,942	7,171,993	381,107	7,952,521	-	(31,152)
- Individual/retail loans	115,496	5,112	8,512	-	-	1,066	14,690	100,806	(22,498)
Debt instruments at amortised cost	64,507	-	-	-	-	-	-	64,507	(16)
Total financial assets at amortised cost	2,619,736	269,464	121,639	21,942	7,171,993	382,173	7,967,211	1,331,154	(53,668)
Derivative financial assets	-	-	-	-	-	-	-	-	-
Debt instruments at fair value through profit or loss	74,131	-	-	-	-	-	-	74,131	-
Total financial instruments at fair value through profit or loss	74,131	-	-	-	-	-	-	74,131	-
Debt instruments at fair value through other comprehensive income	618,731	-	-	-	-	-	-	618,731	(953)
Total debt instruments at fair value through other comprehensive income	618,731	-	-	-	-	-	-	618,731	(953)
Financial guarantees	366,959	-	-	-	-	-	-	366,959	(2,015)
Letters of credit for customers	136,103	-	-	-	-	-	-	136,103	(70)
3,815,660	269,464	121,639	21,942	7,171,993	382,173	7,967,211	2,527,078	(56,706)	

Bank

Type of collateral or credit enhancement

31 December 2025

	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
In millions of Naira									
Financial assets									
Cash and balances with Central Bank of Nigeria	677,516	-	-	-	-	-	-	677,516	-
Due from banks	472,238	-	-	-	-	-	-	472,238	-
Pledged assets	16,087	-	-	-	-	-	-	16,087	(2)
Loans and advances to customers									
- Corporate loans	1,273,892	264,352	113,127	21,942	7,171,993	381,107	7,952,521	-	(31,152)
- Individual/retail loans	115,496	5,112	8,512	-	-	1,066	14,690	100,806	(22,498)
Debt instruments at amortised cost	64,507	-	-	-	-	-	-	64,507	(16)
Total financial assets at amortised cost	2,619,736	269,464	121,639	21,942	7,171,993	382,173	7,967,211	1,331,154	(53,668)
Derivative financial assets	-	-	-	-	-	-	-	-	-
Debt instruments at fair value through profit or loss	74,131	-	-	-	-	-	-	74,131	-
Total financial instruments at fair value through profit or loss	74,131	-	-	-	-	-	-	74,131	-
Debt instruments at fair value through other comprehensive income	618,731	-	-	-	-	-	-	618,731	(953)
Total debt instruments at fair value through other comprehensive income	618,731	-	-	-	-	-	-	618,731	(953)
Financial guarantees	366,959	-	-	-	-	-	-	366,959	(2,015)
Letters of credit for customers	136,103	-	-	-	-	-	-	136,103	(70)
3,815,660	269,464	121,639	21,942	7,171,993	382,173	7,967,211	2,527,078	(56,706)	

38 Financial risk management - continued

Enterprise risk review - continued

Group

Type of collateral or credit enhancement

31 December 2024

	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
In millions of Naira									
Financial assets									
Cash and balances with Central Bank of Nigeria	803,132	-	-	-	-	-	-	803,132	-
Due from banks	569,515	-	-	-	-	-	-	569,515	-
Pledged assets	28,689	-	-	-	-	-	-	28,689	(14)
Loans and advances to customers									
- Corporate loans	1,003,339	309,297	174,082	36,427	1,013,650	18,518	1,551,974	-	(13,054)
- Individual/retail loans	95,658	530	7,654	-	-	1,286	9,470	86,188	(23,320)
Debt instruments at amortised cost	61,285	-	-	-	-	-	-	61,285	(101)
Total financial assets at amortised cost	2,561,618	309,827	181,736	36,427	1,013,650	19,804	1,561,444	1,548,809	(36,489)
Debt instruments at fair value through profit or loss	27,491	-	-	-	-	-	-	27,491	-
Total financial instruments at fair value through profit or loss	27,491	-	-	-	-	-	-	27,491	-
Debt instruments at fair value through other comprehensive income	438,838	-	-	-	-	-	-	438,838	(1,583)
Total debt instruments at fair value through other comprehensive income	438,838	-	-	-	-	-	-	438,838	(1,583)
Financial guarantees	177,932	-	-	-	-	-	-	177,932	(292)
Letters of credit for customers	96,101	-	-	-	-	-	-	96,101	-
Other commitments	-	-	-	-	-	-	-	-	-
	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

	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
In millions of Naira									
Financial assets									
Cash and balances with Central Bank of Nigeria	803,132	-	-	-	-	-	-	803,132	-
Due from banks	569,509	-	-	-	-	-	-	569,509	-
Pledged assets	28,689	-	-	-	-	-	-	28,689	(14)
Loans and advances to customers									
- Corporate loans	1,003,339	309,297	174,082	36,427	1,013,650	18,518	1,551,974	-	(13,054)
- Individual/retail loans	95,658	530	7,654	-	-	1,286	9,470	86,188	(23,320)
Debt instruments at amortised cost	47,055	-	-	-	-	-	-	47,055	(94)
Total financial assets at amortised cost	2,547,382	309,827	181,736	36,427	1,013,650	19,804	1,561,444	1,534,573	(36,482)
Derivative financial assets	-	-	-	-	-	-	-	-	-
Debt instruments at fair value through profit or loss	27,491	-	-	-	-	-	-	27,491	-
Total financial instruments at fair value through profit or loss	27,491	-	-	-	-	-	-	27,491	-
Debt instruments at fair value through other comprehensive income	438,838	-	-	-	-	-	-	438,838	(1,583)
Total debt instruments at fair value through other comprehensive income	438,838	-	-	-	-	-	-	438,838	(1,583)
Financial guarantees	177,932	-	-	-	-	-	-	177,932	(292)
Letters of credit for customers	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

38 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 2025, 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 2025												
In millions of Naira												
<i>Concentration by sector:</i>												
Agriculture	-	-	-	-	-	220,165	-	-	-	-	-	220,165
Capital Market	-	-	-	-	-	-	-	-	-	-	-	-
Communication	-	-	-	-	-	27,777	-	-	4,869	-	-	32,646
Consumer	-	-	-	-	-	107,717	-	-	-	-	-	107,717
Education	-	-	-	-	-	5,899	-	-	-	-	-	5,899
Finance and Insurance	30,417	472,238	950	-	-	41,818	-	-	3,456	-	-	548,879
Government	647,099	-	15,135	-	-	95,992	74,131	64,491	600,026	364,944	136,033	1,997,851
Manufacturing	-	-	-	-	-	38,653	-	-	247	-	-	38,900
Mining & Quarrying	-	-	-	-	-	14	-	-	-	-	-	14
Mortgage	-	-	-	-	-	2,256	-	-	-	-	-	2,256
Oil & Gas	-	-	-	-	-	371,542	-	-	-	-	-	371,542
Others	-	-	-	-	-	207,047	-	-	-	-	-	207,047
Power	-	-	-	-	-	53,981	-	-	287	-	-	54,268
Real Estate & Construction	-	-	-	-	-	94,004	-	-	-	-	-	94,004
Transportation	-	-	-	-	-	68,873	-	-	9,846	-	-	78,719
	677,516	472,238	16,085	-	-	1,335,738	74,131	64,491	618,731	364,944	136,033	3,759,907
<i>Concentration by location:</i>												
Nigeria	677,516	29,786	16,085	-	-	1,335,738	74,131	64,491	618,731	364,944	136,033	3,317,455
America	-	147,232	-	-	-	-	-	-	-	-	-	147,232
Europe	-	294,086	-	-	-	-	-	-	-	-	-	294,086
Africa	-	1,134	-	-	-	-	-	-	-	-	-	1,134
	677,516	472,238	16,085	-	-	1,335,738	74,131	64,491	618,731	364,944	136,033	3,759,907

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 2025												
In millions of Naira												
<i>Concentration by sector:</i>												
Agriculture	-	-	-	-	-	220,165	-	-	-	-	-	220,165
Capital Market	-	-	-	-	-	-	-	-	-	-	-	-
Communication	-	-	-	-	-	27,777	-	-	4,869	-	-	32,646
Consumer	-	-	-	-	-	107,717	-	-	-	-	-	107,717
Education	-	-	-	-	-	5,899	-	-	-	-	-	5,899
Finance and Insurance	30,417	472,238	950	-	-	41,818	-	-	3,456	-	-	548,879
Government	647,099	-	15,135	-	-	95,992	74,131	64,491	600,026	364,944	136,033	1,997,851
Manufacturing	-	-	-	-	-	38,653	-	-	247	-	-	38,900
Mining & Quarrying	-	-	-	-	-	14	-	-	-	-	-	14
Mortgage	-	-	-	-	-	2,256	-	-	-	-	-	2,256
Oil & Gas	-	-	-	-	-	371,542	-	-	-	-	-	371,542
Others	-	-	-	-	-	207,047	-	-	-	-	-	207,047
Power	-	-	-	-	-	53,981	-	-	287	-	-	54,268
Real Estate & Construction	-	-	-	-	-	94,004	-	-	-	-	-	94,004
Transportation	-	-	-	-	-	68,873	-	-	9,846	-	-	78,719
	677,516	472,238	16,085	-	-	1,335,738	74,131	64,491	618,731	364,944	136,033	3,759,907
<i>Concentration by location:</i>												
Nigeria	677,516	29,786	15,135	-	-	1,335,738	74,131	64,491	618,731	364,944	136,033	3,316,505
America	-	147,232	950	-	-	-	-	-	-	-	-	148,182
Europe	-	294,086	-	-	-	-	-	-	-	-	-	294,086
Africa	-	1,134	-	-	-	-	-	-	-	-	-	1,134
	677,516	472,238	16,085	-	-	1,335,738	74,131	64,491	618,731	364,944	136,033	3,759,907

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

38 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											
Concentration by sector:											
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
	803,132	569,515	28,675	-	1,062,623	27,491	61,184	438,838	177,640	96,101	3,265,199
Concentration by location:											
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
	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

31 December 2024

In millions of Naira

Concentration by sector:

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											
Concentration by sector:											
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
Concentration by location:											
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
	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

38 Financial risk management - continued

Enterprise risk review - continued

Exposure to credit risk - continued

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	2025	2024
<i>In millions of Naira</i>		
Bonds, guarantees and indemnities	366,959	177,932
Letters of credit	136,103	96,101
	503,062	274,033

Maturity profile of contingents and commitments

As at 31 December 2025	On demand	Less than 3 months	3-12 months	1-5 years	Over 5 years	Total
<i>In millions of Naira</i>						
Bonds, guarantees and indemnities	-	3,878	187,349	125,146	50,586	366,959
Letters of credit	-	48,581	59,988	21,732	5,802	136,103
Total undiscounted financial assets (A)	-	52,459	247,337	146,878	56,388	503,062

As at 31 December 2024	On demand	Less than 3 months	3-12 months	1-5 years	Over 5 years	Total
	N'000	N'000	N'000	N'000	N'000	N'000
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

Enterprise Risk Review - continued

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 2025				
Assets				
In millions of Naira	carrying values of:			Net values
	Defaulted exposures	Non defaulted exposures	Allowances/ impairments	
Loans and advances to customers	65,600	1,323,788	(53,650)	1,335,738
Debt securities	-	-	-	-
Off balance sheet exposures	-	503,062	(2,085)	500,977
Total	65,600	1,826,850	(55,735)	1,836,715

In millions of Naira					Total	Carrying Amount
	RR1 - RR2	RR3 - RR4	RR5 - RR6	RR7 - RR9		
Balances with Central Bank of Nigeria	677,516	-	-	-	677,516	677,516
Due from banks	472,238	-	-	-	472,238	472,238
Pledged assets	16,085	-	-	-	16,085	16,085
Derivative financial assets	-	-	-	-	-	-
Loans and advances to customers	52,575	903,245	367,968	65,600	1,389,388	1,335,738
Financial assets at fair value through profit or loss	74,131	-	-	-	74,131	74,131
Investments securities - FVOCI	618,731	-	-	-	618,731	618,731
Investments securities - amortised cost	64,507	-	-	-	64,507	64,491
Other assets	-	141,499	-	-	141,499	141,499
Total	1,975,783	1,044,744	367,968	65,600	3,454,095	3,400,429

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 2024				
Assets				
In millions of Naira	carrying values of:			Net values
	Defaulted exposures	Non defaulted exposures	Allowances/ impairments	
Loans	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					Total	Carrying Amount
	RR1 - RR2	RR3 - RR4	RR5 - RR6	RR7 - RR9		
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 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 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;

- 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 2025

Assets	Exposure unsecured	Total Exposures	Exposures secured by collateral	Exposures secured by financial guarantees	Exposures secured by which: secured
In millions of Naira					
Loans and advances to customers	88,390	1,300,998	1,212,608	-	-
Debt Securities	-	-	-	-	-
Total	88,390	1,300,998	1,212,608	-	-
of which defaulted	-	65,600	-	-	-

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		
	on balance sheet	off- balance sheet	on balance sheet	off- balance sheet	Risk Weighted Assets (RWA)
<i>In millions of Naira</i>					
Sovereigns and their central banks	1,435,744	-	1,435,744	-	-
Non-central government public sector entities	97,530	23,894	2,482	10,216	11,544
Multilateral Development Banks (MDBs)	-	-	-	-	1,154
Supervised institutions	442,666	-	442,666	-	115,715
Corporates	883,989	573,112	728,792	37,504	766,296
Regulatory retail portfolios	177,649	399	176,041	152	132,145
Secured by residential property	58,262	-	58,262	-	56,766
Secured by commercial real estate	110,276	-	108,245	-	108,245
Past due loans	34,539	-	34,417	-	35,994
Higher-risk categories	42,224	-	42,224	-	63,336
Other assets	230,341	4,614	230,341	2,307	196,303
Total	3,513,220	602,019	3,259,214	50,179	1,487,498

31 December 2024

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	53,616	1,045,381	991,765	-	-
Debt Securities	-	-	-	-	-
Total	53,616	1,045,381	991,765	-	-
of which defaulted	-	59,822	-	-	-

Credit Risk Exposure and Credit Risk Mitigation (CRM)

Asset Classes	Exposures pre CCF and CRM		Exposures post CCF and CRM		
	on balance sheet	off- balance sheet	on balance sheet	off- balance sheet	Risk Weighted Assets (RWA)
<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

38 Financial risk management - continued

Enterprise risk review - continued

Exposure to credit risk - continued

EXPOSURE BY ASSET CLASSES AND RISK WEIGHTS

31 December 2025							Exposure Amount (Post CCF and Post CRM)
In millions of Naira							
Risk weight	0%	20%	50%	75%	100%	150%	
Sovereigns	1,435,744	-	-	-	-	-	1,435,744
Non-central government public sector entities (PSEs)	-	-	-	-	12,698	-	12,698
Multilateral Development Banks (MDBs)	-	-	-	-	-	-	-
Supervised Institutions	-	353,957	87,571	-	1,137	1	442,666
Corporates	-	-	-	-	766,296	-	766,296
Regulatory Retail Portfolios	-	-	-	176,193	-	-	176,193
Secured by Mortgages on Residential Properties	-	-	-	5,983	52,280	-	58,263
Exposures Secured by Mortgages on Commercial Real Estates	-	-	-	-	108,245	-	108,245
Past due loans	-	-	3,142	-	24,981	6,295	34,418
Higher-risk categories	-	-	-	-	-	42,224	42,224
Other assets	30,417	7,410	-	-	194,821	-	232,648
Total	1,466,161	361,367	90,713	182,176	1,160,458	48,520	3,309,395

COUNTERPARTY CREDIT RISK EXPOSURES BY REGULATORY PORTFOLIO AND RISK WEIGHTS

31 December 2025							Total credit exposure amount (Pre CCF and CRM)
In millions of Naira							
Risk weight	0%	20%	50%	75%	100%	150%	
Sovereigns	1,435,744	-	-	-	-	-	1,435,744
Non-central government public sector entities (PSEs)	-	-	-	-	121,424	-	121,424
Multilateral Development Banks (MDBs)	-	-	-	-	-	-	-
Supervised institutions	-	353,957	87,571	-	1,137	1	442,666
Corporates	-	-	-	-	1,457,100	-	1,457,100
Regulatory retail portfolios	-	-	-	178,048	-	-	178,048
Secured by Mortgages on Residential Properties	-	-	-	5,983	52,280	-	58,263
Exposures Secured by Mortgages on Commercial Real Estates	-	-	-	-	110,276	-	110,276
Past due loans	-	-	3,142	-	25,103	6,295	34,540
Higher-risk categories	-	-	-	-	-	42,224	42,224
Other assets	30,417	7,410	-	-	197,129	-	234,956
Total	1,466,161	361,367	90,713	184,031	1,964,449	48,520	4,115,241

EXPOSURE BY ASSET CLASSES AND RISK WEIGHTS

31 December 2024							Exposure Amount (Post CCF and Post 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)	-	4,276	-	-	1,378	-	5,654
Multilateral Development Banks (MDBs)	-	-	-	-	-	-	-
Supervised Institutions	-	374,187	138,932	-	45,995	1.00	559,115
Corporates	-	14,705	-	-	586,681	-	601,386
Regulatory Retail Portfolios	-	3.00	-	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	1.00	559,681
Corporates	-	74,998	198,484	-	734,170	-	1,007,652
Regulatory retail portfolios	-	13.00	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

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

38 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

38 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.
- 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

38 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 2025 and December 2024.

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.

The Group and Bank

31 December 2025								
Key drivers	ECL Scenario	Assigned probabilities	2025	2026	2027	2028	2029	Subsequent years
GDP growth rate%	Upside	17%	5.10%	4.50%	4.80%	5.00%	5.20%	5.20%
	Base Case	82%	4.60%	4.00%	4.30%	4.50%	4.70%	4.70%
	Downside	2%	4.10%	3.50%	3.80%	4.00%	4.20%	4.20%
Exchange rate	Upside	17%	1,463.00	1,435.00	1,485.00	1,450.00	1,400.00	1,430.00
	Base Case	82%	1,488.00	1,460.00	1,510.00	1,475.00	1,425.00	1,455.00
	Downside	2%	1,563.00	1,535.00	1,585.00	1,550.00	1,500.00	1,530.00
Inflation rate %	Upside	17%	18.85%	13.75%	14.75%	13.50%	13.00%	13.75%
	Base Case	82%	19.35%	14.25%	15.25%	14.00%	13.50%	14.25%
	Downside	2%	19.85%	14.75%	15.75%	14.50%	14.00%	14.75%

Analysis of inputs to the ECL model under multiple economic scenarios - continued								
31 December 2024								
Key drivers	ECL Scenario	Assigned probabilities	2023	2024	2025	2026	2027	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%	1575.00	1475.00	1435.00	1395.00	1355.00	1325.00
	Base Case	79%	1600.00	1500.00	1460.00	1420.00	1380.00	1350.00
	Downside	8%	1675.00	1575.00	1535.00	1495.00	1455.00	1425.00
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%

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 2025

In millions

	Debt instruments at FVOCI	Debt instruments at amortised cost	Corporate lending	Individual/Retail lending	Financial guarantee	Letter of credit
Upside (12%)	159	3	5,195	3,752	336	12
Base (65%)	779	15	25,453	18,382	1,646	57
Downside (23%)	15	-	504	364	33	1
Total	953	18	31,152	22,498	2,015	70

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

38 Financial Risk Management - continued

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	16	1,804	3,222	40	-
Base (50%)	1,246	90	10,247	18,306	229	-
Downside (27%)	122	9	1,003	1,792	23	-
Total	1,587	115	13,054	23,320	292	-

Bank

31 December 2025	Debt instruments at FVOCI	Debt instruments at amortised cost	Corporate lending	Individual/Retail lending	Financial guarantee	Letter of credit
In millions						
Upside (23%)	159	3	5,195	3,752	336	12
Base (50%)	779	15	25,453	18,382	1,646	57
Downside (27%)	15	0	504	364	33	1
Total	953	18	31,152	22,498	2,015	70

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	-

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 year, with the related modification gain earned by the Bank.

	2025	2024
Group		
Gross carrying amount before modification	30,990	5,861
ECL allowance before modification	(97)	(19)
Net amortised cost before modification	30,893	5,842
Net modification (loss)/gain	(169)	(22)
Amortised cost after modification	30,724	5,820
Bank		
Gross carrying amount before modification	30,990	5,861
ECL allowance before modification	(97)	(19)
Net amortised cost before modification	30,893	5,842
Net modification (loss)/gain	(169)	(22)
Amortised cost after modification	30,724	5,820

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

38 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

38 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 2025	As at 31 December 2024
At end of year	43.31%	35.18%
Average for the year	42.08%	32.80%
Maximum for the year	50.36%	36.63%
Minimum for the year	31.64%	26.62%

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.

- 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 2025 was 213.35%. The LCR indicates that the Group has adequate liquidity to support its current level of growth.

- 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 144.58% as at 31 December 2025, was well above the Basel requirement of 100% and internal risk tolerance level.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

38 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 31 December 2025.

	As at 31 December 2025	As at 31 December 2024
Liquidity Ratio	43.31%	35.18%
Net Interbank Borrowing / Total Deposit	0.00%	0.70%
Loan/ Deposit Ratio	59.27%	50.04%
Current and Savings Account/Total Deposit	80.46%	76.40%

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

38 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 2024 and 31 December 2025, the Group's total deposit base grew on a yearly basis by 14.61% from N2.362trillion to N2.699trillion. It is instructive to note that 63.8% 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 2025	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	677,516	677,516	39,054	-	638,462	-	-
Due from banks	17	472,238	472,279	472,279	-	-	-	-
Pledged assets	18	16,085	16,140	5,770	10,075	-	295	-
Derivative financial assets	18	-	-	-	-	-	-	-
Loans and advances to customers	19	1,335,738	1,859,114	424,887	100,907	315,983	696,460	320,877
Investment securities:								
- Financial assets at fair value through profit or loss	20(a)	74,131	75,770	15,852	33,780	16,235	2,845	7,058
- Debt instruments at fair value through other comprehensive income	20(b)	618,731	655,804	298,374	73,232	28,950	84,196	171,052
- Equity instruments at fair value through other comprehensive income	20(c)	42,222	40,791	-	-	-	-	40,791
- Debt instruments at amortised cost	20(d)	64,491	92,471	35,088	20,000	-	32,777	4,606
Other assets (account receivables)	22	141,499	145,522	106,478	4,639	7,544	26,861	-
		3,442,651	4,035,407	1,397,782	242,633	1,007,174	843,434	544,384
Financial liabilities								
Deposits from Banks	25	-	-	-	-	-	-	-
Deposits from customers	26	2,698,767	2,809,134	1,183,592	284,424	937,565	143,870	259,683
Derivative financial liabilities	27	1,433	1,433	1,433	-	-	-	-
Debt securities issued & other borrowed funds	28&29	220,233	307,548	53,802	-	-	238,296	15,450
Other liabilities	30	224,970	203,159	110,079	2,651	90,386	43	-
		3,145,403	3,321,274	1,348,906	287,075	1,027,951	382,209	275,133
Gap (asset - liabilities)		297,248	714,133	48,876	(44,442)	(20,777)	461,225	269,251
Cumulative liquidity gap				48,876	4,434	(16,343)	444,882	714,133

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

38 Financial Risk Management - continued

Enterprise Risk Review - continued

(e) Liquidity Risk - continued

Group

31 December 2024		Carrying	Gross nominal	Less than				More than
	Note	amount	Inflow/outflow	3 months	3-6 months	6-12 months	1 - 5 years	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	569,515	569,526	569,526	-	-	-	-
Pledged assets	18	28,675	28,760	16,324	2,801	9,321	314	-
Derivative financial assets	18	-	-	-	-	-	-	-
Loans and advances to customers	19	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	20(a)	27,491	31,241	4,270	7,999	10,253	2,608	6,111
- Debt instruments at fair value through other comprehensive income	20(b)	438,838	677,216	174,954	24,162	105,933	95,611	276,556
- Equity instruments at fair value through other comprehensive income	20(c)	40,622	40,622	-	-	-	-	40,622
- Debt instruments at amortised cost	20(d)	61,184	87,667	19,569	-	11,000	36,305	20,793
Other assets (account receivables)	22	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	25	28,931	28,931	28,931	-	-	-	-
Deposits from customers	26	2,361,995	2,450,418	1,032,318	247,662	815,034	127,605	227,799
Debt securities issued & other borrowed funds	28&29	219,325	249,063	-	13,811	112,845	105,801	16,607
Other liabilities	30	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

31 December 2025		Carrying	Gross nominal	Less than				More than
	Note	amount	Inflow/outflow	3 months	3-6 months	6-12 months	1 - 5 years	5 years
<i>In millions of Naira</i>								
Financial assets								
Cash and balances with Central Bank of Nigeria	16	677,516	677,516	39,054	-	638,462	-	-
Due from banks	17	472,238	472,279	472,279	-	-	-	-
Pledged assets	18	16,085	16,140	5,770	10,075	-	295	-
Derivative financial assets	18	-	-	-	-	-	-	-
Loans and advances to customers	19	1,335,738	1,859,114	424,887	100,907	315,983	696,460	320,877
Investment securities:								
- Financial assets at fair value through profit or loss	20(a)	74,131	75,770	15,852	33,780	16,235	2,845	7,058
- Debt instruments at fair value through other comprehensive income	20(b)	618,731	655,804	298,374	73,232	28,950	84,196	171,052
- Equity instruments at fair value through other comprehensive income	20(c)	42,222	40,791	-	-	-	-	40,791
- Debt instruments at amortised cost	20(d)	64,491	92,471	35,088	20,000	-	32,777	4,606
Other assets (account receivables)		141,499	145,522	106,478	4,639	7,544	26,861	-
		3,442,651	4,035,407	1,397,782	242,633	1,007,174	843,434	544,384
Financial liabilities								
Deposits from Banks	25	-	-	-	-	-	-	-
Deposits from customers	26	2,698,767	2,809,134	1,183,592	284,424	937,565	143,870	259,683
Derivative financial liabilities	27	1,433	1,433	1,433	-	-	-	-
Debt securities issued & other borrowed funds	28&29	220,233	307,548	53,802	-	-	238,296	15,450
Other liabilities	30	225,594	203,783	110,079	2,651	91,010	43	-
		3,146,027	3,321,898	1,348,906	287,075	1,028,575	382,209	275,133
Gap (asset - liabilities)		296,624	713,509	48,876	(44,442)	(21,401)	461,225	269,251
Cumulative liquidity gap				48,876	4,434	(16,967)	444,258	713,509

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

38 Financial Risk Management - continued

Enterprise Risk Review - continued

(e) Liquidity Risk - continued

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
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	569,509	569,509	569,509	-	-	-	-
Pledged assets	18	28,675	28,760	16,324	2,801	9,321	314	-
Derivative financial assets	18	-	-	-	-	-	-	-
Loans and advances to customers	19	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	20(a)	27,491	31,241	4,270	7,999	10,253	2,608	6,111
- Debt instruments at fair value through other comprehensive income	20(b)	438,838	677,216	174,954	24,162	105,933	95,611	276,556
- Equity instruments at fair value through other comprehensive income	20(c)	40,622	40,622	-	-	-	-	40,622
- Debt instruments at amortised cost	20(d)	46,961	73,436	5,338	-	11,000	36,305	20,793
Other assets (account receivables)	22	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	25	28,931	28,931	28,931	-	-	-	-
Deposits from customers	26	2,361,995	2,450,418	1,032,318	247,662	815,034	127,605	227,799
Debt securities issued & other borrowed funds	28&29	205,722	234,524	-	13,811	98,305	105,801	16,607
Other liabilities	30	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

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

38 Financial risk management - continued

(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.

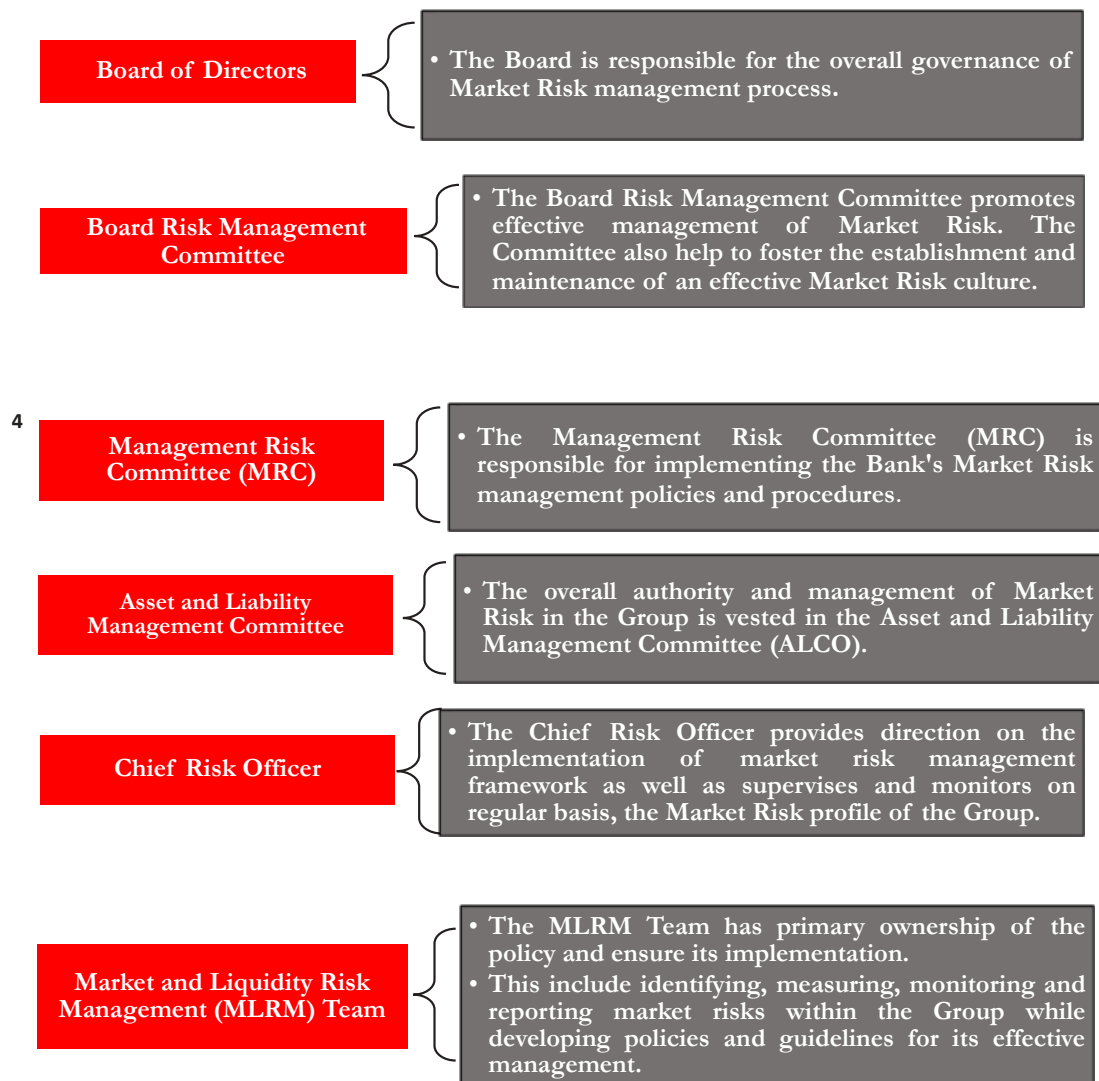
Risk limits, which are monitored daily by the Market Risk team include stop loss limits, unhedged open positions, VaR, duration amongst others. Daily positions of the Group's trading and FVTOCI portfolios are marked-to-market to enable the Group have an accurate view of its trading exposures.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

38 Financial risk management - continued

(f) Market Risk

Market Risk Governance Structure



NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

38 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.

2025 (all figures in N'million)	Interest Rate	Foreign Exchange
VaR as at 31 December 2025	1130.5	21.89
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.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

38 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 repricing 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.

Group	Notes	RATE SENSIVITY OF ASSETS AND LIABILITIES					Total
		Less than 3 months	3-6 months	6-12 months	1 - 5 years	More than 5 years	
(a) In millions of Naira 31 December 2025							
Non-derivative assets:							
Due from banks	17	22,199	-	-	-	-	22,199
Loans and advances to customers	19	377,110	88,655	257,330	461,734	150,909	1,335,738
Investment securities :			-	-	-	-	
- Financial assets at fair value through profit or loss	20(a)	15,302	31,361	14,373	5,739	7,356	74,131
- Debt instruments at fair value through other comprehensive income	20(b)	288,574	68,396	25,059	94,206	142,496	618,731
- Debt instruments at amortised cost	20(d)	29,067	14,654	-	18,951	1,819	64,491
		<u>732,252</u>	<u>203,066</u>	<u>296,762</u>	<u>580,630</u>	<u>302,580</u>	<u>2,115,290</u>
Non-derivative liabilities:							
Deposits from Banks	25	-	-	-	-	-	-
Deposits from customers	26	399,262	94,226	305,037	67,752	108,402	974,679
Derivative financial liabilities	27	1,433	-	-	-	-	1,433
Other borrowed funds & Debt securities issued	28&29	26,329	-	-	181,724	12,180	220,233
		<u>427,024</u>	<u>94,226</u>	<u>305,037</u>	<u>249,476</u>	<u>120,582</u>	<u>1,196,345</u>
Total interest sensitivity gap		<u>305,228</u>	<u>108,840</u>	<u>(8,275)</u>	<u>331,154</u>	<u>181,998</u>	<u>918,945</u>

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)	(43,985)	(1,320)	1,320
from 1 to 3 months	335	0.03	(0.03)	352,793	9,714	(9,714)
from 3 to 6 months	275	0.03	(0.03)	109,364	2,472	(2,472)
from 6 to 12 months	185	0.03	(0.03)	(8,275)	(126)	126
Total				409,897	10,740	(10,740)

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

38 Financial Risk Management - continued

(f) Market Risks - continued

f(i) Interest Rate Risk - continued

Impact of Standardized Interest Rate Shock on Equity

Time Band	Weighting factor	Interest Rate Gap (Net Position)	Impact on Equity
Up to 1 month	0.06%	(43,985)	(26)
from 1 to 3 months	0.17%	352,793	572
from 3 to 6 months	0.37%	109,364	383
from 6 to 12 months	-0.49%	(8,275)	49
1 years to 2 years	1.47%	52,192	591
2 years to 3 years	2.47%	294,127	4,757
3 years to 4 years	3.44%	(1,463)	(28)
4 years to 5 years	4.40%	(17,871)	(364)
5 years to 7 years	5.65%	101,531	2,115
7 years to 10 years	4.41%	5,381	149
10 years to 15 years	11.75%	64,823	1,045
15 years to 20 years	16.05%	(13,545)	(149)
More than 20 years	22.12%	23,873	117
Total		918,945	9,211

RATE SENSIVITY 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 2024							
Financial assets							
Due from banks	17	11,824	-	-	-	-	11,824
Loans and advances to customers	19	383,863	177,383	164,750	241,320	95,307	1,062,623
Investment securities:							
- Financial assets at fair value through profit or loss	20(a)	4,103	7,388	8,590	2,418	4,992	27,491
- Debt instruments at fair value through other comprehensive income	20(b)	165,296	21,362	79,749	60,315	112,116	438,838
- Debt instruments at amortised cost	20(d)	5,629	-	10,313	31,880	13,362	61,184
		<u>570,715</u>	<u>206,133</u>	<u>263,402</u>	<u>335,933</u>	<u>225,777</u>	<u>1,601,960</u>
Financial Liabilities							
Non-derivative liabilities:							
Deposits from Banks	25	28,931	-	-	-	-	28,931
Deposits from Customers	26	303,132	71,539	231,594	126,102	201,763	934,130
Other borrowed funds & Debt securities issued	28&29	-	12,724	105,692	88,207	12,702	219,325
		<u>332,063</u>	<u>84,263</u>	<u>337,286</u>	<u>214,309</u>	<u>214,465</u>	<u>1,182,386</u>
Total interest sensitivity gap		<u>238,652</u>	<u>121,870</u>	<u>(73,884)</u>	<u>121,624</u>	<u>11,312</u>	<u>419,574</u>

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	0.03	(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)

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

38 Financial Risk Management - continued

(f) Market Risks - continued

f(i) Interest Rate Risk - continued

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%	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

RATE SENSIVITY OF ASSETS AND LIABILITIES							
Bank	Notes	Less than 3 months N'million	3-6 months N'million	6-12 months N'million	1 - 5 years N'million	5 years N'million	Total N'million
In millions of Naira							
31 December 2025							
Non-derivative assets:							
Due from banks	17	22,199	-	-	-	-	22,199
Loans and advances to customers	19	377,110	88,655	257,330	461,734	150,909	1,335,738
Investment securities:							
- Financial assets at fair value through profit or loss	20(a)	15,302	31,361	14,373	5,739	7,356	74,131
- Debt instruments at fair value through other comprehensive income	20(b)	288,574	68,396	25,059	94,206	142,496	618,731
- Debt instruments at amortised cost	20(d)	29,067	14,654	-	18,951	1,819	64,491
		732,252	203,066	296,762	580,630	302,580	2,115,290
Non-derivative liabilities:							
Deposits from Banks	25	-	-	-	-	-	-
Deposits from Customers	26	399,262	94,226	305,037	67,752	108,402	974,679
Derivative financial liabilities	27	1,433	-	-	-	-	1,433
Other borrowed funds & Debt securities issued	28&29	26,329	-	-	181,724	12,180	220,233
		427,024	94,226	305,037	249,476	120,582	1,196,345
Total interest sensitivity gap		305,228	108,840	(8,275)	331,154	181,998	918,945

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)	(43,985)	(1,320)	1,320
from 1 to 3 months	335	0.03	(0.03)	352,793	9,714	(9,714)
from 3 to 6 months	275	0.03	(0.03)	109,364	2,472	(2,472)
from 6 to 12 months	185	0.03	(0.03)	(8,275)	(126)	126
Total				409,897	10,740	(10,740)

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

38 Financial Risk Management - continued

(f) Market Risks - continued

f(i) Interest Rate Risk - continued

Impact of Standardized Interest Rate Shock on Equity

Time Band	Weighting factor	Interest Rate Gap (Net Positions)	Impact on Equity
Up to 1 month	0.06%	(43,985)	(26)
from 1 to 3 months	0.17%	352,793	572
from 3 to 6 months	0.37%	109,364	383
from 6 to 12 months	-0.49%	(8,275)	49
1 year to 2 years	1.47%	52,192	591
2 years to 3 years	2.47%	294,127	4,757
3 years to 4 years	3.44%	(1,463)	(28)
4 years to 5 years	4.40%	(17,871)	(364)
5 years to 7 years	5.65%	101,531	2,115
7 years to 10 years	4.41%	5,381	149
10 years to 15 years	11.75%	64,823	1,045
15 years to 20 years	16.05%	(13,545)	(149)
More than 20 years	22.12%	23,873	117
Total		918,945	9,211

Bank

RATE SENSITIVITY OF ASSETS AND LIABILITIES

As at 31 December 2024	Less than					More than	Total
	3 months	3-6 months	6-12 months	1 - 5 years	5 years		
In millions of Naira							
Non-derivative assets:							
Due from banks	17	11,824	-	-	-	-	11,824
Loans and advances to customers	19	383,863	177,383	164,750	241,320	95,307	1,062,623
Investment securities:							
- Financial assets at fair value through profit or loss	20(a)	4,103	7,388	8,590	2,418	4,992	27,491
- Debt instruments at fair value through other comprehensive income	20(b)	165,296	21,362	79,749	60,315	112,116	438,838
- Debt instruments at amortised cost	20(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	25	28,931	-	-	-	-	28,931
Deposits from customers	26	303,132	71,539	231,594	126,102	201,763	934,130
Other borrowed fund & Debt securities issued	28&29	-	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

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

38 Financial Risk Management - continued

f(i) Interest Rate Risk - continued

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	0.03	-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 Position)	Impact on Equity
Up to 1 month	0.04%	162,489.00	66
from 1 to 3 months	0.17%	73,255.00	117
from 3 to 6 months	0.37%	121,230.00	413
from 6 to 12 months	0.92%	(62,951.00)	(446)
1 year to 2 years	1.63%	43,261.00	508
2 years to 3 years	2.47%	61,888.00	933
3 years to 4 years	3.44%	27,798.00	473
4 years to 5 years	4.40%	(16,077.00)	(282)
5 years to 7 years	6.45%	25,521.00	416
7 years to 10 years	5.44%	(101.00)	5
10 years to 15 years	11.75%	30,598.00	370
15 years to 20 years	16.05%	(25,109.00)	(191)
More than 20 years	22.12%	(22,849.00)	(66)
Total		418,953	2,316

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

38 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 31 December 2025

(a) Foreign Currency Concentrations risk as at 31 December 2025

Group	Naira	Dollar	GBP	Euro	Others	Total
In millions of Naira						
Assets						
Cash and balance with Central Bank of Nigeria	656,873	13,921	4,788	1,934	-	677,516
Due from other banks	14,555	316,586	1,671	139,393	33	472,238
Financial assets pledged as collateral	16,085	-	-	-	-	16,085
Derivative financial assets	-	-	-	-	-	-
Loans and advances to customer	967,602	368,136	-	-	-	1,335,738
Financial assets at fair value through profit or loss	64,917	9,214	-	-	-	74,131
- Debt instruments at fair value through other comprehensive income	511,980	100,559	-	6,192	-	618,731
- Equity instruments at fair value through other comprehensive income	42,222	-	-	-	-	42,222
Debt instruments at amortised cost	64,491	-	-	-	-	64,491
Other assets	113,365	47,413	(19)	(2)	-	160,757
Total financial assets (A)	2,452,090	855,829	6,440	147,517	33	3,461,909
Liabilities						
Due to banks	-	-	-	-	-	-
Due to customers	1,699,118	841,614	10,731	147,271	33	2,698,767
Derivative financial liabilities	1,433	-	-	-	-	1,433
Debts issued and other borrowed funds	35,818	184,415	-	-	-	220,233
Other financial liabilities	217,097	7,801	630	1,288	12	226,828
Total financial liabilities (B)	1,953,466	1,033,830	11,361	148,559	45	3,147,261
Net financial assets/ (liabilities)	498,624	(178,001)	(4,921)	(1,042)	(12)	314,648

SENSITIVITY ANALYSIS OF FOREIGN CURRENCY BALANCE SHEET

Currency	Dollar	GBP	Euro	Total
Net On Balance Sheet Position	N'm (178,001)	N'm (4,921)	N'm (1,042)	N'm (183,964)
Closing Exchange Rate (Naira/Currency)	1,440	1,931	1,688	
10% Currency Appreciation (-)	1,296	1,738	1,182	
10% Currency Depreciation (+)	1,584	2,124	2,195	
Effect of 10% appreciation on Profit	17,800	492	104	18,396
Effect of 10% depreciation on Profit	(17,800)	(492)	(104)	(18,396)

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

38 Financial risk management - continued

f(ii) Foreign currency risk - continued

Group

31 December 2024

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 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 measured at fair value through profit or loss	23,850	3,641	-	-	-	27,491
Financial assets 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
Financial investment at amortized 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
Debt 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	203,176

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	
1% Currency Appreciation(-)	1,394	1,745	1,443	
1% Currency Depreciation(+)	1,704	2,133	1,764	
Effect of 1% appreciation on Profit	12,153	36	47	12,236
Effect of 1% depreciation on Profit	(12,153)	(36)	(47)	(12,236)

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

38 Financial risk management - continued

f(ii) Foreign currency risk

(a) Foreign Currency Concentrations Risk as at 31 December 2025

Bank

31 December 2025						
	Naira	Dollar	GBP	Euro	Others	Total
In millions of Naira						
Cash and balance with Central Bank of Nigeria	656,873	13,921	4,788	1,934	-	677,516
Due from other banks	14,555	316,586	1,671	139,393	33	472,238
Financial assets to maturity pledged as collateral	16,085	-	-	-	-	16,085
Derivative financial assets	-	-	-	-	-	-
Loans and advances to customers	967,602	368,136	-	-	-	1,335,738
Financial assets held for trading	64,917	9,214	-	-	-	74,131
- Debt instruments at fair value through other comprehensive income	511,980	100,559	-	6,192	-	618,731
- Equity instruments at fair value through other comprehensive income	42,222	-	-	-	-	42,222
Debt instrument at amortised cost	64,491	-	-	-	-	64,491
Other assets	113,365	47,413	(19)	(2)	-	160,757
Total financial assets (A)	2,452,090	855,829	6,440	147,517	33	3,461,909
Liabilities						
Due to banks	-	-	-	-	-	-
Due to customers	1,699,118	841,614	10,731	147,271	33	2,698,767
Derivative financial liabilities	1,433	-	-	-	-	1,433
Debt issued and other borrowed funds	35,818	184,415	-	-	-	220,233
Other financial liabilities	217,715	7,801	630	1,288	12	227,446
Total financial liabilities (B)	1,954,084	1,033,830	11,361	148,559	45	3,147,879
Net financial assets/ (liabilities)	498,006	(178,001)	(4,921)	(1,042)	(12)	314,030

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	(178,001)	(4,921)	(1,042)	(183,964)
Closing Exchange Rate (Naira/Currency)	1,440	1,931	1,688	
10% Currency Appreciation (-)	1,296	1,738	1,182	
10% Currency Depreciation (+)	1,584	2,124	2,195	
Effect of 10% appreciation on Profit	17,800	492	104	18,396
Effect of 10% depreciation on Profit	(17,800)	(492)	(104)	(18,396)

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

38 Financial Risk Management - continued

f(ii) Foreign currency risk

In millions of Naira	Naira	Dollar	GBP	Euro	Others	Total
31 December 2024						
Assets						
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	124.00	-	1,062,503
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
- Debt 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)	-	165,150
Total financial assets (A)	2,028,190	961,438	13,455	179,756	362	3,183,141
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	202,513

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	
1% Currency Appreciation (-)	1,394	1,745	1,443	
1% Currency Depreciation (+)	1,704	2,133	1,764	
Effect of 1% appreciation on Profit	12,153	36	47	12,236
Effect of 1% depreciation on Profit	(12,153)	(36)	(47)	(12,236)

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

38 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

38 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 2025

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%	132,408	168,770	261,833	563,011	84,452
Number of years with positive annual gross income						3
Mean Average of Aggregate Capital						28,151
Calibrated Risk Weighted Amount (BIA)						351,882

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

38 Financial risk management - continued

(g) Operational Risk Management - continued

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

(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 2025 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

38 Financial risk management - continued

(h) Capital management - continued

(b) Capital Adequacy Ratio - continued

		Group 2025	Group 2024	Bank 2025	Bank 2024
Constituents of Capital In millions of Naira					
Tier 1 capital	<i>Note</i>				
Paid-up share capital	31	20,391	14,395	20,391	14,395
Share premium		136,696	42,759	136,696	42,759
General reserve (Retained earnings)		33,304	36,457	32,738	35,884
SMEEIS reserve		235	235	235	235
AGSMEIS reserve		8,908	5,899	8,908	5,899
Statutory reserve		44,881	35,855	44,881	35,855
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		249,691	209,742	249,125	209,169
Regulatory Deduction					
Deferred tax assets		(13,013)	(13,141)	(13,013)	(13,141)
Other intangible assets		(3,103)	(3,105)	(3,103)	(3,105)
Exposures to own financial holding company		(6,797)	-	(6,797)	-
Total Regulatory Deduction		(22,913)	(16,246)	(22,913)	(16,246)
Tier 1 Capital after Regulatory Deduction		226,778	193,496	226,212	192,923
Tier 2 capital: Instruments & Reserves					
Sub-ordinated debt *		-	4,056	-	4,056
Other comprehensive income		42,316	22,262	42,316	22,262
Eligible Tier 2 Capital		42,316	26,318	42,316	26,318
Total regulatory capital		269,094	219,814	268,528	219,241
Risk-weighted assets		1,813,245	1,502,620	1,813,245	1,502,620
Total tier 1 and tier 2 capital expressed as a percentage of risk-weighted assets		14.84%	14.63%	14.81%	14.59%

*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.

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

38 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	2,233	231
1.04	Multilateral Development Bank	-	-
1.05	Supervised Institutions	115,715	11,948
1.06	Corporate and Other Persons	736,159	76,013
1.07	Regulatory Retail Portfolio	135,178	13,958
1.08	Secured by Mortgages on Residential Properties	56,569	5,841
1.09	Exposures Secured by Mortgages on Commercial Real Estates	108,432	11,196
1.10	Past Due	39,071	4,034
1.11	Higher Risk Exposures	61,188	6,318
1.12	Other Balance Sheet Exposures	188,229	19,436
1.13	Off Balance Sheet Exposures	50,142	5,177
1.14	Regulatory Adjustment	(81,386)	-
2	Market risk		
2.01	Interest Rate Risk	8,124	650
2.02	Foreign Exchange Risk	46,731	3,738
3	Operational risk		
3.01	Basic Indicator Approach	354,599	28,368
4	Capital Adequacy Ratio		
4.01	Tier 1 Capital Adequacy Ratio	12.48%	
4.02	Total Capital Adequacy Ratio	14.81%	

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

38 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.

39 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 2025.

- Group						
Maturity analysis of assets and liabilities	Less than 3 months	3-6 months	6-12 months	1 - 5 years	More than 5 years	Total
31 December 2025						
Assets						
Cash and balances with Central Bank of Nigeria	39,320	-	638,196	-	-	677,516
Due from banks	472,238	-	-	-	-	472,238
Pledged assets	16,085	-	-	-	-	16,085
Derivative financial assets	-	-	-	-	-	-
Loans and advances to customers	377,110	88,655	257,330	461,734	150,909	1,335,738
Investment in securities:	-	-	-	-	-	-
- Financial assets at fair value through profit or loss	15,302	31,361	14,373	5,739	7,356	74,131
- Debt instruments at fair value through other comprehensive income	288,574	68,396	25,059	94,206	142,496	618,731
- Equity instruments at fair value through other comprehensive income	1,431	-	-	-	40,791	42,222
- Debt instruments at amortised cost	29,067	14,654	-	18,951	1,819	64,491
Other assets	125,478	20,329	14,950	-	-	160,757
Total	1,364,605	223,395	949,908	580,630	343,371	3,461,909
- 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	-	-	-	-	-	-
Deposits from customers	1,183,592	279,328	904,264	127,532	204,051	2,698,767
Derivative financial liabilities	1,433	-	-	-	-	1,433
Debts issued and other borrowed funds	26,329	-	-	181,724	12,180	220,233
Other liabilities	133,677	2,651	90,267	233	-	226,828
Total	1,345,031	281,979	994,531	309,489	216,231	3,147,261
Net	19,574	(58,584)	(44,623)	271,141	127,140	314,648

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

39 Maturity Analysis of Assets and Liabilities - continued

In millions of Naira	Less than 3 months	3-6 months	6-12 months	1 - 5 years	More than 5 years	Total
31 December 2024						
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
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

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

39 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 2025.

- Bank

31 December 2025

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	39,320	-	638,196	-	-	677,516
Due from banks	472,238	-	-	-	-	472,238
Pledged assets	16,085	-	-	-	-	16,085
Derivative financial assets	-	-	-	-	-	-
Loans and advances to customers	377,110	88,655	257,330	461,734	150,909	1,335,738
Investment in securities :	-	-	-	-	-	-
- Financial assets at fair value through profit or loss	15,302	31,361	14,373	5,739	7,356	74,131
- Debt instruments at fair value through other comprehensive income	288,574	68,396	25,059	94,206	142,496	618,731
- Equity instruments at fair value through other comprehensive income	1,431	-	-	-	40,791	42,222
- Debt instruments at amortised cost	29,067	14,654	-	18,951	1,819	64,491
Other assets	125,478	20,329	14,950	-	-	160,757
Total	1,364,605	223,395	949,908	580,630	343,371	3,461,909
Liabilities						
Deposits from banks	-	-	-	-	-	-
Deposits from customers	1,183,592	279,328	904,264	127,532	204,051	2,698,767
Derivative financial liabilities	1,433	-	-	-	-	1,433
Debts issued and other borrowed funds	26,329	-	-	181,724	12,180	220,233
Other liabilities	133,671	2,651	90,891	233	-	227,446
Total	1,345,025	281,979	995,155	309,489	216,231	3,147,879
Net	19,580	(58,584)	(45,247)	271,141	127,140	314,030

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

39 Maturity Analysis of Assets and Liabilities - continued

Bank						
31 December 2024	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	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
Investment in subsidiary	-	-	-	-	-	-
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 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 2025:

- GROUP

In millions of Naira	Note	Level 1	Level 2	Level 3	Total
Assets measured at fair value					
Pledged assets – FVOCI	18.1	-	-	-	-
Debt instruments at FVTPL	20(a)	74,131	-	-	74,131
Debt instruments measured at FVOCI	20(b)	618,731	-	-	618,731
Equity instruments at fair value through other comprehensive income	20(c)	-	-	42,222	42,222
Assets for which fair value are disclosed					
Due from banks		472,238	-	-	472,238
Pledged assets at Amortised cost		948	-	15,137	16,085
Loans and advances to customers		-	-	1,178,432	1,178,432
Debt instruments at amortised cost		-	-	58,885	58,885
Liabilities for which fair values are disclosed:					
Deposits from banks		-	-	-	-
Deposits from customers		-	-	2,698,767	2,698,767
Derivative financial liabilities		-	-	1,433	1,433
Other borrowed funds		-	-	242,777	242,777
Debt securities issued		-	-	-	-
- 31 December 2024					
Pledged assets – FVOCI	18.1	18,112	-	-	18,112
Debt instruments at FVTPL	20(a)	27,491	-	-	27,491
Debt instruments measured at FVOCI	20(b)	438,838	-	-	438,838
Equity instruments at fair value through other comprehensive income	20(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

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

40 Fair Value of financial instruments- continued

Fair value measurement hierarchy for assets & liabilities as at 31 December 2025

- BANK

In millions of Naira		Level 1	Level 2	Level 3	Total
Assets measured at fair value					
Pledged assets – FVOCI	18.1	-	-	-	-
Debt instruments at FVTPL	20(a)	74,131	-	-	74,131
Debt instruments measured at FVOCI	20(b)	618,731	-	-	618,731
Equity instruments at fair value through other comprehensive income	20(c)	-	-	42,222	42,222
Assets for which fair value are disclosed					
Due from banks		472,238	-	-	472,238
Pledged assets at amortised cost		948	-	15,137	16,085
Loans and advances to customers		-	-	1,178,432	1,178,432
Debt instruments at amortised cost		-	-	58,885	58,885
Liabilities for which fair values are disclosed:					
Deposits from banks		-	-	-	-
Deposits from customers		-	-	2,698,767	2,698,767
Derivative financial liabilities		-	-	1,433	1,433
Other borrowed funds		-	-	242,777	242,777
Debt securities issued		-	-	-	-

- 31 December 2024

Assets measured at fair value

Pledged assets – FVOCI	18.1	18,112	-	-	18,112
Debt instrument at FVTPL	20(a)	27,491	-	-	27,491
Debt instrument measured at FVOCI	20(b)	438,838	-	-	438,838
- Equity instruments at fair value through other comprehensive income	20(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		-	-	1,048,664	1,048,664
Debt instrument 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

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

40 Fair Value of financial instruments - continued

Group	Carrying amount		Fair value amount	
	2025	2024	2025	2024
In millions of Naira				
Financial assets				
Cash and balances with Central Bank of Nigeria	677,516	803,132	658,438	803,132
Due from banks	472,238	569,515	472,238	569,515
Pledged assets	16,085	28,675	16,020	28,588
Loans and advances to customers	1,335,738	1,062,623	1,178,432	1,048,664
Investment in securities:				
- Financial assets at fair value through profit or loss	74,131	27,491	74,131	27,491
- Debt instruments at fair value through other comprehensive income	618,731	438,838	618,731	438,838
- Equity instruments at fair value through other comprehensive income	42,222	40,622	42,222	40,622
- Debt instruments at amortised cost	64,491	61,184	58,885	59,970
Accounts receivable	141,499	146,929	141,499	146,929
Total	3,442,651	3,179,009	3,260,596	3,163,749
Financial liabilities				
Deposits from banks	-	28,931	-	28,931
Deposits from customers	2,698,767	2,361,995	2,698,767	2,361,994
Derivative financial liabilities	1,433	-	1,433	-
Other borrowed funds	220,233	185,269	242,777	174,542
Debt securities issued	-	34,056	-	31,549
Customer deposits for foreign trade	52,143	266,750	52,143	266,750
Total	2,972,576	2,877,001	2,995,120	2,863,766
Bank				
In millions of Naira				
Financial assets				
Cash and balances with Central Bank of Nigeria	677,516	803,132	677,516	803,132
Due from banks	472,238	569,509	472,238	569,509
Pledged assets	16,085	28,675	16,020	28,588
Derivative financial assets	-	-	-	-
Loans and advances to customers	1,335,738	1,062,623	1,178,432	1,048,664
Investment in securities:				
- Financial assets at fair value through profit or loss	74,131	27,491	74,131	27,491
- Debt instruments at fair value through other comprehensive income	618,731	438,838	618,731	438,838
- Equity instruments at fair value through other comprehensive income	42,222	40,622	42,222	40,622
- Debt instruments at amortised cost	64,491	46,961	58,885	46,150
Accounts receivable	141,499	146,929	141,499	146,929
Total	3,442,651	3,164,780	3,279,674	3,149,923
Financial liabilities				
Deposits from banks	-	28,931	-	28,931
Deposits from customers	2,698,767	2,361,995	2,698,767	2,361,994
Derivative financial liabilities	1,433	-	1,433	-
Other borrowed funds	220,233	185,269	242,777	174,542
Debt securities issued	-	20,453	-	18,948
Customer deposits for foreign trade	52,143	266,750	52,143	266,750
Total	2,972,576	2,863,398	2,995,120	2,851,165

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

40 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 2025 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 2025 in measuring financial instruments categorised as Level 3 in the fair value hierarchy:

Type of financial instrument	Fair value as at 31 December 2025 N'million	Fair value as at 31 December 2024 N'million	Valuation technique	Unobservable input	Range of estimates for unobservable inputs (31 December 2025)	Range of estimates for unobservable inputs (31 December 2024)	Relationship of unobservable inputs to fair value
Unquoted Equity	42,222	40,622	P/BV and EV/EBITDA	P/BV multiples	0.72x - 2.27x	0.78x - 1.46x	Significant increases in P/BV, would result in higher fair values. Significant reduction would result in lower fair values
				EV/EBITDA multiples	9.73x - 16.68x	9.70x - 28.52x	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 2025 in measuring financial instruments categorised as Level 3 in the fair value hierarchy:

Key Assumption	Effect on Other Comprehensive Income			
	Dec. 2025		Dec. 2024	
	5% Increase	5% Decrease	5% Increase	5% Decrease
	N'million	N'million	N'million	N'million
P/BV and EV/EBITDA multiples	1,867	(1,867)	1,838	(1,838)

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

41 Compliance with banking regulations

The Bank did not incur penalty on contraventions of Central Bank of Nigeria's guidelines and circulars for the year ended December 31, 2025.

42(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 2025 is as set out below:

Financial year	NUMBER		AMOUNT CLAIMED		AMOUNT REFUNDED	
	2025	2024	2025	2024	2025	2024
			In millions of Naira		In millions of Naira	
Pending complaints b/f	6,550	5,036	4,290	4,329	N/A	N/A
Complaints received	351,829	576,854	84,335	166,090	249	127
Complaints resolved/Cancelled tickets	355,218	575,340	83,415	166,129	249	127
Unresolved complaints escalated to CBN for intervention	0	0	0	0	N/A	N/A
Unresolved complaints pending with the bank c/f	3,161	6,550	5,210	4,290	N/A	N/A

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

42(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:

	2025	2024
Number of fraud incidents	26	25
Amount involved (N'000)	2,251,467	811,019
Amount involved (\$'000)	0	0
Actual/Expected Loss (N'000)	1,664,813	791,327
Actual/Expected Loss (\$'000)	0	0

43 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 2025 is set out below:

Product	31 December 2025		31 December 2024	
	Volume (in thousand)	Value N'million	Volume (in thousand)	Value N'million
Visa	70	7,881	914	1,564
Mastercard	5,713	66,918	86,533	301,491
Verve	18,696	344,947	434,667	2,003,871
Afrigo	90,787	1,900,729	-	-

44 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 2025.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

45 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	2025 <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.

46 Ordinary Share Capital Injection

Subsequent to the reporting date, the Bank received additional ₦43 billion in ordinary share capital from the proceeds of its parent company's (Sterling Financial Holdings Company) public offer.

This marks the conclusion of the recapitalisation programme and ensures the Bank's compliance with the Central Bank of Nigeria's revised minimum capital requirements for deposit money banks

OTHER NATIONAL DISCLOSURES

STATEMENTS OF VALUE ADDED

FOR THE YEAR ENDED 31 DECEMBER 2025

<i>In millions of Naira</i>	Group				Bank			
	2025	%	2024	%	2025	%	2024	%
Gross earnings	420,149		296,961		418,734		294,945	
Interest expense	(142,152)		(115,986)		(140,781)		(114,123)	
	277,997		180,975		277,953		180,822	
Net impairment	(32,116)		(10,770)		(32,116)		(10,807)	
Bought-in-materials and services -local	(130,950)		(107,786)		(130,925)		(107,777)	
Value added	114,931	100	62,419	100	114,912	100	62,238	100
Applied to pay:								
Employee as wages, salaries and pensions	39,625	34	25,940	42	39,625	34	25,940	42
Income and windfall taxes	8,313	7	758	1	8,287	7	742	1
Retained in business:								
Depreciation and amortisation	6,830	6	4,955	8	6,830	6	4,955	8
Profit for the year	60,163	52	30,766	49	60,170	52	30,601	49
	114,931	99	62,419	100	114,912	99	62,238	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				
	2025	2024	2023	2022	2021
<i>In millions of Naira</i>	Restated*				
ASSETS					
Cash and balances with Central Bank of Nigeria	677,516	803,132	592,566	431,488	370,873
Due from other banks	472,238	569,515	234,954	86,459	94,850
Pledged assets	16,085	28,675	11,272	23,098	10,786
Derivative financial assets	-	-	276	807	-
Loans and advances to customers	1,335,738	1,062,623	862,699	737,735	711,900
Investment securities:					
- Financial assets at fair value through profit or loss	74,131	27,491	2,112	921	10,237
- Debt instruments at fair value through other comprehensive income	618,731	438,838	284,423	230,636	168,847
- Equity instruments at fair value through other comprehensive income	42,222	40,622	29,114	25,227	17,956
- Debt instruments at amortised cost	64,491	61,184	130,730	106,889	102,225
Other assets	160,757	165,350	232,809	171,911	96,554
Property, plant and equipment	42,493	39,873	22,984	17,913	16,939
Right-of-use asset	8,813	8,669	9,103	8,342	8,141
Investment property	-	-	-	5,584	6,918
Intangible assets	3,103	3,105	570	950	1,081
Deferred tax assets	13,013	13,141	7,757	7,005	6,971
	3,529,331	3,262,218	2,421,369	1,854,965	1,624,278
Non-current assets held for sale	-	-	-	3,027	-
TOTAL ASSETS	3,529,331	3,262,218	2,421,369	1,857,992	1,624,278
LIABILITIES					
Deposits from banks	-	28,931	-	37,178	15,568
Deposits from customers	2,698,767	2,361,995	1,747,510	1,327,805	1,208,753
Derivative financial liabilities	1,433	-	-	-	-
Current income tax liabilities	6,394	2,199	1,414	1,607	1,074
Other borrowed funds	220,233	185,269	183,067	133,270	116,450
Debt securities issued	-	34,056	33,959	42,388	42,327
Other liabilities	226,828	384,002	294,346	160,257	102,367
Provisions	2,283	490	718	1,489	1,180
TOTAL LIABILITIES	3,155,938	2,996,942	2,261,014	1,703,994	1,487,719
NET ASSETS	373,393	265,276	160,355	153,998	136,559
EQUITY					
Share capital	20,391	14,395	14,395	14,395	14,395
Share premium	136,696	42,759	42,759	42,759	42,759
Retained earnings	33,304	36,457	22,226	44,922	34,341
Other components of equity	183,002	102,799	80,975	51,922	45,064
Deposit for ordinary share capital	-	68,866	-	-	-
Attributable to equity holders of the Bank	373,393	265,276	160,355	153,998	136,559
Other Commitments and Contingencies	602,019	340,467	403,401	253,220	222,430
PROFIT OR LOSS ACCOUNT					
<i>In millions of Naira</i>	2025	2024	2023	2022	2021
	Restated*				
Gross earnings	420,149	296,961	211,561	175,140	150,153
Profit before income tax expense	68,476	31,524	21,237	20,757	16,062
Income tax expense	(7,342)	2,918	(839)	(1,459)	(1,040)
Profit after income tax	60,163	30,766	20,398	19,298	15,022
Earning per share (Basic/Diluted)	₦92.91	₦64.12	71k	67k	52k

OTHER NATIONAL DISCLOSURES
FIVE-YEAR FINANCIAL SUMMARY - BANK

	31 DECEMBER				
	2025	2024	2023	2022	2021
<i>In millions of Naira</i>	Restated*				
ASSETS					
Cash and balances with Central Bank of Nigeria	677,516	803,132	592,566	431,488	370,873
Due from other banks	472,238	569,509	234,948	86,171	94,842
Pledged assets	16,085	28,675	11,272	23,098	10,786
Derivative financial assets	-	-	276	807	-
Loans and advances to customers	1,335,738	1,062,623	862,699	737,735	711,900
Investment securities:					
- Financial assets at fair value through profit or loss	74,131	27,491	2,112	921	10,237
- Debt instruments at fair value through other comprehensive income	618,731	438,838	284,423	230,636	168,847
- Equity instruments at fair value through other comprehensive income	42,222	40,622	29,114	25,227	17,956
- Debt instruments at amortised cost	64,491	46,961	116,693	89,806	84,852
Investment in subsidiary	1	1	1	1	1
Other assets	160,757	165,350	232,809	171,911	96,554
Property, plant and equipment	42,493	39,873	22,984	17,913	16,939
Right-of-use asset	8,813	8,669	9,103	8,342	8,141
Investment property	-	-	-	5,584	6,918
Intangible assets	3,103	3,105	570	950	1,081
Deferred tax assets	13,013	13,141	7,757	7,005	6,971
	<u>3,529,332</u>	<u>3,247,990</u>	<u>2,407,327</u>	<u>1,837,595</u>	<u>1,606,898</u>
Non-current assets held for sale	-	-	-	3,027	-
TOTAL ASSETS	<u>3,529,332</u>	<u>3,247,990</u>	<u>2,407,327</u>	<u>1,840,622</u>	<u>1,606,898</u>
LIABILITIES					
Deposits from banks	-	28,931	-	37,178	15,568
Deposits from customers	2,698,767	2,361,995	1,747,510	1,327,805	1,208,753
Derivative financial liabilities	1,433	-	-	-	-
Current income tax liabilities	6,343	2,169	1,316	1,573	1,055
Other borrowed funds	220,233	185,269	183,067	133,270	116,450
Debt securities issued	-	20,453	20,357	25,431	25,373
Other liabilities	227,446	383,980	294,412	160,324	102,435
Provisions	2,283	490	718	1,489	1,180
TOTAL LIABILITIES	<u>3,156,505</u>	<u>2,983,287</u>	<u>2,247,380</u>	<u>1,687,070</u>	<u>1,470,814</u>
NET ASSETS	<u>372,827</u>	<u>264,703</u>	<u>159,947</u>	<u>153,552</u>	<u>136,084</u>
EQUITY					
Share capital	20,391	14,395	14,395	14,395	14,395
Share premium	136,696	42,759	42,759	42,759	42,759
Retained earnings	32,738	35,884	21,818	44,476	33,866
Other components of equity	183,002	102,799	80,975	51,922	45,064
Deposit for ordinary share capital	-	68,866	-	-	-
Attributable to equity holders of the Bank	<u>372,827</u>	<u>264,703</u>	<u>159,947</u>	<u>153,552</u>	<u>136,084</u>
Other Commitments and Contingencies	602,019	340,467	403,401	253,220	222,430
PROFIT OR LOSS ACCOUNT					
<i>In millions of Naira</i>	2025	2024	2023	2022	2021
	Restated*				
Gross earnings	418,734	294,945	209,356	172,832	147,759
Profit before income tax expense	68,457	31,343	21,210	20,769	15,931
Income tax expense	(7,316)	2,934	(774)	(1,442)	(1,021)
Profit after income tax	60,170	30,601	20,436	19,327	14,910
Earning per share (Basic/Diluted)	₦92.92	₦63.77	71k	67k	52k
Dividend per share	0k	11k	0k	15k	10k

Basic Information

Senior Management List

S/N	Name	Responsibility
1	Abubakar Suleiman	Managing Director/Chief Executive Officer
2	Olatunde Adeola	Executive Director, Commercial and Institutional Banking
3	Raheem Owodeyi	Executive Director, Risk Management and Compliance
4	Obinna Ukachukwu	Growth Executive, Consumer and Business Banking
5	Temitayo Adegoke	Chief Operating Officer/Legal and Corporate Services
6	Bamidele Faseemo	Growth Executive, Corporate and Investment Banking
7	Ojiugo Emeruem	Divisional Head, Retention and Client Services
8	Akporee Idenedo	Divisional Head, Commercial Banking
9	Edward Ogunmekan	Divisional Head, Business Banking/Chief Growth Officer
10	Olumuyiwa Ogunsanya	Group Head, Telecoms and General Commerce
11	Anwuli Femi-Pearse	Divisional Head, Treasury and ALM
12	Bisi Oduba	Group Head, Oil & Gas, Power, and Infrastructure Finance
13	Damola Omotosho	Chief Technology Officer
14	Kemi Saro	Group Head, Private Banking and Wealth Management
15	Oame Airauhi	Group Head, Trade Finance, Correspondent and Transaction Banking
16	Olushola Obikanye	Group Head, Agric Finance and Solid Minerals
17	Olutoye Ambekemo	Chief Risk Officer
18	Oyewole Giwa	Acting Chief Compliance Officer
19	Taiwo Adewunmi-Oni	Group Head, Trade Services
20	Sunny Kanabe	Company Secretary
21	Taiwo Aluko	Chief Information Officer
22	Moyomade Akinyosoye	Divisional Head, Institutional Banking
23	Samuel Onasanya	Business Head, Lagos Central
24	Joseph Ikpo	Business Executive, Institutional Banking (Mid-West)
25	Sunday Nzekwue	Business Head, Growth (Port Harcourt)

Branch List

S/N	State	Branch Location
1	Abuja	Plot 450, Mamman Kotagora Close, Area 3, FCT Abuja
2	Abuja	Plot 1083, Muhammad Buhari Way, CBD, Abuja
3	Abuja	Plot 1135, Gidado Idris Street, Eternal Oil Filling Station, Finance, Junction Wuye Abuja.
4	Abuja	17, Sheda Close Area 8, Garki
5	Abuja	SB 67, National Assembly Complex
6	Abuja	Zitel Plaza, Utako District, Abuja
7	Kaduna	9, Ali Akilu Rd., Kaduna
8	Kaduna	236, Kachia Road, Kaduna
9	Kaduna	Km 16, Kachia Road, KRPC Staff Co-Operative Commercial Plaza, Kaduna Refinery, Kaduna.
10	Kaduna	Along Kagoro Road, Kaduna
11	Kaduna	No 1, River Road, Sabon-Gari, Kaduna
12	Benue	7, New Bridge Street, Makurdi, Benue State
13	Kogi	64 Ibrahim Babangida Way, Lokoja
14	Borno	39 Kashim Ibrahim Way Maiduguri
15	Bauchi	Yakubun Bauchi Rd., Beside CBN, Bauchi
16	Plateau	Terminus House, 1, Ahmadu Bello Way, Jos, Plateau State
17	Adamawa	28, Atiku Abubakar Way, Beside Sabru House, Jimeta Yola
18	Gombe	New Market Road, Gombe, Gombe State
19	Yobe	5 Ahmadu Bello Way, Potiskum Road, Damaturu, Yobe State
20	Taraba	26 Hammaruwa Way, Jalingo, Taraba State
21	Kano	110, Murtala Mohammed Way, Kano
22	Kano	20, Unity Road (Kwari Market), Kano
23	Kano	2B, Niger Street, (Gidan Goldie), Kano
24	Kano	52, Yemusa Plaza By Ado Bayero
25	Kano	Aminu Dantata Estate, Kofar Ruwa, Kano
26	Kano	BUK New Campus, Kano
27	Jigawa	Kiyawa Rd., Opp Oando Filling Station Dutse, Jigawa
28	Sokoto	14, Kano Road, Sokoto
29	Niger	Federal Mortgage Bank Building, Bosso Road, Minna
30	Katsina	3, IBB Way, Katsina
31	Kebbi	31, Sultan Abubakar Road Road. GRA, Kebbi State

S/N	State	Branch Location
32	Zamfara	Zaria Road, Gusau, Zamfara
33	Lagos	29, Badagry Express Way, Coker Orile, Lagos
34	Lagos	Obi-Austin Plaza, Block CT2, ASPAMDA, Trade Fair, Lagos State
35	Lagos	10, Tincan Island Port Rd., Apapa, Lagos
36	Lagos	LASU Ojo, Lagos
37	Lagos	5, Alaba International Market Road, Alaba ,Lagos
38	Lagos	100A, Kirikiri Rd., Apapa, Lagos
39	Lagos	26B, Creek Rd., Apapa, Lagos
40	Lagos	21 Road, Festac, Lagos.
41	Lagos	8C, Executive Plaza, BBA, Trade Fair, Lagos
42	Lagos	66, Mobil Road, Ajegunle, Lagos
43	Lagos	Orile Coker, 97, Baale Street, Coker, Orile, Lagos
44	Lagos	9, Aromire Avenue, Ikeja, Lagos
45	Lagos	Akintola Williams Delloite Building 235, Ikorodu Road, Lagos
46	Lagos	Same Building as Bukka Hut, Gbagada
47	Lagos	38, Opebi Road, Lagos
48	Lagos	104, Awolowo Way, Ikeja, Lagos
49	Lagos	68, Opebi Street, Ikeja, Lagos
50	Lagos	38, Ijaiye Rd, Ogba Lagos
51	Lagos	Airport Road, Ikeja, Lagos.
52	Lagos	43, Lagos-Ikorodu Road, Lagos
53	Lagos	27 Obafemi Awolowo Way, Igbogbo Ikorodu, Lagos.
54	Lagos	Km 15, Ikorodu Itoikin Road, Imota, Lagos
55	Lagos	548, Ikorodu Road, Ketu, Lagos
56	Lagos	Owode Spare Parts Mark
57	Lagos	28, Ogudu Road, Ojota, Lagos.
58	Lagos	10, Adams Street, Oworonshoki
59	Lagos	102, Iju Road, Ifako, Lagos
60	Lagos	294, Idimu Road, Isheri, Lagos.
61	Lagos	109, Lagos Abeokuta Express Way, Iyana Ipaja, Lagos
62	Lagos	32, Shasha Road, Akowonjo Lagos
63	Lagos	Oyetayo Street, Oshodi Local Govt, Oshodi, Lagos

S/N	State	Branch Location
64	Lagos	Km 585, Lagos–Abeokuta Expressway, Abule–Egba, Lagos
65	Lagos	26, Fatai Atere Way, Matori Industrial Estate, lagos
66	Lagos	Conoil Filling Station, Km 5, LASU–Isheri Road College Bus Stop, Igando
67	Lagos	18, Idimu–Ikotun Road, College B/Stop, Ikotun, Lagos.
68	Lagos	99, Enu –Owa Street, Idumota, Lagos
69	Lagos	198, Igbosere Road, Obalende, Lagos Island
70	Lagos	20, Marina Lagos
71	Lagos	37B, John Street, Oke Arin
72	Lagos	106, Iga–Iduganran Street
73	Lagos	Blk 11, Suite 3, Sura Shopping Complex
74	Lagos	4, Issa Williams Street, Oke Arin, Lagos State
75	Lagos	30, Adetokunbo Ademola Street V/Island
76	Lagos	9B, Wole Olateju Street, Off Admiralty Way, Lekki Phase 1
77	Lagos	228, Awolowo Road Ikoyi, Lagos
78	Lagos	Agungi Bus Stop, Bakky Plaza, Lekki
79	Lagos	Shop 14/15, Blk F Ikota Shopping Complex, Ajah
80	Lagos	Mayfair Garden Estate, 105101, Lekki, Lagos
81	Lagos	26, Langbasa Ado Road, Ajah, lagos State
82	Lagos	Epe LGA Secretariat, Itamarun, Epe, Lagos State
83	Lagos	Plot 300, Adeola Odeku Street, Victoria Island, Lagos
84	Lagos	74, Adeniran Ogunsanya Stree, Surulere, Lagos
85	Lagos	28, Willoughby Street, Ebute Metta, Lagos
86	Lagos	Railway Terminus, Ebute Metta, Lagos
87	Lagos	141, Ogunlana Drive, Surulere, Lagos
88	Lagos	260/262, Herbert Marcaulay Way, Yaba, Lagos
89	Lagos	Plot 8, Blk E Daleko Market, Oshodi–Isolo Express Way, Lagos
90	Lagos	26, Fatai Atere Way, Matori Industrial Estate, lagos
91	Lagos	101, Okota Road Isolo, Lagos
92	Lagos	68, Ire–Akari Estate, Isolo, Lagos
93	Lagos	Itire Road, by Iyana–Itire B/Stop, Off Apapa–Oshodi Exp. Way, Lagos
94	Lagos	9, Dada Iyalode Street, Ojuwoye, Mushin Lagos
95	Ogun	64, Idiroko Road Ota, Ogun State

S/N	State	Branch Location
96	Ogun	Km 4, Ijoko Road, Cele Bus-Stop, Ijoko
97	Ogun	22, Ogunlowo Street, Ajuwon, Akute-Alagbole.
98		1, Bishop Close, Opp. NNPC Filling Stating, Ogijo, Ogun State
99	Ogun	Mosinmi Service Centre, NNPC Depot, Mosinmi Along Shagamu Road, Ogun State
100	Ogun	Former Fielding Arena, Beside Peace Estate Gate At Ewenla Bus Stop, Magboro, Ogun State
101	Ogun	39, Ibadan Road, Ijebu-Ode, Ogun State
102	Ogun	Along Akarigbo Road, Shagamu
103	Ogun	Abeokuta Sport Club Road, Opic Roundabout, Oke-Ilewo, Abeokuta (Between Big Treat & Sweet Sensation)
104	Delta	180, Nnebisi Rd, Asaba, Delta State
105	Delta	290, Nnebisi Road, Asaba, Delta State
106	Delta	Effurun Sapele Road, Opp. Urhobo College, Odibo Housing Estate, Delta State
107	Edo	5, Adesuwa Street, Benin City, Edo State
108	Edo	56/58, Sapele Road, Benin, Edo State
109	Edo	40B, Ohovbe Qtrs., Ikpoba Hill, Benin City, Edo State
110	Edo	Igbinedion University, Okada, Edo State
111	Edo	38, Akpakpava Street, Benin City
112	Delta	75, Warri/Sapele Road, Warri Delta State
113	Anambra	34, Port-Harcourt Rd, Fegge, Onitsha
114	Anambra	140, Zik Avenue, Awka
115	Anambra	45, Uga Street, Fegge Bridgehead, Onitsha
116	Anambra	23, Nottidge Street, Onitsha
117	Imo	Naze Timber Market, Owerri, Imo State
118	Imo	Plot 24, Ikenegbu Layout, Wetheral Road, Imo State
119	Imo	71, Douglas Road Owerri, Imo State.
120	Abia	90, Aba Road, Umuahia
121	Abia	Kg 18, 19, 20 & 21 (Up) Ekeoha Shopping Centre, Aba
122	Abia	Plot 3, Eziukwu Rd, Aba
123	Abia	Alphareg Park, By Conoil Filing Station, Cemetery Market
124	Abia	127, Nnamdi Azikwe Road, Aba, Abia State

S/N	State	Branch Location
125	Akwa Ibom	52, Oron Road, Uyo
126	Akwa Ibom	25, Atiku Abubakar Road, Uyo
127	Cross River	1, Clement Ebri Drive, State Housing Estate, Calabar
128	Enugu	2A, Market Rd, Enugu
129	Ebonyi	39, Ogoja Road Abakaliki, Ebonyi State.
130	Rivers	Plot 13, Transamadi, Ind Layout P/Harcourt
131	Rivers	4, Olu Obasanjo Road, Port Harcourt
132	Rivers	142, Woji Road, GRA 2, Port Harcourt
133	Rivers	UPTH Permanent Site, Port Harcourt (Saturday Banking)
134	Rivers	2A, Aguma Street, Port-Harcourt, Rivers State
135	Rivers	Plot 6 And 7, 420, Aba Road, Rumuibekwe Port Harcourt
136	Rivers	14, Aggrey Road, Port Harcourt
137	Bayelsa	268, Mbiama/Yenagoa Rd, Yenagoa
138	Bayelsa	252, Melford Okilo Road, Amarata, Yenagoa, Bayelsa State
139	Bayelsa	Sani Abacha Way, Yenagoa, Bayelsa State
140	Oyo	49A, Iwo Road Ibadan, Oyo State
141	Oyo	3, Obafemi Awolowo Way Dugbe, Oyo State
142	Oyo	529, Old Abeokuta Rd, Apata Gangan-Ibadan
143	Oyo	97, Lagos Road Challenge, Ibadan
144	Oyo	Oyo State Government Secretariat Complex, Ibadan
145	Oyo	2, Ososami Rd, Oke-Ado, Ibadan.
146	Kwara	11, Muritala Mohammed Way, Ilorin
147	Kwara	Plot 240, Ibrahim Taiwo Road, Ilorin
148	Osun	Km 3, Ibadan-Gbongan Road, Oshogbo.
149	Osun	Bowen University, Iwo, Osun State.
150	Ekiti	Bank Road, By New Iyin Road, Ado Ekiti
151	Ekiti	Ikere Ekiti College Of Education
152	Ondo	142, Oba Oyemekun Rd Akure, Ondo State
153	Ondo	82, Ondo Rd, Ore



