Since 1995

DataPro

BANK RATING REPORT

STERLING BANK LIMITED

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Lagos, Nigeria
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January, 2026

STERLING BANK LIMITED

Long-Term Rating:

A⁻

Short Term Rating: A1
Previous Rating: BBB+
Rating Outlook: Positive
Trend: UP
Currency: Naira
Date Issued: 23 Jan., 2026
Valid Till: 22 Jan., 2027

Reference:

Abiodun Adeseyoju, FCA.
Abimbola Adeseyoju.
Oladele Adeoye.

This report is provided by DataPro subject to the Terms & Conditions stipulated in our Terms of Engagement

EXECUTIVE SUMMARY

	2024 ₦'M	2023 ₦'M	2022 ₦'M	2021 ₦'M	2020 ₦'M
Gross Earnings	294,945	209,356	172,832	147,759	136,475
Profit Before Tax	31,343	21,210	20,769	15,931	12,240
Shareholders' Funds	264,703	159,947	153,552	136,084	129,314
Deposit Liabilities	2,390,926	1,747,510	1,364,983	1,224,321	972,124
Loans & Advances	1,062,623	862,699	737,735	711,900	596,827
Total Assets	3,247,990	2,407,327	1,840,622	1,606,898	1,275,754

Rating Explanation

The Short-Term Rating of **A1** indicates ***Good Credit Quality*** and satisfactory capacity for timely payment of financial commitments.

The Long-Term Rating of *A⁻* indicates ***Low Risk***. It shows Very Good Financial Strength, Operating Performance and Business Profile when compared to the standard established by ***DataPro***. This Bank, in our opinion, has the strong ability to meet its ongoing obligations.

RATING SYNOPSIS

The Rating took into consideration all relevant qualitative and quantitative factors to arrive at the assigned risk indicator.

The qualitative information used were based on industry and market intelligence including public information. The quantitative information were obtained from the Bank's Audited and Management Accounts.

The risk factors were assessed using the Bank's Capitalization, Earnings Profile, Liquidity, Corporate Governance, Regulatory Compliance and Sustainability of its current healthy profile in the medium to long term period.

Overall, the following were observed:

Positive Rating Factors

- Strong Revenue Portfolio
- Good Risk Management Framework
- Good Capital Base
- Strong Brand Presence

Negative Rating Factors

- Macroeconomic Constraints
- Minimal Provision for ***NPL***

BACKGROUND

Sterling Bank Limited ("the Bank"), formerly ***Sterling Bank Plc,*** was incorporated on 25th November 1960 and commenced operations as ***Nigerian Acceptances Limited (NAL),*** a pioneer merchant bank in Nigeria. Following the 2005 banking consolidation, NAL Bank merged with four other banks to form ***Sterling Bank Plc***.

The Bank is a full-service national commercial bank providing a wide range of financial services to individuals, small and medium enterprises, corporate customers and institutional clients. The Bank operates through four core business divisions spanning retail, commercial, corporate and institutional banking. It offers a diverse range of savings, payments, lending and investment products, largely delivered through its digital platforms, including ***OneBank, Switch, SterlingPro, Specta, Sabex, The Business Hub (TBH), Doubble, and Omni-X***. The Bank continues to prioritize the ***HEART*** sectors - Health, Education, Agriculture, Renewable Energy and Transportation.

The Bank maintains nationwide footprint with 160 branches across Nigeria and its head office located in Marina, Lagos State. As at September 2025, the Bank served approximately 4.83 million customers and employed over 3,400 staff.

The Bank is a wholly owned subsidiary of ***Sterling Financial Holdings Company Plc***, alongside ***The Alternative Bank (Non-interest Banking) and SterlingFi Wealth Management Limited (Asset Management***).

KEY FINANCIAL INDICATORS

Item Year	Gross Earnings ₦'M	PBT ₦'M	Equity ₦'M	Deposit Liabilities ₦'M	Loan & Advances ₦'M	Total Assets ₦'M
2024	294,945	31,343	264,703	2,390,926	1,062,623	3,247,990
2023	209,356	21,210	159,947	1,747,510	862,699	2,407,327
2022	172,832	20,769	153,552	1,364,983	737,735	1,840,622
2021	147,759	15,931	136,084	1,224,321	711,900	1,606,898
2020	136,475	12,240	129,314	972,124	596,827	1,275,754

Source: *Sterling Bank Audited Accounts*

The Bank recorded strong financial performance in 2024, achieving broad-based growth across all key financial indicators. This performance was largely driven by significant increases in Deposit Liabilities and Shareholders' Equity in the year. This was a reflection of its capital raising efforts in the year under review, following the commencement of the CBN recapitalization exercise.

In the year 2024, Total Assets expanded by 36% to ₦3.3t while Shareholders' Funds grew by 66% to ₦264.7b, bolstered by the successful completion of the first phase of its capital raise. As at 30th September, 2025, Shareholders' Funds rose to ₦356.1b.

Deposit Liabilities increased by 37% year-on-year and remained the Bank's principal source of funding, accounting for approximately 79% of Total Liabilities. In addition to Customers' Deposits, the Bank further diversified and strengthened its funding profile through on-lending facilities from the Central Bank of Nigeria (CBN), the MasterCard Foundation (MCF), the Development Bank of Nigeria (DBN), the ECOWAS Bank for Investment and Development, as well as other interest-bearing borrowings, which together amounted to ₦185b.

DIRECTORS' PROFILE

The Board is made up of the Chairman, three (3) Executive Directors and seven (7) Non-Executive Directors which includes two (2) Independent Directors. The Board comprises of individuals with diverse experience in banking and other related businesses.

The following are the current Directors of the Bank; ***Mr. Olatunji Mayaki –*** *Chairman;* ***Mr. Abubakar Suleiman –*** *Managing Director;* ***Mr. Olaitan Kajero; Mrs. Tairat Tijani; Mr. Michael Jituboh; Mrs. Folasade Kilaso; Mr. Michael Ajukwu; Mr. Raheem Owodeyi; Mr. Tunde Adeola****;* ***Mrs. Olusola Oworu*** *and* ***Olayinka David-West.***

The profiles of the Directors are as stated:

1. **Name:** Mr. Olatunji Mayaki
   Position: Chairman
   Education:
   - B. Sc - University of Ibadan
   - LLB – University of Ibadan
   - Harvard Business School
   - INSEAD

   Experience:
   - Ajumogobia, Okeke, Oyebode & Aluko
   - Asset & Resource Management Company Ltd
   - Shell Exploration & Production Africa Limited
   - Addax Petroleum Nigeria

   Experience (Years): Over 30 years
   Appointment Year: January 2024

2. **Name:** Mr. Abubakar Suleiman
   Position: Managing Director/Chief Executive Officer
   Education:
   - B.Sc.- University of Abuja
   - M.Sc.- University of Oxford
   - Wharton School
   - INSEAD Business School
   - Harvard Business School

- Said Business School

Experience:
- Arthur Anderson (now KPMG Nigeria)
- MBC International Bank (now First Bank)
- Citibank Nigeria
- Sterling Bank

Experience (Years): Over 25 years
Appointment Year: April 2014

3. **Name:** Mr. Olaitan Kajero
Position: Non-Executive Director
Education
- B.Sc.- University of Lagos
- MBA - Olabisi Onabanjo University
- Chartered Institute of Bankers of Nigeria

Experience:
- Communication Associates of Nigeria Ltd
- Aircom Nigeria Limited
- STB Building Society Limited

Experience (Years): Over 30 years
Appointment Year: August 2014

4. **Name:** Mrs. Tairat Tijani
Position: Non-Executive Director
Education
- B.Sc.- Lancaster University
- MBA- University of Birmingham
- Association of Chartered Certified Accountants (ACCA)
- Institute of Chartered Secretaries & Administrators of Nigeria (ICSAN)
- Financial Times Diploma for Non-Executive Directors

Experience:
- FBN Capital
- Central Securities Clearing System Plc (CSCS)

Experience (Years): Over 20 years
Appointment Year: November 2014

5. **Name:** Mr. Michael Jituboh
Position: Non-Executive Director
Education:
- Federal City College (University of Washington DC)
- M.A- Stanford University
- Harvard Business School

Experience:
- African Development Bank
- Devcom Bank
- Equitorial Trust Bank
- Globacom Limited.

Experience (Years): Over 30 years
Appointment Year: December 2015

6. **Name:** Mrs. Folasade Kilaso
Position: Non-Executive Director

Education: • LL.B- University of Kent
• LLM, University of Cambridge
Experience: • Clifford Chance, UK
• Member, Board of FITC, NIBBS, CIBN & CBN
• Berkeley Legal
• Standard Chartered Bank Nigeria
Experience (Years): Over 30 years
Appointment Year: June 2018

7. **Name:** Mr. Michael Ajukwu
Position: Independent Non-Executive Director
Education: • B.Sc- University of Lagos
• MBA- New York University
Experience: • United Bank for Africa Plc
• International Breweries.
• MTN Nigeria Communications Plc
• Novotel (Accor Group)
• Tiger Brands SA
Experience (Years): Over 30 years
Appointment Year: June 2018

8. **Name:** Mr. Raheem Owodeyi
Position: Executive Director
Education: • B. Sc. - Obafemi Awolowo University
• Wharton School, Pennsylvania
• Chartered Institute of Bankers of Nigeria (CIBN)
• Institute of Internal Auditors
• Compliance Institute Nigeria
Experience: • Aso Savings and Loans Plc
• Access Bank Plc
• Citigroup Nigeria
• BDO Stoy Hayward LLP, UK
• Triumph Bank Plc
• Sterling Bank
Experience (Years): Over 28 years
Appointment Year: April 2019

9. **Name:** Mr. Tunde Adeola
Position: Executive Director
Education: • B. A. Lagos State University
• LL.B - University of Lagos
• Wharton School Pennsylvania
• Chartered Institute of Bankers of Nigeria (CIBN)
Experience: • Kakawa Discount House
• Liberty Merchant Bank
• Trust Bank of Africa

• Sterling Bank
Experience (Years): Over 20 years
Appointment Year: April 2019

10. Name: Mrs. Olusola Oworu
Position: Independent Non-Executive Director
Education:
• Bachelor of Arts (Honours) in Accounting
• Fellow - Institute of the Chartered Accountants of Nigeria
Experience:
• Coopers and Lybrand (now PricewaterhouseCoopers)
• NAL Merchant Bank (now Sterling Bank Plc.)
• Citibank Nigeria
• Lagos State
• First Bank of Nigeria Limited
• Lekki Concession Company
Experience (Years): Over 30 Years
Appointment Year: April 2022

11. Name: Professor Olayinka David-West
Position: Non-Executive Director
Education
• Certified Information Systems Auditor (CISA)
• Certified in the Governance of Enterprise IT (CGEIT)
Experience:
• Lagos Business School (LBS)
• The Sustainable and Inclusive Digital Financial Services (SIDFS) Initiative
Experience (Years): Over 30 Years
Appointment Year: September, 2024

SECTOR REVIEW

Nigeria's economy has undergone notable structural transformation, influenced by global economic shifts, technological progress and evolving consumer behavior. Reflecting these changes, the National Bureau of Statistics (NBS) rebased the Country's Gross Domestic Product (GDP), updating the base year from 2010 to 2019. Following this adjustment, nominal GDP for 2024 was estimated at ₦372.82 trillion, positioning Nigeria as the fourth-largest economy in Africa. It is ranked as the second-largest in Africa by purchasing power parity.

In the third quarter of 2025, the Country's GDP recorded a growth of 3.98% (year-on-year) in real terms. This growth rate is lower than the 4.23% recorded in the second quarter of 2025 and higher than the growth of 3.86% recorded in the third quarter of 2024. The growth of the industry sector stood at 3.77% from 2.78% recorded in the third quarter of 2024, while the Services sector recorded a growth of 4.15% from 4.97% recorded in the same quarter of 2024. In terms of share of the GDP, the Services sector contributed more to the aggregate GDP in the third quarter of 2025 at 53.02%, compared to the corresponding quarter of 2024 at 52.93%.

In Q3 2025, the Finance Sector of Nigeria's economy experienced a growth rate of 3.98%, higher than the 3.86% recorded in Q3 2024. The financial services landscape continues to evolve, driven by technological advancements in fintech. Innovations such as mobile banking, digital payments and blockchain technology are revolutionizing the sector. These shifts are not only improving financial inclusion but also reshaping the competitive dynamics, challenging traditional financial institutions to adapt to a rapidly changing market.

The Central Bank of Nigeria (CBN) unified the Foreign Exchange market and floated the Naira in June 2023; the local currency has experienced a significant level of stability. As at 20th January, 2026, the Naira traded at N1,419/$1 in the official market and N1,490/$1 at the parallel market.

The Monetary Policy Committee (MPC) of the CBN, at its November 2025 meeting resolved to keep the Monetary Policy Rate (MPR) unchanged at 27%. The Bank however adjusted the standing facility corridor around the MPR at +50 to -450 basis points and retained the Cash Reserve Ratio (CRR) for deposit money banks at 45%, merchant banks at 16% and 75% for non-TSA public sector deposits. The Liquidity Ratio was also maintained at 30%. These measures were underpinned by the need to sustain the progress made so far towards achieving low and stable inflation. Following further easing of food prices, inflation stood at 15.15% in December, 2025, lower than 17.33% in November, 2025.

In alignment with the federal government's initiative to achieve a trillion-dollar economy, the Central Bank of Nigeria (CBN) has instructed operating Banks in Nigeria to recapitalize ahead of March 2026. On the 28th of March, 2024, the Central Bank of Nigeria (CBN) announced the following upward review of the minimum Capital requirement; Banks with International operations (N500b), National Licenses (N200b), Regional licenses (N50b), National Merchant Banks (N50b), National (N20b) and Regional Non-interest Banks (N10b). As at the end of 2025, approximately 20 Banks had met these requirements.

A thorough understanding of current macroeconomic trends, coupled with strategic agility in leveraging technology, managing risks, and optimizing capital, remains essential for banking institutions to navigate challenges and capitalize on opportunities in Nigeria's evolving financial landscape.

CAPITAL ADEQUACY

Total Assets expanded by 35% year-on-year, increasing from ₦2.4t in (Yr. 23) to approximately ₦3.2t in (Yr. 24). This comprised Cash and Cash Equivalents, Balances due from other Banks, Pledged Assets, Loans & Advances, Investment Securities, Fixed Assets, amongst others.

Item / Year	2024 ₦'M	2023 ₦'M	2022 ₦'M
Shareholders' Funds	264,703	159,947	153,552
Total Assets	3,247,990	2,407,327	1,840,622
Property, Plant & Equipment	39,873	22,984	17,913
Loans & Advances	1,062,623	862,699	737,735
Equity/Total Assets (%)	8.15%	6.64%	8.34%
Equity/Loan & Adv. (%)	24.91%	18.54%	20.81%
Fixed Assets/Equity (%)	15.06%	14.37%	11.67%

Source: Sterling Bank Audited Accounts

Cash Balances and Loans to Customers remained the dominant Asset classes, jointly accounting for 57% of the Total Asset base. Investment Securities which are largely Debt and Equity Instruments, represented 17% of the Asset portfolio in the year.

COMPONENT OF TOTAL ASSETS

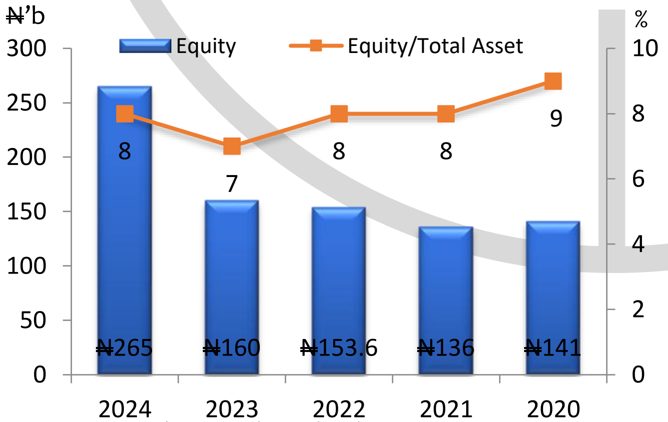
Item / Year	2024 ₦'M	%	2023 ₦'M	%
Liquid Assets	1,926,553	59	783,065	32
Net Loans & Advances	1,062,623	33	862,699	36
Property, Plant and Equipment	39,874	1	22,984	1
Other Assets	218,940	7	738,579	31
TOTAL ASSETS	**3,247,990**	**100**	**2,407,327**	**100**

Source: Sterling Bank Audited Accounts

The Bank's Total Asset risk exposure moderated in 2024, as evidenced by a decline in the Net Loans-to Total Assets ratio from 36% (Yr. 23) to 33% in the year 2024. Total Assets expanded to ₦3.5t as at 30th September 2025, indicating sustained growth in the Bank's operations.

As at 31st December 2024, the Share Capital remained unchanged at approximately ₦14.4b year-on-year. Share Premium also stood at ₦42.8b (Yr. 24), while Retained Earnings increased significantly from ₦21.8b (Yr. 23) to approximately ₦35.9b (Yr. 24). Other Equity components also strengthened, rising from ₦80.9b (Yr. 23) to ₦102.8b (Yr. 24). In addition, the Bank recorded Deposits for its Ordinary Share Capital amounting to ₦68.9b in the year under review.

ANALYSIS OF SHAREHOLDING STRUCTURE



***Source**: Sterling Bank Audited Accounts*

Consequently, Total Equity increased by 65% to ₦264.7b as at the year ended 2024 and was further strengthened to ₦356.1b as at 30th September 2025.

Total Liabilities, comprising both current and non-current obligations, rose by 33% to ₦2.9t (Yr. 24), driven primarily by growth in Deposit Liabilities. As at 30th September

2025, Liabilities expanded further to ₦3.2t, largely reflecting continued growth in Customers' Deposits.

The Bank's Equity to Total Assets ratio stood at 8% (Yr. 24), an increase from 6.6% (Yr. 23). Similarly, Equity coverage of its Risk Assets improved, increasing from 19% (Yr. 23) to 25% (Yr. 24). This was also reflected in the ***Capital Adequacy Ratio (CAR)*** which rose from 11.5% in (Yr. 23) to 14.6% in (Yr. 24) and further improved to 18.8% as at 30th September 2025. Notably, the ***CAR*** remained comfortably above the regulatory minimum threshold of 10%.

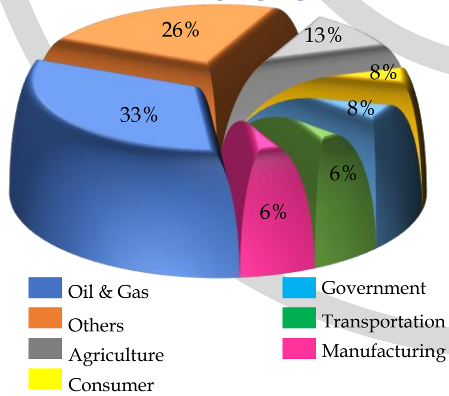
ASSET QUALITY

Item / Year	2024 ₦'M	2023 ₦'M	2022 ₦'M
Gross Loan & Advances	1,098,997	892,216	758,183
Classified Loan	59,822	45,325	29,456
Provisions	36,374	29,517	20,448
Classified Loans Prov./Classified Loans (%)	61	65	69
Classified Loans/Equity (%)	23	28	19
Classified Loans/Gross Loans (%)	5	5	4

Source: Sterling Bank Audited Accounts

The Bank's Gross Loans and Advances recorded notable increase of 23%, rising from ₦892.2b (Yr. 23) to ₦1.1t (Yr. 24). Loans were distributed among Corporate Institutions and Individuals.

DISTRIBUTION OF LOANS AND ADVANCES BY SECTOR



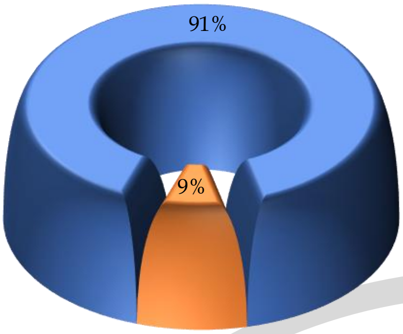
***Source**: Sterling Bank*

The Bank's lending strategy is centered on the provision of trade finance lines and working capital facilities across thirteen (13) primary sectors, amongst others. In the year 2024, 33% and 13% of Gross Loans were extended to obligors in the Oil & Gas and Agricultural sectors, respectively. Other sectors with significant credit exposures included Consumer, Government, Manufacturing, Transportation and Real Estate.

Loans and Advances were largely denominated in Naira and USD in the financial year under review. Loans in Local Currency accounted for 65% of the Loan book, while those advanced in Dollar constituted 35%.

The Bank's Loans and Advances were secured against a mix of Real Estate, Equities, Cash and Debentures, amongst others. As at 31st December 2024, collateral held as

DISTRIBUTION OF LOAN PORTFOLIO



Source: *Sterling Bank*

security totaled ₦1t (Yr. 24), as against ₦844b in the year 2023. Collateral coverage was approximately 99% as at the year-end 2024.

The Bank's Classified Loan portfolio increased by 32%, rising from ₦45.3b in 2023 to approximately ₦59.8b in 2024. Overall, impaired Loans and Advances accounted for 5% of the Total Loan Book in the year under review, unchanged from 2023.

LIQUIDITY

A s at 31 December 2024, Total Deposit from Customers recorded a 37% growth from ₦1.7t in (Yr. 23) to ₦2.4t in (Yr. 24).

Item / Year	2025*	2024	2023
Loans & Advances/Total Assets (%)	33	33	36
Liquid Assets/Total Assets (%)	41	36	32
Liquid Assets/Total Deposits (%)	56	49	45
Loans & Advances/Total Deposits (%)	45	44	49

**Represents figures in the Management Account for the 9 months ended Sept. 2025*
Source: Sterling Bank Audited Accounts

These Naira-dominated Deposits were sourced across commercial, large corporates, SME, retail/consumer, and public sectors, as well as Placements from other Banks. The Deposit base remained relatively diversified, with its top 25 Depositors accounting for 22% of Total Deposits as at 31st December 2024.

ANALYSIS OF DEPOSITS BASED ON TYPE

Item / Year	2024 ₦'M	%	2023 ₦'M	%
Demand Account	1,427,865	60	989,742	57
Savings Account	376,738	16	322,976	18
Term Deposits	508,889	22	355,644	20
Pledged Deposits	48,503	2	79,148	5
TOTAL	**2,361,995**	**100**	**1,747,510**	**100**

Source: Sterling Bank Audited Accounts

Customer's Deposit funded 73% of Total Assets in the year 2024. The Deposit mix comprised Demand (60%), Savings (16%), Term (22%), and Pledged Deposits (2%) largely comprising contracted Cash Deposits held as collateral for Loans extended to customers.

Deposits were largely short-term in nature as at the year ended 31st December 2024. Deposits with maturity within 12 months period amounted to approximately ₦2.1t and constituted 87% of the Total Deposit. As at 30th September 2025, Total Deposit had grown to approximately ₦2.6t.

ANALYSIS OF DEPOSITS BASED ON MATURITY (2024)

Months	2024 ₦'M	%
Less than 3 months	1,032,318	44
3 - 6 Months	243,627	10
6 - 12 Months	788,691	33
1 - 5 Years	114,369	5
More than 5 Years	182,990	8
Gross Total	**2,361,995**	**100**

Source: Sterling Bank Audited Accounts

Similarly, Loans and Advances are highly short-term in nature. Loans and Advances scheduled for repayment within one year accounted for 68% of the overall portfolio. The remaining portion was set to mature over a 12-month timeframe.

As at 31 December 2024, the Bank's Liquid Assets stood at ₦1.2t, representing 36% of Total Assets. It comprised Cash and Bank Balances with Financial Institutions as well as short-term Investment Securities. The Cash and Bank balances excludes the mandatory reserve deposits kept with the CBN.

ANALYSIS OF LOANS AND ADVANCES BASED ON MATURITY

Months	2024 ₦'M	%
Less than 3 months	383,863	36
3 - 6 Months	177,383	17
6 - 12 Months	164,750	15
1 - 5 Years	241,320	23
More than 5 Years	95,307	9
Gross Total	**1,062,623**	**100**

Source: Sterling Bank Audited Accounts

As at the year-end 2024, the Bank recorded a short-term liquidity gap of ₦127.9b as a result of the inadequacy of its Liquid Assets in providing sufficient buffer for the maturity mismatch between Loans and Deposits. Subsequently, in the long-term, a liquidity deficit of ₦88.7m was also recorded.

LIQUIDITY GAP ANALYSIS

Year	2024 Loans & Advances ₦'M	2024 Deposit Liabilities ₦'M	Net Liquidity Gap ₦'M
Liquid Assets	1,210,647	-	1,210,647
Less than 3 months	383,863	1,032,318	562,192
3 - 6 Months	177,383	243,627	495,948
6 - 12 Months	164,750	788,691	(127,993)
1 - 5 Years	241,320	114,369	(1,042)
More than 5 Years	95,307	182,990	(88,725)

Source: Sterling Bank Audited Accounts

Deposits were significantly larger than its Loans and Advances, making up twice its size in the year 2024.

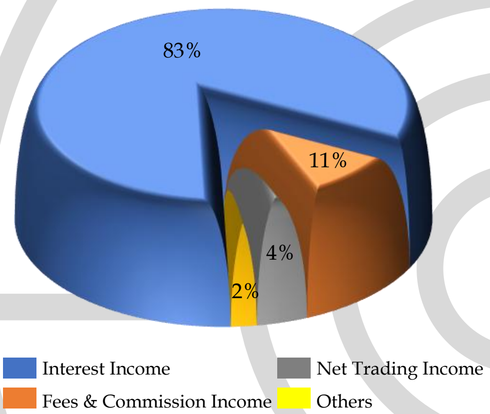
Consequently, Loan to Deposit Ratio declined from 56.25% (Yr. 23) to 50.04% (Yr. 24), below the benchmark of 50% in the period under review. However, the Bank maintained a Statutory Liquidity Ratio of 35% (Yr. 24), higher than 32% recorded in the year 2023. This is above the CBN's minimum Liquidity Ratio of 30%.

PROFITABILITY

In the year 2024, Gross Earnings maintained an upward trajectory, reaching ₦294.9b. Revenue was recorded from both Interest and Non-Interest sources in the year.

Interest Income including interest on Cash and Cash Equivalents, Loans and Investment Securities strengthened by 60% from ₦148.4b (Yr. 23) to ₦236.7b (Yr. 24). These accounted for the bulk of the Revenue at 80%.

COMPOSITION OF REVENUE



Source: Sterling Bank Audited Accounts

Interest Expense also spiked to ₦114.1b (Yr. 24), largely on account of the growth in the Bank's Customer Deposits, Borrowed Funds and Debt Securities issued. Net Interest Income amounted to approximately ₦122.6b (Yr. 24), 53% higher than the prior year. Subsequently, Net Interest Margin recorded a moderate decline to 52% (Yr. 24), from 54% in 2023, reflecting a higher growth in Interest Expenses compared to Interest Income.

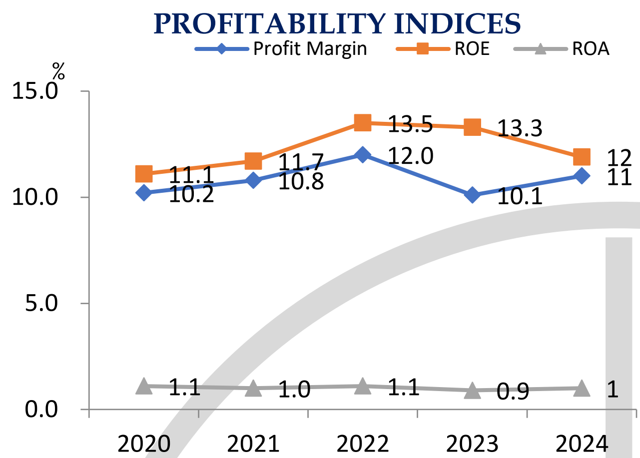
The Bank also recorded Non-Interest Income comprising Facility Management Fees, Account Maintenance Fees, Commissions, Advisory Fees and Facility Agent Fee. In total, Net Fees and Commission increased from ₦24.6b (Yr. 23) to ₦32.3b (Yr. 24) and contributed 11% of the Total Earnings in the year under review.

Trading Income was earned from trading in Bonds, Treasury Bills, as well as Foreign Exchange (Spot and Forward Contracts, other Currency Derivatives). The Bank recorded a total of approximately ₦11.6b (Yr. 24) as against ₦19.1b recorded in the year 2023.

Other Operating Income recorded in the year included Rental Income, Sundry Income, Dividend, Cash recoveries on previously written off accounts and Gains on disposal of PPE. This stood at ₦4.1b in 2024, lower than ₦8.7b recorded in the prior year.

The Bank recorded charges against its Financial Instruments (Loans and Advances to Customers, Debt Instruments, Financial Guarantees, and Letters of Credit). This

Credit Loss Expenses amounted to approximately ₦10.8b in the year under review, lower than ₦12.2b recorded in the prior year period.



Source: Sterling Bank Audited Accounts

Total Operating Expenses stood at ₦129b (Yr. 24), representing a 16% increase from the prior year. Major cost items included Personnel Cost, Depreciation, Amortization, Administrative Expenses and AMCON Surcharge, amongst others.

Pre-Tax Profit recorded a significant increase of 48%, moving from ₦21.2b (Yr. 23) to ₦31.3b (Yr. 24). However, Net Profit Margin slightly increased from 10% (Yr. 23) to 11% (Yr. 24).

As at 30th September 2025, Gross Revenue amounted to approximately ₦295b, 41% higher than the corresponding prior period, while Profit Before Tax for the same period was ₦59.2b, translating to a Net Profit Margin of 20%.

CORPORATE GOVERNANCE & RISK MANAGEMENT

The Bank continues to manage its operations through a structured committee framework, which includes the ***Credit, Finance & General-Purpose, Risk Management, Statutory Audit,*** as well as ***Governance, Nomination & Remuneration Committees.***

The activities of these Committees are outlined in detail in the Annual Report. In addition, the Bank has implemented a Risk Governance Framework aligned with the three Lines of Defense Model, clearly defining roles for business owners, standard setters, and assurance providers to strengthen oversight and risk management.

RISK FACTORS

In the course of our review of the Bank's documents, we considered the following risk factors:

- **REGULATORY RISK**

This is the risk that a Bank may cease to operate due to its inability to meet regulatory requirements of its primary regulator ***(Central Bank of Nigeria).***

The major requirement for the Bank is to maintain a ***Capital Adequacy Ratio (CAR)*** of 10% and a minimum Capital of ₦200billion. Based on our review, the Bank maintained a ***CAR*** of 15% and Shareholders' Fund of ₦265b as at December, 2024. It grew its Shareholders' Fund further to record a total of ₦365b as at 30th September, 2025.

- **CREDIT RISK**

This is the risk arising from the inability of counterparties to honor their obligations as and when due.

Based on our review, credit risk arises mainly from customer Loans, Advances, and other Short-term Placements. The NPL ratio of the Bank at 5.44% is marginally above the benchmark of 5% required by the CBN.

- **LIQUIDITY RISK**

This is the risk arising from the inability to meet obligations as they fall due.

Based on our review, the Bank maintained a Loan-to-Deposit Ratio (LDR) of 44% and a Liquidity Ratio of 35% as at December 2024. As at 30th September, 2025, the LDR increased to 45%.

CONCLUSION

The Rating of the ***Bank*** is supported by its Diversified Revenue Base, Experienced Management Team, milestones achieved in the Retail Business Segment and Good Asset Quality.

Consequently, we assigned a Rating of "***A-***".

FINANCES

Financial Position as at

	Dec, 2024 ₦'000	Δ%	Dec, 2023 ₦'000	Δ%	Dec, 2022 ₦'000
ASSETS					
Cash and balances with CBN	803,132	35.53	592,566	37.33	431,488
Due from other banks	569,509	142.40	234,948	172.65	86,171
Pledge assets	28,675	154.39	11,272	(51.20)	23,098
Derivative financial assets	-		276		807
Loans and advances to customers	1,062,623	23.17	862,699	16.94	737,735
Investment Securities:	-				
-Financial assets at fair value through profit or loss	27,491	1,201.66	2,112	129.32	921
-Debt instruments at fair value through other comprehensive income	438,838	54.29	284,423	23.32	230,636
-Equity instruments at fair value through other comprehensive income	40,622	39.53	29,114	15.41	25,227
-Debt instruments at amortised cost	46,961	(59.76)	116,693	29.94	89,806
Investment in subsidiary	-	(100.00)	1	-	1
other assets	165,350	(28.98)	232,809	35.42	171,911
Property, plant and Equipment	39,873	73.48	22,984	28.31	17,913
Right-of-use asset	8,669	(4.77)	9,103	9.12	8,342
Investment property	1	-	-	(100.00)	5,584
Intangible assets	3,105	444.74	570	(40.00)	950
Deferred tax asset	13,141	69.41	7,757	10.74	7,005
	3,247,990	34.92	**2,407,327**	31.00	**1,837,595**
Non-current assets held for sale	-		-		3,027
TOTAL ASSETS	**3,247,990**	34.92	**2,407,327**	30.79	**1,840,622**
LIABILITES					
Deposits from bank	28,931	-	-	(100.00)	37,178
Deposits from customers	2,361,995	35.16	1,747,510	31.61	1,327,805
Current income tax liabilites	2,169	64.82	1,316	(16.34)	1,573
Other borrowed funds	185,269	1.20	183,067	37.37	133,270
Debt securities issued	20,453	0.47	20,357	(19.95)	25,431
Other liabilites	383,980	30.42	294,412	83.64	160,324
Provision	490	(31.75)	718	(51.78)	1,489
TOTAL LIABILITIES	**2,983,287**	32.75	**2,247,380**	33.21	**1,687,070**
NET ASSET	**264,703**	65.49	**159,947**	4.16	**153,552**
EQUITY					
Share capital	14,395	-	14,395	-	14,395
Share premium	42,759	-	42,759	-	42,759
Retained earnings	35,884	64.47	21,818	(50.94)	44,476
Other components of equity	171,665	112.00	80,975	55.96	51,922
Attributable to equity holders of the bank	**264,703**	65.49	**159,947**	4.16	**153,552**
PROFIT OR LOSS ACCOUNT FOR THE YEAR ENDED					
Gross earnings	**294,946**	40.88	**209,356**	21.13	**172,832**
Profit before income tax expenses	31,343	47.77	21,210	2.12	20,769
Income tax expenses	(742)	(4.13)	(774)	(46.32)	(1,442)
Profit after income taxation	30,601	49.74	20,436	5.74	19,327

Signed:
Name: **Oladele Adeoye**
Designation: Chief Rating Officer
Date: 23rd January, 2026

For and on behalf of:
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USER GUIDE

DataPro's credit rating is an opinion of an issuer's/issues overall creditworthiness and its capacity to meet its financial commitment.

Our ***short-term*** ratings have a time horizon of less than 12 months in line with industry standards reflecting risk characteristics. The ratings place greater emphasis on the liquidity to meet financial commitment in a timely manner.

The long-term risk indicator is divided into 8 bands ranging from AAA through DD. Each band could be modified by + or –. With + representing slightly less risk than –. Such suffixes are not added to the 'AAA' long –term rating category and to categories below 'CCC'. Or to short-term rating older than A1+.

LONG-TERM RATING

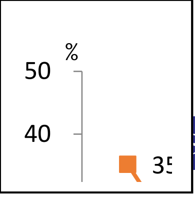
Investment Grade

Indicator	Meaning	Explanation
AAA	Lowest Risk.	*(Superior)* Assigned to banks which have superior financial strength, operating performances and profile when compared to the standards established by *DataPro Limited.* These banks, in our opinion, have a Excellent ability to meet their ongoing obligations.
AA	Lower Risk	*(Excellent)* Assigned to banks which have excellent financial strength, operating performance and profile when compared to the standards established by *DataPro Limited*. These banks, in our opinion, have a very strong ability to meet their ongoing obligations.
A	Low Risk	*(Very Good)* Assigned to banks which have very good financial strength, operating performance and profile when compared to the standards established by *DataPro Limited*. These banks, in our opinion, have a strong ability to meet their ongoing obligation.
BBB	Slight Risk	*(Fair)* Assigned to banks which have fair financial strength, operating performance and profile when compared to the standards established by *DataPro Limited*. These banks, in our opinion, have an ability to meet their current obligations,

but their financial strength is vulnerable to adverse changes in economic conditions.

Non-Investment Grade

Indicator	Meaning	Explanation
BB	Moderate Risk	*(Marginal)* Assigned to banks which have, marginal financial strength, operating performance and profile when compared to the standards established by *DataPro Limited.* These banks, in our opinion have an ability to meet their current obligation, but their financial strength is vulnerable to adverse changes in economic conditions.
B	High Risk	*(Weak)* Assigned to banks which have, weak financial strength, operating performance and profile when compared to the standard established by *DataPro Limited*. These banks, in our opinion have an ability to meet their current obligation, but their financial strength is vulnerable to adverse changes in economic conditions.
CCC	Higher Risk	*(Poor)* Assigned to banks, which have poor financial strength, operating performance and profile when compared to the standards established *DataPro Limited.* These banks, in our opinion may not have an ability to meet their current obligation and their financial strength is extremely vulnerable to adverse changes in economic conditions.
DD	Highest Risk	*(Very Poor)* Assigned to banks, which have very poor financial strength, operating performance and profile when compared to the standards established by *DataPro Limited.* These banks, in our opinion may not have an ability to meet their current obligation and their financial strength is extremely vulnerable to adverse changes in economic conditions.



SHORT-TERM RATING

Indicator	Meaning	Explanation
A1+	Highest credit quality	Indicates the strongest capacity for timely payment of financial commitments. May have an added "+" to denote any exceptionally strong credit feature.
A1	Good credit quality	A satisfactory capacity for timely payment of financial commitments, but the margin of safety is not as great as in the case of the higher ratings.
A2	Fair credit quality	The capacity for timely payment of financial commitments is adequate. However, near term adverse changes could result in reduction to non investment grade.
B	Speculative	Minimal capacity for timely payment of financial commitments, plus vulnerability to near term adverse changes in financial and economic conditions.
C	High default risk	Default is a real possibility. Capacity for meeting financial commitments is solely reliant upon a sustained, favorable business and economic environment. Indicates an entity that has defaulted on all its financial obligations.